

ATTACHMENTS TO THE PRESS RELEASE

ALTERNATIVE PERFORMANCE MEASURES

In this press release, in addition to the conventional financial performance measures established by IFRS, certain alternative performance measures are presented for purposes of a better understanding of the trend of operations and the financial condition related to the TIM Group and the Parent Company TIM S.p.A.. Such measures, which are presented in the periodical financial reports (annual and interim), should, however, not be considered as a substitute for those required by IFRS.

The alternative performance measures used are described below:

- **EBITDA:** this financial measure is used by TIM as a financial target in internal presentations (*business plans*) and in external presentations (to analysts and investors). It represents a useful unit of measurement for the evaluation of the operating performance of the Group (as a whole and at the Business Unit level) and the Parent Company TIM S.p.A. This measure is calculated as follows:

Profit (loss) before tax from continuing operations	
+	Finance expenses
-	Finance income
+/-	Other expenses (income) from investments ⁽¹⁾
+/-	Share of losses (profits) of associates and joint ventures accounted for using the equity method ⁽²⁾
EBIT - Operating profit (loss)	
+/-	Impairment losses (reversals) on non-current assets
+/-	Losses (gains) on disposals of non-current assets
+	Depreciation and amortization
EBITDA - Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets	

(1) "Expenses (income) from investments" for TIM S.p.A..

(2) Line item in Group consolidated financial statements only.

- **Organic change in Revenues, EBITDA and EBIT:** these measures express changes (amount and/or percentage) in Revenues, EBITDA and EBIT, excluding, where applicable, the effects of the change in the scope of consolidation and exchange differences.

TIM believes that the presentation of the organic change in Revenues, EBITDA and EBIT allows for a more complete and effective understanding of the operating performance of the Group (as a whole and at the Business Unit level) and the Parent Company; this method of presenting information is also used in presentations to analysts and investors. In this press release, is also provided the reconciliation between the "accounting or reported" data and the "organic" ones.

- **EBITDA margin and EBIT margin:** TIM believes that these margins represent some useful indicator of the ability of the Group (as a whole and at Business Unit level) and the Parent Company to generate profits from its revenues. In fact, EBITDA margin and EBIT margin measure the operating performance of an entity by analyzing the percentage of revenues that are converted into EBITDA and EBIT respectively. Such indicators are used by TIM in internal presentations (*business plans*) and in external presentations (to analysts and investors) in order to illustrate the results from operations also through the comparison of the operating results of the fiscal year with those of the previous fiscal years.

- **Net Financial Debt:** TIM believes that the Net Financial Debt represents an accurate indicator of its ability to meet its financial obligations. It is represented by Gross Financial Debt less Cash and Cash Equivalents and other Financial Assets.

In this press release are included two tables showing the amounts taken from the statement of financial position and used to calculate the Net Financial Debt of the Group and Parent Company respectively.

In order to better represent the actual change in Net Financial Debt, in addition to the usual measure (named "Net financial debt carrying amount") is also shown the "Adjusted net financial debt", which excludes effects that are

purely accounting in nature resulting from the fair value measurement of derivatives and related financial liabilities/assets.

Net financial debt is calculated as follows:

+ Non-current financial liabilities
+ Current financial liabilities
+ Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale
A) Gross Financial Debt
+ Non-current financial assets
+ Current financial assets
+ Financial assets included in Discontinued operations/Non-current assets held for sale
B) Financial Assets
C=(A - B) Net Financial Debt carrying amount
D) Reversal of fair value measurement of derivatives and related financial liabilities/assets
E=(C + D) Adjusted Net Financial Debt

The reclassified Separate Income Statements, Statements of Comprehensive Income, Statements of Financial Position and the Statements of Cash Flows as well as the Net Financial Debt of the TIM Group and the Parent TIM S.p.A., herewith presented, are the same as those included in the Report of Operations of 2016 TIM Annual Financial Report. Such statements, as well as the Net Financial Debt, are however consistent with those included in the TIM Consolidated and Separate Financial Statements for the year ended December 31, 2016.

To such extent, please note that the audit work by our independent auditors on the TIM Consolidated and Separate Financial Statements for the year ended December 31, 2016 as well as the check of consistency of the 2016 Report on Operations with the related TIM Consolidated and Separate Financial Statements have not yet been completed.

TIM GROUP - SEPARATE CONSOLIDATED INCOME STATEMENTS

(millions of euros)	2016	2015	Change	
	(a)	Revised (b)	amount	%
Revenues	19,025	19,719	(694)	(3.5)
Other income	311	287	24	8.4
Total operating revenues and other income	19,336	20,006	(670)	(3.3)
Acquisition of goods and services	(7,793)	(8,532)	739	8.7
Employee benefits expenses	(3,106)	(3,589)	483	13.5
Other operating expenses	(1,083)	(1,491)	408	27.4
Change in inventories	9	(44)	53	-
Internally generated assets	639	656	(17)	(2.6)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	8,002	7,006	996	14.2
Depreciation and amortization	(4,291)	(4,135)	(156)	(3.8)
Gains (losses) on disposals of non-current assets	14	336	(322)	(95.8)
Impairment reversals (losses) on non-current assets	(3)	(244)	241	98.8
Operating profit (loss) (EBIT)	3,722	2,963	759	25.6
Share of profits (losses) of associates and joint ventures accounted for using the equity method	(23)	1	(24)	-
Other income (expenses) from investments	7	10	(3)	(30.0)
Finance income	2,543	2,760	(217)	(7.9)
Finance expenses	(3,450)	(5,281)	1,831	34.7
Profit (loss) before tax from continuing operations	2,799	453	2,346	-
Income tax expense	(880)	(403)	(477)	-
Profit (loss) from continuing operations	1,919	50	1,869	-
Profit (loss) from Discontinued operations/Non-current assets held for sale	47	611	(564)	(92.3)
Profit (loss) for the year	1,966	661	1,305	-
Attributable to:				
Owners of the Parent	1,808	(70)	1,878	-
Non-controlling interests	158	731	(573)	(78.4)

TIM GROUP - CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In accordance with IAS 1 (Presentation of Financial Statements) here below are presented the Consolidated Statements of Comprehensive Income, including the Profit (loss) for the year, as shown in the Separate Consolidated Income Statements, and all non-owner changes in equity.

