

Roadshow Presentation Results for the fourth quarter and full year 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.

The background of the slide is a dark blue field with a complex network of glowing nodes and connecting lines. The nodes are primarily white and blue, with some red and orange nodes scattered throughout. The lines are thin and blue, creating a sense of a global or digital network.

Operational and financial highlights for the full year 2018

Highlights FY 2018



- Strong performance in Austria and most CEE countries led to growth of 1.8% in revenues (adjusted: 3.1%*) and of 1.6% in EBITDA, excl. restructuring (adjusted: 3.6%*)
- Mobile contract customer base increase of 4.1% y-o-y due to ongoing shift from prepaid to contract and M2M, migrations to higher tariffs and strong demand for WiFi router
- Increase of RGUs by 3.7% y-o-y due to strong BB and TV trends with ARPL growing in most markets
- Steady demand for ICT solutions and complementary connectivity continues to benefit service revenues



- A1 brand successfully launched in Bulgaria and Croatia
- Innovative products in the areas of entertainment and smart living as well as security solutions fitting A1 connectivity proposition
- A1 Digital: customer wins confirm growing traction; further investments and intensified sales actions



- Smart network rollout continued:
 - Austria: 333k more high-speed ready households as part of NGA rollout in 2018
 - Next Generation Data Center in Austria launched in Q4 2018
 - Next phase of future-proof mobile networks preparation towards 5G

FY 2018 – Solid service revenue growth translated into strong operative EBITDA increase

Group (in EUR million)	FY 2018	FY 2017	% change
Total revenues (proforma*)	4,466.4	4,388.5	1.8%
EBITDA (proforma*)	1,380.6	1,398.9	-1.3%
excl. restructuring	1,402.7	1,380.7	1.6%
Net Income (reported)	242.7	345.5	-29.7%
CAPEX (proforma*)	771.0	738.0	4.5%



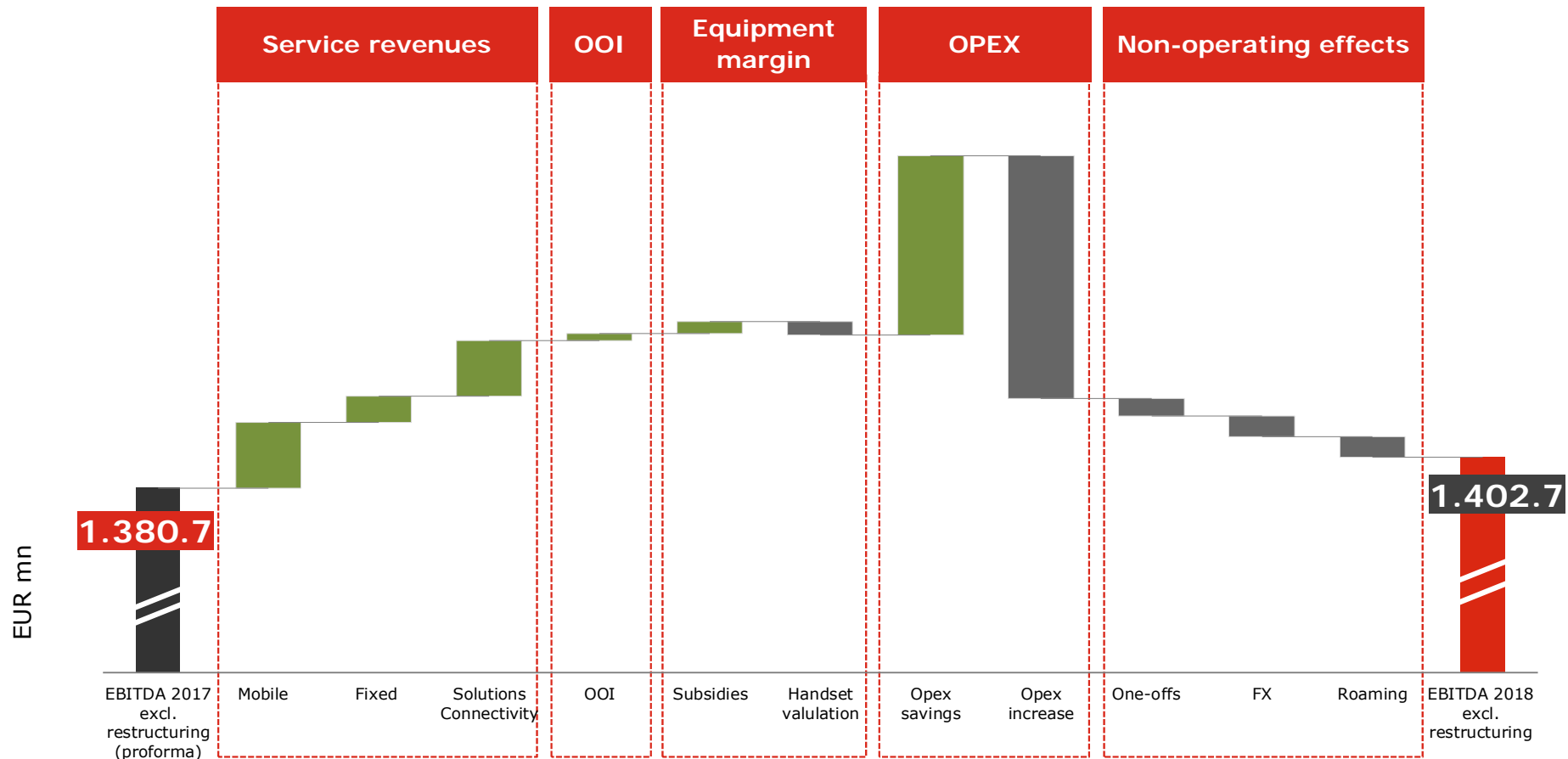
- Revenue increase of 3.1% on an adjusted** basis with service revenue growth in all markets except for Slovenia.
- EBITDA on an adjusted** basis increased by 3.6% driven by strong growth in Austria and most of the CEE segments; ~EUR 15 mn negative roaming impact on Group EBITDA in FY 2018 more than offset.
- Net income declined due to amortization of brand values (EUR 198 mn in D&A in 2018; EUR 122 mn in 2017) and as the prior-year was positively impacted by a lower effective tax rate (income taxes of EUR 99.7 mn 2018 vs. EUR 3.0 mn 2017).
- CAPEX higher due to investments in Austria (fiber roll-out, datacenter) as well as investments in CEE in late 2018.

