

OI S.A.
Form 20-F/A
November 29, 2013
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As filed with the Securities and Exchange Commission on November 29, 2013

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

FORM 20-F/A
(Amendment No. 1)

.. **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-15256

OI S.A.

(Exact Name of Registrant as Specified in Its Charter)

N/A **The Federative Republic of Brazil**
(Translation of Registrant's Name into English) **(Jurisdiction of Incorporation or Organization)**
Rua do Lavradio, No. 71, 2nd floor - Centro

20230-070 Rio de Janeiro, RJ, Brazil

(Address of Principal Executive Offices)

Bayard De Paoli Gontijo

Investor Relations Officer

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invest@oi.net.br

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Common Shares, without par value, each represented by American Depositary Shares	New York Stock Exchange
Preferred Shares, without par value, each represented by American Depositary Shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The total number of issued shares of each class of stock of OI S.A. as of December 31, 2012 was:

599,008,629 common shares, without par value

1,198,077,775 preferred shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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EXPLANATORY NOTE

This Amendment No. 1 to our annual report on Form 20-F for the fiscal year ended December 31, 2012, which was originally filed with the U.S. Securities and Exchange Commission on April 30, 2013 (our Original 2012 20-F), is being filed solely for the purpose of amending our Original 2012 20-F to reflect the re-characterization of our previously filed financial statements as having been prepared in accordance with accounting practices adopted in Brazil, or Brazilian GAAP, and to include as additional note disclosure in these financial statements a reconciliation of these financial statements to U.S. GAAP in compliance with Item 18 of Form 20-F.

This Amendment No. 1 has not been updated except as required to reflect the revisions stated above. This Amendment No. 1 only amends and restates the Items described below as required to reflect the revisions described above and does not reflect events that have occurred after the April 30, 2013 filing date of our Original Form 20-F (other than the inclusion of subsequent events in note 31 to the financial statements included in Part III), or modify or update other disclosures presented therein.

This Amendment No. 1 amends and restates the following Items:

Presentation of Financial and Other Information Financial Statements

Presentation of Financial and Other Information Corporate Reorganization

Part I Item 3. Key Information Selected Financial Information

Part I Item 4. Information on the Company Our History and Development Corporate Reorganization of
TNL, Telemar and Our Company

Part I Item 5. Operating and Financial Review and Prospects Corporate Reorganization

Part I Item 5. Operating and Financial Review and Prospects Financial Presentation and Accounting
Policies

Part I Item 5. Operating and Financial Review and Prospects Results of Operations (first two paragraphs)

Part I Item 5. Operating and Financial Review and Prospects U.S. GAAP Reconciliation

Part III Item 19(b). List of Exhibits

Part III Financial Statements and Reports thereon

While the above Items have been reproduced in full as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, no changes have been made to such Items, except to reflect the corrections stated above, or to any other Items.

In addition, this Amendment No. 1 includes currently dated certifications by the Chief Executive Officer and the Chief Financial Officer pursuant to 17 CFR 240.15D-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, that are attached to this Amendment No. 1 as Exhibits 12.01 and 12.02 and 13.01.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references herein to *real*, *reais* or R\$ are to the Brazilian *real*, the official currency of Brazil. All references to U.S. dollars, dollars or US\$ are to U.S. dollars.

On April 25, 2013, the exchange rate for *reais* into U.S. dollars was R\$2.0119 to US\$1.00, based on the selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*), or the Central Bank. The selling rate was R\$2.0435 to US\$1.00 on December 31, 2012, R\$1.876 to US\$1.00 on December 31, 2011 and R\$1.666 to US\$1.00 on December 31, 2010, in each case, as reported by the Central Bank. The *real*/U.S. dollar exchange rate fluctuates widely, and the selling rate on April 25, 2013 may not be indicative of future exchange rates. See Item 3. Key Information Exchange Rates for information regarding exchange rates for the *real* since January 1, 2008.

Solely for the convenience of the reader, we have translated some amounts included in Item 3. Key Information Selected Financial Information and in this annual report from *reais* into U.S. dollars using the selling rate as reported by the Central Bank on December 31, 2012 of R\$2.0435 to US\$1.00. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate.

Financial Statements

We maintain our books and records in *reais*. Our consolidated financial statements as of December 31, 2012 and 2011 and for the three years ended December 31, 2012 are included in this annual report.

