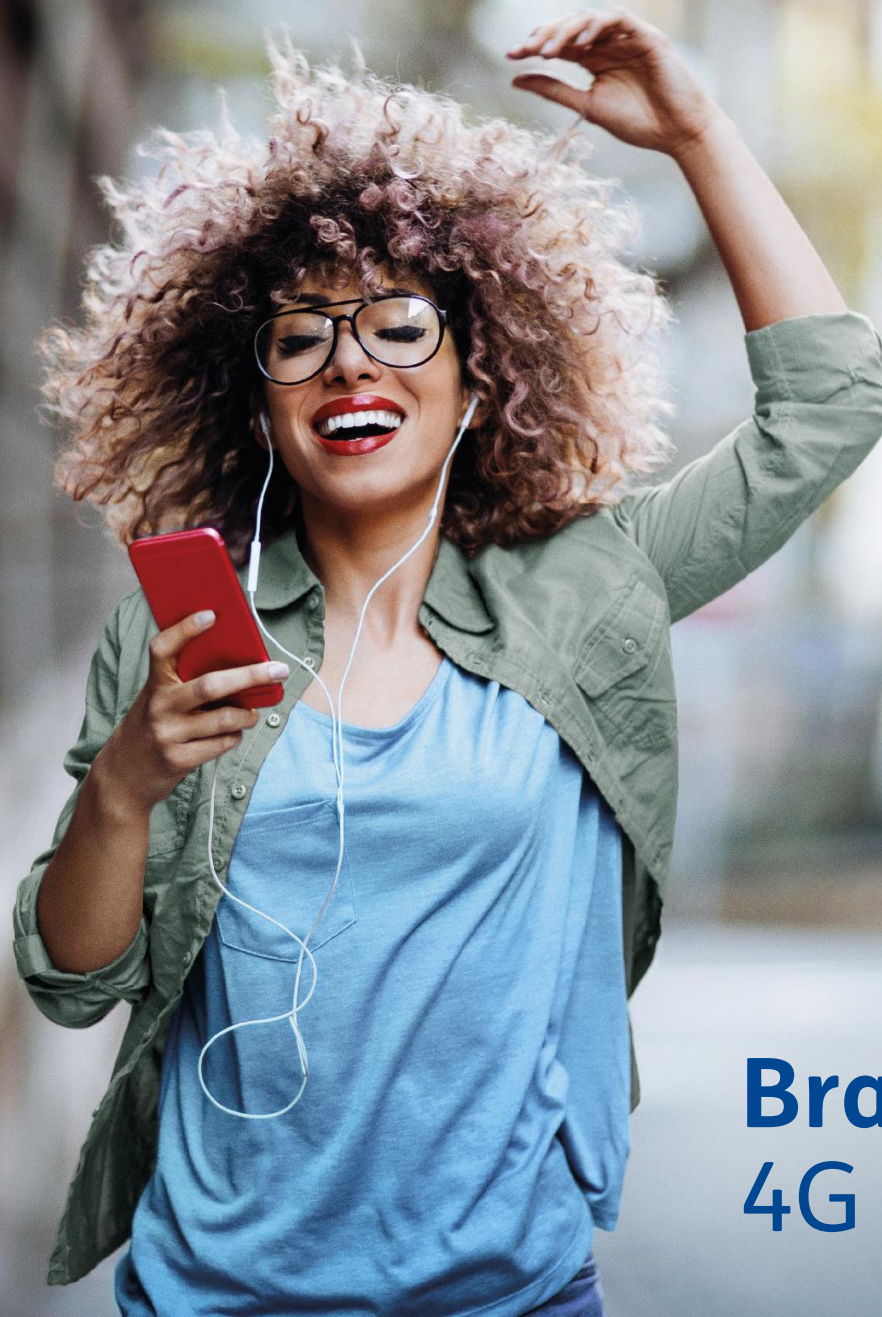


Results Presentation

1stQTR2019



**Brazil's largest
4G coverage.**



Disclaimer



This presentation **contains declarations that constitute forward looking statements** regarding the intent, belief or current expectations of the customer base, estimates regarding future financial results and other aspects of the activities.



