



FY'18 Financial and Operating Figures - IFRS 9/15 and "After Lease"

Index

Disclaimer

Key financial data by Business Unit

Key financial data by Quarter

P&L Group

Balance Sheet

Net Debt & Cashflow

Working Capital

Domestic Business Results

Domestic Wireline

Domestic Mobile

TIM Brasil Results

After Lease View

TELECOM ITALIA INVESTOR RELATIONS

investor_relations@telecomitalia.it

Website link:

[Telecom Italia Group](#)

[Telecom Italia Investor Relations](#)

Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the 2018 Annual Report of the TIM Group, 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”).

TIM adopts IFRS 16 on 1 January 2019, using the simplified retrospective approach, without restatement of prior period comparatives. The implementation of the new standard had not been fully completed; the impact of the adoption of IFRS 16 is unaudited and may be subject to change until the publication of TIM’s 2019 Annual Report.

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition. Specifically, these alternative performance measures include: EBITDA (reported and organic), EBIT and net financial position.

Since 1 January 2019, the adoption of IFRS 16 led the TIM Group to adapt its financial indicators with:

- * EBITDA adjusted After Lease, where EBITDA is adjusted for the impact of lease costs, including depreciation of right-of-use assets and interest expense on lease liabilities; and
- * Net Financial Position After Lease, without impact of lease liabilities.

Such alternative performance measures are unaudited.

As described in 2018 Annual Report of the TIM Group, improvements - also on the supporting IT systems - relating to the process of implementing the new accounting standards adopted in 2018, together with the high number of new commercial offers, involved recalculating the time distribution of the revenues during the first and second quarters of 2018, for some specific fixed-line and mobile contract types. Therefore, TIM Group’s main 2018 quarters consolidated economic data were recalculated. Such data are unaudited.

Key financial data by Business Unit

€ mln, IFRS 9/15

	1Q18	1H18	9M18	FY18	1Q18 AL	FY18 AL
REVENUES Reported						
Domestic	3,657	7,423	11,182	15,031		
Brasile	1,033	2,001	2,918	3,943		
Other activities & Elim.	(5)	(13)	(23)	(34)		
TI Group	4,685	9,411	14,077	18,940		
REVENUES Organic						
Domestic	3,657	7,423	11,182	15,093		
Brasile	1,033	2,001	2,918	3,943		
Other activities & Elim.	(5)	(13)	(23)	(34)		
TI Group	4,685	9,411	14,077	19,002		
EBITDA Reported						
Domestic	1,446	3,037	4,739	5,955	1,365	5,625
Brasile	353	704	1,050	1,467	335	1,398
Other activities & Elim.	(6)	(8)	(11)	(19)	(6)	(19)
TI Group	1,793	3,733	5,778	7,403	1,694	7,004
EBITDA Organic						
Domestic	1,541	3,158	4,866	6,363	1,460	6,033
Brasile	353	704	1,050	1,466	335	1,398
Other activities & Elim.	(6)	(8)	(10)	(18)	(6)	(19)
TI Group	1,888	3,854	5,906	7,811	1,789	7,412
EBIT Reported						
Domestic	615	1,371	251	16		
Brazil	131	252	378	564		
Other activities & Elim.	(6)	(9)	(12)	(19)		
TI Group	740	1,614	617	561		
CAPEX ⁽¹⁾						
Domestic	507	1,212	1,887	5,518		
Brasile	154	385	573	890		
Elim & Adj	(1)	-	-	-		
TI Group	660	1,597	2,460	6,408		