* Proforma figures include effects of M&A transactions executed between the start of the comparison period and the end of the reporting period.

** Adjusted basis excluding one-off and FX effects as well as restructuring charges:

- One-off effects: EUR +5.0 mn (2017: EUR +30.4 mn) in revenues; EUR +9.4 mn (2017: EUR +21.3 mn) in EBITDA
- Restructuring charges: EUR 22.1 mn in FY 2018 versus positive EUR 18.2 mn in FY 2017
- FX effects: negative EUR 30.7 mn and EUR 14.9 mn in revenues and EBITDA respectively in FY 2018

FY 2018 – EBITDA benefits from service revenue growth in all areas and strong focus on sales execution

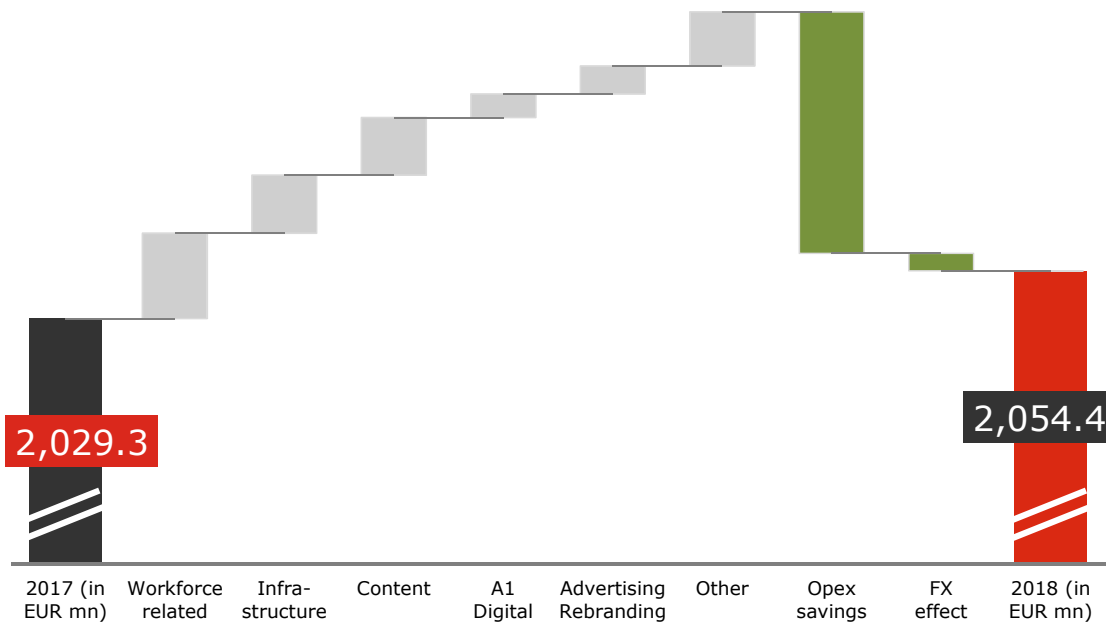


Results for the fourth quarter and full year 2018

- Restructuring charges: negative EUR 22.1 mn in FY 2018 versus positive EUR 18.2 mn in FY 2017

Ongoing cost efficiencies more than offset indirect cost increases*

OPEX** development 2018



* indirect costs: costs which are not directly product- or sales-related, overhead costs

** excl. interconnection, roaming, equipment and restructuring costs; proforma figures

Savings initiatives 2019

- Ongoing program 'Sourcing 4 Success' will target especially the following areas:
 - Maintenance
 - Customer Service
 - Energy
- Focus on process efficiency and process automation
- Investments in IT-system simplifications
- Savings from lower frequency fees in Croatia
- Drive digital transformation forward:
 - Customer provisioning
 - Customer post-sales processes
