


# Results for the first half and second quarter 2018

24<sup>th</sup> July 2018, Vienna



# Cautionary statement

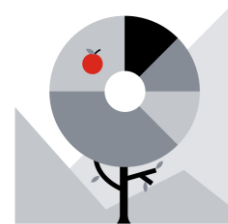
'This presentation contains forward-looking statements. These forward-looking statements are usually accompanied by words such as 'believe', 'intend', 'anticipate', 'plan', 'expect' and similar expressions. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither A1 Telekom Austria Group nor any other person accepts any liability for any such forward-looking statements. A1 Telekom Austria Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations. This presentation does not constitute a recommendation or invitation to purchase or sell securities of A1 Telekom Austria Group.'

All figures are stated according to IAS 18 if not stated otherwise. To reflect the performance on an operational basis, the proforma figures present comparison figures for previous periods as if M&A transactions executed between the start of the comparison period and the end of the reporting period had already been fully consolidated in the relevant months of the comparison period. Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, which do not contain proforma figures, as well as the reconciliation tables provided in the Earnings Release.

# Key financial developments for the first half and second quarter 2018

# Q2 2018: Sound operational trends continued with strong EBITDA contribution from CEE markets

Group (in EUR million)	Reported Q2 2018	Proforma Q2 2017	% change
Total revenues	1,099.3	1,084.7	1.3%
EBITDA	356.4	359.7	-0.9%
CAPEX	168.1	171.5	-2.0%



- Group total revenues increased by 1.3% on a proforma basis, mainly driven by higher equipment revenues and solid retail fixed-line performance. All markets show growing service revenues in local FX except for Slovenia.
- Decline in EBITDA of 0.9% but slight increase (+0.2%) on an adjusted\* basis with strong contributions from CEE markets compensating for A1 Digital investments.
  - Additionally, the strong comparison period Q2 2017 was also positively impacted by project-driven revenues as well as reversal of accruals and positive effects on the equipment margin in Austria.\*\*

\*Adjusted figures exclude one-off and FX effects as well as restructuring charges

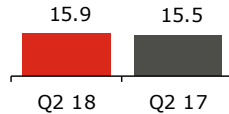
\*\*These factors are not considered in the adjusted performance.

- One-off effects: EUR +2.4 mn (Q2 2017: EUR +0.4 mn) in revenues and EUR +2.9 mn (Q2 2017: EUR +0.4 mn) in EBITDA
- FX effects: Negative EUR 12.7 mn and EUR 6.7 mn in revenues and EBITDA respectively in Q2 2018
- Restructuring charges: EUR 0.1 mn in Q2 2018 (EUR 0.2 mn in Q2 2017)

# Austria: Solid operational performance driven by retail fixed-line; EBITDA almost stable despite strong comparable Q2 2017

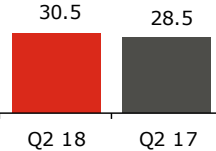
## ARPU (in EUR)

Δ: +2.9%



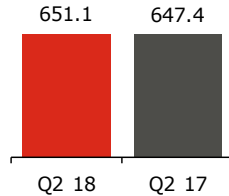
## ARPL (in EUR)

Δ: +7.2%



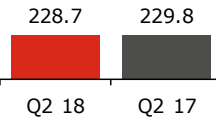
## Total revenues (in EUR mn)

Δ: +0.6%



## EBITDA (in EUR mn)

Δ: -0.5%



## Operational data

- Postpaid subscriber base grew by 3.0% driven by ongoing high demand for mobile WiFi routers and high-value tariffs
- ARPU also rose due to mobile WiFi routers and increased high-value customer share despite the drag from roaming
- Higher ARPL due to fixed-line price increase in August 2017 as well as strong demand for higher bandwidth and TV options
- 2.1% RGU decrease mostly driven by voice; broadband RGUs year-on-year lower almost entirely driven by the price increase

## Financial performance

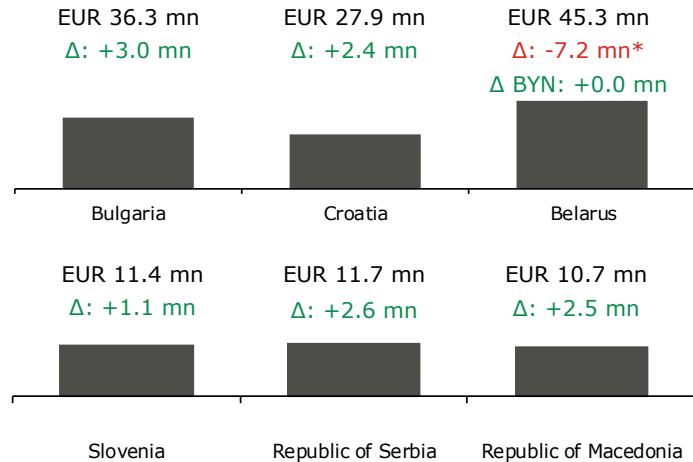
- Total revenues increased, driven by growth in retail fixed-line and retail mobile service revenues offsetting lower fixed-line interconnection
- OPEX increased, mainly driven by equipment costs which rose due to more expensive handsets and higher quantities as well as product-related costs like commissions
- Subsidies per handset were increased to use market opportunities and prevent churn; total subsidies increased also due to higher quantities
- EBITDA slightly declined by 0.5%, due to the positive impact from project-driven revenues and reversals of accruals in Q2 2017 as well as higher subsidies in Q2 2018



# Higher equipment revenues and solid service revenue trends in most CEE countries, negative FX impact in Belarus

## EBITDA

(proforma, in EUR mn)



\* Proforma view including M&A impact in EBITDA in Q2 2017 of EUR 0.3 mn in Belarus

## Highlights CEE

### Bulgaria:

- Equipment and fixed-line service revenue growth, mobile service revenues rose slightly
- EBITDA rose as higher sales force costs were more than outweighed by higher revenues

### Croatia:

- Rising mobile service revenues driven by strong demand for mobile WiFi routers; growth also in fixed-line service revenues
- Strong EBITDA also supported by lower bad debts

### Belarus:

- Local currency revenues benefit from rising equipment revenues and fixed-line revenues
- Higher costs due to FX denominated cost positions like frequency fees led to lower EBITDA
- FX-impact: EUR 15.6 mn on revenues and EUR 7.3 mn on EBITDA

### Other segments:

- Ongoing strong competition in mobile while fixed-line business is stable in Slovenia, EBITDA higher due to positive non-operative impact in equipment margin
- In Serbia EBITDA continues to profit from strong service revenue trends
- EBITDA margin expansion from 29.4% to 35.9% in Macedonia

# Operational improvement, less interest and CAPEX paid led to strong growth in free cash flow

(in EUR million)	Q2 2018	Q2 2017	% change	1-6 M 2018	1-6 M 2017	% change
Net cash flow from operating activities	330.8	314.2	5.3%	600.1	576.1	4.2%
Capital expenditures paid	-178.6	-169.4	5.5%	-366.4	-378.2	-3.1%
Proceeds from sale of plant, property and equipment	1.8	1.6	10.7%	4.3	10.1	-57.7%
Interest paid	-31.0	-32.1	-3.7%	-32.3	-56.1	-42.4%
<b>Free Cash Flow</b>	<b>123.0</b>	<b>114.4</b>	<b>7.6%</b>	<b>205.7</b>	<b>151.9</b>	<b>35.4%</b>

- 1-6 M 2018 free cash flow increased by 35.4% y-o-y, driven by
  - lower interest paid due to bond repayments and the use of favourable refinancing
  - lower capital expenditures paid y-o-y mainly driven by less investments in the first half of 2018
  - better operational performance
- Changes in working capital and other financial positions of EUR 101.7 mn (EUR 123.8 mn in 1-6 M 2017) stemming from
  - EUR 34.0 mn increase in accounts receivable
  - EUR 25.9 mn other assets (mostly instalment plans)
  - EUR 13.8 mn prepaid expenses
  - EUR 48.7 mn payments for restructuring

# Focus Points

A large, dense cluster of hanging light bulbs is the background for the lower half of the slide. The bulbs are of various sizes and are suspended by black cords. Some bulbs are illuminated, casting a warm, yellowish glow, while others are dark and unlit. The overall effect is a textured, bokeh-like pattern of light and shadow.



