

A Companhia informa que disponibilizará a versão traduzida para o português deste documento tão logo seja possível.

Discussion Material

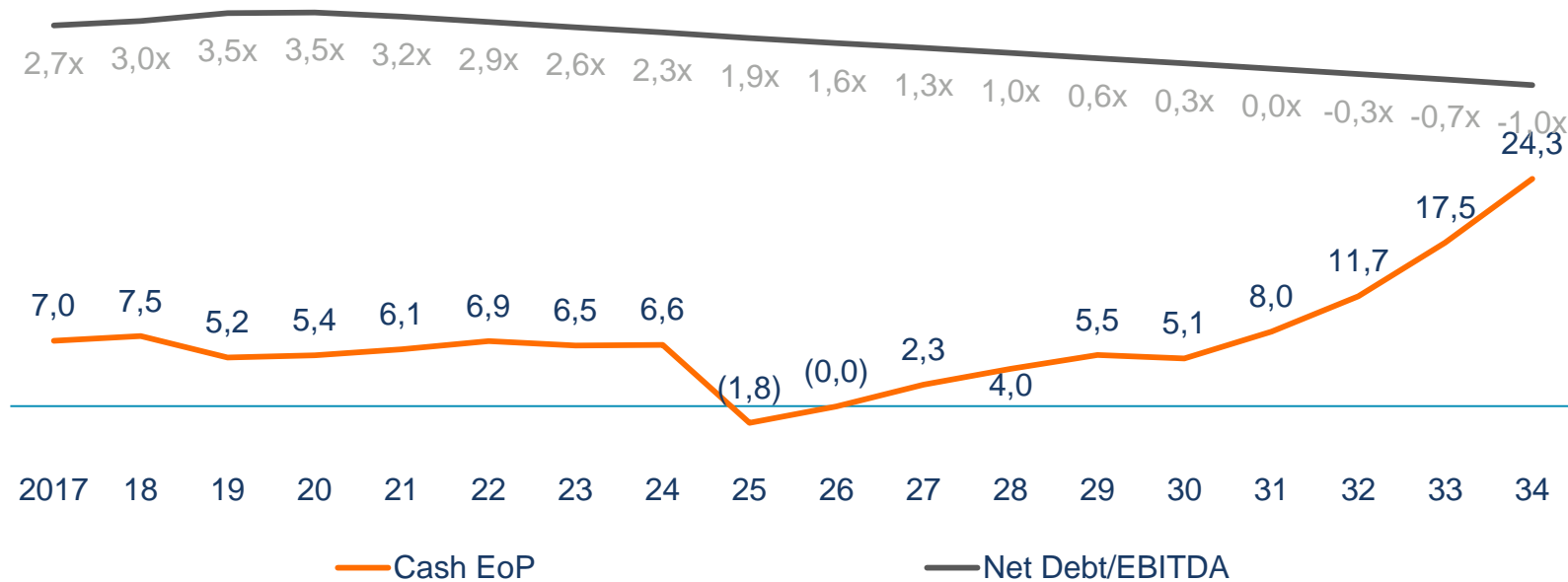
Scenarios for Regulatory Liabilities



CASH POSITION AND LEVERAGE RATIOS WITHOUT ANATEL LIABILITIES CONSIDERED

Considers terms of Alternative Proposal

End of Period Cash Balance (R\$ bn) and Net Debt/EBITDA Ratio



1 Net Debt / EBITDA = $\frac{\text{Gross financial debt}}{\text{EBITDA}}$ - Cash EoP; Gross financial debt includes only bank and ECAs debt, BNDES and bonds. Does not consider call options of financial instruments and Anatel liabilities.
Debt amounts at face value for each end of period.



