



Announcement | Lisbon | 10 July 2017

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 21 500 1701
Fax: +351 21 500 0800



Oi S.A. – In Judicial Reorganization

Corporate Taxpayers' Registry [CNPJ/MF] No. 76.535.764/0001-43

Board of Trade [NIRE] No. 33.300.29520-8

Publicly-Held Company

NOTICE TO THE MARKET

Oi S.A. – In Judicial Reorganization ["Oi" or "Company"], in continuance of and in addition to the information contained in the Notices to the Market disclosed by the Company on February 2, 2017, February 10, 2017, February 20, 2017, March 29, 2017 and April 19, 2017, hereby informs its shareholders and the market in general that, on this date, the Dutch Supreme Court, in Amsterdam, The Netherlands, rejected the appeals filed by each of Oi's financial vehicles in the Netherlands, Oi Brasil Holdings Coöperatief UA – In Judicial Reorganization ["Oi Brasil Holdings"] and Portugal Telecom International Finance B.V. – In Judicial Reorganization ["PTIF"], against the decisions that had ordered the conversion of their respective suspension of payments proceedings into Dutch bankruptcy proceedings, maintaining the decision of Dutch Court of Appeals that such suspension of payments proceedings are converted into Dutch bankruptcy proceedings. These judgments rendered today by the Dutch Supreme Court do not have effects in Brazil nor in the other jurisdictions where the authority of the Brazilian Judiciary to process the judicial reorganization has been recognized.

Oi reiterates that Oi Brasil Holdings and PTIF remain under judicial reorganization in Brazil and clarifies that today's judgments do not have any impact on the Company's day by day and operational activities. Oi continues with its healthy operations and strong commercial performance, as well as its sales, installation and maintenance activities, and investments.

The Company further reiterates that it has been progressing on the discussions with creditors, potential investors and other stakeholders about the best proposal of a Judicial Reorganization Plan in order to submit it for approval in a Creditors' Meeting, in accordance with the deadlines and rules provided by law. The goal is to ensure a proposal that guarantees the Company's operational viability and sustainability and serves all interested parties in a balanced way, allowing Oi to be strengthened at the end of this process.

The Company will keep its shareholders and the market informed of any developments in the subject matter of this Notice to the Market.

Rio de Janeiro, July 7, 2017.

Ricardo Malavazi Martins

Chief Financial Officer and Investor Relations Officer.

Oi S.A. – In Judicial Reorganization