GLOBAL AND VOLUNTARY PUBLIC CASH TENDER OFFER
TO ACQUIRE THE 1,128,856,500 OUTSTANDING SHARES ISSUED BY
PORTUGAL TELECOM, SGPS, S.A.

The following is an unofficial English translation of the Amendment to the Portuguese prospectus that was registered with the Portuguese securities market commission (Comissão do Mercado de Valores Mobiliários) on February 28, 2007 (the "Portuguese Amendment"). The original Portuguese Amendment, written in Portuguese, is the exclusive legally binding version and Sonaecom SGPS, S.A., and Sonaecom B.V. assume no liability for any of the statements or representations made in the English translation. In cases of inconsistencies between the Portuguese Amendment and the English text of the translation, the Portuguese text shall prevail.

AMENDMENT TO THE PROSPECTUS

In accordance with article 142.º of the Portuguese Securities Code, Sonaecom, S.G.P.S., S.A. and Sonaecom, B.V. (hereinafter “Offerors”), taking into consideration the contents of their announcement headed “Sonaecom announces commitment to a shareholder remuneration plan equal or higher to the proposal presented by PT's Board of Directors”, released yesterday on the website of the Portuguese Securities Commission (Comissão do Mercado de Valores Mobiliários), the Offerors hereby introduce the following changes to the Offer Prospectus:

— the second paragraph of point 2.8.1 (Purpose of the acquisition) is amended to the following:

“In the event that the Offerors acquire Shares and ADSs representing 90% or more of the issued and outstanding share capital and voting rights of PT as a result of the Offers or otherwise, the Offerors reserve the right to use the compulsory acquisition mechanism provided for in article 194 of the Portuguese Securities Code, which will cause the immediate delisting of the Ordinary Shares from Euronext Lisbon, without readmission for one year (and consequently the delisting of the ADSs from the NYSE) – under the condition that, after the completion of the secondary public offer identified in point 2.8.6, its participation in the share capital of PT remains above 90%.”
the last paragraph of point 2.8.1 (Purpose of the acquisition) is amended to the following:

“In the event the Offer is successful, Sonaecom intends to change the composition of the Board of Directors of PT so that at least a majority of directors are appointed by Sonaecom. The implementation of the Sonaecom Project, as defined below, will be effected through the exercise by Sonaecom of its rights as a controlling shareholder of PT and, indirectly, its subsidiaries, in accordance with relevant legal and statutory powers and subject to applicable law. Prior to the acquisition of 100% of PT, all corporate and business transactions between companies in the PT Group and companies in the Sonaecom Group will be conducted on an arm’s length basis and, as such, with no value impacts on any minority shareholder. Whenever such transactions involve, on one side, PT or any of its subsidiaries and, on the other side, any subsidiary of the Sonae Group which is not under the control of PT, they will be supported by independent valuations by third party investment banks acting for the all interested parties.”

a new point 2.8.6 is inserted (with the consequent renumbering of the subsequent points) with the following wording:

“2.8.6 – Shareholder remuneration plans and commitment to increase free-float

Sonaecom undertakes, as a controlling shareholder of the company, to pursue in PT, during the period 2007 – 2010, measures aimed at maximizing the funds distributable to shareholders.

In the event the Offer is successful, Sonaecom will propose and vote favourably the distribution to shareholders of PT, that choose not to sell their shares, annual dividends and reserves in the following minimum amounts – under the condition that sufficient distributable funds¹ exist (or, when that is not the case, up to the amount of those funds):

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Total 2007/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount (€bn)</td>
<td>1.8</td>
<td>2.1</td>
<td>0.7</td>
<td>1.0</td>
<td>5.7²</td>
</tr>
<tr>
<td>Per share (€)</td>
<td>1.6</td>
<td>1.9</td>
<td>0.7</td>
<td>0.9</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Note: Assuming the market price of PT’s shares is equivalent the Offer price of € 10.5 per share, it is estimated that the proposed remuneration package might have a negative impact of €3.66/share in the market price of PT’s shares, due to the extraordinary dividend distributions during the period 2007-2010. The extraordinary dividend distributions were calculated as the difference between the above mentioned distributions and the ordinary dividends announced by PT in the document published by its Board of Directors regarding the Offer price revision on February 20, 2007. It’s important to note that the impact here referred is equivalent to the one mentioned in PT’s document (€2.12/share). The only difference between the two values is due to the share-buy-back announced by PT being considered not to have an impact in the stock market price per share.

¹ Funds that could be generated by the company’s business activity including asset sales and other restructurings (Sonaecom will vote favourably to any share capital reduction needed to maximize the distributable funds). Note that share capital reductions need to be approved by a qualified majority and that Class A share have a veto power on such decisions, as well as over distributions above 40% of the annual net income (this is also applicable to the remuneration package proposed by the Board of Directors of PT).

