



Roadshow Presentation

Full year and fourth quarter 2016

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 Telekom Austria nor any other person accepts any liability for any such forward-looking statements. Telekom Austria 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 Telekom Austria.'



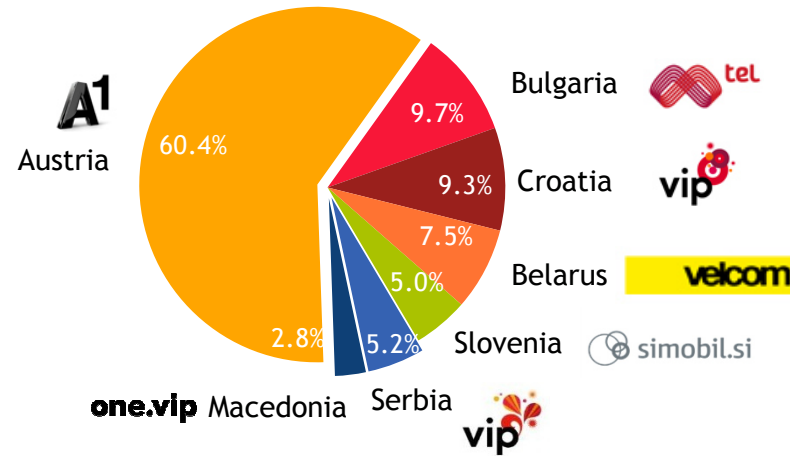
Telekom Austria Group key facts

4.21 BN
Revenues as of year-end 2016

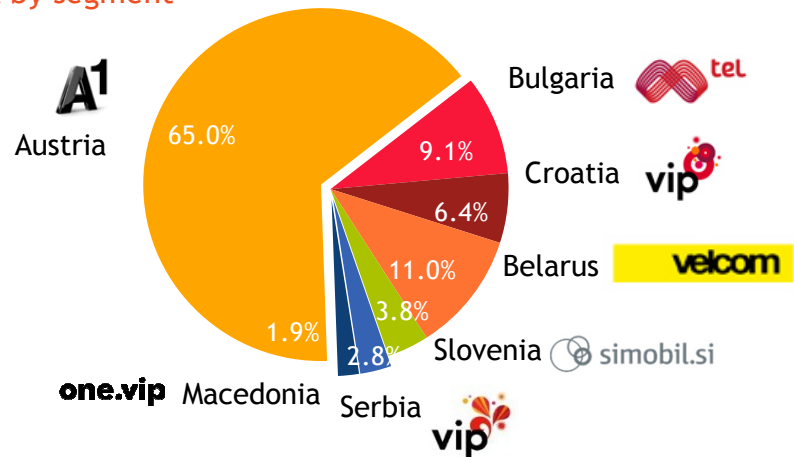
24M
Customers in seven countries

1.35 BN
EBITDA as of year-end 2016

Revenue by segment^(a)



EBITDA by segment^(a)



Notes: (a) For Full Year 2016. Breakdown does not show corporate, others and eliminations.

The leading regional communications player providing convergent telecommunication services

as of 31 December 2016 (in '000)

Austria

Mobile market position #1

Mobile subscriber:

> 5,972 (Q4 2015: 5,804)

Fixed access lines:

> 2,203 (Q4 2015: 2,237)



Slovenia

Mobile market position #2

Mobile subscriber:

> 714 (Q4 2015: 709)

Fixed access lines:

> 70 (Q4 2015: 66)



Belarus

Mobile market position #2

Mobile subscriber:

> 4,945 (Q4 2015: 4,957)

Fixed access lines:

> 179 (Q4 2015: n.a.)



Croatia

Mobile market position #2

Mobile subscriber:

> 1,720 (Q4 2015: 1,734)

Fixed access lines:

> 285 (Q4 2015: 257)



Bulgaria

Mobile market position: #1

Mobile subscriber:

> 4,108 (Q4 2015: 4,236)

Fixed access lines:

> 543 (Q4 2015: 539)



Republic of Serbia

Mobile market position #3

Mobile subscriber:

> 2,145 (Q4 2015: 2,109)



Republic of Macedonia

Mobile market position #1

Mobile subscriber:

> 1,104 (Q4 2015: 1,164)

Fixed access lines:

> 142 (Q4 2015: 145)



Telekom Austria Group Strategy - Overview

Excel in the Core Business	Expansion of Products & Services	Growth via M&A
<ul style="list-style-type: none">• Improved sales execution with increased cross-/ upselling• Continuous optimisation of customer service• Infrastructure leadership	<ul style="list-style-type: none">• Enlargement of IT solutions for corporate customers• Wholesale services & international sales• Product solutions for the entire household	<ul style="list-style-type: none">• Consolidation of existing markets• Continuation of convergence strategy• Expansion into new markets

Increase cost and investment efficiency



Cash-use policy: Strengthening of the financial position, fibre roll-out and growth projects

Conservative financial strategy define investment framework

Ratings Baa2 from Moody's and BBB from Standard & Poor's strengthen financial flexibility

A

Fibre roll-out in Austria

- > Investments of EUR 400 mn in 2015-2018
- > Target: Bandwidths of 30 Mbps for over 70% of households

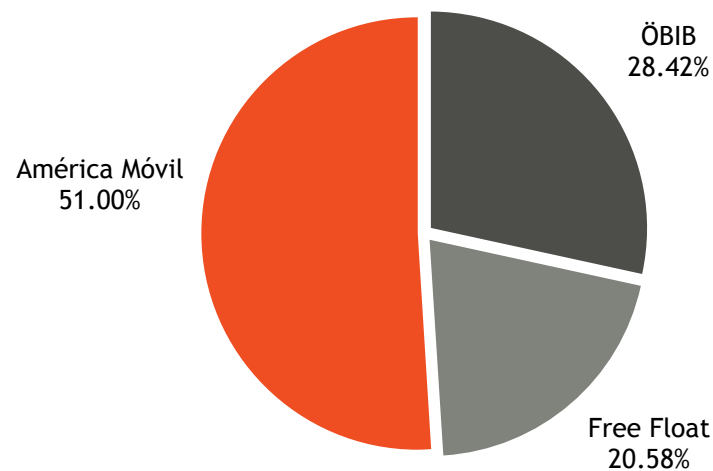
B

Flexibility for M&A activities

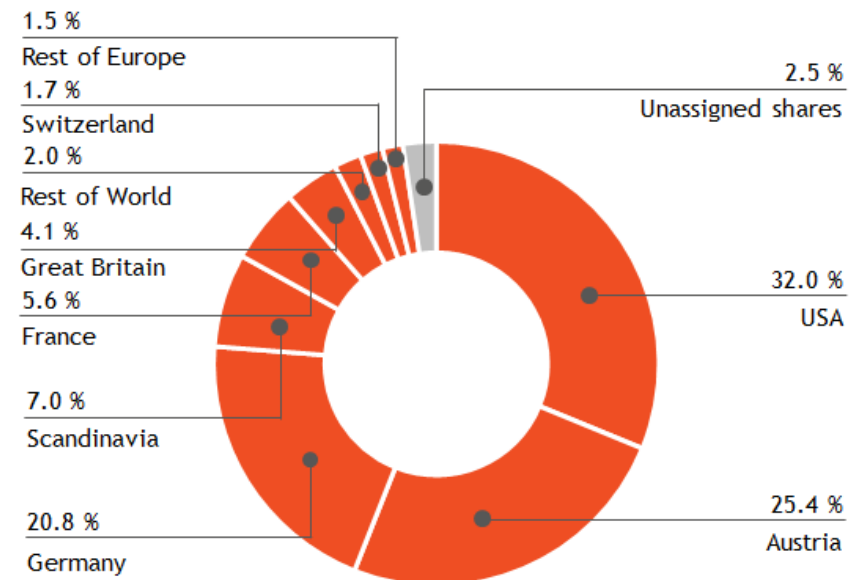
1. Market consolidation
2. Convergence
3. Expansion of the existing footprint

Shareholder structure as of 31 December 2016

Two strong core shareholders



Freefloat by nationality



In its Q2 2016 earnings release América Móvil announced that it sold a part of its stake in Telekom Austria to the market in line with the commitments under the Syndicate Agreement entered into with ÖBIB.



Operational and financial highlights for the full year 2016

FY 2016 - Increasing operative revenues and EBITDA reflect strong operational development in 2016

Revenues (proforma*)	EUR 4,211.5 mn / -0.5% yoy
EBITDA (proforma*)	EUR 1,354.3 mn / -2.6% yoy
Net income (reported)	EUR 413.2 mn / +5.2% yoy
Capex (reported)	EUR 764.1 mn / -2.6% yoy

One-off effects in revenues 2015:	EUR 40.5 mn positive (EUR 30.0 mn Slovenia, EUR 10.5 mn Austria)
FX effects in revenues 2016:	EUR 78.8 mn negative
<hr/>	
	Σ EUR 119.3 mn negative net effect
One-off effects in EBITDA 2015:	EUR 62.1 mn positive (EUR 40.5 mn revenues, EUR 21.6 mn EBITDA)
One-off effects in EBITDA 2016:	EUR 21.4 mn positive
FX effects in EBITDA 2016	EUR 37.0 mn negative
<hr/>	
	Σ EUR 77.7 mn negative net effect

* Proforma figures include effects of M&A transactions executed between the start of the comparison period and the end of the reporting period.

