



## Q2 '19 Financial and Operating Figures - IFRS 9/15 and "After Lease"

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## Disclaimer

The 2Q'19 and 1H'19 financial and operating data have been extracted or derived, with the exception of some data, from the TIM Group Half-year Condensed Consolidated Financial Statements as of and for the six months ended 30 June 2019, 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").

Please note that the limited review by the external auditors (E&Y) on the TIM Group Half-year Condensed Consolidated Financial Statements at 30 June 2019 has not yet been completed.

The accounting policies and consolidation principles adopted in the preparation of the TIM Group Half-year Condensed Consolidated Financial Statements as of and for the six months ended 30 June 2019 are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2018, to which reference can be made, except for the adoption of the new accounting principle (IFRS 16 - Lease), adopted starting from 1 January 2019. In particular, TIM adopts IFRS 16, using the simplified retrospective approach, without restatement of prior period comparatives. The implementation of the new standard has not been fully completed; the impact of the adoption of IFRS 16 is unaudited and may be subject to change until the publication of TIM's 2019 Annual Report. It should be noted that, starting from 1 January 2018, the TIM Group adopted IFRS 15 (Revenues from contracts with customers) and IFRS 9 (Financial instruments).

To enable the year-on-year comparison of the economic and financial performance for the first half of 2019, "IFRS 9/15" income statement figures, prepared in accordance with the previous accounting standards applied (IAS 17 and related Interpretations) are provided, for the purposes of the distinction between operating leases and financial leases and the consequent accounting treatment of lease liabilities.

### Alternative Performance Measures

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures in order to present a better understanding of the trend of operations and financial condition. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin and net financial debt. Moreover, following the adoption of IFRS 16, the TIM Group provides the following further financial indicators:

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

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

Such alternative performance measures are unaudited.

\* \* \*

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, have entailed, for certain specific kinds of fixed and mobile contracts, a recalculation of the time distribution of the revenues in the first and second quarters of 2018 and presentation of the income statement figures of the first two quarters of 2018, as well as of the first half of 2018. Such data are unaudited.

## Key financial data by Business Unit

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	H1 '18	Q1 '19	H1 '19	Q1 '18 AL	H1 '18 AL	Q1 '19 AL	H1 '19 AL
<b>REVENUES Reported</b>								
Domestic	3,657	7,423	3,502	7,069				
Brazil	1,033	2,001	979	1,946				
Other activities & Elim.	(5)	(13)	(10)	(21)				
<b>TI Group</b>	<b>4,685</b>	<b>9,411</b>	<b>4,471</b>	<b>8,994</b>				
<b>REVENUES net non recurring items</b>								
Domestic	3,657	7,423	3,516	7,084				
Brazil	1,033	2,001	979	1,946				
Other activities & Elim.	(5)	(13)	(10)	(21)				
<b>TI Group</b>	<b>4,685</b>	<b>9,411</b>	<b>4,485</b>	<b>9,009</b>				
<b>EBITDA Reported</b>								
Domestic	1,446	3,037	1,447	2,749	1,365	2,866	1,377	2,610
Brazil	353	704	347	1,321	335	669	325	1,286
Other activities & Elim.	(6)	(8)	(2)	(5)	(6)	(8)	(2)	(5)
<b>TI Group</b>	<b>1,793</b>	<b>3,733</b>	<b>1,792</b>	<b>4,065</b>	<b>1,694</b>	<b>3,526</b>	<b>1,700</b>	<b>3,892</b>
<b>EBITDA net non recurring items <sup>(1)</sup></b>								
Domestic	1,541	3,158	1,481	3,027	1,460	2,987	1,411	2,888
Brazil	353	704	347	711	335	669	325	676
Other activities & Elim.	(6)	(8)	(2)	(5)	(6)	(8)	(2)	(5)
<b>TI Group</b>	<b>1,888</b>	<b>3,854</b>	<b>1,826</b>	<b>3,733</b>	<b>1,789</b>	<b>3,647</b>	<b>1,734</b>	<b>3,560</b>
<b>EBIT Reported</b>								
Domestic	615	1,371	581	1,012				
Brazil	131	252	107	863				
Other activities & Elim.	(6)	(9)	(3)	(4)				
<b>TI Group</b>	<b>740</b>	<b>1,614</b>	<b>685</b>	<b>1,871</b>				
<b>CAPEX <sup>(2)</sup></b>								
Domestic	507	1,212	455	1,114				
Brazil	153	385	152	367				
<b>TI Group</b>	<b>660</b>	<b>1,597</b>	<b>607</b>	<b>1,481</b>				

