

TIM S.p.A.
Form 6-K
November 13, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF NOVEMBER 2017

TIM S.p.A.

A company directed and coordinated by Vivendi S.A.

(Translation of registrant's name into English)

Via Gaetano Negri 1

20123 Milan, Italy

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F

FORM 40-F

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Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

YES

NO

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Press Release

TIM: BOARD OF DIRECTORS APPROVES 3Q 2017 FINANCIAL REPORTS

POSITIVE REVENUES AND EBITDA GROWTH ACCROSS ALL KEY BUSINESS UNITS, DRIVEN BY CONTINUOS HIGH DEMANDS FOR ULTRA BROADBAND MOBILE AND FIXED SERVICES

ROBUST TIM GROUP SERVICE REVENUES GROWTH, AT A RATE OF 2% IN Q3

ORGANIC EBITDA REACHED ABOUT 2.2 BILLION EUROS IN THIS QUARTER, DRIVEN BY SOLID TOP LINE PERFORMANCE AND FOCUS ON EFFICIENCY WHICH ENABLED RESILIENT DOMESTIC ORGANIC EBITDA MARGINS OF 47.7% *

IN ADDITION THE COMPANY HAD SOLID OPERATIONAL TRENDS IN THIS QUARTER AS FOLLOWS:

IN ITALY MOBILE NET ADDS REACHED 333,000 ENSURING CONTINUOUS MARKET SHARE GROWTH WHICH REACHED AN ESTIMATED 30.6% BY THE END OF SEPTEMBER

IN ITALY THE COMPANY HAD HISTORICAL RECORD PERFORMANCE ON FIXED BROADBAND NET ADDS OF 146,000, DRIVEN BY STRONG FIBER NET ADDS OF 249.000

IN THE BRAZILIAN MARKET, A RECORD MOBILE POST-PAID NET ADDS OF 935.000

OVERALL INVESTMENTS DURING THE FIRST 9 MONTHS OF 2017 REACHED 3,881 BILLION, A GROWTH OF 21,6% COMPARED TO THE SAME PERIOD IN 2016, MAINLY DRIVEN BY 46% INCREASE IN INVESTMENT IN ULTRA BROADBAND FIXED AND MOBILE INFRASTRUCTURE, AS WELL AS A SPECTRUM COST OF A LICENSE RENEWAL

THE GROUP OPERATIONAL FREE CASH FLOW FOR THE FIRST 9 MONTHS OF THE YEAR REACHED 1,885 BILLION EUROS (EXCLUDING SPECTRUM) BROADLY IN LINE WITH 2016 PERFORMANCE.

(*)THE REPORTED EBITDA REACHED ABOUT 2,1 BILLION EUROS AFTER 127 MILLION PROVISIONING FOR SPECIFIC LITIGATION AND REGULATORY PROCEDURES PLUS SEVERANCE ITEMS

The results of the first nine months of 2017 will be illustrated to the financial community during a conference call scheduled for 10 November at 2.30 p.m. (Italian time). Journalists may listen in to the presentation, without asking questions, by calling 0633168. The presentation slides will be available at <http://www.telecomitalia.com/3Q2017/eng>.

TIM Press Office

+39 06 3688 2610

www.telecomitalia.com/media

Twitter: @TIMnewsroom

TIM Investor Relations

+39 02 8595 4131

www.telecomitalia.com/investorrelations

TIM draws up and publishes the Interim Reports on Operations for the first and third quarters of each year on a voluntary basis.

The TIM Group's Interim Report on Operations to 30 September 2017 also includes the condensed consolidated Financial Statements to 30 September 2017 prepared in accordance with the IFRS accounting standards issued by the IASB and endorsed by the EU and, in particular, with IAS 34 Interim Financial Reporting. The condensed consolidated Financial Statements to 30 September 2017 are not audited.

The accounting policies and consolidation principles adopted in preparing the condensed consolidated Financial Statements as of 30 September 2017 are consistent with those adopted in the TIM Group Consolidated Financial Statements as of 31 December 2016, to which reference may be made.

