

PORTUGAL TELECOM SGPS SA
Form 6-K
July 21, 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 July, 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

PT ACQUIRES REMAINING 12.5% STAKE OF PT PRIME

Lisbon, Portugal, July 20, 2003 Portugal Telecom, SGPS, S.A. (PT) (NYSE: PT; Euronext Lisbon: PTCO.IN) announced today that it has reached an agreement with Sociedade Interbancária de Serviços (SIBS) for the acquisition of the remaining 12.5% stake in PT Prime S.A. (PT Prime) that it does not already own, for an amount of Euro 39.1 million.

Final and definitive documentation will be signed within the next 15 days. Under the agreement, SIBS is required to use the proceeds of this sale to purchase PT shares in the market.

This transaction is part of the on-going restructuring process of the wireline business. As part of this restructuring, PT Corporate, which is an instrumental company aimed at providing personalized services to top corporate clients of the PT Group, was recently established. Additionally, the full ownership of PT Prime will contribute to greater efficiency on this business area and allow for a better integration and coordination of the wireline business in order to capture synergies and achieve cost reductions across the wireline activities.

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

Contact: Vitor J. Sequeira, PT Group Investor Relations Officer
vitor.j.sequeira@telecom.pt

Portugal Telecom
Tel.: +351.21500 1701
Fax.: +351.21355 6623

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.

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: July 21, 2003

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Vitor Sequeira

Vitor Sequeira
Manager of Investor
Relations

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.
