

PORTUGAL TELECOM SGPS SA
Form 6-K
March 18, 2005

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 March, 2005

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 Announces the Intention to opt for the Financial Settlement of the PT Multimedia Warrants

Lisbon, Portugal, 17 March 2005 - Portugal Telecom, SGPS, S.A. (PT) announces that its Executive Committee has decided today that, in connection to the possible issuance of put warrants over PT Multimedia shares, related to the 10% share buyback programme announced by PT Multimedia on 28 December 2004, PT has irrevocably renounced to the right to physically settle such warrants. Furthermore it has decided that PT will opt for the financial settlement of the PT Multimedia warrants under the final terms and conditions yet to be approved by the Board of Directors of PT Multimedia.

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

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

Portugal Telecom
Tel.: +351 21 500 1701
Fax: +351 21 500 0800

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