In addition to the conventional IFRS financial performance indicators, TIM Group uses certain alternative performance indicators in order to give a clearer picture of the general performance and financial position of the company. Specifically, the alternative performance indicators refer to: EBITDA; EBIT; organic change in revenues, in EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt carrying amount and adjusted net financial debt. The meaning and content of these measures are explained in the annexes.

Note that the section Business Outlook for the 2017 financial year, contains forward-looking statements about the Group's intentions, beliefs and current expectations with regard to its financial results and other aspects of Group's operations and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Group's control.

On 13 September 2017 Consob announced it believes that Vivendi exercises de facto control over TIM pursuant to article 2359 of the Italian Civil Code and pursuant to article 93 of the Consolidated Law on Finance, as well as pursuant to the regulations on related parties; the Interim Report on Operations was therefore drawn up considering Vivendi S.A. as the Controlling Company. The company did not however acquiesce to the order, having asked for its annulment through an appeal submitted to the Regional Administrative Court of Lazio. It is specified that no change of control hypothesis has been verified in accordance with the pactional provision governing the existing contractual relations in place.

MAIN VARIATIONS TO THE TIM GROUP CONSOLIDATION SCOPE

No significant changes occurred in the consolidation area in the first nine months of 2017.

The following changes occurred in 2016:

TIMVISION S.r.l. (Domestic Business Unit): established on 28 December 2016;

Noverca S.r.l. (Domestic Business Unit): TIM S.p.A. acquired 100% of the company on 28 October 2016;

Flash Fiber S.r.l. (Domestic Business Unit): established on 28 July 2016;

Sofora - Telecom Argentina Group: classified under Discontinued operations (discontinued operations/non-current assets held for sale) was sold on 8 March 2016;

Rome, 10 November 2017

TIM's Board of Directors, chaired today by Arnaud Roy de Puyfontaine, approved the Interim Report on Operations at 30 September 2017.

TIM GROUP RESULTS

Revenues in the first nine months of 2017 totalled **14,679 million euros**, 5.3% higher than in the first nine months of 2016 (13,939 million euros). The 740 million euro rise is attributable primarily to the Domestic Business Unit (276 million euros), and to the Brazil Business Unit (467 million euros, including a positive exchange effect of 353 million euros).

Revenues by operating segment, were as follows:

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(million euros)	1.1 - 30.9 2017		1.1 - 30.9 2016		absolute	Changes	
		% of total		% of total		%	% organic
Domestic	11,312	77.1	11,036	79.2	276	2.5	2.5
<i>Core Domestic</i>	<i>10,500</i>	<i>71.5</i>	<i>10,239</i>	<i>73.5</i>	<i>261</i>	<i>2.5</i>	<i>2.5</i>
<i>International Wholesale</i>	<i>995</i>	<i>6.8</i>	<i>1,003</i>	<i>7.2</i>	<i>(8)</i>	<i>(0.8)</i>	<i>(0.9)</i>
Brazil	3,389	23.1	2,922	21.0	467	16.0	3.5
Other Assets			10	0.1	(10)		
<i>Adjustments and eliminations</i>	<i>(22)</i>	<i>(0.2)</i>	<i>(29)</i>	<i>(0.3)</i>	<i>7</i>		
Consolidated Total	14,679	100.0	13,939	100.0	740	5.3	2.7

Revenues in Q3 2017 increased by 64 million compared to Q3 2016 (+1.3%); in organic terms the percentage change, excluding the exchange effect relating to the Brazil Business Unit, was +1.8%.

EBITDA in the first nine months of 2017 totalled **6,213 million euros** (5,878 million euros in the first nine months of 2016), 335 million euros (+5.7%) higher than in the first nine months of 2016, with an EBITDA margin of 42.3% (42.2% in the first nine months of 2016, +0.1 percentage points up).

In organic terms, EBITDA grew by 226 million euros (+3.8%) compared to the first nine months of 2016, and the margin grew by 0.4 percentage points.

