

PORTUGAL TELECOM SGPS SA  
Form 6-K  
February 07, 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 February, 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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**RELEASE**

**Portugal Telecom, SGPS, S.A.**

Public Company

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

Share Capital: Euro 1,128,856,500

Registered in the Conservatory of the Commercial Registry of Lisbon

under no. 03602/940706

Collective Person no. 503 215 058

**Board of Directors informs on public tender offer**

**Lisbon, Portugal, 7 February 2006** The Board of Directors met today to review the terms of the preliminary tender offer announcement, which was unsolicited and hence hostile, over Portugal Telecom (PT), the largest Portuguese economic group.

Following the information on the preliminary announcement, PT's Board considers that the offer:

- does not outline a strategy or long term vision for the PT Group, today with approximately 40 million customers and 30 thousand employees in 14 countries around the world;
- implies a high degree of uncertainty, given the significant anti-trust and regulatory restrictions, for which no solutions are laid out in the terms of the preliminary announcement;
- does not provide details on the funding of the offer, which as a result of its financing through a highly leveraged structure may imply the dismantling of the PT Group;
- limits, or seeks to limit, PT's management flexibility, well in excess of what is determined under Portuguese law, in a highly competitive and dynamic sector, which demands a high level of investment.

The Board of Directors is of the opinion that the current and future value of PT is considerably higher than the offer price, and will inform the company's shareholders of its formal response once a formal offer document has been posted. In the meantime, shareholders are strongly advised to wait for the Board's recommendations to be issued in due course.

**This information is also available on PT's IR website <http://ir.telecom.pt>.**

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Portugal Telecom

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PT is listed on the Euronext and New York Stock Exchanges. Information may be accessed on the Reuters under the symbols PTC.LS and PT and on Bloomberg under the symbol PTC PL.