Scenario 1

- **TAC** for non-judicialized liabilities (administrative liabilities of R\$ 6.1 bn), with adjustment of conduct contributing to regulatory compliance; does not consider cash disbursement to guarantee small amount of new fines
- Judicialized liabilities (R\$ 8.4 bn) paid in installments:
 - **Downpayment of 20% (R\$ 1.7 bn)**, offset in part with judicial deposits (R\$ 1.4 bn)
 - Balance paid in 239 installments (**linear** amortization)
 - Monetary correction with IPCA inflation index

Scenario 2

- **TAC** for non-judicialized liabilities (administrative liabilities of R\$ 6.1 bn), with adjustment of conduct contributing to regulatory compliance; does not consider cash disbursement to guarantee small amount of new fines
- Judicialized liabilities (R\$ 8.4 bn) paid in installments:
 - **Downpayment of 20% (R\$ 1.7 bn)**, offset in part with judicial deposits (R\$ 1.4 bn)
 - Balance paid in 239 installments (**non-linear** amortization)
 - Monetary correction with IPCA inflation index

Scenario 3

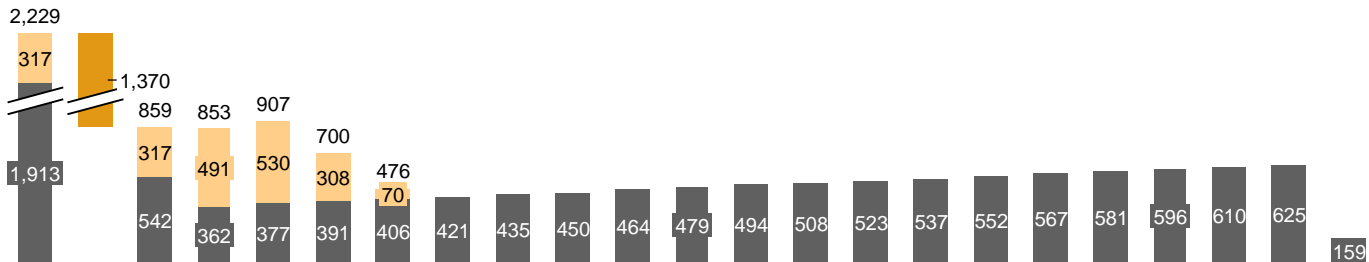
- **Does not consider TAC** or adjustment of conduct (does not reach regulatory compliance); also does not consider cash disbursement to guarantee amount of new fines (in greater volume as a result of not adjusting conduct)
- Regulatory liabilities (R\$ 14.4 bn) paid in installments
 - **Downpayment of 12% (R\$ 1.7 bn)**, offset in part with judicial deposits (R\$ 1.4 bn)
 - Balance paid in 239 installments (**non-linear** amortization)
 - Monetary correction with IPCA inflation index

