

OI S.A. - In Judicial Reorganization
Form 424B4
November 13, 2018
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Registration No.333-227176

PROSPECTUS

Oi S.A. In Judicial Reorganization

(Incorporated in the Federative Republic of Brazil)

Offering of 3,225,806,451 New Common Shares, which may be represented by

645,161,290 New Common American Depositary Shares

Offer Price: R\$1.24 per New Common Share

U.S. dollar equivalent of R\$6.20 per New Common American Depositary Share

This prospectus relates to:

the *Share Rights Offer*, in which holders of Oi's common shares, or the Common Shares, and holders of Oi's preferred shares, or the Preferred Shares, as of the Share Rights Record Date of 6:00 p.m. (Brasília time) on November 19, 2018, or the Qualifying Shareholders, will receive transferable rights, or the Common Share Rights, to subscribe for new Common Shares, or the New Common Shares; and

the *ADS Rights Offer*, in which holders of American Depositary Shares, or ADSs, each representing five Common Shares, or the Common ADSs, and holders of ADSs, each representing one Preferred Share, or the Preferred ADSs, as of the ADS Rights Record Date of 5:00 p.m. (New York City time) on November 21, 2018, or the Qualifying ADS Holders, will receive transferable rights, or the Common ADS Rights, to subscribe for new Common ADSs, or the New Common ADSs. The ADS Rights Offer and the Share Rights Offer are collectively referred to as the *Rights Offer*.

If you are a Qualifying ADS Holder (all times are New York City time):

You will receive 1.333630 Common ADS Rights per Common ADS held and 0.266726 Common ADS Rights per Preferred ADS held as of the ADS Rights Record Date.

Only whole numbers of Common ADS Rights will be issued and all entitlements will be reduced to the next lower number of whole Common ADS Rights.

One Common ADS Right allows you to subscribe for one New Common ADS.

As each New Common ADS represents five Common Shares, the New Common ADS Subscription Price is the U.S. dollar equivalent of five times the New Common Share Subscription Price of R\$1.24, or R\$6.20, in cash, per New Common ADS subscribed. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for initial subscriptions of New Common ADSs will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on or about December 19, 2018. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for Excess New Common ADSs (as defined below) will be the exchange rate assigned by the ADS Rights Agent on or about January 3, 2019.

However, to validly subscribe for New Common ADSs (including Excess New Common ADSs), you will need to deposit with the ADS Rights Agent, in cash US\$2.03 per New Common ADS subscribed or requested or the New Common ADS Deposit Amount, which is equal to US\$1.69 (the U.S. dollar equivalent of five times the New Common Share Subscription Price based on the closing rate for the sale of U.S. dollars against the *real* as reported by the Brazilian Central Bank on October 26, 2018, the date on which the board of directors of Oi authorized the Rights Offer) per New Common ADS subscribed or requested, *plus 20%* of such amount to cover (1) currency rate fluctuations from October 26, 2018 to the date on which the ADS Rights Agent converts currency in connection with the exercise by the ADS Custodian (as defined herein) of the Common Share Rights underlying the Common ADS Rights, (2) the ADS Depository's issuance fee of US\$0.05 per New Common ADS, or the ADS Issuance Fee, and (3) any other applicable fees, expenses or taxes.

You will be entitled to exercise your Common ADS Rights during the period commencing at 9:00 a.m. on November 26, 2018, and ending at 5:00 p.m. on December 17, 2018, or the Common ADS Rights Expiration Time.

Common ADS Rights not validly exercised will expire without value and without compensation.

If you are a Qualifying Shareholder (all times are Brasília time):

You will receive 1.333630 Common Share Rights per Common Share or Preferred Share held as of the Share Rights Record Date.

Only whole numbers of Common Share Rights will be issued and all entitlements will be reduced to the next lower number of whole Common Share Rights.

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One Common Share Right allows you to subscribe for one New Common Share.

The New Common Share Subscription Price is R\$1.24 in cash per New Common Share subscribed.

You will be entitled to exercise your Common Share Rights during the period commencing at 10:00 a.m. on November 22, 2018, and ending at 6:00 p.m. on December 26, 2018, or the Share Rights Expiration Time.

Common Share Rights not validly exercised will expire without value and without compensation. If not all of the New Common Shares are taken up initially in the Rights Offer as a result of the subscription of the New Common Shares to which holders of Common Share Rights (including the ADS Custodian (as defined herein)) are entitled, holders of Common Share Rights and Common ADS Rights who exercised their Common Share Rights or Common ADS Rights, as the case may be, and manifested their intention to do so will also have the ability to acquire New Common Shares not taken up initially in the Rights Offer, or the Excess New Common Shares, or New Common ADSs representing the Excess New Common Shares, or the Excess New Common ADSs, respectively, and should these be available, they will be allocated in accordance with the allocation principles in The Offering Subscription by Holders of Common Shares and Preferred Shares Excess New Shares and Subscription by Holders of Common ADSs and Preferred ADSs Excess New Common ADSs.

We expect that any and all New Common Shares that remain unsubscribed following the expiration of the Rights Offer, or the Unsubscribed Shares, will be purchased by the investors and fund managers, or the Backstop Investors, party to the Subscription and Commitment Agreement, dated December 19, 2017 (as amended), or the Commitment Agreement, between the RJ Debtors and the Backstop Investors, subject to the terms and conditions of the Commitment Agreement. For more information about the Commitment Agreement, see The Offering Backstop Commitment Agreement.

As of October 31, 2018, we had 2,262,901,279 Common Shares (including Common Shares represented by Common ADSs) and 155,915,486 Preferred Shares (including Preferred Shares represented by Preferred ADSs) issued and outstanding, and we had outstanding warrants that are exercisable for 3,881,857 Common, Shares. Based on the numbers of outstanding Common Shares and Preferred Shares as of October 31, 2018, we expect to issue 3,225,806,451 New Common Shares (including New Common Shares represented by New Common ADSs) pursuant to the Rights Offer and the Commitment Agreement and to have 5,488,707,730 Common Shares (including Common Shares represented by Common ADSs) issued and outstanding following the expiration of the Rights Offer and the closing of the Commitment Agreement. We expect our gross proceeds from the Rights Offer to be approximately R\$4,000.0 million (or US\$1,075.9 million), our expenses to be approximately R\$987.0 million (or US\$88.9 million) and our net proceeds to be approximately R\$3,669.4 million (or US\$987.0 million). See Use of Proceeds and Expenses of the Offering.

The Common ADS Rights will trade on the NYSE on a when-issued basis beginning at 9:30 a.m. (New York City time) on November 19, 2018, and on a regular way basis beginning at 9:30 a.m. (New York City time) on November 27, 2018. Trading in Common ADS Rights will cease at 4:00 p.m. (New York City time) on December 12, 2018. The Common ADS Rights will trade under the ticker symbol OIBR RT. The CUSIP number for the Common ADS Rights is P7353Y 106. Subject to the procedures of the B3 S.A. Brasil, Bolsa, Balcão (formerly BM&FBOVESPA), or B3, holders of Common Share Rights whose Common Share Rights are deposited in the Depositary Central of the B3 (*Central Depositária da B3*) will be entitled to sell or transfer their Common Share Rights at any time prior to the Share Rights Expiration Time. The Common Share Rights will trade on the B3 during the period from 10:00 a.m.

(Brasília time) on November 22, 2018, to 6:00 p.m. (Brasília time) on December 17, 2018, under the symbol OIBR1.

We expect to deliver the initial New Common Shares subscribed for pursuant to the Share Rights Offer on or about January 4, 2019, and the Excess New Common Shares, if any, on or about January 11, 2019. We expect the initial New Common ADSs subscribed for pursuant to the ADS Rights Offer will be delivered on or about January 7, 2019, and the Excess New Common ADSs, if any, will be delivered on or about January 15, 2019.

Application will be made for the New Common ADSs to be listed on the NYSE under the symbol OIBR.C, the same symbol under which the Common ADSs currently trade. Trading in the initial New Common ADSs issued pursuant to the basic subscription right is expected to commence on the date we expect the New Common ADS to be delivered, which is on or about January 7, 2019, and trading in the Excess New Common ADSs, if any, is expected to commence on the date we expect the Excess New Common ADSs to be delivered, which is on or about January 15, 2019. The New Common Shares will be listed on the B3 under the symbol OIBR3, the same symbol under which the Common Shares currently trade. Trading in the initial New Common Shares issued pursuant to the basic subscription right is expected to commence on or about January 4, 2019, and trading in the Excess New Common Shares, if any, is expected to commence on or about January 11, 2019.

Investing in the Common ADSs and Common Shares involves a high degree of risk. Please see Risk Factors beginning on page 25 of this prospectus for a discussion of those risks.

Neither the United States Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense in the United States.

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional advisor.

The date of this prospectus is November 13, 2018.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this prospectus is accurate only as of the date of this document, regardless of the time of delivery of this prospectus or any sales of the securities offered hereby.

This prospectus is not an offer to sell and it is not a solicitation of an offer to buy securities in any jurisdiction in which the offer, sale or exchange is not permitted. The distribution of this prospectus and the offer or sale of

the securities offered hereby in certain jurisdictions is restricted by law. This prospectus may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorized or is unlawful. Recipients must not distribute this prospectus into jurisdictions where such distribution would be unlawful.

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NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a Relevant Member State), neither the New Common Shares nor the New Common ADSs have been offered or will be offered to the public in that Relevant Member State, except that offers of any New Common Shares or New Common ADSs may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
 - (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Directive); or
 - (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- provided that no such offer of New Common Shares or New Common ADSs shall require Oi to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any New Common Shares or New Common ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Common Shares or New Common ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any New Common Shares or New Common ADSs, as the same may be varied in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This prospectus does not constitute an offer of New Common Shares or New Common ADSs to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the New Common Shares or New Common ADSs. Consequently this document is being distributed only to, and is directed at (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (c) high net worth entities falling within article 49(2) of the Order, and other persons to whom it may be lawfully communicated (all such persons together being referred to as relevant persons). In addition, this communication is, in any event only directed at persons who are qualified investors (within the meaning of Section 86(7) of the Financial Services and Markets Act 2000, as amended. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this prospectus may come are required by Oi to inform themselves about and to observe such restrictions.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

Neither the New Common Shares nor the New Common ADSs may be publicly offered into or in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland and therefore do not constitute an issuance prospectus within the meaning of the Swiss Code of

Obligations or a listing prospectus within the meaning of the SIX listing rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the New Common Shares or the New Common ADSs may be publicly distributed or otherwise made publicly available in Switzerland.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references herein to *real*, *reais* or R\$ are to the Brazilian *real*, the official currency of Brazil. All references to U.S. dollars, dollars or US\$ are to U.S. dollars.

On October 31, 2018, the exchange rate for *reais* into U.S. dollars was R\$3.7177 to US\$1.00, based on the selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*), or the Brazilian Central Bank. The selling rate was R\$3.8558 to US\$1.00 on June 30, 2018, R\$3.3080 to US\$1.00 on December 31, 2017, R\$3.2591 to US\$1.00 on December 31, 2016 and R\$3.9048 to US\$1.00 on December 31, 2015, in each case, as reported by the Brazilian Central Bank. The *real*/U.S. dollar exchange rate fluctuates widely, and the selling rate on October 31, 2018 may not be indicative of future exchange rates. See [Exchange Rates](#) for information regarding exchange rates for the *real* since January 1, 2013.

Solely for the convenience of the reader, we have translated some amounts included in [Selected Financial Information](#) and in this prospectus from *reais* into U.S. dollars using the selling rate as reported by the Brazilian Central Bank on June 30, 2018 of R\$3.8558 to US\$1.00. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate.

Financial Statements

We maintain our books and records in *reais*. The following financial statements and the related notes thereto are included in this prospectus:

Oi's unaudited condensed consolidated interim financial statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017, which we refer to as our unaudited interim consolidated financial statements; and

Oi's audited consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, which we refer to as our audited consolidated financial statements.

We have prepared our unaudited interim consolidated financial statements and our audited consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP, under the assumption that we will continue as a going concern. Our audited consolidated financial statements have been audited in accordance with Public Company Accounting Oversight Board, or PCAOB, standards.

Under U.S. GAAP, our management is required to assess whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after our financial statements are issued. Our management's assessment of our ability to continue as a going concern is discussed in note 1 to each of our audited consolidated financial statements included in this prospectus our unaudited interim consolidated financial statements included in this prospectus. As of December 31, 2017, our management had taken relevant steps in the RJ Process, particularly the preparation, presentation and approval of the RJ Plan, which allows our viability and continuity, and the approval of the RJ Plan by our creditors. Since December 31 2017, our management has been making the necessary efforts to implement and monitor the RJ Plan based on the understanding that our financial statements were prepared with a going concern assumption.

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As a result of the RJ Proceedings (which are considered to be similar in all substantive respects to proceedings under Chapter 11 of the U.S. Bankruptcy Code of 1986, as amended, which we refer to as the U.S. Bankruptcy Code), we have applied Financial Accounting Standards Board Accounting Standards Codification 852 *Reorganizations*, or ASC 852, in preparing our consolidated financial statements. ASC 852 requires that financial statements separately disclose and distinguish transactions and events that are directly associated with our reorganization from transactions and events that are associated with the ongoing operations of our business. Accordingly, expenses, gains, losses and provisions for losses that are realized or incurred in the RJ Proceedings have been recorded under the classification

Restructuring expenses in our consolidated statements of operations. In addition, our prepetition obligations that may be impacted by the RJ Proceedings based on our assessment of these obligations following the guidance of ASC 852 have been classified on our balance sheet as Liabilities subject to compromise. Prepetition liabilities subject to compromise are required to be reported at the amount allowed as a claim by the RJ Court, regardless of whether they may be settled for lesser amounts and remain subject to future adjustments based on negotiated settlements with claimants, actions of the RJ Court or other events.

The RJ Proceedings prompted us to perform a detailed analysis on the completeness and the accuracy of the judicial deposits and accounting balances of the other assets of the RJ Debtors. As a result, we determined the need to restate previously issued financial statements and related disclosures to correct errors. Accordingly, we are restating our consolidated financial statements for the year ended December 31, 2015. Restatement adjustments attributable to fiscal year 2014 and previous fiscal years are reflected as a net adjustment to retained earnings as of January 1, 2015.

The errors detected and corrected in our financial statements related to our judicial deposits, our provisions for contingencies, intragroup balances, tax credits and estimates of revenue from services rendered and not yet billed to customers, as described in Management's Discussion and Analysis of Financial Condition and Results of Operation Financial Presentation and Accounting Policies Restatement and note 2 to our audited consolidated financial statements included in this prospectus.

We are also required to prepare financial statements in accordance with accounting practices adopted in Brazil, or Brazilian GAAP, which are based on:

the Brazilian Corporate Law (as defined below);

the rules and regulations of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM, and the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*); and

the accounting standards issued by the Brazilian Accounting Pronouncements Committee (*Comitê de Pronunciamentos Contábeis*), or the CPC.

Certain Defined Terms

General

Unless otherwise indicated or the context otherwise requires, all references to:

our company, we, our, ours, us or similar terms are to Oi and its consolidated subsidiaries;

ADSs are to American Depositary Shares;

the ADS Custodian are to Itaú Unibanco S.A., as Brazilian custodian of the Common Shares underlying the Common ADSs;

the ADS Deposit Agreement are to the Amended and Restated Deposit Agreement (Common Shares), dated February 28, 2012, among Oi, The Bank of New York Mellon, as the ADS Depositary, and all owners and holders from time to time of Common ADSs. The New Common ADSs will be issued pursuant to the ADS Deposit Agreement;

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the ADS Depository are to The Bank of New York Mellon, as depositary of the Common ADS program;

Brazil are to the Federative Republic of Brazil;

Brazilian Corporate Law are to, collectively, Brazilian Law No. 6,404/76, as amended by Brazilian Law No. 9,457/97, Brazilian Law No. 10,303/01, and Brazilian Law No. 11,638/07;

Brazilian government are to the federal government of the Federative Republic of Brazil.

Common ADSs are to ADSs, each representing five Common Shares;

Common Shares are to common shares of Oi;

Copart 4 are to Copart 4 Participações S.A. In Judicial Reorganization, an indirect wholly-owned subsidiary of Oi;

Copart 5 are to Copart 5 Participações S.A. In Judicial Reorganization, a direct wholly-owned subsidiary of Oi;

Oi are to Oi S.A. In Judicial Reorganization;

Oi Coop are to Oi Brasil Holdings Coöperatief U.A. In Judicial Reorganization, a direct wholly-owned subsidiary of Oi;

Oi Mobile are to Oi Móvel S.A. In Judicial Reorganization, an indirect wholly-owned subsidiary of Oi;

Pharol are to Pharol, SGPS, S.A. (formerly known as Portugal Telecom, SGPS, S.A.);

Preferred ADSs are to American Depositary Shares, each representing one Preferred Share;

Preferred Shares are to preferred shares of Oi;

PTIF are to Portugal Telecom International Finance B.V. In Judicial Reorganization, a direct wholly-owned subsidiary of Oi, which PT Portugal transferred to us in anticipation of our sale of PT Portugal in 2015;

PT Portugal are to PT Portugal, SGPS, S.A., which we acquired on May 5, 2014 and sold on June 2, 2015;

Telemar are to Telemar Norte Leste S.A. In Judicial Reorganization, a direct wholly-owned subsidiary of Oi; and

TmarPart are to Telemar Participações S.A., which, prior to the capital increase of Oi on May 5, 2014, was the direct controlling shareholder of Oi and which merged with and into Oi on September 1, 2015.

Judicial Reorganization

The following defined terms relate to our global judicial reorganization. For more information, see Presentation of Financial and Other Information Financial Restructuring, and Business Our Judicial Reorganization Proceedings. Unless otherwise indicated or the context otherwise requires, all references to:

Ad Hoc Group are to a diverse ad hoc group of holders of the Defaulted Bonds;

ADWs are to American Depositary Warrants;

Backstop Investors are to the members of the Ad Hoc Group, the IBC and certain other unaffiliated bondholders party to the Commitment Agreement;

Bondholder are each holder of beneficial interests in the Defaulted Bonds;

Bondholder Credits are to unsecured a claim held by a creditor pursuant to the RJ Plan evidenced by the Defaulted Bonds;

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Brazilian Bankruptcy Law are to Brazilian Law No. 11,101 of June 9, 2005;

Brazilian Confirmation Date are to February 5, 2018, the date in which the Brazilian Confirmation Order was published in the Official Gazette of the State of Rio de Janeiro (*Diário Oficial do Estado do Rio de Janeiro*);

Brazilian Confirmation Order are to the order entered by the RJ Court on January 8, 2018, ratifying and confirming the RJ Plan, but modifying certain provisions of the RJ Plan;

Capitalization of Credits Capital Increase are to the capital increase of R\$10,600,097,221 through the issuance of 1,514,299,603 New Shares, paid for by the conversion of claims of Qualified Bondholders into New Shares in the form of Common ADSs (in connection with the settlement of the Qualified Recovery) and by R\$477,841 in cash from existing shareholders of Oi who exercised their preemptive rights to subscribe for the New Shares in accordance with Brazilian Corporate Law, pursuant to Section 4.3.3.5 of the RJ Plan. The Capitalization of Credits Capital Increase was concluded on July 27, 2018;

Chapter 15 Debtors are to Oi, Telemar, Oi Coop and Oi Mobile;

Commitment Agreement are to the Subscription and Commitment Agreement, dated December 19, 2017 (as amended), between the RJ Debtors and the Backstop Investors, under which the Backstop Investors agreed to backstop this Rights Offer, subject to the terms and conditions of the Commitment Agreement, in accordance with the RJ Plan;

Default Recovery are to the general treatment provided for unsecured credits under the RJ Plan. Under the RJ Plan, Bondholders that were not Eligible Bondholders, did not make a valid election of the form of recovery for their Bondholder Credits, or do not participate in the settlement procedures will only be entitled to the Default Recovery with respect to the Bondholder Credits represented by their Bonds.