<sup>(1)</sup> See page "After Lease View" for organic after lease data <sup>(2)</sup> In FY 2018 €2,399m for 5G spectrum

## Key BU financial data by Quarter

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	Q2 '18	Q1 '19	Q2 '19	Q1 '18 AL	Q2 '18 AL	Q1 '19 AL	Q2 '19 AL
<b>REVENUES Reported</b>								
Domestic	3,657	3,766	3,502	3,567				
Brazil	1,033	968	979	967				
Other activities & Elim.	(5)	(8)	(10)	(11)				
<b>TI Group</b>	<b>4,685</b>	<b>4,726</b>	<b>4,471</b>	<b>4,523</b>				
<b>REVENUES net non recurring items</b>								
Domestic	3,657	3,766	3,516	3,568				
Brazil	1,033	968	979	967				
Other activities & Elim.	(5)	(8)	(10)	(11)				
<b>TI Group</b>	<b>4,685</b>	<b>4,726</b>	<b>4,485</b>	<b>4,524</b>				
<b>EBITDA Reported</b>								
Domestic	1,446	1,591	1,447	1,302	1,365	1,501	1,377	1,233
Brazil	353	351	347	974	335	334	325	961
Other activities & Elim.	(6)	(2)	(2)	(3)	(6)	(2)	(2)	(3)
<b>TI Group</b>	<b>1,793</b>	<b>1,940</b>	<b>1,792</b>	<b>2,273</b>	<b>1,694</b>	<b>1,832</b>	<b>1,700</b>	<b>2,192</b>
<b>EBITDA net non recurring items <sup>(1)</sup></b>								
Domestic	1,541	1,617	1,481	1,546	1,460	1,527	1,411	1,477
Brazil	353	351	347	364	335	334	325	351
Other activities & Elim.	(6)	(2)	(2)	(2)	(6)	(2)	(2)	(3)
<b>TI Group</b>	<b>1,888</b>	<b>1,966</b>	<b>1,826</b>	<b>1,907</b>	<b>1,789</b>	<b>1,858</b>	<b>1,734</b>	<b>1,826</b>
<b>EBIT Reported</b>								
Domestic	615	756	581	431				
Brazil	131	121	107	756				
Other activities & Elim.	(6)	(3)	(3)	(1)				
<b>TI Group</b>	<b>740</b>	<b>874</b>	<b>685</b>	<b>1,186</b>				
<b>CAPEX <sup>(2)</sup></b>								
Domestic	507	705	455	659				
Brazil	153	232	152	215				
<b>TI Group</b>	<b>660</b>	<b>937</b>	<b>607</b>	<b>874</b>				

(1) See page "After Lease View" for organic after lease data (2) In 4Q 2018 €2,399m for 5G spectrum

## P&L Group

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	H1 '18	Q1 '19	H1 '19	Q1 '18 AL	H1 '18 AL	Q1 '19 AL	H1 '19 AL
<b>REVENUES</b>	<b>4,685</b>	<b>9,411</b>	<b>4,471</b>	<b>8,994</b>				
Other Income	57	144	46	766				
<b>TOTAL OPERATING REVENUES AND OTHER INCOME</b>	<b>4,742</b>	<b>9,555</b>	<b>4,517</b>	<b>9,760</b>				
Acquisition of goods and services	(1,996)	(3,980)	(1,749)	(3,524)				
Employee benefits expenses	(780)	(1,526)	(740)	(1,502)				
Other operating expenses	(368)	(661)	(309)	(871)				
Internally generated assets and Others	195	345	73	202				
<b>EBITDA</b>	<b>1,793</b>	<b>3,733</b>	<b>1,792</b>	<b>4,065</b>	<b>1,694</b>	<b>3,526</b>	<b>1,700</b>	<b>3,892</b>
<i>EBITDA Margin</i>	38.3%	39.7%	40.1%	45.2%	36.2%	37.5%	38.0%	43.3%
Depreciation and amortization	(1,055)	(2,122)	(1,108)	(2,186)				
Gains (losses) on disposals of non-current assets	2	3	1	(8)				
Impairment reversals (losses) on non-current assets	-	-	-	-				
<b>EBIT</b>	<b>740</b>	<b>1,614</b>	<b>685</b>	<b>1,871</b>				
<i>EBIT Margin</i>	15.8%	17.2%	15.3%	20.8%				
Income (loss) equity invest. valued equity method	8	8	(4)	(1)				
Net Financial Income / (Expenses)	(357)	(718)	(327)	(650)				
<b>Profit (loss) before tax from continuing operations</b>	<b>391</b>	<b>904</b>	<b>354</b>	<b>1,220</b>				
Income tax expense	(156)	(297)	(128)	(422)				
<b>Profit (loss) from continuing operations</b>	<b>235</b>	<b>607</b>	<b>226</b>	<b>798</b>				
Profit (loss) from Discontinued operations/Non-current assets held for sale	-	-	-	-				
<b>Profit (loss) for the year</b>	<b>235</b>	<b>607</b>	<b>226</b>	<b>798</b>				
Attributable to:								
<b>Owners of the Parent</b>	<b>199</b>	<b>532</b>	<b>193</b>	<b>592</b>				
Non-controlling interests	36	75	33	206				

