



Oi S.A. – In Judicial Reorganization
Corporate Taxpayers' Registry (CNPJ/MF) No. 76.535.764/0001-43
Board of Trade (NIRE) No. 33.3.0029520-8
Publicly-Held Company

MATERIAL FACT

Presentation of the Judicial Reorganization Plan

Oi S.A. – In Judicial Reorganization (“Company”), in accordance with Article 157, paragraph 4 of Law No. 6,404/76 (“LSA”), informs its shareholders and the market in general that, in a meeting held on this date, the Company’s Board of Directors approved the terms and conditions of the Oi Companies’ joint judicial reorganization plan, as well as the presentation of such plan in the Oi Companies’ judicial organization proceeding, currently underway in the 7th Corporate Court of the Judicial District of the State Capital of Rio de Janeiro (“Judicial Reorganization Plan”).

The Judicial Reorganization Plan establishes the terms and conditions proposed for the principal measures that may be adopted, with the goal of overcoming the Oi Companies’ current financial and economic situation and ensuring their ongoing continuity, including measures for (i) the restructuring and equalization of its liabilities; (ii) the exploration and adoption of measures during the judicial reorganization aimed at obtaining new financial resources and (iii) the possible sale of fixed assets.

The Judicial Reorganization Plan is available to the Company’s shareholders at the Company’s headquarters and on its website (www.oi.com.br/ri). A copy of this material will also be available on the Empresas.NET System of the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* – CVM), as well as the website of BM&FBovespa (www.bmfbovespa.com.br). A translated copy of the material presented to the CVM will also be sent as soon as possible to the U.S. Securities and Exchange Commission on Form 6-K.

The Company will keep its shareholders and the market informed of any development of the subject matters of this Material Fact and will timely disclose, as permitted by current law and regulations, further information with respect to its judicial reorganization.

Rio de Janeiro, September 5, 2016.

Oi S.A. – In Judicial Reorganization
Flavio Nicolay Guimarães
Chief Financial and Investor Relations Officer