



TIM PARTICIPAÇÕES S.A.

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF): 02.558.115/0001-21

Corporate Registry (NIRE): 33 300 276 963

MATERIAL FACT

DISTRIBUTION AND GUIDANCE OF IOE

TIM PARTICIPAÇÕES S.A. ("Company") (B3: TIMP3; NYSE: TSU) in compliance with Article 157 of Law No 6,404 and the provisions of CVM Instruction No 358, hereby informs its shareholders, the market in general and other interested parties that the Company's Board of Directors approved on the date hereof, May 8th, 2018, the distribution of R\$ 230 million (two hundred and thirty reais) as Interest on Shareholders' Equity ("IOE"), based on the results for the period ended on March 31, 2018.

The payment will occur until August 15, 2018, and the date for identification of shareholders entitled to receive such values is May 11, 2018. Thus, the shares acquired after this date will be ex-Interest on Shareholders' Equity rights. Further details on the distribution of this amount are available in the Notice to Shareholders released to the market on the date hereof.

The payment approved on the date hereof is part of a projection for the distribution of an amount between R\$ 800 and R\$ 900 million, approximately, as IOE, referred to the fiscal year to be ended on December 31, 2018, being attributed to the mandatory minimum dividend for the year and *ad referendum* of the Annual General Meeting of 2019. The additional amount to those approved today, within the projected range, should be paid in the manner and on dates to be determined by Management and timely released to the market.

The Company highlights that such distribution projection is based on reasonable assumptions contained in its Strategic Plan 2018-2020, released to the market on March 6th, 2018, and reflects exclusively the Management's perception of the future of its business and the current and well-known reality of its operations, subject to risks and uncertainties. The distribution projection depends, substantially, on the general conditions of the economy, on market conditions, as well as regulatory conditions, and is subject to changes. The Company has no control over all of the assumptions that guided the definition of the distribution projection presented and, therefore, changes in such assumptions may cause the results to differ from the expectations presented.

Rio de Janeiro, May 8th, 2018.

Adrian Calaza

Chief Financial Officer and

Investor Relations Officer

TIM Participações S.A.