TIM S.p.A.
Form 6-K
November 24, 2017
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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)

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

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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-

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INTERIM MANAGEMENT REPORT AT SEPTEMBER 30, 2017

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On July 27, 2017, the Board of Directors of TIM S.p.A. acknowledged the start of the direction and coordination by Vivendi S.A..

On September 13, 2017, Consob communicated that it considered 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 the related party rules .

The Interim Management Report has therefore been prepared in accordance with the relevant provisions, indicating Vivendi S.A. as the Controlling Entity and TIM S.p.A. as the company subject to direction and coordination.

This document has been translated into English for the convenience of the readers.

In the event of discrepancy, the Italian language version prevails.

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INTERIM MANAGEMENT REPORT AT SEPTEMBER 30, 2017

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THE TIM GROUP

THE BUSINESS UNITS

DOMESTIC

The **Domestic Business Unit** operates as the consolidated market leader in the sphere of voice and data services on fixed and mobile networks for final retail customers and other wholesale operators.

In the international field, the Business Unit develops fiber optic networks for wholesale customers (in Europe, in the Mediterranean and in South America).

Olivetti, which is now part of the Business segment of Core Domestic, operates in the area of office products and services for Information Technology.

INWIT S.p.A. operates in the electronic communications infrastructure sector, specifically relating to infrastructure for housing radio transmission equipment for mobile telephone networks, both for TIM and other operators.

CORE DOMESTIC

- Consumer
- Business
- Wholesale
- Other (INWIT S.p.A. and support structures)

INTERNATIONAL WHOLESALE

Telecom Italia Sparkle Group

- Telecom Italia Sparkle S.p.A.
- South American subsidiaries
- North American subsidiaries

European subsidiaries

BRAZIL

The **Brazil Business Unit (Tim Brasil group)** provides mobile telephone services using UMTS, GSM and LTE technologies. Moreover, with the acquisitions and subsequent integrations into the group of Intelig Telecomunicações (now TIM S.A.), Tim Fiber RJ and Tim Fiber SP, the services portfolio has been extended by offering fiber optic data transmission using full IP technology such as DWDM and MPLS and by offering residential broadband services.

Tim Brasil Serviços e Participações S.A.

Tim Participações S.A.

TIM S.A. (formerly Intelig Telecom. Ltda)

Tim Celular S.A.

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BOARD OF DIRECTORS

Chairman	Arnaud Roy de Puyfontaine
Deputy Chairman	Giuseppe Recchi
Chief Executive Officer and General Manager	Amos Genish
Directors	Camilla Antonini (independent)
	Franco Bernabè (independent)
	Ferruccio Borsani (independent)
	Lucia Calvosa (independent)
	Francesca Cornelli (independent)
	Frédéric Crépin
	Dario Frigerio (independent)
	Félicité Herzog (independent)
	Anna Jones (independent)
	Marella Moretti (independent)
	Hervé Philippe
	Danilo Vivarelli (independent)
Secretary to the Board	Agostino Nuzzolo

BOARD OF STATUTORY AUDITORS

Chairman	Roberto Capone
Acting Auditors	Vincenzo Cariello Gabriella Chersicla Gianluca Ponzellini Ugo Rock
Alternate Auditors	Francesco Di Carlo

Piera Vitali
Riccardo Schioppo

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HIGHLIGHTS - FIRST NINE MONTHS OF 2017

In terms of economic and financial performance for the first nine months of 2017:

Consolidated revenues amounted to 14.7 billion euros, up 5.3% on the first nine months of 2016 (+2.7% in organic terms). The figure for the third quarter of 2017 was up 1.3% (+1.8% in organic terms).

EBITDA amounted to 6.2 billion euros, up 5.7% on the first nine months of 2016 (+3.8% in organic terms). The organic EBITDA margin stood at 42.3%, up 0.4 percentage points on the first nine months of 2016. EBITDA for the first nine months of 2017 was pulled lower by a total of 222 million euros in non-recurring expenses (155 million euros in the first nine months of 2016, at constant exchange rates), without which the organic change in EBITDA would have been +4.8%, with an EBITDA margin of 43.8%, up 0.8 percentage points compared to the first nine months of 2016.