# Bulgaria: Strengthening of market position supported by rebranding and new products

## Mtel is now A1

- Start in May 2018
- Shop redesign
- Good acceptance of My A1 App



## Extended fixed-line portfolio

- Own sports channel: MAX Sport
- 70% of TV gross adds take MAX Sport
- Smart Home launched in June 2018



## Meet customer demand for cash and carry

- Net cubes (+101% yoy)
- TV box launched in March 2018



# Paving the way for future-proof mobile networks – preparing the network for 5G deployment

## Status and plan of 4.5G and Pre-5G for 2018

<b>Austria</b>	<ul style="list-style-type: none"><li>▪ <b>4xCarrier Aggregation</b> trial and deployment</li><li>▪ <b>NB-IoT</b> deployment</li><li>▪ <b>mMIMO**</b> trial</li></ul>
<b>Bulgaria</b>	<ul style="list-style-type: none"><li>▪ <b>4x4 MIMO** deployment</b> on LTE 1,800 MHz</li><li>▪ <b>2,100 MHz refarming</b></li><li>▪ <b>5G (mmWave*) demo</b> planned</li></ul>
<b>Croatia</b>	<ul style="list-style-type: none"><li>▪ <b>FMS***</b> trial (with outdoor CPE****) on LTE</li><li>▪ <b>4xCarrier Aggregation</b> deployment in high capacity areas</li></ul>
<b>Belarus</b>	<ul style="list-style-type: none"><li>▪ <b>NB-IoT</b> deployment</li></ul>
<b>Serbia &amp; Slovenia</b>	<ul style="list-style-type: none"><li>▪ <b>4xCarrier Aggregation</b> deployment</li><li>▪ <b>FMS***</b> trial (with outdoor CPE****) in Slovenia</li></ul>

\* mmWave: millimeter wave

\*\* MIMO: Multiple Input Multiple Output; mMIMO: massive MIMO

\*\*\* FMS: Fixed mobile substitution

\*\*\*\* CPE: Customer premises equipment

Republic of Macedonia: No update; carrier aggregation already implemented

## What's to follow

- Enabling intelligent transport networks which identify weak spots and reroute data
- Applying edge datacenters for low latency applications to increase speed and offload core network
- Adapting Hybrid Cloud for balancing clouds
- Enabling agile OSS systems
- Virtualizing network elements

# Frequency spectrum auctions for 3.5 GHz planned for 2018 and 2019 in Austria

## 1 3.5 GHz Frequency Auction 2018/19

*Earliest start in November 2018:*

### **Band 42 – 3.4-3.6 GHz**

- 3,410 – 3,600 MHz
- 190 MHz TDD frequency band
- Available as of 1 January 2020

### **Band 43 – 3.6-3.8 GHz**

- 3,600 – 3,800 MHz
- 200 MHz TDD frequency band
- Immediately available after auction
  
- EUR 30.5 mn minimum offer for entire spectrum expected
- Spectrum caps in auction design limits A1's bids to ~40% of entire spectrum

## 2 Multiband Auction 2019

*Start of auction not before Q2 2019:*

### **Band 28 – 700 MHz**

- 703 – 733 MHz and 758 – 788 MHz
- 2 x 30 MHz FDD band
- DVB-T2 services until end of 2022

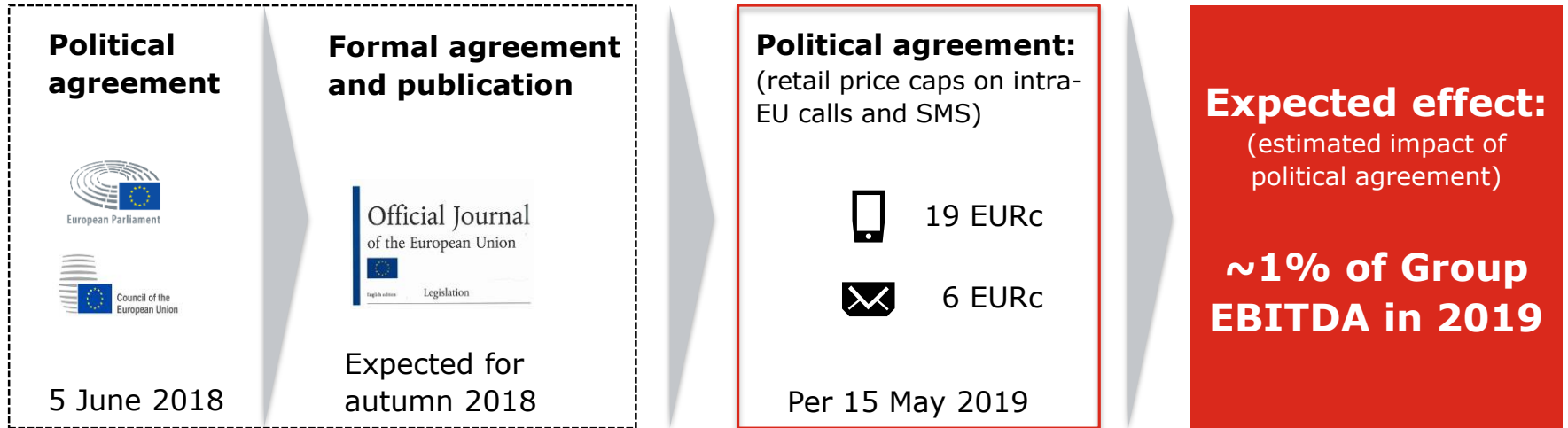
### **Band 32 – 1,500 MHz (Downlink Boost)**

- 1,452 – 1,492 MHz (core band)
- 40 MHz supplementary DL frequency band

### **Band 1 – 2,100 MHz Renewal**

- 1,920 – 1,980 MHz & 2,110 – 2,170 MHz
- 2 x 60MHz FDD band (UL and DL separated)

# Agreement at EU level on retail price caps on intra-EU calls and SMS to be effective as of 15 May 2019



# Outlook for the full year 2018

A complex network graphic consisting of numerous white and blue nodes connected by thin lines, set against a dark blue background with blurred red and orange bokeh lights.

# A1 Telekom Austria Group outlook for the full year 2018 unchanged

	17 July 2018	Consensus 2018
Total revenues	+1-2%	EUR 4,421 mn
CAPEX	~ EUR 750 mn	EUR 754 mn
Proposed dividend	EUR 0.20 / share	-

- Outlook based on reported figures; assumed devaluation of BYN vs. EUR: ~10%
- CAPEX: does not include investments in spectrum or acquisitions
- Dividend: intended proposal to the Annual General Meeting 2019 for the financial year 2018

# Appendix 1

The background of the slide is a dark blue field filled with a complex network diagram. The diagram consists of numerous white and blue nodes connected by thin, glowing lines. Some nodes are highlighted with a bright orange glow, and there are several large, out-of-focus red and orange bokeh lights scattered throughout the scene, creating a sense of depth and connectivity.

