



3Q'18 Financial and Operating Figures

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Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the TIM Group Interim Management Report at 30 September 2018 which has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as IFRS) and are unaudited.

The accounting policies and consolidation principles adopted in the preparation of the TIM Group Interim Management Report at 30 September 2018 are the same as those adopted in the TIM Group annual Audited Consolidated Financial Statements as of 31 December 2017, to which reference can be made, except for the adoption of the new accounting principles (IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers) adopted starting from 1 January 2018.

As a result of this, the 3Q18 and 9M18 financial results are defined as “3Q18 and 9M18 new principles” and, for comparison purposes, are also presented in accordance with the prior IFRS on revenues (IAS 18, IAS 11 and related Interpretations) and financial instruments (IAS 39) defined as “3Q18 and 9M18 old principle (comparable)”.

Key financial data by Business Unit

UNAUDITED FIGURES

€ mln

	3Q17	9M17	3Q18 Old principles (comparable)	3Q18 New principles	9M18 Old principles (comparable)	9M18 New principles
REVENUES						
Domestic	3,818	11,312	3,793	3,759	11,311	11,182
Brasile	1,096	3,389	922	917	2,929	2,918
Other activities & Elim.	(7)	(22)	(10)	(10)	(23)	(23)
TI Group	4,907	14,679	4,705	4,666	14,217	14,077
EBITDA Reported						
Domestic	1,694	5,055	1,758	1,702	4,958	4,739
Brasile	408	1,170	357	346	1,084	1,050
Other activities & Elim.	(3)	(12)	(3)	(3)	(12)	(11)
TI Group	2,099	6,213	2,112	2,045	6,030	5,778
EBITDA Margin Reported						
Domestic	44.4%	44.7%	46.3%	45.3%	43.8%	42.4%
Brasile	37.2%	34.5%	38.7%	37.7%	37.0%	36.0%
TI Group	42.8%	42.3%	44.9%	43.8%	42.4%	41.0%
EBIT Reported						
Domestic	822	2,507	(1,091)	(1,120)	393	251
Brazil	146	340	127	126	381	378
Other activities & Elim.	(5)	(13)	(2)	(3)	(12)	(12)
TI Group	963	2,834	(966)	(997)	762	617
EBIT Margin Reported						
Domestic	21.5%	22.2%	-	-	3.5%	2.2%
Brasile	13.3%	10.0%	13.8%	13.7%	13.0%	13.0%
TI Group	19.6%	19.3%	-	-	5.4%	4.4%
CAPEX						
Domestic	1,551	3,177	702	675	1,975	1,887
Brasile	274	704	196	188	598	573
Elim & Adj						
TI Group	1,825	3,881	898	863	2,573	2,460
CAPEX ON SALES (%)						
Domestic	40.6%	28.1%	18.5%	18.0%	17.5%	16.9%
Brasile	25.0%	20.8%	21.3%	20.5%	20.4%	19.6%
TI Group	37.2%	26.4%	19.1%	18.5%	18.1%	17.5%

