



PT Multimedia Annual General Shareholders' Meeting approves a cash dividend of Euro 0.275 per share and the increase followed by the reduction of the Company's share capital

Lisbon, Portugal, 19 April 2006 – PT Multimedia announced that its Annual General Shareholders' Meeting was held today.

As per the press release disclosed today, the Board of Directors withdrew the proposals submitted to the shareholders on items 6 and 7 of the agenda, which related to the purchase of own shares and the execution of a share buyback programme.

The remaining proposals submitted to the shareholders on the items of the agenda were approved as follows:

- ▶ Election of the Chairman of the General Meeting of Shareholders, Mr. Jorge Luís Seromenho Gomes de Abreu, following the resignation presented by the former Chairman of the General Meeting.
- ▶ PT Multimedia's management report, and the individual and consolidated financial statements for 2005.
- ▶ Application of the 2005 net income of Euro 114,402,458.60, as follows:
 - Euro 5,720,123.00 for the legal reserve;
 - Euro 23,680,707.90 to be allocated to retained earnings;
 - Euro 85,001,627.70 for distribution as dividends, equivalent to Euro 0.275 per share.
- ▶ Vote of confidence to all members of the Board of Directors and the Statutory Audit Board.
- ▶ Share capital increase in the amount of Euro 173,094,223.68, to be carried out by means of:
 - Incorporation of share issuance premia in the amount of Euro 159,288,231.37;
 - Legal reserves in the amount of Euro 12,631,735.31;
 - Special reserve relating to the cancellation of treasury shares in the amount of Euro 1,174,257.00.

The share capital increase shall be executed through an increase in the par value of all shares representing the Company's share capital by an amount equal to 56 Euro cents, whereby the par value

of each share will be 81 Euro cents, with the corresponding amendment to paragraphs 1 and 2 of article 4 of the Articles of Association.

- ▶ Share capital reduction to Euro 30,909,682.80, to be carried out by means of a reduction in the par value of all shares representing the share capital, whereby each share will have a par value of 10 Euro cents, with the corresponding amendment to paragraphs 1 and 2 of article 4 of the Articles of Association.
- ▶ Resignations of two Directors and reduction to 13 of the number of members of the Board of Directors.
- ▶ Report issued by the Compensation Committee related to the corporate bodies members' wage policy for the year of 2006 and the policy implemented in the previous year.

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Investors in PT Multimedia's parent company, Portugal Telecom, SGPS, S.A. ("PT"), are urged to read PT's Solicitation/Recommendation Statement on Schedule 14D-9 when it is filed by PT with the U.S. Securities and Exchange Commission (the "SEC"), as it will contain important information. The Solicitation/Recommendation Statement and other public filings made from time to time by PT with the SEC are available without charge from the SEC's website at www.sec.gov and at PT's principal executive offices in Lisbon, Portugal.

PT Multimedia is listed on the Euronext Stock Exchange. Information may be accessed on Reuters under the symbol PTM.LS and on Bloomberg under the symbol PTM PL.
