

OI S.A. - In Judicial Reorganization

Form F-1

September 04, 2018

As filed with the Securities and Exchange Commission on Commission on August 31, 2018.

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Oi S.A. In Judicial Reorganization

(Exact Name of Registrant as Specified in its Charter)

The Federative Republic of Brazil

(State or Other Jurisdiction

of Incorporation or Organization)

4813

(Primary Standard Industrial

Classification Code Number)

Rua Humberto de Campos 425, 8th floor, Leblon

22430-190 Rio de Janeiro, RJ

Federative Republic of Brazil

Not Applicable

(I.R.S. Employer Identification No.)

+55 21 3131-2918

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Cogency Global Inc.

East 40th Street, 10th Floor

New York, NY 10016

(800) 221-0102

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mark Bagnall

White & Case LLP

200 S. Biscayne Blvd.

Suite 4900

Miami, FL 33131

(305) 371-2700

Approximate date of commencement of proposed sale to the public: As soon as practicable on or after effectiveness of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Rights to purchase Common Shares, no par value, of Oi S.A.	(1)	US\$ (2)
Common Shares, no par value, of Oi S.A. issuable upon exercise of rights (3)	US\$971,062,342.20(4)	US\$120,897.26(5)

- (1) The rights are being issued to holders of Common Shares and Preferred Shares at no charge and for no separate consideration.
- (2) Pursuant to Rule 457(g) under the Securities Act, no separate registration fee is required with respect to the rights because they are being registered in the same registration statement as the Common Shares issuable upon exercise thereof.
- (3) The Common Shares may be represented by American Depositary Shares, or ADSs, each of which represents five Common Shares, evidenced by American Depositary Receipts, issuable on deposit of Common Shares, which have been registered pursuant to separate Registration Statements on Form F-6 (File No.333-179758, 333-195520 and 333-225618), which were filed on February 28, 2012, April 28, 2014 and June 14, 2018, respectively.
- (4) The Proposed Maximum Aggregate Offering Price (estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the U.S. Securities Act of 1933, as amended) is calculated in accordance with the aggregate gross proceeds in *reais* from the exercise of the maximum number of rights that may be issued pursuant to this registration statement, converted into U.S. dollars based on an exchange rate of R\$4.1192=US\$1.00, the PTAX selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*) on August 28, 2018.
- (5) The registration fee of US\$120,897.26 is calculated in accordance with Rule 457(o) of the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be distributed or sold prior to the time the registration statement becomes effective. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction where such offer or solicitation is not permitted.

Subject to Completion, Dated August 31, 2018

PROSPECTUS

Oi S.A. In Judicial Reorganization

(Incorporated in the Federative Republic of Brazil)

Offering of New Common Shares, which may be represented by

New American Depositary Shares

Offer Price: R\$ per New Common Share

U.S. dollar equivalent of R\$ 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, on the Share Rights Record Date of 5:00 p.m. (Brasília time), 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 _____, 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 _____ Common ADS Rights per Common ADS held and _____ 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\$ _____, or R\$ _____, in cash, per New Common ADS subscribed. The exchange rate applied to initial New Common ADSs subscribed will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on _____. The exchange rate applied to Excess New Common ADSs (as defined below) subscribed will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on _____.

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\$ _____ per New Common ADS subscribed or sought, or the New Common ADS Deposit Amount, which is equal to US\$ _____ (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 _____) per New Common ADS subscribed, *plus 20%* of such amount to cover currency rate fluctuations prior to the date the New Common Share Subscription Price must be deposited by the ADS Custodian (as defined below) with the B3 with respect to the New Common Shares underlying the initial New Common ADSs or the Excess New Common ADSs, as the case may be, the ADS Depository's issuance fee of US\$0.05 per New Common ADS, or the ADS Issuance Fee, and 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 _____ and ending at 5:00 p.m. on _____, 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 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 Right.

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

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

You will be entitled to exercise your Common Share Rights during the period commencing at 9:00 a.m. on and ending at 5:00 p.m. on , 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 Brazilian custodian of the common shares and preferred shares underlying the ADSs, or the ADS Custodian) 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 up to all of the 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.

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 Backstop Agreement. For more information about the Backstop Agreement, see The Offering Backstop Commitment Agreement.

