

BANCO ESPÍRITO SANTO, S.A.**RELEASE ABOUT THE ACQUISITION OF QUALIFYING HOLDINGS**

Pursuant to and for the purposes of article 17 of the Portuguese Securities Code, Banco Espírito Santo, SA (BES) informs that it has received a notification from Morgan Stanley & Co. International plc regarding the acquisition of a qualifying holding which represents 2.11% of the voting rights and share capital in BES.

The acquisition results from transactions concluded on 5th November 2014 and executed over the counter, pursuant to which Morgan Stanley & Co. International plc. acquired 31,360,000 shares of BES.

As a result of the transaction, the proportion of voting rights and share capital held by Morgan Stanley in BES is as follows:

- Holdings by Morgan Stanley in the ordinary shares:

Entity	No. Shares Held	No. Voring Rights Held	% of Share Capital & Voting Rights
Morgan Stanley & Co. International plc	114,117,877	1,141,178	2.03%
Morgan Stanley & Co. LLC	3,931,000	39,310	0.07%
Morgan Stanley Smith Barney LLC	24,570	245	0.0004%

- Holdings by Morgan Stanley in Financial Instruments:

Entity	No. Shares Held	No. Voring Rights Held	% of Share Capital & Voting Rights
Morgan Stanley & Co. International plc	508,906	5,089	0.01%

Information is also provided concerning the chain of companies between the parent company and the shareholder:

i) Morgan Stanley & Co. International plc:

Parent company: Morgan Stanley

Chain of companies between parent company and shareholder: Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Group (Europe), Morgan Stanley UK Group, Morgan Stanley Investments (UK)

ii) Morgan Stanley & Co. LLC:

Parent company: Morgan Stanley

Chain of companies between parent company and shareholder: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc.

iii) Morgan Stanley Smith Barney LLC:

Parent company: Morgan Stanley

Chain of companies between parent company and shareholder: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley Smith Barney Holdings LLC

Lisbon, 13 November 2014

BANCO ESPÍRITO SANTO, S.A.

Contacts
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