Such **forward looking statements are not guarantees of future performance** and involve risks and uncertainties, and **actual results may differ materially from those projected** as a result of various factors.



Analysts and investors are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. TIM Part undertakes no obligation to release publicly the results of any revisions to these forward looking statements.



Financial results are presented considering impacts from IFRS 9 & IFRS 15 adoption, disconsidering impacts from IFRS 16 adoption.

The normalized numbers reported in this presentation are adjusted by the effects listed below.

Quarter Highlights: Solid Results Despite Tough Headwinds



EBITDA growing solidly 5.3% YoY to reach R\$ 1.5 bln in Q1
Margin reached 35.7%, expanding 1.2 p.p.



Strong results on cost efficiency: OPEX -0.2% YoY
Excluding Bad Debt, OPEX would decrease by 2.4% YoY



Mobile ARPU up 5.3% YoY, with CGR¹ growing 2.3% YoY
Resilient growth amid tough macro and competition environments



TIM Live Revenues at strong pace: +34.9% YoY
Growth driven by ARPU (+14.4%) and user base (+18.3%)



Anatel's 2018 satisfaction survey shows TIM's improvement
Improving customer satisfaction for the 3rd consecutive year in mobile and leading the pack in ultra broadband



Leadership in 4G mobile coverage and availability²
FTTH coverage growing fast to reach 1.3 mln households

(1) Client Generated Revenues.

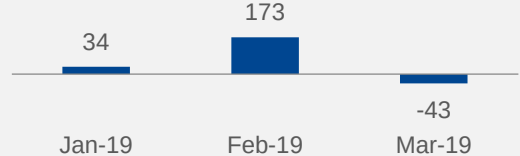
(2) Open Signal Research.

Operational Dynamics Working Despite External Challenges to Mobile Business

No support from economic recovery...

- GDP growth estimates down to <1.5%
- Consumer confidence deterioration
- Volatile job market recovery

Jobs creation ('000)



Source: CAGED.

...and tough competition dynamics in prepaid

- Regional attack offers from all players except TIM
- Core acquisition offers with ~50% discount vs TIM
- Aggressive incentives for first month and SIM card acquisition



Postpaid acquisition and upselling still showing positive trends, amid a deceleration in net adds (YoY)

Control to Pure Migrations

+18.4%

Postpaid Gross Adds

+45.3%

Postpaid Base

+11.4%

Postpaid Churn Rate

+0.1p.p

TIM Pre Top offer achieving its preliminary objectives, while overall prepaid face some challenges (YoY)

Avg Recharge Ticket

+11.9%

Demands to call center
(Human Interactions)

-33.4%

Prepaid Churn Rate

+0.2p.p

Avg Spending by Recharger

+3.4%

Prepaid ARPU

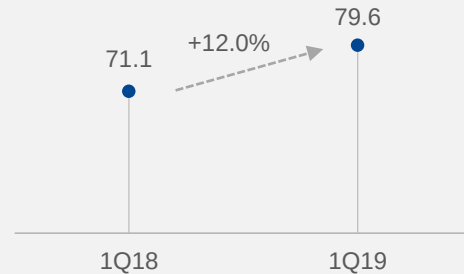
+1.6%

(R\$ 11.6/mo)

High Delivery on TIM Live While Developing New Revenues Opportunities

TIM Live ARPU

(R\$)

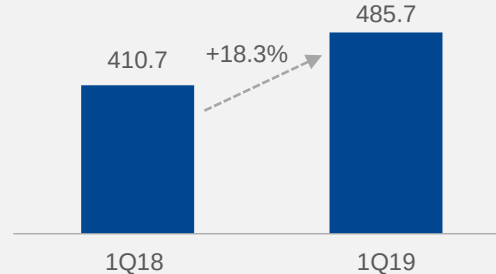


High value portfolio driving ARPU upward

- >50% of sales above 100 Mbps
- FTTH ARPU 17% higher than FTTC

UBB Customer Base

(000)

