



2012 SUSTAINABILITY REPORT



Você, sem fronteiras.

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FIND OUT MORE ABOUT TIM

PRESENTATION

FIND OUT ABOUT TIM'S MAIN
ACHIEVEMENTS, CHALLENGES
AND PROJECTS IN ITS PATH
TOWARDS SUSTAINABLE
DEVELOPMENT IN 2012

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This is the *2012 Sustainability Report* for TIM Participações S.A., in which the company's main achievements, challenges and projects in 2012 are reported, as well as financial performance data, details about the institution's management and its activities towards sustainable development in the telecommunications industry.

The digital format report, available on the website and for download in PDF, is a result of the company's initiatives to save natural resources, by avoiding material printing. Since 2008 the report has followed the directives of the Global Reporting Initiative (GRI), a non-governmental organization defining international level standards for the report of economic, social, environmental, and governance performance.

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PUBLISHED ONLY IN DIGITAL
FORMAT, THE REPORT ARISES
FROM THE COMPANY'S
INITIATIVES IN FAVOR OF
NATURAL RESOURCE SAVINGS

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Among the highlights for 2012 is the achievement of the 70.3 million customers milestone, maintaining TIM as the leader in the pre-paid segment. Even though the year has seen significant investments in innovation and network quality, the operator needed to reevaluate its strategies after measures adopted by the National Telecommunications Agency (*Agência Nacional de Telecomunicações – Anatel*), which directly impacted business management.

This document reinforces the sustainable business practice and the commitment towards ethical and transparent management in order to achieve balance between the economic, environmental and social points of view, adding value to the stakeholders.

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FIND OUT MORE ABOUT TIM

MESSAGE FROM THE CEO

IN SPITE OF THE FORCEFUL
REGULATION MILESTONE, WE
HAVE EXPANDED INVESTMENTS
IN INFRASTRUCTURE AND
INNOVATION

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2012 was a very difficult and challenging year for the telecommunications industry in Brazil, and particularly for TIM. I took over as CEO of the company in March 2013, willing to lead, together with the whole team, a new phase of institutional consolidation and commercial expansion.

During the past months, in addition to presenting innovative solutions for communication free from cost and time barriers, it was necessary to look inside and reevaluate strategies and investments, in order to ensure and reinforce organizational commitment towards innovative offerings, generated by TIM's constant capacity for innovation.

Even though the company was mobilized to apply its resources in infrastructure and invest in network expansion to encourage communications and bring people together, complaints about service quality led to the adoption of harsh measures by Anatel for the whole industry. TIM was one of the worst affected by suffering from a sales ban for a period of 11 days, in 18 states and the Federal District.

INNOVATION AND INVESTMENTS FOR LEADERSHIP

In the face of this crisis scenario, it was necessary to find effective solutions to reverse the negative impact generated by the Anatel ruling. With over 11 thousand professionals committed to search for alternatives supporting service quality, TIM adjusted its goal plan to seek continuous development and outgrow its own limits.

This difficult period renewed our efforts towards innovation, quality and transparency in the offer of best services. In addition, our commitment towards sustainable development and transparency in the relationship with our stakeholders drove us forward.

One of the initiatives related to positioning regarding customers was the launch of the beta version of the Quality Portal, in October 2012. The official version, which was called *Portas Abertas*, was made available to the general public in February 2012. In this relationship portal, customers can track the

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plans or progress of antenna installations, network capacity expansion and 3G coverage expansion.

The company has managed to consolidate its positioning through transparent and innovative offerings. This explains how we achieved leadership in the number of pre-paid users in the country and ended 2012 with a customer base of 70.3 million. And further work will be done to arrive at the milestone of 90 million Brazilians connected to TIM networks.

COMMITMENT TOWARDS SUSTAINABILITY

Investment in sustainability is more than a commitment, it is a requisite for growth and business continuity on the long term. The operator remained for the fifth consecutive year on the Corporate Sustainability Index (ISE), and for the third year it was selected to be part of the Efficient Carbon Index (ICO2), both portfolios of BM&FBovespa.

In 2012, we were also able to expand two important international certifications, ISO 9001:2008 and ISO 14001:2004, demonstrating the quality of provided services and environmental preservation, respectively.

TIM is aware that its activities can generate environmental impact, mainly because of the deployment and operations of the Radio Base Stations (RBS), structures required for the functioning of its mobile telephony service. One of the most significant environmental impacts observed in the activities of companies in this industry arises from emissions of electromagnetic radiation from network equipment. As a result, TIM monitors radiation emissions in its activities.

TIM is a voluntary member, since the 2010 cycle, of the Companies for Climate platform (*Empresas Pelo Clima* – EPC), while also continuously tracking its greenhouse gases (GHG) emissions since 2008, through GHG inventory. Since 2011, a third party verification of the inventory has been conducted, a measure that ensures transparency and reliability for the process. TIM's Social and Environmental Responsibility Policies are based on the principles of the UN's Global Compact, an agreement of which the company is a signatory since 2008. This report has the purpose both of being the company's Communication of Progress (*Comunicado de Progresso* – COP) on the ten principles in the Global Compact, as well as a record under the Global Reporting Initiative (GRI) model.

The goals for coming months are even more challenging. But we are getting ready to strengthen our positioning in the Brazilian market and expand investments in infrastructure and expansion of the optic fiber network. We will also stay aligned with our policy of offering innovative products and services, capable of expanding access to information and communication.

Rodrigo Abreu
CEO

FIND OUT MORE ABOUT TIM

FASTEST GROWING OPERATOR IN THE COUNTRY

WITH NETWORK QUALITY AND INNOVATION, TIM REACHED THE MILESTONE OF 70.3 MILLION CUSTOMERS IN 2012

Active across the national territory, TIM Participações S.A. provides telecommunications services through its subsidiaries, TIM Celular S.A. and Intelig Telecomunicações Ltda. Operating in Brazil since 1998, it has consolidated itself as a national corporation after 2002, working as operator of services in the areas of mobile, fixed and long distance telephony, as well as data transmission. It is a company with openly traded shares, the second biggest mobile telephony company in the country, with a market value of over R\$ 20 billion, leader in the pre-paid segment with 59.6 million users (an 8.8% growth when compared to the previous year).

WORKING ACROSS THE COUNTRY, TIM COVERS 95% OF THE URBAN POPULATION THROUGH GSM TECHNOLOGY, ACTIVE IN OVER 3.4 THOUSAND CITIES

Controlled by TIM Brasil Serviços e Participações S.A. (subsidiary of the Telecom Italia Group) and headquartered in Rio de Janeiro (RJ), the company achieved the milestone of 70.3 million customers in 2012, a 9.8% increase in the total base compared to 2011. TIM also accumulates the title of fastest growing operator in the country, as a result of many investments in innovation and network quality.

Using GSM technology, TIM reached in December 31st 2012 a national coverage of approximately 95% of the urban population, with activities in over 3.4 thousand cities. The company has also wide data coverage in the entire country, with 100% GPRS (General Package Radio Service) and 94% Edge (digital technology for mobile telephony that allows better data transmission), in addition to a sophisticated third generation network (3G) available for more than 72% of Brazil's urban population. It also has international roaming agreements in place for TIM customers: there are over 450 available networks in over 200 countries, across six continents.

TIM IS THE SECOND LARGEST MOBILE TELECOM COMPANY IN THE MARKET AND A LEADER IN THE PRE-PAID SEGMENT, WITH 59.6 MILLION USERS

MISSION

To be close to the customer, offering innovative possibilities of connectivity, focusing on its diversified expectations and needs and contributing as an agent of social evolution through sustainable management.

VISION

To be the customer's number one choice, offering innovative and high quality services, becoming a profitability reference in Brazil's telecommunication market.

VALUES

- Proactiveness
- Transparency
- Connection speed
- Professional excellence
- Focus on the customer
- Team spirit
- Innovation
- Entrepreneurial spirit

TIM COMPANIES IN BRAZIL

The TIM Group operates in Brazil through companies TIM Celular S.A. and Intelig Comunicações Ltda. The acquisition, in 2011, of AES Atimus (100% of Eletropaulo Telecomunicações Ltda. and 98.3% of AES Communications Rio de Janeiro S.A.), which was renamed afterwards as TIM Fiber, was fundamental for business expansion in the greater São Paulo and Rio de Janeiro areas, reinforcing TIM's strategy of modernizing and expanding its network capacity. In October 2012, the company was incorporated by TIM Celular.

Company	Services
TIM Celular	Mobile telephony operator with activities across Brazil, leader in the pre-paid segment, with a total base of 70.3 million customers in the mobile market and provider of infrastructure and high performance communication solutions for the main cities in the metropolitan regions of Rio de Janeiro and São Paulo. The company covers a potential market of approximately 8.5 million homes, through an optic fiber network of 5.5 thousand kilometers.
Intelig	Provider of voice and data fixed telephony across the country, the company offers integrated and customized solutions to the corporate market of medium and large corporations, for the government and operators segment (Carriers), with national and international coverage. With a 100% digital network, the company has an installed optic fiber network with a 39 thousand kilometer extension, from north to south of Brazil. The potential market coverage includes approximately 550 thousand companies. Intelig also has telephone centrals, satellite stations, connection to large international networks and capacity in the main submarine cable systems.

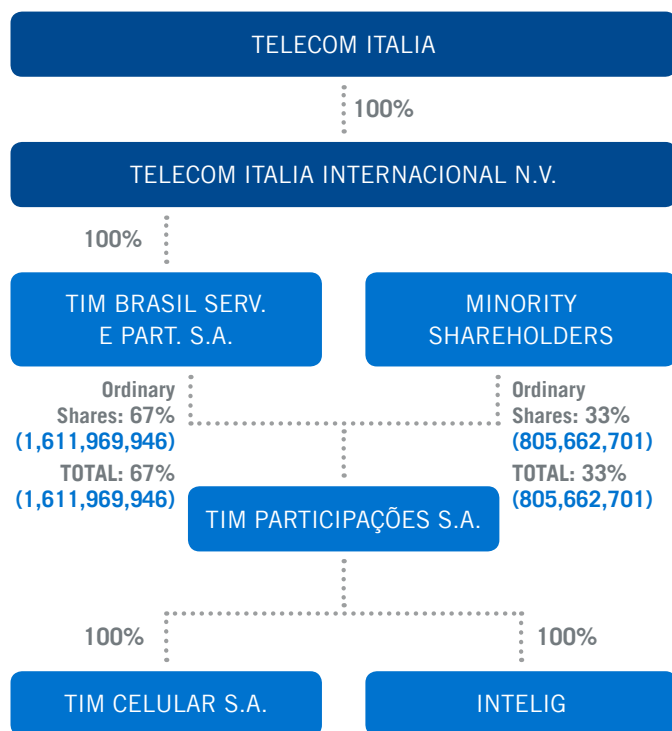
FIND OUT MORE ABOUT TIM

SHARE STRUCTURE

INCLUSION IN THE NOVO MERCADO OF BM&FBOVESPA, IN 2011, IS A MILESTONE FOR THE COMPANY AND ITS SHAREHOLDERS

The period was marked by events that changed the shareholder structure of the company. The arrival of TIM Participações S.A. in *Novo Mercado* resulted in the conversion of preference shares to ordinary shares. In addition, the acquisition of AES Communications Rio de Janeiro S.A. and Eletro-

paulo Telecomunicações Ltda. by the fully owned subsidiary TIM Celular S.A. was also important for the company and its shareholders, enabling TIM's business expansion through expansion and modernization of its network capacity.



- the company's Board of Directors must include at least 20% independent members;
- in case of sale of share control, the buyer will extend the purchase offer to all other shareholders, ensuring the same treatment given to the selling controller (100% tag along);
- disclosure of financial information according to international standards and in more depth, including quarterly reports with statements of cash flow and consolidated reports reviewed by an independent auditor;
- the regulation demands that the company maintain a minimum percentage of 25% in free floating shares.

STRATEGIC INVESTMENTS

OPERATOR INVESTS R\$ 3.8 BILLION AND EXPANDS VOICE AND DATA TRAFFIC CAPACITY ACROSS THE COUNTRY

SHAREHOLDER STRUCTURE

	Ordinary	%	Total	%
TIM Brasil Serviços e Participações S.A.	1,611,969,946	67	1,611,969,946	67
Others	805,662,701	33	805,662,701	33
Total	2,417,632,647	100	2,417,632,647	100

NOVO MERCADO: TOP GOVERNANCE LEVEL

BM&FBovespa segment presenting maximum level of corporate governance, the *Novo Mercado* consists of shares of companies with voluntary commitment towards adoption of best practices and information reporting beyond what legislation demands. TIM is the sole telecommunications company to integrate this segment. Main characteristics of the companies listed in the *Novo Mercado* Regulation:

- the companies must have only ordinary shares, which is to say, all shares have voting rights in the Shareholders Assembly;

Two pillars that make up the base for TIM's investment decisions are innovation and quality. As a reflection of the commitment to improve high quality service provision, R\$ 3.4 billion were invested, of which approximately 93% in network infrastructure. When considering the acquisition of the 4G license, this number totals R\$ 3.8 billion. Of this amount, the company assigned R\$ 379 million to expand its optic fiber network in the country, and thus increase its capacity to serve customers with better speed.

Part of this budget was allocated to the construction of the new Belém-Manaus route, part of the LT Amazonas consortium, enabling digital inclusion of the population in remote areas of the country. The initiative will include cables through transmission line towers and power substations throughout 27 cities in the states of Amazonas, Pará and Amapá. The investment will yield an increase of up to 100 times in the capacity for voice and data transmission in the region.

Another significant investment of the operator with the goal of increasing voice and data traffic was the modernization of the transportation network between Belo Horizonte and Salvador. The operator installed in this stretch the first WDM 100G network (a set of equipment and physical means with the

capacity to optimize the use of optic fiber networks) in Latin America, increasing the installed capacity for voice and data traffic by 50%, while also multiplying the system's expansion capacity by 16.

For 2013, the company estimates investments of approximately R\$ 700 million, in order to connect 90% of the antennas of mobile data transmission in Rio de Janeiro and São Paulo to the optic fiber network, in comparison to the current 50%.

In addition, according to the Improvement Actions Plan, approved by the Anatel in August 2012, in the three year period until 2014, the company will invest R\$ 8.2 billion in infrastructure and quality.

SUSTAINABLE BUSINESSES

Sustainability is one of the topics considered strategic for TIM. That is why there is a committee, directly linked to the Board of Directors, which brings discussions about the topic to the top decisions in the company. In 2012, the company expanded certifications for international standards ISO 14001:2004 – Environmental Management – and ISO 9001:2008 – Quality Management.

Another concern for TIM is to launch products and services through which it develops interpersonal relations and communications. As a result, it replaced charging telephone calls by minute with pay per call, also launching an unlimited Internet offering and unlimited instant messaging with charges only for the day of use.

TIM also participates in the "0800 Broadband" project, promoted by the federal government. The initiative will enable low income users to access the Internet through their cell phone without needing to purchase a data package from a service provider, working in the same manner as the existing 0800 voice services: the person paying the bill is not the one accessing the site, but rather the owner of the page. In the initial phase, tests will be performed with 80 citizens of the satellite city of São Sebastião (DF). TIM is responsible for distributing 20 kits containing Smartphone Samsung Galaxy Y handsets with the Infinity Pre plan associated to the lines. Credits in the amount of R\$ 15 will be offered for use in this test.

Meanwhile, Telebras and TIM signed in March 2012 a sharing agreement for both infrastructures, including towers and sites, and in October signed a Memorandum of Understanding, which will enable taking high speed and quality broadband to the inland areas of the north and northeast regions of Brazil. The agreement is a result of synergies in both companies' transportation networks and will enable expansion in the capillarity of the 3G and LTE networks (4G). This cooperation between companies will allow par-

ticipation in the National Broadband Program (*Programa Nacional de Banda Larga* – PNBL) and the construction of the necessary infrastructure for the 2014 World Cup in Manaus. It thus ensures efficiency and rational use of resources in the sector.

LEARN MORE ABOUT TIM'S NUMBERS

- 70.3 million customers – 9.8% annual growth
- 6.3% million new lines added in 2012
- 12,264 collaborators
- 95% of Brazil's urban population serviced by GSM technology, in 3.4 thousand cities
- 72% of the urban population in Brazil serviced by 3G technology
- 100% of data coverage with GPRS and 94% with Edge
- 450 international roaming networks, available in over 200 countries in the six continents, for voice use
- R\$ 3.8 billion in investments in infrastructure and network
- 27.4 thousand kilometers in long distance networks and 11.5 thousand kilometers in metropolitan networks (optic fiber)

FIND OUT MORE ABOUT TIM

2012 HIGHLIGHTS

IN A YEAR MARKED BY CRISIS AND CHALLENGES, THE COMPANY MAINTAINED ITS LEADERSHIP IN THE PRE-PAID SEGMENT

Anatel's rulings, issued to improve the quality of services provided to the population, led TIM to readjust its investment plan, in order to meet the new demands of the regulation agency, by presenting an Improvement Action Plan. This document detailed infrastructure development initiatives until 2014.

EXPANSION IN THE NUMBER OF CUSTOMERS

One of the main achievements of TIM in 2012 was to reach the milestone of 70.3 million users across Brazil, a 9.8% increase in its total base in mobile lines. With a market share of 26.9%, the company consolidated its second position in the market and its leadership in the pre-paid segment. For the three year period of 2013-2015, the goal is to reach approximately 90 million mobile users.

Even though the company achieved a solid performance, in 2012 business was directly affected by the sales ban of voice and data packages issued by Anatel, in 18 states and the Federal District and over a period of 11 days, significantly changing performance and acquisition of new customers.

As a result, the operator launched the beta version of the Quality Portal in October 2012, so that customers could track the evolution of investments and improvements in each state of the country. In February 2012, after performing some adjustments in the portal's features, TIM launched the official version of the site, called *Portas Abertas* (Open Doors), ensuring transparency in management processes and reaffirming its commitment towards the quality of provided services.

MAIN INITIATIVES

In 2012, TIM participated in important national and international events. In June, it participated in the United States Conference on Sustainable Development, Rio+20, held in Rio de Janeiro, with the goal of discussing the relevance of the telecommunications sector in the planet's sustainable development. The company was active in the Corporate Sustainability Forum, an event running parallel with the Conference, promoted by the UN's Global Pact.

In October, the company participated in the 14th edition of Futurecom, the main telecommunications event in Latin America, which happened in Rio de Janeiro for the first time. In addition to presenting unique solutions for the corporate segment and presenting its main products and services, the operator announced a partnership with Telebras that will enable expansion of the National Broadband Plan (Plano Nacional de Banda Larga – PNBL).

Also in the fourth quarter of 2012, TIM participated in the 7th National Reconciliation Week (Semana Nacional de Reconciliação) in Rio de Janeiro, being the only mobile operator to settle in 100% of the hearings conducted by this task force, organized by the State's Court of Justice.

AWARDS AND RECOGNITION

Pioneer among the mobile telephony companies in Brazil for achieving the ISO 14001 network environmental certification, TIM also achieved a standout performance regarding best relationship practices. That is why in 2012 TIM Unlimit-

IN OCTOBER, THE COMPANY LAUNCHED THE BETA VERSION OF THE QUALITY PORTAL, SO CUSTOMERS COULD TRACK THE EVOLUTION OF INVESTMENTS

ed received the Gold trophy in the External Communication Campaign category. In addition, the company achieved the Bronze trophy in the Social Responsibility category, with the case "*TIM Tudo Azul... Verde e Amarelo*" (both integrate the 12th edition of the ABT Awards).

