

# Roadshow Presentation Q3 2013




# 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 30 September 2013  
(in '000, in %)

Austria\* 

Mobile:

- > Market share: 42.7% (Q3 2012: 38.2%)
- > Subscriber base: 5,739 (Q3 2012: 5,122)

Fixed Line:

- > Access Lines: 2,274 (Q3 2012: 2,285)

Croatia 

Mobile:

- > Market share: 37.5% (Q3 2012: 38.7%)
- > Subscriber base: 1,950 (Q3 2012: 2,055)

Fixed Line:

- > Access Lines: 189 (Q3 2012: 158)

Liechtenstein 

Mobile:

- > Market share: 16.1% (Q3 2012: 15.9%)
- > Subscriber base: 6 (Q3 2012: 6)

Slovenia 

Mobile:

- > Market share: 29.9% (Q3 2012: 30.0%)
- > Subscriber base: 673 (Q3 2012: 653)



Republic of Serbia 

Mobile:

- > Market share: 20.9% (Q3 2012: 17.4%)
- > Subscriber base: 1,975 (Q3 2012: 1,819)

Belarus 

Mobile:

- > Market share: 42.9% (Q3 2012: 43.9%)
- > Subscriber base: 4,898 (Q3 2012: 4,750)

Bulgaria 

Mobile:

- > Market share: 44.8% (Q3 2012: 47.2%)
- > Subscriber base: 5,264 (Q3 2012: 5,535)

Fixed Line:

- > Access Lines: 159 (Q3 2012: 143)

Republic of Macedonia 

Mobile:

- > Market share: 28.2% (Q3 2012: 27.2%)
- > Subscriber base: 645 (Q3 2012: 626)

\* As of Q1 2013 including YESSS!.

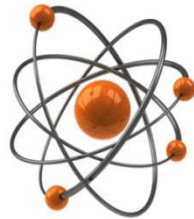
As of Q2 2013 the methodology for counting subscribers was changed. Previous quarters of 2012 and 2013 were adjusted retrospectively.

Results for the First Nine Months and the Third Quarter 2013



# Telekom Austria Group Strategy

*Optimization of  
Core Business*



*Convergence*



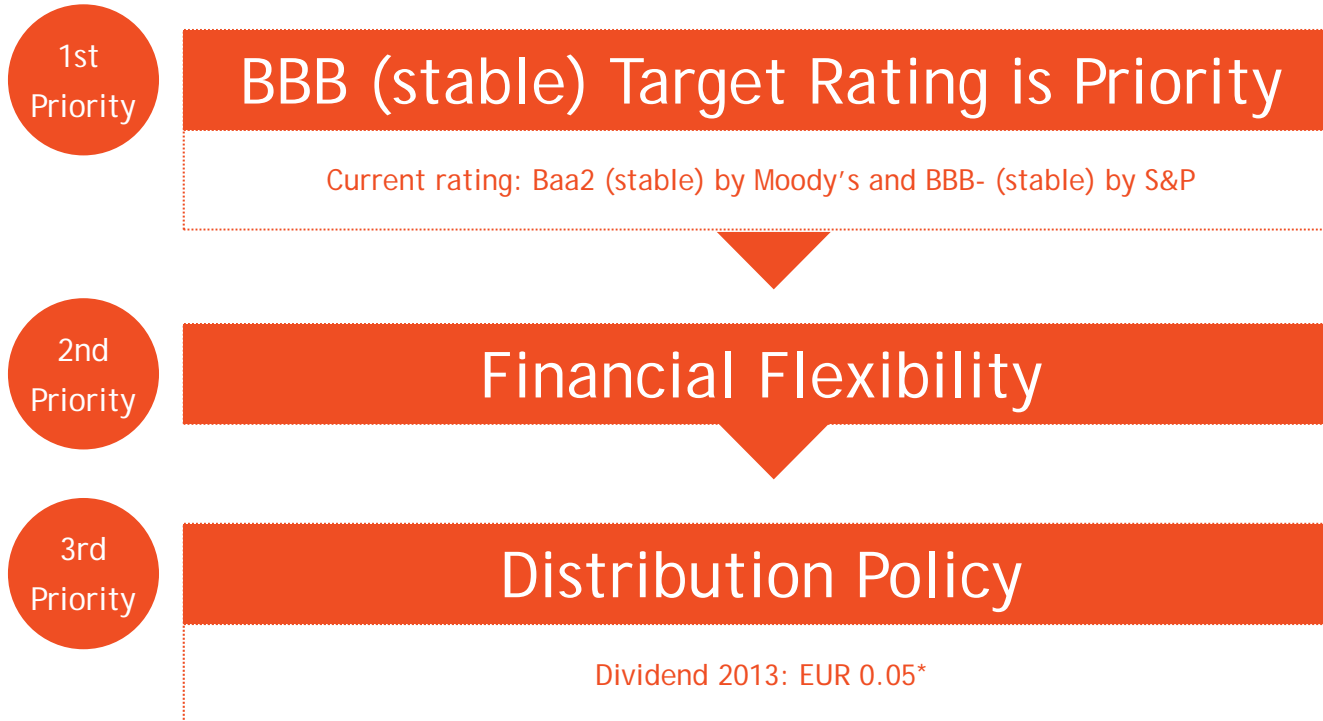
*Operational  
Excellence*



*Strategic  
Opportunities*



# Cash Use Policy



\* Intended proposal to the Annual General Meeting 2014



# Operational and Financial Highlights for the First Nine Months of 2013

# 1-9M 2013: Operational Developments in Line With Expectations

- > Group revenues down 2.6% year-on-year as growth in the Belarus and in the Additional Markets segment partly mitigates decline in Austria, Bulgaria and Croatia
- > While overall revenues still decline by 3.6% in Austria, high-value focus and convergence strategy continue to yield encouraging results
  - > Improved churn and high-value mobile customer trends
  - > TV and fixed broadband growth support access-line trends while fixed voice minute loss weighs on ARPL
- > International businesses see revenues decline by 2.4% as a result of challenging macro-economic trends and regulatory burdens
  - > Croatia: EU accession in July 2013 and termination rate cuts puts pressure on roaming and interconnection revenues, resulting in negative effects of EUR 7.6 mn and EUR 6.7 mn respectively
  - > Belarus: Benefits from past price increases and subscriber growth are partly negated by FX-translation effect
- > Spectrum auctions Austria: Excellent frequency furnishing (2/3 of available 800-MHz spectrum) provides strong strategic implications, but costs of EUR 1.03 bn cause leverage to spike
- > FY 2013 Group guidance unchanged: Revenues of approx. EUR 4.1 bn, CAPEX\* of EUR 650 - 700 mn and intended dividend of EUR 0.05/share

\* Does not include investments for spectrum and acquisitions



# Key Financial Developments in the Third Quarter 2013



# Q3 2013: OPEX Savings Partly Mitigate Revenue Decline

(in EUR million)	Q3 2013	Q3 2012	% change
Revenues	1,036.0	1,093.7	-5.3%
EBITDA comparable*	357.9	410.4	-12.8%
<i>EBITDA comparable margin*</i>	<i>34.6%</i>	<i>37.5%</i>	
Restructuring	-27.7	-10.6	n.m.
Impairment and reversal of impairment	0.0	0.0	n.a.
Depreciation & amortization	-208.8	-222.9	n.m.
Operating income	121.5	177.0	-31.4%
Financial result	-51.3	-54.1	n.m.
Income before income taxes	70.2	122.8	-42.9%
Income tax expense	-18.9	-23.7	n.m.
Net income / Net loss	51.3	99.2	-48.3%

- > Operational trends remain unchanged, but regulatory effects following Croatia's EU accession plus 6.5% BYR devaluation put additional pressure on revenue and EBITDA comparable
- > Total negative regulatory impact of EUR 42 mn on revenues and of EUR 26 mn on EBITDA comparable
- > Negative FX effects: EUR 14.8 mn on revenues, EUR 7.3 mn on EBITDA comparable
- > Group OPEX reductions cushion margin decline
- > Intensified restructuring effort (98 FTEs addressed) reduces employee costs in Austria but contributes to y-o-y net income decline

\* Excluding effects from restructuring and impairment tests

# Additional Restructuring Efforts Contribute to Cost Savings

## Overview Restructuring Charges

(in EUR million)

	Q1 2013	Q2 2013	Q3 2013
FTE effect	2.7	25.5	27.4
servicekom	0.0	-20.6*	0.3
Interest rate adjustments	0.0	0.0	0.0
<b>Total</b>	<b>2.7</b>	<b>4.9</b>	<b>27.7</b>

- > Total restructuring charge of EUR 27.7 mn in Q3 2013
- > 98 FTEs addressed in Q3 2013 after 68 FTEs in Q2 2013 and 20 in Q1 2013
- > FY expectations for total restructuring charge increased from approx. EUR 20 mn to approx. EUR 40 mn

- > Intensified efforts to address employee costs via social plans
- > Higher net restructuring charge in Q3 resulted from a larger FTE and lesser servicekom effect versus Q2
- > Positive servicekom effect in Q2 provided additional flexibility

### *New initiative 'Civil Servants to Government Bodies' starts in Q4 2013*

- > Old programme finishes by mid-2014
- > New programme covers a potential 400 civil servants of Telekom Austria Group and Post AG