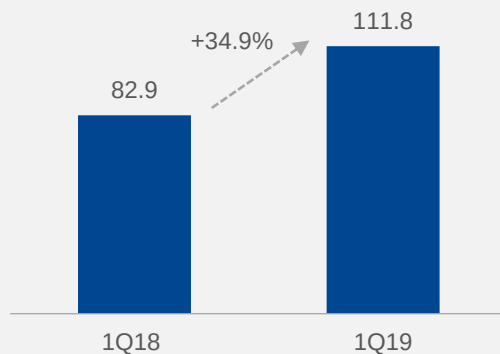


Larger coverage, more opportunity to grow

- ~25% of sales come from outside RJ and SP
- FTTH coverage grew 6x in a year

TIM Live Revenues

(R\$ mln)



Strong and consistent revenue growth

- >30% revenue growth for 9 quarters
- TIM Live represents ~50% of fixed revenues



TIM Agribusiness Solutions (IoT) – Planting the seeds...

Opportunity

- Agribusiness GDP: R\$ 1.6 Tln
- Primary production: R\$ 400 Bln
- Large farms >1.000ha
 - ~50k farms
 - ~100 Mln ha

conectar4GRO

partnership to promote 700MHz 4G in countryside

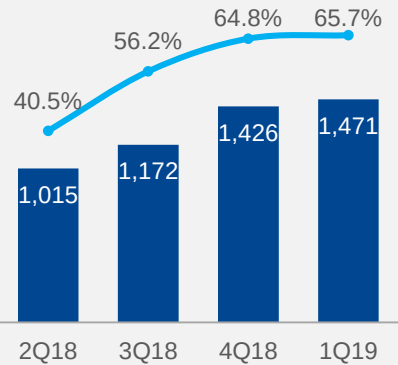
Solutions already implemented



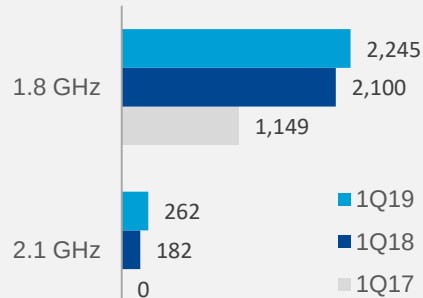
Infrastructure Development Puts TIM on the Right Track to Satisfaction

4G Coverage and Capacity Expansions

4G in 700 MHz
(# Cities | % of Urban Pop.)

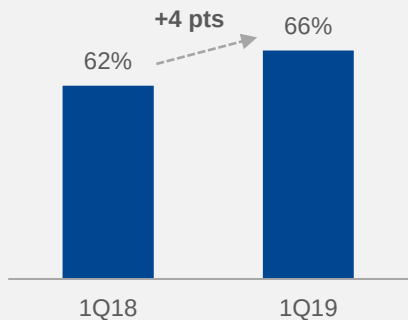


Refarming Evolution: LTE
(# Cities)

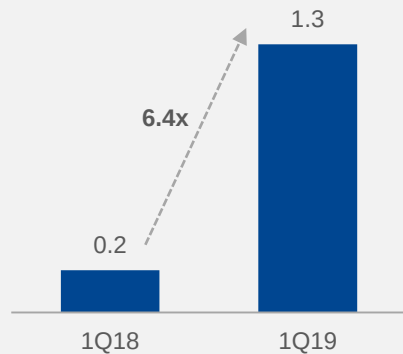


Fiber Expansion: Transport and FTTH

Backhaul
(% Sites w/ High Capacity)



FTTH Coverage
(Mln Households)



Ongoing Digital Transformation

1Q19 Digitalization KPI's

E-Billing
Users



2x
(YoY)

E-Payment
Users



+14%
(YoY)

Meu TIM App
Unique Users



+54%
(YoY)

E-Recharges

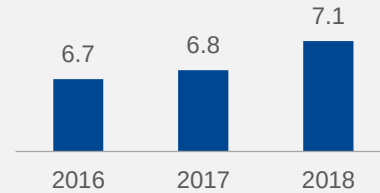


+7.3 p.p
(YoY)

