

4Q18 / 2018

RESULTS

oi



IMPORTANT NOTICE



This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the applicable Brazilian regulations. Statements that are not historical facts, including statements regarding the beliefs and expectations of Oi – under Judicial Reorganization [“Oi” or “Company”], business strategies, future synergies, cost savings, future costs and future liquidity are forward-looking statements.

The words “will”, “may”, “should”, “could”, “anticipates”, “intends”, “believes”, “estimates”, “expects”, “forecasts”, “plans,” “aims” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. There is no guarantee that the expected events, tendencies or expected results will actually occur. Such statements reflect the current views of the Company’s management and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, corporate approvals, operational factors and other factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to the Company or its affiliates, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements set forth in this notice. Undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made.

Except as required under the Brazilian and U.S. federal securities laws and the rules and regulations of the CVM, the SEC or other regulatory authorities in other applicable jurisdictions, the Company and its affiliates do not have any intention or obligation to update, revise or disclose any changes to any of the forward-looking statements herein in order to reflect current or future events or their developments, changes in assumptions or changes in other factors affecting the forward-looking statements herein. You are advised, however, to consult any further disclosures the Company makes on related subjects in reports and communications that the Company files with the CVM and the SEC.



2018 HIGHLIGHTS

1
MILLION

POSTPAID NET ADDS IN 2018

Investment in 4.5G increases network capacity, allowing the launch of more attractive offers, resulting in the reversal of a negative trend, with the addition of over 1 million postpaid customers in 2018.

1.2
MILLION

HOMES PASSED AT THE END OF 2018

The network reuse approach has accelerated the fiber roll out, with 600 thousand homes passed in five months. The Plan is to close 2019 with 3,600 homes passed.

6.1
BILLION

TOTAL CAPEX IN 2018

Accelerated implementation of the Capex plan, focused on access fiber, refarming of 1.8GHz and 2.1 Ghz and a better customer experience. Capex is expected to reach R\$ 7 billion in 2019.

1.4
BILLION

COST REDUCTION IN 2018

Nominal reduction of 7.9% in 2018 [11.2% in real terms], affecting virtually all the lines. The Company continues to work on digitalization, productivity and quality initiatives in the pursuit of greater efficiency.

1ST
PLACE

IN NETFLIX'S ISP INDEX IN FEBRUARY

A first-timer participating in this rank, Oi Fibra already ranked first in the internet speed index, created by Netflix, in February of 2019.

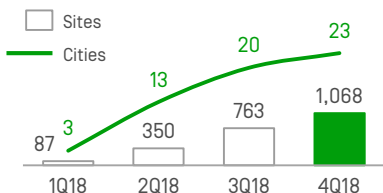


MOBILE REVENUES CONTINUED TO RECORD SEQUENTIAL GROWTH. OVER 1 MILLION NET ADDS IN THE POSTPAID SEGMENT IN 2018 AND MARKET SHARE GROWTH IN THE PREPAID SEGMENT.

POSTPAID + CONTROL

I. Investment in 4.5G increases network capacity, with better use performance...

Refarming 1.8 Ghz (4.5G)

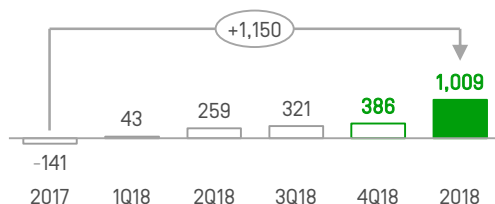


II. ... allowing the launch of more attractive offers...



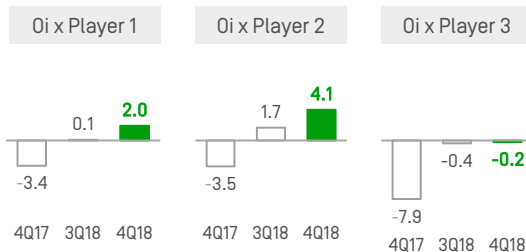
III. ... and enabling the reversal of the trend, with the net addition of over 1 million customers in 2018.

Net adds ('000)



IV. The market recognizes the value proposition of our new offers, affecting portability trends.

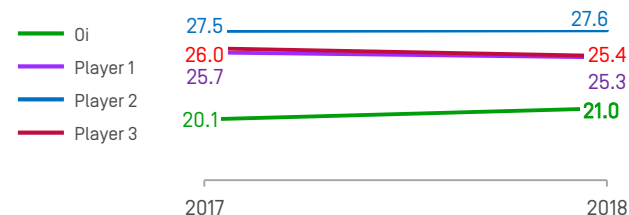
Portability net adds (Monthly average - '000)



PREPAID

Oi increased its market share, while the market shrank 13% in a year.

Market share trends [%]