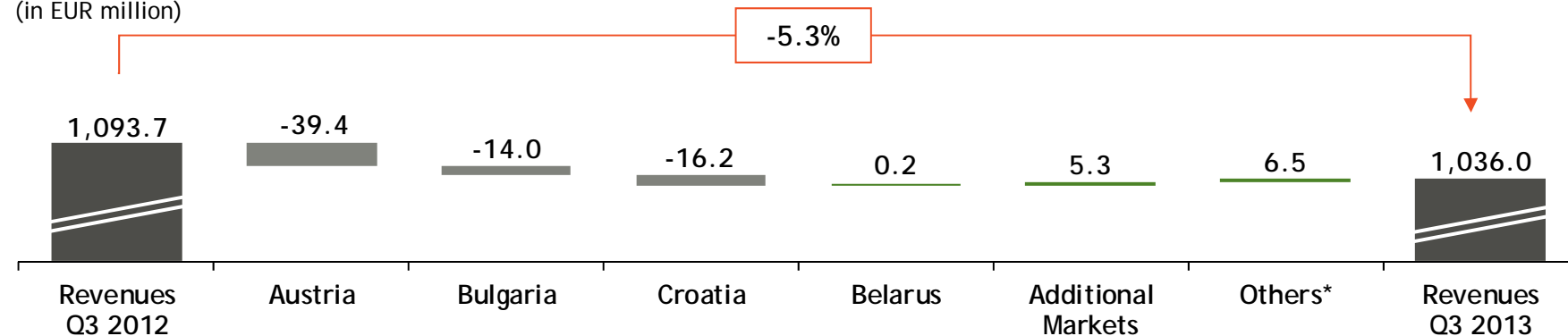
\* Impacted by 58 FTEs transferred from 'staff released from work' to 'social plans' through Servicekom.



# Price Pressure & Regulatory Effects Remain Biggest Revenue Burdens; Softer BYR Adds to Strain

## Quarterly Revenue Development

(in EUR million)



### Segment Austria

- > EUR 2.8 mn higher equipment revenues and YESSS! contribution only partly soften revenue decline
- > 4.4% decline in monthly fee and traffic revenues caused by mobile price pressure and lower ARPL
- > Price pressure and regulation drive 13.8% ARPU decline
- > 4.0% ARPL decline as broadband and TV growth only partly mitigate fixed voice minute loss and price pressure

### International Segments

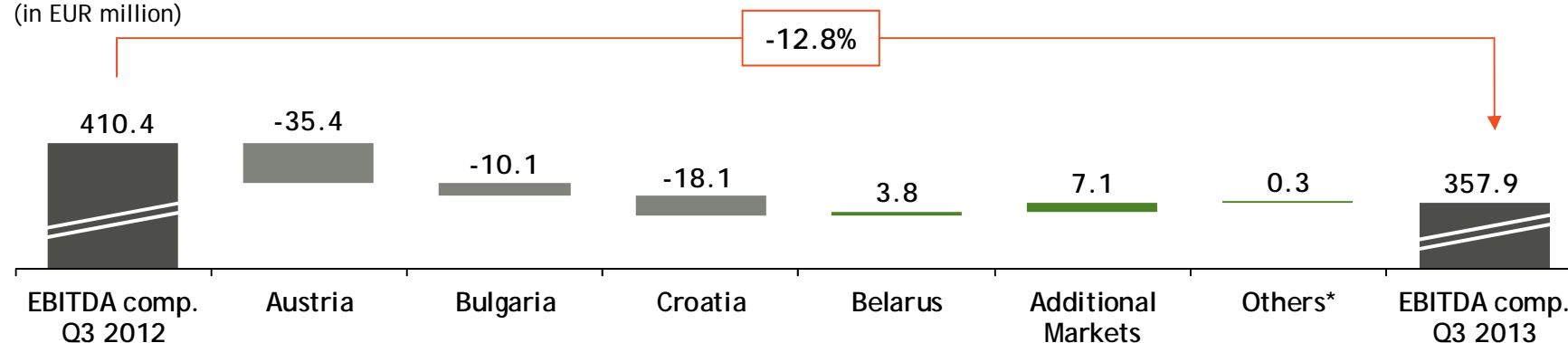
- > Bulgaria: Mobile and fixed price pressure as well as interconnection drive 12.2% revenue decline
- > Croatia: Higher fixed-line revenues cannot offset mobile price pressure and roaming cuts
- > Belarus: inflation-driven price increases drive 18.5% local currency revenue growth; almost fully offset by negative EUR 14.8 mn FX translation effect

\* Corporate, Others & Eliminations

# EUR 37.4 mn Gross Cost Savings Help Mitigate Revenue Pressure on EBITDA Comparable

## Quarterly EBITDA Comparable Development

(in EUR million)



### Segment Austria

- > EUR 4.9 mn lower operating expenses due to regulatory impacts and cost saving initiatives
- > Lower FTE and actuarial adjustments lead to EUR 3.2 mn personnel expenses decline
- > 20.8% y-o-y increase in SACs/SRCs (subsidy ramp-up started in Q3 2012) leading to reduced churn and an increase in revenues from high-value customers

### International Segments

- > Bulgaria: EUR 3.2 mn lower OPEX primarily due to headcount reductions as well as cuts in marketing and sales costs
- > Croatia: Lower revenues burden EBITDA comparable, as operating expenses remain almost flat
- > Belarus: EBITDA comparable rises 32.7% excluding negative foreign exchange effects
- > Continuing growth in EBITDA comparable contribution from the Additional Markets segment

\* Corporate, Others & Eliminations

# Decline in Gross Cash Flow Partly Offset by Lower Working Capital Needs

(in EUR million)	Q3 2013	Q3 2012	% change	1-9 M 2013	1-9 M 2012	% change
Gross cash flow	313.0	377.1	-17.0%	909.5	1,008.1	-9.8%
Change in working capital	-17.5	-55.0	n.m.	-120.0	-210.7	n.m.
Ordinary capital expenditures	-167.6	-158.4	n.m.	-493.0	-489.4	n.m.
Proceeds from sale of equipment	3.3	1.0	217.4%	7.1	3.2	124.7%
Free cash flow	131.1	164.7	-20.4%	303.6	311.1	-2.4%
Free cash flow per share	0.30	0.37	-20.4%	0.69	0.70	-2.4%

## Year-to-Date Analysis

- > Lower gross cash flow reflects operational challenges
- > EUR 120.0 mn working capital needs in the first nine months of 2013 due to:
  - > EUR 71.0\* mn cash effect of restructuring in Austria
  - > Reduction in accounts payable mainly driven by Austria, Bulgaria and Croatia
- > In a year-on-year comparison working capital needs were lower due to a sharper decline in liabilities in the first nine months of the previous year
- > CAPEX: EUR 46.0 mn spent on the acquisition of assets from Orange in Austria as well as 800-MHz and 1800-MHz frequencies acquisition in the Republic of Macedonia were partly offset by CAPEX savings in the Bulgarian segment

\* EUR 75.7 mn including severance payments in accordance with social plans

# Focus Points

# Telekom Austria Group Sees Significant Increase in Spectrum Holdings After the Multiband Auction

	Band	Before	After	
		abs.	abs.	in % of total
Auctioned	800 MHz	-	2 x 20	67%
	900 MHz	2 x 20.2 (until 2015/2017)	2 x 15	43%
	1800 MHz	2 x 15 (until 2015)	2 x 35	46%
Not Auctioned	2100 MHz	2 x 19.6	2 x 19.6	33%
	2600 MHz	2 x 25	2 x 25	36%
	<b>Total MHz</b>	<b>2 x 79.8</b>	<b>2 x 114.6</b>	<b>43%</b>
	<b>Market share</b>			<b>43%</b>



# New 800-MHz Spectrum - Nationwide LTE Service and Potential for Advanced Technologies in Future

## Next steps:

- > Fulfil 800-MHz coverage obligations, especially in rural areas:
  - > 180 communities in 1.5 years, 360 communities in 3 years
- > Complement existing LTE coverage in urban areas by utilising new 800-MHz spectrum

## Benefits of technology leadership:

- > Existing towers can be refitted to carry 800-MHz technology
  - > Where new antennas have to be built, focus will be on SingleRAN technology
- > Coverage stipulations and market potential will drive extension of footprint based on the following criteria:
  - > Potential for winning new customers
  - > Potential for churn reduction
  - > Potential for defending against revenue loss from fixed-to-mobile substitution

- > Capacity and speed increase post multiband auction allows view towards achieving LTE Advanced, via 'carrier aggregation'

