



Announcement | Lisbon | 14 September 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. - In Judicial Reorganization

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

Oi S.A. - In Judicial Reorganization, in accordance with article 12 of CVM Instruction No. 358/02, informs the market that it received a letter from Bank of America Corporation, as transcribed below:

"Dear Sir,

- For the purposes of Article 12 of the Brazilian Securities Exchange ["CVM"] Ruling No.358, of January 3, 2002, as amended by CVM Instruction No. 568, dated September 17,2015 ["Ruling No.568"], the undersigned, Bank of America Corporation ["**Bank of America**"], hereby informs that on September 12, 2016, it held through various subsidiaries, shares that total 8,197,782 shares representing 5.20% of the total outstanding preferred shares issued by **OI S.A.** [the "**Company**"].*

Physically Settled Stock/Derivatives	
<i>Preferred Shares</i>	<i>8,195,350</i>
<i>ADR</i>	<i>132</i>
<i>ADR/ Stock Borrow</i>	<i>2,300</i>
<i>ADR/ Stock Loan</i>	<i>-94,500</i>
TOTAL	8,197,782
Cash Settled Stock /Derivatives	
<i>Derivatives</i>	<i>1,983,926</i>
TOTAL	1,983,926

- Bank of America further requests the Company Investors Relations Officer disclose the following information to CVM through the Occasional Periodic Information System - IPE:*
 - Bank of America Corporation is a corporation validly existing under the laws of the State of Delaware, with the IRS Employer Identification Number is 56-*

0906609. Its registered office is located at: Bank of America Corporate Center 100 North Tryon Street, Charlotte, NC 28255 USA;
- (ii) Bank of America holds the equity positions through various subsidiaries that may acquire the securities solely for investment or client facilitation purposes; however, Bank of America does not seek a change of control or a change in the management structure of the Company;
 - (iii) Bank of America has holdings totaling to 8,197,782 preferred shares;
 - (iv) No debenture convertible into shares issued by the Company is held by Bank of America;
 - (v) No agreement or contract regulating the exercise of the voting right or the purchase and sale of securities issued by the Company was executed by Bank of America; and
 - (vi) The equity positions in the Company are held by non-resident subsidiaries of Bank of America represented by CITIBANK DTVM SA [CNPJ: 33.868.597/0001-40].

We look forward to hearing from you with regard to the request above. Please do not hesitate to contact us with any further question or comment on the above at the following contact:

Lawrence Emerson
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Global Regulatory Equity Aggregation Team-Americas
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Yours faithfully,
Sarah Turner
Director
Bank of America Corporation”

Rio de Janeiro, September 14, 2016.

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