CASH FLOWS RELATED TO REGULATORY LIABILITIES FOR EACH SCENARIO CONSIDERED

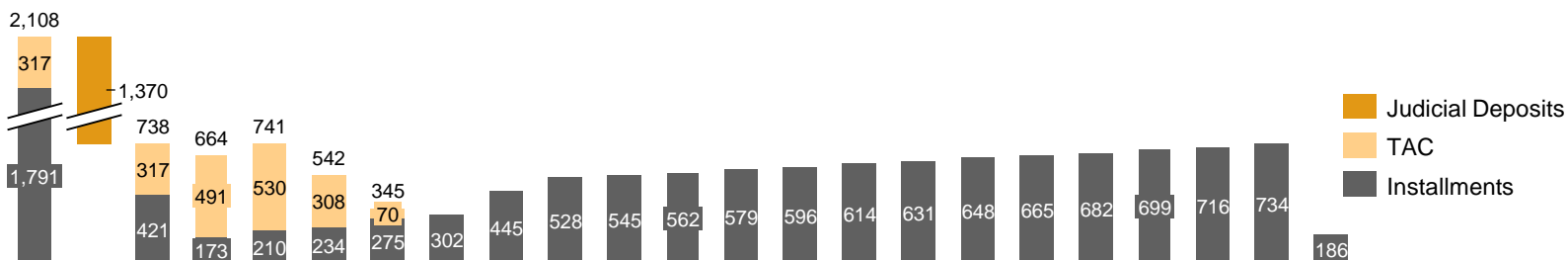


R\$ million

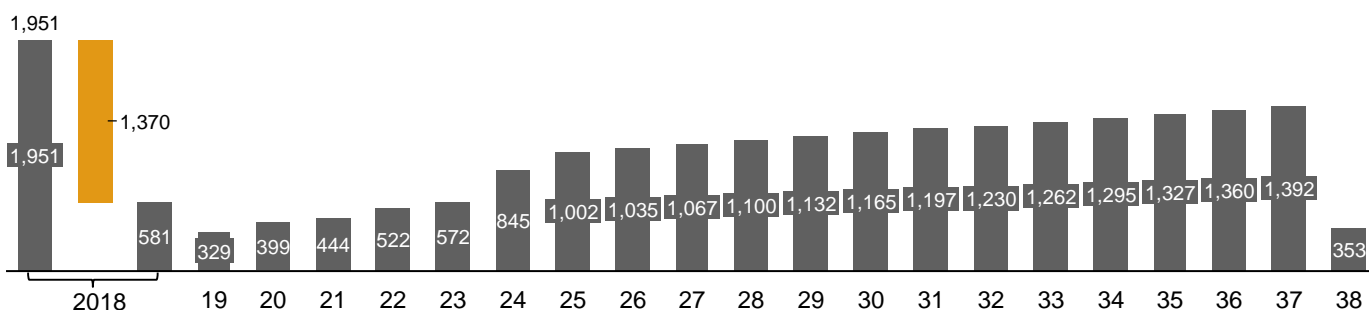
Scenario 1



Scenario 2



Scenario 3



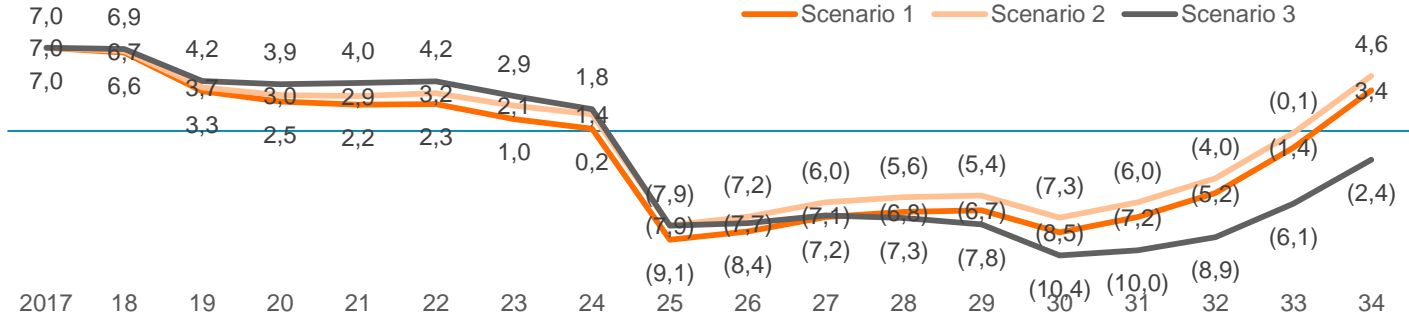


CASH POSITION AND LEVERAGE RATIOS FOR THE REGULATORY LIABILITIES SCENARIOS CONSIDERED

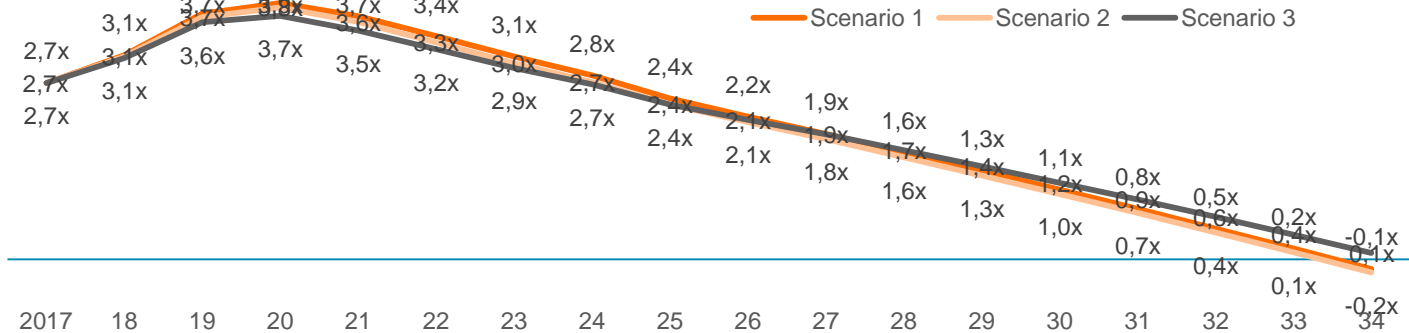
Considers terms of Alternative Proposal

End of Period Cash Balance (R\$ bn) and Net Debt/EBITDA Ratio

**EoP
Cash
Balance
(R\$ bn)**



**Net Debt/
EBITDA¹**



¹ Net Debt / EBITDA = $\frac{\text{Gross financial debt} - \text{Cash EoP}}{\text{EBITDA}}$; Gross financial debt includes only bank and ECAs debt, BNDES and bonds. Does not consider call options of financial instruments and Anatel liabilities.

Debt amounts at face value for each end of period.

ALTERNATIVE PAYMENT SCENARIO

Possibility of flexible terms for payment in installments

Scenario 3

