

**Announcement** | Lisbon | 12 December 2018

## PHAROL informs on resolution of the Board of Directors on the capital increase

As the shareholders are aware, on 23rd November 2018, the general meeting of shareholders resolved to *“authorize the Board of Directors to increase the nominal amount of the share capital of the COMPANY, (...) up to € 55.482.427,11 (fifty five million four hundred and eighty-two thousand, four hundred and twenty-seven euros and eleven euro cents), through new cash contributions, with or without premium, with the global maximum amount of authorized new money being €70.038.277,67 (seventy million, thirty eight thousand, two hundred and seventy, seven euros, and sixty seven cents) (...)”*. The final amount of said capital increase would be determined by the Board of Directors, depending on the market conditions and in accordance with the needs of the COMPANY in order to allow its participation in the capital increase of Oi, S.A. – In Judicial Recovery (**“Oi”**).

The proceedings towards the capital increase of Oi are currently in course and are expected to terminate on 31st December 2018.

However, existing market conditions are not favourable to a share capital increase of PHAROL at this moment. On the other hand, the COMPANY may resort to other instruments in order to follow its interests in Oi. More specifically, its participation in the capital increase of Oi may be implemented through a combined management of its cash, subscription rights and shares in Oi.

Against this background, on December 7, 2018, the Board of Directors resolved not to make use of the authorization granted by the general meeting of 23rd November to increase the share capital of PHAROL with the above referred purpose.

### 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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