



## 2Q'17 Financial and operating data

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## Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the Half-year Condensed Consolidated Financial Statements as of and for the six months ended 30 June 2017 which have 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).

The accounting policies adopted in the preparation of the Half-year Condensed Consolidated Financial Statements as of and for the six months ended 30 June 2017 are the same as those adopted in the TIM Group consolidated financial statements at 31 December 2016, to which reference can be made. No new standards and interpretations were endorsed by the EU and in force from 1 January 2017.

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

UNAUDITED FIGURES

<b>REVENUES</b>	<b>1Q16</b>	<b>1H16</b>	<b>1Q17</b>	<b>1H17</b>
Domestic	3.548	7.247	3.647	7.494
o/w Wireline Domestic	2.553	5.131	2.596	5.296
o/w Mobile Domestic	1.186	2.447	1.216	2.517
Brasile	897	1.858	1.181	2.293
Other activities & Elim.	(5)	(9)	(9)	(15)
<b>TI Group</b>	<b>4.440</b>	<b>9.096</b>	<b>4.819</b>	<b>9.772</b>
<b>EBITDA Reported</b>				
Domestic	1.461	3.184	1.621	3.361
Brasile	258	556	372	762
Other activities & Elim.	(7)	(14)	(3)	(9)
<b>TI Group</b>	<b>1.712</b>	<b>3.726</b>	<b>1.990</b>	<b>4.114</b>
<b>EBITDA Margin Reported</b>				
Domestic	41,2%	43,9%	44,4%	44,8%
Brasile	28,8%	29,9%	31,5%	33,2%
<b>TI Group</b>	<b>38,6%</b>	<b>41,0%</b>	<b>41,3%</b>	<b>42,1%</b>
<b>EBIT Reported</b>				
Domestic	662	1.581	787	1.685
Brazil	49	121	81	194
Other activities & Elim.	(7)	(15)	(3)	(8)
<b>TI Group</b>	<b>704</b>	<b>1.687</b>	<b>865</b>	<b>1.871</b>
<b>EBIT Margin Reported</b>				
Domestic	18,7%	21,8%	21,6%	22,5%
Brasile	5,5%	6,5%	6,9%	8,5%
<b>TI Group</b>	<b>15,9%</b>	<b>18,5%</b>	<b>17,9%</b>	<b>19,1%</b>
<b>CAPEX</b>				
Domestic	778	1.575	631	1.626
Brasile	166	408	200	430
Elim & Adj	0	0	0	
<b>TI Group</b>	<b>944</b>	<b>1.983</b>	<b>831</b>	<b>2.056</b>
<b>CAPEX ON SALES (%)</b>				
Domestic	21,9%	21,7%	17,3%	21,7%
Brasile	18,5%	22,0%	16,9%	18,8%
<b>TI Group</b>	<b>21,3%</b>	<b>21,8%</b>	<b>17,2%</b>	<b>21,0%</b>

## Key financial data by Business Unit

€ mln

UNAUDITED FIGURES

<b>REVENUES</b>	<b>1Q16</b>	<b>2Q16</b>	<b>1Q17</b>	<b>2Q17</b>
Domestic	3.548	3.699	3.647	3.847
o/w Wireline Domestic	2.553	2.578	2.596	2.700
o/w Mobile Domestic	1.186	1.261	1.216	1.301
Brasile	897	961	1.181	1.112
Other activities & Elim.	(5)	(4)	(9)	(6)
<b>TI Group</b>	<b>4.440</b>	<b>4.656</b>	<b>4.819</b>	<b>4.953</b>
<b>EBITDA Reported</b>				
Domestic	1.461	1.723	1.621	1.740
Brasile	258	298	372	390
Other activities & Elim.	(7)	(7)	(3)	(6)
<b>TI Group</b>	<b>1.712</b>	<b>2.014</b>	<b>1.990</b>	<b>2.124</b>
<b>EBITDA Margin Reported</b>				
Domestic	41,2%	46,6%	44,4%	45,2%
Brasile	28,8%	31,0%	31,5%	35,1%
<b>TI Group</b>	<b>38,6%</b>	<b>43,3%</b>	<b>41,3%</b>	<b>42,9%</b>
<b>EBIT Reported</b>				
Domestic	662	919	787	898
Brasile	49	72	81	113
Other activities & Elim.	(7)	(8)	(3)	(5)
<b>TI Group</b>	<b>704</b>	<b>983</b>	<b>865</b>	<b>1.006</b>
<b>EBIT Margin Reported</b>				
Domestic	18,7%	24,8%	21,6%	23,3%
Brasile	5,5%	7,5%	6,9%	10,2%
<b>TI Group</b>	<b>15,9%</b>	<b>21,1%</b>	<b>17,9%</b>	<b>20,3%</b>
<b>CAPEX</b>				
Domestic	778	797	631	995
Brasile	166	242	200	230
Elim & Adj	0	0		0
<b>TI Group</b>	<b>944</b>	<b>1.039</b>	<b>831</b>	<b>1.225</b>
<b>CAPEX ON SALES (%)</b>				
Domestic	21,9%	21,5%	17,3%	25,9%
Brasile	18,5%	25,2%	16,9%	20,7%
<b>TI Group</b>	<b>21,3%</b>	<b>22,3%</b>	<b>17,2%</b>	<b>24,7%</b>