Defaulted Bonds are to the bonds issued by Oi, Oi Coop and PTIF;

Dutch Court of Appeal are to the Court of Appeal of Amsterdam, The Netherlands;

Dutch District Court are to the District Court of Amsterdam, The Netherlands;

Eligible Bondholders are to every Bondholder that individualized its Bondholder Credits in accordance with the procedures established in the RJ Plan and by the RJ Court;

GCM are to a General Creditors Meeting of creditors of our company recognized by the RJ Court. A GMC was held on December 19 and 20, 2017 to consider and vote on the RJ Plan;

IBC means the International Bondholder Committee, a second diverse ad hoc group of holders of the Defaulted Bonds;

Judicial Ratification of the RJ Plan are to the confirmation of the RJ Plan by the RJ Court. As used in this prospectus, the date of the Judicial Ratification of the RJ Plan means February 5, 2018 (i.e., the Brazilian Confirmation Date); *provided that* in the event that any appeal of the Brazilian Confirmation Order results in an appellate court overturning or modifying the Brazilian Confirmation Order, the Brazilian Confirmation Date shall be deemed to occur on the date on which the eventual appellate court's decision, or that of a higher court (if further appeals of the appellate court's decision are made), is published in such court's official gazette. For more information about the appeals and motions for clarification filed with respect to the Brazilian Confirmation Order, see Business Our Judicial Reorganization Proceedings Confirmation of Judicial Reorganization Plan by RJ Court;

New Notes are to senior unsecured notes of Oi which were issued on July 27, 2018, in accordance with the terms of Section 4.3.3.3 of the RJ Plan and Exhibit 4.3.3.3(f) thereto, in connection with the Capitalization of Credits Capital Increase;

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New Shares are to the 1,514,299,603 Common Shares that were issued on July 27, 2018 in connection with the Capitalization of Credits Capital Increase, of which 1,514,299,603 New Shares were issued to Qualified Bondholders in the form of Common ADSs, and 68,263 New Shares were issued to existing shareholders of Oi who exercised their preemptive rights to subscribe for the New Shares in accordance with Brazilian Corporate Law;

Non-Qualified Bondholders are to Eligible Bondholders with Bondholder Credits equal to or less than USD \$750,000.00 (or the equivalent in other currencies);

Non-Qualified Credit Agreement are to the credit agreement, dated as of July 27, 2018, entered into between the RJ Debtors and Lucid Agency Services Limited, as facility agent, in accordance with the terms of Section 4.3.3.1 of the RJ Plan and Exhibit 4.3.3.1(f) thereto;

Non-Qualified Recovery are to the entitlement of certain Non-Qualified Bondholders to elect to have their Bondholder Credits Satisfied through the distribution to such Non-Qualified Bondholders of a participation interest in the Non-Qualified Credit Agreement;

Non-Qualified Recovery Settlement Procedure are to the procedure to settle the Non-Qualified Recovery to which Non-Qualified Bondholders that have made valid recovery elections pursuant to the RJ Plan are entitled;

Oi Coop Composition Plan are to the composition plan for Oi Coop providing for the restructuring of the claims against Oi Coop in the Netherlands in substantially the same terms and conditions as the RJ Plan;

PTIF Composition Plan are to the composition plan for PTIF providing for the restructuring of the claims against PTIF in the Netherlands in substantially the same terms and conditions as the RJ Plan;

PTIF Shares are to Common Shares previously held by PTIF, which were issued in the form of Common ADSs on July 27, 2018;

Qualified Bondholders are to Eligible Bondholders with Bondholder Credits greater than US\$750,000.00 (or the equivalent in other currencies);

Qualified Recovery are to the entitlement of certain Qualified Bondholders to elect to have their Bondholder Credits satisfied through the distribution to such Qualified Bondholders of a combination of New Notes, New Shares, PTIF Shares and Warrants in amounts determined based on the Bondholder Credits evidenced by the Bonds of each series held by a Bondholder, in accordance with Section 4.3.3.2 of the RJ Plan;

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Qualified Recovery Settlement Procedure are to the procedure to settle the Qualified Recovery to which Qualified Bondholders that have made valid recovery elections pursuant to the RJ Plan are entitled;

RJ Court are to the 7th Commercial Court of the Judicial District of the State Capital of Rio de Janeiro. The RJ Court is adjudicating the judicial reorganization proceedings in Brazil involving the RJ Debtors.

RJ Debtors are to Oi, Telemar, Oi Mobile, Oi Coop, PTIF, Copart 4 and Copart 5;

RJ Plan are to the judicial reorganization plan, as amended, of the RJ Debtors that was filed with the RJ Court and, on December 20, 2017, approved by a significant majority of creditors of each class present at the GCM held on December 19 and 20, 2017;

RJ Proceedings are to the Brazilian proceedings for judicial reorganization (*recuperação judicial*) involving the RJ Debtors that are being adjudicated by the RJ Court, pursuant to a joint voluntary petition for judicial reorganization pursuant to the Brazilian Bankruptcy Law filed by the RJ Debtors with the RJ Court initially on June 20, 2016. On June 29, 2016, the RJ Court granted the processing of the RJ Proceedings of the RJ Debtors;

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U.K. Recognition Orders are to the orders granted by the High Court of Justice of England and Wales on June 23, 2016 recognizing the RJ Proceedings as a foreign main proceedings under the Cross-Border Insolvency Regulations 2006, which implements the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency in Great Britain, in relation to Oi, Telemar and Oi Mobile;

U.S. Bankruptcy Court are to the United States Bankruptcy Court for the Southern District of New York;

U.S. Recognition Order are to the order granted by the U.S. Bankruptcy Court on July 22, 2016 recognizing the RJ Proceedings as the foreign main proceedings in respect of each of the Chapter 15 Debtors; and

Warrants are to the 116,480,467 warrants (*bonus de subscrição*) that were issued on July 27, 2018 in connection with the Capitalization of Credits Capital Increase, pursuant to Section 4.3.3.6 of the RJ Plan, to acquire an equal number of Common Shares. Of the issued Warrants, 116,475,270 Warrants were issued to Qualified Bondholders in the form of ADWs, and 5,197 Warrants were issued to existing shareholders of Oi who exercised their preemptive rights to subscribe for the New Shares in the Capitalization of Credits Capital Increase in accordance with Brazilian Corporate Law.

Disposition of PT Portugal

On June 2, 2015, we sold all of the share capital of PT Portugal to Altice Portugal S.A., or Altice Portugal, under a share purchase agreement, or the PTP Share Purchase Agreement, for a purchase price equal to the enterprise value of PT Portugal of \$6,900 million, subject to adjustments based on the financial debt, cash and working capital of PT Portugal on the closing date, plus an additional earn-out amount of \$500 million in the event that the consolidated revenues of PT Portugal and its subsidiaries (as of the closing date) for any single year between the year ending December 31, 2015 and the year ending December 31, 2019 is equal to or exceeds \$2,750 million. We refer to this transaction as the PT Portugal Disposition.

In connection with the closing of the PT Portugal Disposition, Altice Portugal disbursed \$5,789 million, of which \$869 million was used by PT Portugal to prepay outstanding indebtedness, and \$4,920 million was paid to our company in cash. We used the net cash proceeds of the PT Portugal Disposition for the prepayment and repayment of indebtedness of our company.

In anticipation of the PT Portugal Disposition, PT Portugal transferred all of the outstanding share capital of PTIF, its wholly-owned finance subsidiary, to Oi. As a result of this transfer, the indebtedness of PTIF, which had previously been classified as liabilities associated with assets held for sale in our consolidated financial statements, was reclassified as indebtedness of our company. In addition, in connection with the PT Portugal Disposition, PTIF assumed all obligations under PT Portugal's outstanding 6.25% Notes due 2016.

In addition, PT Portugal transferred to Oi all of the outstanding share capital of PT Participações, SGPS, S.A., or PT Participações, which holds:

our interest in Africatel Holding B.V., or Africatel, which holds our interests in telecommunications companies in Africa, including telecommunications companies in Angola, Cape Verde and São Tomé and

Principe; and

our interests in TPT Telecomunicações Públicas de Timor, S.A., or TPT, a Portuguese holding company that owns Timor Telecom, S.A., which provides telecommunications, multimedia and IT services in Timor Leste in Asia.

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Financial Restructuring

On March 9, 2016, we retained PJT Partners as our financial advisor to assist us in evaluating financial and strategic alternatives to optimize our liquidity and debt profile.

Although we engaged in negotiations with the Ad Hoc Group seeking mutual agreement as to the basis for a consensual restructuring of the indebtedness of our company, after considering the challenges arising from our economic and financial situation in connection with the maturity schedule of our financial debts, the threats to our cash flows represented by imminent attachments or freezings of assets in judicial lawsuits, and the urgent need to adopt measures that protect our company, we concluded that filing for judicial reorganization (*recuperação judicial*) in Brazil would be the most appropriate course of action.

On June 20, 2016, Oi, together with the other RJ Debtors, filed a joint voluntary petition for judicial reorganization pursuant to the Brazilian Bankruptcy Law with the RJ Court, pursuant to an urgent measure approved by our board of directors. The filing of the petition that commenced the RJ Proceedings was a step towards our financial restructuring. On June 29, 2016, the RJ Court granted the processing of the RJ Proceedings of the RJ Debtors.

On December 19 and 20, 2017, the GCM was held to consider approval of the most recently filed judicial reorganization plan. The GCM concluded on December 20, 2017 following the approval of a judicial reorganization plan reflecting amendments to the judicial reorganization plan presented at the GCM as negotiated during the course of the GCM, which we refer to as the RJ Plan.

On January 8, 2018, the RJ Court entered the Brazilian Confirmation Order, ratifying and confirming the RJ Plan, according to its terms, but modifying certain provisions of the RJ Plan. The Brazilian Confirmation Order was published in the Official Gazette of the State of Rio de Janeiro on February 5, 2018, the Brazilian Confirmation Date.

The Brazilian Confirmation Order, according to its terms, is currently binding on all parties, although still subject to appeals with no suspensive effect attributed to it. By operation of the RJ Plan and the Brazilian Confirmation Order, provided that the Brazilian Confirmation Order is not overturned or altered as a result of the pending appeals filed against it, the unsecured claims against the RJ Debtors have been novated and discharged under Brazilian law and holders of such claims are entitled only to receive the recoveries set forth in the RJ Plan in exchange for their claims in accordance with the terms and conditions of the RJ Plan.

We are in the process of implementing the RJ Plan and have concluded the implementation of the portions of the RJ Plan related to the restructuring of our financial indebtedness. For more information regarding the RJ Proceedings and the steps that we have taken to implement the RJ Plan, see [Business Our Judicial Reorganization Proceedings](#).

Share Splits

On November 18, 2014, Oi's shareholders acting in an extraordinary general shareholders meeting authorized (1) the reverse split of all of the issued Common Shares into one Common Share for each 10 issued Common Shares, and (2) the reverse split of all of the issued Preferred Shares into one Preferred Share for each 10 issued Preferred Shares. This reverse share split became effective on December 22, 2014. There was no change in the ratio of Common ADSs or Preferred ADSs in connection with this reverse share split; each Common ADS continued to represent one of Common Share and each Preferred ADS continues to represent one Preferred Share. All references to numbers of shares of Oi, dividend amounts of Oi and earnings per share of Oi in this prospectus have been adjusted to give effect to the 10-for-one reverse share split.

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On February 1, 2016, we changed the ratio applicable to Common ADSs from one Common Share per Common ADS to five Common Shares per Common ADS. All references to numbers of Common ADSs in this prospectus have been adjusted to give effect to this change in ratio.

Market Share and Other Information

We make statements in this prospectus about our market share and other information relating to the telecommunications industry in Brazil. We have made these statements on the basis of information obtained from third-party sources and publicly available information that we believe are reliable, such as information and reports from ANATEL, among others. Notwithstanding any investigation that we may have conducted with respect to the market share, market size or similar data provided by third parties or derived from industry or general publications, we assume no responsibility for the accuracy or completeness of any such information.

Rounding

We have made rounding adjustments to reach some of the figures included in this prospectus. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

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QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFER

*The following are examples of what we anticipate will be common questions about the Rights Offer. The answers are based on selected information from this prospectus. The following questions and answers do not contain all of the information that is important to you and may not address all of the questions that you may have about the Rights Offer. This prospectus, including the section entitled *The Offering*, contains more detailed descriptions of the terms and conditions of the Rights Offer and provides additional information about us and our business, including potential risks related to the Rights Offer, the Common Shares and the Common ADSs, and our business.*

Exercising the rights and investing in the Common Shares and the Common ADSs involves risks. We urge you to carefully read the Risk Factors section of this prospectus, and all other information included in this prospectus in its entirety, before you decide whether or not to exercise rights.

Overview of the Rights Offer

Q: What is the Rights Offer?

A: The Rights Offer is composed of the ADS Rights Offer and the Share Rights Offer.

Q: What is the ADS Rights Offer and who is eligible to participate?

A: Pursuant to the ADS Rights Offer, Qualifying ADS Holders will receive transferable Common ADS Rights to subscribe for New Common ADSs. Qualifying ADS Holders are holders of Common ADSs and Preferred ADSs as of the ADS Rights Record Date of 5:00 p.m. (New York City time) on November 21, 2018. Only holders of record of Common ADSs or Preferred ADSs at that time on that date will be entitled to receive Common ADS Rights. Qualifying ADS Holders will be entitled to receive 1.333630 Common ADS Rights per Common ADS held and 0.266726 Common ADS Rights per Preferred ADS held. Only whole numbers of Common ADS Rights will be issued and all entitlements will be reduced to the next lower number of whole Common ADS Rights.

Q: What is the Share Rights Offer and who is eligible to participate?

A: Pursuant to the Share Rights Offer, Qualifying Shareholders will receive transferable Common Share Rights to subscribe for New Common Shares. Qualifying Shareholders are holders of Common Shares and Preferred Shares as of the Share Rights Record Date of 6:00 p.m. (Brasília time) on November 19, 2018. You must have purchased Common Shares or Preferred Shares by that time on that date in order to receive Common Share Rights. Qualifying Shareholders will be entitled to receive 1.333630 Common Share Rights per Common Share or Preferred Share held. Only whole numbers of Common Share Rights will be issued and all entitlements will be reduced to the next lower number of whole Common Share Right.

Q: What is a Common ADS Right?

A: Each Common ADS Right will allow a holder thereof to subscribe for one New Common ADS during the ADS Subscription Period, which is the period commencing at 9:00 a.m. (New York City time) on November 26, 2018, and ending at 5:00 p.m. (New York City time) on December 17, 2018, at the New Common ADS Subscription Price, which is the U.S. dollar equivalent of five times the New Common Share Subscription Price of R\$1.24, or R\$6.20, in cash, per New Common ADS subscribed. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for initial subscriptions of New Common ADSs will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on or about December 19, 2018.

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Holders of Common ADS Rights will also have the ability to manifest their intention to acquire up to all of the Excess New Common ADSs at the New Common ADS Subscription Price by making a subscription request at the time that they exercise their Common ADS Rights. If not all of the New Common Shares are taken up initially in the Rights Offer as a result of the subscription of the New Common Shares to which holders of Common Share Rights (including the ADS Custodian) are entitled, Excess New Common ADSs will be allocated to holders of Common ADS Rights who made subscription requests for Excess New Common ADSs in accordance with the allocation principles described in *The Offering Subscription by Holders of Common ADSs and Preferred ADSs Excess New Common ADSs*. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for Excess New Common ADSs will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on or about January 3, 2019.

To validly subscribe for New Common ADSs (including Excess New Common ADSs), a holder of Common ADS Rights must deposit with the ADS Rights Agent in cash the New Common ADS Deposit Amount of US\$2.03 per New Common ADS subscribed or requested, which is equal to US\$1.69 (the U.S. dollar equivalent of five times the New Common Share Subscription Price based on the closing rate for the sale of U.S. dollars against the *real* as reported by the Brazilian Central Bank on October 26, 2018, the date on which the board of directors of Oi authorized the Rights Offer) per New Common ADS subscribed or requested, *plus* 20% of such amount to cover (1) currency rate fluctuations from October 26, 2018, to the date on which the ADS Rights Agent converts currency in connection with the exercise by the ADS Custodian of the Common Share Rights underlying the Common ADS Rights, (2) the ADS Issuance Fee of US\$0.05 per New Common ADS, and (3) any other applicable fees, expenses or taxes.

If the New Common ADS Deposit Amount is insufficient to purchase an amount of Brazilian *reais* equivalent of the New Common Share Subscription Price for the number of initial New Common Shares to be subscribed and pay the ADS Issuance Fee and any other applicable fees, expenses or taxes, the ADS Rights Agent will notify the exercising Common ADS Rights holder and may (i) withhold delivery of initial New Common ADSs until the deficiency is paid by the holder, or (ii) reduce the number of initial New Common Shares to be purchased to the greatest number that can be purchased with the available funds.

Q: What is a Common Share Right?

A: Each Common Share Right will allow a holder thereof to subscribe for one New Common Share during the Share Subscription Period, which is the period commencing at 10:00 a.m. (Brasília time) on November 22, 2018 and ending at 6:00 p.m. (Brasília time) on December 26, 2018, at the New Common Share Subscription Price, which is R\$1.24 in cash per New Common Share subscribed.

If not all of the New Common Shares are taken up initially in the Rights Offer as a result of the subscription of the New Common Shares to which holders of Common Share Rights (including the ADS Custodian) are entitled, holders of Common Share Rights (including the ADS Custodian) who exercised their Common Share Rights and manifested their intention to do so at the time they exercised their Common Share Rights will also have the ability to acquire up to all of the Excess New Common Shares at the New Common Share Subscription Price, and should these be available, they will be allocated in accordance with the allocation principles described in *The Offering Subscription by Holders of Common Shares and Preferred Shares Excess New Shares*.

Q: Are my Common ADS Rights transferrable?

A: Yes. The Common ADS Rights will trade on the NYSE on a *when-issued* basis beginning at 9:30 a.m. (New York City time) on November 19, 2018, and on a *regular way* basis beginning at 9:30 a.m. (New York City time) on November 27, 2018. Trading in Common ADS Rights will cease at 4:00 p.m. (New York City time) on December 12,

2018. The Common ADS Rights will trade under the ticker symbol OIBR RT. The CUSIP number for the Common ADS Rights is P7353Y 106.

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If you wish to purchase additional Common ADS Rights, you may wish to contact your broker. If you hold your Common ADS Rights through The Depository Trust Company, or DTC, or in a brokerage or custodian account with a participant in DTC, you may sell or transfer your Common ADS Rights by book-entry transfer through DTC or a DTC participant. If you are a registered holder of Common ADS Rights, you will need to complete the applicable transfer form, or the Common ADS Rights Transfer Form, which you must obtain from the ADS Rights Agent, obtain the required signature guarantee, and deliver the Common ADS Rights Transfer Form to the ADS Rights Agent or to your commercial bank or broker, if the commercial bank or broker is making the sale, or directly to a third-party transferee.

Q: Are my Common Share Rights transferrable?

A: Yes. Subject to the procedures of the B3, holders of Common Share Rights whose Common Share Rights are deposited in the Depository Central of the B3 will be entitled to sell or transfer their Common Share Rights at any time prior to the Share Rights Expiration Time. The Common Share Rights will trade on the B3 during the period from 10:00 a.m. (Brasília time) on November 22, 2018, to 6:00 p.m. (Brasília time) on December 17, 2018, under the symbol OIBR1.

Q: Will the issuance and cancellation of Common ADSs and Preferred ADSs be suspended during the ADS Rights Offer?

A: Yes. Common Shares or Preferred Shares may not be deposited or withdrawn under the applicable deposit agreement between November 20, 2018 and November 23, 2018 (inclusive).

Q: Am I required to exercise any or all of the Common ADS Rights or Common Share Rights I receive in the Rights Offer?

A: No. If you do not exercise your Common ADS Rights or Common Share Rights during the ADS Subscription Period or Share Subscription Period as applicable, your Common ADS Rights or Common Share Rights, as the case may be, will be void and will have no value. No arrangements will be made to sell any unexercised Common ADS Rights or Common Share Rights on your behalf. Accordingly, you will not receive any proceeds with respect to unexercised Common ADS Rights or Common Share Rights.

Q: What do I do if I do not wish to participate in the Rights Offer?

A: If you do not wish to subscribe for any New Common ADSs or New Common Shares under the Rights Offer, you need not take any action.

Q: Is Oi requiring a minimum subscription to complete the Rights Offer?

A: No.

Q: When will the results of the Rights Offer be determined and announced?

A: On or about December 27, 2018 (the *Excess New Common Shares Determination Date*), Banco do Brasil will verify all subscriptions to purchase New Common Shares tendered during the Share Subscription Period (including the subscription to purchase New Common Shares tendered by the ADS Custodian) and deliver the results to Oi, and Oi will determine the number of Excess New Common Shares available, if any, to holders of Common Share Rights (including the ADS Custodian, if applicable) who elected to receive Excess New Common Shares at the time they

exercised their Common Share Rights. On or about December 28, 2018, we expect the board of directors of Oi to ratify the issuance of the New Common Shares to be issued in connection with the basic subscription right, and we expect to announce these results on or about that date through a press release or announcement which we will submit to the SEC via a report on Form 6-K.

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On or about January 2, 2019 (the *B3 Notification Date*), Oi will notify the B3 of the identity of holders of Common Share Rights (including the ADS Custodian, if applicable) who are entitled to receive Excess New Common Shares and the number of Excess New Common Shares to which they are entitled. On or about January 3, 2019 (the *Excess New Common Shares Notification Date*), the B3 will notify the applicable holders of Common Share Rights (including the ADS Custodian, if applicable) of their individual allocations of Excess New Common Shares. By 6:00 p.m. (Brasília time) on January 7, 2019 (the *Excess New Common Shares Subscription Price Deposit Date*), holders of Common Share Rights that were allocated Excess New Common Shares (including the ADS Custodian, if applicable) will be required to deposit with the B3 the full New Common Share Subscription Price for all of the Excess New Common Shares that they were allocated, and Oi will determine the number of Unsubscribed Shares. On or about January 8, 2019, we expect the board of directors of Oi to ratify the issuance of the Excess New Common Shares, and we expect to announce these results on or about that date through a press release or announcement which we will submit to the SEC via a report on Form 6-K.

