



## 3Q'16 Financial and operating data

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## Disclaimer

The financial and operating data, with the exception of some data, have been extracted or derived from the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016 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). Such interim financial statements are unaudited.

The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016 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 Telecom Italia Group starting from 1 January 2016 which had no effects on the Condensed Consolidated Financial Statements as of and for the nine months ended 30 September 2016.

Within the Brazil Business Unit, TIM Brasil's Management recently 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 as of 31 December 2015 and for the three-month and nine-month periods ended 30 September 2015 have been revised, segment information included. Furthermore, such revision did not have any material impact on the consolidated income statement of the three-month and nine-month periods ended 30 September 2015.

Segment information is consistent with the prior periods under comparison with the exception of the Media Business Unit that, starting from 1 January 2016, as a result of the change in the operational mission of Persidera, is included in the Domestic Business Unit. For prior periods under comparison the Media Business Unit was reclassified under Other activities & Eliminations.

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

## P&L Group

€ mln	Revised			UNAUDITED FIGURES		
	1Q15	1H15	9M15	1Q16	1H16	9M16
<b>REVENUES</b>	<b>5,054</b>	<b>10,101</b>	<b>14,878</b>	<b>4,440</b>	<b>9,096</b>	<b>13,939</b>
Other Income	53	131	206	47	107	165
<b>TOTAL OPERATING REVENUES AND OTHER INCOME</b>	<b>5,107</b>	<b>10,232</b>	<b>15,084</b>	<b>4,487</b>	<b>9,203</b>	<b>14,104</b>
Acquisition of goods and services	(2,171)	(4,372)	(6,340)	(1,923)	(3,783)	(5,710)
Employee benefits expenses	(833)	(1,705)	(2,433)	(848)	(1,551)	(2,303)
Other operating expenses	(265)	(888)	(1,160)	(247)	(501)	(757)
Internally generated assests and Others	195	372	471	243	358	544
<b>EBITDA</b>	<b>2,033</b>	<b>3,639</b>	<b>5,622</b>	<b>1,712</b>	<b>3,726</b>	<b>5,878</b>
<i>EBITDA Margin</i>	40.2%	36.0%	37.8%	38.6%	41.0%	42.2%
Depreciation and amortization	(1,052)	(2,130)	(3,164)	(1,009)	(2,047)	(3,116)
Impairment reversals (losses) on non-current assets				(2)	(5)	(8)
Gains (losses) on disposals of non-current assets		279	348	3	13	14
<b>EBIT</b>	<b>981</b>	<b>1,788</b>	<b>2,806</b>	<b>704</b>	<b>1,687</b>	<b>2,768</b>
<i>EBIT Margin</i>	19.4%	17.7%	18.9%	15.9%	18.5%	19.9%
Income (loss) equity invest. valued equity method	2	4	15		5	4
Net Financial Income / (Expenses)	(817)	(1,482)	(1,970)	(26)	(145)	(510)
<b>Profit (loss) before tax from continuing operations</b>	<b>166</b>	<b>310</b>	<b>851</b>	<b>678</b>	<b>1,547</b>	<b>2,262</b>
Income tax expense	(74)	(195)	(391)	(221)	(489)	(699)
<b>Profit (loss) from continuing operations</b>	<b>92</b>	<b>115</b>	<b>460</b>	<b>457</b>	<b>1,058</b>	<b>1,563</b>
Profit (loss) from Discontinued operations/Non-current assets held for sale	169	330	480	47	47	47
<b>Profit (loss) for the year</b>	<b>261</b>	<b>445</b>	<b>940</b>	<b>504</b>	<b>1,105</b>	<b>1,610</b>
Attributable to:						
<b>Owners of the Parent</b>	<b>82</b>	<b>33</b>	<b>367</b>	<b>433</b>	<b>1,018</b>	<b>1,495</b>
Non-controlling interests	179	412	573	71	87	115

