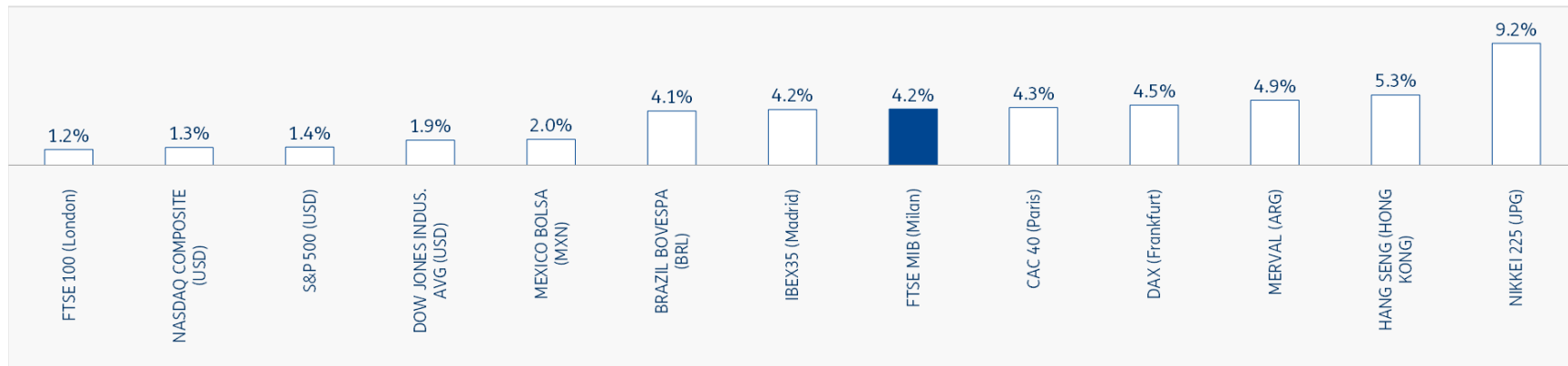


# Weekly Stock Market Report for Telecom Italia Retail Shareholders

Jul 11<sup>th</sup> – Jul 15<sup>th</sup>, 2016

# Weekly Performance of Major Worldwide Market Stock Exchanges

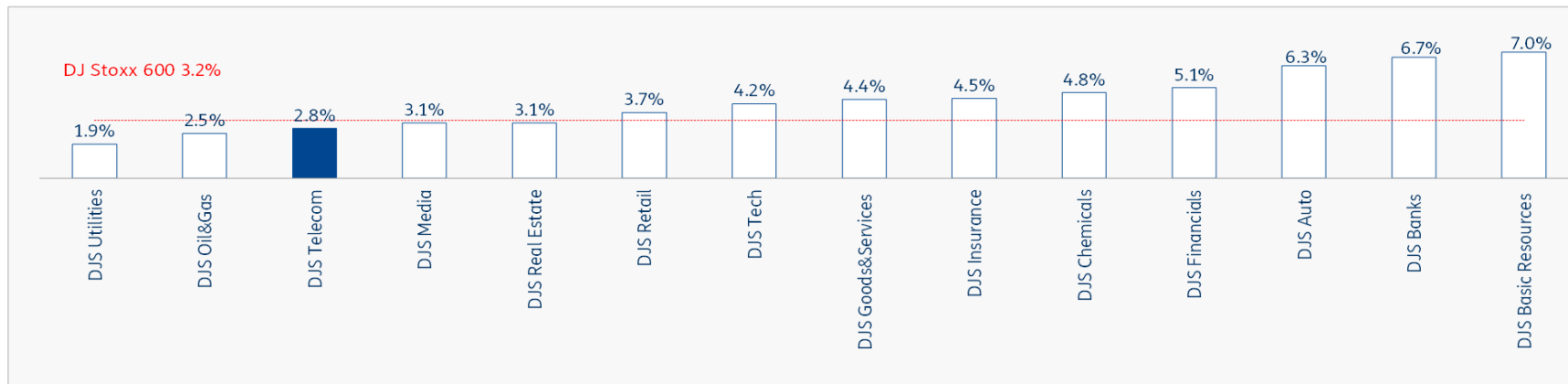


	Index Point as of 15-Jul-16	1 week	1 month	6 months	1 year	from Jan. '16	Last 52 weeks		Daily average volume **		Market Cap. (mln. local cur.)
							Low Price	High Price	1 week	1 month	
Europe											
FTSE MIB (Milan)	16,749	4.2%	1.4%	-12.7%	-28.4%	-21.8%	15,017	24,157	1,084,587,366	1,058,577,757	372,953
FTSE 100 (London)	6,669	1.2%	11.8%	14.9%	-1.3%	6.8%	5,500	6,813	1,018,258,739	1,156,451,490	1,874,904
DAX (Frankfurt)	10,067	4.5%	4.8%	5.5%	-12.8%	-6.3%	8,699	11,802	95,240,037	111,171,035	968,038
CAC 40 (Paris)	4,373	4.3%	4.8%	3.9%	-13.4%	-5.7%	3,892	5,218	112,232,990	134,481,703	1,213,714
IBEX35 (Madrid)	8,531	4.2%	3.4%	-0.1%	-24.7%	-10.6%	7,580	11,613	477,652,896	469,232,931	524,720
America											
DOW JONES INDUS. AVG (USD)	18,491	1.9%	4.8%	15.7%	2.4%	6.1%	15,370	18,557	86,510,627	102,162,671	5,522,445
S&P 500 (USD)	2,159	1.4%	4.2%	14.8%	2.5%	5.6%	1,810	2,169	551,186,899	643,094,695	19,491,256
NASDAQ COMPOSITE (USD)	5,023	1.3%	3.9%	11.9%	-1.5%	0.3%	4,210	5,232	392,010,605	469,143,041	7,630,702
MEXICO BOLSA (MXN)	46,648	2.0%	3.6%	14.2%	3.4%	8.5%	39,257	46,767	206,482,566	211,586,584	2,251,135
MERVAL (ARG)	15,433	4.9%	17.5%	53.8%	25.3%	32.0%	8,660	15,574	867,868,453	152,238,109	15,465
BRAZIL BOVESPA (BRL)	55,318	4.1%	13.1%	43.4%	4.6%	27.6%	37,046	55,634	381,981,754	367,336,398	1,764,367
Asia											
NIKKEI 225 (JPG)	16,498	9.2%	3.6%	-3.8%	-19.4%	-13.3%	14,864	20,947	1,654,978,202	1,429,833,071	293,535,776
HANG SENG (HONG KONG)	21,659	5.3%	5.8%	11.0%	-13.6%	-1.2%	18,279	25,634	1,962,741,018	1,860,336,115	13,701,993

\* performance calculated on closing price, \*\* n. of traded shares

