



Roadshow Presentation

Q3 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 30 September 2014
(in '000, in %)

Austria 

Mobile:

- > Market share: 41.0% (Q3 2013: 42.7%)
- > Subscriber base: 5,448 (Q3 2013: 5,739)

Fixed Line:

- > Access Lines: 2,275 (Q3 2013: 2,274)

Croatia 

Mobile:

- > Market share: 36.1% (Q3 2013: 37.5%)
- > Subscriber base: 1,823 (Q3 2013: 1,950)

Fixed Line:

- > Access Lines: 212 (Q3 2013: 189)

Republic of Serbia 

Mobile:

- > Market share: 21.9% (Q3 2013: 20.9%)
- > Subscriber base: 2,064 (Q3 2013: 1,975)

Slovenia 

Mobile:


- > Market share: 29.6% (Q3 2013: 29.6%)
- > Subscriber base: 683 (Q3 2013: 673)



Belarus 

Mobile:

- > Market share: 42.5% (Q3 2013: 42.9%)
- > Subscriber base: 4,949 (Q3 2013: 4,898)

Bulgaria* 

Mobile:

- > Market share: 37.8% (Q3 2013: 39.5%)
- > Subscriber base: 4,137 (Q3 2013: 4,221)

Fixed Line:

- > Access Lines: 151 (Q3 2013: 160)

Republic of Macedonia 

Mobile:

- > Market share: 27.6% (Q3 2013: 28.2%)
- > Subscriber base: 631 (Q3 2013: 645)

Fixed Line:

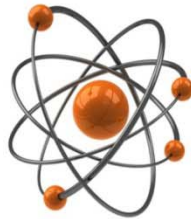
- > Access Lines: 62 (Q3 2013: 62)

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



Telekom Austria Group Strategy - Overview

01 Optimization of
Core Business



02 Convergence



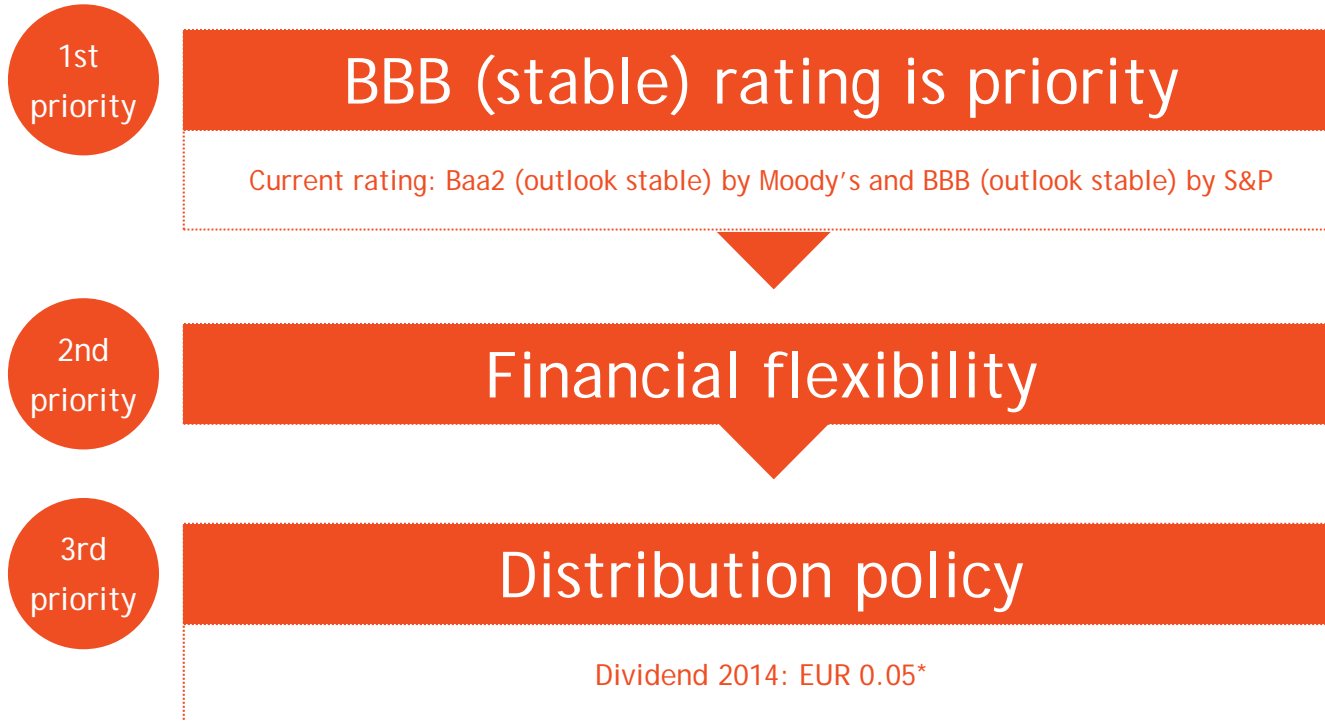
03 Operational
Excellence



04 Strategic
Opportunity



Cash-use policy - Focus remains on deleveraging via cash flow



* Intended proposal to the Annual General Meeting 2015



Operational and financial highlights for the first nine months 2014

1-9 M 2014: EBITDA margin improvement driven by Austrian focus on cost reductions

- > Group revenue decline improves to -4.5% supported by better trends in Austria in Q3 as well as strong growth in Belarus and the Additional Markets segment
 - > Subsidy-driven equipment revenues support revenue trends in CEE
- > EUR 110.6 mn negative regulatory effects on Group revenues
- > Group EBITDA comparable margin improves to 34.6% driven by lower OPEX in Austria and strong margin in Belarus
- > Austria:
 - > Continuously improving ARPU trends in 2014 driven by high-value focus
 - > 75.7% and 23.4% cuts in SACs and SRCs respectively drive margin improvement to 33.0%



1-9 M 2014: Strong performance in Belarus; other CEE markets exposed to unfavourable trends

> CEE:

- > Continued strong performance in Belarus on the back of inflation-linked price increases in 2013 and 2014 (FX development better than expected) and higher data usage
- > Macro and regulatory factors (e.g. higher frequency usage fee in Croatia) and fierce competition drive other CEE markets
- > Merger of mobilkom liechtenstein with Telecom Liechtenstein completed on 27 August 2014 results in a positive one-off effect on EBITDA comparable of EUR 26.8 mn
- > Group outlook for FY 2014 unchanged: Revenues of approx. -3.5%, CAPEX* of EUR 650 - 700 mn, intended dividend of EUR 0.05/share
- > Capital increase planned as early as Q4 2014, subject to market conditions with anticipated net proceeds of up to EUR 1 bn

* Does not include investments in spectrum and acquisitions



Key financial developments in the third quarter 2014

Q3 2014: Group revenues grew by 1.2% and clean EBITDA comparable by 7.2%

(in EUR million)	Q3 2014	Q3 2013	% change	
Revenues	1,048.7	1,036.0	1.2%	> Group revenue growth of 1.2% driven by higher revenues from Belarus and Additional Markets
EBITDA comparable*	414.6	357.9	15.8%	> Regulatory impact on Group revenues of EUR -24.2 mn
<i>EBITDA comparable margin*</i>	<i>39.5%</i>	<i>34.6%</i>		> EBITDA comparable increased by 7.2% on a clean basis (excl. EUR 26.8 mn positive one-off effect in Liechtenstein** and FX effects)
Restructuring	-5.4	-27.7	n.m.	> Restructuring effect considerably lower due to fewer FTEs addressed
Impairment	0.0	0.0	n.a.	> Net income of EUR 127.8 mn
Depreciation & amortisation	-209.2	-208.8	n.m.	
Operating income	200.0	121.5	64.7%	
Financial result	-46.8	-51.3	n.m.	
Income before income taxes	153.3	70.2	118.4%	
Income tax gain/expense	-25.5	-18.9	n.m.	
Net income / Net loss	127.8	51.3	149.2%	

