

Dear Madam/Sir,

Please find attached the Telecom Italia Group **Press Release** on 4Q'16 and FY'16 Preliminary 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

Revenue Turnaround Confirmed in terms of YoY performance, due to further sequential improvement in quarterly trend:

- **Total Domestic Revenues: 4Q'16 +2.7% YoY organic, +2.8% YoY reported**, supported also by **Equipment sales** and despite 2015 one-off items (wholesale regulated price revision).
- **Revenue trend stabilized on a full-year basis.**
- **Service Revenues** improving in terms of YoY performance: **4Q'16 -1.0% YoY.**

MOBILE

- **Positive Service Revenue performance for the 5th quarter in a row: +3.1% YoY (3Q'16 +1.1% 2Q'16 +0.7%, 1Q'16 +0.6%). Total Revenues in 4Q'16: +4.0% YoY (+4.2pp vs 3Q'16), also due to improved Handset sales (+9.2% YoY).**
- **Strong set of mobile KPIs, due to the successful campaign launched in Autumn:**
 - **ARPU rising YoY to 13.3€/month in 4Q'16 (+4.2% vs 4Q'15 12.8€/month).**
 - **Best-in-Class Churn rate, confirmed at 22.8% on FY'16 basis.**
 - **MNP balance back to positive at +26k in 4Q'16 (vs -44k in 3Q'16).**
 - **Mobile BB users growing: +0.1 mln users in 4Q'16, now at 12.2 mln.**
 - **LTE users growing: +1.5 mln net adds in 4Q'16, at 7.6 mln users, up from 6.2 mln in 3Q'16.**

FIXED

- **Total Revenues were up 1.5% YoY in 4Q'16, against -3.9% YoY in 4Q'15.**
Flat QoQ performance in fixed service revenues: -3.6% YoY, notwithstanding the negative effect of retroactive wholesale repricing.
- **Line losses improved to -83k in 4Q'16, against -100k of the previous quarter, and better by 50% from the -165k at the end of FY15.**
- **Fiber net adds scored +125k in 4Q'16, up from last quarter's +82k and confirming continued YoY growth. Fiber retail customers at about 1 million.**
- **Broadband Net Adds +47k in 4Q'16, up from +37k in 3Q'16, and +35k in 2Q'16.**
- **Broadband ARPU steadily increased YoY: 22.3€/month in 4Q'16 (+5.5% vs 4Q'15: 21.2€/month)**

EBITDA

- **Beaten low-single-digit Domestic Organic EBITDA growth target for 2016 with a +4.5% YoY Full-Year performance.**
- **Cost recovery plan well on track, with an impressive improvement in efficiency. Net of volume-driven component, 4Q'16 Organic* Opex reduced by -82€mln YoY.**
- **4Q'16 Organic* EBITDA performance: +8.4% YoY (3Q'16 +7.8%, 2Q'16 +6.9% YoY, 1Q'16: -5.2% YoY).**

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

	2015							2016							Δ% yoy						
	IQ	IIQ	IIIQ	IVQ	IH	9M	FY	IQ	IIQ	IIIQ	IVQ	IH	9M	FY	IQ	IIQ	IIIQ	IVQ	IH	9M	FY
EBITDA Organic Mln€	1.612	1.627	1.732	1.624	3.239	4.971	6.595	1.528	1.739	1.867	1.760	3.267	5.134	6.894	-5,2%	6,9%	7,8%	8,4%	0,9%	3,3%	4,5%
Exchange rate impact	1	(1)																			
Labour Costs		24	19	386	24	43	429	65													
Other operational costs	1	368	28	115	369	397	512	2	14	9	11	16	25	36							
Other Charges		6	81		6	87				2			2								
Non Recurring Items	2	391	53	582	393	446	1.028	67	16	56	43	83	139	182							
EBITDA Reported Mln€	1.610	1.236	1.679	1.042	2.846	4.525	5.567	1.461	1.723	1.811	1.717	3.184	4.995	6.712	-9,3%	39,4%	7,9%	64,8%	11,9%	10,4%	20,6%

CAPEX

- Continued progress in Capex optimization driven by selectivity in UBB coverage. Full year figure at **3,709€mln (-191€mln YoY)**, with a **24.7% Capex /Sales ratio**.
- In one year, Domestic NGN coverage increased from 42% to ~60% of total households. 4G coverage increased from 88% to >96%.
- Innovative investments: **+215 €mln YoY**, driven by a faster pace in LTE, NGN and cloud services.
- Strong focus on Infrastructure in FY'16: **82% of Innovative Capex and 81% of Traditional Capex** are for Network and IT.

