



Q3 '19 Financial and Operating Figures

IFRS 9/15, IFRS 16 and "After Lease" view

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Disclaimer

The Q3'19 and 9M'19 financial and operating data have been extracted or derived, with the exception of some data, from the Financial Information at September 30, 2019 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 European Union (designated as "IFRS"). Such information is unaudited.

The accounting policies and consolidation principles adopted in the preparation of the Financial Information at September 30, 2019 of the TIM Group 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 January 1, 2019. In particular, TIM adopts IFRS 16, using the modified retrospective method, without restatement of prior period comparatives. The adoption of the new standard may be subject to amendments until the issue of 2019 Consolidated Financial Statement of the TIM Group.

Please note that, starting from January 1, 2018, the TIM Group adopted IFRS 15 (Revenues from contracts with customers) and IFRS 9 (Financial instruments). To enable the comparison of the economic and financial performance for the Q3'19 and 9M'19 with the corresponding period of the previous year, "IFRS 9/15" 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 for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. 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 additional alternative performance 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 year-end 2018) and IFRS 16 (applied starting from 2019);

* **Adjusted Net Financial Debt After Lease**, which is calculated by excluding from the adjusted net financial debt the liabilities related to the accounting treatment of finance lease contracts in accordance with IAS 17 (applied until year-end 2018) and IFRS 16 (applied starting from 2019).

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, the financial figures of the first and second quarters of 2018 have been recalculated. These figures are not audited.