We prepare our consolidated financial statements in accordance with accounting practices adopted in Brazil, or Brazilian GAAP, which are based on:

Brazilian Law No. 6,404/76, as amended by Brazilian Law No. 9,457/97, Brazilian Law No. 10,303/01, and Brazilian Law No. 11,638/07, which we refer to collectively as the Brazilian Corporation Law;

the rules and regulations of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM, and the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*); and

the accounting standards issued by the Brazilian Accounting Pronouncements Committee (*Comitê de Pronunciamentos Contábeis*), or the CPC.

Brazilian GAAP differs in certain important respects from accounting principles generally accepted in the United States, or U.S. GAAP. For a discussion of certain differences relating to our financial statements, see note 32 to our audited consolidated financial statements included in this annual report.

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Corporate Reorganization

On February 27, 2012, Tele Norte Leste Participações S.A., or TNL, Telemar Norte Leste S.A., a subsidiary of TNL, or Telemar, Coari Participações S.A., a wholly owned subsidiary of Telemar, or Coari, and Brasil Telecom S.A., a subsidiary of Coari, undertook a corporate reorganization in which:

Telemar and Coari engaged in a split-off (*cisão*) and merger of shares (*incorporação de ações*) under Brazilian law in which (1) Telemar transferred the shares of Coari that it owned to Coari, (2) Coari assumed a portion of the liabilities of Telemar, (3) the common and preferred shares of Telemar were exchanged for newly issued common and preferred shares of Coari, and (4) Telemar became a wholly-owned subsidiary of Coari;

Coari and Brasil Telecom engaged in a merger (*incorporação*) under Brazilian law in which Coari merged with and into Brasil Telecom, which we refer to as the Coari merger;

TNL and Brasil Telecom engaged in a merger (*incorporação*) under Brazilian law in which TNL merged with and into Brasil Telecom, which we refer to as the TNL merger; and

the corporate name of Brasil Telecom was changed to Oi S.A., or Oi.

We refer to these transactions collectively as the corporate reorganization.

The following chart sets forth the ownership structure of TNL, Telemar and Coari in Brasil Telecom immediately prior to the corporate reorganization. The percentages in bold italics represent the percentage of the voting capital owned by the parent company of each entity, and the percentages not in bold italics represent the percentage of the total share capital owned by the parent company of each entity.

The following chart sets forth the structure of Brasil Telecom and Telemar immediately following the corporate reorganization.

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As a result of the corporate reorganization, we have consolidated the results of TNL into results as from February 28, 2012. We have accounted for the Coari merger and the TNL merger using the carry-over basis of our own assets and liabilities and of the assets and liabilities assumed of TNL, Telemar, and Coari as from the date of the reorganization. The carry-over basis of the assets and liabilities were determined at the lowest level entity in the group (i.e., the effects of the purchase accounting relating to Coari's acquisition of Brasil Telecom (now Oi S.A.) will not be reflected in the assets and liabilities of Oi S.A. in its consolidated financial statements as a result of the TNL merger). Additionally, our historical financial statements have not been restated to reflect the impacts of the corporate reorganization on a retrospective basis. Our non-current intangible assets and property, plant and equipment are recorded on a different basis in our parent company's consolidated financial statements, reflecting the amortized purchase price allocated to these assets resulting from Coari's acquisition of our company on January 8, 2009. For more details regarding the corporate reorganization, see Item 4. Information on the Company Our History and Development Corporate Reorganization of TNL, Telemar and Our Company.

Information regarding Oi in this annual report is presented giving effect to the corporate reorganization on February 27, 2012. However, financial and other data included in this annual report regarding Oi and its consolidated subsidiaries as of December 31, 2011 and earlier dates and for periods ended on December 31, 2011 and earlier dates is historical in nature and does not give pro forma effect to the corporate reorganization, except as otherwise noted.

In addition, financial and other data included in this annual report regarding TNL and its consolidated subsidiaries as of December 31, 2011 and earlier dates and for periods ended on December 31, 2011 and earlier dates is historical in nature and includes financial and other data regarding Brasil Telecom, a subsidiary of TNL prior to February 27, 2012. The financial statements of TNL as of and for the year ended December 31, 2011 have not been presented elsewhere in this annual report and have not been filed with the SEC.