EBITDA in the first nine months of 2017 suffered the negative impact of non-recurring charges for a total of 222 million euros (155 million euros in the first nine months of 2016 considering the same exchange rate). Without these charges, the organic change in EBITDA would have been +4.8%, with an EBITDA margin of 43.8%, up 0.8 percentage points on the first nine months of 2016.

The following table shows a breakdown of EBITDA and EBITDA margin by business unit for the first nine months of 2017:

(million euros)	1.1 - 30.9 2017		1.1 - 30.9 2016		absolute	Changes	
		% of total		% of total		%	% organic
Domestic	5,055	81.4	4,995	85.0	60	1.2	1.2
<i>Margin (%)</i>		44.7		45.3		<i>(0.6) pp</i>	<i>(0.6) pp</i>
Brazil	1,170	18.8	900	15.3	270	30.0	16.0
<i>Margin (%)</i>		34.5		30.8		<i>3.7 pp</i>	<i>3.7 pp</i>
Other Assets	(12)	(0.2)	(15)	(0.3)	3		
<i>Adjustments and eliminations</i>				(2)	2		
Consolidated Total	6,213	100.0	5,878	100.0	335	5.7	3.8
<i>Margin (%)</i>		42.3		42.2		<i>0.1 pp</i>	<i>0.4 pp</i>

Third quarter 2017 EBITDA totalled **2,099 million euros**, 53 million euros lower (-2.5%) than the same period last year (2,152 million euros). EBITDA margin was 42.8% (44.4% in the third quarter of 2016). In organic terms and excluding non-recurring charges (127 million in Q3 2017 and 62 million euros in the same period of 2016), the change would be positive and equal to 0.7%, accounting for 45.4% of revenues (45.9% in Q3 2016).

EBIT in the first nine months of 2017 totalled **2,834 million euros** (2,768 million euros in the first nine months of 2016), 66 million euros (+2.4%) higher than in the first nine months of 2016, with an EBIT margin of 19.3% (19.9% in the first nine months of 2016, -0.6 percentage points).

EBIT in the first nine months of 2017 suffered the negative impact of non-recurring net charges, including asset writedowns, amounting to 252 million euros in total (144 million euros in the first nine months of 2016). Without these charges, the organic change in EBIT would have been 149 million euros higher (+5.1%), with a margin of 21.0%, an increase of 0.5 percentage points on the first nine months of 2016.

EBIT in the third quarter of 2017 was **963 million euros** (1,081 million euros in Q3 2016), 10.9% lower than in Q3 2016, accounting for 19.6% of revenues (22.3% in Q3 2016). In organic terms, excluding non-recurring charges (156 million euros in Q3 2017 and 62 million euros in the same period of 2016), the decrease over Q3 2016 would have been -2.1%, accounting for 22.8% of revenue (23.7% in Q3 2016).

The **profits for the first nine months of 2017 attributable to the Parent Company Shareholders** were **1,033 million euros** (1,495 million euros in the first nine months of 2016) with net non-recurring charges of 233 million euros. In comparable terms, i.e. excluding non-recurring items as well as, in the first nine months of 2016, the positive impact of the fair value valuation of the implicit option included in the mandatory convertible bond and, the profits attributable to the shareholders of the Parent Company in the first nine months of 2017 would have totalled almost 100 million euros more than in the same period of last year.

The TIM Group **headcount** at 30 September 2017 was **59,961**, including 50,337 in Italy (61,229 at 31 December 2016, including 51,125 in Italy).

