

PORTUGAL TELECOM SGPS SA
Form 6-K
October 20, 2003

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 October, 2003

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 1,254,285,000

Registered in the Conservatory of the Commercial Registry of Lisbon under no. 03602/940706

Collective Person no. 503 215 058

Lisbon, Portugal, October 17, 2003 - Portugal Telecom, SGPS, S.A. (PT) (Euronext Lisbon: PTCO.IN; NYSE: PT) announces that PT Comunicações, S.A. (PT Comunicações) was notified of the decision of the Supreme Court related to the appeal against the decision of the Appeals Court that considered illegal the activation fees introduced by Portugal Telecom, S.A. in the prices for fixed telephone services in February 1998, approved by the competent authorities (at the time ICP - Instituto das Comunicações de Portugal and DGCP - Direcção Geral de Concorrência e Preços) and ratified by the Portuguese Government, and condemned PT Comunicações (that legally followed Portugal Telecom, S.A. in this legal action) to refund the subscribers the amounts charged in 1999 as activation fees. The Supreme Court denied PT Comunicações' intention and maintained the Appeals Court decision.

As mentioned in the Note 33 of the Notes to the Consolidated Financial Statements of PT's 2002 Consolidated Annual Report, PT had already recognized that this Court decision could be unfavourable.

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

Contact: Vitor J. Sequeira, Investor Relations Director
vitor.j.sequeira@telecom.pt

Portugal Telecom
Tel.: +351.215001701
Fax.: +351.213556623

Portugal Telecom is listed on the Euronext Lisbon and New York Stock Exchanges. Information may be accessed on the Reuters 2000 Service under the symbols PT and PTCO.IN and on Bloomberg under the symbol PTC PL.