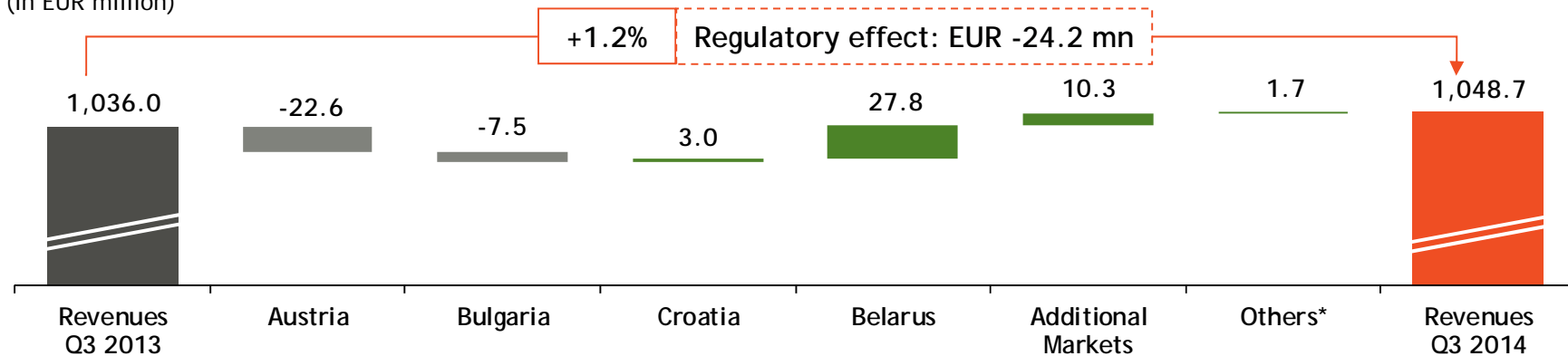
* Excluding effects from restructuring and impairment

** EUR 26.8 mn one-off effect stemming from the merger of mobilkom liechtenstein with Telekom Liechtenstein which closed on 27 August 2014; Telekom Austria now hold 24.9% of the merged entities

Revenue growth driven mainly by Belarus and Additional Markets; improving trends in Austria

Quarterly revenue development

(in EUR million)



Segment Austria

- > 1.2% revenue decline excl. regulatory effects of EUR 15.1 mn
- > Higher monthly fees compensate lower contract airtime revenues as well as customer roaming revenues
- > EUR 9.7 mn lower equipment revenues due to lower subsidies & gross additions
- > ARPU increases by 3.4% to EUR 16.9
- > 2.2% ARPL decline due to falling voice revenues

International Segments

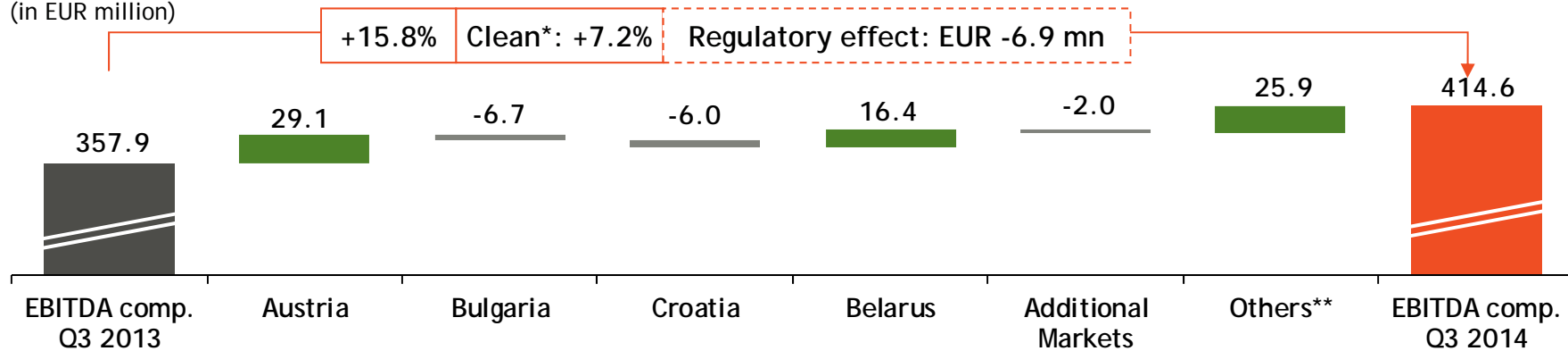
- > Bulgaria: Competitive pressure weighs on prepaid customer numbers, higher ARPL in business
- > Croatia: Higher subsidy-driven equipment revenues more than offset negative regulatory effects
- > Belarus: Strong demand for smartphones and tablets, inflation-linked price increases
- > Additional Markets: Higher gross additions in Slovenia and change in handset recognition in Serbia positively impact equipment revenues

* Corporate, Others & Eliminations including EUR 26.8 mn one-off effect stemming from the merger of mobilkom liechtenstein with Telecom Liechtenstein which closed on 27 August 2014; Telekom Austria now holds 24.9% of the merged entity.

EBITDA comparable increase of 7.2% on a clean basis* driven by cost cuts in Austria

Quarterly EBITDA comparable development

(in EUR million)



Segment Austria

- > 14.2% EBITDA increase due to improved revenue trends as well as lower subsidies and other OPEX
- > EBITDA comparable margin improves to 37.6%
- > Total costs cut by EUR 50.1 mn
- > 18.7% lower other OPEX from lower cost for consulting, bad debts and maintenance
- > SAC: -81.6% to EUR 1.9 mn
- > SRC: -27.4% to EUR 19.1 mn

International Segments

- > Bulgaria: Stable OPEX due to lower Marketing & Sales costs
- > Croatia: Frequency usage fees, higher material expenses and marketing & sales costs drive margin decline to 27.4%
- > Belarus: Higher number of smart devices sold and higher employee costs drive OPEX increase
- > Additional Markets: 16.4% OPEX increase driven by higher material expenses
- > EUR 26.8 mn one-off effect in Liechtenstein included in other operating income*

* Excl. EUR 26.8 mn positive one-off effect in Liechtenstein and FX effects

** Corporate, Others & Eliminations including EUR 26.8 mn one-off effect stemming from the merger of mobilkom liechtenstein with Telecom Liechtenstein which closed on 27 August 2014; Telekom Austria now holds 24.9% of the merged entity.

Results for the first nine months and third quarter 2014

Free cash flow falls mainly due to lower accounts payable

(in EUR million)	Q3 2014	Q3 2013	% change	1-9 M 2014	1-9 M 2013	% change
Gross cash flow	329.2	313.0	5.2%	916.6	909.5	0.8%
Change in working capital	-28.6	-17.5	n.m.	-242.6	-120.0	n.m.
Cashflow from operating activities	300.6	295.5	1.7%	674.0	789.5	-14.6%
Ordinary capital expenditures	-143.6	-167.6	n.m.	-472.5	-493.0	n.m.
Proceeds from sale of equipment	4.7	3.3	44.7%	8.7	7.1	22.8%
Free cash flow	161.8	131.1	23.4%	210.2	303.6	-30.8%

Year-to-date analysis

- > Cash flow from operating activities fell by 14.6% to EUR 674.0 mn as a slight increase in gross cash flow was offset by cash requirements for working capital
- > Changes in working capital were mainly driven by
 - > Lower levels of accounts payable as a result of lower Austrian CAPEX
 - > Increasing switch towards installment offers across several markets
 - > Usage of the restructuring provisions in Austria mainly as a result of payments to civil servants in early retirement
- > With roughly stable Group CAPEX the higher need for working capital resulted in a lower free cash flow