## P&L Group

UNAUDITED FIGURES

€ mln	1Q16	1H16	1Q17	1H17
<b>REVENUES</b>	<b>4.440</b>	<b>9.096</b>	<b>4.819</b>	<b>9.772</b>
Other Income	47	107	78	217
<b>TOTAL OPERATING REVENUES AND OTHER INCOME</b>	<b>4.487</b>	<b>9.203</b>	<b>4.897</b>	<b>9.989</b>
Acquisition of goods and services	(1.923)	(3.783)	(2.061)	(4.136)
Employee benefits expenses	(848)	(1.551)	(760)	(1.530)
Other operating expenses	(247)	(501)	(273)	(576)
Internally generated assets and Others	243	358	187	367
<b>EBITDA</b>	<b>1.712</b>	<b>3.726</b>	<b>1.990</b>	<b>4.114</b>
<i>EBITDA Margin</i>	38,6%	41,0%	41,3%	42,1%
Depreciation and amortization	(1.009)	(2.047)	(1.129)	(2.249)
Gains (losses) on disposals of non-current assets	3	13	4	6
Impairment reversals (losses) on non-current assets	(2)	(5)		-
<b>EBIT</b>	<b>704</b>	<b>1.687</b>	<b>865</b>	<b>1.871</b>
<i>EBIT Margin</i>	15,9%	18,5%	17,9%	19,1%
Income (loss) equity invest. valued equity method		5		(20)
Net Financial Income / (Expenses)	(26)	(145)	(384)	(740)
<b>Profit (loss) before tax from continuing operations</b>	<b>678</b>	<b>1.547</b>	<b>481</b>	<b>1.111</b>
Income tax expense	(221)	(489)	(256)	(457)
<b>Profit (loss) from continuing operations</b>	<b>457</b>	<b>1.058</b>	<b>225</b>	<b>654</b>
Profit (loss) from Discontinued operations/Non-current assets held	47	47		
<b>Profit (loss) for the year</b>	<b>504</b>	<b>1.105</b>	<b>225</b>	<b>654</b>
Attributable to:				
<b>Owners of the Parent</b>	<b>433</b>	<b>1.018</b>	<b>200</b>	<b>596</b>
Non-controlling interests	71	87	25	58

# Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln

	FY16	1H17
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Goodwill	29.612	29.511
Intangible assets with a finite useful life	6.951	6.594
	<u>36.563</u>	<u>36.105</u>
<b>Tangible assets</b>		
Property, plant and equipment owned	13.947	13.671
Assets held under finance leases	2.413	2.371
	<u>16.360</u>	<u>16.042</u>
<b>Other non-current assets</b>		
Investments in associates and joint ventures accounted for using the equity method	18	17
Other investments	46	48
Non-current financial assets	2.698	2.185
Miscellaneous receivables and other non-current assets	2.222	2.324
Deferred tax assets	877	525
	<u>5.861</u>	<u>5.099</u>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b><u>58.784</u></b>	<b><u>57.246</u></b>
<b>CURRENT ASSETS</b>		
Inventories	270	314
Trade and miscellaneous receivables and other current assets	5.426	5.617
Current income tax receivables	94	45
Other investments		
Securities other than investments, financial receivables and other current financial assets	1.908	1.732
Cash and cash equivalents	3.964	4.086
<b>Current assets sub-total</b>	<b><u>11.662</u></b>	<b><u>11.794</u></b>
<b>Discontinued operations/assets held for sale</b>		
of a financial nature	-	-
of a non-financial nature	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS (B)</b>	<b><u>11.662</u></b>	<b><u>11.794</u></b>
<b>TOTAL ASSETS (A+B)</b>	<b><u>70.446</u></b>	<b><u>69.040</u></b>

# Consolidated Balance Sheet

UNAUDITED FIGURES

€ mln

FY16

1H17

## EQUITY AND LIABILITIES

### EQUITY

Equity attributable to equity holders of the Parent	21.207	21.404
Equity attributable to Minority Interests	2.346	2.215
<b>TOTAL EQUITY (C)</b>	<b>23.553</b>	<b>23.619</b>

