

Announcement | Lisbon | 6 March 2018

Deferral of Urgent Measure in Arbitration Procedure

In accordance with Article 248 of the Portuguese Securities Code and Article 3 (a) of CMVM Regulation No. 5/2008, PHAROL, SGPS SA ("PHAROL") hereby informs its shareholders and the market in general, that in the early afternoon of yesterday, it was informed that, in arbitration proceedings initiated by its subsidiary BRATEL S.À.RL ("Bratel") against Oi SA - In Judicial Recovery ("Oi") in the Market Arbitration Chamber ("MAC"), the Arbitrator appointed by MAC decided to partially approve the request for urgent measures presented by Bratel ("Emergency Decision") to:

- Recognize the competence to settle the dispute and grant the request to suspend the effects of the possible approval of any resolution that deals with matters included in the agenda of the "Extraordinary Meeting of the Board of Directors of Oi SA [which was convened] to discuss of the following agenda: 'capital increase of the Company, through the capitalization of part of the Unsecured Bonds of the Qualified Bondholders, with the issuance of new shares (clause 4.3.3.5 and correlates of the PRJ) and subscription bonus that will be conferred as additional advantage to the subscribers of the shares subject to the increase (clause 4.3.3.6 and correlates of the PRJ), as provided for in the Judicial Recovery Plan. "

According to the Emergency Decision, Oi must "refrain from implementing the capital increases in question, under penalty of a fine of one hundred twenty-two million, nine hundred and twenty-three thousand, seven hundred and ninety-one reais and forty-one cents). "

Pharol is aware that Oi was duly notified of the Emergency Decision prior to the Extraordinary Meeting of the Board of Directors held on 05.03.2018.

PHAROL, SGPS S.A.

Public Company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon and
Corporation no. 503 215 058

PHAROL is listed on the Euronext
(PHR).
Information may be accessed on
Bloomberg under the symbol PHR
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