

PORTUGAL TELECOM SGPS SA
Form 6-K
February 25, 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 February, 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

ANNOUNCEMENT

Portugal Telecom, SGPS, S.A.
Open Company
Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisbon
Share Capital: Euro 1,166,485,050
Registered in the Conservatory of the Commercial Registry of Lisbon under no. 03602/940706
Collective Person no. 503 215 058

Lisbon, Portugal, 24 February 2005 - Portugal Telecom, SGPS, S.A. (PT) announces that its Board of Directors decided, based on the analysis performed by its financial adviser, to sell Lusomundo Serviços, SGPS, S.A., the company that holds the Group's stake in Lusomundo Media, SGPS, S.A.

According to such analysis, the Board of Directors decided to pursue negotiations with Controlinveste, whilst maintaining the binding proposals presented by Prisa and Investec.

As soon as the negotiations to sell Lusomundo Serviços have been concluded, the transaction shall be submitted to the Board of Directors for ratification.

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