

This document is a free translation of the Brazilian judicial administrator's report referred to April, 2018 financial information of Oi S.A. and some of its subsidiaries ("RJ Debtors") filed within the 7th Business Court of Rio de Janeiro on June 18, 2018. Due to the complexities of language translation, translations are not always precise. The original document was prepared in Portuguese, and in case of any divergence, discrepancy or difference between this version and the Portuguese version, the Portuguese version shall prevail. The Portuguese version is the only valid and complete version and shall prevail for any and all purposes. There is no assurance as to the accuracy, reliability or completeness of the translation. Any person reading this translation and relying on it should do so at his or her own risk.



**HONORABLE LAW JUDGE OF THE 7th LOWER CORPORATE COURT OF
THE JUDICIAL DISTRICT OF THE CAPITAL CITY OF THE STATE OF RIO
DE JANEIRO**

**Proceedings 0203711-65.2016.8.19.0001
Judicial Reorganization of Oi S.A et al**

The **BANKRUPTCY TRUSTEE** (BT) (Arnoldo Wald Law Firm – EAAW), appointed in the proceedings of Judicial Reorganization of **Oi S.A. et al.**, respectfully requests that Your Honor determines that the attached Monthly Activity Report ("RMA"), related to April 2018 be attached to the case records.

Rio de Janeiro, June 18, 2018.

[signature]

Bankruptcy Trustee
Arnoldo Wald Law Firm

MONTHLY ACTIVITY REPORT

RMA

JUDICIAL REORGANIZATION

Oi

April 2018

June 18, 2018

EXECUTIVE SUMMARY

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1 Introduction

INTRODUCTION

Honorable Law Judge of the 7th Lower Corporate Court of the Judicial District of the Capital City of the State of Rio de Janeiro

The Bankruptcy Trustee, Arnaldo Wald Law Firm (“Wald” or “BT”), appointed in the records of the Judicial Reorganization of Oi Group (proceedings 0203711-65.2016.8.19.0001), and RC Consultores, subcontracted by the BT to assist it in the elaboration of the Monthly Activity Report (“RMA”), respectfully submit to Your Honor, pursuant to the decision on pages 91,223/91,224, the RMA related to April 2018 and the first quarter of 2018.

As you know, the Judicial Reorganization involves the following companies:

- Oi S.A. - Under Judicial Reorganization (“Oi S.A.”);
- Telemar Norte Leste S.A. - Under Judicial Reorganization (“Telemar Norte Leste”);
- Oi Móvel S.A. - Under Judicial Reorganization (“Oi Móvel”);
- Copart4 Participações S.A. - Under Judicial Reorganization (“Copart4”);
- Copart5 Participações S.A. - Under Judicial Reorganization (“Copart5”);
- Portugal Telecom International Finance B.V. - Under Judicial Reorganization (“PTIF”); and
- Oi Brasil Holdings Coöperatief U.A. - Under Judicial Reorganization (“Oi Coop”).

This report, which covers financial information based specially on elements provided by the Companies Under Reorganization until June 15, 2018, contains data related to April 2018, and should be analyzed with the preliminary activity report, as well as with the other RMAs previously submitted.

The RMA contains a chapter that covers specifically the consolidated financial information of the Companies under Reorganization, which shall encompass herein the Managerial Cash Flow Statement of said month submitted in the tables in comparison with the immediately previous month, in addition to information regarding the Balance Sheet and the Income Statement of the Companies Under Reorganization, the analysis being based on the quarterly comparison between the 1st quarter of 2018 and the 4th quarter of 2017. The report will highlight the main variations that took place in said period, submitting the clarifying information provided by the Management of the Companies under Reorganization.

This report, prepared through analytical procedures and discussions with the Company’s Management, aims at providing the Court and interested parties with information on the financial situation of the Companies under Reorganization and the relevant transactions carried out by them, as well as a summary of the activities executed by the BT until the final works of this report.

The information presented below is based primarily on data and elements presented by the Companies Under Reorganization. The individual financial statements of all

Companies Under Reorganization, as well as the consolidated financial statements of Oi Group (which include, but are not limited to the Companies Under Reorganization) are audited by *independent* auditors on a yearly basis. Limited review procedures are adopted by the auditors to file the Quarterly Consolidated Financial Information (“ITRs”) of Oi Group with CVM. In relation to the individual financial information of each Company Under Reorganization, prepared in monthly periods which are not those covered by the ITRs delivered to CVM, it is not submitted to independent audit review, whether by the auditors hired by Oi Group or by the BT.

The BT, proud of the responsibility attributed to it, is at your disposal for further clarifications regarding the information contained in this report or other additional information.

Very truly yours,

The logo for WALD, featuring the word "WALD" in a stylized, blue, serif font. The letter "W" is significantly larger and more prominent than the other letters.

Arnoldo Wald Filho
awf@wald.com.br

Samantha Mendes Longo
samantha@wald.com.br

Partners

Phone: +55(11) 3074-6000

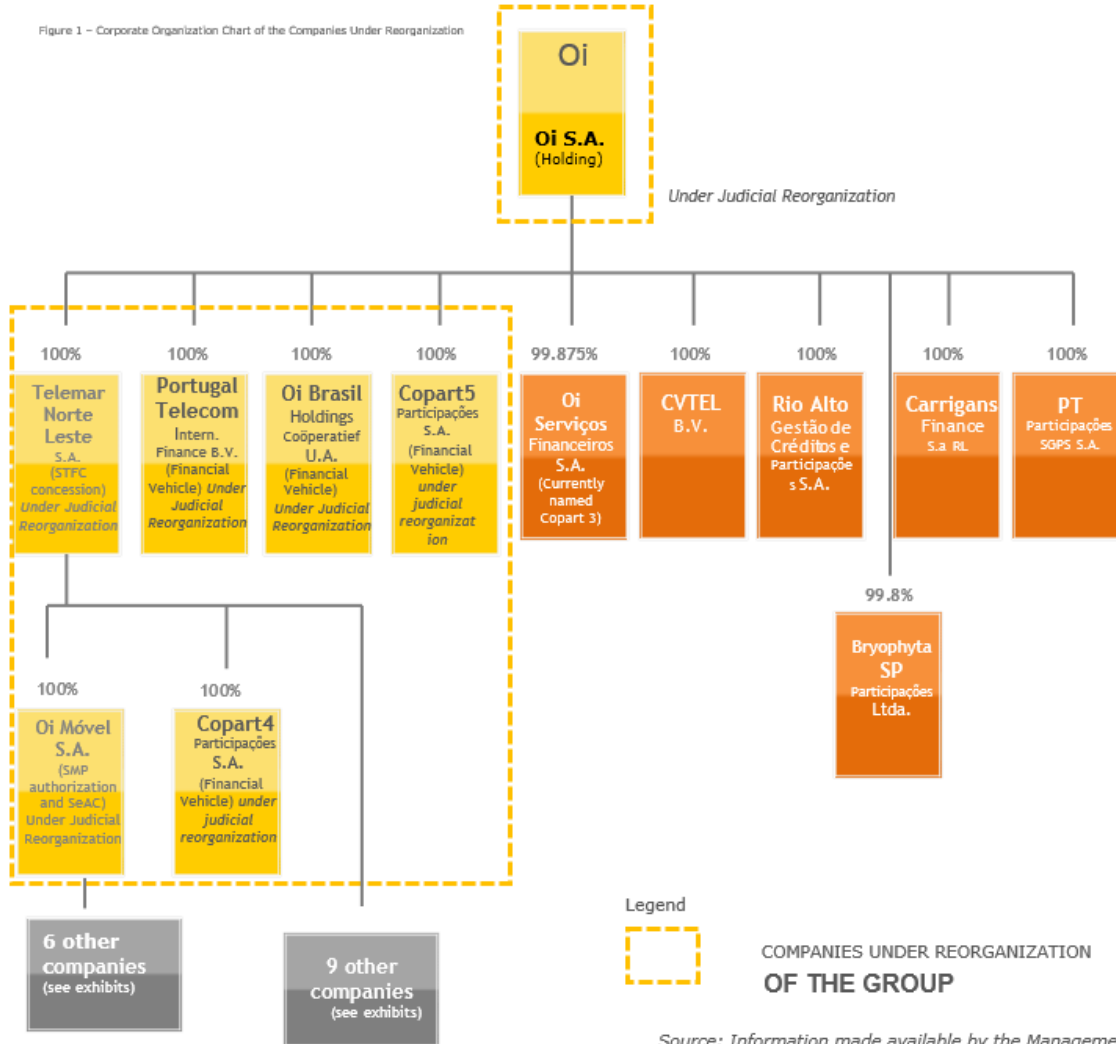
The logo for RC CONSULTORES, featuring the letters "RC" in a red, serif font. To the left of the "R" are three vertical bars of increasing height. Below the "RC" is the word "CONSULTORES" in a smaller, red, sans-serif font.

Marcel Augusto Caparoz
Head Economist
marcel@rcconsultores.com.br

Phone: +55(11) 3053-0003

2. Corporate Organization Chart of the Companies Under Reorganization

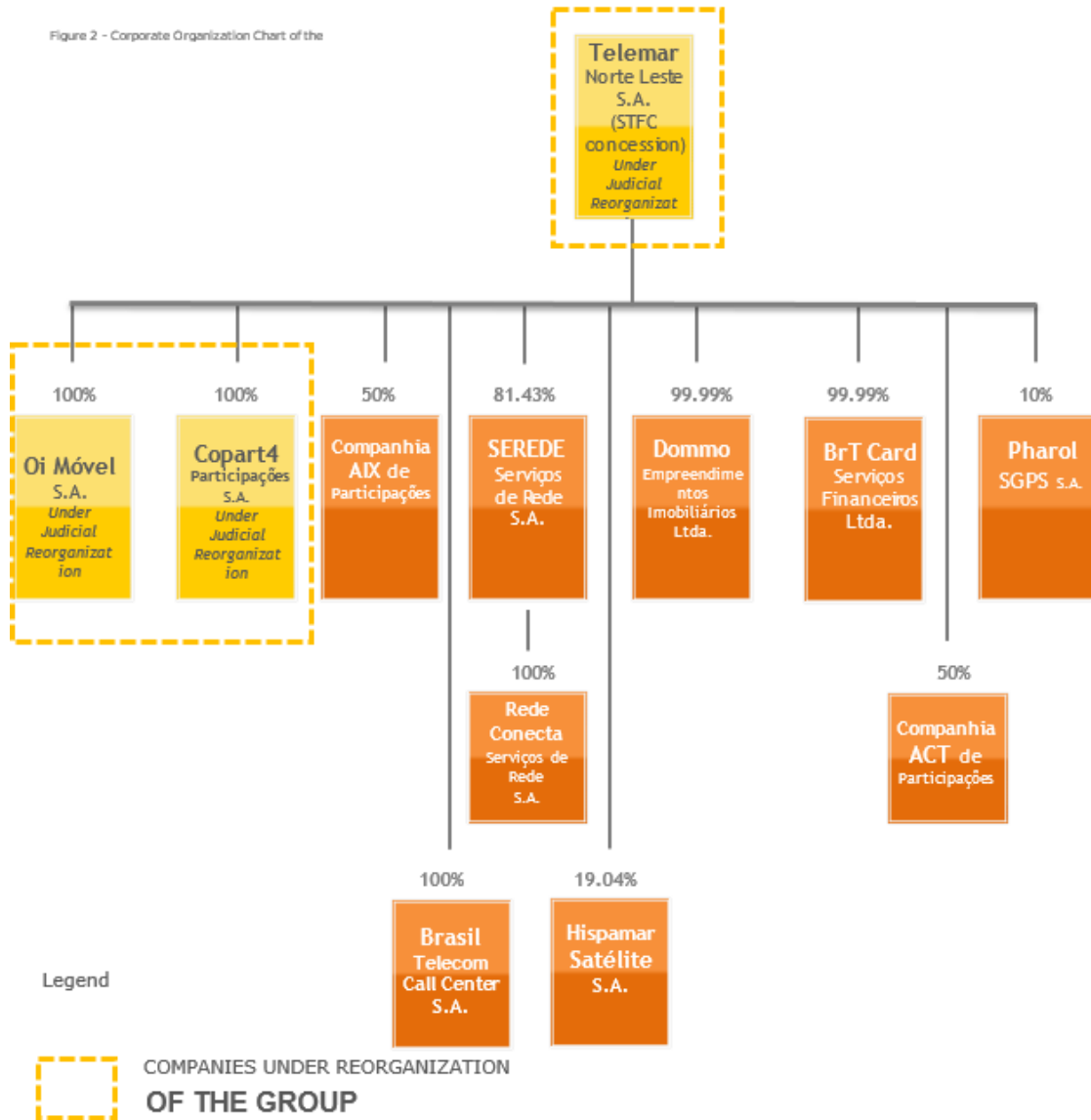
CORPORATE ORGANIZATION CHART OF THE COMPANIES UNDER REORGANIZATION



* Diagram previously submitted in the Preliminary Activities Report.

