

Mylan N.V.
Form 4
March 08, 2016

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
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Form 4 or
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See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Malik Rajiv

(Last) (First) (Middle)

BUILDING 4, TRIDENT PLACE,
MOSQUITO WAY

(Street)

HATFIELD,
HERTFORDSHIRE, X0 AL10 9UL

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

Mylan N.V. [MYL]

3. Date of Earliest Transaction
(Month/Day/Year)

03/04/2016

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below)

President

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Ordinary Shares	03/04/2016		M	5,264 A	\$ 0 818,555	D	
Ordinary Shares	03/04/2016		F	1,709 (1) D	\$ 44.78 816,846	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Restricted Stock Units	\$ 0	03/04/2016		M	5,264	(2) (2)	Ordinary Shares	5,264

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Malik Rajiv BUILDING 4, TRIDENT PLACE, MOSQUITO WAY HATFIELD, HERTFORDSHIRE, X0 AL10 9UL	X		President	

Signatures

/s/ Bradley L. Wideman, by power of attorney 03/08/2016

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Represents withholding of shares for the tax liability associated with the vesting of a portion of the restricted stock units (RSUs) granted on November 17, 2015.
- (2) Each RSU represents the right to receive one ordinary share of Mylan N.V. One-third of the RSUs granted on November 17, 2015 vested on March 4, 2016, and the remainder of this award will vest equally on March 4, 2017 and March 4, 2018.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. sults impacted from the debt of Portugal Telecom International Finance (PTIF), which was no longer classified under liabilities associated with assets held for sale, but incorporated into the Company s consolidated results from June 2015 on. In 3Q14, this debt had no impact on the income statement as PT Portugal results had been discontinued, and in 2Q15, it only affected interest and the foreign exchange result in one month. Therefore, financial results are not fully comparable.

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The impact of financial expenses related to PTIF's debt totaled R\$ 338 million in 3Q15, including interest and exchange variation, as well as the hedge results related to this debt (swaps, NDFs, and cash in foreign currency).

In addition to the impact of the financial results related to PTIF, net interest was also negatively impacted by higher interest on foreign-currency debt, due to the appreciation of the Euro and the Dollar against the Brazilian Real. The exchange rate impact was partially offset by the reduction in interest related to the debt in Brazilian Reals, due to prepayments at the end of June, despite the increase in CDI and a high IPCA (inflation rate) in the quarter.

The increase in the net foreign exchange result reflects once again the impact of higher CDI on the Company's hedging costs, as well as the increase in the average debt denominated in foreign currency.

The quarterly variation in other financial income/expenses is impacted by the financial gains from the prepayment of debentures in 2Q15, totaling approximately R\$ 250 million.

*Net Earnings (Loss)***Table 9 - Net Earnings (Loss) (Oi S.A. Consolidated)**

R\$ Million	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
Net Income								
Earnings before interest and taxes (EBIT)	891	1,108	627	-19.6%	42.2%	2,310	3,674	-37.1%
Financial Results	-1,973	-995	-1,210	98.3%	63.1%	-4,452	-3,227	38.0%
Financial Expenses	-1,780	-1,412	-1,576	26.1%	12.9%	-9,333	-4,259	119.1%
Financial Income	570	374	307	52.5%	85.8%	4,881	1,033	372.7%
Income Tax and Social Contribution	55	-61	141	n.m.	-60.9%	258	-352	n.m.
Net Earnings (Loss) from Continuing Operations	-1,027	52	-442	n.m.	n.m.	-1,883	95	n.m.
Net Results from Discontinued Operations	6	-47	1,113	n.m.	-99.5%	1,086	-80	n.m.
Consolidated Net Earnings (Loss)	-1,021	5	671	n.m.	n.m.	-797	15	n.m.
attributable to owners of the Company	-981	8	620	n.m.	n.m.	-762	14	n.m.
attributable to non-controlling interests	-40	-3	51	n.m.	n.m.	-35	1	n.m.

