Dear Madam/Sir,

Please find attached the Telecom Italia Group press release on 1Q17 Results and the related File featuring 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.

Main take aways:

- **Strong improvement of KPIs and financials, both in Italy and Brazil. Outlook remains positive.**
- **Domestic service revenues, net of 2016 leap year effect, improved to parity YoY.**
- **Net Debt performance YoY benefits from strong 1Q17 organic Net Cash Flow, 576 mln€ better than 1Q16.**

DOMESTIC REVENUES

Domestic Revenues Turnaround Confirmed: Total Revenues in 1Q17 +2.8% YoY vs +2.5% YoY in 4Q16.
Service revenues improved to -0.3% YoY (vs -1.3%YoY in 4Q16). Excluding the leap year effect, the service revenues performance in 1Q17 are approximately flat YoY.

FIXED REVENUES

Total Wireline Revenues: +1.7% YoY in 1Q17 (vs +2.1% YoY in 4Q16), driven by improving service revenues and by continued demand for enabling equipment.

- **Wireline Service Revenues -2.4% YoY** in 1Q17 (vs –3.0% in 4Q16), supported by growing performance in Broadband and Fiber, and better line losses trend.
  - **Retail Line Losses : -55k in 1Q17** (-83k in 4Q16), -61% YoY;
  - **Retail BB Net Adds: +120k** vs +47k in 4Q16; 2.8x better than 1Q16;
  - **Retail NGN Net Adds: +230k,** vs +123k in 4Q16**,** 1.7x better than 1Q16. Retail fiber CB at the end of March was ~**1.2 mln;**
  - **Better performance did not dilute Fixed Consumer ARPU, stable at 32€;**
  - **BB ARPU** further improved to **23€/month in 1Q17** (+7.3% vs 1Q16 21.5€/month);
  - **Total Fiber Customers** now at 1.7mln (Wholesale NGN +128k in 1Q17).

MOBILE REVENUES:

Total Mobile Revenues at +**2.5% YoY** in 1Q17 (+3.0% in 1Q16).

- **Service Revenues performance at +2.2% YoY,** confirming growth **for the 6th** quarter in a row. Excluding leap year effect, MSR performance (+3.2% adjusted) is better than 4Q16;

- **Mobile BB users at 12.2 mln in 1Q17** (11.6 mln users in 1Q16), +4.7% YoY;

- **LTE users growing: +0.7 mln net adds in 1Q17, at 8.3 mln users;** showing a 68% penetration on Mobile BB.
- **MNP balance broadly stable at -10k in 1Q17** (vs -28k in 1Q16);

- **Churn rate at 23.6%** on a FY basis;

- **ARPU** improved to **12.0 €/month in 1Q17** (+3.2% vs 1Q16: 11.6€ month).

DOMESTIC EBITDA

The Organic Domestic **EBITDA stood at 1,645 mln euro in 1Q17,** growing by 116 mln € vs same period last year (+7.6% YoY in 1Q17). The recovery in the EBITDA performance is driven by the new effective Top line strategy and the successful Cost Efficiency Plan (-121 mln euro YoY in 1Q17).

Organic EBITDA margin up to 45.1% in 1Q17 (+2.0pp vs. 43.1% in 1Q16).

DOMESTIC CAPEX

Total Capex are 631 mln €, with a strong focus on Innovative investments allowing to reach a **NGN coverage at ~65% to-date. 4G LTE coverage increased** from 92%, in 1Q16, **to ~97% to-date.** The YoY Domestic Capex reduction in 1Q17 (-147 mln euro, -18.9%) was driven by a reduction in non core Capex (Real Estate -94% YoY, IT –26% YoY, Commercial & Others -22% YoY) partially offset by higher expenditure for innovative network capex (+11% YoY in 1Q17), mainly related to NGN development.

