

PORTUGAL TELECOM SGPS SA
Form 6-K
May 10, 2005

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 May, 2005

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 1,166,485,050

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, Portugal Telecom, SGPS, S.A. (PT) announces that ABN AMRO BANK N.V. (ABN) has informed PT, on 10 May 2005, that it decreased its holding in PT's share capital through an OTC sale transaction of 32,828,550 shares, as a result of which, ABN holds now a total of 3,065,166 PT shares, equivalent to 0.26% of PT's share capital and 0.27% of PT's voting rights.

Additionally, we inform that the shares sold by ABN were acquired by PT as the result of the exercise, through an OTC transaction, of the physical settlement option included under the terms of an equity swap contracted with ABN. After these transactions PT holds 37,628,550 of its own shares, equivalent to 3.23% of its share capital.

Lisbon, 10 May 2005

