ZON MULTIMÉDIA
Corporate Governance Report 2007
Corporate Governance Report

This report is intended to disclose the corporate governance structure and practices adopted by the Company, in order to comply with the CMVM’s Recommendations on listed companies’ corporate governance, as published in November 2005, and with the best international corporate governance practices. The report has been prepared in accordance with article 7 of the Portuguese Securities Code and with the form attached to CMVM Regulation no. 7/2001, as amended by the CMVM Regulations nos. 11/2003, 10/2005 and 3/2006.

Additionally, this report aims to comply with the annual disclosure obligation on certain details of the corporate governance’s structure and practices, in accordance with article 245-A of the Portuguese Securities Code applicable to issuers of shares admitted to trading on the regulated market.
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ZON Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. 3/44
CHAPTER 0. COMPLIANCE STATEMENT

The Company fully complies with CMVM Recommendations on the listed companies’ corporate governance, as published in November 2005, except for Recommendations 4 and 8, which are not complied with for the reasons described hereunder.

The Chapters of this Corporate Governance Report describing the measures undertaken by the Company for the purpose of complying with the aforementioned CMVM Recommendations are described below.

<table>
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<tr>
<th>CMVM RECOMMENDATION</th>
<th>COMPLIANCE</th>
<th>REPORT</th>
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<td><strong>I – Disclosure of information</strong></td>
<td></td>
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<tr>
<td>1. The company shall ensure the permanent contact with the market, complying with</td>
<td>Yes</td>
<td>Chapter 1</td>
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<td>the principle of shareholders equal treatment and preventing asymmetries in the</td>
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<td>Number 10</td>
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<td>investors’ access to information. For such purpose, the company shall set up an</td>
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<td>Investor Relations office.</td>
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<td><strong>II – Exercise of voting rights and shareholder representation</strong></td>
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<tr>
<td>2. The active exercise of voting rights, either directly, namely by correspondence,</td>
<td>Yes</td>
<td>Chapter 2</td>
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<td>or by proxy, shall not be restricted. For this purpose, the following qualify as</td>
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<td>restrictions to the active exercise of voting rights: a) the imposition of a period</td>
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<td>of more than 5 business days between the deposit or blocking of shares so as to</td>
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<td>enable the participation in the General Shareholders Meeting; b) any by-laws</td>
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<td>restriction on voting by correspondence; c) imposing a requirement that votes by</td>
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<td>correspondence are received within more than 5 business days in advance; and d) the</td>
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<td>non-availability of voting bulletins to shareholders for voting by correspondence.</td>
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<td><strong>III – Corporate Rules</strong></td>
<td></td>
<td></td>
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<tr>
<td>3. The company shall establish an internal control system to efficiently detect</td>
<td>Yes</td>
<td>Chapter 3</td>
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<tr>
<td>risks related with the company business, for the safeguard of its assets and for</td>
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<td>Number 2</td>
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<td>promoting the transparency in its corporate governance.</td>
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<td>4. Measures adopted to prevent the success of takeover bids shall comply with the</td>
<td>No (1)</td>
<td>Chapter 3</td>
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<td>interests of the company and its shareholders. Measures considered contrary these</td>
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<td>interests include inter alia defensive clauses that have an automatic negative</td>
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<td>impact on the company’s assets in case of a change of control or of a change to</td>
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<td>the management body’s composition, thus hindering the shares’ free transferability</td>
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<td>and shareholders’ free assessment of the performance of management body’s members.</td>
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<td><strong>IV – Management body</strong></td>
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<tr>
<td>5. The management body shall be composed of a number of providing effective</td>
<td>Yes</td>
<td>Chapter 4</td>
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<tr>
<td>guidance for the company’s management and the persons responsible for said</td>
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<td>Number 1</td>
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<td>management.</td>
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5-A. The management body shall include a sufficient number of non-executive directors whose role is to continuously monitor and evaluate the company’s management by its executive members. Members of other corporate bodies may play an ancillary role, or ultimately an equivalent role, if their supervisory powers are equivalent and actually exercised.

| Yes | Chapter 4 Number 1 |

6. The non-executive members of the management body shall include a sufficient number of independent members. Where there is only one non-executive director, he/she must also be independent. Independent members of other corporate bodies can play an ancillary role, or ultimately an equivalent role, if their supervisory powers are equivalent and actually exercised.

| Yes | Chapter 4 Number 1 |

7. The management body shall set up internal oversight committees with powers to evaluate the corporate structure and governance.

| Yes | Chapter 1 Number 2 |

8. The remuneration of the management body’s members shall be structured in such a way as to allow the interests of such members to be in line with the company’s interests, and it shall be disclosed annually on an individual basis.

| No (2) | Chapter 4 Number 5 |

8-A. A statement concerning corporate body’s remuneration policy shall be submitted to the annual General Shareholders Meeting.

| N/A (3) | Chapter 4 Number 4 |

9. The members of the remuneration committee or its equivalent shall be independent in relation to the members of the management body.

| Yes | Chapter 1 Number 11 |

10. A proposal on the approval of share allotment plans, and/or share call options, or of plans based on share price variations, to members of the management body and/or to employees shall be submitted to the General Shareholders Meeting. The proposal shall include all information required for an adequate assessment of the plan. The proposal shall be accompanied by the plan’s regulations or, where these have not yet been drawn up, by the general conditions that such regulations shall satisfy.

| Yes | Chapter 1 Number 8 |

10-A. The company shall adopt a policy for communication of eventual irregularities occurred within the company, including the following information: means that can be used for internal communication of irregular practices, including the persons with authority to receive such communications, treatment of such communications, including confidential treatment when requested by the person submitting the communication. Such policy’s general guidelines shall be disclosed in the company’s corporate governance report.

| Yes | Chapter 4 Number 6 |

(1) Despite of ZON Multimédia’s understanding that its by-laws do not contain any defensive clauses that automatically have an adverse impact on the company’s assets in case of a change of control or a change in the composition of the management body, CMVM has understood, in its Compliance Analysis of the Recommendations on the listed companies corporate governance, that ZON Multimédia does not comply with Recommendation no. 4.

1. At the time of such analysis, ZON Multimédia’s By-laws also included special rights granted to the former shareholder Portugal Telecom, SGPS, SA (“PT”), which were suppressed by resolution of the General Meeting of June 20, 2007.
However, in this respect, ZON Multimédia’s by-laws only include in article 12 a limitation on the voting rights, under which the votes cast by an holder of ordinary shares, directly or through a representative, on his own behalf or as a representative of another shareholder, exceeding 10%\(^2\) of the total share capital shall not be counted.

This provision, involving a shareholder democracy enhancing mechanism (by reducing the voting power of major shareholders and thus expanding the minorities’s voting power), is also normally deemed as a measure able to interfere with the success of takeover bids (since higher levels of shareholder participation are required to obtain the company’s control).

Contrasting with these potential implications, one shall emphasise that this measure may constitute an incentive to more attractive takeover bids conditions, since only higher levels of acceptance by the offer addressees allow a potential bidder to achieve the control thresholds.

The negative judgment sometimes made, to a certain extent, in the recent years, in respect to these provisions is now largely overcome, as evidenced by the fact that Portuguese laws have accommodated the optional regime foreseen in favour of Member States implementing the Directive 2004/25/EC, of April 21, 2004 on takeover bids (see Article 182-A of the Portuguese Securities Code), which allows the break through of by-laws limitations to voting rights in the context of takeover bids.

(2) ZON Multimédia understands that CMVM Recommendation no. 8 in fine as to the individual breakdown of the directors’ remuneration shall not be observed since that it those not underline the most accurate position and framework on this matter. In fact, the general practice among other companies is to merely disclose the overall remuneration paid to members of the management body.

We are of the opinion that the disclosure to shareholders of the overall remuneration paid to the members of the management body is pivotal, in particular the remuneration of the company’s executive management team, i.e. its Executive Committee, thus the Company makes public such information in Chapter 4(5) hereunder.

Therefore, since the Company disagrees with this Recommendation and does not adopt the individual disclosure of the remuneration of corporate bodies’ members, it maintains its position that the shareholder’s analysis of the performance of the company’s management should be made on an overall basis. It is up to the chairman of the Board of Directors and of the Executive Committee, to analyse the individual performance of each director, while the Remuneration Committee analyses the adequacy of their individual remuneration. In this way, the Company understands that it complies with the ratio of this recommendation by disclosing sufficient information for the investors to be aware of the company’s agency costs.

(3) As to CMVM Recommendation no. 8-A, one shall stress that the Remuneration Committee did not submitted to the last Annual General Meeting its report regarding the remuneration policy of the corporate bodies’ members for 2007 nor the policy implemented in the previous year, since such Remuneration Committee was elected at the General Assembly held on June 20, 2007. Moreover, on 28 February and 3 and 4 March, 2008, the Remuneration Committee’s members have resigned. Consequently, it is not possible for the former Remuneration Committee to submit such policy in the Annual General Meeting to be held in 2008, being expected the election of the future Remuneration Committee.

and with the consent of PT given in the Extraordinary Meeting held on September 10, 2007, in the context of the Spin-off’s preparation.

\(^2\) By resolution of the General Meeting of June 20, 2007, the limitation to the voting rights passed from 5% to 10% of the total voting rights corresponding to the Company’s share capital.
CHAPTER 1. DISCLOSURE OF INFORMATION

1. CHARTS ON THE DIVISION OF POWERS AND FUNCTIONS

ZON Multimédia is structured by business areas corresponding to 3 large core areas: Business by TV subscription and Internet broadband, Audiovisual Business and Cinematographic Exhibition Business. The Business Units are coordinated by the Executive Committee, with the support of 13 corporate units. Reporting by subsidiaries made on functional basis rather than hierarchical, thus enabling an effective articulation.
Within the corporate decision process concerning these business areas and the Company’s corporate governance, the members of the Executive Committee are responsible for the following areas:

**Division of Responsibilities within the Executive Committee**

The Executive Committee of ZON Multimédia is directly involved in the daily management of the various business units. The Executive Committee and/or the Board of Directors of the main companies integrating the various business units are chaired by the Chairman of the ZON Multimédia’s Executive Committee. Therefore, we envisage creating a simple structure, allowing a flexible decision making procedure and a swift implementation of the defined strategy.

As above mentioned, the corporate units are oriented towards the coordination of the various businesses and report to the Executive Committee. These units and their functions are defined as follows:

- **General Office**: ensuring the necessary support to the meetings of the General Assembly, Board of Directors and Executive Committee of ZON Multimédia and of its subsidiaries; assuring the update and disclosure of the various corporate documents, the compliance and formalities of the corporate actions, in view of its certification; ensuring the administrative organization supporting the management bodies;

- **Investor relations**: to ensure the adequate relationship with the financial community (investors, shareholders and market regulators), namely through the disclosure of financial and business information of ZON Multimédia;

- **Financial and Administrative**: preparing the accounting and financial information deemed necessary to guarantee the fulfillment of ZON Multimédia’s information obligations; ensuring the uniform application of the accounting principles followed by Group’s companies, the compliance with ZON Multimédia’s tax obligations, as well as the operations tax monitoring;

- **Human Resources**: assisting the Executive Committee in the definition of the goals and policies of the Human Resources, establish Human Resources management mechanisms and ensuring the coordination, articulation and harmonization of the Human Resources management practices within ZON Multimédia companies’ universe;
Planning and Control: developing, implementing and managing the planning and control system of ZON Multimédia, at operational and financial level;

Legal Services: ensuring the legal assistance and the uniformity of the legal proceedings in the ZON Multimédia’s universe;

Internal Communication and Organization of Events: within the scope of its competences, it contributes for the development and consolidation of a strong, sound and solid corporate culture and for an external image reflecting the values and objectives of the Company;

Corporate Communication and Strategy for the Contents of New Platforms: assisting the Executive Committee in the definition of the strategy and communication corporate policies, in its several areas, as well as identifying and managing contents that may support new diffusion platforms which may be adopted by ZON Multimédia;

Technological Strategy: providing assistance in Technological Strategy of the company for the business development in the best financial conditions, as well as arranging the resources for the use of technology in the Products Planning and for the Technological Vision of the company’s Future;

Networks and Systems: ensuring the coordination of the departments responsible for planning, engineering, construction, operation, maintenance and management of networks and systems infrastructures of ZON Multimédia Group and putting in line the departments responsible for the delivery and support to the network services and the department in charge of the delivery and support to the information systems services;

Business Development: assisting the Executive Committee in the adoption and operationalization of strategic decisions with high impact in Group’s performance and organization, as well as to directing, supporting and promoting the profitable development of the companies with ZON Multimédia’s Group;

Regulation, Interconnection and Competition: monitoring and assistance of ZON Multimédia and its companies insofar as the competition policy and regulatory questions are concerned; articulation and coordination with the relevant departments of ZON Multimédia, in what concerns to the fulfillment of the competition rules and of the regulators decisions as well as of the support to solicitations of the competition authorities and the regulators; monitoring ZON Multimédia’s relationship with the other operators acting in electronic communications market, as well as with the sector’s associations;

Internal Audit: examining and evaluating the activities of the companies of ZON Multimédia Group, acting in order to ensure the adequate management of business processes and submitting recommendations to the Management bodies about the internal control system and efficient management of the business risks;

Management and Acquisitions of Assets and General Services: coordinating the Departments responsible for acquiring and managing the Group ZON Multimédia’s assets and general services, envisaging ensuring the engagement and availability of product and services supply deemed necessary for the productive activities of the Group’s companies, competitive use and cost conditions.

The ZON Multimédia’s Board of Directors is responsible for the management of the Company’s activity and its competences are foreseen in the Company’s By-laws and in its Charter. The day to day management of the Company is ensured by an Executive Committee.

Further to the entry into force of Decree-Law no. 76-A/2006, of March 29, and by resolution of the General Meeting of June 20, 2007, the Company adopted the model set forth in paragraph b) of no. 1 of the Article 278 of the Portuguese Companies Code, thus an Audit Committee, constituted by 3 non-executive members of the Board of Directors, and a Chartered Accountant are now responsible for the supervision of the Company.

2. LIST OF THE SPECIFIC COMMITTEES CREATED WITHIN THE COMPANY

Following the conclusion of the spin-off process, the Board of Directors of ZON Multimédia has immediately carried out an internal reflection about the creation of specialized committees and internal structures, which turned out to be adequate to the sound governance of the company.

Pursuant to the applicable legal or regulatory impositions and with the key purpose of benefiting of several reflections, recommendations and suggestions focused and raised from a structure specifically addressing such issues – in all cases merely with ancillary functions, being all decisions ultimately taken exclusively by the management body –, the Board of Directors of ZON Multimédia has set up, in addition the Executive Committee, a Corporate Governance Committee, whose composition and duties are detailed below.
Additionally, the Executive Committee has set up a Disclosure Committee, whose composition and duties are described below.

**Corporate Governance Committee**

Daniel Proença de Carvalho (Chairman)  
Vítor Fernando da Conceição Gonçalves  
László Ístvan Hubay Cebrian

The Corporate Governance Committee’s duties are the following:

- Assisting and supporting the Board of Directors in the performance of its function of supervising the corporate activity insofar as corporate governance matters are concerned, conduct of business rules and social responsibility;

- Studying, proposing and recommending to the Board of Directors the adoption of the policies, rules and proceedings deemed necessary for the compliance with its Charter, the applicable legal, regulatory and by-laws provisions, as well as the recommendations, standards and national and international best practices regarding the matters referred in the previous paragraph;

- Performing any other competences or responsibilities that the Board of Directors may delegate in the Corporate Governance Committee.

