

PORTUGAL TELECOM, SGPS, S.A.

Public Company

Registered Office: Avenida Fontes Pereira de Melo, 40, Lisbon

Share Capital: Euro 1,254,285,000

Registered at the Conservatory of the Commercial Registry of Lisbon under no. 3602/940706

Collective Person no. 503215058

CONVOCATION

As required by Law and the Company's Articles of Association, I hereby call the shareholders of Portugal Telecom, SGPS, S.A. to be present at a General Meeting, to be held at the Company's registered office at its Fórum Telecom premises in Avenida Fontes Pereira de Melo, 40, Lisbon, at 15.00 on April 23, 2002 with the following agenda:

AGENDA

1. Resolution on the election and ratification of the co-option of Directors for completion of the 2000/2002 term of office;
2. Resolution on the management report, balance sheets and accounts for 2001;
3. Resolution on the consolidated management report, balance sheets and accounts for 2001;
4. Resolution on the proposal for the appropriation of net income;
5. Resolution on a general appraisal of the company's management and inspection;
6. Resolution on the fixing of the amount of the issue of the bonds and other securities by the Board of Directors, pursuant to the terms of no.3 of article 8 and sub paragraph e) of no.1 of article 15 of the company's articles of association;
7. Resolution on the acquisition and alienation of own shares;
8. Resolution on the acquisition and alienation of company bonds and other securities;
9. Resolution on the alteration of no. 2 of article 19, nos. 1 and 2 of article 20 and sub-paragraph a) of no. 1 of article 26 of the articles of association.

The proposals to be submitted to the general meeting by the Board of Directors, their accompanying reports required by law and other items of preparatory information, in addition to the wording of the proposed statutory alterations, may be consulted by shareholders, at the company's registered office within the lawfully appointed period.

If the meeting is not able to pass a resolution on item nine of the agenda owing to the lack of quorum required by Law, I forthwith call the shareholders to be present at a General Meeting to be held in the same

place at 15.00 on May 8, 2002, for passing a resolution and discussing the referred to item nine on the agenda.

Article 13 of the Articles of Association of Portugal Telecom, SGPS S.A, on participation in and the exercising of voting rights at General Meetings is set out below:

“Article 13

- 1. Only shareholders entitled to voting rights may attend General Meetings.*
- 2. Shareholders intending to be present at a General Meeting must, no later than fifteen days prior to the respective meeting, certify that their shares have been entered in the a book-entry account, in addition to producing the declaration referred to in number twelve, within the same period.*
- 3. Holders of registered shares, when lawfully permitted and when intending to participate in a General Meeting, must have all of their shares registered in their name in the company’s book-entry share account, no later than fifteen days prior to the date scheduled for the meeting, or certify the respective depositing thereof with a financial intermediary, no later than the same date, and which shall be legally acceptable in lieu of such a registration, in addition to producing the declaration referred to in number twelve within the same period.*
- 4. For the purposes of the dispositions of numbers two and three, the shares must remain entered or registered in the shareholder’s name, at least up until the time of the closing of the General Meeting.*
- 5. Each Euro 500 of share capital is entitled to one vote.*
- 6. Shareholders having less than the amount of share capital required to make up the amount referred to in the preceding number may form groups for, in conjunction, arranging to be represented by one of the group’s members in order to make up the number of shares required for exercising their entitlement to vote.*
- 7. Votes cast by ordinary shareholders, either on their own account or by representatives, either in their own name or as the representative of another shareholder, when exceeding ten per cent of the company’s total voting stock, shall not be counted.*
- 8. For the purposes of this article, shares held by persons in the situation referred to in article 20 of the Portuguese Securities Code shall be considered to belong to the shareholder, with the limit on each person covered being proportional to the number of votes cast.*
- 9. The limitation set out in number seven applies to all resolutions, even those which require a qualified majority.*
- 10. In cases of the joint ownership of shares, only the common representative or a representative thereof, may participate in General Meetings.*
- 11. The limits set out in the preceding numbers apply to usufructs and collateral creditors of the shares.*

12. *Shareholders shall produce a declaration to the effect that the situation referred to in number eight does not apply to them.*
13. *Pursuant to ADR (American Depository Receipts) or GDR (Global Depository Receipts) programmes involving the company's shares, holders of ADRs or GDRs shall be considered as shareholders, in accordance with the terms of the following number, and the entity in whose name the shares have been entered as merely the representatives thereof.*
14. *Pursuant to the terms of the preceding number:*
 - (a) *The dispositions of article 385 of the Portuguese Commercial Companies Code applying to the representative, shall apply to the entity in whose name the shares used as the basis for the issue of ADR or GDR programmes have been entered;*
 - (b) *The legally or statutorily established limitation on the counting of votes shall apply to the votes cast on behalf of each holder of ADRs or GDRs, who/which shall be subject to the dispositions of number eight and the dispositions set out in article twelve.*
15. *The limitation on the counting of the votes cast by one entity on behalf of another does not apply to entities in whose name the shares of the company used as a basis for ADR or GDR programmes have been entered.*
16. *For the purpose of participating in and voting at a general meeting, holders of ADRs and GDRs must comply with the terms of this article”.*

Shareholders entitled to voting rights in conformity with the above may, pursuant to the terms of article 22 of the Portuguese Securities Code, vote by correspondence in the form of a statement signed by the shareholders, unequivocally specifying their vote in respect of each of the items on the agenda of the meeting. The company has voting forms for the use of its shareholders at its registered office and they may also be sent by e-mail or obtained from the Company's Internet site (www.telecom.pt).

Voting statements must be accompanied by a legible photocopy of the shareholder's Identity Card and, if the shareholder is a collective body, the voting statement must be signed by the person representing it and the signature notarised in such a capacity.

The voting statements, accompanied by the elements referred to in the above paragraph, must be placed inside an envelope, sealed and addressed to the Chairman of the General Meeting of Portugal Telecom, SGPS, S.A. and delivered by hand to the company's registered office in Avenida Fontes Pereira de Melo 40, Lisbon, or received therein by registered mail no later than April 18, 2002.

Shareholders may also request the content of the proposals available for consultation by shareholders, by sending a registered letter accompanied by the referred to elements, addressed to the Company Secretary and which must be received at the company's registered office no later than April 9, 2002.

Shareholders may arrange to be represented at a General Meeting, in conformity with the contents of article 380 of the Portuguese Commercial Companies Code, with a signed letter addressed to the Chairman of the General Meeting being considered sufficient as an instrument of representation.

The shareholders' letters of representation, referred to in the preceding paragraph, in addition to the letters of those shareholders which are collective persons, announcing the name of their representatives and the instruments of shareholder groupings, must be addressed to the Chairman of the General Meeting, marked as such and sent to Avenida Fontes Pereira de Melo 40, 11º Lisbon for the attention of the Company Secretary no later than 17.00 (seventeen hundred hours) on the antepenultimate working day prior to the date scheduled for the General Meeting.

Lisbon, March 12, 2002

Chairman of General Meeting,

Armando Manuel Marques Guedes