

Results for the first half and second quarter 2019

July 16, 2019, Vienna



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 A1 Telekom Austria Group nor any other person accepts any liability for any such forward-looking statements. A1 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 A1 Telekom Austria Group.'

All figures for 2019 are stated according to IFRS 16 (2018 IFRS 16 based) if not stated otherwise. The implementation of IFRS 16 had not been fully completed at the date of publication. The impact of the adoption of IFRS 16 is unaudited and may be subject to change until the publication of Financial Statements 2019.

Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, as well as the reconciliation tables provided in the Earnings Release.

A1 Telekom Austria Group key facts

4.47 BN

Revenues as of year-end 2018

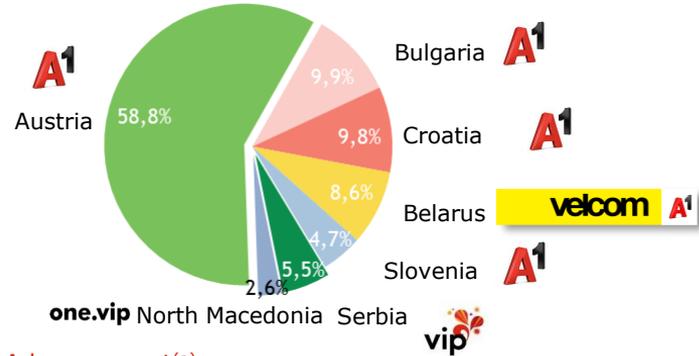
1.38 BN

EBITDA as of year-end 2018

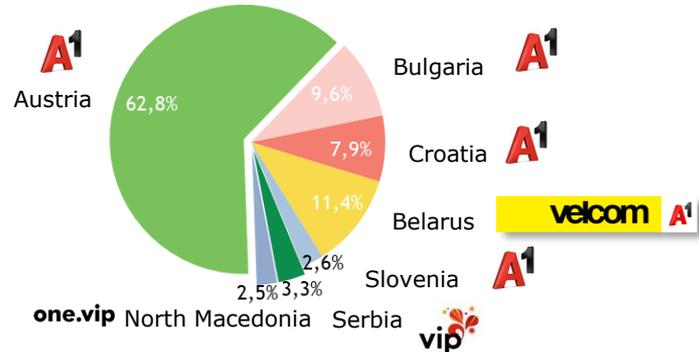
25 M

Customers in seven countries

Revenues by segment^(a)



EBITDA by segment^(a)



Notes: (a) For Full Year 2018. Breakdown does not show corporate, others and eliminations.



The leading regional communications player providing convergent telecommunication services

as of June 30, 2019 (in '000)



Austria

Mobile market position #1

Mobile subscribers:

- 5,241 (Q2 2018: 5,284)

Fixed access lines:

- 2,007 (Q2 2018: 2,086)

A1

Bulgaria

Mobile market position: #1

Mobile subscribers:

- 3,837 (Q2 2018: 3,974)

Fixed access lines:

- 538 (Q2 2018: 532)

A1

Croatia

Mobile market position #2

Mobile subscribers:

- 1,852 (Q2 2018: 1,801)

Fixed access lines:

- 298 (Q2 2018: 294)

A1

Belarus

Mobile market position #2

Mobile subscribers:

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Fixed access lines: **velcom**

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Mobile market position #2

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- 697 (Q2 2018: 694)

Fixed access lines:

- 78 (Q2 2018: 71)

A1

Serbia

Mobile market position #3

Mobile subscribers:

- 2,271 (Q2 2018: 2,173)

vip

North Macedonia

Mobile market position #1

Mobile subscribers:

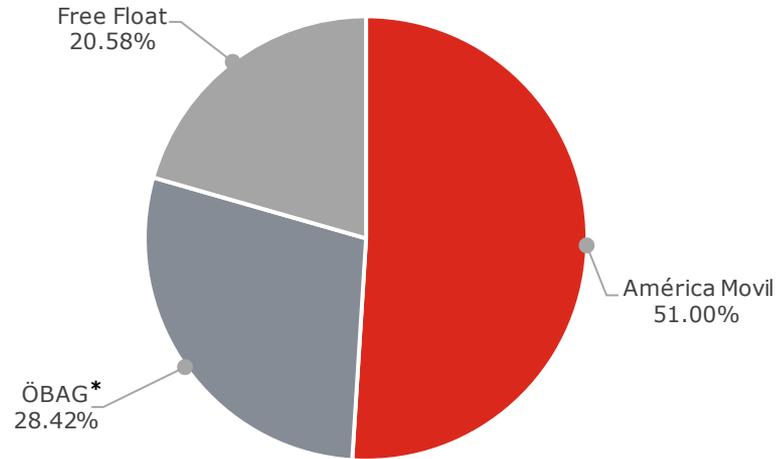
- 1,085 (Q2 2018: 1,083)

Fixed access lines: **one.vip**

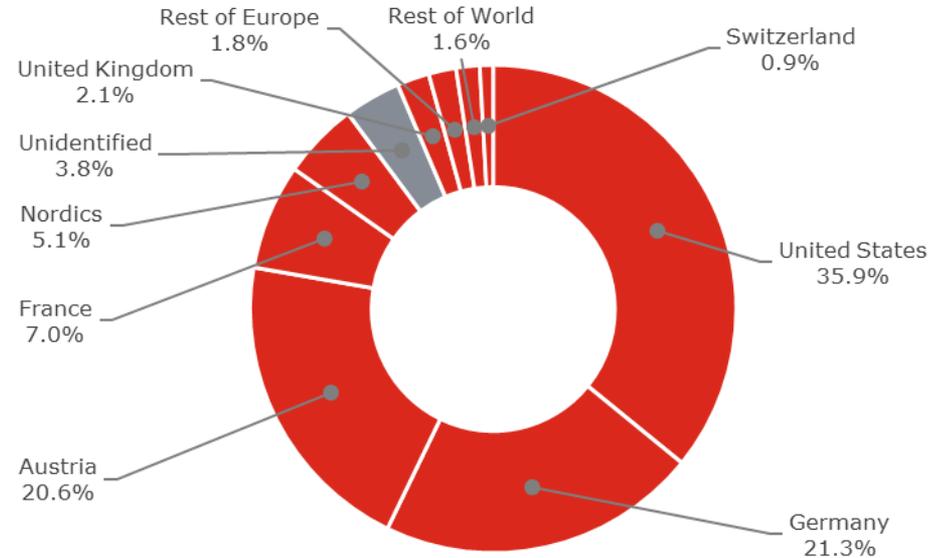
- 152 (Q2 2018: 145)

Shareholder structure as of December 31, 2018

Two strong core shareholders

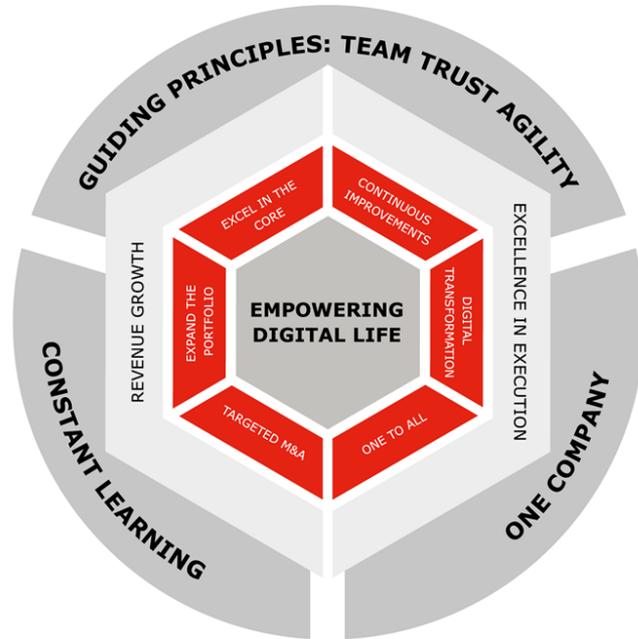


Freefloat by nationality



A1 Telekom Austria Group Strategy and Equity Story

Group Strategy



Equity Story

Market leader in Austria via quality and innovation

Optimal group-wide leverage of assets and proven solutions promote growth in the CEE region

Growth prospects via strong position in the business segment

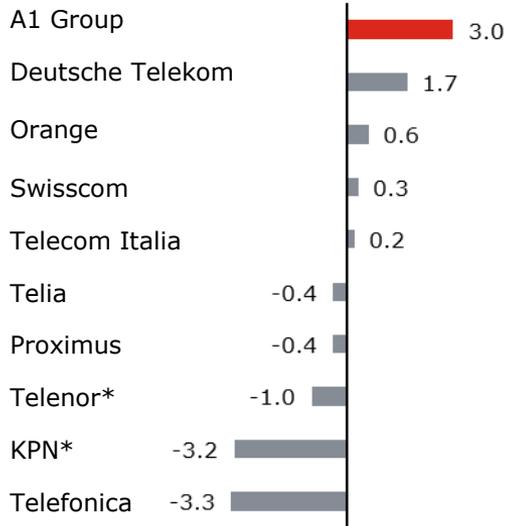
Continuous enhancement of efficiency in all segments amongst others from digital transformation

