

Announcement | Lisbon | 8 March 2018

PHAROL informs on the Content of the Decision of the 7th Commercial Court of the District of Rio de Janeiro

Pursuant to article 248 of the Portuguese Securities Code, PHAROL, SGPS SA ("PHAROL") hereby announces a decision of the Court of the 7th Commercial Court of the District of Rio de Janeiro, which determined (a) the suspension of the political rights of its subsidiary BRATEL S.À.RL ("Bratel"), (b) the removal of members of the Board of Directors who were allegedly elected and nominated by Bratel and (c) a manifestation of interest in the mediation procedure.

The Oi S.A. - in Judicial Recovery ("Oi") still cites in its Material Fact of March 7, 2018 the names of Members of the Board of Directors who would be removed from their positions "on account of the decision". Such information is not true and does not correspond to the content of the judicial decision rendered to the extent that the aforementioned Directors are currently on the Board by the unilateral choice of the Executive Officers Eurico Telles and Carlos Augusto Brandão, who are solely responsible for drafting the Judicial Recovery Plan, presented without the consent or approval of the Board of Directors or of the Shareholders.

In this regard, Pharol informs that it has never indicated and was not even consulted to indicate any name to the Oi Transitory Council mentioned in the Judicial Recovery Plan and that the disclosure of non-true information to the market and the eventual implementation of such measures will be subject to own seat.

Pharol informs that, following the best understanding of its legal advisors, it will adopt all appropriate measures to prevail the corporate and procedural legislation in force in Brazil that prescribes arbitration as a method of conflict resolution and adopts the principle of competence-competence according to which it is for the arbitrators to decide on their jurisdiction to resolve the conflicts that are submitted to them. Nor could it be penalized - for lack of a legal basis and violation of the constitutional right of action - to bring arbitration proceedings provided for in the Bylaws, in order to defend legitimate interests of all Oi stakeholders in the best interests of society.

Pharol reiterates its commitment to finding a timely and balanced solution for all those involved in Oi's judicial recovery process in the best interests of Oi and, of course, all Pharol's Investors.

PHAROL, SGPS S.A.

Public Company
Share capital Euro 26,895,375
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PHAROL is listed on the Euronext
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