TIM Participações S.A.

Deutsche Bank

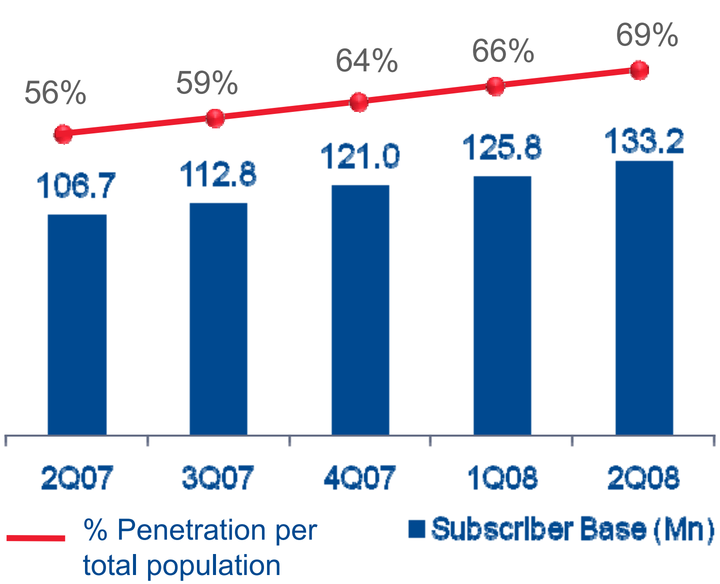
Global Emerging Markets Conference

New York - September/2008

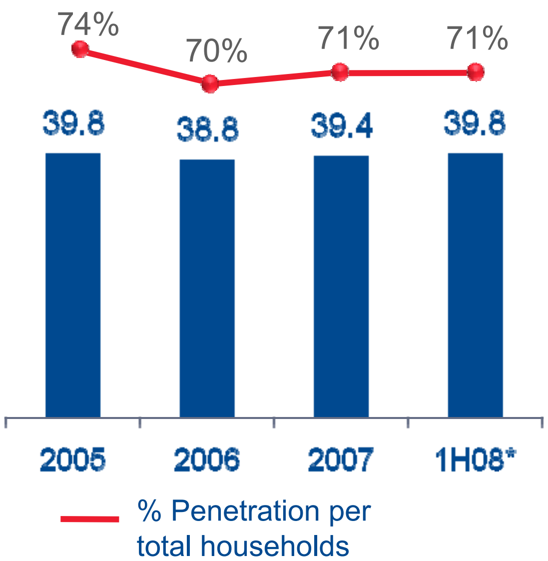
- Market overview
- Operation
- 2Q08 highlights
- 2H08 perspectives
- Financials

Telecom Industry Overview

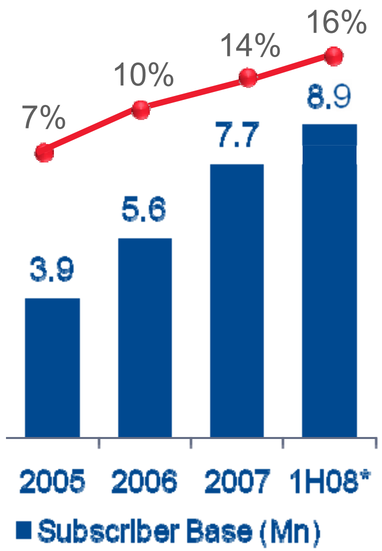
Mobile



Fixed



Broadband



- Market growth remains strong (purchase power improvement from low classes)
- Market net additions fueled by:
  - Handset subsidies;
  - Aggressive on-net promotions;
  - Naked SIM-Card sales.

TIM geared to capture opportunities:

- Alternative player to fixed line monopoly, after the number portability takes place;
- Benefit from strong growth in broadband and PC sales;
- Strengthening convergent strategy.

