



Announcement | Lisbon | 15 June 2018

Notice to the Market disclosed by Oi

PHAROL, SGPS S.A. hereby informs on the Notice to the Market disclosed by Oi, S.A., according to the company's announcement 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.

Luis Sousa de Macedo
Investor Relations Director
ir@pharol.pt
Tel.: +351 212 697 698
Fax: +351 212 697 649

pharol.pt

**NOTICE TO THE HOLDERS OF NOTES ISSUED BY
OI S.A. – UNDER JUDICIAL REORGANIZATION,
PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. – UNDER JUDICIAL
REORGANIZATION
AND**

OI BRASIL HOLDINGS COÖPERATIEF U.A. – UNDER JUDICIAL REORGANIZATION

RIO DE JANEIRO, RJ, BRAZIL, June 15, 2018 — Oi S.A. – Under Judicial Reorganization (“*Oi*”), Portugal Telecom International Finance B.V. – Under Judicial Reorganization (“*PTIF*”) and Oi Brasil Holdings Coöperatief U.A. – Under Judicial Reorganization (“*Oi Coop*”); and together with Oi and PTIF, collectively the “*Issuers*”) announce today that they have commenced the settlement procedures for Qualified Holders (as defined below) to receive the Qualified Recovery (as defined below) applicable to the following series of notes:

- Oi’s 9.75% Senior Notes due 2016 (CUSIP/ISIN Nos. 10553M AC5/US10553MAC55 and P18445 AF6/USP18445AF68);
- Oi’s 5.125% Senior Notes due 2017 (ISIN No. XS0569301830 and XS0569301327);
- Oi’s 9.50% Senior Notes due 2019 (CUSIP/ISIN Nos. 87944L AD1/US87944LAD10 and P9037H AK9/USP9037HAK97);
- Oi’s 5.50% Senior Notes due 2020 (CUSIP/ISIN Nos. 87944L AE9/US87944LAE92, P9037H AL7/USP9037HAL70 and 87944L AF6/USP87944LAF67);
- PTIF’s 6.25% Notes due 2016 (ISIN No. PTPTCYOM0008);
- PTIF’s 4.375% Notes due March 2017 (ISIN No. XS0215828913);
- PTIF’s 5.242% Notes due November 2017 (ISIN No. XS0441479804);
- PTIF’s 5.875% Notes due 2018 (ISIN No. XS0843939918);
- PTIF’s 5.00% Notes due 2019, (ISIN No. XS0462994343);
- PTIF’s 4.625% Notes due 2020 (ISIN No. XS0927581842);
- PTIF’s 4.50% Notes due 2025 (ISIN No. XS0221854200);
- Oi Coop’s 5.625% Senior Notes due 2021 (ISIN No. XS1245245045 and XS1245244402); and
- Oi Coop’s 5.75% Senior Notes due 2022 (CUSIP/ISIN Nos. 10553M AD3/US10553MAD39 and P18445 AG4/USP18445AG42) (collectively, the “*Notes*”).

The terms and conditions of the surrender of the Notes and the settlement procedures with respect to the Qualified Recovery are described in the Information Statement, dated June 15, 2018 (the “*Information Statement*”). Copies of the Information Statement are available through the settlement website at <https://sites.dfkingltd.com/oisettlement> (the “*Settlement Website*”). Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the previously announced Amended and Restated Information and Election Statement dated February 14, 2018 (the “*Election Statement*”).

“Qualified Holders” are holders of Notes that (1) appear on the Qualified Election List compiled by the Election Tabulation Agent and/or (2) Qualified Transferees that are the beneficiaries of valid Qualified Recovery Election Transfers in accordance with the procedures set forth in the Election Statement.

In accordance with the procedures for Qualified Recovery Election Transfers set forth in the Election Statement, no Qualified Recovery Election Transfer will be recorded with respect to any transfer of Notes that occurs on or after June 15, 2018, the date on which the Qualified Settlement Procedure has commenced. Any Qualified Transfer Notice with respect to such transfer will not be accepted and shall be invalid.

Subject to the terms and conditions described in the Information Statement, the deadline for Qualified Holders to validly participate and surrender their Notes is 5:00 p.m., New York City time, on July 12, 2018, unless the deadline is extended by the Issuers in their sole discretion (such time and date, as the same may be extended, the “*Expiration Date*”).

