



**TIM PARTICIPAÇÕES S.A.**  
**Publicly-Held Company**  
**Corporate Taxpayer's ID (CNPJ/MF): 02.558.115/0001-**  
**Corporate Registry (NIRE): 33 300 276**

**NOTICE TO THE MARKET**

TIM PARTICIPAÇÕES S.A. ("TIM" or "Company") (B3: TIMP3; NYSE: TSU), in accordance with CVM inquiry n. 230/2017/CVM/SEP/GEA-2, of 07/27/2017, which requested clarification on the subject published on the same date in the journal Valor Econômico under the title "*TIM estuda compra de operadoras de médio porte*", hereby informs its shareholders and the market in general of the following:

The Valor Econômico's article was based on statements made by the Company's Chief Executive Officer, Mr. Stefano De Angelis, made at the end of the Company's (English and Portuguese) teleconferences, held on 07/26/2017, regarding the results of the second quarter of 2017, disclosed on 07/25/2017.

At the end of the conference calls, during the question and answer session opened to participants, the Chief Executive Officer was asked, among other questions: (i) interest of TIM in the acquisition of other assets, given the competition scenario and possible consolidation of the telecommunications market; (ii) interest of TIM in telecommunications assets of CEMIG, which were put on sale on 07/07/2017; and (iii) possible merge involving TIM and Oi.

Mr. De Angelis considered that the Company's business plan, fully known by the market, foresees investments to expand its network infrastructure, explaining that, in theory, this expansion could take place organically or through acquisitions of companies, including smaller ones such as CEMIG Telecom. He emphasized, however, that possible acquisitions often depend on the regulatory context in force. In that sense, he mentioned, by way of example and hypothetically, that eventual acquisition of Nextel would be impracticable, since the regulation prohibits TIM from exploiting the best asset of Nextel (radiofrequencies). Mr. De Angelis also pointed out that TIM continually monitors and evaluates investment opportunities in the market, including the strategies or movements adopted by its competitors. The Company notes, however, that there is currently no study being conducted or ongoing negotiations involving the acquisition of Nextel or CEMIG's telecommunication assets.

Finally, Mr. De Angelis informed conferences' attendees that discussions about the possible consolidation of the telecommunications sector involving Oi and TIM are not under review by the Company at this time, in view of Oi's ongoing judicial recovery process.

For all these reasons, the Company considers that the information provided during the teleconferences did not constitute relevant facts.



The Company reiterates its commitment to keep its shareholders and the market in general duly informed, pursuant to CVM regulations.

Rio de Janeiro, July 28<sup>th</sup>, 2017.

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