



## 4Q16/FY16 Financial and operating data \*

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## Disclaimer

The 4Q16/FY16 financial and operating data have been extracted or derived from the 2016 preliminary financial results of the TIM Group which were drafted in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as “IFRS”).

The accounting policies and consolidation principles adopted in the preparation of the 2016 preliminary financial results have been applied on a basis consistent with those adopted in the Annual Consolidated Financial Statements at 31 December 2015, to which reference should be made, except for the new standards and interpretations adopted by the TIM Group starting from 1 January 2016 which had no effects on the 2016 preliminary financial results. In addition, the 2016 preliminary financial results have not been verified by the independent auditors.

Within the Brazil Business Unit, TIM Brasil's Management during 2016 identified that incorrect accounting entries were made in prior years in connection with the recognition of service revenue from the sale of prepaid traffic. Such incorrect accounting entries, resulted in the early recognition of revenues and consequently the underestimation of deferred revenue liabilities for prepaid traffic not yet consumed. The incorrect accounting entries did not have any impact either in terms of net financial position nor on cash and cash equivalents. In light of the above, the comparative financial information has been revised, segment information included.

Starting from 1 January 2016, as a result of the change in the operational mission of Persidera, the Media Business Unit was included in the Domestic Business Unit, while for prior periods under comparison it was reclassified under Other activities and Eliminations.

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

## Key financial data by Business Unit

	Revised				UNAUDITED FIGURES			
REVENUES (€ mln)	1Q15	1H15	9M15	FY15	1Q16	1H16	9M16	FY16
Domestic	3.631	7.375	11.127	15.001	3.548	7.247	11.036	15.017
o/w Wireline Domestic	2.657	5.345	7.990	10.654	2.553	5.131	7.774	10.479
o/w Mobile Domestic	1.151	2.387	3.690	5.068	1.186	2.447	3.747	5.180
Brasile	1.412	2.691	3.699	4.636	897	1.858	2.922	4.047
Other activities & Elim.	11	35	52	82	(5)	(9)	(19)	-28
<b>TI Group</b>	<b>5.054</b>	<b>10.101</b>	<b>14.878</b>	<b>19.719</b>	<b>4.440</b>	<b>9.096</b>	<b>13.939</b>	<b>19.036</b>
<b>EBITDA Reported (€ mln)</b>								
Domestic	1.610	2.846	4.525	5.567	1.461	3.184	4.995	6.712
Brasile	416	790	1.108	1.451	258	556	900	1.328
Other activities & Elim.	7	3	(11)	(12)	(7)	(14)	(17)	-22
<b>TI Group</b>	<b>2.033</b>	<b>3.639</b>	<b>5.622</b>	<b>7.006</b>	<b>1.712</b>	<b>3.726</b>	<b>5.878</b>	<b>8.018</b>
<b>EBITDA Margin Reported</b>								
Domestic	44,3%	38,6%	40,7%	37,1%	41,2%	43,9%	45,3%	44,7%
Brasile	29,5%	29,4%	30,0%	31,3%	28,8%	29,9%	30,8%	32,8%
<b>TI Group</b>	<b>40,2%</b>	<b>36,0%</b>	<b>37,8%</b>	<b>35,5%</b>	<b>38,6%</b>	<b>41,0%</b>	<b>42,2%</b>	<b>42,1%</b>
<b>CAPEX (€ mln)</b>								
Domestic	676	1.506	2.297	3.900	778	1.575	2.398	3.709
Brasile	287	637	930	1.289	166	408	709	1.167
Elim & Adj	1	3	6	8	0	0	0	0
<b>TI Group</b>	<b>964</b>	<b>2.146</b>	<b>3.233</b>	<b>5.197</b>	<b>944</b>	<b>1.983</b>	<b>3.107</b>	<b>4.876</b>
<b>CAPEX ON SALES (%)</b>								
Domestic	18,6%	20,4%	20,6%	26,0%	21,9%	21,7%	21,7%	24,7%
Brasile	20,3%	23,7%	25,1%	27,8%	18,5%	22,0%	24,3%	28,8%
<b>TI Group</b>	<b>19,1%</b>	<b>21,2%</b>	<b>21,7%</b>	<b>26,4%</b>	<b>21,3%</b>	<b>21,8%</b>	<b>22,3%</b>	<b>25,6%</b>

