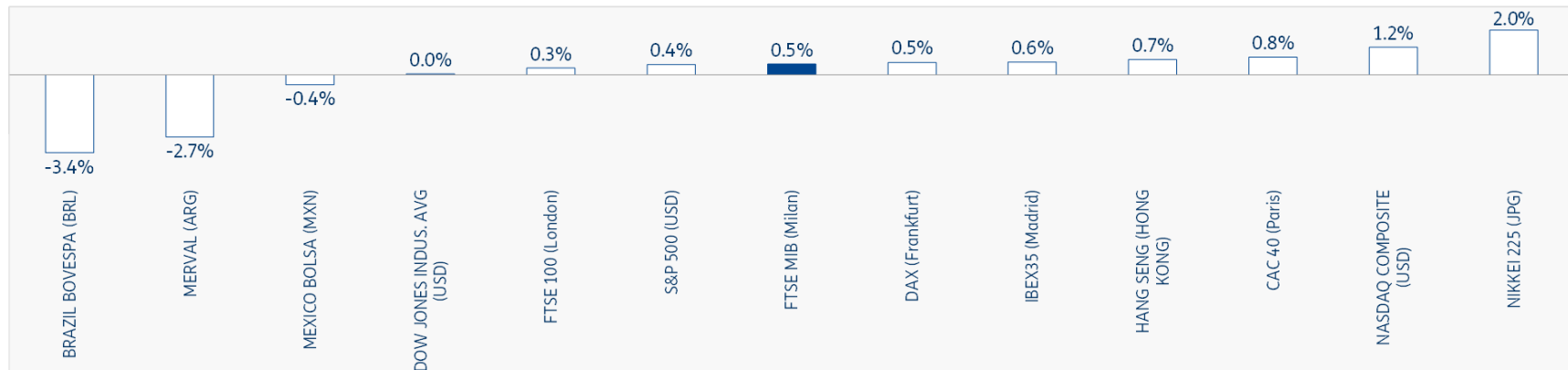


# **Weekly Stock Market Report for Telecom Italia Retail Shareholders**

**May 16<sup>th</sup> – May 20<sup>th</sup>, 2016**

# Weekly Performance of Major Worldwide Market Stock Exchanges

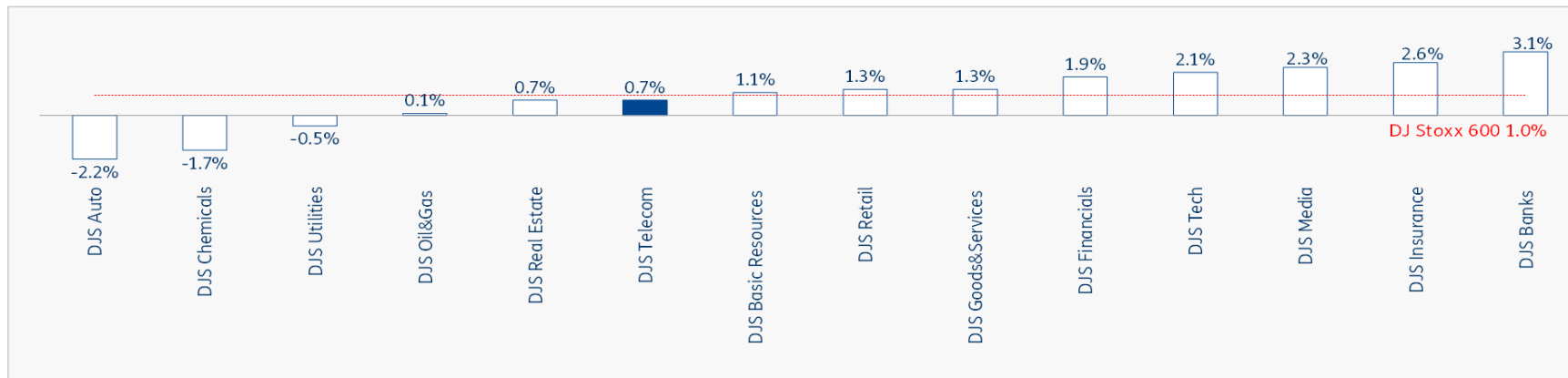


	Index Point as of 20-May-16	Performance (Δ%)*					Last 52 weeks		Daily average volume **		Market Cap. (mln. local cur.)
		1 week	1 month	6 months	1 year	from Jan. '16	Low Price	High Price	1 week	1 month	
Europe											
FTSE MIB (Milan)	17,812	0.5%	-4.5%	-19.5%	-25.1%	-16.8%	15,773	24,157	719,129,920	776,604,030	382,356
FTSE 100 (London)	6,156	0.3%	-4.0%	-2.8%	-12.1%	-1.4%	5,500	7,070	755,894,010	729,691,429	1,694,368
DAX (Frankfurt)	9,916	0.5%	-4.8%	-10.8%	-16.3%	-7.7%	8,699	11,920	91,412,243	88,958,620	943,091
CAC 40 (Paris)	4,354	0.8%	-5.2%	-11.3%	-15.2%	-6.1%	3,892	5,218	90,418,056	107,465,372	1,181,197
IBEX35 (Madrid)	8,771	0.6%	-4.1%	-14.8%	-24.2%	-8.1%	7,746	11,613	236,813,251	453,020,485	518,314
America											
DOW JONES INDUS. AVG (USD)	17,540	0.0%	-3.1%	-1.6%	-4.1%	0.7%	15,370	18,350	90,636,349	94,301,142	5,179,137
S&P 500 (USD)	2,056	0.4%	-2.2%	-1.6%	-3.3%	0.6%	1,810	2,135	595,570,918	612,525,838	18,408,154
NASDAQ COMPOSITE (USD)	4,774	1.2%	-3.5%	-6.5%	-5.9%	-4.6%	4,210	5,232	430,615,110	425,757,703	7,101,627
MEXICO BOLSA (MXN)	45,206	-0.4%	-1.0%	0.7%	-0.2%	5.2%	39,257	46,308	177,753,053	211,181,313	2,137,515
MERVAL (ARG)	12,763	-2.7%	-8.0%	-10.0%	8.8%	9.3%	8,660	14,597	5,745,900	6,719,146	12,634
BRAZIL BOVESPA (BRL)	50,005	-3.4%	-6.7%	3.9%	-8.9%	15.4%	37,046	55,645	406,038,426	446,787,301	1,623,500
Asia											
NIKKEI 225 (JPG)	16,736	2.0%	-1.0%	-15.8%	-17.1%	-12.1%	14,866	20,953	1,351,449,037	1,551,566,771	298,948,800