Operational highlights 2016 & Outlook 2017

Operations in 2016 strengthened

- > Mobile customer base stable
- > 1.3% proforma RGU growth driven by CEE countries due to attractive fixed-line propositions
- > Revenues benefit from strong demand for smartphones and better service revenue trends
- > EUR 38 mn neg. roaming impact on Group EBITDA in line with expectations
- > Rising margins on an adj. basis reflect successful cost savings
- > M&A transactions strengthen fixed-line business in Croatia and Belarus

* Outlook based on reported numbers and constant currencies except for Belarus

Outlook 2017*

Revenues: approx. + 1% y-o-y
CAPEX: approx. EUR 725 mn
Dividend: EUR 0.20 / share

- > Strong competition in Austria as well as in smaller mobile markets expected to remain
- > Macro and FX (BYR-EUR) still a potential risk
- > Similar roaming effect as in 2016 expected
- > Fixed-line expected to be supportive in most convergent markets

Key financial developments for the fourth quarter 2016

Q4 2016: Adjusted EBITDA growth due to improved service revenues and cost savings

Group (in EUR million)	Reported Q4 2016	Proforma Q4 2015	% change
Total revenues	1,098.2	1,107.9	-0.9%
EBITDA	275.1	334.1	-17.7%
CAPEX	226.7	323.5	-29.9%

- > Proforma Group total revenues declined by 0.9% y-o-y and grew by 1.6% y-o-y excluding one-off and FX effects* mainly due to increasingly better trends in service revenues
- > Negative roaming impact due to stepwise abolition of EU retail roaming as per 30 April 2016 in line with expectations and mostly impacting Austria
- > Proforma Group EBITDA driven by one-offs, FX effects and restructuring charges: 2.4% EBITDA increase excl. those effects*, due to operational improvements and successful cost savings despite negative roaming impact

*Adjusted values exclude one-off & FX effects and restructuring (in EBITDA)

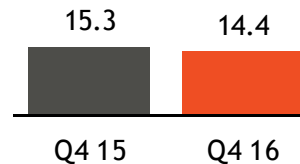
- Revenues: positive EUR 20.5 mn one-off effects in Q4 15 (EUR 10.5 mn in Austria; EUR 10.0 mn in Slovenia)
- EBITDA: positive EUR 20.5 mn one-off effects in Q4 15 in revenues; additionally negative EUR 26.8 mn restructuring charges in Q4 16 vs. positive EUR 16.6 mn in Q4 15 (incl. EUR 21.6 mn positive one-off effect in Q4 15 and a negative impact in Q4 16 resulting from a revaluation in Q3 16)
- Negative FX effects in Q4 2016: EUR 7.1 mn and EUR 2.4 mn in revenues and EBITDA

Austria: OPEX efficiency more than compensates for roaming losses

ARPU

(in EUR)

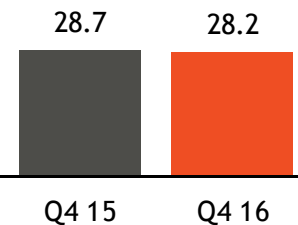
Δ: -6.0%



ARPL

(in EUR)

Δ: -1.9%

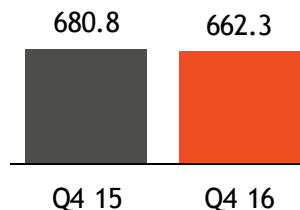


Total revenues

(in EUR mn)

Δ: -2.7%

Adjusted*: -1.2%

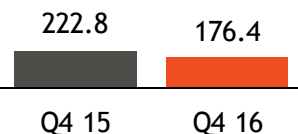


EBITDA

(in EUR mn)

Δ: -20.8%

Adjusted**: +3.8%



Operational data

- > Stable subscriber base (excl. M2M) as increase in high-value segment almost offsets no-frills loss
- > Stable operative ARPU excl. roaming due to increased high-value share & indexation
- > Stable ARPL excl. one-off 2015 due to strong demand for higher bandwidth and TV products
- > RGUs decrease by 1.1% driven by voice

Financial performance

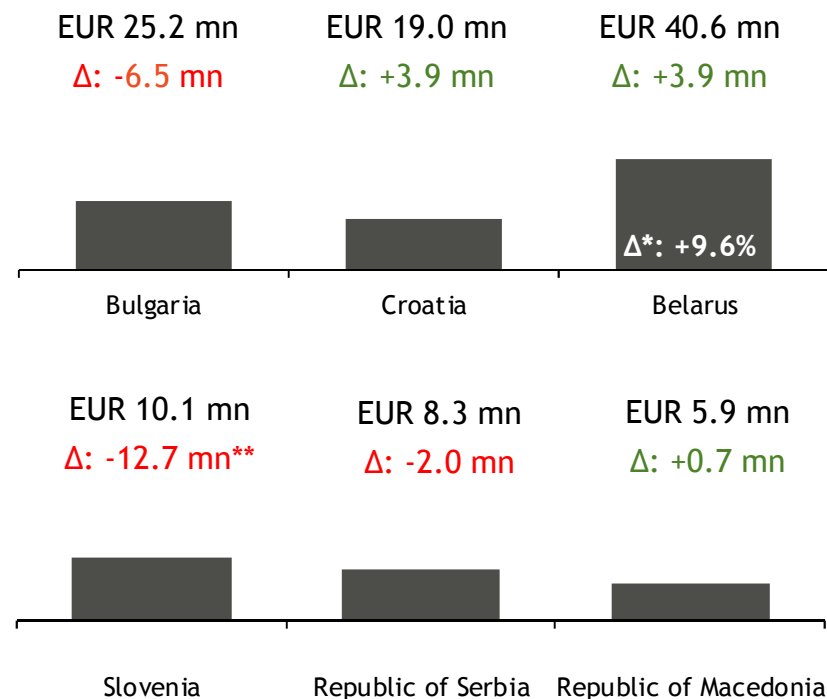
- > Wireless service revenues excl. roaming rise due to higher fixed fees & tariff indexation
- > Restructuring charges rise by EUR 43.3 mn y-o-y due to intra-year shift and one-off in Q4 2015
- > Operational costs benefit from lower equipment costs and general cost cutting
- > Adjusted EBITDA rises by 3.8%

* Adjusted values exclude one-offs mentioned on Slide 7: Postive EUR 10.5 mn in revenues in Q4 2015 and restructuring charges in Q4 2016 (EUR 26.8 mn negative) and Q4 2015 (EUR 16.6 mn positive)

CEE: Ongoing improvement in service revenue trends; EBITDA impacted by market-related costs

EBITDA

(reported, in EUR mn)



* Proforma view including M&A impact of EUR 0.4 mn in EBITDA in Q4 2015

** EUR 10.0 mn positive effect in Q4 2015 in revenues in Slovenia

Highlights CEE

Bulgaria:

- > 2.6% growth in total revenues benefits from higher equipment revenues & operational improvements: both mobile and fixed-line service revenues increased
- > Higher costs due to increase in cost of equipment and intensified sales initiatives

Croatia:

- > Ongoing operational improvement: Growth in both mobile and fixed-line service revenues
- > Higher OPEX due to increase in cost of equipment, wholesale and content costs

Belarus:

- > Ongoing strong development on a local currency basis and also declining FX-impact: EUR -7.3 mn on revenues and EUR -2.5 mn on EBITDA
- > Market position strengthened further following fixed-line acquisition as of 1 December 2016

Other segments:

- > Strong competition in Slovenia** and Rep. of Serbia

Build-up in working capital stabilised in Q4 in a year-on-year comparison

(in EUR million)	Q4 2016	Q4 2015	% change	1-12 M 2016	FY 2015	% change
Net cash flow from operating activities	327.7	228.4	43.5%	1,195.5	1,228.4	-2.7%
Capital expenditures paid	-194.4	-205.4	-5.3%	-816.5	-731.1	11.7%
Proceeds from sale of plant, property and equipment	3.5	5.0	-29.3%	18.9	10.7	76.6%
Interest paid	-35.3	-30.0	17.5%	-166.0	-155.8	6.6%
Free Cash Flow	101.5	-2.0	n.m.	232.0	352.2	-34.1%

- > Q4 2016: Decline in working capital needs compared to the same period last year
- > In a year-on-year comparison, the reduction in free cash flow was caused by higher CAPEX paid in 1-12M 2016 and lower cash flow from operating activities. Build-up in working capital needs in 2016 almost at last year's level, primarily driven by
 - > payments for restructuring
 - > higher income taxes paid (one-off effect in Slovenia in 2015: +EUR 30 mn)
 - > higher receivables due to instalment sales
- > Higher CAPEX paid due to generally higher CAPEX in 1-12M 2016 driven by Belarus (solar power plant) and Austria (fibre network) as well as payments for spectrum investments in Serbia from Q4 2015

Focus points

Acquisitions of Atlant in Belarus and Metronet in Croatia to strengthen fixed-line positioning



Belarus

- > Atlant is leading privately owned fixed-line operator in Belarus
- > Products offered
 - > IPTV and cable TV
 - > Broadband (up to 75 Mbps)
 - > Movie and music library services

Consolidated as of 1 December 2016



Metronet

Croatia

- > ~90% corporate customers
- > Present in 66 cities (reaching 85% of all business customers)
- > Products offered:
 - > Broadband
 - > Managed IT & cloud services
 - > Voice

Closing expected for Q1 2017

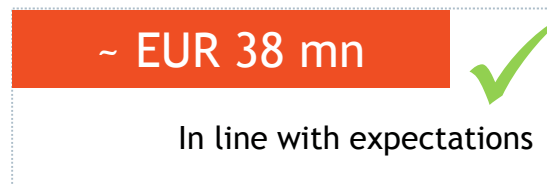
Key figures FY 2015

~ EUR 16 mn	Revenues	~ EUR 28 mn
~ EUR 4 mn	EBITDA	~ EUR 12 mn
171,700 (broadband and TV)	Customers	4,300

Results for the full year and fourth quarter 2016

EUR 38 mn negative roaming impact on EBITDA in 2016 overshadowed operative improvement