## Key financial data by Business Unit

	Revised				UNAUDITED FIGURES			
REVENUES (€ mln)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Domestic	3.631	3.744	3.752	3.874	3.548	3.699	3.789	3.981
o/w Wireline Domestic	2.657	2.688	2.645	2.664	2.553	2.578	2.643	2.705
o/w Mobile Domestic	1.151	1.236	1.303	1.378	1.186	1.261	1.300	1.433
Brasile	1.412	1.279	1.008	937	897	961	1.064	1.125
Other activities & Elim.	11	24	17	30	(5)	(4)	(10)	(9)
<b>TI Group</b>	<b>5.054</b>	<b>5.047</b>	<b>4.777</b>	<b>4.841</b>	<b>4.440</b>	<b>4.656</b>	<b>4.843</b>	<b>5.097</b>
<b>EBITDA Reported (€ mln)</b>								
Domestic	1.610	1.236	1.679	1.042	1.461	1.723	1.811	1.717
Brasile	416	374	318	343	258	298	344	428
Other activities & Elim.	7	(4)	(14)	(1)	(7)	(7)	(3)	(5)
<b>TI Group</b>	<b>2.033</b>	<b>1.606</b>	<b>1.983</b>	<b>1.384</b>	<b>1.712</b>	<b>2.014</b>	<b>2.152</b>	<b>2.140</b>
<b>EBITDA Margin Reported</b>								
Domestic	44,3%	33,0%	44,7%	26,9%	41,2%	46,6%	47,8%	43,1%
Brasile	29,5%	29,2%	31,5%	36,6%	28,8%	31,0%	32,3%	38,0%
<b>TI Group</b>	<b>40,2%</b>	<b>31,8%</b>	<b>41,5%</b>	<b>28,6%</b>	<b>38,6%</b>	<b>43,3%</b>	<b>44,4%</b>	<b>42,0%</b>
<b>CAPEX (€ mln)</b>								
Domestic	676	830	791	1.603	778	797	823	1.311
Brasile	287	350	293	359	166	242	301	458
Elim & Adj	1	2	3	2	0	0	0	0
<b>TI Group</b>	<b>964</b>	<b>1.182</b>	<b>1.087</b>	<b>1.964</b>	<b>944</b>	<b>1.039</b>	<b>1.124</b>	<b>1.769</b>
<b>CAPEX ON SALES (%)</b>								
Domestic	18,6%	22,2%	21,1%	41,4%	21,9%	21,5%	21,7%	32,9%
Brasile	20,3%	27,4%	29,1%	38,3%	18,5%	25,2%	28,3%	40,7%
<b>TI Group</b>	<b>19,1%</b>	<b>23,4%</b>	<b>22,8%</b>	<b>40,6%</b>	<b>21,3%</b>	<b>22,3%</b>	<b>23,2%</b>	<b>34,7%</b>