In accordance with the applicable best practices, all members of the Committee are independent directors, in the light of the criteria defined in CMVM Regulation no. 7/2001.

This Committee was created by resolution of the Board of Directors, in its meeting of December 20, 2007.

**Disclosure Committee**

Gonçalo João Figueira Morais Soares – Planning and Control Officer (Chairman)  
Maria João Hewitt Garcia Carrapato Moura Landau – Investor Relations  
Isabel Maria de Macedo Correia – General Officer  
Filipe da Conceição Homem Rodrigues – Financial and Administrative Officer

The Disclosure Committee’s goals are the following:

- Assisting and supporting the Board of Directors and, to the extent of its delegated powers, the Executive Committee in the preparation and disclosure to the market and/or to the supervisory authorities of the financial markets of the following:  
  a) Complete, true, actual, clear, objective and licit information related to the Company and/or to the securities admitted to trading on regulated market;  
  b) Financial information reflecting truthfully and appropriately the financial situation, assets and results of ZON Multimédia Group, as well as a faithful and objective description of its activity and business;

- Promoting the compliance with the Company’s duties in respect of the preparation and timely disclosure of information, through the adequate means, in accordance with the applicable legal, regulatory, by-laws and accounting rules;

- Studying, proposing and recommend the adoption by the Board of Directors and/or Executive Committee of the policies, rules and proceedings deemed necessary to the compliance with its Charter and with the applicable legal, regulatory, by-laws and accounting rules in force at each moment.

3. SUPERVISION OF THE COMPANY

Following the entry into force of Decree-Law no. 76-A/2006, of March 29, and by resolution of the General Meeting of June 20, 2007, the Company adopted the model set forth in paragraph b) of no. 1 of the Article 278 of the Portuguese Companies Code, thus an Audit Committee and a Statutory Auditor are now responsible for the supervision of the Company.

Until such date, the Effective Sole Auditor Ascenção, Gomes, Cruz & Associado – SROC, represented by Mário João de Matos Gomes, and the Deputy Sole Auditor, Pedro Matos Silva, Garcia Júnior, P. Caiado & Associados – SROC,
represented by Pedro João Reis de Matos Silva, remained in the exercise of their functions attributed by the Portuguese Companies Code.

Accordingly, in the referred General Meeting held on June 20, 2007, the following members of the Audit Committee of ZON Multimédia were appointed for the current mandate:

Vítor Fernando da Conceição Gonçalves (Chairman)
José António de Melo Pinto Ribeiro
Nuno João Francisco Soares de Oliveira Silvério Marques

Powers:

In accordance with the Company’s By-laws and with the Audit Committee’s Charter, approved in its meeting held on December 19 and in the meeting of the Board of Directors, held on January 16, 2008, the Audit Committee performs the powers and duties set forth in articles 423.º-F and 423.º-G of the Portuguese Companies Code, including the following attributions:

Financial information:

- Issuing an opinion on the report and accounts and proposals submitted by the Board of Directors of the Company;
- Evaluating, supervising and issuing an opinion on the following matters:
  a) The annual, half-year and quarterly financial information of the Company, including, namely, the scope, the preparation and disclosure process and the accuracy of the financial statements;
  b) Relevant matters related with accounting aspects of auditing and report of financial information, namely the following:
    i) Adequacy of the policies, practices, accounting proceedings and value-metrical criteria adopted by the Company;
    ii) Regularity and quality of the accounting information and supporting documents of the Company in accordance with the applicable principles and accounting rules;
    iii) Any relevant amendments to the policies, practices, proceedings or criteria referred in b) i) above or any amendments to the applicable accounting rules;
    iv) Status of any goods or values held by the Company; and
    v) Impact on the financial statements of the amendments referred in b)iii) above, of unusual transactions and respective accounting methods and other relevant transactions with related parties.

Statutory and External Auditing:

- Proposing to the General Meeting the appointment of the effective and alternate Statutory Auditor, supervising and evaluating its independence, the scope of their services and the revision of the company’s financial statements;
- Reviewing the content of the annual legal certification prepared by the Statutory Auditor and discuss eventual reserves;
- Representing the Company, for all the purposes, before the External Auditors;
- Proposing the engagement, renewal of its agreement and remuneration of the Company’s External Auditors to the Board of Directors and propose their destitution to the General Meeting, based on reasonable grounds;
- Promoting that the Company’s Statutory Auditor and External Auditors have adequate conditions to render their services within the Company and the companies in a control or group relationship with ZON Multimédia;
- Reviewing, with the Statutory Auditor and External Auditors, of the scope, planning and resources to be used in their services;
- Examining the contents of the audit reports and evaluate annually the Company’s External Auditors, which shall report and be subject to the supervision of the Audit Committee, taking into consideration their qualifications, independence and performance;
- Obtaining directly of the External Auditors, on an annual basis, a report about significant questions arising in the scope of the rendered services, as well as about any existing relationship between the Company and its External Auditors, including the value of the amounts paid for audit services and additional services;

3 He has submitted his resignation on January 30, 2008. This vacancy will be filled up in accordance with the legal provisions and the Company’s by-laws.
Discussing separately with the External Auditors matters and problems related with the auditing process to the Company’s financial statements, including the Executive Committee’s responses; and
Prior approval of the engagement of External Auditors and of the Statutory Auditor for rendering any additional services;

Internal Control, Risk Management and Internal Audit:

- Supervising the efficiency of the mechanisms of internal control, risk management and internal audit of the Company established in each moment;
- Discussing and reviewing with the Executive Committee and with the External Auditors, whenever deemed necessary or convenient, any matters concerning the compliance with legal or regulatory obligations, which may have a relevant impact over the financial information, auditing or accounting policies of the Company and other companies within the ZON Multimédia’s consolidation perimeter;
- Discussing and reviewing annually with the Executive Committee and with the External Auditors, the adequacy, faithfulness and efficiency of the Company’s internal control system and evaluating the internal proceedings related to accounting and auditing matters, financial information disclosure, risks detection and safeguard of the Company’s assets;
- Reviewing periodically the principles and the risk management policies of the Company in financial and operational matters or other matters related to the Company’s activity, as well as the measures adopted by the Company in order to monitor, control and adequately and timely disclose said risks;
- Issuing prior opinion on the appointment, replacement or dismissal of the responsible persons for the internal audit unit; and
- Supervising the execution of the functions and implementation of the measures, recommendations and plans proposed within the Company’s internal control and risk management systems and internal audit function;

Compliance and Irregularities:

- Supervising the compliance with the legal provisions and by-laws applicable to the Company, as well as to receiving the communications of the illegality and irregularities submitted by shareholders, employees of the Company or others;
- Discussing and reviewing with the Board of Directors and/or Executive Committee any relevant matters concerning the Company’s activity and business compliance with applicable legal and regulatory provisions and by-laws, as well as with instructions, recommendations and orientations issued by the competent entities;
- Implementing a policy for the communication of irregularities, including confidential and anonymous proceedings, necessary for the receipt, retention and treatment of claims and/or complaints received by the Company, in particular, those related with accounting matters, internal control proceedings for accounting matters and questions related to the Company’s audit.

Other Responsibilities and Functions:

- Approving and disclosing on the Company’s website jointly with the financial statements, an annual report on its supervisory activity, including the description of the activities performed on the previous financial year and mentioning, namely, the eventual constraints found by Audit Committee in the performance of its functions and discharge of its duties;
- Approving annually a report, whose content shall be disclosed to Board of Directors, on the following aspects:
  i) Evaluation of Audit Committee’s performance, attending to its attributions and duties and responsibilities and functions; and
  ii) Establishing the purposes for the current financial year, in order to fulfill its attributions and duties, responsibilities and functions;
- Reviewing and reevaluating annually its Charter and, if applicable, proposing the necessary and convenient amendments to Board of Directors.

As from the General Meeting of June, 20 and until December 31, 2007, the Audit Committee held 10 meetings. The Audit Committee’s resolutions are passed by a majority of votes cast, with the presence of the majority of its members in office and the chairman has a casting vote.
At the General Meeting of June, 20, 2007, Oliveira, Reis & Associados, SROC, Lda., represented by José Vieira dos Reis and Fernando Marques Oliveira were further appointed, respectively, as Effective and Deputy Chartered Accountants, for the exercise of the functions related to the accounts review foreseen in article 446 of the Portuguese Companies Code, for the current three-year term mandate (2007/2009).

4. CAPITAL STRUCTURE AND MAJOR SHAREHOLDERS

The share capital of ZON Multimédia is euro 3,090,968.28 and it is fully paid up. The share capital is represented by 309,068.28 shares.

All ZON Multimédia shares are admitted to trading in eurolist by euronext Lisbon. Following the change of Company’s corporate name to “ZON MULTIMÉDIA – Serviços de Telecomunicações e Multimédia, SGPS, S.A.”approved by the General Shareholders Meeting held on January 31, 2008, it has seemed accurate to change the codes attributed by euronext Lisbon as well as the identification code of the shares representing the share capital of the Company attributed by Interbolsa, in order to ensure its correspondence with the new corporate name of ZON, as follows:

- ISIN Code has been changed from “PTPTM0AM008” to “PTZON0AM0006”
- euronext Code has been changed from “PTPTM0AM008” to “PTZON0AM0006”
- Trading Symbol has been changed from “PTM” to “ZON”;
- National Code has been changed from “PTAM” to “ZON AM”;

On the date of this Report, the structure of Qualified Holdings on ZON Multimédia was the following:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>No. Of Shares</th>
<th>% of Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caixa Geral de Depósitos</td>
<td>43,056,123</td>
<td>13.93%</td>
</tr>
<tr>
<td>Banco BPI, SA</td>
<td>23,929,242</td>
<td>7.74%</td>
</tr>
<tr>
<td>Cinveste, SGPS, SA</td>
<td>18,737,589</td>
<td>6.05%</td>
</tr>
<tr>
<td>Telefónica, SA</td>
<td>16,879,406</td>
<td>5.42%</td>
</tr>
<tr>
<td>Espírito Santo Irmãos (1)</td>
<td>15,455,000</td>
<td>5.00%</td>
</tr>
<tr>
<td>Fundação José Berardo (2)</td>
<td>13,408,982</td>
<td>4.34%</td>
</tr>
<tr>
<td>Banco Espírito Santo, SA</td>
<td>12,287,294</td>
<td>3.97%</td>
</tr>
<tr>
<td>Joaquim Alves Ferreira de Oliveira (3)</td>
<td>11,458,280</td>
<td>3.71%</td>
</tr>
<tr>
<td>Ongoing Strategy Investments, SGPS, SA</td>
<td>9,762,452</td>
<td>3.16%</td>
</tr>
<tr>
<td>Cofina, SGPS, SA</td>
<td>6,883,482</td>
<td>2.23%</td>
</tr>
<tr>
<td>Grupo Visabeira, SGPS, SA</td>
<td>6,641,930</td>
<td>2.15%</td>
</tr>
<tr>
<td>Grupo SGC, SGPS, SA</td>
<td>6,182,000</td>
<td>2.00%</td>
</tr>
<tr>
<td>Metalgest - Sociedade de Gestão, SGPS, SA (2)</td>
<td>3,985,488</td>
<td>1.29%</td>
</tr>
<tr>
<td><strong>Total Identified</strong></td>
<td><strong>188,667,268</strong></td>
<td><strong>61.04%</strong></td>
</tr>
</tbody>
</table>

(1) Espírito Santo Irmãos is attributed 5% of the voting rights due to an agreement with Teleresources Ltd, who own the corresponding share capital.

(2) Fundação José Berardo’s shareholding and voting rights are reciprocal with the shareholding and voting rights of Metalgest – Sociedade de Gestão, SGPS, S.A.

(3) Joaquim Francisco Alves Ferreira de Oliveira is attributed 3.71% of the voting rights since he controls GRIPCOM, SGPS, SA and Controlinveste Comunicações (II), SGPS, SA, who hold respectively 2.24% and 1.46% of ZON Multimedia’s share capital.

On November 7, 2007, the spin-off of the qualified holding of PT corresponding to 58.43% of the share capital and voting rights in ZON Multimédia became effective. To each of the shareholders of PT 0.16 shares of ZON Multimédia were attributed for each share held in PT share capital, which corresponded to 4 shares of ZON Multimédia for each 25 PT’s ordinary shares. From a tax perspective, ZON Multimédia spin off consisted of a dividend in kind, thus resulting that each of PT shareholder was subject to withholding tax, in accordance with the law.
Thus, it is obvious that, as a result of the spin-off, ZON Multimédia’s shareholding structure has significantly changed:

On November 7, 2007, by virtue of the free attribution to its shareholders of 180,609,700 shares representing 58.43% of the share capital and voting rights in ZON Multimédia, PT reduced its direct holding in the company to 25,744,768 shares representing 8.33% of the share capital of the company. Additionally, pursuant to article 20 of the Portuguese Securities Code, the following holdings were attributed to PT:

(i) 682,997 shares representing the share capital of ZON Multimédia, held by the funds managed by Previsão, Sociedade Gestora de Fundos de Pensões, S.A., a company in which PT holds 82.05% of the share capital, in the following terms:
- Fundo PT CGA – 583,819 shares;
- Fundo TLP – 36,335 shares;
- Fundo Marconi – 62,843 shares.

(ii) 16,993 shares representing the share capital of ZON Multimédia held by PT’s Board of Directors.

Thus, a qualified holding in ZON Multimédia of 26,444,758 shares corresponding to 8.56% of the Company’s share capital was attributed to PT.

On November 13, 2007, PT sold 17,919,768 shares of ZON Multimédia. As a result, it ceased to hold directly any holdings in ZON Multimédia, as from November, 14. Therefore, only the voting rights corresponding to the shares held by the funds managed by Previsão, Sociedade Gestora de Fundos de Pensões, S.A. and by PT’s Directors, in a percentage inferior to 2% of ZON Multimédia voting rights were attributable to PT.

On November 16, 2007, Caixa Geral de Depósitos, SA (“CGD”) held directly, indirectly and through its Pension Fund 43,056,123 shares corresponding to 13.93% of the share capital and voting rights of ZON Multimédia. This qualified holding resulted from the acquisition of 30,575,090 shares of ZON Multimédia to Barclays Bank, executed on May 14, 2007, over the counter, as well as from the receipt of 8,240,140 shares, by virtue of the spin-off process, on November 7, 2007.

On November 14, 2007, Banco Português de Investimento, SA (“BPI”) held directly and indirectly 7.74% of shares capital and the voting rights of ZON Multimédia. BPI holding calculated in accordance with no. 1 of the Article 20 of the Portuguese Securities Code is presented in the following table:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No. of Shares</th>
<th>% Share Capital and Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banco BPI, SA</td>
<td>52,766</td>
<td>0.02%</td>
</tr>
<tr>
<td>Banco Português de Investimento, SA</td>
<td>167,403</td>
<td>0.05%</td>
</tr>
<tr>
<td>Fundo de Pensões do Banco BPI</td>
<td>23,287,499</td>
<td>7.53%</td>
</tr>
<tr>
<td>BPI Vida, Companhia de Seguros de Vida, SA</td>
<td>421,574</td>
<td>0.14%</td>
</tr>
<tr>
<td>Total</td>
<td>23,929,242</td>
<td>7.74%</td>
</tr>
</tbody>
</table>

On November 9, 2007, Telefónica, SA held direct or indirectly 16,879,406 shares representing 5.46% of the share capital and voting rights of ZON Multimédia, as a result of Portugal Telecom spin-off.