- **Does not consider TAC** or adjustment of conduct (does not reach regulatory compliance); also does not consider cash disbursement to guarantee amount of new fines (in greater volume as a result of not adjusting conduct)
- Regulatory liabilities (R\$ 14.4 bn) paid in installments
 - **Downpayment of 12% (R\$ 1.7 bn)**, offset in part with judicial deposits (R\$ 1.4 bn)
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Scenario 3 + 80% Discount

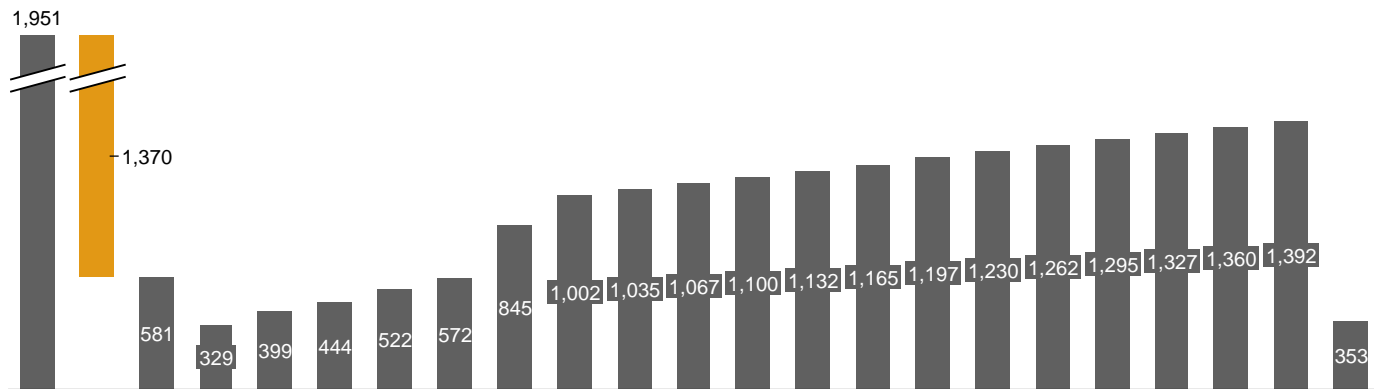
- **TAC** for non-judicialized liabilities (administrative liabilities of R\$ 6.1 bn), with adjustment of conduct contributing to regulatory compliance; does not consider cash disbursement to guarantee small amount of new fines
- Judicialized liabilities (R\$ 8.4 bn) paid in installments:
 - **Downpayment of 20% (R\$ 1.7 bn)**, offset in part with judicial deposits (R\$ 1.4 bn)
 - **80% discount** over legal charges, interest and delay charges
 - Balance paid in 239 installments (**non-linear** amortization)
 - Monetary correction with IPCA inflation index