Mobile revenues ¹

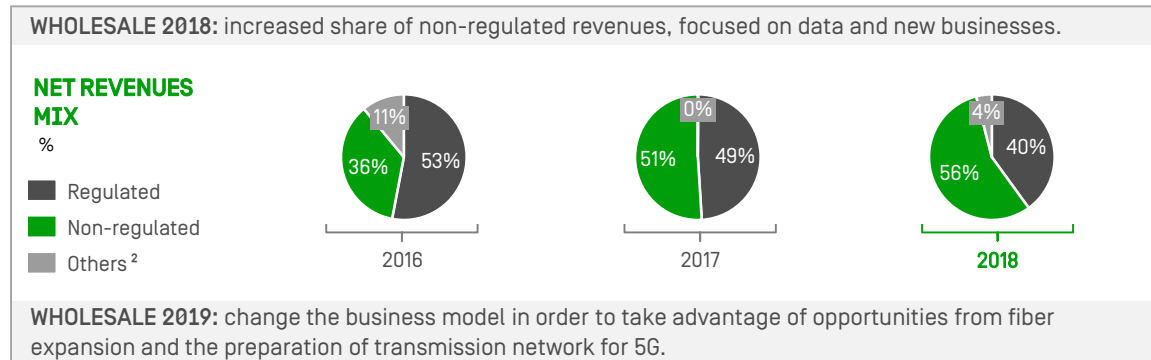
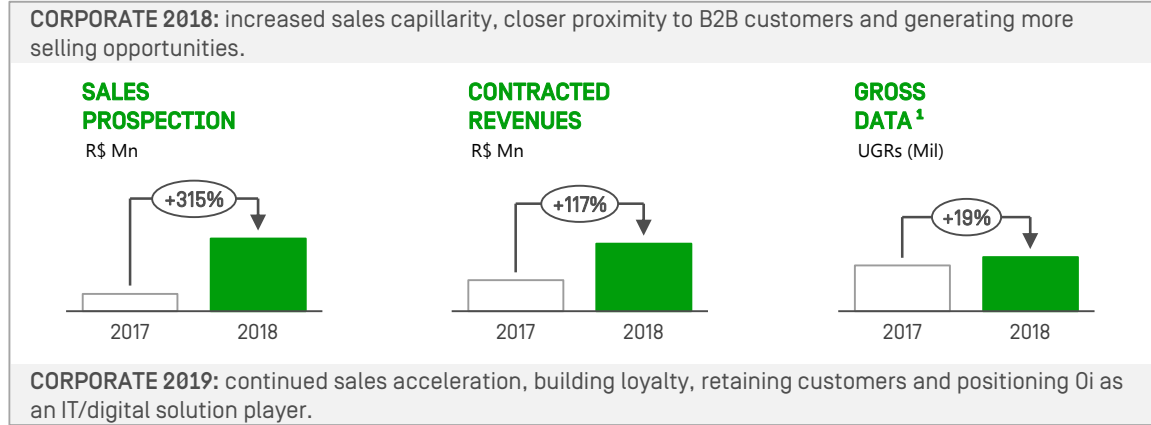
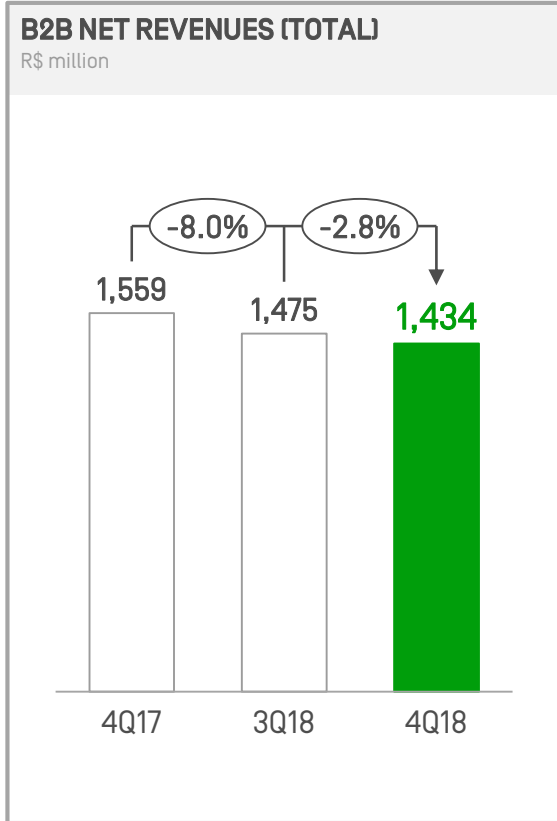
R\$ million



1 - Includes long-distance revenues.

