



Announcement | Lisbon | 23 June 2010

Qualified Holding

Portugal Telecom, SGPS S.A. ("PT") informs that UBS AG now holds more than 5% 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 26,775,176 PT ordinary shares made on 17 June 2010. As a result of such transaction, UBS AG now holds a total of 52,396,466 ordinary shares representing 5.84% 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: 23,543,633 ordinary shares representing 2.63% of the share capital and voting rights in PT;
- > UBS AG on behalf of several of its clients: 26,340,149 ordinary shares representing 2.94% 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: 458,687 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > UBS Fund Management (Switzerland) AG: 245,280 ordinary shares representing 0.03% of the share capital and voting rights in PT;
- > UBS Fund Services (Luxembourg) SA: 807,553 ordinary shares representing 0.09% of the share capital and voting rights in PT;
- > UBS Global Asset Management (Americas) Inc: 1,160 ordinary shares representing 0.0001% of the share capital and voting rights in PT;
- > UBS Global Asset Management (Canada) Co.: 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: 150,189 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 from UBS AG, , P.O. Box 8098 Zurich, Switzerland.

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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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