

**OI BRASIL HOLDINGS  
COOPERATIEF U.A.**  
Amsterdam, the Netherlands

**FINANCIAL REPORT 2014**

**Baker Tilly Berk N.V.**

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## **OI BRASIL HOLDINGS COOPERATIEF U.A.**

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# OI BRASIL HOLDINGS COOPERATIEF U.A.

## Directors' report

### Introduction

Oi Brasil Holdings Coöperatief U.A. (the "Coop") is a Dutch cooperative with excluded liability, incorporated in Amsterdam, the Netherlands, on April 20, 2011. The Coop mainly acts as a holding and financing company and currently has its office address at Naritaweg 165, 1043BW Amsterdam, the Netherlands.

### Overview of the Activities

The Coop is a wholly owned subsidiary of Oi S.A. in Brazil. Oi S.A. is a provider of telecommunication services in Brazil, with a nationwide presence. Oi S.A.'s social purpose is to offer telecommunications services and activities necessary or useful to the execution of these services, operating in compliance with the concessions, authorizations and permits granted to the company.

The principal activity of the Coop is the financing of group companies.

### Financial report

The Managing directors are pleased to present the annual report and accounts of the Coop for the financial year ended December 31, 2014.

During the year under review, the Coop recorded a net profit of USD 158,157.

### Risk Management

#### Authorization level

Managing Directors are bound by clear restrictions regarding representative authorization. All documents must be approved by both a Managing Director A and a Dutch resident Managing Director B, unless a power of attorney has been issued in this respect.

#### External Audit

The accounts of the Coop are audited by an external auditor (Baker Tilly Berk N.V.). These audits take place on the basis of generally accepted auditing standards within the Netherlands.

#### Advisory Roles

The external auditor (Baker Tilly Berk N.V.) does not act in an advisory capacity except where activities relating to the annual accounts are concerned. Professional advice is provided by third party experts, such as tax advisors, Dutch notaries and Civil-Law lawyers.

#### Declaration

The Board of Managing Directors believes that the internal risk management and control systems described above provide a reasonable level of assurance that the annual accounts do not contain any material misstatements and that these systems operated properly during the year under review. The Board of Managing Directors has no indication that these systems will not operate properly during the current year.

## OI BRASIL HOLDINGS COOPERATIEF U.A.

### Directors' report

#### Number of employees

At the end of 2014 the Coop did not have any employees (2013: 0).

#### Financial Analysis

In 2014, the financial income and expenses increased by 3.80% to USD 673,326 compared to USD 648,684 which is mainly realized through lower interest expenses in 2014. At the period-end, the Coop had Members funds of USD - 7,705,611 (2013: -7,863,768).

The general and administrative expenses decreases by 84.82% to USD 29,776, compared to USD 196,098 in 2013.

The total amount of assets increases by 0.059% to USD 1,527,136,772 compared to USD 1,523,233,501 in 2013.

During the year under review, the Coop recorded a net profit of USD 158,157. The Directors have not recommended a dividend (2013: EUR 0).

#### Future Developments

The Board of Managing Directors anticipates that the Coop will continue its current activities and does not anticipate any major changes during the upcoming financial year.

Amsterdam, July 15, 2015



Mr. F. Nicolay Guimarães  
Managing Director A



Trust International Management (T.I.M.) B.V.  
Managing Director B

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Balance sheet as at December 31, 2014

(in USD, after appropriation of results)

	<u>Notes</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Financial fixed assets	5	1,490,335,115	1,490,335,115
		<u>1,490,335,115</u>	<u>1,490,335,115</u>
<b>Current assets</b>			
Receivables	6	35,080,657	35,022,875
Cash and cash equivalents	7	1,721,000	875,511
		<u>36,801,657</u>	<u>35,898,386</u>
<b>TOTAL ASSETS</b>		<u><u>1,527,136,772</u></u>	<u><u>1,526,233,501</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Issued and paid-up capital	8	21,777	24,743
Translation reserve		1,529	(1,437)
Other reserve		(7,728,917)	(7,887,074)
		<u>(7,705,611)</u>	<u>(7,863,768)</u>
<b>Non-current Liabilities</b>	9	1,495,067,684	1,494,408,050
<b>Current Liabilities</b>	10	39,774,699	39,689,219
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,527,136,772</u></u>	<u><u>1,526,233,501</u></u>

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Income statement for the financial year ended December 31, 2014

(in USD)