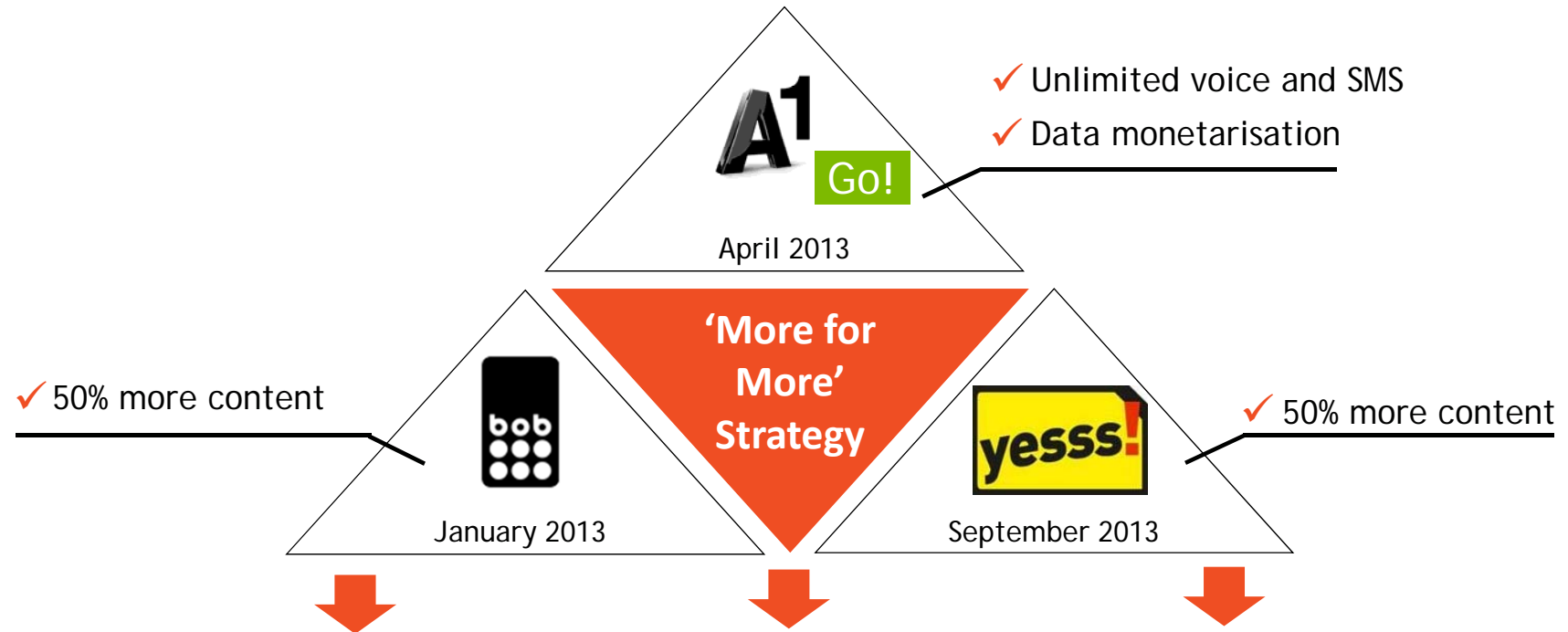


# Leadership in All Mobile Technologies Across Urban and Rural Areas

Spectrum portfolio and usage after multiband auction



# New YESSS! Tariffs - 'More for More' Strategy in Austria Fully Implemented



All Austrian brands of Telekom Austria have now launched new tariffs with considerably added content and offer more value for money

# Outlook for the Full Year 2013

# Telekom Austria Group Outlook for Full Year 2013

## Results Unchanged

### Financial Outlook for 2013

On a constant currency basis for all markets as well as before any effects of hyperinflation accounting for the Belarusian segment

	As of 14 November 2013	Previous Guidance
Revenues	approx. EUR 4.1 bn	approx. EUR 4.1 bn
CAPEX*	EUR 650 - 700 mn	EUR 650 - 700 mn
Proposed Dividend**	EUR 0.05	EUR 0.05

\* Does not include investments for spectrum and acquisitions

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



# Appendix 1

# Telekom Austria Group - Revenue Breakdown

Revenue Split - Segment Austria (in EUR million)	Q3 2013	Q3 2012	% change
Monthly fee and traffic	459.6	480.9	-4.4%
Data and ICT solutions	54.6	49.1	11.3%
Wholesale (incl. Roaming)	28.9	42.3	-31.7%
Interconnection	65.5	77.6	-15.6%
Equipment	33.8	31.0	9.0%
Other revenues	4.4	5.3	-17.4%
<b>Total revenues - Segment Austria</b>	<b>646.8</b>	<b>686.2</b>	<b>-5.7%</b>

Revenue Split - International Operations (in EUR million)	Q3 2013	Q3 2012	% change
Monthly fee and traffic	300.6	310.7	-3.2%
Data and ICT solutions	0.1	0.1	138.3%
Wholesale (incl. Roaming)	13.3	21.3	-37.5%
Interconnection	45.9	55.3	-17.0%
Equipment	38.3	35.1	9.2%
Other revenues	3.3	3.5	-4.3%
<b>Total revenues - int. Operations</b>	<b>401.7</b>	<b>426.0</b>	<b>-5.7%</b>

# Telekom Austria Group - Expense Breakdown

Operating Expense - Segment Austria (in EUR million)	Q3 2013	Q3 2012	% change
Material expense	73.4	64.3	14.3%
Employee costs	153.9	157.0	-2.0%
Interconnection	59.4	70.3	-15.5%
Maintenance and repairs	28.0	28.1	-0.1%
Services received	27.3	34.8	-21.5%
Other support services*	32.7	33.1	-1.3%
Other*	89.6	81.6	9.7%
<b>Total OPEX - Segment Austria</b>	<b>464.3</b>	<b>469.2</b>	<b>-1.0%</b>

Operating Expense - International Operations (in EUR million)	Q3 2013	Q3 2012	% change
Material expense	46.9	45.4	3.4%
Employee costs	33.1	31.7	4.3%
Interconnection	50.1	53.0	-5.5%
Maintenance and repairs	15.4	14.7	4.6%
Services received	27.2	28.2	-3.5%
Other support services*	4.7	4.3	10.8%
Other*	71.0	77.8	-8.7%
<b>Total OPEX - int. Operations</b>	<b>248.5</b>	<b>255.1</b>	<b>-2.6%</b>

\* In 2012, the structure of other operating expenses was adjusted to take account of changes in internal reporting. Comparative amounts were adjusted accordingly.

# Telekom Austria Group - Headcount Development

FTE (Average period)	Q3 2013	Q3 2012	% change
Austria	9,190	9,287	-1.0%
International	6,929	7,276	-4.8%
Telekom Austria Group*	16,274	16,724	-2.7%

FTE (End of period)	Q3 2013	Q3 2012	% change
Austria	9,136	9,287	-1.6%
International	6,948	7,213	-3.7%
Telekom Austria Group*	16,243	16,666	-2.5%

\* Including corporate segment.



# Telekom Austria Group - Capital Expenditures Split

Capital Expenditures (in EUR million)	Q3 2013	Q3 2012	% change
Segment Austria	107.4	106.6	0.8%
Segment Bulgaria	10.4	9.6	8.2%
Segment Croatia	12.0	10.7	11.4%
Segment Belarus	6.1	5.8	6.2%
Segment Additional Markets	31.7	25.7	23.3%
<i>Slovenia</i>	<i>5.4</i>	<i>3.5</i>	<i>57.2%</i>
<i>Republic of Serbia</i>	<i>14.8</i>	<i>15.2</i>	<i>-3.0%</i>
<i>Republic of Macedonia</i>	<i>11.5</i>	<i>7.0</i>	<i>63.4%</i>
<i>Liechtenstein</i>	<i>0.1</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>167.6</b>	<b>158.4</b>	<b>5.8%</b>
Thereof tangible	116.4	126.8	-8.2%
Thereof intangible	51.2	31.7	61.8%

# Telekom Austria Group - Net Debt

Net debt (in EUR million)	30 September 2013	31 December 2012	% change
Long-term debt	3,080.5	2,832.0	8.8%
Short-term borrowings	296.2	1,078.6	-72.5%
Cash and cash equivalents, short-term and long term investments, finance lease receivables	-667.9	-715.3	n.m.
<i>Cash and cash equivalents and short-term investments</i>	-637.0	-685.9	n.m.
<i>Long-term investments, finance lease receivables</i>	-30.9	-29.5	n.m.
Derivate financial instruments for hedging purposes	0.0	53.6	n.a.
<b>Net Debt* of Telekom Austria Group</b>	<b>2,708.8</b>	<b>3,248.9</b>	<b>-16.6%</b>

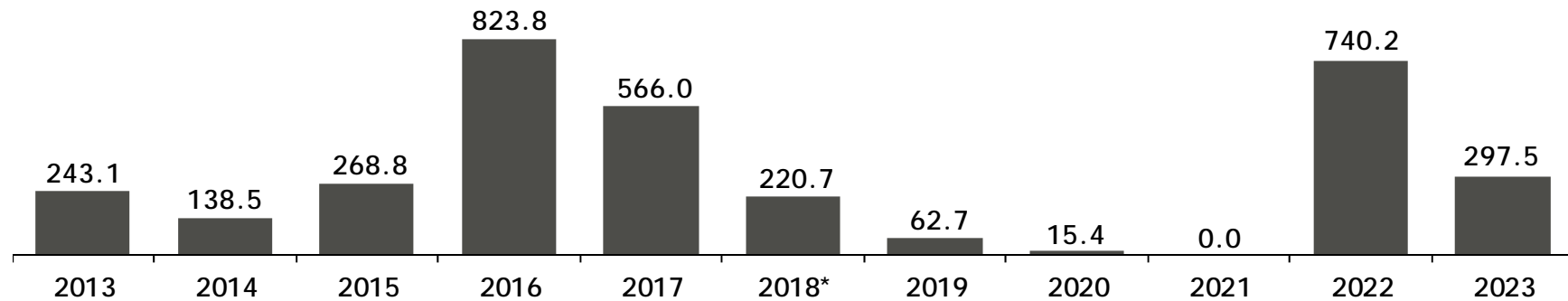
EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

\* As of 30 September 2013 the purchase price not yet paid related to the acquisition of SOBS is included in short-term borrowings. The remaining performance based consideration related to the acquisition of SBT which was paid in Q1 2013 was included in short-term borrowings as of 31 December 2012.

