



Announcement | Lisbon | 30 June 2014

## Clarifications regarding treasury investments

Portugal Telecom, SGPS, S.A. ("PT") hereby provides the following clarifications regarding the media reports relating to the financial investment in commercial paper of Rio Forte Investments SA ("Rioforte"), a company of Grupo Espírito Santo ("GES").

PT subscribed, through its former subsidiaries PT International Finance BV and PT Portugal SGPS, a total of Euro 897 million in commercial paper of Rioforte with an average annual remuneration of 3.6%. All treasury applications in commercial paper of Rioforte will mature on 15 and 17 July 2014 (Euro 847 million and Euro 50 million, respectively). Treasury operations are carried out in the context of analysis of various short-term investment options available in the market and taking into account the attractiveness of the remuneration offered and are monitored and approved by the Executive Committee.

Additionally, it is thus important to note that the subscription of commercial paper of Rioforte is based on the 14-year long adequate experience in treasury applications of Banco Espírito Santo ("BES") and GES entities, in the context of the strategic partnership signed in April 2000 between both parties. This strategic partnership contemplated the cross shareholding between both entities as well as the designation of PT as a preferred supplier of telecommunications to BES Group and the designation of BES as preferred provider of financial services to PT.

As at this date the total sum of investments in commercial paper of GES amounted to Euro 897 million, related to the investment in the commercial paper Rioforte. Since 28 April 2014 no applications and / or renewals of such investments were made. Additionally, as at this date, PT International Finance BV and Portugal Telecom, SGPS, S.A. maintain bank deposits with BES totalling Euro 22 million and Portugal Telecom, SGPS, S.A. maintains bank deposits of Euro 106 million. The figures above represent the total exposure to GES / BES.

Henrique Granadeiro  
Chairman of the Board and Chief Executive Officer

Luis Pacheco de Melo  
Chief Financial Officer

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Public company  
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Portugal Telecom is listed on the NYSE  
Euronext Lisbon 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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