- OPEX savings in 2019 are expected to be at a similar level like in 2018

The background of the slide is a dark blue field filled with a complex network of glowing nodes and connecting lines. The nodes are small spheres in white, red, and blue, while the lines are thin and translucent in blue and red. The overall effect is a sense of dynamic connectivity and digital infrastructure.

Key financial developments for the fourth quarter 2018

Q4 2018 in line with FY trends: Strong service revenues translated into EBITDA growth

Group (in EUR million)	Reported Q4 2018	Reported Q4 2017	% change
Total revenues	1,165.1	1,130.0	3.1%
EBITDA	293.0	288.3	1.6%
excl. restructuring	306.8	283.3	8.3%
CAPEX	263.7	238.5	10.6%

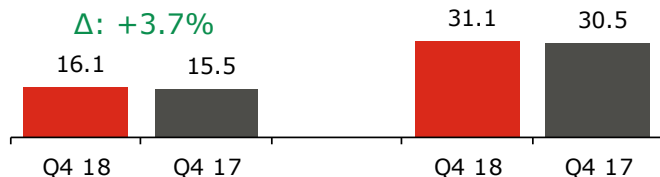


- Service revenue growth in all markets except for Slovenia (increase in Belarus excl. FX effects) with growth both in the fixed-line and the mobile business; solutions & connectivity revenues particularly high in Austria.
- EBITDA excl. restructuring* showed a strong increase, especially driven by Austria and Bulgaria.
- CAPEX increase in Q4 2018 driven by higher investments in CEE, stemming mainly from satellite IRU in Bulgaria and VULA agreement in Slovenia.

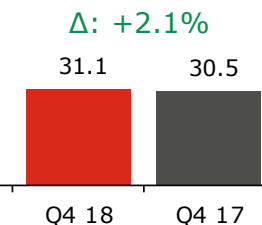
* Restructuring charges: EUR 13.9 mn in Q4 2018 (positive effect of EUR 5.0 mn in Q4 2017)
The combined effects from the one-offs and FX caused the levelling out on Group level

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

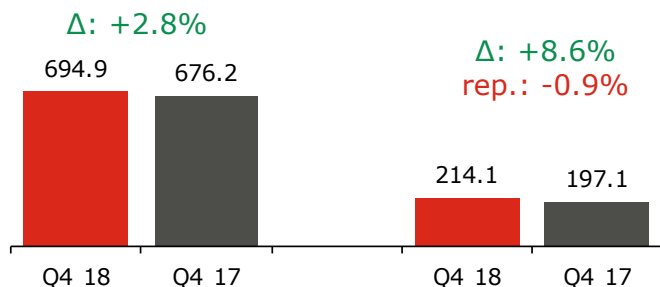
ARPU
(in EUR)



