



**Oi S.A.**

Corporate Taxpayers' Registry (CNPJ/MF) No. 76.535.764/0001-43

Board of Trade (NIRE) No. 33.3.0029520-8

Public-Held Company

**NOTICE TO THE MARKET**

Oi S.A. ("Oi" or "Company", Bovespa: OIBR3, OIBR4; NYSE: OIBR and OIBR.C) hereby informs its shareholders and the Market in general of the change in the ratio of the number of common shares of Oi represented by the Depository Receipts ("Common DRs") issued under its Level II Sponsored Depository Receipts Program.

Currently, each Common DR represents one (1) common share issued by the Company. After the change in the ratio described below, each Common DR will represent five (5) common shares.

Accordingly, registered holders of Common DRs must surrender their Common DRs to the depository, The Bank of New York Mellon ("BNYM"), beginning on February 1, 2016, for cancellation of these Common DRs and their replacement by new Common DRs. Following receipt of Common DRs surrendered for cancellation, BNYM will issue new Common DRs to replace the surrendered Common DRs. The Depository Trust Company ("DTC") will coordinate the exchange on behalf of the beneficial Common DR holders. Beneficial holders do not need to take any action in order for their Common DRs to be exchanged. The effective date for the mandatory exchange of the Common DRs with BNYM, in the ratio of one (1) new Common DR for each five (5) outstanding Common DRs, will be February 1, 2016.

The Company also informs that the other terms and conditions of its Common DR program will remain unchanged. Therefore, the Common DRs issued following the ratio change will be of the same type and will grant their holders the same rights as the Common DRs held prior to the ratio change.

Rio de Janeiro, January 22, 2016.

**Oi S.A.**

Flavio Nicolay Guimarães

Chief Financial Officer and Investor Relations Officer