Information presented again to facilitate understanding of the structure of the Companies Under Reorganization

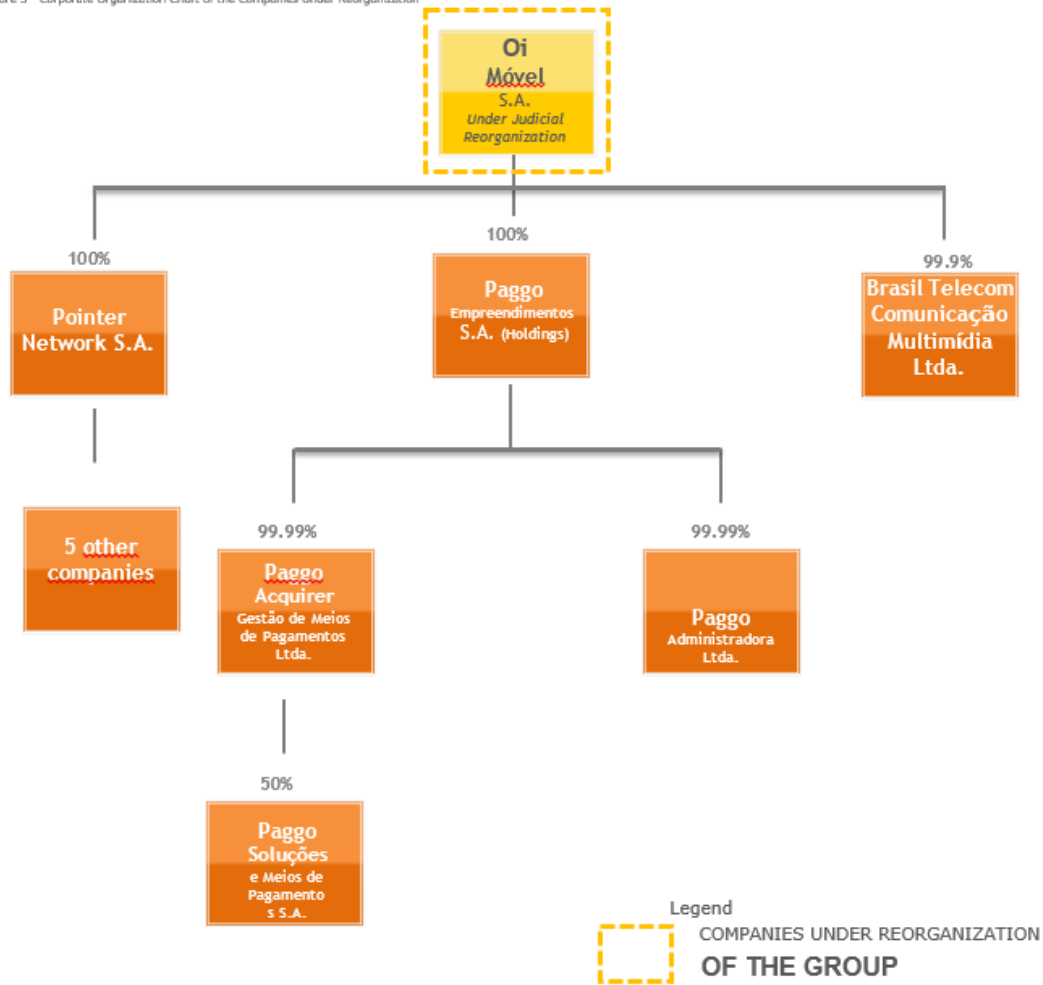
Figure 2 - Corporate Organization Chart of the



* Diagram previously submitted in the Preliminary Activities Report.

Information presented again to facilitate understanding of the structure of the Companies Under Reorganization

Figure 3 - Corporate Organization Chart of the Companies Under Reorganization



Source: Information made available by the Management

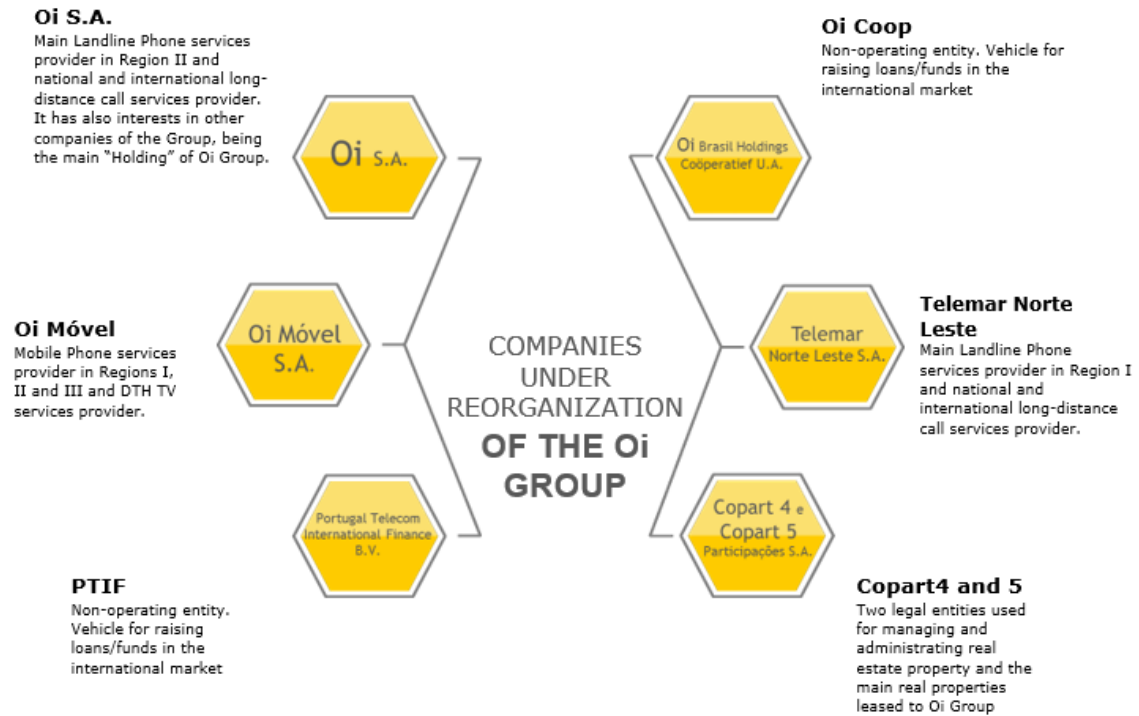
* Diagram previously submitted in the Preliminary Activities Report.

Information presented again to facilitate understanding of the structure of the Companies Under Reorganization

2. Brief Description of the Companies Under Reorganization

THE COMPANIES UNDER JUDICIAL REORGANIZATION

Figure 4 – Companies under Judicial Reorganization



RELEVANT FACTS AND MARKET COMMUNICATIONS

We present below some of the relevant facts and market communications disclosed by Oi Group that are directly related to the Companies under Reorganization:

Relevant Facts and Market Communications from APRIL/18

April 10 - Consent Requests for PTIF and Oi Coop

Oi SA - Under Judicial Reorganization (“Oi”) informed its shareholders and the market in general that, in relation to the implementation of the RJ Plan, as defined below, at the request of Portugal Telecom International Finance B.V. - Under Judicial Reorganization (“PTIF”) and Oi Brasil Holdings Coöperatief U.A. - Under Judicial Reorganization (“Oi Coop”), the Dutch courts set the dates for the verification meetings of the Dutch composition plans of PTIF and Oi Coop, both to be held on June 1, 2018. Thus, requests were carried out with the intention of ensuring European recognition for the RJ Plan (“Consent Requests”), which is applicable to the following:

6.25% Notes issued by PTIF with maturity in 2016 (ISIN No. PTPTCYOM0008) (“PTIF Retail Notes”);

4.375% Notes issued by PTIF with maturity in March 2017 (ISIN No. XS0215828913);

5.242% Notes issued by PTIF with maturity in November 2017 (ISIN No. XS0441479804);

5.875% Notes issued by PTIF with maturity in 2018 (ISIN No. XS 0843939918);

5.00% Notes issued by PTIF with maturity in 2019 (ISIN No. XS0462994343);

4.625% Notes issued by PTIF with maturity in 2020 (ISIN No. XS0927581842);

4.50% Notes issued by PTIF with maturity in 2025 (ISIN No. XS0221854200) (jointly with the six series listed above, the “PTIF Notes”);

5.625% Senior Notes issued by Oi Coop with maturity in 2021 (ISIN No. XS1245245045 and XS1245244402); and

5.75% Senior Notes issued by Oi Coop with maturity in 2022 (CUSIP/ISIN No. 10553M AD3/US10553MAD39 and P18445 AG4/USP18445AG42) (jointly with the series listed immediately above, the “Oi Coop Notes” and, jointly with the PTIF Notes, the “Notes”).

The terms and conditions of the Consent Requests are described in two separate information memoranda, one for the PTIF Notes and one for the Oi Coop Notes, and their respective exhibits (each referred to as the “Information Memorandum”).

The full communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=252658

April 11 - Final Results of Payment Option Choices

Oi S.A. - Under Judicial Reorganization (“Oi” or the “Company”), in compliance with article 157, paragraph 4, of Law No. 6,404/76, under CVM Ruling No. 358/02 and in continuance to the Relevant Facts disclosed on March 9 and 16, 2018, informed its shareholders and the market in general that it received, on this date, the final result of the choices made by the Qualified Bondholders of the Company and its subsidiaries Oi Móvel S.A. - Under Judicial Reorganization, Telemar Norte Leste S.A. - Under Judicial Reorganization, Copart 4 Participações S.A. - Under Judicial Reorganization, Copart 5 Participações S.A. - Under Judicial Reorganization, Portugal Telecom International Finance BV - Under Judicial Reorganization and Oi Brasil Holdings Coöperatief U.A. - Under Judicial Reorganization (all of which, jointly, “Companies Under Reorganization”) regarding the payment options of their respective credits, pursuant to the Judicial Reorganization Plan (“Plan”).

Pursuant to such result, Qualified Bondholder creditors holding credits in the amount of USD 8,462,921,552.92 (or their equivalent in Reais or Euros) have opted to pay their respective credits as provided in Sections 4.3.3.2 et seq. of the Plan (Unsecured Credits Option for Qualified Bondholders). The total dilution resulting from the delivery of the financial instruments package provided for in such Section of the Plan, in the context of the capital increase approved at the Board of Directors’ Meeting held on March 5, 2018, will be of 72.12%, in the event that all Qualified Bondholders creditors take the steps necessary to participate in the Exchange Offer (as defined in the Amended and Restated Statement of Information and Payment Option Choice Request dated February 14, 2018 (“Statement”)), to be made after the satisfaction or waiver of certain conditions set forth in the Plan for Qualified Bondholders who have exercised valid payment options. Such percentage is subject to (i) the result of such Exchange Offer, and (ii) to the result of the exercise of preemptive rights by the current shareholders of Oi, and considers that all such credits will be paid in the manner provided for in Section 4.3.3.2 of the Plan and that all bonds relating to such valid payment options shall have been delivered in the Exchange Offer.

The complete relevant fact is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43090&conta=28&id=252679

April 12 - 4Q17 Press Release

Stabilization of operations with cost efficiency, margin improvement and operational evolution in 2017

In 2016 and 2017, the process of restructuring on several fronts allowed us to stabilize the Company’s operation:

- The following were priorities of Management: quality improvement, digital transformation, cost control, cash management and debt restructuring with the approval of the Judicial Reorganization. Significant results from these fronts have been preparing Oi for a new cycle of investments.

Initiatives aimed at increasing operational efficiency and improving customer experience have resulted on continuous advances in operational and quality indicators.

- Modernization of the infrastructure and expansion of the network capacity, preventive actions with increased productivity, improved service quality and digitalization of services and processes generated synergies for the Company.
- As a result, in 2017, Oi recorded an improvement in customer satisfaction, with a reduction in the ANATEL's complaint indicators (-23.0% when compared to 4Q16) and JEC (-46.3% when compared to 4Q16).

Intensification of the digital program allowed the capture of efficiency gains and improvement in customer experience, with automation of processes (automation and artificial intelligence) and expansion of the scanning of the service and sale (e-care, e-billing, e-commerce).

Reduction of costs with greater operational efficiency reached BRL 1.5 billion in the year to date and Routine EBITDA in 2017 was of BRL 6.2 billion, or 2.3% above what was set forth in the judicial reorganization plan.

The final cash position in 2017 was of BRL 7.0 billion, in line with the guidelines of the Judicial Reorganization Plan. The Plan Report anticipates a cash of BRL 6.188 billion for the end of 2018.

The approval of the RJ Plan by the large majority of the creditors will allow a debt decrease of over BRL 35 billion, making it possible to resume the investment cycle.

Structuring fronts allowed the stabilization of operations and the Company is now in the stage of preparation for a new growth cycle that will occur with the acceleration of investments financed by the capital increase.

- The incremental CAPEX Plan financed by a capital increase anticipates investments of BRL 7 billion per year for the coming years, with strategies for landline and mobile networks, supporting business transformation, growth and sustainability.

The communication and access to the full document is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=44125&conta=28&id=252708

April 16 - Reply to CVM/B3 Official Letter

B3 S.A. - Brasil, Bolsa, Balcão
Attn.: Mrs. Ana Lúcia da Costa Pereira

Superintendence Office for the Monitoring of Companies and Offers of Variable Income Securities c.c.:

CVM - Comissão de Valores Mobiliários [*Brazilian Securities Commission*]

Attn: Mr. Fernando Soares Vieira - Superintendent of Business Relations

Mr. Francisco José Bastos Santos - Superintendent of Market Relations and Intermediaries

Re: Official Letter 689/2018-SAE

Request for clarification on news report disseminated in the press

Dear Sirs,

As a response to Official Letter 689/2018 - SAE sent by B3 SA - Brasil, Bolsa, Balcão (“Official Letter”), by means of which Oi S.A. - Under Judicial Reorganization (“Oi” or “Company”) was requested to provide clarifications regarding the news report published by the Broadcast agency on 04/13/2018 under the title “OI/Teles: We have complied with all deadlines and expect to anticipate stages of the judicial reorganization”, in the terms transcribed below, the Company clarifies the following:

“April 13, 2018

689/2018-SAE

Oi S.A. – Under Judicial Reorganization

Attn. Carlos Augusto Machado Pereira de Almeida Brandão

Investor Relations Officer

Re: Request for clarification on news report disseminated in the press

Dear Sirs,

In a news report published by the Broadcast agency on 04/13/2018, under the title “OI/Teles: We have complied with all deadlines and expect to anticipate stages of the judicial reorganization”, it states, among other pieces of information, that:

- 1. After the conversion of liabilities into shares, the debt will decrease from BRL 65 billion to BRL 19 billion;*
- 2. Oi will be worth about BRL 15 billion (compared to BRL 2.6 billion at the closing of the last trading session).*

We request clarification on the items indicated until 04/16/2018, with your confirmation or otherwise, as well as other information considered important.”

The Company clarifies that Explanatory Note No. 29 to its audited financial statements for the fiscal year ended on December 31, 2017, 2016 and January 1, 2016 (Subsequent Events), sub-item “Estimated Effects of the PRJ”, contains a detailed description of the estimates (1) of the value of the credits allocated by option on June 20, 2016, and (2) the fair value of the restructured credits, whose total amounts correspond to BRL 67,751 million and BRL 18,949 million, respectively. Such Explanatory Note contains detailed information regarding the effects of the judicial reorganization plan (“Plan”) estimated by the management in the Company’s financial statements, which were filed with the CVM through the Empresas.NET System and disclosed to the market on April 12, 2018.

The reference to an estimated value of the Company as a result of the expected effects of the Plan was based on a perception of the average of independent evaluations prepared by market analysts monitoring the Company.

