



PORTUGAL TELECOM, SGPS, S.A.

Public Company
Registered Office: Avenida Fontes Pereira de Melo, 40, Lisboa
Share Capital: 30,774,000 Euros
Registered with the Commercial Registry of Lisbon and
Corporation no. 503 215 058

NOTICE

In accordance with the law and the Articles of Association, I hereby call a General Meeting of the Shareholders of Portugal Telecom, SGPS, S.A. at the Company's registered office, located at Avenida Fontes Pereira de Melo, no. 40, in Lisbon, on 28 March 2008, at 2:00 (two) p.m., with the following agenda:

AGENDA

- 1:** To resolve on the management report, balance sheet and accounts for the year 2007;
- 2:** To resolve on the consolidated management report, balance sheet and accounts for the year 2007;
- 3:** To resolve on the proposal for application of profits;
- 4:** To resolve on a general appraisal of the company's management and supervision;
- 5:** To resolve on the ratification of the appointment of new members of the Board of Directors to complete the 2006-2008 term of office;
- 6:** To resolve on the acquisition and disposal of own shares;
- 7:** To resolve on a reduction of the share capital of up to 3,077,400 Euros for the purpose of releasing excess capital in connection with a share buyback programme, through the cancellation of up to 102,580,000 shares representing up to 10% of the share capital to be acquired as a result of the implementation of this resolution, as well as on related reserves, and on the corresponding amendment to paragraphs 1 and 2 of article 4 of the Articles of Association, in order to complete the share buyback programme included in the shareholder remuneration package announced in February 2007 by the Board of Directors during the Public Tender Offer that had been launched over the the Company;
- 8:** To resolve, pursuant to paragraph 4 of article 8 of the Articles of Association, on the parameters applicable in the event of any issuance of bonds convertible into shares that may be resolved upon by the Board of Directors;
- 9:** To resolve on the suppression of the pre-emptive right of shareholders in the subscription of any issuance of convertible bonds as referred to under item 8 hereof as may be resolved upon by the Board of Directors;
- 10:** To resolve on the issuance of bonds and other securities, of whatever nature, by the Board of Directors, and namely on the fixing of the value of such securities in accordance with paragraph 3 of article 8 and subparagraph 1, e) of article 15 of the Articles of Association;

11: To resolve on the acquisition and disposal of own bonds and other own securities;

12: To resolve on the remuneration of the members of the Compensation Committee.

In the event the General Meeting is unable to resolve on any of the matters on de the agenda due to a lack of required share capital representation, I hereby call the shareholders to meet pursuant to a Second Call on 14 April 2008, at 2:00 (two) p.m, at the Company's registry office.

The proposals to be submitted by the Board of Directors to the General Meeting, the reports that must be attached to the same according to the law and all other preparatory information, including, since the date hereof, the full text of the proposed amendments to the Articles of Association, shall be made available to the Shareholders, within the period provided by law, at the Company's headquarters and on the Internet site www.telecom.pt.

Article 13 of the Articles of Association of Portugal Telecom, SGPS, S.A., on the participation in and exercise of voting rights at a General Meeting of Shareholders, is set forth below.

*"Article 13
Participation and Voting Rights*

1. Only shareholders with voting rights shall be entitled to attend a General Meeting of Shareholders.

2. Shareholders intending to participate in a General Meeting of Shareholders must provide evidence, no later than five working days prior to the relevant meeting, of the deposit of their shares in a book-entry securities account.

3. Holders of shares with certificates, where legally permitted, who intend to participate in a General Meeting of Shareholders must either have their shares registered in their name on the Company's share registry, no later than five working days prior to the date scheduled for the meeting, or provide evidence, by the same date, of the deposit thereof with a financial intermediary that legally replaces such register.

4. For the purposes of the provisions of paragraphs two and three above, the shares must remain inscribed or registered in the name of the Shareholder at least until the time of adjournment of the General Meeting of Shareholders.

5. To each 500 shares shall correspond one vote, and Shareholders having less than such number of shares may form a group so that, jointly and arranging to be represented by one of the group's members, they make up the number of shares required to exercise voting rights.

6. The exercise of voting rights by correspondence or electronic means may cover all matters included in the notice, under the terms and conditions therein established.

7. The terms and conditions for the exercise of vote by correspondence or by electronic means shall be established by the Chairman of the General Meeting in the respective call, so as to ensure its authenticity, regularity, safety, trustfulness and confidentiality until the voting takes place. In either case, the Chairman of the General Meeting shall receive a communication made by the relevant shareholder, together with simple signature accompanied with a photocopy of the shareholder's identity card or, in the case of corporations, together with a legally acknowledged signature. In order to ensure

confidentiality, these documents shall be addressed to the Chairman of the General Meeting in a closed envelope which shall only be opened at the counting of the votes.

8. The votes cast by correspondence or by electronic means shall be considered as votes against the resolution proposals presented after such votes are cast.

9. The attendance to the General Meeting of a shareholders who has exercised his/her voting rights by correspondence or by electronic means, or the attendance of his/her representative, shall cause the revocation of the vote cast by those means.

10. Votes cast by a holder of ordinary shares, on his own account or through a representative, in his 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.

