

First Supplement dated 18 September 2019 to the EMTN Programme Prospectus dated 25 June 2019



TIM S.p.A.
(incorporated with limited liability under the laws of the Republic of Italy)
TELECOM ITALIA FINANCE S.A.
(incorporated with limited liability under the laws of the Grand-Duchy of Luxembourg)
€20,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed in respect of Notes issued by
Telecom Italia Finance S.A. by
TIM S.p.A.
(incorporated with limited liability under the laws of the Republic of Italy)

This First Supplement (the **Supplement**) to the EMTN Programme Prospectus dated 25 June 2019 (the **EMTN Programme Prospectus**), constitutes a supplement to the EMTN Programme Prospectus for the purposes of Article 13.1 of the Law on Prospectuses for Securities dated 10 July 2005, as amended (the **Luxembourg Law**), and is prepared in connection with the Euro Medium Term Note Programme (the **Programme**) established by TIM S.p.A. (**TIM**) and Telecom Italia Finance S.A. (**TI Finance**). The Luxembourg Law remains applicable as at the date of this Supplement pursuant to Article 64 of the Luxembourg Prospectus Law dated 19 July 2019. Terms defined in the EMTN Programme Prospectus have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the EMTN Programme Prospectus and any other supplements to the EMTN Programme Prospectus.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been produced to: (a) incorporate by reference in the section of the EMTN Programme Prospectus entitled “Documents Incorporated by Reference” (i) the half-year financial report at 30 June 2019 of TIM Group (the **TIM Group 2019 Half-Year Financial Report**), (ii) the half-year condensed consolidated financial statements at 30 June 2019 of TI Finance Group (the **TI Finance Group 2019 Half-Year Condensed Consolidated Financial Statement**), (iii) the press releases respectively dated 25 July 2019, 26 July 2019, 1 August 2019 and 12 September 2019 (each, a **Press Release** and together the **Press Releases**); and (b) update the sections “Risk Factors”, “Regulation”, “Litigation”, “Directors, Executive officers and statutory auditors” of the EMTN Programme Prospectus and update the “Significant or Material Adverse Change” and the “Auditors” paragraphs contained in the section entitled “General Information” of the EMTN Programme Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the EMTN Programme Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the EMTN Programme Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the EMTN Programme Prospectus has arisen or been noted, as the case may be, since the publication of the EMTN Programme Prospectus.

Copies of this Supplement and all documents incorporated by reference in the EMTN Programme Prospectus can be viewed on the website of the Luxembourg Stock Exchange at www.bourse.lu.

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the sections of the EMTN Programme Prospectus entitled "Documents Incorporated by Reference" on pages 35 to 39.

"TIM Group 2019 Half-Year Financial Report

A copy of the TIM Group 2019 Half-Year Financial Report has been filed with the CSSF and by virtue of this Supplement, the following information from the TIM Group 2019 Half-Year Financial Report is incorporated by reference in, and forms part of, the EMTN Programme Prospectus and the following cross-reference list is provided to enable investors to identify specific terms of the information so incorporated.

Information incorporated by reference	Location
Alternative Performance Measures	pp. 57-58
Consolidated Statements of Financial Position	pp. 64-65
Separate Consolidated Income Statements	p. 66
Consolidated Statements of Comprehensive Income	p. 67
Consolidated Statements of Changes in Equity	p. 68
Consolidated Statements of Cash Flows	p. 69
Notes to the Half-Year Condensed Consolidated Financial Statements	pp. 71-154
Certification of the Half-Year Condensed Consolidated Financial Statements pursuant to art. 81-ter of the Consob Regulation 11971 dated 14 May 1999, with Amendments and Additions	p. 155
Review Report on the Half-year Condensed Consolidated Financial Statements	pp. 156-157

TI Finance Group 2019 Half-Year Condensed Consolidated Financial Statements

A copy of the TI Finance Group 2019 Half-Year Condensed Consolidated Financial Statement has been filed with the CSSF and by virtue of this Supplement the following information from the TI Finance Group 2019 Half-Year Condensed Consolidated Financial Statement is incorporated by reference in, and forms part of, the EMTN Programme Prospectus and the following cross-reference list is provided to enable investors to identify specific terms of the information so incorporated.