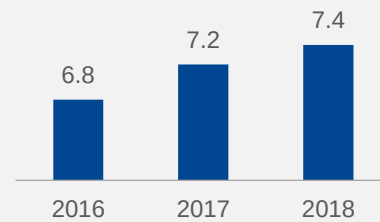
Signs of Improvements in Satisfaction

Anatel's annual survey
(General satisfaction)

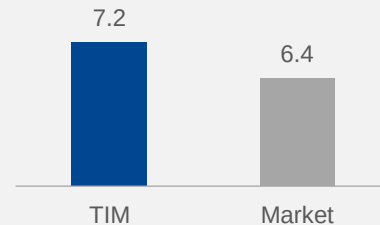
Prepaid



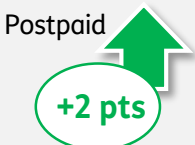
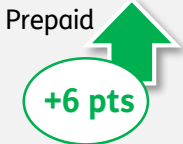
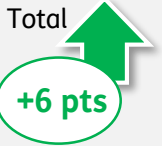
Postpaid



Fixed Broadband



NPS¹

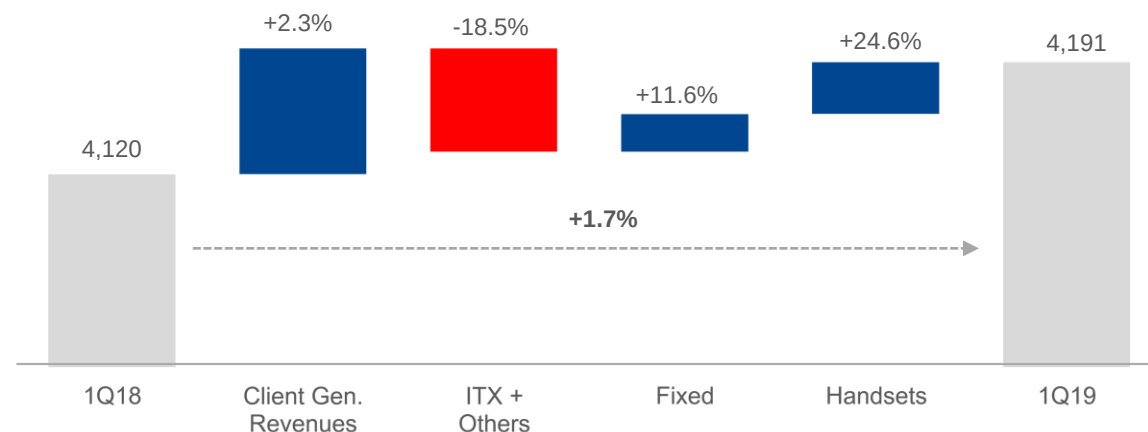


(1) Internal data.

Sustaining Revenue Growth Even with Tough Headwinds

Total Net Revenues Breakdown

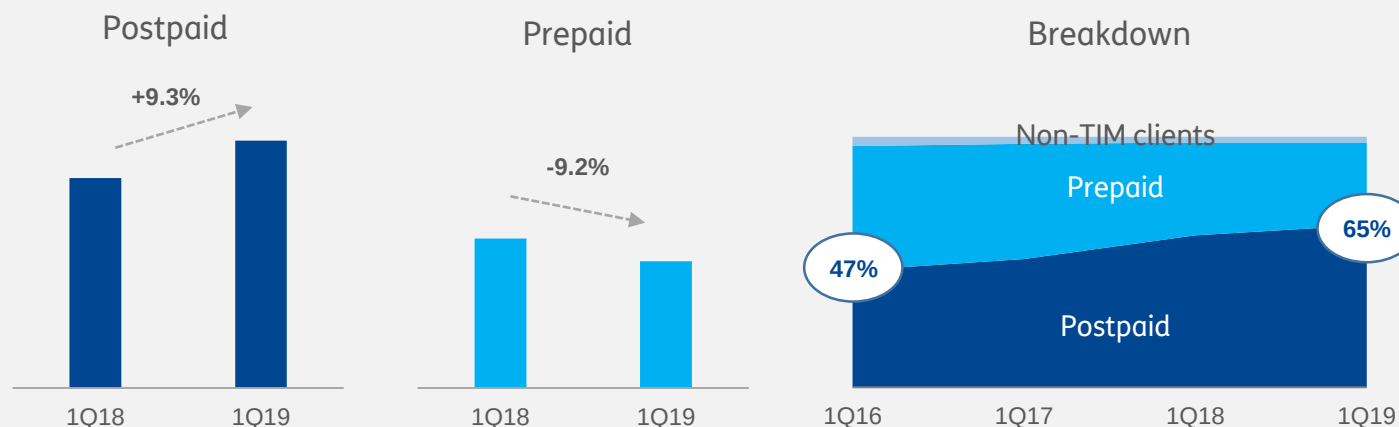
(R\$ mln | %YoY)



