TIM Brasil

FY2012 Recap & 2013-15 Plan Outline

FRANCO BERNABE'

Safe Harbour

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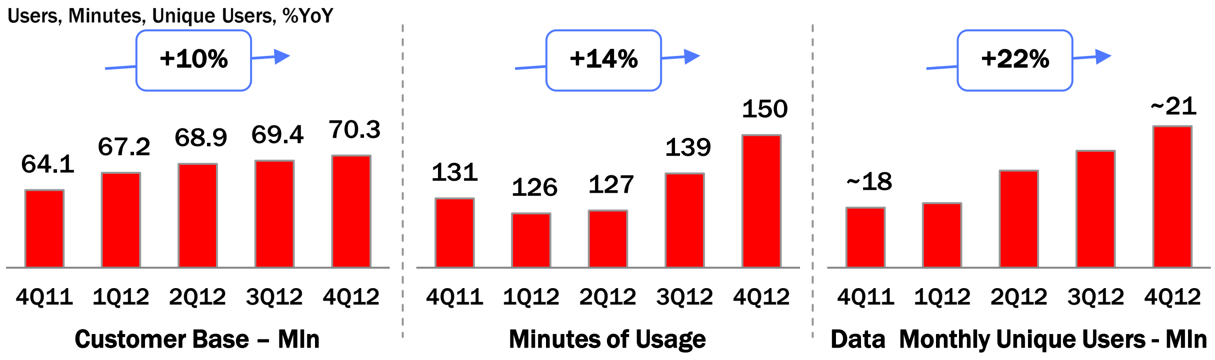
Agenda

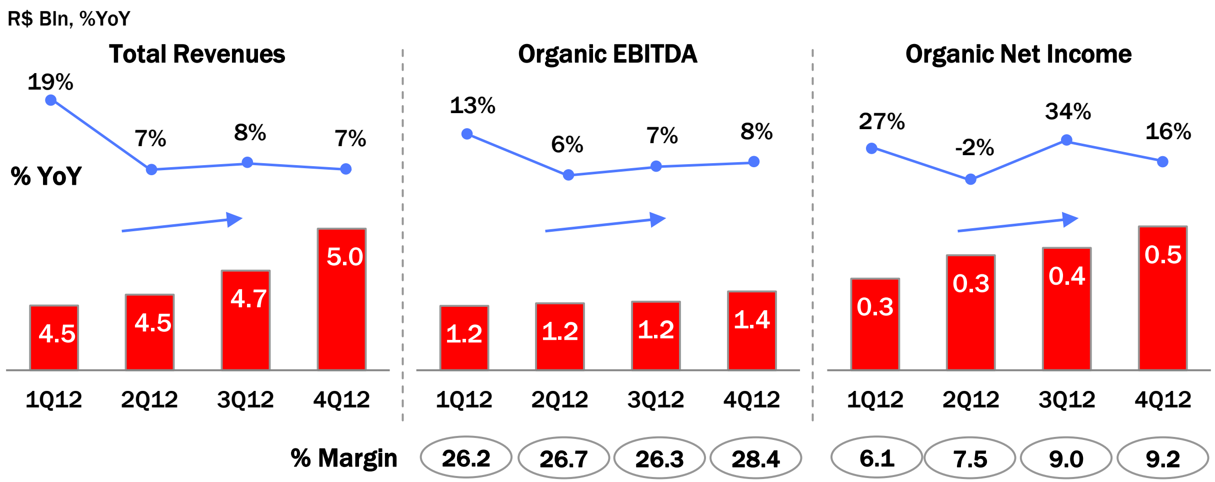
- **2012 Result Overview**
- **2013–15 Plan Outline**

Business Resilience Against a Strong Headwind

Operational Improvement



Financials



- Leader in customer base growth for the 10th consecutive quarter
- Leader in prepaid
- #2 in postpaid voice (ex - M2M and Dongles)
- Record of MoU at 150 min
- Smartphone penetration reached 43% of total base
- Increasing investment to R$3.4 bln (+12% YoY) ex-licenses
- Organic Net Income FY12 = R$1.5 Bln (+17.4% YoY)
- EBITDA – Capex = R$1.6 bln (ex-licenses)
- Proposed dividends of ~R$743 mln (+39% YoY)