BRAZIL (average real/euro exchange rate 3.34707)

Financial Highlights

- **Top line back to positive growth: +2.5% YoY in 1Q17** (-1.7% in 4Q16):

  - **Service Revenues +3.5% YoY** in 1Q17 (-0.7% in 4Q16), driven by **strong performance in Mobile Services** (**+3.6% in 1Q17**, -1.5% in 4Q16). **Fixed Services growing at low single-digit** (**+1.4% in 1Q17 YoY),** reflecting a tougher comparison after several quarters of solid growth (+17.2% in 4Q16);

  - **Product Revenues –12.3% YoY** in 1Q17, decelerating the reduction pace (-61.1% YoY in 1Q16), and reflecting the change in handset strategy, now focusing more on value than on volume.

- **Strong acceleration in Organic EBITDA** (Net of Non-Recurring Items) **growth: +9.4% YoY in 1Q17** (-15% in 1Q16), reflecting the solid performance in service revenues and Opex control. **Organic EBITDA Margin up in 1Q17 to 31.6% (+2.0pp vs. 29.6% in 1Q16).**

- **Total Capex decreasing (-5.8% YoY in 1Q17):** investment cycle starting to normalize after historical peak levels but confirming a strong focus on infrastructure (~80% of total Capex in 1Q17). **Capex reached 16.9% of revenues (18.4% in 1Q16).**

Operational Highlights

- **Customer base transformation towards value continues: Postpaid weight** over total Customer Base (**61.9 mln** in March'17) now at **25%** (up from 20% in 1Q16). **TIM leader in human* postpaid net additions in 1Q17: +418k new subs** *(*Human: ex-M2M and modem).*
- **ARPU up by 10.5% YoY (at R$19.0/month in 1Q17)**, fifth consecutive quarter of growth, supported by customer base mix improvement and new commercial approach with a "*more-for-more*" approach.

  Solid leadership in 4G coverage, with **1,322 cities** covered and reaching **75%** of urban population. **4G users** now at **32%** of total customer base.

GROUP NET PROFIT

The YoY performance of Group Profit post Minorities (200mln€ in 1Q17 versus 433mln€ in 1Q16) was impacted by the fair value adjustment deriving from our Mandatory Convertible Bond, which matured last November, and that in the first quarter of last year carried a positive after-tax contribution of 238mln€.

GROUP NET DEBT

Adjusted Net Financial Position amounted to 25,235 million euros on March 31, 2017, up 116 mln€ compared to December 31, 2016 (25,119 million euros).
The level of debt was negatively influenced by the Brazilian spectrum clean-up (R$ 859 mln, € 257 mln), and by the exchange rate performance, partially offset by the positive trend in business operations and the quick pace of operating cash-flow generation.

NFP 1Q17 down 1.9 billion euros compared to March 31, 2016 (27,139 million euros). YoY debt reduction was supported by the positive trend in operations and the strengthening of equity stemming from the conversion of the € 1.3 bln mandatory convertible bond into TIM shares last November.

With our best regards,

TI Investor Relations Team

1Q'17 Financial and operating data

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TELECOM ITALIA INVESTOR RELATIONS

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Disclaimer

The 1Q17 financial and operating data have been extracted or derived, with the exception of some data, from the Condensed Consolidated Financial Statements at 31 March 2017 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 at 31 March 2017 have been applied on a basis consistent with those adopted in the Annual Consolidated Financial Statements at 31 December 2016.

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

€ mln

UNAUDITED FIGURES

REVENUES	1Q16	1Q17
Domestic	3.548	3.647
o/w Wireline Domestic	2.553	2.596
o/w Mobile Domestic	1.186	1.216
Brasile	897	1.181
Other activities & Elim.	(5)	(9)
TI Group	**4.440**	**4.819**
EBITDA Reported		
Domestic	1.461	1.621
Brasile	258	372
Other activities & Elim.	(7)	(3)
TI Group	**1.712**	**1.990**
EBITDA Margin Reported		
Domestic	41,2%	44,4%
Brasile	28,8%	31,5%
TI Group	**38,6%**	**41,3%**
EBIT Reported		
Domestic	662	787
Brasile	49	81
Other activities & Elim.	(7)	(3)
TI Group	**704**	**865**
EBIT Margin Reported		
Domestic	18,7%	21,6%
Brasile	5,5%	6,9%
TI Group	**15,9%**	**17,9%**
CAPEX		
Domestic	778	631
Brasile	166	200
Elim & Adj	0	
TI Group	**944**	**831**
CAPEX ON SALES (%)		
Domestic	21,9%	17,3%
Brasile	18,5%	16,9%
TI Group	**21,3%**	**17,2%**

