

PORTUGAL TELECOM SGPS SA
Form 6-K
May 18, 2007

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, 2007

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

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

RELEASE

Portugal Telecom, SGPS, S.A.

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Public Company

Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisboa

Share Capital: 395,099,775 Euros

Registered in the Commercial Registry Office of Lisbon
and Corporation no. 503 215 058

Acquisition of own shares through
financial derivative instruments

Lisbon, Portugal, 17 May 2007 Portugal Telecom informs that, as part of the approved share buyback programme, it has contracted with several financial institutions equity swap agreements over a total of 23,345,927 shares, representing 2.07% of PT's share capital.

This information is also available on PT's IR website <http://ir.telecom.pt>.

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Portugal Telecom

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Portugal Telecom is listed on the Euronext and New York Stock Exchanges. Information may be accessed on the Reuters under the symbols PTC.LS and PT and on Bloomberg under the symbol PTC PL.
