



F I N A N C E

Telecom Italia Finance
Société Anonyme
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R.C.S. Luxembourg B 76.448

Unaudited Semi-Annual Accounts
as at June 30, 2013, which have been
authorized by the Board of Directors held
on July 29, 2013

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Directors' report

The first half of the year 2013 of Telecom Italia Finance (the "Company" or "TI Finance") ends with a profit of EUR 2.189.225,61 versus a positive result of EUR 48.372.814,69 in the same period 2012.

The on-going borrowing and lending activity generated a positive margin equal to EUR 21,7 million (EUR 67,6 million for the corresponding period 2012) of which EUR 2,5 million booked as dividends on Telecom Italia S.p.A. shares (EUR 5,3 million in the corresponding period 2012).

The reduced contribution of EUR 45,9 million is due to a change into the assets/liabilities mix: lower volume of intercompany lending and consequently higher liquidity at banks coupled with reduction of bank deposit interest (average 0,34% vs. 0,90% in the same period 2012).

An impairment of EUR 18,2 million (EUR 17,6 million for the corresponding period 2012) has been booked with reference to the participations into Telecom Italia S.p.A. (EUR 12,4 mln), Telecom Italia Media S.p.A. (EUR 0,6 mln) and Clessidra I, investment fund (EUR 5,2 mln).

The net financial position as of June 30, 2013 is positive for EUR 1.530,2 million (EUR 1.515 million as of 31/12/2012).

Notes

As of June 30, 2013, the total outstanding nominal amount of notes issued by Telecom Italia Finance amounts to EUR 1.191.040.841,48 (EUR 1.868.978.841,48 as of December 31, 2012). The notes are unconditionally and irrevocably guaranteed by the Parent Company Telecom Italia S.p.A.

On January 24, 2013 matured and were repaid, utilising liquidity at bank, the EUR 677.938.000,00 6,875% Notes.

Investments held as fixed assets

On the basis of a financial restructuring agreement under the Italian bankruptcy law, on March 2013 TI Finance converted a loan granted to Italtel S.p.A. for EUR 4,5 million into financial participation instruments, which have been subsequently pledged in favor of a pool of banks leading Italtel financial restructuring.

Share Capital

The subscribed share capital of TI Finance is EUR 542.090.241,00, consisting of 55.428.450 ordinary shares, nominal value EUR 9,78 per share; all of the shares have been issued and are fully paid-up.

Risks

The Directors consider the following as the principal risks that could materially affect the result and the financial position of the Company in the second part of the year:

- the value of holdings in associated undertakings, equity investments and securities issued from third parties may be adversely affected by financial and economic development;
- foreign currency risk: according to risk group management policies, TI Finance hedges the foreign currency exposure on its assets and liabilities in currencies other than euro through currency swap contracts or natural hedge positions;
- interest rate risk: in order to modify its interest rate exposure, TI Finance enters into interest rate swaps. However, no assurance can be given that fluctuations in interest rates will not adversely affect its results of operations or cash flows.

Moreover, TI Finance is exposed to generic market credit and liquidity risks:

- credit risk: representing the risk of non-fulfillment of obligations assumed by a counterparty in relation to lending and liquidity management activities;
- liquidity risk: related to the need to meet short-term financial liabilities.

The above described financial risks are managed through:

- the application of the following guidelines defined at Group level:
 - *for market risk*: fully hedging the exchange risk and minimizing exposure to interest rates through appropriate diversification of the portfolio, including the use of derivative financial instruments;
 - *for credit risk*: liquidity management is based on prudential criteria and articulated in investment of temporary cash surplus (money market instruments) and investment of a permanent level of liquidity (bond portfolio management). In both situations, in order to manage the counterparty risk, the counterparties are selected according to their credit rating and the exposure is regulated both by names diversification and by tenor;
 - *for liquidity risk*: an adequate level of financial flexibility is obtained by maintaining a treasury margin that allows the refinancing requirements to be covered for at least the next twelve months.
- the identification of the most suitable financial instruments, including derivatives, to reach prefixed objectives;
- the monitoring of the results achieved.

Telecom Italia Group is committed to the following organizational model:

- **Definition of strategic guidelines**: in charge of the Group Finance “Risk Committee” of which the CEO and the Treasurer of Telecom Italia Finance are members.
- **Execution activity**: in charge of Telecom Italia Finance Front and Back Office which, among others, implements such guidelines in coordination with the Group Treasurer and Capital Markets.
- **Group Financial Planning & Risk Control**: any deviation from the guidelines is reported by the Group Financial Risk Controller to the Finance “Risk Committee”.

Additional details on financial risk management policies of Telecom Italia Group are available in the Telecom Italia S.p.A. consolidated accounts and related documents.

Events subsequent to June 30, 2013 - Evolution of the second half of the year

During the second half of the year 2013 it is foreseen to continue the activity of financial assistance to Telecom Italia Group companies and continue to manage the market risks above mentioned.

The Board remarks that the current financial environment characterized by very low level of short term interest rates will influence the return on liquid assets and may adversely impact the earnings of the second half of the year.

No event after the closing has a material impact on the financials herein reported.

The Board reminds that on August 7, 2013 shall come to maturity and shall be repaid the “Schuldschein”, loan issued under German law for the principal outstanding amount of EUR 250.000.000,00.

The Company does not perform research and development activities. The Company did not acquire and does not hold its own shares.

Financials as of June 30, 2013 herein reported have not been audited. They comprise the balance sheet, the profit and loss account, the cash flow statements and the explanatory notes.

