

CORPORATE ACTION NOTICE

London Market**Notice No: CA/2010/337/Lo**

ISSUE DATE:

17 December 2010

EFFECTIVE DATE:

23 December 2010

Flexible Individual Equity Option Contracts (201F)**PTJ, PTQ, PTU, PTX****Flexible Universal Stock Futures Contract (66F)****PTY, PTZ****PORTUGAL TELECOM SGPS SA****SPECIAL DIVIDEND**

This Notice is issued pursuant to the Corporate Actions Policy for the Euronext Derivatives Markets which is available on the NYSE Euronext website at www.nyx.com/lifferules. 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. Background:** Portugal Telecom SGPS SA has announced a special dividend of €1.00 per share.
- 2. ISIN:** PTPTC0AM0009.
- 3. Effective Date:** 23 December 2010.
- 4. Contract Adjustments:**
 - Ratio Method.
 - Cum event price: Official closing price of Portugal Telecom shares on NYSE Euronext Portugal on 22 December 2010.
 - Ratio =
$$\frac{\text{Cum event price} - \text{€1.00}}{\text{Cum event price}}$$

Options:

- **Lot Size:** The lot size will be divided by the ratio. The lot size will be specified in the Final Notice.
- **Exercise Prices:** The exercise prices will be multiplied by the ratio. The exercise prices will be specified in the Final Notice.

Futures:

- **Lot Size:** The lot size will be divided by the ratio. The lot size will be specified in the Final Notice.
- **Variation Margin:** Daily Settlement Prices on 22 December 2010 shall be multiplied by the ratio to generate reference prices for the purpose of variation margin calculations at the close of business on 23 December 2010.

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** 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.

5. Further Maturities: These will have the standard lot size.

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

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