

# **Roadshow Presentation Results for the first nine months and third quarter 2018**

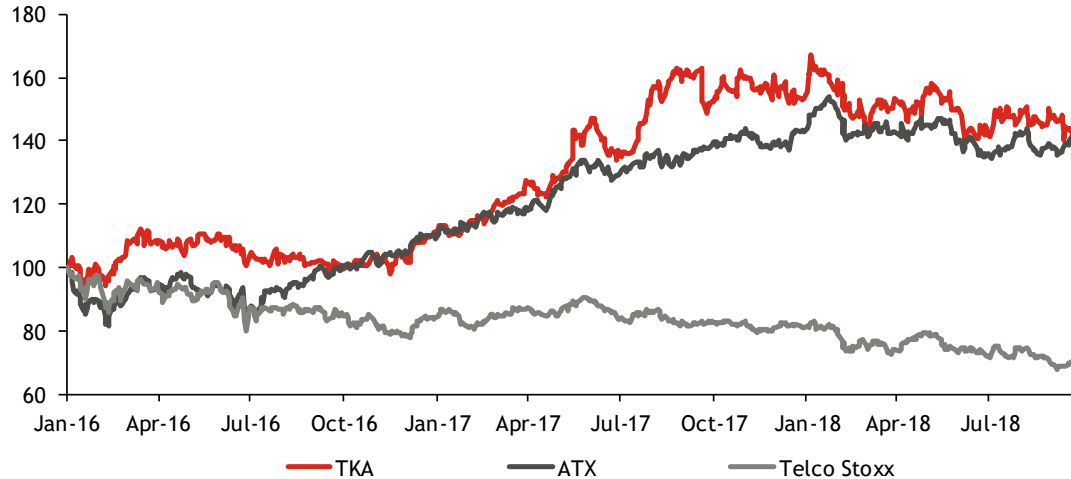


# Cautionary statement

'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 are stated according to IAS 18 if not stated otherwise. To reflect the performance on an operational basis, the proforma figures present comparison figures for previous periods as if M&A transactions executed between the start of the comparison period and the end of the reporting period had already been fully consolidated in the relevant months of the comparison period. Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, which do not contain proforma figures, as well as the reconciliation tables provided in the Earnings Release.

# Telekom Austria share price performance



(indexed from 1 January 2016)

\* as of 30 September 2018

\*\* Intended proposal to the Annual General Meeting 2019

## Performance since 2016\*:

TKA: +32.3 %

ATX: +39.5%

Telco: -30.7%

## Performance 1-9M 2018\*:

TKA: -13.7%

ATX: -2.2%

Telco: -14.6%

## Dividend for the financial year 2018\*\*: EURc 20

# A1 Telekom Austria Group key facts

4.38BN

Revenues as of year-end 2017

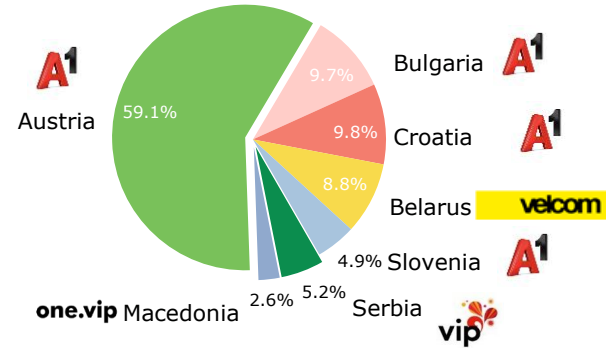
1.40BN

EBITDA as of year-end 2017

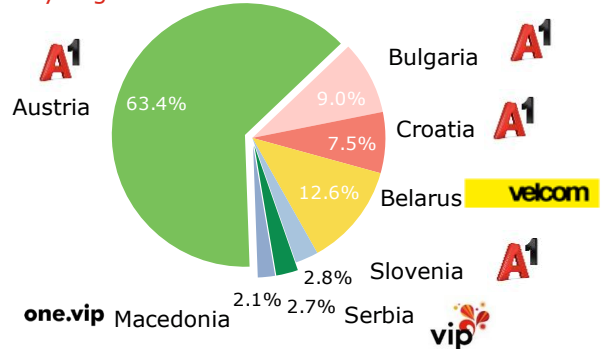
24M

Customers in seven countries

Revenues by segment<sup>(a)</sup>



EBITDA by segment<sup>(a)</sup>



Notes: (a) For Full Year 2017. Breakdown does not show corporate, others and eliminations.

# The leading regional communications player providing convergent telecommunication services

as of 30 September 2018 (in '000)

## Austria

**Mobile market position #1**

**Mobile subscriber:**

- 5,304 (Q3 2017: 5,357)

**Fixed access lines:**

- 2,063 (Q3 2017: 2,129)

**A1**

## Bulgaria

**Mobile market position: #1**

**Mobile subscriber:**

- 4,024 (Q3 2017: 4,056)

**Fixed access lines:**

- 531 (Q3 2017: 528)

**A1**

## Croatia

**Mobile market position #2**

**Mobile subscriber:**

- 1,878 (Q3 2017: 1,837)

**Fixed access lines:**

- 295 (Q3 2017: 300)

**A1**



## Belarus

**Mobile market position #2**

**Mobile subscriber:**

- 4,903 (Q3 2017: 4,863)

**Fixed access lines:**

- 417 (Q3 2017: 310)

**velcom**

## Slovenia

**Mobile market position #2**

**Mobile subscriber:**

- 695 (Q3 2017: 710)

**Fixed access lines:**

- 72 (Q3 2017: 70)

**A1**

## Republic of Serbia

**Mobile market position #3**

**Mobile subscriber:**

- 2,205 (Q3 2017: 2,194)

**vip**

## Republic of Macedonia

**Mobile market position #1**

**Mobile subscriber:**

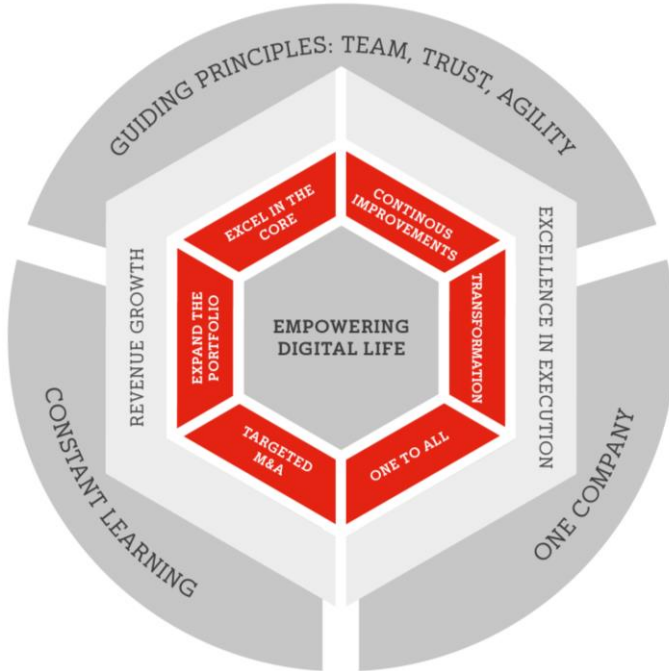
- 1,090 (Q3 2017: 1.112)

**Fixed access lines: one.vip**

- 158 (Q3 2017: 145)

# A1 Telekom Austria Group Strategy and Equity Story

## Group Strategy



Results for the first nine months and third quarter 2018

## Equity Story

- Solid market position in Austria: exploiting rising demand for bandwidth and new technologies
- Growth in CEE: benefiting from growing data consumption and macroeconomic recovery
- Medium- to long-term growth with new business areas thanks to digitalisation
- Strong balance sheet structure
- Sustainable dividend policy

Growth and improved efficiency

Appropriate level of dividend and total shareholder return

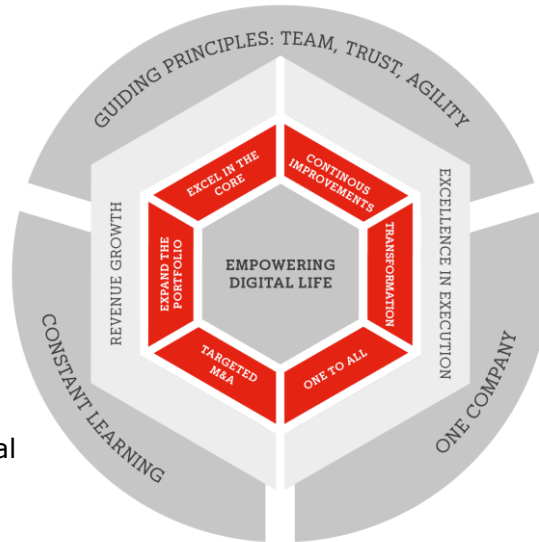
# Digitalisation is core to A1 Telekom Austria Group's strategy

Digitalising B2B.