# Telekom Austria Group - Debt Maturity Profile

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

(in EUR million)



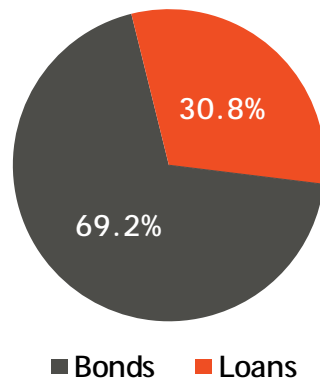
- > EUR 3,376.7 mn of short- and long-term borrowings as of 30 September 2013
- > Average cost of debt of approximately 4.3%
- > Cash and cash equivalents and short-term investments of EUR 637.0 mn

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

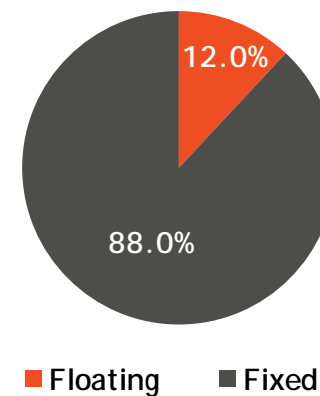


# Telekom Austria Group - Debt Profile

## Overview Debt Instruments



## Fixed-Floating Mix



## Lines of Credit

- > Undrawn committed credit lines amounting to EUR 1,060.0 mn
- > Average term to maturity of approx. 3.1 years

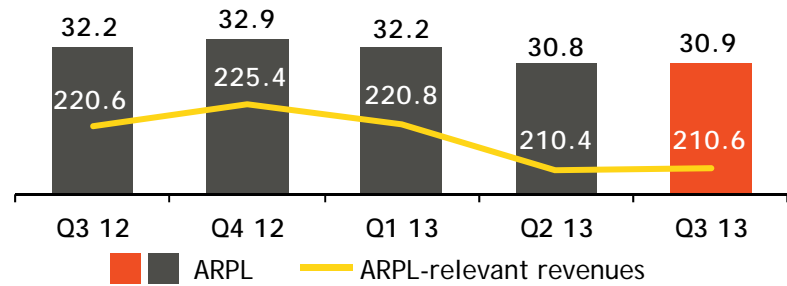
## Ratings

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

# Segment Austria - Fixed Line Key Performance Indicators

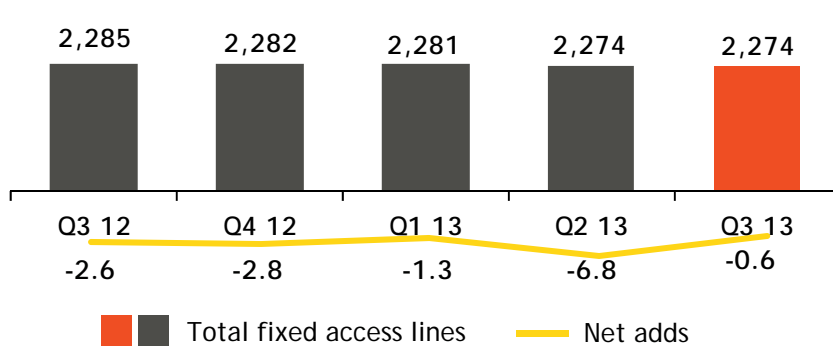
## ARPL & ARPL-Relevant Revenues

(in EUR, in EUR million)



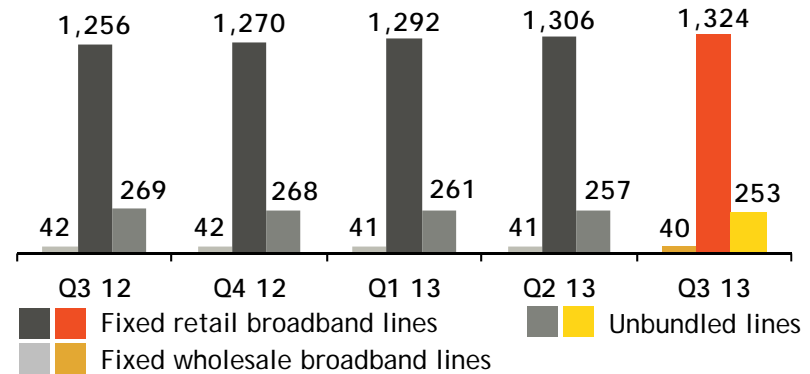
## Total Fixed Access Lines & Net Adds

(in '000)



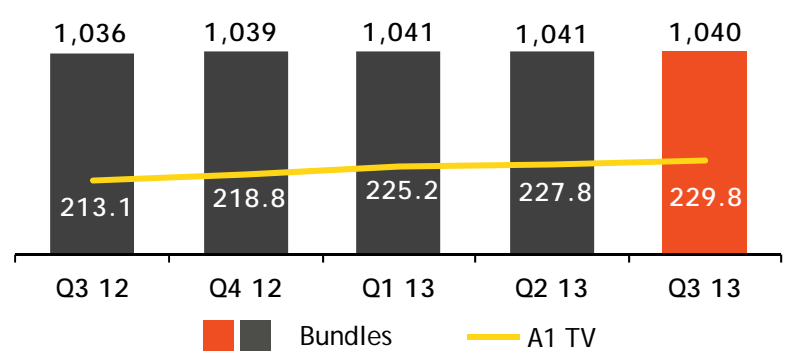
## Fixed Broadband Access Lines

(in 000)



## Bundle Subscriber Growth

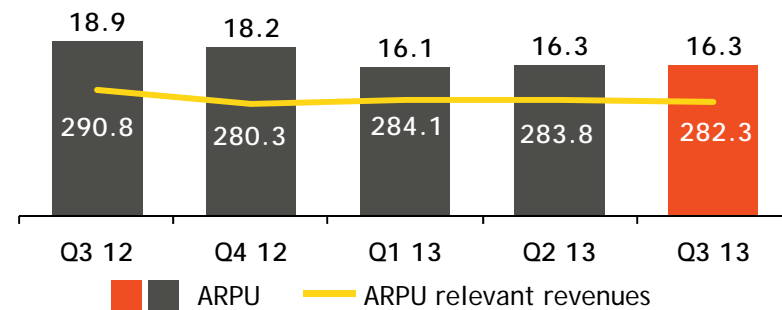
(in '000)



# Segment Austria\* - Mobile Key Performance Indicators

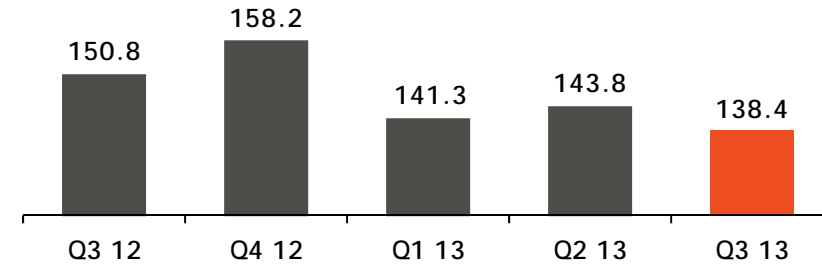
## ARPU & ARPU-Relevant Revenues\*

(in EUR)



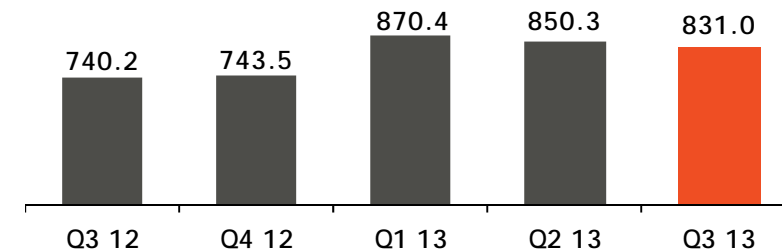
## MoU per Subscriber\*

(in min)



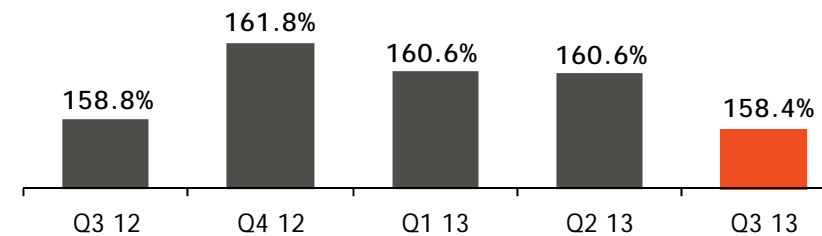
## Mobile Broadband Customers\*

(in '000)



## Mobile Penetration\*

(in %)



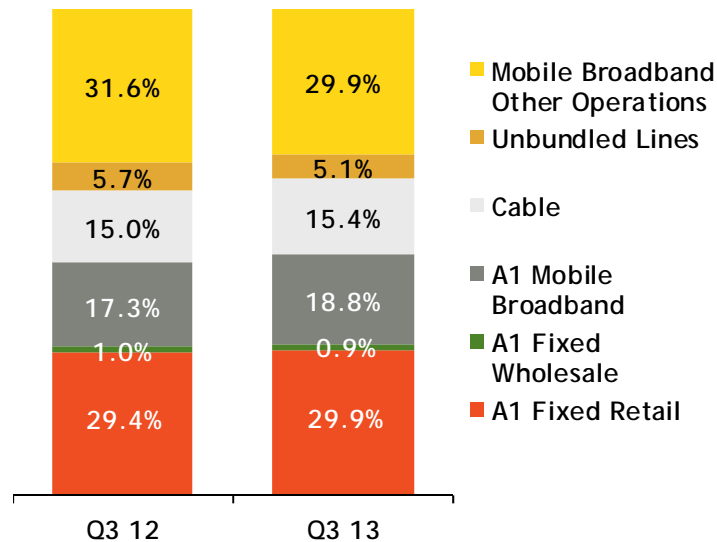
\* As of Q1 2013 including YESSS!

