1INFO
DIGITAL SIGN

Dear Madam/Sir,

Please find attached the Telecom Italia Group **press release** on 3Q'16 Results, the related **File with Financial Data and Key Performance Indicators**.
We also provide you with a set of bullet points summarizing business and financial highlights aiming at providing a snapshot comment on TI results.

TOTAL DOMESTIC RESULTS:

Best Domestic Quarterly performance since 2007.

- **Solid Performance for Domestic Revenues: 3Q'16 +1.0% YoY (+2.2 pp vs 2Q'16)** supported by improving trends in core business, along with the supportive contribution from efficiencies on circuits between fixed and mobile, showing in lower elimination & others
- **Service Revenues** in further recovery in terms of YoY performance: **3Q'16 -0.4% YoY (+0.7pp vs 2Q'16)**
- **Cost program** overperforming with strong improvement in efficiency and profitability with no impact on commercial and industrial levers and effort: **-98 € mln YoY from 2,020 € mln in 3Q'15 to 1,922 in 3Q'16**
- **Organic EBITDA** performance further into positive territory, improving the turnaround started in 2Q'16: **3Q'16 +7.8% YoY (2Q'16 +6.9% YoY)**

DOMESTIC MOBILE:

- **Mobile Service Revenues growth confirmed at** +1.1% YoY 3Q'16 **(2Q'16 +0.7%, 1Q'16 +0.6%)**
- **Total Mobile Revenues in 3Q'16:** -0.2% YoY **due to lower handsets sales** (-12.0% YoY)
- **ARPU upwards to** 12.8€/month in 3Q'16 (+2.4% YoY)**,** improving **from 12.5€ in 3Q'15**
- **Good MNP Balance at -44k in 3Q'16 (vs -70k in 2Q'16)**
- **Mobile BB users growing:** **+0.3 mln users in 3Q'16, now at 12.1 mln users from 11.8 mln users in 2Q'16.**
- **LTE penetration on MBB customers increased to** ~51% (+2pp vs 2Q'16)**;**
- **LTE users** increased by **+408k QoQ in 3Q'16**, now at **6.2 mln of users**
- **YE '16 target of** 95% (+1.3pp vs 2Q'16) **population coverage already reached in August 6.530 cities reached (>+240 QoQ).**

DOMESTIC FIXED:

- **Total Revenues YoY performance toward parity in 3Q'16:** -0.1% YoY (+4pp vs 2Q'16). **Service Revenues improving to** -3.6% YoY (+1.2pp vs 2Q'16) **due to a solid Broadband growth** +10.2% YoY (+4pp vs 2Q'16) to 471 €mln
- **Strong set of fixed KPIs due to the successful campaign launched in September including new 4-Play+proposition, supported by TV, fast broadband services and TIM Smart re-positioning:**
  - **Record-low line Losses** at -100K in 3Q'16 **(vs -134 in 2Q'16, -140k in 1Q'16 and -173k in 3Q'15)**
  - **BB Net Adds** +37K **slightly up from +35k in 2Q'16 beating seasonality effect**
- **ARPU Broadband steadly increased:** 22.4 €/month in 3Q'16 (+8.1% YoY).

DOMESTIC EBITDA:

Positive EBITDA performance showing a significant turnaround due to top line and efficiency improvement

- **Performance YTD of the Organic EBITDA** +3.3% YoY **already ensures the 2016 "low-single digit growth" target.**
- **Sound growth in Organic Ebitda Margin:** +3.1pp YoY at 49.3% in 3Q'16
- **Reported EBITDA:** +7.9% YoY in 3Q'16

The following chart shows a reconciliation table between Domestic Reported and Organic EBITDA:

	2015					2016					Δ% yoy				
	IQ	IIQ	IIIQ	I Half	9M	IQ	IIQ	IIIQ	I Half	9M	IQ	IIQ	IIIQ	I Half	9M
EBITDA Organic Mln€	1.612	1.627	1.732	3.239	4.971	1.528	1.739	1.867	3.267	5.134	-5.2%	6.9%	7.8%	0.9%	3.3%
Exchange Rate Impact	1	-1	0	0	0	0	0	0	0	0					
Labour Cost	0	24	19	24	43	65	2	47	67	114					
Other Costs & Charges	1	368	34	369	403	2	14	9	16	25					
Non Recurring Items	2	391	53	393	446	67	16	56	83	139					
EBITDA Reported Mln€	1.610	1.236	1.679	2.846	4.525	1.461	1.723	1.811	3.184	4.995	-9.3%	39.4%	7.9%	11.9%	10.4%

DOMESTIC CAPEX:

- **Continued Growth on Innovative Capex YTD** at **1,186 mln € (+ 209 € mln YoY)**, driven by a faster pace in core NGN & LTE components and additional Capex in Cloud services
- Strong focus on **Infrastructure:** Network and IT Capex components represent **81% of total Innovative Capex and 83% of total Traditional Capex, respectively**
- **3Q'16 Domestic Capex up 32 €mln YoY at 823 €mln**

BRAZIL:

Financial Highlights:

- **Total Revenues Improving Organic Performance: 3Q: -5.2% YoY (vs 2Q: -12.4% YoY and 1Q: -15.3%),** driven by robust KPI trends
- **Strong improvement in Service Revenue trend (3Q: -2.4% YoY; vs 2Q: -5.9% YoY and 1Q: -8.3% YoY) and Mobile Services (3Q: -3.1% 2Q: -6.7% vs 1Q: -9.2% YoY**), and confirming the **positive growth in Fixed Services (3Q: +10.9% YoY)**
- **Organic* EBITDA was up +0.5% YoY in 3Q, with a solid contribution from cost efficiencies** (**Organic* Opex down 7.8% YoY**)
- **Organic* EBITDA Margin expanded in 3Q to 33.1%, up 1.9pp YoY**
- **Total Capex** decreasing **(-3.9% YoY in 3Q'16)** as a combination of better negotiations with vendors and optimisation of some projects. **Capex on revenues** reached **28.8% in 3Q (+0.4pp YoY) and 24.3% in 9M'16 (-0.8pp YoY).**

Operational Highlights:

- **Postpaid net adds at ~480k (vs. 2Q16), second consecutive quarter of positive net adds. Postpaid at 22.5% of total Customer Base (+3.5pp YoY).**
- **Mobile ARPU up 12% YoY in 3Q at 18.4R$/month, third consecutive quarter of growth**
- **Widening in 4G coverage: 746 cities, with 66% of urban population covered**
- **Further expansion in 3G coverage: 2,084 cities, reached 83% of urban population.**

(*) Organic, i.e. excluding non-recurring items.

GROUP NET DEBT:

- **Net Financial Position stood at 26.735 bln (-779 mln € vs 2Q'16)**

Very best regards
IR Team

3Q'16 Financial and operating data

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Telecom Italia Group

Telecom Italia Investor Relations

Disclaimer

The financial and operating data, with the exception of some data, have been extracted or derived from the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016 which have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as IFRS). Such interim financial statements are unaudited.

The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016 have been applied on a basis consistent with those adopted in the Annual Consolidated Financial Statements at 31 December 2015, to which reference should be made, except for the new standards and interpretations adopted by the Telecom Italia Group starting from 1 January 2016 which had no effects on the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016.

Within the Brazil Business Unit, TIM Brasil's Management recently identified that incorrect accounting entries were made in prior years in connection with the recognition of service revenue from the sale of prepaid traffic. Such incorrect accounting entries, resulted in the early recognition of revenues and consequently the underestimation of deferred revenue liabilities for prepaid traffic not yet consumed. The incorrect accounting entries did not have any impact either in terms of net financial position nor on cash and cash equivalents.

In light of the above, the comparative financial information as of 31 December 2015 and for the three-month and nine-month periods ended 30 September 2015 have been revised, segment information included. Furthermore, such revision did not have any material impact on the consolidated income statement of the three-month and nine-month periods ended 30 September 2015.

Segment information is consistent with the prior periods under comparison with the exception of the Media Business Unit that, starting from 1 January 2016, as a result of the change in the operational mission of Persidera, is included in the Domestic Business Unit. For prior periods under comparison the Media Business Unit was reclassified under Other activities & Eliminations.

Furthermore, the Sofora - Telecom Argentina group, which was disposed of on 8 March 2016, is classified as Discontinued operations.