Conservative finance strategy secures long-term stability and flexibility for growth opportunities

A1 Group peer comparison: Return to growth thanks to systematic implementation of strategy

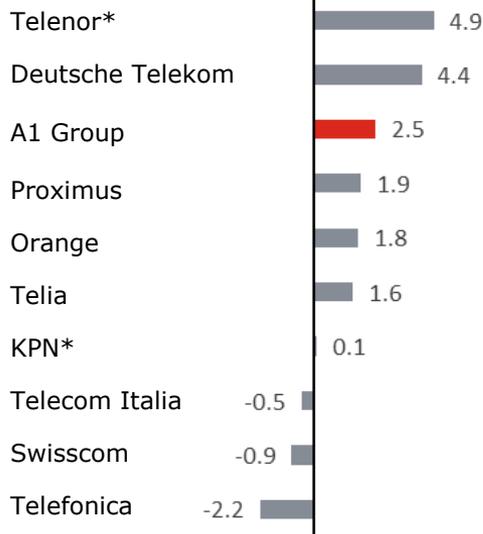
Revenue growth

Annual average, 2016-2018



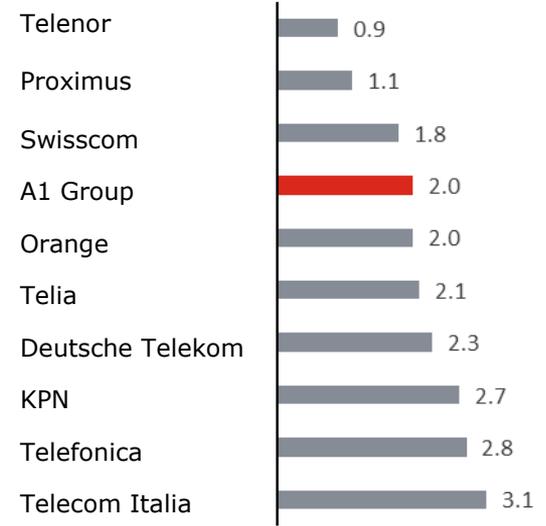
EBITDA growth

Annual average, 2016-2018



Net debt/EBITDA

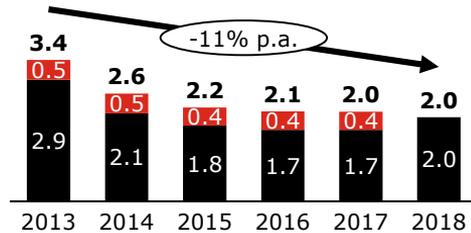
2018YE



2013-2018: Balance sheet structure significantly improved

Debt ratio sharply reduced

Net Debt / EBITDA (pre IFRS 16)

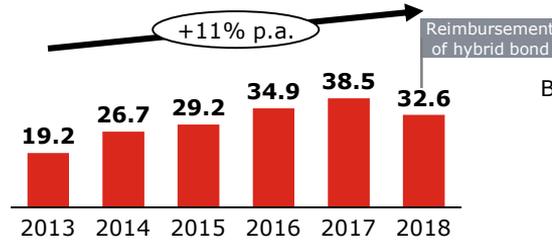


- Hybrid bond / EBITDA
- Net debt (excl. Hybrid) / EBITDA

- Stable free cash flow of ~ EUR 380 mn per year supports deleveraging
- Repayment of EUR 600 mn hybrid bond 2018 underscores financial strength and reduces future interest payments

Equity ratio significantly increased

Equity Ratio, %

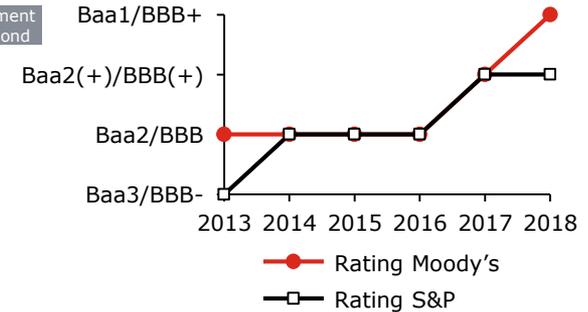


- Equity Ratio, %

- Continuous improvement of the equity ratio
- Hybrid bond classified as equity under IFRS, therefore repayment reduces equity ratio in 2018

Rating improved

External Ratings



- Moody's: Moody's rating upgrade from Baa2 to Baa1 (outlook: stable) on June 27, 2018
- Standard & Poor's: Confirmation of BBB rating (outlook: positive) on 28 June 2018
- Solid financing ratios and strong cash flow secure investment grade rating

A background graphic consisting of a network of interconnected nodes and lines. The nodes are represented by small circles in various colors (red, blue, white, orange) and are connected by thin lines, creating a complex, abstract network structure. The overall color palette is dominated by reds and blues, with some white and orange accents.

Operational and financial highlights for the first half and second quarter 2019

Service revenue growth in all markets led to higher operational EBITDA

Group (in EUR million)	IFRS 16 Q2 2019	IFRS 16 based Q2 2018	% change
Total revenues	1,122.6	1,094.3	2.6%
Service revenues	943.7	916.3	3.0%
EBITDA excl. restructuring*	413.2	397.6	3.9%
CAPEX	256.8	168.1	52.7%

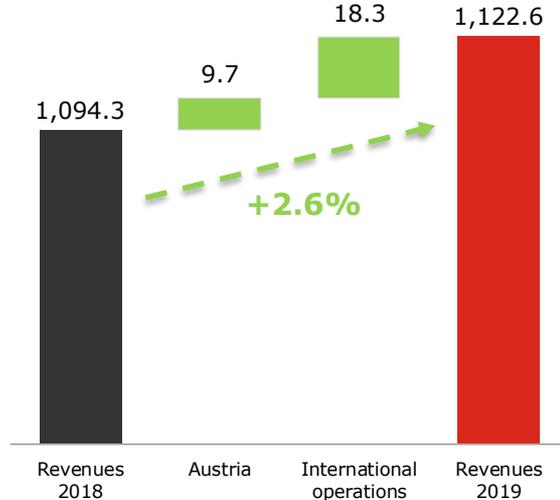


- Service revenue growth (+3.0% on Group level) and 2.7% higher EBITDA excl. restructuring, one-off and FX effects
 - Fixed-line: Steady demand for ICT solutions and complementary connectivity
 - Mobile: Migrations to higher tariffs and strong demand for WiFi routers
- +4.4% mobile contract subscribers with growth in all markets excl. Bulgaria (inactive SIM cards excluded) and +0.5% total RGUs with broadband RGU growth in all CEE markets and ongoing high demand for TV services
- Higher CAPEX due to acquired frequencies in Q1 auctions in Austria (3.5 GHz; EUR 64.3 mn) and Belarus (2.1 GHz; EUR 9.5 mn)

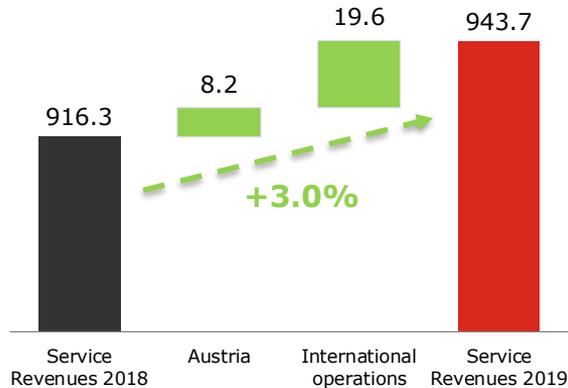
* Restructuring charges: EUR 21.1 mn in Q2 2019 (Q2 2018: EUR 0.1 mn)
 One-off effects: EUR 8.2 mn in revenues (Q2 2018: EUR 2.4 mn) and EUR 6.8 mn in EBITDA (Q2 2018: EUR 2.9 mn)
 Positive FX effects of EUR 1.8 mn in revenues and EUR 0.8 mn in EBITDA

Growth especially driven by CEE markets in Q2 2019

Total revenues
(in EUR mn)



Service Revenues
(in EUR mn)



EBITDA excl. restructuring
(in EUR mn)



Deviation between A1 Group and the sum of Austria and international operations due to Corporate & Eliminations.