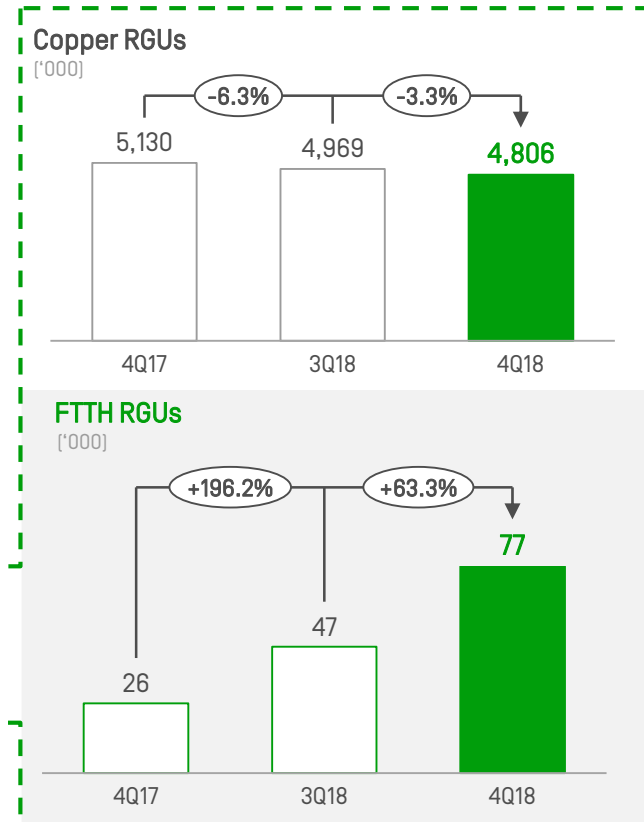
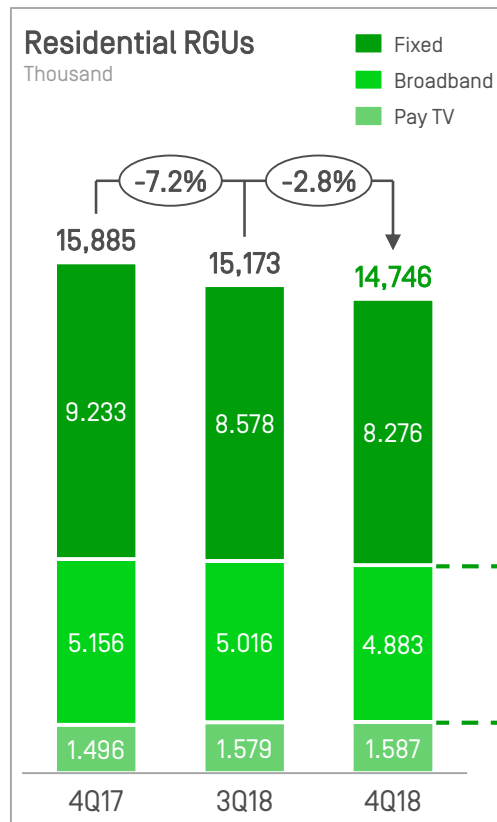
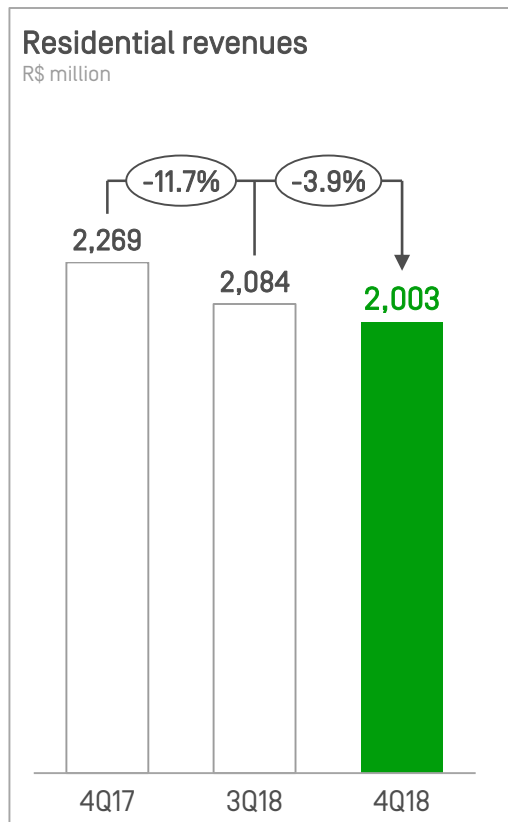


B2B REVENUES IN LINE WITH MARKET TRENDS. THE COMPANY REMAINS FOCUSED ON THE TURNAROUND OF THE SEGMENT THROUGH SEVERAL INITIATIVES.





ACCELERATION OF THE FTTH PROJECT, AS THE MAIN REPOSITIONING DRIVER, RESUMING GROWTH BASED ON THE INFRASTRUCTURE DIFFERENTIAL



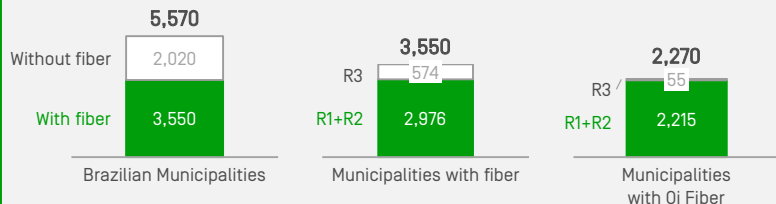


THE COMPANY'S CAPEX PLAN IS FOCUSED ON THE FIBER PROJECT, BOOSTING SEVERAL STRUCTURAL AND COMPETITIVE DIFFERENTIALS, WITH HIGH VALUE CREATION POTENTIAL.



1. Fiber network extension and capillarity

- Oi is the operator with the highest fiber presence in 2,270 municipalities.

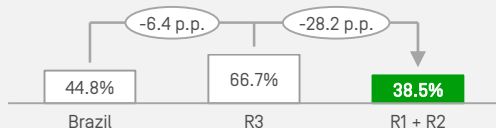


2. Low broadband penetration

- In 2018, 38.5% of the households in Regions 1 and 2 had broadband.

Broadband penetration²

Households (2018) - %



3. Winback opportunity

- With fiber, Oi becomes an attacker, where it lost market share.

Market share

Broadband (Brazil) - %



4. Higher ARPU

- Fiber broadband ARPU is higher than that of copper broadband ARPU



5. Lower churn

- Better fiber experience is translated into lower churn rates.

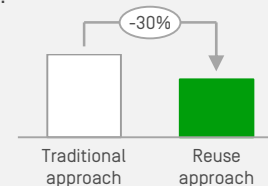


6. Lower construction and maintenance cost

- Reuse approach enables a significant reduction in the HPs construction cost. Since this network deteriorates less, the maintenance cost of fiber is much lower than that of copper.

Construction Cost

R\$ / HP



- In addition to B2C, the fiber structure allows Oi to explore its potential in B2B and prepare the network for 5G



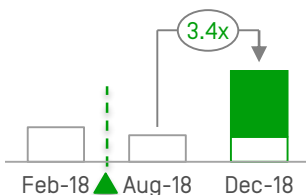
FIBER PILOT PROJECT IN CABO FRIO CONFIRMS THE PROSPECTS OF CERTAIN VALUE DRIVERS OF THE FTTH PLAN.

- ✓ **Strong sales growth in Broadband and Fixed Voice:** Broadband and Voice reversed the trend and began recording base growth;
- ✓ **Strong churn reduction:** Fiber churn rates fell more than 50% in the Broadband and Fixed Voice services.