For the Board of Directors
The Managing Director
Adriano Trapletti

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Balance Sheet

TELECOM ITALIA FINANCE S.A. BALANCE SHEET AS AT JUNE 30, 2013					
ASSETS - [EUR]		30.JUNE.2013	31.DECEMBER.2012	LIABILITIES - [EUR]	
B. Formation expenses	[n.3]	4.742.234,05	4.934.771,48	A. Capital and reserves	
					1.694.195.447,99
C. Fixed assets		3.034.892.189,54	3.684.554.613,84	I. Subscribed capital	[n.12] 542.090.241,00
II. Tangible assets				IV. Reserves	[n.13]
3. Other fixtures and fittings, tools and equipment	[n.4]	21.977,99	26.953,13	1. Legal reserve	15.712.807,84
III. Financial assets				4. Other reserves	865.769.812,13
1. Shares in affiliated undertakings	[n.6]	1.448.277.978,51	1.461.259.754,52	V. Profit or loss brought forward	268.433.361,41
2. Loans to affiliated undertakings	[n.5]	1.577.523.876,86	2.213.450.486,96	VI. Result for the financial period	2.189.225,61
3. Shares in undertakings with which the company is linked by virtue of participating interests	[n.6]	48.618,83	37.350,87	C. Provisions	2.770.712,77
5. Investments held as fixed assets	[n.7]	9.019.737,35	9.780.068,36	2. Provisions for taxation	[n.14] 1.176.973,70
D. Current assets		4.795.529.826,81	4.839.412.653,59	3. Other provisions	[n.15] 1.593.739,07
II. Debtors				D. Not Subordinated debts	6.138.265.002,53
2. Amounts owed by affiliated undertakings	[n.8]			1. Debenture loans	
a) becoming due and payable after less than one year		855.829.449,10	1.108.122.719,30	b) Non convertible notes	[n.16]
b) becoming due and payable after more than one year		45.167.445,71	32.267.710,62	i) becoming due and payable after less than one year	34.775.102,40
4. Other debtors				ii) becoming due and payable after more than one year	1.169.742.362,99
a) becoming due and payable after less than one year		36.278.756,74	13.483.730,83	2. Amounts owed to credit institutions	[n.17]
b) becoming due and payable after more than one year	[n.9]	116.008.931,29	94.787.860,03	a) becoming due and payable after less than one year	491.272.433,04
III. Investments	[n.10]			b) becoming due and payable after more than one year	154.571.450,65
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests		0,00	0,00	4. Trade creditors	
3. Other investments		1.035.433.942,36	532.862.890,84	a) becoming due and payable after less than one year	59.931,98
IV. Cash at bank and in hand	[n.11]	2.706.811.301,61	3.057.887.741,97	6. Amounts owed to affiliated undertakings	[n.18]
E. Prepayments		103.282,81	0,00	a) becoming due and payable after less than one year	2.812.388.892,98
				b) becoming due and payable after more than one year	1.401.650.246,49
				8. Tax and social security	
				a) Tax	0,00
				b) Social security	18.796,93
				9. Other creditors	
				a) becoming due and payable after less than one year	28.618.339,35
				b) becoming due and payable after more than one year	45.167.445,72
TOTAL ASSETS		7.835.267.533,21	8.528.902.038,91	E. Deferred income	36.369,92
					36.369,96
				TOTAL LIABILITIES	7.835.267.533,21
					8.528.902.038,91

The accompanying notes are an integral part of these semi-annual accounts.

Profit and Loss

TELECOM ITALIA FINANCE S.A.					
PROFIT AND LOSS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2013					
A. CHARGES - [EUR]			B. INCOME - [EUR]		
	30.JUNE.2013	30.JUNE.2012		30.JUNE.2013	30.JUNE.2012
1. Raw materials and consumables	6.083,44	4.211,86	1. Net turnover	72.740,04	71.846,79
2. Other external charges	383.417,55	404.703,91			
3. Staff costs	451.484,58	430.666,32	6. Income from financial fixed assets [n.24]	61.625.685,62	57.414.503,27
a) Wages and salaries	389.911,22	374.429,72	a) derived from affiliated undertakings	61.604.218,84	57.390.623,10
b) Social security costs	40.888,58	38.708,95	b) other income from participating interests	21.466,78	23.880,17
c) Social security costs relating to pensions	17.491,46	14.977,48			
d) Other social security costs	3.193,32	2.550,17			
4. Value adjustments	202.953,55	482.772,72	7. Income from financial current assets [n.25]	3.671.605,70	8.074.031,18
a) on formation expenses and on tangible and intangible fixed assets	202.953,55	482.772,72	a) derived from affiliated undertakings	0,00	0,00
5. Other operating charges	55.359,03	29.820,25	b) other income	3.671.605,70	8.074.031,18
6. Value adjustments and fair value adjustments on financial fixed assets [n.19]	18.242.107,02	17.652.998,70			
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities [n.20]	6.463.669,26	3.829.487,10	8. Other interest and other financial income [n.26]	454.281.212,13	660.107.961,82
8. Interest payable and similar charges [n.21]	491.368.593,20	654.138.327,37	a) derived from affiliated undertakings	186.555.823,34	325.661.456,41
a) concerning affiliated undertakings	130.331.135,38	279.172.303,55	b) other interest receivable and similar income	267.725.388,79	334.446.505,41
b) other interest payable and similar charges	361.037.457,82	374.966.023,82			
9. Extraordinary charges	0,00	0,00	9. Extraordinary income	488,11	8.500,73
10. Tax on profit or loss [n.22]	88.838,36	131.040,87			
11. Other taxes not included in the previous caption [n.23]	200.000,00	200.000,00	12. Loss for the financial period	0,00	0,00
12. Profit for the financial year	2.189.225,61	48.372.814,69			
TOTAL CHARGES	519.651.731,60	725.676.843,79	TOTAL INCOME	519.651.731,60	725.676.843,79

The accompanying notes are an integral part of these semi-annual accounts.

