

RELEASE



Portugal Telecom informs about recent news

Lisbon, Portugal, 20 February 2006 – Portugal Telecom denies the news disclosed today in the media according to which PT would have engaged financial institutions for the purpose of advising PT in the sale of PT Multimedia. PT clarifies that it is negotiating with financial institutions the rendering of assistance within the context of the tender offer preliminarily announced on 6 February 2006, especially concerning the analysis of the opportunity and conditions of the respective offer.

This information is also available on PT's IR website <http://ir.telecom.pt>.

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

Portugal Telecom is listed on the Euronext and New York Stock Exchanges. Information may be accessed on the Reuters 2000 Service under the symbols PTC.LS and PT and on Bloomberg under the symbol PTC.PL.