Information incorporated by reference	Location
Consolidated Statements of Financial Position	pp. 15-16
Separate Consolidated Income Statements	p. 17
Consolidated Statements of Comprehensive Income	p. 18
Consolidated Statements of Changes in Equity	p. 19
Consolidated Statements of Cash Flows	p. 20
Notes to the Half-Year Accounts	pp. 21-51
Certification of the Consolidated Financial Statements pursuant to Luxembourg Transparency Law	p. 52

Press Releases

A copy of each Press Release has been filed with the CSSF and by virtue of this Supplement the Press Releases are incorporated by reference into the EMTN Programme Prospectus in their entirety.

The page reference referred to below is to the PDF document as incorporated by reference by virtue of this Supplement:

Information incorporated by reference	Location
Press Release dated 25 July 2019 entitled "TIM: Giovanni Ronca appointed Chairman of Olivetti, <i>TIM Group</i> CFO also takes on a new role"	All
Press Release dated 26 July 2019 entitled "TIM and Vodafone sign mobile network sharing partnership agreements creating Italy's biggest tower company"	All
Press Release dated 1 August 2019 entitled "TIM: Board of Directors approves financial report at June 30, 2019"	All
Press Release dated 12 September 2019 entitled "Telecom Italia S.p.A. files application to cease to be a reporting issuer in Canada"	All

Any other information incorporated by reference that is not included in the cross-reference lists above is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004."

RISK FACTORS

At page 21 of the EMTN Programme Prospectus in chapter “Competition Risk”, in the paragraph “The Italian government has exercised, and may in the future exercise, its significant powers with respect to TIM, including with respect to TIM’s ability to enter into strategic transactions”, the following sentence:

“In October and November 2017, the Government designated certain of TIM's assets as strategic within the meaning of the above-described provisions of the Golden Power Decree and imposed various governance and organisational obligations and restrictions on TIM. This and any future exercise of the Government’s powers under the Golden Power Decree, or the mere existence of such powers, could:”

shall be replaced with:

“In October and November 2017, the Government designated certain of TIM's assets as strategic within the meaning of the above-described provisions of the Golden Power Decree and imposed various governance and organisational obligations and restrictions on TIM.

As last update it is highlighted that the Council of Ministers of 5 September 2019 opted for the “exercise of special powers” towards TIM regarding equipment and communication systems functional for development of 5G technology.

This and any future exercise of the Government’s powers under the Golden Power Decree, or the mere existence of such powers, could:”

At page 24 of the EMTN Programme Prospectus in chapter “Operational Risk”, in the paragraph “TIM is exposed to the risk of labour disputes, in particular as a result of its plan to restructure its labour costs”, the following sentence shall be deleted:

“Negotiations related to TIM’s collective bargaining agreement are ongoing. See “*Item 6 Directors, Senior Management and Employees – 6.5.2 Industrial Relation*” for further details.”

and shall be replaced with:

“In 2019 TIM started the negotiation with trade unions for the renewal of the Company Labour Agreement. On 18 July, the first phase was concluded with the signing of several agreements intended to meet the targets set by the Industrial Plan, bearing in mind the improvement of the Company climate and the safeguard of employment. The acceleration of technological transformation in the telecommunications industry, in which TIM operates, has resulted in the need to face, at the Company level, integrated interventions of organizational review, digitalization of processes and adjustment of the skills and abilities of all personnel.

In this context, as part of the negotiations for the renewal of the second-level contract, among the agreements signed on 11 July 2019, aimed at combining the pursuit of the objectives set in the 2019-2021 Business Plan with the safeguarding of workers' needs, a so-called “Expansion Contract”, introduced by law n. 58/2019.”

REGULATION

The chapter “Market Analyses” on page 102 of the EMTN Programme Prospectus shall be deleted and replaced with the following:

“MARKET ANALYSES

The EU regulatory framework requires that National Regulatory Authorities to carry out market analyses before imposing obligations on individual operators having a Significant Market Power (**SMP**) according to the specific EU guidelines.

A description of the Italian wholesale market analyses is summarised below together with the main recent developments regarding the electronic communications markets.

- **Wholesale fixed access markets**

In December 2015 (Decision no. 623/15/CONS), AGCom defined the rules for the access to TIM’s copper and fiber fixed networks for the years 2015-17.