As of August 28, 2018, we had 2,150,302,669 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 will be exercisable for 116,480,467 Common Shares. Based on the numbers of shares, we expect to issue New Common Shares (including New Common Shares represented by New Common ADSs) pursuant to the Rights Offer and the Commitment Agreement and to have New Common Shares (including New Common Shares represented by New 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 million (or US\$ million), our expenses to be approximately R\$ million (or US\$ million) and our net proceeds to be approximately R\$ million (or US\$ million).

Holders of Common ADS Rights will be entitled to sell or transfer their Common ADS Rights at any time prior to the Common ADS Rights Expiration Time. We expect that the Common ADS Rights will trade on a when-issued basis beginning at 9:30 a.m. (New York City time) on , and on a regular way basis beginning at 9:30 a.m. (New York City time) on . We expect that trading in Common ADS Rights will cease at 4:00 p.m. (New York City time) on . The Common ADS Rights are expected to trade under the ticker symbol . The CUSIP number for the Common ADS Rights is . 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 (*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. We expect the Common Share Rights to trade on the B3 during the period from 9:00 a.m. (Brasília time) on , to 5:00 p.m. (Brasília time) on , under the symbol .

We expect to deliver the initial New Common Shares subscribed for pursuant to the Share Rights Offer on or about and the Excess New Common Shares, if any, on or about . We expect the initial New Common ADSs subscribed for pursuant to the ADS Rights Offer will be delivered on or about and the Excess New Common ADSs, if any, will be delivered on or about . Application will be made for the New Common ADSs to be listed on the NYSE under the symbol OIBR.C. Trading in the New Common ADSs is expected to commence on or about . The New Common Shares will be listed on the B3 under the symbol OIBR3.

Trading in the New Common Shares is expected to commence on or about .

Investing in the Common ADSs and Common Shares involves a high degree of risk. Please see Risk Factors beginning on page 24 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 .

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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.

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.

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 August 28, 2018, the exchange rate for *reais* into U.S. dollars was R\$4.1192 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 August 28, 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.

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;

the ADS Depository are to The Bank of New York Mellon, as depository 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;

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 such bondholders agreed to backstop this Rights Offer, 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;

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;

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;

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 Príncipe; 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.

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.

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.

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.

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.

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.

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.

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 has and will have a transitional board of directors composed of nine members set forth in the RJ Plan. The New Board will be composed of 11 members and no alternate members, all of whom must be independent as defined in Oi's by-laws. Pursuant to the RJ Plan, Oi engaged a human resources consultant to assist with the selection of the New Board nominees. The New Board is expected to be elected by the general shareholders' meeting scheduled to occur on September 17, 2018. Each member of the New Board will serve a two-year term.

Pursuant to the RJ Plan, Oi was required to engage a human resources consultant to assist with the selection of an operating officer. This process concluded on March 23, 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.

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 our transitional board of directors, our executive officers and the nominees to the New Board, 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.

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.

SUMMARY OF THE OFFERING

General

As of August 28, 2018, we had 2,150,302,669 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 will be exercisable for 116,480,467 Common Shares. Based on the numbers of shares, we expect to issue _____ New Common Shares (including New Common Shares represented by New Common ADSs) pursuant to the Rights Offer and the Commitment Agreement and to have _____ New Common Shares (including New Common Shares represented by New Common ADSs) issued and outstanding following the expiration of the Rights Offer and the closing of 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 _____
ADSs go ex-rights on the NYSE	9:30 a.m. on _____
ADS Rights Record Date	5:00 p.m. on _____
Common ADS Rights distributed	On or about _____
ADS Subscription Period begins	9:00 a.m. on _____
Common ADS Rights begin trading on _____ regular way _____ basis	9:30 a.m. on _____
Trading in Common ADS Rights on NYSE ends	4:00 p.m. on _____
ADS Subscription Period ends	5:00 p.m. on _____
Announcement of results of ADS Rights Offer	On or about _____
Delivery of initial New Common Shares to custodian of ADS Depository with respect to Common ADS Rights subscribed	On or about _____
Issuance and delivery of initial New Common ADSs	On or about _____
Commencement of trading in initial New Common ADSs on the NYSE	On or about _____
Delivery of Excess New Common Shares, if any, to custodian of ADS Depository	On or about _____
Issuance and delivery of subscribed Excess New Common ADSs	On or about _____
Commencement of trading in Excess New Common ADSs on the NYSE	On or about _____