(millions of euros)	2016	2015 Revised
Profit (loss) for the year (a)	1,966	661
Other components of the Consolidated Statement of Comprehensive Income		
Other components that will not be reclassified subsequently to Separate Consolidated Income Statement		
Remeasurements of employee defined benefit plans (IAS19):		
Actuarial gains (losses)	(33)	16
Income tax effect	7	(7)
(b)	(26)	9
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:		
Profit (loss)	-	-
Income tax effect	-	-
(c)	-	-
Total other components that will not be reclassified subsequently to Separate Consolidated Income Statement (d=b+c)	(26)	9
Other components that will be reclassified subsequently to Separate Consolidated Income Statement		
Available-for-sale financial assets:		
Profit (loss) from fair value adjustments	46	(4)
Loss (profit) transferred to Separate Consolidated Income Statement	(37)	(57)
Income tax effect	(2)	18
(e)	7	(43)
Hedging instruments:		
Profit (loss) from fair value adjustments	(312)	1,536
Loss (profit) transferred to Separate Consolidated Income Statement	(80)	(983)
Income tax effect	90	(165)
(f)	(302)	388
Exchange differences on translating foreign operations:		
Profit (loss) on translating foreign operations	852	(2,129)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement	304	(1)
Income tax effect	-	-
(g)	1,156	(2,130)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method:		
Profit (loss)	-	-
Loss (profit) transferred to Separate Consolidated Income Statement	-	-
Income tax effect	-	-
(h)	-	-
Total other components that will be reclassified subsequently to Separate Consolidated Income Statement (i=e+f+g+h)	861	(1,785)
Total other components of the Consolidated Statement of Comprehensive Income (k=d+i)	835	(1,776)
Total comprehensive income (loss) for the year (a+k)	2,801	(1,115)
Attributable to:		
Owners of the Parent	2,534	(807)
Non-controlling interests	267	(308)

TIM GROUP - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(millions of euros)	12/31/2016 (a)	12/31/2015 Revised (b)	Change (a-b)	1/1/2015 Revised
Assets				
Non-current assets				
Intangible assets				
Goodwill	29,612	29,383	229	29,943
Intangible assets with a finite useful life	6,951	6,480	471	6,827
	36,563	35,863	700	36,770
Tangible assets				
Property, plant and equipment owned	13,947	12,659	1,288	12,544
Assets held under finance leases	2,413	2,208	205	843
	16,360	14,867	1,493	13,387
Other non-current assets				
Investments in associates and joint ventures accounted for using the equity method	18	41	(23)	36
Other investments	46	45	1	43
Non-current financial assets	2,698	2,989	(291)	2,445
Miscellaneous receivables and other non-current assets	2,222	1,804	418	1,624
Deferred tax assets	877	853	24	1,118
	5,861	5,732	129	5,266
Total Non-current assets (a)	58,784	56,462	2,322	55,423
Current assets				
Inventories	270	254	16	313
Trade and miscellaneous receivables and other current assets	5,426	5,086	340	5,607
Current income tax receivables	94	163	(69)	101
Current financial assets				
<i>Securities other than investments, financial receivables and other current financial assets</i>	1,908	1,840	68	1,611
<i>Cash and cash equivalents</i>	3,964	3,559	405	4,812
	5,872	5,399	473	6,423
Current assets sub-total	11,662	10,902	760	12,444
Discontinued operations / Non-current assets held for sale				
of a financial nature	-	227	(227)	165
of a non-financial nature	-	3,677	(3,677)	3,564
	-	3,904	(3,904)	3,729
Total Current assets (b)	11,662	14,806	(3,144)	16,173
Total Assets (a+b)	70,446	71,268	(822)	71,596

(millions of euros)

	12/31/2016	12/31/2015	Change	1/1/2015
	(a)	Revised (b)	(a-b)	Revised
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent	21,207	17,554	3,653	18,068
Non-controlling interests	2,346	3,695	(1,349)	3,516
Total Equity	(c) 23,553	21,249	2,304	21,584
Non-current liabilities				
Non-current financial liabilities	30,469	30,518	(49)	32,325
Employee benefits	1,355	1,420	(65)	1,056
Deferred tax liabilities	293	323	(30)	438
Provisions	830	551	279	720
Miscellaneous payables and other non-current liabilities	1,607	1,429	178	984
Total Non-current liabilities	(d) 34,554	34,241	313	35,523
Current liabilities				
Current financial liabilities	4,056	6,224	(2,168)	4,686
Trade and miscellaneous payables and other current liabilities	7,646	7,563	83	8,249
Current income tax payables	637	110	527	36
Current liabilities sub-total	12,339	13,897	(1,558)	12,971
Liabilities directly associated with Discontinued operations/Non-current assets held for sale				
of a financial nature	-	348	(348)	43
of a non-financial nature	-	1,533	(1,533)	1,475
	-	1,881	(1,881)	1,518
Total Current Liabilities	(e) 12,339	15,778	(3,439)	14,489
Total Liabilities	(f=d+e) 46,893	50,019	(3,126)	50,012
Total Equity and liabilities	(c+f) 70,446	71,268	(822)	71,596

TIM GROUP - CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions of euros)

	12/31/2016	12/31/2015 Revised
Cash flows from operating activities:		
Profit (loss) from continuing operations	1,919	50
Adjustments for:		
Depreciation and amortization	4,291	4,135
Impairment losses (reversals) on non-current assets (including investments)	6	253
Net change in deferred tax assets and liabilities	38	(45)
Losses (gains) realized on disposals of non-current assets (including investments)	(15)	(343)
Share of losses (profits) of associates and joint ventures accounted for using the equity method	23	(1)
Change in provisions for employee benefits	(131)	389
Change in inventories	(10)	56
Change in trade receivables and net amounts due from customers on construction contracts	(310)	410
Change in trade payables	229	(481)
Net change in current income tax receivables/payables	581	13
Net change in miscellaneous receivables/payables and other assets/liabilities	(915)	634
Cash flows from (used in) operating activities	(a) 5,706	5,070
Cash flows from investing activities:		
Purchase of intangible assets	(1,641)	(1,959)
Purchase of tangible assets	(3,467)	(4,761)
Total purchase of intangible and tangible assets on an accrual basis	(5,108)	(6,720)
Change in amounts due for purchases of intangible and tangible assets	450	1,294
Total purchase of intangible and tangible assets on a cash basis	(4,658)	(5,426)
Acquisition of control of companies or other businesses, net of cash acquired	(10)	(5)
Acquisitions/disposals of other investments	(5)	(36)
Change in financial receivables and other financial assets	175	(635)
Proceeds from sale that result in a loss of control of subsidiaries or other businesses, net of cash disposed of	492	-
Proceeds from sale/repayments of intangible, tangible and other non-current assets	42	717
Cash flows from (used in) investing activities	(b) (3,964)	(5,385)
Cash flows from financing activities:		
Change in current financial liabilities and other	(437)	408
Proceeds from non-current financial liabilities (including current portion)	3,561	5,054
Repayments of non-current financial liabilities (including current portion)	(4,164)	(7,191)
Share capital proceeds/reimbursements (including subsidiaries)	4	186
Dividends paid	(227)	(204)
Changes in ownership interests in consolidated subsidiaries	-	845
Cash flows from (used in) financing activities	(c) (1,263)	(902)
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d) (45)	(19)
Aggregate cash flows	(e=a+b+c+d) 434	(1,236)
Net cash and cash equivalents at beginning of the year	(f) 3,216	4,910
Net foreign exchange differences on net cash and cash equivalents	(g) 302	(458)
Net cash and cash equivalents at end of the year	(h=e+f+g) 3,952	3,216

