



TIM PARTICIPAÇÕES S.A.

April, 2009



▶ **4Q08 Results**

▶ Macro Scenario & TIM's Fundamentals

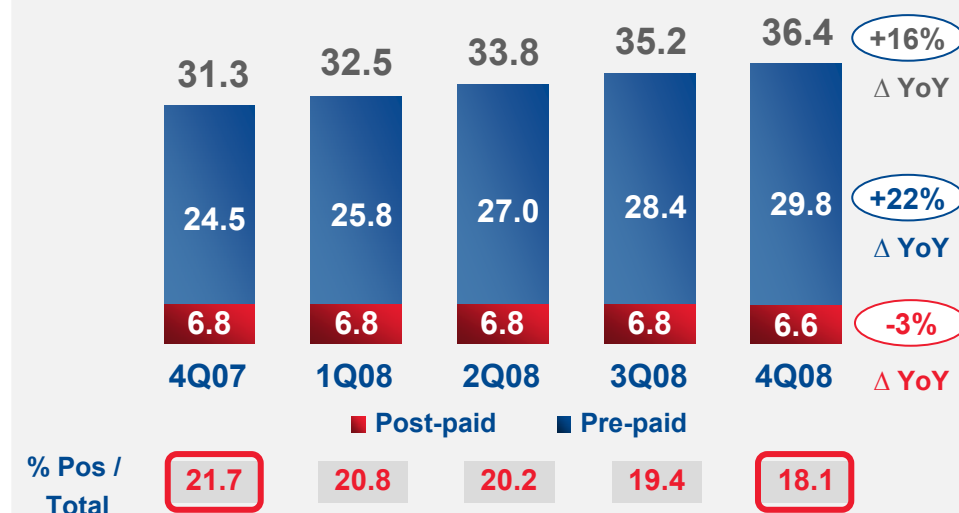
▶ TIM's Re-launch Plan

▶ Historical Data

Breakdown: subscribers base and revenue

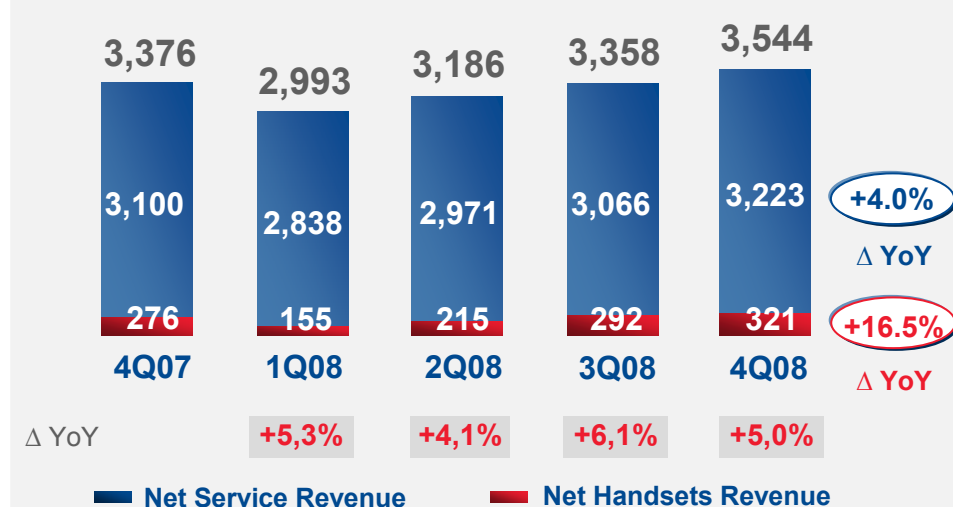
Subscriber Base

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

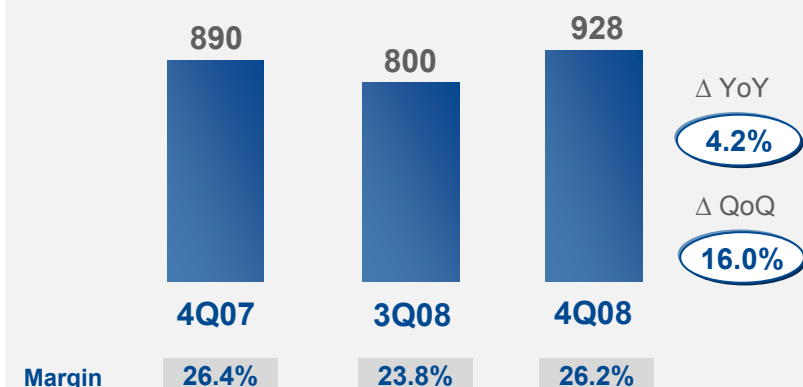
Revenue growth at 5.1% in 2008:

- ✓ 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

Rigorous financial discipline

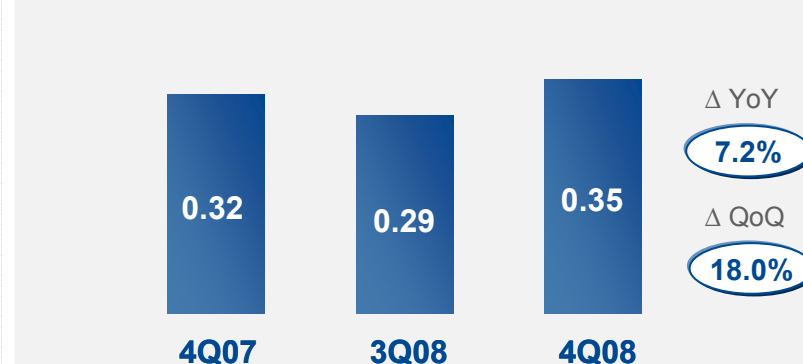
EBITDA %: Meeting company's guidance

R\$ Million



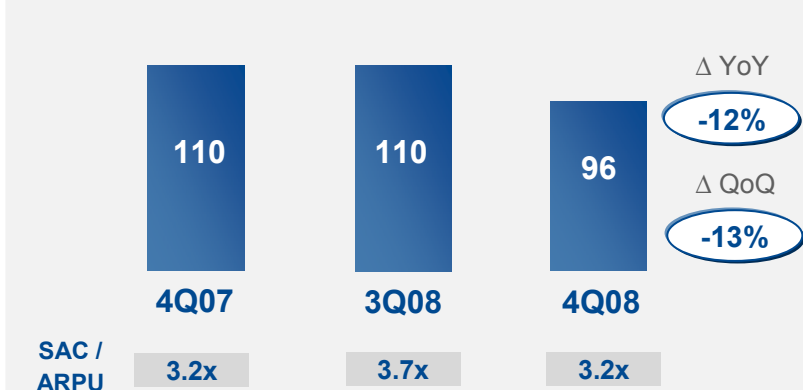
ARPM Increase

R\$ Cent.



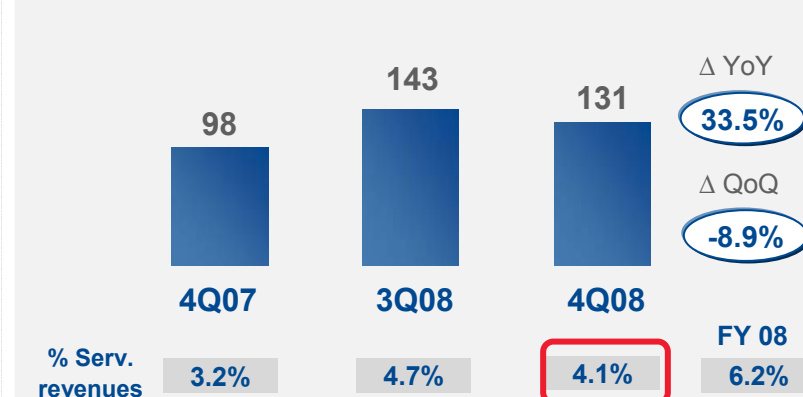
SAC Control

R\$



Bad Debt Control

R\$ Million



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

▶ TIM's Re-launch Plan

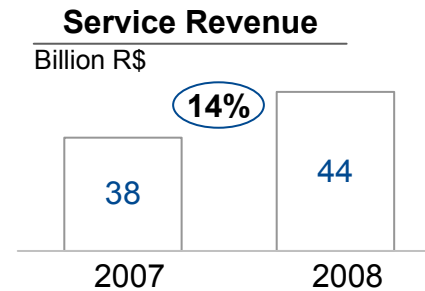
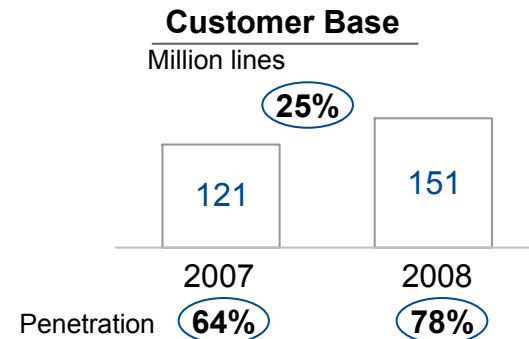
▶ Historical Data