In 3Q15, earnings before interest and taxes (EBIT) came to R\$ 891 million, 19.6% lower than in the same period last year, due to the increase in the depreciation and amortization expenses and the lower impact of non-routine items in the quarter, which more than offset the improvement in routine EBITDA.

The Company recorded a consolidated net loss of R\$ 1,021 million in 3Q15, due to the higher impact of financial results.

*Debt & Liquidity***Table 10 - Debt**

R\$ million	Sep/15	Sep/14	Jun/15	% Gross Debt
Debt				
Short Term	8,237	5,121	7,603	15.4%
Long Term	45,419	46,484	43,677	84.6%
Total Debt	53,656	51,604	51,280	100.0%
In Local Currency	13,493	21,122	17,061	25.1%
In Foreign Currency	46,606	32,404	37,146	86.9%
Swaps	-6,443	-1,921	-2,927	-12.0%
(-) Cash	-16,415	-3,805	-16,636	-30.6%
(=) Net Debt	37,241	47,799	34,644	69.4%

The Company's consolidated gross debt ended 3Q15 at R\$ 53,656 million, 4.6% or R\$ 2,376 million higher than in 2Q15. Two events impacted the Company's gross debt in 3Q15: (i) exchange variation on the debt hedged by cash and (ii) accounting effect from the mark-to-market of derivatives:

(i) There was a strong depreciation of the Brazilian Real (BRL) against the Euro and the Dollar in the period. The Company maintains a very conservative policy of hedging through financial instruments of derivatives and cash denominated in foreign currency (natural hedge). The latter, however, is not considered in the calculation of gross debt.

Therefore, the impact of the exchange rate variation in gross debt is primarily due to the portion of debt that is hedged with cash, which basically refers to the proceeds from the sale of PT Portugal, kept in Euros in order to hedge the debt legacy of Portugal Telecom.

(ii) For accounting purposes, debt denominated in foreign currency is recorded in the balance sheet by the exchange rate as of the closing day of the balance, while the derivatives hired to cover these loans are recorded at fair value (mark-to-market - MTM). To calculate the MTM of derivatives, the interest rate on dollar traded at BM&FBovespa

(*cupom cambial*) is used as discount factor.

In 3Q15, there was an atypical volatility in the *cupom cambial* curve for derivatives hired by Oi, moving up by about 284 basis points, resulting in a negative accounting impact of R\$ 1.5 billion in the calculation of MTM.

This effect is accounting and temporary, reflecting the mismatch between the mark-to-market and the accrual of derivatives that converge at the end of the contracts, therefore, annulling this impact.

It is worth noting that this effect is calculated every quarter, although not producing significant impact on the debt in previous quarters. In 3Q15, the impact was significant due to the atypical volatility of the *cupom cambial* in the period. In October, for example, approximately R\$ 1 billion of this effect has been reverted.

Besides, this effect has no impact on cash nor on P&L. As the Company adopts hedge accounting, this accounting effect is recorded directly in the shareholders' equity.

Since the end of the second quarter, the Company has proceeded with its liability management process, allocating a portion of the proceeds from the sale of PT Portugal to the prepayment of its debt. In 3Q15, current amortizations and prepayments totaled R\$ 5,516 million. In the quarter, there were no ECA disbursements or any other funding.

The Company ended 3Q15 with a cash balance of R\$ 16,415 million, resulting in net debt of R\$ 37,241 million, 7.5% or R\$ 2,597 million up q.o.q. Excluding the accounting effect of the change in the exchange coupon curve, net debt increased R\$ 1,078 million in a sequential basis (+3.1%).

At the end of 3Q15, foreign-currency represented 77.6% of total consolidated debt in the period. However, at the end of the quarter, this portion of gross debt was fully hedged against exchange rate fluctuations through swaps, NDFs and cash in foreign currency.

