PORTUGAL TELECOM SGPS SA Form 6-K May 18, 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 May, 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 \_\_\_\_X 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 \_\_\_X\_\_\_\_

### 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, 17 May 2007 Portugal Telecom informs that, as part of the approved share buyback programme, it has contracted with several financial institutions equity swap agreements over a total of 23,345,927 shares, representing 2.07% of PT s share capital.

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

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

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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: May 18, 2007

### PORTUGAL TELECOM, SGPS, S.A.

By:

/s/ Nuno Prego

Nuno Prego Investor Relations Director

#### FORWARD-LOOKING STATEMENTS

This press release 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.