Source: Anatel and internal estimates*

License Acquisition
Telemig Acquisition

Footprint of the Major Players in Brazilian Market

OI + BRASIL TELECOM

FIXED

MOBILE

Service	Fixed	Mobile	BB	Pay-TV	Group
Subscribers (k)	21.993	25.314	3.514	59	50.880
Market Share	55,0%	19,0%	39,4%	1,0%	---
Revenue (R$Mn)	$ 5.699	$ 1.812	n/a	$ 6	$ 7.517 [1]

1 – Sum of Fixed + Mobile + BB + Pay-TV Net Revenues (Oi TV Estimated).

TELEFONICA + PT

TELEFONICA

VIVO

Service	Fixed	Mobile	BB	Pay-TV	Group
Subscribers (k)	11.893	40.435	2.295	** 543	54.970
Market Share	29,7%	30,4%	25,7%	6%	---
Revenue (R$Mn)	$ 3.884	$ 3.791	n/a	$ 102	$ 7.777 [1]

TELMEX + AMX

EBT

CLARO

NET

Service	Fixed	Mobile	BB	Pay-TV	Group
Subscribers (k)	4.158	33.113	1.798	2.709	41.778
Market Share	10,4%	24,9%	20,1%	46,9%	---
Revenue (R$Mn)	$ 2.341	$ 2.849	$ 891*		$ 6.081 [1]

** Net Revenue of Net Serviços includes BB + Pay-TV*

TIM

FIXED + MOBILE

Service	Fixed	Mobile	BB	Pay-TV	Group
Subscribers (k)	Not discl.	33.815	Not discl.	n/a	33.815
Market Share		25,4%		n/a	---
Revenue (R$Mn)		$ 3.186		n/a	$ 3.186 [1]

*** Telefonica + TVA*

Market Share of the total market (including others players)

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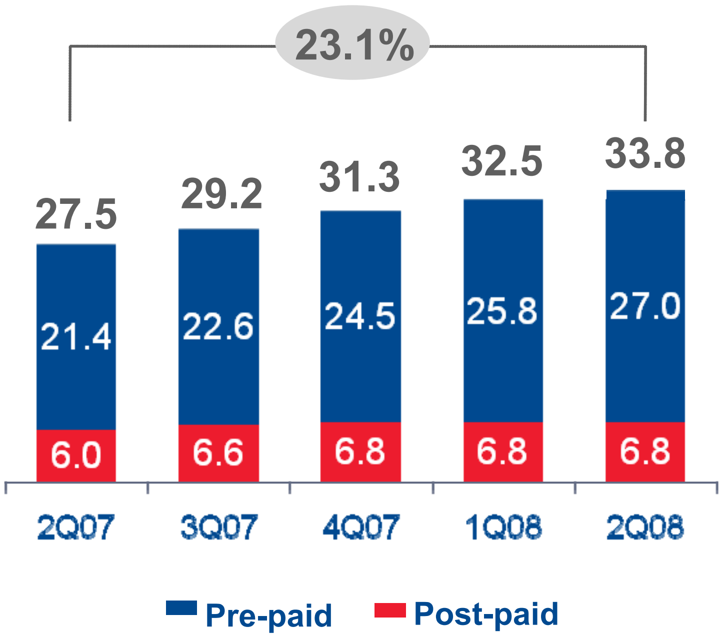
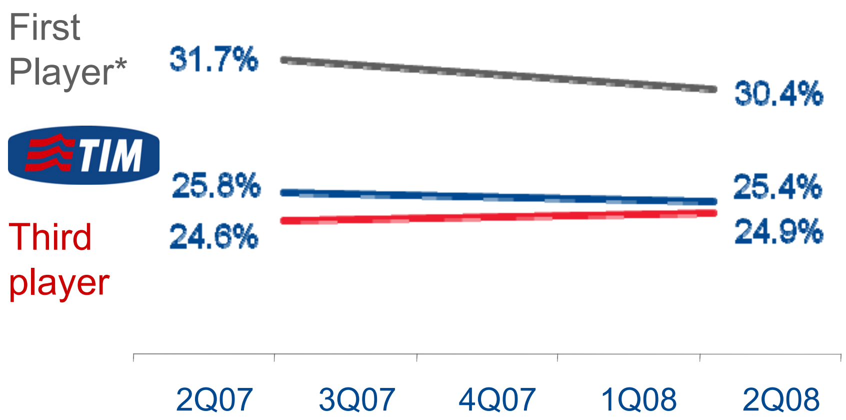
TIM Performance

