



TIM PARTICIPAÇÕES S.A.
"UBS Pactual Tenth Annual CEO Conference"
March 17-19th, 2009



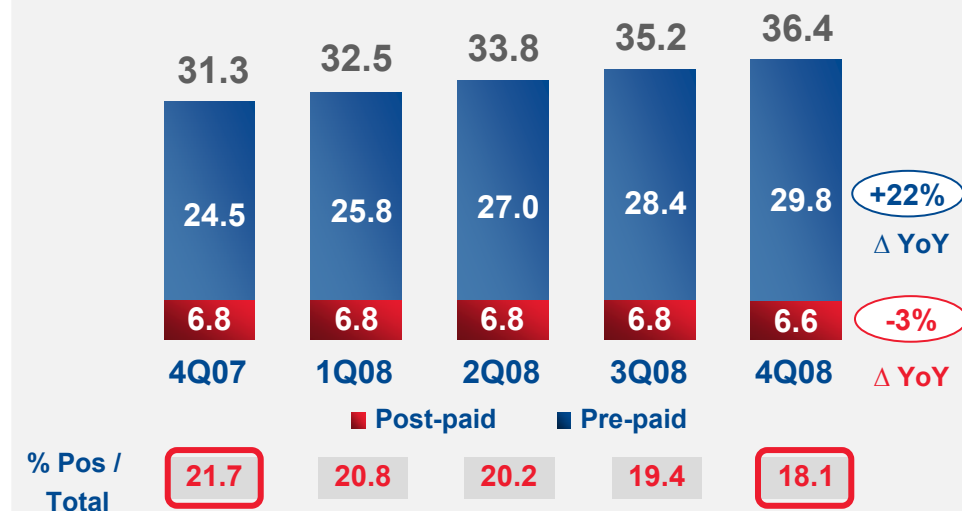
▶ **4Q08 Results**

- ▶ Macro Scenario & TIM's Fundamentals
- ▶ Main phases of TIM Brasil's Re-launch Plan
- ▶ Historical Data

Breakdown: subscribers base and revenue

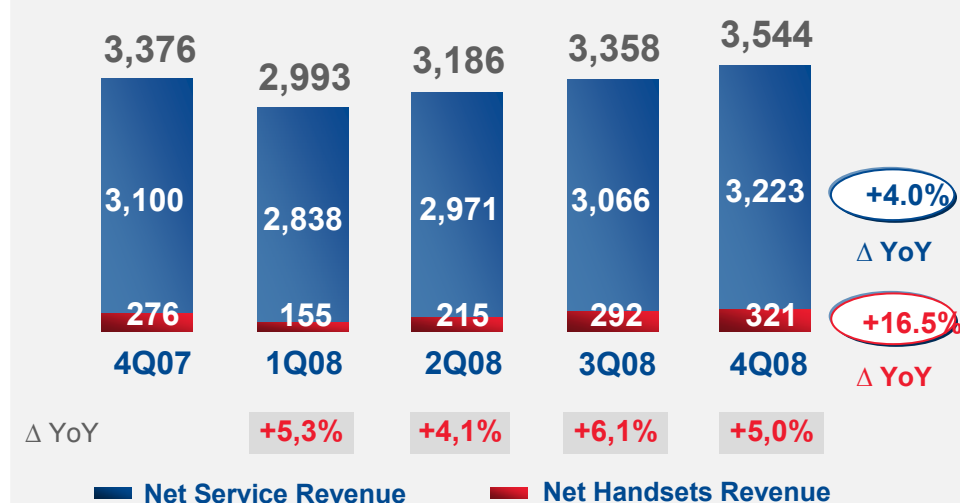
Subscriber Base

Million lines



Net Revenue

R\$ Million



Mix change due to pre-paid growth:

- ✓ TIM Customer Base grew to 36.4 Mln lines mainly on pre-paid (+22%)
- ✓ Post-paid lines down to 6.6 Mln (-200K lines YoY), representing 18.1% of total customer base

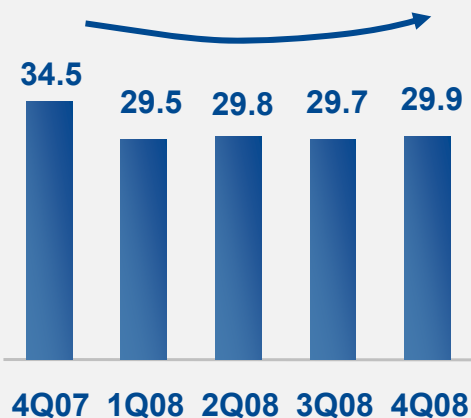
Revenue growth at 5.1% in 2008:

- ✓ Lower than expected post-paid growth, high churn on post-paid (10% in 4Q08)
- ✓ MOU reduction in 4Q08 due to of lower push on promotions