Cash Flow Statements

TELECOM ITALIA FINANCE S.A. CASH FLOW STATEMENT AS AT JUNE 30, 2013		
	30.JUNE.2013	31.DECEMBER.2012
Operating Activities		
Profit after tax	2.189.225,61	21.062.061,10
Adjustments for		
Amortization of formation expenses and on tangible and intangible fixed assets	202.953,55	844.080,00
Amortization and impairment of intangible assets	0,00	0,00
Finance Income	-518.699.826,08	-989.416.436,95
Finance Expenses	515.856.067,94	967.641.460,21
Changes in trade and other receivables	604.347,12	-560.247,30
Changes in trade and other payables	-496.773,33	2.412.096,17
Net cash flows from operating activities	-344.005,19	1.983.013,23
Cash flows from Investing activities		
Changes in Property, plant and equipment	-5.440,98	-11.125,72
Changes in Intangible assets	0,00	0,00
Changes in Participations, funds and other securities	-505.653.744,63	2.262.670.825,04
Investments and re-payments in Financial Receivables	883.814.129,71	-1.496.696.239,55
Interest, commissions and other financial income received	329.283.085,34	930.758.262,39
Dividends received	2.456.792,03	5.280.787,42
Income received from participations and funds	11.198,82	872.061,63
Net cash flows from investing activities	709.906.020,29	1.702.874.571,21
Cash flows from Financing activities		
Net change in short-term Financial Payables	36.532.285,73	185.667.017,05
Proceeds from borrowings	-677.938.000,00	0,00
Repayments of borrowings	0,00	-920.260.000,00
Interest, commissions and other financial expenses paid	-428.925.130,93	-896.003.804,58
Dividends paid	0,00	0,00
Net cash flows from financing activities	-1.070.330.845,20	-1.630.596.787,53
Net Increase / Decrease in Cash and Cash Equivalents	-360.768.830,10	74.260.796,91
Net foreign exchange differences in C&CE	9.347.099,86	503.668,88
Cash and cash equivalents at 01 January	3.057.488.239,34	2.982.723.773,55
Cash and cash equivalents at the end of the year	[n.11] 2.706.066.509,10	3.057.488.239,34

The accompanying notes are an integral part of these semi-annual accounts.

TELECOM ITALIA FINANCE S.A.
CASH FLOW STATEMENT AS AT JUNE 30, 2013

	30.JUNE.2013	30.JUNE.2012
Operating Activities		
Profit after tax	2.189.225,61	48.372.814,69
Adjustments for		
Amortization of formation expenses and on tangible and intangible fixed assets	202.953,55	482.772,72
Amortization and impairment of intangible assets	0,00	0,00
Finance Income	-518.699.826,08	-725.204.763,17
Finance Expenses	515.856.067,94	675.266.582,81
Changes in trade and other receivables	604.347,12	-676,43
Changes in trade and other payables	-496.773,33	-643.215,72
Net cash flows from operating activities	-344.005,19	-1.726.485,10
Cash flows from Investing activities		
Changes in Property, plant and equipment	-5.440,98	-8.165,05
Changes in Intangible assets	0,00	0,00
Changes in Participations, funds and other securities	-505.653.744,63	2.518.091.381,47
Investments and re-payments in Financial Receivables	883.814.129,71	-875.764.504,48
Interest, commissions and other financial income received	329.283.085,34	688.399.451,01
Dividends received	2.456.792,03	5.282.362,42
Income received from participations and funds	11.198,82	23.880,17
Net cash flows from investing activities	709.906.020,29	2.336.024.405,54
Cash flows from Financing activities		
Net change in short-term Financial Payables	36.532.285,73	246.082.834,83
Proceeds from borrowings	-677.938.000,00	0,00
Repayments of borrowings	0,00	-920.260.000,00
Interest, commissions and other financial expenses paid	-428.925.130,93	-722.165.409,06
Dividends paid	0,00	0,00
Net cash flows from financing activities	-1.070.330.845,20	-1.396.342.574,23
Net Increase / Decrease in Cash and Cash Equivalents	-360.768.830,10	937.955.346,21
Net foreign exchange differences in C&CE	9.347.099,86	2.519.170,35
Cash and cash equivalents at 01 January	3.057.488.239,34	2.982.723.773,55
Cash and cash equivalents at the end of the year	[n.11] 2.706.066.509,10	3.923.198.290,12

The accompanying notes are an integral part of these semi-annual accounts.

Notes to the accounts

as at June 30, 2013, which have been authorized by the Board of Directors held on July 29, 2013

Note 1 – General

Telecom Italia Finance (the “Company”, “Ti Finance”) was incorporated on June 2, 2000 for an unlimited duration. The registered office is established at 12, Rue Eugène Ruppert L-2453 Luxembourg. The registered number is B 76.448.

The corporate object is to provide any financial assistance to Telecom Italia S.p.A. (the “Parent Company”) itself as well as to all companies in which the Parent Company has a direct or indirect interest. This is implemented by the provision of loans and the granting of guarantees or securities in any kind or form. The object of the Company is further to provide domiciliation and administration services to companies being part of the Telecom Italia Group and to exercise any activity in relation thereto as provided in the law of May 31, 1999 on the domiciliation of companies, as amended. The Company may acquire and hold interests in Luxembourg and/or in foreign undertakings. The Company may also use its funds to invest in real estate and in intellectual property rights in any kind or form. The Company may participate at the creation and development of any other companies and entities and provide financial assistance in any kind or form. The Company may borrow in any kind or form and issue bonds or notes. Generally the Company may carry out any commercial, industrial or financial operation, relating directly or indirectly to its object.

The financial year begins on January 1st and ends on December 31st of each year.

Note 2 – Summary of significant accounting policies

Basis of preparation

The accounts in hand are prepared in accordance with the accounting principles and regulations generally accepted in the Grand Duchy of Luxembourg (“Luxembourg GAAP”) under the historical cost convention.

As allowed by the amended law of August 10, 1915, the Board of Directors of the Company has decided to include the cash flow statement based on the indirect method.

