

September 25, 2006



The **BANK**
of **NEW YORK**

A SECURITIES SERVICING
DEPOSITARY RECEIPTS

Corporate Action

ATTENTION: International Research, Sales, Trading and Operations Staff

PAR VALUE CHANGE

Name:	PORTUGAL TELECOM, SGPS, S.A.
Country:	Portugal
Symbol:	PT
CUSIP Number:	737273102
Exchange:	NYSE
Ratio:	1 ADR : 1 ORD

Please be advised, effective September 18, 2006 the par value of the above security changed from Euros 1.30 each to Euro 0.35 Euro each.

To learn more about ADRs and issuer programs, please call our marketing desks:

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