



**TIM PARTICIPAÇÕES S.A**  
**Publicly-held Company**  
**CNPJ/MF nº 02.558.115/0001-21**  
**NIRE 33.300.276.963**

## **MATERIAL FACT**

### **REORGANIZATION OF THE CORPORATE STRUCTURE OF THE COMPANY'S CONTROLLED COMPANIES**

TIM Participações S.A. ("Company") (B3: TIMP3; and NYSE: TSU), in accordance with the provisions of CVM Instruction No. 358 and article 157, § 4º, of Law No. 6.404/76, hereby informs to its shareholders, the public in general and other interested parties that, following the authorization given by the Company's Board of Directors on the date hereof, will undertake the necessary procedures to implement the corporate reorganization project ("Reorganization") of the its controlled companies TIM Celular S.A. ("TIM Celular") and Intelig Telecomunicações Ltda. ("Intelig"), through the merger of TIM Celular into Intelig.

The Reorganization has the objective to capture operational and financial synergies, through the implementation of a more efficient process structure, as well as accounting and internal control systems.

In addition to taking advantage of operational and financial efficiencies, the Reorganization will allow an unified commercial management of the various services provided by the Company's controlled companies and will provide a more efficient and swift response to the market's needs, through the development of new services and integrated offers, enabling a better strategic positioning and competitiveness, as well as a better customer experience on the utilization of the services rendered.

The Reorganization is another stage of the continuous process that has been adopted by the Company, since the privatization of the telecommunications sector, and is in perfect alignment with the expectations of this segment.

The implementation of the Reorganization is subject (1) to the previous approval of the Agência Nacional de Telecomunicações – ANATEL, (2) to the previous consent from Banco Nacional de Desenvolvimento Econômico e Social – BNDES, as a creditor of the Company and (3) to the approval of the competent corporate bodies of the companies involved.

New information on the Reorganization will be disclosed to the market whenever relevant developments take place.

Rio de Janeiro, July 25, 2017

**TIM Participações S.A.**  
Rogério Tostes  
Investor Relations Officer