3Q'17 Financial and operating data

Index

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Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the Condensed Consolidated Financial Statements at 30 September 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). Please note that the Condensed Consolidated Financial Statements at 30 September 2017 have not been audited.

The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements at 30 September 2017 are the same as those adopted in the TIM Group consolidated financial statements at 31 December 2016, to which reference can be made.

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

We hereby point out that in this document some Organic «Like for Like» items have been recalculated having a solely management purpose to allow for a better understanding of the current business trend and single out non-linear and/or non-repetitive outcomes either currently and/or in the timeframe hereby taken into account. Such information must not be considered as a replacement of any financial information they may refer to and interpret, are not subject to any auditing, and are included for explanation purposes only.

Key financial data by Business Unit

UNAUDITED FIGURES

REVENUES	1Q16	1H16	9M16	1Q17	1H17	9M17
Domestic	3.548	7.247	11.036	3.647	7.494	11.312
o/w Wireline Domestic	2.553	5.131	7.774	2.596	5.296	7.926
o/w Mobile Domestic	1.186	2.447	3.747	1.216	2.517	3.851
Brasile	897	1.858	2.922	1.181	2.293	3.389
Other activities & Elim.	(5)	(9)	(19)	(9)	(15)	(22)
TI Group	**4.440**	**9.096**	**13.939**	**4.819**	**9.772**	**14.679**
EBITDA Reported						
Domestic	1.461	3.184	4.995	1.621	3.361	5.055
Brasile	258	556	900	372	762	1.170
Other activities & Elim.	(7)	(14)	(17)	(3)	(9)	(12)
TI Group	**1.712**	**3.726**	**5.878**	**1.990**	**4.114**	**6.213**
EBITDA Margin Reported						
Domestic	41,2%	43,9%	45,3%	44,4%	44,8%	44,7%
Brasile	28,8%	29,9%	30,8%	31,5%	33,2%	34,5%
TI Group	**38,6%**	**41,0%**	**42,2%**	**41,3%**	**42,1%**	**42,3%**
EBIT Reported						
Domestic	662	1.581	2.575	787	1.685	2.507
Brazil	49	121	210	81	194	340
Other activities & Elim.	(7)	(15)	(17)	(3)	(8)	(13)
TI Group	**704**	**1.687**	**2.768**	**865**	**1.871**	**2.834**
EBIT Margin Reported						
Domestic	18,7%	21,8%	23,3%	21,6%	22,5%	22,2%
Brasile	5,5%	6,5%	7,2%	6,9%	8,5%	10,0%
TI Group	**15,9%**	**18,5%**	**19,9%**	**17,9%**	**19,1%**	**19,3%**
CAPEX						
Domestic	778	1.575	2.398	631	1.626	3.177
Brasile	166	408	709	200	430	704
Elim & Adj	0	0	0	0		
TI Group	**944**	**1.983**	**3.107**	**831**	**2.056**	**3.881**
CAPEX ON SALES (%)						
Domestic	21,9%	21,7%	21,7%	17,3%	21,7%	28,1%
Brasile	18,5%	22,0%	24,3%	16,9%	18,8%	20,8%
TI Group	**21,3%**	**21,8%**	**22,3%**	**17,2%**	**21,0%**	**26,4%**