P&L Group

UNAUDITED FIGURES

€ mln	1Q16	1Q17
REVENUES	**4.440**	**4.819**
Other Income	47	78
TOTAL OPERATING REVENUES AND OTHER INCOME	**4.487**	**4.897**
Acquisition of goods and services	(1.923)	(2.061)
Employee benefits expenses	(848)	(760)
Other operating expenses	(247)	(273)
Internally generated assests and Others	243	187
EBITDA	**1.712**	**1.990**
EBITDA Margin	38,6%	41,3%
Depreciation and amortization	(1.009)	(1.129)
Gains (losses) on disposals of non-current assets	3	4
Impairment reversals (losses) on non-current assets	(2)	
EBIT	**704**	**865**
EBIT Margin	15,9%	17,9%
Income (loss) equity invest. valued equity method		
Net Financial Income / (Expenses)	(26)	(384)
Profit (loss) before tax from continuing operations	**678**	**481**
Income tax expense	(221)	(256)
Profit (loss) from continuing operations	**457**	**225**
Profit (loss) from Discontinued operations/Non-current assets held	47	
Profit (loss) for the year	**504**	**225**
Attributable to:		
Owners of the Parent	**433**	**200**
Non-controlling interests	71	25

Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln	FY16	1Q17
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	29.612	29.628
Intangible assets with a finite useful life	6.951	6.973
	36.563	36.601
Tangible assets		
Property, plant and equipment owned	13.947	13.725
Assets held under finance leases	2.413	2.412
	16.360	16.137
Other non-current assets		
Investments in associates and joint ventures accounted for using the equity method	18	18
Other investments	46	48
Non-current financial assets	2.698	2.596
Miscellaneous receivables and other non-current assets	2.222	2.339
Deferred tax assets	877	705
	5.861	5.706
TOTAL NON-CURRENT ASSETS (A)	**58.784**	**58.444**
CURRENT ASSETS		
Inventories	270	299
Trade and miscellaneous receivables and other current assets	5.426	5.621
Current income tax receivables	94	34
Other investments		
Securities other than investments, financial receivables and other current financial assets	1.908	1.632
Cash and cash equivalents	3.964	4.461
Current assets sub-total	**11.662**	**12.047**
Discontinued operations/assets held for sale		
of a financial nature	-	-
of a non-financial nature	-	-
	-	**-**
TOTAL CURRENT ASSETS (B)	**11.662**	**12.047**
TOTAL ASSETS (A+B)	**70.446**	**70.491**

Consolidated Balance Sheet

€ mln	FY16	1Q17
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to equity holders of the Parent	21.207	21.555
Equity attributable to Minority Interests	2.346	2.395
TOTAL EQUITY (C)	**23.553**	**23.950**
NON-CURRENT LIABILITIES		
Non-current financial liabilities	30.469	31.025
Employee benefits	1.355	1.359
Deferred tax liabilities	293	304
Provisions	830	844
Miscellaneous payables and other non-current liabilities	1.607	1.646
TOTAL NON-CURRENT LIABILITIES (D)	**34.554**	**35.178**
CURRENT LIABILITIES		
Current financial liabilities	4.056	3.587
Trade and miscellaneous payables and other current liabilities	7.646	7.215
Current income tax payables	637	561
Current liabilities sub-total (E)	**12.339**	**11.363**
Liabilities directly associated with Discontinued operations/Non-current assets held for sale		
of a financial nature	-	-
of a non-financial nature	-	-
	-	**-**
TOTAL CURRENT LIABILITIES (E)	**12.339**	**11.363**
TOTAL LIABILITIES (F=D+E)	**46.893**	**46.541**
TOTAL EQUITY AND LIABILITIES (C+F)	**70.446**	**70.491**