In addition, for the second consecutive year, the operator proved to be the mobile telephony company with the best customer relationship strategy by achieving the Consumidor Moderno award for Excellence in Services for Customers in its category.

At the Brazilian Direct Marketing Association (*Associação Brasileira de Marketing Direto – Abemd*) 2012 awards, TIM was chosen as the best of the best in the Digital area, having also achieved the Gold trophy in the categories of Campaign – Lead Generation and Digital – Marketing in Social Networks. Among the over twenty awards received by the company in 2012, other highlights include:

- Four awards at the 183rd Awards of the Brazilian Marketing Association (*Associação Brasileira de Marketing*), thanks to TIM Beta (a plan with special rates for people who use the cell phone a lot to communicate, send instant messages and stays connected to the Internet and social networks all the time. Participants also enjoy customized services);
- Silver trophy in Integrated Campaign at the Wave Festival in Rio 2012, thanks to TIM Beta;
- Ranked among the Most Digital Brands in Brazil (*Marcas Mais Digitais do Brasil*), in the Telecom category.

GOVERNANCE

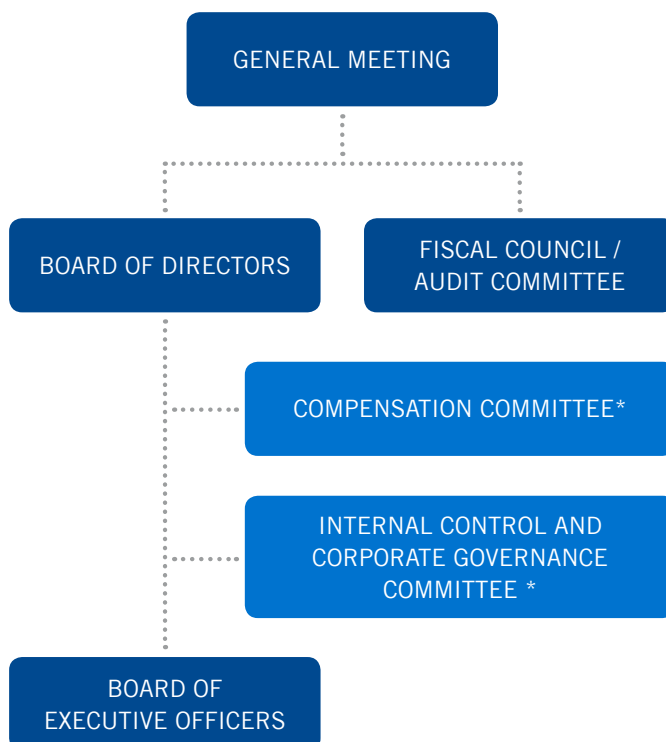
GOVERNANCE STRUCTURE

THE RESPONSIBILITIES OF THE MEMBERS OF THE BODIES ARE IN THE ARTICLES OF INCORPORATION, AMONG OTHER DOCUMENTS

TIM is an open capital share-based company, ruled by a Board of Directors and a Board of Executive Officers, with the additional supervision of a Fiscal Council that also plays the role of Audit Board. The duties and responsibilities of the members of these bodies are determined in Brazilian legislation, the company's Articles of Incorporation, the internal rules of the boards, the company's internal rules and the Listing Regulation for the *Novo Mercado*.

Conduction of business with ethics and transparency is one of the principles of the company, included in the portfolios of Corporate Governance Index ("IGC") and the Index of Shares with Differentiated Tag Along ("ITAG").

INSTANCES OF CORPORATE GOVERNANCE



* Bodies linked to the Board of Directors.

COMPOSITION

Board of Directors

TIM's Board of Directors consists of nine members, elected and dismissed by the General Assembly for a term of two years, with reelection allowed, of which three of them are independent members, under the terms of the *Novo Mercado* Regulation. It is up to the members of the Board to choose their president, and it is forbidden for a person to accumulate the positions of president of the Board of Directors and presiding director or main executive of the company. The composition of the Board of Directors is available on the site www.tim.com.br/ri.

Compensation Committee and Internal Control and Corporate Governance Committee

Each committee consists of three members, chosen by the Board of Directors among its own members.

Board of Executive Officers

Formed by a presiding director and six executive directors elected by the Board of Directors, for a term of two years.

Fiscal Council/Audit Committee

Consisting of at least three and at most five independent professionals without any other link to the company, elected and dismissed by the General Assembly for a term of one year. The composition of the Fiscal council can be seen at the site www.tim.com.br/ri.

ATTRIBUTIONS

Responsible for the high-level administration of the company.

In charge of evaluating topics that are part of its scope and issue recommendations to the Board of Directors, body to which they are linked. The Internal Control and Corporate Governance Committee started in 2010 to include sustainability in its discussions, also having the attribution of tracking and providing general guidance for the company's Sustainability Policy, in order to practice the company's commitment towards sustainable development.

Executive management of the company.

As the Fiscal council, it works to monitor the company's administrative actions and the information provided to shareholders. As the Audit Committee, this agency's work has the goal of issuing recommendations and reports on the company's audit processes, internal and external.

The compensation for the members of the Board of Directors, the Board of Executive Officers and other executives is not linked to the social and environmental performance of TIM.

In 2012, the groups responsible for governance at TIM consisted of a total of 31 collaborators, most of them men between 36 and 45 years old and above 60. [LA13]

TOTAL PARTICIPANTS IN THE GROUPS RESPONSIBLE FOR CORPORATE GOVERNANCE, BY GENDER

Gender	Percentage			
	2011	2012	2011	2012
Men	20	29	91%	93.5%
Women	2	2	9%	6.5%
Total	22	31	100%	100.0%

TOTAL PARTICIPANTS IN THE GROUPS RESPONSIBLE FOR CORPORATE GOVERNANCE, BY AGE RANGE

Age range	Percentage			
	2011	2012	2011	2012
18 to 35 years	4	4	18%	13.0%
36 to 45 years	6	8	27%	25.8%
45 to 60 years	4	7	18%	22.5%
Above 60	8	12	36%	38.7%
Total	22	31	100%	100.0%

TOTAL PARTICIPANTS IN THE GROUPS IN CHARGE OF CORPORATE GOVERNANCE, BY RACE/COLOR

Cor/raça	Percentage			
	2011	2012	2011	2012
White	19	28	86%	90.3%
Black	0	0	0%	0.0%
Mixed race	3	2	14%	6.5%
Yellow	0	1	0%	3.2%
Indigenous	0	0	0%	0.0%
Total	22	31	100%	100.0%

PUBLIC POLICIES

Since 2010, TIM has participated in the discussions of the Managing Committee for the Digital Inclusion Program (*Comitê Gestor do Programa de Inclusão Digital – CG-PID*), while also striving to participate in public consultations and other events launched by the Brazilian federal government, with the goal of developing public policies in the telecom segment. In the institutional arena, TIM is part of the National Syndicate of Telephony Companies and Personal and Cell Phone Mobile Services (*Sindicato Nacional das Empresas de Telefonia e de Serviço Móvel Celular e Pessoal – SindiTelebrasil*), which institutionally represents the operators authorized by Anatel to provide personal mobile services in Brazil, while also participating in the Brazilian Association of Competitive Telecommunications Services Providers (*Associação Brasileira das Prestadoras de Serviços de Telecomunicações Competitivas – Telcomp*), which has the mission of promoting a fair and equitable competition environment in the provision of telecommunications services, contributing in a constructive and ethical manner to regulation of the sector.

Through these institutions, the company discusses projects, such as the ones for telecommunications infrastructure for the Confederations Cup, the World Cup and the

TIM CONTRIBUTES TO THE EXPANSION OF THE NATIONAL BROADBAND PLAN (PNBL) ACROSS NATIONAL TERRITORY

World Youth Journey; the Engineering Code for Tourist Spaces and improvements in deployment at cities, according to international examples; Reverse Logistics; and forums, events and committees with the government.

TIM contributes to the expansion in the national territory of the National Broadband Plan (*Plano Nacional de Banda Larga – PNBL*), the Brazilian government's public policy aimed at massively disseminating broadband Internet offerings until the year of 2014. The objective is to spread access to urban and rural homes, properties, companies and co-operatives, also integrating 100% of government agencies, including public schools, health stations and public libraries.

In this context, TIM contracted Telebras transmission network access to provide access to end users under PNBL

assumptions. The contract includes coverage for four cities: Samambaia and Recanto das Emas, in the Federal District, plus Águas Lindas and Santo Antônio do Descoberto, in the state of Goiás.

In 2012, TIM created the Wi-Fi Project, under which free access was provided to all TIM customers in the communities of Rocinha (RJ) and Paraisópolis (SP), providing digital inclusion of people of all ages.

In addition, thinking of bringing people closer together, the company launched the Infinity, Infinity Web and Infinity Torpedo products. Infinity Pré, for instance, enabled long distance calls charged by call, instead of time in minutes, significantly reducing the price of the service, effective for all of Brazil. Aware that access to the information generates several benefits and development possibilities, TIM also enabled Internet connection for customers of all social layers, charging a lower price. [EC8]

With innovative products, TIM, increased its customer base from approximately 36 million in the beginning of 2009 to over 70 million at the end of 2012, and believes that this generated positive contributions, such as:

- increase in employment level;
- increase of corporate competitiveness;
- growth of the Gross Domestic Product (GDP);
- encouragement for local human development;
- contribution to industrial and technological development;
- access to information and services in the areas of health, education, commerce and entertainment;
- encouragement for economic growth, through changed habits and processes of individuals, companies and governments, with impact on productivity and competitiveness; [EC9]

Regarding political parties, TIM is formally forbidden by the company's Code of Ethics and Conduct to make any kind of contribution. [SO5, SO6]

GOVERNANCE

BUSINESS RESILIENCE

ETHICAL MANAGEMENT AIMS TO ACHIEVE BALANCE BETWEEN ECONOMIC, ENVIRONMENTAL AND SOCIAL POINTS OF VIEW

The ten principles established by the Global Compact, of which TIM has been a signatory since 2008, inspired the adoption of some codes and policies by the Telecom Italia Group and by the company. This specific set of policies contributes to better company administration, while also highlighting commitment in matters regarding human rights, environment, labor and corruption.

The goal is to achieve balance between the economic aspects, through value creation, meeting expectations of stakeholders and generating profit for shareholders; environmental aspects, through responsible management of natural resources and waste generated by the processes involving use of paper, electricity and water, in order to maintain the balance of ecosystems; and social aspects, based on the "principle of equity", through prioritization of human and civil rights of all citizen

ENVIRONMENTAL AND QUALITY CERTIFICATIONS

Result of continuous efforts by TIM to improve services and processes, in April 2012 the company obtained expansion of two important certifications of international rules: ISO 14001:2004 – Environmental Management – and ISO 9001:2008 – Quality management. The first one, focused on "Management and Operation of the TIM Celular Network" activities, whose scope covered only part of the states of Rio de Janeiro and São Paulo, was extended to the states of Rio de Janeiro, Espírito Santo and São Paulo. TIM continues as the sole mobile telephony operator in Brazil to hold an ISO 14001 certification, according to the Inmetro website.

The second expansion refers to the quality in "Management of TIM Celular Network". The scope was expanded to the entire national territory where TIM's network processes happen, including the company's internal processes aimed at continuous improvement with a focus on the customer. Before, the certification covered the states of Rio de Janeiro, São Paulo, Espírito Santo, Minas Gerais, Bahia and Sergipe.

CODES, PRINCIPLES AND POLICIES

CODE OF ETHICS AND CONDUCT

Developed in 2012, the new Code of Ethics and Conduct, approved by the Board of Directors on May 24th, 2013, expresses the company's essential values – particularly transparency, honesty and loyalty. The Code's recipients include TIM corporate bodies, employees, executives and service providers, as well as collaborators and third parties with business relationships with the company.

The Code is available on the intranet for all collaborators, and on the company websites (www.tim.com.br e www.tim.com.br/ri).

The basic goal described in the Code is ensuring service excellence for its customers, while at the same time generating value for its shareholders and the community and respecting the principles established in the Code, as well as the people who work for the company. Therefore, all industrial and financial strategies are aimed at sustainable growth with profitability, based on the highest ethical standards.

Under the Code, TIM rejects and condemns illegal and improper behavior (including any kind of corruption) in the achievement of its economic goals, which must be pursued exclusively through excellence in its products and services in terms of quality and cost/benefit.

TIM DUTIES EXPRESSED IN ITS CODE OF ETHICS AND CONDUCT

- Business transparency
- Promote fair competition
- Seek excellence and competitiveness in the market
- Support the well-being and growth of communities in which it operates
- Value its human resources
- Have sustainable development as an objective

TIM works to raise awareness about the Code among its target audiences, organizing training to disseminate the values to be adopted by all members of the company

BUSINESS CODE OF CONDUCT

Establish criteria for the relationship with vendors, customers, consumers and community, preventing situations or behaviors that are potentially harmful to the interest of the company, aiming at a fair and equitable relationship with the market and the business environment.

SOCIAL RESPONSIBILITY POLICY AT TIM

Reports the directives followed by TIM in matters such as health and safety, diversity value, child and forced labor, freedom of association and right of collective bargaining, discrimination and harassment, work hours and wages. Available at TIM's site.

ENVIRONMENTAL POLICY

Establishes principles aimed at promoting continuous improvement of the environmental performance and a sustainable and responsible management. These principles include: reduction of waste generation, support for collection categories, recovery and recycling, and full compliance with current environmental legislation. Available at TIM's site.

SUPPLIER RELATIONSHIP POLICY

Transparency, integrity, respect for worker's rights and commitment towards sustainability are some of the principles expressed in this policy that govern TIM's relationship with all its suppliers. Available at TIM's site.

COMPETITION DEFENSE POLICY

In order to align employees and collaborators to TIM's ethical ideals, the document has the objective of internally spread the principles that guide the defense of competition policy in Brazil, considering its relevance in respect for consumers and the Brazilian economy. In this manner, professionals, particularly those dealing with the company's stakeholders, become familiar with the antitrust legislation and the work of the agencies responsible for applying it in Brazil. They can thus identify and avoid the occurrence of acts contrary to established norms.

COMMUNICATION AND MARKETING POLICY

This policy is aimed at ensuring alignment of TIM's marketing communication projects and actions with its mission and its principles related to sustainability (<http://www.tim.com.br>). The company follows the regulations of the National Council of Advertisement Self-regulation ("CONAR") and the Consumer Defense Code for disclosure of correct, clear and full information in its product and service ads. In 2012, 20 proceedings against TIM were handled by Conar, five of which were filed by the agency and 15 by competitors. Of these proceedings, 17 were closed in the same year. [PR6]

Regarding unfair competition, trust practices and monopoly, the company registered three lawsuits in 2012, all unresolved and under analysis. One of them was filed by operator Vivo, claiming that TIM announced, among other information, the need for operators to migrate to GSM technology and the lack of quality of the company's coverage compared to TIM technology.

The second is an ordinary proceeding filed by GVT against TIM, aiming to declare null the contractual clause referring to the practiced VU-M value, as interconnection, claiming it is abusive and illegal. It also seeks to order the companies to pay indemnification for the amounts charged excessively since July 2004. Lastly, the company Hoje Sistemas de Informática filed a lawsuit against mobile telephony operators TIM, Vivo, Oi and Claro, claiming that these companies are imposing abusive prices, without negotiation of the prices charged for the use of the mobile network. [507]

ORGANIZATIONAL MODEL

Based on Legislative Decree 231/01 of Italian law, which describes the entity's administrative responsibility regarding the practice of crimes of interest/advantage in the same organization by the high management (executives and administrators) or those under it, TIM adopts an Organizational Model. This principle avoids extrapolation of the personal responsibility of those committing the crimes described by law to the corporation, while also being a necessary instrument to regulate internal processes.

The Organizational Model consists of the Code of Ethics and Conduct, General Principles of Internal Control, Principles for Behavior regarding Public Administration and Internal Control Structures.

These documents detail directives and establish processes to avoid frauds and corruption.

After the recent approval of the new version of the Organizational Model by controller Telecom Italia, the Organizational Model is undergoing adjustments and fine tuning.

RISK MANAGEMENT

Offering innovative connectivity possibilities is part of TIM's business logic. The customers' need for communication is the basic impulse for adoption of methods and measures ensuring the efficiency of processes and structures, as well as the correct application of investments in technical support and network infrastructure. In order to avoid negative business impact, TIM tracks risk in order to support the effectiveness of risk mitigation measures.

The risk factors for the operator may be related to the company or the telecommunications sector in Brazil. In the second case, the possibility of mitigating any risks is very small, as decisions are taken in external environment. Therefore, management based on ethics and transparency contributes to the adoption of diligent methods that avoid disrupting business feasibility while remaining capable of minimizing potential impact.

The Compliance area will provide an intranet address for collaborators to inform any violations of the Organizational

Model, and its activation will be performed with the new Organizational Model.

ANTI-CORRUPTION POLICY

Prepared in 2012, the new Anticorruption Policy, approved by the Board of Directors on May 24th, 2013, applies global anti-bribery policies, forbidding the offer, payment, request or acceptance of any kind of advantage and guiding its target audiences on how to act in these situations.

The target audiences of this Policy include: corporate bodies, administrators, executives, employees and all those with business relations with the company.

Therefore, it is forbidden to impose or accept any service if its execution may compromise the values and principles of the Code of Ethics and Conduct, or violate the applicable rules and procedures, under penalty of sanctions and adoption of administrative measures.

Besides that, each new collaborator has a period of up to one month to attend TIM's online ethics course, which in 2012 reached a total of 3 thousand hours. Another training course on the topic of corruption is the one related to the Sarbanes-Oxley (SOx) law, broadly recognized as an anti-corruption procedure for financial affairs, offering 804 hours. In total, in 2012 3.8 thousand hours were assigned to training, while in 2011 this total was 884 hours.

COLLABORATORS WHO RECEIVED TRAINING IN ANTI-CORRUPTION PROCEDURES AND POLICIES

CRC*	2011	2012
Managers	0	4
Supervisors	6	44
Relationship consultants	431	3,893
Holding, networks, regional and stores	2011	2012
Directors	0	9
Managers	14	124
Experts	26	379
Analysts and consultants	55	795
Assistants	1	100

* Customer Relationship Center.

TIM does not perform evaluation of risks related to this topic at its units. However, for the reporting of corruption cases, the company offers channels that lead directly to Audits or Security, areas that have access to systems and tools for collecting, analyzing and consolidating the evidence in a report that is distributed to the relevant areas. The Compliance area

will provide an intranet address for collaborators to inform any violations of the Organizational Model, and its activation will be performed with the new Organizational Model.

Accusations cases related to accounting, internal accounting controls or audit affairs and reports, equally confidential and anonymous, from employees of the company or its affiliates, in regards to questionable topics in accounting or auditing, can be submitted to the Fiscal council, which also performs the function of Audit Committee for the company.

The Fiscal Council/Audit Committee established a special procedure to receive, retain and control these accusations and reports, which can be sent by email, through the Accusations Channel or also through the Post Office. The names of people who send accusations or reports are kept confidential. In its annual report to the General Assembly, the Fiscal council/Audit Committee reports the accusations and reports received during the year and the result of its investigations.

