



Announcement | Lisbon | 30 January 2015

## Qualified holding– 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 22 January 2015 and is due to Morgan Stanley & Co. International plc decreasing borrowed positions by 7,204,264 PT SGPS ordinary shares and disposing of 6,227,861 PT SGPS ordinary shares by Morgan Stanley Equity Financing Services (Luxembourg) Sarl, over the counter. As a result, Morgan Stanley’s holding now corresponds to 14,640,605 ordinary shares representing 1.63% 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: 13,343,258 ordinary shares representing 1.49% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley & Co. LLC: 1,153,550 ordinary shares representing 0.13% of the share capital and voting rights in PT SGPS;
- > Morgan Stanley Smith Barney LLC: 143,797 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 office at Canary Warf, 25 Cabot Square, London E14 4QA, United Kingdom.

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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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