

PORTUGAL TELECOM SGPS SA  
Form 6-K  
June 03, 2005

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2005**

**Commission File Number 1-13758**

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**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

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RELEASE

**Portugal Telecom Announces Issue of 20-Year Eurobond**

Lisbon, Portugal, 3 June 2005 - Portugal Telecom, SGPS, S.A. (PT) announced today that it has successfully issued a Euro 500 million Eurobond, with a maturity of 20 years, through its wholly-owned subsidiary PT International Finance.

Following the completion of this transaction and the issue of Euro 1,500 million Eurobond in March of this year, the average maturity of PT's debt has been extended to approximately 7.5 years.

The proceeds will be used to fund the acceleration of 3G rollout in Portugal, to fund post retirement obligations related to additional staff curtailment, and to provide PT with additional financial flexibility, by reducing the use of commercial paper and standby lines.

Citigroup was the sole book-runner of this transaction.

PT has a rating of A3 (stable) by Moody's and A- (stable) by S&P.

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

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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.

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