

**CTT – Correios de Portugal, S.A.**

Public Company
Avenida D. João II, 13
1999-001 LISBON
Lisbon commercial registry and
fiscal no. 500 077 568
Share Capital EUR 75,000,000.00

Announcement – Lisbon, 18 July 2018

Material information

CTT – Correios de Portugal, S.A. (“CTT” or “Company”) hereby informs that today ANACOM – Autoridade Nacional de Comunicações (“ANACOM”) communicated the decision regarding the quality of service criteria applicable to the provision of the Universal Postal Service (“USO”) to be complied with by CTT in 2019 and 2020, following the Draft Decision communicated on 11 January 2018.

Compared to the Draft Decision mentioned above, the 24 quality of service indicators are maintained, as shown in the table attached hereto, but the indicators regarding the reliability targets for the routing times of ordinary mail, bulk mail, ordinary parcels, and newspapers and periodicals released at greater than weekly intervals have been revised downwards and set at 99.7%, instead of the 99.9% laid down in the Draft Decision. Contrary to what was proposed in the Draft Decision, the new indicators shall not apply from 1 July 2018, but rather from 1 January 2019 onwards.

The Company will carry out a careful and detailed analysis of the substance and reach of this decision of ANACOM known today and assess the legal means for the protection of its legitimate rights, considering in particular that these quality criteria go far beyond those that have been applied throughout the nearly 19 years of the USO's Concession Agreement, and also diverge from European practice and trends in this area.

This information to the market and the general public is made under the terms and for the purposes of article 248 of the Portuguese Securities Code and other legislation in force. It is also available on CTT's Investor Relations website at: <http://www.ctt.pt/ctt-e-investidores/relacoes-com-investidores/comunicados.html?com.dotmarketing.htmlpage.language=1>.

CTT – Correios de Portugal, S.A.

Guy Pacheco

Market Relations Representative of CTT

Peter Tsvetkov

Director of Investor Relations of CTT

Contacts:

Email: investors@ctt.pt

Fax: + 351 210 471 996

Phone: + 351 210 471 087



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Attachment – Quality of Service Indicators (QSI)

Routing times

Service	Region	Time	Objectives 2019-2020	Current objectives	
				Minimum	Objective
Ordinary mail	Domestic	D+3	96.3%	95.5%	96.3%
		D+5	99.7%	-	-
Bulk mail	Domestic	D+3	96.3%	-	-
		D+5	99.7%	-	-
Priority mail	Mainland	D+1	94.5%	93.5%	94.5%
		D+3	99.9%	-	-
	Mainland, Azores & Madeira	D+2	90.0%	84.0%	87.0%
		D+4	99.9%	-	-
Newspapers and periodicals ^{a)} • Released at equal to or lower than weekly intervals • Released at greater than weekly intervals	Domestic	D+3	-	95.5%	96.3%
		D+1	94.5%	-	-
	Mainland	D+3	99.9%	-	-
		D+2	90.0%	-	-
	CAM	D+4	99.9%	-	-
		D+3	96.3%	-	-
	Domestic	D+5	99.7%	-	-
		D+3	88.0%	85.0%	88.0%
EU cross-border mail	Domestic	D+5	97.0%	95.0%	97.0%
		D+3	96.3%	90.5%	92.0%
Ordinary parcels	Domestic	D+5	99.7%	-	-
		D+3	96.3%	90.5%	92.0%
Registered mail ^{b)}	Domestic	D+1	-	89.0%	91.0%
		D+3	99.9%	-	-
	Mainland	D+1	94.5%	-	-
		D+3	99.9%	-	-
	Mainland, Azores & Madeira	D+2	90.0%	-	-
		D+4	99.9%	-	-

^{a)}In the 2015-17 rules this indicator was not split according to the intervals of publication or into Mainland and Mainland, Azores & Madeira; it was countrywide.

^{b)}In the 2015-17 rules this indicator was not split into Mainland and Mainland, Azores & Madeira; it was countrywide.

Waiting time at post office queues	Region	Time	Objectives 2019-2020	Current objectives	
				Minimum	Objective
Percentage of events up to x minutes	Domestic	< 10 min	90.0%	75.0%	85.0%
		< 30 min	99.5%	-	-

Mail not delivered within x working days (for every thousand letters)

Service	Region	Time	Objectives 2019-2020	Current objectives	
				Minimum	Objective
Ordinary mail *	Domestic	15 w.d.	-	2.3‰	1.4‰
Priority mail*	Domestic	10 w.d.	-	2.5‰	1.5‰

* These indicators will no longer be necessary with the new reliability targets. In the new rules ordinary mail and priority mail loss shall be incorporated in the ordinary mail and priority mail routing times.