Oi is available for further clarification.

Very truly yours,

Oi S.A. – Under Judicial Reorganization

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

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=252787

April 18 - Relevant Equity Interest - Goldman Sachs

Oi SA - Under Judicial Reorganization (“Oi” or “Company”), in compliance with article 12 of CVM Ruling No. 358/02, informed that it had received, on the previous day, correspondence from Goldman Sachs & Co. LLC. and Goldman Sachs International with the information transcribed below:

“To

Oi S.A.— Under Judicial Reorganization.

CNPJ/MF No. 76.535.764/0001-43

Attn.: Mr. Carlos Augusto Machado Pereira de Almeida Brandão

Chief Financial and Investors' Relations Officer

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

Re: Disposal/Acquisition of preferred shares

Dear Sirs and Madams,

Goldman Sachs & Co. LLC (“Goldman Sachs”), a limited liability company duly organized and existing under the laws of the State of New York and registered as an investment broker and adviser under the laws of the United States Securities and Exchange Commission, and a subsidiary of The Goldman Sachs Group, Inc. and enrolled with CNPJ under No. 05.987.216/0001-06, by its undersigned legal representative, pursuant to article 12, main section and paragraph 4, of CVM Ruling No. 358 of January 3, 2002, as amended (“CVM Ruling No. 358”), announces that, on April 12, 2018, Goldman Sachs with its affiliate Goldman Sachs International (jointly “Goldman Entities”), a subsidiary of The Goldman Sachs Group, Inc. and enrolled with the CNPJ under No. 05.479.103/0001-08 (“GSI”), carried out transactions that resulted in a position equivalent to seven million, eight hundred and forty-seven thousand, five hundred and sixty-three (7,847,563) preferred shares issued by Oi SA - Under Judicial Reorganization (the “Company”), or four point ninety-eight percent (4.98%) of the Company’s outstanding preferred shares.

In addition, the Goldman Entities report that on April 13, 2018, carried out transactions that resulted in a position equivalent to eight million, three hundred and twenty-three thousand, six hundred and sixty-three (8,323,663) preferred shares issued by the Company or five point twenty-eight percent (5.28%) of the Company's outstanding preferred shares.

The full communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=252826

April 26 - Acquisition of Relevant Equity Interest - JGP

Oi S.A. - Under Judicial Reorganization (“Oi”), pursuant to the provisions of article 12 of CVM Ruling No. 358/02, informed that it received, on such date, a mail from JGP GESTÃO DE RECURSOS LTDA. and JGP GESTÃO PATRIMONIAL LTDA., which is transcribed below:

“MARKET COMMUNICATION

JGP GESTÃO DE RECURSOS LTDA., enrolled with the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under No. 02.312.792/0001-65, with headquarters in the City and State of Rio de Janeiro, at Rua Humaitá, N° 275, 11° andar (parte) e 12° andar, and JGP GESTÃO PATRIMONIAL LTDA, enrolled with the CNPJ/MF under No. 09.262.533/0001-16, with headquarters in the City and State of Rio de Janeiro, at Rua Humaitá, N° 275, 11° andar (parte) e 12° andar, as investment fund managers and non-resident investors, whose legal representative in the country is BNY Mellon Serviços Financeiros DTVM S.A., enrolled with the CNPJ/MF under No. 02.201.501/0001-61 (“Investors”), come, under the terms of CVM Ruling No. 358/2002, as amended by CVM Rulings Nos. 369/02, 449/07, 547/14, 552/14, 568/15 and 590/17, to inform that, in negotiations held on the trading session of Bolsa de Valores de São Paulo - BOVESPA, over the past few days, the Investors bought common shares issued by Oi S.A. (“Company”), and now hold thirty-nine million, twenty-seven thousand, eight hundred and sixty-two (39,027,862) common shares issued by the Company. Such interest of the Investors represents five point eighty-four percent (5.84%) of the common shares issued by the Company. We highlight that twenty-six million, seven hundred and ninety thousand, nine hundred and sixty-two (26,790,962) are common shares held directly by investors and ten million, five hundred thousand (10,500,000) shares are acquired through stock loans.

We also inform that the investors hold sixteen million, five hundred and seventy-one thousand, six hundred and thirty-eight (16,571,638) common shares referenced by derivative financial instruments with a provision for exclusively financial settlement.

The acquisitions referred to above do not aim to change the composition of control or the administrative structure of the Company. There is no agreement or contract regulating the exercise of voting right or the purchase and sale of securities issued by the Company by the Investors”.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=252969

Relevant Facts and Market Communications from **MAY/18**

May 11 - Communication and Consolidated Voting Summary Chart

Oi SA - Under Judicial Reorganization (the “Company”), pursuant to CVM Ruling No. 481/09, as amended, disclosed to the shareholders and the market in general, the consolidated voting summary chart of the remote voting ballots, regarding the exercise of the right to vote at the Extraordinary General Meeting convened for May 14, 2018 (“EGM”).

The Company clarified that the exercise of this right to vote, by completing and delivering a remote voting ballot, does not prevent attendance and the exercise of the vote in person, event in which the EGM Board will disregard the remote voting instruction, pursuant to article 21-W, paragraph five, item I, of ICVM 481.

The Company emphasized that it will carry out verifications of equity position that are customarily performed for its General Meetings in order to confirm the equity positions of shareholders who choose to vote by completing and delivering a remote voting ballot, considering, for the calculation of such votes, the most recent position of each shareholder available to the Company (or, in its absence, the equity position informed by the bookkeeping agent of the shares issued by the Company, pursuant to article 21-T, item II, letter “a”, of ICVM 481).

The Company also advised that the information contained in the voting summary chart published in compliance with the provisions of Article 21-W, paragraph 3, of ICVM 481, may not represent the results of the votes related to the matters that will be submitted to the EGM resolution, according to the Call Notice published on April 12, 2018, given that said voting chart includes only votes cast remotely.

Consolidated Voting Summary Chart

Extraordinary General Meeting - 08/14/2018 at 11:00 a.m.

Item of the Agenda	Description of the Deliberation	Vote Deliberation	Total number of shares (Common (ON) Shares + Preferred (PN) Shares)
(1)	Examine, discuss and vote on the Management Report and Financial Statements related to the fiscal year ended on December 31, 2017	Approve	71,809,956
		Reject	-
		Abstain	-

(2)	Resolve on the proposal for allocation of the results of the fiscal year ended on December 31, 2017	Approve	71,809,956
		Reject	-
		Abstain	-

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&conta=28&tipo=43700&ano=2018&mes=0&idsecao=43852

May 15 - Postponement of the Disclosure of Financial Information for the 1st Quarter of 2018

Oi S.A. - Under Judicial Reorganization (“Oi” or “Company”), in compliance with article 157, paragraph 4 of Law No. 6,404/76 and pursuant to CVM Ruling No. 358/02, informed its shareholders and the market in general that, due to a joint re-evaluation of the Company and of the independent auditors in relation to the proper moment for accounting recognition of the debt restructuring, novated under the Judicial Reorganization Plan (“Plan”), the disclosure of the quarterly financial information of the Company and the independent auditors’ review report for the first quarter of 2018 will be postponed from May 15, 2018 to May 28, 2018.

The main accounting impacts resulting from the approval of the Plan are preliminarily estimated in Explanatory Note No. 29 - Subsequent Events, Estimated Effects of the PRJ, included in the Company’s financial statements for 2017, and are as follows: i) recognition of the fair value of the debts (banks, export credit agencies and non-qualified bondholders); ii) recognition of the fair value of the debt allocated in the General Payment Clause (Section 4.3.6 of the Plan); and iii) recognition of the conversion of the debt of qualified bondholders into shares. Regarding item iii, it became necessary for the independent auditors to carry out more detailed analyses, which justifies the postponement informed herein.

The Company clarifies that, as it had anticipated in the Relevant Fact of March 28, 2018 and the aforementioned explanatory note, the Company’s net equity as of March 31, 2018 was once again positive.

Given the postponement of the disclosure of the financial information for 2018 and to guarantee the stability of market expectations, the Company opted to anticipate some preliminary financial indicators of its result regarding the period, based on information that still has not been reviewed by the independent auditors:

[BRL billion]	1st quarter of 2018
EBITDA	1.56
Cash	6.22

The Company will keep its shareholders and the market informed on the development of the matters subject to this Relevant Fact.

Special Note Related to Forward-Looking Statements: This Relevant Fact contains forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995 and applicable Brazilian regulation. Statements that are not historical facts,

including statements related to Oi's beliefs and expectations, business strategies, future synergies and cost reductions, future costs and future liquidity are considered forward-looking statements. The words "will", "shall", "should", "would", "should", "anticipate", "intend", "believe", "estimate", "forecasts", "targets", "objective" and similar expressions, related to Oi or its management, are intended to identify forward-looking statements. There is no guarantee that expected events, trends or expected results will effectively occur. Such statements reflect the current view of Oi's management and are subject to a number of risks and uncertainties. These statements are based on various assumptions and factors, including general market and economic conditions, industry conditions, corporate approvals, operating factors and other factors. Any changes in such assumptions or factors could cause results that materially differ from current expectations. All forward-looking statements attributable to Oi or its affiliates, or to persons acting on behalf of Oi, are fully qualified as cautious statements as set forth in this paragraph. No undue reliance should be placed on such statements. Forward-looking statements only correspond to the date on which they were made. Except as required by Brazilian or US securities laws and by the rules and regulation of CVM, SEC or by the regulatory bodies of other applicable jurisdictions, Oi and its affiliates are neither obligated nor intend to update or publicly announce the results of any review on forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting forward-looking statements. It is recommended, however, to consult any further disclosures that Oi may make on related matters through reports or communications that Oi may file with CVM and SEC.

The relevant fact is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43090&conta=28&id=253277

May 16 - Reply to CVM/B3 Official Letter

Request for clarification on news report disseminated in the press

Dear Sirs,

As a response to Official Letter 1046/ 2018-SAE sent by B3 SA - Brasil, Bolsa, Balcão ("Official Letter"), by means of which **Oi S.A. - Under Judicial Reorganization** ("Oi" or "Company") was requested to provide clarifications regarding the news report published by Valor Econômico on 05/15/2018 under the title "Oi under reorganization to recover lost time", as described below, the Company clarifies what follows:

"May 15, 2018

1046/2018-SAE

Oi S.A.

Attn. Carlos Augusto Machado Pereira de Almeida Brandão

Investor Relations Officer

Re: Request for clarification on news report disseminated in the press

Dear Sirs,

In a news report published by Valor Econômico under the title “Oi under reorganization to recover lost time”, it is stated, among other information, that the automation of service and other initiatives of the company will help decrease costs by BRL 1.5 billion in 2018.

We request clarification on the items indicated until 05/16/2018, with your confirmation or otherwise, as well as other information considered important.”

As it is possible to understand from its audited Financial Statements related to the financial year ended on December 31, 2017, available at the Investor Relations website of the Company (www.oi.net.br/ri) and in the CVM’s IPE System (www.cvm.gov.br), the Company clarifies that the cost reduction reached in 2017 was of BRL 1.5 billion and that the Company has already indicated to be committed and has adopted measures to continue reducing its costs at the same proportion throughout 2018.

In addition, the Company informs that it is committed to the implementation of the approved and ratified Judicial Reorganization Plan, also available at the abovementioned addresses, which estimates an EBITDA of BRL 6.1 billion at the end of 2018.

Oi is available for further clarification.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=253338

May 16 - Filing of the Comprehensive Annual Report (Form 20-F) at SEC

Oi S.A. – Under Judicial Reorganization (“Company”) announced that its Comprehensive Annual Report (Form 20-F) regarding the years ended on December 31, 2016 and December 31, 2017 was filed with the United States Securities and Exchange Commission (“SEC”) on May 16, 2018. The report can be viewed directly at SEC’s website (www.sec.gov), in CVM’s Empresas.NET System (www.cvm.gov.br) or at the Company’s website (www.oi.com.br/ri).

Any investor or shareholder that wishes to receive a printed copy of the report, free of charge, may contact the Company through phone number 21-3131-2918 or e-mail invest@oi.net.br.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=253342

May 28 - 1Q17 Press Release

Disclosure of Results for the 1st quarter of 2018

The Company decreases costs with operational efficiency in BRL 318 million compared to 1Q17 and in BRL 426 million compared to 4Q17.

The operational efficiency reflects into a sustainable cost reduction, supported by the continuous evolution of the quality indicators.

Oi records an EBITDA growth and an EBITDA margin in the sequence comparison, in line with the Judicial Reorganization Plan.

The routine EBITDA records BRL 1,567 million in the quarter, an increase of 20.5% compared to 4Q17. The routine EBITDA margin reached 27.9%, representing 5.4 p.p compared to 4Q17.

Focus in the continuous operation, promoting an increase in efficiency and improvement of the client experience, reflecting the progress in operating and quality indicators.

Initiatives such as the modernization of the infrastructure and expansion of the network capacity, preventive actions with increased productivity, improved service quality and digitalization of services and processes generated synergies for the Company.

Thus, Oi continues to improve customer satisfaction, with consistent reductions in the complaint indicators of ANATEL (-24.1% when compared to 1Q17), of JEC (-23.4% when compared to 1Q17) and of PROCON (-5.1% compared to 1Q17).

Intensification of the digital program with launching of solutions that improve client experience and allow efficiency gains, including the automation of processes (robotization and artificial intelligence) and expansion of the digitalization of sales results, service and sales.

The cash position at the end of March 2018 was of BRL 6.2 billion, reflecting the payment of the advance of investments in 4Q17 and payment of Income Tax.

The approval of the RJ Plan will allow a debt decrease of over BRL 36 billion, making it possible to resume the investment cycle.

Oi records accounting profits of BRL 30.5 billion as an effect of the registration of its debt restructuring approved in the Judicial Reorganization Plan. Thus, the Net Equity turns positive, reaching the level of BRL 28.9 billion.

The company is preparing itself for a new growth cycle that will occur with the acceleration of investments financed by the capital increase.

