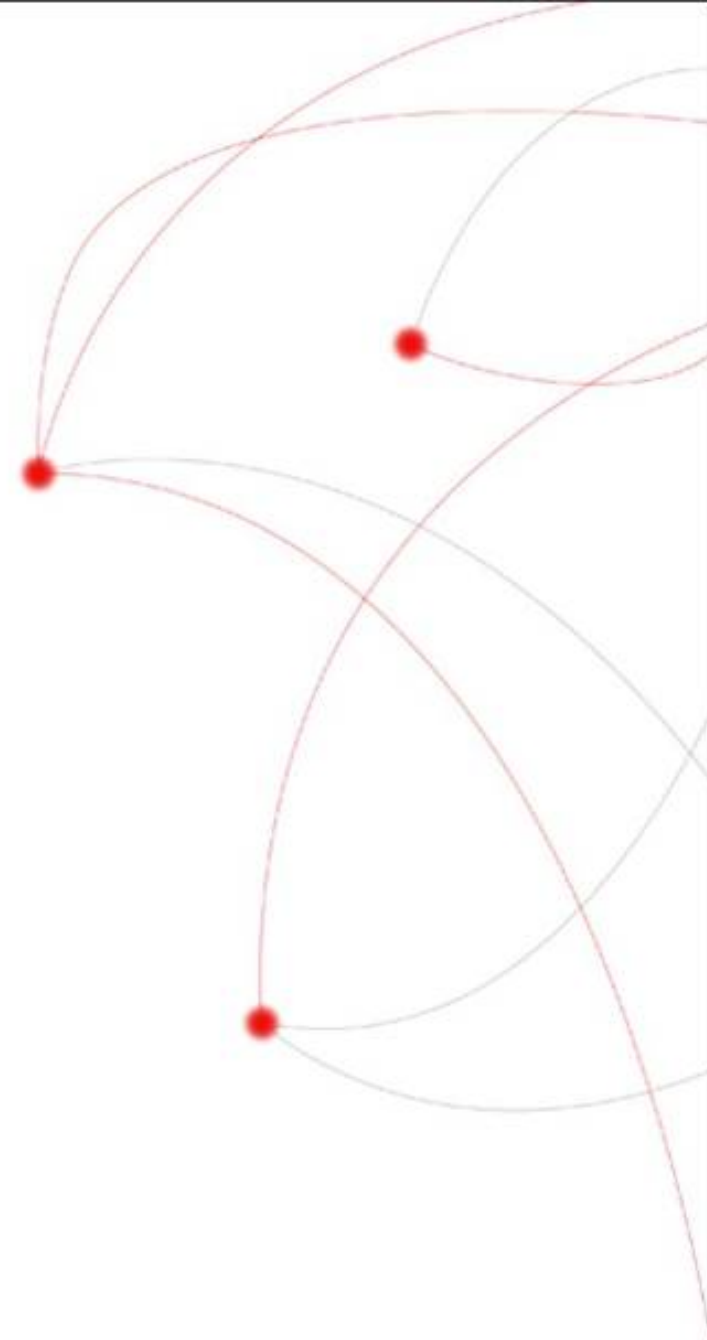


TIM

Strategic Plan Update

LUCA LUCIANI



Safe Harbour

These presentations contain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company and the Group.

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

Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

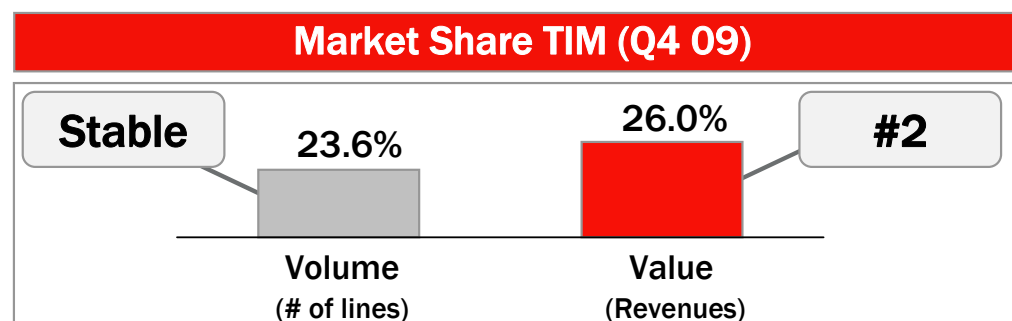
Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. TIM Participações S.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in TIM Participações S.A. business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange Commission.

Agenda

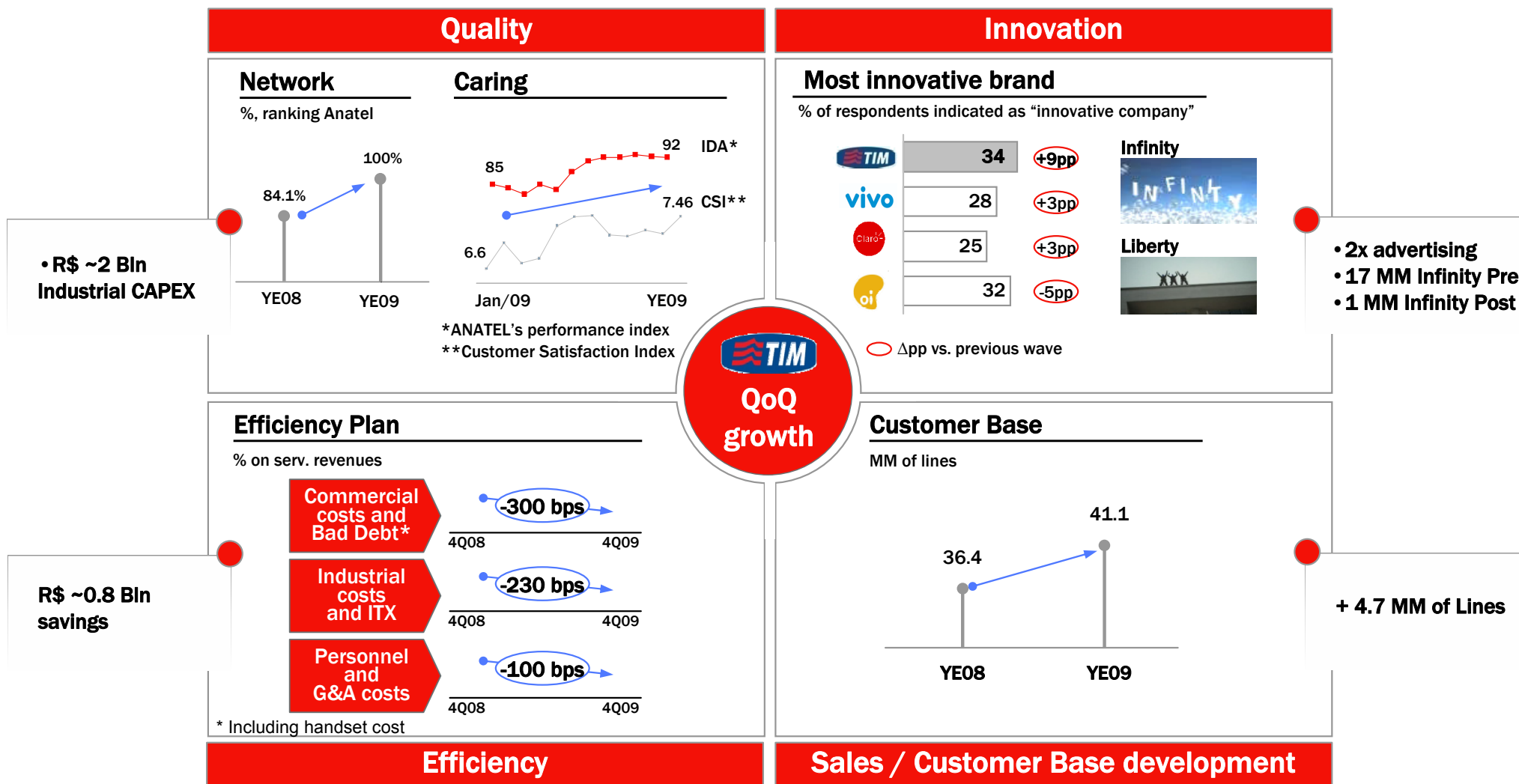
- ▶ **What we did
(2009 Repositioning path)**
- ▶ **Where we want to go (Strategy)**
- ▶ **Where we are (Expected Q1 2010)**