As of Q2 2013 the methodology for counting subscribers was changed. Previous quarters of 2012 and 2013 were adjusted retrospectively.

# Segment Austria - Broadband Market Split

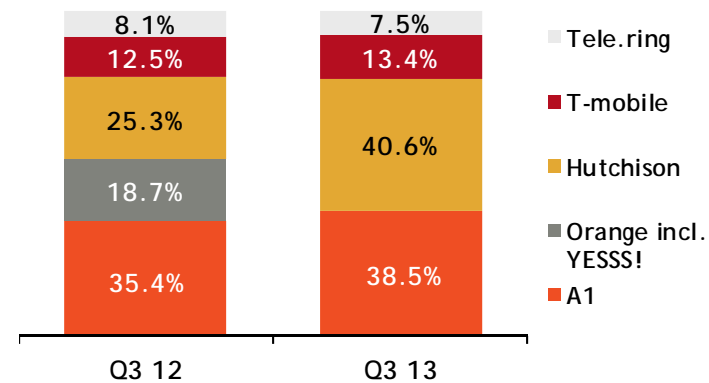
## Market Share Total Broadband\*

(in %)



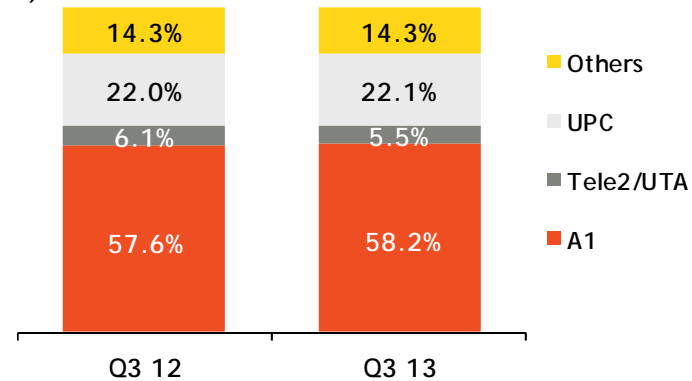
## Market Share Mobile Broadband\*

(in %)



## Market Share Fixed-Line Broadband

(in %)



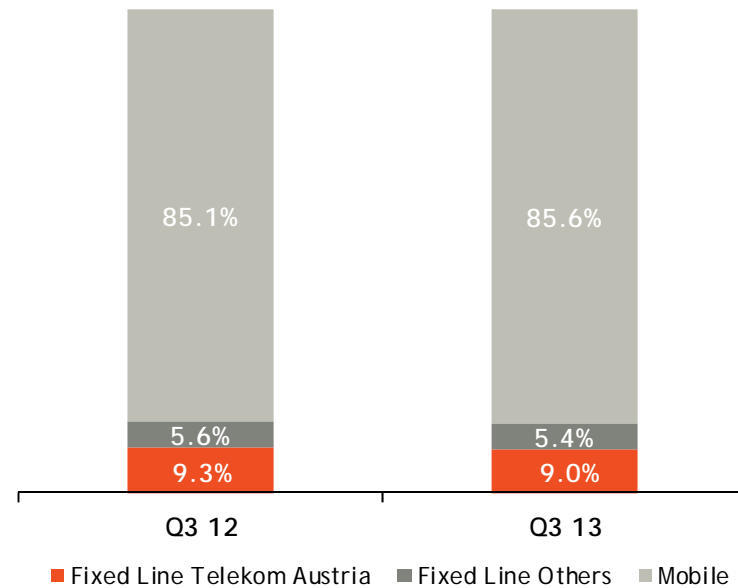
\* As of Q1 2013 including YESSS!.

As of Q2 2013 the methodology for counting subscribers was changed. Previous quarters of 2012 and 2013 were adjusted retrospectively.

# Segment Austria - Voice Market Split

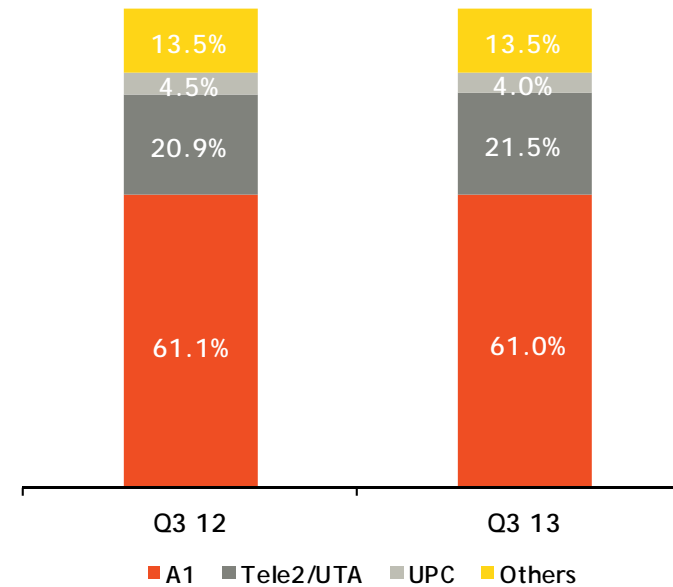
## Market Share Total Minutes

(in %)



## Market Share Fixed-Line Minutes

(in %)

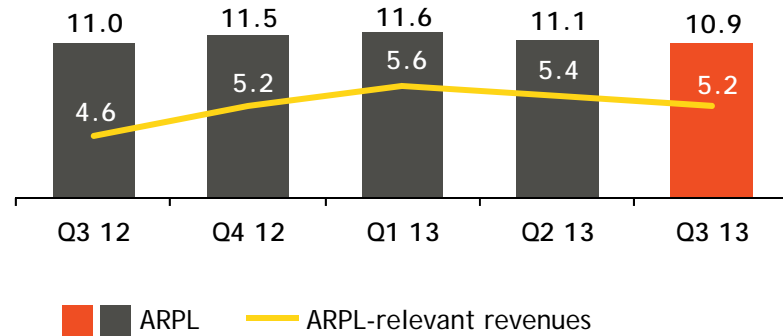




# Segment Bulgaria - Fixed-Line Key Performance Indicators

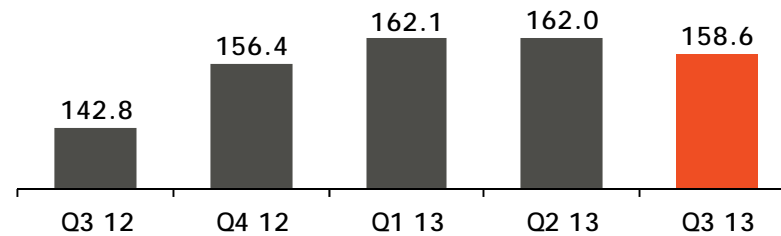
## ARPL & ARPL-Relevant Revenues

(in EUR, in EUR million)



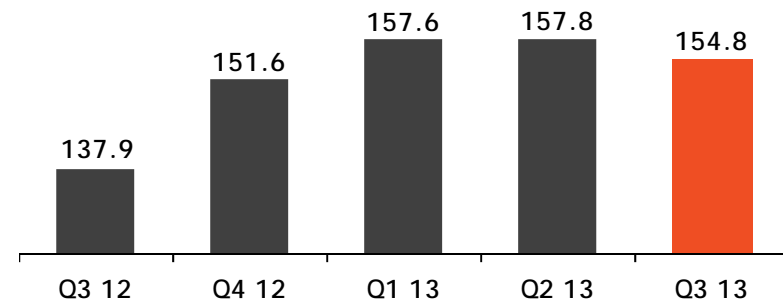
## Total Fixed Access Lines

(in '000)



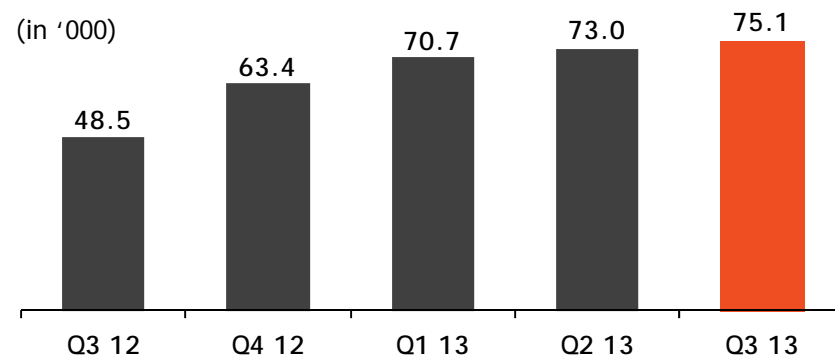
## Fixed Broadband Retail Access Lines

(in '000)



## TV Subscribers

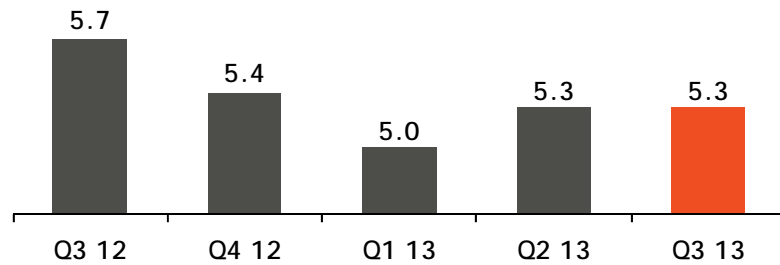
(in '000)