PROJECT CABO FRIO¹

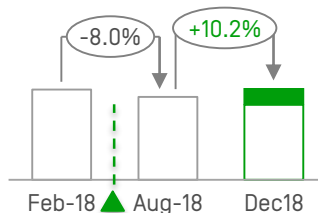
SALES EVOLUTION

#Customers



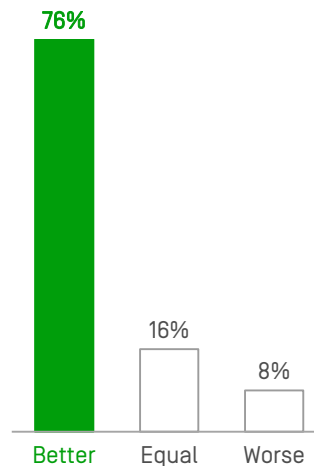
BASE EVOLUTION

#Customers



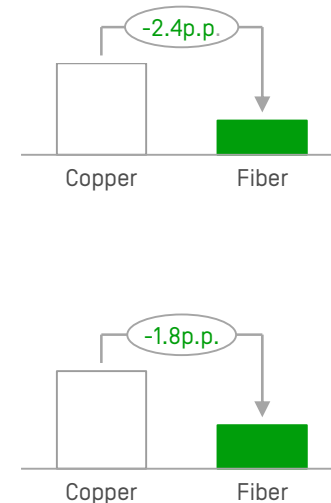
PERCEIVED QUALITY [%]

Survey: Oi Fibra vs. previous provider



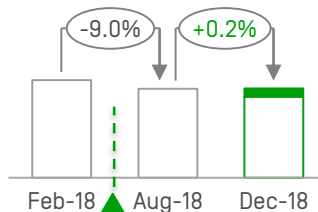
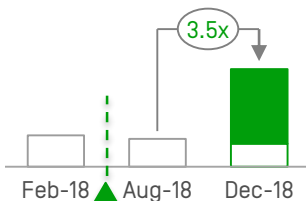
CHURN COMPARISON

Monthly average



- Fiber
- Copper
- ▲ Fiber Launch

FIXED VOICE



1 - The Cabo Frio pilot project is a fiber deployment project based on the reuse approach, in which the Company is more mature. The characteristics of the city provide a good proxy for the social and economic conditions of other Brazilian cities.

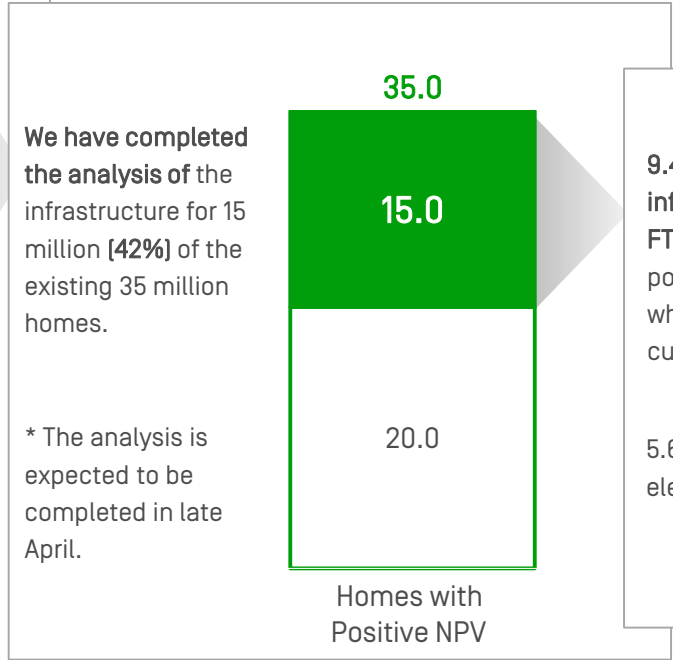


WITH THE EXISTING INFRASTRUCTURE, THE COMPANY HAS 9.4 MILLION OF POTENTIAL HOMES PASSED, WHERE THE NETWORK IS READY TO IMMEDIATELY ENTER INTO FTTH DEPLOYMENT PATH.

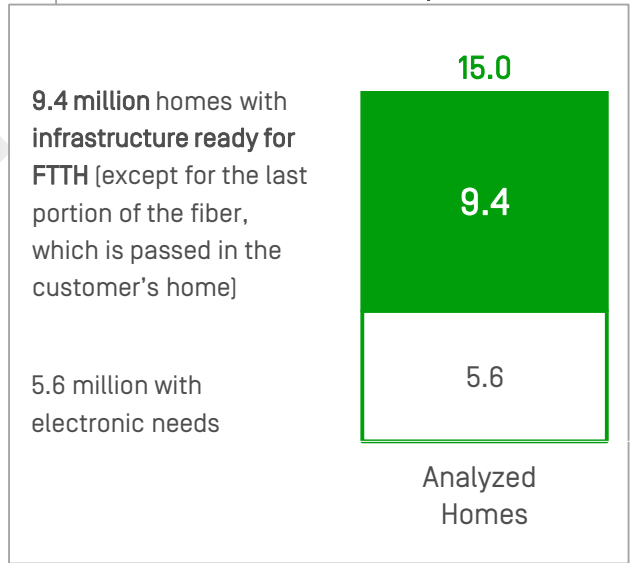
We analyzed the financial feasibility of 70 million homes in Brazil...



... We concentrate our analysis in homes with positive NPV in order to study the existing infrastructure...



... We concluded that 9.4 MM homes already have the fiber infrastructure in place.





ENGAGEMENT OF SPECIALIZED COMPANIES TO SUPPORT THE EXECUTION OF THE CAPEX PLAN, THE BUSINESS STRATEGIC REVIEW AND THE SALE OF ASSETS AND M&A OPPORTUNITIES, IN LINE WITH THE STRATEGY.



**OLIVER
WYMAN**

OLIVER WYMAN IS SUPPORTING US IN THE CHALLENGE OF EFFICIENTLY SCALING THE IMPLEMENTATION OF THE FIBER PROJECT NATIONWIDE...