HANG SENG (HONG KONG)	19,852	0.7%	-6.5%	-12.8%	-28.0%	-9.4%	18,279	28,525	1,402,500,915	1,528,437,570	12,511,729

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

Source Bloomberg LP

## Weekly Performance of Major European Sectors



Index	Index Point as of 20-May-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	338.01	1.0%	-3.6%	-11.5%	-16.8%	-7.6%	302.59	409.48	2,552,467,251	2,963,339,507	8,686,716.00
<b>Sectors</b>											
DJS Telecom	323.14	0.7%	-2.0%	-12.5%	-15.9%	-6.9%	295.61	399.43	296,553,370	259,634,265	447,274.38
DJS Auto	468.87	-2.2%	-8.0%	-16.2%	-29.2%	-17.0%	416.06	666.57	42,668,969	40,283,289	271,243.34
DJS Banks	146.65	3.1%	-4.6%	-23.5%	-34.3%	-19.7%	130.03	227.47	1,197,777,203	1,534,504,745	944,986.50
DJS Basic Resources	267.04	1.1%	-14.4%	-5.9%	-36.0%	9.0%	191.36	424.9	131,380,208	154,515,790	187,112.91
DJS Chemicals	752.63	-1.7%	-8.5%	-15.1%	-21.8%	-8.8%	687.78	971.38	16,314,541	18,329,134	372,795.16
DJS Oil&Gas	272.42	0.1%	-1.6%	-5.4%	-18.0%	3.9%	222.42	338.81	86,919,470	106,026,100	465,195.50
DJS Financials	400.71	1.9%	-3.4%	-14.0%	-14.0%	-10.5%	344.56	483.43	22,840,973	25,455,650	162,439.61
DJS Goods&Services	425.68	1.3%	-2.0%	-5.1%	-11.6%	-0.7%	360.76	488.98	128,268,101	150,776,327	962,778.75
DJS Insurance	244.1	2.6%	-6.0%	-16.4%	-16.2%	-14.5%	218.94	299.24	107,050,356	109,334,719	486,035.97
DJS Media	285.98	2.3%	-3.6%	-9.5%	-13.6%	-6.3%	258.78	337.67	52,358,662	57,928,427	250,623.94
DJS Tech	317.52	2.1%	-4.7%	-11.9%	-13.6%	-10.8%	284.27	374.62	63,027,313	60,732,837	309,257.91
DJS Utilities	288.98	-0.5%	-2.6%	-8.1%	-15.3%	-4.9%	265.83	342.36	123,066,058	147,650,292	389,660.09
DJS Retail	310.77	1.3%	-4.5%	-14.1%	-16.0%	-7.7%	294.4	381.17	95,786,269	101,518,937	339,906.34
DJS Real Estate	178.76	0.7%	0.1%	-7.9%	-7.6%	-2.5%	157.29	197.67	21,045,416	23,048,284	160,506.44