On November 22, 2007, Cinveste, SGPS, SA held 18,737,589 shares representing 6.06% of the share capital and voting rights of ZON Multimédia, as a result of the purchase in the stock exchange of 4,021,322 shares between July, 2 and July 4; of the receipt of 1,232,469 shares, from Portugal Telecom, SGPS, SA dividend in kind paid on November 7, 2007, as well as of the purchase, on November 15, 2007, of 2,000,000 shares in a stock exchange session.

On December 28, 2007, the Teleresources Limited held 15,455,000 shares of ZON Multimédia, representing 5% of the share capital and voting rights. By means of an agreement entered into between Espírito Santo Irmãos, SGPS, SA, the voting rights attached to the 15,455,000 of the shares in question are attributed to this company, as well as, to Espírito Santo Industrial, SA, Espírito Santo Resources Limited, Espírito Santo Internacional, SA, and Espírito Santo Controle, SA.

On February 9, 2007, Fundação José Berardo, Instituição Particular de Solidariedade Social acquired 1,189,277 shares of ZON Multimédia. As a result of this acquisition, Fundação José Berardo held 6,737,259 shares representing 2.18% of the share capital and voting rights of ZON Multimédia. On May, 2, 2007, Fundação José Berardo informed ZON Multimédia that on April 24, 2007, has disposed of 3,500,000 shares of ZON Multimédia, through a stock exchange session. As a result of this sale, Fundação José Berardo held 3,942,903 shares representing 1.28% of the share capital.
and voting rights. On November 27, 2007, Fundação José Berardo, Instituição Particular de Solidariedade Social informed ZON Multimédia that, after the purchase of 30,000 shares on a stock exchange session, held 6,194,407 shares representing 2.004% of the share capital and voting rights of ZON Multimédia. On 11 January 2008, Fundação José Berardo held 13,408,982 shares representing 4.34% of the share capital and voting rights of ZON Multimédia and that the qualified holding of Metalgest – Sociedade de Gestão, SGPS, SA of 3,985,488 shares 1.29% of the share capital and voting rights of ZON Multimédia were attributed to Fundação José Berardo, and vice versa; the holding of Fundação José Berardo is attributed to Metalgest.

On January 11, 2008, Metalgest – Sociedade de Gestão, SGPS, SA informed ZON Multimédia that it held 3,985,488 shares of ZON Multimédia share capital and voting rights, and this qualified holding is reciprocally attributed to Fundação José Berardo and the holding of 13,408,982 shares.

Banco Espírito Santo, SA (“BES”) started 2007, with a direct and indirect holding of 6.96% of the share capital and voting rights of ZON Multimédia. On November 12, 2007, following the spin-off of ZON Multimédia from PT, 11,501,215 shares were attributed to BES or entities under its control, thus increasing BES total holding in the share capital and voting rights of ZON Multimédia to 8.97%. On December 28, 2007, due to the sale of 15,455,000 shares (5% of the share capital of ZON Multimédia), in operations over the counter, the direct holding and the holding though BES Pension Fund amounted to 3.97%, in a total of 12,287,265 shares, as detailed in the following table, prepared in accordance with no. 1 of the Article 20 of Portuguese Securities Code:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No. Of Shares</th>
<th>% Share Capital and Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>BES, SA</td>
<td>3,569,971</td>
<td>1.15%</td>
</tr>
<tr>
<td>Fundo de Pensões do BES</td>
<td>8,717,294</td>
<td>2.82%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,287,265</strong></td>
<td><strong>3.97%</strong></td>
</tr>
</tbody>
</table>

On May 17, 2007, Joaquim Francisco Alves Ferreira de Oliveira was attributed the voting rights in ZON Multimédia inherent to the qualified holding in ZON Multimédia held by GRIPCOM, SGPS, SA which corresponded to 6,938,600 shares representing 2.24% of the share capital and voting rights of ZON Multimédia. The attribution of the above mentioned qualified holding resulted from the purchase of 90% of the share capital and voting rights of the company called GRIPCOM, SGPS, SA (previously named as Colaney Investments Limited, which, through public deed dated of May 16, 2007, transferred its head offices to Portugal and assumed the legal nature of a holding company, operating under the laws of Portugal) which holds 6,938,600 shares representing 2.24% of the share capital and voting rights of ZON Multimédia, by Joaquim Francisco Alves Ferreira de Oliveira, who, on such date, personally held 179,434 shares representing 0.06% of the share capital and voting rights of ZON Multimédia. This holding was sold in October 2007. It is also attributed to Joaquim Francisco Ferrera de Oliveira the voting rights of 4,519,680 shares representing 1.46% of the share capital and voting rights of ZON Multimédia held by Controlinveste Comunicações (II), SGPS, SA, a company controlled by Joaquim Francisco Ferrera Alves de Oliveira. Globally, 3.71% of the voting rights of ZON Multimédia represented by 11,458,280 shares are attributed to Francisco Ferreira Alves de Oliveira.

On November 13, 2007, Ongoing Strategy Investments, SGPS, SA (“Ongoing”) held directly and indirectly 9,685,977 shares of ZON Multimédia, representing 3.16% of the share capital and voting rights. This holding arises from the spin-off process, having been distributed as a dividend in kind to Ongoing by PT.

On May 21, 2007, Cofina - SGPS, S.A. acquired on the stock exchange, one million shares of ZON Multimédia, holding after this acquisition a total of 6,883,482 shares representing 2.23% of the share capital and voting rights of ZON Multimédia.

On November 9, 2007, the Grupo Visabeira, SGPS, SA, held directly and indirectly, a total of 6,641,930 shares of ZON Multimédia, representing 2.15% of the share capital and voting rights. The Grupo Visabeira, SGPS, SA, came in possession of the shares as a result of the spin-off of ZON Multimédia from Portugal Telecom SGPS, SA.

On February 12, 2008, the Grupo SGC, SGPS, SA, held directly and indirectly, 6,182,000 shares of ZON Multimédia, amounting to 2% of the share capital and voting rights of the Company. The above mentioned qualified holding was arrived at with an acquisition on the same day of 188,607 shares of ZON Multimédia.

On December 4, 2007, Morgan Stanley informed ZON Multimédia that it had sold 5,182,981 shares, remaining with 3,349,933, thereby reducing its holding to 1.08% of the share capital and voting rights of ZON Multimédia.
5. RISK CONTROL SYSTEM

The Risk Control System established in ZON Multimédia is intended to ensure the monitoring of the Company’s appropriately addressing the risks affecting the activities developed by the Company.

Therefore, one shall briefly describe the risk factors to which ZON Multimédia is subject to, in order to easily apprehend the Risk Control System that has been set up.

Main risk factors

ZON Multimédia’s businesses are affected by a large number of risk factors, some beyond management control, and others that shall be pro-actively managed in order to have a positive influence in the performance of the Group. These affect the operations, revenues, results, assets, liquidity and resources of the Group and, therefore, the shareholder value of the Company. Among them the following risk factors should be highlighted:

- **Regulation**: ensuring that regulatory changes are monitored, given the threats and opportunities that those changes represent for the competitive position of ZON Multimédia within its businesses. The Legal Main Office responsible for the management of the regulatory risk, supported by the Regulation, Interconnection and Competition Unit, shall be updated on new business regulatory environment applicable to ZON Multimédia’ activities sectors, as issued by national and international entities.

- **Competition**: potential reduction of the goods and services’ prices, reduction of market share, loss of customers, increasing difficulties in obtaining and retaining customers. The management of this risk is the continuous concern of ZON Multimédia’s Executive Committee. The management of the competition risk has been relying on a strategy focused on the quality improvement of the services provided, on our anticipation to competitors (Cable TV and Digital Television), on the launching of innovative channels and services (increase the speed of broadband internet service), on the diversification of the supply (availability of the VoIP service - Voice over IP) and on the quality and diversity of contents distributed.

- **Technological evolution**: need for investments in ever more competitive businesses increasingly competitive (multimedia services, Internet and Voice) and subject to fast and sometimes unpredictable technological changes.

  ZON Multimédia sees the management of innovation as a pivotal driver, on the grounds of a principle that it is not possible to accurately predict the effect of technological changes on its businesses or in its ability to offer competitive products and services. The activity and the results of ZON Multimédia may suffer negative consequences if: the Group (1) does not effectively compete in new businesses and markets; (2) fails to attract and retain employees with the adequate skills for the development of new businesses; and (3) does not increase the use of new services by customers, if it decreases or if its evolution reveals to follow a different pattern from the technologies and businesses where ZON Multimédia is investing.

  The risk management of technological evolution is under the responsibility of the technological management and information systems units.

- **Strategic Partnerships**: to ensure alliances, joint ventures or other efficient and effective type of relationships, affecting on a positive way its competition capacity. The Executive Committee of ZON Multimédia has been playing a central role in the management of this risk, by reinforcing existing opportunities.

- **Retaining talents**: ensuring the availability of staff with adequate skills for the business development, duly motivated and in charge of suitable functions. The Company’s Human Resources Main Office is in charge of managing this risk which, given the aggressive competition, has developed strategies for retaining existing skills and be attentive to the opportunities of enhancing them. The main aspects of such strategies have been focused on training, drawing up professional development plans, capturing of highly qualified skills and on implementing reward systems increasingly driven by the merit and results.

- **Taxation**: evolution of tax legislation and eventual interpretations of the application of fiscal regulation and para-fiscal in different manners. The Financial and Administrative Main Office is responsible for managing this risk, by monitoring all tax regulations and use of tax planning opportunities. This office may be assisted by tax consulting whenever the issues under analysis are more critical, and therefore require the interpretation of an independent entity.

Risk management strategies
Risk management is ensured by the various corporate and business units of ZON Multimédia based on the prior identification and definition of priorities in regard to critical risks, developing risk management strategies in order to implement the appropriate controls to reduce the risk to an acceptable level.

The adopted risk management strategies are intended to ensure that:

- The control systems and procedures and the established policies provide an adequate response to the expectations of management bodies, shareholders and the public in general;
- The control systems and procedures and the established policies are in accordance with all applicable laws and regulations;
- The financial and operational information is complete, reliable, safe and reported on a regular and timely basis;
- The resources of ZON Multimédia are used in an efficient and rational manner;
- The shareholder value is maximized, and the operational management undertakes the necessary measures to correct reported issues.

**Internal procedures for risk control**

This matter is described in no. 2 of Chapter 3 hereunder.
6. SHARE PRICE EVOLUTION

In the following chart is presented the evolution of the share price of ZON Multimédia during 2007.

![Share Price Performance in 2007](image)

7. DIVIDEND DISTRIBUTION

Dividend Distribution Policy

The ZON Multimédia has been adopting a dividend distribution policy taking into consideration the generation of cash flow, the non-organic growth opportunities and the investors’ expectations, and also considering capital structure optimization plan and the estimated funds needs.

The dividend policy is outlined in the By-laws, in terms of minimum percentage, and publicly announced in advance by the Company’s management.

In fact, according to the By-laws, a percentage of at least 40% of the annual net profits shall be distributed to the shareholders, as a dividend, although the General Shareholders Meeting may resolve, by a qualified majority of two-thirds of votes cast, on the reduction or non-distribution of dividends.

The Board of Directors of ZON Multimédia resolved, on the last January 17, 2008, to propose to the next Annual Shareholders General Meeting a shareholders’ remuneration program for 2008, 2009 and 2010, including: (i) the distribution of an ordinary dividend related to 2007, with an estimated value of 20 cent per share; (ii) the distribution of an extraordinary dividend to be paid on 2008, with an estimated value of 30 cent per share; and (iii) the pursuance of the goal of implementing a progressive dividend distribution policy for the following years by means of the generation of cash flow and of the need of funds for non-organic growth opportunities.
Dividends distributed in the last three financial years

As mentioned above, for the financial year of 2007, the Board of Directors of ZON Multimédia will submit to the Annual Shareholders General Meeting a proposal for distribution of an ordinary in cash dividend of 0.2 euros per share and an extraordinary dividend to be paid in cash, also in the year 2008 in the amount of 0.3 euros per share.

The gross dividend per share for the last three financial years was as follows:

2006 - 0.30 euros
2005 - 0.275 euros
2004 - 0.25 euros.

8. PLANS FOR ALLOTMENT OF SHARES

During the financial year of 2007, the Company did not adopt any share allotment plans or share call options, nor did such plans remain in force regarding employees' participation in the share capital of the Company.

The Board of Directors of ZON Multimédia resolved, under paragraph g) to article 16(1) of the Company’s By-laws, to propose to the Annual General Shareholders Meeting, a Plan for Allotment of shares of ZON Multimédia to its employees, considering the main role played by them in the development and evolution of the Company’s businesses and its Group, as well as the effort and commitment by those employed for such purpose. The Regulation on the Plan for Allotment of Shares is annexed to the referred Board’s proposal.

The adoption by the ZON Multimédia of the Plan for Allotment of Shares to employees is, therefore, subject to the approval by its shareholders.

9. BUSINESS TRANSACTIONS WITH MEMBERS OF CORPORATE BODIES, HOLDERS OF QUALIFIED HOLDINGS OR COMPANIES WITHIN A CONTROL OR GROUP RELATIONSHIP

Until November 7, 2007, ZON Multimédia was integrated within the Portugal Telecom Group (“PT Group”), whereby the terms and conditions used between the Group’s companies and related parties, in general, were substantially identical to those that would be agreed, accepted and performed between independent entities in comparable transactions.

The Company entered into, on a regular basis, transactions and agreements with several entities within PT Group. Such transactions were carried out according to the normal course of business for similar transactions, within normal course of the counterparties’ activity.

The Company also executes regularly financial transactions and agreements with several credit institutions deemed as qualifying holders, which are, however, carried out under the normal market conditions for similar transactions.

Except for the aforementioned arrangements, ZON Multimédia has not performed any other business or transaction with members of the managing or supervisory bodies, qualifying holders or companies which are within a control or group relationship, which are deemed significant in economical terms for any of the parties involved.

10. INVESTOR RELATIONS

Since the Company’s incorporation the Investor Relations Office was created, with the purpose of ensuring adequate relationship with shareholders, investors and analysts, as well as with the financial markets in general and, in particular, with the regulated market where are admitted to trading its share capital and its regulatory entity, CMVM.

The Investor Relations publishes, on an annual basis, the management report and accounts, disclosing, in addition to the annual and half-year information, detailed quarterly information, in accordance with the Portuguese corporate and securities market laws. The Company immediately discloses to the public all privileged information regarding its business or securities, to which shareholders can have access through its website ([www.zon.pt/ir/](http://www.zon.pt/ir/)).