# The leading regional communications player providing convergent telecommunication services

as of 30 June 2018 (in '000)



## Austria

**Mobile market position #1**

**Mobile subscriber:**

- 5,284 (Q2 2017: 5,364)

**Fixed access lines:**

- 2,086 (Q2 2017: 2,160)



## Bulgaria

**Mobile market position: #1**

**Mobile subscriber:**

- 3,974 (Q2 2017: 4,101)

**Fixed access lines:**

- 532 (Q2 2017: 536)



## Croatia

**Mobile market position #2**

**Mobile subscriber:**

- 1,801 (Q2 2017: 1,782)

**Fixed access lines:**

- 294 (Q2 2017: 305)



## Belarus

**Mobile market position #2**

**Mobile subscriber:**

- 4,862 (Q2 2017: 4,856)

**Fixed access lines:**

- 423 (Q2 2017: 179)



## Slovenia

**Mobile market position #2**

**Mobile subscriber:**

- 694 (Q2 2017: 714)

**Fixed access lines:**

- 71 (Q2 2017: 70)



## Republic of Serbia

**Mobile market position #3**

**Mobile subscriber:**

- 2,173 (Q2 2017: 2,159)



## Republic of Macedonia

**Mobile market position #1**

**Mobile subscriber:**

- 1,062 (Q2 2017: 1.088)

**Fixed access lines: one.vip**

- 155 (Q2 2017: 144)



# A1 Telekom Austria Group – Profit and Loss

(in EUR million)	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>% change</b>
Service Revenues	949.8	944.5	0.6%
Equipment Revenues	123.2	116.6	5.7%
Other operating income	26.3	21.8	20.4%
<b>Total Revenues</b>	<b>1,099.3</b>	<b>1,082.9</b>	<b>1.5%</b>
Cost of Service	-342.8	-342.7	0.0%
Cost of Equipment	-144.0	-128.9	-11.7%
Selling, General & Administrative Expenses	-253.9	-251.0	-1.1%
Others	-2.1	-1.0	-110.0%
<b>Total Costs and Expenses</b>	<b>-742.9</b>	<b>-723.6</b>	<b>-2.7%</b>
<b>EBITDA</b>	<b>356.4</b>	<b>359.3</b>	<b>-0.8%</b>
<i>% of Total Revenues</i>	<i>32.4%</i>	<i>33.2%</i>	
Depreciation and Amortisation	-260.8	-212.8	-22.5%
Impairment and Reversal of Impairment	0.0	0.0	n.a.
<b>EBIT</b>	<b>95.6</b>	<b>146.5</b>	<b>-34.8%</b>
<i>% of Total Revenues</i>	<i>8.7%</i>	<i>13.5%</i>	
<b>EBT (Earnings Before Income Taxes)</b>	<b>79.8</b>	<b>123.1</b>	<b>-35.2%</b>
<b>Net Result</b>	<b>58.0</b>	<b>112.5</b>	<b>-48.4%</b>

# A1 Telekom Austria Group – Total revenues & costs and expenses per segment

## A1 Telekom Austria Group - Total Revenue Split

Total Revenues (in EUR million)	Q2 2018	Q2 2017	% change
Austria	651.1	647.4	0.6%
Bulgaria	110.5	103.3	7.0%
Croatia	110.0	108.6	1.3%
Belarus	97.7	101.9	-4.1%
Slovenia	54.7	53.5	2.1%
Republic of Serbia	59.1	54.2	9.2%
Republic of Macedonia	29.8	28.0	6.6%
Corporate & other, eliminations	-13.7	-14.0	2.2%
<b>Total Revenues</b>	<b>1,099.3</b>	<b>1,082.9</b>	<b>1.5%</b>

## A1 Telekom Austria Group - Costs and Expenses Split

Costs and Expenses (in EUR million)	Q2 2018	Q2 2017	% change
Austria	422.4	417.6	1.1%
Bulgaria	74.2	69.9	6.0%
Croatia	82.1	83.1	-1.2%
Belarus	52.4	49.6	5.5%
Slovenia	43.3	43.3	0.0%
Republic of Serbia	47.4	45.0	5.3%
Republic of Macedonia	19.1	19.7	-3.2%
Corporate & other, eliminations	2.0	-4.8	n.m.
<b>Total Operating Expenses</b>	<b>742.9</b>	<b>723.6</b>	<b>2.7%</b>

# A1 Telekom Austria Group – Headcount development

FTE (Average Period)	Q2 2018	Q2 2017	% change
Austria	8,200	8,285	-1.0%
International	10,349	10,059	2.9%
Corporate	351	256	37.3%
<b>A1 Telekom Austria Group</b>	<b>18,900</b>	<b>18,600</b>	<b>1.6%</b>

FTE (End of Period)	Q2 2018	Q2 2017	% change
Austria	8,182	8,274	-1.1%
International	10,383	10,050	3.3%
Corporate	352	256	37.7%
<b>A1 Telekom Austria Group</b>	<b>18,917</b>	<b>18,580</b>	<b>1.8%</b>

# A1 Telekom Austria Group – Capital expenditure split

Capital Expenditures (in EUR million)	Q2 2018	Q2 2017	% change
Austria	112.7	100.2	12.4%
Bulgaria	13.5	25.2	-46.4%
Croatia	22.6	20.2	11.7%
Belarus	4.4	10.3	-56.8%
Slovenia	4.2	4.6	-10.0%
Republic of Serbia	5.5	9.2	-40.1%
Republic of Macedonia	4.6	4.0	13.0%
Corporate & other, eliminations	0.7	-2.5	n.m.
<b>Total Capital Expenditures</b>	<b>168.1</b>	<b>171.3</b>	<b>-1.8%</b>
thereof Tangible	144.6	138.6	4.3%
thereof Intangible	23.5	32.6	-27.9%

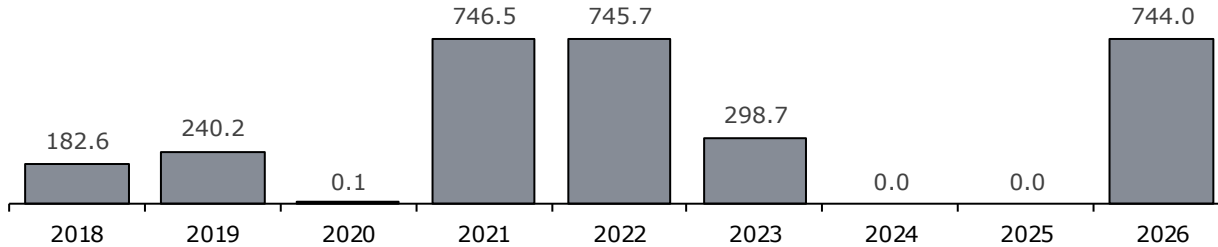
# A1 Telekom Austria Group – Net debt

## per 30 June 2018

Net Debt (in EUR million)	30 June 2018	31 December 2017	% change
Long-term Debt	2,535.1	2,533.6	0.1%
Short-term Borrowings	422.7	0.6	n.m.
Cash and Cash Equivalents and Short-term Investments	-63.7	-202.4	68.5%
<b>Net Debt of A1 Telekom Austria Group</b>	<b>2,894.1</b>	<b>2,331.8</b>	<b>24.1%</b>

EUR 600 mn 5 years hybrid bond qualified as 100% equity under IFRS  
 – called and redeemed at the first call date (1 February 2018)

# A1 Telekom Austria Group – Debt maturity profile as of 30 June 2018

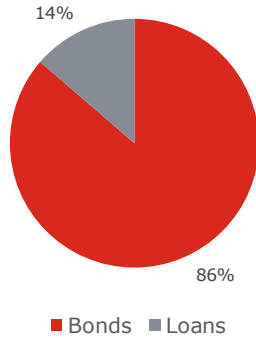


- EUR 2,957.8 mn short-and long-term borrowings as of 30 June 2018
- Average cost of debt of approximately 2.52%
- Cash and cash equivalents and short-term investments of EUR 63.7 mn
- Average term to maturity of 4.5 years

# A1 Telekom Austria Group – Debt profile

as of 30 June 2018

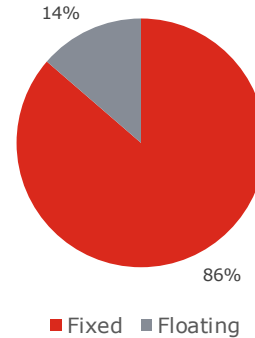
## Overview debt instruments



### Lines of credit

- Undrawn committed credit lines amounting to EUR 1,315 mn
- Average term to maturity of approx. 1.1 years