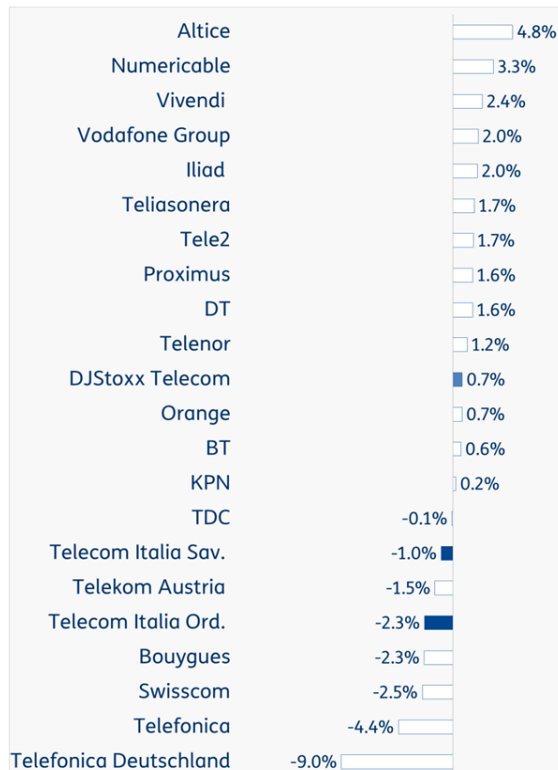
\* performance calculated on closing price. \*\* n. of traded shares.

Source: Bloomberg LP

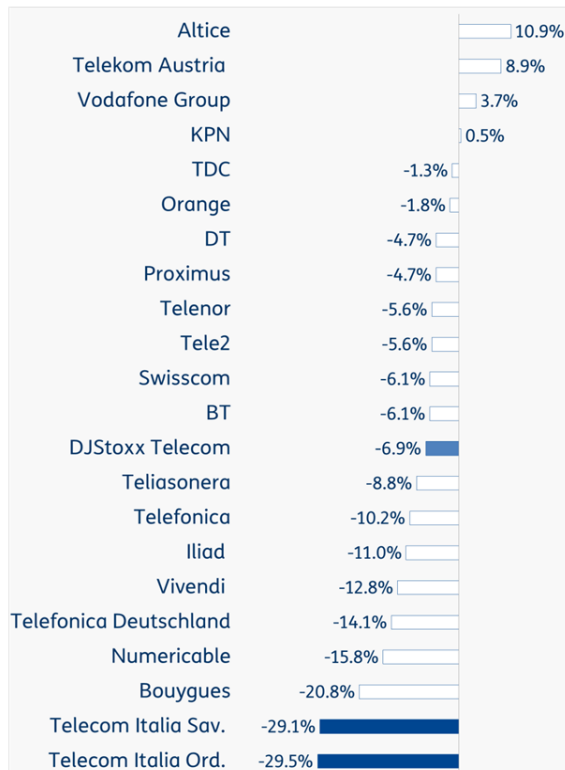
# Europe: Stock Performance of Main TLC Operators



