

PORTUGAL TELECOM SGPS SA
Form 6-K
June 24, 2010

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 June 2010

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 | Lisbon | 23 June 2010

Qualified Holding

Portugal Telecom, SGPS S.A. (PT) informs that TPG-Axon Capital Management, LP (the Management Company) now holds more than 2% of the voting rights corresponding to the share capital of PT.

Such new holding resulted from the following acquisitions made on 21 June 2010 on Euronext Lisbon:

(i) 23,560,000 ordinary shares representing 2.63% of the share capital and voting rights in PT, by the fund TPG-Axon Partners (Offshore), Ltd. (the Offshore Fund); and

(ii) 14,440,000 ordinary shares representing 1.61% of the share capital and voting rights in PT, by the fund TPG-Axon Partners, LP (the Onshore Fund).

As a result of such transactions, a qualified holding corresponding to 38,000,000 ordinary shares representing 4.24% of the share capital and voting rights in PT is attributed to the Management Company.

PT was further informed that Mr. Dinakar Sing, an individual residing in New York, New York, United States of America, is in a control relationship with the above mentioned funds and the Management Company, as follows.

The Offshore Fund and the Onshore Fund are investment vehicles held by several investors and managed by the Management Company. TPG-Axon GP, LLC is the general partner of the Management Company and of TPG-Axon Partners GP, L.P., which in turn is the general partner of the Onshore Fund. Additionally, the managing member of TPG-Axon GP, LLC is Dinakar Singh LLC, which is held and controlled by Mr. Dinakar Singh.

This statement is pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, following a communication received from TPG-Axon Capital Management, LP, with registered office in New York, New York, United States of America.

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Portugal Telecom, SGPS, SA
Avenida Fontes Pereira de Melo, 40
1069-300 Lisbon
Portugal

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: June 23, 2010

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.