



Q1 '19 Financial and Operating Figures - IFRS 9/15 and "After Lease"

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Disclaimer

The Q1 2019 financial and operating data have been extracted or derived, with the exception of some data, from the press release relating to **Q1 2019 Financial Results** of the TIM Group, which has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as “**IFRS**”). Such information is unaudited.

The accounting policies and consolidation principles adopted in the preparation of the Q1 2019 Financial Results 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 quarter of 2019, “comparable” financial position figures and “comparable” 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. Such data are unaudited.

Key financial data by Business Unit

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	1H '18	9M '18	FY '18	Q1 '19	Q1 '18 AL	FY '18 AL	Q1 '19 AL
REVENUES Reported								
Domestic	3.657	7.423	11.182	15.031	3.502			
Brazil	1.033	2.001	2.918	3.943	979			
Other activities & Elim.	(5)	(13)	(23)	(34)	(10)			
TI Group	4.685	9.411	14.077	18.940	4.471			
REVENUES net non recurring items								
Domestic	3.657	7.423	11.182	15.093	3.516			
Brazil	1.033	2.001	2.918	3.943	979			
Other activities & Elim.	(5)	(13)	(23)	(34)	(10)			
TI Group	4.685	9.411	14.077	19.002	4.485			
EBITDA Reported								
Domestic	1.446	3.037	4.739	5.955	1.447	1.365	5.625	1.377
Brazil	353	704	1.050	1.467	347	335	1.398	325
Other activities & Elim.	(6)	(8)	(11)	(19)	(2)	(6)	(19)	(2)
TI Group	1.793	3.733	5.778	7.403	1.792	1.694	7.004	1.700
EBITDA net non recurring items								
Domestic	1.541	3.158	4.866	6.363	1.481	1.460	6.033	1.411
Brazil	353	704	1.050	1.466	347	335	1.398	325
Other activities & Elim.	(6)	(8)	(10)	(18)	(2)	(6)	(19)	(2)
TI Group	1.888	3.854	5.906	7.811	1.826	1.789	7.412	1.734
EBIT Reported								
Domestic	615	1.371	251	16	581			
Brazil	131	252	378	564	107			
Other activities & Elim.	(6)	(9)	(12)	(19)	(3)			
TI Group	740	1.614	617	561	685			
CAPEX ⁽¹⁾								
Domestic	507	1.212	1.887	5.518	455			
Brazil	153	385	573	890	152			
TI Group	660	1.597	2.460	6.408	607			

⁽¹⁾ In FY 2018 €2,399m for 5G spectrum

TIM - Q1 '19 Financial Operating Figures - IFRS 9/15 and "After Lease"

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Key BU financial data by Quarter

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q1 '18 AL	FY '18 AL	Q1 '19 AL
REVENUES Reported								
Domestic	3.657	3.766	3.759	3.849	3.502			
Brazil	1.033	968	917	1.025	979			
Other activities & Elim.	(5)	(8)	(10)	(11)	(10)			
TI Group	4.685	4.726	4.666	4.863	4.471			
REVENUES net non recurring items								
Domestic	3.657	3.766	3.759	3.911	3.516			
Brazil	1.033	968	917	1.025	979			
Other activities & Elim.	(5)	(8)	(10)	(11)	(10)			
TI Group	4.685	4.726	4.666	4.925	4.485			
EBITDA Reported								
Domestic	1.446	1.591	1.702	1.216	1.447	1.365	5.625	1.377
Brazil	353	351	346	417	347	335	1.398	325
Other activities & Elim.	(6)	(2)	(3)	(8)	(2)	(6)	(19)	(2)
TI Group	1.793	1.940	2.045	1.625	1.792	1.694	7.004	1.700
EBITDA net non recurring items								
Domestic	1.541	1.617	1.708	1.497	1.481	1.460	6.033	1.411
Brazil	353	351	346	416	347	335	1.398	325
Other activities & Elim.	(6)	(2)	(2)	(8)	(2)	(6)	(19)	(2)
TI Group	1.888	1.966	2.052	1.905	1.826	1.789	7.412	1.734
EBIT Reported								
Domestic	615	756	-1.120	-235	581			
Brazil	131	121	126	186	107			
Other activities & Elim.	(6)	(3)	(3)	(7)	(3)			
TI Group	740	874	-997	-56	685			
CAPEX ⁽¹⁾								
Domestic	507	705	675	3.631	455			
Brazil	153	231	188	317	152			
TI Group	660	937	863	3.948	607			

