

Corporate Action Notice

January 22, 2016

Ratio Change and Reverse Stock Split

Oi S.A. "Common Share"

DR CUSIP: 670851302 / **DR ISIN:** US6708513022

DR Ticker Symbol: OIBR.C

Ratio: (DSs: Underlying Share): 1:1

BNY Mellon, at the direction of Oi SA ("Oi"), is announcing a ratio change on the Depositary Receipt ("DR") program from one (1) Depositary Share ("DS") representing one (1) Ordinary share to one (1) DS representing five (5) Common shares.

The ratio change will result in a reverse stock split on the Oi DSs on the basis of 1 new DS for every 5 old DSs held. The common shares of Oi will not be affected by this change in the DS to common share ratio.

The ADSs representing Oi preferred shares will NOT be subject to a ratio change – they will also not be affected by this ratio change.

Effective February 1, 2016, registered holders of Oi will be required, on a mandatory basis, to surrender their DRs to BNY Mellon for cancellation and will receive one (1) "New" DS (CUSIP# **670851 500**) for every five (5) "Old" DSs (CUSIP 670851302). Holders in the Direct Registration System and in DTC will have their DRs automatically exchanged and need not take any action. Only whole DSs will be distributed. BNY Mellon will attempt to sell any fractional DSs and distribute the cash proceeds.

BNY MELLON HAS ESTABLISHED THE FOLLOWING DATES FOR THIS CORPORATE ACTION:

Effective Date: February 1, 2016

Exchange Rate: 1 "New" DS for 5 "Old" DSs

Old CUSIP: 670851302

Old Ratio: 1 DS: 1 Common share

New CUSIP: **670851 500**

New Ratio: 1 DS: 5 Common shares

To learn more about Depositary Receipts and issuer programs, please contact our marketing desks:

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