# Consolidated Balance Sheet

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

UNAUDITED FIGURES

	FY '18	Q1 '19	Q1 '19 IFRS 16	H1 '19	H1 '19 IFRS 16
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>Intangible assets</b>					
Goodwill	26,769	26,780	26,780	26,784	26,784
Intangible assets with a finite useful life	8,889	8,205	8,205	8,006	8,006
	<b>35,658</b>	<b>34,985</b>	<b>34,985</b>	<b>34,790</b>	<b>34,790</b>
<b>Tangible assets</b>					
Property, plant and equipment owned	14,251	14,086	14,086	14,089	14,089
Assets held under finance leases	1,895	-	-	-	-
	<b>16,146</b>	<b>14,086</b>	<b>14,086</b>	<b>14,089</b>	<b>14,089</b>
<b>Right of Use assets</b>					
	-	2,321	5,735	2,328	5,803
<b>Other non-current assets</b>					
Investments in associates and joint ventures accounted for using the equity method	16	12	12	12	12
Other investments	49	52	52	54	54
Non-current financial assets	1,594	1,880	1,885	2,085	2,090
Miscellaneous receivables and other non-current assets	2,291	2,296	2,296	2,944	2,944
Deferred tax assets	1,136	1,238	1,253	1,074	1,077
	<b>5,086</b>	<b>5,478</b>	<b>5,498</b>	<b>6,169</b>	<b>6,177</b>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>56,890</b>	<b>56,870</b>	<b>60,304</b>	<b>57,376</b>	<b>60,859</b>
<b>CURRENT ASSETS</b>					
Inventories	389	325	325	316	316
Trade and miscellaneous receivables and other current assets	4,706	5,177	5,138	5,026	4,990
Current income tax receivables	251	71	71	83	83
Other investments	-	-	-	-	-
Securities other than investments, financial receivables and other current financial assets	1,466	1,639	1,643	1,160	1,164
Cash and cash equivalents	1,917	2,103	2,103	1,700	1,700
<b>TOTAL CURRENT ASSETS (B)</b>	<b>8,729</b>	<b>9,315</b>	<b>9,280</b>	<b>8,285</b>	<b>8,253</b>
<b>TOTAL ASSETS (A+B)</b>	<b>65,619</b>	<b>66,185</b>	<b>69,584</b>	<b>65,661</b>	<b>69,112</b>