⁽¹⁾ In FY 2018 €2,399m for 5G spectrum

Key BU financial data by Quarter

€ mln, IFRS 9/15

	1Q18	2Q18	3Q18	4Q18	1Q18 AL	FY18 AL
REVENUES Reported						
Domestic	3,657	3,766	3,759	3,849		
Brasile	1,033	968	917	1,025		
Other activities & Elim.	(5)	(8)	(10)	(11)		
TI Group	4,685	4,726	4,666	4,863		
REVENUES Organic						
Domestic	3,657	3,766	3,759	3,911		
Brasile	1,033	968	917	1,025		
Other activities & Elim.	(5)	(8)	(10)	(11)		
TI Group	4,685	4,726	4,666	4,925		
EBITDA Reported						
Domestic	1,446	1,591	1,702	1,216	1,365	5,625
Brasile	353	351	346	417	335	1,398
Other activities & Elim.	(6)	(2)	(3)	(8)	(6)	(19)
TI Group	1,793	1,940	2,045	1,625	1,694	7,004
EBITDA Organic						
Domestic	1,541	1,617	1,708	1,497	1,460	6,033
Brasile	353	351	346	416	335	1,398
Other activities & Elim.	(6)	(2)	(2)	(8)	(6)	(19)
TI Group	1,888	1,966	2,052	1,905	1,789	7,412
EBIT Reported						
Domestic	615	756	-1,120	-235		
Brasile	131	121	126	186		
Other activities & Elim.	(6)	(3)	(3)	(7)		
TI Group	740	874	-997	-56		
CAPEX ⁽¹⁾						
Domestic	507	705	675	3,631		
Brasile	154	231	188	317		
Elim & Adj	(1)	1	-	-		
TI Group	660	937	863	3,948		

⁽¹⁾ In 4Q 2018 €2,399m for 5G spectrum

P&L Group

€ mln, IFRS 9/15

	1Q18	1H18	9M18	FY18	1Q18 AL	FY18 AL
REVENUES	4,685	9,411	14,077	18,940		
Other Income	57	144	200	341		
TOTAL OPERATING REVENUES AND OTHER INCOME	4,742	9,555	14,277	19,281		
Acquisition of goods and services	(1,996)	(3,980)	(5,889)	(8,186)		
Employee benefits expenses	(780)	(1,526)	(2,171)	(3,105)		
Other operating expenses	(368)	(661)	(906)	(1,259)		
Internally generated assests and Others	195	345	467	672		
EBITDA	1,793	3,733	5,778	7,403	1,694	7,004
<i>EBITDA Margin</i>	38.3%	39.7%	41.0%	39.1%	36.2%	37.0%
Depreciation and amortization	(1,055)	(2,122)	(3,167)	(4,255)		
Gains (losses) on disposals of non-current assets	2	3	6	(1)		
Impairment reversals (losses) on non-current assets	-	-	(2,000)	(2,587)		
EBIT	740	1,614	617	561		
<i>EBIT Margin</i>	15.8%	17.2%	4.4%	3.0%		
Income (loss) equity invest. valued equity method	8	8	8	10		
Net Financial Income / (Expenses)	(357)	(718)	(1,047)	(1,348)		
Profit (loss) before tax from continuing operations	391	904	(422)	(777)		
Income tax expense	(156)	(297)	(254)	(375)		
Profit (loss) from continuing operations	235	607	(676)	(1,152)		
Profit (loss) from Discontinued operations/Non-current assets held for sale	-	-	-	-		
Profit (loss) for the year	235	607	(676)	(1,152)		
Attributable to:						
Owners of the Parent	199	532	(868)	(1,411)		
Non-controlling interests	36	75	192	259		

Consolidated Balance Sheet

€ mln, IFRS 9/15

	1Q18	1H18	9M18	FY18
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Goodwill	29,431	29,347	27,322	26,769
Intangible assets with a finite useful life	6,786	6,443	6,289	8,889
	36,217	35,790	33,611	35,658
Tangible assets				
Property, plant and equipment owned	13,978	13,823	13,708	14,251
Assets held under finance leases	2,146	2,108	2,075	1,895
	16,124	15,931	15,783	16,146
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method	16	15	15	16
Other investments	53	50	52	49
Non-current financial assets	1,438	1,405	1,290	1,594
Miscellaneous receivables and other non-current assets	2,169	2,179	2,212	2,291
Deferred tax assets	903	751	1,075	1,136
	4,579	4,400	4,644	5,086
TOTAL NON-CURRENT ASSETS (A)	56,920	56,121	54,038	56,890
CURRENT ASSETS				
Inventories	326	321	311	389
Trade and miscellaneous receivables and other current assets	5,323	5,057	5,085	4,706
Current income tax receivables	39	56	64	251
Other investments	-	-	-	-
Securities other than investments, financial receivables and other current financial assets	3,348	3,527	1,530	1,466
Cash and cash equivalents	4,461	4,461	2,543	1,917
TOTAL CURRENT ASSETS (B)	13,497	13,422	9,533	8,729
TOTAL ASSETS (A+B)	70,417	69,543	63,571	65,619