- Resilient Client Generated Revenues growing +2.3% YoY
- Interconnection revenues down 29.9% YoY, reflecting MTR cut
- Mobile Service Revenues grew 0.4% YoY
- Fixed services growth driven by TIM Live (+34.9% YoY)
- Service Revenues (Mobile + Fixed) up by 1.0%

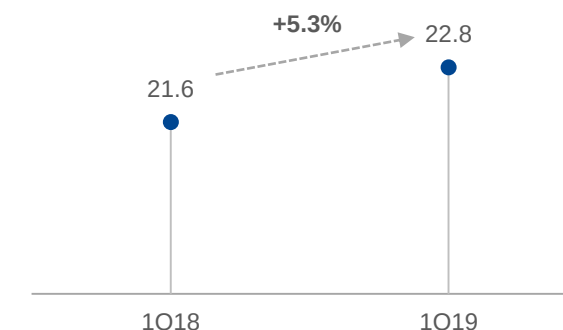
Pro-forma Client Generated Revs. Growth

(%YoY)



Mobile ARPU

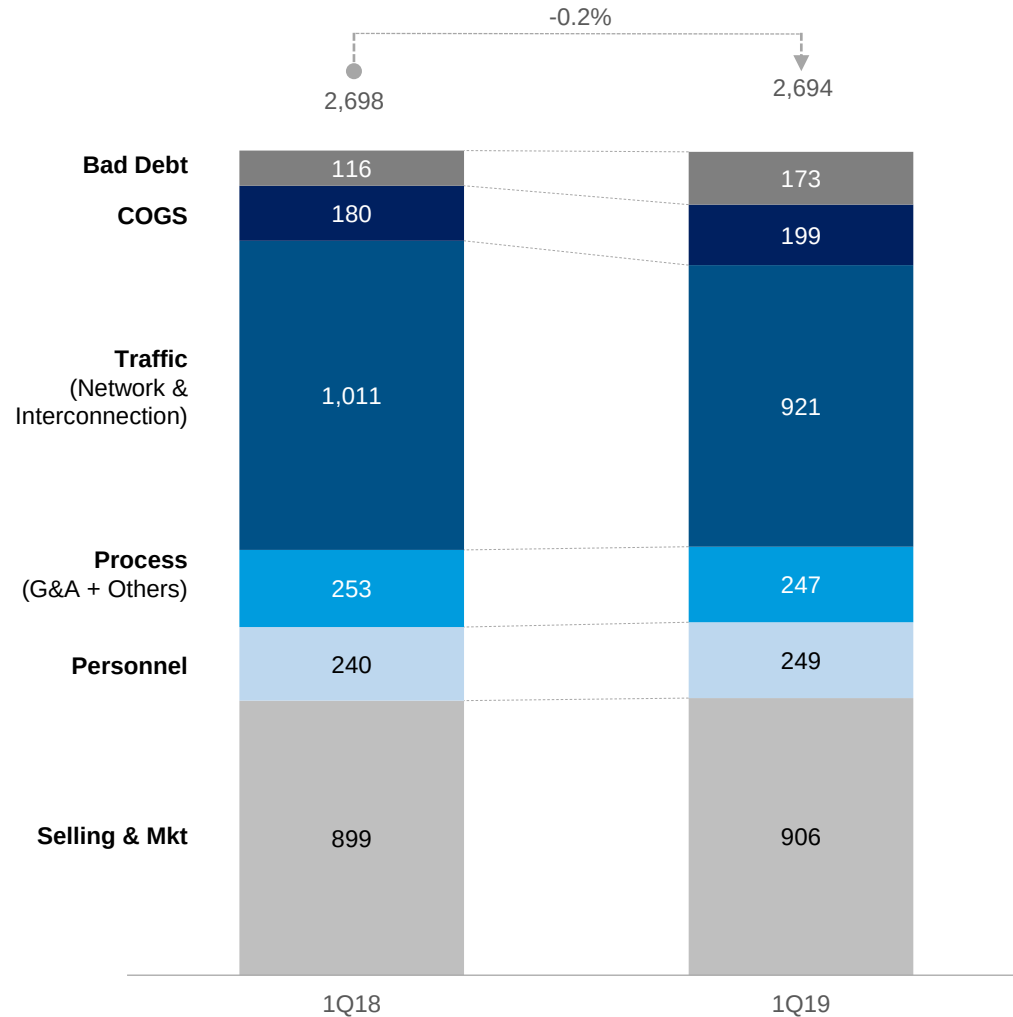
(R\$ | %YoY)