CASH FLOWS RELATED TO ALTERNATIVE PAYMENT SCENARIOS

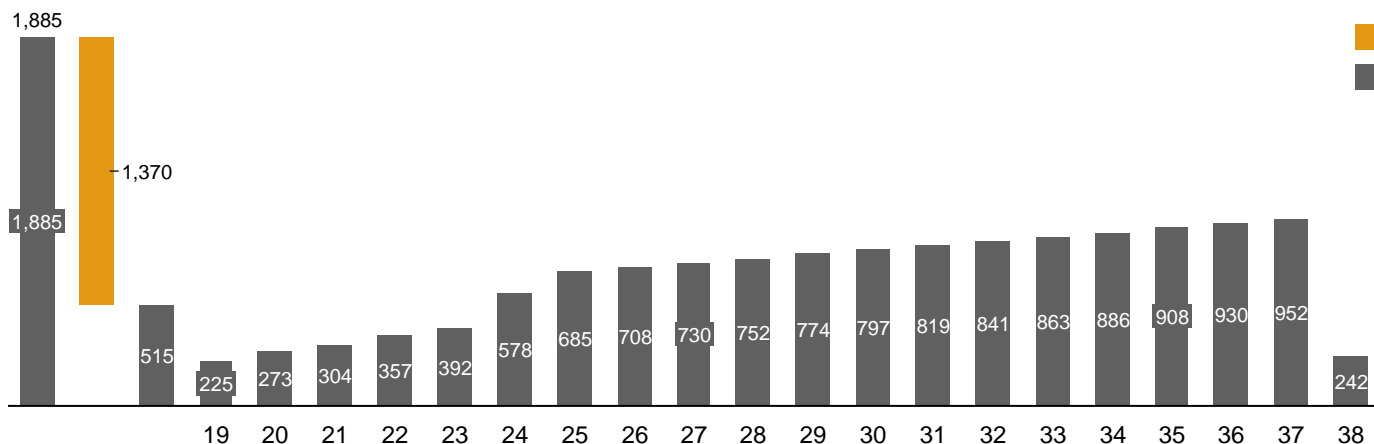


R\$ million

Scenario 3



Scenario 3 + 80% Discount



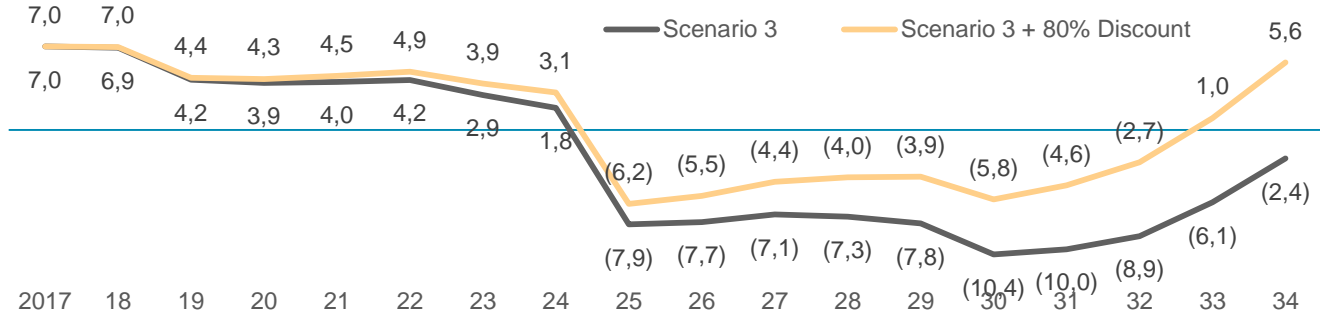


CASH POSITION AND LEVERAGE RATIOS FOR ALTERNATIVE SCENARIOS

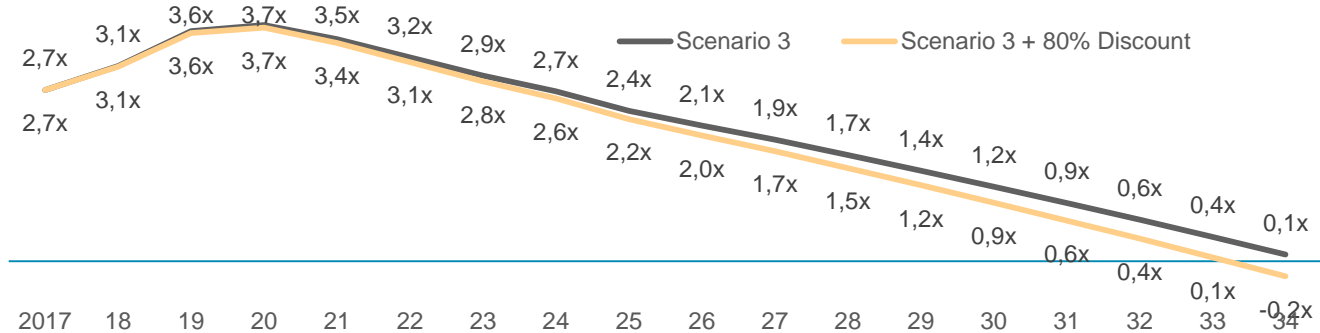