Consolidated Balance Sheet

€ mln, IFRS 9/15

EQUITY AND LIABILITIES

EQUITY

Equity attributable to equity holders of the Parent

Equity attributable to Minority Interests

TOTAL EQUITY (C)

NON-CURRENT LIABILITIES

Non-current financial liabilities

Employee benefits

Deferred tax liabilities

Provisions

Miscellaneous payables and other non-current liabilities

TOTAL NON-CURRENT LIABILITIES (D)

CURRENT LIABILITIES

Current financial liabilities

Trade and miscellaneous payables and other current liabilities

Current income tax payables

Current liabilities sub-total (E)

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)

TOTAL LIABILITIES (F=D+E)

TOTAL EQUITY AND LIABILITIES (C+F)

	1Q18	1H18	9M18	FY18
Equity attributable to equity holders of the Parent	21,417	21,318	19,782	19,528
Equity attributable to Minority Interests	2,208	2,056	2,119	2,219
TOTAL EQUITY (C)	23,625	23,374	21,901	21,747
Non-current financial liabilities	26,260	24,888	25,030	25,059
Employee benefits	1,738	1,731	1,698	1,567
Deferred tax liabilities	228	233	241	192
Provisions	827	830	828	876
Miscellaneous payables and other non-current liabilities	1,363	1,334	1,265	3,297
TOTAL NON-CURRENT LIABILITIES (D)	30,416	29,016	29,062	30,991
Current financial liabilities	5,020	6,085	6,460	5,913
Trade and miscellaneous payables and other current liabilities	6,821	6,540	6,105	6,901
Current income tax payables	74	67	43	67
Current liabilities sub-total (E)	11,915	12,692	12,608	12,881
Liabilities directly associated with Discontinued operations/Non-current assets held for sale of a financial nature	-	-	-	-
Liabilities directly associated with Discontinued operations/Non-current assets held for sale of a non-financial nature	-	-	-	-
TOTAL CURRENT LIABILITIES (E)	11,915	12,692	12,608	12,881
TOTAL LIABILITIES (F=D+E)	42,331	41,708	41,670	43,872
TOTAL EQUITY AND LIABILITIES (C+F)	65,956	65,082	63,571	65,619

Net Cash Flow & Net Debt Dynamics

€ mln, IFRS 9/15

	1Q18	1H18	9M18	FY18
EBITDA	1,793	3,733	5,778	7,403
CAPEX	(660)	(1,597)	(2,460)	(6,408)
<i>o/w spectrum</i>				(2,399)
CHANGE IN WORKING CAPITAL ⁽¹⁾	(1,174)	(106)	(581)	1,082
(1) Change in net operating working capital	(1,238)	(87)	(453)	1,194
<i>Change in inventories</i>	(36)	5	11	(99)
<i>Change in trade receivables and net amounts due from customers on construction contracts</i>	(210)	136	(192)	(49)
<i>Change in trade payables ⁽²⁾</i>	(643)	(384)	(215)	(186)
<i>Other changes in operating receivables/payables</i>	(349)	156	(57)	1,528
(2) Change in provisions for employee benefits	(5)	(18)	(93)	(208)
(3) Change in operating provisions and Other changes	69	(1)	(35)	96
Net operating Free Cash Flow	(41)	2,030	2,737	2,077
Cash Taxes	(24)	(37)	(325)	(739)
Financial Expenses	(335)	(665)	(994)	(1,302)
Dividends and change in Equity	-	(211)	(217)	(234)
Other impacts (FX, M&A, IAS and Other impacts)	147	194	197	236
Reduction/(Increase) in adjusted net financial debt from continuing operations	(253)	1,311	1,398	38
Reduction/(Increase) in net financial debt from discontinued operations/non-current assets held for sale	-	-	-	-
Reduction/(Increase) in adjusted net financial debt	(253)	1,311	1,398	38
OPENING NET FINANCIAL DEBT (Adjusted)	25,308	25,308	25,308	25,308
Net cash flow	(253)	1,311	1,398	38
ENDING NET FINANCIAL DEBT (Adjusted)	25,561	23,997	23,910	25,270
IAS 17				(1,948)
ENDING NET FINANCIAL DEBT AFTER LEASE (Adjusted)				23,322

(1) See details in tab "Working Capital"