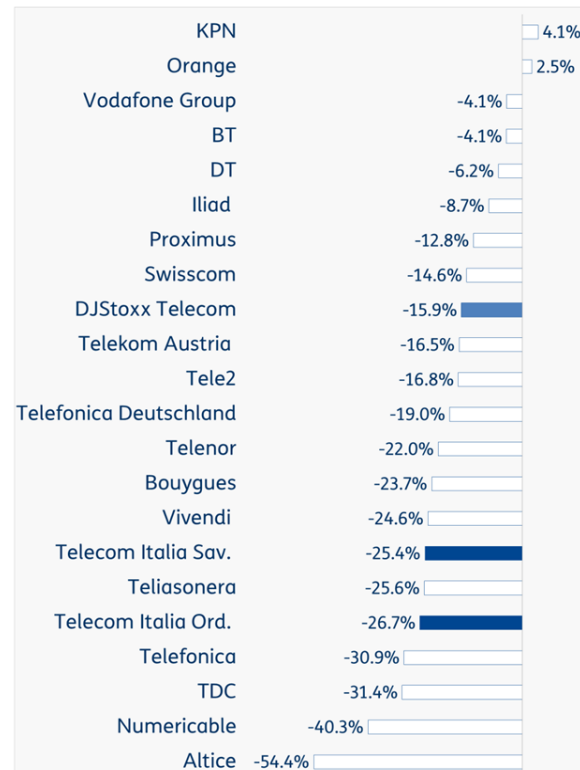
## Last Week Performance



## 2016 Year-To-Date Performance



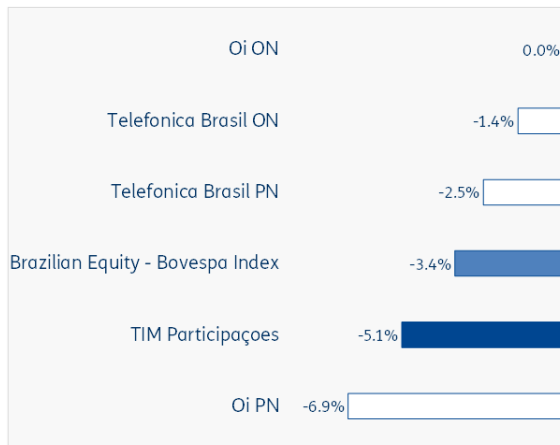
## Last 12 Month Performance



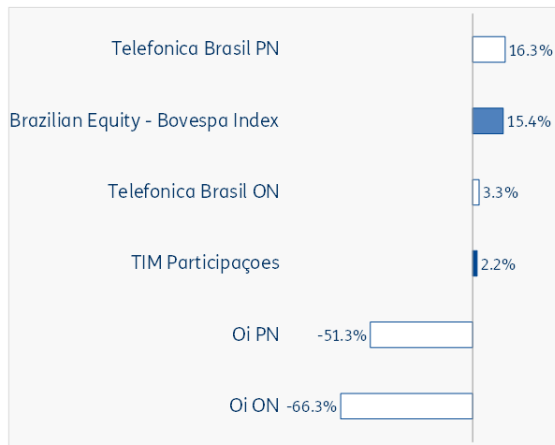
# Latam: Stock Performance of Main TLC Operators



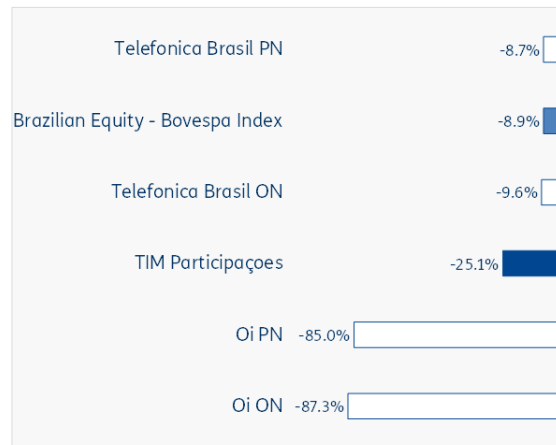
## Last Week Performance



## 2016 Year-To-Date Performance



## Last 12 Month Performance



Cl. Price 20-May-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\$ 50,004.56	-3.4%	-6.7%	3.9%	-8.9%	15.4%	37,046.07	55,644.97	406,038,426	446,787,301	R\$ 1,623,500
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#### Peers

TIM Participações	R\$ 7.00	-5.1%	-6.5%	-16.4%	-25.1%	2.2%	R\$ 5.63	R\$ 10.77	2,174,360	3,225,753	R\$ 16,971
Oi ON	R\$ 0.81	0.0%	0.0%	-75.1%	-87.3%	-66.3%	R\$ 0.78	R\$ 7.22	2,748,640	5,356,577	R\$ 541
Oi PN	R\$ 0.95	-6.9%	2.2%	-50.5%	-85.0%	-51.3%	R\$ 0.89	R\$ 7.30	2,934,760	3,309,353	R\$ 150
Telefonica Brasil ON	R\$ 35.10	-1.4%	-2.7%	3.7%	-9.6%	3.3%	R\$ 28.41	R\$ 40.41	3,580	7,030	R\$ 19,984
Telefonica Brasil PN	R\$ 41.52	-2.5%	-3.6%	3.9%	-8.7%	16.3%	R\$ 31.72	R\$ 47.56	1,421,200	1,873,997	R\$ 46,475

\* performance calculated on closing price

\*\* n. of traded shares

\*\*\* For Telecom Argentina, reported market capitalization represents estimated market capitalization of all Classes of Shares (A,B,C - of which only Class B is listed).



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

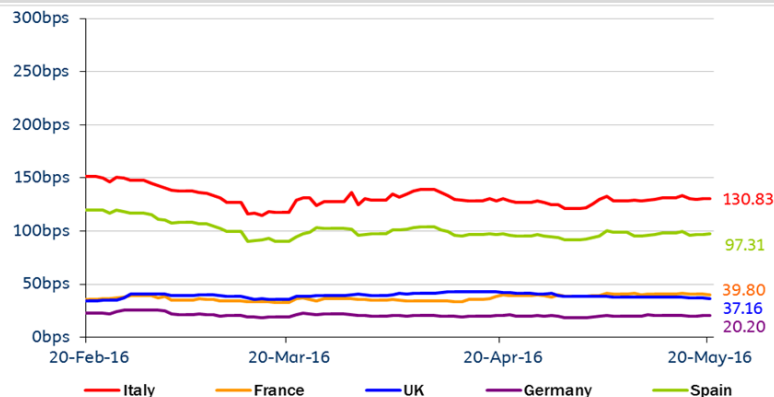
# European Telecoms Sector: Credit Outlook