Subscriber Base (Mn)



Market Share Performance



- Pre-paid segment grew by 26% YoY helped by "TIM 10x" promotion;
- Subscriber mix remained above national peers (post-paid stood at 20.2% vs. peers 18.6%);
- Churn drop from 9.7% in 2Q07 to 8.4% in 2Q08

- Market share fairly stable in the coming quarters;
- Focus on customer's share of wallet.

•Includes Vivo and Telemig Celular
•Source: ANATEL and company's data.

Roadmap to a Convergent Company

...2006 | 2007 | 2008 | 2008...

MOBILE

3G+

FIXED

TIM Casa

TIM fixed license

TIM Casa Flex

Number portability

INTERNET

TIM Web

TIM 3G license

TIM Web Broadband

Partnership in Pay TV

TIM+SKY

Strengthening our mobile business

+

Capturing opportunities on fixed voice services through number portability

+

Competing on broadband market with mobility concept

+

Empowered partnership in Pay TV offers

=

Convergent Company

Increase customer's share of wallet through bundle offers

VAS Strategy: Aiming Innovation and Profitability

VAS revenue: R$397 million (21% QoQ and 49% YoY);
10% of total gross service revenue (7% - 2Q07; 8% - 1Q08)
TIM web broadband sales increased by 2x QoQ (w/ incremental ARPU).

VAS 3G+

- Mobile internet browsing
- TIM TV
- TIM Music Store
- TIM Video Call

New facilities

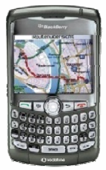
- Google tools
- Orkut WAP (1st in Brazil)
- YouTube Mobile
- Windows mobile for TIM smart-phone portfolio

Content Offer

- TV channels
- UOL Mobile
- Sony-BMG content in exclusivity at TIM Music Store

Innovative Services

- TIM auction: a white label reversal auction
- RingBack tones
- GPS navigation service
- Yellow pages service



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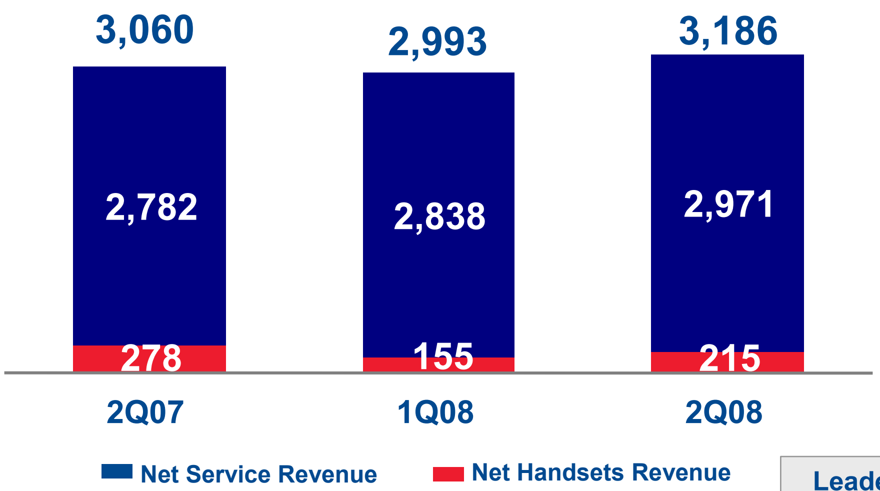
2Q08 Highlights – An improving quarter

