



Announcement | Lisbon | 27 April 2016

Notice to the Market disclosed by Oi - S&P rating

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.

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

S&P rating

Oi S.A. (BOVESPA: OIBR3, OIBR4; NYSE: OIBR.C, OIBR) (the "Company" or "Oi") discloses to its shareholders and the market in general that Standard & Poor's announced today its review of the credit rating attributed to the Company, downgrading the long-term global scale credit rating from CCC to CCC- and the long-term domestic scale credit rating from brCCC to brCCC-. The outlook is negative.

Rio de Janeiro, April 26, 2016

Flavio Nicolay Guimarães