2009: TIM #2 in the Brazilian Market (4Q 2009)

KPIs	Size Q4	Ranking		
		Size Q4	Growth Q4 vs Q3	
▶ Customer Base	41.1 MM (23.6% Market Share)	#3	#3	Volume
▶ ARPU	R\$ 27.0	#1	#1	Value
▶ Net Services Revenues	R\$ 3.25 Bln	#2	#1	
▶ EBITDA	R\$ 959 Mln	#2	#1	
▶ EBITDA margin	28.2%	#2	#1	



2009 Repositioning Path



Marketing Approach: “Breaking the Rules”

Post-paid: Market rule

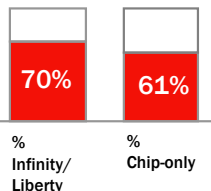
- **Handset based** (with max 12 months fidelity)
- **Low MOU; flat on-net vs. off-net calls** (with high MTR)

TIM “Breaking the Rules”

- **“All you can eat” community based** (local and long distance)
- **Chip-only + handset sales in 12x** (unlocked)

Take up of Liberty and Chip Only plans

100%=
Gross Adds
post voice
consumer
1Q 10



Benefits

- **Customer:**
 - Free to talk at lower cost
 - SIM-unlocked phones
- **Operator:**
 - Higher return (lower SAC, ITX and Bad Debt)
 - TIM Community valorization

Pre-paid: Market rule

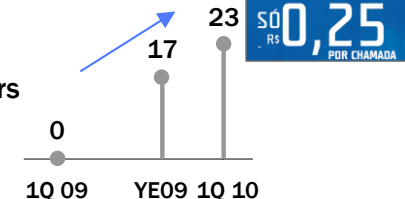
- **Short local calls** (aggressive promos based on local calls only)
- **Long distance calls just via fixed line** (or public phones)

TIM “Breaking the Rules”

- **Pay per call vs. traditional pay per minute**
- **Community based local and Long Distance** (Local=Long Distance)

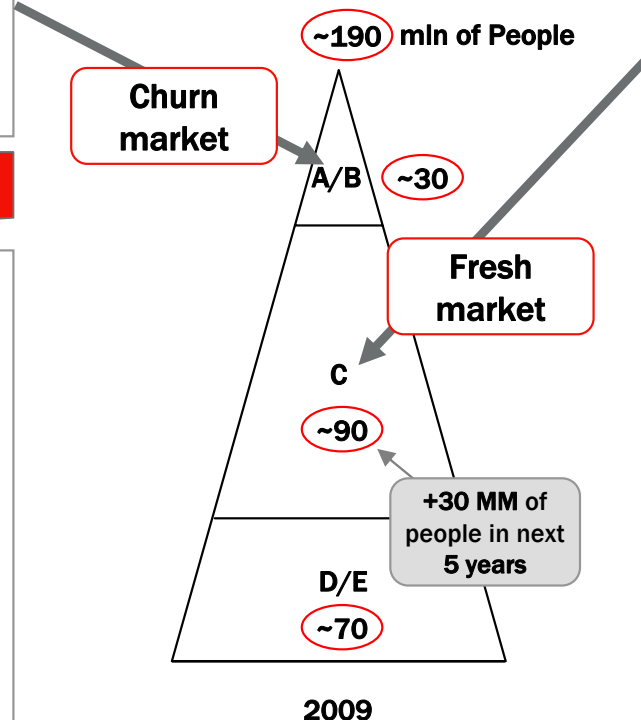
Infinity (Pre-paid)

of
customers
(MM)



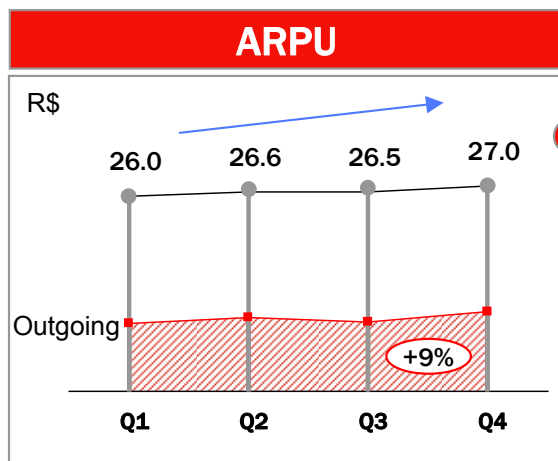
Benefits

- **Customer:**
 - Long calls via mobile (both local and long distance)
- **Operator:**
 - Long calls via Mobile (both Local and LD)
 - Differentiation
 - ARPU increase