The debt's consolidated average term remained at 3.7 years in 3Q15. This amount was also influenced by Oi S.A.'s and PTIF's short-term debt, especially Bond Euro 2016 (Feb/16), revolving lines in dollars (Oct/16) and Bond BRL 9.75% (Sep/16).

Table 11 - Net Debt Variation

R\$ million	3Q15	3Q14	2Q15
Net Debt BoP	34,644	46,239	32,557
(-) Routine EBITDA	1,740	2,375	1,816
(-) Non-recurring Revenues (Expenses) (1)	0	0	-37
(+) Capex (2)	950	1,670	1,041
(+) Assets in Escrow	248	329	237
(+) Corporate Taxes	84	202	79
(+) PIS / COFINS on ICMS	0	53	0
(+) Δ Working Capital (3)	-228	-169	463
(+) 3G/4G Licenses	0	0	554
(+) Anatel Fees	0	0	325
(+) Net Financial Charges	1,763	1,187	1,167
(+) Accounting impact from MTM of derivatives	1,519	0	0
(-) Net cash position - assets held for sale	0	-83	0
(+) FX Variation	0	461	0
(+) Other Variations	0	119	0
Net Debt EoP	37,241	47,799	34,644

(1) Excludes asset sales.

(2) Economic Capex in the period.

(3) Includes the difference between economic Capex and Capex disbursement.

In 3Q15, net debt totaled R\$ 37,241 million, +7.5% q.o.q., chiefly due to the impact of the temporary accounting effect of R\$ 1.5 billion related to the MTM (mark-to-market) of derivatives, as mentioned previously. Excluding this accounting effect, the net debt variation was +R\$ 1,078 million, an improvement over the previous quarter (+R\$ 2,087 million), due to the better operating result and the absence of regulatory

fees in the quarter.

It is worth noting the significant improvement in operating cash flow in the quarter, reflecting the success of the measures initiated at the end of 2014 with a focus on cash generation.

Table 12 - Gross Debt Amortization Schedule

(R\$ million)	2015	2016	2017	2018	2019	2020 onwards	Total
Schedule for the Amortization of Gross Debt							
Amortization in Real	593	3,533	2,476	2,482	2,419	1,991	13,493
Amortization in Euro + swap	700	4,018	5,170	3,288	3,101	9,615	25,892
Amortization in Dollar + swap	-211	3,803	1,314	1,129	439	7,796	14,270
Gross Debt Amortization	1,083	11,354	8,960	6,899	5,958	19,403	53,656

Table 13 - Gross Debt Breakdown

R\$ million

Breakdown of Gross Debt	3Q15
Int'l Capital Markets	40,382
Local Capital Markets	4,245
Development Banks and ECAs	9,183
Commercial Banks	6,819
Hedge and Borrowing Costs	-6,972
Total Gross Debt	53,656

On September 30, 2015, the Company had credit lines already contracted and available for disbursement as shown below:

- BNB: R\$ 371 million line of credit
- Revolving credit lines with commercial banks:
 - R\$ 1,192 million in dollars
 - R\$ 1,500 million

Explanation of Responses:

- ECAs: R\$ 654 million in dollars/euros

Asset Disposals

Since 2012, Oi has entered into several agreements to divest non-strategic assets. The objective of these transactions is to monetize assets that are not essential to the Company's operations, in order to increase Oi's financial flexibility and obtain savings, once the Company acquires the related service in more favorable financial conditions, and to add value for its shareholders.

These transactions, however, result in additional lease costs to the Company who naturally does not rely upon future revenues from these assets. On the other hand, there are savings in terms of Capex and maintenance costs related to these assets. Therefore, once each transaction is completed, the Company's results are subject to the effects of the above-mentioned items, net of taxes.

It is important to highlight that the cost of these transactions (including costs, expenses, Capex and fiscal effects), is lower than the Company's average funding costs.