EBITDA for the third quarter of 2017 amounted to 2 billion euros, down 2.5% on the third quarter of 2016. In organic terms, and without the impact of the above-mentioned non-recurring expenses, the change would have been an increase of 0.7%.

Operating profit (EBIT) came to 2.8 billion euros, up 2.4% on the first nine months of 2016 (+1.5% in organic terms), pulled down by non-recurring net expenses of 252 million euros (144 million euros in the first nine months of 2016, at constant exchange rates), without which the organic change in EBIT would have been +5.1%.

EBIT for the third quarter of 2017 amounted to around 1 billion euros, down 10.9% on the third quarter of 2016. In organic terms and without non-recurring net expenses, the decrease from the third quarter of 2016 would have been -2.1%.

The **Profit for the period attributable to Owners of the Parent** amounted to 1 billion euros (1.5 billion euros in the first nine months of 2016). On a like-for-like basis i.e. without including the impact of non-recurring net expenses and, in the first nine months of 2016, the positive impact of the fair value measurement of the embedded option in the mandatory convertible bond converted into TIM shares at the end of 2016 the profit for the first nine months of 2017 would have been almost 100 million euros higher than the figure for the same period of 2016.

Capital expenditures for the first nine months of 2017 amounted to 3,881 million euros (3,107 million euros in the first nine months of 2016) and included the outlay of 630 million euros for the renewal of the user rights for the 900 and 1800 MHz frequencies by the Domestic Business Unit. The Company has continued to implement selective capital expenditure by identifying projects with higher returns, targeted at innovation and transformation, while driving Ultra Broadband coverage, which has led to a 46% increase in the related capital expenditure.

Adjusted net financial debt amounted to 26,228 million euros at September 30, 2017, up 1,109 million euros on December 31, 2016 (25,119 million euros). The increase was essentially due to the payments of 630 million euros made by TIM S.p.A. for the renewal of the user rights for the mobile telephone frequencies and of 257 million euros made by the Brazil Business Unit to the consortium that is carrying out the cleanup of the 700 MHz spectrum, which the Business Unit purchased the user rights to in 2014, as well as the payment of dividends of 219 million euros. The positive performance of business operations ensured full coverage of the requirements resulting from the payment of the income tax expense.

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Financial highlights

(millions of euros)		3rd Quarter 2017	3rd Quarter 2016	9 months to 9/30/2017 (a)	9 months to 9/30/2016 (b)	% Change Reported (a/b)	% Change Organic
Revenues		**4,907**	**4,843**	**14,679**	**13,939**	5.3	2.7
EBITDA	(1)	**2,099**	**2,152**	**6,213**	**5,878**	5.7	3.8
EBITDA Margin		*42.8%*	*44.4%*	*42.3%*	*42.2%*	*0.1pp*	
Organic EBITDA Margin		*42.8%*	*44.6%*	*42.3%*	*41.9%*	*0.4pp*	
EBIT	(1)	**963**	**1,081**	**2,834**	**2,768**	2.4	1.5
EBIT Margin		*19.6%*	*22.3%*	*19.3%*	*19.9%*	*(0.6)pp*	
Organic EBIT Margin		*19.6%*	*22.4%*	*19.3%*	*19.5%*	*(0.2)pp*	
Profit (loss) from Discontinued operations/Non-current assets held for sale					**47**		
Profit (loss) for the period attributable to owners of the Parent		**437**	**477**	**1,033**	**1,495**	(30.9)	
Capital expenditures (CAPEX)		**1,825**	**1,124**	**3,881**	**3,107**	24.9	

		9/30/2017	**12/31/2016**	**Change Amount**
Adjusted net financial debt	(1)	**26,228**	**25,119**	1,109

(1) Details are provided under Alternative Performance Measures .

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CONSOLIDATED OPERATING PERFORMANCE

REVENUES

Revenues for the first nine months of 2017 amounted to 14,679 million euros, up 5.3% on the first nine months of 2016 (13,939 million euros). The increase of 740 million euros was mainly attributable to the Domestic Business Unit (276 million euros) and the Brazil Business Unit (467 million euros, included a positive exchange rate effect of 353 million euros).