### Domestic Business Results - Reported Figures

											UNAUDITED FIGURES									
	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
<b>KPI's ('000)</b>																				
Wireline																				
Physical accesses	12.283	-5,7%	12.080	-5,8%	11.907	-5,9%	11.742	-5,9%	11.742	-5,9%	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%
Broadband (retail+wholesale)	8.784	0,3%	8.821	0,7%	8.839	1,1%	8.890	1,6%	8.890	1,6%	8.955	1,9%	8.992	1,9%	9.042	2,3%	9.206	3,6%	9.206	3,6%
Mobile																				
Total lines <sup>(1)</sup>	30.140	-2,8%	30.075	-1,9%	30.023	-1,2%	30.007	-1,1%	30.007	-1,1%	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%
<b>€ mln</b>																				
<b>REVENUES</b>	<b>3.631</b>	-2,6%	<b>3.744</b>	-1,6%	<b>3.752</b>	-1,4%	<b>3.874</b>	-2,3%	<b>15.001</b>	-2,0%	<b>3.548</b>	-2,3%	<b>3.699</b>	-1,2%	<b>3.789</b>	1,0%	<b>3.981</b>	2,8%	<b>15.017</b>	0,1%
o/w Services	3.435	-3,3%	3.505	-1,7%	3.539	-1,5%	3.578	-1,1%	14.058	-1,9%	3.352	-2,4%	3.468	-1,1%	3.526	-0,4%	3.543	-1,0%	13.889	-1,2%
o/w Equipments	196	12,3%	239	1,3%	213	0,7%	296	-15,0%	943	-2,7%	196	0,1%	231	-3,4%	263	23,9%	438	48,1%	1.128	19,6%
<b>o/w Domestic Mobile Services</b>	<b>1.053</b>	-4,2%	<b>1.109</b>	-2,5%	<b>1.170</b>	-1,5%	<b>1.184</b>	0,1%	<b>4.517</b>	-2,0%	<b>1.059</b>	0,6%	<b>1.117</b>	0,7%	<b>1.183</b>	1,1%	<b>1.221</b>	3,1%	<b>4.580</b>	1,4%
o/w Traditional	621	-12,9%	622	-14,3%	639	-12,1%	621	-10,6%	2.503	-12,5%	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%
o/w Innovative	375	14,4%	416	21,8%	453	16,0%	484	19,9%	1.728	18,1%	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%
o/w Wholesale	57	-1,6%	71	2,1%	79	10,0%	78	-6,2%	286	0,9%	48	-15,8%	72	1,1%	96	20,7%	106	36,2%	322	12,8%
<b>o/w Domestic Wireline Services</b>	<b>2.595</b>	-4,4%	<b>2.614</b>	-1,9%	<b>2.592</b>	-1,8%	<b>2.572</b>	-3,1%	<b>10.372</b>	-2,8%	<b>2.483</b>	-4,3%	<b>2.488</b>	-4,8%	<b>2.499</b>	-3,6%	<b>2.478</b>	-3,6%	<b>9.949</b>	-4,1%
o/w Traditional Services	1.193	-8,4%	1.185	-6,2%	1.151	-6,3%	1.109	-9,6%	4.638	-7,6%	1.064	-10,8%	1.053	-11,1%	1.032	-10,3%	1.069	-3,6%	4.219	-9,0%
o/w Innovative Services	558	4,6%	583	7,8%	577	4,9%	596	3,8%	2.314	5,2%	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%
o/w Domestic Wholesale	560	-7,7%	549	-6,4%	550	-5,6%	546	1,2%	2.205	-4,8%	537	-4,1%	506	-7,8%	503	-8,6%	472	-13,6%	2.018	-8,5%
o/wTIS Group	310	3,0%	325	8,3%	336	10,5%	343	1,2%	1.314	5,6%	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%
o/w Subs. Adj. and Other	-26	12,2%	-28	-3,3%	-23	15,8%	-23	7,6%	-99	8,2%	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,4%	-110	-11,4%
<b>Elimination &amp; Other</b>	<b>-213</b>	18,0%	<b>-218</b>	6,8%	<b>-223</b>	4,8%	<b>-177</b>	18,9%	<b>-831</b>	12,2%	<b>-190</b>	10,9%	<b>-137</b>	37,1%	<b>-157</b>	29,5%	<b>-156</b>	11,8%	<b>-641</b>	22,9%
<b>EBITDA</b>	<b>1.610</b>	-10,2%	<b>1.236</b>	-27,7%	<b>1.679</b>	-6,5%	<b>1.042</b>	-38,8%	<b>5.567</b>	-20,4%	<b>1.461</b>	-9,3%	<b>1.723</b>	39,4%	<b>1.811</b>	7,9%	<b>1.717</b>	64,8%	<b>6.712</b>	20,6%
EBITDA Margin	44,3%		33,0%		44,7%		26,9%		37,1%		41,2%		46,6%		47,8%		43,1%		44,7%	
<b>Capex</b>	<b>676</b>	37,1%	<b>830</b>	21,3%	<b>791</b>	28,6%	<b>1.603</b>	61,8%	<b>3.900</b>	40,1%	<b>778</b>	15,1%	<b>797</b>	-4,0%	<b>823</b>	4,0%	<b>1.311</b>	-18,2%	<b>3.709</b>	-4,9%
% on revenues	18,6%		22,2%		21,1%		41,4%		26,0%		21,9%		21,5%		21,7%		32,9%		24,7%	
<b>Headcount at period-end ('000)</b>	<b>52.965</b>	-0,6%	<b>52.825</b>	-0,7%	<b>52.726</b>	-1,0%	<b>52.644</b>	-0,8%	<b>52.644</b>	-0,8%	<b>52.713</b>	-0,5%	<b>52.622</b>	-0,4%	<b>52.140</b>	-1,1%	<b>51.280</b>	-2,6%	<b>51.280</b>	-2,6%

