

TIM PARTICIPACOES SA
Form 6-K
April 12, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of April, 2011
Commission File Number 001-14491

TIM PARTICIPAÇÕES S.A.
(Exact name of registrant as specified in its charter)

TIM PARTICIPAÇÕES S.A.
(Translation of Registrant's name into English)

Av. das Américas, 3434, Bloco 1, 7º andar Parte
22640-102 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

TIM PARTICIPAÇÕES S.A.

Publicly Held Company
CNPJ/MF 02.558.115/0001 -21
NIRE 33.300.276.963

TIM Participações S.A. (“Company”) announces to its shareholders and to the market in general that the Ordinary and Extraordinary Shareholder’s Meeting of TIM Participações S.A. (“Company”) held on April 11th, 2011, approved the capital increase in the amount of fifteen million, five hundred and sixty-eight thousand, six hundred and four reais and fifty-three cents (R\$ 15,568,604.53) on behalf of TIM Brasil Serviços e Participações S.A. (“TIM Brasil”), upon the capitalization of the remaining portion of the Special Goodwill Reserve (*Reserva Especial de Ágio*) corresponding to the tax benefit accrued by the Company’s subsidiary TIM Celular S.A., during the fiscal year 2010, being such benefit resulting from the amortization of the goodwill accounted by the Company’s subsidiaries during the fiscal year 2000. According to CVM’s Ruling 319/99 and the Spin-Off and Merger Agreements related to the matter, the above-mentioned portion of the Special Goodwill Reserve (*Reserva Especial de Ágio*) related to the tax benefit was capitalized in the Company’s subsidiary, and then capitalized in the Company, on behalf of the controlling shareholder (TIM Brasil), beneficiary and owner of the referred Credits (“Credits”). By virtue of the deliberations adopted in the referred Shareholders’ Meeting, the Company’s capital stock was increased to eight billion, one hundred and sixty-four million, six hundred and sixty-four thousand, six hundred and twenty-eight reais and sixty-six cents (R\$ 8,164,664,628.66).

In accordance with the referred CVM Ruling, the Spin-Off and Merger Agreements and Section 171 of Law 6,404/76, the shares issued as a consequence of the capitalization shall be destined to the controlling shareholder (TIM Brasil), having the other shareholders the faculty to exercise their preemptive right related to the referred shares.

The term for the exercise of the preemptive right of the shareholders is of thirty (30) days, counted from the date of the publication of the present Notice, according to the provisions below:

1 – AMOUNT OF THE CAPITAL INCREASE:

R\$ 15,568,604.53 (fifteen million, five hundred and sixty-eight thousand, six hundred and four reais and fifty-three cents).

2 – NUMBER AND TYPE OF THE ISSUED SHARES:

Seven hundred and five thousand and thirty-eight (705,038) common shares, and one million, three hundred and sixty-four thousand, eight hundred and thirty-seven (1,364,837) preferred shares, totalizing two million, sixty-nine thousand, eight hundred and seventy-five (2,069,875) shares, all book-entry and without par value.

3 –ISSUANCE AND SUBSCRIPTION PRICE OF EACH SHARE:

Eight reais and forty-one cents (R\$ 8.413) for each common share, and seven reais and six cents (R\$ 7.061) for each preferred share issued, both in one (1) stock per lot.

4 – JUSTIFICATION OF THE ISSUANCE PRICE:

The establishment of the shares issuance price was made based on the average of the Company’s quotation at the São Paulo Stock Exchange (BM&FBOVESPA - Bolsa de Valores, Mercadorias e Futuros) during the ten (10) trading days prior to April 11th, 2011. The issuance price shall not change during the period reserved for the exercise of the preemptive right by the Company’s shareholders.

5 – TERM FOR THE EXERCISE OF THE PREEMPTIVE RIGHT:

START: 12/04/2011

END: 12/05/2011

6 – PREEMPTIVE RIGHT RATIO

In order to determine the amount of shares to be subscribed, the shareholder shall multiply the amount of shares owned on April 11th, 2011 by the following factor:

TYPE OF THE SHARE HELD	FACTOR PER SHARE	TYPE TO BE SUBSCRIBED
Common	0.0008360648	Common
Preferred	0.0008360648	Preferred

PS: The capital increase was effected in the Annual and Extraordinary Shareholders Meeting, not being necessary any other corporate event after that.

7 –TERMS OF PAYMENT:

Cash on subscription.

8 – QUALIFICATION TO SUBSCRIBE:

8.1 – The shareholders that have purchased shares until April 11th, 2011, inclusively, are entitled to subscription rights. The shares purchased since April 12th, 2011 shall not be entitled to subscription rights.

8.2 – The shareholders that wish to negotiate their subscription rights, during the term for the exercise of the preemptive right, shall request the deed of assignment of right, which shall be issued by the Depositary Institution of the book-entry shares, Bank Bradesco S/A, or by the Custodian Entities.

8.3 – The Custodian Entities shall issue only a single deed of assignment of nominative right to each subscriber.

8.4 – The Custodian Entities shall subscribe in their name, as owner trustee, up to the amount corresponding to the shares kept under custody.

8.5 – Once an assignment of right is issued and a new sale occurs, a statement shall be requested in the back of the deed of assignment of right, with the notarized signature.

8.6 – Copies of the deed of assignment will not be accepted under any circumstance.

9 – DIVIDEND:

The shares deriving from this subscription shall have full right to the dividends related to the fiscal year 2011.

10 –UNSUBSCRIBED SHARES:

There will not be any unsubscribed shares.

11 – GENERAL INSTRUCTIONS:

The shareholders shall attend, within the term for the exercise of the preemptive right, to one of the agencies of the Depositary Institution to request the Subscription Agreement, specifying the amount of shares to be purchased.

12 – DOCUMENTATION FOR THE SUBSCRIPTION AND ASSIGNMENT OF RIGHT:

12.1 – Individual: Identity card and Individual Taxpayer Registry of the Ministry of Finance (CPF/MF) and a proof of address.

12.2 – Legal entity: Articles of Association or Bylaws, as well as the Minutes of the Meeting/Board or Quotaholders' Resolutions which elected the board in exercise and proof of address.

12.3 – In the case of the representation by means of powers of attorney, it will be necessary to present the respective instrument, beside the documents mentioned on the items above with respect to the grantor.

13 – PLACE OF ATTENDANCE:

Banco Bradesco S/A. agencies.

Rio de Janeiro – RJ, April 11th, 2011.

Claudio Zezza

Chief Financial and Investor Relations Officer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TIM PARTICIPAÇÕES S.A.

Date: April 12, 2011

By: /s/ Claudio Zezza

Name: Claudio Zezza
Title: CFO and Investor Relations
Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
