

Annual Report

2013

Portugal Telecom, SGPS, S.A.

Public Company - Avenida Fontes Pereira de Melo, 40 •1069-300 Lisboa - Share capital: Euro 26,895,375

Registered in the Conservatory of the Commercial Registry of Lisbon and Collective Person under no. 503 215 058

Annual Report

2013

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Management Report

Introduction

Portugal Telecom, SGPS, S.A. ("Portugal Telecom" or "Company") and its subsidiaries, joint ventures and associated companies, which represent its corporate Group ("Portugal Telecom Group" or "Group"), operate primarily in the telecommunications sector, in Portugal, Brazil and several other countries in Africa and Asia. The Group operates in Brazil mainly through Oi and Contax, following the investments acquired in these entities in March 2011. The consolidated annual report of the Company provides a detailed explanation of its consolidated activity and the evolution of its businesses for the year ended 31 December 2013 and, as such, we propose to the shareholders the analysis of that report in conjunction with this report.

Business overview

Apart from management of investments, the Company did not conduct directly any other business activity.

Legal Information

- There are no outstanding amounts overdue to the Portuguese State and the Portuguese Social Security System.
- The Company did not enter into any material businesses or transactions with the members of its Board of Directors and the Audit Committee, except for those mentioned in Note 48 to the Consolidated Financial Statements as at 31 December 2013.

2013 events and recent developments

The events of the year ended 31 December 2013 and recent developments are described in the 2013 Consolidated Annual Report of Portugal Telecom.

Proposal for application of profits

Considering that:

- A) Net profit for the year ended 31 December 2013 amounted to Euro 341,808,031;
- B) On 14 August 2013, the Board of Directors of Portugal Telecom approved a new shareholder remuneration policy for fiscal years 2013 and 2014 that consists exclusively in the payment of an annual cash dividend of Euro 0.10 per share.

The Board of Directors proposes that:

1. Considering the net income for the year amounting to Euro 341,808,031, we propose that a total of Euro 89,651,250 be paid to shareholders, corresponding to Euro 0.10 per share, in respect of the total number of issued shares and that the remaining amount of net income be transferred to retained earnings;
2. Taking into account the proposal included in the agenda of the Shareholder's Meeting, it will not be possible to accurately determine the number of own shares that will be in treasury on the date of the above mentioned payment without limiting the Company's intervention ability, we propose that, in the distribution of the overall sum of Euro 89,651,250, as provided for in the foregoing paragraph, calculated on the basis of an unit amount per issued share (in this case, Euro 0.10 per share), the following be observed:
 - a) Each issued share shall be paid the unit amount of Euro 0.10;
 - b) The amount corresponding to the shares that, on the payment day of the above mentioned amount, belong to the Company itself (calculated on the said unit amount of Euro 0.10 per issued share) shall not be paid and shall be transferred to retained earnings;

Lisbon, 24 March 2014

Henrique Granadeiro, Chairman of the Board of Directors

Alfredo José Silva de Oliveira Baptista, Executive Director

Amílcar Carlos Ferreira de Morais Pires, Non-Executive Director

Carlos Alves Duarte, Executive Director

Fernando Magalhães Portella, Non-Executive Director

Francisco Teixeira Pereira Soares, Non-Executive Director

Gerald Stephen McGowan, Non-Executive Director

João Manuel de Mello Franco, Non-Executive Director

Joaquim Aníbal Brito Freixial de Goes, Non-Executive Director

José Guilherme Xavier de Basto, Non-Executive Director

Luís Pacheco de Melo, Executive Director

Manuel Rosa da Silva, Executive Director

Maria Helena Nazaré, Non-Executive Director

Mário João de Matos Gomes, Non-Executive Director

Milton Almicar Silva Vargas, Non-Executive Director

Nuno Rocha dos Santos de Almeida e Vasconcellos, Non-Executive Director

Otávio Marques de Azevedo, Non-Executive Director

Paulo José Lopes Varela, Non-Executive Director

Pedro Humberto Monteiro Durão Leitão, Executive Director

Rafael Luís Mora Funes, Non-Executive Director

Shakhaf Wine, Executive Director

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PORTUGAL TELECOM, SGPS, S.A.

BALANCE SHEET

31 DECEMBER 2013 AND 2012

	Notes	2013	Euro 2012
Restated (Note 5)			
ASSETS			
Non-current assets			
Tangible fixed assets	6	1,433,501	1,430,907
Financial investments - equity method of accounting	7	7,750,550,532	7,078,944,412
Financial investments - other methods		6,234	1,429,879
Balances with Group companies	8	1,806,200,000	1,155,174,819
Other financial assets	9	729	925
Deferred tax assets	10	211,478,644	199,557,704
Total non-current assets		9,769,669,640	8,436,538,646
Current assets			
Advances to suppliers		652	86,975
State and other public entities	11	50,194,165	45,337,920
Balances with Group companies	8	573,941,578	303,935,039
Other accounts receivable	12	46,381,224	34,931,075
Deferrals	13	17,626,503	21,657,629
Other financial assets	9	200,000,000	983,368
Non-current assets held for sale	7	1,850,426	4,622,068
Cash and bank deposits	4.(i)	541,962,115	264,014,597
Total current assets		1,431,956,663	675,568,671
Total assets		11,201,626,303	9,112,107,317
SHAREHOLDERS' EQUITY			
Share capital	14	26,895,375	26,895,375
Treasury shares	14	(337,520,916)	(337,520,916)
Legal reserve	14	6,773,139	6,773,139
Other reserves	14	156,181,554	153,287,638
Adjustments to financial assets	14	(1,078,595,740)	(416,230,154)
Retained earnings		2,437,333,996	2,543,059,287
Net income		341,808,031	226,026,147
Total shareholders' equity		1,552,875,439	2,202,290,516
LIABILITIES			
Non-current liabilities			
Provisions	15	-	354,841
Loans obtained	16	2,245,301,980	1,761,717,444
Deferrals	13	5,822,078,184	4,718,984,318
Deferred tax liabilities	10	14,596,658	14,286,361
Other financial liabilities	9	-	2,391,996
Other non financial liabilities		68,594	67,979
Total non-current liabilities		8,082,045,416	6,497,802,939
Current liabilities			
Provisions	15	55,717,696	43,745,583
Loans obtained	16	1,428,453,163	323,719,264
Deferrals		227,490	227,490
Balances with Group companies	8	24,901,171	3,486,460
Suppliers	17	7,839,378	2,359,053
Accrued expenses	18	48,034,134	38,226,001
State and other public entities	11	1,510,270	198,838
Other accounts payable		22,146	51,173
Total current liabilities		1,566,705,448	412,013,862
Total liabilities		9,648,750,864	6,909,816,801
Total liabilities and shareholders' equity		11,201,626,303	9,112,107,317

The accompanying notes form an integral part of these financial statements.

Accountant

The Board of Directors

PORTUGAL TELECOM, SGPS, S.A.**INCOME STATEMENT****FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012**

			Euro
	Notes	2013	2012
			Restated (Note 5)
Equity in earnings/(losses) of affiliated companies	19	395,004,230	161,558,424
Supplies and external services	20	(3,922,955)	(4,052,148)
Wages and salaries	21	(11,927,717)	(12,003,826)
Indirect taxes		(2,934,374)	(1,028,574)
Impairment of accounts receivable ((losses)/reversals)		(273,944)	4,063,283
Provisions ((increases)/reductions)	15	(15,499,181)	(3,992,118)
Increases/(reductions) in fair value	22	(825,588)	(2,090,325)
Other income and gains	23	4,407,915	7,412,673
Other expenses and losses	24	(18,527,976)	(2,319,470)
INCOME BEFORE DEPRECIATION AND AMORTISATION, FINANCING EXPENSES AND TAXES		345,500,410	147,547,919
Depreciation and amortisation ((expenses)/reversals)	6	(237,289)	(279,576)
OPERATING INCOME (BEFORE FINANCING EXPENSES AND TAXES)		345,263,121	147,268,343
Interest and related income	25	153,456,720	98,495,789
Interest and related expenses	25	(195,677,192)	(122,479,324)
INCOME BEFORE TAXES		303,042,649	123,284,808
Income taxes	10	38,765,382	102,741,339
NET INCOME		341,808,031	226,026,147
Basic earnings per share	26	0.40	0.26
Diluted earnings per share	26	0.40	0.26

The accompanying notes form an integral part of these financial statements.

Accountant

The Board of Directors

PORTUGAL TELECOM, SGPS, S.A.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2013**

	Euro									
	Share capital	Treasury shares	Legal reserve	Other reserves	Adjustments to financial assets	Retained earnings	Advances on account of profits	Net income	Total shareholders' equity	
Balance as at 1 January 2012 (restated - Note 5)	A	26,895,375	(326,382,863)	6,773,139	156,180,056	(7,991,954)	2,733,583,507	(184,799,868)	337,025,002	2,741,282,394
Changes in the period:										
Foreign currency translation adjustments	-	-	-	-	(378,892,745)	-	-	-	-	(378,892,745)
Unpaid dividends	-	-	-	-	943,300	(943,300)	-	-	-	-
Transfer to retained earnings	-	-	-	(5,843,644)	(3,189,549)	37,663,493	-	-	-	-
Other changes recognized in shareholders' equity	-	-	-	2,951,226	1,530,794	(1,194,324)	-	-	-	3,287,696
	B	-	-	(2,892,418)	(408,238,200)	35,525,569	-	-	-	(375,605,049)
Net income	C	-	-	-	-	-	-	226,026,147	-	226,026,147
Comprehensive income	B+C	-	-	-	-	-	-	-	-	(149,578,902)
Operations with shareholders:										
Effect of the corporate restructuring of the Oi Group (Notes 7 and 14.2)	-	12,060,380	-	-	-	-	-	-	-	12,060,380
Acquisition of Portugal Telecom's shares by Oi (Notes 7 and 14.2)	-	(23,198,433)	-	-	-	-	-	-	-	(23,198,433)
Application of the previous year's earnings (Note 14.6)	-	-	-	-	-	(219,712,305)	184,799,868	(337,025,002)	-	(371,937,439)
Taxes on income of own shares	-	-	-	-	-	(6,337,484)	-	-	-	(6,337,484)
	D	(11,138,053)	-	-	-	(226,049,789)	184,799,868	(337,025,002)	-	(389,412,976)
Balance as at 31 December 2012 (restated - Note 5)	E=A+B+C+D	26,895,375	(337,520,916)	6,773,139	153,287,838	(416,230,154)	2,543,059,287	-	226,026,147	2,202,290,516
Changes in the period:										
Foreign currency translation adjustments	-	-	-	-	(541,474,006)	(54,506,488)	-	-	-	(595,980,494)
Unpaid dividends	-	-	-	-	(3,810,727)	3,810,727	-	-	-	-
Transfer to retained earnings	-	-	-	-	(1,934,485)	1,934,485	-	-	-	-
Other changes recognized in shareholders' equity	-	-	-	2,893,016	(15,146,368)	(371,266)	-	-	-	(112,623,748)
	F	-	-	2,893,016	(662,365,566)	(49,132,242)	-	-	-	(708,603,912)
Net income	G	-	-	-	-	-	-	341,808,031	-	341,808,031
Comprehensive income	F+G	-	-	-	-	-	-	-	-	(366,795,881)
Operations with shareholders:										
Application of the previous year's earnings (Note 14.6)	-	-	-	-	-	(51,858,147)	-	(226,026,147)	-	(277,884,294)
Taxes on income of own shares	-	-	-	-	-	(4,734,902)	-	-	-	(4,734,902)
	H	-	-	-	-	(56,593,049)	-	(226,026,147)	-	(282,619,196)
Balance as at 31 December 2013	E+F+G+H	26,895,375	(337,520,916)	6,773,139	156,181,554	(1,078,595,740)	2,437,333,996	-	341,808,031	1,552,875,439

The accompanying notes form an integral part of these financial statements.

Accountant

The Board of Directors

PORTUGAL TELECOM, SGPS, S.A.**STATEMENT OF CASH FLOWS****FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012**

		Euro	
	Notes	2013	2012
OPERATING ACTIVITIES			
Payments to suppliers		(5,314,634)	(7,335,195)
Payments to employees		(7,885,179)	(11,755,808)
		(13,199,813)	(19,091,003)
Cash receipts relating to income taxes	4.(a)	108,731,671	67,937,010
Other cash receipts (payments)	4.(b)	(2,869,175)	7,393,639
Cash flows from operating activities (1)		92,662,683	56,239,646
INVESTING ACTIVITIES			
Cash receipts resulting from:			
Short-term financial applications	4.(c)	-	60,000,000
Financial investments	4.(d)	4,302,492,836	40,753,328
Loans granted	4.(e)	109,410	455,182,626
Interest and related income		112,862,199	126,226,158
Dividends	4.(f)	50,413,848	46,517,735
Tangible fixed assets		45,070	34,492
Other investing activities		-	3,336,281
		4,465,923,363	732,050,620
Payments resulting from:			
Short-term financial applications	4.(c)	(200,000,000)	-
Financial investments	4.(g)	(3,995,078,869)	(50,000)
Loans granted	4.(e)	(1,217,078,892)	(257,598,328)
		(5,412,157,761)	(257,648,328)
Cash flows from investing activities (2)		(946,234,398)	474,402,292
FINANCING ACTIVITIES			
Cash receipts resulting from:			
Loans obtained	4.(h)	10,225,000,000	3,862,500,000
		10,225,000,000	3,862,500,000
Payments resulting from:			
Loans repaid	4.(h)	(8,654,564,399)	(3,913,277,262)
Dividends	14.6	(284,658,563)	(569,317,125)
Interest and related expenses		(153,024,562)	(112,851,497)
		(9,092,247,524)	(4,595,445,884)
Cash flows from financing activities (3)		1,132,752,476	(732,945,884)
Change in cash and cash equivalents (4)=(1)+(2)+(3)		279,180,761	(202,303,946)
Effect of exchange differences		(1,233,243)	(1,298,792)
Cash and cash equivalents at the beginning of the period		264,014,597	467,617,335
Cash and cash equivalents at the end of the period	4.(i)	541,962,115	264,014,597

The accompanying notes form an integral part of these financial statements.

Accountant

The Board of Directors

PORTUGAL TELECOM, SGPS, S.A.

Notes to the Standalone Financial Statements

as at 31 December 2013

(Amounts in Euro)

1. Introduction

Portugal Telecom, SGPS, S.A. ("Portugal Telecom" or "Company") and its subsidiaries, joint ventures and associated companies (Note 8), which represent its corporate Group ("Portugal Telecom Group" or "Group"), operate primarily in the telecommunications sector, in Portugal, Brazil and several other countries in Africa and Asia. The corporate purpose of the Company is the management of investments.

As a result of the five privatization processes between 1 June 1995 and 4 December 2000, Portugal Telecom's share capital is held mainly by private shareholders. The shares of Portugal Telecom are listed on the Euronext Stock Exchange and on the NYSE - New York Stock Exchange.

On 28 March 2011, Portugal Telecom concluded the acquisition process of the investments in Telemar Norte Leste, S.A. ("Telemar") and Contax, S.A. ("Contax") for a total cash consideration of 8,437 million Brazilian Reais and entered into several agreements with the controlling shareholders of these companies. As a result of this operation, Portugal Telecom acquired an economic interest of 25.3% in Telemar (the parent company of the Oi Group at that date) and 14.1% in Contax. Under the terms of the agreements entered into with the controlling shareholders, Portugal Telecom shares the power to govern the strategic financial and operating policies of these companies, which for this reason are classified as joint ventures. Oi Group is the leading provider of telecommunications services in the Brazilian market and the largest fixed telecommunications operator in South America in terms of active clients. Contax is one of the leading corporate services company and the leader in contact centre services in Brazil.

The transaction mentioned above was completed following the Memorandum of Understanding entered into, on 28 July 2010, by Portugal Telecom with Andrade Gutierrez Participações, S.A. ("AG") and LF Tel, S.A. ("LF"), two of the main shareholders of Telemar Participações (the controlling shareholder of the Oi Group), which sets the principles for the development of a strategic partnership between Portugal Telecom and Oi Group. Under this strategic partnership, it was envisaged that, amongst other purposes, Oi would acquire up to 10% of the outstanding shares of Portugal Telecom. As at 31 December 2013, Oi held 89,651,205 shares of Portugal Telecom, representing 10.0% of share capital. Portugal Telecom's indirect share in this

investment was classified as treasury shares in its Balance Sheet and amounted to Euro 159 million as at 31 December 2012 and 2013 (Note 14.2).

On 27 February 2012, the general meetings of Tele Norte Leste Participações S.A. (“TNL”), Telemar, Coari Participações (“Coari”) and Brasil Telecom S.A. (“Brasil Telecom”) approved a corporate reorganization of the Oi Group (the “Corporate Reorganization”), following which the previous corporate structure composed by TNL, Telemar, Coari and Brasil Telecom was integrated in Brasil Telecom, which was renamed Oi S.A. and remained the only listed company of the group in Brazilian and US capital markets.

As a result of the approval of this Corporate Reorganization, the new economic interest held by Portugal Telecom in the Oi Group, which currently includes 100% of Telemar and Brasil Telecom while before the reorganization included 100% of Telemar and 49.3% of Brasil Telecom, decreased from the 25.3% direct and indirect interest previously held in Telemar to a 23.17% direct and indirect interest in Oi, S.A.. In connection with this Corporate Reorganization, Portugal Telecom recorded directly in shareholders’ equity a gain amounting to Euro 61,296,212, which reflects (1) a gain of Euro 252 million corresponding to the reduction of the carrying value of non-controlling interests, primarily explained by a higher difference between the fair value and the carrying value of Telemar, as compared to that same difference applicable to Brasil Telecom, and (2) a loss of Euro 191 million corresponding to the share of Portugal Telecom in the amount paid by Oi regarding the exercise of withdrawal rights (2 billion Brazilian Reais) by shareholders that requested it. The gain of Euro 61,296,212 mentioned above includes an amount of Euro 12,060,380 recognized under the caption “Treasury shares” (Note 14.2) and an amount of Euro 49,235,832 recognized under the caption “Adjustments to financial assets” (Note 14.5) in connection with the equity method of accounting applied to PT Portugal, the Company’s subsidiary that indirectly holds the investment in the Oi Group.

On 1 October 2013, Portugal Telecom, Oi , AG, LF, Bratel Brasil, Pasa Participações S.A. (“Pasa”), EDSP 75 Participações S.A. (“EDSP75”) (which together with Telemar Participações are defined as “Oi Holding Companies”), Banco Espírito Santo (“BES”) and Nivalis Holding B.V. (“Ongoing”) signed a memorandum of understanding setting out the basis for a proposed merger of PT, Oi and the Oi Holding Companies into a single Brazilian incorporated listed entity (“CorpCo”). The merger is a natural fulfilment of the industrial alliance established in 2010 creating a leading telecoms operator. In accordance with the referred memorandum of understanding, this corporate restructuring will consist of the following steps:

- Oi proposes to undertake a cash capital increase of a minimum of R\$ 7.0 billion (Euro 2.3 billion), and with a target of R\$ 8.0 billion (Euro 2.7 billion) to improve the balance sheet flexibility of CorpCo; the shareholders of Telemar Participações and an investment vehicle managed by Banco BTG Pactual S.A. (“BTG Pactual”) will subscribe approximately R\$ 2.0 billion (Euro 0.7 billion) of the cash capital increase.
- Subject to the above mentioned cash capital increase, Portugal Telecom will subscribe a capital increase in kind of approximately R\$6.1 billion (Euro 2.0 billion) fully subscribed with

the contribution of all the shares directly or indirectly held by Portugal Telecom in companies that hold (i) all of its operating assets, excluding those directly or indirectly held in Oi and Contax, and (ii) the respective liabilities as of the date of contribution; these net assets will be subject to a valuation by an independent appraiser, whose report shall be submitted to Oi's Shareholders Extraordinary Meeting.

- Portugal Telecom will subscribe R\$4.8 billion of debentures convertible into shares of AG and LF, the proceeds of which AG and LF shall use to repay its indebtedness and to subscribe convertible debentures to be issued by Telemar Participações, which in turn will also use those proceeds to repay its own indebtedness.
- Exchange of Portugal Telecom's interests in CTX and Contax for shares of AG and LF, which at that time will have only shares of Oi and Telemar Participações.
- Mergers of Bratel Brasil (Portugal Telecom's subsidiary that holds the investment in Oi), AG and LF into Telemar Participações.
- Incorporation of Oi shares into Telemar Participações, so that Oi becomes a fully owned subsidiary of Telemar Participações.
- Merger of Portugal Telecom into Telemar Participações, with Telemar Participações to be the surviving company; at the time of the merger, Portugal Telecom is expected to have no material assets or liabilities other than the investment in Oi.

At the end of 2013, for the purpose of contribution to the capital increase in kind of Oi, as mentioned above, Portugal Telecom started a process of restructuring their investments in order to concentrate them directly or indirectly in PT Portugal SGPS, S.A. ("PT Portugal", a subsidiary of Portugal Telecom (Note 8)). With this purpose, Portugal Telecom completed by the end of 2013 the sale of several investments to PT Portugal or its subsidiaries. The impacts of these operations in terms of cash flows, capital gains and changes in financial investments are discriminated in Notes 4, 7, 13 and 19. This process will only be completed in 2014.

These financial statements, which relate to the Company on a standalone basis, were prepared in accordance with accounting principles generally accepted in Portugal (Note 2) and, as such, the financial investments were accounted for under the equity method, as referred to in Note 3.4. In these standalone financial statements, the shareholders' equity as at 31 December 2013 and 2012 and the net income for the years then ended include the effect of the consolidation of the shareholders' equity and net income of Portugal Telecom's affiliated companies, based on their respective financial statements, but do not include the effect of the full consolidation of their assets, liabilities, costs and revenues.

In accordance with current legislation, the Company prepared consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), published separately. These consolidated financial statements include the financial statements of the companies in which Portugal Telecom holds management control. In this respect, it should be noted the adoption in 2013 of IFRS 11 Joint Arrangements, according to which investments in joint ventures (namely Oi, Contax and its controlling

shareholders) shall be recognized retrospectively using the equity method of accounting, instead of the proportional consolidation method, as previously permitted by IAS 31.

The financial statements for the year ended 31 December 2013 were approved by the Board of Directors and authorized for issue on 24 March 2014 and are still subject to approval by the General Meeting of Shareholders under the commercial legislation in Portugal.

2. Basis of presentation

These financial statements were prepared based on Decree-law n.º 158/2009, dated 13 July, and in accordance with the Conceptual Structure, Accounting and Financial Reporting Standards (“NCRF”) and Interpretative Standards, as approved by Notices n.º 15652/2009, 15653/2009 and 15655/2009 of the General-Secretary of the Ministry of Finance, dated 27 August, which make up the New Portuguese accounting system, named “Sistema de Normalização Contabilística” (“SNC”).

The Company adopted NCRF for the first time in 2010 and applied for this purpose the “*NCRF 3 Adoption For The First Time of NCRF*” (“NCRF 3”), with the transition date being 1 January 2009 for the purposes of the presentation of these financial statements. As permitted by Decree-Law n.º 158/2009, the Company also applies the International Financial Reporting Standards (“IAS/IFRS”) and related interpretations (“SIC/IFRIC”) issued by the International Accounting Standards Board (“IASB”), in order to fill in the gaps or omissions in SNC regarding specific situations of certain transactions.

The consolidated financial statements of Portugal Telecom are prepared, since 1 January 2005, in accordance with IFRS as adopted by the European Union, which are applicable to the listed companies in the European Union. Therefore, the shareholders’ equity as at 31 December 2013 and 2012 and the net income for the years then ended that are included in the consolidated financial statements of Portugal Telecom differ from the amounts presented in these standalone financial statements. The reconciliation of shareholders’ equity as at 31 December 2013 and net income for the year then ended, attributable to the Company’s shareholders, between standalone (under NCRF) and consolidated financial statements (under IFRS), is as follows:

Reconciliation between NCRF and IFRS		(Euro million)	
	Net income	Shareholders' equity	
In accordance with NCRF	341.8	1,552.9	
Amortization of goodwill and licenses (IAS 36 and 38)	(15.3)	124.8	
Financial instruments (IAS 39)	(0.1)	-	
Sale of CTM - Difference between CTA's recycled to net income under IFRS and SNC	4.6	-	
Costs incurred directly attributable to business combinations (IFRS 3)	-	(26.5)	
Subsidies for investments (IAS 20)	-	(9.8)	
In accordance with IFRS	331.0	1,641.3	

3. Main accounting policies, judgments and estimates

These standalone financial statements were prepared on a going concern basis of accounting. The main accounting policies used in the preparation of these standalone financial statements are described below and were applied consistently.

3.1. Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, which includes the amount paid to acquire the asset and any expenses directly attributable to bringing the assets to the location and condition necessary for their operation.

Tangible fixed assets are depreciated on a straight-line basis from the month they are available for use. The depreciation rates reflect the useful life of each class of assets, as follows:

Asset class	Years of useful life
Transportation equipment	4
Administrative equipment	3 - 8
Other tangible fixed assets	4 - 8

The gains and losses resulting from any write-off or disposal are determined by the difference between the amount received and the carrying value of the asset, and are recognized in the income statement when the write-off or disposal occurs.

3.2. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The remaining lease contracts are considered operating leases. The classification of leases depends on the substance of the transaction and not on the form of the contract.

Assets acquired under finance leases and the corresponding liabilities are accounted for at the beginning of the contract as the lower amount between the fair value of the assets and the present value of minimum lease payments. Rents include the reimbursement of the liability and interest expense, with interest being recognized in the income statement based on a periodic interest rate over the remaining liability.

Under operating leases, rents are recognized on a straight-line basis during the period of the lease.

3.3. Business combinations and goodwill

Acquisitions of subsidiaries are accounted for based on the purchase method. On the acquisition date, the purchase price includes the following components: (a) the fair value of assets acquired; (b) the fair value of liabilities incurred; (c) the fair value of equity instruments issued by the Company in exchange for the control of the subsidiary; and (d) expenses directly attributable to the acquisition. When applicable, the purchase price includes the effect of contingent payments agreed upon under the terms of the transaction, with subsequent changes in those payments being recorded as an adjustment to goodwill.

Any excess of the acquisition cost over the fair value of net assets acquired and contingent liabilities of the acquired company, at the date of acquisition, is recorded as goodwill, in accordance with “NCRF 14 Business Combinations” (“NCRF 14”). If the acquisition cost is lower than the fair value of identifiable net assets, the difference is recorded as a gain in net income. As provided for in NCRF 3, the Company applies NCRF 14 only to acquisitions occurred after 1 January 2009.

Goodwill is not amortized, but tested for impairment losses on an annual basis or whenever there is evidence of a potential loss of value. For impairment test purposes, goodwill is allocated to cash generating units. Any impairment loss is recognised in the income statement of the period, and cannot be reversed in a subsequent period.

3.4. Financial investments

Subsidiaries are those entities over which the Company has the power to govern the financial and operating policies of the entity, generally represented by the majority of the voting rights. Associated companies are entities over which the Company has a significant influence but not control, generally represented by stakes between 20% and 50% of voting rights.

Financial investments in subsidiaries and associated companies are recorded under the equity method of accounting. Under this method, financial investments are initially recorded at acquisition cost and subsequently adjusted for the changes, after the acquisition date, in the Company’s share in the net assets of those entities. Portugal Telecom’s earnings include its share in the earnings of its subsidiaries and associated companies.

Financial investments in foreign entities are translated to Euros using the exchange rates prevailing at the balance sheet date, while the Company’s share in the earnings of those entities is computed based on the average exchange rates for the reported period. The effect of translation differences is recognised in shareholders’ equity under the caption “Adjustments to financial assets”, and is transferred to net income upon the disposal of a foreign entity or the transmission of the investment through another way. The exchange rates used in the translation of the main foreign entities (held directly or indirectly by Portugal Telecom) are as follows:

Currency	2013		2012	
	Closing balance	Average	Closing balance	Average
American dollar	1.3791	1.3281	1.3194	1.2848
Brazilian Real	3.2576	2.8685	2.7036	2.5084

Financial investments are evaluated whenever there is evidence they may be impaired and the related impairment losses are recorded in the income statement.

Gains obtained in transactions with subsidiaries and associated companies are eliminated proportionally to the Company's share in those entities, against a reduction in the financial investment.

Capital gains resulting from the disposal of subsidiaries and associated companies within the Group are deferred or reversed until the date these investments are disposed of to a third party. Whenever these gains are deferred, their recognition in earnings is made under the caption "Equity in earnings/(losses) of affiliated companies", on the proportion that goodwill or assets and liabilities identified in the allocation of the purchase price recorded by the acquirer is recognized in earnings.

Additional capital contributions and loans granted to subsidiaries and associated companies are recorded at nominal value, reduced by adjustments for estimated losses, if applicable.

3.5. Accruals

The Company records its revenue and expenses as they are generated or incurred, regardless of when they are received or paid, respectively.

3.6. Income taxes

Income tax expense corresponds to the sum of current and deferred taxes. Deferred taxes are recognized in earnings except when they relate to items recorded directly in shareholders' equity, in which case they are also recorded in shareholders' equity.

