

PORTUGAL TELECOM SGPS SA

Form 424B3

September 25, 2006

The Bank of New York
101 Barclay Street, 22nd Floor
New York, NY 10286

Securities & Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Attn.: Document Control

RE: American Depositary Shares evidenced
by American Depositary Receipts, each
representing one-fifth of an Ordinary Share of
Portugal Telecom, SGPS, S.A.
(Form F-6 File No 333-81394)

Ladies and Gentlemen:

Pursuant to Rule 424(b)(3) under the Securities
Act of 1933, as amended, on behalf of The Bank
of New York, as Depositary for securities
against which American Depositary Receipts are
to be issued, we attach a copy of the new
prospectus (Prospectus) reflecting the par value
change of Portugal Telecom, SGPS, S.A., from
one Euro1.30 each to Euro0.35 each, effective
September 18, 2006.

As required by Rule 424(e), the upper right hand
corner of the Prospectus cover page has a
reference to Rule 424(b)(3) and to the file
number of the registration statement to which
the Prospectus relates.

Pursuant to Section III. B. of the General
Instructions to the Form F-6 Registration
Statement, the Prospectus consists of the ADR
certificate with revised par value of Euro0.35 for
Portugal Telecom, SGPS, S.A.. The Prospectus
has been revised to reflect the new par value by
addition of the following notation:
Effective September 18, 2006, the par
value is Euro0.35 per Ordinary Share.

Please contact me with any questions or
comments at 212 815-4244.