P&L Group

€ mln	Revised 1Q15	1H15	9M15	1Q16	1H16	UNAUDITED FIGURES 9M16
REVENUES	**5,054**	**10,101**	**14,878**	**4,440**	**9,096**	**13,939**
Other Income	53	131	206	47	107	165
TOTAL OPERATING REVENUES AND OTHER INCOME	**5,107**	**10,232**	**15,084**	**4,487**	**9,203**	**14,104**
Acquisition of goods and services	(2,171)	(4,372)	(6,340)	(1,923)	(3,783)	(5,710)
Employee benefits expenses	(833)	(1,705)	(2,433)	(848)	(1,551)	(2,303)
Other operating expenses	(265)	(888)	(1,160)	(247)	(501)	(757)
Internally generated assests and Others	195	372	471	243	358	544
EBITDA	**2,033**	**3,639**	**5,622**	**1,712**	**3,726**	**5,878**
EBITDA Margin	40.2%	36.0%	37.8%	38.6%	41.0%	42.2%
Depreciation and amortization	(1,052)	(2,130)	(3,164)	(1,009)	(2,047)	(3,116)
Impairment reversals (losses) on non-current assets				(2)	(5)	(8)
Gains (losses) on disposals of non-current assets		279	348	3	13	14
EBIT	**981**	**1,788**	**2,806**	**704**	**1,687**	**2,768**
EBIT Margin	19.4%	17.7%	18.9%	15.9%	18.5%	19.9%
Income (loss) equity invest. valued equity method	2	4	15		5	4
Net Financial Income / (Expenses)	(817)	(1,482)	(1,970)	(26)	(145)	(510)
Profit (loss) before tax from continuing operations	**166**	**310**	**851**	**678**	**1,547**	**2,262**
Income tax expense	(74)	(195)	(391)	(221)	(489)	(699)
Profit (loss) from continuing operations	**92**	**115**	**460**	**457**	**1,058**	**1,563**
Profit (loss) from Discontinued operations/Non-current assets held for sale	169	330	480	47	47	47
Profit (loss) for the year	**261**	**445**	**940**	**504**	**1,105**	**1,610**
Attributable to:						
Owners of the Parent	**82**	**33**	**367**	**433**	**1,018**	**1,495**
Non-controlling interests	179	412	573	71	87	115

Key financial data by Business Unit

	Revised			UNAUDITED FIGURES		
REVENUES (€ mln)	**1Q15**	**1H15**	**9M15**	**1Q16**	**1H16**	**9M16**
Domestic	3,631	7,375	11,127	3,548	7,247	11,036
o/w Wireline Domestic	2,657	5,345	7,990	2,553	5,131	7,774
o/w Mobile Domestic	1,151	2,387	3,690	1,186	2,447	3,747
Brasile	1,412	2,691	3,699	897	1,858	2,922
Other activities & Elim.	11	35	52	(5)	(9)	(19)
TI Group	**5,054**	**10,101**	**14,878**	**4,440**	**9,096**	**13,939**
EBITDA Reported (€ mln)						
Domestic	1,610	2,846	4,525	1,461	3,184	4,995
Brasile	416	790	1,108	258	556	900
Other activities & Elim.	7	3	(11)	(7)	(14)	(17)
TI Group	**2,033**	**3,639**	**5,622**	**1,712**	**3,726**	**5,878**
EBITDA Margin Reported						
Domestic	44.3%	38.6%	40.7%	41.2%	43.9%	45.3%
Brasile	29.5%	29.4%	30.0%	28.8%	29.9%	30.8%
TI Group	**40.2%**	**36.0%**	**37.8%**	**38.6%**	**41.0%**	**42.2%**
EBIT Reported (€ mln)						
Domestic	814	1,222	2,090	662	1,581	2,575
Brasile	165	574	742	49	121	210
Other activities & Elim.	2	-8	(26)	(7)	(15)	(17)
TI Group	**981**	**1,788**	**2,806**	**704**	**1,687**	**2,768**
EBIT Margin Reported						
Domestic	22.4%	16.6%	18.8%	18.7%	21.8%	23.3%
Brasile	11.7%	21.3%	20.1%	5.5%	6.5%	7.2%
TI Group	**19.4%**	**17.7%**	**18.9%**	**15.9%**	**18.5%**	**19.9%**
CAPEX (€ mln)						
Domestic	676	1,506	2,297	778	1,575	2,398
Brasile	287	637	930	166	408	709
Elim & Adj	1	3	6	0	0	0
TI Group	**964**	**2,146**	**3,233**	**944**	**1,983**	**3,107**
CAPEX ON SALES (%)						
Domestic	18.6%	20.4%	20.6%	21.9%	21.7%	21.7%
Brasile	20.3%	23.7%	25.1%	18.5%	22.0%	24.3%
TI Group	**19.1%**	**21.2%**	**21.7%**	**21.3%**	**21.8%**	**22.3%**