Roaming impact EBITDA 2016

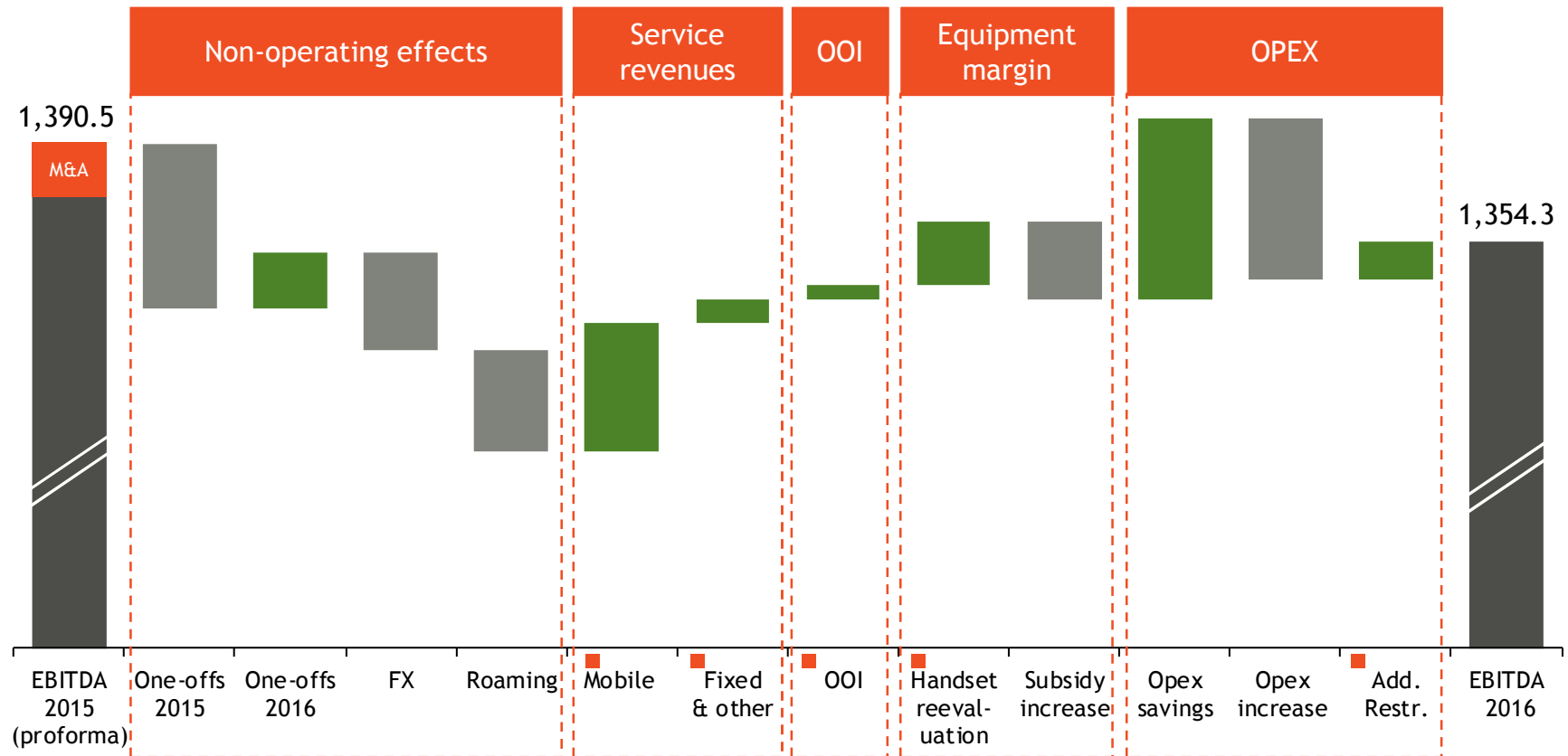


- > Higher than expected elasticity, especially for data
- > Roaming impact in Group EBITDA for 2017 expected to be at 2016 level

Open legislative issues - Wholesale Roaming Regulation

- > Trialogue negotiations on Wholesale roaming between European Commission, European Parliament and EU Member States on 18 January failed to reach an agreement
- > Negotiations will resume in February, political agreement is needed by February 2017 in order to get „Roam like at Home“ started as of 15 June 2017

Solid OPEX savings & better service revenues mitigate non-operating effects in Group EBITDA



■ Position excluding one-off effect (summarised in 'one-offs 2015' and 'one-offs 2016'):
 'one-offs 2015': EUR 62.1 mn positive
 'one-offs 2016': EUR 21.4 mn positive

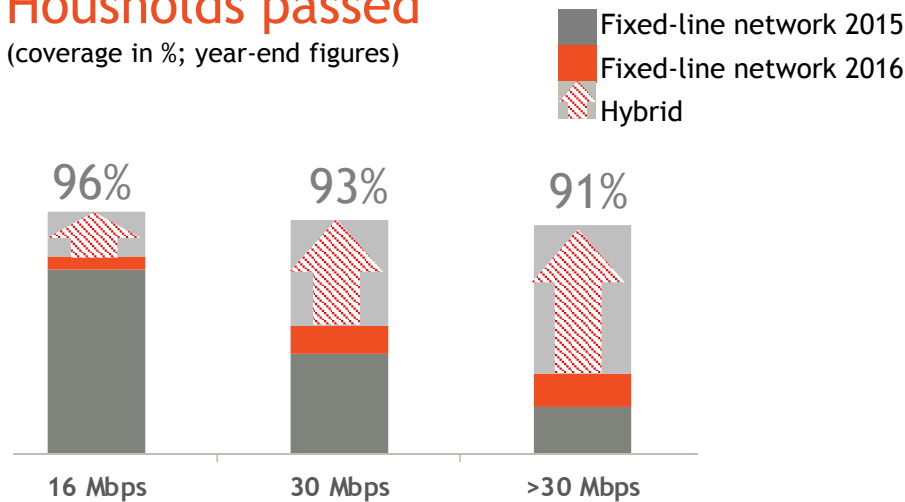
Results for the full year and fourth quarter 2016



CAPEX-efficient fibre roll-out in Austria: Hybrid modem increases coverage and supports upselling

Housholds passed

(coverage in %; year-end figures)

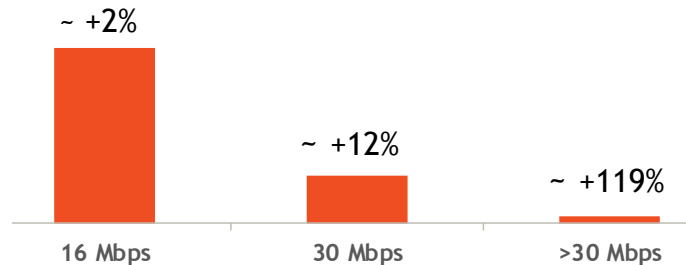


Fibre roll-out well on track

- 50% of households covered with 30-Mbps-product on fixed-line network
- Hybrid increases coverage (for 30 Mbps) to 93%

Homes connected 2016

(y-o-y growth)



- > Strong demand for higher-bandwidth products: 30 Mbps-product as topseller in 2016
- > Hybrid modem launched in July 2016 supports upselling
- > Approx. 40% of fixed-line products sold contain Hybrid boost

Results for the full year and fourth quarter 2016



velcom leading telecom provider worldwide with full virtualization of all core network functions

- > **Virtualisation of all core network functions:** Data/EPC, Voice/MSC, HSS/HLR etc.
 - > Provides high and flexible scalability
 - > Individual, efficient and demand-driven resource deployment
 - > New services can be implemented easily and quickly in software
- > **Multi-vendor to single-vendor:**
 - > One core network & one partner
 - > Hardware resources optimised: Single standardized hardware
 - > Massive improvements regarding interoperability and integration efforts (interfaces)
 - > Reduced integration and maintenance costs as a result
- > **Using global open standards**
- > **Implementation of all core network functions achieved in only 9 months**

Reduction of total cost of ownership: >50%

Enlarging the product portfolio with Cloud and IoT services

A1 Marketplace
launched in
November 2016

- > Generate new business in the field of digital services with new cloud-based, scalable solutions
- > Partner for digital transformation of small and medium sized enterprises
- > Key portfolio pillars include Software as a Service (SaaS), Infrastructure as a Service (IaaS) and IoT-solutions
- > Current footprint & selected new markets
- > Excel with data security and by trust

Outlook for the full year 2017

Telekom Austria Group outlook for the full year 2017

	30 January 2017	Consensus 2017
Total revenues	approx. +1%	EUR 4,209 mn
CAPEX	approx. EUR 725 mn	EUR 774 mn
Proposed dividend	EUR 0.20 / share	-

- > Outlook based on reported figures and constant currencies except for Belarus (assumed devaluation of 10-15%)
- > CAPEX: does not include investments in spectrum or acquisitions
- > Dividend: intended proposal to the Annual General Meeting 2018 for the financial year 2017



Appendix 1

The leading regional communications player providing convergent telecommunication services

as of 31 December 2016 (in '000)

Austria

Mobile market position #1

Mobile subscriber:

> 5,972 (Q4 2015: 5,804)

Fixed access lines:

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Slovenia

Mobile market position #2

Mobile subscriber:

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Fixed access lines:

> 70 (Q4 2015: 66)



Belarus

Mobile market position #2

Mobile subscriber:

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Fixed access lines:

> 179 (Q4 2015: n.a.)



Croatia

Mobile market position #2

Mobile subscriber:

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Fixed access lines:

> 285 (Q4 2015: 257)



Bulgaria

Mobile market position: #1

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Republic of Macedonia

Mobile market position #1

Mobile subscriber:

> 1,104 (Q4 2015: 1,164)

Fixed access lines:

> 142 (Q4 2015: 145)



Telekom Austria Group - Profit and Loss

(in EUR million)	Q4 2016	Q4 2015	% change
Service Revenues	956.9	966.6	-1.0%
Equipment Revenues	141.4	139.8	1.1%
Total Revenues	1,098.2	1,106.4	-0.7%
Cost of Service	-358.3	-349.9	n.m.
Cost of Equipment	-166.2	-163.2	n.m.
Selling, General & Administrative Expenses	-296.4	-259.7	n.m.
Others	-2.1	0.2	n.m.
Total Costs and Expenses	-823.1	-772.6	n.m.
EBITDA	275.1	333.8	-17.6%
<i>% of Total Revenues</i>	<i>25.1%</i>	<i>30.2%</i>	
Depreciation and Amortisation	-220.6	-210.0	n.m.
Impairment and Reversal of Impairment	-2.3	0.0	n.a.
EBIT	52.2	123.8	-57.8%
<i>% of Total Revenues</i>	<i>4.8%</i>	<i>11.2%</i>	
EBT (Earnings Before Income Taxes)	16.5	84.4	-80.4%
Net Result	106.5	84.3	26.3%

Telekom Austria Group - Total revenues & costs and expenses per segment

Telekom Austria Group - Total Revenue Split

Total Revenues (in EUR million)	Q4 2016	Q4 2015	% change
Austria	662.3	680.8	-2.7%
Bulgaria	108.7	106.0	2.6%
Croatia	103.2	95.7	7.8%
Belarus	90.6	83.0	9.3%
Slovenia	55.1	64.8	-14.9%
Republic of Serbia	60.0	58.5	2.6%
Republic of Macedonia	31.0	30.0	3.3%
Corporate & Holding, Elimination	-12.7	-12.4	n.m.
Total Revenues	1,098.2	1,106.4	-0.7%

Telekom Austria Group - Costs and Expenses Split

Costs and Expenses (in EUR million)	Q4 2016	Q4 2015	% change
Austria	485.8	458.0	6.1%
Bulgaria	83.5	74.3	12.4%
Croatia	84.2	80.6	4.4%
Belarus	50.0	46.3	8.2%
Slovenia	45.1	42.0	7.3%
Republic of Serbia	51.7	48.2	7.4%
Republic of Macedonia	25.1	24.8	1.1%
Corporate & Holding, Elimination	-2.3	-1.6	n.m.
Total Operating Expenses	823.1	772.6	6.5%

Telekom Austria Group - Headcount development

FTE (Average Period)	Q4 2016	Q4 2015	% change
Austria	8,389	8,556	-2.0%
International	9,290	8,958	3.7%
Corporate	234	204	15.1%
Telekom Austria Group	17,913	17,718	1.1%

FTE (End of Period)	Q4 2016	Q4 2015	% change
Austria	8,352	8,512	-1.9%
International	9,613	8,951	7.4%
Corporate	238	209	13.6%
Telekom Austria Group	18,203	17,673	3.0%

