



Corporate Taxpayers' Registry [CNPJ/MF] No.  
76.535.764/0001-43  
Board of Trade [NIRE] No. 33.30029520-8  
Publicly-Held Company

### NOTICE TO THE MARKET

Oi S.A. ["Oi" or "Company"], in accordance with article 12 of CVM Instruction No. 358/02, informs the Market that it received a letter from BlackRock, Inc., as transcribed below:

*"Dear Sirs,*

*1 BlackRock, Inc. ("**BlackRock**") hereby announces, on behalf of certain of its clients and in its capacity as investment manager, that it sold preferred shares of Oi S.A. ("**Company**"), such that, on June 22, 2016, its aggregate equity interest totaled 5,189,650 preferred shares and 184,173 American Depositary Receipts ("**ADRs**") representing preferred shares, for a total of 5,373,823 preferred shares, representing approximately 3.40% of the Company's total preferred shares.*

*2 In compliance with and pursuant to the provisions set forth in article 12 of the Brazilian Securities Commission's (Comissão de Valores Mobiliários – CVM) Instruction No. 358, dated January 3, 2002, as amended, BlackRock requests that the Company's Investor Relations Officer disclose the following information to the CVM and other relevant bodies:*

- (i) BlackRock's headquarters are located at 55 East 52nd Street, New York, NY 10022-0002, United States of America;*
- (ii) BlackRock's equity interest reached an aggregate 5,189,650 preferred shares and 184,173 ADRs representing preferred shares, for a total of 5,373,823 preferred shares, representing approximately 3.40% of the Company's total preferred shares, as specified in item 1 above;*
- (iii) The above mentioned equity interest in the Company is held strictly for investment purposes, with no intention to change the control or influence the management structure of the Company; and*

*(iv) BlackRock has not executed any contracts or agreements that govern the exercise of the right to vote or the purchase and sale of the Company's securities.*

*3 We remain at your disposal for clarification or additional comments deemed necessary with respect to this subject matter.*

*Sincerely,*

***BlackRock, Inc."***

Rio de Janeiro, June 24, 2016

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