Source: Bloomberg LP

## Weekly Performance of Major European Sectors



Index	Index Point as of 15-Jul-16	Performance (Δ%)*					Last 52 weeks		Daily average volume **		Market Cap. (mln. local cur.)
		1 week	1 month	6 months	1 year	from Jan. '16	Low Price	High Price	1 week	1 month	
DJ Stoxx 600	337.92	3.2%	4.4%	2.4%	-15.5%	-7.6%	302.59	408.73	3,767,591,014	4,105,237,973	8,853,449.00
<b>Sectors</b>											
DJS Telecom	303.97	2.8%	2.8%	-5.8%	-21.5%	-12.4%	276.64	399.43	260,260,250	309,798,628	426,813.56
DJS Auto	457.80	6.3%	2.1%	-3.0%	-24.0%	-19.0%	403.04	625.06	45,810,731	47,053,217	269,758.84
DJS Banks	131.82	6.7%	-1.7%	-17.1%	-40.7%	-27.8%	116.29	227.47	2,071,097,651	2,252,191,403	879,783.13
DJS Basic Resources	317.01	7.0%	17.3%	58.9%	-15.0%	29.4%	191.36	379.74	150,528,462	142,567,181	227,177.00
DJS Chemicals	772.89	4.8%	4.9%	4.9%	-18.5%	-6.4%	687.78	964.75	16,098,934	20,498,323	385,288.88
DJS Oil&Gas	293.37	2.5%	11.0%	25.6%	-6.5%	11.8%	222.42	316.87	210,064,557	176,701,609	522,753.88
DJS Financials	381.44	5.1%	1.9%	-1.4%	-18.4%	-14.8%	342.84	483.43	31,950,712	35,806,957	157,942.66
DJS Goods&Services	422.25	4.4%	3.4%	9.4%	-8.5%	-1.5%	360.76	474.57	170,791,296	202,693,522	956,407.38
DJS Insurance	221.47	4.5%	-2.0%	-14.2%	-24.0%	-22.4%	203.67	299.24	142,687,781	161,381,811	450,988.16
DJS Media	273.62	3.1%	3.5%	-2.3%	-17.4%	-10.4%	249.39	337.67	68,904,710	77,846,833	239,290.11
DJS Tech	332.78	4.2%	5.6%	2.3%	-6.0%	-6.5%	284.27	372.94	49,212,490	58,793,744	328,232.63
DJS Utilities	298.13	1.9%	6.1%	5.2%	-8.9%	-1.9%	264.87	331.89	167,785,318	201,578,693	409,910.94
DJS Retail	300.11	3.7%	1.7%	-2.7%	-18.3%	-10.9%	273.13	381.17	107,712,734	125,993,245	343,475.47
DJS Real Estate	172.05	3.1%	-0.7%	2.9%	-9.3%	-6.1%	157.29	197.67	37,553,601	39,176,947	161,253.63

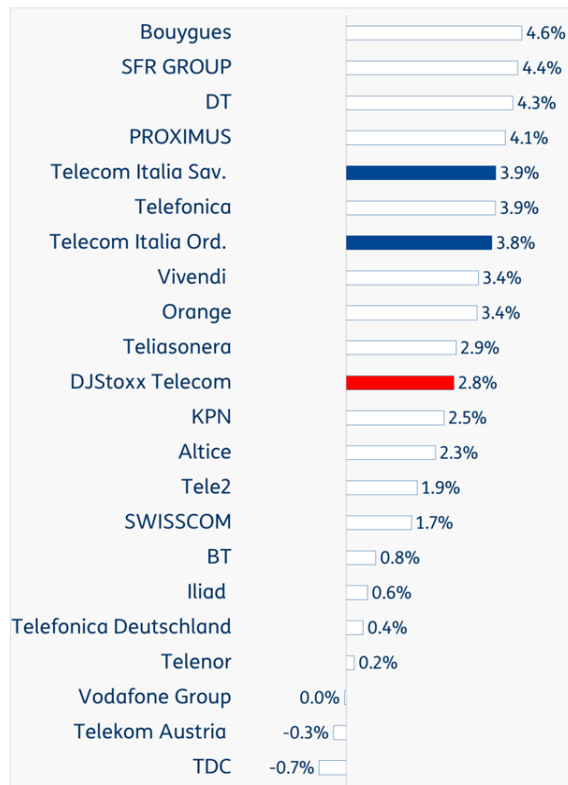
\* performance calculated on closing price. \*\* n. of traded shares.

