Results Presentation

Full Year 2009

4 March 2010

Important notice

This release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not statements of historical fact, and reflect goals of the company's management. The words "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "predicts," "projects" and "targets" and similar words are intended to identify these forward-looking statements, which necessarily involve known and unknown risks and uncertainties. Accordingly, the results of operations of the company to be achieved may be different from the company's current goals and the reader should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date they are made, and the company does not undertake any obligation to update them in light of new information or future developments.

FY09 Highlights

Operational Review

Financial Review

Fourth quarter highlights

Wireline	• Sustained improvement in key operational and financial performance indicators • ARPU is up as a result of market share gains in pay-TV and broadband • Steady inflection of revenues is underpinned by another strong quarter of growth of retail revenues • Gross profit is up by 0.4% y.o.y as a result of higher efficiency notwithstanding lack of scale in pay-TV • EBITDA performance still reflects intense commercial activity in 3 Play offers
Domestic Mobile	• Customer mix is improving supported by wireless data growth • Sustained leadership in smartphones and other data-enabled phones is driving wireless data growth • Revenue growth impacted by lower equipment sales, MTRs and roaming, due to economic conditions • Significant EBITDA margin expansion on the back of strict cost control • Strong cash-flow generation led by improved profitability and operational discipline
Vivo	• Improved leadership position in Brazil with market share gains in the quarter • Revenue growth driven by customer growth and data services • Healthy EBITDA growth against a backdrop of strong customer growth and intense commercial activity • Marked cash-flow and net income growth, which supports full pay-out of net income as dividends
Consolidated	• Diversified geographical exposure reduces operational and financial execution risks • Integrated management model is sustaining best in class operational performance • Strong liquidity position with net debt exceeding 6 years of maturity • Improved unfunded pension position as a result of 15% return on assets under management and no major curtailment in the year • Growth in net income and EPS supports distribution of 57.5 euro cents of dividends to shareholders

Robust set of financials and attractive shareholder remuneration

Financial highlights

Euro million

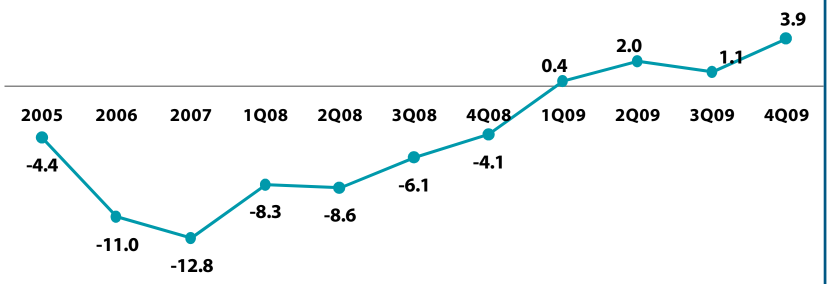
	4Q09	Δ% y.o.y	FY09	Δ% y.o.y	Pro-forma (*) growth
Operating revenues	1,812	+6.7%	6,785	+0.9%	+2.3%
Contribution from international assets (Pct)	53.7	+4.9pp	51.5	+1.8pp	
EBITDA	648	+5.6%	2,502	+0.9%	+2.0%
EBITDA margin (Pct)	35.8	-0.4pp	36.9	+0.0pp	
Net income	312	+118.8%	684	+18.7%	
EPS (Euro)			0.78	+22.9%	
Capex	455	-17.4%	1,268	+2.1%	
Net debt			5,528	-0.8%	
After-tax unfunded pension liability			1,079	-18.9%	
Dividend per share (Euro)			0.575		

* Adjusting for the effects of the consolidation of Telemig, lower MTRs and using constant exchange rate

Resilient financial performance across all business units paving the way for future profitable growth

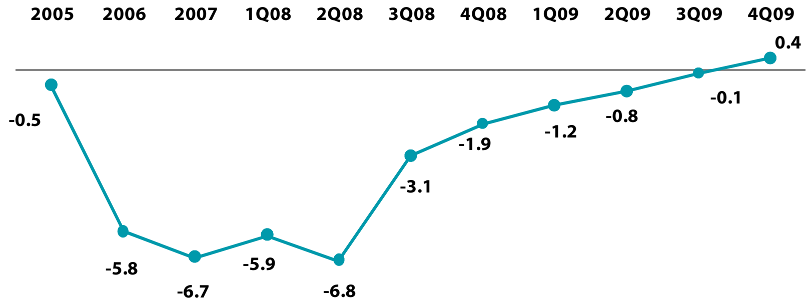
Wireline – retail revenues

Pct, y.o.y



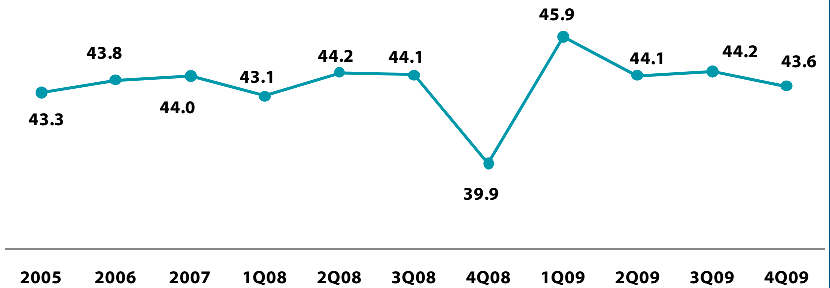
Wireline – gross profit

Pct, y.o.y



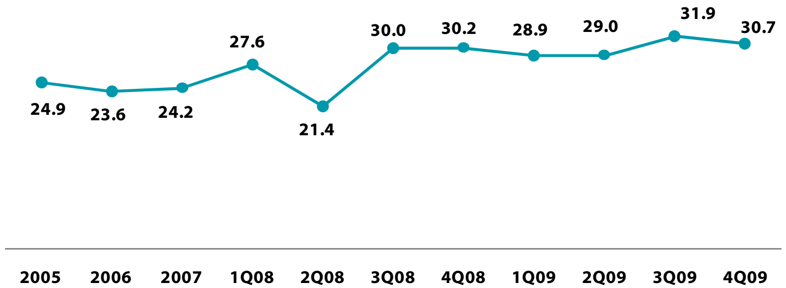
TMN – EBITDA margin

Pct



Vivo – EBITDA margin

Pct, (100%, R$, IFRS)



Solid customer growth in the domestic and international markets

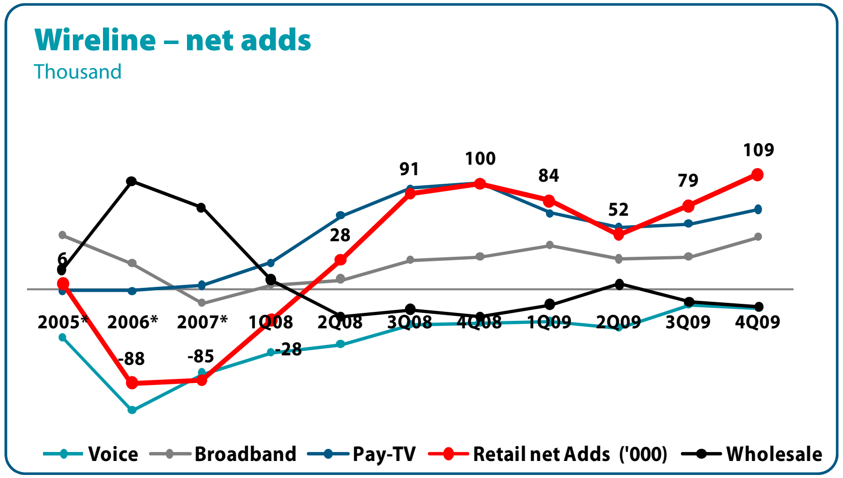
Operational highlights

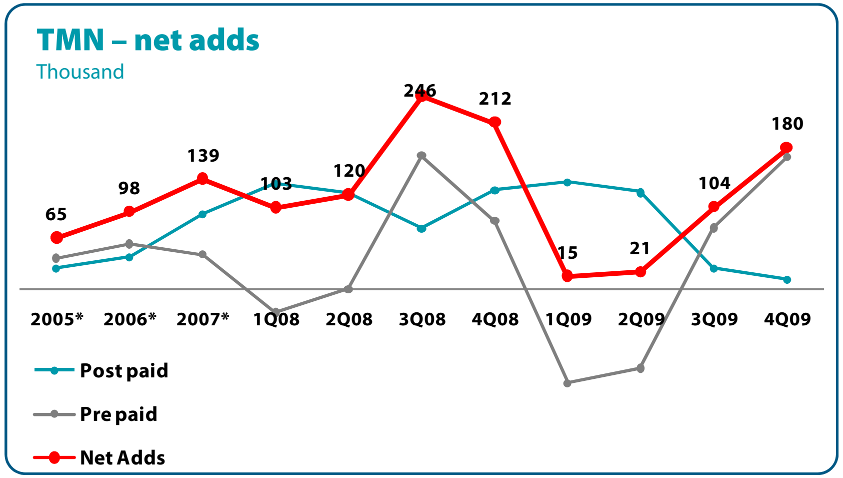
Thousand customers

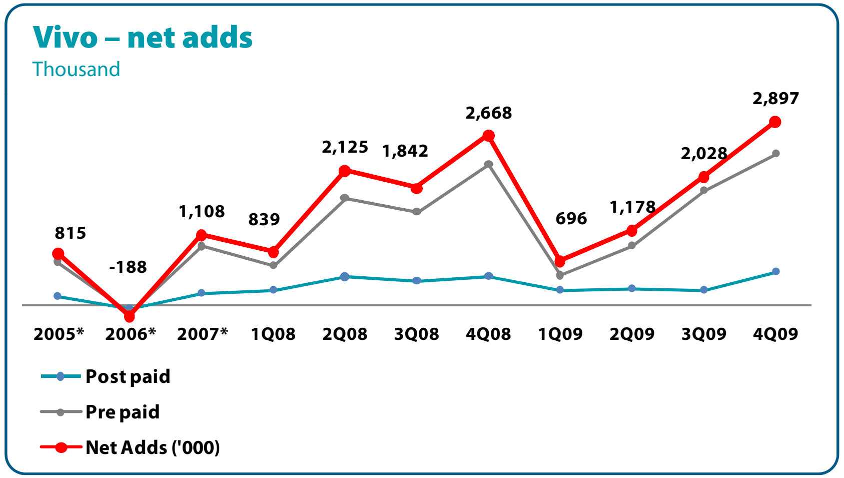
	FY09	Δ% y.o.y	2009 net adds	4Q09 net adds
Total customers *	71,902	+14.7%	+9,237	+3,867
Wireline retail accesses (RGUs)	4,189	+8.4%	+325	+109
Retail ADSL customers	862	+21.5%	+152	+50
Pay-TV customers	581	+86.2%	+235	+76
TMN customers	7,252	+4.6%	+297	+180
Data as a pct of service revenues (Pct)	23.1	+2.6pp		
Vivo customers	51,744	+15.1%	+6,799	+2,897
Data as a pct of service revenues (Pct)	13.6	+3.4pp		
Customers of other international assets * (million)	8.7	+25.9%	+1,793	+681