⁽¹⁾ In 4Q 2018 €2,399m for 5G spectrum

TIM - Q1 '19 Financial Operating Figures - IFRS 9/15 and "After Lease"

Investor Relations

P&L Group

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	1H '18	9M '18	FY '18	Q1 '19	Q1 '18 AL	FY '18 AL	Q1 '19 AL
REVENUES	4.685	9.411	14.077	18.940	4.471			
Other Income	57	144	200	341	46			
TOTAL OPERATING REVENUES AND OTHER INCOME	4.742	9.555	14.277	19.281	4.517			
Acquisition of goods and services	(1.996)	(3.980)	(5.889)	(8.186)	(1.749)			
Employee benefits expenses	(780)	(1.526)	(2.171)	(3.105)	(740)			
Other operating expenses	(368)	(661)	(906)	(1.259)	(309)			
Internally generated assets and Others	195	345	467	672	73			
EBITDA	1.793	3.733	5.778	7.403	1.792	1.694	7.004	1.700
<i>EBITDA Margin</i>	38,3%	39,7%	41,0%	39,1%	40,1%	36,2%	37,0%	38,0%
Depreciation and amortization	(1.055)	(2.122)	(3.167)	(4.255)	(1.108)			
Gains (losses) on disposals of non-current assets	2	3	6	(1)	1			
Impairment reversals (losses) on non-current assets	-	-	(2.000)	(2.587)	-			
EBIT	740	1.614	617	561	685			
<i>EBIT Margin</i>	15,8%	17,2%	4,4%	3,0%	15,3%			
Income (loss) equity invest. valued equity method	8	8	8	10	(4)			
Net Financial Income / (Expenses)	(357)	(718)	(1.047)	(1.348)	(327)			
Profit (loss) before tax from continuing operations	391	904	(422)	(777)	354			
Income tax expense	(156)	(297)	(254)	(375)	(128)			
Profit (loss) from continuing operations	235	607	(676)	(1.152)	226			
Profit (loss) from Discontinued operations/Non-current assets held for sale	-	-	-	-	-			
Profit (loss) for the year	235	607	(676)	(1.152)	226			
Attributable to:								
Owners of the Parent	199	532	(868)	(1.411)	193			
Non-controlling interests	36	75	192	259	33			

Consolidated Balance Sheet

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	1H '18	9M '18	FY '18	Q1 '19
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Goodwill	29.431	29.347	27.322	26.769	26.780
Intangible assets with a finite useful life	6.786	6.443	6.289	8.889	8.205
	36.217	35.790	33.611	35.658	34.985
Tangible assets					
Property, plant and equipment owned	13.978	13.823	13.708	14.251	14.086
Assets held under finance leases	2.146	2.108	2.075	1.895	-
	16.124	15.931	15.783	16.146	14.086
Right of Use assets	-	-	-	-	5.735
Other non-current assets					
Investments in associates and joint ventures accounted for using the equity method	16	15	15	16	12
Other investments	53	50	52	49	52
Non-current financial assets	1.438	1.405	1.290	1.594	1.885
Miscellaneous receivables and other non-current assets	2.169	2.179	2.212	2.291	2.296
Deferred tax assets	903	751	1.075	1.136	1.253
	4.579	4.400	4.644	5.086	5.498
TOTAL NON-CURRENT ASSETS (A)	56.920	56.121	54.038	56.890	60.304
CURRENT ASSETS					
Inventories	326	321	311	389	325
Trade and miscellaneous receivables and other current assets	5.323	5.057	5.085	4.706	5.138
Current income tax receivables	39	56	64	251	71
Other investments	-	-	-	-	-
Securities other than investments, financial receivables and other current financial assets	1.668	1.425	1.530	1.466	1.643
Cash and cash equivalents	1.680	2.102	2.543	1.917	2.103
TOTAL CURRENT ASSETS (B)	9.036	8.961	9.533	8.729	9.280
TOTAL ASSETS (A+B)	65.956	65.082	63.571	65.619	69.584