	<u>Notes</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Interest income on loans to group companies		49,650,022	51,858,322
Interest expense on bonds issued		(86,909,634)	(86,909,634)
Net result from Interest rate SWAP		37,907,166	35,698,866
Bank and other interest		1,981	1,098
Interest expense on Corporate Income Tax		(26,665)	--
Exchange differences		50,456	32
<b>Financial income and expenses</b>		<u>673,326</u>	<u>648,684</u>
General and administrative expenses	12	29,776	196,098
<b>Operating expenses</b>		<u>29,776</u>	<u>196,098</u>
<b>OPERATING PROFIT</b>		<u>(29,776)</u>	<u>(196,098)</u>
<b>RESULT BEFORE TAXATION</b>		<u>643,550</u>	<u>452,586</u>
Income tax expense		(485,393)	(630,913)
<b>NET RESULT AFTER TAXATION</b>		<u>158,157</u>	<u>(178,327)</u>

## CASH FLOW STATEMENT

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities</b>		
Payment received on interest rate SWAP	36,718,338	31,318,184
Interest received on loans receivable	50,838,850	50,888,287
Interest paid on bonds	(86,250,000)	(86,250,000)
Short term funding to intercompany	(1,200)	-
Payment of Corporate Income Tax	(218,032)	-
General and administrative expenses	(242,860)	(166,147)
	<u>845,096</u>	<u>(4,209,676)</u>
Net cash from operating activities	<u>845,096</u>	<u>(4,209,676)</u>
<b>Cash flows from investing activities</b>		
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Interest income on banks	1,981	1,098
Advance payment of Capital Increase	-	5,075,000
Net cash used in financing activities	<u>1,981</u>	<u>5,076,098</u>
Net cash flows	<u>847,077</u>	<u>866,422</u>
Exchange gains/(losses) on cash and cash equivalents	(1,588)	3,933
net increase/ (decrease) in cash and cash equivalents	<u>845,489</u>	<u>870,355</u>
Movements in cash and cash equivalents can be broken down as follows:		
At January 1	875,511	5,156
movements during the year	845,489	870,355
At December 31	<u>1,721,000</u>	<u>875,511</u>

# OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014

(in USD)

## 1 GENERAL

Oi Brasil Holdings Cooperatief U.A. is a Dutch Co-operative, incorporated in Amsterdam on April 20, 2011. The Company mainly acts as a holding and financing company and currently has its office address at Naritaweg 165, 1043 BW, Amsterdam, The Netherlands.

### (a) Going concern

The Company had an equity deficit of USD 7,296,618 at December 31, 2014 and current liabilities exceed current assets. The deficit is fully funded by borrowings, including intercompany loans/bank loans etc.

The continuation of the Company as a going concern is dependent on the continued support of its ultimate parent company. The shareholders have declared to maintain their financial interest in and support to the Company in the foreseeable future. In view of this, the accounting policies used in these financial statements are based on the expectation that the Company will be able to continue as a going concern.

### (b) Group structure

The Company is under control of Oi S.A in Brazil. The financial statements of the Cooperative are included in the consolidated financial statements of Oi S.A. in Brazil.

### (c) Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

### (d) Use of estimates

In applying the accounting policies and guidelines for preparing the financial statements, management makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the Financial Statement items in question. Actual amounts may differ from these estimates.



# OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014

(in USD)

## 2 ACCOUNTING POLICIES FOR THE BALANCE SHEET

The accompanying Financial Statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board, taking into account the exemptions offered by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were incurred or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

### (a) Comparison with previous year

The accounting policies have been consistently applied to all the years presented.

### (b) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

### (c) Financial fixed assets

The company has an interest bearing loan on a related party. Long-term receivables are initially recognized at fair value and are subsequently stated at amortised costs.

### (d) Impairment

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the income statement.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised. A reversal of an impairment loss is recognised immediately in the income statement.

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014  
(in USD)

### 2 ACCOUNTING POLICIES FOR THE BALANCE SHEET (Continued)

#### (e) Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

#### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

#### (g) Non-current liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

### 3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT

#### (a) General

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

#### (b) Exchange rate differences

Exchange rate differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

The following rates have been applied to the financial statements:

1 US Dollar (USD) =	EUR	<u>2014</u>	<u>2013</u>
		1.209849921	1.374599923

#### (c) Selling expenses, and general and administrative expenses

Selling expenses, and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods sold.

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014  
(in USD)

### 3 ACCOUNTING POLICIES FOR THE INCOME STATEMENT (Continued)

#### (d) Financial income and expenses

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Dividends receivable from associates not carried at net asset value and securities are recognised as soon as the Company acquires the right to them.

#### (e) Taxation

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

### 4 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### (a) Price Risk

##### *Currency risk*

The functional currency of the Company is US dollars. The Company mainly holds financial positions in US dollars. As the Company holds receivables and payables in US dollars for nearly the same amounts the currency risk the Company incurs is limited.

