

CORPORATE ACTION NOTICE

This Notice applies to the following market(s):

Lisbon Market

Notice No: CA/2007/449/Li

ISSUE DATE: 17 October 2007

EFFECTIVE DATE: 30 October 2007

SINGLE STOCK FUTURES

PORTUGAL TELECOM SGPS SA

DISTRIBUTION OF SHARES

This Notice is issued pursuant to the Corporate Actions Policy for the Euronext Derivatives Markets ("Liffe"), which is available on the Euronext website at www.euronext.com/derivatives/rules. It requires the immediate attention of members' staff involved with the trading and settlement of equity products on these markets. Members should ensure that clients are made aware of the arrangements detailed in this Notice.

- 1. Contracts:** Portugal Telecom SGPS SA ("PT") Lisbon Single Stock Futures (Contract code PTS), ("the Contract").
- 2. Background:** PT has announced a distribution of its PT Multimedia shares whereby PT shareholders will receive 0.176067 PT Multimédia shares for every PT Ordinary €0.03 share held.
- 3. Effective Date:** Tuesday 30 October 2007.
- 4. Contract Adjustments:**
 - (a)** Where adjustments are to be made to the Contract, they will be made using the ratio method. The adjustment ratio shall be calculated using the official closing prices of Portugal Telecom SGPS SA Ordinary €0.03 shares and the PT Multimédia Ordinary shares on Monday 29 October 2007, as follows:

$$\text{Ratio} = \frac{\text{PT cum event share price} - (0.176067 \times \text{PT Multimédia share price})}{\text{PT cum event share price}}$$

Web site: www.euronext.com/derivatives
The **Euronext Derivatives Markets ("Liffe")** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

- (b) **Adjusted Lot Size:** If there is open interest in the PT Single Stock Futures Contract at the close of business on Monday 29 October 2007, the lot size of all delivery months available for trading at that time shall be adjusted by being divided by the ratio. If there is no open interest in the PT Single Stock Futures Contract at the close of business on Monday 29 October 2007, the lot size shall remain unchanged as 100 shares per lot.
- (c) **Variation Margin:** Daily Settlement Prices on Monday 29 October 2007 shall be multiplied by the ratio to generate reference prices for the purpose of variation margin calculations at the close of business on Tuesday 30 October 2007.

5. Further Delivery Months: Further delivery months that are made available for trading on and from Tuesday 30 October 2007 shall have a standard lot size of 100 shares per lot.

For further information in relation to this Notice, members should contact:

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