<sup>(1)</sup> M2M included

### Domestic Mobile Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	
<b>KPI's</b>																					
Total number of lines ('000) <sup>(1)</sup>	30.140	-2,8%	30.075	-1,9%	30.023	-1,2%	30.007	-1,1%	30.007	-1,1%	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%	
Churn Rate %	6,4%	0,3pp	5,5%	-0,4pp	5,8%	-0,5pp	5,7%	-0,1pp	23,4%	-0,7pp	5,6%	-0,8pp	5,3%	-0,2pp	5,9%	0,1pp	6,0%	0,2pp	22,8%	-0,7pp	
Total User Broadband (mln of users)	10,5	20,8%	10,8	17,5%	11,2	16,9%	11,5	14,3%	11,5	14,3%	11,6	11,1%	11,8	9,5%	12,1	7,7%	12,2	6,0%	12,2	6,0%	
Total User LTE (mln of users)	1,8	-	2,7	-	3,4	-	4,4	-	4,4	-	5,0	-	5,7	-	6,2	-	7,6	-	7,6	-	
Volumes of traffic (mln of minutes) <sup>(2)</sup>	16.155	8,0%	16.630	6,6%	16.339	5,1%	16.998	2,7%	66.122	5,5%	16.943	4,9%	17.381	4,5%	17.213	5,3%	18.042	6,1%	69.578	5,2%	
o/w Outgoing traffic volumes (mln of minutes) <sup>(3)</sup>	10.821	4,5%	10.983	3,3%	10.711	1,9%	11.096	-0,8%	43.611	2,2%	10.999	1,6%	11.164	1,6%	11.143	4,0%	11.633	4,8%	44.939	3,0%	
o/w Incoming traffic volumes (mln of minutes)	5.335	15,7%	5.647	13,9%	5.627	11,8%	5.902	9,8%	22.512	12,7%	5.945	11,4%	6.217	10,1%	6.069	7,9%	6.408	8,6%	24.640	9,5%	
Usage Voce (min/line/month) <sup>(3)</sup>	214	13,0%	223	11,5%	220	8,9%	232	6,2%	222	9,8%	233	8,8%	241	8,2%	241	9,5%	256	10,2%	243	9,2%	
Usage Dati (GB/users/month)	1,3	14,3%	1,4	15,1%	1,6	18,3%	1,6	15,9%	1,5	15,9%	1,7	28,6%	1,9	36,0%	2,0	24,7%	2,1	30,8%	1,9	29,7%	
ARPU <sup>(3)</sup>	11,3	-1,3%	11,9	0,2%	12,5	-0,2%	12,8	0,8%	12,1	-0,1%	11,6	2,5%	12,1	1,5%	12,8	2,4%	13,3	4,2%	12,4	2,6%	
<b>REVENUES (€ mln), Reported figures</b>																					
<b>TOTAL</b>	<b>1.151</b>	-2,0%	<b>1.236</b>	-2,2%	<b>1.303</b>	1,5%	<b>1.378</b>	0,7%	<b>5.068</b>	-0,5%	<b>1.186</b>	3,0%	<b>1.261</b>	2,0%	<b>1.300</b>	-0,2%	<b>1.433</b>	4,0%	<b>5.180</b>	2,2%	
<b>SERVICES</b>	<b>1.053</b>	-4,2%	<b>1.109</b>	-2,5%	<b>1.170</b>	-1,5%	<b>1.184</b>	0,1%	<b>4.517</b>	-2,0%	<b>1.059</b>	0,6%	<b>1.117</b>	0,7%	<b>1.183</b>	1,1%	<b>1.221</b>	3,1%	<b>4.580</b>	1,4%	
<b>Traditional Services</b>	<b>621</b>	-12,9%	<b>622</b>	-14,3%	<b>639</b>	-12,1%	<b>621</b>	-10,6%	<b>2.503</b>	-12,5%	<b>573</b>	-7,7%	<b>580</b>	-6,9%	<b>561</b>	-12,2%	<b>537</b>	-13,5%	<b>2.250</b>	-10,1%	
o/w Outgoing voice <sup>(4)</sup>	463	-12,6%	455	-14,3%	461	-14,0%	432	-13,8%	1.810	-13,7%	404	-12,8%	403	-11,4%	395	-14,3%	379	-12,3%	1.581	-12,7%	
o/w Incoming voice	58	12,3%	62	9,9%	65	14,4%	69	16,2%	254	13,3%	67	15,7%	70	13,4%	68	4,4%	71	3,2%	276	8,9%	
o/w Messaging	100	-24,2%	106	-24,0%	113	-15,6%	120	-10,6%	439	-18,6%	102	2,0%	107	0,7%	98	-13,3%	87	-27,7%	394	-10,4%	
<b>Innovative Services</b>	<b>375</b>	14,4%	<b>416</b>	21,8%	<b>453</b>	16,0%	<b>484</b>	19,9%	<b>1.728</b>	18,1%	<b>438</b>	16,8%	<b>466</b>	12,0%	<b>527</b>	16,4%	<b>577</b>	19,2%	<b>2.008</b>	16,2%	
o/w Browsing	306	16,0%	339	20,7%	372	23,8%	392	20,5%	1.409	20,3%	356	16,3%	377	11,4%	392	5,4%	451	15,0%	1.576	11,9%	
o/w Internet Content	69	8,1%	77	27,3%	80	-10,2%	92	17,4%	319	9,0%	83	19,4%	88	14,3%	135	67,6%	126	37,1%	432	35,4%	
<b>Wholesale Services</b>	<b>57</b>	-1,6%	<b>71</b>	2,1%	<b>79</b>	10,0%	<b>78</b>	-6,2%	<b>286</b>	0,9%	<b>48</b>	-15,8%	<b>72</b>	1,1%	<b>96</b>	20,7%	<b>106</b>	36,2%	<b>322</b>	12,8%	
<b>Handsets</b>	<b>98</b>	29,0%	<b>127</b>	0,1%	<b>133</b>	39,3%	<b>194</b>	4,8%	<b>551</b>	14,1%	<b>127</b>	29,5%	<b>144</b>	13,7%	<b>117</b>	-12,0%	<b>212</b>	9,2%	<b>600</b>	8,8%	