Key BU financial data by Quarter

UNAUDITED FIGURES

€ mln

	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18 Old principles (comparable)	3Q18
REVENUES							
Domestic	3,647	3,847	3,818	4,042	3,709	3,809	3,793
Brasile	1,181	1,112	1,096	1,113	1,037	970	922
Other activities & Elim.	(9)	(6)	(7)	(6)	(4)	(9)	(10)
TI Group	4,819	4,953	4,907	5,149	4,742	4,770	4,705
EBITDA Reported							
Domestic	1,621	1,740	1,694	1,116	1,533	1,667	1,758
Brasile	372	390	408	465	365	362	357
Other activities & Elim.	(3)	(6)	(3)	(4)	(5)	(4)	(3)
TI Group	1,990	2,124	2,099	1,577	1,893	2,025	2,112
EBITDA Margin Reported							
Domestic	44.4%	45.2%	44.4%	27.6%	41.3%	43.8%	46.3%
Brasile	31.5%	35.1%	37.2%	41.8%	35.2%	37.3%	38.7%
TI Group	41.3%	42.9%	42.8%	30.6%	39.9%	42.5%	44.9%
EBIT Reported							
Domestic	787	898	822	265	678	806	(1,091)
Brasile	81	113	146	195	133	121	127
Other activities & Elim.	(3)	(5)	(5)	(3)	(5)	(5)	(2)
TI Group	865	1,006	963	457	806	922	(966)
EBIT Margin Reported							
Domestic	21.6%	23.3%	21.5%	6.6%	18.3%	21.2%	-
Brasile	6.9%	10.2%	13.3%	17.5%	12.8%	12.5%	13.8%
TI Group	17.9%	20.3%	19.6%	8.9%	17.0%	19.3%	-
CAPEX							
Domestic	631	995	1,551	1,374	533	740	702
Brasile	200	230	274	446	162	240	196
Elim & Adj					(1)	1	
TI Group	831	1,225	1,825	1,820	694	981	898
CAPEX ON SALES (%)							
Domestic	17.3%	25.9%	40.6%	34.0%	14.4%	19.4%	18.5%
Brasile	16.9%	20.7%	25.0%	40.1%	15.6%	24.7%	21.3%
TI Group	17.2%	24.7%	37.2%	35.3%	14.6%	20.6%	19.1%

TIM - 3Q'18 Financial Operating Figures

Investor Relations

€ mln

	3Q17	9M17	3Q18 Old principles (comparable)	9M18 Old principles (comparable)	3Q18 New principles	9M18 New principles
REVENUES	4,907	14,679	4,705	14,217	4,666	14,077
Other Income	99	316	56	200	56	200
TOTAL OPERATING REVENUES AND OTHER INCOME	5,006	14,995	4,761	14,417	4,722	14,277
Acquisition of goods and services	(2,045)	(6,181)	(1,893)	(5,815)	(1,909)	(5,889)
Employee benefits expenses	(673)	(2,203)	(642)	(2,151)	(645)	(2,171)
Other operating expenses	(357)	(933)	(236)	(888)	(245)	(906)
Internally generated assets and Others	168	535	122	467	122	467
EBITDA	2,099	6,213	2,112	6,030	2,045	5,778
<i>EBITDA Margin</i>	42.8%	42.3%	44.9%	42.4%	43.8%	41.0%
Depreciation and amortization	(1,109)	(3,358)	(3,081)	(5,274)	(3,045)	(5,167)
Gains (losses) on disposals of non-current assets	3	9	3	6	3	6
Impairment reversals (losses) on non-current assets	(30)	(30)	-	-	-	-
EBIT	963	2,834	(966)	762	(997)	617
<i>EBIT Margin</i>	19.6%	19.3%	-	5.4%	-	4.4%
Income (loss) equity invest. valued equity method	1	(19)		8		8
Net Financial Income / (Expenses)	(386)	(1,126)	(326)	(1,041)	(329)	(1,047)
Profit (loss) before tax from continuing operations	578	1,689	(1,292)	(271)	(1,326)	(422)
Income tax expense	(102)	(559)	22	(306)	43	(254)
Profit (loss) from continuing operations	476	1,130	(1,270)	(577)	(1,283)	(676)
Profit (loss) from Discontinued operations/Non-current asset	-	-	-	-	-	-
Profit (loss) for the year	476	1,130	(1,270)	(577)	(1,283)	(676)
Attributable to:						
Owners of the Parent	437	1,033	(1,388)	(770)	(1,400)	(868)
Non-controlling interests	39	97	118	193	117	192

Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln

	FY17	9M18 old principles (comparable)	9M18 new principles
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	29,462	27,322	27,322
Intangible assets with a finite useful life	7,192	6,401	6,289
	<u>36,654</u>	<u>33,723</u>	<u>33,611</u>
Tangible assets			
Property, plant and equipment owned	14,216	13,708	13,708
Assets held under finance leases	2,331	2,075	2,075
	<u>16,547</u>	<u>15,783</u>	<u>15,783</u>
Other non-current assets			
Investments in associates and joint ventures accounted for using the equity method	17	15	15
Other investments	51	52	52
Non-current financial assets	1,768	1,290	1,290
Miscellaneous receivables and other non-current assets	2,422	2,469	2,212
Deferred tax assets	993	1,010	1,075
	<u>5,251</u>	<u>4,836</u>	<u>4,644</u>
TOTAL NON-CURRENT ASSETS (A)	58,452	54,342	54,038
CURRENT ASSETS			
Inventories	290	311	311
Trade and miscellaneous receivables and other current assets	4,959	5,248	5,085
Current income tax receivables	77	64	64
Other investments			
Securities other than investments, financial receivables and other current financial assets	1,430	1,530	1,530
Cash and cash equivalents	3,575	2,543	2,543
TOTAL CURRENT ASSETS (B)	10,331	9,696	9,533
TOTAL ASSETS (A+B)	68,783	64,038	63,571

Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln

	FY17	9M18 old principles (comparable)	9M18 new principles
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of the Parent	21,557	19,935	19,782
Equity attributable to Minority Interests	2,226	2,124	2,119
TOTAL EQUITY (C)	23,783	22,059	21,901
NON-CURRENT LIABILITIES			
Non-current financial liabilities	28,108	25,030	25,030
Employee benefits	1,736	1,698	1,698
Deferred tax liabilities	265	278	241
Provisions	825	828	828
Miscellaneous payables and other non-current liabilities	1,678	1,503	1,265
TOTAL NON-CURRENT LIABILITIES (D)	32,612	29,337	29,062
CURRENT LIABILITIES			
Current financial liabilities	4,756	6,460	6,460
Trade and miscellaneous payables and other current liabilities	7,520	6,137	6,105
Current income tax payables	112	45	43
Current liabilities sub-total (E)	12,388	12,642	12,608
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)	12,388	12,642	12,608
TOTAL LIABILITIES (F=D+E)	45,000	41,979	41,670
TOTAL EQUITY AND LIABILITIES (C+F)	68,783	64,038	63,571

Net Cash Flow & Net Debt Dynamics

UNAUDITED FIGURES

€ mln

	9M17	9M18 Old principles (comparable)	9M18 New principles
EBITDA	6,213	6,030	5,778
CAPEX	(3,881)	(2,573)	(2,460)
Change in net operating working capital:	(1,427)	(1,916)	(1,778)
Change in inventories	(64)	(20)	(20)
Change in trade receivables and net amounts due from customers on construction contracts	9	(331)	(266)
Change in trade payables (*)	(998)	(1,242)	(1,242)
Capital grants received		9	9
Other changes in operating receivables/payables	(374)	(332)	(259)
Change in provisions for employee benefits	(34)	(116)	(116)
Change in operating provisions and Other changes	127	32	33
Net operating Free Cash Flow	998	1,457	1,457
Sale of investments and other disposals flow	26	14	14
Share capital increases/reimbursements, including incidental costs	16	22	22
Financial investments flow	(1)	(3)	(3)
Dividends payment	(219)	(239)	(239)
Change in finance lease contracts	(45)	(48)	(48)
Finance expenses, income taxes and other net non-operating requirements flow	(1,884)	(1,085)	(1,085)
Reduction/(Increase) in adjusted net financial debt from continuing operations	(1,109)	118	118
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	-	-	-
Reduction/(Increase) in adjusted net financial debt	(1,109)	118	118
OPENING NET FINANCIAL DEBT (Adjusted)	25,119	25,308	25,308
Net cash flow	(1,109)	118	118
ENDING NET FINANCIAL DEBT (Adjusted)	26,228	25,190	25,190
Adj for fair value valuation of derivatives and related underlyings	730	937	937
ENDING NET FINANCIAL DEBT (Reported)	26,958	26,127	26,127