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4 Date of the spin-off process' conclusion.
The activity developed by the Investor Relations Office also provides permanent and updated information to the financial community about the activities of ZON Multimédia, through regular press releases, presentations and communications on the quarterly, half-yearly and annual results, as well as any other relevant events that may occur. It also provides all clarifications to the financial community in general - shareholders, investors (both institutional and retail) and analysts, also assisting and supporting the exercise of the shareholders’ rights. The Investor Relations Office promotes regular meetings of the executive management team with the financial community through the participation in specialized conferences, roadshows, both in Portugal or in major international financial centers, and often meets with investors who visit Portugal. In 2007 and the in first months of 2008, the main events of Investor Relations were:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>City(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007</td>
<td>Morgan Stanley Media e Telecomunications Conference</td>
<td>Barcelona</td>
</tr>
<tr>
<td>January 2008</td>
<td>ZON Investors Day</td>
<td>Lisbon</td>
</tr>
<tr>
<td>January 2008</td>
<td>Espírito Santo “Iberian Mid Caps” Conference</td>
<td>Madrid</td>
</tr>
</tbody>
</table>

The representative for ZON Multimédia’s relationship with the market is Maria João Carrapato.

Any interested party may request information to the Investor Relations Office, through the following contacts:

Avenida 5 de Outubro, no. 208
1069-203 Lisbon (Portugal)
Phone / Fax: + (351) 21 782 47 25 / + (351) 21 782 47 35
E-mail: ir@zon.pt

11. REMUNERATION COMMITTEE

The Remuneration Committee elected by the General Shareholders Meeting, under paragraph e) to article 13(4) of the Company’s By-laws, is responsible for determining the remuneration of ZON Multimédia’s corporate bodies members, being exclusively composed by independent members vis-à-vis the management body, according to the criteria foreseen in no. 9 of Chapter I of the Annex to the CMVM Regulation 7/2001.

For the discharge of these attributions, the Remuneration Committee continuously monitors and evaluates the directors’ performance, by checking to which extent the proposed targets have been achieved, and meets whenever necessary.

On December 31, 2007, the composition of the Remuneration Commission was the following:

- António Cândido Seruca de Carvalho Salgado;
- Luís Manuel Roque de Pinho Patrício;
- Agostinho do Nascimento Pereira de Miranda.

The proposal and selection of the Remuneration Committee’s members was based on a careful reflection aiming to ensure the impartiality and better pursuance of the Company’s interests, reason why none of the members of the Remuneration Committee has any family relationship with members of the management body by virtue of marriage, kindred or affinity in a direct line and up to the third level, thus ensuring the full compliance with the independence criteria.

The Company provides to the Remuneration Committee’s members permanent access, at the expense of the Company, to external specialized consultants in several areas whenever necessary.

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5 The members of ZON Multimédia’s Remuneration Committee submitted their resignation on February 28 and March 3 and 4, 2008. The election of the new members of this Committee will be made pursuant the legal terms.
12. EXTERNAL AUDITORS

During the 2007 financial year, the annual remuneration paid to external auditors corresponded to euro 417,538, amount which refers to the provision of the following services:

<table>
<thead>
<tr>
<th>December 31, 2007</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit services</td>
<td>337,900</td>
<td>81%</td>
</tr>
<tr>
<td>Tax Consultancy services</td>
<td>15,423</td>
<td>4%</td>
</tr>
<tr>
<td>Other services</td>
<td>64,215</td>
<td>15%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>417,538</td>
<td>100%</td>
</tr>
</tbody>
</table>

The external auditors of ZON Multimédia are independent entities with international reputation and their action is closely monitored and supervised by the Audit Committee of the Company. ZON Multimédia does not grant to the external auditors any indemnity protection.

In order to safeguard the independence of the external auditors, the Company’s Audit Committee has the following powers and duties in relation to its external auditing:

- Representing the Company, for all the purposes, before the External Auditors;
- Proposing the engagement, renewal of its agreement and remuneration of the Company’s External Auditors to the Board of Directors and propose their destitution to the General Meeting, based on reasonable grounds;
- Ensuring that the Company’s External Auditors have adequate conditions to render their services within the Company and the companies in a control or group relationship with ZON Multimédia;
- Reviewing with the External Auditors the scope, planning and resources to be used in their services;
- Examining the contents of the audit reports and evaluate annually the Company’s External Auditors, which shall report and be subject to the supervision of the Audit Committee, taking into consideration their qualifications, independence and performance;
- Obtaining directly from the External Auditors, on an annual basis, a report about significant questions arising in the scope of the rendered services, as well as about any existing relationship between the Company and its External Auditors, including the value of the amounts paid for audit services and additional services;
- Discussing separately with the External Auditors matters and problems related with the auditing process to the Company’s financial statements, including the Executive Committee’s responses; and
- Prior approval of the engagement of External Auditors for rendering any additional services.

13. CHANGE OF CONTROL

In compliance with article 245-A of the Portuguese Securities Code, ZON Multimédia hereby informs that it has maintained with PT PRO (shared services company of the PT’s Group) a contract for the provision of services, under which, in the event of a change of control at any of the contracting companies, either party could terminate it.

After the completion of the spin-off process, a contract was negotiated for services between TV Cabo Portugal (company 100% controlled by ZON Multimédia) and PRO Share (company owned in equal parts by ZON Multimédia and PT PRO, specially set up to ensure the continuity of the provision of services to ZON Multimédia and its subsidiaries after the completion of the spin-off process), which also allows for its termination in the event of a change of control.

There are no other significant agreements entered into by ZON Multimédia or by its subsidiaries including any change of control clauses.
14. INDEMNITIES IN CASE OF A PUBLIC TAKEOVER OFFER

There are no agreements between the Company and the members of its management body or its employees foreseeing any indemnities in case of resignation by the employee, following a public takeover bid.

The information specifically addressing the payments due in the event of early termination of the directors’ contracts is described in “Payments related to early termination of the directors’ contracts” in section 4 of Chapter 4 hereunder.
CHAPTER 2. EXERCISE OF VOTING RIGHTS AND SHAREHOLDERS REPRESENTATION

1. GENERAL SHAREHOLDERS MEETING AND VOTING RIGHTS

The General Meeting, composed by shareholders with voting rights, ordinarily meets once a year or whenever convened further request to the Chairman of the Board of the General Shareholders Meeting by the Board of Directors or the Audit Committee or by Shareholders representing at least 5% of the share capital, as well as in special cases legally foreseen, when requested by the Audit Committee.

Under the Portuguese Companies Code, the general shareholders’ meetings are disclosed a month in advance, in the website of the Ministry of Justice (http://publicacoes.mj.pt), its notice also being disclosed in the Company’s website, in CMVM’s information disclosure system (www.cmvm.pt) and in the website of Euronext Lisbon.

The Company’s Board of the General Shareholders Meeting is composed by:

- Júlio de Castro Caldas (Chairman)
- Alexandre Cardoso Correia de Mota Pinto (Secretary)

The Chairman of the Board of the General Shareholders Meeting, Júlio de Castro Caldas was appointed in the General Shareholders Meeting held on June 20, 2007, following the resignation presented by Daniel Proença de Carvalho, who had been appointed in the General Shareholders Meeting of April 24, 2007, due to the occurrence of a supervening incompatibility in relation to the former Chairman, Jorge Luís Seromenho Gomes de Abreu, under article 414-A of the Portuguese Companies Code, determining the forfeiture of his appointment, arising from the entry into force of the Decree-Law no.76-A/2006, of March 29, amending the Portuguese Companies Code.

The General Shareholders Meeting resolves by majority of the votes cast. However, to resolve on the amendment of the by-laws, merger, spin-off, transformation or dissolution of the Company or any other matters required by law, it is necessary a qualified majority of two thirds of the votes cast in the first call. In the General Shareholders Meeting concerning these matters must be present or represented, in the first call, shareholders holding at least shares corresponding to a third of the share capital, although the General Shareholders Meeting on a second call being able to resolve on such matters irrespectively of the number of shareholders present or represented. In the second call, the General Meeting resolves on the same matters by a two-thirds majority of the votes cast, unless shareholders holding at least half the share capital are present or represented, in which case those resolutions may be taken by the majority of votes cast.

Under the Company’s By-laws, to each 400 shares corresponds one vote. According to the Portuguese laws, shareholders holding a lower number of shares can gather in order to achieve the required or a higher number of shares and may be able to be represented by one of those shareholders in the general meeting.

Pursuant to the By-laws, the voting rights’ ownership shall be evidenced by the registration of the shares in a book entry securities account up to 5 business days prior to the meeting.

Also as far as the General Shareholders Meeting is concerned, and reporting to it, there is a Remuneration Committee whose composition, functions and activity during the financial year of 2007 are described below:

**Composition**:  
- António Cândido Seruca de Carvalho Salgado;
- Luís Manuel Roque de Pinho Patrício;
- Agostinho do Nascimento Pereira de Miranda.

This composition of the Remuneration Committee was decided on the General Shareholders Meeting held on June 20, 2007.

**Powers**:  

6 He submitted its resignation on March 11. The appointment of the new Officer of the Board of the General Meeting will be resolved on the General Meeting called for April 21.

7 The Compensation Committee members of ZON submitted their resignation to the office on 28th of February and 3 and 4th of March 2008. The rebuilding of this Committee will be made pursuant the legal terms.
This Committee was created, under the relevant by-laws provisions, to define the remunerations of ZON Multimédia’s corporate bodies. It is also in charge of monitoring and evaluating the performance of the directors by reference to the defined targets.

The Remuneration Committee held 5 meetings and has resolved on the definition of the variable and fixed remunerations to be attributed to the corporate bodies.

2. VOTE BY CORRESPONDENCE AND BY ELECTRONIC MEANS

The Company’s By-laws allow the exercise of voting rights by correspondence or by electronic means in regard to all matters contained in the call in accordance with the terms and conditions set forth therein.

Voting by Correspondence

According to the by-laws and the practice adopted by ZON Multimédia, voting by correspondence shall be performed as follows:

b) The shareholders entitled to vote may, under article 22 of the Portuguese Securities Code, exercise their voting rights by correspondence, through a signed statement where the vote on each of the items of the General Meeting’s agenda must be clearly defined;

c) The voting statement shall be accompanied by a legible copy of the shareholder’ identity card and by the statement of the financial intermediary in charge of the shares’ registration. Should the Shareholder be a legal person, the voting statement shall be signed by its representative whose signature shall be certified by a notary;

d) The voting statement and the documents referred in the previous paragraph must be sent by registered mail in a closed envelope addressed to the Chairman of the Board of the General Meeting;

e) The Chairman of the Board of the General Meeting is responsible for ensuring the authenticity and confidentiality of the votes by correspondence until the time of the voting;

f) Should the shareholder, or his/her representative, be present the General Meeting, its votes by correspondence are deemed revoked;

g) The votes by correspondence are deemed as votes against on proposals submitted to the General Meeting after the votes’ issuance.

For the purposes of voting by correspondence, there are voting bulletins available to shareholders at the Company’s registered office, which may also be obtained through its website or by delivery in person, by post or by electronic mail.

Voting by electronic means

As an alternative to voting by correspondence, the holders of voting rights can choose to exercise their voting right by electronic means. However, voting by electronic means may be subject by the Chairman of the Board of the General Shareholders Meeting to the satisfaction of the conditions that he/she may establish for safety and reliability purposes.

In fact, according to the practice implemented in the Company, shareholders entitled to vote may also vote through the Internet on the Company’s website, in accordance with the requirements thereby established, provided that, by the time and date foreseen in the General Shareholders Meeting’ call, they have delivered to the Chairman of the Board of the General Meeting a communication prepared in accordance with the form made available on the same website, which shall bear a certified signature (or, for individuals, a simple signature together with a copy of the relevant ID card), and shall include the post address to where the password to be made available by the Company should be sent to.

Such shareholders may exercise their voting rights during the period established in the General Shareholders Meeting’s call. Only the votes of shareholders whose declaration of the financial intermediary, entrusted with the registration of the relevant shares, has been received during the period foreseen in General Shareholders Meeting’ call may be taken into account.

General Provisions – Votes Counting

Voting exercised by correspondence or by electronic means will be taken into account, at the time of votes counting, in addition to the voting rights exercised during the General Meeting.

The presence at a General Meeting of a shareholder, or a shareholder’s representative, having exercised his/her voting rights either by correspondence or by electronic means determines the revocation of the vote cast in such way.
According to the practice adopted after the entry into force of the new number 9 of Article 384 of the Portuguese Companies Code and to the Company’s By-laws, any votes cast either by correspondence or by electronic means shall be deemed as a vote against any resolution proposals eventually submitted after the date on which said votes were cast.

3. SHAREHOLDER REPRESENTATION

Shareholders may directly participate in the General Shareholders Meeting or be represented within the broadest terms foreseen in the Portuguese Companies Code. A signed letter addressed to the Chairman of the Board of the General Shareholders Meeting constitutes a sufficient proxy.

4. AVAILABILITY OF PREPARATORY INFORMATION

The proposals to be submitted by the Board of Directors to the General Shareholders Meeting, as well as the reports that must be legally attached thereto and all other preparatory information data, are made available to shareholders at the Company’s registered office during the period legally required, including full text of the proposed by-laws changes which shall be available as from the day of General Shareholders Meeting’s call.

So as to facilitate access to such documents, especially by foreign shareholders, the Company will send them by post, fax or electronic mail, upon request.

In addition, the call for the General Shareholders Meeting and the proposals received by the Chairman of the Board of the General Shareholders Meeting to be discussed and resolved on the shareholders meeting are made available in the Company’s website in the period foreseen in CMVM’s regulations.

The General Shareholders Meeting’s resolutions are disclosed by the Company on its website, as well as through its Investor Relations Office.
CHAPTER 3. CORPORATE RULES

1. CODES OF CONDUCT

Code of Ethics

The Board of Directors of ZON Multimédia approved a Code of Ethics applicable to all employees of all companies of the Group, envisaging ensuring a set of common ethical standards for the entire Group and being its update and implementation permanently monitored by the Corporate Governance Committee.

The Code of Ethics clarifies and formalizes behaviour standards in line with the principles and values of ZON Multimédia and a commitment to its collective responsibility, as well as the individual responsibility of each Employee, consolidating the grounds for sustaining the growing trust relationship between Employees, other collaborators, shareholders, customers, suppliers and services providers, as well as regulatory authorities and public entities in general.

For the purpose of achieving its structuring ethical values, ZON Multimédia:

- Establishes the rules and procedures deemed, in each moment, the most adequate to ensure the full compliance with both the legal and regulatory rules applicable to the companies of the Group and its activities, and with the main principles of conduct foreseen in its Code of Ethics;
- Accommodates mechanisms aiming to ensure equal treatment of all shareholders and undertakes a transparent conduct before, not only the shareholders, as well as investors, stakeholders and the market, encouraging the valorization, credibility and good governance of the Group;
- Promotes the disclosure of complete, true, actual, clear, objective and lawful to the market, in particular by establishing mechanisms envisaging to ensure the disclosure of financial information that faithfully reproduces its financial situation and assets, business results, as well as adopting preventive measures of market abuse;
- Rejects and sanctions the use of illegal expedients for achieving its commercial goals, which must always be pursued in an environment of sound competition, using a policy of excellence of its products and services;
- Seeks to provide to its customers, products and services of the highest quality in line with their needs and preferences, focusing on its continuous innovation;
- Contributes to the motivation and remuneration of its Employees by promoting equal opportunities, human dignity and individual responsibility within the relationship with the Employees;
- Cooperates with the supervisory authorities, satisfying their requests once required;
- Promotes the compliance with the competition and labour rules to safeguard the property rights (namely, intellectual property) and resources of the Group;
- Creates the appropriate mechanisms to influence its suppliers and service providers in order to comply with the principles and values of the Group, as foreseen in the Code of Ethics, as well as the with their legal and contractual obligations, in line with the principle of good faith;
- Imposes internally an impartiality principle in decision-making processes, mechanisms preventing and resolving conflicts of interests and a duty of collaboration aiming to promote the effectiveness of the internal control system;
- Adopts an enterprise’s policy consolidating and promoting the idea of contributing to the social-economic welfare, social responsibility and sustainable development.

