TIM S.p.A.
Form 6-K
November 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15D-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF NOVEMBER 2018

TIM S.p.A.

(Translation of registrant s name into English)

Via Gaetano Negri 1

20123 Milan, Italy

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F FORM 40-F

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

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

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

YES NO

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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INTERIM MANAGEMENT

REPORT AT

SEPTEMBER 30, 2018

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The Interim Management Report at September 30, 2018 was approved by resolution of the Board of Directors on November 8, 2018.

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

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

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THE TIM GROUP

THE BUSINESS UNITS

DOMESTIC

The Domestic Business Unit operates as the consolidated market leader in the sphere of voice and data services on fixed and mobile networks for final retail customers and other wholesale operators.	CORE DOMESTIC Consumer
Olivetti, which is now part of the Core Domestic business segment, operates in the area of office products and services for Information Technology.	Business
INWIT S.p.A. operates in the electronic communications infrastructure sector, specifically in relation to infrastructure for housing radio transmission equipment for mobile telephone networks, both for TIM and other operators.	Wholesale Other (INWIT S.p.A. and support structures)
In the international field, the Business Unit develops fiber optic networks for wholesale customers (in Europe, in the Mediterranean and in South America).	INTERNATIONAL WHOLESALE Telecom Italia Sparkle Group Telecom Italia Sparkle S.p.A. South American subsidiaries North American subsidiaries

European subsidiaries

BRAZIL

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

Tim Brasil Serviços e Participações S.A.

Tim Participações S.A.

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

Tim Celular S.A.

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BOARD OF DIRECTORS

Chairman	Fulvio Conti (independent)
Chief Executive Officer and General Manager	Amos Genish
Directors	Alfredo Altavilla (independent)
	Paola Bonomo (independent)
	Giuseppina Capaldo (independent)
	Maria Elena Cappello (independent)
	Massimo Ferrari (independent)
	Paola Giannotti de Ponti (independent)
	Luigi Gubitosi (independent)
	Marella Moretti (independent)
	Lucia Morselli (independent)
	Dante Roscini (Lead Independent Director)
	Arnaud Roy de Puyfontaine
	Rocco Sabelli (independent)
	Michele Valensise (independent)
Secretary to the Board	Agostino Nuzzolo

BOARD OF STATUTORY AUDITORS

Chairman	Roberto Capone
Acting Auditors	Giulia De Martino Anna Doro Marco Fazzini Francesco Schiavone Panni
Alternate Auditors	Andrea Balelli
	Antonia Coppola Franco Dalla Sega

Laura Fiordelisi

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ADOPTION OF THE NEW IFRS 9 AND IFRS 15 STANDARDS

This section provides an overview of the main elements of IFRS 9 (*Financial Instruments*) and IFRS 15 (*Revenue from Contracts with Customers*) and reports the impact of the application of the standards as of January 1, 2018.

IFRS 9 (FINANCIAL INSTRUMENTS)

On November 22, 2016, Commission Regulation (EU) No. 2016/2067 was issued, which adopted IFRS 9 (*Financial Instruments*) at EU level, relating to the classification, measurement, derecognition and impairment of financial assets and liabilities, and hedge accounting.

As permitted by IFRS 9, the TIM Group has opted for:

- the continued application of the hedge accounting requirements of IAS 39;
- the non-restatement of comparative information provided in the year of first application.

Commencing as of January 1, 2018, TIM has modified its approach to measuring impairment for financial assets (including trade receivables from customers). The incurred loss model required by IAS 39 has now been replaced by the expected credit loss model required by IFRS 9, and new classifications (and hence measurements) have been adopted for financial assets, which, in accordance with IFRS 9, are based on the business model chosen by the entity for their management and on the contractual cash flow characteristics of the financial assets. Under IAS 39, financial assets were classified (and hence measured) on the basis of their destination.

TIM Management has identified its business models for Group financial assets (other than trade receivables due from customers) on the basis of how the financial instruments are managed and their cash flows used. The purpose of the models is to ensure an adequate level of financial flexibility and to best manage, in terms of risks and returns, the financial resources immediately available to the Group through the treasuries of Group companies and in accordance with the strategies set forth by the Parent TIM.