In terms of organic change, consolidated revenues rose by 2.7% (+386 million euros), and were calculated as follows:

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change amount	Change %
REPORTED REVENUES	**14,679**	**13,939**	**740**	**5.3**
Foreign currency financial statements translation effect		354	(354)	
Changes in the scope of consolidation				
ORGANIC REVENUES	**14,679**	**14,293**	**386**	**2.7**

Exchange rate fluctuations[(1)] were essentially attributable to the Brazil Business Unit. There were no material changes in the scope of consolidation[(2)].

The breakdown of revenues by operating segment is the following:

(millions of euros)	9 months to 9/30/2017	% of total	9 months to 9/30/2016	% of total	Change amount	Change %	Change % organic
Domestic	11,312	77.1	11,036	79.2	276	2.5	2.5
Core Domestic	*10,500*	*71.5*	*10,239*	*73.5*	*261*	*2.5*	*2.5*
International Wholesale	*995*	*6.8*	*1,003*	*7.2*	*(8)*	*(0.8)*	*(0.9)*
Brazil	3,389	23.1	2,922	21.0	467	16.0	3.5
Other Operations			10	0.1	(10)		
Adjustments and eliminations	*(22)*	*(0.2)*	*(29)*	*(0.3)*	*7*		

Consolidated Total	**14,679**	**100.0**	**13,939**	**100.0**	**740**	**5.3**	**2.7**

EBITDA

EBITDA totaled 6,213 million euros (5,878 million euros in the first nine months of 2016), up 335 million euros (+5.7%) compared to the first nine months of 2016; the EBITDA margin was 42.3% (42.2% in the first nine months of 2016; +0.1 percentage points).

Organic EBITDA was up 226 million euros (+3.8%) compared to the first nine months of 2016; the organic EBITDA margin was up 0.4 percentage points, from 41.9% for the first nine months of 2016 to 42.3% for the first nine months of 2017.

The TIM Group recorded non-recurring operating expenses of 222 million euros for the first nine months of 2017 (155 million euros for the first nine months of 2016, at constant exchange rates). These expenses are connected to events and transactions that by their nature do not occur continuously in the normal course of operations, and have been shown because their amount is significant. They essentially consist of expenses from corporate restructuring and reorganization processes, disputes, and business transactions.

(1) The average exchange rates used for the translation into euro (expressed in terms of units of local currency per 1 euro) were, for the US dollar, 1.11340 in the first nine months of 2017 and 1.11603 in the first nine months of 2016. For the Brazilian real the average exchange rates used were 3.53378 in the first nine months of 2017 and 3.96106 in the first nine months of 2016. The effect of the change in exchange rates is calculated by applying the foreign currency translation rates used for the current period to the period under comparison.
(2) The change in the scope of consolidation has been calculated by excluding the contribution of the companies that have exited from the comparison figure and adding in the estimated contribution of any companies entering the scope of consolidation.

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Without these expenses, 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. Further details are provided in the section Significant non-recurring events and transactions in this Interim Management Report at September 30, 2017 of the TIM Group.

Organic EBITDA is calculated as follows:

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change amount	Change %
REPORTED EBITDA	**6,213**	**5,878**	**335**	**5.7**
Foreign currency financial statements translation effect		109	(109)	
Changes in the scope of consolidation				
ORGANIC EBITDA	**6,213**	**5,987**	**226**	**3.8**
of which non-recurring income/(expenses)	(222)	(153)	(69)	
Foreign currency non-recurring income/(expenses) translation effect		(2)	2	
ORGANIC EBITDA excluding non-recurring component	**6,435**	**6,142**	**293**	**4.8**

Exchange rate fluctuations related to the Brazil Business Unit.

Details of EBITDA and EBITDA Margins by operating segment are as follows:

(millions of euros)	9 months to 9/30/2017	% of total	9 months to 9/30/2016	% of total	Change amount	Change %	Change % organic
Domestic	5,055	81.4	4,995	85.0	60	1.2	1.2
EBITDA Margin	*44.7*		*45.3*			*(0.6)pp*	*(0.6)pp*
Brazil	1,170	18.8	900	15.3	270	30.0	16.0
EBITDA Margin	*34.5*		*30.8*			*3.7pp*	*3.7pp*
Other Operations	(12)	(0.2)	(15)	(0.3)	3		
Adjustments and eliminations			*(2)*		*2*		
Consolidated Total	**6,213**	**100.0**	**5,878**	**100.0**	**335**	**5.7**	**3.8**
EBITDA Margin	*42.3*		*42.2*			*0.1pp*	*0.4pp*

EBITDA was particularly impacted by the change in the line items analyzed below:

Acquisition of goods and services (6,181 million euros; 5,710 million euros in the first nine months of 2016).