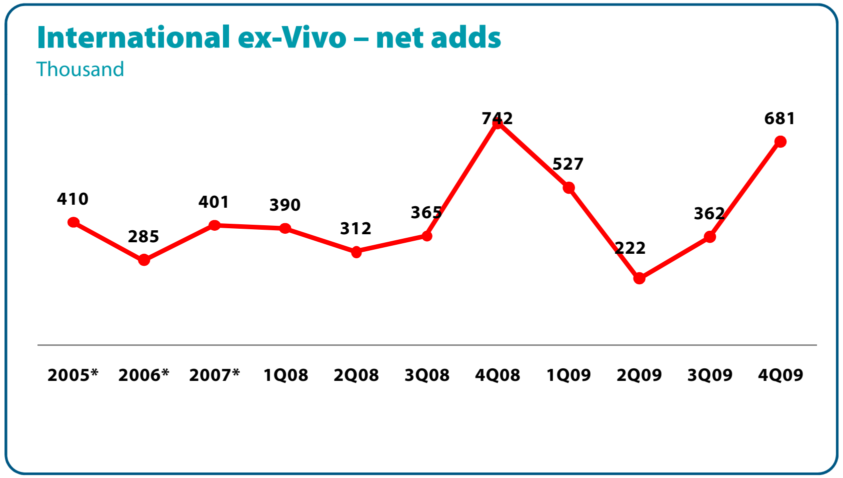
* Excluding Médi Télécom

Intensifying commercial activity leading to sequential improvement of net addition of wireline retail and wireless customers









* Quarterly average

FY09 Highlights

Operational Review

Financial Review

PT is focused on three geographies and delevering best in class operational execution

Portugal
Leadership in all segments

- Residential
- SMEs
- Corporate
- Personal
- Wholesale

International
Growth and profitability

- Brazil
- Africa

Innovation

- Diverse portfolio of R&D investments
- Strategic partnerships
- Human resources

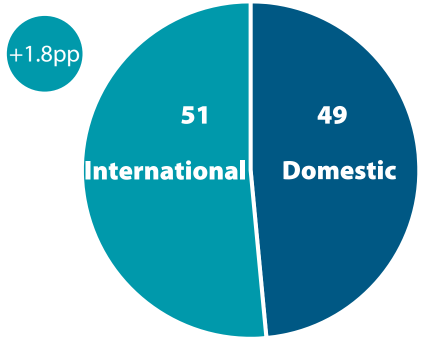
Execution

- Integrated management model
- Operational optimisation
- Profitability and cash flow generation

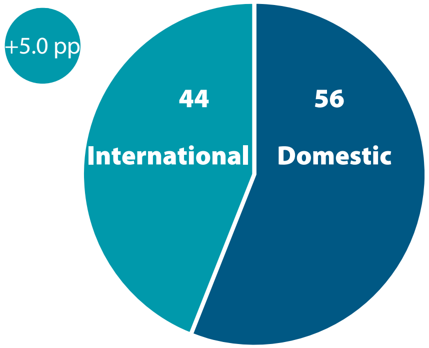
Well diversified exposure leading to balanced contribution from businesses in Portugal and international markets

Customers - 72 Million
Pct, y.o.y

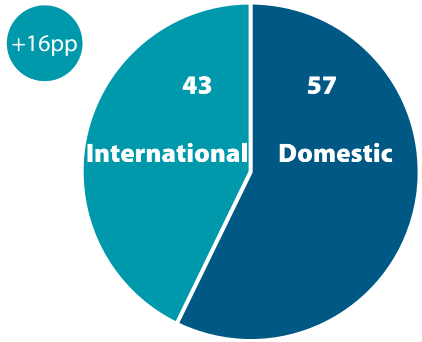
Revenues - Eur 6,785 mn
Pct, y.o.y



EBITDA – Eur 2,502 mn
Pct, y.o.y



Net income contribution*
Pct, y.o.y

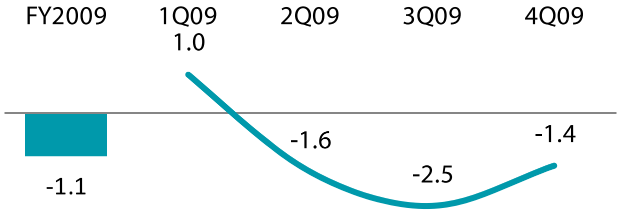


* Excludes Meditel sale, which stake was sold on 1 September 2009

Solid domestic performance

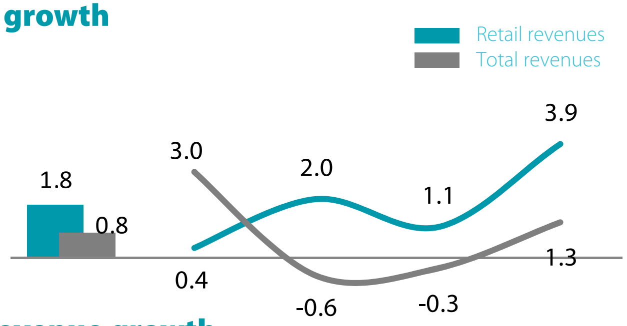
Service revenue growth
Pct, yoy

PT Portugal



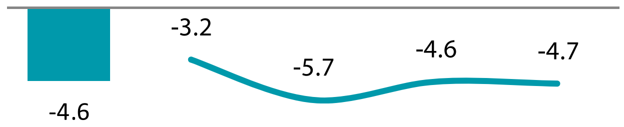
Revenue growth
Pct, yoy

Wireline



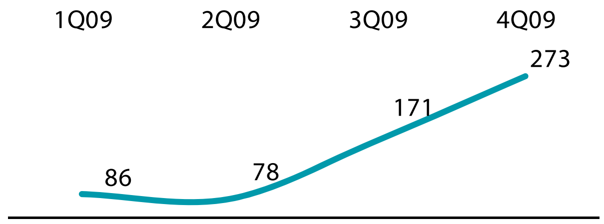
Service revenue growth
Pct, yoy

Wireless



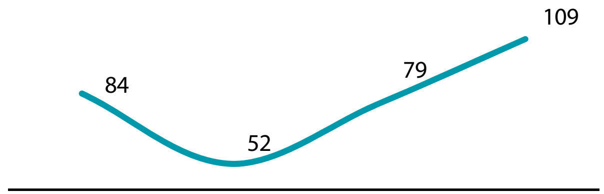
Mobile customers + wireline main accesses
Net adds, thousand

PT Portugal



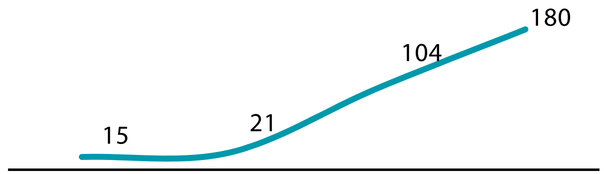
Retail RGUs
Net adds, thousand

Wireline



Total customers
Net adds, thousand

Wireless



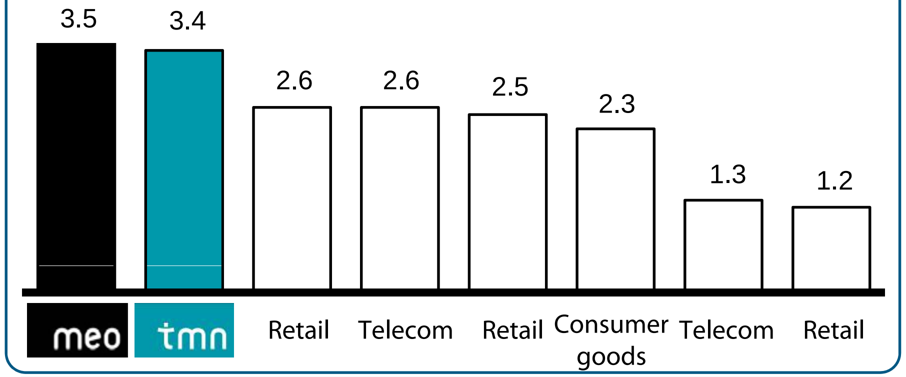
Domestic revenue growth benefiting from improving wireline and stable mobile growth trends

Sustained sequential improvement in net adds despite economic conditions

Creativity and innovation, customer satisfaction and quality of service is driving brand notoriety

Brand Awareness

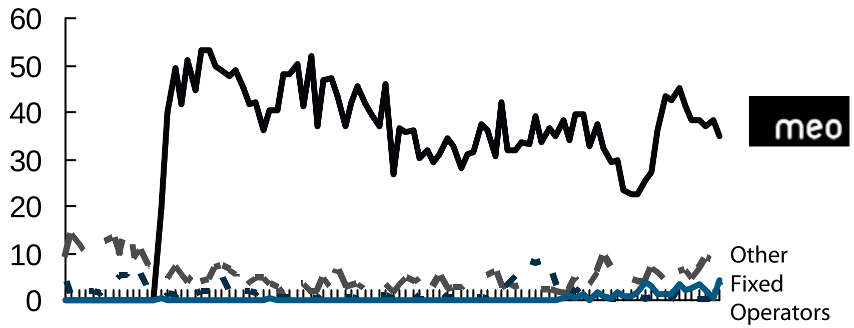
AverageYTD (Nov 2009)



