

# Roadshow Presentation Q1 2014 Results




## 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.'



# The leading regional communications player providing convergent telecommunication services

as of 31 March 2014  
(in '000, in %)

Austria\* 

Mobile:

- > Market share: 42.1% (Q1 2013: 42.9%)
- > Subscriber base: 5,646 (Q1 2013: 5,846)

Fixed Line:

- > Access Lines: 2,288 (Q1 2013: 2,281)

Croatia 

Mobile:

- > Market share: 37.0% (Q1 2013: 37.8%)
- > Subscriber base: 1,807 (Q1 2013: 1,878)

Fixed Line:

- > Access Lines: 202 (Q1 2013: 172)

Liechtenstein 

Mobile:

- > Market share: 16.1% (Q1 2013: 15.9%)
- > Subscriber base: 6 (Q1 2013: 6)

Slovenia 

Mobile:

- > Market share: 29.9% (Q1 2013: 30.0%)
- > Subscriber base: 678 (Q1 2013: 670)



Republic of Serbia 

Mobile:

- > Market share: 21.5% (Q1 2013: 20.5%)
- > Subscriber base: 2,044 (Q1 2013: 1,904)

Belarus 

Mobile:

- > Market share: 42.9% (Q1 2013: 43.6%)
- > Subscriber base: 4,939 (Q1 2013: 4,818)

Bulgaria\*\* 

Mobile:

- > Market share: 38.5% (Q1 2013: 41.1%)
- > Subscriber base: 4,111 (Q1 2013: 4,401)

Fixed Line:

- > Access Lines: 154 (Q1 2013: 163)

Republic of Macedonia 

Mobile:

- > Market share: 28.3% (Q1 2013: 28.1%)
- > Subscriber base: 622 (Q1 2013: 626)

\* As of Q1 2013 including YESSS!.

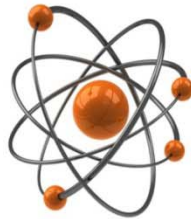
As of Q2 2013 the methodology for counting subscribers has been changed. Previous quarters of 2012 and 2013 have been adjusted retrospectively.

\*\* As of Q4 2013 the methodology for counting subscribers has been changed. Previous quarters of 2012 and 2013 have been adjusted retrospectively.



# Telekom Austria Group Strategy - Overview

**01** Optimization of  
Core Business



**02** Convergence



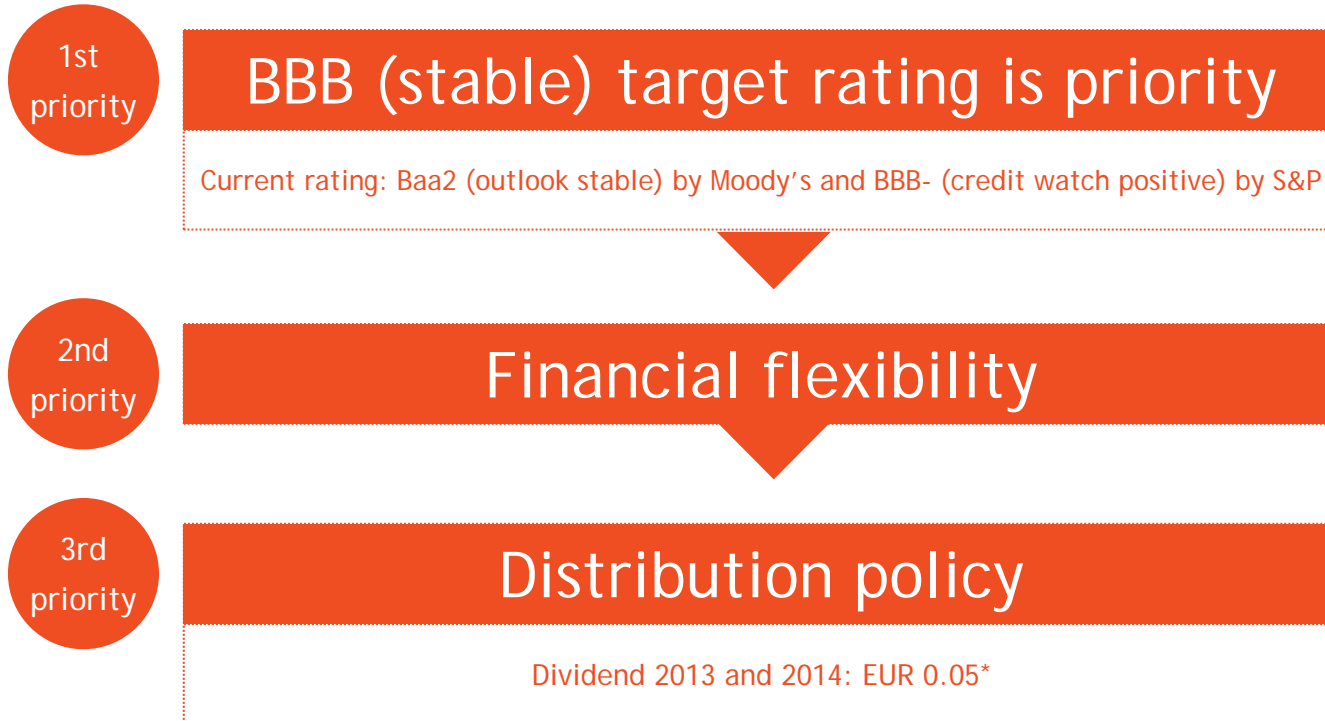
**03** Operational  
Excellence



**04** Strategic  
Opportunity



# Cash-use policy - Focus remains on deleveraging via cashflow



\* Intended proposal to the Annual General Meeting 2014 and 2015

Results for the first quarter 2014



# Operational and financial highlights for the first quarter 2014

# Q1 2014 - Improved EBITDA comparable margin while revenues continue to decline

- > 7.0% year-on-year revenue decline driven by Austria and FX translation in Belarus; better trends in Bulgaria
- > EUR 56.6 mn OPEX savings driven by lower subsidies in Austria
- > Rising EBITDA comparable margins in Austria and Bulgaria
- > Austrian tariff initiatives continue with focus on existing contracts
- > Croatian mobile remains challenging while growth in the Additional Markets segment continues
- > Regulation shaves EUR 44.3 mn and EUR 14.4 mn off revenues and EBITDA comparable respectively
- > Spectrum renewal in Bulgaria and spectrum auction in Slovenia result in total cost of EUR 94.5 mn
- > Group guidance 2014 unchanged: Revenues approx -3%, CAPEX approx. 700 mn, dividend EUR 0.05
- > Croatia: Significant risk from the potential introduction of annual spectrum fees
- > Syndicate agreement signed on 23 April will trigger mandatory takeover offer in mid-May (expected)

# Key financial developments in the first quarter 2014



# Q1 2014: Continuing operational challenges as some trends start to improve

(in EUR million)	Q1 2014	Q1 2013	% change	
Revenues	975.9	1,049.0	-7.0%	> 7% revenue decline driven by mobile service revenue decline in Austria, mobile price pressure in Bulgaria, regulation in Croatia and FX effects in Belarus
EBITDA comparable*	319.9	336.9	-5.0%	
<i>EBITDA comparable margin*</i>	<i>32.8%</i>	<i>32.1%</i>		> Regulatory cuts contribute approx. EUR 44.3 mn to Group revenue decline
Restructuring	-7.7	-2.7	n.m.	
Impairment and reversal of impairment	0.0	0.0	n.a.	> EBITDA margin improvements mainly due to lower SACs in Austria
Depreciation & amortisation	-214.9	-216.4	n.m.	
Operating income	97.4	117.8	-17.4%	> EUR 7.7 mn restructuring charge covers 24 FTEs in Austria
Financial result	-46.4	-47.9	n.m.	
Income before income taxes	51.0	69.9	-27.1%	> EUR 4.3 mn lower income tax expense due to lower taxable income; effective tax rate stable at approx. 20%
Income tax expense	-10.2	-14.5	n.m.	
Net income / Net loss	40.8	55.5	-26.5%	

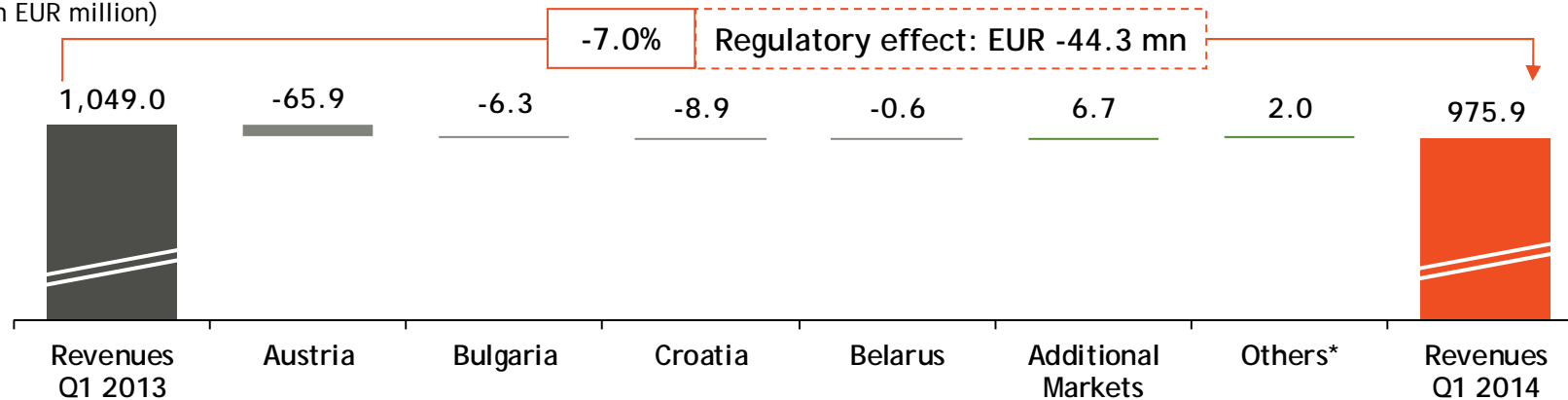
\* Excluding effects from restructuring and impairment tests



