



Announcement | Lisbon | 18 November 2014

Qualified holding – Morgan Stanley

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

This change is due to the acquisition, on 10 November 2014, of 721,058 PT SGPS ordinary shares, executed on the Euronext Lisbon regulated market, and to the increasing of borrowed positions in the amount of 755,205 PT ordinary shares. All these transactions were executed by Morgan Stanley & Co. International plc. As a result, Morgan Stanley now holds a qualified holding corresponding to 19,400,557 ordinary shares representing 2.16% of PT SGPS’s share capital and corresponding voting rights.

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

Holdings in PT SGPS ordinary shares:

- > Morgan Stanley & Co. International plc: 15,002,334 ordinary shares representing 1.67% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley & Co. LLC: 4,249,518 ordinary shares representing 0.47% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley Smith Barney LLC: 148,705 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 of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from Morgan Stanley & Co. International plc, with registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom.

Portugal Telecom, SGPS, SA
Avenida Fontes Pereira de Melo, 40
1069-300 Lisbon
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.

Nuno Vieira
Investor Relations Director
nuno.t.vieira@telecom.pt
Tel.: +351 21 500 1701
Fax: +351 21 500 0800