The business models adopted by the TIM Group are:

- *Hold to Collect*: for financial instruments used to absorb temporary cash surpluses. Such instruments are low risk and mainly held to maturity, and are measured at amortized cost;
- *Hold to Collect and Sell*: for monetary instruments and bonds used to absorb short/medium-term cash surpluses. Such instruments are low risk and normally held to maturity, or sold to cover specific cash requirements, and are measured at fair value through other comprehensive income;

Hold to Sell: for monetary instruments, bonds, and equity trading instruments used for the dynamic management of cash surpluses, and which are not included under the other business models. Such instruments are higher risk and are bought and sold repeatedly over time, and are measured at fair value through profit or loss.

Financial assets other than trade receivables are tested for impairment by using a general model that measures expected credit losses over the following 12 months or over the entire residual life of the receivables in the event of a substantial increase in their credit risk.

For the management of trade receivables, TIM Management has identified different business models based on the specific nature of the receivables, the type of counterparty and collection times, in order to optimize the management of working capital through the constant monitoring of the payment performance of customers, the steering of credit collection policies, and the management of programs for the disposal and factoring of receivables, in line with financial planning needs.

The business models adopted by the TIM Group for managing trade receivables are:

Hold to Collect: receivables due from Corporate customers, the Public Sector, and OLOs, as well as other receivables from sundry invoicing. Such receivables are low risk and generally held to maturity, and are measured at amortized cost;

Hold to Collect and Sell: receivables due from Consumer and Small Business customers, sold on a massive and recurring basis. Such receivables are measured at fair value through other comprehensive income.

Impairment of trade receivables and contract assets is carried out through the simplified approach allowed by the standard. This approach involves estimating the expected loss over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.

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At the transition date (January 1, 2018), TIM has chosen to continue to report gains and losses from other investments (other than those in subsidiaries, associates and joint ventures) , classified under IAS 39 as available-for-sale financial assets and measured at fair value, through other comprehensive income, also under IFRS 9. As of January 1, 2018, the aforementioned other investments are therefore measured at fair value through other comprehensive income (FVTOCI). Only dividends from other investments are recognized through profit or loss, while all other gains and losses are recognized through other comprehensive income without reclassification to the separate income statement when the financial asset is disposed of or impaired as provided by IAS 39.

The different classification of financial assets had no substantial impact for the TIM Group on the measurement of those assets.

The comprehensive net impact (including income tax effects) of the adoption of IFRS 9 on consolidated equity at January 1, 2018 (transition date) was mainly due to higher impairment losses for expected credit losses on trade receivables, resulting from the transition from the incurred loss model required by IAS 39 to the expected credit loss model.

IFRS 15 (REVENUES FROM CONTRACTS WITH CUSTOMERS)

On September 22, 2016, Commission Regulation (EU) No. 2016/1905 was issued, which adopted IFRS 15 (*Revenues from contracts with customers*) and the related amendments at EU level. On October 31, 2017, clarifications to IFRS 15 were adopted through Commission Regulation (EU) No. 2017/1987.

IFRS 15 replaces the standards that formerly governed revenue recognition, namely IAS 18 (*Revenue*), IAS 11 (*Construction contracts*) and the related interpretations on revenue recognition (IFRIC 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers* and SIC 31 *Revenue Barter transactions involving advertising services*).

The TIM Group has applied the modified retrospective method with the recognition of the cumulative effect of the first-time application of the standard as an adjustment to the opening balance of equity for the period when the standard is adopted, without restating prior periods.

The adoption of IFRS 15 affected the recognition of revenues from fixed-line and mobile offers and the recognition of contract costs. The new standard does not affect cash flows. The main differences for the TIM Group with respect to the previous accounting standards applied (IFRS 15 vs. IAS 18, IAS 11 and relative Interpretations) concern:

- bundle offers (bundled good and services): the allocation of contract discounts to performance obligations under IFRS 15 brings forward in time the recognition of revenues, resulting in the recognition of a contract asset and, in some cases, the deferral of revenues, entailing the recognition of a contract liability;

- activation/installation revenues: under previous accounting policies, these were deferred over the expected duration of the customer relationship. IFRS 15 requires that such revenues given that they are not allocated to separate performance obligations are allocated to other contract obligations, bringing forward in time the recognition of the revenues;

contract costs (incremental costs of obtaining a contract and costs to fulfill a contract): under previous accounting policies, these costs were capitalized or deferred and recognized in the income statement on the basis of the expected duration of the contract and the type of customer. The approach is substantially confirmed under IFRS 15, with the exception of the reclassification of certain contract costs and the change in the types of costs considered, in some cases.

