

TIM Brasil

2013 - 2015

Industrial Plan



Você, sem fronteiras.



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. Telecom Italia S.p.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 Telecom Italia S.p.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.



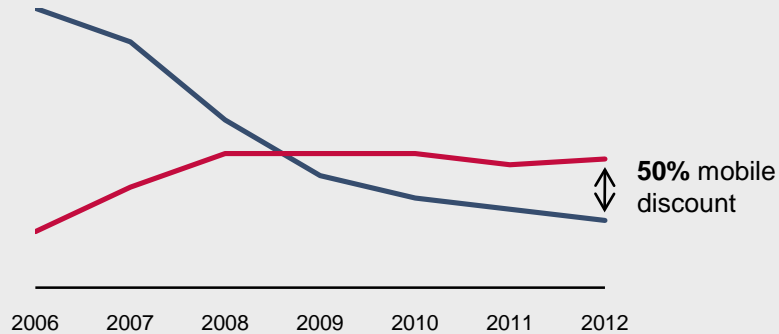
2013-2015 Plan Outline

Brazil: Leveraging on Pure Mobile Competitive Advantage



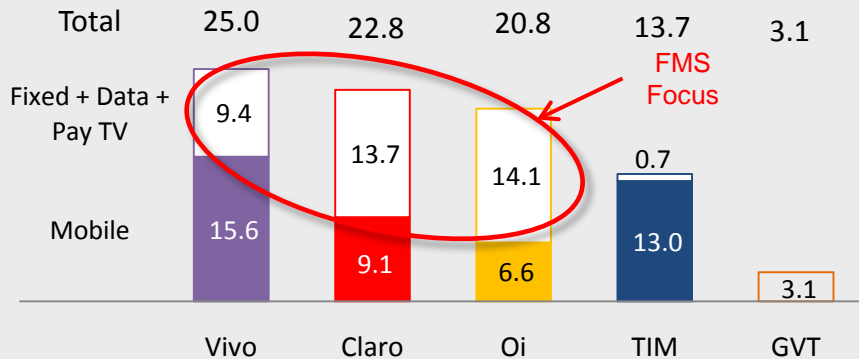
Voice FMS: Mobile is more convenient than Fixed...

R\$/minute, voice



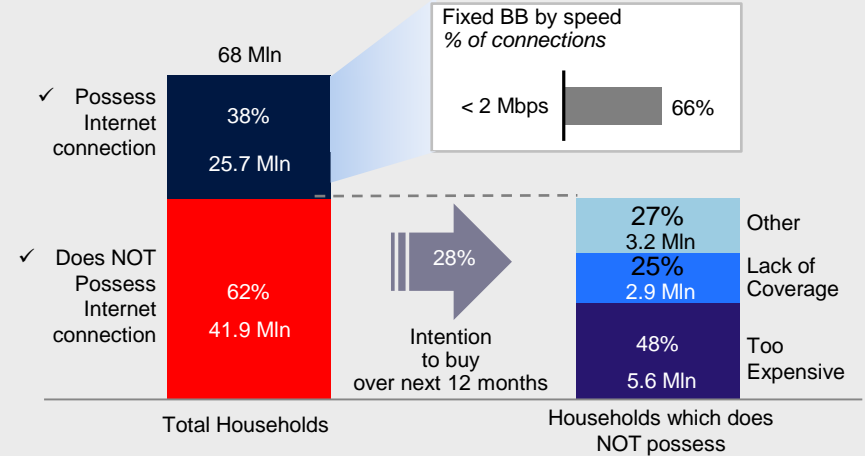
Voice FMS: ...TIM, with no legacies, can only gain on the trend

R\$ billion, Net Revenue per Group (9M12)



Data Going Mobile: Internet has a great potential...