Additional Cash Flow information

(millions of euros)	12/31/2016	12/31/2015 Revised
Income taxes (paid) received	(218)	(363)
Interest expense paid	(2,306)	(5,145)
Interest income received	934	3,632
Dividends received	8	3

Analysis of Net Cash and Cash Equivalents

(millions of euros)	12/31/2016	12/31/2015 Revised
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents - from continuing operations	3,559	4,812
Bank overdrafts repayable on demand - from continuing operations	(441)	(19)
Cash and cash equivalents - from Discontinued operations/Non-current assets held for sale	98	117
Bank overdrafts repayable on demand - from Discontinued operations/Non-current assets held for sale	-	-
	3,216	4,910
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents - from continuing operations	3,964	3,559
Bank overdrafts repayable on demand - from continuing operations	(12)	(441)
Cash and cash equivalents - from Discontinued operations/Non-current assets held for sale	-	98
Bank overdrafts repayable on demand - from Discontinued operations/Non-current assets held for sale	-	-
	3,952	3,216

TIM GROUP - NET FINANCIAL DEBT

(millions of euros)	12/31/2016 (a)	12/31/2015 (b)	Change (a-b)
Non-current financial liabilities			
Bonds	20,369	19,883	486
Amounts due to banks, other financial payables and liabilities	7,656	8,364	(708)
Finance lease liabilities	2,444	2,271	173
	30,469	30,518	(49)
Current financial liabilities (*)			
Bonds	2,595	3,681	(1,086)
Amounts due to banks, other financial payables and liabilities	1,269	2,390	(1,121)
Finance lease liabilities	192	153	39
	4,056	6,224	(2,168)
Financial liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	348	(348)
Total gross financial debt	34,525	37,090	(2,565)
Non-current financial assets			
Securities other than investments	(1)	(3)	2
Financial receivables and other non-current financial assets	(2,697)	(2,986)	289
	(2,698)	(2,989)	291
Current financial assets			
Securities other than investments	(1,519)	(1,488)	(31)
Financial receivables and other current financial assets	(389)	(352)	(37)
Cash and cash equivalents	(3,964)	(3,559)	(405)
	(5,872)	(5,399)	(473)
Financial assets relating to Discontinued operations/Non-current assets held for sale	-	(227)	227
Total financial assets	(8,570)	(8,615)	45
Net financial debt carrying amount	25,955	28,475	(2,520)
<i>Reversal of fair value measurement of derivatives and related financial liabilities/assets</i>	(836)	(1,197)	361
Adjusted Net Financial Debt	25,119	27,278	(2,159)
<i>Breakdown as follows:</i>			
Total adjusted gross financial debt	32,574	34,602	(2,028)
Total adjusted financial assets	(7,455)	(7,324)	(131)
<i>(*) of which current portion of medium/long-term debt:</i>			
Bonds	2,595	3,681	(1,086)
Amounts due to banks, other financial payables and liabilities	670	1,482	(812)
Finance lease liabilities	192	153	39

TIM GROUP – OPERATING FREE CASH FLOW

(millions of euros)	2016	2015	Change
EBITDA	8,002	7,006	996
Capital expenditures on an accrual basis	(4,876)	(5,197)	321
Change in net operating working capital:	(98)	(337)	239
<i>Change in inventories</i>	(10)	56	(66)
<i>Change in trade receivables and net amounts due from customers on construction contracts</i>	(310)	410	(720)
<i>Change in trade payables (*)</i>	445	(621)	1,066
<i>Other changes in operating receivables/payables</i>	(223)	(182)	(41)
Change in provisions for employee benefits	(131)	389	(520)
Change in operating provisions and Other changes	(41)	113	(154)
Net operating free cash flow	2,856	1,974	882
<i>% of Revenues</i>	<i>15.0</i>	<i>10.0</i>	<i>5.0 pp</i>

(*) Includes the change in trade payables for amounts due to fixed assets suppliers.

TIM GROUP - INFORMATION BY OPERATING SEGMENTS

DOMESTIC

	2016	2015	Change		
			amount	%	% organic
(millions of euros)					
Revenues	15,006	15,001	5	-	-
EBITDA	6,698	5,567	1,131	20.3	20.3
Ebitda margin	44.6	37.1		7.5pp	7.5pp
EBIT	3,376	2,359	1,017	43.1	43.1
Ebit margin	22.5	15.7		6.8pp	6.8pp
Headcount at year-end (number)	51,280	52,644	(1,364)	(2.6)	

Core Domestic

	2016	2015	Change	
			amount	%
(millions of euros)				
Revenues ⁽¹⁾	13,926	14,001	(75)	(0.5)
Consumer	7,389	7,271	118	1.6
Business ⁽²⁾	4,535	4,745	(210)	(4.4)
Wholesale	1,780	1,827	(47)	(2.6)
Other	222	158	64	40.5
EBITDA	6,528	5,383	1,145	21.3
EBITDA margin	46.9	38.4		8.5pp
EBIT	3,309	2,275	1,034	45.5
EBIT margin	23.8	16.2		7.6pp
Headcount at year-end (number) ^{(*) (**)}	50,527	51,999	(1,472)	(2.8)

(1) Starting from January 1, 2016, following the change in the mission of Persidera, the Media Business Unit was included in the Domestic Business Unit (Core Domestic); without that change, Core Domestic revenues would have totaled 13,853 million euros in 2016.

(2) As result of the new organizational view, as of January 1, 2016 the Business segment also includes Olivetti. Figures for the year under comparison have been changed accordingly.

(*) Includes employees with temp work contracts: 1 employee at 12/31/2016 (zero employees at 12/31/2015).

(**) Without the change resulting from the aforementioned inclusion of the Media Business Unit into the Domestic Business Unit (Core Domestic), the headcount for the Core Domestic segment at year-end would have totaled 50,465 employees.

International Wholesale – Telecom Italia Sparkle group

	2016	2015	Change		
			amount	%	% organic
(millions of euros)					
Revenues	1,351	1,314	37	2.8	2.7
of which third parties	1,136	1,062	74	7.0	6.9
EBITDA	182	196	(14)	(7.1)	(7.1)
EBITDA margin	13.5	14.9		(1.4)pp	(1.4)pp
EBIT	67	85	(18)	(21.2)	(21.2)
EBIT margin	5.0	6.5		(1.5)pp	(1.5)pp
Headcount at year-end (number) (*)	753	645	108	16.7	

(*) Includes employees with temp work contracts: 3 employees at 12/31/2016 (2 employees at 12/31/2015).