<sup>(1)</sup> M2M Included

<sup>(2)</sup> Incoming + Outgoing volumes (Visitors and Roamers volumes not included)

<sup>(3)</sup> Roaming volumes not included

<sup>(4)</sup> Net of visitors

<sup>(5)</sup> Outgoing voice revenues include roaming revenues

### Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	4Q15	Δ% yoy	FY15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	
<b>KPI's</b>																					
Physical accesses ('000)	12.283	-5,7%	12.080	-5,8%	11.907	-5,9%	11.742	-5,9%	11.742	-5,9%	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%	
OLO Access (on TI infrastructure)	7.297	1,2%	7.375	1,6%	7.392	3,1%	7.467	3,4%	7.467	3,4%	7.543	3,4%	7.606	3,1%	7.600	2,8%	7.677	2,8%	7.677	2,8%	
o/w ULL	5.460	1,2%	5.511	0,9%	5.517	2,9%	5.573	3,1%	5.573	3,1%	5.632	3,2%	5.680	3,1%	5.658	2,5%	5.641	1,2%	5.641	1,2%	
o/w Virtual ULL	26	-6,5%	27	1,4%	29	16,7%	28	17,4%	28	17,4%	29	12,2%	28	2,7%	23	-19,4%	21	-25,8%	21	-25,8%	
o/w Wholesale Line Rental	565	-14,4%	547	-13,7%	523	-14,1%	497	-15,4%	497	-15,4%	470	-16,9%	443	-19,1%	416	-20,6%	388	-21,9%	388	-21,9%	
o/w Naked	1.207	7,3%	1.213	7,5%	1.218	5,4%	1.230	3,8%	1.230	3,8%	1.241	2,9%	1.256	3,5%	1.256	3,1%	1.274	3,6%	1.274	3,6%	
o/w NGN	39	-	76	-	105	-	139	-	139	-	170	-	199	-	247	-	353	-	353	-	
TI Retail Broadband Accesses ('000)	6.945	0,2%	6.971	0,5%	6.984	0,7%	7.023	1,5%	7.023	1,5%	7.067	1,8%	7.088	1,7%	7.123	2,0%	7.191	2,4%	7.191	2,4%	
o/w Business	1.544	0,0%	1.522	-1,5%	1.505	-3,1%	1.488	-4,1%	1.488	-4,1%	1.480	-4,2%	1.472	-3,3%	1.470	-2,3%	1.464	-1,6%	1.464	-1,6%	
o/w Consumer	5.401	0,2%	5.450	1,0%	5.479	1,8%	5.535	3,1%	5.535	3,1%	5.588	3,5%	5.616	3,1%	5.653	3,2%	5.727	3,5%	5.727	3,5%	
o/w NGN	290	-	374	-	435	-	538	-	538	-	672	-	790	-	872	-	997	85,2%	997	85,2%	
% flat offers on TI total portfolio (Consumer+Business)	92%	1,8pp	93%	1,9pp	93%	1,9pp	94%	1,9pp	94%	1,9pp	94%	1,8pp	94%	1,5pp	95%	1,4pp	95%	1,2pp	95%	1,2pp	
BroadBand Accesses Wholesale ('000)	1.839	0,6%	1.850	1,7%	1.855	2,4%	1.867	2,1%	1.867	2,1%	1.888	2,6%	1.903	2,9%	1.918	3,4%	2.016	8,0%	2.016	8,0%	
BB Arpu (euro/mese)	20,4	6,0%	20,9	6,7%	20,7	3,7%	21,2	4,9%	20,8	5,3%	21,5	5,2%	21,9	4,4%	22,4	8,1%	22,3	5,5%	22,0	5,8%	