High-value customer base with proven innovation attitude

ARPU

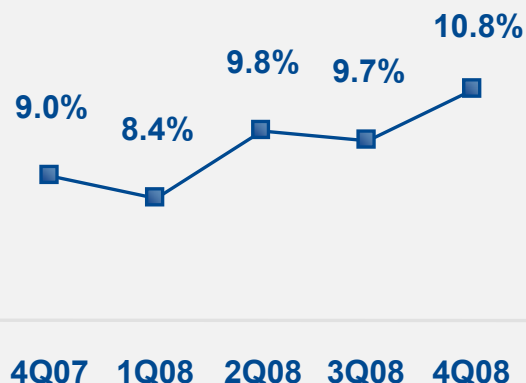
Monthly ARPU, R\$



Reversal of ARPU
dilution

VAS / Gross Service Revenue

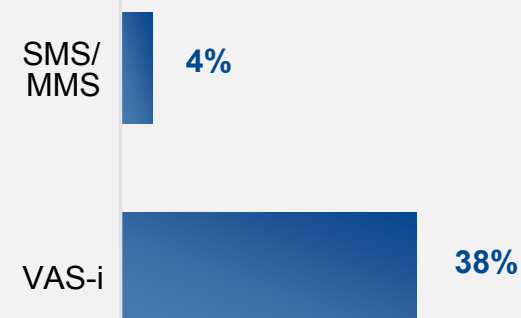
% Gross Service Revenue



Increase in VAS...

Data Revenue Growth

4Q07 vs. 4Q08

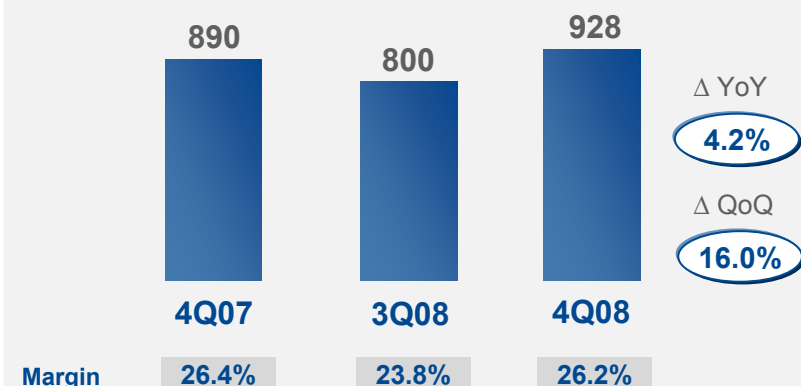


... with push in
data and content

Rigorous financial discipline

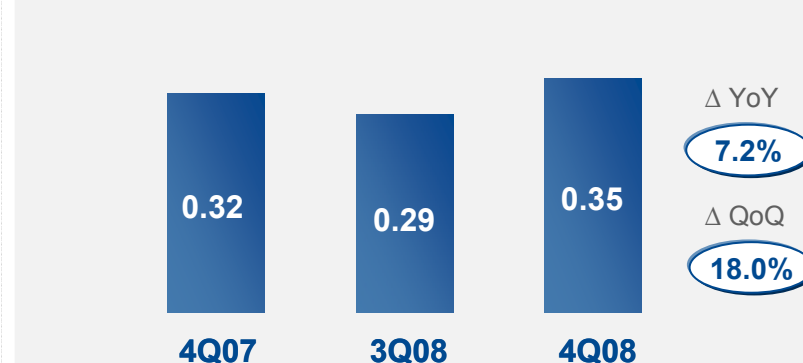
EBITDA %: Meeting company's guidance

R\$ Million



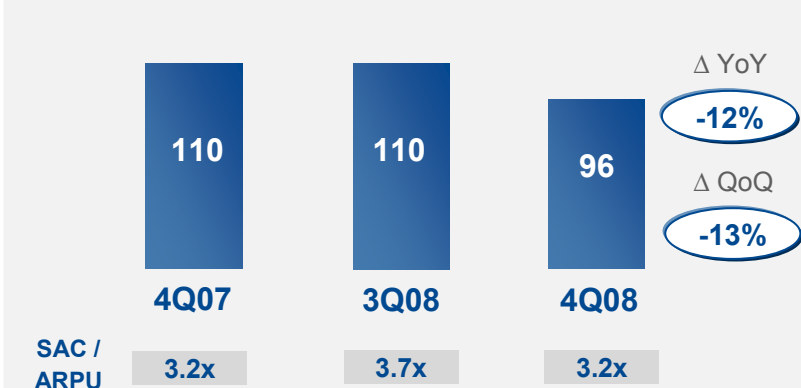
ARPM Increase

R\$ Cent.