The incremental CAPEX Plan financed by a capital increase anticipates investments of BRL 7 billion per year for the coming years, with strategies aimed at the access to landline and mobile networks, supporting business transformation, growth and sustainability.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=44125&conta=28&id=253454

Relevant Facts and Market Communications from JUNE/18

June 1 - Approval of the Composition Plans of PTIF and Oi Coop

Oi S.A. - Under Judicial Reorganization (“Oi”), in connection to the implementation of the Judicial Reorganization Plan approved by the creditors in a general creditors’ meeting held on December 19 and 20, 2017 (the “RJ Plan”), which was ratified on January 8, 2018 by the Judicial Reorganization Court, the decision being published in the Official Gazette of the State of Rio de Janeiro on February 05, informs its shareholders and the market in general that the verification meetings of Portugal Telecom International Finance BV - Under Judicial Reorganization (“PTIF”) and of Oi Brasil Holdings Coöperatief UA - Under Judicial Reorganization (“Oi Coop”) were held at 10 a.m. (CET) on June 1, 2018 at the Amsterdam Court, Netherlands, regarding each of its composition plans by Dutch law (jointly, the “Plans” and, individually, the “Plan”) applicable to:

- 6.25% Notes issued by PTIF due in 2016 (ISIN No. PTPTCYOM0008) (“PTIF Retail Notes”);
- 4.375% Notes issued by PTIF due in March 2017 (ISIN No. XS0215828913);
- 5.242% Notes issued by PTIF due in November 2017 (ISIN No XS0441479804);
- 5.875% Notes issued by PTIF due in 2018 (ISIN No. XS 0843939918);
- 5.00% Notes issued by PTIF due in 2019 (ISIN No. XS0462994343);
- 4.625% Notes issued by PTIF due in 2020 (ISIN No. XS0927581842);
- 4.50% Notes issued by PTIF due in 2025 (ISIN No XS0221854200) (jointly with the six series listed above, the “PTIF Securities”);
- 5.625% Senior Notes issued by Oi Coop due in 2021 (ISIN No. XS1245245045 and XS1245244402); and
- 5.75% Senior Notes issued by Oi Coop due in 2022 (CUSIP/ISIN Nos. AD3/US10553MAD39 and P18445 AG4/USP18445AG42) (jointly with the series listed above, the “Oi Coop Notes” and, jointly with the PTIF Notes, the “Notes”).

Each of the Plan gives effect to the RJ Plan internationally. The terms in force materially reflect the terms of the RJ Plan, so as to ensure that all material aspects of the RJ Plan have a mandatory effect to creditors and interested parties, not only in Brazil, but also other territories, including the Netherlands and the United Kingdom.

According to the Dutch Bankruptcy Code, the PTIF Plan was approved by 100% of the creditors attending the meeting, representing 99.99% of the total of claims qualified to participate in the voting and representing 99.99% of the total amount of the PTIF debt

and the Oi Coop Plan was approved by 92.82% of the creditors attending the meeting, representing 99.63% of the total of claims qualified to participate in the voting, and representing 89.16% of the total Oi Coop debt. The final stage in the recognition of the RJ Plan in the Netherlands shall be to obtain sanction from the Amsterdam Court, in which a ratification hearing regarding the Plans is scheduled for 10:00 a.m. (CET) of June 11, 2018. Further detail of the hearing can be found at <https://cms.law/nl/NLD/Publication/Bankruptcies/Portugal-Telecom-International-Finance-B.V.to.PTIF> and at <http://oibrasilholdingscoop-administration.com> to Oi Coop.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=253488

June 11 - Capital Increase

Oi S.A. - Under Judicial Reorganization (“Oi” or “Company”), in continuance to the information disclosed in the Relevant Fact of March 5, 2018 and in the information included in Exhibit 30-XXXII disclosed on the same date, and due to the waiver, on such date, of conditions precedent set forth in the Judicial Reorganization Plan in a Creditors’ Meeting, pursuant to the Plan, hereby informs its shareholders and the market of the conditions to exercise the right of first refusal by the shareholders of the Company that hold common shares and/or preferred shares, regarding the common shares to be issued in the capital increase of the Company (“New Shares”), upon Capitalization of Unsecured Credits of the Qualified Bondholders (“Capitalization of Credits” or “Capital Increase”), (as defined in the judicial reorganization plan of the Company approved in a General Creditors’ Meeting held on December 19 and 20, 2017 and ratified by the 7th Lower Business Court of the Rio de Janeiro State Court of Appeals) (“Plan”), as approved by the Board of Directors of the Company in a meeting held on March 5, 2018.

According to information disclosed in the Relevant Fact and in Exhibit 30-XXXII, the capital increase upon Capitalization of Credits shall be performed through issuance of, at least, 1,039,868,479 and of, at most, 1,756,054,163 New Shares, registered shares and without par value, to the issuance price of BRL 7.00 per share, so that the total amount of Capitalization of Credits shall be of, at least, BRL 7,279,079,353.00 and of, at most BRL 12,292,379,141.00.

It shall be ensured to the shareholders of the Company, the right of first refusal in the subscription of New Shares issued as a result of the Capitalization of Credits, under article 171 of Law No. 6,404/76, according to the terms and conditions below.

Additionally to the New Shares, subscription warrants (“Subscription Warrants”) shall be issued, which shall be attributed as an additional advantage to the subscribers of the New Shares, at the proportion of 0.07692307666 Subscription Warrants for each 1 New Share, the delivery of fractions of Subscription Warrants not being admitted, which shall always be rejected. The Subscription Warrants shall be issued in a single series, amounting the issuance of up to 135,081,089 Subscription Warrants.

The Company was informed that the depository of the American Depositary Receipts Programs of the Company shall not distribute rights of first refusal to holders of American Depositary Shares of common and preferred shares issued by Oi.

The full communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43086&conta=28&id=253575

June 11 - Approval of waiver of conditions precedent to the Capital Increase

Oi S.A. - Under Judicial Reorganization (“Company”) informs its shareholders and the market in general that the waiver of the conditions precedent to the Capital Increase - Capitalization of Credits set forth in items (ii) and (iv.a) of Exhibit 4.3.3.5(c) of the Plan was approved in a Creditors’ Meeting held on such date, pursuant to Clauses 4.3.3.5(c) and 8.1 of the Judicial Reorganization Plan (“Plan”).

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=253573

June 14 - Decision of the American Court regarding Chapter 15 of the U.S. Bankruptcy Code

Oi S.A. - Under Judicial Reorganization (“Oi”), and jointly with some of its affiliated companies, the “Company”), informed its shareholders and the market in general that, in connection with the implementation of the Judicial Reorganization Plan approved by the creditors in a general creditors’ meeting held on December 19 and 20, 2017 (the “RJ Plan”), which was ratified on January 8, 2018 by the Judicial Reorganization Court, the decision being published in the Official Gazette of the State of Rio de Janeiro on February 5, on June 14, 2018, the United States Bankruptcy Court for the Southern District of New York (“U.S. Bankruptcy Court”) rendered a decision deferring the measure filed on behalf of Oi, Telemar Norte Leste S.A. - Under Judicial Reorganization, Brasil Holdings Coöperatief U.A. - Under Judicial Reorganization (“Coop”) and Oi Móvel S.A. – Under Judicial Reorganization (all debtors, joint, “Chapter 15 Debtors”) to grant full effects and effectiveness to the RJ Plan in the United States and for purposes of the legislation of the United States in relation to each of the Chapter 15 Debtors. The decision also authorizes the performance of the stages necessary to the consummation of the RJ Plan regarding the following series of debts governed by the New York law:

- 9.75% Senior Notes due in 2016 issued by Oi (CUSIP/ISIN No. 10553M AC5/US10553MAC55 and P18445 AF6/USP18445AF68);
- 5.125% Senior Notes due in 2017 issued by Oi (ISIN No. XS0569301830 and XS0569301327);
- 9.50% Senior Notes due in 2019 issued by Oi (CUSIP/ISIN No. 87944L AD1/US87944LAD10 No. P9037H AK9/USP9037HAK97);

- 5.50% Senior Notes due in 2020 issued by Oi (CUSIP/ISIN No. 87944LAE9/US87944LAE92, P9037H AL7/USP9037HAL70 and 87944LAF6/USP87944LAF67);
- 5.625% Senior Notes due in 2021 issued by Oi Coop (ISIN No. XS1245245045 and XS1245244402); and
- 5.75% Senior Notes due in 2022 issued by Oi (CUSIP/ISIN No. 10553MAD3/US10553MAD39 and P18445 AG4/USP18445AG42).

The decision and order of the U.S. Bankruptcy Court also waives the offer and sale of securities distributed in the context of the RJ Plan of the applicable registration requirements of the United States.

The entire decision will be available, when possible, for download at the Company's website (www.oi.com.br/ri), in the Empresas.NET System of CVM (www.cvm.gov.br), and in the website of B3 S.A. - Brasil, Bolsa, Balcão (www.bmfbovespa.com.br) and will also be sent to SEC, through Form 6K. The Company will provide a translation of decision into Portuguese and shall be made available, when possible, at the abovementioned address.

The communication is available at:

http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43089&conta=28&id=253601

4 Financial Information (Consolidated Financial Statements of the Companies under Reorganization)

FINANCIAL INFORMATION

4.1 Managerial Cash Flow Statement

4.2 Balance Sheet of the Companies Under Reorganization

4.3 Income Statement of the Companies Under Reorganization

4.1 MANAGERIAL CASH FLOW STATEMENT

Monthly Consolidated Financial Statements of the Companies under Reorganization (unaudited)

MANAGERIAL CASH FLOW STATEMENT

HIGHLIGHTS

Statement

APRIL 1 to 30, 2018

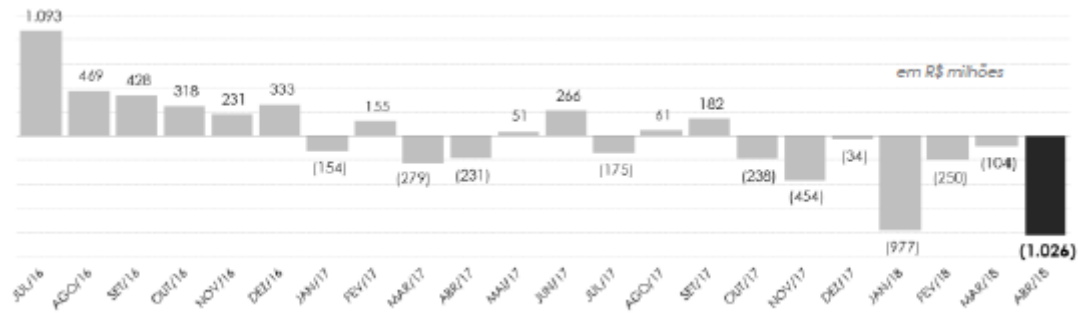
- The **Net Operating Cash Generation of the Companies Under Reorganization** was BRL 1,026 million negative in April/18
- The payment of the **Maintenance Telecommunication Inspection Fund (Fistel) rate to Anatel** significantly affected the Net Operating Cash Generation
- **Investments** reached the level of BRL 536 million in April/18
- The item **Accounts Receivable** had a decrease of BRL 27 million in April/18, amounting to BRL 2,619 million
- The item **Accounts Payable** had an increase of BRL 878 million in April/18, amounting to BRL 3,109 million.
- The **Financial Cash Final Balance of the Companies Under Reorganization** decreased by BRL 1,011 million in April/18, amounting to BRL 4,820 million

The Net Operating Cash Generation of the Companies Under Reorganization was BRL 1,026 million negative in April/18

- The Net Operating Cash Generation of the Companies Under Reorganization was BRL 1,026 million negative in April/18, after the negative results of BRL 104 million observed in the previous month (Figure 5). When compared to March/18, Accounts Receivable had a decrease of BRL 27 million, reaching BRL 2,619 million, while the cash outflows with Accounts Payable and Investments decreased by BRL 895 million, jointly amounting to BRL 3,645 million (Figure 6).
- The other movements of the Companies Under Reorganization, which includes the Financial Operations item, contributed with entries of BRL 15 million in April/18.
- Accordingly, the variation of the Financial Cash Final Balance of the Companies Under Reorganization was negative in BRL 1,011 million in April/18, resulting in an amount of BRL 4,820 million (Figure 7), which corresponds to a decrease of 17.3% compared to the previous month.
- Considerations of the variations shall be analyzed in detail on the following pages.

Source: Financial statements and management information

Figure 5 - Net Operating Cash Generation - Monthly Balance



Legend:

Em R\$ milhões – BRL million

JUL/16 – JUL/16

AGO/16 – AUG/16

SET/16 – SEP/16

OUT/16 – OCT/16

NOV/16 – NOV/16

DEZ/16 – DEC/16

JAN/17 – JAN/17

FEV/17 – FEB/17

MAR/17 – MAR/17

ABR/17 – APR/17

MAI/17 – MAY/17

JUN/17 – JUN/17

JUL/17 – JUL/17

AGO/17 – AUG/17

SET/17 – SEP/17

OUT/17 – OCT/17

NOV/17 – NOV/17

DEZ/17 – DEC/17

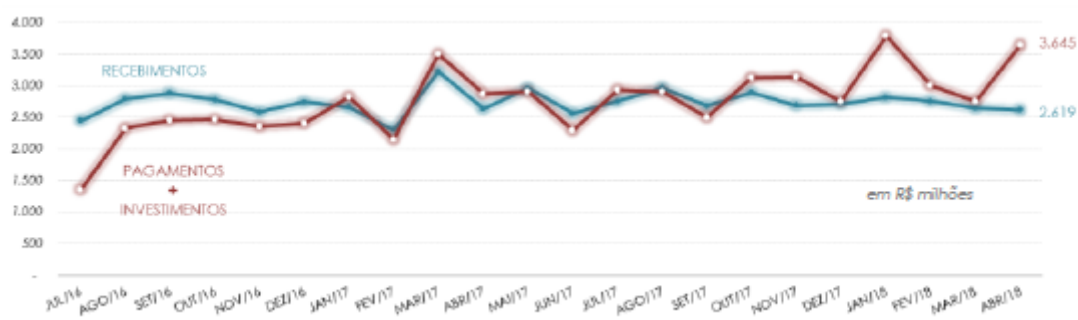
JAN/18 – JAN/18

FEV/18 – FEB/18

MAR/18 – MAR/18

ABR/18 – APR/18

Figure 6 – Monthly evolution. Accounts Receivable x Accounts Payable/Investments



Legend:

Em R\$ milhões – BRL million

RECEBIMENTOS – ACCOUNTS RECEIVABLE

PAGAMENTOS + INVESTIMENTOS – ACCOUNTS PAYABLE + INVESTMENTS

JUL/16 – JUL/16

AGO/16 – AUG/16

SET/16 – SEP/16

OUT/16 – OCT/16

NOV/16 – NOV/16

DEZ/16 – DEC/16

JAN/17 – JAN/17

FEV/17 – FEB/17

MAR/17 – MAR/17

ABR/17 – APR/17

MAI/17 – MAY/17

JUN/17 – JUN/17

JUL/17 – JUL/17

AGO/17 – AUG/17

SET/17 – SEP/17

OUT/17 – OCT/17

NOV/17 – NOV/17

DEZ/17 – DEC/17

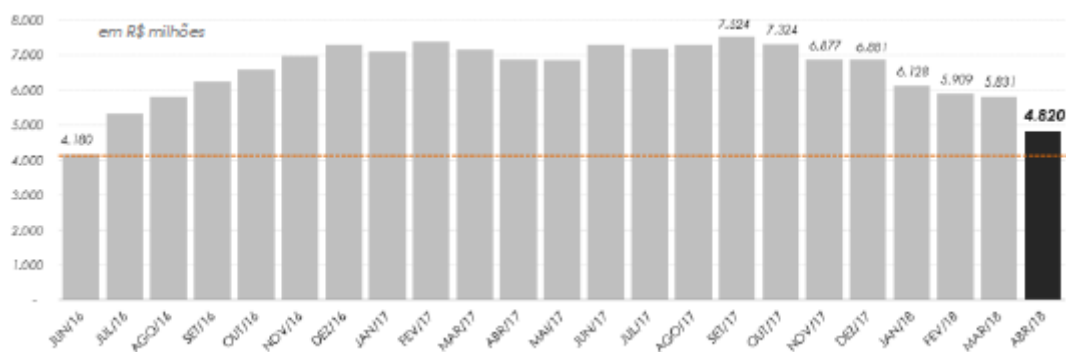
JAN/18 – JAN/18

FEV/18 – FEB/18

MAR/18 – MAR/18

ABR/18 – APR/18

Figure 7 – Financial Cash – Companies Under Reorganization - Monthly - Final Balance



Legend:

Em R\$ milhões – BRL million

JUN/16 – JUN/16

JUL/16 – JUL/16

AGO/16 – AUG/16

SET/16 – SEP/16

OUT/16 – OCT/16

NOV/16 – NOV/16

DEZ/16 – DEC/16

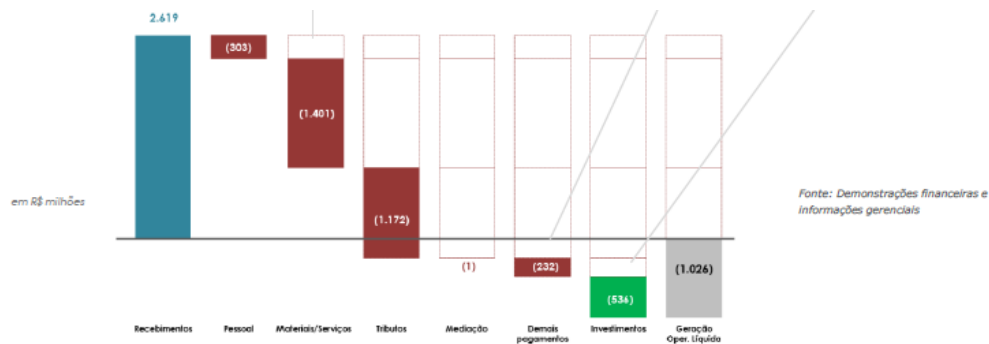
JAN/17 – JAN/17

FEV/17 – FEB/17
 MAR/17 – MAR/17
 ABR/17 – APR/17
 MAI/17 – MAY/17
 JUN/17 – JUN/17
 JUL/17 – JUL/17
 AGO/17 – AUG/17
 SET/17 – SEP/17
 OUT/17 – OCT/17
 NOV/17 – NOV/17
 DEZ/17 – DEC/17
 JAN/18 – JAN/18
 FEV/18 – FEB/18
 MAR/18 – MAR/18
 ABR/18 – APR/18

The payment of the Fistel rate to Anatel significantly affected the Net Operating Cash Generation

Figure 8 - Managerial cash flow statement

	Mar/18	Apr/18	Δ
Clients	1,855	1,780	-4%
Network Use Services	212	234	10%
Dealers	456	461	1%
Others	123	144	17%
Accounts Receivable (1)	2,646	2,619	-1%
	Mar/18	Apr/18	Δ
Plant Maintenance	(331)	(375)	13%
Rent Amounts	(259)	(248)	-4%
Graphic/Data Processing	(140)	(122)	-13%
Service/Collection Call Center	(188)	(143)	-24%
Concessionaires	(104)	(101)	-3%
Advisory Services/Audits/Fees	(50)	(56)	12%
Other Services/Accounts Payable	(205)	(356)	74%
Materials/Services (2)	(1,277)	(1,401)	10%
	Mar/18	Apr/18	Δ
Network Use Services	(211)	(240)	14%
Court Deposits	(11)	8	-173%
Contingencies	(12)	-	N.A.
Other Accounts Payable (2)	(234)	(232)	1%
	Mar/18	Apr/18	Δ
Telemar	(215)	(278)	29%
Oi S.A.	(81)	(70)	-14%
Oi Móvel	(223)	(188)	-16%
Investments (3)	(519)	(536)	3%



Legend:

Em R\$ milhões – BRL million

Recebimentos – Accounts Receivable

Pessoal – Personnel

Materiais/Serviços – Materials/Services

Tributos – Taxes

Mediação – Mediation

Demais pagamentos – Other accounts payable

Investimentos – Investments

Geração Oper. Líquida – Net Operating Generation

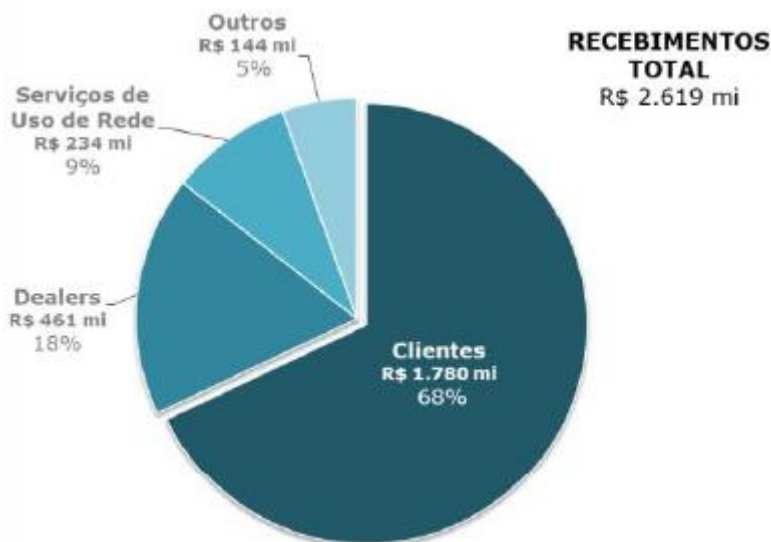
Fonte: Demonstrações financeiras e informações gerenciais – Source: Financial statements and management information

Table 1 - Managerial Cash Flow Statement - Apr/18

<i>BRL million</i>	(A) 03/31/2018 Mar/18	(B)-(A) Variation	(B) 04/30/2018 Apr/18
INITIAL Balance – Financial Cash	5,909	(78)	5,831
Clients	1,855	(75)	1,780
Network Use Services	212	22	234
Dealers	456	5	461
Others	123	21	144
Accounts Receivable (1)	2,646	(27)	2,619
Personnel	(140)	(163)	(303)
Material/Service Suppliers	(1,488)	(153)	(1,641)
Taxes	(527)	(645)	(1,172)
Court Deposits	(11)	19	8
Contingencies	(12)	12	-
Mediation	(53)	52	(1)
Accounts Payable (2)	(2,231)	878	(3,109)
Telemar	(215)	(63)	(278)
Oi S.A.	(81)	11	(70)
Oi Móvel	(223)	35	(188)
Investments (3)	(519)	(17)	(536)
Net Operating Generation (1+2+3)	(104)	(922)	(1,026)
Intra-group Transaction	-	-	-

Financial Transactions	26	(11)	15
Dividends and Interest on Net Equity (JCP)	-	-	-
FINAL Balance - Financial Cash	5,831	(1,011)	4,820

Figure 9 – Accounts Receivable – Share Structure



Legend:

Outros – Others

Serviços de Uso de Rede – Network Use Services

Clientes – Clients

RECEBIMENTOS TOTAL – TOTAL ACCOUNTS RECEIVABLE

	Apr/18 BRL million	Interest	Mar/18 Interest
Accounts Receivable	2,619	100%	100%
Client	1,780	68%	70%
Dealers	461	18%	17%
Network Use Services	234	9%	8%
Others	144	5%	5%

ACCOUNTS RECEIVABLE

Accounts Receivable decreased in April/18

In April/18, there was a decrease in Accounts Receivable of BRL 27 million in relation to the previous month (-1.0%), reaching the amount of BRL 2,619 million.

The Accounts Receivable of *Clients* decreased BRL 75 million in April/18, amounting to BRL 1,780 million, with the collection of BRL 1,855 million in March/18.

- According to Management, the decrease in Accounts Receivables of *Clients* in April/18 is explained by the specific growth of March/18, recovering part of the

amounts that were not received in February/18. In April /81, the item returned to the average pattern for accounts receivables.

On the other hand, the other items of the Accounts Receivables recorded an increase regarding the immediately previous month. The item *Dealers* increased in April/18 by BRL 5 million, reaching BRL 461 million, while the accounts receivable for *Network Use Services* had an increase of BRL 22 million in relation to the previous month, amounting to BRL 234 million in April/18.

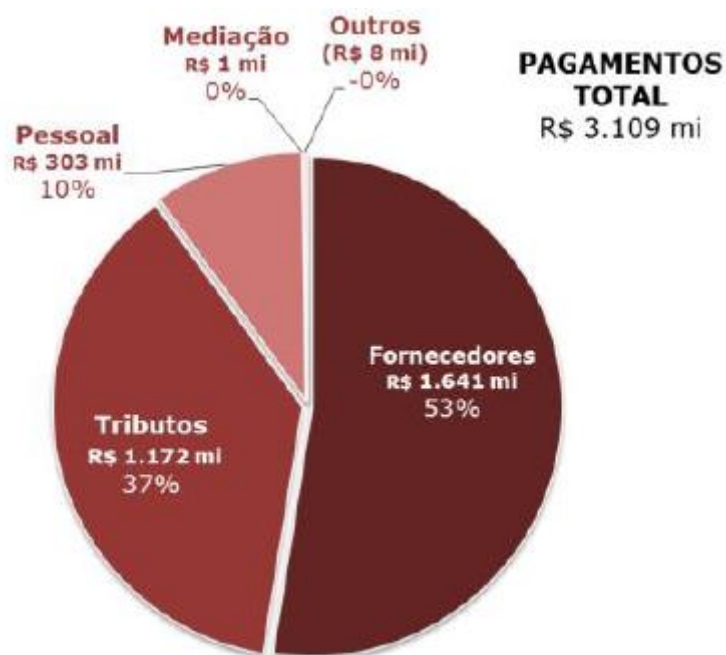
Lastly, in the same regard, the item *Others* increased by BRL 21 million, going from BRL 123 million in March/18 to BRL 144 million in April/18.

Management informed that both the increase of the Accounts Receivable of *Dealers* and the increase observed in the item *Network Use Services* are within normal levels, and emphasized that the increase observed in the accounts receivables of “*Network Use Services*” is related to the increase of the accounts payable of “*Network Use Services*”.

Table 1 - Managerial Cash Flow Statement - Apr/18

<i>BRL million</i>	(A) 03/31/2018 Mar/18	(B)-(A) Variation	(B) 04/30/2018 Apr/18
INITIAL Balance – Financial Cash	5,909	(78)	5,831
Clients	1,855	75	1,780
Network Use Services	212	22	234
Dealers	456	5	461
Others	123	21	144
Accounts Receivable (1)	2,646	(27)	2,619
Personnel	(140)	(163)	(303)
Material/Service Suppliers	(1,488)	(153)	(1,641)
Taxes	(527)	(645)	(1,172)
Court Deposits	(11)	19	8
Contingencies	(12)	12	-
Mediation	(53)	52	(1)
Accounts Payable (2)	(2,231)	(878)	(3,109)
Telemar	(215)	(63)	(278)
Oi S.A.	(81)	11	(70)
Oi Móvel	(223)	35	(188)
Investments (3)	(519)	(17)	(536)
Net Operating Generation (1+2+3)	(104)	(922)	(1,026)
Intra-group Transaction	-	-	-
Financial Transactions	26	(11)	15
Dividends and Interest on Net Equity (JCP)	-	-	-
FINAL Balance - Financial Cash	5,831	(1,011)	4,820

Figure 10 - Accounts Payable – Share structure



Legend:

Outros – Others

Mediação – Mediation

Pessoal – Personnel

Tributos – Taxes

Fornecedores – Suppliers

PAGAMENTOS TOTAL - ACCOUNTS PAYABLE

	Apr/18 BRL million	Interest	Mar/18 Interest
Accounts Payable	3,109	100%	100%
Material/Service Suppliers	1,641	53%	67%
Taxes	1,172	37%	24%
Personnel	303	10%	6%
Mediation	1	0%	2%
Others	(8)	0%	1%

ACCOUNTS PAYABLE

The Fistel Rate paid to ANATEL increased the level of Accounts Payable of April/18

The Accounts Payable amounted to BRL 3,109 million in April/18, an increase of BRL 878 million in relation to the previous month, when such item recorded BRL 2,231 million.

The main item responsible for the larger cash outflow with Accounts Payable was the item *Taxes*, with an increase of BRL 645 million in the month, reaching BRL 1,172 million.

- As clarified by the Management, the specific management of the yearly rate of the Maintenance Fistel to Anatel, in the amount of BRL 570 million in April, directly affected the increase in the level of payments regarding the taxes of April/18.

The item *Material/Service Suppliers* also influenced the outcome of the month, recording an increase of BRL 153 million in April/18, amounting to BRL 1,641 million. In the same regard, the cash outflows with accounts payable of Personnel increased by BRL 163 million in April/18, reaching BRL 303 million.