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

Domestic Business Results - Reported Figures

UNAUDITED FIGURES

€ mln

	1Q17		2Q17		3Q17		4Q17		FY17		1Q18		2Q18		3Q18	
	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
REVENUES	3,647	2.8%	3,847	4.0%	3,818	0.8%	4,042	1.8%	15,354	2.3%	3,709	1.7%	3,809	-1.0%	3,793	-0.7%
Services	3,342	-0.3%	3,500	0.9%	3,552	0.7%	3,607	2.1%	14,000	0.9%	3,399	1.7%	3,480	-0.6%	3,518	-0.9%
Equipments	305	55.8%	347	50.6%	266	1.2%	435	-0.7%	1,354	20.0%	310	1.6%	329	-5.3%	275	3.0%
Domestic Mobile Services	1,083	2.2%	1,145	2.5%	1,202	1.6%	1,225	0.5%	4,655	1.6%	1,123	3.7%	1,142	-0.2%	1,169	-2.8%
Traditional	496	-13.4%	512	-11.6%	519	-7.5%	526	-2.1%	2,053	-8.8%	515	3.8%	516	0.8%	499	-3.9%
Innovative	534	21.8%	558	19.8%	594	12.7%	625	8.3%	2,311	15.1%	551	3.2%	560	0.3%	567	-4.5%
Wholesale	53	10.4%	74	3.4%	90	-6.1%	74	-29.8%	291	-9.3%	57	7.9%	66	-11.2%	104	15.2%
Domestic Wireline Services	2,424	-2.4%	2,508	0.8%	2,496	-0.1%	2,524	1.2%	9,952	-0.1%	2,419	-0.2%	2,485	-0.9%	2,492	-0.2%
Traditional Services	967	-9.1%	974	-7.6%	950	-7.9%	937	-12.4%	3,828	-9.3%	906	-6.3%	902	-7.3%	862	-9.3%
Innovative Services	652	10.5%	708	16.0%	713	14.2%	753	16.1%	2,825	14.3%	750	15.0%	784	10.7%	820	15.1%
Domestic Wholesale	505	-5.9%	498	-1.5%	497	-1.1%	494	1.2%	1,994	-1.9%	491	-2.9%	489	-1.8%	512	2.8%
TIS Group	310	-0.3%	336	-0.6%	349	-1.4%	354	1.7%	1,349	-0.1%	286	-7.7%	323	-3.9%	310	-11.2%
Subs. Adj. and Other	-11	45.1%	-7	62.5%	-14	-1.5%	-13	78.0%	-44	60.0%	-14	-31.5%	-13	-81.8%	-12	13.2%
Elimination & Other	-164		-154		-147		-143		-607		-143		-147		-142	
EBITDA	1,621	11.0%	1,740	1.0%	1,694	-6.5%	1,116	-34.5%	6,171	-7.9%	1,533	-5.4%	1,667	-4.2%	1,758	3.8%
EBITDA Margin	44.4%		45.2%		44.4%		27.6%		40.2%		41.3%		43.8%		46.3%	
CAPEX	631	-18.9%	995	24.8%	1,551	88.5%	1,374	4.8%	4,551	22.7%	533	-15.5%	740	-25.6%	702	-54.7%
% on revenues	17.3%		25.9%		40.6%		34.0%		29.6%		14.4%		19.4%		18.5%	