Austria: strong solutions & connectivity revenues together with stable costs translated into operational EBITDA growth

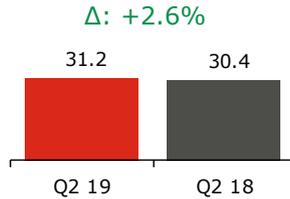
ARPU

(in EUR)



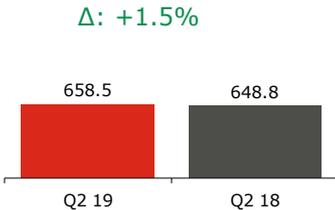
ARPL

(in EUR)



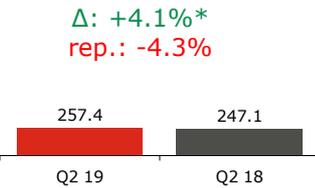
Total revenues

(in EUR mn)



EBITDA excl. restructuring

(in EUR mn)



Operational data

- +1.5% contract subscriber number driven by high demand for mobile WiFi routers and high-value tariffs
- ARPU stable as mobile WiFi routers outweigh the decline in low-value business
- Strong demand for higher bandwidth and TV options as well as price indexation drove ARPL higher
- RGUs declined by 2.3% mainly driven by voice RGUs

Financial performance

- Stable revenues excl. positive one-off effect** in Q2 2019 as higher fixed-line service revenues outweighed lower equipment revenues
- 1.4% higher service revenues driven by strong growth in solutions and connectivity; mobile service revenues remained stable despite the negative impact of the EU international call regulation
- EBITDA excl. restructuring and one-off effect grew by 0.8% due to:
 - Lower workforce costs, mainly due to less FTEs, offsetting increased maintenance, content and corporate network costs
- Restructuring charges in line with the communicated plan

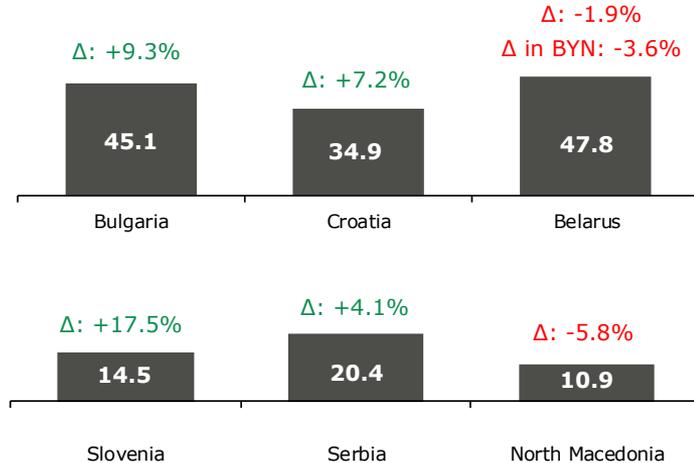
* excl. restructuring charges of EUR 21.1 mn in Q2 2019 (Q2 2018: EUR 0.1 mn)

** Positive one-off effect of EUR 8.2 mn in Q2 2019 stemming from a real estate sale (incl. in OOI)

CEE: Ongoing mobile and fixed-line service revenue growth; growing operational EBITDA in most CEE markets

EBITDA

(in EUR mn; Q2 %-change vs. PY)



Highlights CEE

Bulgaria:

- Fixed-line: strong performance in the business segment as well as successful up- and cross-selling in residential led to 7.5% service revenue growth
- Mobile: positive trends in both business and residential segment

Croatia:

- Higher mobile service revenues due to mobile WiFi routers; higher fixed-line service revenues driven by ICT solutions and TV RGUs
- Lower frequency usage fees more than offset higher market investments

Belarus:

- Mobile service revenues rose due to inflation-linked price increase and charging of unlimited data options; fixed-line service revenues also higher
- OPEX increased driven by content, network and workforce costs as well as higher bad debt
- Stable EBITDA excl. one-off and FX effects

Other segments:

- Slovenia: Better equipment margin due to positive deferrals and the VULA agreement drove EBITDA higher, fierce competition remains
- Serbia benefited from attractive tariff propositions and strong demand for WiFi router
- EBITDA in North Macedonia lower despite solid operational performance due to the release of bad debt provision in Q2 2018

1-6 M 2019: Lower free cash flow mostly driven by higher CAPEX paid due to frequencies

(in EUR million)

	Q2 2019	Q2 2018	% change	1-6 M 2019	1-6 M 2018	% change
Net cash flow from operating activities	360.7	364.8	-1.1%	668.8	688.6	-2.9%
Capital expenditures paid	-257.1	-178.6	43.9%	-473.2	-366.4	29.2%
Lease principal paid	-31.0	-30.1	3.2%	-84.9	-82.2	3.3%
Proceeds from sale of plant, property and equipment	9.9	1.8	n.m.	11.7	4.3	173.3%
Interest paid	-48.2	-34.9	38.3%	-53.7	-38.6	39.1%
Free Cash Flow incl. lease payments	34.2	123.0	-72.2%	68.7	205.7	-66.6%

- Free cash flow declined year-on-year in 1-6 M 2019, driven by ...
 - ... higher CAPEX paid due to payments for acquired frequencies in Austria and Belarus
 - ... payment of EUR 23.0 mn in connection with a tax case in Bulgaria (included in interest paid and income taxes paid)
 - ... while proceeds from sale of PPE benefited from a real estate sale in the amount of EUR 8.2 mn in Austria
- Working capital needs of EUR 58.6 mn (EUR 40.5 mn in 1-6 M 2018), driven by
 - EUR 79.6 mn decrease in accounts payable
- Other financial positions of EUR -75.6 mn (EUR -60.1 mn in 1-6 M 2018), stemming mainly from
 - EUR 49.4 mn payments for restructuring and
 - EUR 29.0 mn income taxes paid

Focus Points

A dense cluster of hanging light bulbs, some glowing and some dark, against a dark background. The bulbs are of various sizes and are arranged in a way that creates a sense of depth and focus. The glowing bulbs are scattered throughout the scene, with some in the foreground and some in the background. The dark bulbs are also scattered, creating a contrast with the glowing ones. The overall effect is a warm, ambient glow.

Competitive advantage through the combination of the biggest fiber network in Austria with the opportunities of 5G



As a pioneer in offering convergent solutions we know how to design a network architecture which fulfills highly diverse customer needs.

- Densest fibre network in Austria
- Ongoing fiber city push (FTTB/H) & regional fixed-line promotions in major Austrian cities
- 1 Gbps fixed-line offer in Vienna
- Continuous development of ConnectPlus benefits
- Technology-agnostic Internet@Home portfolio

Fiber



5G

- 5G as complementary service to fiber
- 5G ready tariff for mobile WiFi routers: 500 Mbps @ EUR 99.90 (regular: 300 Mbps @ EUR 79.90)
- 5G mobile handsets expected for H2 2019
- Marketing campaign to prepare customers for 5G advantages: speed, capacity, latency, security, energy efficiency

Holistic A1 Security Portfolio for business customers ranging from physical protection over trainings to risk identification



Benefits for our business customers

- Throughout Austria
- Certified security experts
- Highly-secure data centres
- Protection for company locations, properties and employees
- Holistic security concept
- Everything from one source

Latest innovations

Security monitoring by  **Offensity**
Automatic vulnerability scans

A1 Security Assessment  
Detection of weak spots, risk awareness training



Outlook for the full year 2019

A1 Telekom Austria Group outlook for the full year 2019 unchanged

	July 16, 2019	Consensus 2019
Total revenues	~+2%	+1.6%
CAPEX	~ EUR 770 mn	EUR 772 mn*
Proposed dividend	EUR 0.21 / share	-

*CAPEX consensus excl. spectrum

- Outlook based on reported figures; assumed devaluation of BYN vs. EUR of up to 5%
- CAPEX (before leases): does not include investments in spectrum or acquisitions
- Dividend: intended proposal to the Annual General Meeting 2020 for the financial year 2019

Appendix 1

All figures are stated according to IFRS 16 on a reported basis

The leading regional communications player providing convergent telecommunication services

as of June 30, 2019 (in '000)



Austria

Mobile market position #1

Mobile subscribers:

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Fixed access lines:

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Bulgaria

Mobile market position: #1

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Croatia

Mobile market position #2

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Belarus

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A1

Serbia

Mobile market position #3

Mobile subscribers:

- 2,271 (Q2 2018: 2,173)

vip

North Macedonia

Mobile market position #1

Mobile subscribers:

- 1,085 (Q2 2018: 1,083)

Fixed access lines: **one.vip**

- 152 (Q2 2018: 145)

A1 Telekom Austria Group – Profit and Loss

(in EUR million)	Q2 2019	Q2 2018	% change
Service Revenues	943.7	916.3	3.0%
Equipment Revenues	149.8	151.7	-1.3%
Other operating income	29.1	26.3	10.8%
Total Revenues	1,122.6	1,094.3	2.6%
Cost of Service	-325.2	-314.5	-3.4%
Cost of Equipment	-143.8	-145.8	1.4%
Selling, General & Administrative Expenses	-259.1	-234.4	-10.6%
Others	-2.4	-2.1	-13.1%
Total Costs and Expenses	-730.5	-696.9	-4.8%
EBITDA	392.1	397.5	-1.4%
<i>% of Total Revenues</i>	<i>34.9%</i>	<i>36.3%</i>	
Depreciation and Amortisation	-197.7	-260.8	24.2%
Depreciation RoU assets	-39.8	-36.1	-10.2%
Impairment and Reversal of Impairment	0.0	0.0	n.a.
EBIT	154.6	100.5	53.8%
<i>% of Total Revenues</i>	<i>13.8%</i>	<i>9.2%</i>	
EBT (Earnings Before Income Taxes)	108.4	59.3	82.7%
Net Result	70.0	58.1	20.4%