	Actions	Quarterly performance
ARPU	▪ New pre-paid promotion (TIM 10x, focus on on-net bonus and ARPM) ▪ Focus on post-paid quality (high-end customer and better mix)	▪ 1% growth QoQ to R$29.8 despite market overall drop ▪ The highest ARPU growth among peers ▪ Supported by MOU performance (+7%YoY and QoQ).
VAS	▪ 3G launch (May 1st); ▪ TIM web sale grew by 2x QoQ ▪ Increase content partnership (revenue share agreement)	▪ Up 21% QoQ and 49% YoY; leveraged by 3G ▪ 10% of net service revenue (vs 7% 2Q07)
BAD DEBT	▪ Telesales channel total remodeled; ▪ Stricter credit policy; ▪ Commission based on quality of acquisitions.	▪ Sharp improvement QoQ: -25%; ▪ 6.8% of net service revenue (down from 9.6% in 1Q08).
EBITDA	▪ Pre-paid offer focus on profitability (on-net driven); ▪ Reducing leased lines cost through in-source plan ▪ Strict control over discretionary costs	▪ 19% higher than 1Q08 to R$637 Mn; ▪ 2pp recovering in EBITDA margin QoQ, despite partial spill-over of 1Q08 trend.

Net Revenue and EBITDA performances

Total Net Revenues

R$ Mn

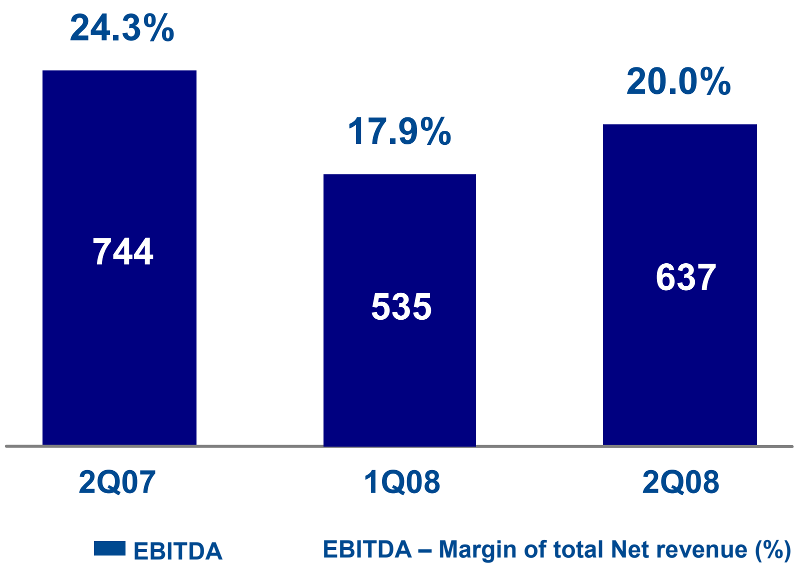


Leader In QoQ Growth

	YoY	QoQ
Total revenue	+4.1%	+6.5%
Service revenue	+6.8%	+4.7%
Handset revenue	-22.4%	+38.7%