* Includes 630 mln € GSM Licences in 3Q'17

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
KPIs ('000)	Δ % yoy							
Physical accesses								
o/w NGN	11,230	-3.2%	11,185	-2.5%	11,137	-2.0%	11,044	-2.1%
o/w NGN	1,217	82.3%	1,507	92.2%	1,754	102.9%	2,150	117.8%
Physical accesses (Voip included)	11,462	-3.1%	11,429	-2.3%	11,431	-1.4%	11,407	-1.0%
OLO Access (on TI infrastructure)	7,810	3.5%	7,881	3.6%	7,892	3.8%	7,951	3.6%
ULL ⁽¹⁾	5,657	0.4%	5,620	-1.1%	5,554	-1.8%	5,418	-4.0%
Virtual ULL	17	-40.2%	16	-41.7%	15	-35.0%	14	-32.5%
Wholesale Line Rental	373	-20.6%	347	-21.8%	330	-20.6%	304	-21.7%
Naked	1,282	3.3%	1,267	0.9%	1,230	-2.0%	1,228	-3.6%
NGN	481	182.9%	632	217.3%	763	208.4%	986	179.2%
TI Retail Active Broadband	7,195	3.4%	7,278	4.1%	7,425	5.6%	7,510	6.1%
Business	1,443	0.0%	1,446	0.4%	1,443	0.3%	1,441	0.3%
Consumer	5,752	4.3%	5,832	5.0%	5,982	7.0%	6,068	7.6%
BB Accesses Wholesale ⁽²⁾	2,125	12.6%	2,268	19.2%	2,314	20.6%	2,513	24.7%
ARPU Broadband (€/month)	23.0	7.3%	24.9	13.8%	24.5	9.5%	24.9	11.4%
ARPU Consumer (€/month)	31.9	0.1%	33.8	5.9%	33.4	3.6%	33.6	5.1%
REVENUES(€ mln)	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
	Δ % yoy							
TOTAL	2,596	1.7%	2,700	4.7%	2,630	-0.5%	2,763	1.5%
Services	2,424	-2.4%	2,508	0.8%	2,496	-0.1%	2,524	1.2%
Equipments	172	145.8%	192	114.0%	134	-6.7%	239	5.4%
TRADITIONAL SERVICES	967	-9.1%	974	-7.6%	950	-7.9%	937	-12.4%
Voice	801	-11.1%	812	-7.1%	786	-6.1%	763	-8.1%
Business Data & Others trad	166	1.5%	161	-10.0%	165	-15.7%	174	-27.4%
INNOVATIVE SERVICES	652	10.5%	708	16.0%	713	14.2%	753	16.1%
Broadband and Content	497	10.3%	546	18.5%	552	16.2%	564	18.4%
ICT Service	155	11.3%	161	8.3%	161	7.8%	188	9.6%
Domestic Wholesale	505	-5.9%	498	-1.5%	497	-1.1%	494	1.2%
TIS Group	310	-0.3%	336	-0.6%	349	-1.4%	354	1.7%
Subs. Adj. and Other	-11	45.1%	-7	62.5%	-14	-1.5%	-13	78.0%

