

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

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, 2006

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 1,467,513,450

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 and for the purposes of article 17 of the Portuguese Securities Code, we hereby announce that JPMorgan Chase & Co., on behalf of itself and its subsidiaries, purchased in the market 2,648,072 ordinary shares of Portugal Telecom, SGPS, S.A. (PT) on 22 May 2006.

Following these transactions, and according to the terms of article 20 of the Portuguese Securities Code, JPMorgan Chase & Co. increased its holding in PT to 23,387,373 shares, representing 2.07% of PT's share capital and voting rights.

Lisbon, 25 May 2006