A1 Telekom Austria Group – Total revenues & costs and expenses per segment

A1 Telekom Austria Group - Total Revenue Split

Total Revenues (in EUR million)	Q2 2019	Q2 2018	% change
Austria	658.5	648.8	1.5%
Bulgaria	115.4	111.0	4.0%
Croatia	106.5	106.2	0.3%
Belarus	105.2	98.0	7.3%
Slovenia	51.5	50.8	1.4%
Serbia	68.9	63.7	8.2%
North Macedonia	29.3	29.6	-1.0%
Corporate & other, eliminations	-12.6	-13.7	7.6%
Total Revenues	1,122.6	1,094.3	2.6%

A1 Telekom Austria Group - Costs and Expenses Split

Costs and Expenses (in EUR million)	Q2 2019	Q2 2018	% change
Austria	422.2	401.8	5.1%
Bulgaria	70.3	69.8	0.8%
Croatia	71.6	73.7	-2.8%
Belarus	57.4	49.2	16.5%
Slovenia	37.0	38.4	-3.8%
Serbia	48.5	44.0	10.1%
North Macedonia	18.4	18.0	2.1%
Corporate & other, eliminations	5.2	1.9	171.5%
Total Operating Expenses	730.5	696.9	4.8%

A1 Telekom Austria Group – Headcount development

FTE (Average Period)	Q2 2019	Q2 2018	% change
Austria	7,905	8,200	-3.6%
International	10,297	10,349	-0.5%
Corporate	388	351	10.6%
A1 Telekom Austria Group	18,590	18,900	-1.6%

FTE (End of Period)	Q2 2019	Q2 2018	% change
Austria	7,875	8,182	-3.8%
International	10,278	10,383	-1.0%
Corporate	388	352	10.1%
A1 Telekom Austria Group	18,541	18,917	-2.0%

A1 Telekom Austria Group – Capital expenditure split

Capital Expenditures (in EUR million)	Q2 2019	Q2 2018	% change
Austria	181.4	112.7	61.0%
Bulgaria	16.3	13.5	20.9%
Croatia	21.6	22.6	-4.2%
Belarus	20.5	4.4	n.m.
Slovenia	3.9	4.2	-6.0%
Serbia	7.7	5.5	38.5%
North Macedonia	3.9	4.6	-14.2%
Corporate & other, eliminations	1.4	0.7	101.1%
Total Capital Expenditures	256.8	168.1	52.7%
thereof Tangible	154.5	144.6	6.9%
thereof Intangible	102.3	23.5	n.m.

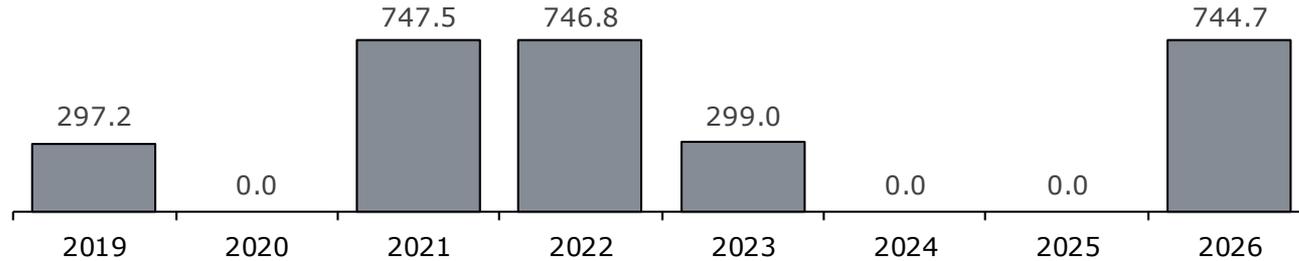
A1 Telekom Austria Group – Net debt

per June 30, 2019

Net Debt pre IFRS 16 (in EUR million)	30 June 2019	31 December 2018	% change
Long-term Debt	2,538.0	2,536.8	0.0%
Short-term Borrowings	297.2	245.3	21.2%
Cash and Cash Equivalents and Short-term Investments	-44.1	-63.6	30.7%
Net Debt pre IFRS 16 of A1 Telekom Austria Group	2,791.1	2,718.4	2.7%
Leverage Ratio	2.0	1.9	

Net Debt incl. Leases (in EUR million)	30 June 2019	1 January 2019	% change
Long-term Debt incl. Leases	3,348.3	3,395.8	-1.4%
Short-term Borrowings incl. Leases	447.1	388.6	15.0%
Cash and Cash Equivalents and Short-term Investments	-44.1	-63.6	30.7%
Net Debt incl. Leases of A1 Telekom Austria Group	3,751.3	3,720.8	0.8%
Leverage Ratio	2.5	2.4	

A1 Telekom Austria Group – Financial debt maturity profile as of June 30, 2019

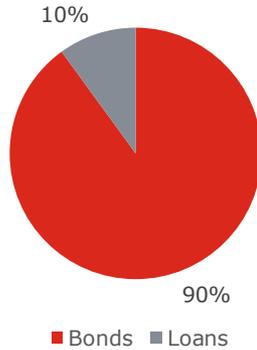


- EUR 2,835.2 mn short-and long-term borrowings as of June 30, 2019
- Average cost of debt of 2.64%
- Cash and cash equivalents and short-term investments of EUR 44.1 mn
- Average term to maturity of 3.76 years

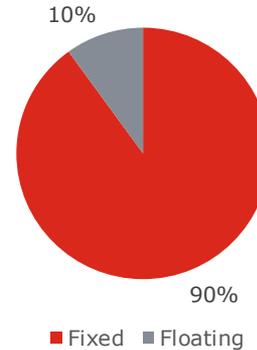
A1 Telekom Austria Group – Debt profile

as of June 30, 2019

Overview debt instruments



Fixed/floating mix



Lines of credit

- Undrawn committed credit lines amounting to EUR 1,215 mn
- Average term to maturity of 0.4 years

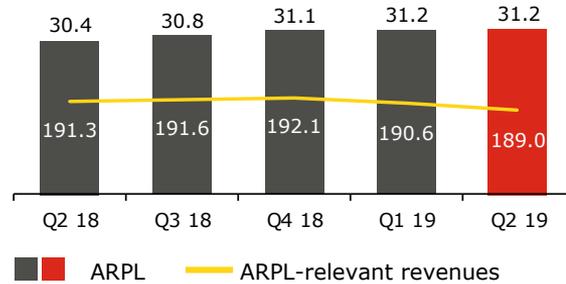
Ratings

- S&P: BBB (positive outlook)
- Moody's: Baa1 (stable outlook)

Segment Austria – Fixed-line key performance indicators

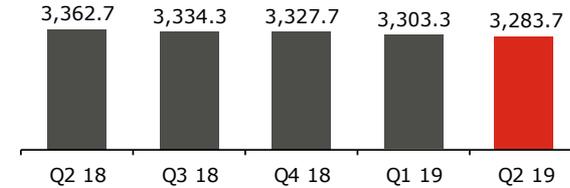
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



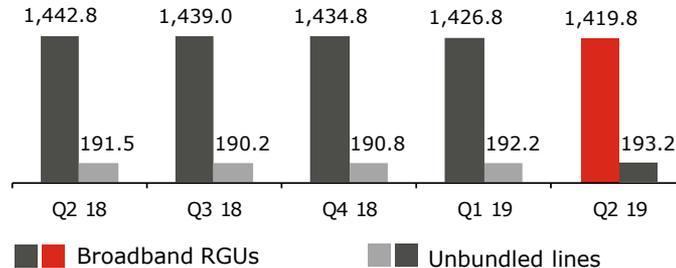
Total RGUs

(in '000)



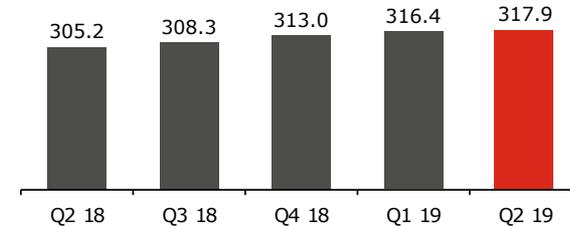
Broadband RGUs/unbundled lines

(in '000)



TV RGUs

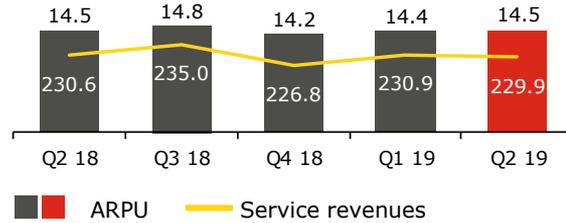
(in '000)



Segment Austria – Mobile key performance indicators

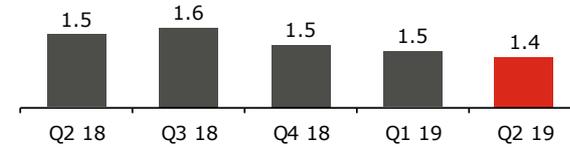
ARPU & Service revenues

(in EUR, in EUR million)



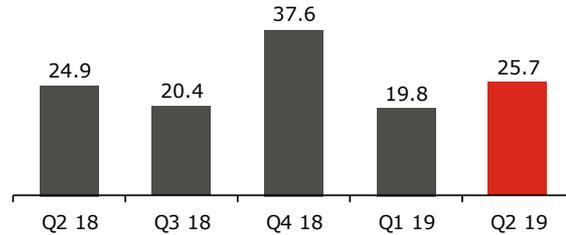
Churn rate

(in %)