Euro (EUR) is the book accounting currency.

Use of estimates

The preparation of financial statements in accordance with Luxembourg GAAP, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts, and reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

Foreign currency translation

The Company follows the multi-currency accounting policy that consists in recording the assets and the liabilities in their original currencies, the same being converted into EUR at the end of each month. The net exchange differences that arise from these conversions are reflected in the profit and loss account in the item "Interest payable and similar charges/ Other interest and financial income".

The realized income and charges in currencies other than EUR are recorded in their respective currencies and converted at the exchange rate prevailing on the respective transaction dates.

The exchange differences arising from the transactions expressed in currencies other than EUR are hedged either by balanced deposits and loans, or through currency swaps contracts using the account « exchange evaluation », whose valuation at the period-end rate allows to hedge off the exchange variance risk. Those differences are reflected in Profit and Loss accounts through "Other interest payable and similar charges" and "Other interest receivable and similar income".

Formation expenses

Formation expenses may include incorporation expenses and bond issuance expenses. Incorporation expenses are valued at purchase price including the expenses incidental thereto less cumulated depreciation amounts written off over maximum 5 years. Bond issuance expenses are written off on a straight-line basis over the period of the note.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any impairment adjustments. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed financial assets

Equity investments in non-current assets are evaluated according to the historical cost method. The contingent write-downs are recorded in case of a permanent impairment loss of the investments estimated by the Board of Directors while comparing the net book value with the market value or with the net equity of the company.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Investments

Investments in current assets are evaluated to the lower between the market value and the acquisition cost. Bonds purchased and classified as financial fixed assets are evaluated to acquisition cost that is never over the par amount.

Cash at bank and in hand

Cash at bank and in hand is defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash at bank and in hand and short-term deposits which are held to maturity are carried at cost.

Accrued interest

Accrued interest are shown with their principal amount.

Prepayments / Deferred income

“Prepayments” and “Deferred income” accounts include prepaid charges and deferred income.

Issue discounts and issue premiums are listed with the related notes, while other similar charges are classified in “Formation expenses”. All are amortized through the profit and loss account on a straight-line basis over the lifetime of the notes.

Derivative instruments

The commitments related to derivative instruments are recorded off-balance sheet at their nominal value as of transaction date. In case of negative Mark to Market value of non-hedging instruments at the financial statements closing date, a provision shall be recorded.

Not subordinated debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown in the same line of the debt and is written off over the period of the debt based on a linear method.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Note 3 – Formation expenses

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Issuance expenses on debentures loans	4.732.102,62	4.875.078,18
Issuance expenses on amounts owed to credit institutions	10.131,43	59.693,30
	4.742.234,05	4.934.771,48

The movements for the period are only due to depreciation.

Note 4 – Other fixtures and fittings, tools and equipment

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Acquisitions at the beginning of the period	376.159,10	365.736,24
Acquisition during the period	5.440,98	11.125,72
Disposal or reduction during the period	(77.625,17)	(702,86)
Acquisition cost at the end of the period	303.974,91	376.159,10
Value adjustments at the beginning of the period	349.205,97	326.233,66
Value adjustments during the period	10.416,12	23.675,17
Disposal or reduction during the period	(77.625,17)	(702,86)
Value adjustments at the end of the period	281.996,92	349.205,97
	21.977,99	26.953,13

Note 5 – Loans to affiliated undertakings

This item is composed by EUR 1.577.523.876,86 being the total amount of medium-long term loans granted to the Parent Company and other group companies (2012 – EUR 2.213.450.486,96). It could be detailed by final payment date as follows:

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<u>EUR</u>	<u>EUR</u>
Nominal value: EUR: 600.000.000,00 Expiring February 6, 2014 Fixed rate: 2,6969%	<i>Classified in short term portion</i>	600.000.000,00
Nominal value: EUR: 250.000.000,00 Expiring August 7, 2014 Fixed rate: 6,558%	250.000.000,00	250.000.000,00
Nominal value: JPY 20.000.000.000 Expiring October 29, 2029 [*] Floater rate: JPYLibor 6m + 0,9463%	154.571.450,65	176.040.841,48
Nominal value: JPY 20.000.000.000 Expiring May 5, 2032 [*] Floater rate: JPYLibor 6m + 1,66%	154.571.450,65	176.040.841,48
Nominal value: EUR: 1.000.000.000,00 Expiring July 28, 2033 Fixed rate: 8,000%	1.000.000.000,00	1.000.000.000,00
Total to Parent Company	1.559.142.901,30	2.202.081.682,96

Nominal value: USD 1.000.000,00 Expiring January 7, 2014 [*] Fixed rate: 4,09632%	<i>Classified in short term portion</i>	757.920,27
Nominal value: USD 12.000.000,00 Expiring September 2, 2014 Fixed rate: 3,8208%	9.174.311,93	9.095.043,19
Nominal value: USD 1.000.000,00 Expiring August 4, 2014 Fixed rate: 4,0367%	764.525,99	757.920,27
Nominal value: USD 1.000.000,00 Expiring January 15, 2015 Fixed rate: 3,7506%	764.525,99	757.920,27
Nominal value: BRL 4.000.000,00 Expiring October 8, 2014 Fixed rate: 13,7300%	1.380.262,25	0,00
Nominal value: BRL 7.000.000,00 Expiring October 31, 2014 Fixed rate: 15,2000%	2.415.458,93	0,00
Nominal value: USD 5.000.000,00 Expiring June 25, 2015 Fixed rate: 3,8775%	3.822.629,97	0,00
Accruals on loans to group companies	59.260,50	0,00
Total to group companies	18.380.975,56	11.368.804,00
	<u>1.577.523.876,86</u>	<u>2.213.450.486,96</u>

[*] Differences between June 30, 2013 and December 31, 2012 are due to exchange rate impact.

