

PHAROL, SGPS S.A.  
Form 6-K  
November 12, 2015

**United States**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 6-K**

**Report of Foreign Private Issuer**  
**Pursuant to Rule 13a-16 or 15d-16 of the**  
**Securities Exchange Act of 1934**

**For the month of November 2015**

**Commission File Number 1-13758**

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**PHAROL, SGPS S.A.**

(Exact name of registrant as specified in its charter)

**Rua Joshua Benoliel, 1, 2C, Edifício Amoreiras Square**

**1250 -133 Lisboa, Portugal**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

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Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**Announcement** | Lisbon | 12 November 2015

**OI DISCLOSES THE 2015 THIRD QUARTER RESULTS**

PHAROL, SGPS S.A. hereby informs on the Material fact disclosed by Oi, S.A., on the 2015 third quarter results, as detailed in the company's document attached hereto.

**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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QUARTERLY REPORT

**Consolidated Information and Earnings Release (Unaudited)**

This report contains the operating and financial performance of Oi S.A. and its direct and indirect subsidiaries for the third quarter of 2015.

**Oi S.A. | [www.oi.com.br/ri](http://www.oi.com.br/ri)**

*3Q15 RESULTS IN LINE TO DELIVER 2015 GUIDANCE*

- Despite the challenging macroeconomic scenario, Oi has delivered consistent results for another quarter, in line to reach its 2015 guidance of routine EBITDA of R\$ 7.0 to 7.4 billion and operational cash flow (OCF) improvement of R\$ 1.2 to 1.8 billion, both for the Brazilian operations.
- Routine EBITDA of Brazilian operations reached R\$ 1,740 million in the quarter, +10.6% y.o.y., as a result of the continued focus on cost efficiency and profitability of the existing customer base.
- Despite the 9.5% increase in inflation for the last 12 months (versus 8.9% in 2Q15), Oi presented operating costs and expenses in Brazil of R\$ 4,775 million in the quarter, a decrease of 7.5% y.o.y., which represents a real gain of approximately 16%. The routine EBITDA margin of Brazilian operations was 26.7% in 3Q15, an increase of 3.4 p.p. y.o.y.
- In 3Q15, OCF (routine EBITDA minus Capex) of the Brazilian operations was R\$ 790 million, +455% y.o.y., due to the increase of the routine EBITDA and the focus in a more efficient capital allocation. Capex of Brazilian operations was R\$ 950 million (-33.6% y.o.y.), of which 85.6% was directed to the network. The Company has prioritized infrastructure projects and has been able to deliver them very efficiently due to initiatives such as contract renegotiations, network optimization projects and sharing of infrastructure. As a result of these initiatives, Oi has been verifying improvement in customer experience. In the fixed network, for instance, the average speed in broadband increased by 25% in the last twelve months and today 53% of additions are with speeds equal or higher than 10 Mbps. During this same period, IP traffic grew 43% and ADSL congestion rate fell by 17%. In the mobile network, the continuous migration of 2G customers to 3G has driven data traffic growth while Anatel's metrics of data connection and data drop rate continued to improve.
- In Brazil, net customer revenues, which excludes handset sales and revenues from network usage, reached R\$ 6,066 million in the quarter, +0.9% y.o.y., despite the unfavorable macroeconomic scenario.

- Total net revenues in Brazil reached R\$ 6,515 million in the quarter (-3.3% y.o.y.), basically due to the impact of the MTR cut and the outsourcing of the handset operations.
- In the Personal Mobility segment, net customer revenues, which excludes sales of handsets and MTR revenues, reached R\$ 1,780 million, an increase of 8.1% y.o.y. and 1.3% q.o.q., recording the best market performance in both comparisons. Net service revenues, which excludes only handset revenues, totaled R\$ 1,997 million, an increase of 0.9% y.o.y. (2<sup>nd</sup> largest growth of the market) and 2.4% q.o.q. (the highest growth of the market). For both customer and service revenues, Oi was the only operator to consistently maintain a positive trend in the year-on-year growth over the past five quarters.
- The Personal Mobility performance was driven by the increase of 52.8% in data revenues (including VAS), presenting the best performance of the market. The mix of data on service revenues reached 38.3%, an increase of 13 p.p. in the last twelve months, also the best evolution of the market.
- In the Residential segment, ARPU continued to show improvement in all products, reaching R\$ 79.5 in the quarter (+ 8.3% y.o.y.), as a result of the Company's focus on the profitability of its customer base. Net revenues of the segment reached R\$ 2,437 million (-0.6% y.o.y.), reinforcing the positive trend observed in recent quarters, due to the increase in ARPU combined with the growth of gross adds and stable churn rates, reflecting the quality of sales and the return to a more intensive commercial approach.

