TIM Group

Q1 ’19 Results
Executing Deleverage

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TIM

Safe Harbour

This presentation contains statements that constitute forward looking statements regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.

The Q1 ’19 financial and operating data have been extracted or derived, with the exception of some data, from the press release relating to **Q1 ’19 Financial Results** 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**”). Such information is unaudited.

The accounting policies and consolidation principles adopted in the preparation of the Q1 ’19 Financial Results are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2018, to which reference can be made, except for the adoption of the new accounting principle (IFRS 16 - Lease), adopted starting from 1 January 2019. In particular, TIM adopts IFRS 16, using the simplified retrospective approach, without restatement of prior period comparatives. The implementation of the new standard has 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. It should be noted that, starting from 1 January 2018, the TIM Group adopted IFRS 15 (Revenues from contracts with customers) and IFRS 9 (Financial instruments).

To enable the year-on-year comparison of the economic and financial performance for the first quarter of 2019, “comparable” financial position figures and “comparable” income statement figures, prepared in accordance with the previous accounting standards applied (IAS 17 and related Interpretations) are provided, for the purposes of the distinction between operating leases and financial leases and the consequent accounting treatment of lease liabilities.

Alternative Performance Measures

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. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin and net financial debt. Moreover, following the adoption of IFRS 16, the TIM Group provides the following further financial indicators:

- **EBITDA adjusted After Lease ("EBITDA-AL")**, which is calculated by adjusting Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of finance lease contracts in accordance with IAS 17 (applied until the end of 2018) and IFRS 16 (applied from 2019);
- **Adjusted Net Financial Debt After Lease**, which is calculated by excluding from the adjusted net financial deb the liabilities related to the accounting treatment of finance lease contracts in accordance with IAS 17 (applied until the end of 2018) and IFRS 16 (applied from 2019).

Such alternative performance measures are unaudited.

Q1 '19 Results

TIM

Plan execution is taking-off

	What happened in Q1	KPIs
Executing deleverage		
Revamp culture and organization Discipline, focus and simplicity	▪ Management team revamped ▪ Agreement with unions for 4,650 exits in 2019-20, >1,200 in June ▪ Delivery units up and running	**~35%** of 2021 cost cutting[1] secured **-6 days** *for provisioning FTTH*
Revamp domestic business value and quality positioning, modernization, efficiency	▪ Market discipline: mobile and fixed market prices moving up ▪ MNP washing-machine cooling down ▪ VRAN: first cluster completed in Turin, +20% throughput	New customers' **Mobile ARPU** up from Q4 '18
Further develop Brazil ride growth waves and efficiency plan	▪ (Re) appointed Pietro Labriola as CEO to drive the change ▪ Increased efficiency offsets slower macro and competition effects	EBITDA Q1 '19 **+5.5%** YoY
Deleverage and focus on ROIC	▪ Internal processes revisited to boost cash-conversion: customer retention, credit check, dealer commissioning, provisioning ▪ 2019 funding plan substantially completed, cost of debt -0.3pp QoQ ▪ Strategic initiatives undergoing	Net Debt reduced **-€190m** **NWC** reduced by **€600m** Finalising **Persidera** sale

(1) Planned cost cutting: -8% P/L view, -14% cash-view on addressable costs (€5.1bn) in 2021

Strategic initiatives update

Network sharing partnership TIM-Vodafone Italia

- **Good progress,** in line with our original timetable; signing expected in summer
- **Synergies** for TIM (€100-150m on a yearly basis expected) will come from:
  - Active sharing: lower capex/opex
  - Wholesale revenues: increased backhauling opportunities
  - Passive sharing: Inwit's stake re-evaluation through its own synergies:
    - Revenues: towers repatriation (both TIM's and Vodafone's), Inwit will manage for 2 MNOs 4G and 5G antennas
    - Costs: ground lease cost savings from de-commissioning of overlapping towers
    - Financial: higher leverage brings lower WACC, fiscal efficiency, lower risk profile with 2 MNOs

Potential partnership in fiber roll-out

- **TIM's industrial assessment is being completed**, confirming strategic and financial benefits for all stakeholders
- TIM Board will examine options by the summer

Consumer credit JV

- **Consumer finance platform**: TIM has initiated talks with financial institutions to select the partners to jointly provide consumer finance platform to support the business
- The **objective** is to free up working capital and reduce credit-risk

Q1 ’19 Results

TIM

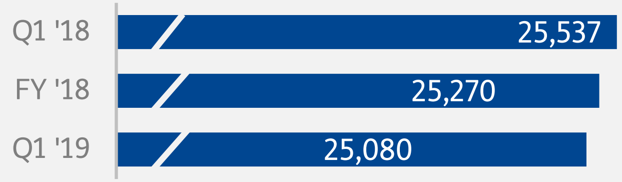
Deleveraging started in Q1 '19

All figures based on IFRS 9/15 accounting standards and on a comparable base

Organic data [1], €m

		Q1 '18		Q1 '19	Growth ex Sparkle discountinuity[3]
SERVICE REVENUES[2]	**Group**	**4,225**	-3.0%	**4,099**	-2.0%
	Domestic	3,299	-3.9%	3,169	-2.7%
	Brazil	932	+1.0%	940	
EBITDA		**1,865**	-2.1%	**1,826**	
		1,542	-4.0%	1,481	
		329	+5.5%	347	
	% on revenues	40.4%		40.7%	
EBITDA-CAPEX		**1,216**	+0.2%	**1,219**	
		1,035	-0.9%	1,026	
		186	+5.2%	195	

NET DEBT[4]

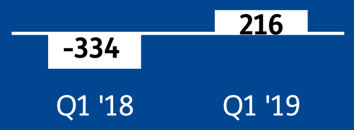


- **Service revenues** -3.0% YoY, with Brazil growing low single digit and domestic down -3.9%, -2.7% excluding Sparkle's International Wholesale business (see slide #9)
- **EBITDA** down 2.1%, on an improving path vs Q4 '18 (-5.3% adj YoY growth), with Domestic at -4.0% (vs. -7.6% adj YoY growth in Q4). EBITDA margin grew 0.3 p.p. to 40.7% in Q1

First quarter showing material improvements in cash-generation:

- **Net Debt** at €25,080m, with a **reduction of €190m from previous quarter** (+€229m in 2018, +€116m in 2017)
- **Equity FCF €216m, +550m vs. Q1 2018**, with **NWC** outflow halving YoY

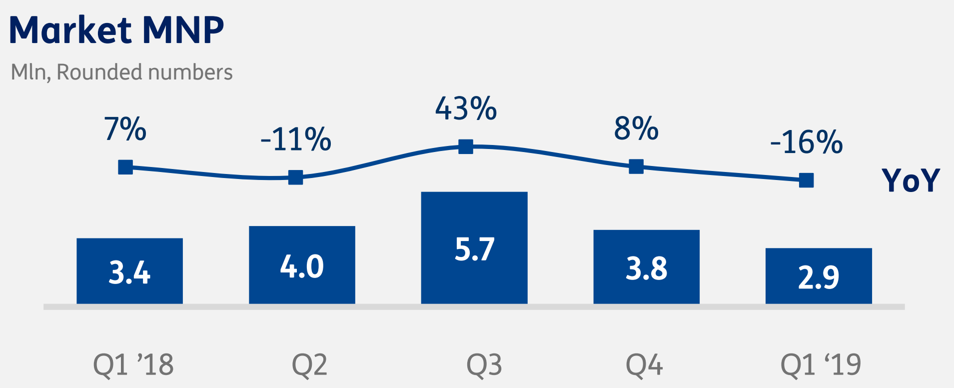
EQUITY FREE CASH-FLOW



(1) Excluding exchange rate fluctuations & non recurring items. CAPEX excluding license
(2) Domestic Service Revenue: MSR net of "Prova TIM" (now included in "Handsets and handsets bundle")
(3) Total service revenues growth excluding Sparkle's International Wholesale revenues, net of elimination, with no impact on EBITDA
(4) Adjusted Net Debt

Competitive intensity easing in the mobile arena

Mobile Number Portability

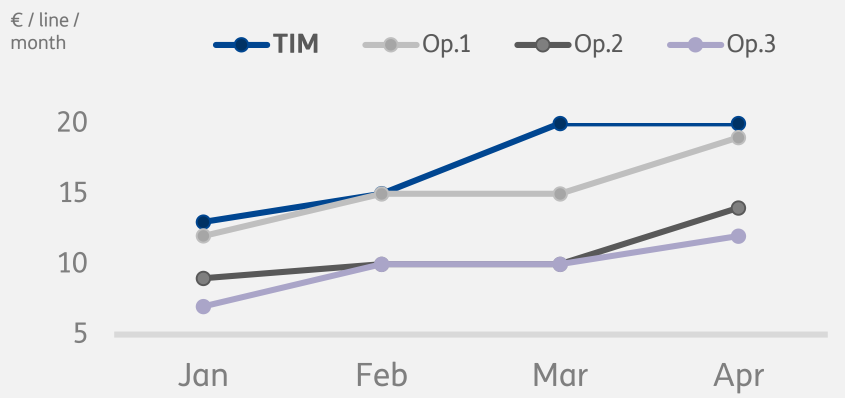


Market showing signs of rationality, **MNPs slowing down**, totaling 2.9 mln in Q1 (-16% vs. previous year)

Competitive **pressure on prices is cooling down** and all players are implementing price increases on new customers both Above The Line and Below The Line