## Key financial data by Business Unit

	Revised			UNAUDITED FIGURES		
REVENUES (€ mln)	1Q15	1H15	9M15	1Q16	1H16	9M16
Domestic	3,631	7,375	11,127	3,548	7,247	11,036
o/w Wireline Domestic	2,657	5,345	7,990	2,553	5,131	7,774
o/w Mobile Domestic	1,151	2,387	3,690	1,186	2,447	3,747
Brasile	1,412	2,691	3,699	897	1,858	2,922
Other activities & Elim.	11	35	52	(5)	(9)	(19)
<b>TI Group</b>	<b>5,054</b>	<b>10,101</b>	<b>14,878</b>	<b>4,440</b>	<b>9,096</b>	<b>13,939</b>
<b>EBITDA Reported (€ mln)</b>						
Domestic	1,610	2,846	4,525	1,461	3,184	4,995
Brasile	416	790	1,108	258	556	900
Other activities & Elim.	7	3	(11)	(7)	(14)	(17)
<b>TI Group</b>	<b>2,033</b>	<b>3,639</b>	<b>5,622</b>	<b>1,712</b>	<b>3,726</b>	<b>5,878</b>
<b>EBITDA Margin Reported</b>						
Domestic	44.3%	38.6%	40.7%	41.2%	43.9%	45.3%
Brasile	29.5%	29.4%	30.0%	28.8%	29.9%	30.8%
<b>TI Group</b>	<b>40.2%</b>	<b>36.0%</b>	<b>37.8%</b>	<b>38.6%</b>	<b>41.0%</b>	<b>42.2%</b>
<b>EBIT Reported (€ mln)</b>						
Domestic	814	1,222	2,090	662	1,581	2,575
Brasile	165	574	742	49	121	210
Other activities & Elim.	2	-8	(26)	(7)	(15)	(17)
<b>TI Group</b>	<b>981</b>	<b>1,788</b>	<b>2,806</b>	<b>704</b>	<b>1,687</b>	<b>2,768</b>
<b>EBIT Margin Reported</b>						
Domestic	22.4%	16.6%	18.8%	18.7%	21.8%	23.3%
Brasile	11.7%	21.3%	20.1%	5.5%	6.5%	7.2%
<b>TI Group</b>	<b>19.4%</b>	<b>17.7%</b>	<b>18.9%</b>	<b>15.9%</b>	<b>18.5%</b>	<b>19.9%</b>
<b>CAPEX (€ mln)</b>						
Domestic	676	1,506	2,297	778	1,575	2,398
Brasile	287	637	930	166	408	709
Elim & Adj	1	3	6	0	0	0
<b>TI Group</b>	<b>964</b>	<b>2,146</b>	<b>3,233</b>	<b>944</b>	<b>1,983</b>	<b>3,107</b>
<b>CAPEX ON SALES (%)</b>						
Domestic	18.6%	20.4%	20.6%	21.9%	21.7%	21.7%
Brasile	20.3%	23.7%	25.1%	18.5%	22.0%	24.3%
<b>TI Group</b>	<b>19.1%</b>	<b>21.2%</b>	<b>21.7%</b>	<b>21.3%</b>	<b>21.8%</b>	<b>22.3%</b>

## Key financial data by Business Unit

	Revised			UNAUDITED FIGURES		
REVENUES (€ mln)	1Q15	2Q15	3Q15	1Q16	2Q16	3Q16
Domestic	3,631	3,744	3,752	3,548	3,699	3,789
o/w Wireline Domestic	2,657	2,688	2,645	2,553	2,578	2,643
o/w Mobile Domestic	1,151	1,236	1,303	1,186	1,261	1,300
Brasile	1,412	1,279	1,008	897	961	1,064
Other activities & Elim.	11	24	17	(5)	(4)	(10)
<b>TI Group</b>	<b>5,054</b>	<b>5,047</b>	<b>4,777</b>	<b>4,440</b>	<b>4,656</b>	<b>4,843</b>
<b>EBITDA Reported (€ mln)</b>						
Domestic	1,610	1,236	1,679	1,461	1,723	1,811
Brasile	416	374	318	258	298	344
Other activities & Elim.	7	(4)	(14)	(7)	(7)	(3)
<b>TI Group</b>	<b>2,033</b>	<b>1,606</b>	<b>1,983</b>	<b>1,712</b>	<b>2,014</b>	<b>2,152</b>
<b>EBITDA Margin Reported</b>						
Domestic	44.3%	33.0%	44.7%	41.2%	46.6%	47.8%
Brasile	29.5%	29.2%	31.5%	28.8%	31.0%	32.3%
<b>TI Group</b>	<b>40.2%</b>	<b>31.8%</b>	<b>41.5%</b>	<b>38.6%</b>	<b>43.3%</b>	<b>44.4%</b>
<b>EBIT Reported (€ mln)</b>						
Domestic	814	408	868	662	919	994
Brasile	165	409	168	49	72	89
Other activities & Elim.	2	(10)	(18)	(7)	(8)	(2)
<b>TI Group</b>	<b>981</b>	<b>807</b>	<b>1,018</b>	<b>704</b>	<b>983</b>	<b>1,081</b>
<b>EBIT Margin Reported</b>						
Domestic	22.4%	10.9%	23.1%	18.7%	24.8%	26.2%
Brasile	11.7%	32.0%	16.7%	5.5%	7.5%	8.4%
<b>TI Group</b>	<b>19.4%</b>	<b>16.0%</b>	<b>21.3%</b>	<b>15.9%</b>	<b>21.1%</b>	<b>22.3%</b>
<b>CAPEX (€ mln)</b>						
Domestic	676	830	791	778	797	823
Brasile	287	350	293	166	242	301
Elim & Adj	1	2	3	0	0	0
<b>TI Group</b>	<b>964</b>	<b>1,182</b>	<b>1,087</b>	<b>944</b>	<b>1,039</b>	<b>1,124</b>
<b>CAPEX ON SALES (%)</b>						
Domestic	18.6%	22.2%	21.1%	21.9%	21.5%	21.7%
Brasile	20.3%	27.4%	29.1%	18.5%	25.2%	28.3%
<b>TI Group</b>	<b>19.1%</b>	<b>23.4%</b>	<b>22.8%</b>	<b>21.3%</b>	<b>22.3%</b>	<b>23.2%</b>