⁽¹⁾ SULL, NGA included

⁽²⁾ On TI infrastructure

Domestic Mobile Results - Reported Figures

UNAUDITED FIGURES

KPIs	1Q17		2Q17		3Q17		4Q17		FY17		1Q18		2Q18		3Q18		
	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		
Total number of lines ('000)	29,417	-1.4%	29,952	0.7%	30,285	2.5%	30,755	3.8%	30,755	3.8%	31,036	5.5%	31,629	5.6%	31,994	5.6%	
o/w Calling	25,435	-1.1%	26,036	1.7%	26,588	4.0%	26,992	5.2%	26,992	5.2%	27,366	7.6%	28,117	8.0%	28,556	7.4%	
Human lines	23,257	-3.5%	23,479	-1.9%	23,378	-1.0%	23,331	-0.8%	23,331	-0.8%	23,195	-0.3%	23,132	-1.5%	22,738	-2.7%	
o/w Human Calling	19,275	-3.5%	19,563	-1.2%	19,681	0.2%	19,569	0.0%	19,569	0.0%	19,525	1.3%	19,621	0.3%	19,299	-1.9%	
Non Human lines (M2M)	6,160	7.4%	6,473	11.4%	6,907	16.6%	7,424	21.9%	7,424	21.9%	7,841	27.3%	8,496	31.3%	9,256	34.0%	
Churn Rate %	5.9%	0.2pp	6.9%	1.6pp	7.0%	1.1pp	6.4%	0.4pp	26.2%	3.4pp	6.5%	0.6pp	6.0%	-0.9pp	7.6%	0.6pp	
Total User Broadband (mln of users)	12.2	4.7%	12.5	6.2%	13.0	7.3%	13.2	7.9%	13.2	7.9%	13.3	9.2%	13.6	8.6%	13.4	3.1%	
Total User LTE (mln of users)	8.3	67.0%	9.0	56.2%	9.4	52.7%	9.7	28.0%	9.7	28.0%	10.1	21.9%	10.4	16.2%	10.4	10.9%	
Volumes of traffic (mln of minutes) ⁽¹⁾	18,183	7.3%	19,310	11.1%	19,434	12.9%	21,210	17.6%	78,138	12.3%	21,168	16.4%	21,616	11.9%	20,541	5.7%	
Outgoing traffic volumes	11,781	7.1%	12,627	13.1%	12,767	14.6%	14,184	21.9%	51,359	14.3%	14,080	19.5%	14,468	14.6%	13,705	7.3%	
Incoming traffic volumes	6,402	7.7%	6,683	7.5%	6,667	9.8%	7,026	9.6%	26,779	8.7%	7,088	10.7%	7,148	7.0%	6,836	2.5%	
Usage Voice (min/line/month) ⁽³⁾	259	11.4%	276	14.2%	276	14.7%	303	18.6%	279	14.9%	304	17.2%	311	13.0%	299	8.1%	
Usage Data (GB/users/month)	2.3	35.3%	2.7	43.3%	3.2	63.3%	3.3	58.6%	2.9	51.3%	3.6	55.9%	4.1	51.5%	4.9	51.6%	
ARPU (€ / line / month)																	
Human € ⁽³⁾	15.1	5.6%	15.8	5.5%	16.4	2.8%	17.0	1.7%	16.1	3.9%	15.8	4.8%	16.0	0.8%	16.0	-2.0%	
Reported € ⁽²⁾	12.0	3.2%	12.5	3.2%	12.7	-0.4%	13.0	-2.4%	12.5	0.8%	11.9	-0.7%	11.8	-5.4%	11.8	-7.1%	
Calling € ⁽⁴⁾	13.9	3.0%	14.4	2.2%	14.5	-1.7%	14.8	-4.1%	14.4	-0.2%	13.5	-2.8%	13.4	-7.2%	13.4	-8.1%	
REVENUES (€ mln)		1Q17		2Q17		3Q17		4Q17		FY17		1Q18		2Q18		3Q18	
TOTAL	1,216	2.5%	1,301	3.2%	1,334	2.6%	1,424	-0.6%	5,275	1.9%	1,273	4.7%	1,322	1.6%	1,328	-0.4%	
SERVICES	1,083	2.2%	1,145	2.5%	1,202	1.6%	1,225	0.5%	4,655	1.6%	1,123	3.7%	1,142	-0.2%	1,169	-2.8%	
Traditional Services	496	-13.4%	512	-11.6%	519	-7.5%	526	-2.1%	2,053	-8.8%	515	3.8%	516	0.8%	499	-3.9%	
Outgoing voice ⁽⁵⁾	349	-13.7%	360	-10.7%	371	-6.2%	376	-0.9%	1,455	-8.0%	370	6.3%	374	3.9%	365	-1.4%	
Incoming voice	71	5.4%	74	5.5%	75	10.1%	80	11.8%	299	8.3%	79	11.6%	80	8.7%	76	1.7%	
Messaging	76	-24.9%	79	-26.4%	73	-25.1%	71	-18.6%	299	-24.0%	65	-14.8%	62	-20.9%	57	-21.8%	
Innovative Services	534	21.8%	558	19.8%	594	12.7%	625	8.3%	2,311	15.1%	551	3.2%	560	0.3%	567	-4.5%	
Browsing	415	16.8%	437	15.6%	466	18.9%	497	10.2%	1,815	15.1%	432	4.0%	441	1.0%	446	-4.3%	
Internet Content	119	43.1%	122	37.8%	128	-5.3%	128	1.7%	496	14.8%	119	0.4%	119	-2.4%	121	-5.4%	
Wholesale Services	53	10.4%	74	3.4%	90	-6.1%	74	-29.8%	291	-9.3%	57	7.9%	66	-11.2%	104	15.2%	
HANDSETS	133	5.2%	156	8.6%	132	13.1%	199	-6.4%	620	3.4%	150	12.6%	180	15.1%	159	20.7%	

⁽¹⁾ Incoming + Outgoing volumes (Visitors and Roamers volumes not included)

⁽²⁾ Net of visitors on Human lines

⁽³⁾ Net of visitors on Total lines (including M2M)