# Group revenue decline primarily driven by Segment Austria

## Quarterly revenue development

(in EUR million)



### Segment Austria

- > -8.8% mobile service revenues mainly due to regulation, as well as subscriber loss in the no-frill division and price pressure in the business division
- > EUR 20.4 mn lower equipment revenues as lower gross additions offset effects of lower subsidies
- > -4.8% fixed service revenues: stable access lines, but 12.9% lower fixed voice minutes
- > EUR 23.5 mn interconnection revenue decline

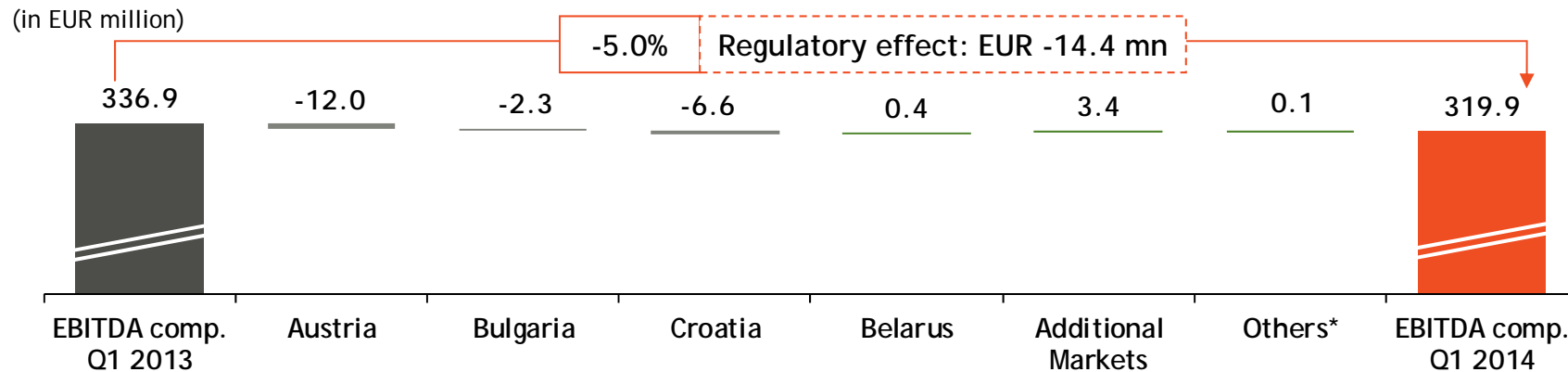
### International Segments

- > Bulgaria: better y-o-y revenue trends as regulatory impact and subscriber decline slow; main negative drivers remain regulation, mobile price pressure and subscriber decline
- > Croatia: regulation and price pressure in prepaid and business division offset fixed-line gains
- > Belarus: negative FX effect offsets 20.8% y-o-y local currency growth
- > Additional Markets: 2.5% and 15.6% growth in Slovenia and the Republic of Serbia, respectively offset 11.6% decline in Macedonia driven by regulation (IC)

\* Corporate, Others & Eliminations

# Considerably improved EBITDA trends in Austria and Bulgaria

## Quarterly EBITDA comparable development



### Segment Austria

- > Regulatory impact EUR -9.2 mn
- > 11.4% OPEX cuts as material expenses decline by EUR 28.9 mn and interconnection by EUR 25.2 mn
- > 15.4% cut in marketing and sales expenses
- > 59.8% lower SACs due to cut of subsidies and lower gross additions
- > 13.4% lower SRCs due to lower quantities and subsidies

### International Segments

- > Bulgaria: Costs savings driven by maintenance, energy and bad debts
- > Croatia: EBITDA margin declines to 27.2% mainly due to declining roaming and interconnection revenues
- > Belarus: Stable OPEX as FX translation effects offset effects from increased device sales as well as higher FTE and inflation adjustments to salaries
- > Additional Markets: higher margin driven by Slovenia and Macedonia offset decline in the Republic of Serbia

\* Corporate, Others & Eliminations

# Free cash flow rises as lower CAPEX offsets declining gross cash flow

(in EUR million)	Q1 2014	Q1 2013	% change
Gross cash flow	284.0	297.1	-4.4%
Change in working capital	-135.1	-105.4	n.m.
Cashflow from operating activities	148.9	191.8	-22.4%
Ordinary capital expenditures	-99.4	-149.0	n.m.
Proceeds from sale of equipment	2.3	1.1	106.7%
<b>Free cash flow</b>	<b>51.8</b>	<b>43.9</b>	<b>18.0%</b>

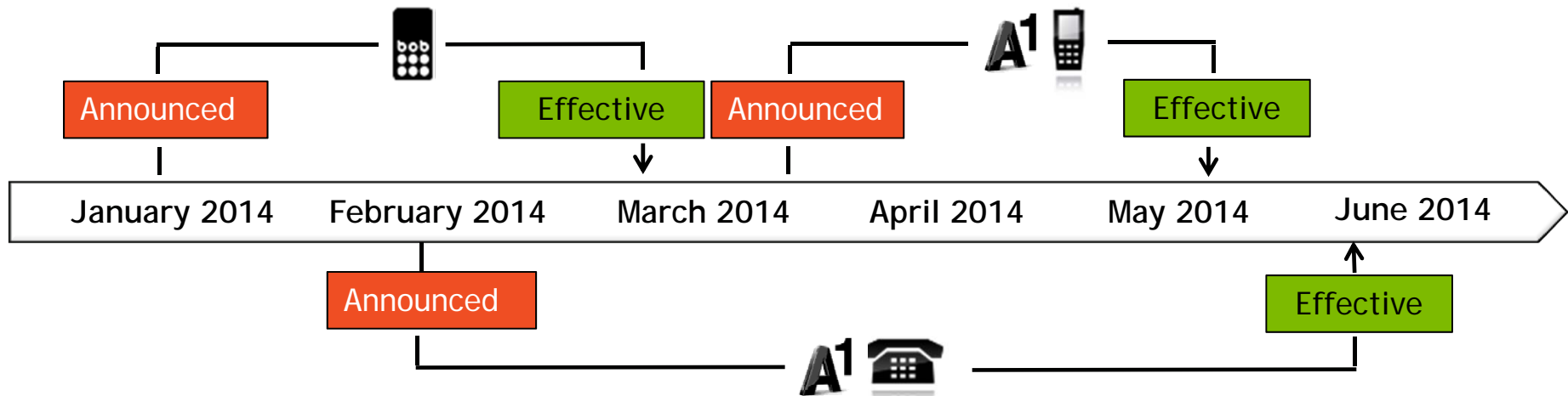
## Year-to-date analysis




- > Lower gross cash flow reflects a challenging operational environment
- > EUR 27.9 mn payment for restructuring in Austria included in change of working capital\*
- > Change in working capital over the first quarter was driven by lower accounts payable, higher prepaid expenses, as well as lower provisions and accrued liabilities relating to customer allowances and personnel provisions in Austria
  - > The higher working capital needs versus the first quarter 2013 were also the result of comparatively lower accounts payable stemming from higher CAPEX and mobile equipment at year-end 2013, as well as a smaller increase in prepaid expenses due to salary accruals which did not occur in March 2014 for calendar-reasons
- > Lower CAPEX mainly due to effects from the acquisition of intellectual property rights and frequencies from Orange Austria in Q1 2013 as well as lower tangible CAPEX in Austria in Q1 2014

\* EUR 28.4 mn including severance payments in accordance with social plans

# Focus points

























# Austria: continued push for value generation with focus on existing customers in Q1



- > Focus Q1 2014: Existing no-frill  and premium mobile  as well as fixed-line contract customers 
- > Approx. 40% handset subsidy reduction for new customers in February 2014
- > Revenue contribution included in guidance



# Potential new MVNOs will add to existing competitive landscape

Existing MVNOs/resellers		Expected new MVNOs		
		Brand	Timing	Host
	        		?	
	    		?	
			?	