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change
Acquisition of goods	1,312	1,109	203
Revenues due to other TLC operators and interconnection costs	1,524	1,505	19
Commercial and advertising costs	1,043	894	149
Power, maintenance and outsourced services	937	912	25
Rent and leases	560	520	40
Other service expenses	805	770	35
Total acquisition of goods and services	**6,181**	**5,710**	**471**
% of Revenues	*42.1*	*41.0*	*1.1pp*

The overall increase in Acquisition of goods and services included an exchange rate effect of 183 million euros relating to the Brazil Business Unit, without which this item would have shown an increase of 288 million euros.

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Employee benefits expenses (2,203 million euros; 2,303 million euros in the first nine months of 2016).

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change
Employee benefits expenses - Italy	**1,924**	**2,035**	**(111)**
Ordinary employee expenses and costs	1,905	1,921	(16)
Restructuring and other expenses	19	114	(95)
Employee benefits expenses - Outside Italy	**279**	**268**	**11**
Ordinary employee expenses and costs	279	254	25
Restructuring and other expenses		14	(14)
Total employee benefits expenses	**2,203**	**2,303**	**(100)**
% of Revenues	*15.0*	*16.5*	*(1.5)pp*

The main factors that drove the decrease of 100 million euros were:

a decrease of 16 million euros in the Italian component of ordinary employee expenses as a result of the reduction in the average salaried workforce (-1,537 people); in the first nine months of 2016, following the failure to achieve the conditions for the payment of the Results Bonus to employees, there was also a reversal of 66 million euros of the related accrual made in the 2015 financial statements;

the recognition of non-recurring expenses (provisions to Employee benefits and sundry expenses) totaling 19 million euros, broken down as follows: 8 million euros essentially related to the amounts for the aggregation of INPS positions, following the requests made by employees of the Parent and Telecom Italia Sparkle for the application of Article 4 of the Fornero Law ; 3 million euros for the companies Telecontact and INWIT, which signed agreements in May and June 2017 for the application of those rules; 8 million euros for the settlement agreements with executives signed by the Parent.

In the first nine months of 2016, provisions were made for non-recurring expenses following the application of Article 4 of the Fornero Law to executive and non-executive personnel and of the managerial restructuring plan, for a total of 114 million euros, (of which 76 million euros for the Parent and 38 million euros for Olivetti and TI Information Technology, later merged into TIM S.p.A.);

the increase for the component outside Italy of employee benefits expenses resulting from the balance of the exchange rate effect (essentially related to the Brazil Business Unit and which resulted in higher costs of around 30 million euros) and the lower cost, on one hand, related to the reduction in the average workforce by 1,744 average employees and, on the other hand, by the absence of the restructuring expenses that were present in the first nine months of 2016.

Other income (316 million euros; 165 million euros in the first nine months of 2016).

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change
Late payment fees charged for telephone services	45	41	4
Recovery of employee benefit expenses, purchases and services rendered	16	26	(10)
Capital and operating grants	35	23	12
Damage compensation, penalties and sundry recoveries	29	17	12
Partnership agreements	76	9	67
Other	115	49	66
Total	**316**	**165**	**151**

Other income consisted of the impacts of contribution fees resulting from partnership agreements signed with leading technology suppliers. These agreements are aimed at developing the collaboration between the parties, in order to strengthen and stabilize the business and industrial relationship over time, to actively contribute to TIM s marketing plan for the development and use of several strategic services in Italy and in Brazil. This item also includes some insurance indemnities and adjustments of amounts payable to customers for unused prepaid traffic.

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Other operating expenses (933 million euros; 757 million euros in the first nine months of 2016).

