



Announcement | Lisbon | 24 March 2016

Material fact disclosed by Oi

PHAROL, SGPS S.A. hereby informs on the Material fact 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.

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

Board of Trade (NIRE) No. 33.300.29520-8

Public-Held Company

MATERIAL FACT

Oi S.A. (the "Company"), in compliance with article 157, §4, of Law No. 6,404/76 and the provisions of CVM Instructions Nos. 358/02 and 480/09, hereby informs to its shareholders and the market in general that the Company has decided not to disclose guidance for the year 2016, in order to provide flexibility to the Company given the instability of the current macroeconomic scenario, considering the recent volatility in the macroeconomic environment, especially with respect to the indices used as premises to support the disclosure of estimates about future performance, such as inflation rate and GDP growth.

Rio de Janeiro, March 24, 2016.

Flavio Nicolay Guimarães

Chief Financial Officer and Investor Relations Officer

Oi S.A.