Key Financial Data

€m, IFRS 9/15 & After Lease view

UNAUDITED FIGURES

	REPORTED									ORGANIC ⁽¹⁾										
	Q1' 18	Q1' 19	Q2' 18	Q2' 19	Q3' 18	Q3' 19	Change YoY %	9M' 18	9M' 19	Change YoY %	Q1' 18 comparabl e base	Q1' 19	Q2' 18 comparabl e base	Q2' 19	Q3' 18 comparabl e base	Q3' 19	Change YoY %	9M' 18 comparabl e base	9M' 19	Change YoY %
REVENUES	4,685	4,471	4,726	4,523	4,666	4,429	-5.1%	14,077	13,423	-4.6%	4,620	4,485	4,706	4,524	4,715	4,429	-6.1%	14,041	13,438	-4.3%
Domestic	3,657	3,502	3,766	3,567	3,759	3,454	-8.1%	11,182	10,523	-5.9%	3,662	3,516	3,770	3,568	3,763	3,454	-8.2%	11,195	10,538	-5.9%
o/w Wireline	2,538	2,535	2,593	2,586	2,572	2,453	-4.6%	7,703	7,574	-1.7%	2,543	2,535	2,597	2,586	2,576	2,453	-4.8%	7,716	7,574	-1.8%
o/w Mobile	1,262	1,122	1,321	1,111	1,328	1,135	-14.5%	3,911	3,368	-13.9%	1,262	1,122	1,321	1,111	1,328	1,135	-14.5%	3,911	3,368	-13.9%
Brazil	1,033	979	968	967	917	984	7.3%	2,918	2,930	0.4%	963	979	944	967	962	984	2.2%	2,869	2,930	2.1%
Other activities & Elim.	(5)	(10)	(8)	(11)	(10)	(9)	-	(23)	(30)	-	(5)	(10)	(8)	(11)	(10)	(9)	-	(23)	(30)	-
SERVICE REVENUES	4,288	4,085	4,269	4,142	4,257	4,061	-4.6%	12,814	12,287	-4.1%	4,225	4,099	4,250	4,143	4,305	4,061	-5.7%	12,780	12,302	-3.7%
Domestic	3,294	3,155	3,354	3,231	3,397	3,128	-7.9%	10,045	9,513	-5.3%	3,299	3,169	3,358	3,232	3,401	3,128	-8.0%	10,058	9,528	-5.3%
o/w Wireline	2,402	2,394	2,458	2,416	2,468	2,270	-8.0%	7,329	7,081	-3.4%	2,407	2,394	2,462	2,416	2,472	2,270	-8.2%	7,342	7,081	-3.6%
o/w Mobile	1,034	916	1,044	943	1,069	993	-7.2%	3,147	2,852	-9.4%	1,034	916	1,044	943	1,069	993	-7.2%	3,147	2,852	-9.4%
Brazil	1,000	940	922	922	879	942	8.3%	2,792	2,804	0.4%	932	940	899	922	914	942	3.0%	2,745	2,804	2.1%
Other activities & Elim.	(6)	(10)	(7)	(11)	(19)	(9)	-	(23)	(30)	-	(6)	(10)	(7)	(11)	(10)	(9)	-	(23)	(30)	-
EBITDA	1,793	1,792	1,940	2,273	2,045	1,943	-5.0%	5,778	6,008	4.0%	1,865	1,826	1,958	1,907	2,068	1,975	-4.5%	5,891	5,708	-3.1%
Domestic	1,446	1,447	1,591	1,302	1,702	1,536	-9.8%	4,739	4,285	-9.6%	1,542	1,481	1,618	1,546	1,708	1,590	-6.9%	4,868	4,617	-5.2%
Brazil	353	347	351	974	346	409	18.2%	1,050	1,730	64.8%	329	347	342	364	362	387	6.8%	1,033	1,098	6.2%
Other activities & Elim.	(6)	(2)	(2)	(3)	(3)	(2)	-	(11)	(7)	-	(6)	(2)	(2)	(3)	(2)	(2)	-	(10)	(7)	-
EBITDA After Lease	1,694	1,700	1,832	2,192	1,952	1,858	-4.8%	5,478	5,750	5.0%	1,767	1,734	1,851	1,826	1,975	1,890	-4.3%	5,593	5,450	-2.6%
Domestic	1,365	1,377	1,501	1,233	1,626	1,469	-9.7%	4,492	4,079	-9.2%	1,462	1,411	1,527	1,477	1,632	1,523	-6.7%	4,621	4,411	-4.5%
Brazil	335	325	334	961	329	391	18.7%	998	1,678	68.1%	312	325	326	351	345	369	6.9%	982	1,046	6.5%
Other activities & Elim.	(6)	(2)	(2)	(3)	(3)	(2)	-	(11)	(7)	-	(6)	(2)	(2)	(3)	(2)	(2)	-	(10)	-7	-
EBIT	740	685	874	1,186	(997)	846	-	617	2,717	-	826	719	897	820	1,015	878	-13.5%	2,738	2,417	-11.7%
Domestic	615	581	756	431	(1,120)	678	-	251	1,690	-	710	615	782	675	886	732	-17.4%	2,378	2,022	-15.0%
Brazil	131	107	121	756	126	171	35.7%	378	1,034	-	122	107	118	146	131	149	13.3%	371	402	8.3%
Other activities & Elim.	(6)	(3)	(3)	(1)	(3)	(3)	-	(12)	(7)	-	(6)	(3)	(3)	(1)	(2)	(3)	-	(11)	(7)	-
CAPEX	660	607	937	874	863	795	-7.9%	2,460	2,276	-7.5%	649	607	930	874	871	795	-8.7%	2,450	2,276	-7.1%
Domestic	507	455	705	659	675	585	-13.3%	1,887	1,699	-10.0%	507	455	705	659	675	585	-13.3%	1,887	1,699	-10.0%
Brazil	153	152	232	215	188	210	11.7%	573	577	0.7%	143	152	224	215	196	210	6.7%	563	577	2.4%
EQUITY FREE CASH FLOW	(334)	216	594	570	(39)	444	-	221	1,230	-										
NET DEBT ⁽²⁾	25,537	25,080	25,141	24,731	25,190	24,312	-3.5%	25,190	24,312	-3.5%										
NET DEBT After Lease ⁽²⁾	-	23,143	-	22,818	-	22,465	-	-	22,465	-										

