

Roadshow Presentation Results for the first nine months and third quarter 2017

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 Group nor any other person accepts any liability for any such forward-looking statements. Telekom Austria Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations. This presentation does not constitute a recommendation or invitation to purchase or sell securities of Telekom Austria Group.'

Telekom Austria Group key facts

4.21 BN

Revenues as of year-end 2016

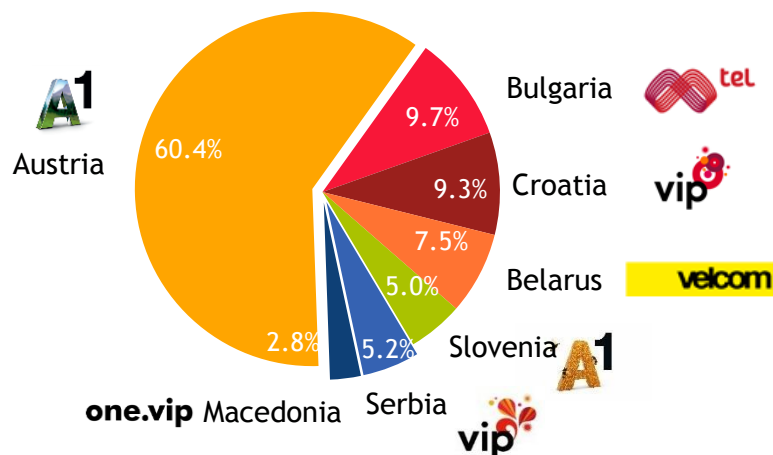
24M

Customers in seven countries

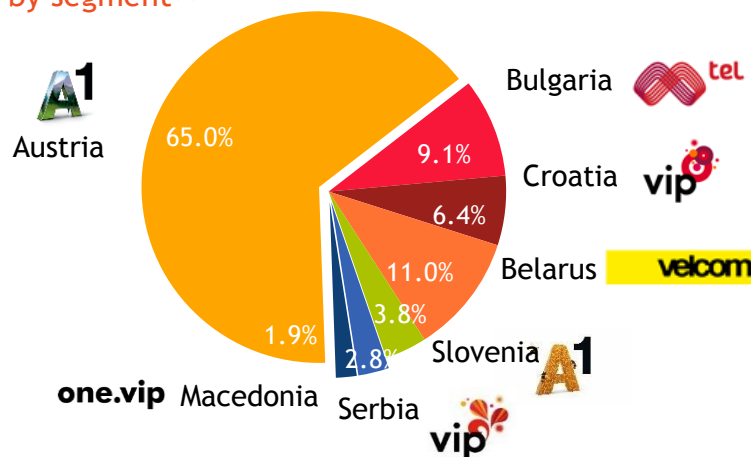
1.35 BN

EBITDA as of year-end 2016

Revenue by segment^(a)



EBITDA by segment^(a)



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

Key financial data

(in EUR million)	2016	2015	% change
Total Revenues	4,211.5	4,125.3	2.1%
of which generated abroad (in %)	39.6	38.1	-
EBITDA	1,354.3	1,368.7	-1.1%
of which generated abroad (in %)	34.9	37.0	-
EBITDA margin (in %)	32.2	33.2	-
Operating income	486.7	571.7	-14.9%
Net result	413.2	392.8	5.2%
Free cash flow	232.0	352.2	-34.1%
Net cash flow from operating activities	1,195.5	1,228.4	-2.7%
Capital expenditures	764.1	784.5	-2.6%
Net debt	2,339.4	2,483.0	-5.8%
Equity	2,770.7	2,426.0	14.2%
Equity ratio (in %)	34.9	29.2	-
Net debt to EBITDA	1.7x	1.8x	-
Return on Invested Capital - ROIC (in %)	9.9	9.7	-
Return on Equity - ROE (in %)	15.9	16.9	-

The leading regional communications player providing convergent telecommunication services

as of 30 September 2017 (in '000)

Austria*

Mobile market position #1

Mobile subscriber:

> 5,357 (Q3 2016: 5,444)

Fixed access lines:

> 2,129 (Q3 2016: 2,208)



Slovenia

Mobile market position #2

Mobile subscriber:

> 710 (Q3 2016: 717)

Fixed access lines:

> 70 (Q3 2016: 72)



Belarus

Mobile market position #2

Mobile subscriber:

> 4,863 (Q3 2016: 4,914)

Fixed access lines:

> 310 (Q3 2016: n.a.)



Croatia

Mobile market position #2

Mobile subscriber:

> 1,837 (Q3 2016: 1,823)

Fixed access lines:

> 300 (Q3 2016: 281)



Bulgaria

Mobile market position: #1

Mobile subscriber:

> 4,056 (Q3 2016: 4,117)

Fixed access lines:

> 528 (Q3 2016: 542)



Republic of Serbia

Mobile market position #3

Mobile subscriber:

> 2,194 (Q3 2016: 2,105)



Republic of Macedonia

Mobile market position #1

Mobile subscriber:

> 1,112 (Q3 2016: 1,138)

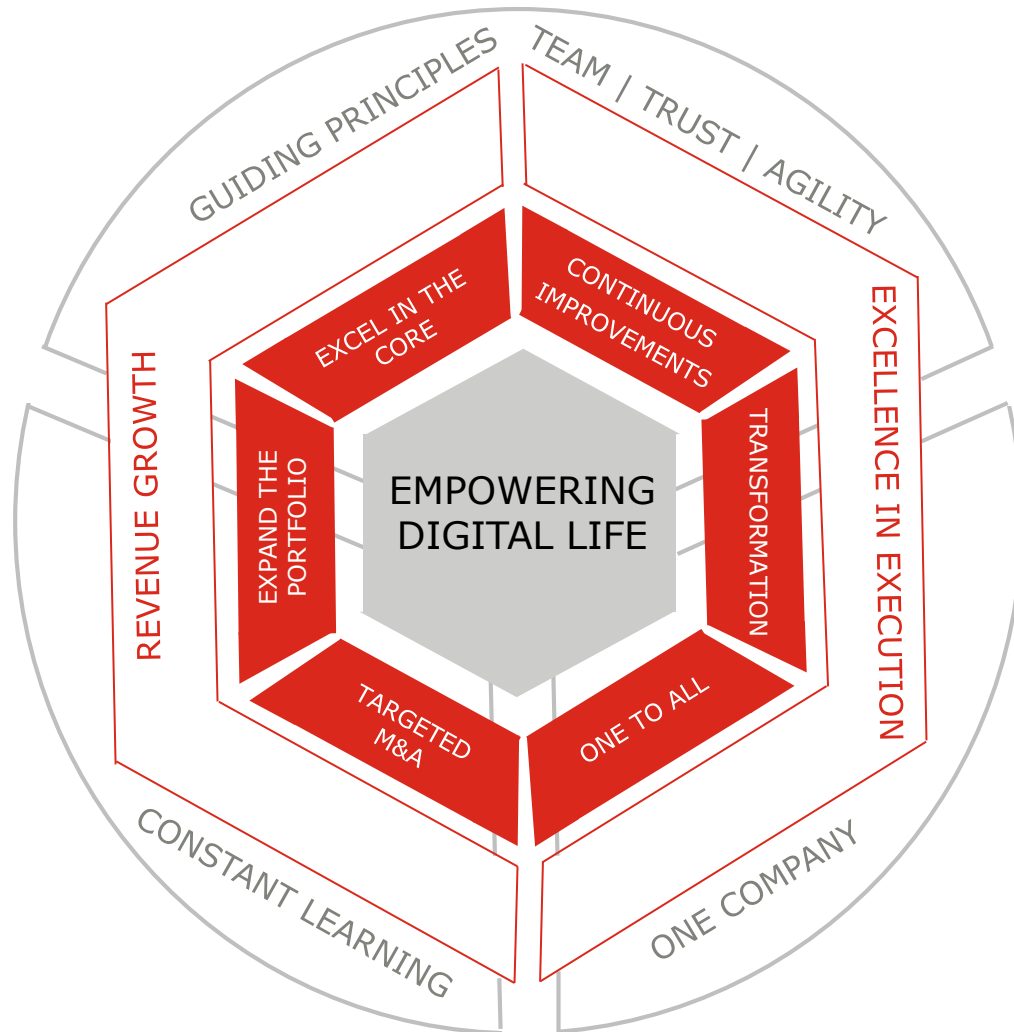
Fixed access lines:

> 145 (Q3 2016: 141)



* Machine-to-Machine (M2M) is no longer reported in the Austrian segment and is shown in 'Corporate & other, eliminations'. Comparative figures have been adjusted accordingly.

Strategy overview



Equity story

✓ Utilisation of solid position in Austria to benefit from rising demand for bandwidth and new technologies

Focus on high-value customers and convergence | Growth potential through increased cross- and upselling, e.g. via A1 hybrid modem | Growth in Internet of Things (IoT) and cloud-based ICT solutions for enterprises | Accelerated LTE and fibre rollout reinforces infrastructure leadership | Continuous efficiency improvement in terms of costs and investments

✓ Exploit growth potential in CEE

Anticipated growth on the back of medium-term economic recovery | Consistent implementation of convergence strategy | Utilisation of ongoing strong demand for fixed-line products | M&A strengthening existing markets: convergence in Belarus; growth of fixed-line business segment in Croatia | Efficiency improvement i. a. through regional clusters

✓ Strong balance sheet structure

Leverage ratio corresponds to rating targets and is confirmed by Moody's (Baa2) and Standard & Poor's (BBB) | Extensive financial flexibility for investments and M&A

✓ Sustainable dividend policy

Dividend level of EURc 20 with the potential to grow on a sustainable basis in line with the operational and financial performance