Qualified Holders that validly participate and surrender a principal amount of Notes equal to or less than the principal amount of the respective series of Notes that appear on the Qualified Election List for such Qualified Holder at or prior to the Expiration Date will be eligible to receive:

- New Senior Notes due 2025 issued by Oi (the “*New Notes*”);
- American Depositary Shares (“*ADSs*”) representing common shares of Oi (the “*New Shares*”);

- ADSs representing common shares of Oi currently held by PTIF (the “*PTIF-Held Shares*”); and together with the New Shares, collectively, the “*Common Shares*”); and
- American Depositary Warrants (“*ADWs*”) representing Warrants (the “*Warrants*”); and together with the New Notes and the Common Shares, collectively, the “*Qualified Recovery*”).

The respective amounts of the Qualified Recovery that each Qualified Holder is entitled to receive is determined based on the amount of credits evidenced by the Notes (the “*Bondholder Credits*”) of each series of Notes held by a Qualified Holder. Bondholder Credits consist of (1) the principal amount of the Notes that appear on the Qualified Election List for each Qualified Holder and (2) accrued and unpaid interest in respect of such Notes from the last interest payment date that the applicable Issuer made an interest payment on such Notes to, but not including, June 20, 2016 (the “*Accrued Interest*”).

For illustrative purposes, a Qualified Holder will receive for each US\$1,000 of Bondholder Credits held:

- US\$195.61 aggregate principal amount of the New Notes;
- ADSs representing 179.09 New Shares, with the number of New Shares subject to reduction in the event that any common shares of Oi are subscribed in the pre-emptive offer of the aggregate number of New Shares that Oi is required to conduct prior to delivering the ADSs representing the New Shares to the Qualified Holders, in which event such Qualified Holder will receive the cash proceeds related to the number of New Shares by which such allocation was reduced;
- ADSs representing 13.75 PTIF-Held Shares; and
- ADWs at an exercise price of US\$0.01 per common share, with the number of ADWs subject to reduction in the event that any Warrants are issued to subscribers of common shares in the pre-emptive offer of the aggregate number of New Shares that Oi is required to conduct prior to delivering the ADSs representing the New Shares to the Qualified Holders.

In order for a Qualified Holder to validly participate in the Qualified Recovery Settlement, such Qualified Holder must access the Election Website, which is accessible at <https://www.dfkingltdevents.com>, and obtain its unique identification code that has been assigned by D.F. King (the “*Information Agent*”), to each Qualified Holder (the “*Unique Token Number*”). The Unique Token Number will be clearly displayed on the right hand column of each submission on the ‘My Submissions’ page and will consist of a prefix of DFKQ and a five digit number.

The procedures for Qualified Holders to properly participate in the surrender of its Notes and the settlement of the Qualified Recovery depend on whether such Qualified Holder holds its Notes through The Depository Trust Company and/or through Euroclear S.A./N.V. and Clearstream Banking. For a more detailed description of the procedures that the Qualified Holders need to follow to surrender their Notes, please see the Information Statement.

Qualified Holders that do not validly participate and surrender their Notes in accordance with the settlement procedures set forth in the Information Statement will ONLY be entitled to receive the Default Recovery.

The settlement of the Qualified Recovery is subject to the satisfaction or waiver of certain conditions described in the Information Statement. The Issuers have the to modify, extend or otherwise amend the settlement of the Qualified Recovery if any of such Conditions are not satisfied and such conditions are not waived by the Issuers.

Copies of the Information Statement are available through the settlement website at <https://sites.dfkingltd.com/oisettlement>. Questions and requests for assistance may be directed to Oi at LD-Bondholders@oi.net.br.

The Information Agent may be contacted via email at oissettlement@dfkingltd.com or at their offices located at: 48 Wall Street, 22nd Floor, New York, New York 10005 United States and 125 Wood Street, London EC2V 7AN, United Kingdom.

The Qualified Recovery is being offered in reliance on an order from a United States bankruptcy court that granted the Issuers relief from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 1145 of the U.S. bankruptcy code.