Strong Execution on Cost Control Compensating Softer Revenues

Normalized Opex Breakdown¹

(R\$ mln | %YoY)



High-delivery on Efficiency Plan continues to be a key driver: 25% completion in 2019, more than compensating bad debt rise. Excluding bad debt, costs would have been -2.4% YoY in 1Q19.

Bad Debt Action Plan

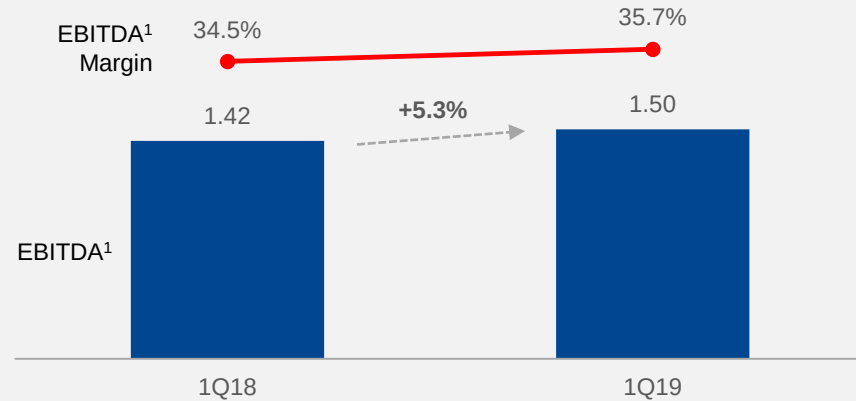
Actions	Status
Collection Model revision with all collection agencies to improve credit recovery;	Partially implemented
Implementation of a Collection Portal, multi-channel with different payment methods;	Implemented
Improvements in billing systems to support new strategies, speed and control;	Not implemented – in development
Creation of a dedicated call center to treat early delinquency;	Implemented
NEW New method of payment for Control plans.	Implemented

(1) OPEX normalized for the effects detailed in slide 2.

Consistent Margin Expansion and Cash Generation

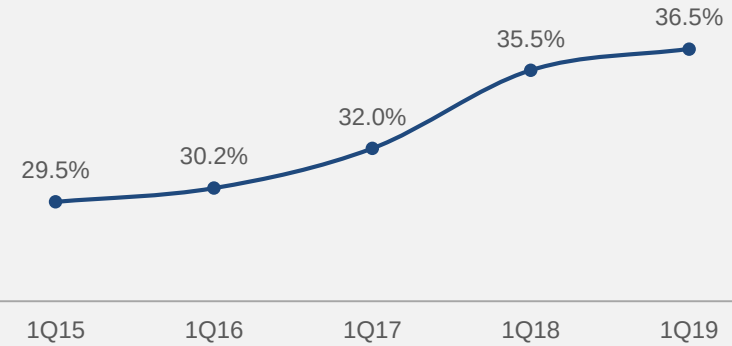
EBITDA & Margin Evolution¹

(% | R\$ bln | %YoY)



