

PORTUGAL TELECOM SGPS SA  
Form 424B3  
May 31, 2007

The Bank of New York  
101 Barclay Street, 22W  
New York, NY 10286  
USA

May 30, 2007

Securities & Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549

Attn.: Document Control

RE:American Depositary Shares evidenced by  
American Depositary Receipts, each  
representing one-fifth of an Ordinary Share of  
Portugal Telecom,SGPS, S.A.  
(Form F-6 File No 333-81394)

Ladies and Gentlemen:

Pursuant to Rule 424(b)(3) under the Securities  
Act of 1933, as amended, on behalf of The Bank  
of New York, as Depositary for securities  
against which American Depositary Receipts are  
to be issued, we attach a copy of the new  
prospectus (Prospectus) reflecting the par value  
change of Portugal Telecom, SGPS, S.A., to  
EUR 0.03 per ordinary share, effective May 22,  
2007.

As required by Rule 424(e), the upper right hand  
corner of the Prospectus cover page has a  
reference to Rule 424(b)(3) and to the file  
number of the registration statement to which  
the Prospectus relates.

Pursuant to Section III. B. of the General  
Instructions to the Form F-6 Registration  
Statement, the Prospectus consists of the ADR  
certificate with revised par value of EUR0.35 for  
Portugal Telecom, SGPS, S.A.. The Prospectus  
has been revised to reflect the new par value by  
addition of the following notation:

Effective May 22, 2007, the par value is  
EUR 0.03 per Ordinary Share.

Please contact me with any questions or  
comments at 212 815-4831.

Sincerely,

Monica Vieira

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Assistant Vice President