### NON-CURRENT LIABILITIES

Non-current financial liabilities	30.469	28.887
Employee benefits	1.355	1.336
Deferred tax liabilities	293	323
Provisions	830	813
Miscellaneous payables and other non-current liabilities	1.607	1.594
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>34.554</b>	<b>32.953</b>

### CURRENT LIABILITIES

Current financial liabilities	4.056	4.844
Trade and miscellaneous payables and other current liabilities	7.646	7.056
Current income tax payables	637	568
<b>Current liabilities sub-total (E)</b>	<b>12.339</b>	<b>12.468</b>

### Liabilities directly associated with Discontinued operations/Non-current assets held for sale

of a financial nature	-	-
of a non-financial nature	-	-
	-	-

<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>12.339</b>	<b>12.468</b>
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<b>TOTAL LIABILITIES (F=D+E)</b>	<b>46.893</b>	<b>45.421</b>
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<b>TOTAL EQUITY AND LIABILITIES (C+F)</b>	<b>70.446</b>	<b>69.040</b>
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# Net Cash Flow & Net Debt Dynamics

UNAUDITED FIGURES

(€ mln)	1Q16	1H16	1Q17	1H17
EBITDA	1.712	3.726	1.990	4.114
CAPEX	(944)	(1.983)	(831)	(2.056)
Change in net operating working capital:	(750)	(1.078)	(795)	(1.130)
Change in inventories	(87)	(40)	(29)	(44)
Change in trade receivables and net amounts due from customers on construction contracts	30	(130)	31	(52)
Change in trade payables (*)	(566)	(635)	(697)	(692)
Other changes in operating receivables/payables	(127)	(273)	(100)	(342)
Change in provisions for employee benefits	59	40	(7)	(7)
Change in operating provisions and Other changes	(52)	(34)	4	37
<b>Net operating Free Cash Flow</b>	<b>25</b>	<b>671</b>	<b>361</b>	<b>958</b>
Sale of investments and other disposals flow	707	732	2	9
Share capital increases/reimbursements, including incidental costs				6
Financial investments flow	(9)	(9)	(1)	(1)
Dividends payment		(227)		(218)
Change in finance lease contracts	(46)	(123)	(15)	(30)
Finance expenses, income taxes and other net non-operating requirements flow	(500)	(1.242)	(463)	(709)
<b>Reduction/(Increase) in adjusted net financial debt from continuing operations</b>	<b>177</b>	<b>(198)</b>	<b>(116)</b>	<b>15</b>
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(38)	(38)	-	
<b>Reduction/(Increase) in adjusted net financial debt</b>	<b>139</b>	<b>(236)</b>	<b>(116)</b>	<b>15</b>
<b>OPENING NET FINANCIAL DEBT (Adjusted)</b>	<b>27.278</b>	<b>27.278</b>	<b>25.119</b>	<b>25.119</b>
Net cash flow	139	(236)	(116)	15
<b>ENDING NET FINANCIAL DEBT (Adjusted)</b>	<b>27.139</b>	<b>27.514</b>	<b>25.235</b>	<b>25.104</b>
Adj for fair value valuation of derivatives and related underlyings	1.094	556	688	624
<b>ENDING NET FINANCIAL DEBT (Reported)</b>	<b>28.233</b>	<b>28.070</b>	<b>25.923</b>	<b>25.728</b>