Net Cash Flow & Net Debt Dynamics

UNAUDITED FIGURES

(€ mln)	1Q16	1Q17
EBITDA	1.712	1.990
CAPEX	(944)	(831)
Change in net operating working capital:	(750)	(795)
Change in inventories	(87)	(29)
Change in trade receivables and net amounts due from customers on construction contracts	30	31
Change in trade payables (*)	(566)	(697)
Other changes in operating receivables/payables	(127)	(100)
Change in provisions for employee benefits	59	(7)
Change in operating provisions and Other changes	(52)	4
Net operating Free Cash Flow	**25**	**361**
Sale of investments and other disposals flow	707	2
Share capital increases/reimbursements, including incidental costs		
Financial investments flow	(9)	(1)
Dividends payment		
Change in finance lease contracts	(46)	(15)
Finance expenses, income taxes and other net non-operating requirements flow	(500)	(463)
Reduction/(Increase) in adjusted net financial debt from continuing operations	**177**	**(116)**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(38)	-
Reduction/(Increase) in adjusted net financial debt	**139**	**(116)**
OPENING NET FINANCIAL DEBT (Adjusted)	**27.278**	**25.119**
Net cash flow	139	(116)
ENDING NET FINANCIAL DEBT (Adjusted)	**27.139**	**25.235**
Adj for fair value valuation of derivatives and related underlyings	1.094	688
ENDING NET FINANCIAL DEBT (Reported)	**28.233**	**25.923**

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

Domestic Business Results - Reported Figures

€ mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
KPI's ('000)												
Wireline												
Physical accesses	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%	11.230	-3,2%
Broadband (retail+wholesale)	8.955	1,9%	8.992	1,9%	9.042	2,3%	9.206	3,6%	9.206	3,6%	9.435	5,4%
Mobile												
Total lines [1]	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%	29.417	-1,4%

€ mln	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
REVENUES	**3.548**	-2,3%	**3.699**	-1,2%	**3.789**	1,0%	**3.970**	2,5%	**15.006**	0,0%	**3.647**	2,8%
o/w Services	3.352	-2,4%	3.468	-1,1%	3.526	-0,4%	3.532	-1,3%	13.878	-1,3%	3.342	-0,3%
o/w Equipments	196	0,1%	231	-3,4%	263	23,9%	438	48,1%	1.128	19,6%	305	55,8%
o/w Domestic Mobile Services	**1.059**	0,6%	**1.117**	0,7%	**1.183**	1,1%	**1.220**	3,0%	**4.579**	1,4%	**1.083**	2,2%
o/w Traditional	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%	496	-13,4%
o/w Innovative	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%	534	21,8%
o/w Wholesale	48	-15,8%	72	1,1%	96	20,7%	105	34,9%	321	12,4%	53	10,4%
o/w Domestic Wireline Services	**2.483**	-4,3%	**2.488**	-4,8%	**2.499**	-3,6%	**2.494**	-3,0%	**9.965**	-3,9%	**2.424**	-2,4%
o/w Traditional Services	1.064	-10,8%	1.053	-11,1%	1.032	-10,3%	1.069	-3,6%	4.219	-9,0%	967	-9,1%
o/w Innovative Services	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%	652	10,5%
o/w Domestic Wholesale	537	-4,1%	506	-7,8%	503	-8,6%	488	-10,7%	2.034	-7,8%	505	-5,9%
o/wTIS Group	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%	310	-0,3%
o/w Subs. Adj. and Other	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,0%	-110	-11,3%	-11	45,1%
Elimination & Other	**-190**	10,9%	**-137**	37,1%	**-157**	29,5%	**-182**	-2,9%	**-667**	19,8%	**-164**	13,5%
EBITDA Reported	**1.461**	-9,3%	**1.723**	39,4%	**1.811**	7,9%	**1.703**	63,4%	**6.698**	20,3%	**1.621**	11,0%
EBITDA Margin	41,2%		46,6%		47,8%		42,9%		44,6%		44,4%	
Capex	**778**	15,1%	**797**	-4,0%	**823**	4,0%	**1.311**	-18,2%	**3.709**	-4,9%	**631**	-18,9%
% on revenues	21,9%		21,5%		21,7%		33,0%		24,7%		17,3%	
Headcount at period-end ('000)	**52.713**	-0,5%	**52.622**	-0,4%	**52.140**	-1,1%	**51.280**	-2,6%	**51.280**	-2,6%	**51.163**	-2,7%