Capex in the first nine months 2017 was **3,881 million euros**, up 774 million euros on the first nine months of 2016, and breaks down as follows by operational sector:

(million euros)	1.1 - 30.9 2017		1.1 - 30.9 2016		Changes
		% of total		% of total	
Domestic	3,177	81.9	2,398	77.2	779
Brazil	704	18.1	709	22.8	(5)
Other Assets					
<i>Adjustments and eliminations</i>					
Consolidated Total	3,881	100.0	3,107	100.0	774
Margin (%)	26.4		22.3		4.1 pp

The **Domestic Business Unit** reports investments of **3,177 million euros**, an increase of 779 million euros compared to the first half of 2016; this increase is primarily attributable to innovative investments for infrastructure development (+386 million euros more than in the first nine months of 2016) and reflects, in particular, the acceleration in investments dedicated to the development of next generation networks and disbursements to renew the right of use of GSM frequencies (630 million euros). Investments continued to fall in other areas, as a result of greater selectivity and attention paid to ensuring that capital allocation decisions are guided by strategic priorities and profitability.

The **Domestic Business Unit** posted investments of **704 million euros** in the first nine months of 2017, 5 million euros lower than in the first nine months of 2016. Excluding the positive exchange effect of 85 million euros, the figure is down by 90 million euros and primarily reflects the smaller amount spent on renewing TLC licences and developing Information Technology projects following the significant growth recorded in 2016, particularly for the launch of new offers.

Cash flow from Group operations was positive by **998 million euros** (positive by 1,908 million euros in the first nine months of 2016).

Adjusted Net Financial Debt was **26,228 million euros** as of 30 September 2017, 1,109 million euros higher than on 31 December 2016 (25,119 million euros): the increase is substantially due to payments of 630 million euros made by TIM S.p.A. to renew the rights of use of mobile phone frequencies and 257 million euros by the Brazil Business Unit to the consortium charged with the 700 MHz spectrum clean-up, of which the Business Unit acquired a right of use in 2014, and to the payment of dividends of 219 million euros. The positive operational and financial dynamics allowed the income tax payments to be fully covered.

The net financial debt carrying amount at 30 September 2017 totalled 26,958 million euros (25,955 million euros at 31 December 2016).

In Q3 2017, adjusted net financial debt increased by 1,124 million euros compared to 30 June 2017 (25,104 million euros): the resources resulting from the positive operational and financial dynamics only allowed part of the income tax and mobile phone frequency rights renewal payments to be covered.

The **liquidity margin** at 30 September 2017 was **10,562 million euros**, equivalent to the sum of Cash and cash equivalents and Securities other than investments for a total of 3,562 million euros (5,483 million euros at

31 December 2016) and unused committed lines of credit for a total of 7,000 million euros. This margin covers the financial liabilities of the Group falling due for at least the next 24 months.

BUSINESS UNIT RESULTS

DOMESTIC

Revenues for the first nine months 2017 totalled **11,312 million euros**, 276 million euros (+2.5%) higher than in the same period of 2016, confirming the improving trend that began the previous year. In the third quarter, despite the growth recorded over the corresponding

period of 2016 (+0.8%), the trend slowed down as a result of the introduction in mid-June of the new roaming rules in the EU, which reduced revenues, and one-off events in the Wholesale context which had a positive effect on the final data for Q3 2016.

Revenues from services amounted to 10,393 million euros, up 47 million euros on the first nine months of 2016 (+0.5%), which also continued in the third quarter (+0.7%), despite the already mentioned impact of the introduction of the new EU roaming rules. This improvement was driven by the growth in the Mobile and Fixed Broadband customer base, as well as the increase in ARPU levels (thanks to the higher adoption of Fiber and LTE ultrabroadband connectivity services, and digital and ICT services), also accompanied by higher sales volumes for connected devices (Smartphones, SmartTVs, SmartHomes, Modems, etc.).