In critical accusation cases, the involved parties may have legal proceedings brought against them, and they are almost always fired for cause from the company. In 2012, 194 cases of corruption were registered (including fraud, bribery, extortion, money laundering, conspiracy or any abuse of position for personal gain), of which 97% were closed on the same year. **[SO2, SO3, SO4]**

CONFLICT OF INTEREST MANAGEMENT POLICY

Planned in 2012, the new Conflict of Interest Management Policy, approved by the Board of Directors on May 24th, 2013, defines the reference structure for prevention, when possible, and management of conflict of interest situations, in order to:

a) Avoid or contain disruption of the company's interests;

b) Support and protect people involved, from whom transparency behavior is expected.

This policy applies to all TIM employees and the corporate areas involved in managing potential cases of conflict of interest.

GOVERNANCE

RELATIONSHIP WITH AUDIENCES

THE COMPANY INVESTS IN A CONTINUOUS RELATIONSHIP IN ORDER TO DEVELOP IMPROVEMENTS

In order for TIM to achieve increasing space in the telecommunications market of Brazil, it needs to stay aligned with the expectations of its relationship audience, ensuring business continuity through management improvement. This is why it is necessary to continuously invest in the relationship with its stakeholders to develop continuous improvement, according to demand.

The operator's external stakeholders are customers, suppliers, competitors, civil society organizations, environment (environmental regulation agencies), community, government and business partners. The internal ones are the collaborators and shareholders.

Relationship types/actions	Objective
Customers	
Customer Relationship Center (CRC)	Receive requests, questions and complaints, while allowing customers to change their data online. It is available 24 hours a day, seven days a week, through email, fax, telephone or letter.
Exclusive area on the site (for self-service)	Activate and deactivate services and queries in accounts.
<i>Meu TIM</i>	Check balance or status of invoices, perform recharges, access information about promotions, update profile data, obtain barcode for payment of bills or request second copy, among other options. Available for users of Android smartphones and Apple handsets.
Portas A/rtas website (http://qualidade.tim.com.br)	Track the evolution of the company's network and the improvement actions by state.
Portal *144#	Access, through the cell phone, to information and answers.
Twitter – TIMTIM por TIMTIM channel (www.twitter.com/Timimportintim)	Provide commercial and institutional information

Relationship types/actions	Objective
Online monitoring of social media, such as blogs, sites and networks	Identify relevant topics for stakeholders that do not show up on the formal channels.
Satisfaction surveys	Monthly evaluate satisfaction regarding CRC and every six months, the customer's general satisfaction regarding the company, identifying opportunities for improvement.
Audible Response Unit (<i>Unidade de Resposta Audível – URA</i>)	Enables self-service for consumers, including blocking and unblocking of lines and requests for second copy of invoice.
<i>Fale pelo Cliente</i>	Channel in the corporate intranet through which collaborators can submit user problems and questions directly to the CRC.
Suppliers	
Site www.timcommerce.com.br	Provide a channel for exclusive dialogue with suppliers, for registration, questions and suggestions.
Competitors	
Participation in several industry associations, such as the National Syndicate of Personal and Cell Phone Mobile Service and Telephony Companies (<i>Sindicato Nacional das Empresas de Telefonia e de Serviço Móvel Celular e Pessoal – SindiTelebrasil</i>), and in work groups about technical topics of the sector	Maintain a cooperative relationship, contributing to development of the industry
Information manual for defense of competition	Inform TIM collaborators about the relevance of complying with competition laws.
Environmental regulation agencies	
Contact with the main environmental regulation agencies, such as the state and city departments for the environment, construction work and city planning, as well as the Brazilian Institute of the Environment and Renewable Natural Resources (<i>Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – Ibama</i>)	Continuous improvement of environmental performance.
Channel for the Environment and Climate Change (ssma@timbrasil.com.br)	Submit questions to be answered or suggestions about the environment and climate change.
Community and civil society organizations	
Permanent dialogue channels between TIM and the community, through emails (sustentabilidade@timbrasil.com.br , projetosocial@timbrasil.com.br and ssma@timbrasil.com.br), or through regional offices; donations (periodic support to specific causes); and investments in social action projects with long term involvement	Support social, cultural and educational initiatives aimed at improving the quality of life of people; answer suggestions or sending questions about the environment and climate change; and contribute to the well-being of the community.
Internal audiences	
Corporate intranet; SMS for collaborators; TIM News (internal corporate TV, with transmission in highly attended areas); internal communication emails with the main highlights	Inform employees and present the novelties of the company; motivate collaborators to present their ideas and share their experiences, suggesting topics to be discussed.
Channel for Work Safety and Health (ssma@timbrasil.com.br)	Identify and control occupational risks with preventive and awareness actions through a specialized team.
Integration week for new employees	Promote integration of collaborators in the company.
Organizational climate surveys	Improve the work environment.
Shareholders	
Website (www.tim.com.br/ri)	Provide relevant information for investors, such as results, relevant communications, quotes and analysis, following criteria for honesty, clarity and equal access to information.
<i>Fale com RI</i>	Answer questions from investors (current and potential) and analysts and enable submission of suggestions to the Board of Directors, which are analyzed and forwarded to the body's secretary office, for consideration of the suggested topic.

Relationship types/actions	Objective
RI 2.0 (web 2.0 services integrated to the Investor Relations site). Available tools: Slideshare (all investor presentations are available for consultation at www.slideshare.net/ritim); Twitter (www.twitter.com/tim_ri); Mobile (version of RI's site for cell phones at www.tim.com.br/ri); RSS (language standard enabling disclosure of news and information, in a summary form, at sites and blogs)	Expand information reach and transparency.
Business partners	
Mundo TIM (intranet)	Presents administrative offerings and procedures.
Sales Business Report (email)	Includes offers, procedures and incentive programs.
Instant messaging	Message reinforcing offerings and announcing sale incentive campaigns.
Marketing email	Emails to reinforce incentive campaigns.

RELATIONSHIP WITH AUDIENCES

TIM believes that by communicating with its audiences it can consolidate itself and strengthen a mobilization process. That is why throughout the years the company has improved the way it contacts its stakeholders, thus improving this relationship, in order to better align developed actions to demands.

With the goal of performing the materiality test – in order to determine and organize critical topics for communication and sustainability management in corporate strategy –, in 2009 TIM conducted a survey among its target audiences only by telephone and email. In 2011, one of the main actions in this process was the stakeholder panel, which allowed the company to identify material topics for its strategic planning in this area, guiding the accountability through the sustainability report and other communication channels.

In 2012, the company created the Policy for Interaction with Stakeholders, with the goal of guiding and stimulating collaborators in a participative conduction of relationships, in order to encourage dialogue and higher involvement of the main target audiences of TIM companies in Brazil.

CUSTOMER SERVICE

In order to ensure quality and efficiency in servicing its 70.3 million customers, TIM has four of its own Customer Relationship Centers and seven outsourced, with many trained professionals to provide appropriate responses to customer requests.

The Relationship Center – telephone channel – is the main customer service channel for TIM. It records all contact and provides online answers or in up to five days, if the complaint demands a deeper evaluation from TIM and can't be solved at the time of the request. Customers can also contact through other channels, such as fax; Post Office; emails; employees at TIM Stores, prepared to handle post-sale cases; and the

*144# Portal, which offers self-service, including blocking and unblocking of lines and requests for second copy of invoice. There is also the Fale pelo Cliente channel on the intranet, in which employees can present problems and questions from users. In 2012, TIM intensified its relationships in social media, such as Twitter, and launched its profile on Facebook. Another highlight was the launch of the Portas Abertas site. [PR5]

Below is the Quality Improvement Plan presented to Anatel.

QUALITY IMPROVEMENT PLAN

Network actions	Service actions
Expansion: Increase of approximately 33% in access network capacity in 2012.	Multi-channel: projects for implementation of alternative means of contact to facilitate servicing the demands of users and improve existing channels.
Network resilience: work on the main causes of failure for equipment, transmission and energy, responsible for 98% of service interruptions.	Simplification of processes: projects developing improvements in people management and optimizing procedures focused on demand resolution, relationship simplicity and excellence in service (training reinforcement and incentive programs for consultants).
Optimization: program for adjustment of systems and parameters, working in partnership with the main vendors, in order to increase the satisfaction of our customers.	Technological renewal: improve customer identification in any contact channel and perform specific, efficient and quick forwarding of demands.

Every month, the company conducts surveys to evaluate consumer satisfaction regarding the service area, and every six months two other surveys are executed, evaluating satisfaction regarding the company in general. In 2012, the satisfaction average with customer service was 7.43; customer's general satisfaction was 8.03. In 2011, these values were 7.80 for

satisfaction with service, 8.05 for general satisfaction (on a scale of 0 to 10). The main complaints are related to coverage (quality or lack of signal, dropped calls, lack of coverage) and the Internet (not being able to access, slow speed).

Quality in customer service directly impacts the payment of call center professionals, as a way to encourage good service provision. Under this model, partners who are well evaluated by users and handle their requests in an effective and quick manner gain bonuses.

In addition to prioritizing service quality, TIM has a Customer Data Privacy Policy, which prevents unauthorized access and improper use of the customers' personal information. The policy only allows access to profile records and user communication data to collaborators and third parties that, as a result of professional activities, need to access this information.

In all cases, disclosure of the information, internally or externally, is forbidden, allowed only in case of provision of data to other telecommunications services operators (as described in Resolution 343/2003 from Anatel) and to the Courts, under guidance of the appropriate internal area. TIM ended 2012 with seven proceedings about loss of privacy of customers with pending trials. In 2011, there were two cases. [PR8]

COMPLAINTS AND SOLUTIONS

Cell phone telephony was the leader in complaints at the consumer protection and defense agencies (Procons) of the country in 2012, according to the National Consumer Department (Senacon) of the Ministry of Justice.

In 2012, the company consolidated its position as the second largest telecom company in the country, with the smallest participation in complaints at Procons integrated to Sindec.

In order to increase customer satisfaction, TIM implemented the Lean Six Sigma Program, which reduces failures, mistakes, waste and rework, while developing collaborators and increasing customer satisfaction. In 2012, the company achieved the following results: 13 projects concluded and 22 collaborators certified in the program, plus a financial benefit of approximately R\$ 16 million. In 2012, TIM received 13,540 complaints at Procons, a drop of approximately 33% compared to the previous year. As in 2011, TIM solved 100% of its criticism and complaints.

At the SAC, the number of calls received dropped approximately 9%, totaling 125,808,392 calls. On the other hand, the number of answers in 2012 more than doubled, arriving at 4,862. [PR5]

In 2011, TIM initiated a Quality Improvement Action Plan that yielded a reduction of 57.6% in the number of complaints

received at the company in 2012 (in comparison with the previous year). This plan included some activities aimed at improving the company's relationship with its customers, with the following highlights:

- further investments in self-service;
- deployment of the electronic invoice project;
- development of a new model, more flexible, to serve corporate customers;
- implementation of the Liberty Smart Consumer offering (data without charging for surplus);
- deployment of a service model that tracks the whole customer cycle, from sale to post-sale interactions ("end-to-end").

TOTAL COMPLAINTS AND CRITICISM RECEIVED

	2011	2012
At the company	10,645,858	4,514,802
At Procons and other consumer defense agencies	20,174	13,540
At Anatel	263,400	283,840
At the courts	63,796	73,942

PERCENTAGE OF COMPLAINTS AND CRITICISM RESOLVED

	2011	2012
At the company	92.0%	90.3%
At Procons and other consumer defense agencies	100.0%	100.0%
At Anatel	99.3%	95.4%
At the courts	92.0%	62.5%

* This percentage refers to complaints and criticisms regarding Intelig.

Since 2011, TIM has maintained the second position in the Service Performance Index (*Índice de Desempenho de Atendimento – IDA*). According to the official result announced by Anatel, on October 2012 the company reached 89.35 points, only 5.8 less than the leading company.

The rate of complaints in the company resolved in up to five business days in 2012 was 91.04%. The goal for 2013 is to focus efforts on reducing complaints across all consumer relationship channels, aligned with the commitment to ensure maximum customer satisfaction and effectively contribute to the development of quality mobile telephony service across Brazil.

SALES BAN

With the goal of encouraging improvements regarding the quality of telecom service provision, Anatel issued a precautionary measure leading to the temporary ban (11 days) of TIM service sales in 18 states (Acre, Alagoas, Bahia, Ceará, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso, Pará, Paraíba, Pernambuco, Piauí, Paraná, Rio de Janeiro, Rio Grande do Norte, Rondônia and Tocantins) and in the Federal District. The measure also resulted in the sales ban of Oi services in five states and Claro services in three states.

This initiative damaged the company's image, and there was also a reduction in new net additions, encouraging TIM to readjust its investment plan in order to meet Anatel new demands, presenting an Improvement Action Plan. The document, as demanded by the Agency, presented in detail the initiatives that would be executed in order to improve the infrastructure up to 2014.

CALL DROPPING

One of the innovative concepts introduced in the telecommunications market by TIM in Brazil was changing the way calls are charged, from time in minutes to payments per call. However, an advance report from Anatel, disclosed prematurely by a media vehicle before TIM could explain the situation, without a final conclusion from the regulation agency, claimed the operator purposefully disconnected calls, generating higher costs to consumers.

Guided by ethics in its relationships, the company investigated the call dropping cases through two independent institutions, which claimed that there wasn't any evidence at the Telephone Centrals and the Ericsson Intelligent Network Solution that indicated purposeful or intentional ways of disconnecting calls at the Personal Mobile Service (*Serviço Móvel Pessoal* – SMP) network. The final report from Anatel, issued on May 2013, showed no evidence of intentional call dropping of customers in the Infinity plan.

PORTAS ABERTAS

Two months after the launch of the pilot project for the Quality Portal, TIM presented on February 2013 the official version of the site, which was named Open Doors (*Portas Abertas*). The portal enables consumers to track the evolution of the company's network and improvement actions, reinforcing TIM's commitment towards quality and transparency.

In addition, it is possible to track the main company achievements, such as antenna installations, expansion of network capacity and expansion of 3G coverage, among other initiatives, detailed by state.

The portal was divided into three main sections. In "Commitment", in addition to finding out the goals of the portal, consumers can verify details about the Improvement Plan presented to Anatel and track deliveries of the operator through a map that shows what is being done in each region of the country, so the service continues in constant evolution. The section also provides TIM results in the main quality indicators.

Meanwhile, the "Services for Customers" combines many interactive tools, the main of them being the real TIM coverage map, showing the effective network image – including shadow areas, where the mobile telecom service is still not working properly – and the current and planned infrastructure. There is also a place for warning about failures and scheduled maintenance, which can be queried through DDD by the customers.

Lastly, there is the "Educational" section, which answers questions about the functioning of telecommunications services. Tutorial video are included showing, for instance, how a call is made at the company's network.

For more information, access the website www.tim.com.br/portasabertas.

STRATEGIES AND PERSPECTIVES

GROWTH AND PROFITABILITY

INVESTMENTS IN INFRASTRUCTURE TO DRIVE THE USE OF VOICE AND DATA SERVICES

The search for innovative solutions, accessible to all audiences, while maintaining the focus on the balance between growth and profitability, contributes to expand the company's activities in the national territory, while also promoting communication through various offers and according to the demands of company stakeholders.

In this manner, TIM intensified investments in infrastructure in order to encourage the use of voice and data services, while also seeking excellence in the quality of these services and in customer service. Until 2014 the company is planning investments in the amount of R\$ 8.2 million (including licenses). With these, the company plans on increasing voice capacity by 75% and data capacity by 433%.

The company's significant efforts in the first half of 2012 were focused on investments in network infrastructure and integration of the mobile network with the fiber optics of TIM Fiber, incorporated by TIM Celular, in August 2012.

In 2013, the forecast is for 80% of big Brazilian cities to have antennas connected through fiber optics, significantly improving the quality in voice and data transmission.

NETWORK CAPACITY

In order to comply with the demands of the regulation agency and improve the quality of its services for over 70.3 million customers, the operator increased investments in network expansion and quality. The Improvement Action Plan includes an expansion of over 70% in network capacity by 2014, compared to 2011.

In 2012, TIM invested R\$ 379 million in optic fiber projects across the country, with the goal of reinforcing its transmission network, responsible for transporting voice, data and signals, and increasing customer serving capacity.

Two new optic fiber routes were created. The Belém-Brasília stretch, already activated, has 2.5 thousand kilometers and runs through four states: Maranhão, Pará, Tocantins and Goiás. The second route is Belém-Manaus, which is part of the LT Amazonas consortium to deploy cables through transmission line towers and energy substations throughout 27 cities in the states of Amazonas, Pará and Amapá.

This project will make connections almost five thousand times quicker than current ones, increasing one hundred times the capacity for voice and data transmission, contributing both to the improvement of communications and Brazil's social and economic development. The route will be activated in the beginning of the second half of 2013. This will lead to more connected people, who will be able to exchange experiences, research new solutions for their region

and gain further opportunities for growth, supporting the local economy and enabling increased income generation.

Another initiative was the modernization of the backbone (transportation network) between Belo Horizonte and Salvador. The operator installed in this stretch the first WDM 100G network (set of equipment and physical media with the capability of optimizing optic fiber network use) in Latin America. The new technology is already active and enables a 50% increase in the installed capacity for voice and data traffic, while multiplying the system expansion capacity by 16.

The solution overcomes technical limitations and enables long distance transmission of 100G signals. Until then, the channels didn't go beyond 40G. This project will be expanded to other stretches during 2013.

ECONOMIC PERFORMANCE

TIM's business have a direct impact on the economy, expanding development potential of regions through tax revenue, resource generation for its business partner, and more directly by generating job positions. In 2012, TIM received R\$ 82.4 million in help from the government through tax reductions, 42% less than in 2011, when the amount was R\$ 142 million. [EC1, EC4]

VALUE GENERATION

	2011 (in thousands of R\$)	2012 (in thousands of R\$)
(A) Gross revenue	22,239,785	24,467,812
(B) Goods and services acquired from third parties	9,951,053	11,120,343
Costs of provided services and sold goods	6,544,679	7,658,116
Supplies, energy, third party services and others	3,406,374	3,462,227
(C) Gross added value (A-B)	12,288,732	13,347,469
(D) Retentions (depreciation and amortization)	2,569,767	2,688,588
(E) Net added value (C-D)	9,718,965	10,658,881
(F) Transfers	874,010	1,030,803
(G) Added value to be distributed (E+F)	10,592,975	11,689,684

DISTRIBUTION OF ADDED VALUE

	2011 (in thousands of R\$)	2012 (in thousands of R\$)
Personnel and charges	519,302	602,532
Wages	350,613	352,447
Social security charges	36,945	48,573
Private social security	-796	11,664
Benefits	97,833	125,304
Participation in results	34,707	64,544
Government	7,371,006	8,056,331
Taxes, fees and contributions, excluding subsidies (relief)	7,371,006	8,056,331
Financers	1,421,439	1,581,933
Interest and rent	1,421,439	1,581,933
Shareholders	304,292	344,111
Interest on its own capital and dividends	304,292	344,111
Retained	976,936	1,104,777
Profits/losses in fiscal year	976,936	1,104,777

ECONOMIC GOALS

TIM's strategic plan identifies significant opportunities for work in the Brazilian market, particularly resulting from re-modeling in revenue distribution in the telecom market. In this context, the company expects to increase total net revenue in the next three years at a high single digit rate – between 6.7% and 10% (compound annual growth rate CAGR 2012-15).

This scenario will demand continuous investment, and that is why TIM approved a R\$ 10.7 billion plan for the period from 2013 to 2015, with the main focus being on infrastructure (more than 90% of the total).