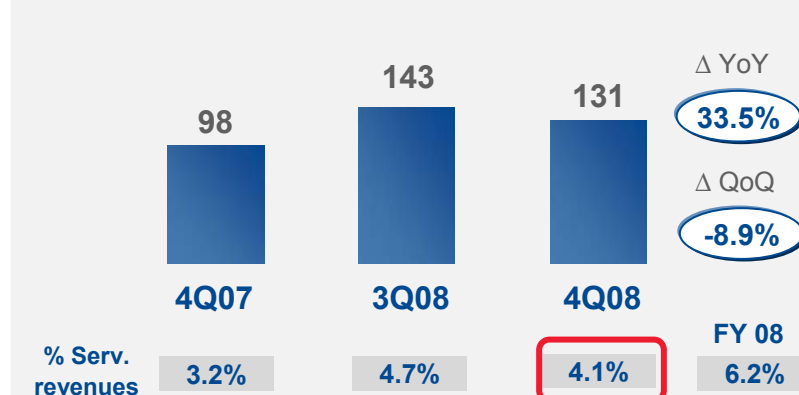
SAC Control

R\$



Bad Debt Control

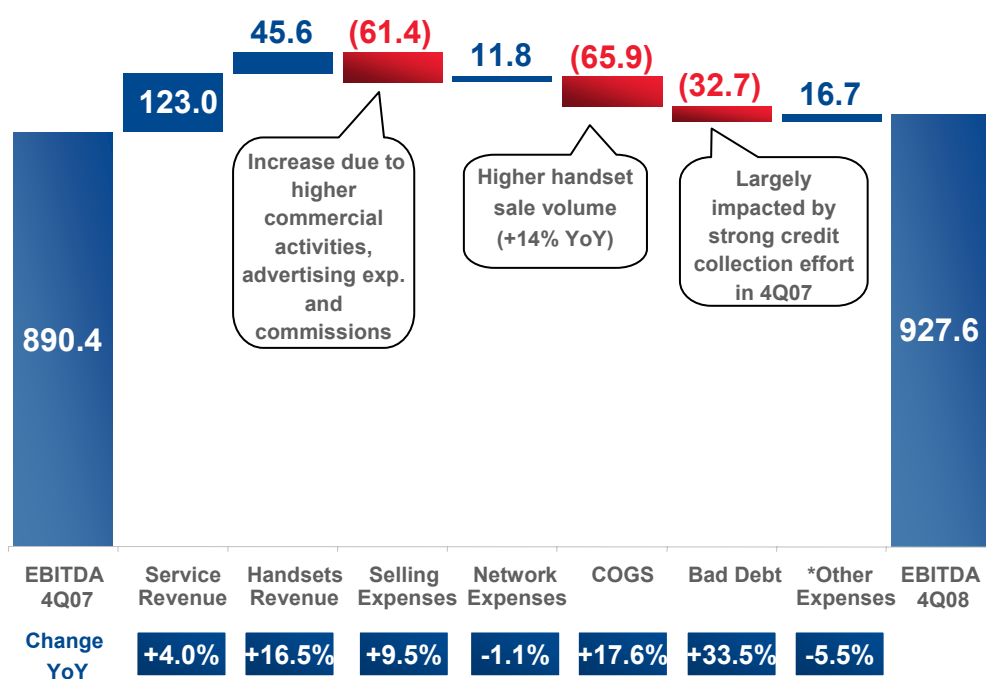
R\$ Million



EBITDA and bottom line performance

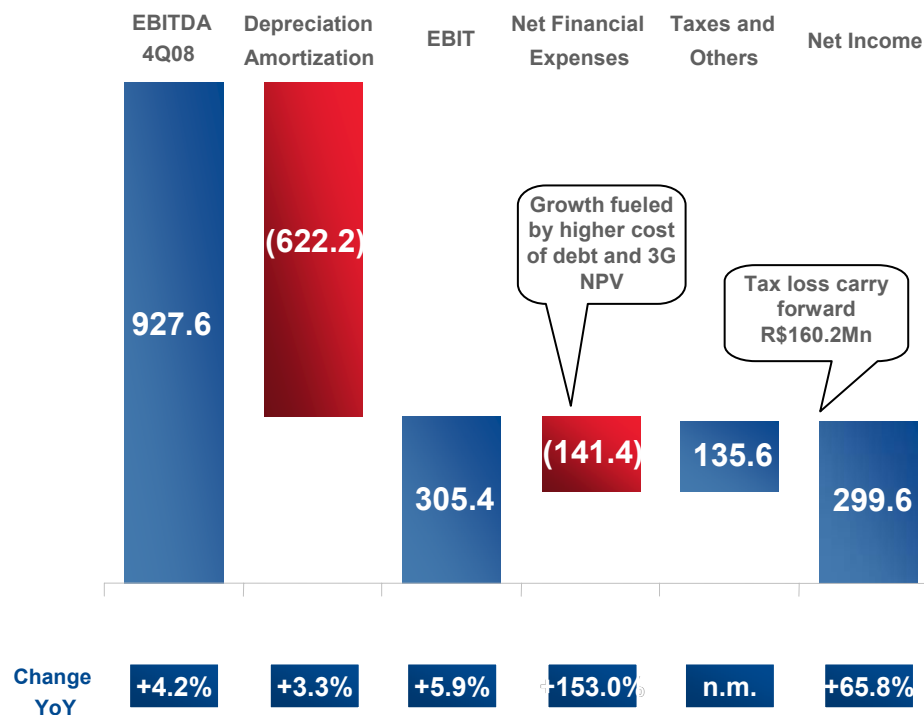
EBITDA YoY performance*

R\$ Million



From EBITDA to bottom line

R\$ Million



* Other Expenses include: G&A, Personnel and Net Other Operating Expenses/Revenues

▶ 4Q08 Results

▶ **Macro Scenario & TIM's Fundamentals**

▶ Main phases of TIM Brasil's Re-launch Plan

▶ Historical Data



Você, sem fronteiras.

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Brazilian competitive landscape

| | TIM | Telefonica/Vivo ⁽¹⁾ | Embratel /Claro | Oi ⁽²⁾ /Brasil Telecom |
|--|--|--------------------------------|--------------------------------|-----------------------------------|