Key financial data by Business Unit

	Revised			UNAUDITED FIGURES		
REVENUES (€ mln)	**1Q15**	**2Q15**	**3Q15**	**1Q16**	**2Q16**	**3Q16**
Domestic	3,631	3,744	3,752	3,548	3,699	3,789
o/w Wireline Domestic	2,657	2,688	2,645	2,553	2,578	2,643
o/w Mobile Domestic	1,151	1,236	1,303	1,186	1,261	1,300
Brasile	1,412	1,279	1,008	897	961	1,064
Other activities & Elim.	11	24	17	(5)	(4)	(10)
TI Group	**5,054**	**5,047**	**4,777**	**4,440**	**4,656**	**4,843**
EBITDA Reported (€ mln)						
Domestic	1,610	1,236	1,679	1,461	1,723	1,811
Brasile	416	374	318	258	298	344
Other activities & Elim.	7	(4)	(14)	(7)	(7)	(3)
TI Group	**2,033**	**1,606**	**1,983**	**1,712**	**2,014**	**2,152**
EBITDA Margin Reported						
Domestic	44.3%	33.0%	44.7%	41.2%	46.6%	47.8%
Brasile	29.5%	29.2%	31.5%	28.8%	31.0%	32.3%
TI Group	**40.2%**	**31.8%**	**41.5%**	**38.6%**	**43.3%**	**44.4%**
EBIT Reported (€ mln)						
Domestic	814	408	868	662	919	994
Brasile	165	409	168	49	72	89
Other activities & Elim.	2	(10)	(18)	(7)	(8)	(2)
TI Group	**981**	**807**	**1,018**	**704**	**983**	**1,081**
EBIT Margin Reported						
Domestic	22.4%	10.9%	23.1%	18.7%	24.8%	26.2%
Brasile	11.7%	32.0%	16.7%	5.5%	7.5%	8.4%
TI Group	**19.4%**	**16.0%**	**21.3%**	**15.9%**	**21.1%**	**22.3%**
CAPEX (€ mln)						
Domestic	676	830	791	778	797	823
Brasile	287	350	293	166	242	301
Elim & Adj	1	2	3	0	0	0
TI Group	**964**	**1,182**	**1,087**	**944**	**1,039**	**1,124**
CAPEX ON SALES (%)						
Domestic	18.6%	22.2%	21.1%	21.9%	21.5%	21.7%
Brasile	20.3%	27.4%	29.1%	18.5%	25.2%	28.3%
TI Group	**19.1%**	**23.4%**	**22.8%**	**21.3%**	**22.3%**	**23.2%**

Net Cash Flow & Net Debt Dynamics

Revised | UNAUDITED FIGURES

(€ mln)	1Q15	1H15	9M15	1Q16	1H16	9M16
EBITDA	2,033	3,639	5,622	1,712	3,726	5,878
CAPEX	(964)	(2,146)	(3,233)	(944)	(1,983)	(3,107)
Change in net operating working capital:	(1,502)	(1,124)	(1,149)	(750)	(1,078)	(830)
Change in inventories	(40)	(54)	19	(87)	(40)	(71)
Change in trade receivables and net amounts due from customers on construction contracts	(345)	(128)	315	30	(130)	(31)
Change in trade payables (*)	(979)	(912)	(1,433)	(566)	(635)	(425)
Other changes in operating receivables/payables	(138)	(30)	(50)	(127)	(273)	(303)
Change in provisions for employee benefits	(6)	19	32	59	40	12
Change in operating provisions and Other changes	(16)	313	279	(52)	(34)	(45)
Net operating Free Cash Flow	**(455)**	**701**	**1,551**	**25**	**671**	**1,908**
Sale of investments and other disposals flow	3	1,379	1,554	707	732	737
Share capital increases/reimbursements, including incidental costs	186	186	186			
Financial investments flow		(24)	(35)	(9)	(9)	(11)
Dividends payment	(3)	(204)	(204)		(227)	(227)
Change in finance lease contracts		(984)	(1,367)	(46)	(123)	(178)
Finance expenses, income taxes and other net non-operating requirements flow	(486)	(1,217)	(1,616)	(500)	(1,242)	(1,648)
Riduzione/incremento dell'indebitamento finanziario netto delle attività cessate/attività non correnti destinate ad eccere cedute						
Reduction/(Increase) in adjusted net financial debt from continuing operations	**(755)**	**(163)**	**69**	**177**	**(198)**	**581**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(24)	(178)	(222)	(38)	(38)	(38)
Reduction/(Increase) in adjusted net financial debt	**(779)**	**(341)**	**(153)**	**139**	**(236)**	**543**
OPENING NET FINANCIAL DEBT (Adjusted)	**26,651**	**26,651**	**26,651**	**27,278**	**27,278**	**27,278**
Net cash flow	(779)	(341)	(153)	139	(236)	543
ENDING NET FINANCIAL DEBT (Adjusted)	**27,430**	**26,992**	**26,804**	**27,139**	**27,514**	**26,735**
Adj for fair value valuation of derivatives and related underlyings	1,573	1,366	1,163	1,094	556	676
ENDING NET FINANCIAL DEBT (Reported)	**29,003**	**28,358**	**27,967**	**28,233**	**28,070**	**27,411**

(*) Includes the change in trade payables for amounts due to fixed asset suppliers