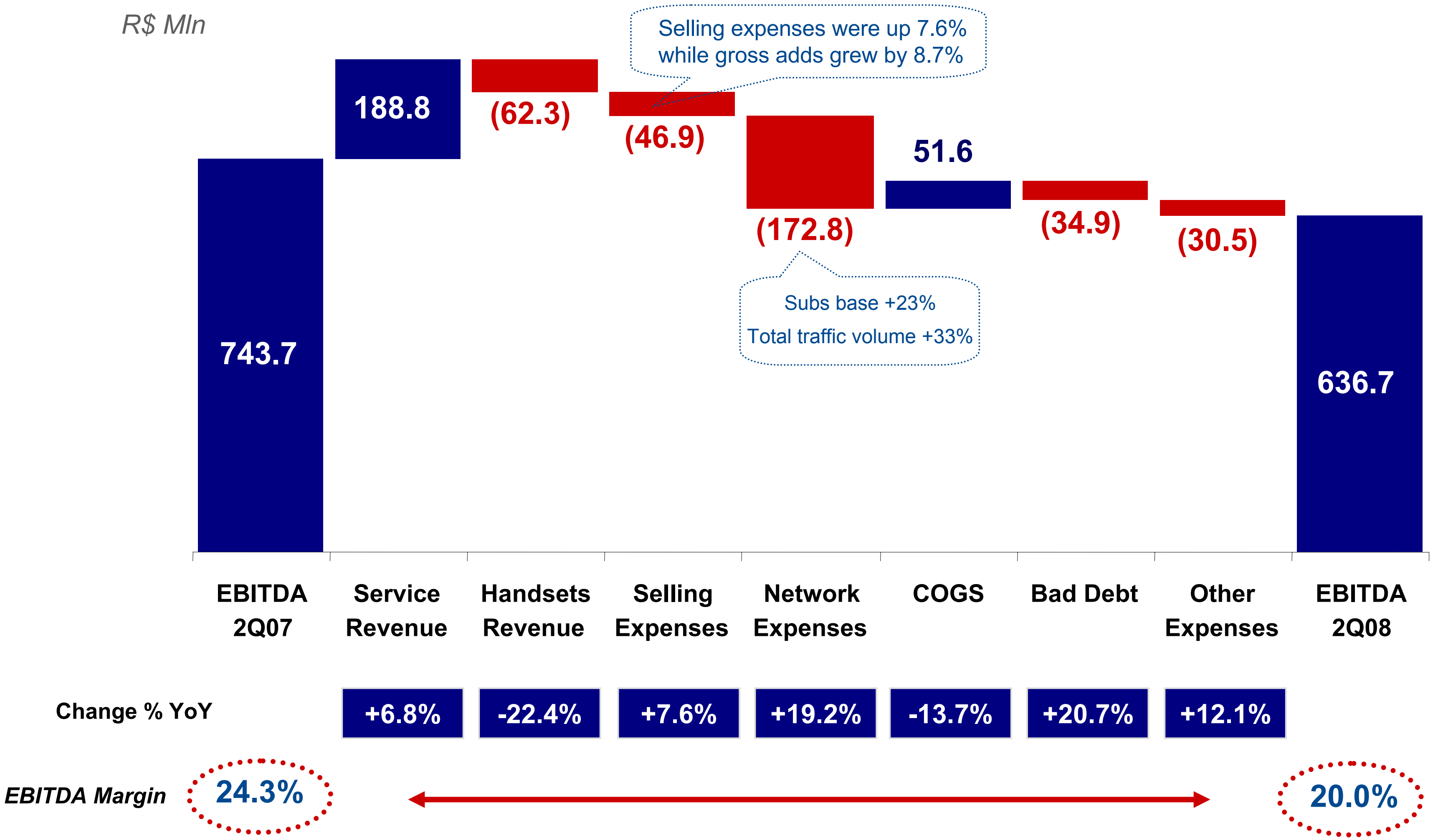
EBITDA and EBITDA margin

R$ Mn



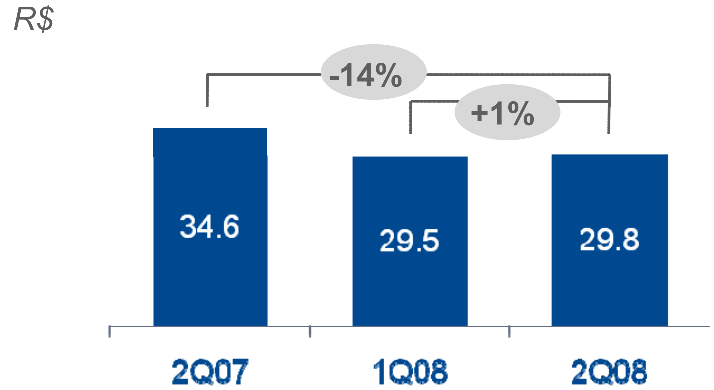
	YoY	QoQ
EBITDA	-14%	+19%
EBITDA margin	-4pp	+2pp

