

PORTUGAL TELECOM SGPS SA
Form 6-K
February 20, 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 February, 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 Credit Suisse notified Portugal Telecom, SGPS, S.A. (PT) that, as a result of sales of 3,208,849 PT ordinary shares made by Credit Suisse Securities (Europe) Limited and of 20,398 by Credit Suisse International on 15 February 2007, a holding below 2% of the share capital and voting rights in PT has become attributable to Credit Suisse's investment banking business.

In addition, as a result of the acquisition of 6,764,202 PT ordinary shares made on 16 February 2007 by Credit Suisse Securities (Europe) Limited, a total of 23,908,803 PT ordinary shares, equivalent to a qualified holding of 2.12% of the share capital and voting rights in PT, has again become attributable to such entity.

Following this acquisition, a total of 26,414,267 PT ordinary shares, equivalent to 2.34% of the share capital and voting rights in PT, is attributed to Credit Suisse's investment banking business.

Such holding is attributed to Credit Suisse's investment banking business through the following entities:

- Credit Suisse International holds 1,513,328 ordinary shares, representing 0.13% of the capital and voting rights in PT;
- Credit Suisse Securities (Europe) Limited holds 23,908,803 ordinary shares, 2.12% of the share capital and voting rights in PT;
- Credit Suisse Securities (USA), LLC holds 992,136 ordinary shares, representing 0.09% of the share capital and voting rights in PT.

Credit Suisse has also informed that Credit Suisse International, Credit Suisse Securities (Europe) Limited and Credit Suisse Securities (USA) LLC are companies that are part of the Credit Suisse's investment banking business. Credit Suisse International is under the direct control of Credit Suisse (International) Holding AG, Credit Suisse Securities (Europe) Limited is under the direct control of Credit Suisse Investment Holdings (UK) and Credit Suisse Securities (USA) LLC is under the direct control of Credit Suisse (USA) Inc.. All these controlling companies are under the control of Credit Suisse Group.

Lisbon, 20 February 2007