Consolidated Balance Sheet

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	1H '18	9M '18	FY '18	Q1 '19
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to equity holders of the Parent	21.417	21.318	19.782	19.528	19.612
Equity attributable to Minority Interests	2.208	2.056	2.119	2.219	2.207
TOTAL EQUITY (C)	23.625	23.374	21.901	21.747	21.819
NON-CURRENT LIABILITIES					
Non-current financial liabilities	26.260	24.888	25.030	25.059	29.340
<i>o/w liabilities for passive leases</i>	24.186	22.887	23.071	1.740	4.754
Employee benefits	1.738	1.731	1.698	1.567	1.545
Deferred tax liabilities	228	233	241	192	236
Provisions	827	830	828	876	861
Miscellaneous payables and other non-current liabilities	1.363	1.334	1.265	3.297	3.294
TOTAL NON-CURRENT LIABILITIES (D)	30.416	29.016	29.062	30.991	35.276
CURRENT LIABILITIES					
Current financial liabilities	5.020	6.085	6.460	5.913	5.584
<i>o/w liabilities for passive leases</i>	4.847	5.902	6.278	208	695
Trade and miscellaneous payables and other current liabilities	6.821	6.540	6.105	6.901	6.840
Current income tax payables	74	67	43	67	65
Current liabilities sub-total (E)	11.915	12.692	12.608	12.881	12.489
Liabilities directly associated with Discontinued operations / Non-current assets held for sale					
of a financial nature	-	-	-	-	-
of a non-financial nature	-	-	-	-	-
TOTAL CURRENT LIABILITIES (E)	11.915	12.692	12.608	12.881	12.489
TOTAL LIABILITIES (F=D+E)	42.331	41.708	41.670	43.872	47.765
TOTAL EQUITY AND LIABILITIES (C+F)	65.956	65.082	63.571	65.619	69.584

Net Cash Flow & Net Debt Dynamics

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	1H '18	9M '18	FY '18	Q1 '19
EBITDA	1.793	3.732	5.778	7.403	1.792
CAPEX	(660)	(1.597)	(2.460)	(6.408)	(607)
<i>o/w spectrum</i>				(2.399)	-
CHANGE IN WORKING CAPITAL ⁽¹⁾	(1.150)	(1.249)	(1.861)	1.082	(644)
(1) Change in net operating working capital	(1.215)	(1.293)	(1.776)	1.194	(628)
<i>Change in inventories</i>	(36)	(31)	(20)	(99)	64
<i>Change in trade receivables and net amounts due from customers on construction contracts</i>	(191)	(74)	(265)	(49)	(230)
<i>Change in trade payables ⁽²⁾</i>	(643)	(1.027)	(1.242)	(186)	(692)
<i>Other changes in operating receivables/payables</i>	(345)	(161)	(249)	1.528	230
(2) Change in provisions for employee benefits	(5)	(23)	(116)	(208)	(13)
(3) Change in operating provisions and Other changes	70	67	31	96	(3)
Net operating Free Cash Flow	(17)	886	1.457	2.077	541
Cash Taxes	(24)	(37)	(325)	(739)	(19)
Financial Expenses	(335)	(665)	(994)	(1.302)	(296)
Dividends and change in Equity	-	(211)	(217)	(234)	(25)
Other impacts (FX, M&A, IAS and Other impacts)	147	194	197	236	-11
Reduction/(Increase) in adjusted net financial debt from continuing operations	(229)	167	118	38	190
Reduction / (Increase) in net financial debt from Discontinued operations / Non-current assets held for sale	-	-	-	-	-
Reduction/(Increase) in adjusted net financial debt	(229)	167	118	38	190
OPENING NET FINANCIAL DEBT (Adjusted)	25.308	25.308	25.308	25.308	25.270
Net cash flow	(229)	167	118	38	190
ENDING NET FINANCIAL DEBT (Adjusted)	25.537	25.141	25.190	25.270	25.080
IAS 17				(1.948)	(1.937)
ENDING NET FINANCIAL DEBT AFTER LEASE (Adjusted)				23.322	23.143