## Net Cash Flow & Net Debt Dynamics

(€ mln)	Revised			UNAUDITED FIGURES		
	1Q15	1H15	9M15	1Q16	1H16	9M16
EBITDA	2,033	3,639	5,622	1,712	3,726	5,878
CAPEX	(964)	(2,146)	(3,233)	(944)	(1,983)	(3,107)
Change in net operating working capital:	(1,502)	(1,124)	(1,149)	(750)	(1,078)	(830)
Change in inventories	(40)	(54)	19	(87)	(40)	(71)
Change in trade receivables and net amounts due from customers on construction contracts	(345)	(128)	315	30	(130)	(31)
Change in trade payables (*)	(979)	(912)	(1,433)	(566)	(635)	(425)
Other changes in operating receivables/payables	(138)	(30)	(50)	(127)	(273)	(303)
Change in provisions for employee benefits	(6)	19	32	59	40	12
Change in operating provisions and Other changes	(16)	313	279	(52)	(34)	(45)
<b>Net operating Free Cash Flow</b>	<b>(455)</b>	<b>701</b>	<b>1,551</b>	<b>25</b>	<b>671</b>	<b>1,908</b>
Sale of investments and other disposals flow	3	1,379	1,554	707	732	737
Share capital increases/reimbursements, including incidental costs	186	186	186			
Financial investments flow		(24)	(35)	(9)	(9)	(11)
Dividends payment	(3)	(204)	(204)		(227)	(227)
Change in finance lease contracts		(984)	(1,367)	(46)	(123)	(178)
Finance expenses, income taxes and other net non-operating requirements flow	(486)	(1,217)	(1,616)	(500)	(1,242)	(1,648)
Riduzione/incremento dell'indebitamento finanziario netto delle attività cessate/attività non correnti destinate ad essere cedute						
<b>Reduction/(Increase) in adjusted net financial debt from continuing operations</b>	<b>(755)</b>	<b>(163)</b>	<b>69</b>	<b>177</b>	<b>(198)</b>	<b>581</b>
Reduction/(Increase) in net financial debt from Discontinued operations/Non-current assets held for sale	(24)	(178)	(222)	(38)	(38)	(38)
<b>Reduction/(Increase) in adjusted net financial debt</b>	<b>(779)</b>	<b>(341)</b>	<b>(153)</b>	<b>139</b>	<b>(236)</b>	<b>543</b>
<b>OPENING NET FINANCIAL DEBT (Adjusted)</b>	<b>26,651</b>	<b>26,651</b>	<b>26,651</b>	<b>27,278</b>	<b>27,278</b>	<b>27,278</b>
Net cash flow	(779)	(341)	(153)	139	(236)	543
<b>ENDING NET FINANCIAL DEBT (Adjusted)</b>	<b>27,430</b>	<b>26,992</b>	<b>26,804</b>	<b>27,139</b>	<b>27,514</b>	<b>26,735</b>
Adj for fair value valuation of derivatives and related underlyings	1,573	1,366	1,163	1,094	556	676
<b>ENDING NET FINANCIAL DEBT (Reported)</b>	<b>29,003</b>	<b>28,358</b>	<b>27,967</b>	<b>28,233</b>	<b>28,070</b>	<b>27,411</b>