Consolidated Balance Sheet

€ mln	Revised FY15	1Q16	1H16	9M16
		UNAUDITED FIGURES		
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Goodwill	29,383	29,436	29,566	29,548
Intangible assets with a finite useful life	6,480	6,516	6,777	6,733
	35,863	35,952	36,343	36,281
Tangible assets				
Property, plant and equipment owned	12,659	12,816	13,211	13,233
Assets held under finance leases	2,208	2,210	2,298	2,358
	14,867	15,026	15,509	15,591
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method	41	41	39	39
Other investments	45	41	38	42
Securities, financial receivables and other non-current financial assets	2,989	2,766	3,129	2,960
Miscellaneous receivables and other non-current assets	1,778	1,899	2,048	2,096
Deferred tax assets	853	894	735	579
	5,706	5,641	5,989	5,716
TOTAL NON-CURRENT ASSETS (A)	**56,436**	**56,619**	**57,841**	**57,588**
CURRENT ASSETS				
Inventories	254	341	294	325
Trade and miscellaneous receivables and other current assets	5,112	5,534	5,683	5,440
Current income tax receivables	163	26	69	81
Other investments				
Securities other than investments, financial receivables and other current financial assets	1,840	1,130	1,330	1,983
Cash and cash equivalents	3,559	2,665	2,707	4,275
Current assets sub-total	**10,928**	**9,696**	**10,083**	**12,104**
Discontinued operations/assets held for sale				
of a financial nature	227	-	-	-
of a non-financial nature	3,677	-	-	-
	3,904	-	-	-
TOTAL CURRENT ASSETS (B)	**14,832**	**9,696**	**10,083**	**12,104**
TOTAL ASSETS (A+B)	**71,268**	**66,315**	**67,924**	**69,692**
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to equity holders of the Parent	17,554	18,181	19,106	19,414
Equity attributable to Minority Interests	3,695	2,035	2,221	2,223
TOTAL EQUITY (C)	**21,249**	**20,216**	**21,327**	**21,637**
NON-CURRENT LIABILITIES				
Non-current financial liabilities	30,518	30,354	31,027	31,363
Employee benefits	1,420	1,459	1,580	1,537
Deferred tax liabilities	323	367	434	436
Provisions	551	551	569	643
Miscellaneous payables and other non-current liabilities	1,110	1,140	1,207	1,497
TOTAL NON-CURRENT LIABILITIES (D)	**33,922**	**33,871**	**34,817**	**35,476**
CURRENT LIABILITIES				
Current financial liabilities	6,224	4,440	4,209	5,266
Trade and miscellaneous payables and other current liabilities	7,882	7,701	7,445	7,183
Current income tax payables	110	87	126	130
Current liabilities sub-total (E)	**14,216**	**12,228**	**11,780**	**12,579**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature	348	-	-	-
of a non-financial nature	1,533	-	-	-
	1,881	-	-	-
TOTAL CURRENT LIABILITIES (E)	**16,097**	**12,228**	**11,780**	**12,579**
TOTAL LIABILITIES (F=D+E)	**50,019**	**46,099**	**46,597**	**48,055**
TOTAL EQUITY AND LIABILITIES (C+F)	**71,268**	**66,315**	**67,924**	**69,692**

Domestic Business Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
KPI's ('000)												
Wireline												
Physical accesses	12,283	-5.7%	12,080	-5.8%	11,907	-5.9%	11,602	-5.5%	11,468	-5.1%	11,368	-4.5%
Broadband (retail+wholesale)	8,784	0.3%	8,821	0.7%	8,839	1.1%	8,955	1.9%	8,992	1.9%	9,042	2.3%
Mobile												
Total lines [(1)]	30,140	-2.8%	30,075	-1.9%	30,023	-1.2%	29,846	-1.0%	29,742	-1.1%	29,549	-1.6%
€ mln	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
REVENUES	**3,631**	-2.6%	**3,744**	-1.6%	**3,752**	-1.4%	**3,548**	-2.3%	**3,699**	-1.2%	**3,789**	1.0%
o/w Services	3,435	-3.3%	3,505	-1.7%	3,539	-1.5%	3,352	-2.4%	3,468	-1.1%	3,526	-0.4%
o/w Equipments	196	12.3%	239	1.3%	213	0.7%	196	0.1%	231	-3.4%	263	23.9%
o/w Domestic Mobile Services	**1,053**	-4.2%	**1,109**	-2.5%	**1,170**	-1.5%	**1,059**	0.6%	**1,117**	0.7%	**1,183**	1.1%
o/w Traditional	621	-12.9%	622	-14.3%	639	-12.1%	573	-7.7%	580	-6.9%	561	-12.2%
o/w Innovative	375	14.4%	416	21.8%	453	16.0%	438	16.8%	466	12.0%	527	16.4%
o/w Wholesale	57	-1.6%	71	2.1%	79	10.0%	48	-15.8%	72	1.1%	96	20.7%
o/w Domestic Wireline Services	**2,595**	-4.4%	**2,614**	-1.9%	**2,592**	-1.8%	**2,483**	-4.3%	**2,488**	-4.8%	**2,499**	-3.6%
o/w Traditional Services	1,193	-8.4%	1,185	-6.2%	1,151	-6.3%	1,064	-10.8%	1,053	-11.1%	1,032	-10.3%
o/w Innovative Services	558	4.6%	583	7.8%	577	4.9%	590	5.8%	610	4.6%	624	8.1%
o/w Domestic Wholesale	560	-7.7%	549	-6.4%	550	-5.6%	537	-4.1%	506	-7.8%	503	-8.6%
o/wTIS Group	310	3.0%	325	8.3%	336	10.5%	311	0.3%	338	4.0%	354	5.4%
o/w Subs. Adj. and Other	-26	12.2%	-28	-3.3%	-23	15.8%	-19	24.7%	-19	32.4%	-13	41.4%
Elimination & Other	**-213**	18.0%	**-218**	6.8%	**-223**	4.8%	**-190**	10.9%	**-137**	37.1%	**-157**	29.5%
EBITDA	**1,610**	-10.2%	**1,236**	-27.7%	**1,679**	-6.5%	**1,461**	-9.3%	**1,723**	39.4%	**1,811**	7.9%
EBITDA Margin	44.3%		33.0%		44.7%		41.2%		46.6%		47.8%	
Capex	**676**	37.1%	**830**	21.3%	**791**	28.6%	**778**	15.1%	**797**	-4.0%	**823**	4.0%
% on revenues	18.6%		22.2%		21.1%		21.9%		21.5%		21.7%	
Headcount at period-end ('000)	**52,965**	-0.6%	**52,825**	-0.7%	**52,726**	-1.0%	**52,713**	-0.5%	**52,622**	-0.4%	**52,140**	-1.1%