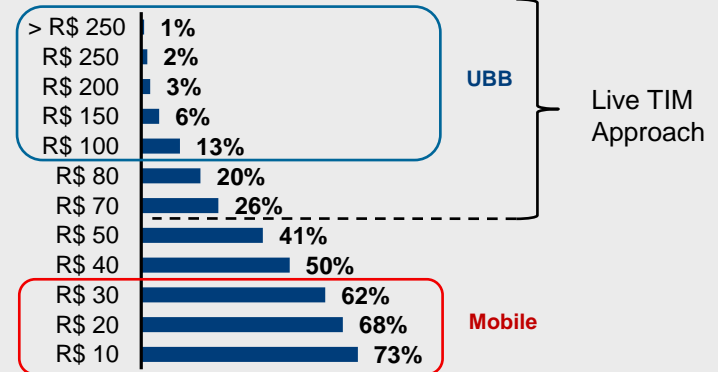
Mln Households;



Data Going Mobile ...Mobile has greater price efficiency

Willingness to pay, % of households

Willingness to pay (% of Households)



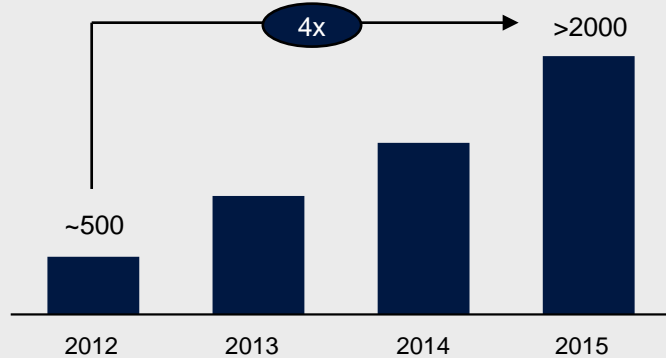
A pure mobile approach is the most suitable strategy to capture both opportunities

TIM Fiber: Plan for 2013/2015



Coverage (addressable)

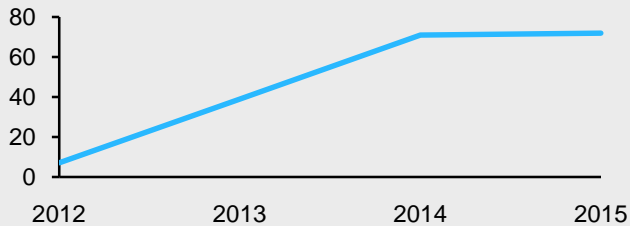
Thousands of Households



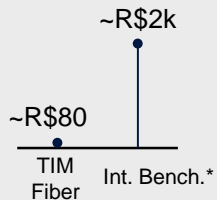
Efficient approach

MSAN port occupancy (%), Capex (R\$)

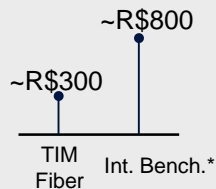
Port Occupancy (%)



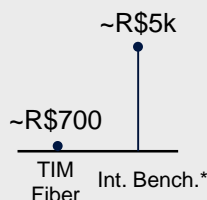
Coverage Capex per Home Passed



Installation Capex per Sub



Total Capex per Sub



Geographic Expansion

Geographic expansion for low-middle class and targeting high income neighborhood

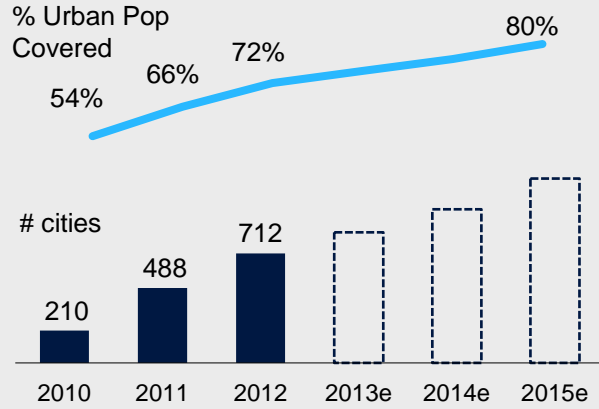
- **2012:** priority coverage in areas with high 'A/B classes' concentration
- **2013:** chess board strategy and entering in class C
- **2014:** additional coverage in Rio de Janeiro and São Paulo metropolitan regions, focusing class C concentration areas

