



Announcement | Lisbon | 8 January 2015

Appointment of External Auditor

Portugal Telecom, SGPS, S.A. ("**PT SGPS**" or "**Company**") hereby informs that, by letter dated 18 December 2014, Deloitte & Associados, SROC, SA ("**Deloitte**") submitted its resignation as External Auditor of the Company, for the financial year of 2014. Following the decision taken in October 2014 by Oi group to appoint another auditor for PT Portugal, SGPS, S.A. ("**PT Portugal**") and its relevant Portuguese subsidiaries, Deloitte began to directly audit a small part of the assets and income of consolidated PT SGPS. Therefore, Deloitte realized that does not have technical conditions to continue to take responsibility for certifying the 2014 consolidated accounts of PT SGPS.

Following the technical reasons explained above, the Audit Committee asked KPMG & Associados - SROC, SA ("**KPMG**"), current external auditors of PT Portugal and its relevant Portuguese subsidiaries, and also of Grupo Oi, to submit a proposal for an integrated audit of the financial statements of PT SGPS for the 2014 year, to be included in Form 20-F to be submitted with the US SEC, and the related individual and consolidated statutory financial statements. This proposal, dated 5 January 2015, was approved by the Audit Committee on 7 January and announced to the Board of Directors on the same date, was today communicated to KPMG, ceasing the functions of Deloitte as External Auditor at PT SGPS as from today.

Portugal Telecom, SGPS, SA
Avenida Fontes Pereira de Melo, 40
1069-300 Lisbon
Portugal

Public company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215 058

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

Nuno Vieira
Investor Relations Director
nuno.t.vieira@telecom.pt
Tel.: +351 21 500 1701
Fax: +351 21 500 0800