In greater detail:

revenues from Fixed market services were 7,428 million euros, having fallen slightly compared to the first nine months of 2016 (-43 million euros, -0.6%), but recovering and stabilising in the last two quarters of 2017 (third quarter -0.1%, second quarter +0.8% first quarter -2.4%). Steadily increasing revenues from innovative data connectivity services (+199 million euros, +14.5%), driven by the growth in the number of Ultra-Broadband customers - who increased by 889,000 units during this period, bringing retail accesses to 1.7 million and the total number of accesses to 2.5 million - were offset by a fall in revenues from traditional voice services (-212 million euros, resulting from the decrease in traditional accesses) and a reduction in the regulated prices for a number of wholesale services (-47 million euros). The increase in revenues from ICT solutions is also of note (+40 million euros, +9.1%);

Mobile market service revenues totalled 3,430 million euros, with an increase of 70 million euros compared to the same period last year (+2.1%). This is driven by good competitive performance, which led to an increase in market share and a growth in the customer base with no impact on ARPU levels. The growth trend continued in the third quarter of 2017, despite the new roaming regulations introduced in the EU, with a historic series of stable positive performance figures (+1.6% in Q3, +2.5% in Q2 and +2.2% in Q1).

Revenues from product sales, including changes to work in progress, totalled 919 million euros in the first nine months of 2017 (229 million euros higher than in the same period of 2016), and reflect the constant increase in sales of smartphones and connected devices (smart TVs, Smart Home products, modems, set-top boxes, etc.).

The Domestic Business Unit operates separately in two different reference environments, and an analysis of these revenues is provided below:

Core Domestic Revenues

Core Domestic **revenues** amount to **10,500 million euros** and rose by 2.5% (10,239 million euros in the first nine months of 2016).

The performance of the individual market segments compared with the first nine months of 2016 is as follows:

Consumer: the revenues of the Consumer segment in the first nine months of 2017 totalled 5,713 million euros, with an increase of 309 million euros (+5.7%) compared to the same period in 2016; this dynamic confirms the recovery trend already underway in the previous year.

In particular:

Mobile revenues totalled 2,836 million euros, higher than in the first nine months of 2016 (+126 million euros, +4.7%), in particular, there was an increase of 80 million euros in the service component (+3.3% compared to the same period in 2016). The improvement trend already observed in the preceding quarters was therefore confirmed (+6.0% in Q3 2017, +4.1% in Q2 2017, +3.9% in Q1 2016) due to the progressive stabilisation and following improvement of market share and the constant growth in mobile internet and digital services, which supported ARPU levels;

fixed sector revenues totalled 2,851 million euros, with a 191 million euro increase compared to the first nine months of 2016 (+7.2%), with the recovery trend already seen at the end of the last financial year continuing (+6.8% in Q3, +11.2% in Q2, +3.5% in Q1), thanks to containment of line losses, the growing Broadband and Super-Fast Broadband customer base (which offsets the loss of voice only accesses), the growth in ARPU levels and the good performance of connected device sales.

Business: the revenues of the Business segment totalled 3,398 million euros, an increase of 102 million euros compared to the first nine months of 2016 (+3.1%).

In detail:

Mobile sector revenues performed in line with the first nine months of 2016 (-0.4%); in particular, the ongoing contraction in traditional mobile services (-9.4% compared to the same period of 2016, primarily in the voice component), determined by customers (both private and government customers) moving to offers with lower ARPU levels, is entirely offset by the positive performance of the new digital services (+11.4% compared to the same period of the previous year);

Fixed revenues rose by 103 million euros (+4.2% compared with the first nine months of 2016) thanks to the constant growth in ICT service revenues (+9.1%) which more than compensated for the fall in prices and revenues on traditional services, and the effects of the technological shift to VoIP systems.

Wholesale: the Wholesale segment posted revenues of 1,258 million euros for the first nine months of 2017, lower than the corresponding period of 2016 (-112 million euros, -8.2%). This performance is due to the absence of one-off events relating to the sale of infrastructure (cable ducts and dark fibre/Backbone) to other operators which had a positive impact on the figures for Q3 2016, and to the end of the roaming contract with H3G. The reduction in regulated prices of 47 million euros, is more than offset by the growth in the NGN sector above all (+55 million euros).