Considers terms of Alternative Proposal

End of Period Cash Balance (R\$ bn) and Net Debt/EBITDA Ratio

EoP
Cash
Balance
(R\$ bn)



Net Debt/
EBITDA¹



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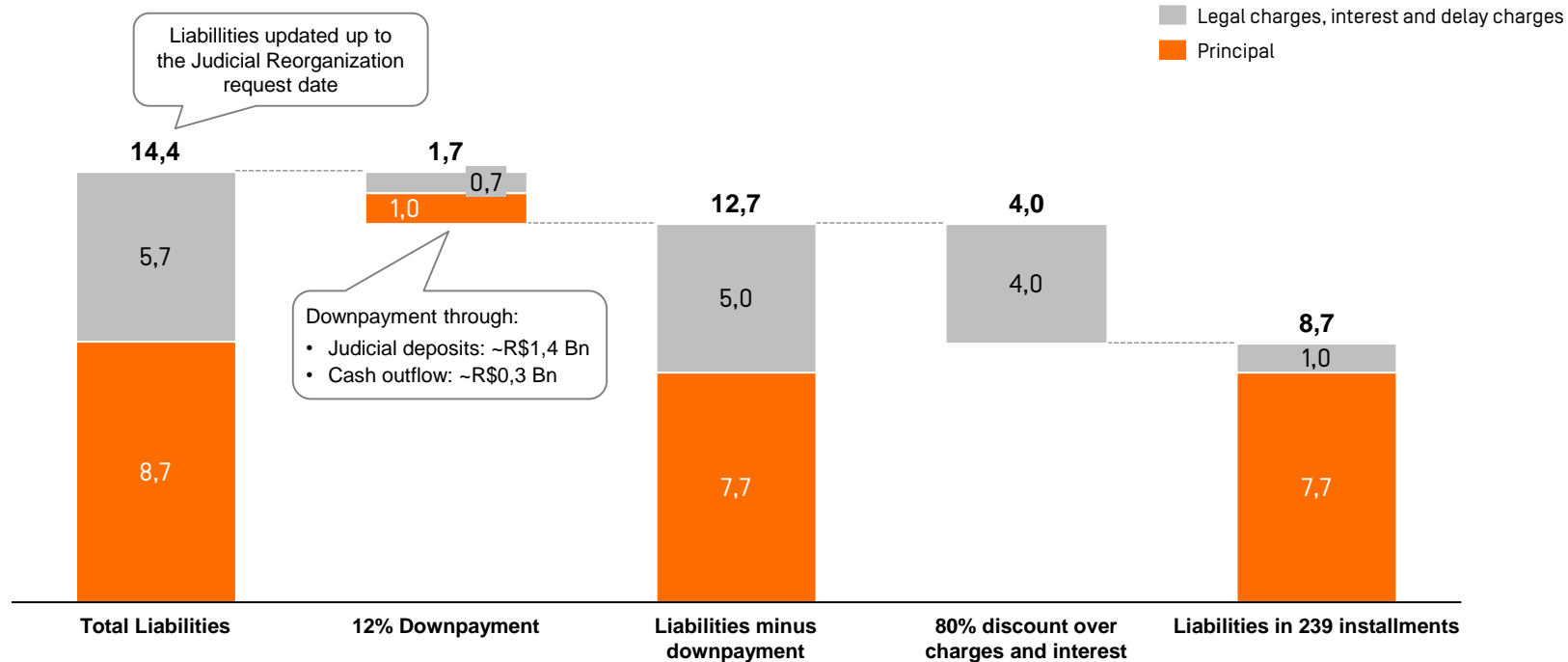
Back-Up