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



## Domestic Business Results - Reported Figures

€ mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy
<b>KPI's ('000)</b>														
Wireline														
Physical accesses	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%	11.230	-3,2%	11.185	-2,5%
Broadband (retail+wholesale)	8.955	1,9%	8.992	1,9%	9.042	2,3%	9.206	3,6%	9.206	3,6%	9.435	5,4%	9.687	7,7%
Mobile														
Total lines <sup>(1)</sup>	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%	29.417	-1,4%	29.952	0,7%
€ mln														
<b>REVENUES</b>	<b>3.548</b>	-2,3%	<b>3.699</b>	-1,2%	<b>3.789</b>	1,0%	<b>3.970</b>	2,5%	<b>15.006</b>	0,0%	<b>3.647</b>	2,8%	<b>3.847</b>	4,0%
o/w Services	3.352	-2,4%	3.468	-1,1%	3.526	-0,4%	3.532	-1,3%	13.878	-1,3%	3.342	-0,3%	3.500	0,9%
o/w Equipments	196	0,1%	231	-3,4%	263	23,9%	438	48,1%	1.128	19,6%	305	55,8%	347	50,6%
<b>o/w Domestic Mobile Services</b>	<b>1.059</b>	0,6%	<b>1.117</b>	0,7%	<b>1.183</b>	1,1%	<b>1.220</b>	3,0%	<b>4.579</b>	1,4%	<b>1.083</b>	2,2%	<b>1.145</b>	2,5%
o/w Traditional	573	-7,7%	580	-6,9%	561	-12,2%	537	-13,5%	2.250	-10,1%	496	-13,4%	512	-11,6%
o/w Innovative	438	16,8%	466	12,0%	527	16,4%	577	19,2%	2.008	16,2%	534	21,8%	558	19,8%
o/w Wholesale	48	-15,8%	72	1,1%	96	20,7%	105	34,9%	321	12,4%	53	10,4%	74	3,4%
<b>o/w Domestic Wireline Services</b>	<b>2.483</b>	-4,3%	<b>2.488</b>	-4,8%	<b>2.499</b>	-3,6%	<b>2.494</b>	-3,0%	<b>9.965</b>	-3,9%	<b>2.424</b>	-2,4%	<b>2.508</b>	0,8%
o/w Traditional Services	1.064	-10,8%	1.053	-11,1%	1.032	-10,3%	1.069	-3,6%	4.219	-9,0%	967	-9,1%	974	-7,6%
o/w Innovative Services	590	5,8%	610	4,6%	624	8,1%	648	8,7%	2.472	6,8%	652	10,5%	708	16,0%
o/w Domestic Wholesale	537	-4,1%	506	-7,8%	503	-8,6%	488	-10,7%	2.034	-7,8%	505	-5,9%	498	-1,5%
o/wTIS Group	311	0,3%	338	4,0%	354	5,4%	348	1,5%	1.351	2,8%	310	-0,3%	336	-0,6%
o/w Subs. Adj. and Other	-19	24,7%	-19	32,4%	-13	41,4%	-59	-155,0%	-110	-11,3%	-11	45,1%	-7	62,5%
<b>Elimination &amp; Other</b>	<b>-190</b>	10,9%	<b>-137</b>	37,1%	<b>-157</b>	29,5%	<b>-182</b>	-2,9%	<b>-667</b>	19,8%	<b>-164</b>	13,5%	<b>-154</b>	-11,8%
<b>EBITDA Reported</b>	<b>1.461</b>	-9,3%	<b>1.723</b>	39,4%	<b>1.811</b>	7,9%	<b>1.703</b>	63,4%	<b>6.698</b>	20,3%	<b>1.621</b>	11,0%	<b>1.740</b>	1,0%
EBITDA Margin	41,2%		46,6%		47,8%		42,9%		44,6%		44,4%		45,2%	
<b>Capex</b>	<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%	<b>631</b>	-18,9%	<b>995</b>	24,8%
% on revenues	21,9%		21,5%		21,7%		33,0%		24,7%		17,3%		25,9%	
<b>Headcount at period-end ('000)</b>	<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%	<b>51.163</b>	-2,7%	<b>51.095</b>	-2,9%