Telekom Austria Group - Capital expenditure split

Capital Expenditures (in EUR million)	Q4 2016	Q4 2015	% change
Austria	132.1	154.3	-14.4%
Bulgaria	23.9	31.3	-23.5%
Croatia	26.6	37.7	-29.5%
Belarus	17.3	35.7	-51.6%
Slovenia	9.4	6.7	40.0%
Republic of Serbia	8.3	48.0	-82.7%
Republic of Macedonia	11.7	11.7	0.3%
Corporate & Holding, Elimination	-2.6	-2.3	n.m.
Total Capital Expenditures	226.7	323.1	-29.8%
thereof Tangible	179.7	192.9	-6.8%
thereof Intangible	47.0	130.2	-63.9%

Telekom Austria Group - Net debt

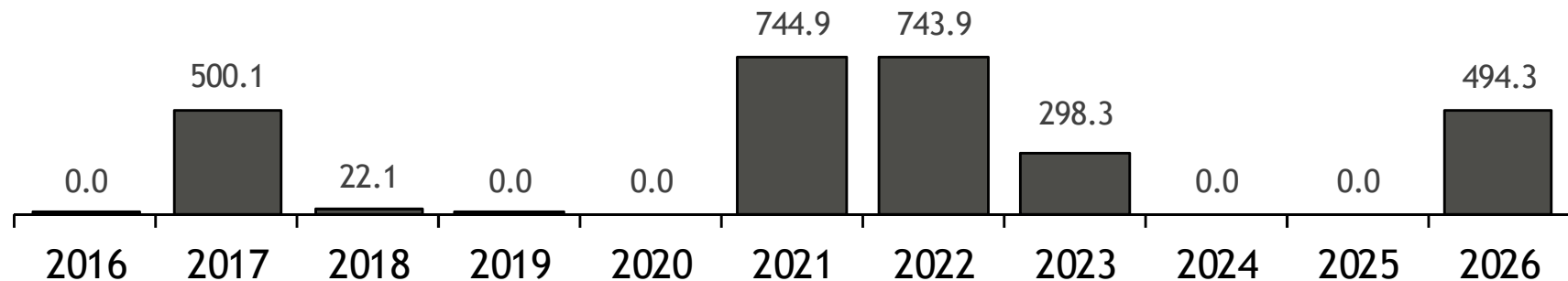
Net Debt* (in EUR million)	31 December 2016	31 December 2015	% change
Long-term Debt	2,303.5	2,584.1	-10.9%
Short-term Borrowings	500.1	810.4	-38.3%
Cash and Cash Equivalents and Short-term Investments	-464.2	-911.5	n.m.
Net Debt of Telekom Austria Group	2,339.4	2,483.0	-5.8%

EUR 600 mn non-call (1 February 2018) 5 years hybrid bond qualified as 100% equity under IFRS

* Accrued interest and purchase price liabilities from business combinations are no longer included in net debt; comparative figures have been adjusted accordingly.

Telekom Austria Group - Debt maturity profile

Debt maturity profile*



- > EUR 2,803.6** mn short-and long-term borrowings as of 31 December 2016
- > Average cost of debt of approximately 3.31%
- > Cash and cash equivalents and short-term investments of EUR 464.2 mn
- > Average term to maturity of 5.19 years

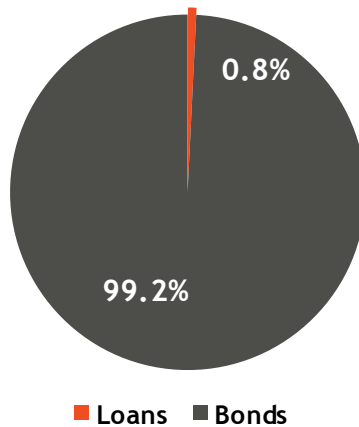
* EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

** As of 31 March 2016 accrued interest and purchase price liabilities from business combinations are no longer included

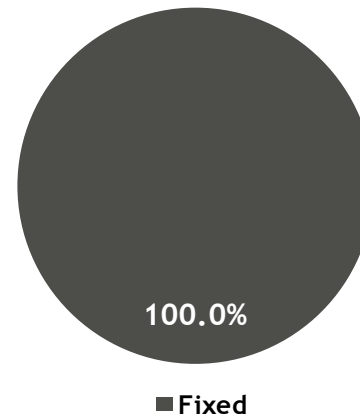


Telekom Austria Group - Debt profile

Overview debt instruments



Fixed/floating mix



Lines of credit

- > Undrawn committed credit lines amounting to EUR 1,000 mn
- > Average term to maturity of approx. 2.84 years

Ratings

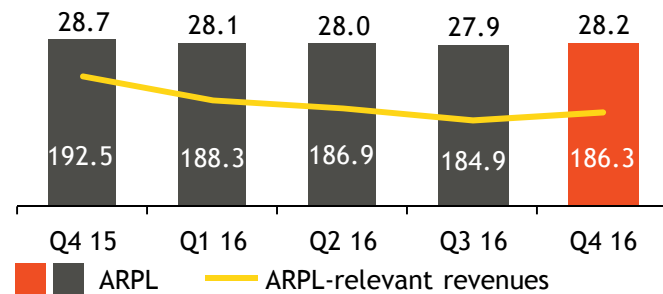
- > S&P: BBB (outlook stable)
- > Moody's: Baa2 (outlook stable)



Segment Austria - Fixed-line key performance indicators

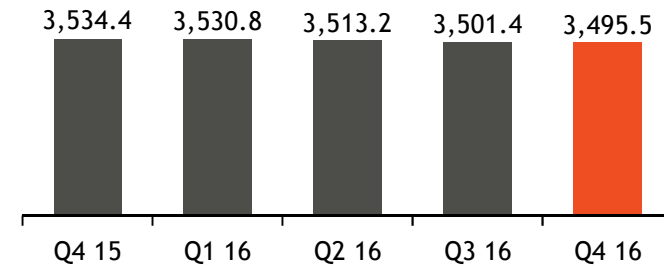
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



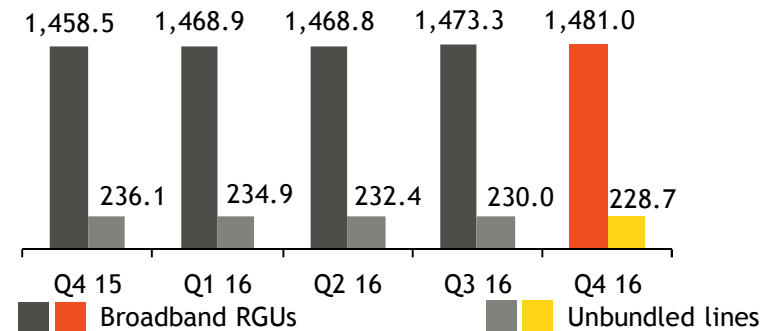
Total RGUs

(in '000)



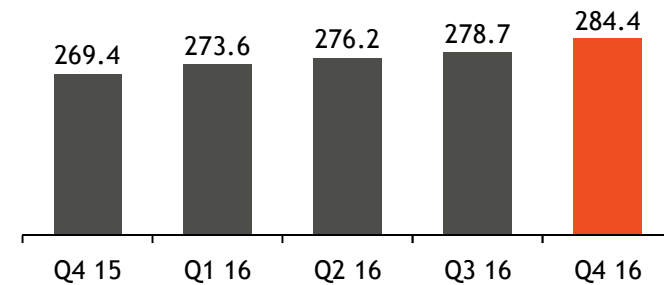
Broadband RGUs/unbundles lines

(in '000)



TV RGUs

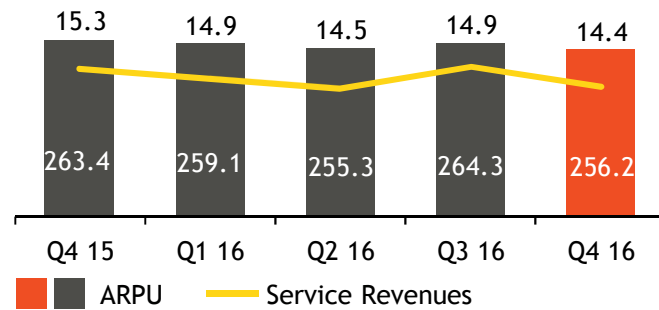
(in '000)



Segment Austria - Mobile key performance indicators

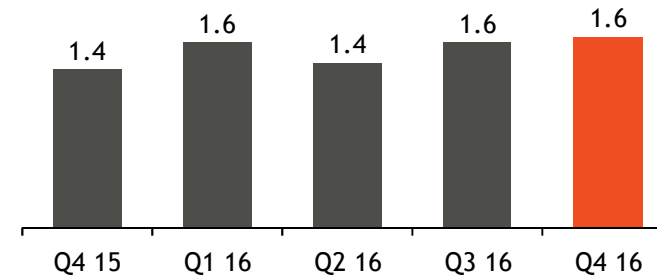
ARPU & Service revenues

(in EUR, in EUR million)



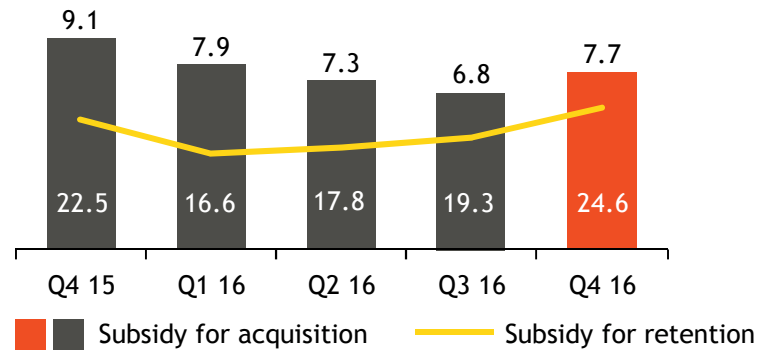
Churn rate

(in %)



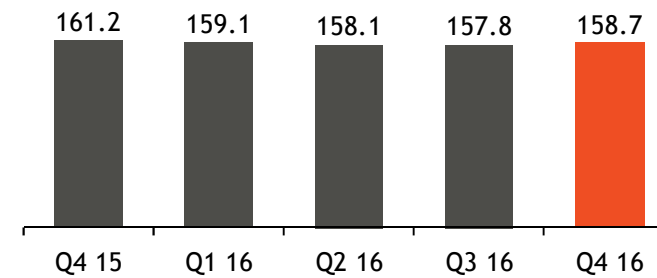
Subsidies

(in EUR million)



Mobile penetration

(in %)