Indicator	Definition	Measure	Goal 2013 to 2015
Total Net Revenue (<i>Receita Líquida Total</i> – RLT)	Revenue after tax payments, sales returns and calculation of discounts on services.	%	High single digit growth*
EBITDA	Profits before interest, taxes, depreciation and amortization: net revenue less costs and expenses, representing cash generation of operations.	%	High single digit growth*
Capex	Medium and long term investments in purchase, improvement, development or extension of infrastructure, equipment, systems and properties. Estimated value to be invested at the end of the three year period of 2013-2015.	billions of R\$	10,7**

* High growth at single digit rates, which is to say, between 6.7% and 10%. This growth is calculated with the CAGR (Compound Annual Growth Rate) methodology, which is the year to year growth rate of a specific indicator regarding a specific period of time. Its calculation is based on the compound average of annual growth, to the power of 1 over N, less 1, in which N is the number of years in the period being considered (in this case 3 years), according to the following formulas:

$$CAGR = \left(\frac{RLT\ 2015}{RLT\ 2012} \right)^{\left(\frac{1}{N} \right)} - 1 \quad CAGR = \left(\frac{EBITDA\ 2015}{EBITDA\ 2012} \right)^{\left(\frac{1}{N} \right)} - 1$$

** Specifically for Capex, the goal defined by the company for the year of 2013 is R\$ 3.6 billion.

STRATEGIES AND PERSPECTIVES

TIM COMMITMENTS

THE COMPANY IS COMMITTED TOWARDS IMPROVING ITS RELATIONSHIP WITH ITS STAKEHOLDERS

For TIM, business should be conducted taking into consideration the expectations of all those who participate, are interested and involved in the activities. This attitude arises from the ethical management conducted by the company, which believes that this is the only way to maintain the business over time.

Furthermore, the performance of environmental indicators is another of the commitments assumed by the operator. That is why, since 2010, the topics related to sustainability are part of the meetings of the Internal Control and Corporate Governance Committee, linked directly to the Board of Directors.

TIM ACTIONS ARE BASED ON THE GLOBAL COMPACT PRINCIPLES, AN INITIATIVE OF WHICH TIM HAS BEEN A SIGNATORY SINCE 2008

In addition to creating offerings that encourage expansion of communication and connectivity, shortening distances and reducing the need for travelling, the operator also invests in process restructuring and technology to achieve maximum energy efficiency, thus aiming to reduce its greenhouse gases emissions (GHG).

GLOBAL COMPACT

In 2008, TIM joined the Global Compact, a United Nations (UN) initiative aimed at mobilizing the corporate community to adopt, in their business practices, essential and internationally accepted values in the areas of human rights, work rela-

tions, environment and anti-corruption. They are reflected in ten principles, which are part of the strategy, culture and daily operations of the organization.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT



WE SUPPORT

Human Rights

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 Make sure that they are not complicit in human rights abuses.

Labor

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labour;
- 5 The effective abolition of child labour; and
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 Undertake initiatives to promote greater environmental responsibility; and
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Corruption

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

GRI

The Global Reporting Initiative (GRI) is an independent organization, whose mission is to develop and globally disseminate directives for the preparation of sustainability reports. With the help of companies and partners across the world, GRI organized a standard for sustainability reports that is currently the best accepted in the world, and TIM adopted it.

GRI directives are mainly an important tool to measure results and reflect on the actions taken in the three pillars of sustainability (economic, social and environmental), identifying gaps and pointing out possibilities for improvement.

CDP

Since 2007, the company has answered the CDP questionnaire about its GHG emissions and its strategy regarding climate change. CDP is a non-governmental organization that built the largest global database of corporate information about climate change, queried by investors, government agencies, legislators, the academic community, and the general public.

COMPANIES FOR THE CLIMATE (EPC)

Since 2010's cycle, TIM has participated in the Companies for the Climate (*Empresas pelo Clima* – EPC). This voluntary initiative, coordinated by the Center of Sustainability Studies of Getulio Vargas Foundation (*Centro de Estudos de Sustentabilidade da Fundação Getulio Vargas* – GVCes), is a permanent corporate platform, whose goals are to mobilize, raise awareness and articulate corporate leaders towards management and reduction of GHG emissions, climate risk management and the proposal of public policies and positive incentives in the context of climate change.

CORPORATE SUSTAINABILITY INDEX (ISE)

For the fifth year in a row, TIM was included in the Corporate Sustainability Index (*Índice de Sustentabilidade Empresarial* – ISL) portfolio, created by BM&FBovespa together with organizations like the Ethos Institute and the Ministry of the Environment. ISE has the goal of being a reference for socially responsible investments. Evaluated as an inducer of best practices and encouragement for performance of new actions every year, the index consists of shares from companies with known commitment towards social responsibility and corporate sustainability.

EFFICIENT CARBON INDEX (ICO2)

The company is part of the Efficient Carbon Index (*Índice Carbono Eficiente* – ICO2) from BM&FBovespa, since its creation in 2010, with the commitment to measure, disclose and monitor its GHG emissions. As a result of this, the company develops the inventory of emissions according to the directives of the Greenhouse Gas Protocol (GHG Protocol), a globally used methodology that enables mapping the main improvement points in emission management, allowing identification of the main emission sources.

STRATEGIES AND PERSPECTIVES

SERVICES AND PLANS

THE COMPANY WILL CONTINUE TO INVEST IN EXPANSION OF THE 2G AND 3G NETWORKS, WHILE ALSO LAUNCHING THE 4G TECHNOLOGY

With the assumption of ensuring communication without frontiers for the whole customer base, TIM is responsible for introducing innovative concepts in the Brazilian telecommunications market, allowing people to talk more and use the Internet more without worrying about cost and time barriers.

MOBILE TELECOM

Leveraging the two main service platforms offered by TIM – Infinity (pre-paid) and Liberty (post-paid) – the company presented concepts that restructured national telecommunications. In the Infinity plan, customers are charged per call (and no longer per minute) in local calls and long distance calls with the 41 code to TIM numbers. Meanwhile, on the Liberty plan, use is unlimited in local calls and long distance calls with the 41 code to any TIM number, for a fixed monthly amount.

In 2012, TIM launched a Spanish course through the cell phone, *TIM+Espanhol*. Just like *TIM+Inglês*, the course provides interactive and customized content, which can be accessed anytime and anywhere the user desires, with an easy to use format. The service has four difficulty levels, from beginner to advanced, and a price of R\$ 0.99 per week.

ULTRA BROADBAND

In August, the operator launched Live TIM, a broadband service for homes and offices, in the state of São Paulo, and then in September in Rio de Janeiro. In less than six months of operation, 4.2 thousand buildings were connected and more than 8.5 thousand installation authorizations were registered in both states. In addition, 160 thousand people have registered on the TIM Fiber site to receive the service, while 10 thousand are already using it.

In 2012, the service was offered only in the cities of Rio de Janeiro (RJ), Duque de Caxias (RJ) and São Paulo (SP). However, the optic fiber network acquired by TIM currently covers 21 cities. Therefore, there is a potential expansion to 18 additional cities.

4G TECHNOLOGY

After investing approximately R\$ 400 million to purchase the batch of the "V1" band and six batches in the "P" band in the frequency range bid for 4G, conducted by Anatel in June, TIM signed an agreement with Ericsson, Huawei and Nokia Siemens to promote its infrastructure for the Long Term Evolution (LTE) technology. In addition, Anatel approved in the beginning of 2013 a RAN sharing agreement between the company and Oi, in order to promote network infrastructure sharing for this service. With the reduction in the costs of network deployment to meet the coverage goals established by Anatel, users are benefitted, as the areas considered as less attractive will also have the service available, even before the deadlines established in the bid.

It is important to also highlight that infrastructure sharing has a positive urban impact, with the improvement in the occupation of spaces, resulting from the reduction in the number of new stations impacting the urban landscape and disrupting the population, particularly in high population density areas. Another important topic is the contribution towards sustainability derived from the rational use of energy, with the reduction in the global number of stations needed to fulfill the goals among operators employing network infrastructure sharing.

TIM will provide the new generation digital infrastructure to serve the headquarter cities of international events such as the Confederations Cup in 2013, and the World Cup in 2014, and other established commitments. Meanwhile, the company will continue to invest on expanding the coverage of all its networks (2G and 3G), in order to support universal use of voice and data with its innovative plans.

FOURTH GENERATION

The mobile ultra broadband started operating in 2006, in South Korea, migrating to the Long Term Evolution (LTE) standard, which enables downloads of 100 megabits per second (Mbps) through mobile access. Today, there are over forty 4G networks in operation in the world, which will connect 61 million of mobile devices by the end of 2013, reaching 100 million devices.

The LTE network will offer the Brazilian population new mobile applications, particularly for high speed data transmission or video services. The estimated transmission rate for 4G networks represents up to 10x quicker access than the one achieved with current 3G networks.

CORPORATE SOLUTIONS

With the goal of serving the growing search of the corporate market for solutions that add business value, speed up processes and reduce costs, Intelig, a member company of the TIM Participações S.A. group, launched the videoconference service called TIM Intelligence. By connecting people through a virtual environment, regardless of the physical distance between them, the integrated solution helps large and medium businesses in their operational activities, while also reducing the cost of their activities.

IN LESS THAN SIX MONTHS, THE LIVE TIM BROADBAND SERVICE REACHED 10 THOUSAND USERS AND OVER 8 THOUSAND AUTHORIZATIONS

Another service that contributes to accelerate productivity is TIM Radar 2.0, which allows the owner/administrator of a company to monitor the approximate location of its cell phone devices, viewing them in a control panel accessible through the Internet. In this manner it is possible to guide the closest employee to a customer demand and/or provide information to the customer about the location and estimated delivery of a product.

SUSTAINABILITY

HIGHLIGHTS AND GOALS FOR 2012

TIM ENCOURAGES PRACTICES THAT REINFORCE ITS COMMITMENT TOWARDS ETHICAL AND SUSTAINABLE MANAGEMENT

Among the goals established for 2012 and others identified for 2013, below is the progress of the main commitments assumed by TIM.

Indicator	Measure	Dec/11	Goal for 2012	Dec/12	Result	For 2013
Allowance of one day of work for collaborators who voluntarily participate in the Citizen without Borders Program.	% (internal collaborators)	1	1	3	Fulfilled	1
Training						
Training (total of hours: in classroom + online + on the job). Citizen without Borders.	Number of hours (internal collaborator, interns and third parties)	636,202	600,000	679,675	Fulfilled	600,000
Sustainability (quantity of people participating in at least one training about sustainability issues)	% (internal collaborators, interns and third parties)	34	30	35	Fulfilled	30
Environment/Batteries						
Collection of end-of-life cell phones, batteries and other accessories for recycling	Tons	16	13	13.9	Fulfilled	13
Environment/Waste						
Percentage of recycling of waste generated at the office.	%	55	58	74	Fulfilled	65
Environment/Waste						
Percentage of recycled plastic cups compared to the total purchased in 2012 at administrative offices.	%	N/A	40	44	Fulfilled	The company will replace the plastic cup recycling goal with the goal of reduction in consumption of A3 and A4 paper for administrative use – FSC and recycled ⁽¹⁾ .
Environment/Waste						
Reduction in the purchase of A4 and A3 paper for administrative use (FSC + Recycled)	%	N/A	N/A	N/A	N/A	5 ⁽²⁾
Energy/Network						
Reduction in expected increase of planned energy consumption, compared to the previous year, for the TIM Celular mobile network.	% (limit increase in electricity consumption)	N/A	from 7% to 3.5%	from 7% to 7.25%	Not Fulfilled ⁽³⁾	N/A
Energy/Network						
Reduction in specific electricity consumption by mobile network equipment, in comparison with the previous year.	kWh/mobile line	N/A	N/A	N/A	N/A	4.17 ⁽⁴⁾
Vendor management						
Number of vendors evaluated in matters related to sustainability	Accumulated number after 2009	140	180	188	Fulfilled	228

(1) The justification for this change is that plastic recycling has been losing economic feasibility in some regions in Brazil, and therefore there was difficulty in recruiting vendors qualified to perform this activity.

(2) The total volume of paper purchased in 2012 for administrative use was 60,346 kg. The goal is to reduce this amount to 57,329 kg in 2013.

(3) During the definition of the reduction goal from 7% to 3.5%, the estimated growth for installation of access equipment (specifically TRX receptors) was 14%, based on the total equipment installed in 2011. However, there was an expansion of 35% regarding the previous year, resulting in an increase of 7.2% in energy consumption in TIM Celular mobile network equipment. For 2013, the absolute goal will be replaced by a specific goal, considering consumption of electricity in the network equipment weighted by the total number of subscribers in mobile lines.

(4) The total specific consumption of electricity in 2012 in network equipment was 4.24 kWh/mobile line. The goal is to reduce this number by 1.6%.

SUSTAINABILITY

ENVIRONMENTAL MANAGEMENT

PRINCIPLES APPLIED TO ITS ACTIVITIES REINFORCE THE COMMITMENT TOWARDS SUSTAINABLE DEVELOPMENT

According to TIM's Environmental Policy, the company took inspiration from the directives of the Global Reporting Initiative (GRI) and the ten principles of the Global Compact while establishing initiatives to be applied across all its activities. Therefore, the principles are correlated to the indicators reported by the company. The goal is to promote continuous improvement of environmental performance, meeting the demands of current legislation and regulatory agencies, and the directives of the Telecom Italia Group, thus reinforcing the commitment towards sustainable development. The company's commitments include:

- Continuous improvement and prevention of pollution
Constantly evolve its work processes, focusing on reducing their impact on the environment and seeking work effectiveness, while adopting a proactive attitude in the attainment of these results.
- Waste management
Seek minimization of waste production and encourage differentiated collection, recovery and recycling.
- Electromagnetic emissions
Control operational aspects of its sites, ensuring compliance with internal standards and legal and regulatory demands, in order to minimize risks to the environment.
- Legal compliance
Seek full compliance with current environmental legislation.
- Consumption of natural resources
Develop actions aimed at reducing the waste of energy and materials, ensuring sustainable use of natural resources.
- Technological innovations
Stimulate technological research capable of minimizing the negative impact of services and products.
- Publicity

Announce the directives and encourage internal and external audiences to participate in awareness campaigns and initiatives, supporting responsibility towards the environment.

TOTAL INVESTMENT AND EXPENSES IN ENVIRONMENTAL PROTECTION

In 2012, TIM invested R\$ 418 thousands in the maintenance of operational processes to improve the environment, R\$ 613.4 thousand in initiatives to train the internal audience regarding environmental issues and R\$ 5 thousand in evaluations of processes related to the topic. This year, TIM started a project for adjusting to the National Policy of Solid Waste (PNRS). The first waste inventory is being developed, plus several "PNRS" training courses, explaining the high investment and expenses in environmental protection in 2012, when compared to 2011. [EN30]

INVESTMENTS AND EXPENSES IN ENVIRONMENTAL PROTECTION (IN THOUSANDS OF R\$)

	2011	2012
Maintenance in operational processes for improvement of the environment	211.0	418.0
Initiatives to educate the internal audience regarding environmental issues	5.9	613.4
Evaluation of processes related to environmental issues	6.4	5.0
Other projects	12.2	0.0
Total	235.5	1.036.4

CLIMATE CHANGE

TIM considers the climate change issue strategic to business continuity, monitoring its greenhouse gas emissions as a way of preempting the challenges presented by the topic and the growing demands of society.

Part of this work is conducted through participation in national and international initiatives related to the topic, such as CDP – a global system for reporting information related to emissions, risks and opportunities, and the corporate initiatives associated to the climate change topic.

TIM is also part of the portfolio for the Efficient Carbon Index (ICO2), a BM&FBovespa and BNDES joint initiative, and the Companies for the Climate (EPC) group, coordinated by the Center of Sustainability Studies of the Getulio Vargas Foundation (*Centro de Estudos de Sustentabilidade da Fundação Getulio Vargas – GVCes*). This group gathers industry leaders, to discuss initiatives and offer corporate directives regarding the inclusion of the climate variable in business strategies, and it is one of the main national references for a low carbon scenario. [EC2]

In addition, among its collaborators, TIM also works to internalize the topic, raising awareness about the relevance of energy consumption reduction and selective waste collection. [EN16, EN17, EN18]

TIM'S GHG INVENTORY

An inventory of an organization's GHG emissions is an important internal management tool, as it enables identification of emission sources and measurement of the company's contribution to climate change, thus pointing out clearer paths towards the adoption of corporate policies related to this topic.

Following this directive, TIM prepares its GHG inventory since 2008, retroactive to 2007, based on the most widely accepted guidance in the global and national scenarios regarding measurement and reporting of GHG emissions, such as the GHG Protocol and the directives of the Intergovernmental Panel on Climate Change (IPCC). [EC2]

For the base year of 2012, the TIM GHG inventory was validated for the second year in a row by an independent third party, thus ensuring more transparency and reliability for the presented information.

In addition, an improvement was observed in the reliability of the results obtained in emissions arising from third party activities (suppliers). This can be explained by the fact that, for the base year of 2012, real data was collected regarding their activities, thus enabling an estimate of emissions with reduced uncertainty in their results. The biggest reduction in GHG emissions in 2012, compared to 2011, was precisely from this

source, and can be explained by the change in the methodology for extraction of the primary data (fuel consumption).

Following the directives of the GHG Protocol, the most used methodology on a global scale for measurement, preparation and publication of greenhouse gas inventory, TIM reports its emissions according to a division by scope, as follows:

Scope 1 – Direct emissions

- Fuel burning from its own fleet.
- Diesel oil burning for energy generation.
- Fugitive emissions from gases used in cooling devices.

Scope 2 – Indirect emissions associated to imported energy generation

- Consumption of purchased electricity.

Scope 3 – Other indirect emissions

- Fuel burning from air travel of employees.
- Fuel burning from the daily commute of employees.
- Fuel burning from outsourced fleet and vehicles of sales consultants.
- Waste management.

GREENHOUSE GAS EMISSIONS

	2011	2012
Scope 1		
tCO ₂ e	2,555.1	3,157.3
Scope 2		
MWh	346,305.1	373,036.3
tCO ₂ e	10,130.3	24,374.8

GREENHOUSE GAS EMISSIONS

	2011		2012	
	Emissions (tCO ₂ e)	Factors	Emissions (tCO ₂ e)	Factors
Scope 1	2,555.1		3,157.3	
Own fleet	732.1	2006 IPCC Guidelines for National Greenhouse Gases Inventories	789.7	2006 IPCC Guidelines for National Greenhouse Gases Inventories
Generators	752.5	2006 IPCC Guidelines for National Greenhouse Gases Inventories	425.0	2006 IPCC Guidelines for National Greenhouse Gases Inventories
Fugitive emissions	1,070.5	IPCC Second Assessment Report: Climate Change, 1995 (HFC-134a); Ashrae Standard 34, 1997 (R407-c)	1,942.6	IPCC Second Assessment Report: Climate Change, 1995 (HFC-134a); Ashrae Standard 34, 1997 (R407-c)
Scope 2*	10,130.3		24,374.8	

* Emissions from electricity consumption rose significantly (141%) as a result of the increase in the national grid emission factor provided by the Ministry of Science and Technology, which considers the Brazilian energy matrix and its provision through the Interconnected National System ("SIN") (emission factors: 2011 – 0.0292 tCO₂/MWh; 2012 – 0.0653 tCO₂/MWh). During the same period, an 8% increase was observed in the consumption total of imported electricity in SIN.