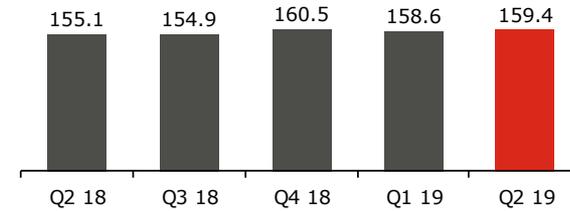
Subsidies (incl. promotional deals)

(in EUR million)



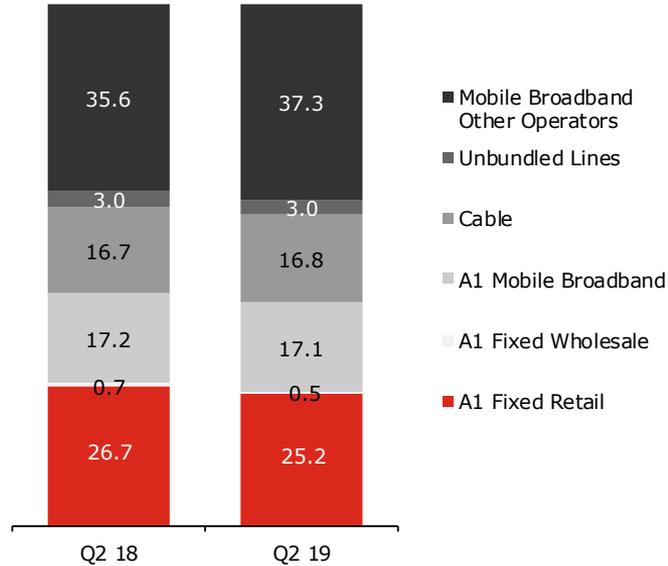
Mobile penetration

(in %)

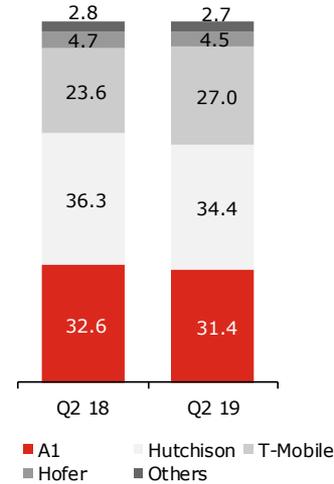


Segment Austria – Broadband market split*

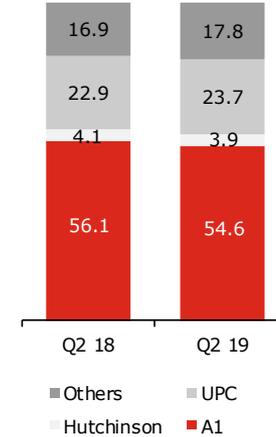
Market share total broadband
(in %)



Market share mobile broadband
(in %)



Market share fixed-line broadband
(in %)

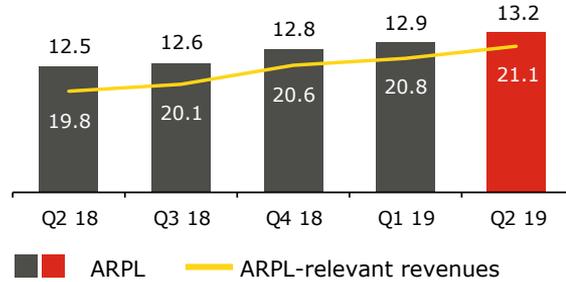


*Market data in Q4 2018 were impacted by recalculation of estimates due to more clarity on total market M2M subscribers (not included in the figures). Market data are based on estimates due to lack of availability for subscriber figures of the total market at A1 Group's reporting date.

Segment Bulgaria – Fixed-line key performance indicators

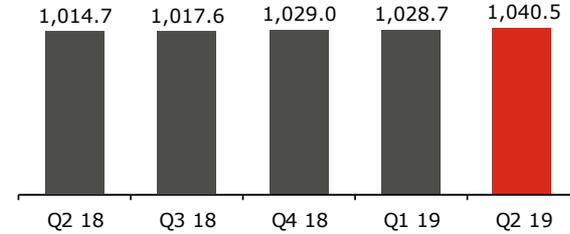
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



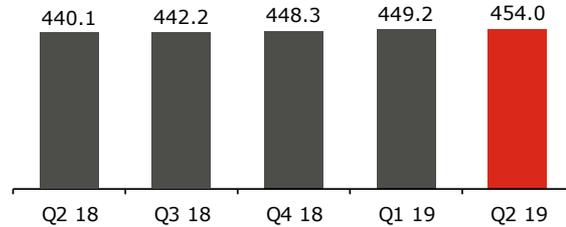
Total RGUs

(in '000)



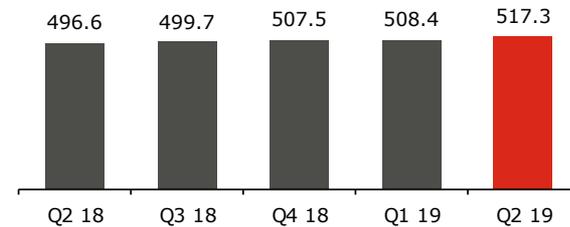
Fixed Broadband RGUs

(in '000)



TV RGUs

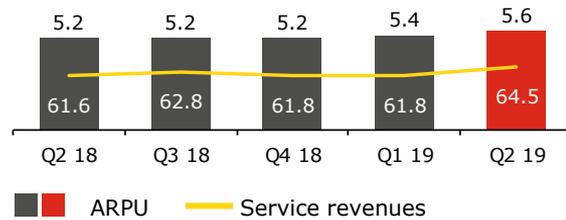
(in '000)



Segment Bulgaria – Mobile key performance indicators

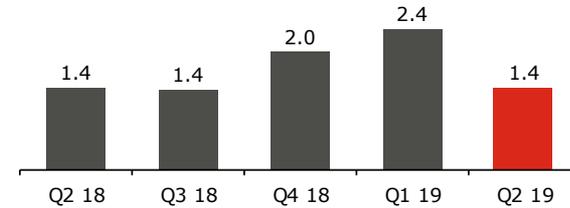
ARPU & Service revenues

(in EUR, in EUR million)



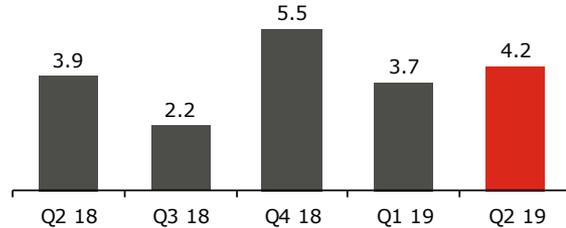
Churn rate

(in %)



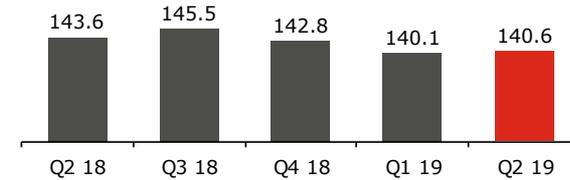
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

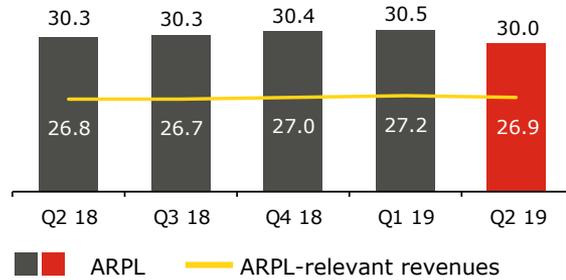
(in %)



Segment Croatia – Fixed-line key performance indicators

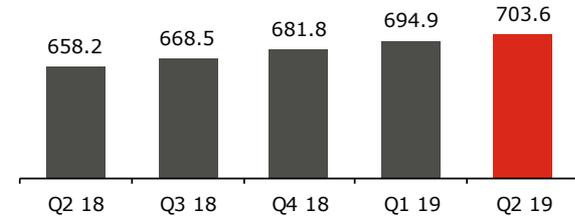
ARPL & ARPL-relevant revenues*

(in EUR, in EUR million)



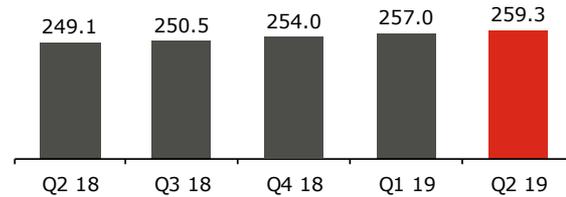
Total RGUs

(in '000)



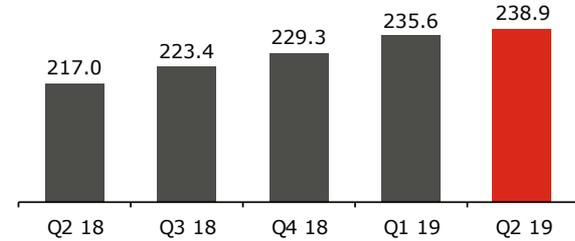
Fixed Broadband RGUs

(in '000)



TV RGUs

(in '000)



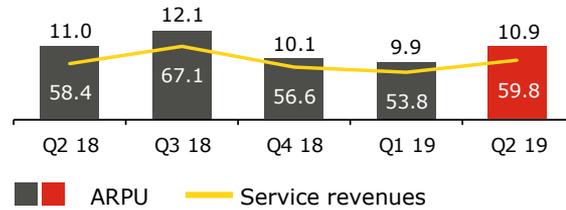
*Minor shifts between quarters in 2018 values due to a slightly modified accrual method. Full year values were unaffected.