# Consolidated Balance Sheet

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

UNAUDITED FIGURES

	FY '18	Q1 '19	Q1 '19 IFRS 16	H1 '19	H1 '19 IFRS 16
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity attributable to equity holders of the Parent	19,528	19,635	19,612	19,983	19,949
Equity attributable to Minority Interests	2,219	2,215	2,207	2,400	2,385
<b>TOTAL EQUITY (C)</b>	<b>21,747</b>	<b>21,850</b>	<b>21,819</b>	<b>22,383</b>	<b>22,334</b>
<b>NON-CURRENT LIABILITIES</b>					
Non-current financial liabilities	25,059	26,347	29,340	27,418	30,493
<i>o/w liabilities for passive leases</i>	1,740	1,761	4,754	1,739	4,814
Employee benefits	1,567	1,545	1,545	1,417	1,417
Deferred tax liabilities	192	236	236	335	313
Provisions	876	861	861	993	993
Miscellaneous payables and other non-current liabilities	3,297	3,294	3,294	3,348	3,348
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>30,991</b>	<b>32,283</b>	<b>35,276</b>	<b>33,511</b>	<b>36,564</b>
<b>CURRENT LIABILITIES</b>					
Current financial liabilities	5,913	5,065	5,584	2,954	3,485
<i>o/w liabilities for passive leases</i>	208	176	695	174	705
Trade and miscellaneous payables and other current liabilities	6,901	6,922	6,840	6,731	6,647
Current income tax payables	67	65	65	82	82
<b>Current liabilities sub-total (E)</b>	<b>12,881</b>	<b>12,052</b>	<b>12,489</b>	<b>9,767</b>	<b>10,214</b>
<b>Liabilities directly associated with Discontinued operations / Non-current assets held for sale</b>					
of a financial nature	-	-	-	-	-
of a non-financial nature	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>12,881</b>	<b>12,052</b>	<b>12,489</b>	<b>9,767</b>	<b>10,214</b>
<b>TOTAL LIABILITIES (F=D+E)</b>	<b>43,872</b>	<b>44,335</b>	<b>47,765</b>	<b>43,278</b>	<b>46,778</b>
<b>TOTAL EQUITY AND LIABILITIES (C+F)</b>	<b>65,619</b>	<b>66,185</b>	<b>69,584</b>	<b>65,661</b>	<b>69,112</b>

## Net Cash Flow & Net Debt Dynamics

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19
<b>EBITDA</b>	1,793	3,733	5,778	7,403	1,792	4,065
<b>CAPEX</b>	(660)	(1,597)	(2,460)	(6,408)	(607)	(1,481)
<i>o/w spectrum</i>				(2,399)	-	-
<b>CHANGE IN WORKING CAPITAL <sup>(1)</sup></b>	<b>(1,150)</b>	<b>(1,250)</b>	<b>(1,861)</b>	<b>1,082</b>	<b>(644)</b>	<b>(1,094)</b>
<b>Net operating Free Cash Flow</b>	<b>(17)</b>	<b>886</b>	<b>1,457</b>	<b>2,077</b>	<b>541</b>	<b>1,490</b>
Cash Taxes	(24)	(37)	(325)	(739)	(19)	(22)
Financial Expenses	(335)	(665)	(994)	(1,302)	(296)	(610)
Dividends and change in Equity	-	(211)	(217)	(234)	(25)	(241)
Other impacts (FX, M&A, IAS and Other impacts)	147	194	197	236	(11)	(78)
<b>Reduction/(Increase) in adjusted net financial debt from continuing operations</b>	<b>(229)</b>	<b>167</b>	<b>118</b>	<b>38</b>	<b>190</b>	<b>539</b>
Reduction / (Increase) in net financial debt from Discontinued operations / Non-current assets held for sale	-	-	-	-	-	-
<b>Reduction/(Increase) in adjusted net financial debt</b>	<b>(229)</b>	<b>167</b>	<b>118</b>	<b>38</b>	<b>190</b>	<b>539</b>
<b>OPENING NET FINANCIAL DEBT (Adjusted)</b>	<b>25,308</b>	<b>25,308</b>	<b>25,308</b>	<b>25,308</b>	<b>25,270</b>	<b>25,270</b>
Net cash flow	(229)	167	118	38	190	539
<b>ENDING NET FINANCIAL DEBT (Adjusted)</b>	<b>25,537</b>	<b>25,141</b>	<b>25,190</b>	<b>25,270</b>	<b>25,080</b>	<b>24,731</b>
IAS 17				(1,948)	(1,937)	(1,913)
<b>ENDING NET FINANCIAL DEBT AFTER LEASE (Adjusted)</b>				<b>23,322</b>	<b>23,143</b>	<b>22,818</b>

(1) See details in tab "Working Capital"