Key financial data by Business Unit

€ mln

UNAUDITED FIGURES

REVENUES	1Q16	2Q16	3Q16	1Q17	2Q17	3Q17
Domestic	3.548	3.699	3.789	3.647	3.847	3.818
o/w Wireline Domestic	2.553	2.578	2.643	2.596	2.700	2.630
o/w Mobile Domestic	1.186	1.261	1.300	1.216	1.301	1.334
Brasile	897	961	1.064	1.181	1.112	1.096
Other activities & Elim.	(5)	(4)	(10)	(9)	(6)	(7)
TI Group	**4.440**	**4.656**	**4.843**	**4.819**	**4.953**	**4.907**
EBITDA Reported						
Domestic	1.461	1.723	1.811	1.621	1.740	1.694
Brasile	258	298	344	372	390	408
Other activities & Elim.	(7)	(7)	(3)	(3)	(6)	(3)
TI Group	**1.712**	**2.014**	**2.152**	**1.990**	**2.124**	**2.099**
EBITDA Margin Reported						
Domestic	41,2%	46,6%	47,8%	44,4%	45,2%	44,4%
Brasile	28,8%	31,0%	32,3%	31,5%	35,1%	37,2%
TI Group	**38,6%**	**43,3%**	**44,4%**	**41,3%**	**42,9%**	**42,8%**
EBIT Reported						
Domestic	662	919	994	787	898	822
Brasile	49	72	89	81	113	146
Other activities & Elim.	(7)	(8)	(2)	(3)	(5)	(5)
TI Group	**704**	**983**	**1.081**	**865**	**1.006**	**963**
EBIT Margin Reported						
Domestic	18,7%	24,8%	26,2%	21,6%	23,3%	21,5%
Brasile	5,5%	7,5%	8,4%	6,9%	10,2%	13,3%
TI Group	**15,9%**	**21,1%**	**22,3%**	**17,9%**	**20,3%**	**19,6%**
CAPEX						
Domestic	778	797	823	631	995	1.551
Brasile	166	242	301	200	230	274
Elim & Adj	0	0	0		0	0
TI Group	**944**	**1.039**	**1.124**	**831**	**1.225**	**1.825**
CAPEX ON SALES (%)						
Domestic	21,9%	21,5%	21,7%	17,3%	25,9%	40,6%
Brasile	18,5%	25,2%	28,3%	16,9%	20,7%	25,0%
TI Group	**21,3%**	**22,3%**	**23,2%**	**17,2%**	**24,7%**	**37,2%**

P&L Group

UNAUDITED FIGURES

€ mln	1Q16	1H16	9M16	1Q17	1H17	9M17
REVENUES	**4.440**	**9.096**	**13.939**	**4.819**	**9.772**	**14.679**
Other Income	47	107	165	78	217	316
TOTAL OPERATING REVENUES AND OTHER INCOME	**4.487**	**9.203**	**14.104**	**4.897**	**9.989**	**14.995**
Acquisition of goods and services	(1.923)	(3.783)	(5.710)	(2.061)	(4.136)	(6.181)
Employee benefits expenses	(848)	(1.551)	(2.303)	(760)	(1.530)	(2.203)
Other operating expenses	(247)	(501)	(757)	(273)	(576)	(933)
Internally generated assests and Others	243	358	544	187	367	535
EBITDA	**1.712**	**3.726**	**5.878**	**1.990**	**4.114**	**6.213**
EBITDA Margin	38,6%	41,0%	42,2%	41,3%	42,1%	42,3%
Depreciation and amortization	(1.009)	(2.047)	(3.116)	(1.129)	(2.249)	(3.358)
Gains (losses) on disposals of non-current assets	3	13	14	4	6	9
Impairment reversals (losses) on non-current assets	(2)	(5)	(8)		-	(30)
EBIT	**704**	**1.687**	**2.768**	**865**	**1.871**	**2.834**
EBIT Margin	15,9%	18,5%	19,9%	17,9%	19,1%	19,3%
Income (loss) equity invest. valued equity method		5	4		(20)	(19)
Net Financial Income / (Expenses)	(26)	(145)	(510)	(384)	(740)	(1.126)
Profit (loss) before tax from continuing operations	**678**	**1.547**	**2.262**	**481**	**1.111**	**1.689**
Income tax expense	(221)	(489)	(699)	(256)	(457)	(559)
Profit (loss) from continuing operations	**457**	**1.058**	**1.563**	**225**	**654**	**1.130**
Profit (loss) from Discontinued operations/Non-current assets held	47	47	47			
Profit (loss) for the year	**504**	**1.105**	**1.610**	**225**	**654**	**1.130**
Attributable to:						
Owners of the Parent	**433**	**1.018**	**1.495**	**200**	**596**	**1.033**
Non-controlling interests	71	87	115	25	58	97

Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln	FY16	9M17
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	29.612	29.520
Intangible assets with a finite useful life	6.951	7.123
	36.563	36.643
Tangible assets		
Property, plant and equipment owned	13.947	13.897
Assets held under finance leases	2.413	2.369
	16.360	16.266
Other non-current assets		
Investments in associates and joint ventures accounted for using the equity method	18	17
Other investments	46	49
Non-current financial assets	2.698	1.916
Miscellaneous receivables and other non-current assets	2.222	2.418
Deferred tax assets	877	705
	5.861	5.105
TOTAL NON-CURRENT ASSETS (A)	**58.784**	**58.014**
CURRENT ASSETS		
Inventories	270	333
Trade and miscellaneous receivables and other current assets	5.426	5.472
Current income tax receivables	94	52
Other investments		
Securities other than investments, financial receivables and other current financial assets	1.908	1.506
Cash and cash equivalents	3.964	2.519
Current assets sub-total	**11.662**	**9.882**
Discontinued operations/assets held for sale		
of a financial nature	-	-
of a non-financial nature	-	-
	-	**-**
TOTAL CURRENT ASSETS (B)	**11.662**	**9.882**
TOTAL ASSETS (A+B)	**70.446**	**67.896**

Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln	FY16	9M17
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to equity holders of the Parent	21.207	21.781
Equity attributable to Minority Interests	2.346	2.278
TOTAL EQUITY (C)	**23.553**	**24.059**
NON-CURRENT LIABILITIES		
Non-current financial liabilities	30.469	28.592
Employee benefits	1.355	1.317
Deferred tax liabilities	293	313
Provisions	830	833
Miscellaneous payables and other non-current liabilities	1.607	1.600
TOTAL NON-CURRENT LIABILITIES (D)	**34.554**	**32.655**
CURRENT LIABILITIES		
Current financial liabilities	4.056	4.307
Trade and miscellaneous payables and other current liabilities	7.646	6.727
Current income tax payables	637	148
Current liabilities sub-total (E)	**12.339**	**11.182**
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**	**11.182**
TOTAL LIABILITIES (F=D+E)	**46.893**	**43.837**
TOTAL EQUITY AND LIABILITIES (C+F)	**70.446**	**67.896**

Net Cash Flow & Net Debt Dynamics

UNAUDITED FIGURES

(€ mln)	1Q16	1H16	9M16	1Q17	1H17	9M17
EBITDA	1.712	3.726	5.878	1.990	4.114	6.213
CAPEX	(944)	(1.983)	(3.107)	(831)	(2.056)	(3.881)
Change in net operating working capital:	(750)	(1.078)	(830)	(795)	(1.130)	(1.427)
Change in inventories	(87)	(40)	(71)	(29)	(44)	(64)
Change in trade receivables and net amounts due from customers on construction contracts	30	(130)	(31)	31	(52)	9
Change in trade payables (*)	(566)	(635)	(425)	(697)	(692)	(998)
Other changes in operating receivables/payables	(127)	(273)	(303)	(100)	(342)	(374)
Change in provisions for employee benefits	59	40	12	(7)	(7)	(34)
Change in operating provisions and Other changes	(52)	(34)	(45)	4	37	127
Net operating Free Cash Flow	**25**	**671**	**1.908**	**361**	**958**	**998**
Sale of investments and other disposals flow	707	732	737	2	9	26
Share capital increases/reimbursements, including incidental costs					6	16
Financial investments flow	(9)	(9)	(11)	(1)	(1)	(1)
Dividends payment		(227)	(227)		(218)	(219)
Change in finance lease contracts	(46)	(123)	(178)	(15)	(30)	(45)
Finance expenses, income taxes and other net non-operating requirements flow	(500)	(1.242)	(1.648)	(463)	(709)	(1.884)
Reduction/(Increase) in adjusted net financial debt from continuing operations	**177**	**(198)**	**581**	**(116)**	**15**	**(1.109)**
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(38)	(38)	(38)	-		
Reduction/(Increase) in adjusted net financial debt	**139**	**(236)**	**543**	**(116)**	**15**	**(1.109)**
OPENING NET FINANCIAL DEBT (Adjusted)	**27.278**	**27.278**	**27.278**	**25.119**	**25.119**	**25.119**
Net cash flow	139	(236)	543	(116)	15	(1.109)
ENDING NET FINANCIAL DEBT (Adjusted)	**27.139**	**27.514**	**26.735**	**25.235**	**25.104**	**26.228**
Adj for fair value valuation of derivatives and related underlyings	1.094	556	676	688	624	730
ENDING NET FINANCIAL DEBT (Reported)	**28.233**	**28.070**	**27.411**	**25.923**	**25.728**	**26.958**

