

PORTUGAL TELECOM SGPS SA  
Form 6-K  
July 25, 2006

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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, 2006**

**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 1,467,513,450  
Registered in the Conservatory of the Commercial Registry of Lisbon and  
Collective Person under no. 503 215 058

**Qualified Holding**

Pursuant to the terms and for the purposes of article 17 of the Portuguese Securities Code, we hereby announce that Telexpress Investments Limited decreased its holdings in Portugal Telecom, SGPS, S.A. (PT) to 22,465,000 shares, representing 1.99% of PT's share capital and voting rights, following the sale of 535,000 PT shares on 24 July 2006.

Lisbon, 25 July 2006