## Long-term Credit Ratings

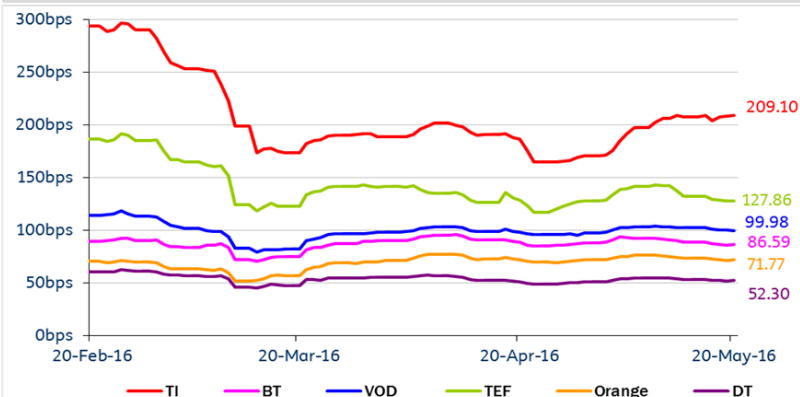
	Moody's		S&P		Fitch	
	rating	outlook	rating	outlook	rating	outlook
TELECOM ITALIA	Ba1	NEG	BB+	STABLE	BBB-	STABLE
ALTICE	n.a.	n.a.	B+	STABLE	n.a.	n.a.
BT GROUP	Baa2	POS	BBB	POS	BBB+	STABLE
DEUTSCHE TELEKOM	Baa1	STABLE	BBB+	STABLE	BBB+	STABLE
KPN	Baa3	STABLE	BBB-	STABLE	BBB-	POS
ORANGE	Baa1	STABLE	BBB+	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	Caa1	NEG	CCC-	NEG	CCC	n.a.