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

# Consolidated Balance Sheet

Revised

UNAUDITED FIGURES

€ mln	FY15	1Q16	1H16	9M16
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Goodwill	29,383	29,436	29,566	29,548
Intangible assets with a finite useful life	6,480	6,516	6,777	6,733
	35,863	35,952	36,343	36,281
<b>Tangible assets</b>				
Property, plant and equipment owned	12,659	12,816	13,211	13,233
Assets held under finance leases	2,208	2,210	2,298	2,358
	14,867	15,026	15,509	15,591
<b>Other non-current assets</b>				
Investments in associates and joint ventures accounted for using the equity method	41	41	39	39
Other investments	45	41	38	42
Securities, financial receivables and other non-current financial assets	2,989	2,766	3,129	2,960
Miscellaneous receivables and other non-current assets	1,778	1,899	2,048	2,096
Deferred tax assets	853	894	735	579
	5,706	5,641	5,989	5,716
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>56,436</b>	<b>56,619</b>	<b>57,841</b>	<b>57,588</b>
<b>CURRENT ASSETS</b>				
Inventories	254	341	294	325
Trade and miscellaneous receivables and other current assets	5,112	5,534	5,683	5,440
Current income tax receivables	163	26	69	81
Other investments				
Securities other than investments, financial receivables and other current financial assets	1,840	1,130	1,330	1,983
Cash and cash equivalents	3,559	2,665	2,707	4,275
<b>Current assets sub-total</b>	<b>10,928</b>	<b>9,696</b>	<b>10,083</b>	<b>12,104</b>
<b>Discontinued operations/assets held for sale</b>				
of a financial nature	227	-	-	-
of a non-financial nature	3,677	-	-	-
	3,904	-	-	-
<b>TOTAL CURRENT ASSETS (B)</b>	<b>14,832</b>	<b>9,696</b>	<b>10,083</b>	<b>12,104</b>
<b>TOTAL ASSETS (A+B)</b>	<b>71,268</b>	<b>66,315</b>	<b>67,924</b>	<b>69,692</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity attributable to equity holders of the Parent	17,554	18,181	19,106	19,414
Equity attributable to Minority Interests	3,695	2,035	2,221	2,223
<b>TOTAL EQUITY (C)</b>	<b>21,249</b>	<b>20,216</b>	<b>21,327</b>	<b>21,637</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current financial liabilities	30,518	30,354	31,027	31,363
Employee benefits	1,420	1,459	1,580	1,537
Deferred tax liabilities	323	367	434	436
Provisions	551	551	569	643
Miscellaneous payables and other non-current liabilities	1,110	1,140	1,207	1,497
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>33,922</b>	<b>33,871</b>	<b>34,817</b>	<b>35,476</b>
<b>CURRENT LIABILITIES</b>				
Current financial liabilities	6,224	4,440	4,209	5,266
Trade and miscellaneous payables and other current liabilities	7,882	7,701	7,445	7,183
Current income tax payables	110	87	126	130
<b>Current liabilities sub-total (E)</b>	<b>14,216</b>	<b>12,228</b>	<b>11,780</b>	<b>12,579</b>
<b>Liabilities directly associated with Discontinued operations/Non-current assets held for sale</b>				
of a financial nature	348	-	-	-
of a non-financial nature	1,533	-	-	-
	1,881	-	-	-
<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>16,097</b>	<b>12,228</b>	<b>11,780</b>	<b>12,579</b>
<b>TOTAL LIABILITIES (F=D+E)</b>	<b>50,019</b>	<b>46,099</b>	<b>46,597</b>	<b>48,055</b>
<b>TOTAL EQUITY AND LIABILITIES (C+F)</b>	<b>71,268</b>	<b>66,315</b>	<b>67,924</b>	<b>69,692</b>