Agenda

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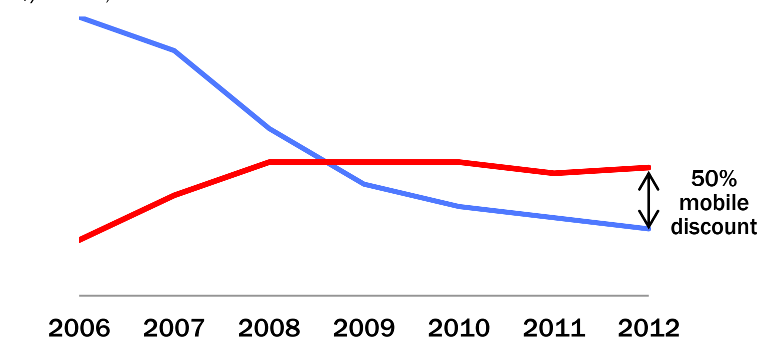
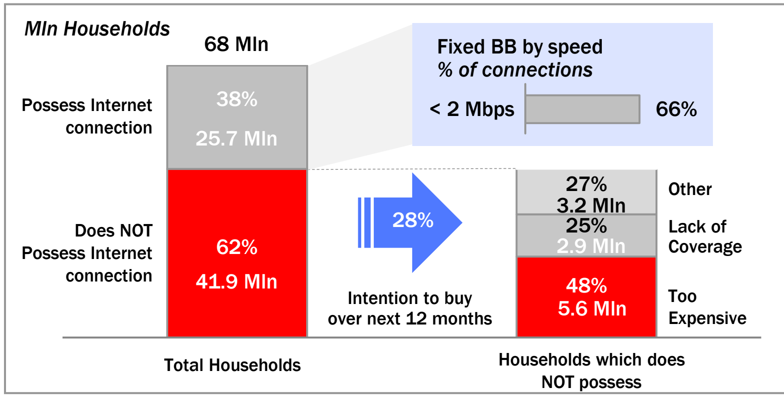
Leveraging on Pure Mobile Approach

Voice FMS: Mobile cheaper than Fixed...

R$/minute, voice

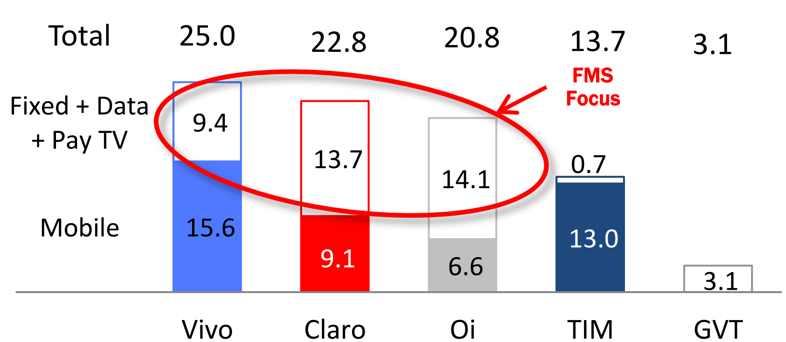


Data Going Mobile



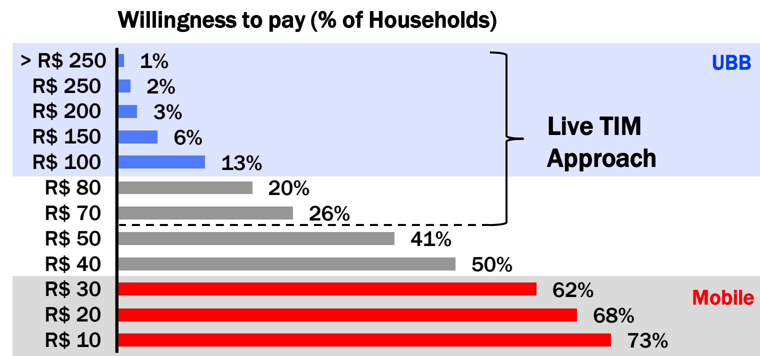
Voice FMS: ...TIM, less exposed

R$ billion, Net Revenue per Group (9M12)