Source: Bloomberg LP

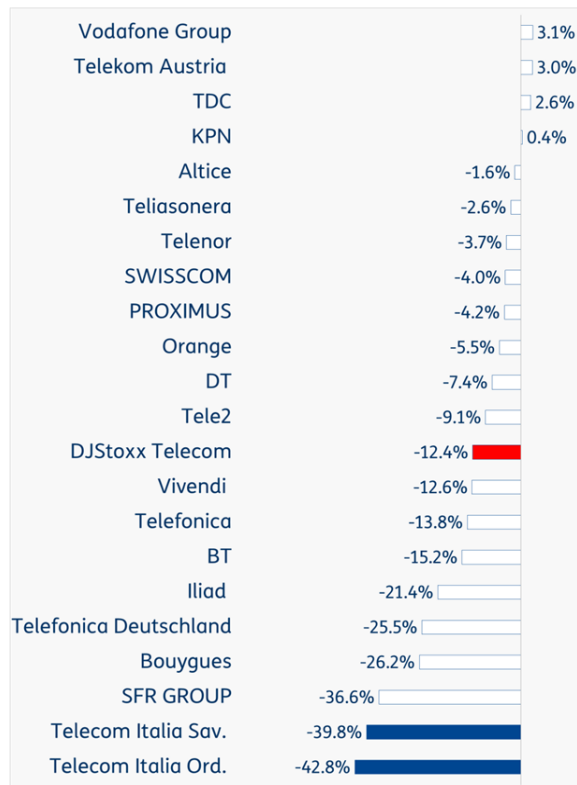
# Europe: Stock Performance of Main TLC Operators



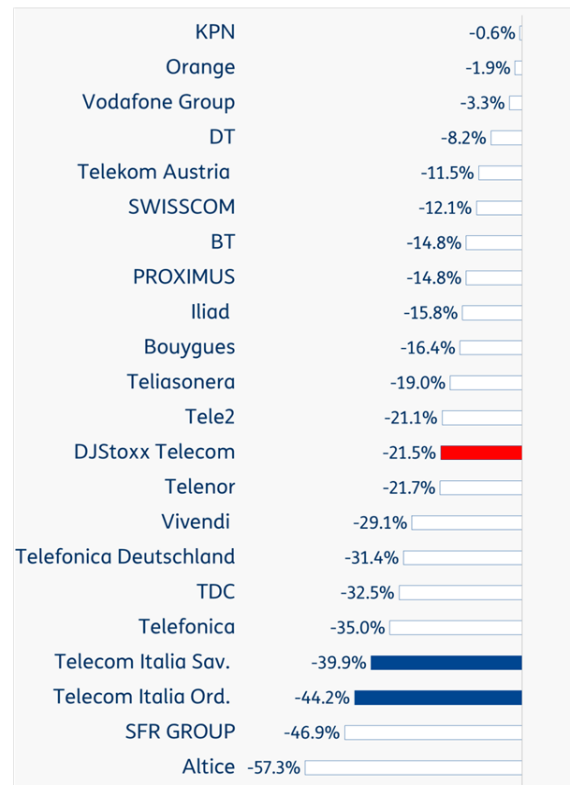
## Last Week Performance



## 2016 Year-To-Date Performance



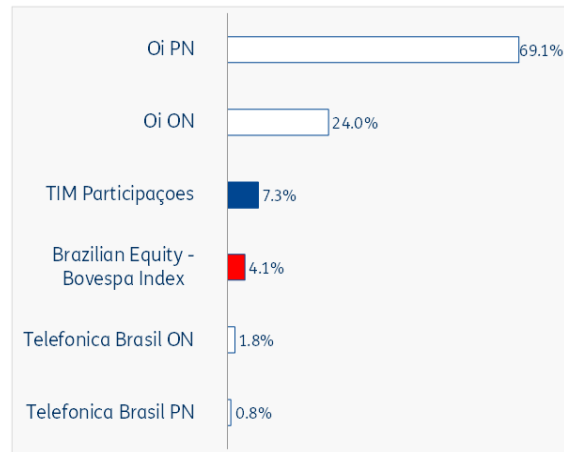
## Last 12 Month Performance



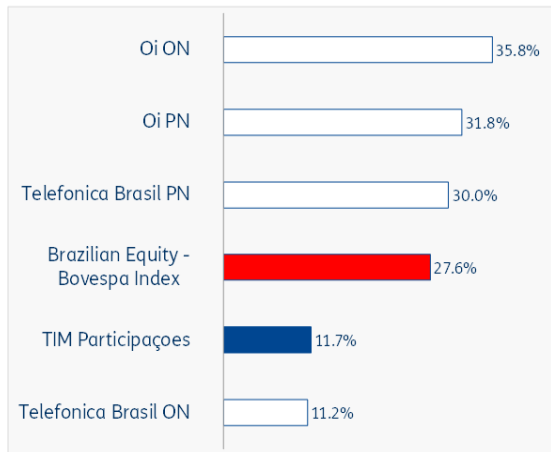
# Latam: Stock Performance of Main TLC Operators



