



Announcement | Lisbon | 23 June 2010

## Qualified Holding

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

Such new holding resulted from the following acquisitions made on 21 June 2010 on Euronext Lisbon:

- (i) 23,560,000 ordinary shares representing 2.63% of the share capital and voting rights in PT, by the fund TPG-Axon Partners (Offshore), Ltd. (the "Offshore Fund"); and
- (ii) 14,440,000 ordinary shares representing 1.61% of the share capital and voting rights in PT, by the fund TPG-Axon Partners, LP (the "Onshore Fund").

As a result of such transactions, a qualified holding corresponding to 38,000,000 ordinary shares representing 4.24% of the share capital and voting rights in PT is attributed to the Management Company.

PT was further informed that Mr. Dinakar Sing, an individual residing in New York, New York, United States of America, is in a control relationship with the above mentioned funds and the Management Company, as follows.

The Offshore Fund and the Onshore Fund are investment vehicles held by several investors and managed by the Management Company. TPG-Axon GP, LLC is the general partner of the Management Company and of TPG-Axon Partners GP, L.P., which in turn is the general partner of the Onshore Fund. Additionally, the managing member of TPG-Axon GP, LLC is Dinakar Singh LLC, which is held and controlled by Mr. Dinakar Singh.

This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received from TPG-Axon Capital Management, LP, with registered office in New York, New York, United States of America.

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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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