"Fighter-brands" increasing prices

Mobile Prices – Main Brands



Acquisition offers vs. main brands

€ / line / month

	Q4 '18	Feb.	Mar.	Today
Kena	7,99	11,99	12,99	**12,99**
Op.1	7,99		12,99	12,99
Op.2	7,99		7,99	7,99

Acquisition offers vs. low cost brands

€ / line / month

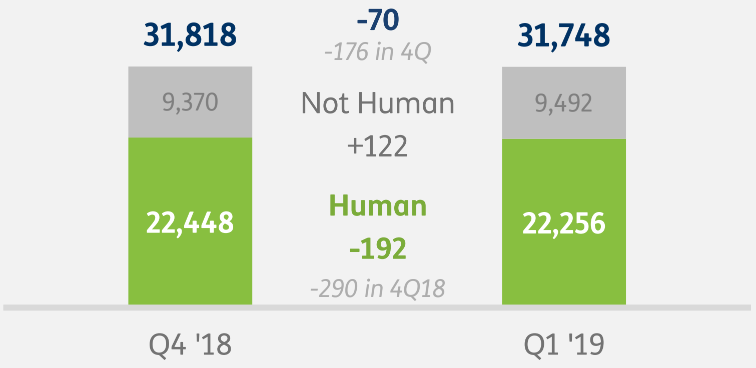
	Q4 '18	Feb.	Mar.	Today
Kena	5,99	6,99	8,99	**8,99**
Op.1	5,99		8,99	8,99
Op.2	7,99		7,99	7,99

Line losses trend improving; consumer ARPU expected to stabilize from Q2

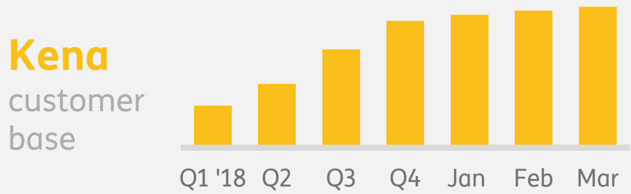
Mobile KPIs

Customer Base

k, Rounded numbers

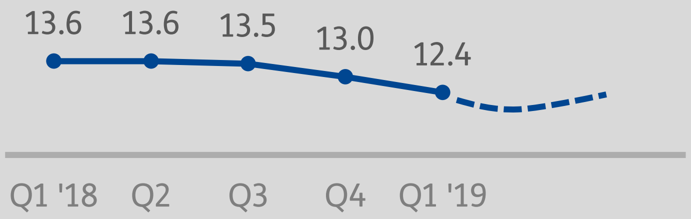


Kena fighter brand used much less



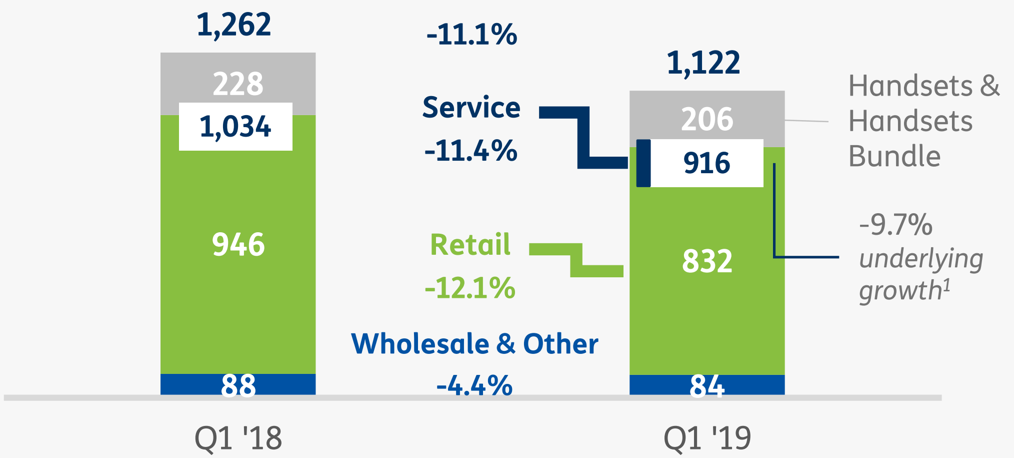
ARPU Human

€ / line / month



Mobile Revenues

Organic data, €m



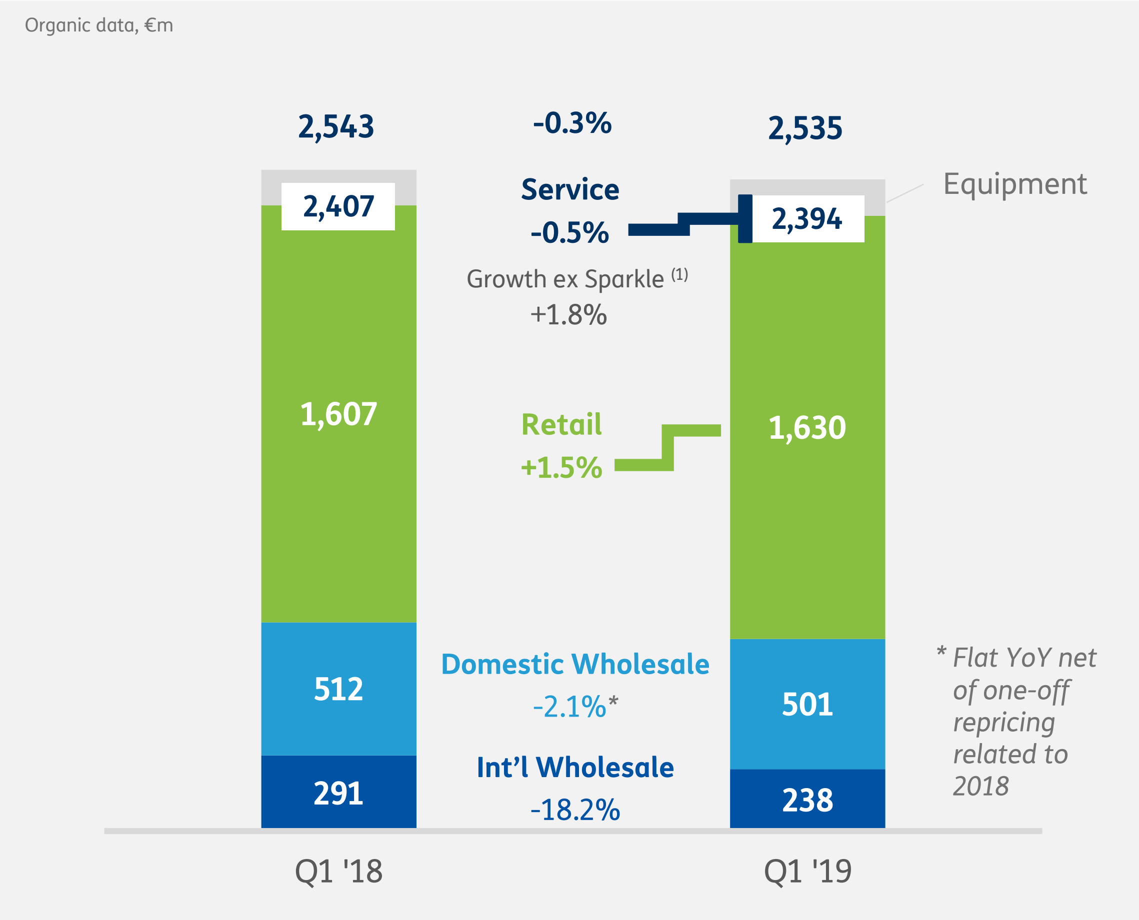
- **Line losses** trend now on an improving path with better mix of net adds (Kena net adds halved in Q1 versus Q4)
- **Consumer ARPU** stabilization QoQ expected from Q2 thanks to new, higher price points
- Lower sales of **handsets** to improve margins

(1) *Underlying YoY growth rate: excluding 28 days billing, mobile termination rates reduction and accounting adjustments for pre-paid cards mismatch on Q1’18*

Fixed service revenues +1.8% YoY excluding Sparkle

- **Retail** growing +1.5% thanks to
  - **Consumer** service revenues +0.7% YoY with ARPU growth more than offsetting lower lines
  - **Business** service revenues +2.3% YoY benefit from premium pricing offer and unique distribution
  - **ICT services** continuing their strong growth (+16% YoY)
- **Domestic Wholesale flat YoY** net of one-off repricing(2) : €11m drag YoY, of which ca. -€8m related to 2018
- **Sparkle's International Wholesale** revenues down 18.2% (€53m) following strategy revision: zero/low-margin voice traffic business stopped (volumes -16%). Impact on EBITDA expected to be positive due to de-risking of Sparkle's activity

Wireline Revenues



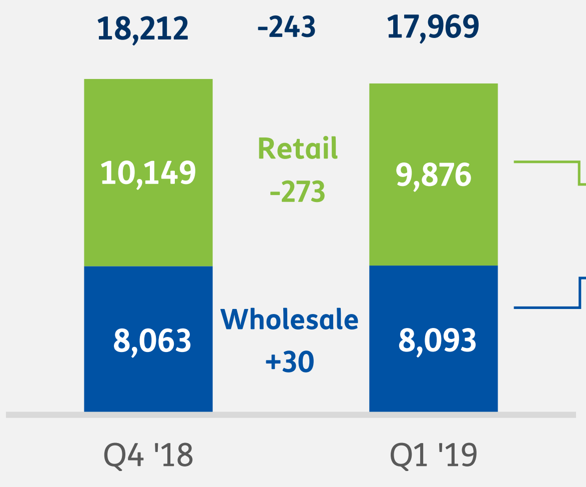
(1) Total Service Revenues growth excluding Sparkle's International Wholesale revenues, net of eliminations
(2) Interconnection kit