<b>REVENUES(€ mln)</b>																					
<b>TOTAL</b>	<b>2.657</b>	<b>-4,1%</b>	<b>2.688</b>	<b>-1,8%</b>	<b>2.645</b>	<b>-2,7%</b>	<b>2.664</b>	<b>-3,9%</b>	<b>10.654</b>	<b>-3,1%</b>	<b>2.553</b>	<b>-3,9%</b>	<b>2.578</b>	<b>-4,1%</b>	<b>2.643</b>	<b>-0,1%</b>	<b>2.705</b>	<b>1,5%</b>	<b>10.479</b>	<b>-1,6%</b>	
o/w Services	2.595	-4,4%	2.614	-1,9%	2.592	-1,8%	2.572	-3,1%	10.372	-2,8%	2.483	-4,3%	2.488	-4,8%	2.499	-3,6%	2.478	-3,6%	9.949	-4,1%	
o/w Equipments	62	9,1%	74	1,4%	53	-32,5%	92	-21,7%	282	-13,8%	70	13,8%	90	20,7%	144	169,0%	227	145,2%	530	88,2%	
<b>TRADITIONAL SERVICES</b>	<b>1.193</b>	<b>-8,4%</b>	<b>1.185</b>	<b>-6,2%</b>	<b>1.151</b>	<b>-6,3%</b>	<b>1.109</b>	<b>-9,6%</b>	<b>4.638</b>	<b>-7,6%</b>	<b>1.064</b>	<b>-10,8%</b>	<b>1.053</b>	<b>-11,1%</b>	<b>1.032</b>	<b>-10,3%</b>	<b>1.069</b>	<b>-3,6%</b>	<b>4.219</b>	<b>-9,0%</b>	
<b>o/w Voice</b>	<b>1.038</b>	<b>-7,6%</b>	<b>1.015</b>	<b>-7,1%</b>	<b>978</b>	<b>-7,3%</b>	<b>944</b>	<b>-11,9%</b>	<b>3.975</b>	<b>-8,5%</b>	<b>901</b>	<b>-13,2%</b>	<b>874</b>	<b>-13,9%</b>	<b>836</b>	<b>-14,4%</b>	<b>830</b>	<b>-12,0%</b>	<b>3.441</b>	<b>-13,4%</b>	
o/w Traffic	353	-6,3%	359	-1,9%	348	1,6%	339	-9,5%	1.399	-4,1%	324	-8,4%	323	-10,1%	306	-11,9%	306	-9,9%	1.259	-10,1%	
o/w Access	612	-8,0%	586	-9,3%	562	-10,9%	539	-13,0%	2.299	-10,3%	515	-15,9%	489	-16,6%	470	-16,3%	463	-14,1%	1.937	-15,8%	
o/w Voice VAS	30	-6,7%	29	-12,9%	28	-18,0%	27	-17,1%	115	-13,7%	26	-15,4%	27	-5,9%	27	-4,8%	27	-2,4%	106	-7,3%	
o/w Rental & other	43	-12,1%	41	-14,3%	40	-16,0%	38	-13,2%	161	-13,9%	37	-13,7%	35	-14,0%	33	-16,4%	35	-8,5%	140	-13,2%	
<b>o/w Business Data &amp; Others trad</b>	<b>155</b>	<b>-13,9%</b>	<b>170</b>	<b>-0,5%</b>	<b>173</b>	<b>-0,3%</b>	<b>165</b>	<b>6,9%</b>	<b>663</b>	<b>-2,3%</b>	<b>163</b>	<b>5,3%</b>	<b>179</b>	<b>5,7%</b>	<b>195</b>	<b>12,9%</b>	<b>239</b>	<b>44,6%</b>	<b>777</b>	<b>17,2%</b>	
o/w Data Services	118	-6,8%	120	-4,3%	110	-9,8%	117	-4,9%	465	-6,4%	112	-4,8%	113	-5,8%	112	2,0%	115	-1,8%	453	-2,7%	