	2011		2012	
	Emissions (tCO ₂ e)	Factors	Emissions (tCO ₂ e)	Factors
Electricity consumption	10,130.3	MCT – Emission factor of national grid for 2011	24,374.8	MCT – Emission factor of national grid for 2011
Scopes 1 and 2	12,685.4		27,532.1	
Scope 3**	24,426.6		16,870.9	
Air travel	4,877.4	2010 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting	5,159.6	2011 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting
Employee commuting	3,675.3	2006 IPCC Guidelines for National Greenhouse Gases Inventories (car, motorcycle and bus); MCT – emission factor of national grid for 2011 (train and subway)	4,507.8	2006 IPCC Guidelines for National Greenhouse Gases Inventories (car, motorcycle and bus); MCT – emission factor of national grid for 2011 (train and subway)
Outsourced fleet – Logistics	13,000.6	2006 IPCC Guidelines for National Greenhouse Gases Inventories	3,767.6	2006 IPCC Guidelines for National Greenhouse Gases Inventories
Outsourced fleet – Others	1,211.2	2006 IPCC Guidelines for National Greenhouse Gases Inventories	1,462.6	2006 IPCC Guidelines for National Greenhouse Gases Inventories
Sale consultants	1,576.2	2006 IPCC Guidelines for National Greenhouse Gases Inventories	1,915.5	2006 IPCC Guidelines for National Greenhouse Gases Inventories
Waste management	85.9	2006 IPCC Guidelines for National Greenhouse Gases Inventories	57.8	2006 IPCC Guidelines for National Greenhouse Gases Inventories

** The evolution of TIM's GHG Inventory enabled better collection of information necessary for measurement of GHG emissions from this source. Therefore, the 2012 results are more reliable, when compared to the values of 2011. The methodology used to estimate GHG emissions by the outsourced logistics fleet was modified.

OPPORTUNITIES AND RISKS

The company conducted a preliminary evaluation of opportunities and risks regarding climate change. The results are also available to the audience on the CDP website (www.cdproject.net).

OPPORTUNITIES

Industry plans aimed at low carbon savings can generate at companies the need to reduce employee travelling, with greater use of videoconferences and home offices. This can lead to a bigger demand for telecommunications and broadband services, generating opportunities for TIM, as this business enables reduction of emissions in other sectors through the use of information and communication technologies.

In addition, electronic recharges, whose main example is TIM PDV, allowing online recharging through specific cell phone devices, contribute to the reduction in the consumption of raw materials and natural resources, while also reducing card discarding. This system enables reduction of GHG emissions resulting from card transportation, reduces the risk of theft, increases product availability and offers more convenience and customer satisfaction,

taking cutting edge technology to the market. Currently, electronic recharges represent 100% of the company's recharges.

TIM Chip Avulso is a service that allows customers the option of acquiring just the chip, without the need to purchase new handsets. In this manner the unnecessary exchange of devices is avoided, reducing the volume of electronic waste generated by discarding devices, batteries and accessories.

RISKS

The main identified risks were regulatory risks, the possibility of increase in maintenance and operation costs and the direct impact on operations. Even though it has identified the aspects that it considers more influential in business, TIM has not financially calculated these risks.

Regulatory sector Plans established as a result of the National Policy on Climate Change could also cover the telecommunications sector.

Physical sector Plans established as a result of the National Policy on Climate Change could also cover the telecommunications sector.

- Increased consumption of electric power to maintain network equipment at a proper temperature;
- Increased cost of energy and shortage of its offer caused by the fact that a large part of the energy generated in Brazil comes from fluvial sources;
- Shortage of renewable energy sources;
- Influence of humidity and salinity in the useful life of equipment;
- Negative impact on the mobile telephony signal from increased levels of rainfall;
- Negative financial impact caused by price increase of insurance related to natural disasters;
- Impact on the health and well-being of employees;
- Loss of income among consumers;
- Interruptions or deteriorations in telecommunications services provision due to potential environmental disasters on the network infrastructure;
- Changes in consumer behavior: loss of income and resulting loss of service purchasing power.

EMISSIONS OF OZONE LAYER DEPLETING SUBSTANCES

In addition to calculating GHG emissions associated to its activities, TIM measures the emissions of ozone depleting substances.

	2011	2012
In tons of gas		
R-22	0.99	1.26
R-141B	-	1.60
in t-eq CFC-11*		
R-22	0.05	0.07
R-141B	-	0.18

* Calculated based on total consumption of the gases and their ozone-depleting potential, presented in the Montreal Protocol, 2000

Refrigeration gases R-22 and R-141B are used mainly in the environment cooling equipment at TIM units.

There is no calculation for the emissions of NOx, SOx and other controlled air pollutants. [EN19]

WASTE MANAGEMENT

TIM seeks to minimize waste production and encourage differentiated collection, recovery and recycling in its activities. In addition, it works on the prevention of post-consumption damage by developing programs for collection and environmentally appropriate final disposal of potentially impactful products and materials.

The waste generated by TIM has four destinations: landfill, recycling, return to manufacturer or delivery to a specialized vendor for appropriate final disposal. In 2012, 654 tons of waste was generated by the company, of which 238.4 tons (36%) was hazardous waste and 415.6 tons (64%) was non-hazardous waste.

At administrative offices, the collection is done selectively with the separation of organic waste for public pickup, a responsibility of city administrations. The reusable and recyclable waste is sent to cooperatives, companies or public organizations of collection, registered according to region.

The recycling percentage for the waste generated in the offices, in 2012, was 74%, 16% above the goal for the year, which was 58%. In 2011, the recycling rate was 55%. As for the use of plastic cups, 44% of the total purchased items were recycled, surpassing the goal of 40%.

The hazardous waste generated at administrative offices, such as lamps, is returned to manufacturers or sent to vendors contracted to provide appropriate disposal for this material. Meanwhile, the hazardous waste generated by the chain, such as batteries and equipment parts, is returned to the manufacturers.

In 2012, TIM exported to Belgium* 87.8 kg of waste collected by the programs *Recarregue o Planeta* and *Papa-Pilhas* (the latter is a partnership with Banco Santander). At TIM stores and administrative buildings, special urns are provided to collect used batteries, unused cell phones and corresponding accessories. In order to minimize the generation of this kind of waste, the company offers the customer the option of a spare TIMChip, which enables reduction of turnover in the exchange of cell phone devices. [EN22, EN24]

* TIM exports electronic waste (e-waste) to Belgium, as no economically feasible national vendor was identified to handle this type of waste in an appropriate manner.

TOTAL GENERATED WASTE (T)

	2011	2012
Hazardous	176.4	238.4
Non hazardous	748.0	415.6
Total	924.5	654.0

Like in the previous year, in 2012 no significant spills were recorded. [EN23]

PAPER

TIM monitors paper consumption in four fronts: internal use, bags, marketing and invoices. Out of this total, 90.3% is paper with the certification of the Forest Stewardship Council (FSC), 9.4% is recycled paper and less than 1% is common white paper. The invoicing area is the one that consumes the most materials, followed by the marketing area. In 2012, they consumed, respectively, 1,736.5 tons and 791.4 tons of FSC paper, the only type both of them use. The consumption of white paper was reduced by approximately 58%, while the consumption of FSC grew approximately 33%.

Even though TIM initiated a campaign to encourage its subscribers to adopt the summary bill format, and thus avoid higher levels of paper use, in 2012 there was an increase in missed payments from customers, resulting in a higher volume of collection letters. In addition, there was an increase of almost 10% in the total number of lines, resulting in increased consumption.

Through instant messaging, contact at the Customer Relationship Center and the site, TIM encourages the collaboration of customers to reduce paper waste, informing that by choosing the summary model, the information for the full bill can be viewed at the site's exclusive area. In 2011, the total volume of summary invoices issued was 13,338,114, and in 2012 this number rose to 35,769,287, a 168% increase.

Internally, the company develops an awareness campaign towards rational use and disposal of paper, including a printing policy – front and back and in black and white – applied at all branches, resulting in savings of paper and toner. [EN1, EN2]

PAPER CONSUMPTION [EN1, EN2]

	2011		2012	
	Total consumed (kg)	Percentage of recycled material compared to total	Total consumed (kg)	Percentage of recycled material compared to total
Recycled paper	197,240.7	9.4%	94,399	3.7%
FSC paper	1,894,640.9	90.3%	2,534,176	96.2%
White paper	6,313.3	0.3%	3,716	0.1%
Total	2,098,194.9	100.0%	2,632,291	100.0%

ENERGY

The energy consumed by TIM is essentially obtained from the electricity grid, representing 96.4% of the total energy consumption, with the remainder consumed by its own fleet and energy generators. The operator has Radio Base Stations (RBS) with operational autonomy in case of interruption of energy supply and generators that can be used in order to ensure service operation in case of prolonged lack of energy supply.

The biggest energy consumers are the network machines, and that is why the company resumed its *Modernização e Swap Project*, which consists of the replacement of access equipment with more modern and efficient models. More than 50% of the network was modernized, and the project

will continue during 2013, contributing to improve operational capacity and reduce energy expenses.

Meanwhile, TIM develops educational measures to raise awareness of the internal audience in administrative offices, while conducting building maintenance actions, such as reduction of operation hours for the cooling and elevator equipment.

One way in which TIM monitors energy consumption is by using the eco-efficiency indicator, which links the quantity of transferred bits (voice and data traffic) with consumed energy (fossil fuel and electricity consumed to perform these services). Compared to 2012, this indicator grew approximately 25%, an eco-efficiency gain.

ENERGY CONSUMPTION¹ [EN3, EN4, EN5, EN6]

	2011	2012
In its own sources² (GJ)³		
Gasoline	38,380	43,114
Diesel- Vehicles	1,110	929
Diesel – Generators	10,434	5,904
Total	49,924	49,947
From third parties (GJ)³		
Electricity	1,246,689	1,342,931
Total	1,246,689	1,342,931

1 Energy consumption refers to all units and vehicles of TIM Participações S.A. in Brazil, including its two subsidiaries, TIM Celular S.A. and Intelig Telecomunicações Ltda. The amounts also cover activities of TIM Fiber, incorporated by TIM Celular in 2012.

2 In Brazil, it is impossible to determine the primary energy consumption for production of indirect energy. The concessionaires (hydro power, thermal power, etc.) are under no legal obligation to disclose the energy production source in the country.

3 In order to calculate consumption in gigajoules, the conversion rates of the National Energy Balance of 2012 were used.

WATER AND EFFLUENTS

Even though TIM's activities do not use much water, the company monitors the volume consumed at its units, both in the urban supply grid and from its own collection (later used in gardens and to clean parking lots). In 2012, the company's collection of rain water was interrupted for the construction work to expand the São Cristóvão unit in Rio de Janeiro. In the same year, the collection of underground water was started, by installation of an artesian well at the São Paulo unit.

The company implements initiatives to reduce water consumption in its operations, such as adjustment work and inspections constantly performed in bathrooms and pantries to avoid water leaks, and deployment of more efficient equipment in bathrooms (faucets with timers and toilets with coupled boxes). In 2012, the programs for conscious water consumption were intensified, announced through the corporate intranet, emails and information TVs.

However, an increase of 20% was observed in the total water consumption, compared to the volume consumed in 2011, as the consumption of Intelig and the former TIM Fiber – incorporated by TIM Celular in 2012 – started to be considered in 2012. [EN8, EN9, EN10, EN21]

Regarding effluents, TIM does not have initiatives for their treatment and later reuse. Therefore, all the volume produced by the company is directed to the public sanitation

grids, responsible for controlling the effluent treatment process. It is worth noting that the company does not perform disposal with high environmental impact and that no water body is significantly affected. In 2012, no kind of significant spill occurred.

WATER CONSUMPTION (m³)

	2011	2012
Collected by the company	562	7,957
Supply grids	178,535	207,139
Total	179,097	215,096

ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES

The Radio Base Stations (RBS), structures needed for the operation of the mobile telecom service, have an impact of electromagnetic radiation, in addition to their own deployment. According to the publication from Acel Telefonía Celular, *Conheça Bem essa Tecnologia*, prepared according to the study *Sistemas de Telefonía Celular: Atendendo ao Chamado da Razão*, conducted by the Electrical Engineering Department of the University of Brasília, studies developed by the World Health Organization (WHO) point out that there is not enough evidence that the use of cell phones is dangerous to health, as long as limits and precaution rules are followed. Also according to the Acel publication, radiation can be ionizing or non-ionizing. The non-ionizing type, issued by the radio waves used on cell phone telephony, does not have enough energy to damage human body tissue, causing only temperature increase, or thermal effects.

According to the publication, the antennas installed in towers or masts issue an insignificant level of radiation, even considering continuous exposure. In reality, the radiation level to which the population is exposed (as a result of radio wave emissions from antennas) is 50 to 1,000 times less than the safety level established by Anatel regulation. Through Resolution #303/2002, Anatel establishes the limits of exposure to electromagnetic fields in the radiofrequency range used by cellular telecom.

The instruction leaflet also explains that the safety level is determined by the Specific Absorption Rate (SAR), indicating the average rate of radiation absorption by the human body per kilogram (Watts/kg). In order to ensure the safety of customers, cell phones available on the market undergo a SAR test before they are sold, presenting levels well below the established limits.

Since 1996, WHO maintains the Electromagnetic Fields Project (EMF Project) with the goal of providing international co-

ordinated response to questions in this area. WHO's estimate is that more than US\$ 250 million has been spent on studies about this topic across the world and a further US\$ 130 million will be spent until 2014.

TIM monitors RBS radiation emissions, ensuring the safety of these structures regarding society. Calculations and measurements consider the shared station cases, in which technical parameters of transceivers and antennas of other operators are evaluated.

In this manner, all company RBS are authorized by Anatel. The license operates as network directive so all sites are deployed in locations allowed by the local competent authority and authorized through urban and environmental licenses, when applicable.

TIM started the process of identifying RBS in its sites that might be located in Permanent Preservation Areas (*Áreas de Proteção Permanente* – APP) and in areas protected for historical heritage, in order to adjust their situation with the competent authorities. So far, two RBS in permanent preservation areas have been identified, one of them in Pico de Jabre (Paraíba) and another in Silva Jardim (Rio de Janeiro). In areas protected for historical heritage, three RBS were identified, one at Morro do Cristo Redentor, in São Cristóvão (Sergipe), another in Lençóis (Bahia) and the third in Ouro Preto (Minas Gerais). [EN12, EN11]

Another impact generated by TIM operations is noise emission. In this case, usually emission monitoring is conducted by determination of the legislation (state and city) or by demand from public agencies. In order to obtain the operation license for the Radio Base Station (RBS), it is also necessary to perform this measurement.

In 2012, the company measured the level of electromagnetic emissions on 2,058 sites (33.7% more than in the previous year), and in two of them noise levels were measured. In this case, field measurement is conducted when the company is notified or when this is requested as part of the process to adjust site compliance. [EN26, SO1]

In 2012, TIM was fined for a total amount of R\$ 1.5 million, referring to 79 fines for environmental non-compliance. 244 violation records were registered, as well as 453 active administrative proceedings, 46 judicial proceedings and three conduct adjustment terms (*Termos de Ajustamento de Conduta* – TACs), still ongoing.

The three TACs were: one in Ceará, where TIM removed a tower from the city of Ipueiras; one in Amazonas, where TIM needed to license RBS; and another in Roraima, established between TIM Celular S.A. and the City of Boa Vista, in order to adjust compliance of urban licensing for all the RBS installed in the city. [EN28]

ENVIRONMENTAL LITIGATION (QUANTITY OF PROCESSES)

	2011	2012
Administrative processes (active)	208	453
Administrative processes (incoming)	11	248
Judicial processes (active)	49	46
Judicial processes (incoming)	2	3

As another way of minimizing the environmental impact of its business, TIM intensified its internal awareness campaigns regarding consumption of energy, lamps and water. And, regarding GHG emissions, with the inventory it is possible to identify the main company emission sources to establish voluntary goals for GHG reduction. Currently, TIM does not have GHG reduction goals, but it sees the already established goal for reduction of electricity consumption in network equipment as a way to encourage the reduction of such emissions, as it stimulates operational efficiency and conscious consumption in the activity that most heavily consumes electricity in the company.

Regarding paper consumption, all TIM regional sites use recycled paper and perform replacement of printers, fax, scanners and copiers with multifunctional equipment. In addition, printing restriction policies and internal awareness campaigns resulted in smaller consumption not just of material, but also toners and other resources, with smaller costs. [EN26]

SUSTAINABILITY

SOCIAL PERFORMANCE

TIM INVESTS IN ITS COLLABORATORS THROUGH TRAINING AND FUNCTIONAL CAPACITATION

The main success factor for the whole company is represented by the contribution of the people working in it, in a context of loyalty and mutual confidence. That is why the company stands for safety and health in the workplace and considers respecting labor rights essential for performance of economic activities.

TIM seeks to invest in its collaborators through training and tools for career development and expansion of their qualifications. In 2012, board members and managers, relation-

ship consultants and members of the sales force, among other functions, participated in a group that underwent 679,675 training hours (in classroom, online and on the job), approximately 44 thousand hours more than in 2011, when 636,202 hours of training were offered. In addition, 35% of the collaborators participated in at least one training about sustainability matters.

EDUCATION AND QUALIFICATION

In 2012, TIM offered 120 positions in the Administration graduation course to its own collaborators lacking university courses. The course offered by TIM is a result of the partnership with the International Association of Continued Education (*Associação Internacional de Educação Continuada – Aiec*), one of the best Internet colleges in Brazil. Those approved to participate receive scholarship support from the operator, in an amount ranging from 25% to 80%, until the 3rd year of the course (according to the position occupied by the professional), and 100% in the last year of graduation.

In November, the operator started the second cycle of Skill Assessment 2012, a certification that enables constant alignment of the sales force with business expectations, driving continuous development of these professionals. Using a test, Skill Assessment evaluates the knowledge level of the competencies that every sales professional needs in order to perform his job.

In order to promote maintenance and dissemination of knowledge inside the company, a number of collaborators also underwent an online training course regarding ISO 9001 and ISO 14001 certifications.

In addition, in November, the operator promoted the Mentees Abertas workshop, with the topic “Leadership and Active Roles inside the Organization”, in Rio de Janeiro, gathering 250 company managers with the goal of reflecting on the strategic role within the company and the importance of active roles in such a competitive scenario

LOJA-ESCOLA

Focused on further improving customer service at its points of sale, TIM launched in 2012 a first of its kind project in the mobile telecom sector in Brazil: the *Loja-Escola*. Seven training centers, simulating company stores, were inaugurated in December, in regional offices of the company – São Paulo (SP), Brasília (DF), Curitiba (PR), Rio de Janeiro (RJ), Recife (PE), Belém (PA) and Porto Alegre (RS) –, to train sales consultants in a convenient and interactive way. The project received investments of R\$ 1 million.

The expectation is that all 2 thousand collaborators from the company's own stores will undergo periodic training at the

units, which will also serve as training center for new consultants and for employees of TIM's partner resellers.

TRAINING PROGRAMS

TIM invests in training programs in order to prepare its collaborators for future challenges. The main initiatives are:

- *Programa de Graduação*, offering college-level education for up to 50 collaborators;
- *Formação Internacional*, offering overseas experiences to collaborators;
- Specific technical training, focused on technical qualifications and updates for performing assigned functions;
- Institutional trainings, supporting integration of the collaborator in the company.