## Fixed/floating mix



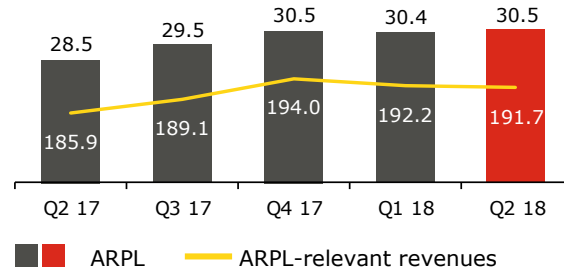
### Ratings

- S&P: BBB (positive outlook)
- Moody's: Baa1 (stable outlook)

# Segment Austria – Fixed-line key performance indicators

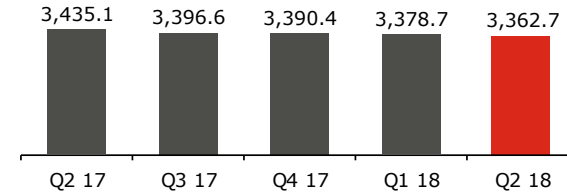
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



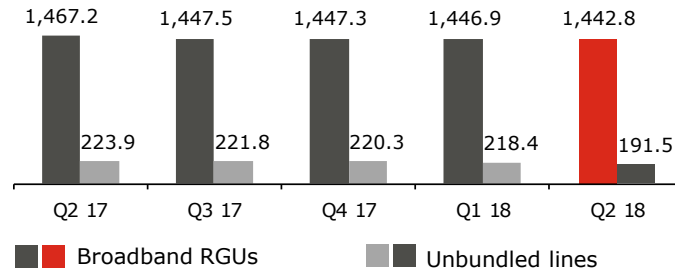
## Total RGUs

(in '000)



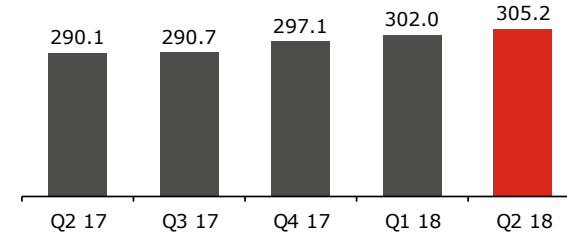
## Broadband RGUs/unbundles lines

(in '000)



## TV RGUs

(in '000)

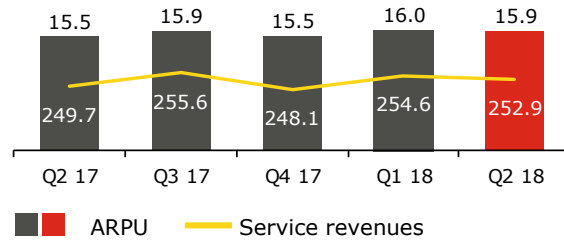




# Segment Austria – Mobile key performance indicators

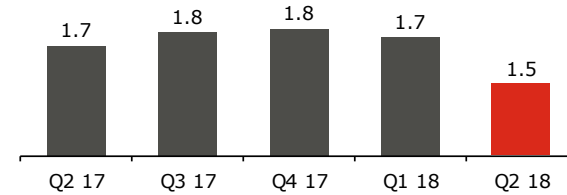
## ARPU & Service revenues

(in EUR, in EUR million)



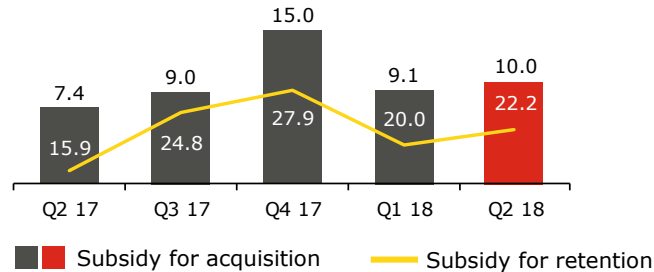
## Churn rate

(in %)



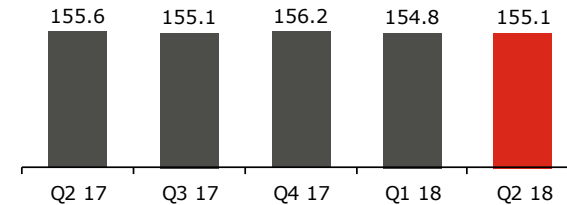
## Subsidies

(in EUR million)



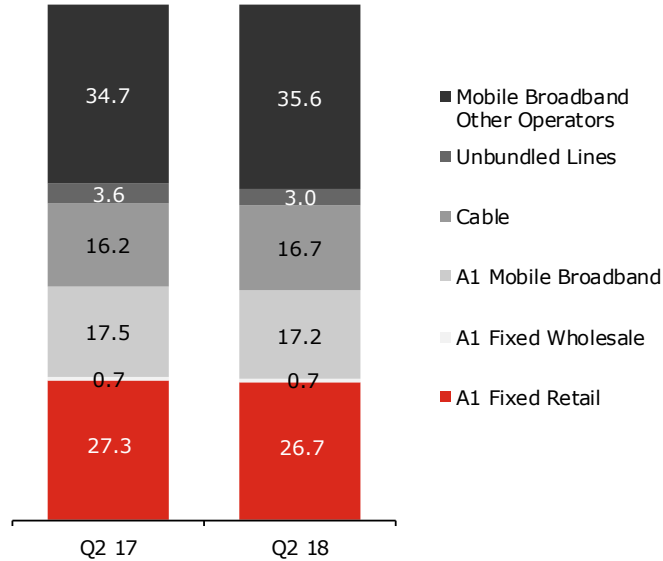
## Mobile penetration

(in %)

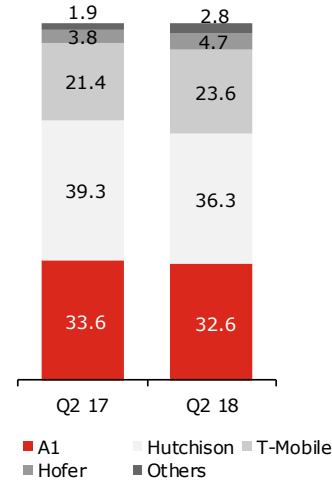


# Segment Austria – Broadband market split

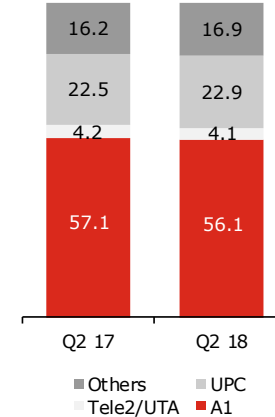
Market share total broadband  
(in %)



Market share mobile broadband  
(in %)

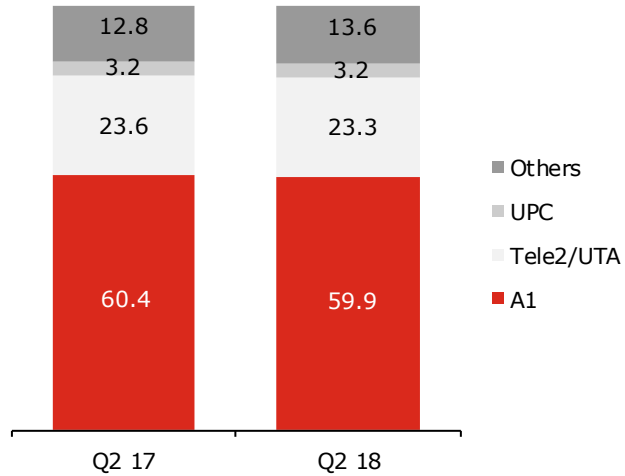


Market share fixed-line broadband  
(in %)



# Segment Austria – Voice market split

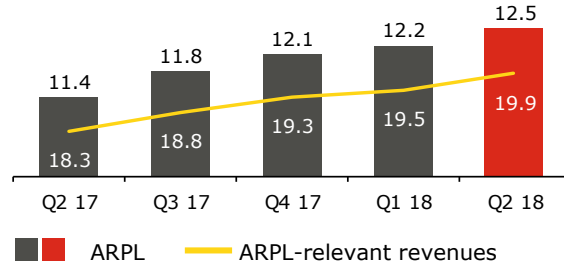
## Market share voice RGUs (in %)