BRAZIL

	(millions of euros)		(millions of Brazilian reais)		Change	
	2016 (a)	2015 Revised (b)	2016 (c)	2015 Revised (d)	amount (c-d)	% (c-d)/d
Revenues	4,047	4,637	15,617	17,142	(1,525)	(8.9)
EBITDA	1,325	1,451	5,114	5,365	(251)	(4.7)
EBITDA margin	32.7	31.3	32.7	31.3		1.4pp
EBIT	368	638	1,418	2,358	(940)	(39.9)
EBIT margin	9.1	13.8	9.1	13.8		(4.7pp)
Headcount at year-end (number)			9,849	13,042	(3,193)	(24.5)

TIM GROUP - RECONCILIATION BETWEEN REPORTED DATA AND ORGANIC DATA

REVENUES – reconciliation of organic data

(millions of euros)	2016	2015 Revised	Change	
			amount	%
REPORTED REVENUES	19,025	19,719	(694)	(3.5)
Foreign currency financial statements translation effect		(193)	193	
Changes in the scope of consolidation		-	-	
ORGANIC REVENUES	19,025	19,526	(501)	(2.6)

EBITDA – reconciliation of organic data

(millions of euros)	2016	2015 Revised	Change	
			amount	%
REPORTED EBITDA	8,002	7,006	996	14.2
Foreign currency financial statements translation effect		(61)	61	
Changes in the scope of consolidation		-	-	
ORGANIC EBITDA	8,002	6,945	1,057	15.2
of which Non-recurring Income/(Expenses)	(197)	(1,076)	879	
ORGANIC EBITDA, excluding Non-recurring items	8,199	8,021	178	2.2

EBIT – reconciliation of organic data

(millions of euros)	2016	2015 Revised	Change	
			amount	%
REPORTED EBIT	3,722	2,963	759	25.6
Foreign currency financial statements translation effect		(27)	27	
Changes in the scope of consolidation		-	-	
ORGANIC EBIT	3,722	2,936	786	26.8
of which Non-recurring Income/(Expenses)	(185)	(990)	805	
Foreign currency Non-recurring Income/(Expenses) translation effect		(3)	3	
ORGANIC EBIT, excluding Non-recurring items	3,907	3,929	(22)	(0.6)

DOMESTIC - RECONCILIATION BETWEEN REPORTED DATA AND ORGANIC DATA

EBITDA – reconciliation of organic data

(millions of euros)	2016	2015	Change	
			amount	%
REPORTED EBITDA	6,698	5,567	1,131	20.3
Foreign currency financial statements translation effect	-	-		
Changes in the scope of consolidation	-	-		
ORGANIC EBITDA	6,698	5,567	1,131	20.3
of which Non-recurring Income/(Expenses)	(182)	(1,028)	846	
ORGANIC EBITDA, excluding Non-recurring items	6,880	6,595	285	4.3

EBIT – reconciliation of organic data

(millions of euros)	2016	2015	Change	
			amount	%
REPORTED EBIT	3,376	2,359	1,017	43.1
Foreign currency financial statements translation effect	-	-		
Changes in the scope of consolidation	-	-		
ORGANIC EBIT	3,376	2,359	1,017	43.1
of which Non-recurring Income/(Expenses)	(182)	(1,028)	846	
ORGANIC EBIT, excluding Non-recurring items	3,558	3,387	171	5.0

TIM GROUP – DEBT STRUCTURE, BOND ISSUES AND EXPIRING BONDS

Revolving Credit Facilities and term loans

In the table below are shown the composition and the drawdown of the committed credit lines available as of December 31, 2016:

(billions of euros)	12/31/2016		12/31/2015	
	Committed	Utilized	Committed	Utilized
Revolving Credit Facility – due May 2019	4.0	-	4.0	-
Revolving Credit Facility – due March 2020	3.0	-	3.0	-
Total	7.0	-	7.0	-

TIM has two syndicated *Revolving Credit Facilities* for the amounts of 4 billion euros and 3 billion euros maturing respectively on May 24, 2019 and on March 25, 2020, both not utilized. Some more suitable changes in the economic terms of the RCFs and the extension of the maturity for two years more have entered into force from January 4, 2016.

Furthermore, TIM has:

- a bilateral Term Loan with Banca Regionale Europea for the amount of 200 million euros expiring in July 2019, drawn down for the full amount;
- a bilateral Term Loan with Cassa Depositi e Prestiti for the amount of 100 million euros expiring in April 2019, drawn down for the full amount;
- two bilateral Term Loans with Mediobanca respectively for the amount of 200 million euros expiring in November 2019 and for the amount of 150 million euros expiring in July 2020, drawn down for the full amounts;
- a bilateral Term Loan with ICBC for the amount of 120 million euros expiring in July 2020, drawn down for the full amount;
- a bilateral Term Loan with Intesa Sanpaolo for the amount of 200 million euros expiring in August 2021, drawn down for the full amount;
- a hot money loan with Banca Popolare Emilia Romagna for the amount of 200 million euros expiring in July 2017, drawn down for the full amount.

Bonds

The following tables show the evolution of the bonds during the year 2016:

New issues

(millions of original currency)	Currency	Amount	Issue date
Telecom Italia S.p.A. 750 million euros 3.625% due 1/19/2024	Euro	750	1/20/2016
Telecom Italia S.p.A. 1,000 million euros 3.625% due 5/25/2026	Euro	1,000	5/25/2016
Telecom Italia S.p.A. 1,000 million euros 3.000% due 9/30/2025	Euro	1,000	9/30/2016

Repayments

(millions of original currency)	Currency	Amount	Repayment date
Telecom Italia S.p.A. 663 million euros 5.125% ⁽¹⁾	Euro	663	1/25/2016
Telecom Italia S.p.A. 708 million euros 8.250% ⁽²⁾	Euro	708	3/21/2016
Telecom Italia S.p.A. 400 million euros Euribor 3M + 0.79%	Euro	400	6/7/2016

(1) Net of 337 million euros repurchased by TIM S.p.A. during 2014 and 2015.

(2) Net of 142 million euros repurchased by TIM S.p.A. during 2014.