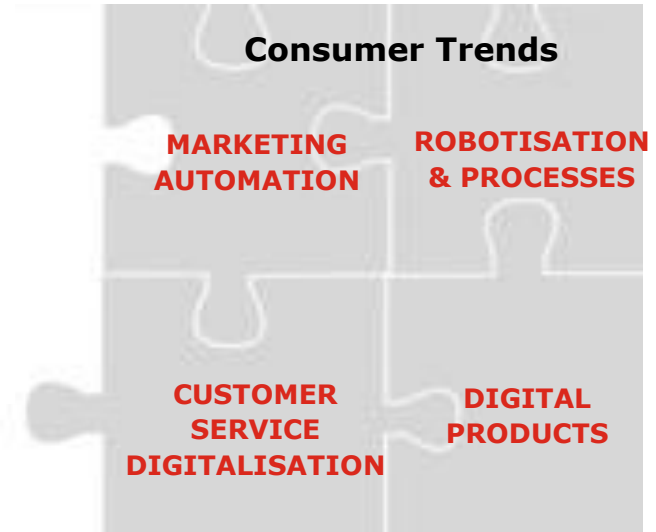


- Enabling companies to translate digital potential into business results
- From traditional legacy platforms to cloud services

Empowering Digital Life



Digitalising B2C.





# Finance strategy ensures flexibility to invest into growth opportunities



## Exploit growth opportunities

- Accelerated fibre roll-out in Austria
- Value-accretive M&A to
  - unlock potential from digital transformation and
  - strengthen footprint in core business (with priorities I. in-market consolidation II. convergence III. entry into new markets)

## Sustainable dividend policy

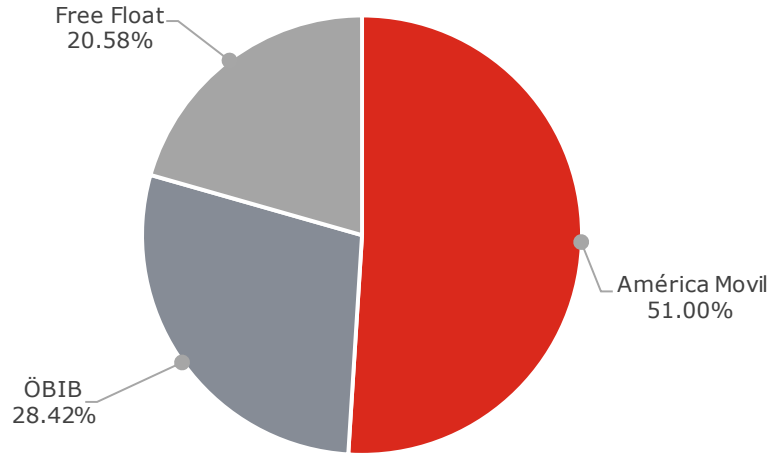
- Dividend level of EURc 20 with growth potential in line with operational and financial performance

Conservative financial profile  
with rating target of solid investment grade rating (BBB)

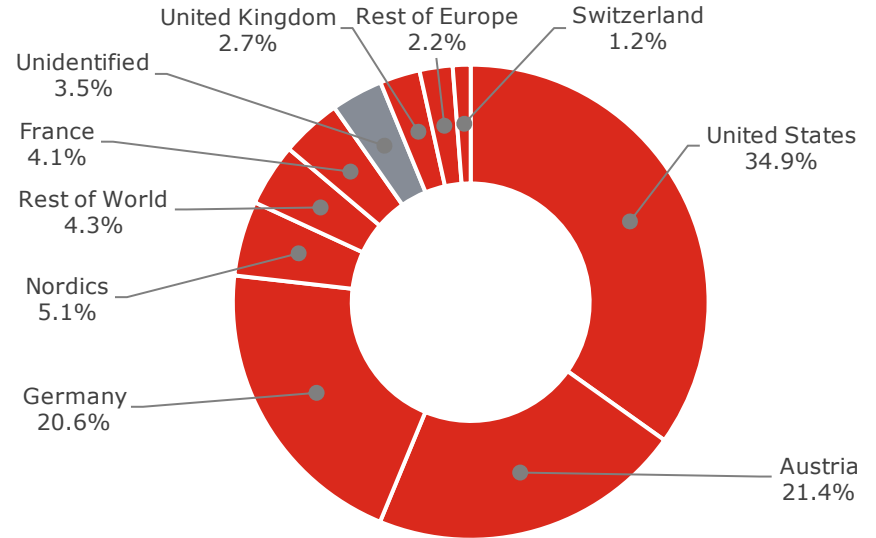


# Shareholder structure as of 31 December 2017

## Two strong core shareholders



## Freefloat by nationality



The background of the slide is a dark blue field filled with a complex, glowing network of white and red nodes connected by thin lines, creating a sense of digital connectivity and data flow.

# Key financial developments for the first nine months and third quarter 2018

# Highlights Q3 2018



- 1.4% increase in Group revenues and stable EBITDA excl. restructuring (+0.3%)
  - Service revenue growth both in mobile and fixed-line business
  - 3.9% EBITDA growth (excl. restructuring) in Austria
- FY 2018 Outlook unchanged: Revenue growth of 1-2%, CAPEX at EUR 750 mn and EURc 20 dividend



- Mobile customer base increased by 1.3%; postpaid growth of 4.9%
- RGUs increased by 2.8% y-o-y, driven by CEE markets



- Cash & Carry hybrid broadband solution 
- A1 Xplore Music launched 
- Tender documents for 3.4-3.8 Ghz spectrum were published by RTR 
- As of 1 October 2018, vipnet was successfully rebranded into A1 Croatia

# Q3 2018: Group results benefit from continuous strong service revenue development in most segments

Group (in EUR million)	Reported Q3 2018	Proforma Q3 2017	% change
Total revenues	1,126.2	1,111.1	1.4%
EBITDA	389.8	410.0	-4.9%
excl. restructuring	397.8	396.7	0.3%
CAPEX	193.8	147.2	31.7%



- Service revenue growth in Austria, Bulgaria, Serbia and Macedonia. Croatia was only down due to lower visitor roaming versus last year and Belarus due to FX effects.
- EBITDA excl. restructuring was stable (+0.3%) as service revenue trends more than outweighed the increase in OPEX, driven by higher content and advertising costs as well as investments into A1 Digital.
- CAPEX increased in Q3 2018 in a year-on-year comparison driven by higher investments in Austria; Group total CAPEX is almost stable in 1-9M 2018 versus last year.

\* Restructuring charges: EUR 8.1 mn in Q3 2018 (positive effect of EUR 13.3 mn in Q3 2017)  
The combined effects from the one-offs and FX caused the levelling out on Group level; for details please refer to page 7

# Austria: Strong operational performance driven by sound service revenue growth and better equipment margin

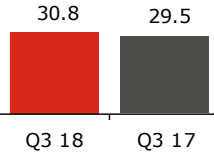
ARPU  
(in EUR)

Δ: +2.5%



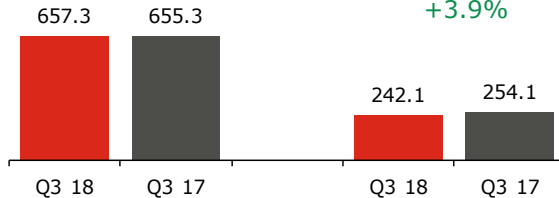
ARPL  
(in EUR)

Δ: +4.7%



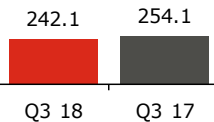
Total revenues  
(in EUR mn)

Δ: +0.3%



EBITDA  
(in EUR mn)

Δ: -4.7%  
excl. restructuring\*:  
+3.9%



## Operational data

- Postpaid subscriber base grew by 2.4% driven by ongoing high demand for mobile WiFi routers and high-value tariffs
- ARPU also rose due to mobile WiFi routers and increased high-value customer share
- Higher ARPL due to strong demand for higher bandwidth and TV options as well as the fixed-line price increases and indexation
- 1.8% RGU decrease mainly driven by voice; broadband RGUs declined slightly year-on-year

