Announcement | Lisbon | 9 August 2012

Qualified Holding - EuroPacific Growth Fund

Portugal Telecom, SGPS S.A. ("PT") hereby informs that Europacific Growth Fund ("EUPAC") now holds less than 2% of the voting rights corresponding to the share capital of PT.

This change resulted from the disposal by EUPAC of 4,750,000 PT ordinary shares, on 7 August 2012, on regulated market. As a result, EUPAC’s holding corresponds to a total of 15,831,045 ordinary shares representing 1.77% of PT’s share capital and corresponding voting rights.

Additionally, PT was informed that EUPAC has granted proxy voting authority to Capital Research and Management Company, its investment adviser.

This statement is made pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code and article 2 of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from EUPAC, with office at 333 South Hope Street, 55th Floor, Los Angeles, California, United States of America.