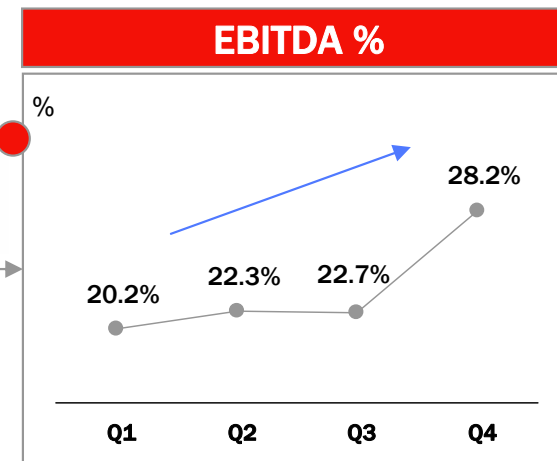


2009: Consistent QoQ Growth

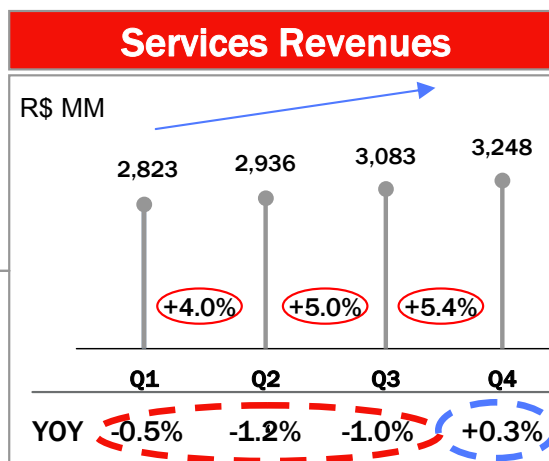
○ QoQ Growth



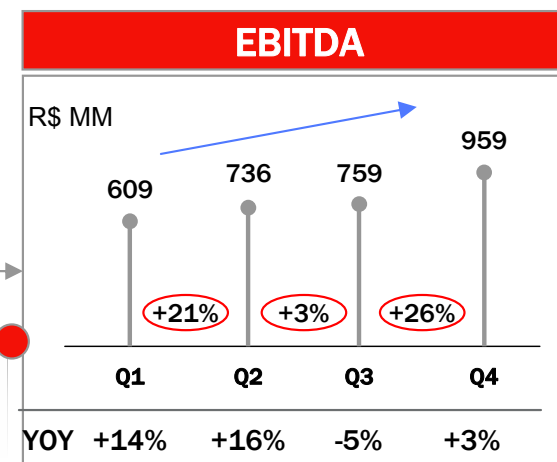
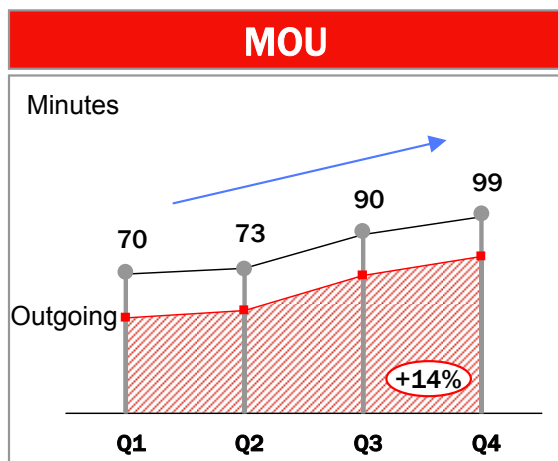
ARPU Leader