BRAZIL

Financial Highlights:

- Total Revenues Organic Performance Improving in 4Q'16: **-1.7% YoY** (3Q'16: -5.2% YoY, 2Q'16: -12.4% and 1Q'16: -15.3%), driven by postpaid performance.
- Service Revenue growth getting closer to positive in 4Q'16: **-0.7% YoY** (3Q'16: -2.4% YoY; 2Q'16: -5.9% YoY and 1Q'16: -8.3% YoY), with a strong improvement in Mobile Services (**4Q'16: -1.5% YoY**; 3Q: -3.1%; 2Q: -6.7%; 1Q: -9.2%), and confirming a *double-digit* growth in Fixed Services (**4Q'16: +17.2% YoY**, 3Q'16: **+10.9% YoY**).
- Organic* EBITDA was up +2.8% YoY in 4Q (**+0.5% YoY in 3Q**), with a robust contribution from cost efficiencies, fuelled by Organic* Opex reduction (**down 4.4% YoY**).
- Organic* EBITDA Margin expanded in 4Q to 38.5%, up 1.7pp YoY.
- Total Capex increased in **4Q'16 (+13.9% YoY)**, confirming the strong focus on infrastructure and MBB coverage. In FY'16, Capex/sales ratio reached the peak level of **28.8% (+1.0pp YoY)**.

Operational Highlights:

- Strong acceleration in quarterly postpaid net additions. Postpaid at **23.5%** of total Customer Base in December, reaching the highest level in nine years.
- Mobile ARPU up 9% YoY in **4Q'16 at 19.2R\$/month**, posting a fourth consecutive quarter of growth.
- Wider 4G coverage: **1,255 cities**, more than 2x second player, **74%** of urban population.
- Further expansion in 3G coverage: **2,833 cities**, **89%** of urban population.

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

GROUP FINANCIALS

- **4Q'16 Group Revenues performance now back to positive territory, at +0.8% YoY (excluding FX).**
- **Group EBITDA is now into its third consecutive positive quarterly performance. On a full-year basis, it stands at +2.4% YoY, a total turnaround in 4Q'16 (+5.9% YoY) from the -7.5% YoY recorded in the first quarter (+13.4 pp).**
- **Net Debt has been substantially reduced to 25,119€mln (-1,616 €mln vs 3Q'16).**

Very Best Regards
IR Team



4Q16/FY16 Financial and operating data

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* Preliminary financial results 4Q'16/FY'16

Disclaimer

The 4Q16/FY16 financial and operating data have been extracted or derived from the 2016 preliminary financial results of the TIM Group which were drafted in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as “IFRS”).

The accounting policies and consolidation principles adopted in the preparation of the 2016 preliminary financial results 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 TIM Group starting from 1 January 2016 which had no effects on the 2016 preliminary financial results. In addition, the 2016 preliminary financial results have not been verified by the independent auditors.

Within the Brazil Business Unit, TIM Brasil's Management during 2016 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 has been revised, segment information included.

Starting from 1 January 2016, as a result of the change in the operational mission of Persidera, the Media Business Unit was included in the Domestic Business Unit, while for prior periods under comparison it was reclassified under Other activities and Eliminations.