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

Domestic Business Results - Reported Figures

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	Δ% yoy
KPIs ('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%	11.185	-2,5%	11.137	-2,0%
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%	9.687	7,7%	9.872	9,2%
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%	29.952	0,7%	30.285	2,5%

€ mln	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	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%	**3.847**	4,0%	**3.818**	0,8%
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%	3.500	0,9%	3.552	0,7%
Equipments	196	0,1%	231	-3,4%	263	23,9%	438	48,1%	1.128	19,6%	305	55,8%	347	50,6%	266	1,2%
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%	**1.145**	2,5%	**1.202**	1,6%
Traditional	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%	496	-13,4%	512	-11,6%	519	-7,5%
Innovative	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%	534	21,8%	558	19,8%	594	12,7%
Wholesale	48	-15,8%	72	1,1%	96	20,7%	105	34,9%	321	12,4%	53	10,4%	74	3,4%	90	-6,1%
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%	**2.508**	0,8%	**2.496**	-0,1%
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%	974	-7,6%	950	-7,9%
Innovative Services	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%	652	10,5%	708	16,0%	713	14,2%
Domestic Wholesale	537	-4,1%	506	-7,8%	503	-8,6%	488	-10,7%	2.034	-7,8%	505	-5,9%	498	-1,5%	497	-1,1%
TIS Group	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%	310	-0,3%	336	-0,6%	349	-1,4%
Subs. Adj. and Other	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,0%	-110	-11,3%	-11	45,1%	-7	62,5%	-14	-1,5%
Elimination & Other	**-190**	10,9%	**-137**	37,1%	**-157**	29,5%	**-182**	-2,9%	**-667**	19,8%	**-164**	13,5%	**-154**	-11,8%	**-147**	6,6%
EBITDA	**1.461**	-9,3%	**1.723**	39,4%	**1.811**	7,9%	**1.703**	63,4%	**6.698**	20,3%	**1.621**	11,0%	**1.740**	1,0%	**1.694**	-6,5%
EBITDA Margin	41,2%		46,6%		47,8%		42,9%		44,6%		44,4%		45,2%		44,4%	
Capex	**778**	15,1%	**797**	-4,0%	**823**	4,0%	**1.311**	-18,2%	**3.709**	-4,9%	**631**	-18,9%	**995**	24,8%	**1.551**	88,5%
% on revenues	21,9%		21,5%		21,7%		33,0%		24,7%		17,3%		25,9%		40,6%	
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%	**51.095**	-2,9%	**50.488**	-3,2%