# Segment Bulgaria – Fixed-line key performance indicators

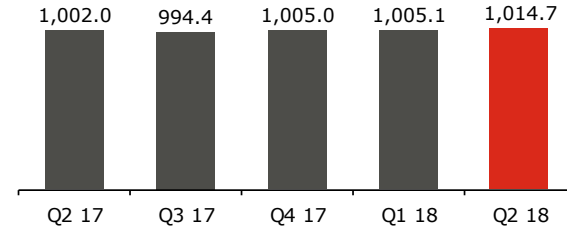
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



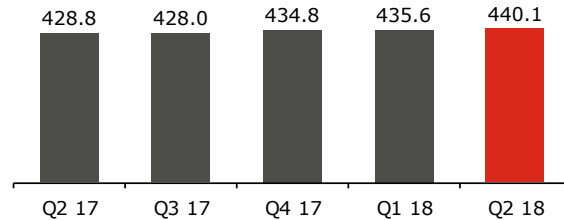
## Total RGUs

(in '000)



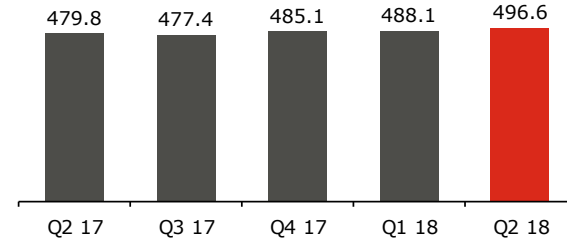
## Fixed Broadband RGUs

(in '000)



## TV RGUs

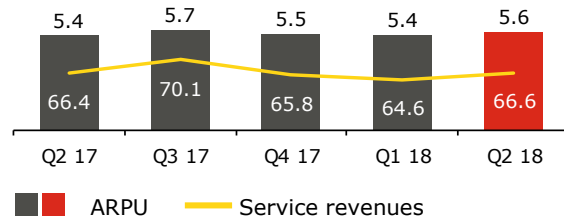
(in '000)



# Segment Bulgaria – Mobile key performance indicators

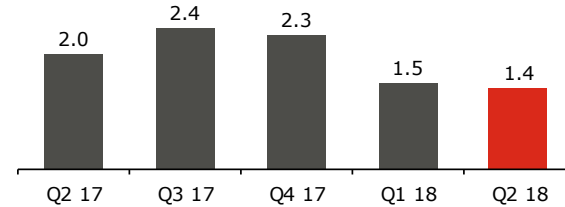
## ARPU & Service revenues

(in EUR, in EUR million)



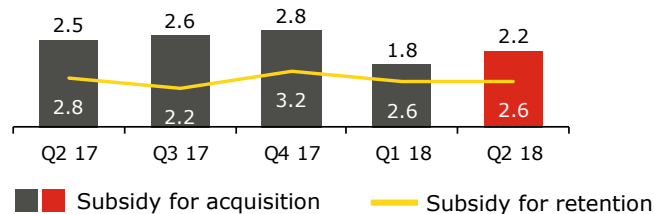
## Churn rate

(in %)



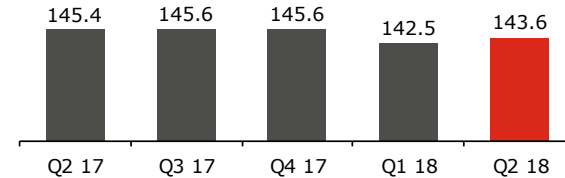
## Subsidies

(in EUR million)



## Mobile penetration

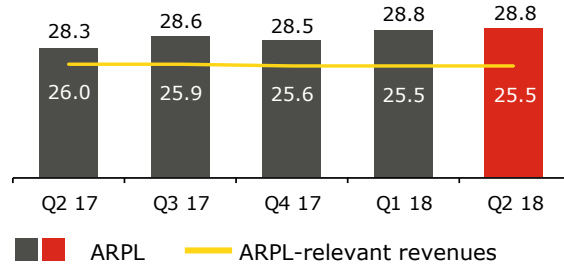
(in %)



# Segment Croatia – Fixed-line key performance indicators

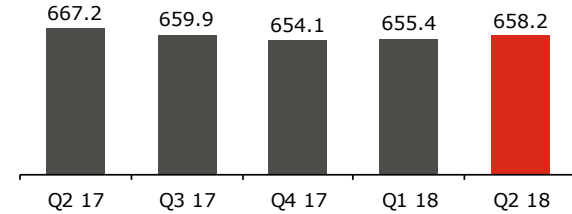
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



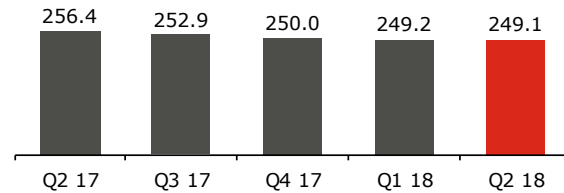
## Total RGUs

(in '000)



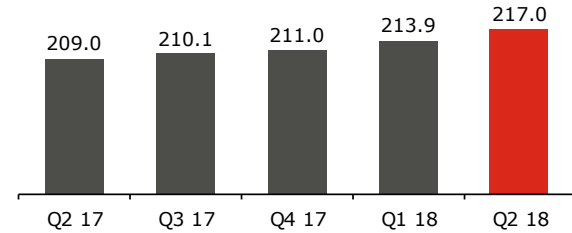
## Fixed Broadband RGUs

(in '000)



## TV RGUs

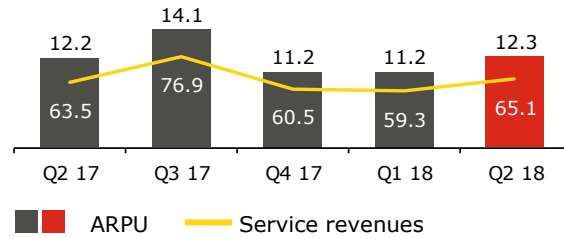
(in '000)



# Segment Croatia – Mobile key performance indicators

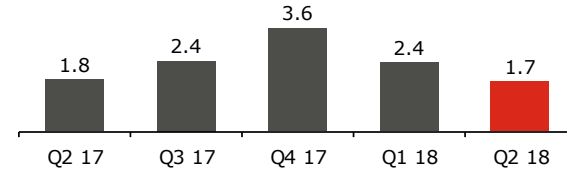
## ARPU & Service revenues

(in EUR, in EUR million)



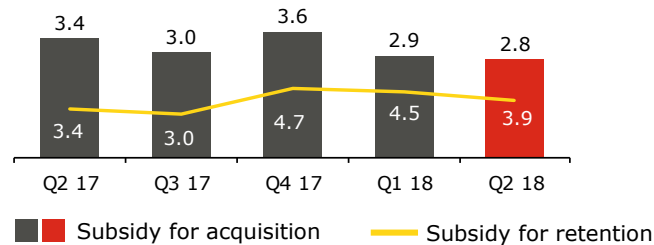
## Churn rate

(in %)



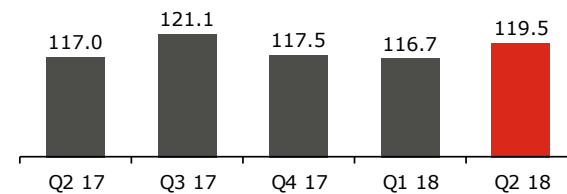
## Subsidies

(in EUR million)



## Mobile penetration

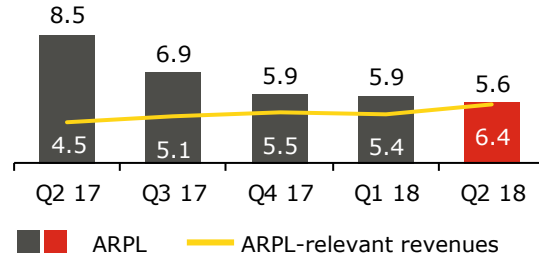
(in %)