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

## Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy
<b>KPI's</b>														
Physical accesses ('000)	11.602	-5,5%	11.468	-5,1%	11.368	-4,5%	11.285	-3,9%	11.285	-3,9%	11.230	-3,2%	11.185	-2,5%
o/w NGN	668	131,5%	784	110,7%	864	100,0%	987	84,6%	987	84,6%	1.217	82,3%	1.507	92,2%
OLO Access (on TI infrastructure)	7.543	3,4%	7.606	3,1%	7.600	2,8%	7.677	2,8%	7.677	2,8%	7.810	3,5%	7.881	3,6%
o/w ULL	5.632	3,2%	5.680	3,1%	5.658	2,5%	5.641	1,2%	5.641	1,2%	5.657	0,4%	5.620	-1,1%
o/w Virtual ULL	29	12,2%	28	2,7%	23	-19,4%	21	-25,8%	21	-25,8%	17	-40,2%	16	-41,7%
o/w Wholesale Line Rental	470	-16,9%	443	-19,1%	416	-20,6%	388	-21,9%	388	-21,9%	373	-20,6%	347	-21,8%
o/w Naked	1.241	2,9%	1.256	3,5%	1.256	3,1%	1.274	3,6%	1.274	3,6%	1.282	3,3%	1.267	0,9%
o/w NGN	170	-	199	-	247	-	353	-	353	-	481	-	632	-
TI Retail Broadband Accesses ('000)	7.067	1,8%	7.088	1,7%	7.123	2,0%	7.191	2,4%	7.191	2,4%	7.310	3,4%	7.419	4,7%
o/w Business	1.480	-4,2%	1.472	-3,3%	1.470	-2,3%	1.464	-1,6%	1.464	-1,6%	1.470	-0,7%	1.477	0,4%
o/w Consumer	5.588	3,5%	5.616	3,1%	5.653	3,2%	5.727	3,5%	5.727	3,5%	5.840	4,5%	5.942	5,8%
% flat offers on TI total portfolio (Consumer+Business)	94%	1,8pp	94%	1,5pp	95%	1,4pp	95%	1,2pp	95%	1,2pp	95%	1,2pp	96%	1,1pp
Broadband Accesses Wholesale ('000)	1.888	2,6%	1.903	2,9%	1.918	3,4%	2.016	8,0%	2.016	8,0%	2.125	12,6%	2.268	19,2%
BB Arpu (euro/mese)	21,5	5,2%	21,9	4,4%	22,4	8,1%	22,3	5,5%	22,0	5,8%	23,0	7,3%	24,9	13,8%
<b>REVENUES(€ mln)</b>														
<b>TOTAL</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>2.721</b>	<b>2,1%</b>	<b>10.495</b>	<b>-1,5%</b>	<b>2.596</b>	<b>1,7%</b>	<b>2.700</b>	<b>4,7%</b>
o/w Services	2.483	-4,3%	2.488	-4,8%	2.499	-3,6%	2.494	-3,0%	9.965	-3,9%	2.424	-2,4%	2.508	0,8%
o/w Equipments	70	13,8%	90	20,7%	144	169,0%	227	145,2%	530	88,2%	172	145,8%	192	114,0%
<b>TRADITIONAL SERVICES</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>967</b>	<b>-9,1%</b>	<b>974</b>	<b>-7,6%</b>
<b>o/w Voice</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>	<b>801</b>	<b>-11,1%</b>	<b>812</b>	<b>-7,1%</b>
o/w Traffic	324	-8,4%	323	-10,1%	306	-11,9%	306	-9,9%	1.259	-10,1%	297	-8,4%	305	-5,6%
o/w Access	515	-15,9%	489	-16,6%	470	-16,3%	463	-14,1%	1.937	-15,8%	445	-13,5%	449	-8,0%
o/w Voice VAS	26	-15,4%	27	-5,9%	27	-4,8%	27	-2,4%	106	-7,3%	25	-2,7%	25	-9,4%
o/w Rental & other	37	-13,7%	35	-14,0%	33	-16,4%	35	-8,5%	140	-13,2%	34	-6,8%	33	-5,3%
<b>o/w Business Data &amp; Others trad</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>	<b>166</b>	<b>1,5%</b>	<b>161</b>	<b>-10,0%</b>
o/w Data Services	112	-4,8%	113	-5,8%	112	2,0%	115	-1,8%	453	-2,7%	111	-1,3%	111	-1,5%
o/w Rental & other	51	37,3%	67	33,4%	83	32,1%	124	157,4%	325	63,9%	55	7,6%	50	-24,4%
<b>INNOVATIVE SERVICES</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>652</b>	<b>10,5%</b>	<b>708</b>	<b>16,0%</b>
<b>o/w Broadband</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>	<b>493</b>	<b>10,4%</b>	<b>539</b>	<b>17,8%</b>
o/w Access & Bundles Services	429	7,6%	440	6,8%	454	10,9%	457	8,9%	1.780	8,6%	470	9,5%	515	17,0%
o/w Others	17	-6,4%	17	-7,6%	17	-6,4%	16	-10,0%	67	-7,6%	23	31,5%	23	38,9%
<b>o/w Content</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>4</b>	<b>0,9%</b>	<b>8</b>	<b>96,5%</b>
<b>o/w ICT Service</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>155</b>	<b>11,3%</b>	<b>161</b>	<b>8,3%</b>
<b>Domestic Wholesale</b>	<b>537</b>	<b>-4,1%</b>	<b>506</b>	<b>-7,8%</b>	<b>503</b>	<b>-8,6%</b>	<b>488</b>	<b>-10,7%</b>	<b>2.034</b>	<b>-7,8%</b>	<b>505</b>	<b>-5,9%</b>	<b>498</b>	<b>-1,5%</b>
<b>TIS Group</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>310</b>	<b>-0,3%</b>	<b>336</b>	<b>-0,6%</b>
<b>Subs. Adj. and Other</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%</b>	<b>-110</b>	<b>-11,3%</b>	<b>-11</b>	<b>45,1%</b>	<b>-7</b>	<b>62,5%</b>