(1) M2M included

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

KPI's	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
Physical accesses ('000)	12,283	-5.7%	12,080	-5.8%	11,907	-5.9%	11,602	-5.5%	11,468	-5.1%	11,368	-4.5%
OLO Access (on TI infrastructure)	7,297	1.2%	7,375	1.6%	7,392	3.1%	7,543	3.4%	7,606	3.1%	7,600	2.8%
o/w ULL	5,460	1.2%	5,511	0.9%	5,517	2.9%	5,632	3.2%	5,680	3.1%	5,658	2.5%
o/w Virtual ULL	26	-6.5%	27	1.4%	29	16.7%	29	12.2%	28	2.7%	23	-19.4%
o/w Wholesale Line Rental	565	-14.4%	547	-13.7%	523	-14.1%	470	-16.9%	443	-19.1%	416	-20.6%
o/w Naked	1,207	7.3%	1,213	7.5%	1,218	5.4%	1,241	2.9%	1,256	3.5%	1,256	3.1%
o/w NGN	39	-	76	-	105	-	170	-	199	-	247	-
TI Retail Broadband Accesses ('000)	6,945	0.2%	6,971	0.5%	6,984	0.7%	7,067	1.8%	7,088	1.7%	7,123	2.0%
o/w Business	1,544	0.0%	1,522	-1.5%	1,505	-3.1%	1,480	-4.2%	1,472	-3.3%	1,470	-2.3%
o/w Consumer	5,401	0.2%	5,450	1.0%	5,479	1.8%	5,588	3.5%	5,616	3.1%	5,653	3.2%
o/w NGN	290	-	374	-	435	-	672	-	790	-	872	-
% flat offers on TI total portfolio (Consumer+Business)	92%	1.8pp	93%	1.9pp	93%	1.9pp	94%	1.8pp	94%	1.5pp	95%	1.4pp
BroadBand Accesses Wholesale ('000)	1,839	0.6%	1,850	1.7%	1,855	2.4%	1,888	2.6%	1,903	2.9%	1,918	3.4%
BB Arpu (euro/mese)	20.4	6.0%	20.9	6.7%	20.7	3.7%	21.5	5.2%	21.9	4.4%	22.4	8.1%