# Segment Bulgaria - Mobile Key Performance Indicators

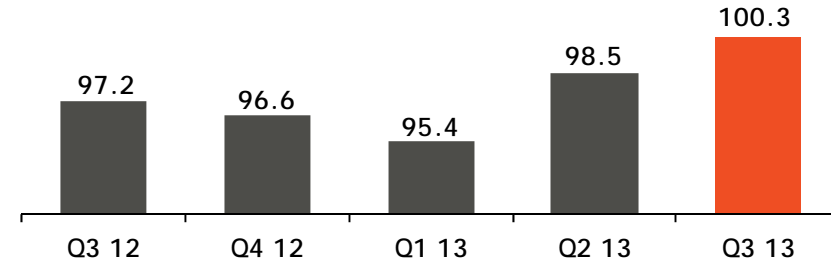
## ARPU

(in EUR)



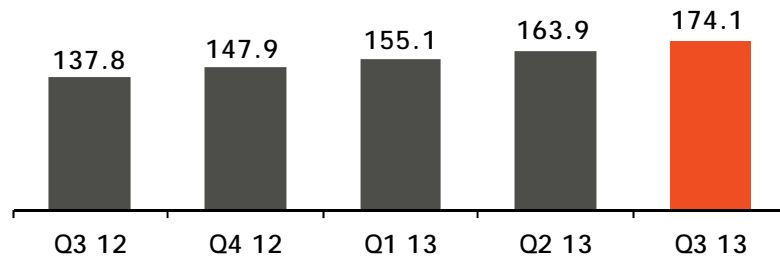
## MoU per Subscriber

(in min)



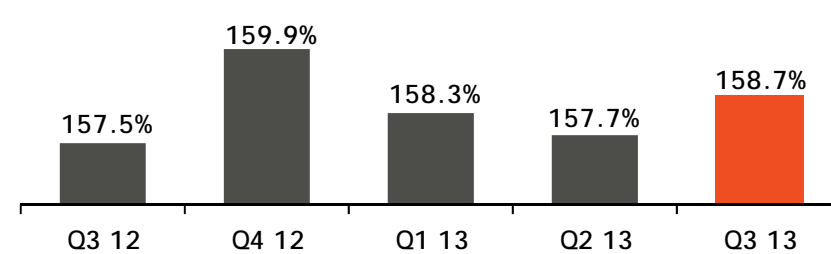
## Mobile Broadband Customers\*

(in '000)



## Mobile Penetration

(in %)

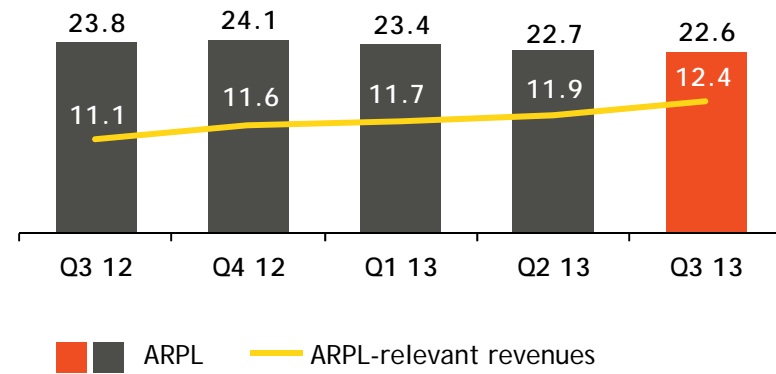


\* As of the first quarter of 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs. Previous quarters were adjusted retrospectively.

# Segment Croatia - Fixed-Line Key Performance Indicators

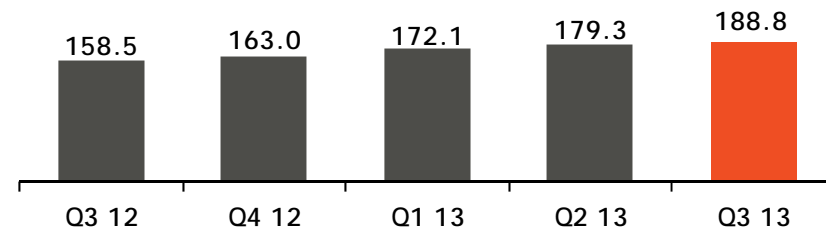
## ARPL & ARPL-Relevant Revenues

(in EUR, in EUR million)



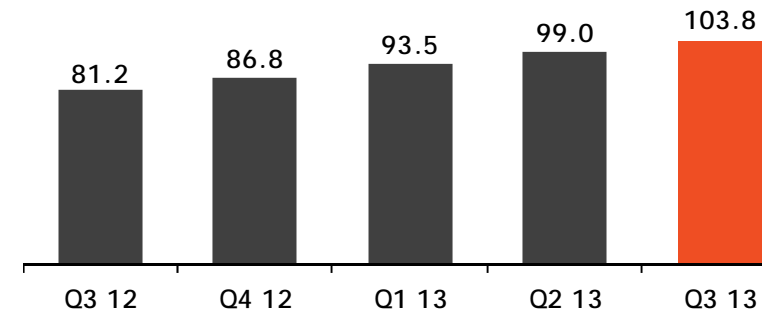
## Total Fixed Access Lines

(in '000)



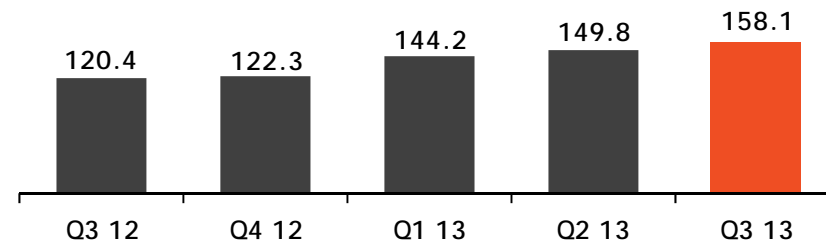
## Fixed Broadband Retail Access Lines

(in '000)



## TV Subscribers

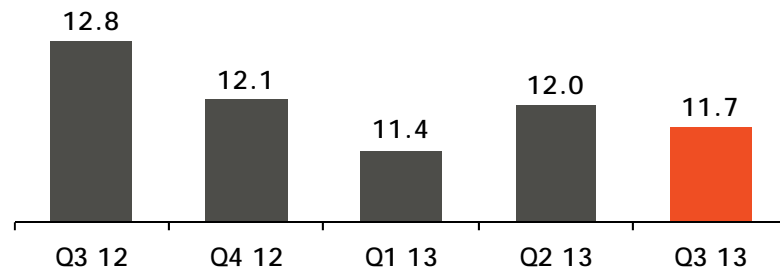
(in '000)



# Segment Croatia - Mobile Key Performance Indicators

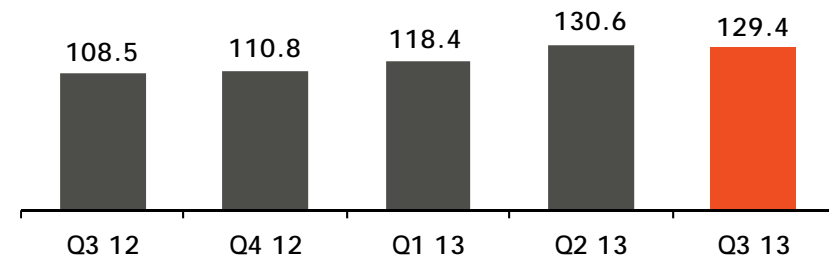
## ARPU

(in EUR)



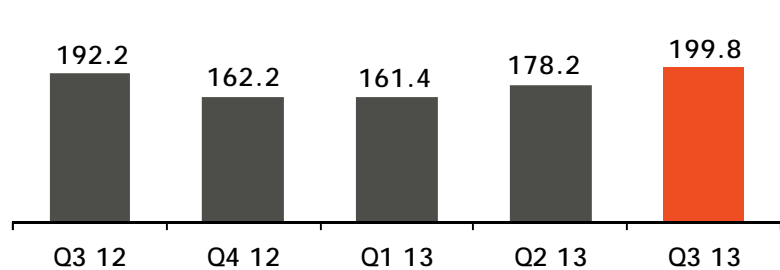
## MoU per Subscriber

(in min)



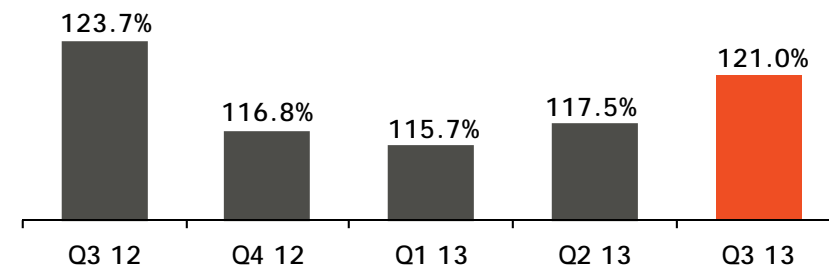
## Mobile Broadband Customers\*

(in '000)



## Mobile Penetration

(in %)

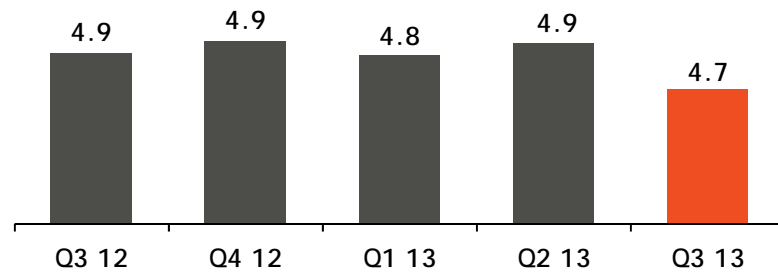


\* As of Q1 2013 the definition for the calculation of mobile broadband customers was changed to exclude M2M customers. Previous quarters were adjusted retrospectively.