International Wholesale – Telecom Italia Sparkle Group Revenues

The revenues of the Telecom Italia Sparkle Group - International Wholesale in the first nine months of 2017 amounted to **995 million euros**, substantially in line with those recorded in the same period of 2016 (-8 million euros, -0.8%). This result is due to a fall in revenues for IP/Data services (-28 million euros, -12.2%), ascribable primarily to the contraction in revenues from the Mediterranean basin due to the expiry of old multiyear contracts, offset by growth in revenues for Voice services (+18 million euros, +2.5%).

The **EBITDA** of the Domestic Business Unit in the first nine months of 2017 totalled **5,055 million euros**, a 60 million euro increase compared to the same period of 2016 (+1.2%), with an EBITDA margin of 44.7%, (-0.6 percentage points compared to the same period of the previous year). The first nine months of 2017 reflected the negative impact of non-recurring charges totalling 221 million euros (139 million euros in the same period of the previous year) relating to company reorganisation/restructuring processes, commercial disputes and settlements.

Without these charges, the organic change in EBITDA would have been +2.8%, with a margin of 46.6%, an increase of 0.1 percentage points on the same period of 2016.

The **EBIT** of the Domestic Business Unit in the first nine months of 2017 was **2,507 million euros** (2,575 million euros in the corresponding period of 2016), a decrease of 68 million euros (-2.6%), accounting for 22.2% of revenues (23.3% in the first nine months of 2016).

The first nine months of 2017 suffered the negative impact of non-recurring charges totalling 251 million euros (139 million euros in the same period of the previous year) relating to company reorganisation/restructuring processes,

commercial disputes and settlements, and to the impairment of intangible assets.

Excluding these charges, the organic change in EBIT would have been positive and equal to +1.6%, accounting for 24.4% of revenues.

The **headcount**, of **50,488** employees, fell by 792 units compared to 31 December 2016.

BRAZIL (average real/euro exchange rate 3.53378)

The **revenues** of the **TIM Brasil** group in the first nine months of 2017 totalled **11,977 million reais**, up by 403 million reais (+3.5%) compared to the same period of the previous year. Revenues from services reached 11,399 million reais, with an increase of 521 million reais compared to 10,878 million reais in the first nine months of 2016 (+4.8%).

Revenues from product sales totalled 578 million reais, (696 million reais in the first nine months of 2016; -17.0%). The reduction reflects the change in commercial policy, focussed more on the value than on the increase in volume of sales.

The third quarter of 2017 shows a positive performance compared to the same period of 2016, in terms of total revenues (+4.6%) and revenues from services (+5.9%).

Mobile ARPU in the first nine months of 2017 was **19.6 reais**, compared to 17.6 reais in the same period of the previous year (+11.4%).

The **total number of lines** as of 30 September 2017 was **59,390 thousand**, which correspond to a market share of 24.6% as of September 2017 (26.0% as of 31 December 2016).

EBITDA of **4,136 million reais** was 570 million reais higher than the first nine months of 2016 (+16.0%). The growth in EBITDA is attributable both to the positive revenue trend and to the benefits derived from the efficiency projects on the structure of operational costs which started in the second half of 2016, with an improving trend in the third quarter of 2017 (+19.1% compared to +15.8% in Q2 2017, +12.6% in Q1 2017 and +5.8% in Q4 2016).

The EBITDA margin was 34.5%, up 3.7 percentage points on the first nine months of 2016.

It should be noted that personnel costs for the first nine months of 2016 also included non-recurring charges for redundancy costs totalling 56 million reais.

EBIT totalled **1,202 million reais**, an improvement of 370 million reais more (+44.5%) on the first nine months of 2016 (832 million reais). This result benefits from the greater contribution of the EBITDA (+570 million reais) offset by higher depreciation (+169 million reais) due to the development of the industrial infrastructure and the lower impact of net capital gains on asset sales (-31 million reais), principally related to the operation of telecommunications towers.

The **headcount** stood at **9,393 employees** (9,849 as of 31 December 2016).

EVENTS SUBSEQUENT TO 30 SEPTEMBER 2017

Bond Issue

See the Press Release on the same subject issued on 5 October 2017.