Note 6 – Shares in affiliated undertakings and shares in undertakings with which the company is linked by virtue of participating interests

		Ownership (%)	Number of shares	Net Book value at the beginning of the year	at the beginning of the year	Gross book value changes during the period	at the end of the period	at the beginning of the year	Value Adjustments changes during the period	at the end of the period	Net Book value at the end of the period	Fair Value at the end of the period [**]
1. Shares in affiliated undertakings												
Telecom Italia S.p.A.	Piazza degli Affari, 2 Milan (Italy)	0,64	124.544.373	95.349.353,64	473.126.647,40	.	473.126.647,40	377.777.293,76	12.408.679,70	390.185.973,46	82.940.673,94	66.880.328,30
Telecom Italia Media S.p.A.	Via della Pineta Sacchetti, 229 Rome (Italy)	2,25	32.624.295	5.865.890,65	50.177.899,30	.	50.177.899,30	44.312.008,65	573.096,31	44.885.104,96	5.292.794,34	2.472.921,56
Telecom Italia Finance Ireland Ltd	3 Harbourmaster place, International financial Services Centre, Dublin 1 (Ireland)	100,00	1.360.000.000	1.360.000.000,00	1.360.000.000,00	.	1.360.000.000,00	.	.	.	1.360.000.000,00	.
Italtel Group S.p.A.	Via Reiss Romoli, Località Castelletto Settimo Milanese (Italy)	34,68	6.160.999 [*]	.	145.993.930,23	.	145.993.930,23	145.993.930,23	.	145.993.930,23	.	.
Movenda S.p.A.	Via Pian Di Sco 82 Rome (Italy)	25,00	33.333	44.510,23	44.510,23	.	44.510,23	.	.	.	44.510,23	.
Total				1.461.259.754,52	2.029.342.987,16	.	2.029.342.987,16	568.083.232,64	12.981.776,01	581.065.008,65	1.448.277.978,51	
3. Shares in undertakings with which the company is linked by virtue of participating interests												
Venture Investors Property Recovery LLC (ex Consolidated IP Holdings Inc.)	c/o Sherwood Partners 101 University Avenue, Suite 100 Palo Alto (California - United States)	0,50	2.131.366	0,01	0,01	.	0,01	.	.	.	0,01	
Infomaster S.p.A.	Via V maggio 81 Genova (Italy)	2,93	19.412	37.350,85	413.304,84	.	413.304,84	375.953,99	-11.267,96	364.686,03	48.618,81	
Docunet Inc.	400 Oyster Pt Blvd Ste 111 South San Francisco (California - United States)	0,18	124.528	0,01	0,01	.	0,01	.	.	.	0,01	
Total				37.350,87	413.304,86	.	413.304,86	375.953,99	-11.267,96	364.686,03	48.618,83	

[*] - The held percentage of Ordinary Share Capital is 19,373% (No. 1.720.634 Ordinary shares). 34,68% is the fully diluted percentage taking into account the No. 4.440.365 Preferred shares having limited voting rights. All the shares of Italtel Group S.p.A. are pledged in favour of a group of banks in order to guarantee the performance of Italtel S.p.A. (100% controlled by Italtel Group) under certain financing agreements.

[**] - Telecom Italia S.p.A. and Telecom Italia Media S.p.A. are evaluated according to the VWAP (Volume Weighted Average Price) method taking in consideration prices and volumes exchanged during the last twelve months.

The Board of Directors has assessed that the decrease in the market value and consequently the differences between 'Fair Value at the end of the period' and 'Net Book Value at the end of the period' are not permanent, therefore no additional value adjustments are recorded on those financial assets in the accounts of the Company.

Note 7 – Investments held as fixed assets

This item is composed by the investment in funds and by financial participation instruments. These matters have been converted on March 2013 from a loan granted to Italtel S.p.A. on the basis of a financial restructuring agreement under the Italian bankruptcy law. On December 31, 2012 the above mentioned loan was classified in “Amounts owed by affiliated undertakings”.

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Clessidra Capital Partners	4.289.212,95	9.549.543,96
The Golden Mouse Partnership	230.524,40	230.524,40
Italtel S.p.A.	4.500.000,00	0,00
	9.019.737,35	9.780.068,36

Note 8 – Amounts owed by affiliated undertakings

This item refers to the loans receivable within one year granted to group companies (included accrued interest and commissions thereon), to accruals on interest rate swaps with Parent and group companies and currency swaps with group companies.

a) becoming due and payable after less than one year

	June 30, 2013	December 31, 2012
	<u>EUR</u>	<u>EUR</u>
Italtel S.p.A	0,00	4.500.000,00
Mediterranean Nautilus Greece S.A.	24.979.802,71	24.979.707,53
Mediterranean Nautilus Telekomünikasyon Hizmetleri TAS	900.864,79	133.095,07
Olivetti S.p.A.	88.419.215,31	88.484.354,56
Telecom Italia Capital	2.593.099,18	0,00
Ti Sparkle Czech S.r.o.	250.588,69	0,00
Ti Sparkle Est S.R.L.	229.885,75	0,00
Ti Sparkle Slovakia S.r.o.	601.337,03	100.155,29
Telecom Italia S.p.A.	697.701.860,64	952.799.071,84
Telecom Italia Spain SL	1.253.359,96	1.504.005,03
TI Sparkle France S.A.	3.048.043,38	6.086.704,95
TI Sparkle Singapore P.T.E.	4.599.268,52	4.568.036,82
T.M.I. Telemedia International Ltd.	1.903.065,45	2.051.360,99
Others	315,98	1.085.480,62
Accruals on interest rate swaps with Parent Company	25.138.409,86	18.078.628,97
Accruals on interest rate swaps with group companies	3.475.853,25	2.471.753,68
Currency swaps with group companies	734.478,60	1.280.363,95
	<u>855.829.449,10</u>	<u>1.108.122.719,30</u>

b) becoming due and payable after more than one year

	June 30, 2013	December 31, 2012
	<u>EUR</u>	<u>EUR</u>
Exchange rate evaluation of currency and interest rate swaps with Parent Company	45.167.445,71	32.267.710,62
	<u>45.167.445,71</u>	<u>32.267.710,62</u>