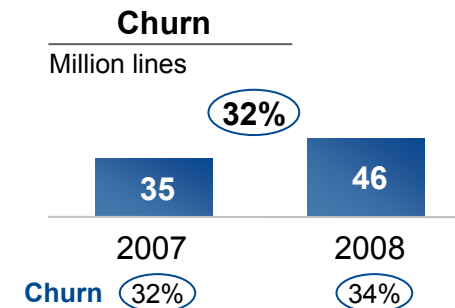
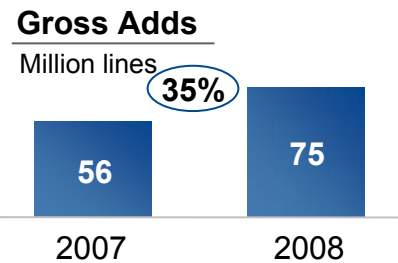
Você, sem fronteiras.

A large and competitive market

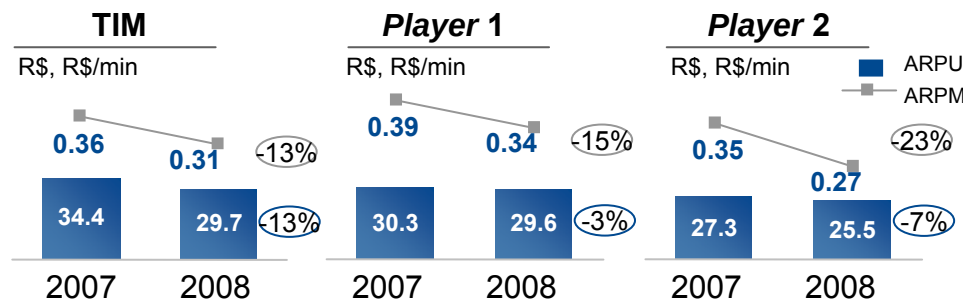
✓ Double-digit market growth



✓ Churn market...



✓ ... suffering strong competitive pressure



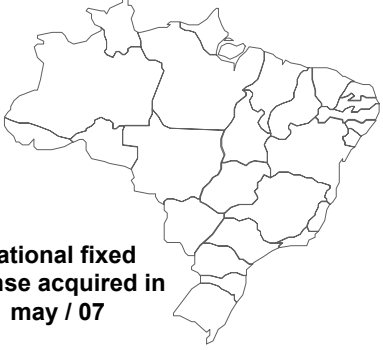
Competition increases with Mobile Number Portability in 2009:
17% of population covered in Sep-08 → 100% by Mar-09



Você, sem fronteiras.

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Brazilian competitive landscape

	TIM	Telefonica/Vivo ⁽¹⁾	Embratel /Claro	Oi ⁽²⁾ /Brasil Telecom
Player Footprint	 National fixed license acquired in may / 07		 Long distance incumbent	
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

TIM'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

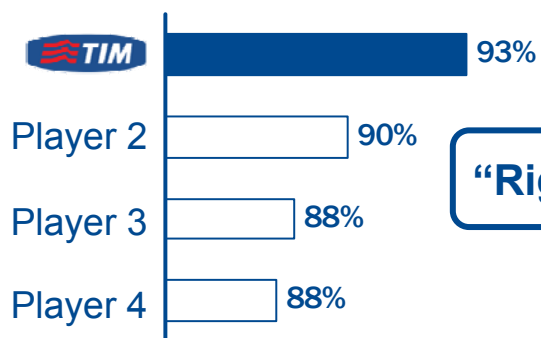
**Operating as a
“Pure Mobile”
company, with solid
fundamentals...
... in line with our DNA**