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

Working Capital

€ mln, IFRS 9/15

	TIM Group	Domestic	Brasil
	FY18	FY18	FY18
Operating WC & Other	1,082	1,096	4
5G License	(2,399)	(2,399)	-
5G License paid in the year	513	477	36
Non recurring items (not paid)	(408)	(408)	-
Recurring Operating WC	(1,212)	(1,234)	40
Inventory		(90)	
Trade Receivables		6	
Trade Payables		(160)	
Other Operating Payables/Receivables & Funds		(991)	
- o/w Litigations & Settlements		-	
- o/w Payables vs. Personnel		(71)	
- o/w Personnel Exit (Fornero Law)		(267)	
- o/w VAT split payment		(373)	
- o/w Billing (1)		(114)	
- o/w Deferred Costs & Revenues		(194)	
- o/w Contract Asset - Contract Liabilities		70	

(1) From payments in advance to payments in arrears

Domestic Business Results - Reported Figures

€ mln, IFRS 9/15

	1Q18	2Q18	3Q18	4Q18	FY18	1Q18 AL	FY18 AL
REVENUES	3,657	3,766	3,759	3,849	15,031		
Services	3,294	3,354	3,397	3,307	13,352		
Mobile Services	1,034	1,044	1,069	960	4,107		
Retail	946	942	931	880	3,699		
Wholesale and Other	88	102	138	80	408		
Wireline Services	2,402	2,458	2,468	2,546	9,875		
Retail	1,607	1,618	1,639	1,660	6,524		
Domestic Wholesale ⁽¹⁾	512	510	515	529	2,066		
International Wholesale	286	323	310	353	1,272		
Elimination & Other	(142)	(148)	(140)	(199)	(630)		
Equipments	363	412	362	542	1,679		
EBITDA	1,446	1,591	1,702	1,216	5,955	1,365	5,625
<i>EBITDA Margin</i>	39.5%	42.2%	45.3%	31.6%	39.6%	37.3%	37.4%
CAPEX ⁽²⁾	507	705	675	3,631	5,518		
<i>% on revenues</i>	13.9%	18.7%	18.0%	94.3%	36.7%		
KPIs							
Headcount EoP	49,722	49,658	49,532	48,200	48,200		

(1) Organization view (2) Includes 630 mln € GSM Licences in 3Q'17 and €2,399m for 5G Licenses in 4Q'18

Domestic Wireline Results - Reported Figures

€ mln, IFRS 9/15

	1Q18		2Q18		3Q18		4Q18		FY18	
KPIs ('000)	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Retail - physical accesses	10,845	-3.4%	10,644	-4.8%	10,450	-6.2%	10,149	-8.1%	10,149	-8.1%
Retail - accesses including VoIP	11,285	-1.5%	11,203	-2.0%	11,102	-2.9%	10,864	-4.8%	10,864	-4.8%
Retail - broadband	7,527	4.6%	7,547	3.7%	7,561	1.8%	7,483	-0.3%	7,483	-0.3%
Business	1,426	-1.1%	1,415	-2.1%	1,392	-3.5%	1,377	-4.5%	1,377	-4.5%
Consumer	6,101	6.1%	6,132	5.1%	6,169	3.1%	6,106	0.6%	6,106	0.6%
FTTx (NGN)	2,458	102.0%	2,744	82.1%	2,955	68.5%	3,166	47.3%	3,166	47.3%
ARPU Broadband (€/month)	24.9		25.2		27.1		28.0		26.3	
ARPU Consumer (€/month)	32.6		33.0		34.9		35.5		34.0	
Wholesale - OLO Accesses	8,065	3.3%	8,078	2.5%	8,114	2.8%	8,063	1.4%	8,063	1.4%
Local Loop Unbundling (LLU)	5,241	-7.6%	5,011	-11.1%	4,788	-14.0%	4,444	-18.2%	4,444	-18.2%
Wholesale Line Rental	291	-22.1%	274	-20.9%	257	-22.0%	242	-20.4%	242	-20.4%
Bitstream Naked	1,228	-4.2%	1,194	-5.7%	1,165	-5.3%	1,115	-9.2%	1,115	-9.2%
VULA - FTTx (NGN)	1,306	171.7%	1,598	153.0%	1,904	149.6%	2,262	129.4%	2,262	129.4%