EBITDA and EBITDA margin YoY performance

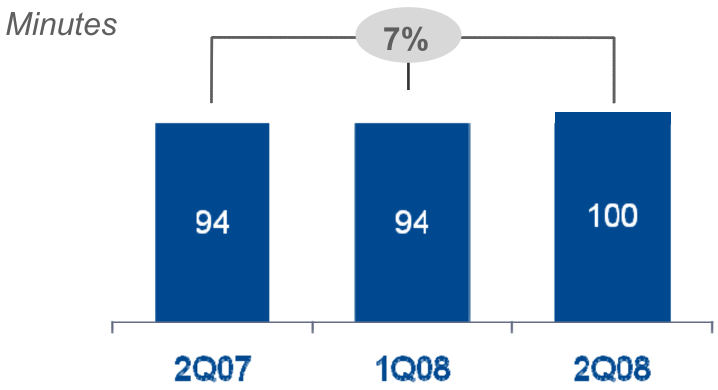


KPI's performance

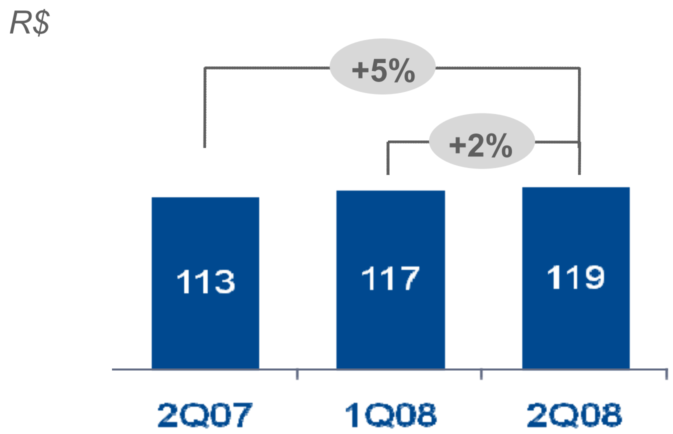
ARPU



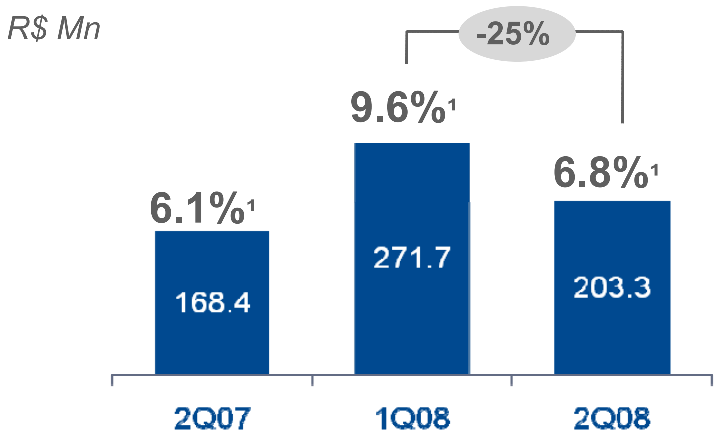
MOU



SAC



BAD DEBT



[1] Bad debt / net service revenue

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2H08 perspectives

Key recovery actions

OFFER

Voice: Refocus on postpaid high value segments, remodeling of prepaid (started in 2Q08) and innovation of promotional dynamics to enhance ARPM;

VAS: Further push on innovative services leveraging on 3G mobile broadband and enriching media content;

Convergence: Capture opportunities from mobile BB and NP (as of Sept'08), by offering services as alternative player to fixed.

Profitability & Operational excellence

Focus on high margin customers: Deeper segmentation of acquisition, retention and loyalty strategy;

Commissioning: Increase customer value linked to compensation and develop profitability targets per channel;

Bad debt: Reorganization of monitoring process with stricter rules for credit analysis (implemented in 2Q08);

Efficiency: Invest in transmission capacity for cost-effective management and selective reduction/revision of outsourcing model.