The Code of Ethics of ZON Multimédia also includes specific rules for Financial Officers, reinforcing the relevance of the specific ethical standards applicable to all employees of the Group that are, directly or indirectly, involved in the preparation, analysis and disclosure of financial statements, press releases or any other management information related to the ZON Multimédia. These rules aim to strengthen duties of confidentiality, competence and professionalism by the Financial Officers, as well as the transparency and compliance with the laws applicable to the Group and the responsibility for disclosure of information.
The Code of Ethics establishes principles of honesty and accountability, transparency and equal treatment of shareholders and governs matters such as competition, intellectual property and protection of property in general, the prevention of conflicts of interests and impartiality, the internal control system and unlawful benefits as well as the social responsibility and sustainable development.

Other codes of conduct and internal regulations:

ZON Multimédia adopted other regulations and internal rules in force within ZON Multimédia and the companies of the Group, as applicable. Such codes of conduct and internal regulations are the following:

*Internal regulation on transactions by the persons discharging managerial functions within the Group*

An internal regulation on transactions by the persons discharging managerial functions within the Group was approved in 2007, which governs matters related to the prevention of market abuse and details the relevant concepts of “privileged information”, “market manipulation” and “relevant transactions”, among other related issues.

This regulation was issued, precisely, in line with the rules of the Portuguese Securities Code and the relevant CMVM’s regulations, in particular, with the following objectives: (i) definition of rules and procedures on the duties of information about the shares and voting rights as well as relevant transactions made by persons discharging managerial functions on shares issued by ZON Multimédia and related financial instruments; and (ii) the consolidation of the best practices already implemented within the Company in order to enhance the prevention of market abuse.

*Transactions with related parties*

In order to comply with the rules applicable to the Company related to the identification and disclosure of transactions with related parties, the Board of Directors of ZON Multimédia has resolved in 2007, that, due to the proximity between the definitions of persons discharging managerial functions (provided for in article 248-B of the Portuguese Securities Code) and key management personnel (under the International Accounting Standard 24), such latter definition shall correspond in each moment, at least, to the scope of the Company's persons discharging managerial functions.

*Regulation on procedures to be adopted in respect of irregularities communications (“Whistleblowing”)*

The content of this regulation related to the communication of irregularities, approved by ZON Multimédia on December 20, 2007, is described in no. 6 to Chapter 3 hereunder.

*Sustainable development and social responsibility policy*

The corporate sustainability strategy in ZON Multimédia relies on the development of several practices and procedures at three main areas: economic, social and environmental.

Social, economic and environmental responsibility are intrinsic aspects to this strategy that ZON Multimédia is consolidating and renewing on a permanent basis.

In this context, ZON Multimédia annually develops actions of Social Responsibility included in the program “Cá Dentro”, whose objective is promoting the qualification, development and training of employees and their children. The types of assistance provided include the allocation of subsidies to support the acquisition of equipment and school books to employees with lower incomes and of scholarships to reward the best students.

At the level of Social Responsibility to the involving community, several social or public institutions are benefiting from the support of ZON Multimédia that provides its services or donations as well as other solidarity actions. Among the institutions supported it is the Dona Estefânia Paediatric Hospital, the University Hospital of Coimbra, Santa Maria’s Hospital, the Portuguese Institute of Oncology, the Military Home of Red Cross, the Children's House of Tires, the Volunteer Fire Brigade of Loulé, Albufeira, Portimão and Santo Tirso and the Cultural Association “Moinho da Juventude”.

Additionally some actions of prevention and elucidation are also performed within particular protocols signed with the Portuguese Institute of Rheumatology and the “Liga dos Amigos dos Hospitais”.

Social inclusion is certainly a concern of ZON Multimédia, to which it seeks to respond by creating accessibility conditions for everyone to ZON channels on cable TV, to the audiovisual products of Lusomundo Audiovisuais and to the cinema rooms of Lusomundo. This involvement of ZON in the social inclusion is evidenced namely through the Audio description service for people suffering from blindness and amblyopia - which is the first service to people with
special needs transmitted by an operator of digital television at a national level - and the service of sign language and subtitling for the deaf peopleed - developed in 2007 as part of the European Year of Equal Opportunities for All.

Quality and environmental protection are also values that ZON Multimédia aims to ensure through recycling, making available on its premises receptacles for filing of paper and containers of AMI ("Associação Médica Internacional") for the collection of hardware consumables and mobile phones in disuse. The agreement with AMI was timely extended to all TV Cabo’s stores and Lusomundo’s cinema theatres.

2. INTERNAL RISK CONTROL PROCEDURES

The main risk factors for ZON Multimédia as well as the strategies adopted by the Company to minimize such risks have already been described in no. 5 of Chapter 1 above.

Thus, the following refers to the internal procedures adopted by the Company to comply with the aforementioned strategies for risk factors control.

Bearing in mind the regulatory requirements to which it is subject, ZON Multimédia has been developing an internal control function, which mainly intends to ensure the compliance with the Company’s purposes, policies and procedures in place, to ensure the quality of the financial information, to minimize any fraud, and to ensure that critical risks are controlled and reduced to an acceptable level.

This function has been performed in the major subsidiaries. The program provides not only for the introduction of internal control procedures, but also for its review, verification and continuous improvement.

During 2007, and in line with the best international practices, an overall review of the substantial Internal Controls for financial reporting was requested in order to ensure that these are adequate and operational or, should this not be the case, that the “remediation plans” are put in place to correct possible deficiencies of the system.

The methodology for evaluation that was followed took into consideration the references supplied by those organizations which responsible for promoting the existence of internal control mechanisms in the capital markets, notably by Securities and Exchange Commission ("SEC") and PCAOB, and that were based on an analysis of the Internal Control system according to the COSO framework concerning Entity Level Controls and Process Level Controls, and according to the COBIT framework concerning IS/IT.

With regard to the implementation of the Internal Control, and following the use of the abovementioned referrals, a set of initiatives were developed to allow a substantial reinforcement of ZON Multimédia’s internal control environment including:

- Review and approval of the Code of Ethics and of the procedures to be adopted regarding the Communication of Irregularities ("Whistleblowing");
- Conduct of workshops for the clarification of the requirements for compliance set forth by SEC;
- Reviewing the adequacy of the Internal Control Manuals implemented in the main businesses of ZON Multimédia;
- Definition, monitoring and reporting to the Audit Committee of the Company of the appropriate policies aiming to implement Internal Control’s initiatives;
- Assessment of the Internal Control in all processes with substantial impact on the Financial Reporting of ZON Multimédia;
- Maintenance of certification.

Control by ZON Multimédia, Business Units and Support Companies

The Internal Control of ZON Multimédia is structured according to the following distribution of functional responsibilities:

- The Entity Level Controls are defined by ZON Multimédia on a corporate basis and are applicable to all the Group’s companies, including ZON Multimédia, and those aim to establish internal control guidelines for the subsidiaries;
- The Process Level Controls and IS/IT Controls are defined on a corporate basis, being applicable on the subsidiaries, adjusted to their particularities, organization and responsibility for the procedures; Given this distribution, the controls which are related with the collection of the information included in the preparation of the
Financial Statements are implemented in such companies; the controls connected with accounting processing and recording of such information are implemented in PROSHARE, a shared services unit.

ZON Multimédia is structuring the implementation of a sequential (cascade) certification model aiming of ensuring the involvement of the main intervenient to the financial reporting process. These certifications are obtained on an annual basis and are intended to hold the main parties involved with the procedures for the preparation of the financial information accountable for the reporting and correctness of all relevant financial information, including the Directors responsible for financial information reporting.

3. MEASURES THAT MAY INTERFERE WITH THE SUCCESS OF TAKEOVER BIDS

ZON Multimédia understands that its By-laws do not contain any defensive provisions aiming to automatically cause a negative impact on the Company’s assets in case of change of control or change in the composition of the management body. Although, in accordance with CMVM’s position, the following existing measures may interfere with the success of takeover bids:

Voting caps applicable to each shareholder

According to the current wording of paragraph 5 of Article 12 of the Company’s By-laws, the votes issued by a shareholder who holds shares, by itself or through a representative, on his own behalf or as a representative of another shareholder, that exceed 10% of the total voting rights corresponding to share capital shall not be counted. This provision, which inherently corresponds - and historically arose in several european countries - to a measure aiming to enhance shareholders’ democracy (by reducing the votes of the major shareholders thus expanding the minorities’ voting powers), is also commonly seen as a measure which may interfere with the success of takeover bids. However, to the potential effect of decreasing the occurrence of takeover bids (since the acquisition of control requires higher thresholds of shareholders participation), one should oppose the incentive to the improvement of attractiveness conditions of takeover bids, since only higher levels of acceptance by the addressees allow a potential bidder to achieve control thresholds.

Currently and since the General Shareholders Meeting held on June 20, 2007, the By-laws of ZON Multimédia no longer provide special rights granted to the then shareholder PT, in the context of the preparation of the Spin-off process.

Limitations to the transferability of shares, shareholders’ agreements and limitations to the shares ownership

There are no limitations to the transferability of shares, and the Company is not aware of any existing shareholders’ agreements.

According to paragraph b) to article 11(1) of the By-laws, shareholders are obliged to inform the Board of Directors of the content of any shareholders’ agreements entered into and respect to the Company.

Under the By-laws, shareholders who are, either directly or indirectly, engaged on a competing vis a vis the ones performed by companies within a control or group relationship with ZON Multimédia may not hold more than 10% of ordinary shares representing the Company’s share capital without the prior authorization of the General Meeting.

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8 Please note that until the General Shareholders Meeting held on June 20, 2007, the Company’s By-laws foresaw that the votes issued by a shareholder who holds ordinary shares, by him or through a representative, on his behalf or as a representative of another shareholder, exceeding 5% of the total voting rights corresponding to the share capital should not be considered.
CHAPTER 4. MANAGEMENT BODY

1. COMPOSITION AND CHARACTERISTICS OF THE BOARD OF DIRECTORS

The Board of Directors of ZON Multimédia is composed by a maximum of 19 members\(^9\), who are elected by shareholders at the general meeting by a majority of votes cast.

Irrespectively of the share capital held, any shareholder may individually submit proposals for the election of the Board of Directors.

On the other hand, under the Portuguese company law and the Company’s By-laws, a minimum of shareholders representing at least 10% and not more than 20% of the share capital, that voted against the winning proposal in the election of the Board of Directors may appoint a member of the management body. The directors are appointed for a three-year term of office, the election year being deemed as a full calendar year, and there are no restrictions on the re-election of directors.

The members of the Board were elected on their own name without the reference to any type of representation. The Board of Directors is composed of professionals with broad management experience, particularly in telecommunications and the financial sector. In order to maximize the pursuit of the interests of the Company, the managing body consists of an effective number of non-executive members, and among these, for a sufficient number of independent directors, non associated to any specific interest groups within the Company and who are not in any circumstance likely to affect their objective analysis and decision making.

On December 31, 2007, the Board of Directors of ZON Multimédia was composed by:

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Executive Committee</th>
<th>Independent Non-executive Directors</th>
<th>No. of Shares owned</th>
<th>First Appointment and Office Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Proença de Carvalho</td>
<td>Chairman</td>
<td>---</td>
<td>X</td>
<td>---</td>
</tr>
<tr>
<td>Rodrigo Costa (1)</td>
<td>Member</td>
<td>Chairman</td>
<td>---</td>
<td>200,000</td>
</tr>
<tr>
<td>José Pedro Pereira da Costa (1)</td>
<td>Member</td>
<td>Member</td>
<td>---</td>
<td>1,000</td>
</tr>
<tr>
<td>Luís Lopes (1)</td>
<td>Member</td>
<td>Member</td>
<td>---</td>
<td>1,250</td>
</tr>
<tr>
<td>Duarte Calheiros</td>
<td>Member</td>
<td>Member</td>
<td>---</td>
<td>5</td>
</tr>
<tr>
<td>Manuel Espírito Santo Silva</td>
<td>Member</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>António Domingues</td>
<td>Member</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>José Pedro de Alenquer (2)</td>
<td>Member</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>László Cebrian (1)</td>
<td>Member</td>
<td>---</td>
<td>X</td>
<td>---</td>
</tr>
<tr>
<td>Luís Bordalo da Silva</td>
<td>Member</td>
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<td>---</td>
</tr>
<tr>
<td>Vítor Gonçalves</td>
<td>Member</td>
<td>---</td>
<td>X</td>
<td>---</td>
</tr>
<tr>
<td>José Pinto Ribeiro (3)</td>
<td>Member</td>
<td>---</td>
<td>X</td>
<td>---</td>
</tr>
<tr>
<td>Nuno Silvério Marques</td>
<td>Member</td>
<td>---</td>
<td>X</td>
<td>---</td>
</tr>
</tbody>
</table>

(1) Co-opted on September 21, 2007, following the resignations from office of Zeinal Bava, Manuel Rosa da Silva, Francisco Nunes e Pedro Leitão, to complete the current three-year term (2007-2009).

(2) Submitted his resignation letter on January 15, 2008 from the office of Director. The vacancy was filled up by the election in General Shareholders Meeting held on January 31, 2008. In this General Shareholders Meeting, 4 new Directors were elected: Norberto Emílio Sequeira da Rosa, Jorge Telmo Maria Freire Cardoso, Joaquim Francisco Alves Ferreira de Oliveira e João Manuel Matos Borges de Oliveira, to complete the current three-year term (2007-2009).

(3) Submitted his resignation letter on January 29, 2008 from the office of non-executive member of the Board of Directors and member of the Audit Committee. The vacancy shall be filled up according to the laws and By-laws on the next General Meeting expected to take place on April 21, 2008.

The assessment of the directors’ independence as per the table above was endeavoured pursuant to article 1(2) of CMVM Regulation no. 7/2001, under which are not deemed independent non-executive directors those who are associated with any groups of specific interests in the company or who are in any circumstance likely to affect their objective analysis and decision making. In particular, the following directors are deemed as independent:

a) Directors belonging to the management body of a controlling company under the Portuguese Securities Code;

b) Directors deemed as qualifying holders of 10% or more of the share capital or of the voting rights of the Company or of an identical percentage in its controlling company, under the Portuguese Securities Code, or performing management functions in, within a contractual relationship with, or acting in the name or on behalf of, such qualifying holders in the company or its controlling company;

c) Directors deemed as qualifying holders of 10% or more of the share capital or of the voting rights of a competing company, under the Portuguese Securities Code, or performing management functions in, within a contractual relationship with, or acting in the name or on behalf of, such qualifying holders in such competing company;

d) Directors benefiting from any remuneration, even where suspended, from the Company or from any other company within a control or group relationship with it, except for the remuneration for the exercise of management functions;

e) Directors who have a significant commercial relation with the Company or any other company within a control or group relationship with it, either directly or through a third party. A significant commercial relation means the situation of an important service or goods provider, of an important customer or of organizations receiving significant contributions from the company or controlling entity;

f) Directors who are spouses, kindred and relatives in a direct line up to the third level, inclusive, of the persons referred to in the previous paragraphs.