Growth + Improved efficiency

Appropriate level of dividend +
Total shareholder return

Telekom Austria share price performance

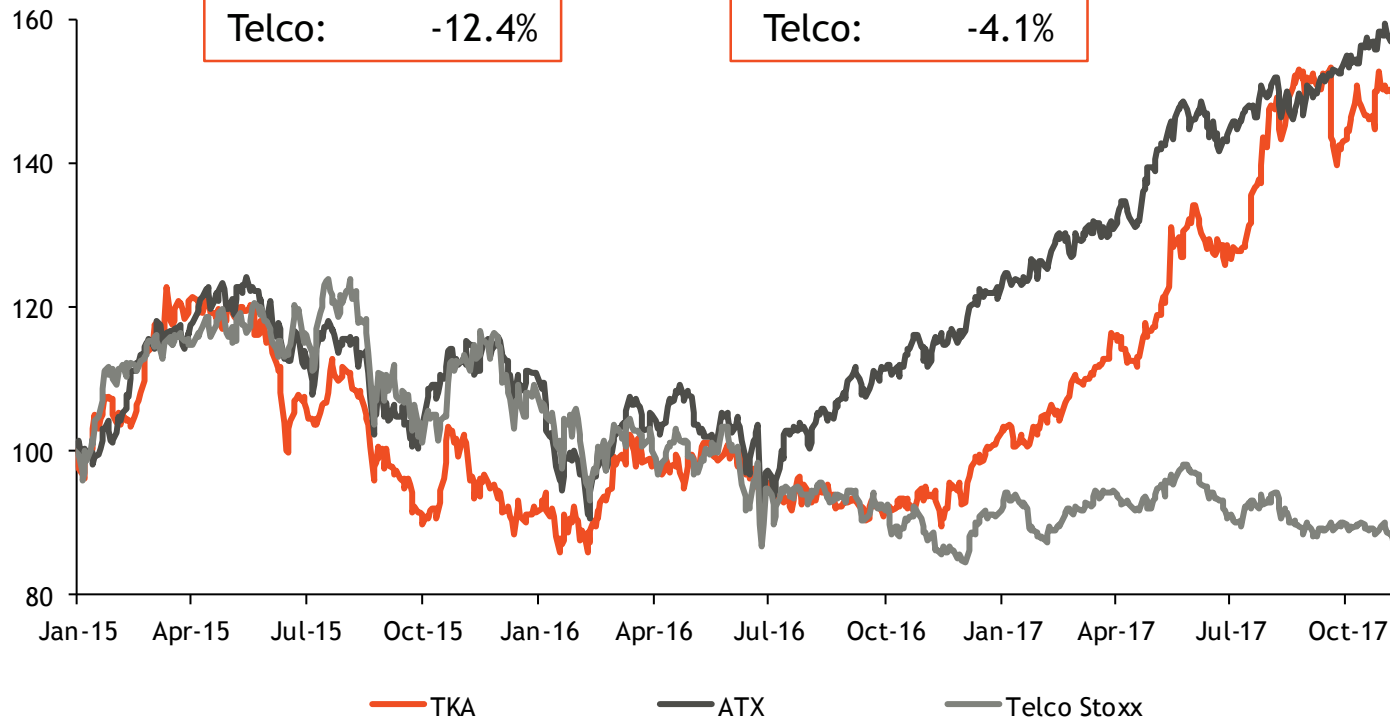
Performance 2015 - now*:

TKA:	+49.0%
ATX:	+58.0%
Telco:	-12.4%

Performance YTD*:

TKA:	+46.5%
ATX:	+30.3%
Telco:	-4.1%

Dividend for the financial year 2017**: EURc 20



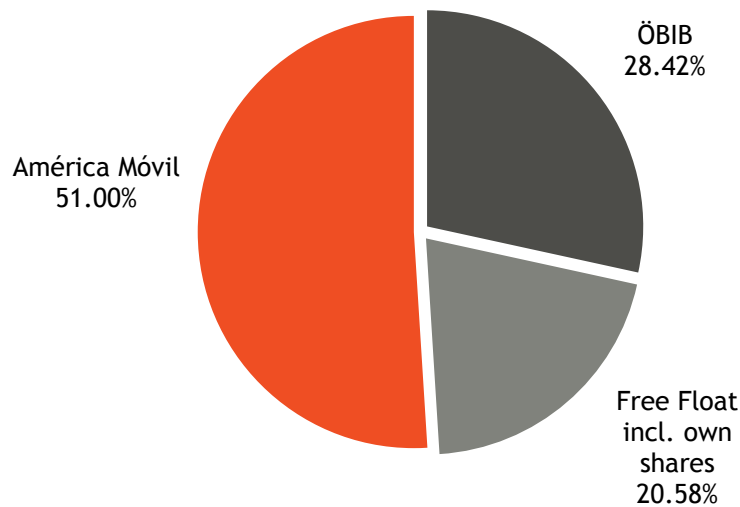
(indexed from 1 January 2015)

* As of 08.11.2017

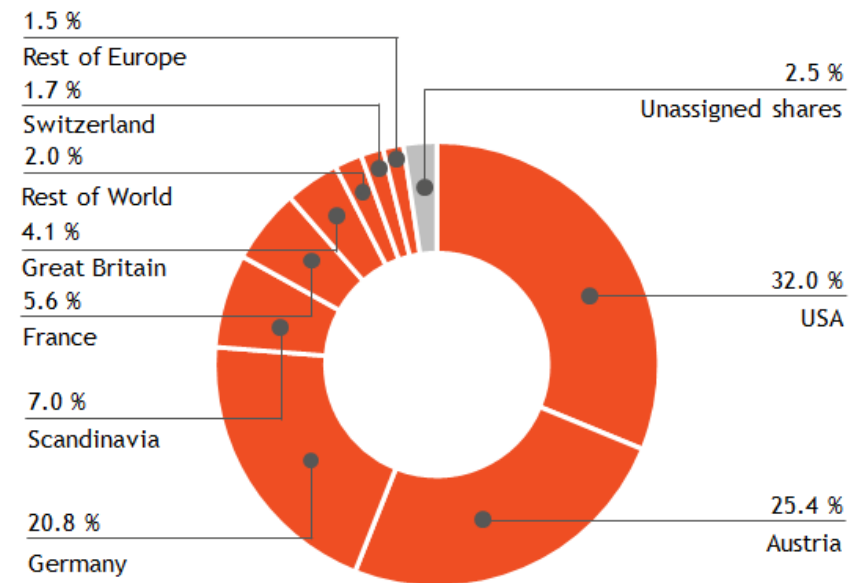
** Intended proposal to the Annual General Meeting 2018

Shareholder structure as of 31 December 2016

Two strong core shareholders



Freefloat by nationality



Key financial developments for the first nine months and third quarter 2017

Q3 2017: Adjusted EBITDA growth due to higher service revenues despite roaming

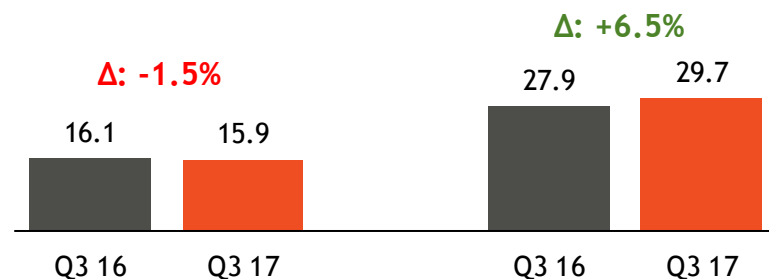
Group (in EUR million)	Reported Q3 2017	Proforma Q3 2016	% change
Total revenues	1,110.7	1,085.3	2.3%
EBITDA	410.1	421.0	-2.6%
CAPEX	147.1	198.6	-25.9%

- > Group total revenues rose by 2.3% y-o-y on a proforma basis (+1.9% y-o-y excluding one-off and FX effects) due to growth in all markets except for Republic of Macedonia
- > Revenue growth was driven by higher equipment revenues and continuing service revenue increase; negative roaming impact slightly lower than expected
- > Proforma Group EBITDA declined by 2.6% and grew by 1.6% excl. one-offs, FX effects and restructuring as higher total revenues more than offset increased cost of equipment and workforce costs
- > Free cash flow grew by 133.6% y-o-y due to higher cash flow from operations, lower interest paid and lower capital expenditures paid

Austria: Solid performance in fixed-line business mitigates roaming losses

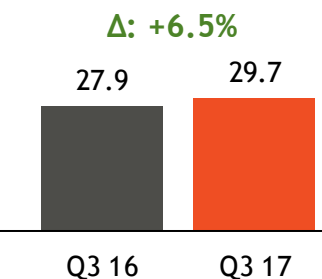
ARPU

(in EUR)



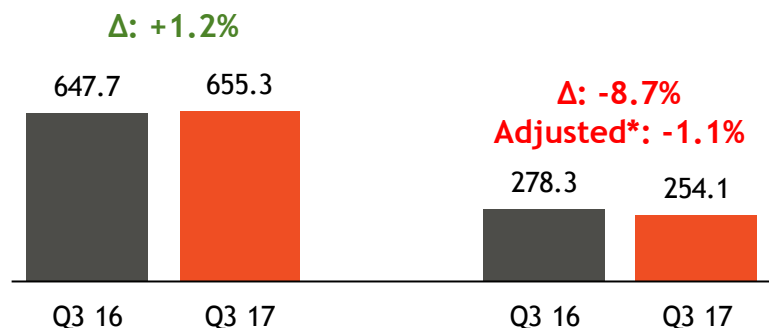
ARPL

(in EUR)



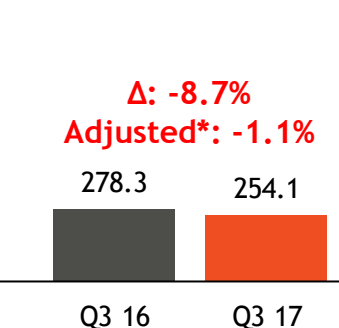
Total revenues

(in EUR mn)



EBITDA

(in EUR mn)



Operational data

- > 1.6% decline in subscriber base, mainly driven by the decrease in prepaid customers
- > Excl. roaming, stable operative ARPU as increased mobile broadband (MBB) revenues compensated for losses in the prepaid segment
- > Increase in ARPL driven by continuous strong demand for higher bandwidth/TV products and price increases
- > RGUs decrease by 3.0%, driven by voice and fixed-line broadband due to churn and substitution by WiFi router

Financial performance

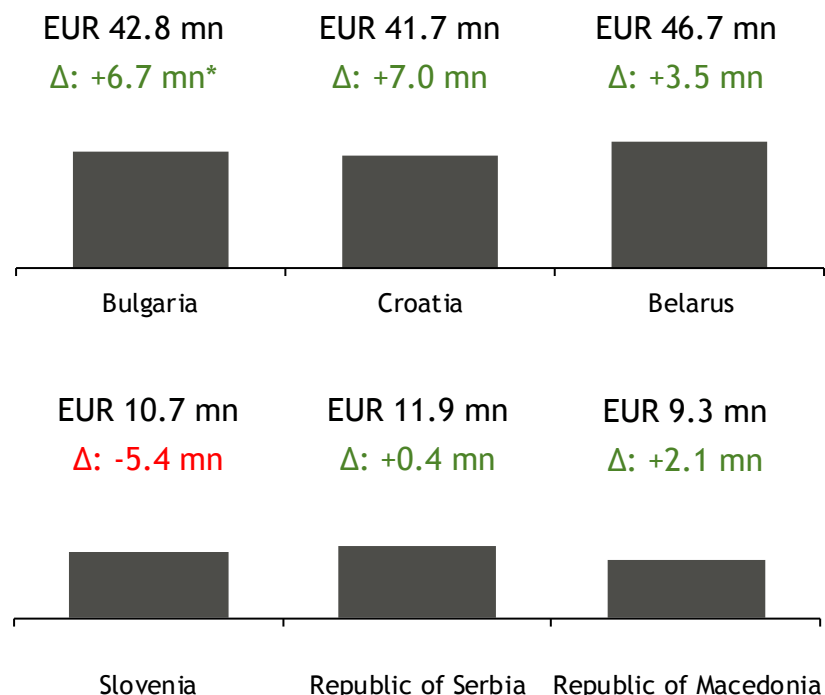
- > Service revenues rose due to fixed-line and other revenues, offsetting lower wireless service revenues
- > OPEX increase driven by higher cost of equipment as well as higher commissions and roaming expenses, partly compensated by lower network and interconnection costs
- > EBITDA impacted by change in restructuring charges and positive one-off in OPEX in Q3 2016

* Adjusted values exclude EUR 14.4 mn positive one-off effect in Q3 2016 due to reversal of an accrual and restructuring charges in Q3 2017 (EUR 13.3 mn positive) and Q3 2016 (EUR 20.4 mn positive).