⁽¹⁾ Excluding exchange rate fluctuations and non-recurring items ⁽²⁾ Adjusted

P&L Group

€m, IFRS 9/15 & IFRS 16 from January 1th, 2019

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19	9M '19	Change YoY %	9M '19 IFRS 16
REVENUES	4,685	9,411	14,077	18,940	4,471	8,994	13,423	-4.6%	13,423
Other Income	57	144	200	341	46	766	850	-	850
TOTAL OPERATING REVENUES AND OTHER INCOME	4,742	9,555	14,277	19,281	4,517	9,760	14,273	-	14,273
Acquisition of goods and services	(1,996)	(3,980)	(5,889)	(8,186)	(1,749)	(3,524)	(5,237)	11.1%	(4,746)
Employee benefits expenses	(780)	(1,526)	(2,171)	(3,105)	(740)	(1,502)	(2,179)	-0.4%	(2,179)
Other operating expenses	(368)	(661)	(906)	(1,259)	(309)	(871)	(1,160)	-28.0%	(1,160)
Internally generated assets and Others	195	345	467	672	73	202	311	-33.4%	311
EBITDA	1,793	3,733	5,778	7,403	1,792	4,065	6,008	4.0%	6,499
EBITDA Margin	38.3%	39.7%	41.0%	39.1%	40.1%	45.2%	44.8%	-	48.4%
Depreciation and amortization	(1,055)	(2,122)	(3,167)	(4,255)	(1,108)	(2,186)	(3,270)	3.3%	(3,758)
Gains (losses) on disposals of non-current assets	2	3	6	(1)	1	(8)	(21)	-	(29)
Impairment reversals (losses) on non-current assets	-	-	(2,000)	(2,587)	-	-	-	-	-
EBIT	740	1,614	617	561	685	1,871	2,717	-	2,712
EBIT Margin	15.8%	17.2%	4.4%	3.0%	15.3%	20.8%	20.2%	-	20.2%
Income (loss) equity invest. valued equity method	8	8	8	10	(4)	(1)	(2)	-	(2)
Net Financial Income / (Expenses)	(357)	(718)	(1,047)	(1,348)	(327)	(650)	(965)	7.8%	(1,119)
Profit (loss) before tax from continuing operations	391	904	(422)	(777)	354	1,220	1,750	-	1,591
Income tax expense	(156)	(297)	(254)	(375)	(128)	(422)	(548)	-	(498)
PROFIT (LOSS)	235	607	(676)	(1,152)	226	798	1,202	-	1,093
Profit (loss) attributable to owners of the Parent	199	532	(868)	(1,411)	193	592	931	-	852
Profit (loss) attributable to non-controlling interests	36	75	192	259	33	206	271	-	241