FY 2009
23.5%
+140 bps YoY



- Inverted trend in 4Q
- FY 2009
 - 12.1 Bln R\$
 - ~Flat YoY

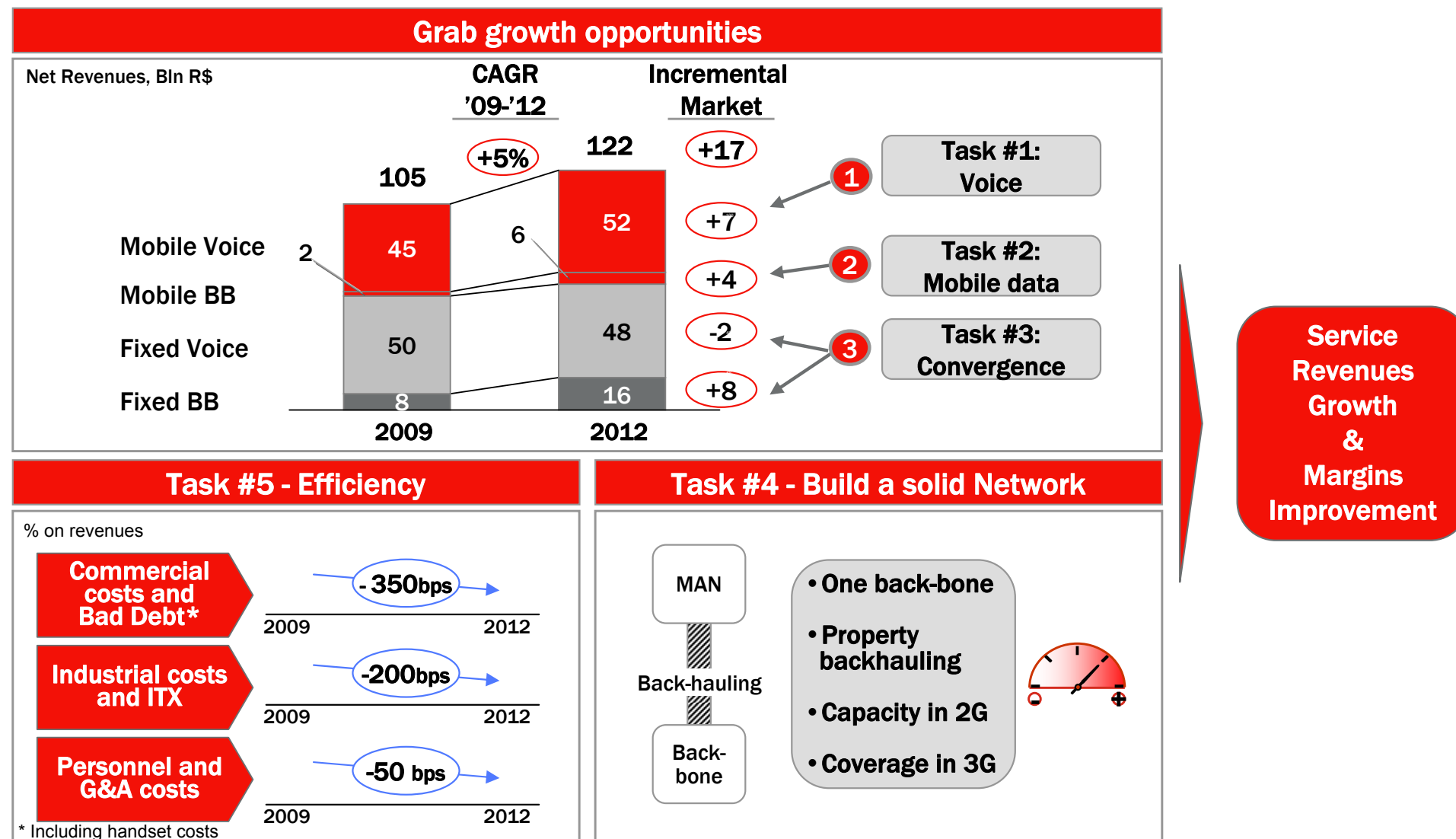


FY 2009
3.1 Bln R\$
+5.6% YoY

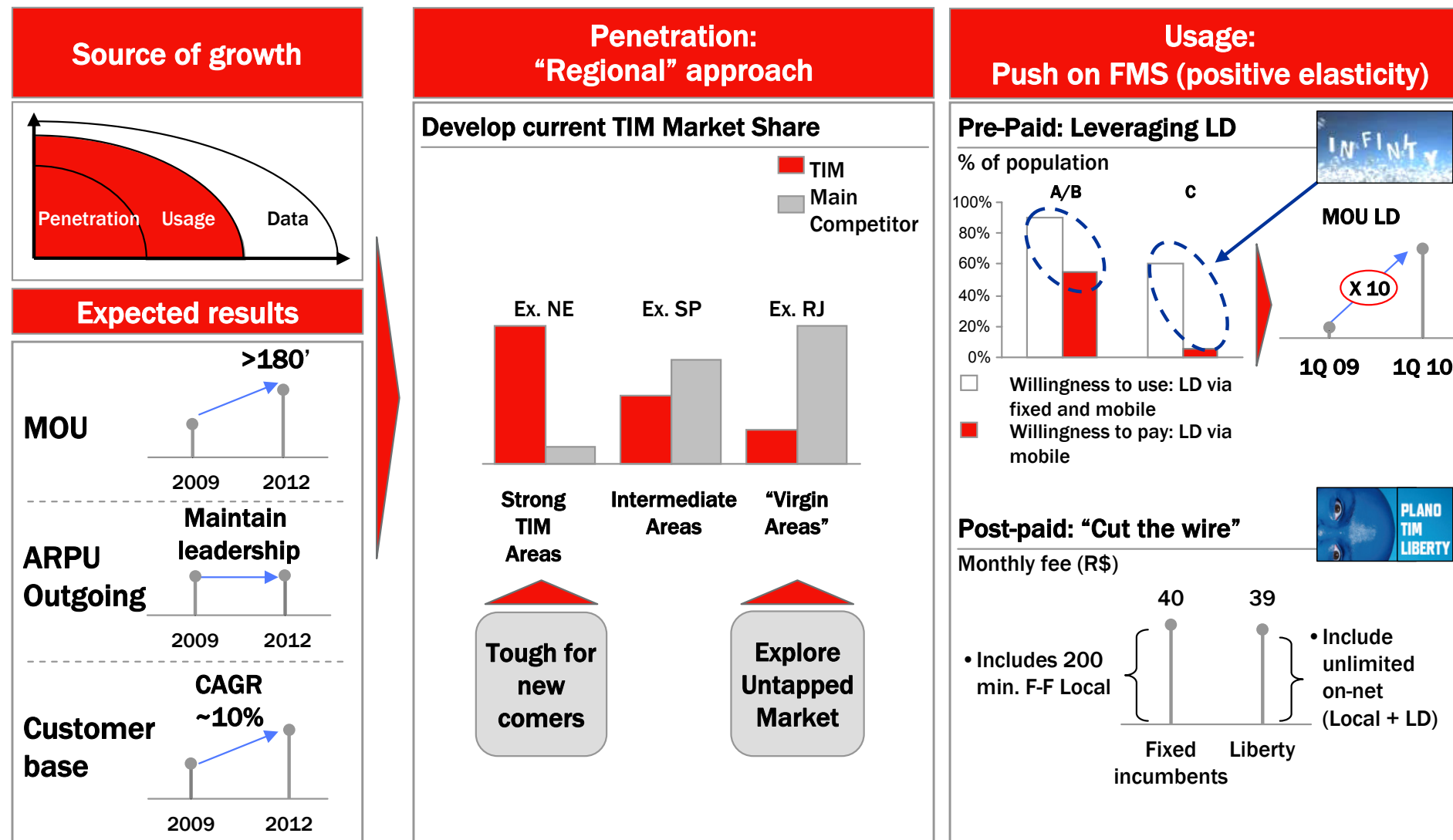
Agenda

- ▶ What we did
(2009 Repositioning path)
- ▶ **Where we want to go (Strategy)**
- ▶ Where we are (Expected Q1 2010)

Strategy: 5 Tasks to Create Value

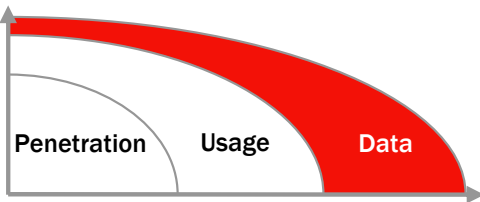


Task #1 - Voice: “Keep the Pressure”



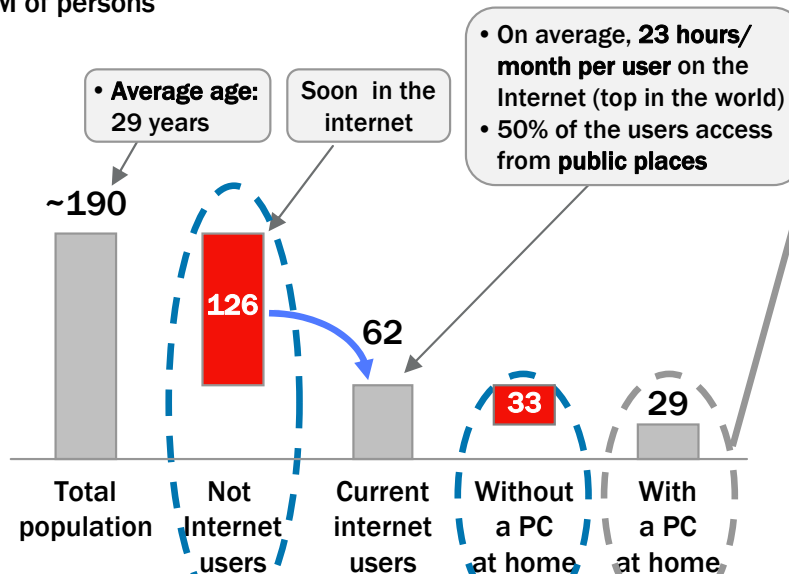
Task #2 - Mobile Data: “Ready to Go” as of H2 2010

Source of growth



Brazilian Internet Market

MM of persons



“Me too” strategy

- Internet experience via mobile smartphone (micro-browsing)
- Selective approach on internet key (browsing)

