

PORTUGAL TELECOM SGPS SA
Form 6-K
October 25, 2004

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 October, 2004

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 1,254,285,000

Registered in the Conservatory of the Commercial Registry of Lisbon under no. 03602/940706

Collective Person no. 503 215 058

PT S SHARE BUYBACK PROGRAMME REACHES 7%

Pursuant to the terms and for the purposes of subparagraph a) of no.1 of article 11 of the Portuguese Securities Market Commission Regulation no. 04/2004, Portugal Telecom, SGPS, S.A. (PT) announces that, in accordance with the share buyback programme approved in the AGM held on 2 April 2004, PT acquired on 21 October 2004, through OTC transactions, a total of 33,574,842 PT shares, equivalent to 2.68% of its share capital, as follows:

- 22,598,543 PT shares at an average price of Euro 6.99 per share
- 10,976,299 PT shares at an average price of Euro 9.01 per share

These transactions were executed in connection with the exercise of the physical settlement option included under the terms of equity swap contracts established with ABN AMRO BANK, N.V., CitiGroup Global Markets Limited and UBS AG.

After these transactions PT holds 87,799,950 of its own shares, equivalent to 7.00% of its share capital. Additionally, PT informs that it has equity swap contracts under the terms of which PT has the option to acquire own shares equivalent to 0.87% of its share capital.

Lisbon, 25 October 2004