(1) M2M included

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

KPIs	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	Δ% yoy
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%	11.185	-2,5%	11.137	-2,0%
o/w NGN	668	131,5%	784	110,7%	864	100,0%	987	84,6%	987	84,6%	1.217	82,3%	1.507	92,2%	1.754	102,9%
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%	7.881	3,6%	7.892	3,8%
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%	5.620	-1,1%	5.554	-1,8%
Virtual ULL	29	12,2%	28	2,7%	23	-19,4%	21	-25,8%	21	-25,8%	17	-40,2%	16	-41,7%	15	-35,0%
Wholesale Line Rental	470	-16,9%	443	-19,1%	416	-20,6%	388	-21,9%	388	-21,9%	373	-20,6%	347	-21,8%	330	-20,6%
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%	1.267	0,9%	1.230	-2,0%
NGN	170	-	199	-	247	-	353	-	353	-	481	-	632	-	763	-
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%	7.419	4,7%	7.559	6,1%
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%	1.477	0,4%	1.471	0,1%
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%	5.942	5,8%	6.087	7,7%
BroadBand Accesses Wholesale (on TI infrastructure) ('	1.888	2,6%	1.903	2,9%	1.918	3,4%	2.016	8,0%	2.016	8,0%	2.125	12,6%	2.268	19,2%	2.314	20,6%
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%	24,9	13,8%	24,5	9,5%
REVENUES(€ mln)	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	Δ% 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%	**2.700**	4,7%	**2.630**	-0,5%
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%	2.508	0,8%	2.496	-0,1%
Equipments	70	13,8%	90	20,7%	144	169,0%	227	145,2%	530	88,2%	172	145,8%	192	114,0%	134	-6,7%
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%	**974**	-7,6%	**950**	-7,9%
Voice	**901**	-13,2%	**874**	-13,9%	**836**	-14,4%	**830**	-12,0%	**3.441**	-13,4%	**801**	-11,1%	**812**	-7,1%	**786**	-6,1%
Traffic	324	-8,4%	323	-10,1%	306	-11,9%	306	-9,9%	1.259	-10,1%	297	-8,4%	305	-5,6%	290	-5,1%
Access	515	-15,9%	489	-16,6%	470	-16,3%	463	-14,1%	1.937	-15,8%	445	-13,5%	449	-8,0%	437	-7,0%
Other Voice	62	-14,4%	62	-10,6%	60	-11,6%	61	-5,9%	246	-10,8%	59	-5,1%	58	-7,1%	58	-3,6%
Business Data & Others trad	**163**	5,3%	**179**	5,7%	**195**	12,9%	**239**	44,6%	**777**	17,2%	**166**	1,5%	**161**	-10,0%	**165**	-15,7%
INNOVATIVE SERVICES	**590**	5,8%	**610**	4,6%	**624**	8,1%	**648**	8,7%	**2.472**	6,8%	**652**	10,5%	**708**	16,0%	**713**	14,2%
Broadband	**447**	6,9%	**457**	6,2%	**471**	10,2%	**473**	8,2%	**1.847**	7,9%	**493**	10,4%	**539**	17,8%	**542**	15,1%
Content	**4**	-17,6%	**4**	-21,3%	**4**	-23,1%	**4**	-10,3%	**17**	-18,5%	**4**	0,9%	**8**	96,5%	**10**	137,6%
ICT Service	**139**	3,2%	**149**	0,6%	**149**	3,0%	**172**	10,9%	**609**	4,5%	**155**	11,3%	**161**	8,3%	**161**	7,8%
Domestic Wholesale	**537**	-4,1%	**506**	-7,8%	**503**	-8,6%	**488**	-10,7%	**2.034**	-7,8%	**505**	-5,9%	**498**	-1,5%	**497**	-1,1%
TIS Group	**311**	0,3%	**338**	4,0%	**354**	5,4%	**348**	1,5%	**1.351**	2,8%	**310**	-0,3%	**336**	-0,6%	**349**	-1,4%
Subs. Adj. and Other	**-19**	24,7%	**-19**	32,4%	**-13**	41,4%	**-59**	-155%	**-110**	-11,3%	**-11**	45,1%	**-7**	62,5%	**-14**	-1,5%

Domestic Mobile Results - Reported Figures

€ mln

UNAUDITED FIGURES

KPI's	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	Δ% yoy
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%	29.952	0,7%	30.285	2,5%
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	6,9%	1,6pp	7,0%	1,1pp
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%	12,5	6,2%	13,0	7,3%
o/w Total User LTE (mln of users)	5,0	-	5,7	-	6,2	-	7,6	-	7,6	-	8,3	67,0%	9,0	56,2%	9,4	52,7%
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%	19.310	11,1%	19.434	12,9%
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%	12.627	13,1%	12.767	14,6%
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%	6.683	7,5%	6.667	9,8%
Usage Voice (min/line/month)[3]	233	8,8%	241	8,2%	241	9,5%	256	10,2%	243	9,2%	259	11,4%	276	14,2%	276	14,7%
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%	2,7	43,3%	3,2	63,3%
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%	12,5	3,2%	12,7	-0,4%