Portugal Telecom adopted the Special Taxation Regime for Groups of Companies ("RETGS"), as defined in Section 69 of the Corporate Income Tax Code ("IRC"), which applies to all companies in which it holds, directly or indirectly, at least 90% of the share capital and that, simultaneously, are located in Portugal and are subject to corporate income tax. Any gain generated by the Group as a result of the adoption of this regime, resulting from tax losses of the companies included in the tax consolidation, is recorded in earnings under the caption "Equity in earnings/(losses) of affiliated companies" (Note 19). The companies which are not under this regime are subject to corporate income tax on a standalone basis, based on the respective taxable profits and tax rates.

The current income tax is computed based on the estimated taxable income for corporate income tax purposes, based on the statutory tax rate in Portugal, which is increased through a municipal tax and/or through an additional state surcharge depending on the collectible profit of the year (Note 10).

The income tax expense recorded in the financial statements was determined in accordance with “*NCRF 25 Income Taxes*”. In determining income tax expense for the year, besides the current tax based on profit before-tax adjusted in accordance with the tax legislation, it is also considered the effects of temporary differences between income before tax and taxable income originated in the year or in preceding years.

Deferred taxes correspond to the temporary differences between assets and liabilities for accounting purposes and the related amounts for taxable purposes. Deferred tax assets and liabilities are computed and evaluated annually, using the tax rates which are expected to be in force at the date of reversal of these temporary differences.

Deferred tax assets are recorded only when there is a reasonable expectation of sufficient future tax profits which allow for their use. As at the balance sheet date the Company conducts a reassessment of the temporary differences originating deferred tax assets, in order to record deferred tax assets not recognized previously and/or to reduce the amount of deferred tax assets that are recognized, based on the current estimate of its recoverable amount.

3.7. Accounts receivable

Accounts receivable are initially recognized at fair value, and subsequently measured at amortized cost, based on the effective interest rate method, reduced by impairment losses.

Impairment losses for doubtful accounts receivable are computed based on the evaluation of the estimated risks resulting from the non-collection of receivables and are recorded in the income statement.

3.8. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered primarily through a sale transaction rather than through continuing use. This condition is regarded as met only when the subject transaction is highly probable and the asset or group of assets is available for immediate sale in its present condition. The sale should be completed within one year as from the date the asset was classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount or the fair value less costs to sell.

3.9. Provisions and contingent liabilities

The Company recognizes provisions when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where any of the above mentioned criteria is not accomplished, the Company discloses the event as a contingent liability, unless the cash outflow is remote.

Provisions are recognized for an amount corresponding to the present value of the best estimate, at the reporting date, of the resources needed to settle the obligation. That estimate is determined considering the risks and uncertainties associated with the obligation. Provisions are reviewed at the end of each year and adjusted for in order to reflect the best estimate as of that date.

3.10. Loans obtained

Loans obtained are initially recognized at fair value, net of transaction costs incurred, and subsequently presented at amortized cost, based on the effective interest method.

Exchangeable bonds issued by Portugal Telecom are recognized as compound instruments, comprising the following two components: (i) the present value of the debt, estimated through the prevailing market interest rate for similar non-convertible debt, which is recorded as a financial liability; and (ii) the fair value of the embedded option for the holder to convert the bond into equity, which is recorded directly in shareholders' equity. As of the balance sheet date, the debt component is recognized at amortized cost and the shareholders' equity component is recognized at the initial value.

3.11. Treasury shares

Equity swap contracts on own shares that include an option exercisable by Portugal Telecom for physical settlement are recognised as a financial liability and a corresponding reduction of shareholders' equity, and are accounted for as an acquisition of treasury shares on the inception date of the contract.

Shares of Portugal Telecom acquired by its subsidiaries are recognized in the Balance Sheet as treasury shares at the acquisition cost, based on the Portugal Telecom's effective interest in those entities.

3.12. Balance sheet classification

Realizable assets and liabilities due over a period greater than one year from the balance sheet date are classified under non-current assets and non-current liabilities, respectively, at present value.

3.13. Foreign currency transactions and balances

Transactions denominated in foreign currencies (different from the Company's domestic currency) are translated to Euros at the exchange rates prevailing at the time the transactions are made. Assets and liabilities in foreign currency for which there is no agreement for fixing an exchange rate are translated to Euros using the exchange rates prevailing at the balance sheet date. Favourable or unfavourable exchange rate differences arising from the differences between exchange rates in force at the date of the respective transactions and those applying on the date of collection or payment or at the balance sheet date are recorded as gains and losses in the income statement.

Assets and liabilities as at 31 December 2013 and 2012 were translated into Euros using the following exchange rates to the Euro reported by the Portuguese Central Bank:

Currency	2013	2012
American dollar	1.3791	1.3194
Brazilian Real	3.2576	2.7036

3.14. Financial assets and liabilities

Financial assets and liabilities are recognized in the balance sheet when the Company becomes part of the corresponding contractual terms, and are classified in the following categories: (a) at cost or amortized cost; and (b) at fair value, with the respective changes being recorded in the income statement.

(a) Financial assets and liabilities at cost or amortized cost

Assets and liabilities are classified at cost or amortized cost if they: (a) have a defined maturity; (b) have a fixed or determined income; and (c) don't represent or include a derivative financial instrument.

Assets and liabilities classified in this category are measured at amortized cost reduced by accumulated impairment losses (for financial assets) and correspond primarily to the following asset and liability captions included in the Company's balance sheet:

- Loans included under the caption "Financial investments - equity method of accounting"

-
- Loans obtained
 - Balances with Group companies
 - Suppliers
 - Accrued expenses
 - Advances to suppliers
 - State and other public entities
 - Other accounts receivable and payable
 - Other financial assets and liabilities
 - Cash and bank deposits

Amortized cost is determined through the effective interest method. The effective interest rate is the one that discounts the estimated future payments and receipts, during the term of the financial instrument, to the carrying value of the financial asset or liability.

(b) Financial assets and liabilities at fair value

All the remaining financial assets and liabilities not included in the category “cost or amortized cost” are recognized at fair value. These financial assets and liabilities correspond primarily to interest and exchange rate derivative financial instruments.

The changes in the fair value of these derivatives are recognized through shareholders’ equity or profit and loss, depending on whether those derivatives meet or not the criteria for hedge accounting, respectively. These changes in fair value are recorded under the caption “Increases/(reductions) in fair value” (Note 22).

(c) Impairments on financial assets

Financial assets included under the caption “cost or amortized cost” are subject to impairment tests by the end of each year. Such assets are impaired when there is clear evidence that, as a result of one or more events occurred after its initial recognition, their future estimated cash flows will be affected.

For assets measured at amortized cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the present value of the revised future estimated cash flows discounted using the initial effective interest rate. For financial assets measured at cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the best estimate of the asset’s fair value.

Subsequently, if there is a reduction in the impairment loss as a result of an event occurred after the initial recognition of the loss, the impairment should be reversed through earnings. The reversal is recognized up to the limit of the amount that would be recorded (at amortized cost) if the loss had not been initially recognized.

(d) **Derecognition of financial assets and liabilities**

The Company derecognizes financial assets when its contractual rights to obtain the asset's cash flows expire, or when it transfers to another entity all the significant risks and rewards associated with the ownership of those assets. The Company derecognizes financial liabilities only when the corresponding obligation is settled, cancelled or expires.

3.15. Main accounting estimates and judgements

To prepare the standalone financial statements under NCRF, the Company's management uses estimates and assumptions that have an effect in the application of accounting policies and in the amounts reported. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances on which the estimate was based, or as a result of new information or more experience. The main accounting estimates reflected in the financial statements relate to the impairment tests of financial investments and the evaluation of the fair value of financial instruments.

The Company tests annually its financial investments for impairment, whenever they present evidence of impairment, including severe decline in the operations activity of the affiliated company. Under this analysis, the recoverable amounts of the financial investments are determined based on value-in-use calculations. The use of this method requires the estimate of future cash flows expected to arise from the continuing operation for each of the subsidiaries, the choice of a growth rate to extrapolate cash flow projections and the estimate of a suitable discount rate for each cash generating unit.

Estimates used are based on the best information available during the preparation of financial statements, although future events, neither controlled nor foreseeable by the Company, could occur and have an impact on those estimates. In accordance with "*NCRF 4 Accounting Policies, Changes in Estimates and Errors*" ("*NCRF 4*"), changes to these estimates that occur after the date of the financial statements are recognized in net income, using a prospective methodology.

3.16. Events occurred after the balance sheet date

Events occurred after the balance sheet date that provide additional information about conditions existing at the balance sheet date are reflected in the financial statements. Events occurred after the balance sheet date that provide information about conditions that occur after the balance sheet date are not reflected in the financial statements, but are disclosed in the notes to the financial statements, if material.

4. Cash flows

The caption “Cash and cash equivalents” of the statement of cash flows includes cash on hand and bank deposits readily convertible to a known amount of cash.

The Company is exposed to a liquidity risk if its sources of funding, including cash balances, operating cash inflows, divestments, credit lines and cash flows obtained from financing operations, do not match its financing needs, such as operating and financing outflows, investments, shareholder remuneration and debt repayments. Based on the cash flows generated by investing activities, mainly from dividends and interest received from affiliated companies, and on the available cash and cash equivalents plus undrawn committed standby facilities and underwritten commercial paper agreements, as detailed below, the Company believes that it will be able to meet its obligations.

Considering the centralized cash management system implemented by the Company for its operations in Portugal, under which the companies that are included in this system can finance its cash requirements through Portugal Telecom, the Company manages the liquidity risk of its Group operations in Portugal. In order to reduce this risk, Portugal Telecom seeks to maintain a liquidity position and an average maturity of debt that allows the repayment of short-term loans obtained and, simultaneously, the payment of all contractual obligations, as mentioned above. As at 31 December 2013, the amount of available cash from Group operations in Portugal, plus the undrawn amount of underwritten commercial paper lines (cash immediately available upon a 2 or 3-days notice) and committed standby facilities amounted to Euro 3,205 million, while average maturity of net debt was 4.0 years.

The capital structure of Portugal Telecom is managed in order to ensure that its businesses will be able to continue as a going concern and to maximize the return to shareholders. The capital structure of the Group includes loans obtained, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, treasury shares, reserves and accumulated earnings. Portugal Telecom reviews periodically its capital structure considering the risks associated with each of the above mentioned classes of its capital structure.

The cash flow statement was prepared in accordance with “*NCRF 2 Statement of Cash Flows*”, with the following aspects being worth mentioning.

(a) Cash receipts (payments) relating to income taxes

In years ended 31 December 2013 and 2012, this caption has the following composition:

	Euro	
	2013	2012
Collections from subsidiaries within RETGS, net (a)	118,857,008	61,043,081
Payments on account made by the Company (b)	(16,541,317)	(16,873,344)
Income tax reimbursements related to the previous year (c)	6,018,231	21,612,997
Other	397,749	2,154,276
	108,731,671	67,937,010

- (a) This caption includes (1) cash receipts from affiliated companies related to payments on account of income tax to be settled in the following year, amounting to Euro 96,821,779 in 2013 and Euro 90,056,806 in 2012 (Note 8), (2) the settlement of the fourth and last installment regarding the previous year income tax, which amounted to a cash receipt of Euro 18,641,756 in 2013 and a payment of Euro 34,428,543 in 2012, and (3) cash receipts of Euro 3,393,473 in 2013 and Euro 5,414,818 in 2012 related to additional tax assessments from previous years made by affiliated companies.
- (b) In 2013 and 2012, Portugal Telecom made the Additional Payments on Account of Euro 5.5 and 5.6 million each, totaling Euro 16.4 million and 16.9 million respectively. In 2013, the Company made two special payment on account of Euro 0.1 million. In 2012, the Company did not made any payment on account due to the tax losses generated in 2012 and 2011.
- (c) This caption corresponds to refunds obtained as a result of payments on account made in the previous year in excess of the tax payable calculated under the tax consolidation regime of Portugal Telecom.

(b) Other cash receipts (payments), net

In the year ended 31 December 2013, net other cash payments amounted to Euro 2,869,175 compared to net other cash receipts of Euro 7,393,639 in 2012. This change is primarily explained by a cash receipt of Euro 10.2 million in 2012, corresponding to services rendered to Vivo between April and August 2008 under the management fee contract entered into with this entity in previous years, and by lower contributions made to Páginas Amarelas under the respective shareholders agreement, which amounted to Euro 4.5 million in 2012, situation that is no longer provided for in agreement entered into following the restructuring shareholder of this company (Note 7).

(c) Payments (cash receipts) resulting from short-term financial applications

In the year ended 31 December 2013 the Company made short-term investments in the amount of Euro 200,000,000, due in 7 January 2014 and with a coupon of 3.75%.

In the year ended 31 December 2012, short-term financial applications, made in 2011, amounting to Euro 60,000,000 were settled at maturity on 16 April 2012.

(d) Cash receipts resulting from financial investments

In the years ended 31 December 2013 and 2012, this caption has the following composition:

	2013	Euro 2012
Reimbursement of additional paid in capital contributions (Note 7):		
PT Portugal	2,100,000,000	-
PT Compras	35,500,000	-
PT Investimentos Internacionais ("PT II")	13,100,000	-
Africatel Holdings B.V. ("Africatel")	1,687,500	-
Yunit Serviços ("Yunit")	-	2,228,328
	2,150,287,500	2,228,328
Disposal of financial investments:		
Africatel	1,789,312,500	-
PT Imobiliária (Note 7)	11,499,672	-
PT Compras	293,965	-
Euroscop	121,305	-
TMM	3,831	-
Multicert	10	-
PT BlueClip (Note 7)	-	50,000
	1,801,231,283	50,000
Repayment / disposal of loans granted in connection with the disposal of financial investments:		
Africatel (Note 8)	313,605,020	-
Sportinveste (Note 7)	32,618,669	-
Yunit (Note 7)	2,228,329	-
PT Imobiliária	660,000	-
TMM	11,609	-
	349,123,627	-
Share capital reductions (Note 7):		
Africatel	-	38,475,000
	-	38,475,000
Other cash receipts:		
Previsão (Note 7)	1,850,426	-
	1,850,426	-
	4,302,492,836	40,753,328

(e) Cash receipts (payments) resulting from loans granted

In the years ended 31 December 2013 and 2012, cash receipts resulting from the reimbursement of loans granted, net of cash payments resulting from new loans granted, amounted to Euro 1,216,969,482 and Euro 197,584,298, respectively, and are as follows:

	Euro	
	2013	2012
Intercompany loans within centralized cash management:		
PT Comunicações	(224,357,190)	472,157,596
PT Centro Corporativo	(42,560,777)	4,558,065
PT Portugal	(32,889,653)	36,216,170
PT Participações	(6,348,960)	60,965
PT Sistemas de Informação ("PT SI")	(2,961,131)	(440,092)
PT Sales	(1,420,785)	341,571
PT Pro, Serviços Administrativos e de Gestão Partilhados, S.A. ("PT Pro")	(872,393)	110,234
PT Inovação	2,386,252	(12,817,737)
PT Contact	25,045,265	(10,084,749)
MEO S.A.	46,200,260	(37,804,380)
Other companies	(9,780)	2,806,833
	(237,788,892)	455,104,476
Loans granted:		
PT Portugal (Note 8)	(979,000,000)	(255,000,000)
Yunit Serviços (Note 7)	-	(2,228,328)
PT Imobiliária (Note 8)	(290,000)	(370,000)
	(979,290,000)	(257,598,328)
Reimbursement of loans granted:		
INESC	109,410	78,150
	109,410	78,150
	(1,216,969,482)	197,584,298

(f) Dividends received

In the years ended 31 December 2013 and 2012, this caption has the following composition:

	Euro	
	2013	2012
PT Participações	24,000,000	24,000,000
Africateel	18,750,000	-
Portugal Telecom Internacional Finance BV ("PT Finance")	6,705,439	20,838,588
PT Centro Corporativo	916,068	1,679,147
Vortal (Note 25)	42,341	-
	50,413,848	46,517,735

(g) Payments resulting from financial investments

In the years ended 31 December 2013 and 2012, this caption has the following composition (Note 7):

	Euro	
	2013	2012
Share capital increases:		
PT Portugal	2,100,000,000	-
PT Participações	1,857,920,000	-
PT Compras	34,150,000	-
PT SI	3,000,000	-
	3,995,070,000	-
Other operations:		
Acquisition of shares PT Brasil	8,869	-
Incorporation of PT BlueClip	-	50,000
	3,995,078,869	50,000

(h) Cash receipts (payments) resulting from loans obtained

In the years ended 31 December 2013 and 2012, cash receipts from loans obtained, net of loans repaid, amounted to receipts of Euro 1,570,435.601 and payments of Euro 50,777,262, respectively, and are as follows:

	Euro	
	2013	2012
Commercial paper	1,575,250,000	(528,250,000)
Bank loan obtained in July 2012 and May 2013 (Note 16.3)	70,000,000	100,000,000
Other Bank loans	(74,489,181)	7,554,095
Non-convertible bonds (Note 16.2)	-	400,000,000
Partial reimbursement of liabilities on equity swaps on own shares (Note 16.6)	-	(20,557,440)
Intercompany loans within centralized cash management	-	(9,255,842)
Leases and other loans obtained	(325,218)	(268,075)
	1,570,435,601	(50,777,262)

(i) Cash and cash equivalents

As at 31 December 2013 and 2012, this caption has the following composition:

	Euro	
	2013	2012
Cash	2,000	2,000
Bank deposits immediately available	541,960,115	264,012,597
	541,962,115	264,014,597

5. Changes in accounting policies and estimates and errors

During the year ended 31 December 2013, PT Comunicações, a wholly owned subsidiary of PT Portugal, adopted the revised version of IAS 19 Employee Benefits ("IAS 19") issued in June 2011, and applicable to fiscal years beginning on or after 1 January 2013. This revised standard was adopted as the NCRF 28 Employee Benefits, applicable to companies that follow SNC, provides for the accounting of post-employment benefits related to defined benefit plans to be made based on the revised version of IAS 19. Consequently, Portugal Telecom reflected in their standalone accounts through the equity method, the effect of the retrospective adoption of this revised standard by PT Comunicações, and for this reason restated the balance sheet as at 1 January and 31 December 2012, and the income statement for the year ended 31 December 2012, as follows:

Balance sheet as at 1 January 2012			
	Prior to IAS 19 amendment	Impacts of IAS 19 amendment	Restated statement
ASSETS			
Financial investments - equity method of accounting	7,611,950,981	12,573,032	7,624,524,013
Other assets	2,442,028,640	-	2,442,028,640
Total assets	10,053,979,621	12,573,032	10,066,552,653
SHAREHOLDERS' EQUITY			
Adjustments to financial assets	(30,932,527)	22,940,573	(7,991,954)
Retained earnings	2,738,716,229	(5,132,722)	2,733,583,507
Net income	342,259,821	(5,234,819)	337,025,002
Other equity items	(321,334,161)	-	(321,334,161)
Total shareholders' equity	2,728,709,362	12,573,032	2,741,282,394
Total liabilities	7,325,270,259	-	7,325,270,259
Total liabilities and shareholders' equity	10,053,979,621	12,573,032	10,066,552,653

Balance sheet as at 31 December 2012

	Prior to IAS 19 amendment	Impacts of IAS 19 amendment	Restated statement
ASSETS			
Financial investments - equity method of accounting	7,067,728,382	11,216,030	7,078,944,412
Other assets	2,033,162,905	-	2,033,162,905
Total assets	9,100,891,287	11,216,030	9,112,107,317
SHAREHOLDERS' EQUITY			
Adjustments to financial assets	(442,282,981)	26,052,827	(416,230,154)
Retained earnings	2,553,426,828	(10,367,541)	2,543,059,287
Net income (a)	230,495,403	(4,469,256)	226,026,147
Other equity items	(150,564,764)	-	(150,564,764)
Total shareholders' equity	2,191,074,486	11,216,030	2,202,290,516
Total liabilities	6,909,816,801	-	6,909,816,801
Total liabilities and shareholders' equity	9,100,891,287	11,216,030	9,112,107,317

- (a) The negative effect on net income resulting from the adoption of the revised IAS 19 by PT Comunicações was fully reflected in "Gains / (losses) of affiliated companies".

The Company did not adopt any new or revised standard or interpretation during the year ended 31 December 2013, and did not voluntarily change other accounting policies or accounting estimates.

During the year ended 31 December 2013, the Company did not adjust its financial statements for any material errors from previous years.

6. Tangible fixed assets

During the years ended 31 December 2013 and 2012, movements occurred in tangible fixed assets were as follows:

					Euro
					2013
	Buildings and other constructions	Transportation equipment	Administrative equipment	Other tangible fixed assets	Total
Gross amount					
Opening balance	111,715	1,276,573	903,273	1,064,394	3,355,955
Acquisitions	-	356,326	-	-	356,326
Disposals	-	(321,149)	-	-	(321,149)
Transfers and write-offs	-	(87,928)	(642,196)	(2,206)	(732,330)
Closing balance	111,715	1,223,822	261,077	1,062,188	2,658,802
Accumulated depreciation					
Opening balance	111,715	811,981	894,174	107,178	1,925,048
Depreciation	-	232,534	4,755	-	237,289
Disposals	-	(267,610)	-	-	(267,610)
Transfers and write-offs	-	(25,024)	(642,196)	(2,206)	(669,426)
Closing balance	111,715	751,881	256,733	104,972	1,225,301
Carrying amount	-	471,941	4,344	957,216	1,433,501

					Euro
					2012
	Buildings and other constructions	Transportation equipment	Administrative equipment	Other tangible fixed assets	Total
Gross amount					
Opening balance	111,75	1,302,660	903,600	1,064,778	3,382,753
Acquisitions	-	301,207	-	-	301,207
Disposals	-	(327,294)	(327)	(384)	(328,005)
Closing balance	111,715	1,276,573	903,273	1,064,394	3,355,955
Accumulated depreciation					
Opening balance	111,75	825,066	889,746	107,562	1,934,089
Depreciation	-	274,821	4,755	-	279,576
Disposals	-	(287,906)	(327)	(384)	(288,617)
Closing balance	111,715	811,981	894,174	107,178	1,925,048
Carrying amount	-	464,592	9,099	957,216	1,430,907

7. Financial investments - equity method of accounting

During the years ended 31 December 2013 and 2012, the movements occurred in this caption were as follows:

							Euro
							2013
	Investments in subsidiary companies	Additional paid in capital contributions in subsidiary companies	Investments in associated companies	Goodwill	Loans to associated companies	Advances for financial investments	Total
Gross amount							
Opening balance	1,658,651,324	5,356,337,500	6,227,436	61,419,919	5,067,148	-	7,087,703,327
Increases	3,995,078,869	-	-	-	-	-	3,995,078,869
Reductions	(634,012,075)	(2,150,287,500)	(1,995,203)	-	(5,067,148)	-	(2,791,361,926)
Equity method	(473,732,021)	-	(3,447,311)	-	-	-	(477,179,332)
Dividends	(50,371,507)	-	-	-	-	-	(50,371,507)
Other	3,983,343	-	103,584	-	-	-	4,086,927
Closing balance	4,499,597,933	3,206,050,000	888,506	61,419,919	-	-	7,767,956,358
Impairment losses							
Opening balance	-	-	6,170,175	-	2,588,740	-	8,758,915
Increases	-	-	-	16,129,000	-	-	16,129,000
Reductions	-	-	(4,893,349)	-	-	-	(4,893,349)
Other	-	-	-	-	(2,588,740)	-	(2,588,740)
Closing balance	-	-	1,276,826	16,129,000	-	-	17,405,826
Carrying amount	4,499,597,933	3,206,050,000	(388,320)	45,290,919	-	-	7,750,550,532

							Euro
							2012
	Investments in subsidiary companies	Additional paid in capital contributions in subsidiary companies	Investments in associated companies	Goodwill	Loans to associated companies	Advances for financial investments	Total
Gross amount							
Opening balance	2,190,555,609	5,356,337,500	(17,001,050)	61,419,919	37,763,966	32,000	7,629,107,944
Increases	50,000	-	-	-	2,228,328	-	2,278,328
Reductions	(38,525,000)	-	(1,033,648)	-	(2,306,478)	-	(41,865,126)
Equity method	(440,563,194)	-	(3,734,466)	-	-	-	(444,297,660)
Dividends	(46,517,735)	-	-	-	-	-	(46,517,735)
Non-current assets held for sale	-	-	27,996,600	-	(32,618,668)	-	(4,622,068)
Other	(6,348,356)	-	-	-	-	(32,000)	(6,380,356)
Closing balance	1,658,651,324	5,356,337,500	6,227,436	61,419,919	5,067,148	-	7,087,703,327
Impairment losses							
Opening balance	-	-	1,995,191	-	2,588,740	-	4,583,931
Increases	-	-	4,174,984	-	-	-	4,174,984
Closing balance	-	-	6,170,175	-	2,588,740	-	8,758,915
Carrying amount	1,658,651,324	5,356,337,500	57,261	61,419,919	2,478,408	-	7,078,944,412

a) Increases

In the years ended 31 December 2013 and 2012, increases in financial investments recorded by the equity method of accounting, including goodwill and loans granted to associated companies, were as follows (Note 4):

	2013	Euro 2012
Share capital increases at PT Portugal	2,100,000,000	-
Share capital increases at PT Participações	1,857,920,000	-
Share capital increases at PT Compras	34,150,000	-
Share capital increases at PT II	3,000,000	-
Acquisition of shares of PT Brasil	8,869	-
Loans granted to Yunit (a)	-	2,228,328
Incorporation of PT BlueClip	-	50,000
	3,995,078,869	2,278,328

(a) During the year ended 31 December 2011, Portugal Telecom granted additional paid in capital contributions to the associated company Yunit. In 2012, these additional paid in capital contributions were reimbursed and Portugal Telecom granted loans to Yunit by the same amount.

b) Reductions

In the years ended 31 December 2013 and 2012, reductions in financial investments recorded by the equity method of accounting were as follows:

	2013	Euro 2012
Reimbursement of additional paid in capital contributions (Note 4):		
PT Portugal	2,100,000,000	-
PT Compras	35,500,000	-
PT II	13,100,000	-
Africatel	1,687,500	-
Yunit	-	2,228,328
	2,150,287,500	2,228,328
Reductions in investments in subsidiary and associated companies:		
Disposal of Africatel (a)	620,659,561	-
Disposal of PT Imobiliária (a)	11,499,672	-
Disposal of INESC (a)	1,995,192	-
Disposal of TMM (a)	2,415	-
Disposal of other stakes (a)	12	-
Share capital reduction at Africatel (Note 4)	-	38,475,000
Disposal of a stake in Páginas Amarelas (b)	-	1,033,648
Disposal of PT BlueClip (Note 4)	-	50,000
	634,156,852	39,558,648
Reimbursement of loans granted:		
INESC	2,838,819	78,150
Yunit (Note 4)	2,228,329	-
	5,067,148	78,150
Other movements:		
Previsão (Note 4) (c)	1,850,426	-
	1,850,426	-
	2,791,361,926	41,865,126

(a) In connection with the reorganization of the shareholdings held by Portugal Telecom (Note 1), the company sold these investments in 2013 to subsidiaries directly or indirectly wholly owned by Portugal Telecom.

(b) This caption corresponds to the effect of an agreement entered into with a third party for the sale of the 25% stake in this company. As a result of this agreement, Portugal Telecom recognized this investment by its recoverable amount and, for that purpose, recorded a capital loss of Euro 1,033,648 (Note 19) and an additional loss of Euro 1,934,984 (Note 19).

(c) Under an agreement entered into with PT Portugal, Portugal Telecom received in 2013 an advance for the disposal of the investment in this entity, and therefore recorded it as a non-current asset held for sale as at 31 December 2013. The completion of this transaction is pending approval by the Portuguese Insurance Institute.

c) Equity method of accounting

In the years ended 31 December 2013 and 2012, the movements occurred in investments in subsidiaries and associated companies resulting from the application of the equity method of accounting were recorded as follows:

	2013	Euro 2012
Gains in affiliated companies (Note 19)	234,129,864	(66,935,709)
Adjustments to financial assets (Note 14)	(711,309,196)	(377,361,951)
	(477,179,332)	(444,297,660)

d) Dividends attributed

The detail of dividends attributed by subsidiaries and associated companies in the years ended 31 December 2013 and 2012 is as follows (Note 4):

	2013	Euro 2012
PT Participações	24,000,000	24,000,000
Africatel	18,750,000	-
PT Finance	6,705,439	20,838,588
PT Centro Corporativo	916,068	1,679,147
	50,371,507	46,517,735

e) Non-current assets held for sale

Sportinveste

On 20 December 2012, Portugal Telecom reached an agreement on a number of transactions that will allow Portugal Telecom to have a 25% stake in a joint-venture that will combine Sport TV Portugal S.A. ("Sport TV"), Sportinveste Multimédia SGPS, S.A. ("Sportinveste Multimédia") and P.P. TV - Publicidade de Portugal e Televisão, S.A. ("PPTV"). Portugal Telecom will contribute its current 50% stake in Sportinveste Multimédia and invest, through a rights issue in Sport TV, a net amount of up to Euro 21 million. Following these transactions, Portugal Telecom will own 25% of Sport TV, which will incorporate PPTV and Sportinveste Multimédia.

Sport TV produces one of the most complete and broad sports content offering worldwide. PPTV, which is fully owned by Sportinveste, promotes television rights. Sportinveste Multimédia is currently equally owned by Portugal Telecom and Sportinveste SGPS (50% each) and its core business is the production and development of sports contents through any multimedia platform.