This press release is not an offer to sell or a solicitation of an offer to sell the Qualified Recovery or an offer to purchase or a solicitation an offer to purchase of the Notes. The surrender of the Notes and the settlement of the Qualified Recovery is being made solely by the Issuers pursuant to the Information Statement. No recommendation is made as to whether any Qualified Holder should participate and surrender its Notes for the Qualified Recovery. The Qualified Recovery is not being made to, nor will the Issuer accept surrenders of Notes from holders in any jurisdiction in which the settlement of the Qualified Recovery or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

Special Note Regarding Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Brazilian applicable regulation. Statements that are not historical facts, including statements regarding the potential terms and conditions of the subsequent Exchange Offer and Non-Qualified Settlement Procedure, the beliefs and expectations of the Issuers, business strategies, future synergies and cost savings, future costs and future liquidity are forward-looking statements. The words “will,” “may,” “should,” “could,” “anticipates,” “intends,” “believes,” “estimates,” “expects,” “forecasts,” “plans,” “plans,” “targets,” “goal” and similar expressions, as they relate to the Issuers or their management, are intended to identify forward-looking statements. There is no guarantee that the expected events, tendencies or expected results will actually occur, or that the Qualified Recovery will occur on the terms described, or at all. Such statements reflect the current views of management of the Issuers and are subject to a number of risks and uncertainties. Such statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, corporate approvals, operational factors and other factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to the Issuers or their affiliates, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. Except as required under the Brazilian or U.S. federal securities laws or the rules and regulations of the CVM, the SEC or of regulatory authorities in other applicable jurisdictions, The Issuers and their affiliates disclaim any obligation to update, revise or publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. You are advised, however, to consult any further disclosures the Issuers make on related subjects in reports and communications that the Issuers file with the CVM and the SEC.

**NOTICE TO THE HOLDERS OF NOTES ISSUED BY
OI S.A. – UNDER JUDICIAL REORGANIZATION,
PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. – UNDER JUDICIAL
REORGANIZATION**

AND

OI BRASIL HOLDINGS COÖPERATIEF U.A. – UNDER JUDICIAL REORGANIZATION

RIO DE JANEIRO, RJ, BRAZIL, June 15, 2018 — Oi S.A. – Under Judicial Reorganization (“*Oi*”), Portugal Telecom International Finance B.V. – Under Judicial Reorganization (“*PTIF*”) and Oi Brasil Holdings Coöperatief U.A. – Under Judicial Reorganization (“*Oi Coop*”); and together with Oi and PTIF, collectively the “*Issuers*”) announce today that they have commenced the settlement procedures for Non-Qualified Holders (as defined below) to receive the Non-Qualified Recovery (as defined below) applicable to the following series of notes:

- Oi’s 9.75% Senior Notes due 2016 (CUSIP/ISIN Nos. 10553M AC5/US10553MAC55 and P18445 AF6/USP18445AF68);
- Oi’s 5.125% Senior Notes due 2017 (ISIN No. XS0569301830 and XS0569301327);
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- Oi’s 5.50% Senior Notes due 2020 (CUSIP/ISIN Nos. 87944L AE9/US87944LAE92, P9037H AL7/USP9037HAL70 and 87944L AF6/USP87944LAF67);
- PTIF’s 4.375% Notes due March 2017 (ISIN No. XS0215828913);
- PTIF’s 5.242% Notes due November 2017 (ISIN No. XS0441479804);
- PTIF’s 5.875% Notes due 2018 (ISIN No. XS0843939918);
- PTIF’s 5.00% Notes due 2019, (ISIN No. XS0462994343);
- PTIF’s 4.625% Notes due 2020 (ISIN No. XS0927581842);
- PTIF’s 4.50% Notes due 2025 (ISIN No. XS0221854200);
- Oi Coop’s 5.625% Senior Notes due 2021 (ISIN No. XS1245245045 and XS1245244402); and
- Oi Coop’s 5.75% Senior Notes due 2022 (CUSIP/ISIN Nos. 10553M AD3/US10553MAD39 and P18445 AG4/USP18445AG42) (collectively, the “*Notes*”).

The terms and conditions for Non-Qualified Holders to validly participate and surrender Notes for the Non-Qualified Recovery are described in the Information Statement, dated June 15, 2018 (the “*Information Statement*”). Copies of the Information Statement are available through the settlement website at <https://sites.dfkingltd.com/oisettlement> (the “*Settlement Website*”). Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the previously announced Amended and Restated Information and Election Statement dated February 14, 2018 (the “*Election Statement*”).

Subject to the terms and conditions described in the Information Statement, the deadline for Non-Qualified Holders to validly participate and surrender their Notes is 5:00 p.m., New York City time, on July 12, 2018, unless the deadline is extended by the Issuers in their sole discretion (such time and date, as the same may be extended, the “*Expiration Date*”).

