



TIM PARTICIPAÇÕES S.A.
Public-Held Company
CNPJ/MF Nº 02.558.115/0001-21
NIRE 33 300 276 963

MATERIAL FACT

TIM PARTICIPAÇÕES S.A. ("Company") (BM&FBOVESPA: TIMP3; NYSE: TSU), in response to a formal Bovespa inquiry 3355/2014-SAE, informs its Shareholders and the Market in general that the Company has inquired its Directors and indirect controlling shareholder, Telecom Italia S.p.A (TI), about the content of the news published on the newspaper "*A Folha de São Paulo*" under the title "*Claro, Vivo and Oi closed a deal to buy TIM*". Considering this inquiry, the company was informed that both Directors and TI: (i) do not have any knowledge and are not taking part in any discussion aimed at the possibility of selling the Company; and (ii) also they are unaware of the possible content of discussions between Claro, Vivo and Oi's shareholders about consolidation alternatives. Such information is consistent with communication previously disclosed by the Company in a Material Fact on August 27, 2014 and in a Notice to the Market on October 8, 2014 and in the Notice to the Market on October 30.

Additionally, the Company reiterates its commitment to timely provide the appropriate information to its Shareholders and the Market whenever there is any material fact.

Rio de Janeiro, October 31, 2014.

TIM Participações S.A.
Rogerio Tostes
Investor Relations Officer