## Domestic Business Results - Reported Figures

UNAUDITED FIGURES

	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
<b>KPI's ('000)</b>												
Wireline												
Physical accesses	12,283	-5.7%	12,080	-5.8%	11,907	-5.9%	11,602	-5.5%	11,468	-5.1%	11,368	-4.5%
Broadband (retail+wholesale)	8,784	0.3%	8,821	0.7%	8,839	1.1%	8,955	1.9%	8,992	1.9%	9,042	2.3%
Mobile												
Total lines <sup>(1)</sup>	30,140	-2.8%	30,075	-1.9%	30,023	-1.2%	29,846	-1.0%	29,742	-1.1%	29,549	-1.6%
<b>€ mln</b>												
<b>REVENUES</b>	<b>3,631</b>	<b>-2.6%</b>	<b>3,744</b>	<b>-1.6%</b>	<b>3,752</b>	<b>-1.4%</b>	<b>3,548</b>	<b>-2.3%</b>	<b>3,699</b>	<b>-1.2%</b>	<b>3,789</b>	<b>1.0%</b>
o/w Services	3,435	-3.3%	3,505	-1.7%	3,539	-1.5%	3,352	-2.4%	3,468	-1.1%	3,526	-0.4%
o/w Equipments	196	12.3%	239	1.3%	213	0.7%	196	0.1%	231	-3.4%	263	23.9%
<b>o/w Domestic Mobile Services</b>	<b>1,053</b>	<b>-4.2%</b>	<b>1,109</b>	<b>-2.5%</b>	<b>1,170</b>	<b>-1.5%</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>
o/w Traditional	621	-12.9%	622	-14.3%	639	-12.1%	573	-7.7%	580	-6.9%	561	-12.2%
o/w Innovative	375	14.4%	416	21.8%	453	16.0%	438	16.8%	466	12.0%	527	16.4%
o/w Wholesale	57	-1.6%	71	2.1%	79	10.0%	48	-15.8%	72	1.1%	96	20.7%
<b>o/w Domestic Wireline Services</b>	<b>2,595</b>	<b>-4.4%</b>	<b>2,614</b>	<b>-1.9%</b>	<b>2,592</b>	<b>-1.8%</b>	<b>2,483</b>	<b>-4.3%</b>	<b>2,488</b>	<b>-4.8%</b>	<b>2,499</b>	<b>-3.6%</b>
o/w Traditional Services	1,193	-8.4%	1,185	-6.2%	1,151	-6.3%	1,064	-10.8%	1,053	-11.1%	1,032	-10.3%
o/w Innovative Services	558	4.6%	583	7.8%	577	4.9%	590	5.8%	610	4.6%	624	8.1%
o/w Domestic Wholesale	560	-7.7%	549	-6.4%	550	-5.6%	537	-4.1%	506	-7.8%	503	-8.6%
o/wTIS Group	310	3.0%	325	8.3%	336	10.5%	311	0.3%	338	4.0%	354	5.4%
o/w Subs. Adj. and Other	-26	12.2%	-28	-3.3%	-23	15.8%	-19	24.7%	-19	32.4%	-13	41.4%
<b>Elimination &amp; Other</b>	<b>-213</b>	<b>18.0%</b>	<b>-218</b>	<b>6.8%</b>	<b>-223</b>	<b>4.8%</b>	<b>-190</b>	<b>10.9%</b>	<b>-137</b>	<b>37.1%</b>	<b>-157</b>	<b>29.5%</b>
<b>EBITDA</b>	<b>1,610</b>	<b>-10.2%</b>	<b>1,236</b>	<b>-27.7%</b>	<b>1,679</b>	<b>-6.5%</b>	<b>1,461</b>	<b>-9.3%</b>	<b>1,723</b>	<b>39.4%</b>	<b>1,811</b>	<b>7.9%</b>
EBITDA Margin	44.3%		33.0%		44.7%		41.2%		46.6%		47.8%	
<b>Capex</b>	<b>676</b>	<b>37.1%</b>	<b>830</b>	<b>21.3%</b>	<b>791</b>	<b>28.6%</b>	<b>778</b>	<b>15.1%</b>	<b>797</b>	<b>-4.0%</b>	<b>823</b>	<b>4.0%</b>
% on revenues	18.6%		22.2%		21.1%		21.9%		21.5%		21.7%	
<b>Headcount at period-end ('000)</b>	<b>52,965</b>	<b>-0.6%</b>	<b>52,825</b>	<b>-0.7%</b>	<b>52,726</b>	<b>-1.0%</b>	<b>52,713</b>	<b>-0.5%</b>	<b>52,622</b>	<b>-0.4%</b>	<b>52,140</b>	<b>-1.1%</b>