⁽⁴⁾ Net of visitors on calling lines

⁽⁵⁾ Outgoing voice revenues include roaming revenue

TIM Brasil Results - Reported Figures

Reais mln

	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
KPI's - Mobile only	△ % yoy	△ % yoy						
Estimated Total Penetration (%)	117.2%	116.7%	115.9%	113.5%	113.5%	113.8%	113.2%	112.6%
Market Share on total lines(%)	25.5%	-0.6pp	25.1%	-0.1pp	24.6%	-0.6pp	24.8%	-1.2pp
Total Lines ('000) ⁽¹⁾	61,868	-8.0%	60,831	-4.9%	59,390	-6.1%	58,634	-7.5%
TOTAL ARPU ⁽²⁾	19.0	+10.5%	19.4	+13%	20.5	+11%	21.9	+14%
TOTAL MOU net of visitors	107	-10.1%	107	-9.7%	111	-4.6%	115	+2%
MAIN RESULTS (IAS/IFRS)	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
REVENUES Reported	△ % yoy	△ % yoy						
of which services	3,951	2.5%	3,943	3.2%	4,083	4.7%	4,257	5.3%
of which handsets	3,744	3.5%	3,750	5.0%	3,905	5.9%	4,075	6.1%
	207	-12.3%	193	-22.8%	178	-15.2%	182	-9.5%
EBITDA Reported	1,247	12.6%	1,377	15.8%	1,512	19.1%	1,758	13.6%
EBITDA margin	31.6%	2.9 pp	34.9%	3,8 pp	37.0%	4.4pp	41.3%	3.0pp
EBITDA Organic	1,247	9.4%	1,377	15.7%	1,512	17.0%	1,758	13.6%
EBITDA margin	31.6%	2.0pp	34.9%	3,7 pp	37.0%	3.9pp	41.3%	3.0pp
CAPEX Reported	669	-5.8%	809	-17.0%	1,009	-10.1%	1,661	-2.0%
% on revenues	16.9%	-1,5pp	20.5%	-5 pp	24.7%	-4.1pp	39.0%	-2.9pp
Exchange rate AVG YTD (R\$ vs. euro)	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
	3.34707	3.44195	3.53378	3.60584	3.60584	3.99014	4.14011	4.29236

(1) Includes company lines

(2) Gross of visitors

Reported & Organic Figures (*): YoY trends

UNAUDITED FIGURES

3Q17				3Q18				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					
REVENUES						REVENUES					
Domestic	3,818	-	2	-	3,820	Domestic	3,793	-	3,793	-0.7%	-0.7%
Brasile	1,096	-	(213)	-	883	Brasile	922	-	922	-15.9%	4.4%
Other Activities & Eliminations	(7)	-	-	-	(7)	Other Activities & Eliminations	(10)	-	(10)	-4.1%	0.2%
TI Group	4,907	-	(211)	-	4,696	TI Group	4,705	-	4,705		
EBITDA						EBITDA					
Domestic	1,694	-	1	(126)	1,821	Domestic	1,758	(6)	1,764	3.8%	-3.1%
Brasile	408	-	(78)	-	330	Brasile	357	-	357	-12.5%	8.7%
Other Activities & Eliminations	(3)	-	-	(1)	(2)	Other Activities & Eliminations	(3)	(1)	(2)	0.6%	-1.4%
TI Group	2,099	-	(77)	(127)	2,149	TI Group	2,112	(7)	2,119		
EBITDA Margin						EBITDA Margin					
Domestic	44.4%				47.7%	Domestic	46.3%		46.5%	2.0pp	-1.2pp
Brasile	37.2%				37.0%	Brasile	38.7%		38.6%	1.5pp	1.6pp
TI Group	42.8%				45.8%	TI Group	44.9%		45.0%	2.1pp	-0.7pp
EBIT						EBIT					
Domestic	822	-	1	(156)	979	Domestic	(1,091)	(2,006)	915	-	-6.5%
Brasile	146	-	(28)	-	118	Brasile	127	-	127	-13.0%	9.9%
Other Activities & Eliminations	(5)	-	-	(1)	(4)	Other Activities & Eliminations	(2)	(1)	(1)	-	-4.8%
TI Group	963	-	(27)	(157)	1,093	TI Group	(966)	(2,007)	1,041		
EBIT Margin						EBIT Margin					
Domestic	21.5%				25.6%	Domestic	-		24.1%	-	-1.5pp
Brasile	13.3%				13.1%	Brasile	13.8%		13.8%	0.5pp	0.7pp
TI Group	19.6%				23.3%	TI Group	-		22.1%	-	-1.1pp

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

TIM - 3Q'18 Financial Operating Figures

Investor Relations

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