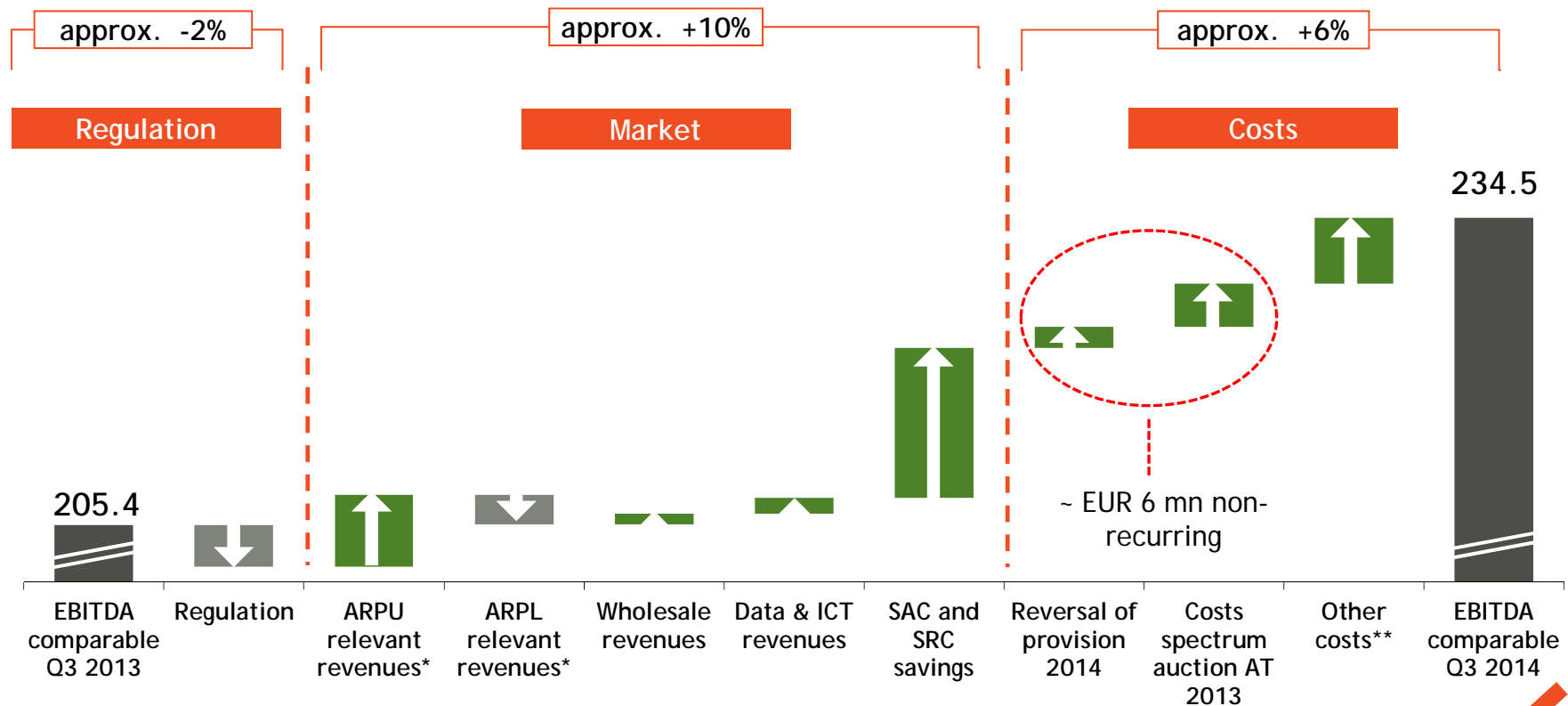
* The reduction in accounts receivable visible in the balance sheet is primarily the result of the changes to revenue accounting estimates in Austria.

Focus points

Austria: EBITDA comparable growth achieved through improved revenue trends and cost savings

EBITDA comparable

(in EUR million)



* excl. regulation

** incl. other operating income, other revenues and minor positions

Results for the first nine months and third quarter 2014



Bulgaria: Addressing operational issues to target mid-term EBITDA comparable stabilisation

Identified issues	Initiatives
<ul style="list-style-type: none">> High non-contract customer base (high churn/value risk)> Positioning of premium brand Mtel versus no-frills brand bob> Brand differentiation versus competitors> Need for fixed-line expansion> Macro/political challenges	<ul style="list-style-type: none">> Value-based retention management> Multi-brand strategy to fight competitors> Improve brand perception and customer experience> Television DTH (Direct to Home) launch on 24 September> Cost cutting (PR and marketing cost optimisation, supply chain management initiatives, FTE reduction)

Agreement to merge Macedonian Vip Operator with Telekom Slovenije Group's subsidiary One

- > Telekom Austria Group to hold 55% of the combined entity
- > Call and put options for the exit of Telekom Slovenije Group within three years of the closing of the merger
- > Closing subject to confirmatory due diligence of One and merger control clearance (expected Q1 2015)

One facts (YE 2013)

- > Revenues: EUR 75.5 mn
- > EBITDA: EUR 14.4 mn
- > #3 in Macedonia
- > Market share: 23.6%
- > 528,000 customers

Differentiation through infrastructure leadership: LTE coverage available in 4 markets

LTE Services in Austria, Slovenia, Croatia and Rep. of Macedonia



Coverage

- ➔ **Austria**
LTE 52% coverage of the population,
Over 90% outdoor coverage in Vienna
- ➔ **Croatia**
LTE 23% coverage of LTE technology
- ➔ **Slovenia**
LTE 68% coverage of LTE technology
- ➔ **Rep. of Macedonia**
LTE launch in July 2014
40% coverage of the population

Monetising LTE

	A1 Speed 4G/LTE 150 Promotion: 3 months free Monthly tariff: EUR 9.90 Download speed: 150 Mbps Upload speed: 50 Mbps			
		A1Go! S	A1 Go! M	A1Go! L
	Monthly tariff	EUR 34.90	EUR 44.90	EUR 54.90
	Download speed	4 Mbps	21 Mbps	42 Mbps
Upload speed	2 Mbps	5 Mbps	5 Mbps	

Online transformation to efficient Group-wide multi-country technology solutions

New online sales channels

- > velcom opened online store for private and business clients
- > Si.mobil launched new website with an online store



New cash desk software

- > State of the art cash desk technology Wincash
- > One common core software to five markets: Si.mobil, Vip operator, Vip Mobile, A1 and Telecom Liechtenstein



New mCare applications

- > "My Vip" app in Macedonia for Android
- > „My A1“ app for Android and iOS
- > Both offer an overview of the current traffic status bills and the activation or deactivation of certain services



Central knowledge system

- > New eCare solution eGain
- > For online FAQ's web self service, internal agents and rule based web chat support
- > Implemented in Austria, Slovenia, Croatia, Rep. of Serbia, Rep. of Macedonia
- > Centrally hosted in Croatia



Outlook for the full year 2014

Telekom Austria Group outlook for the full year 2014 unchanged

Financial outlook for 2014

	23 October 2014	13 August 2014
Revenues	Approx. -3.5%	Approx. -3.5%
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 for the AGM 2015



Appendix 1

Telekom Austria Group - Revenue breakdown

Revenue Split - Segment Austria (in EUR million)	Q3 2014	Q3 2013	% change
Monthly fee and traffic	461.5	459.6	0.4%
Data and ICT solutions	56.1	54.6	2.6%
Wholesale (incl. Roaming)	30.3	28.9	5.0%
Interconnection	49.4	65.5	-24.6%
Equipment	24.0	33.8	-28.9%
Other revenues	2.9	4.4	-35.3%
Total revenues - Segment Austria	624.2	646.8	-3.5%

Revenue Split - International Operations (in EUR million)	Q3 2014	Q3 2013	% change
Monthly fee and traffic	312.9	300.6	4.1%
Data and ICT solutions	0.4	0.1	230.4%
Wholesale (incl. Roaming)	13.0	13.3	-2.6%
Interconnection	40.0	45.9	-12.9%
Equipment	67.0	38.3	74.7%
Other revenues	2.7	3.3	-18.7%
Total revenues - int. Operations	436.0	401.7	8.6%

Telekom Austria Group - Expense breakdown

Operating Expense - Segment Austria (in EUR million)	Q3 2014	Q3 2013	% change
Material expense	54.7	73.4	-25.6%
Employee costs	153.8	153.9	0.0%
Interconnection	47.8	59.4	-19.5%
Maintenance and repairs	25.8	28.0	-8.0%
Services received	28.1	27.3	2.9%
Other support services	31.2	32.7	-4.6%
Other	72.9	89.6	-18.7%
Total OPEX - Segment Austria	414.2	464.3	-10.8%

Operating Expense - International Operations (in EUR million)	Q3 2014	Q3 2013	% change
Material expense	70.1	46.9	49.5%
Employee costs	36.5	33.1	10.2%
Interconnection	42.2	50.1	-15.9%
Maintenance and repairs	16.5	15.4	7.2%
Services received	25.3	27.2	-6.9%
Other support services	6.4	4.7	34.1%
Other	86.9	71.0	22.3%
Total OPEX - int. Operations	283.8	248.5	14.2%

Telekom Austria Group - Headcount development

FTE (Average period)	Q3 2014	Q3 2013	% change
Austria	8,817	9,190	-4.1%
International	7,136	6,929	3.0%
Telekom Austria Group*	16,124	16,274	-0.9%

FTE (End of period)	Q3 2014	Q3 2013	% change
Austria	8,806	9,136	-3.6%
International	7,371	6,948	6.1%
Telekom Austria Group*	16,350	16,243	0.7%

* Including corporates.