Note 9 – Other debtors becoming due and payable after more than one year

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Receivables from Lehman Brothers Special Financing Inc. [*]	6.117.026,66	6.763.695,05
Exchange rate evaluation of currency swaps	109.853.161,57	87.989.211,74
Other receivables	38.743,06	34.953,24
	116.008.931,29	94.787.860,03

[*] It reflects the estimated recovery value of the receivable registered vs. Lehman Brothers Special Financing Inc. in Liquidation (LBSF). Such receivable was originally booked for EUR 25.016.035,74. Based on the documentation filed with the US Courts, the position has been converted during 2009 from EUR into USD for an amount of USD 35.552.789,99 and then in 2012 updated to USD 35.590.272,35.

As of June 30, 2013 the following amounts have been distributed to Ti Finance and the receivable has been reduced consequently:

On October 01, 2012	USD	9.902.109,48
On April 04, 2013	USD	904.595,34
On April 05, 2013	USD	1.029.741,89
	USD	11.836.446,71

In accordance with current market evaluations, the receivable is registered at an estimated recoverable value of 24,41% (USD 8.001.070,87) of the principal value before distributions. The credit in hands is supported by the guarantee from Lehman Brothers Holding Inc. in Liquidation.

Note 10 – Investments

This item refers to the accrued value of the securities and can be detailed as follows:

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Notes from other issuers	935.443.941,35	382.927.307,62
Euro Commercial Papers	99.990.001,01	149.935.583,22
	1.035.433.942,36	532.862.890,84

Note 11 – Cash at bank and in hand

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Cash in hand	564,62	149,62
Bank current accounts	6.943.930,19	1.544.526,95
Bank term deposit accounts	2.699.121.357,97	3.055.907.162,88
Other Liquid Assets	656,32	36.399,89
Cash and cash equivalent as shown in Cash Flow Statement	2.706.066.509,10	3.057.488.239,34
Accruals on bank term deposits	744.792,51	399.502,63
	<u>2.706.811.301,61</u>	<u>3.057.887.741,97</u>

Note 12 – Subscribed capital

As of June 30, 2013 and December 31, 2012 the authorized, issued and fully paid capital of EUR 542.090.241,00 is represented by 55.428.450 ordinary shares with a nominal value EUR 9,78 per share.

As of June 30, 2013 and December 31, 2012 the Company is 100% held by Telecom Italia S.p.A.

Note 13 – Reserves

Reserves are split as follows:

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Legal reserve	15.712.807,84	14.659.704,79
Other reserves		
Reserves unavailable for distribution	394.805.662,41	394.805.662,41
Other distributable reserves	470.964.149,72	470.964.149,72
Total other reserves	865.769.812,13	865.769.812,13

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reverse equals 10% of the subscribed share capital. This reserve may not be distributed. Legal reserve is detailed as below:

shareholders meeting of April 4, 2008	EUR	1.584.401,26
shareholders meeting of April 28, 2010	EUR	3.228.314,61
shareholders meeting of April 11, 2011	EUR	6.351.000,00
shareholders meeting of April 4, 2012	EUR	3.495.988,92
shareholders meeting of April 3, 2013	EUR	1.053.103,05
	EUR	15.712.807,84

Movements for the half part of year on the reserves and profit and loss items are as follows:

	<i>Legal reserve</i>	<i>Other reserves</i>	<i>Profit brought forward</i>	<i>Profit for the period</i>
	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>
Balance as at 31.12.12	14.659.704,79	865.769.812,13	248.424.403,36	21.062.061,10
Movements of the period				
Allocation of prior year's profit	1.053.103,05	0,00	20.008.958,05	-21.062.061,10
Profit for the period	0,00	0,00	0,00	2.189.225,61
Total movements	1.053.103,05	0,00	20.008.958,05	-18.872.835,49
Balance as at 30.06.13	15.712.807,84	865.769.812,13	268.433.361,41	2.189.225,61

Note 14 – Provisions for taxation

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Provisions for Net Wealth Tax	1.115.995,00	1.115.995,00
Provisions for Income Tax	1.575,00	1.575,00
Provisions for Value Added Tax	58.186,60	47.569,37
Other provisions for taxes	1.217,10	1.217,10
	1.176.973,70	1.166.356,47

Note 15 – Other provisions

In the framework of the liquidation of the 100% owned subsidiary, Olivetti Holding N.V., TI Finance acquired the obligation to take part to the decontamination of a site in Burlington, New Jersey (USA), formerly owned by an Olivetti' subsidiary. Olivetti Holding transferred as well a provision for the completion of the concerned activity.

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Provisions for future expenses	1.593.739,07	1.599.158,09
	1.593.739,07	1.599.158,09

Note 16 – Non convertible notes

i) *becoming due and payable after less than one year*

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Nominal value: EUR 850.000.000,00		
Expired on January 24, 2013		
Fixed rate: 6,875%	0,00	677.938.000,00
Prepaid income on notes (issue premiums)		
<i>Current portion</i>	285.581,80	285.581,80
Prepaid charges on notes (issue discounts)		
<i>Current portion</i>	-278.039,51	- 313.867,77
Accrued interest on notes	34.767.560,11	118.214.433,09
	34.775.102,40	796.124.147,12

ii) *becoming due and payable after more than one year*

Nominal value: Jpy 20.000.000.000		
Expiring May 14, 2032[*]		
Fixed rate: 3,550%	154.571.450,65	176.040.841,48
Nominal value: Eur 800.000.000,00		
Expiring January 24, 2033		
Fixed rate: 7,750%	765.000.000,00	765.000.000,00
Nominal value: Eur 250.000.000,00		
Expiring January 24, 2033		
Fixed rate: 7,750%	250.000.000,00	250.000.000,00
Prepaid income on notes (issue premiums)		
<i>Long term portion</i>	5.306.344,63	5.447.961,91
Prepaid charges on notes (issue discounts)		
<i>Long term portion</i>	-5.135.432,29	- 5.273.487,18
	1.169.742.362,99	1.191.215.316,21

[*] Differences between June 30, 2013 and December 31, 2012 are due to exchange rate impact. The Note has embedded an option allowing the issuer to repay the total notional amount of the debt each year starting from 2012 to maturity.