Consolidated Balance Sheet

€m, IFRS 9/15 & IFRS 16 from January 1th, 2019

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19	9M '19	9M '19 IFRS 16
CURRENT ASSETS	9,036	8,961	9,533	8,729	9,315	8,285	8,851	8,798
Trade and miscellaneous receivables and other current assets	5,323	5,057	5,085	4,706	5,177	5,026	4,998	4,940
Cash and cash equivalents	1,680	2,102	2,543	1,917	2,103	1,700	2,147	2,147
Securities other than investments, financial receivables and other current financial assets	1,668	1,425	1,530	1,466	1,639	1,160	1,303	1,308
Inventories	326	321	311	389	325	316	299	299
Current income tax receivables	39	56	64	251	71	83	104	104
Other investments	-	-	-	-	-	-	-	-
NON-CURRENT ASSETS	56,920	56,121	54,038	56,890	56,870	57,376	57,215	60,675
Intangible assets	36,217	35,790	33,611	35,658	34,985	34,790	34,464	34,464
Goodwill	29,431	29,347	27,322	26,769	26,780	26,784	26,750	26,750
Intangible assets with a finite useful life	6,786	6,443	6,289	8,889	8,205	8,006	7,714	7,714
Tangible assets	16,124	15,931	15,783	16,146	14,086	14,089	13,995	13,995
Property, plant and equipment owned	13,978	13,823	13,708	14,251	14,086	14,089	13,995	13,995
Assets held under finance leases	2,146	2,108	2,075	1,895	-	-	-	-
Right of Use assets	-	-	-	-	2,321	2,328	2,247	5,693
Other assets	4,579	4,400	4,644	5,086	5,478	6,169	6,509	6,523
Miscellaneous receivables and other non-current assets	2,169	2,179	2,212	2,291	2,296	2,944	2,803	2,803
Non-current financial assets	1,438	1,405	1,290	1,594	1,880	2,085	2,632	2,637
Deferred tax assets	903	751	1,075	1,136	1,238	1,074	1,010	1,019
Other investments	53	50	52	49	52	54	52	52
Investments in associates and joint ventures accounted for using the equity method	16	15	15	16	12	12	12	12
TOTAL ASSETS	65,956	65,082	63,571	65,619	66,185	65,661	66,066	69,473
CURRENT LIABILITIES	11,915	12,692	12,608	12,881	12,052	9,767	10,287	10,778
Trade and miscellaneous payables and other current liabilities	6,821	6,540	6,105	6,901	6,922	6,731	6,516	6,459
Current financial liabilities	5,020	6,085	6,460	5,913	5,065	2,954	3,729	4,277
<i>o/w liabilities for passive leases</i>	n.a.	n.a.	n.a.	208	176	174	172	720
Current income tax payables	74	67	43	67	65	82	42	42
NON-CURRENT LIABILITIES	30,416	29,016	29,062	30,991	32,283	33,511	33,147	36,151
Non-current financial liabilities	26,260	24,888	25,030	25,059	26,347	27,418	27,221	30,262
<i>o/w liabilities for passive leases</i>	2,074	2,001	1,959	1,740	1,761	1,739	1,675	4,716
Miscellaneous payables and other non-current liabilities	1,363	1,334	1,265	3,297	3,294	3,348	3,156	3,156
Employee benefits	1,738	1,731	1,698	1,567	1,545	1,417	1,379	1,379
Provisions	827	830	828	876	861	993	971	971
Deferred tax liabilities	228	233	241	192	236	335	420	383
TOTAL LIABILITIES	42,331	41,708	41,670	43,872	44,335	43,278	43,434	46,929
EQUITY	23,625	23,374	21,901	21,747	21,850	22,383	22,632	22,544
Equity attributable to equity owners of the Parent	21,417	21,318	19,782	19,528	19,635	19,983	20,284	20,222
Equity attributable to Minority Interests	2,208	2,056	2,119	2,219	2,215	2,400	2,348	2,322
TOTAL LIABILITIES & EQUITY	65,956	65,082	63,571	65,619	66,185	65,661	66,066	69,473