## 5 Years CDS levels

### Countries



### TLC Operators



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



**TI Ordinary Shares**



**TI Saving Shares**

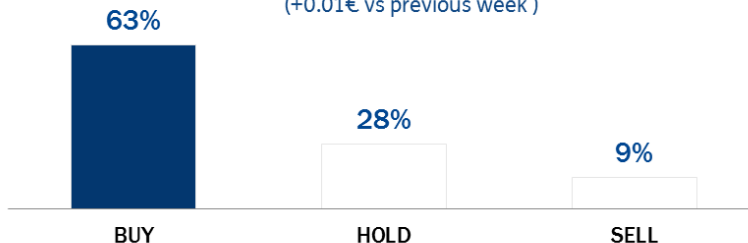


## Analysts' Recommendations on TI Ords

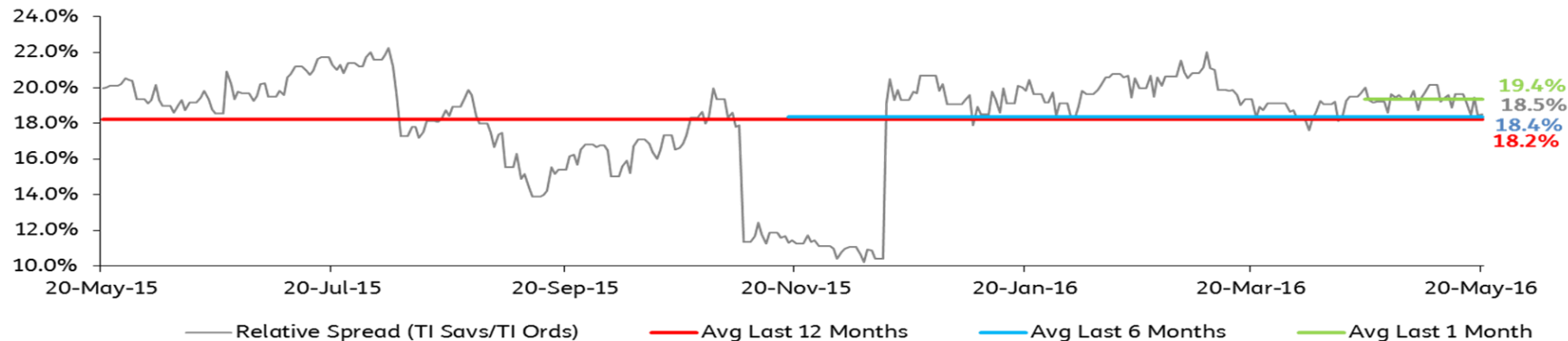
Total Coverage of 32 Active Brokers

**Average Target Price: 1.13€**

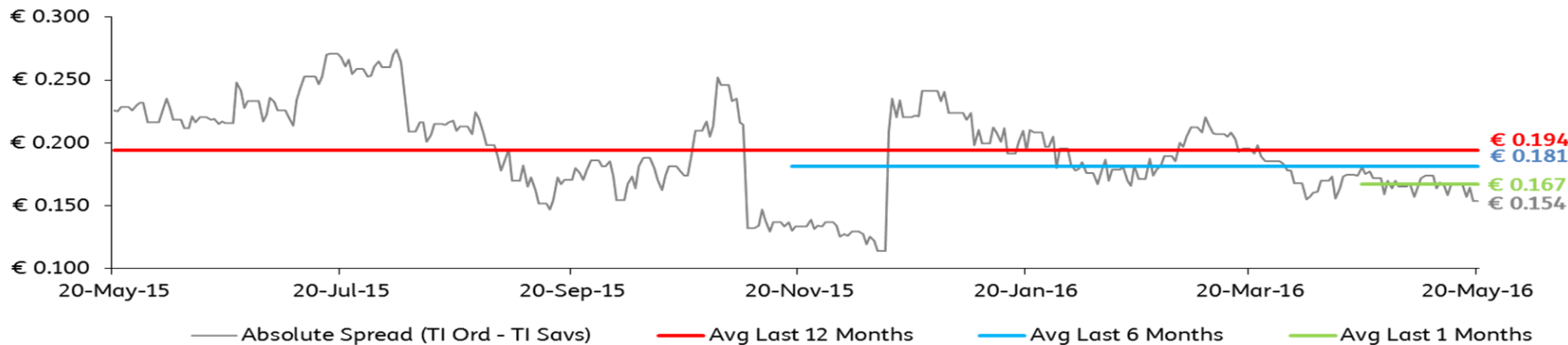
(+0.01€ vs previous week)



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



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





# Performance Summary of Main European TLC Operators



	Country	CL Price (local currency) 20-May-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	323.14	0.7%	-2.0%	-12.5%	-15.9%	-6.9%	295.61	399.43	296,553,370	259,634,265	
TLC Operators												
Altice	NL	14.70	4.8%	3.2%	9.3%	-54.4%	10.9%	9.975	35.800	1,430,206	1,389,961	16,383
Bouygues	FR	28.95	-2.3%	-6.4%	-17.9%	-23.7%	-20.8%	28.250	38.860	791,550	1,016,253	9,992
BT	GB	443.00	0.6%	1.1%	-9.8%	-4.1%	-6.1%	404.000	502.600	20,914,610	16,934,910	57,033
DT	DE	15.91	1.6%	-1.1%	-7.5%	-6.2%	-4.7%	13.385	17.570	9,718,595	8,377,332	73,269
Freenet	DE	24.34	-6.6%	-12.6%	-23.2%	-24.9%	-22.3%	24.105	33.105	752,260	650,036	3,116
Orange	FR	15.21	0.7%	0.2%	-8.1%	2.5%	-1.8%	12.210	16.975	4,764,494	6,305,943	40,276
OTE	GR	9.58	4.5%	19.8%	1.9%	12.7%	3.7%	5.750	9.580	792,065	651,250	4,696
Iliad	FR	195.80	2.0%	3.9%	-6.2%	-8.7%	-11.0%	173.050	238.100	95,036	109,429	11,495
Inmarsat	GB	755.00	-0.7%	-23.3%	-28.2%	-22.8%	-33.6%	728.500	1,153.000	3,087,860	1,762,273	4,409
KPN	NL	3.51	0.2%	-0.8%	-1.5%	4.1%	0.5%	3.014	3.710	8,280,773	11,116,400	14,980
Numericable	FR	28.20	3.3%	-2.8%	-19.9%	-40.3%	-15.8%	25.570	48.216	192,851	240,605	12,426
Proximus	BE	28.58	1.6%	-7.0%	-9.9%	-12.8%	-4.7%	27.460	35.215	424,016	504,656	9,661
