

PORTUGAL TELECOM SGPS SA
Form 6-K
November 20, 2003

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 November, 2003

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 ESTABLISHES AN AGREEMENT
WITH RTP FOR THE PAYMENT OF AN OUTSTANDING RECEIVABLE DUE BY RTP**

Lisbon, Portugal, November 20, 2003 Portugal Telecom, SGPS, S.A. (PT) (NYSE: PT; Euronext: PTCO.IN) and PT Comunicações, S.A. (PTC) announce that they have signed today an agreement with Rádio e Televisão de Portugal, SGPS, S.A. (RTP) relating to the payment by the latter of an outstanding receivable balance due to PTC.

This agreement is related to outstanding invoices from services rendered by PTC to RTP up to December 31, 2002, plus interest. As a result of the negotiations, RTP will pay, up to 31 December 2003, a total amount of Euro 83 million. The agreement will have no impact on PT results.

The agreement also establishes the definition of a new monthly settlement mechanism related to accounts receivable and payable balances resulting from, respectively, invoices issued by PTC and other PT Group companies to RTP and from invoices issued by RTP to PT Group companies. The mechanism will substitute the current settlement proceedings, allowing PT to obtain a significant improvement in the management of its receivable balances from services provided to RTP.

PTC and RTP also agreed to revoke all previous agreements relating to the settlement of the balances due by RTP to PTC.

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

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Portugal Telecom is listed on the Euronext Lisbon and New York Stock Exchanges. Information may be accessed on the Reuters 2000 Service under the symbols PT and PTCO.IN and on Bloomberg under the symbol PTC PL.
