



Announcement | Lisbon | 27 August 2010

## Qualified Holding

Portugal Telecom, SGPS S.A. ("PT") informs that it was notified by Barclays Plc of a change in the composition of such entity's qualified shareholding in PT, as described below. Nonetheless, such qualified holding remained within the same percentage threshold range of reportable interests as was previously disclosed.

- > On 18 August 2010, Barclays Capital Securities Ltd purchased, through an OTC transaction, a financial instrument by way of a forward contract with an expiration date of 18 November 2010, in respect of 7,200,000 PT ordinary shares, representing 0.80% of the share capital and voting rights. Concurrently, Barclays Capital Securities Ltd disposed of 7,310,994 PT ordinary shares, representing 0.82% of the share capital and voting rights, through OTC transactions.
- > PT was further informed that Barclays Capital Securities Ltd also holds:
  - a forward contract with an expiration date of 16 December 2010, in respect of 3,879,192 PT ordinary shares, representing 0.43% of the share capital and voting rights,
  - a forward contract with an expiration date of 10 November 2010, in respect of 2,400,000 PT ordinary shares, representing 0.27% of the share capital and voting rights,
  - a forward contract with an expiration date of 5 November 2010, in respect of 3,550,000 PT ordinary shares, representing 0.40% of the share capital and voting rights,
  - a call option with an expiration date of 17 September 2010, in respect of 1,000,000 PT ordinary shares, representing 0.11% of the share capital and voting rights.

As a result, Barclays Plc now holds a total of 22,111,522 ordinary shares representing 2.47% of PT's share capital and corresponding voting rights.

Finally, PT was informed that such holding is attributed to Barclays Plc through the following entities:

- > Barclays Bank Plc: 482,232 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > Barclays Bank SA: 104,855 ordinary shares representing 0.01% of the share capital and voting rights in PT;
- > Barclays Capital Securities Ltd: 21,203,496 ordinary shares (corresponding to 3,174,304 ordinary shares held and 18,029,192 ordinary shares via financial instruments), representing 2.37% of the share capital and voting rights in PT;
- > Barclays Wealth Managers Portugal – SGFIM S.A.: 234,900 ordinary shares representing 0.03% of the share capital and voting rights in PT;
- > Palomino Ltd: 86,039 ordinary shares representing 0.01% of the share capital and voting rights in PT.

This statement is pursuant to the terms and for the purposes of paragraph c) of article 1 and number 2 of article 2 of the CMVM Regulation no. 5/2008, following a communication received from Barclays Plc, with head office at 1 Churchill Place, London E14 5HP, United Kingdom.