

ANNOUNCEMENT



Portugal Telecom, SGPS, S.A.

Public Company
Registered Office: Avenida Fontes Pereira de Melo, 40, Lisbon
Share Capital: Euro 28,277,855.31
Registered in the Lisbon Commercial Registry
and Corporate Number 503 215 058

Dividend Payment – 2007 Earnings

Portugal Telecom announces that the following amounts concerning the application of 2007 earnings will be paid on 24 April 2008, as set out below:

Gross Amount	Euro 0.575
Withholding Tax (IRS/IRC) (20%)	Euro 0.115
Net Amount	Euro 0.460

The ex-right date is 21 April 2008 and the record date is 23 April 2008.

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.

This statement is made in accordance with Portuguese legislation and pursuant to the terms of the resolution of the General Meeting of Shareholders held on 28 March 2008.

Lisbon, 3 April 2008