

PORTUGAL TELECOM SGPS SA  
Form 6-K  
May 16, 2007

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2007**

**Commission File Number 1-13758**

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**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

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

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ANNOUNCEMENT

Portugal Telecom, SGPS, S.A.  
Public Company  
Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisbon  
Share Capital: Euro 395,099,775  
Registered in the Commercial Registry Office of Lisbon and  
Corporation no. 503 215 058

Qualified Holding

Pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, we hereby inform that UBS AG notified Portugal Telecom, SGPS, S.A. ( PT ) that, as a result of the disposal of 2,957,110 shares representing PT s share capital made by UBS AG London Branch, with offices at 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, on 14 May 2007, a total of 16,503,701 shares is attributed to UBS AG, representing 1.46% of the share capital and voting rights in PT.

Such holding is attributed to UBS AG through the following entities:

- UBS AG (Head Office and Branches): 15,364,829 PT shares;
- UBS Fund Management (Switzerland) AG: 12,381 PT shares;
- UBS Fund Services (Luxembourg) SA: 127,831 PT shares;
- UBS Global Asset Management (UK) Limited: 190,000 PT shares;
- UBS Belgium SA/NV: 22,904 PT shares;
- UBS Deutschland AG: 31,759 PT shares;
- UBS (Italia) SpA: 6,115 PT shares;
- UBS (Luxembourg) SA: 29,018 PT shares;
- UBS (Monaco) SA: 387 PT shares;
- UBS Wealth Management (UK) Ltd.: 7,925 PT shares;
- UBS Securities LLC: 9,332 PT shares;
- UBS Global Asset Management Life Limited: 222,219 PT shares;
- UBS Financial Services Inc.: 473,901 PT shares;
- UBS Global Asset Management (Japan) Ltd: 5,100 PT shares.

Lisbon, 16 May 2007

**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 16, 2007

PORTUGAL TELECOM, SGPS, S.A.

By:                     /s/ Nuno Prego

**Nuno Prego**  
**Investor Relations Director**

**FORWARD-LOOKING STATEMENTS**

This press release 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.

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