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change
Write-downs and expenses in connection with credit management	265	242	23
Provision charges	239	100	139
TLC operating fees and charges	269	268	1
Indirect duties and taxes	88	76	12
Penalties, settlement compensation and administrative fines	20	27	(7)
Association dues and fees, donations, scholarships and traineeships	11	12	(1)
Other	41	32	9
Total	**933**	**757**	**176**

The overall increase in Other operating expenses included an exchange rate effect of 43 million euros relating to the Brazil Business Unit, without which this item would have shown an increase of 133 million euros.

At September 30, 2017, this item included non-recurring expenses of 199 million euros (25 million euros at September 30, 2016) attributable to the Domestic Business Unit.

Depreciation and amortization

Details are as follows:

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change
Amortization of intangible assets with a finite useful life	1,349	1,283	66
Depreciation of property, plant and equipment owned and leased	2,009	1,833	176
Total	**3,358**	**3,116**	**242**

Impairment reversals (losses) on non-current assets

Impairment reversals (losses) on non-current assets amounted to 30 million euros in the first nine months of 2017 (8 million euros in the first nine months of 2016) and mainly related to the impairment loss on non-current intangible assets.

With regard to goodwill, in accordance with IAS 36 it is not subject to amortization, but is tested for impairment annually or more frequently, whenever specific events or circumstances occur that may suggest impairment.

At September 30, 2017, no external or internal events were identified for the Brazil Business Unit giving reason to believe a new impairment test was required.

For the Domestic Business Unit, there was a negative difference between Market Capitalization and Equity in a general situation showing highly dynamic regulatory and competitive conditions; in any case the performance for the first nine months of the year is positive and in line with the plan forecasts.

As a consequence the management has decided to confirm the goodwill allocated to the individual cash generating unit and to update the impairment tests at the time of the 2017 annual financial statements.

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EBIT

EBIT totaled 2,834 million euros (2,768 million euros in the first nine months of 2016), up 66 million euros (+2.4%) compared to the first nine months of 2016; the EBIT margin was 19.3% (19.9% in the first nine months of 2016; -0.6 percentage points).

Organic EBIT was up 41 million euros (+1.5%), with an organic EBIT margin of 19.3% (19.5% in the first nine months of 2016).

EBIT for the first nine months of 2017 reflected the negative impact of non-recurring net expenses, included impairment loss of assets, totaling 252 million euros (144 million euros in the first nine months of 2016). Without these expenses, the organic change in EBIT would have been a positive 149 million euros (+5.1%), with an EBIT margin of 21.0%, up 0.5 percentage points on the first nine months of 2016.

Organic EBIT is calculated as follows:

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016	Change amount	%
REPORTED EBIT	**2,834**	**2,768**	**66**	**2.4**
Foreign currency financial statements translation effect		25	(25)	
Changes in the scope of consolidation				
ORGANIC EBIT	**2,834**	**2,793**	**41**	**1.5**
of which non-recurring income/(expenses)	(252)	(144)	(108)	
foreign currency non-recurring income/(expenses) translation effect				
ORGANIC EBIT excluding non-recurring component	**3,086**	**2,937**	**149**	**5.1**

Exchange rate fluctuations related to the Brazil Business Unit.

Income/(expenses) from investments

In the first nine months of 2017, this item amounted to an expense of 18 million euros (income of 6 million euros for the first nine months of 2016) and essentially included the allocation to the income statement of the Reserve for exchange differences on translating foreign operations for the investee company Tierra Argentea S.A., whose liquidation has now been completed.

Finance income (expenses), net

Finance income (expenses) showed an increase in net expenses of 616 million euros, from 510 million euros for the first nine months of 2016 to 1,126 million euros for the first nine months of 2017.

The figure for the first nine months of 2017 reflected:

- the absence of the positive impact, of 611 million euros, relating to the fair value measurement through profit and loss performed separately to its liability component of the embedded option included in the mandatory convertible bond issued by Telecom Italia Finance S.A. at the end of 2013, for 1.3 billion euros and converted in November 2016 (Guaranteed Subordinated Mandatory Convertible Bonds due 2016 convertible into ordinary shares of TIM S.p.A.);

- the effects of the changes in several non-monetary items of a valuation and accounting nature, linked in particular to derivative instruments;

- lower finance expenses due to the reduction in the Group s debt exposure and in interest rates.

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Income tax expense

Income tax expense amounted to 559 million euros, down 140 million euros on the first nine months of 2016 (699 million euros), essentially due to the lower taxable base of the Parent TIM S.p.A., which was offset by a provision of 37 million euros for the Telecom Italia Sparkle dispute.