- According to Management, the increase in the item *Material/Service Suppliers* in April/18 is a reflection of the increase in payments for interconnection services rendered between the companies under reorganization (Oi S.A., Telemar and Oi Móvel – this is cancelled with the amounts received with Other Accounts Receivable), and of the payment increase for intercompany commission to Paggo Lojas, for the sales of landline and mobile telecommunications services.
- Regarding the *Personnel* item, Management informed that the increase is mostly explained by the payment of the 2017 Profit Sharing Program, approved in the 2017/2018 collective bargaining agreement.

The other items of Accounts Payable recorded a decrease in the level in relation to the previous month.

The item *Mediation* recorded a decrease of BRL 52 million, going from expenditures of BRL 53 million in March/18 to BRL 1 million in April/18. As in the case of the previous item, *Court Deposits* also recorded a decrease in April/18, going from cash outflows of BRL 11 million to cash inflows of BRL 8 million. Lastly, the *Contingencies* did not record cash outflows in April/18, due to the payment of BRL 12 million in the previous month.

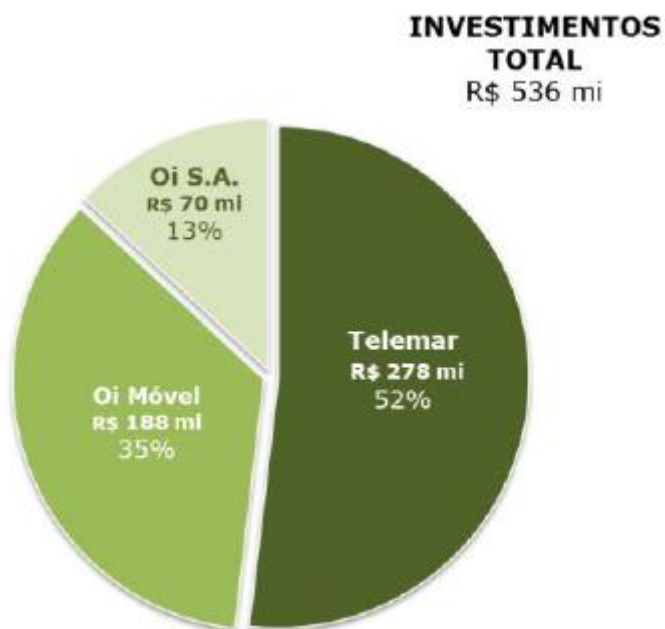
Management pointed out that the decrease in cash outflows in the item *Mediation* was expected, since in April/18, there were no payments scheduled to the creditors, as set forth in the Judicial Reorganization Plan.

Table 1 - Managerial Cash Flow Statement - April/18

<i>BRL million</i>	(A) 03/21/2018 Mar/18	(B)-(A) Variation	(B) 03/31/2018 Mar/18
INITIAL Balance – Financial Cash	5,909	(78)	5,831
Clients	1,855	(75)	1,780
Network Use Services	212	22	234
Dealers	456	5	461
Others	123	21	144
Accounts Receivable (1)	2,646	(27)	2,619
Personnel	(140)	(163)	(303)
Material/Service Suppliers	(1,488)	(153)	(1,641)
Taxes	(527)	(645)	(1,172)

Court Deposits	(11)	19	8
Contingencies	(12)	12	-
Mediation	(53)	52	(1)
Accounts Payable (2)	(2,231)	(878)	(3,109)
Telemar	(215)	(63)	(278)
Oi S.A.	(81)	11	(70)
Oi Móvel	(223)	35	(188)
Investments (3)	(519)	(17)	(536)
Net Operating Generation (1+2+3)	(104)	(922)	(1,026)
Intra-group Transaction	-	-	-
Financial Transactions	26	(11)	15
Dividends and Interest on Net Equity (JCP)	-	-	-
FINAL Balance - Financial Cash	5,831	(1,011)	4,820

Figure 11 - Investments – Share structure



Legend:

INVESTIMENTOS TOTAL – TOTAL INVESTMENTS

	Apr/18 BRL million	Interest	Mar/18 Interest
Investments	536	100%	100%
Oi Móvel	278	52%	41%
Telemar	188	35%	43%
Oi S.A.	70	13%	16%

INVESTMENTS

The companies Under Reorganization recorded Accounts Payable for *Investments* of BRL 536 million in April/18, an increase of 3.3% in relation to the previous month, when there were outflows of cash with *Investments* of BRL 519 million.

The investments related to Telemar S.A. presented an increase of BRL 63 million, totaling BRL 278 million in April/18. Investments in Oi Móvel S.A. decreased by BRL 35 million, totaling BRL 188 million, while investments in Oi S.A. decreased from BRL 81 million in March/18 to BRL 70 million in April/18.

- Management pointed out that the level of cash outflows with investments remains in line with the Company's Investment Plan.

NET OPERATING GENERATION

The level of *Accounts Receivable* in April/18, of BRL 2,619 million, was less than the combined total of *Accounts Payable* (BRL 3,109 million) and the outflows of cash with Investments (BRL 536 million) in the month, which contributed directly to the negative balance of BRL 1,026 million in Net Operating Generation of the Companies Under Reorganization in the month.

- Management reported that the result is in line with the flow predicted in the Judicial Reorganization Plan, as in April/18, the impact of the yearly and non-recurring payment of the Fistel rate to Anatel directly influenced the outcome.

FINAL BALANCE - FINANCIAL CASH

The *Financial Transactions*, in turn, recorded a positive result of BRL 15 million in April/18, compared to a positive result of BRL 26 million in the previous month. The remaining items remained zero.

- Management reported that the income decrease from *Financial Operations* is an effect of the larger IR/IOF payment on the redemption of financial applications in Oi S.A.

Therefore, by adding the entry of BRL 15 million of the *Financial Transactions* to the negative balance of BRL 1,026 million of the Net Operating Cash Generation, the Financial Cash Final Balance of the Companies Under Reorganization was reduced by BRL 1,011 million in relation to the previous month (a 17.3% decrease), amounting to BRL 4,820 million.

- The Management pointed out that, as set forth in the guidelines of the Judicial Reorganization Plan, oscillations upwards and downwards are expected in the Company's cash throughout the year.

Table 2 – Direct Cash Flow

BRL million

CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANIES UNDER REORGANIZATION	DEC/16	JAN/17	FEB/17	MAR/17	APR/17	MAY/17	JUN/17	JUL/17	AUG/17	SEP/17	OCT/17	NOV/17	DEC/17	JAN/18	FEB/18	MAR/18	APR/18
Initial Balance – Financial Cash	6,973	7,293	7,094	7,380	7,170	6,884	6,854	7,299	7,179	7,295	7,524	7,324	6,877	6,881	6,128	5,909	5,831
Accounts Receivable	2,742	2,669	2,305	3,223	2,638	2,961	2,563	2,755	2,970	2,682	2,893	2,689	2,716	2,816	2,758	2,646	2,619
Clients	2,128	1,874	1,699	2,221	1,886	2,067	1,925	1,910	1,987	1,873	1,946	1,873	1,905	1,825	1,691	1,855	1,780
Network Use Services	98	84	78	102	242	202	106	226	178	223	144	190	197	201	209	212	234
Dealers	465	512	412	562	395	526	430	479	494	430	488	467	420	524	411	456	461
Others	51	199	117	338	115	166	102	140	311	156	315	159	194	266	447	123	144
Accounts Payable	(2,166)	(2,562)	(1,805)	(3,156)	(2,523)	(2,477)	(1,967)	(2,450)	(2,482)	(2,210)	(2,721)	(2,752)	(2,560)	(3,239)	(2,578)	(2,231)	(3,109)
Personnel	(221)	(167)	(134)	(136)	(138)	(135)	(141)	(161)	(157)	(135)	(135)	(142)	(236)	(234)	(177)	(140)	(303)
Material and Service Suppliers	(1,272)	(1,729)	(1,130)	(1,597)	(1,517)	(1,656)	(1,140)	(1,668)	(1,743)	(1,430)	(1,796)	(1,839)	(1,422)	(2,421)	(1,789)	(1,488)	(1,641)
Materials/Services	(1,170)	(1,640)	(1,046)	(1,488)	(1,275)	(1,447)	(1,033)	(1,439)	(1,561)	(1,201)	(1,651)	(1,645)	(1,222)	(2,215)	(1,575)	(1,277)	(1,401)
Plant Maintenance	(141)	(116)	(86)	(116)	(107)	(130)	(116)	(118)	(113)	(103)	(88)	(324)	(345)	(341)	(309)	(331)	(375)
Rent Amounts	(229)	(205)	(162)	(342)	(168)	(179)	(142)	(243)	(203)	(192)	(191)	(213)	(139)	(386)	(210)	(259)	(248)
Graphic/Data Processing	(94)	(137)	(97)	(118)	(98)	(118)	(103)	(133)	(135)	(106)	(116)	(129)	(113)	(127)	(122)	(140)	(122)
Service/Collection Call Center	(123)	(154)	(85)	(153)	(169)	(128)	(72)	(132)	(126)	(79)	(123)	(228)	(157)	(147)	(126)	(188)	(143)
Concessionaires	(96)	(112)	(104)	(112)	(96)	(100)	(103)	(98)	(101)	(97)	(98)	(102)	(105)	(103)	(105)	(104)	(101)
Advisory Services/Audits/Fees	(37)	(68)	(52)	(72)	(33)	(69)	(36)	(78)	(55)	(25)	(62)	(78)	(31)	(55)	(67)	(50)	(56)
Other Services/Accounts Payable	(450)	(848)	(460)	(575)	(604)	(723)	(461)	(637)	(828)	(599)	(973)	(571)	(332)	(1,056)	(636)	(205)	(356)
Network Use Services	(102)	(89)	(84)	(109)	(242)	(209)	(107)	(229)	(182)	(229)	(145)	(194)	(200)	(206)	(214)	(211)	(240)
Taxes	(647)	(674)	(532)	(1,232)	(852)	(664)	(673)	(626)	(591)	(655)	(688)	(652)	(633)	(621)	(628)	(527)	(1,172)
Court Deposits	11	11	(9)	(168)	(17)	(22)	(13)	6	14	28	29	20	(224)	43	53	(11)	8
Contingencies	(37)	(3)	-	(23)	1	-	-	(1)	(5)	-	(5)	-	1	(1)	-	(12)	-
Mediation	-	-	-	-	-	-	-	-	-	(18)	(126)	(139)	(46)	(5)	(37)	(53)	(1)
Investments	(242)	(261)	(345)	(346)	(346)	(433)	(330)	(480)	(427)	(290)	(410)	(391)	(190)	(554)	(430)	(519)	(536)
Telemar	(143)	(122)	(172)	(159)	(154)	(180)	(153)	(203)	(197)	(150)	(188)	(184)	(89)	(272)	(200)	(215)	(278)
Oi S.A.	(47)	(53)	(78)	(62)	(56)	(79)	(48)	(75)	(74)	(59)	(63)	(45)	(25)	(70)	(63)	(81)	(70)
Oi Móvel	(53)	(86)	(95)	(125)	(136)	(174)	(129)	(202)	(156)	(81)	(159)	(162)	(76)	(212)	(167)	(223)	(188)
Operating Generation	333	(154)	155	(279)	(231)	51	266	(175)	61	182	(238)	(454)	13	(977)	(250)	(104)	(1,026)
Intra-group Transactions	(76)	(48)	80	2	(99)	(101)	135	-	-	-	-	-	-	-	-	-	-
Financial Transactions	63	65	51	67	44	20	44	55	55	47	38	7	38	32	24	26	15
Dividends and Interest on Net Equity (JCP)	-	(63)	-	-	-	-	-	-	-	-	-	-	-	192	7	-	-
Final Balance - Financial Cash	7,293	7,094	7,380	7,170	6,884	6,854	7,299	7,179	7,295	7,524	7,324	6,877	6,881	6,128	5,909	5,831	4,820

4.2 BALANCE SHEET OF THE COMPANIES UNDER REORGANIZATION

Quarterly Consolidated Financial Statements of the Companies under Reorganization (unaudited)

BALANCE SHEET OF THE COMPANIES UNDER REORGANIZATION

HIGHLIGHTS

Statement

1st **QUARTER**/2018

- The **Cash of the Companies Under Reorganization** recorded a decrease of BRL 868.0 million in the quarter, reaching BRL 5,952 million
- **Accounts Receivable** had a BRL 1,106 million high in the quarter
- Short-Term **Loans and Financings** of the Companies Under Reorganization decreased BRL 54,409 million in the 1st quarter of 2018
- **Net Equity** became positive again in the 1st quarter of 2018, reaching the level of BRL 28,633 million

Table 3 - Balance Sheet, Assets

In thousands of BRL

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
A Cash and Cash Equivalents	6,690,900	(883,472)	5,807,428
B Financial Investments	14,605	16,089	30,694
Accounts Receivable	6,590,543	1,105,643	7,696,186
Inventories	137,575	6,736	144,311
Claims with Related Parties	65,497	700	66,197
Loans Receivables	884,354	23,131	907,485
Taxes Recoverable	1,818,242	209,254	2,027,496
Court Deposits and Frozen Accounts	1,000,519	60,476	1,060,995
Dividends and Interest on Net Equity	529,934	(363,143)	166,791
Assets Kept for Sale	-	-	-
Other Assets	1,797,389	1,274,248	3,071,637
Current Assets	19,529,558	1,449,662	20,979,220
Claims with Related Parties	-	13,595	13,595
C Financial Investments	114,839	(617)	114,222
Deferred Taxes Recoverable	268,188	-	268,188
Other Taxes	626,057	5,539	631,596
Court Deposits and Frozen Accounts	8,110,179	(256,716)	7,853,463
Other Assets	372,142	539	372,681
Investments	5,852,604	(1,195,193)	4,657,411
Property, Plant and Equipment	26,466,352	(32,712)	26,433,640
Intangible assets	8,280,952	(73,215)	8,207,737
Non-Current Assets	50,091,313	(1,538,780)	48,552,533
Total Assets	69,620,871	(89,118)	69,531,753

Cash = BRL 5,952 million

A + B + C

1. Decrease of BRL 868.0 million in the quarter

Current Assets (page 1 of 2)

The Cash of the Companies Under Reorganization recorded a decrease of BRL 868.0 million in the 1st Quarter of 2018

The Total Assets of the Companies Under Reorganization decreased by BRL 89.1 million in the 1st quarter of 2018 compared to the previous quarter, due to the increase of BRL 1,450 million of the Current Assets and the decrease of BRL 1,539 million of the Non-Current Assets. The increase of BRL 1,450 million of the Current Assets was influenced by:

- 1. The Cash of the Companies Under Reorganization (resulting from the sum of the items Cash and Cash Equivalents, Current Financial Investments and Non-Current Financial Investments) decreased BRL 868.0 million in the 1st quarter (decrease of 12.7%), amounting to BRL 5.952 million. According to Management, the cash decrease occurred mostly due to the payments of investments in the 4th quarter of 2017, which affected the cash flow of the 1st quarter of 2018, in addition to the payment of Income Tax in January 2018.