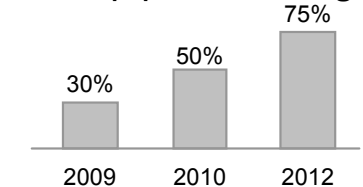
TIM “Breaking the Rules”

- Mobile Internet in a profitable way

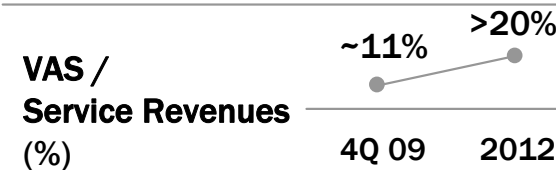
Enabling factors

- Fast Network roll-out (14 Mbps downlink and 2.8 uplink in main cities)
- Low-end handsets with rich internet experience (<100 USD)
- Affordable and simply tariff plans

Urban population coverage

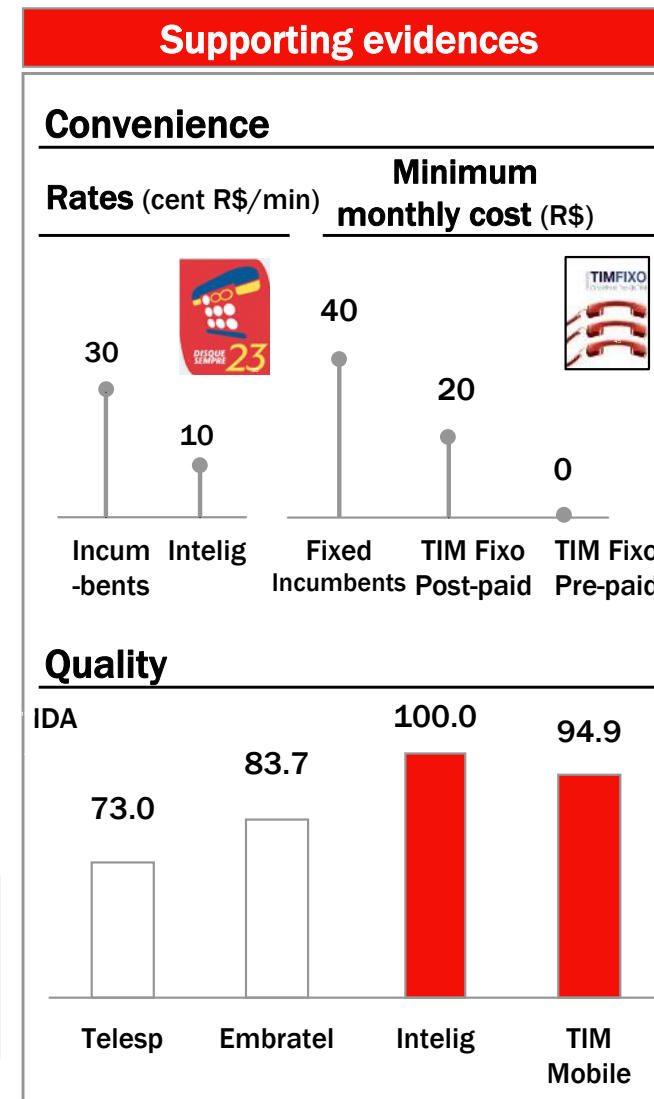
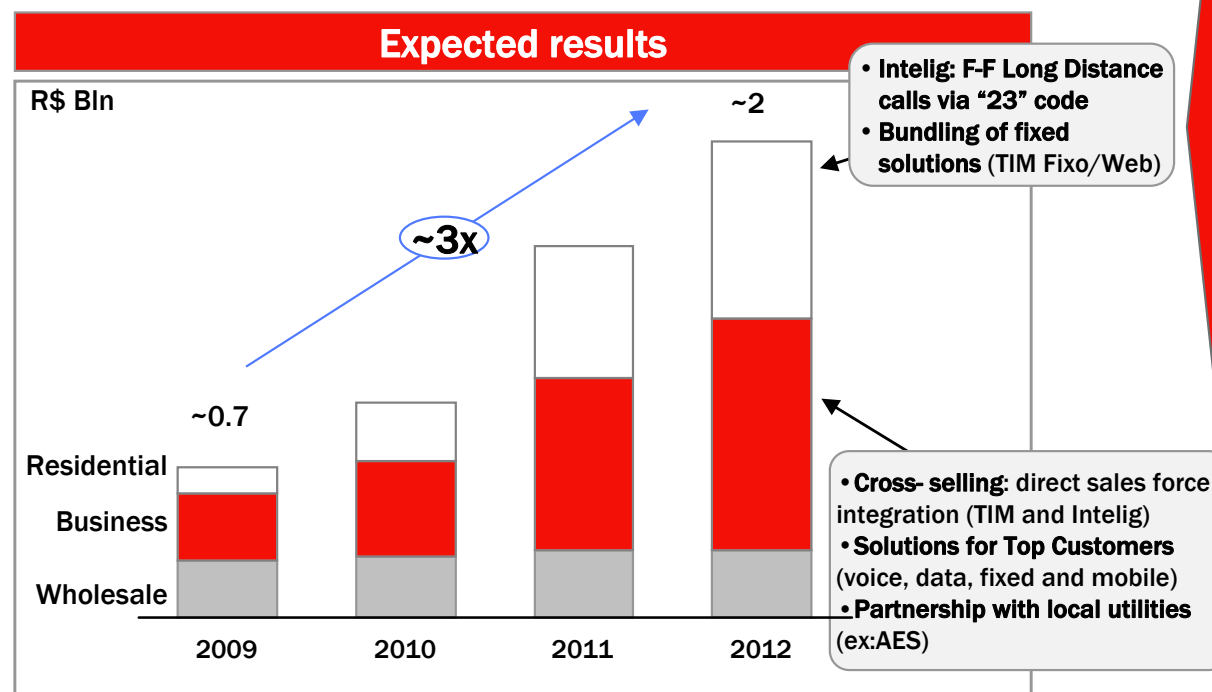
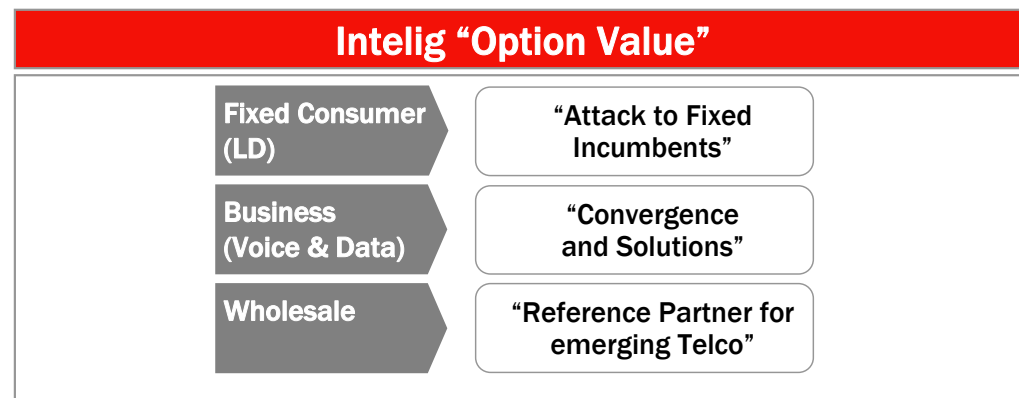