1

Network: leadership in voice and data coverage

Voice

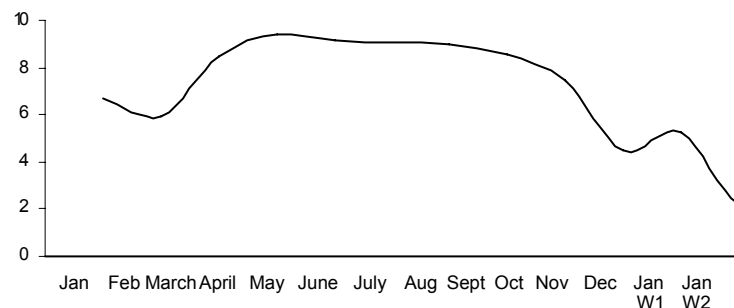
✓ Population covered by GSM*



“Right on spot”

✓ Recovery of Service Quality

Congestion % cells with Grade of Service > 2%



Data

✓ Largest data network = Edge / UMTS

✓ 3G Data Only → high quality

✓ Native 3.5G (HSDPA) → high performance

✓ 59% of high-value customer base covered by 3G (Jan-09) → 78% by Dec-09

* Urban population covered (Jan-09)



Você, sem fronteiras.

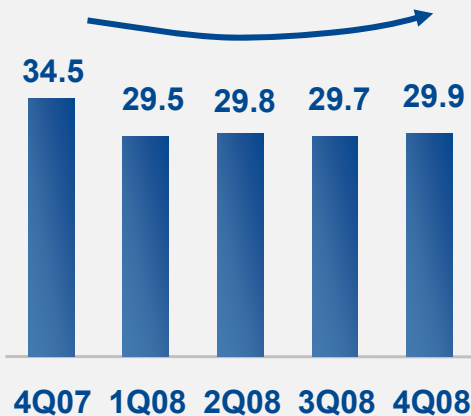
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2

High-value customer base with proven innovation attitude

ARPU

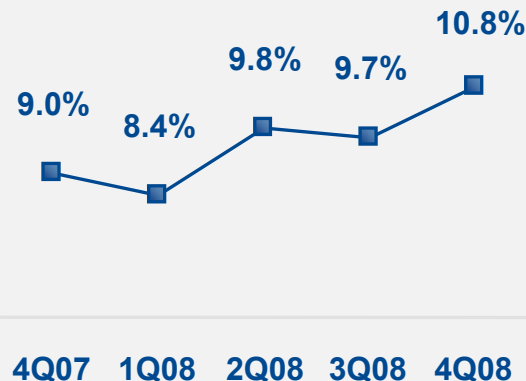
Monthly ARPU, R\$



Reversal of ARPU
dilution

VAS / Gross Service Revenue

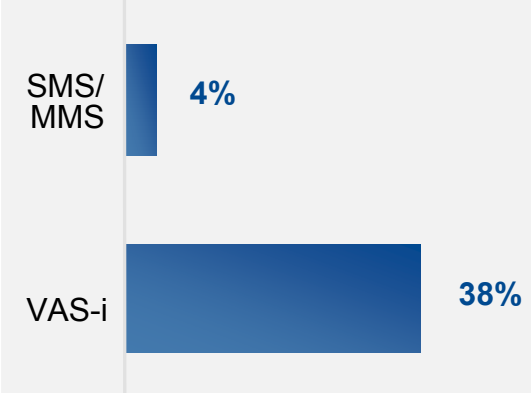
% Gross Service Revenue



Increase in VAS...