Buybacks

Bond Title	Principal amount outstanding prior the buyback (GBP)	Principal amount repurchased (GBP)	Buyback price	Buyback date
Telecom Italia S.p.A. - 400 GBP million, due May 2023, coupon 5.875%	400,000,000	25,000,000	111.000%	6/29/2016

As regards the mandatory conversion at maturity of the Loan “€1,300,000,000 6.125% Guaranteed Subordinated Mandatory Convertible Bonds due 2016” issued by Telecom Italia Finance S.A. and guaranteed by TIM S.p.A., on November 15, 2016 the mentioned loan was converted on the basis of the final conversion ratio (Relevant conversion ratio), calculated pursuant to the Terms and Conditions of the Loan and amounting to 131,018.75372, which correspond to 1,702,850,712 new ordinary shares of TIM S.p.A., representing approximately 11.2% of the ordinary share capital of the Company, 8% also considering the savings shares. We remind that on September 22, 2016 a total of 360,100 TIM ordinary shares have already been issued following a voluntary conversion notice for the nominal amount of 300,000 euros.

With respect to the TIM S.p.A. 2002-2022 bonds, reserved for subscription by employees of the Group, at December 31, 2016, the amount was 201 million euros (nominal amount) and increased by 1 million euros compared to December 31, 2015 (200 million euros).

The nominal amount of repayment, net of the Group's bonds buyback, related to the bonds expiring in the following 18 months as of December 31, 2016 issued by TIM S.p.A., Telecom Italia Finance S.A. and Telecom Italia Capital S.A. (fully and unconditionally guaranteed by TIM S.p.A.) totals 3,284 million euros with the following detail:

- 545 million euros, due January 20, 2017;
- 628 million euros, due September 20, 2017;
- 876 million euros (equivalent to 750 GBP million), due December 15, 2017;
- 593 million euros, due May 25, 2018;
- 642 million euros (equivalent to 677 USD million), due June 4, 2018.

The bonds issued by the TIM Group do not contain financial covenants (e.g. ratios such as Debt/EBITDA, EBITDA/Interest, etc.) or clauses that would force the early redemption of the bonds in relation to events other than the insolvency of the TIM Group. Furthermore, the repayment of the bonds and the payment of interest are not covered by specific guarantees nor are there commitments provided relative to the assumption of future guarantees, except for the full and unconditional guarantees provided by TIM S.p.A. for the bonds issued by Telecom Italia Finance S.A. and Telecom Italia Capital S.A..

Since these bonds have been placed principally with institutional investors in major world capital markets (Euromarket and the U.S.A.), the terms which regulate the bonds are in line with market practice for similar transactions effected on these same markets; including, for example, commitments not to use the company's assets as collateral for loans (“negative pledges”).

With reference to the loans received by TIM S.p.A. from the European Investment Bank (“EIB”), as at December 31, 2016, the total nominal amount of outstanding loans amounted to 1,950 million euros, of which 800 million euros at direct risk and 1,150 million euros secured.

EIB loans not secured by bank guarantees for a nominal amount equal to 800 million euros need to apply the following covenant:

- in the event the company becomes the target of a merger, demerger or contribution of a business segment outside the Group, or sells, disposes or transfers assets or business segments (except in certain cases, expressly provided for), it shall immediately inform the EIB which shall have the right to ask for guarantees to be provided or changes to be made to the loan contract, or, only for certain loan contracts, the EIB shall have the option to demand the advance repayment of the loan (should the

- merger, demerger or contribution of a business segment outside the Group compromise the Project execution or cause a prejudice to EIB in its capacity as creditor);
- in the loan of 500 million euros signed on December 14, 2015 TIM enter into a contractual agreement according to which, for all the duration of the loan, the total financial indebtedness of the companies of the Group different from TIM S.p.A., and except in case that indebtedness is entirely and irrevocably guaranteed by TIM S.p.A., will be less than the 35% (thirty-five per cent) of the Group total financial indebtedness.

EIB loans secured by bank or approved parties **guarantees** for a total nominal amount of 1,150 million euros and the loans at direct risk, respectively, of 300 million euros signed on July 30, 2014 and 500 million euros signed on December 14, 2015, need to apply the following covenants:

- “Inclusion clause”, provided on loans for a total amount of 1,650 million euros, according to which in the event TIM commits to keep in other loan contracts financial covenants (and in the loans at direct risk signed in 2014 and 2015, also more stringent clauses, for example, cross default and restrictions of the sale of goods) which are not present or are stricter than those granted to the EIB, then the EIB will have the right to request, at its fair opinion, in case those variations shall have negative consequences on TIM financial capacity, the providing of guarantees or the modification of the loan contract in order to envisage an equivalent provision in favor of the EIB;
- “Network Event”, clause provided on loans for a total amount of 1,350 million euros, according to which, against the disposal of the entire fixed network or of a substantial part of it (in any case more than half in quantitative terms) in favor of third parties or in case of disposal of the controlling stake of the company in which the network or a substantial part of it has previously been transferred, TIM shall immediately inform EIB, which shall have the option of requiring the provision of guarantees or amendment of the loan contract or an alternative solution.

TIM S.p.A. loan contracts do not contain financial covenants (e.g. ratios such as Debt/EBITDA, EBITDA/Interests, etc.) which would oblige the Company to repay the outstanding loan if the covenants are not observed.

The loan contracts contain the usual other types of covenants, including the commitment not to use the Company's assets as collateral for loans (negative pledges), the commitment not to change the business purpose or sell the assets of the Company unless specific conditions exist (e.g. the sale takes place at fair market value). Covenants with basically the same content are also found in the export credit loan agreement.

In the Loan contracts and in the Bonds, TIM must provide communication in case of change in control. Identification elements to prove that event of change in control and the applicable consequences – among which the possible constitution of guarantees or the repayment in advance of the issued amount and the cancellation of the commitment in absence of a different agreement – are precisely disciplined in each contract. Furthermore, the outstanding loans contain a general commitment by TIM, whose breach is an event of default, not to implement mergers, demergers or transfer of business, involving entities outside the Group. Such event of default may entail, upon request of the Lender, the early redemption of the drawn amounts and/or the cancellation of the undrawn commitment amounts.

In the documentation of the loans granted to certain companies of the Tim Brasil group, the companies must generally respect certain financial ratios (e.g. capitalization ratios, ratios for servicing debt and debt ratios) as well as the usual other covenants, under pain of a request for the early repayment of the loan.

We finally underline that, as of December 31, 2016, no covenant, negative pledge clause or other clause relating to the above-described debt position, has in any way been breached or violated.