Strong ARPU growth from FTTx conversion and higher prices

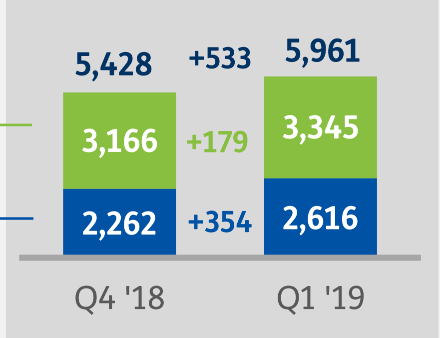
Wireline KPIs

Total Accesses (1)

Lines x 1,000

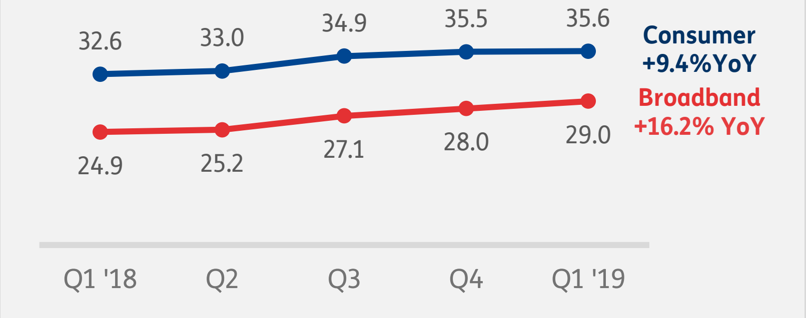


FTTx Accesses



ARPU

€ / line / month



Strong migration to fiber continues: 6m lines reached, +10% QoQ and +58% YoY

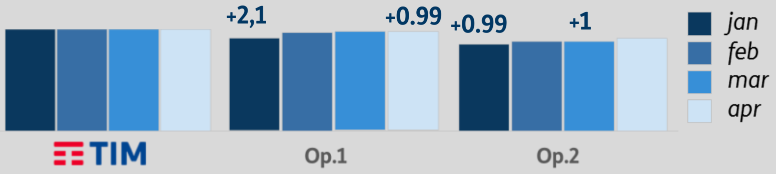
- **Retail line losses** were 273k in Q1 ’19 down from -301k in Q4 ’18. Underlying trend improving but Q1/Q2 numbers impacted by clean-up (stricter disconnection policy discipline to optimize credit management)
- **Wholesale** lines growing yoy (+30k), higher ARPU fiber net adds (+354k VULA) more than offsetting disconnections on lower ARPU copper lines (-294k ULL, down QoQ). Wholesale efficiency and KPIs improving in 2019, impacting positively productivity and customer satisfaction

ARPU consumer at 35.6 €/month, accelerating growth in Q1 (+9.4% YoY vs. +8.7% in Q4) following repricing in 2018 and activation fees introduced in Q2 2018. BB ARPU +16.2% (vs. +15.4%)

Market discipline 2019: competitors’ increases in fixed pricing reducing gap vs. TIM’s premium positioning. Competitors’ repricing of existing client base will occur in July and August

FTTx

Monthly pricing (€)[2]



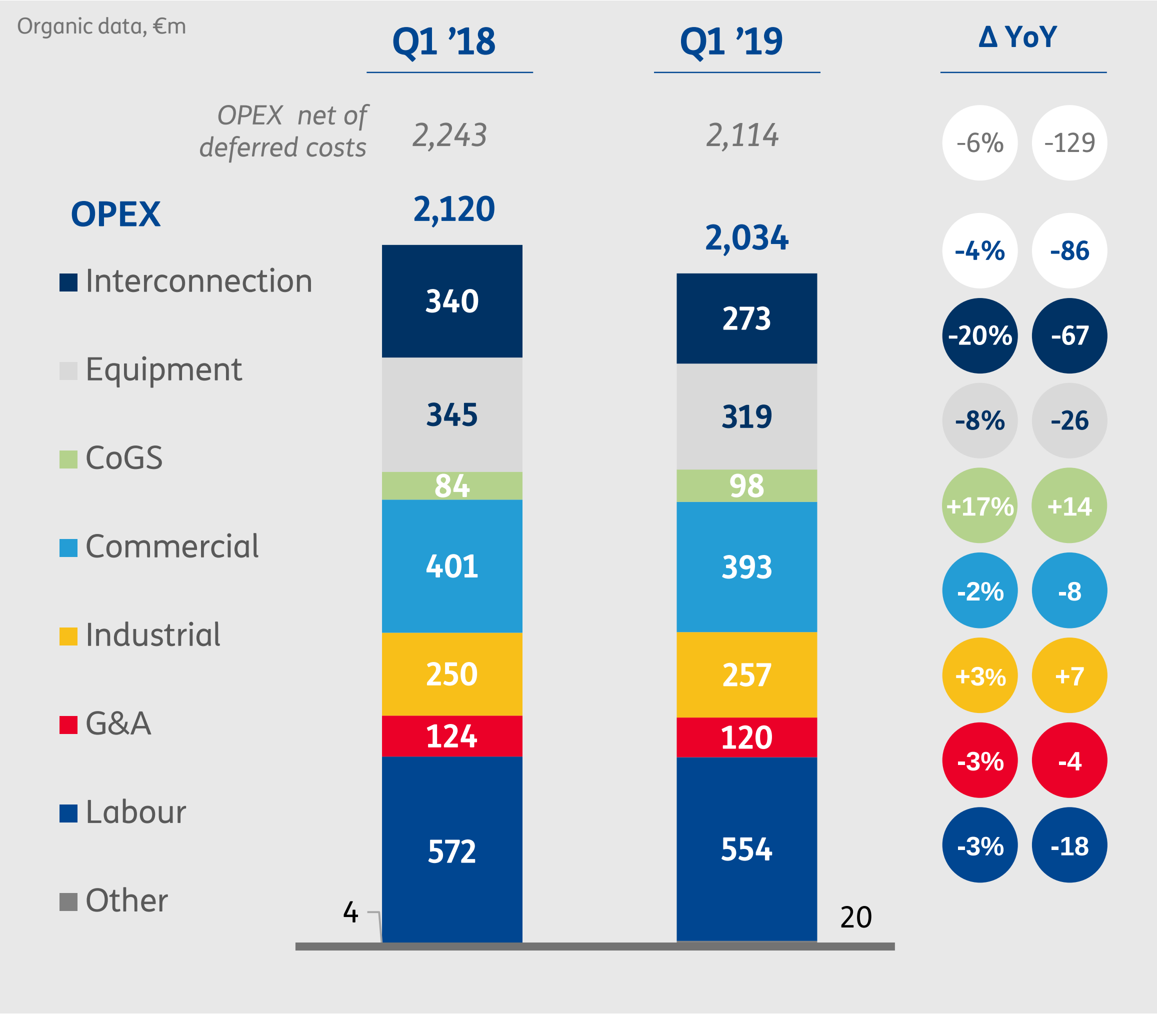
(1) *On TIM infrastructure, retail VoIP excluded*
(2) *FTTH /FTTC total monthly prices, including: line rental, unlimited data, unlimited calls, modem, activation fee*

Cost reduction underway, all eyes on cash impact

OPEX on a reduction path at €2,034m, -€86m YoY (-4%).
Net of deferred costs, on a cash view, the reduction is higher and reaches €129m (-6% YoY)

- **Labour**: lower costs driven by solidarity and art. 4 exit
- **Commercial**: commissioning costs reduced, increased penetration of digital caring
- **Industrial**: increased productivity in delivery, offset by increase in energy costs due to last year’s contracts at unfavorable terms (€12m price headwinds partly offset by lower energy consumption). Lower energy costs, expected from 2020
- **G&A**: rationalized office space and utilities releasing non-strategic assets/rents and reducing total square meters (-5.6% YoY) through promotion of smart working, creation of open spaces and introduction of desk sharing policies. Cost reduction also through contracts renewal
- **Other**: main impact of worsening from reversal of provisions in Q1 2018 and lower other income in Q1 2019

OPEX



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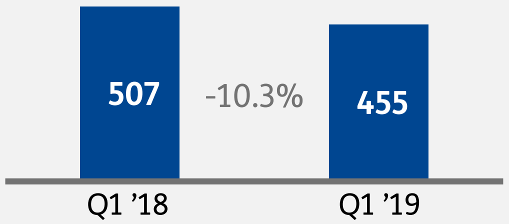
CAPEX: doing more spending less, in line with budget