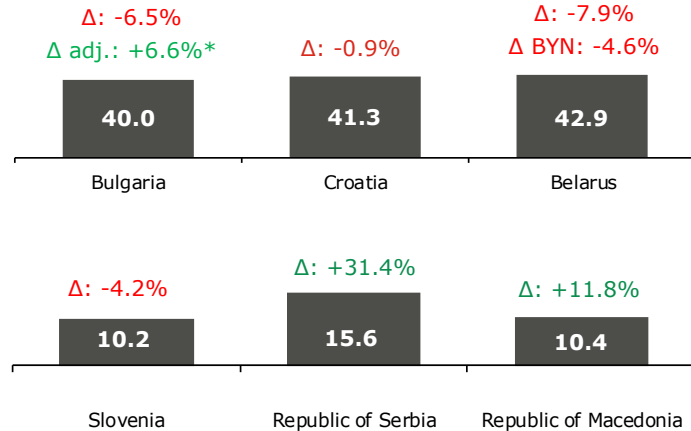
## Financial performance

- Total revenues entirely driven by service revenue growth (+1.1%)
- OPEX excl. restructuring decreased as higher content, advertising and network costs were more than offset lower equipment costs
- Total subsidies decreased due to lower quantities compared to last year as well as higher promotional deals; subsidies per handset remained on previous levels;
- EBITDA adjusted for restructuring increased by 3.9%

# Service revenue growth in CEE profits from solid trends in Bulgaria, Serbia and Macedonia

## EBITDA

(proforma, in EUR mn)



\* Excluding positive one-off effects of EUR 0.4 mn in Q3 2018 and EUR 5.6 mn in Q3 2017 in Bulgaria

## Highlights CEE

### Bulgaria:

- Equipment and fixed-line service revenue growth, mobile service revenues rose slightly due to the business segment
- EBITDA excl. one-off effects rose as higher service revenues and a better equipment margin more than offset higher content and sales force costs

### Croatia:

- Strong demand for mobile Wifi routers in Croatia remains
- EBITDA in Q3 2018 included pos. one-off effect from reimbursement of frequency usage fees (EUR 3.9 mn) and was negatively impacted by lower VR revenues (EUR -5.2 mn) due to reduced intercompany/IOT-tariffs;
- EBITDA increased slightly excl. one-off effect and visitor roaming despite non-recurring rebranding and content set-up costs in Q3 2018.

### Belarus:

- Revenues in local currency benefited from rising equipment and fixed-line revenues; lower mobile service revenues due to less data packages
- Higher costs, mainly driven by workforce costs and hard currency denominated costs, led to lower EBITDA
- FX-impact: EUR -4.1 mn on revenues and EUR -1.3 mn on EBITDA

### Other segments:

- Ongoing strong competition in Slovenia led to lower ARPU and EBITDA
- Strong performance in Serbia continued with 31.4% EBITDA growth
- Macedonia: service revenue growth translated into 11.8% EBITDA growth

# 1-9 M: Stable free cashflow as higher Capex paid were offset by lower interest payments

<i>(in EUR million)</i>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>% change</b>	<b>1-9 M 2018</b>	<b>1-9 M 2017</b>	<b>% change</b>
Net cash flow from operating activities	318.1	333.9	-4.7%	918.2	910.1	0.9%
Capital expenditures paid	-192.2	-142.9	34.5%	-558.6	-521.1	7.2%
Proceeds from sale of plant, property and equipment	5.7	1.7	237.3%	10.0	11.8	-15.3%
Interest paid	-11.2	-8.6	30.5%	-43.5	-64.7	-32.7%
<b>Free Cash Flow</b>	<b>120.5</b>	<b>184.2</b>	<b>-34.6%</b>	<b>326.1</b>	<b>336.1</b>	<b>-3.0%</b>

- 1-9 M 2018 free cash flow stable, driven by
  - higher capital expenditures paid y-o-y
  - partly offset by lower interest paid due to bond repayments and the use of favorable refinancing
  - as well as stable cashflow from operations.
- Changes in working capital and other financial positions of EUR 181.0 mn (EUR 190.0 mn in 1-9 M 2017) stemming from
  - EUR 52.3 mn increase in accounts receivable
  - EUR 42.0 mn income taxes paid
  - EUR 23.2 mn instalment plans
  - EUR 73.2 mn payments for restructuring



# Focus Points

# Internet@Home in Austria growing: Customer demand-oriented broadband solutions

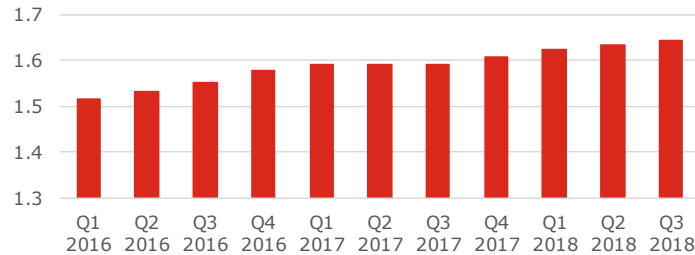
Fixed-line

Hybrid

Net cube



Internet@Home RGUs (in millions)



- Cash & carry fixed-line internet product launched in September 2018
- Plug-and-play: use of a 4G/LTE mobile connection via a hybrid modem
  - ➔ Bridges the waiting time to the definite fixed-line access installation
- Fixed-line access installation at a later stage (within 30 days)

A1 Internet  
Power Plus



- Additional feature which allows portable usage; e.g. convenient for secondary homes or holidays
- EUR 4.90 additional monthly fee

# Enhance product propositions with new content offerings by selective OPEX- and CAPEX-efficient investments

## Exclusive sports content

### Austria


- Austrian Soccer League (4 top games per year) 
- Popular local events; e.g. Beach Volleyball Major Vienna, Cycling Tour of Austria, Red Bull Air Race

### Bulgaria



- UEFA Champions League 
- La Liga - Primera Division 
- Serie A 

- Sell more core products with content
- Differentiate through content
- Constant increase of TV take up rate for new broadband customers

### Croatia

- UEFA Champions League 

### Belarus

- Ice hockey; 4 Nations Cup 
- Soccer; Belarusian Championship 

## A1 Xplore Music

- 🎵 More than 30 million songs available
- 📻 More than 10,000 radio stations
- 🔗 Streaming without data consumption



Launched in Austria and Bulgaria; other markets may follow



EUR 8.90 per month in Austria; up to 12 months free-of-charge promo (depending on tariff)



Results for the first nine months and third quarter 2018



# Frequency spectrum auction for 3.4-3.8 GHz in Austria: Update after publication of tender documents



- 190 MHz TDD frequency band; 19 blocks of 10 MHz each
- Available as of 1 January 2020



- 200 MHz TDD frequency band; 20 blocks of 10 MHz each
- Available immediately after auction

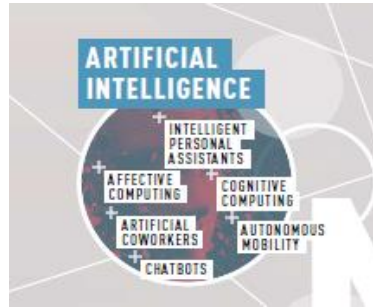
- Rights of use will be granted for approximately 20 years until the end of 2039 and in 12 regions (differentiated by urban and rural areas)
- Simple clock auction; cap for A1 and T-Mobile: 150 MHz; all others 170 MHz
- Coverage commitment: 1,000 sites by the end of 2022; 30% thereof by the end of 2020
- Minimum bids: totaling EUR 30 million for the whole spectrum
- Auction is expected to start in February 2019

# 'Digital Transformation Center of Excellence' was established to join forces for digitalisation efforts across A1 Group



## Marketing Automation

- Increase usage & interactions on digital interfaces
  - ▶ Video
  - ▶ Music
  - ▶ Payments
  - ▶ Care
- Marketing Automation Maturity Program
  - ▶ Jump
  - ▶ Creative
  - ▶ Discovery
  - ▶ Automation



## Robotic Process Automation

- Simplify & Harmonize
- Basic Automation
- Cognitive Automation
- Use case driven – opportunity identification eg. Call Center, BackOffice, Network Management



## Big Data

- Datalake – sustainable way to store data (Open Source)
- Reskilling – from BI to Data scientist
- Customer 360
- Movement Data Network Capabilities



# Outlook for the full year 2018

# A1 Telekom Austria Group outlook for the full year 2018 unchanged

	16 October 2018	Consensus 2018
Total revenues	+1-2%	EUR 4,429 mn
CAPEX	~ EUR 750 mn	EUR 746 mn
Proposed dividend	EUR 0.20 / share	-

- Outlook based on reported figures; assumed devaluation of BYN vs. EUR: ~10%
- CAPEX: does not include investments in spectrum or acquisitions
- Dividend: intended proposal to the Annual General Meeting 2019 for the financial year 2018