Data Going Mobile ... greater price efficiency

Willingness to pay, % of households



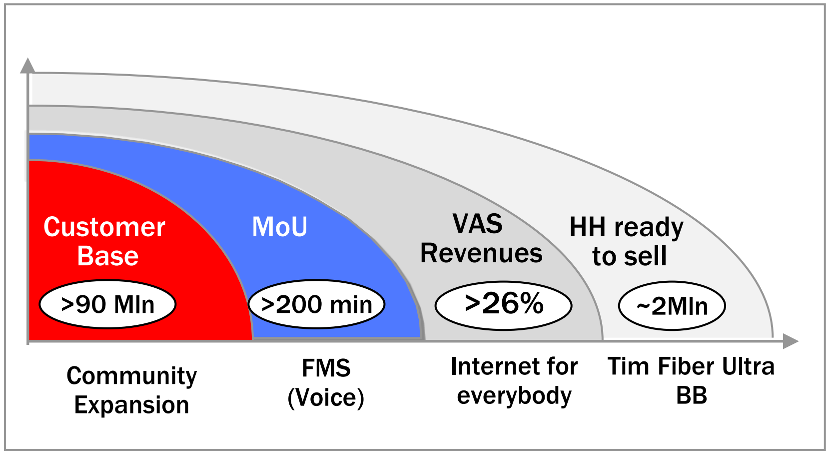
A pure mobile approach is the most suitable strategy to capture both opportunities

Source: Company estimates; CETIC dec'11

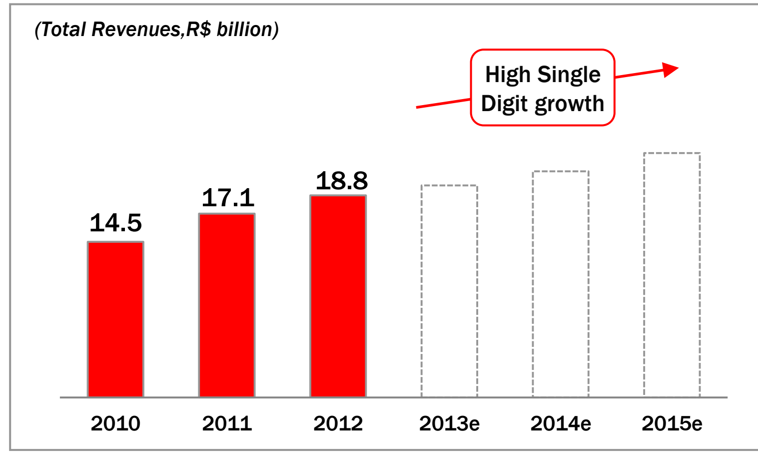
Business Drivers of Growth

CAGR 12-15

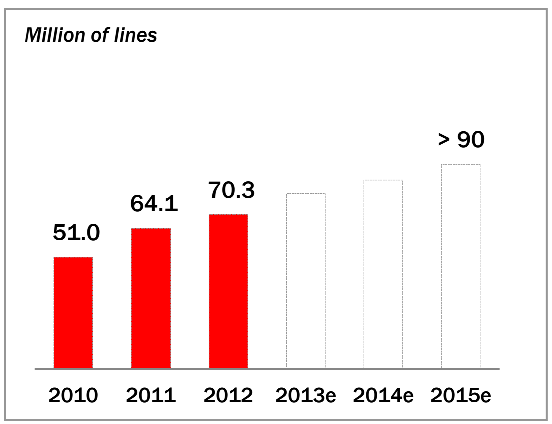
4 Ways of Growth



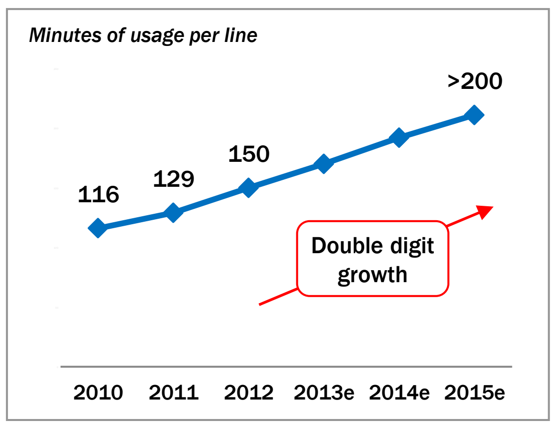
Revenue Growth



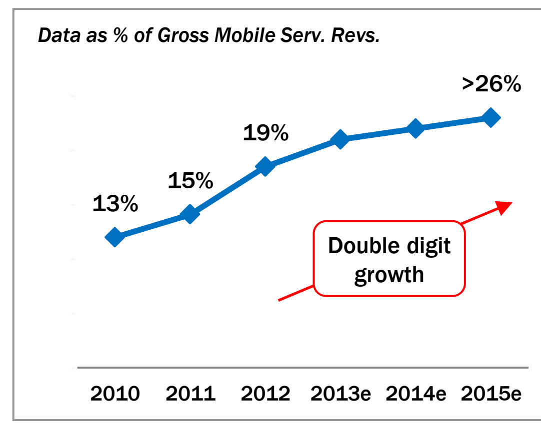
Mobile Customer Base



FMS – Voice (MOU)