| Player Footprint | <p>National fixed license acquired in may / 07</p> | | <p>Long distance incumbent</p> | |
| Market share ⁽⁴⁾ | | | | |
| Mobile | 24% (36.4 MM) | 30% (44.9 MM) | 26% (38.7 MM) | 20% (30.0 MM) |
| Fixed | ~0.5% | ~30% / ~90% ⁽³⁾ | ~13% | ~55% / ~85% ⁽³⁾ |
| Broadband | ~5% | ~26% | ~22% | ~40% |
| Mobile + Fixed Incumbent Mobile | | | | |

(1) Including Telemig Celular
(2) Including Amazonia Celular
(3) Considering its regional presence
(4) 4Q08 figures
Source: company reports and Anatel

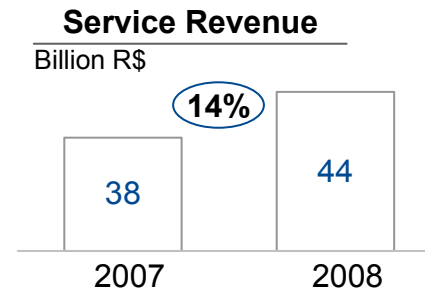
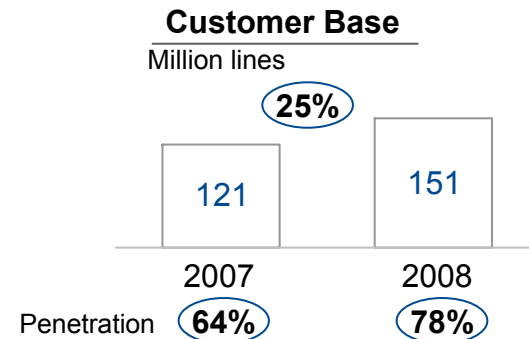


Você, sem fronteiras.

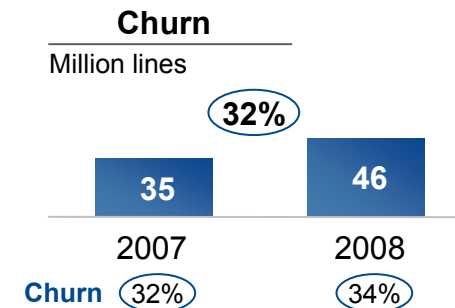
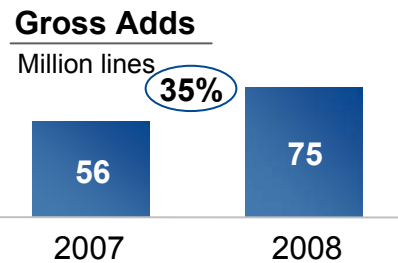
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A large and competitive market

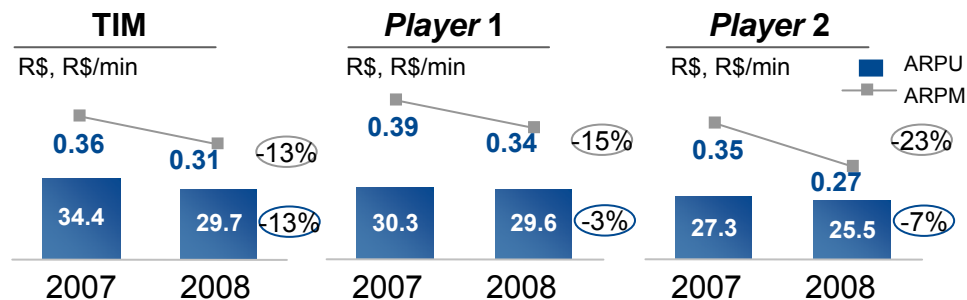
✓ Double-digit market growth



✓ Churn market...