	1Q18	2Q18	3Q18	4Q18	FY18
REVENUES (€ mln)					
TOTAL WIRELINE REVENUES	2,538	2,593	2,572	2,774	10,477
Wireline Service Revenues	2,402	2,458	2,468	2,546	9,875
Retail Services	1,607	1,618	1,639	1,660	6,524
o/w Broadband and content	563	569	614	634	2,380
o/w ICT Services	165	186	189	216	756
Domestic Wholesale ⁽¹⁾	512	510	515	529	2,066
International Wholesale	286	323	310	353	1,272
Subsidiaries, adj. and other	-3	7	5	5	13
Equipments	136	135	104	228	602

(1) Organization view

Legenda

Wireline - KPIs

Retail - physical accesses	Fixed line physical accesses, including both voice and broadband (xDSL, FTTx)
Retail - accesses including VoIP	Included in the counting also multiple VoIP lines on a single physical access line
Retail - broadband	All active broadband lines, including xDSL and FTTx
Business	Active broadband lines on Corporate and Small/Medium enterprises
Consumer	Active broadband lines on Consumer customers
FTTx (NGN)	All active fiber line retail customers, FTTC and FTTH
ARPU Broadband (€/month)	Total broadband revenues (Consumer+Business) divided by average active broadband customers (€/line/month)
ARPU Consumer (€/month)	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
Wholesale - OLO Accesses	Total number of wholesale lines
Local Loop Unbundling (LLU)	Nr. of wholesale accesses to the copper local access network (SULL, VULL and NGA included)
Wholesale Line Rental	Nr. of rented wholesale lines enabling OLOs to resell basic and advanced telephone and associated services
Bitstream Naked	Nr. of wholesale copper access lines with no RTG/ISDN/WLR voice service, used by OLOs for ADSL data service.
VULA - FTTx (NGN)	Nr. of virtual, bitstream-type accesses on TI's fiber network

Wireline - Revenues

TOTAL WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business
<i>o/w Broadband and content</i>	Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
<i>o/w ICT Services</i>	Cloud, Security, IT and other B2B services
Domestic Wholesale	Revenues from OLOs, regulated and not regulated (organization view)
International Wholesale	TIM Sparkle Group revenues
Subsidiaries, adj. and other	Intercompany adjustment, elimination and national Subsidiaries (Telsy, TI Trust, Olivetti)
Equipments	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)

Domestic Mobile Results - Reported Figures

€ mln, IFRS 9/15

	1Q18		2Q18		3Q18		4Q18		FY18	
KPIs	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Total number of lines ('000)	31,036	5.5%	31,629	5.6%	31,994	5.6%	31,818	3.5%	31,818	3.5%
o/w Calling	27,366	7.6%	28,117	8.0%	28,556	7.4%	28,236	4.6%	28,236	4.6%
Human lines	23,195	-0.3%	23,132	-1.5%	22,738	-2.7%	22,448	-3.8%	22,448	-3.8%
o/w Human Calling	19,525	1.3%	19,621	0.3%	19,299	-1.9%	18,866	-3.6%	18,866	-3.6%
Non Human lines (M2M)	7,841	27.3%	8,496	31.3%	9,256	34.0%	9,370	26.2%	9,370	26.2%
Churn Rate %	6.5%	0.6pp	6.0%	-0.9pp	7.6%	0.6pp	6.2%	-0.3pp	26.3%	0.1pp
Total User Broadband (mln users)	13.3	9.2%	13.6	8.6%	13.4	3.1%	13.0	-1.2%	13.0	-1.2%
Total User LTE (mln users)	10.1	21.9%	10.4	16.2%	10.4	10.9%	10.3	6.1%	10.3	6.1%
Volumes of traffic (mln minutes)	21,168	16.4%	21,616	11.9%	20,541	5.7%	22,037	3.9%	85,363	9.2%
Outgoing traffic volumes	14,080	19.5%	14,468	14.6%	13,705	7.3%	14,793	4.3%	57,046	11.1%
Incoming traffic volumes	7,088	10.7%	7,148	7.0%	6,836	2.5%	7,245	3.1%	28,316	5.7%
Usage Voice (min/line/month)	304	17.2%	311	13.0%	299	8.1%	326	7.4%	310	11.2%
Usage Data (GB/users/month)	3.6	55.9%	4.1	51.5%	4.9	51.6%	5.5	67.1%	4.5	56.0%
ARPU (€ / line / month)										
Reported €	10.2		10.0		9.8		9.2		9.8	
Human €	13.6		13.6		13.5		13.0		13.4	