## Domestic Mobile Results - Reported Figures

€ mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy
<b>KPI's</b>														
Total number of lines ('000) <sup>(1)</sup>	29.846	-1,0%	29.742	-1,1%	29.549	-1,6%	29.617	-1,3%	29.617	-1,3%	29.417	-1,4%	29.952	0,7%
Churn Rate %	5,6%	-0,8pp	5,3%	-0,2pp	5,9%	0,1pp	6,0%	0,2pp	22,8%	-0,7pp	5,9%	0,2pp	6,9%	1,6pp
Total User Broadband (mln of users)	11,6	11,1%	11,8	9,5%	12,1	7,7%	12,2	6,0%	12,2	6,0%	12,2	4,7%	12,5	6,2%
o/w Total User LTE (mln of users)	5,0	-	5,7	-	6,2	-	7,6	-	7,6	-	8,3	-	9,0	-
Volumes of traffic (mln of minutes) <sup>(2)</sup>	16.943	4,9%	17.381	4,5%	17.213	5,3%	18.042	6,1%	69.578	5,2%	18.183	7,3%	19.310	11,1%
o/w Outgoing traffic volumes (mln of minutes)	10.999	1,6%	11.164	1,6%	11.143	4,0%	11.633	4,8%	44.939	3,0%	11.781	7,1%	12.627	13,1%
o/w Incoming traffic volumes (mln of minutes)	5.945	11,4%	6.217	10,1%	6.069	7,9%	6.408	8,6%	24.640	9,5%	6.402	7,7%	6.683	7,5%
Usage Voice (min/line/month) <sup>(3)</sup>	233	8,8%	241	8,2%	241	9,5%	256	10,2%	243	9,2%	259	11,4%	276	14,2%
Usage Data (GB/users/month)	1,7	28,6%	1,9	36,0%	2,0	24,7%	2,1	30,8%	1,9	29,7%	2,3	35,3%	2,7	43,3%
ARPU <sup>(3)</sup> €	11,6	2,5%	12,1	1,5%	12,8	2,4%	13,3	4,1%	12,4	2,6%	12,0	3,2%	12,5	3,2%
<b>REVENUES (€ mln), Reported figures</b>														
<b>TOTAL</b>	<b>1.186</b>	<b>3,0%</b>	<b>1.261</b>	<b>2,0%</b>	<b>1.300</b>	<b>-0,2%</b>	<b>1.432</b>	<b>3,9%</b>	<b>5.179</b>	<b>2,2%</b>	<b>1.216</b>	<b>2,5%</b>	<b>1.301</b>	<b>3,2%</b>
<b>SERVICES</b>	<b>1.059</b>	<b>0,6%</b>	<b>1.117</b>	<b>0,7%</b>	<b>1.183</b>	<b>1,1%</b>	<b>1.220</b>	<b>3,0%</b>	<b>4.579</b>	<b>1,4%</b>	<b>1.083</b>	<b>2,2%</b>	<b>1.145</b>	<b>2,5%</b>
<b>Traditional Services</b>	<b>573</b>	<b>-7,7%</b>	<b>580</b>	<b>-6,9%</b>	<b>561</b>	<b>-12,2%</b>	<b>537</b>	<b>-13,5%</b>	<b>2.250</b>	<b>-10,1%</b>	<b>496</b>	<b>-13,4%</b>	<b>512</b>	<b>-11,6%</b>
o/w Outgoing voice <sup>(4)</sup>	404	-12,8%	403	-11,4%	395	-14,3%	379	-12,3%	1.581	-12,7%	349	-13,7%	360	-10,7%
o/w Incoming voice	67	15,7%	70	13,4%	68	4,4%	71	3,2%	276	8,9%	71	5,4%	74	5,5%
o/w Messaging	102	2,0%	107	0,7%	98	-13,3%	87	-27,7%	394	-10,4%	76	-24,9%	79	-26,4%
<b>Innovative Services</b>	<b>438</b>	<b>16,8%</b>	<b>466</b>	<b>12,0%</b>	<b>527</b>	<b>16,4%</b>	<b>577</b>	<b>19,2%</b>	<b>2.008</b>	<b>16,2%</b>	<b>534</b>	<b>21,8%</b>	<b>558</b>	<b>19,8%</b>
o/w Browsing	356	16,3%	377	11,4%	392	5,4%	451	15,0%	1.576	11,9%	415	16,8%	437	15,6%
o/w Internet Content	83	19,4%	88	14,3%	135	67,6%	126	37,1%	432	35,4%	119	43,1%	122	37,8%
<b>Wholesale Services</b>	<b>48</b>	<b>-15,8%</b>	<b>72</b>	<b>1,1%</b>	<b>96</b>	<b>20,7%</b>	<b>105</b>	<b>34,9%</b>	<b>321</b>	<b>12,4%</b>	<b>53</b>	<b>10,4%</b>	<b>74</b>	<b>3,4%</b>
<b>Handsets</b>	<b>127</b>	<b>29,5%</b>	<b>144</b>	<b>13,7%</b>	<b>117</b>	<b>-12,0%</b>	<b>212</b>	<b>9,2%</b>	<b>600</b>	<b>8,8%</b>	<b>133</b>	<b>5,2%</b>	<b>156</b>	<b>8,6%</b>

