



Announcement | Lisbon | 18 September 2014

## Changes regarding the composition and organisation of the Board of Directors

Pursuant to the terms of article 248 of the Portuguese Securities Code and article 3, paragraph a) of Portuguese Securities Commission Regulation no. 5/2008, Portugal Telecom, SGPS S.A. ("PT") announces that, at a meeting held today, its Board of Directors has approved the following:

1. To appoint by co-optation, as non-executive members of the Board of Directors, to complete the current term of office (2012-2014): Rolando António Durão Ferreira de Oliveira and Francisco Ravara Cary, to replace Henrique Manuel Fusco Granadeiro and Amílcar Carlos Ferreira de Morais Pires, respectively, both of whom had submitted their resignation. Such co-optation will be submitted to ratification at the next General Meeting of Shareholders of PT.
2. It was further resolved to appoint João Manuel de Mello Franco, currently member of the Board, to serve as Chairman of the Board of Directors of PT, also subject to ratification at the next General Meeting of Shareholders of PT. Having performed management and supervision functions at PT since 1998, João Manuel de Mello Franco has extensive knowledge of the Portugal Telecom Group, where he has exercised functions for approximately 30 years, including in the positions of Chairman of the Board of Directors of TLP – Telefones de Lisboa e Porto, S.A. from 1989 to 1994, Chairman of the Board of Directors of Companhia Portuguesa Rádio Marconi from 1994 to 1995 and Chairman of the Board of Directors of TMN – Telecomunicações Móveis Nacionais, S.A. from 1991 to 1994. João Manuel de Mello Franco also has vast professional experience in several other large Portuguese companies.
3. Finally, considering that the new context of PT no longer justifies maintaining the current corporate governance structure, in particular with respect to the delegation of day-to-day management powers to an executive committee and the corresponding mechanisms for coordination of this committee with the remaining directors, the Board of Directors resolved to revoke from the Executive Committee, with effect from 1 October 2014, all the powers of day-to-day management of the Company. Thus, as from such date, PT will no longer have an Executive Committee within its corporate governance structure.

**Portugal Telecom, SGPS, SA**  
Avenida Fontes Pereira de Melo, 40  
1069-300 Lisbon  
Portugal

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 NYSE  
Euronext Lisbon 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.

Nuno Vieira  
Investor Relations Director  
nuno.t.vieira@telecom.pt  
Tel.: +351 21 500 1701  
Fax: +351 21 500 0800