REVENUES (€ mln), Reported figures	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	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%	**1.301**	3,2%	**1.334**	2,6%
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%	**1.145**	2,5%	**1.202**	1,6%
Traditional Services	**573**	-7,7%	**580**	-6,9%	**561**	-12,2%	**537**	-13,5%	**2.250**	-10,1%	**496**	-13,4%	**512**	-11,6%	**519**	-7,5%
o/w Outgoing voice [4]	404	-12,8%	403	-11,4%	395	-14,3%	379	-12,3%	1.581	-12,7%	349	-13,7%	360	-10,7%	371	-6,2%
o/w Incoming voice	67	15,7%	70	13,4%	68	4,4%	71	3,2%	276	8,9%	71	5,4%	74	5,5%	75	10,1%
o/w Messaging	102	2,0%	107	0,7%	98	-13,3%	87	-27,7%	394	-10,4%	76	-24,9%	79	-26,4%	73	-25,1%
Innovative Services	**438**	16,8%	**466**	12,0%	**527**	16,4%	**577**	19,2%	**2.008**	16,2%	**534**	21,8%	**558**	19,8%	**594**	12,7%
o/w Browsing	356	16,3%	377	11,4%	392	5,4%	451	15,0%	1.576	11,9%	415	16,8%	437	15,6%	466	18,9%
o/w Internet Content	83	19,4%	88	14,3%	135	67,6%	126	37,1%	432	35,4%	119	43,1%	122	37,8%	128	-5,3%
Wholesale Services	**48**	-15,8%	**72**	1,1%	**96**	20,7%	**105**	34,9%	**321**	12,4%	**53**	10,4%	**74**	3,4%	**90**	-6,1%
Handsets	**127**	29,5%	**144**	13,7%	**117**	-12,0%	**212**	9,2%	**600**	8,8%	**133**	5,2%	**156**	8,6%	**132**	13,1%

[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

KPI's - Mobile only	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	Δ% yoy
Estimated Total Penetration (%)	125,4%		123,0%		121,6%		118,0%				117,2%		116,7%		115,9%	
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	25,2%		24,6%	-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%	60.831	-4,9%	59.390	-6,1%
TOTAL ARPU (2)	17,2	3%	17,2	7%	18,4	12%	19,2	9%	18,0	8%	19,0	+10,5%	19,4	+13%	20,5	+11,4%
TOTAL MOU net of visitors	119	-1,4%	118	-0,4%	116	-2,1%	113	-5,8%	117	-2,4%	107	-10,1%	107	-9,7%	111	-4,6%

MAIN RESULTS (IAS/IFRS, R$ mln)	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy	3Q17	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%	**3.943**	3,2%	**4.083**	4,7%
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%	3.750	5,0%	3.905	5,9%
of which handsets	236	-61,1%	250	-56,1%	210	-36,9%	201	-18,3%	897	-48,9%	207	-12,3%	193	-22,8%	178	-15,2%
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%	**1.377**	15,8%	**1.512**	19,1%
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	34,9%	3,8 pp	37,0%	4,4pp
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%	**1.377**	15,7%	**1.512**	17,0%
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	34,9%	3,7 pp	37,0%	3,9pp
Capex Reported	**710**	-23,2%	**975**	-17,7%	**1.122**	-3,9%	**1.695**	+13,9%	**4.502**	-5,5%	**669**	-5,8%	**809**	-17,0%	**1.009**	-10,1%
% 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	20,5%	-5 pp	24,7%	-4,1pp

	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy	FY16	Δ% yoy	FY16		1Q17	Δ% yoy	1H17	Δ% yoy	9M17	Δ% yoy
Exchange rate AVG YTD (R$ vs. euro)	**4,29753**		**4,13001**		**3,96106**		**3,85935**		**3,85935**		**3,34707**		**3,44195**		**3,53378**	

(1) Includes company lines

(2) Gross of visitors

€ mln

Revised

Reported & Organic Figures (*): YoY trends

UNAUDITED FIGURES

3Q16					
€ mln	Reported Figures (a)	Non Organic elements (b)		Non recurring items (c)	Organic figures * (d=a+b+c)
		Change in consolid. area	*Exchange rate impact*		
REVENUES					
Domestic	3.789		(4)		3.785
Brasile	1.064		(19)		1.045
Other Activities & Eliminations	(10)				(10)
TI Group	**4.843**		**(23)**		**4.820**
EBITDA					
Domestic	1.811		(2)	56	1.865
Brasile	344		(2)	6	348
Other Activities & Eliminations	(3)				(3)
TI Group	**2.152**		**(4)**	**62**	**2.210**
EBITDA Margin					
Domestic	47,8%				49,3%
Brasile	32,3%				33,1%
TI Group	**44,4%**				**45,9%**
EBIT					
Domestic	994		(1)	56	1.049
Brasile	89		1	6	96
Other Activities & Elimination	(2)				(2)
TI Group	**1.081**		**0**	**62**	**1.143**
EBIT Margin					
Domestic	26,2%				27,7%
Brasile	8,4%				9,1%
TI Group	**22,3%**				**23,7%**