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

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

<sup>(3)</sup> Net of visitors

<sup>(4)</sup> Outgoing voice revenues include roaming revenues

## TIM Brasil Results - Reported Figures

Reais mln

UNAUDITED FIGURES

	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy
<b>KPI's - Mobile only</b>														
Estimated Total Penetration (%)	125,4%		123,0%		121,6%		118,0%				117,2%		116,7%	
Market Share on total lines(%)	26,1%	-0,6pp	25,3%	-1,2pp	25,2%	-1,1pp	26,0%	+0,3pp	26,0%	+0,3pp	25,5%	-0,6pp	25,1%	
Total Lines ('000) (1)	67.269	-11,2%	63.988	-14,2%	63.247	-12,9%	63.418	-4,3%	63.418	-4,3%	61.868	-8,0%	60.831	-4,9%
TOTAL ARPU (2)	17,2	3%	17,2	7%	18,4	12%	19,2	9%	18,0	8%	19,0	+10,5%	19,4	+13%
TOTAL MOU net of visitors	119	-1,4%	118	-0,4%	116	-2,1%	113	-5,8%	117	-2,4%	107	-10,1%	107	-9,7%
<b>MAIN RESULTS (IAS/IFRS, R\$ mln)</b>														
	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	4Q16	Δ% yoy	FY16	Δ% yoy	1Q17	Δ% yoy	2Q17	Δ% yoy
<b>REVENUES Reported</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%	<b>3.951</b>	2,5%	<b>3.943</b>	3,2%
of which services	3.618	-8,3%	3.570	-5,9%	3.690	-2,4%	3.842	-0,7%	14.720	-4,3%	3.744	3,5%	3.750	5,0%
of which handsets	236	-61%	250	-56%	210	-37%	201	-18%	897	-49%	207	-12%	193	-23%
<b>EBITDA Reported</b>	<b>1.107</b>	-17,4%	<b>1.189</b>	-6,8%	<b>1.270</b>	-1,2%	<b>1.548</b>	5,8%	<b>5.114</b>	-4,7%	<b>1.247</b>	12,6%	<b>1.377</b>	15,8%
EBITDA margin	28,7%	-0,8pp	31,1%	1,8pp	32,6%	1,4pp	38,3%	2,7pp	32,7%	1,4pp	31,6%	2,9 pp	34,9%	3,8 pp
<b>EBITDA Organic (net non recurring)</b>	<b>1.140</b>	-15,0%	<b>1.190</b>	-6,7%	<b>1.292</b>	0,5%	<b>1.548</b>	2,1%	<b>5.170</b>	-4,6%	<b>1.247</b>	9,4%	<b>1.377</b>	15,7%
EBITDA margin	29,6%	0,1 pp	31,2%	1,9 pp	33,1%	1,9 pp	38,3%	1,5 pp	33,1%	1,5 pp	31,6%	2,0pp	34,9%	3,7 pp
<b>Capex Reported</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%	<b>669</b>	-5,8%	<b>809</b>	-17,0%
% on revenues	18,4%	-1,9pp	25,5%	-1,6pp	28,8%	0,4pp	41,9%	5,7pp	28,8%	1,0pp	16,9%	-1,5pp	20,5%	-5 pp
<b>Exchange rate AVG YTD (R\$ vs. euro)</b>	<b>4,29753</b>		<b>4,13001</b>		<b>3,96106</b>		<b>3,85935</b>		<b>3,85935</b>		<b>3,34707</b>		<b>3,44195</b>	