[1] M2M included

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

	1Q16	D% yoy	2Q16	D% yoy	3Q16	D% yoy	4Q16	D% yoy	FY16	D% yoy	1Q17	D% yoy
KPI's												
Physical accesses ('000)	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%	11.230	-3,2%
o/w NGN	668	131,5%	784	110,7%	864	100,0%	987	84,6%	987	84,6%	1.217	82,3%
OLO Access (on TI infrastructure)	7.543	3,4%	7.606	3,1%	7.600	2,8%	7.677	2,8%	7.677	2,8%	7.810	3,5%
o/w ULL	5.632	3,2%	5.680	3,1%	5.658	2,5%	5.641	1,2%	5.641	1,2%	5.657	0,4%
o/w Virtual ULL	29	12,2%	28	2,7%	23	-19,4%	21	-25,8%	21	-25,8%	17	-40,2%
o/w Wholesale Line Rental	470	-16,9%	443	-19,1%	416	-20,6%	388	-21,9%	388	-21,9%	373	-20,6%
o/w Naked	1.241	2,9%	1.256	3,5%	1.256	3,1%	1.274	3,6%	1.274	3,6%	1.282	3,3%
o/w NGN	170	-	199	-	247	-	353	-	353	-	481	-
TI Retail Broadband Accesses ('000)	7.067	1,8%	7.088	1,7%	7.123	2,0%	7.191	2,4%	7.191	2,4%	7.310	3,4%
o/w Business	1.480	-4,2%	1.472	-3,3%	1.470	-2,3%	1.464	-1,6%	1.464	-1,6%	1.470	-0,7%
o/w Consumer	5.588	3,5%	5.616	3,1%	5.653	3,2%	5.727	3,5%	5.727	3,5%	5.840	4,5%
% flat offers on TI total portfolio (Consumer+Business)	94%	1,8pp	94%	1,5pp	95%	1,4pp	95%	1,2pp	95%	1,2pp	95%	1,2pp
BroadBand Accesses Wholesale ('000)	1.888	2,6%	1.903	2,9%	1.918	3,4%	2.016	8,0%	2.016	8,0%	2.125	12,6%
BB Arpu (euro/mese)	21,5	5,2%	21,9	4,4%	22,4	8,1%	22,3	5,5%	22,0	5,8%	23,0	7,3%
REVENUES(€ mln)	1Q16	D% yoy	2Q16	D% yoy	3Q16	D% yoy	4Q16	D% yoy	FY16	D% yoy	1Q17	D% yoy
TOTAL	**2.553**	-3,9%	**2.578**	-4,1%	**2.643**	-0,1%	**2.721**	2,1%	**10.495**	-1,5%	**2.596**	1,7%
o/w Services	2.483	-4,3%	2.488	-4,8%	2.499	-3,6%	2.494	-3,0%	9.965	-3,9%	2.424	-2,4%
o/w Equipments	70	13,8%	90	20,7%	144	169,0%	227	145,2%	530	88,2%	172	145,8%
TRADITIONAL SERVICES	**1.064**	-10,8%	**1.053**	-11,1%	**1.032**	-10,3%	**1.069**	-3,6%	**4.219**	-9,0%	**967**	-9,1%
o/w Voice	**901**	-13,2%	**874**	-13,9%	**836**	-14,4%	**830**	-12,0%	**3.441**	-13,4%	**801**	-11,1%
o/w Traffic	324	-8,4%	323	-10,1%	306	-11,9%	306	-9,9%	1.259	-10,1%	297	-8,4%
o/w Access	515	-15,9%	489	-16,6%	470	-16,3%	463	-14,1%	1.937	-15,8%	445	-13,5%
o/w Voice VAS	26	-15,4%	27	-5,9%	27	-4,8%	27	-2,4%	106	-7,3%	25	-2,7%
o/w Rental & other	37	-13,7%	35	-14,0%	33	-16,4%	35	-8,5%	140	-13,2%	34	-6,8%
o/w Business Data & Others trad	**163**	5,3%	**179**	5,7%	**195**	12,9%	**239**	44,6%	**777**	17,2%	**166**	1,5%
o/w Data Services	112	-4,8%	113	-5,8%	112	2,0%	115	-1,8%	453	-2,7%	111	-1,3%
o/w Rental & other	51	37,3%	67	33,4%	83	32,1%	124	157,4%	325	63,9%	55	7,6%
INNOVATIVE SERVICES	**590**	5,8%	**610**	4,6%	**624**	8,1%	**648**	8,7%	**2.472**	6,8%	**652**	10,5%
o/w Broadband	**447**	6,9%	**457**	6,2%	**471**	10,2%	**473**	8,2%	**1.847**	7,9%	**493**	10,4%
o/w Access & Bundles Services	429	7,6%	440	6,8%	454	10,9%	457	8,9%	1.780	8,6%	470	9,5%
o/w Others	17	-6,4%	17	-7,6%	17	-6,4%	16	-10,0%	67	-7,6%	23	31,5%
o/w Content	**4**	-17,6%	**4**	-21,3%	**4**	-23,1%	**4**	-10,3%	**17**	-18,5%	**4**	0,9%
o/w ICT Service	**139**	3,2%	**149**	0,6%	**149**	3,0%	**172**	10,9%	**609**	4,5%	**155**	11,3%
Domestic Wholesale	**537**	-4,1%	**506**	-7,8%	**503**	-8,6%	**488**	-10,7%	**2.034**	-7,8%	**505**	-5,9%
TIS Group	**311**	0,3%	**338**	4,0%	**354**	5,4%	**348**	1,5%	**1.351**	2,8%	**310**	-0,3%
Subs. Adj. and Other	**-19**	24,7%	**-19**	32,4%	**-13**	41,4%	**-59**	-155%	**-110**	-11,3%	**-11**	45,1%