Q: When will I receive the New Common ADSs I subscribed for and a refund of any unused New Common ADS Deposit Amounts in connection with such New Common ADSs?

A: Following receipt of the underlying initial New Common Shares, which is expected to take place on or about January 4, 2019, the ADS Custodian will deposit such initial New Common Shares under the ADS Deposit Agreement, the ADS Depository will deliver the initial New Common ADSs issuable upon that deposit to the ADS Rights Agent, and the ADS Rights Agent will cause the New Common ADSs to be delivered to the exercising Common ADS Rights holders entitled to them. The ADS Rights Agent will also pay the ADS Issuance Fee of US\$0.05 per New Common ADS out of the New Common ADS Deposit Amount. It is expected that the delivery of subscribed initial New Common ADSs to the exercising Common ADS Rights holders will take place on or about January 7, 2019.

Following delivery of the initial New Common ADSs, the ADS Rights Agent will promptly return to each holder of Common ADS Rights the New Common ADS Deposit Amount delivered to the ADS Rights Agent with respect to the New Common ADSs subscribed by that Common ADS holder *less*

the amount in U.S. Dollars used by the ADS Rights Agent to purchase the Brazilian *reais* paid to the ADS Custodian as the New Common Share Subscription Price for the initial New Common Shares requested by such holder of Common ADS Rights; and

the ADS Issuance Fee with respect to the initial New Common ADSs delivered to such holder and any other applicable fees, expenses or taxes.

Such amounts will be returned by check posted to the relevant holders, at their risk, or returned through DTC, as applicable, as soon as practicable on or after January 7, 2019. No interest will be paid on monies received in respect of any portion of the New Common ADS Deposit Amount.

Q: When will I receive the Excess New Common ADSs I am allocated and a refund of any unused New Common ADS Deposit Amounts in connection with the Excess New Common ADSs I requested?

A: Following receipt of the underlying Excess New Common Shares, which is expected to take place on or about January 11, 2019, the ADS Custodian will deposit such Excess New Common Shares under the ADS Deposit Agreement, the ADS Depository will deliver the Excess New Common ADSs issuable upon that deposit to the ADS

Rights Agent, and the ADS Rights Agent will cause the New Common ADSs to be delivered to the exercising Common ADS Rights holders entitled to them. The ADS Rights Agent will also pay the ADS Issuance Fee of US\$0.05 per New Common ADS out of the New Common ADS Deposit Amount. It is expected that the delivery of Excess New Common ADSs to the exercising Common ADS Rights holders will take place on or about January 15, 2019.

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Following delivery of the Excess New Common ADSs, the ADS Rights Agent will promptly return to each holder of Common ADS Rights that manifested its intention to subscribe for Excess New Common ADSs the New Common ADS Deposit Amount delivered to the ADS Rights Agent with respect to the Excess New Common ADSs requested by that Common ADS holder *less*:

the amount in U.S. dollars used by the ADS Rights Agent to purchase the Brazilian *reais* paid to the ADS Custodian as the New Common Share Subscription Price for the Excess New Common Shares allocated to such holder of Common ADS Rights; and

the ADS Issuance Fee with respect to the Excess New Common ADSs delivered to such holder and any other applicable fees, expenses or taxes.

For the avoidance of doubt, the ADS Rights Agent will promptly return in full to each holder of Common ADS Rights that manifested its intention to subscribe for Excess New Common ADSs the New Common ADS Deposit Amount delivered to the ADS Rights Agent with respect to the Excess New Common ADSs requested by but not allocated to that Common ADS holder.

Such amounts will be returned by check posted to the relevant holders, at their risk, or returned through DTC, as applicable, as soon as practicable on or after January 15, 2019. No interest will be paid on monies received in respect of any portion of the New Common ADS Deposit Amount.

Q: When will I receive the New Common Shares or Excess New Common Shares I subscribe for?

A: We expect to deliver the initial New Common Shares subscribed for pursuant to the Share Rights Offer on or about January 4, 2019, and the Excess New Common Shares, if any, on or about January 11, 2019.

Q: Will the New Common ADSs and New Common Shares be listed on a national stock exchange?

A: Application will be made for the New Common ADSs to be listed on the NYSE under the symbol OIBR.C, the same symbol under which the Common ADSs currently trade. Trading in the initial New Common ADSs issued pursuant to the basic subscription right is expected to commence on the date we expect the New Common ADS to be delivered, which is on or about January 7, 2019, and trading in the Excess New Common ADSs, if any, is expected to commence on the date we expect the Excess New Common ADSs to be delivered, which is on or about January 15, 2019. The New Common Shares will be listed on the B3 under the symbol OIBR3, the same symbol under which the Common Shares currently trade. Trading in the initial New Common Shares issued pursuant to the basic subscription right is expected to commence on or about January 4, 2019, and trading in the Excess New Common Shares, if any, is expected to commence on or about January 11, 2019.

Q: How will the New Common ADSs rank with respect to existing Common ADSs?

A: The New Common ADSs (including Excess New Common ADSs) will, when issued, be fully paid and will rank equally in all respects with the then existing Common ADSs, except that the New Common ADSs (including Excess New Common ADSs) will not qualify for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the New Common ADSs or the Excess New Common ADSs, as the case may be.

Q: How will the New Common Shares rank with respect to existing Common Shares?

A: The New Common Shares (including Excess New Common Shares) will, when issued, be fully paid and will rank equally in all respects with the then existing Common Shares, except that the New Common Shares (including Excess New Common Shares) will not qualify for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the New Common Shares or the Excess New Common Shares, as the case may be.

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Q: What happens if any New Common Shares (including Excess New Common Shares) remain unsubscribed following the expiration of the Rights Offer?

A: We expect that any and all Unsubscribed Shares will be purchased by the Backstop Investors, subject to the terms and conditions of the Backstop Agreement. For more information about the Backstop Agreement, see The Offering Backstop Commitment Agreement.

Q: How many New Common Shares does Oi expect to have issued and outstanding following the expiration of the Rights Offer and the closing under the Commitment Agreement?

A: We expect to issue 3,225,806,451 New Common Shares (including New Common Shares represented by New Common ADSs) pursuant to the Rights Offer and the Commitment Agreement and to have 5,488,707,730 Common Shares (including Common Shares represented by Common ADSs) issued and outstanding following the expiration of the Rights Offer and the closing under the Commitment Agreement.

Exercise of Rights and Other Procedural Matters

Q: How long do I have to exercise my Common ADS Rights?

A: Common ADS Rights must be exercised during the ADS Subscription Period, which is the period commencing at 9:00 a.m. (New York City time) on November 26, 2018, and ending at 5:00 p.m. (New York City time) on December 17, 2018. Accordingly, the Common ADS Rights Expiration Time, which is the latest date the ADS Rights Agent must receive completed instructions to subscribe and payment in full of the New Common ADS Deposit Amount in respect of the New Common ADSs (including Excess New Common ADSs requested by such holder) subscribed pursuant to the ADS Rights Offer, will be 5:00 p.m. (New York City time) on December 17, 2018. The Common ADS Rights Exercise Period starts after the beginning of, and ends before the end of, the rights exercise period for the New Common Shares under the Common Share Rights.

Q: How long do I have to exercise my Common Share Rights?

A: Common Share Rights must be exercised during the Share Subscription Period, which is the period commencing at 10:00 a.m. (Brasília time) on November 22, 2018, and ending at 6:00 p.m. (Brasília time) on December 12, 2018. Accordingly, the Share Rights Expiration Time, which is the latest time at which the B3 must receive a subscription request and the corresponding payment in full of the New Common Share Subscription Price in respect of the New Common Shares (excluding Excess Common Shares requested by such holder) subscribed pursuant to the Share Rights Offer, will be 6:00 p.m. (Brasília time) on December 26, 2018.

The Excess New Common Shares Subscription Price Deposit Date, which is the latest time at which the B3 must receive the corresponding payment in full of the New Common Share Subscription Price in respect of any Excess New Common Shares allocated to holders of Common Share Rights, will be 6:00 p.m. (Brasília time) on or about January 7, 2019.

Q: How do I exercise my Common ADS Rights?

A: If you wish to exercise your Common ADS Rights to acquire New Common ADSs (including Excess New Common ADSs), you must deliver your subscription instructions and pay the New Common ADS Deposit Amount in accordance with the exercise procedure that applies to you. Whichever exercise procedure applies, a Common ADS Rights holder that wishes to exercise Common ADS Rights must take action in time to ensure that the instructions and

payment will reach the ADS Rights Agent prior to 5:00 p.m. (New York City time) on December 17, 2018. DTC and its direct and indirect participants will set their own cutoff dates and times to receive exercise instructions that will be earlier than 5:00 p.m. (New York City time) on December 17, 2018. Holders of Common ADS Rights that hold through brokers or other securities intermediaries should contact those brokers or other securities intermediaries to determine the cut-off dates and times that apply to them.

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Subscription by Brokers and Other Securities Intermediaries

If you are a participant in DTC, you must deliver completed subscription instructions through DTC's automated system indicating the total number of New Common ADSs (including Excess New Common Shares, if any) that you wish to subscribe for and instruct DTC to charge your applicable DTC account for the New Common ADS Deposit Amount for such New Common ADSs (including Excess New Common Shares, if any) and to deliver such amount to the ADS Rights Agent. DTC must receive the subscription instructions and the payment of the New Common ADS Deposit Amount for the New Common ADSs (including Excess New Common Shares, if any) so as to allow DTC sufficient time to transmit the subscription instructions and payment of the Common ADS Deposit Amount to the ADS Rights Agent prior to the expiration of the ADS Subscription Period. If the instructions and deposit amount payment with respect to the New Common ADSs are not received by the ADS Rights Agent by the end of the ADS Subscription Period, the ADS Rights Agent will not be authorized to, and consequently will not, accept any delivery or exercise of subscription instructions with respect to those New Common ADSs.

Subscription by Beneficial Owners

If you are a beneficial owner of Common ADS Rights and wish to subscribe for New Common ADSs but are neither a DTC participant nor a registered holder of Common ADS Rights, you should contact the broker or other securities intermediary through which you hold Common ADS Rights to arrange for subscription of the New Common ADSs (including Excess New Common ADSs, if any) and to arrange for payment of the New Common ADS Deposit Amount for such New Common ADSs (including Excess New Common ADSs, if any). You should contact your broker or other securities intermediary through which you hold Common ADSs or Preferred ADSs to determine the number of New Common ADSs for which you are entitled to subscribe. You are urged to consult your broker or other securities intermediary without delay in case your broker or other securities intermediary is unable to act immediately. DTC and its direct and indirect participants will establish cut-off dates and times to receive instructions to subscribe for New Common ADSs that will be earlier than the expiration date and time stated in this prospectus. You should contact your broker or other securities intermediary to determine the cut-off date and time that apply to you.

Subscription by Registered Holders

If you are a holder of Common ADS Rights registered directly with the ADS Rights Agent, you can exercise your Common ADS Rights and subscribe for the New Common ADSs (including Excess New Common ADSs, if any) by delivering to the ADS Rights Agent a properly completed Common ADS Subscription Form and paying in full the New Common ADS Deposit Amount for such New Common ADSs (including Excess New Common ADSs, if any). Payment must be made by a cashier's check drawn on a U.S. bank payable to The Bank of New York Mellon.

D.F. King & Co., the Information Agent For the ADS Rights Offer will send to each registered holder of ADSs a Common ADS Subscription Form showing the number of Common ADS Rights they hold that can be used to send subscription instructions to the ADS Rights Agent. If you are a beneficial owner of Common ADSs or Preferred ADSs, you should contact the broker or other securities intermediary through which you hold Common ADSs or Preferred ADSs to determine the number of New Common ADSs for which you are entitled to subscribe. The Common ADS Subscription Forms will be mailed to ADS holders, as of the ADS Rights Record Date, as soon as practicable on or after the ADS Rights Record Date of November 21, 2018.

The properly completed Common ADS Subscription Form and payment should be delivered to:

By Mail:

The Bank of New York Mellon
Voluntary Corporate Actions Suite V
P.O. Box 43031
Providence, Rhode Island 02940-3031
United States of America

By Overnight Courier:

The Bank of New York Mellon
Voluntary Corporate Actions Suite V
250 Royall Street
Canton, Massachusetts 02021
United States of America

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The ADS Rights Agent must receive the Common ADS Subscription Form and payment of the Common ADS Deposit Amount on or before the end of the ADS Subscription Period. Deposit in the mail will not constitute delivery to the ADS Rights Agent. Oi has discretion to refuse to accept any improperly completed or unexecuted Common ADS Subscription Form.

You will elect the method of delivering the Common ADS Subscription Forms and paying the New Common ADS Deposit Amount to the ADS Rights Agent and you will bear any risk associated with it. If you send the Common ADS Subscription Form and payment by mail, you should use registered mail, properly insured, with return receipt requested, and allow sufficient time to ensure delivery to the ADS Rights Agent.

We strongly recommend that you return the Common ADS Subscription Form and payment of the Common ADS Deposit Amount using an overnight courier with tracking capabilities (such as Federal Express or United Parcel Service) to ensure delivery of the Common ADS Subscription Form to the ADS Rights Agent prior to 5:00 p.m. (New York City time) on December 17, 2018.

If you wish to sell or transfer your Common ADS Rights, you must contact the ADS Rights Agent at the addresses set forth above to receive a Common ADS Rights Transfer Form that can be used to transfer your Common ADS Rights to settle a sale.

Q:How do I exercise my Common Share Rights?

A: If you wish to exercise your Common Share Rights to acquire New Common Shares (including Excess New Common Shares), you must deliver your subscription instructions and pay the New Common Share Subscription Price in accordance with the exercise procedure that applies to you, subject to the terms and conditions set forth in the Notice to Shareholders (*Aviso aos Acionistas*) to be published by Oi on November 13, 2018, and the procedures of the B3.

Shareholders with Common Shares and/or Preferred Shares deposited at the Depositary Central of the B3 must exercise their Common Share Rights through their respective custody agents, subject to the terms set forth by the B3.

If you are a beneficial owner of Common Share Rights and wish to subscribe for New Common Shares but are not the registered holder of Common Share Rights, you should contact the broker or other securities intermediary through which you hold Common Share Rights to arrange for subscription of the New Common Shares (including Excess New Common Shares, if any) and to arrange for payment of the New Common Share Subscription Price for such New Common Shares (including Excess New Common Shares, if any). You should contact your broker or other securities intermediary through which you hold Common Shares or Preferred Shares to determine the number of New Common Shares for which you are entitled to subscribe. You are urged to consult your broker or other securities intermediary without delay in case your broker or other securities intermediary is unable to act immediately. Your broker or other securities intermediary may establish cut-off dates and times to receive instructions to subscribe for New Common Shares that may be earlier than the expiration date and time stated in this prospectus. You should contact your broker or other securities intermediary to determine the cut-off date and time that apply to you.

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Q: How do I subscribe for Excess New Common ADSs?

A: If you wish to acquire Excess New Common ADSs, you must manifest your intention to subscribe for Excess New Common ADSs at the time you exercise your Common ADS Rights, pursuant to the procedures described under *The Offering Subscription by Holders of Common ADSs and Preferred ADSs Exercise Procedures for Common ADS Rights*. At such time, you must indicate the number of Excess New Common ADSs you wish to acquire, up to all Excess New Common ADSs, and pay in full the New Common ADS Deposit Amount for such Excess New Common ADSs. Because we will not know the total number of Excess New Common ADSs available prior to the Common ADS Rights Expiration Time, if you wish to maximize the number of Excess New Common ADSs you purchase, you will need to manifest your intention to subscribe for Excess New Common ADSs equivalent to the total number of New Common Shares being offered under the Rights Offer minus the number of New Common ADSs to which you are entitled under your basic subscription right and deliver payment of the New Common ADS Deposit Amount for that number of New Common ADSs.

Q: How do I subscribe for Excess New Common Shares?

A: If you wish to acquire Excess New Common Shares, you must manifest your intention to subscribe for Excess New Common Shares at the time you exercise your Common Share Rights, pursuant to the procedures described under *The Offering Subscription by Holders of Common Shares and Preferred Shares Exercise Procedures for Common Share Rights*. At such time, you must indicate the number of Excess New Common Shares you wish to acquire, up to all Excess New Common Shares. Because we will not know the total number of Excess New Common Shares available prior to the Share Rights Expiration Time, if you wish to maximize the number of Excess New Common Shares you purchase, you will need to manifest your intention to subscribe for Excess New Common Shares equivalent to the total number of New Common Shares being offered under the Rights Offer minus the number of New Common Shares to which you are entitled under your basic subscription right.

On or about December 27, 2018 (the Excess New Common Shares Determination Date), Banco do Brasil will verify all subscriptions to purchase New Common Shares tendered during the Share Subscription Period (including the subscription to purchase New Common Shares tendered by the ADS Custodian) and deliver the results to Oi, and Oi will determine the number of Excess New Common Shares available, if any, to holders of Common Share Rights (including the ADS Custodian, if applicable) who elected to receive Excess New Common Shares at the time they exercised their Common Share Rights. On or about January 2, 2019 (the B3 Notification Date), Oi will notify the B3 of the identity of holders of Common Share Rights (including the ADS Custodian, if applicable) who are entitled to receive Excess New Common Shares and the number of Excess New Common Shares to which they are entitled. On or about January 3, 2019 (the Excess New Common Shares Notification Date), the B3 will notify the applicable holders of Common Share Rights (including the ADS Custodian, if applicable) of their individual allocations of Excess New Common Shares. By 6:00 p.m. (Brasília time) on January 7, 2019 (the Excess New Common Shares Subscription Price Deposit Date), holders of Common Share Rights that were allocated Excess New Common Shares (including the ADS Custodian, if applicable) will be required to deposit with the B3 the full New Common Share Subscription Price for all of the Excess New Common Shares that they were allocated, and Oi will determine the number of Unsubscribed Shares. If a holder does not deposit the New Common Share Subscription Price in full for each Excess New Common Share allocated to such holder by the Excess New Common Shares Subscription Price Deposit Date, the number of Excess New Common Shares such holder receives will be reduced to the greatest number that can be purchased with the available funds.

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Q: What happens if the number of Excess New Common Shares or Excess New Common ADSs for which requests for subscription are received is less than or equal to the number of Excess New Common Shares or Excess New Common ADSs available?

A: If the number of Excess New Common Shares for which requests for subscription are received is less than or equal to the number of Excess New Common Shares available, then each holder of Common Share Rights that manifested its intention to subscribe for Excess New Common Shares (including the ADS Custodian, if applicable) and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price Deposit Date will receive the number of Excess New Common Shares that such holder requested, rounded down to the nearest whole number of New Common Shares.

The ADS Rights Agent will then deliver New Common ADSs representing those Excess New Common Shares allocated to the ADS Custodian to the accounts of ADS Rights Holders who validly requested Excess New Common ADSs, as follows.

If the number of New Common Shares underlying the Excess New Common ADSs for which requests for subscription are received is less than or equal to the number of Excess New Common Shares allocated to the ADS Custodian, then each holder of ADS Rights that validly requests Excess New Common ADSs will receive the number of Excess New Common ADSs that such holder requested, rounded down to the nearest whole number of New Common ADSs.

Q: What happens if the number of Excess New Common Shares or Excess New Common ADSs for which requests for subscription are received exceeds the number of Excess New Common Shares or Excess New Common ADSs available?

A: If the number of Excess New Common Shares for which requests for subscription are received exceeds the number of Excess New Common Shares available, then each holder of Common Share Rights that manifested its intention to subscribe for Excess New Common Shares (including the ADS Custodian, if applicable) and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price Deposit Date will receive a portion of such Excess New Common Shares that such holder requested, rounded down to the nearest whole number of New Common Shares, determined based on a proration factor to be calculated as provided under The Offering Subscription by Holders of Common Shares and Preferred Shares Excess New Common Shares.

The ADS Rights Agent will then deliver New Common ADSs representing those Excess New Common Shares allocated to the ADS Custodian to the accounts of ADS Rights Holders who validly requested Excess New Common ADSs, as follows.

If the number of New Common Shares underlying the Excess New Common ADSs for which requests for subscription are received exceeds the number of Excess New Common Shares allocated to the ADS Custodian, then each ADS Rights Holder that validly requests Excess New Common ADSs will receive a portion of the Excess New Common ADSs that such holder requested, rounded down to the nearest whole number of New Common ADSs, determined based on a proration factor to be calculated as provided under The Offering Subscription by Holders of Common ADSs and Preferred ADSs Excess New Common ADSs.

Q: May I cancel or modify my instructions to exercise my Common ADS Rights?

A: No. Any exercise of Common ADS Rights or instructions to the ADS Rights Agent will be irrevocable upon delivery and may not be cancelled or modified after such delivery.

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Q: May I cancel or modify my instructions to exercise my Common Share Rights?