- To design the Capex management model;
- To control operational and financial performance;
- To monitor and implement the new model; and
- To rollout the new Capex management model.



**BOSTON
CONSULTING
GROUP**

... AT THE SAME TIME, WE ARE REVISITING OI'S BUSINESS STRATEGY AND SEEKING MORE VALUE CREATION OPPORTUNITIES AND, AS A RESULT, WE BROUGHT BCG TO SUPPORT US...

- To assist Oi in its strategic review process;
- To analyze and define business models with a long-term vision;
- To prepare guidelines and execution plans that ensure the implementation of these models.



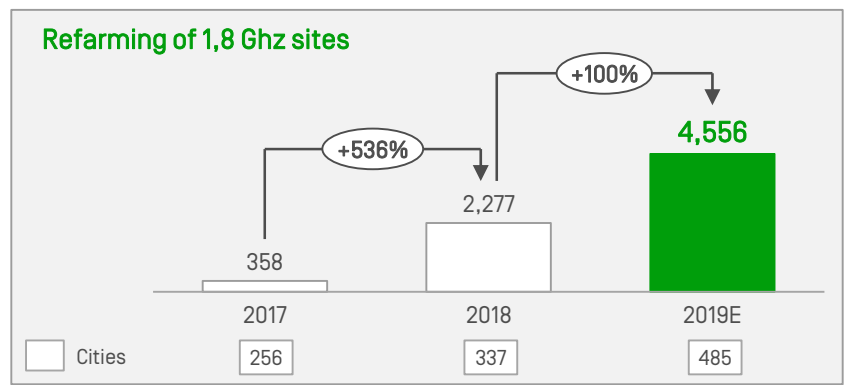
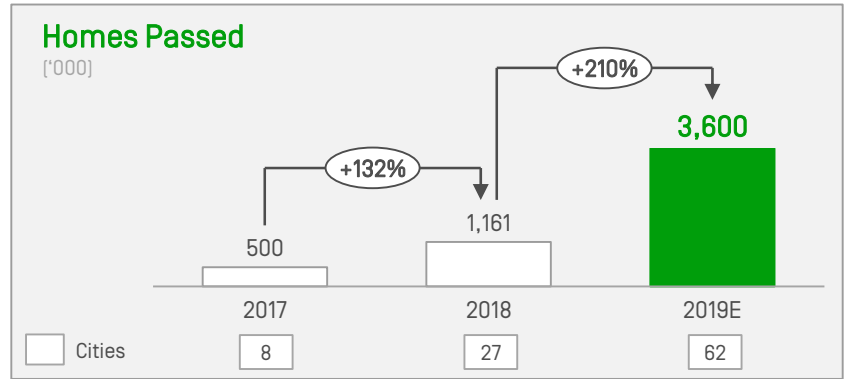
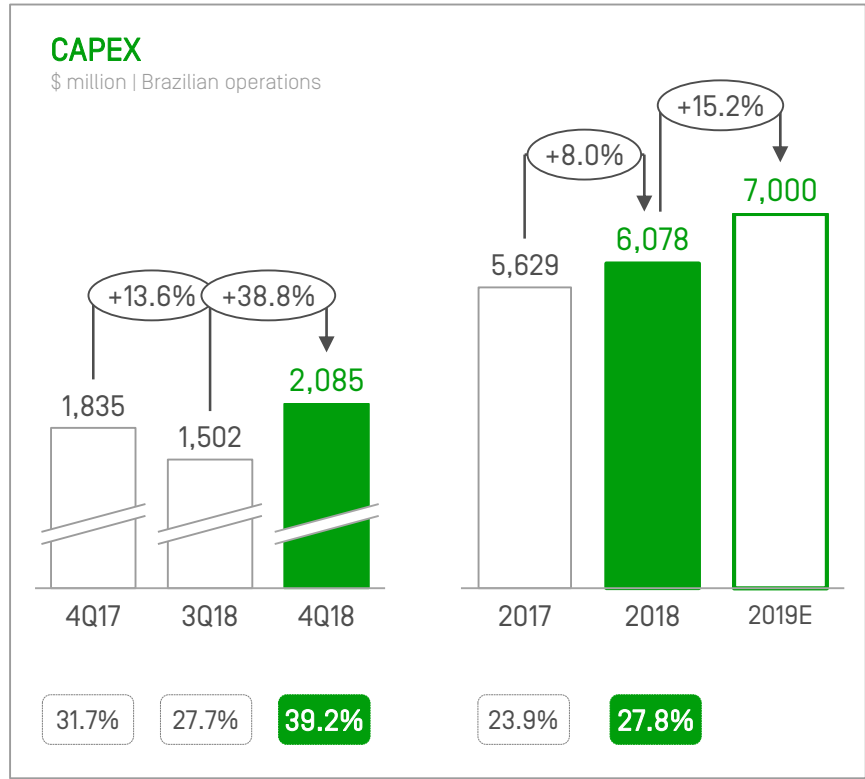
**Bank of America
Merrill Lynch**

... AS A RESULT OF THIS REVIEW, WE EXPECT TO SELL CERTAIN NON-CORE ASSETS FOR THE EXECUTION OF THE STRATEGY AND WE BROUGHT BOFAML TO SUPPORT US.

- To prospect and structure operations that involve the monetization of non-core assets and M&A opportunities;
- To maximize value creation; and
- To expand funding sources for the execution of the investment plan focused on FTTH and 4.5G coverage.