Domestic Mobile Results - Reported Figures

€ mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
KPI's												
Total number of lines ('000) [1]	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%	29.417	-1,4%
Churn Rate %	5,6%	-0,8pp	5,3%	-0,2pp	5,9%	0,1pp	6,0%	0,2pp	22,8%	-0,7pp	5,9%	0,2pp
Total User Broadband (mln of users)	11,6	11,1%	11,8	9,5%	12,1	7,7%	12,2	6,0%	12,2	6,0%	12,2	4,7%
Total User LTE (mln of users)	5,0	-	5,7	-	6,2	-	7,6	-	7,6	-	8,3	-
Volumes of traffic (mln of minutes) [2]	16.943	4,9%	17.381	4,5%	17.213	5,3%	18.042	6,1%	69.578	5,2%	18.183	7,3%
o/w Outgoing traffic volumes (mln of minutes)	10.999	1,6%	11.164	1,6%	11.143	4,0%	11.633	4,8%	44.939	3,0%	11.781	7,1%
o/w Incoming traffic volumes (mln of minutes)	5.945	11,4%	6.217	10,1%	6.069	7,9%	6.408	8,6%	24.640	9,5%	6.402	7,7%
Usage Voice (min/line/month)[3]	233	8,8%	241	8,2%	241	9,5%	256	10,2%	243	9,2%	259	11,4%
Usage Data (GB/users/month)	1,7	28,6%	1,9	36,0%	2,0	24,7%	2,1	30,8%	1,9	29,7%	2,3	35,3%
ARPU[3] €	11,6	2,5%	12,1	1,5%	12,8	2,4%	13,3	4,1%	12,4	2,6%	12,0	3,2%

