



Announcement | Lisbon | 11 July 2019

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. – In Judicial Reorganization

Corporate Taxpayers' Registry (CNPJ/MF) No. 76.535.764/0001-43

Board of Trade (NIRE) No. 33.30029520-8

Publicly-Held Company

NOTICE TO THE MARKET

Oi S.A. – In Judicial Reorganization [the "Company"] hereby clarifies, in light of a note published in a widely-circulated means of communication yesterday, that Clause 5.3.1 of the Judicial Reorganization Plan, which was ratified by decision of the Judicial Reorganization Court published on February 5, 2018 [the "RJP"], provides for the possibility of the Company seeking, if needed, in addition to the funds obtained with the capital increase that already occurred in January this year, new funds for conducting Oi Group's activities, in the total amount of up to R\$ 2.5 billion, in the following terms:

“5.3.1. In addition to the funds obtained in the Capital Increase – New Funds, the Company may seek, if needed, within up to two (2) years from the date of the Judicial Ratification of the Plan, new funds in the capital market, at a total amount of up to two billion and five hundred million Reais [R\$ 2,500,000,000.00].

5.3.1.1. Such fundraising shall be carried out under attractive conditions to enable the capitalization of funds necessary to carry out Oi Group's activities, which may be carried out, amongst other manners, by means of the public issuance of common shares or new debt instruments, including debts with guarantee.”

In this regard, the Board of Officers, which is responsible for the RJP implementation, in compliance with its fiduciary duties, continually assesses opportunities for the better suitability of the Company's capital structure and the maximization of its value, especially those provided for in the RJP. In this context, there have been no negotiations until the present date to mandate a financial institution to act in the alternative provided for in the RJP's Clause 5.3.1.

Finally, we stress out that it is the competence of the Board of Officers to submit a more suitable proposal for the fundraising provided for in the RJP's aforementioned clause to the subsequent resolution of the Board of Directors, pursuant to the By-Laws and Law No. 11,101/05 (the Restructuring and Bankruptcy Law), which has not happened until this moment.

Rio de Janeiro, July 11, 2019.

Oi S.A. – In Judicial Reorganization

Carlos Augusto Machado Pereira de Almeida Brandão
Chief Financial Officer and Investor Relations Officer