- > Regulation: 3 is required to accept up to 16 MVNOs and provide up to 30% of its network capacity
- > MVNOs represent a combined market share of below 2%\*

\* Company data; MVNOs not affiliated with network operator

Results for the first quarter 2014



# Digital Single Market (DSM): European parliament amends EC proposal

	EC proposal	EP amended	
Intra-EU calls	Reduction of international call charges within the EU to domestic levels	No regulation because of existing and functioning competition	
End-user protection	Harmonised and strict customer protection rules (e.g. switching and contract termination, real-time charging)	Consumer rules should be part of the revised Universal Service Directive	
Open Internet/Net Neutrality (NN)	Definition of NN - „All internet traffic must be treated equally“ (no blocking or throttling)	Exemption for specialised services (e.g. IPTV) still in	
Access enabling/spectrum rules	Harmonisation of spectrum allocation rules, license duration (30 years) and virtual access products	„Spectrum Trading“ and minimum licence duration (25 years), no European virtual access products	
Single EU authorisation	Right to provide communication services in all member states with a single authorisation	Completely removed	
Roaming	Elimination of passive retail roaming charges by 1 July 2016 and introduction of a „Roaming Alliance“ concept	Abolishment of all retail roaming charges by 15 December 2015	



Positive relative to EC proposal



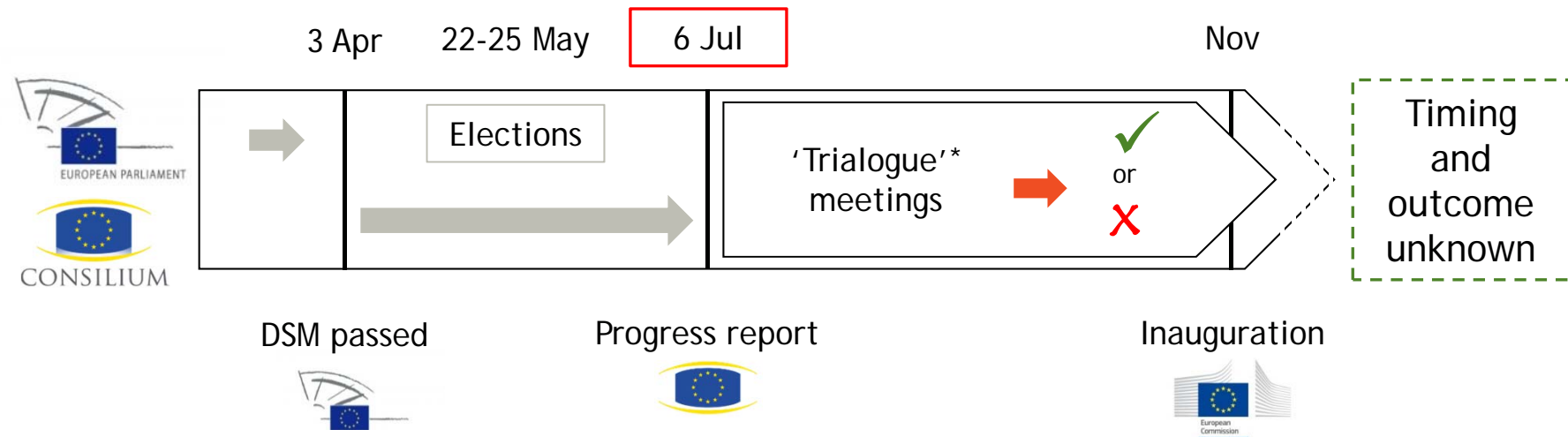
Neutral relative to EC proposal



Negative relative to EC proposal



# Digital Single Market (DSM): Further negotiations expected after EU parliament elections





- > Amended TSM proposal passed in European Parliament on 3 April
- > Council of the European Union Progress report on 6 July
  - > Will be a guidance for the position of the Council in 'Triologue'-meetings
- > 'Triologue'-meetings:
  - > Pass - Adoption before year end 2014 possible
  - > Fail - Process starts again with the European Parliament - Second Reading

\* Combining representatives of the Council of the European Union, the European Parliament and the European Commission (participate as an observer).



# Spectrum sales in Bulgaria and Slovenia in line with expectations

	Slovenia 	Bulgaria 
New spectrum	<ul style="list-style-type: none"> <li>&gt; 800 MHz: 2 x 10 MHz</li> <li>&gt; 2600 MHz: 2 x 35 MHz (FDD*) + 25 MHz (TDD**)</li> </ul>	-
Existing spectrum	<ul style="list-style-type: none"> <li>&gt; 900 MHz: 2 x 15 MHz</li> <li>&gt; 1800 MHz: 2 x 30 MHz</li> <li>&gt; 2100 MHz: 25 MHz (TDD**)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 900 MHz: 2 x 11.2 MHz</li> <li>&gt; 1800 MHz: 2 x 10 MHz</li> </ul>
One-off costs	EUR 63.9 mn	EUR 30.6 mn
Annual spectrum fee	-	EUR 2.2 mn
Maturity	15 years until 2021, 2029 and 2031	10 years until 2024

\* FDD = Frequency Division Duplex Uplink / Downlink

\*\* TDD = Time Division Duplex



# Outlook for the full year 2014

# Telekom Austria Group outlook for the full year 2014 remains unchanged

## Financial outlook for 2014 unchanged

Before any effects of hyperinflation accounting for the Belarusian segment

	8 May 2014	26 February 2014
Revenues	Approx. -3%	Approx. -3%
CAPEX*	Approx. EUR 700 mn	Approx. EUR 700 mn
Proposed dividend**	EUR 0.05	EUR 0.05

\* Does not include investments for spectrum and acquisitions

\*\* Intended proposal for the AGM 2015; proposed dividend for 2013: EUR 0.05/share (AGM 2014)



# Appendix 1

# Telekom Austria Group - Revenue breakdown

Revenue Split - Segment Austria (in EUR million)	Q1 2014	Q1 2013	% change
Monthly fee and traffic	446.4	469.7	-5.0%
Data and ICT solutions	54.4	53.1	2.5%
Wholesale (incl. Roaming)	40.7	41.8	-2.5%
Interconnection	44.9	68.4	-34.4%
Equipment	23.0	43.5	-47.0%
Other revenues	4.6	3.6	26.8%
<b>Total revenues - Segment Austria</b>	<b>614.1</b>	<b>680.0</b>	<b>-9.7%</b>

Revenue Split - International Operations (in EUR million)	Q1 2014	Q1 2013	% change
Monthly fee and traffic	281.3	288.3	-2.4%
Data and ICT solutions	0.3	0.1	195.9%
Wholesale (incl. Roaming)	4.2	5.6	-24.4%
Interconnection	36.4	44.9	-19.0%
Equipment	45.8	37.4	22.4%
Other revenues	2.1	2.9	-29.1%
<b>Total revenues - int. Operations</b>	<b>370.1</b>	<b>379.3</b>	<b>-2.4%</b>

# Telekom Austria Group - Expense breakdown

Operating Expense - Segment Austria (in EUR million)	Q1 2014	Q1 2013	% change
Material expense	52.3	81.2	-35.6%
Employee costs	176.7	175.8	0.6%
Interconnection	42.1	67.2	-37.5%
Maintenance and repairs	22.7	23.0	-1.3%
Services received	27.6	27.2	1.2%
Other support services	33.5	30.9	8.5%
Other	81.5	87.4	-6.8%
<b>Total OPEX - Segment Austria</b>	<b>436.3</b>	<b>492.6</b>	<b>-11.4%</b>

Operating Expense - International Operations (in EUR million)	Q1 2014	Q1 2013	% change
Material expense	52.6	50.1	4.9%
Employee costs	35.1	32.1	9.6%
Interconnection	39.7	48.0	-17.4%
Maintenance and repairs	15.6	15.9	-2.3%
Services received	26.7	26.2	2.0%
Other support services	5.4	4.2	27.7%
Other	70.4	71.7	-1.8%
<b>Total OPEX - int. Operations</b>	<b>245.4</b>	<b>248.2</b>	<b>-1.1%</b>

# Telekom Austria Group - Headcount development

FTE (Average period)	Q1 2014	Q1 2013	% change
Austria	8,866	9,191	-3.5%
International	7,073	7,144	-1.0%
Telekom Austria Group*	16,111	16,495	-2.3%

FTE (End of period)	Q1 2014	Q1 2013	% change
Austria	8,895	9,235	-3.7%
International	7,020	7,105	-1.2%
Telekom Austria Group*	16,090	16,498	-2.5%

\* Including corporates.

Results for the first quarter 2014





# Telekom Austria Group - Capital expenditures split

Capital Expenditures (in EUR million)	Q1 2014	Q1 2013	% change
Segment Austria	61.5	102.1	-39.8%
Segment Bulgaria	6.6	11.1	-40.3%
Segment Croatia	12.6	14.4	-12.1%
Segment Belarus	8.3	4.2	98.5%
Segment Additional Markets	10.4	17.2	-39.6%
<i>Slovenia</i>	<i>3.1</i>	<i>3.6</i>	<i>-14.5%</i>
<i>Republic of Serbia</i>	<i>6.1</i>	<i>12.7</i>	<i>-51.6%</i>
<i>Republic of Macedonia</i>	<i>1.1</i>	<i>0.9</i>	<i>25.5%</i>
<i>Liechtenstein</i>	<i>0.0</i>	<i>0.0</i>	<i>n.a.</i>
<i>Eliminations additional markets</i>	<i>0.0</i>	<i>0.0</i>	<i>n.a.</i>
Corporate, Others & Elimination	0.0	0.0	n.a.
<b>Total capital expenditures</b>	<b>99.4</b>	<b>149.0</b>	<b>-33.3%</b>
Thereof tangible	71.4	97.2	-26.5%
Thereof intangible	28.0	51.7	-45.9%

# Telekom Austria Group - Net debt

Net debt (in EUR million)	31 March 2014	31 December 2013	% change
Long-term debt	3,735.5	3,737.7	-0.1%
Short-term borrowings*	255.2	232.2	9.9%
Cash and cash equivalents, short-term and long term investments, installment sales, finance lease receivables	-320.2	-274.1	n.m.
<i>Cash and cash equivalents and short-term investments</i>	<i>-250.3</i>	<i>-211.2</i>	<i>n.m.</i>
<i>Long-term investments, installment sales, finance lease receivables</i>	<i>-69.9</i>	<i>-62.9</i>	<i>n.m.</i>
Derivate financial instruments for hedging purposes	0.0	0.0	n.a.
<b>Net Debt* of Telekom Austria Group</b>	<b>3,670.5</b>	<b>3,695.8</b>	<b>-0.7%</b>