Results for the first nine months and third quarter 2014



Telekom Austria Group - Capital expenditures split

Capital Expenditures (in EUR million)	Q3 2014	Q3 2013	% change
Segment Austria	91.0	107.4	-15.3%
Segment Bulgaria	11.5	10.4	10.6%
Segment Croatia	13.2	12.0	10.3%
Segment Belarus	11.1	6.1	81.9%
Segment Additional Markets	16.8	31.7	-47.2%
<i>Slovenia</i>	6.3	5.4	16.6%
<i>Republic of Serbia</i>	8.8	14.8	-40.4%
<i>Republic of Macedonia</i>	1.6	11.5	-86.5%
<i>Liechtenstein</i>	0.0	0.1	n.a.
<i>Eliminations additional markets</i>	0.0	0.0	n.a.
Corporate, Others & Elimination	0.0	0.0	n.a.
Total capital expenditures	143.6	167.6	-14.4%
Thereof tangible	112.6	116.4	-3.2%
Thereof intangible	30.9	51.2	-39.7%

Telekom Austria Group - Net debt

Net debt (in EUR million)	30 September 2014	31 December 2013	% change
Long-term debt	3,625.9	3,737.7	-3.0%
Short-term borrowings*	280.8	232.2	20.9%
Cash and cash equivalents, short-term and long term investments, installment sales, finance lease receivables	-375.9	-274.1	n.m.
<i>Cash and cash equivalents and short-term investments</i>	<i>-273.0</i>	<i>-211.2</i>	<i>n.m.</i>
<i>Long-term investments, installment sales, finance lease receivables</i>	<i>-102.8</i>	<i>-62.9</i>	<i>n.m.</i>
Derivate financial instruments for hedging purposes	0.0	0.0	n.a.
Net Debt* of Telekom Austria Group	3,530.9	3,695.8	-4.5%

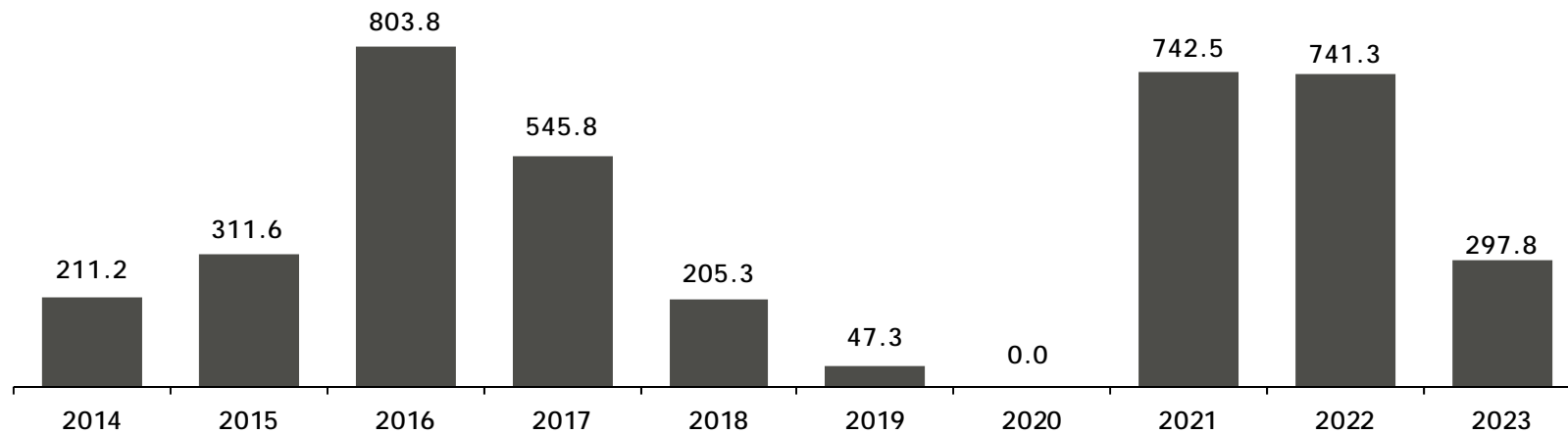
EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

* The deferred consideration for the acquisition of SOBS paid in June 2014 is included in short-term borrowings as of 31 December 2013.

Telekom Austria Group - Debt maturity profile

Debt Maturity Profile (Including Accrued Interest)*

(in EUR million)



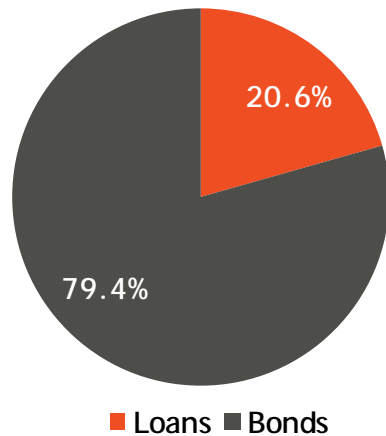
- > EUR 3,906.8 mn of short- and long-term borrowings as of 30 September 2014
- > Average cost of debt of approximately 4.12%
- > Cash and cash equivalents and short-term investments of EUR 273.0 mn
- > Average term to maturity of 4.6 years

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

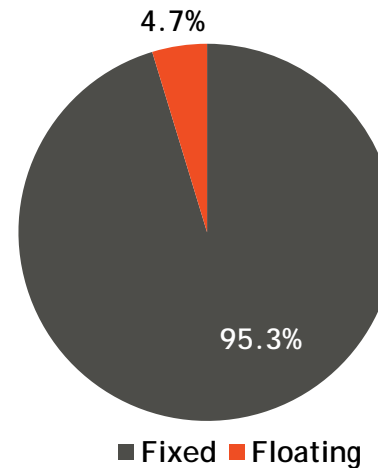


Telekom Austria Group - Debt profile

Overview debt instruments



Fixed-floating mix



Lines of credit

- > Undrawn committed credit lines amounting to EUR 825 mn
- > Average term to maturity of approx. 3.5 years

Ratings

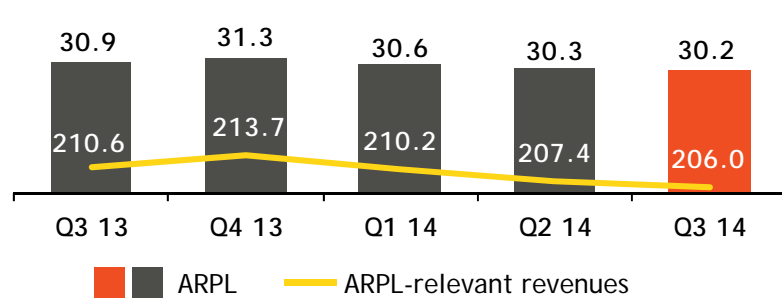
- > S&P: BBB (outlook stable)
- > Moody's: Baa2 (outlook stable)



Segment Austria - Fixed-line key performance indicators

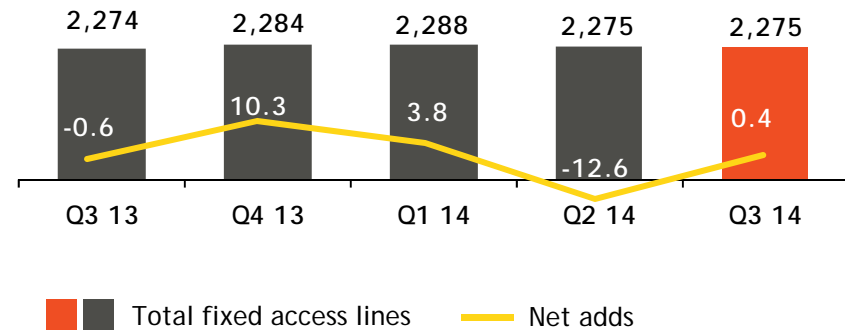
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



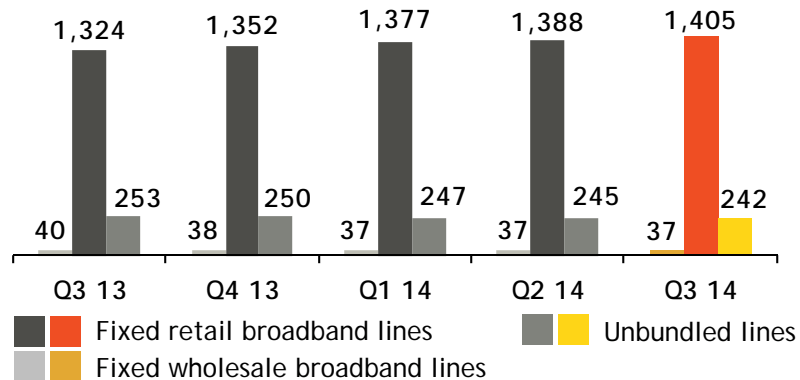
Total fixed access lines & net adds

(in '000)



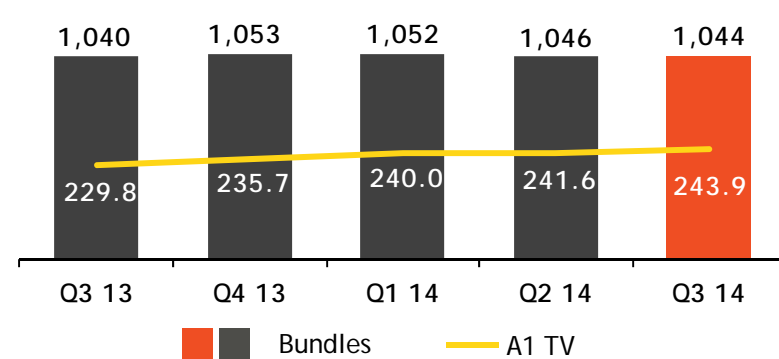
Fixed broadband access lines

(in 000)