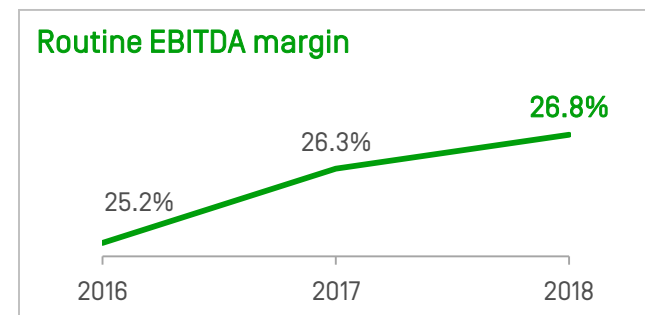
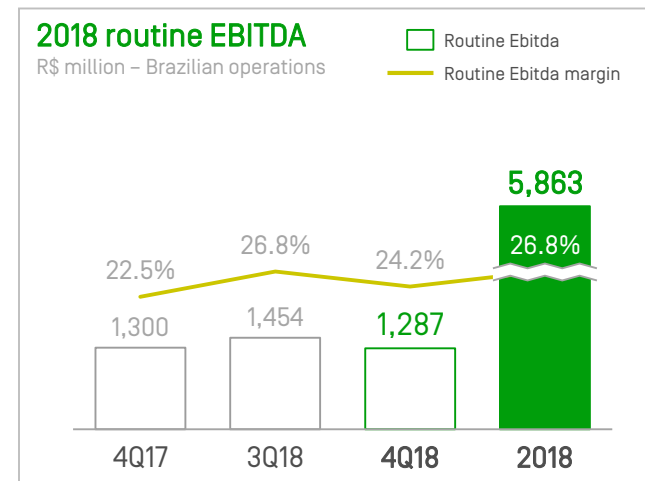
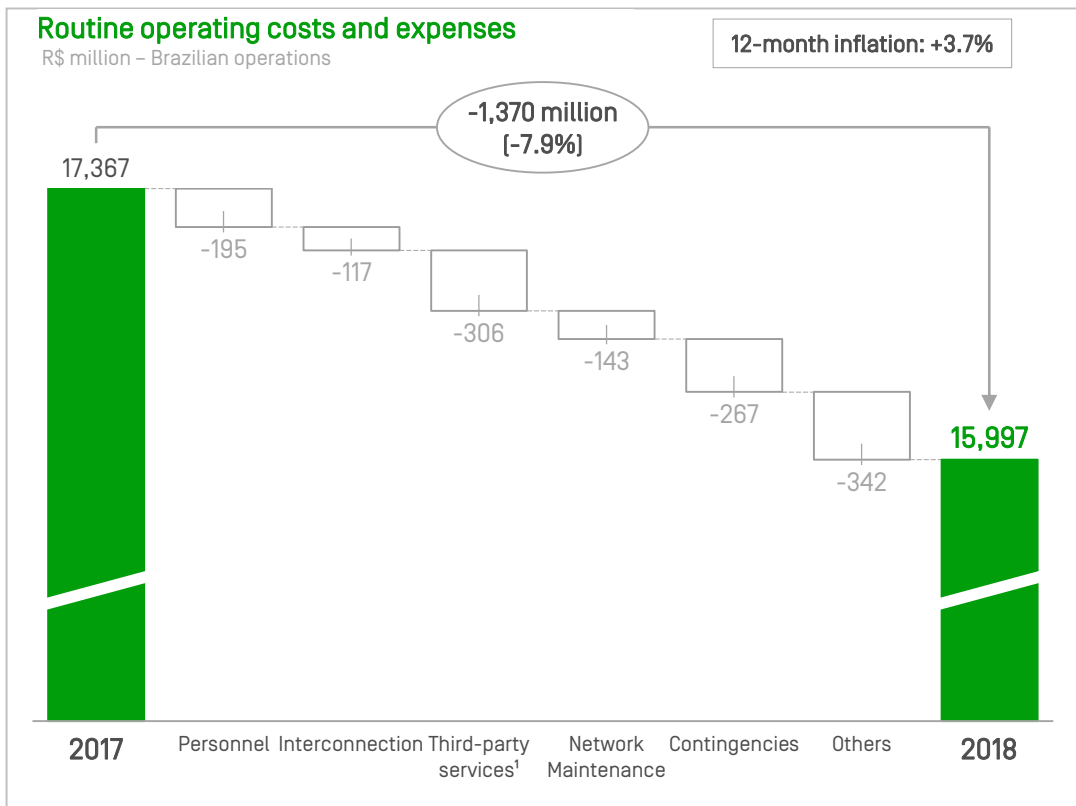
THE COMPANY HAS BEGAN ACCELERATING INVESTMENTS FOR EXECUTION OF THE CAPEX PLAN, FOCUSED ON FIBER IN THE ACCESS AND REFORMING OF 1.8 GHZ AND 2.1 GHZ.



Capex / Net revenues



COST REDUCTION OF R\$ 1.4 BILLION IN 2018, WITH OVER 10% DECLINE IN REAL TERMS, MAINTAINING THE TREND OF ANNUAL GROWTH IN THE RECURRING EBITDA MARGIN.



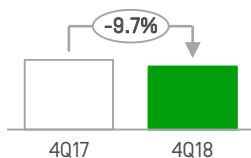
1- Content acquisition, Call center, Revenues, Sales, Energy, General Expenses



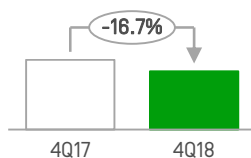
OPERATIONAL EFFICIENCY, QUALITY AND DIGITALIZATION ARE THE MAIN DRIVERS OF SUCCESSFUL COST REDUCTION AND WILL CONTINUE TO PRODUCE RESULTS.