The table below shows more details regarding these previously announced transactions:

Table 14 - Disposal of Assets

Pro-forma Numbers	Fixed Towers	Real Estate(1)	Fixed Towers	Globe Net	Mobile Towers	Mobile Towers
Date of Signed Contract	Apr/13	Jul/13	Jul/13	Jul/13	Dec/13	Jun/14
Term of lease (years)	20 - 40	-	20 - 40	13	15	15
Quantity	4,226	1	2,113	-	2,007	1,641
Date of Closing	Aug/13	Sep/13	Nov/13	Dec/13	Mar/14	Dec/14
Transaction value (R\$ billion)	1.1	0.2	0.7	1.8	1.5	1.2
EBITDA impact of disposals (R\$ billion)	n.m.	0.2	n.m.	1.5	1.3	1.1

(1) - Cash-in still pending

The chart above reflects the Management's current view and is subject to various risks and uncertainties, including economic, regulatory and antitrust factors. Any changes to these assumptions or factors may lead to actual results differ from current expectations.

Oi S.A. Consolidated

Income Statement - R\$ million	3Q15	3Q14	2Q15	9M15	9M14
Net Operating Revenues	6,827	6,968	6,784	20,651	20,925
Operating Expenses	-4,649	-4,709	-4,885	-14,563	-13,910
Personnel	-691	-703	-622	-1,930	-2,089
Interconnection	-511	-632	-451	-1,468	-2,061
Third-Party Services	-1,574	-1,567	-1,619	-4,746	-4,600
Network Maintenance Service	-529	-488	-501	-1,490	-1,401
Handset Costs/Other (COGS)	-20	-182	-48	-217	-463
Marketing	-136	-205	-98	-273	-512
Rent and Insurance	-928	-772	-823	-2,637	-2,348
Provision for Contingencies	-186	-137	-269	-678	-494
Provision for Bad Debt	-184	-143	-182	-536	-524
Taxes and Other Revenues (Expenses)	-216	-442	-224	-867	-1,304
Other Operating Revenues (Expenses), net	326	561	-48	278	1,887
EBITDA	2,178	2,260	1,899	6,088	7,015
Margin %	31.9%	32.4%	28.0%	29.5%	33.5%
Depreciation and Amortization	-1,287	-1,151	-1,272	-3,778	-3,341
EBIT	891	1,108	627	2,310	3,674
Financial Expenses	-5,977	-1,375	-1,780	-9,333	-4,259
Financial Income	4,004	379	570	4,881	1,033
Income Before Tax and Social Contribution	-1,082	113	-583	-2,141	447
Income Tax and Social Contribution	55	-61	141	258	-352
Net Earnings (Loss) from Continuing Operations	-1,027	52	-442	-1,883	95
Net Results from Discontinued Operations	6	-47	1,113	1,086	-80
Consolidated Net Earnings (Loss)	-1,021	5	671	-797	15
Margin %	-15.0%	0.1%	9.9%	-3.9%	0.1%
Profit (Loss) attributed to the controlling shareholders	-981	8	620	-762	14
Profit (Loss) attributed to the non-controlling shareholders	-40	-3	51	-35	1
Outstanding Shares Thousand (ex-treasury)	700,461	842,766	700,461	747,896	541,094
Earnings per share (R\$)	-1.4000	0.0091	0.8849	-1.0191	0.0264