TIM GROUP - EFFECTS OF NON-RECURRING EVENTS AND TRANSACTIONS ON EACH ITEM OF THE SEPARATE CONSOLIDATED INCOME STATEMENTS

The effects of non-recurring events and transactions on the separate consolidated income statements line items are set out below in accordance with Consob communication DME/RM/9081707 dated September 16, 2009:

(millions of euros)	2016	2015
Acquisition of goods and services:		
Expenses related to agreements and the development of non-recurring projects	-	(102)
Sundry expenses	(2)	-
Employee benefits expenses:		
Expenses related to restructuring and rationalization	(159)	(446)
Other operating expenses:		
Expenses related to disputes and regulatory penalties and liabilities related to those expenses, and expenses related to disputes with former employees and liabilities with customers and/or suppliers	-	(518)
Sundry expenses and other provisions	(36)	-
Change in inventories	-	(10)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	(197)	(1,076)
Gains (losses) on disposals of non-current assets:		
Gain on disposals of non-current assets	12	328
Impairment reversals (losses) on non-current assets:		
Brazil goodwill impairment charge	-	(240)
Write-down of tangible assets	-	(2)
Impact on EBIT - Operating profit (loss)	(185)	(990)
Other income (expenses) from investments:		
Net gains on disposals of Other investments	-	7
Finance expenses:		
Interest expenses and other finance expenses	(25)	(28)
Impact on profit (loss) before tax from continuing operations	(210)	(1,011)
Income taxes on non-recurring items	63	237
Discontinued operations - Effect of the disposal of the Sofora - Telecom Argentina	(12)	-
Impact on profit (loss) for the year	(159)	(774)

TIM S.p.A. - SEPARATE INCOME STATEMENTS

(millions of euros)	2016	2015	Change	
			amount	%
Revenues	13,670	13,797	(127)	(0.9)
Other income	241	252	(11)	(4.4)
Total operating revenues and other income	13,911	14,049	(138)	(1.0)
Acquisition of goods and services	(5,051)	(5,386)	335	6.2
Employee benefits expenses	(2,530)	(2,769)	239	8.6
Other operating expenses	(517)	(960)	443	46.1
Change in inventories	8	14	(6)	(42.9)
Internally generated assets	483	318	165	51.9
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	6,304	5,266	1,038	19.7
Depreciation and amortization	(3,161)	(3,083)	(78)	(2.5)
Gains (losses) on disposals of non-current assets	(6)	5	(11)	
Impairment reversals (losses) on non-current assets	(3)	-	(3)	
Operating profit (loss) (EBIT)	3,134	2,188	946	43.2
Income (expenses) from investments	12	(132)	144	
Finance income	1,957	2,121	(164)	(7.7)
Finance expenses	(2,784)	(4,546)	1,762	38.8
Profit (loss) before tax from continuing operations	2,319	(369)	2,688	
Income tax expense	(762)	(96)	(666)	
Profit (loss) from continuing operations	1,557	(465)	2,022	
Profit (loss) from Discontinued operations/Non-current assets held for sale	340	9	331	
Profit (loss) for the year	1,897	(456)	2,353	

TIM S.p.A. - STATEMENTS OF COMPREHENSIVE INCOME

In accordance with IAS 1 (Presentation of Financial Statements) here below are presented the Statements of Comprehensive Income, including the Profit (loss) for the year, as shown in the Separate Income Statements, and all non-owner changes in equity.

(millions of euros)

	2016	2015
Profit (loss) for the year	1,897	(456)
Other components of the Statement of Comprehensive Income:		
Other components that will not be reclassified subsequently to Separate Income Statement		
Remeasurements of employee defined benefit plans (IAS19):		
Actuarial gains (losses)	(29)	15
Income tax effect	7	(7)
	(22)	8
Total other components that will not be reclassified subsequently to Separate Income Statement	(22)	8
Other components that will be reclassified subsequently to Separate Income Statement		
Available-for-sale financial assets:		
Profit (loss) from fair value adjustments	4	(71)
Loss (profit) transferred to the Separate Income Statement	-	-
Income tax effect	(2)	22
	2	(49)
Hedging instruments:		
Profit (loss) from fair value adjustments	(498)	550
Loss (profit) transferred to the Separate Income Statement	279	(297)
Income tax effect	44	(109)
	(175)	144
Total other components that will be reclassified subsequently to Separate Income Statement	(173)	95
Total other components of the Statement of Comprehensive Income	(195)	103
Total comprehensive income (loss) for the year	1,702	(353)

TIM S.p.A. – STATEMENTS OF FINANCIAL POSITION

(millions of euros)

	12/31/2016	12/31/2015	Change
	(a)	(b)	(a-b)
Assets			
Non-current assets			
Intangible assets			
Goodwill	27,027	27,027	-
Intangible assets with a finite useful life	3,886	4,076	(190)
	30,913	31,103	(190)
Tangible assets			
Property, plant and equipment owned	10,046	9,556	490
Assets held under finance leases	2,105	1,975	130
	12,151	11,531	620
Other non-current assets			
Investments	7,732	7,805	(73)
Non-current financial assets	2,147	2,377	(230)
Miscellaneous receivables and other non-current assets	1,503	1,283	220
Deferred tax assets	773	779	(6)
	12,155	12,244	(89)
Total Non-current assets	(a) 55,219	54,878	341
Current assets			
Inventories	133	125	8
Trade and miscellaneous receivables and other current assets	3,925	3,663	262
Current income tax receivables	-	127	(127)
Current financial assets			
<i>Securities other than investments, financial receivables and other current financial assets</i>	1,194	1,032	162
<i>Cash and cash equivalents</i>	1,230	916	314
	2,424	1,948	476
Current assets sub-total	6,482	5,863	619
Discontinued operations/Non-current assets held for sale	-	-	-
Total Current assets	(b) 6,482	5,863	619
Total Assets	(a+b) 61,701	60,741	960

(millions of euros)

	12/31/2016	12/31/2015	Change
	(a)	(b)	(a-b)
Equity and Liabilities			
Equity			
Share capital issued	11,677	10,741	936
Less: treasury shares	(21)	(21)	-
Share capital	11,656	10,720	936
Additional paid-in capital	2,094	1,731	363
Other reserves and retained earnings (accumulated losses), including profit (loss) for the year	5,223	3,660	1,563
Total Equity (c)	18,973	16,111	2,862
Non-current liabilities			
Non-current financial liabilities	28,958	30,743	(1,785)
Employee benefits	1,274	1,278	(4)
Deferred tax liabilities	2	2	-
Provisions	596	324	272
Miscellaneous payables and other non-current liabilities	1,077	920	157
Total Non-current liabilities (d)	31,907	33,267	(1,360)
Current liabilities			
Current financial liabilities	4,810	5,637	(827)
Trade and miscellaneous payables and other current liabilities	5,465	5,656	(191)
Current income tax payables	546	70	476
Current liabilities sub-total	10,821	11,363	(542)
Liabilities directly associated with Discontinued operations/ Non-current assets held for sale	-	-	-
Total Current Liabilities (e)	10,821	11,363	(542)
Total Liabilities (f=d+e)	42,728	44,630	(1,902)
Total Equity and liabilities (c+f)	61,701	60,741	960