Network and Quality Approach



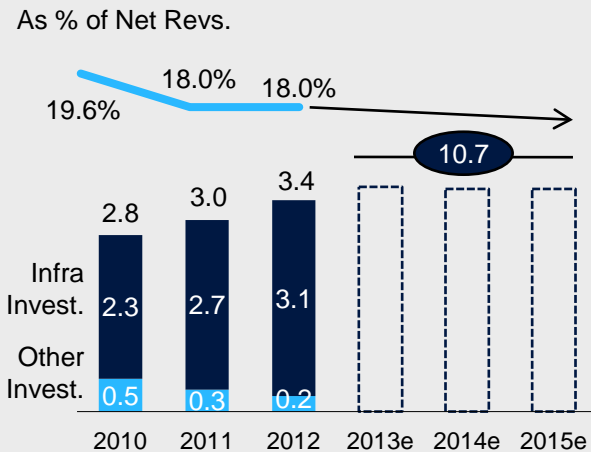
3G Coverage

(# Cities, % Urban Population Covered)



Organic Capex (ex- 4G license)

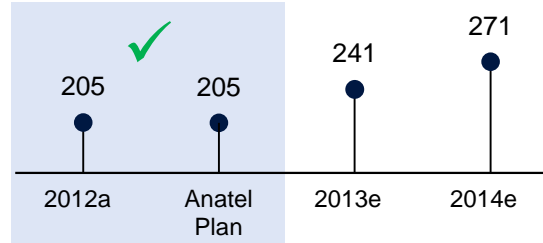
(Capex/Sales, Mix of Investments)



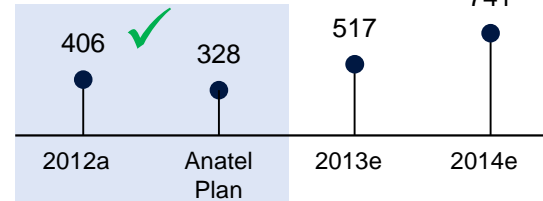
Anatel Plan: Network Development

(Units TRX, Km Fiber)

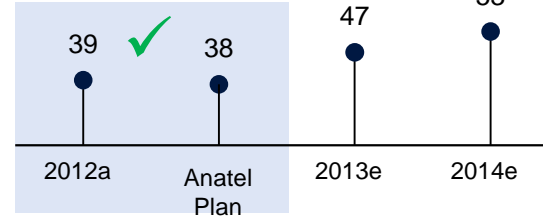
TRX (000)



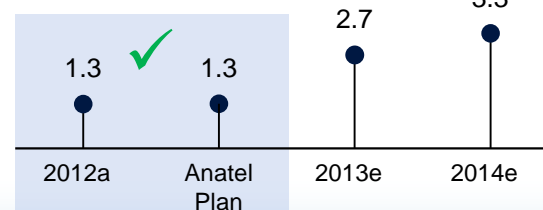
Data Channel Elements (000)



FTTS (Km of Fiber 000)



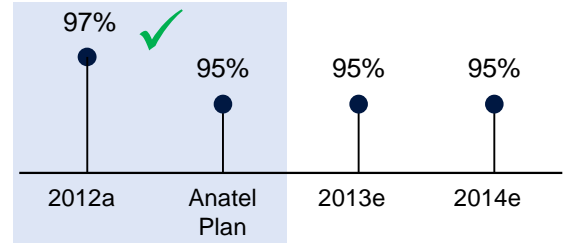
FTTS (#Sites 000)



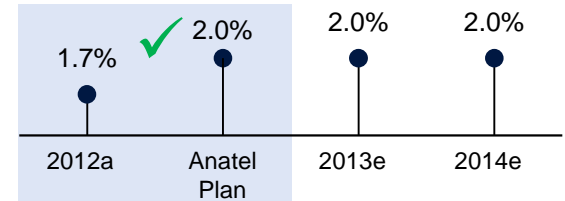
Anatel Plan: Quality Targets

(Preliminary Results)

