



Oi S.A.

Corporate Taxpayer's ID (CNPJ/MF): 76.535.764/0001-43

Company Registry (NIRE): 33.300.29520-8

Publicly-Held Company

NOTICE TO THE MARKET

Oi S.A. ("Oi"), in accordance with Article 12 of CVM Instruction No. 358/02, reports that, on the date hereof, it has received correspondence from Portugal Telecom, SGPS, S.A. ("PT SGPS"), with the information described below:

"Re: Transfer of a Material Interest

Dear sirs,

*In accordance with Article 12, paragraph 4, of CVM Instruction No. 358, dated January 3, 2002, **PORTUGAL TELECOM, SGPS S.A.**, a publicly-held company incorporated under the laws of Portugal, headquartered at Avenida Fontes Pereira de Melo, No. 40, freguesia de São Jorge de Arroios, conselho de Lisboa, legal entity No. 503215058, registered at the CNPJ/MF under No. 05.453.409/0001-87, herein represented in form according to its bylaws ("PT SGPS"), reports that, as of the date hereof, it transferred to **PORTUGAL TELECOM INTERNATIONAL FINANCE B.V.**, a company validly organized and existing under the laws of the Netherlands, headquartered in Amsterdam, the Netherlands, and office in Naritaweg 165, 1043 BW Amsterdam, Netherlands, registered with the Amsterdam Chamber of Commerce under No. 34108060 ("PT Finance"), 47,434,872 common shares (forty-seven million, four hundred and thirty-four thousand, eight hundred seventy-two) and 94,869,744 preferred shares (ninety-four million, eight hundred sixty-nine thousand, seven hundred forty-four) issued by **OI S.A.**, a corporation headquartered at Rua Lavradio, No. 71, 2nd floor, Downtown, in the City and State of Rio de Janeiro, registered with the CNPJ/MF under No. 76.535.764/0001-43 ("Oi"), all represented by American Depositary Receipts, corresponding to 16.58% of the total common shares and 16.58% of the total preferred shares issued by Oi under the Exchange Agreement among Oi, PT Finance, PT Portugal, SGPS, S.A., Telemar Participações S.A. and PT SGPS, dated September 8, 2014 and approved at the Oi's Extraordinary Shareholders' Meeting held on March 26, 2015 (the "Transfer").*

Sincerely,
PORTUGAL TELECOM, SGPS S.A.”

Oi reports that PT Finance is an indirect wholly-owned subsidiary of Oi and, therefore, the shares transferred by PT SGPS to PT Finance will be considered, as the case may be, treasury shares.

Rio de Janeiro, March 31, 2015.

Oi S.A.
Bayard De Paoli Gontijo
Chief Executive Officer, Chief Financial Officer and Investor Relations Officer