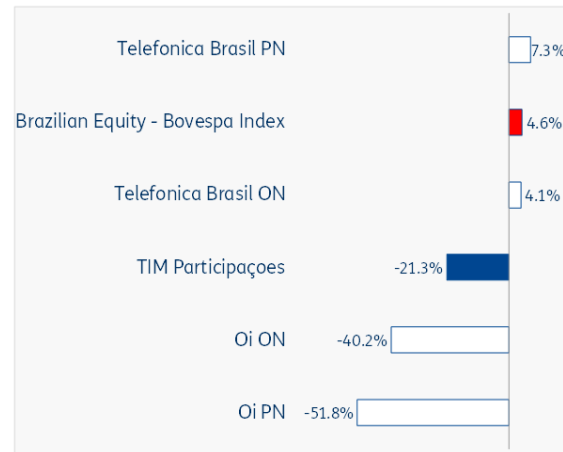
## Last Week Performance



## 2016 Year-To-Date Performance



## Last 12 Month Performance



CL Price 15-Jul-16	Performance (Δ%)*					Last 52 weeks		Daily average volume **		Market Cap. (mln)
	1 week	1 month	6 months	1 year	from Jan. '16	Low Price	High Price	1 week	1 month	

### BRAZIL

#### Index

Brazilian Equity - Bovespa Index	R\$ 55,317.94	4.1%	13.1%	43.4%	4.6%	27.6%	37,046.07	55,633.54	381,981,754	367,336,398	R\$ 1,764,367
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#### Peers

<b>TIM Participações</b>	<b>R\$ 7.68</b>	<b>7.3%</b>	<b>14.5%</b>	<b>29.0%</b>	<b>-21.3%</b>	<b>11.7%</b>	<b>R\$ 5.63</b>	<b>R\$ 10.04</b>	<b>3,158,740</b>	<b>2,516,237</b>	<b>R\$ 18,545</b>
Oi ON	R\$ 3.26	24.0%	115.9%	56.0%	-40.2%	35.8%	R\$ 0.78	R\$ 5.69	10,507,660	18,779,360	R\$ 2,178
Oi PN	R\$ 2.58	69.1%	55.8%	73.6%	-51.8%	31.8%	R\$ 0.68	R\$ 5.56	24,534,480	24,612,730	R\$ 407
Telefonica Brasil ON	R\$ 37.79	1.8%	14.4%	29.9%	4.1%	11.2%	R\$ 28.41	R\$ 40.41	12,920	15,063	R\$ 21,516
Telefonica Brasil PN	R\$ 46.49	0.8%	14.6%	41.5%	7.3%	30.0%	R\$ 31.72	R\$ 48.06	2,138,580	2,040,913	R\$ 52,038

\* performance calculated on closing price

\*\* n. of traded shares



NB: Weekly performances are referred to last 5 open market sessions.

# European Telecoms Sector: Credit Outlook

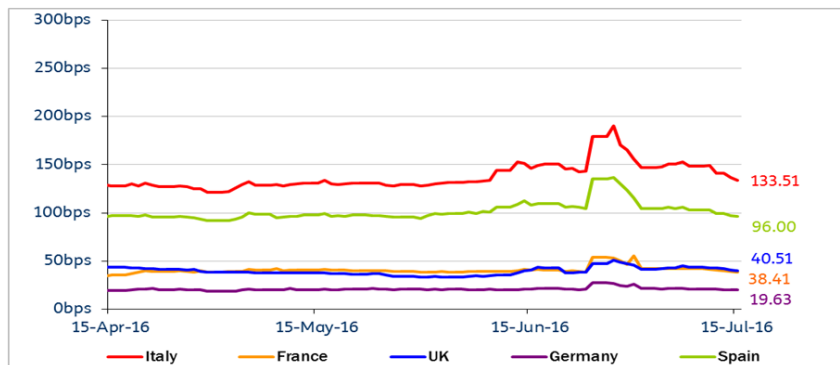
## Long-term Credit Ratings



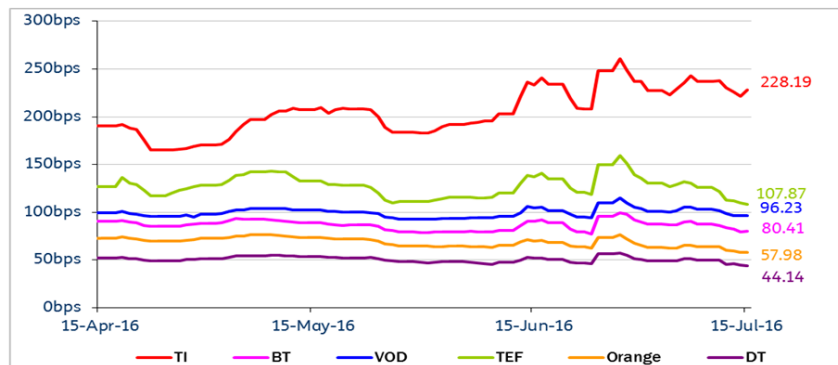
	Moody's		S&P		Fitch	
	rating	outlook	rating	outlook	rating	outlook
TELECOM ITALIA	<b>Ba1</b>	<b>NEG</b>	<b>BB+</b>	<b>STABLE</b>	<b>BBB-</b>	<b>STABLE</b>
ALTICE	n.a.	n.a.	B+	STABLE	n.a.	n.a.
BT GROUP	Baa2	POS	BBB+	STABLE	BBB+	STABLE
DEUTSCHE TELEKOM	Baa1	STABLE	BBB+	STABLE	BBB+	STABLE
KPN	Baa3	STABLE	BBB-	STABLE	BBB	STABLE
ORANGE	Baa1	STABLE	BBB+	STABLE	BBB+	STABLE
PROXIMUS	A1	STABLE	A	STABLE	n.a.	n.a.
SWISSCOM	A2	STABLE	A	STABLE	n.a.	n.a.
TELEFONICA	Baa2	NEG	BBB	STABLE	BBB+	STABLE
TELEKOM AUSTRIA	Baa2	STABLE	BBB	STABLE	n.a.	n.a.
TELENOR	A3	STABLE	A	STABLE	NR	n.a.
TELIA SONERA	Baa1	STABLE	A-	STABLE	A-	STABLE
VODAFONE GROUP	Baa1	STABLE	BBB+	STABLE	BBB+	STABLE
WIND TELECOMUNICAZIONI	B2	POS	BB-	POS	B+	STABLE
OI GROUP	WR*	WR*	D	WR*	C	WR*