The main regulatory measures are the following:

- confirmation of the national scope of remedies imposed on TIM;
- substantial upholding of Local Loop Unbundling (**LLU**) prices together with a reduction of Sub Loop Unbundling (**SLU**) and Virtual Unbundling Local Access (**VULA** prices);
- disaggregation of ancillary service provision for provision and maintenance (i.e. delivery and assurance) for LLU and SLU lines;
- introduction of new equivalence measures, according to the New Equivalence Model (**NEM**);
- stricter constraints on the quality of wholesale services (SLAs and penalties);
- commitment to define switch-off rules in case of decommissioning of TIM local exchanges of the copper access network:
 - 5 years for the switch-off of local exchanges where LLU is available;
 - 3 years for local exchanges where LLU is not available, or for local exchanges where LLU is available as long as TIM provides competitors with a service that is technically equivalent to copper LLU for at least 2 years after the switch-off.

The NEM, through the reorganisation of both assurance and delivery processes, aims to improve end-to-end performance and to remove any possible internal-external process asymmetries between TIM retail and the alternative operators (such as differences in internal and external reasons for “refusal” of delivery orders, provision times, customer data bases and order workflows) that could produce potential discrimination between TIM retail and the alternative operators in the conditions of provision of the wholesale services.

The NEM implementation was completed in April 2017 and the migration process of all operators to the New Delivery Systems was completed in July 2018.

With Decision 623/15/CONS, AGCom also asked TIM to present a proposal to introduce a disaggregation model for the delivery and assurance activities of the local loop and sub-loop unbundling lines. TIM’s proposal (sent to AGCom in February 2016 and submitted to public consultation by AGCom in April 2016) is based on the extension of the “System Unico” (i.e. the recourse to external companies by competing operators) to the above-referenced delivery and assurance activities. In August 2017, with Decision 321/17/CONS, AGCom defined the technical and organisational conditions of the disaggregation model. According to the approved model, alternative operators can autonomously choose whether TIM or external companies have to carry out the above mentioned ancillary activities for LLU and SLU services. Moreover, the alternative operator can make direct arrangements with the external companies regarding a series of activities, such as the contact policy, the economic conditions for the management of the appointments, etc. The main Italian operators started to apply the disaggregation model between December 2018 and February 2019.

On 20 February 2017, AGCom launched the fourth round of the access markets analysis (Decision 43/17/CONS) to review the obligations and economic conditions of the wholesale access services for the period 2018-2021. The markets analysis also takes into account TIM's voluntary legal separation project in relation to its fixed access network.

On 6 March 2018, TIM's Board of Directors approved the project to voluntarily separate the fixed access network through the creation of a legal entity (**NetCo**) which would be separate from the rest of the company (**ServCo**). The NetCo, 100% controlled by TIM, will have its assets (access network infrastructure, from the exchange to customers' homes, as well as buildings, electronic equipment and IT systems) and the personnel necessary to provide wholesale services independently. The model is intended to guarantee full equality of treatment, thanks to a single access point; a "one-stop shop" for regulated and unregulated wholesale services for all operators, including TIM.

On 27 March 2018, TIM notified to AGCom the voluntary separation project and on 6 June 2018, AGCom found the project admissible. Therefore, pursuant to Article 50 ter of the Electronic Communications Code, AGCom started a coordinated analysis of the different markets related to the access network to assess the effect of the project on existing regulatory obligations.

From 18 January, to 4 March 2019, AGCom carried out a public consultation (Decision 613/18/CONS) on the outcome of the coordinated market analysis.

On 11 April 2019, TIM informed AGCom about ongoing contacts with some market players, aimed at assessing opportunities for voluntary aggregation and co-investment, requiring the project to be put on stand-by which was notified in March 2018.

On 10 June 2019, AGCom notified its draft decision to EU Commission.

The draft already takes into account the Authority's assessments as a result of the national public consultation, as well as the opinion of the Antitrust Authority (**AGCM**).

The European Commission's comment letter was sent on 11 July 2019.

After the opinion of the European Commission, AGCom published the final decision on 8 August 2019 (Decision 348/19/CONS).

With reference to the other most important issues of market analysis, AGCom makes the following proposals:

- TIM confirmed as having significant market power (SMP) in the access markets in the whole national territory with the exclusion of the city of Milan, where the ex-ante regulation has been withdrawn;
- in the municipalities considered "contestable" (26 for the first year of validity of decision and upgradable every 12 months) withdrawal of the cost orientation obligation for the copper and fibre bitstream services and possibility to apply VULA prices lower than the average national amount starting from 2021, provided that NRA acknowledges an adequate competition level of alternative networks and a significant FTTH take-up in 2020;
- 2018 wholesale monthly rentals for copper and fibre equal to the ones set for 2017 except for VULA FTTC slightly reduced;
- gradual increase of full unbundling (LLU) and bitstream over copper rates for the period 2019-2021;
- stability of the sub loop unbundling (SLU) rates for the period 2019-2021;
- gradual decrease of the fibre access rates (VULA FTTC and FTTH) and differentiation of the price of the band from 2021 depending on whether the access line is over copper network or NGA;
- reduction of decommissioning notice times and introduction of new measures to guarantee the transparency of the decommissioning process and the certainty of the timing;
- vectoring usage allowed in the FTTC cabinets where the SLU is not employed by alternative operators;
- removal of ex ante replicability test for the majority of TIM's retail offers. In particular, all retail offers (including bundles) considered "flagship" (with speed equal to or higher than 100 Mbit/s) will be notified to AGCom at the same time as their launch and will be subject to the supervision of AGCom ex post through the replicability test.

Proposed wholesale regulated prices (€ / line / month)

	2018	2019	2020	2021
LLU (copper local loop unbundling)	8.61	8.61	8.76	8.90
SLU (sub loop unbundling)	5.30	5.30	5.30	5.30
WLR POTS (Wholesale Line Rental POTS)	11.06	10.73	10,88	11,02
WLR ISDN BRA (Wholesale Line Rental – ISDN BRA)	13,67	13.34	13.49	13.63
Bitstream shared (copper)	4.29	4.35	4.43	4.52
Bitstream naked (copper)	12.46	12.45	12.58	12.69
VULA FTTC naked (30 Mbps)	13.07	13.59	12.98	12.50
VULA FTTC naked (>50 Mbps)	14.69			
VULA FTTH naked (consumer) *	17.25	15.66	15.46	15.20
VULA FTTH naked (business) *		48.01	47.40	46.61

(*) price of “100/10 Mbps” offer until 2018; from 2019 onwards AGCom proposes differentiated prices for residential and business

• **Terminating segment of leased lines**

In July 2015, the Italian NRA approved the decision on terminating segment of leased lines services, essentially confirming the rules laid down at the end of the previous round of market analysis. In particular, regarding Synchronous Digital Hierarchy / Plesiochronous Digital Hierarchy (**SDH / PDH**) leased lines with capacities less than or equal to 155 Mbit/s and Ethernet over SDH leased lines, TIM is subject to a network price cap (for Access rentals CPI-6%, for Internet Protocol – **IP** – transport -8.6 %) for 2015, 2016 and 2017. Regarding SDH / PDH leased lines with capacities greater than 155 Mbit/s and Ethernet over optical fiber leased lines, as well as ancillary services, prices are to be oriented to the costs resulting from the regulatory cost accounting.

On 13 February 2017, AGCom began the fourth cycle of market analysis (Decision 44/17/CONS) and on 16 January 2018, AGCom published the public consultation (Decision 507/17/CONS).

AGCom proposes to:

- confirm the use of the network cap for the definition of the prices for wholesale services of terminal segments of leased lines in SDH / PDH technology and in Ethernet over SDH technology, for the years 2018-2020;
- confirm the invariance of the prices of interconnection links for the years 2018 – 2020, placing them on equal footing to the prices approved for 2013 and confirmed for the years 2014-2017;
- confirm the BU-LRIC model for the evaluation of the prices of ancillary services and of the optical fiber Ethernet circuits, including the backhauling link (fixed annually in the approval process of the relevant reference offer); and
- remove the imposition of access obligations, for new activations, for the following technologies: i) analogue terminating circuits; ii) PDH digital terminating circuits with speeds ranging from 1.2 kbps to 19.2 kbps; iii) Ethernet terminating circuits over SDH (all speeds); iv) Ethernet over SDH interconnection flows (all speeds).

Subsequently, with Decision 348/19/CONS, AGCom set 2018 prices for wholesale services of terminal segments of leased lines in SDH / PDH technology and in Ethernet over SDH technology and interconnection links equal to the ones set for 2017.

The analysis of market 4 – integrated with the outcomes of national public consultation will be notified to the EU Commission within 2019.

• **Wholesale fixed interconnection markets**

In October 2016, AGCom issued the final decision of the third round of analysis of fixed voice interconnection market, specifically fixed call termination, origination and transit services (Decision 425/16/CONS).