# Appendix 1

All figures are stated according to IAS 18 on a reported basis

# A1 Telekom Austria Group – Profit and Loss

(in EUR million)	Q3 2018	Q3 2017	% change
Service Revenues	973.5	957.8	1.6%
Equipment Revenues	129.4	123.5	4.7%
Other operating income	23.3	29.3	-20.3%
<b>Total Revenues</b>	<b>1,126.2</b>	<b>1,110.7</b>	<b>1.4%</b>
Cost of Service	-347.3	-344.8	-0.7%
Cost of Equipment	-144.9	-143.7	-0.8%
Selling, General & Administrative Expenses	-241.3	-209.5	-15.2%
Others	-2.9	-2.5	-14.6%
<b>Total Costs and Expenses</b>	<b>-736.4</b>	<b>-700.5</b>	<b>-5.1%</b>
<b>EBITDA</b>	<b>389.8</b>	<b>410.1</b>	<b>-5.0%</b>
<i>% of Total Revenues</i>	<i>34.6%</i>	<i>36.9%</i>	
Depreciation and Amortisation	-204.6	-219.1	6.6%
Impairment and Reversal of Impairment	0.0	0.0	n.a.
<b>EBIT</b>	<b>185.1</b>	<b>191.1</b>	<b>-3.1%</b>
<i>% of Total Revenues</i>	<i>16.4%</i>	<i>17.2%</i>	
<b>EBT (Earnings Before Income Taxes)</b>	<b>160.9</b>	<b>162.1</b>	<b>-0.7%</b>
<b>Net Result</b>	<b>116.7</b>	<b>148.1</b>	<b>-21.2%</b>

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

## A1 Telekom Austria Group - Total Revenue Split

<b>Total Revenues (in EUR million)</b>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>% change</b>
Austria	657.3	655.3	0.3%
Bulgaria	112.5	112.3	0.2%
Croatia	118.2	121.0	-2.4%
Belarus	103.8	99.8	4.0%
Slovenia	53.7	55.5	-3.3%
Republic of Serbia	66.1	59.4	11.2%
Republic of Macedonia	31.1	30.2	3.0%
Corporate & other, eliminations	-16.5	-22.9	28.1%
<b>Total Revenues</b>	<b>1,126.2</b>	<b>1,110.7</b>	<b>1.4%</b>

## A1 Telekom Austria Group - Costs and Expenses Split

<b>Costs and Expenses (in EUR million)</b>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>% change</b>
Austria	415.3	401.3	3.5%
Bulgaria	72.6	69.5	4.4%
Croatia	76.8	79.3	-3.1%
Belarus	60.8	53.1	14.6%
Slovenia	43.5	44.9	-3.1%
Republic of Serbia	50.5	47.5	6.2%
Republic of Macedonia	20.7	20.9	-1.0%
Corporate & other, eliminations	-3.7	-16.0	76.8%
<b>Total Operating Expenses</b>	<b>736.4</b>	<b>700.5</b>	<b>5.1%</b>

# A1 Telekom Austria Group – Headcount development

FTE (Average Period)	Q3 2018	Q3 2017	% change
Austria	8,141	8,287	-1.8%
International	10,374	10,124	2.5%
Corporate	357	283	26.4%
<b>A1 Telekom Austria Group</b>	<b>18,872</b>	<b>18,694</b>	<b>1.0%</b>

FTE (End of Period)	Q3 2018	Q3 2017	% change
Austria	8,128	8,278	-1.8%
International	10,338	10,362	-0.2%
Corporate	366	304	20.2%
<b>A1 Telekom Austria Group</b>	<b>18,832</b>	<b>18,944</b>	<b>-0.6%</b>

# A1 Telekom Austria Group – Capital expenditure split

Capital Expenditures (in EUR million)	Q3 2018	Q3 2017	% change
Austria	119.4	85.5	39.6%
Bulgaria	26.3	15.5	69.8%
Croatia	19.8	15.8	25.3%
Belarus	15.0	14.2	5.3%
Slovenia	3.7	3.9	-2.9%
Republic of Serbia	6.8	7.6	-9.7%
Republic of Macedonia	2.5	4.2	-41.4%
Corporate & other, eliminations	0.3	0.4	-29.9%
<b>Total Capital Expenditures</b>	<b>193.8</b>	<b>147.1</b>	<b>31.8%</b>
thereof Tangible	153.7	119.7	28.4%
thereof Intangible	40.1	27.4	46.6%

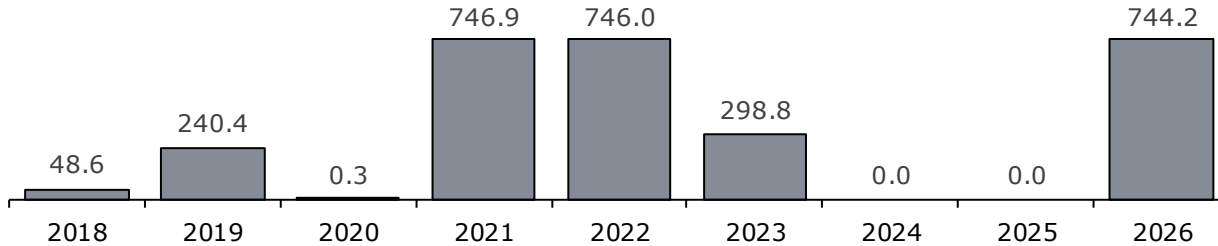
# A1 Telekom Austria Group – Net debt

per 30 September 2018

Net Debt (in EUR million)	30 September 2018	31 December 2017	% change
Long-term Debt	2,536.3	2,533.6	0.1%
Short-term Borrowings	288.9	0.6	n.m.
Cash and Cash Equivalents and Short-term Investments	-49.7	-202.4	75.4%
<b>Net Debt of A1 Telekom Austria Group</b>	<b>2,775.4</b>	<b>2,331.8</b>	<b>19.0%</b>

EUR 600 mn 5 years hybrid bond qualified as 100% equity under IFRS  
– called and redeemed at the first call date (1 February 2018)

# A1 Telekom Austria Group – Debt maturity profile as of 30 September 2018



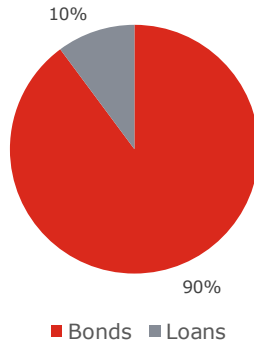
- EUR 2,825.1 mn short-and long-term borrowings as of 30 September 2018
- Average cost of debt of 2.64%
- Cash and cash equivalents and short-term investments of EUR 49.7 mn
- Average term to maturity of 4.46 years



# A1 Telekom Austria Group – Debt profile

as of 30 September 2018

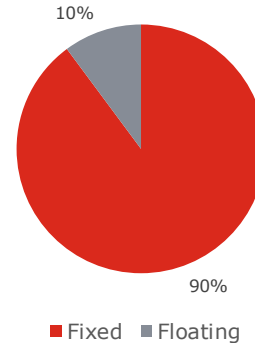
## Overview debt instruments



## Lines of credit

- Undrawn committed credit lines amounting to EUR 1,315 mn
- Average term to maturity of 0.82 years

## Fixed/floating mix



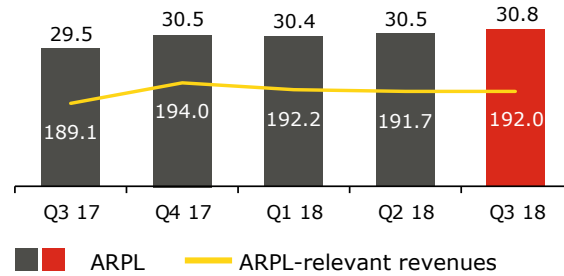
## Ratings

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

# Segment Austria – Fixed-line key performance indicators

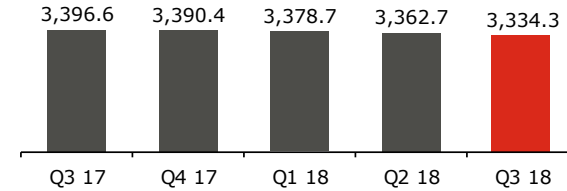
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



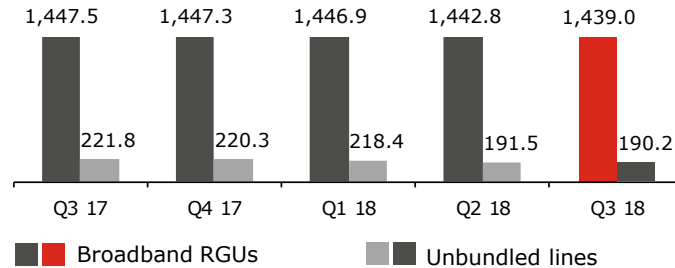
## Total RGUs

(in '000)



