

PORUGAL TELECOM INTERNATIONAL FINANCE B.V. (the "Issuer")

**€400,000,000 6.25% Notes due 2016 (the "Notes") guaranteed by
Oi S.A. (the "Guarantor")**

(ISIN Code PTPTCYOM0008)

The Issuer hereby announces that the Guarantor's sale of PT Portugal, SGPS S.A. to Altice Portugal S.A. was successfully completed on 2 June 2015 (the "**Sale Completion Date**").

Pursuant to Condition 7(d) of the Terms and Conditions of the Notes (as amended from time to time and as last amended by the Ninth Supplemental Trust Deed dated 26 May 2015) any holder of a Note is hereby eligible to exercise the option to redeem their Note(s) on the thirtieth Business Day following the Sale Completion Date, being 14 July 2015 (the "**Put Settlement Date**"), provided that the relevant holder shall, no later than 12 noon (Lisbon time) on 30 June 2015, instruct the Affiliate Member of Interbolsa as set out below in the form scheduled to this Announcement or in any other valid form provided by the relevant holder to the Affiliate Member of Interbolsa (an "**Investor Put Instruction**").

If any holder of a Note exercises the option to redeem their Note(s), the put option will be settled at the redemption price of 103.975 per cent. of the principal amount of the Note(s) (the "**Put Price**") as stated in the Consent Solicitation Memorandum dated 9 April 2015 (the "**Consent Solicitation Memorandum**") together with interest accrued and unpaid up to the Put Settlement Date.

A holder of a Note wishing to exercise the option to redeem its Note(s) will receive, on the Put Settlement Date, a total gross amount of €1,068.92 per Note, comprising €1,039.75 which shall be the price paid to redeem the Note, and €29.17 which is the interest accrued and unpaid up to the Put Settlement Date.

Upon receiving an Investor Put Instruction, the relevant Affiliate Member of Interbolsa shall proceed as follows:

- (i) block the Notes in the relevant holders' accounts immediately after receiving an Investor Put Instruction from a customer;
- (ii) no later than 5:00 p.m. (Lisbon time) on the eighth Lisbon Business Day prior to the Put Settlement Date, provide Citibank International Limited, Sucursal em Portugal (the "**Portuguese Paying Agent**") and the Issuer with information on the total aggregate amount of the put options exercised together with the information which is deemed necessary to settle the transaction in the SLRT System;
- (iii) no later than 5:00 p.m. (Lisbon time) on the fourth Lisbon Business Day prior to the Put Settlement Date, provide the Portuguese Paying Agent with any missing information which has been requested by it; and
- (iv) no later than 5:00 p.m. (Lisbon time) on the third Lisbon Business Day prior to the Put Settlement Date, insert the instructions in the SLRT System (matching the settlement instructions).

**Portugal Telecom International
Finance B.V.**
Naritaweg 165, 1043 BW
Amsterdam
Netherlands

Share Capital 21.000,00 euros
Registered at The Netherlands Chamber of
Commerce Commercial Register with the
number 34108060
Portuguese Taxpayer Number: 710 222 149

Flavio Nicolay Guimarães
Investor Relations Officer
Email: invest@oi.net.br
Tel.: +55 21 3131-2918
Fax: +55 21 3131-1155

Any communication, notice or information to be sent by any Affiliate Member for this purpose shall be sent to the Portuguese Paying Agent and the Issuer, the details of which are set out below:

Citibank International Limited, Sucursal em Portugal
Rua Barata Salgueiro, 30-4
1269-056 Lisbon
Portugal

Email: at.repurchases@citi.com
Fax: +353 1 622 2213
Tel: +353 1 622 1120/4401
Attention: Repurchases Team

Portugal Telecom International Finance B.V.
Rua Humberto de Campos, 425 – 7º Andar,
Leblon
22430-190 Rio de Janeiro-RJ
Brazil

Email: invest@oi.net.br
Tel.: +55 21 3131-2918 Facsimile: +55 21 3131-1155
Attention: Flavio Nicolay Guimarães

For these purposes:

a “**holder of any Note**” means each person shown in the individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in the Notes. Any beneficial owner of Notes not falling within this definition, and who intends the put option to be exercised on its behalf, shall ensure that the relevant procedures of Interbolsa and Euroclear, Clearstream, Luxembourg (as applicable), or any other intermediary, are complied within the relevant timeframe required, so as to allow the above procedures to be complied with, also within the relevant timeframe required; and

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments in Lisbon, Portugal and São Paulo, Brazil.

“**Lisbon Business Day**” means a day on which commercial banks and foreign exchange markets settle payments in Lisbon, Portugal.

Please contact the Issuer (the details of which are set out above) in relation to any queries on this Notice.

3 June 2015

Important Notice for U.S. Holders

The Consent Solicitation for the Notes set out in the Consent Solicitation Memorandum was made for the securities of a non-U.S. company. The Consent Solicitation was subject to disclosure requirements in Portugal and the United Kingdom that are different from those of the United States of America.

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It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the Issuer and the Guarantor are located in foreign countries, and some or all of their officers and directors are residents of foreign countries. You may not be able to sue a foreign company or its officers and directors in a foreign court for violations of U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

SCHEDE TO THE PT PORTUGAL SALE ANNOUNCEMENT

PRTUGAL TELECOM INTERNATIONAL FINANCE B.V. (the "Issuer")

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Oi S.A. (the "Guarantor")**

(ISIN Code PTPTCYOM0008)

This Notice is made pursuant to the announcement that the Guarantor's sale of PT Portugal, SGPS S.A. to Altice Portugal S.A. was successfully completed (the "**PT Portugal Sale Announcement**").

By depositing this duly completed Notice with *[insert name of relevant Affiliate Member of Interbolsa]* the undersigned holder of Notes referred to below irrevocably exercises its option to have [the full/.....] nominal amount of its Notes redeemed in accordance with Condition 7(d) of the Terms and Conditions of the Notes (as amended from time to time and as last amended by the Ninth Supplemental Trust Deed dated 26 May 2015) on the Put Settlement Date.

This Notice relates to Notes held by the following holder:

Name:

Securities Account:

Number of Notes:

Aggregate Amount:

This Put Notice is not valid unless all of the paragraphs requiring completion are duly completed.

For these purposes, terms not otherwise defined in this Notice shall have the meaning ascribed to them in the PT Portugal Sale Announcement.

[Signature of the holder]

[Location]

[Date]

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[Signature of the Affiliate Member of Interbolsa]

[Location]

[Date]

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