

PORTUGAL TELECOM SGPS SA  
Form 6-K  
July 28, 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 July, 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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ANNOUNCEMENT

Portugal Telecom, SGPS, S.A.

Open Company

Registered Offices: Avenida Fontes Pereira de Melo, 40, Lisbon

Share Capital: Euro 1,166,485,050

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

Collective Person no. 503 215 058

**Qualified Holding**

Pursuant to the terms of article 17 of the Portuguese Securities Code, we inform that Banco BPI, S.A. decreased its holding in Portugal Telecom, SGPS, S.A. s (PT) share capital to 0.63%, through a sale operation, in favour of several institutional investors, of 19,282,471 PT shares, equivalent to 1.65% of PT s share capital and 1.71% of PT s voting rights, settled on 26 July 2005.

As of 26 July 1005, Banco BPI, S.A. holdings in PT, calculated in accordance with the terms of article 20 of the Portuguese Securities Code are set out in the following table:

Institution	No. of Shares	% of Capital	% of Voting Rights
Banco Português de Investimento	168,683	0.01%	0.01%
BPI Fundos - Gestão de Fundos de Investimento Mobiliário, S.A.	693,689	0.06%	0.06%
BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A.	6,243,714	0.54%	0.55%
BPI Vida - Companhia de Seguros de Vida, S.A.	23,906	0.00%	0.00%
Institutional clients with a discretionary management portfolio	194,621	0.02%	0.02%
Total	7,324,613	0.63%	0.65%

Lisbon, 27 July 2005

**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: July 27, 2005

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.

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