

PORTUGAL TELECOM SGPS SA
Form SC14D9C
September 29, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9C

**Solicitation/Recommendation Statement Under
Section 14(d)(4) of the Securities Exchange Act of 1934**

PORTUGAL TELECOM, SGPS, S.A.
(Name of Subject Company)

PORTUGAL TELECOM, SGPS, S.A.
(Name of Person(s) Filing Statement)

Ordinary shares, nominal value 0.35 each
American Depositary Shares, each representing one ordinary share,
nominal value 0.35 per share
(Title of Class of Securities)

Ordinary Shares (ISIN: PTPTC0AM0009)
American Depositary Shares (CUSIP: 737273102)
(CUSIP Number of Class of Securities)

Nuno Prego
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Portugal Telecom, SGPS, S.A.
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(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)

x Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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1. Press release of Portugal Telecom, SGPS, S.A. (the Company), dated September 28, 2006, entitled Project of decision from the Competition Authority.

IMPORTANT NOTICE

Investors are urged to read the Company's Solicitation/Recommendation Statement on Schedule 14D-9 when it is filed by the Company with the U.S. Securities and Exchange Commission (the SEC), as it will contain important information. The Solicitation/Recommendation Statement and other public filings made from time to time by the Company with the SEC are available without charge from the SEC's website at www.sec.gov and at the Company's principal executive offices in Lisbon, Portugal.

These materials contain forward-looking statements based on management's current expectations or beliefs. These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forwarding-looking statements. Forward-looking statements may be identified by words such as believes, expects, anticipates, projects, intends, should, seeks, estimates, future or similar expressions. These statements reflect our current expectations. In light of the many risks and uncertainties surrounding the offer, you should understand that we cannot assure you that the forward-looking statements contained in these materials will be realized. You are cautioned not to put undue reliance on any forward-looking information.

RELEASE

Portugal Telecom, SGPS, S.A.

Public Company

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

Share Capital: Euro 395,099,775

Registered in the Commercial Registry Office of Lisbon and

Collective Entity no. 503 215 058

Project of decision from the Competition Authority

Lisbon, 28 September 2006 Portugal Telecom (PT) informs that it has received the project of decision from the Competition Authority not to oppose the concentration notified by Sonaecom related to the public tender offers in progress over PT and PT Multimedia. At this stage, PT has no comments on the contents of the project of decision.

PT is also aware of the press release disclosed by Anacom on the preliminary nature of the document issued by the Competition Authority and on the work being developed within Anacom in order to issue the final version of its opinion.

PT will present to the Competition Authority its understanding on such project of decision, as provided for in the applicable law. Therefore no opinion or statement on this matter may be attributed to PT in the meantime.

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

Contact:

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Portugal Telecom 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.