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OI S.A.  
Form 425  
March 27, 2015

Filed by Portugal Telecom, SGPS, S.A.  
pursuant to Rule 425 of the Securities Act of 1933

Subject Companies: Portugal Telecom, SGPS, S.A.

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Oi S.A.

Commission File No.: 001-15256

This communication is not an offering document and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval in any jurisdiction in which distribution of an offering document or such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

This communication contains information with respect to (1) the proposed merger of shares (*incorporação de ações*) between Oi S.A. (Oi), on the one hand, and Telemar Participações S.A. (CorpCo), on the other hand, and/or (2) an alternative structure under analysis to the proposed merger ( *fusão por incorporação*) of Portugal Telecom, SGPS, S.A. (Portugal Telecom) with and into CorpCo (these transactions, together with any other transactions related thereto, the Business Combination).

In connection with the Business Combination, CorpCo or one of its affiliates plans to file, and Portugal Telecom may also file, with the SEC (1) one or more registration statements on Form F-4, containing a prospectus or prospectuses which will be mailed to shareholders of Oi and/or Portugal Telecom, as applicable (other than non-U.S. persons as defined in the applicable rules of the SEC), and (2) other documents regarding the proposed Business Combination.

**We urge investors and security holders to carefully read the relevant prospectuses and other relevant materials when they become available as they will contain important information about the proposed Business Combination.**

Investors and security holders will be able to obtain the documents filed with the SEC regarding the proposed transactions, when available, free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov) or from Portugal Telecom, Oi or CorpCo.

**Forward-looking statements:** This communication contains forward-looking statements. Statements that are not historical facts, including statements regarding the beliefs and expectations of Portugal Telecom, Oi or CorpCo, business strategies, future synergies and cost savings, future costs and future liquidity, are forward-looking statements. The words will, will be, should, could, may, should be, could be, might be, estimates, has as an objective, targets, target, goal, anticipates, believes, expects, forecasts, intends, plans, predicts, forecasts, for

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securities laws and the rules and regulations of the SEC or of regulatory authorities in other applicable jurisdictions, Portugal Telecom, Oi, CorpCo and their affiliates do not have any intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. You are advised, however, to consult any further disclosures Portugal Telecom, Oi or CorpCo makes on related subjects in reports and communications Portugal Telecom, Oi and CorpCo file with the SEC.

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1. Announcement by Portugal Telecom, SGPS, S.A., dated March 27, 2015, Material fact disclosed by Oi, attaching a Material Fact of Oi S.A., dated March 26, 2015, Approval at the Shareholders Meeting of Oi of the Terms and Conditions of the Exchange and Call Option Agreements.