These corporate transactions are subject to the approval of the competent authorities, particularly the Competition Authority - Autoridade da Concorrência, and to the accomplishment of certain contractual conditions by the companies involved, including the conclusion of Sport TV's refinancing following the transaction.

As a result of the above mentioned agreement, the investment in Sportinvest Multimedia was classified as non-current asset held for sale and the book value amounted to Euro 4.6 million at 31 December 2012, including additional paid in capital contributions and loans granted in the amount of Euro 30.0 million and Euro 2.6 million, respectively, net of a provision in the amount

of Euro 28 million. At the end of 2013, Portugal Telecom sold this investment to PT Comunicações for a total amount of Euro 32,618,669 (Note 4), corresponding to the nominal amount of additional paid in capital contributions and loans granted to this entity, having recorded a capital gain in the amount of Euro 27,964,927 (Note 19). This transaction was performed in the context of the reorganization of the shareholdings held by Portugal Telecom, for the purpose of the merger with Oi (Note 1).

Previsão

In the same context of the reorganization of the shareholdings, Portugal Telecom reached an agreement with PT Portugal at the end of 2013 for the sale of the investment in Previsão and has received an advance on account of this sale in 2013 (Note 8), which is expected to be completed in 2014, after obtaining the authorization from the Portuguese Insurance Institute.

As a result of above mentioned agreement, the investment in Previsão was classified as non-current asset held for sale and the book value amounted to Euro 1.9 million at 31 December 2013.

f) Other movements

	2013	Euro 2012
Movements related to Oi's investment in Portugal Telecom		
Acquisition by Oi of Portugal Telecom's shares (Note 14.2) (a)	-	(23,198,433)
Gain recognized directly in shareholders' equity in relation to the corporate restructuring at Oi Group (Note 14.2) (a)	-	12,060,380
Dividends paid by Portugal Telecom in relation to the shares held by Oi (Note 14.6) (b)	6,774,269	9,067,098
Income tax paid by Oi in relation to the dividends received from Portugal Telecom	(2,303,251)	(4,277,138)
Other	(384,091)	(32,263)
	4,086,927	(6,380,356)

- (a) As mentioned in Note 1, in connection with the strategic partnership entered into with Portugal Telecom, Oi acquired a total of 89,651,205 shares of Portugal Telecom during the years ended 31 December 2011 and 2012, including 64,557,566 shares in 2011 and 25,093,639 shares in 2012. The Company's stake in these investments made by Oi, amounting to Euro 148,311,037 and Euro 23,198,433, respectively, was recognized in the Balance Sheet as own shares and deducted from the financial investment in Oi, which in turn is reflected in the Company's standalone Balance Sheet indirectly through the investment in PT Portugal. In addition, in March 2012, the Company's interest in the investments made by Oi in 2011 was decreased by an amount of Euro 12,060,380, corresponding to the effect of the reduction in the Company's effective stake in Oi as a result of the conclusion of the corporate restructuring of the Oi Group. Consequently, the Company's interest in the investments made by Oi in the acquisition of Portugal Telecom's shares, included in the Balance Sheet as treasury shares, amounted to Euro 159,449,090 (Note 14.2) as at 31 December 2012 and 2013.
- (b) Taking into account the Company's shares held by Oi are classified as own shares in Portugal Telecom's Balance Sheet, the accounting movements relating to the payment of dividends to such shares, net of the related tax effects, were presented as an increase in the carrying value of the investment held indirectly in Oi.

g) Goodwill

Goodwill in the amount of Euro 61,419,919 relates to the directories business carried by a subsidiary of PT Portugal and by Páginas Amarelas.

In the year ended December 2013, the Company recognized an impairment loss of Euro 16,129,000 on this goodwill due to the decline of the directories business, which has intensified in the recent past and culminated on 15 July 2013, with Páginas Amarelas submitting to the Tribunal de Comércio in Lisboa a Special Plan for the Revitalization of the company.

For purposes of impairment analysis, goodwill was allocated to cash generating units. The recoverable amount was computed based on a value in use through a discounted cash flow methodology, using a detailed forecast of cash flows for a 4 year period, which was prepared internally. For purposes of impairment analysis of the directories business, the discount rate used was 8.8%.

8. Related parties

8.1. Balances with Group companies

As at 31 December 2013 and 2012, the captions “Balances with Group companies” included in current and non-current assets and in current liabilities have the following composition:

	2013	Euro 2012
DEBIT BALANCES		
Non- Current		
Loans granted (a)	1,806,200,000	1,155,174,819
Total non-current	1,806,200,000	1,155,174,819
Current		
Intercompany loans granted within the centralized cash management system (b)	511,845,872	265,695,716
Accounts receivable within the tax consolidation regime (c)	20,092,250	29,220,041
Other (d)	42,003,456	9,019,282
Total current	573,941,578	303,935,039
Total	2,380,141,578	1,459,109,858
CREDIT BALANCES		
Current		
Accounts payable within the tax consolidation regime (c)	22,096,003	2,544,417
Dividends attributed	852,327	838,604
Other (e)	1,952,841	103,439
Total current	24,901,171	3,486,460

(a) As at 31 December 2013 and 2012, non-current loans granted have the following composition:

	2013	Euro 2012
PT Portugal (i)	1,806,200,000	827,200,000
Africatel (ii)	-	327,604,819
PT Imobiliária (Note 4)	-	370,000
	1,806,200,000	1,155,174,819

(i) During the years 2013 and 2012, Portugal Telecom granted loans to this subsidiary in the amounts of Euro 979 million and Euro 255 million, respectively (Note 4);

- (ii) This loan granted to Africatel is denominated in U.S. Dollars. During the year ended 31 December 2012, the change in the outstanding balance corresponds to a foreign currency translation loss of Euro 6,456,390 (Note 25). At the end of 2013, as part of an internal reorganization, this loan was transferred to a subsidiary 100% owned by Portugal Telecom, and prior to that Portugal Telecom recorded a foreign exchange loss of Euro 13.999.799 euros (Note 25) in 2013.

- (b) As at 31 December 2013 and 2012, the detail of loans granted under the centralized cash management system in order to meet short-term needs is as follows:

	Euro	
	2013	2012
PT Comunicações	342,322,397	117,965,207
PT Portugal	90,783,928	57,894,275
PT Centro Corporativo	43,765,831	1,205,054
PT Inovação	17,586,805	19,973,057
PT Participações	6,373,532	85,537
PT SI	3,590,131	629,000
PT Contact	3,552,194	28,597,459
PT Sales	2,495,805	1,075,020
PT PRO	825,683	-
MEO S.A.	-	37,804,380
Other	549,566	466,727
	5 11,845,872	265,695,716

- (c) As at 31 December 2013 and 2012, these captions correspond to a net payable of Euro 2,003,753 and a net receivable of Euro 26,675,624, respectively, including mainly: (1) income taxes payable by the affiliated companies included in the tax consolidation regime, amounting to Euro 99,545,344 and Euro 127,818,236, respectively; (2) payments on account made by these companies, amounting to Euro 96,821,779 and Euro 90,056,806 (Note 4), respectively; and (3) income taxes payable to subsidiaries in relation to withholding tax credits, in the amounts of Euro 4,727,318 and Euro 11,085,806, respectively.
- (d) As at 31 December 2013, this caption includes Euro 24.4 million receivable from PT Portugal from interest on loans granted.
- (e) As at 31 December 2013, this caption includes Euro 1,850,426 related to the advance on account of the sale of the financial investment in Previsão, which is expected to finish in 2014, as mentioned above (Note 7).

8.2. Financial investments in subsidiaries and associated companies

As at 31 December 2013 and 2012, the detail of Portugal Telecom's financial investments in its subsidiaries and associated companies is as follows (Notes 7 and 19):

Company name	2013						Euro	
	% held	Financial investments	Additional paid-in capital	Share on net income	% held	Financial investments	Additional paid-in capital	Share on net income
SUBSIDIARIES:								
PT Portugal	100.00%	1,895,140,407	3,206,050,000	(145,759,331)	100.00%	572,566,959	5,306,050,000	(226,525,364)
Africatel (a) (d)	-	-	-	78,146,107	75.00%	591,801,005	1,687,500	124,688,902
PT Finance	100.00%	267,318,693	-	15,207,322	100.00%	258,816,811	-	4,105,099
PT Brasil	99.99%	183,178,459	-	5,800,659	99.99%	211,088,868	-	2,099,510
PT Participações	100.00%	2,149,710,675	-	277,266,829	100.00%	49,463,152	-	26,370,980
PT Imobiliária (d)	-	-	-	(256,691)	100.00%	11,756,364	-	(435,049)
PT II	100.00%	3,238,603	-	6,096,493	100.00%	(5,857,891)	13,100,000	5,583,089
Previsão – Sociedade Gestora de Fundos de Pensões, S.A.	-	-	-	-	82.05%	1,800,409	-	(471,517)
PT Compras (d)	-	-	-	105,282	100.00%	(33,961,317)	35,500,000	364,737
PT Centro Corporativo	100.00%	1,011,096	-	922,065	100.00%	1,005,099	-	916,068
Portugal Telecom Europa (b)	-	-	-	-	98.67%	169,373	-	-
TMM (b) (d)	-	-	-	-	98.00%	2,492	-	(1,300)
		4,499,597,933	3,206,050,000	237,528,735		1,658,651,324	5,356,337,500	(63,304,845)
ASSOCIATED COMPANIES:								
Páginas Amarelas (e)	19.88%	888,506	-	(3,286,477)	24.88%	4,174,984	-	(1,112,773)
INESC (d)	-	-	-	-	26.36%	1,995,191	-	-
Yunit (d)	-	-	-	(162,411)	33.33%	57,251	-	(190,466)
Multicert (b) (d)	-	-	-	-	-	10	-	-
Sportinveste Multimédia (c)	-	-	-	-	50.00%	-	-	(2,327,625)
		888,506	-	(3,448,888)		6,227,436	-	(3,630,864)
NON-CURRENT ASSETS HELD FOR SALE:								
Sportinveste Multimédia (c)	-	-	-	-	50.00%	(27,996,600)	30,023,168	-
Previsão – Sociedade Gestora de Fundos de Pensões, S.A.	82.05%	1,850,426	-	50,017	-	-	-	-
		1,850,426	-	50,017		(27,996,600)	30,023,168	-
		4,502,336,865	3,206,050,000	234,129,864		1,636,882,160	5,386,360,668	(66,935,709)

(a) In 2012, the shareholders' equity of this company includes additional paid-in capital contributions amounting to Euro 2,250,000, including Euro 1,687,500 granted by Portugal Telecom.

(b) These companies are not engaged in any activity.

(c) The shareholders' equity of this company includes additional paid-in capital contributions amounting to Euro 46,165,181, of which Euro 30,023,168 were granted by Portugal Telecom. The investment in this subsidiary, as explained in Note 7, was classified as non-current asset held for sale as at 31 December 2012, in sequence of the agreement on 20 December 2013, with the goal of creating a joint venture composed by Sport TV, Sportinveste Multimedia and PPTV. In December 2013, the investment in this company was transferred to PT Comunicações.

(d) The shares in these companies were sold during the year ended December 31, 2013.

(e) This company was sold in 2014.

The main financial information regarding the above mentioned entities, except for those which are not engaged in any activity or which investments are fully adjusted for, is as follows:

		2013						Euro		2012	
Company name	Address	Assets	Liabilities	Service rendered and sales	Net Shareholders' income	Assets	Liabilities	Service rendered and sales	Net Shareholders' income	Assets	Liabilities
SUBSIDIARIES:											
PT Portugal	Av. Fontes Pereira de Melo, nº40 - Lisbon	10,545,384,508	5,444,194,101	-	(145,759,331)	5,101,190,407	11,059,954,878	5,181,337,920	-	(226,525,364)	5,878,616,959
Africate1	Naritaweg 165, Teestone 8, 1043 BW Amsterdam, Netherlands	n.a.	n.a.	-	104,194,809	n.a.	1,144,707,951	353,389,945	392,344	166,251,869	791,318,006
PT Finance	Strawinkylaan 3105, 7 th floor - Amsterdam, Netherlands	8,470,349,967	8,203,031,274	-	15,207,322	267,318,693	8,702,487,241	8,443,670,430	-	4,105,099	258,816,811
PT Brasil	R.Sampaio Viana, 277-5 ^o Paraíso - S.Paulo, Brazil	205,533,468	22,336,689	-	5,801,239	183,196,779	236,919,789	25,809,810	-	2,099,720	211,109,979
PT Participações	Av. Fontes Pereira de Melo, nº40 - Lisbon	2,159,363,480	9,652,805	-	277,266,829	2,149,710,675	236,397,285	186,934,133	-	26,370,980	49,463,152
PT Imobiliária	R. Tenente Espanca, nº 35 - Lisbon	n.a.	n.a.	358,454	(256,691)	n.a.	13,003,749	1,247,385	426,983	(435,049)	11,756,364
PT II	Av. Fontes Pereira de Melo, nº40 - Lisbon	16,039,481	12,800,878	-	6,096,493	3,238,603	12,584,682	5,342,572	13,156,868	5,583,089	7,242,109
Previsão - Sociedade Gestora de Fundos de Pensões, S.A.	R. Entrecampos, nº28 - Lisbon	2,887,741	632,472	970,588	60,960	2,255,269	3,124,420	930,110	350,000	(574,677)	2,194,310
PT Compras	R. Entrecampos, nº28 - Lisbon	n.a.	n.a.	6,777,476	105,282	n.a.	3,557,930	2,019,247	6,777,476	364,737	1,538,683
PT Centro Corporativo	Av. Fontes Pereira de Melo, nº40 - Lisbon	79,504,079	78,492,983	62,456,953	922,065	1,011,096	35,083,596	34,078,497	67,446,511	916,068	1,005,099

8.3. Balances and transactions with related parties

As mentioned in Note 1, Portugal Telecom is the parent company of the Group and as such all companies included in the Group were considered as related parties.

Besides the receivables and payables included under the captions "Balances with Group companies", as detailed above (Note 8.1), the Company has other receivables and payables with related parties included in other captions. The nature and detail of the main balances with related parties as at 31 December 2013 and 2012 are as follows:

							Euro	
							2013	
	Shareholders and Group companies (debit balance) (a)	Other accounts receivable (b)	Total accounts receivable	Shareholders and Group companies (credit balance)	Loans obtained	Suppliers and accrued expenses	Total accounts payable	
SUBSIDIARIES:								
PT Portugal	1,925,413,570	34,914,655	1,960,328,225	-	-	-	-	
Africate1	474	-	474	-	-	-	-	
PT Comunicações	345,526,081	5,318,001	350,844,082	-	-	(105,673)	(105,673)	
MEO S.A.	-	40,630	40,630	(18,423,166)	(8,390,143)	(297)	(26,813,606)	
PT Inovação	17,802,312	242,143	18,044,455	-	-	-	-	
PT Móveis	5,644,839	4,268	5,649,107	-	-	-	-	
PT Brasil	8,677,620	27,610	8,705,230	-	-	(747,747)	(747,747)	
PT Participações	6,373,532	54,545	6,428,077	(3,236,746)	-	-	(3,236,746)	
PT Centro Corporativo	44,436,952	113,675	44,550,627	-	-	(865,436)	(865,436)	
PT Sales	2,694,719	76,899	2,771,618	-	-	-	-	
PT SI	3,821,101	93,348	3,914,449	-	-	-	-	
PT Contact	5,961,631	68,977	6,030,608	-	-	-	-	
PT Pro	6,960,690	45,169	7,005,859	-	-	(10)	(10)	
PT II	6,632,244	15,173	6,647,417	-	-	-	-	
Other companies	60,424	17,926	78,350	(436,091)	-	(547)	(436,638)	
ASSOCIATED COMPANIES:								
Sportinveste	-	7,703	7,703	-	-	-	-	
Yunit	122,553	64,267	186,820	-	-	-	-	
Other companies	12,836	-	12,836	-	-	(1,848)	(1,848)	
	2,380,141,578	41,104,989	2,421,246,567	(22,096,003)	(8,390,143)	(1,721,558)	(32,207,704)	

								Euro
								2012
	Loans granted to associated companies	Shareholders and Group companies (debit balance) (a)	Other accounts receivable (b)	Total accounts receivable	Shareholders and Group companies (credit balance)	Loans obtained	Suppliers and accrued expenses	Total accounts payable
SUBSIDIÁRIAS:								
PT Portugal	-	886,469,700	15,026,120	901,495,820	-	-	-	-
Aficateel	-	327,606,761	12,775,713	340,382,474	-	-	-	-
PT Comunicações	-	119,573,377	1,592,786	121,166,163	-	-	(73,058)	(73,058)
MEO S.A.	-	38,418,196	607,938	39,026,134	-	-	-	-
PT Inovação	-	19,973,057	149,828	20,122,885	(1,968,926)	-	-	(1,968,926)
PT Móveis	-	18,459,120	432	18,459,552	-	-	-	-
PT Brasil	-	8,809,843	27,610	8,837,453	-	-	(872,214)	(872,214)
PT Participações	-	2,029,458	463	2,029,921	-	-	-	-
PT Centro Corporativo	-	1,777,890	61,019	1,838,909	-	-	(690,659)	(690,659)
PT Sales	-	1,305,993	41,900	1,347,893	-	-	-	-
PT SI	-	1,948,206	33,980	1,982,186	-	-	-	-
PT Contact	-	29,776,455	158,665	29,935,120	-	-	-	-
PT Pro	-	828,270	30,066	858,336	-	-	-	-
PT II	-	1,052,648	4,854	1,057,502	-	-	-	-
Outras empresas	-	1,060,149	1,000,164	2,060,313	(575,491)	-	(38,912)	(614,403)
ASSOCIADAS:								
Sportinveste	-	-	8,464	8,464	-	-	-	-
INESC	2,838,820	-	-	2,838,820	-	-	-	-
Yunit	2,228,328	-	62,679	2,291,007	-	-	-	-
Outras empresas	-	20,735	119,490	140,225	-	(46,710)	595	(46,115)
	5,067,148	1,459,109,858	31,702,171	1,495,879,177	(2,544,417)	(46,710)	(1,674,248)	(4,265,375)

(a) As mentioned above, debit balances with shareholders and group companies relate mainly to loans granted and to accounts receivable under the tax consolidation regime.

(b) This caption includes primarily accrued interest income on loans granted to affiliated companies.

In the years ended 31 December 2013 and 2012, the nature and detail of the main transactions with related parties are as follows:

								Euro	
								2013	2012
	Net interest and related income	Supplies and external services	Recovery of costs of wages and salaries	Other operational income (expenses)	Net interest and related income	Supplies and external services	Recovery of costs of wages and salaries	Other operational income (expenses)	
SUBSIDIARIES:									
Aficateel	22,863,720	-	-	1,359,207	32,253,375	-	-	1,209,961	
PT Portugal	83,904,796	-	-	-	29,450,401	-	-	-	
PT Comunicações	12,092,103	(348,597)	-	-	14,332,391	(338,882)	517,951	-	
MEO S.A.	641,049	-	-	-	1,665,097	-	405,146	-	
PT Contact	573,967	-	-	-	565,312	-	121,286	-	
PT Centro Corporativo	521,716	(1,000,592)	1,148,123	-	378,941	(1,892,199)	1,343,463	-	
PT Sales	312,834	-	-	-	234,924	-	24,700	-	
PT Inovação	1,094,205	-	-	-	357,235	-	107,646	-	
Other companies	886,354	(368)	260,866	251,337	285,154	(375)	910,872	26,119	
ASSOCIATED COMPANIES:									
Sportinveste	32,643	-	-	-	52,216	-	-	-	
Other companies	-	-	(1873,560)	(1,100,142)	12,603	-	(1,814,636)	982,917	
	122,923,387	(1,349,557)	(464,571)	510,402	79,587,649	(2,231,456)	1,616,428	2,218,997	

Some of the major shareholders of Portugal Telecom are financial institutions and, in the ordinary course of business, Portugal Telecom and its subsidiaries entered into various transactions with those entities, including bank deposits, short-term investments and financings entered into by Group companies with those financial institutions, as well as telecommunications services rendered by the Group to those entities. In addition, Visabeira (a service provider of Portugal Telecom's wireline business) and Controlinveste (a media content provider) are also shareholders of Portugal Telecom.

Transactions occurred during the year ended 31 December 2013 and balances on that date between Group companies and its major shareholders, excluding the outstanding balances related to bank deposits, short-term investments and financings, are as follows (including VAT):

Company	Euro			
	Revenues and gains (a)	Costs and losses (a)	Accounts receivable	Accounts payable
BES	68,014,622	28,105,495	1,428,622	-
Visabeira	11,290,365	79,668,692	34,768,339	20,322,411
Controlinveste	2,469,041	47,360,248	463,937	8,545,056
Ongoing	507,475	2,930,813	268,962	389,724
BlackRock	1,051	5,031,948	-	5,000,156
UBS	39	45,000	-	-
	82,282,592	163,142,196	36,929,860	34,257,347

(a) Revenues and gains include sales and services rendered by Portugal Telecom and interest received on bank deposits, while costs and losses include supplies and external services provided to Portugal Telecom and interest paid on financing agreements and equity swaps.

The terms and contractual conditions in agreements entered into by Portugal Telecom and shareholders are similar to those applicable to other independent entities in similar transactions.

Pension and healthcare funds from PT Comunicações, which were incorporated to cover the Company's post retirement benefits plans, are managed in accordance with an investment guideline approved by the Board of Directors of Portugal Telecom. The portfolio of assets held by these funds includes shares, bonds and other investments from our shareholders. As at 31 December 2013, the total exposure of these investments to BES, to Rocha dos Santos Holding and to Portugal Telecom or to its management was Euro 89 million, Euro 95 million and Euro 58 million, respectively, as compared to Euro 77 million, Euro 104 million and Euro 66 million as at 31 December 2012, respectively.

8.4. Other information

During the years ended 31 December 2013 and 2012, fixed remunerations of board members, which were established by the Remunerations Committee, amounted to Euro 5.52 million and Euro 5.73 million, respectively.

Under the terms of the remunerations policy established by the Remunerations Committee, executive board members are entitled to receive an annual variable remuneration related to the performance achieved, of which 50% is payable in the following year and the remaining 50% is payable 3 years after if certain performance measures are achieved. Portugal Telecom recognizes an accrual for variable remunerations on an annual basis.

In the year ended 31 December 2013, the annual variable remuneration of 2012 paid to the seven executive board members amounted to Euro 2.2 million, as compared to the annual variable remuneration of 2011 paid to the seven executive board members in the year ended 31 December 2012, amounting to Euro 2.44 million. In addition, in the year ended 31 December 2012 and in accordance with a deliberation of the Remunerations Committee, Portugal Telecom

paid an amount of Euro 1.94 million to the executive board members regarding the variable remuneration related to the medium term performance (“VRMT”) of 2009, which payment had been deferred in that year. At the end of the 3 years term of office of the Chairman of the Board of Directors, the Evaluation Committee, taking into account his performance evaluation, in the exercise of his duties, proposed to the Compensation Committee the granting of a bonus, of which Euro 0.65 million were paid in 2012 and an equal amount was deferred for a three years period. The payments of variable remuneration that were deferred as at 31 December 2013 amounted to Euro 10.12 million.

Additionally, in connection with the strategic partnership entered into with Oi and Contax, five of Portugal Telecom’s board members (six in 2012) perform executive duties in these companies (entities jointly controlled by Portugal Telecom), having received in the years ended 31 December 2013 and 2012 a total fixed compensation of R\$ 1.02 million (Euro 0.4 million) and R\$ 2.39 million (Euro 0.95 million), respectively, which was established by the competent corporate bodies in accordance with local legislation.

In addition to the above mentioned remunerations, executive board members are entitled to fringe benefits primarily utilized in their daily functions, in connection with a policy defined for the Group.

During the years ended 31 December 2013 and 2012, key employees of Portugal Telecom’s management, as defined under the Securities Code, received fixed remunerations amounting to Euro 4.4 million and Euro 5.2 million, respectively. The variable remunerations paid to key employees in the years ended 31 December 2013 and 2012 amounted to Euro 2.2 and Euro 2.5 million, respectively.

As at 31 December 2013, there was no share based payment program or termination benefit in place and Portugal Telecom did not have any outstanding balances with board members or key employees.

As at 31 December 2013, there was one board member and five key employees of Portugal Telecom entitled to post retirement benefits under the plans of PT Comunicações, with the corresponding liabilities amounting to Euro 2 thousand and Euro 12 thousand as at 31 December 2013, respectively.

In the year ended 31 December 2013, fees from Portugal Telecom’s statutory auditor amounted to Euro 0.24 million and correspond to audit fees related to the following companies: Portugal Telecom, PT Investimentos Internacionais, PT Ventures, PT Participações, Timor Telecom and PT Imobiliária.

For additional information regarding the remunerations of board members and key employees, please read the Corporate Governance Report included in the Annual Report.

9. Other financial assets and liabilities

As at 31 December 2012, these captions include the fair value of derivative financial instruments entered into by the Company. As at 31 December 2013 and 2012 these captions have the following composition:

	Euro	
	2013	2012
OTHER FINANCIAL ASSETS		
Non- Current		
Other	729	925
Total non-current	729	925
Current		
Short-term investments (Note 4)	200,000,000	-
Interest rate and currency swap	-	983,368
Total current	200,000,000	983,368
Total other financial assets	200,000,729	984,293
OTHER FINANCIAL LIABILITIES		
Non- Current		
Interest rate swaps:		
Cash flow hedges	-	2,334,678
Held for trading	-	57,318
Total non-current	-	2,391,996

The Company entered into several derivative financial instruments, primarily with the purpose of minimizing the risk of exposure to exchange and interest rate fluctuations. Derivative financial instruments are signed after a careful analysis of associated risks and rewards to this type of operation, taking into consideration information obtained from different institutions. These transactions are subject to a preliminary approval by the Company's Executive Committee. The positions held by the Company, as well as the relevant financial markets, are regularly monitored. The fair value of these derivatives is determined on a regular basis in order to assess the fair value of these instruments and the related financial implications.

Interest rate risk

As at 31 December 2012, the portfolio of interest rate derivatives consisted of interest rate swaps denominated in Euros, which were entered into with the purpose of eliminating the risk of changes in the interest rates of loans obtained. During 2013, all derivatives instruments were settled.

As detailed in the table above, these instruments are classified in the following categories:

– Cash flow hedges

Changes in fair value of cash flow hedges are recorded directly in shareholders' equity under the caption "Other reserves" and amounted to gains of Euro 2,334,677 in 2013 and gains of Euro 3,934,968 in 2012 (Note 14.4). Changes in fair value recognized in 2013 and 2012 include a gain of Euro 1,142,000 and Euro 4,038,000 million (Note 22), corresponding to the transfer to net income of accumulated losses associated with an interest rate swap settled in

these years, and a gain of Euro 875,376 in 2013 and a loss of Euro 103,032 in 2012 corresponding to the change in fair value of derivative instruments. As mentioned above, these derivatives were fully settled in 2013 and their notional value as at 31 December 2012 amounted to Euro 71.4 million.

– **Held for trading**

Changes in fair value of swaps held for trading are recorded in earnings under the caption “Increases/(reductions) in fair value” and amounted to gains of Euro 57,317 in 2013 and Euro 408,486 in 2012 (Note 22). As mentioned above, these derivatives were fully settled in 2013 and their nominal value at 31 December 2012 amounted to Euro 4.5 million.

Interest rate and foreign currency exchange risk

In 2010, Portugal Telecom and PT Finance (a subsidiary company) entered into two currency swap contracts with exchange and interest rate components, in order to eliminate the exposure of PT Finance to the risk of exchange rate fluctuations in loans denominated in U.S. Dollars. Considering that the purpose of these derivatives was to hedge risk in PT Finance, they were classified in the company’s standalone financial statements as held for trading and their fair values were recognized under the captions of other financial assets and liabilities, as detailed in the table above. Changes in the fair value of these instruments were recognized in earnings under the caption “Increases/(reductions) in fair value” and amounted to a gain of Euro 259,095 in 2013 and Euro 1,539,187 in 2012 (Note 22). During the years 2013 and 2012, the Company made payments associated with these financial instruments amounting to Euro 1,242,463 and Euro 1,240,852, respectively.

10. Income taxes

10.1. Introduction

In 2013, the Companies located in Portugal were subject to Corporate Income Tax at a rate of 25%, which was increased up to (1) a maximum of 1.5% of taxable income through a municipal tax and by a 3.0% state surcharge applicable to taxable income between Euro 1.5 million and Euro 7.5 million (Euro 10.0 million in 2012) and 5.0% state surcharge applicable to taxable income in excess of Euro 7.5 million (Euro 10.0 million in 2012), leading to a maximum aggregate tax rate of approximately 31.5% for taxable income higher than Euro 7.5 million.

As from 2014, companies located in mainland Portugal are subject to Corporate Income Tax at a base rate of 23%, increased (1) up to a maximum of 1.5% of taxable income through a municipal tax, and (2) by a state surcharge levied at the rates of 3.0% on taxable income between Euro 1.5 million and Euro 7.5 million, 5.0% on taxable income between Euro 7.5 million

and Euro 35.0 million and 7.0% on taxable income in excess of Euro 35.0 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than Euro 35.0 million.