# Segment Belarus – Mobile Key Performance Indicators

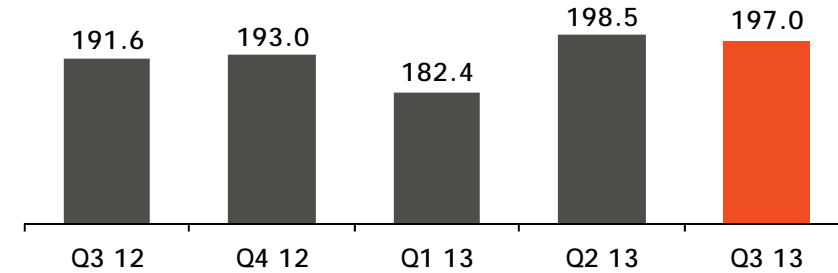
## ARPU

(in EUR)



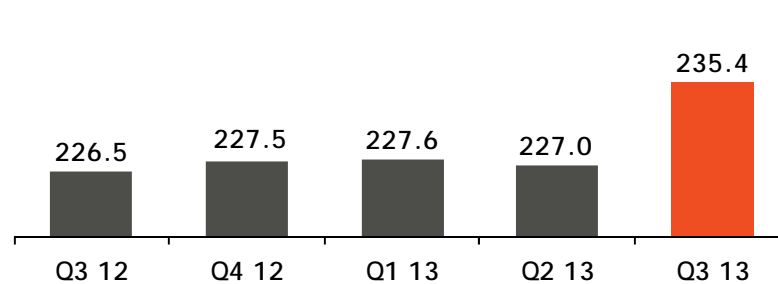
## MoU per Subscriber

(in min)



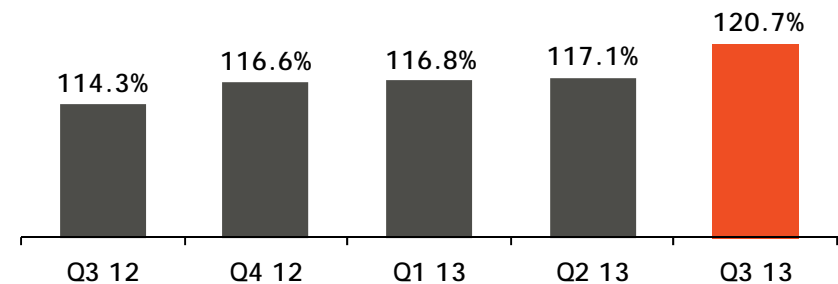
## Mobile Broadband Customers\*

(in '000)



## Mobile Penetration

(in %)

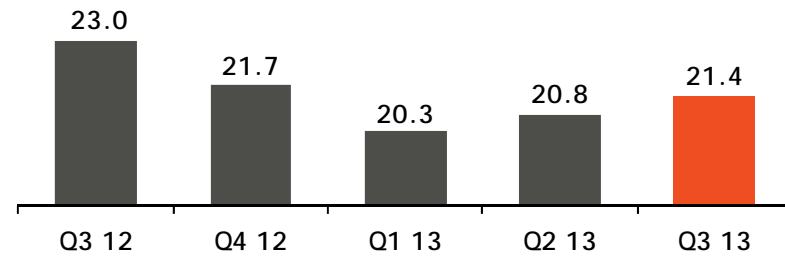


\* As of the first quarter of 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs. Previous quarters were adjusted retrospectively.

# Segment Additional Markets - Mobile Key Performance Indicators

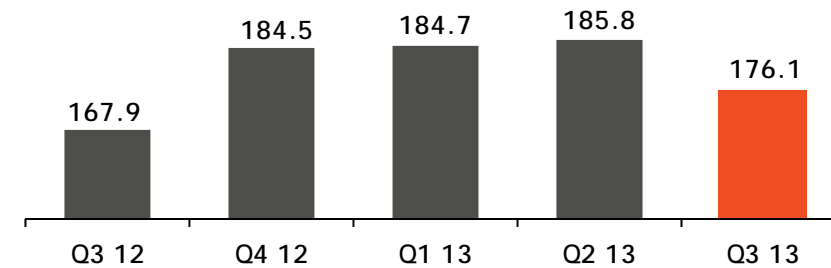
## Slovenia - ARPU

(in EUR)



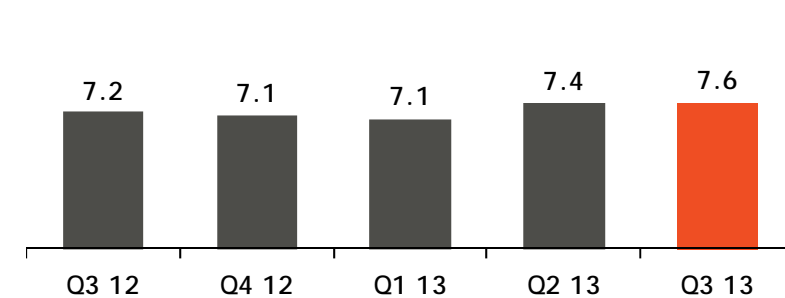
## Slovenia - MoU per Subscriber

(in min)



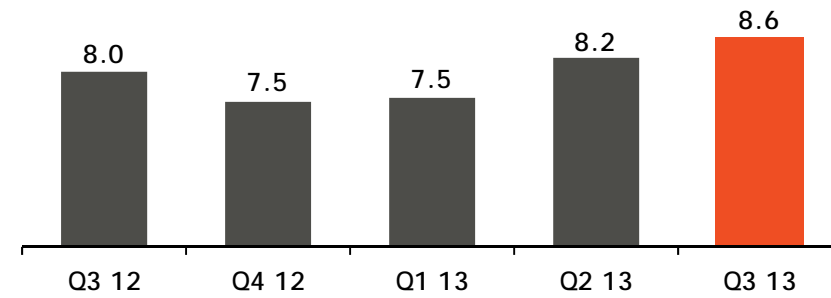
## Republic of Serbia - ARPU

(in EUR)



## Republic of Macedonia - ARPU

(in EUR)



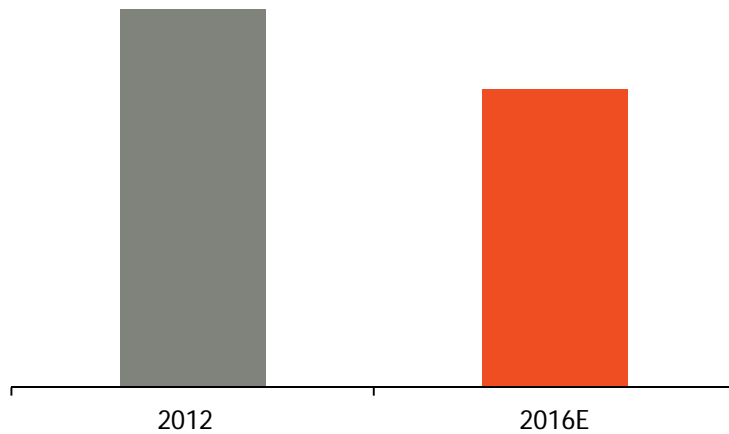
# Appendix 2 – Regulatory Topics

# Negative Impact from Regulation in 2013 - 2016

## Telekom Austria Group Roaming Revenues

(in EUR million)

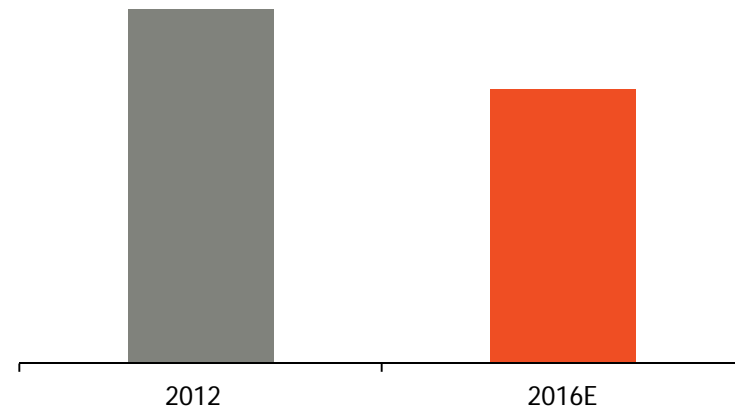
Approx. EUR -130 mn\*



## Telekom Austria Group Interconnection Revenues

(in EUR million)

Approx. EUR -160 mn\*\*



Negative regulatory impact for 2013 is included in outlook for 2013

\* Total roaming revenue effect in 2013 - 2016

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



# Glide Path 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*	1.05*	1.05*	1.05*	1.05*
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