PROFIT (LOSS) FOR THE PERIOD

This item was broken down as follows:

(millions of euros)	9 months to 9/30/2017	9 months to 9/30/2016
Profit (loss) for the period	**1,130**	**1,610**
Attributable to:		
Owners of the Parent:		
Profit (loss) from continuing operations	1,033	1,498
Profit (loss) from Discontinued operations/Non-current assets held for sale		(3)
Profit (loss) for the period attributable to owners of the Parent	**1,033**	**1,495**
Non-controlling interests:		
Profit (loss) from continuing operations	97	65
Profit (loss) from Discontinued operations/Non-current assets held for sale		50
Profit (loss) for the period attributable to non-controlling interests	**97**	**115**

Profit for the first nine months of 2017 attributable to the Owners of Parent amounted to 1,033 million euros (1,495 million euros in the first nine months of 2016) and was impacted by non-recurring net expenses of 233 million euros. On a comparable basis i.e. without including the non-recurring items and, in the first nine months of 2016, the positive impact of the fair value measurement of the embedded option in the mandatory convertible bond the Profit attributable to the Owners of the Parent for the first nine months of 2017 would have been almost 100 million euros higher than the figure for the same period of the previous year.

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CONSOLIDATED OPERATING PERFORMANCE FOR THE THIRD QUARTER OF 2017

(millions of euros)	3rd Quarter 2017	3rd Quarter 2016	Change amount	%	% organic
Revenues	**4,907**	**4,843**	**64**	**1.3**	**1.8**
EBITDA	**2,099**	**2,152**	**(53)**	**(2.5)**	**(2.3)**
EBITDA Margin	*42.8%*	*44.4%*	*(1.6)pp*		
Organic EBITDA Margin	*42.8%*	*44.6%*	*(1.8)pp*		
EBIT	**963**	**1,081**	**(118)**	**(10.9)**	**(10.9)**
EBIT Margin	*19.6%*	*22.3%*	*(2.7)pp*		
Organic EBIT Margin	*19.6%*	*22.4%*	*(2.8)pp*		
Profit (loss) before tax from continuing operations	**578**	**715**	**(137)**	**(19.2)**	
Profit (loss) from continuing operations	**476**	**505**	**(29)**	**(5.7)**	
Profit (loss) from Discontinued operations/Non-current assets held for sale					
Profit (loss) for the period	**476**	**505**	**(29)**	**(5.7)**	
Profit (loss) for the period attributable to owners of the Parent	**437**	**477**	**(40)**	**(8.4)**	

Herewith some detailed information on the management trend of each one of the 2017 quarters, compared with those of 2016. Please note that in this Report, certain Organic like for like reconstructions are supplied, which are purely operative in nature and aim to allow for a better explanation of the business performance in the current period, sterilizing effects of non-linear or non-recurrent expression in the current or comparative period. This information should not be considered as given in lieu of the economic-financial information of which a reclassification is supplied, is not subject to auditing and is produced for explanatory purposes only. Such above-mentioned items exclusively pertain to the Domestic market.

(millions of euros)	I Quarter		II Quarter		III Quarter	
Total Revenues	2017	2016	2017	2016	2017	2016
REPORTED	***+8.5%***	*-12.1%*	***+6.4%***	*-7.7%*	***+1.3%***	*+1.4%*
ORGANIC excluding non recurring component	***+2.6%***	*-5.6%*	***+3.7%***	*-4.3%*	***+1.8%***	*-1.2%*

ORGANIC LIKE for LIKE	**+1.3%**	**-5.6%**	**+3.0%**	**-4.8%**	**+3.9%**	**-3.8%**
Service Revenues						
REPORTED	***+6.4%***	*-10.4%*	***+4.4%***	*-6.1%*	***+1.6%***	*+0.9%*
ORGANIC excluding non recurring component	***+0.6%***	*-4.2%*	***+1.8%***	*-2.7%*	***+2.0%***	*-1.3%*
ORGANIC LIKE for LIKE	**+0.6%**	-4.2%	**+2.4%**	-3.3%	**+3.1%**	-1.9%
Ebitda						
REPORTED	***+16.2%***	*-15.8%*	***+5.5%***	*+25.4%*	***-2.5%***	*+8.5%*
ORGANIC excluding non recurring component	***+8.1%***	*-7.5%*	***+6.1%***	*+4.0%*	***+0.7%***	*+6.6%*
ORGANIC LIKE for LIKE	**+5.0%**	-7.4%	**+7.3%**	-1.3%	**+6.5%**	0.9%

The calculation of Like for Like is presented in the chapter Consolidated Financial Statement TIM Group .