Leadership in generic brand recall

TV operators recall

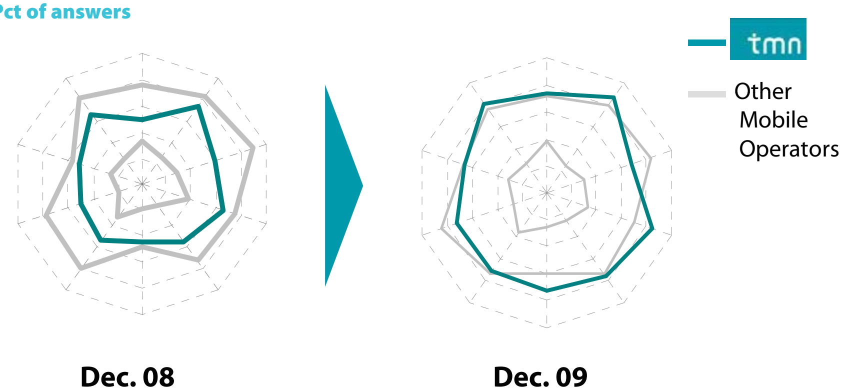
Pct, 2009



Meo has the leadership on TV brands recall

Preferred operator in each of the attributes

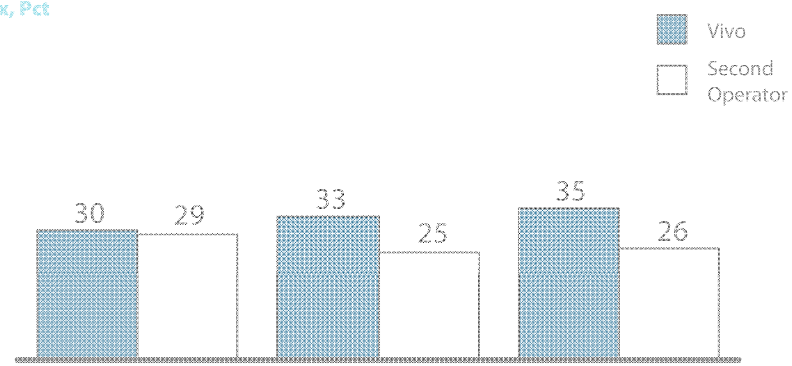
Pct of answers



Leadership in Mobile brand attributes

Most reliable brands in Brazil

Index, Pct



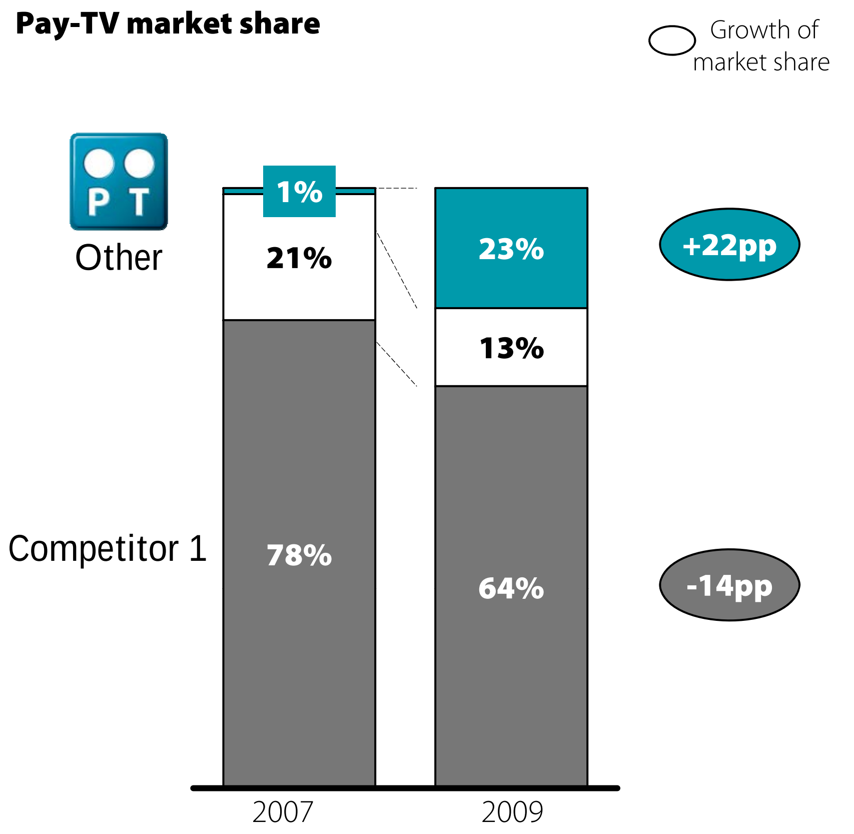
Vivo is the most reliable brand in Brazil *

*2008

Source: Marktest, Publivaqa, Vivo

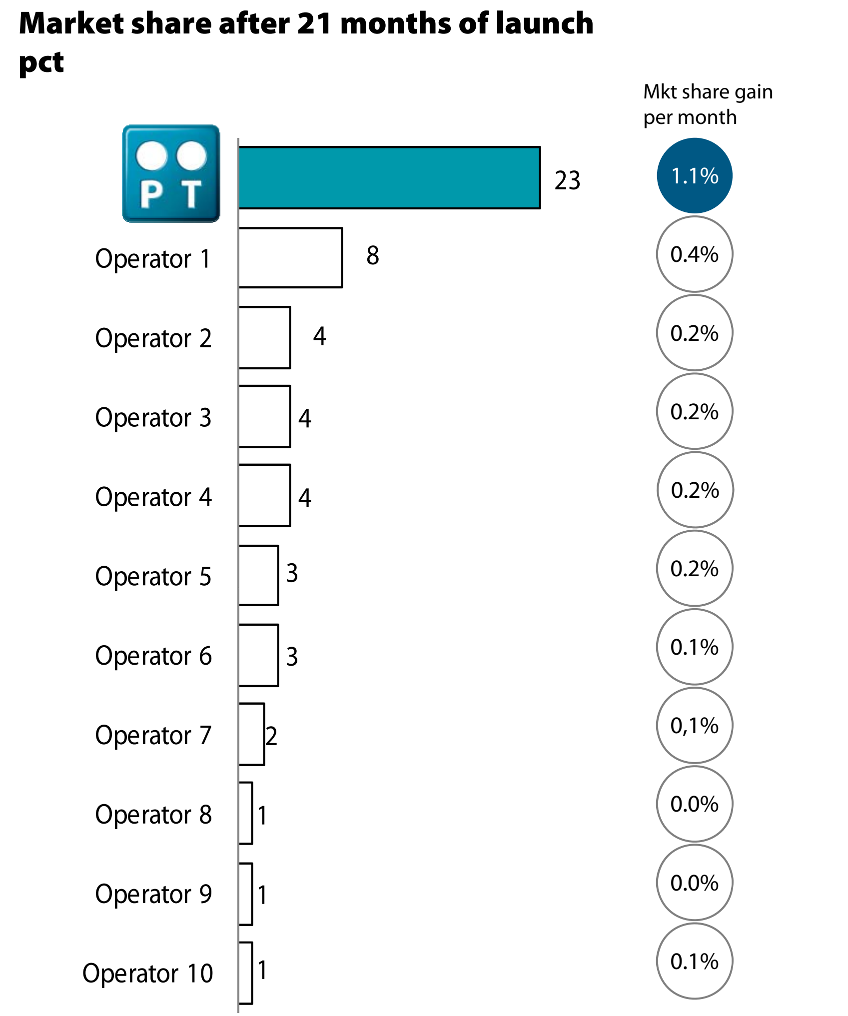
Meo continues to enjoy strong growth momentum and market share gains

Strong growth in pay-TV market share...



Source: Anacom

...unrivalled across Europe



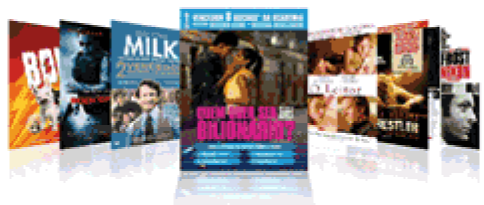
Meo 3P offer includes HD and SD content and innovative features and provides best customer experience in the market

Content

More than 120 channels

Exclusive sports content

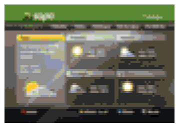
VoD



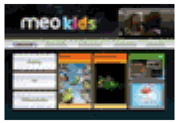
- More than **2,000 movies** in catalogue
- Movies, series, concerts, documentaries and children content
- Availability **anyplace anytime**

VoD with >50% penetration in current client base

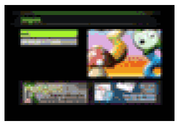
Meo Sapo: useful information (newspapers, stock market, weather)



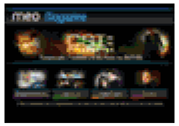
Meo Kids: educational content for all children



Meo Games: 25 games available (board games, arcade, etc)



Meo Magazine: Programming guide DVR, programming, etc



Interactivity

DVR Recording: remote recording through the PC or mobile

Catch-up TV: access to TV content already broadcasted

Meo Account: personalised account and services information

Meo Photos: TV access to photos from Sapo portal

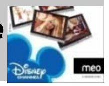
Personalisation

Meo is driving the innovation and growth of the pay-TV market

2007 | 2008 | 2009 | 2010

June 2007
Launch of Box and advanced TV services

June 2008
Inclusion of Disney Channel in the standard package



August 2008
Launch of european clubs' channels and Benfica TV

September 2009
Remote recording with the mobile or PC

February2010
3D TV

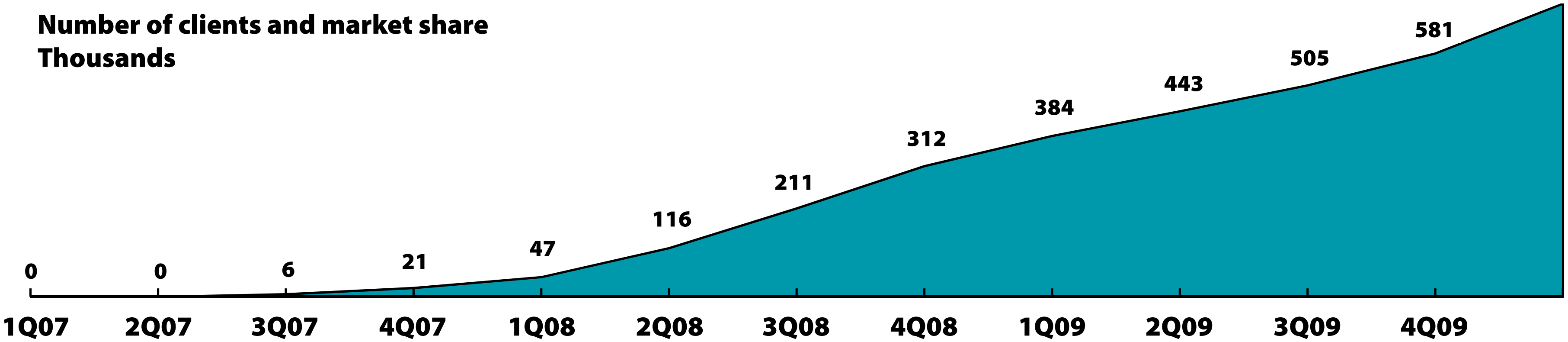
June 2007
Launch of Video-on-Demand (VoD)

July 2008
Euro 2008 HD Broadcasting

April 2009
Launch of kids contents

February 2010
Launch Meo @ PC*

Number of clients and market share
Thousands



Market Share 1% 14% 23%

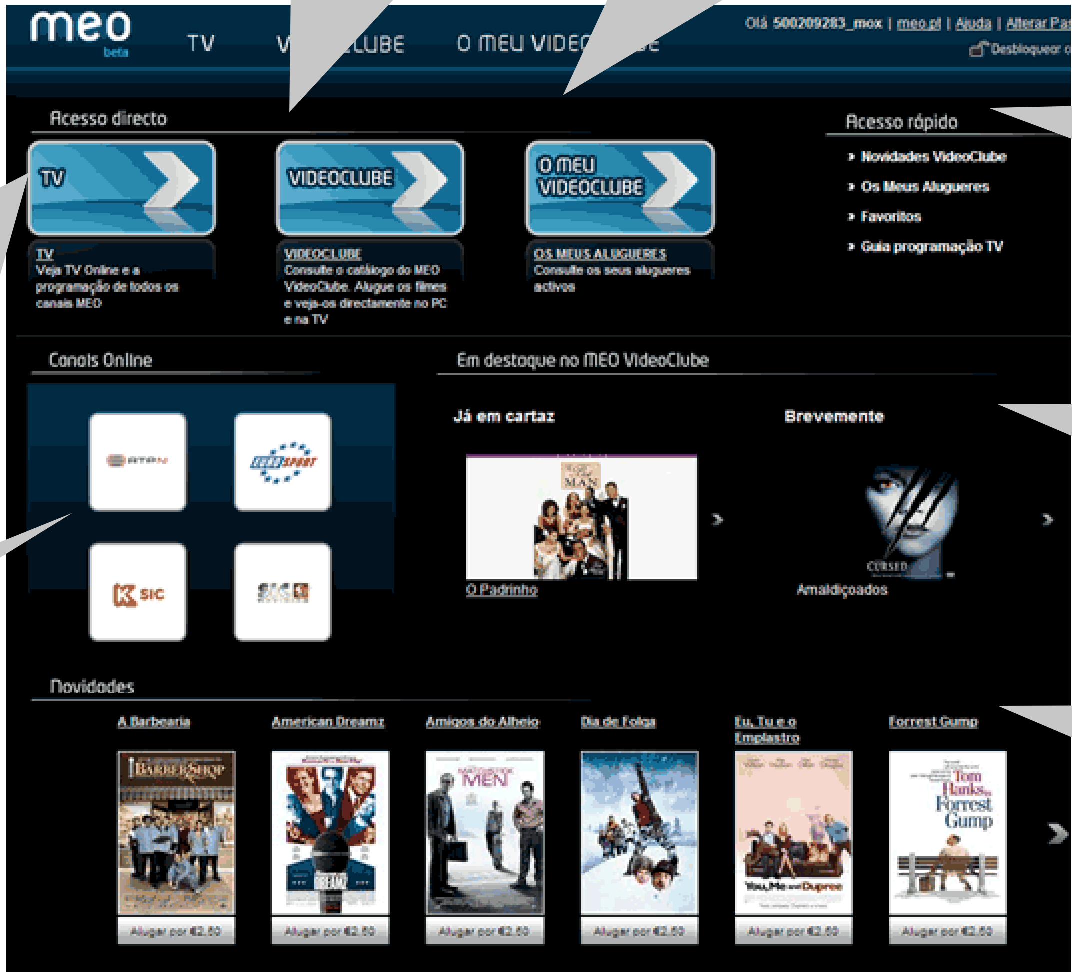
*Pilot

Meo TV offer now available on PC

2. Videoclub
- Videoclub catalogue
- Trailer
- Films rental
- Films search

3. My Videoclub
- Recommendations
- Current rentals
- Rental history
- Favourites

1. TV
- Channel list
- Programming grid
- Visualisation of online channels
- Channel/programmes search



Shortcuts for quick access to main functions

Videoclub highlights

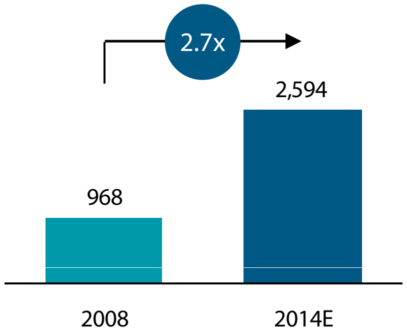
VideoClub new launches

Shortcut for viewing online channels (with possibility of rewinding programmes)

