



Portugal Telecom, SGPS, S.A.

Public Company
Registered Office: Avenida Fontes Pereira de Melo, 40, Lisbon
Share Capital: Euro 395,099,775
Registered in the Lisbon Commercial Registry and Corporate Number 503 215 058

Dividend Payment for 2006

In accordance with Portuguese legislation and pursuant to the resolution of the Shareholders' Meeting held on 27 April 2007, Shareholders are hereby informed that the following amounts concerning the application of 2006 earnings will be paid on 18 May 2007, as set out below:

Gross Amount	Euro 0.475
Withholding Tax (IRS/IRC) (20%)	Euro 0.095
Net Amount	Euro 0.380

Payment will be made through the Securities Clearing House pursuant to the terms of article 53 of the Regulation no. 3/2000 and Circular no. 1/2000 of Interbolsa.

The ex-right date is 15 May 2007 and the record date is 17 May 2007.

Lisbon, 2 May 2007