##### *Interest rate and cash flow risk*

The Company has issued bonds at fixed interest rate for a term of 10 years and receives a floating rate interest on loan receivable to a related party with a term of 10 years.

The Company entered into an interest rate swaps to match the interest income with the interest expenses. The Company receives a fixed interest rate and pays a floating interest rate. The combination of the intercompany receivable, the bonds and the interest SWAP results in a fixed financing margin from the Company of 0.125% on the principal amount.

#### (b) Credit risk

Management has assessed the credit risk of its only debtor and considers the risk of non-payment negligible.

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and Income statement as at December 31, 2014

(in USD)

### FIXED ASSETS

#### 5 FINANCIAL FIXED ASSETS

The financials fixed assets comprise of one loan receivable on a related party as specified below:

Name	Interest rate	2014	2013
OI S.A., Brasil	Libor (6 months) + 3%	1,490,335,115	1,490,335,115

The Credit agreement with OI S.A. was entered into on August 29, 2012. Interest is due twice a year on the 7th of February and on the 7th of August. The agreement will end on February 7, 2022 and no amortization is due during the term of the loan. No securities have been given by OI S.A..

### CURRENT ASSETS

#### 6 RECEIVABLES

As at December 31, 2014, this item can be detailed as follows:

	CCY	Amount in CCY	2014	2013
Amounts due from group companies			1,200	--
Interest accrued on the loan to OI S.A.			18,529,717	19,718,545
Net receivable under the SWAP			16,493,158	15,304,330
Value added tax	EUR	46,768	56,582	--
<b>Total receivables</b>			<b>35,080,657</b>	<b>35,022,875</b>

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

Amounts due from group companies are specified as follows:

Name	2014	2013
Brasil Telecom SA	1,200	--

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014  
(in USD)

### 7 CASH AND CASH EQUIVALENTS

<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>2014</u>	<u>2013</u>
Current account ABN Amro	EUR	162	196	47,213
Current account Banco ITAU			1,720,804	828,298
Current account Banco ITAU	EUR		--	--
Current account Banco ITAU	GBP		--	--
			<u>1,721,000</u>	<u>875,511</u>

The balances are at the Company's free disposal.

### 8 MEMBERS'S CAPITAL

The movements of Capital contribution in the Co-operative can be summarised as follows:

Exchange differences due to translation in the Member's Capital account are added to the revaluation reserve.  
The year-end rate used for translation is EUR/USD: 1.209849921.

As at December 31, 2014, the Member's Capital account has been fully paid-up. The movements in the year under review can be summarised as follows:

	<u>Member's Capital Account</u>	<u>Revaluation Reserve</u>	<u>General Reserves</u>	<u>Total</u>
<b>Opening balance 2013</b>	23,754	(448)	(7,708,747)	(7,685,441)
Additions for the year	989	(989)	--	--
Result for the year	--	--	(178,327)	(178,327)
<b>Closing balance 2013</b>	<u>24,743</u>	<u>(1,437)</u>	<u>(7,887,074)</u>	<u>(7,863,768)</u>
Revaluation	(2,966)	2,966	--	--
Result for the year	--	--	158,157	158,157
<b>Closing balance 2014</b>	<u>21,777</u>	<u>1,529</u>	<u>(7,728,917)</u>	<u>(7,705,611)</u>

## OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014  
(in USD)

### 9 NON-CURRENT LIABILITIES

	Interest	2014	2013
Notes issued	5.75%	1,495,067,684	1,494,408,050
<b>Total</b>		<u>1,495,067,684</u>	<u>1,494,408,050</u>

On February 10, 2012 Oi S.A. issued a Senior Unsecured Notes for a total amount of USD 1,500,000,000 with a term of 10 years and a interest rate of 5.75%. On July 27, 2012 the Company substituted Oi S.A. as debtor and issuer of the notes. Interest is due on the notes twice a year on the 10th of February and the 10th of August.  
The bond will be repaid in full on maturity date, being February 10, 2022.