Segment Croatia – Mobile key performance indicators

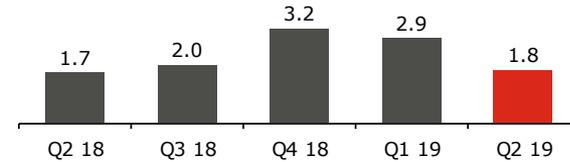
ARPU & Service revenues

(in EUR, in EUR million)



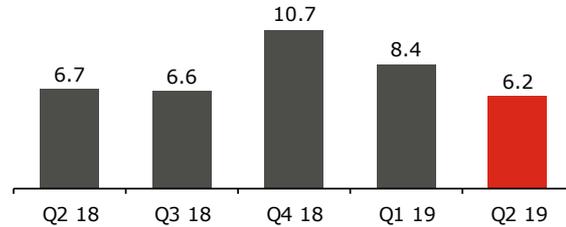
Churn rate

(in %)



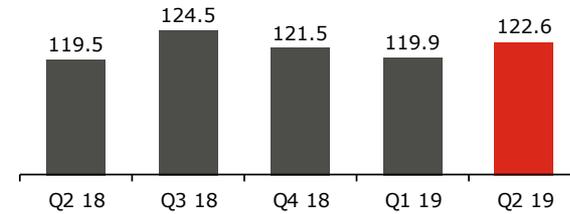
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

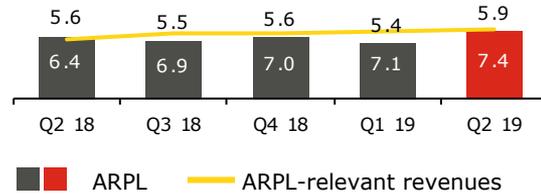
(in %)



Segment Belarus – Fixed-line key performance indicators

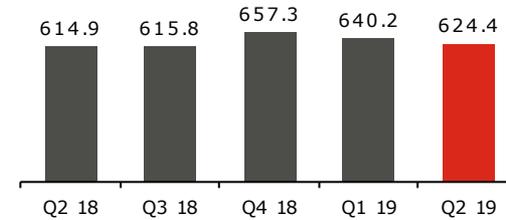
ARPL & ARPL-relevant revenues*

(in EUR, in EUR million)



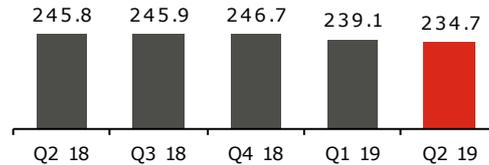
Total RGUs*

(in '000)



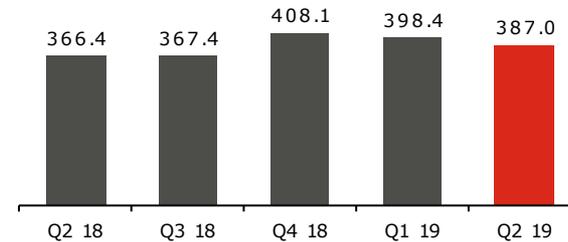
Fixed Broadband RGUs*

(in '000)



TV RGUs*

(in '000)



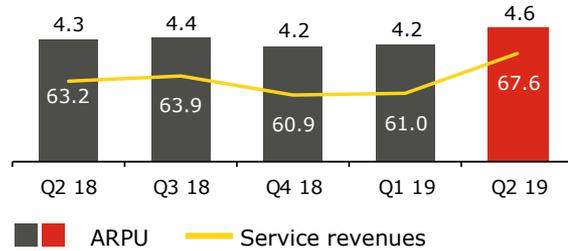
*Reported RGUs and ARPL in Belarus are affected by the acquisition of the fixed-line provider Vitebsk Garant, consolidated as of May 1, 2018.



Segment Belarus – Mobile key performance indicators

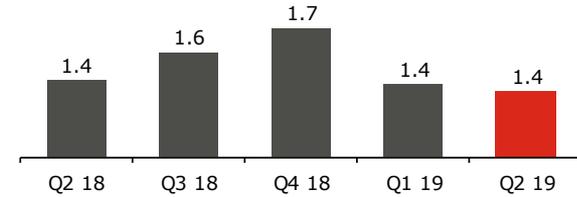
ARPU & Service revenues

(in EUR, in EUR million)



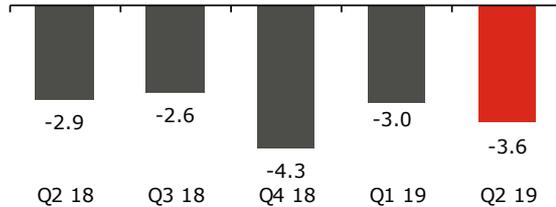
Churn rate

(in %)



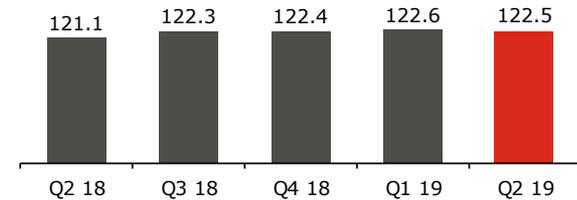
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

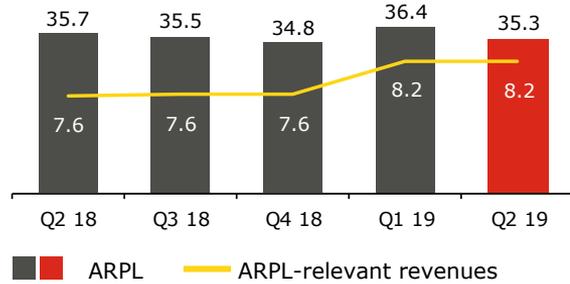
(in %)



Segment Slovenia – Fixed-line key performance indicators

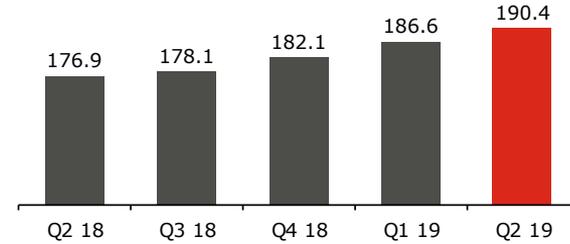
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



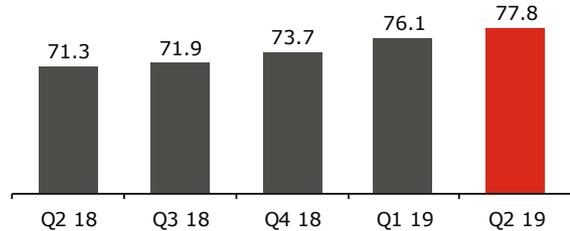
Total RGUs

(in '000)



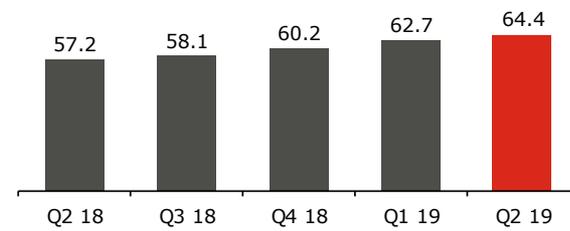
Fixed Broadband RGUs

(in '000)



TV RGUs

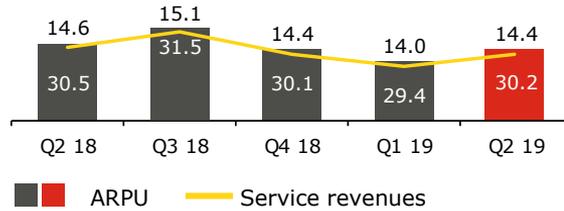
(in '000)



Segment Slovenia – Mobile key performance indicators

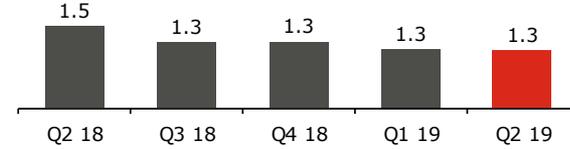
ARPU & Service revenues

(in EUR, in EUR million)



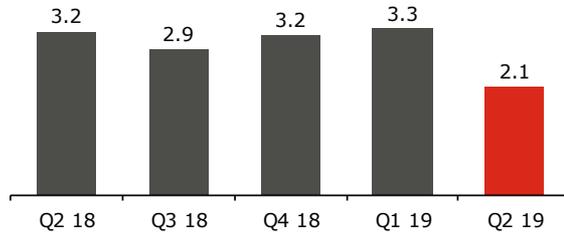
Churn rate

(in %)