Sunrise	CH	61.80	0.0%	0.9%	6.7%	n.a.	n.a.	46.035	79.468	199,923	121,609	2,501
Swisscom	CH	472.50	-2.5%	-6.8%	-9.6%	-14.6%	-6.1%	452.700	572.000	133,838	123,993	22,013
Talk Talk	GB	243.50	-6.7%	-4.1%	5.6%	-39.1%	12.0%	184.000	412.700	1,761,093	1,183,385	3,013
TDC	DK	33.93	-0.1%	1.6%	-7.5%	-31.4%	-1.3%	28.240	53.750	2,771,314	2,981,367	3,705
Tele2	SE	80.00	1.7%	3.9%	-8.7%	-16.8%	-5.6%	65.850	104.600	2,414,028	2,838,848	3,876
Telecom Italia Ord.	IT	0.83	-2.3%	-8.6%	-29.9%	-26.7%	-29.5%	0.797	1.316	106,230,600	91,440,570	11,178
Telecom Italia Sav.	IT	0.67	-1.0%	-7.7%	-35.7%	-25.4%	-29.1%	0.635	1.122	24,031,170	21,342,050	4,066
Telefonica	ES	9.19	-4.4%	-7.6%	-22.0%	-30.9%	-10.2%	8.483	14.305	28,509,470	40,195,130	45,702
Telefonica Deutschland	DE	4.20	-9.0%	-11.7%	-21.7%	-19.0%	-14.1%	4.072	5.994	2,965,902	2,537,042	12,502
Telenor	NO	140.00	1.2%	0.5%	-9.3%	-22.0%	-5.6%	116.800	186.100	2,011,479	2,054,209	22,530
Telekom Austria	AT	5.49	-1.5%	0.0%	2.7%	-16.5%	8.9%	4.660	6.650	116,403	168,949	3,649
Teliasonera	SE	38.48	1.7%	-4.1%	-10.3%	-25.6%	-8.8%	36.610	52.950	8,532,974	10,465,040	17,848
Vivendi	FR	17.32	2.4%	-7.0%	-14.7%	-24.6%	-12.8%	16.295	24.830	4,278,646	4,385,879	23,705
Vodafone Group	GB	229.10	2.0%	-1.5%	2.5%	-4.1%	3.7%	197.700	258.000	53,190,800	47,445,830	78,783
EUROPEAN TOWERS OPERATORS												
Inwit	IT	4.26	-2.2%	-2.8%	-7.5%	n.a.	16.6%	3.650	5.180	676,150	633,996	2,554
El Towers	IT	50.20	0.4%	0.4%	-10.0%	-10.5%	-15.7%	46.420	59.750	18,264	14,613	1,419
Rai Way	IT	4.36	2.5%	-0.7%	-11.1%	-1.6%	-7.6%	3.950	5.450	100,476	65,628	1,185
Cellnex Telecom (Abertis)	ES	14.41	2.4%	0.9%	-9.0%	-8.5%	2.9%	13.225	17.500	394,205	725,783	3,337
Main International Peers												
American Towers	US	103.85	-1.8%	-0.9%	3.3%	10.1%	7.1%	83.070	107.240	1,388,921	1,668,180	39,334