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



## Domestic Wireline Results - Reported Figures

							UNAUDITED FIGURES					
	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
<b>KPI's</b>												
Physical accesses ('000)	12,283	-5.7%	12,080	-5.8%	11,907	-5.9%	11,602	-5.5%	11,468	-5.1%	11,368	-4.5%
OLO Access (on TI infrastructure)	7,297	1.2%	7,375	1.6%	7,392	3.1%	7,543	3.4%	7,606	3.1%	7,600	2.8%
o/w ULL	5,460	1.2%	5,511	0.9%	5,517	2.9%	5,632	3.2%	5,680	3.1%	5,658	2.5%
o/w Virtual ULL	26	-6.5%	27	1.4%	29	16.7%	29	12.2%	28	2.7%	23	-19.4%
o/w Wholesale Line Rental	565	-14.4%	547	-13.7%	523	-14.1%	470	-16.9%	443	-19.1%	416	-20.6%
o/w Naked	1,207	7.3%	1,213	7.5%	1,218	5.4%	1,241	2.9%	1,256	3.5%	1,256	3.1%
o/w NGN	39	-	76	-	105	-	170	-	199	-	247	-
TI Retail Broadband Accesses ('000)	6,945	0.2%	6,971	0.5%	6,984	0.7%	7,067	1.8%	7,088	1.7%	7,123	2.0%
o/w Business	1,544	0.0%	1,522	-1.5%	1,505	-3.1%	1,480	-4.2%	1,472	-3.3%	1,470	-2.3%
o/w Consumer	5,401	0.2%	5,450	1.0%	5,479	1.8%	5,588	3.5%	5,616	3.1%	5,653	3.2%
o/w NGN	290	-	374	-	435	-	672	-	790	-	872	-
% flat offers on TI total portfolio (Consumer+Business)	92%	1.8pp	93%	1.9pp	93%	1.9pp	94%	1.8pp	94%	1.5pp	95%	1.4pp
BroadBand Accesses Wholesale ('000)	1,839	0.6%	1,850	1.7%	1,855	2.4%	1,888	2.6%	1,903	2.9%	1,918	3.4%
BB Arpu (euro/mese)	20.4	6.0%	20.9	6.7%	20.7	3.7%	21.5	5.2%	21.9	4.4%	22.4	8.1%
<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>2,553</b>	<b>-3.9%</b>	<b>2,578</b>	<b>-4.1%</b>	<b>2,643</b>	<b>-0.1%</b>
o/w Services	2,595	-4.4%	2,614	-1.9%	2,592	-1.8%	2,483	-4.3%	2,488	-4.8%	2,499	-3.6%
o/w Equipments	62	9.1%	74	1.4%	53	-32.5%	70	13.8%	90	20.7%	144	169.0%
<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>1,064</b>	<b>-10.8%</b>	<b>1,053</b>	<b>-11.1%</b>	<b>1,032</b>	<b>-10.3%</b>
o/w Voice	1,038	-7.6%	1,015	-7.1%	978	-7.3%	901	-13.2%	874	-13.9%	836	-14.4%
o/w Business Data & Others trad	155	-13.9%	170	-0.5%	173	-0.3%	163	5.3%	179	5.7%	195	12.9%
<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>590</b>	<b>5.8%</b>	<b>610</b>	<b>4.6%</b>	<b>624</b>	<b>8.1%</b>
o/w Broadband	418	5.7%	430	6.8%	427	3.9%	447	6.9%	457	6.2%	471	10.2%
o/w Content	5	12.7%	5	4.8%	6	28.2%	4	-17.6%	4	-21.3%	4	-23.1%
o/w ICT Service	135	1.1%	148	10.7%	145	7.1%	139	3.2%	149	0.6%	149	3.0%
Domestic Wholesale	560	-7.7%	549	-6.4%	550	-5.6%	537	-4.1%	506	-7.8%	503	-8.6%
TIS Group	310	3.0%	325	8.3%	336	10.5%	311	0.3%	338	4.0%	354	5.4%
Subs. Adj. and Other	-26	12.2%	-28	-3.3%	-23	15.8%	-19	24.7%	-19	32.4%	-13	41.4%