Additionally, under paragraph 5 of article 414 of the Portuguese Companies Code, a member of a supervisory body is deemed independent if he/she is neither associated with any specific interest group within the Company, nor under any circumstance likely to affect their objective analysis and decision making, namely by virtue of: (a) being the holder or acting on behalf or for the account of a holder of a qualified shareholding equal to or exceeding 2% of the share capital in the Company; or (b) having been re-elected for more than two terms of office, on a consecutive or non-consecutive basis. All members of the Company’s Audit Committee are independent according to these criteria.

The composition and functions of the Executive Committee, which is the internal committee responsible for the day to day management of the Company, are described hereunder.

Annex I hereto contains a description of the Positions held by members of the management body in other companies, with express reference to those performed in other companies of the Group, as well as the professional qualifications and activities performed by those members during the last 5 years.

2. EXECUTIVE COMMITTEE:

Composition:

The Executive Committee is composed of the following directors:

Chairman: Rodrigo Jorge de Araújo Costa
Members: José Pedro Faria Pereira da Costa
         Luís Miguel Gonçalves Lopes
         Duarte Maria de Almeida e Vasconcelos Calheiros

Duties:
The Board of Directors delegated the day to day management of the Company into the Executive Committee, vesting it with all powers necessary for such purpose, with the exception of those related to the matters referred to hereunder and without prejudice to the faculty of claiming some of the authorities delegated:

- Choosing its Chairman;
- Co-optation of directors;
- Request for calling General Shareholders Meeting;
- Annual reports and accounts to be submitted for the approval of the General Shareholders Meeting as well as the half-yearly and quarterly accounts;
- Granting sureties and personal guarantees or guarantees in rem by the Company;
- Changing the Company’s registered office;
- Projects for spin-offs, mergers and transformation of the Company, to be proposed to the General Shareholders Meeting;
- Projects for share capital increases to be proposed to the General Shareholders Meeting;
- Projects of amendments to the by-laws to be proposed to the General Shareholders Meeting;
- Definition of the general goals and of the fundamental principles of the policies of the ZON Multimédia, as well as of the strategic options such as referring to the technology to be adopted, network development and service rendering;
- Important extensions or reductions of the Company’s activity and relevant modifications in the Company’s organization;
- Holdings in other companies
- Business plans, budgets and annual investment plans;
- Definition of the amount to be annually proposed to the General Shareholders Meeting for the issuance of bonds or other securities that may be subsequently resolved by the Executive Committee,

3. MANAGEMENT BODY’S FUNCTIONING RULES

Board of Directors

Under article 18 of the Company’s By-laws and article 3 of the Board of Directors Charter, approved in 2007, the Board of Directors shall meet at least once in every two months, and shall meet extraordinarily whenever convened by its Chairman or by two directors or by the Audit Committee.

The meetings are convened with a minimum 5 business day prior written notice. The agenda with the matters to be resolved and the supporting documentation is made available to the Directors on the second business day prior to the meeting.

In cases of urgency, the Chairman may convene the Board of directors without such advance.

The Board of Directors can not meet without the presence of the majority of its members in office. The Chairman of the Board of Directors may, in cases of recognised urgency, waive the presence of that majority if the same is ensured through voting by correspondence or by proxy, although a director may not represent more than another director.

The Board of Directors’ resolutions are passed by a majority of votes cast. The Chairman has a casting vote.

Resolutions passed and statements are recorded in the minutes, which should be signed by all members of the Board of Directors participating in the meeting.

The participants in a meeting may include a summary of their interventions in the minutes.

Accordingly to the Company’s By-laws, it is also set forth the possibility of this corporate body’s meetings being made by telematic means, and the Company must ensure the authenticity of the declarations and the security of the communications, proceeding to the registration of its content and of its intervenient.

Executive Committee

In order to better ensure the performance of its duties according to the criteria by then adopted, the ZON Multimédia’s Board of Directors created an Executive Committee to which it has delegates day to day management, while retaining supervision and control functions.

The Executive Committee sets out the dates and periodicity of its ordinary meetings and will meet extraordinarily whenever convened by its Chairman or by two of its members or by the Audit Committee.
The Executive Committee cannot meet without the presence of the majority of its members in office. The Chairman may, in cases of recognised urgency, waive the presence of such majority if the same is ensured through voting by correspondence or by proxy.

Voting by correspondence and by proxy is allowed, although no member of the Executive Committee may represent more than another member.

Resolutions are passed by the majority of votes cast, and the Chairman has a casting vote.

During 2007 the Executive Committee made 45 meetings.

**Powers of the Chairman of the Board of Directors and the of Chairman of the Executive Committee**

On December 31st, 2007, the role of the Chairman of the Board of Directors is separate from the functions of executive management of the Group. Pursuant to the By-laws, to the Charter of the Board of Directors and to the Executive Committee’s functioning rules, the Chairman of Executive Committee is the leader of the managing team of ZON Multimédia, thus being responsible for its operational management.

The Chairman of the Executive Committee is especially responsible for:

- Coordinating the Executive Committee’s activity and distributing the relevant matters among their members, where deemed convenient for the Company’s management;
- To convene and conduct the meetings of the Executive Committee;
- Promoting the correct execution of the Executive Committee’s resolutions.
- Ensuring that all information regarding the Executive Committee’s activity and resolutions is provided to the other members of the Board of Directors;
- Ensuring the compliance with the Company’s strategy and assuring the limits of the delegation of powers and the cooperation duty vis a vis the Chairman of the Board of Directors.

On its turn, the Chairman of the Board of Directors is entrusted with important functions, under the relevant laws, By-laws, and its Charter, including inter alia

- To represent the Board of Directors in and out of court;
- Coordinating the activity of the Board of Directors and distributing the relevant matters among their members, where deemed convenient for the Company’s management
- To convene and conduct the meetings of the Board of Directors;
- Promoting the correct execution of the Board of Directors’ resolutions.

**Information to the members of the Board of Directors**

Under the Charter of the Company’s Board of Directors, within the exercise of its duties and functions, Directors will obtain information on the course of the Company’s activity, requesting the information on each moment deemed necessary or convenient for the adequate discharge of its office and for the better pursuit of the corporate interest.

Except in cases of urgency, the Directors that, solely or jointly, intend to access to information within the scope of the powers delegated on the Executive Committee, may request it directly to its Chairman or trough the Chairman of the Board of Directors.

**Number of Board of Directors meetings during 2007**

During 2007, 13 meetings of the Board of Directors took place, with a presence rate of 84%.

**4. DIRECTORS’ REMUNERATION POLICY**

**Remuneration policy for executive and non-executive directors**

The remuneration of ZON Multimédia’s directors, as determined by the Remuneration Committee, takes into consideration the annual performance of ZON Multimédia and the benchmarking of other companies with a similar dimension and business.
The remuneration of the executive directors is composed of a fixed and a variable component. The remuneration of the remaining non-executive directors includes only a fixed component.

The value of the fixed remuneration of the directors was determined in light of by several aspects, namely the time, effort, experience and skills made available by each director for the benefit the Company.

The variable remuneration is determined on the basis of the ZON Multimédia’s performance, according to business indicators, namely revenues, EBITDA, Clients Base Increase and Quality of the Services.

**Alignment of directors’ interests with Company’s interest**

As described above, ZON Multimédia seeks to align management interests with the Company’s and the shareholder’s interests. In this light, the directors’ variable remuneration depends on their performance, sustainability and capacity to achieve certain goals contributing to the strategic objectives of ZON Multimédia.

The Remuneration Committee did not submit to the last Annual General Shareholders Meeting, for the purpose of complying with CMVM Recommendation no. 8-A, a report regarding the remunerations policy of the corporate bodies’ members for the year of 2007 and the policy applied in the preceding year, since this Committee was elected on the General Shareholders Meeting held on June 20, 2007.

**Payments related to the early termination of directors’ agreements**

In order to align its practice with the international Corporate Governance best practices, under the relevant individual agreements entered into with each executive member of ZON Multimédia, should such member not be re-elected in office upon its mandate expiry, will be due a compensation corresponding to two years of the average of the fixed and variable remuneration (annual), paid in the prior 24 months, as a consideration for these executives members not performing any functions, during 2 years, in Portugal, in any competing companies. Additionally, in case of termination of the management agreements, unless in case of a termination based on reasonable grounds (“justa causa”), the value that the Board members would receive until the end of the mandate shall be due.

## 5. DIRECTORS’ REMUNERATIONS

### Fixed and variable remunerations of Executive and Non-Executive Directors

In 2007, the fixed and variable remunerations granted to Executive and Non-Executive Directors were the following:

<table>
<thead>
<tr>
<th></th>
<th>Fixed</th>
<th>Variable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td>1,127,127</td>
<td>435,000</td>
<td>1,562,127</td>
</tr>
<tr>
<td>Non-Executive directors</td>
<td>433,850</td>
<td>--------</td>
<td>433,850</td>
</tr>
<tr>
<td>Total</td>
<td>1,560,977</td>
<td>435,000</td>
<td>1,995,977</td>
</tr>
</tbody>
</table>

Note: The variable remuneration corresponds to performance premiums attributed in 2007, but regarding the performance of the preceding financial year.

The Executive Directors of ZON Multimédia that discharge functions in other companies of the ZON Group do not receive any additional remuneration.

### Connection between directors’ remuneration and performance

In order to maximize good management efforts (comment on the CMVM Recommendation no. 8 and Action Plan of the European Commission), the variable remunerations actually attributed to the Executive Directors were indexed to their performance in the management body of the Company, according to the relevant criteria set forth in the Company’s remuneration policy described above.

### Allotment of shares or share call options or other share incentive systems – Premiums, non-pecuniary benefits and profit sharing
There are no share allotment plans, share call option or other share incentive system, nor any premiums or non-pecuniary benefits of any kind, including profit sharing.

Payments due for termination of office

No payments for termination of office were paid or became due to former Directors by virtue of its functions termination.

Estimate of other non-pecuniary benefits

Apart from those described above, no other significant non-pecuniary benefits were granted.

6. WHISTLEBLOWING POLICY

ZON Multimédia has, since December 20, 2007, a policy of irregularities communication occurred within the Company, having been approved on the same date the Regulation on the Whistleblowing Procedures.

For the purpose of this Regulation are deemed as “irregularities” any acts or omissions, wilful or negligent, occurred within the activities of the Group, contravening legal or regulatory provisions, the By-laws or ZON Multimédia’s ethical rules and principles, attributable to corporate bodies members and other persons discharging managerial functions, officers, staff and remaining employees and collaborators of ZON Multimédia Group (irrespectively of their hierarchical position or relationship). This irregularities correspond to actions or omissions such as the breach of the ethical rules and principles foreseen in the ZON Multimédia’s Code of Ethics, in particular related to the integrity of the financial information, accounting practices, conflicts of interests rules, internal control system or competition policies.

After its implementation, this Regulation was disclosed to the employees of the ZON Multimédia Group through the internal website of ZON Multimédia.

Any irregularity may be communicated through the proceedings and mechanisms foreseen in said Regulation.

The communications of irregularities are received and processed by the Audit Committee, which is assisted, through the several stages of such process, by the General Officer or by the Deputy General Officer and by the Internal Audit Unit. The Audit Committee is responsible for taking the necessary decisions, disclosing those to the CEO and to the CFO of ZON Multimédia, as well to other internal or external entities whose involvement is required or justified.

In any case, the identity of the persons communicating irregularities is confidential (when known), unless otherwise clearly intended and requested by those. No retaliation towards whom has made said communications is in any case permitted.
ANNEX I

Positions held by members of the managing body in other companies

The functions performed in other companies by each director are the following:

- Daniel Proença de Carvalho
  Positions held in companies of the ZON Multimédia Group
  Not applicable.

  Functions performed in other companies:
  - Chairman of the Advisory Board of Explorer Investments – Sociedade de Capital de Risco, SA
  - Director of SINDCOM – Sociedade de Investimentos na Industria e Comércio, SGPS, SA
  - Chairman of the Advisory Board of Fundação D. Anna de Sommer Champalimaud e Dr. Carlos Montez Champalimaud
  - Chairman of the Strategic Board of the Hospital Amadora-Sintra Sociedade Gestora, SA
  - Chairman of the General Meeting of Liga de Amigos da Casa-Museu João Soares
  - Member of the Protectors’ Board of Fundação Batalha de Aljubarrota
  - Member of the Advisory Board of Fundação Renascer
  - Chairman of the Board of the General Shareholders Meeting of Celulose do Caima, SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of Socitei – Sociedade Industrial de Trefiliaria, SA
  - Chairman of the Board of the General Shareholders Meeting of Edifier – Investimentos, Sociedade Gestora de Participações Sociais, SA
  - Chairman of the Board of the General Shareholders Meeting of Edifier – Sociedade Gestora de Participações Sociais, SA
  - Chairman of the Board of the General Shareholders Meeting of Portugália – Administração de Patrimónios, SA
  - Chairman of the Board of the General Shareholders Meeting of Mauge – SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of Almouca – Sociedade Gestora de Participações Sociais, SA
  - Chairman of the Board of the General Shareholders Meeting of Renova – Fábrica de Papel do Almonda, SA
  - Chairman of the Board of the General Shareholders Meeting of Panatlântica – Holding, Sociedade Gestora de Participações Sociais, SA
  - Chairman of the Board of the General Shareholders Meeting of G.A. – Estudos e Investimentos, SA
  - Chairman of the Board of the General Shareholders Meeting of Vila Sol II – Empreendimentos Turísticos, SA
  - Chairman of the Board of the General Shareholders Meeting of Vila Sol, SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of Cabo Raso – Empreendimentos Turísticos, SA
  - Chairman of the Board of the General Shareholders Meeting of Belo – Sociedade Agricola Serra Branca, SA
  - Chairman of the Board of the General Shareholders Meeting of Sociedade Agricola dos Namorados, SA
  - Chairman of the Board of the General Shareholders Meeting of Coaltejo – Criador de Ovinos Algarve e Alentejo, SA
  - Chairman of the Board of the General Shareholders Meeting of Sotac – Sociedade de Turismo e Agricultura, SA
  - Chairman of the Board of the General Shareholders Meeting of Sogesfin – Sociedade Gestora de Participações Sociais, SA
  - Chairman of the Board of the General Shareholders Meeting of 3 Z – Administração de Imóveis, SA
  - Chairman of the Board of the General Shareholders Meeting of Sétimos-Participações, SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of Gotan, SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of Estoril Sol, SGPS, SA
  - Chairman of the Board of the General Shareholders Meeting of euroatlântica – Investimentos e Comércio, SA
  - Vice-Chairman of the Board of the General Shareholders Meeting of Caixa Geral de Depósitos, SA

- Rodrigo Jorge Araújo Costa
  Positions held in Companies of the ZON Multimédia Group:
  - Chairman of the Board of Directors of ZON Televisão por Cabo, SGPS, SA
  - Chairman of the Board of Directors of CATVP – TV Cabo Portugal, SA
  - Chairman of the Board of Directors of Cabo TV Açoreana, SA
  - Chairman of the Board of Directors of Cabo TV Madeirense, SA

1 Co-opted on September 21, 2007
Positions held in other companies:
Not applicable.

José Pedro Faria Pereira da Costa

Positions held in Companies of the ZON Multimédia Group:
- Director of ZON Televisão por Cabo, SGPS, SA
- Director of CATVP – TV Cabo Portugal, SA
- Director of ZON Conteúdos, Actividade de Televisão e de Produção de Conteúdos, SA
- Director of Lusomundo Audiovisuais, SA
- Director of Lusomundo Cinemas, SA
- Director of Lusomundo Imobiliária 2, SA
- Director of Lusomundo, Sociedade de Investimentos Imobiliários, SA
- Director of Lisboa TV, SA
- Director of Sport TV, SA

Positions held in other companies:
Not applicable.