A: Yes. Subject to the terms set forth by the B3, any exercise of Common Share Rights or instructions to the B3 may be cancelled or modified at any time prior to the Share Rights Expiration Time; *provided*, that if you beneficially hold Common Share Rights through a broker or other securities intermediary, your broker or other securities intermediaries may set their own cutoff dates and times to accept such cancellations or modifications, and you must contact your broker or other securities intermediaries with respect to refunds of any funds deposited with such broker or other securities intermediary in respect of cancelled or modified subscriptions for New Common Shares.

For the avoidance of doubt, holders of Common Share Rights may not cancel or modify instructions manifesting their intention to subscribe for Excess New Common Shares following the Share Rights Expiration Time and prior to the delivery of any Excess New Common Shares which they may eventually be allocated.

Q: May I subscribe for fractions of New Common ADSs?

A: No. You may not subscribe for fractions of New Common ADSs (including fractions of Excess New Common ADSs) and fractional entitlements under the ADS Rights Offer will be reduced to the nearest whole number of New Common ADSs.

If you elect to subscribe for Excess New Common ADSs and the number of Excess New Common ADSs for which requests for subscription are received exceed the number of Excess New Common ADSs available, then your *pro rata* share of Excess New Common ADSs may result in an entitlement to fractional New Common ADSs, in which case your entitlement to New Common ADSs will be reduced to the next lower whole number and you will receive such whole number of New Common ADSs.

Q: May I subscribe for fractions of New Common Shares?

A: No. You may not subscribe for fractions of New Common Shares (including fractions of Excess New Common Shares) and fractional entitlements under the Share Rights Offer will be reduced to the nearest whole number of New Common Shares.

If you elect to subscribe for Excess New Common Shares and the number of Excess New Common Shares for which requests for subscription are received exceed the number of Excess New Common Shares available, then your *pro rata* share of Excess New Common Shares may result in an entitlement to fractional New Common Shares, in which case your entitlement to New Common Shares will be reduced to the next lower whole number and you will receive such whole number of New Common Shares.

Other Rights Offering Matters

Q: Why is Oi conducting the Rights Offer?

A: Section 6.1 of the RJ Plan provides that following the completion of the Capitalization of Credits Capital Increase, Oi must complete a cash capital increase of R\$4 billion in order to ensure that it has the funds necessary to complete the capital expenditures necessary to modernize its infrastructure and implement the business plan provided under Section 6 of the RJ Plan. This cash capital increase, of which the Rights Offer is a part, must be completed as soon as possible following the completion of the Capitalization of Credits Capital Increase and, in any event, by no later than February 28, 2019.

Q: Are there any conditions to completing the Rights Offer?

A: Although the approval of the Rights Offer by the board of directors of Oi did not condition the completion of the Rights Offer to any particular event, we may cancel the Rights Offer if, at any time before completion of the

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Rights Offer, there is any judgment, order, decree, injunction, statute, law, regulation or decision by any governmental authority entered, enacted, amended or held to be applicable to the Rights Offer or the RJ Plan that in the sole judgment of the board of directors of Oi would or might make the Rights Offer or its completion, whether in whole or in part, illegal or not in compliance with the RJ Plan otherwise restrict or prohibit completion of the Rights Offer.

If for any reason the board of directors of Oi cancels the Rights Offer, in whole or in part, all affected Common Share Rights and Common ADS Rights will expire without value, and the New Common Share Subscription Price deposited by holders of Common Share Rights with the B3 or the New Common ADS Deposit Amount delivered to the ADS Rights Agent with respect to the New Common ADSs will be refunded to exercising holders of Common Share Rights or Common ADS Rights, respectively, without interest or penalty, as soon as practicable.

Q: How were the New Common Share Subscription Price and the New Common ADS Subscription Price determined?

A: The New Common Share Subscription Price has been determined based on a formula set forth in the RJ Plan and the Commitment Agreement, which resulted from independent negotiations between Oi and the Backstop Investors, and also considering the interests of our current shareholders. The New Common Share Subscription Price does not bear a direct relationship to the book value of our assets or the market value of our shares. In addition, since each New Common ADS represents five Common Shares, the New Common ADS Subscription Price is the U.S. dollar equivalent of five times the New Common Share Subscription Price.

Q: Has the board of directors of Oi made a recommendation regarding the Rights Offer?

A: The board of directors of Oi is not making any recommendation to shareholders regarding the exercise of rights in the Rights Offer. You should make an independent investment decision about whether or not to exercise your rights. Shareholders who exercise Common ADS Rights or Common Share Rights risk investment loss on new money invested. We cannot assure you that the public trading market price of the Common ADSs and Common Shares will not decline below the New Common ADS Subscription Price or the New Common Share Subscription Price, as applicable, after you elect to exercise your Common ADS Rights or Common Share Rights or that anyone purchasing New Common ADS or New Common Shares at the New Common ADS Subscription Price or the New Common Share Subscription Price, as applicable, will be able to sell those New Common ADS or New Common Share in the future at the same price or a higher price. If you do not exercise your Common ADS Rights or Common Share Rights, you will lose any value represented by your Common ADS Rights or Common Share Rights and your percentage ownership interest in Oi will be diluted.

Q: What proceeds will the Company receive from the Rights Offer?

A: The net proceeds of the Rights Offer (including proceeds of any Common Shares purchased pursuant to the Commitment Agreement) are expected to be approximately R\$3,669.4 million (US\$987.0 million) after payment of the estimated expenses of the Rights Offer and based on an exchange rate of R\$3.7177=US\$1.00, the PTAX selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*) on October 31, 2018. Please see *Use of Proceeds* and *Expenses of the Offering*.

Q: What are the U.S. federal income tax consequences of receipt, disposition or exercise of Common ADS Rights or Common Share Rights?

A: For information on the U.S. federal income tax consequences of receipt, disposition or exercise of Common ADS Rights or Common Share Rights by U.S. holders, see *Taxation* Certain United States Federal Income Tax

Considerations. However, holders are urged to consult their own tax advisors with respect to the particular tax consequences of the Rights Offer.

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Q: What are the Brazilian tax consequences of receipt, disposition or exercise of Common ADS Rights or Common Share Rights?

A: For information on the Brazilian tax consequences of receipt, disposition or exercise of Common ADS Rights or Common Share Rights by holders not deemed to be domiciled in Brazil for Brazilian tax and regulatory purposes, see Taxation Certain Brazilian Tax Considerations. However, holders are urged to consult their own tax advisors with respect to the particular tax consequences of the Rights Offer.

Q: Are there risks in exercising my Common ADS Rights or Common Share Rights?

A: The exercise of your Common ADS Rights or Common Share Rights involves risks. Exercising your Common ADS Rights or Common Share Rights means buying Common ADSs or Common Shares and should be considered as carefully as you would consider any other equity investment. You should carefully read the Risk Factors section of this prospectus and all other information included in this prospectus in its entirety before you decide whether or not to exercise your rights.

Q: Who should I contact if I have other questions regarding the ADS Rights Offer?

A: D.F. King & Co. is acting as Information Agent for the ADS Rights Offer. Should you have any questions on the subscription of New Common ADSs, please contact:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Banks and Brokers Call: +1 (212) 269-5550

All Others Call: +1 (800) 628-8536

Email: oi@dfking.com

Please note that the helpline will only be able to provide you with information contained in the prospectus, and will not be able to give advice on the merits of the ADS Rights Offer or to provide financial advice.

Q: Who should I contact if I have other questions regarding the Share Rights Offer?

A: Should you have any questions with regard to the Share Rights Offer, please contact Oi's Investor Relations Department at +55 21 3131-2918 (Monday to Friday 9:00 a.m. to 6:00 p.m. (Brasília time)) or by email at invest@oi.net.br.

Please note that the helpline will only be able to provide you with information contained in the prospectus, and will not be able to give advice on the merits of the Share Rights Offer or to provide financial advice.

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SUMMARY

This summary highlights selected information about us and the New Common Shares and New Common ADSs that we are offering. It may not contain all of the information that may be important to you. Before investing in the New Common Shares or New Common ADSs, you should read this entire prospectus carefully for a more complete understanding of our business and the Rights Offer, including our consolidated financial statements included in this prospectus and the section entitled Risk Factors included elsewhere in this prospectus.

Overview

We are one of the principal integrated telecommunications service providers in Brazil with approximately 58.4 million revenue generating units, or RGUs, as of June 30, 2018. We operate throughout Brazil and offer a range of integrated telecommunications services that include fixed-line and mobile telecommunication services, network usage (interconnection), data transmission services (including broadband access services), Pay-TV (including as part of double-play, triple-play and quadruple-play packages), internet services and other telecommunications services for residential customers, small, medium and large companies and governmental agencies. We owned 355,273 kilometers of installed fiber optic cable, distributed throughout Brazil, as of June 30, 2018. Our mobile network covered areas in which approximately 90.4% of the Brazilian population lived and worked as of June 30, 2018. According to ANATEL, as of June 30, 2018, we had a 16.5% market share of the Brazilian mobile telecommunications market and a 32.4% market share of the Brazilian fixed-line market.

Our traditional Residential Services business in Brazil includes (1) local and long-distance fixed-line voice services and public telephones, in accordance with the concessions granted to us by ANATEL, (2) broadband services, (3) Pay-TV services, and (4) network usage services (interconnection). We are the largest fixed-line telecommunications company in Brazil in terms of total number of lines in service as of June 30, 2018. We are the principal fixed-line telecommunications services provider in our service areas, comprising the entire territory of Brazil other than the State of São Paulo, based on our 12.4 million fixed lines in service as of June 30, 2018, with a market share of 51.4% of the total fixed lines in service in our service areas as of June 30, 2018, according to ANATEL.

We offer a variety of high-speed broadband services in our fixed-line service areas, including services offered by our subsidiaries Oi Mobile and Brasil Telecom Comunicação Multimídia Ltda. Our broadband services utilize Asymmetric Digital Subscriber Line, or ADSL, and Very-high-bit-rate Digital Subscriber Line, or VDSL, technologies. As of June 30, 2018, we had 5,872,311 total subscribers, representing 48.6% of our fixed lines in service as of that date.

We offer Pay-TV services under our *Oi TV* brand. We deliver Pay-TV services throughout our residential service areas using DTH satellite technology and, in select urban areas, using fiber optic technology.

Our Personal Mobility Services business offers mobile telecommunications services throughout Brazil, as well as network usage services (interconnection). Based on our 38.9 million mobile subscribers as of June 30, 2018, we believe that we are one of the principal mobile telecommunications service providers in Brazil. Based on information available from ANATEL, as of June 30, 2018 our market share was 16.5% of the total number of mobile subscribers in Brazil.

Our B2B Services business provides voice, data, IT and Pay TV services to our SME and corporate (including government) customers throughout Brazil. We also provide wholesale interconnection, network usage and traffic transportation services to other telecommunications providers.

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We also hold significant interests in telecommunications companies in Angola, Cape Verde, and São Tomé and Príncipe in Africa and Timor Leste in Asia. Our interests in telecommunications companies in Africa are held through Africatel, in which we own an 86% interest. Our interests in telecommunications companies in Timor Leste are mainly held through TPT, in which we own a 76.14% interest. On September 16, 2014, our board of directors authorized our management to take the necessary measures to market our shares in Africatel, representing 75% of the share capital of Africatel at the time. In addition, on June 17, 2015, our board of directors authorized our management to take the necessary measures to market our shares in TPT, representing 76.14% of the share capital of TPT. As a result, as of December 31, 2015, 2016 and 2017 and June 30, 2018, we recorded the assets and liabilities of Africatel and TPT as held-for sale, although we do not record Africatel or TPT as discontinued operations in our income statement due to the immateriality of the effects of Africatel and TPT on our results of operations. Due to the many risks involved in the ownership of these interests, particularly our interest in Unitel, we cannot predict when a sale of these assets may be completed.

Judicial Reorganization

On June 20, 2016, Oi, together with the other RJ debtors, filed a joint voluntary petition for judicial reorganization pursuant to the Brazilian Bankruptcy Law with the RJ Court, pursuant an urgent measure approved by our board of directors. The filing of the petition that commenced the RJ Proceedings was a step towards our financial restructuring. On June 29, 2016, the RJ Court granted the processing of the RJ Proceedings of the RJ Debtors.

On December 19 and 20, 2017, the GCM was held to consider approval of the most recently filed judicial reorganization plan. The GCM concluded on December 20, 2017 following the approval of a judicial reorganization plan reflecting amendments to the judicial reorganization plan presented at the GCM as negotiated during the course of the GCM.

On January 8, 2018, the RJ Court entered the Brazilian Confirmation Order, ratifying and confirming the RJ Plan, according to its terms, but modifying certain provisions of the RJ Plan. The Brazilian Confirmation Order was published in the Official Gazette of the State of Rio de Janeiro on February 5, 2018, the Brazilian Confirmation Date.

The Brazilian Confirmation Order, according to its terms, is currently binding on all parties, although still subject to appeals with no suspensive effect attributed to it. By operation of the RJ Plan and the Brazilian Confirmation Order, provided that the Brazilian Confirmation Order is not overturned or altered as a result of the pending appeals filed against it, the unsecured claims against the RJ Debtors have been novated and discharged under Brazilian law and holders of such claims are entitled only to receive the recoveries set forth in the RJ Plan in exchange for their claims in accordance with the terms and conditions of the RJ Plan.

For more information regarding the RJ Proceedings and the steps that we have taken to implement the RJ Plan, see [Business Our Judicial Reorganization Proceedings](#).

Recognition Proceedings in the United States

On June 22, 2016, the U.S. Bankruptcy Court entered an order granting the provisional relief requested by the Chapter 15 Debtors in their cases that were filed on June 21, 2016 under Chapter 15 of the United States Bankruptcy Code. This provisional relief prevented (1) creditors from initiating actions against the Chapter 15 Debtors or their property located within the territorial jurisdiction of the United States, and (2) parties from terminating their existing U.S. contracts with the Chapter 15 Debtors.

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On July 21, 2016, the U.S. Bankruptcy Court held a hearing with respect to the Chapter 15 Debtors petition for recognition of the RJ Proceedings as a main foreign proceeding with regard to each of the Chapter 15 Debtors and did not receive any objections to such petition.

On July 22, 2016, the U.S. Bankruptcy Court granted the U.S. Recognition Order, as a result of which a stay was automatically applied, preventing (1) the filing, in the United States, of any actions against the Chapter 15 Debtors or their properties located within the territorial jurisdiction of the United States, and (2) parties from terminating their existing U.S. contracts with the Chapter 15 Debtors.

On April 17, 2018, the foreign representative for the Chapter 15 Debtors filed a motion with the U.S. Bankruptcy Court seeking an order of that court granting, among other things, full force and effect to the RJ Plan and the Brazilian Confirmation Order in the United States. On June 14, 2018, the U.S. Bankruptcy Court granted the requested order. As a result, the claims with respect to the Defaulted Bonds that were governed by New York law have been novated and discharged under New York law and the holders of these Defaulted Bonds are entitled only to receive the recovery set forth in the RJ Plan in exchange for the claims represented by these Defaulted Bonds.

Restructuring of Our Dutch Finance Subsidiaries

The laws of The Netherlands do not provide for the recognition of the RJ Proceedings. Two of the RJ Debtors, Oi Coop and PTIF, are organized under the laws of The Netherlands. As a result, a group of holders of some of the Defaulted Bonds issued by Oi Coop and PTIF brought proceedings against these RJ Debtors in The Netherlands.

Following extensive proceedings under Dutch law, in April 2017, Dutch bankruptcy proceedings were commenced against PTIF and Oi Coop.

On April 10, 2018, PTIF deposited a draft of the PTIF Composition Plan with the Dutch District Court and Oi Coop deposited a draft of the Oi Coop Composition Plan with the Dutch District Court. The PTIF Composition Plan and the Oi Coop Composition Plan each provide for the restructuring of the claims against PTIF and Oi Coop on substantially the same terms and conditions as the RJ Plan.

On May 17, 2018, meetings of each series of bonds issued by PTIF were held at which the bondholders voted in favor of extraordinary resolutions providing for: (1) the release Oi's guarantee for each of the relevant series of Defaulted Bonds, (2) the authorization of the trustee of each outstanding series of Defaulted Bonds issued by PTIF to act as a sole creditor of such Defaulted Bonds, submit a claim on behalf of the holders of such Defaulted Bonds to the PTIF Trustee in relation to the PTIF bankruptcy and vote in favor of the PTIF Composition Plan, and (3) authorize the trustee of each outstanding series of Defaulted Bonds issued by PTIF to request the PTIF Trustee in respect of its vote on behalf of PTIF, to vote in favor of the Oi Coop Composition Plan.

On June 1, 2018, at a meeting of the creditors of PTIF in the Netherlands, the creditors of PTIF approved the PTIF Composition Plan and directed the PTIF Trustee to vote PTIF's claims in Oi Coop in favor of the Oi Coop Composition Plan. Also on June 1, 2018, at a meeting of the creditors of Oi Coop, the creditors of Oi Coop approved the Oi Coop Composition Plan.

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On June 11, 2018, the Dutch District Court confirmed the PTIF Composition Plan and the Oi Coop Composition Plan at a homologation hearing. The homologation was subject to an eight day appeal period, which expired on June 19, 2018. As of that date, no appeals had been filed. As a result, the PTIF Composition Plan and the Oi Coop Composition Plan are effective as a matter of Dutch law, the bankruptcies of PTIF and Oi Coop have terminated and the PTIF Composition Plan and the Oi Coop Composition Plan have full force and effect in each member state of the European Union.

For more information regarding the restructuring of PTIF and Oi Coop under Dutch law, see [Business Legal Proceedings](#) [Legal Proceedings Relating to Our Financial Restructuring](#) [Restructuring of Our Dutch Finance Subsidiaries](#).

Settlement of Financial Indebtedness

Under the RJ Plan, certain groups of creditors were entitled to make elections with respect to the form of the recovery that they were entitled to receive. The period to make these elections commenced on February 5, 2018 Date and was scheduled to expire on February 26, 2018. On February 26, 2018, the RJ Court extended the election deadline applicable to beneficial holders of the Defaulted Bonds until March 8, 2018.

Settlement of Claims of BNDES

Under the RJ Plan, the claim of the Brazilian National Bank for Economic and Social Development (*Banco Nacional de Desenvolvimento Econômico e Social*), or BNDES, under our outstanding credit facilities with BNDES were novated and replaced with the right to receive payment of 100% of the principal amount of their recognized claims in *reais* in accordance with the terms of the RJ Plan.

Settlement of Claims of Lenders under Unsecured Lines of Credit and Creditors under Real Estate Securitization Transactions

Under the RJ Plan, the claims (1) of the lender under our unsecured line of credit, and (2) creditors under Real Estate Receivables Certificates (*Certificados de Recebíveis Imobiliários*), or CRIs, that had been backed by our obligations to make payments under leases of certain property by Oi and Telemar from Copart 4 and Copart 5, were novated and replaced with the right to receive payment of 100% of the principal amount of their recognized claims in *reais* in accordance with the terms of the RJ Plan.

Settlement of Claims of Holders of Debentures

Under the RJ Plan, holders of our debentures elected to receive new debentures, in the form of either the 12th issuance of simple, unsecured, non-convertible debentures of Oi or the 6th issuance, simple, unsecured, non-convertible debentures of Telemar, both denominated in *reais* in an aggregate principal amount equal to the principal of their recognized claims. These new debentures were issued on February 5, 2018 and subscribed on July 30, 2018.

Settlement of Claims of Lenders under Export Credit Facilities

Under the RJ Plan, lenders under our export credit facility agreements elected to receive payment of the amount of their recognized claims under the terms of four new export credit facilities which we entered into with these lenders during June and July 2018.

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Settlement of Claims of Holders of Defaulted Bonds

Under the RJ Plan, the claims of holders of the Defaulted Bonds were entitled to make an election with respect to the form of the recovery that they were entitled to receive based on whether such holder had individualized its claim before the RJ Court and the aggregate amount of Bondholder Credits (consisting of the U.S. dollar equivalent of the principal amount of such Defaulted Bonds and the accrued interest until June 20, 2016, the date of the commencement of the RJ Proceedings) represented by such holder's Defaulted Bonds. Holders that had individualized their claims were entitled to elect (1) the Qualified Recovery if the aggregate amount of their Bondholder Credits was US\$750,000 or more, or (2) the Non-Qualified Recovery if the aggregate amount of their Bondholder Credits was less than US\$750,000. Holders that had not individualized their claims or did not elect the Qualified Recovery or Non-Qualified Recovery are entitled to the Default Recovery under the RJ Plan.

For more information regarding the Qualified Recovery, the Non-Qualified Recovery and the Default Recovery, see Business Our Judicial Reorganization Proceedings Implementation of the Judicial Reorganization Plan.

The settlement of the Qualified Recovery and the Non-Qualified Recovery took place on July 27, 2018. In connection with the settlement of the Qualified Recovery, we issued:

US\$1,653.6 million principal amount of 10.000%/12.000% Senior PIK Toggle Notes due 2025 of Oi, which we refer to as the New Notes,

302,846,268 new Common ADSs (representing 1,514,231,340 newly issued Common Shares),

23,250,281 Common ADSs previously held by PTIF (representing 116,251,405 Common Shares), and

23,295,054 ADWs representing the right to subscribe for 23,295,054 newly issued Common ADSs (representing 116,475,270 Common Shares).

