



Announcement | Lisbon | 7 April 2017

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. 503 215 058

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

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Oi S.A. – In Judicial Reorganization
Corporate Taxpayers' Registry [CNPJ/MF] No.
76.535.764/0001-43
Board of Trade [NIRE] No. 33.300.29520-8
Publicly-Held Company

NOTICE TO THE MARKET

Oi S.A. – In Judicial Reorganization [“Oi” or “Company”], communicates to its shareholders and the market in general that, on this date, the Company resubmitted the Management’s Proposal for the Ordinary General Shareholders Meeting, to held on April 28, 2017 [“AGO”], aiming to improve item (iii) of the Management’s Proposal for the AGO pursuant to Official Letter No. 120/2017/CVM/SEP/GEA-2, sent by the Brazilian Securities and Exchange Commission. The Company clarifies that the total value of the remuneration for officers for the 2017 fiscal year, which covers the social expenses charged to the employer, is already included in Annex V of the Management Proposal [item 13.2 of the Reference Form—*Formulário de Referência*].

The Management’s Proposal is available for review on the Company’s Investor Relations page [www.oi.com.br/ri], as well as on the website of the Brazilian Securities and Exchange Commission [www.cvm.gov.br] and of the Brazilian Securities, Commodities and Futures Exchange [*Bolsa de Valores, Mercadorias e Futuros*—BM&FBOVESPA] [<http://www.bmfbovespa.com.br/>].

Rio de Janeiro, April 6, 2017.

Ricardo Malavazi Martins
Chief Financial Officer and Investor Relations Officer
Oi S.A. – In Judicial Reorganization