CEE: EBITDA growth in all CEE markets except for Slovenia

EBITDA

(proforma, in EUR mn)



* Including a positive EUR 5.8 mn one-off effect in Q3 2017 in OOI in Bulgaria

Highlights CEE

Bulgaria:

- > Ongoing improving trends in service revenues (+1.1% yoy excl. one-off effect)
- > EBITDA benefits from lower cost of equipment

Croatia:

- > Solid service revenue growth continues; remarkable positive impact from visitor roaming
- > Decline in OPEX; higher sales area costs and increased roaming expenses were more than compensated by better collection in bad debt and lower advertising

Belarus:

- > Strong operational performance due to inflation-linked price increases and strong demand for data
- > Results impacted by negative FX impact
- > 3.7% BYN devaluation in Q3 2017
- > Acquisition of ISP Gomel Garant to further expand fixed-line footprint

Other segments:

- > Ongoing challenging market environment in Slovenia
- > Improved service revenue trend in Rep. of Serbia
- > Cost efficiencies in Rep. of Macedonia drove EBITDA increase

Higher free cash flow driven by less CAPEX paid, better operational performance, lower interest paid

(in EUR million)	Q3 2017	Q3 2016	% change	1-9 M 2017	1-9 M 2016	% change
Net cash flow from operating activities	333.9	305.6	9.3%	910.1	867.8	4.9%
Capital expenditures paid	-142.9	-205.1	-30.3%	-521.1	-622.0	-16.2%
Proceeds from sale of plant, property and equipment	1.7	3.3	-48.6%	11.8	15.4	-23.4%
Interest paid	-8.6	-24.9	-65.5%	-64.7	-130.8	-50.6%
Free Cash Flow	184.2	78.9	133.6%	336.1	130.4	157.7%

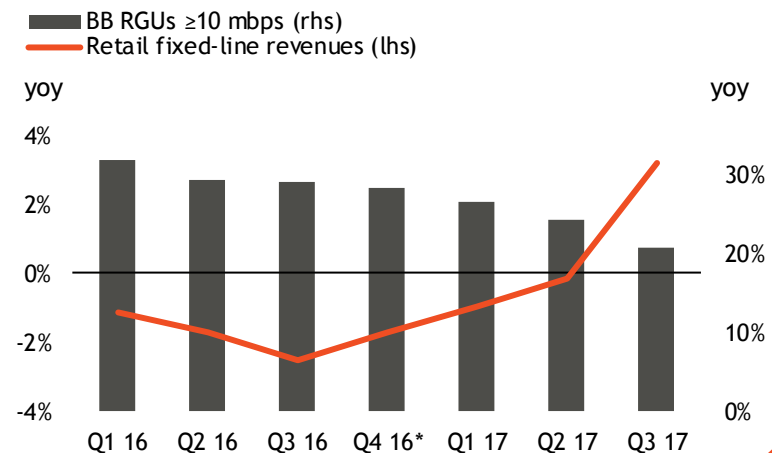
- > Free cash flow 1-9M 2017 year-on-year development driven by
 - + Higher cash flow from operations due to better operational performance
 - + Lower interest paid due to the repayment of a EUR 750 mn bond in Q1 2016
 - + Lower capital expenditures paid due to high payments for previous periods in Q1 2016
- > Change in working capital needs of EUR 190.0 mn (EUR 196.3 mn in 1-9M 2016) driven by
 - > EUR 78.8 mn payments for restructuring
 - > EUR 43.8 mn accounts receivables trade
 - > EUR 26.2 mn accounts payable and accrued liabilities

Focus points

Austria: Retail fixed-line service revenues back to growth due to price adjustments and upselling

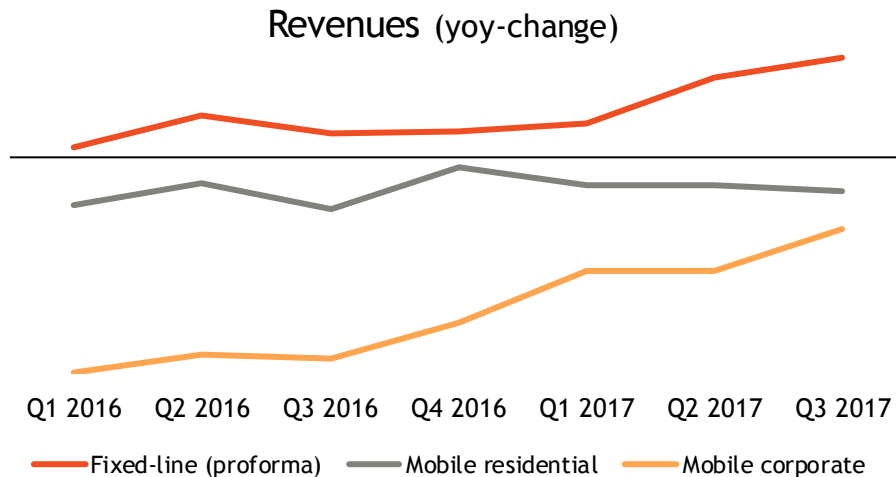
- ✓ Retail fixed-line service revenues in Q3 2017: +3.2% yoy
- ✓ Price adjustments for existing customers effective as of 1 August 2017
- ✓ New products with higher entry price points for new customers in Q1/Q2 2017
- ✓ Speed upselling supported by hybrid modem
- ✓ >50% of new customers choose TV product
- ✓ Fibre rollout target for YE 2018 of 70% coverage with 40 Mbps product (previously 30 Mbps) on track
- ✓ 85% of customers still have <40 mbps, >50% of gross adds are ≥40 mbps

Tariff adjustments	Old	New
Basic - existing customers:	EUR 19.90	EUR 22.90
Entry - new customers:	EUR 19.90 (8 Mbps)	EUR 26.90 (20 Mbps)
Speed upgrades:	EUR 5.90	EUR 6.90
TV media box:	EUR 2.90	EUR 3.90



*Q4 2016 yoy-change of retail fixed-line revenues affected by a positive EUR 3.5 mn one off in other retail fixed revenues in Q4 2015, clean: -3.5% yoy

Bulgaria: Measures taken during the last 2 years led to EBITDA increase after years of decline



Improving trends in mobile corporate and fixed-line segment

EBITDA

Q1: -16.0%

Q2: +8.6%

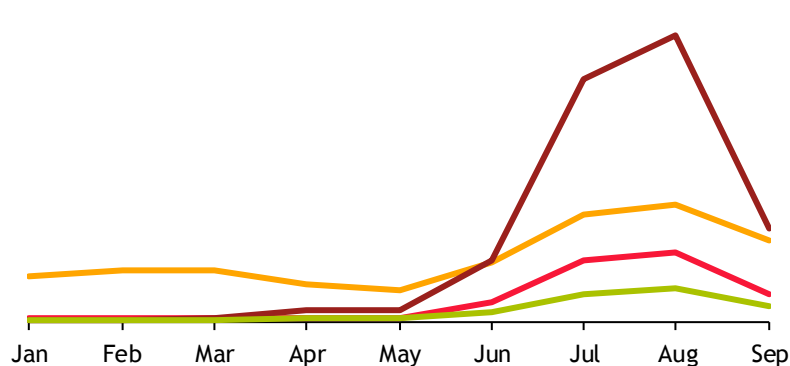
Q3: +18.5% (clean*: +2.5%)

Area	Measures
Customer Service	Reduce installation time & time for fixing outages, improve interactive voice response, increase accessibility rate in call center
Distribution	New sales channel organisation with better located stores, more sales staff, self-care channels to offload shops, improve telesales, improve sales execution due to shop reorganisation
Pricing & Content	Activity shift to value focus, value-based bonus incentive schemes for employees, exclusive content & sports channels, lower subsidies since Q2 2017
Business Segment	Focus on ICT business development & convergence push: Cross-selling fixed with mobile and vice versa

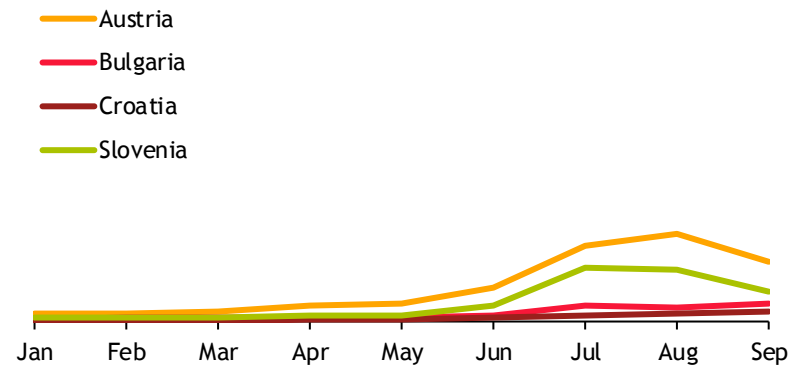
* EUR 5.8 mn positive one-off effect in other operating income, resulting from a legal settlement.

Roaming: Higher than expected usage elasticities in all EU markets

Visitor Roaming - Data*



Customer Roaming - Data*



- Main EBITDA losses from roaming in 1-9M 2017 stem from Austria and to some extent Slovenia
- Croatia - and to a smaller absolute amount also Bulgaria - profit from higher than expected elasticity and positive effects on visitor roaming

Higher than expected elasticity in usage benefits roaming margin

Expected neg. roaming impact FY17: 1.5-2% of Group EBITDA (before max. EUR 35 mn)

Expected neg. roaming impact on Group EBITDA in FY18: 1-1.5% of Group EBITDA

*Usage in GB

Successful strategy execution: Rebranding and further enlargement of digital footprint

A1 Rebranding

- > Group and all markets will be rebranded into A1 in a gradual manner
- > Strengthen convergent proposition with one strong brand
- > Non cash EUR 350 mn amortisation
- > More than half of impact on net result expected in Q4 17 and Q1 18
- > Costs of low double digit EUR mn within 3 years expected to be compensated via mid-term savings
- > No negative impact on technical systems expected



A1 Digital

- > New services with the acquisition of exoscale; allowing the provision of
 - > Infrastructure as a Service
 - > Data storage
 - > DNS administration
- > Targeted go-to-market approach in Germany:
 - > Transactional Business: Smaller SMEs via online and telesales with rich Software as a Service portfolio incl. remote and installation services.
 - > Solution Business: Bigger SMEs in construction, logistics and manufacturing industries via telesales and direct sales.