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Revenues

Consolidated revenues for the third quarter of 2017 increased by 64 million euros compared to the third quarter of 2016 (+1.3%); in organic terms, the percentage change, without the exchange rate effect for the Brazil Business Unit, was +1.8%.

EBITDA

EBITDA for the third quarter of 2017 amounted to 2,099 million euros, down 53 million euros (-2.5%) on the same period of the previous year (2,152 million euros). The EBITDA margin came to 42.8% (44.4% in the third quarter of 2016).

In organic terms, and without non-recurring expenses (127 million euros in the third quarter of 2017 and 62 million euros in the same period of 2016), the change would have been an increase of +0.7%, with an EBITDA margin of 45.4% (45.9% in the third quarter of 2016). The Domestic Business Unit, again in organic terms and without the non-recurring expenses, posted an EBITDA margin of 47.7%.

EBIT

Consolidated EBIT for the third quarter of 2017 totaled 963 million euros (1,081 million euros in the third quarter of 2016), down 10.9% on the third quarter of 2016; the EBIT margin was 19.6% (22.3% in the third quarter of 2016).

In organic terms, and without non-recurring net expenses (156 million euros in the third quarter of 2017 and 62 million euros in the same period of 2016), the decrease compared to the third quarter of 2016 would have been -2.1%, with an EBIT margin of 22.8% (23.7 in the third quarter of 2016).

Profit (loss) for the period attributable to owners of the Parent

The profit for the third quarter of 2017 attributable to owners of the Parent amounted to 437 million euros (477 million euros at September 30, 2016).

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FINANCIAL AND OPERATING HIGHLIGHTS OF THE BUSINESS UNITS OF THE TIM GROUP

DOMESTIC

(millions of euros)	3rd Quarter 2017 (a)	3rd Quarter 2016 (b)	9 months to 9/30/2017 (c)	9 months to 9/30/2016 (d)	% Change (a/b)	(c/d)	organic (c/d)
Revenues	3,818	3,789	11,312	11,036	0.8	2.5	2.5
EBITDA	1,694	1,811	5,055	4,995	(6.5)	1.2	1.2
EBITDA Margin	*44.4*	*47.8*	*44.7*	*45.3*	*(3.4)pp*	*(0.6)pp*	*(0.6)pp*
EBIT	822	994	2,507	2,575	(17.3)	(2.6)	(2.6)
EBIT Margin	*21.5*	*26.2*	*22.2*	*23.3*	*(4.7)pp*	*(1.1)pp*	*(1.1)pp*
Headcount at period end (number)			50,488	(1)51,280		(1.5)	

(1) Headcount at December 31, 2016.

Fixed

	9/30/2017	12/31/2016	9/30/2016
Physical accesses at period end (thousands) (1)	19,029	18,963	18,968
of which retail physical accesses at period end (thousands)	*11,137*	*11,285*	*11,368*
Broadband accesses at period end (thousands) (2)	9,872	9,206	9,042
of which Retail broadband accesses at period end (thousands)	*7,559*	*7,191*	*7,123*
Network infrastructure in Italy:			
copper access network (millions of km pair, distribution and connection)	114.4	114.4	115.6

access and carrier network in optical fiber (millions of km - fiber)	13.7	12.6	12.3
Total traffic:			
Minutes of traffic on fixed-line network (billions):	47.9	69.1	52.1
Domestic traffic	37.9	55.6	41.7
International traffic	10.0	13.5	10.4
Broadband volumes (PBytes) (3)	5,625	5,774	4,112

(1) Does not include full-infrastructured OLOs and Fixed Wireless Access (FWA).
(2) Does not include LLU and NAKED, satellite and full-infrastructured OLOs and FWA.
(3) DownStream and UpStream traffic volumes.

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