

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

