

PORTUGAL TELECOM SGPS SA
Form 6-K
April 13, 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 April, 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.

Portugal Telecom, SGPS, S.A.
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, 13 April 2007 Portugal Telecom informs that, pursuant to the negotiation with several financial institutions of the terms and conditions for equity swap agreements on own shares, the total number of shares acquired by such institutions in order to hedge their exposure has reached 1% of PT's share capital on 12 April 2007.

The said financial institutions have acquired a total of 11,583,727 shares, representing 1.03% of PT's share capital, in the regulated market Eurolist by Euronext Lisbon.

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

Contact: Nuno Prego, Investor Relations Officer
nuno.prego@telecom.pt

Portugal Telecom
Tel.: +351 21 500 1701
Fax: +351 21 500 0800

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