(1) Includes company lines

(2) Gross of visitors

€ mln

## Reported &amp; Organic Figures (\*): YoY trends

Revised

UNAUDITED FIGURES

2Q16				2Q17			Δ% yoy reported	Δ% yoy organic *	
Reported Figures (a)	Non Organic elements (b)		Non recurring items (c)	Organic figures * (d=a+b+c)	Reported figures (e)	Non recurring items (f)	Organic figures * (g=e+f)	(h=e/a-1)	(i=g/d-1)
	Change in consolid. area	Exchange rate impact							
€ mln									
<b>REVENUES</b>					<b>REVENUES</b>				
Domestic	3.699		2	3.701	Domestic		3.847	4,0	3,9
o/w Wireline Domestic	2.578		2	2.580	o/w Wireline Domestic		2.700	4,7	4,7
o/w Mobile Domestic	1.261			1.261	o/w Mobile Domestic		1.301	3,2	3,2
Brasile	961		117	1.078	Brasile		1.112	15,7	3,2
Other Activities & Eliminations	(4)			(4)	Other Activities & Eliminations		(6,0)	(50,0)	(50,0)
<b>TI Group</b>	<b>4.656</b>		<b>119</b>	<b>4.775</b>	<b>TI Group</b>		<b>4.953</b>	<b>6,4</b>	<b>3,7</b>
<b>EBITDA</b>					<b>EBITDA</b>				
Domestic	1.723		1	1.740	Domestic	71	1.811	1,0	4,1
Brasile	298		38	336	Brasile	0	390	30,9	15,7
Other Activities & Eliminations	(7)			(7)	Other Activities & Eliminations		(6)		
<b>TI Group</b>	<b>2.014</b>		<b>39</b>	<b>2.069</b>	<b>TI Group</b>	<b>71</b>	<b>2.195</b>	<b>5,5</b>	<b>6,1</b>
<b>EBITDA Margin</b>					<b>EBITDA Margin</b>				
Domestic	46,6%			47,0%	Domestic		47,1%	-1,4 pp	0,1 pp
Brasile	31,0%			31,2%	Brasile		34,9%	4,1 pp	3,7 pp
<b>TI Group</b>	<b>43,3%</b>			<b>43,3%</b>	<b>TI Group</b>		<b>44,3%</b>	<b>-0,4 pp</b>	<b>1 pp</b>
<b>EBIT</b>					<b>EBIT</b>				
Domestic	919		0	935	Domestic	71	969	(2,3)	3,6
Brasile	72		10	71	Brasile	1	114	56,9	58,3
Other Activities & Elimination	(8)			(7)	Other Activities & Elimination		(5)		28,4
<b>TI Group</b>	<b>983</b>		<b>10</b>	<b>999</b>	<b>TI Group</b>	<b>72</b>	<b>1.078</b>	<b>2,3</b>	<b>7,9</b>
<b>EBIT Margin</b>					<b>EBIT Margin</b>				
Domestic	24,8%			25,3%	Domestic		25,2%	-1,5 pp	-0,1 pp
Brasile	7,5%			6,6%	Brasile		10,1%	2,7 pp	3,5 pp
<b>TI Group</b>	<b>21,1%</b>			<b>20,9%</b>	<b>TI Group</b>		<b>21,8%</b>	<b>-0,8 pp</b>	<b>0,9 pp</b>

Non recurring items on EBITDA	2Q16	2Q17	Non recurring items on EBIT	2Q16	2Q17
Labour cost	2	5	Labour Costs	2	5
Other Costs & Charges	14	66	Other Costs & Charges	4	67
<b>Total</b>	<b>16</b>	<b>71</b>	<b>Total</b>	<b>6</b>	<b>72</b>

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

## Domestic Reported and Organic Ebitda

€ mln

	1Q17		1Q16		Δ yoy		2Q17		2Q16		Δ yoy		1H17		2H16		Δ yoy	
	abs	%	abs	%	abs	%	abs	%	abs	%	abs	%	abs	%	abs	%	abs	%
<b>EBITDA Organic</b>	<b>1.645</b>	<b>1.529</b>	<b>116</b>	<b>+7,6%</b>	<b>1.811</b>	<b>1.740</b>	<b>71</b>	<b>+4,1%</b>	<b>3.456</b>	<b>3.269</b>	<b>187</b>	<b>+5,7%</b>						
Exchange Rate Impact		1	(1)		0	1	(1)				2	(2)						
Labour Costs	5	65	(60)		5	2	3				67	(57)						
Other Operational Costs	19	2	17		64	14	50				16	67						
Other Charges			0		2	0	2				2	2						
<b>Non recurring Items</b>	<b>24</b>	<b>68</b>	<b>(44)</b>		<b>71</b>	<b>17</b>	<b>54</b>		<b>95</b>	<b>85</b>	<b>10</b>							
<b>EBITDA Reported</b>	<b>1.621</b>	<b>1.461</b>	<b>160</b>	<b>+11,0%</b>	<b>1.740</b>	<b>1.723</b>	<b>17</b>	<b>+1,0%</b>	<b>3.361</b>	<b>3.184</b>	<b>177</b>	<b>+5,6%</b>						

UNAUDITED FIGURES