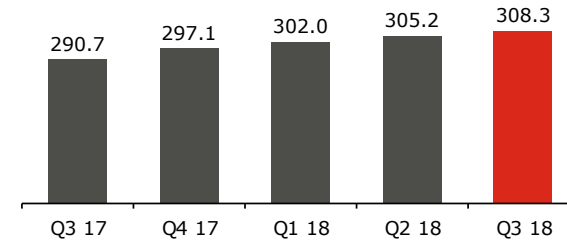
## Broadband RGUs/unbundles lines

(in '000)



## TV RGUs

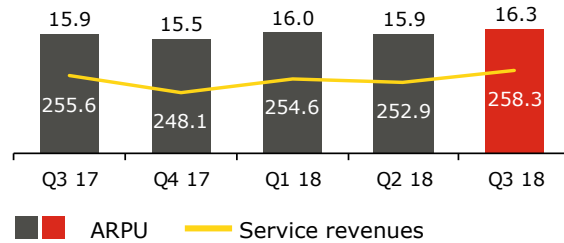
(in '000)



# Segment Austria – Mobile key performance indicators

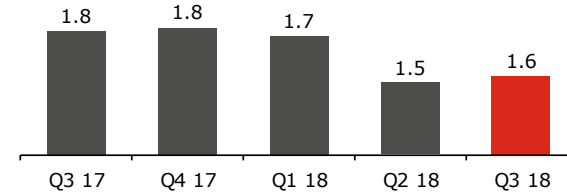
## ARPU & Service revenues

(in EUR, in EUR million)



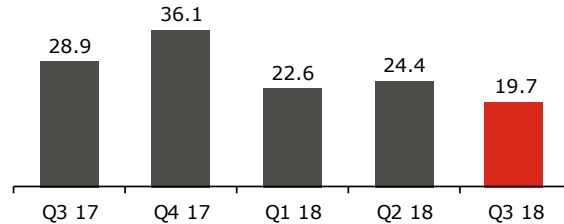
## Churn rate

(in %)



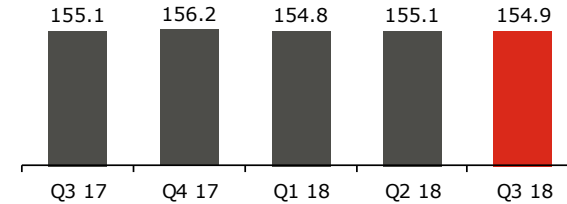
## Subsidies

(in EUR million)



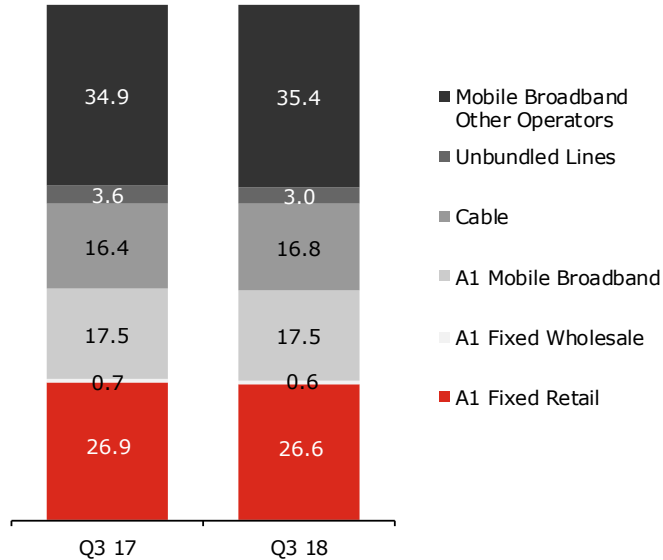
## Mobile penetration

(in %)

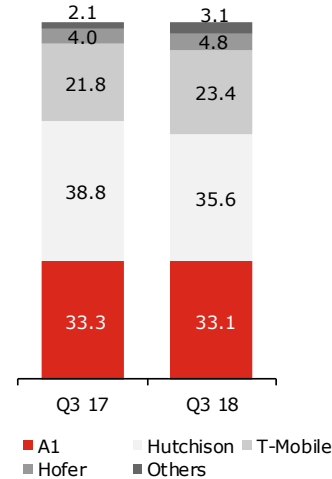


# Segment Austria – Broadband market split

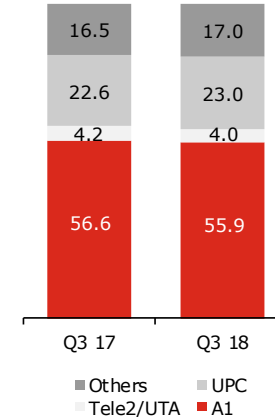
Market share total broadband  
(in %)



Market share mobile broadband  
(in %)

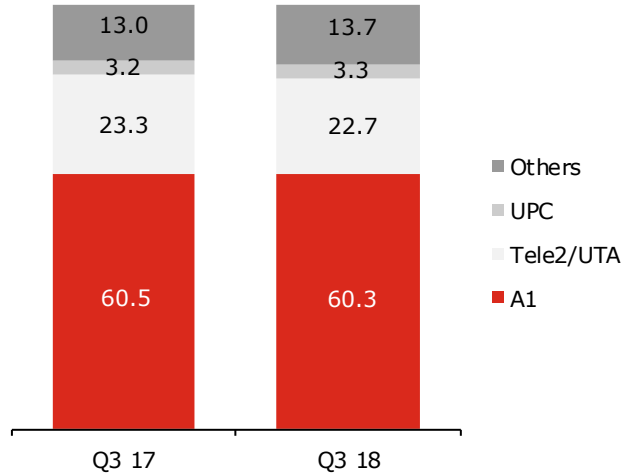


Market share fixed-line broadband  
(in %)



# Segment Austria – Voice market split

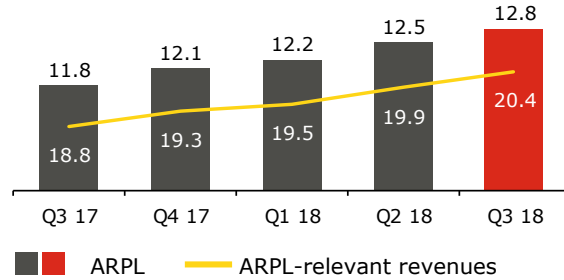
Market share voice RGUs  
(in %)



# Segment Bulgaria – Fixed-line key performance indicators

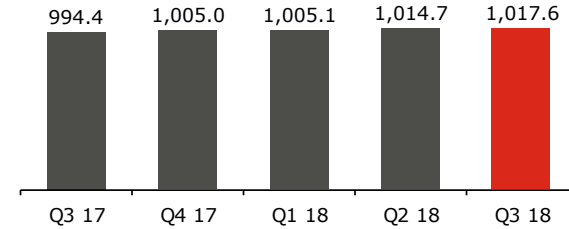
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



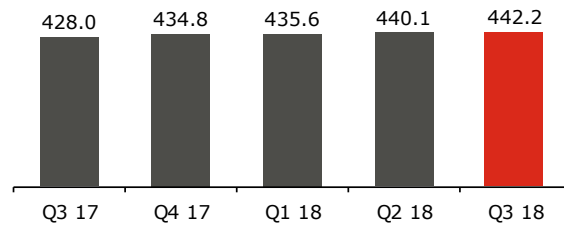
## Total RGUs

(in '000)



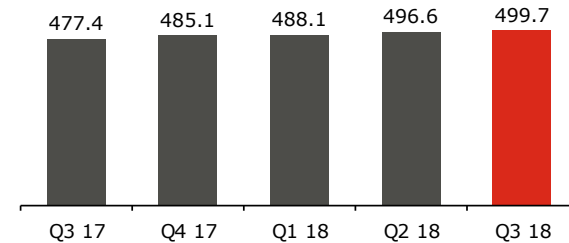
## Fixed Broadband RGUs

(in '000)



## TV RGUs

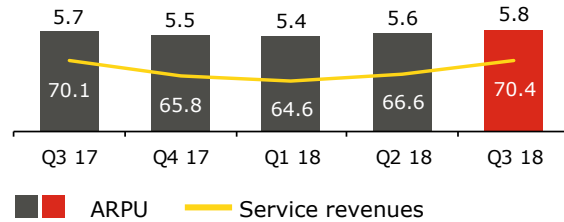
(in '000)



# Segment Bulgaria – Mobile key performance indicators

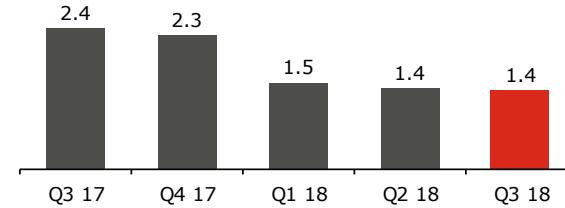
## ARPU & Service revenues

(in EUR, in EUR million)