Net Cash Flow & Net Debt Dynamics

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19	9M '19
EBITDA	1,793	3,733	5,778	7,403	1,792	4,065	6,008
CAPEX	(660)	(1,597)	(2,460)	(6,408)	(607)	(1,481)	(2,276)
<i>o/w spectrum</i>	-	-	-	(2,399)	-	-	-
CHANGE IN WORKING CAPITAL ⁽¹⁾	(1,150)	(1,250)	(1,861)	1,082	(644)	(1,094)	(1,484)
Change in net operating working capital	(1,215)	(1,295)	(1,778)	1,194	(628)	(1,149)	(1,342)
Change in inventories	(36)	(31)	(20)	(99)	64	73	90
Change in trade receivables and net amounts due from customers on construction contracts	(191)	(74)	(266)	(49)	(230)	(138)	(108)
Change in trade payables ⁽²⁾	(643)	(1,027)	(1,242)	(186)	(692)	(968)	(1,056)
Other changes in operating receivables/payables	(345)	(163)	(250)	1,528	230	(116)	(268)
Change in provisions for employee benefits	(5)	(23)	(116)	(208)	(13)	(214)	(243)
Change in operating provisions and Other changes	70	68	33	96	(3)	269	101
OPERATING FREE CASH FLOW Reported	(17)	886	1,457	2,077	541	1,490	2,248
Licence	(36)	(36)	(36)	(513)	-	-	(18)
OPERATING FREE CASH FLOW net of Licence	19	922	1,493	2,590	541	1,490	2,266
Financial Expenses	(335)	(665)	(994)	(1,302)	(296)	(610)	(883)
Cash Taxes	(24)	(37)	(325)	(739)	(19)	(22)	(64)
Other impacts	6	40	47	29	(10)	(72)	(89)
EQUITY FREE CASH FLOW	(334)	260	221	578	216	786	1,230
Dividends and change in Equity	-	(211)	(217)	(234)	(25)	(241)	(242)
FX, M&A, IAS and Other impacts	105	118	114	(306)	(1)	(6)	(30)
Disposal and Financial investments	8	11	12	12	-	3	3
Licence	(36)	(36)	(36)	(513)	-	-	(18)
IAS 17 & Other	133	143	138	195	(1)	(9)	(15)
NET CASH FLOW	(229)	167	118	38	190	539	958
NET DEBT ⁽³⁾	25,537	25,141	25,190	25,270	25,080	24,731	24,312
IAS 17				(1,948)	(1,937)	(1,913)	(1,847)
NET DEBT After Lease ⁽³⁾				23,322	23,143	22,818	22,465

(1) See details in tab "Working Capital"

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

(3) Adjusted

Working Capital

€m

UNAUDITED FIGURES

	TIM Group		Domestic		Brasil	
	9M '18	9M '19	9M '18	9M '19	9M '18	9M '19
Operating WC & Other	(1,861)	(1,484)	(1,546)	(406)	(301)	(1,077)
License	-	-			-	-
License paid in the year	(36)	(18)		(18)	(36)	-
Non recurring items (not paid)	128	(300)	127	332	-	(632)
Recurring Operating WC	(1,953)	(1,166)	(1,673)	(720)	(265)	(445)
Inventory			(19)	95		
Trade Receivables			(268)	(48)		
Trade Payables			(872)	(808)		
Other Operating Payables/Receivables & Funds			(514)	41		
- o/w Litigations & Settlements			(28)	-		
- o/w Payables vs. Personnel			17	127		
- o/w Personnel Exit (Fornero Law)			(171)	(222)		
- o/w VAT split payment			165	504		
- o/w Billing ⁽¹⁾			(225)	(38)		
- o/w Net Debts vs INPS			(54)	(78)		
- o/w Deferred Costs & Revenues			(71)	(158)		

