



Announcement | Lisbon | 22 April 2015

Material fact disclosed by Oi

Portugal Telecom, SGPS S.A. hereby informs on the Material fact disclosed by Oi, S.A., according to the company's announcement attached hereto.

Portugal Telecom, SGPS, SA
Avenida Fontes Pereira de Melo, 40
1069-300 Lisbon
Portugal

Public company
Share capital Euro 26,895,375
Registered in the Commercial
Registry Office of Lisbon
and Corporation no. 503 215 058

Portugal Telecom is listed on the
Euronext and New York Stock
Exchange. Information may be
accessed on the Reuters under the
symbols PTC.LS and PT and on
Bloomberg under the symbol PTC PL.

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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

MATERIAL FACT

Approval of the European Commission of the Acquisition by Altice Portugal, S.A. of all PT Portugal, SGPS, S.A. Shares Held by Oi S.A.

and

Non-Opposition of the Portuguese Insurance and Pension Fund Supervisory Authority to the Acquisition by Altice Portugal, S.A. of a Qualified Indirect Participation in the Share Capital of Previsão – Sociedade Gestora de Fundos de Pensões, S.A.

Oi S.A. (“Oi” – Bovespa: OIBR3, OIBR4; NYSE: OIBR and OIBR.C), pursuant to art. 157, paragraph 4, of Law No. 6,404/76 and Instruction No. 358/02 of the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* – CVM), and in furtherance of the Material Facts issued on November 3 and 30, 2014, and on December 8 and 9, 2014, informs its shareholders and the market in general, that it was notified by Altice Portugal, S.A. in respect to the satisfaction of conditions precedent regarding:

1. the approval by the European Commission of the acquisition by Altice Portugal, S.A. of all issued shares of PT Portugal, SGPS, S.A. (“PT Portugal”) held by Oi; and
2. the non-opposition of the Portuguese Insurance and Pension Fund Supervisory Authority (*Autoridade de Supervisão de Seguros e Fundos de Pensões*) to Altice Portugal, S.A. holding of an qualified indirect participation equal to 82.05% of the share capital of Previsão – Sociedade Gestora de Fundos de Pensões, S.A.

According to the terms stated in the European Commission's correspondence of April 20, 2015, to which Altice Portugal, S.A. refers in its notice, the approval of the European Commission is conditioned on the French group selling the assets that it currently owns in Portugal, namely Cabovisão and ONI.

Oi would like to reiterate that, as previously disclosed to the market, prior to the consummation of the sale of PT Portugal and as a condition precedent to its closing, a corporate reorganization, which is currently taking place, is required in order to delineate the operations to be transferred as well as to separate PT Portugal's investments which will not be included in the sale, including the investments in Africatel GmbH & Co. KG and Timor Telecom S.A., as well as all or part of PT Portugal's indebtedness.

The Company will keep its shareholders and the market in general informed of any relevant subsequent events related to the topics discussed in this Material Fact.

Rio de Janeiro, April 22, 2015.

Oi S.A.

Flavio Nicolay Guimarães
Chief Financial Officer and Investor Relations Officer