“Non-Qualified Holders” are holders of Notes that (1) appear on the Non-Qualified Election List compiled by the Election Tabulation Agent and/or (2) Non-Qualified Transferees that are the beneficiaries of valid Non-Qualified Recovery Election Transfers, in each case, in accordance with the procedures set forth in the previously announced Amended and Restated Information and Election Statement dated February 14, 2018 (the “*Election Statement*”). Capitalized terms used but not otherwise defined in this press release shall have the meaning given to them in the Election Statement.

In accordance with the procedures for Non-Qualified Recovery Election Transfers set forth in the Election Statement, no Non-Qualified Recovery Election Transfer will be recorded with respect to any transfer of Notes that occurs on or after June 15, 2018, the on which the Non-Qualified Settlement Procedure has commenced. Any Non-Qualified Transfer Notice with respect to such transfer will not be accepted and shall be invalid.

Each Non-Qualified Holder that validly participates and surrenders their Notes in accordance with the procedures set forth in the Information Statement will receive a participation interest in the principal amount of US\$500 under the Non-Qualified Credit Agreement for each US\$1,000 of Bondholder Credits held by such Non-Qualified Holder (the “*Non-Qualified Recovery*”).

The Non-Qualified Recovery will consist of a participation interest under a credit agreement to be entered into by and among the Issuers, Telemar Norte Leste S.A. – Under Judicial Reorganization, Oi Móvel S.A. – Under Judicial Reorganization, Copart 4 Participações S.A. – Under Judicial Reorganization and Copart 5

Participações S.A. – Under Judicial Reorganization and Lucid Agency Services Limited, as facility agent substantially in the form of Exhibit A to the Information Statement (the “*Non-Qualified Credit Agreement*”).

The principal amount of the Non-Qualified Recovery that each Non-Qualified Holder that validly participates in the Non-Qualified Recovery Settlement will receive will be determined based on the amounts of credit evidenced by the Notes (the “*Bondholder Credits*”), which is the sum of the (i) principal amount of the Notes held by such Non-Qualified Holder, plus (ii) accrued and unpaid interest in respect of such Notes from the last interest payment date on which the applicable Issuer made an interest payment on such Notes to, but not including, June 20, 2016 (the “*Accrued Interest*”), converted into U.S. dollars, if applicable, at the exchange rate for Euros into U.S. dollars on December 11, 2017 as published by Bloomberg or at the exchange rate for *reais* into U.S. dollars on December 11, 2017 as published by the Brazilian Central Bank.

In order for a Non-Qualified Holder to validly participate and surrender its Notes in accordance with the procedures set forth in the Information Statement, such Non-Qualified Holder must access the Election Website, which is accessible at <https://www.dfkingltdevents.com>, and obtain its unique identification code that has been assigned by D.F. King (the “*Information Agent*”), to each Non-Qualified Holder (the “*Unique Token Number*”). The Unique Token Number will be clearly displayed on the right hand column of each submission on the ‘My Submissions’ page and will consist of a prefix of DFKN and a five digit number.

The procedures for Non-Qualified Holders to properly participate in the surrender of its Notes and the settlement of the Non-Qualified Recovery depend on whether such Non-Qualified Holder holds its Notes through The Depository Trust Company and/or through Euroclear S.A./N.V. or Clearstream Banking. In addition, the procedures for Non-Qualified Holders to properly participate in the surrender of Notes (other than the PTIF 2016 Notes (as defined below)) held through Euroclear S.A./N.V. or Clearstream Banking depend on whether or not such Non-Qualified Holder validly participated in the Small Creditor Program (as defined in the Election Statement). For a more detailed description of the procedures that each Non-Qualified Holder needs to follow to surrender its Notes, please see the Information Statement.

Holders of beneficial interests in PTIF’s 6.25% Notes due 2016 (ISIN No. PTPTCYOM0008) (the “PTIF 2016 Notes”) that appear on the Non-Qualified Election List may validly participate and surrender their PTIF 2016 Notes pursuant to the procedures set forth in a separate information statement relating to the Non-Qualified Recovery with respect to the PTIF 2016 Notes (the “PTIF 2016 Notes Non-Qualified Recovery Settlement”). Copies of the information statement relating to the Non-Qualified Recovery with respect to the PTIF 2016 Notes are available on the website of Lucid Issuer Services Ltd. as Information Agent for PTIF’s 6.25% Notes due 2016, at www.lucid-is.com/oi.

Non-Qualified Holders that do not validly participate and surrender their Notes in accordance with the procedures set forth in the Information Statement or the information statement relating to the PTIF 2016 Notes Non-Qualified Recovery Settlement will ONLY be entitled to receive the Default Recovery.