Expected results



Boost VAS contribution

Task #3 - Convergence: Attack Fixed Incumbents

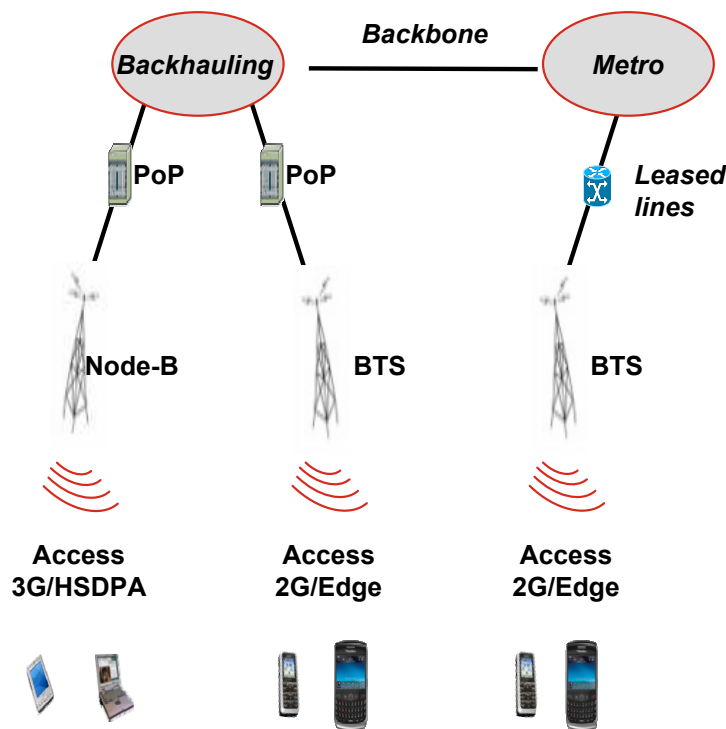


Task #4: Build a Solid Network

Network Infrastructure

Key actions

- 1 One single backbone (TIM - Intelig)
- 2 Link to Intelig MANs
- 3 Roll-out microwaves backhauling
- 4 Double 3G coverage
- 5 Double 2G capacity

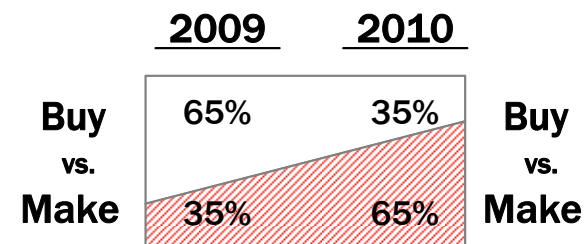


Network targets and priorities

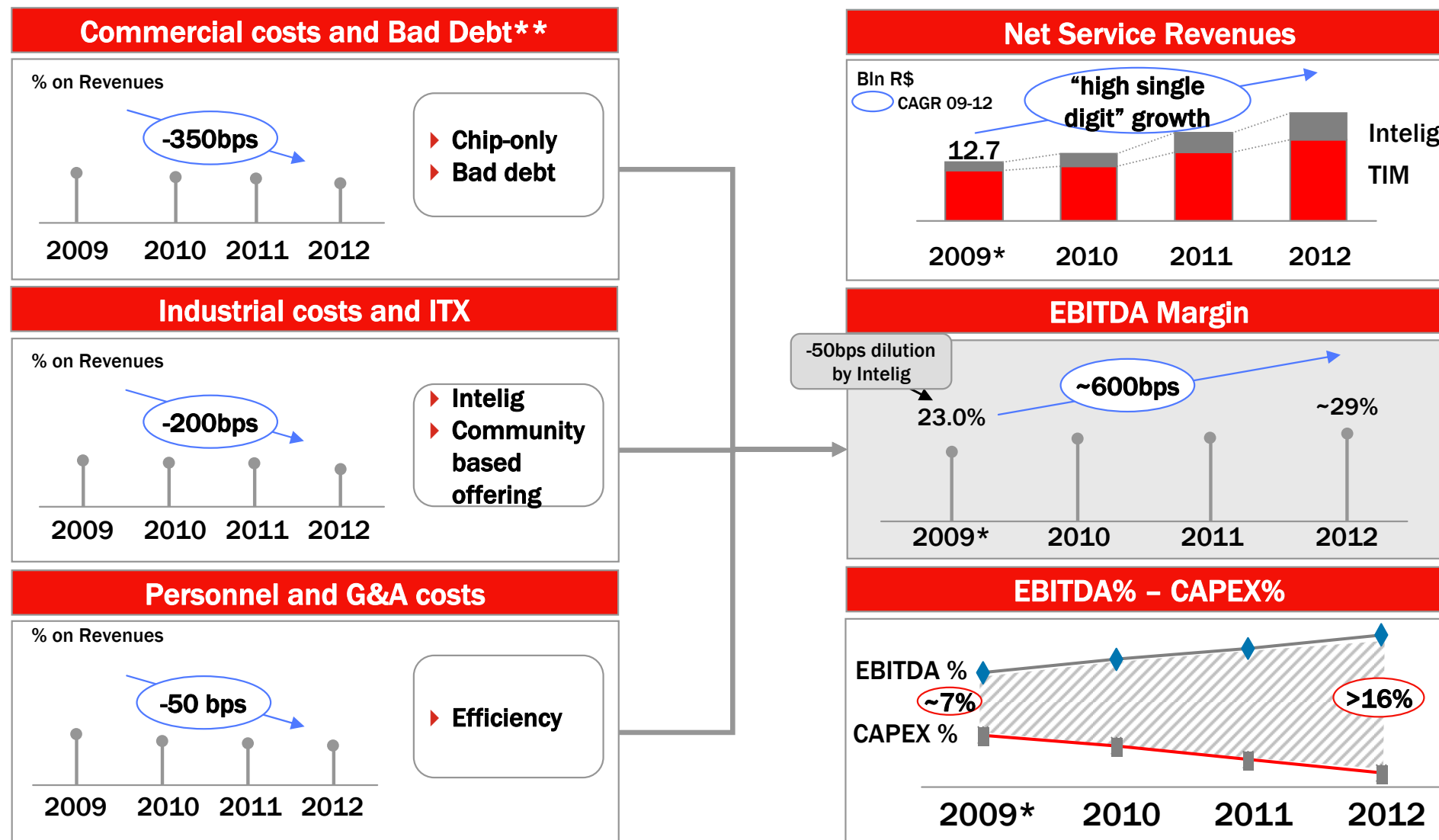
	2010-12	2010
3G Coverage (# antennas)	~6,000	~3,500
2G Capacity (# TRX)	>50,000	>15,000
2G Coverage (# BTS)	1,500	750
Radio back-hauling	~10,000	>4,000