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



## Domestic Business Results - Reported Figures

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	FY '18 AL	Q1 '19 AL	Q2 '19 AL
<b>REVENUES</b>	<b>3,657</b>	<b>3,766</b>	<b>3,759</b>	<b>3,849</b>	<b>15,031</b>	<b>3,502</b>	<b>3,567</b>			
<b>Services</b>	<b>3,294</b>	<b>3,354</b>	<b>3,397</b>	<b>3,307</b>	<b>13,352</b>	<b>3,155</b>	<b>3,231</b>			
<b>Mobile Services</b>	<b>1,034</b>	<b>1,044</b>	<b>1,069</b>	<b>960</b>	<b>4,107</b>	<b>916</b>	<b>943</b>			
Retail	946	942	931	880	3,699	832	830			
Wholesale and Other	88	102	138	80	408	84	114			
<b>Wireline Services</b>	<b>2,402</b>	<b>2,458</b>	<b>2,468</b>	<b>2,546</b>	<b>9,875</b>	<b>2,394</b>	<b>2,416</b>			
Retail	1,607	1,618	1,639	1,660	6,524	1,630	1,610			
Domestic Wholesale <sup>(1)</sup>	512	510	515	529	2,066	501	568			
International Wholesale	286	323	310	353	1,272	238	231			
Elimination & Other	(142)	(148)	(140)	(199)	(630)	(155)	(128)			
<b>Equipments</b>	<b>363</b>	<b>412</b>	<b>362</b>	<b>542</b>	<b>1,679</b>	<b>347</b>	<b>336</b>			
<b>EBITDA</b>	<b>1,446</b>	<b>1,591</b>	<b>1,702</b>	<b>1,216</b>	<b>5,955</b>	<b>1,447</b>	<b>1,302</b>	<b>5,625</b>	<b>1,377</b>	<b>1,233</b>
<i>EBITDA Margin</i>	39.5%	42.2%	45.3%	31.6%	39.6%	41.3%	36.5%	37.4%	39.3%	34.6%
<b>CAPEX <sup>(2)</sup></b>	<b>507</b>	<b>705</b>	<b>675</b>	<b>3,631</b>	<b>5,518</b>	<b>455</b>	<b>659</b>			
<i>% on revenues</i>	13.9%	18.7%	18.0%	94.3%	36.7%	13.0%	18.5%			
<b>KPIs</b>										
Headcount EoP	49,722	49,658	49,532	48,200	48,200	48,114	47,891 <sup>(3)</sup>			

(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 to be accounted in July

## Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19
<b>KPIs</b>							
	<i>Δ% yoy</i>	<i>Δ% yoy</i>	<i>Δ% yoy</i>	<i>Δ% yoy</i>	<i>Δ% yoy</i>	<i>Δ% yoy</i>	<i>Δ% yoy</i>
<b>Retail - physical accesses ('000)</b>	<b>10,845</b> -3.4%	<b>10,644</b> -4.8%	<b>10,450</b> -6.2%	<b>10,149</b> -8.1%	<b>10,149</b> -8.1%	<b>9,876</b> -8.9%	<b>9,530</b> -10.5%
Retail - accesses including VoIP ('000)	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%
<b>Retail - broadband ('000)</b>	<b>7,527</b> 4.6%	<b>7,547</b> 3.7%	<b>7,561</b> 1.8%	<b>7,483</b> -0.3%	<b>7,483</b> -0.3%	<b>7,354</b> -2.3%	<b>7,414</b> -1.8%
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%
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%
FTTx (NGN)	2,458 102.0%	2,744 82.1%	2,955 68.5%	3,166 47.3%	3,166 47.3%	3,345 36.1%	3,428 24.9%
ARPU Broadband (€/month)	24.9	25.2	27.1	28.0	26.3	29.0 16.2%	29.6 17.2%
ARPU Consumer (€/month)	32.6	33.0	34.9	35.5	34.0	35.6 9.4%	35.7 8.3%
<b>Wholesale - OLO Accesses ('000)</b>	<b>8,065</b> 3.3%	<b>8,078</b> 2.5%	<b>8,114</b> 2.8%	<b>8,063</b> 1.4%	<b>8,063</b> 1.4%	<b>8,093</b> 0.3%	<b>8,079</b> 0.0%
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%
Wholesale Line Rental	291 -22.1%	274 -20.9%	257 -22.0%	242 -20.4%	242 -20.4%	228 -21.5%	230 -16.1%
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%
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%
	<b>Q1 '18</b>	<b>Q2 '18</b>	<b>Q3 '18</b>	<b>Q4 '18</b>	<b>FY '18</b>	<b>Q1 '19</b>	<b>Q2 '19</b>
<b>REVENUES</b>						<i>Δ% yoy</i>	<i>Δ% yoy</i>
<b>TOTAL WIRELINE REVENUES</b>	<b>2,538</b>	<b>2,593</b>	<b>2,572</b>	<b>2,774</b>	<b>10,477</b>	<b>2,535</b> -0.1%	<b>2,586</b> -0.3%
<b>Wireline Service Revenues</b>	<b>2,402</b>	<b>2,458</b>	<b>2,468</b>	<b>2,546</b>	<b>9,875</b>	<b>2,394</b> -0.3%	<b>2,416</b> -1.7%
Retail Services	1,607	1,618	1,639	1,660	6,524	1,630 1.5%	1,610 -0.5%
<i>o/w Broadband and content</i>	563	569	614	634	2,380	645 14.6%	647 13.7%
<i>o/w ICT Services</i>	165	186	189	216	756	192 16.0%	215 15.7%
Domestic Wholesale <sup>(1)</sup>	512	510	515	529	2,066	501 -2.1%	568 11.4%
International Wholesale	286	323	310	353	1,272	238 -16.8%	231 -28.5%
Subsidiaries, adj. and other	-3	7	5	5	13	24	7
<b>Equipments</b>	<b>136</b>	<b>135</b>	<b>104</b>	<b>228</b>	<b>602</b>	<b>141</b> 3.6%	<b>170</b> 26.2%

