

PORTUGAL TELECOM SGPS SA
Form 6-K
March 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 March, 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

ANNOUNCEMENT

Portugal Telecom, SGPS, S.A.

Public Company

Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisbon

Share Capital: Euro 395,099,775

Registered in the Commercial Registry Office of Lisbon and
Corporation no. 503 215 058

Qualified Holding

Pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, we hereby inform that Portugal Telecom, SGPS, S.A. (PT) was notified that, as from 9 March 2007, the funds Stark Master Fund Ltd and Stark Event Master Fund Ltd hold less than 2% of the share capital and voting rights in PT, as a result of the sale of the following shares representing PT's share capital:

- Stark Master Fund Ltd, managed by Stark Offshore Management LLC, sold 3,852,532 shares, reducing its holding to 20,207,456 shares, representing 1.79% of the share capital and voting rights in PT;
- Stark Event Master Fund Ltd, managed by Stark Event Management LLC, sold 147,468 shares, reducing its holding to 752,505 shares, representing 0.07% of the share capital and voting rights in PT.

PT was also informed that, as a result of such sales, the total holding in PT owned, direct or indirectly, by Stark & Roth Inc. is of 20,959,961 PT shares, representing 1.86% of the share capital and voting rights in PT.

Lisbon, 13 March 2007