² Source: Update of PT Board of Directors’ report on the offer price revision, dated 20 February 2007 – total amount of shareholder remuneration package proposed by PT of Eur 6.2 billion, not considering the amount of the 2005 dividend, already distributed in 2006, in the amount of Eur 0.5 billion.
Additionally, and should Sonaecom acquire more than 60% of the share capital of PT under its tender offer, thereafter and for a period of up to three months starting after the end of the offer period, Sonaecom commits to PT shareholders of record as of 9 March 2007 to carry out a secondary public offer of shares in PT at the then prevailing market price, but in no event at less than €10.50 per share. Such commitment will be executed as long as the size of such share placement is greater than €200mm\(^3\) in value to ensure a meaningful transaction size. Such price will be adjusted by any gross dividends and/or other distributions to shareholders. With this initiative, PT shareholders will be able to acquire PT shares on a pro-rata basis to their shareholdings at the above mentioned date”.

As a result of the suspension of the Offer, the Offerors will now accept the revocation of the acceptance orders until 6 March 2007, inclusive (instead of the previous defined limit of 5 days before the termination of the Offer period). The term for the Offer remains at 16:30 Portuguese time on March 9, 2007.

Identification of the parties responsible for this amendment to the Prospectus

The form and the contents of this amendment to the Prospectus are subject to the provisions of the Portuguese Securities Code, approved by Decree-Law no. 486/99, of 13 November 1999, of the CMVM regulation 3/2006 and all other applicable laws and regulations. The parties listed below are liable, in accordance with articles 149 and 150 of the Portuguese Securities Code, for any losses caused by the non-compliance of this information with the provisions of article 135 of the Portuguese Securities Code.

- The Offerors: Sonaecom and Sonaecom B.V.
- The members of the Board of Directors of Sonaecom:
  - Chairman: Belmiro Mendes de Azevedo
  - Executive Directors: Duarte Paulo Teixeira de Azevedo (CEO), Luís Filipe Campos Dias de Castro Reis (COO), George Christopher Lawrie (CFO), Miguel Nuno Santos Almeida, Maria Cláudia Teixeira de Azevedo
  - Non-Executive Directors: Gervais Gilles Pellissier, Jean-François René Pontal, António Sampaio e Mello, David Charles Denholm Hobley

\(^3\) To be calculated using the price per share of such secondary public offer multiplied by number of shares that will form part of the offer (number of PT shares acquired by the Offerors above 60% of the total share capital of PT).
• Sonaecom’s Statutory Auditor

Effective

Deloitte & Associados, SROC, S.A.

Represented by Jorge Manuel Araújo de Beja Neves, ROC

Substitute

António Marques Dias, ROC

• Sonaecom’s Independent Accountants and External Auditors

Magalhães, Neves & Associados, SROC, S.A., enrolled in the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”) under n.º 95 and registered with CMVM under n.º 223, represented by Jorge Manuel Araújo de Beja Neves, ROC n.º 746, was responsible for the Legal Certification and Auditors Report of Sonaecom’s individual and consolidated financial statements for the year ended December 31, 2002.

Deloitte & Associados, SROC, enrolled in the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”) under n.º 43 and registered with CMVM under n.º 231, represented by Jorge Manuel Araújo de Beja Neves, ROC n.º 746, was responsible for the Legal Certification and Auditors Report of Sonaecom’s individual and consolidated financial statements for the years ended December 31, 2003, 2004 and 2005, as well for the Limited Review Reports to the individual and consolidated accounts of Sonaecom for the first halves of 2005 and 2006.

• The members of the Board of Directors of Sonaecom B.V.:

Directors

George Christopher Lawrie

Luis Filipe Campos Dias de Castro Reis

Duma Corporate Services B.V.

BSNP, in its capacity as financial intermediary, is responsible for the rendering of financial services in relation to the Portuguese Offer in accordance with articles 113 and 337 of the Portuguese Securities Code.

Pursuant no. 2 of article 149º of the Portuguese Securities Code, fault of the parties mentioned above will be investigated under elevated standards of professional diligence. Pursuant no. 3 of article 149º of the Portuguese Securities Code, the liability of the parties mentioned above is excluded if any, it is proven that the addresses knew or should have known about the shortcoming in the contents of the prospectus on the date their contractual declaration or until a date when the respective revocation was still possible.

Pursuant to article 150º, a) of the Portuguese Securities Code, the Offerors will be also liable in case of fault of their Board of Directors members, or of BSNP, as financial intermediary responsible for the Offer.

Porto, 29 February 2007

The Offerors

Sonaecom, S.G.P.S. S. A.

Sonaecom B. V.

The Financial Intermediary

Banco Santander de Negócios Portugal, SA