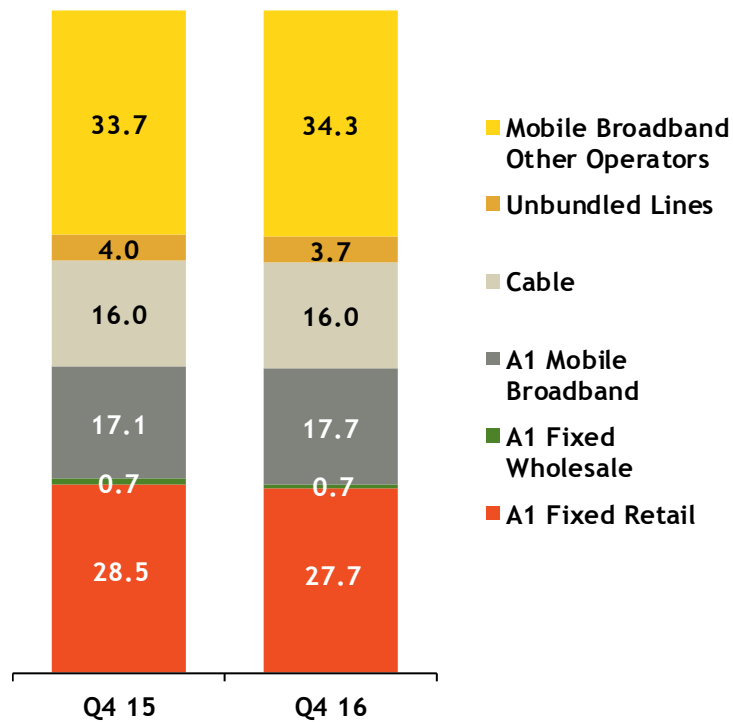
Results for the full year and fourth quarter 2016



Segment Austria - Broadband market split

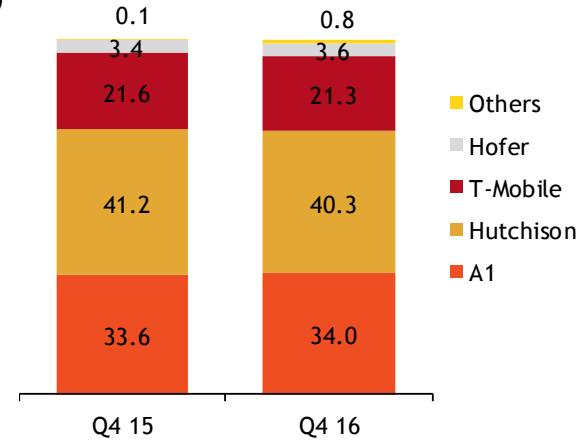
Market share total broadband

(in %)



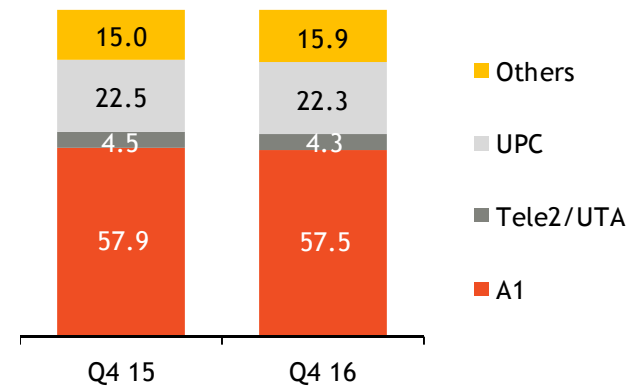
Market share mobile broadband

(in %)



Market share fixed-line broadband

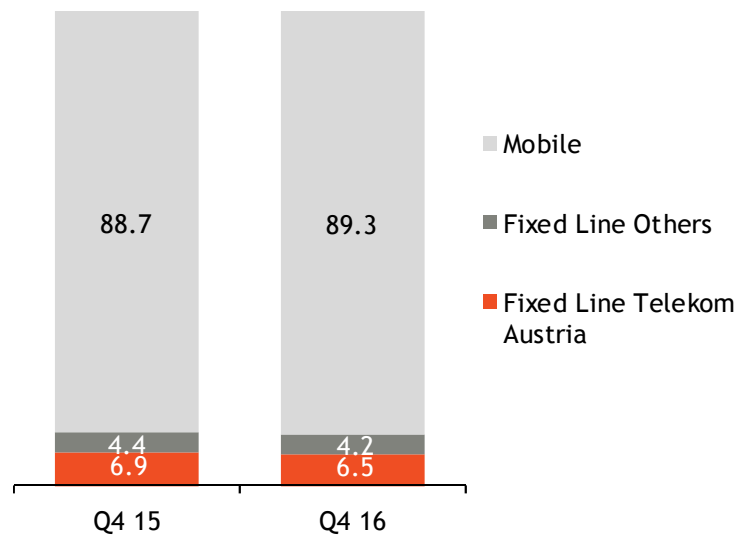
(in %)



Segment Austria - Voice market split

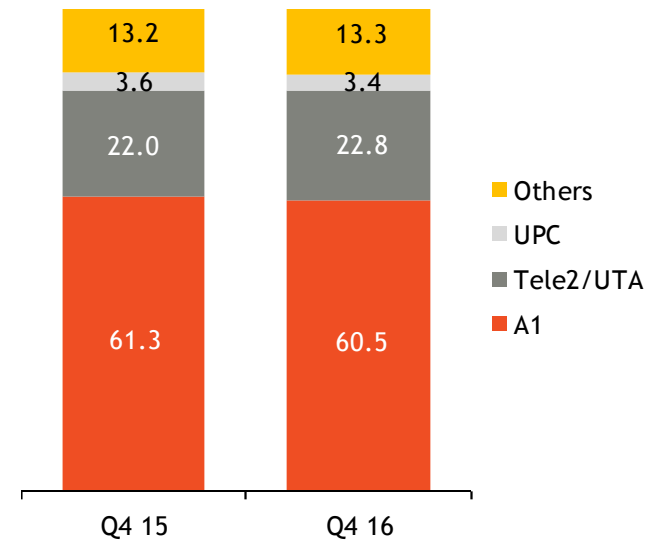
Market share total minutes

(in %)



Market share voice RGUs

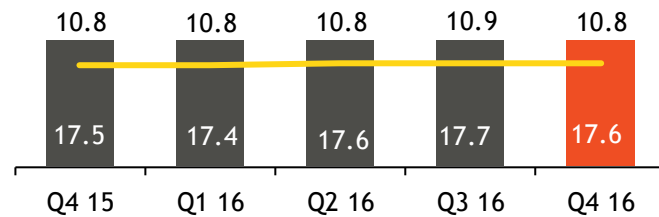
(in %)



Segment Bulgaria - Fixed-line key performance indicators

ARPL* & ARPL-relevant revenues

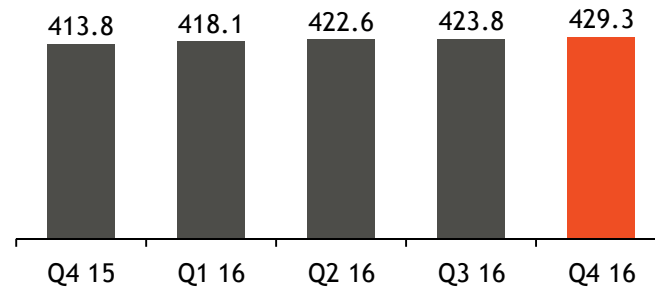
(in EUR, in EUR million)



■ ARPL ■ ARPL-relevant revenues

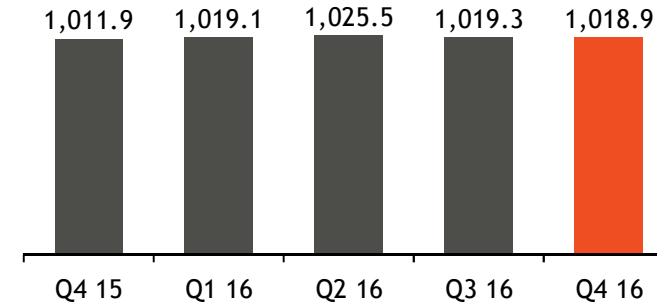
Fixed broadband RGUs

(in '000)



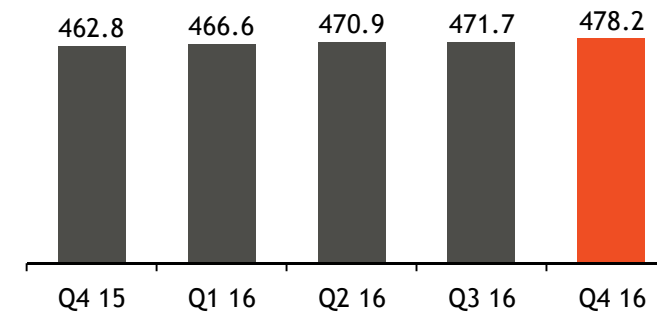
Total RGUs

(in '000)



TV RGUs

(in '000)



*Q4 2015 ARPU value has been adjusted retrospectively

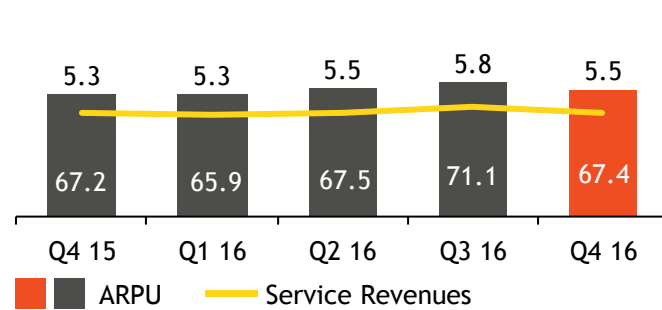
Results for the full year and fourth quarter 2016



Segment Bulgaria - Mobile key performance indicators

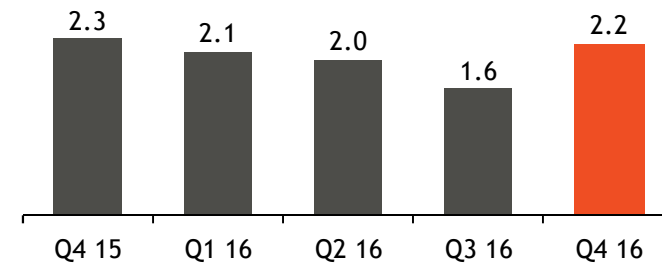
ARPU & Service revenues

(in EUR, in EUR million)



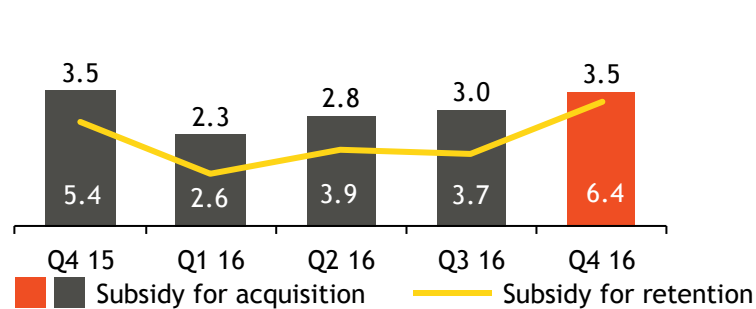
Churn rate

(in %)