## 5 Years CDS levels

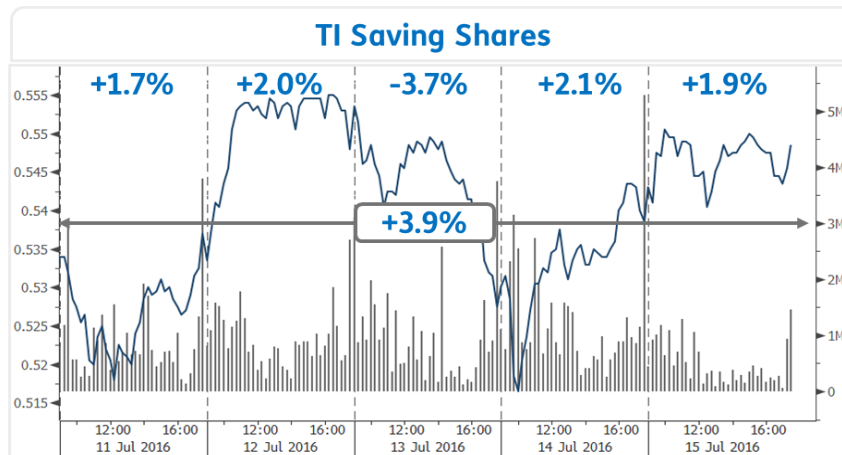
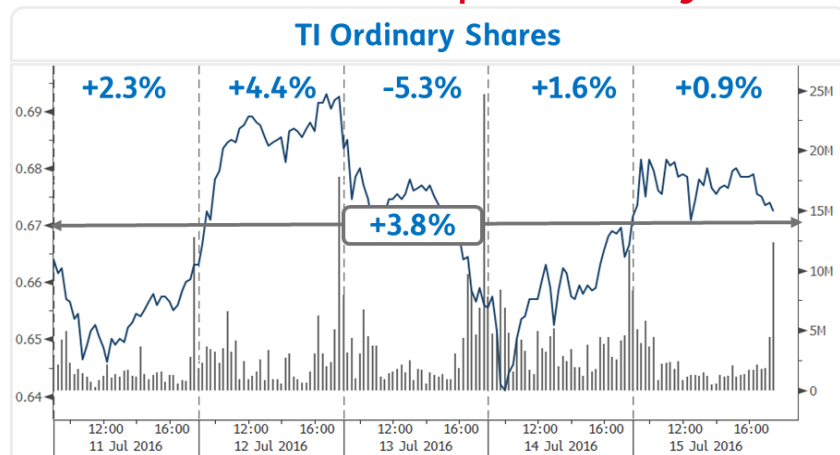
### Countries



### TLC Operators



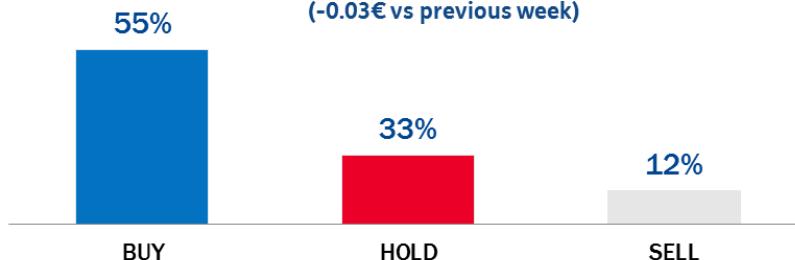
# Telecom Italia Group – Weekly Performance: Price (€) and Volumes (mln)