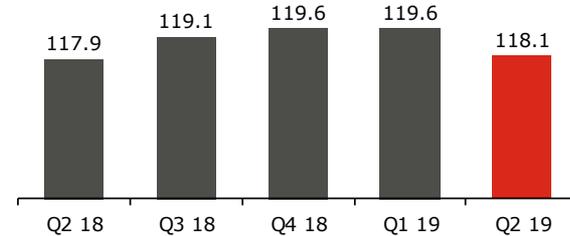
Subsidies

(in EUR million)



Mobile penetration

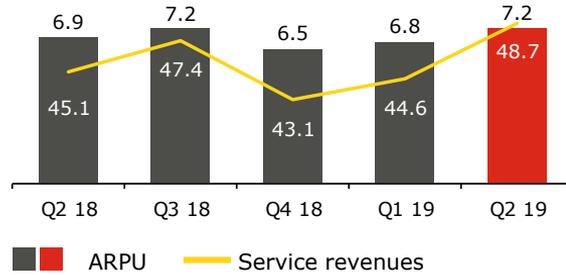
(in %)



Segment Serbia – Mobile key performance indicators

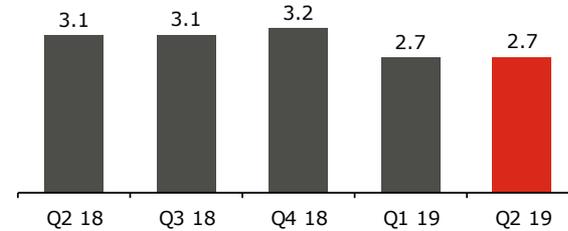
ARPU & Service revenues

(in EUR, in EUR million)



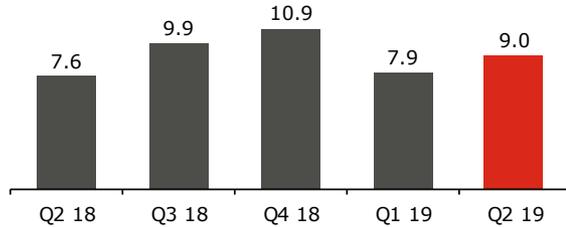
Churn rate

(in %)



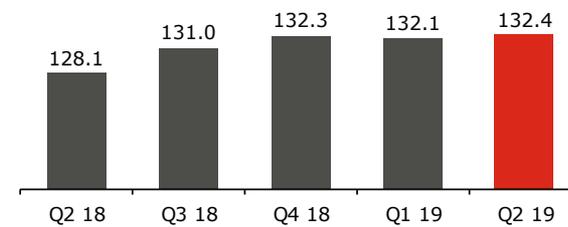
Subsidies (incl. promotional deals)

(in EUR million)



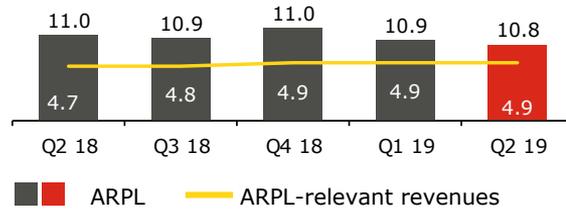
Mobile penetration

(in %)

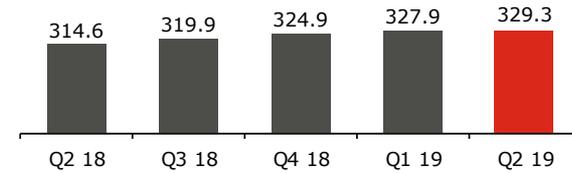


Segment North Macedonia – Fixed-line key performance indicators

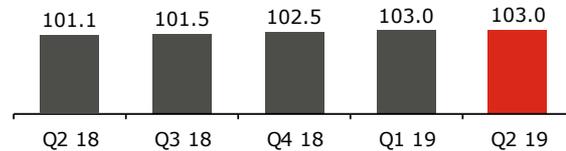
ARPL & ARPL-relevant revenues*
(in EUR, in EUR million)



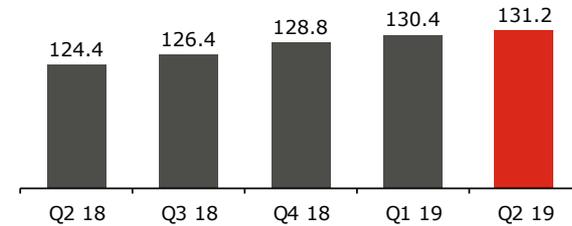
Total RGUs*
(in '000)



Fixed Broadband RGUs*
(in '000)



TV RGUs
(in '000)

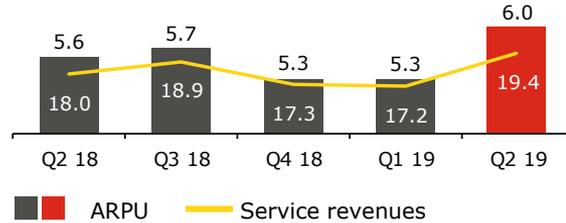


*In North Macedonia, WiFi routers, which were formerly reported in fixed-line RGUs, are reported in mobile postpaid since Q2 2019. The numbers of the comparison period have been adapted.

Segment North Macedonia – Mobile key performance indicators

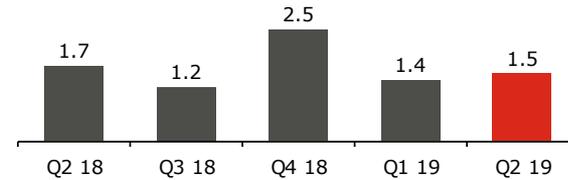
ARPU & Service revenues*

(in EUR, in EUR million)



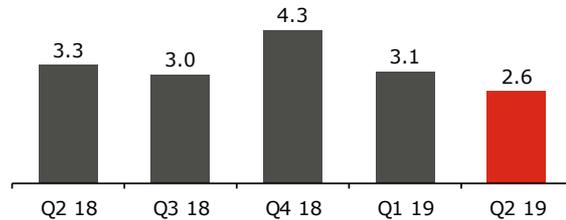
Churn rate*

(in %)



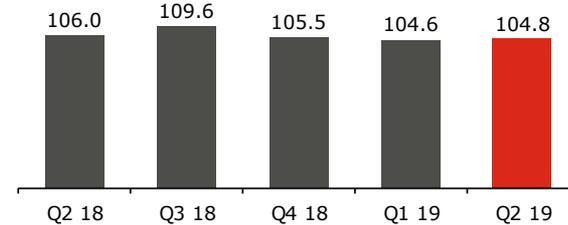
Subsidies (incl. promotional deals)*

(in EUR million)



Mobile penetration*

(in %)

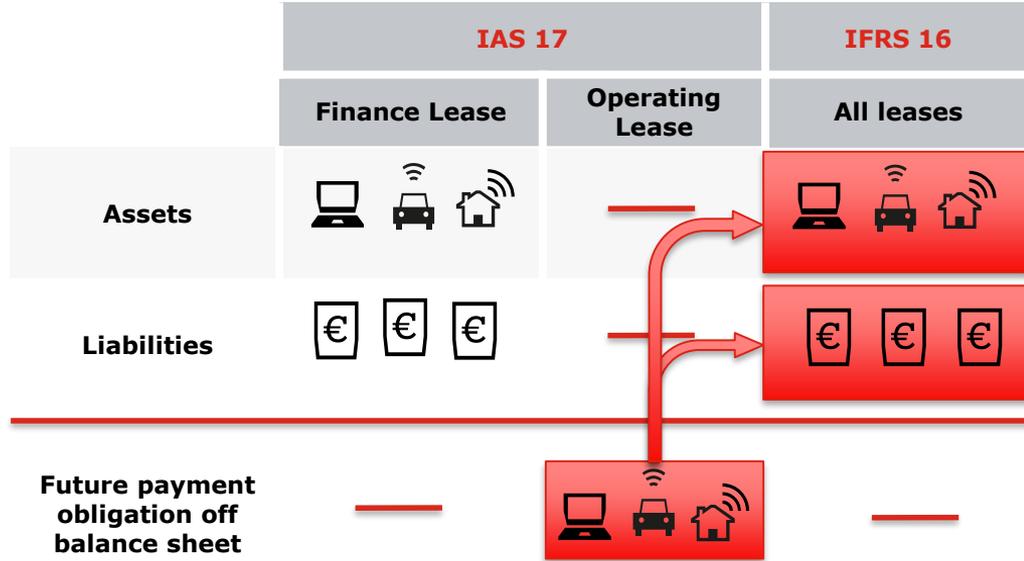


*In North Macedonia, WiFi routers, which were formerly reported in fixed-line RGUs, are reported in mobile postpaid since Q2 2019. The numbers of the comparison period have been adapted.

The background of the slide is a dark blue field filled with a complex network of glowing nodes and connecting lines. The nodes are primarily white and light blue, with some red and orange nodes scattered throughout. The lines connecting them are thin and translucent, creating a sense of depth and connectivity.

