

PORTUGAL TELECOM SGPS SA
Form 6-K
October 27, 2009

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 2009

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

Release | Lisbon | 26 October 2009

Issuance of Eurobond

Portugal Telecom announces the successful issuance of a Euro 750 million Eurobond, with a maturity of 10 years, through its wholly-owned subsidiary PT International Finance BV with a spread of 145bp over the mid swaps of similar maturity. The coupon of this issue will be 5.0%.

This operation is integrated in the financing strategy of PT, which aims at having diversified maturities and sources of financing. The proceeds will be used to fund ongoing investment projects and to provide additional financial flexibility, by reducing the use of commercial paper and standby lines.

Barclays Capital, BES Investimento, Caixa BI, Santander and UBS were the book-runners of this transaction.

PT has a rating of Baa2/stable by Moody's and BBB/stable by S&P.

| | | | |
|------------------------------------|---------------------------------|------------------------------------|-----------------------------|
| Portugal Telecom, SGPS, SA | Public company | Portugal Telecom is listed on the | Nuno Vieira |
| Avenida Fontes Pereira de Melo, 40 | Share capital Euro 26,895,375 | Euronext and New York Stock | Investor Relations Director |
| 1069-300 Lisbon | Registered in the Commercial | Exchange. Information may be | nuno.t.vieira@telecom.pt |
| Portugal | Registry Office of Lisbon | accessed on the Reuters under the | Tel.: +351 21 500 1701 |
| | and Corporation no. 503 215 058 | symbols PTC.LS and PT and on | Fax: +351 21 500 0800 |
| | | Bloomberg under the symbol PTC PL. | |

www.telecom.pt

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: October 26, 2009

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.
