



Announcement | Lisbon | 13 January 2017

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.: +351 212 697 698
Fax: +351 212 697 949

pharol.pt



Oi S.A. – In Judicial Reorganization

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

Oi S.A. – In Judicial Reorganization ["Oi" or "Company"], in continuance of and in addition to the information contained in the Notices to the Market disclosed by the Company on November 29, 2016 and December 1, 2016, hereby informs its shareholders and the market in general that, on this date, a hearing was held in the District Court of Amsterdam, The Netherlands, in relation to the requests for conversion of the suspension of payments proceedings for each of Oi's financial vehicles in the Netherlands, Oi Brasil Holdings Coöperatief UA – In Judicial Reorganization ["Oi Brasil Holdings"] and Portugal Telecom International Finance B.V. – In Judicial Reorganization ["PTIF"]. The District Court of Amsterdam, The Netherlands, informed that it expects to render its decision in relation to both Oi Brasil Holdings' and PTIF's hearings for the conversion of their respective suspension of payments proceedings on January 26, 2017.

Oi reiterates that it is making all efforts to negotiate with all the creditors a final proposal of a Judicial Reorganization Plan to be submitted to approval in a Creditors' General Meeting in accordance with the deadlines and rules provided by law, which guarantees the Company's operational viability and sustainability and serves creditors, shareholders and other interested parties in a balanced way, allowing the Company to be strengthened at the end of this process. Oi intends to use all the necessary resources to seek to ensure the protection of the Oi Companies' and their stakeholders' interests with respect to any effects of a possible conversion.

The Company will keep its shareholders and the market informed of the development of the subject matter of this Notice to the Market.

Rio de Janeiro, January 12, 2016.

Ricardo Malavazi Martins

Chief Financial Officer and Investor Relations Officer.

Oi S.A. – In Judicial Reorganization

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 of 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 or U.S. federal securities laws or 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, revise or 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.