



Announcement | Lisbon | 19 April 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. – 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"], pursuant to Article 12 of CVM Instruction No. 358/02, announced that, yesterday, it received the following correspondence from **Goldman Sachs & Co. LLC.** and **Goldman Sachs International**, transcribed below:

"To

Oi S.A. – In Judicial Reorganization

CNPJ/MF No. 76.535.764/0001-43

*Attn.: Sr. Carlos Augusto Machado Pereira de Almeida Brandão
Chief Financial Officer and Investor Relations Officer*

*Rua Humberto de Campos,
425 - 8º andar. Leblon - Rio de Janeiro,
RJ, Brazil - 22430-190*

Ref.: Disposition/Acquisition of Preferred Shares

Dear Sir or Madam,

Goldman Sachs & Co. LLC ["Goldman Sachs"], a New York limited liability company, registered as a broker-dealer and as an investment adviser pursuant to the laws of the United States Securities and Exchange Commission, and a subsidiary of The Goldman Sachs Group, Inc. and enrolled with the C.N.P.J. under No. CNPJ 05.987.216/0001-06, by its undersigned legal representative, in fulfillment of the obligation set forth in article 12, caput and §4, of CVM Normative Ruling No. 358, dated January 3, 2002, as amended ["CVM 358"], hereby informs you that on April 12, 2018, Goldman Sachs together with its affiliate Goldman Sachs International [collectively, the "Goldman Entities"], a subsidiary of The Goldman Sachs Group, Inc. and enrolled with the C.N.P.J. under No. 05.479.103/0001-08 ["GSI"], entered into transactions that resulted in a position equivalent to 7,847,563 [seven million, eight-hundred

forty-seven thousand, and five-hundred sixty-three] preferred shares issued by Oi S.A. – In Judicial Reorganization (the “Company”), or 4.98% (four point nine-eight percent) of the outstanding preferred shares of the Company.

Furthermore, the Goldman Entities inform you that on April 13, 2018, they entered into transactions that resulted in a position equivalent to 8,323,663 [eight million, three-hundred twenty-three thousand, and six-hundred sixty-three] preferred shares issued by the Company, or 5.28 [five point twenty-eight percent] of the outstanding preferred shares of the Company.

Detailed position below:

April 12 – Reportable Summary / 12 de Abril Resumo da Posição	
Oi S.A. – Preferred Shares / Ações Preferenciais	
Physically Settled / Liquidação Física	
<i>Short Positions</i>	
<i>Posição Vendida (vendas realizadas e doações por meio de empréstimos)</i>	(6,185,335)
<i>Long Positions</i>	
<i>Posição Comprada (posição à vista)</i>	14,032,898
Total % Holdings	4.98%
Cash Settled / Liquidação Financeira	
<i>Long Positions</i>	
<i>Posição Comprada</i>	748,840
Total % Holdings	0.47%

April 12 – Reportable Summary / 12 de abril - Resumo da Posição	
Oi S.A. – Common Shares / Ações Ordinárias	
Physically Settled / Liquidação Física	
<i>Short Positions</i>	
<i>Posição Vendida (vendas realizadas e doações por meio de empréstimos)</i>	(10,371,161)
<i>Long Positions</i>	
<i>Posição Comprada (posição à vista)</i>	20,907,412
Total % Holdings	1.58%
Cash Settled / Liquidação Financeira	
<i>Long Positions</i>	
<i>Posição Comprada</i>	10,018,115
Total % Holdings	1.50%

April 13 - Reportable Summary / 13 de Abril Resumo da Posição Oi S.A. – Preferred Shares / Ações Preferenciais	
Physically Settled / Liquidação Física	
<i>Short Positions</i>	
<i>Posição Vendida [vendas realizadas e doações por meio de empréstimos]</i>	(5,709,235)
<i>Long Positions</i>	
<i>Posição Comprada [posição à vista]</i>	14,032,898
Total % Holdings	5.28%
Cash Settled / Liquidação Financeira	
<i>Long Positions</i>	
<i>Posição Comprada</i>	748,840
Total % Holdings	0.47%

April 13 - Reportable Summary / 13 de abril - Resumo da Posição Oi S.A. – Common Shares / Ações Ordinárias	
Physically Settled / Liquidação Física	
<i>Short Positions</i>	
<i>Posição Vendida [vendas realizadas e doações por meio de empréstimos]</i>	(10,361,553)
<i>Long Positions</i>	
<i>Posição Comprada [posição à vista]</i>	20,897,804
Total % Holdings	1.58%
Cash Settled / Liquidação Financeira	
<i>Long Positions</i>	
<i>Posição Comprada</i>	10,018,115
Total % Holdings	1.50%

This is a minority investment that does not involve a change in the composition of corporate control or a change in the management structure of the Company. Currently, the Goldman Entities do not target any quantity of the Company's shares. Other than as disclosed herein, there are no convertible debentures already held, directly or indirectly, by the Goldman Entities, nor any agreement or contract regulating voting rights or the purchase and sale of securities issued by the Company, to which the Goldman Entities are a party.

In accordance with article 12, § 6º of CVM 358, we request the Investor Relations Officer to kindly take the necessary provisions for the immediate transmission of the information contained herein to CVM and to BM&FBOVESPA.

We remain at your disposal should you need any further clarification of this matter. With respect to the subject of this letter, you may contact Fernando Rosas, telephone (55 11) 3372-0107, e-mail Fernando.rosas@gs.com, with offices at Rua Leopoldo Couto de Magalhães Jr., nº 700, 16th floor, Itaim Bibi, São Paulo, SP, Brasil.

Sincerely,

April 17, 2018

Goldman Sachs & Co. LLC

*Kevin P. Treanor
Vice President/Vice Presidente*

Goldman Sachs International

*Kevin P. Treanor
Vice President/Vice Presidente”*

Rio de Janeiro, April 18, 2018.

Oi S.A. – In Judicial Reorganization
Carlos Augusto Machado Pereira de Almeida Brandão
Chief Financial Officer and Investor Relations Officer