Luís Miguel Gonçalves Lopes

Positions held in Companies of the ZON Multimédia Group:
- Director of ZON Televisão por Cabo, SGPS, SA
- Director of CATVP – TV Cabo Portugal, SA
- Director of Cabo TV Açoreana, SA
- Director of ZON Conteúdos, Actividade de Televisão e de Produção de Conteúdos, SA
- Director of Lusomundo Audiovisuais, SA
- Director of Lusomundo Cinemas, SA
- Director of Octal TV – Engenharia de Sistemas para TV Interactiva, SA

Positions held in other companies:
Not applicable.

Duarte Maria de Almeida e Vasconcelos Calheiros

Positions held in Companies of the ZON Multimédia Group:
- Director of ZON Televisão por Cabo, SGPS, S.A.
- Director of CATVP - TV Cabo Portugal, S.A.
- Director of Cabo TV Madeirense, S.A.
- Director of ZON Conteúdos – Actividade de Televisão e de Produção de Conteúdos, S.A.
- Director of Lusomundo Audiovisuais, S.A.
- Director of Lusomundo Cinemas, S.A.
- Chairman of the Board of Directors of Lusomundo Imobiliária 2, S.A.
- Chairman of the Board of Directors of Lusomundo Sociedade de Investimentos Imobiliários, S.A.
- Manager of Lusomundo Moçambique, S.A.
- Manager of Lusomundo Editores, Lda.
- Manager of Distodo, Distribuição e Logística, Lda.
- Manager of Lusomundo España, SL.

Positions held in other companies:
Not applicable.
Manuel Fernando Moniz Galvão Espírito Santo Silva

Positions held in Companies of the ZON Multimédia Group:

Not applicable.

Positions held in other companies:

- Chairman of the Board of Directors of the Academia de Música de Santa Cecília
- Executive Chairman of Herdade da Comporta – Actividades Agro Silvícolas e Turísticas, S.A.
- Executive Chairman of Espírito Santo Health & SPA, S.A.
- Executive Chairman of Espírito Santo Industrial, S.A.
- Executive Chairman of euroamerican Finance Corporation, Inc.
- Executive Chairman of Espírito Santo Tourism (Europe), S.A.
- Executive Chairman of Espírito Santo Industrial (BVI), SA
- Chairman of the Executive Committee of Espírito Santo Resources, Limited
- Director of Banco Espírito Santo, S.A.
- Director of Bespar - Sociedade Gestora de Participações Sociais, S.A.
- Director of E.S. Control Holding, S.A.
- Director of Espírito Santo Bank
- Director of Espírito Santo Financial Group, S.A.
- Director of Espírito Santo Services, S.A.
- Director of Santogal - Sociedade Gestora de Participações Sociais, S.A.
- Director of Sociedade de Investimentos Imobiliários Sodim, S.A.
- Director of Espírito Santo Internacional, SA
- Director of Espírito Santo Resources (Portugal)
- Chairman of the Board of the General Shareholders Meeting of ESPART – Espírito Santo Participações Financeiras (SGPS), SA
- Chairman of the Board of the General Shareholders Meeting of Sociedade Imobiliária e Turística da Quinta do Perú, SA

António Domingues

Positions held in Companies of the ZON Multimédia Group:

Not applicable.

Positions held in other companies:

- Vice-Chairman of the Board of Directors of Banco Português de Investimento, S.A.
- Vice-Chairman of the Board of Directors of Banco Comercial e de Investimentos, S.A.R.L. (Moçambique)

José Pedro Sousa de Alenquer

Positions held in Companies of the ZON Multimédia Group:

Not applicable.

Positions held in other companies:

- Chairman of the Board of Directors of SGPICE – Sociedade de Serviços de Gestão de Portais na Internet e de Consultoria de Empresas, S.A.
- Director of Caixanet Telemática e Comunicações, S.A.
- Officer of Sogrupo, Sistemas de Informação, ACE

László Hubay Cebrian

Positions held in Companies of the ZON Multimédia Group:

Not applicable.

11 Co-opted on September 21, 2007
Positions held in other companies:

- Chairman of the Luso-Hungarian Commerce Chamber

- **Luís João Bordalo da Silva**
  Positions held in Companies of the ZON Multimédia Group:
  Not applicable.

  Positions held in other companies:

  - Director of Cinveste Arte e Mobiliário S.A
  - Director of Cinveste, SGPS, S.A.
  - Director of HSF Engenharia, S.A.
  - Director of Guemonte - Sociedade Civil Imobiliária e de Investimentos S.A.
  - Manager of Cinveste Finance, SGPS, Lda.
  - Manager of Cinveste Finance, Gestão de Valores Mobiliários, Lda.

- **Vítor Fernando da Conceição Gonçalves**
  Positions held in Companies of the ZON Multimédia Group:
  Not applicable.

  Positions held in other companies:

  - Member of the General and Supervisory Board of EDP – Energias de Portugal SA
  - Chairman of the Audit Committee of EDP – Energias de Portugal, SA
  - Chairman of the Fiscal Board of Fundação EDP
  - Member of the Economical and Social Committee
  - Vice-Principal of Universidade Técnica de Lisboa

- **José António de Melo Pinto Ribeiro**
  Positions held in Companies of the ZON Multimédia Group:
  Not applicable.

  Positions held in other companies:

  Without information.

- **Nuno João Francisco Soares de Oliveira Silvério Marques**
  Positions held in Companies of the ZON Multimédia Group:
  Not applicable.

  Positions held in other companies:

  - Vice-Chairman of the Board of Directors of CIDOT – Estúdio de Comunicação, SA
  - Consultant of companies connected to AGILLE – Serviços e Consultoria de Gestão, SA
  - Director of AGILLE – Serviços e Consultoria de Gestão, SA
Professional Qualifications and activities exercised during the last 5 years

- Members of the Executive Committee

Rodrigo Jorge Araújo Costa. Portuguese. 48 years-old. Co-opted, for the first time, in 2007. The office term is on December 31, 2009. Member of the Board of Directors of ZON Televisão por Cabo, SGPS, SA, since September 2007; Member of the Board of Directors of CATV – TV Cabo Portugal, SA, since September 2007; Member of the Board of Directors of Cabo TV Açoreana, SA, since November 2007; Member of the Board of Directors of Cabo TV Madeirense, SA, since November 2007; Chairman of the Board of Directors of ZON Conteúdos, Actividade de Televisão e de Produção de Conteúdos, SA, since September 2007; Chairman of the Board of Directors of Lusomundo Audiovisuais, SA, since September 2007; Chairman of the Board of Directors of Lusomundo Cinemas, SA, since September 2007; Chairman of the Board of Directors of Lusomundo Imobiliária 2, SA, since December 2007; Member of the Board of Directors of Lusomundo Sociedade de Investimentos Imobiliários, SA, since December 2007; Member of the Board of Directors of Lisboa TV, SA, since November 2007; Member of the Board of Directors of Sport TV, since October 2007; Member of the Executive Committee of PT Comunicações, SA, since 2002 until September 2007; Member of the Executive Committee of PT.Com – Comunicações Interactivas, SA, since 2002 until September 2007; Member of the Executive Committee of PT Prime, SA, since 2002 until September 2007; Member of the Board of Directors of PT PRO, SA, since 2003 until September 2007; Member of the Board of Directors of Páginas Amarelas, SA, since 2003 until September 2007; Member of the Board of Directors of PT Previsão, SA, since 2004 until September 2007; Member of the Board of Directors of PT Prestações, SA, since 2005 until September 2007; Member of the Board of Directors of PT Sistemas de Informação, SA, since 2006 until September 2007; Member of the Board of Directors of BEST – Banco Electrónico de Serviços Totais, SA, since 2007 until September of 2007; Manager of DCSI – Dados, Computadores, Serviços Informáticos, Lda., since 2005 until September of 2007; Vice-Chairman of the Executive Committee of Telesp Celular Participações, since June 2001 until June 2002; Vice-Chairman of the Joint-Venture PT/Telefónica, since June 2001 until June 2002; Member of the Executive Committee of PT Móveis, SGPS, SA, since June 2000 until June 2002; Member of the Board of Directors of Jazztel Plc, since February 2000 until June 2000; Member of the Executive Committee of Banco Santander de Negócios Portugal, since January 1997 until February 2000.

José Pedro Faria Pereira da Costa. Portuguese. 40 years-old. Co-opted for the first time in 2007. The office term is on December 31, 2009. Member of the Board of Directors of ZON Televisão por Cabo, SGPS, SA, since September 2007; Member of the Board of Directors of CATV – TV Cabo Portugal, SA, since September 2007; Member of the Board of Directors of ZON Conteúdos, Actividade de Televisão e de Produção de Conteúdos, SA, since September 2007; Member of the Board of Directors of Lusomundo Audiovisuais, SA, since September 2007; Member of the Board of Directors of Lusomundo Cinemas, SA, since September 2007; Member of the Board of Directors of Lusomundo Imobiliária 2, SA, since December 2007; Member of the Board of Directors of Lusomundo Sociedade de Investimentos Imobiliários, SA, since December 2007; Member of the Board of Directors of Lisboa TV, SA, since November 2007; Member of the Board of Directors of Sport TV, since October 2007; Member of the Executive Committee of PT Comunicações, SA, since 2002 until September 2007; Member of the Executive Committee of PT Prime, SA, since 2002 until September 2007; Member of the Board of Directors of PT PRO, SA, since 2003 until September 2007; Member of the Board of Directors of Páginas Amarelas, SA, since 2003 until September 2007; Member of the Board of Directors of PT Previsão, SA, since 2004 until September 2007; Member of the Board of Directors of PT Prestações, SA, since 2005 until September 2007; Member of the Board of Directors of PT Sistemas de Informação, SA, since 2006 until September 2007; Member of the Board of Directors of BEST – Banco Electrónico de Serviços Totais, SA, since 2007 until September of 2007; Manager of DCSI – Dados, Computadores, Serviços Informáticos, Lda., since 2005 until September of 2007; Vice-Chairman of the Executive Committee of Telesp Celular Participações, since June 2001 until June 2002; Vice-Chairman of the Joint-Venture PT/Telefónica, since June 2001 until June 2002; Member of the Executive Committee of PT Móveis, SGPS, SA, since June 2000 until June 2002; Member of the Board of Directors of Jazztel Plc, since February 2000 until June 2000; Member of the Executive Committee of Banco Santander de Negócios Portugal, since January 1997 until February 2000.

Luis Miguel Gonçalves Lopes. Portuguese. 35 years-old. Co-opted for the first time in 2007. The office term is on December 31, 2009. Member of the Board of Directors of ZON Televisão por Cabo, SGPS, SA, since September 2007; Member of the Board of Directors of CATV – TV Cabo Portugal, SA, since September 2007; Member of the Board of Directors of Cabo TV Açoreana, SA, since September 2007; Member of the Board of Directors of ZON Conteúdos, Actividade de Televisão e de Produção de Conteúdos, SA, since September 2007; Member of the Board of Directors of Lusomundo Audiovisuais, SA, since September 2007; Member of the Board of Directors of Lusomundo Cinemas, SA, since September 2007; Member of the Board of Directors of Lusomundo Imobiliária 2, SA, since December 2007; Member of the Board of Directors of Lusomundo Sociedade de Investimentos Imobiliários, SA, since December 2007; Member of the Board of Directors of Lisboa TV, SA, since November 2007; Member of the Board of Directors of Sport TV, since October 2007; Member of the Executive Committee of PT Comunicações, SA, since 2002 until September 2007; Member of the Executive Committee of PT Prime, SA, since 2002 until September 2007; Member of the Board of Directors of PT PRO, SA, since 2003 until September 2007; Member of the Board of Directors of Páginas Amarelas, SA, since 2003 until September 2007; Member of the Board of Directors of PT Previsão, SA, since 2004 until September 2007; Member of the Board of Directors of PT Prestações, SA, since 2005 until September 2007; Member of the Board of Directors of PT Sistemas de Informação, SA, since 2006 until September 2007; Member of the Board of Directors of BEST – Banco Electrónico de Serviços Totais, SA, since 2007 until September of 2007; Manager of DCSI – Dados, Computadores, Serviços Informáticos, Lda., since 2005 until September of 2007; Vice-Chairman of the Executive Committee of Telesp Celular Participações, since June 2001 until June 2002; Vice-Chairman of the Joint-Venture PT/Telefónica, since June 2001 until June 2002; Member of the Executive Committee of PT Móveis, SGPS, SA, since June 2000 until June 2002; Member of the Board of Directors of Jazztel Plc, since February 2000 until June 2000; Member of the Executive Committee of Banco Santander de Negócios Portugal, since January 1997 until February 2000.

Duarte Maria de Almeida e Vasconcelos Calheiros. Portuguese, 58 years-old. Elected for the first time in 2003. The office term is on December 31, 2009. Chairman of the Board of Directors of Lusomundo Imobiliária 2, S.A. since 2004; Chairman of the Board of Directors of Lusomundo Sociedade de Investimentos Imobiliários, S.A. since 2004; Member of the Board of Directors of Lusomundo Cinemas, S.A. since 2004; Member of the Board of Directors of Lusomundo Audiovisuais, S.A. since 2004; Member of the Board of Directors of ZON Conteúdos – Actividade de Televisão e de Produção de Conteúdos, S.A., since 2004; Member of the Board of Directors of CATV – TV Cabo, S.A., since 2004; Member of the Board of Directors of ZON Televisão por Cabo, SGPS, S.A., since 2004; Member of the Board of Directors of Cabo TV Madeirense, S.A., since October 2007; Manager of Lusomundo Mozambique, S.A. since 2004; Manager of Lusomundo Editoras, Lda., since 2004; Manager of Lusomundo Esportes, S.L. since 2004; Manager of Distundo, Distribuição e Logística, Lda., since 2004; Manager of Empresa de Recreios Artísticos, Lda., since 2006; Chairman of the Executive Committee of HERTZ – HR – Aluguer de Automóveis, S.A. since March de 2000 until April 2003; Member of the Board of Directors of HERTZ – HR – Aluguer de Automóveis, S.A. since June 1998 until March 2000; Member of the Board of Directors of HERTZ – HR – Aluguer de Equipamentos, S.A. since June 1998 until April 2003; Member of the Board of Directors of HERTZ – HR – Aluguer de Automóveis (Cabo Verde), since June 1998 until April 2003; Member of the Board of Directors of HERTZ – HR España, S.L., since June 1998 until April 2003; Chairman of the Executive Committee of HERTZ – HR – Aluguer de Equipamentos, S.A. since June 1998 until April de 2003; Member of the Board of Directors of HERTZ – HR III Renting Gestão de Frotas, S.A., since June 1998 until April 2003; Manager of HERTZ – HR Gibraltar, Lda.
since June 1998 until April 2003; Chairman of the Board of the General Shareholders Meeting of Cabo TV Açoreana, SA, since November 2007; Member of the Fiscal Board of Fundação Cultursintra since 2006.

