PORTUGAL TELECOM SGPS SA
Form 6-K/A
February 27, 2007

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 6-K /A

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, 2007**

**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 ___X___ 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 ___X____

**Portugal Telecom, SGPS, S.A.**
Public Company
Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisboa
Share Capital: Euro 395,099,775
Registered in the Commercial Registry Office of Lisbon
and Corporation no. 503 215 058

**Addendum to the Report of the Board of Directors**

**Clarification on information provided in the update to the Board of Directors Report on the Revised Offer published on 20 February 2007**

Lisbon, 27 February 2007 Portugal Telecom ( PT ) would like to provide clarification on the shareholder remuneration package included in the update to Board of Directors Report on the revision of the offer price.

PT informs that, as announced on 20 February 2007, the shareholder remuneration package consists of:

- The acquisition of own shares in the amount of Euro 2.1 billion. Shares will be acquired at market price, up to a maximum price of Euro 11.50 per share, resulting in the acquisition of a minimum of 16.5% of PT s current share capital. Such programme will be submitted to shareholder approval at a General Meeting, subject to approval by qualified majority as required to change the bylaws in regard to the reduction in share capital. The Board of PT reserves the right to optimise the structure after the Sonaecom Offer has lapsed.

- The distribution of 180.6 million shares of PT Multimédia ( PTM ) to PT shareholders, equivalent to Euro 2.0 billion or Euro 1.8 per PT share[1] .

- The payment of the May 2007 dividend equal to 47.5 Euro cents per share and a commitment to an annual dividend payment of 57.5 Euro cents per share for 2008-09 post completion of the acquisition of own shares, which is equivalent to a dividend yield of 6.9%[2] assuming a price of Euro 10.50 per share.

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1 PTM share price of Euro 10.85 as at 16 February 2007.

2 Based on the theoretical adjustment to the share price following the distribution of PTM shares (Euro 2.12 per PT share) and assuming the acquisition of own shares and the annual dividend payment have a neutral impact on the share price, which is equivalent to a theoretical price of Euro 8.38 per outstanding share.

Under this package, the total remuneration to PT shareholders over 2006-09 should amount to Euro 6.2 billion, equivalent to Euro 5.6 per share, or more than half of Sonaecom s Euro 10.50 per share offer, while allowing shareholders to retain 100% ownership of the significant value creation opportunity available in PT.

The impact of the revision of the shareholder remuneration package should not have a material impact on the financing costs of Portugal Telecom, with Moody s and Standard & Poor s having kept their respective rating on PT unchanged.

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

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

**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: February 27, 2007

PORTUGAL TELECOM, SGPS, S.A.

By: /s/ Nuno Prego

**Nuno Prego**
**Investor Relations Director**

**FORWARD-LOOKING STATEMENTS**

This press release 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.