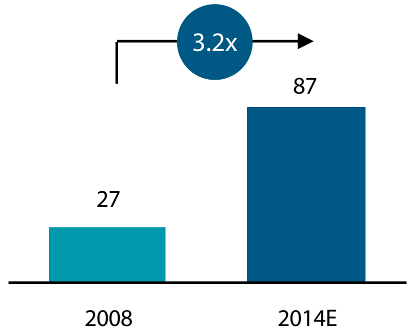
Available on trial

Meo VoD is the best offer in the market and has seen significant growth both in usage and revenues

VoD growth potential in Western Europe*
USD million

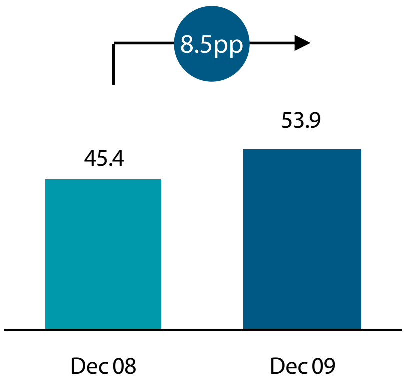


VoD growth potential in Portugal
USD million

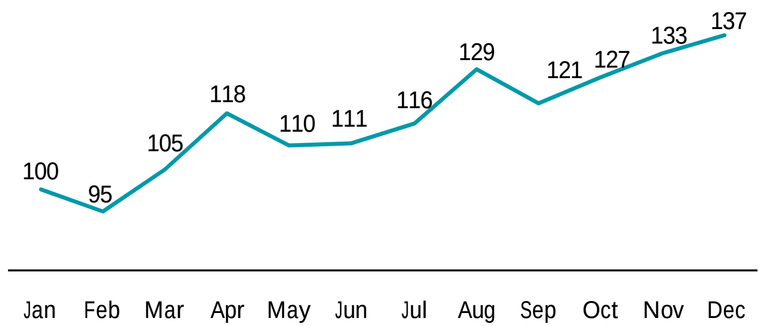


Significant growth potential for VoD services in Europe as well as in Portugal

Meo's VoD growth
Pct



VoD revenues
Base 100; 2009



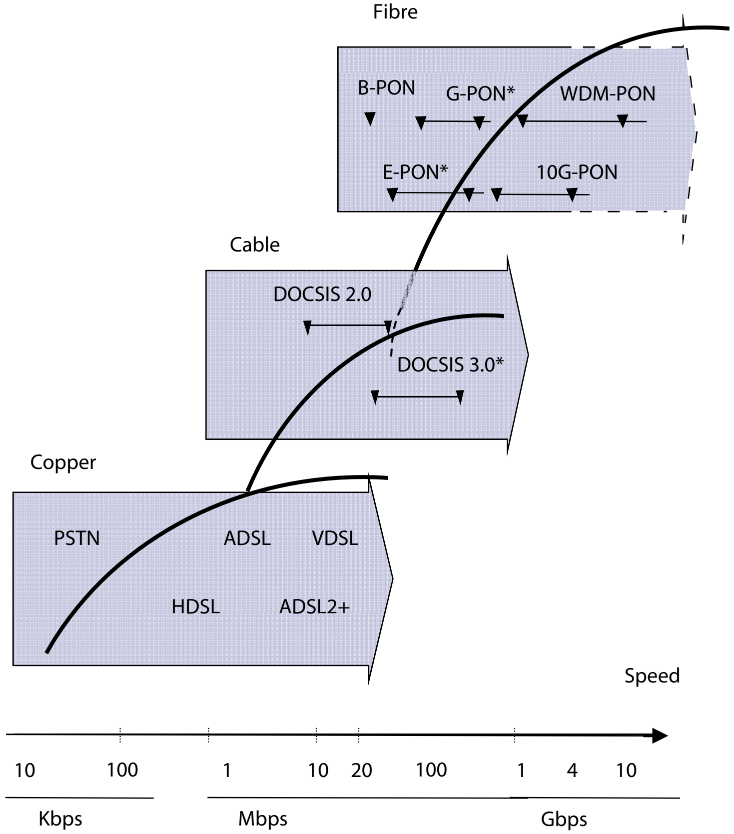
Higher VoD penetration in Meo's customer base…

… is driving revenues

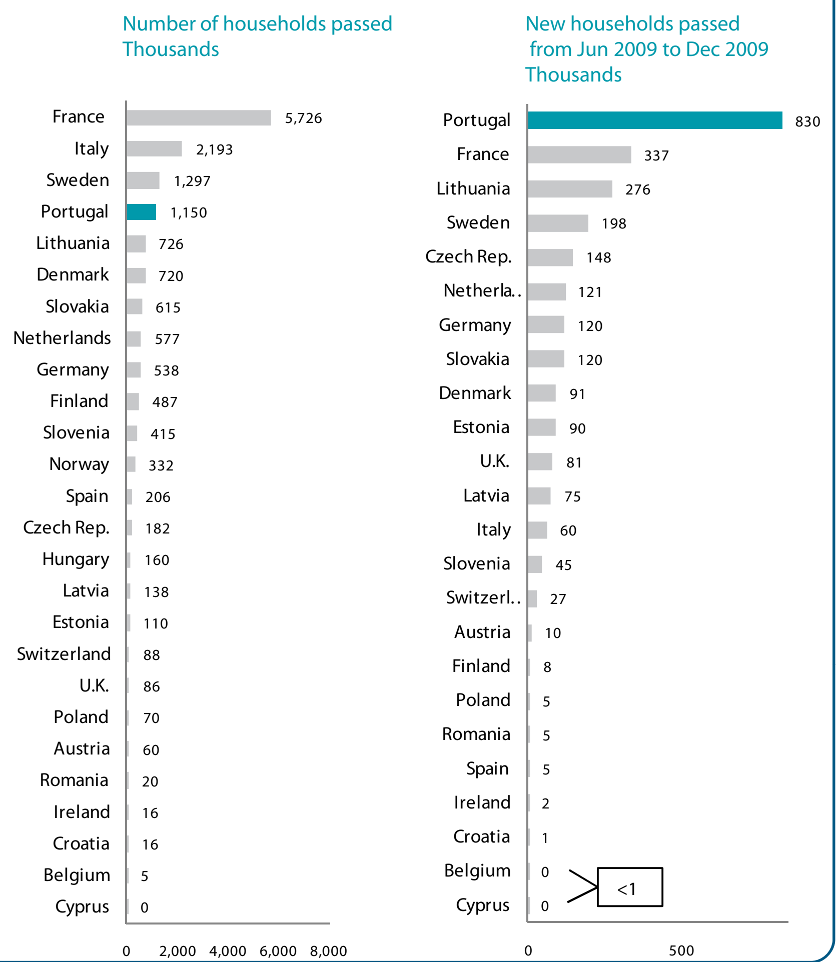
*EU15 excluding Luxembourg due to the lack of data
Source: 2009 informa UK

FTTH is a future proof technology

Access technologies roadmap



Ranking of countries with higher FTTH/B



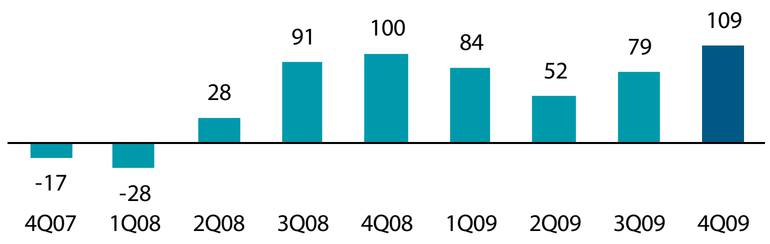
Wireline capex directed to build 965 thousand FTTH homes *

* Under construction and available

Source: Rankings based on FTTH council and Eurostat data

Pay-TV and broadband market share gains leading to significant reduction in fixed line disconnections

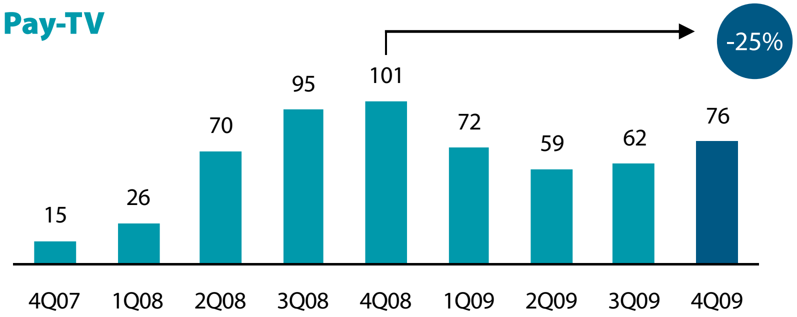
Retail RGUs net adds*
Thousand



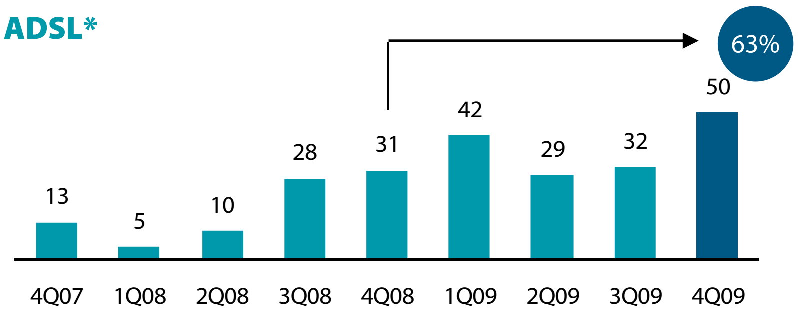
- Meo 3P offer has been key to regain market share in broadband and reduce fixed line loss
- ~50% of Meo IPTV gross adds are new customers to PT
- RGUs under pressure in SME and corporate segment due to economic conditions
- Net adds showing sequential improvement along the year
- ARPU growth of 4.8% y.o.y in 4Q09 and 3.1% y.o.y in 2009 underlines the importance of 3P and 2P offers