OPERATIONAL EFFICIENCY

REWORK WITHIN 30 DAYS ¹



AVERAGE WAIT TIME UNTIL THE PROBLEM IS SOLVED ²

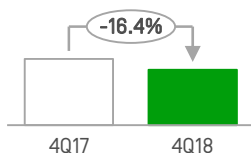


DIGITAL TRANSFORMATION

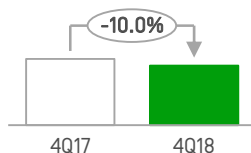
- E-CARE**
Minha Oi
 57% of Oi's customers have registered;
 38% use the service every month;
 83% of users do not contact to talk to an operator.
- E-COMERCE**
 Gross
 10% of Oi's sales originate from the web channel;
 30% of online gross sales do not have any human intervention;
- E-BILLING**
 Online bills
 3MN registered customers; and
 27% of Oi's billing base.
- AUTOMATION**
 Calls
 39% of repairs were resolved by self care in Dec/18.
 14.3MN requests for repairs were resolved by self care.

QUALITY IMPROVEMENT

ANATEL COMPLAINTS
Monthly average



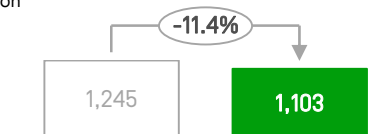
REPEATED CALLS



REDUCTION IN RELATED EXPENSES

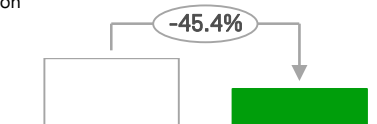
PLANT MAINTENANCE

R\$ million



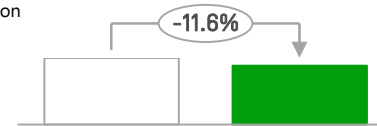
CALL CENTER

R\$ million



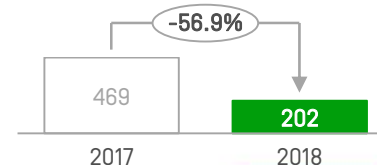
SALES

R\$ million



CONTINGENCIES

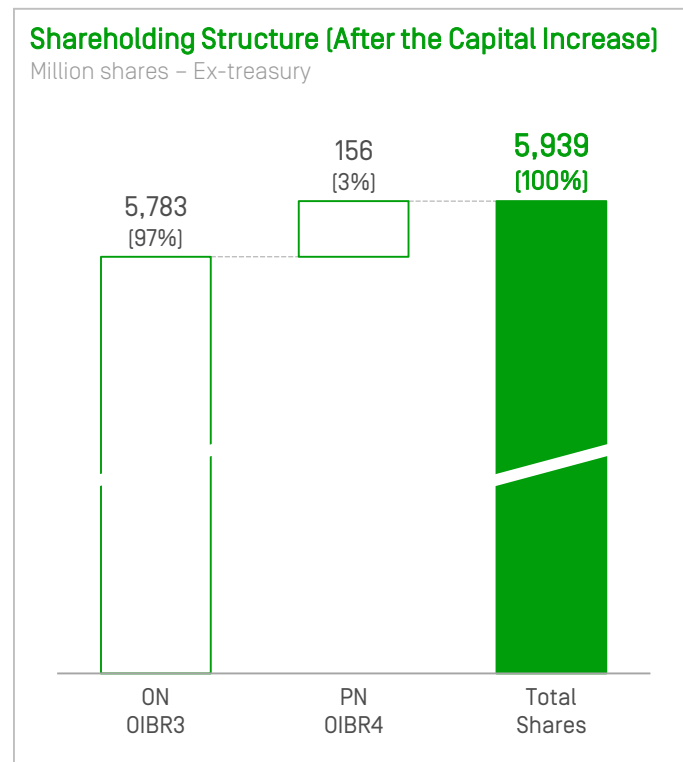
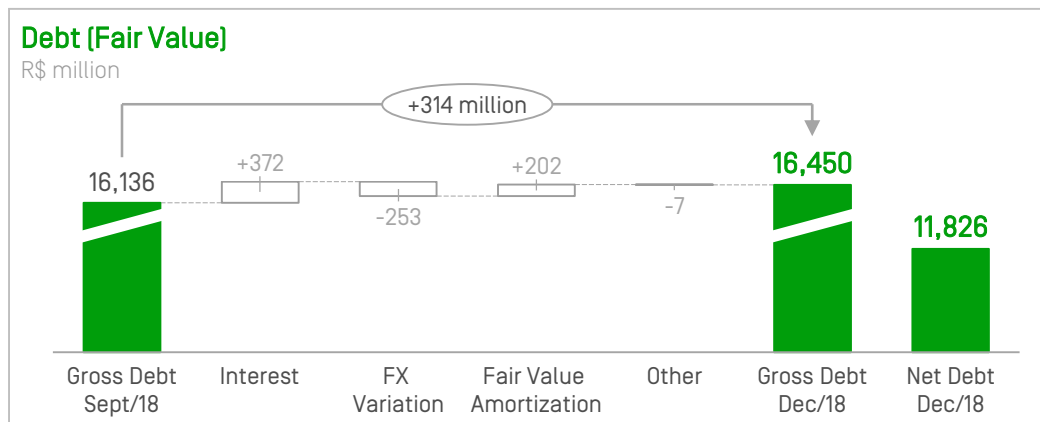
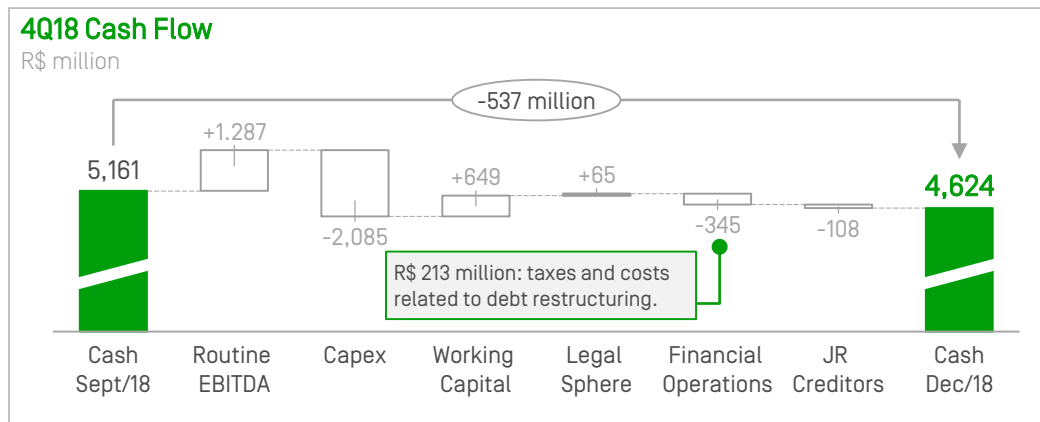
R\$ million