- Non executive Directors

**Daniel Proença de Carvalho.** Portuguese, 66 years-old. Elected for the first time in 2007. The office term is on December 31, 2009. Chairman of the Advisory Board of Explorer Investments – Sociedade de Capital de Risco, SA; Member of the Board of Directors of SINDCOM – Sociedade de Investimentos na Indústria e Comércio, SGPS, SA, since 2005; Chairman of the Protectors’ Board of Fundação D. Anna de Sommer Champalmaud and Dr. Carlos Monteiz Champalmaud, since 2005; Chairman of the Strategic Board of the Hospital Amadora-Sintra Sociedade Gestora, SA, since 2007; Chairman of the General Meeting of Liga de Amigos da Casa-Museu João Soares, since 1998; Member of the Protectors’ Board of Fundação Batalha de Aljubarrota, since 2002; Member of the Advisory Board of Fundação Renascer, since 2005; Chairman of the Board of the General Shareholders Meeting of CELULOSE DO CAIMA – SGPS, SA, since 2002; Chairman of the Board of the General Shareholders Meeting of SOCITEL – Sociedade Industrial de Territórios, SA, since 2005; Chairman of the Board of the General Shareholders Meeting of Confiança Participações, SGPS, SA, since 2004; Chairman of the Board of the General Shareholders Meeting of EDIFER – INVESTIMENTOS, Sociedade Gestora de Participações Sociais, SA, since 2003; Chairman of the Board of the General Shareholders Meeting of PORTUGALIA – Administração de Patrimônios, SA, since 1980; Chairman of the Board of the General Shareholders Meeting of MAGUE – SGPS, SA, since 1998; Chairman of the Board of the General Shareholders Meeting of euroatlântica – Investimentos e Comércio, SA, since 1998; Chairman of the Board of the General Shareholders Meeting of ALMONDA – Sociedade Gestora de Participações Sociais, SA, since 1997; Chairman of the Board of the General Shareholders Meeting of RENOVA – Fábrica de Papel do Almonda, SA, since 1997; Chairman of the Board of the General Shareholders Meeting of PANATLÂNTICA – HOLDING, Sociedade Gestora de Participações Sociais, SA, since 1995; Chairman of the Board of the General Shareholders Meeting of G.A. – Estudos e Investimentos, SA, since 1996; Chairman of the Board of the General Shareholders Meeting of VILA SOL, SGPS, SA, since 1999; Chairman of the Board of the General Shareholders Meeting of VILA SOL II – Empreendimentos Turísticos, SA, since 1997; Chairman of the Board of the General Shareholders Meeting of VILA SOL III – Empreendimentos Turísticos, SA, since 1999; Chairman of the Board of the General Shareholders Meeting of BELO – Sociedade Agrícola de Mertola, SA, since 1997; Chairman of the Board of the General Shareholders Meeting of Sociedade Agrícola SERRA BRANCA, SA, since 1975; Chairman of the Board of the General Shareholders Meeting of NAMORADOS – Recreio, S.A., since 1974; Chairman of the Board of the General Shareholders Meeting of COALTEJO – Criador de Ovinos Algarve e Alentejo, SA, since 2005; Chairman of the Board of the General Shareholders Meeting of SOTAC – Sociedade de Turismo e Agricultura, SA, since 1991; Chairman of the Board of the General Shareholders Meeting of SOGESFIN – Sociedade Gestora de Participações Sociais, SA, since 1998; Chairman of the Board of the General Shareholders Meeting of Z Z – Administração de Imóveis, SA, since 2001; Chairman of the Board of the General Shareholders Meeting of SETIMOS – PARTICIPAÇÕES, SGPS, SA, since 2005; Chairman of the Board of the General Shareholders Meeting of GOTA SGPS, SA, since 2004; Chairman of the Board of the General Shareholders Meeting of ESTORIL SOL, SGPS, SA, since 2007; Vice-Chairman of the Board of the General Shareholders Meeting of Caixa Geral de Depósitos, SA, since 2007; Docent in Instituto Jurídico da Comunicação (Faculty of Law of the University of Coimbra), since 2005; Chairman of the Board of Directors of Fundação Arpad Szénes-Vieira da Silva, from 1993 until 2007.

**Manuel Fernando Moniz Galvão Espírito Santo Silva.** Portuguese, 49 years-old. Elected for the first time in 2003. The office term is on December 31, 2009. Member of the Executive Committee of WTTC (World Travel & Tourism Council), Executive Member of the Superior Board of Espírito Santo Group; Chairman of the Board of Directors of the Academia de Música de Santa Cecília, since 2002; Executive Chairman of Espírito Santo Health & SPA, S.A., since 2003; Chairman of the Executive Committee of Espírito Santo Resources, Limited, since 2005; Executive Chairman of Herdade de Comporta – Actividades Agro Silvícolas e Turísticas, S.A., since 2005; Executive Chairman of Espírito Santo Tourism (europe), since 2005; Executive Chairman of Espírito Santo Industrial (BVI), S.A., since 2005; Executive Chairman of Sendovcik Finance Corporation, INC., since 2002; Executive Chairman of Espírito Santo Industrial, SA, since 2007; Member of the Board of Directors of Espírito Santo Bank, since 2007; Member of the Board of Directors of Espírito Santo International, SA, since 2007; Member of the Board of Directors of Espírito Santo Resources (Portugal), since 2007; Member of the Board of Directors of BESPAR – Sociedade Gestora de Participações Sociais, S.A., since 2002; Member of the Board of Directors of SANTOGAL, Sociedade Gestora de Participações Sociais, S.A. since 2002; Member of the Board of Directors of Espírito Santo Financial Group, S.A., since 2002; Member of the Board of Directors of Banco Espírito Santo, S.A., since 2002; Member of the Board of Directors of Espírito Santo Services, S.A., since 2002; Member of the Board of Directors of E.S. Control Holding, S.A., since 2002; Member of the Board of Directors of Sociedade de Investimentos Imobiliários SODIM, S.A., since 2002; Chairman of the Board of the General Shareholders Meeting of ESPART – Espírito Santo Participações Financeiras (SGPS), S.A., since 2002; Chairman of the Board of the General Meeting of Sociedade Imobiliária e Turística da Quinta do Perú, S.A., since 2002; Chairman of the Board of Directors of Espírito Santo Hotéis, SGPS, S.A., since 2002 until 2007; Chairman of the Board of Directors of ESPART – Espírito Santo Participações Financeiras (SGPS), S.A., since 2002; Chairman of the General Meeting of Sociedade Imobiliária e Turística da Quinta do Perú, S.A., since 2002; Chairman of the Board of Directors of Espírito Santo Golfe, S.A., since 2003 until 2007; Vice-Chairman of the Board of Directors of Espírito Santo Tourism (Portugal) – Consultoria de Gestão Empresarial, S.A., since 2003 until 2007; Member of the Board of Director of Espírito Santo Bank of Florida, since 2002 until 2007; Member of the Board of Directors of TELEPRI – Telecomunicações Privadas, SGPS, S.A., since 2002 until 2007;
Chairman of the Board of Directors of Espírito Santo Tourism.Com, S.A., since 2002 until 2003; Chairman of the Board of Directors of Hoteléis Tivoli, S.A., since 2002 until 2004; Chairman of the Board of Directors of Herdeiro do Reguengo – Exploração de Propriedades, S.A., since 2002 until 2004; Chairman of the Board of Directors of The Atlantic Company Limited, since 2002 until 2004; Chairman of the Board of Directors of Espírito Santo.Com, S.A., since 2002 until 2004; Chairman of the Board of Directors of Espírito Santo Tourism (Portugal) – Consultoria de Gestão Empresarial, S.A., since 2002 until 2004; Vice-Chairman of the Board of Directors of Espírito Santo Resources, Limited, since 2002 until 2004; Vice-Chairman of the Board of Directors of Espírito Santo Tourism (Europe), since 2002 until 2004; Member of the Board of Directors of Espírito Santo Agriculture and Development Limited, in 2002; Member of the Board of Directors of Spread.Com, S.A, in 2002; Member of the Board of Directors of Espírito Santo Financial (BVI), S.A., in 2002; Member of the Board of Directors of Espírito Santo Property Holding, S.A., in 2004; Member of the Board of Directors of Control Development Limited, in 2004; Member of the Board of Directors of E.S. Control (BVI), S.A., since 2002 until 2003; Member of the Board of Directors of Espírito Santo Industrial (BVI), S.A., since 2002 until 2004; Member of the Board of Directors of Espírito Santo Internacional (BVI), S.A., since 2002 until 2004; Member of the Board of Directors of E.S. International Holding, S.A., since 2002 until 2004; Member of the Board of Directors of GES Finance Limited, since 2002 until 2004; Member of the Board of Directors of Espírito Santo Tourism Limited, since 2002 until 2004; Member of the Board of Directors of Espírito Santo Industrial – Sociedade Gestora de Participações Sociais, S.A., since 2003 until 2004; Member of the Board of Directors of Espírito Santo Entreprises, S.A., since 2003 until 2004; Chairman of the Board of the General Shareholders Meeting of Quinta Patino – Sociedade de Investimentos Turísticos e Imobiliários, S.A., since 2002 until 2007; Chairman of the Board of the General Shareholders Meeting of Marinoteis – Sociedade de Promoção e Construção e Hotéis, S.A., since 2002 until 2007; Chairman of the General Shareholders Meeting of SIHA – Sociedade de Investimentos Hoteleiros Almancor, S.A., since 2002 until 2007; Chairman of the Board of the General Meeting of Hotelagos, S.A., since 2002 until 2007;

António Domíngues. Portuguese, 51 years-old. Elected for the first time in 2004. The office term is on December 31, 2009. Vice-Chairman of the Board of Directors of Banco BPI, S.A., since 2007; Vice-Chairman of the Board of Directors of Banco Comercial e de Investimentos, SARL (Mocambique), since 2007; Member of the Board of Directors of Banco Comercial e de Investimentos, SARL (Mocambique), since 2004 until 2007; Member of the Board of Directors of Allianz Portugal, S.A., since 2004 until 2007; Member of the Board of Directors of Banco de Fomento, SARL (Angola), since 2002 until 2007; Member of the Board of Directors of BPI Madeira, SGPS, Unipessoal, S.A., since 2001 until 2007; Member of the Board of Directors of Banco BPI, S.A., since 1999 until 2007; Member of the Board of Directors of SIBS – Sociedade Interbancária de Serviços, S.A., since 2000 until 2007; Chairman of Board of Directors of Crediuniverso – Serviços de Marketing, S.A., since 2000 until 2007; Member of the Board of Directors of Banco BPI Cayman, Ltd., since 2002 until 2003; Member of the Board of Directors of BPI, SGPS, S.A., since 1999 until 2002; Member of the Board of Directors of Unicare – Cartão Internacional de Crédito, S.A., since 2000 until 2003; Member of the Board of Directors of Digimarket – Sistemas de Informação, S.A., since 2000 until 2003.

José Pedro Sousa de Alenquer. Portuguese, 55 years-old. Elected for the first time in 2001. The office term is on December 31, 2009. Member of the Board of Directors of Caixanet Telemática e Comunicações, SA since 2006; Officer of Sogrupo, Sistemas de Informação, ACE, since 2006; Chairman of the Board of Directors of SGPICE – Sociedade de Serviço de Gestão de Portais na Internet e de Consultoria de Empresas, SA (pnelink.pt), since 2001; Member of the Board of Directors of CaixaWeb, SGPS, SA, since 2000 until 2006; Member of the Board of Directors of PT PRIME TRADINGCOM – Soluções Empresariais de Comércio Electrónico, SA, since 2001 until 2006; Member of the Board of Directors of PORTAL EXECUTIVO – Sociedade de Serviços, Consultoria e Informação em Gestão, SA, since 2001 until 2006; Member of the Board of Directors of CaixaWeb, Serviços Técnicos e de Consultoria, SA, since 2002 until 2006; Member of the Board of Directors of Agência de Viagens TAGUS, SA, since 2002 until 2006; Member of the Board of Directors of TAGUS Viagens, SA, since 2003 until 2006; Member of the Board of Directors of EJV – Plataforma de Comércio Electrónico, SA, since 2000 until 2002.


Luís João Bordalo da Silva. Portuguese. 50 years-old. Elected for the first time in 2003. The office term is on December 31, 2009. Member of the Board of Directors of Cinveste, SGPS, S.A., since 2006; Member of the Board of Directors of HSF Engenharia, S.A., since 2005; Member of the Board of Directors of Guemonte – Sociedade Civil Imobiliária e de Investimento, S.A, since 2006; Member of the Board of Directors of Cinveste Arte e Mobiliário, S.A, since 2007; Manager of Cinveste Finance, SGPS, Ltda., since 2007; Manager of Cinveste Finance, Gestão de Valores Mobiliários, Ltda., since 2007; Member of the Board of Directors of Luomundo Audiovisuais, S.A., since 1995 until 2003; Member of the Board of Directors of Luomundo Cinemas, S.A., since 1998 until 2003; Member of the Board of Directors of Luomundo Sociedade Gestora de Participações Sociais, S.A., since 1998 until 2003; Member of the Board of Directors of DeltaPress, S.A., since 1999 until 2001; Member of the Board of Directors of Prodígio, S.A., since

Vítor Fernando da Conceição Gonçalves. Portuguese. 52 years-old. Elected for the first time in 2007. The office term is on December 31, 2009. Professor of Management in ISEG, since 1994; Vice-Principal of Universidade Técnica de Lisboa, since 2007; Member of Economical and Social Committee, since 2007. Member of the “Panel of Experts on World Competitiveness” of IMD World Competitiveness Center, since 2005; Member of the Evaluation Committee of PHD and post-PHD appliances and invited scientists of Fundação para a Ciência e Tecnologia, since 1997; Member of the General and Supervision Board and Chairman of the Audit Committee of EDP- Energias de Portugal S.A., since 2006; Chairman of the Fiscal Board of Fundação EDP, since 2007; Chairman of the Direction of Gaptec / UTL since 2007.; Chairman of Directive Board of ISEG (2003-2006). Chairman of the Management Department of ISEG since 1992 until 2000; Director of the Program of PHD in Management since 2001 until 2005; Member of the Direction of the Board of the Economics and Management Specialty of the Economists Bar since 1999 until 2001; Chairman of IDEFI-Instituto para o Desenvolvimento e Estudos Económicos Financeiros e Empresariais since 2003 until 2007; Director of Promindústria- Sociedade de Investimento SA since 1994 until 1996.


Nuno João Francisco Soares de Oliveira Silvério Marques. Portuguese. 51 years-old. Elected for the first time in 2007. The office term is on December 31, 2009. Vice-Chairman of the Board of Directors of CIDOT – Estúdio de Comunicação, SA, since 2004; Director of AGILLE – Serviços e Consultoria de Gestão, SA, since 2006; Member of the Board of Directors and of the Audit Committee of Portugal Telecom, SGPS, S.A., since 2003 until 2005.