In 2013 and 2012, the Company reported a tax loss on a standalone basis, and therefore applied the tax rate of 25.0% to compute its current income tax estimate in 2013 and 2012, respectively.

Income taxes are computed based on the tax rate mentioned above and are determined on the basis of profit before-tax adjusted in accordance with tax legislation.

In the year ended 31 December 2013, the Company's taxable income was estimated in accordance with the special taxation regime for groups of companies ("tax consolidation"), including the following companies: PT Comunicações, S.A.; Meo – Serviços de Comunicações e Multimédia, S.A. (Meo, S.A., formerly TMN – Telecomunicações Móveis Nacionais, S.A.); PT Contact – Telemarketing e Serviços de Informação, S.A.; PT Imobiliária, S.A.; PT Inovação, S.A.; PT Móveis, SGPS, S.A.; PT Pro - Serviços Administrativos e de Gestão Partilhados, S.A.; PT-Sistemas de Informação, S.A.; PT Compras - Serviços de Consultoria e Negociação, S.A.; PT Participações SGPS, S.A.; PT Investimentos Internacionais – Consultoria Internacional, S.A.; PT Prestações – Mandatária de Aquisições e Gestão de Bens, S.A.; PT Portugal, SGPS, S.A.; PT Sales, S.A.; PT Centro Corporativo, S.A.; Infonet Portugal – Serviços de Valor Acrescentado, Lda; Openidea, Tecnologias de Telecomunicações e Sistemas de Informação, S.A.; PT Data Center, S.A.; PT BlueClip, S.A.; and PT Pay, S.A..

In accordance with the prevailing legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except where there have been tax losses, tax benefits have been granted, or there are inspections, claims or challenges under way; in such cases, these periods may be extended or suspended, depending on the circumstances. Based upon the information supplied by its tax advisory services, the Board of Directors considers that any corrections to the tax returns that might result from reviews carried out by the tax authorities will not have a material effect on the financial statements as at 31 December 2013, considering the provisions recorded and the current expectations of settlement of the tax contingencies described in Note 15.

10.2. Deferred taxes

In determining income tax expense for the year, besides the current tax based on profit before-tax adjusted in accordance with tax legislation, it is also considered the effects of temporary differences between the tax and accounting bases of assets and liabilities, arising in the year or in previous years.

Movements occurred in deferred tax assets during the years ended 31 December 2013 and 2012 were as follows:

Euro					
2013					
	Financial instruments	Other provision and adjustments	Tax losses carryforward	Other temporary differences	Total
Opening balance	2,267,475	-	194,508,971	2,781,258	199,557,704
Increases (reductions)					
Net income	(849,074)	68,486	32,032,734	(358,089)	30,894,057
Shareholders' equity (Note 14.4)	(583,669)	-	-	-	(583,669)
Change in the statutory tax rate					
Net income	(66,779)	(5,479)	(18,123,336)	(193,854)	(18,389,448)
Closing balance	767,953	63,007	208,418,369	2,229,315	211,478,644

Euro				
2012				
	Financial instruments	Tax losses carryforward	Other temporary differences	Total
Opening balance	4,188,083	16,703,314	1,351,081	12,124,248
Increases (reductions)				
Net income	(936,866)	78,805,657	1,430,177	79,298,968
Shareholders' equity (Note 14.4)	(983,742)	-	-	(983,742)
Closing balance	2,267,475	194,508,971	2,781,258	199,557,704

Changes in deferred tax assets recorded in shareholders' equity under the caption "Other reserves" (Note 14.4) correspond to the tax effect associated with the change in the fair value of interest rate derivatives classified as cash flow hedges.

Deferred tax assets relating to tax losses carry forward resulted from the tax losses recognized by Portugal Telecom's tax consolidation in the years ended 31 December 2011, 2012 and 2013. In accordance with current tax legislation, tax losses can be used for a five years period (four years in 2011) following the year in which they were generated, with a limit of 75% of taxable income in each year. Based on projections of earnings of Group companies for the coming years, adjusted for any differences between accounting and tax bases, and considering certain financial transactions to be undertaken in the future, the Company believes that these deferred tax losses are recoverable.

In the event that the proposed business combination between Portugal Telecom and Oi (Note 1) is completed, these tax losses will be available only upon the approval from the tax authorities.

During the year 2012, no movements occurred in deferred tax liabilities. Movements occurred in deferred tax liabilities during the year ended 31 December 2013 were as follows:

Euro			
2013			
	Financial instruments	Other	Total
Opening balance	14,286,361	-	14,286,361
Increases (reductions)			
Net income	-	1,579,572	1,579,572
Change in the statutory tax rate			
Net income	-	(126,366)	(126,366)
Shareholders' equity (Note 14.4)	(1,142,909)	-	(1,142,909)
Closing balance	13,143,452	1,453,206	14,596,658

Deferred tax liabilities relating to financial instruments, correspond to the tax effect associated with the equity component of the exchangeable bonds issued by Portugal Telecom in 2007 (Note 14.4).

10.3. Tax rate reconciliation

In the years ended 31 December 2013 and 2012, the reconciliation between the expected tax computed by applying the nominal tax rate to income before taxes and the total income tax is as follows:

	Euro	
	2013	2012
Income before taxes	303,042,649	123,284,808
Nominal tax rate	25.0%	25.0%
Expected tax	75,760,662	30,821,202
Tax losses used in connection with RETGS	(32,032,734)	(78,805,657)
Permanent differences (a)	(90,732,597)	(40,057,241)
Current income tax from previous years	(9,880,543)	(13,053,409)
Change in the statutory tax rate in Portugal as from 2014	18,263,082	-
Other	(143,252)	(1,646,234)
	(38,765,382)	(102,741,339)
Income tax		
Income tax- current (b)	(27,713,979)	(23,442,371)
Deferred tax	(11,051,403)	(79,298,968)
	(38,765,382)	(102,741,339)

(a) Permanent differences are as follows:

	Euro	
	2013	2012
Recognition of deferred capital gains (Note 19)	(68,031,626)	(141,732,555)
Gain related to the tax consolidation regime (Note 19)	(61,947,984)	(89,730,210)
Equity method of accounting (Note 19)	(234,161,535)	66,935,709
Financial costs non- deductible for tax purposes	4,875,215	2,543,096
Provisions, adjustments and impairments	(2,142,669)	(92,979)
Other	(1,521,789)	1,847,975
	(362,930,387)	(160,228,964)
Nominal tax rate	25.0%	25.0%
	(90,732,597)	(40,057,241)

(b) As at 31 December 2013 and 2012, this caption is as follows:

	Euro	
	2013	2012
Income tax of the current year	(17,833,436)	(10,388,962)
Adjustments to income taxes from previous years	(9,880,543)	(13,053,409)
	(27,713,979)	(23,442,371)

11. State and other public entities

As at 31 December 2013 and 2012, this caption consists of:

	Euro			
	2013		2012	
	Debit balances	Credit balances	Debit balances	Credit balances
Corporate income taxes	49,897,931	-	45,029,656	-
Personnel income taxes	-	16,110	-	182,413
Value added tax	-	1,359,758	308,264	-
Social security taxes	-	112,831	-	7,294
Other taxes	296,234	21,571	-	9,131
	50,194,165	1,510,270	45,337,920	198,838

12. Other accounts receivable

As at 31 December 2013 and 2012, the detail of this caption is as follows:

	Euro	
	2013	2012
OTHER ACCOUNTS RECEIVABLE		
Current		
Unbilled financial charges	41,340,734	30,020,907
Other	5,314,434	4,910,168
	46,655,168	34,931,075
Accumulated impairment losses	(273,944)	-
Total other accounts receivable	46,381,224	34,931,075

13. Deferrals

As at 31 December 2013 and 2012, the detail of this caption is as follows:

	Euro	
	2013	2012
PREPAID EXPENSES		
Current		
Interest and other financial expenses	17,361,231	21,403,508
Other	265,272	254,121
Total current prepaid expenses	17,626,503	21,657,629
DEFERRED INCOME		
Non-Current		
Capital gains in intra- Group transactions	5,821,125,543	4,718,028,309
Other	952,641	956,009
Total non-current deferred income	5,822,078,184	4,718,984,318

The detail and movement of deferred capital gains recorded as a result of the disposal of financial investments to other Group companies are as follows:

	Euro		
	Balance 31 Dec 2012	Movement in 2013	Balance 31 Dec 2013
PT Comunicações	2,363,130,109	-	2,363,130,109
Meo, S.A. (Note 19)	1,815,578,582	(68,031,626)	1,747,546,956
Africatel (Note 7)	-	1,168,652,939	1,168,652,939
PT Ventures	306,943,829	-	306,943,829
PT Inovação	120,592,746	-	120,592,746
PT Pro	67,321,604	-	67,321,604
PT SI	44,458,071	-	44,458,071
Outras	3,368	2,475,922	2,479,290
	4,718,028,309	1,103,097,234	5,821,125,543

Capital gains recorded as a result of the disposal of financial investments to other Group companies are recognized in earnings upon the disposal of the investments to outside the Group or on the same proportion that goodwill or assets and liabilities identified under the purchase price allocation are recognized in net income by the acquirers. Both the recognition of capital gains and the effect of the recognition of goodwill, indirectly through the equity method of accounting, are included under the caption “Equity in earnings (losses) of affiliated companies” (Note 19).

Deferred capital gain related to Meo, S.A. was initially recorded in 2006 in connection with the disposal to PT Portugal of the investments previously held by Portugal Telecom in Meo, S.A. and PT Comunicações. As SNC was not yet in force in that year, PT Portugal recognized as goodwill the entire difference between the acquisition price and the shareholders’ equity of the referred companies. In the end of 2010, PT Portugal disposed of its investment in Meo, S.A. to PT Comunicações, and the latter, in accordance with SNC, concluded the purchase price allocation of this investment in 2011, having for that purpose adjusted the net assets acquired to the corresponding fair value, which led to a reduction of the goodwill initially recorded. Since a portion of the goodwill initially recorded by PT Portugal is now recorded at PT Comunicações as an adjustment to the fair value of Meo’s net assets acquired, the deferred capital gain recorded in the Company’s Balance Sheet is being recognized through earnings on the same basis that the referred adjustment is amortized through net income in the financial statements of PT Comunicações, corresponding to the useful life period of the adjusted assets.

At the end of 2013, with the purpose of the business combination with Oi (Note 1), Portugal Telecom started a process of restructuring their investments in order to concentrate them directly or indirectly in PT Portugal. With this purpose, several investments were sold to other Group companies, and the respective capital gains arising from these transactions were deferred in accordance with the Company’s accounting policy.

14. Shareholders' equity

14.1. Share capital

As at 31 December 2013, the Company's share capital was fully paid and amounted to Euro 26,895,375, and was represented by 896,512,000 ordinary shares and 500 Class A shares, with a nominal value of 3 cents of Euro each.

14.2. Treasury shares

As at 31 December 2013 and 2012, the detail of this caption is as follows:

	2013	Euro 2012
Equity swap contracts (Note 16.6)	178,071,826	178,071,826
Shares held by Oi (Notes 1 and 7)	159,449,090	159,449,090
	337,520,916	337,520,916

The equity swaps were entered into by Portugal Telecom over 20,640,000 treasury shares and were recognized as an effective acquisition of treasury shares, thus implying the recognition of a corresponding financial liability for the respective acquisition cost, amounting to Euro 178,071,826 (Note 16.6).

Under the strategic partnership entered into between Portugal Telecom and Oi, under which it was envisaged the acquisition by Oi of up to 10% of the outstanding shares of Portugal Telecom, Oi acquired 89,651,205 shares of Portugal Telecom up to 31 December 2012, representing 10% of the share capital. The Company's effective interest in this investment, held indirectly through Bratel Brasil (a subsidiary of PT Group that holds the investments in the Oi Group and that is indirectly held by PT Portugal), was included in the Balance Sheet as treasury shares. The change occurred during the year ended 31 December 2012 reflects (1) a reduction of Euro 12,060,380 (Notes 1 and 7) corresponding to the effect of the corporate restructuring of the Oi Group concluded in March 2012, as a result of which the Company's interest in Oi was reduced (Note 1), and (2) an increase of Euro 23,198,433 (Note 7) corresponding to the Company's interest in the 25,093,639 shares of Portugal Telecom acquired by Oi during the months of April and May of 2012.

14.3. Legal reserve

Portuguese law provides that at least 5% of each annual profits must be appropriated to a legal reserve until this reserve equals the minimum requirement of 20% of share capital. This reserve is not available for distribution to shareholders but may be capitalized or used to absorb losses, once all other reserves and retained earnings have been exhausted.

As at 31 December 2013, the legal reserve was already fully incorporated in accordance with Portuguese law, and amounted to Euro 6,773,139.

14.4. Other reserves

The composition and movements in this caption in the years ended 31 December 2012 and 2013 are as follows:

	Free reserves	Conversion option of exchangeable bonds (a)	Reserves for treasury shares cancelled (b)	Interest rate swaps (c)	Other reserves	Total
Balance as at 1 January 2012	105,209,244	42,859,081	6,970,320	(4,702,233)	5,843,644	156,180,056
Changes in fair value of interest rate swap:						
Gains (losses) (Note 9)	-	-	-	3,934,968	-	3,934,968
Tax effect (Note 10)	-	-	-	(983,742)	-	(983,742)
Transfer to retained earnings	-	-	-	-	(5,843,644)	(5,843,644)
Balance as at 31 December 2012	105,209,244	42,859,081	6,970,320	(1,751,007)	-	153,287,638
Changes in fair value of interest rate swap:						
Gains (losses) (Note 9)	-	-	-	2,334,677	-	2,334,677
Tax effect (Note 10)	-	-	-	(583,669)	-	(583,669)
Change in the statutory tax rate (Note 10)	-	1,142,909	-	-	-	1,142,909
Balance as at 31 December 2013	105,209,244	44,001,990	6,970,320	0	-	156,181,554

- (a) This caption corresponds to the fair value of the conversion option included in the exchangeable bonds issued by the Company, amounting to Euro 57,145,442 (Note 16.1), net of the related tax effect, amounting to Euro 13,143,452 (Note 10).
- (b) This caption corresponds to a non-distributable reserve equivalent to the nominal value of the shares cancelled and has the same legal regime as the legal reserve. As at 31 December 2013 and 2012, this reserve relates to shares cancelled on 20 December 2007, 24 March 2008 and 10 December 2008.
- (c) This caption includes the effect of changes in fair value of interest rate swaps entered into by the Company that are classified as cash flow hedges, net of the related tax effect. As at 31 December 2013, the Company no longer had any outstanding derivative financial instruments, as described in Note 9.

14.5. Adjustments to financial assets

During the years ended 31 December 2013 and 2012, the movements in this caption were as follows:

	Unpaid dividends	Currency translation adjustments	Other changes in shareholders' equity	Total
Balance as at 1 January 2012 (restated - Note 5)	8,342,307	(196,420,669)	180,086,408	(7,991,954)
Equity method (Note 7) (a)	-	(378,892,745)	1,530,794	(377,361,951)
Transfer to retained earnings (b)	-	-	(31,819,549)	(31,819,549)
Unpaid dividends from subsidiaries and associated companies	943,300	-	-	943,300
Balance as at 31 December 2012 (restated - Note 5)	9,285,607	(575,313,414)	149,797,653	(416,230,154)
Equity method (Note 7) (a)	-	(596,162,828)	(115,146,368)	(711,309,196)
Transfer to retained earnings (b)	-	54,688,822	(1,934,485)	52,754,337
Unpaid dividends from subsidiaries and associated companies	(3,810,727)	-	-	(3,810,727)
Balance as at 31 December 2013	5,474,880	(1,116,787,420)	32,716,800	(1,078,595,740)

- (a) Negative foreign currency translation adjustments recorded in connection with the equity method of accounting, amounting to Euro 596,162,828 and Euro 378,892,745 in 2013 and 2012, respectively, relate primarily to the impact of the depreciation of the Brazilian Real against the Euro in both years. Other changes in shareholders' equity resulting from the application of the equity method of accounting, totaling net losses of Euro 115,146,368 in 2013 and gains Euro 1,530,794 in 2012, include primarily: (1) net actuarial losses recognized by PT Comunicações in connection with its post retirement benefit obligations (Euro 140 million in 2013, resulting primarily from the impact of the change in the retirement age from 65 to 66 years and Euro 53 million in 2012); (2) a gain of Euro 49 million

(Note 1), in 2012 corresponding to the impact of the corporate restructuring of the Oi Group; and (3) other changes in shareholders' equity of affiliated companies.

(b) These movements relate to the realization of the revaluation reserve of PT Comunicações.

14.6. Application of earnings

In the years ended 31 December 2013 and 2012, Portugal Telecom paid the following amounts as dividends:

	2013	Euro 2012
Ordinary dividend (i)	284,658,563	569,317,125
	284,658,563	569,317,125

(i) In 2012, this caption includes Euro 188,312,588 paid, corresponding to an advance on account of 2011 profit, as approved by the Board of Directors held on 15 December 2011, and Euro 381,004,537 paid in May.

In December 2011, as approved by the Board of Directors of Portugal Telecom on 15 December, the Company attributed to its shareholders an advance on account of 2011 profit totalling Euro 188,312,588, equivalent to a dividend of Euro 21.5 cents per share, which includes an amount of Euro 3,512,719 payable to Telemar Norte Leste, resulting in a net effect on shareholder's equity amounting to Euro 184,799,868. In January 2012, Portugal Telecom settled the total amount of Euro 188,312,588, as mentioned above.

On 27 April 2012, the Annual General Meeting of Portugal Telecom approved the proposal of the Board of Directors to distribute a dividend of 0.65 Euros per share, of which 21.5 cents had already been paid in 4 January 2012 as an advance on account of 2011 profit and the remaining 43.5 cents per share were paid on 25 May 2012. Consequently, in May 2012, Portugal Telecom paid a total amount of Euro 381,004,537 in relation to 875,872,500 shares, which includes an amount of Euro 9,067,098 (Note 7) paid to Telemar Norte Leste in relation to the portion of the Portugal Telecom's shares held by this entity corresponding to Company's effective interest in Oi, resulting in a net impact on shareholders' equity amounting to Euro 371,937,439.

On 19 April 2013, the Annual General Meeting of Portugal Telecom approved the proposal of the Board of Directors to distribute a dividend of 32.5 cents per share, which was paid on 17 May 2013 a total amount of Euro 284,658,563 relating to Euro 6,774,269 paid to Telemar Norte Leste (Note 7) in relation to a portion of the shares held by this entity corresponding to Portugal Telecom's effective interest in Oi, resulting in a net impact on shareholders' equity amounting to Euro 284,658,562 of which Euro 6,774,269 (Note 7) were paid to Telemar Norte Leste for the portion of the shares held by this entity which corresponds to the effective participation of Portugal Telecom in Oi, resulting in a net effect on equity of Euro 277,884,294.

15. Provisions and contingent liabilities

15.1. Movements occurred in provisions

During the years ended 31 December 2013 and 2012, the movements in provisions were as follows:

Euro				
2013				
	Taxes	Litigation	Other provisions	Total
Opening balance	43,739,020	6,563	354,841	44,100,424
Increases	14,536,191	-	8,061,561	22,597,752
Reductions	(7,092,008)	(6,563)	-	(7,098,571)
Utilizations	(3,527,068)	-	-	(3,527,068)
Other	-	-	(354,841)	(354,841)
Closing balance	47,656,135	-	8,061,561	55,717,696
Current provisions	47,656,135	-	8,061,561	55,717,696
Non-current provisions	-	-	-	-

Euro				
2012				
	Taxes	Litigation	Other provisions	Total
Opening balance	32,044,768	-	354,841	32,399,609
Increases	12,924,536	6,563	-	12,931,099
Reductions	(8,938,981)	-	-	(8,938,981)
Utilizations	(34,767)	-	-	(34,767)
Other	7,743,464	-	-	7,743,464
Closing balance	43,739,020	6,563	354,841	44,100,424
Current provisions	43,739,020	6,563	-	43,745,583
Non-current provisions	-	-	354,841	354,841

Movements in provisions for taxes relate to payments made in connection with tax contingencies from previous years and to the assessment made by the Company regarding tax contingencies resulting from inspections in progress.

15.2. Proceedings with probable losses

Provisions for taxes relate to several tax contingencies regarding Corporate Income Tax, Value Added Tax and Social Security Tax, among other taxes and fees. Provisions for litigation relate to legal actions against the Company, which were estimated based on the opinion of the internal and external legal counsels.

15.3. Proceedings with possible and remote losses

As at 31 December 2013, the Company, in accordance with NCRF 21 and based on the opinion of its internal and external legal counsels, classified as possible the risk of loss of several tax contingencies totalling Euro 1.3 million (Euro 28.4 million as at 31 December 2012), which relate primarily to Corporate Income Tax. Additionally, as at 31 December 2013, the Company

classified as remote the risk of loss of several tax contingencies totalling Euro 37.2 million (Euro 10.3 million as at 31 December 2012), that also relate mainly to Corporate Income Tax.

As at 31 December 2013, there were other tax contingencies against certain Portuguese Group companies, the risk of loss of which is considered remote and relate primarily to the deductibility of certain financial costs incurred between 2004 and 2010 (Euro 204 million) and the deductibility of a capital loss generated in 2006 following the liquidation of a subsidiary (Euro 64 million). The Company already received tax assessments regarding these matters for all the years mentioned above and presented bank guarantees to the tax authorities totalling Euro 317 million (Note 27) for the years 2005 to 2009. As at 31 December 2012, Portugal Telecom strongly disagrees with these assessments and, based on the opinion of its tax advisers, considers that there are solid arguments to oppose the position of the tax authorities.

16. Loans obtained

Loans obtained as at 31 December 2013 and 2012 have the following composition:

	2013		Euro 2012	
	Non-current	Current	Non-current	Current
Exchangeable bonds	-	743,576,038	734,365,305	-
Bonds	400,000,000	-	400,000,000	-
Centralized cash management	-	8,390,143	-	46,710
Bank loans				
External loans	466,071,429	61,071,429	527,142,855	74,489,181
Domestic loans	170,000,000	-	100,000,000	-
Other loans				
External loans	1,209,000,000	-	-	-
Domestic loans	-	542,000,000	-	175,750,000
Liability related to equity swaps on treasury shares	-	73,210,079	-	73,210,079
Leases	230,551	205,474	209,284	223,294
	2,245,301,980	1,428,453,163	1,761,717,444	323,719,264

16.1. Exchangeable bonds

In 2008, the Company issued 15,000 convertible bonds with a nominal value of Euro 50,000 each, through a private subscription that was fully subscribed by its subsidiary PT Finance.

The issuance was held to support the issuance by PT Finance in July 2007 of exchangeable bonds convertible into fully paid ordinary shares of Portugal Telecom, denominated "Euro 750,000,000.00, 4.125 per cent Exchangeable Bonds due 2014 exchangeable for new and/or existing ordinary shares of Portugal Telecom, SGPS, S.A." ("Exchangeable Bonds") in order to enable PT Finance to satisfy conversion requests that eventually may be made by the owners of Exchangeable Bonds. The conditions for the issuance of these convertible bonds replicate the terms of the Exchangeable Bonds.

Exchangeable bonds represent a compound financial instrument and accordingly the market value of the equity component (conversion option into shares) was recognized directly in

shareholders' equity as of the date the bonds were issued and amounted to Euro 57,145,442 (Note 14.4), while the financial liability component is recorded by the amortized cost method.

16.2. Bonds

In July 2012, Portugal Telecom launched a Public Bond Subscription Offering in the Portuguese market for the general public, under the Euro 7,500,000,000 Medium Term Note Programme. The offer size was Euro 400 million, amount that was entirely subscribed (Note 4). These bonds have a four-year term and receive interest at a fixed rate of 6.25% per year, to be paid semiannually.

16.3. Bank loans

As at 31 December 2013 and 2012, bank loans include: (1) financings obtained from the European Investment Bank ("EIB"), amounting to Euro 527,142,858 and Euro 601,632,036, respectively, including a loan of Euro 100,000,000 obtained in May 2012 and maturing in October 2019; and (2) a financing obtained from another financial institution in July 2012 and May 2013, amounting to Euro 100,000,000 and Euro 70,000,000 (Note 4) and maturities in July 2016 and May 2017, respectively.

As at 31 December 2013 and 2012, Portugal Telecom had presented guarantees to EIB, amounting to Euro 491,428,571 and Euro 515,000,000, respectively, related to the above mentioned financings.

As at 31 December 2013 and 2012, the Company's bank loans were entirely denominated in Euros and bear interest at annual interest rates that vary between:

	Euro	
	2013	2012
Maximum interest rate	4.81%	4.81%
Minimum interest rate	0.67%	1.17%

Additionally, as at 31 December 2013, the Company is borrower, jointly with PT Comunicações and PT Finance, of a credit facility in the amount Euro 800 million maturing in June 2016.

The Company is also borrower, jointly with PT Comunicações and PT Finance, in an Export Credit Facility amounting to Euro 180 million, with maturity up to 2023. As at 31 December 2013, PT Finance was using an amount of Euro 400 million and Euro 70 million under the credit facilities mentioned above, respectively.

16.4. Other external loans

As at 25 June 1999, the Company issued a commercial paper program, which following several changes made since that date had a maximum amount of Euro 3,500,000,000 as at 31 December 2012. This program is in place until 7 July 2015, and is automatically renewable for successive periods of two years, until 7 July 2025, unless terminated by either party. As at 31 December 2013 emissions made by the Company under this program amounted to Euro 1.049.000.000, while in 31 December 2012, the Company was not using any amount under this program.

As at 1 June 2000, the Company issued another commercial paper program, which following several changes made since that date had a maximum amount of Euro 3,000,000,000 as at 31 December 2013. This program is in place until 1 June 2014, and is automatically renewable for successive periods of two years, until 1 June 2020, unless terminated by either party. As at 31 December 2013 emissions made by the Company under this program amounted to Euro 160,000,000, while in 31 December 2012, the Company was not using any amount under this program.

16.5. Other domestic loans

Portugal Telecom entered into several commercial paper programs, under which it has issued a total amount of Euro 542,000,000 as at 31 December 2013 (Euro 175,750,000 as at 31 December 2012), maturing between January and May 2014. In addition, under these programmes, the Company had available an underwritten amount of Euro 283 million as at 31 December 2013.

16.6. Liability related to equity swaps on treasury shares

This caption relates to equity swap contracts entered into by Portugal Telecom over 20,640,000 treasury shares, which were recognized as an effective acquisition of treasury shares, thus implying the recognition of a corresponding financial liability for the respective acquisition cost in the amount of Euro 178,071,826 (Note 14.2). In December 2011 and 2012, Portugal Telecom settled the amounts of Euro 84,304,307 and Euro 20,557,440 (Note 4), respectively, following which the outstanding amount due was reduced to Euro 73,210,079 as at 31 December 2013 and 2012.

16.7. Finance leases

Obligations under finance lease contracts resulted primarily from the lease of transportation equipment, under which there are generally purchase options in the term of these contracts. As at 31 December 2013 and 2012, assets under finance lease contracts recognized in the Company's balance sheet had a carrying amount of Euro 471,941 and Euro 464,592, respectively, and correspond to the caption "Transportation equipment" of the tangible fixed assets.

As at 31 December 2013 and 2012, the maturity of minimum lease payments under finance lease contracts was as follows:

	2013			Euro 2012		
	Capital	Interest	Total	Capital	Interest	Total
Until 1 year	205,474	16,013	221,487	223,294	14,791	238,085
Between 1 and 2 years	160,827	7,030	167,857	139,553	6,687	146,240
Between 2 and 3 years	69,724	1,514	71,238	69,731	1,411	71,142
	436,025	24,557	460,582	432,578	22,889	455,467

16.8. Maturity of non-current debt

As at 31 December 2013 and 2012, medium and long-term debt matured on the following years:

	Euro	
	2013	2012
Between 1 and 2 years	752,517,970	795,576,287
Between 2 and 3 years	125,426,867	25,426,874
Between 3 and 4 years	495,357,143	525,357,143
Between 4 and 5 years	112,500,000	25,357,140
More than 5 years	759,500,000	390,000,000
	2,245,301,980	1,761,717,444

16.9. Other information

As at 31 December 2013, the main financial covenants included in financing agreements in which the company intervenes are as follows:

- **Change in control**

The exchangeable bonds, the credit facilities amounting to Euro 670 million and the loans obtained from EIB totalling Euro 527 million as at 31 December 2013, establish penalties in the case of any change of control of Portugal Telecom. According to the terms and conditions of these debt instruments, a change of control would occur if any person or group of persons acting in concert acquires or controls more than 50 per cent of the voting rights, whether obtained by ownership of share capital, the holding of voting rights or pursuant to the terms of a shareholders' agreement. In certain cases, gaining the power to appoint or remove all, or the majority, of the directors of the company or to give directions with respect to the operating and financial policies of the

company with which the directors of the company are obliged to comply is also considered a change of control.

The Eurobonds issued by PT Finance in 2009 (Euro 750 million), 2011 (Euro 600 million), 2012 (Euro 750 million) and 2013 (Euro 1,000 million) establish penalties in the case of any change of control of Portugal Telecom, as described above, only if simultaneously a rating downgrade to sub-investment grade occurs or a rating downgrade occurs (in case the securities are sub-investment grade securities) during the Change of Control Period, as defined under the terms and conditions of these notes.