Oi S.A. Consolidated

Balance Sheet - R\$ million	09/30/2015	06/30/2015	09/30/2014
TOTAL ASSETS	101, 189	93, 310	107, 802
Current	41,010	38,041	28,454
Cash and cash equivalents	13,192	13,496	3,354
Financial investments	3,101	3,022	257
Derivatives	1,839	391	415
Accounts Receivable	8,045	7,831	9,238
Inventories	442	447	769
Recoverable Taxes	698	577	1,045
Other Taxes	939	957	1,174
Assets in Escrow	1,253	1,231	1,086
Held-for-sale Assets	10,167	8,449	6,533
Other Current Assets	1,334	1,642	4,583
Non-Current Assets	60,179	55,269	79,348
Long Term	31,291	26,139	23,613
.Recoverable and Deferred Taxes	10,778	8,530	8,085
.Other Taxes	743	697	776
.Financial investments	122	119	194
.Assets in Escrow	12,938	12,758	12,148
.Derivatives	6,354	3,681	2,036
.Other	356	355	374
Investments	141	143	288
Property Plant and Equipment	25,417	25,522	35,919
Intangible Assets	3,330	3,465	19,528
TOTAL LIABILITIES	101, 189	93, 310	107, 802
Current	21,236	18,261	20,022
Suppliers	4,430	4,036	6,339
Loans and Financing	8,733	6,956	5,067
Financial Instruments	1,343	1,037	469
Payroll and Related Accruals	630	520	992
Provisions	1,223	1,084	1,524
Pension Fund Provision	35	23	113
Payable Taxes	388	259	439
Other Taxes	1,422	1,435	1,676
Dividends Payable	90	113	186
Liabilities associated to held-for-sale assets	897	1,043	648
Authorizations and Concessions Payable	834	822	634
Other Accounts Payable	1,211	932	1,934
Non-Current Liabilities	60,095	56,583	61,695
Loans and Financing	51,366	47,251	48,459
Financial Instruments	407	107	61
Payable and Deferred Taxes	0	0	1
Other Taxes	891	902	863
Contingency Provisions	3,327	4,025	3,735
Pension Fund Provision	363	333	3,822
Outstanding authorizations	9	9	693
Other Accounts Payable	3,732	3,956	4,062
Shareholders Equity	19,858	18,466	26,085
Controlling Interest	18,039	17,006	24,606
Minority Interest	1,819	1,460	1,479

Please note

The main tables in this Press Release will be available in Excel format in the Financial Information / Quarterly Reports section of the Company's website (www.oi.com.br/ir).

Definitions of the terms used in the Press Release are available in the Glossary section of the Company's website:

http://ri.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&conta=44&tipo=44334

Signing of exclusivity agreement for potential transaction that enables the consolidation of the sector

On October 30, Oi informed its shareholders and the market in general that, on October 28, 2015, after having evaluated the exclusivity proposal for the potential transaction with the purpose of making possible a consolidation of the Brazilian telecommunications sector involving a potential business combination with TIM Participações S.A., which was delivered by L1 Technology disclosed by Oi in the Material Fact dated October 26, 2015, Oi sent a letter to L1 Technology, containing an exclusivity counterproposal, by which Oi and L1 Technology would grant each other a mutual right of exclusivity for a period of seven (7) months from October 23, 2015, with respect to, primarily, business combinations involving companies or assets in the Brazilian telecommunications sector.

Oi has received confirmation that L1 Technology agrees with all the terms of the counterproposal. As a result, Oi and L1 Technology are bound by exclusivity for the period of seven (7) months from October 23, 2015.

If the transaction is completed, we expect it would lead to a reduction in the leverage of Oi, becoming a more robust player, and would lead to the generation of important synergies and economies of scale, promoting value generation for all of our shareholders. A potential business combination of Oi and TIM Participações should result in the creation of a more complete and well-positioned telecommunications operator that would be able to compete against global players already operating in Brazil. Customers should benefit from the resulting strengthening of the Company.

For further information, please access the Material Fact:

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=218613

Voluntary conversion of preferred into common shares

On October 8, Oi informed, in continuation of the Material Fact and the Notice to the Market disclosed on October 2, 2015, as well as the Notice to the Shareholders dated September 2, 2015, informed its shareholders and the market in general that the Board of Directors of Oi, in a meeting held on this date, confirmed the voluntary conversion of preferred shares into common shares issued by Oi (Voluntary Conversion), approved the effective conversion of the preferred shares tendered for conversion with BM&FBovespa and Banco do Brasil, and accepted for exchange the American Depositary Shares (ADSs) representing preferred shares (Preferred ADSs) that tendered their Preferred ADSs.