- In 3Q15, net revenues in the Corporate / SMEs segment decreased by 3.5% y.o.y., mainly affected by the macroeconomic environment in Brazil.
- Cash generated by the Brazilian operations reached R\$ 686 million in the quarter, after several quarters of cash consumption. This result reflects the Company's efforts in the pursuit of operational efficiency.
- Net debt increased to R\$ 37,241 million (+7.5% q.o.q.), mainly impacted by financial results and by the temporary accounting effect of R\$ 1.5 billion related to the mark-to-market of derivatives in the period. In October, approximately R\$ 1 billion of this accounting effect has been reverted.
- As part of the transformation plan, in early November Oi launched *Oi Livre*, which revolutionizes the telecommunications model in the country by eliminating the community effect and expanding significantly data offer to be freely used. With *Oi Livre*, the customer has more data without restrictions of usage and more minutes to call any operator anywhere in the country. Oi therefore makes a strategic move, given the reduction in interconnection tariffs in the country, and follows a global trend adopting a model widely used in markets such as the United States and Europe.

**Summary**

<b>in R\$ million or otherwise stated</b>	<b>3Q15</b>	<b>3Q14</b>	<b>2Q15</b>	<b>YoY</b>	<b>QoQ</b>	<b>9M15</b>	<b>9M14</b>	<b>YoY</b>
<b>Oi S.A. Pro-forma (1)</b>								
Total Net Revenues	6,827	6,968	6,784	-2.0%	0.6%	20,651	21,223	-2.7%
EBITDA	2,178	2,260	1,899	-3.6%	14.7%	6,088	7,166	-15.0%
EBITDA Margin (%)	31.9%	32.4%	28.0%	-0.5 p.p.	3.9 p.p.	29.5%	33.8%	-4.3 p.p.
Routine EBITDA	1,852	1,698	1,947	9.1%	-4.9%	5,810	5,279	10.1%
Routine EBITDA Margin (%)	27.1%	24.4%	28.7%	2.8 p.p.	-1.6 p.p.	28.1%	24.9%	3.3 p.p.
Consolidated Net Earnings (Loss) (2)	-1,021	5	671	n.m.	n.m.	-797	15	n.m.
Net Debt	37,241	47,799	34,644	-22.1%	7.5%	37,241	47,799	-22.1%
Available Cash	16,415	3,805	16,636	331.4%	-1.3%	16,415	3,805	331.4%
CAPEX	984	1,470	1,069	-33.0%	-7.9%	3,078	4,170	-26.2%
<b>BRAZIL</b>								
Revenue Generating Unit - ( 000)	71,838	75,035	72,975	-4.3%	-1.6%	71,838	75,035	-4.3%
Residential	16,524	17,401	16,791	-5.0%	-1.6%	16,524	17,401	-5.0%
Personal Mobility	47,059	48,976	47,756	-3.9%	-1.5%	47,059	48,976	-3.9%
Corporate / SMEs	7,602	8,004	7,778	-5.0%	-2.3%	7,602	8,004	-5.0%
Public Telephones	651	653	651	-0.3%	0.0%	651	653	-0.3%
Total Net Revenues	6,515	6,738	6,555	-3.3%	-0.6%	19,911	20,549	-3.1%
Net Service Revenues(3)	6,463	6,526	6,486	-1.0%	-0.4%	19,588	19,991	-2.0%
Residential	2,437	2,451	2,460	-0.6%	-0.9%	7,387	7,522	-1.8%
Personal Mobility	1,997	1,978	1,950	0.9%	2.4%	6,006	6,053	-0.8%
Customer (4)	1,780	1,646	1,757	8.1%	1.3%	5,336	4,998	6.8%
Corporate / SMEs	1,967	2,030	2,001	-3.1%	-1.7%	5,986	6,193	-3.3%
Net Customer Revenues(4)	6,066	6,009	6,131	0.9%	-1.1%	18,400	18,366	0.2%
Routine EBITDA	1,740	1,573	1,816	10.6%	-4.2%	5,485	4,923	11.4%
Routine EBITDA Margin (%)	26.7%	23.3%	27.7%	3.4 p.p.	-1.0 p.p.	27.5%	24.0%	3.6 p.p.
CAPEX	950	1,431	1,041	-33.6%	-8.7%	2,976	4,018	-25.9%
Routine EBITDA - CAPEX	790	142	775	455.1%	1.9%	2,509	904	177.5%

(1) Pro-forma figures, except net earnings, net debt and available cash.

(2) Consolidated net earnings include the discontinuation of the operations of PT Portugal SGPS, S.A. ( PT Portugal ). Net Earnings from discontinued operations include the positive effect related to the exchange variation on PT Portugal 's book value, which was recorded under shareholders ' equity in 4Q14. With the completion of PT Portugal 's sale in 2Q15, this amount was reclassified to net results from discontinued operations, together with expenses associated with the sale.

(3) Excludes handset revenues.