In 2012, R\$ 10.2 million were invested in corporate education programs offered to employees. In addition, TIM helps more than 510 collaborators with financing of formal education, totaling an investment of R\$ 3.9 million.

TOTAL HOURS DEDICATED TO CORPORATE EDUCATION PROGRAMS (HOURS/YEAR)

Average training hours for functional category, by employee	2012
Executive officers	455.4
Management	16,652.6
Other positions	67,209.4
Sales force	454,997.5
Relationship Consultants (CRCs)	140,360.1
Total time dedicated to corporate education programs – hours/year	679,675.0

In regards to employees in termination process, TIM has the policy of indemnification for termination and indemnification for service time, as established in the law. Taking into consideration the well-being of laid-off collaborators, in specific termination cases, TIM extends the health plan benefit because of a surgery, for instance.

The company has a Individual Development Plan (*Plano de Desenvolvimento Individual*), which defines actions to be performed according to the competencies of each professional and his area of work. Based on this, movement is defined regarding career and merit.

In order to arrive at this plan, TIM annually conducts a performance evaluation of its employees, based on activities

and goals established for the period and the group competencies defined for each function. After the evaluation, manager and collaborator organize a feedback meeting, in which they establish consensus about the competencies that must be developed over the next year, while also defining new goals and objectives.

Seeking excellence in the quality of TIM's customer service, the company has a Consultores de Excelência Program, specifically targeting Relationship Consultants. With the goal of promoting professional improvement of this audience, employees are evaluated monthly regarding previously agreed quality, productivity, behavior and collective indicators.

The evaluation results are shared with the collaborators and used as support for decision making regarding career development. The annual average of the results is converted into a concept that summarizes the CR performance, aligned with the corporate performance management process.

PERCENTAGE OF EMPLOYEES SUBMITTED TO PERFORMANCE ANALYSIS [LA10, LA11, LA12]

	2011	2012
Employees ¹	80%	99%
Relationship Consultants	100% ²	100%
Total³	30%	41,4%

¹ The presented percentage refers to employees who received training compared to the total number of employees eligible for such activity. The eligibility criteria include, among other factors, the employee's company time.

² In 2011, a rate of 0% was reported, but now this percentage was adjusted to 100% regarding that year. What happens is that 100% of the CRs undergo result evaluation, which is a different training than the one provided to employees. This is why a value of 0% was reported. The correct number is 100%, considering that result evaluation is a kind of training.

³ Based on the total number of employees at the company.

NEW GOALS WILL BE ESTABLISHED THROUGH AN EMPLOYEE PERFORMANCE EVALUATION

In 2012, 4,717 collaborators were laid-off, 52% voluntarily and 47% involuntarily. During the same period, 5,787 collaborators were hired, of which 61% were women and 89% were up to 35 years of age. All hirings in 2012 were conducted through external contracting. [LA2]

TOTAL RATE OF HIRINGS / FIRINGS

	Percentage*			
	2011	2012	2011	2012
Hired	4,522	5,787	44%	49.7%
Fired	4,394	4,717	42.8%	40.5%

* Rate of hirings = hired/total collaborators at the end of the period. Rate of firings = laid off/total number of collaborators at the end of the period

FIRINGS

	Percentage*			
	2011	2012	2011	2012
Voluntary	2,397	2,479	54.5%	52.6%
Involuntary	1,980	2,228	45.1%	47.2%
Other causes	17	10	0.4%	0.2%
Total	4,394	4,717	100%	100%

* Firings = voluntary or involuntary/total collaborators fired at the end of the period.

TURNOVER RATE

	2011	2012*
Voluntary	23.2%	21.3%
Involuntary	19.3%	19.1%
Total	42.5%	40.4%

* After 2012, turnover started being calculated using the total number of employees at the end of the period covered by the report, in order to comply with the methodology proposed in the GRI Set of Protocols and Indicators.

HIRINGS/FIRINGS BY GENDER

Gender	Percentage*							
	Hired		Fired		Hired		Fired	
	2011	2012	2011	2012	2011	2012	2011	2012
Men	1,641	2,245	1,540	1,727	15%	18%	14%	14%
Women	2,881	3,542	2,854	2,990	27%	29%	26%	24%
Total	4,522	5,787	4,394	4,717	42%	47%	30%	38%

* Rate of hirings = hired/total collaborators at the end of the period. Rate of firings = laid off/total number of collaborators at the end of the period.

HIRINGS BY AGE RANGE

Age range	Taxa*			
	2011	2012	2011	2012
Below 35	4,141	5,152	38.3%	42.1%
Between 36 and 45	330	543	3.1%	4.4%
Between 45 and 60	51	91	0.5%	0.7%
Above 60	0	1	0%	0%
Total	4,522	5,787	41.9%	47.2%

* Rate of hirings = hired/total collaborators at the end of the period. Rate of firings = laid off/total number of collaborators at the end of the period.

INTERNAL UNITS

In 2012, TIM expanded the chain of its own stores by almost 70% in Brazil, ending the year with 130 units directly managed by the operator. The new points of sale generated 840 job opportunities, increasing the company's sales force by 58%. For 2013, the company plans to open approximately 300 new of its own stores, which will demand approximately 500 new sales consultants.

In total, TIM has approximately 10 thousand points of sales, including premium stores and resellers (dedicated or multi brand), while also benefitting from the capillarity of the large retail chains. Customers of the pre-paid segment also have alternate channels for recharging, such as supermarkets and newsstands, with a total of more than 470 thousand points of sale distributed across the country.

PROFILE OF COLLABORATORS

In addition to encouraging professional development, TIM prioritizes a healthy work environment, open to new ideas. That is why collaborators are continuously informed about the company's progress in the telecommunications market and the established goals through the corporate intranet, TIM News (internal corporate TV, with transmission in areas with significant circulation), and internal communication emails.

At the end of 2012, TIM's staff included 12,264 collaborators, of which 11,650 were employees, 316 apprentices, 289 interns and nine outsourced on administrative work. The average age is 31: 29% of the collaborators is 25 or less; 48% are between 25 and 35; 17% between 35 and 45 and 6% are above 45.

Out of the total number of employees, most are concentrated in the states of Rio de Janeiro, São Paulo and Espírito Santo. Approximately 91% have less than 10 years of company time. All employees have full time jobs. **[LA1]**

NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT

	2011	2012
Employees	10,266	11,650
Interns	278	289
Apprentices	270	316
Total collaborators	10,814	12,255
Administrative outsourced	18	9
Total internal audience	10,832	12,264

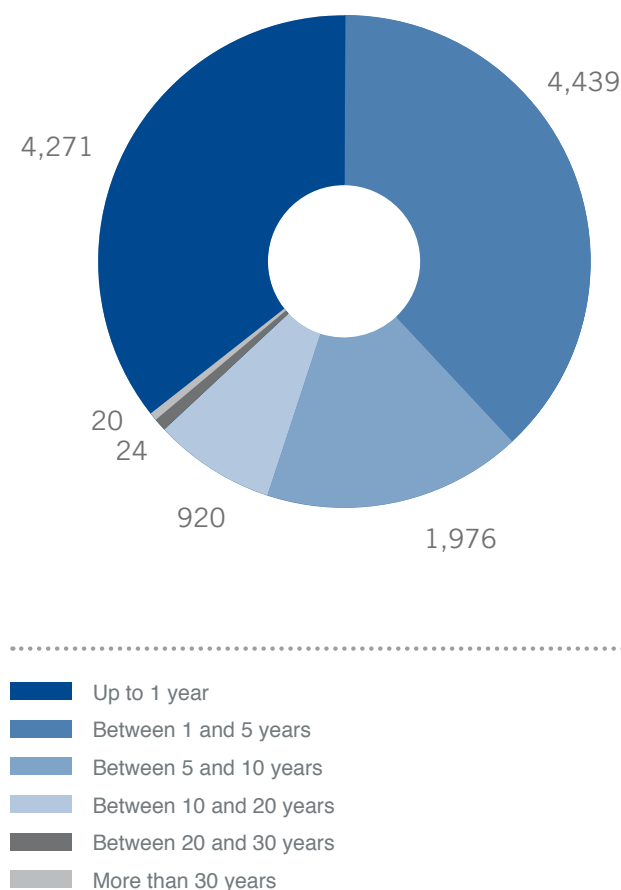
NUMBER OF EMPLOYEES BY REGION

	2011	2012
PA, AM, MA, AP, RR	236	233
DF, GO, TO, MT, MS, RO, AC	283	316
PE, AL, PB, RN, CE, PI	1,869	1,931
MG, BA, SE	413	503
SP, RJ, ES	6,105	7,239
PR, SC, RS	1,360	1,428
Total	10,266	11,650

PERCENTAGE OF EMPLOYEES BY COMPANY TIME

	2011	2012
Up to 1 year	32.5%	36.7%
Between 1 and 5 years	42.4%	38.1%
Between 5 and 10 years	17.4%	17%
Between 10 and 20 years	7.2%	7.9%
Between 20 and 30 years	0.3%	0.2%
Over 30 years	0.2%	0.1%

EMPLOYEES BY COMPANY TIME



EMPLOYEES BY TYPE OF CONTRACT

	2011	2012
Indeterminate contract	10,266	11,650
Determinate contract (apprentices)*	548	605
Total	10,814	12,255

* Contracts with determinate time.

In 2012, TIM was named in 10,823 labor lawsuits and paid an amount of R\$ 2.7 million in proceedings with favorable rulings. [so8]

ESTÁGIO SEM FRONTEIRAS

[INTERNSHIP WITHOUT BORDERS]

The number of people enrolled in the 2012 edition of the *Estágio Sem Fronteiras* program broke records, when compared to previous years. Almost 17 thousand candidates from the states of São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, Pará and Pernambuco competed to 123 positions at the operator, a quantity 40% higher than the one recorded in the 2011 edition. The high percentage of hirings for interns and the benefits offered by TIM are among the main factors for the result achieved in registration.

CLIMATE SURVEY

In 2012, TIM conducted the climate survey of the Telecom Italia Group in partnership with Bocconi University, from Italy, in order to verify the quality of the work environment. According to the opinion of collaborators, the average general satisfaction was 7.54 (on a scale of 1 to 10), placing TIM as the company in the Telecom Italia Group in which collaborators presented the highest levels of satisfaction. In addition to the general satisfaction average, 22 other items (external image, market guidance, leadership, diversity, among others) were evaluated, on a scale of 1 to 7. The grades achieved by TIM ranged from medium (4 to 5) to medium high values (5 to 6).

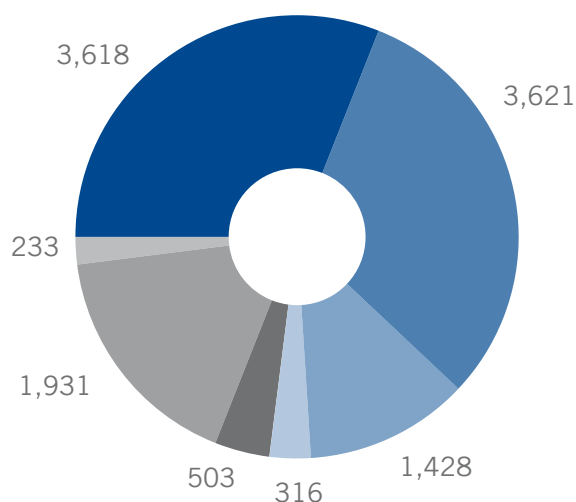
IN EXTERNAL RECRUITING CASES, TIM STRIVES TO OFFER PREFERENCE FOR PEOPLE LIVING IN THE CITY OF ORIGIN OF THE POSITION

MARKET PRESENCE

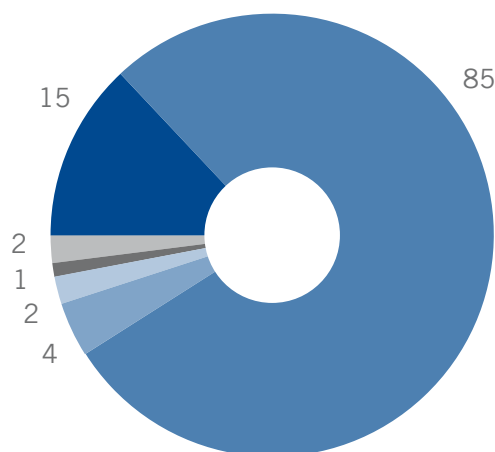
TIM does not have a structured policy for contracting in the local community; however, in external recruiting cases, the company seeks to offer preference to local labor, residing in the city from which the position comes. In some cases, as a way of mobilizing people for the recruitment and selection process, neighborhood associations of nearby communities become aware of the opportunities through the corporate posters, by website or personal contact.

In addition, the nearby local communities are contacted to announce positions on local call centers. [EC7]

EMPLOYEES DISTRIBUTED BY REGION



TOP MANAGEMENT EMPLOYEES BY REGION



RESPECTING DIVERSITY AND FIGHTING DISCRIMINATION

TIM believes that a diverse environment, including people regardless of gender, race, sexual orientation, religion, social or physical conditions, is the way to promote a rich exchange of ideas. Therefore, the company encourages talent and offers equal opportunities for all. Even though there are no formal initiatives aimed at ensuring or expand-

ing diversity in the general staff and in the groups responsible for governance, the company makes this positioning clear in articles posted in various internal communication media. [LA13]

EMPLOYEE DISTRIBUTION BY GENDER AND FUNCTION- CENTRAL OF CUSTOMER RELATIONSHIP (CRCS)

Position	Percentage							
	Men		Women		Men		Women	
	2011	2012	2011	2012	2011	2012	2011	2012
Managers	9	7	18	19	0.8%	0.7%	0.6%	0.6%
Professionals	96	84	191	183	9.1%	8.0%	6.2%	5.6%
Fraud / Relationship Consultants	928	928	2,866	3,014	87.6%	88.9%	92.3%	92.3%
Interns	1	0	1	2	0.1%	0.0%	0.0%	0.1%
Apprentices	25	25	28	48	2.4%	2.4%	0.9%	1.5%
Total	1,059	1,044	3,104	3,266	100%	100%	100%	100%

DISTRIBUTION OF EMPLOYEES BY GENDER AND FUNCTION HOLDING AND REGIONAL OFFICES

Position	Percentage							
	Men		Women		Men		Women	
	2011	2012	2011	2012	2011	2012	2011	2012
Executive Officers	41	0	3	0	1.2%	0%	0.1%	0%
Managers	420	507	199	224	12.0%	11.8%	6.3%	6.2%
Professionals	1,830	2,093	1,422	1,540	52.1%	48.5%	45.3%	42.4%
Sales Force / Stores	964	1,312	1,037	1,239	27.4%	30.4%	33.1%	34.1%
Fraud / Relationship Consultants	40	162	202	338	1.1%	3.8%	6.4%	9.3%
Interns	155	158	121	129	4.4%	3.7%	3.9%	3.6%
Apprentices	64	81	153	162	1.8%	1.9%	4.9%	4.5%
Total	3,514	4,313	3,137	3,632	100%	100%	100%	100%

COLLABORATORS BY COLOR/RACE

Color/race	Percentage			
	2011	2012	2011	2012
White	7,206	8,124	66.6%	66.5%
Black	420	665	3.9%	5.4%
Mixed race	2,997	3,251	27.7%	26.6%
Yellow	30	95	0.3%	0.8%
Indigenous	37	37	0.3%	0.3%
Not declared	124	83	1.1%	0.7%
Total	10,814	12,255	100%	100%

COLLABORATORS BY AGE RANGE

Age range	Percentage			
	2011	2012	2011	2012
Under 18	131	166	1.2%	1.4%
18 to 35	8,340	9,407	77.1%	76.9%
36 to 45	1,774	1,995	16.4%	16.3%
45 to 60	551	666	5.1%	5.4%
Above 60	18	21	0.2%	0.2%
Total	10,814	12,255	100%	100%

WAGES

The wage policy is not linked to any kind of discrimination and reflects market behavior. In 2012, even though the wages earned by men were still higher than women's, there was continuous effort to reduce the difference in average pay. [LA14]

PROPORTION OF BASE WAGES BETWEEN MEN AND WOMEN

	2011	2012
Executive Officers	1.0	1.7
Managers	1.2	1.2
Professionals	1.2	1.2
Sales Force / Stores	1.4	1.2
Relationship Consultants / Fraud	1.0	1.0

BASE WAGE FOR MEN (R\$)

	2011	2012
Directors	15,595,020.00	18,202,142.00
Managers	55,501,417.92	65,660,030.50
Professionals	103,696,120.05	126,800,297.66
Sales Force/Stores	22,223,322.40	28,258,288.89
Relationship Consultants/Fraud	7,279,310.37	8,525,338.37

BASE WAGE FOR WOMEN (R\$)

	2011	2012
Directors	1,104,500.00	1,448,600.00
Managers	23,904,673.94	27,397,323.98
Professionals	71,418,248.92	84,722,724.94
Sales Force/Stores	17,511,034.70	22,021,674.08
Relationship Consultants/Fraud	24,098,637.52	26,527,625.47

THE WAGE POLICY IS NOT LINKED TO ANY KIND OF DISCRIMINATION AND REFLECTS MARKET BEHAVIOR

Internally, the ratio between the biggest and the smallest wage paid to employees is 54.8 times. In general, in 2012, most states experienced pay increases. In Rio de Janeiro, Pernambuco, Alagoas, Paraíba, Rio Grande do Norte, Ceará and Piauí, the wage increase led to a reduction in the negative proportion between the local minimum wage and the minimum paid by the company.

As TIM signed collective agreements in all regions, no collaborator is subjected to the rules for the local minimum wage, as the application of this amount only occurs in places where no collective agreement has been reached. Therefore, the wage parameter to be considered is the local floor (*piso* – value defined in the collective agreement), and in these conditions there are no collaborators receiving below this floor. [EC5]

SALARY PARAMETER

	Local minimum wage (R\$)	Lowest wage paid (R\$)	Percentage of employees receiving the lowest wage	Ratio regarding local minimum wage
SP	690.0	665.0	24.5%	-3.5%
RJ	729.6	625.0	17.1%	-14.1%
ES	622.0	887.0	20.0%	42.6%
PR	811.8	625.0	36.1%	-23.0%
SC	700.0	887.0	37.4%	26.7%
RS	700.0	875.0	0.5%	25.0%
DF, GO, TO, MT, MS, RO, AC	622.0	887.0	24.7%	42.6%
MG, BA, SE	622.0	837.0	10.3%	34.6%
PE, AL, PB, RN, CE, PI	622.0	625.0	40.9%	0.5%
PA, AM, MA, AP, RR	622.0	835.0	0.4%	34.2%

COLLECTIVE AGREEMENTS

The company ensures compliance with the rights of freedom of association and collective negotiation, in accordance with current Brazilian legislation. The company negotiates approximately 85 collective labor agreements, with 27 unions, and has 372 unionized employees.

In November 2012, a significant part of the collaborators of TIM and Intelig voted, in an assembly at the Union of Telecom Company Workers, to approve the Collective Labor Agreement for 2012-2014. Negotiations were concluded in December. The main request from the unions was met, with the granting of a real increase for more than 40% of the workers and full compensation for the accumulated inflation rate for the remainder. Another highlight was the increase above inflation rate for the social benefits, and the maintenance of conditions negotiated in previously effective collective agreements.