## Domestic Mobile Results - Reported Figures

	UNAUDITED FIGURES											
	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	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%	29,846	-1.0%	29,742	-1.1%	29,549	-1.6%
Churn Rate %	6.4%	0.3pp	5.5%	-0.4pp	5.8%	-0.5pp	5.6%	-0.8pp	5.3%	-0.2pp	5.9%	0.1pp
Total User Broadband (mln of users)	10.5	20.8%	10.8	17.5%	11.2	16.9%	11.6	11.1%	11.8	9.5%	12.1	7.7%
Total User LTE (mln of users)	1.8	-	2.7	-	3.4	-	5.0	-	5.7	-	6.2	-
Volumes of traffic (mln of minutes) <sup>(2)</sup>	16,155	8.0%	16,630	6.6%	16,339	5.1%	16,943	4.9%	17,381	4.5%	17,213	5.3%
Usage Voce (min/line/month) <sup>(3)</sup>	214	13.0%	223	11.5%	220	8.9%	233	8.8%	241	8.2%	241	9.5%
Usage Dati (GB/users/month)	1.3	14.3%	1.4	15.1%	1.6	18.3%	1.7	28.6%	1.9	36.0%	2.0	24.7%
ARPU <sup>(3)</sup>	11.3	-1.3%	11.9	0.2%	12.5	-0.2%	11.6	2.5%	12.1	1.5%	12.8	2.4%
<b>REVENUES (€ mln), Reported figures</b>												
	1Q15	Δ% yoy	2Q15	Δ% yoy	3Q15	Δ% yoy	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy
<b>TOTAL</b>	<b>1,151</b>	<b>-2.0%</b>	<b>1,236</b>	<b>-2.2%</b>	<b>1,303</b>	<b>1.5%</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>SERVICES</b>	<b>1,053</b>	<b>-4.2%</b>	<b>1,109</b>	<b>-2.5%</b>	<b>1,170</b>	<b>-1.5%</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>Traditional Services</b>	<b>621</b>	<b>-12.9%</b>	<b>622</b>	<b>-14.3%</b>	<b>639</b>	<b>-12.1%</b>	<b>573</b>	<b>-7.7%</b>	<b>580</b>	<b>-6.9%</b>	<b>561</b>	<b>-12.2%</b>
<b>Innovative Services</b>	<b>375</b>	<b>14.4%</b>	<b>416</b>	<b>21.8%</b>	<b>453</b>	<b>16.0%</b>	<b>438</b>	<b>16.8%</b>	<b>466</b>	<b>12.0%</b>	<b>527</b>	<b>16.4%</b>
o/w Browsing	306	16.0%	339	20.7%	372	23.8%	356	16.3%	377	11.4%	392	5.4%
o/w Internet Content	69	8.1%	77	27.3%	80	-10.2%	83	19.4%	88	14.3%	135	67.6%
<b>Wholesale Services</b>	<b>57</b>	<b>-1.6%</b>	<b>71</b>	<b>2.1%</b>	<b>79</b>	<b>10.0%</b>	<b>48</b>	<b>-15.8%</b>	<b>72</b>	<b>1.1%</b>	<b>96</b>	<b>20.7%</b>
<b>Handsets</b>	<b>98</b>	<b>29.0%</b>	<b>127</b>	<b>0.1%</b>	<b>133</b>	<b>39.3%</b>	<b>127</b>	<b>29.5%</b>	<b>144</b>	<b>13.7%</b>	<b>117</b>	<b>-12.0%</b>

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

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

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

## TIM Brasil Results - Reported Figures

	Revised			UNAUDITED FIGURES						
	1Q15	2Q15	3Q15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	
<b>KPI's - Mobile only</b>										
Estimated Total Penetration (%) <sup>(1)</sup>	139.0%	138.2%	134.8%	125.4%		124.0%		122.2%		
Market Share on total lines (%) <sup>(1)</sup>	26.7%	26.4%	26.3%	26.1%	-0.6pp	25.3%	-1.2pp	25.2%	-1.1pp	
Total Lines ('000) <sup>(2)</sup>	75,749	74,600	72,573	67,269	-11.2%	63,988	-14.2%	63,247	-12.9%	
TOTAL ARPU <sup>(3)</sup>	16.7	16.1	16.4	17.2	3%	17.2	7%	18.4	12%	
TOTAL MOU net of visitors	120	119	119	119	-1.4%	118	-0.4%	116	-2.1%	
<b>MAIN RESULTS (IAS/IFRS, R\$ mln)</b>										
	1Q15	2Q15	3Q15	1Q16	Δ% yoy	2Q16	Δ% yoy	3Q16	Δ% yoy	
<b>REVENUES Reported</b>	<b>4,551</b>	<b>4,361</b>	<b>4,115</b>	<b>3,854</b>	-15.3%	<b>3,820</b>	-12.4%	<b>3,900</b>	-5.2%	
of which services	3,944	3,792	3,782	3,618	-8.3%	3,570	-5.9%	3,690	-2.4%	
of which handsets	607	569	333	236	-61.1%	250	-56.1%	210	-36.9%	
<b>EBITDA Reported</b>	<b>1,341</b>	<b>1,276</b>	<b>1,285</b>	<b>1,107</b>	-17.4%	<b>1,189</b>	-6.8%	<b>1,270</b>	-1.2%	
EBITDA margin	29.5%	29.3%	31.2%	28.7%	-0.8pp	31.1%	1.8pp	32.6%	1.4pp	
<b>Capex Reported</b>	<b>924</b>	<b>1,184</b>	<b>1,168</b>	<b>710</b>	-23.2%	<b>975</b>	-17.7%	<b>1,122</b>	-3.9%	
% on revenues	20.3%	27.1%	28.4%	18.4%	-1.9pp	25.5%	-1.6pp	28.8%	0.4pp	
	1Q15	1H15	9M15	1Q16	Δ% yoy	1H16	Δ% yoy	9M16	Δ% yoy	
<b>Exchange rate AVG (R\$ vs. euro)</b>	<b>3.22251</b>	<b>3.31144</b>	<b>3.52233</b>	<b>4.29753</b>		<b>4.13001</b>		<b>3.96106</b>		