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	5:00 p.m. on
Trading in Common Share Rights on the B3 begins	9:00 a.m. on
Share Subscription Period begins	9:00 a.m. on
Common Share Rights distributed	On or about
Trading in Common Share Rights on the B3 ends	5:00 p.m. on
Share Subscription Period ends	5:00 p.m. on
Oi determines number of Excess New Common Shares and Oi's board of directors ratifies the issuance of initial New Common Shares	On or about
Announcement of results of Share Rights Offer	On or about
B3 Notification Date	On or about
Excess New Common Shares Notification Date	On or about
Issuance of initial New Common Shares and delivery of initial New Common Shares to holders	On or about
Commencement of trading in initial New Common Shares on the B3	On or about
Excess New Common Shares Subscription Price Deposit Date	On or about
Oi determines number of Unsubscribed Shares and Oi's board of directors ratifies the issuance of Excess New Common Shares	On or about
Issuance of Excess New Common Shares and delivery of Excess New Common Shares to holders	On or about
Commencement of trading in Excess New Common Shares on the B3	On or about

ADSs Rights Offer

ADS Rights Offer

You will receive _____ Common ADS Rights per Common ADS held and _____ 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 _____ .

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 Depositary 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. on _____ , and ending at 5:00 p.m. on _____ .

New Common ADS Subscription Price

The U.S. dollar equivalent of five times the New Common Share Subscription Price of R\$, or R\$, in cash, per New Common ADS subscribed. The exchange rate applied to initial New Common ADSs subscribed will be the exchange rate assigned by the ADS Rights Agent, on . The exchange rate applied to Excess New Common ADSs subscribed will be the exchange rate assigned by The Bank of New York Mellon, as ADS Rights Agent, on .

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.

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\$per New Common ADS subscribed or sought, which is equal to US\$ (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) per New Common ADS subscribed, *plus* 20% of such amount to cover currency rate fluctuations prior to the date the New Common Share Subscription Price must be deposited by the ADS Custodian with the B3 with respect to the New Common Shares underlying the initial New Common ADSs or the Excess New Common ADSs, as the case may be, the ADS Depositary's issuance fee of US\$0.05 per New Common ADS, or the ADS Issuance Fee, and any other applicable fees, expenses or taxes.

ADS Ex-Rights Date

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

ADS Common Rights Trading Period

Holders of Common ADS Rights will be entitled to offer and sell their Common ADS Rights at any time prior to the Common ADS Rights Expiration Time. We expect that the Common ADS Rights will trade on a when-issued basis beginning at 9:30 a.m. (New York City time) on , and on a regular way basis beginning at 9:30 a.m. (New York City time) on . We expect that trading in Common ADS Rights will cease at 4:00 p.m. (New York City time) on . The Common ADS Rights are expected to trade under the ticker symbol . The CUSIP number for the Common ADS Rights is .

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 of the Excess New Common ADSs you wish to acquire.

If the number of Excess New Common Shares for which requests for subscription are received is fewer 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 sought.

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 (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 *pro rata* share of such Excess New Common Shares that such holder sought, 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 allocate New Common ADSs representing those Excess New Common Shares to holders of Common ADS Rights that manifested their intention to subscribe for Excess New Common ADSs on the same *pro rata* basis described above. Adjustments to the allocations may be made by the ADS Rights Agent, The Depository Trust Company, or DTC, or DTC participants so that no holder of Common ADS Rights is allocated a fraction of a New Common ADS.

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. Trading in the New Common ADSs is expected to commence on or about .

Expected Date for Distribution of Initial New Common ADSs

On or about .

Expected Date for Distribution of Excess New Common ADSs

On or about .

Suspension of Issuance and Cancellation of ADSs

No Common Shares or Preferred Shares may be deposited or withdrawn on or .

