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Telefonica's Brasilcel Offer

Portugal Telecom informs that Telefónica released a statement earlier today with regard to the offer for Brasilcel and the recent EGM. In its statement, Telefónica indicates that it "is willing to continue to look for possible solutions to take this operation to a good ending, as long as there is equal availability from Portugal Telecom to this effect, in a way in which both parties feel comfortable".

Portugal Telecom acknowledges this statement from Telefónica. The Chairman, Chief Executive Officer and Chief Financial Officer of Portugal Telecom have been mandated by the Board of Directors since 1 June 2010 to undertake discussions with Telefónica. Portugal Telecom is available to maintain a dialogue with Telefónica aimed at analysing options that optimise the advantages for all parties.

Vivo's continued success confirms Portugal Telecom and Telefónica's ability to work together in Brazil to deliver on results and create shareholder value.

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Public company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215 058

Portugal Telecom is listed on the
Euronext and New York Stock
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accessed on the Reuters under the
symbols PTC.LS and PT and on
Bloomberg under the symbol PTC.PL.

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