Detail of Scenario 3 with 80% Discount

Detail of scenario 3 with 80% discount on legal charges, interest and delay charges

Payment Details

R\$ Bn



Back-up

Conditions for payment in installments

Detail of monthly installments in non-linear payment

Years	Payment conditions
Years 1 and 2	<ul style="list-style-type: none">• 0.2% monthly (24 months)
Years 3 and 4	<ul style="list-style-type: none">• 0.25% monthly (24 months)
Years 5 and 6	<ul style="list-style-type: none">• 0.3% monthly (24 months)
Years 7 to 20	<ul style="list-style-type: none">• Balance in equal monthly payments up to 239th payment (~0,49% monthly; 167 months)

Back-Up

Alternative Payment Scenario: 25% Discount

ALTERNATIVE PAYMENT SCENARIO

Possibility of flexible terms for payment in installments

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Scenario 3 + 25% Discount

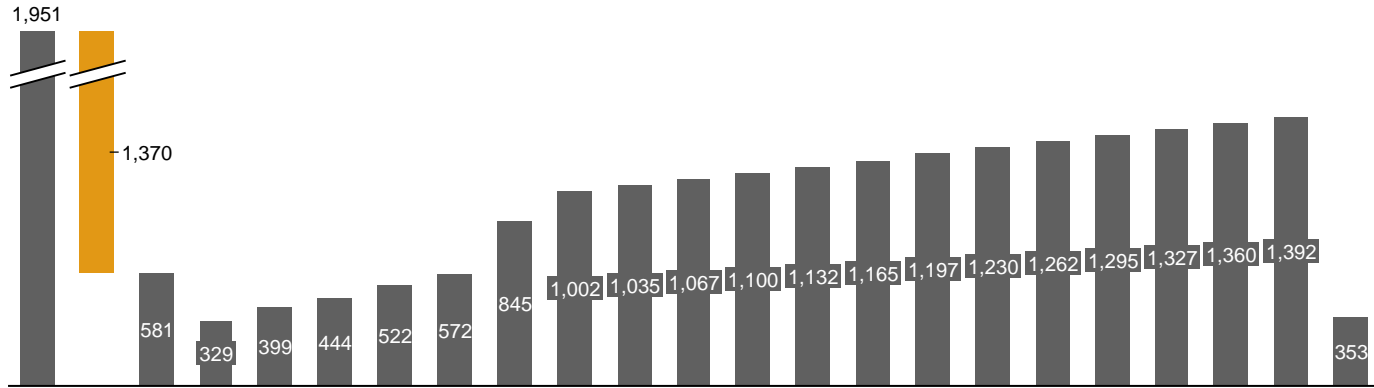
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CASH FLOWS RELATED TO ALTERNATIVE PAYMENT SCENARIOS