Table 3 - Balance Sheet, Assets
In thousands of BRL

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Cash and Cash Equivalents	6,690,900	(883,472)	5,807,428
Financial Investments	14,605	16,089	30,694
Accounts Receivable	6,590,543	1,105,643	7,696,186
Inventories	137,575	6,736	144,311
Claims with Related Parties	65,497	700	66,197
Loans Receivables	884,354	23,131	907,485
Taxes Recoverable	1,818,242	209,254	2,027,496
Court Deposits and Frozen Accounts	1,000,519	60,476	1,060,995
Dividends and Interest on Net Equity	529,934	(363,143)	166,791
Assets Kept for Sale	-	-	-
Other Assets	1,797,389	1,274,248	3,071,637
Current Assets	19,529,558	1,449,662	20,979,220
Claims with Related Parties	-	13,595	13,595
Financial Investments	114,839	(617)	114,222
Deferred Taxes Recoverable	268,188	-	268,188
Other Taxes	626,057	5,539	631,596
Court Deposits and Frozen Accounts	8,110,179	(256,716)	7,853,463
Other Assets	372,142	539	372,681
Investments	5,852,604	(1,195,193)	4,657,411
Property, Plant and Equipment	26,466,352	(32,712)	26,433,640
Intangible assets	8,280,952	(73,215)	8,207,737
Non-Current Assets	50,091,313	(1,538,780)	48,552,533

Total Assets	69,620,871	(89,118)	69,531,753
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2. Accounts Receivable had a BRL 1,106 million high

3. Other Assets increased BRL 1,274 million

Current Assets (page 2 of 2)

Accounts Receivable had a BRL 1,110 million high in the 1st Quarter of 2018

The Total Assets of the Companies Under Reorganization decreased by BRL 89.1 million in the 1st quarter of 2018 compared to the previous quarter, due to the increase of BRL 1,450 million of the Current Assets and the decrease of BRL 1,539 million of the Non-Current Assets. The increase of BRL 1,450 million of the **Current Assets** was influenced by:

○ 2. The Accounts Receivable of the Companies Under Reorganization recorded an increase of BRL 1,106 million (high of 16.8%), amounting to BRL 7,696 million. Management informed that the variation observed is due to the incorporation of company Oi Internet S.A. by Oi Móvel on February 1, 2018.

○ 3. The Other Assets of the Companies Under Reorganization recorded an increase of BRL 1,274 million (high of 70.9%), amounting to BRL 3,072 million. According to the information provided by the Company, the high observed in this item refers to the acknowledgment of the advanced expense of the payment of the Fistel rate regarding 2018. Management also highlighted the acknowledgment of the advanced expense of sales commission regarding the adoption of IFRS 15.

Table 3 - Balance Sheet, Assets

In thousands of BRL

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Cash and Cash Equivalents	6,690,900	(883,472)	5,807,428
Financial Investments	14,605	16,089	30,694
Accounts Receivable	6,590,543	1,105,643	7,696,186
Inventories	137,575	6,736	144,311
Claims with Related Parties	65,497	700	66,197
Loans Receivables	884,354	23,131	907,485
Taxes Recoverable	1,818,242	209,254	2,027,496
Court Deposits and Frozen Accounts	1,000,519	60,476	1,060,995
Dividends and Interest on Net Equity	529,934	(363,143)	166,791
Assets Kept for Sale	-	-	-
Other Assets	1,797,389	1,274,248	3,071,637
Current Assets	19,529,558	1,449,662	20,979,220
Claims with Related Parties	-	13,595	13,595
Financial Investments	114,839	(617)	114,222
Deferred Taxes Recoverable	268,188	-	268,188
Other Taxes	626,057	5,539	631,596
Court Deposits and Frozen Accounts	8,110,179	(256,716)	7,853,463
Other Assets	372,142	539	372,681
Investments	5,852,604	(1,195,193)	4,657,411

Property, Plant and Equipment	26,466,352	(32,712)	26,433,640
Intangible assets	8,280,952	(73,215)	8,207,737
Non-Current Assets	50,091,313	(1,538,780)	48,552,533
Total Assets	69,620,871	(89,118)	69,531,753

1. Court Deposits and Frozen Accounts decreased BRL 256.7 million

2. Investments decreased BRL 1,195 million in the quarter

Non-Current Assets (page 1 of 1)

Investments decreased BRL 1,195 million in the quarter

The Total Assets of the Companies Under Reorganization decreased by BRL 89.1 million in the 1st quarter of 2018 compared to the previous quarter, due to the increase of BRL 1,450 million of the Current Assets and the decrease of BRL 1,539 million of the Non-Current Assets. The decrease of BRL 1,539 million of the Non-Current Assets was influenced by:

○ The Court Deposits and Frozen Accounts of the Companies Under Reorganization had a negative variation of BRL 256.7 million (decrease of 3.2%) in the 1st quarter of 2018 compared to the 4th quarter of 2017, amounting to BRL 7,853 million. According to information provided by the Management, the decrease observed mainly refers to the release/redemption of the Civil sphere.

○ The Investments recorded a decrease of BRL 1,195 million in the same period (decrease of 20.4%), amounting to BRL 4,657 million. According to Management, the decrease observed mainly refers to the negative results of the companies controlled by Oi Group, that are not within the scope of the judicial reorganization.

Table 4 - Balance Sheet, Liabilities

In thousands of BRL

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Salaries, Social Charges and Benefits	575,673	(79,742)	495,931
Suppliers	9,153,416	(3,585,799)	5,567,617
Loans and Financings	54,991,033	(54,409,367)	581,666
Derivative Financial Instruments	104,694	(104,694) -	
Withheld Current Taxes	1,334,859	425,950	1,760,809
Dividends and Interest on Net Equity	6,222	-	6,222
Payable Adjustments and Concessions 20,306	-		20,306
Fiscal Refinancing Program	271,503	(139)	271,364
Provisions	960,300	(131,831)	828,469
Other Obligations	1,160,625	303,243	1,463,868
Current Liabilities	68,578,631	(57,582,379)	10,996,252
Suppliers	-	1,170,355	1,170,355
Loans and Financings	9,472	13,434,652	13,444,124
Other Taxes	4,212,768	110,901	4,323,669
Payable Adjustments and Concessions	604	4	608
Fiscal Refinancing Program	599,047	(55,462)	543,585
Provisions	6,071,502	(1,762,702)	4,308,800

Provisions for Pension Funds	570,951	86	571,037
Provisions for Loss of Investment	1,106,698	232,019	1,338,717
Other Obligations	2,277,177	1,924,154	4,201,331
Non-Current Liabilities	14,848,219	15,054,007	29,902,226
Net Equity	(13,805,979)	42,439,254	28,633,275
Total Liabilities + Net Equity	69,620,871	(89,118)	69,531,753

1. Salaries decreased BRL 79.7 million in the quarter

2. Suppliers decreased BRL 3,586 million

3. Loans and Financings had a decrease of BRL 54,409 million

Current Liabilities (page 1 of 1)

Short-Term Loans and Financings of the Companies Under Reorganization had a sharp decrease in the 1st quarter of 18

The Total Liabilities of the Companies Under Reorganization decreased by BRL 89.1 million in the 1st quarter of 2018 compared to the previous quarter, due to the decrease of BRL 57,582 million of the Current Liabilities, an increase of BRL 15,054 million of the Non-Current Liabilities and the increase of BRL 42,439 million of the Net Equity. The decrease of BRL 57,582 million of the Current Liabilities was influenced by:

○ The item *Salaries, Social Charges and Benefits* of the Companies Under Reorganization had a decrease of BRL 79.7 million (decrease of 13.9%), amounting to BRL 495.9 million. According to Management, the decrease observed refers to the payment of variable compensation and the advance of one salary of the 2017 Profit Sharing Program (PPR), as approved in the 2017/2018 collective bargaining agreement.

○ *Suppliers* decreased BRL 3,586 million (decrease of 39.2%), amounting to BRL 5,568 million. According to Management, the decrease observed has, as main causes, the transfer of part of the amount recorded in December/17 for Long-Term Suppliers (Non-Current Liabilities) and the record of the fair value adjustment, as part of the records arising from the Judicial Reorganization Plan (PRJ).

○ The Short-Term *Loans and Financings* had a decrease of BRL 54,409 million in the 1st quarter of 2018 compared to the previous quarter, amounting to BRL 581.6 million. Detailed considerations of Loans and Financings shall be made in a specific topic, on the following page (page 33).

Table 4 - Balance Sheet, Liabilities

In thousands of BRL

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Salaries, Social Charges and Benefits	575,673	(79,742)	495,931
Suppliers	9,153,416	(3,585,799)	5,567,617
Loans and Financings	54,991,033	(54,409,367)	581,666
Derivative Financial Instruments	104,694	(104,694) -	
Withheld Current Taxes	1,334,859	425,950	1,760,809

Dividends and Interest on Net Equity	6,222	-	6,222
Payable Adjustments and Concessions 20,306	-		20,306
Fiscal Refinancing Program	271,503	(139)	271,364
Provisions	960,300	(131,831)	828,469
Other Obligations	1,160,625	303,243	1,463,868
Current Liabilities	68,578,631	(57,582,379)	10,996,252
Suppliers	-	1,170,355	1,170,355
Loans and Financings	9,472	13,434,652	13,444,124
Other Taxes	4,212,768	110,901	4,323,669
Payable Adjustments and Concessions	604	4	608
Fiscal Refinancing Program	599,047	(55,462)	543,585
Provisions	6,071,502	(1,762,702)	4,308,800
Provisions for Pension Funds	570,951	86	571,037
Provisions for Loss of Investment	1,106,698	232,019	1,338,717
Other Obligations	2,277,177	1,924,154	4,201,331
Non-Current Liabilities	14,848,219	15,054,007	29,902,226
Net Equity	(13,805,979)	42,439,254	28,633,275
Total Liabilities + Net Equity	69,620,871	(89,118)	69,531,753

Loans and Financings of the Companies Under Reorganization

	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Brazilian Currency	14,834,319	(14,833,120)	1,199
Foreign Currency	40,156,714	(39,576,248)	580,466
Total Short-Term (Current)	54,991,033	(54,409,367)	581,666
Brazilian Currency	-	6,852,499	6,852,499
Brazilian Currency - related parties	9,472	(1,366)	8,106
Foreign Currency	-	6,583,518	6,583,518
Total Long-Term (Non-Current)	9,472	13,434,652	13,444,124
Total Loans and Financings	55,000,505	(40,974,715)	14,025,790

- The *Short-Term Loans and Financings* in Brazilian Currency had a decrease of BRL 14,833 million in the 1st quarter of 2018, amounting to BRL 1.2 million, corresponding to a minimum fraction of the Short-Term Loans and Financings.
- The *Short-Term Loans and Financings* in Foreign Currency decreased BRL 39,576 million in the 1st quarter of 2018, amounting to BRL 580.5 million.
- Thus, the results were a decrease of BRL 54,409 million in the *Short-Term Loans and Financings*, for the amount of BRL 581,7 million.
- The *Long-Term Loans and Financings*, in turn, increased BRL 13,435 million, amounting to BRL 13,444 million. From such amount, the loans in *Brazilian Currency* reached BRL 6,852 million. The loans in *Brazilian Currency - related parties* had an increase of BRL 1.4 million, amounting to BRL 8.1 million. Lastly, the loans in *Foreign Currency* reached BRL 6,853 million.

○ According to Management, the variations observed in the liabilities of short- and long-term *Loans and Financings* are explained by the accounting effects produced by the application of the Judicial Reorganization Plan, which defined the restructuring/novation criteria of the pre-petition liabilities. With the novated debt, the Company resumed the accounting of its debts according to its flows, as disclosed in Explanatory Note No. 2, items “e” and “f” and in Explanatory Note No. 17 of the Quarterly Information (ITRs) of the 1st Quarter of 2018 filed with CVM.

Table 4 - Balance Sheet, Liabilities <i>In thousands of BRL</i>	(A) 12/31/2017 4th Quarter 2017	(B) - (A) Variation	(B) 03/31/2018 1st Quarter 2018
Salaries, Social Charges and Benefits	575,673	(79,742)	495,931
Suppliers	9,153,416	(3,585,799)	5,567,617
Loans and Financings	54,991,033	(54,409,367)	581,666
Derivative Financial Instruments	104,694	(104,694) -	
Withheld Current Taxes	1,334,859	425,950	1,760,809
Dividends and Interest on Net Equity	6,222	-	6,222
Payable Adjustments and Concessions 20,306	-		20,306
Fiscal Refinancing Program	271,503	(139)	271,364
Provisions	960,300	(131,831)	828,469
Other Obligations	1,160,625	303,243	1,463,868
Current Liabilities	68,578,631	(57,582,379)	10,996,252
Suppliers	-	1,170,355	1,170,355
Loans and Financings	9,472	13,434,652	13,444,124
Other Taxes	4,212,768	110,901	4,323,669
Payable Adjustments and Concessions	604	4	608
Fiscal Refinancing Program	599,047	(55,462)	543,585
Provisions	6,071,502	(1,762,702)	4,308,800
Provisions for Pension Funds	570,951	86	571,037
Provisions for Loss of Investment	1,106,698	232,019	1,338,717
Other Obligations	2,277,177	1,924,154	4,201,331
Non-Current Liabilities	14,848,219	15,054,007	29,902,226
Net Equity	(13,805,979)	42,439,254	28,633,275
Total Liabilities + Net Equity	69,620,871	(89,118)	69,531,753

1. Provisions had a decrease of BRL 1,763 million

2. Other Obligations increased BRL 1,924 million

Non-Current Liabilities (page 1 of 1)

Other Obligations had a BRL 1,924 million high in the 1st Quarter of 2018

The Total Liabilities of the Companies Under Reorganization decreased by BRL 89.1 million in the 1st quarter of 2018 compared to the previous quarter, due to the decrease of BRL 57,582 million of the Current Liabilities, an increase of BRL 15,054 million of the Non-Current Liabilities and the increase of BRL 42,439 million of the Net Equity. The increase of BRL 15,054 million of the Non-Current Liabilities was influenced by:

○ 1 and 2. The *Provisions* decreased BRL 1,763 million in the quarter (decrease of 29.0%), amounting to BRL 4,309 million. On the other hand, the *Other Obligations* had a high in a similar amount, of BRL 1,924 million in the quarter, amounting to BRL 4,201 million. According to Management, the decrease observed in *Provisions* has as main cause the transfer of part of the amount recorded in December/17 of the debt with ANATEL, which was transferred to Accounts Payable (Non-Current Liabilities) in the item *Other Obligations*, as part of the records arising from the Judicial Reorganization Plan.

