

PORTUGAL TELECOM SGPS SA
Form 6-K
December 18, 2008

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 December 2008

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

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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 17 December 2008, Lisbon

Qualified Holding

Portugal Telecom, SGPS, S.A. (PT) informs that Telefónos de México, S.A. de C.V. , with registered offices at Parque Via 198, Colónia Cuauhtémoc, 06500 México, Distrito Federal, Delegación Cuauhtémoc, registered in the Public Commercial Registry of México City under number (Folio Mercantil) 5229 (Telmex), now holds 1.8429% of the voting rights corresponding to the share capital of PT.

The new holding resulted from the disposal by Inmobiliaria Carso, S.A. de C.V., with registered offices at Insurgentes Sur 3500 Col. Peña Pobre, Quinto Piso Torre Telmex, México, D.F. 14060, registered in the Public Commercial Registry of México City under number (Folio Mercantil) 58520 of a block of 618,000 PT ordinary shares, made on 1 December 2008 through a transaction executed on regulated market. Following such transaction, Inmobiliaria Carso, S.A. de C.V. holds a total of 1,582,000 PT ordinary shares.

PT was also informed that Banco Inbursa, S.A. Fideicomiso Fondo de Pensiones de Telmex, Trust No. F/0008, with registered offices at Paseo de las Palmas 736, Colónia Lomas de Chapultepec, 11000 México, Federal District, Delegación Miguel Hidalgo, registered with the Public Commercial Registry of México City under number (Folio Mercantil) 179934 (Telmex Trust), disposed of a block of 667,000 PT ordinary shares, on 4 November 2008, through a transaction executed on regulated market. As a result, the Telmex Trust became the holder of a total of 18,245,000 PT ordinary shares.

Following such transactions, on 1 December 2008, a total of 18,694,000 ordinary shares representing 1.9832%(1) of PT s share capital and corresponding voting rights were attributed to Telmex.

As disclosed to the market on 10 December 2008, PT has reduced its share capital from Euro 28,277,855.31 to Euro 26,895,375 pursuant to a share buyback programme. The new share capital is represented by 896,512,500 shares.

PT was also informed that, after such share capital reduction, on 15 December 2008:

- a total of 16,522,000 ordinary shares representing 1.8429% of PT s share capital and corresponding voting rights are held by the Telmex Trust and are attributed to Telmex;

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- Inmobiliaria Carso, S.A. de C.V. does not hold any PT shares.

This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received from Telmex.

(1) Taking into consideration that on such date PT's share capital was represented by 942,595,177 shares.

Portugal Telecom, SGPS, SA
Avenida Fontes Pereira de Melo, 40
1069-300 Lisbon
Portugal
www.telecom.pt

Public company
Share capital _ Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. _ 503 215 058

Portugal Telecom is listed on the Euronext
and New York Stock Exchange. Information
may be accessed on the Reuters under the
symbols PTC.LS and PT and on Bloomberg
under the symbol PTC PL.

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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: December 18, 2008

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Nuno Vieira

Nuno Vieira
Investor Relations Director

FORWARD-LOOKING STATEMENTS

This document 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.