Net adds
Thousand

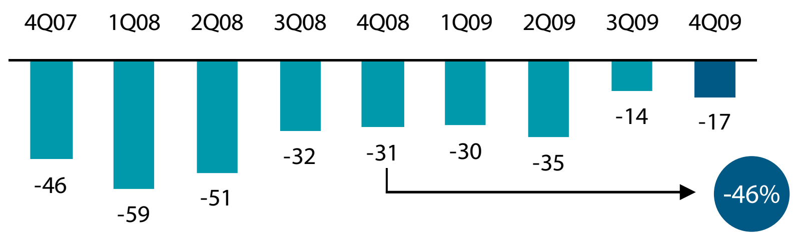
Pay-TV



ADSL*



PSTN / ISDN

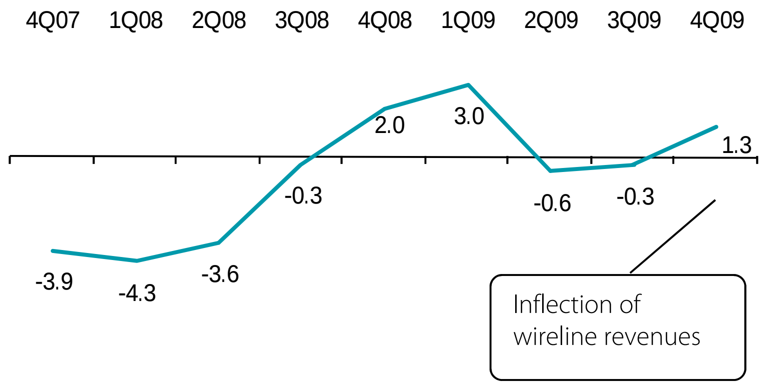


*Excluding the impact of the database cleanup in 4Q07 of 103 thousand inactive pre-paid customers

Operational execution is underpinning financial performance albeit that Meo TV offer is yet to reach critical mass

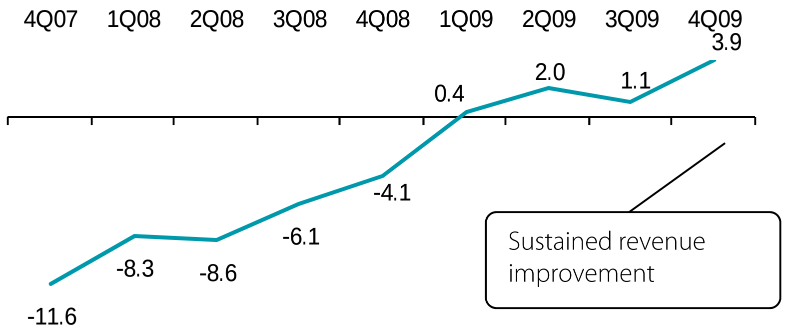
Revenue growth

Pct, y.o.y



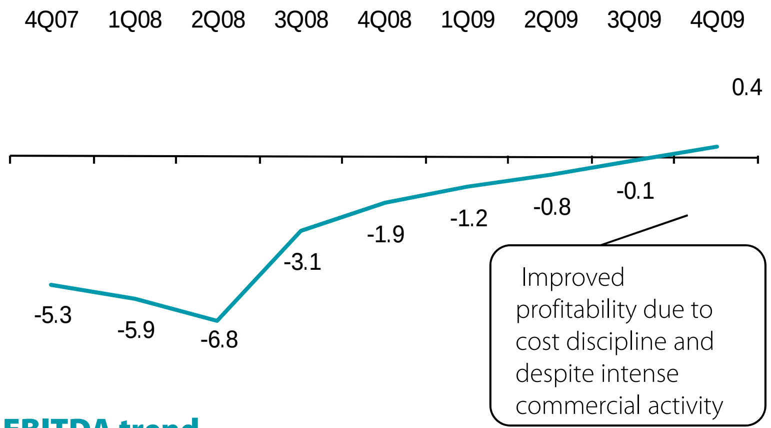
Retail revenue growth

Pct, y.o.y



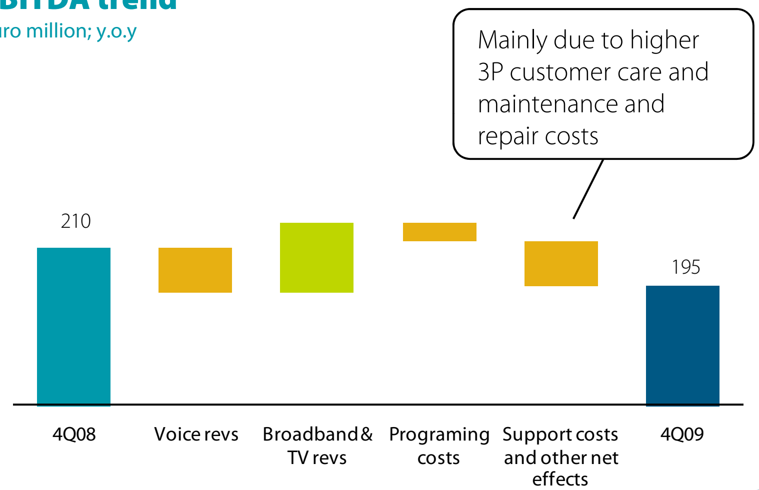
Gross profit

Pct; y.o.y

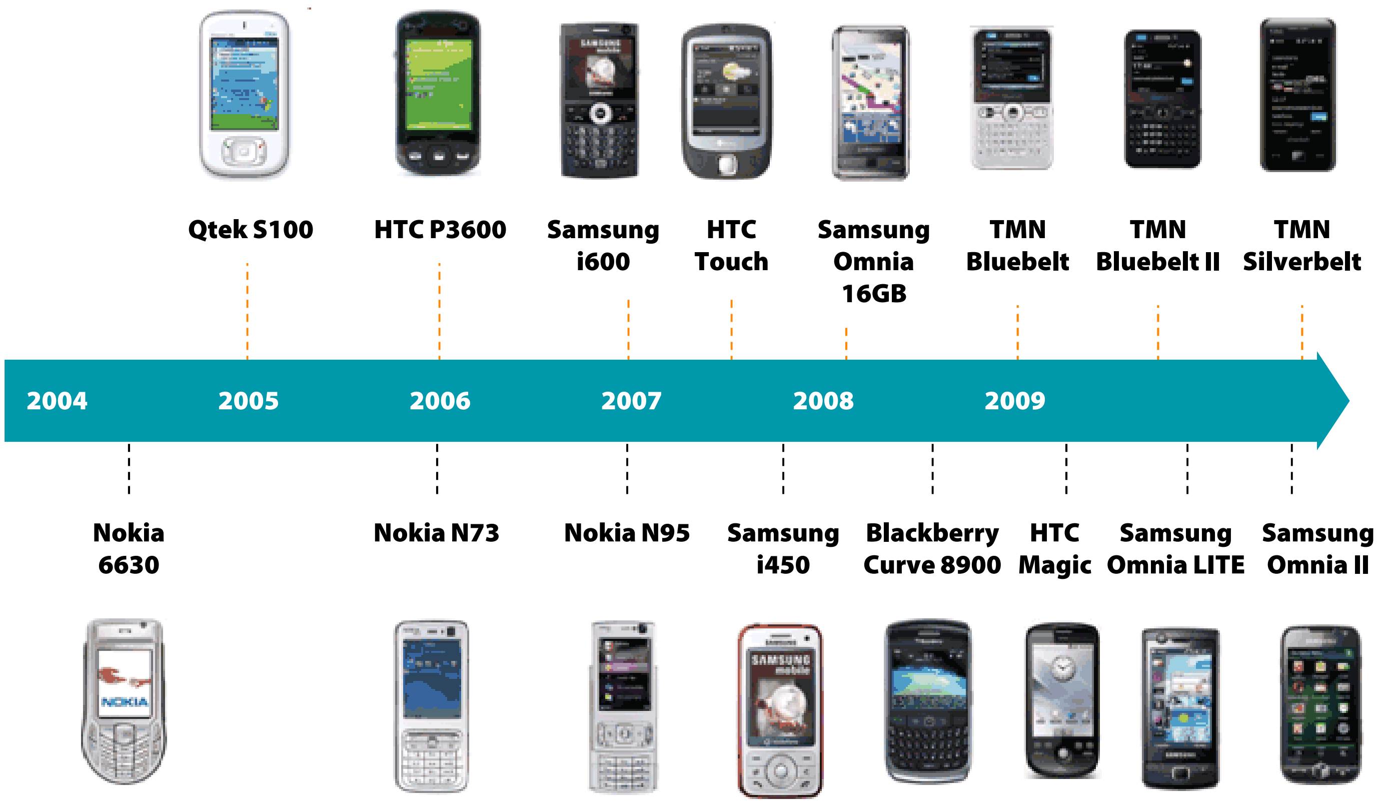


EBITDA trend

Euro million; y.o.y



Growth in wireless data revenues supported by leadership in the distribution of smartphones



First smartphone with Windows Mobile for consumer segment (Qtek S100)

First HTC TV campaign with an European operator (HTC Touch Dual)

First Smartphone with Google Android (HTC Magic)

Exclusive Windows Phone launch (TMN Bluebelt and SilverBelt and Samsung Omnia II)

Wireless leadership underpinned by innovative services including Meo TV, which is also available in mobile

Content

38 channels including:
Generalist
News
Sports
Entertainment
Music
Kids

Promotions

- **Demos: in-store and key events and locations (e.g. Sudoeste)**
- **Live broadcasting: soccer and other events**
- **SMS and Outbound campaigns**
- **Try and buy**

- **Direct-access button to Meo Mobile service**
- **Exclusive offer on TMN phones for Meo access**

"Este telemóvel é Meo" (this phone is mine)

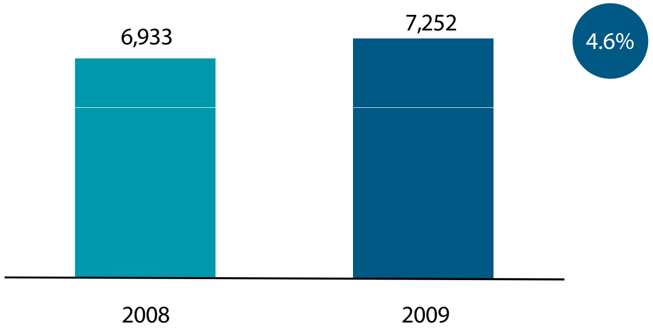
- **Fixed/mobile offer**
  - **Leverage the "Meo" brand**
  - **Remote access to Programming Guide, DVR functionalities, SMS Alerts**
  - **50% discount to residential customers**
- **Mobile bundles**
  - **Meo Mobile + mobile Internet access ("internet no telemóvel")**

Equipment customisation

Offer structure

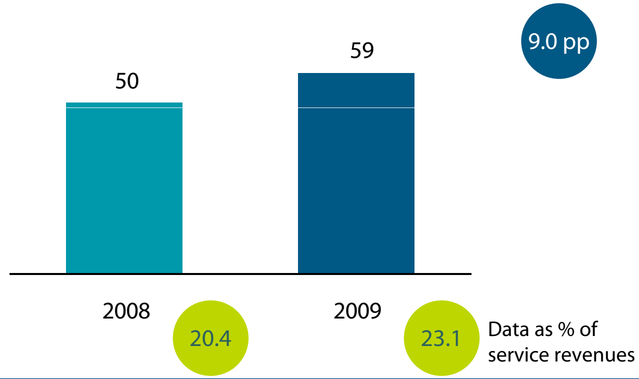
TMN is capturing the growth potential of wireless data whilst improving the mix of the customer base

