



B #:	0856-13
Date:	May 20, 2013
To:	All Participants
Category:	Dividends
From:	International Services
Attention:	Operations, Reorg & Dividend Managers, Partners & Cashiers
Subject:	Tax Relief - Country: Portugal PORTUGAL TELECOM CUSIP: 737273102 <u>Record Date: 05/16/2013</u> <u>Payable Date: TBA</u>

NO EDS

Portugal Telecom has announced a cash dividend. Deutsche Bank Trust Company Americas acts as the Depository for the company's Global Depository Receipt ("GDR") program.

By submitting the necessary forms, the 35% default withholding tax rate can be reduced to the treaty rate through the quick refund procedure.

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

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Non-Confidential

Portugal Telecom has announced a **cash** dividend. Deutsche Bank Trust Company Americas (“DBTCA”) acts as Depositary for the company’s American Depositary Receipt (“ADR”) program.

On ADR Pay Date, all holders will receive this dividend net of the full Portuguese withholding tax rate of 35%.

Subsequent to the payment date on which the dividend less the 35% withholding tax will be paid, beneficial owners may reclaim the difference between the statutory rate and the beneficial owner’s treaty rate of entitlement by submitting the required documentation to DBTCA. This issue is **NOT** eligible through the Elective Dividend System (“EDS”). There will be one “Quick Refund” filing deadline entitling beneficiaries tax relief.

DIVIDEND EVENT DETAILS	
COUNTRY OF ISSUANCE	PORTUGAL
ISSUE	PORTUGAL TELECOM
CUSIP#	737273102
DEPOSITARY	DEUTSCHE BANK TRUST COMPANY AMERICAS
ADR RECORD DATE	May 16, 2013
ADR PAY DATE	TBA
ORD PAY DATE	TBA
ORD GROSS DIVIDEND RATE	€0.33
RATIO	1 ORD : 1 ADR

CHARGES & DEADLINES

FILING METHOD	PAYMENT METHOD	DEPOSITARY SERVICE CHARGE	MINIMUM SERVICE CHARGE PER BENEFICIAL OWNER	FINAL SUBMISSION DEADLINE (ALL TIMES EST)
QUICK REFUND	CHECK	\$0.010 PER DR*	\$25 TAX RELIEF FEE & UP TO EUR 35 CUSTODIAL FEE	June 12, 2013; 5:00 P.M.

TREATY CLAIM VIA “QUICK REFUND” ELIGIBILITY MATRIX

RATE DESCRIPTION	TREATY RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
FAVORABLE	10%	<ul style="list-style-type: none"> CAPE VERDE ISLANDS, CHINA, DENMARK, ESTONIA, HONG KONG, INDONESIA, LATVIA, LITHUANIA, MACAU, MEXICO, MOLDOVA, MOZAMBIQUE, NETHERLANDS, SINGAPORE, SWEDEN, AND VENEZUELA 	<ol style="list-style-type: none"> BENEFICIARY DISCLOSURE FORM (IF BENEFICIARY HAS NOT PREVIOUSLY BEEN DISCLOSED) MOD. 21-RFI (SEE BELOW) SELF DECLARATION/SELF DETERMINATION LETTERS FOR <u>PENSIONS AND RICS ONLY</u> 6166 FOR U.S. PENSIONS AND RICS ONLY

FAVORABLE	15%	<ul style="list-style-type: none"> 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"> BENEFICIARY DISCLOSURE FORM MOD. 21-RFI (SEE BELOW) SELF DECLARATION/SELF DETERMINATION LETTERS FOR <u>PENSIONS AND RICS ONLY</u> 6166 FOR U.S. PENSIONS AND RICS ONLY 6166 FOR U.S. PENSIONS AND RICS ONLY
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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)

DEPOSITARY CONTACT DETAILS	
PRIMARY CONTACT	HEDY KISHEL
DOMESTIC PHONE (U.S.)	1-800-876-0959
DOMESTIC FAX (U.S.)	1-866-888-1120
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	HEDY_KISHEL@GLOBETAX.COM
COMPANY	DEUTSCHE BANK TRUST COMPANY OF AMERICAS / GLOBETAX
STREET ADDRESS	90 BROAD STREET, 16 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	GREGGORY LEWIS

FREQUENTLY ASKED QUESTIONS (FAQs)

GENERAL QUESTIONS

QUESTION	ANSWER
CAN I ATTACH A 6166 TO THE MOD.21-RFI?	NO, THE PORTUGUESE TAX AUTHORITIES WILL NOT ACCEPT 6166 FORMS, THE U.S. I.R.S. WILL CERTIFY THE MOD. 21-RFI AS PART OF THEIR USUAL 6166 ISSUANCE PROCEDURES IF YOU SEND A DULY COMPLETED FORM TO THEIR ATTENTION. HOWEVER, PENSIONS AND RICS MUST PROVIDE BOTH A CERTIFIED MOD. 21-RFI AS WELL AS A PHYSICAL 6166.
WHEN DO I NEED TO USE EXHIBIT I (BENEFICIARY DISCLOSURE) AT THE END OF THIS NOTICE?	THE BENEFICIARY DISCLOSURE FORM SHOULD BE USED FOR QUICK REFUND CLAIMS.
CAN I DISCLOSE THE BENEFICIAL OWNER INFORMATION WITHOUT THE MOD. 21-RFI TO OBTAIN THE STATUTORY RATE?	NO. THIS DIVIDEND CYCLE YOU MUST BOTH DISCLOSE AND PROVIDE THE DOCUMENTATION FOR THE QUICK REFUND SIMULTANEOUSLY. BENEFICIAL OWNERS ARE ONLY ELIGIBLE FOR THE TREATY RATE, NOT THE STATUTORY RATE.

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**APPENDIX I: LIST OF TERRITORIES CONSIDERED AS TAX HAVENS, IN ACCORDANCE
WITH THE PORTUGUESE LAW - Regulation n° 292/2011, from November 8th**

- 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

Deutsche Bank Trust Company of Americas / GlobeTax
 90 Broad Street
 16th 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 16, 2013**, request that:

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

Name of Beneficial Owner	Individual or Corporate Entity (“P” 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 DBTCA 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 DBTCA and the Issuer in processing such claims, we expressly agree that neither DBTCA nor the Issuer nor any of their agents or affiliates shall have any liability for, and we shall indemnify, defend and hold each of DBTCA 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]