1- Repeated repairs or repairs during the warranty period [Fx +Vx+TV]. | 2 - Average backlog [Fx +Vx+TV]



CASH AND DEBT EVOLUTION AND NEW SHAREHOLDING STRUCTURE.






OTHER NON-OPERATIONAL EVENTS PRESENTED IMPORTANT RECENT DEVELOPMENTS

UNITEL

- 
INTERNATIONAL ARBITRAL TRIBUNAL AWARD: On February 20, 2019, the Arbitral Tribunal held that the Other Unitel Shareholders breached various provisions of the Shareholders' Agreement. Based on this, the court, among other decisions, determined that:
 - The Other Shareholders of Unitel pay PT Ventures an amount of US\$ 339.4 million, corresponding to the loss of value of PT Ventures's stake in Unitel, plus interest on this amount until the date of payment.
 - The Other Shareholders of Unitel pay PT Ventures an amount of US\$ 314.8 million, plus simple interest, to make up for the fact that they did not receive the same amount of dividends in foreign currency as Unitel's other foreign shareholder.
 - Recognized, among other things, the validity of the Shareholders Agreement, the right of the company to receive the past and future dividends in dollars, as in the Shareholders Agreement.
- 
UNITEL'S NEW BOARD OF DIRECTORS: On March 19, 2019, Unitel held a Shareholders' Meeting to elect a new Board of Directors, composed of five members, two of whom appointed by PT Ventures, one of which will also hold the position of Managing Director of Unitel.

PIS AND COFINS

- 
BECAME FINAL: In March, became final in the Federal Regional Courts from the 1st and 2nd Regions (Brasília and Rio de Janeiro) favorable decision in 2 out of the 3 main processes related to the discussion about the non-occurrence of Pis and Cofins on ICMS. The third process is still ongoing in the Federal Regional Court of the 2nd Region.

The amount of these credits in December 31, 2018, considering the three processes, was approximately R\$ 3.05 billion. In relation to the two cases in which the final judicial decision was obtained, the amount is approximately R\$ 2.05 billion.

To start using the credits judicially recognized to compensate debts related to federal tax debts, the Company is doing detailed analysis focus on quantifying these credits and adopting all the necessary steps to qualify them on the Brazilian Internal Federal Service



ADDITIONAL INFORMATION

SUMMARY TABLE WITH
THE MAIN FINANCIAL AND
OPERATIONAL INDEX



NET REVENUE OF R\$ 21.9 BILLION, ROUTINE EBITDA OF R\$ 5.9 BILLION, NET INCOME OF R\$ 24.6 BILLION.

Financial Indexes

R\$ million

	4Q18	y.o.y.	q.o.q.	2018	y.o.y.
Brazil					
Net Revenues	5.317	-8,0%	-2,1%	21.860	-7,2%
Net Service Revenues¹	5.253	-8,2%	-2,4%	21.663	-7,1%
Residential	2.003	-11,7%	-3,9%	8.402	-8,4%
Personal Mobility	1.766	-3,3%	0,1%	7.056	-4,8%
<i>Customers</i>	1.664	-1,7%	-0,4%	6.608	-4,4%
B2B	1.432	-8,2%	-2,8%	5.978	-7,8%
Routine OPEX	4.030	-10,1%	1,3%	15.997	-7,9%
Routine EBITDA	1.287	-1,0%	-11,5%	5.863	-5,3%
Routine EBITDA Margin	24,2%	1,7 p.p.	-2,6 p.p.	26,8%	0,5 p.p.
Capex	2.085	13,6%	38,8%	6.078	8,0%
Routine EBITDA – Capex	-798	49,2%	1539,0%	-215	n.a.
Net Income	-3.306	68,4%	142,1%	24.597	n.a.



POSTPAID BASE GROWTH CONTRIBUTED TO THE MOBILE REVENUE GROWTH. IN B2B, MOBILE AND TV COMPENSATED THE DECLINE IN VOICE AND BROADBAND CUSTOMERS.

Operational Indexes

RGUs – '000

	4Q18	4Q17	y.o.y.	3Q18	q.o.q.
Total - Brazil	57.147	59.685	-4,3%	58.832	-2,9%
Residential	14.746	15.885	-7,2%	15.173	-2,8%
Fixed line	8.276	9.233	-10,4%	8.578	-3,5%
Broadband	4.883	5.156	-5,3%	5.016	-2,6%
Pay TV	1.587	1.496	6,1%	1.579	0,5%
Residential ARPU	R\$ 79,6	R\$ 81,3	-2,1%	R\$ 80,2	-0,8%
Personal Mobility	35.033	36.648	-4,4%	36.454	-3,9%
Prepaid	27.293	29.917	-8,8%	29.099	-6,2%
Postpaid	7.741	6.731	15,0%	7.355	5,2%
B2B	6.727	6.512	3,3%	6.565	2,5%
Fixed line	3.514	3.641	-3,5%	3.561	-1,3%
Broadband	530	543	-2,5%	538	-1,6%
Mobile	2.670	2.316	15,3%	2.452	8,9%
Pay TV	14	12	14,1%	13	2,6%
Public phones	640	640	0,0%	640	0,0%