

**MANAGEMENT'S PROPOSAL FOR THE ALLOCATION OF THE RESULTS RELATED TO THE FISCAL YEAR 2011 AND DISTRIBUTION OF DIVIDENDS**

Dear shareholders,

The Management of TIM Participações S.A. ("Company") proposes that the Net Profits related to the Fiscal Year 2011, in the amount of one billion, two hundred and eighty-one million, two hundred and twenty-seven thousand, seven hundred and twenty-two reais and thirty-seven cents (R\$ 1,281,227,722.37), be applied as follows:

**1. Legal Reserve**

Pursuant to the Section 193 of the Brazilian Law Nr. 6,404/76, it is mandatory the allocation of five percent (5%) of the Net Profits for the constitution of the Legal Reserve, in the amount of sixty-four million, sixty-one thousand, three hundred and eighty-six reais and twelve cents (R\$ 64,061,386.12).

**2. Dividends**

According to the Company's By-Laws, approved on July 22nd, 2011, the Company shall distribute as compulsory dividends in every Fiscal Year finished in December 31, since there is values available to distribute, and the amount should be equivalent as 25% on adjusted net profit. This value represents the amount of three hundred and four million, two hundred and ninety-one thousand, five hundred and eighty-four reais and six cents (R\$ 304,291,584.06).

Furthermore, the Company, considering the performance of the last fiscal year and future cash needs for expansion of mobile, fixed and data, propose the distribution of additional dividends of two hundred and twenty-nine million, one hundred and sixty thousand, four hundred and fifteen reais and ninety-four cents (R\$ 229,160,415.94).

**3. Reserve for Expansion**

It is suggested that the income balance of the adjusted net profit less the total of distributed dividends, representing the amount of six hundred and eighty-three million, seven hundred and fourteen thousand, three hundred and thirty-six reais and twenty-five cents (R\$ 683,714,336.25) remains in the account of reserve for expansion, being destined for the network expansion of its subsidiaries.

We present below a comparative table of the dividends of the last three (3) years.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Capital stock - common shares	9,839,770,281.91	2,775,733,899.19	2,775,733,899.19	2,593,337,433.60
Capital stock - preferred shares	-	5,373,362,124.94	5,373,362,124.94	5,020,272,709.52
Capital stock	<u>9,839,770,281.91</u>	<u>8,149,096,024.13</u>	<u>8,149,096,024.13</u>	<u>7,613,610,143.12</u>
<b>Dividends: 6% to the preferred shares, according to the By-Laws until 12/31/2010</b>		<u><b>322,401,727.50</b></u>	<u><b>322,401,727.50</b></u>	<u><b>301,216,362.57</b></u>
Shareholders' equity – common shares	12,956,737,455.26	2,834,871,587.13	2,653,574,294.01	2,639,959,974.26
Shareholders' equity - preferred shares	-	<u>5,487,842,916.00</u>	<u>5,136,881,316.84</u>	<u>5,110,526,240.80</u>

Total Shareholders' equity	<u>12,956,737,455.26</u>	<u>8,322,714,503.13</u>	<u>7,790,455,610.85</u>	<u>7,750,486,215.06</u>
Dividends: 3% to the preferred shares, according to the Brazilian Law No. 10.303/01	-	164,635,287.48	154,106,439.51	153,315,787.22
Net profits of the fiscal year	1,281,227,722.37	2,216,909,132.18	214,893,353.75	180,152,032.34
Compensation of accumulated losses	-	(125,914,121.77)	-	-
	<u>1,281,227,722.37</u>	<u>2,090,995,010.41</u>	<u>214,893,353.75</u>	<u>180,152,032.34</u>
(-) Constitution of the Legal Reserve	(64,061,386.12)	(104,549,750.52)	(10,744,667.69)	(9,007,601.62)
Adjusted net profits	<u><b>7,166,336.25</b></u>	<u><b>1,986,445,259.89</b></u>	<u><b>204,148,686.06</b></u>	<u><b>171,144,430.72</b></u>
<b>Minimum Dividends</b>				
Minimum Dividends determined as 25% of the adjusted net profits	304,291,584.06	496,611,314.97	51,037,171.52	42,786,107.68
(+) Complementary dividends to the distribution of the results	229,160,415.94	-	153,111,514.54	128,358,323.04
(=) Dividends relative to the distribution of the results	<u><b>533,452,000.00</b></u>	<u><b>496,611,314.97</b></u>	<u><b>204,148,686.06</b></u>	<u><b>171,144,430.72</b></u>
Dividends common shares	533,452,000.00	169,155,064.27	-	-
Dividends preferred shares	-	327,456,250.70	204,148,686.06	171,144,430.72
	<u><b>533,452,000.00</b></u>	<u><b>496,611,314.97</b></u>	<u><b>204,148,686.06</b></u>	<u><b>171,144,430.72</b></u>
% Dividends of the adjusted net profits	44%	25%	100%	100%
Dividends per share (in reais)				
Common shares	0.22	0.20	-	-
Preferred shares	-	0.20	0.13	0.11

Rio de Janeiro, February 15th, 2012.

The Management