# Segment Belarus – Fixed-line key performance indicators

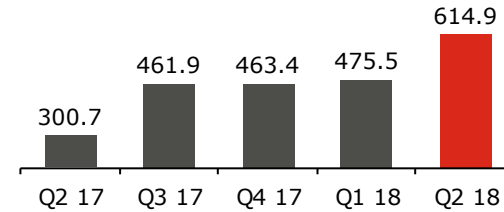
## ARPL & ARPL-relevant revenues\*

(in EUR, in EUR million)



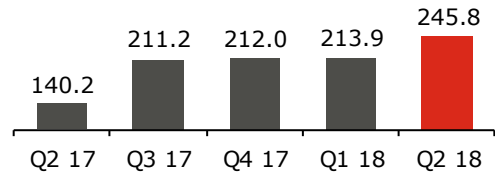
## Total RGUs\*

(in '000)



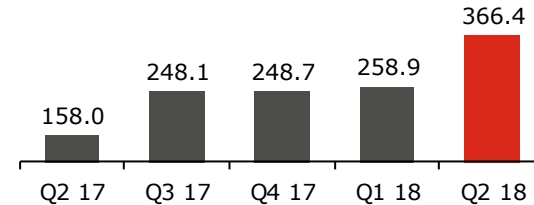
## Fixed Broadband RGUs\*

(in '000)



## TV RGUs\*

(in '000)



\*Reported RGUs and ARPL in Belarus affected by the acquisitions of the fixed-line providers Garant (Gomel), consolidated as of 1 August 2017, and Vitebsk Garant, consolidated as of 1 May 2018.

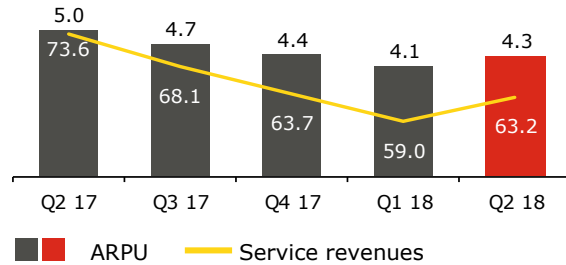




# Segment Belarus – Mobile key performance indicators

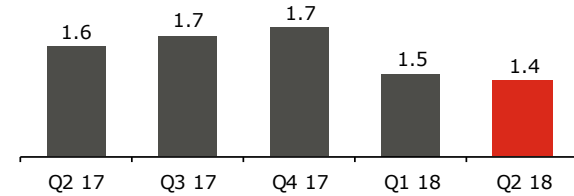
## ARPU & Service revenues

(in EUR, in EUR million)



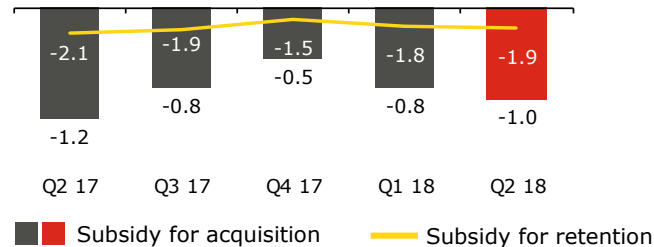
## Churn rate

(in %)



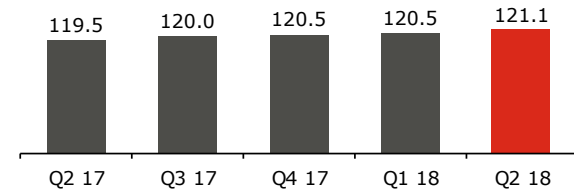
## Subsidies

(in EUR million)



## Mobile penetration

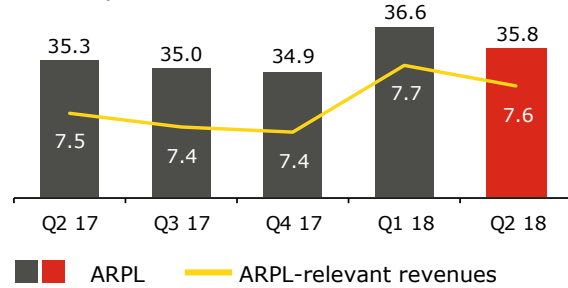
(in %)



# Segment Slovenia – Fixed-line key performance indicators

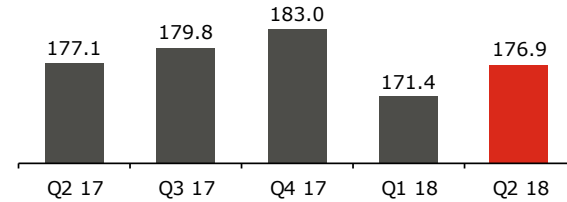
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



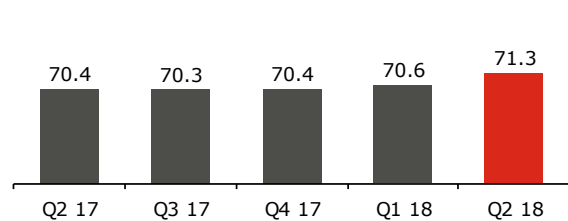
## Total RGUs

(in '000)



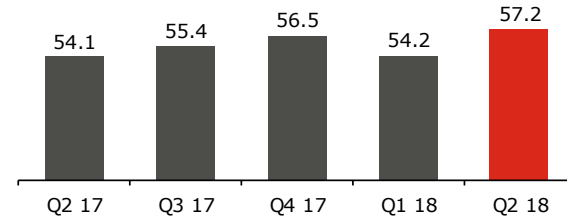
## Fixed Broadband RGUs

(in '000)



## TV RGUs

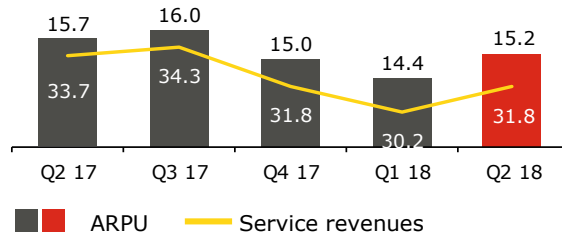
(in '000)



# Segment Slovenia – Mobile key performance indicators

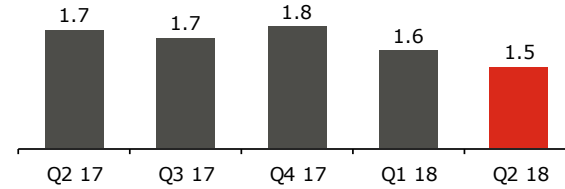
## ARPU & Service revenues

(in EUR, in EUR million)



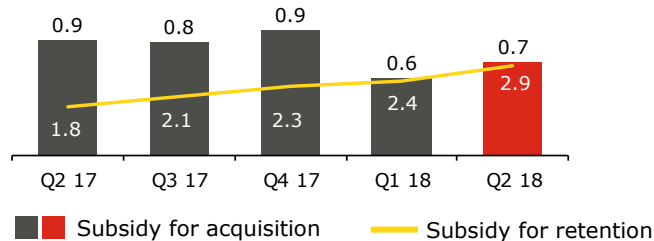
## Churn rate

(in %)



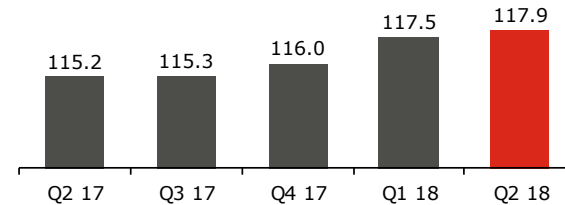
## Subsidies

(in EUR million)



## Mobile penetration

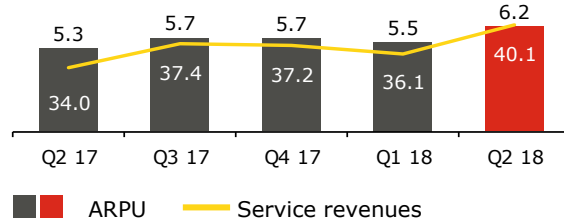
(in %)



