



Announcement | Lisbon | 05 February 2018

HOLDING OF THE GENERAL SHAREHOLDERS' MEETING OF OI S.A. - IN JUDICIAL RECOVERY

Pursuant to article 248 of the Portuguese Securities Code and article 3 (a) of CMVM Regulation no. 5/2008, PHAROL, SGPS SA ("PHAROL") hereby informs that its subsidiary BRATEL S.À.R.L., as the largest shareholder of Oi S.A. - On Judicial Recovery ("Oi"), hereby ratifies, on this date, the regular and legitimate convocation of the Extraordinary Shareholders' Meeting of Oi, to be held, on first call, on February 7, 2018, in order to, among other matters, (a) resolve on matters of exclusive competence of Oi's Shareholders, which, in the manner proposed by the Statutory Board in the Oi Judicial Recovery Plan, would violate the terms of its Bylaws In force, and (b) on the liability action against Oi's administrators.

Pharol was surprised by Oi's statement to the market on February 2, 2017, informing the alleged cancellation of the Extraordinary General Meeting regularly convened by its largest shareholder.

This is another arbitrary act of Oi in violation of the essential rights of its shareholders. The breach of shareholders' rights that characterized Oi S.A.'s entire Judicial Recovery process is even more evident and will be questioned in its own right, in order to demonstrate the nullity of acts practiced during the process.

In any event, in the light of a communication made by Oi, Pharol informs that:

(a) the call of the Extraordinary Shareholders' Meeting of Oi is maintained, as published regularly in the Official Gazette of Rio de Janeiro and Valor Econômico, on January 8, 9 and 10, to be held on February 7, 2018, at 11 am, at Oi headquarters, Rua Lavradio nº 71, Rio de Janeiro, RJ;

PHAROL, SGPS S.A.

Public Company
Share capital Euro 26,895,375
Registered in the Commercial
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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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- (b) the said Meeting was duly convened, in accordance with the legislation in force;
- (c) there is no judicial decision that determines the cancellation of said Extraordinary General Meeting that will have on its agenda other subjects besides those related to the Oi Judicial Recovery Plan presented by the Statutory Board of Executive Officers;
- (d) the existence of an arbitration clause in Oi's Bylaws removes state jurisdiction from the conflicts involving shareholders and Oi; and
- (e) the Extraordinary Shareholders' Meeting will have relevant topics on its agenda, which is why Pharol urges Oi's shareholders to participate in said Meeting and any possible deliberations on the matters included therein.

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