(1) Organization view

## Legenda

Wireline - KPIs	
<b>Retail - physical accesses</b>	Fixed line physical accesses, including both voice and broadband (xDSL, FTTx)
Retail - accesses including VoIP	Included in the counting also multiple VoIP lines on a single physical access line
<b>Retail - broadband</b>	All active broadband lines, including xDSL and FTTx
Business	Active broadband lines on Corporate and Small/Medium enterprises
Consumer	Active broadband lines on Consumer customers
FTTx (NGN)	All active fiber line retail customers, FTTC and FTTH
ARPU Broadband (€/month)	Total broadband revenues (Consumer+Business) divided by average active broadband customers (€/line/month)
ARPU Consumer (€/month)	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
<b>Wholesale - OLO Accesses</b>	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
Wireline - Revenues	
<b>TOTAL WIRELINE REVENUES</b>	Total revenues of Domestic Wireline, including services and equipment
<b>Wireline Service Revenues</b>	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business
<i>o/w Broadband and content</i>	Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
<i>o/w ICT Services</i>	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)
<b>Equipments</b>	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)

## Domestic Mobile Results - Reported Figures

UNAUDITED FIGURES

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	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19		Q2 '19	
KPIs	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Total number of lines ('000)	31,036	5.5%	31,629	5.6%	31,994	5.6%	31,818	3.5%	31,818	3.5%	31,748	2.3%	31,662	0.1%
o/w Calling	27,366	7.6%	28,117	8.0%	28,556	7.4%	28,236	4.6%	28,236	4.6%	28,068	2.6%	28,051	-0.2%
<b>Human lines</b>	<b>23,195</b>	<b>-0.3%</b>	<b>23,132</b>	<b>-1.5%</b>	<b>22,738</b>	<b>-2.7%</b>	<b>22,448</b>	<b>-3.8%</b>	<b>22,448</b>	<b>-3.8%</b>	<b>22,256</b>	<b>-4.0%</b>	<b>21,956</b>	<b>-5.1%</b>
o/w Human Calling	19,525	1.3%	19,621	0.3%	19,299	-1.9%	18,866	-3.6%	18,866	-3.6%	18,576	-4.9%	18,345	-6.5%
Non Human lines (M2M)	7,841	27.3%	8,496	31.3%	9,256	34.0%	9,370	26.2%	9,370	26.2%	9,492	21.1%	9,706	14.2%
Churn Rate %	6.5%	0.6pp	6.0%	-0.9pp	7.6%	0.6pp	6.2%	-0.3pp	26.3%	0.1pp	5.2%	-1.4pp	4.3%	-1.7pp
Total User Broadband (mln users)	13.3	9.2%	13.6	8.6%	13.4	3.1%	13.0	-1.2%	13.0	-1.2%	13.1	-1.4%	13.1	-3.4%
Total User LTE (mln users)	10.1	21.9%	10.4	16.2%	10.4	10.9%	10.3	6.1%	10.3	6.1%	10.4	3.0%	10.6	1.4%
Volumes of traffic (mln minutes)	21,168	16.4%	21,616	11.9%	20,541	5.7%	22,037	3.9%	85,363	9.2%	22,309	5.4%	22,629	4.7%
Outgoing traffic volumes	14,080	19.5%	14,468	14.6%	13,705	7.3%	14,793	4.3%	57,046	11.1%	15,136	7.5%	15,537	7.4%
Incoming traffic volumes	7,088	10.7%	7,148	7.0%	6,836	2.5%	7,245	3.1%	28,316	5.7%	7,172	1.2%	7,092	-0.8%
Usage Voice (min/line/month)	304	17.2%	311	13.0%	299	8.1%	326	7.4%	310	11.2%	333	9.7%	341	9.7%
Usage Data (GB/users/month)	3.6	55.9%	4.1	51.5%	4.9	51.6%	5.5	67.1%	4.5	56.0%	5.6	56.5%	6.5	60.3%
ARPU (€ / line / month)														
Reported €	10.2		10.0		9.8		9.2		9.8		8.7	-14.5%	8.7	-13.0%
Human €	13.6		13.6		13.5		13.0		13.4		12.4	-8.5%	12.5	-7.7%