REVENUES(€ mln)	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
TOTAL	**2,657**	-4.1%	**2,688**	-1.8%	**2,645**	-2.7%	**2,553**	-3.9%	**2,578**	-4.1%	**2,643**	-0.1%
o/w Services	2,595	-4.4%	2,614	-1.9%	2,592	-1.8%	2,483	-4.3%	2,488	-4.8%	2,499	-3.6%
o/w Equipments	62	9.1%	74	1.4%	53	-32.5%	70	13.8%	90	20.7%	144	169.0%
TRADITIONAL SERVICES	**1,193**	-8.4%	**1,185**	-6.2%	**1,151**	-6.3%	**1,064**	-10.8%	**1,053**	-11.1%	**1,032**	-10.3%
o/w Voice	**1,038**	-7.6%	**1,015**	-7.1%	**978**	-7.3%	**901**	-13.2%	**874**	-13.9%	**836**	-14.4%
o/w Business Data & Others trad	**155**	-13.9%	**170**	-0.5%	**173**	-0.3%	**163**	5.3%	**179**	5.7%	**195**	12.9%
INNOVATIVE SERVICES	**558**	4.6%	**583**	7.8%	**577**	4.9%	**590**	5.8%	**610**	4.6%	**624**	8.1%
o/w Broadband	**418**	5.7%	**430**	6.8%	**427**	3.9%	**447**	6.9%	**457**	6.2%	**471**	10.2%
o/w Content	**5**	12.7%	**5**	4.8%	**6**	28.2%	**4**	-17.6%	**4**	-21.3%	**4**	-23.1%
o/w ICT Service	**135**	1.1%	**148**	10.7%	**145**	7.1%	**139**	3.2%	**149**	0.6%	**149**	3.0%
Domestic Wholesale	**560**	-7.7%	**549**	-6.4%	**550**	-5.6%	**537**	-4.1%	**506**	-7.8%	**503**	-8.6%
TIS Group	**310**	3.0%	**325**	8.3%	**336**	10.5%	**311**	0.3%	**338**	4.0%	**354**	5.4%
Subs. Adj. and Other	**-26**	12.2%	**-28**	-3.3%	**-23**	15.8%	**-19**	24.7%	**-19**	32.4%	**-13**	41.4%

Domestic Mobile Results - Reported Figures

UNAUDITED FIGURES

KPI's	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
Total number of lines ('000) [1]	30,140	-2.8%	30,075	-1.9%	30,023	-1.2%	29,846	-1.0%	29,742	-1.1%	29,549	-1.6%
Churn Rate %	6.4%	0.3pp	5.5%	-0.4pp	5.8%	-0.5pp	5.6%	-0.8pp	5.3%	-0.2pp	5.9%	0.1pp
Total User Broadband (mln of users)	10.5	20.8%	10.8	17.5%	11.2	16.9%	11.6	11.1%	11.8	9.5%	12.1	7.7%
Total User LTE (mln of users)	1.8	-	2.7	-	3.4	-	5.0	-	5.7	-	6.2	-
Volumes of traffic (mln of minutes) [2]	16,155	8.0%	16,630	6.6%	16,339	5.1%	16,943	4.9%	17,381	4.5%	17,213	5.3%
Usage Voce (min/line/month) [3]	214	13.0%	223	11.5%	220	8.9%	233	8.8%	241	8.2%	241	9.5%
Usage Dati (GB/users/month)	1.3	14.3%	1.4	15.1%	1.6	18.3%	1.7	28.6%	1.9	36.0%	2.0	24.7%
ARPU [3]	11.3	-1.3%	11.9	0.2%	12.5	-0.2%	11.6	2.5%	12.1	1.5%	12.8	2.4%

REVENUES (€ mln), Reported figures	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
TOTAL	**1,151**	-2.0%	**1,236**	-2.2%	**1,303**	1.5%	**1,186**	3.0%	**1,261**	2.0%	**1,300**	-0.2%
SERVICES	**1,053**	-4.2%	**1,109**	-2.5%	**1,170**	-1.5%	**1,059**	0.6%	**1,117**	0.7%	**1,183**	1.1%
Traditional Services	**621**	-12.9%	**622**	-14.3%	**639**	-12.1%	**573**	-7.7%	**580**	-6.9%	**561**	-12.2%
Innovative Services	**375**	14.4%	**416**	21.8%	**453**	16.0%	**438**	16.8%	**466**	12.0%	**527**	16.4%
o/w Browsing	306	16.0%	339	20.7%	372	23.8%	356	16.3%	377	11.4%	392	5.4%
o/w Internet Content	69	8.1%	77	27.3%	80	-10.2%	83	19.4%	88	14.3%	135	67.6%
Wholesale Services	**57**	-1.6%	**71**	2.1%	**79**	10.0%	**48**	-15.8%	**72**	1.1%	**96**	20.7%
Handsets	**98**	29.0%	**127**	0.1%	**133**	39.3%	**127**	29.5%	**144**	13.7%	**117**	-12.0%

[1] M2M included

[2] Incoming + Outgoing volumes (Visitors and Roamers volumes not included)

[3] Net of visitors

TIM Brasil Results - Reported Figures

Revised | UNAUDITED FIGURES

KPI's - Mobile only	1Q15	2Q15	3Q15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
Estimated Total Penetration (%) [(1)]	139.0%	138.2%	134.8%	125.4%		124.0%		122.2%	
Market Share on total lines(%) [(1)]	26.7%	26.4%	26.3%	26.1%	*-0.6pp*	25.3%	*-1.2pp*	25.2%	*-1.1pp*
Total Lines ('000) [(2)]	75,749	74,600	72,573	67,269	-11.2%	63,988	-14.2%	63,247	-12.9%
TOTAL ARPU [(3)]	16.7	16.1	16.4	17.2	3%	17.2	7%	18.4	12%
TOTAL MOU *net of visitors*	120	119	119	119	-1.4%	118	-0.4%	116	-2.1%

