



Announcement | Lisbon | 21 August 2014

Management Transaction

Portugal Telecom, SGPS S.A. ("PT") informs that it was notified of the following transaction regarding financial instruments on PT shares, entered into by Ongoing – Strategy Investments, SGPS, S.A. ("Ongoing").

Transaction	Date	Location	Price	Volume
Total Return Equity Swap, with physical settlement at maturity (or financial settlement at the option of Ongoing)	Entered into on 12 August 2014 and outstanding until 12 August 2015	OTC	Not applicable	The underlying asset (the notional) of the Swap are 22,560,000 PT shares

PT was also informed that the Directors of PT, Mr. Nuno Rocha dos Santos Almeida Vasconcellos and Mr. Rafael Mora Funes, are also directors of Ongoing, and therefore Ongoing is an entity closely related to said directors of PT, thus having the obligation to notify the transaction above.

As a result of this transaction, Ongoing does not hold shares of PT directly. In any case, the qualifying holding in PT attributable to Ongoing and other entities that control, or are controlled by, Ongoing, including the PT shares held by Mr. Nuno Rocha dos Santos Almeida Vasconcellos, is described in the announcement of change of composition of Ongoing's interest that was disclosed today.

This statement is pursuant to the terms and for the purposes of articles 248-B of the Portuguese Securities Code and 14 of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from Ongoing.

Portugal Telecom, SGPS, SA
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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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