In 2012, TIM also participated in negotiations of the Result Participation Program (PPR 2012/2013), which ended in September, with the signing of a collective instrument between TIM/Intelig and the unions. [\[LA4\]](#)

POLÍTICA DE RECOMPENSA

The Reward Policy (*Política de Recompensa*) was developed by TIM with the purpose of recognizing and prioritizing collaborators according to achieved results and individual contributions. Among the goals are the adjustment of pay as a result of performance, recognition of results and retention of the best employees, plus the offer of growth and professional development opportunities.

The reward modes are: merit, promotion, internal opportunities, bonus (thanks to high performance) or extra (for the development of a specific project/activity). The application can result in wage increase or in a specific bonus / extra.

All collaborators with at least six months at the company who have had at least a result equal to “fully met expectations” in the last Performance Management (GD) are eligible to participate in the policy. The bigger the performance evaluation, the bigger the wage range limit that a collaborator can reach. Within this policy, this level can reach up to 150% of the market average.

RULES

	Wage increase	Bonus / extra
Maximum percentage adjustment in the year	Up to 35% of the wage.	Up to 3.5 wages.
Frequency	Up to two wage increases per year, with at least 10% in each move, as long as the maximum limit is respected. Minimum interval of three months between the actions.	One bonus / extra per year
Combination of instruments	It is possible to combine more than one type of instrument, as long as the maximum equivalent limits are respected (every 10% of wage increase correspond to a bonus wage, as equivalence criteria)	

Throughout 2012, 1,087 collaborators were contemplated with merit and internal opportunities actions, reaching 39.7% of the eligible population, with an average salary increase of 20.5%.

BENEFITS

TIM offers its employees a series of work benefits, such as medical and dental plans, life insurance, private security (managed by Itaú), food/meal coupons, transportation coupons, nursery support and cell phone devices with functional voice and data plan. In 2012, expenses with benefits totaled R\$ 125.3 million.

TIM collaborators also can participate in the Stock Options Program (long term incentive plan), whose goals are to encourage expansion, success and achievement of the company's social objectives, while aligning interests of executive officers and collaborators with the interests of its shareholders.

In addition, all employees participate in the company's profits and results program, with executive officers, managers and coordinators receiving the Management by Objectives (MBO), and the other employees the Participation in Profits and Results (*Participação nos Lucros e Resultados* – PLR).

It is worth highlighting that the Stock Options Program includes high management, who also receive vehicle and fuel, and directors and managers, who also have the right to an international medical assistance plan. [LA3]

TIM OFFERS ITS EMPLOYEES MANY LABOR BENEFITS, ADDING UP TO R\$ 125.3 MILLION IN 2012

SOCIAL SECURITY

The contribution is 1% of the wage up to R\$ 2,620, fully paid by TIM. If the employee receives a higher wage, 1% of R\$ 2,620 is paid, and after this amount, 6.6% is paid referring to the remainder of the wage, with the collaborator and TIM participating with equal contributions. The employee can also make additional contributions to the plan, according to choice.

Participation in the plan is voluntary, and the collaborator also benefits from some advantages, such as exemption of the fee for entering and exiting the plan and possibility of deduction in income tax statements.

For collaborators coming from Intelig who were not transferred to TIM, the Intelig complementary social security plan remains active, managed by HSBC.

TIM also sponsors social security plans managed by closed social security entities, such as Sistel and Timprev. [EC3]

OCCUPATIONAL HEALTH AND SAFETY

TIM has 11 Internal Committees for Preventing Work Accidents (*Comissões Internas de Prevenção de Acidentes – Cipas*) distributed across company units with more than 50 collaborators. At the units with the minimum number of collaborators, a person in charge is trained to perform these activities.

Cipas operate according to Regulatory Norm 05 (NR 05) in preventing work-related illnesses and accidents. These actions are conducted together with the Specialized Service in Safety Engineering and Labor Medicine (SESMT) or with the company's Labor Safety representative. The committees are formed half by collaborators appointed by the company's management body and the other part by employees chosen by their peers.

TIM also has a channel for labor health and safety (*Saúde e Segurança no Trabalho – SST*) including professionals specialized in labor health, safety and environment in all its regional sites. The team works to identify and control occupational risks through preventive and awareness actions.

In 2012, TIM did not register serious accidents involving employees. In order to avoid the risk of occupational illnesses, particularly in the Customer Relationship Center, in which there is cognitive risk, the company performs: labor gymnastics programs, ergonomic evaluations, Occupational Health Medical Control Program (*Programa de Controle Médico de Saúde Ocupacional – PCMSO*) and Environmental Risk Prevention Program (*Programa de Prevenção de Riscos Ambientais – PPRA*). In addition, it has the *Programa de Qualidade de Vida TIM*, which provides information and encourages employees to maintain healthy life habits.

In case of accidents, they are registered on INSS by the online CAT system and are analyzed and investigated through specific documents, which are available on the SSMA network. These procedures are described in the Labor Accident Communication Policy, available for consultation on the intranet, and accident management is conducted through the Occupational Health System (*Sistema de Saúde Ocupacional – SOC*).

TIM, together with the Telecommunications Workers Union (*Sindicato dos Trabalhadores em Telecomunicações – Sinttel*), works on campaigns and studies with the goal of finding solutions for work safety and medicine problems.

As an additional action performed while thinking about the health, safety and well-being of employees, in addition to the adoption of measures for collective and individual protection, the company organizes the Internal Week for Prevention of Work Accidents (*Semana Interna de Prevenção de Acidentes de Trabalho – Sipat*), flu vaccination, Pro-

grama de Conservação Vocal, announcement of information through the intranet and actions at offices to better explain topics and encourage employees to maintain healthy life habits. [LA6, LA7, LA8 e LA9]

SUPPLIERS

TIM has 64 important suppliers*, and 100% of them undergo evaluations related to sustainability. However, the answers to these evaluations are not considered in the supplier qualification and selection processes, functioning only to strengthen mutual commitments regarding the Relationship Policy. This questionnaire includes themes related to ethical principles, child and forced labor, work health and safety, freedom of association and right to collective bargaining, discrimination, harassment, prioritization of diversity, and management of environmental impact. [EC6]

IN ORDER TO BE A TIM VENDOR, AN ORGANIZATION NEEDS TO FOLLOW THE COMPANY'S CODE OF ETHICS AND CONDUCT AND THE PRINCIPLES OF THE GLOBAL COMPACT

By registering to be a TIM vendor, an organization needs to sign a statement promising, as applicable, to comply and disseminate in its activities and business chain the TIM Code of Ethics and Conduct and the Global Compact Principles of the UN. Compliance with these two commitments is also included in the legal contracts and other agreements signed by suppliers in general.

There is no kind of evaluation among suppliers regarding compliance with these principles, nor specific procedures to identify operations or processes in its production chain about risk of slave-type work.

Also, to fight child labor and slave-type labor, TIM handles the topic through its Code of Ethics and Conduct, available on the Internet, and through participation in the Global Compact, which includes directives with commitment towards these topics, promoting them both internally and externally. TIM does not perform formal training regarding human rights for its collaborators and security professionals. [HR2, HR3, HR4, HR6, HR7, HR8]

EXPENSES WITH LOCAL VENDORS

			Percentage	
	2011	2012	2011	2012
Local suppliers	6,370,229.5	7,142,602.0	95.9%	96.9%
Other suppliers	270,955.7	227,201.0	4.1%	3.1%
Total	6,641,185.2	7,369,803.0	100%	100%

SUSTAINABILITY

SOCIAL RESPONSIBILITY

INVESTMENTS IN EDUCATIONAL PROJECTS TO PRIORITIZE INCLUSION OF CHILDREN AND YOUNGSTERS

The established criteria to regulate private social investment at TIM are related to the promotion of inclusion of people in less favored groups, mainly children and youngsters, through investments in educational projects capable of reinforcing the “no borders” concept in the social area.

TIM ACTION AT PASTORAL DA CRIANÇA

In 2012, TIM established a partnership with *Pastoral da Criança* to use the cell phone to transmit information about the health of children and pregnant women. Approximately 1,000 volunteers from the organization have been trained, in cities in the north-east and south regions of Brazil, and by December 2013, an additional 1,500 volunteers from across the country will undergo the same training.

Surpassing the limitations of a manual process, which took up to three months between collecting and publishing the data, the initiative enabled development of a tool allowing volunteers to transmit in real time information about shortage of antibiotics and vaccines for pregnant women and children in Basic Health Units (UBS) and about the service for this audience, among other data. This transmission can be performed through cell phones by the Internet and using text messages (SMS).

The TIM Action at Pastoral da Criança is aligned with the directives of the World Health Organization (WHO), which point out as a priority, for the 2012-2017 period, the e-saúde actions, which is the use of mobile and wireless technologies to serve public health policies. In WHO's evaluation, these technologies have the potential to improve health service provision across the world. The use of mobile telephones to increase service

quality and raise the efficiency of service provision in health systems is known as m-Health and is a segment of the broader field of electronic health (e-Health).

TIM's partnership with Pastoral da Criança also includes the execution of public utility campaigns. In 2012, three actions were performed, with over 5 million SMS sent on measures to avoid dehydration in summer, breastfeeding and the importance of children receiving the first dose of the antibiotic at UBS.

BATERIA DOS JOVENS SURDOS

TIM supported in 2012 one of the percussion bands created in the *TIM Música nas Escolas* program – an educational initiative targeting students in the public school system, based on the universal language of music, which ended on December 2011 – formed by youngsters with hearing disabilities. The *Bateria dos Jovens Surdos* includes 20 students, with ages between 9 and 19, who study at the National Institute for Education of the Deaf (Ines), under the command of percussion master Mangueirinha.

The learning process features a specific methodology that meets the needs of participants by using repetition and body awareness. The instrument training and the repertory of this group focus on the music genres related to samba schools and Brazilian rhythms. In 2012, in the period between March and December, there were 33 weekly meetings with a duration of one hour and a half.

TIM ARTEEDUCAÇÃO

Coordinated and created by NGO Humanizarte, the program featured in 2012 the participation of over 4,300 youngsters in 12 cities of Minas Gerais. The initiative establishes partnerships with the city administration of the participating cities, seeking to encourage the development of self-esteem and social inclusion of youngsters through workshops of music, theater, dance, storytelling, *capoeira* and other forms of artistic expression, including digital language.

TIM PLURAL CONECTADOS

Still in test phase, the *TIM Plural Conectados* project has as its main goals promoting social mobility through the cell phone and creating opportunities for generation of jobs and income for people in poor communities of the city of Rio de Janeiro. In 2012, people in the communities of Complexo do Alemão, Vila Kennedy, Nilópolis and Borel participated in the project.

ESPAÇO TIM UFMG DO CONHECIMENTO (ETUC)

The project is part of the *Praça da Liberdade* Cultural Circuit, which is one of the main initiatives of the current administration of the state of Minas Gerais in the culture area. The site, which is prepared to serve annually approximately 300 thousand visitors, includes a modern planetarium with scientific, cultural and educational purposes.

VOLUNTEER WORK

In order to encourage and support volunteer work among its employees, TIM develops the *Cidadão Sem Fronteiras* program, through which professionals can dedicate one day of work per year to solidarity work. In 2012, 358 collaborators were involved in social solidarity initiatives. The quantity of participants in the *Cidadão sem Fronteiras* program was 63% higher than the number registered in the previous year. By comparison with the participation in 2010, the result is 126% better.

TIM INSTALLS WI-FI NETWORK AT ROCINHA AND PARAISÓPOLIS

TIM provided wi-fi Internet access to inhabitants of communities in Rocinha (RJ) and Paraisópolis (SP), in order to offer development, citizenship and a better Internet experience to TIM customers, as well as a better relationship with government agencies.

This high speed wireless Internet connection can be used by TIM customers with pre and post-payment plans, and is a complementary service to the data plan already offered by the operator. In Paraisópolis, the users of other operators can also access the broadband using the *Paraisópolis Wi-Fi* network. Through it, locals can navigate freely in public utility sites, such as those of the City Administration, state government, Procons and Poupatempo, among others. The TIM Wi-Fi project in communities started in December 2011, at Rocinha, and in September 2012 at Paraisópolis.

PRIVATE SOCIAL INVESTMENT [S01]

Main Social and environmental projects supported

Earth Hour	For the third year in a row, TIM joined the World Wide Foundation (WWF) for the Earth Hour, an initiative that seeks to raise awareness about the relevance of climate changes. Using text messages (SMS), the company invited customers to turn the lights off for one hour, a symbolic act against global warming.
Fundraising for storm victims in RJ and MG	Impacted by the damage from torrential rain hitting the Southeast in the beginning of 2012, TIM developed a campaign with the goal of collecting food, water and mattresses for people who lost their homes. The company sent text messages to customers in Rio de Janeiro and Minas Gerais, informing how and where to donate. In total, 1.5 million text messages were sent out – between January 24 and 26 – and 1 million were received, so the effectiveness of this action was 68%.

Main cultural support

Carnival in Bahia	Sponsorship of rehearsals of known artists of the Northeast region during the pre-Carnival period, including: AraKetú, Filhos de Jorge and Moraes Moreira.
Multiculturas	Included support for projects in various cultural segments, such as: “Sons das Praças”, “Verão Cultural Salinas”, “Música na Praça”, “Verão Itinerante” and “Pará Cultura Mix”. The event lasted for 12 days, with many attractions in the “Verão de Salinas” and also the “Carreta Loja Itinerante”, “Carreta Lan House” and “Palco Show”.
Fundição Progresso	Festival celebrating the anniversary of the <i>Fundição Progresso</i> culture center. Major events with musical shows gathering renowned artists and new talents, as well as debates open to the community with a focus on discussing the culture market.
Semana Farroupilha and Traditionalist Movement of Rio Grande do Sul	Event to remember the cultural history of Rio Grande do Sul. TIM’s activity was based on <i>Piquete TIM</i> , including many activities during the 15 days, like the <i>chimarrão</i> circle, mouth organ player, workshops and traditional dance.

TIM na Estrada	Festival with shows featuring the main artists of country music in the following cities: Balneário Camboriú, Campo Grande, Goiânia, Jaguariúna, Porto Alegre, São Paulo, Ribeirão Preto and São José dos Campos.
ArtRio	With the goal of supporting universal access to art, the initiative aims to bring art to the daily lives of people, in different formats and possibilities, including urban interventions, creation of art itineraries in the public spaces of the city of Rio de Janeiro, and guided visits to museums and collections. The height of the movement is the international fair of modern and contemporary art.
Folklore Festival of Parintins	The Folklore Festival of Parintins is an annual event held in June. Marked by impressive allegories represented by floats prepared by artists of Parintins, the dispute is based on local legends, which year after year appear in popular imagination, representing the history of Amazonian people through a great party.
Oktoberfest	Inspired by the biggest beer party in the world, Oktoberfest from Munique, the version in Blumenau is a festival of German traditions offering typical food, dance and music. Oktoberfest in Blumenau is a product that is kept authentic, preserving the German traditions brought by settlers 160 years ago.

AMOUNT ALLOCATED TO SOCIAL PROJECTS

Area	Investment (in R\$)	
	2011	2012
Education	3,489,089.1	1,093,319.6
Culture	-	511,022.6
Health and sanitation	102,059	87,452.6
Sports	10,000	759,293.1
Others	1,061,478.7	1,355,223.7
Total invested*	4,662,626.8	3,806,311.7

* In 2012, the fiscal incentive is included in the above amount and corresponds to 44% of these investments. In 2011, this percentage was below 19% of the invested total.

CULTURE AND SPORTS SPONSORSHIPS

Area	Investment (R\$)	
	2011	2012
Culture	12,264,873.1	12,259,497.6
Sports	5,687,848	1,269,653.6
Total invested*	17,952,721.1	13,529,151.2

* Note: the fiscal incentive is included in the amount above and corresponds to 49% of the invested amount.

ABOUT THE REPORT

PROFILE

FOR THE FIFTH YEAR IN A ROW, TIM PUBLISHES ITS SUSTAINABILITY REPORT ACCORDING TO THE DIRECTIVES OF THE GRI

TIM reinforces its commitment towards ethical and transparent business management, reporting the highlights, objectives and challenges of the period between January and December 2012.

The content of this report covers the activities of TIM Participações S.A. in Brazil, including its two subsidiaries, TIM Celular S.A. and Intelig Telecomunicações Ltda. In addition to the sustainability report, TIM publishes its annual report, in which it is possible to track in more detail the company's economic and financial performance.

In order to contact the company and obtain more explanations about the contents of this publication, send an email to sustentabilidade@timbrasil.com.br.

APPLICATION LEVEL

This report reaches application level B+ of GRI, self-declared. This application level determines the report of all profile items, information about management method and at least 20 performance indicators, including at least one indicator from the following areas: economic, environmental, human rights, labor practices, society and product respon-

sibility. This report includes 61 indicators, of which 41 are essential and 20 are additional.

MATERIALITY

As part of its 2012 Report, TIM performed a reevaluation of its material topics, helping to identify which social, environmental, economic-financial and governance topics should be included or analyzed in greater depth.

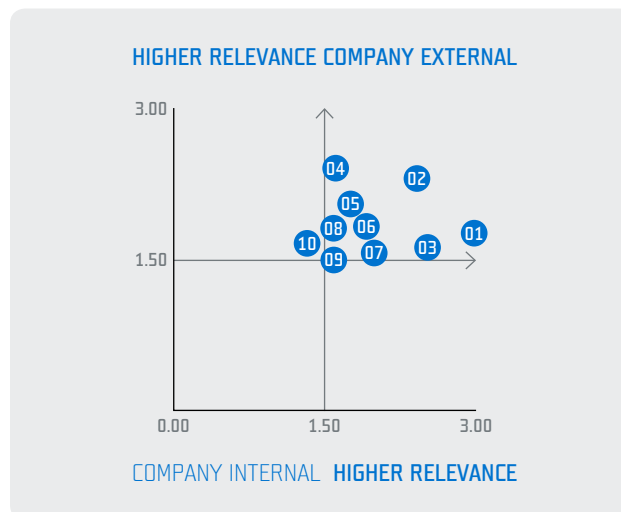
The definition of topics includes what the different stakeholders are thinking and the perception of the organization itself about the impact of its products, services and operations. This process allows TIM to focus on the content of the sustainability report in the topics that interest the stake-

THE DEFINITION OF MATERIAL TOPICS HELPS THE COMPANY DEFINE ACTIONS AND STRATEGIES TOWARDS SUSTAINABLE DEVELOPMENT

holders, improving the relationship with these audiences, while managing the more critical points through goals and action plans.

The materiality test, originally conducted in 2011, is the result of a process that involved talking to almost 100 people, with the goal of determining and organizing critical topics for the preparation of the report and the communication and management of sustainability in the point of view of the company and its priority relationship audiences. The identification of these topics helps to understand what is really important for the company, defines the focus and content of the report, contributes to the management of the critical points and helps communicate TIM's commitments.

The survey with stakeholders was conducted through a panel, conducted at TIM's headquarters in Rio de Janeiro, featuring the participation of collaborators, suppliers, distributors, NGOs and competitors. In addition, the company contacted collaborators and consumers through online surveys and used as reference internal documents and reports of other companies in the industry.



At the end of the process, 10 topics were identified in regards to the main social, environmental, economic and governance topics of TIM, according to the following list:

1. ethics in business;
2. management of solid waste, selective gathering and recycling of devices, batteries, electronic components, etc.;
3. initiatives to reduce the environmental impact of products and services;
4. consumer satisfaction and quality in services and customer serving;
5. compliance with laws and environmental regulations;
6. development, training and education of employees;
7. transparency and accountability;
8. prevention and fight against bribery and corruption, and monitoring mechanisms;
9. encouragement of social and environmental responsibility practices among suppliers;
10. policies and practices to promote local development.