Unless otherwise indicated or the context otherwise requires:

all references to our company, we, our, ours, us or similar terms are to Oi S.A. and its consolidated subsidiaries with respect to current information and information as of and for periods ended after February 27, 2012 and to Brasil Telecom S.A. and its consolidated subsidiaries with respect to information as of and for periods ended on or prior to February 27, 2012;

all references to Oi or Brasil Telecom are to Oi S.A. (formerly known as Brasil Telecom S.A.);

all references to TmarPart are to Telemar Participações S.A., the direct controlling shareholder of Oi;

all references to TNL are to Tele Norte Leste Participações S.A., a company that was directly controlled by TmarPart prior to its merger with and into Oi on February 27, 2012 as part of the corporate reorganization;

all references to Telemar are to Telemar Norte Leste S.A., a company that was directly controlled by TNL prior to the corporate reorganization and which became a wholly-owned subsidiary of Oi on February 27, 2012 as part of the corporate reorganization;

all references to Coari are to Coari Participações S.A., a company that was wholly-owned by Telemar prior to its merger with and into Oi on February 27, 2012 as part of the corporate reorganization;

all references to our Common ADSs are to American Depositary Shares, or ADSs, each representing one common share of our company, all references to our Preferred ADSs are to ADSs, each representing one preferred share of our company, and all references to our ADSs are to our Common ADSs and Preferred ADSs;

all references to Brazil are to the Federative Republic of Brazil; and

all references to the Brazilian government are to the federal government of the Federative Republic of Brazil.

Share Split

On April 10, 2007, we authorized the reverse split of all of our issued common shares and preferred shares into one share for each 1,000 issued shares. This reverse share split became effective on May 14, 2007. In connection with this reverse share split, we authorized a change in the ratio of our Preferred ADS. Upon the effectiveness of our

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reverse share split and the ratio change, the ratio of our preferred shares to our Preferred ADSs, changed from 3,000 preferred shares per Preferred ADS to three preferred shares per Preferred ADS. All references to numbers of shares and dividend amounts in this annual report have been adjusted to give effect to the 1,000-for-one reverse share split.

On August 15, 2012, we changed the ratio applicable to our Preferred ADS from three preferred shares per Preferred ADS to one preferred shares per Preferred ADS. All references to numbers of Preferred ADSs in this annual report have been adjusted to give effect to this change in ratio.

Market Share and Other Information

We make statements in this annual report about our market share and other information relating to the telecommunications industry in Brazil. We have made these statements on the basis of information obtained from third-party sources and publicly available information that we believe are reliable, such as information and reports from the Brazilian federal telecommunications regulator (*Agência Nacional de Telecomunicações*), or ANATEL, among others. Notwithstanding any investigation that we may have conducted with respect to the market share, market size or similar data provided by third parties or derived from industry or general publications, we assume no responsibility for the accuracy or completeness of any such information.

Rounding

We have made rounding adjustments to reach some of the figures included in this annual report. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

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CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements. Some of the matters discussed concerning our business operations and financial performance include forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended, or the Securities Act, or the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act.

Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as expects, anticipates, intends, plans, believes, estimates and similar expressions are forward-looking statements. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us.

Our forward-looking statements may be influenced by factors, including the following:

competition in the Brazilian telecommunications sector;

our management's current expectations and estimates concerning our future financial performance, financing plans and programs;

the Brazilian government's telecommunications policies that affect the telecommunications industry and our business in general, including issues relating to the remuneration for the use of our network, and changes in or developments of ANATEL regulations applicable to us;

the cost and availability of financing;

the general level of demand for, and changes in the market prices of, our services;

our ability to implement our corporate strategies in order to increase our average revenue per user;

political, regulatory and economic conditions in Brazil and the specific Brazilian states in which we operate;

inflation and fluctuations in exchange rates;

legal and administrative proceedings to which we are or become a party; and

other factors identified or discussed under Item 3. Key Information Risk Factors.

Our forward-looking statements are not guarantees of future performance, and our actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. As for forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections. Because of these uncertainties, potential investors should not rely on these forward-looking statements.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION**Selected Financial Information**

The following selected financial data should be read in conjunction with the consolidated financial statements of Oi (including the notes thereto), Item 5. Operating and Financial Review and Prospects and Presentation of Financial and Other Information.

The following selected financial data have been derived from our consolidated financial statements. The selected financial data as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 have been derived from our audited consolidated financial statements included in this annual report. The selected financial data as of December 31, 2010, 2009 and 2008 and for the years ended December 31, 2009 and 2008 have been derived from our consolidated financial statements that are not included in this annual report. We have not restated our financial statements as of and for the year ended December 31, 2008 to conform to the changes in accounting policy required by the CPC, because we cannot provide this information without unreasonable effort and expense and, therefore, we have not included the selected financial data in Brazilian GAAP as of and for the year ended December 31, 2008.