AGCom decided to:

- confirm SMP designation for TIM in the origination market, although this market has been removed from the EC Recommendation;
- set stable fixed call termination rates of 0.043 eurocents/min for TIM and alternative network operators valid until the end of 2018, and 0.041 eurocents/min from 1 January 2019;
- exclude from the scope of price regulation the termination rates of calls originated outside the European Economic Area (EEA), including the EU member States and Iceland, Liechtenstein and Norway;
- remove the existing obligations imposed on TIM in the wholesale market for district-level transit; and
- remove the obligation imposed on TIM to notify its retail call services that rely on the regulated interconnection services 30 days before the commercialisation.

In July 2019, AGCom started the new round of market analysis on fixed interconnection (Decision 327/19/CONS) with 2020-2024 time horizon.

- **Wholesale mobile markets**

On 22 January 2019, AGCom published the final decision on the fifth round of mobile termination market analysis (Decision 599/18/CONS). AGCom determined to:

- identify the twelve operators who provide or are about to provide mobile voice call termination services (MNOs, Iliad included, and Full MVNOs) as having Significant Market Power (SMP);
- confirm the implementation of the cost model specified in Decision 60/11/CONS for the setting of termination rates for the period 2018-2021, also by setting symmetric tariffs per minute for all SMP operators (0.98 c€ in 2018, 0.90 c€ in 2019, 0.76 c€ in 2020 and 0.67 c€ in 2021) on the basis of a WACC equal to 8.55%;
- enforce the price control obligation for the provision of interconnection kits to all SMP operators with retroactive effect from 2018;
- withdraw the cost accounting obligation enforced on TIM, Vodafone and Wind-Tre;
- confirm the absence of a termination price control obligation for calls originating outside the EEA; however, operators cannot apply higher termination rates than those applied to Italian operators by extra-AEE operators whose tariffs are regulated by the relevant authorities.”

At page 105 in the section “Retail markets” of the EMTN Programme Prospectus, the following sentence:

“In the notified draft decision sent to European Commission, AGCom intends to remove ex ante replicability test for the majority of TIM’s retail offers. In particular, all retail offers (including bundles) considered “flagship” (which are very relevant in the migration phase from copper to NGA with speed equal or higher than 100 Mbps) will be notified to AGCom at the same time as their launch and will be subject to the supervision of AGCom *ex post* through the replicability test.”

shall be replaced with:

“With Decision 348/19/CONS, AGCom has removed the ex ante replicability test for some of TIM’s ultra-broadband retail offers.

In particular, all retail offers (including bundles) considered “flagship” with speed equal to or higher than 100 Mbps (which are very relevant in the migration phase from copper to NGA) will be notified to AGCom at the same time as their launch and will be subject to the supervision of AGCom on an ex post basis through the replicability test.”

At page 107 in the section “Retail markets” of the EMTN Programme Prospectus, the last paragraph:

“TIM is compliant from 1 December 2018 with the free choice of the modem provision, however TIM deems that the aforementioned additional obligations are illegitimate and unjustified; therefore, TIM has appealed the Decision 348/18/CONS before TAR (*Tribunale Amministrativo Regionale*). The obligation concerning the change of offer of current subscribers, who in the past have been obliged to accept the paid provision of a modem, has been suspended by the Council of State pending the TAR final decision which is not expected before the end of 2019.”

shall be replaced with:

“TIM is compliant from 1 December 2018 with the free choice of the modem provision, however TIM deems that the aforementioned additional obligations are illegitimate and unjustified; therefore, TIM has appealed the Decision 348/18/CONS before TAR (*Tribunale Amministrativo Regionale*). The obligation concerning the change of offer of current subscribers, who in the past have been obliged to accept the paid provision of a modem, has been suspended by the Council of State pending the hearing at the Regional Administrative Court of Lazio set for 23 October 2019.”

The chapter “The Universal Service” on page 107 of the EMTN Programme Prospectus shall be deleted and replaced with the following:

“The Universal Service (US) is a minimum set of services of a certain quality, which must be made available to all customers, regardless of their geographical location in Italy and must be offered at a reasonable price, taking into account specific national conditions. To date, TIM is the only operator obliged by the Code of Electronic Communications (art. 58) to provide the Universal Service under the Universal Service Obligation (USO) throughout Italy. Currently the services included in the USO are the provision of access at a fixed location and of telephone service, the directory inquiry service and the directories, the availability of public payphones, and the provision of specific measures for disabled users.

A Fund (The Universal Service Fund), established by the Ministry of Communications, is used to finance the net cost for the provision of Universal Service sustained by the designated operator (TIM) by means of contributions paid by the other operators. All the main companies active in the sector, including TIM, must contribute to this fund.

