



*Important Notice*  
The Depository Trust Company

<b>B #:</b>	0785-12
<b>Date:</b>	May 16, 2012
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	International Services
<b>Attention:</b>	Operations, Reorg & Dividend Managers, Partners & Cashiers
<b>Subject:</b>	Tax Relief - Country: Portugal PORTUGAL TELECOM CUSIP: 737273102 <u>Record Date: 05/24/2012</u> <u>Payable Date: 06/08/2012</u> <u>EDS Cut-Off Date: 05/30/2012   8:00PM</u> <u>Beneficiary Disclosure Deadline: 05/30/2012   5:00 P.M.</u>

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) or Tax Relief option on the Participant Browser System (PBS) web site to certify all or a portion of their position entitled to the applicable withholding tax rate.

**Questions regarding this Important Notice may be directed to GlobeTax at (212) 747-9100.**

***Important Legal Information:** The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

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Non-Confidential

**Portugal Telecom** has announced a cash dividend. BNY Mellon acts as the Depository for the company's Depository Receipt ("DR") program.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) or TaxRelief option on the Participant Browser System (PBS) web site to certify all or a portion of their position entitled to the applicable withholding tax rate. Use of EDS will permit entitlement amounts to be paid through DTC.

On ADR Pay Date, all eligible holders will have the opportunity to receive the statutory withholding tax rate of 25% vs. the default withholding tax rate of 30%. All holders not eligible for EDS or not certified at the statutory withholding tax rate through EDS will receive the dividend net of the full Portuguese default withholding tax rate of 30% with the possibility to reclaim through the quick refund or standard long form procedures.

<b>DIVIDEND EVENT DETAILS</b>	
COUNTRY OF ISSUANCE	PORTUGAL
ISSUE	PORTUGAL TELECOM
CUSIP#	737273102

\* THE HIGHER FEE APPLIES TO BENEFICIARIES WHO WERE NOT DISCLOSED DURING THE DISCLOSURE PERIOD.

## STATUTORY RATE

## IX

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
<b>UNFAVORABLE - 30%</b>	<b>0%</b>	UNDISCLOSED BENEFICIAL OWNERS	NONE
<b>STATUTORY 25%</b>	<b>5%</b>	NON-RESIDENTS (WITHOUT A PORTUGUESE PERMANENT ESTABLISHMENT) AND WHO ARE NOT DOMICILED IN A TAX HAVEN COUNTRY (SEE APPENDIX 1 FOR LIST OF TAX HAVEN COUNTRIES ACCORDING TO PORTUGUESE LAW)	1. BENEFICIARY DISCLOSURE FORM

## TREATY CLAIM

## QUICK REFUND

## ELIGIBILITY MATRIX

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
<b>FAVORABLE 10%</b>	<b>15%</b>	CAPE VERDE ISLANDS, CHINA, CUBA, DENMARK, ESTONIA, INDONESIA, LATVIA, LITHUANIA, MACAU, MEXICO, MOLDOVA, MOZAMBIQUE, NETHERLANDS, SINGAPORE, SWEDEN, AND VENEZUELA	1. BENEFICIARY DISCLOSURE FORM (IF BENEFICIARY HAS NOT PREVIOUSLY BEEN DISCLOSED)  2. MOD. 21-RFI (SEE BELOW)
<b>FAVORABLE - 15%</b>	<b>10%</b>	ALGERIA, AUSTRIA, BELGIUM, BRAZIL, BULGARIA, CANADA, CHILE, CZECH REPUBLIC, DENMARK, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, INDIA, IRELAND, ISRAEL, ITALY, KOREA (SOUTH), LUXEMBOURG, MALTA, MOROCCO, MOZAMBIQUE, NORWAY, PAKISTAN, POLAND, ROMANIA, RUSSIA, SLOVAK REPUBLIC, SLOVENIA, SOUTH AFRICA, SPAIN, SWITZERLAND, TUNISIA, TURKEY, UKRAINE, UNITED KINGDOM, AND UNITED STATES	1. BENEFICIARY DISCLOSURE FORM (IF BENEFICIARY HAS NOT PREVIOUSLY BEEN DISCLOSED)  2. MOD. 21-RFI (SEE BELOW)

FORM MOD. 21-RFI CAN BE FOUND HERE:

[http://info.portaldasfinancas.gov.pt/NR/rdonlyres/6002B253-E9C3-4933-874C-1CB961169848/0/rfi-21%20\(2008\).pdf](http://info.portaldasfinancas.gov.pt/NR/rdonlyres/6002B253-E9C3-4933-874C-1CB961169848/0/rfi-21%20(2008).pdf)