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

Key financial data by Business Unit

	Revised						UNAUDITED FIGURES	
REVENUES (€ mln)	1Q15	1H15	9M15	FY15	1Q16	1H16	9M16	FY16
Domestic	3.631	7.375	11.127	15.001	3.548	7.247	11.036	15.017
o/w Wireline Domestic	2.657	5.345	7.990	10.654	2.553	5.131	7.774	10.479
o/w Mobile Domestic	1.151	2.387	3.690	5.068	1.186	2.447	3.747	5.180
Brasile	1.412	2.691	3.699	4.636	897	1.858	2.922	4.047
Other activities & Elim.	11	35	52	82	(5)	(9)	(19)	-28
TI Group	5.054	10.101	14.878	19.719	4.440	9.096	13.939	19.036
EBITDA Reported (€ mln)								
Domestic	1.610	2.846	4.525	5.567	1.461	3.184	4.995	6.712
Brasile	416	790	1.108	1.451	258	556	900	1.328
Other activities & Elim.	7	3	(11)	(12)	(7)	(14)	(17)	-22
TI Group	2.033	3.639	5.622	7.006	1.712	3.726	5.878	8.018
EBITDA Margin Reported								
Domestic	44,3%	38,6%	40,7%	37,1%	41,2%	43,9%	45,3%	44,7%
Brasile	29,5%	29,4%	30,0%	31,3%	28,8%	29,9%	30,8%	32,8%
TI Group	40,2%	36,0%	37,8%	35,5%	38,6%	41,0%	42,2%	42,1%
CAPEX (€ mln)								
Domestic	676	1.506	2.297	3.900	778	1.575	2.398	3.709
Brasile	287	637	930	1.289	166	408	709	1.167
Elim & Adj	1	3	6	8	0	0	0	0
TI Group	964	2.146	3.233	5.197	944	1.983	3.107	4.876
CAPEX ON SALES (%)								
Domestic	18,6%	20,4%	20,6%	26,0%	21,9%	21,7%	21,7%	24,7%
Brasile	20,3%	23,7%	25,1%	27,8%	18,5%	22,0%	24,3%	28,8%
TI Group	19,1%	21,2%	21,7%	26,4%	21,3%	21,8%	22,3%	25,6%

Key financial data by Business Unit

	Revised				UNAUDITED FIGURES			
REVENUES (€ mln)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Domestic	3.631	3.744	3.752	3.874	3.548	3.699	3.789	3.981
o/w Wireline Domestic	2.657	2.688	2.645	2.664	2.553	2.578	2.643	2.705
o/w Mobile Domestic	1.151	1.236	1.303	1.378	1.186	1.261	1.300	1.433
Brasile	1.412	1.279	1.008	937	897	961	1.064	1.125
Other activities & Elim.	11	24	17	30	(5)	(4)	(10)	(9)
TI Group	5.054	5.047	4.777	4.841	4.440	4.656	4.843	5.097
EBITDA Reported (€ mln)								
Domestic	1.610	1.236	1.679	1.042	1.461	1.723	1.811	1.717
Brasile	416	374	318	343	258	298	344	428
Other activities & Elim.	7	(4)	(14)	(1)	(7)	(7)	(3)	(5)
TI Group	2.033	1.606	1.983	1.384	1.712	2.014	2.152	2.140
EBITDA Margin Reported								
Domestic	44,3%	33,0%	44,7%	26,9%	41,2%	46,6%	47,8%	43,1%
Brasile	29,5%	29,2%	31,5%	36,6%	28,8%	31,0%	32,3%	38,0%
TI Group	40,2%	31,8%	41,5%	28,6%	38,6%	43,3%	44,4%	42,0%
CAPEX (€ mln)								
Domestic	676	830	791	1.603	778	797	823	1.311
Brasile	287	350	293	359	166	242	301	458
Elim & Adj	1	2	3	2	0	0	0	0
TI Group	964	1.182	1.087	1.964	944	1.039	1.124	1.769
CAPEX ON SALES (%)								
Domestic	18,6%	22,2%	21,1%	41,4%	21,9%	21,5%	21,7%	32,9%
Brasile	20,3%	27,4%	29,1%	38,3%	18,5%	25,2%	28,3%	40,7%
TI Group	19,1%	23,4%	22,8%	40,6%	21,3%	22,3%	23,2%	34,7%