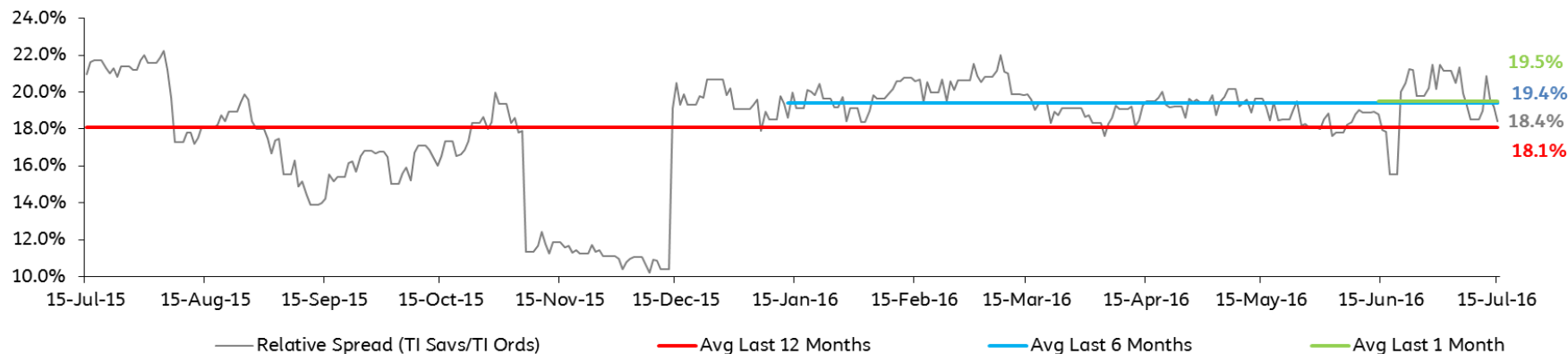
## Analysts' Recommendations on TI Ords

Total Coverage of 33 Active Brokers

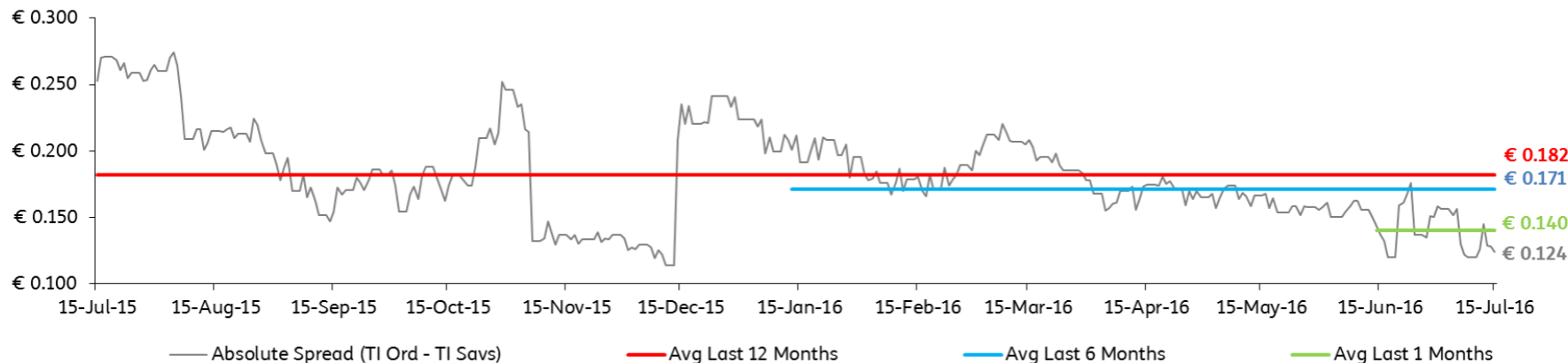
**Average Target Price: 1.03€**  
(-0.03€ vs previous week)



