

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”) OR TO ANY PERSON LOCATED IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT

### Oi announces intention to tender for Euro bonds

10 June 2015: Oi S.A. (“Oi”) has announced its current intention to invite the holders of the notes listed below (the “Old Notes”) to tender their Old Notes for purchase for cash (such invitation the “Offer”) in an aggregate principal amount that will not exceed a specified Maximum Purchase Amount.

The Offer will be made on the terms and subject to the conditions set out in a tender offer memorandum (the “Offer Document”). Copies of the Offer Document will be available from the Information Agent for the Offer upon commencement of the Offer, as indicated below.

The anticipated purchase price to be paid per €1,000 principal amount of each series of Old Notes that are accepted pursuant to the Offer is indicated in the table below. Holders will also receive any accrued and unpaid interest on their Old Notes up to (but excluding) the settlement date. Payment will be made on the settlement date in Euros.

Old Notes	Issuer	Outstanding Principal Amount as of June 9, 2015	ISIN	Purchase Price (per €1,000)
5.625% Notes due 2016 (“5.625% Notes”)	Portugal Telecom International Finance B.V.	€600,000,000	XS0587805457	€1,033.50
4.375% Notes due 2017 (“4.375% Notes”)	Portugal Telecom International Finance B.V.	€500,000,000	XS0215828913	€1,045.75
5.242% Fixed Rate Notes due 2017 (“5.242% Notes”)	Portugal Telecom International Finance B.V.	€250,000,000	XS0441479804	€1,054.50
5.125% Notes due 2017 (“5.125% Notes”)	Oi S.A.	€739,900,000	XS0569301327	€1,075.75

The Offer will be conditioned upon, among other things, pricing of a new issue of Oi Brasil Holdings Coöperatief U.A.’s notes (the “New Notes”), which will be unconditionally and irrevocably guaranteed by Oi, in an amount and on terms and conditions acceptable to Oi (the “New Notes Offering”).

The Offer is currently expected to commence on the day of pricing of the New Notes Offering, and expire on the same day. Valid tenders of Old Notes made by holders who have submitted an equivalent-sized firm bid for the New Notes prior to the pricing of the New Notes Offering will be accepted before any other tenders.

#### Dealer Managers:

Merrill Lynch International	HSBC Bank plc	Banco Santander, S.A.	BB Securities Limited
2 King Edward Street London EC1A 1HQ United Kingdom Tel: +44 207 995 2929 Attention: Kulwant Bhatti	8 Canada Square London E14 5HQ United Kingdom Tel: +(44) 20 7992-6237 Attn: Liability Management Group	Avenida de Cantabria, s/n 28660 Boadilla Del Monte Madrid, Spain Tel: + 44 20 7756 6909 Attention: Liability Management	4th Floor, Pinners Hall 105-108 Old Broad Street London EC2N 1ER United Kingdom Tel: +(44) 207-367-5832 Attn: Operations Department

## **Important Notice**

**This announcement is not an offer to purchase or a solicitation of an offer to sell the Old Notes. The Offer will be made only by and pursuant to the terms of the Offer Document, as may be amended or supplemented from time to time.**

**The distribution of materials relating to the Offer and the transactions contemplated by the Offer may be restricted by law in certain jurisdictions. The Offer will be void in all jurisdictions where it is prohibited. If materials relating to the Offer come into your possession, you are required by Oi to inform yourself of and to observe all of these restrictions. The materials relating to the Offer, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and a Dealer Manager or any affiliate of a Dealer Manager is a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by the Dealer Manager or such affiliate on behalf of Oi in that jurisdiction. Owners who may lawfully participate in the Offer in accordance with the terms thereof are referred to as “holders.”**

**The New Notes have not been and will not be registered under the Securities Act, and may not be offered or sold in the U.S. without registration under the Securities Act or pursuant to an applicable exemption from such registration. This announcement does not constitute an offer to sell, or the solicitation of offers to buy, any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful.**