Our consolidated financial statements are prepared in accordance with Brazilian GAAP, which differs in certain important respects from U.S. GAAP. For a discussion of certain differences relating to our financial statements, see note 32 to our audited consolidated financial statements included in this annual report. Under U.S. GAAP, our financial information has been retrospectively adjusted to reflect the effect of the Corporate Reorganization for all periods during which we, TNL, Telemar and Coari were under common control, which for these purposes was January 1, 2009.

We have included information with respect to the dividends and/or interest attributable to shareholders' equity paid to holders of our common shares and preferred shares since January 1, 2008 in *reais* and in U.S. dollars translated from *reais* at the commercial market selling rate in effect as of the payment date under the caption Item 8. Financial Information Dividends and Dividend Policy Payment of Dividends.

	At and For the Year Ended December 31,				
2012(1)	2012	2011	2010	2009	

(in millions of US\$, except per share amounts) (in millions of reais, except per share amounts and as otherwise indicated)

Brazilian GAAP:**Income Statement Data:**

Net operating revenue	US\$ 12,317	R\$ 25,169	R\$ 9,245	R\$ 10,263	R\$ 10,919
Cost of sales and services	(6,202)	(12,673)	(4,587)	(4,732)	(5,764)
Gross profit	6,115	12,496	4,659	5,531	5,155
Operating expenses	(3,786)	(7,736)	(3,091)	(3,072)	(6,232)
Operating income (loss) before financial income (expenses) and taxes	2,329	4,760	1,567	2,459	(1,077)
Financial income	1,113	2,275	1,406	979	630
Financial expenses	(2,198)	(4,491)	(1,478)	(1,060)	(912)
Financial expenses, net	(1,085)	(2,216)	(72)	(80)	(281)
Income (loss) before taxes	1,245	2,544	1,495	2,379	(1,358)
Income tax and social contribution	(372)	(760)	(490)	(408)	339
Net income (loss)	US\$ 873	R\$ 1,785	R\$ 1,006	R\$ 1,971	R\$ (1,019)
Net income (loss) attributable to controlling shareholders	US\$ 873	R\$ 1,785	R\$ 1,006	R\$ 1,971	R\$ (1,021)

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	At and For the Year Ended December 31,				
	2012(1)	2012	2011	2010	2009
	(in millions of in millions of <i>reais</i> , except per share amounts and US\$, except per share amounts) otherwise indicated)				
Net income (loss) attributable to non-controlling shareholders					2
Net income (loss) applicable to each class of shares:					
Common shares	274	560	316	619	(1,021)
Preferred shares	599	1,225	690	1,352	
Net income (loss) per share(2):					
Common shares basic	0.53	1.09	0.61	1.20	(0.62)
Common shares diluted	0.53	1.09	0.61	1.20	(0.62)
Preferred shares and ADSs basic	0.53	1.09	0.61	1.20	
Preferred shares and ADSs diluted	0.53	1.09	0.61	1.20	
Weighted average shares outstanding (in thousands):					
Common shares basic		514,758	514,758	514,758	514,758
Common shares diluted		514,758	514,758	514,758	514,758
Preferred shares basic		1,125,273	1,125,273	1,125,273	1,125,273
Preferred shares diluted		1,125,273	1,125,273	1,125,273	1,125,273

- (1) Translated for convenience only using the selling rate as reported by the Central Bank on December 31, 2012 for *reais* into U.S. dollars of R\$2.0435=US\$1.00.
- (2) As required by CPC 41, we have adjusted retrospectively the calculation of basic and diluted earnings per share taking into consideration the shareholding structure resulting from the corporate reorganization. In addition, under the Brazilian Corporation Law, preferred shareholders are not obligated to absorb losses, and such losses are exclusively attributed to common shareholders.

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	At and For the Year Ended December 31,						
	2012(1)		2012	2011	2010	2009(4)	2008
	(in millions of US\$, except per share amounts)		(in millions of reais, except per share amounts and as otherwise indicated)				
Income Statement							
Data:							
U.S. GAAP:							
Net operating revenue	US\$ 13,768	R\$	28,141	R\$ 27,907	R\$ 29,479	R\$ 29,861	R\$ 11,582
Cost of goods sold and services rendered	(7,742)		(15,825)	(16,180)	(16,576)	(18,371)	(6,169)
Gross profit	6,025		12,316	11,727	12,903	11,490	5,413
Operating expenses	(4,197)		8,579	9,016	8,611	3,691	(3,371)
Operating income before interest expense, net	1,828	&nbs					