- **Credit rating**

Certain loan agreements with the EIB, totalling Euro 36 million as at 31 December 2013, stated that Portugal Telecom could be asked to present a guarantee acceptable by the EIB if, at any time, the long-term credit rating assigned by the rating agencies to Portugal Telecom is reduced from the rating assigned by the time the clause was included (BBB- by S&P, Baa2 by Moody's and BBB by Fitch). As at 31 December 2013, the repayment schedule of the Euro 36 million in 2014.

In 2011, Portugal Telecom and the EIB have agreed to increase the spread of those loans, with no other consequence, as a result of the revision of Portugal Telecom's credit rating.

On 23 December 2011, Moody's announced the downgrade of Portugal Telecom's long-term rating from Baa3 to Ba1. On 16 February 2012, S&P announced its review of the credit rating attributed to Portugal Telecom, downgrading the long-term rating from BBB- to BB+, and the short-term rating from A-3 to B. Following these developments, Portugal Telecom has agreed with the EIB to open a cash deposit amounting to a portion of the amount due under the loan agreements that include the credit rating covenant, pledged in favour of the EIB. The amount deposited in this account, which amounted to Euro 28 million as at 31 December 2013, will be reduced as loans are repaid. Portugal Telecom and the EIB have also agreed that further upgrades or downgrades of the credit rating assigned to the Company will lead to, respectively, decreases or increases in the amount deposited, with no other consequence, which is applicable to the downgrade announced by S&P on 11 February 2013, from BB+ to BB, with negative outlook.

- **Control/disposal of subsidiaries**

Certain credit facilities, under which the Company had contracted loans totalling Euro 670 million, state that Portugal Telecom must, directly or indirectly, maintain majority ownership and control of each material subsidiary. Material subsidiaries are those companies whose total assets are equal or exceed 10% of total consolidated assets or which total revenues also equal or exceed 10% of total consolidated revenues.

- **Disposal of assets**

The EIB loans, totalling Euro 527 million as at 31 December 2013, include certain restrictions regarding the disposal of assets by Portugal Telecom.

- **Financial ratios**

Certain credit facilities under which the Company had contracted loans totalling Euro 670 million, require that the ratio Consolidated Net Debt/EBITDA should not exceed certain values.

- **Negative Pledge**

The Euro Medium Term Notes Programme, the exchangeable bonds, the credit facilities, the loans obtained from the EIB and the commercial paper programmes are subject to negative pledge clauses, which restrict the pledge of security interests in the assets of companies included in the consolidation.

The penalties applicable in the event of default in any of these covenants are generally the early payment of the loans obtained or the termination of available credit facilities, except where other penalties are specifically indicated above. As at 31 December 2013, the Company had fully complied with the covenants mentioned above.

On 2 October 2013, Portugal Telecom entered into a memorandum of understanding with Oi and certain of Portugal Telecom's and Oi's shareholders with respect to the business combination between Portugal Telecom and Oi (Note 1). In connection with the proposed business combination, Portugal Telecom expects to amend certain of its outstanding debt instruments, including Portugal Telecom's Euro 400 million notes due 2016 issued under its euro medium term note programme and the Euro 750 million exchangeable bonds due 2014 issued by Portugal Telecom International Finance BV. The proposed amendments include, among other things:

- except for the Portugal Telecom Retail Notes, the release and discharge of Portugal Telecom, as keep well provider, from all of its obligations under the applicable keep well agreement and the release and discharge of PT Comunicações, as keep well provider, from all of its obligations under its keep well agreement;
- in the case of the Portugal Telecom Retail Notes, the substitution, in place of Portugal Telecom, of PT Portugal SGPS S.A. as issuer and principal obligor;
- the addition of an unconditional and irrevocable guarantee from Oi;
- the waiver of any and all of the events of default and potential events of default (as such terms are defined in the trust deeds of such notes and bonds) that may be triggered by the proposed share capital increase by Oi and/or the proposed business combination between Portugal Telecom and Oi or any transaction executed as part of, or pursuant to, such capital increase and/or business combination; and

- in the case of the exchangeable bonds only, the amendment of the exchange right in order to provide that any holder exercising its exchange right will receive (a) from (and including) the date of the completion of the proposed share capital increase by Oi up to (but excluding) the date of the completion of the proposed business combination between Portugal Telecom and Oi, a cash amount with reference to the ordinary shares of Portugal Telecom, and (b) from (and including) the date of completion of such proposed business combination, a cash amount with reference to the ordinary shares of Telemar Participações (each calculated in accordance with the modified terms and conditions of such exchangeable bonds) in place of receiving ordinary shares of Portugal Telecom.

17. Suppliers

The detail of this caption as at 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Trade suppliers	7,760,964	2,278,432
Invoices in conference	78,414	80,621
	7,839,378	2,359,053

18. Accrued expenses

The detail of this caption as at 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Interest and other financial expenses	28,310,621	21,715,346
Personnel costs	19,189,757	15,194,247
Other	533,756	1,316,408
	48,034,134	38,226,001

19. Equity in earnings/(losses) of affiliated companies

The detail of this caption as at 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
		Restated
Gains and losses in affiliated companies - equity method		
Gains	445,574,429	253,858,595
Losses	(149,464,910)	(231,064,094)
Gains and losses on the disposal of affiliated companies		
Gains (Note 7) (a)	27,964,927	-
Losses on the disposal of affiliated companies (Note 7) (b)	-	(1,033,648)
Recognition of deferred capital gains (Notes 10.3 e 13)	68,031,626	141,732,555
Other gains and losses in affiliated companies (Note 7) (b)	2,898,158	(1,934,984)
	395,004,230	161,558,424

(a) This caption corresponds to the gain obtained with the disposal of the investment in Sportinveste (Note 7).

(b) In 2012, losses on the disposal of affiliated companies and other losses correspond to the impact of the restructuring of the investment in Páginas Amarelas. In 2013, these captions correspond to other gains recorded on the same investment in this subsidiary.

In the years ended in 31 December 2013 and 2012, gains and losses in affiliated companies, resulting from the application of the equity method of accounting are as follows:

	Euro	
	2013	2012
Financial investments (Notes 7 and 10.3)		
PT Participações (a)	277,266,829	26,370,980
Africatel	78,146,107	124,688,902
PT Finance	15,207,322	4,105,099
PT II	6,096,493	5,583,089
PT Brasil	5,800,659	2,099,510
PT Centro Corporativo	922,065	916,068
PT Compras	105,282	364,737
Previsão	50,017	(471,517)
Yunit	(162,411)	(190,466)
PT Imobiliária	(256,691)	(435,049)
Páginas Amarelas	(3,286,477)	(1,112,773)
PT Portugal (a)	(145,759,331)	(226,525,364)
Sportinveste	-	(2,327,625)
Other	-	(1,300)
	234,129,864	(66,935,709)
Gain resulting from the tax consolidation regime (Note 10.3) (b)	61,947,984	89,730,210
Sportinveste (Note 10.3)	31,671	-
	296,109,519	22,794,501

(a) In 2013, these items include capital gains of approximately Euro 34 million and Euro 280 million cleared by PT Comunicações (subsidiary of PT Portugal) and PT Participações, respectively, in connection with the disposal of the total of 28% (3% of PT Comunicações and 25% of PT Participações) held by these companies in the Telecommunications Company of Macau, SARL, the total amount of 443 million U.S. dollars, equivalent to approximately Euro 336 million.

(b) This amount reflects the deduction by the Company of the tax losses from affiliated companies included in Portugal Telecom's tax consolidation perimeter (Note 3).

20. Supplies and external services

The detail of this caption in the years ended 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Support services	1,000,960	1,892,611
Specialized work	1,786,054	677,853
Insurance	493,850	493,459
Rentals	348,527	344,652
Travelling	245,994	326,688
Other	47,570	316,885
	3,922,955	4,052,148

21. Wages and salaries

The detail of this caption in the years ended 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Remunerations:		
Board members	11,283,660	10,985,925
Employees	184,337	509,554
Social Security charges:		
Board members	263,605	239,504
Employees	47,796	134,321
Other	148,319	134,522
	11,927,717	12,003,826

22. Increases/(reductions) in fair value

This caption reflects the change in fair value of derivative financial instruments entered into by the Company and has the following composition in the years ended 31 December 2013 and 2012:

	Euro	
	2013	2012
Interest rate swaps (i)	(1,084,683)	(3,629,512)
Interest rate and currency swap (Note 9)	259,095	1,539,187
	(825,588)	(2,090,325)

- (i) This caption includes (1) the changes in the fair value of interest rate swaps classified as held for trading, which amounted to gains of Euro 57,317 and Euro 408,486 (Note 9) in 2013 and 2012, respectively, and (2) a loss of Euro 1,142,000 in 2013 and Euro 4,038,000 recognized in 2012 (Note 9) corresponding to the transfer to net income of net accumulated losses related to an interest rate swap settled in 2013 and 2012 that was previously classified as a cash flow hedge.

23. Other income and gains

The detail of this caption in the years ended 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Favourable exchange rate differences	237,962	896,257
Interest on accounts receivable	2,139,864	1,290,434
Incomes and gains in non financial investments	1,995,192	-
Other	34,897	5,225,982
	4,407,915	7,412,673

24. Other expenses and losses

Other expenses and losses, amounting to Euro 18,527,976 in 2013 and Euro 2,319,470 in 2012, include primarily: (1) a cost of Euro 16.1 million (Note 7); and (2) donations amounting to Euro 0.3 million in 2013 and 1.1 million in 2012.

25. Interest and related income/expenses

The detail of this caption in the years ended 31 December 2013 and 2012 is as follows:

	Euro	
	2013	2012
Interest and related income		
Interest income (a)	146,742,003	95,946,808
Favourable exchange rate differences (b)	3,728,718	2,546,912
Dividends received (Note 4)	42,341	-
Other	2,943,658	2,069
	153,456,720	98,495,789
Interest and related expenses		
Interest expense (a)	(141,654,282)	(91,573,093)
Bank commissions and other bank expenses	(25,949,895)	(19,029,005)
Unfavourable exchange rate differences (b)	(18,961,761)	(10,264,835)
Other	(9,111,254)	(1,612,391)
	(195,677,192)	(122,479,324)

(a) The detail of interest income and expense in 2013 and 2012 is as follows:

	Euro	
	2013	2012
Interest income		
Intragroup loans	136,937,649	86,708,029
Short-term investments	3,872,250	6,563,062
Others applications	5,145,833	1,148,333
Other	786,271	1,527,384
	146,742,003	95,946,808
Interest expense		
Bank loans	(75,419,565)	(40,181,037)
Bonds	(66,076,374)	(51,392,056)
Other	(158,343)	-
	(141,654,282)	(91,573,093)

The increase in interest income on loans granted to Group companies results primarily from loans granted to PT Portugal during 2013, totaling Euro 979 million, as described in Note 8.1. The increase in interest paid on bank loans and bond associated respectively with the increase of the amounts due under the Contract Program Issue of Commercial Paper, as explained in Note 16.4, and the non-convertible bond loan issued in July 2012 amounting to Euro 400 million (Note 16.2).

(b) In 2013 and 2012, the net balance of these captions includes a loss of Euro 13,999,799 and Euro 6,456,390 (Note 8), respectively, related to foreign currency translation adjustments on a loan granted to Africatel that is denominated in U.S. Dollars, which was transferred to PT Participações at the end of 2013, as part of the sale of the investment in this entity.

26. Earnings per share

Earnings per share for the years ended 31 December 2013 and 2012 were computed as follows:

	Euro	
	2013	2012
		Reexpresso
Net income	341,808,031	226,026,147
Interest from exchangeable bonds (net of tax)	30,807,282	30,442,820
Diluted net income	372,615,313	256,468,967
Weighted average number of shares outstanding	855,053,670	856,659,594
Effect of the exchangeable bonds	84,175,084	82,472,694
Weighted average common shares outstanding, diluted	939,228,754	939,132,288
Basic earnings per share	0.40	0.26
Diluted earnings per share	0.40	0.26

Dilutive effects in 2013 and 2012 relate to the impact of the exchangeable bonds issued by the Company in 2008 (Note 16.1).

The change in the caption “Effect of the exchangeable bonds” relates to adjustments to the conversion price of convertible bonds as a result of dividends paid in May 2012.

27. Guarantees

As at 31 December 2013 and 2012, the Company presented guarantees and comfort letters to third parties, as follows:

	Euro	
	2013	2012
Bank guarantees presented in favor of other entities:		
Tax authorities	316,520,569	315,590,059
Kenya Postel Directories	300,000	300,000
Courts	12,566,525	-
Total bank guarantees presented	329,387,094	315,890,059
Comfort letters given to other entities:		
Guarantees to the Lisbon Tax Authorities	24,321,484	24,321,484
Other	638,360	604,131
Total comfort letters	24,959,844	24,925,615

As at 31 December 2013, bank guarantees presented to third parties include:

- Bank guarantees presented to the Tax Authorities, corresponding to additional tax assessments totalling to Euro 316,520,569 (Note 15), which relate to the corporate income tax of the years 2005 to 2010 and to Stamps Tax of the year 2009;
- A bank guarantee presented to the Commercial Bank of Africa Limited Nairobi that relates to a lawsuit amounting to Euro 300,000.

As at 31 December 2013, comfort letters granted to other entities include:

- Guarantee given to the Tax Authorities in favour of Companhia Portuguesa Rádio Marconi, S.A., now incorporated in PT Comunicações, related to additional income tax assessments for the years 1997 to 1999, amounting to Euro 16,500,043;
- Guarantee given to the Tax Authorities in favour of PT Comunicações, related to an additional assessment of value added tax for the year 2000, amounting to Euro 1,084,093;

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- Guarantee given to the Tax Authorities in favour of PT Comunicações, corresponding to income tax of the year 2002 and amounting to Euro 996,940;
 - Guarantee given to the Tax Authorities in favour of PT Comunicações, corresponding to additional assessments amounting to Euro 222,289, related to income tax of the year 2003;
 - Guarantee given to the Tax Authorities in favour of PT Comunicações, corresponding to the value added tax of the year 2004 and amounting to Euro 3,172,887;
 - Guarantee given to the Tax Authorities in favour of PT Comunicações, corresponding to an additional assessment amounting to Euro 2,345,032, related to income taxes of the year 2004;
 - Guarantees given to Instituto de Gestão Financeira da Segurança Social in favour of PT Comunicações, related to a debt amounting Euro 215,539, and in favour of PT Centro Corporativo, related to a debt amounting Euro 38,286;
 - Guarantee given to the Lisbon City Hall in favour of PT Comunicações, related to a debt amounting Euro 318,686.

28. Events occurred after the balance sheet date

On 19 February 2014, Portugal Telecom and Oi signed the definitive agreements ("Definitive Documents") relating to the combination of their businesses. These agreements govern the steps necessary to implement the transaction (the "Business Combination") that will culminate in the business combination of Portugal Telecom, Oi, Telemar Participações and the Brazilian controlling shareholders of Telemar Participações, with a view to creating a single, integrated Brazilian listed company, Telemar Participações.

Also on 19 February 2014, the Board of Directors of Oi approved the application for registration with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, or "CVM") of a public offering for the distribution of newly issued common and preferred shares of Oi, to be undertaken simultaneously in Brazil and abroad (the "Oi Capital Increase"). As mentioned in Note 1, this capital increase consists of (i) a cash capital increase of a minimum of R\$ 7.0 billion and with a target of R\$ 8.0 billion, and (ii) a capital increase in kind to be fully subscribed by Portugal Telecom through all of the operating assets of Portugal Telecom except its direct or indirect economic interests in Oi, Contax Participações S.A. and Bratel B.V., and the liabilities of PT on the contribution date (the "PT Assets"), which were valued by an independent valuation firm, Banco Santander (Brasil) S.A. The applicable valuation report (the "Valuation Report"), which will be submitted for the approval of the shareholders of Oi at the Extraordinary General Meeting scheduled to take place on March 27, 2014, is available on the CMVM and the Portugal Telecom websites since February 21, 2014, the date that the Extraordinary General Meeting of Oi was called. For purposes of the subscription in the Oi Capital Increase, the Board of Directors of Oi has determined a value for the PT Assets of Euro 1,750 million, equivalent to

R\$5,710 million. The Board of Directors of Portugal Telecom will request that the President of the General Assembly call a General Meeting of the shareholders of Portugal Telecom to consider the participation of Portugal Telecom in the Oi Capital Increase through the contribution in kind of the PT Assets.

Based on the value assigned to the PT Assets above, it is expected that in the exchange for each Portugal Telecom share held, shareholders would receive a number of shares of Telemar Participações corresponding to the amount in Reais equivalent to 1.9979 euros (applying the Euro/Real conversion rate on February 20, 2014, the day preceding the date of first publication of the notice of the General Meeting of Oi), issued at the same price per share as in the Oi Capital Increase, to which will be added 0.6330 shares of Telemar Participações. In addition, and subject to approval by the General Meeting, the Portugal Telecom shareholders will receive, prior to the completion of the Business Combination, a dividend of 10 euro cents per share.

The subscription by Portugal Telecom in the Oi Capital Increase is subject to the satisfaction of several conditions, including obtaining the approval by the General Meeting of shareholders of Portugal Telecom, obtaining legal and regulatory approvals, obtaining consents from creditors and third parties and the complete and valid execution of the Oi Capital Increase, including the subscription of the cash portion in the amount of at least 7 billion Reais.

Qualified Holdings

Pursuant to the terms of Regulation no. 5/2008 of the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários or “CMVM”), PT provides the following information regarding qualified holdings and long positions (held by third parties) in PT’s share capital as communicated to PT by reference to 31 December 2013 or to the dates mentioned below:

- On 2 June 2011, PT informed that RS Holding, SGPS, S.A. (“RS Holding”) indirectly held a qualified holding and a long position corresponding to 90,111,159 PT shares, representing 10.05% of the share capital and voting rights in PT, as set out in the following table:

<i>Entities</i>	<i>No. of shares</i>
Nivalis Holdings BV (“Nivalis”)	90,099,969
Nuno Rocha dos Santos de Almeida e Vasconcellos	11,190
Total	90,111,159

PT was informed that: (i) Insight Strategic Investments, SGPS, S.A. (“Insight”) and Ongoing – Strategy Investments, SGPS, S.A. (“Ongoing”) are the sole shareholders of Nivalis, holding, respectively, 62.55% and 37.45% of the voting rights in such company; (ii) Ongoing is the majority shareholder of Insight; and (iii) RS Holding is the majority shareholder of Ongoing. Additionally, Mrs. Isabel Rocha dos Santos is the majority shareholder of RS Holding. The shareholder Nuno Rocha dos Santos de Almeida e Vasconcellos is director of Insight, Ongoing and RS Holding.

On 10 July 2012, PT further disclosed a transaction concerning the PT shares pursuant to which, however, RS Holding’s overall interest in PT, corresponding to 90,111,159 ordinary shares and representing 10.05% of PT’s share capital, remained unchanged.

- On 31 December 2013, Banco Espírito Santo Group (“BES Group”) held a qualified holding corresponding to 90,056,485 PT shares, representing 10.05% of the share capital and voting rights in PT. BES Group’s holding in PT, calculated in accordance with article 20 of the Portuguese Securities Code (“CVM”), is set out in the following table:

<i>Entities</i>	<i>No. of shares</i>
Banco Espírito Santo, S.A. ("BES")	4,218
Companies in a control or group relationship with BES	90,033,955
Members of BES' corporate bodies	17,444
Total	90,056,485

- On 31 May 2012, PT informed that Telemar Norte Leste S.A. ("TMAR") held a qualified holding corresponding to 89,651,205 shares representing 10.0% of PT's share capital and corresponding voting rights. TMAR's sole shareholder is OI S.A., which is directly controlled by Telemar Participações S.A.. Telemar Participações S.A., in turn, is jointly controlled by the following entities: AG Telecom Participações S.A., L.F. Tel S.A., Fundação Atlântico de Seguridade Social, BNDES Participações S.A. - BNDESPar., Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI, Fundação dos Economistas Federais - FUNCEF, Fundação Petrobrás de Seguridade Social - PETROS and Bratel Brasil, S.A.
- On 6 February 2012, PT informed that Norges Bank held a qualified holding corresponding to 44,442,888 PT shares, representing 4.96% of the share capital and voting rights in PT.
- On 12 January 2012, PT informed that UBS AG held, directly and indirectly, a qualified holding in PT corresponding to 42,024,498 shares, representing 4.69% of PT's share capital and voting rights, as set out below:

<i>Entities</i>	<i>No. of shares</i>
UBS AG	15,561,557
UBS AG on behalf of several of its clients	13,394,579
CCR Asset Management	1,469,950
UBS Financial Services Inc.	227,671
UBS Fund Management (Switzerland) AG	894,263
UBS Fund Services (Luxembourg) SA	5,649,244
UBS Global Asset Management (Americas) Inc	15,597
UBS Global Asset Management (Deutschland) GmbH	582,505
UBS Global Asset Management (Japan) Ltd	135,084
UBS Global Asset Management (UK) Ltd	3,920,365
UBS Global Asset Management Life Ltd	173,683
Total	42,024,498

On 20 March 2014, PT further informed that on 13 March 2014 UBS AG held a qualified holding corresponding to 45,736,067 shares representing 5.1% of PT's share capital and corresponding voting rights.

- On 31 December 2010, Grupo Visabeira SGPS, S.A. ("Visabeira Group") held, directly and indirectly, a qualified holding corresponding to 23,642,885 PT shares, representing 2.64% of PT's share capital and voting rights, as set out below:

<i>Entities</i>	<i>No. of shares</i>
Visabeira Group	11,523,213
Visabeira Investimentos Financeiros, SGPS, S.A. (company 100% owned by Visabeira Estudos e Investimentos, S.A., which was 100% owned by Visabeira Serviços, SGPS, S.A., which in turn was 100% owned by Visabeira Group)	12,119,672
Total	23,642,885

On 2 January 2014, PT further disclosed a change in the composition of the qualified holding held by Visabeira Group. On 27 December 2013, Visabeira Investimentos Financeiros, SGPS, S.A., was merged into Visabeira Estudos e Investimentos, S.A.. As a result of said merger, 12,119,672 ordinary shares representing 1.352% of PT's share capital and corresponding voting rights which were held directly by Visabeira Investimentos Financeiros, SGPS, S.A. are now held directly by Visabeira Estudos e Investimentos, S.A.

Visabeira Estudos e Investimentos, S.A., is 100% owned by Visabeira Participações Financeiras, SGPS, S.A., which is 100% owned by Visabeira Group, which also holds directly 11,523,213 ordinary shares representing 1.285% of PT's share capital and corresponding voting rights.

Therefore, a qualified holding corresponding to 23,642,885 ordinary shares representing 2.637% of PT's share capital and corresponding voting rights was attributed to the Visabeira Group. This qualified holding remained above the 2% threshold as was previously disclosed.

PT was further informed that a holding corresponding to 78.2642% of the share capital of Visabeira Group and corresponding voting rights is directly held by the company NCFGEST, SGPS, S.A., which in turn is 100% owned by Mr Fernando Campos Nunes. Therefore, Visabeira Group's qualified holding is also attributed to these entities.

- On 10 December 2009, BlackRock Inc. indirectly held a qualified holding in PT corresponding to 21,025,118 shares representing 2.35% of PT's share capital and voting rights. According to the information received from BlackRock, Inc., the above mentioned shares and voting rights were held through BlackRock Investment Management (UK) Limited.
- On 3 February 2010, Controlinveste International Finance, S.A. held 20,419,325 PT shares, corresponding to 2.28% of the share capital and voting rights in PT.

PT was informed that Controlinveste International Finance, S.A. was fully owned by Controlinveste International, S.à.r.l., which was owned by Controlinveste Comunicações, SGPS, S.A. and Olivedesportos – Publicidade, Televisão e Media, S.A., and that Controlinveste Comunicações, SGPS, S.A. was fully owned by Olivedesportos – Publicidade, Televisão e Media, S.A., which, in turn, was fully owned by Sportinveste, SGPS, S.A. This latter company was fully owned by Controlinveste, SGPS, S.A., which, in turn, was fully owned by Mr. Joaquim Francisco Alves Ferreira de Oliveira. Pursuant to paragraph 1 of article 20 of the CVM, the voting rights corresponding to the above mentioned 20,419,325 PT shares representing 2.28% of PT's share capital continued to be attributed to Mr. Joaquim Francisco Alves Ferreira de Oliveira.

- On 12 June 2013, PT informed that Pictet Asset Management SA held a qualified holding in PT corresponding to 18,246,357 shares representing 2.04% of PT's share capital and voting rights.
- On 26 October 2012, PT informed that Ontario Teachers' Pension Plan Board held a qualified holding in PT corresponding to 18,000,000 shares representing 2.01% of PT's share capital and voting rights.
- On 21 May 2013, PT informed that Bestinver Gestión, S.A., SGIC held a qualified holding in PT corresponding to 17,981,057 shares representing 2.01% of PT's share capital and voting rights, as set out below

<i>Entities</i>	<i>No. of shares</i>
Bestinver Empleo, F.P.	31,026
Bestinver Bolsa, F.I.M.	5,038,930
Bestinver Ahorro Fondo de Pensiones	749,332
Bestinver Empleo III Fondo de Pensiones	10,122
Bestinver Hedge Value Fund, FIL	1,699,008

Bestinver Prevision F.P.	40,491
Bestinver Grandes Compañías, F.I.	215,141
Bestinver Global F.P.	1,385,218
Bestinver Mixto, F.I.M.	602,161
Bestvalue F.I.	1,183,637
Linker Inversiones SICAV	21,335
Divalsa de Inversiones SICAV	28,043
Bestinver SICAV-Bestinfund	506,751
Bestinver Empleo II, F.P.	6,957
Bestinver Futuro EPSV	20,478
Bestinver SICAV - Iberian	916,781
Bestinver Renta F.I.M.	139,620
Bestinver Consolidación EPSV	3,555
Bestinfond F.I.M.	4,579,542
Soixa SICAV S.A.	802,929
Total	17,981,057

List of the holdings pursuant to the terms of article 447 of the Portuguese Commercial Companies Code

I. Number of shares and bonds issued by PT and by companies that are in a controlling or group relationship with PT which are held by members of the Board of Directors or by the Statutory Auditor of PT, as at 31 December 2013:

Board of Directors (including the members of the Audit Committee)

Henrique Granadeiro owns 150 PT shares.

Alfredo José Silva de Oliveira Baptista owns 8,193 PT shares.

Amílcar Carlos Ferreira de Morais Pires owns 3,242 PT shares. Amílcar Carlos Ferreira de Morais Pires is a board member of BES, which held on 31 December 2013 a qualified holding of 90,056,485 PT ordinary shares, corresponding to 10.05% of PT's share capital and voting rights.

Carlos Alves Duarte owns 40 PT shares.

Fernando Magalhães Portella does not own any securities issued by PT or other companies in a control or group relationship with PT. Fernando Magalhães Portella is a Board member of Oi, which held on 31 December 2013 a qualified holding corresponding to 89,651,205 ordinary shares representing 10.0% of PT's share capital and voting rights.

Francisco Teixeira Pereira Soares does not own any securities issued by PT or other companies in a control or group relationship with PT.

Gerald Stephen McGowan owns 60,000 PT shares.

João Manuel de Mello Franco owns 12,986 PT shares and 100 PT fixed rate notes 2012-2016. His spouse owns 322 PT shares.

Joaquim Aníbal Brito Freixial de Goes owns 2,437 PT shares. Joaquim Aníbal Brito Freixial de Goes is a board member of BES, which held on 31 December 2013 a qualified holding of 90,056,485 PT ordinary shares, corresponding to 10.05% of PT's share capital and voting rights.

José Guilherme Xavier de Basto does not own any securities issued by PT or other companies in a control or group relationship with PT.

Luís Pacheco de Melo owns 45 PT shares, 75 PT fixed rate notes 2012-2016 and 4 notes PT Finance BV 2016 – 5.625%.

Manuel Rosa da Silva owns 90 PT shares.

Maria Helena Nazaré does not own any securities issued by PT or other companies in a control or group relationship with PT.

Mário João de Matos Gomes does not own any securities issued by PT or other companies in a control or group relationship with PT.

Milton Almicar Silva Vargas does not own any securities issued by PT or other companies in a control or group relationship with PT.

Nuno Rocha dos Santos de Almeida e Vasconcellos owns 11,190 PT shares. Nuno de Almeida e Vasconcellos is the Chairman of the Board of Directors of RS Holding, SGPS, S.A., which held on 31 December 2013 a qualified holding of 90,111,159 PT ordinary shares, corresponding to 10.05% of PT's share capital and voting rights.

Otávio Marques de Azevedo does not own any securities issued by PT or other companies in a control or group relationship with PT. Otávio Marques de Azevedo is the Chairman of the Board of Directors of Telemar Participações S.A., Oi's controlling holding, which held on 31 December 2013 a qualified holding corresponding to 89,651,205 ordinary shares representing 10.0% of PT's share capital and voting rights.

Paulo José Lopes Varela owns 7,134 PT shares. Paulo José Lopes Varela is a board member of Visabeira Group, which held on 31 December 2013 a qualified holding of 23,642,885 PT ordinary shares, corresponding to 2.64% of PT's share capital and voting rights.

