

PORTUGAL TELECOM SGPS SA
Form 6-K
August 08, 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 August, 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

RELEASE

Portugal Telecom sells PrimeSys

Lisbon, Portugal, 5 August 2005 - Portugal Telecom, SGPS, S.A. (PT) announced today that it has reached an agreement with Embratel to sell its 100% stake in PrimeSys in Brazil for a total consideration of R\$ 231 million, equivalent to Euro 81 million, adjusted for the Brazilian Interbank rate (CDI) up to the closing of the transaction. Currently, the CDI rate is at 19.70% .

In 2004, PrimeSys operating revenues and EBITDA amounted to R\$ 253 million (Euro 70 million) and R\$ 35 million (Euro 10 million) respectively. The impact for PT of PrimeSys costs with operating leases amounted to R\$ 78 million (Euro 21 million).

The closing of the transaction is pending approval by the local telecommunications regulator.

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

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