Total customers
Thousand



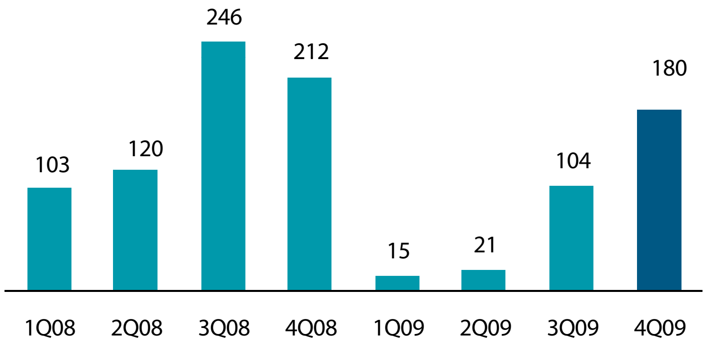
Customer growth underpinned by post paid

Non-SMS data revenues as a % of data revenues
Pct



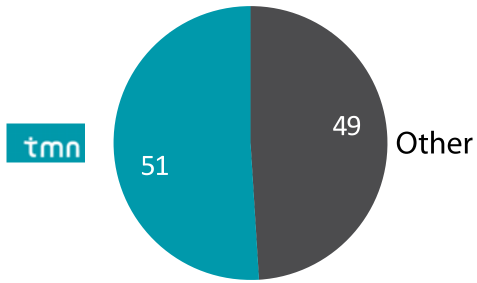
Smartphones and data cards are driving data growth

Net adds
Thousand



Sequential improvement despite economic conditions

Smartphone's market share*
Pct; Dec 2009

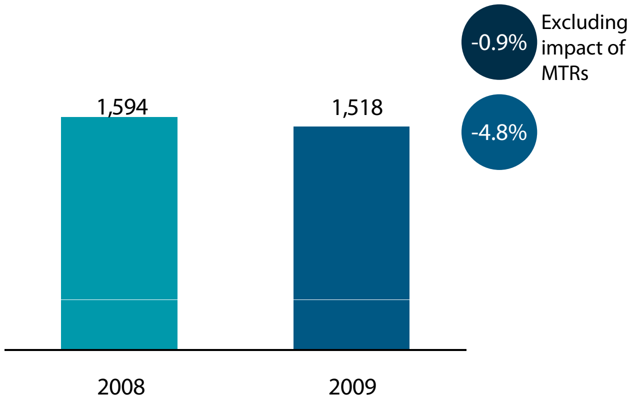


Leadership in smartphones and mobile data

*GFK study for ~60% of total sales (does not include sales in operator stores)
Source: Anacom; GFK

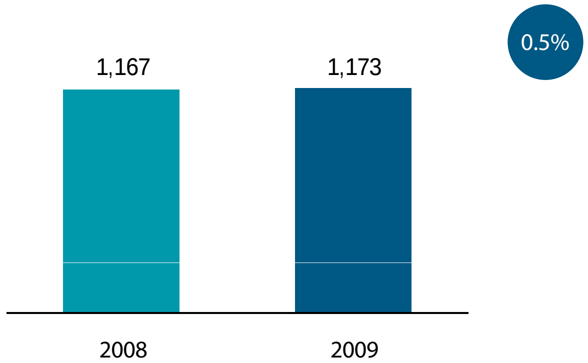
Sustained cash flow generation led by improving profitability

Operating revenues
Euro million



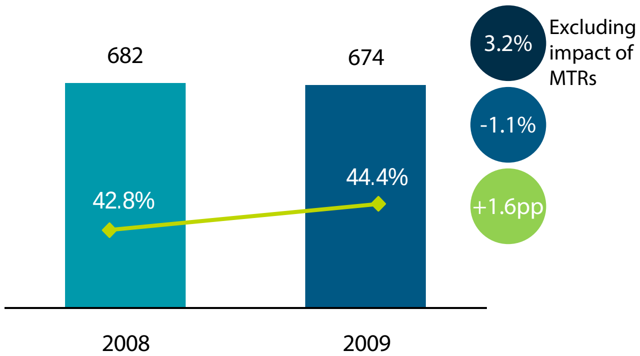
Operating revenues impacted by lower MTRs, roaming in/out and declining equipment sales

Customer revenues
Euro million



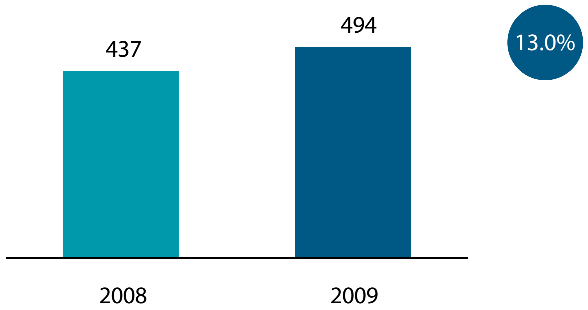
Customer revenues impacted by economic conditions

EBITDA and EBITDA margin
Euro Million, Pct



Strict cost discipline and lower SARC led to strong expansion of EBITDA margin

EBITDA minus CAPEX
Euro Million

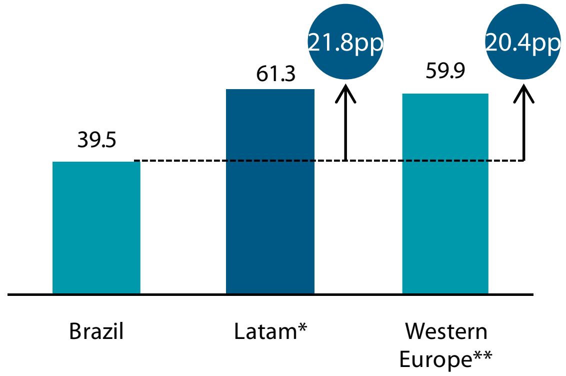


CF generation reflects operational and cost discipline

Exposure to Brazil offers significant future growth potential

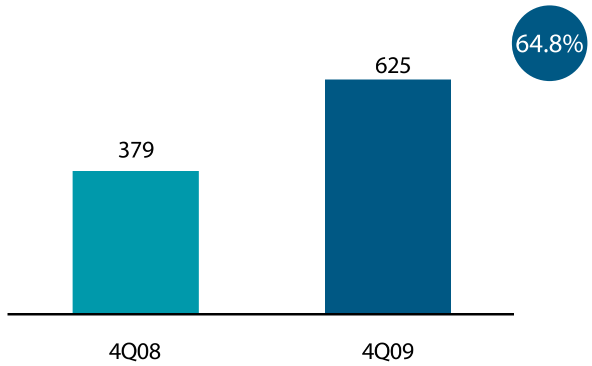
Voice traffic originated in mobile networks

Pct of total voice traffic .2008



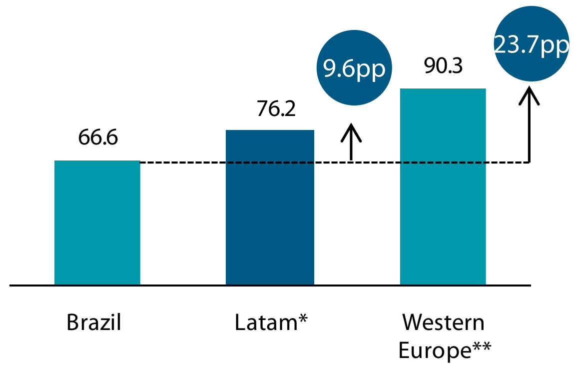
Data revenues

R$ Million



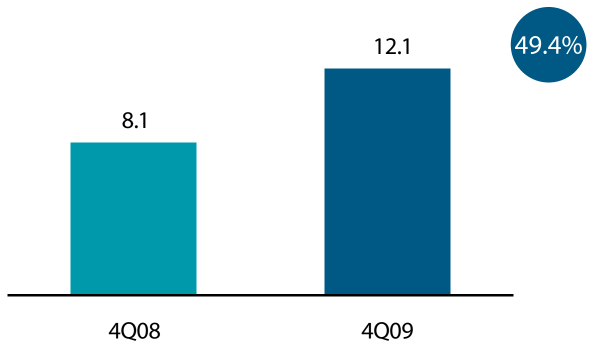
Unique mobile phone users

Pct of population with mobile phone. 2009E



Unique internet users

Million of users



Potential growth from fixed-to-mobile migration and higher penetration of mobile

Internet accesses driving data growth

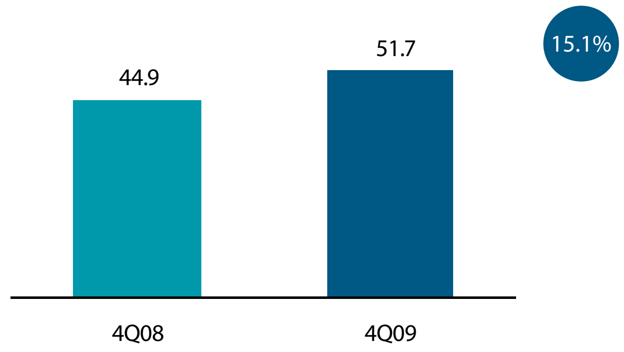
*Average of Argentina, Chile and Mexico

**Average of 12 Western Europe countries

Source: National regulators, IDC, European Commission, Yankee Group, Pyramid Research

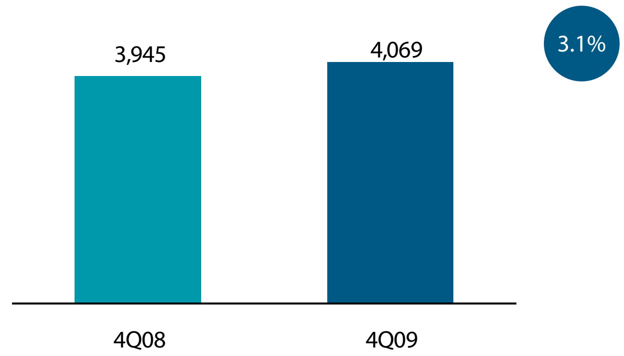
Vivo is the market leader and has strong cash flow generation

Total customers
Million



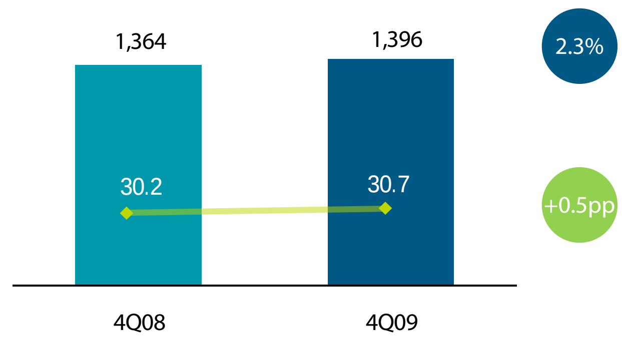
37% share of net adds in 4Q09

Service revenues
R$ Million



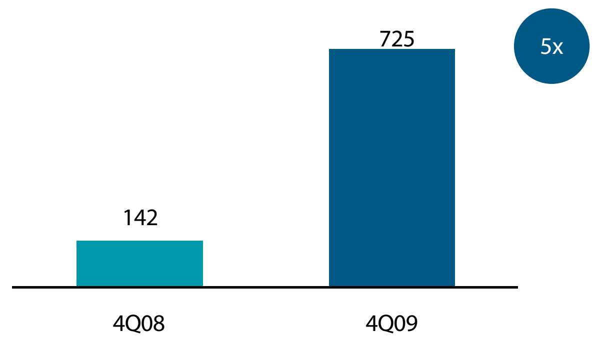
Revenue growth supported by strong data services