Domestic Business Results - Reported Figures

											UNAUDITED FIGURES									
	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
KPI's ('000)																				
Wireline																				
Physical accesses	12.283	-5,7%	12.080	-5,8%	11.907	-5,9%	11.742	-5,9%	11.742	-5,9%	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%
Broadband (retail+wholesale)	8.784	0,3%	8.821	0,7%	8.839	1,1%	8.890	1,6%	8.890	1,6%	8.955	1,9%	8.992	1,9%	9.042	2,3%	9.206	3,6%	9.206	3,6%
Mobile																				
Total lines ⁽¹⁾	30.140	-2,8%	30.075	-1,9%	30.023	-1,2%	30.007	-1,1%	30.007	-1,1%	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%
€ mln																				
REVENUES	3.631	-2,6%	3.744	-1,6%	3.752	-1,4%	3.874	-2,3%	15.001	-2,0%	3.548	-2,3%	3.699	-1,2%	3.789	1,0%	3.981	2,8%	15.017	0,1%
o/w Services	3.435	-3,3%	3.505	-1,7%	3.539	-1,5%	3.578	-1,1%	14.058	-1,9%	3.352	-2,4%	3.468	-1,1%	3.526	-0,4%	3.543	-1,0%	13.889	-1,2%
o/w Equipments	196	12,3%	239	1,3%	213	0,7%	296	-15,0%	943	-2,7%	196	0,1%	231	-3,4%	263	23,9%	438	48,1%	1.128	19,6%
o/w Domestic Mobile Services	1.053	-4,2%	1.109	-2,5%	1.170	-1,5%	1.184	0,1%	4.517	-2,0%	1.059	0,6%	1.117	0,7%	1.183	1,1%	1.221	3,1%	4.580	1,4%
o/w Traditional	621	-12,9%	622	-14,3%	639	-12,1%	621	-10,6%	2.503	-12,5%	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%
o/w Innovative	375	14,4%	416	21,8%	453	16,0%	484	19,9%	1.728	18,1%	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%
o/w Wholesale	57	-1,6%	71	2,1%	79	10,0%	78	-6,2%	286	0,9%	48	-15,8%	72	1,1%	96	20,7%	106	36,2%	322	12,8%
o/w Domestic Wireline Services	2.595	-4,4%	2.614	-1,9%	2.592	-1,8%	2.572	-3,1%	10.372	-2,8%	2.483	-4,3%	2.488	-4,8%	2.499	-3,6%	2.478	-3,6%	9.949	-4,1%
o/w Traditional Services	1.193	-8,4%	1.185	-6,2%	1.151	-6,3%	1.109	-9,6%	4.638	-7,6%	1.064	-10,8%	1.053	-11,1%	1.032	-10,3%	1.069	-3,6%	4.219	-9,0%
o/w Innovative Services	558	4,6%	583	7,8%	577	4,9%	596	3,8%	2.314	5,2%	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%
o/w Domestic Wholesale	560	-7,7%	549	-6,4%	550	-5,6%	546	1,2%	2.205	-4,8%	537	-4,1%	506	-7,8%	503	-8,6%	472	-13,6%	2.018	-8,5%
o/wTIS Group	310	3,0%	325	8,3%	336	10,5%	343	1,2%	1.314	5,6%	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%
o/w Subs. Adj. and Other	-26	12,2%	-28	-3,3%	-23	15,8%	-23	7,6%	-99	8,2%	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,4%	-110	-11,4%
Elimination & Other	-213	18,0%	-218	6,8%	-223	4,8%	-177	18,9%	-831	12,2%	-190	10,9%	-137	37,1%	-157	29,5%	-156	11,8%	-641	22,9%
EBITDA	1.610	-10,2%	1.236	-27,7%	1.679	-6,5%	1.042	-38,8%	5.567	-20,4%	1.461	-9,3%	1.723	39,4%	1.811	7,9%	1.717	64,8%	6.712	20,6%
EBITDA Margin	44,3%		33,0%		44,7%		26,9%		37,1%		41,2%		46,6%		47,8%		43,1%		44,7%	
Capex	676	37,1%	830	21,3%	791	28,6%	1.603	61,8%	3.900	40,1%	778	15,1%	797	-4,0%	823	4,0%	1.311	-18,2%	3.709	-4,9%
% on revenues	18,6%		22,2%		21,1%		41,4%		26,0%		21,9%		21,5%		21,7%		32,9%		24,7%	
Headcount at period-end ('000)	52.965	-0,6%	52.825	-0,7%	52.726	-1,0%	52.644	-0,8%	52.644	-0,8%	52.713	-0,5%	52.622	-0,4%	52.140	-1,1%	52.180	-0,9%	52.180	-0,9%