AGCom is responsible for verifying the net cost of the USO provision and to assess whether this amount represents an unfair burden for the operator. The designated operator can receive compensation only if the burden is determined to be unfair.

AGCom assessed the net cost and authorised the funding mechanism until the year 2005 and did not recognise any contribution for the years 2006 and 2007.

The net cost for the provision of USO for the years 2004-2007 have been calculated on the basis of a methodology established by AGCom in 2008 (decision 01/08/CIR) with retroactive effect, which led to a significant decrease of the amount to be financed.

Following Judgment no. 4616/2015, released on 2 October 2015, with which the Council of State overruled AGCom’s Decision 1/08/CIR on the application of the new methodological criteria for the calculation of the Universal Service (USO) net cost related to the years 2004-2007, AGCom initiated proceedings for the review of the calculation with Decision 145/17/CONS for the years 2006-2007 and Decision 207/17/CONS for the years 2004-2005. With Decision 103/19/CIR notified on 11 September, 2019, the Authority has recognized the existence of a supplementary net cost USO about all years from 2004 to 2007, charged to the other operators, equal to 26.7 million euros. Furthermore, with Decision 88/18/CIR, published on 21 June 2018, AGCom has set the net cost for the year 2008 equal to zero and the net cost for the year 2009 equal to 11.61 million euros which is to be shared by the fixed and mobile operators.

With respect to past litigation, the Council of State, with a decision published on 7 July 2015, rejected the appeal filed by TIM against the decision of the TAR on AGCom’s decisions of 2010 by which AGCom had reviewed the proceedings for the years 1999-2000 and 2001-2003. As a result, the Council of State annulled AGCom’s Decision of 2010 establishing a possible new renewal of the proceedings for the calculation of the contributions of the years 1999-2000 and 2001-2003. Start-up of the renewal proceedings for the years 1999-2000 and 2001-2003 by the Authority is expected by September 2019.

Following the State Council decision, Vodafone requested TIM to refund the amounts paid for 1999-2000, 2002-2003 and subsequent periods. The proceedings are still pending.

As regards the Universal Service Quality targets, AGCom, with the decision no. 103/19/CONS (published on 2 May 2019), fined TIM for an amount equal to 58,000 euros due to the failure to comply in 2017 with the target relating to the "Average answer time of the operator to incoming calls". On June 18, 2019 TIM appealed before the Regional Administrative Court of Lazio for cancellation of Decision 103/19/CONS for failure to meet the necessary formal requirements, since both the maximum deadline of 90 days set for the check (between when AGCom became aware of the non-compliance and when it sent TIM the notification of penalty) and the maximum deadline of 150 days set for the proceeding (between notification of the charge and publication of decision no. 103/19/CONS) had been passed.”

At page 108 in the section “Government’s UBB network state aid plans” of the EMTN Programme Prospectus, the following sentence:

“In order to have an updated picture of the coverage of the grey and black areas on 18 January 2019 Infratel launched a new consultation aimed at updating the ultrabroadband coverage of the areas declared as black and grey with respect to previous consultations. This monitoring action will allow the Italian Government to launch interventions aimed at achieving a step change in the ultrabroadband coverage of grey areas.”

shall be replaced with:

“In order to have an updated picture of the coverage of the grey and black areas on 18 January 2019 Infratel launched a new consultation aimed at updating the ultrabroadband coverage of the areas declared as black and grey with respect to previous consultations. This monitoring action will allow the Italian Government to launch interventions aimed at achieving a step change in the ultrabroadband coverage of grey areas.”

At page 109 at the end of the section “Government’s UBB network state aid plans” of the EMTN Programme Prospectus, the following sentence shall be added:

“At the meeting of the Ultra-Broadband Committee (COBUL) of 17 July 2019, the Government approved the launch of the second phase of the Ultra-Broadband Plan (BUL) to support demand for ultrafast services through connectivity vouchers and to take action in the country's grey areas with possible public funding of Ultra-Broadband network deployment, subject to European Commission approval. The details of the planned activities will be identified by a specific technical committee led by Infratel.”

At page 109 at the end of the section “Extension of Golden Power to 5G technology services (Decree-Law 25 March 2019, no. 22 (the decree 22))” of the EMTN Programme Prospectus, the following sentences shall be added:

“To this regard, on 27 June 2019 the Italian Government started a public consultation functional for adoption of the DPCM (Decree of the Presidency of the Council of Ministers) in order to gather contributions regarding the following issues from the interested parties:

- a) identification of the simplified notification methods that may be differentiated (e.g. based on the activity carried out, on the services offered or on the type of infrastructure involved); and
- b) definition of simplified procedures and terms for the investigation in connection with specific circumstances.