CAPEX

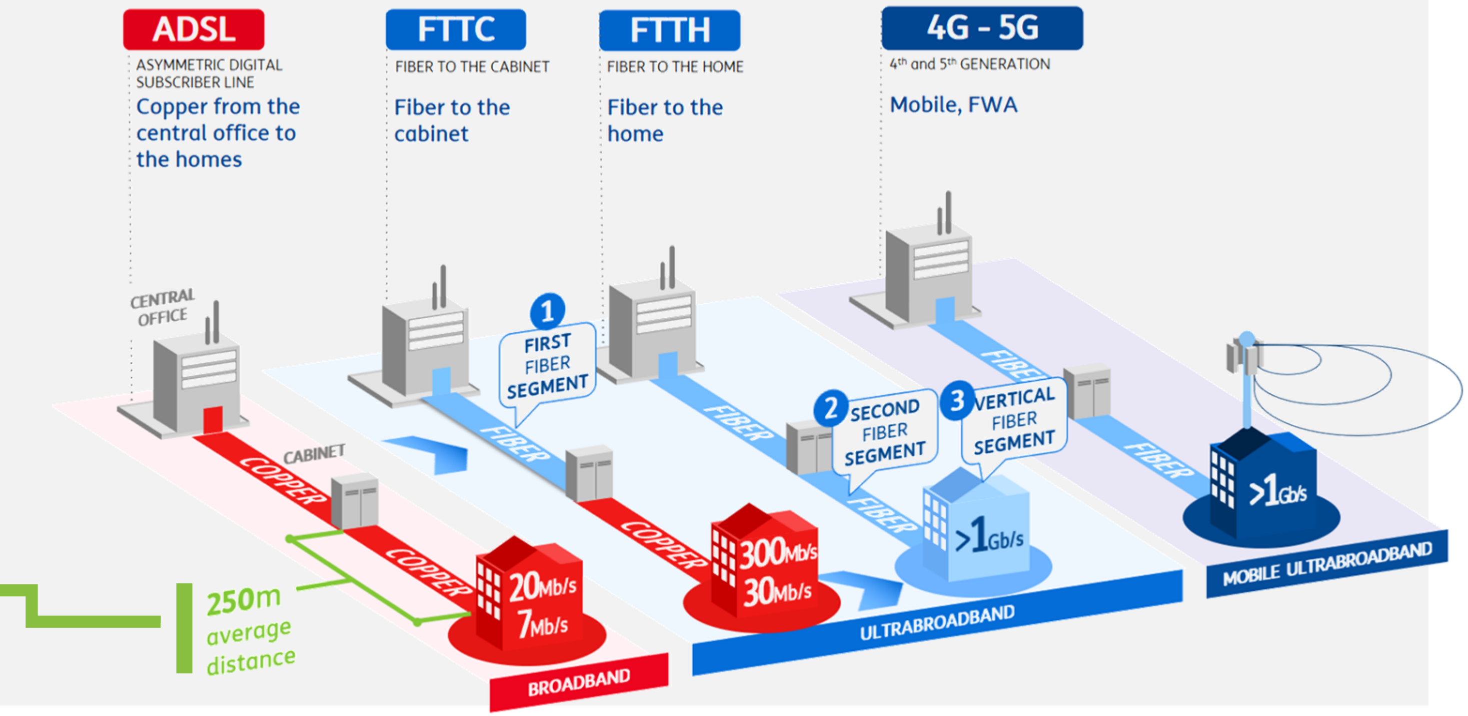
Organic data, €m



FTTx coverage is ~80%
FTTH targeted to reach ~40% by 2023

- **FTTH take up still slow**: customers still have a limited perception of the difference between FTTC and FTTH thanks to **exceptionally short loop length average distance between cabinet and homes in Italy** (250mt vs France 1km, UK 500mt, Germany 300mt)
- **TIM FTTx (thanks to FTTC) is fast and wide**: ~45% potential customers can have an average speed in the range 100 – 1000 Mbps, ~ 64% potential customers can experience an average speed over 50 Mbps

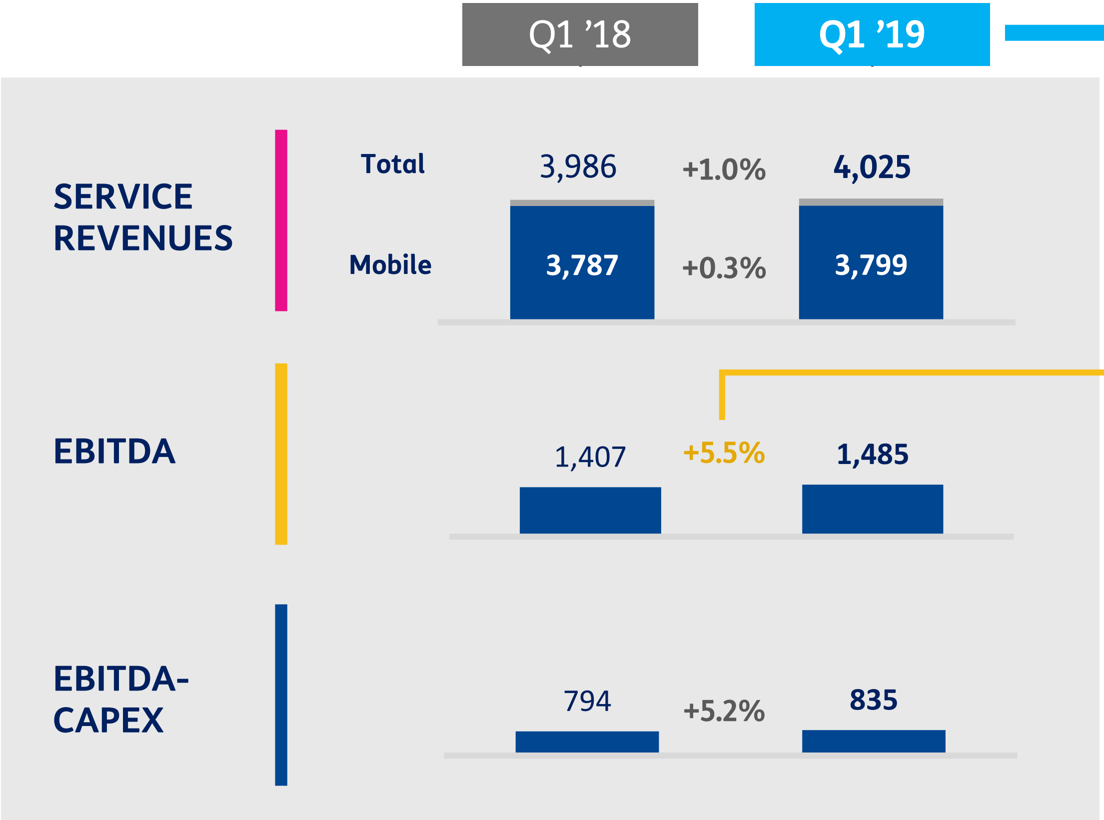
TIM’s key asset is the unbeatable combination of networks



- **Fiber coverage ~80%** (FTTH+FTTC)
- **Mobile coverage 4G ~99%**
- **~19.4 mln HH** passed FTTC
- **~113,6 k cabinets** passed
- **~3.5 mln HH** connected FTTH on over **4m HH passed**
- **~440 k FTTH OTB** installed
- 2,716 cities with commercial active service, o/w: 2,597 cities FTTC, **119 municipalities FTTH** and FTTC

TIM Brasil posted solid results, guidance confirmed by new management

Organic Performance, R$m, Rounded numbers



Pietro Labriola (re)appointed CEO

Steady revenue growth despite external challenges from competition dynamics in prepaid and no support from economic recovery

- **Service revenues** up 1.0%, with MSR +0.3% YoY and FSR + 13.2% YoY driven by TIM Live ARPU and CB increase
- **EBITDA** growing solidly 5.5% YoY to reach R$ 1.5 bln in Q1. EBITDA margin now standing at 35.4% (+1.2 p.p.)
- **Solid network development:** FTTH coverage grew 6x in a year, reaching 1.3 mln households(1)

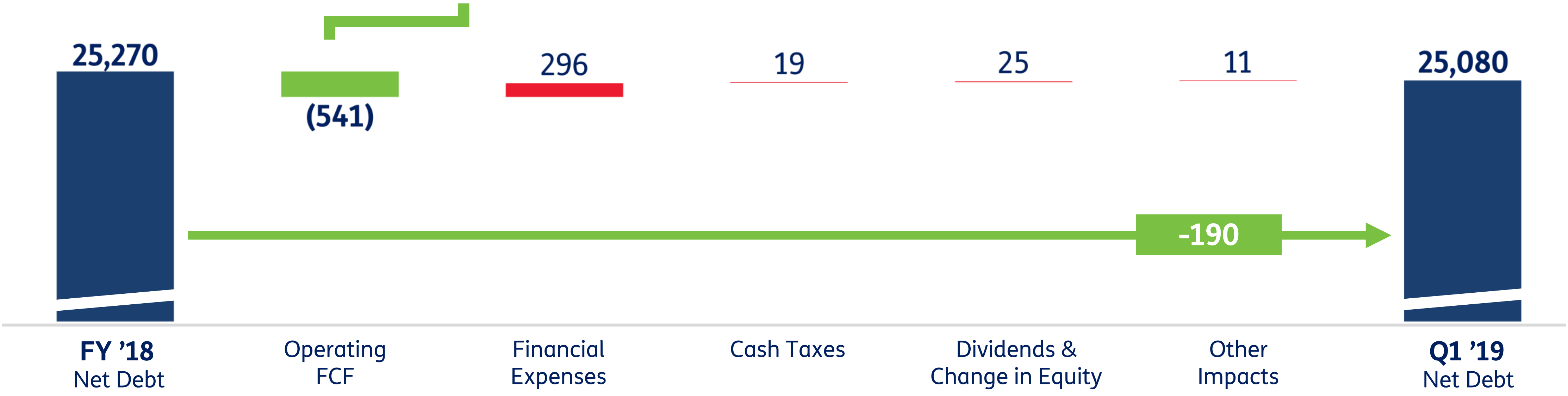
TIM Live **Revs** R$ 111.8 mln in Q1 ’19 **+34.9%** YoY	**TIM Live ARPU** R$ 79.6 in Q1 ’19 **+12.0%** YoY	12 Months **TIM Live Net Adds +75k** (CB: 486k)	**Mobile ARPU** R$ 22.8 in Q1 ’19 **+5.3%** YoY	12 Months **Postpaid Net Adds +2.1 Mln** (CB: 20.6 Mln)	**FTTH HH** (1) **+1.1Mln** vs Q1 ’18