⁽¹⁾ M2M included

Domestic Mobile Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
KPI's																				
Total number of lines ('000) ⁽¹⁾	30.140	-2,8%	30.075	-1,9%	30.023	-1,2%	30.007	-1,1%	30.007	-1,1%	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%
Churn Rate %	6,4%	0,3pp	5,5%	-0,4pp	5,8%	-0,5pp	5,7%	-0,1pp	23,4%	-0,7pp	5,6%	-0,8pp	5,3%	-0,2pp	5,9%	0,1pp	6,0%	0,2pp	22,8%	-0,7pp
Total User Broadband (mln of users)	10,5	20,8%	10,8	17,5%	11,2	16,9%	11,5	14,3%	11,5	14,3%	11,6	11,1%	11,8	9,5%	12,1	7,7%	12,2	6,0%	12,2	6,0%
Total User LTE (mln of users)	1,8	-	2,7	-	3,4	-	4,4	-	4,4	-	5,0	-	5,7	-	6,2	-	7,6	-	7,6	-
Volumes of traffic (mln of minutes) ⁽²⁾	16.155	8,0%	16.630	6,6%	16.339	5,1%	16.998	2,7%	66.122	5,5%	16.943	4,9%	17.381	4,5%	17.213	5,3%	18.042	6,1%	69.578	5,2%
o/w Outgoing traffic volumes (mln of minutes) ⁽³⁾	10.821	4,5%	10.983	3,3%	10.711	1,9%	11.096	-0,8%	43.611	2,2%	10.999	1,6%	11.164	1,6%	11.143	4,0%	11.633	4,8%	44.939	3,0%
o/w Incoming traffic volumes (mln of minutes)	5.335	15,7%	5.647	13,9%	5.627	11,8%	5.902	9,8%	22.512	12,7%	5.945	11,4%	6.217	10,1%	6.069	7,9%	6.408	8,6%	24.640	9,5%
Usage Voce (min/line/month) ⁽³⁾	214	13,0%	223	11,5%	220	8,9%	232	6,2%	222	9,8%	233	8,8%	241	8,2%	241	9,5%	256	10,2%	243	9,2%
Usage Dati (GB/users/month)	1,3	14,3%	1,4	15,1%	1,6	18,3%	1,6	15,9%	1,5	15,9%	1,7	28,6%	1,9	36,0%	2,0	24,7%	2,1	30,8%	1,9	29,7%
ARPU ⁽³⁾	11,3	-1,3%	11,9	0,2%	12,5	-0,2%	12,8	0,8%	12,1	-0,1%	11,6	2,5%	12,1	1,5%	12,8	2,4%	13,3	4,2%	12,4	2,6%
REVENUES (€ mln), Reported figures																				
TOTAL	1.151	-2,0%	1.236	-2,2%	1.303	1,5%	1.378	0,7%	5.068	-0,5%	1.186	3,0%	1.261	2,0%	1.300	-0,2%	1.433	4,0%	5.180	2,2%
SERVICES	1.053	-4,2%	1.109	-2,5%	1.170	-1,5%	1.184	0,1%	4.517	-2,0%	1.059	0,6%	1.117	0,7%	1.183	1,1%	1.221	3,1%	4.580	1,4%
Traditional Services	621	-12,9%	622	-14,3%	639	-12,1%	621	-10,6%	2.503	-12,5%	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%
o/w Outgoing voice ⁽⁴⁾	463	-12,6%	455	-14,3%	461	-14,0%	432	-13,8%	1.810	-13,7%	404	-12,8%	403	-11,4%	395	-14,3%	379	-12,3%	1.581	-12,7%
o/w Incoming voice	58	12,3%	62	9,9%	65	14,4%	69	16,2%	254	13,3%	67	15,7%	70	13,4%	68	4,4%	71	3,2%	276	8,9%
o/w Messaging	100	-24,2%	106	-24,0%	113	-15,6%	120	-10,6%	439	-18,6%	102	2,0%	107	0,7%	98	-13,3%	87	-27,7%	394	-10,4%
Innovative Services	375	14,4%	416	21,8%	453	16,0%	484	19,9%	1.728	18,1%	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%
o/w Browsing	306	16,0%	339	20,7%	372	23,8%	392	20,5%	1.409	20,3%	356	16,3%	377	11,4%	392	5,4%	451	15,0%	1.576	11,9%
o/w Internet Content	69	8,1%	77	27,3%	80	-10,2%	92	17,4%	319	9,0%	83	19,4%	88	14,3%	135	67,6%	126	37,1%	432	35,4%
Wholesale Services	57	-1,6%	71	2,1%	79	10,0%	78	-6,2%	286	0,9%	48	-15,8%	72	1,1%	96	20,7%	106	36,2%	322	12,8%
Handsets	98	29,0%	127	0,1%	133	39,3%	194	4,8%	551	14,1%	127	29,5%	144	13,7%	117	-12,0%	212	9,2%	600	8,8%