After the market closes on October 9, 2015 the common shares issued as a result of the Voluntary Conversion were available in the custody accounts kept at the BM&FBovespa or *Banco do Brasil* of the respective shareholders that declared their intentions to convert their preferred shares, and could be traded by its holders on the BM&FBovespa from October 13, 2015. The Company also expects that the ADSs representing new common shares as a result of the Offer to Exchange in connection with the Voluntary Conversion will be issued on October 13, 2015.

The Board of Directors of Oi also approved the call for an extraordinary general meeting, in order to reflect the outcome of the Voluntary Conversion in the Bylaws of the Company.

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Concluded the Voluntary Conversion, 155,915,486 preferred shares that were not tendered for conversion or exchange by their holders remain outstanding.

For further information, please access the Notices to the Market:

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=218040

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=217703

NYSE's continued listing standard

On October 13, Oi informed that on September 14, 2015, Oi S.A. ("Oi" or "Company") received notice from the New York Stock Exchange, Inc. (the "NYSE") that it was not in compliance with NYSE's continued listing standard that requires that the average closing price of a company's listed securities not fall below \$1.00 per share for any consecutive 30 trading-day period.

Under NYSE rules, Oi has a period of six months from the receipt of the NYSE notice to regain compliance with the minimum share price requirement. During the interim period, Oi's American Depositary Shares, each representing one Oi common share ("Common ADSs"), and Oi's American Depositary Shares, each representing one Oi preferred share ("Preferred ADSs"), will continue to be listed and traded on the NYSE, subject to the Company's compliance with other NYSE continued listing requirements.

Oi intends to amend the terms of its Common ADSs and Preferred ADSs to increase the number of common shares and preferred shares of the Company represented by the Common ADSs and Preferred ADSs, respectively, in order to regain compliance with the NYSE's minimum share price requirement. Oi has not yet determined the applicable ratios of shares per ADS, but intends to select these ratios with the expectation that following these amendments, Oi will be in compliance with the NYSE's minimum share price requirement for the foreseeable future. The amendments of the terms of the Common ADSs and Preferred ADSs must be approved by Oi's board of directors and Brazilian Securities Commission (*Comissão de Valores Mobiliários*). Oi intends to implement this change in ratio prior to March 14, 2016.

For further information, please access the Notice to the Market:

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=217946

Moody's rating

On October 7, Oi disclosed to its shareholders and the market in general that Moody's announced its revision of the credit rating attributed to the Company, downgrading the long-term global scale credit rating to Ba3 from Ba1 and certain obligations of the Company to B1 from Ba2. The outlook is negative.

For further information, please access the Notice to the Market:

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=217823

Oi remains in the Dow Jones Sustainability index (DJSI) for the third consecutive year

On September 11, Oi informed for the third consecutive year, Oi is included in the Dow Jones Sustainability index (DJSI) of the New York Stock Exchange, which considers the companies with the best sustainability practices worldwide. The index is revised annually, based on a questionnaire responded by companies and information publicly available in annual reports and investor relations websites. Oi remains as the only Brazilian telecommunications company in the DJSI Emerging Markets category.

Oi's continuity in the index reflects the company's commitment to corporate governance and sustainability initiatives and reassures its commitment with transparency and good management practices. The DJSI is one of the most important references for asset management institutions that use the index as basis for their

investment decisions.

Oi is also one of 10 Brazilian companies included in the new Euronext-Vigeo Emerging Markets 70 index of the Euronext stock exchange. Oi is also included in the BM&FBOVESPA's Efficient Carbon Index (ICO2).

