



Announcement | Lisbon | 21 August 2014

## Change in the composition of interest

Portugal Telecom, SGPS S.A. ("PT") informs that it was notified of a partial change in the composition of the qualified holding held by Ongoing – Strategy Investments, SGPS, S.A. ("Ongoing").

This change resulted from the disposal, by Nivalis Holdings B.V ("Nivalis"), on an over-the counter transaction, on 12 August 2014, of 22,560,000 shares representing 2.5% of PT's share capital and corresponding voting rights, and the simultaneous entering by Ongoing into an Equity Swap Transaction ("Swap"), with maturity on 12 August 2015, with a notional of 22,560,000 shares representing 2.5% of PT's share capital and corresponding voting rights. Pursuant to the Swap, Ongoing may acquire, through physical settlement of the Swap, an equivalent number of shares and corresponding voting rights in PT.

As a result, the qualified holding corresponding to 90,099,969 ordinary shares representing 10.05% of PT's share capital and corresponding voting rights, is now attributed to Ongoing as follows:

- a) 57,539,969 ordinary shares representing 6.41% of PT's share capital and corresponding voting rights are held by Nivalis and attributed to Ongoing under the terms of paragraph 1/b) of article 20 of the Portuguese Securities Code;
- b) 10,000,000 ordinary shares representing 1.12% of PT's share capital and corresponding voting rights are attributed to Nivalis under the terms of paragraph 1/e) of article 20 of the Portuguese Securities Code, and to Ongoing under the terms of paragraphs 1/b) and 1/i) of article 20 of the Portuguese Securities Code;
- c) 22,560,000 ordinary shares representing 2.52% of PT's share capital and corresponding voting rights are attributed to Ongoing under the terms of the Swap and paragraph 1/e) of article 20 of the Portuguese Securities Code.

PT was also informed that, under the terms of paragraph 1/b) of article 20 of the Portuguese Securities Code, Nivalis' holding is also attributed to Insight Strategic Investments, SGPS, S.A. ("Insight"), which holds 62.55% of the voting rights in Nivalis, and that Ongoing is the majority shareholder of Insight. Additionally the voting rights attributed to Nivalis, Insight and Ongoing are also attributed to RS Holding, SGPS, S.A. ("RS Holding"), which is the majority shareholder of Ongoing, and to Mrs. Isabel Rocha dos Santos, who is the majority shareholder of RS Holding.

Moreover, Mr. Nuno Rocha dos Santos Almeida Vasconcellos, who is a member of the boards of directors of Insight, Ongoing and RS Holding, holds 11,190 ordinary shares representing 0.001% of PT's share capital and corresponding voting rights. These are also attributed to the companies where he is a director, under the terms of paragraph 1/d) of article 20 of the Portuguese Securities Code, and to Mrs. Isabel Rocha dos Santos, under the terms of paragraphs 1/b) and 1/i) of article 20 of the Portuguese Securities Code.

Therefore, the qualified holding in PT attributed to Ongoing, RS Holding and Mrs. Isabel Rocha dos Santos corresponds to 90,111,159 ordinary shares representing 10.05% of PT's share capital and corresponding voting rights, under the composition of interest described above.

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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  
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Bloomberg under the symbol PTC.PL.

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This statement is pursuant to the terms and for the purposes of articles 17 of the Portuguese Securities Code and 2 of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from RS Holding.