(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	Q1 '18 AL	FY '18 AL	Q1 '19 AL
REVENUES	3.657	3.766	3.759	3.849	15.031	3.502			
Services	3.294	3.354	3.397	3.307	13.352	3.155			
Mobile Services	1.034	1.044	1.069	960	4.107	916			
Retail	946	942	931	880	3.699	832			
Wholesale and Other	88	102	138	80	408	84			
Wireline Services	2.402	2.458	2.468	2.546	9.875	2.394			
Retail	1.607	1.618	1.639	1.660	6.524	1.630			
Domestic Wholesale ⁽¹⁾	512	510	515	529	2.066	501			
International Wholesale	286	323	310	353	1.272	238			
Elimination & Other	(142)	(148)	(140)	(199)	(630)	(155)			
Equipments	363	412	362	542	1.679	347			
EBITDA	1.446	1.591	1.702	1.216	5.955	1.447	1.365	5.625	1.377
<i>EBITDA Margin</i>	39,5%	42,2%	45,3%	31,6%	39,6%	41,3%	37,3%	37,4%	39,3%
CAPEX ⁽²⁾	507	705	675	3.631	5.518	455			
<i>% on revenues</i>	13,9%	18,7%	18,0%	94,3%	36,7%	13,0%			
KPIs									
Headcount EoP	49.722	49.658	49.532	48.200	48.200	48.114			

(1) Organization view (2) Includes 630 mln € GSM Licences in 3Q'17 and €2,399m for 5G Licenses in 4Q'18

Domestic Wireline Results - Reported Figures

UNAUDITED FIGURES

€m, IFRS 9/15

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19
KPIs						
	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy
Retail - physical accesses ('000)	10.845 -3,4%	10.644 -4,8%	10.450 -6,2%	10.149 -8,1%	10.149 -8,1%	9.876 -8,9%
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%
Retail - broadband ('000)	7.527 4,6%	7.547 3,7%	7.561 1,8%	7.483 -0,3%	7.483 -0,3%	7.354 -2,3%
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%
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%
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%
ARPU Broadband (€/month)	24,9	25,2	27,1	28,0	26,3	29,0 16,2%
ARPU Consumer (€/month)	32,6	33,0	34,9	35,5	34,0	35,6 9,4%
Wholesale - OLO Accesses ('000)	8.065 3,3%	8.078 2,5%	8.114 2,8%	8.063 1,4%	8.063 1,4%	8.093 0,3%
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%
Wholesale Line Rental	291 -22,1%	274 -20,9%	257 -22,0%	242 -20,4%	242 -20,4%	228 -21,5%
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%
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%
	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19
REVENUES						Δ % yoy
TOTAL WIRELINE REVENUES	2.538	2.593	2.572	2.774	10.477	2.535 -0,1%
Wireline Service Revenues	2.402	2.458	2.468	2.546	9.875	2.394 -0,3%
Retail Services	1.607	1.618	1.639	1.660	6.524	1.630 1,5%
o/w Broadband and content	563	569	614	634	2.380	645 14,6%
o/w ICT Services	165	186	189	216	756	192 16,0%
Domestic Wholesale ⁽¹⁾	512	510	515	529	2.066	501 -2,1%
International Wholesale	286	323	310	353	1.272	238 -16,8%
Subsidiaries, adj. and other	-3	7	5	5	13	24
Equipments	136	135	104	228	602	141 3,6%

(1) Organization view

Legenda

Wireline - KPIs

Retail - physical accesses	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
Retail - broadband	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)
Wholesale - OLO Accesses	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

TOTAL WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	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)
Equipments	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

€m, IFRS 9/15

	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19	
KPIs	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%
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%
Human lines	23.195	-0,3%	23.132	-1,5%	22.738	-2,7%	22.448	-3,8%	22.448	-3,8%	22.256	-4,0%
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%
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%
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
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%
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%
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%
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%
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%
Usage Voice (min/line/month)	304	17,2%	311	13,0%	299	8,1%	326	7,4%	310	11,2%	333	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%
ARPU (€ / line / month)												
Reported €	10,2		10,0		9,8		9,2		9,8		8,7	-14,5%
Human €	13,6		13,6		13,5		13,0		13,4		12,4	-8,5%

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Δ % yoy
REVENUES							
TOTAL MOBILE REVENUES	1.262	1.321	1.328	1.274	5.185	1.122	-11,1%
Mobile Service Revenues ⁽¹⁾	1.034	1.044	1.069	960	4.107	916	-11,4%
Retail Services	946	942	931	880	3.699	832	-12,1%
o/w Incoming	73	74	70	73	289	67	-7,0%
Wholesale and Other	88	102	138	80	408	84	-4,4%
Handsets and Handsets Bundle	228	277	259	314	1.078	206	-9,6%