Bundle subscriber growth

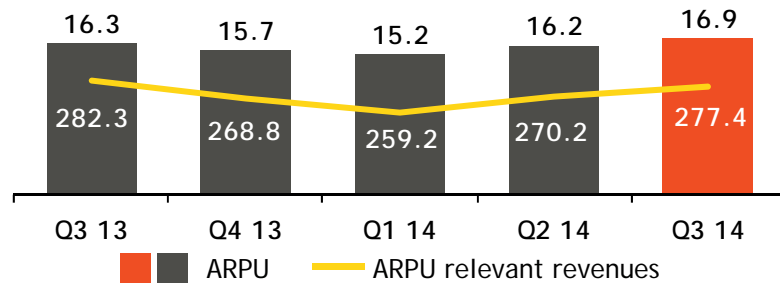
(in '000)



Segment Austria* - Mobile key performance indicators

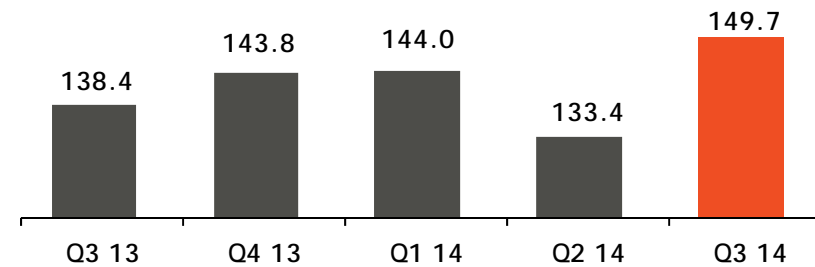
ARPU & ARPU-relevant revenues*

(in EUR)



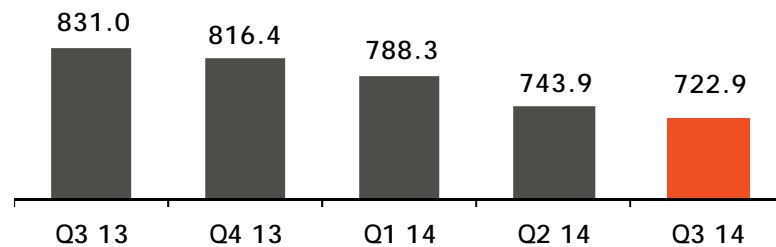
MoU per subscriber*

(in min)



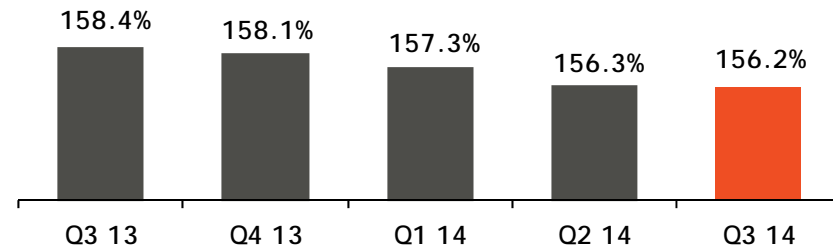
Mobile broadband customers*

(in '000)



Mobile penetration*

(in %)



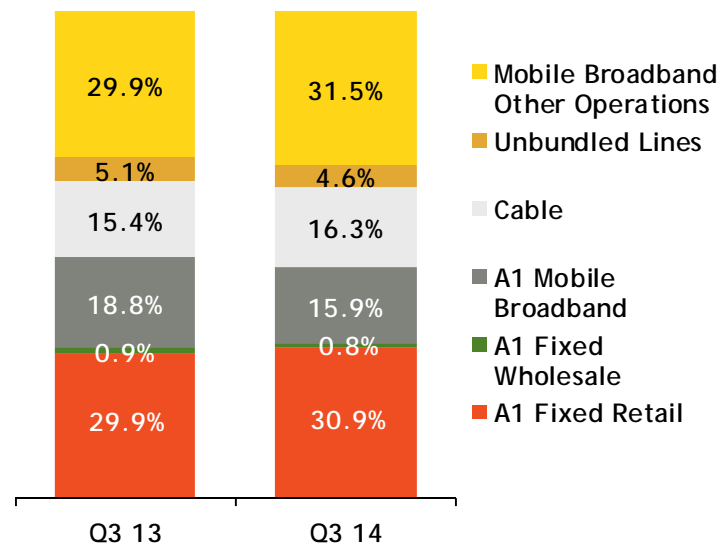
* As of Q2 2013 Telekom Austria Group's methodology for counting subscribers was changed in the Austrian Segment. Previous quarters of 2012 and 2013 were adjusted retrospectively.



Segment Austria - Broadband market split

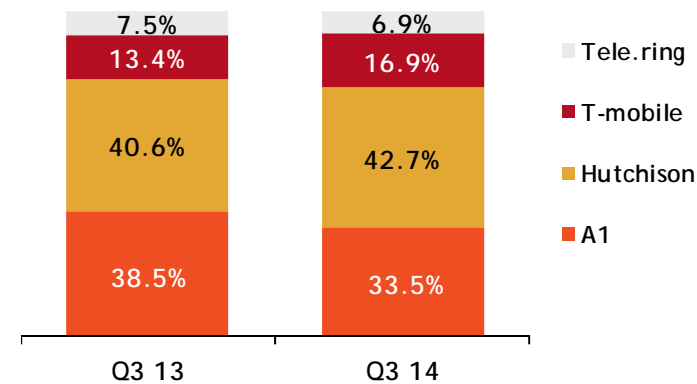
Market share total broadband*

(in %)



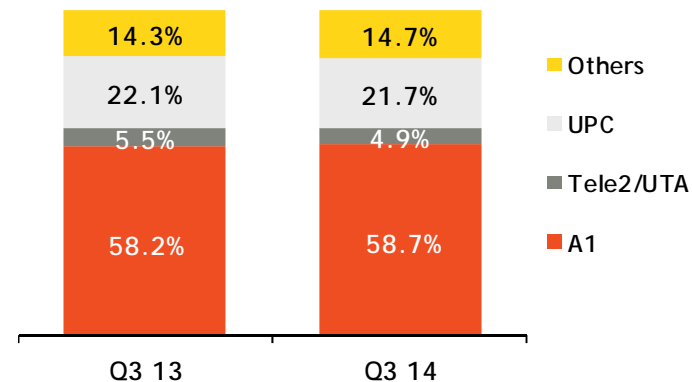
Market share mobile broadband*

(in %)



Market share fixed-line broadband

(in %)



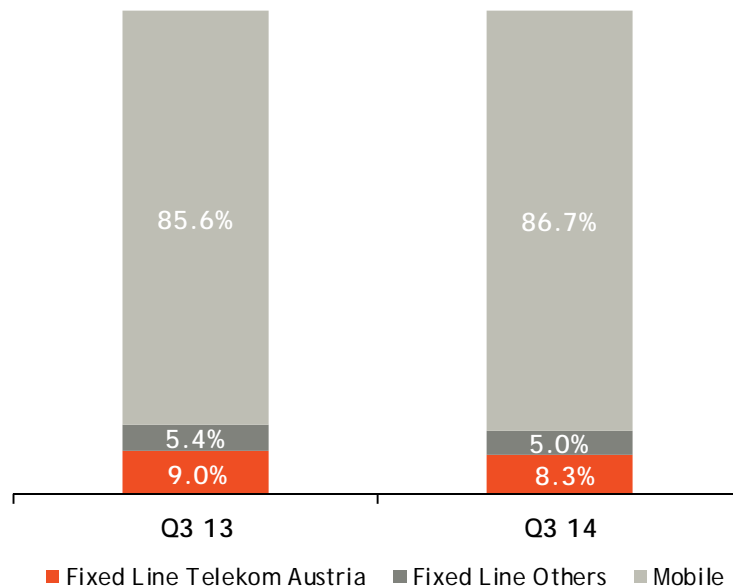
* As of Q2 2013 Telekom Austria Group's methodology for counting subscribers was changed in the Austrian Segment. Previous quarters of 2012 and 2013 were adjusted retrospectively.