Pedro Humberto Monteiro Durão Leitão owns 758 PT shares.

Rafael Luís Mora Funes does not own any securities issued by PT or other companies in a control or group relationship with PT. His spouse owns 501 PT shares and 100 PT fixed rate notes 2012-2016. Rafael Luís Mora Funes is a board member of RS Holding, SGPS, S.A., which held on 31 December 2013 a qualified holding of 90,111,159 PT ordinary shares, corresponding to 10.05% of PT's share capital and voting rights.

Shakhaf Wine does not own any securities issued by PT or other companies in a control or group relationship with PT.

Statutory Auditor

Pedro Matos Silva, Statutory Auditor, does not own any securities issued by PT or other companies in a control or group relationship with PT.

II. Transactions of shares and bonds issued by PT and by companies that are in a controlling or group relationship with PT, entered into by members of the Board of Directors or by the Statutory Auditor of PT:

Pursuant to the terms of article 248-B of the CVM and article 14, paragraph 7 of CMVM Regulation no. 5/2008, PT provides the following information regarding the transactions in PT shares and financial instruments related thereto carried out during 2013 by PT's management and people closely associated with the same:

- On 28 January 2013 PT informed that it was notified by Banco Espírito Santo, S.A. ("BES") that the latter and Avistar, SGPS, S.A. ("Avistar"), a company wholly owned by BES, made the following transaction on financial instruments related to PT shares (the value of such instruments is determined in accordance with the market value of the underlying asset):

Type of Deal	Type	Trade Date	Maturity Date	Quantity	Cpty. Name
Equity OTC Options	Buy	18-01-2013	21-02-2013	1,000,000	Avistar
Equity OTC Options	Sell	18-01-2013	21-02-2013	1,000,000	BES

In addition, PT was informed that Avistar is a person closely related to PT's non-executive director Amílcar de Moraes Pires, as he is also Chairman of the Board of Directors of Avistar.

- On 5 June 2013 PT informed that it was notified of the following transactions on American Depositary Receipts ("ADRs") representing PT shares, carried out on 4 June 2013 by Mr. Gerald Stephen McGowan:

Transactions	Location	No of securities	Price (USD)
Acquisitions	New York Stock Exchange	316	4.35
		1,684	4.36
		8,000	4.37

- On 9 July 2013 PT informed that it was notified of the following transactions on American Depositary Receipts ("ADRs") representing PT shares, carried out on 8 July 2013 by Mr. Gerald Stephen McGowan:

Transactions	Location	No of securities	Price (USD)
Acquisitions	New York Stock Exchange	20,000	3.76

Mr. Gerald Stephen McGowan is a member of PT's Board of Directors, and therefore he is a manager of PT pursuant to paragraph 3 of article 248-B of the Portuguese Securities Code, thus having the obligation to notify of the transactions above.

- Mr. José Pedro Cabral dos Santos and João Nuno de Oliveira Jorge Palma informed PT that Caixa Geral Depósitos, carried out the following transactions on PT shares during 2013:

CGD Investimento	Date	No of securities	Price
Sale	2013-10-25 16:36:44.0	54,771,741	3.48

CGD Londres	Date	No of securities	Price
Acquisitions	2013-01-03 16:35:00.0	200	3.8500
Acquisitions	2013-01-03 16:35:00.0	2,325	3.8500
Acquisitions	2013-01-03 16:35:00.0	1,300	3.8500
Acquisitions	2013-01-03 16:35:00.0	595	3.8500
Acquisitions	2013-01-03 16:35:00.0	44	3.8500
Acquisitions	2013-01-03 16:35:00.0	667	3.8500
Acquisitions	2013-01-03 16:35:00.0	2,485	3.8500
Acquisitions	2013-01-09 16:25:59.0	3,808	4.1390
Acquisitions	2013-01-09 16:35:00.0	3,661	4.1510
Acquisitions	2013-01-09 16:35:00.0	147	4.1510
Sale	2013-01-11 15:44:51.0	1,007	4.1860
Sale	2013-01-11 15:44:51.0	183	4.1860
Acquisitions	2013-01-11 16:26:43.0	3,779	4.1930
Acquisitions	2013-01-11 16:26:43.0	856	4.1930
Acquisitions	2013-01-11 16:26:43.0	575	4.1930
Acquisitions	2013-01-11 16:26:43.0	740	4.1930
Sale	2013-01-14 14:14:42.0	1,953	4.2650
Sale	2013-01-14 14:14:42.0	189	4.2650
Acquisitions	2013-01-14 16:35:00.0	3,059	4.2200
Acquisitions	2013-01-14 16:35:00.0	4,853	4.2200
Sale	2013-01-16 11:37:29.0	660	4.1210
Sale	2013-01-16 11:37:29.0	642	4.1210
Sale	2013-01-16 11:37:29.0	1,078	4.1210
Sale	2013-01-16 11:40:21.0	642	4.1170
Sale	2013-01-16 11:40:21.0	1,738	4.1170
Sale	2013-01-16 14:13:17.0	952	4.1860
Sale	2013-01-17 15:23:38.0	450	4.3600
Sale	2013-01-17 15:23:38.0	1,138	4.3600
Sale	2013-01-17 15:23:38.0	110	4.3600
Sale	2013-01-17 15:23:38.0	2,000	4.3600
Sale	2013-01-17 15:23:38.0	1,300	4.3600
Sale	2013-01-17 15:28:08.0	1,772	4.3660
Sale	2013-01-17 15:28:08.0	2,000	4.3660
Sale	2013-01-17 15:28:08.0	512	4.3660
Acquisitions	2013-01-17 16:22:47.0	2,380	4.3620
Sale	2013-01-25 15:41:37.0	4,222	4.1490
Sale	2013-01-25 15:41:37.0	450	4.1490
Sale	2013-01-25 15:41:37.0	88	4.1490
Sale	2013-01-31 16:23:51.0	2,142	4.2890
Sale	2013-01-31 16:25:08.0	1,227	4.2950
Sale	2013-01-31 16:25:08.0	915	4.2950

Sale	2013-02-04 16:35:00.0	3,570	4.0850
Sale	2013-02-06 12:47:48.0	1,990	4.1360
Sale	2013-02-06 12:47:48.0	350	4.1360
Sale	2013-02-06 12:47:48.0	1,209	4.1360
Sale	2013-02-06 12:47:48.0	1,211	4.1360
Sale	2013-02-08 10:03:57.0	2,000	4.1330
Sale	2013-02-08 10:03:57.0	546	4.1330
Sale	2013-02-08 10:03:57.0	350	4.1330
Sale	2013-02-08 10:03:57.0	241	4.1330
Sale	2013-02-08 10:03:57.0	481	4.1330
Sale	2013-02-08 10:03:57.0	350	4.1330
Sale	2013-02-08 10:03:57.0	605	4.1330
Sale	2013-02-08 10:03:57.0	187	4.1330
Sale	2013-02-21 16:35:00.0	6,188	3.9500
Sale	2013-02-25 15:45:59.0	770	3.9770
Sale	2013-02-25 15:45:59.0	3,990	3.9770
Sale	2013-02-26 11:03:47.0	1,546	3.9300
Sale	2013-02-26 11:05:54.0	472	3.9300
Sale	2013-02-26 11:07:35.0	5,122	3.9300
Acquisitions	2013-03-12 16:35:00.0	4,003	4.0250
Acquisitions	2013-03-12 16:35:00.0	757	4.0250
Acquisitions	2013-03-18 08:06:08.0	8,431	4.0600
Acquisitions	2013-03-18 08:06:31.0	1,116	4.0600
Acquisitions	2013-03-18 08:06:31.0	1,000	4.0600
Acquisitions	2013-03-18 08:06:31.0	2,000	4.0600
Acquisitions	2013-03-18 08:06:54.0	681	4.0600
Acquisitions	2013-03-18 09:20:29.0	1,977	4.0680
Acquisitions	2013-03-18 09:20:29.0	867	4.0680
Acquisitions	2013-03-18 09:20:29.0	1,229	4.0680
Acquisitions	2013-03-18 09:20:29.0	2,000	4.0680
Acquisitions	2013-03-18 09:20:29.0	315	4.0680
Acquisitions	2013-03-18 09:20:29.0	400	4.0680
Acquisitions	2013-03-18 09:20:29.0	1,284	4.0680
Acquisitions	2013-03-18 09:20:29.0	1,300	4.0680
Acquisitions	2013-03-18 09:20:29.0	691	4.0680
Acquisitions	2013-03-18 09:20:29.0	400	4.0680
Acquisitions	2013-03-18 09:20:29.0	765	4.0680
Acquisitions	2013-03-18 09:20:29.0	2,000	4.0680
Acquisitions	2013-03-18 14:13:37.0	730	4.0870
Acquisitions	2013-03-18 14:17:21.0	158	4.0870
Acquisitions	2013-03-18 14:17:33.0	40	4.0870
Acquisitions	2013-03-18 14:20:27.0	948	4.0870
Acquisitions	2013-03-18 14:21:24.0	2,350	4.0870
Acquisitions	2013-03-18 14:21:24.0	3,400	4.0870
Acquisitions	2013-03-18 14:21:24.0	1,877	4.0870
Acquisitions	2013-03-18 14:40:54.0	666	4.0770
Acquisitions	2013-03-18 14:41:13.0	20	4.0770
Acquisitions	2013-03-18 14:41:13.0	4,489	4.0770
Acquisitions	2013-03-18 15:31:00.0	25	4.0770
Acquisitions	2013-03-18 15:33:15.0	2,391	4.0770
Acquisitions	2013-03-18 15:33:15.0	5,000	4.0770
Acquisitions	2013-03-18 15:33:15.0	2,087	4.0770

Acquisitions	2013-03-18 15:33:41.0	26	4.0740
Acquisitions	2013-03-18 15:33:49.0	252	4.0740
Acquisitions	2013-03-18 15:33:55.0	105	4.0740
Acquisitions	2013-03-18 15:34:01.0	114	4.0740
Acquisitions	2013-03-18 15:34:06.0	21	4.0740
Acquisitions	2013-03-18 15:44:27.0	5,796	4.0740
Acquisitions	2013-03-18 16:06:37.0	1,500	4.0900
Acquisitions	2013-03-18 16:06:37.0	1,500	4.0900
Acquisitions	2013-03-18 16:06:37.0	5,003	4.0900
Acquisitions	2013-03-18 16:06:37.0	1,500	4.0900
Acquisitions	2013-03-18 16:22:00.0	2,000	4.0840
Acquisitions	2013-03-18 16:22:00.0	1,257	4.0840
Acquisitions	2013-03-18 16:22:00.0	1,103	4.0840
Acquisitions	2013-03-18 16:22:00.0	856	4.0840
Acquisitions	2013-03-18 16:22:00.0	1,398	4.0840
Acquisitions	2013-03-18 16:22:14.0	400	4.0850
Acquisitions	2013-03-18 16:22:14.0	2,000	4.0850
Acquisitions	2013-03-18 16:22:14.0	856	4.0850
Acquisitions	2013-03-18 16:22:14.0	1,216	4.0850
Acquisitions	2013-03-18 16:22:14.0	2,000	4.0850
Acquisitions	2013-03-18 16:23:17.0	6,756	4.0850
Acquisitions	2013-03-18 16:24:07.0	2,500	4.0830
Acquisitions	2013-03-18 16:24:07.0	100	4.0830
Acquisitions	2013-03-18 16:24:28.0	2,400	4.0830
Acquisitions	2013-03-18 16:24:28.0	469	4.0830
Acquisitions	2013-03-18 16:24:28.0	3,189	4.0830
Acquisitions	2013-03-18 16:24:50.0	1,534	4.0830
Acquisitions	2013-03-18 16:24:50.0	401	4.0830
Acquisitions	2013-03-18 16:24:50.0	2,099	4.0830
Acquisitions	2013-03-18 16:26:36.0	500	4.0830
Acquisitions	2013-03-18 16:26:38.0	500	4.0830
Acquisitions	2013-03-18 16:26:40.0	500	4.0830
Acquisitions	2013-03-18 16:26:42.0	500	4.0830
Acquisitions	2013-03-18 16:26:48.0	500	4.0830
Acquisitions	2013-03-18 16:26:50.0	500	4.0830
Acquisitions	2013-03-18 16:26:52.0	500	4.0830
Acquisitions	2013-03-18 16:26:56.0	500	4.0830
Acquisitions	2013-03-18 16:27:03.0	500	4.0830
Acquisitions	2013-03-18 16:29:24.0	8,228	4.0830
Acquisitions	2013-03-18 16:29:24.0	500	4.0830
Acquisitions	2013-03-19 14:58:42.0	151	4.0750
Acquisitions	2013-03-19 14:58:48.0	3,324	4.0750
Acquisitions	2013-03-19 16:35:00.0	9,503	4.0410
Acquisitions	2013-03-20 08:05:32.0	1,800	4.0760
Acquisitions	2013-03-20 08:05:32.0	107	4.0750
Acquisitions	2013-03-20 08:05:32.0	400	4.0750
Acquisitions	2013-03-20 08:05:32.0	1,500	4.0760
Acquisitions	2013-03-20 08:05:32.0	400	4.0760
Acquisitions	2013-03-20 08:05:32.0	1,500	4.0760
Acquisitions	2013-03-20 08:05:32.0	400	4.0760
Acquisitions	2013-03-20 08:05:32.0	1,500	4.0750
Acquisitions	2013-03-20 08:05:32.0	1,896	4.0760

Acquisitions	2013-03-20 08:10:07.0	2,991	4.0720
Acquisitions	2013-03-20 08:13:27.0	468	4.0720
Acquisitions	2013-03-20 08:13:27.0	6,044	4.0720
Acquisitions	2013-03-20 10:20:28.0	3,802	4.0410
Acquisitions	2013-03-20 12:10:27.0	1	4.0800
Acquisitions	2013-03-20 12:10:27.0	2,000	4.0800
Acquisitions	2013-03-20 12:10:27.0	42	4.0800
Acquisitions	2013-03-20 12:10:28.0	917	4.0800
Acquisitions	2013-03-20 12:10:28.0	868	4.0800
Acquisitions	2013-03-20 12:10:32.0	5,675	4.0800
Acquisitions	2013-03-20 12:15:29.0	5,003	4.0700
Acquisitions	2013-03-20 12:15:29.0	1,500	4.0700
Acquisitions	2013-03-20 12:15:29.0	1,500	4.0700
Acquisitions	2013-03-20 12:15:29.0	1,500	4.0700
Acquisitions	2013-03-20 12:34:13.0	8,727	4.0600
Acquisitions	2013-03-20 12:34:13.0	776	4.0600
Acquisitions	2013-03-20 12:40:10.0	479	4.0690
Acquisitions	2013-03-20 12:40:10.0	848	4.0690
Acquisitions	2013-03-20 12:40:10.0	1,800	4.0690
Acquisitions	2013-03-20 12:40:10.0	855	4.0690
Acquisitions	2013-03-20 12:40:10.0	2,293	4.0690
Acquisitions	2013-03-20 12:40:10.0	2,000	4.0690
Acquisitions	2013-03-20 12:40:10.0	1,228	4.0690
Acquisitions	2013-03-20 13:00:26.0	2,000	4.0650
Acquisitions	2013-03-20 13:00:26.0	791	4.0650
Acquisitions	2013-03-20 13:00:26.0	1,300	4.0650
Acquisitions	2013-03-20 13:00:26.0	454	4.0650
Acquisitions	2013-03-20 13:00:26.0	400	4.0650
Acquisitions	2013-03-20 13:00:26.0	78	4.0650
Acquisitions	2013-03-20 13:00:26.0	620	4.0650
Acquisitions	2013-03-20 13:00:26.0	757	4.0650
Acquisitions	2013-03-20 13:00:26.0	1,230	4.0650
Acquisitions	2013-03-20 13:00:26.0	1,873	4.0650
Acquisitions	2013-03-20 13:23:51.0	2,000	4.0660
Acquisitions	2013-03-20 13:23:51.0	400	4.0660
Acquisitions	2013-03-20 13:23:51.0	400	4.0670
Acquisitions	2013-03-20 13:23:51.0	945	4.0660
Acquisitions	2013-03-20 13:23:51.0	1,300	4.0660
Acquisitions	2013-03-20 13:23:51.0	1,229	4.0670
Acquisitions	2013-03-20 13:23:51.0	1,559	4.0670
Acquisitions	2013-03-20 13:23:51.0	867	4.0660
Acquisitions	2013-03-20 13:23:51.0	642	4.0670
Acquisitions	2013-03-20 13:23:51.0	161	4.0670
Acquisitions	2013-03-20 13:44:13.0	642	4.0560
Acquisitions	2013-03-20 13:44:13.0	2,000	4.0550
Acquisitions	2013-03-20 13:44:13.0	400	4.0560
Acquisitions	2013-03-20 13:44:13.0	1,816	4.0560
Acquisitions	2013-03-20 13:44:13.0	1,713	4.0550
Acquisitions	2013-03-20 13:44:13.0	2,000	4.0550
Acquisitions	2013-03-20 13:44:13.0	11	4.0560
Acquisitions	2013-03-20 13:44:13.0	521	4.0560
Acquisitions	2013-03-20 13:44:13.0	400	4.0550

Acquisitions	2013-03-20 14:12:55.0	555	4.0470
Acquisitions	2013-03-20 14:12:55.0	1,006	4.0470
Acquisitions	2013-03-20 14:12:55.0	1,278	4.0470
Acquisitions	2013-03-20 14:12:55.0	3,107	4.0470
Acquisitions	2013-03-20 14:12:55.0	1,236	4.0470
Acquisitions	2013-03-20 14:12:55.0	2,321	4.0470
Acquisitions	2013-03-20 14:15:27.0	1,500	4.0510
Acquisitions	2013-03-20 14:15:27.0	1,500	4.0510
Acquisitions	2013-03-20 14:15:27.0	6,503	4.0510
Acquisitions	2013-03-20 15:18:26.0	1,174	4.0400
Acquisitions	2013-03-20 15:24:40.0	3,577	4.0400
Acquisitions	2013-03-20 16:27:20.0	847	4.0520
Acquisitions	2013-03-20 16:27:20.0	847	4.0520
Acquisitions	2013-03-20 16:27:20.0	1,687	4.0520
Acquisitions	2013-03-20 16:27:20.0	847	4.0520
Acquisitions	2013-03-20 16:27:20.0	1,234	4.0520
Acquisitions	2013-03-20 16:27:20.0	847	4.0520
Acquisitions	2013-03-20 16:27:20.0	3,194	4.0520
Acquisitions	2013-03-21 10:20:26.0	3,621	4.0410
Acquisitions	2013-03-22 08:13:47.0	1,700	4.0570
Acquisitions	2013-03-22 08:13:52.0	397	4.0570
Acquisitions	2013-03-22 08:17:16.0	3,600	4.0600
Acquisitions	2013-03-22 08:17:16.0	5,903	4.0600
Acquisitions	2013-03-22 08:20:42.0	2,580	4.0570
Acquisitions	2013-03-22 08:20:42.0	4,826	4.0570
Acquisitions	2013-03-22 08:21:42.0	400	4.0550
Acquisitions	2013-03-22 08:21:42.0	1,232	4.0560
Acquisitions	2013-03-22 08:21:42.0	535	4.0560
Acquisitions	2013-03-22 08:21:42.0	2,154	4.0540
Acquisitions	2013-03-22 08:21:42.0	799	4.0540
Acquisitions	2013-03-22 08:21:42.0	1,823	4.0560
Acquisitions	2013-03-22 08:21:42.0	1,233	4.0550
Acquisitions	2013-03-22 08:21:42.0	400	4.0550
Acquisitions	2013-03-22 08:21:42.0	400	4.0540
Acquisitions	2013-03-22 09:20:37.0	186	4.0560
Acquisitions	2013-03-22 09:20:37.0	1,525	4.0560
Acquisitions	2013-03-22 09:20:37.0	300	4.0560
Acquisitions	2013-03-22 09:20:37.0	437	4.0560
Acquisitions	2013-03-22 09:20:37.0	1,237	4.0560
Acquisitions	2013-03-22 09:20:37.0	2,000	4.0560
Acquisitions	2013-03-22 09:20:37.0	1,286	4.0560
Acquisitions	2013-03-22 09:20:37.0	1,021	4.0560
Acquisitions	2013-03-22 09:20:37.0	400	4.0560
Acquisitions	2013-03-22 09:20:37.0	80	4.0560
Acquisitions	2013-03-22 09:20:37.0	1,300	4.0560
Acquisitions	2013-03-22 09:20:39.0	529	4.0560
Acquisitions	2013-03-22 09:20:57.0	100	4.0560
Acquisitions	2013-03-22 09:20:58.0	585	4.0560
Acquisitions	2013-03-22 10:23:53.0	1,500	4.0640
Acquisitions	2013-03-22 10:24:16.0	1,484	4.0640
Acquisitions	2013-03-22 10:24:16.0	16	4.0640
Acquisitions	2013-03-22 10:24:16.0	1,984	4.0640

Acquisitions	2013-03-22 10:24:16.0	1,500	4.0640
Acquisitions	2013-03-22 10:24:16.0	16	4.0640
Acquisitions	2013-03-22 10:24:16.0	1,484	4.0640
Acquisitions	2013-03-22 10:24:28.0	4	4.0640
Acquisitions	2013-03-22 10:29:35.0	116	4.0640
Acquisitions	2013-03-22 10:29:35.0	400	4.0640
Acquisitions	2013-03-22 10:29:35.0	1,496	4.0640
Acquisitions	2013-03-22 11:13:52.0	15	4.0800
Acquisitions	2013-03-22 11:13:52.0	400	4.0800
Acquisitions	2013-03-22 11:13:52.0	520	4.0800
Acquisitions	2013-03-22 11:13:52.0	15	4.0800
Acquisitions	2013-03-22 11:48:04.0	1,036	4.1070
Acquisitions	2013-03-22 11:48:04.0	2,195	4.1070
Acquisitions	2013-03-22 13:08:14.0	1,214	4.1200
Acquisitions	2013-03-22 13:08:14.0	7,500	4.1200
Acquisitions	2013-03-22 13:08:14.0	169	4.1200
Acquisitions	2013-03-22 13:08:14.0	469	4.1200
Acquisitions	2013-03-22 13:08:14.0	1,000	4.1200
Acquisitions	2013-03-22 13:08:14.0	16,500	4.1200
Acquisitions	2013-03-22 13:08:14.0	3,863	4.1200
Acquisitions	2013-03-22 13:08:14.0	2,000	4.1200
Acquisitions	2013-03-22 13:08:14.0	200	4.1200
Acquisitions	2013-03-22 13:09:52.0	1,213	4.1200
Acquisitions	2013-03-22 13:09:52.0	8,966	4.1200
Acquisitions	2013-03-22 13:09:52.0	400	4.1190
Acquisitions	2013-03-22 13:09:52.0	1,528	4.1190
Acquisitions	2013-03-22 13:09:52.0	7,500	4.1200
Acquisitions	2013-03-22 13:09:52.0	1,802	4.1200
Acquisitions	2013-03-22 13:09:52.0	8,157	4.1200
Acquisitions	2013-03-22 13:09:52.0	14	4.1190
Acquisitions	2013-03-22 13:09:52.0	20	4.1190
Acquisitions	2013-03-22 13:09:52.0	400	4.1200
Acquisitions	2013-03-22 13:11:19.0	1,214	4.1200
Acquisitions	2013-03-22 13:11:19.0	27,340	4.1200
Acquisitions	2013-03-22 13:11:19.0	20	4.1200
Acquisitions	2013-03-22 13:11:19.0	599	4.1200
Acquisitions	2013-03-22 13:11:19.0	7,500	4.1200
Acquisitions	2013-03-22 13:11:19.0	15,254	4.1200
Sale	2013-03-25 16:35:00.0	7,793	4.0660
Sale	2013-03-26 16:35:00.0	4,801	3.8940
Sale	2013-03-28 09:25:51.0	609	3.7810
Sale	2013-03-28 09:32:51.0	3,000	3.7750
Sale	2013-03-28 09:32:52.0	2,000	3.7750
Sale	2013-03-28 09:32:56.0	1,993	3.7750
Sale	2013-04-03 14:50:04.0	390	3.7000
Sale	2013-04-03 14:50:04.0	2,077	3.7000
Sale	2013-04-03 14:50:04.0	173	3.7000
Sale	2013-04-03 14:50:04.0	956	3.7000
Sale	2013-04-03 14:50:04.0	3,011	3.7000
Sale	2013-04-03 14:50:04.0	45	3.7000
Acquisitions	2013-04-09 16:35:00.0	1,279	3.9600
Acquisitions	2013-04-09 16:35:00.0	2,770	3.9600

Acquisitions	2013-04-09 16:35:00.0	1,653	3.9600
Acquisitions	2013-04-10 16:35:00.0	5,290	4.0400
Acquisitions	2013-04-10 16:35:00.0	3,453	4.0400
Sale	2013-04-15 16:35:00.0	28	4.0310
Sale	2013-04-15 16:35:00.0	2,062	4.0310
Sale	2013-04-16 16:35:00.0	445	3.8800
Sale	2013-04-16 16:35:00.0	5,257	3.8800
Acquisitions	2013-04-19 16:35:06.0	6,652	3.8120
Acquisitions	2013-04-23 16:35:11.0	1,918	3.8600
Acquisitions	2013-04-23 16:35:11.0	7,000	3.8600
Acquisitions	2013-04-23 16:35:11.0	585	3.8600
Acquisitions	2013-04-25 16:35:09.0	3,801	3.9440
Acquisitions	2013-05-02 16:00:00.0	4,000,000	3.9200
Sale	2013-05-02 16:35:00.0	731	3.9250
Sale	2013-05-02 16:35:00.0	531	3.9250
Sale	2013-05-02 16:35:00.0	2,539	3.9250
Acquisitions	2013-05-07 16:35:00.0	6,652	4.0150
Sale	2013-05-08 16:35:00.0	6,652	3.9700
Acquisitions	2013-05-09 16:35:02.0	3,801	3.9700
Acquisitions	2013-05-09 16:59:00.0	2,000,000	3.9690
Acquisitions	2013-05-13 17:35:00.0	3,000,000	3.9520
Sale	2013-05-15 08:40:47.0	631	3.5200
Sale	2013-05-15 08:40:47.0	5,071	3.5200
Acquisitions	2013-05-15 16:35:03.0	7,602	3.5840
Acquisitions	2013-05-17 16:35:03.0	4,371	3.5370
Sale	2013-05-21 16:35:00.0	2,735	3.5500
Sale	2013-05-21 16:35:00.0	1,066	3.5500
Sale	2013-05-23 10:15:00.0	4,000,000	3.5000
Sale	2013-05-24 14:03:00.0	2,000,000	3.6330
Sale	2013-05-28 13:53:00.0	3,000,000	3.6520
Sale	2013-05-30 16:35:03.0	2,640	3.3880
Sale	2013-05-30 16:35:04.0	1,920	3.3880
Sale	2013-05-30 16:35:04.0	191	3.3880
Sale	2013-06-06 16:35:06.0	175	3.3000
Sale	2013-06-06 16:35:06.0	6	3.3000
Sale	2013-06-06 16:35:07.0	1,973	3.3000
Sale	2013-06-06 16:35:07.0	2,027	3.3000
Acquisitions	2013-06-12 16:35:12.0	589	3.2200
Acquisitions	2013-06-12 16:35:13.0	124	3.2200
Acquisitions	2013-06-12 16:35:14.0	1,924	3.2200
Acquisitions	2013-06-12 16:35:14.0	8,486	3.2200
Acquisitions	2013-06-12 16:35:15.0	14,084	3.2200
Acquisitions	2013-06-12 16:35:15.0	7,487	3.2200
Acquisitions	2013-06-12 16:35:15.0	5,701	3.2200
Acquisitions	2013-06-12 16:35:16.0	1,204	3.2200
Acquisitions	2013-06-12 16:35:16.0	4,008	3.2200
Acquisitions	2013-06-12 16:35:17.0	14,827	3.2200
Acquisitions	2013-06-13 16:35:04.0	5,879	3.1050
Sale	2013-06-13 16:35:04.0	1,798	3.1050
Sale	2013-06-13 16:35:05.0	2,383	3.1050
Sale	2013-06-14 16:35:03.0	1,200	3.1100
Sale	2013-06-14 16:35:04.0	756	3.1100

