



**Announcement** | Lisbon | 7 November 2014

## **Qualified holding and long position – Morgan Stanley**

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

This change occurred on 31 October 2014 and is due to Morgan Stanley & Co. International plc decreasing borrowed positions by 989,902 PT SGPS ordinary shares and disposing of 1,379,956 PT SGPS ordinary shares, of which 1,377,647 shares were traded on regulated market and 2,309 shares over the counter (OTC). As a result, Morgan Stanley's holding now corresponds to 16,687,308 ordinary shares representing 1.86% of PT SGPS' share capital and corresponding voting rights.

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

- > Morgan Stanley & Co. International plc: 12,291,137 ordinary shares representing 1.37% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley & Co. LLC: 4,242,366 ordinary shares representing 0.47% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley Smith Barney LLC: 153,805 ordinary shares representing 0.02% of the share capital and voting rights in PT SGPS.

PT SGPS was further informed that the parent company Morgan Stanley controls Morgan Stanley & Co. International plc, Morgan Stanley & Co. 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 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 UK Limited, with office at The Cerium Building, 55 Douglas Street, Glasgow G2 7NP, Scotland.

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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  
symbols PTC.LS and PT and on  
Bloomberg under the symbol PTC PL.

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