Data Revenue Growth

4Q07 vs. 4Q08



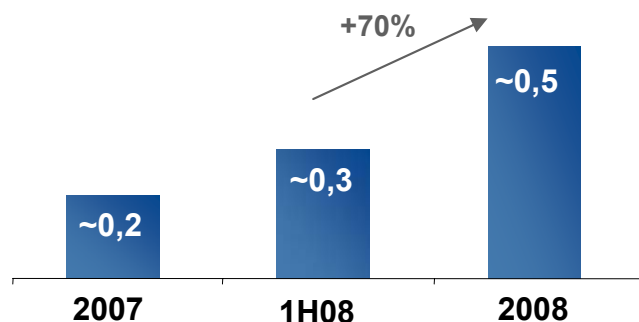
... with push in
data and content

3

Unique “Pure Mobile” convergence offering

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*



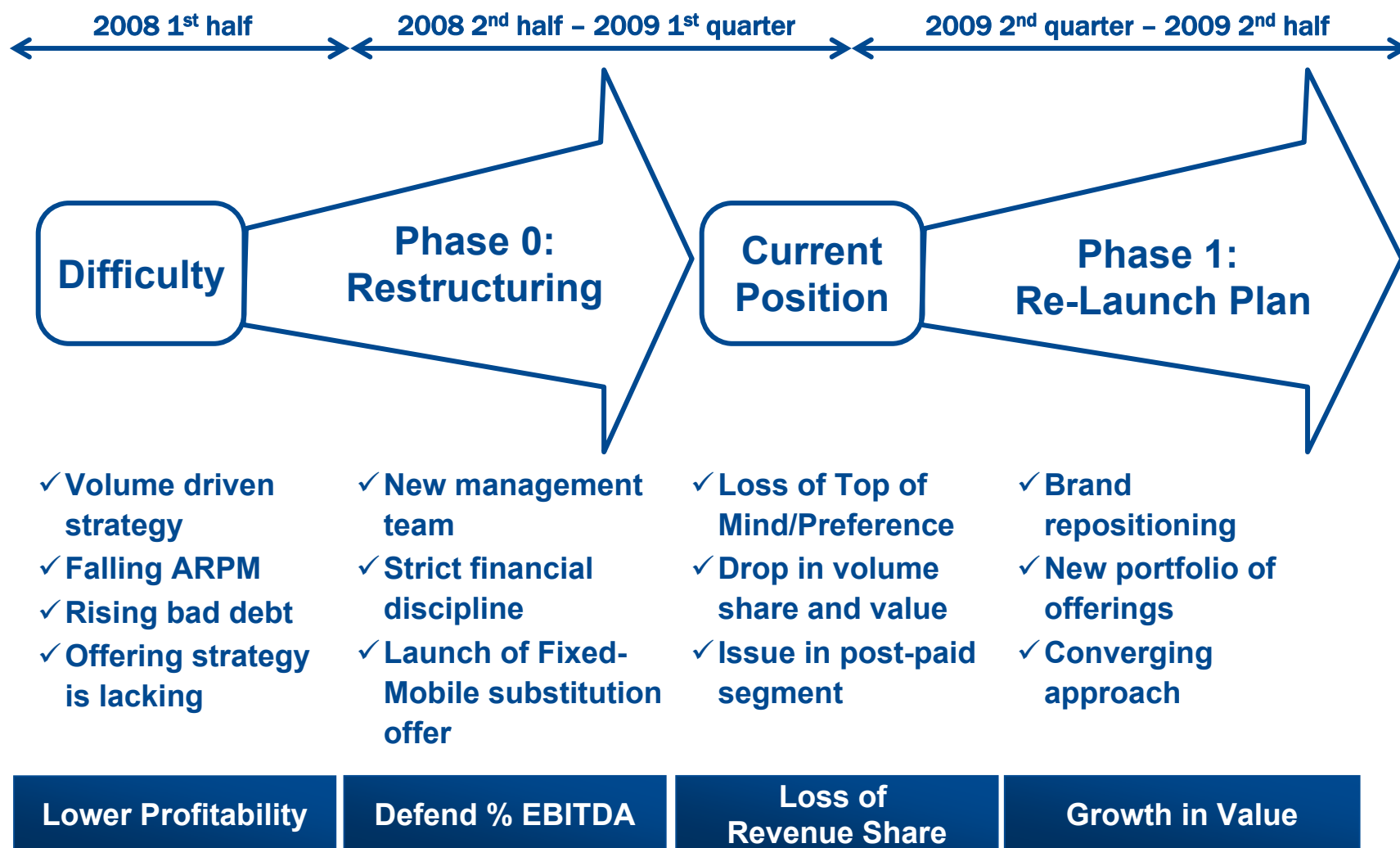
	Fixed Mkt Avg	TIM Fixo
Region I	7.99	8.44
Region II	7.85	8.82
Region III	7.07	8.44