Notification of the Golden Power measure received

See the Press Release on the same subject issued on 16 October 2017.

Measure with which the Presidency of the Council of Ministers will exercise the special powers laid down in article 2 of the Golden Power Decree Law

See the Press Release on the same subject issued on 2 November 2017.

OUTLOOK FOR THE 2017 FINANCIAL YEAR

As envisaged in the 2017-2019 Plan, TIM will continue its transformation process. This is characterised by strong financial discipline to support development, aimed at both creating more room for investments in new networks and platforms (Fibre and mobile UltraBroadband, Cloud), eliminating less strategically important cash costs, and at maximising the return on investments. The aim is to ensure structural growth in turnover and EBITDA and affirm TIM as the reference point of the market in terms of technological leadership, network quality and Fixed and Mobile service excellence.

The distinguishing elements of this approach are innovation, convergence, exclusive content and being close to our customers.

In the Domestic Fixed segment, TIM expects to further reduce the contraction in customer numbers - with line losses zeroed by the end of 2018 - thanks to the acceleration in the availability and consequent adoption of fibre. The commercial strategy will also play a

key role, aimed at retaining and developing customers through, for example, the supply of devices for the Smart Home connected to the domestic network which can be paid for directly in the phone bill.

In the Domestic Mobile segment, in a competitive context that will be increasingly polarised and segmented, TIM will leverage the capillary nature of the 4G network (which it is expected will cover more than 99% of the population in 2019) and on the availability of converging services and quality content - particularly in the high-end market, which is characterised by ever increasing data consumption. The second no-frills brand, Kena, (launched in April) will enable the company to compete in the more price-sensitive segments.

Moreover, it is important to highlight certain changes, particular in the context of the market, with the launch of procedures by the Competition Authority relating to the development of ultrabroadband and optic fibre networks, as well as the review of business strategies in the content component. These risk elements could have an impact, for example, on ultrabroadband development plans and the multimedia market evolution model.

Finally, operations will be characterised by maximum selectivity and prioritisation in investment choices and by actions to recover efficiency through structural cost optimisation programmes.

Organisational and process-related transformation and simplification - combined with commercial developments and the expected growth in turnover - particularly in light of the expected performance of the domestic market, the impacts of the new roaming charges model and certain one-off business dynamics relating to the second half of 2016, which mean that comparisons with the second half of 2017 are not perfectly uniform - allow the management to confirm, in organic terms, the guidance already given for the whole of 2017 and for the period of the Plan (organic growth in EBITDA (low single digit) and generation of cash flow required to reduce the adjusted net financial debt and reported EBITDA ratio, which is expected to be below 2.7x in 2018).

In Brazil the Plan is to continue with the relaunch of TIM Brasil, repositioning the subsidiary based on the quality of its networks and offer, to allow the company to confirm its leadership in pre-paid segment and compete successfully in the post-paid segment. The cost cutting plan launched in 2016 is also confirmed and has been strengthened, to allow the company to achieve solid profitability and cash generation. In particular, there will be a further boost to the creation of UBB mobile infrastructure - by the end of the Plan, 95% of the population will have access to 4G with coverage in approximately 3,600 towns and cities - and to the development of convergent offers thanks in part to agreements with the main producers of premium content.

The manager in charge of preparing the corporate accounting documents, Piergiorgio Peluso, hereby declares, pursuant to subsection 2, art.154 bis of Italy's Consolidated Law on Finance, that the accounting information contained herein corresponds to the company's documentation, accounting books and records.

ATTACHMENTS TO THE PRESS RELEASE

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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. Such measures, which are presented in the 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) in addition to **EBIT**. These measures are calculated as follows:

Profit (loss) before tax from continuing operations

+ Finance expenses

- Finance income

+/- Other expenses (income) from investments

+/- Share of losses (profits) of associates and joint ventures accounted for using the equity method

EBIT - Operating profit (loss)

+/- Impairment losses (reversals) on non-current assets

+/- Losses (gains) on disposals of non-current assets

+ Depreciation and amortization