PHAROL

Clarification on the latest developments in Oi's Judicial Recovery and on the Extraordinary General Meeting of February 7, 2018

Regarding the injunction issued by the 7th Company Law Court of Rio de Janeiro, in which the Shareholders' Meeting was duly called and held yesterday (07/02), Pharol clarifies that it has full confidence that its rights as shareholder will be respected and is convinced of the numerous irregularities contained in the Oi Judicial Recovery Plan.

It seems that the Company did not inform the Court of the content of the votes cast at the Meeting, and therefore Pharol will take all necessary steps to ensure that the resolution is respected and to clarify all aspects that demonstrate its legality to the competent authorities (judicial and / or arbitration) in order to assert its rights as the largest individual shareholder of Oi and which invested the majority of its assets in that company.

Pharol also informs that appeals were filed against the decision that approved the Oi Judicial Recovery Plan without the prior approval of the shareholders and the Board of Directors, as well as against the decision that granted the President of Oi the power to file a recovery plan judicial decision, independently of the Board of Directors' consent. The understanding of Pharol is that up to the present moment there is no valid manifestation of Oi's wish for the Recovery Plan to be considered as existing, valid and effective.

Pharol regrets the treatment of shareholders and the disinformation campaign promoted by a company of size and relevance such as Oi in order to benefit private interests.