REVENUES (€ mln), Reported figures	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
TOTAL	**1.186**	3,0%	**1.261**	2,0%	**1.300**	-0,2%	**1.432**	3,9%	**5.179**	2,2%	**1.216**	2,5%
SERVICES	**1.059**	0,6%	**1.117**	0,7%	**1.183**	1,1%	**1.220**	3,0%	**4.579**	1,4%	**1.083**	2,2%
Traditional Services	**573**	-7,7%	**580**	-6,9%	**561**	-12,2%	**537**	-13,5%	**2.250**	-10,1%	**496**	-13,4%
o/w Outgoing voice [4]	404	-12,8%	403	-11,4%	395	-14,3%	379	-12,3%	1.581	-12,7%	349	-13,7%
o/w Incoming voice	67	15,7%	70	13,4%	68	4,4%	71	3,2%	276	8,9%	71	5,4%
o/w Messaging	102	2,0%	107	0,7%	98	-13,3%	87	-27,7%	394	-10,4%	76	-24,9%
Innovative Services	**438**	16,8%	**466**	12,0%	**527**	16,4%	**577**	19,2%	**2.008**	16,2%	**534**	21,8%
o/w Browsing	356	16,3%	377	11,4%	392	5,4%	451	15,0%	1.576	11,9%	415	16,8%
o/w Internet Content	83	19,4%	88	14,3%	135	67,6%	126	37,1%	432	35,4%	119	43,1%
Wholesale Services	**48**	-15,8%	**72**	1,1%	**96**	20,7%	**105**	34,9%	**321**	12,4%	**53**	10,4%
Handsets	**127**	29,5%	**144**	13,7%	**117**	-12,0%	**212**	9,2%	**600**	8,8%	**133**	5,2%

(1) M2M included

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

(3) Net of visitors

(4) Outgoing voice revenues include roaming revenues

TIM Brasil Results - Reported Figures

Reais mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
KPI's - Mobile only												
Estimated Total Penetration (%)	125,4%		123,0%		121,6%		118,0%				117,2%	
Market Share on total lines(%)	26,1%	-0,6pp	25,3%	-1,2pp	25,2%	-1,1pp	26,0%	+0,3pp	26,0%	+0,3pp	25,5%	-0,6pp
Total Lines ('000) (1)	67.269	-11,2%	63.988	-14,2%	63.247	-12,9%	63.418	-4,3%	63.418	-4,3%	61.868	-8,0%
TOTAL ARPU (2)	17,2	3%	17,2	7%	18,4	12%	19,2	9%	18,0	8%	19,0	+10,5%
TOTAL MOU net of visitors	119	-1,4%	118	-0,4%	116	-2,1%	113	-5,8%	117	-2,4%	107	-10,1%
MAIN RESULTS (IAS/IFRS, R$ mln)	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy
REVENUES Reported	**3.854**	-15,3%	**3.820**	-12,4%	**3.900**	-5,2%	**4.043**	-1,7%	**15.617**	-8,9%	**3.951**	2,5%
of which services	3.618	-8,3%	3.570	-5,9%	3.690	-2,4%	3.842	-0,7%	14.720	-4,3%	3.744	3,5%
of which handsets	236	-61,1%	250	-56,1%	210	-36,9%	201	-18,3%	897	-48,9%	207	-12,3%
EBITDA Reported	**1.107**	-17,4%	**1.189**	-6,8%	**1.270**	-1,2%	**1.548**	5,8%	**5.114**	-4,7%	**1.247**	12,6%
EBITDA margin	28,7%	-0,8pp	31,1%	1,8pp	32,6%	1,4pp	38,3%	2,7pp	32,7%	1,4pp	31,6%	2,9 pp
EBITDA Organic (net non recurring)	**1.140**	-15,0%	**1.190**	-6,7%	**1.292**	0,5%	**1.548**	2,1%	**5.170**	-4,6%	**1.247**	9,4%
EBITDA margin	29,6%	0,1 pp	31,2%	1,9 pp	33,1%	1,9 pp	38,3%	1,5 pp	33,1%	1,5 pp	31,6%	2,0pp
Capex Reported	**710**	-23,2%	**975**	-17,7%	**1.122**	-3,9%	**1.695**	+13,9%	**4.502**	-5,5%	**669**	-5,8%
% on revenues	18,4%	-1,9pp	25,5%	-1,6pp	28,8%	0,4pp	41,9%	5,7pp	28,8%	1,0pp	16,9%	-1,5pp
	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy	FY16	Δ% yoy	FY16		1Q17	Δ% yoy
Exchange rate AVG YTD (R$ vs. euro)	**4,29753**		**4,13001**		**3,96106**		**3,85935**		**3,85935**		**3,34707**	