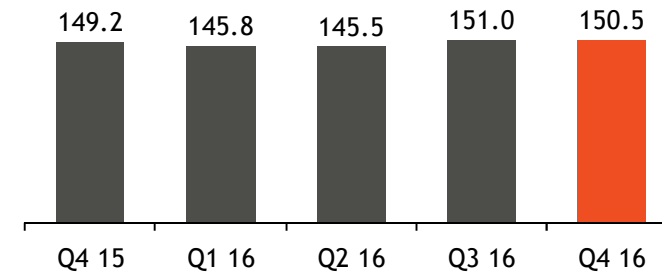
Subsidies

(in EUR million)



Mobile penetration

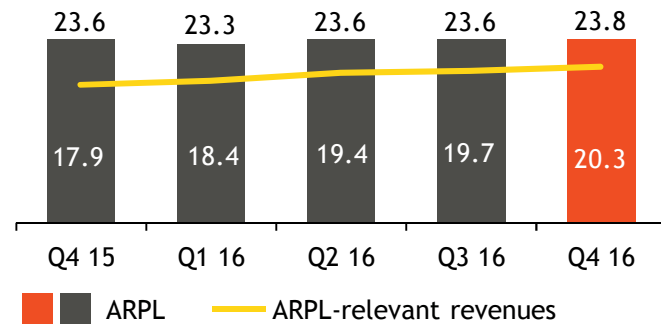
(in %)



Segment Croatia - Fixed-line key performance indicators

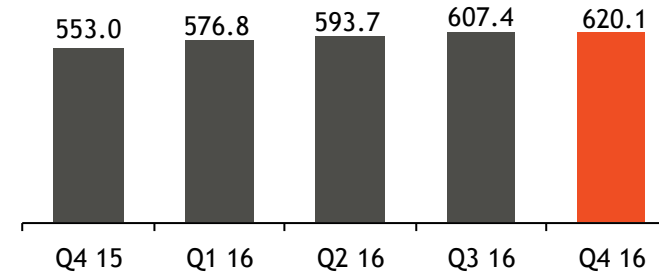
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



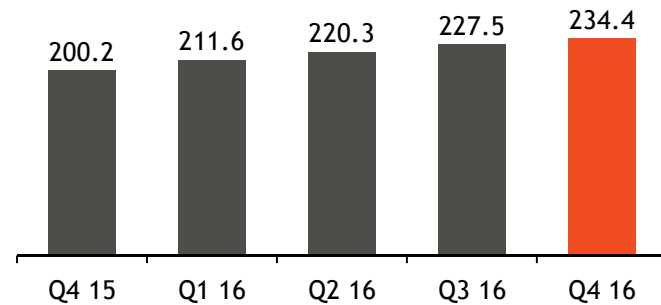
Total RGUs

(in '000)



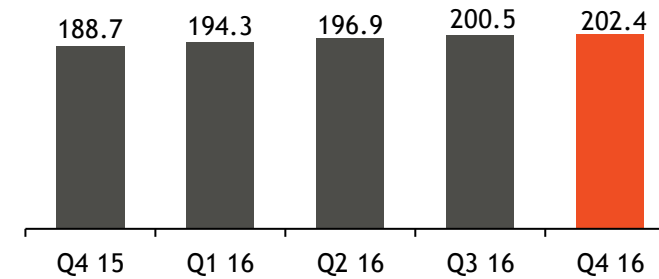
Fixed broadband RGUs

(in '000)



TV RGUs

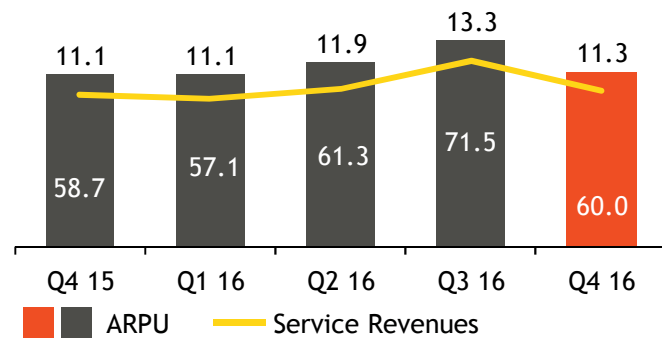
(in '000)



Segment Croatia - Mobile key performance indicators

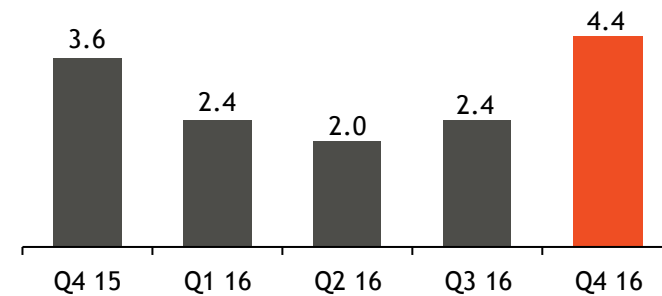
ARPU & Service revenues

(in EUR, in EUR million)



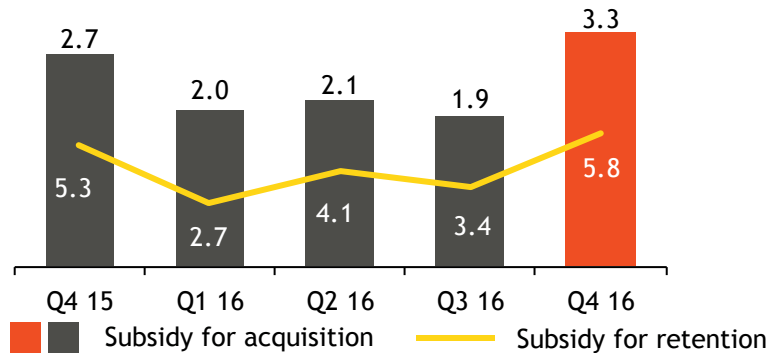
Churn rate

(in %)



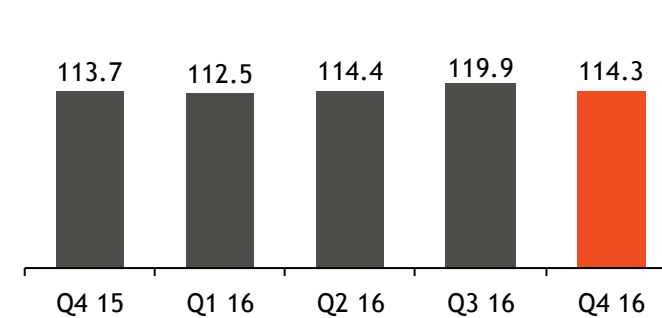
Subsidies

(in EUR million)



Mobile penetration

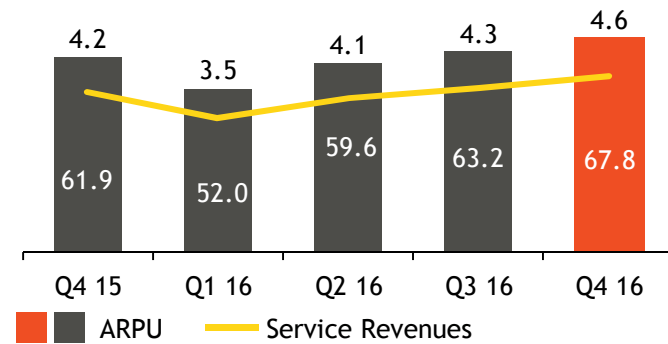
(in %)



Segment Belarus - Mobile key performance indicators

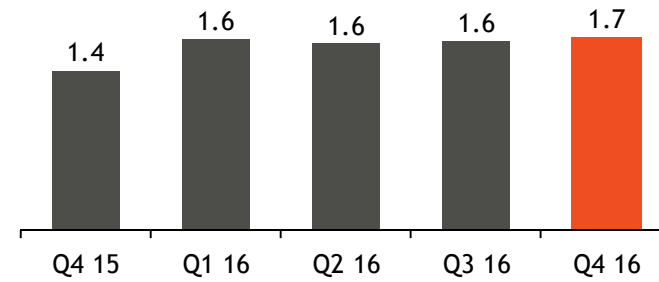
ARPU & Service revenues

(in EUR, in EUR million)



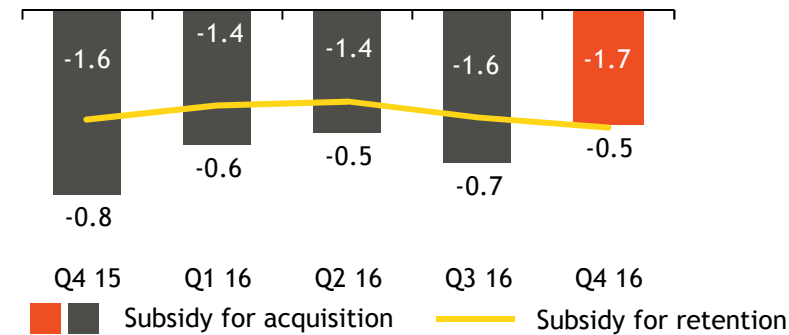
Churn rate

(in %)



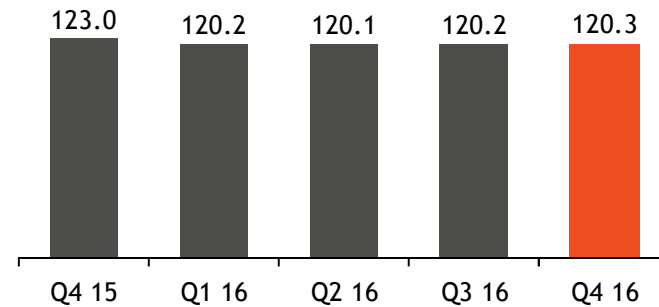
Subsidies

(in EUR million)



Mobile penetration

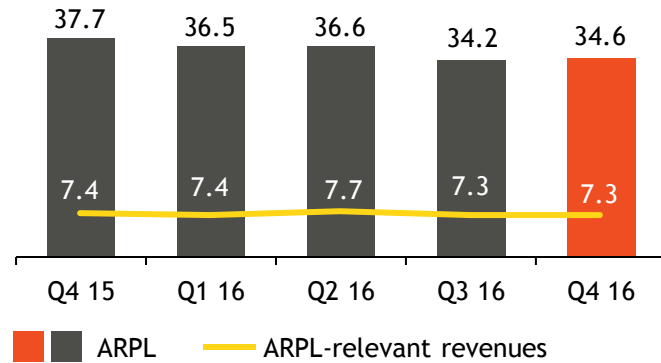
(in %)



