

PORTUGAL TELECOM SGPS SA  
Form SC 14D9/A  
January 22, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**SCHEDULE 14D-9**

(Amendment No. 1)

**Solicitation/Recommendation Statement Under  
Section 14(d)(4) of the Securities Exchange Act of 1934**

**PORTUGAL TELECOM, SGPS, S.A.**

(Name of Subject Company)

**PORTUGAL TELECOM, SGPS, S.A.**

(Name of Person(s) Filing Statement)

**Ordinary shares, nominal value of 0.35 each**

**American Depositary Shares, each representing one ordinary share,  
nominal value 0.35 per share**

(Title of Class of Securities)

**Ordinary Shares (ISIN: PTPTC0AM0009)  
American Depositary Shares (CUSIP: 737273102)**

(CUSIP Number of Class of Securities)

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**Nuno Prego**

**Investor Relations Director  
Portugal Telecom, SGPS, S.A.  
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Portugal**

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(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications on Behalf of the Person(s) Filing Statement)

**With copies to:**

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425 Lexington Avenue

New York, New York 10017

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.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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**INTRODUCTION**

This Amendment No. 1 amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 filed by Portugal Telecom, SGPS, S.A. ( PT or the Company ) with the Securities and Exchange Commission on January 18, 2007 (as amended, the Statement ) relating to an unsolicited cash tender offer in the United States for all of the outstanding shares, nominal value 0.35 per share (the Shares ), of Portugal Telecom, SGPS, S.A. ( PT or the Company ), held by U.S. holders (defined as security holders resident in the United States pursuant to Rule 14d-1(d) under the Securities Exchange Act of 1934) and all outstanding American Depositary Shares ( ADSs ) representing ordinary shares of the Company. The offer in the United States (the U.S. Offer ) was made by Sonae, SGPS, S.A., a *sociedade anónima* organized under the laws of Portugal ( Sonae ), Sonaecom, SGPS, S.A. ( Sonaecom ), a *sociedade anónima* organized under the laws of Portugal, and Sonaecom, B.V., a private limited company organized under the laws of The Netherlands and a wholly owned subsidiary of Sonaecom ( Sonaecom, B.V. ). Simultaneously with the U.S. Offer, Sonaecom and Sonaecom, B.V. are offering in Portugal to purchase for cash all of the Shares, excluding Shares held by U.S. holders, and all of the class A shares, nominal value 0.35 per share, of the Company, at the same price as offered for the Shares in the U.S. Offer (together with the U.S. Offer, the Offer ).

This Statement contains forward-looking statements based on management s current expectations or beliefs. These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forwarding-looking statements. Forward-looking statements may be identified by words such as believes, expects, anticipates, plans, projects, intends, should, seeks, estimates, future or similar expressions. These statements reflect PT s current expectations. In light of the many risk uncertainties surrounding the offer, you should understand that PT cannot assure you that the forward-looking statements contained in this Statement will be realized. You are cautioned not to put undue reliance on any forward-looking information.

**Item 9. Exhibits.**

Item 9 is supplemented by adding the following thereto:

<b>Exhibit No.</b>	<b>Description</b>
(a)(5)(xxxiii)	Transcript of conference call held by the Company on January 12, 2007.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 19, 2007

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Henrique Manuel Fusco Granadeiro

Name: **Henrique Manuel Fusco Granadeiro**

Title: Chief Executive Officer

By: /s/ Luís Miguel da Fonseca Pacheco de Melo

Name: **Luís Miguel da Fonseca Pacheco de Melo**

Title: Chief Financial Officer

**INDEX TO EXHIBITS**

Exhibit No.	Description
(a)(5)(xxxiii)	Transcript of conference call held by the Company on January 12, 2007.

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