



Announcement | Lisbon | 19 October 2015

PHAROL's stake in Oi after conversion of preferred shares into common shares of Oi.

PHAROL, SGPS S.A. ("PHAROL") hereby informs that, following the voluntary conversion of preferred shares into common shares of Oi, S.A., PHAROL now holds, directly and indirectly through wholly owned subsidiaries, 183,662,204 common shares of Oi, representing 27.18% of total share capital of Oi, SA (excluding treasury shares). PHAROL's voting rights in Oi will be limited to 15% of the total common shares of Oi.

Additionally, PHAROL maintains a Call Option on 47,434,872 common shares of Oi and 94,869,744 preferred shares of Oi with an exercise price of R\$20.104 per common share and R\$18.529 per preferred share with a 6-year maturity. The Call Option has partial expiration dates throughout the period, with the option volume to be reduced by 10% at the end of the first year and 18% per year thereafter.

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 PL.

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