For further information, please access the Notice to the Market:

http://ir.oi.com.br/oi2012/web/conteudo_en.asp?idioma=1&tipo=43097&conta=44&id=217150

CVM INSTRUCTION 358, ART. 12: Direct or indirect controlling shareholders and shareholders who elect members of the Board of Directors or the Fiscal Council, and any other individual or legal entity, or group of persons, acting as a group or representing the same interests, that attains a direct or indirect interest representing five percent (5%) or more of a type or class of shares of the capital of a publicly-held company, must notify the Securities Commission (CVM) and the Company of the fact, in accordance with the above article.

Oi recommends that its shareholders comply with the terms of article 12 of CVM Instruction 358, but it takes no responsibility for the disclosure or otherwise of acquisitions or disposals by third parties of interests corresponding to 5% or more of any type or class of its share, or of rights over those shares or other securities that it has issued.

	Capital	Treasury	Free-Float(1)
Common	286,155,319	55,830,354	230,323,511
Preferred	572,316,691	102,150,550	470,162,296
Total	858,472,010	157,980,904	700,485,807

Shareholding position as of September 30, 2015.

Due to recent movements of share ownership after the voluntary conversion of preferred shares into common shares completed on October 9th, 2015, below the most updated public shareholding structure:

Notes: Percentages refer to the share of the total capital of the Company.

Portuguese

Date: Thursday, November 12, 2015
1:00 p.m. (Brasília) / 10:00 a.m. (NY) / 3:00 p.m. (UK)

Acess: Phone: +55 (11) 2188-0155

Webcast: [Click here](#)

Replay: +55 (11) 2188-0400
Available until November 18, 2015
Code: Oi

English

Date: Thursday, November 12, 2015
11:00 a.m. (Brasília) / 8:00 a.m. (NY) / 1:00 p.m. (UK)

Acess: Phone: 1-877-883-0383 (USA)
1-412-902-6506 (other countries)
Code: 9286525

Webcast: [Click here](#)

Replay: 1-877-344-7529 (USA)
1-412-317-0088 (other countries)
Available until November 18, 2015
Code: 10074339

This report includes consolidated financial and operating data for Oi S.A. and its direct and indirect subsidiaries as of June 30, 2015. In compliance with CVM instructions, the data are presented in accordance with international financial reporting standards (IFRS).

On June 2, 2015, Oi S.A. informed its shareholders and the market in general that, after satisfying all of the contractual conditions precedent, the sale by Oi of all shares issued by PT Portugal SGPS, S.A. (PT Portugal) to Altice Portugal, S.A. (Altice Portugal), primarily encompassing the operations conducted by PT Portugal in Portugal and Hungary, became effective on that date. For more information about the accounting treatment and the impact on the financial statements, refer to the interim financial information (ITR) for the period ended on June 30, 2015.

In order to provide a clearer understanding of the Company's performance, we have prepared pro-forma consolidated figures for operational indicators, revenues, costs and expenses (EBITDA), depreciation/amortization and investments.

Due to the seasonality of the telecom sector in its quarterly results, the Company will focus on comparing its financial results with the same period of previous year.

This report contains projections and/or estimates of future events. The projections contained herein were compiled with due care, taking into account the current situation, based on work in progress and the corresponding estimates. The use of terms such as projects , estimates , anticipates , expects , plans , hopes and so on, is intended to indicate possible trends and forward-looking statements which, clearly, involve uncertainty and risk, so that future results that may differ from current expectations. These statements are based on various assumptions and factors, including general economic, market, industry, and operational factors. Any changes to these assumptions or factors may lead to practical results that differ from current expectations. Excessive reliance should not be placed on these statements.

Forward-looking statements relate only to the date on which they are made, and the Company is not obliged to update them as new information or future developments arise. Oi takes no responsibility for transactions carried out or investment decisions taken on the basis of these projections or estimates. The financial information contained herein is unaudited and may therefore differ from the final results.

Oi - Investor Relations

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 12, 2015

PHAROL, SGPS S.A.

By: /s/ Luis Sousa de Macedo

Luis Sousa de Macedo
Investor Relations Director

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
