

PORTUGAL TELECOM SGPS SA

Form 6-K

May 14, 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

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 Merrill Lynch International, with head office at Merrill Lynch International, Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ, notified Portugal Telecom, SGPS, S.A. (PT) that, as a result of the acquisition of 3,111,174 PT ordinary shares, through an over-the-counter transaction, made on 8 May 2007, a total of 24,804,526 PT ordinary shares, equivalent to 2.2% of the share capital and voting rights in PT, is now attributed to such entity.

Merrill Lynch International has also informed that it is under the direct control of ML UK Capital Holdings Ltd which is under the direct control of Merrill Lynch Holdings Ltd. This latter company is under the direct control of Merrill Lynch Europe Intermediate Holdings which is under the direct control of Merrill Lynch Europe PLC. Merrill Lynch Europe PLC is under the direct control of Merrill Lynch International Holdings Inc., which is under the direct control of Merrill Lynch International Incorporated and this company is under the direct control of Merrill Lynch & Co, Inc.

Lisbon, 14 May 2007