⁽¹⁾ M2M Included

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

⁽³⁾ Roaming volumes not included

⁽³⁾ Net of visitors

⁽⁴⁾ Outgoing voice revenues include roaming revenues

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
KPI's																				
Physical accesses ('000)	12.283	-5,7%	12.080	-5,8%	11.907	-5,9%	11.742	-5,9%	11.742	-5,9%	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%
OLO Access (on TI infrastructure)	7.297	1,2%	7.375	1,6%	7.392	3,1%	7.467	3,4%	7.467	3,4%	7.543	3,4%	7.606	3,1%	7.600	2,8%	7.677	2,8%	7.677	2,8%
o/w ULL	5.460	1,2%	5.511	0,9%	5.517	2,9%	5.573	3,1%	5.573	3,1%	5.632	3,2%	5.680	3,1%	5.658	2,5%	5.641	1,2%	5.641	1,2%
o/w Virtual ULL	26	-6,5%	27	1,4%	29	16,7%	28	17,4%	28	17,4%	29	12,2%	28	2,7%	23	-19,4%	21	-25,8%	21	-25,8%
o/w Wholesale Line Rental	565	-14,4%	547	-13,7%	523	-14,1%	497	-15,4%	497	-15,4%	470	-16,9%	443	-19,1%	416	-20,6%	388	-21,9%	388	-21,9%
o/w Naked	1.207	7,3%	1.213	7,5%	1.218	5,4%	1.230	3,8%	1.230	3,8%	1.241	2,9%	1.256	3,5%	1.256	3,1%	1.274	3,6%	1.274	3,6%
o/w NGN	39	-	76	-	105	-	139	-	139	-	170	-	199	-	247	-	353	-	353	-
TI Retail Broadband Accesses ('000)	6.945	0,2%	6.971	0,5%	6.984	0,7%	7.023	1,5%	7.023	1,5%	7.067	1,8%	7.088	1,7%	7.123	2,0%	7.191	2,4%	7.191	2,4%
o/w Business	1.544	0,0%	1.522	-1,5%	1.505	-3,1%	1.488	-4,1%	1.488	-4,1%	1.480	-4,2%	1.472	-3,3%	1.470	-2,3%	1.464	-1,6%	1.464	-1,6%
o/w Consumer	5.401	0,2%	5.450	1,0%	5.479	1,8%	5.535	3,1%	5.535	3,1%	5.588	3,5%	5.616	3,1%	5.653	3,2%	5.727	3,5%	5.727	3,5%
o/w NGN	290	-	374	-	435	-	538	-	538	-	672	-	790	-	872	-	997	85,2%	997	85,2%
% flat offers on TI total portfolio (Consumer+Business)	92%	1,8pp	93%	1,9pp	93%	1,9pp	94%	1,9pp	94%	1,9pp	94%	1,8pp	94%	1,5pp	95%	1,4pp	95%	1,2pp	95%	1,2pp
BroadBand Accesses Wholesale ('000)	1.839	0,6%	1.850	1,7%	1.855	2,4%	1.867	2,1%	1.867	2,1%	1.888	2,6%	1.903	2,9%	1.918	3,4%	2.016	8,0%	2.016	8,0%
BB Arpu (euro/mese)	20,4	6,0%	20,9	6,7%	20,7	3,7%	21,2	4,9%	20,8	5,3%	21,5	5,2%	21,9	4,4%	22,4	8,1%	22,3	5,5%	22,0	5,8%
REVENUES(€ mln)																				
TOTAL	2.657	-4,1%	2.688	-1,8%	2.645	-2,7%	2.664	-3,9%	10.654	-3,1%	2.553	-3,9%	2.578	-4,1%	2.643	-0,1%	2.705	1,5%	10.479	-1,6%
o/w Services	2.595	-4,4%	2.614	-1,9%	2.592	-1,8%	2.572	-3,1%	10.372	-2,8%	2.483	-4,3%	2.488	-4,8%	2.499	-3,6%	2.478	-3,6%	9.949	-4,1%