# Segment Serbia – Mobile key performance indicators

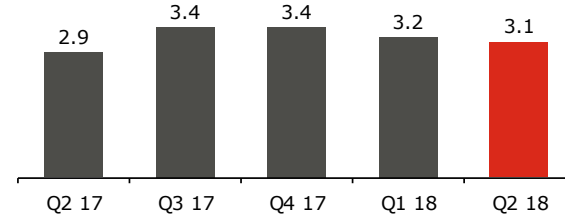
## ARPU & Service revenues

(in EUR, in EUR million)



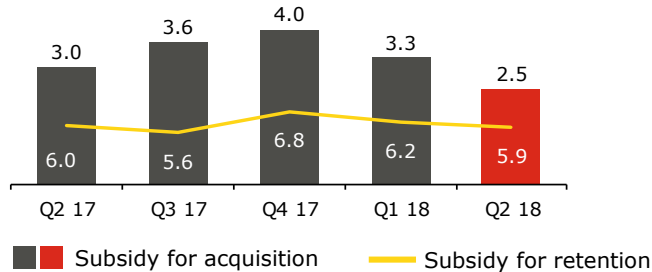
## Churn rate

(in %)



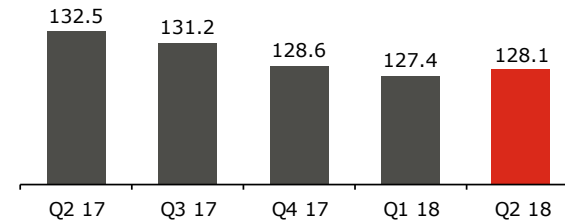
## Subsidies

(in EUR million)



## Mobile penetration

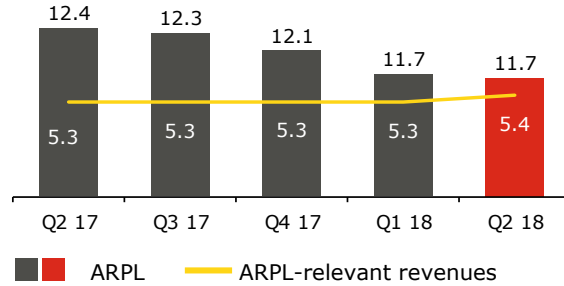
(in %)



# Segment Macedonia – Fixed-line key performance indicators

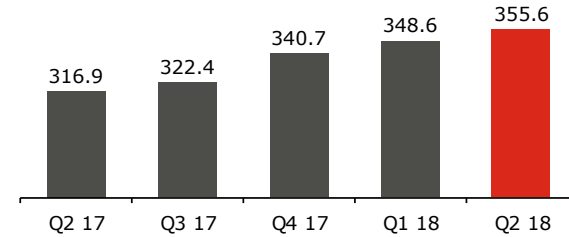
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



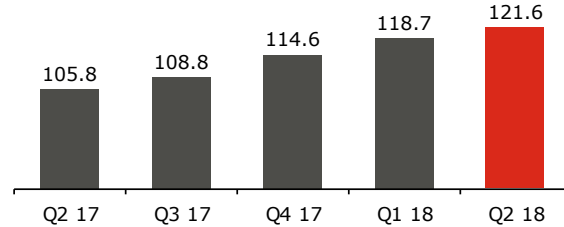
## Total RGUs

(in '000)



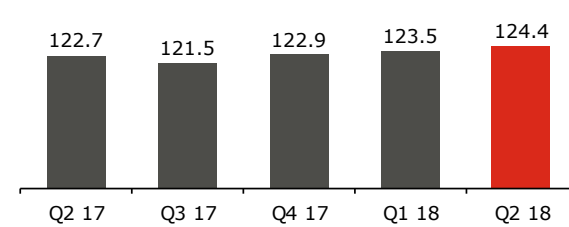
## Fixed Broadband RGUs

(in '000)



## TV RGUs

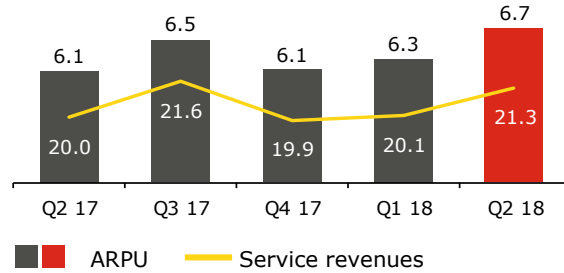
(in '000)



# Segment Macedonia – Mobile key performance indicators

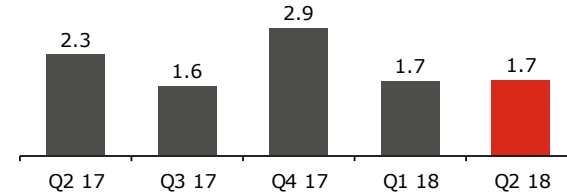
## ARPU & Service revenues

(in EUR, in EUR million)



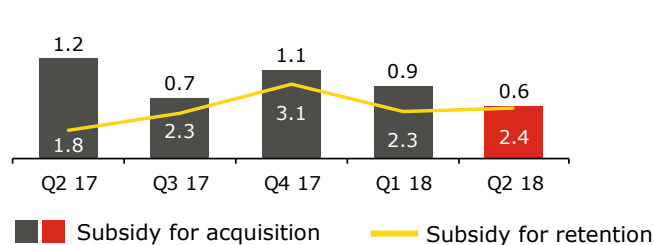
## Churn rate

(in %)



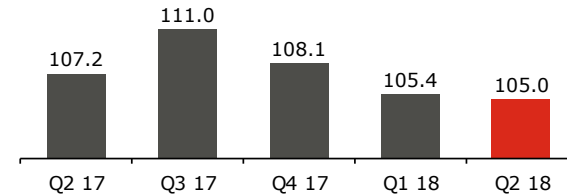
## Subsidies

(in EUR million)



## Mobile penetration

(in %)



# Appendix 2 – Regulatory topics

The background of the slide is a dark blue gradient with a complex network diagram. The diagram consists of numerous white and blue nodes connected by thin lines, creating a web-like structure. There are also several bright red and orange bokeh-like light spots scattered throughout the background, adding a sense of depth and activity.

# Glide Path of Mobile Termination Rates

	Jul 2015	Jan 2016	Jul 2016	Jan 2017	Jul 2017	Jan 2018
Austria (EUR)	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049
Bulgaria (BGN)	0.019	0.019	0.019	0.014	0.014	0.014
Croatia (HRK)*	0.063	0.063	0.063	0.063	0.047	0.047
Belarus (BYN)**	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009
Slovenia (EUR)	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114
Serbia (RSD)	3.43	3.43	2.75	2.07	2.07	1.43
Macedonia (MKD)	0.90	0.90	0.90	0.63	0.63	0.63

\* National and International EU/EEA MTRs stated as regulated. International MTRs differ between EU/EEA and non-EU/EEA originating country.

Non-EU/EEA MTR for Croatia: HRK 1.73/min -> HRK 2.00/min in Apr 2016

\*\* Belarus values: prime time/downtime. MTS: Mobile TeleSystems; BeST: Belarus Telecommunications Network



# Upcoming spectrum tenders/prolongations/ assignments\*

	Expected	Comments
Austria	2018 (3400-3800 MHz) 2019 (700, 1500, 2100 MHz) 2020 (1500, 2300 MHz)	Beginning of 3400–3800 Mhz auction not before Q3 2018.
Bulgaria	2018-2019 (800, 1800, 2100 MHz) 2020 (2600, 3400-3800 MHz)	An agreement between mobile operators, NRA and ministry of defense will be signed in order to start test in 800 MHz.
Croatia	2018 (2100 MHz) 2018-2019 (3500 MHz, 26 GHz) 2020 (700 MHz)	-
Belarus	2018 (2100 MHz) 2019 (700 MHz)	
Slovenia	2018 (700 MHz) 2019 or later (1400, 2300, 3500 MHz) 2021 (2100 MHz)	700 MHz: Subject to international coordination of clearing that band.
Republic of Serbia	2020 (700, 2600, 3500 MHz)	-
Republic of Macedonia	2020 (700 MHz) 2022 (1800 MHz) 2023 (900 MHz) 2028 (2100 MHz)	-

\* Please note that this is a list of expected spectrum awards procedures. Whether Telekom Austria Group is planning and sees a need to participate and acquire spectrum in the above-mentioned procedures the Group is not permitted to comment on.