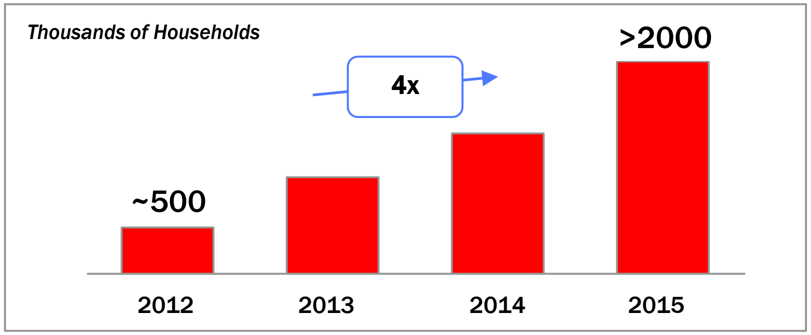


Internet for All (Mobile Data)

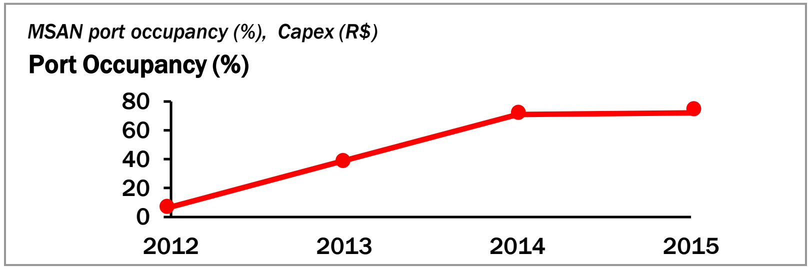


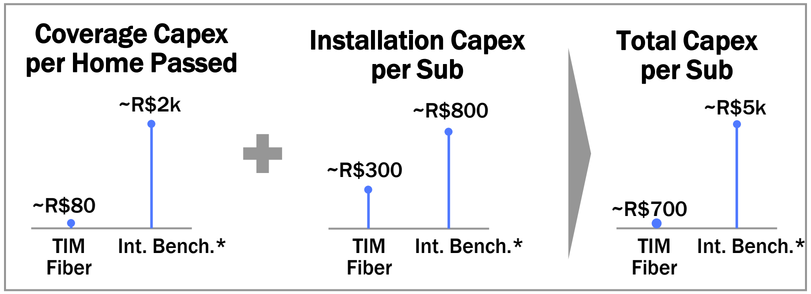
TIM Fiber: Plan for 2013/2015

Coverage (addressable)



Efficient approach





Geographic Expansion

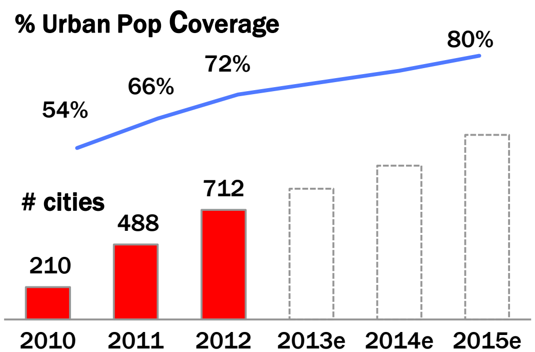
Geographic expansion for low-middle class and targeting high income neighborhood

- **2012:** priority coverage in areas with high 'A/B classes' concentration
- **2013:** chess board strategy and entering in class C
- **2014:** additional coverage in Rio de Janeiro and São Paulo metropolitan regions, focusing class C concentration areas