Table 5 - Balance Sheet, Net Equity

In thousands of BRL

	(A)	(B)
	12/31/2017	03/31/2018
	4th Quarter 2017	1st Quarter 2018
Current Liabilities	68,578,631	10,996,252
Non-Current Liabilities	14,848,219	29,902,226
Realized Share Capital	21,438,374	21,438,374
Capital Reserves	7,711,283	19,335,311
Accrued Profit/Loss Previous Years	(42,335,926)	(42,052,578)
Loss/Profit in the 4th Quarter of 2017	-	30,543,355
Cost of Issuance of Shares	(377,429)	(377,429)
Equity Appraisal Adjustments	11,898	421
Other Encompassing Results	(254,179)	(254,179)
Net Equity	(13,805,979)	28,633,275
Total Liabilities + Net Equity	69,620,871	69,531,753

1. **Capital Reserves increased BRL 11,624 million**

2. **Net Equity returned to positive levels**

Net Equity (page 1 of 1)

The Consolidated Profit of the Companies Under Reorganization in the 1st Quarter of 2018 was of BRL 30.5 million

Other items of the Net Equity with variations that can be observed:

○ *Capital Reserves* increased in the 1st quarter of 2018, reaching the level of BRL 19,335 million. According to Management, the increase observed in this item is justified by the registration of the restructured debt of the Qualified “Senior Notes”, which given the new conditions, characteristics and method of liquidation, and the new shares to be issued by the Company, the share subscription warrants and the delivery of shares kept in treasury were acknowledged as capital reserves, as set forth in the Judicial Reorganization Plan.

○ The *Net Equity* became positive again in the 1st quarter of 2018, reaching BRL 28,633 million. According to the Company, the variation observed in the *Net Equity* reflects all accounting effects produced by the application of the Judicial Reorganization Plan approved on December 20, 2017, ratified by the Judicial Reorganization Judge on January 8, 2018 and published in the Official Gazette on February 5, 2018.

4.3 INCOME STATEMENT OF THE COMPANIES UNDER REORGANIZATION

Quarterly Consolidated Financial Statements of the Companies under Reorganization (unaudited)

INCOME STATEMENT OF THE COMPANIES UNDER REORGANIZATION

HIGHLIGHTS

Statement

1st QUARTER/2018

- The **Gross Operating Income** of the Companies Under Reorganization increased 5.1% in the quarter
- The **Cost of Services Rendered and Goods Sold** of the Companies Under Reorganization increased 23.5% in the quarter
- The **Income before Financial Income and Taxes** of the Companies Under Reorganization was positive at the amount of BRL 99.2 million
- The **Financial Income** of the Companies Under Reorganization closed the 1st quarter of 2018 with positive amount of BRL 30.279 million
- The Consolidated Profit of the Companies Under Reorganization in the 1st quarter of 2018 was of BRL 30,543 million

Table 3 – Quarterly Income Statements
In thousands of BRL

	(A) 4th Quarter 2017	(B) – (A) <i>Variation</i>	(B) 1st Quarter 2018
Gross Operating Income	6,888,185	349,974	7,238,159
Deductions of Gross Income	(2,219,107)	50,480	(2,168,627)
Net Income for Sales of Goods and/or Services	4,669,078	400,454	5,069,532
Cost of Services Rendered and Goods Sold	(3,089,189)	(725,230)	(3,814,419)
Gross Income	1,579,889	(324,776)	1,255,113
Expenses with Sales	(1,074,466)	70,354	(1,004,112)
General and Administrative Expenses	(612,434)	88,316	(524,118)
Other Operating Revenues	486,527	61,878	548,405
Other Operating Expenses	(3,443,104)	3,186,372	(256,732)
Equity Accounting Results	(170,711)	251,341	80,630
Operating Expenses/Revenues	(4,814,188)	3,658,261	(1,155,927)
Income Before Financial Income and Taxes	(3,234,299)	3,333,485	99,186
Financial Revenue	5,307,173	23,336,739	28,643,912
Financial Expenses	(3,015,930)	4,651,500	1,635,570
Financial Income	2,291,243	27,988,239	30,279,482
Current	15,412	244,315	259,727
Deferred Assets	(1,962,970)	1,867,930	(95,040)
Tax Incentive Exploitation Profit	(9,881)	9,881	-
Income Tax and Social Security Contribution on	(1,957,439)	2,122,126	164,687

Profit			
Consolidated Profit/Loss of the Period	(2,900,495)	33,443,850	30,543,355

1. **Increase of 5.1% of Gross Revenue**
2. **Increase of 23.5% of Service Costs**
3. **Decrease of BRL 3,186 million**
4. **Increase of BRL 23,337 million of Financial Revenue**
5. **Financial Expenses had a positive result**
6. **Deferred returned to previous levels**

Quarterly Income Statements

The Consolidated Profit of BRL 30,543 million recorded by the Companies Under Reorganization in the 1st Quarter of 2018 was influenced by:

- 1. The *Gross Operating Income* had an increase of BRL 350.0 million (high of 5.1%) in the 1st quarter of 2018 compared to the previous quarter, amounting to BRL 7,238 million. According to information provided by the Management, the increase has as its justification the incorporation of Oi Internet by Oi Móvel on March 1, 2018, which made the judicial reorganization a lucrative operation.
- 2. The *Cost of Services Rendered and Goods Sold* of the Companies Under Reorganization increased BRL 725.2 million (high of 23.5%) in the quarter, reaching BRL 3,814 million. According to Management, the increase of the item is due mostly to the reversal of the amortization of the added value (impairment effects of 2015/2016) of the concession assets of Brasil Telecom held in December/17 and that affected the result in a positive manner in the 4th quarter of 2017, as disclosed in the RMA regarding such period.
- 3. *Other Operating Expenses* of the Companies Under Reorganization decreased BRL 3,186 million in the 1st quarter of 2018, amounting to BRL 256.7 million and returning to the levels of the last quarters. According to Management, the decrease observed is related to the atypical increase of December/17, as can be observed in the RMA of the 4th quarter of 2017, and in the 1st quarter of 2018, the item returned to the average level of the previous quarters.

Adding the other operating items, the Companies Under Reorganization had a positive Income Before Financial Income and Taxes at the amount of BRL 99.2 million in the 1st quarter of 2018.

- 4. The *Financial Revenue* of the Companies Under Reorganization in the 1st quarter of 2018 had an increase of BRL 23,337 million, amounting to BRL 28,644 million. According to information provided by Management, the increase of financial revenue is justified by the accounting effects produced by the application of the PRJ,

and the debts were adjusted by the fair value and the discount gains of restructured debts pursuant to the PRJ.

- 5. The *Financial Expenses* reverted its result of the previous quarter and had a positive amount of BRL 1,635 million in the 1st quarter of 2018. According to management, the positive result in the quarter is justified by the accounting effects produced by the application of the PRJ, and the larger effects were of the reversal of accrued interest and the foreign exchange variation since the beginning of the Judicial Reorganization until the date of ratification of the PRJ (June 20, 2016 to February 5, 2018).
- 6. The item *Deferred* had an increase of R\$ 1,868 million in the quarter, amounting to R\$ 95.0 million. The Company informed that the decrease was promoted by the record of the deferred liability Income Tax and Social Security Contribution on Net Profit occurred in December/17.

Thus, adding the *Income Before Financial Income and Taxes*, positive in BRL 99.2 million, the *Financial Income*, positive in BRL 30,279 million, and the *Income Tax and Social Security Contribution on Profit*, positive in BRL 164.7 million, the *Consolidated Profit* in the 1st quarter of 2018 of the Companies Under Reorganization was of BRL 30,543 million.

5 Service to creditors

SERVICE TO CREDITORS

In the last month, the BT, as set forth in the decision of pages 297,336/297,341, analyzed and chronologically organized the official letters issued by other Courts, through which the payment of post-petition creditors is postulated, which shall be, in a timely manner, forwarded to the Companies Under Reorganization in order to carry out court deposits with the respective requiring Courts.

Regarding the analysis of the first official letters received, this Management verified the existence of some inconsistency that demanded clarifications by the requiring Courts, which are: (i) the absence of attribution of a specific amount for equity constriction; and (ii) the apparent petition nature of the credits, considering the understanding adopted by this Court in the sense that the post-petition credits are those with triggering events after June 20, 2016, the harmful event being understood as the triggering event and not the date of rendering the decision or the date in which it was made final and unappealable.

Regarding pre-petition credits, the BT continues to dedicate itself to the analysis of the 8,839 procedural incidents, regarding the challenges and late qualifications, a number that grows each month. The BT filed a prior statement in 8,330 incidents, 3,002 of which were decided as a result of the illiquidity of the credit of because the credit is already listed in the name of the creditor in the BT list. The BT expressed itself on the merit of the credits in 3,919 incidents, 2,759 of which were decided with the analysis of the merit.

Regarding the Companies Under Reorganization Oi Brasil Holdings Coöperatief UA and Portugal Telecom International Finance B.V., the Dutch court, on June 11, 2018,

ratified the composition plans of such companies, which, according to the market communication made available by Company Under Reorganization Oi S.A., “materially reflect the terms of the RJ Plan”, which had been approved by the Creditors in the General Creditors’ Meeting held on December 19, 2017.

In turn, the Bankruptcy Court for the Southern District of New York, on June 14, 2018, rendered a decision granting full effects and effectiveness in the United States to the Judicial Reorganization Plan ratified by this Court on January 8, 2018.

6 Statements submitted by BT

SUMMARY OF THE BT STATEMENTS IN THE CASE RECORDS

Following, the BT lists the manifestations presented in the case records of the electronic proceedings after the latest Monthly Activity Report, with an indication of the respective pages.

page 299,020/299,056	Monthly report of the activities developed by the Companies Under Reorganization (referring only to information regarding Cash Flow).	05/15/2018
page 303,747/303,749	Statement on the procedure to receive the official letters regarding post-petition credits.	05/17/2018
page 303,813/303,858	Monthly report of the activities developed by the Companies under Reorganization (complete version referring to the month of March 2018).	05/30/2018
page 305,713/305,714	Statement on: (i) request of Elektro Eletricidade e Serviços S.A., in which it claims to not have received its credit yet; (ii) statements of bondholder creditors requiring the waiver of individualization requests; (iii) pledge request by the 1st Special Civil Court of Niterói; and (iv) request of change to the ownership of the credit listed in the name of Prosegur Brasil S.A.	06/05/2018
page 305,796/305,799	Statement on: (i) request of creditor Adelino Sacramento dos Santos, in which it requests the attachment of supplementary documentation of the individualization request; and (ii) request of the Judge of the 16th Lower Civil Court of Rio de Janeiro for enforcement of the surety bond offered as guarantee to the enforcement.	06/12/2018

Interlocutory Appeals in which BT submitted statement:

0019477-77.2018.8.19.0000	Appeal filed by the State of Rio de Janeiro against the decision that ratified the Judicial Reorganization Plan and granted Judicial Reorganization.	05/18/2018
0012554-35.2018.8.19.0000	Appeal filed by the Public Prosecutor Office against the decision that ratified the Judicial Reorganization Plan and granted Judicial Reorganization.	05/18/2018
0016381-54.2018.8.19.0000	Appeal filed by Brazil International Fund against the decision that ratified the Judicial Reorganization Plan and granted Judicial Reorganization.	05/18/2018
0022265-64.2018.8.19.0000	Appeal filed by Burlington Loan Management Designated Activity Company against the decision that ratified the Judicial Reorganization Plan and granted Judicial Reorganization.	05/22/2018
0063586-16.2017.8.19.0000	Appeal filed by the Dutch BT's against the decision that denied the right to speak and to vote at the GCM, acting as representatives of the foreign companies.	05/22/2018
0023290-15-2018.8.19.0000	Appeal filed by the Company Under Reorganization Telemar against the decision that concluded that the credit in favor of Net Courier Encomendas is not subject to judicial reorganization.	06/11/2018
0037939-19.2017.8.19.0000	Appeal filed by ANATEL against the decision that extended the stay period, for the term of 180 days or until the performance of the GCM.	06/11/2018
0016551-26.2018.8.19.0000	Appeal filed by Société Mondiale Fundo de Investimento em Ações against the decision that ratified the Judicial Reorganization Plan and granted the Judicial Reorganization.	06/12/2018
0028111-62.2018.8.19.0000	Appeal filed by Marble Ridge Master Fund LP against the decision that ratified the Judicial Reorganization Plan and granted the Judicial Reorganization.	06/13/2018

In addition to the aforementioned cases, the Bankruptcy Trustee, in response to the official letters and requests addressed directly to the BT by different Brazilian Courts, submitted statements in lawsuits filed against the Companies Under Reorganization.

MONITORING AND COMPLIANCE WITH THE JUDICIAL REORGANIZATION PLAN

The Judicial Reorganization Plan (“PRJ”) presented by the Companies Under Reorganization was approved by the Creditors attending the General Creditors’ Meeting held on December 19, 2017, being approved, with reservations, by this Court under the decision of pages 254,741/254,756.

In this way, this Management began to monitor compliance with the Companies Under Reorganization of the ratified PRJ, having held regular meetings with the Company and analyzed all relevant documentation for such purpose.

As a result of this monitoring, the BT provides a spreadsheet illustrating the obligations that expired in **April 2018** below:

Clause	Class	Classification	Obligation	Term	Note	Status
9.1.1	---	Corporate Governance. Transition Rules	Change to the organizational structure	04/05/2018	---	✓
4.6.1	III	Intercompany	Agreement on the termination of credits	04/06/2018	---	✓



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