Outlook for the full year 2017

Telekom Austria Group outlook for the full year 2017

	25 July 2017	24 October 2017	Consensus 2017
Total revenues	approx. +1%	approx. +3%	EUR 4,328 mn
CAPEX	approx. EUR 725 mn	approx. EUR 745 mn	EUR 744 mn
Proposed dividend	EUR 0.20 / share	EUR 0.20 / share	-

- > Outlook based on reported figures and constant currencies except for Belarus (assumed devaluation of 0-5% period average)
- > CAPEX: does not include investments in spectrum or acquisitions
- > Dividend: intended proposal to the Annual General Meeting 2018 for the financial year 2017

Appendix 1

Telekom Austria Group - Profit and Loss

(in EUR million)	Q3 2017	Q3 2016	% change
Service Revenues	987.1	961.6	2.7%
Equipment Revenues	123.5	111.6	10.7%
Total Revenues	1,110.7	1,073.2	3.5%
Cost of Service	-344.8	-329.0	-4.8%
Cost of Equipment	-143.7	-126.3	-13.8%
Selling, General & Administrative Expenses	-209.5	-202.6	-3.4%
Others	-2.5	0.2	n.m.
Total Costs and Expenses	-700.5	-657.7	-6.5%
EBITDA	410.1	415.5	-1.3%
<i>% of Total Revenues</i>	<i>36.9%</i>	<i>38.7%</i>	
Depreciation and Amortisation	-219.1	-212.8	-2.9%
Impairment and Reversal of Impairment	0.0	0.0	n.a.
EBIT	191.1	202.7	-5.7%
<i>% of Total Revenues</i>	<i>17.2%</i>	<i>18.9%</i>	
EBT (Earnings Before Income Taxes)	162.1	160.3	1.1%
Net Result	148.1	143.2	3.4%

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

Telekom Austria Group - Total Revenue Split

Total Revenues (in EUR million)	Q3 2017	Q3 2016	% change
Austria*	655.3	647.7	1.2%
Bulgaria	112.3	106.4	5.5%
Croatia	121.0	108.1	12.0%
Belarus	99.8	85.4	16.9%
Slovenia	55.5	55.0	1.0%
Republic of Serbia	59.4	56.1	6.0%
Republic of Macedonia	30.2	30.3	-0.2%
Corporate & other, eliminations*	-22.9	-15.7	-45.7%
Total Revenues	1,110.7	1,073.2	3.5%

Telekom Austria Group - Costs and Expenses Split

Costs and Expenses (in EUR million)	Q3 2017	Q3 2016	% change
Austria*	401.3	369.4	8.6%
Bulgaria	69.5	70.3	-1.2%
Croatia	79.3	77.0	3.0%
Belarus	53.1	44.0	20.8%
Slovenia	44.9	38.9	15.3%
Republic of Serbia	47.5	44.5	6.7%
Republic of Macedonia	20.9	23.1	-9.5%
Corporate & other, eliminations*	-16.0	-9.6	-66.9%
Total Operating Expenses	700.5	657.7	6.5%

* Machine-to-Machine (M2M) is no longer reported in the Austrian segment and is shown in 'Corporate & other, eliminations'. Comparative figures have been adjusted accordingly.

Telekom Austria Group - Headcount development

FTE (Average Period)	Q3 2017	Q3 2016	% change
Austria	8,287	8,437	-1.8%
International	10,124	9,023	12.2%
Corporate	283	219	29.2%
Telekom Austria Group	18,694	17,679	5.7%

FTE (End of Period)	Q3 2017	Q3 2016	% change
Austria	8,278	8,422	-1.7%
International	10,362	9,040	14.6%
Corporate	304	222	37.0%
Telekom Austria Group	18,944	17,684	7.1%

Telekom Austria Group - Capital expenditure split

Capital Expenditures (in EUR million)	Q3 2017	Q3 2016	% change
Austria*	85.5	132.4	-35.4%
Bulgaria	15.5	13.8	12.4%
Croatia	15.8	19.3	-18.3%
Belarus	14.2	14.3	-0.5%
Slovenia	3.9	6.2	-38.2%
Republic of Serbia	7.6	6.7	13.3%
Republic of Macedonia	4.2	5.7	-25.7%
Corporate & other, eliminations*	0.4	-1.9	n.m.
Total Capital Expenditures	147.1	196.5	-25.2%
thereof Tangible	119.7	171.5	-30.2%
thereof Intangible	27.4	25.0	9.4%

* Machine-to-Machine (M2M) is no longer reported in the Austrian segment and is shown in 'Corporate & other, eliminations'. Comparative figures have been adjusted accordingly.

Telekom Austria Group - Net debt

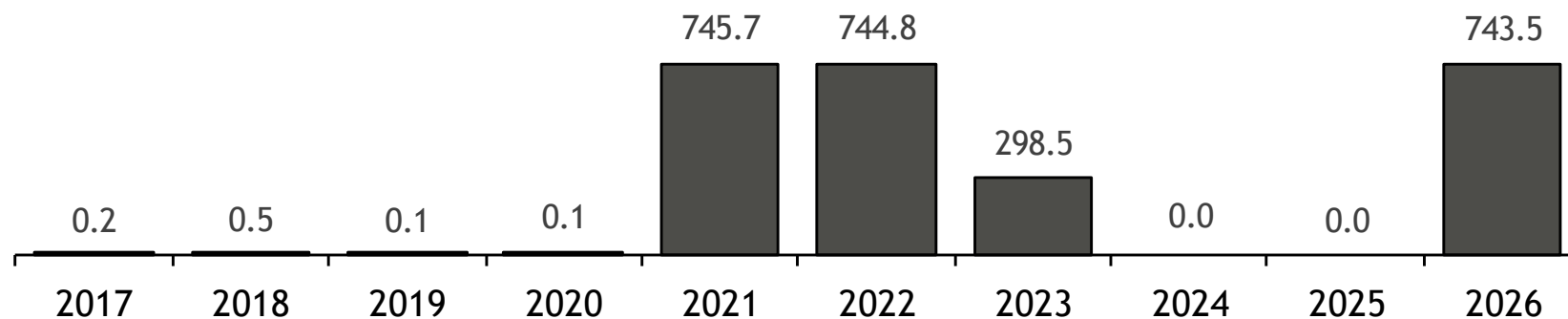
Net Debt* (in EUR million)	30 September 2017	31 December 2016	% change
Long-term Debt	2,532.8	2,303.5	10.0%
Short-term Borrowings	0.7	500.1	-99.9%
Cash and Cash Equivalents and Short-term Investments	-273.2	-464.2	41.1%
Net Debt of Telekom Austria Group	2,260.4	2,339.4	-3.4%

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

Telekom Austria Group - Debt maturity profile

Debt maturity profile*

(in EUR million)

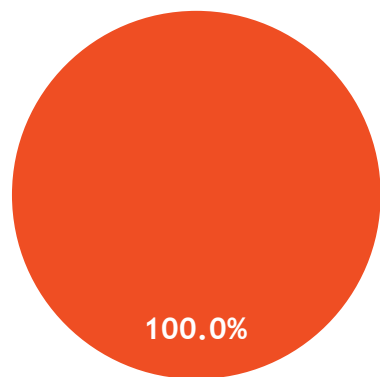


- > EUR 2,533.6 mn short-and long-term borrowings as of 30 September 2017
- > Average cost of debt of approximately 2.95%
- > Cash and cash equivalents and short-term investments of EUR 273.2 mn
- > Average term to maturity of 5.94 years

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

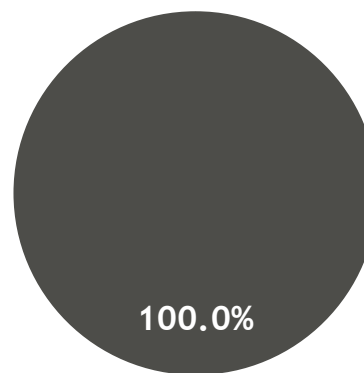
Telekom Austria Group - Debt profile

Overview debt instruments



■ Loans ■ Bonds

Fixed/floating mix



■ Fixed ■ Floating

Lines of credit

- > Undrawn committed credit lines amounting to EUR 1,265 mn
- > Average term to maturity of approx. 1.72 years

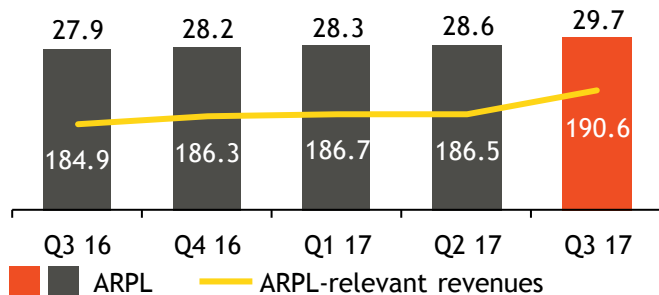
Ratings

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

Segment Austria - Fixed-line key performance indicators

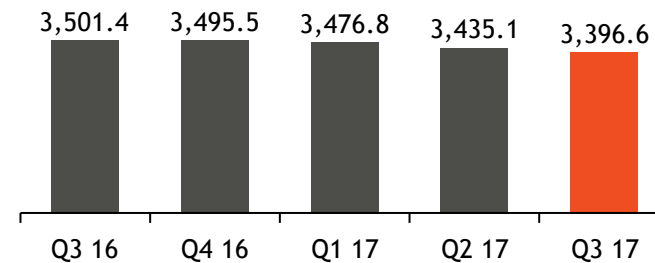
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



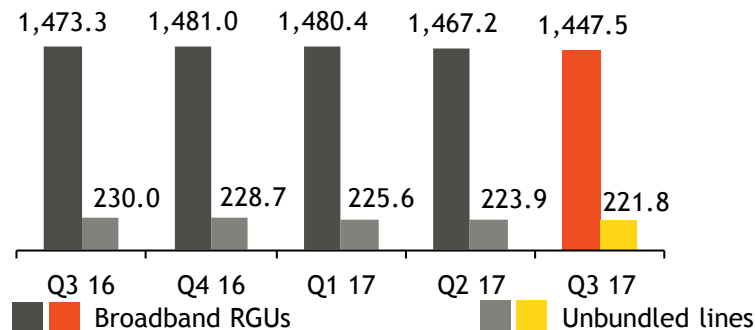
Total RGUs

(in '000)



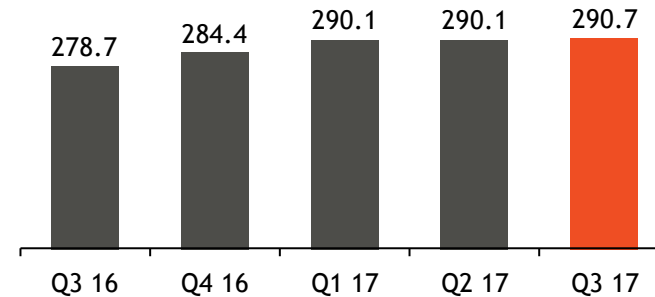
Broadband RGUs/unbundles lines

(in '000)