(1) *Addressable HH ready to sell*

Operating Free-Cash Flow growing €558m yoy and Net Debt falling €190m QoQ

€m; (-) = Cash generated, (+) = Cash absorbed, excluding call-outs

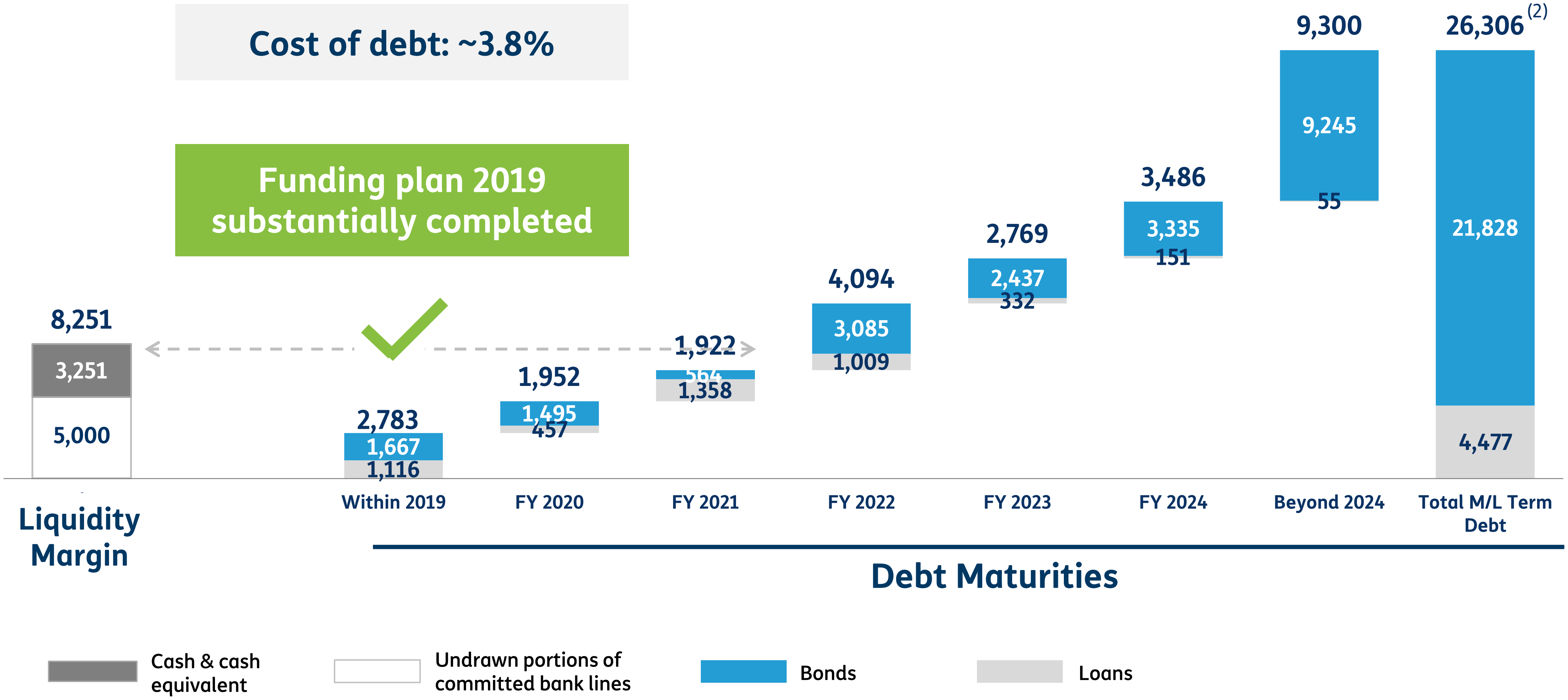
EBITDA	1,792
CAPEX	(607)
ΔWC & Others ex spectrum	(644)
Operating Free Cash Flow	**541**



FY ’17					+229	Q1 ’18
25,308	17	335	24	-	-147	25,537
Δ	(558)	(39)	(5)	+25	+158	(419)

Liquidity margin – After Lease view – Cost of debt ~3.8%, -0.3pp QoQ like for like(1)

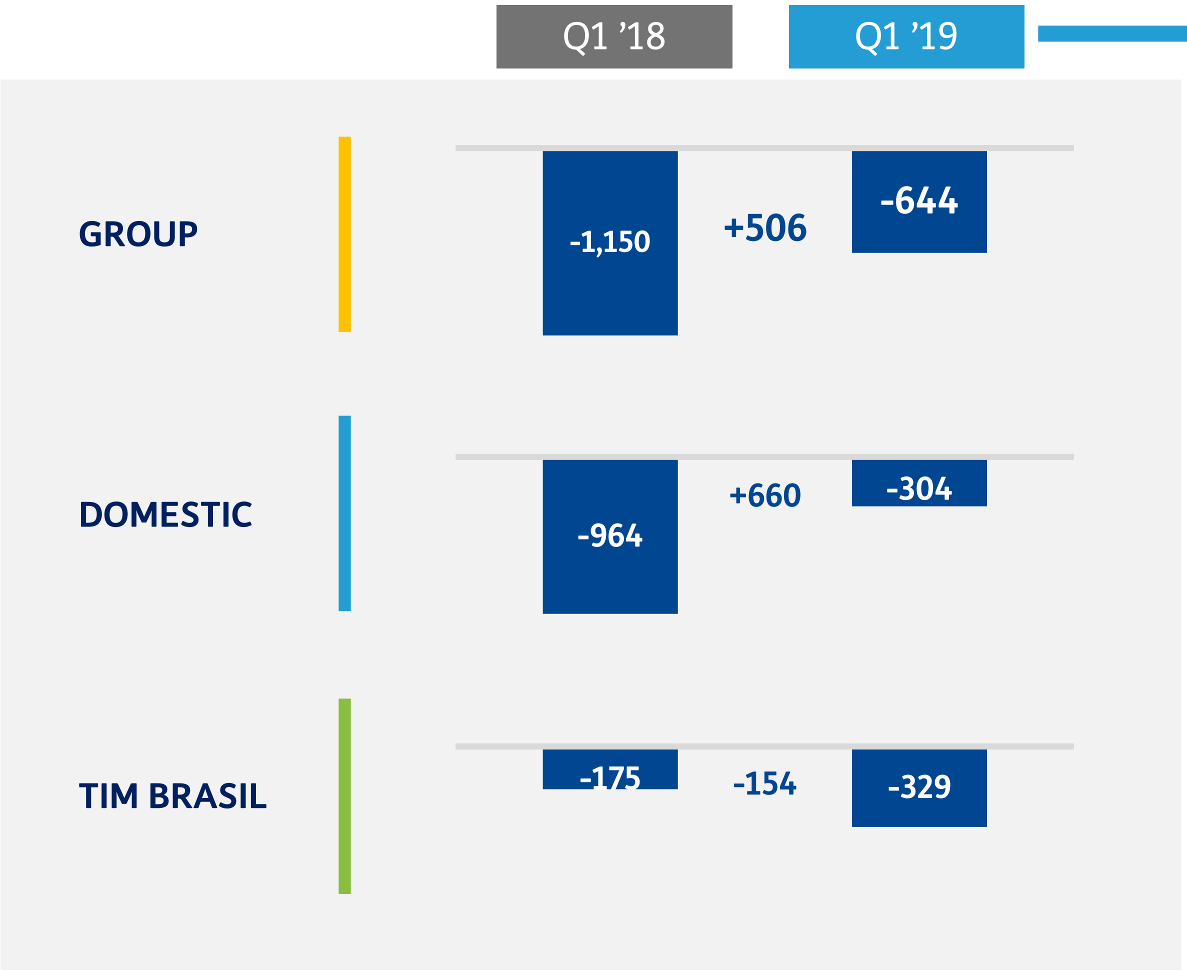
€m



(1) See detail in the annex
(2) €26.306m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and fair value valuations (€734m) and current financial liabilities (€694m), the gross debt figure of €27.734m is reached