In connection with the settlement of the Qualified Recovery, holders of Defaulted Bonds received participation interests in the Non-Qualified Credit Agreement in an aggregate amount of US\$79.6 million.

Holders of the Defaulted Bonds with recognized claims in the aggregate amount of R\$4,176 million either were not eligible to elect the Qualified Recovery or the Non-Qualified Recovery, or chose not to do so. These holders are entitled to the Default Recovery described under Business Our Judicial Reorganization Proceedings Implementation of the Judicial Reorganization Plan Settlement of Class III and Class IV Claims Default Recovery with respect to their claims.

Implementation of Management Changes Required by the RJ Plan

Pursuant to the RJ Plan, as from the date of the approval of the RJ Plan on December 20, 2017 until the election of Oi's new board of directors in accordance with the RJ Plan, or the New Board, Oi had a transitional board of directors composed of nine members set forth in the RJ Plan, or the Transitional Board. Pursuant to the RJ Plan, Oi engaged a human resources consultant to assist with the selection of the New Board nominees.

Pursuant to the RJ Plan, Oi was also required to engage a human resources consultant to assist with the selection of an operating officer. This process concluded on March 21, 2018 with the election by Oi's board of directors of José Claudio Moreira Gonçalves to serve on Oi's board of executive officers as Oi's Chief Operating Officer. In addition, on that date, Oi's board of directors elected Bernardo Kos Winik to Oi's board of executive officers and the newly created position of Chief Commercial Officer.

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On September 17, 2018, the general shareholders' meeting of Oi ratified the election of the members of the New Board as indicated by Oi's management. The New Board is composed of 11 members and no alternate members, all of whom are independent as defined in Oi's by-laws. Each member of the New Board will serve a two-year term. The effectiveness of the installation of the members of the New Board was conditioned on the prior approval of ANATEL, which ANATEL conditionally granted on September 13, 2018 and confirmed on September 19, 2018. On September 26, 2018, Oi announced to the market that the chairman of the New Board received a correspondence from Mr. Marcos Duarte Santos informing him that, for supervening personal and professional reasons, Mr. Santos will not take office as a member of the New Board. On October 4, 2018, Oi's board of directors nominated Mr. Roger Solé Rafols to fill the vacant position in the New Board. The effectiveness of Mr. Solé's installation is conditioned on ANATEL's approval. For more information about Mr. Solé's business experience, areas of expertise and principal outside business interests, see [Management Board of Directors Director Nominee](#).

For more information about the implementation of these management changes, see [Business Our Judicial Reorganization Proceedings Implementation of the Judicial Reorganization Plan Implementation of Management Changes Required by the RJ Plan](#). For more information about members of the New Board and our executive officers, see [Management Board of Directors](#) and [Executive Officers](#).

Recent Developments

Agreement for Network Equipment and Services

On July 24, 2018, we entered into an agreement with Huawei do Brasil Telecomunicações Ltda. and certain of its affiliates, or Huawei, under which we have agreed, within 90 days from the date of the agreement, to enter into contracts to acquire equipment and services from Huawei to support the modernization of our network technologies. We expect that the projects supported by this agreement will result in the expansion of our mobile telephone coverage and our fiber optic broadband capacity. These projects are designed to modernize and consolidate our mobile network technologies, permitting our gradual use of our 2G and 3G frequencies to provide 4.5G services in all municipalities currently served by our mobile network and prepare our network for the implementation of 5G technology and Internet of Things (IoT) solutions. Under this agreement, we expect to acquire equipment and services from Huawei over the next five years.

Exercise of Warrants and ADWs

On October 26, 2018, our board of directors confirmed the issuance of 112,598,610 Common Shares and the delivery of such Common Shares to holders of its Warrants that exercised their Warrants on or prior to October 24, 2018, including Warrants represented by 22,135,429 ADWs that were exercised on or prior to October 18, 2018.

Market Arbitration Chamber Proceeding

On February 28, 2018, one of our shareholders, Bratel S.à r.l., or Bratel, filed a petition with the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*) of the B3 requesting the commencement of an arbitration against Oi. Although the Market Arbitration Chamber does not have jurisdiction to reverse the approval of the RJ Plan by the GCM or to reverse the Brazilian Confirmation Order, Bratel alleged, among other things, that notwithstanding the Judicial Ratification of the RJ Plan by the RJ Court, certain provisions of the RJ Plan, including the Capitalization of Credits Capital Increase, the cash capital increase of which this Rights Offer is a part and the changes to Oi's corporate governance structure, which we refer to collectively as the [Corporate Law Provisions of the RJ Plan](#), were required to be submitted to and approved by an extraordinary general shareholders' meeting of Oi, or an EGM, which did not take place prior to the Judicial Ratification of the RJ Plan by the RJ Court.

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On March 7, 2018, Oi filed a conflict of jurisdiction petition before the Second Section of the Superior Court of Justice, among other things, challenging the jurisdiction of the Market Arbitration Chamber to decide on matters pertaining to the RJ Plan. On March 8, 2018, the Second Section of the Superior Court of Justice issued an order, among other things, enjoining the Market Arbitration Chamber from taking further action with respect to the RJ Plan and designating the RJ Court to decide upon any urgent matters, on a temporary basis, until further deliberation by the Superior Court of Justice with respect to the conflict of jurisdiction motion.

On October 10, 2018, the Second Section of the Superior Court of Justice decided by majority vote that the Market Arbitration Chamber had jurisdiction to resolve disputes among Oi and its shareholders relating to the Brazilian Corporate Law and Oi's bylaws, without prejudice to the preservation of the jurisdiction of the RJ Court, which may or may not ratify the decisions of the Market Arbitration Chamber. The decision of the Second Section of the Superior Court of Justice is subject to appeal, and Oi intends to file a motion to clarify the scope of the matters over which the Market Arbitration Chamber has jurisdiction and the role of the RJ Court in relation to any arbitral decision. If the jurisdiction of the Market Arbitration Chamber with respect to the implementation of the RJ Plan is not otherwise invalidated by court proceedings, which are ongoing, the Market Arbitration Chamber will establish an arbitral panel, or the Arbitral Panel, and we estimate that it may take one year or more before the Arbitral Panel reaches a final decision on Bratel's claims.

On October 26, 2018, an emergency arbitrator (*árbitro de apoio*) appointed by the Market Arbitration Chamber, or the Emergency Arbitrator, issued an order suspending the authorization by our board of directors on that date of the capital increase of which this Rights Offer is a part, until the next decision to be rendered by the Emergency Arbitrator. On November 6, 2018, the Emergency Arbitrator overturned its prior decision to suspend the authorization of the capital increase of which this Rights Offer is a part, allowing us to continue to implement the capital increase and the Rights Offer.

For more information about this proceeding, including a summary of its procedural history, see [Business Legal Proceedings](#) [Legal Proceedings Relating to Our Financial Restructuring](#) [Market Arbitration Chamber Proceeding](#). For more information about the potential risks to your investment in the New Common Shares and New Common ADSs arising from this proceeding, including the risks that the authorization of the Rights Offer by our board of directors is again suspended during the pendency of this Rights Offer and that the Arbitral Panel renders a decision invalidating or reversing any of the Corporate Law Provisions of the RJ Plan, see [Risk Factors](#) [Risks Relating to Our Financial Restructuring](#). An unfavorable decision in the ongoing arbitration proceedings before the Market Arbitration Chamber could have a material adverse effect on our business, results of operations and financial condition.

Principal Executive Offices

Our principal executive offices are located at Rua Humberto de Campos No. 425, 8th floor - Leblon, 22430-190 Rio de Janeiro, RJ, and the telephone number of our Investor Relations Department at this address is (55-21) 3131-2918.

Risk Factors

Investing in the Common Shares, including in the form of Common ADSs, involves significant risk. You should carefully consider the risks set forth under the caption [Risk Factors](#) in this prospectus before investing in the Common Shares or the Common ADSs. One or more of these factors could negatively impact our business, results of operations and financial condition, as well as our ability to implement our business strategy successfully.

Table of Contents**SUMMARY OF THE OFFERING****General**

As of October 31, 2018, we had 2,262,901,379 Common Shares (including Common Shares represented by Common ADSs) and 155,915,486 Preferred Shares (including Preferred Shares represented by Preferred ADSs) issued and outstanding, and we had outstanding warrants that are exercisable for 3,881,857 Common Shares. Based on the numbers of outstanding Common Shares and Preferred Shares as of October 31, 2018, we expect to issue 3,225,806,451 New Common Shares (including New Common Shares represented by New Common ADSs) pursuant to the Rights Offer and the Commitment Agreement and to have 5,488,707,730 Common Shares (including Common Shares represented by Common ADSs) issued and outstanding following the expiration of the Rights Offer and the closing under the Commitment Agreement.

The expected timetable below lists certain important dates relating to the Rights Offer to holders of Common ADSs and Preferred ADSs. **All times referred to in this timetable are New York City time unless stated otherwise.**

Common ADS Rights begin trading on when-issued basis	9:30 a.m. on November 19, 2018
Common ADSs go ex-rights on the NYSE	9:30 a.m. on November 20, 2018
Preferred ADSs go ex-rights on OTC	9:30 a.m. on November 20, 2018
ADS Rights Record Date	5:00 p.m. on November 21, 2018
Common ADS Rights distributed	November 26, 2018
ADS Subscription Period begins	9:00 a.m. on November 26, 2018
Common ADS Rights begin trading on regular way basis	9:30 a.m. on November 27, 2018
Trading in Common ADS Rights on NYSE ends	4:00 p.m. on December 12, 2018
ADS Subscription Period ends	5:00 p.m. on December 17, 2018
Announcement of results of ADS Rights Offer	On or about December 28, 2018
Delivery of initial New Common Shares to custodian of ADS Depository with respect to Common ADS Rights subscribed	On or about January 4, 2019
Issuance and delivery of initial New Common ADSs	On or about January 7, 2019
Commencement of trading in initial New Common ADSs on the NYSE	On or about January 7, 2019
Delivery of Excess New Common Shares, if any, to custodian of ADS Depository	On or about January 11, 2019
Issuance and delivery of subscribed Excess New Common ADSs	On or about January 15, 2019
Commencement of trading in Excess New Common ADSs on the NYSE	On or about January 15, 2019

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The expected timetable below lists certain important dates relating to the Rights Offer to holders of Common Shares and Preferred Shares. **All times referred to in this timetable are Brasília time unless stated otherwise.**

Share Rights Record Date	6:00 p.m. on November 19, 2018
Common Share Rights distributed	On or about November 22, 2018
Trading in Common Share Rights on the B3 begins	10:00 a.m. on November 22, 2018
Share Subscription Period begins	10:00 a.m. on November 22, 2018
Trading in Common Share Rights on the B3 ends	6:00 p.m. on December 17, 2018
Share Subscription Period ends	6:00 p.m. on December 26, 2018
Oi determines number of Excess New Common Shares	On or about December 27, 2018
Oi's board of directors ratifies the issuance of initial New Common Shares	On or about December 28, 2018
Announcement of results of Share Rights Offer	On or about December 28, 2018
B3 Notification Date	On or about January 2, 2019
Excess New Common Shares Notification Date	On or about January 3, 2019
Issuance of initial New Common Shares and delivery of initial New Common Shares to holders	On or about January 4, 2019
Commencement of trading in initial New Common Shares on the B3	On or about January 4, 2019
Excess New Common Shares Subscription Price Deposit Date	6:00 p.m. on January 7, 2019
Oi's board of directors ratifies the issuance of Excess New Common Shares	On or about January 8, 2019
Issuance of Excess New Common Shares and delivery of Excess New Common Shares to holders	On or about January 11, 2019
Commencement of trading in Excess New Common Shares on the B3	On or about January 11, 2019

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ADSs Rights Offer

ADS Rights Offer

You will receive 1.333630 Common ADS Rights per Common ADS held and 0.266726 Common ADS Rights per Preferred ADS held as of the ADS Rights Record Date. Each Common ADS Right will entitle the holder thereof to subscribe for one New Common ADS at the New Common ADS Subscription Price.

ADS Rights Record Date

5:00 p.m. (New York City time) on November 21, 2018.

Fractional Common ADS Rights

Fractions of Common ADS Rights will not be issued and may not be exercised.

Fractional New Common ADSs

You may not subscribe for fractions of New Common ADSs (including fractions of Excess New Common ADSs) and fractional entitlements under the ADS Rights Offer will be reduced to the nearest whole number of New Common ADSs.

ADS Depository and ADS Rights Agent

The Bank of New York Mellon.

ADS Subscription Period

Holders of Common ADS Rights will be entitled to exercise their Common ADS Rights during the period commencing at 9:00 a.m. (New York City time) on November 26, 2018, and ending at 5:00 p.m. (New York City time) on December 17, 2018.

New Common ADS Subscription Price

The U.S. dollar equivalent of five times the New Common Share Subscription Price of R\$1.24, or R\$6.20, in cash, per New Common ADS subscribed. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for initial subscriptions of New Common ADSs will be the exchange rate assigned by the ADS Rights Agent on or about December 19, 2018. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for Excess New Common ADSs will be the exchange rate assigned by the ADS Rights Agent on or about January 3, 2019. However, to validly subscribe for New

Common ADSs (including Excess New Common ADSs), you will need to deposit with the ADS Rights Agent in cash the New Common ADS Deposit Amount.

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The ADS Rights Agent may convert currency itself or through any of its affiliates and, in those

cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion and the rate that the ADS Rights Agent or its affiliate receives when buying or selling foreign currency for its own account. The ADS Rights Agent makes no representation that the exchange rate used or obtained in any currency conversion it makes will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to holders of Common ADS Rights, subject to the ADS Rights Agent's obligations under its agreement with us. The methodology used to determine exchange rates used in currency conversions is available upon request to the ADS Rights Agent.

New Common ADS Deposit Amount

US\$2.03 per New Common ADS subscribed or requested, which is equal to US\$1.69 (the U.S. dollar equivalent of five times the New Common Share Subscription Price based on the closing rate for the sale of U.S. dollars against the *real* as reported by the Brazilian Central Bank on October 26, 2018, the date on which the board of directors of Oi authorized the Rights Offer) per New Common ADS subscribed, *plus* 20% of such amount to cover (1) currency rate fluctuations from October 26, 2018, to the date on which the ADS Rights Agent converts currency in connection with the exercise by the ADS Custodian of the Common Share Rights underlying the Common ADS Rights, (2) the ADS Issuance Fee of US\$0.05 per New Common ADS, and (3) any other applicable fees, expenses or taxes.

ADS Ex-Rights Date

November 20, 2018.

If you purchase Common ADSs or Preferred ADSs on or after 9:30 a.m. (New York City time) on November 20, 2018, or if you sell or otherwise transfer before 9:30 a.m. (New York City time) on November 20, 2018, you will not be a holder of Common ADSs or Preferred ADSs on the ADS Rights Record Date on November 21, 2018, and

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therefore will not receive Common ADS Rights in respect of those Common ADSs or Preferred ADSs.

ADS Common Rights Trading Period

The Common ADS Rights will trade on the NYSE on a when-issued basis beginning at 9:30 a.m. (New York City time) on November 19, 2018, and on a regular way basis beginning at 9:30 a.m. (New York City time) on November 27, 2018. Trading in Common ADS Rights will cease at 4:00 p.m. (New York City time) on December 12, 2018. The Common ADS Rights will trade under the ticker symbol OIBR RT. The CUSIP number for the Common ADS Rights is P7353Y 106.

Excess New Common ADSs

If not all of the New Common Shares are taken up initially in the Rights Offer as a result of the subscription of the New Common Shares to which holders of Common Share Rights (including the ADS Custodian) are entitled, holders of Common ADS Rights who exercised their Common ADS Rights and manifested their intention to do so will also have the ability to acquire up to all of the Excess New Common Shares in the form of Excess New Common Shares ADSs.

If you wish to acquire Excess New Common ADSs, you must manifest your intention to subscribe for Excess New Common ADSs at the time you exercise your Common ADS Rights, pursuant to the procedures described under The Offering Exercise Procedures for Common ADS Rights. At such time, you must indicate the number of Excess New Common ADSs you wish to acquire, up to all Excess New Common ADSs, and pay in full the New Common ADS Deposit Amount for all such Excess New Common ADSs.

If the number of Excess New Common Shares for which requests for subscription are received is less than or equal to the number of Excess New Common Shares available, then each holder of Common Share Rights that manifested its intention to subscribe for Excess

New Common Shares (including the ADS Custodian, if applicable) and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price

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Deposit Date will receive the number of Excess New Common Shares that such holder requested, rounded down to the nearest whole number of New Common Shares.

Excess New Common ADSs

If the number of Excess New Common Shares for which requests for subscription are received exceeds the number of Excess New Common Shares available, then each holder of Common Share Rights that manifested its intention to subscribe for Excess New Common Shares (including the ADS Custodian, if applicable) and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price Deposit Date will receive a portion of such Excess New Common Shares that such holder requested, rounded down to the nearest whole number of New Common Shares, determined based on a proration factor to be calculated as provided under The Offering Subscription by Holders of Common Shares and Preferred Shares Excess New Common Shares.

The ADS Rights Agent will then deliver New Common ADSs representing those Excess New Common Shares allocated to the ADS Custodian to the accounts of ADS Rights Holders who validly requested Excess New Common ADSs, as follows.

If the number of New Common Shares underlying the Excess New Common ADSs for which requests for subscription are received is less than or equal to the number of Excess New Common Shares allocated to the ADS Custodian, then each holder of ADS Rights that validly requests Excess New Common ADSs will receive the number of Excess New Common ADSs that such holder requested, rounded down to the nearest whole number of New Common ADS.

If the number of New Common Shares underlying the Excess New Common ADSs for which requests for

subscription are received exceeds the number of Excess New Common Shares allocated to the ADS Custodian, then each ADS Rights Holder that validly requests Excess New Common ADSs will receive a portion of the Excess New Common ADSs that such holder requested, rounded down to the nearest whole number of

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New Common ADS, determined based on a proration factor to be calculated as provided under The Offering Subscription by Holders of Common ADSs and Preferred ADSs Excess New Common ADSs.

Listing and Commencement of Trading in New Common ADSs

Application will be made for the New Common ADSs to be listed on the NYSE under the symbol OIBR.C, the same symbol under which the Common ADSs currently trade. Trading in the initial New Common ADSs issued pursuant to the basic subscription right is expected to commence on the date we expect the New Common ADS to be delivered, which is on or about January 7, 2019, and trading in the Excess New Common ADSs, if any, is expected to commence on the date we expect the Excess New Common ADSs to be delivered, which is on or about January 15, 2019.

Expected Date for Distribution of Initial New Common ADSs

On or about January 7, 2019.

Expected Date for Distribution of Excess New Common ADSs

On or about January 15, 2019.

Suspension of Issuance and Cancellation of ADSs

Common Shares or Preferred Shares may not be deposited or withdrawn on under the applicable deposit agreement between November 20, 2018 and November 23, 2018 (inclusive).

The Information Agent and ADS Holder Helpline

D.F. King & Co. is acting as Information Agent for the ADS Rights Offer. Should you have any questions on the subscription of New Common ADSs, please contact:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Banks and Brokers Call: +1 (212) 269-5550

Edgar Filing: OI S.A. - In Judicial Reorganization - Form 424B4

All Others Call: +1 (800) 628-8536

Email: oi@dfking.com

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Share Rights Offer

Share Rights Offer	You will receive 1.333630 Common Share Rights per Common Share or Preferred Share held as of the Share Rights Record Date. Each Common Share Right will entitle the holder thereof to subscribe for one New Common Share at the New Common Share Subscription Price.
Share Rights Record Date	6:00 p.m. (Brasília time) on November 19, 2018.
Fractional Common Share Rights	Fractions of Common Share Rights will not be issued and may not be exercised.
Fractional New Common Shares	You may not subscribe for fractions of New Common Shares (including fractions of Excess New Common Shares) and fractional entitlements under the Share Rights Offer will be reduced to the nearest whole number of New Common Shares.
Share Subscription Period	Holders of Common Share Rights will be entitled to exercise their Common Share Rights during the period commencing at 10:00 a.m. (Brasília time) on November 22, 2018 and ending at 6:00 p.m. (Brasília time) on December 26, 2018.
New Common Share Subscription Price	R\$1.24 in cash per New Common Share subscribed.
Share Common Rights Trading Period	Subject to the procedures of the B3, holders of Common Share Rights whose Common Share Rights are deposited in the Depositary Central of the B3 will be entitled to sell or transfer their Common Share Rights at any time prior to the Share Rights Expiration Time. The Common Share Rights will trade on the B3 during the period from 10:00 a.m. (Brasília time) on November 22, 2018, to 6:00 p.m. (Brasília time) on December 17, 2018, under the symbol OIBR1.