3Q17				*Δ% yoy reported*	*Δ% yoy organic **
	Reported figures (e)	Non recurring items (f)	Organic figures * (g=e+f)	(h=e/a-1)	(i=g/d-1)
REVENUES					
Domestic	3.818		3.818	0,8	0,9
Brasile	1.096		1.096	3,0	4,7
Other Activities & Eliminations	(7)		(7,0)	30,0	30,0
TI Group	**4.907**		**4.907**	**1,3**	**1,8**
EBITDA					
Domestic	1.694	126	1.820	(6,5)	(2,4)
Brasile	408	0	408	18,6	17,0
Other Activities & Eliminations	(3)	1	(2)		
TI Group	**2.099**	**127**	**2.226**	**(2,5)**	**0,7**
EBITDA Margin					
Domestic	44,4%		47,7%	-3,4 pp	-1,6 pp
Brasile	37,2%		37,0%	4,9 pp	3,9 pp
TI Group	**42,8%**		**45,4%**	**-1,6 pp**	**-0,5 pp**
EBIT					
Domestic	822	156	978	(17,3)	(6,8)
Brasile	146	(1)	145	64,0	49,7
Other Activities & Elimination	(5)	1	(4)		
TI Group	**963**	**156**	**1.119**	**(10,9)**	**(2,1)**
EBIT Margin					
Domestic	21,5%		25,6%	-4,7 pp	-2,1 pp
Brasile	13,3%		13,1%	4,9 pp	4 pp
TI Group	**19,6%**		**22,8%**	**-2,7 pp**	**-0,9 pp**

Non recurring items on EBITDA	**3Q16**	**3Q17**
Labour cost	53	9
Other Costs & Charges	9	118
Total	**62**	**127**

Non recurring items on EBIT	**3Q16**	**3Q17**
Labour Costs	53	9
Other Costs & Charges	9	147
Total	**62**	**156**

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

Domestic Reported, Organic Ebitda and Organic Like for Like

€ mln

									UNAUDITED FIGURES				UNAUDITED FIGURES			
	1Q17	1Q16	Δ yoy		2Q17	2Q16	Δ yoy		3Q17	3Q16	Δ yoy		9MQ17	9M16	Δ yoy	
			abs	%			abs	%			abs	%			abs	%
Reported EBITDA	**1.621**	**1.461**	**160**	**+11,0%**	**1.740**	**1.723**	**17**	**+1,0%**	**1.694**	**1.811**	**(117)**	**-6,5%**	**5.055**	**4.995**	**60**	**+1,2%**
Exchange Rate Impact		1	(1)		0	1	(1)		0	(2)	2				0	
Labour Costs	5	65	(60)		5	2	3		9	47	(38)		19	114	(95)	
Other Operating Expenses	19	2	17		64	14	50		116	9	107		199	25	174	
Other Charges			0		2	0	2		1	0	1		3		3	
Non recurring Items	**24**	**68**	**(44)**		**71**	**17**	**54**		**126**	**54**	**72**		**221**	**139**	**82**	
Organic EBITDA	**1.645**	**1.529**	**116**	**+7,6%**	**1.811**	**1.740**	**71**	**+4,1%**	**1.820**	**1.865**	**(45)**	**-2,4%**	**5.276**	**5.134**	**142**	**+2,8%**
EU Roam-Like-at Home									36		36		36		36	
Shift from modem rent to sale	(39)		(39)		(41)		(41)		(32)	(6)	(26)		(112)	(6)	(106)	
Wholesale IRU Transaction										(86)	86			(86)	86	
Purchasing incentive recognized as opex reduction / Income	(19)		(19)		(50)	(42)	(8)		(9)	(5)	(4)		(78)	(47)	(31)	
2015 Annual bonus provision						(66)	66				0			(66)	66	
Last technical support payment relating to the Argentina sale										(27)	27			(27)	27	
Non linear Items	**(58)**	**0**	**(58)**		**(91)**	**(108)**	**17**		**(5)**	**(125)**	**120**		**(154)**	**(233)**	**79**	
Organic Like for Like EBITDA	**1.587**	**1.529**	**58**	**+3,8%**	**1.720**	**1.632**	**88**	**+5,4%**	**1.815**	**1.740**	**75**	**+4,3%**	**5.122**	**4.901**	**221**	**+4,5%**