



Announcement | Lisbon | 2 September 2014

Qualified holding and long position – Morgan Stanley

Portugal Telecom, SGPS S.A. ("PT") hereby informs that Morgan Stanley now holds less than 2% of the share capital of PT.

This change is due to the disposal on 27 August 2014 by Morgan Stanley & Co. International plc of 2,892,299 PT ordinary shares. As a result, Morgan Stanley now holds a holding corresponding to 1.96% of PT's share capital and corresponding voting rights.

Additionally, PT was informed that this holding is held as follows:

Holdings in PT ordinary shares:

- > Morgan Stanley & Co. International plc: 13,373,239 ordinary shares representing 1.49% of the share capital and voting rights in PT;
- > Morgan Stanley & Co. LLC: 3,968,516 ordinary shares representing 0.44% of the share capital and voting rights in PT;
- > Morgan Stanley Capital Services LLC: 37,229 ordinary shares representing 0.004% of the share capital and voting rights in PT;
- > Morgan Stanley Smith Barney LLC: 160,791 ordinary shares representing 0.018% of the share capital and voting rights in PT.

PT was further informed that the parent company Morgan Stanley controls Morgan Stanley & Co. International plc, Morgan Stanley & Co. LLC, Morgan Stanley Capital Services LLC and Morgan Stanley Smith Barney LLC, through the following chains of companies:

- > Morgan Stanley & Co. International plc: Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Group (Europe), Morgan Stanley UK Group and Morgan Stanley Investments (UK);
- > Morgan Stanley & Co. LLC: Morgan Stanley Capital Management LLC and Morgan Stanley Domestic Holdings Inc;
- > Morgan Stanley Capital Services LLC: Morgan Stanley Capital Management LLC and Morgan Stanley Domestic Holdings Inc;
- > Morgan Stanley Smith Barney LLC: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc and Morgan Stanley Smith Barney Holdings LLC.

This statement is pursuant to the terms and for the purposes of articles 17 of the Portuguese Securities Code and 2 and 2-A of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from Morgan Stanley & Co. International plc, with registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom.

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Portugal

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

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

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