\* Final decision pending

\*\* National MTRs stated. International MTRs differ

# 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



# Appendix 3 – Personnel Restructuring in Austria

# Full Year Overview - Restructuring Charges and Provision vs. FTE

## Overview Restructuring Charges

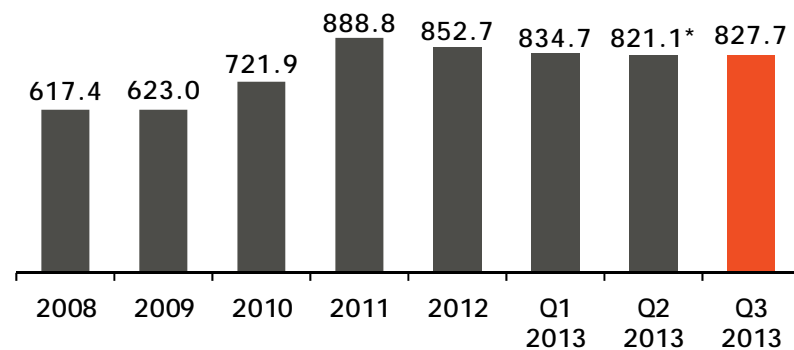
(in EUR million)

	2008	2009	2010	2011	2012	Q1 2013	Q2 2013	Q3 2013
FTE effect	632.1	-10.0	76.9	274.3	49.9	2.7	25.5	27.4
Servicekom	0.0	0.0	0.0	-40.6	-76.7	0.0	-20.6*	0.3
Interest rate adjustments	0.0	27.5	47.2	0.0	61.4	0.0	0.0	0.0
<b>Total</b>	<b>632.1</b>	<b>17.5</b>	<b>124.1</b>	<b>233.7</b>	<b>34.7</b>	<b>2.7</b>	<b>4.9</b>	<b>27.7</b>

## FTEs Addressed

	2008	2009	2010	2011	2012	Q1 2013	Q2 2013	Q3 2013
Transfer to government	0	0	158	106	44	7	2	6
Social plans	256	451	28	685	94	13	66	92
Staff released from work	968	-194	27	0	0	0	0	0
<b>Total</b>	<b>1,224</b>	<b>257</b>	<b>213</b>	<b>791</b>	<b>138</b>	<b>20</b>	<b>68</b>	<b>98</b>

## Overview Restructuring Provision\*\*



## Provisioned FTEs

	2008	2009	2010	2011	2012	Q1 2013	Q2 2013	Q3 2013
Transfer to government	0	0	158	264	308	315	317	323
Social plans	14	273	299	922	1,030	1,015	1,115	1,154
Staff released from work	968	789	763	649	510	502	433*	422
<b>Total</b>	<b>982</b>	<b>1,062</b>	<b>1,220</b>	<b>1,835</b>	<b>1,848</b>	<b>1,832</b>	<b>1,865</b>	<b>1,899</b>

\* Impacted by 58 FTEs transferred from 'staff released from work' to 'social plans' through Servicekom.

\*\* 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
Q1 2013	26.3
Q2 2013	23.9
Q3 2013	25.5

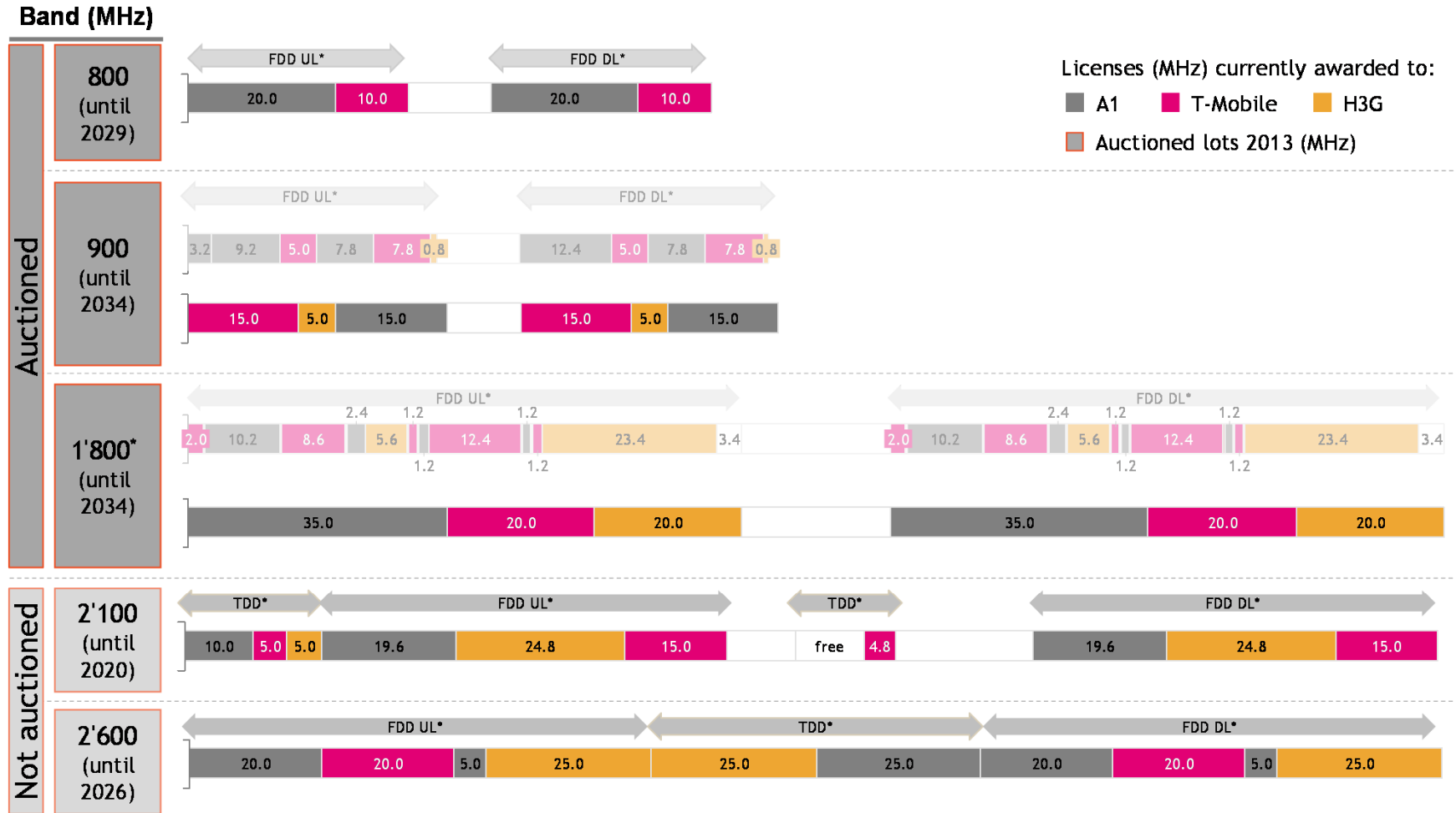
- > Total cash-flow impact comprises old and new programmes
- > Total expected cash-flow impact for 2013 of approximately EUR 100 mn

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



# Appendix 4 – Spectrum Portfolio

# Spectrum Portfolio After Austrian Multiband Auction







\* FDD UL/DL = Frequency Division Duplex Uplink/Downlink, TDD = Time Division Duplex  
 \*\* Concrete position of spectrum within band is still to be assigned, Source: TKK, RTR

# Appendix 5 – Corporate Sustainability



# Alignment with Core Business and Materiality Analysis Defines Sustainability Strategy

Providing Sustainable Products	Living Green	Empowering People	Creating Equal Opportunities
 <p>Develop Products in a Future-Oriented and Responsible Way</p>	 <p>Manage Resources in an Efficient and Sustainable Way</p>	 <p>Systematically Promote Employee Skills and Utilising Them</p>	 <p>Creating Equal Opportunities in the Digital Society</p>
<ul style="list-style-type: none"> <li>&gt; Data protection and safety</li> <li>&gt; Highly efficient network infrastructure via use of new and innovative technologies</li> <li>&gt; Customer satisfaction and tools for cost control</li> <li>&gt; Products with added-value</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Use of energy efficient technologies and techniques</li> <li>&gt; Reduction of own ecological footprint</li> <li>&gt; Ongoing optimisation of recycling and waste management processes</li> <li>&gt; Push e-mobility and green innovation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Sound education and training for employees</li> <li>&gt; Promotion of internal career paths</li> <li>&gt; Diversity and corporate culture of respect</li> <li>&gt; Gender diversity</li> <li>&gt; Health</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Focused training on media literacy</li> <li>&gt; Increase the qualified and safe use of digital media</li> <li>&gt; Social co-operations based on local needs</li> </ul>

## Management

- > 22 firm and measurable targets in total for 2015 based on materiality analysis
- > Reporting: GRI 3.1 A+ , verification of selected content by external auditor
- > ISO 14001 (A1, Si.mobil), ISO 50001 (A1), ISO 27001 (A1, Vipnet and Mobiltel), EMAS (A1 and Si.mobil)

# Key Figures

## Selected Group-wide KPIs

<b>Products: Providing Responsible Products</b>		2012
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>		2012
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>		2012
Share of femal employees (in %)		38
Share of femal executives (in %)		32
Internally hired positions		666
<b>Society: Creating Equal Opportunities</b>		2012
Participants in trainings on media literacy		24.292

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

Results for the First Nine Months and the Third Quarter 2013

## Ratings



> Classification: C  
(74 points out of 100)



> Classification: C+



## Indices



FTSE4Good

## Memberships

