



**Announcement** | Lisbon | 20 August 2019

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## 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** (“Oi” or the “Company”) hereby disclose the following note, as expressly determined by its Board of Directors

“In the capacity of Chairman of the Board of Directors of Oi S.A. – Em Recuperação Judicial, and with the unanimous consent of its board of directors, I request that you as Director of Investor Relations of the company, file with the CVM the following notice from the Board of Directors:

Given the recent news reports and speculation involving the Company, the Board of Directors of OI S.A. would like to publicly provide the following information regarding the execution of the Company’s Strategic Plan:

1. As disclosed on July 16<sup>th</sup> of the current year, the Company released its Strategic Plan with several areas of execution and alternatives for the future, involving short, medium and long term actions.
2. Amongst these alternatives, we highlighted the investments in fiber and in the recovery of the Company’s positioning in various key areas including FTTH, B2B, Wholesale and the strategic value generation from mobile operations.
3. Also highlighted was the funding strategy including the sale of non-core assets and a wide scale structural transformation program to reduce costs.
4. As part of this process, the Company and the Board of Directors of OI S.A. have interacted with all due parties that oversee the Strategic Plan implementation, including Anatel and the Judicial Recovery Court, in order to provide transparency to its actions and plans to assure the Company’s future, and have pursued actions that aim at guaranteeing the execution of the Strategic Plan, with the support of all the required entities.
5. As Anatel itself has already confirmed in a public statement released today, there is a due process of follow up on the Company’s activities in place, and no other considerations or discussions are in order at this time regarding the execution of the Strategic Plan.

6. As mentioned during last quarter's earnings call, the Company is focused on the execution of the asset sale plan and the generation of liquidity to sustain its investment plan, and is working on multiple fronts to implement this objective.
7. In addition to this, the Board understands that several options exist and should be analyzed to guarantee the sustainability of the Company's investments, and reinforces it is focused on this analysis, considering a series of actions that encompass not only asset sales of non-core assets, but also structured/secured debt, the acceleration of cost reduction programs in the short term, and the modulation and adequacy of capex investments, with a focus on priority areas.
8. We reiterate our confidence in the solid and coherent Strategic Plan that was presented to the market, and in directing all the Company's efforts, with the support of the Board of Directors and additional stakeholders, so that the execution of all of the initiatives of the Strategic Transformation Plan presented to the market can be achieved."

Rio de Janeiro, August 16, 2019.

**Oi S.A. – In Judicial Reorganization**

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