o/w Rental & other	37	-30,4%	50	10,0%	63	22,3%	48	53,1%	198	9,0%	51	37,3%	67	33,4%	83	32,1%	124	157,4%	325	63,9%	
<b>INNOVATIVE SERVICES</b>	<b>558</b>	<b>4,6%</b>	<b>583</b>	<b>7,8%</b>	<b>577</b>	<b>4,9%</b>	<b>596</b>	<b>3,8%</b>	<b>2.314</b>	<b>5,2%</b>	<b>590</b>	<b>5,8%</b>	<b>610</b>	<b>4,6%</b>	<b>624</b>	<b>8,1%</b>	<b>648</b>	<b>8,7%</b>	<b>2.472</b>	<b>6,8%</b>	
<b>o/w Broadband</b>	<b>418</b>	<b>5,7%</b>	<b>430</b>	<b>6,8%</b>	<b>427</b>	<b>3,9%</b>	<b>437</b>	<b>5,8%</b>	<b>1.712</b>	<b>5,5%</b>	<b>447</b>	<b>6,9%</b>	<b>457</b>	<b>6,2%</b>	<b>471</b>	<b>10,2%</b>	<b>473</b>	<b>8,2%</b>	<b>1.847</b>	<b>7,9%</b>	
o/w Access & Bundles Services	399	6,0%	412	7,4%	409	4,6%	419	6,4%	1.639	6,1%	429	7,6%	440	6,8%	454	10,9%	457	8,9%	1.780	8,6%	
o/w Others	19	-0,8%	18	-5,0%	18	-8,8%	18	-6,6%	72	-5,4%	17	-6,4%	17	-7,6%	17	-6,4%	16	-10,0%	67	-7,6%	
<b>o/w Content</b>	<b>5</b>	<b>12,7%</b>	<b>5</b>	<b>4,8%</b>	<b>6</b>	<b>28,2%</b>	<b>4</b>	<b>-13,1%</b>	<b>20</b>	<b>7,5%</b>	<b>4</b>	<b>-17,6%</b>	<b>4</b>	<b>-21,3%</b>	<b>4</b>	<b>-23,1%</b>	<b>4</b>	<b>-10,3%</b>	<b>17</b>	<b>-18,5%</b>	
<b>o/w ICT Service</b>	<b>135</b>	<b>1,1%</b>	<b>148</b>	<b>10,7%</b>	<b>145</b>	<b>7,1%</b>	<b>155</b>	<b>-0,9%</b>	<b>582</b>	<b>4,3%</b>	<b>139</b>	<b>3,2%</b>	<b>149</b>	<b>0,6%</b>	<b>149</b>	<b>3,0%</b>	<b>172</b>	<b>10,9%</b>	<b>609</b>	<b>4,5%</b>	
<b>Domestic Wholesale</b>	<b>560</b>	<b>-7,7%</b>	<b>549</b>	<b>-6,4%</b>	<b>550</b>	<b>-5,6%</b>	<b>546</b>	<b>1,2%</b>	<b>2.205</b>	<b>-4,8%</b>	<b>537</b>	<b>-4,1%</b>	<b>506</b>	<b>-7,8%</b>	<b>503</b>	<b>-8,6%</b>	<b>472</b>	<b>-13,6%</b>	<b>2.018</b>	<b>-8,5%</b>	
<b>TIS Group</b>	<b>310</b>	<b>3,0%</b>	<b>325</b>	<b>8,3%</b>	<b>336</b>	<b>10,5%</b>	<b>343</b>	<b>1,2%</b>	<b>1.314</b>	<b>5,6%</b>	<b>311</b>	<b>0,3%</b>	<b>338</b>	<b>4,0%</b>	<b>354</b>	<b>5,4%</b>	<b>348</b>	<b>1,5%</b>	<b>1.351</b>	<b>2,8%</b>	
<b>Subs. Adj. and Other</b>	<b>-26</b>	<b>12,2%</b>	<b>-28</b>	<b>-3,3%</b>	<b>-23</b>	<b>15,8%</b>	<b>-23</b>	<b>7,6%</b>	<b>-99</b>	<b>8,2%</b>	<b>-19</b>	<b>24,7%</b>	<b>-19</b>	<b>32,4%</b>	<b>-13</b>	<b>41,4%</b>	<b>-59</b>	<b>-155,4%</b>	<b>-110</b>	<b>-11,4%</b>	