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<b>FAVORABLE - 15%</b>	<b>10%</b>	ALGERIA, AUSTRIA, BELGIUM, BRAZIL, BULGARIA, CANADA, CHILE, CZECH REPUBLIC, DENMARK, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, ICELAND, INDIA, IRELAND, ISRAEL, ITALY, KOREA (SOUTH), LUXEMBOURG, MALTA, MOROCCO, MOZAMBIQUE, NORWAY, PAKISTAN, POLAND, ROMANIA, RUSSIA, SLOVAK REPUBLIC, SLOVENIA, SOUTH AFRICA, SPAIN, SWITZERLAND, TUNISIA, TURKEY, UKRAINE, UNITED KINGDOM, AND UNITED STATES	<ol style="list-style-type: none"> <li>1. BENEFICIARY DISCLOSURE FORM (IF BENEFICIARY HAS NOT PREVIOUSLY BEEN DISCLOSED)</li> <li>2. MOD. 22-RFI (SEE BELOW)</li> </ol>

FORM MOD. 22-RFI CAN BE FOUND HERE:

[http://info.portaldasfinancas.gov.pt/NR/rdonlyres/87285E88-7637-4EA7-8919-4E1041233755/0/rfi-22%20\(2008\).pdf](http://info.portaldasfinancas.gov.pt/NR/rdonlyres/87285E88-7637-4EA7-8919-4E1041233755/0/rfi-22%20(2008).pdf)

<b>DEPOSITARY CONTACT DETAILS</b>	
PRIMARY CONTACT	HEDY KISHEL
DOMESTIC PHONE (U.S.)	1-800-915-3536
DOMESTIC FAX (U.S.)	1-800-985-3536
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	HEDY_KISHEL@GLOBETAX.COM
COMPANY	BNY MELLON / GLOBETAX
STREET ADDRESS	90 BROAD STREET, 16 <sup>TH</sup> FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	GREGGORY LEWIS

## FREQUENTLY ASKED QUESTIONS (FAQs)

### RELIEF-AT-SOURCE QUESTIONS

QUESTION	ANSWER
WHO DO I SEND THE RELIEF-AT-SOURCE DOCUMENTATION TO?	EVERYTHING IS TO BE SUBMITTED TO GLOBETAX.
DO I NEED TO PROVIDE 6166s OR TAX FORMS FOR THE RELIEF-AT-SOURCE?	NO, WE ONLY NEED YOUR BENEFICIARY DISCLOSURE FORM TO APPLY FOR AND RECEIVE THE 25% STATUTORY WITHHOLDING TAX RATE FOR YOUR CLIENTS.
HOW CAN I OBTAIN TREATY BENEFITS AT-SOURCE?	CURRENTLY THERE IS NO PROCESS TO CLAIM TREATY BENEFITS AT-SOURCE, HOWEVER, WE CAN CLAIM THE STATUTORY RATE AT-SOURCE AND YOU CAN CLAIM TREATY BENEFITS THROUGH THE QUICK REFUND OR STANDARD LONG-FORM PROCEDURE.
WHAT IS THE FINAL DEADLINE FOR BENEFICIARY DISCLOSURE TO OBTAIN FUTURE REFUNDS AND ENTITLEMENTS?	DOCUMENTATION MUST BE RECEIVED BY BNY/MELLON GLOBETAX BY JUNE 11, 2012 @ 5 P.M. PLEASE NOTE THOUGH THAT IF DISCLOSURE IS NOT RECEIVED BEFORE THE INITIAL AT-SOURCE DEADLINE THE BENEFICIARY WOULD RECEIVE A REFUND BASED ON THE 30% WITHHOLDING TAX RATE AND WILL NOT BE ELIGIBLE TO OBTAIN THE 5% REFUND AT-SOURCE.