GRI INDEX

PROFILE

Indicator	Description	Page/ Response	Global Compact
1. Strategy and analysis			
1.1	CEO's Message	1	-
1.2	Description of main impact, risks and opportunities	1, 2, 5 and 25	-
2. Organizational profile			
2.1	Organization Name	1	-
2.2	Main brands, products and/or services	2 and 3	-
2.3	Operational structure of organization	2, 3 and 4	-
2.4	Location of organization's headquarters	2	-
2.5	Countries in which the organization operates and in which its main operations are located	2 and 3	-
2.6	Type and legal nature of the property	2	-
2.7	Covered markets	2 and 3	-
2.8	Organization size	2, 3, 4, 5 and 6	-
2.9	Main changes during the period covered by the report	5 and 14	-
2.10	Awards received in the period covered by the report	6	-
3. Parameters for the report			
3.1	Period covered by the report for the presented information	43	-
3.2	Date of most recent previous report	43	-
3.3	Report issuing cycle	43	-
3.4	Data for contact in case of questions regarding the report or its content	43	-
3.5	Process for defining the content of the report	44	-
3.6	Limit of the report	43	-
3.7	Statement about any specific limitations regarding scope or report boundaries	43	-
3.8	Basis for preparation of the report	43	-
3.9	Techniques for data measurement and calculation bases	43	-
3.10	Reformulation of information provided in previous reports	There is no adjustment of information provided in previous reports.	-

Indicator	Description	Page/ Response	Global Compact
3.11	Significant changes in scope, limit and measurement methods applied in the report	There are no significant changes in scope, limitation and measurement methods applied on the report.	-
3.12	Table identifying the location of information on the report	45	-
3.13	Current policy and practice regarding the search for external verification for the report	51	-

4. Governance, commitments and engagement

4.1	Governance structure of the organization, including committees of the top governance body	7	-
4.2	Presidency of the top governance body	7	-
4.3	Independent or non-executive members of the top governance body	7	-
4.4	Mechanisms for shareholders and employees to make recommendations	12, 13 and 14	-
4.5	Relationship between compensation and organization performance (including social and environmental)	8, 38 and 39	-
4.6	Processes to ensure avoidance of conflicts of interest	12	-
4.7	Qualifications of members of the top governance body	7	-
4.8	Mission statement and values, codes of conduct and relevant internal principles	3 and 10	-
4.9	Responsibilities for the implementation of economic, environmental and social policies	9	-
4.10	Processes for performance self-evaluation of the top governance body	7	-
4.11	Explanation of if and how the organization applies the precaution principle	11	-
4.12	Letters, principles or other initiatives developed externally	6, 8 and 9	-
4.13	Participation in national/international organizations and/or associations	9	-
4.14	List of stakeholder groups interacting with the organization	12	-
4.15	Base for identification and selection of stakeholders for interaction	12, 13 and 14	-
4.16	Approaches for interaction with stakeholders	14 and 44	-
4.17	Main topics and concerns raised by interaction with stakeholders	44	-

PERFORMANCE INDICATORS

Indicator		Description	Page	Global Pact
EC1	Essential	Direct economic value generated and distributed	17	-
EC2	Essential	Financial implications and other risks and opportunities resulting from climate change	23 and 24	7
EC3	Essential	Coverage of obligations of the benefit pension plan	39	-
EC4	Essential	Significant financial aid received from the government	17	-

Market presence

EC5	Additional	Variation of proportion of lowest paid wage compared to local minimum wage	37	1 and 6
EC6	Essential	Policies, practices and proportion of expenses with local suppliers	40	-
EC7	Essential	Local employee contracting	34	6

Direct economic impact

EC8	Essential	Impact of investments in infrastructure offered for public benefit	9	-
EC9	Additional	Description of significant indirect economic impact	9	-

ENVIRONMENTAL PERFORMANCE INDICATORS

Indicator		Description	Page	Global Compact
Materials				
EN1	Essential	Used materials by weight or volume	27	8
EN2	Essential	Percentage of used materials originating from recycling	27	8 and 9
Energy				
EN3	Essential	Direct energy consumption discriminated by primary energy source	28	8
EN4	Essential	Indirect energy consumption discriminated by primary source	28	8 and 9
EN5	Additional	Energy saved through improvements in conservation and efficiency	28	8 and 9
EN6	Additional	Initiatives to provide products and services with low energy consumption	28	8 and 9
Water				
EN8	Essential	Total withdrawal of water per source	28	8 and 9
EN9	Additional	Water sources significantly affected by water withdrawal	28	8
EN10	Additional	Percentage and total volume of recycled and reused water	28	8 and 9
Biodiversity				
EN11	Essential	Location and size of owned area	29	8
EN12	Essential	Significant impacts on biodiversity from activities, products and services	29	8

Indicator		Description	Page	Global Compact
Emissions, effluents and waste				
EN16	Essential	Total direct and indirect emissions of greenhouse gases	23	8
EN17	Essential	Other relevant indirect emissions of greenhouse gases	23	8
EN18	Additional	Initiatives to reduce greenhouse gas emissions and achieved reductions	23	7, 8 and 9
EN19	Essential	Emissions of substances that destroy the ozone layer	26	8
EN21	Essential	Total water disposal, by quality and destination	28	8
EN22	Essential	Total weight of residues, by type and method of disposal	26	8 and 9
EN23	Essential	Number and total volume of significant spills	27	8
EN24	Additional	Weight of transported waste considered hazardous	26	8
Products and services				
EN26	Essential	Initiatives to mitigate environmental impact	29	7, 8 and 9
Compliance				
EN28	Essential	Amount of fines and total number of sanctions resulting from violations of environmental laws	29	8
General				
EN30	Additional	Total investments and expenses in environmental protection, by type	23	7, 8 and 9

PERFORMANCE INDICATORS REFERRING TO LABOR PRACTICES AND DECENT WORK

Indicator		Description	Page	Global Pact
Employment				
LA1	Essential	Total number of employees, by type of employment, work contract and region	32	-
LA2	Essential	Total number and rotation rate of jobs, by age range, gender and region	31	6
LA3	Additional	Comparison between benefits for full time and part time employees	39	-
Relationship between workers and governance				
LA4	Essential	Percentage of employees covered by collective negotiation agreements	38	1, 2 and 3
Work safety and health				
LA6	Additional	Percentage of employees represented in formal committees of safety and health, consisting of managers and workers, helping in monitoring and guidance about occupational health and safety programs	40	1, 2 and 3
LA7	Essential	Rate of injuries, occupational illnesses, lost days, absences and deaths related to work, by region	40	1

Indicator		Description	Page	Global Pact
LA8	Essential	Programs for education, training, advisement, prevention and control of ongoing risks, in order to provide assistance to employees, their families or members of the community regarding serious illnesses	40	1
LA9	Additional	Topics related to safety and health covered by formal agreements with unions	40	1

Training and education

LA10	Essential	Average training hours per year	31	6
LA11	Additional	Programs for managing competencies, continuous learning and retirement	31	-
LA12	Additional	Percentage of employees receiving performance analysis	31	-

Diversity and equality of opportunities

LA13	Essential	Composition of top management and boards, plus proportion by groups and genders	8 and 35	1 and 6
LA14	Essential	Proportion of base wage between men and women, by functional category	37	1 and 6

PERFORMANCE INDICATORS REGARDING HUMAN RIGHTS

Indicator		Description	Page	Global Pact
Investment practices and procurement processes				
HR2	Essential	Contracted companies submitted to human rights evaluations	40	1, 2, 3, 4 and 6
HR3	Additional	Policies for evaluation and treatment of human rights performance	40	1, 4 and 5
Non-discrimination				
HR4	Essential	Total number of discrimination cases and measures taken	40	1 and 6
Child labor				
HR6	Essential	Measures adopted to help abolish child labor	40	1 and 5
Forced or slave-type labor				
HR7	Essential	Measures taken to contribute to the eradication of forced labor	40	1 and 4
Security practices				
HR8	Additional	Policies for training regarding human rights for security personnel	40	1 and 2

PERFORMANCE INDICATORS REGARDING SOCIETY

Indicator		Description	Page	Global Pact
Community				
SO1	Essential	Programs and policies to evaluate and manage the impact of operations in communities	29 and 42	1
Corruption				
SO2	Essential	Units submitted to evaluation of risks related to corruption	12	10
SO3	Essential	Percentage of employees trained in the anti-corruption policies and procedures	12	10
SO4	Essential	Measures taken in response to corruption cases	12	10
Public policies				
SO5	Essential	Measures taken in response to corruption cases	9	10
SO6	Additional	Policies regarding financial contributions to political parties, politicians or institutions	9	10
Unfair competition				
SO7	Additional	Number of lawsuits for unfair competition	11	-
Compliance				
SO8	Essential	Description of significant fines and total number of non-monetary sanctions	33	-

PERFORMANCE INDICATORS REGARDING PRODUCT RESPONSIBILITY

Indicator	Description		Page	Global Pact
Product and service labeling				
PR5	Additional	Practices related to customer satisfaction, including survey results	14 and 15	-
Marketing communications				
PR6	Essential	Programs for compliance with laws, rules and voluntary codes	10	-
Compliance				
PR8	Additional	Proven complaints regarding customer privacy violation	15	-

ASSURANCE REPORT ISSUED BY INDEPENDENT AUDITORS

To the Directors and Officers of
TIM Participações S/A
Rio de Janeiro – RJ

INTRODUCTION

We have been engaged by TIM Participações S/A to present our limited assurance report on the compilation of the Information regarding Social Responsibility and Sustainability of TIM Participações S/A, related to the year ended December 31st, 2012.

RESPONSIBILITIES OF COMPANY MANAGEMENT

The management of TIM Participações S/A is responsible for preparing and adequately presenting the Information in the Sustainability Report in accordance with the Guidelines for Sustainability Reports of the Global Reporting Initiative – GRI (GRI-G3) and by the internal controls determined as necessary to ensure this information is free from material misstatement, independently if it was resulted by fraud or error.

INDEPENDENT AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion about the information in the Sustainability Report based on the limited assurance engagement conducted in accordance with Technical Notice (CT) 07/2012 approved by the Federal Accounting Council and prepared in accordance with NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), issued by the Federal Accounting Council - CFC, which is the equivalent to international standard ISAE 3000 issued by the International Federation of Accountants applicable to Non-Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted in order to provide a limited assurance that the information in the Sustainability Report taken as a whole is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of making enquiries to Company management and other Company's employees involved in preparing the information in the Sustainability Report and also applying analytical procedures to obtain evidence that allows us to make a limited assurance conclusion about the information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which lead them to believe that the information in the Sustainability Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation and presentation of the information in the Sustainability Report and other engagement circumstances and considerations about areas where material misstatement could exist. The procedures consisted of:

- [A] the planning of the work, considering the relevance, amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Sustainability Report of TIM Participações S/A;
- [B] the understanding of the calculation methodology and the indicators consolidation procedures through interviews with the personnel in charge of the preparation of the information;
- [C] the application of analytical procedures to the quantitative information and enquiries about the qualitative information and its relation to the indicators disclosed in the information presented in the Sustainability Report, and;
- [D] the comparison of the financial indicators with the financial statements and/or accounting records.

.....

The limited assurance engagement also comprised the adherence to the Guidelines for Sustainability Reports of the Global Reporting Initiative - GRI (GRI-G3) that applies to the preparation of the information in the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

SCOPE AND LIMITATIONS

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in an assurance engagement aiming to express an opinion about the information in the Sustainability Report. Due to this, it does not ensure us that we are aware of all the issues that would be identified during an assurance engagement which aim to express an opinion. If we had conducted an engagement in order to express an opinion, we may have identified other issues and possible misstatements which can be in the information presented in the Sustainability Report. Therefore, we are not expressing an opinion about this information.

The nonfinancial data is subject to more inherent limitations than the financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subjected to individual presumptions and judgments. Additionally, we did not examine data informed for prior periods or future projections and targets either.

CONCLUSION

Based on the applied procedures, described in this report, we have not identified any relevant information that leads us to believe that the information in the Sustainability Report was not compiled, in all material respects, in accordance with the Guidelines for Sustainability Reports of the Global Reporting Initiative – GRI (G3).

São Paulo, June 12th, 2013.

ANNUAL BALANCE SHEET / 2012



KPMG Risk Advisory Services Ltda.
CRC 2SP023233/O-4



Eduardo V. Cipullo
Accountant CRC 1SP135597/O-6

1 – Calculation base	2012 value (in thousands of R\$)			2011 value (in thousands of R\$)		
Net revenue (“RL”)			18,763,947			17,085,977
Operational result (“RO”)			2,321,445			2,067,442
Gross payroll (“FPB”)			743,632			626,616

2 – Internal social indicators	Value (in thousands)	% of FPB	% of RL	Value (in thousands)	% of FPB	% of RL
Food	60,823	8.18%	0.32%	48,245	7.70%	0.28%
Mandatory social contributions	258,098	34.71%	1.38%	211,422	33.74%	1.24%
Private social security	11,664	1.57%	0.06%	-775	-0.12%	0.00%
Health	47,603	6.40%	0.25%	39,475	6.30%	0.23%
Work safety and health	2,866	0.39%	0.02%	2,747	0.44%	0.02%
Education	3,942	0.53%	0.02%	1,088	0.17%	0.01%
Culture	0	0.00%	0.00%	0	0.00%	0.00%
Training and professional development	10,221	1.37%	0.05%	6,623	1.06%	0.04%
Nurseries or financial support for nurseries	2,922	0.39%	0.02%	2,738	0.44%	0.02%
Participation in profits or results	67,918	9.13%	0.36%	66,719	10.65%	0.39%
Others	16,064	2.16%	0.09%	14,740	2.35%	0.09%
Total – Internal social indicators	482,121	64.83%	2.57%	393,022	62.72%	2.30%

3 – External social indicators	Value (in thousands)	% of RO	% of RL	Value (in thousands)	% of RO	% of RL
Education	1,093	0.15%	0.01%	3,493	0.17%	0.02%
Culture	12,771	1.72%	0.07%	12,201	0.59%	0.07%
Health and sanitation	87	0.01%	0.00%	102	0.00%	0.00%
Sports	2,029	0.27%	0.01%	5,698	0.28%	0.03%
Food security and fight against hunger	0	0.00%	0.00%	0	0.00%	0.00%
Others	1,355	0.18%	0.01%	1,061	0.05%	0.01%
Total contributions to society	17,335	2.33%	0.10%	22,555	1.09%	0.13%
Taxes (excluding social contributions)	7,929,831	1,066.36%	42.26%	7,255,760	350.95%	42.47%
Total – External social indicators	7,947,166	1,068.70%	42.36%	7,278,315	352.04%	42.60%

4 – Environmental indicators	Value (in thousands)	% of RO	% of RL	Value (in thousands)	% of RO	% of RL
Investments related to the company's production/operation	694	0.03%	0.00%	241	0.01%	0.00%
Investments in external programs and/or projects	343	0.01%	0.00%	14	0.00%	0.00%
Total investments in the environment	1,037	0.04%	0.01%	255	0.01%	0.00%

Regarding the establishment of "annual goals" to minimize waste, general consumption in production/operation and increase effectiveness of natural use resources, the company	<input type="checkbox"/> does not have goals <input type="checkbox"/> fulfills between 51 and 75% <input type="checkbox"/> fulfills between 0 and 50% <input checked="" type="checkbox"/> fulfills between 76 and 100%	<input type="checkbox"/> does not have goals <input type="checkbox"/> fulfills between 51 and 75% <input type="checkbox"/> fulfills between 0 and 50% <input checked="" type="checkbox"/> fulfills between 76 and 100%
5 – Functional body indicators		
	2012	2011
Number of employees at the end of the period	11.650	10.266
Number of hirings during the period	5.787	4.522
Number of outsourced employees	9	18
Number of interns	289	278
Number of employees above 45 years of age	668	569
Number of women working at the company	6.899	5.938
Share of management positions occupied by women	44,38%	43,49%
Number of blacks working at the company	3.916	3.239
Share of management positions occupied by blacks	13,74%	12,00%
Number of people with disabilities or special needs	35	36
6 – Relevant information regarding the exercise of corporate citizenship		
	2012 value (in thousands of reais)	Goals 2013
Ratio between highest and lowest payment in the company	55	n/d
Total number of work accidents	39	n/d
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> executives <input checked="" type="checkbox"/> executives and management <input type="checkbox"/> all employees	<input type="checkbox"/> executives <input checked="" type="checkbox"/> executives and management <input type="checkbox"/> all employees
The safety and health standards for the work environment were defined by:	<input checked="" type="checkbox"/> executives and management <input type="checkbox"/> all employees <input type="checkbox"/> all + Cipa	<input checked="" type="checkbox"/> executives and management <input type="checkbox"/> all employees <input type="checkbox"/> all + Cipa
Regarding union freedom, the right of collective negotiation and the internal representation of the workers, the company:	<input type="checkbox"/> is not involved <input checked="" type="checkbox"/> follows OIT rules <input type="checkbox"/> encourages and follows OIT	<input type="checkbox"/> is not involved <input checked="" type="checkbox"/> follows OIT rules <input type="checkbox"/> encourages and follows OIT
Private social security covers:	<input type="checkbox"/> executives <input type="checkbox"/> executives and management <input checked="" type="checkbox"/> all employees	<input type="checkbox"/> executives <input type="checkbox"/> executives and management <input checked="" type="checkbox"/> all employees
Participation in profits or results is open to:	<input type="checkbox"/> executives <input type="checkbox"/> executives and management <input checked="" type="checkbox"/> all employees	<input type="checkbox"/> executives <input type="checkbox"/> executives and management <input checked="" type="checkbox"/> all employees
When selecting suppliers, the same standards for ethics and social and environmental responsibility adopted by the company:	<input type="checkbox"/> are not considered <input checked="" type="checkbox"/> are suggested <input type="checkbox"/> are required	<input type="checkbox"/> are not considered <input checked="" type="checkbox"/> are suggested <input type="checkbox"/> are required
Regarding participation of employees in voluntary work programs, the company:	<input type="checkbox"/> is not involved <input type="checkbox"/> supports <input checked="" type="checkbox"/> organizes and encourages	<input type="checkbox"/> is not involved <input type="checkbox"/> supports <input checked="" type="checkbox"/> organizes and encourages
Total number of complaints and criticism from consumers:	at the company: 4,514,802 at Procons: 13,540 at the courts: 74,569	at the company: n.d. at Procons: n.d. at the courts: n.d.

Percentage of complaints and criticism that is answered or solved:	at the company: 90.3% at Procons: 100% at the courts: 64.75%	at the company: n.d. at Procons: n.d. at the courts: n.d.
Total added value to distribute (in thousands of R\$):	2012	2011
Added value distribution ("DVA"):	68.92% government 5.15% collaborators 2.94% shareholders 13.53% third parties 9.45% retained	69.58% government 4.90% collaborators 2.87% shareholders 13.42% third parties 9.22% retained

7 – Other information

CREDITS

COORDINATION

TIM Participações S.A. – Department of Regulation
and Institutional Affairs and Press Relations

GRI CONSULTING, TEXT AND EDITING

Report Sustentabilidade

REVIEW

Assertiva Produções Editoriais

GRAPHIC DESIGN AND LAYOUT

Report Sustentabilidade

TYPOGRAPHY

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