

PORTUGAL TELECOM SGPS SA  
Form 6-K  
October 25, 2004

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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 October, 2004**

**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.**

Public Company

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

Share Capital: Euro 1,254,285,000

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 ABN AMRO BANK N.V. ( ABN ) decreased its holding in Portugal Telecom, SGPS, S.A. s ( PT ) share capital through an OTC sale operation of 22,598,543 shares on 21 October 2004.

As a result of this transaction, and according to the terms of article 20 of the Portuguese Securities Code, ABN holds a total of 9,104,348 PT shares, equivalent to 0.73% of PT s share capital and 0.78% of PT s voting rights.

Additionally, we inform that the shares sold by ABN were acquired by PT as the result of the exercise of the physical settlement option included under the terms of an equity swap contracted with ABN.

Lisbon, 25 October 2004