o/w Equipments	62	9,1%	74	1,4%	53	-32,5%	92	-21,7%	282	-13,8%	70	13,8%	90	20,7%	144	169,0%	227	145,2%	530	88,2%
TRADITIONAL SERVICES	1.193	-8,4%	1.185	-6,2%	1.151	-6,3%	1.109	-9,6%	4.638	-7,6%	1.064	-10,8%	1.053	-11,1%	1.032	-10,3%	1.069	-3,6%	4.219	-9,0%
o/w Voice	1.038	-7,6%	1.015	-7,1%	978	-7,3%	944	-11,9%	3.975	-8,5%	901	-13,2%	874	-13,9%	836	-14,4%	830	-12,0%	3.441	-13,4%
o/w Traffic	353	-6,3%	359	-1,9%	348	1,6%	339	-9,5%	1.399	-4,1%	324	-8,4%	323	-10,1%	306	-11,9%	306	-9,9%	1.259	-10,1%
o/w Access	612	-8,0%	586	-9,3%	562	-10,9%	539	-13,0%	2.299	-10,3%	515	-15,9%	489	-16,6%	470	-16,3%	463	-14,1%	1.937	-15,8%
o/w Voice VAS	30	-6,7%	29	-12,9%	28	-18,0%	27	-17,1%	115	-13,7%	26	-15,4%	27	-5,9%	27	-4,8%	27	-2,4%	106	-7,3%
o/w Rental & other	43	-12,1%	41	-14,3%	40	-16,0%	38	-13,2%	161	-13,9%	37	-13,7%	35	-14,0%	33	-16,4%	35	-8,5%	140	-13,2%
o/w Business Data & Others trad	155	-13,9%	170	-0,5%	173	-0,3%	165	6,9%	663	-2,3%	163	5,3%	179	5,7%	195	12,9%	239	44,6%	777	17,2%
o/w Data Services	118	-6,8%	120	-4,3%	110	-9,8%	117	-4,9%	465	-6,4%	112	-4,8%	113	-5,8%	112	2,0%	115	-1,8%	453	-2,7%
o/w Rental & other	37	-30,4%	50	10,0%	63	22,3%	48	53,1%	198	9,0%	51	37,3%	67	33,4%	83	32,1%	124	157,4%	325	63,9%
INNOVATIVE SERVICES	558	4,6%	583	7,8%	577	4,9%	596	3,8%	2.314	5,2%	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%
o/w Broadband	418	5,7%	430	6,8%	427	3,9%	437	5,8%	1.712	5,5%	447	6,9%	457	6,2%	471	10,2%	473	8,2%	1.847	7,9%
o/w Access & Bundles Services	399	6,0%	412	7,4%	409	4,6%	419	6,4%	1.639	6,1%	429	7,6%	440	6,8%	454	10,9%	457	8,9%	1.780	8,6%
o/w Others	19	-0,8%	18	-5,0%	18	-8,8%	18	-6,6%	72	-5,4%	17	-6,4%	17	-7,6%	17	-6,4%	16	-10,0%	67	-7,6%
o/w Content	5	12,7%	5	4,8%	6	28,2%	4	-13,1%	20	7,5%	4	-17,6%	4	-21,3%	4	-23,1%	4	-10,3%	17	-18,5%
o/w ICT Service	135	1,1%	148	10,7%	145	7,1%	155	-0,9%	582	4,3%	139	3,2%	149	0,6%	149	3,0%	172	10,9%	609	4,5%
Domestic Wholesale	560	-7,7%	549	-6,4%	550	-5,6%	546	1,2%	2.205	-4,8%	537	-4,1%	506	-7,8%	503	-8,6%	472	-13,6%	2.018	-8,5%
TIS Group	310	3,0%	325	8,3%	336	10,5%	343	1,2%	1.314	5,6%	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%
Subs. Adj. and Other	-26	12,2%	-28	-3,3%	-23	15,8%	-23	7,6%	-99	8,2%	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,4%	-110	-11,4%