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Financial Results

	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08	2Q08
Net Revenues	10,138,247	2,843,173	3,059,568	3,163,387	3,375,515	12,441,642	2,992,957	3,186,075
Services	8,955,662	2,661,539	2,781,858	2,877,941	3,099,698	11,421,037	2,837,663	2,970,664
Handset Revenue	1,182,585	181,634	277,710	285,445	275,816	1,020,606	155,294	215,411
Operating Expenses	(7,701,710)	(2,179,122)	(2,315,857)	(2,616,106)	(2,460,679)	(9,571,763)	(2,457,594)	(2,549,414)
Personal Expenses	(594,890)	(152,173)	(156,631)	(149,426)	(167,167)	(625,398)	(162,625)	(168,697)
Selling and Marketing Expenses	(2,173,548)	(571,742)	(618,680)	(674,698)	(646,957)	(2,512,078)	(598,141)	(665,621)
Network & Interconnection	(2,690,571)	(908,735)	(899,760)	(996,524)	(1,060,069)	(3,865,089)	(1,044,547)	(1,072,570)
General & Administrative	(434,358)	(112,562)	(108,011)	(102,812)	(106,314)	(429,699)	(123,779)	(107,984)
Cost of Goods and Services	(1,407,761)	(263,619)	(376,408)	(420,673)	(373,729)	(1,434,431)	(263,235)	(324,831)
Bad Debt	(451,976)	(172,968)	(168,405)	(275,371)	(97,827)	(714,571)	(271,701)	(203,327)
Other operational revenues (expenses)	51,394	2,678	12,039	3,399	(8,615)	9,502	6,434	(6,384)
EBITDA	2,436,537	664,051	743,711	547,281	914,836	2,869,879	535,363	636,662
EBITDA - Margin over total net revenues	24.0%	23.4%	24.3%	17.3%	27.1%	23.1%	17.9%	20.0%
Depreciation & Amortization	(2,234,438)	(582,266)	(569,986)	(569,251)	(602,172)	(2,323,674)	(572,033)	(596,338)
EBIT	202,099	81,786	173,725	(21,970)	312,665	546,205	(36,670)	40,323
Net Financial Results	(287,034)	(63,255)	(81,462)	(80,893)	(53,241)	(278,851)	(56,071)	(59,157)
Income (loss) before taxes and Minorities	(82,409)	17,375	89,709	(113,794)	249,643	242,932	(95,316)	(18,326)
Income tax and social contribution	(203,133)	(36,840)	(55,695)	(8,041)	(66,261)	(166,837)	(12,613)	(15,743)
Net Income (Loss)	(285,542)	(19,465)	34,014	(121,836)	183,383	76,095	(107,929)	(34,069)

Main indicators

	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	QoQ %	YoY %
Estimated population in the Region (million)	188.5	189.2	189.8	190.5	191.1	191.8	0.3%	1.4%
Municipalities Served (GSM)	2,460	2,501	2,538	2,655	2,706	2,733	1.0%	9.3%
Brazilian Wireless Subscriber Base (million)	102.2	106.7	112.8	121.0	125.8	133.2	5.8%	24.8%
Estimated Total Penetration	54.2%	56.4%	59.4%	63.5%	65.8%	69.4%	3.6 p.p.	13.1 p.p.
Market Share	25.8%	25.8%	25.9%	25.8%	25.9%	25.4%	-0.5 p.p.	-0.4 p.p.
Total Lines	26,306,699	27,478,302	29,159,522	31,253,701	32,532,999	33,814,899	3.9%	23.1%
Pre-paid Lines	20,629,112	21,435,018	22,570,834	24,483,100	25,774,920	26,993,482	4.7%	25.9%
Post-paid Lines	5,677,587	6,043,284	6,588,688	6,770,601	6,758,079	6,821,417	0.9%	12.9%
Gross Additions	3,105,344	3,723,591	3,996,155	4,575,952	3,787,323	4,045,917	6.8%	8.7%
Net Additions	896,221	1,171,603	1,681,220	2,094,179	1,279,298	1,281,900	0.2%	9.4%
Churn	8.7%	9.7%	8.4%	8.5%	7.9%	8.4%	0.5 p.p.	-1.3 p.p.
Total ARPU	34.4	34.6	34.0	34.5	29.5	29.8	1.2%	-13.8%
Total MOU	89	94	94	106	94	100	6.6%	7.0%
Investiment (R$ Mn)	255	326	344	1,007	273	1,706	525.8%	423.0%
Employees	9,520	9,675	9,854	10,043	10,097	10,253	1.5%	6.0%

Numbers may differ from the previous publishing due to rounding.

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