Excess New Common Shares

If not all of the New Common Shares are taken up initially in the Rights Offer as a result of the subscription of the New Common Shares to which holders of Common Share Rights (including the ADS Custodian) are entitled, holders of Common Share Rights (including the ADS Custodian) who exercised their Common Share Rights and manifested their intention to do so will also have

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the ability to acquire up to all of the Excess New Common Shares.

If you wish to acquire Excess New Common Shares, you must manifest your intention to subscribe for Excess New Common Shares at the time you exercise your Common Share Rights, pursuant to the procedures described under The Offering Exercise Procedures for Common Share Rights. At such time, you must indicate the number of Excess New Common Shares you wish to acquire, up to all Excess New Common Shares.

If the number of Excess New Common Shares for which requests for subscription are received is less than or equal to the number of Excess New Common Shares available, then each holder of Common Share Rights (including the ADS Custodian) that manifested its intention to subscribe for Excess New Common Shares and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price Deposit Date will receive the number of Excess New Common Shares that such holder requested.

If the number of Excess New Common Shares for which requests for subscription are received exceeds the number of Excess New Common Shares available, then each holder of Common Share Rights (including the ADS Custodian) that manifested its intention to subscribe for Excess New Common Shares and deposits the full New Common Share Subscription Price for such Excess New Common Shares with the B3 on or prior to the Excess New Common Shares Subscription Price Deposit Date will receive a portion of such Excess New Common Shares that such holder requested, determined based on a proration factor to be calculated as provided under The Offering Subscription by Holders of Common Shares and Preferred Shares Excess New Common Shares.

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Listing and Commencement of Trading in New Common Shares

The New Common Shares will be listed on the B3 under the symbol OIBR3, the same symbol under which the Common Shares currently trade. Trading in the initial New Common Shares issued pursuant to the basic subscription right is expected to commence on or about January 4, 2019, and trading in the Excess New Common Shares, if any, is expected to commence on or about January 11, 2019.

Expected Date for Distribution of New Common Shares

On or about January 4, 2019.

Expected Date for Distribution of Excess New Common Shares

On or about January 11, 2019.

Shareholder Helpline

Should you have any questions with regard to the Share Rights Offer, please contact Oi's Investor Relations Department at +55 21 3131-2918 (Monday to Friday 9:00 a.m. to 6:00 p.m. (Brasília time)) or by email at invest@oi.net.br.

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Backstop Commitment Agreement

In connection with the RJ Plan, we entered into the Commitment Agreement with the Backstop Investors. Under the Commitment Agreement, each Backstop Investor has agreed, on the terms and subject to the conditions of the Commitment Agreement, that it will subscribe and pay for the number of New Common Shares equal to the total number of Unsubscribed Shares multiplied by such Backstop Investor's commitment percentage at the New Common Share Subscription Price per New Common Share, which we refer to as the Backstop Investor's Backstop Commitment. This obligation includes New Common Shares underlying Common Share Rights and Common ADS Rights distributed to the Backstop Investors that are not exercised in the Rights Offer. The Backstop Investors will also be entitled to exercise their Common Share Rights and Common ADS Rights and manifest their intention to acquire up to all or any Excess New Common Shares or Excess New Common ADSs. The Backstop Investors are not soliciting participation by the holders of Common Share Rights or Common ADS Rights in the Rights Offer or engaging in any other marketing or sales activity in connection with the Rights Offer.

As consideration for its Backstop Commitment, each Backstop Investor will receive a commitment fee of either:

cash equal to R\$320 million multiplied by such Backstop Investor's Commitment Percentage, which we refer to as the Cash Commitment Fee, or

a number of Common Shares equal to (1) R\$400 million divided by the Common Share Subscription Price, multiplied by (2) such Backstop Investor's Commitment Percentage, which we refer to as the Commitment Fee Shares.

The form of payment of the commitment fee will be at each Backstop Investor's option, unless the volume weighted average price per share of the Common Shares trading in the B3 during the 30 consecutive calendar days ending on the business day immediately prior to the Share Record Date is R\$10.0 or more, in which case the election with respect to the form of payment of the commitment fee will be at our option. The commitment fee will be payable on the closing of the subscription for Unsubscribed Shares by the Backstop Investors or the earlier termination of the Commitment Agreement.

In addition, we have agreed to pay the certain fees and expenses of the Backstop Investors and/or their advisors.

The Backstop Investors' Backstop Commitments are subject to the satisfaction or waiver of the conditions set forth in the Commitment Agreement, including those described under The Offering Backstop Commitment Agreement.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data is being provided to help you in your analysis of the financial aspects of the Rights Offer. You should read this information in conjunction with our consolidated the financial statements included elsewhere in this prospectus and with the sections of this prospectus entitled Presentation of Financial and Other Information, Business, and Management s Discussion and Analysis of Financial Condition and Results of Operations.

The following summary financial data has been derived from our consolidated financial statements. The summary financial data as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017 have been derived from our unaudited interim consolidated financial statements included in this prospectus. The summary financial data as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 has been derived from our audited consolidated financial statements included in this prospectus. The summary financial data as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013 has been derived from our consolidated financial statements that are not included in this prospectus.

The RJ Proceedings prompted us to perform a detailed analysis on the completeness and the accuracy of the judicial deposits and accounting balances of the other assets of the RJ Debtors. As a result, we determined the need to restate previously issued financial statements and related disclosures to correct errors. Accordingly, we have restated our consolidated financial statements for the year ended December 31, 2015. Restatement adjustments attributable to fiscal year 2014 and previous fiscal years are reflected as a net adjustment to retained earnings as of January 1, 2015.

The errors detected and corrected in our financial statements related to our judicial deposits, our provisions for contingencies, intragroup balances, tax credits and estimates of revenue from services rendered and not yet billed to customers, as described in Management s Discussion and Analysis of Financial Condition and Results of Operations Financial Presentation and Accounting Policies Restatement of 2015 Financial Statements and note 2 to our audited consolidated financial statements included in this prospectus.

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In connection with the presentation of financial information as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013, Oi has restated the financial statements related to those dates and periods to correct the errors included in these previously issued financial statements.

	For the Six-Month Period Ended				For the Year Ended December 31,				
	2018(1)	June 30, 2018	2017	2017(1)	2017	2016	2015(2) (restated)	2014 (2) (restated)	2013(2) (restated)
	(in millions of US\$, except per share amounts)	(in millions of reais, except per share amounts and as otherwise indicated)	(in millions of US\$, except per share amounts)		(in millions of reais, except per share amounts and as otherwise indicated)				
Income statement data:									
Net operating revenue	US\$ 2,908	R\$ 11,214	R\$ 11,998	US\$ 6,170	R\$ 23,790	R\$ 25,996	R\$ 27,354	R\$ 28,247	R\$ 28,422
Cost of sales and services	(2,033)	(7,839)	(7,793)	(4,066)	(15,676)	(16,742)	(16,250)	(16,257)	(16,467)
Gross profit	875	3,374	4,206	2,104	8,114	9,254	11,104	11,990	11,955
Selling expenses	(606)	(2,338)	(2,119)	(1,141)	(4,400)	(4,383)	(4,720)	(5,566)	(5,532)
General and administrative expenses	(335)	(1,290)	(1,575)	(795)	(3,064)	(3,688)	(3,912)	(3,835)	(3,683)
Other operating income (expenses), net	110	426	101	(271)	(1,044)	(1,237)	(2,295)	1,758	735
Reorganization items, net	4,230	16,309	(275)	(615)	(2,372)	(9,006)			

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	For the Six-Month Period Ended				For the Year Ended December 31,				
	2018(1)	June 30, 2018	2017	2017(1)	2017	2016	2015(2) (restated)	2014 (2) (restated)	2013(2) (restated)
	(in millions of US\$, except per share amounts)	(in millions of <i>reais</i> , except per share amounts and as otherwise indicated)		(in millions of US\$, except per share amounts)	(in millions of <i>reais</i> , except per share amounts and as otherwise indicated)				
Operating income (loss) before financial expenses, net, and taxes	4,274	16,481	337	(717)	(2,766)	(9,060)	178	4,347	3,475
Financial expenses, net	(116)	(448)	(1,353)	(418)	(1,612)	(4,375)	(6,724)	(4,688)	(3,429)
Income (loss) of continuing operations before taxes	4,158	16,033	(1,016)	(1,135)	(4,378)	(13,435)	(6,546)	(342)	46
Income tax and social contribution	(6)	(25)	262	91	351	(2,245)	(3,380)	(758)	(77)
Net income (loss) of continuing operations	4,152	16,008	(755)	(1,044)	(4,027)	(15,680)	(9,926)	(1,100)	(31)
Net income (loss) of discontinued operations, net of taxes							(867)	(4,086)	
Net income (loss)	US\$ 4,152	R\$ 16,008	R\$ (755)	US\$ (1,044)	R\$ (4,027)	R\$ (15,680)	R\$ (10,793)	R\$ (5,186)	R\$ (31)
Net income (loss) attributable to controlling shareholders	4,150	16,001	(723)	(969)	(3,736)	(15,502)	(10,380)	(5,187)	(31)
Net income (loss) attributable to non-controlling	2	8	(32)	(75)	(291)	(178)	(413)	1	

shareholders									
Net income (loss) applicable to each class of shares (3):									
Common shares basic and diluted	3,192	12,308	(556)	(745)	(2,874)	(11,925)	(4,473)	(1,702)	(10)
Preferred shares and ADSs basic and diluted	958	3,692	(167)	(224)	(862)	(3,577)	(5,907)	(3,485)	(21)
Net income (loss) per share:									
Common shares basic and diluted	6.14	23.68	(1.07)	(1.43)	(5.53)	(22.94)	(14.22)	(8.41)	(0.19)
Common ADSs basic and diluted	30.71	118.41	(5.35)	(7.17)	(27.65)	(114.72)	(71.11)	42.06	0.97
Preferred shares and ADSs basic and diluted	6.14	23.68	(1.07)	(1.43)	(5.53)	(22.94)	(14.22)	(8.41)	(0.19)
Net income (loss) per share from continuing operations:									
Common shares basic and diluted	6.14	23.68	(1.07)	(1.43)	(5.53)	(22.94)	(14.22)	(8.41)	(0.19)
Common ADSs basic and diluted	30.71	118.41	(5.35)	(7.17)	(27.65)	(114.72)	(71.11)	42.06	0.97
Preferred shares and ADSs basic and diluted	6.14	23.68	(1.07)	(1.43)	(5.53)	(22.94)	(14.22)	(8.41)	(0.19)

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	For the Six-Month Period Ended June 30,			For the Year Ended December 31,					
	2018(1)	2018	2017	2017(1)	2017	2016	2015(2) (restated)	2014 (2) (restated)	2013(2) (restated)
	(in millions of US\$, except per share amounts)		(in millions of <i>reais</i> , of US\$, except per share amounts)		(in millions of <i>reais</i> , except per share amounts and as otherwise indicated)				
Net income (loss) per share from discontinued operations:									
Common shares basic and diluted							(1.19)	6.63	
Common ADSs basic and diluted							(5.94)	33.14	
Preferred shares and ADSs basic and diluted							(1.19)	6.63	
Weighted average shares outstanding (in thousands):									
Common shares basic		519,752	519,752	519,752	519,752	519,752	314,518	202,312	51,476
Common shares diluted		519,752	519,752	519,752	519,752	519,752	314,518	202,312	51,476
Preferred shares and ADSs basic		155,915	155,915	155,915	155,915	155,915	415,321	414,200	112,527
Preferred shares and ADSs diluted		155,915	155,915	155,915	155,915	155,915	415,321	414,200	112,527

- (1) Translated for convenience only using the selling rate as reported by the Brazilian Central Bank on June 30, 2018 for *reais* into U.S. dollars of R\$3.8558=US\$1.00.
- (2) Derived from our restated consolidated statements of operations for the years ended December 31, 2015, 2014 and 2013, which have been restated to correct certain errors to our previously issued financial statements and related disclosures. For more information, see Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Presentation and Accounting Policies Restatement of 2015 Financial Statements and note 2 to our audited consolidated financial statements included in this prospectus.
- (3) In accordance with ASC 260, basic and diluted earnings per share have been calculated using the two class method. See note 21(g) to our audited consolidated financial statements included in this prospectus.

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	As of June 30,				As of December 31,			
	2018(1)	2018	2017(1)	2017	2016	2015(2)	2014(2)	2013(2)
	(in millions of US\$)	(in millions of reais)	(in millions of US\$)		(in millions of reais)			
						(restated)	(restated)	(restated)
Balance Sheet Data:								
Cash and cash equivalents	US\$ 1,322	R\$ 5,096	US\$ 1,780	R\$ 6,863	R\$ 7,563	R\$ 14,898	R\$ 2,449	R\$ 2,425
Short-term investments	11	42	5	21	117	1,802	171	493
Trade accounts receivable, less allowance for doubtful accounts	1,841	7,097	1,911	7,367	7,891	8,010	7,092	6,750
Assets held for sale	1,318	5,082	1,212	4,675	5,404	7,686	34,255	
Total current assets	6,031	23,256	6,094	23,498	26,212	37,645	50,797	17,554
Property, plant and equipment, net	7,067	27,248	7,024	27,083	26,080	25,818	26,244	25,725
Non-current judicial deposits	2,062	7,952	2,150	8,290	8,388	8,953	9,127	8,167
Intangible assets, net	2,242	8,647	2,400	9,255	10,511	11,780	13,554	14,666
Total assets	18,161	70,024	18,410	70,987	74,047	94,545	106,999	75,244
Short-term loans and financings (including current portion of long-term debt)	77	299	14	54	55	11,810	4,464	4,159
Trade payables	1,074	4,142	1,341	5,171	4,116	5,253	4,359	4,763

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	As of June 30,				As of December 31,			
	2018(1)	2018	2017(1)	2017	2016	2015(2)	2014(2)	2013(2)
						(restated)	(restated)	(restated)
	(in millions of US\$)	(in millions of reais)	(in millions of US\$)		(in millions of reais)			
Liabilities of assets held for sale (3)	71	274	92	354	545	745	27,178	
Total current liabilities	2,125	8,195	2,550	9,831	9,444	26,142	42,752	15,700
Long-term loans and financings	2,266	8,739				48,048	31,386	31,695
Liabilities subject to compromise	9,462	36,482	16,894	65,139	63,746			
Total liabilities	16,367	63,107	20,922	80,671	79,396	83,528	84,253	59,233
Share capital	5,560	21,438	5,560	21,438	21,438	21,438	21,438	7,471
Shareholders' equity (deficit)	1,794	6,917	(2,512)	(9,684)	(5,349)	11,017	22,746	16,011

- (1) Translated for convenience only using the selling rate as reported by the Brazilian Central Bank on June 30, 2018 for *reais* into U.S. dollars of R\$3.8558=US\$1.00.
- (2) Derived from our restated consolidated balance sheets as of December 31, 2015, 2014 and 2013, which have been restated to correct certain errors to our previously issued financial statements and related disclosures. For more information, see Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Presentation and Accounting Policies Restatement of 2015 Financial Statements and note 2 to our audited consolidated financial statements included in this prospectus.
- (3) As of December 31, 2014, includes short-term loans and financings (including current portion of long-term debt) of R\$1,935 million and long-term loans and financings of R\$16,958 million that remained obligations of our company following the completion of our sale of PT Portugal.

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RISK FACTORS

You should consider the following risks as well as the other information set forth in this prospectus when evaluating an investment in our company. In general, investing in the securities of issuers in emerging market countries, such as Brazil, involves a higher degree of risk than investing in the securities of issuers in the United States. Additional risks and uncertainties not currently known to us, or those that we currently deem to be immaterial, may also materially and adversely affect our business, results of operations, financial condition and prospects. Any of the following risks could materially affect us. In such case, you may lose all or part of your original investment.

Risks Relating to the Rights Offer

Common ADS Rights and Common Share Rights that are not exercised prior to the Common ADS Rights Expiration Time or Share Rights Expiration Time, respectively, will expire valueless without any compensation, and if you do not exercise your Common ADS Rights or Common Share Rights, you will suffer significant dilution of your percentage ownership of Common ADSs or Common Shares, as the case may be.

Holders of Common ADS Rights will be entitled to exercise their Common ADS Rights during the period commencing at 9:00 a.m. (New York City time) on November 26, 2018 and ending at 5:00 p.m. (New York City time) on December 17, 2018. Holders of Common Share Rights will be entitled to exercise their Common Share Rights during the period commencing at 10:00 a.m. (Brasília time) on November 22, 2018 and ending at 6:00 p.m. (Brasília time) on December 26, 2018. Any Common ADS Rights or Common Share Rights that remain unexercised at the end of the applicable period will expire valueless without any compensation.

The Rights Offer will result in our issuance of an additional 3,225,806,451 Common Shares, directly or in the form of ADSs. To the extent that you do not exercise your Common ADS Rights or Common Share Rights, as applicable, your proportionate ownership and voting interest in us will, accordingly, be reduced, and the percentage that your current holdings of Common ADSs or Common Shares represent of our increased share capital after completion of the Rights Offer will be disproportionately reduced. See Dilution. Even if you elect to sell your Common ADS Rights or Common Share Rights, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the Common ADSs or Common Shares, as applicable, that may be caused as a result of the Rights Offer.

The market prices of Common ADSs and Common Shares may fluctuate and may fall below the subscription price of the New Common ADSs and New Common Shares, respectively, issued upon the exercise of Common ADS Rights and Common Share Rights, respectively.

The market prices of the Common ADSs or Common Shares could be subject to significant fluctuations. Such risks depend on the market's perception of the likelihood of completion of the Rights Offer, on sales of New Common ADSs and New Common Shares in the market during the Rights Offer or the impression that such sales will take place and/or in response to various facts and events, including any regulatory changes affecting our operations, variations in our operating results and business developments and/or those of our competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to our financial condition, operating performance or prospects. Furthermore, our financial condition, operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Common ADSs and Common Shares.

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We cannot assure you that the public trading market price of the Common ADSs and Common Shares will not decline below the exercise price after you elect to exercise your rights. If that occurs, because your subscription for New Common ADSs is irrevocable and may not be cancelled or modified, you will have committed to buy New Common ADSs at a price above the prevailing market price, and you will suffer an immediate unrealized loss on those New Common ADSs as a result. Moreover, we cannot assure you that following the exercise of rights you will be able to sell your New Common ADSs or New Common Shares at a price equal to or greater than the exercise price.

The Rights Offer may cause the price of the Common ADSs and Common Shares to decrease.

Depending upon the trading price of the Common ADSs and Common Shares at the time of our announcement of the Rights Offer and its terms, including the subscription price, together with the number of Common Shares we propose to issue and ultimately will issue if the Rights Offer is completed, the Rights Offer may result in an immediate decrease in the market value of the Common ADSs and Common Shares. This decrease may continue after the completion of the Rights Offer. If that occurs, you may have committed to buy Common ADSs and/or Common Shares in the Rights Offer at a price greater than the prevailing market price. Further, if a substantial number of Common ADS Rights and/or Common Share Rights are exercised and the holders of the New Common ADSs and/or New Common Shares received upon exercise of those rights choose to sell some or all of those New Common ADSs and/or New Common Shares, the resulting sales could depress the market price of the Common ADSs and Common Shares. Your purchase of New Common ADSs and/or New Common Shares in the Rights Offer may be at a price greater than the prevailing trading price. There is no assurance that following the exercise of your rights you will be able to sell your New Common ADSs and/or New Common Shares at prices equal to or greater than the applicable subscription prices.

No prior market exists for the Common ADS Rights or the Common Share Rights.

Although they will be transferable, the Common ADS Rights and Common Share Rights will be a new issue of securities with no established trading market. Unless exercised, the Common ADS Rights and the Common Share Rights will cease to have any value following the Common ADS Rights Expiration Time and the Share Rights Expiration Time, respectively.

Although the Common ADSs Rights will be eligible to trade on the NYSE on a when-issued basis beginning at 9:30 a.m. (New York City time) on November 19, 2018, and on a regular way basis beginning at 9:30 a.m. (New York City time) on November 27, 2018, until 4:00 p.m. (New York City time) on December 12, 2018, we can give no assurance that a market for the Common ADSs Rights will develop or, if a market does develop, as to how long it will continue or at what prices the rights will trade.

Although the Common Share Rights will be eligible to trade on the B3 from 10:00 a.m. (Brasília time) on November 22, 2018, to 6:00 p.m. (Brasília time) on December 17, 2018, we can give no assurance that a market for the Common Share Rights will develop or, if a market does develop, as to how long it will continue or at what prices the rights will trade.

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The New Common Share Subscription Price is not an indication of our market value.

Each Common ADS Right will entitle its holder to subscribe for one New Common ADS at an exercise price of the U.S. dollar equivalent of R\$6.20. Each Common Share Right will entitle its holder to subscribe for one New Common Share at an exercise price of R\$1.24. The exercise price has been determined based on a formula set forth in the RJ Plan and the Commitment Agreement, which resulted from independent negotiations between Oi and the Backstop Investors, and also considering the interests of our current shareholders. The New Common Share Subscription Price does not bear a direct relationship to the book value of our assets or the market value of our shares. Our Common ADSs and Common Shares may trade at prices lower than the respective subscription prices in the future.

