



TIM PARTICIPAÇÕES S.A.

NOTICE TO THE MARKET

During days 12th and 13th of June, Anatel lead the auction for bands of radio frequencies in 2,500 MHz and 450 Mhz, both used to provide Personal Mobile Service. Bands of 2,500 Mhz will be destined for the use of the 4G technology, while bands of 450 Mhz will be dedicated to coverage services of voice and data in agricultural areas.

TIM acquired 7 lots, with an offer of R\$382.2 millions, resulting in an average premium of 7.28% over the minimum value. Our participation was guided by the discipline in the allocation of resources, in which we search to adjust the acquisition of bands of radio frequencies to the industrial reality, preparing ourselves for the growth of the mobile market of data that will be stimulated by the 4G technology.

The auction was a very important step to the mobile industry of the country. TIM celebrates the outcome result of a clear strategy between cost of frequency and network investment.

This year we keep the forecast to invest approximately R\$3.0 billion, in addition to the resources used in the auction.

In the table below we present a summary of the spectrums acquired at the auction.

Slots	Type	Coverage	Band	Minimum Price (R\$)	Bid Price (R\$)	Premium (%)
4	Type B	National	450 MHz + V1 (10MHz+10MHz)	315,096,000.00	340,000,000.00	7.9
208	Type D	AR 92 (complement)	P (10Mhz+10MHz)	1,200,000.00	1,200,000.00	0
222	Type D	AR 31 (complement)	P (10Mhz+10MHz)	10,633,000.00	10,633,000.00	0
229	Type D	AR 91 (complement)	P (10Mhz+10MHz)	5,109,000.00	5,109,000.00	0
237	Type D	AR 21 (complement)	P (10Mhz+10MHz)	17,025,000.00	17,877,000.00	5
244	Type D	AR 61 (complement)	P (10Mhz+10MHz)	3,171,000.00	3,366,000.00	6.15
250	Type D	AR 41 (complement)	P (10Mhz+10MHz)	4,053,000.00	4,053,000.00	0
Total				356,287,000.00	382,238,000.00	7.28%

Rio de Janeiro, June 13th 2012.

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