TIM S.p.A. – STATEMENTS OF CASH FLOWS

(millions of euros)	2016	2015
Cash flows from operating activities:		
Profit (loss) from continuing operations	1,557	(465)
Adjustments for:		
Depreciation and amortization	3,161	3,083
Impairment losses (reversals) on non-current assets (including investments)	47	2,481
Net change in deferred tax assets and liabilities	58	(144)
Losses (gains) realized on disposals of non-current assets (including investments)	6	(333)
Change in provisions for employee benefits	(143)	379
Change in inventories	(2)	(15)
Change in trade receivables and net amounts due from customers on construction contracts	(191)	19
Change in trade payables	170	237
Net change in current income tax receivables/payables	603	23
Net change in miscellaneous receivables/payables and other assets/liabilities	(254)	(127)
Cash flows from (used in) operating activities	(a) 5,012	5,138
Cash flows from investing activities:		
Purchase of intangible assets	(1,056)	(1,400)
Purchase of tangible assets	(2,536)	(3,431)
Total purchase of intangible and tangible assets on an accrual basis	(3,592)	(4,831)
Change in amounts due for pinvesting activities	221	1,183
Total purchase of intangible and tangible assets on a cash basis	(3,371)	(3,648)
Net cash and cash equivalents arising from the company acquisitions	100	21
Acquisition/disposal of other investments	(32)	(111)
Change in financial receivables and other financial assets	111	(349)
Proceeds from sale of investments in subsidiaries	340	854
Proceeds from sale/repayments of intangible, tangible and other non-current assets	6	41
Cash flows from (used in) investing activities	(b) (2,846)	(3,192)
Cash flows from financing activities:		
Change in current financial liabilities and other	(934)	(2,154)
Proceeds from non-current financial liabilities (including current portion)	3,183	7,609
Repayments of non-current financial liabilities (including current portion)	(4,687)	(8,257)
Share capital proceeds/reimbursements	1,300	186
Dividends paid	(166)	(166)
Cash flows from (used in) financing activities	(c) (1,304)	(2,782)
Cash flows from (used in) Discontinued operations/Non-current assets held for sale	(d) -	-
Aggregate cash flows	(e=a+b+c+d) 862	(836)
Net cash and cash equivalents at beginning of the year	(f) 200	1,036
Net cash and cash equivalents at end of the year	(g=e+f) 1,062	200

Additional Cash Flow information

(millions of euros)	2016	2015
Income taxes (paid) received	(70)	(253)
Interest expense paid	(2,099)	(5,002)
Interest income received	826	3,472
Dividends received	59	2,013

Analysis of Net Cash and Cash Equivalents

(millions of euros)	2016	2015
Net cash and cash equivalents at beginning of the year:		
Cash and cash equivalents	916	1,305
Bank overdrafts repayable on demand	(716)	(269)
	200	1,036
Net cash and cash equivalents at end of the year:		
Cash and cash equivalents	1,230	916
Bank overdrafts repayable on demand	(168)	(716)
	1,062	200

TIM S.p.A. – NET FINANCIAL DEBT

(millions of euros)	12/31/2016	12/31/2015	Change
Non-current financial liabilities			
Bonds	14,102	13,772	330
Amounts due to banks, other financial payables and liabilities	12,889	15,059	(2,170)
Finance lease liabilities	1,967	1,912	55
	28,958	30,743	(1,785)
Current financial liabilities ⁽¹⁾			
Bonds	2,457	2,189	268
Amounts due to banks, other financial payables and liabilities	2,192	3,306	(1,114)
Finance lease liabilities	161	142	19
	4,810	5,637	(827)
Total gross financial debt	33,768	36,380	(2,612)
Non-current financial assets			
Financial receivables and other non-current financial assets	(2,147)	(2,377)	230
	(2,147)	(2,377)	230
Current financial assets			
Securities other than investments	(842)	(830)	(12)
Financial receivables and other current financial assets	(352)	(202)	(150)
Cash and cash equivalents	(1,230)	(916)	(314)
	(2,424)	(1,948)	(476)
Total financial assets	(4,571)	(4,325)	(246)
Net financial debt carrying amount	29,197	32,055	(2,858)
Reversal of fair value measurement of derivatives and related financial liabilities/assets	(1,621)	(2,072)	451
Adjusted Net Financial Debt	27,576	29,983	(2,407)
<i>Breakdown as follows:</i>			
Total adjusted gross financial debt	31,245	33,240	(1,995)
Total adjusted financial assets	(3,669)	(3,257)	(412)
⁽¹⁾ of which current portion of medium/long -term debt:			
Bonds	2,457	2,189	268
Amounts due to banks, other financial payables and liabilities	1,352	1,954	(602)
Finance lease liabilities	161	142	19

TIM S.p.A. – EFFECTS OF NON-RECURRING EVENTS AND TRANSACTIONS ON EACH ITEM OF THE SEPARATE INCOME STATEMENTS

The effects of non-recurring events and transactions on the separate income statements line items are set out below in accordance with Consob communication DME/RM/9081707 dated September 16, 2009:

(millions of euros)	2016	2015
Acquisition of goods and services	(1)	(87)
Professional and consulting services	(1)	(87)
Employee benefits expenses	(130)	(422)
Charges and provisions for restructuring and other	(130)	(422)
Other operating expenses	(25)	(512)
Charges and provisions for fines	(1)	(2)
Provision for corporate transactions	–	(3)
Provision for litigation	(9)	(224)
Sundry expenses	(15)	(283)
Impact on operating profit before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	(156)	(1,021)
Gains (losses) on disposals of non-current assets		–
Gains (losses) on non-current assets	–	–
Impairment reversals (losses) on non-current assets		
Goodwill impairment charges	–	–
Impact on EBIT - Operating profit (loss)	(156)	(1,021)
Other income (expenses) from investments	–	(96)
Net gain on disposal of non-controlling interest in Inwit	–	299
Net gain on disposal of investment in SIA	–	11
Net gain on disposal of investment in Teleleasing	–	18
Dividends from TI International	–	2,000
Impairment loss on TI International	–	(2,369)
Impairment loss on Persidera S.p.A.	–	(55)
Finance expenses	(26)	(19)
Impact on profit (loss) before tax from continuing operations	(182)	(1,136)
Income taxes on non-recurring items	47	309
Discontinued operations – Effect of the disposal of investments in Sofora	340	–
Impact on profit (loss) for the year	205	(827)



TIM GROUP – EFFECTS ON KEY FINANCIAL AND OPERATING DATA ARISING FROM THE CORRECTION OF ERRORS

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 revenues from the sale of prepaid traffic. Such incorrect accounting entries, which were attributable to the business model used in Brazil for recognizing prepaid traffic revenues in non-recent years, 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 neither in terms of net financial position nor on cash and cash equivalents.

In assessing the level of significance of the error for the purposes of the related financial statement presentation in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), Management also considered US accounting standards and related guidance.