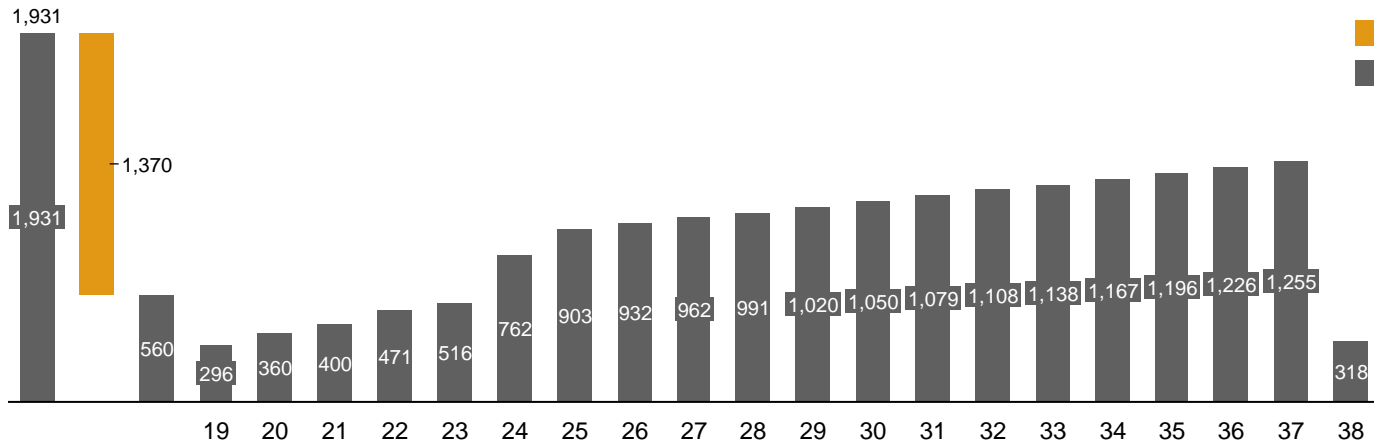


R\$ million

Scenario 3



Scenario 3 + 25% Discount

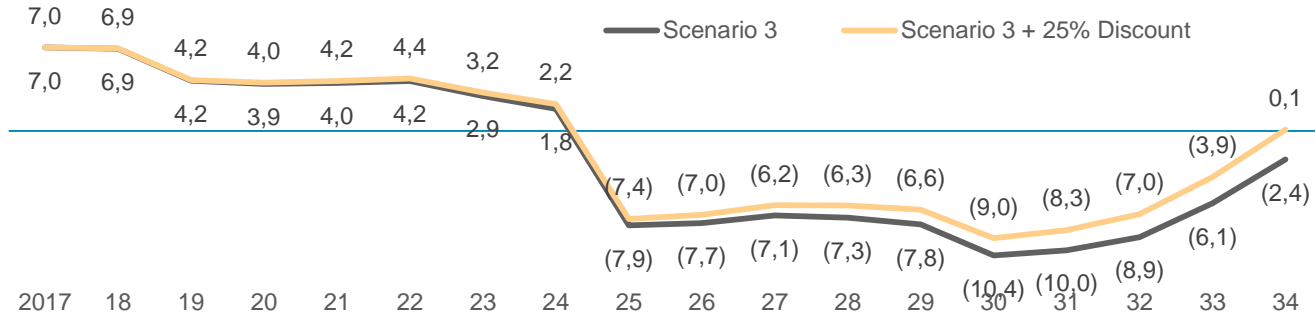


CASH POSITION AND LEVERAGE RATIOS FOR ALTERNATIVE SCENARIOS

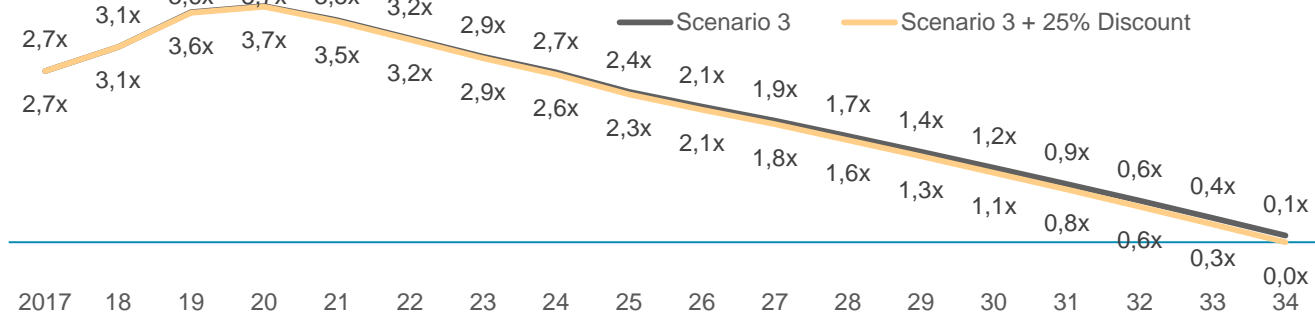
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