TIM Brasil Results - Reported Figures

Revised

UNAUDITED FIGURES

	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
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KPI's - Mobile only

Estimated Total Penetration (%)	139,0%	138,2%	134,8%	125,7%	125,7%	125,4%		123,0%		121,6%		118,0%			
Market Share on total lines(%)	26,7%	26,4%	26,3%	25,7%	25,7%	26,1%	-0,6pp	25,3%	-1,2pp	25,2%	-1,1pp	26,0%	+0,3pp	26,0%	+0,3pp
Total Lines ('000) ⁽¹⁾	75.749	74.600	72.573	66.234	66.234	67.269	-11,2%	63.988	-14,2%	63.247	-12,9%	63.418	-4,3%	63.418	-4,3%
TOTAL ARPU ⁽²⁾	16,7	16,1	16,4	17,6	16,7	17,2	3%	17,2	7%	18,4	12%	19,2	9%	18,0	8,0%
TOTAL MOU net of visitors	120	119	119	120	119	119	-1,4%	118	-0,4%	116	-2,1%	113	-5,8%	117	-2,4%

MAIN RESULTS (IAS/IFRS, R\$ mln)

	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
REVENUES Reported	4.551	4.361	4.115	4.115	17.142	3.854	-15,3%	3.820	-12,4%	3.900	-5,2%	4.043	-1,7%	15.617	-8,9%
of which services	3.944	3.792	3.782	3.869	15.387	3.618	-8,3%	3.570	-5,9%	3.690	-2,4%	3.842	-0,7%	14.720	-4,3%
of which handsets	607	569	333	246	1.755	236	-61,1%	250	-56,1%	210	-36,9%	201	-18,3%	897	-48,9%
EBITDA Reported	1.341	1.276	1.285	1.463	5.365	1.107	-17,4%	1.189	-6,8%	1.270	-1,2%	1.558	6,5%	5.124	-4,5%
EBITDA margin	29,5%	29,3%	31,2%	35,6%	31,3%	28,7%	-0,8pp	31,1%	1,8pp	32,6%	1,4pp	38,5%	2,9pp	32,8%	1,5pp
Capex Reported	924	1.184	1.168	1.488	4.764	710	-23,2%	975	-17,7%	1.122	-3,9%	1.695	+13,9%	4.502	-5,5%
% on revenues	20,3%	27,1%	28,4%	36,2%	27,8%	18,4%	-1,9pp	25,5%	-1,6pp	28,8%	0,4pp	41,9%	5,7pp	28,8%	1,0pp

	1Q15	1H15	9M15	4Q15	FY15	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy	4Q16	Δ% yoy	FY16
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Exchange rate AVG YTD (R\$ vs. euro)	3,22251	3,31144	3,52233		3,69727	4,29753		4,13001		3,96106				3,85935
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(1) Includes company lines

(2) Gross of visitors

4Q'16 Reported & Organic Figures (*): YoY trends

Revised

UNAUDITED FIGURES

4Q'15					4Q'16					Δ% yoy reported		Δ% yoy organic *	
Reported Figures (a)		Non Organic elements (b)		Non recurring items (c)	Organic figures * (d=a+b+c)	Reported figures (e)		Non recurring items (f)	Organic figures * (g=e+f)	(h=e/a-1)	(i=g/d-1)		
€ mln		Change in consolid. area	Exchange rate impact										
REVENUES													
Domestic	3.874			1	3.875	Domestic	3.981		3.981	2,8	2,7		
o/w Wireline Domestic	2.664			1	2.665	o/w Wireline Domestic	2.705		2.705	1,5	1,5		
o/w Mobile Domestic	1.378				1.378	o/w Mobile Domestic	1.433		1.433	4,0	4,0		
Brasile	937			216	1.153	Brasile	1.125		1.125	20,1	(1,7)		
Other Activities & Eliminations	30				30	Other Activities & Eliminations	-9		(9)	-	-		
TI Group	4.841			217	5.058	TI Group	5.097		5.097	5,3	0,8		
EBITDA													
Domestic	1.042				582	Domestic	1.717	43	1.760	64,8	8,4		
Brasile	343			62	419	Brasile	428	1	429	24,8	2,8		
Other Activities & Eliminations	(1)				20	Other Activities & Eliminations	(5)		(5)				
TI Group	1.384			62	2.062	TI Group	2.140	44	2.184	54,6	5,5		
EBITDA Margin													
Domestic	26,9%				41,9%	Domestic	43,1%		44,2%	16,2 pp	2,3 pp		
Brasile	36,6%				36,8%	Brasile	38,0%	1,4 pp	38,5%	1,4 pp	1,7 pp		
TI Group	28,6%				40,8%	TI Group	42,0%		42,8%	13,4 pp	2 pp		

Non recurring items on EBITDA		4Q15	4Q16
Labour cost		397	31
Other Costs & Charges		219	13
Total		616	44

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