

**RELEASE**



**Portugal Telecom, SGPS, S.A.**

Public Company  
Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisboa  
Share Capital: Euro 28,277,855.31  
Registered in the Commercial Registry Office of Lisbon  
and Corporation no. 503 215 058

**Share Capital Reduction from Euro 30,774,000 to 28,277,855.31  
pursuant to the Share Buyback Programme**

**Lisbon, 24 March 2008** – Portugal Telecom, under the terms and for the purposes set forth in paragraph g) of number 1 of article 2 of CMVM Regulation no 4/2004 and in the subparagraph 2, f) of no. 2 of article 249 of the Portuguese Securities Code (“Código dos Valores Mobiliários” or CVM), and following the press release published on March 20 2008, informs that:

1. As resolved in the General Meeting held on 27 April 2007 and for the purposes of the execution of the share buyback programme and the corresponding share capital reduction of up to Euro 65,191,463.05, PT acquired until 24 March 2008 a total of 83,204,823 treasury shares, corresponding to 8.11% of its current share capital.
2. Pursuant to the terms of the same resolution, PT has registered the reduction of its share capital in the amount of Euro 2,496,144.69 through the cancellation of 83,204,823 treasury shares. As a result, PT’s share capital is now equivalent to Euro 28,277,855.31 represented by 942,595,177 shares.
3. This operation and consequently the cancellation of treasury shares will be concluded by the Central de Valores Mobiliários (the stock exchange’s clearinghouse) on 1 April 2008.
4. As of today, PT does not hold own shares in treasury but only an equity swap over 20,640,000 shares, under the terms of a previous share buyback programme. As a result, the total number of shares to consider for purposes of determining voting rights will be 942,595,177 shares.

**This information is also available on PT’s IR website <http://ir.telecom.pt>.**

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