(1) Q3 2016: August ANATEL figures

(2) Includes company lines; Q3 2016 internal TIM Brazil figures

(3) Gross of visitors

### 3Q'16 Reported & Organic Figures (\*): YoY trends

Revised

UNAUDITED FIGURES

3Q'15				3Q'16				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)
€ mln	Change in consolid. area	Exchange rate impact								
<b>REVENUES</b>										
Domestic	3,752			3,752		Domestic	3,789	3,789	1.0	1.0
o/w Wireline Domestic	2,645			2,645		o/w Wireline Domestic	2,643	2,643	(0.1)	(0.1)
o/w Mobile Domestic	1,303			1,303		o/w Mobile Domestic	1,300	1,300	(0.2)	(0.2)
Brasile	1,008		123	1,131		Brasile	1,064	1,064	5.6	(5.2)
Other Activities & Eliminations	17			17		Other Activities & Eliminations	-10	(10)	-	-
<b>TI Group</b>	<b>4,777</b>		<b>123</b>	<b>4,900</b>		<b>TI Group</b>	<b>4,843</b>	<b>4,843</b>	<b>1.4</b>	<b>(1.2)</b>
<b>EBITDA</b>										
Domestic	1,679			1,679	53	Domestic	1,811	1,867	7.9	7.8
Brasile	318		33	351		Brasile	344	351	8.2	0.5
Other Activities & Eliminations	(14)			(6)	8	Other Activities & Eliminations	(3)	(3)	-	50.0
<b>TI Group</b>	<b>1,983</b>		<b>33</b>	<b>2,077</b>	<b>61</b>	<b>TI Group</b>	<b>2,152</b>	<b>2,214</b>	<b>8.5</b>	<b>6.6</b>
<b>EBITDA Margin</b>										
Domestic	44.7%			46.2%		Domestic	47.8%	49.3%	3.1 pp	3.1 pp
Brasile	31.5%			31.2%		Brasile	32.3%	33.1%	0.8 pp	1.9 pp
<b>TI Group</b>	<b>41.5%</b>			<b>42.4%</b>		<b>TI Group</b>	<b>44.4%</b>	<b>45.7%</b>	<b>2.9 pp</b>	<b>3.3 pp</b>
<b>EBIT</b>										
Domestic	868			921	53	Domestic	994	1,050	14.5	14.0
Brasile	168		31	122	(77)	Brasile	89	95	(47.0)	(20.2)
Other Activities & Eliminations	(18)			(10)	8	Other Activities & Eliminations	(2)	(2)	-	80.0
<b>TI Group</b>	<b>1,018</b>		<b>31</b>	<b>1,033</b>	<b>(16)</b>	<b>TI Group</b>	<b>1,081</b>	<b>1,143</b>	<b>6.2</b>	<b>10.6</b>
<b>EBIT Margin</b>										
Domestic	23.1%			24.5%		Domestic	26.2%	27.7%	3.1 pp	3.2 pp
Brasile	16.7%			10.8%		Brasile	8.4%	9.1%	-8.3 pp	-1.7 pp
<b>TI Group</b>	<b>21.3%</b>			<b>21.1%</b>		<b>TI Group</b>	<b>22.3%</b>	<b>23.6%</b>	<b>1 pp</b>	<b>2.5 pp</b>

Non recurring items on EBITDA	3Q15	3Q16
Labour cost	19	53
Other Costs & Charges	42	9
<b>Total</b>	<b>61</b>	<b>62</b>

Non recurring items on EBIT	3Q15	3Q16
Labour Costs	19	53
Other Costs & Charges	42	9
Gain on Brazilian Tower **	(77)	0
<b>Total</b>	<b>(16)</b>	<b>62</b>

(\*) Organic excluding exchange rate fluctuations & non-recurring items!!  
(\*\*) Same exchange rate 3Q16