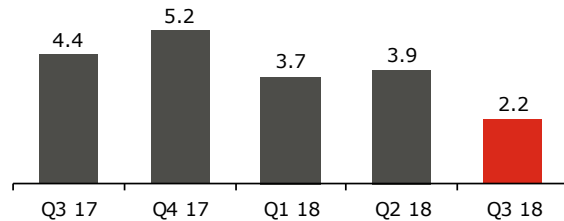
## Churn rate

(in %)



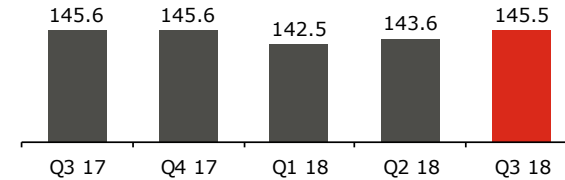
## Subsidies

(in EUR million)



## Mobile penetration

(in %)

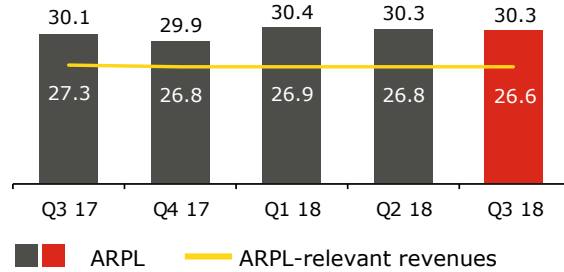




# Segment Croatia – Fixed-line key performance indicators

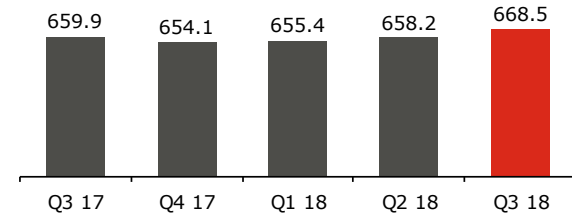
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



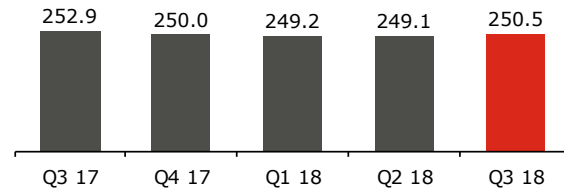
## Total RGUs

(in '000)



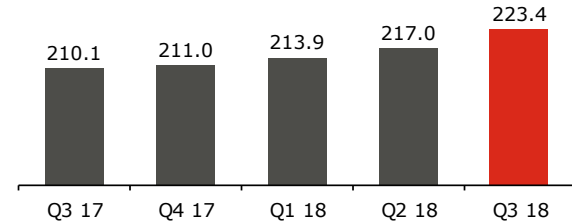
## Fixed Broadband RGUs

(in '000)



## TV RGUs

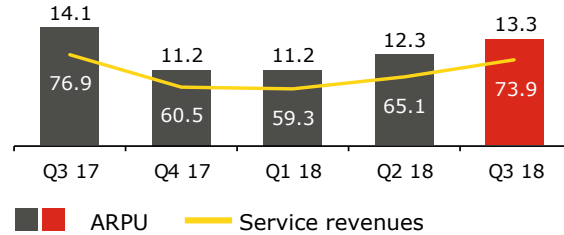
(in '000)



# Segment Croatia – Mobile key performance indicators

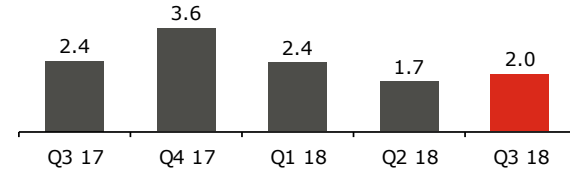
## ARPU & Service revenues

(in EUR, in EUR million)



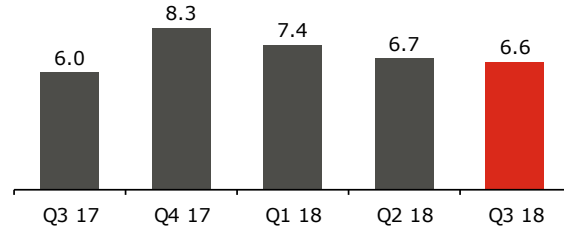
## Churn rate

(in %)



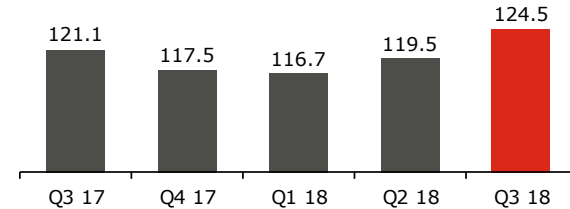
## Subsidies

(in EUR million)



## Mobile penetration

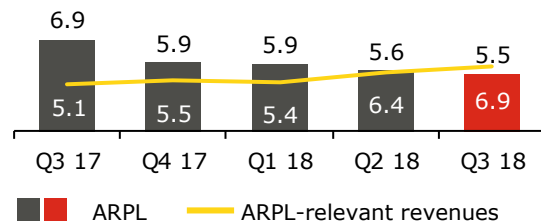
(in %)



# Segment Belarus – Fixed-line key performance indicators

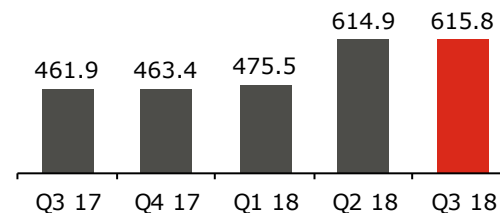
## ARPL & ARPL-relevant revenues\*

(in EUR, in EUR million)



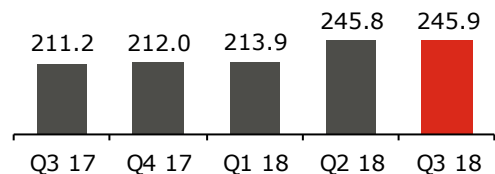
## Total RGUs\*

(in '000)



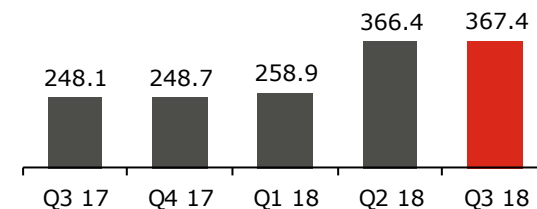
## Fixed Broadband RGUs\*

(in '000)



## TV RGUs\*

(in '000)

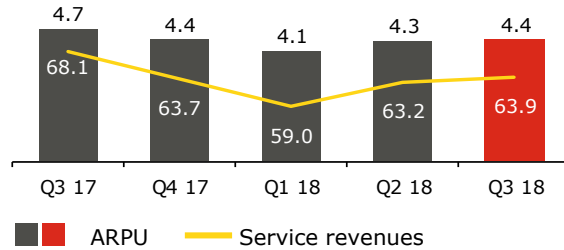


\*Reported RGUs and ARPL in Belarus affected by the acquisitions of the fixed-line providers Garant (Gomel), consolidated as of 1 August 2017, and Vitebsk Garant, consolidated as of 1 May 2018.