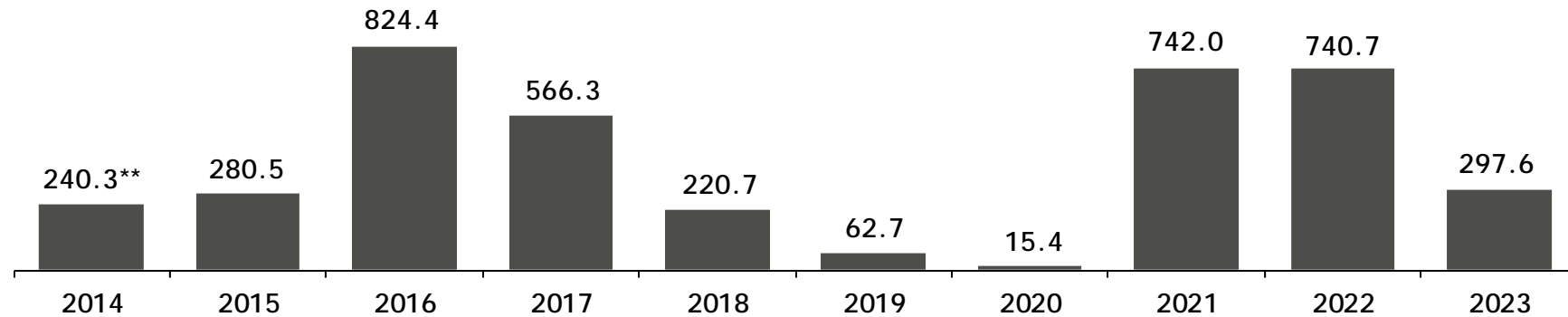
EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

\* The purchase price not yet paid related to the acquisition of SOBS, the acquisition vehicle for the Orange Austria base stations, is included in short-term borrowings.

# Telekom Austria Group - Debt maturity profile

## Debt Maturity Profile (Including Accrued Interest)\*

(in EUR million)



- > EUR 3,990.7 mn of short- and long-term borrowings as of 31 March 2014
- > Average cost of debt of approximately 4.1%
- > Cash and cash equivalents and short-term investments of EUR 250.3 mn
- > Average term to maturity of 5 years

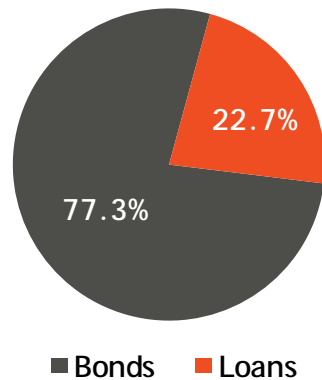
\* EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

\*\* The purchase price not yet paid related to the acquisition of SOBS, the acquisition vehicle for the Orange Austria base stations, is included in short-term borrowings.

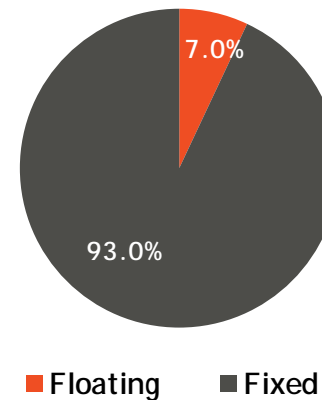


# Telekom Austria Group - Debt profile

## Overview debt instruments



## Fixed-floating mix



## Lines of credit

- > Undrawn committed credit lines amounting to EUR 1,010 mn
- > Average term to maturity of approx. 3.3 years

## Ratings

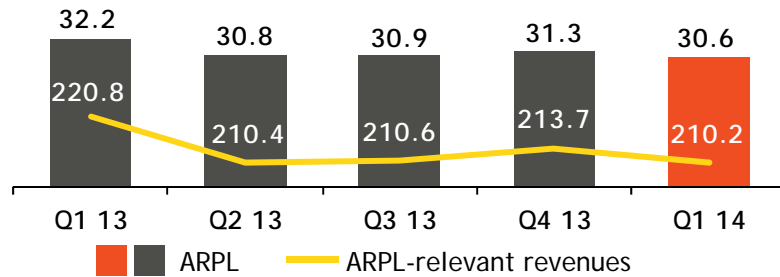
- > S&P: BBB- (credit watch positive)
- > Moody's: Baa2 (outlook stable)



# Segment Austria - Fixed-line key performance indicators

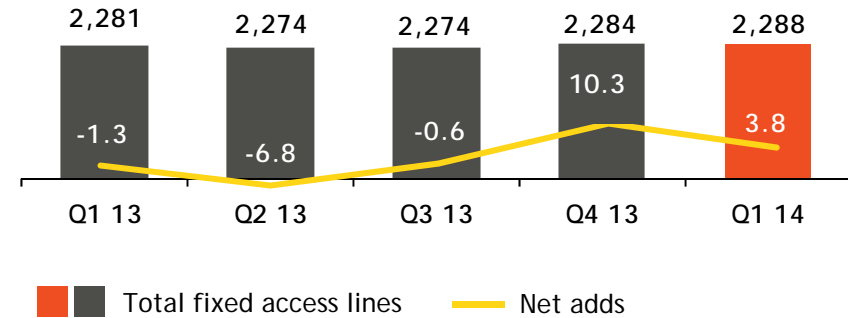
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



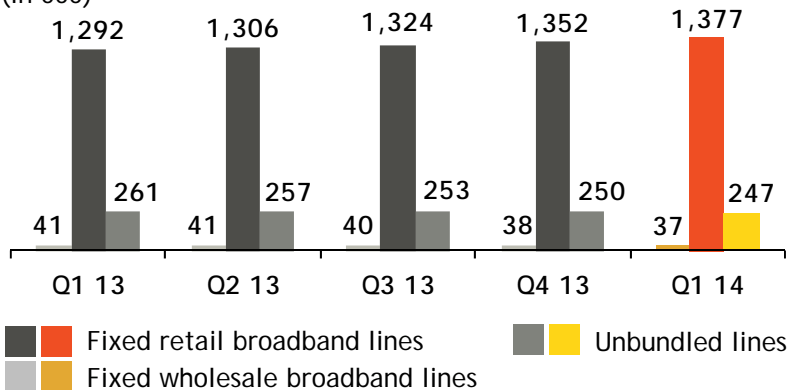
## Total fixed access lines & net adds

(in '000)



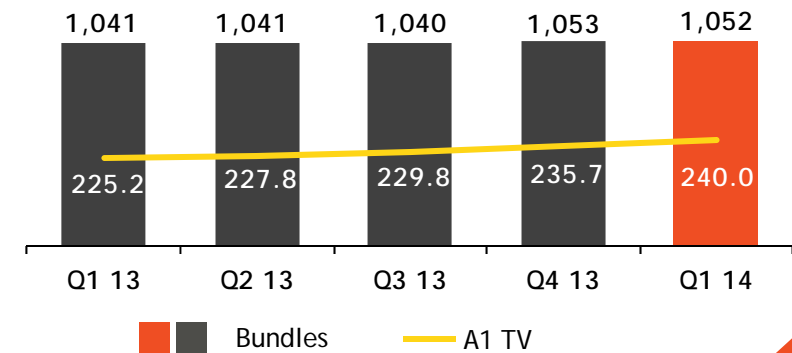
## Fixed broadband access lines

(in '000)



## Bundle subscriber growth

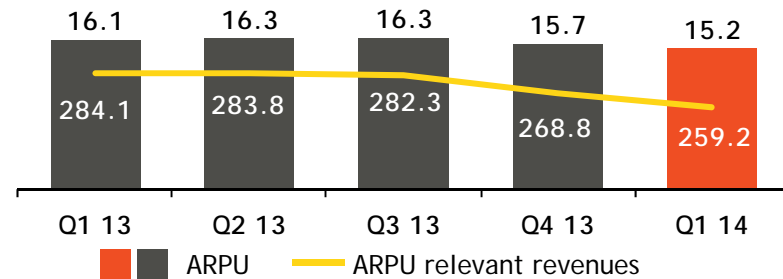
(in '000)



# Segment Austria\* - Mobile key performance indicators

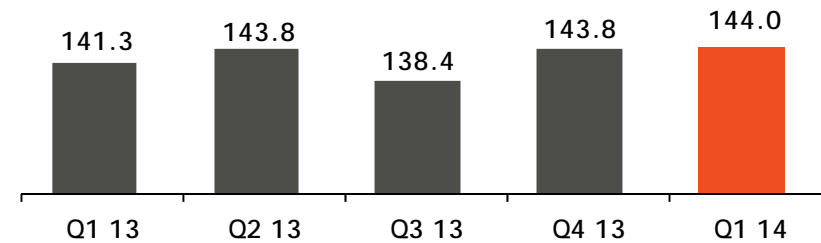
## ARPU & ARPU-relevant revenues\*

(in EUR)



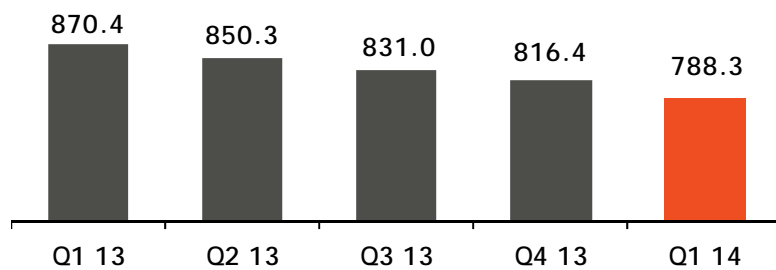
## MoU per subscriber\*

(in min)



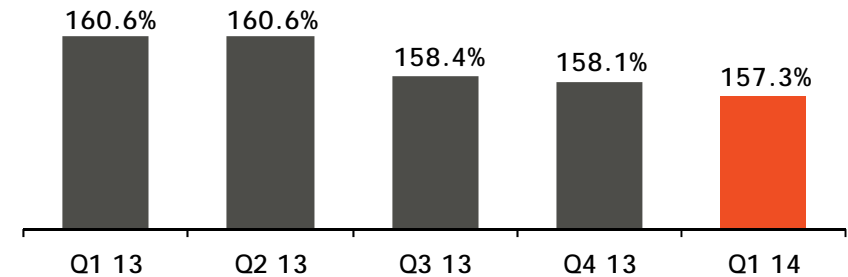
## Mobile broadband customers\*

(in '000)



## Mobile penetration\*

(in %)



\* As of Q1 2013 A1 including YESSS!