Efficiency & reliability in Back-Hauling

MW replacing leased lines



Task #5: Efficiency for a Sustainable Growth



*: 2009 Proforma Intelig 12 months ** Including handset cost

TIM Participações 2009 and 2010-12 Targets

BR GAAP

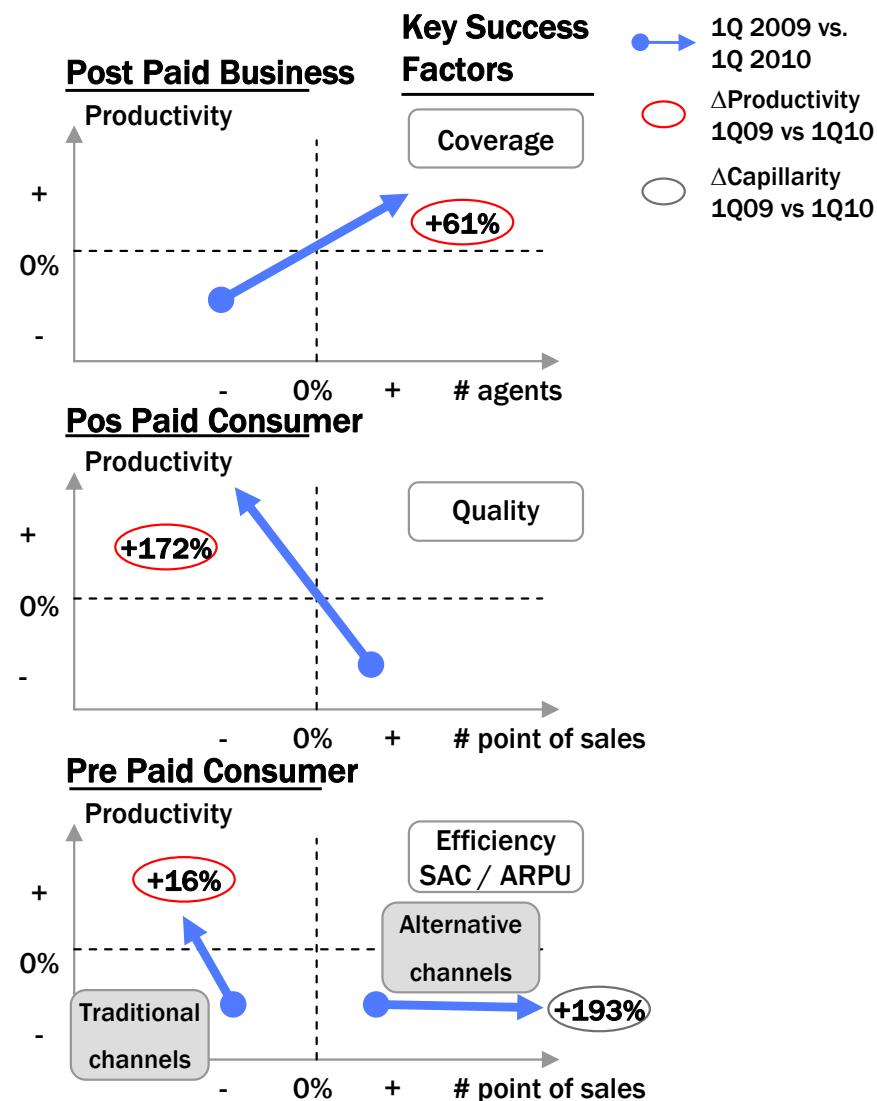
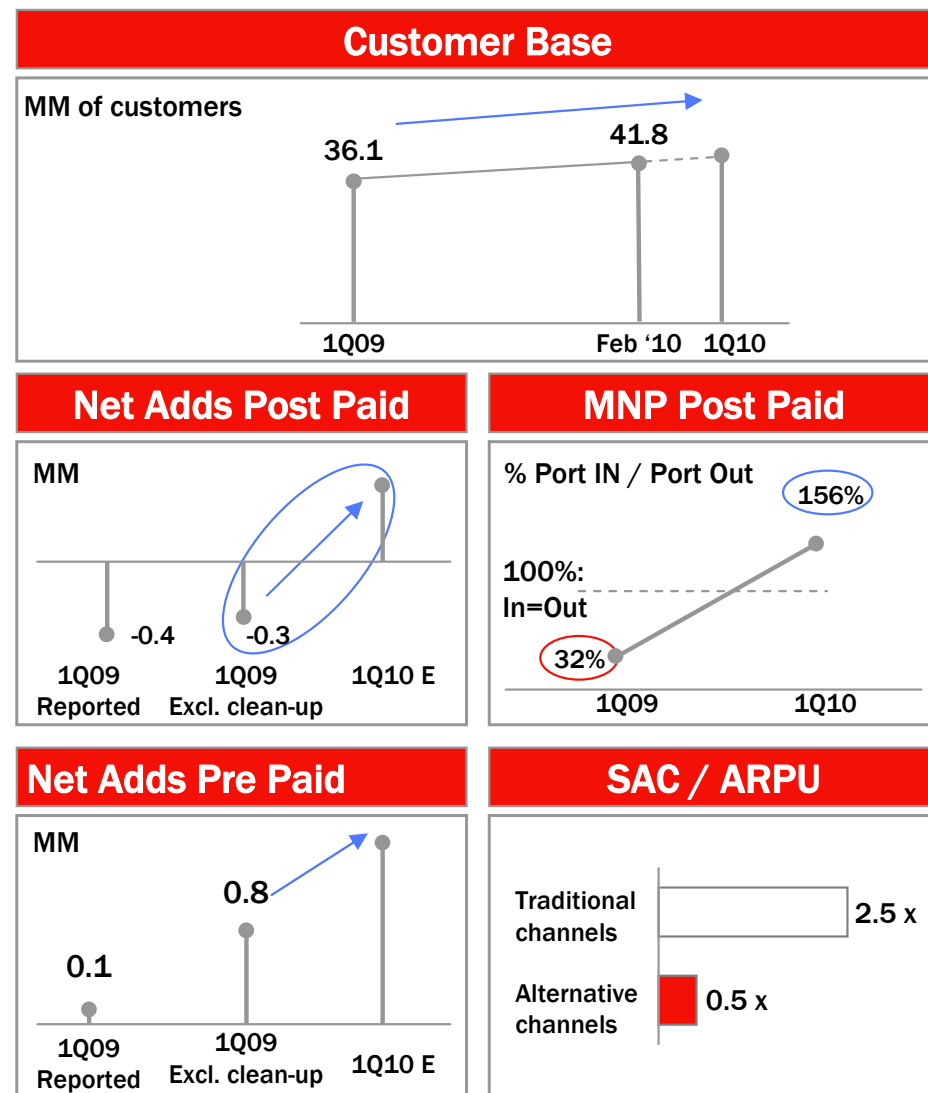
	Targets		
	2009 ¹	2010	Plan
Net Service Revenues	Bn R\$ 12.7	YoY growth >5%	CAGR 09-12 High Single Digit
EBITDA Margin	23.0%	>25%	~29%
CAPEX	Bn R\$ 2.2	Bn R\$ ~2.5	Bn R\$; cum 10-12 cum. < 7.0

