



Announcement | Lisbon | 15 September 2016

Notice to the Market disclosed by Oi

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 215058

PHAROL is listed on the
Euronext (PHR). Information
may be accessed on Bloomberg
under the symbol PHRPL.

Luis Sousa de Macedo
Investor Relations Director
ir@pharol.pt
Tel.: +351 212 697698
Fax: +351 212 697949



Oi S.A. – In Judicial Reorganization
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

Nomination of new members for the Board of Directors

Oi S.A. –In Judicial Reorganization (“Company”), pursuant to Article 157, paragraph 4, of Law No. 6,404/76 (the “Brazilian Corporation Law”) and CVM Instruction No. 358/02, informs its shareholders and the market in general that, in conformity with Article 150 of the Brazilian Corporation Law, the Board of Directors of the Company, in a meeting authorized by the 7th Corporate Court of the Judicial District of the State Capital of Rio de Janeiro, held on this date, nominated the following individuals to hold the vacant positions for members and alternate members of the Board of Directors: as members, Messrs. Demian Fiocca and Hélio Calixto da Costa; and as alternate members, Messrs. Pedro Grossi Junior, Nelson de Queiroz Sequeiros Tanure, Blener Braga Cardoso Mayhew, Luís Manuel da Costa de Sousa de Macedo, Nelson Sequeiros Rodriguez Tanure and José Manuel Melo da Silva. As a result of these nominations, Oi’s Board of Directors will have the following composition:

Member	Alternate Member
José Mauro M. Carneiro da Cunha [Chairman]	--
Ricardo Reisen de Pinho	Pedro Grossi Junior
Marcos Duarte Santos	Nelson de Queiroz Sequeiros Tanure
Demian Fiocca	Blener Braga Cardoso Mayhew
Thomas C. Azevedo Reichenheim	Sergio Bernstein
Rafael Luís Mora Funes	João do Passo Vicente Ribeiro
João Manuel Pisco de Castro	Luís Manuel da Costa de Sousa de Macedo
Luís Maria Viana Palha da Silva	Maria do Rosário A. Pinto Correia
André Cardoso de Menezes Navarro	Nuno Rocha dos Santos de Almeida e Vasconcellos
Hélio Calixto da Costa	Nelson Sequeiros Rodriguez Tanure
Pedro Zañartu Gubert Morais Leitão	José Manuel Melo da Silva

The nomination of such members will be submitted to the shareholders for ratification in the first general shareholders' meeting that may be timely called, pursuant to the Brazilian Corporation Law.

The Company clarifies, furthermore, that it will submit to the National Telecommunications Agency (*Agência Nacional de Telecomunicações* – ANATEL) a request for prior approval for the nomination of the new members of the Board of Directors, pursuant to the Regulation for the Assessment and Transfer of Control in Telecommunications Service Providers, approved by Resolution No. 101/99.

Rio de Janeiro, September 14, 2016.

Oi S.A. – In Judicial Reorganization
Ricardo Malavazi Martins
Chief Financial Officer and Investor Relations Officer