EBITDA and EBITDA margin
R$ Million, Pct



Higher efficiency and scale driving profitability

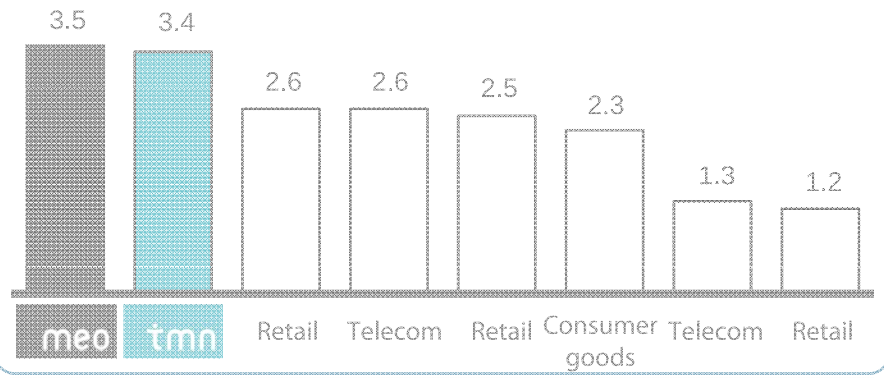
EBITDA minus CAPEX
R$ Million



Sustained strong cash flow generation

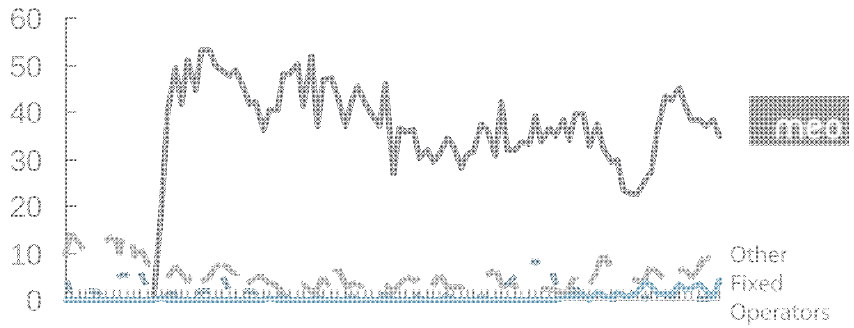
Creativity and innovation, customer satisfaction and quality of service is driving brand notoriety

Brand Awareness
AverageYTD (Nov 2009)



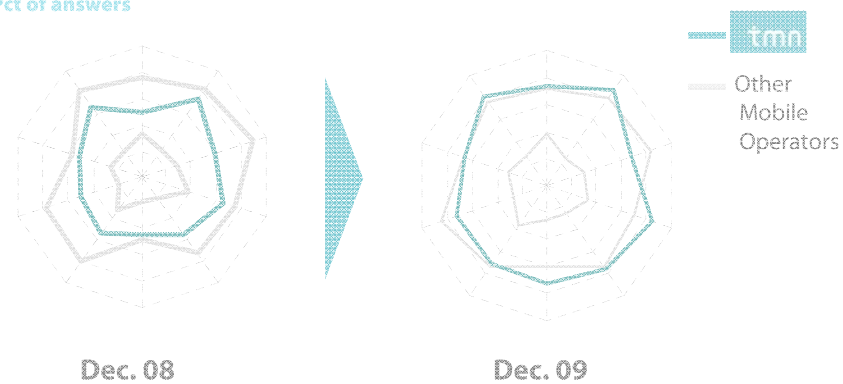
Leadership in generic brand recall

TV operators recall
Pct, 2009



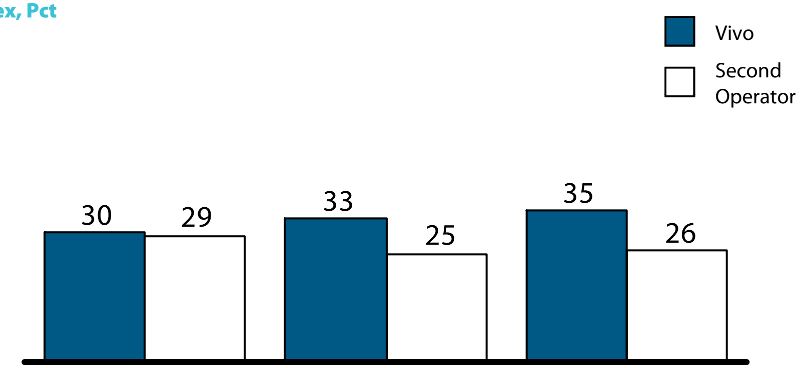
Meo has the leadership on TV brands recall

Preferred operator in each of the attributes
Pct of answers



Leadership in Mobile brand attributes

Most reliable brands in Brazil
Index, Pct



Vivo is the most reliable brand in Brazil *

*2008
Source: Marktest, Publivaga, Vivo

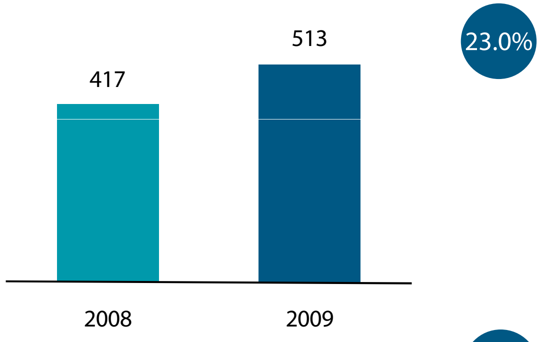
Other International exposure also provides considerable growth, profitability and sustainable cash flow generation

Thousand customers

	FY09	Δ% y.o.y	4Q09 net adds
Total customers *	**8,715**	**25.9%**	**681**
Unitel	5,700	24.7%	444
MTC	1,363	26.5%	80
CVT	374	12.3%	19
CST	89	51.3%	11
CTM	833	10.8%	4
TT	355	176.3%	123

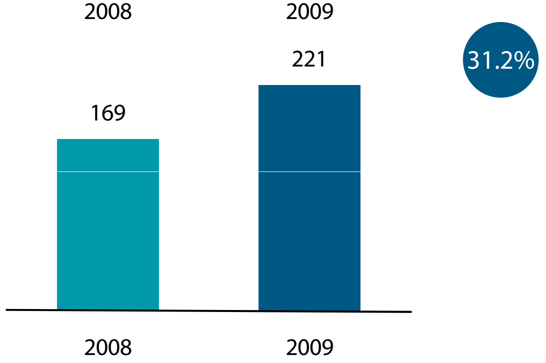
Revenues**

Euro Million



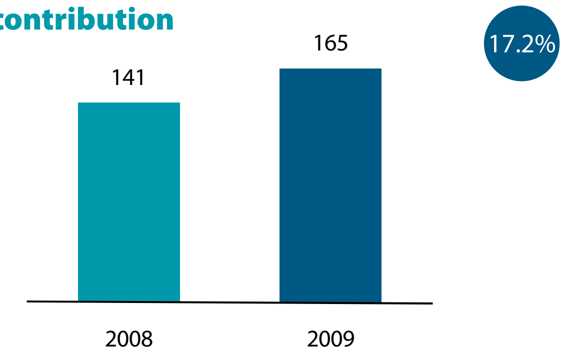
EBITDA**

Euro Million



Net income contribution

Euro Million



* Excluding Médi Télécom

** Proforma consolidation using the percentage of ownership held by PT. Excludes Vivo

Agenda

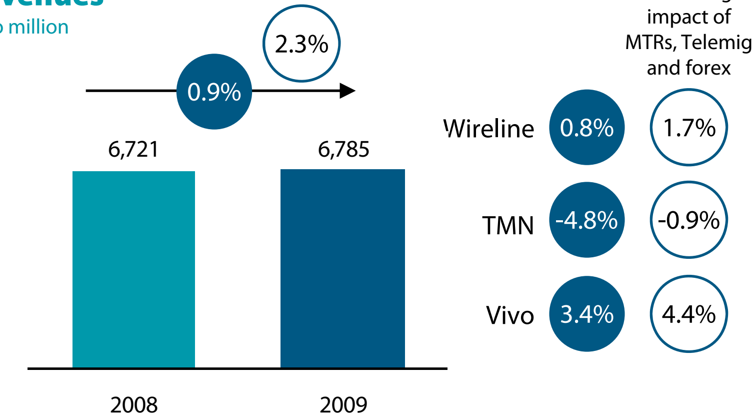
FY09 Highlights

Operational Review

Financial Review

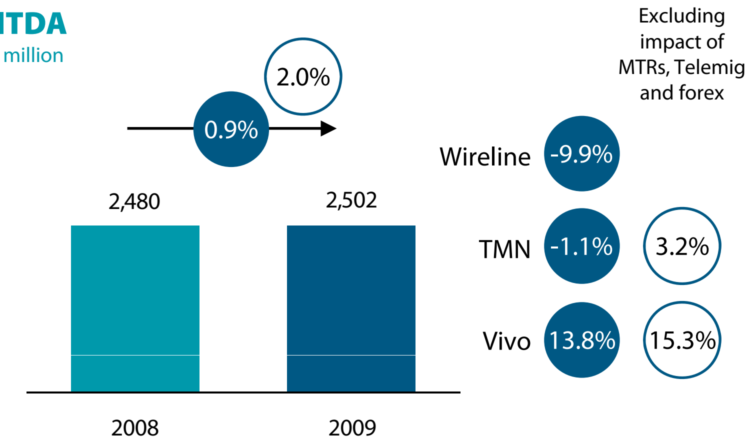
Robust financial performance across all key financial metrics

Revenues
Euro million



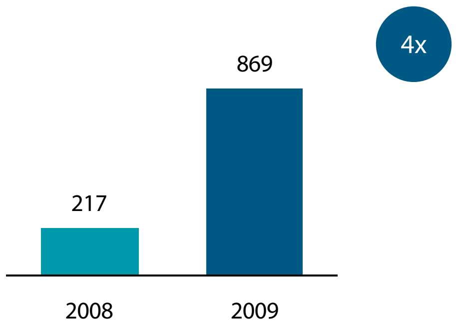
Solid revenue improvement driven by Vivo and Wireline

EBITDA
Euro million



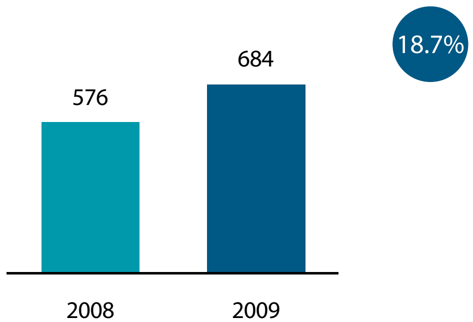
EBITDA growth and profitability underpinned by TMN, Vivo and other international assets

Free cash flow
Euro million



FCF reflects strategic, operational and financial discipline

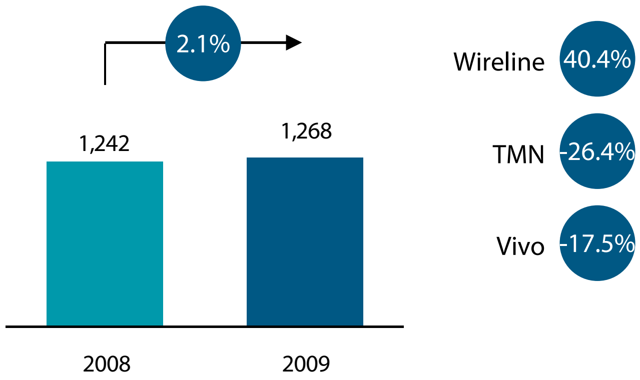
Net income
Euro million



Growth in net income and basic EPS up by 22% to Euro 78 cents

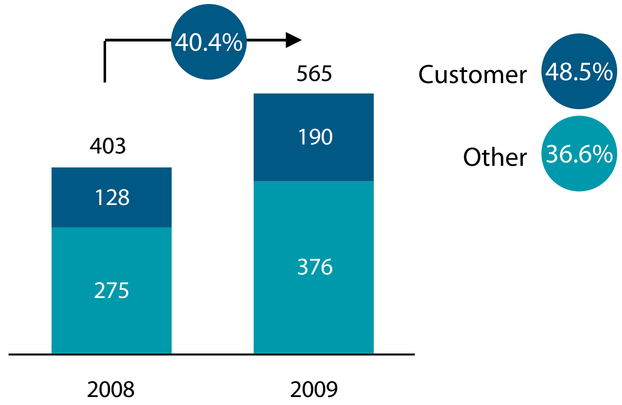
Capex is being directed towards new technologies paving the way for future growth

