



Announcement | Lisbon | 10 August 2016

Press Release

Regarding the notices published on Tuesday (09.08.2016) by a shareholder of Oi, PHAROL, SGPS SA ("PHAROL") states that:

- The Board of Directors of Oi was legitimately elected in September 2015 with over 80% of votes until the approval of 2017 financial statements as article 69 of the Oi's bylaws.
- On 22.07.2016 was held Oi's extraordinary general meeting in which there was the ratification by more than 80% of the votes of all acts taken by the management to date, including the Request For Judicial Reorganization. Within the meeting, the Societe Mondiale voted in favor.
- The judge of the Judicial Reorganization already issued a decision determining that any change of control or **board members** depends on prior approval, which was not subject to any appeal.
- The requests for meeting from Societe Mondiale are under evaluation of the Judge of the 7th Corporate Court of the Judicial District of Rio de Janeiro. This Court is responsible for the the Judicial Reorganization of the Company by the request of the Board of Directors of Oi. Was determined the prior approval of the Public Prosecutor and the Judicial Administrator. Even so, Societe Mondiale promoted the publication of notices as out of disrespecting the decisions already handed down, and PHAROL already expressed in the official records of the Judicial Reorganization process.
- The requests for meeting from for the purpose of deliberating on matters that are under consideration of the Judiciary is a clear attempt to disrupt the process underway.
- The recent proliferation of legal and administrative maneuvers promoted by a specific group of shareholders, is bringing instability to the company during its recovery plan.
- As Oi is the largest PHAROL's investment, so PHAROL is total interested in the success of the rehabilitation proceedings of Oi. There may be other interested shareholders at Oi, but none of them have a greater interest in the recovery of the Company than PHAROL.

PHAROL, SGPS S.A.

Public company
Share capital Euro26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215058

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

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