Net operating working capital

€m

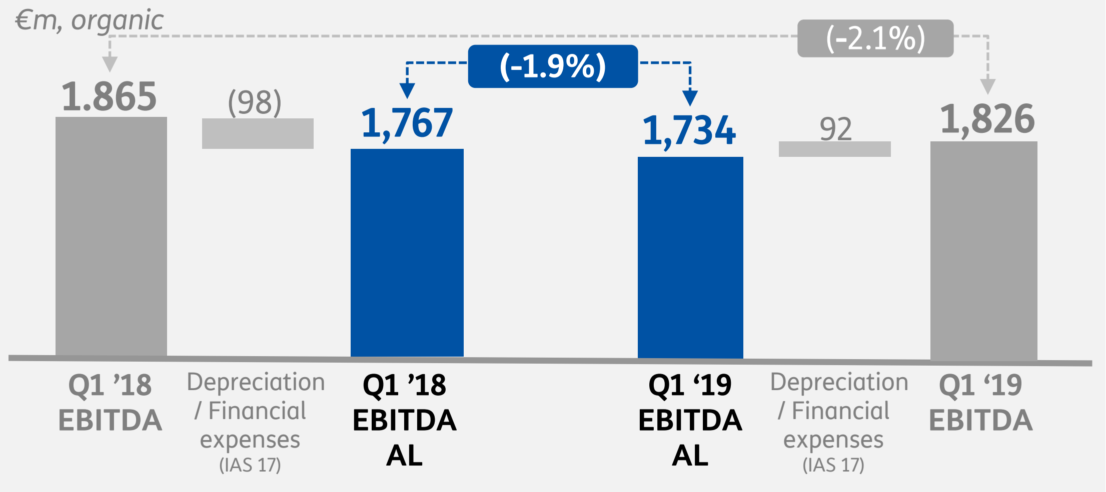


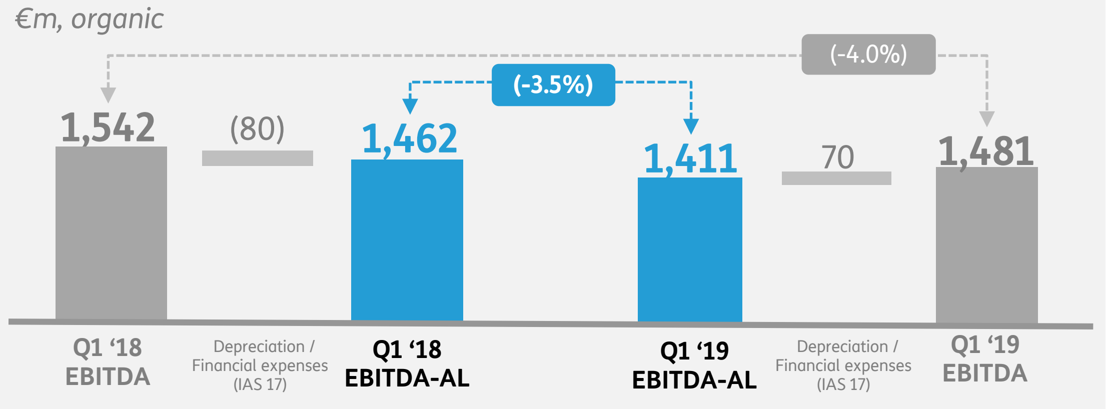
Group net working capital +€506m

- **Domestic** +€660m driven by lower inventories (+€100m), VAT impact from split payment in Q1 ’18 (+€378m), change from billing in advance to billing in arrears in Q1 ’18 (+€173m)
- **TIM Brasil** -€154m mainly driven by lower trade payables

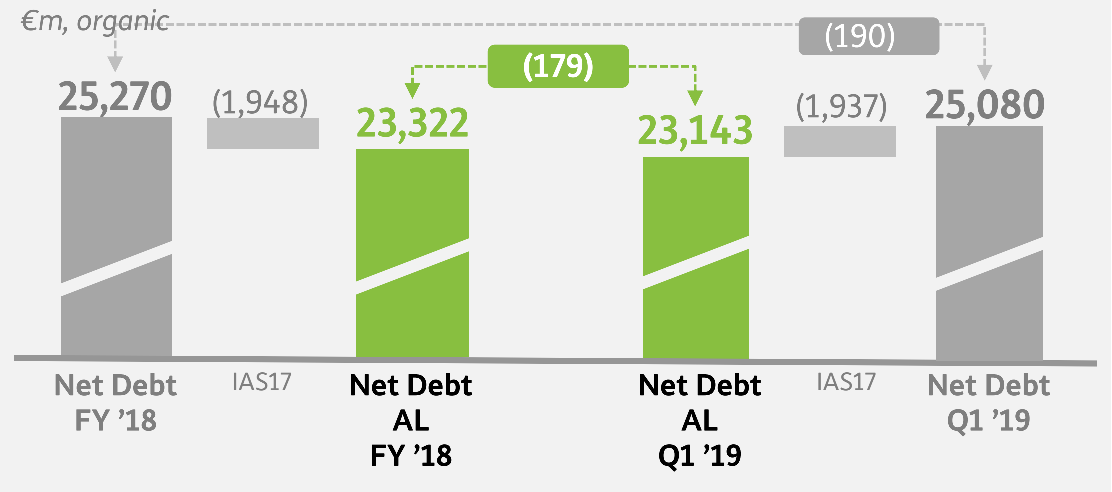
New After Lease metric shows slightly better EBITDA trends

EBITDA After Lease





Net Debt After Lease

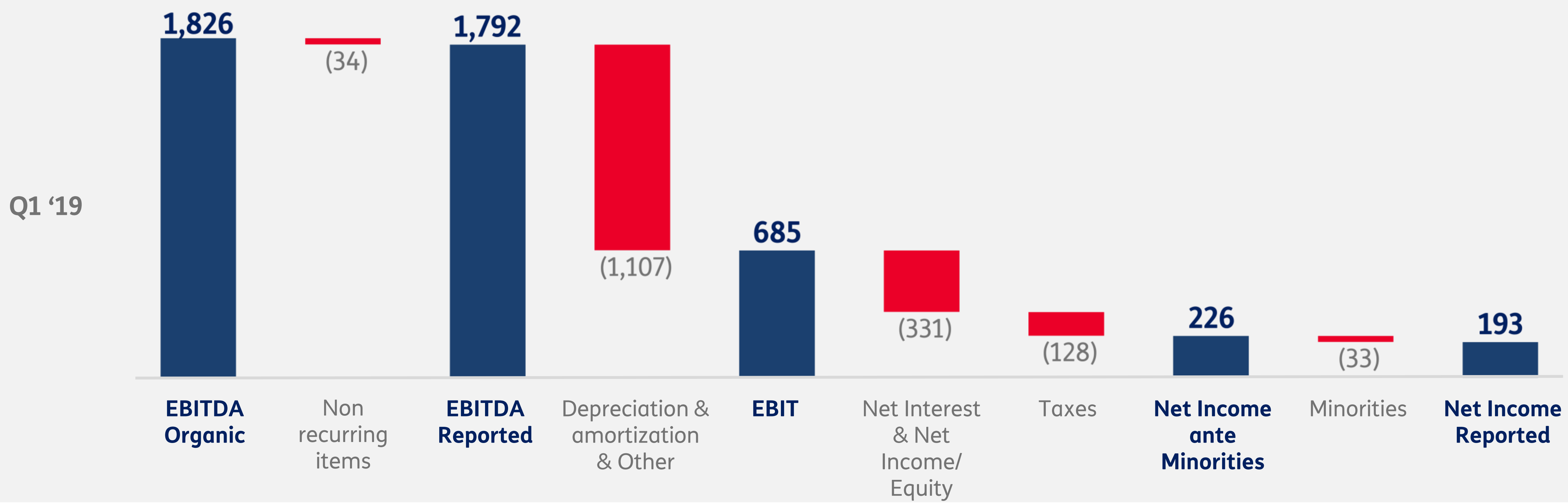


Under the new After Lease metric, results show slight improvements vs. the IFRS 9/15 view:

- **Group EBITDA-AL** -1.9% YoY
- **Domestic EBITDA-AL** -3.5% YoY
- **Group Net Debt AL** at €23,143m with a reduction of €179m from previous quarter

Net Income substantially flat YoY

Reported data, €m, Rounded numbers



Q1 '18	1,865[1]	(72)	1,793	(1053)	740	(349)	(156)	235	(36)	199
Δ	(39)	+38	(1)	(54)	(55)	+18	+28	(9)	+3	(6)

(1) Excluding exchange rate fluctuations

Outlook – Updated guidance post IFRS 9/15 and After Lease

Guidance unchanged, updated to reflect the IFRS 9/15 and the IFRS 16 “After Lease” view adoption

YoY growth rates	Group		Domestic		Brasil	
	2019	2020-’21	2019	2020-’21	2019	2020-’21
Organic Service revenues	Low single digit decrease	Low single digit growth	Low single digit decrease[1]	Almost stable	+3% - +5% (YoY)	Mid single digit growth
Organic EBITDA-AL	Low single digit decrease	Low single digit growth	Low to Mid single digit decrease	Low single digit growth	Mid to High single digit growth (YoY)	EBITDA margin ≥ 39% in ‘20 *≥ 40% pre IFRS 9/15*
CAPEX	--		~EUR 2.9 bn / Year *~EUR 3 bn / Year pre IFRS 9/15*		~R$ 12 bn cumulated *~R$ 12.5 bn pre IFRS 9/15*	
Eq FCF	Cumulated ~EUR 3.5 bn To be enhanced through inorganic actions presently not included		--		--	
Adjusted Net Debt AL	~EUR 20.5 bn by 2021 *~EUR 22 bn pre IFRS 9/15* [3]		--		--	

1) Domestic revenue growth excluding Sparkle’s zero-low margin voice traffic business stopped (no impact on EBITDA)
2) Figures @ avg. Exchange Rate actual 4.31 Reais/Euro
3) Guidance provided last February under old principles includes debt reduction from finance leases reimbursement, which remains but is not visible in an After Lease view

Q1 '19 Results

TIM

Key Take-aways: we are on track with our 2019-'21 Strategic Plan

- **Deliver** and **delever** remains our motto
- **Boost return on invested capital** remains our main goal
- **Organic action** remains paramount:
  - stabilize revenues
  - cut costs
  - stop NWC absorption
  - optimize invested capital
- Working hard on **inorganic action** as well

