



Announcement | Lisbon | 14 June 2010

Qualified Holding

Portugal Telecom, SGPS, S.A. ("PT") hereby informs that it has received the following communications on qualified holdings in PT:

1. On 8 June 2010, Barclays Capital Securities Ltd (a subsidiary of Barclays Plc) qualified holding in PT became less than 2% of the voting rights corresponding to the share capital of PT.

This change resulted from the disposal in an on-market transaction of 121,778 ordinary shares of PT, representing 0.01% of PT's share capital and corresponding voting rights.

2. On 4 June 2010, Barclays Capital Securities Ltd qualified holding in PT, became higher than 2% of the voting rights corresponding to the share capital of PT.

This change resulted from the acquisition in an on-market transaction of 204,563 ordinary shares of the PT representing 0.02% of PT's share capital and corresponding voting rights.

In addition, PT was further informed, that Barclays Capital Securities Ltd held a financial instrument by way of a forward contract with an expiration date of 18 August 2010, corresponding to 10,100,000 PT ordinary shares, representing 1.13% of the voting rights and it held two call options with expiration dates of 7 and 9 July 2010, respectively of 13,401 and 21,745 PT ordinary shares, representing respectively of 0.001% and 0.002% of the voting rights.

As a result of such transactions, Barclays Plc held a total of 18,006,471 ordinary shares representing 2.01% of PT's share capital and corresponding voting rights.

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

- > Barclays Bank Plc: 493,193 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > Barclays Bank SA: 104,855 ordinary shares representing 0.001% of the share capital and voting rights in PT;
- > Barclays Capital Inc: 106,720 ordinary shares representing 0.01% of the share capital and voting rights in PT;
- > Barclays Capital Luxembourg SaRL: 250,000 ordinary shares representing 0.03% of the share capital and voting rights in PT;
- > Barclays Capital Securities Ltd: 16,733,793 ordinary shares (corresponding to 6,598,647 ordinary shares and 10,135,146 ordinary shares via financial instruments), representing 1.87% of the share capital and voting rights in PT;
- > Barclays Wealth Managers Portugal – SGFIM S.A.: 317,910 ordinary shares representing 0.04% 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 communications on 9 and 10 June 2010, received from Barclays Plc, with head office at 1 Churchill Place, London E14 5HP, United Kingdom.

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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
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