Acquisitions	2013-06-17 16:35:03.0	2,661	3.1710
Acquisitions	2013-06-17 16:35:03.0	301	3.1710
Acquisitions	2013-06-17 16:35:03.0	2,394	3.1710
Acquisitions	2013-06-18 16:35:00.0	1,041	3.1600
Acquisitions	2013-06-18 16:35:00.0	3,330	3.1600
Sale	2013-06-20 16:35:03.0	719	3.0200
Sale	2013-06-20 16:35:04.0	2,200	3.0200
Sale	2013-06-20 16:35:04.0	219	3.0200
Sale	2013-06-20 16:35:04.0	4,655	3.0200
Sale	2013-06-21 09:56:08.0	1,000	3.0900
Sale	2013-06-21 10:05:39.0	274	3.0850
Sale	2013-06-21 10:05:39.0	456	3.0850
Sale	2013-06-21 10:05:39.0	4,814	3.0850
Sale	2013-06-21 16:35:00.0	2,769	2.8830
Sale	2013-06-21 16:35:00.0	68	2.8830
Sale	2013-06-21 16:35:00.0	200	2.8830
Sale	2013-06-21 16:35:00.0	6,749	2.8830
Sale	2013-06-21 16:35:00.0	2,834	2.8830
Sale	2013-06-21 16:35:00.0	3,801	2.8830
Sale	2013-06-21 16:35:00.0	24,068	2.8830
Sale	2013-06-21 16:35:00.0	30,702	2.8830
Sale	2013-06-21 16:35:00.0	3,800	2.8830
Sale	2013-06-21 16:35:00.0	73	2.8830
Sale	2013-06-21 16:35:00.0	25,199	2.8830
Sale	2013-06-21 16:35:09.0	78,600	2.8830
Sale	2013-06-21 16:35:10.0	8,095	2.8830
Sale	2013-06-21 16:35:10.0	9,767	2.8830
Sale	2013-06-24 08:04:58.0	1,289	2.9550
Sale	2013-06-24 08:04:58.0	868	2.9550
Sale	2013-06-24 08:04:58.0	1,302	2.9550
Sale	2013-06-24 08:04:58.0	2,000	2.9540
Sale	2013-06-24 08:04:58.0	2,000	2.9530
Sale	2013-06-24 08:04:58.0	2,000	2.9520
Sale	2013-06-24 08:04:58.0	5,400	2.9520
Sale	2013-06-24 08:04:58.0	141	2.9500
Sale	2013-06-24 08:05:54.0	2,000	2.9120
Sale	2013-06-24 08:05:54.0	1,932	2.9120
Sale	2013-06-24 08:05:54.0	928	2.9110
Sale	2013-06-24 08:05:54.0	1,083	2.9100
Sale	2013-06-24 08:05:54.0	1,900	2.9100
Sale	2013-06-24 08:06:12.0	7,244	2.9100
Sale	2013-06-24 08:06:13.0	2,000	2.9100
Sale	2013-06-24 08:06:25.0	4,656	2.9000
Sale	2013-06-24 08:06:25.0	500	2.9000
Sale	2013-06-24 08:06:25.0	500	2.9000
Sale	2013-06-24 08:06:25.0	1,000	2.9000
Sale	2013-06-24 08:06:25.0	430	2.9000
Sale	2013-06-24 08:06:25.0	5,000	2.9000
Sale	2013-06-24 08:06:26.0	3,294	2.9000
Sale	2013-06-24 08:06:56.0	1,625	2.9000
Sale	2013-06-24 08:07:29.0	9,543	2.9000
Sale	2013-06-24 08:07:30.0	2,760	2.9000

Sale	2013-06-24 08:07:30.0	692	2.9000
Sale	2013-06-24 08:07:57.0	790	2.9100
Sale	2013-06-24 08:08:32.0	5,000	2.9100
Sale	2013-06-24 08:08:34.0	13,000	2.9100
Sale	2013-06-24 08:08:42.0	868	2.9100
Sale	2013-06-24 08:26:40.0	1,104	2.9160
Sale	2013-06-24 08:26:40.0	342	2.9160
Sale	2013-06-24 08:26:40.0	5,452	2.9160
Sale	2013-06-24 08:26:40.0	3,102	2.9160
Sale	2013-06-24 08:27:57.0	2,000	2.9100
Sale	2013-06-24 08:27:57.0	2,000	2.9100
Sale	2013-06-24 08:28:41.0	1,000	2.9050
Sale	2013-06-24 08:30:41.0	3,000	2.9050
Sale	2013-06-24 08:30:41.0	2,000	2.9050
Sale	2013-06-24 08:32:52.0	100	2.9010
Sale	2013-06-24 08:32:52.0	2,585	2.9010
Sale	2013-06-24 08:37:49.0	2,232	2.9010
Sale	2013-06-24 08:37:49.0	5,083	2.9010
Sale	2013-06-24 08:45:06.0	1,000	2.9000
Sale	2013-06-24 08:45:06.0	2,000	2.9000
Sale	2013-06-24 08:45:06.0	526	2.9000
Sale	2013-06-24 08:45:06.0	2,000	2.9000
Sale	2013-06-24 08:45:06.0	397	2.9000
Sale	2013-06-24 08:45:07.0	423	2.9000
Sale	2013-06-24 08:45:07.0	3,654	2.9000
Sale	2013-06-24 08:58:53.0	6,865	2.8830
Sale	2013-06-24 08:58:53.0	428	2.8830
Sale	2013-06-24 08:58:53.0	417	2.8830
Sale	2013-06-24 08:58:53.0	2,000	2.8830
Sale	2013-06-24 08:58:53.0	290	2.8830
Sale	2013-06-25 08:42:56.0	1,500	2.8950
Sale	2013-06-25 08:43:14.0	1,700	2.8950
Sale	2013-06-25 08:43:14.0	330	2.8950
Sale	2013-06-25 08:43:16.0	1,470	2.8950
Sale	2013-06-25 08:46:44.0	1,048	2.8960
Sale	2013-06-25 08:46:44.0	2,000	2.8960
Sale	2013-06-25 08:46:44.0	5,713	2.8960
Sale	2013-06-25 08:46:44.0	1,500	2.8950
Sale	2013-06-25 08:46:44.0	600	2.8950
Sale	2013-06-25 08:46:44.0	1	2.8950
Sale	2013-06-25 08:46:44.0	2,702	2.8950
Sale	2013-06-25 08:46:44.0	6,436	2.8950
Sale	2013-06-25 08:47:22.0	16,163	2.9100
Sale	2013-06-25 08:47:41.0	1,667	2.9100
Sale	2013-06-25 08:48:02.0	1,560	2.9100
Sale	2013-06-25 08:48:02.0	610	2.9100
Sale	2013-06-25 08:49:19.0	2,000	2.9050
Sale	2013-06-25 08:49:19.0	2	2.9050
Sale	2013-06-25 08:49:19.0	652	2.9050
Sale	2013-06-25 08:49:19.0	11,932	2.9050
Sale	2013-06-25 16:11:06.0	4,423	2.9440
Acquisitions	2013-06-26 16:35:00.0	7,967	2.9400

Acquisitions	2013-06-26 16:35:03.0	4,692	2.9400
Sale	2013-06-27 16:18:18.0	3,978	2.9960
Sale	2013-06-28 16:35:02.0	1,082	2.9900
Sale	2013-06-28 16:35:02.0	4,487	2.9900
Acquisitions	2013-07-01 16:17:42.0	400	2.9660
Acquisitions	2013-07-01 16:18:01.0	1,472	2.9660
Acquisitions	2013-07-01 16:18:24.0	5,000	2.9660
Acquisitions	2013-07-01 16:18:50.0	453	2.9660
Acquisitions	2013-07-01 16:18:50.0	2,113	2.9660
Sale	2013-07-03 09:01:04.0	1,817	2.8000
Sale	2013-07-03 09:01:19.0	1,304	2.8000
Sale	2013-07-03 09:02:08.0	1,355	2.8000
Sale	2013-07-03 09:02:37.0	310	2.8000
Sale	2013-07-03 10:06:16.0	1,364	2.7430
Sale	2013-07-03 10:06:16.0	2,000	2.7430
Sale	2013-07-03 10:06:16.0	805	2.7430
Sale	2013-07-03 10:06:16.0	2,260	2.7420
Sale	2013-07-03 10:16:26.0	2,000	2.7640
Sale	2013-07-03 10:16:26.0	2,000	2.7640
Sale	2013-07-03 10:16:26.0	1,395	2.7640
Sale	2013-07-03 10:16:26.0	1,034	2.7640
Acquisitions	2013-07-03 10:30:52.0	703	2.7800
Acquisitions	2013-07-03 10:30:52.0	4,284	2.7800
Acquisitions	2013-07-03 13:35:08.0	998	2.7700
Acquisitions	2013-07-03 13:35:08.0	1,134	2.7700
Acquisitions	2013-07-03 13:35:08.0	1,866	2.7700
Acquisitions	2013-07-04 16:35:00.0	5,795	2.8600
Acquisitions	2013-07-05 09:20:21.0	3,298	2.8390
Acquisitions	2013-07-08 16:35:03.0	4,601	2.8780
Acquisitions	2013-07-09 16:35:06.0	481	2.8580
Acquisitions	2013-07-09 16:35:06.0	3,192	2.8580
Acquisitions	2013-07-10 16:35:04.0	1,602	2.8360
Acquisitions	2013-07-10 16:35:04.0	1,117	2.8360
Acquisitions	2013-07-10 16:35:04.0	3,265	2.8360
Sale	2013-07-10 16:35:04.0	3,673	2.8360
Sale	2013-07-11 15:05:27.0	5,510	2.7920
Sale	2013-07-16 16:35:00.0	3,771	2.7800
Acquisitions	2013-07-16 16:35:00.0	3,771	2.7800
Acquisitions	2013-07-16 16:35:00.0	821	2.7800
Acquisitions	2013-07-17 16:35:00.0	3,673	2.7850
Acquisitions	2013-07-18 16:35:00.0	6,514	2.7740
Sale	2013-07-19 16:35:00.0	4,959	2.7540
Acquisitions	2013-07-22 16:35:00.0	725	2.8310
Acquisitions	2013-07-22 16:35:00.0	743	2.8310
Acquisitions	2013-07-22 16:35:00.0	4,777	2.8310
Acquisitions	2013-07-22 16:35:05.0	291	2.8310
Acquisitions	2013-07-22 16:35:05.0	52	2.8310
Acquisitions	2013-07-22 16:35:05.0	10	2.8310
Acquisitions	2013-07-22 16:35:05.0	4,674	2.8310
Sale	2013-07-23 14:19:23.0	1,142	3.0500
Sale	2013-07-23 14:19:23.0	895	3.0500
Sale	2013-07-23 14:19:23.0	1,142	3.0500

Sale	2013-07-23 14:19:23.0	831	3.0500
Sale	2013-07-23 14:19:23.0	197	3.0500
Sale	2013-07-23 14:19:23.0	1,811	3.0500
Sale	2013-07-23 14:19:23.0	4,179	3.0500
Sale	2013-07-23 14:19:23.0	895	3.0500
Sale	2013-07-23 14:19:23.0	2,000	3.0500
Acquisitions	2013-07-24 15:43:46.0	12,693	2.9060
Acquisitions	2013-07-24 16:35:00.0	4,592	2.8900
Acquisitions	2013-07-25 08:56:53.0	3,333	2.8760
Acquisitions	2013-07-25 08:56:53.0	3,250	2.8760
Sale	2013-07-26 16:35:03.0	1,000	2.9700
Sale	2013-07-26 16:35:03.0	1,428	2.9700
Sale	2013-07-31 16:35:00.0	6,748	2.8710
Sale	2013-07-31 16:35:00.0	599	2.8710
Acquisitions	2013-08-02 16:35:00.0	2,127	2.9240
Acquisitions	2013-08-02 16:35:00.0	3,383	2.9240
Acquisitions	2013-08-02 16:35:02.0	4,229	2.9240
Acquisitions	2013-08-02 16:35:02.0	1,535	2.9240
Acquisitions	2013-08-02 16:35:02.0	500	2.9240
Acquisitions	2013-08-02 16:35:02.0	2,150	2.9240
Acquisitions	2013-08-05 16:35:01.0	4,919	2.9200
Sale	2013-08-06 16:35:00.0	4,592	2.8120
Sale	2013-08-09 12:23:43.0	1,683	3.0340
Sale	2013-08-09 12:23:43.0	912	3.0340
Sale	2013-08-09 12:23:43.0	3,506	3.0340
Sale	2013-08-09 15:21:57.0	3,110	3.0850
Sale	2013-08-09 15:35:31.0	258	3.0850
Acquisitions	2013-08-09 16:35:00.0	10,470	3.1050
Sale	2013-08-13 16:35:03.0	1,519	3.1600
Sale	2013-08-13 16:35:03.0	907	3.1600
Acquisitions	2013-08-13 16:35:03.0	7,346	3.1600
Sale	2013-08-19 16:35:02.0	7,401	2.7760
Sale	2013-08-19 16:35:02.0	576	2.7760
Sale	2013-08-19 16:35:03.0	1,207	2.7760
Sale	2013-08-20 16:35:01.0	3,673	2.7200
Acquisitions	2013-08-21 16:35:02.0	1,988	2.7210
Acquisitions	2013-08-21 16:35:02.0	5,359	2.7210
Acquisitions	2013-08-22 16:35:03.0	4,705	2.8200
Acquisitions	2013-08-22 16:35:03.0	122	2.8200
Acquisitions	2013-08-22 16:35:03.0	3,673	2.8200
Acquisitions	2013-08-28 16:35:02.0	5,954	2.8160
Sale	2013-08-28 16:35:02.0	6,429	2.8160
Acquisitions	2013-08-29 16:35:02.0	4,592	2.8500
Sale	2013-08-30 16:35:00.0	2,705	2.8570
Sale	2013-08-30 16:35:00.0	5,923	2.8570
Sale	2013-08-30 16:35:03.0	2,175	2.8570
Sale	2013-08-30 16:35:03.0	279	2.8570
Sale	2013-08-30 16:35:03.0	4,204	2.8570
Sale	2013-08-30 16:35:03.0	2,526	2.8570
Acquisitions	2013-09-02 16:35:03.0	975	2.9030
Acquisitions	2013-09-02 16:35:03.0	2,865	2.9030
Acquisitions	2013-09-02 16:35:03.0	7,347	2.9030

Acquisitions	2013-09-03 16:35:01.0	6,199	2.9150
Sale	2013-09-05 15:39:08.0	5,173	3.0750
Sale	2013-09-05 16:35:01.0	2,539	3.0710
Sale	2013-09-05 16:35:01.0	3,339	3.0710
Acquisitions	2013-09-10 16:35:03.0	2,571	3.1440
Sale	2013-09-12 16:35:01.0	1,325	3.2520
Sale	2013-09-12 16:35:02.0	4,984	3.2520
Sale	2013-09-12 16:35:02.0	1,707	3.2520
Sale	2013-09-16 16:35:00.0	6,405	3.2350
Sale	2013-09-18 16:26:30.0	2,458	3.2200
Sale	2013-09-18 16:26:30.0	1,300	3.2200
Sale	2013-09-18 16:26:30.0	1,012	3.2200
Sale	2013-09-18 16:26:30.0	874	3.2200
Sale	2013-09-18 16:35:02.0	76	3.2300
Sale	2013-09-18 16:35:02.0	2,312	3.2300
Acquisitions	2013-09-19 16:35:01.0	2,388	3.2490
Sale	2013-09-20 16:35:01.0	412	3.4190
Sale	2013-09-20 16:35:01.0	14,728	3.4190
Sale	2013-09-23 16:35:01.0	4,452	3.4130
Acquisitions	2013-09-25 16:35:03.0	1,494	3.3600
Acquisitions	2013-09-25 16:35:03.0	5,327	3.3600
Acquisitions	2013-09-25 16:35:03.0	775	3.3600
Acquisitions	2013-09-25 16:35:03.0	1,677	3.3600
Acquisitions	2013-09-25 16:35:03.0	677	3.3600
Acquisitions	2013-09-25 16:35:03.0	1,943	3.3600
Sale	2013-09-26 16:35:01.0	105	3.4310
Sale	2013-09-26 16:35:01.0	6,004	3.4310
Acquisitions	2013-09-27 16:35:01.0	6,000	3.3730
Acquisitions	2013-09-27 16:35:02.0	572	3.3730
Sale	2013-09-30 09:55:59.0	766	3.3370
Sale	2013-09-30 09:56:32.0	2,907	3.3370
Sale	2013-09-30 15:32:47.0	3,285	3.3240
Sale	2013-09-30 15:32:47.0	388	3.3240
Sale	2013-09-30 16:35:02.0	1,074	3.3310
Sale	2013-09-30 16:35:02.0	3,755	3.3310
Sale	2013-09-30 16:35:02.0	1,600	3.3310
Sale	2013-10-02 08:06:11.0	10,000	3.6800
Sale	2013-10-02 08:06:11.0	11,158	3.6800
Sale	2013-10-02 08:10:27.0	6,577	3.7100
Sale	2013-10-02 08:16:45.0	641	3.7100
Sale	2013-10-02 08:16:45.0	2,387	3.7100
Sale	2013-10-02 08:56:01.0	9,916	3.8900
Sale	2013-10-02 09:05:46.0	738	3.9500
Sale	2013-10-02 09:05:46.0	1,963	3.9500
Sale	2013-10-02 09:13:23.0	2,879	4.0400
Acquisitions	2013-10-02 14:35:32.0	4,403	3.7200
Acquisitions	2013-10-02 14:35:32.0	400	3.7200
Acquisitions	2013-10-02 14:35:50.0	11,303	3.7200
Acquisitions	2013-10-03 14:50:50.0	661	3.5070
Acquisitions	2013-10-03 15:39:27.0	15,210	3.5070
Acquisitions	2013-10-04 16:35:01.0	8,039	3.4600
Acquisitions	2013-10-04 16:35:01.0	1,972	3.4600

Acquisitions	2013-10-10 16:04:55.0	3,359	3.3960
Acquisitions	2013-10-10 16:35:03.0	11,020	3.3770
Sale	2013-10-11 16:35:00.0	5,455	3.5100
Acquisitions	2013-10-11 16:35:02.0	8,266	3.5100
Sale	2013-10-14 09:49:21.0	2,923	3.5940
Sale	2013-10-14 09:49:23.0	1,115	3.5940
Sale	2013-10-14 09:49:23.0	1,141	3.5940
Sale	2013-10-14 09:49:23.0	5,179	3.5940
Acquisitions	2013-10-15 16:35:00.0	4,505	3.6100
Acquisitions	2013-10-22 16:35:04.0	5,726	3.6200
Sale	2013-10-22 16:35:04.0	5,726	3.6200
Sale	2013-10-22 16:35:04.0	42	3.6200
Sale	2013-10-22 16:35:04.0	110	3.6200
Acquisitions	2013-10-24 16:35:00.0	9,915	3.4750
Acquisitions	2013-10-25 16:35:01.0	14,204	3.3450
Acquisitions	2013-10-28 16:35:01.0	1,301	3.3600
Acquisitions	2013-10-28 16:35:01.0	2,329	3.3600
Sale	2013-10-29 16:35:02.0	9,375	3.4250
Acquisitions	2013-10-29 16:35:02.0	6,796	3.4250
Acquisitions	2013-10-30 16:35:00.0	4,581	3.4100
Acquisitions	2013-10-30 16:35:00.0	772	3.4100
Acquisitions	2013-10-31 16:35:03.0	6,416	3.3250
Acquisitions	2013-10-31 16:35:03.0	1,428	3.3250
Acquisitions	2013-10-31 16:35:03.0	500	3.3250
Acquisitions	2013-10-31 16:35:03.0	3,861	3.3250
Acquisitions	2013-10-31 16:35:04.0	5,481	3.3250
Sale	2013-11-01 16:35:03.0	5,957	3.3520
Sale	2013-11-01 16:35:03.0	3,673	3.3520
Acquisitions	2013-11-04 16:35:01.0	3,115	3.3440
Acquisitions	2013-11-06 16:35:04.0	385	3.3600
Acquisitions	2013-11-06 16:35:04.0	483	3.3600
Acquisitions	2013-11-06 16:35:04.0	3,087	3.3600
Acquisitions	2013-11-06 16:35:04.0	58	3.3600
Acquisitions	2013-11-06 16:35:04.0	946	3.3600
Acquisitions	2013-11-13 16:35:00.0	9,318	3.2380
Acquisitions	2013-11-18 16:35:02.0	5,934	3.1810
Acquisitions	2013-11-18 16:35:02.0	60	3.1810
Acquisitions	2013-11-19 16:35:01.0	6,914	3.1380
Acquisitions	2013-11-19 16:35:01.0	13,200	3.1380
Acquisitions	2013-11-19 16:35:01.0	2,844	3.1380
Acquisitions	2013-11-20 16:35:01.0	43	3.1000
Acquisitions	2013-11-20 16:35:01.0	8,741	3.1000
Sale	2013-11-22 16:35:00.0	235	3.1500
Sale	2013-11-22 16:35:00.0	7,763	3.1500
Sale	2013-11-22 16:35:00.0	4,610	3.1500
Sale	2013-11-25 16:35:02.0	544	3.2160
Sale	2013-11-25 16:35:02.0	59	3.2160
Sale	2013-11-25 16:35:02.0	15,862	3.2160
Sale	2013-11-26 16:35:02.0	1,674	3.2010
Sale	2013-11-26 16:35:02.0	9,619	3.2010
Sale	2013-11-27 11:43:00.0	2,600	3.3060
Sale	2013-11-27 11:43:00.0	807	3.3060

Sale	2013-11-27 11:43:00.0	2,431	3.3080
Sale	2013-11-27 11:43:00.0	1,593	3.3060
Sale	2013-11-27 11:43:47.0	2,569	3.3080
Sale	2013-11-27 11:43:47.0	1,496	3.3090
Sale	2013-11-27 11:43:47.0	3,748	3.3090
Sale	2013-11-27 11:44:15.0	3,111	3.3090
Sale	2013-11-27 16:19:23.0	14,064	3.3480
Acquisitions	2013-11-28 16:23:36.0	2,000	3.3140
Acquisitions	2013-11-28 16:23:36.0	3,000	3.3140
Acquisitions	2013-11-28 16:36:23.0	5,000	3.3200
Acquisitions	2013-11-28 16:36:47.0	6,008	3.3200
Acquisitions	2013-11-29 16:35:43.0	8,944	3.3070
Acquisitions	2013-11-29 16:35:43.0	1,620	3.3070
Acquisitions	2013-11-29 16:35:43.0	4,873	3.3070

CGD Negociação	Date	No of securities	Price
Acquisitions	2013-01-08 12:18:00.0	45,107	3.9096
Sale	2013-01-08 12:18:31.0	45,107	3.9650
Acquisitions	2013-01-08 15:19:27.0	100,000	3.9900
Acquisitions	2013-01-08 16:37:19.0	415	3.9450
Acquisitions	2013-01-09 09:50:39.0	100,000	4.0450
Acquisitions	2013-01-09 11:01:54.0	45,107	3.9096
Sale	2013-01-09 11:26:04.0	100,415	4.0750
Acquisitions	2013-01-09 11:26:07.0	411	3.9450
Sale	2013-01-09 12:18:00.0	45,107	3.9096
Sale	2013-01-09 16:23:34.0	99,996	4.0700
Sale	2013-01-09 16:37:19.0	415	3.9450
Acquisitions	2013-01-14 13:16:21.0	100,000	4.2750
Acquisitions	2013-01-15 11:57:16.0	100,000	4.1350
Sale	2013-01-16 14:58:48.0	100,000	4.1866
Sale	2013-01-17 08:33:37.0	100,000	4.2780
Sale	2013-01-21 10:20:33.0	100,000	4.3850
Acquisitions	2013-01-22 10:46:49.0	81,090	4.3800
Sale	2013-01-22 10:46:50.0	81,090	4.4250
Acquisitions	2013-01-22 14:08:04.0	100,000	4.3350
Acquisitions	2013-01-23 09:04:07.0	100,000	4.2350
Sale	2013-01-24 09:26:56.0	150,000	4.1514
Acquisitions	2013-01-24 16:10:42.0	50,000	4.1929
Acquisitions	2013-01-25 15:05:08.0	50,000	4.1676
Sale	2013-01-30 12:23:34.0	150,000	4.3144
Acquisitions	2013-02-06 10:27:54.0	100,000	4.1363
Sale	2013-02-07 10:08:57.0	100,000	4.1800
Acquisitions	2013-02-07 15:47:09.0	100,000	4.1489
Acquisitions	2013-02-18 16:14:59.0	150,000	3.9970
Acquisitions	2013-02-20 10:25:56.0	100,000	3.9850
Sale	2013-02-25 11:47:47.0	100,000	4.0350
Acquisitions	2013-02-25 14:47:24.0	100,000	4.0251
Sale	2013-02-25 16:42:06.0	133,680	4.0410
Acquisitions	2013-02-25 16:43:49.0	54,062	3.9796
Acquisitions	2013-02-26 13:51:39.0	79,618	3.9520

Acquisitions	2013-03-04 11:26:17.0	100,000	3.8900
Sale	2013-03-04 13:36:23.0	150,000	3.7873
Acquisitions	2013-03-04 14:07:10.0	100,000	3.8283
Sale	2013-03-05 12:46:48.0	100,000	3.9300
Sale	2013-03-06 14:59:45.0	100,000	3.8900
Sale	2013-03-07 16:37:59.0	19,026	3.9750
Acquisitions	2013-03-08 08:38:38.0	100,000	3.9360
Sale	2013-03-08 08:38:54.0	100,000	3.9975
Sale	2013-03-08 14:37:19.0	80,974	4.0000
Acquisitions	2013-03-11 15:48:46.0	100,000	3.9970
Sale	2013-03-12 08:48:30.0	100,000	4.0408
Acquisitions	2013-03-12 09:27:29.0	50,000	4.0447
Sale	2013-03-12 16:41:30.0	8,014	4.0360
Sale	2013-03-13 08:30:10.0	50,000	4.0447
Sale	2013-03-13 08:32:43.0	41,986	4.0240
Sale	2013-03-13 09:27:29.0	50,000	4.0447
Acquisitions	2013-03-14 09:21:21.0	100,000	4.0510
Sale	2013-03-14 13:29:05.0	100,000	4.1100
Acquisitions	2013-03-15 09:56:20.0	100,000	4.1300
Sale	2013-03-15 15:45:08.0	100,000	4.1700
Acquisitions	2013-03-18 10:26:36.0	100,000	4.0794
Acquisitions	2013-03-19 08:57:48.0	100,000	4.0799
Sale	2013-03-19 10:26:36.0	100,000	4.0794
Acquisitions	2013-03-22 10:20:03.0	100,000	4.0720
Sale	2013-03-22 14:42:11.0	200,000	4.1200
Acquisitions	2013-03-22 15:54:25.0	100,000	4.0944
Acquisitions	2013-03-25 08:39:30.0	100,000	4.0948
Sale	2013-03-25 15:54:25.0	100,000	4.0944
Acquisitions	2013-03-26 11:38:28.0	100,000	3.9800
Acquisitions	2013-04-02 16:46:38.0	10,017	3.8150
Sale	2013-04-03 11:12:17.0	150,000	3.7369
Acquisitions	2013-04-03 12:48:12.0	50,000	3.7300
Acquisitions	2013-04-03 16:18:15.0	50,000	3.6900
Sale	2013-04-04 09:39:48.0	60,017	3.9031
Sale	2013-04-04 09:44:19.0	50,000	3.9090
Sale	2013-04-04 09:59:28.0	50,000	3.9100
Acquisitions	2013-04-05 16:38:30.0	26,593	3.8400
Acquisitions	2013-04-09 09:38:51.0	26,593	3.8700
Sale	2013-04-10 09:38:51.0	26,593	3.8700
Sale	2013-04-10 09:52:29.0	26,593	3.8700
Acquisitions	2013-04-10 10:21:22.0	34,300	4.0027
Sale	2013-04-10 10:22:12.0	34,300	4.0150
Acquisitions	2013-04-11 11:18:36.0	100,000	4.0500
Sale	2013-04-12 16:15:37.0	100,000	4.0155
Acquisitions	2013-04-15 09:12:10.0	100,000	4.0900
Acquisitions	2013-04-16 15:14:17.0	50,000	3.9680
Acquisitions	2013-04-16 15:16:06.0	50,000	3.9096
Sale	2013-04-17 13:52:21.0	150,000	3.8224
Sale	2013-04-17 13:55:49.0	50,000	3.8050
Sale	2013-04-18 09:48:06.0	50,000	3.8050
Acquisitions	2013-04-18 13:55:49.0	50,000	3.8050
Acquisitions	2013-04-22 14:53:59.0	50,000	3.8447