You may not receive all of the Excess New Common ADSs and/or Excess New Common Shares you apply for in the Rights Offer.

Holders of Common ADS Rights and Common Share Rights may manifest their intention to subscribe for Excess New Common ADSs and Excess New Common Shares, respectively, in the event that the Rights Offer is not fully subscribed pursuant to the exercise of rights initially allocated to holders of our existing Common ADSs and Preferred ADSs and existing Common Shares and Preferred Shares. If an insufficient number of Excess New Common ADSs and Excess New Common Shares are available to fully satisfy all excess applications, the available Excess New Common ADSs and Excess New Common Shares will be distributed on a *pro rata* basis as described in The Offering Subscription by Holders of Common ADSs and Preferred ADSs Excess New Common ADSs and Subscription by Holders of Common Shares and Preferred Shares Excess New Common Shares.

If you are a holder of Common ADS Rights, you will not be able to revoke the exercise of your subscription rights for New Common ADSs.

Unlike holders of Common Share Rights with respect to subscriptions for New Common Shares, holders of Common ADS Rights do not have withdrawal rights with respect to subscriptions for New Common ADSs. Therefore, even if circumstances arise after you have subscribed in the ADS Rights Offer that cause you to change your mind about subscribing for New Common ADSs, you will nonetheless be legally bound to proceed with your investment.

You need to act promptly and follow subscription instructions, otherwise your exercise of rights may be rejected and your rights may expire without value and without any compensation.

Holders who desire to exercise rights or apply for excess rights in the Rights Offer must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the Common ADS Rights Expiration Time or the Share Rights Expiration Time, as the case may be. If you fail to complete and sign the required acceptance forms or letters, send an incorrect payment amount, or otherwise fail to follow the procedures that apply to your desired transaction, your broker or other securities intermediary, the ADS Rights Agent or the B3 may reject all or part of your exercise of rights and any unexercised rights will expire without value and without any compensation. None of Oi, the Rights Agent or the B3 undertakes to contact you concerning, or attempt to correct, an incomplete or incorrect acceptance form, letter or payment. We have sole discretion to determine whether an exercise of rights and acceptance of or subscription for New Common ADSs or New Common Shares properly follows the appropriate procedures. If you hold Common ADSs, Preferred ADSs, Common Shares or Preferred Shares through a broker or other securities intermediary, you are urged to consult your broker or other securities intermediary without delay regarding the procedure you need to follow for the subscription and payment for New Common ADS and/or New Common Shares.

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Brazilian tax laws may have an adverse impact on the taxes applicable to the disposition of Common Share Rights and Common ADS Rights.

According to Law No. 10,833, enacted on December 29, 2003, if a holder not deemed to be domiciled in Brazil for Brazilian tax and regulatory purposes, or a Non-Brazilian Holder, disposes of assets located in Brazil, the transaction will be subject to taxation in Brazil, even if such disposition occurs outside Brazil or if such disposition is made to another Non-Brazilian Holder. Accordingly, on the disposition of Common Share Rights, which are considered assets located in Brazil, the Non-Brazilian Holder will be subject to income tax on the gains assessed, following the rules described under Taxation Certain Brazilian Tax Considerations Taxation of Gains, regardless of whether the transactions are conducted in Brazil or abroad and with a Brazilian resident or not. A disposition of Common ADS Rights between Non-Brazilian Holders, however, involves the disposal of a non- Brazilian asset and in principle is currently not subject to taxation in Brazil. Nevertheless, in the event that the concept of disposition of assets is interpreted to include the disposition between Non-Brazilian Holders of assets located outside Brazil, this tax law could result in the imposition of withholding taxes in the event of a disposition of Common ADS Rights made by Non-Brazilian Holders. Due to the fact that, as of the date of this prospectus, Law No. 10,833/2003 has no judicial guidance as to its application, we are unable to predict whether an interpretation applying such tax laws to dispositions of Common ADS Rights between Non-Brazilian Holders could ultimately prevail in Brazilian courts. For more information, see Taxation Certain Brazilian Tax Considerations Taxation of Gains.

Your receipt or disposition of Common ADS Rights or Common Share Rights may be treated as a taxable distribution to you.

Your receipt of Common ADS Rights or Common Share Rights pursuant to the Rights Offer should be treated as a non-taxable distribution with respect to your existing Common ADSs, Preferred ADSs, Common Shares or Preferred Shares for U.S. federal income tax purposes. However, this conclusion is not free from doubt, and it is possible that subsequent events, such as certain distributions from Oi made within 36 months of the issuance date of the Common ADS Rights and Common Share Rights, could cause U.S. holder to be subject to tax on the fair market value of the Common ADS Rights and Common Share Rights. Additionally, it is possible that the Internal Revenue Service may take a contrary view and require a U.S. holder to include in income the fair market value of Common ADS Rights and Common Share Rights on the date of their distribution. For more information, see Taxation Certain United States Federal Income Tax Considerations Taxation of Rights Receipt of Rights in the Rights Offer.

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In addition, subject to the passive foreign investment company, or PFIC, rules discussed under Taxation Certain United States Federal Income Tax Considerations Taxation of New Shares PFIC Rules, if you sell, exchange or otherwise dispose of your Common ADS Rights or Common Share Rights in a taxable disposition, you will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and your tax basis in your Common ADS Rights or Common Share Rights, if any, determined in U.S. dollars. Such gain or loss generally will be long-term capital gain or loss if the Common ADS Rights or Common Share Rights are deemed held for more than one year. Long-term capital gains realized by certain U.S. holders (including individuals) are eligible for taxation at reduced rates. Your holding period in the Common ADS Rights or Common Share Rights will include your holding period in the existing Common ADSs, Preferred ADSs, Common Shares or Preferred Shares with respect to which the Common ADS Rights or Common Share Rights, as the case may be, were distributed. Your gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations. For more information, see Taxation Certain United States Federal Income Tax Considerations Taxation of Rights Sale, Exchange or Other Taxable Disposition of Rights.

Each holder of Common ADSs, Preferred ADSs, Common Shares and Preferred Shares is urged to consult his, her or its own tax advisor with respect to the particular tax consequences of the Rights Offer.

Holders of Common ADS Rights are subject to exchange rate risk in connection with the Rights Offer.

The New Common ADS Subscription Price is the U.S. dollar equivalent of five times the New Common Share Subscription Price of R\$1.24, or R\$6.20, in cash, per New Common ADS subscribed. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for initial subscriptions of New Common ADSs will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on or about December 19, 2018. The exchange rate applied to determine the U.S. dollar equivalent of the New Common ADS Subscription Price for Excess New Common ADSs will be the exchange rate assigned by the ADS Rights Agent on or about January 3, 2019.

However, to validly subscribe for New Common ADSs (including Excess New Common ADSs), holders of Common ADS Rights will need to deposit with the ADS Rights Agent, in cash US\$2.03 per New Common ADS subscribed or requested or the New Common ADS Deposit Amount, which is equal to US\$1.69 (the U.S. dollar equivalent of five times the New Common Share Subscription Price based on the closing rate for the sale of U.S. dollars against the *real* as reported by the Brazilian Central Bank on October 26, 2018, the date on which the board of directors of Oi authorized the Rights Offer) per New Common ADS subscribed or requested, *plus* 20% of such amount to cover (1) currency rate fluctuations from October 26, 2018 to the date on which the ADS Rights Agent converts currency in connection with the exercise by the ADS Custodian (as defined below) of the Common Share Rights underlying the Common ADS Rights, (2) the ADS Depositary's issuance fee of US\$0.05 per New Common ADS, or the ADS Issuance Fee, and (3) any other applicable fees, expenses or taxes.

Notwithstanding the foregoing, if the New Common ADS Deposit Amount is insufficient to pay the cost of the exercise price in *reais*, the issuance fee for the New Common ADSs and any other applicable fees, expenses and taxes, the ADS Rights Agent will require you to pay the deficiency and, if you do not pay the deficiency within the time or times the ADS Rights Agent allows, the ADS Rights Agent may (i) withhold delivery of your New Common ADSs until the deficiency is paid or sell a portion of your New Common ADSs to pay the deficiency or (ii) reduce the number of New Common Shares it purchases to equal the amount it can purchase with the available funds.

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If the board of directors of Oi cancels the Rights Offer, neither we nor the ADS Rights Agent will have any obligation to you except to return your subscription payments.

There can be no assurance that the Rights Offer will occur. The board of directors of Oi may cancel the Rights Offer at any time before completion of the Rights Offer, if there is any judgment, order, decree, injunction, statute, law, regulation or decision by any governmental authority entered, enacted, amended or held to be applicable to the Rights Offer or the RJ Plan that in the sole judgment of the board of directors of Oi would or might make the Rights Offer or its completion, whether in whole or in part, illegal or not in compliance with the RJ Plan or otherwise restrict or prohibit completion of the Rights Offer.

If for any reason the board of directors of Oi cancels the Rights Offer, in whole or in part, all affected Common Share Rights and Common ADS Rights will expire without value, and neither we nor the ADS Rights Agent will have any obligation to you with respect to the Common Share Rights or the Common ADS Rights, except to return the New Common Share Subscription Price deposited by holders of Common Share Rights with the B3 or the New Common ADS Deposit Amount delivered to the ADS Rights Agent with respect to the New Common ADSs to exercising holders of Common Share Rights or Common ADS Rights, respectively, without interest or penalty.

Risks Relating to Our Financial Restructuring

An unfavorable decision in the ongoing arbitration proceedings before the Market Arbitration Chamber could have a material adverse effect on our business, results of operations and financial condition.

On February 28, 2018, one of our shareholders, Bratel, filed a petition with the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*) of the B3 requesting the commencement of an arbitration against Oi. Although the Market Arbitration Chamber does not have jurisdiction to reverse the approval of the RJ Plan by the GCM or to reverse the Brazilian Confirmation Order, Bratel alleged, among other things, that notwithstanding the Judicial Ratification of the RJ Plan by the RJ Court, certain provisions of the RJ Plan, including the Capitalization of Credits Capital Increase, the cash capital increase of which this Rights Offer is a part and the changes to Oi's corporate governance structure, which we refer to collectively as the Corporate Law Provisions of the RJ Plan, were required to be submitted to and approved by an extraordinary general shareholders' meeting of Oi, or an EGM, which did not take place prior to the Judicial Ratification of the RJ Plan by the RJ Court.

Bratel seeks, among other things, an arbitral decision to: (1) invalidate or reverse any and all measures taken or to be taken by Oi and its managers to implement the Corporate Law Provisions of the RJ Plan; (2) validate the resolutions passed at a purported EGM called by Bratel and held on February 7, 2018, or the Purported EGM, that approved the filing, by Oi, of a damages lawsuit against Mr. Eurico de Jesus Teles Neto (Oi's chief executive officer) and Mr. Carlos Augusto Machado Pereira de Almeida Brandão (Oi's chief financial officer); and (3) issue an order requiring Oi to remove Oi's chief executive officer and chief financial officer as executive officers of Oi and replace them with officers elected at the Purported EGM.

On March 7, 2018, Oi filed a conflict of jurisdiction petition before the Second Section of the Superior Court of Justice, among other things, challenging the jurisdiction of the Market Arbitration Chamber to decide on matters pertaining to the RJ Plan. On March 8, 2018, the Second Section of the Superior Court of Justice issued an order, among other things, enjoining the Market Arbitration Chamber from taking further action with respect to the RJ Plan and designating the RJ Court to decide upon any urgent matters, on a temporary basis, until further deliberation by the Superior Court of Justice with respect to the conflict of jurisdiction motion.

On July 27, 2018, the Capitalization of Credits Capital Increase, which had been approved by the board of directors of Oi on March 5, 2018, was concluded, and on September 17, 2018, an EGM ratified the election of the New Board and amended Oi s bylaws in accordance with the RJ Plan.

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On October 10, 2018, the Second Section of the Superior Court of Justice decided by majority vote that the Market Arbitration Chamber had jurisdiction to resolve disputes among Oi and its shareholders relating to the Brazilian Corporate Law and Oi's bylaws, without prejudice to the preservation of the jurisdiction of the RJ Court, which may or may not ratify the decisions of the Market Arbitration Chamber. The decision of the Second Section of the Superior Court of Justice is subject to appeal, and Oi intends to file a motion to clarify the scope of the matters over which the Market Arbitration Chamber has jurisdiction and the role of the RJ Court in relation to any arbitral decision. If the jurisdiction of the Market Arbitration Chamber with respect to the implementation of the RJ Plan is not otherwise invalidated by court proceedings, which are ongoing, the Market Arbitration Chamber will establish the Arbitral Panel, and we estimate that it may take one year or more before the Arbitral Panel reaches a final decision on Bratel's claims.

On October 26, 2018, the Emergency Arbitrator appointed by the Market Arbitration Chamber issued an order suspending the authorization by our board of directors on that date of the capital increase of which this Rights Offer is a part, until the next decision to be rendered by the Emergency Arbitrator. On November 6, 2018, the Emergency Arbitrator overturned its prior decision to suspend the authorization of the capital increase of which this Rights Offer is a part, allowing us to continue to implement the capital increase and the Rights Offer. We cannot assure you that the Emergency Arbitrator will not again reverse its decision. If the authorization of the Rights Offer by our board of directors is again suspended, we may be unable to issue the New Common Shares subscribed in the Rights Offer.

The actions of the Emergency Arbitrator do not relate to the merits of the claims made by Bratel, which will be heard by the Arbitral Panel. Under the rules of the Market Arbitration Chamber, the Emergency Arbitrator is not permitted to be appointed as a member of the Arbitral Panel. In addition, we believe that in accordance with the decision of the Second Section of the Superior Court of Justice with respect to the jurisdiction of the Market Arbitration Chamber, the ratification of the RJ Court would be required prior to the implementation of any decision of the Arbitral Panel. We can provide no assurances as to whether the RJ Court would ratify any decision of an Arbitral Panel, but believe that the RJ Court is unlikely to ratify any decision of the Arbitral Panel that reverses any of the steps of implementation of the RJ Plan.

Under the rules of the Market Arbitration Chamber, Bratel is permitted to amend its claims and we believe that it is possible that Bratel will seek a damages remedy in the arbitration proceeding. We cannot predict the amount of damages that may be claimed or whether any damages may be eventually awarded by the Arbitral Panel. If substantial damages were claimed and Bratel was successful in obtaining an award for such damages, such an award may have a material adverse effect on our results of operations and financial condition.

If the Arbitral Panel renders a decision invalidating or reversing any of the Corporate Law Provisions of the RJ Plan, we may be deemed to be in breach of the RJ Plan as we may be deemed not to have implemented these steps of the RJ Plan prior to the deadlines established in the RJ Plan. If the RJ Court ratified such a decision of the Arbitral Panel, the RJ Plan may automatically terminate and the rights and guarantees of the creditors appearing on the Second Creditors List may be restored under the original terms as if the RJ Plan had never been approved, net of amounts validly received pursuant to the RJ Plan as of the termination date, in accordance with Brazilian Bankruptcy Law, unless creditors agree by the appropriate quorum provided for under Brazilian Bankruptcy Law in a meeting of creditors called for that purpose to the total or partial waiver or modification of the conditions set forth in the RJ Plan. If the RJ Plan is terminated, creditors will be entitled to (1) approve a modification to the RJ Plan at a meeting of creditors complying with the quorum requirements established in the Brazilian Bankruptcy Law, or (2) seek to have the RJ Debtors adjudicated as bankrupt by the RJ Court. In the event that the RJ Plan terminates, we cannot predict (1) whether our creditors will be able to agree on a modification to the RJ Plan that will garner sufficient support to be approved by our creditors and confirmed by the RJ Court, (2) what modifications of the RJ Plan could be adopted and the impact of these modifications on our company, or (3) whether our creditors would seek to have the RJ Debtors

adjudicated as bankrupt by the RJ Court, which under Brazilian law is generally followed by a liquidation of the debtors. The termination of the RJ Plan and the occurrence of any of these events subsequent to such termination is likely to have a material adverse effect on our business, financial condition, results of operations and ability to continue as a going concern.

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If the Arbitral Panel renders a decision invalidating or reversing the Capitalization of Credits Capital Increase, we cannot predict the remedies that the Arbitral Panel would order to implement any such a decision. We believe that it is unlikely, although possible, that the Arbitral Panel would seek to impose a remedy that would result in the cancellation the equity and debt instruments issued in the Capitalization of Credits Capital Increase and the reinstatement of the claims related to the Defaulted Bonds that were settled through the issuance of those equity and debt instruments. We can offer no assurance as to whether the Arbitral Panel will render a decision invalidating or reversing the Capitalization of Credits Capital Increase or the means by which the Arbitral Panel would implement any such decision. Any decision of the Arbitral Panel invalidating or reversing the Capitalization of Credits Capital Increase would have a material adverse effect on our business, results of operations and financial condition and the market value of our equity and debt securities.

If the Arbitral Panel renders a decision invalidating or reversing the cash capital increase of which this Rights Offer is a part following the settlement of the Rights Offer, we cannot predict the remedies that the Arbitral Panel would order to implement any such a decision. We believe that it is unlikely, although possible, that the Arbitral Panel would seek to impose a remedy that would result in the cancellation the New Common Shares issued in the Rights Offer and the refund of the subscription price paid for those New Common Shares. We can offer no assurance as to whether the Arbitral Panel will render a decision invalidating or reversing the cash capital increase of which this Rights Offer is a part following the settlement of the Rights Offer or the means by which the Arbitral Panel would implement any such decision. Any decision of the Arbitral Panel invalidating or reversing the cash capital increase of which this Rights Offer is a part following the settlement of the Rights Offer would have a material adverse effect on our business, results of operations and financial condition and the market value of our equity securities and may result in the loss of all or part of your investment in our company.

For more information about this proceeding, including a summary of its procedural history, see [Business Legal Proceedings](#) [Legal Proceedings Relating to Our Financial Restructuring](#) [Market Arbitration Chamber Proceeding](#).

If we fail to comply with certain conditions subsequent set forth in the RJ Plan, the RJ Plan may terminate and we may be declared bankrupt under Brazilian law and liquidated.

On June 20, 2016, Oi, together with the other RJ Debtors, filed a joint voluntary petition for judicial reorganization pursuant to the Brazilian Bankruptcy Law with the RJ Court, pursuant to an urgent measure approved by our board of directors. On December 19 and 20, 2017, the GCM was held to consider approval of the most recently filed judicial reorganization plan. The GCM concluded on December 20, 2017 following the approval of the RJ Plan reflecting amendments to the judicial reorganization plan presented at the GCM as negotiated during the course of the GCM. On January 8, 2018, the RJ Court entered the Brazilian Confirmation Order, ratifying and confirming the RJ Plan, according to its terms, but modifying certain provisions of the RJ Plan, including (1) adding a requirement that we permit additional bondholders to become parties to the Commitment Agreement, and (2) prohibiting us from paying the fees and expenses of the Backstop Investors and/or their advisors as provided in the Commitment Agreement. The Brazilian Confirmation Order was published in the Official Gazette of the State of Rio de Janeiro on February 5, 2018, the Brazilian Confirmation Date. For more information with respect to the RJ Proceedings, see [Business Our Judicial Reorganization Proceedings](#).

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The Brazilian Confirmation Order, according to its terms, is currently binding on all parties, although it is subject to pending appeals with no suspensive effect attributed to it. By operation of the RJ Plan and the Brazilian Confirmation Order, provided that the Brazilian Confirmation Order is not overturned or altered as a result of the pending appeals, the unsecured claims against the RJ Debtors have been novated and discharged under Brazilian law and holders of such claims are entitled only to receive the recoveries set forth in the RJ Plan in exchange for their claims in accordance with the terms and conditions of the RJ Plan. As of the date of this prospectus, there are several appeals of the Brazilian Confirmation Order pending (see Business Our Judicial Reorganization Proceedings Confirmation of Judicial Reorganization Plan by RJ Court). For more information with respect to the recoveries available with respect to claims against the RJ Debtors provided for in the RJ Plan, see Business Our Judicial Reorganization Proceedings Implementation of the Judicial Reorganization Plan and Management s Discussion and Analysis of Financial Condition and Results of Operation Prepetition Liabilities Subject to Compromise.

Under the terms of the RJ Plan, in the event that the Rights Offer is not fully subscribed and the subscription for Unsubscribed Shares by the Backstop Investors does not close on or prior to February 28, 2019, the RJ Plan will automatically terminate and the rights and guarantees of the creditors appearing on the Second Creditors List will be restored under the original terms as if the RJ Plan had never been approved, net of amounts validly received pursuant to the RJ Plan as of the termination date, in accordance with Brazilian Bankruptcy Law, unless creditors agree by the appropriate quorum provided for under Brazilian Bankruptcy Law in a meeting of creditors called for that purpose to the total or partial waiver or modification of the conditions described above. If the RJ Plan is terminated, creditors will be entitled to (1) approve a modification to the RJ Plan at a meeting of creditors complying with the quorum requirements established in the Brazilian Bankruptcy Law, or (2) seek to have the RJ Debtors adjudicated as bankrupt by the RJ Court.