As of Q2 2013 Telekom Austria Group's methodology for counting subscribers was changed in the Austrian Segment. Previous quarters of 2012 and 2013 were adjusted retrospectively.

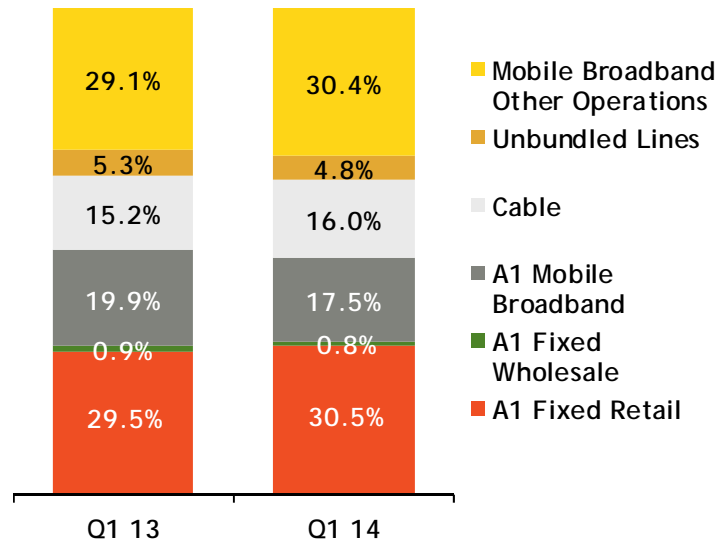
Results for the first quarter 2014



# Segment Austria - Broadband market split

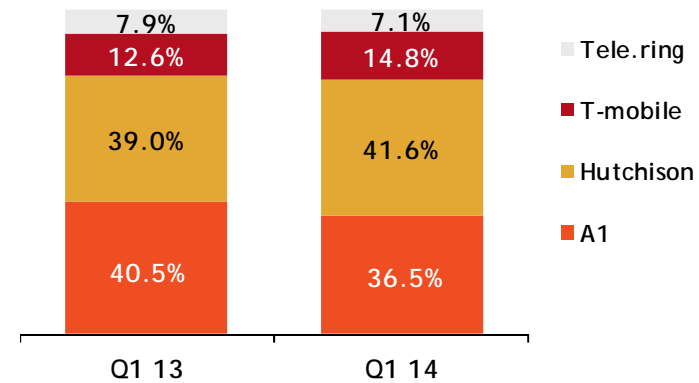
## Market share total broadband\*

(in %)



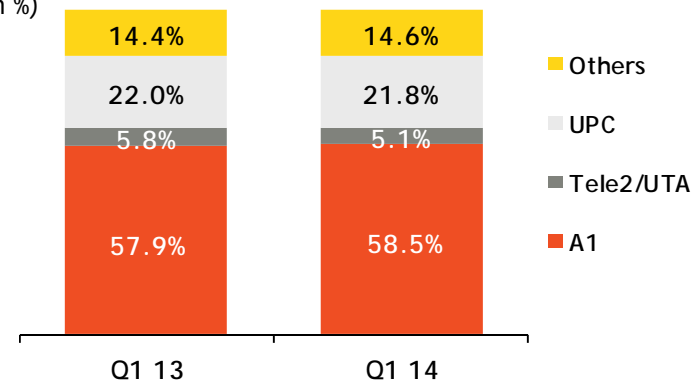
## Market share mobile broadband\*

(in %)



## Market share fixed-line broadband

(in %)



\* As of Q1 2013 A1 including YESSS!

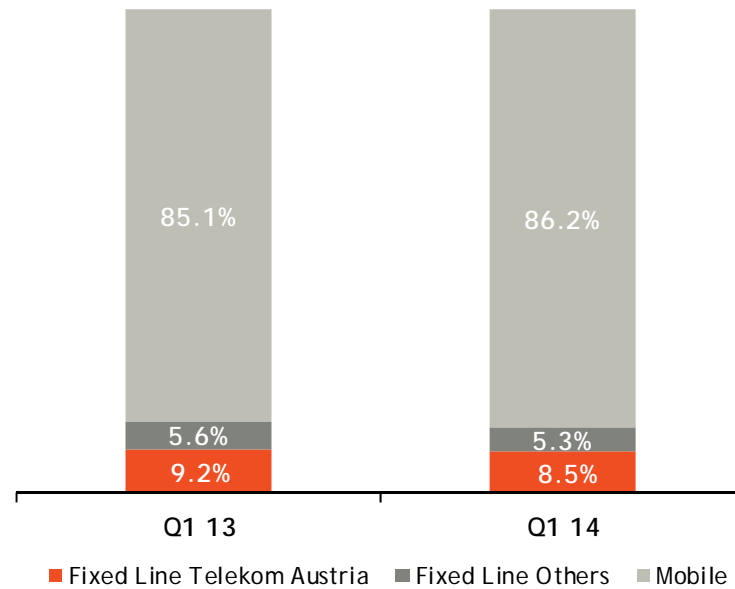
As of Q2 2013 Telekom Austria Group's methodology for counting subscribers was changed in the Austrian Segment. Previous quarters of 2012 and 2013 were adjusted retrospectively.



# Segment Austria - Voice market split

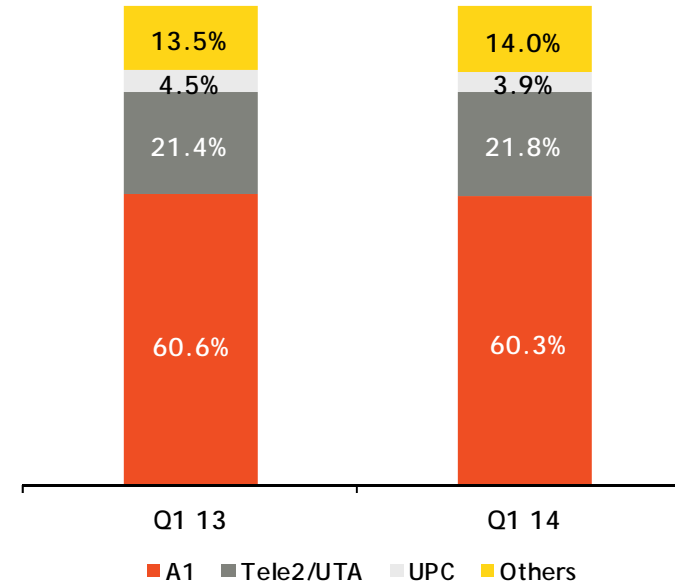
Market share total minutes

(in %)



Market share fixed-line minutes

(in %)

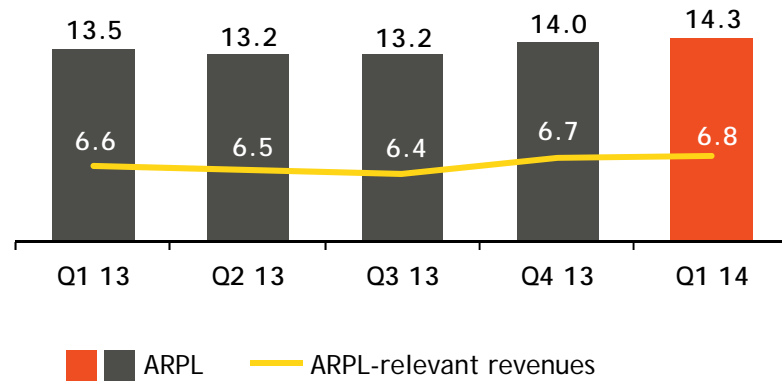




# Segment Bulgaria\* - Fixed-line key performance indicators

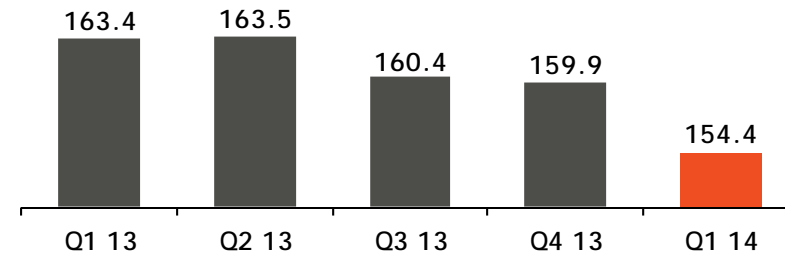
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