# Segment Belarus – Mobile key performance indicators

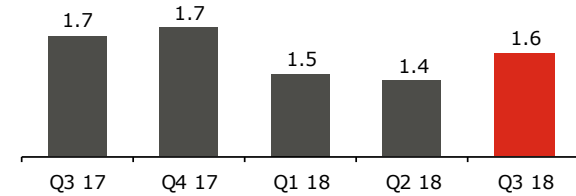
## ARPU & Service revenues

(in EUR, in EUR million)



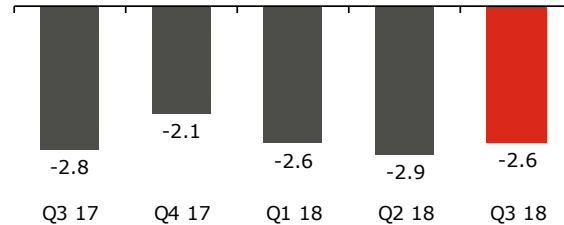
## Churn rate

(in %)



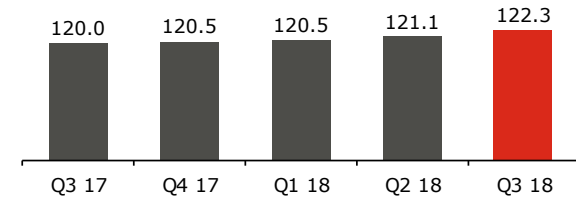
## Subsidies

(in EUR million)



## Mobile penetration

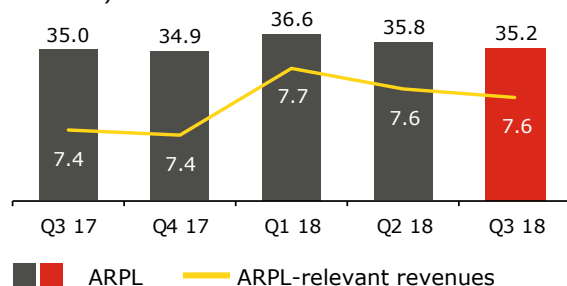
(in %)



# Segment Slovenia – Fixed-line key performance indicators

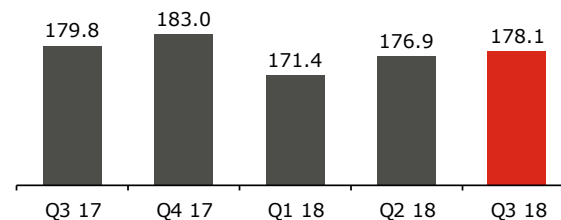
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



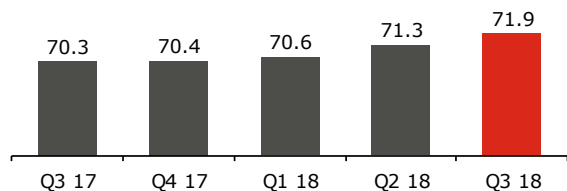
## Total RGUs

(in '000)



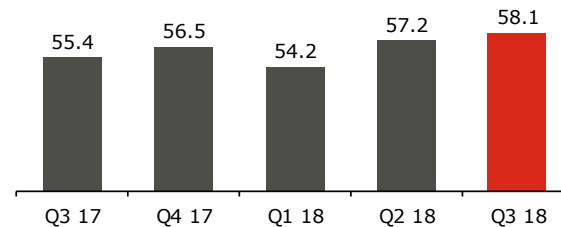
## Fixed Broadband RGUs

(in '000)



## TV RGUs

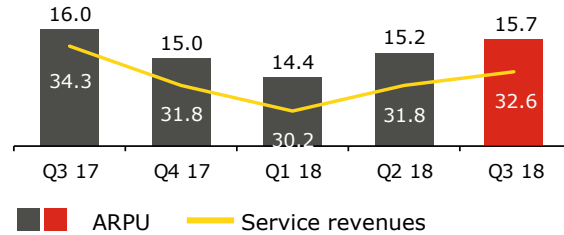
(in '000)



# Segment Slovenia – Mobile key performance indicators

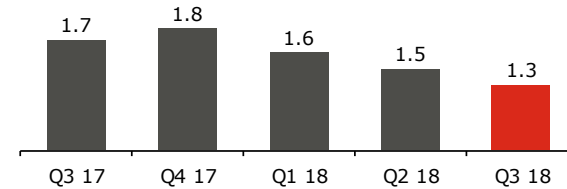
## ARPU & Service revenues

(in EUR, in EUR million)



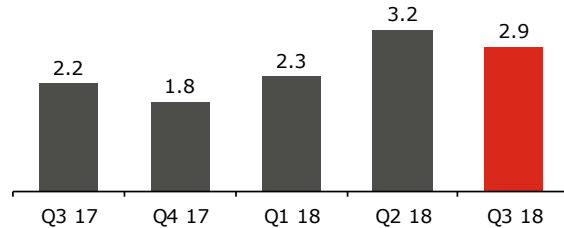
## Churn rate

(in %)



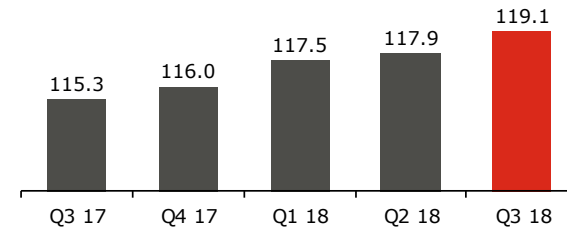
## Subsidies

(in EUR million)



## Mobile penetration

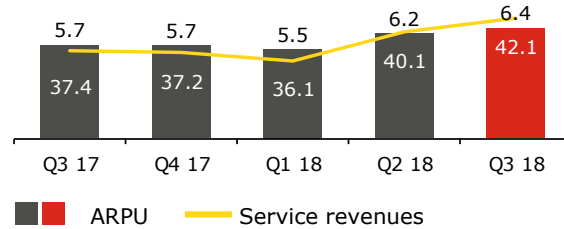
(in %)



# Segment Serbia – Mobile key performance indicators

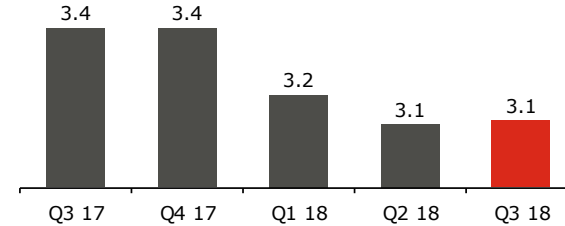
## ARPU & Service revenues

(in EUR, in EUR million)



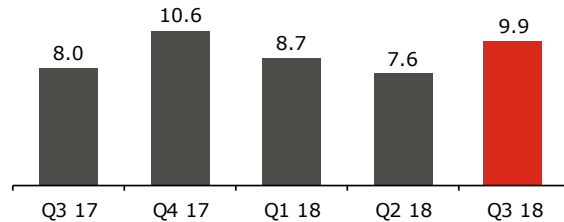
## Churn rate

(in %)



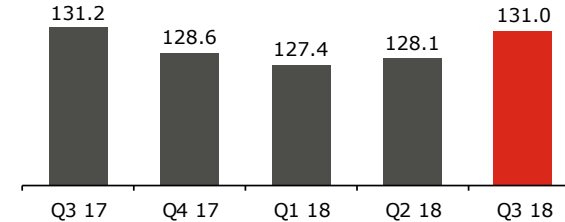
## Subsidies

(in EUR million)



## Mobile penetration

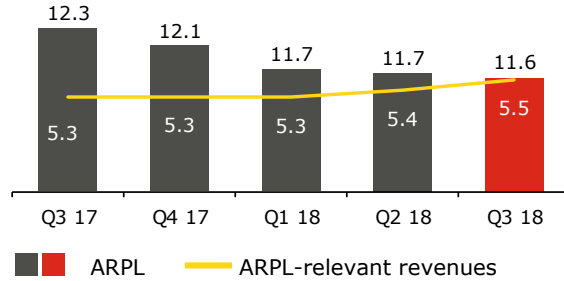
(in %)



# Segment Macedonia – Fixed-line key performance indicators

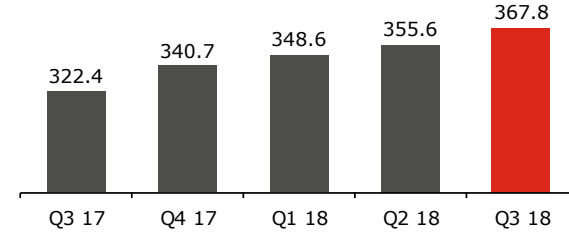
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



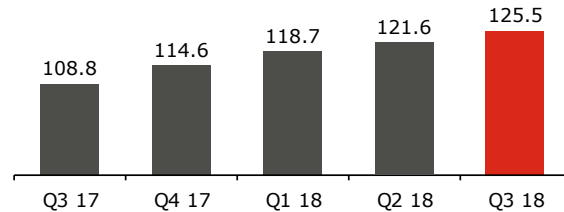
## Total RGUs

(in '000)



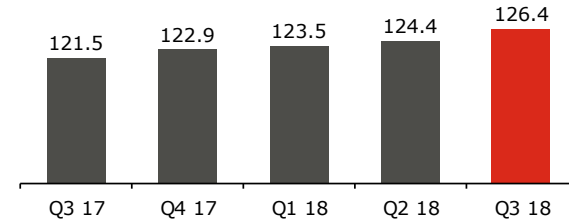
## Fixed Broadband RGUs

(in '000)



## TV RGUs

(in '000)