✓ ... suffering strong competitive pressure



Competition increases with Mobile Number Portability in 2009:
17% of population covered in Sep-08 → 100% by Mar-09

TIM Brasil's strong fundamentals

① Network: leadership in coverage and quality

- **voice** (coverage and quality)
- **data** (Edge/ 3G)

② High-Value Customer Base (ARPU ~30R\$) with proven innovation attitude (VAS 10.8% Gross Service Revenue in 4Q08)

③ Unique “Pure Mobile” convergence offering

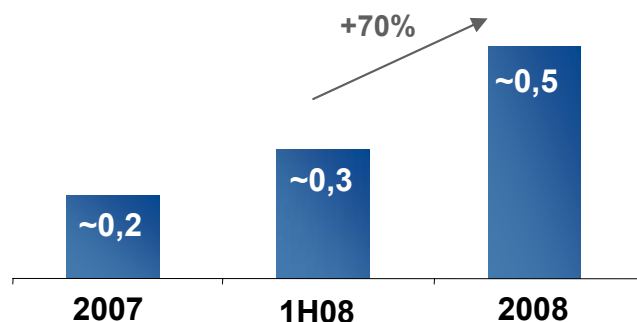
- **TIM Web: strong growth** (+2.5x of base YoY)
- **TIM Fixo: high satisfaction** among early adopters

**Operating as a
“Pure Mobile”
company, with solid
fundamentals...
... in line with our DNA**

TIM convergent offers

Mobile Broadband: Strong growth

Million (Mn)



- ✓ TIM Web ARPU grew > 50% since 3G launch (May'08)
- ✓ The fastest mobile broadband offer in the market: up to 7.2 Mbps and robust 3G backhaul
- ✓ Unattended ADSL demand: Over 50% of TIM Web users has a fixed location
- ✓ Over 70% of TIM Web users are satisfied*

Fixed: Assessing TIM Fixo satisfaction*



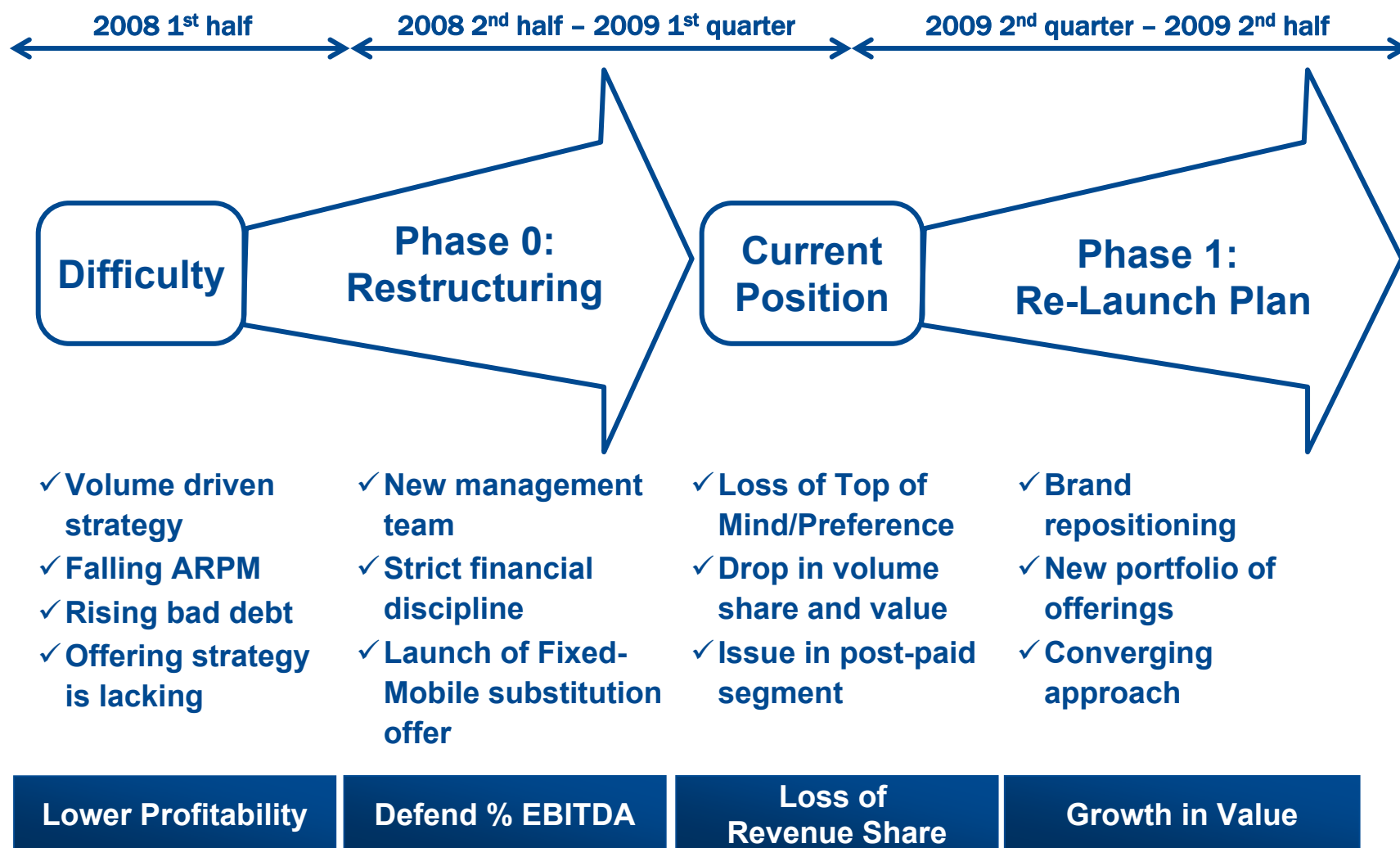
| | Fixed Mkt Avg | TIM Fixo |
|------------|---------------|----------|
| Region I | 7.99 | 8.44 |
| Region II | 7.85 | 8.82 |
| Region III | 7.07 | 8.44 |