The comprehensive net impact (including tax effects) of the adoption of IFRS 15 on consolidated equity at January 1, 2018 (transition date) was not material and mainly connected with the combined effects of:

the change in the types of contract costs that are deferred;

the new approach to recognizing activation/installation revenues and the recognition of contract assets connected with the earlier recognition of revenues from bundle offers.

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IMPACTS OF THE ADOPTION OF IFRS 9 AND IFRS 15

Impacts on the consolidated statements of financial position at January 1, 2018 (transition date)

The impacts of the transition on the main line items of the consolidated statements of financial position are shown below.

(millions of euros)	12/31/2017 historical	IFRS 9 impacts	IFRS 15 impacts	1/1/2018 restated
Assets				
Non-current assets				
Intangible assets				
Intangible assets with a finite useful life	7,192		(110)	7,082
Other non-current assets				
Non-current financial assets	1,768			1,768
Miscellaneous receivables and other non-current assets	2,422		(269)	2,153
Deferred tax assets	993	27		1,020
Current assets				
Trade and miscellaneous receivables and other current assets	4,959	(147)	42	4,854
Current financial assets	5,005			5,005
Total Assets	68,783	(120)	(337)	68,326
Equity and Liabilities				
Equity				
Equity attributable to Owners of the Parent	21,557	(100)	17	21,474
Non-controlling interests	2,226	(7)	2	2,221
Total Equity	23,783	(107)	19	23,695
Non-current liabilities				
Miscellaneous payables and other non-current liabilities	1,678		(251)	1,427
Deferred tax liabilities	265	(11)	8	262
Current liabilities				

Trade and miscellaneous payables and other current liabilities	7,520		(113)	7,407
Current income tax payables	112	(2)		110
Total Equity and Liabilities	68,783	(120)	(337)	68,326

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Impacts of new accounting standards (IFRS 9 and IFRS 15) on the main line items of the separate consolidated income statements and the consolidated statements of financial position for the first nine months of 2018

To enable the financial position and performance for the first nine months of 2018 to be compared to corresponding figures for the previous year, below we show comparable income statement figures and comparable financial position figures, as measured on the basis of the previous accounting standards applied (IAS 39, IAS 18, IAS 11, and relative Interpretations).

The breakdown of the impact of the new accounting standards on key consolidated income statement figures for the first nine months of 2018 is shown below.

(millions of euros)		9 months to 9/30/2018 (a)	9 months to 9/30/2018 comparable (b)	Impact of new standards (c=a-b)
Revenues	(1)	14,077	14,217	(140)
Operating expenses	(2)	(8,499)	(8,387)	(112)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		5,778	6,030	(252)
Depreciation and amortization	(3)	(3,167)	(3,274)	107
Operating profit (loss) (EBIT)		617	762	(145)
Finance income/(expenses)	(4)	(1,047)	(1,041)	(6)
Profit (loss) before tax from continuing operations		(422)	(271)	(151)
Income tax expense	(5)	(254)	(306)	52
Profit (loss) for the period		(676)	(577)	(99)
Attributable to:				
Owners of the Parent		(868)	(770)	(98)
Non-controlling interests		192	193	(1)

The change in Revenues was attributable to the different accounting of bundle offers and activation/installation revenues and to the discounting of revenues from sales using the deferred payment method, using a discount rate reflecting the creditworthiness of customers.

The change in Operating expenses was mainly due to the deferral of certain subscriber acquisition costs and contract costs that were previously expensed and to the reclassification of some contract costs from intangible assets to other non-current and current assets (cost deferral), as well as higher provisions for expected losses on trade receivables, resulting from the introduction of an expected credit loss model (replacing the incurred loss model).

The change in Depreciation and amortization was due to the reclassification of certain contract costs from intangible assets to other non-current and current assets (cost deferral).

The change in Finance income (expenses) was due to higher provisions for expected losses on other financial assets, due to the introduction of an expected credit loss model (replacing the incurred loss model).

The change in Income tax expense shows the income tax effect of the changes illustrated above.

The ongoing refinements, also on supporting IT systems, related to the process of implementation of the new accounting standards, together with the large number of new commercial offers in recent months, have led - in the first nine months of 2018 - to a new allocation of the revenue over the year for some specific contractual cases in the fixed and mobile sectors.

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Reported below is the breakdown of the impact of the new accounting standards on key line items of the consolidated statements of financial position at September 30, 2018.

(millions of euros)	9/30/2018 (a)	9/30/2018 comparable (b)	impact of new standards (c=a-b)
Assets			
Non-current assets			
Intangible assets	33,611	33,723	(112)
Tangible assets	15,783	15,783	