The costs related to the issuance to the loan will be amortized over the term of the loan. The movement for 2014 can be specified as follows :

*Amounts in USD*

<b>Balance at year end 2012</b>	<b>6,251,584</b>
Amortization in 2013	(659,634)
<b>Balance at year end 2013</b>	<u><b>5,591,950</b></u>
Amortization in 2014	(659,634)
<b>Balance at year end 2014</b>	<u><u><b>4,932,316</b></u></u>

The amortization is accounted for as part of the interest expense. The effective interest rate is 5,809524%

### 10 CURRENT LIABILITIES

	CCY	Amount in CCY	2014	2013
Interest payable on the bonds issued			33,781,250	33,781,250
Payables to member			5,075,000	5,075,000
Corporate income tax	EUR	722,836	874,523	630,913
Value added tax			-	9,979
Other debts, accruals and deferred income			43,926	192,077
<b>Total</b>			<u><u>39,774,699</u></u>	<u><u>39,689,219</u></u>

The payables to shareholder(s) are specified as follows:

Name	Ownership	2014	2013
Oi Brasil S.A.	100.00%	5,075,000	5,075,000

# OI BRASIL HOLDINGS COOPERATIEF U.A.

Notes to the balance sheet and income statement as at December 31, 2014  
(in USD)

## 11 FINANCIAL INSTRUMENTS

### *Interest rate SWAP*

On August 29, 2012 the Company entered into an interest rate SWAP. Under the contract the Company is obliged to pay Libor 6 months + 3% and is entitled to receive a fixed interest of 5,875%, both calculated on a notional amount of 1,490,335,115.63 USD. The contract ends on February 10, 2022. The fair value of this Swap is USD 61,679,465 as at December 31, 2014.

## 12 GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
Bank expenses	(1,785)	299
Accounting expenses	4,550	42,505
Management expenses	(3,019)	26,227
Legal advisory expenses	6,178	48,335
Audit expenses	15,162	43,801
Tax advisory expenses	(7,687)	17,098
General expenses	1,637	6,290
Listing expenses	13,628	11,543
Regulatory reporting expenses	1,112	-
	<u>29,776</u>	<u>196,098</u>

## 13 NUMBER OF EMPLOYEES

Neither during the year under review nor in the previous year did the Company have any employees. Hence, it did not pay any wages and related social security.

## 14 DIRECTORS

During the year under review, the Company had two Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Board of Supervisory Directors.

On February 14, 2014, Mr. T. Rebelo Dias resigned as Managing Director of the Company. On the same date, Mr. F. Nicolay Guimaraes was appointed as Managing Director of the Company.

### The Board of Managing Directors.

Mr. F. Nicolay Guimaraes

Amsterdam,

July 15, 2015

Trust International Management (T.I.M.) B.V.

# OI BRASIL HOLDINGS COOPERATIEF U.A.

## Other Information

### Other reserves

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with Article 23 of the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves.

### Appropriation of result in accordance with Articles of Association

In accordance with article 14.1 of the Cooperative's Article of Association, after adoption of the annual accounts, the profits accrued in the relevant financial year shall be added to the Cooperative's general reserves, unless the General Meeting of Members resolves to distribute the profits in whole or in part as referred to in Article 14.4.

### Proposed appropriation of result

The Board of Managing Directors proposes to deduct the net profit for the year to the other reserve. This proposed appropriation of result has been reflected in the financial statements, and is subject to the approval of the Members.

### Post balance sheet events

On June 2, 2015 the Cooperative entered into a credit agreement acting as borrower of Portugal Telecom International Finance B.V. in the amount of EUR 4,648,877,000 bearing 5.26375% interest per annum with a maturity date of June 2, 2016.

On June 10, 2015 the Management board of the Cooperative resolved to issue Notes up to the maximum amount of EUR 750,000,000, at an annual interest rate of up to 6% and up to a seven-year tenor. The deal was closed on June 22, 2015 for an issuance in the aggregate principal amount of EUR 600,000,000. Interest due will accrue at a rate of 5.625% per annum and will be paid annually.

On June 18, 2015 the Cooperative entered into a credit agreement acting as lender of Oi S.A. in the amount of EUR 400,000,000 bearing 6M EURIBOR + 3.5% interest with a maturity date of June 18, 2016.

On June 18, 2015 the Cooperative amended its credit agreement with Oi S.A. increasing the principal amount from EUR 400,000,000 to EUR 2,000,000,000.

### Independent Audit

The auditor's report is included on the next page.



Auditors



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To Oi Brasil Holdings Coöperatief U.A.

## INDEPENDENT AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements 2014 of Oi Brasil Holdings Coöperatief U.A., Amsterdam, which comprise the company balance sheet as at December 31, 2014, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the board of directors, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Baker Tilly Berk N.V. is a limited liability company and is the exclusive contracting party in respect of all commissioned work. The company's general terms and conditions, filed with the registry of the Dutch chamber of commerce under no. 24425560, which include a limitation of liability, are applicable to all work performed and all legal relationships with third parties.

Auditors



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Oi Brasil Holdings Coöpertief U.A. as at December 31, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the board of directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, July 17, 2015

A handwritten signature in blue ink, appearing to read "H.R. Dikkeboom".

H.R. Dikkeboom RA  
Audit Partner