(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

TOTAL MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	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
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles

TIM Brasil Results - Reported Figures

UNAUDITED FIGURES

R\$m, IFRS 9/15

	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19	
KPI's - Mobile only	<i>Δ % yoy</i>		<i>Δ % yoy</i>		<i>Δ % yoy</i>		<i>Δ % yoy</i>		<i>Δ % yoy</i>		<i>Δ % yoy</i>	
Estimated Total Penetration (%)	113,8%		113,2%		112,6%		111,7%		111,7%		109,6%	-4,2pp
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
Total Lines ('000) ⁽¹⁾	57.894	-6,4%	56.554	-7,0%	56.241	-5,3%	55.923	-4,6%	55.923	-4,6%	55.083	-4,9%
TOTAL ARPU ⁽²⁾	21,7		21,9		22,6		23,7		22,5		22,8	+5,3%
TOTAL MOU net of visitors	115	+8%	122	+15%	129	+16%	127	+11%	123,4	+12%	124	+7%
	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19	
MAIN RESULTS (IAS/IFRS)	<i>Δ % yoy</i>											
REVENUES Reported	4.120		4.162		4.242		4.457		16.981		4.191	1,7%
of which services	3.986		3.968		4.031		4.221		16.206		4.025	1,0%
of which handsets	134		194		211		236		775		166	23,9%
EBITDA Reported	1.407		1.508		1.594		1.807		6.316		1.485	5,5%
<i>EBITDA margin</i>	34,2%		36,2%		37,6%		40,5%		37,2%		35,4%	1,2pp
EBITDA Organic	1.407		1.508		1.594		1.804		6.313		1.485	5,5%
<i>EBITDA margin</i>	34,2%		36,2%		37,6%		40,5%		37,2%		35,4%	1,2pp
CAPEX Reported	613		981		866		1.371		3.831		650	6,0%
<i>% on revenues</i>	14,9%		23,6%		20,4%		30,8%		22,6%		15,5%	0,6pp
	Q1 '18		Q2 '18		Q3 '18		Q4 '18		FY '18		Q1 '19	
Exchange rate AVG YTD (R\$ vs. euro)	3,99014		4,14011		4,29236		4,30628		4,30628		4,27983	

(1) Includes company lines (2) Gross of visitors

Reported & Organic Figures: YoY trends

UNAUDITED FIGURES

€m

	Q1 '18					Q1 '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							
REVENUES										
Domestic	3.657	-	5	-	3.662	3.502	(14)	3.516	-4,2%	-4,0%
Brazil	1.033	-	(70)	-	963	979	-	979	-5,2%	1,7%
Other Activities & Eliminations	(5)	-	-	-	(5)	(10)	-	(10)		
TI Group	4.685	-	(65)	-	4.620	4.471	(14)	4.485	-4,6%	-2,9%
EBITDA										
Domestic	1.446	-	1	(95)	1.542	1.447	(34)	1.481	0,1%	-4,0%
Brazil	353	-	(24)	-	329	347	-	347	-1,7%	5,5%
Other Activities & Eliminations	(6)	-	-	-	(6)	(2)	-	(2)		
TI Group	1.793	-	(23)	(95)	1.865	1.792	(34)	1.826	-0,1%	-2,1%
EBIT										
Domestic	615	-	-	(95)	710	581	(34)	615	-5,5%	-13,4%
Brazil	131	-	(9)	-	122	107	-	107	-18,3%	-12,4%
Other Activities & Eliminations	(6)	-	-	-	(6)	(3)	-	(3)		
TI Group	740	-	(9)	(95)	826	685	(34)	719	-7,4%	-13,0%

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

"After Lease" View

UNAUDITED FIGURES

€m

	Q1 '19 IFRS 9/15	Δ IAS 17	Q1 '19 AL
EBITDA Reported			
Domestic	1.447	(70)	1.377
Brazil	347	(22)	325
Other activities & Elim.	(2)		(2)
TI Group	1.792	(92)	1.700
EBITDA Organic			
Domestic	1.481	(70)	1.411
Brazil	347	(22)	325
Other activities & Elim.	(2)		(2)
TI Group	1.826	(92)	1.734
Net Financial Debt (Adjusted)	25.080	(1.937)	23.143