



Announcement | Lisbon | 9 May 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 RS Holding, SGPS, S.A. ("RS Holding").

This change resulted from the exercise of a disposal right, on an over-the counter transaction, on 2 May 2014, over 10,000,000 ordinary shares representing 1.12% of PT's share capital and corresponding voting rights, which were held by Nivalis Holdings B.V. ("Nivalis"). The disposal right was exercised by a financial institution to whom Nivalis had attributed such right. In return, Nivalis was given the right of restitution of an amount of shares equivalent to the number of shares disposed of with the exercise of the disposal right, all under the terms set forth by the parties in the guarantee agreements executed by them.

As a result, the qualified holding which was previously directly held by Nivalis, corresponding to 90,099,969 ordinary shares representing 10.05% of PT's share capital and corresponding voting rights, is now held as follows:

- a) 80,099,969 ordinary shares, representing 8.93% of the share capital and corresponding voting rights in PT, are attributed to Nivalis under the terms of the introductory part of paragraph 1 of article 20 of the Portuguese Securities Code;
- b) 10,000,000 ordinary shares, representing 1.12% of the share capital and corresponding voting rights in PT, are attributed to Nivalis under the terms of paragraph 1/e) of article 20 of the Portuguese Securities Code.

PT was also informed that Nivalis' holding is also attributed to Insight Strategic Investments, SGPS, S.A. ("Insight") and Ongoing – Strategy Investments, SGPS, S.A. ("Ongoing"), who are shareholders of Nivalis holding 62.55% and 37.45% of the voting rights in such company, respectively. Additionally, Ongoing is the majority shareholder of Insight and RS Holding is the majority shareholder of Ongoing. Moreover, Mrs. Isabel Rocha dos Santos is the majority shareholder of RS Holding. The shareholder Nuno Rocha dos Santos Almeida Vasconcellos is a director of Insight, Ongoing and RS Holding, and holds 11,190 ordinary shares representing 0.001% of PT's share capital and corresponding voting rights.

Therefore, the qualified holding in PT attributed to RS Holding corresponds to 90,111,159 ordinary shares representing 10.05% of PT's share capital and corresponding voting rights.

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, with registered office at Rua Victor Cordon, no. 19, 1220-482 Lisboa, Portugal.