The settlement of the Non-Qualified Recovery is subject to the satisfaction or waiver of certain conditions described in the Information Statement. The Issuers have the to modify, extend or otherwise amend the settlement of the Non-Qualified Recovery if any of such conditions are not satisfied and such conditions are not waived by the Issuers.

Questions and requests for assistance may be directed to the Information Agent at the Settlement Website or to Oi at LD-Bondholders@oi.net.br.

The Information Agent may also be contacted via email at oisettlement@dfkingltd.com or at their offices located at: 48 Wall Street, 22nd Floor, New York, New York 10005 United States and 125 Wood Street, London EC2V 7AN, United Kingdom.

Special Note Regarding Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Brazilian applicable regulation. Statements that are not historical facts, including statements regarding the potential terms and conditions of the subsequent Exchange Offer and Non-Qualified Settlement Procedure, the beliefs and expectations of the Issuers, business strategies, future synergies and cost savings, future costs and future liquidity are forward-looking statements. The words “will,” “may,” “should,” “could,” “anticipates,” “intends,” “believes,” “estimates,” “expects,” “forecasts,” “plans,” “plans,” “targets,” “goal” and similar expressions, as they relate to the Issuers or their management, are intended to identify forward-looking statements. There is no guarantee that the expected events, tendencies or expected results will actually occur, or that the Non-Qualified Recovery will occur on the terms described, or at all. Such statements reflect the current views of management of the Issuers and are subject to a number of risks and

uncertainties. Such statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, corporate approvals, operational factors and other factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to the Issuers or their affiliates, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. Except as required under the Brazilian or U.S. federal securities laws or the rules and regulations of the CVM, the SEC or of regulatory authorities in other applicable jurisdictions, The Issuers and their affiliates disclaim any obligation to update, revise or publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. You are advised, however, to consult any further disclosures the Issuers make on related subjects in reports and communications that the Issuers file with the CVM and the SEC.

**NOTICE TO THE HOLDERS OF NOTES ISSUED BY
OI S.A. – IN JUDICIAL REORGANIZATION,
PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. – IN JUDICIAL REORGANIZATION**
in respect of:

PTIF's 6.25 per cent. Notes due 2016 (ISIN No.: PTPTCYOM0008)
(the "Notes")

RIO DE JANEIRO, RJ, BRAZIL, June 15, 2018 — Oi S.A. – In Judicial Reorganization ("Oi") and Portugal Telecom International Finance B.V. – In Judicial Reorganization ("PTIF") announce today that they have commenced the settlement procedures for Non-Qualified Holders (as defined below) to receive the Non-Qualified Recovery (as defined below) applicable to the above Notes issued by PTIF (the "Issuer").

The terms and conditions for Non-Qualified Holders to validly participate and surrender Notes for the Non-Qualified Recovery are described in the Information Statement, dated June 15, 2018 (the "*Information Statement*"), issued in respect of these Notes. Copies of the Information Statement are available through the website at www.lucid-is.com/oi (the "*Website*"). Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the previously announced Amended and Restated Information and Election Statement dated February 14, 2018 (the "*Election Statement*").

Subject to the terms and conditions described in the Information Statement, the deadline for Non-Qualified Holders to validly participate and surrender their Notes is 10:00 a.m., Lisbon time, on July 13, 2018, unless the deadline is extended by Oi and the Issuer in their sole discretion (such time and date, as the same may be extended, the "*Expiration Date*").

"*Non-Qualified Holders*" are holders of Notes that (1) appear on the list (the "*Non-Qualified Election List*") maintained by Lucid Issuer Services Limited as the "Information Agent" specifically for this Non-Qualified Recovery Settlement (and which is based on the information provided by Non-Qualified Holders to the Election Tabulation Agent (as defined in the Election Statement) and (for holders entitled to Bondholder Credits of R\$50,000 or less) to Oi) of Non-Qualified Bondholders (as defined in the Election Statement) that made a valid Non-Qualified Recovery Election (as defined in the Election Statement) at or prior to 11:59 Brasilia time on March 8, 2018, in accordance with the procedures set forth in the Amended and Restated Information and Election Solicitation Statement dated February 14, 2018 (the "*Election Statement*"). Capitalized terms used but not otherwise defined in this press release shall have the meaning given to them in the Election Statement.

