

PORTUGAL TELECOM SGPS SA
Form 6-K
July 21, 2003

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 July, 2003

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

PT ACQUIRES REMAINING 12.5% STAKE OF PT PRIME

Lisbon, Portugal, July 20, 2003 Portugal Telecom, SGPS, S.A. (PT) (NYSE: PT; Euronext Lisbon: PTCO.IN) announced today that it has reached an agreement with Sociedade Interbancária de Serviços (SIBS) for the acquisition of the remaining 12.5% stake in PT Prime S.A. (PT Prime) that it does not already own, for an amount of Euro 39.1 million.

Final and definitive documentation will be signed within the next 15 days. Under the agreement, SIBS is required to use the proceeds of this sale to purchase PT shares in the market.

This transaction is part of the on-going restructuring process of the wireline business. As part of this restructuring, PT Corporate, which is an instrumental company aimed at providing personalized services to top corporate clients of the PT Group, was recently established. Additionally, the full ownership of PT Prime will contribute to greater efficiency on this business area and allow for a better integration and coordination of the wireline business in order to capture synergies and achieve cost reductions across the wireline activities.

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

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Portugal Telecom is listed on the Euronext Lisbon and New York Stock Exchanges. Information may be accessed on the Reuters 2000 Service under the symbols PT and PTCO.IN and on Bloomberg under the symbol PTC PL.