- ✓ 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

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

Main phases of TIM Brasil's re-launch plan



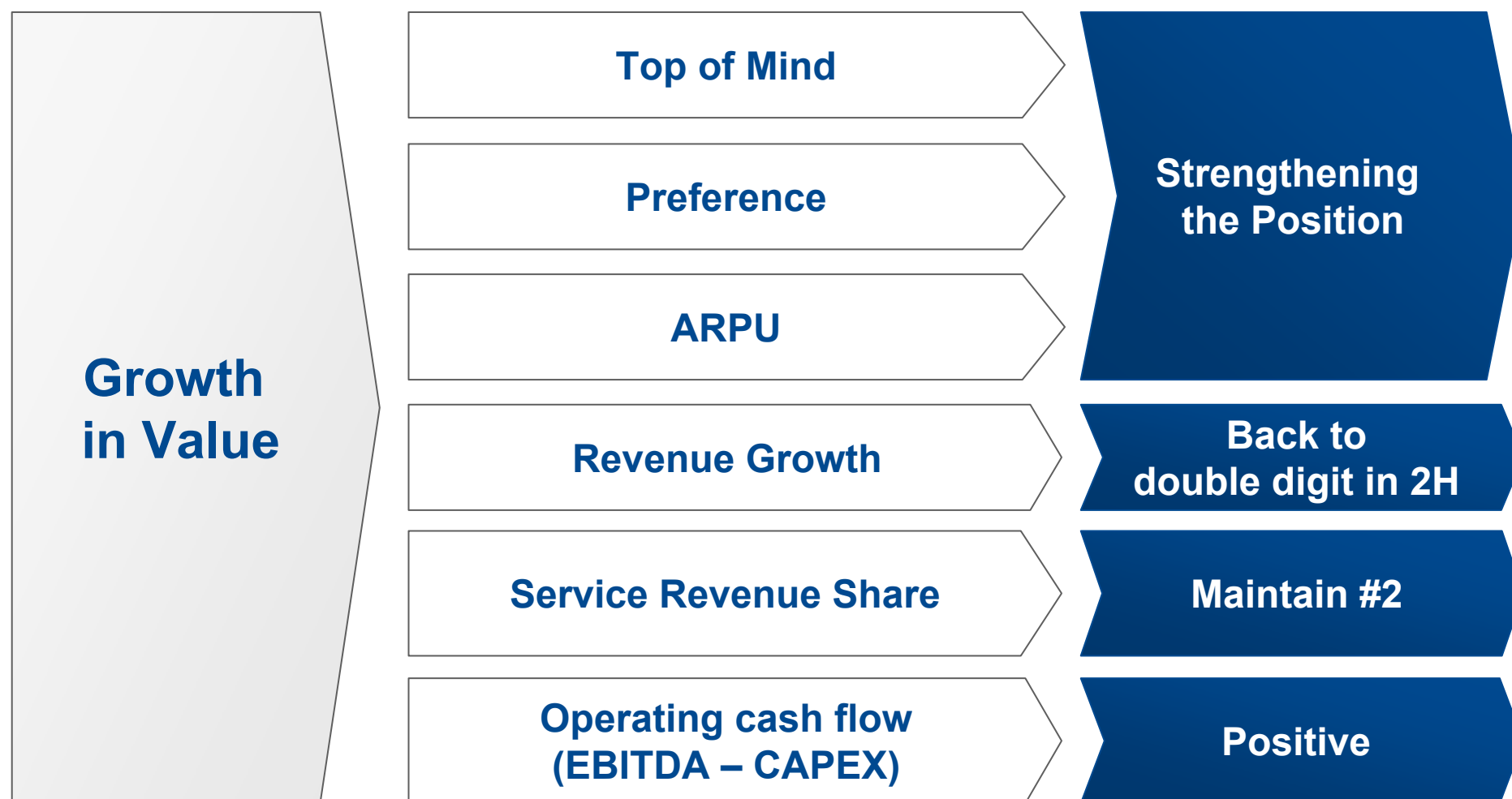
Re-launch plan

- 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	✓ New strategy assessment ✓ Organization and Team ✓ Advertising: new format ✓ Push on existing Offers: • TIM Fixo • TIM Web • Existing post-paid offer	✓ New Offering: • Consumer • Corporate • Convergent ✓ Push on the points of sale	✓ Network optimization ✓ New Caring Model ✓ Convergence: multiple play strategy	✓ Push on Commercial
Results	✓ High Churn: "Clean" our prepaid and postpaid customer base	✓ Post-paid Subscribers: "back on track"	← Back to Revenue Growth →	

Commitments for 2009



- ▶ 4Q08 Results
- ▶ Macro Scenario & TIM's Fundamentals
- ▶ TIM'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

R\$ (Th)	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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