In particular, this analysis indicated that the impact of the error was not material with respect to consolidated results of operations for each of the years ended December 31, 2015, 2014, 2013 and 2012, but the correction of the cumulative error as of December 31, 2015 would have a material impact on full-year consolidated results of operations for 2016, if entirely recognized at charge of such year.

In light of the above, in the consolidated financial statements of the TIM Group for the year ended December 31, 2016, the comparative financial information as of December 31, 2015 has been restated, including the segment reporting. In accordance with IAS 1 and IAS 8, a revised consolidated statement of financial position as of January 1, 2015 is also presented.

The adjustments arising from the correction of errors made to the Consolidated Statements of Financial Position as of December 31, 2015, 2014, 2013 and 2012 are summarized below:

Consolidated Statements of Financial Position - Revised

(millions of euros)	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Assets				
Non-current assets				
Miscellaneous receivables and other non-current assets	1,804	1,624	1,649	1,557
Current assets				
Trade and miscellaneous receivables and other current assets	5,086	5,607	5,391	7,011
Total Assets	71,268	71,596	70,264	77,621
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent	17,554	18,068	16,985	19,269
Non-controlling interests	3,695	3,516	3,086	3,580
Total Equity	21,249	21,584	20,071	22,849
Current liabilities				
Trade and miscellaneous payables and other current liabilities	7,563	8,249	8,808	10,771
Total Equity and liabilities	71,268	71,596	70,264	77,621

Consolidated Statements of Financial Position - Adjustments

(millions of euros)	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Assets				
Non-current assets				
Miscellaneous receivables and other non-current assets	34	43	42	61
Current assets				
Trade and miscellaneous receivables and other current assets	2	2	2	5
Total Assets	36	45	44	66
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent	(56)	(77)	(76)	(109)
Non-controlling interests	(28)	(38)	(39)	(54)
Total Equity	(84)	(115)	(115)	(163)
Current liabilities				
Trade and miscellaneous payables and other current liabilities	120	160	159	229
Total Equity and liabilities	36	45	44	66

Consolidated Statements of Financial Position - Historical

(millions of euros)	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Assets				
Non-current assets				
Miscellaneous receivables and other non-current assets	1,770	1,581	1,607	1,496
Current assets				
Trade and miscellaneous receivables and other current assets	5,084	5,605	5,389	7,006
Total Assets	71,232	71,551	70,220	77,555
Equity and Liabilities				
Equity				
Equity attributable to owners of the Parent	17,610	18,145	17,061	19,378
Non-controlling interests	3,723	3,554	3,125	3,634
Total Equity	21,333	21,699	20,186	23,012
Current liabilities				
Trade and miscellaneous payables and other current liabilities	7,443	8,089	8,649	10,542
Total Equity and liabilities	71,232	71,551	70,220	77,555

The increase in the line item “Trade and miscellaneous payables and other current liabilities” is mainly due to the higher liability for pre-paid traffic not yet consumed recorded to correct the error arising from the early recognition of said traffic as revenues.

Furthermore, the related changes in indirect and direct taxes have been taken into account and costs for commissions and associated liabilities have also been revised.

The adjustments arising from the correction of errors made to the Separate Consolidated Income Statements for years 2015, 2014, 2013 and 2012 are summarized below:

Separate Consolidated Income Statements - Revised

(millions of euros)	2015	2014	2013	2012
Revenues	19,719	21,574	23,443	25,736
Acquisition of goods and services	(8,532)	(9,432)	(10,379)	(11,291)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	7,006	8,785	9,574	10,500
Operating profit (loss) (EBIT)	2,963	4,529	2,752	1,684
Finance income	2,760	2,404	2,007	1,989
Profit (loss) before tax from continuing operations	453	2,350	570	(312)
Income tax expense	(403)	(930)	(1,126)	(1,080)
Profit (loss) from continuing operations	50	1,420	(556)	(1,392)
Profit (loss) for the year	661	1,961	(215)	(1,290)
Attributable to:				
Owners of the Parent	(70)	1,351	(659)	(1,635)
Non-controlling interests	731	610	444	345

Separate Consolidated Income Statements - Adjustments

(millions of euros)	2015	2014	2013	2012
Revenues	1	1	36	(23)
Acquisition of goods and services	1	(2)	(2)	(2)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	2	(1)	34	(25)
Operating profit (loss) (EBIT)	2	(1)	34	(25)
Finance income	4	4	4	6
Profit (loss) before tax from continuing operations	6	3	38	(19)
Income tax expense	(2)	(2)	(15)	6
Profit (loss) from continuing operations	4	1	23	(13)
Profit (loss) for the year	4	1	23	(13)
Attributable to:				
Owners of the Parent	2	1	15	(8)
Non-controlling interests	2	-	8	(5)

Separate Consolidated Income Statements - Historical

(millions of euros)	2015	2014	2013	2012
Revenues	19,718	21,573	23,407	25,759
Acquisition of goods and services	(8,533)	(9,430)	(10,377)	(11,289)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	7,004	8,786	9,540	10,525
Operating profit (loss) (EBIT)	2,961	4,530	2,718	1,709
Finance income	2,756	2,400	2,003	1,983
Profit (loss) before tax from continuing operations	447	2,347	532	(293)
Income tax expense	(401)	(928)	(1,111)	(1,086)
Profit (loss) from continuing operations	46	1,419	(579)	(1,379)
Profit (loss) for the year	657	1,960	(238)	(1,277)
Attributable to:				
Owners of the Parent	(72)	1,350	(674)	(1,627)
Non-controlling interests	729	610	436	350

Earnings per share

The adjustments arising from the correction of errors made to the Separate Consolidated Income Statements for years 2015, 2014, 2013 and 2012 did not have any impact on the Basic and Diluted Earnings Per Share

The adjustments arising from the correction of errors made to the Consolidated Statement of Comprehensive Income for the year 2015 are summarized below:

Consolidated Statements of Comprehensive Income

(millions of euros)

	2015 Historical	Adjustments	2015 Revised
	(a)	(b)	(a+b)
Profit (loss) for the year	657	4	661
Remeasurements of employee defined benefit plans (IAS19)	9	-	9
Available-for-sale financial assets	(43)	-	(43)
Hedging instruments	388	-	388
Exchange differences on translating foreign operations:			
Profit (loss) on translating foreign operations	(2,155)	26	(2,129)
Loss (profit) on translating foreign operations transferred to Separate Consolidated Income Statement	(1)		(1)
Income tax effect	-		-
Total comprehensive income (loss) for the year	(1,145)	30	(1,115)
Attributable to:			
Owners of the Parent	(827)	20	(807)
Non-controlling interests	(318)	10	(308)

Consolidated statements of Cash flows

The correction of errors did not have any impact on the "Aggregate cash flows" of the TIM Group Consolidated Statements of Cash Flows for the year 2015 and, in particular, on the "Cash flows from (used in) operating activities".