MAIN RESULTS (IAS/IFRS, R$ mln)	1Q15	2Q15	3Q15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
REVENUES Reported	**4,551**	**4,361**	**4,115**	**3,854**	-15.3%	**3,820**	-12.4%	**3,900**	-5.2%
of which services	3,944	3,792	3,782	3,618	-8.3%	3,570	-5.9%	3,690	-2.4%
of which handsets	607	569	333	236	-61.1%	250	-56.1%	210	-36.9%
EBITDA Reported	**1,341**	**1,276**	**1,285**	**1,107**	-17.4%	**1,189**	-6.8%	**1,270**	-1.2%
EBITDA margin	29.5%	29.3%	31.2%	28.7%	-0.8pp	31.1%	1.8pp	32.6%	1.4pp
Capex Reported	**924**	**1,184**	**1,168**	**710**	-23.2%	**975**	-17.7%	**1,122**	-3.9%
% on revenues	20.3%	27.1%	28.4%	18.4%	-1.9pp	25.5%	-1.6pp	28.8%	0.4pp

	1Q15	1H15	9M15	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy
Exchange rate AVG (R$ vs. euro)	**3.22251**	**3.31144**	**3.52233**	**4.29753**		**4.13001**		**3.96106**	

(1) Q3 2016: August ANATEL figures

(2) Includes company lines; Q3 2016 internal TIM Brazil figures

(3) Gross of visitors

3Q'16 Reported & Organic Figures (*): YoY trends

Revised

UNAUDITED FIGURES

€ mln	3Q'15 Reported Figures (a)	3Q'15 Non Organic elements (b): Change in consolid. area	3Q'15 Non Organic elements (b): Exchange rate impact	3Q'15 Non recurring items (c)	3Q'15 Organic figures * (d=a+b+c)	3Q'16 Reported figures (e)	3Q'16 Non recurring items (f)	3Q'16 Organic figures * (g=e+f)	Δ% yoy reported (h=e/a-1)	Δ% yoy organic * (i=g/d-1)
REVENUES										
Domestic	3,752				3,752	3,789		3,789	1.0	1.0
o/w Wireline Domestic	2,645				2,645	2,643		2,643	(0.1)	(0.1)
o/w Mobile Domestic	1,303				1,303	1,300		1,300	(0.2)	(0.2)
Brasile	1,008		123		1,131	1,064		1,064	5.6	(5.2)
Other Activities & Eliminations	17				17	-10		(10)	-	-
TI Group	**4,777**		**123**		**4,900**	**4,843**		**4,843**	**1.4**	**(1.2)**
EBITDA										
Domestic	1,679			53	1,732	1,811	56	1,867	7.9	7.8
Brasile	318		33		351	344	6	351	8.2	0.5
Other Activities & Eliminations	(14)			8	(6)	(3)		(3)	-	50.0
TI Group	**1,983**		**33**	**61**	**2,077**	**2,152**	**62**	**2,214**	**8.5**	**6.6**
EBITDA Margin										
Domestic	44.7%				46.2%	47.8%		49.3%	3.1 pp	3.1 pp
Brasile	31.5%				31.2%	32.3%		33.1%	0.8 pp	1.9 pp
TI Group	**41.5%**				**42.4%**	**44.4%**		45.7%	**2.9 pp**	**3.3 pp**
EBIT										
Domestic	868			53	921	994	56	1,050	14.5	14.0
Brasile	168		31	(77)	122	89	6	95	(47.0)	(20.2)
Other Activities & Eliminations	(18)			8	(10)	(2)		(2)	-	80.0
TI Group	**1,018**		**31**	**(16)**	**1,033**	**1,081**	**62**	**1,143**	**6.2**	10.6
EBIT Margin										
Domestic	23.1%				24.5%	26.2%		27.7%	3.1 pp	3.2 pp
Brasile	16.7%				10.8%	8.4%		9.1%	-8.3 pp	-1.7 pp
TI Group	**21.3%**				**21.1%**	**22.3%**		**23.6%**	**1 pp**	**2.5 pp**

Non recurring items on EBITDA	3Q15	3Q16
Labour cost	19	53
Other Costs & Charges	42	9
Total	**61**	**62**

Non recurring items on EBIT	3Q15	3Q16
Labour Costs	19	53
Other Costs & Charges	42	9
Gain on Brazilian Tower **	(77)	0
Total	**(16)**	**62**

(*) Organic excluding exchange rate fluctuations & non-recurring items
(**) Same exchange rate 3Q16