

PORTUGAL TELECOM SGPS SA  
Form 6-K  
November 07, 2007

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## 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 November 2007**

Commission File Number **1-13758**

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## 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

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1. Press release of Portugal Telecom, SGPS, S.A., dated November 7, 2007, entitled Completion of PT Multimédia Spin-Off .\*
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\* Expressly incorporated by reference into Portugal Telecom, SGPS, S.A.'s Information Statement furnished to the Securities and Exchange Commission on Form 6-K on October 16, 2007 (SEC File No. 001-13758).

RELEASE

Portugal Telecom, SGPS, S.A.

Public Company

Registered Office: Avenida Fontes Pereira de Melo, 40, Lisboa

Share capital: 33,865,695 Euros

Registered in the Commercial Registry of Lisbon and

Corporation no. 503 215 058

Completion of the PT Multimédia Spin-Off

Lisbon, Portugal, 7 November 2007 - Portugal Telecom ( PT ) announces that the spin-off of PT Multimédia was concluded today with the distribution to its shareholders of its interest in PT Multimédia.

Pursuant to the terms of the spin-off, each shareholder has been allotted 0.176067 PT Multimédia shares for each PT share held, subject to the effects of the withholding tax and fractional share payments described below, with a total of 154.9 million shares being transferred to the shareholders' accounts, representing 50.1% of the share capital and voting rights in PT Multimédia.

Based on the reference price of Euro 9.18, which corresponds to the weighted average market price of the PT Multimédia shares on the Eurolist by Euronext Lisbon on 6 November 2007, a cash amount of Euro 236.3 million was also transferred to the financial intermediaries today for payment of withholding tax and payments in lieu of fractional shares.

As a result of the application of the withholding tax and the fractional shares mechanisms, PT has retained an interest of 8.3% of PT Multimédia's share capital, corresponding to a total of 25.7 million shares.

However, under the terms of the spin-off, PT will not have any influence on the management of PT Multimédia and reiterates its intention of disposing of this interest as soon as possible and, in line with previous announcements, only to buyers who commit to holding those PT Multimédia shares for a six-month period as from today.

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We have issued an information statement to holders of American Depositary Shares ( ADSs ) representing ordinary shares of Portugal Telecom and to U.S. resident holders of Portugal Telecom s ordinary shares describing the spin-off. The information statement includes, among other things, information regarding: (i) the spin-off; (ii) risks relating to the spin-off; (iii) the business, financial condition and results of operations of PT Multimédia; (iv) certain tax considerations for holders of Portugal Telecom ADSs and U.S. holders of Portugal Telecom ordinary shares; (v) certain relationships between Portugal Telecom and PT Multimédia; (vi) the management of PT Multimédia; and (vii) a description of the ordinary shares of PT Multimédia. We urge you to review the information statement carefully.

This communication is not an offer to sell or the solicitation of an offer to buy any securities, nor is it intended to substitute the information statement and other sources of information about Portugal Telecom, PT Multimédia and the spin-off. The complete text in English of the Information Statement, together with the part of such document that is translated into Portuguese, is available on PT s website ([www.telecom.pt](http://www.telecom.pt)) and on CMVM s website ([www.cmvm.pt](http://www.cmvm.pt)).

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

Contact: Nuno Prego, Investor Relations Director  
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Portugal Telecom is listed on the Euronext and New York Stock Exchanges. Information may be accessed on the Reuters under the symbols PTC.LS and PT and on Bloomberg under the symbol PTC PL.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 7, 2007

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Nuno Prego  
**Nuno Prego**  
**Investor Relations Director**

**FORWARD-LOOKING STATEMENTS**

This document may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words anticipates, believes, estimates, expects, plans and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.