Consolidated capex
Euro million



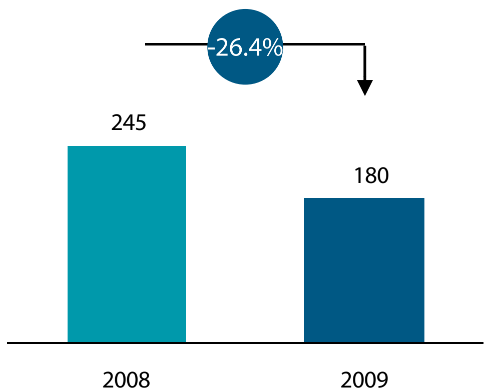
Capex increase due to investments in IPTV and FTTH

Wireline
Euro million



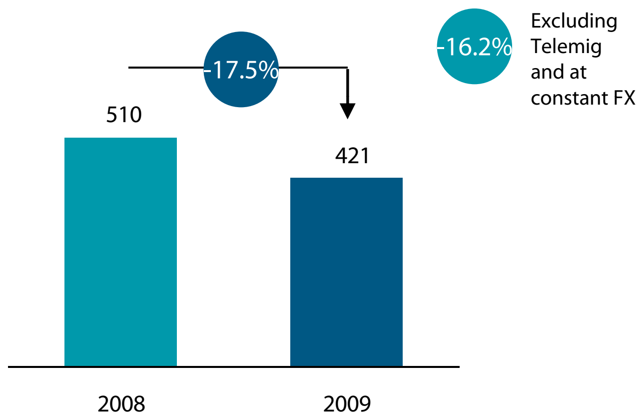
965 thousand FTTH homes *

TMN
Euro million



3G and 3.5G investments undertaken in 2008 ensure best coverage and quality of service

Vivo
Euro million



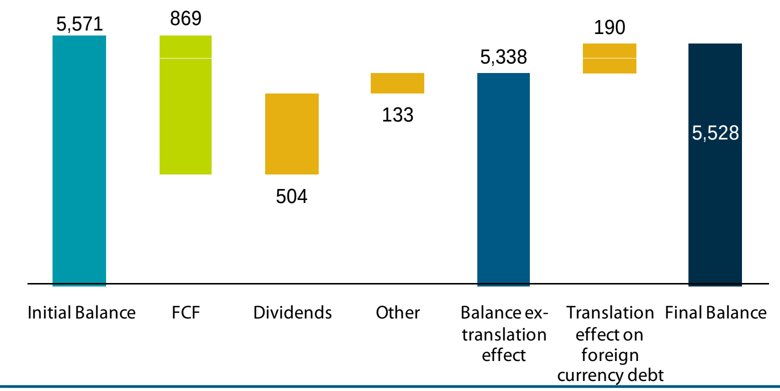
Best coverage and quality of service in Brazil

* Under construction and available

Strong liquidity position with cash exceeding 2010 and 2011 maturities

Net debt 2009

Euro million



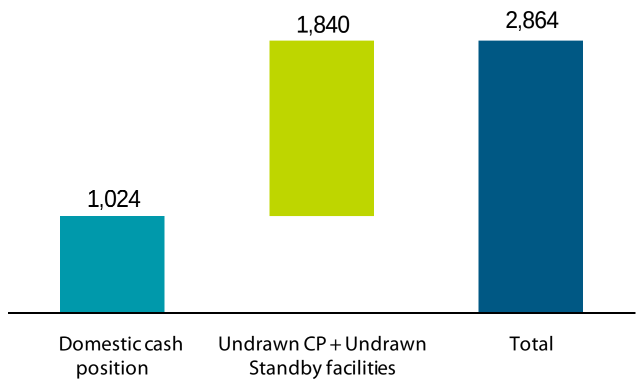
Net debt impacted by translation of real denominated debt

Avg. Cost of Debt	5.0%	**Maturity**	6.6
-Ex. Brazil	4.3%	**-Ex. Brazil**	6.7
-Sector	5.2%	**-Sector**	6.1

Competitive cost of debt and adequate maturities following Euro 2,450 million refinancings in 2009

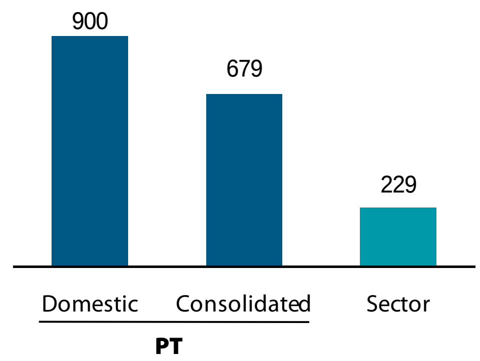
Liquidity ex Brazil*

As at 31 December 2009, Euro million



Liquidity/ ST debt*

Pct



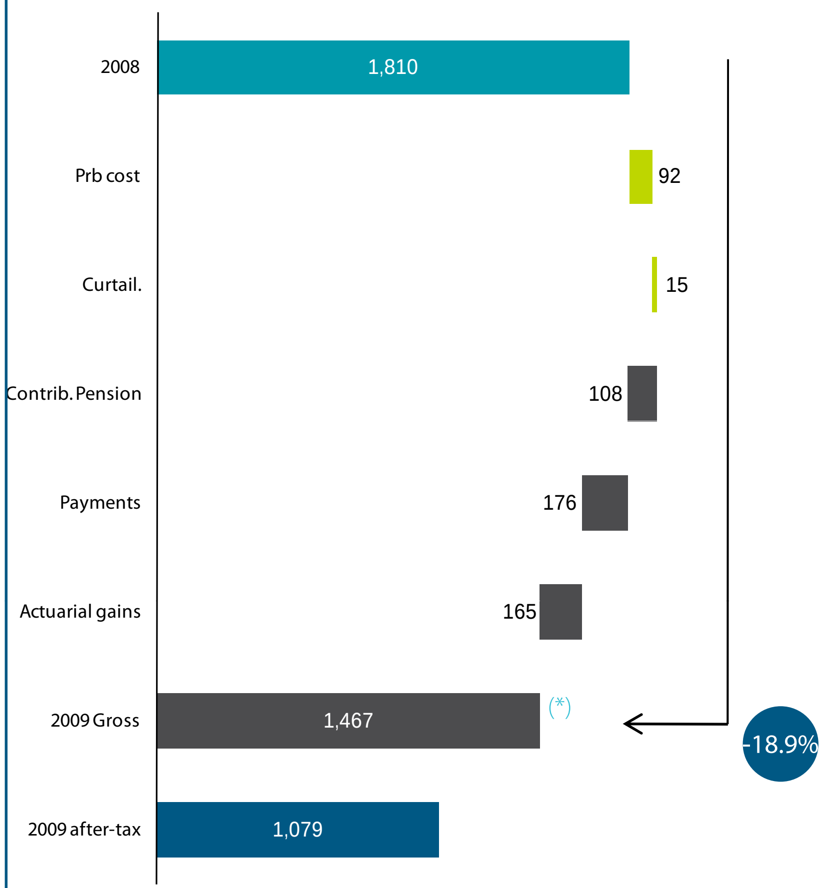
No refinancing requirements until 2012

*Undrawn underwritten CP + Undrawn standby lines + Cash in Portugal

Unfunded pension liability impacted positively by 15% return generated on assets under management

Change in gross unfunded obligations

Euro million

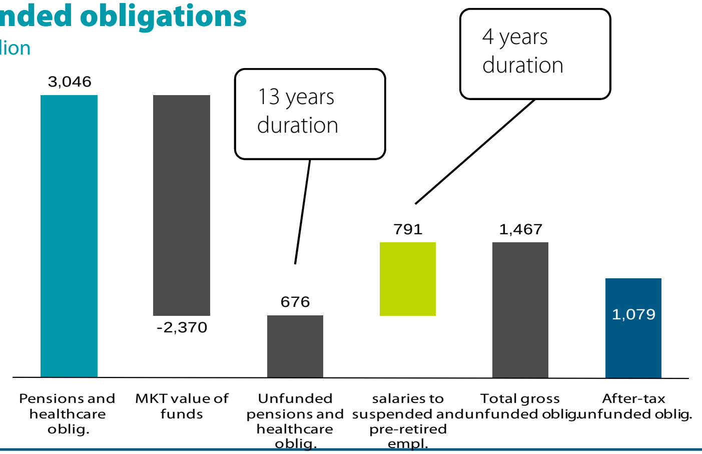


Unfunded pension obligations of Euro 1bn

* Includes an overfunded position of Euro 79 million in healthcare

Unfunded obligations

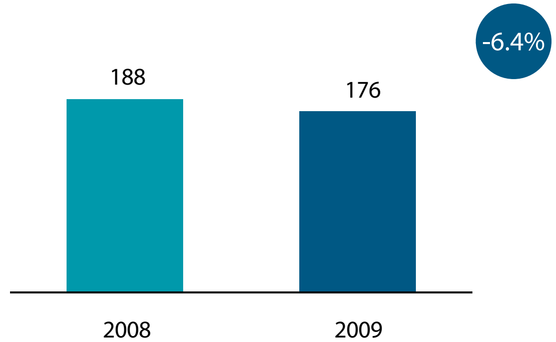
Euro million



Salaries to suspended employees have an average maturity of 4 years and pensions of 13 years

Payment of salaries to pre-retired and suspended employees

Euro million



Payment of salaries declining as a result of the halting of the workforce reduction program

In conclusion…

Wireline	• Continued success of Meo 3 play offer is supporting gain in market share of pay-TV and broadband and is also leading to significant improvement in fixed line disconnections • Despite pricing pressure in corporate and SME/SOHO, revenues are growing on the back of the strength and momentum of retail revenues • Gross profit is up y.o.y but EBITDA is still impacted by the fact that 3 play offer was only launched 21 months ago and is yet to reach critical mass • Capex is being directed towards IPTV and FTTH, which is a future proof technology and is setting a base for future growth
Domestic Mobile	• Post paid customer growth supported of the success of wireless broadband is improving customer mix • Service revenues impacted by MTRs, roaming and pricing pressure as a result of economic conditions • Continued focus on innovative services is underpinning growth of data revenues • Best in class profitability and sustainable cash-flow generation
Vivo	• Leadership in voice and data despite aggressive competitive market conditions • Customer net additions showing sequential improvement • Wireless data is driving growth • Improved profitability due to higher efficiency and scale • Strong cash flow generation and attractive dividend payout
Consolidated	• Balanced contribution from businesses in Portugal and international markets with best in class operational and financial execution • Strong financial flexibility and predictable and attractive shareholder remuneration • Management is committed to maintaining strict cost, financial, operational and strategic discipline to deliver on results and shareholder remuneration

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