## FREQUENTLY ASKED QUESTIONS (FAQs)

### GENERAL QUESTIONS

QUESTION	ANSWER
CAN I ATTACH A 6166 TO THE MOD.21-RFI OR MOD.22-RFI FOR MY U.S. CLIENTS?	NO, THE PORTUGUESE TAX AUTHORITIES WILL NOT ACCEPT 6166 FORMS, HOWEVER, THE U.S. I.R.S. WILL CERTIFY THE MOD. 21-RFI AND MOD. 22-RFI AS PART OF THEIR USUAL 6166 ISSUANCE PROCEDURES IF YOU SEND A DULY COMPLETED

**APPENDIX I: LIST OF TERRITORIES CONSIDERED AS TAX HAVENS, IN ACCORDANCE  
WITH THE PORTUGUESE LAW - Regulation nº 292/2011, from November 8<sup>th</sup>**

- American Samoa
- Andorra
- Anguilla
- Antigua and Barbuda
- Aruba
- Ascension
- Bahamas
- Bahrain
- Barbados
- Belize
- Bermuda
- Bolivia
- British Virgin Islands
- Brunei
- Cayman Islands
- Channel Islands
- Cook Islands
- Costa Rica
- Djibouti
- Dominica
- Falkland and Malvinas Islands
- Fiji Islands
- French Polynesia
- Gambia
- Gibraltar
- Grenada
- Guam Island
- Guyana
- Honduras
- Hong Kong
- Island of Tokelau
- Island of Tuvalu
- Isle of Man
- Jamaica
- Keeling and Cocos Island
- Keslim Islands
- Kiribati Island
- Kuwait
- Labuan
- Liban
- Liberia
- Liechtenstein
- Maldives Islands
- Marshall Islands
- Mauritius
- Monaco
- Montserrat
- Natal Islands
- Nauru
- Netherlands Antilles
- Niue Island
- Norfolk Island
- Northern Mariana Islands
- Pacific Islands
- Palau Islands
- Panama
- Pitcairn Island
- Puerto Rico
- Qatar
- Republic of Vanuatu
- Republic of Yemen
- Saint Helena Islands
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Salomon Islands
- San Marino
- Seychelles
- St. Pierre and Miguelon Island
- Swaziland
- Sultanate of Oman
- Svalbard Islands
- Tonga
- Trinidad and Tobago
- Turks and Caicos Islands
- United Arab Emirates
- Uruguay
- US Virgin Islands
- Western Samoa

**EXHIBIT I – FORMAT FOR BENEFICIARY DISCLOSURE FORM (THIS DOCUMENT MUST BE PREPARED ON THE DTC PARTICIPANT’S LETTERHEAD)**

\*\*\*FOR MORE THAN 10 BENEFICIARIES PLEASE CONTACT THE DEPOSITARY FOR AN EXCEL TEMPLATE

BNY Mellon / GlobeTax  
 90 Broad Street  
 16<sup>th</sup> floor  
 New York, NY 10004  
 Attn: Portugal Telecom

I/We the undersigned, authorized representatives of \_\_\_\_\_ (DTC Participant Name), holding shares through DTC# \_\_\_\_\_, of **Portugal Telecom** Depository Receipts (CUSIP: 737273102) as of record date **May 24, 2012**, request that:

The upcoming dividend is paid out at the statutory rate of 25% rather than the default rate of 30%.

Tax Treaty is applied and I have supplied the Form Mod. 21-RFI to claim treaty benefits through the quick refund procedure.

Tax Treaty is applied and I have supplied the Form Mod. 22-RFI to claim treaty benefits through the standard long-form procedure.

Name of Beneficial Owner	Individual or Corporate Entity (“I” or “C”)	Date of Birth (Individuals only)	Place of Birth (Individuals only)	Country of Birth (Individuals only)	Nationality (Individuals Only)	Gender (Individuals Only) (“M” or “F”)	Complete Address	Country of Residency	Tax Payer I.D. Number	Number of DRs

**Indemnification**

We certify that to the best of our knowledge that each of the beneficial owners identified above are eligible for the preferential rates as stated herein and we declare that we have performed all the necessary due diligence to satisfy ourselves as to the accuracy of the information submitted to us by these beneficial owners.

We will be fully liable for any and all withholding taxes, claims, penalties and / or interest to the Portugese Tax Authorities (“charge-backs”), including without limitation, any foreign exchange fluctuations associated with such funds. Neither BNY Mellon nor the Issuer nor any of their agents or affiliates shall be liable for the failure to secure any refund. In consideration of the assistance of BNY Mellon and the Issuer in processing such claims, we expressly agree that neither BNY Mellon nor the Issuer nor any of their agents or affiliates shall have any liability for, and we shall indemnify, defend and hold each of BNY Mellon and the Issuer and their respective agents and affiliates harmless from and against, any and all loss, liability, damage, judgment, settlement, fine, penalty, demand, claim, cost or expense (including without limitation fees and expenses of defending itself or enforcing this agreement) arising out of or in connection herewith. We further agree that our obligations hereunder shall be free from all defenses.

Sincerely,

**PAYMENT ADDRESS:** \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature of authorized signatory for DTC Participant]

[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]