TV RGUs

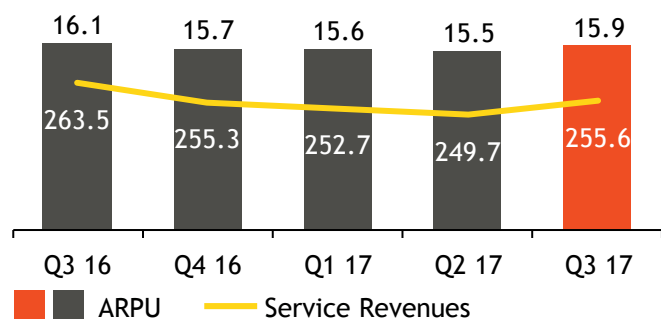
(in '000)



Segment Austria* - Mobile key performance indicators

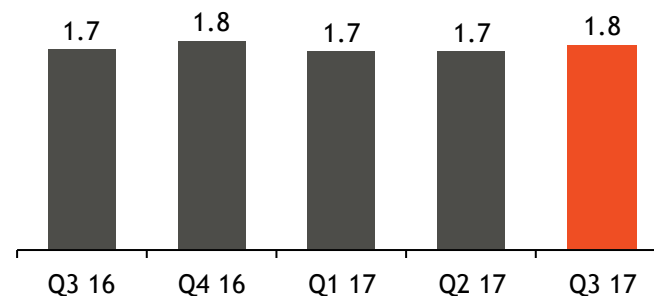
ARPU & Wireless service revenues

(in EUR, in EUR million)



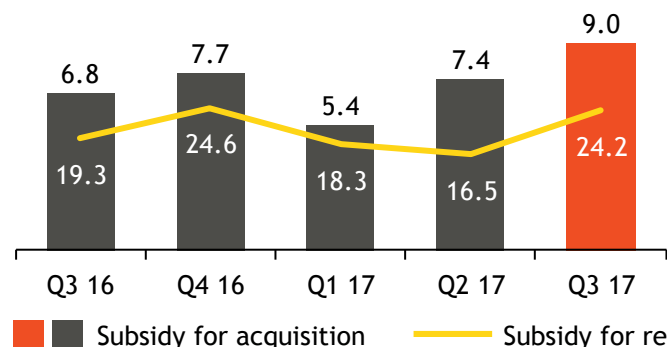
Churn rate

(in %)



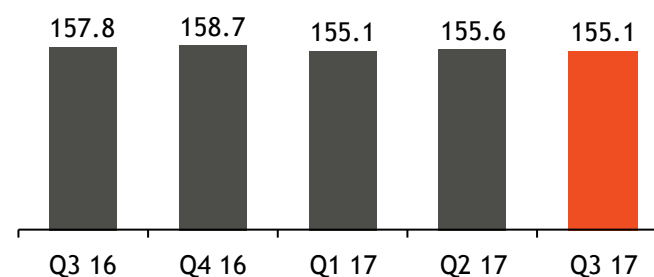
Subsidies

(in EUR million)



Mobile penetration

(in %)

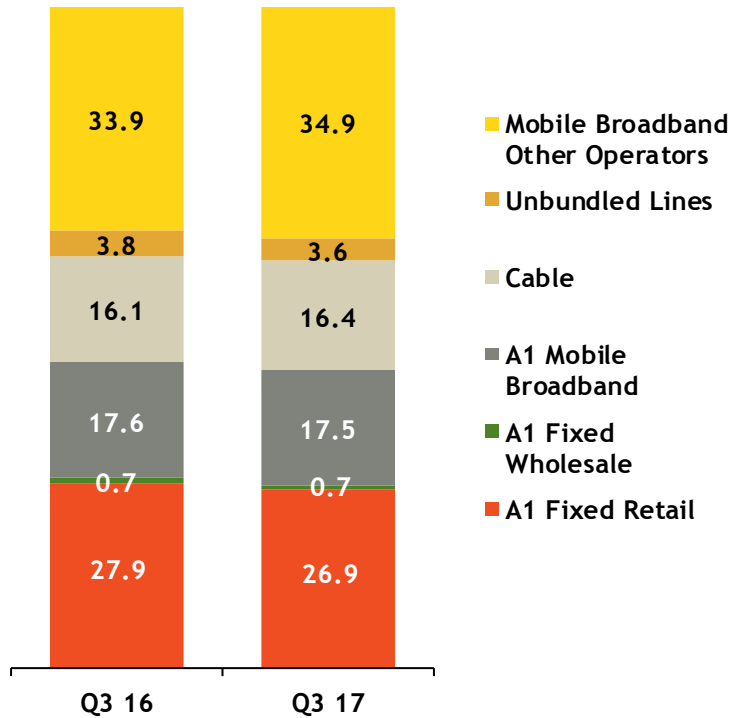


* Machine-to-Machine (M2M) is no longer reported in the Austrian segment and is shown in 'Corporate & other, eliminations'. Comparative figures have been adjusted accordingly.
Results for the first nine months and third quarter 2017

Segment Austria - Broadband market split

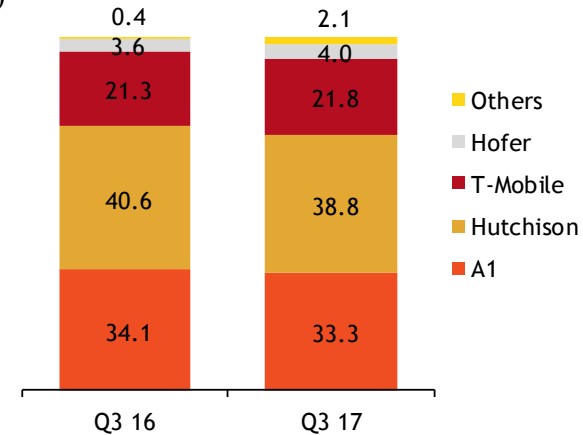
Market share total broadband

(in %)



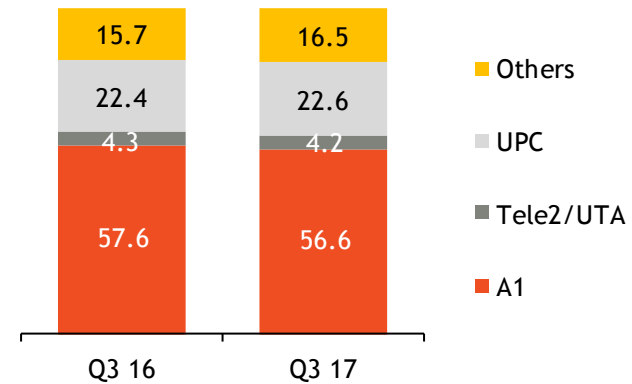
Market share mobile broadband

(in %)



Market share fixed-line broadband

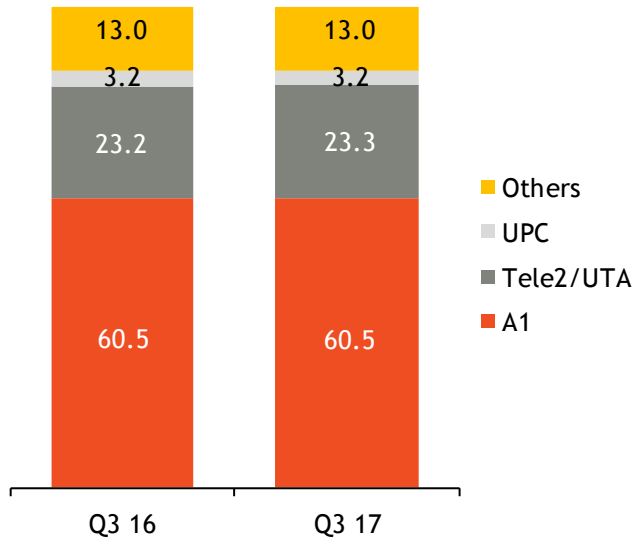
(in %)



Segment Austria - Voice market split

Market share voice RGUs

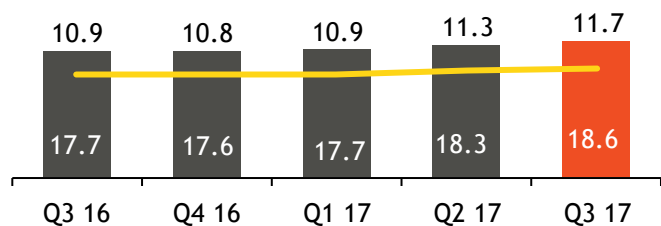
(in %)



Segment Bulgaria - Fixed-line key performance indicators

ARPL & ARPL-relevant revenues

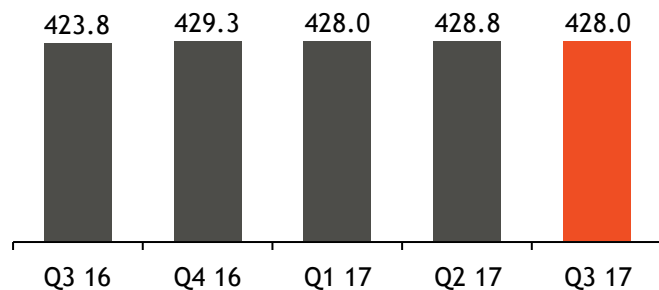
(in EUR, in EUR million)



■ ARPL ■ ARPL-relevant revenues

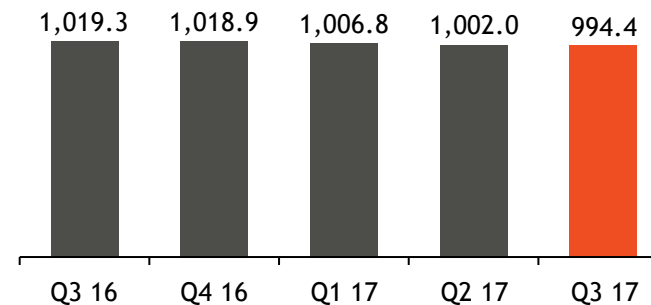
Fixed broadband RGUs

(in '000)



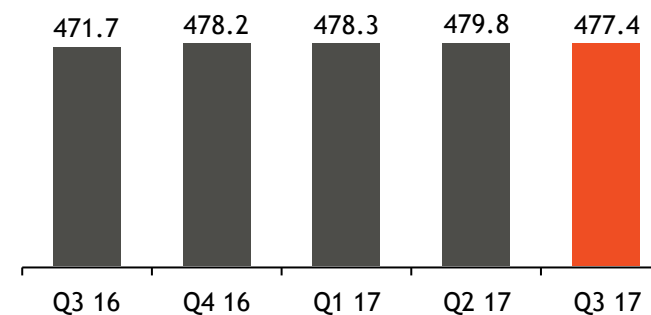
Total RGUs

(in '000)



TV RGUs

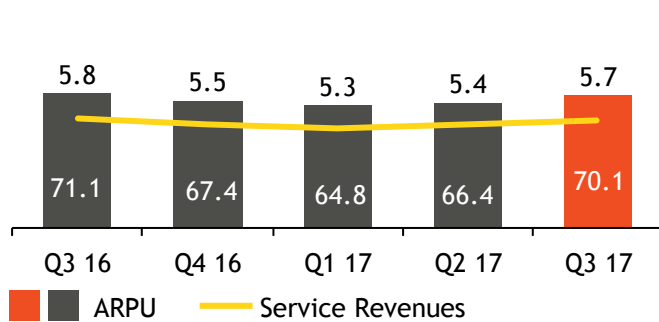
(in '000)



