



Announcement | Lisbon | 18 August 2010

Qualified Holding

Portugal Telecom, SGPS S.A. ("PT") informs that Capital Research and Management Company now holds more than 2% of the voting rights corresponding to the share capital of PT.

Such new holding resulted from the acquisition, on 12 August 2010, on regulated market, of a total of 2,800,000 PT shares.

As a result of the above mentioned transaction, a holding of 18,595,000 ordinary shares representing 2.0741% of PT's share capital and corresponding voting rights is now attributed to Capital Research and Management Company.

Additionally, PT was informed that the shares corresponding to this qualified holding are owned by the mutual funds The Income Fund of America, Inc. and EuroPacific Growth Fund, which are under the discretionary investment management of Capital Research and Management Company.

This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received by fax from Capital Research and Management Company, with registered office at 333 South Hope Street, 55th floor, Los Angeles, California 90071, U.S.A..

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.

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