Segment Slovenia - Fixed-line key performance indicators

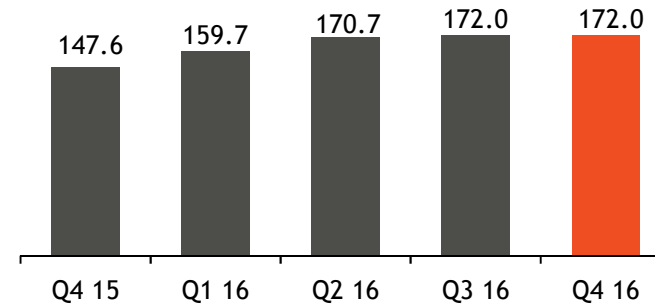
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



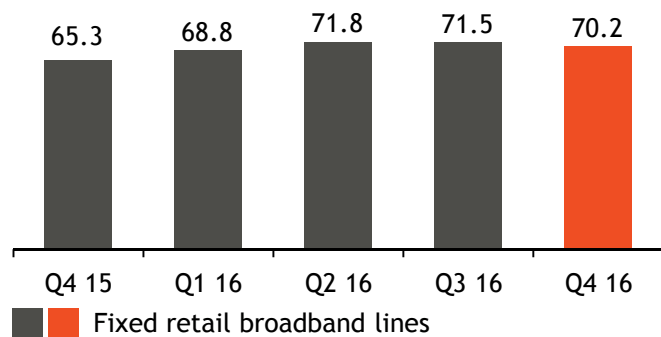
Total RGUs

(in '000)



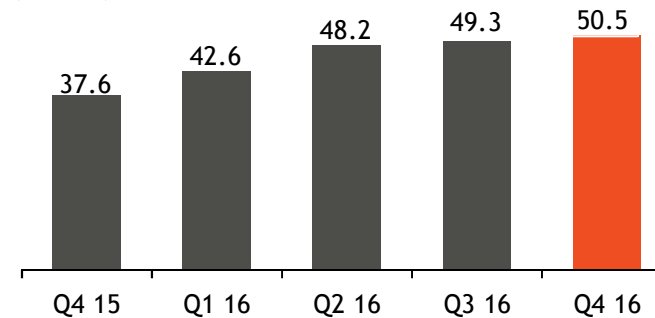
Fixed broadband RGUs

(in '000)



TV RGUs

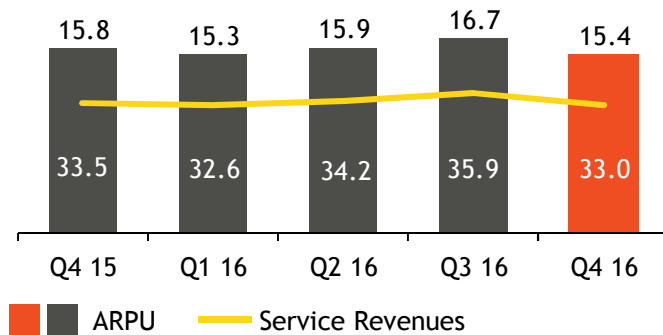
(in '000)



Segment Slovenia - Mobile key performance indicators

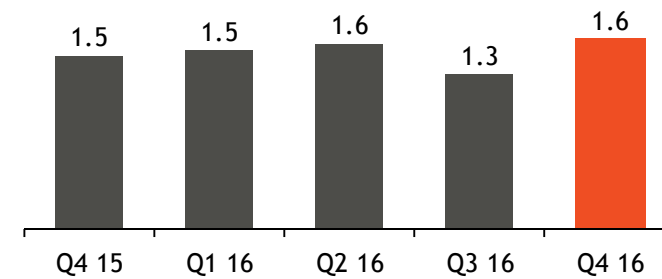
ARPU & Service revenues

(in EUR, in EUR million)



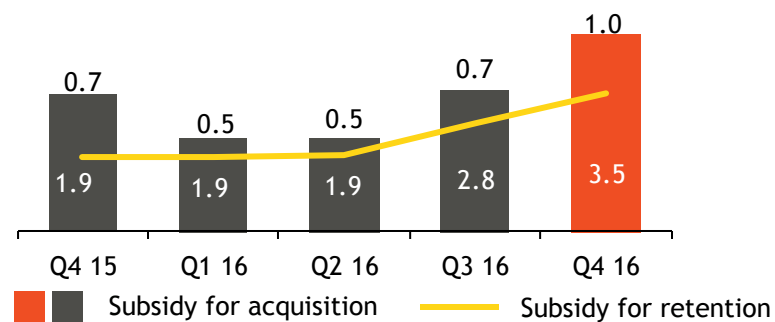
Churn rate

(in %)



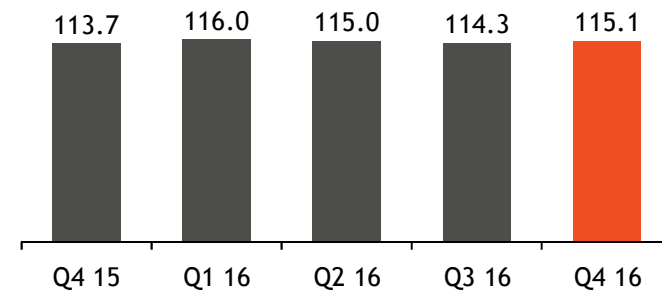
Subsidies

(in EUR million)



Mobile penetration

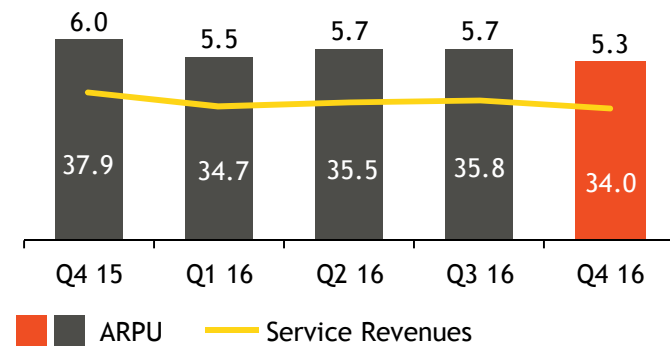
(in %)



Segment Serbia - Mobile key performance indicators

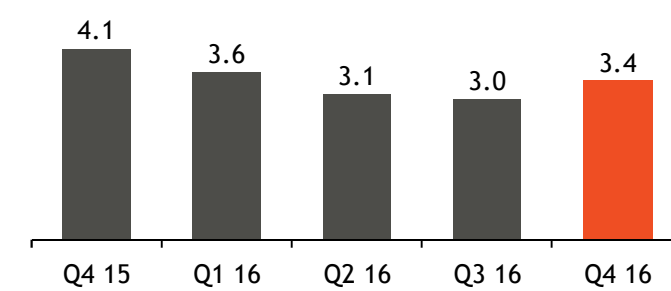
ARPU & Service revenues

(in EUR, in EUR million)



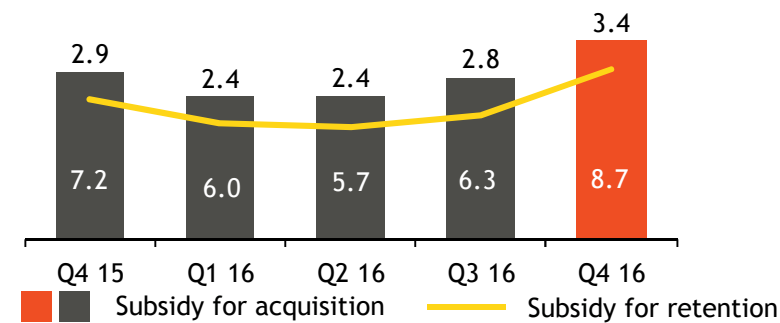
Churn rate

(in %)



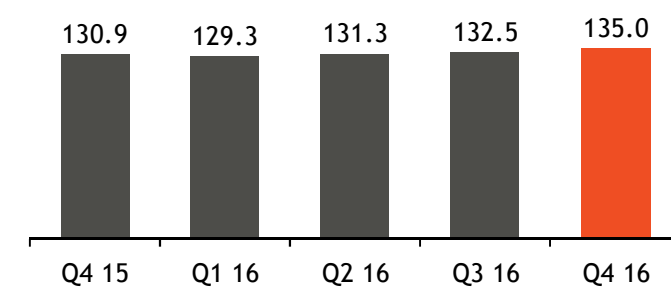
Subsidies

(in EUR million)



Mobile penetration

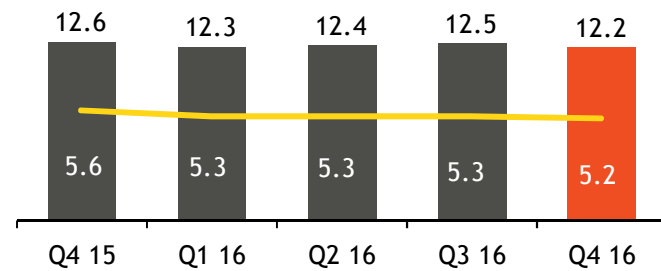
(in %)



Segment Macedonia - Fixed-line key performance indicators

ARPL* & ARPL-relevant revenues

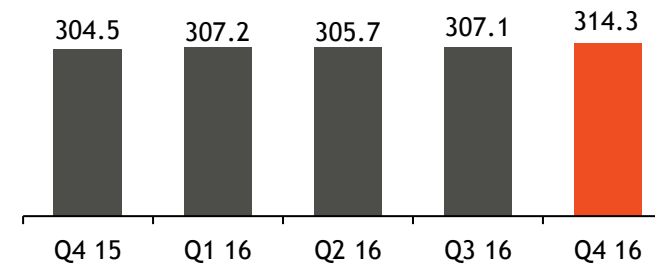
(in EUR, in EUR million)



■ ARPL — ARPL-relevant revenues

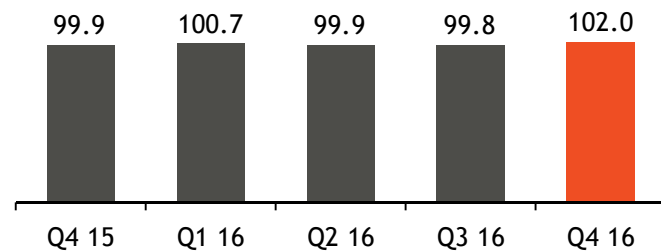
Total RGUs

(in '000)



