

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**PORTUGAL TELECOM INTERNATIONAL FINANCE B.V.**  
(the **Issuer**)

**IMPORTANT NOTICE**

to the holders (the **Noteholders**) of those of the outstanding

€00,000,000 5.625 per cent. Notes due 2016  
(ISIN: XS0587805457)

€00,000,000 4.375 per cent. Notes due 2017  
(ISIN: XS0215828913)

€50,000,000 5.242 per cent. Notes due 2017  
(ISIN: XS0441479804)

€50,000,000 5.875 per cent. Notes due 2018  
(ISIN: XS0843939918)

€50,000,000 5.00 per cent. Notes due 2019  
(ISIN: XS0462994343)

€1,000,000,000 4.625 per cent. Notes due 2020  
(ISIN: XS0927581842)

€00,000,000 4.5 per cent. Notes due 2025  
(ISIN: XS0221854200)

(together, the **Wholesale Notes**)

and

€00,000,000 6.25 per cent. Notes due 2016  
(ISIN: PTPTCYOM0008)

(the **Retail Notes** and, together with the Wholesale Notes, the **Notes**)

issued by the Issuer under its €7,500,000,000 Euro Medium Term Note Programme  
and guaranteed by

**OI S.A.**

(the **Guarantor**)

Reference is made to (i) the Trust Deed dated 17 December 1998 (as amended and/or supplemented and/or restated from time to time in relation to the Notes) (the **Trust Deed**) and constituting the Notes and (ii) the Trustee's notice to the Noteholders dated 29 April 2016 (the **Prior Notice**). Capitalised terms not defined herein shall have the meanings given to them in the Trust Deed or the Prior Notice, as the case may be.

This notice is given by Citicorp Trustee Company Limited in its capacity as trustee for the Noteholders (the **Trustee**).

**NOTICE IS HEREBY GIVEN** to the Noteholders that, on 29 April 2016, the Trustee sent a letter to the Issuer and the Guarantor requiring them to remedy the Issuer's and the Guarantor's breaches of Clauses 14(iii), 14(v) and 14(vi) of the Trust Deed (the **Breaches**) which (as described in the Prior Notice) had caused the occurrence of a Potential Event of Default under Condition 10(a)(ii) of the Terms and Conditions of the Wholesale Notes.

Pursuant to the terms of Condition 10(a)(ii), if any of the Breaches continues for a period of 30 days next following the service by the Trustee on the Issuer and the Guarantor of notice requiring the same to be remedied, the Trustee must consider whether the breaches (and the Potential Event of Default arising from them) are, in its opinion, materially prejudicial to the interests of the holders of the Wholesale Notes. If the Trustee considers that they are, and certifies accordingly to the Issuer and the Guarantor, an Event of Default will occur in respect of the Wholesale Notes.

If an Event of Default occurs, the Trustee would be entitled to declare the Wholesale Notes immediately due and repayable. Upon any declaration being made by the Trustee that the Wholesale Notes are due and repayable, the Wholesale Notes will immediately become due and repayable at their Early Redemption Amount, together with accrued interest as provided in the Trust Deed.

Pursuant to the Trust Deed, the Trustee is not obliged to exercise its discretion to declare any Notes immediately due and repayable or to take any other action to enforce the rights of the Noteholders unless it shall have been directed or requested to do so (i) by an Extraordinary Resolution of the Noteholders or (ii) in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and in either case then only if it shall have been indemnified or secured to its satisfaction against all liabilities, proceedings, claims, and demands to which it may become liable and all costs, charges and expenses which may be incurred by it.

The Trustee will continue to provide any further relevant information to Noteholders.

Noteholders with queries concerning the content of this notice, or wishing to identify themselves to the Trustee to discuss these matters, should contact the Trustee using the details set out below:

Address: Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf, London  
E14 5LB United Kingdom  
Attn: Andrew McIntosh  
Facsimile: +44 (0)20 7500 5857  
Email: restructuringgroup@citi.com

**The above communication is made without prejudice to any and all of the Trustee's rights under the Terms and Conditions of the Notes and the relevant transaction documents (including but not limited to the Trust Deed), all of which are expressly reserved.**

**This notice has been provided to Noteholders for information only and the Trustee makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. The Trustee expresses no opinion as to any action Noteholders should take in relation to the above. The Trustee makes no recommendations and gives no investment advice herein or as to the Notes generally. Noteholders should take and rely on their own legal, financial and/or other professional advice and may not rely on advice provided to the Trustee, statements as to the legal position included in notices relating to the Notes issued by the Trustee or otherwise or the views of the Trustee expressed herein or otherwise.**

**Citicorp Trustee Company Limited**  
**4 May 2016**