## Performance Summary of FTSE MIB



Index	Cl. Price € 20-May-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>17,812</b>	<b>0.5%</b>	<b>-4.5%</b>	<b>-19.5%</b>	<b>-25.1%</b>	<b>-16.8%</b>	<b>15,773</b>	<b>24,157</b>	<b>719,129,920</b>	<b>776,604,030</b>	<b>382,356</b>
FTSE Italia All-Share (Milan)	19,511	0.5%	-4.0%	-18.3%	-23.1%	-16.0%	17,273	25,746	828,588,634	915,491,927	477,740
<b>Stocks FTSE MIB Index</b>											
A2A Spa	1.21	-1.7%	-1.8%	-6.6%	10.0%	-3.8%	0.94	1.37	5,872,949	10,103,020	3,778
Anima Holding Spa	5.27	-5.8%	-15.2%	-38.9%	-36.5%	-34.4%	5.10	9.87	1,546,940	1,702,396	1,578
Atlantia Spa	24.46	1.6%	1.1%	-1.5%	4.1%	-0.2%	20.84	25.74	2,008,620	1,728,554	20,199
Azimut Holding Spa	19.38	1.7%	-9.9%	-17.0%	-29.1%	-16.0%	15.09	28.40	741,088	1,092,657	2,776
Banca Mediolanum Spa	7.32	3.5%	2.8%	-4.8%	-12.9%	0.1%	5.13	8.48	746,057	1,250,067	5,402
Banca Monte Dei Paschi Siena	0.56	0.4%	-16.4%	-61.1%	-71.4%	-54.3%	0.42	2.14	50,918,900	95,441,020	1,652
Banca Popol Emilia Romagna	4.45	3.4%	-11.5%	-37.3%	-44.3%	-36.8%	3.67	8.65	5,210,827	6,026,659	2,143
Banca Popolare Di Milano	0.52	-2.9%	-19.7%	-41.2%	-45.9%	-43.9%	0.50	1.04	70,247,720	69,813,590	2,268
Banca Popolare Sc	4.32	-3.4%	-28.5%	-68.0%	-72.1%	-66.3%	4.06	16.55	7,478,922	7,550,658	1,565
Buzzi Unicem Spa	17.31	4.0%	2.2%	1.3%	19.5%	4.3%	11.67	17.79	750,505	797,770	3,268
Davide Campari-Milano Spa	8.44	-1.7%	-3.4%	2.0%	17.1%	5.4%	6.36	8.99	969,881	1,398,360	4,899
Cnh Industrial Nv	6.01	-4.1%	-8.7%	-4.3%	-25.1%	-5.2%	5.17	8.92	2,892,112	4,013,669	8,175
Enel Spa	3.99	-0.4%	1.5%	-3.0%	2.5%	2.5%	3.33	4.50	33,490,650	32,153,320	40,565
Eni Spa	13.40	-1.3%	-3.5%	-9.6%	-20.2%	-2.9%	10.93	16.99	15,704,590	16,861,830	48,698
Exor Spa	31.67	-1.4%	-4.3%	-22.4%	-29.1%	-24.8%	23.13	47.18	484,696	451,396	7,798
Ferrari Nv	36.72	-5.9%	-7.1%	n.a.	n.a.	n.a.	27.91	46.19	506,629	646,908	7,121
Fiat Chrysler Automobiles Nv	6.31	-7.8%	-12.1%	-27.0%	-32.5%	-25.9%	5.04	9.89	22,408,230	18,775,910	8,106
Fincombank Spa	6.36	-0.3%	-9.6%	-12.4%	-9.7%	-16.6%	5.70	7.87	1,244,820	1,247,300	3,859
Leonardo-Finmeccanica Spa	10.71	0.2%	-3.0%	-21.0%	-6.6%	-17.0%	8.51	13.94	1,863,573	2,901,768	6,192
Assicurazioni Generali	12.75	2.4%	-4.6%	-28.2%	-29.4%	-24.6%	10.90	18.29	7,711,142	7,907,215	19,889
Intesa Sanpaolo	2.31	4.0%	-6.1%	-25.7%	-30.9%	-25.1%	2.12	3.65	127,072,000	128,688,800	38,784
Italcementi Spa	10.42	0.4%	0.2%	2.2%	66.9%	1.7%	5.42	10.46	990,600	1,211,748	3,639
Luxottica Group Spa	49.91	4.7%	3.5%	-20.3%	-18.7%	-17.4%	46.58	67.80	966,132	911,804	24,143
Mediaset Spa	3.97	6.4%	-0.2%	-5.3%	-14.6%	3.6%	2.77	4.93	4,785,890	8,044,557	4,689
Mediobanca Spa	6.65	2.1%	-2.1%	-27.8%	-30.0%	-25.2%	5.42	10.15	3,514,896	4,066,530	5,788
Moncler Spa	15.00	-4.6%	1.1%	0.9%	-14.5%	16.1%	11.30	19.00	866,407	1,014,426	3,752
Prysmian Spa	21.90	0.8%	6.4%	10.6%	5.2%	8.1%	16.06	22.35	1,043,544	1,112,360	4,746
Saipem Spa	0.36	-3.3%	-5.4%	-64.1%	-77.1%	-61.9%	0.28	1.58	66,995,650	93,750,630	3,633
Solvatore Ferragamo Spa	19.95	-6.3%	-6.2%	-10.3%	-29.1%	-8.3%	18.50	30.72	819,327	690,595	3,367
Snam Spa	5.20	0.0%	-4.7%	9.2%	15.2%	7.7%	4.05	5.58	14,946,590	13,149,060	18,203
Stmicroelectronics Nv	5.14	9.9%	-0.3%	-23.7%	-31.1%	-18.0%	4.48	7.95	5,353,281	5,550,349	4,678
<b>Telecom Italia Spa</b>	<b>0.83</b>	<b>-2.3%</b>	<b>-8.6%</b>	<b>-29.9%</b>	<b>-26.7%</b>	<b>-29.5%</b>	<b>0.80</b>	<b>1.32</b>	<b>106,230,600</b>	<b>91,440,570</b>	<b>15,244</b>
Tenaris Sa	11.75	3.2%	-3.0%	-0.3%	-11.8%	7.4%	8.53	13.78	3,764,193	4,257,098	13,871
Terna Spa	4.88	0.2%	-2.1%	3.8%	12.1%	2.6%	3.88	5.12	5,451,204	6,422,702	9,805
Tod'S Spa	55.00	-3.1%	-12.1%	-30.5%	-34.9%	-24.7%	54.00	98.00	101,260	83,388	1,820
Ubi Banca Spa	3.45	3.3%	-7.2%	-46.1%	-54.9%	-44.3%	2.80	7.88	11,101,770	11,135,720	3,115
Unicredit Spa	3.00	3.2%	-13.0%	-44.5%	-53.7%	-41.5%	2.76	6.61	109,326,600	104,991,300	18,576
Unipol Gruppo Finanziario Sp	3.26	0.2%	-16.0%	-28.0%	-32.5%	-31.5%	2.84	5.04	4,935,951	3,623,903	2,340
Unipolisa Spa	1.85	1.0%	-8.6%	-20.9%	-25.1%	-21.6%	1.55	2.54	13,362,180	10,475,490	5,235
Yoox Net-A-Porter Group	24.33	-6.4%	-12.0%	-20.2%	-18.6%	-29.6%	22.66	36.78	767,843	626,964	3,253

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