(1) Includes company lines

(2) Gross of visitors

€ mln

Reported & Organic Figures (*): YoY trends

Revised

UNAUDITED FIGURES

	1Q'16					1Q'17			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	3.548		3		3.551	3.647		3.647	2,8	2,7
o/w Wireline Domestic	2.553		3		2.556	2.596		2.596	1,7	1,6
o/w Mobile Domestic	1.186				1.186	1.216		1.216	2,5	2,5
Brasile	897		255		1.152	1.181		1.181	31,7	2,5
Other Activities & Eliminations	(5)				(5)	(9)		(9,0)	(80,0)	(80,0)
TI Group	**4.440**		**258**		**4.698**	**4.819**		**4.819**	**8,5**	**2,6**
EBITDA										
Domestic	1.461		1	67	1.529	1.621	24	1.645	11,0	7,6
Brasile	258		73	10	341	372	0	372	44,2	9,4
Other Activities & Eliminations	(7)				(7)	(3)		(3)		
TI Group	**1.712**		**74**	**77**	**1.863**	**1.990**	**24**	**2.014**	**16,2**	**8,1**
EBITDA Margin										
Domestic	41,2%				43,1%	44,4%		45,1%	3,2 pp	2 pp
Brasile	28,8%				29,6%	31,5%		31,6%	2,7 pp	2 pp
TI Group	**38,6%**				**39,7%**	**41,3%**		**41,8%**	**2,7 pp**	**2,1 pp**
EBIT										
Domestic	662		1	67	730	787	24	811	18,9	11,1
Brasile	49		14	10	73	81		81	65,3	11,9
Other Activities & Elimination	(7)			(1)	(8)	(3)		(3)		62,5
TI Group	**704**		**15**	**76**	**795**	**865**	**24**	**889**	**22,9**	11,8
EBIT Margin										
Domestic	18,7%				20,6%	21,6%		22,2%	2,9 pp	1,6 pp
Brasile	5,5%				6,3%	6,9%		6,9%	1,4 pp	0,6 pp
TI Group	**15,9%**				**16,9%**	**17,9%**		**18,4%**	**2 pp**	**1,5 pp**

Non recurring items on EBITDA	**1Q16**	**1Q17**
Labour cost	75	5
Other Costs & Charges	2	19
Total	**77**	**24**

Non recurring items on EBIT	**1Q16**	**1Q17**
Labour Costs	75	5
Other Costs & Charges	1	19
Total	**76**	**24**

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

Domestic Reported and Organic Ebitda

€ mln

UNAUDITED FIGURES

	1Q'17	1Q'16	D YoY abs	D YoY %
EBITDA Organic	**1.645**	**1.529**	**116**	**+7,6%**
Exchange Rate Impact		1	(1)	
Labour Costs	5	65	(60)	
Other Operational Costs	19	2	17	
Other Charges			0	
Non recurring Items	**24**	**68**	**(44)**	
EBITDA Reported	**1.621**	**1.461**	**160**	**+11,0%**