	1Q18	2Q18	3Q18	4Q18	FY18
REVENUES (€ mln)					
TOTAL MOBILE REVENUES	1,262	1,321	1,328	1,274	5,185
Mobile Service Revenues⁽¹⁾	1,034	1,044	1,069	960	4,107
Retail Services	946	942	931	880	3,699
o/w Incoming	73	74	70	73	289
Wholesale and Other	88	102	138	80	408
Handsets and Handsets Bundle	228	277	259	314	1,078

(1) 4Q'18 MSR including non linear items (€34 mln)

Legenda

Mobile KPIs

Total number of lines	Total mobile customer base, human and not human ('000)
o/w Calling	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human lines	Total nr. of human lines
o/w Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Non Human lines (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Churn Rate %	Percentage of line lost on average nr of lines in the reported period
Total User Broadband	Mobile customers using data services
Total User LTE	Mobile customer using (also) 4G (LTE) data services
Volumes of traffic	Incoming + Outgoing volumes (Visitors and Roamers volumes not included), mln of minutes
Outgoing traffic volumes	Outgoing voice traffic (mln of minutes), excluding visitors and roamers
Incoming traffic volumes	Total amount of incoming voice traffic excluding visitors (mln of minutes)
Usage Voice	Average (human-lines) voice usage (min/human lines/month)
Usage Data	Average data usage (GB/broadband users/month)
ARPU	Average Revenue per User (€ / line / month)

Mobile REVENUES

TOTAL MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	Mobile service revenues, including retail, wholesale and other
Retail Services	Retail service revenues, consumer and business including voice, messaging, browsing and content
o/w Incoming	Revenues for voice traffic terminated on TIM mobile customers including visitors
Wholesale and Other	Inwit revenues, colocation on mobile sites, MVNOs and visitors
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles

TIM Brasil Results - Reported Figures

Reais mln, IFRS 9/15

	1Q18		2Q18		3Q18		4Q18		FY18	
KPI's - Mobile only	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Estimated Total Penetration (%)	113.8%		113.2%		112.6%		111.7%		111.7%	
Market Share on total lines (%)	24.6%	-0.9pp	24.1%	-1.1pp	24.0%	-0.6pp	24.4%	-0.4pp	24.4%	-0.4pp
Total Lines ('000) ⁽¹⁾	57,894	-6.4%	56,554	-7.0%	56,241	-5.3%	55,923	-4.6%	55,923	-4.6%
TOTAL ARPU ⁽²⁾	21.7		21.9		22.6		23.7		22.5	
TOTAL MOU net of visitors	115	+8%	122	+15%	129	+16%	127	+11%	123.4	+12%

	1Q18	2Q18	3Q18	4Q18	FY18
MAIN RESULTS (IAS/IFRS)					
REVENUES Reported	4,120	4,162	4,242	4,457	16,981
of which services	3,986	3,967	4,031	4,221	16,206
of which handsets	134	195	211	236	775
EBITDA Reported	1,407	1,508	1,594	1,807	6,316
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%
EBITDA Organic	1,407	1,508	1,594	1,804	6,313
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%
CAPEX Reported	613	981	866	1,371	3,831
% on revenues	14.9%	23.6%	20.4%	30.8%	22.6%

	1Q18		2Q18		3Q18		4Q18		FY18	
Exchange rate AVG YTD (R\$ vs. euro)	3.99014		4.14011		4.29236		4.30628		4.30628	

(1) Includes company lines (2) Gross of visitors

"After Lease" View

€ mln

	FY18 IFRS 9/15	Δ IAS 17	FY18 AL
EBITDA Organic			
Domestic	6,363	(330)	6,033
Brasile	1,466	(69)	1,397
Other activities & Elim.	(18)	-	(18)
TI Group	7,811	(399)	7,412
EBITDA Reported			
Domestic	5,955	(330)	5,625
Brazil	1,467	(69)	1,398
Other activities & Elim.	(19)	-	(19)
TI Group	7,403	(399)	7,004
Net Financial Debt (Adjusted)	25,270	(1,948)	23,322