- ✓ Subscriber base reached ~200K users
- ✓ Strong customer satisfaction on TIM Fixo
- ✓ Over 25% of TIM's clients came from other fixed players
- ✓ Fresh-market: 40% of TIM Fixo users were previously unattended
- ✓ Customer loyalty far above the average market

*source: TNS Interscience Survey Dez2008

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- ▶ **Main phases of TIM's Re-launch Plan**
- ▶ Historical Data

Main phases of TIM Brasil's re-launch plan



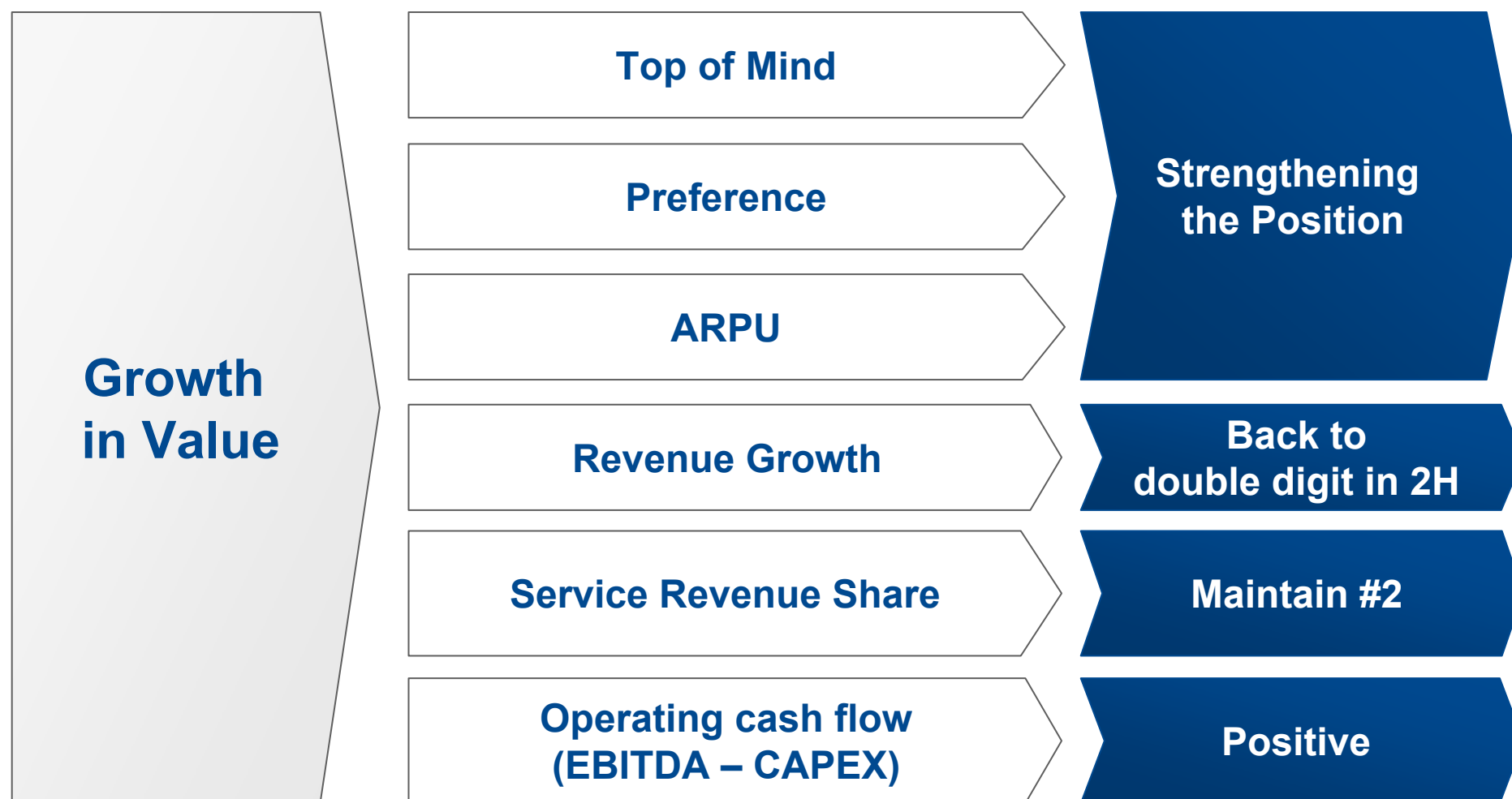
Re-launch plan

- 1 Brand**
 - ✓ Repositioning: Strong communication, maintaining coherence and awareness
- 2 Offering portfolio**
 - ✓ Distinctiveness: Custom and multiple play offers
- 3 Caring**
 - ✓ Selectiveness: New management model based on access/ value
- 4 Sales Force**
 - ✓ Leveraged footprint: higher productivity with a multi-channel approach
- 5 Network**
 - ✓ Quality and efficiency: higher capacity and to support 3G roll-out
- 6 Organization and team**
 - ✓ New, marketing-driven and rapid: a customer-oriented structure

Re-launch timeline

| | 1Q09 | 2Q09 | 3Q09 | 4Q09 |
|----------------|--|--|---|--|
| Actions | <ul style="list-style-type: none"> ✓ New strategy assessment ✓ Organization and Team ✓ Advertising: new format ✓ Push on existing Offers: <ul style="list-style-type: none"> • TIM Fixo • TIM Web • Existing post-paid offer | <ul style="list-style-type: none"> ✓ New Offering: <ul style="list-style-type: none"> • Consumer • Corporate • Convergent ✓ Push on the points of sale | <ul style="list-style-type: none"> ✓ Network optimization ✓ New Caring Model ✓ Convergence: multiple play strategy | <ul style="list-style-type: none"> ✓ Push on Commercial |
| Results | <ul style="list-style-type: none"> ✓ High Churn: "Clean" our prepaid and postpaid customer base | <ul style="list-style-type: none"> ✓ Post-paid Subscribers: "back on track" | <p>← Back to Revenue Growth →</p> | |

