

ZON MULTIMÉDIA – SERVIÇOS DE TELECOMUNICAÇÕES E MULTIMÉDIA, SGPS, S.A.

General Meeting of Bondholders of 21 February 2013

**Issuance of 200,000 Bearer Book-Entry Bonds, with a nominal value of EUR 1,000 each,
representing the bond loan “ZON Multimédia 2012/2015” in the total amount of**

EUR 200,000,000

Sole Item of the Agenda

BOARD OF DIRECTORS PROPOSAL

WHEREAS:

- A)** In the meeting held on 21 January 2013, the Board of Directors resolved to approve the merger project and its respective schedules (attached hereto as Schedule I) regarding the merger to be performed through the incorporation and the global transfer of the assets and liabilities of OPTIMUS – SGPS, S.A. (“OPTIMUS SGPS”) into/to ZON – SERVIÇOS DE TELECOMUNICAÇÕES E MULTIMÉDIA, SGPS, S.A. (“ZON Multimédia” or the “Company”), being ZON and OPTIMUS SGPS hereinafter jointly referred to as “Participating Companies”), pursuant to article 97(4)(a) of the Portuguese Companies Code (“PCC”) (the “Merger”);
- B)** The Board of Directors believes in the great potential and added value that the Merger will bring to ZON Multimédia, its stakeholders and to the Portuguese market, as it understands that, in the event this transaction is completed, it will result, *inter alia*, in:
- (i) The creation of a telecommunications group with a significant size and capacity to increment the projection of the Portuguese capital market;
 - (ii) The potential growth originated by the complementarity and convergence of the infrastructures of both companies participating in the Merger, with the consequent development of innovative and more wide-ranging products and services;
 - (iii) The promotion of competition, productivity and innovation, through the creation of an operator with a remarkable presence and dimension in all market segments in Portugal;
 - (iv) The creation of a more solid and stronger operator, as a result of a larger scale operation, with the obtaining of operational synergies; and
 - (v) The possibility of increasing the envisaged international exposure and growth.

- C) The Board of Directors further believes that the creation of a stronger and more solid communication group will allow a greater ability to pursue a sustainable growth, internationalization and efficient management strategy, where the sharing of experience and expertise of the teams of the companies involved thereto will be a decisive and essential factor, reinforcing the guarantees of ZON Multimédia's creditors;
- D) Under Article 101-A of the PCC, and within one month as of the publication of the registration of the Merger Project, ZON Multimédia's creditors whose credits are prior to the referred publication may judicially oppose to the Merger, grounded on the damages resulting therefrom for the fulfillment of their rights and provided that they have requested ZON Multimédia to fulfill their credits or to render an adequate guarantee, for at least 15 days without their claims having been met by ZON Multimédia;
- E) In what specifically concerns the bondholders, Article 101-C(2) of the PCC sets forth that the bondholders of the Participating Companies must held a meeting to resolve on the Merger in particular regarding the possible damages resulting therefrom to them;
- F) Given the advantages resulting from the Merger for ZON Multimédia referred to above, and as explained in Chapter IX of the Merger Project attached to this Proposal as Schedule I, the Board of Directors of ZON Multimédia considers that the financial situation of ZON Multimédia – either now and after the completion of the Merger, which will be enhanced by incorporating all assets of the Merging Company and the increase of its registered share capital – as well as its on-going business practice characterized by the punctual and full compliance with its commitments, shall be deemed as sufficient guarantee for the rights of the creditors of the Participating Companies.
- G) Considering the preceding Recital, the Board of Directors of ZON Multimédia understands that no damages will arise for the bondholders of the Company as a result of the Merger; consequently, the possible exercise of the right to oppose to the Merger pursuant to Articles 101-A to 101-C of the PCC has no grounds to proceed.

Under the Sole Item the Agenda, we hereby propose that the General Meeting of Bondholders resolves not to exercise the right to oppose to the Merger, pursuant to and for the purposes of Articles 101-A to 101-C of the PCC.

Lisbon, 21 January 2013.

The Board of Directors