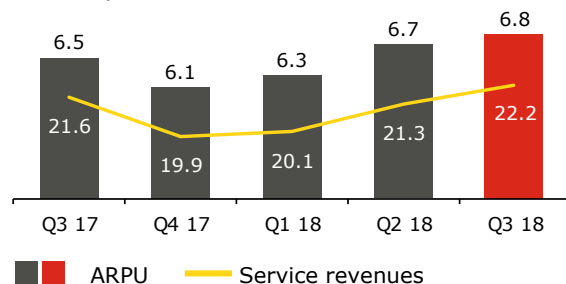




# Segment Macedonia – Mobile key performance indicators

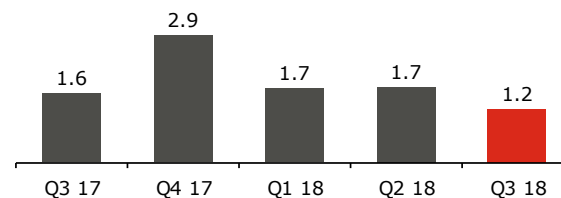
## ARPU & Service revenues

(in EUR, in EUR million)



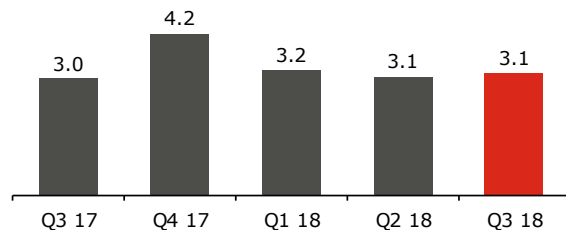
## Churn rate

(in %)



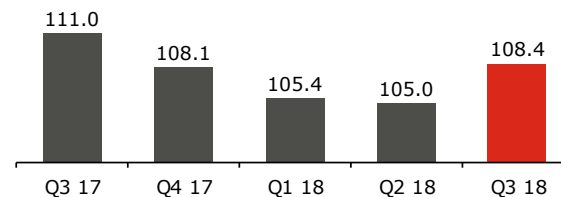
## Subsidies

(in EUR million)



## Mobile penetration

(in %)





# Appendix 2 – Regulatory topics

# Glide Path of Mobile Termination Rates

Currently no further reductions expected

	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	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	MTS 0.025/0.0125 BeST 0.018/0.009	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
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	2019 (3400-3800 MHz) 2019 (700, 1500, 2100 MHz) 2020 (1500, 2300 MHz)	3400–3800 Mhz auction in February 2018.
Bulgaria	2018-2019 (800, 1800, 2100 MHz) 2020 (2600, 3400-3800 MHz)	An agreement between mobile operators, NRA and ministry of defense will be signed in order to start tests in 800 MHz.
Croatia	2018 (2100 MHz) 2019 (2600 MHz) 2021 (700 MHz)	
Belarus	2019 (2100 MHz) 2019 (700 MHz)	
Slovenia	2019 (700 MHz) 2019 (1400, 2300, 3400-3800 MHz, 2100 MHz)	700 MHz: Subject to international coordination of clearing that band.
Republic of Serbia	2020 (700, 2600, 3500 MHz)	-
Republic of Macedonia	2020 (700 MHz) 2022 (2100 MHz) 2020 (3500 MHz)	-

\* Please note that this is a list of expected spectrum awards procedures. Whether A1 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	30 April 2016	15 June 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	30 April 2016	15 June 2017	1 January 2018	1 January 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.

Results for the first nine months and third quarter 2018

The background of the slide is a dark blue gradient. Overlaid on this is a complex, abstract network of glowing nodes and connecting lines. The nodes are primarily white and blue, with some red nodes scattered throughout. The lines are thin and blue, creating a web-like structure that suggests connectivity and technology.

# **Appendix 3 – Personnel restructuring in Austria**

# Full Year Overview – Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

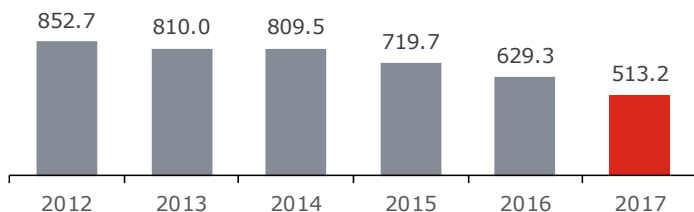
	2012	2013	2014	2015	2016	2017
FTE reduction	49.9	149.0	86.4*	69,5**	95.0	9.1
Servicekom contribution	-76.7	-103.8	-39.4	-72.0	-96,9***	-27.3
Interest rate adjustments	61.4	0.0	42.6	2.9	9.2	0.0
<b>Total</b>	<b>34.7</b>	<b>45.2</b>	<b>89.6</b>	<b>0.4</b>	<b>7.2</b>	<b>-18.2</b>

## FTEs addressed

	2012	2013	2014	2015	2016	2017
Transfer to government	44	22	52	49	6	3
Social plans	94	409	199	270	269	31
Staff released from work	0	0	0	0	0	0
<b>Total</b>	<b>138</b>	<b>431</b>	<b>251</b>	<b>319</b>	<b>275</b>	<b>34</b>

## Overview restructuring provision\*\*\*\*

(in EUR million)



## Provisioned FTEs

	2012	2013	2014	2015	2016	2017
Transfer to government	308	330	242	205	193	176
Social plans	1,030	1,315	1,460	1,661	1,821	1,707
Staff released from work	510	410	350	253	200	172
<b>Total</b>	<b>1,848</b>	<b>2,055</b>	<b>2,052</b>	<b>2,119</b>	<b>2,214</b>	<b>2,055</b>

\* 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 ('Vorrückungssstichtag')

\*\* 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

## Overview cash flow impact (in EUR million)

### Total cash flow impact

2013	108.0
2014	107.1
2015	101.9
2016	105.5
2017	102.4
Q1 2018	24.3
Q2 2018	23.5
Q3 2018	23.8

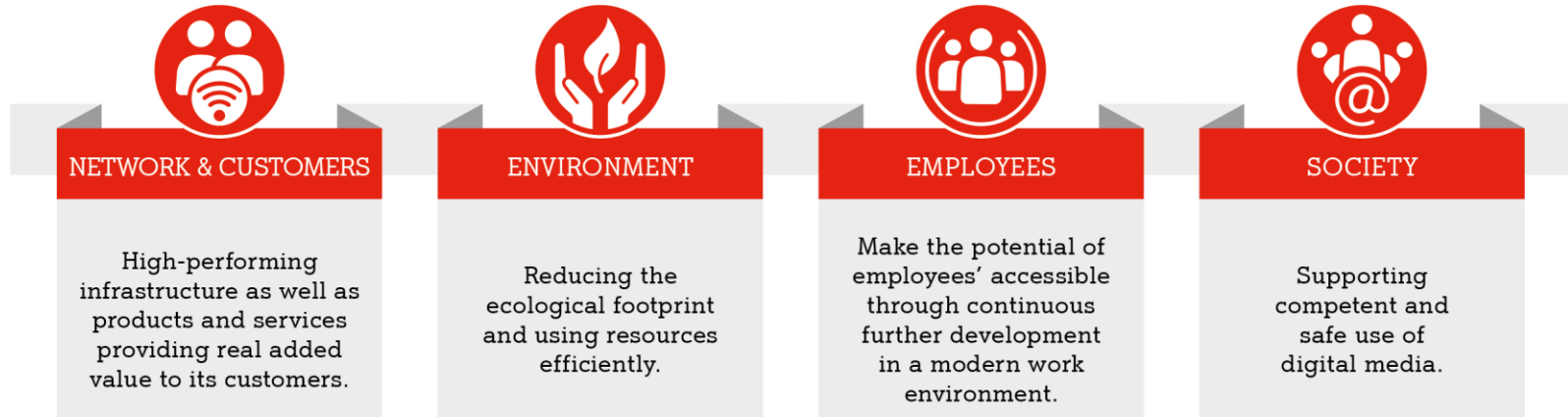
- Total cash flow impact comprises old and new programmes
- Cash flow impact for Q3 2018 of EUR 23.8 mn
- Expected cash flow impact for 2018 of approximately EUR 100 mn





# Appendix 4 – Corporate sustainability

# Alignment with core business and materiality analysis define sustainability strategy



# Key figures – Corporate Sustainability

## Selected group-wide KPIs

<b>Environment</b>	<b>2017</b>
Total CO <sub>2</sub> emissions (Scope 1+2 market-based in tonnes)	218,488
Energy efficiency index (in Mwh/terabyte)	0,2
Paper consumption (in kg)	1,614,058
Collected old mobile phones (in pcs)	73,860
E-billing share (in %)	72
<b>Employees</b>	<b>2017</b>
Share of female employees (in %)	38
Share of female executives (in %)	36
<b>Society</b>	<b>2017</b>
Participations in trainings on media literacy	28,817
Local projects	over 30

## Ratings



Classification: B-



Classification: B-



## Indices



## Memberships