## Relative Spread (TI Saves /TI Ords): Evolution over the Last 12 Months



## Absolute Spread (TI Ords – TI Saves): Evolution over the Last 12 Months





# Performance Summary of Main European TLC Operators



	Country	Cl. Price (local currency) 15-Jul-16	Performance (Δ%)*					Last 52 weeks		Daily average volume **		Market Cap. (all in €mln)
			1 week	1 month	6 months	1 year	from Jan. '16	Low Price	High Price	1 week	1 month	
EUROPEAN TLC OPERATORS												
Index												
DJStoxx Telecom	EU	303.97	2.8%	2.8%	-5.8%	-21.5%	-12.4%	276.64	399.43	260,260,250	309,798,628	
TLC Operators												
Altice	NL	13.04	2.3%	-6.3%	1.0%	-57.3%	-1.6%	9.975	32.875	1,559,540	1,782,335	14,529
Bouygues	FR	26.99	4.6%	1.3%	-23.1%	-16.4%	-26.2%	24.745	38.595	745,245	1,002,288	9,317
BT	GB	400.00	0.8%	-0.1%	-13.7%	-14.8%	-15.2%	359.600	502.600	17,749,420	22,693,900	47,301
DT	DE	15.46	4.3%	7.0%	0.5%	-8.2%	-7.4%	13.385	17.570	8,835,150	12,421,640	72,282
Freenet	DE	25.11	1.5%	7.3%	-13.1%	-20.4%	-19.8%	22.200	33.105	450,009	578,184	3,215
Orange	FR	14.64	3.4%	3.4%	-4.8%	-1.9%	-5.5%	12.210	16.975	5,184,097	7,519,695	38,930
OTE	GR	8.62	6.0%	10.5%	9.8%	5.1%	-6.7%	5.750	9.710	404,595	587,780	4,225
Iliad	FR	172.85	0.6%	-2.6%	-21.2%	-15.8%	-21.4%	170.050	238.100	74,782	97,032	10,150
Inmarsat	GB	805.50	1.3%	16.8%	-21.9%	-15.0%	-29.2%	664.000	1,153.000	1,315,127	2,296,835	4,328
KPN	NL	3.19	2.5%	6.8%	7.1%	-0.6%	0.4%	2.700	3.378	8,639,532	12,189,860	13,626
PROXIMUS	BE	28.73	4.1%	6.2%	-1.8%	-14.8%	-4.2%	26.410	35.215	511,717	641,179	9,711
SFR GROUP	FR	21.25	4.4%	-15.0%	-39.9%	-46.9%	-36.6%	19.750	44.908	319,005	369,453	9,400
SUNRISE	CH	64.10	3.8%	7.5%	17.4%	-13.4%	14.0%	46.035	74.522	140,430	144,993	2,652
SWISSCOM	CH	482.80	1.7%	6.9%	1.0%	-12.1%	-4.0%	445.000	572.000	90,706	161,061	22,998
Talk Talk	GB	220.30	5.9%	-0.2%	12.4%	-42.1%	1.3%	184.000	392.100	1,571,363	1,670,044	2,508
TDC	DK	35.28	-0.7%	14.8%	3.9%	-32.5%	2.6%	28.240	53.750	5,689,845	3,386,395	3,851
Tele2	SE	77.00	1.9%	8.1%	-0.5%	-21.1%	-9.1%	65.850	100.300	2,073,816	2,710,397	3,675
Telecom Italia Ord.	IT	0.67	3.8%	-11.5%	-32.8%	-44.2%	-42.8%	0.627	1.316	115,330,500	132,838,700	9,079
Telecom Italia Sav.	IT	0.55	3.9%	-8.1%	-29.2%	-39.9%	-39.8%	0.503	1.075	38,232,610	43,367,580	3,306
Telefonica	ES	8.82	3.9%	3.2%	-3.0%	-35.0%	-13.8%	7.451	14.305	20,026,130	24,362,260	43,876
Telefonica Deutschland	DE	3.65	0.4%	-2.8%	-19.0%	-31.4%	-25.5%	3.328	5.994	2,568,736	3,228,956	10,842
Telenor	NO	142.80	0.2%	10.8%	5.8%	-21.7%	-3.7%	116.800	186.100	1,475,716	2,062,153	22,925
Telekom Austria	AT	5.15	-0.3%	-4.6%	6.9%	-11.5%	3.0%	4.618	6.237	142,595	188,229	3,422
TeliaSonera	SE	41.10	2.9%	11.5%	6.8%	-19.0%	-2.6%	35.560	52.950	7,650,543	11,163,040	18,814
Vivendi	FR	17.36	3.4%	10.6%	-7.7%	-29.1%	-12.6%	14.870	24.830	4,066,159	6,767,094	22,251
Vodafone Group	GB	227.90	0.0%	7.9%	5.4%	-3.3%	3.1%	197.700	247.150	57,638,370	66,230,380	72,232
EUROPEAN TOWERS OPERATORS												
Inwit	IT	4.30	2.0%	5.8%	-9.7%	3.1%	-14.7%	3.692	5.180	636,746	886,881	2,580
EI Towers	IT	46.28	7.6%	-3.6%	-15.5%	-16.4%	-22.3%	41.000	59.750	56,456	38,161	1,308
Rai Way	IT	4.10	1.6%	5.8%	-6.3%	-7.5%	-13.0%	3.444	5.450	55,536	110,854	1,116
Cellnex Telecom (Abertis)	ES	15.64	5.1%	12.5%	-2.9%	2.3%	-9.3%	12.815	17.500	981,214	1,371,252	3,622