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	
REVENUES								
TOTAL MOBILE REVENUES	1,262	1,321	1,328	1,274	5,185	1,122	1,111	
Mobile Service Revenues <sup>(1)</sup>	1,034	1,044	1,069	960	4,107	916	943	
Retail Services	946	942	931	880	3,699	832	830	
o/w Incoming	73	74	70	73	289	67	67	
Wholesale and Other	88	102	138	80	408	84	114	
Handsets and Handsets Bundle	228	277	259	314	1,078	206	168	
						Δ % yoy	Δ % yoy	
						-11.1%	-15.9%	
						-11.4%	-9.6%	
						-12.1%	-11.9%	
						-7.0%	-8.7%	
						-4.4%	12.1%	
						-9.6%	-39.5%	

(1) 4Q'18 MSR including non linear items (€34 mln)

## Legenda

Mobile KPIs	
Total number of lines	Total mobile customer base, human and not human ('000)
o/w Calling	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human lines	Total nr. of human lines
o/w Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Non Human lines (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Churn Rate %	Percentage of line lost on average nr of lines in the reported period
Total User Broadband	Mobile customers using data services
Total User LTE	Mobile customer using (also) 4G (LTE) data services
Volumes of traffic	Incoming + Outgoing volumes (Visitors and Roamers volumes excluded, MVNO 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	Average Revenue per User (€ / line / month)
Mobile REVENUES	
<b>TOTAL MOBILE REVENUES</b>	Total mobile revenues, including services, handsets and handsets bundle
<b>Mobile Service Revenues</b>	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
<b>Handsets and Handsets Bundle</b>	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	
KPI's - Mobile only	Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy		Δ % yoy	
Estimated Total Penetration (%)	113.0%		112.7%		111.8%		####		####		108.9%	-4.1pp	108.7%	-4.0pp
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%	0.0pp <sup>(1)</sup>
Total Lines ('000) <sup>(2)</sup>	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%
TOTAL ARPU <sup>(3)</sup>	21.7		21.9		22.6		23.7		22.5		22.8	+5.3%	23.2	+5.8%
TOTAL MOU net of visitors	115	+8%	122	+15%	129	+16%	127	+11%	123.4	+12%	124	+7%	124	+1%
MAIN RESULTS (IAS/IFRS)	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19				Δ % yoy	Q1 '19	Q2 '19	Δ % yoy
<b>REVENUES Reported</b>	<b>4,120</b>	<b>4,162</b>	<b>4,242</b>	<b>4,457</b>	<b>16,981</b>	<b>4,191</b>	<b>4,263</b>							
of which services	3,986	3,968	4,031	4,221	16,206	4,025	4,063	1.7%	1.0%	2.4%	2.4%			
of which handsets	134	194	211	236	775	166	200	23.9%	3.1%	3.1%				
<b>EBITDA Reported</b>	<b>1,407</b>	<b>1,508</b>	<b>1,594</b>	<b>1,807</b>	<b>6,316</b>	<b>1,485</b>	<b>4,253</b>	5.5%	182.0%					
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%	35.4%	99.8%	1.2pp	63.6pp					
<b>EBITDA Organic</b>	<b>1,407</b>	<b>1,508</b>	<b>1,594</b>	<b>1,804</b>	<b>6,313</b>	<b>1,485</b>	<b>1,603</b>	5.5%	6.3%					
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%	35.4%	37.6%	1.2pp	1.4pp					
<b>CAPEX Reported</b>	<b>613</b>	<b>981</b>	<b>866</b>	<b>1,371</b>	<b>3,831</b>	<b>650</b>	<b>945</b>	6.0%	-3.7%					
% on revenues	14.9%	23.6%	20.4%	30.8%	22.6%	15.5%	22.2%	0.6pp	-1.4pp					
<b>Exchange rate AVG YTD</b> (R\$ vs. euro)	<b>3.99014</b>	<b>4.14011</b>	<b>4.29236</b>	<b>4.30628</b>	<b>4.30628</b>	<b>4.27983</b>	<b>4.34394</b>							