We cannot assure you that the Rights Offer will be fully subscribed, that the subscription for Unsubscribed Shares by the Backstop Investors will close on or prior to February 28, 2019, or that our creditors will agree to a waiver of this condition in the event that these transactions do not occur on a timely basis. As a result, the RJ Plan may automatically terminate. In the event that the RJ Plan terminates, we cannot predict (1) whether our creditors will be able to agree on a modification to the RJ Plan that will garner sufficient support to be approved by our creditors and confirmed by the RJ Court, (2) what modifications of the RJ Plan could be adopted and the impact of these modifications on our company, or (3) whether our creditors would seek to have the RJ Debtors adjudicated as bankrupt by the RJ Court, which under Brazilian law is generally followed by a liquidation of the debtors. The termination of the RJ Plan and the occurrence of any of these events subsequent to such termination is likely to have a material adverse effect on our business, financial condition, results of operations and ability to continue as a going concern.

The cash capital increase of R\$4 billion provided for under Section 6 of the RJ Plan may not close on or prior to February 28, 2019, which could impair our ability to implement the capital expenditures contemplated by our business plan.

Under the terms of the RJ Plan, we are required to conclude the cash capital increase of R\$4 billion provided for under Section 6 of the RJ Plan, either directly through this Rights Offer or through the exercise of our rights under the Commitment Agreement, on or prior to February 28, 2019. In the event that the Rights Offer is not fully subscribed and the subscription for Unsubscribed Shares by the Backstop Investors does not close on or prior to February 28, 2019, the RJ Plan will automatically terminate and the rights and guarantees of the creditors appearing on the Second Creditors List will be restored under the original terms as if the RJ Plan had never been approved, net of amounts validly received pursuant to the RJ Plan as of the termination date, in accordance with Brazilian Bankruptcy Law, unless creditors agree by the appropriate quorum provided for under Brazilian Bankruptcy Law in a meeting of creditors called for that purpose to the total or partial waiver or modification of the conditions described above.

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As part of the RJ Plan, we negotiated the terms of the Commitment Agreement with members of the Ad Hoc Group, the IBC and certain other unaffiliated bondholders under which such bondholders agreed, on the terms and subject to the conditions of the Commitment Agreement, to subscribe for the Unsubscribed Shares. The commitments of the Backstop Investors subject to our satisfaction of certain conditions, including, among others, (1) the confirmation of the RJ Plan by the RJ Court without any material changes, and (2) the adoption by ANATEL of a new General Plan of Universal Service Goals (*Plano Geral de Metas de Universalização*) amending and/or revoking Decree No. 7,512/2011 and reducing the universal access targets applicable to switched fixed telephony concessions. In the Brazilian Confirmation Order, the RJ Court modified certain provisions of the RJ Plan, including (1) adding a requirement that we permit additional bondholders to become parties to the Commitment Agreement, and (2) prohibiting us from paying the fees and expenses of the Backstop Investors and/or their advisors as provided in the Commitment Agreement. As a result, the Backstop Investors will not be required to subscribe for the Unsubscribed Shares unless the condition requiring that the RJ Plan shall have been confirmed by the RJ Court without any material changes is waived by Backstop Investors holding more than 60% in amount of the total Backstop Commitments. Although we have engaged in negotiations with Backstop Investors holding more than 60% in amount of the total Backstop Commitments in an effort to have these Backstop Investors agree to waive this condition, as of the date of this prospectus, this condition has not been waived and we can offer no assurances that Backstop Investors holding more than 60% in amount of the total Backstop Commitments will waive this condition. Further, we cannot assure you that each of the other conditions will be met or waived by the parties to the Commitment Agreement in a timely fashion so as to permit the closing under the Commitment Agreement on or prior to February 28, 2019.

In addition, under the terms of the Commitment Agreement, the Commitment Agreement will automatically terminate on December 10, 2018 if the RJ Court does not issue an order confirming the RJ Plan approved by the EGM without any changes. As a result of the modifications of the RJ Plan set forth in the Brazilian Confirmation Order, unless prior to December 10, 2018 Backstop Investors holding more than 60% in amount of the total Backstop Commitments agree to extend this date, the Commitment Agreement will terminate in accordance with its terms and the obligation of the Backstop Investors to subscribe for the Unsubscribed Shares will expire. We have satisfied the first requirement imposed by the RJ Court through a unanimous amendment to the Commitment Agreement under which two additional Backstop Investors were included as parties to the Commitment Agreement. Following an appeal by our company and the Backstop Investors of the prohibition of the payment of the fees and expenses of the Backstop Investors and/or their advisors provided in the Commitment Agreement, on November 1, 2018, the 8th Civil Chamber of the State of Rio de Janeiro reversed this provision of the Confirmation Order and permitted us to pay these fees and expenses. Although we have engaged in negotiations with Backstop Investors holding more than 60% in amount of the total Backstop Commitments in an effort to have these Backstop Investors agree to amend the Commitment Agreement to extend this date, as of the date of this prospectus, this date has not been extended and we can offer no assurances that we and the Backstop Investors will agree to extend this date.

Under the terms of the Commitment Agreement, the Commitment Agreement may be terminated by Backstop Investors holding more than 60% in amount of the total Backstop Commitments in the event that we have not achieved certain milestones set forth in the Commitment Agreement, including (1) the issuance by the RJ Court of an order confirming the RJ Plan without any changes by October 15, 2018, and (2) the failure by the Judicial Court of the Region of Lisbon to enter an order recognizing and enforcing the RJ Plan by October 15, 2018. As discussed above, the Confirmation Order of the RJ Plan with respect to the RJ Plan made certain modifications to the RJ Plan. As a result, the Backstop Investors retain the ability to terminate the Commitment Agreement at any time. Although we obtained an order from the Lisbon Court of Appeals on October 25, 2018 recognizing the Confirmation Order in Portugal, the Backstop Investors retain the ability to terminate the Commitment Agreement as this decision occurred after October 15, 2018, the date set forth in the Commitment Agreement. Although we have engaged in negotiations with Backstop Investors holding more than 60% in amount of the total Backstop Commitments in an effort to have these Backstop Investors agree to amend the Commitment Agreement to extend the date (1) by which the RJ Court

would be required to issue a ruling reversing the modifications to the RJ Plan made in the Confirmation Order and (2) by which we are required to

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obtain recognition of the Confirmation Order in Portugal until March 31, 2019, as of the date of this prospectus, these amendments have not been agreed between our company and the Backstop Investors and we can offer no assurances that we and the Backstop Investors will agree to such amendments. We cannot assure you that the Commitment Agreement will not be terminated by action of the Backstop Investors. For more information about the Commitment Agreement and the conditions precedent thereto, see *The Offering Backstop Commitment Agreement*.

In the event that we are unable to conclude the cash capital increase of R\$4 billion provided for under Section 6 of the RJ Plan, either directly through this Rights Offer or through the exercise of our rights under the Commitment Agreement, we may be unable to fund the capital expenditures included in our business plan, which are necessary for us to modernize our infrastructure in order to successfully compete in the Brazilian telecommunications sectors. Our failure to do so is likely to have a material adverse effect on our business, financial condition, results of operations and ability to continue as a going concern.

General Risks Relating to the Telecommunications Industry

The telecommunications industry is subject to frequent changes in technology. Our ability to remain competitive depends on our ability to implement new technology, and it is difficult to predict how new technology will affect our business.

Companies in the telecommunications industry must adapt to rapid and significant technological changes that are usually difficult to anticipate. The mobile telecommunications industry in particular has experienced rapid and significant technological development and frequent improvements in capacity, quality and data-transmission speed. Technological changes may render our equipment, services and technology obsolete or inefficient, which may adversely affect our competitiveness or require us to increase our capital expenditures in order to maintain our competitive position. In addition, personal mobility service providers in Brazil are experiencing increasing competition from over-the-top, or OTT, providers, which provide content (such as WhatsApp, Skype and YouTube) over an internet connection rather than through a service provider's network. OTT providers are becoming increasingly competitive as customers shift from mobile voice and SMS communications to internet-based voice and data communications through computers and smartphone or tablet applications. It is possible that alternative technologies may be developed that are more advanced than those we currently provide. We may not obtain the expected benefits of our investments if more advanced technologies are adopted by the market. Even if we adopt new technologies in a timely manner as they are developed, the cost of such technology may exceed the benefit to us, and we cannot assure you that we will be able to maintain our level of competitiveness.

Our operations depend on our ability to maintain, upgrade and operate efficiently our accounting, billing, customer service, information technology and management information systems and to rely on the systems of other carriers under co-billing agreements.

Sophisticated information and processing systems are vital to our growth and our ability to monitor costs, render monthly invoices for services, process customer orders, provide customer service and achieve operating efficiencies. We cannot assure you that we will be able to operate successfully and upgrade our accounting, information and processing systems or that these systems will continue to perform as expected. We have entered into co-billing agreements with each long-distance telecommunications service provider that is interconnected to our networks in Brazil to include in our invoices the long-distance services rendered by these providers, and these providers have agreed to include charges owed to us in their invoices. Any failure in our accounting, information and processing systems, or any problems with the execution of invoicing and collection services by other carriers with whom we have co-billing agreements, could impair our ability to collect payments from customers and respond satisfactorily to customer needs, which could adversely affect our business, financial condition and results of operations.

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Improper use of our networks could adversely affect our costs and results of operations.

We may incur costs associated with the unauthorized and fraudulent use of our networks, including administrative and capital costs associated with detecting, monitoring and reducing the incidence of fraud. Fraud also affects interconnection costs and payments to other carriers for non-billable fraudulent roaming. Improper use of our network could also increase our selling expenses if we need to increase our provision for doubtful accounts to reflect amounts we do not believe we can collect for improperly made calls. Any increase in the improper use of our network in the future could materially adversely affect our costs and results of operations.

Our business is dependent on our ability to expand our services and to maintain the quality of the services provided.

Our business as a telecommunications services provider depends on our ability to maintain and expand our telecommunications services network. We believe that our expected growth will require, among other things:

continuous development of our operational and administrative systems;

increasing marketing activities;

improving our understanding of customer wants and needs;

continuous attention to service quality; and

attracting, training and retaining qualified management, technical, customer relations, and sales personnel. We believe that these requirements will place significant demand on our managerial, operational and financial resources. Failure to manage successfully our expected growth could reduce the quality of our services, with adverse effects on our business, financial condition and results of operations.

Our operations are also dependent upon our ability to maintain and protect our network. Failure in our networks, or their backup mechanisms, may result in service delays or interruptions and limit our ability to provide customers with reliable service over our networks. Some of the risks to our networks and infrastructure include (1) physical damage to access lines and long-distance optical cables; (2) power surges or outages; (3) software defects; (4) disruptions beyond our control; (5) breaches of security; and (6) natural disasters. The occurrence of any such event could cause interruptions in service or reduce capacity for customers, either of which could reduce our net operating revenue or cause us to incur additional expenses. In addition, the occurrence of any such event may subject us to penalties and other sanctions imposed by ANATEL, and may adversely affect our business and results of operations.

We face various cyber-security risks that, if not adequately addressed, could have an adverse effect on our business.

We face various cyber-security risks that could result in business losses, including but not limited to contamination (whether intentional or accidental) of our networks and systems by third parties with whom we exchange data, equipment failures, unauthorized access to and loss of confidential customer, employee and/or proprietary data by

persons inside or outside of our organization, cyber attacks causing systems degradation or service unavailability, the penetration of our information technology systems and platforms by ill-intentioned third parties, and infiltration of malware (such as computer viruses) into our systems. Cyber attacks against companies have increased in frequency, scope and potential harm in recent years. Further, the perpetrators of cyber attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or third parties operating in any region, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective. We may not be able to successfully protect our operational and information technology systems and platforms against such threats. Further, as cyber attacks continue to evolve, we may incur significant costs in the attempt to modify or enhance our protective measures or investigate

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or remediate any vulnerability. The inability to operate our networks and systems as a result of cyber attacks, even for a limited period of time, may result in significant expenses to us and/or a loss of market share to other communications providers. The costs associated with a major cyber attack could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber-security measures and the use of alternate resources, lost revenues from business interruption and litigation. If we are unable to adequately address these cyber-security risks, or operating network and information systems could be compromised, which would have an adverse effect on our business, financial condition and results of operations.

The mobile telecommunications industry and participants in this industry, including us, may be required to adopt an extensive program of field measurements of radio frequency emissions and be subject to further regulation and/or claims based on concerns regarding potential health problems and interfere with medical devices.

Media and other entities have suggested that the electromagnetic emissions from mobile handsets and base stations may cause health problems. If consumers harbor health-related concerns, they may be discouraged from using mobile handsets. These concerns could have an adverse effect on the mobile telecommunications industry and, possibly, expose mobile services providers to litigation. We cannot assure you that further medical research and studies will refute a link between the electromagnetic emissions of mobile handsets and base stations, including on frequency ranges we use to provide mobile services, and these health concerns. Government authorities could increase regulation on electromagnetic emissions of mobile handsets and base stations, which could have an adverse effect on our business, financial condition and results of operations. The expansion of our network may be affected by these perceived risks if we experience problems in finding new sites, which in turn may delay the expansion and may affect the quality of our services.

In July 2002, ANATEL enacted regulations that limit emission and exposure for fields with frequencies between 9 kHz and 300 GHz. In May 2009, Law No. 11,934 was enacted, which established the need for field measurements by telecommunications service providers of all radio-communication transmitting stations every five years with respect to emission and exposure to these fields. In September 2018, ANATEL published Resolution No. 700/2018, a regulation pursuant to Law No. 11,934 that will make field measurements mandatory by telecommunication service providers of all radio-communication transmission stations every five years beginning in 2019. We cannot predict the scope of the technical and financial impact of these new regulations on our company.

Risks Relating to Our Company

We have identified various material weaknesses in our internal control over financial reporting which have materially adversely affected our ability to timely and accurately report our results of operations and financial condition. These material weaknesses may not have been fully remediated as of the filing date of this prospectus and we cannot assure you that other material weaknesses will not be identified in the future.

Under the supervision and with the participation of our chief executive officer and our chief financial officer, our management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017 based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that as of December 31, 2017, our internal control over financial reporting was not effective because material weaknesses existed. A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual consolidated financial statements will not be prevented or detected on a timely basis. These deficiencies resulted in material misstatements to the Company's financial statements for 2015 and previous years, which were corrected through restatement of those periods, and to the preliminary 2016 and 2017 financial statements, which were

corrected prior to issuance.

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The material weaknesses identified as of December 31, 2017 were: (1) we did not design, establish and maintain effective procedures to ensure adequate review, approval, and existence of sufficient supporting documentation over manual journal entries. This weakness could impact in a failure to timely detect the totality of manual journal entries, as well as their adequate approval and revision; (2) we did not design, establish or maintain effective controls over the communication of activity that impacted the judicial deposits and contingencies balances. Further, effective controls over the timely reconciliation of these accounts were not established or maintained; (3) we did not design, establish or maintain effective control over the preparation, timely review, and documented approval of the reconciliation of unbilled revenues. Specifically, we did not have effective controls over the completeness and accuracy of supporting schedules. The schedules and historical information used in this process were not reviewed in a periodic and timely manner; (4) we did not have sufficient and skilled accounting and finance personnel necessary to perform appropriate processes and controls related to the preparation of the financial statements in accordance with U.S. GAAP, which includes timely identification and review of significant non-routine transactions. As a result, a number of errors in our financial statements were detected and corrected and could not be detected on a timely basis by management in the normal course of the business; (5) we did not design, establish or maintain effective control over the completeness and accuracy of consolidation entries, which includes timely review of reconciliation of intercompany balances and its elimination in the consolidation process; and (6) we did not design, establish or maintain effective control over the process level control to capture and identify the statute of limitation of its recoverable taxes.

Although we have implemented and continue to implement measures designed to remediate these material weaknesses and, in the short term, to mitigate the potential adverse effects of these material weaknesses, our assessment of the impact of these measures has not been completed as of the filing date of this prospectus and we cannot assure you that these measures are adequate. Moreover, we cannot assure you that additional material weaknesses in our internal control over financial reporting will not arise or be identified in the future.

As a result, we must continue our remediation activities and must also continue to improve our operational, information technology, and financial systems, infrastructure, procedures, and controls, as well as continue to expand, train, retain, and manage our employee base. Any failure to do so, or any difficulties we encounter during implementation, could result in additional material weaknesses or in material misstatements in our financial statements. These misstatements could result in a future restatement of our financial statements, could cause us to fail to meet our reporting obligations, or could cause investors to lose confidence in our reported financial information, which could materially adversely affect our business, financial condition and results of operations and may generate negative market reactions, potentially leading to a decline in the price of the Common Shares and Common ADSs.

Our debt instruments contain covenants that could restrict our financing and operating flexibility and have other adverse consequences.

As of June 30, 2018 and December 31, 2017, we had loans and financings of R\$32,153 million and R\$49,130 million, respectively, classified as liabilities subject to compromise. Following the implementation of the RJ Plan, the outstanding amount of our loans and financings has been substantially reduced. As of June 30, 2018, we had loans and financings of R\$18,419 million not classified as liabilities subject to compromise, excluding the fair value adjustment of our loans and financings. However we are subject to certain financial covenants under the instruments that govern our indebtedness that limit our ability to incur additional debt. The level of our consolidated indebtedness and the requirements and limitations imposed by these debt instruments could adversely affect our financial condition or results of operations. In particular, the terms of some of these debt instruments restrict our ability, and the ability of our subsidiaries, to:

incur additional debt;

grant liens;

pledge assets;

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sell or dispose of assets; and

make certain acquisitions, mergers and consolidations.

If we are unable to incur additional debt, we may be unable to invest in our business and make necessary or advisable capital expenditures, which could reduce future net operating revenue and adversely affect our profitability. In addition, the cash required to service our indebtedness reduces the amount available to us to make capital expenditures. If we are unable to generate operating cash flows, we may not be able to continue servicing our debt.

Under the RJ Plan, until the fifth anniversary of the Brazilian Confirmation Date, we are required to apply an amount equivalent to 100% of the net revenue from our sale of assets in excess of US\$200 million to investments in our activities. Beginning on the sixth anniversary of the Brazilian Confirmation Date, we are required to allocate to the repayment of debt instruments representing recoveries under the RJ Plan on an annual basis an amount equivalent to 70% of the amount by which (1) our cash and cash equivalents and financial investments at the end of each fiscal year exceeds (2) the greater of (a) 25% of our operating expenses and capital expenses for that fiscal year, and (b) R\$5,000 million, subject to adjustment in the event that we conclude any capital increases. The cash required to make these repayments will reduce the amount available to us to make capital expenditures.

If we are unable to meet our debt service obligations or comply with our debt covenants, we could be forced to renegotiate or refinance our indebtedness or seek additional equity capital. In this circumstance, we may be unable to obtain financing on satisfactory terms, or at all.

For more information regarding the debt instruments to which we are obligated, see Management's Discussion and Analysis of Financial Condition and Results of Operation Indebtedness and Prepetition Liabilities Subject to Compromise.

We rely on strategic suppliers of equipment, materials and certain services necessary for our operations and expansion. If these suppliers fail to provide equipment, materials or services to us on a timely basis, we could experience disruptions, which could have an adverse effect on our revenues and results of operations.

We rely on a few strategic suppliers of equipment and materials, including Huawei and Nokia Solutions and Networks do Brasil Telecomunicações Ltda, to provide us with equipment and materials that we need in order to expand and to operate our business in Brazil. In addition, we rely on a third-party provider of network maintenance services in certain regions where we operate. There are a limited number of suppliers with the capability of providing the mobile network equipment and fixed-line network platforms that our operations and expansion plans require or the services that we require to maintain our networks. In addition, because the supply of mobile network equipment and fixed-line network platforms requires detailed supply planning and this equipment is technologically complex, it would be difficult for our company to replace the suppliers of this equipment. Suppliers of cables that we need to extend and maintain our networks may suffer capacity constraints or difficulties in obtaining the raw materials required to manufacture these cables. As a result, we are exposed to risks associated with these suppliers, including restrictions of production capacity for equipment and materials, availability of equipment and materials, delays in delivery of equipment, materials or services, and price increases. If these suppliers or vendors fail to provide equipment, materials or services to us on a timely basis or otherwise in compliance with the terms of our contracts with these suppliers, we could experience disruptions or declines in the quality of our services, which could have an adverse effect on our revenues and results of operations, and we might be unable to satisfy the requirements contained in our concession and authorization agreements.

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We are subject to numerous legal and administrative proceedings, which could adversely affect our business, results of operations and financial condition.

We are subject to numerous legal and administrative proceedings. It is difficult to quantify the potential impact of these legal and administrative proceedings. We classify our risk of loss from legal and administrative proceedings as probable, possible or remote. We make provisions for probable losses but do not make provisions for possible and remote losses.

As a result of the RJ Proceedings, we have applied ASC 852 in preparing our consolidated financial statements. ASC 852 requires that financial statements separately disclose and distinguish transactions and events that are directly associated with our reorganization from the transactions and events that are associated with the ongoing operations of our business. Accordingly,