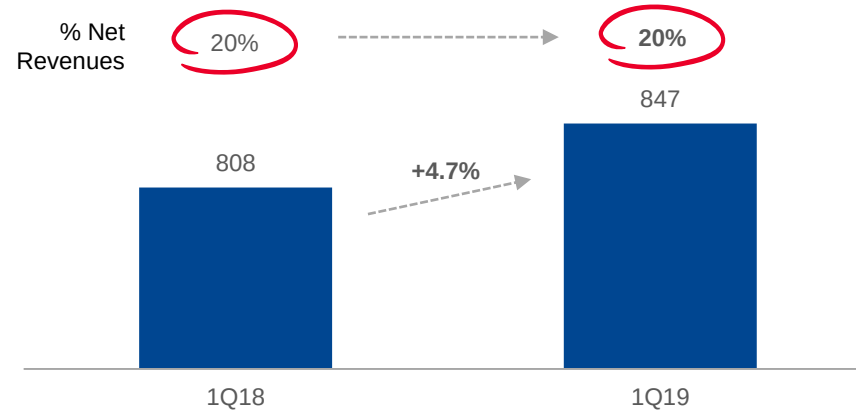
Pro-forma Margin Evolution¹

(%)



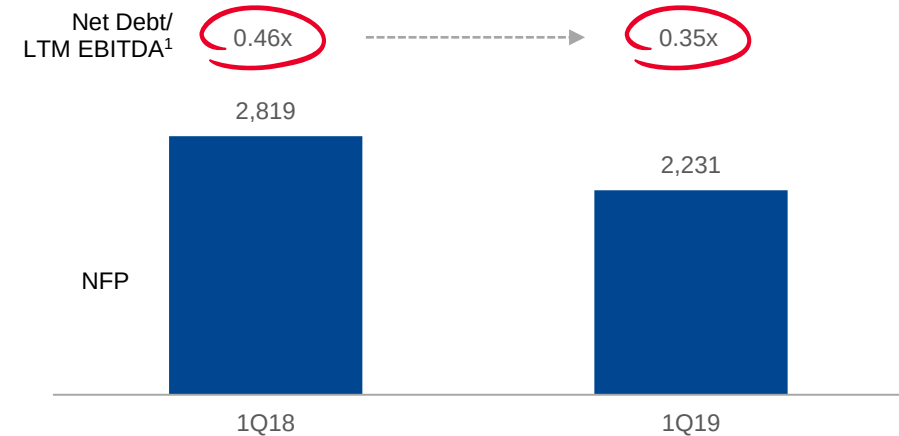
EBITDA¹ – CAPEX

(R\$ mln)



Net Financial Position

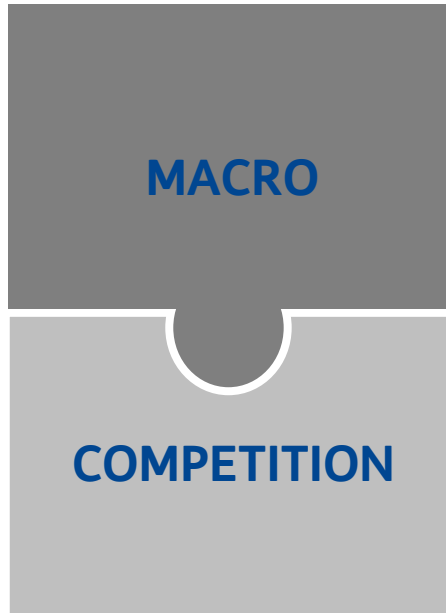
(R\$ mln)



(1) EBITDA normalized for the effects detailed in slide 2.

Strategy and Vision Remain Solid with Adjustments to Recover Momentum

Despite challenges...



...fundamentals remain strong and ready for economic recovery...

✓ Efficient operation

OPEX (YoY)
- 0.2%

✓ EBITDA at solid pace

EBITDA (YoY)
+ 5.3%

✓ Consistent margin expansion

EBITDA Margin
35.7%

✓ Resilient client generated growth

CGR (YoY)
+ 2.3%

✓ Evolving customer experience

All Anatel's
Survey Metrics
Improved

...adjustments to our approach give confidence guidance bands are achievable.