Q1 ’19 Results

Q&A Session

Annex

TIM's financial reporting for 2019

Reporting 2018		New Reporting	
Old Principles	IFRS 9/15	IFRS 16	"After Lease" view
No longer adopted	First time adoption in 2018 last shown in 2019	First time adoption in 2019	**Additional key financial communication and guidance**

New Revenues Segments Reporting Structure *(no impact on total revenues)*

WIRELINE

- Adapting to organizational and business evolution, with a "Retail" and "Wholesale" view
- Overcoming anachronistic Traditional / Innovative view, with bundled services now being the norm
- Within Retail services, focus on Broadband and content and ICT services remains

MOBILE

- Adapting to organizational and business evolution, with a "Retail" and "Wholesale" view
- Overcoming anachronistic Traditional / Innovative view
- Revenues related to mobile handsets with bundled service promo ("**Prova TIM**") are now booked in the "Handsets / Handsets bundle" revenue line
- Mobile ARPU calculation has been aligned accordingly

Change in financial reporting: key impacts

2018FY € Bn		Reporting 2018 Pre IFRS 9/15	Reporting 2018 Δ IFRS 9/15	Reporting 2018 Post IFRS 9/15	New Reporting ΔNewRevs Reporting Δ IFRS 16	New Reporting IFRS 16	New Reporting Δ IFRS16	New Reporting Δ IAS17	New Reporting "After lease"
REVENUES	Domestic	15.2	-0.2	15.0		15.0			15.0
	o/w Services	13.8	-0.2	13.7	-0.3	13.4			13.4
	Brasil	4.0	-0.0	3.9		3.9			3.9
	Group	**19.1**	**-0.2**	**18.9**		**18.9**			**18.9**
EBITDA organic	Domestic	6.6	-0.3	6.4	+0.4	6.7	-0.4	-0.3	6.0
	Brasil	1.5	-0.0	1.5	+0.3	1.8	-0.3	-0.1	1.4
	Group	**8.1**	**-0.3**	**7.8**	**+0.7**	**8.5**	**-0.7**	**-0.4**	**7.4**
EBITDA reported	Domestic	6.2	-0.3	6.0	+0.4	6.4	-0.4	-0.3	5.6
	Brasil	1.5	-0.0	1.5	+0.3	1.8	-0.3	-0.1	1.4
	Group	**7.7**	**-0.3**	**7.4**	**+0.7**	**8.1**	**-0.7**	**-0.4**	**7.0**
CAPEX ex spectrum	Domestic	3.2	-0.1	3.1		3.1			3.1
	Brasil	0.9	-0.0	0.9		0.9			0.9
	Group	**4.2**	**-0.1**	**4.0**		**4.0**			**4.0**
Net Debt (Group)	**Net Debt**	**25.3**		**25.3**	**+3.6**	**28.9**	**-3.6**	**-1.9**	**23.3**
	Debt / EBITDA	3.1x		3.2x		3.4x			3.1x

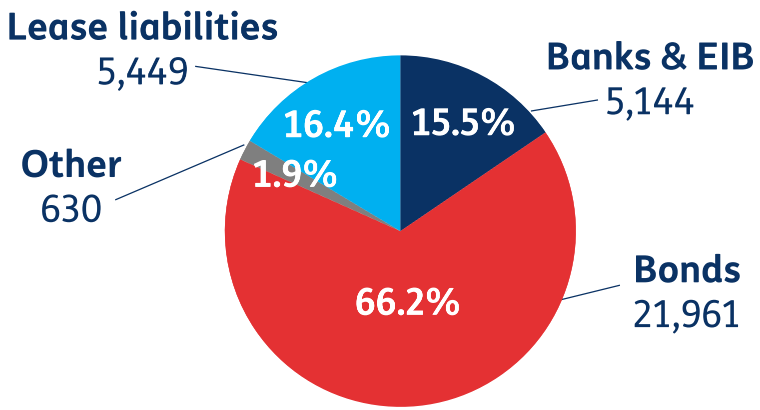
1 **New revenues reporting** no impact on total revenues

2 **IFRS16 impacts OPEX** (operating leases removed) and **Net Debt** (operating leases liabilities added)

3 For "**After Lease**" view, both IAS17 and IFRS16 effects are removed and all leases reclassified as **OPEX**.
Net Debt is net of all lease liabilities

Well diversified and hedged debt

€m



Gross debt	**33,184**
Financial Assets	**(4,601)**
of which C&CE and marketable securities	**(3,251)**
- C & CE	(2,103)
- Marketable securities	(1,148)
- Government Securities	(555)
- Other	(593)
Net financial position (with IFRS 16)	**28,583**
Net finance leases (IFRS 16)	(3,503)
Net financial position	**25,080**

Maturities and Risk Management

Average m/l term maturity:
7.4 years (bond 7.6 years only)*

Fixed rate portion on medium-long term debt approximately **70%**

Around **33% of outstanding bonds** (nominal amount) denominated in **USD and GBP and is fully hedged**

Cost of debt: ~4.1%* including cost of finance leasing

** Without IFRS 16*

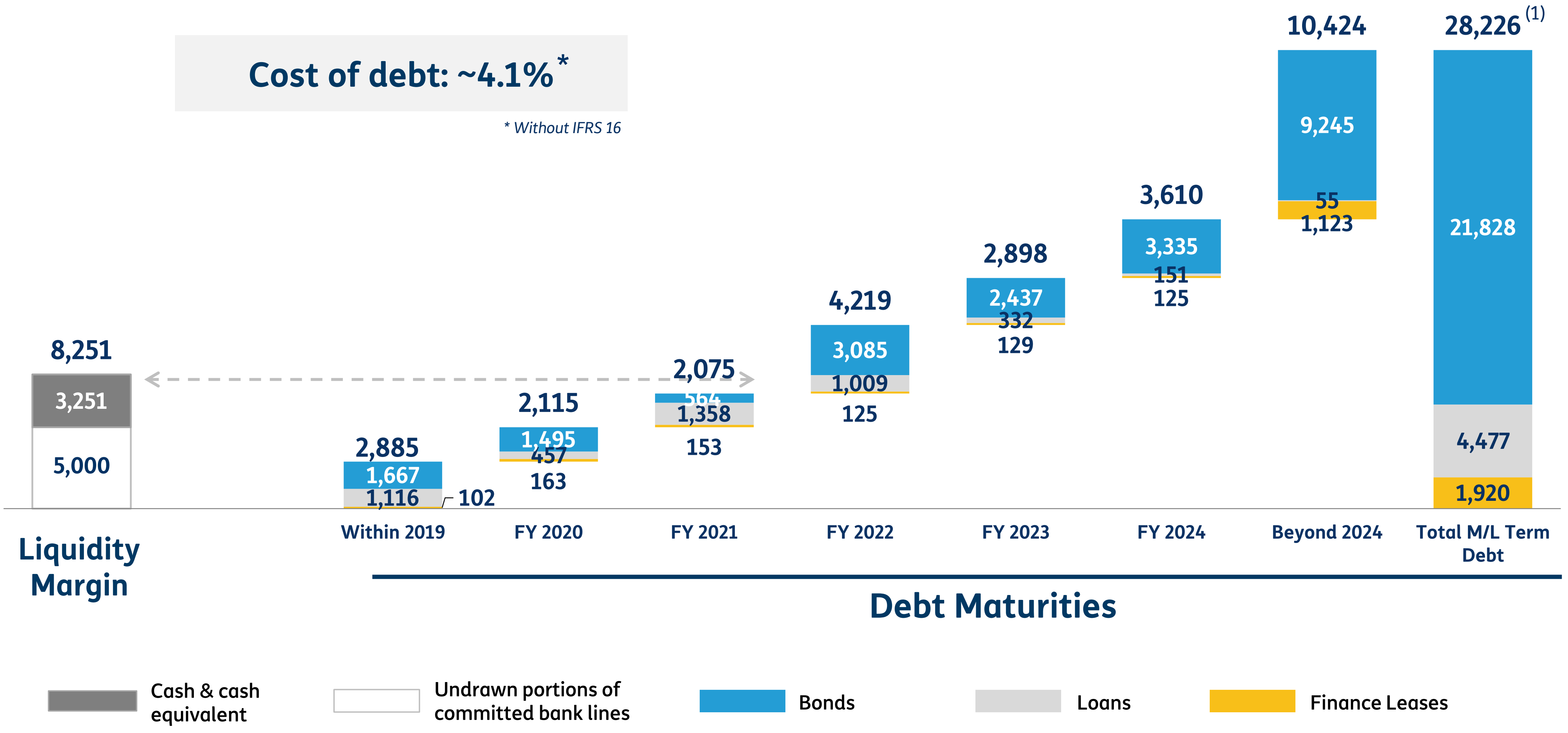
N.B. The figures are net of the adjustment due to the fair value measurement of derivatives and related financial liabilities/assets, as follows:
- the impact on Gross Financial Debt is equal to €1,740m (of which €270m on bonds);
- the impact on Financial Assets is equal to €1,030m.