11. For the purposes of this article, shares shall be deemed to belong to the Shareholder if held by persons in the situations contemplated by article 20 of the Portuguese Securities Code, and the limit for each person covered shall be proportional to the number of votes cast by such person.

12. The limit set out in paragraph ten above shall apply to all resolutions, including those requiring a qualified majority.

13. In the case of joint ownership of shares, only the common representative, or a representative of the latter, may participate in a General Meeting of Shareholders.

14. The limitations set forth in the foregoing paragraphs shall apply to any usufructuaries and pledgees of shares.

15. In the context of ADR (American Depositary Receipt) or GDR (global Depositary Receipt) representing shares of the Company, owners of ADRs or GDRs shall be deemed to be shareholders, in accordance with the following paragraph, and the entity in whose name the underlying shares are registered shall be deemed to be a mere representative.

16. By virtue of the foregoing paragraph:

a) The provisions of article three hundred eighty-five of the Portuguese Companies Code shall apply to the entity in whose name the shares serving as a basis for the issue of ADR or GDR programmes are inscribed as a representative;

b) The limitation on the counting of votes as established under the law or the Articles of Association shall refer to votes cast on behalf of each ADR or GDR owner, as to whom the provisions of paragraph eight shall be considered, and each such owner shall be subject to the provisions of article twelve.

17. The limitation on the counting of votes cast by an entity on behalf of another shall not apply to entities in whose name shares of the Company serving as a basis for the ADR or GDR programme are registered.

18. For the purposes of participation in and exercise of voting rights at a General Meeting of Shareholders, the owners of ADRs or GDRs must comply with the provisions of this article."

Representation of Shareholders

Shareholders may arrange to be represented at a General Meeting pursuant to the provisions of article 380 of the Portuguese Companies Code, and as an instrument of representation a signed letter addressed to the Chairman of the General Meeting of Shareholders will be sufficient.

The letters of representation of shareholders as referred to in the foregoing paragraph, as well as the letters of shareholders who are corporations conveying the name of the person who will represent them and the instruments of shareholder groupings, shall be addressed to the Chairman of the General Meeting of Shareholder (*) no later than 5:00 p.m. on 25 March 2008.

Declaration of the financial intermediary

Shareholders, if they wish, may delegate to the Company the request for issuance of the declaration of the financial intermediary entrusted with the registration of their shares, and for such purpose they shall grant the required powers by means of a document addressed to the Chairman of the General Meeting of Shareholders (*), to be received no later than 5:00 p.m. on 6 March 2008.

Shareholders may access the form that will be available for such purpose, beginning 9:00 a.m. on 29 February 2008, on the Internet site www.telecom.pt.

Voting by correspondence

Shareholders with voting rights as referred to above may, in accordance with article 22 of the Portuguese Securities Code, exercise such rights by correspondence, provided that, no later than 5:00 p.m. on 6 March 2008, the Chairman of the General Meeting of Shareholders (*) receives a communication, with a legally acknowledged signature (or, in the case of individuals, with a simple signature accompanied by a photocopy of the relevant identity card), which communication shall set out the address to which voting papers and other documentation should be sent. In reply, the Company will send out the relevant voting papers and other documentation, and such shareholder must send to the Chairman of the General Meeting of Shareholders (*), such that the Chairman receives it no later than 5:00 p.m. on 25 March 2008, a closed envelope containing the duly completed voting papers.

As an alternative, shareholders may also download the voting papers from the Internet site www.telecom.pt and send the same, addressed to the Chairman of the General Meeting of Shareholders (*), duly completed and in a closed envelope, such that they are received, together with an envelope containing the photocopy of the identity card (or, in the case of shareholders who are corporations, a legally acknowledged signature), no later than 5:00 p.m. on 25 March 2008.

Only the votes of shareholders as to whom the declaration of the financial intermediary entrusted with the registration of the relevant shares has been received no later than 5:00 p.m. on 20 March 2008 will be considered.

Voting by electronic means

Shareholders with voting rights may also vote through the Internet site www.telecom.pt, in accordance with the requirements established thereon, provided that, no later than 5:00 p.m. on 6 March 2008, the Chairman of the General Meeting of Shareholders (*) receives a communication, prepared in accordance with the form made available on that same Internet site, which communication must contain a legally acknowledged signature (or, in the case of individuals, a simple signature accompanied by a photocopy of the relevant identity card), and set out the mailing address to which the shareholder wishes that the password to be made available by the Company to be sent.

Such shareholders may exercise their voting rights between midnight (0 hours) on 12 March 2008 and 5:00 p.m. on 25 March 2008.

Only the votes of shareholders as to whom the declaration of the financial intermediary entrusted with the registration of the relevant shares has been received no later than 5:00 p.m. on 20 March 2008 will be considered.

Counting of votes

Votes exercised both by correspondence and by electronic means shall be considered at the time of the counting of votes, by adding the same to those cast in the course of the General Meeting of Shareholders.

(*) Chairman of the General Meeting of Shareholders:
Mailing Address: Avenida Fontes Pereira de Melo, nº 40-10º piso, 1069-300 Lisboa
Telephone: + 351 800 207 369
Fax: + 351 21 500 18 90
E-mail: assembleia-ptsgps@telecom.pt

Lisbon, 13 February 2008.

The Chairman of the General Meeting of Shareholders

António Manuel da Rocha e Menezes Cordeiro