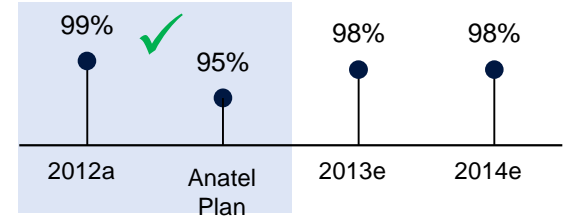
SMP5 – Call Completion



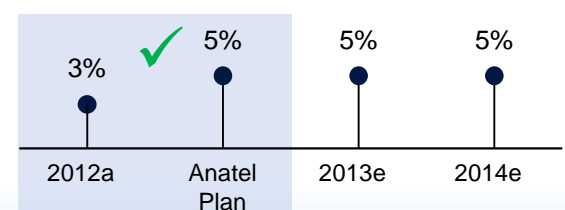
SMP7 – Drop Call



SMP8 – Data Connection Rate



SMP9 – Data Connection Drop Rate

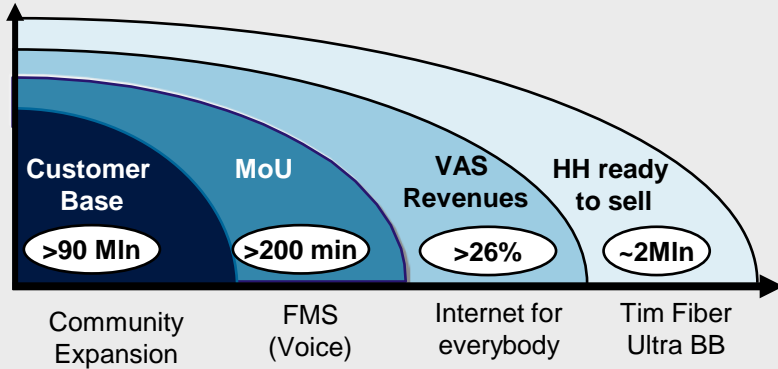


Business Drivers of Growth



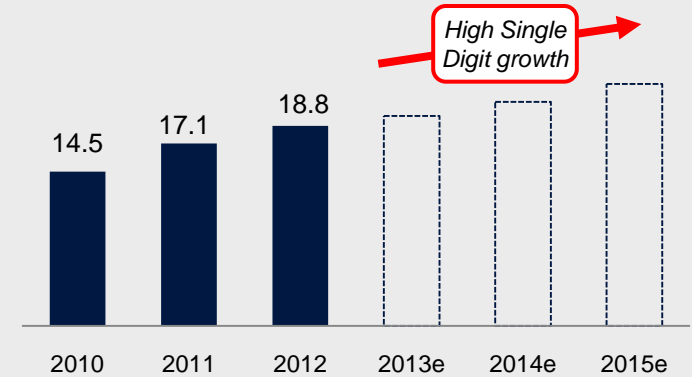
CAGR 12-15

4 Ways of Growth



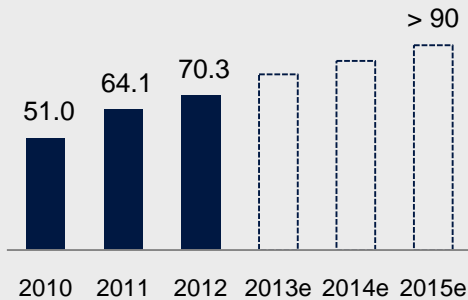
Revenue Growth

(Total Revenues, R\$ billion)



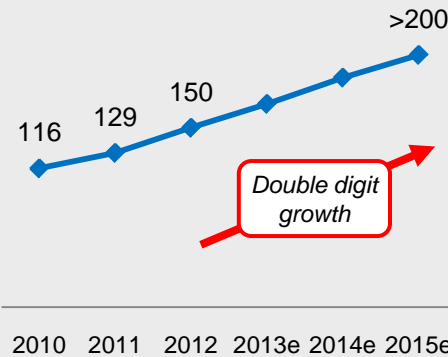
Mobile Customer Base

Million of lines



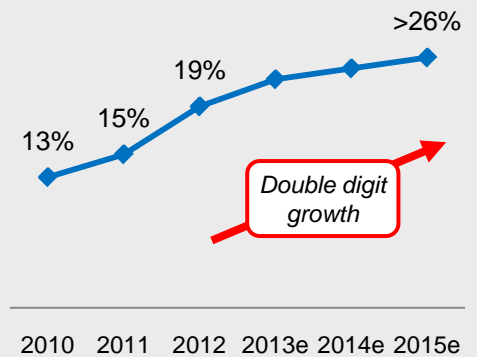
FMS – Voice (MOU)

Minutes of usage per line



Internet for All (Mobile Data)

Data as % of Gross Mobile Serv. Revs.





<i>R\$ billion</i>	2011	2012	2013 -2015 CAGR Guidance
Total Net Revenues	17.1	18.8	High Single Digit Growth
Organic EBITDA	4.6	5.1	High Single Digit Growth
Organic CapEx	3.0	3.4	10.7