TIM sent its contribution within the deadline (19 July 2019).

In the meanwhile, Italian Law Decree no. 64 was published on 11 July 2019. It introduces further amendments to the provisions of Italian Law Decree no. 21 of March 15, 2012 converted by Italian Law no. 56 of 11 May 2012 with amendments.

Specifically on the subject of 5G, the new decree introduces the obligation to notify the Prime Minister's Office full disclosure within ten days after the conclusion of a contract or agreement covering the purchase of goods or services relating to the design, building, maintenance and management of the 5G networks or the acquisition of high technological intensity components functional for the aforesaid building or management when executed with subjects outside of the European Union in order to allow any veto power to be exercised or the imposition of specific instructions or conditions.

The Prime Minister can announce any veto or imposition of specific instructions or conditions within 45 days from the notification. Based on the legislation above, the Council of Ministers of 5 September 2019 opted for the exercise of special powers in relation to the TIM disclosure concerning commercial agreements, reached before 26 March 2019, regarding equipment and communication systems functional for development of 5G technology. Finally, it should be noted that Decree Law no. 64/2019 will almost certainly not be converted into law and therefore its effects will lapse.”

At page 115 in the section “Telecommunication Regulatory Framework in Brazil” of the EMTN Programme Prospectus, the following sentence:

“Since 2016, the spectrum of 5,509 municipalities has become available for mobile operation, including all Brazilian capitals. These municipalities represent 99.15% of the Brazilian population (202.7 million). Currently about 2,973 cities are in operation.”

shall be replaced with:

“Since 2016, the spectrum of 5,509 municipalities has become available for mobile operation, including all Brazilian capitals. These municipalities represent 99.15% of the Brazilian population (202.7 million). Currently about 3,392 cities are in operation.”

At page 116 in the section “Telecommunication Regulatory Framework in Brazil” of the EMTN Programme Prospectus, the following sentences:

“The Bill has been approved by the Lower House and the Senate but has not been approved at the presidential level. On 22 December 2016, a number of senators from opposition parties filed a petition for writ of injunction (“Mandado de Segurança”). Legislative discussion returned in February 2017 and the Bill of Law now awaits Senate approval.

The Bill is the major change in Brazilian’ Regulatory Framework in 20 years and awaits a vote in the Senate. Even if the Senate approves the Bill without changes in connection with the proposal approved by the House of Representatives, Presidential approval will be required.”

shall be replaced with:

“The Bill has been approved by the Lower House and the Senate but has not been approved at presidential level. On 22 December 2016, a number of senators from opposition parties filed a petition for a writ of injunction (“Mandado de Segurança”). Legislative discussion returned in February 2017 and the Bill of Law has been approved by the Senate in September 2019. The bill goes to the presidential sanction.

The Bill is the major change in Brazilian’s Regulatory Framework in 20 years.”

LITIGATION

At page 128 in the proceeding “AGCM Unfair commercial practices proceedings - PS11379” of the EMTN Programme Prospectus, the following sentence:

“The closure of the proceeding is scheduled by July 2019”

shall be replaced with the following

“The closure of the proceeding is scheduled by November 2019”

At page 128 the proceeding “AGCM Unfair commercial practices proceedings - IP312” of the EMTN Programme Prospectus, shall be deleted and replaced with the following:

“The proceeding started on 18 February 2019 on the sole initiative of AGCM with regard to the alleged non-compliance with the provision of the PS10696 on advertising communications of Fiber offers. The disputed aspects concern the lack of evidence of the information available to consumers on the technical and geographical limitations and the performance test. TIM believes that the Fibre offers communication complies with industry regulations, as also confirmed by AGCom Resolution 35/19/CONS. However, in order to ensure ever-increasing transparency for customer comparison, TIM gave commitments mainly aimed at improving disclosure during the proceedings. The case closed on 1 August, 2019. AGCM imposed a fine of 200,000 euros positively evaluating TIM’s remedies to improve transparency. At the same time AGCM closed the proceedings opened against the other operators.”

