



**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

**NOTICE TO THE MARKET**

Oi S.A. ("Oi" or the "Company"), hereby notifies its shareholders and the market in general that the general meetings of debenture holders of (i) the 5<sup>th</sup> Public Issuance of Subordinated Non-Convertible Debentures (the "5<sup>th</sup> Issuance"); and (ii) the 9<sup>th</sup> Public Issuance of Simple Subordinated Non-Convertible Debentures, in two series (the "9<sup>th</sup> Issuance" and, together with the 5<sup>th</sup> Issuance, the "Debentures"), both issued by the Company, were convened for this day (the "GMs" and individually "GM of the 5<sup>th</sup> Issuance" and "GM of the 9<sup>th</sup> Issuance").

The Company advises that, in contrast with the 8<sup>th</sup> and the 10<sup>th</sup> issuance of debentures, where the Company received a temporary waiver relating to its compliance with the financial covenants related to leverage, it did not obtain such flexibility for the Debentures. Given the fact that the financial covenant related to the leverage of the Debentures was not complied with by the Company, the respective Trustees have called the GMs.

In relation to the 5<sup>th</sup> Issuance, the minimum quorum for the installation of the GM of the 5<sup>th</sup> Issuance was not met and the Trustee of the 5<sup>th</sup> Issuance decided to publish the second call of the GM of the 5<sup>th</sup> Issuance to discuss and vote about the same agenda.

In relation to the 9<sup>th</sup> Issuance, the Trustee declared the early termination of such Debentures, in accordance with Clause 6.23 of the deed of the 9<sup>th</sup> Issuance, effective on this date (April 15, 2016) (the "Declared Early Termination Date"). The outstanding principal amount of these Debentures is estimated to be R\$21,488,233.16.

The Company will pay the Updated Nominal Unitary Amount of the outstanding debentures of the 9<sup>th</sup> Issuance and their respective accrued remuneration, calculated on a *pro rata temporis* basis from the date of the immediately preceding payment date to the effective payment date, which is three business days from the Declared Early Termination Date, being April 20, 2016.

Further, the Company notes that the early termination of the outstanding Debentures does not, and will not, trigger a cross-default of any of the Company's financial debts,



either domestic or international, given the small outstanding principal amount of the Debentures estimated to be R\$23,002,680.79, consisting of R\$1,514,447.00 for the 5<sup>th</sup> Issuance and R\$21,488,233.16 for the 9<sup>th</sup> Issuance.

Finally, the Company advises its customers and the market in general that the early termination of the debentures of the 9<sup>th</sup> Issuance will not affect its ability to continue to provide services and supply products with the best technology and the highest quality standards.

Rio de Janeiro, April 15, 2016.

Flavio Nicolay Guimarães  
Financial Officer and Investor Relations Officer  
**Oi S.A.**

**Special Note Regarding Forward-Looking Statements:**

This communication contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Brazilian applicable regulation. Statements that are not historical facts, including statements regarding the beliefs and expectations of Oi, business strategies, future synergies and cost savings, future costs and future liquidity are forward-looking statements. The words “will,” “may,” “should,” “could,” “anticipates,” “intends,” “believes,” “estimates,” “expects,” “forecasts,” “plans,” “targets,” “goal” and similar expressions, as they relate to Oi or its management, are intended to identify forward-looking statements. There is no guarantee that the expected events, tendencies or expected results will actually occur. Such statements reflect the current views of management Oi and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, corporate approvals, operational factors and other factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. All forward- looking statements attributable to Oi or its affiliates, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. Except as required under the Brazilian and U.S. federal securities laws and the rules and regulations of the CVM, the SEC or of regulatory authorities in other applicable jurisdictions Oi and its affiliates do not have any intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. You are advised, however, to consult any further



disclosures Oi makes on related subjects in reports and communications that Oi files with the SEC.