Note 17 – Amounts owed to credit institutions

a) *becoming due and payable after less than one year*

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Nominal value: Eur 250.000.000,00		
Expiring August 7, 2013		
Fixed rate: 6,25%	250.000.000,00	250.000.000,00
Payables to banks	223.571.943,68	272.666.227,58
Accrued interest	17.739.495,38	10.580.056,42
Prepaid charges on notes (issue discounts)		
<i>Current portion</i>	-39.006,02	-229.819,29
	491.272.433,04	533.016.464,71

b) *becoming due and payable after more than one year*

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<u>EUR</u>	<u>EUR</u>
Nominal value: Jpy 20.000.000.000		
Expiring October 29, 2029[*]		
Fixed rate: 5,45%	154.571.450,65	176.040.841,48
	<u>154.571.450,65</u>	<u>176.040.841,48</u>

[*] Differences between June 30, 2013 and December 31, 2012 are due to exchange rate impact.

Note 18 – Amounts owed to affiliated undertakings

This item refers to the sums owed to group companies under the deposit agreements (included accrued interest thereon), to accruals on interest rate swaps with Parent and group companies and currency swaps with group companies.

a) becoming due and payable after less than one year

	June 30, 2013	December 31, 2012
	EUR	EUR
Latin American Nautilus Ltd	20.384.117,31	12.558.882,96
Mediterranean Nautilus Israel Ltd	7.999.875,39	7.926.619,58
Olivetti Engineering	7.762,73	7.933,78
Telecom Italia S.p.A.	218.301,57	634.074,76
Telecom Italia Finance Ireland Ltd [*]	66.000.000,00	67.994.425,38
TI Belgium SPRL	900.294,66	900.269,63
TI Deutschland Holding GmbH	16.852.767,43	11.653.574,76
TI International NV	2.664.008.471,61	2.589.307.008,34
TI Telecom Italia Austria		
Telekommunikationdienste GmbH	350.044,85	400.012,48
Others	1.010,70	52,08
Accruals on interest rate swaps with Parent Company	1.740.862,26	1.560.949,36
Accruals on interest rate swaps with group companies	11.498.891,72	11.299.030,59
Exchange rate evaluation of currency swaps with group companies	22.426.492,75	0,00
	<u>2.812.388.892,98</u>	<u>2.704.242.833,70</u>

b) becoming due and payable after more than one year

	June 30, 2013	December 31, 2012
	EUR	EUR
Telecom Italia Finance Ireland Ltd [**]	1.292.000.000,00	1.292.000.000,00
Exchange rate evaluation of currency swaps with group companies	109.650.246,49	81.607.528,78
Exchange rate evaluation of currency swaps with Parent Company	0,00	6.381.682,96
	<u>1.401.650.246,49</u>	<u>1.379.989.211,74</u>

[*] The amount represents a Promissory Note for EUR 66.000.000,00.

[**] The amount of EUR 1.292.000.000,00 represents a payable beyond one year for Telecom Italia Ireland Ltd and corresponds to the unpaid portion of the share capital in this company.

Note 19 – Value adjustments and fair value adjustments on financial fixed assets

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Adjustments on shares in undertakings		
Telecom Italia S.p.A.	12.408.679,70	15.424.385,49
Telecom Italia Media S.p.A.	573.096,31	744.964,94
Infomaster S.p.A.	0,00	168.923,94
Total value adjustments on shares	12.981.776,01	16.338.274,37
Value adjustments on Investment Funds	5.260.331,01	1.314.724,33
	18.242.107,02	17.652.998,70

Note 20 – Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Value adjustments on securities	5.745.749,26	431.696,00
Losses on securities disposal	717.920,00	55.780,00
Losses on own securities bought back	0,00	3.342.011,10
	6.463.669,26	3.829.487,10

Note 21 – Interest payable and similar charges*a) concerning affiliated undertakings*

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Guarantee fee due to Parent Company	218.301,54	354.230,36
Charges on interest rate swaps with Parent Company	5.997.946,32	179.755.958,61
Charges on interest rate swaps with group companies	123.535.325,71	88.390.166,77
Charges on currency swap with group companies	94.516,60	269.947,81
Interest due to group companies	485.045,21	10.402.000,00
	130.331.135,38	279.172.303,55

b) other interest payable and similar charges

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Interest and charges vs. banks	16.669.354,41	18.821.305,33
Interest and charges on debentures	44.498.524,59	84.763.198,46
Charges on interest rate swaps	173.386.922,24	218.919.176,17
Charges on currency swaps	1.909.951,91	1.723.710,66
Losses on exchange rates	124.516.244,57	50.590.353,91
Other financial charges and commissions	56.460,10	148.279,29
	361.037.457,82	374.966.023,82

Note 22 – Tax on profit or loss

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Withholding tax on dividend received	34.095,43	73.045,62
Withholding tax on interest received	54.742,93	57.995,25
	88.838,36	131.040,87

Note 23 – Other taxes not included in the previous caption

The item include payments and provisions for the Net Wealth Tax.