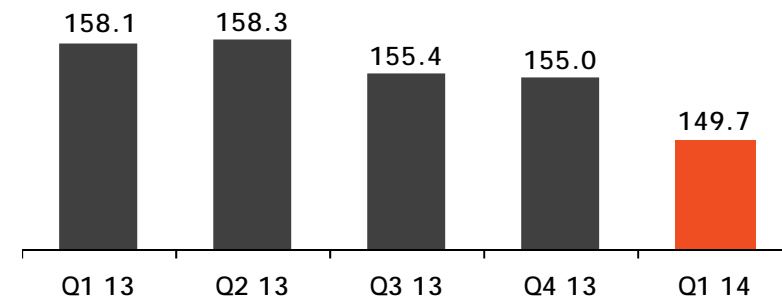
## Total fixed access lines

(in '000)



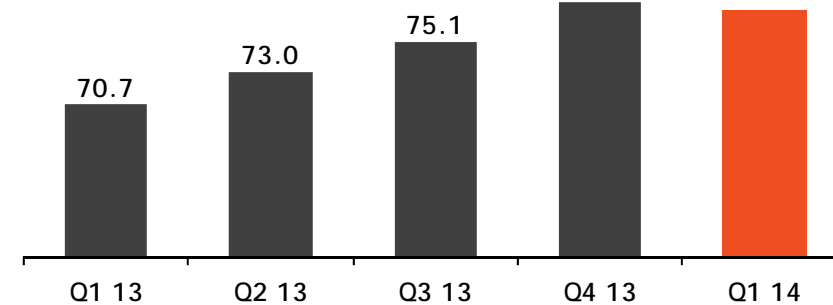
## Fixed broadband retail access lines

(in '000)



## TV subscribers

(in '000)

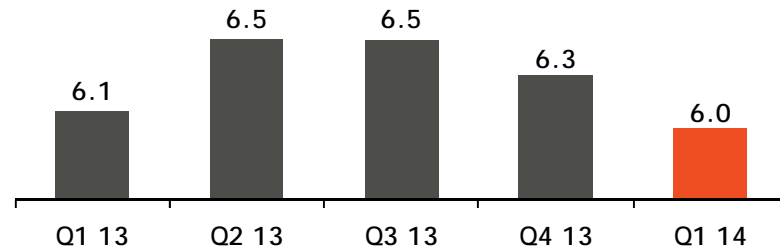


\* As of Q1 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs.  
As of Q4 2013 the methodology for counting subscribers was changed in Bulgaria. Previous quarters of 2012 and 2013 were adjusted retrospectively.

# Segment Bulgaria\* - Mobile key performance indicators

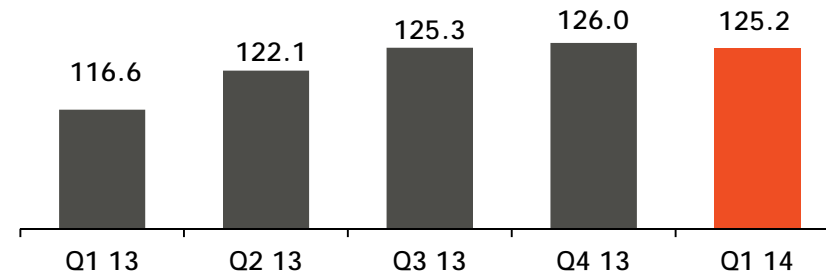
## ARPU

(in EUR)



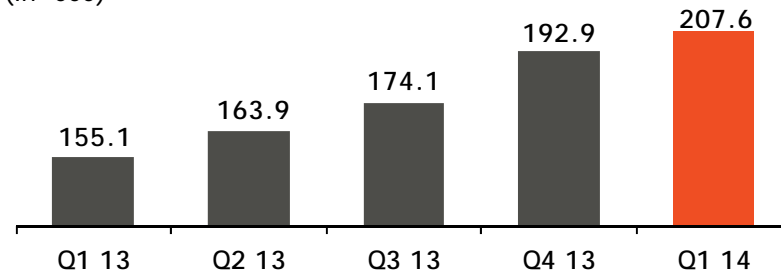
## MoU per subscriber

(in min)



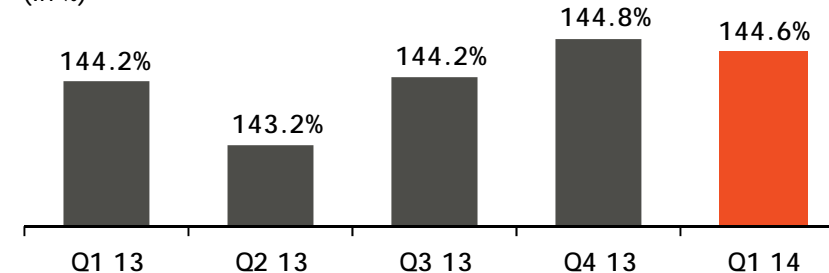
## Mobile broadband customers

(in '000)



## Mobile penetration

(in %)



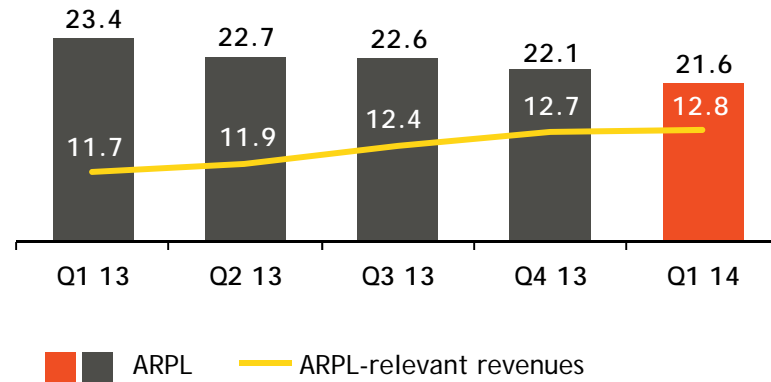
\* As of Q1 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs.  
As of Q4 2013 the methodology for counting subscribers was changed in Bulgaria. Previous quarters of 2012 and 2013 were adjusted retrospectively.



# Segment Croatia - Fixed-line key performance indicators

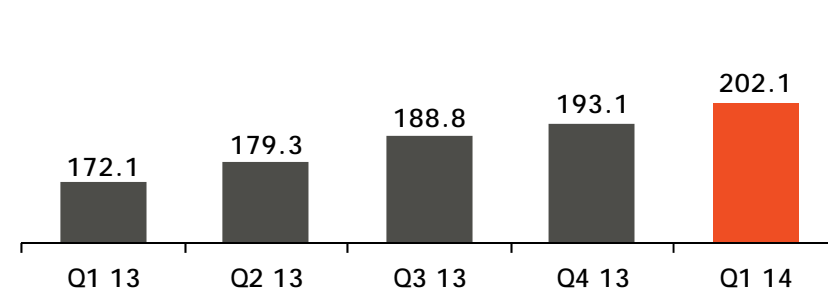
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



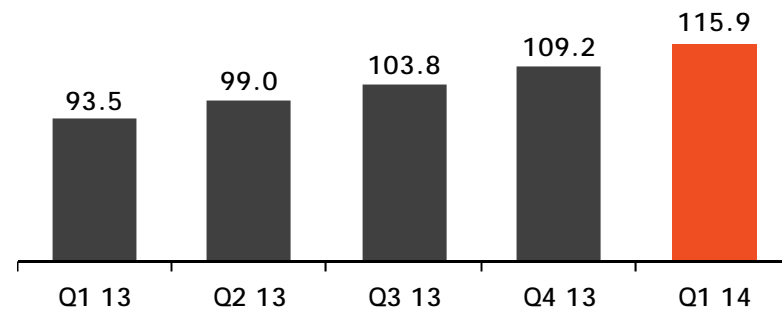
## Total fixed access lines

(in '000)



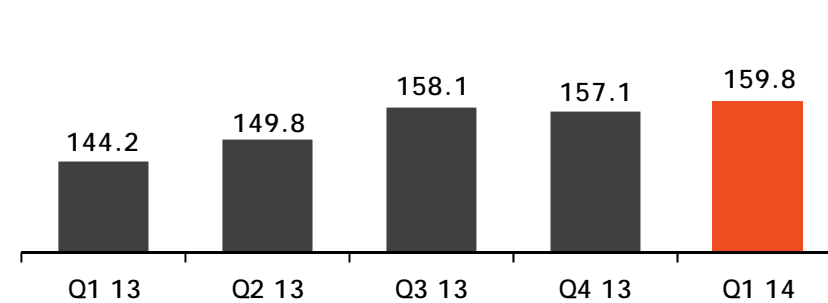
## Fixed broadband retail access lines

(in '000)



## TV subscribers

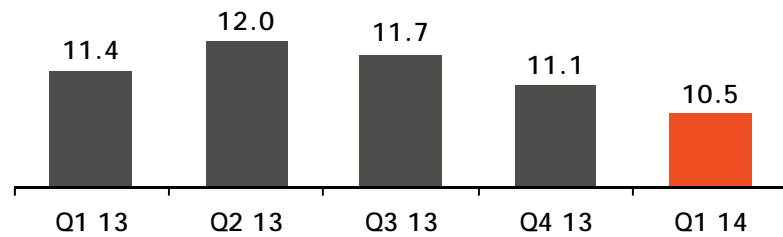
(in '000)