DIRECTORS, EXECUTIVE OFFICERS AND STATUTORY AUDITORS

The table set out in the paragraph “Directors” on page 149 of the EMTN Programme Prospectus shall be deleted and replaced with the following:

“As at the date of this EMTN Programme Prospectus, the Board of Directors was composed of the following:

Name	Age	Position	Appointed	Other principal activities performed by the Director Officers outside of TIM Group
Fulvio Conti (1)	71	Chairman/Director	2018	Director of AON PLC UK and USA, Unidad Editorial Spain, RBC PJSC
Luigi Gubitosi (2)	58	Chief Executive Officer/Director/General Manager	2018	/
Alfredo Altavilla (1)	55	Director	2018	Director of Actuant Corp,Conceria Pasubio S.p.A., Vice Chairman of Recordati S.p.A.
Paola Bonomo (1)	50	Director	2018	Director of AXA Assicurazioni S.p.A., Piquadro S.p.A., Sisal Group S.p.A., Stefanel S.p.A. and FAAC S.p.A.
Giuseppina Capaldo (1)	50	Director	2018	Director of Salini Impregilo S.p.A. and Ferrari N.V.
Maria Elena Cappello (1)	50	Director	2018	Director of Prysmian S.p.A., Banca Monte dei Paschi di Siena S.p.A., Saipem S.p.A.
Massimo Ferrari(1)	57	Director	2018	General Manager Corporate & Finance Group CFO of Salini Impregilo S.p.A. and director of Lane Industries Inc., Equita Group S.p.A. and Cairo Communication
Franck Cadoret (3)	62	Director	2019	CEO Canal+Group France
Paola Giannotti(1)	56	Director	2018	Director of Terna S.p.A. and Illimity SGR S.p.A.
Marella Moretti(1)	53	Director	2018	Managing Director and Board member of CNH Industrial Financial Services; Chief Executive Officer and Board member of CNH Industrial Finance France; member of the Board of Directors of Fiat Chrysler Finance Europe
Lucia Morselli(1)	62	Director	2018	Director of Fondazione Snam, Sisal S.p.A. and member of Supervisory Board of STMicroelectronics N.V.
Dante Roscini(1)	60	Director	2018	Chairman of Credimi; Board member and Chairman of the Remuneration Committee of Kairos, President of the advisory board of IDeA Corporate Credit Recovery fund
Arnaud Roy de Puyfontaine	55	Director	2018	CEO and Chairman of the Management Board of Vivendi; Chairman of the Supervisory Board of Universal Music France; Member of the Supervisory Board of Canal+Group; permanent representative of Vivendi on the Supervisory Board of Banijay Group; Director of Havas, Member of the Advisory Committee of Innit; Honorary Chairman of the French-American Foundation
Rocco Sabelli(1)	64	Director	2018	Chairman of Sport e Salute
Michele Valensise(1)	67	Director	2018	Vice Chairman of Astaldi S.p.A.

(1) Independent Director according to legal requirements. For details on the criteria applied to determine independence, see “Item 10. Additional Information—10.1 Corporate Governance”.

(2) He was appointed as Chief Executive Officer/General Manager starting from 18 November 2018.

(3) He was appointed to replace Mr. Amos Genish, who resigned at the Board meeting of 27 June 2019.”

GENERAL INFORMATION

The paragraph “Significant or Material Adverse Change” on page 175 of the EMTN Programme Prospectus shall be deleted and replaced with the following in its entirety:

“Significant or Material Adverse Change

Save as disclosed in the sections “Description of TIM – Recent developments” and “Description of TI Finance” respectively on pages 91-93 and pages 153-155 of the Base Prospectus, there has been no significant change in the financial or trading position of TIM since 30 June 2019, and there has been no significant change in the financial or trading position of TI Finance since 30 June 2019. There has been no material adverse change in the financial position or prospects of TIM since 31 December 2018, and there has been no material adverse change in the financial position or prospects of TI Finance since 31 December 2018.”.

The following paragraph shall be added at the end of the section entitled “Auditors” on page 175 of the EMTN Programme Prospectus:

“The condensed consolidated interim financial statements of TIM Group as at and for the six month ended 30 June 2019 contained in the TIM Group 2019 Half-Year Financial Report, were reviewed, in accordance with the criteria for a review recommended by the National Commission for Companies and Stock Exchange (CONSOB) in Resolution No. 10867 of 31 July 1997, by Ernst & Young S.p.A. at Via Po 32, 00198 Rome, Italia, an independent registered public accounting firm, as set forth in their reports thereon and included therein, and incorporated by reference elsewhere herein”.