



Announcement | Lisbon | 28 July 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.

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**OI S.A. – UNDER JUDICIAL REORGANIZATION,
ANNOUNCES ITS ELECTION TO PAY CASH INTEREST ON ITS
10.000%/12.000% SENIOR PIK TOGGLE NOTES DUE 2025
FOR INTEREST PERIOD ENDING ON FEBRUARY 4, 2019**

RIO DE JANEIRO, RJ, BRAZIL, July 27, 2018 — Oi S.A. – Under Judicial Reorganization (“*Oi*”), (the “*Issuer*”) announces today that it has elected to pay interest on its 10.000%/12.000% Senior PIK Toggle Notes due 2025 (the “*Notes*”), issued as part of the Qualified Recovery Settlement, in respect of the interest period commencing on and including February 5, 2018 and ending on and including February 4, 2019, entirely as cash interest at a rate of 10.000% per annum. Oi expects to make such cash interest payment on the first interest payment date in respect of the Notes, which is February 5, 2019., The Notes are governed by an indenture dated as of July 27, 2018 among Oi and Oi Móvel S.A. - in judicial reorganization; Telemar Norte Leste S.A. - in judicial reorganization; Copart 4 Participações S.A. - in judicial reorganization; Copart 5 Participações S.A. - in judicial reorganization; Portugal Telecom International Finance B.V. - in judicial reorganization; and Oi Brasil Holdings Coöperatief U.A. - in judicial reorganization and The Bank of New York Mellon, as trustee, registrar, a paying agent, and transfer agent.

Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Information Statement dated June 15, 2018 (as supplemented by the Supplement to the Information Statement dated July 3, 2018, the “*Information Statement*”).

Copies of the Information Statement are available through the settlement website at <https://sites.dfkingltd.com/oisettlement>.

The Qualified Recovery was 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.