# Segment Croatia - Mobile key performance indicators

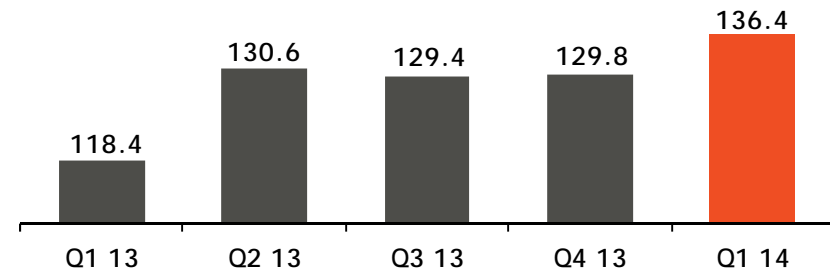
## ARPU

(in EUR)



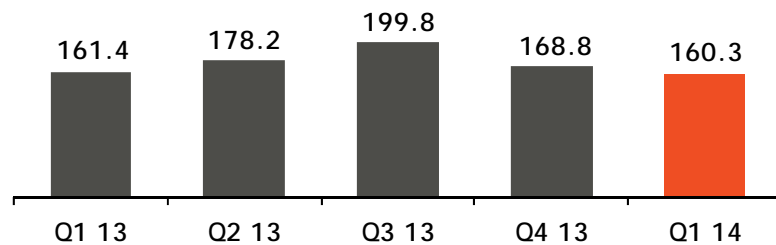
## MoU per subscriber

(in min)



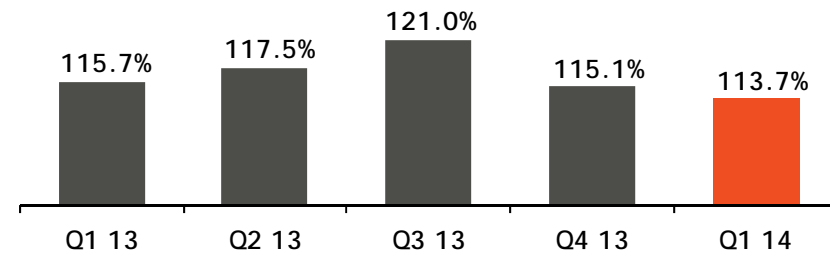
## Mobile broadband customers\*

(in '000)



## Mobile penetration

(in %)

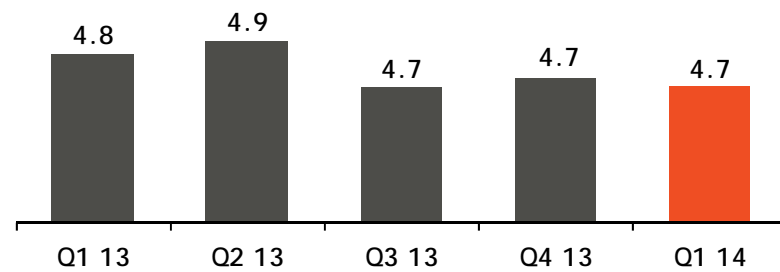


\* As of Q1 2013 the definition for the calculation of mobile broadband customers was changed to exclude M2M customers. Previous quarters were adjusted retrospectively.

# Segment Belarus – Mobile key performance indicators

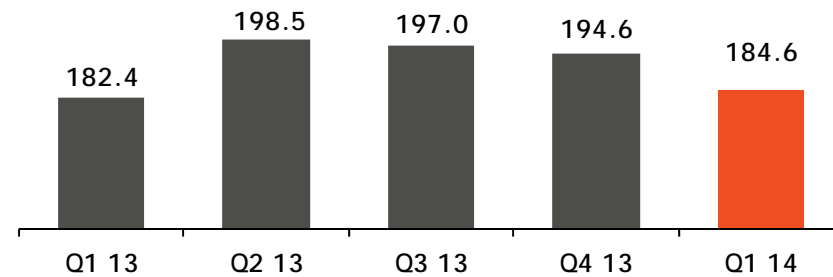
## ARPU

(in EUR)



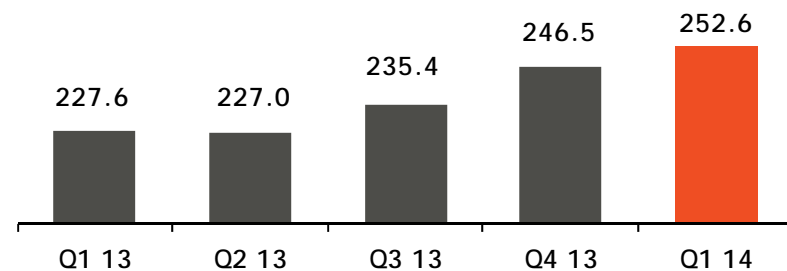
## MoU per subscriber

(in min)



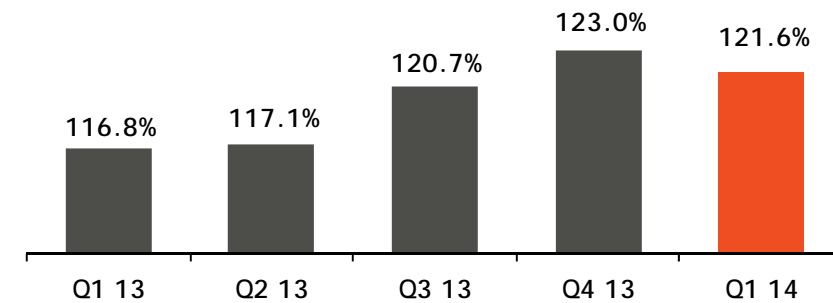
## Mobile broadband customers\*

(in '000)



## Mobile penetration

(in %)

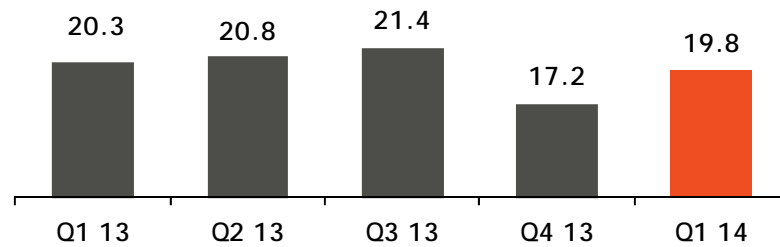


\* As of the first quarter of 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs. Previous quarters were adjusted retrospectively.

# Segment Additional Markets - Mobile key performance indicators

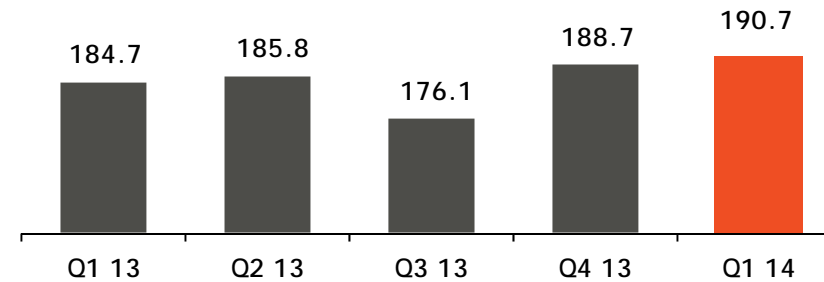
## Slovenia - ARPU

(in EUR)



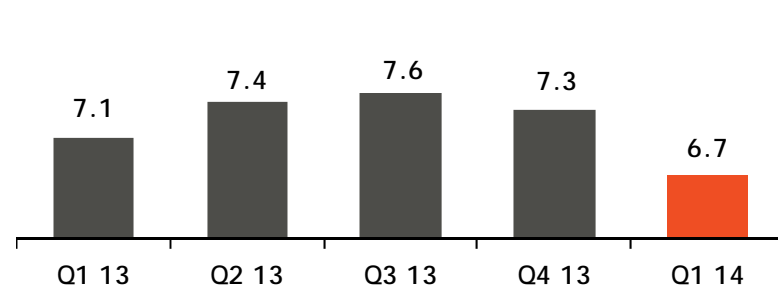
## Slovenia - MoU per subscriber

(in min)



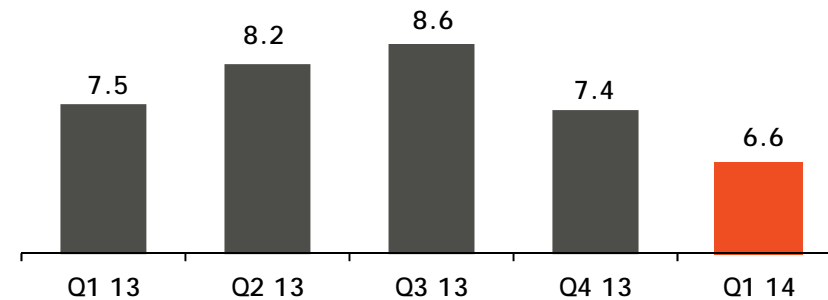
## Republic of Serbia - ARPU

(in EUR)



