



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, December 1, 2016, January 12, 2017 and January 26, 2017, hereby informs its shareholders and the market in general that, on this date, the District Court of Amsterdam, The Netherlands, **denied** the requests for conversion of the suspension of payments proceedings into Dutch bankruptcy 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**”), under the Dutch laws. Oi highlights that it did not have access to the translation of the entire content of the judgement.

The Company understands the interactions with creditors are progressing and reiterates that it shall continue to meet regularly with its creditors, other stakeholders and potential investors, with the intent of gathering impressions, comments and suggestions that contribute to the Company’s operational viability and sustainability.

Oi will keep its shareholders and the market informed of the development of the subject matter of this Notice to the Market, whenever appropriate.

Rio de Janeiro, February 2, 2017.

Ricardo Malavazi Martins
Chief Financial Officer and Investor Relations Officer.
Oi S.A. – In Judicial Reorganization