



Announcement | Lisbon | 17 August 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 390,359 PT ordinary shares made on 6 August 2010. As a result of such transaction, UBS AG now holds a total of 17,961,777 ordinary shares representing 2.00% of PT's share capital and corresponding voting rights.

Additionally, PT was informed that such holding is attributed to UBS AG as follows:

- > UBS AG: 4,954,210 ordinary shares representing 0.55% of the share capital and voting rights in PT;
- > UBS AG on behalf of several of its clients: 10,792,509 ordinary shares representing 1.20% of the share capital and voting rights in PT;
- > CCR Asset Management: 450,692 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > UBS Financial Services Inc.: 460,158 ordinary shares representing 0.05% of the share capital and voting rights in PT;
- > UBS Fund Management (Switzerland) AG: 322,521 ordinary shares representing 0.04% of the share capital and voting rights in PT;
- > UBS Fund Services (Luxembourg) SA: 651,415 ordinary shares representing 0.07% 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;
- > UBS Securities LLC: 5,003 ordinary shares representing 0.001% 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 by fax from UBS AG, P.O. Box 8098 Zurich, Switzerland.