The Information Agent and ADS Holder Helpline

is acting as Information Agent for the ADS Rights Offer. If you have any questions on the subscription of New Common ADSs, please telephone (toll-free from the United States and Canada) or (collect from outside the United States and Canada) or email . Lines are open

to (New York City time) Monday to Friday. Additionally you may leave a message Monday to Friday between to (New York City time). Any caller that leaves a message will receive a callback within one business day.

Share Rights Offer

Share Rights Offer	You will receive _____ 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	5:00 p.m. (Brasília time) on _____ .
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 9:00 a.m. (Brasília time) on _____ and ending at 5:00 p.m. (Brasília time) on _____ .
New Common Share Subscription Price	R\$ _____ 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. We expect the Common Share Rights to trade on the B3 during the period from 9:00 a.m. (Brasília time) on _____ to 5:00 p.m. (Brasília time) on _____ under the symbol _____ .

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 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 fewer 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 sought.

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 *pro rata* share of such Excess New Common Shares that such holder sought, 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.

Listing and Commencement of Trading in New Common Shares

The New Common Shares will be listed on the B3 under the symbol OIBR3. Trading in the New Common Shares is expected to commence on or about

**Expected Date for Distribution of New Common Shares
Expected Date for Distribution of Excess New Common Shares
Shareholder Helpline**

On or about .
On or about .
Should you have any questions with regard to the Share Rights Offer, please call (Monday to Friday 9:00 a.m. to 6:00 p.m. (Brasília time)) or email .

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 of 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 of numerous conditions which are more fully described under The Offering Backstop Commitment Agreement.

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 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.

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)			

	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 shareholders	2	8	(32)	(75)	(291)	(178)	(413)	1	

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)

	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 (in millions of <i>reais</i> , US\$, except per share amounts)		(in millions of (in millions of <i>reais</i> , 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.

	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

	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	(in millions	(in millions		(in millions of reais)			
	of	of	of					
	US\$)	reais)	US\$)					
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.

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 Share Rights or Common ADS Rights, you will suffer significant dilution of your percentage ownership of Common Shares and/or Common ADSs.

Holders of Common ADS Rights will be entitled to exercise their Common ADS Rights during the period commencing at 9:00 a.m. on _____ and ending at 5:00 p.m. on _____. Holders of Common Share Rights will be entitled to exercise their Common Share Rights during the period commencing at 9:00 a.m. (Brasília time) on _____ and ending at 5:00 p.m. (Brasília time) on _____. 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 _____ 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.

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.

The Common ADS Rights and Common Share Rights are a new issue of securities with no established trading market. The Common ADS Rights are transferable at any time prior to the Common ADS Rights Expiration Time, and the Common Share Rights are transferable at any time prior to the Share Rights Expiration Time. 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 we anticipate that 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 _____, and on a regular way basis beginning at 9:30 a.m. (New York City time) on _____, until 4:00 p.m. (New York City time) on _____, 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 we anticipate that the Common Share Rights will be eligible to trade on the B3 from 9:00 a.m. (Brasília time) on _____ to 5:00 p.m. (Brasília time) on _____, 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.

The subscription prices are 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\$. Each Common Share Right will entitle its holder to subscribe for one New Common Share at an exercise price of R\$. The exercise price has been determined based on a formula set forth in the Commitment Agreement, which resulted from independent negotiations between Oi and the Backstop Investors, and also considering the interests of our current stockholders. The subscription prices do 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 allotted 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, the 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.

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

If for any reason the board of directors of Oi does not ratify the capital increase, the New Common Share Subscription Price will be refunded to exercising holders of Common Share Rights (including the ADS Custodian). See The Offering Subscription by Holders of Common Shares and Preferred Shares Ratification of the Capital Increase. In such event, the ADS Custodian will return any Brazilian *real* amount (including any amount delivered to the ADS Custodian with respect to the subscription for Excess New Common Shares) to the ADS Rights Agent, who will then purchase an amount of U.S. dollars equivalent to that Brazilian *real* amount.

Following such purchases of U.S. dollars, 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 *less* any costs of and losses on foreign currency transactions incurred by the Rights Agent in connection with the conversion of the New Common ADS Deposit Amount into *reais* and the conversion of such amount of *reais* into U.S. dollars. Such amount 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 . No interest will be paid on monies received in respect of any portion of the New Common ADS Deposit Amount.

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.