(1) Internal estimate (2) Includes company lines (3) Gross of visitors

## Reported & Organic Figures: YoY trends

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	Q2 '18				Q2 '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							
<b>REVENUES</b>										
Domestic	3,766	-	4	-	3,770	3,567	(1)	3,568	-5.3%	-5.4%
Brazil	968	-	(24)	-	944	967	-	967	-0.1%	2.4%
Other Activities & Eliminations	(8)	-	-	-	(8)	(11)	-	(11)		
<b>TI Group</b>	<b>4,726</b>	-	<b>(20)</b>	-	<b>4,706</b>	<b>4,523</b>	<b>(1)</b>	<b>4,524</b>	<b>-4.3%</b>	<b>-3.9%</b>
<b>EBITDA</b>										
Domestic	1,591	-	1	(26)	1,618	1,302	(244)	1,546	-18.2%	-4.4%
Brazil	351	-	(9)	-	342	974	610	364	177.5%	6.3%
Other Activities & Eliminations	(2)	-	-	-	(2)	(3)	-	(3)		
<b>TI Group</b>	<b>1,940</b>	-	<b>(8)</b>	<b>(26)</b>	<b>1,958</b>	<b>2,273</b>	<b>366</b>	<b>1,907</b>	<b>17.2%</b>	<b>-2.6%</b>
<b>EBIT</b>										
Domestic	756	-	-	(26)	782	431	(244)	675	-43.0%	-13.7%
Brazil	121	-	(3)	-	118	756	610	146	524.8%	23.5%
Other Activities & Eliminations	(3)	-	-	-	(3)	(1)	-	(1)		
<b>TI Group</b>	<b>874</b>	-	<b>(3)</b>	<b>(26)</b>	<b>897</b>	<b>1,186</b>	<b>366</b>	<b>820</b>	<b>35.7%</b>	<b>-8.6%</b>

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

## "After Lease" View

UNAUDITED FIGURES

€m

	Q2' 18			Q2' 19			H1' 18			H1' 19		
	IFRS 9/15	Δ IAS 17	AL	IFRS 9/15	Δ IAS 17	AL	IFRS 9/15	Δ IAS 17	AL	IFRS 9/15	Δ IAS 17	AL
<b>EBITDA Reported</b>												
Domestic	1,591	(90)	1,501	1,302	(69)	1,233	3,037	(171)	2,866	2,749	(139)	2,610
Brazil	351	(17)	334	974	(13)	961	704	(35)	669	1,321	(35)	1,286
Other activities & Elim.	(2)	-	(2)	(3)	-	(3)	(8)	-	(8)	(5)	-	(5)
<b>TI Group</b>	<b>1,940</b>	<b>(108)</b>	<b>1,832</b>	<b>2,273</b>	<b>(81)</b>	<b>2,192</b>	<b>3,733</b>	<b>(207)</b>	<b>3,526</b>	<b>4,065</b>	<b>(173)</b>	<b>3,892</b>
<b>EBITDA Organic</b>												
Domestic	1,618	(91)	1,527	1,546	(69)	1,477	3,160	(171)	2,989	3,027	(139)	2,888
Brazil	342	(16)	326	364	(13)	351	671	(33)	637	711	(35)	676
Other activities & Elim.	(2)	-	(2)	(3)	-	(3)	(8)	-	(8)	(5)	-	(5)
<b>TI Group</b>	<b>1,958</b>	<b>(107)</b>	<b>1,851</b>	<b>1,907</b>	<b>(81)</b>	<b>1,826</b>	<b>3,823</b>	<b>(205)</b>	<b>3,618</b>	<b>3,733</b>	<b>(173)</b>	<b>3,560</b>
<b>Net Financial Debt (Adjusted)</b>										<b>24,731</b>	<b>(1,913)</b>	<b>22,818</b>