In accordance with the procedures for Non-Qualified Recovery Election Transfers set forth in the Election Statement, no Non-Qualified Recovery Election Transfer will be recorded with respect to any transfer of Notes that occurs after 10:00 a.m., Lisbon Time, on June 15, 2018, the date on which the Non-Qualified Settlement Procedure has commenced. Any Non-Qualified Transfer Notice with respect to such transfer will not be accepted and shall be invalid.

Each Non-Qualified Holder that validly participates and surrenders its Notes in accordance with the procedures set forth in the Information Statement will receive a participation interest in the principal amount of US\$500 under the Non-Qualified Credit Agreement for each US\$1,000 of Bondholder Credits held by such Non-Qualified Holder (the "*Non-Qualified Recovery*").

The Non-Qualified Recovery will consist of a participation interest under a credit agreement to be entered into by and among Oi, the Issuer, Oi Brasil Holdings Cooperatief U.A. – In Judicial Reorganization, Telemar Norte Leste S.A. – In Judicial Reorganization, Oi Móvel S.A. – In Judicial Reorganization, Copart 4 Participações S.A. – In Judicial Reorganization and Copart 5 Participações S.A. – In Judicial Reorganization and Lucid Agency Services Limited, as facility agent substantially in the form of Exhibit A to the Information Statement (the "*Non-Qualified Credit Agreement*").

The principal amount of the Non-Qualified Recovery that each Non-Qualified Holder that validly participates in the Non-Qualified Recovery Settlement will receive will be determined based on the amounts of credit evidenced by the Notes (the "*Bondholder Credits*"), which is the sum of the (i) principal amount of the Notes held by such Non-Qualified Holder, subject to reduction by the amount that any Non-Qualified Holder received in the Small Creditor Program (as defined in the Election Statement) plus (ii) accrued and unpaid interest in respect of the Notes held by such Non-Qualified Holder (other than any Non-Qualified Holder that validly participated in the Small Creditor Program) from the last interest payment date on which the Issuer made an interest payment on such Notes to, but not including, June 20, 2016 (the "*Accrued Interest*", in the amount

indicated in the Election Statement in respect of the Notes), converted into U.S. dollars at the exchange rate for Euros into U.S. Dollars on December 11, 2017 as published by Bloomberg.

In order for a Non-Qualified Holder to validly participate in the Non-Qualified Recovery Settlement, such Non-Qualified Holder must include in its instruction posted through the Website its unique identification code, which has been assigned to it by the Information Agent (the “*Unique Token Number*”), following the information lists received by it from Oi or by D.F. King, as applicable. Each Unique Token Number will be sent by the Information Agent, together with this Information Statement, to each holder of Notes to such holder’s email address, and will in addition be made available to each holder of Notes upon request from the Information Agent by email to oi@lucid-is.com. Further information will be available through the Website.

For a more detailed description of the procedures that each Non-Qualified Holder needs to follow to surrender its Notes, including the delivery of instructions through the Website and the corresponding transfer orders to the relevant Interbolsa participants, please see the Information Statement.

Concurrently with this Non-Qualified Recovery Settlement, holders of beneficial interests in other notes issued by PTIF (the “*PTIF Wholesale Notes*”) that appear on the Non-Qualified Election List may validly participate and surrender their PTIF Wholesale Notes pursuant to the procedures set forth in a separate information statement relating to the Non-Qualified Recovery with respect to the PTIF Wholesale Notes (the “*PTIF Wholesale Notes Non-Qualified Recovery Settlement*”). Copies of the information statement relating to the PTIF Wholesale Notes Non-Qualified Recovery Settlement are available on the website of D.F. King as information agent for PTIF Wholesale Notes, at <https://sites.dfkingltd.com/oisettlement>.

Non-Qualified Holders that do not validly participate and surrender their Notes in accordance with the procedures set forth in the Information Statement or the information statement relating to the PTIF Wholesale Notes Non-Qualified Recovery Settlement will ONLY be entitled to receive the Default Recovery.

The settlement of the Non-Qualified Recovery is subject to the satisfaction or waiver of certain conditions described in the Information Statement. Oi and the Issuer have the right to modify, extend or otherwise amend the settlement of the Non-Qualified Recovery if any of such conditions are not satisfied and such conditions are not waived by Oi and the Issuer.

Questions and requests for assistance may be directed to the Information Agent via www.lucid-is.com/oi.

The Information Agent may also be contacted via email at oi@lucid-is.com or at their offices located at: Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom.

Special Note Regarding Forward-Looking Statements:

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