Sale	2013-04-24 09:31:21.0	50,000	3.9130
Acquisitions	2013-04-30 10:49:32.0	100,000	3.9850
Acquisitions	2013-05-03 11:23:40.0	50,000	3.8700
Sale	2013-05-06 09:25:05.0	50,000	3.8880
Sale	2013-05-07 16:01:01.0	100,000	4.0144
Acquisitions	2013-05-09 09:29:57.0	100,000	3.9800
Acquisitions	2013-05-14 13:08:12.0	50,000	3.5500
Acquisitions	2013-05-21 09:27:01.0	50,000	3.5600
Acquisitions	2013-05-22 10:04:05.0	50,000	3.5687
Sale	2013-05-23 13:56:07.0	100,000	3.5850
Sale	2013-05-24 12:05:22.0	50,000	3.6420
Sale	2013-05-27 10:51:48.0	50,000	3.6350
Sale	2013-05-28 16:20:11.0	50,000	3.6550
Acquisitions	2013-05-29 09:10:57.0	50,000	3.5699
Acquisitions	2013-05-29 11:00:17.0	50,000	3.6550
Acquisitions	2013-05-29 16:20:11.0	50,000	3.6550
Acquisitions	2013-05-30 14:51:43.0	50,000	3.4280
Acquisitions	2013-05-30 15:43:32.0	50,000	3.3698
Sale	2013-05-31 11:30:19.0	50,000	3.3509
Acquisitions	2013-05-31 14:26:12.0	50,000	3.2900
Sale	2013-06-03 09:55:27.0	100,000	3.1953
Sale	2013-06-03 09:55:28.0	100,000	3.2050
Acquisitions	2013-06-03 10:42:54.0	50,000	3.2300
Acquisitions	2013-06-04 14:05:16.0	50,000	3.1299
Sale	2013-06-04 14:44:56.0	50,000	3.2650
Sale	2013-06-04 15:09:21.0	50,000	3.2980
Acquisitions	2013-06-07 15:04:44.0	100,000	3.2639
Acquisitions	2013-06-11 15:15:06.0	50,000	3.1550
Sale	2013-06-12 13:15:43.0	50,000	3.2080
Acquisitions	2013-06-17 11:28:02.0	100,000	3.1700
Sale	2013-06-17 16:36:47.0	10,000	3.1800
Sale	2013-06-19 16:21:14.0	50,000	3.0560
Sale	2013-06-20 09:18:01.0	70,000	3.0200
Sale	2013-06-20 14:47:44.0	70,000	3.0400
Sale	2013-06-20 16:04:33.0	70,000	3.0400
Acquisitions	2013-06-21 10:15:24.0	100,000	3.0792
Acquisitions	2013-06-21 13:30:01.0	50,000	3.0500
Acquisitions	2013-06-21 14:55:15.0	50,000	2.9900
Acquisitions	2013-06-21 16:04:33.0	70,000	3.0400
Sale	2013-06-25 14:24:31.0	100,000	2.9300
Acquisitions	2013-06-26 09:26:38.0	100,000	2.9844
Sale	2013-06-27 17:17:47.0	7,482	3.0300
Sale	2013-06-28 16:43:35.0	84,935	3.0120
Sale	2013-07-01 09:21:11.0	15,065	3.0100
Acquisitions	2013-07-15 16:36:47.0	50,000	2.7448
Sale	2013-07-17 13:59:09.0	50,000	2.8200
Sale	2013-07-23 14:59:40.0	92,518	3.0550
Acquisitions	2013-07-24 14:09:34.0	100,000	2.9350
Acquisitions	2013-07-24 15:26:24.0	100,000	2.9050
Acquisitions	2013-07-24 16:19:16.0	250,000	2.9400
Sale	2013-07-29 11:56:47.0	100,000	2.9680
Acquisitions	2013-08-01 14:50:56.0	50,000	2.8841

Acquisitions	2013-08-06 16:01:34.0	50,000	2.8229
Sale	2013-08-08 13:16:29.0	50,000	2.9300
Sale	2013-08-08 13:34:30.0	50,000	2.9400
Sale	2013-08-08 14:52:56.0	100,000	2.9520
Sale	2013-08-09 12:08:45.0	250,000	3.0250
Sale	2013-08-09 13:30:07.0	50,000	3.0342
Acquisitions	2013-08-14 16:41:09.0	250,000	3.0000
Acquisitions	2013-09-03 10:24:15.0	100,000	2.9050
Sale	2013-09-05 09:18:47.0	100,000	2.9900
Acquisitions	2013-09-20 10:58:13.0	50,000	3.3450
Sale	2013-09-23 14:41:53.0	50,000	3.4691
Acquisitions	2013-09-24 10:06:49.0	50,000	3.3767
Sale	2013-09-25 10:47:45.0	50,000	3.4400
Acquisitions	2013-09-27 10:13:37.0	19,066	3.4100
Sale	2013-09-27 10:13:37.0	19,066	3.4503
Acquisitions	2013-09-27 11:24:30.0	50,000	3.4100
Acquisitions	2013-10-01 10:44:26.0	50,000	3.3689
Sale	2013-10-02 08:59:56.0	100,000	3.6500
Sale	2013-10-02 14:03:33.0	250,000	3.8900
Sale	2013-10-02 14:03:57.0	200,000	3.8900
Acquisitions	2013-10-02 15:45:21.0	50,000	3.5500
Acquisitions	2013-10-02 16:33:03.0	200,000	3.7300
Sale	2013-10-02 16:41:33.0	63,483	3.6210
Sale	2013-10-03 10:50:11.0	50,000	3.6600
Acquisitions	2013-10-03 14:35:09.0	50,000	3.5500
Acquisitions	2013-10-07 15:05:12.0	50,000	3.4200
Acquisitions	2013-10-09 16:36:25.0	10,201	3.3900
Acquisitions	2013-10-10 08:56:26.0	39,799	3.4498
Sale	2013-10-11 16:26:11.0	50,000	3.4900
Sale	2013-10-14 09:14:40.0	100,000	3.6039
Acquisitions	2013-10-17 11:12:16.0	50,000	3.6400
Acquisitions	2013-10-18 14:35:30.0	50,000	3.6317
Sale	2013-10-21 09:20:46.0	50,000	3.6800
Sale	2013-10-21 11:30:59.0	50,000	3.6950
Acquisitions	2013-10-22 10:35:21.0	50,000	3.6800
Acquisitions	2013-10-23 11:25:58.0	50,000	3.5900
Acquisitions	2013-10-25 14:29:48.0	50,000	3.4290
Acquisitions	2013-10-25 15:55:34.0	50,000	3.3844
Acquisitions	2013-10-28 16:26:48.0	50,000	3.3400
Sale	2013-10-29 09:43:53.0	50,000	3.3950
Acquisitions	2013-10-31 14:14:21.0	50,000	3.3500
Sale	2013-11-05 11:57:37.0	50,000	3.3947
Acquisitions	2013-11-07 13:21:52.0	50,000	3.3550
Acquisitions	2013-11-12 13:35:27.0	50,000	3.2870
Sale	2013-11-13 09:42:48.0	24,731	3.3380
Acquisitions	2013-11-14 11:18:37.0	50,000	3.2650
Acquisitions	2013-11-19 15:09:41.0	50,000	3.1400
Sale	2013-11-21 13:11:59.0	75,269	3.1000
Sale	2013-11-25 10:58:39.0	50,000	3.1800
Sale	2013-11-26 14:30:41.0	50,000	3.2500
Sale	2013-11-27 16:18:54.0	100,000	3.3500

Fidelidade	Date	No of securities	Price
Sale	2013-01-22 00:00:00.0	2,209	4.3300
Acquisitions	2013-02-07 00:00:00.0	560	4.1600
Acquisitions	2013-02-27 00:00:00.0	1,350	3.9100
Sale	2013-03-19 00:00:00.0	622	4.0500
Sale	2013-03-25 00:00:00.0	1,336	4.0900
Acquisitions	2013-04-05 00:00:00.0	171	3.8400
Sale	2013-05-27 00:00:00.0	347	3.6500
Acquisitions	2013-06-24 14:00:05.0	56	3.0670
Sale	2013-08-06 00:00:00.0	1	2.9020

Fundo de Pensões da CGD	Date	No of securities	Price
Acquisitions	2013-01-03 18:00:00.0	877	3.8130
Sale	2013-01-22 18:00:00.0	175,826	4.3322
Acquisitions	2013-02-27 18:00:00.0	156,000	3.9100
Sale	2013-03-22 18:00:00.0	115,198	4.0900
Sale	2013-05-03 18:00:00.0	303,000	3.8600
Acquisitions	2013-06-07 18:00:00.0	534,533	3.3645
Sale	2013-06-20 18:00:00.0	293,000	3.0241
Acquisitions	2013-06-25 18:00:00.0	34,598	3.0205
Acquisitions	2013-06-25 18:00:00.0	258,402	3.0289
Sale	2013-06-25 18:00:00.0	34,598	3.0205
Sale	2013-06-25 18:00:00.0	258,402	3.0289
Acquisitions	2013-07-15 18:00:00.0	119,000	2.6704
Acquisitions	2013-07-16 18:00:00.0	113,190	2.7722
Acquisitions	2013-07-23 18:00:00.0	119,000	2.9453
Sale	2013-08-14 18:00:00.0	252,059	2.8999
Sale	2013-08-16 18:00:00.0	151,839	2.8688
Acquisitions	2013-09-26 18:00:00.0	127,871	3.4209
Sale	2013-10-02 18:00:00.0	257,000	3.8800
Sale	2013-10-03 18:00:00.0	70,000	3.5000
Sale	2013-11-25 18:00:00.0	197	3.2000

Parcaixa	Date	No of securities	Price
Sale	2013-01-09 10:18:48.0	30,000	4.0700
Sale	2013-01-09 13:27:09.0	6,722	4.0800
Sale	2013-01-09 13:27:09.0	3,278	4.0800
Sale	2013-01-09 13:27:09.0	6,922	4.0800
Sale	2013-01-09 13:27:09.0	3,721	4.0800
Sale	2013-01-09 13:27:09.0	3,600	4.0800
Sale	2013-01-09 13:27:09.0	1	4.0800
Sale	2013-01-09 13:27:09.0	2,202	4.0800
Sale	2013-01-09 13:27:09.0	359	4.0800
Sale	2013-01-09 13:27:09.0	117	4.0800
Sale	2013-01-09 13:27:09.0	359	4.0800
Sale	2013-01-09 13:27:09.0	448	4.0800

Sale	2013-01-09 13:27:09.0	625	4.0800
Sale	2013-01-09 13:27:09.0	1,646	4.0800
Sale	2013-01-09 14:45:50.0	4,482	4.1500
Sale	2013-01-09 14:45:50.0	1,000	4.1500
Sale	2013-01-09 14:45:51.0	1,827	4.1500
Sale	2013-01-09 14:45:51.0	9,518	4.1500
Sale	2013-01-09 14:45:51.0	6,175	4.1500
Sale	2013-01-09 14:45:51.0	761	4.1500
Sale	2013-01-09 14:45:51.0	3,100	4.1500
Sale	2013-01-09 14:46:04.0	3,137	4.1500
Sale	2013-01-09 16:01:33.0	10,000	4.1600
Sale	2013-01-09 16:01:33.0	6,929	4.1600
Sale	2013-01-09 16:01:33.0	3,071	4.1600
Sale	2013-01-09 16:02:26.0	25	4.1600
Sale	2013-01-09 16:03:06.0	242	4.1600
Sale	2013-01-09 16:03:10.0	251	4.1600
Sale	2013-01-09 16:04:10.0	232	4.1600
Sale	2013-01-10 09:47:13.0	3,231	4.2150
Sale	2013-01-10 09:47:36.0	1,300	4.2150
Sale	2013-01-10 09:47:58.0	4,230	4.2150
Sale	2013-01-10 09:47:58.0	391	4.2150
Sale	2013-01-10 09:47:58.0	848	4.2150
Sale	2013-01-10 09:48:03.0	1,741	4.2150
Sale	2013-01-10 09:48:08.0	577	4.2150
Sale	2013-01-10 09:48:18.0	7,682	4.2150
Sale	2013-01-10 09:48:18.0	450	4.2150
Sale	2013-01-10 09:48:18.0	3,269	4.2150
Sale	2013-01-10 09:49:38.0	869	4.2150
Sale	2013-01-10 09:49:38.0	5,412	4.2150
Sale	2013-01-17 13:57:54.0	10,000	4.3600
Sale	2013-01-17 13:57:54.0	64	4.3600
Sale	2013-01-17 13:57:54.0	4,400	4.3600
Sale	2013-01-17 13:57:54.0	386	4.3600
Sale	2013-01-17 13:57:54.0	5,150	4.3600
Sale	2013-01-17 13:57:54.0	771	4.3600
Sale	2013-01-17 13:57:54.0	536	4.3600
Sale	2013-01-17 13:57:54.0	360	4.3600
Sale	2013-01-17 13:57:54.0	380	4.3600
Sale	2013-01-17 13:57:55.0	3,048	4.3600
Sale	2013-01-17 13:58:03.0	2,520	4.3600
Sale	2013-01-17 13:58:04.0	71	4.3600
Sale	2013-01-17 13:58:04.0	2,314	4.3600
Acquisitions	2013-01-22 13:54:04.0	10,000	4.3350
Acquisitions	2013-01-22 13:54:24.0	2,077	4.3350
Acquisitions	2013-01-22 13:54:34.0	791	4.3350
Acquisitions	2013-01-22 14:02:58.0	7,132	4.3350
Acquisitions	2013-01-22 14:02:58.0	10,000	4.3350
Acquisitions	2013-01-22 16:03:00.0	10,000	4.2900
Acquisitions	2013-01-22 16:03:00.0	946	4.2900
Acquisitions	2013-01-22 16:03:00.0	9,054	4.2900
Acquisitions	2013-01-22 16:03:00.0	9,612	4.2900
Acquisitions	2013-01-22 16:03:00.0	388	4.2900

Acquisitions	2013-01-22 16:08:37.0	10,000	4.2600
Acquisitions	2013-01-22 16:08:37.0	2,462	4.2600
Acquisitions	2013-01-22 16:08:37.0	400	4.2600
Acquisitions	2013-01-22 16:08:37.0	974	4.2600
Acquisitions	2013-01-22 16:08:37.0	6,164	4.2600
Acquisitions	2013-01-22 16:08:37.0	974	4.2600
Acquisitions	2013-01-22 16:08:37.0	4,315	4.2600
Acquisitions	2013-01-22 16:08:44.0	390	4.2600
Acquisitions	2013-01-22 16:08:44.0	4,321	4.2600
Acquisitions	2013-01-23 13:20:24.0	8,000	4.2000
Acquisitions	2013-01-23 13:20:24.0	22,000	4.2000
Sale	2013-01-23 15:12:33.0	1,405	4.2300
Sale	2013-01-23 15:12:36.0	6,595	4.2300
Sale	2013-01-23 15:12:36.0	787	4.2300
Sale	2013-01-23 15:12:36.0	830	4.2300
Sale	2013-01-23 15:12:50.0	272	4.2300
Sale	2013-01-23 15:12:53.0	6,898	4.2300
Sale	2013-01-23 15:12:53.0	2,174	4.2300
Sale	2013-01-23 15:13:25.0	237	4.2300
Sale	2013-01-23 15:15:03.0	278	4.2300
Sale	2013-01-23 15:15:03.0	3,844	4.2300
Sale	2013-01-23 15:15:03.0	684	4.2300
Sale	2013-01-23 15:15:17.0	783	4.2300
Sale	2013-01-23 15:15:17.0	1,290	4.2300
Sale	2013-01-23 15:15:42.0	3,923	4.2300
Sale	2013-01-30 09:39:22.0	1,601	4.2950
Sale	2013-01-30 09:39:22.0	1,682	4.2950
Sale	2013-01-30 09:39:22.0	6,717	4.2950
Sale	2013-01-30 09:39:24.0	2,429	4.2950
Sale	2013-01-30 09:39:30.0	7,571	4.2950
Sale	2013-01-30 09:39:30.0	2,429	4.2950
Sale	2013-01-30 09:39:30.0	1,721	4.2950
Sale	2013-01-30 09:39:36.0	4,593	4.2950
Sale	2013-01-30 09:39:38.0	1,257	4.2950
Sale	2013-02-01 10:30:24.0	400	4.3350
Sale	2013-02-01 10:30:24.0	9,600	4.3350
Sale	2013-02-01 10:30:24.0	500	4.3350
Sale	2013-02-01 10:30:24.0	3,600	4.3350
Sale	2013-02-01 10:30:24.0	4,351	4.3350
Sale	2013-02-01 10:30:24.0	2,049	4.3350
Sale	2013-02-01 10:30:24.0	8,301	4.3350
Sale	2013-02-01 10:30:24.0	750	4.3350
Sale	2013-02-01 10:30:24.0	449	4.3350
Acquisitions	2013-02-01 16:01:50.0	10,000	4.2800
Acquisitions	2013-02-01 16:01:50.0	1,133	4.2800
Acquisitions	2013-02-01 16:01:50.0	1,636	4.2800
Acquisitions	2013-02-01 16:01:51.0	279	4.2800
Acquisitions	2013-02-01 16:01:53.0	5,521	4.2800
Acquisitions	2013-02-01 16:01:53.0	1,199	4.2800
Acquisitions	2013-02-01 16:01:53.0	2,564	4.2800
Acquisitions	2013-02-01 16:01:53.0	2,564	4.2800
Acquisitions	2013-02-01 16:01:54.0	1,236	4.2800

Acquisitions	2013-02-01 16:01:54.0	431	4.2800
Acquisitions	2013-02-01 16:01:55.0	1,830	4.2800
Acquisitions	2013-02-01 16:01:55.0	1,607	4.2800
Sale	2013-02-27 15:00:25.0	10,000	3.9000
Sale	2013-02-27 15:00:25.0	19,300	3.9000
Sale	2013-02-27 15:00:25.0	197	3.9000
Sale	2013-02-27 15:00:25.0	503	3.9000
Sale	2013-02-27 16:02:04.0	1,545	3.9150
Sale	2013-02-27 16:02:23.0	851	3.9150
Sale	2013-02-27 16:02:23.0	7,604	3.9150
Sale	2013-02-27 16:02:30.0	10,000	3.9150
Sale	2013-02-27 16:02:30.0	10,000	3.9150
Sale	2013-03-05 09:01:06.0	2,275	3.9300
Sale	2013-03-05 09:01:06.0	1,142	3.9300
Sale	2013-03-05 09:01:06.0	6,583	3.9300
Sale	2013-03-05 09:01:06.0	179	3.9300
Sale	2013-03-05 09:01:06.0	1,142	3.9300
Sale	2013-03-05 09:01:11.0	3,087	3.9300
Sale	2013-03-05 09:01:11.0	6,734	3.9300
Sale	2013-03-05 09:01:11.0	1,273	3.9300
Sale	2013-03-05 09:01:11.0	935	3.9300
Sale	2013-03-05 09:01:11.0	1,485	3.9300
Sale	2013-03-05 09:01:11.0	4,219	3.9300
Sale	2013-03-05 09:01:11.0	946	3.9300
Sale	2013-03-05 14:17:30.0	1,966	3.9450
Sale	2013-03-05 14:17:40.0	3,000	3.9450
Sale	2013-03-05 14:37:50.0	23,174	3.9450
Sale	2013-03-05 14:37:50.0	1,860	3.9450
Sale	2013-03-05 16:22:46.0	1,598	3.9530
Sale	2013-03-05 16:22:46.0	8,637	3.9530

Mr. José Pedro Cabral dos Santos and Mr. João Nuno de Oliveira Jorge Palma were members of PT's Board of Directors until 30 November 2013, and since the same were also members of Caixa Geral de Depósitos' Board of Directors, until 30 November 2013 Caixa Geral de Depósitos was deemed to be a closely related entity to managers of PT pursuant to paragraph 4 of article 248-B of the Portuguese Securities Code, thus having the obligation to notify of the transactions above.

Report and opinion of the audit committee



Translation of the original version issued in the Portuguese Language

REPORT AND OPINION OF THE AUDIT COMMITTEE ON THE STANDALONE ANNUAL REPORT AND ACCOUNTS FOR THE FISCAL YEAR OF 2013

1 – Introduction

Under the terms and for the purposes of paragraph g) to Article 423-F of the Portuguese Companies Act and of Article 28 of the Company's articles of incorporation, the Audit Committee of Portugal Telecom, SGPS, S.A. ("The Company" or "PT SGPS") hereby presents its report and opinion on the Company's Standalone Annual Report and Accounts for the year ended 31 December 2013 and the proposal for application of profits presented by the Board of Directors.

The financial statements included in the Standalone Annual Report and Accounts refer to the Company's activity at an individual level and were prepared in accordance with accounting principles generally accepted in Portugal, as established by the Portuguese System of Accounting Harmonization. The Company has prepared, in accordance with applicable legislation, consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, published separately. In this respect, we note the adoption of IFRS 11 Joint Arrangements in 2013, whereby investments in joint ventures (namely in Oi, in Contax and in their controlling shareholders) are now recorded retrospectively by the equity method, instead of proportionally consolidated, as previously permitted by IAS 31.

2 – Supervisory activities

Within its responsibilities as the Company's supervisory body, in 2013, the Audit Committee has overseen the management and the evolution of the Company's businesses and its compliance with the applicable legal, regulatory and accounting rules and pursued various supervisory activities of the quality and integrity of the Company's financial information preparation and disclosure processes.

Given its importance, the Audit Committee has been overseeing the development of the process of combination of the businesses of PT and Oi, as discussed in the Memorandum of Understanding announced to the market on 2 October 2013, involving the proposed merger of PT, Oi and the Oi Holding Companies into a single Brazilian incorporated listed entity.

COMISSÃO DE AUDITORIA

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In the course of 2013, the Audit Committee issued 2 Preapproval Opinions on Proposals of Related Party Transactions, as defined in Internal Ruling n.º 111CA, dated February 23, 2011.

During the fiscal year 2013, the Audit Committee held periodic meetings with the officers responsible for the preparation of the Company's Standalone Annual Report and Accounts and of the accounts of relevant subsidiaries, as well as with the Company's Independent Auditors and the Statutory Auditor, with which discussed the adequacy of the accounting principles and valuation criteria adopted in the closing of the accounts and of the criteria adopted in the preparation of the management report. In addition, the Audit Committee has reviewed the Statutory Auditor's Opinion and the Independent Auditors' Report, both referring to the aforementioned standalone financial statements approved by the Board of Directors, which were issued without any qualifications.

The Audit Committee has also supervised the qualifications, independence and work of the Company's Independent Auditors and Statutory Auditor, as well as of the quality, integrity and effectiveness of the Company's internal control and risk management systems and of the Internal Audit Function of the PT Group, which is certified by IIA.

As far as the internal control system is concerned, we highlight that it was certified by the Company's Independent Auditors in 2013, by reference to the year of 2012, on the basis of the methodology defined by *COSO (Committee of Sponsoring Organizations)*, in accordance with the requirements of *Section 404* of the *Sarbanes-Oxley Act* and, and that a similar review is still in course with reference to 31 December 2013.

As provided for in paragraph 5 of Article 420.º of the Portuguese Companies Code, the Audit Committee also verified that the Company's report on its corporate governance structure and practices includes the elements listed in Article 245.º-A of the Portuguese Securities Code that are applicable to the PT Group.

The aforementioned supervisory activities will be further detailed in the Audit Committee's activities report relating to the year of 2013, to be disclosed in the Company's website after the issue of its Opinion on the approval of the inclusion of the Company's consolidated annual accounts in the 2013



Translation of the original version issued in the Portuguese Language

Form 20-F, to be filed with the U.S. SEC, with which the Audit Committee will complete its duties for fiscal 2013.

3 - Opinion on the Standalone Annual Report and Accounts for the fiscal year of 2013 and the related proposal for application of profits

Taking into consideration the above-mentioned, it is the opinion of the Audit Committee that:

1 - The Standalone Annual Report and Accounts for the year ended 31 December 2013, which include the balance sheet, the income statement, the statements of changes in equity and of cash flows and the related notes to the standalone financial statements, for the year then ended, comply with the applicable accounting principles and legal and statutory provisions and give a true and fair view of the assets, liabilities, financial position and results of Portugal Telecom, SGPS, SA, and should be approved by the General Shareholders Meeting of PT SGPS;

2 - The proposal for application of profits presented by the Board of Directors, and included in the Standalone Annual Report for the year ended 31 December 2013 - in accordance with the shareholder remuneration policy approved in 14 August 2013 - may be approved by the General Shareholders Meeting of PT SGPS, providing the voting requirement established in the final part of subparagraph n.º 1 b) of paragraph Thirty Second of the Company's articles of incorporation is met.

Lisbon, 25 March 2014

THE CHAIRMAN OF THE AUDIT COMMITTEE


(João Manuel de Mello Franco)


(José Guilherme Xavier de Basto)

THE MEMBERS


(Mário João de Matos Gomes)

Statutory auditor's report



P. MATOS SILVA,
GARCIA JR., P. CAIADO
& ASSOCIADOS

SOCIEDADE DE REVISORES OFICIAIS DE CONTAS

STATUTORY AUDITORS' REPORT
SEPARATE FINANCIAL STATEMENTS

(Free translation from the original issued in the Portuguese language)

INTRODUCTION

1. We have examined the separate financial statements of Portugal Telecom, SGPS, S.A. ("Company") for the fiscal year 2013, comprising the balance sheet as at 31 December 2013 (which reflect total assets of 11.201.626.303 Euros and a total shareholders' equity of 1.552.875.439 Euros, including a net income for the year of 341.808.031 Euros), and the statements of income by natures, of changes in shareholders' equity, of cash flows and the corresponding notes to the financial statements for the year then ended. These financial statements relate to the separate activity of the Company and have been prepared in accordance with accounting principles generally accepted in Portugal.

RESPONSIBILITIES

2. The Board of Directors is responsible for the preparation of separate financial statements which present a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of the Company, for the adoption of adequate accounting policies and criteria and for the maintenance of an appropriate system of internal control, as well as for the disclosure of any significant facts that have influenced its operations, financial position, results of operations, changes in shareholders' equity or cash flows.

3. It is our responsibility to report our independent professional opinion, based on our audit of such financial statements.

SCOPE

4. Our examination was made in accordance with generally accepted Portuguese Statutory Auditing Standards, issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require our audit to be planned and performed in order to provide reasonable assurance that the separate financial statements are free of material misstatements. Therefore, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and assessment of the significant estimates, which were based on judgements and criteria defined by the Board of Directors, used in the

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Capital social: 8 000 Euros - Contribuinte nº 501 801 804 - Inscrição na O.R.O.C. com o nº 44
Inscrição no Registo de Auditores da Comissão do Mercado de Valores Mobiliários nº 1054



preparation of the financial statements, assessment of the adequacy of the accounting policies adopted and related disclosures, in the circumstances, examination of the adequacy of the going concern basis of preparation of the financial statements, and evaluation of the overall adequacy of the presentation of the financial statements.

5. Our examination also included verifying that the financial information included in the Report of the Board of Directors is in agreement with the separate financial statements, as well as of the matters mentioned in paragraphs 4. and 5. of article 451º of the Portuguese Commercial Companies Code.

6. We consider that the audit that we performed provides a reasonable basis for the expression of our opinion.

OPINION

7. In our opinion, the separate financial statements mentioned above, give a true and fair view, in all material respects, of the financial position of Portugal Telecom, SGPS, S.A. as at 31 December 2013, and the results of its operations, the changes on its shareholders' equity and its cash flows for the year then ended, in accordance with accounting principles generally accepted in Portugal.

REPORT ON OTHER LEGAL MATTERS

8. It is also our opinion that the financial information included in the Report of the Board of Directors is in agreement with the separate financial statements and that the Company's Corporate Governance Report includes the disclosures required by article 245º-A of the Portuguese Securities Market Code.

Lisbon, 25 March 2014

P. Matos Silva, Garcia Jr., P. Caiado & Associados
Sociedade de Revisores Oficiais de Contas, Lda.
represented by

Pedro Matos Silva (ROC 491)

Independent auditor's report

AUDITORS' REPORT

SEPARATE FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese)

Introduction

1. Pursuant to the article 245º of Portuguese Securities Market Code, we hereby present our Auditors' Report on the financial information contained in the Board of Directors' Report and the accompanying financial statements of Portugal Telecom, SGPS, S.A. ("the Company"), for the year ended 31 December 2013, which comprise the balance sheet as of 31 December 2013 that presents a total of 11,201,626,303 Euros and shareholders' equity of 1,552,875,439 Euros including a net profit of 341,808,031 Euros, the statements of income by natures, of changes in shareholders' equity and of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of financial statements that present a true and fair view of the financial position of the Company, the results of its operations, the changes in shareholders' equity and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles in Portugal that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control and; (iv) the disclosure of any significant facts that have influenced its operations, financial position or results of operations.
3. Our responsibility is to perform an audit of the financial information contained in the accounting documents referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our audit.

Scope

4. Our audit was performed in accordance with the Auditing Standards ("*Normas Técnicas e as Diretrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. An audit includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. An audit also includes assessing the adequacy of the accounting policies used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the financial statements and assessing that, in all material respects, the information is complete, true, timely, clear, objective and licit. Our audit also included verifying that the information included in the Board of Directors' Report is consistent with the financial statements, as well as the provisions set out in paragraphs 4 and 5 of Article 451º of the Commercial Companies Code ("*Código das Sociedades Comerciais*"). We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the financial statements referred to in paragraph 1 above, present fairly in all material respects for the purposes explained in paragraph 6 below, the financial position of Portugal Telecom, SGPS, S.A. as of 31 December 2013 and the results of its operations, the changes on its shareholders' equity and its cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal and the financial information contained therein is, under the terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

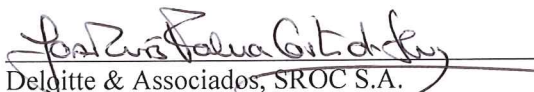
Emphasis

6. The financial statements referred to in paragraph 1 above refer to the Company's operations on an individual basis and were prepared in conformity with generally accepted accounting principles in Portugal for approval and publication in accordance with current legislation. As explained in Note 3.4. the investments in group and associated companies are recorded by the equity method. The Company prepared, in accordance with current legislation, consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, for separate approval and publication.

Report on other legal requirements

7. It is also our opinion that the financial information included in the Board of Directors' Report is consistent with the financial statements for the year and the report on the corporate governance practices includes the information required to the Company, under Article 245º - A of the Portuguese Securities Market Code.

Lisbon, 24 March 2014



Deloitte & Associados, SROC S.A.
Represented by João Luís Falua Costa da Silva