Commitments for 2009



- ▶ 4Q08 Results
- ▶ Macro Scenario & TIM's Fundamentals
- ▶ Main phases of TIM Brasil's Re-launch Plan
- ▶ **Historical Data**

Historical indicators: operational results

| | 4Q08 | 3Q08 | 4Q07 | QoQ % | YoY % | 2008 | 2007 | YoY % |
|---|---------------|---------------|----------------|---------------|---------------|----------------|----------------|---------------|
| Estimated Population in the Region (million) | 193.1 | 192.4 | 190.5 | 0.3% | 1.4% | 193.1 | 190.5 | 1.4% |
| Municipalities Served - GSM | 2,768 | 2,765 | 2,655 | 0.1% | 4.3% | 2,768 | 2,655 | 4.3% |
| Brazilian Wireless Subscriber Base (million) | 150.6 | 140.8 | 121.0 | 7.0% | 24.5% | 150.6 | 121.0 | 24.5% |
| Estimated Total Penetration | 78.0% | 73.2% | 63.5% | 4.9 p.p. | 14.5 p.p. | 78.0% | 63.5% | 14.5 p.p. |
| Market Share | 24.2% | 25.0% | 25.8% | -0.9 p.p. | -1.7 p.p. | 24.2% | 25.8% | -1.7 p.p. |
| Total Lines ('000) | 36,402 | 35,206 | 31,254 | 3.4% | 16.5% | 36,402 | 31,254 | 16.5% |
| Prepaid | 29,832 | 28,386 | 24,483 | 5.1% | 21.8% | 29,832 | 24,483 | 21.8% |
| Postpaid | 6,571 | 6,820 | 6,771 | -3.7% | -3.0% | 6,571 | 6,771 | -3.0% |
| Gross Additions ('000) | 4,674 | 4,573 | 4,576 | 2.2% | 2.1% | 17,080 | 15,401 | 10.9% |
| Net Additions ('000) | 1,196 | 1,392 | 2,094 | -14.0% | -42.9% | 5,149 | 5,843 | -11.9% |
| Churn | 9.8% | 9.4% | 8.5% | 0.4 p.p. | 1.3 p.p. | 35.5% | 35.2% | 0.3 p.p. |
| TOTAL ARPU | R\$29.9 | R\$29.7 | R\$34.5 | 0.8% | -13.2% | R\$29.7 | R\$34.4 | -13.5% |
| TOTAL MOU | 86 | 101 | 106 | -14.4% | -18.9% | 95 | 96 | -1.0% |
| Investment (R\$ million) | 782.5 | 510.7 | 1,007.2 | 53.2% | -22.3% | 3,272.1 | 1,932.9 | 69.3% |
| Employees | 10,296 | 10,173 | 10,043 | 1.2% | 2.5% | 10,296 | 10,043 | 2.5% |