Note 24 – Income from financial fixed assets*a) derived from affiliated undertakings*

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Dividend received from Parent Company	2.490.887,46	5.355.408,04
Income from shares in affiliated undertakings	1.000,00	0,00
Interest on long term loans to Parent Company	58.828.890,53	51.798.194,70
Interest on long term loans to group companies	283.440,85	237.020,36
	61.604.218,84	57.390.623,10

b) other income from participating interests

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Income from disposal of equity investments	0,00	23.880,17
Income from equity investments	10.198,82	0,00
Reversal of value adjustments on equity investments	11.267,96	0,00
	21.466,78	23.880,17

Note 25 – Income from financial current assets

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Reversal of value adjustments on securities	1.354.330,69	1.037.179,36
Gain on securities disposal	1.527.436,00	6.776.159,59
Value adjustment on receivables from Lehman Brothers	789.839,01	260.692,23
	3.671.605,70	8.074.031,18

Note 26 – Other interest and other financial income

a) derived from affiliated undertakings

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Interest on securities issued by Parent Company	0,00	89.164.959,02
Interest and commissions on receivables from Parent Company	6.881.004,01	10.929.805,95
Interest and commissions on receivables from group companies	1.750.531,46	3.076.051,52
Income on currency and interest rate swaps with Parent Company	148.788.789,75	31.884.190,55
Income on currency and interest rate swaps with group companies	27.229.778,93	188.866.480,38
Income on currency swaps with group companies	1.848.230,34	1.681.359,28
Income on other derivatives	57.488,85	0,00
Interest on own securities bought back	0,00	58.609,91
	186.555.823,34	325.661.456,61

b) other interest receivable and similar income

	<i>June 30, 2013</i>	<i>June 30, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Interest on other securities	7.167.029,96	3.744.401,02
Interest on banks	4.990.445,40	10.241.786,55
Other interest and commissions	53.966,21	0,00
Income on currency and interest rate swaps with banks	130.904.163,77	269.609.858,58
Income on currency swaps with banks	95.002,71	271.960,94
Income on other derivatives	0,00	267.050,03
Gain on exchange rates	124.514.780,74	50.311.448,29
	267.725.388,79	334.446.505,41

Note 27 – Warranties

All issued notes, derivative instruments hedging interest and exchange risks and debts towards other financial institutions are guaranteed by the Parent Company.

Note 28 – Off balance sheet commitments

The table here below reports the sum of the notional amount for derivative agreements entered by the Company.

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Currency swaps	273.349.466,00	110.090.079,41
IRS hedging liabilities	309.142.901,31	352.081.682,95
IRS [*]	3.996.925.037,47	3.966.306.866,58
CCIRS [*]	1.986.775.288,80	2.411.729.004,00
Options	154.571.450,65	176.040.841,48
	6.720.764.144,23	7.016.248.474,42

[*] These derivatives are entered into on other group companies request. Ti Finance exposure on these positions is neutral.

The table here below reports the net sum of the mark to market value of the above reported derivative agreements.

	<i>June 30, 2013</i>	<i>December 31, 2012</i>
	<i>EUR</i>	<i>EUR</i>
Currency swaps	115.595,45	192.249,93
IRS hedging liabilities	37.069.944,32	45.988.993,04
Options	2.491.008,16	1.608.746,30
	39.676.547,93	47.789.989,27

The Company has the commitment to subscribe up to EUR 25.000.000,00 in the investment fund Clessidra Capital Partner. As of June 30, 2013 payments of EUR 24.139.878 have been made.

TI Finance has the commitment to subscribe up to EUR 2.400.000,00 in the investment fund Golden Mouse. As of June 30, 2013 payments of EUR 2.399.814,83 have been made.

Furthermore, the Company pledged its Italtel Group S.p.A. shares and its Italtel S.p.A. financial participation instruments in favor of a pool of banks financing both companies.

Note 29 – Tax situation

The Company is subject to the fiscal law in force in Luxembourg applicable to all commercial companies.

Note 30 – Consolidation

The accounts of the Company are included in the consolidated accounts of Telecom Italia S.p.A., which are available at its registered office located in Milano, Piazza degli Affari 2 and on the website <http://www.telecomitalia.com>

Telecom Italia S.p.A. accounts are not consolidated in the accounts of any other company.

According to the Board evaluation, none of TI Finance' subsidiaries have a material interest for the purposes of art 319 (paragraph 3) of the Law of August 10, 1915 on commercial companies. Hence the Company is exempted under article 317 of the aforesaid law from establishing consolidated accounts and a consolidated management report for the period ended June 30, 2013.

Note 31 – Directors remuneration

The Directors have not been remunerated in their capacity as Director during the first half 2013.

Note 32 – Staff

As of June 30, 2013 the company had 9 employees on its payroll (December 31, 2012 – 9). The average of employees during the fiscal period has been of 9 persons (2012 – 7,92).

Note 33 – Litigation

The Company has not been and is not involved in litigation.

Note 34 – Auditor's fees

During the first semester of 2013 a total of EUR 5.825,16 (VAT excluded) has been paid to PricewaterhouseCoopers, Société cooperative for the audit activity (in the first six months 2012 – EUR 3.545,50). No other amount has been paid to the Auditor.

Note 35 – Other information

The exchange rates used to translate the financial statements of foreign operations are summarized in the table here below.

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
<i>Local currency against 1 EUR</i>		
BRL (Brazilian real)	2,89800	2,70360
CHF (Swiss franc)	1,23380	1,20720
GBP (Pound sterling)	0,85720	0,81610
JPY (Japan Yen)	129,390	113,61000
RON (Romanian leu)	4,46030	4,44450
USD (U.S. dollar)	1,30800	1,31940

Declaration of the manager responsible for financial reporting

Pursuant to paragraph 4 of Luxembourg's Transparency Law, the undersigned Adriano Trapletti, Managing Director of the Company, to the best of his knowledge, hereby declares that the above interim financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and that the management report includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Adriano Trapletti
Managing Director