



Announcement | Lisbon | 24 June 2016

Notice to the Market disclosed by Oi

PHAROL, SGPS S.A. hereby informs on the Notice to the Market disclosed by Oi, S.A., according to the company's announcement attached hereto.

PHAROL, SGPS S.A.

Public company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215058

PHAROL is listed on the
Euronext (PHR). Information
may be accessed on Bloomberg
under the symbol PHRPL.

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Oi S.A.

Corporate Taxpayers' Registry [CNPJ/MF] No. 76.535.764/0001-43

Board of Trade [NIRE] No. 33.3.0029520-8

Publicly-Held Company

NOTICE TO THE MARKET

Judicial reorganization recognized as a foreign main proceeding in England and Wales

Oi S.A. (the "Company") informs its shareholders and the market in general that, on this date, the High Court of Justice of England and Wales granted orders recognizing, in respect of the Company, Telemar Norte Leste S.A. and Oi Móvel S.A. (together, the "Debtors"), the commencement of judicial recovery proceedings (pursuant to Law No. 11,101/05 and the Brazilian Corporations Law) as a foreign main proceeding in accordance with the UNCITRAL Model Law on Cross-Border Insolvency (as set out in Schedule 1 to the Cross-Border Insolvency Regulations 2006 [S.I. 2006 No 1030]) (the "Recognition Orders").

The Recognition Orders provide that the commencement or continuation of proceedings (including any enforcement actions) in England and Wales relating to the Debtors' assets, rights, obligations or liabilities are stayed from 23 June 2016.

Rio de Janeiro, June 23, 2016

Flavio Nicolay Guimarães
Chief Financial Officer and Investor Relations Officer
Oi S.A.