Segment Austria - Voice market split

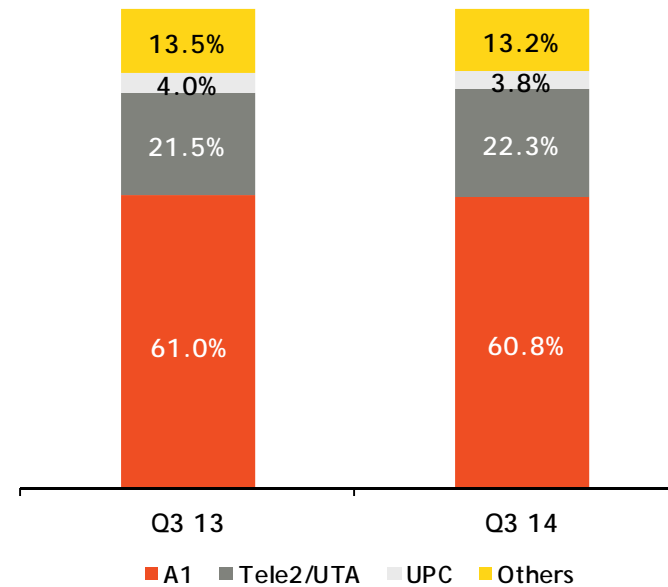
Market share total minutes

(in %)



Market share fixed-line minutes

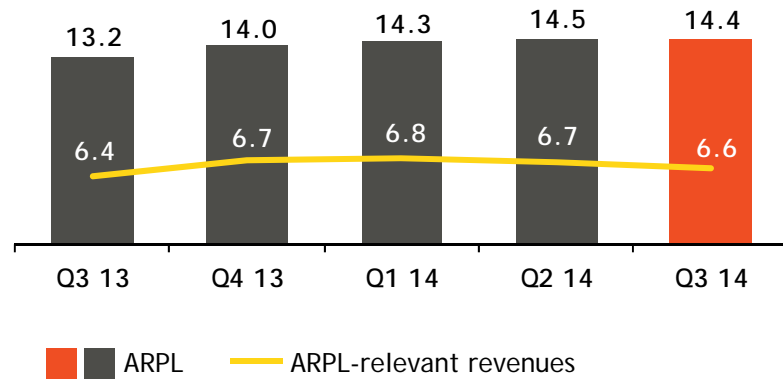
(in %)



Segment Bulgaria* - Fixed-line key performance indicators

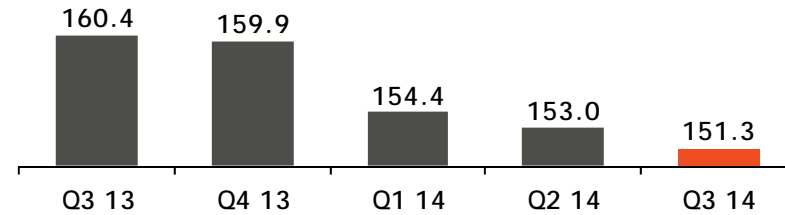
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



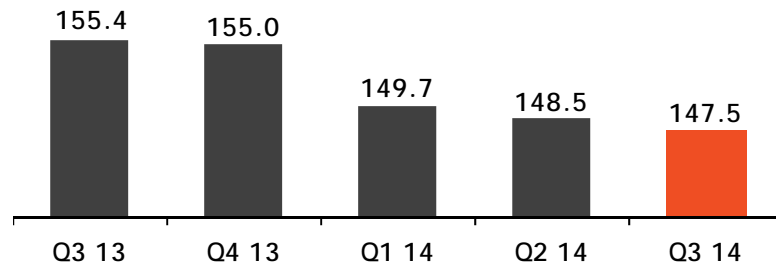
Total fixed access lines

(in '000)



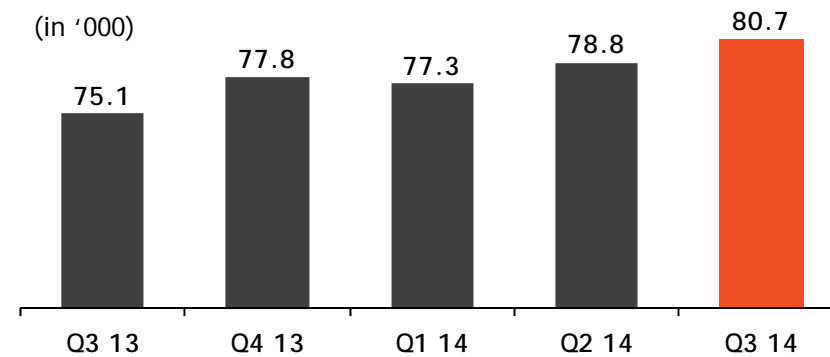
Fixed broadband retail access lines

(in '000)



TV subscribers

(in '000)



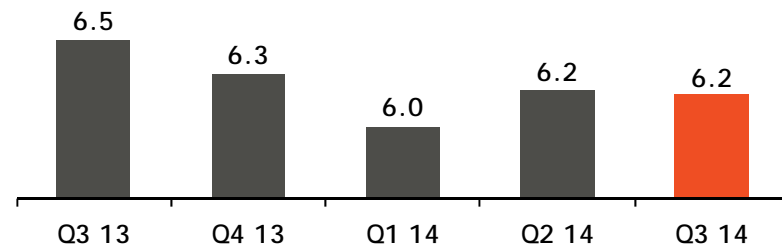
* As of Q4 2013 the methodology for counting subscribers was changed in Bulgaria. Previous quarters of 2012 and 2013 were adjusted retrospectively. Results for the first nine months and third quarter 2014



Segment Bulgaria* - Mobile key performance indicators

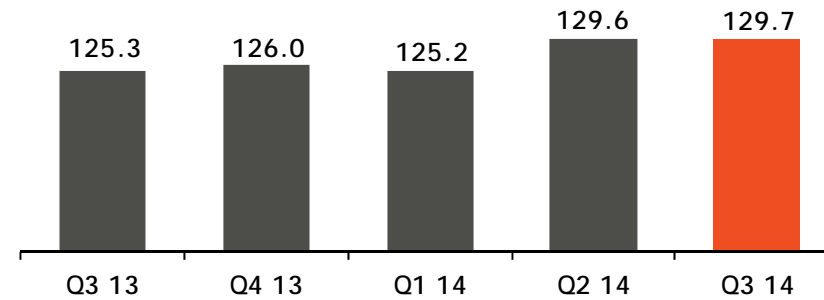
ARPU

(in EUR)



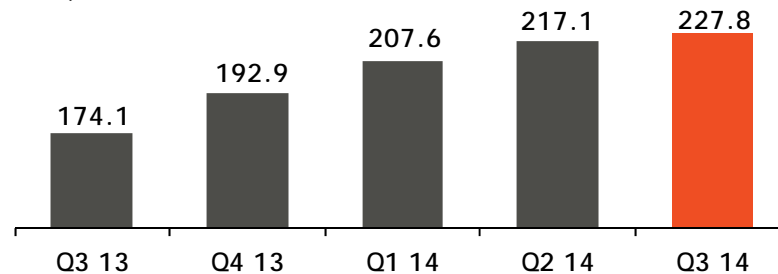
MoU per subscriber

(in min)



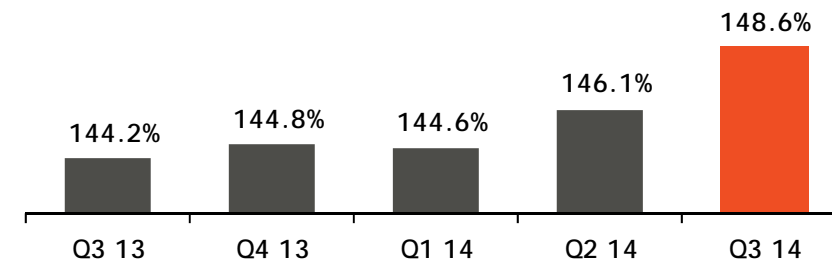
Mobile broadband customers

(in '000)



Mobile penetration

(in %)



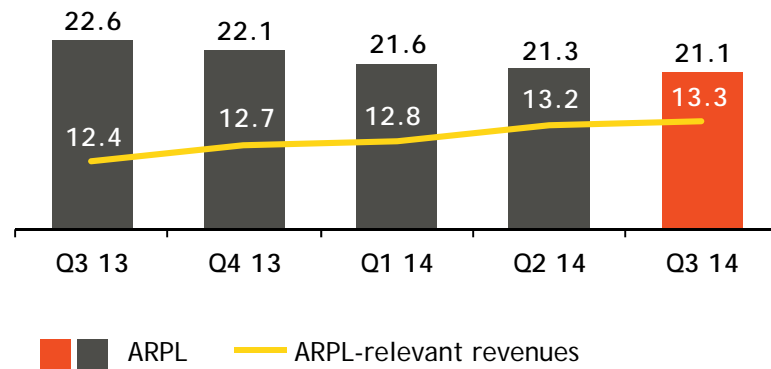
* As of Q4 2013 the methodology for counting subscribers was changed in Bulgaria. Previous quarters of 2012 and 2013 were adjusted retrospectively.
Results for the first nine months and third quarter 2014