Segment Bulgaria - Mobile key performance indicators

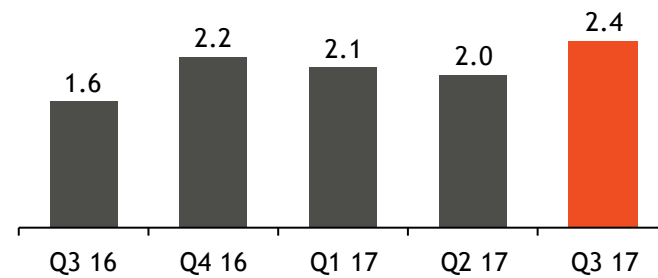
ARPU & Wireless service revenues

(in EUR, in EUR million)



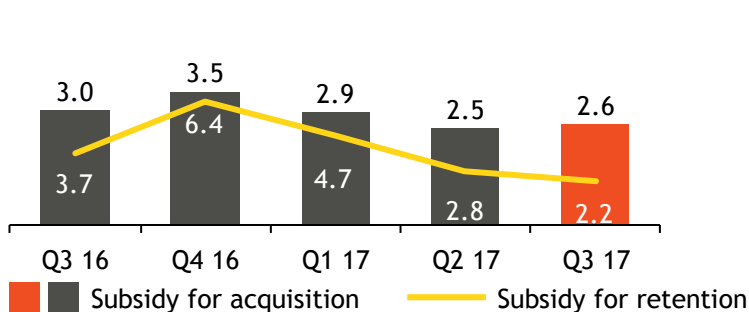
Churn rate

(in %)



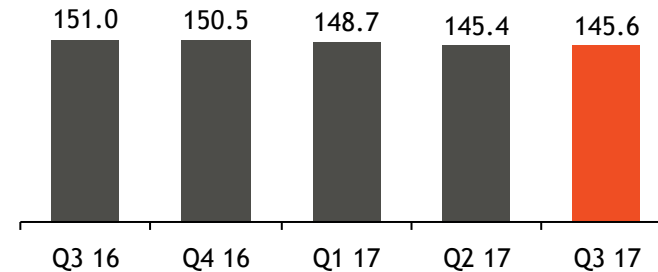
Subsidies

(in EUR million)



Mobile penetration

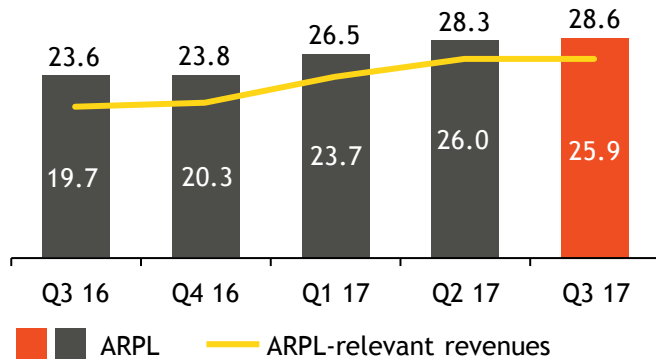
(in %)



Segment Croatia - Fixed-line key performance indicators

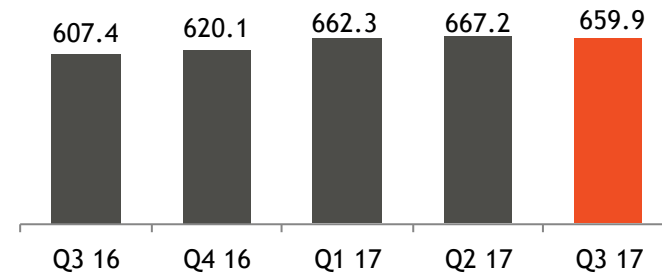
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



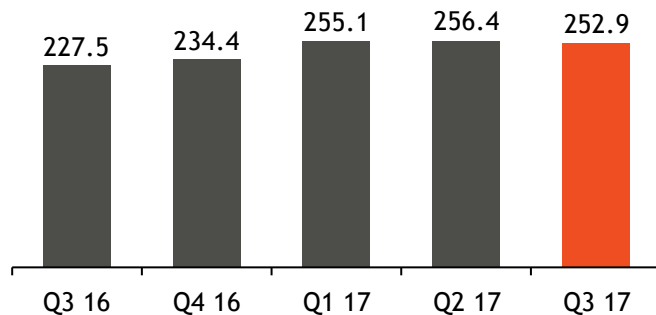
Total RGUs

(in '000)



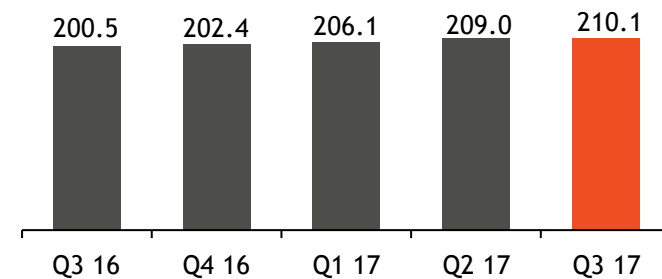
Fixed broadband RGUs

(in '000)



TV RGUs

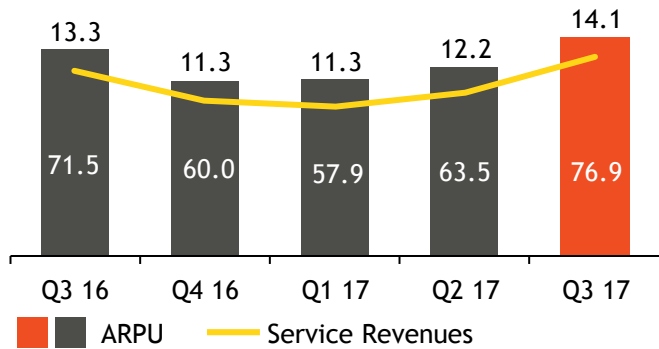
(in '000)



Segment Croatia - Mobile key performance indicators

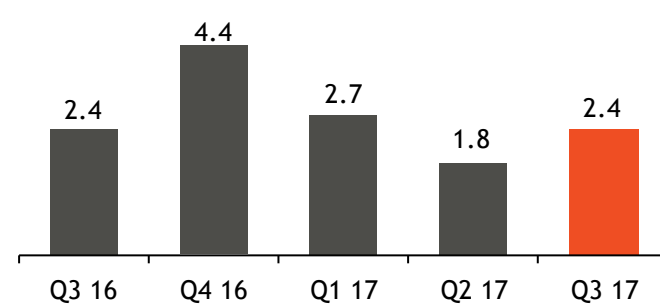
ARPU & Wireless service revenues

(in EUR, in EUR million)



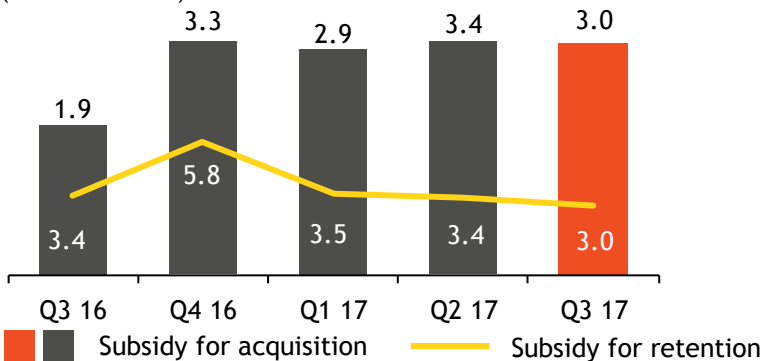
Churn rate

(in %)



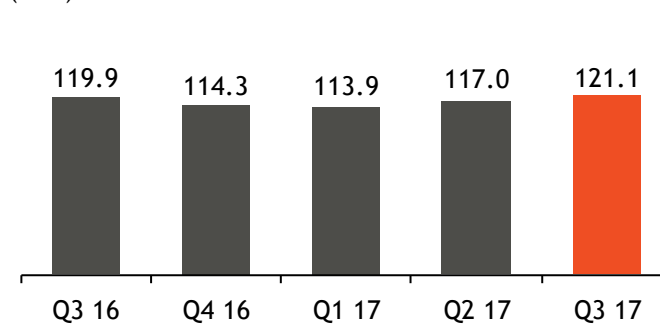
Subsidies

(in EUR million)



Mobile penetration

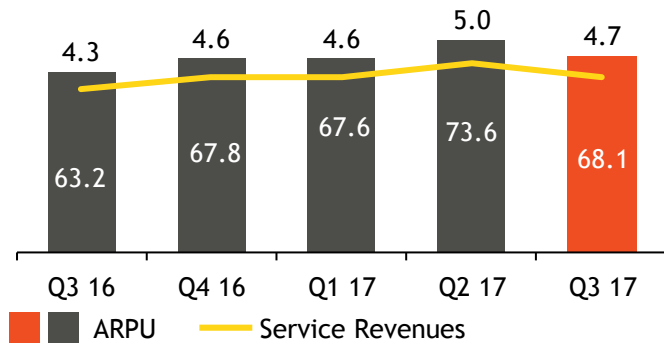
(in %)



Segment Belarus - Mobile key performance indicators

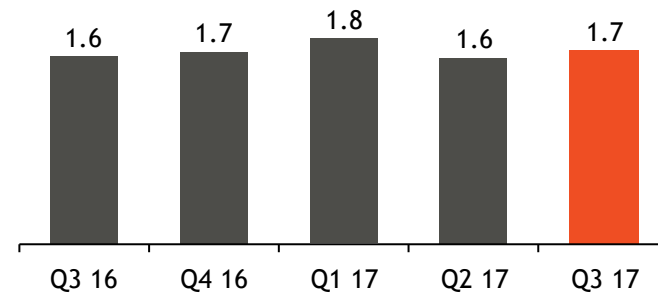
ARPU & Wireless service revenues

(in EUR, in EUR million)



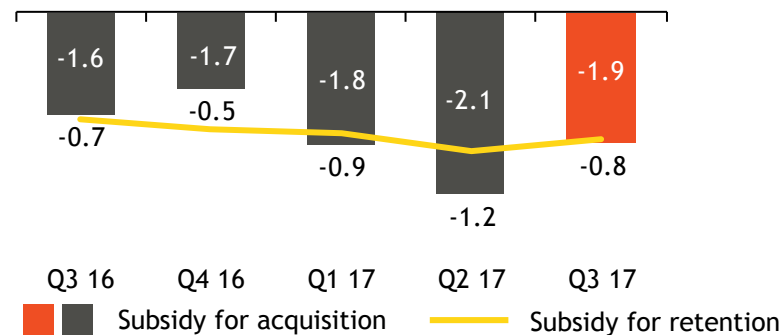
Churn rate

(in %)