Numbers may differ from the previous publishing due to rounding

Historical indicators: financial results

| | 1Q07 | 2Q07 | 3Q07 | 4Q07 | 2007 | 1Q08 | 2Q08 | 3Q08 | 4Q08 | 2008 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Net Revenues | 2.843.173 | 3.059.568 | 3.163.387 | 3.375.515 | 12.441.643 | 2.992.957 | 3.186.075 | 3.357.794 | 3.544.138 | 13.080.965 |
| Services | 2.661.539 | 2.781.858 | 2.877.941 | 3.099.698 | 11.421.037 | 2.837.663 | 2.970.664 | 3.065.744 | 3.222.737 | 12.096.808 |
| Handset Revenue | 181.634 | 277.710 | 285.445 | 275.816 | 1.020.606 | 155.294 | 215.411 | 292.051 | 321.401 | 984.157 |
| Operating Expenses | (2.179.122) | (2.315.857) | (2.621.251) | (2.485.100) | (9.601.330) | (2.460.169) | (2.548.906) | (2.559.338) | (2.613.134) | (10.181.547) |
| Personal Expenses | (152.173) | (156.631) | (149.426) | (167.167) | (625.398) | (162.625) | (168.697) | (152.654) | (164.186) | (648.162) |
| Selling and Marketing Expenses | (571.742) | (618.680) | (674.698) | (646.957) | (2.512.078) | (598.141) | (665.621) | (715.019) | (708.347) | (2.687.128) |
| Network & Interconnection | (908.735) | (899.760) | (996.524) | (1.060.069) | (3.865.089) | (1.044.547) | (1.072.570) | (1.077.171) | (1.048.241) | (4.242.530) |
| General & Administrative | (112.562) | (108.011) | (102.812) | (106.314) | (429.699) | (123.779) | (107.984) | (101.496) | (118.883) | (452.143) |
| Cost of Goods and Services | (263.619) | (376.408) | (420.673) | (373.729) | (1.434.431) | (263.235) | (324.831) | (378.072) | (439.650) | (1.405.788) |
| Bad Debt | (172.968) | (168.405) | (275.371) | (97.827) | (714.571) | (271.701) | (203.327) | (143.250) | (130.554) | (748.833) |
| Other operational revenues (expenses) | 2.678 | 12.039 | (1.746) | (33.036) | (20.065) | 3.859 | (5.876) | 8.325 | (3.272) | 3.036 |
| EBITDA | 664.051 | 743.711 | 542.136 | 890.415 | 2.840.313 | 532.788 | 637.169 | 798.456 | 931.004 | 2.899.418 |
| EBITDA - Margin over total net revenues | 23,4% | 24,3% | 17,1% | 26,4% | 22,8% | 17,8% | 20,0% | 23,8% | 26,3% | 22,2% |
| Depreciation & Amortization | (582.266) | (569.986) | (569.251) | (602.172) | (2.323.674) | (572.033) | (596.338) | (617.988) | (622.185) | (2.408.545) |
| EBIT | 81.786 | 173.725 | (27.115) | 288.243 | 516.639 | (39.245) | 40.831 | 180.468 | 308.818 | 490.872 |
| Net Financial Results | (63.255) | (81.462) | (80.893) | (55.889) | (281.500) | (73.609) | (91.382) | (152.943) | (57.041) | (374.974) |
| Income (loss) before taxes and Minorities | 17.375 | 89.709 | (118.939) | 246.995 | 235.139 | (112.854) | (50.552) | 27.526 | 251.778 | 115.898 |
| Income tax and social contribution | (36.840) | (55.727) | (8.009) | (66.261) | (166.837) | (12.613) | (15.743) | (39.579) | 132.188 | 64.254 |
| Net Income (Loss) | (19.465) | 33.982 | (126.949) | 180.734 | 68.302 | (125.466) | (66.295) | (12.053) | 383.966 | 180.152 |

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“Safe Harbor” statements

Statements in this presentation, as well as oral statements made by the management of TIM Participações S.A. (the “Company”, or “TIM”), that are not historical fact constitute “forward looking statements” that involve factors that could cause the actual results of the Company to differ materially from historical results or from any results expressed or implied by such forward looking statements. The Company cautions users of this presentation not to place undue reliance on forward looking statements, which may be based on assumptions and anticipated events that do not materialize.

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