(1) From payments in advance to payments in arrears

Domestic Results - Reported Figures

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Change YoY %	9M '18	9M '19	Change YoY %
REVENUES	3,657	3,766	3,759	3,849	15,031	3,502	3,567	3,454	-8.1%	11,182	10,523	-5.9%
Services	3,294	3,354	3,397	3,307	13,352	3,155	3,231	3,128	-7.9%	10,045	9,513	-5.3%
Mobile Services	1,034	1,044	1,069	960	4,107	916	943	993	-7.2%	3,147	2,852	-9.4%
Retail	946	942	931	880	3,699	832	830	840	-9.8%	2,819	2,501	-11.3%
Wholesale and Other	88	102	138	80	408	84	114	153	10.8%	328	351	7.1%
Wireline Services	2,402	2,458	2,468	2,546	9,875	2,394	2,416	2,270	-8.0%	7,329	7,081	-3.4%
Retail	1,607	1,618	1,639	1,660	6,524	1,630	1,610	1,511	-7.8%	4,864	4,751	-2.3%
Domestic Wholesale ⁽¹⁾	512	510	515	529	2,066	501	568	522	1.4%	1,537	1,592	3.5%
International Wholesale	286	323	310	353	1,272	238	231	228	-26.5%	919	697	-24.2%
Elimination & Other	(142)	(148)	(140)	(199)	(630)	(155)	(128)	(135)	-	-431	-418	-
Equipments	363	412	362	542	1,679	347	336	326	-9.8%	1,137	1,009	-11.2%
OPEX	2,211	2,175	2,057	2,633	9,076	2,055	2,265	1,918	-6.8%	6,443	6,238	-3.2%
EBITDA	1,446	1,591	1,702	1,216	5,955	1,447	1,302	1,536	-9.8%	4,739	4,285	-9.6%
EBITDA Margin	39.5%	42.2%	45.3%	31.6%	39.6%	41.3%	36.5%	44.5%		42.4%	40.7%	
EBITDA After Lease	1,365	1,501	1,626	1,133	5,625	1,377	1,233	1,469	-9.7%	4,492	4,079	-9.2%
EBITDA AL Margin	37.3%	39.9%	43.3%	29.4%	37.4%	39.3%	34.6%	42.5%		40.2%	38.8%	
CAPEX ⁽²⁾	507	705	675	3,631	5,518	455	659	585	-13.3%	1,887	1,699	-10.0%
% on revenues	13.9%	18.7%	18.0%	94.3%	36.7%	13.0%	18.5%	16.9%		16.9%	16.1%	
KPIs												
Headcount EoP	49,722	49,658	49,532	48,200	48,200	48,114	47,891	46,502 ⁽³⁾	-6.1%			

(1) Organization view (2) Includes 630 mln € GSM Licences in 3Q'17 and €2,399m for 5G Licenses in 4Q'18 (3) 1,266 exits ex. Art.4 Fornero Law accounted