Network and Quality Approach

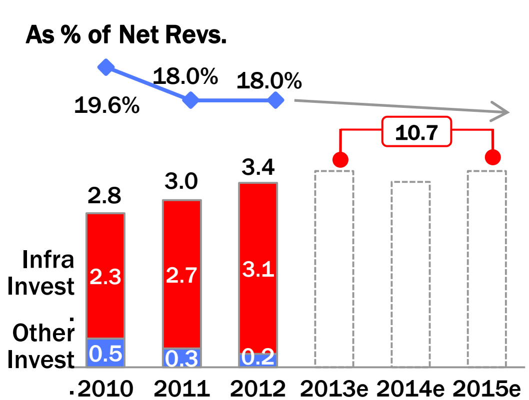
3G Coverage

(# Cities, % Urban Population Coverage)



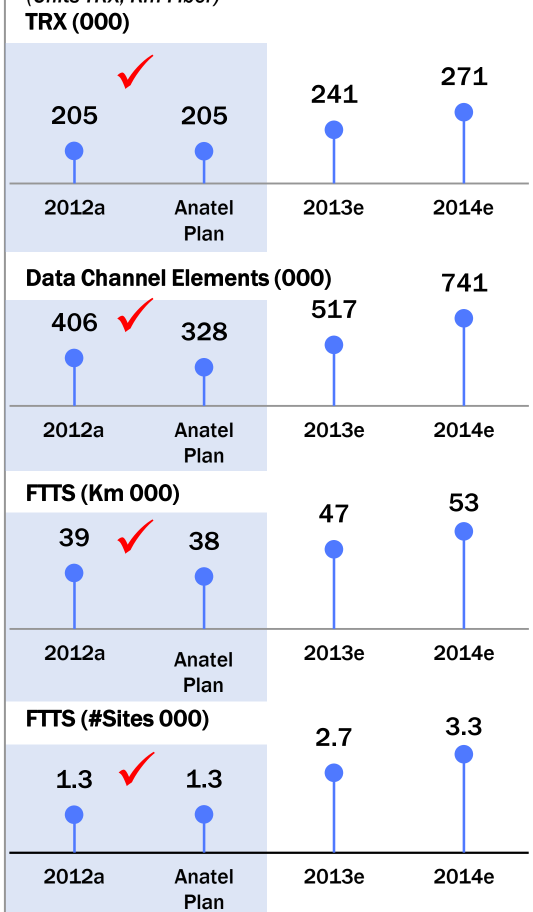
Organic Capex (ex- 4G license)

(Capex/Sales, Mix of Investments)



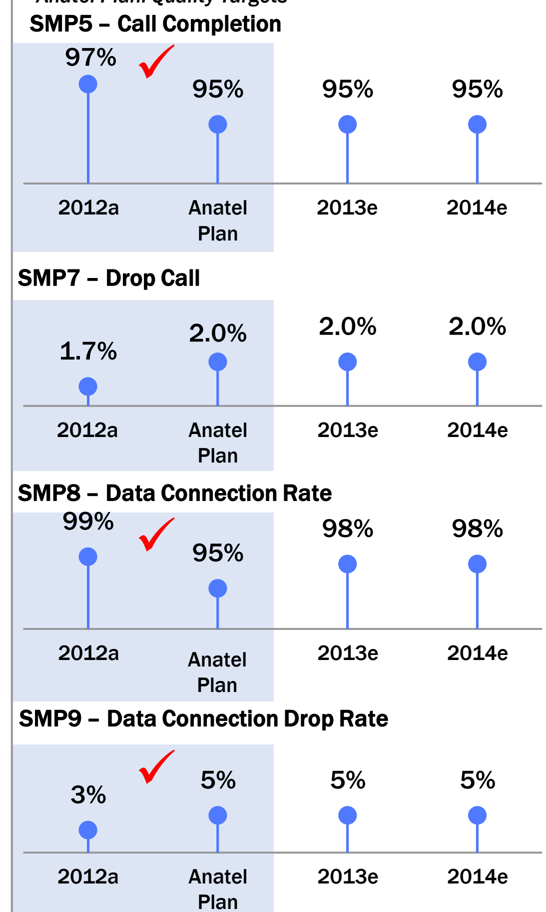
Anatel Plan: Network Development

(Units TRX, Km Fiber)



Internet for All (Mobile Data)

Anatel Plan: Quality Targets



2013-2015 TIM Brasil Guidance

R$ billion

	2011	2012	2013 -2015 CAGR Guidance
Total Net Revenues	17.1	18.8	High Single Digit Growth
Organic EBITDA	4.6	5.1	High Single Digit Growth
Organic Capex	3.0	3.4	10.7