¹ Including Intelig figures (proforma 12 months);

Agenda

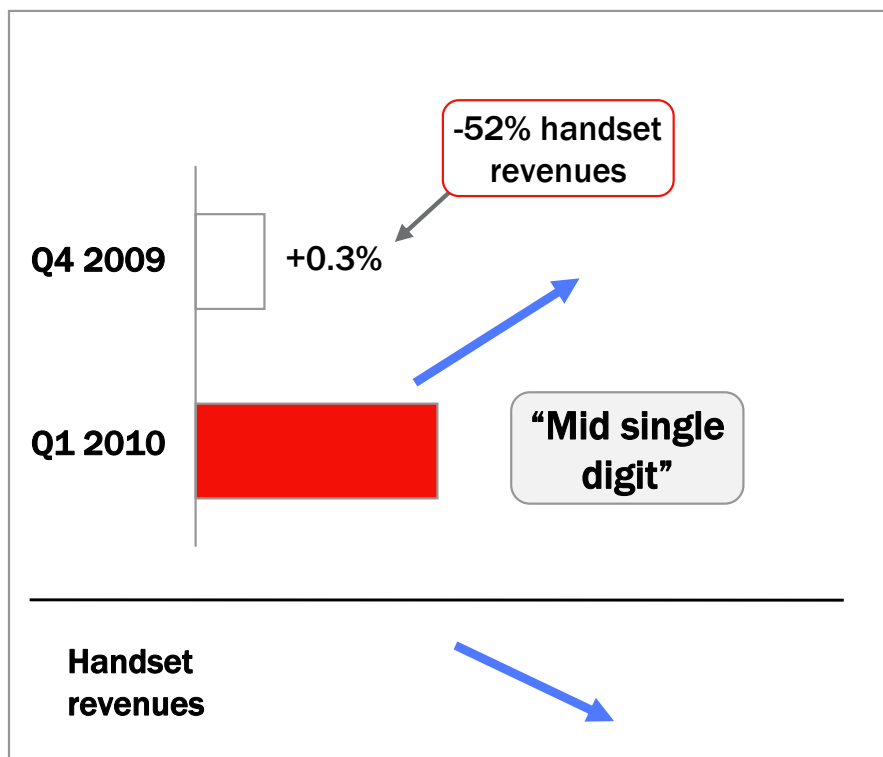
- ▶ What we did
(2009 Repositioning path)
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Sales Force Restructuring Speeds up Customer Base Growth



Visible signs of Company's turnaround: Expected Q1 2010 Results

YoY % - Service Revenues

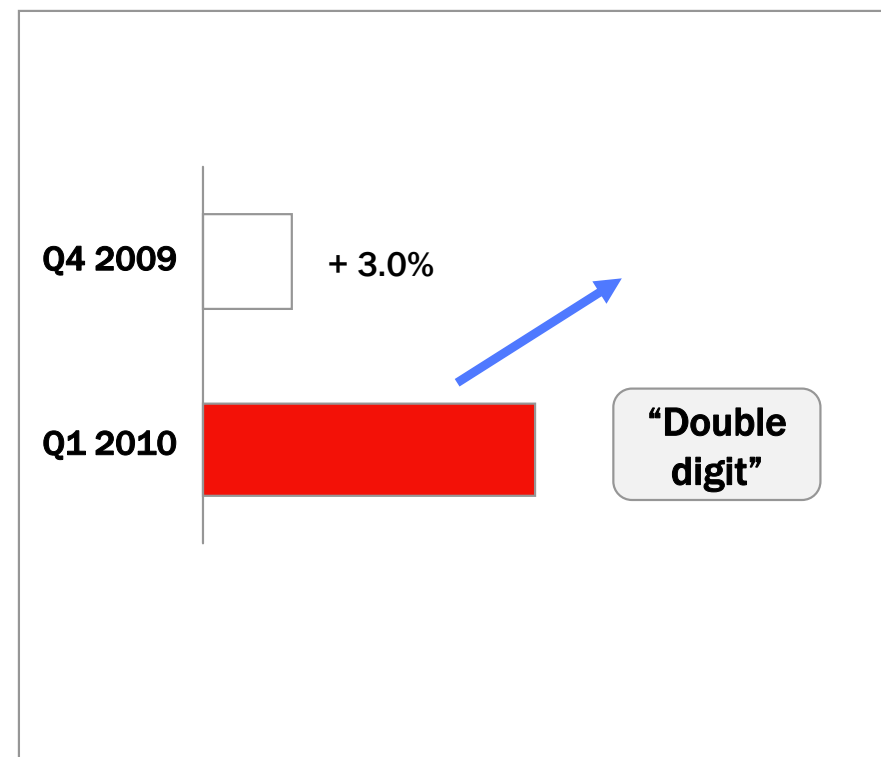


Vs. 2010 Company's Guidance

"On track"



YoY % - EBITDA



Vs. 2010 Company's Guidance

"On track"



TIM Brasil - Take Aways

2009 Path

- ▶ Repositioning of the Company based on quality, innovation and efficiency
- ▶ Able to grow QoQ in 2009, confirming **#2 position** in Brazilian mobile market

Strategy (2010-2012)

- ▶ Ready to grab market growth opportunities:
 - ▶ Voice: further penetration and FMS
 - ▶ Mobile Data, as of H2 2010
 - ▶ Convergence / Intelig “Option value”
- ▶ Fast roll-out of solid network infrastructure
- ▶ Efficiency to combine top line growth with improving profitability and cash

Visible signs of turnaround

- ▶ Q1 2010 confirming YoY growth acceleration (Revenues and EBITDA)