Segment Croatia - Fixed-line key performance indicators

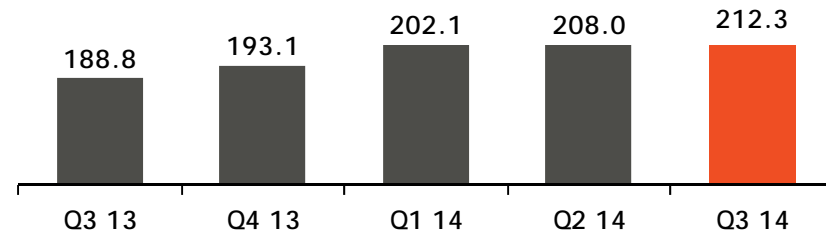
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



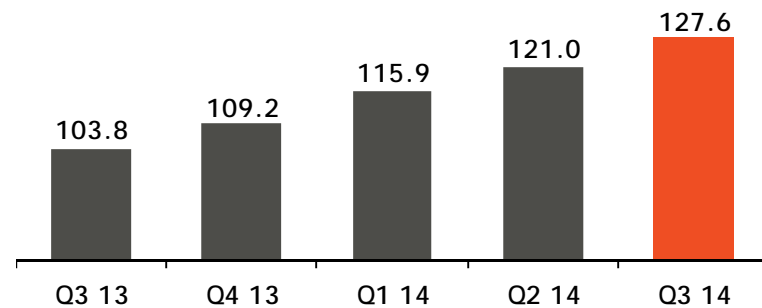
Total fixed access lines

(in '000)



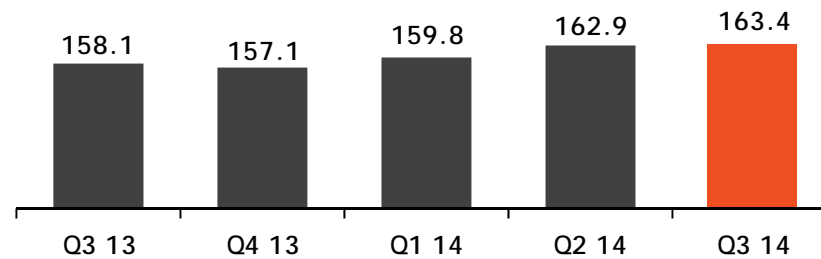
Fixed broadband retail access lines

(in '000)



TV subscribers

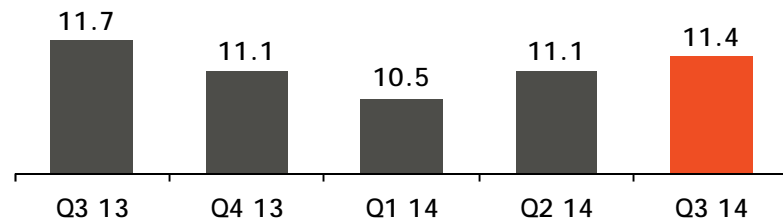
(in '000)



Segment Croatia - Mobile key performance indicators

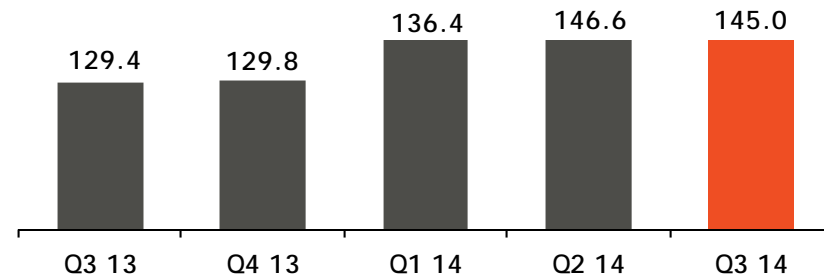
ARPU

(in EUR)



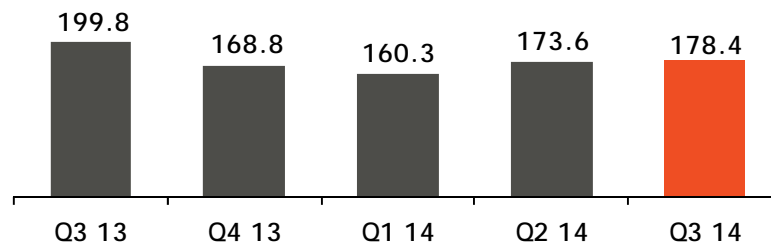
MoU per subscriber

(in min)



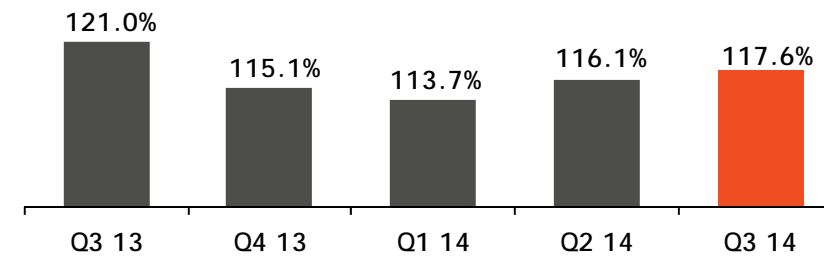
Mobile broadband customers

(in '000)



Mobile penetration

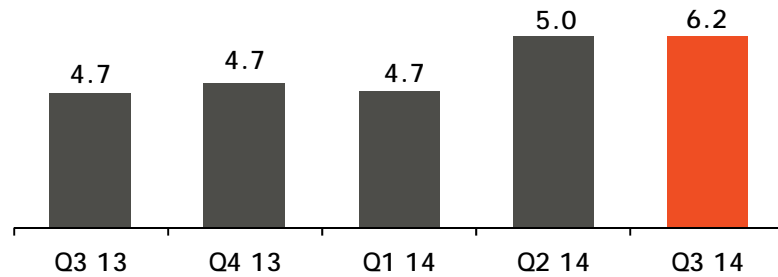
(in %)



Segment Belarus – Mobile key performance indicators

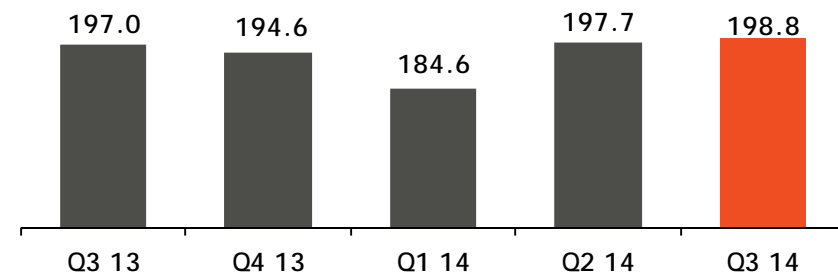
ARPU

(in EUR)



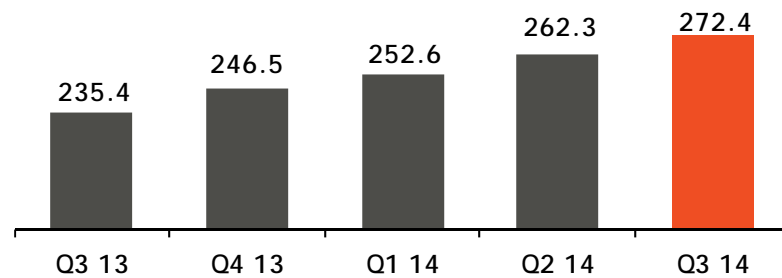
MoU per subscriber

(in min)



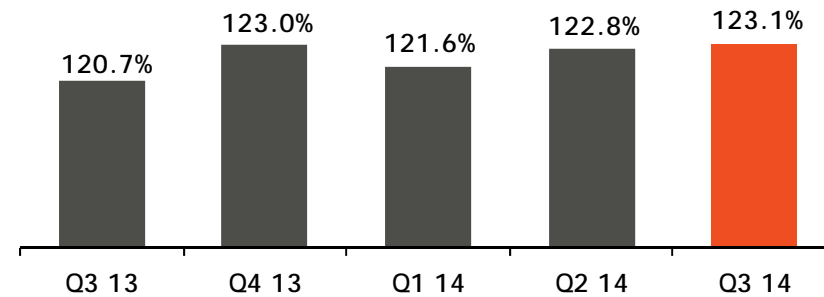
Mobile broadband customers

(in '000)