\* performance calculated on closing price

\*\* n. of traded shares

Source: Bloomberg LP

## Performance Summary of FTSE MIB

Index	Cl. Price € 15-Jul-16	Performance (Δ%)*					Last 52 weeks		Daily average volume		Market** Cap. mil. Euro
		1 week	1 month	6 months	1 year	from Jan. '16	Low Price	High Price	1 week	1 month	
<b>FTSE MIB (Milan)</b>	<b>16,749</b>	<b>4.2%</b>	<b>1.4%</b>	<b>-12.7%</b>	<b>-28.4%</b>	<b>-21.8%</b>	<b>15,017</b>	<b>24,157</b>	<b>1,084,587,366</b>	<b>1,058,577,757</b>	<b>372,953</b>
FTSE Italia All-Share (Milan)	18,335	4.1%	1.1%	-12.2%	-26.4%	-21.1%	16,545	25,746	1,188,286,323	1,153,130,799	458,684
<b>Stocks FTSE MIB Index</b>											
A2A Spa	1.21	3.3%	3.2%	7.9%	5.1%	-3.5%	0.94	1.37	9,106,148	11,018,070	3,791
Atlantia Spa	22.49	1.4%	1.4%	-0.7%	-2.7%	-8.2%	20.79	25.74	2,069,069	2,030,913	18,572
Azimut Holding Spa	14.79	8.6%	-12.0%	-22.2%	-38.9%	-35.9%	12.43	25.22	1,325,631	1,319,425	2,119
Banca Mediolanum Spa	6.34	3.8%	-0.9%	5.0%	-13.7%	-13.3%	5.13	7.97	1,631,777	1,813,591	4,683
Banca Monte Dei Paschi Siena	0.34	21.8%	-31.7%	-62.1%	-80.8%	-72.4%	0.25	2.04	121,021,700	96,312,640	998
Banca Popol Emilia Romagna	3.40	13.5%	-9.6%	-45.0%	-58.6%	-51.6%	2.51	8.65	9,645,356	9,227,346	1,638
Banca Popolare Di Milano	0.43	12.7%	-1.5%	-50.0%	-55.4%	-53.1%	0.33	1.03	108,401,600	124,884,100	1,899
Banco Popolare Sc	2.37	9.6%	-9.5%	-71.3%	-79.3%	-75.0%	1.76	12.28	20,554,570	22,424,630	1,965
Buzzi Unicem Spa	17.06	8.2%	7.4%	24.8%	22.7%	2.8%	11.67	18.38	895,892	875,450	3,199
Davide Campari-Milano Spa	8.68	-0.8%	5.3%	14.1%	21.8%	8.4%	6.36	8.99	788,646	1,087,419	5,038
Cnh Industrial Nv	6.27	7.4%	-2.8%	16.3%	-28.5%	-1.2%	5.17	8.92	4,555,823	5,025,634	8,532
Enel Spa	3.99	1.6%	2.1%	8.8%	-8.0%	2.6%	3.33	4.45	38,597,050	49,717,880	40,585
Eni Spa	14.72	1.5%	10.1%	17.3%	-8.2%	6.7%	10.93	16.34	17,387,310	19,878,270	53,495
Exor Spa	33.62	3.6%	9.9%	5.2%	-25.8%	-20.1%	23.13	47.18	368,650	551,338	8,102
Ferrari Nv	38.36	2.2%	3.9%	3.8%	n.a.	n.a.	27.91	46.19	565,771	613,976	7,439
Fiat Chrysler Automobiles Nv	6.08	9.8%	3.7%	-8.1%	-32.3%	-28.6%	4.89	9.89	19,901,400	18,905,520	7,841
Fincombank Spa	5.60	-1.5%	-5.6%	-19.7%	-17.6%	-26.6%	5.06	7.87	9,787,897	2,897,025	3,395
Leonardo-Finmeccanica Spa	9.69	4.5%	3.2%	-16.0%	-21.9%	-24.9%	8.03	13.94	2,660,297	3,086,188	5,602
Assicurazioni Generali	11.29	6.5%	-2.8%	-26.7%	-33.8%	-33.3%	9.76	18.27	11,214,080	11,414,080	17,611
Intesa Sanpaolo	1.93	9.7%	-1.8%	-31.1%	-44.2%	-37.5%	1.52	3.65	235,805,300	213,757,500	32,342
Italcementi Spa	10.59	0.3%	1.6%	3.8%	67.0%	3.3%	6.13	10.59	1,722,057	2,268,552	3,699
Luxottica Group Spa	45.01	4.1%	0.4%	-20.4%	-29.6%	-25.5%	42.05	67.80	1,036,997	1,146,501	21,776
Mediaset Spa	3.29	2.6%	-6.3%	2.7%	-30.4%	-14.1%	2.77	4.93	4,958,270	5,616,690	3,889
Mediobanca Spa	5.84	10.3%	1.3%	-25.5%	-34.8%	-34.3%	4.60	10.15	7,815,406	6,543,718	5,082
Moncler Spa	14.43	0.6%	-1.9%	15.1%	-12.5%	11.7%	11.30	19.00	828,116	902,042	3,610
Prismian Spa	20.17	2.4%	-0.7%	12.6%	0.2%	-0.4%	16.06	22.45	1,071,613	1,073,046	4,371
Recordati Spa	27.82	-0.7%	6.2%	23.1%	36.6%	15.5%	18.80	28.51	531,233	587,562	5,818
Saipem Spa	0.41	9.9%	15.5%	-50.4%	-61.6%	-56.2%	0.28	1.14	108,937,300	92,742,270	4,180
Salvatore Ferragamo Spa	18.87	4.4%	0.3%	-9.6%	-28.5%	-13.2%	17.26	30.72	567,434	592,556	3,185
Snam Spa	5.22	-0.5%	4.1%	5.6%	13.3%	8.0%	4.05	5.58	12,596,090	16,524,330	18,256
Stmicroelectronics Nv	5.41	4.7%	7.2%	3.1%	-27.0%	-13.7%	4.48	7.55	3,399,529	3,784,317	4,924
<b>Telecom Italia Spa</b>	<b>0.67</b>	<b>3.8%</b>	<b>-11.5%</b>	<b>-32.8%</b>	<b>-44.2%</b>	<b>-42.8%</b>	<b>0.63</b>	<b>1.32</b>	<b>115,330,500</b>	<b>132,838,700</b>	<b>12,385</b>
Tenaris Sa	12.92	1.7%	3.4%	42.1%	7.6%	18.1%	8.53	13.45	4,270,742	4,657,316	15,253
Terna Spa	4.79	-2.6%	-0.5%	3.8%	12.7%	0.7%	3.88	5.12	6,961,292	8,747,754	9,628
Tod'S Spa	47.58	0.9%	-10.6%	-30.1%	-44.1%	-34.9%	45.76	98.00	45,101	74,029	1,575
Ubi Banca Spa	2.79	11.1%	6.2%	-47.4%	-62.8%	-55.0%	2.25	7.88	19,555,820	17,923,870	2,516
Unicredit Spa	2.18	14.4%	-3.3%	-50.4%	-64.8%	-57.5%	1.70	6.45	157,903,700	141,841,400	13,483
Unipol Gruppo Finanziario Sp	2.45	11.9%	-6.1%	-41.5%	-46.4%	-48.6%	1.91	4.95	6,674,197	5,405,750	1,756
Unipolspal Spa	1.47	6.0%	-1.3%	-29.8%	-35.9%	-37.9%	1.25	2.45	10,369,950	11,944,910	4,148
Yoox Net-A-Porter Group	24.23	6.4%	11.7%	-16.5%	-20.9%	-29.9%	19.00	36.78	762,602	873,320	3,239

\*\* for FTSE MIB stocks, market cap here reported on overall shares outstanding