



Portugal Telecom

Announcement 23 March 2009, Lisbon

Proposal for corporate restructuring of Vivo

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 proposal, to be submitted to the shareholders of the three companies mentioned above, 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.

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 this purpose, and considering the recommendation (Parecer de Orientação nº 35/08) issued by the Comissão de Valores Mobiliários (regulator of the Brazilian capital markets), special committees were constituted at TCP and TC. These committees will issue an opinion concerning the exchange ratio and other conditions of the corporate restructuring that may be proposed and submit their recommendations to the respective Boards of Directors of those companies.

Following the audits, analysis and valuations needed, carried out by specialised companies, and following the recommendation of the special committees to the Boards of Directors of TCP and TC, the exchange ratio and other conditions of the restructuring to be proposed will be disclosed for subsequent approval by the shareholders at a General Shareholders Meeting. This corporate restructuring should be concluded during the second semester of 2009.

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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Public company
Share capital _ Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
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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