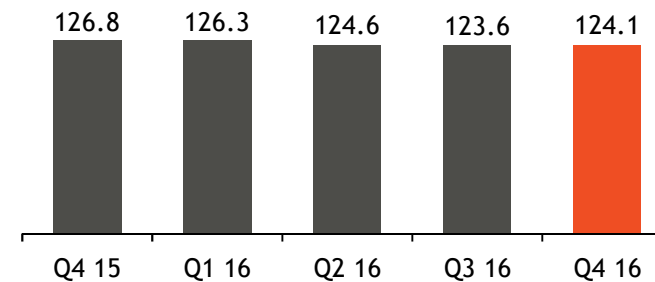
Fixed broadband RGUs

(in '000)



TV RGUs

(in '000)



*Q4 2015 ARPL value has been adjusted retrospectively

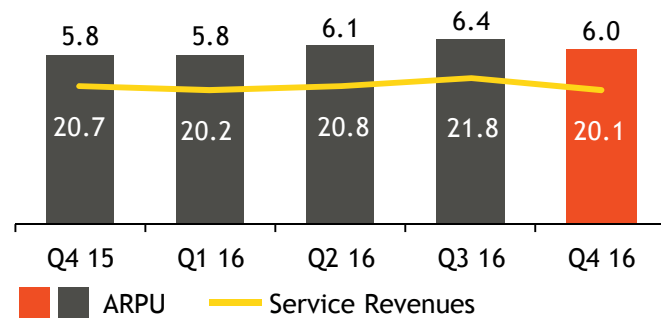
Results for the full year and fourth quarter 2016



Segment Macedonia - Mobile key performance indicators

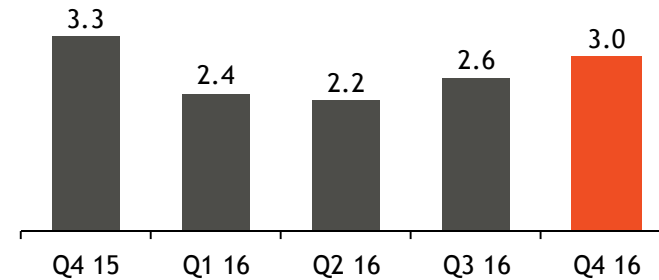
ARPU* & Service revenues

(in EUR, in EUR million)



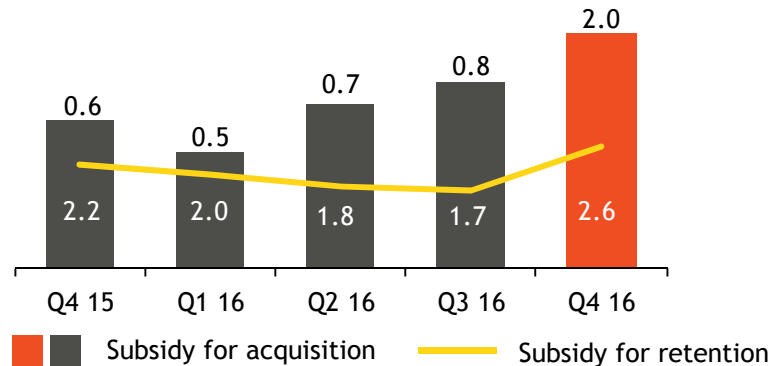
Churn rate

(in %)



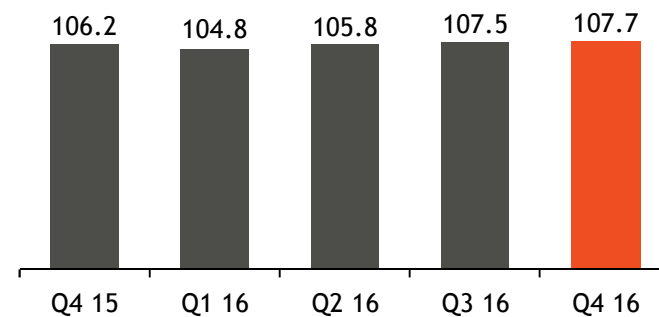
Subsidies

(in EUR million)



Mobile penetration

(in %)



* Q4 2015 ARPU value has been adjusted retrospectively
Results for the full year and fourth quarter 2016



Appendix 2 – Regulatory topics

Glide Path of Mobile Termination Rates

	Jan 2015	Jul 2015	Jan 2016	Jul 2016	Jan 2017	Jul 2017
Austria (EUR)	0,008049	0.008049	0.008049	0.008049	0.008049	0.008049
Bulgaria (BGN)	0.019	0.019	0.019	0.019	0.014	0.014
Croatia (HRK)	0.063*	0.063*	0.063*	0.063*	0.063*	0.047*
Belarus (BYN)	180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	No data	No data
Slovenia (EUR)	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114
Serbia (RSD)	3.43	3.43	3.43	2.75	2.07	2.07
Macedonia (MKD)	0.90	0.90	0.90	0.90	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: 1,73kn/min -> 2,00kn/min in Apr 2016

** Belarus values: peak times/off-peak times - the medium weighted MTR value amounts to BYN 0.022, 150 per minute

EU roaming price regulation

RETAIL (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 July 2017
Data (per MB)	none	70	45	20	domestic tariff + 5*	domestic tariff
Voice-calls made (per minute)	35	29	24	19	domestic tariff + 5*	domestic tariff
Voice-calls received (per minute)	11	8	7	5	weighted average MTR	0
SMS (per SMS)	11	9	8	6	domestic tariff + 2*	domestic tariff
WHOLESALE (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 July 2017
Data (per MB)	50	25	15	5	5	?**
Voice (per minute)	18	14	10	5	5	?**
SMS (per SMS)	4	3	2	2	2	?**

* 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.

** Upon entry into force of the new Regulation, the Commission shall initiate a review of the wholesale roaming market with a view to assessing measures necessary to enable abolition of retail roaming surcharges.

Upcoming spectrum tenders/prolongations/ assignments

	Expected	Comments
Austria	2019 (2100 MHz) 2020 (700 MHz)	-
Bulgaria	2017 (800 MHz) 2017 (2600 MHz) 2019 (2100 MHz)	-
Croatia	2017 (2100 MHz) 2020 (700 MHz)	-
Belarus	2017 (2100 MHz)	Automatic renewal of currently frequencies.
Slovenia	2017 (3500 MHz) 2017 (10-12 GHz)	-
Republic of Serbia	None	Automatic renewal of currently frequencies.
Republic of Macedonia	2017 (900, 1800 MHz) 2018 (2100 MHz)	-

Appendix 3 – Personnel restructuring in Austria

Quartely Overview - Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

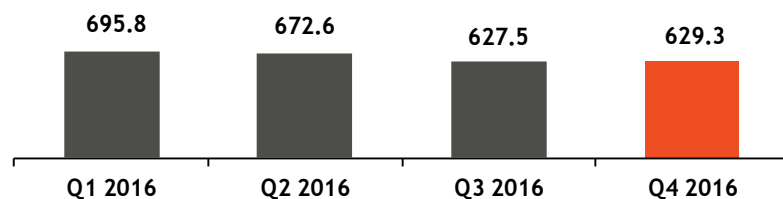
	Q1	Q2	Q3	Q4
FTE reduction	9.2	21.0	1.8	63.0
Servicekom contribution	-18.4	-20.1	-29.6*	-28.9*
Interest rate adjustments	9.7	-0.5	7.4	-7.4
Total	0.5	0.4	-20.4	26.8

FTEs addressed

	Q1	Q2	Q3	Q4
Transfer to government	0	1	2	3
Social plans	31	63	16	159
Staff released from work	0	0	0	0
Total	31	64	18	162

Overview restructuring provision**

(in EUR million)



Provisioned FTEs

	Q1	Q2	Q3	Q4
Transfer to government	203	197	192	193
Social plans	1,668	1,715	1,703	1,821
Staff released from work	232	207	200	200
Total	2,103	2,119	2,095	2,214

* 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

Full Year Overview - Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

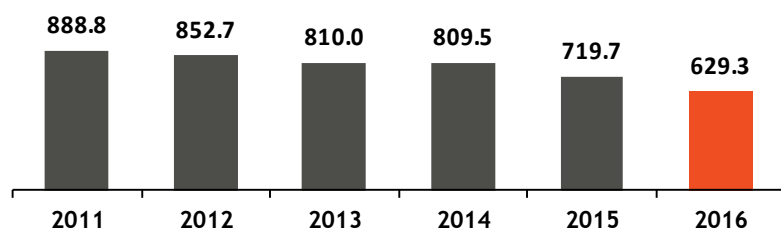
	2011	2012	2013	2014	2015	2016
FTE reduction	274.3	49.9	149.0	86.4*	69.5**	95.0
Servicekom contribution	-40.6	-76.7	-103.8	-39.4	-72.0	-96.9***
Interest rate adjustments	0.0	61.4	0.0	42.6	2.9	9.2
Total	233.7	34.7	45.2	89.6	0.4	7.2

FTEs addressed

	2011	2012	2013	2014	2015	2016
Transfer to government	106	44	22	52	49	6
Social plans	685	94	409	199	270	269
Staff released from work	0	0	0	0	0	0
Total	791	138	431	251	319	275

Overview restructuring provision****

(in EUR million)



Provisioned FTEs

	2011	2012	2013	2014	2015	2016
Transfer to government	264	308	330	242	205	193
Social plans	922	1,030	1,315	1,460	1,661	1,821
Staff released from work	649	510	410	350	253	200
Total	1,835	1,848	2,055	2,052	2,119	2,214

* 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 ('Vorrückungstichtag')

** 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

2011	93.4
2012	104.0
2013	108.0
2014	107.1
2015	101.9
Q1 2016	26.5
Q2 2016	25.7
Q3 2016	26.6
Q4 2016	26.6
FY 2016	105.5

- > Total cash flow impact comprises old and new programmes
- > Cash flow impact for Q4 2016 of EUR 26.6 mn
- > Total cash flow impact for 2016 of EUR 105.5 mn
- > Expected cash flow impact for 2017 of approximately EUR 100 mn

* Historical numbers have been restated since 2011 to fully reflect all payments from the transfer of civil servants to government bodies.

Appendix 4 – Corporate sustainability

Key figures - Corporate Sustainability

Selected Group-wide KPIs

Products: Providing Responsible Products		2015
Customer contacts in customer service ('000)		38,175
Environment		2015
Total CO ₂ Emissions (Scope 1+2 in tonnes)		187,383
Energy efficiency index (in Mwh/terabyte)		0,6
Paper consumption (in tonnes)		1,758,252
Collected old mobile phones (in pcs)		26,405
E-billing share (in %)		64
Employees		2015
Share of femal employees (in %)		38
Share of femal executives (in %)		35
Society		2015
Participants in trainings on media literacy		24,481
Local educational projects		over 30

Ratings



- › Classification: B (99 points out of 100)
- › Leadership index



- › Classification: B-



Indices



Memberships