Domestic Wireline - Reported Figures

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UNAUDITED FIGURES

KPIs	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19		Q3 '19	
	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
ACCESS LINES ('000)																
Retail	10,845	-3.4%	10,644	-4.8%	10,450	-6.2%	10,149	-8.1%	10,149	-8.1%	9,876	-8.9%	9,530	-10.5%	9,305	-11.0%
VoIP included	11,285	-1.5%	11,203	-2.0%	11,102	-2.9%	10,864	-4.8%	10,864	-4.8%	10,580	-6.2%	10,223	-8.7%	9,994	-10.0%
Broadband	7,527	4.6%	7,547	3.7%	7,561	1.8%	7,483	-0.3%	7,483	-0.3%	7,354	-2.3%	7,414	-1.8%	7,532	-0.4%
Consumer	6,101	6.1%	6,132	5.1%	6,169	3.1%	6,106	0.6%	6,106	0.6%	6,001	-1.6%	6,075	-0.9%	6,201	0.5%
Business	1,426	-1.1%	1,415	-2.1%	1,392	-3.5%	1,377	-4.5%	1,377	-4.5%	1,353	-5.2%	1,340	-5.3%	1,331	-4.4%
FTTx (NGN) ⁽¹⁾	2,484	102%	2,776	83%	2,990	69%	3,214	48%	3,214	48%	3,400	37%	3,497	26%	3,565	19.2%
Wholesale	8,065	3.3%	8,078	2.5%	8,114	2.8%	8,063	1.4%	8,063	1.4%	8,093	0.3%	8,079	0.0%	8,050	-0.8%
Local Loop Unbundling (LLU)	5,241	-7.6%	5,011	-11.1%	4,788	-14.0%	4,444	-18.2%	4,444	-18.2%	4,149	-20.8%	3,900	-22.2%	3,710	-22.5%
Wholesale Line Rental	291	-22.1%	274	-20.9%	257	-22.0%	242	-20.4%	242	-20.4%	228	-21.5%	230	-16.1%	223	-13.3%
Bitstream Naked	1,228	-4.2%	1,194	-5.7%	1,165	-5.3%	1,115	-9.2%	1,115	-9.2%	1,100	-10.4%	1,081	-9.5%	1,041	-10.6%
VULA - FTTx (NGN)	1,306	171.7%	1,598	153.0%	1,904	149.6%	2,262	129.4%	2,262	129.4%	2,616	100.4%	2,869	79.6%	3,076	61.6%
ARPU (€/line/month)																
Consumer	32.6		33.0		34.9		35.5		34.0		35.6	9.4%	35.7	8.3%	33.9	-3.1%
Broadband	24.9		25.2		27.1		28.0		26.3		29.0	16.2%	29.6	17.2%	26.3	-2.7%
	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19		Q3 '19	
	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
WIRELINE REVENUES	2,538		2,593		2,572		2,774		10,477		2,535	-0.1%	2,586	-0.3%	2,453	-4.6%
Wireline Service Revenues	2,402		2,458		2,468		2,546		9,875		2,394	-0.3%	2,416	-1.7%	2,270	-8.0%
Retail Services	1,607		1,618		1,639		1,660		6,524		1,630	1.5%	1,610	-0.5%	1,511	-7.8%
o/w Broadband and content	563		569		614		634		2,380		645	14.6%	647	13.7%	590	-3.9%
o/w ICT Services	165		186		189		216		756		192	16.0%	215	15.7%	211	11.4%
Domestic Wholesale ⁽²⁾	512		510		515		529		2,066		501	-2.1%	568	11.4%	522	1.4%
International Wholesale	286		323		310		353		1,272		238	-16.8%	231	-28.5%	228	-26.5%
Subsidiaries, adj. and other	-3		7		5		5		13		24		7		10	95.6%
Equipments	136		135		104		228		602		141	3.6%	170	26.2%	183	76.6%

(1) Restated to include data only accesses provided to large customers (2) Organization view

Legenda

Wireline - KPIs	
ACCESS LINES	
Retail	Fixed line physical accesses, including both voice and broadband (xDSL, FTTx)
VoIP included	Included in the counting also multiple VoIP lines on a single physical access line
Broadband	All active broadband lines, including xDSL and FTTx
Consumer	Active broadband lines on Consumer customers
Business	Active broadband lines on Corporate and Small/Medium enterprises
FTTx (NGN)	All active fiber line retail customers, FTTC, FTTH and enterprise data lines
Wholesale	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
ARPU	
Consumer	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
Broadband	Total broadband revenues (Consumer+Business) divided by average active broadband customers (€/line/month)

Wireline - Revenues	
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
o/w Broadband and content	Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
o/w ICT Services	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)

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UNAUDITED FIGURES

(1) Restated to exclude MVNO volumes, with exception of Noverca (Kena) (2) 4Q'18 MSR including non linear items (€34 mln)

Legenda

Mobile KPIs	
ACCESS LINES	
Total number of lines	Total mobile customer base, human and not human ('000)
Human	Total nr. of human lines
Not Human (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Calling lines	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Churn Rate %	Percentage of line lost on average nr of lines in the reported period
Broadband Users	Mobile customers using data services
LTE Users	Mobile customer using (also) 4G (LTE) data services
USAGE	
Volumes of traffic	Incoming + Outgoing volumes net of Visitors, Roamers and MVNO volumes (Noverca volumes 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	
Reported	Average Revenue per User (€ / line / month)
Human	Total retail service revenues divided by average customer base, human and not human (€/line/month)
	Total retail service revenues divided by average human customer base (€/line/month)
Mobile REVENUES	
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