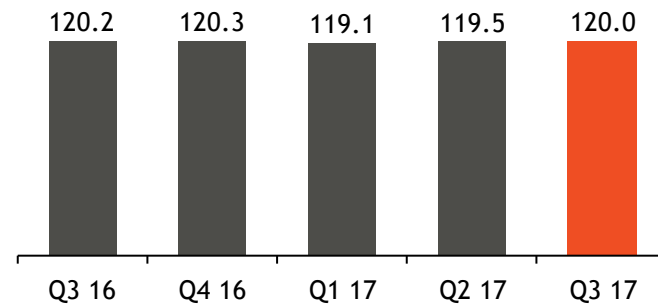
Subsidies

(in EUR million)



Mobile penetration

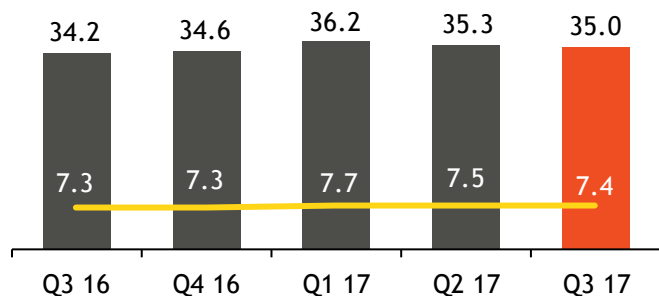
(in %)



Segment Slovenia - Fixed-line key performance indicators

ARPL & ARPL-relevant revenues

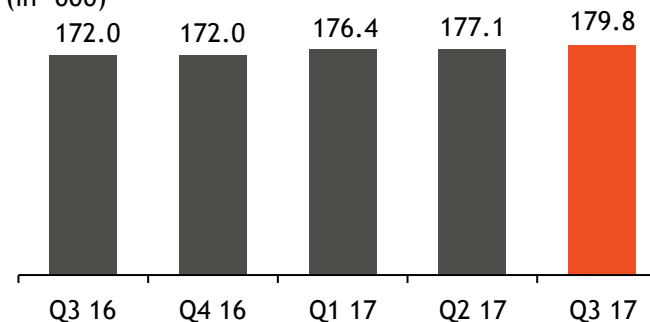
(in EUR, in EUR million)



■ ARPL ■ ARPL-relevant revenues

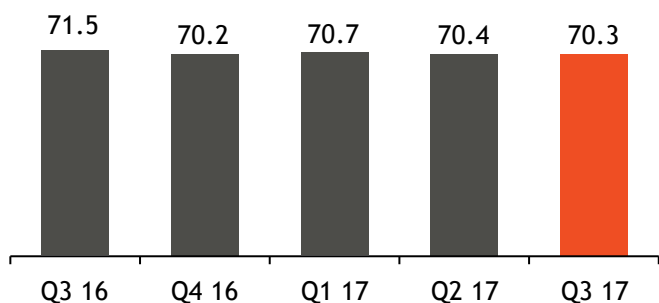
Total RGUs

(in '000)



Fixed broadband RGUs

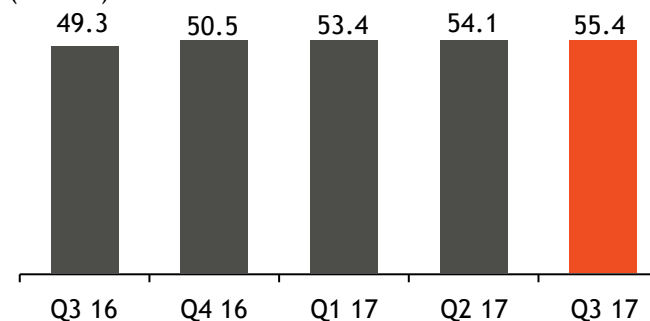
(in '000)



■ Fixed retail broadband lines

TV RGUs

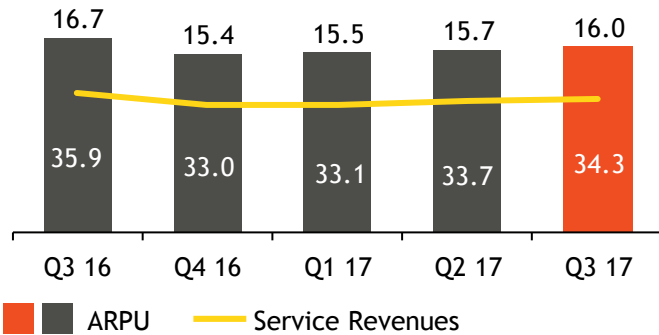
(in '000)



Segment Slovenia - Mobile key performance indicators

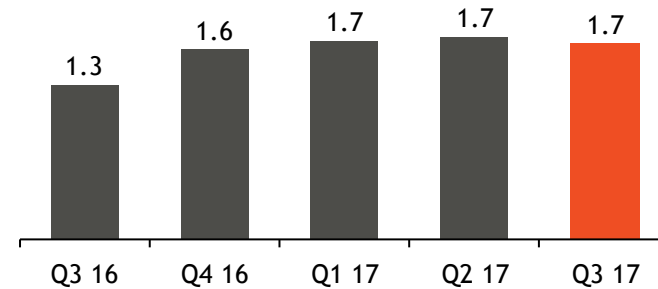
ARPU & Wireless service revenues

(in EUR, in EUR million)



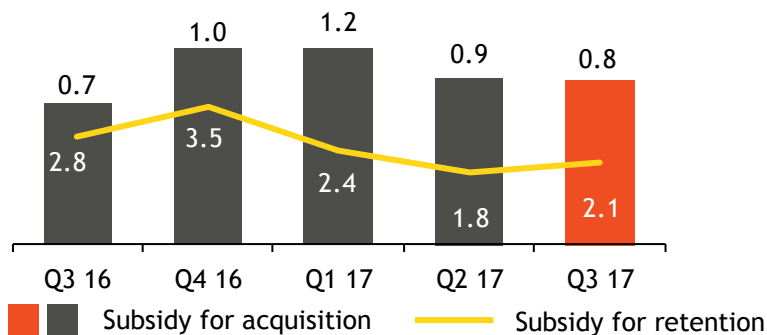
Churn rate

(in %)



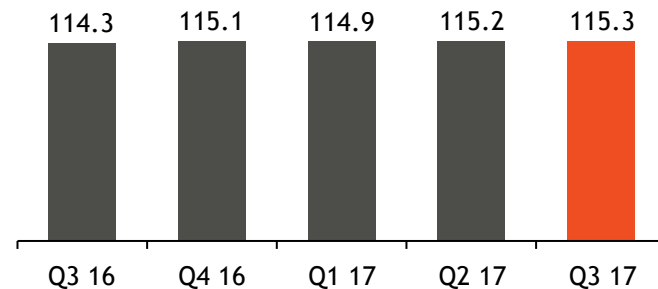
Subsidies

(in EUR million)



Mobile penetration

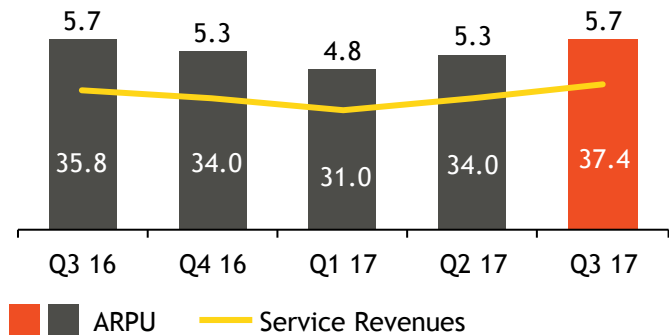
(in %)



Segment Serbia - Mobile key performance indicators

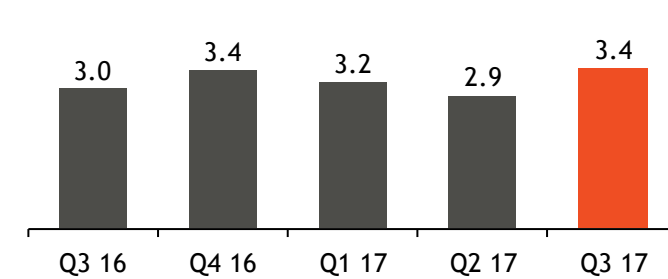
ARPU & Wireless service revenues

(in EUR, in EUR million)



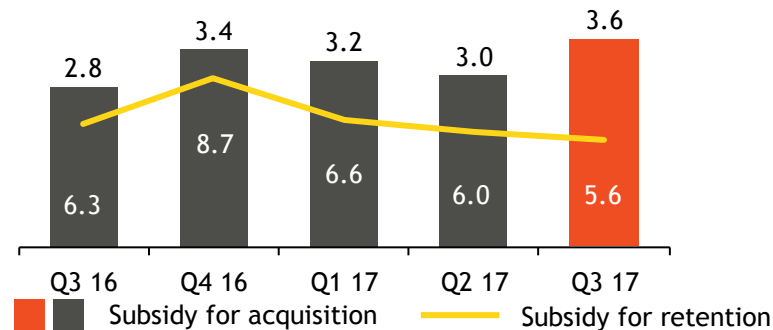
Churn rate

(in %)



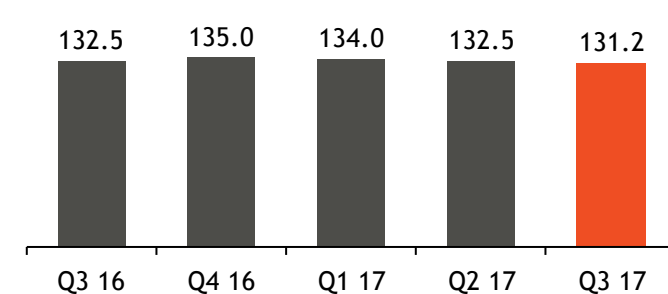
Subsidies

(in EUR million)



Mobile penetration

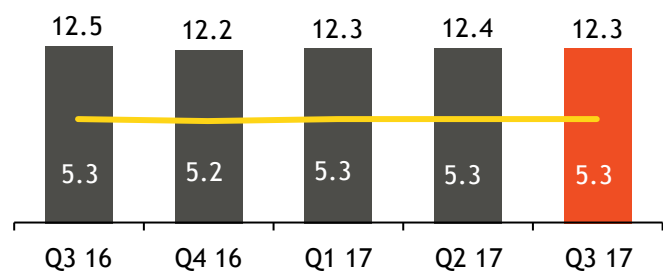
(in %)



Segment Macedonia - Fixed-line key performance indicators

ARPL & ARPL-relevant revenues

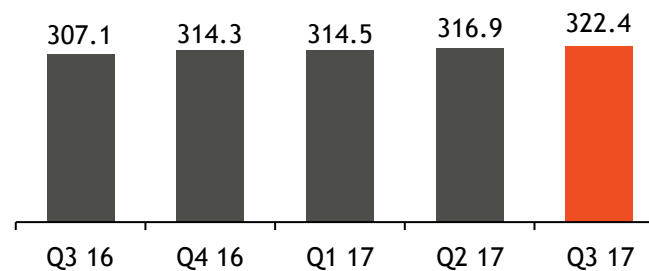
(in EUR, in EUR million)



