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Approval of corporate restructuring of Vivo

Portugal Telecom, SGPS S.A. hereby informs, following the information disclosed to the market on 23 March 2009, that Vivo Participações S.A. ("Vivo"), Telemig Celular Participações S.A. ("TCP") and Telemig Celular S.A. ("TC") announced the approval, by their respective Boards of Directors, of the terms and conditions for the corporate restructuring that is intended to incorporate the shares of TC in TCP and the shares of TCP in Vivo, thus converting TC into a fully owned subsidiary of TCP and TCP into a fully owned subsidiary of Vivo.

Subject to shareholder approval of the incorporation of TC shares by TCP, the share capital of TCP will be increased in the amount of R\$461,368,861.48, to R\$1,084,719,438.71, as a result of the issuance of 17.40 preferred or ordinary shares of TCP for each preferred or ordinary share, respectively, of TC. Additionally, subject to shareholder approval of the incorporation of TCP shares by Vivo, the share capital of Vivo will be increased in the amount of R\$1,879,727,592.70, to R\$8,780,150,322.86, as a result of the issuance of 1.37 preferred or ordinary shares of Vivo for each preferred or ordinary share, respectively, of TCP.

This corporate restructuring aims to simplify the current organisational structure of Vivo and its subsidiaries, reducing the number of companies listed in the Bolsa Valores de São Paulo ("BOVESPA") and in the New York Stock Exchange ("NYSE"), thus reducing the costs associated with their market listing. This restructuring should also translate into a higher liquidity of the shares of Vivo, the company that will remain listed, thus benefiting all shareholders of TCP, TC and Vivo, and in a higher integration and rationalisation of the management of the respective companies.

For further information refer to the public announcements made by Vivo, TCP and TC at <http://www.vivo.com.br/ri>.

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and Corporation no. 503 215 058

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

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