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	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19		Q3 '19	
KPI's - Mobile only	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Total Penetration ⁽¹⁾	113.0%		112.7%		111.8%		109.9%		109.9%		108.9%	-4.1pp	108.7%	-4.0pp	110.6%	
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	24.1%	-0.5pp	24.1% ⁽¹⁾	0,0pp	23.9%	-0,1pp
Total Lines ('000) ⁽²⁾	57,894	-6.4%	56,554	-7.0%	56,241	-5.3%	55,923	-4.6%	55,923	-4.6%	55,083	-4.9%	54,972	-2.8%	54,527	-3.0%
TOTAL ARPU ⁽³⁾	21.7		21.9		22.6		23.7		22.5		22.8	+5.3%	23.2	+5.8%	23.9	+5.6%
TOTAL MOU ⁽⁴⁾	115	+8%	122	+15%	129	+16%	127	+11%	123.4	+12%	124	+7%	124	+1%	125	-3%
	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19		Q3 '19	
MAIN RESULTS (IAS/IFRS)	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
REVENUES Reported	4,120		4,162		4,242		4,457		16,981		4,191	1.7%	4,263	2.4%	4,337	2.2%
o/w services	3,986		3,968		4,031		4,221		16,206		4,025	1.0%	4,063	2.4%	4,152	3.0%
o/w handsets	134		194		211		236		775		166	23.9%	200	3.1%	185	-12.3%
EBITDA Reported	1,407		1,508		1,594		1,807		6,316		1,485	5.5%	4,253	182.0%	1,812	13.7%
EBITDA margin	34.2%		36.2%		37.6%		40.5%		37.2%		35.4%	1,2pp	99.8%	63,6pp	41.8%	4,2pp
EBITDA Organic	1,407		1,508		1,594		1,804		6,313		1,485	5.5%	1,603	6.3%	1,702	6.8%
EBITDA margin	34.2%		36.2%		37.6%		40.5%		37.2%		35.4%	1,2pp	37.6%	1,4pp	39.2%	1,6pp
CAPEX Reported	613		981		866		1,371		3,831		650	6.0%	945	-3.7%	924	6.7%
% on revenues	14.9%		23.6%		20.4%		30.8%		22.6%		15.5%	0,6pp	22.2%	-1,4pp	21.3%	0,9pp
	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19		Q3 '19	
Exchange rate AVG YTD (R\$ vs. euro)	3.99014		4.14011		4.29236		4.30628		4.30628		4.27983		4.34394		4.36545	

(1) Internal estimate (2) Includes company lines (3) Gross of visitors (4) Minutes of usage, net of visitors

Reported & Organic Figures: YoY trends

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	Q3 '18					Q3 '19			Δ% yoy reported	Δ% yoy organic (*)
	Reported Figures	Non Organic elements		Non recurring items	Organic figures (*)	Reported Figures	Non recurring items	Organic figures (*)		
		Change in consolid. area	Exchange rate impact							
REVENUES	4,666	-	49	-	4,715	4,429	-	4,429	-5.1%	-6.1%
Domestic	3,759	-	4	-	3,763	3,454	-	3,454	-8.1%	-8.2%
Brazil	917	-	45	-	962	984	-	984	7.3%	2.2%
EBITDA	2,045	-	16	(7)	2,068	1,943	(32)	1,975	-5.0%	-4.5%
Domestic	1,702	-	-	(6)	1,708	1,536	(54)	1,590	-9.8%	-6.9%
Brazil	346	-	16	-	362	409	22	387	18.2%	6.8%
EBITDA AL	1,952	-	16	(7)	1,975	1,858	(32)	1,890	-4.8%	-4.3%
Domestic	1,626	-	-	(6)	1,632	1,469	(54)	1,523	-9.7%	-6.7%
Brazil	329	-	16	-	345	391	22	369	18.7%	6.9%
EBIT	(997)	-	5	(2,007)	1,015	846	(32)	878	-	-13.5%
Domestic	(1,120)	-	-	(2,006)	886	678	(54)	732		-17.4%
Brazil	126	-	5	-	131	171	22	149	35.7%	13.3%

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