



Announcement | Lisbon | 19 May 2010

## Qualified Holding

Portugal Telecom, SGPS S.A. ("PT") informs that UBS AG now holds more than 2% of the voting rights corresponding to the share capital of PT.

Such new holding resulted from the acquisition by UBS AG, Zurich and Basel, through an OTC transaction, of 2,220,867 PT ordinary shares made on 12 May 2010. As a result of such transaction, UBS AG now holds a total of 19,802,720 ordinary shares representing 2.21% of PT's share capital and corresponding voting rights.

Additionally, PT was informed that such holding is attributed to UBS AG through the following entities:

- > UBS AG: 8,893,802 ordinary shares representing 0.99% of the share capital and voting rights in PT;
- > UBS AG on behalf of several clients of UBS AG: 8,939,565 ordinary shares representing 1.00% of the share capital and voting rights in PT;
- > CCR Asset Management: 675,895 ordinary shares representing 0.08% of the share capital and voting rights in PT;
- > UBS Financial Services Inc: 458,491 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > UBS Fund Management (Switzerland) AG: 218,134 ordinary shares representing 0.02% of the share capital and voting rights in PT;
- > UBS Fund Services (Luxembourg) SA: 270,823 ordinary shares representing 0.03% of the share capital and voting rights in PT;
- > UBS Global Asset Management (Americas) Inc: 1,285 ordinary shares representing 0.0001% of the share capital and voting rights in PT;
- > UBS Global Asset Management (Canada) Inc: 719 ordinary shares representing 0.0001% of the share capital and voting rights in PT;
- > UBS Global Asset Management (Deutschland) GmbH: 33,517 ordinary shares representing 0.004% of the share capital and voting rights in PT;
- > UBS Global Asset Management (UK) Ltd: 170,805 ordinary shares representing 0.02% of the share capital and voting rights in PT;
- > UBS Global Asset Management Life Ltd: 139,684 ordinary shares representing 0.02% of the share capital and voting rights in PT.

This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received, on May 18, 2010 from UBS AG, P.O. Box8098 Zurich and, Switzerland.