Therefore, the Net Financial Indebtedness is adjusted by €710m

N.B. The difference between total financial assets (€4,601m) and C&CE and marketable securities (€3,251m) is equal to €1,350m and refers to positive MTM derivatives (accrued interests and exchange rate) for €1,088m, financial receivables for lease for €123m and other credits for €139m

Liquidity margin – IFSR 9/15 view – Cost of debt -0.3pp QoQ

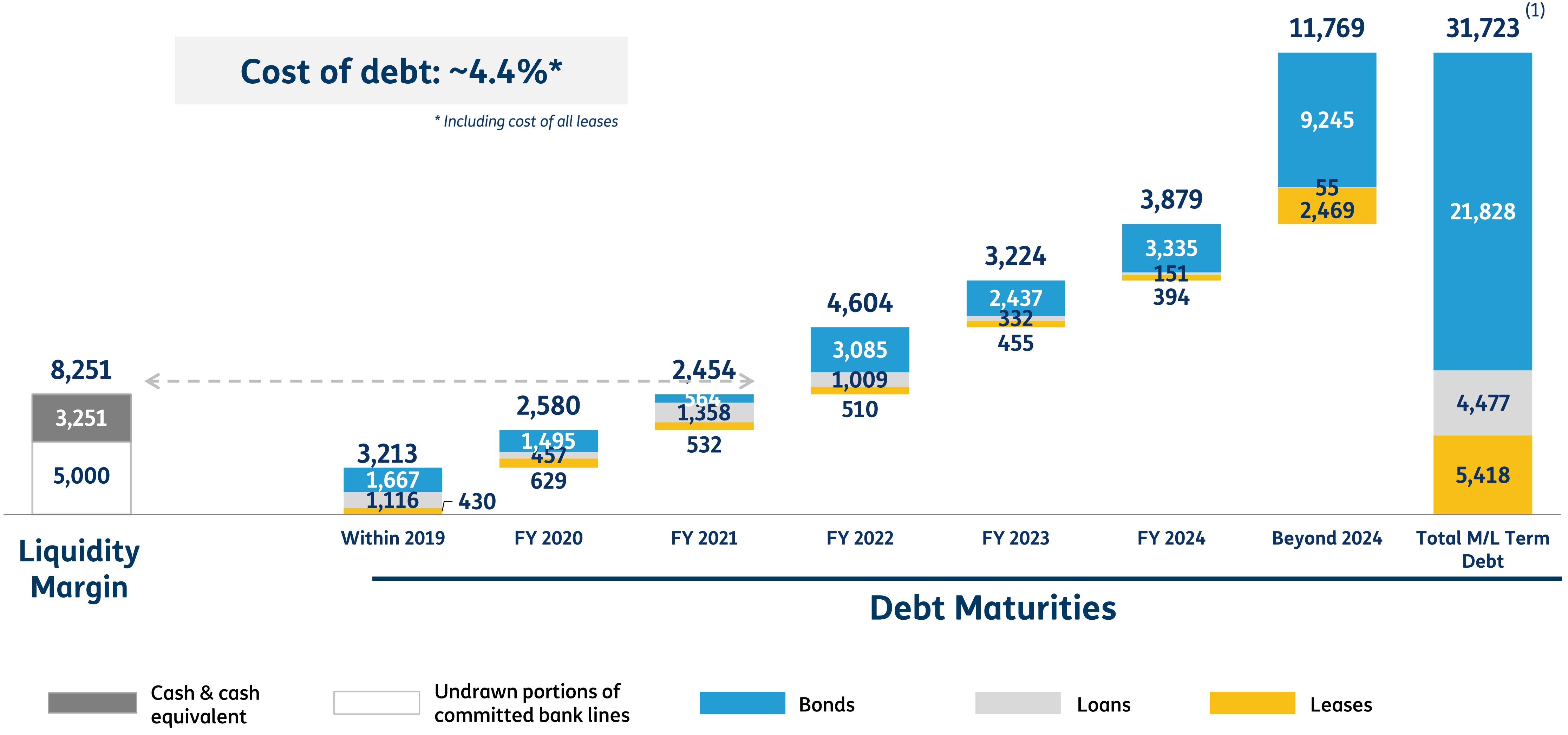
€m, IAS 17 included



(1) €28,226m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and fair value valuations (€752m) and current financial liabilities (€694m), the gross debt figure of €29,672m is reached

Liquidity margin – IFRS 16 view

€m



(1) €31,723m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and fair value valuations (€767m) and current financial liabilities (€694m), the gross debt figure of €33,184m is reached

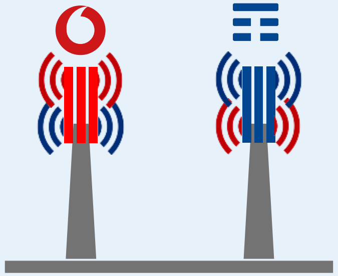
TIM – Vodafone partnership: illustration of expected synergies

TIM synergies

Active sharing

TIM and will share active equipment for 4G and 5G mobile networks

TIM on Vodafone's antennas

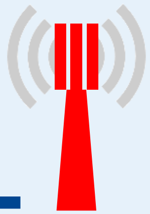


Vodafone on TIM's antennas

Backhauling opportunities

TIM Wholesale unit will have the opportunity to provide backhauling to Vodafone

Vodafone antenna



TIM Backhauling

INWIT re-rating

INWIT – Passive sharing synergies

Industrial synergies

MNOs Revenues	**MORE TENANTS**	1. Thousands of new 5G Tenants	●●●●●
		2. 4G Tenants Repatriation	●●
New Businesses	**BETTER RETURN FROM INVESTMENTS**	3. Preferred Supplier Role with 2 MNOs	●●●
Ground Lease Cost	**LESS COSTS**	4. Lease Cost Synergies	●●

Financials

Financial Structure	**FINANCIAL EFFICIENCY**	a. Capital Employed	●●●
Taxation	**FISCAL EFFICIENCY**	b. Passive Interests	●●
Risk Profile	**HIGHER VISIBILITY**	c. Two is better than one!	●●●

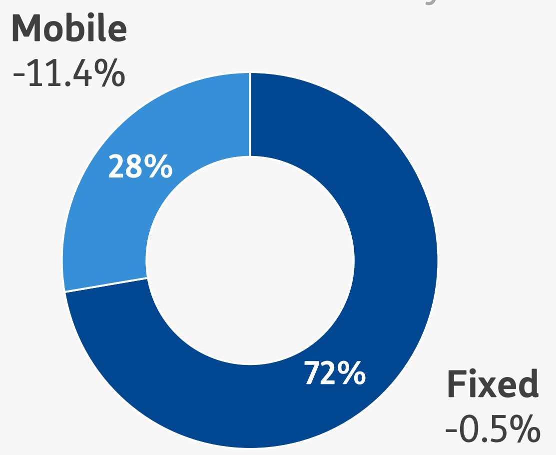
Source: INWIT Q1 '19 Results Presentation

Organic data(1), €m, % YoY

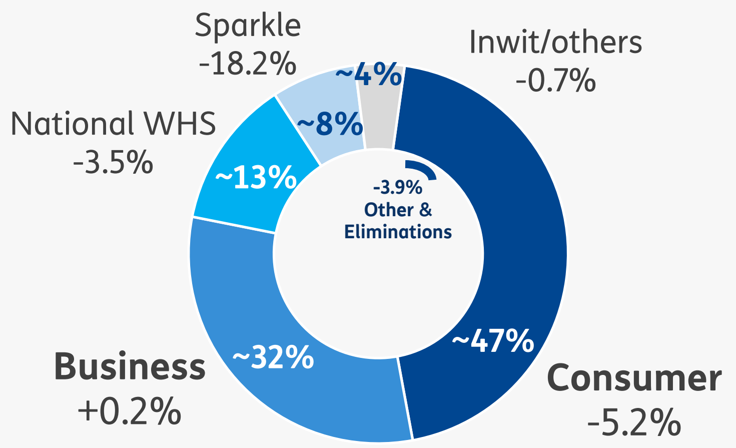
Q1 '19 Service Revenues by business segment and technology

Domestic

By Technology

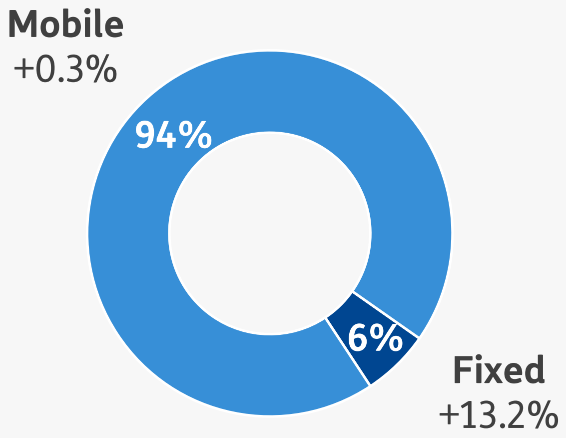


By Business Segment



Brazil

By Technology



- **Mobile**: service revenues down 11.4% affected by lower ARPU and CB. Competitive pressure cooling down .
- **Fixed**: service revenues down 1% due to a drag from International Wholesale. Net of this impact, FSR are growing +1.8%.

- **Business:** positive contribution from ICT (+16% YoY), premium pricing and unique distribution channel
- **Consumer**: service revenues down until the benefit of the improved competitive scenario will feed through revenues
- **National WHS**: lower revenues from one-off repricing mostly related to 2018
- **Sparkle**: service revenues impacted by elimination of activities with zero/low-margin

- **Mobile**: MSR resilient growth amid tough macro and competition dynamics in prepaid
- **Fixed**: revenue growth supported by TIM Live Revenues up +34.9% in Q1

(1) Excluding exchange rate impact and non-recurring items

For further questions please contact the IR Team

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