

PORTUGAL TELECOM SGPS SA
Form 6-K
May 21, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934**

For the month of May 2013

Commission File Number 1-13758

PORTUGAL TELECOM, SGPS, S.A.

(Exact name of registrant as specified in its charter)

**Av. Fontes Pereira de Melo, 40
1069 - 300 Lisboa, Portugal**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Announcement | Lisbon | 20 May 2013

Qualified holding and long position **Morgan Stanley**

Portugal Telecom, SGPS S.A. (PT) hereby informs that it was notified of the following regarding a qualified holding and long position of Morgan Stanley:

A) 2% threshold exceeded (10 May 2013)

This change resulted from the increase on a borrowed position acquired by Morgan Stanley & Co. LLC, on 10 May 2013, concerning 3,460,631 PT ordinary shares. As a result, Morgan Stanley now holds a qualified holding corresponding to 18,494,953 ordinary shares representing 2.06% of PT 's share capital and voting rights and a long position corresponding to a total of 18,920,217 ordinary shares representing 2.11% of PT 's share capital.

Additionally, PT was informed that the qualified holding and long position are held as follows:

Holdings in PT ordinary shares:

- Morgan Stanley & Co. LLC: 5,729,849 ordinary shares representing 0.64% of the share capital and voting rights in PT;
- Morgan Stanley & Co. International plc: 7,426,658 ordinary shares representing 0.83% of the share capital and voting rights in PT;
- MS Equity Financing Services (Luxembourg) S.a.r.l.: 5,031,500 ordinary shares representing 0.56% of the share capital and voting rights in PT;
- Morgan Stanley Smith Barney LLC: 306,946 ordinary shares representing 0.03% of the share capital and voting rights in PT.

Holdings in financial instruments:

- Morgan Stanley & Co. International plc: 425,264 ordinary shares via cash settled financial instruments representing 0.05% of the share capital and voting rights in PT;

B) Interest fell below 2% threshold (13 May 2013)

This change resulted from a decrease on 13 May 2013 on the position held by the Morgan Stanley Group, concerning 8,525,775 PT ordinary shares. As a result, Morgan Stanley now holds a holding corresponding to a total of 10,394,442 ordinary shares representing 1.16% of PT's share capital.

Additionally, PT was informed that this holding is as follows:

Holdings in PT ordinary shares:

- Morgan Stanley & Co. LLC: 4,664,912 ordinary shares representing 0.52% of the share capital and voting rights in PT;
- MS Equity Financing Services (Luxembourg) S.a.r.l.: 5,031,500 ordinary shares representing 0.56% of the share capital and voting rights in PT;

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|------------------------------------|--|--|-----------------------------|
| Portugal Telecom, SGPS, SA | Public company | 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. | Nuno Vieira |
| Avenida Fontes Pereira de Melo, 40 | Share capital Euro 26,895,375 | | Investor Relations Director |
| 1069-300 Lisbon | Registered in the Commercial Registry Office of Lisbon | | nuno.t.vieira@telecom.pt |
| Portugal | and Corporation no. 503 215 058 | | Tel.: +351 21 500 1701 |
| | | | Fax: +351 21 500 0800 |

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- Morgan Stanley Smith Barney LLC: 306,946 ordinary shares representing 0.03% of the share capital and voting rights in PT.

Holdings in financial instruments:

- Morgan Stanley & Co. International plc: 391,084 ordinary shares via cash settled financial instruments representing 0.04% of the share capital and voting rights in PT;

PT was further informed that the parent company Morgan Stanley controls Morgan Stanley & Co. International plc, Morgan Stanley & Co. LLC, MS Equity Financing Services (Luxembourg) S.a.r.l. and Morgan Stanley Smith Barney LLC, through the following chains of companies:

- Morgan Stanley & Co. International plc: Morgan Stanley International Holding Inc., Morgan Stanley International Limited, Morgan Stanley Group (Europe) and Morgan Stanley UK Group;
- Morgan Stanley & Co. LLC: Morgan Stanley Capital Management LLC and Morgan Stanley Domestic Holdings Inc;
- MS Equity Financing Services (Luxembourg) S.a.r.l.: Morgan Stanley International Holdings Inc.
- Morgan Stanley Smith Barney LLC: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc, Morgan Stanley & Co. LLC, MS Alpha Holdings LLC, Morgan Stanley JV Holdings LLC and Morgan Stanley Smith Barney Holdings LLC;

This statement is pursuant to the terms and for the purposes of articles 17 of the Portuguese Securities Code and 2 and 2-A of the Portuguese Securities Commission Regulation no. 5/2008, following a communication received from Morgan Stanley Bank International Limited, with registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 20, 2013

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Nuno Vieira
Nuno Vieira

Investor Relations Director

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words anticipates, believes, estimates, expects, plans and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.