# EU roaming price regulation

RETAIL (in EURc)	July 2014	30 April 2016	15 June 2017		
Data (per MB)	20	domestic tariff + 5*	domestic tariff		
Voice-calls made (per minute)	19	domestic tariff + 5*	domestic tariff		
Voice-calls received (per minute)	5	weighted average MTR	0		
SMS (per SMS)	6	domestic tariff + 2*	domestic tariff		
WHOLESALE (in EURc)	July 2014	30 April 2016	15 June 2017	1 January 2018	1 January 2019
Data (per MB)	5	5	0.77	0.6	0.45
Voice (per minute)	5	5	3.2	3.2	3.2
SMS (per SMS)	2	2	1	1	1

\* Sum of the domestic retail price and any surcharge applied for regulated roaming calls made, regulated roaming SMS messages sent or regulated data roaming services shall not exceed EUR 0.19 per minute, EUR 0.06 per SMS message and EUR 0.20 per megabyte used. Any surcharge applied for calls received shall not exceed the weighted average of maximum mobile termination rates across the Union.

The background of the slide is a dark blue and purple gradient with a complex network diagram. The diagram consists of numerous white and blue nodes connected by thin lines, creating a web-like structure. There are also some blurred red and orange bokeh lights scattered throughout the background.

# Appendix 3 – Personnel restructuring in Austria

# Overview – Restructuring charges and provision vs. FTE

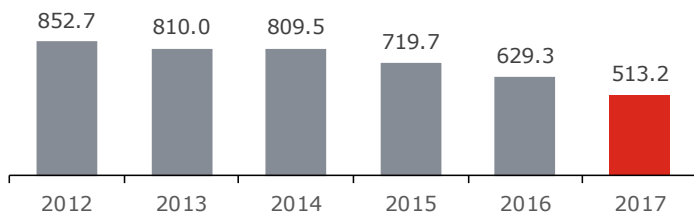
## Overview restructuring charges

(in EUR million)

	2012	2013	2014	2015	2016	2017
FTE reduction	49.9	149.0	86.4*	69,5**	95.0	9.1
Servicekom contribution	-76.7	-103.8	-39.4	-72.0	-96,9***	-27.3
Interest rate adjustments	61.4	0.0	42.6	2.9	9.2	0.0
<b>Total</b>	<b>34.7</b>	<b>45.2</b>	<b>89.6</b>	<b>0.4</b>	<b>7.2</b>	<b>-18.2</b>

## Overview restructuring provision\*\*\*\*

(in EUR million)



## FTEs addressed

	2012	2013	2014	2015	2016	2017
Transfer to government	44	22	52	49	6	3
Social plans	94	409	199	270	269	31
Staff released from work	0	0	0	0	0	0
<b>Total</b>	<b>138</b>	<b>431</b>	<b>251</b>	<b>319</b>	<b>275</b>	<b>34</b>

## Provisioned FTEs

	2012	2013	2014	2015	2016	2017
Transfer to government	308	330	242	205	193	176
Social plans	1,030	1,315	1,460	1,661	1,821	1,707
Staff released from work	510	410	350	253	200	172
<b>Total</b>	<b>1,848</b>	<b>2,055</b>	<b>2,052</b>	<b>2,119</b>	<b>2,214</b>	<b>2,055</b>

\* Including EUR 15.0 mn due to the judgment of the European Court of Justice from 11 November 2014 regarding the remuneration and legal rights of civil servants ('Vorrückungsstichtag')

\*\* Restructuring expenses include a positive one-off effect in the amount of EUR 21.6 mn in Q4 2015 stemming from a settlement.

\*\*\* EUR -30.7 mn in restructuring charges in total in Q3 (EUR -29.0 mn) and Q4 2016 (EUR -1.7 mn) stemming from a revaluation of the restructuring provision due to changed underlying parameters

\*\*\*\* Including liabilities for transfer of civil servants to government bodies since 2010

# Overview – Cash flow impact of restructuring

## Overview cash flow impact (in EUR million)

### Total cash flow impact

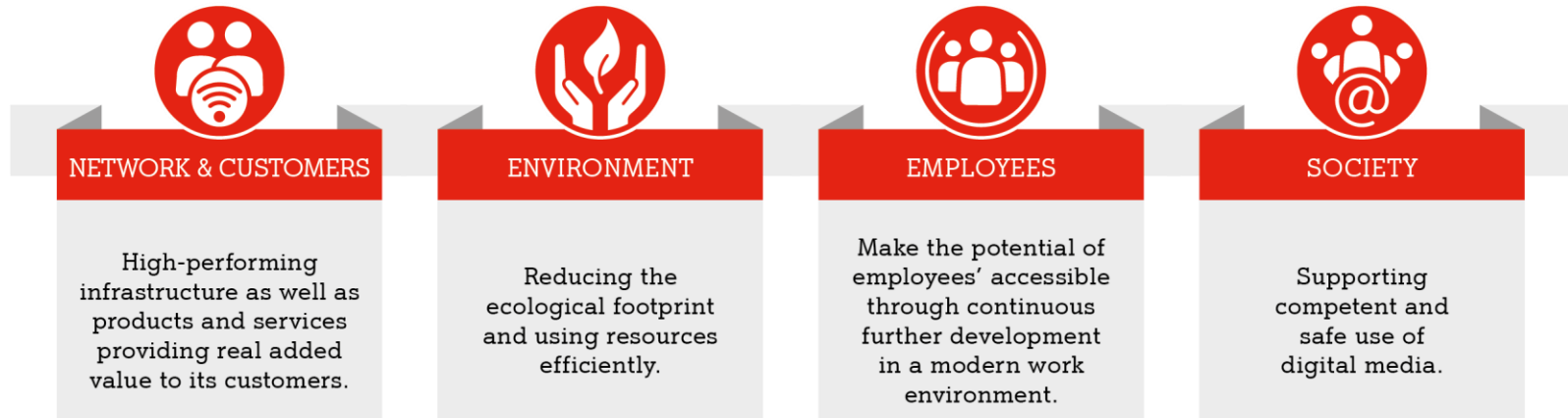
2013	108.0
2014	107.1
2015	101.9
2016	105.5
2017	102.4
Q1 2018	24.3
Q2 2018	23.5

- Total cash flow impact comprises old and new programmes
- Cash flow impact for Q2 2018 of EUR 23.5 mn
- Expected cash flow impact for 2018 of approximately EUR 100 mn

The background of the slide is a dark blue and purple gradient with a complex network of glowing nodes and connecting lines. The nodes are small circles in white, blue, and red, and the lines are thin and light blue. The overall effect is a digital or molecular network structure.

# Appendix 4 – Corporate sustainability

# Alignment with core business and materiality analysis define sustainability strategy



# Key figures – Corporate Sustainability

## Selected group-wide KPIs

<b>Environment</b>	<b>2017</b>
Total CO <sub>2</sub> emissions (Scope 1+2 market-based in tonnes)	218,488
Energy efficiency index (in Mwh/terabyte)	0,2
Paper consumption (in kg)	1,614,058
Collected old mobile phones (in pcs)	73,860
E-billing share (in %)	72
<b>Employees</b>	<b>2017</b>
Share of female employees (in %)	38
Share of female executives (in %)	36
<b>Society</b>	<b>2017</b>
Participations in trainings on media literacy	28,817
Local projects	over 30

## Ratings



Classification: B-



Classification: B-



## Indices



FTSE4Good

## Memberships