## Republic of Macedonia - ARPU

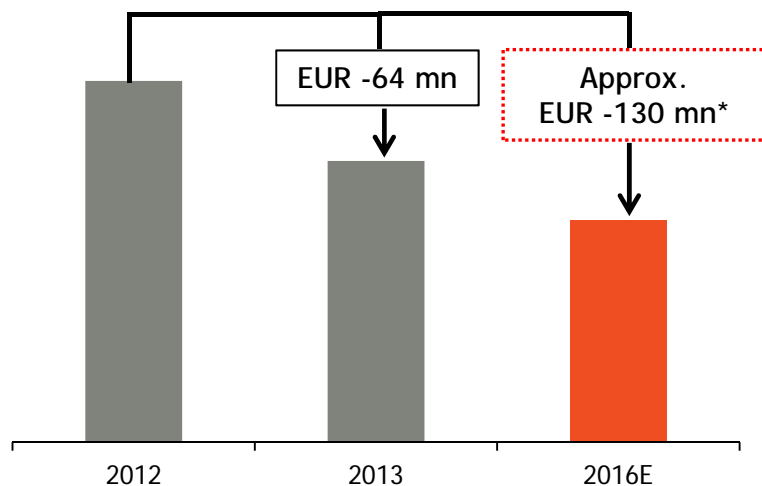
(in EUR)



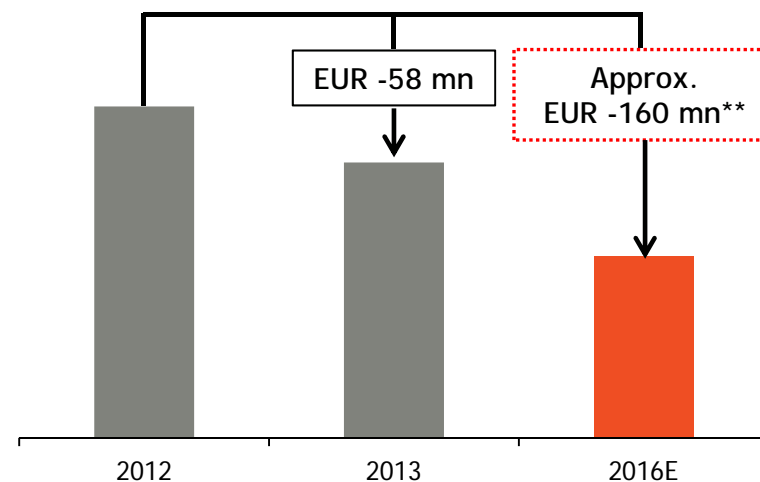
# Appendix 2 – Regulatory topics

# Negative impact from regulation in 2013 - 2016

Telekom Austria Group roaming revenues



Telekom Austria Group interconnection revenues



Negative regulatory impact for 2013 is included in outlook for 2014

\* Total roaming revenue effect in 2013 - 2016

\*\* Total interconnection revenue effect in 2013 - 2016



# Glidepath of mobile termination rates

EU pressure on national regulatory authorities to further decrease rates

(in EURc)

	Jul 2012	Jan 2013	Jul 2013	Nov 2013	Jan 2014	Jul 2014	Sep 2014	Jan 2015	Jul 2015
Austria	2.01	2.01	2.01	0.8049	0.8049	0.8049	0.8049	0.8049	0.8049
Bulgaria	2.70	2.35	1.18	1.18	1.02	1.02	1.02	0.97	0.97
Croatia	4.00	2.61	2.54*	2.54*	1.69*	1.69*	1.69*	0.83	0.83
Belarus	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Slovenia	3.52	3.24	3.24	3.24	1.05**	1.14**	1.14**	1.14**	1.14**
Serbia	4.68	4.20	4.20	3.72	3.46	3.46	3.46	3.01	3.01
Macedonia	6.50	6.50	6.50	1.95	1.95	1.95	1.46	1.46	1.46

\* National MTRs stated. International MTRs differ

\*\* Final decision pending

Results for the first quarter 2014



# EU roaming price regulation

RETAIL (in EURc)	Before	July 2012	July 2013	July 2014
Data (per MB)	none	70	45	20
Voice-calls made (per minute)	35	29	24	19
Voice-calls received (per minute)	11	8	7	5
SMS (per SMS)	11	9	8	6

WHOLESALE (in EURc)	Before	July 2012	July 2013	July 2014
Data (per MB)	50	25	15	5
Voice (per minute)	18	14	10	5
SMS (per SMS)	4	3	2	2



# Upcoming spectrum tenders

	Tender planned	Comments
Austria	2019 (2100 MHz)	
Bulgaria	2015 (800 MHz, 1800 MHz & 2600 MHz)	800 MHz: Tender in 2015 LTE spectrum tender in 2015 (1800 MHz & 2600 MHz)
Croatia	2015 (2100 MHz) 2016 (2600 MHz)	2100 MHz: 1x 5 MHz 2600 MHz: Tender foreseen in 2016
Belarus	No official information	900 & 1800 MHz: Spectrum holdings in Belarus are automatically prolonged without additional costs
Slovenia	n.a.	
Republic of Serbia	2014 (900 MHz & 1800 MHz) 2015 (800 MHz)	800 MHz: Spectrum tender expected in 2015 900 & 1800 MHz: Tender for additional spectrum in 2014
Republic of Macedonia	2018 (900 MHz & 1800 MHz)	900 & 1800 MHz: Prolongation of licences foreseen in 2018

# Appendix 3 – Personnel restructuring in Austria

# Quarterly overview - Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

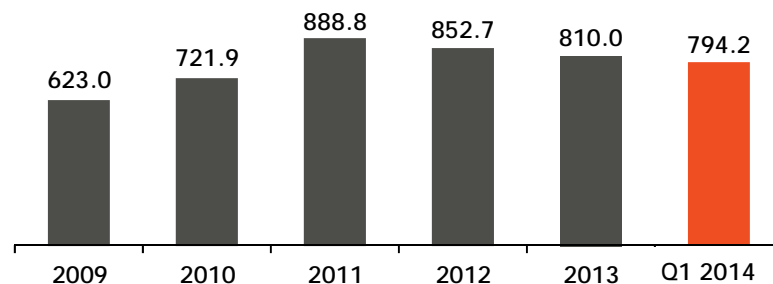
	2009	2010	2011	2012	2013	Q1 2014
FTE effect	-10.0	76.9	274.3	49.9	149.0	8.8
Servicekom	0.0	0.0	-40.6	-76.7	-103.8	-1.2
Interest rate adjustments	27.5	47.2	0.0	61.4	0.0	0.0
<b>Total</b>	<b>17.5</b>	<b>124.1</b>	<b>233.7</b>	<b>34.7</b>	<b>45.2</b>	<b>7.7</b>

## FTEs addressed

	2009	2010	2011	2012	2013	Q1 2014
Transfer to government	0	158	106	44	22	11
Social plans	451	28	685	94	409	13
Staff released from work	-194	27	0	0	0	0
<b>Total</b>	<b>257</b>	<b>213</b>	<b>791</b>	<b>138</b>	<b>431</b>	<b>24</b>

## Overview restructuring provision\*

(in EUR million)



## Provisioned FTEs

	2009	2010	2011	2012	2013	Q1 2014
Transfer to government	0	158	264	308	330	341
Social plans	273	299	922	1,030	1,315	1,320
Staff released from work	789	763	649	510	410	405
<b>Total</b>	<b>1,062</b>	<b>1,220</b>	<b>1,835</b>	<b>1,848</b>	<b>2,055</b>	<b>2,066</b>

\* 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
2008	14.7
2009	62.0
2010	57.9
2011	93.4
2012	104.0
2013	108.0
<i>2014 YTD</i>	<i>28.4</i>

- > Total cash-flow impact comprises old and new programmes
- > Cash-flow impact for Q1 2014 of EUR 28 mn
- > Total expected cash flow impact for 2014 of approximately EUR 110 mn

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

Results for the first quarter 2014



# Appendix 4 – Corporate sustainability

# Alignment with core business and materiality analysis define sustainability strategy

**Products**  
Providing Responsible Products



Develop Products in a Future-Oriented and Responsible Way

- Powerful Network Infrastructure
- Highest Data Protection and Safety Standards
- Products with Added Value

**Environment**  
Living Green



Manage Resources in an Efficient and Sustainable Way

- Energy-Efficient Infrastructures
- Increased Use of Renewable Energy
- Active Climate Protection Through CO<sub>2</sub> Reduction



**Employees**  
Empowering People



Systematically Promote Employees' Skills and Utilising Them

- Sound Education and Trainings
- Promotion of Internal Career Paths
- Increase the Proportion of Female Employees – Including Management Posts

**Society**  
Creating Equal Opportunities



Creating Equal Opportunities in the Digital Society

- Focused Trainings on Media Literacy
- Increase the Safe Use of Digital Media
- Social Cooperations Based on Local Needs

**22** Firm and Measurable Targets



Reporting Follows the Global Reporting Initiative Guidelines



ISO 14001  
ISO 50001  
ISO 27001





# Key figures

## Selected Group-wide KPIs

<b>Products: Providing Responsible Products</b>	<b>2012</b>
Customer contacts in customer service ('000)	45.569
E-billing share (in %)	29
Collected old mobile phones (in pcs)	73.877
<b>Environment: Living Green*</b>	<b>2012</b>
Total CO2 Emissions (Scope 1+2 in tonnes)	218.296
Energy efficiency index (in Mwh/terabyte)	2,1
Paper consumption (in tonnes)	1.890
<b>Employees: Empowering People</b>	<b>2012</b>
Share of femal employees (in %)	38
Share of femal executives (in %)	32
Internally hired positions	666
<b>Society: Creating Equal Opportunities</b>	<b>2012</b>
Participants in trainings on media literacy	24.292

\* Mobilkom liechtenstein is not included due to size of the operating company

Results for the first quarter 2014

## Ratings



› Classification: C  
(74 points out of 100)



› Classification: C+



## Indices



FTSE4Good

## Memberships