Appendix 2 – Adoption of IFRS 16

Adoption of IFRS 16 – impact on the balance sheet



- Discounted future payments of all lease contracts are capitalized resulting in RoU assets of EUR 1,011 mn and lease liabilities of EUR 1,003 mn
- Optional exceptions for low value, short term leases

Adoption of IFRS 16 – impact on the income statement

	IAS 17		IFRS 16
	Finance Lease	Operating Lease	All Leases
Revenues	—	—	—
OPEX	—	Lease Expenses	↓ ↓
EBITDA			↑ ↑
D&A	Depreciation/ Amortization	—	Depreciation
EBIT			↑
Interest	Accrued Interest		Accrued Interest
EBT			↔

- Elimination of operating lease expense (OPEX) and booking as depreciation and interest expenses under IFRS 16
- IFRS 16 impact on earnings ratios FY 2018:
 - EBITDA increases by EUR 158 mn
 - EBIT increases by EUR 12 mn
 - EBT kept unchanged over the fiscal year

Adoption of IFRS 16 – impact on net debt

in EUR mn	Dec 31, 2018 pre IFRS 16	Mar 31, 2019 pre IFRS 16	Dec 31, 2018 IFRS 16 based	Mar 31, 2019 IFRS 16
Gross debt	2,782.0	2,736.7	3,784.4	3,701.1
- Cash & cash equivalents	-63.6	-53.3	-63.6	-53.3
Net debt	2,718.4	2,683.4	3,720.8	3,647.8
EBITDA (LTM)	1,390.9	1,372.5	1,548.9	1,535.2
Net debt / EBITDA ratio	2.0 x	2.0 x	2.4 x	2.4 x

- Significant increase in financial liabilities due to the recognition of leases leads to higher net debt
- IFRS 16 adoption leads to increase of net debt / EBITDA ratio of ~0.4 x

Appendix 3 – Regulatory topics



Glide Path of Mobile Termination Rates

No further reductions expected in 2019

	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 0.025/0.0125 BeST 0.018/0.009					
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	1.43
North 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: HRK 1.73/min -> HRK 2.00/min in Apr 2016

** Belarus values: prime time/downtime. MTS: Mobile TeleSystems; BeST: Belarus Telecommunications Network

*** NRA Regulated asymmetric MTR for FULL MVNO (Lycamobile) from 01.05.2018 to 30.04.2019 at level of 1.5 MKD



Upcoming spectrum tenders/prolongations/ assignments*

	Expected	Comments
Austria	2020 (700, 1500, 2100 MHz) 2020 (2300 MHz)	700/1500/2100 MHz auction planned for Q1/2020
Bulgaria	2019 (800, 1800, 2100 MHz) 2020 (2600, 3400-3800 MHz)	
Croatia	2019 (2600 MHz) 2021 (700 MHz)	
Belarus	2020 (3500 MHz) 2021 (700 MHz)	
Slovenia	2019 (700 MHz) Late 2019/early 2020 (1400, 2100, 2300, 3400-3800 MHz)	
Serbia	2020 (700, 2600, 3500 MHz)	
North Macedonia	Late 2019/early 2020 (700 MHz) Late 2019/early 2020 (3500 MHz)	

* 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)	July 2014	April 30, 2016	June 15, 2017		
Data (per MB)	20	domestic tariff + 5*	domestic tariff		
Voice-calls made (per minute)	19	domestic tariff + 5*	domestic tariff		
Voice-calls received (per minute)	5	weighted average MTR	0		
SMS (per SMS)	6	domestic tariff + 2*	domestic tariff		
WHOLESALE (in EURc)	July 2014	April 30, 2016	June 15, 2017	January 1, 2018	January 1, 2019
Data (per MB)	5	5	0.77	0.6	0.45
Voice (per minute)	5	5	3.2	3.2	3.2
SMS (per SMS)	2	2	1	1	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.

The background of the slide is a dark blue and purple gradient with a complex network of glowing white and red nodes connected by thin lines, resembling a molecular or data network structure.

Appendix 4 – Personnel restructuring in Austria

Full Year Overview – Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

	2013	2014	2015	2016	2017	2018	Q1 19	Q2 19
FTE reduction	149.0	86.4*	69.5**	95.0	9.1	70.1	19.6	21.0
Servicekom contribution	-103.8	-39.4	-72.0	-96.9***	-27.3	-47.1	0.5	-3.0
Interest rate adjustments	0.0	42.6	2.9	9.2	0.0	-0.9	0.9	2.9
Total	45.2	89.6	0.4	7.2	-18.2	22.1	20.9	21.1

FTEs addressed

	2013	2014	2015	2016	2017	2018	Q1 19	Q2 19
Transfer to government	22	52	49	6	3	0	0	0
Social plans	409	199	270	269	31	241	66	76
Staff released from work	0	0	0	0	0	0	0	0
Total	431	251	319	275	34	241	66	76

Overview restructuring provision****

(in EUR million)



Provisioned FTEs

	2013	2014	2015	2016	2017	2018	Q1 19	Q2 19
Transfer to government	330	242	205	193	176	159	152	141
Social plans	1,315	1,460	1,661	1,821	1,707	1,748	1,745	1,740
Staff released from work	410	350	253	200	172	116	112	109
Total	2,055	2,052	2,119	2,214	2,055	2,023	2,009	1,990

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

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

*** EUR -30.7 mn in restructuring charges in total in Q3 (EUR -29.0 mn) and Q4 2016 (EUR -1.7 mn) stemming from a revaluation of the restructuring provision due to changed underlying parameters

**** Including liabilities for transfer of civil servants to government bodies since 2010

Overview – Cash flow impact of restructuring

Restructuring cash flow impact

Cash flow impact

(in EUR million)

2012	104.0
2013	108.0
2014	107.1
2015	101.9
2016	105.5
2017	102.4
2018	95.6
Q1 2019	25.0
Q2 2019	24.6

- Total CF impact comprises old and new programs
- Expected CF impact for 2019 of ~ EUR 95 mn

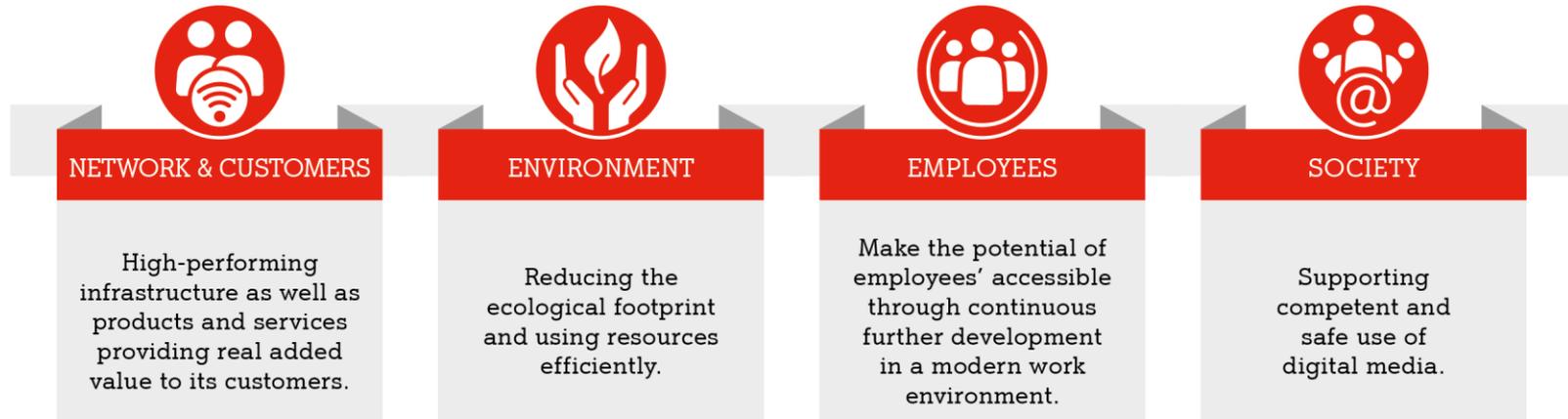
Restructuring outlook 2019f

- Restructuring charges of ~EUR 80 mn p.a. expected for the next few years addressing civil servants
- Target: decrease workforce costs by ~2% net in Austria

The background of the slide is a dark blue field filled with a complex network of glowing nodes and connecting lines. The nodes are primarily white and light blue, with some red nodes scattered throughout. The lines connecting them are thin and light blue, creating a sense of a dynamic, interconnected system.

Appendix 5 – Corporate sustainability

Alignment with core business and materiality analysis define sustainability strategy



Key figures – Corporate Sustainability

Selected group-wide KPIs

Environment	2018
Total CO ₂ emissions (Scope 1+2 market-based in tonnes)	244,313
Energy efficiency index (in Mwh/terabyte)	0.18
Paper consumption (in kg)	1,301,796
Collected old mobile phones (in pcs)	80,386

Employees	2018
Share of female employees (in %)	40
Share of female executives (in %)	35

Society	2018
Participations in trainings on media literacy	30,084

Ratings



Classification: B



Classification: B-



Indices



FTSE4Good

Memberships