(4) Excludes handset and network usage revenues.



## Net Revenues:

Table 1 - Breakdown of Net Revenues

R\$ million	3Q15	3Q14	Quarter 2Q15	YoY	QoQ	9M15	9 Months 9M14	YoY	Weight %	
									3Q15	3Q14
<b>Total Net Revenues (Pro-forma)</b>	<b>6,827</b>	<b>6,968</b>	<b>6,784</b>	<b>-2.0%</b>	<b>0.6%</b>	<b>20,651</b>	<b>21,223</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Brazil</b>	<b>6,515</b>	<b>6,738</b>	<b>6,555</b>	<b>-3.3%</b>	<b>-0.6%</b>	<b>19,911</b>	<b>20,549</b>	<b>-3.1%</b>	<b>95.4%</b>	<b>96.7%</b>
<b>Residential</b>	<b>2,437</b>	<b>2,451</b>	<b>2,460</b>	<b>-0.6%</b>	<b>-0.9%</b>	<b>7,387</b>	<b>7,522</b>	<b>-1.8%</b>	<b>35.7%</b>	<b>35.2%</b>
<b>Personal Mobility</b>	<b>2,048</b>	<b>2,180</b>	<b>2,018</b>	<b>-6.1%</b>	<b>1.5%</b>	<b>6,325</b>	<b>6,578</b>	<b>-3.8%</b>	<b>30.0%</b>	<b>31.3%</b>
Service	1,997	1,978	1,950	0.9%	2.4%	6,006	6,053	-0.8%	29.2%	28.4%
Customer	1,780	1,646	1,757	8.1%	1.3%	5,336	4,998	6.8%	26.1%	23.6%
Network Usage	217	332	193	-34.7%	12.7%	670	1,056	-36.6%	3.2%	4.8%
Sales of handsets, SIMcards and others	52	202	68	-74.4%	-23.8%	319	525	-39.2%	0.8%	2.9%
<b>Corporate / SMEs</b>	<b>1,967</b>	<b>2,039</b>	<b>2,001</b>	<b>-3.5%</b>	<b>-1.7%</b>	<b>5,989</b>	<b>6,227</b>	<b>-3.8%</b>	<b>28.8%</b>	<b>29.3%</b>
<b>Other services</b>	<b>63</b>	<b>67</b>	<b>76</b>	<b>-6.4%</b>	<b>-17.5%</b>	<b>209</b>	<b>222</b>	<b>-5.9%</b>	<b>0.9%</b>	<b>1.0%</b>
<b>Others</b>	<b>312</b>	<b>231</b>	<b>229</b>	<b>35.1%</b>	<b>36.3%</b>	<b>740</b>	<b>674</b>	<b>9.7%</b>	<b>4.6%</b>	<b>3.3%</b>
<b>Brazil</b>										
<b>Net Service Revenues</b>	<b>6,463</b>	<b>6,526</b>	<b>6,486</b>	<b>-1.0%</b>	<b>-0.4%</b>	<b>19,588</b>	<b>19,991</b>	<b>-2.0%</b>	<b>94.7%</b>	<b>93.6%</b>
<b>Net Customer Revenues</b>	<b>6,066</b>	<b>6,009</b>	<b>6,131</b>	<b>0.9%</b>	<b>-1.1%</b>	<b>18,400</b>	<b>18,366</b>	<b>0.2%</b>	<b>88.8%</b>	<b>86.2%</b>

Consolidated net revenues, including the international operations, totaled R\$ 6,827 million in 3Q15, -2.0% y.o.y. and +0.6% q.o.q. Net revenues from the Brazilian operations came to R\$ 6,515 million, with an annual decrease of 3.3%, which will be discussed further on, while revenues from other international operations (Africa and East Timor) increased by 35.1% in the same period, mainly due to currency exchange effects.

**BRAZIL**

In 3Q15, total net revenues from the Brazilian operations ( Brazil ) came to R\$ 6,515 million, 3.3% lower than in 3Q14 and 0.6% down from 2Q15. The annual decline was mainly due to the reduction in handset revenues, as a result of the outsourcing of handset operations, and to lower revenues from network usage, following the 33.3% cut in the regulated interconnection tariffs of mobile services (MTR) in February 2015. These effects were partially offset by higher broadband (+7.5%) and pay-TV (+42.7%) revenues in the Residential segment, as well as higher

data revenues (+52.8%) in the Personal Mobility segment.

Total net service revenues, which excludes handset sales, reached R\$ 6,463 million (-1.0% y.o.y.). Total net customer revenues, which excludes network usage and handset sales, grew by 0.9% y.o.y., reaching R\$ 6,066 million in 3Q15.

Additionally, the Company's revenues, especially in the SMEs (B2B) and prepaid (Personal Mobility) segments, were also naturally affected by the unfavourable macroeconomic scenario.