## TIM Brasil Results - Reported Figures

Revised

UNAUDITED FIGURES

	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
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### KPI's - Mobile only

Estimated Total Penetration (%)	139,0%	138,2%	134,8%	125,7%	125,7%	125,4%		123,0%		121,6%		118,0%			
Market Share on total lines(%)	26,7%	26,4%	26,3%	25,7%	25,7%	26,1%	-0,6pp	25,3%	-1,2pp	25,2%	-1,1pp	26,0%	+0,3pp	26,0%	+0,3pp
Total Lines ('000) <sup>(1)</sup>	75.749	74.600	72.573	66.234	66.234	67.269	-11,2%	63.988	-14,2%	63.247	-12,9%	63.418	-4,3%	63.418	-4,3%
TOTAL ARPU <sup>(2)</sup>	16,7	16,1	16,4	17,6	16,7	17,2	3%	17,2	7%	18,4	12%	19,2	9%	18,0	8,0%
TOTAL MOU net of visitors	120	119	119	120	119	119	-1,4%	118	-0,4%	116	-2,1%	113	-5,8%	117	-2,4%

### MAIN RESULTS (IAS/IFRS, R\$ mln)

	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy
<b>REVENUES Reported</b>	<b>4.551</b>	<b>4.361</b>	<b>4.115</b>	<b>4.115</b>	<b>17.142</b>	<b>3.854</b>	-15,3%	<b>3.820</b>	-12,4%	<b>3.900</b>	-5,2%	<b>4.043</b>	-1,7%	<b>15.617</b>	-8,9%
of which services	3.944	3.792	3.782	3.869	15.387	3.618	-8,3%	3.570	-5,9%	3.690	-2,4%	3.842	-0,7%	14.720	-4,3%
of which handsets	607	569	333	246	1.755	236	-61,1%	250	-56,1%	210	-36,9%	201	-18,3%	897	-48,9%
<b>EBITDA Reported</b>	<b>1.341</b>	<b>1.276</b>	<b>1.285</b>	<b>1.463</b>	<b>5.365</b>	<b>1.107</b>	-17,4%	<b>1.189</b>	-6,8%	<b>1.270</b>	-1,2%	<b>1.558</b>	6,5%	<b>5.124</b>	-4,5%
EBITDA margin	29,5%	29,3%	31,2%	35,6%	31,3%	28,7%	-0,8pp	31,1%	1,8pp	32,6%	1,4pp	38,5%	2,9pp	32,8%	1,5pp
<b>Capex Reported</b>	<b>924</b>	<b>1.184</b>	<b>1.168</b>	<b>1.488</b>	<b>4.764</b>	<b>710</b>	-23,2%	<b>975</b>	-17,7%	<b>1.122</b>	-3,9%	<b>1.695</b>	+13,9%	<b>4.502</b>	-5,5%
% on revenues	20,3%	27,1%	28,4%	36,2%	27,8%	18,4%	-1,9pp	25,5%	-1,6pp	28,8%	0,4pp	41,9%	5,7pp	28,8%	1,0pp

	1Q15	1H15	9M15	4Q15	FY15	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy	4Q16	Δ% yoy	FY16
Exchange rate AVG YTD (R\$ vs. euro)	3,22251	3,31144	3,52233		3,69727	4,29753		4,13001		3,96106				3,85935

(1) Includes company lines

(2) Gross of visitors



### 4Q'16 Reported & Organic Figures (\*): YoY trends

Revised

UNAUDITED FIGURES

<u>4Q'15</u>					<u>4Q'16</u>				<u>Δ% yoy reported</u>	<u>Δ% yoy organic *</u>
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	<i>Change in consolid. area</i>	<i>Exchange rate impact</i>								
<b>REVENUES</b>										
Domestic	3.874		1	3.875	Domestic	3.981	3.981	2,8	2,7	
o/w Wireline Domestic	2.664		1	2.665	o/w Wireline Domestic	2.705	2.705	1,5	1,5	
o/w Mobile Domestic	1.378			1.378	o/w Mobile Domestic	1.433	1.433	4,0	4,0	
Brasile	937		216	1.153	Brasile	1.125	1.125	20,1	(1,7)	
Other Activities & Eliminations	30			30	Other Activities & Eliminations	-9	(9)	-	-	
<b>TI Group</b>	<b>4.841</b>		<b>217</b>	<b>5.058</b>	<b>TI Group</b>	<b>5.097</b>	<b>5.097</b>	<b>5,3</b>	<b>0,8</b>	
<b>EBITDA</b>										
Domestic	1.042			1.624	Domestic	1.717	1.760	64,8	8,4	
Brasile	343		62	419	Brasile	428	429	24,8	2,8	
Other Activities & Eliminations	(1)			19	Other Activities & Eliminations	(5)	(5)			
<b>TI Group</b>	<b>1.384</b>		<b>62</b>	<b>2.062</b>	<b>TI Group</b>	<b>2.140</b>	<b>2.184</b>	<b>54,6</b>	<b>5,9</b>	
<b>EBITDA Margin</b>										
Domestic	26,9%			41,9%	Domestic	43,1%	44,2%	16,2 pp	2,3 pp	
Brasile	36,6%			36,8%	Brasile	38,0%	38,5%	1,4 pp	1,7 pp	
<b>TI Group</b>	<b>28,6%</b>			<b>40,8%</b>	<b>TI Group</b>	<b>42,0%</b>	<b>42,8%</b>	<b>13,4 pp</b>	<b>2 pp</b>	

Non recurring items on EBITDA	4Q15	4Q16
Labour cost	397	31
Other Costs & Charges	219	13
<b>Total</b>	<b>616</b>	<b>44</b>

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