

PORTUGAL TELECOM SGPS SA
Form 6-K
April 26, 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.

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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

Lisbon, Portugal, 25 April 2007 Portugal Telecom, SGPS, S.A. (PT) would like to clarify that PT and Telefónica, S.A. (Telefónica) regularly entertain discussions regarding strategic alternatives for Brasilcel as well as initiatives aimed at improving the operational performance of Vivo. With regard to recent press rumours, PT would like to state that there is no agreement with Telefónica regarding a change of control or change of ownership at Brasilcel and that both companies continue to be focused on enhancing the operations of Vivo.

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

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Portugal Telecom

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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.