Mobile penetration

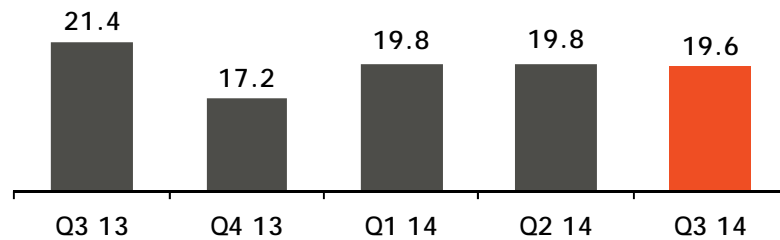
(in %)



Segment Additional Markets - Mobile key performance indicators

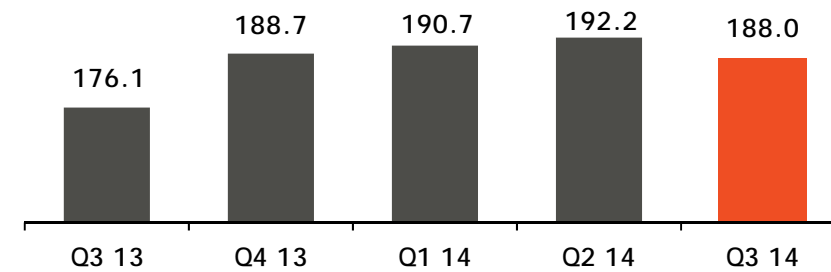
Slovenia - ARPU

(in EUR)



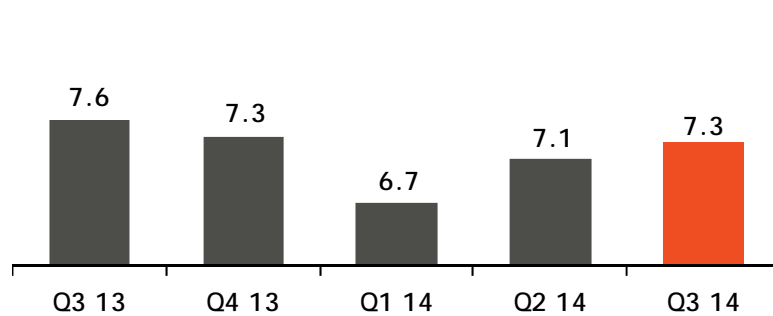
Slovenia - MoU per subscriber

(in min)



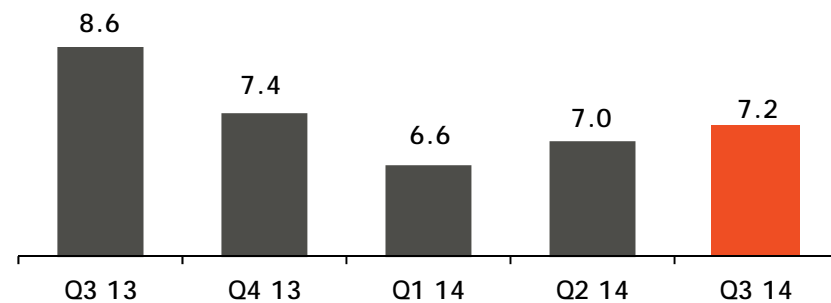
Republic of Serbia - ARPU

(in EUR)



Republic of Macedonia - ARPU

(in EUR)



Appendix 2 – Regulatory topics

Glide Path of Mobile Termination Rates

EU Pressure on National Regulatory Authorities to Further Decrease Rates

(in EURc)

	Jul 2013	Nov 2013	Jan 2014	Jul 2014	Sep 2014	Jan 2015	Jul 2015
Austria	2.01	0.8049	0.8049	0.8049	0.8049	0.8049	0.8049
Bulgaria	1.18	1.18	1.02	1.02	1.02	0.97	0.97
Croatia	2.54*	2.54*	1.69*	1.69*	1.69*	0.83	0.83
Belarus	1.50	1.30	1.25	1.20	1.20	1.15	1.10
Slovenia	3.24	3.24	3.24	3.24	1.14	1.14	1.14
Serbia	4.20	4.20	3.46	3.46	3.46	3.01	3.01
Macedonia	6.50	1.95	1.95	1.95	1.46	1.46	1.46

* 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



Upcoming spectrum tenders/prolongations/assignments

	planned/expected	Comments
Austria	2019 (2100 MHz)	-
Bulgaria	2014 (1800 MHz)	2600: undecided
Croatia	2015 (1800 MHz) 2016 (2100 MHz) 2017 (2100 MHz & 2600 MHz)	dependant on the interest shown by operators
Belarus	2015 (2100 MHz)	2100 MHz: 4th block in Minsk region LTE license only awarded to B-cloud, allocation to other operators not expected before 2015.
Slovenia	-	Possible tender for spectrum "leftovers"
Republic of Serbia	2014 (1800 MHz) 2015 (800 MHz & 900 MHz)	1800 MHz: Auction for non-allocated spectrum
Republic of Macedonia	2017 (900 MHz & 1800 MHz)	900 MHz & 1800 MHz: Prolongations

Appendix 3 – Personnel restructuring in Austria

Quarterly overview - Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

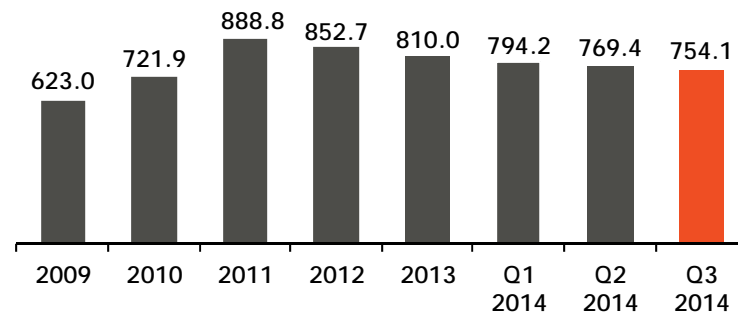
	2009	2010	2011	2012	2013	Q1 2014	Q2 2014	Q3 2014
FTE effect	-10.0	76.9	274.3	49.9	149.0	8.8	10.4	6.3
Servicekom	0.0	0.0	-40.6	-76.7	-103.8	-1.2	-11.3*	-0.9
Interest rate	27.5	47.2	0.0	61.4	0.0	0.0	0.0	0.0
Total	17.5	124.1	233.7	34.7	45.2	7.7	-0.9	5.4

FTEs addressed

	2009	2010	2011	2012	2013	Q1 2014	Q2 2014	Q3 2014
Transfer to government	0	158	106	44	22	11	11	9
Social plans	451	28	685	94	409	13	29	30
Staff released from work	-194	27	0	0	0	0	0	0
Total	257	213	791	138	431	24	40	39

Overview restructuring provision*

(in EUR million)



Provisioned FTEs

	2009	2010	2011	2012	2013	Q1 2014	Q2 2014	Q3 2014
Transfer to government	0	158	264	308	330	341	216	221
Social plans	273	299	922	1,030	1,315	1,320	1,357	1,358
Staff released	789	763	649	510	410	405	366	359
Total	1,062	1,220	1,835	1,848	2,055	2,066	1,939	1,938

* 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>Q1 2014</i>	<i>28.4</i>
<i>Q2 2014</i>	<i>28.3</i>
<i>Q3 2014</i>	<i>25.0</i>

- > Total cash flow impact comprises old and new programmes
- > Cash flow impact for Q3 2014 of EUR 25.0 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 nine months and third 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 CO₂ 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

Products: Providing Responsible Products		2013
Customer contacts in customer service ('000)		40.640
Employees in customer service (in FTE)		3.627
Environment: Living Green*		2013
Total CO ₂ Emissions (Scope 1+2 in tonnes)		222.722
Energy efficiency index (in Mwh/terabyte)		1,1
Paper consumption (in tonnes)		1.777
Collected old mobile phones (in pcs)		107.353
E-billing share (in %)		64
Employees: Empowering People		2013
Share of femal employees (in %)		37
Share of femal executives (in %)		31
Internally hired positions		631
Society: Creating Equal Opportunities		2013
Participants in trainings on media literacy**		24.483
Local educational projects		over 30

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

** Since beginning of the initiative

Results for the first nine months and third quarter 2014

Ratings



› Classification: B
(93 points out of 100)



› Classification: C+



Indices



Memberships