■ ARPL ■ ARPL-relevant revenues

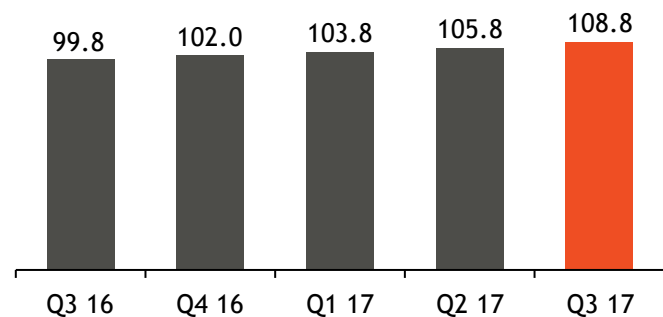
Total RGUs

(in '000)



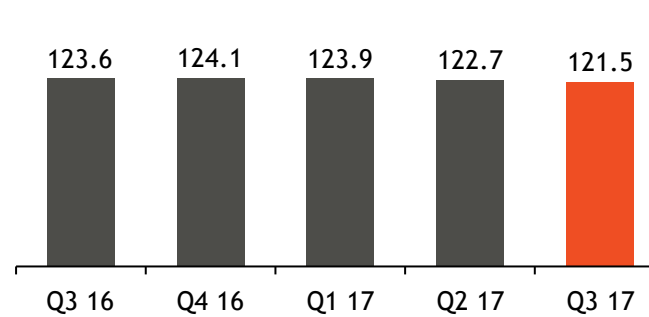
Fixed broadband RGUs

(in '000)



TV RGUs

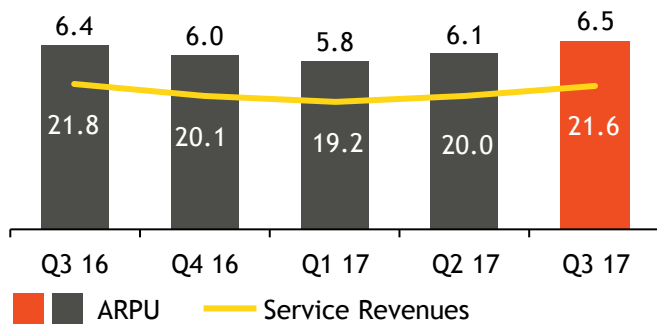
(in '000)



Segment Macedonia - Mobile key performance indicators

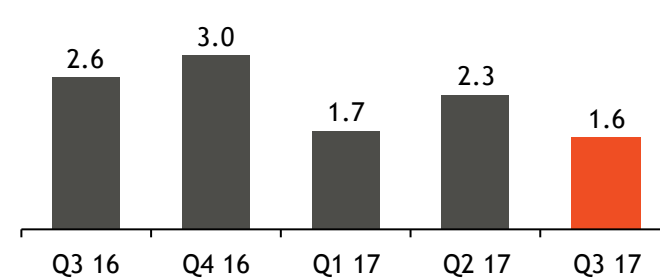
ARPU & Wireless service revenues

(in EUR, in EUR million)



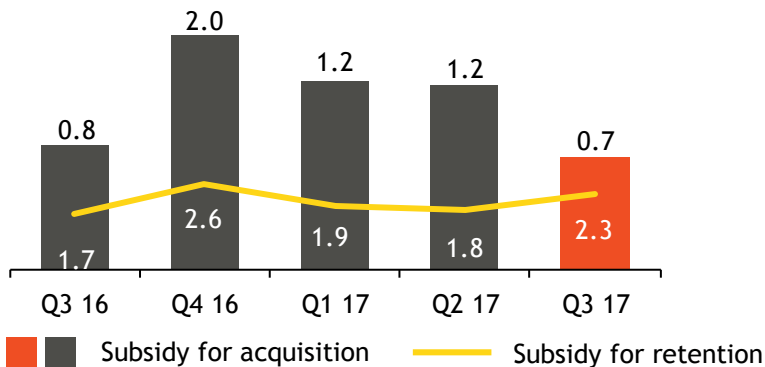
Churn rate

(in %)



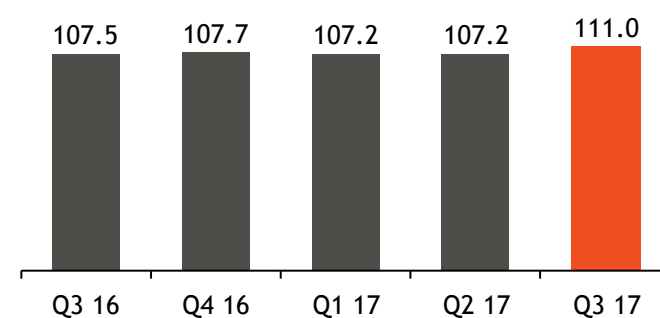
Subsidies

(in EUR million)



Mobile penetration

(in %)



Appendix 2 – Regulatory topics

Glide Path of Mobile Termination Rates

	Jul 2015	Jan 2016	Jul 2016	Jan 2017	Jul 2017	Jan 2018
Austria (EUR)	0.008049	0.008049	0.008049	0.008049	0.008049	0.008049
Bulgaria (BGN)	0.019	0.019	0.019	0.014	0.014	0.014
Croatia (HRK)	0.063*	0.063*	0.063*	0.063*	0.047*	0.047*
Belarus (BYN)	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**
Slovenia (EUR)	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114
Serbia (RSD)	3.43	3.43	2.75	2.07	2.07	2.07
Macedonia (MKD)	0.90	0.90	0.90	0.63	0.63	0.63

* National and International EU/EEA MTRs stated as regulated. International MTRs differ between EU/EEA and non-EU/EEA originating country. Non-EU/EEA MTR for Croatia: 1,73kn/min -> 2,00kn/min in Apr 2016

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

Upcoming spectrum tenders/prolongations/ assignments*

	Expected	Comments
Austria	2018 (3400-3800 MHz) 2019 (700, 2100 MHz)	-
Bulgaria	2018-2019 (800 MHz) 2018-2019 (1800 MHz) 2018 (2600 MHz) 2019 (2100 MHz)	An agreement between mobile operators, NRA and ministry of defense will be signed in order to start test in 800 MHz.
Croatia	2020 (700 MHz)	-
Belarus	2018 (2100 MHz)	-
Slovenia	2018 (700 MHz) 2018 (3500 MHz)	700 MHz: Subject to international coordination of clearing that band. 3500 MHz: 20 MHz only on a regional basis.
Republic of Serbia	None	-
Republic of Macedonia	2017 (900, 1800 MHz) 2018 (2100 MHz)	NRA announced that tender for 2X10MHz on 900 MHz band and 2X10MHz on 1800 MHz band will be published in 2017, but procedure has not yet started. Prolongation of the licence of 2X10 MHz on 2100 MHz band is expected on 11.02.2018

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

EU roaming price regulation

RETAIL (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 June 2017
Data (per MB)	none	70	45	20	domestic tariff + 5*	domestic tariff
Voice-calls made (per minute)	35	29	24	19	domestic tariff + 5*	domestic tariff
Voice-calls received (per minute)	11	8	7	5	weighted average MTR	0
SMS (per SMS)	11	9	8	6	domestic tariff + 2*	domestic tariff
WHOLESALE (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 June 2017
Data (per MB)	50	25	15	5	5	0.77
Voice (per minute)	18	14	10	5	5	3.2
SMS (per SMS)	4	3	2	2	2	1

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

Appendix 3 – Personnel restructuring in Austria

Quarterly Overview - Restructuring charges and provision vs. FTE

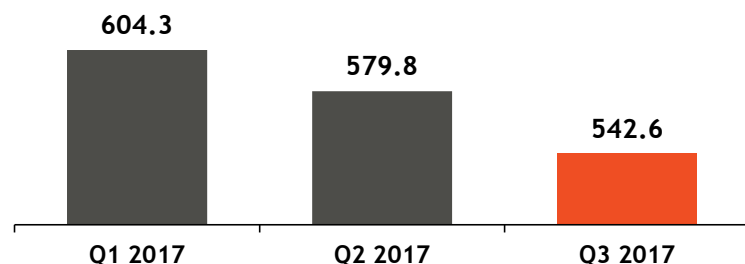
Overview restructuring charges

(in EUR million)

	Q1	Q2	Q3
FTE reduction	1.4	1.7	5.3
Servicekom contribution	-1.5	-1.5	-18.6
Interest rate adjustments	0.0	0.0	0.0
Total	-0.1	0.2	-13.3

Overview restructuring provision***

(in EUR million)



FTEs addressed

	Q1	Q2	Q3
Transfer to government	2	2	0
Social plans	5	4	16
Staff released from work	0	0	0
Total	7	6	16

Provisioned FTEs

	Q1	Q2	Q3
Transfer to government	197	194	187
Social plans	1,795	1,757	1,741
Staff released from work	190	189	172
Total	2,182	2,140	2,100

* EUR 14.7 mn due to restructuring charges stemming from a revaluation of the restructuring provision due to changed underlying parameters.

Full Year Overview - Restructuring charges and provision vs. FTE

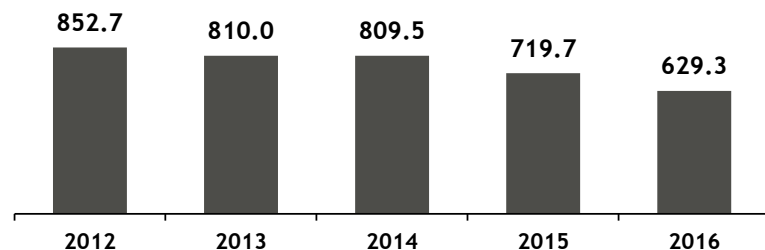
Overview restructuring charges

(in EUR million)

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

Overview restructuring provision***

(in EUR million)



FTEs addressed

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

Provisioned FTEs

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

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

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

*** 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

2012	104.0
2013	108.0
2014	107.1
2015	101.9
2016	105.5
Q1 2017	26.1
Q2 2017	25.9
Q3 2017	24.8

- > Total cash flow impact comprises old and new programmes
- > Cash flow impact for Q3 2017 of EUR 24.8 mn
- > Expected cash flow impact for 2017 of approximately EUR 100 mn

Appendix 4 – Corporate sustainability

Alignment with core business and materiality analysis define sustainability strategy



Reporting follows the Global Reporting Initiative Standard.



ISO 14001, ISO 50001, ISO 27001



1) Baseline for targets is 2015. 2) Baseline for target is 2012.

Key figures - Corporate Sustainability

Selected Group-wide KPIs

Network & Customers	2016
Number of customers (in thou.)	24.129
Environment	2016
Total CO ₂ emissions (Scope 1+2 market-based in tonnes)	205.457
Energy efficiency index (in Mwh/terabyte)	0.3
Paper consumption (in tonnes)	1,694,041
Collected old mobile phones (in pcs)	213.803
E-billing share (in %)	64
Employees	2016
Share of female employees (in %)	39
Share of female executives (in %)	36
Society	2016
Participants in trainings on media literacy	25.499
Local educational projects	over 30

Ratings



> Classification: B-



> Classification: B-



Indices



FTSE4Good

Memberships