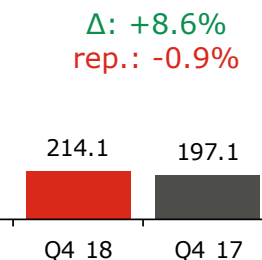
ARPL
(in EUR)



Total revenues
(in EUR mn)



EBITDA*
(in EUR mn)



rep.: -0.9%

Operational data

- High demand for mobile WiFi routers and sound development in high-value tariffs both benefit postpaid subscriber base (+1.2%) and ARPU development
- Higher ARPL due to strong demand for higher bandwidth and TV options as well as price indexation
- 1.9% RGU decrease mainly driven by voice; broadband RGUs declined slightly year-on-year

Financial performance

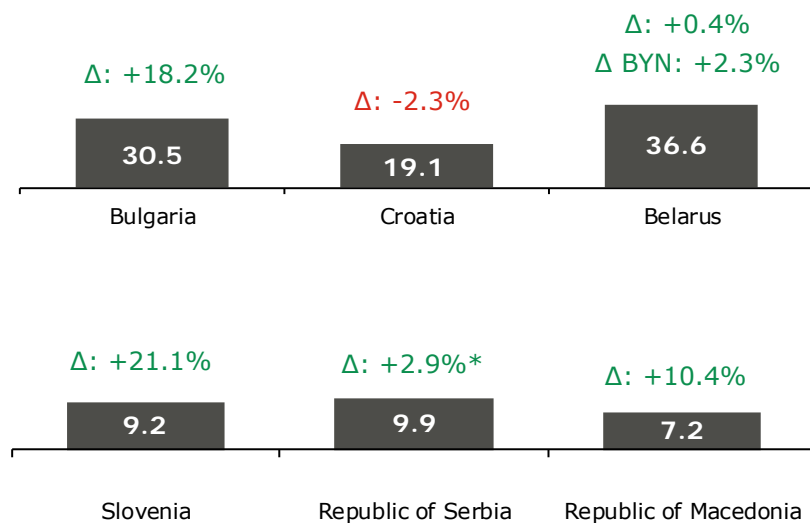
- Strong service revenue growth (+3.8%), driven by mobile & completion of large ICT corporate projects in Q4 2018
- OPEX excl. restructuring remained stable. Lower interconnection, roaming costs and cost efficiencies (i.e. network engineering, maintenance) outweighed higher costs for leased lines and content
- Subsidy per handset increased due to higher-value handsets but overall lower quantities
- Restructuring charges increased due to accelerated program

* excl. restructuring charges of EUR 13.9 mn in Q4 2018 and positive EUR 5.0 mn in Q4 2017 10

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

EBITDA

(proforma, in EUR mn)



* EUR 3.8 mn positive effect in Q4 2017 in OOI in the Republic of Serbia



Results for the fourth quarter and full year 2018

Highlights CEE

Bulgaria:

- Ongoing fixed-line service revenue growth mainly driven by the business segment and TV
- Mobile: Solid trends in the business segment continued; mobile residential service revenues also grew

Croatia:

- Service revenue growth of 4.1% due to high demand for mobile WiFi routers and strong broadband & TV, profiting fixed-line revenues
- Increased equipment revenues due to promotions
- EBITDA declined as lower equipment margin, rebranding costs (no further effect in 2019) and higher content costs were not offset by lower frequency usage fees and bad debt as well as higher service revenues

Belarus:

- Revenues in local currency benefited from rising equipment and fixed-line revenues; lower mobile service revenues due to less data packages sold
- EBITDA increased as solid fixed-line trends and a better equipment margin were able to offset lower mobile service revenues and cost increases
- FX-impact: EUR -3.5 mn on revenues and EUR -0.8 mn on EBITDA

Other segments:

- EBITDA in Slovenia profited from higher OOI in Q4 2018 and cost savings
- Both Serbia and Macedonia benefited from attractive tariff propositions and strong demand for WiFi router

FY 2018: Stable free cash flow as the strong operational performance and lower interest paid offset higher CAPEX paid

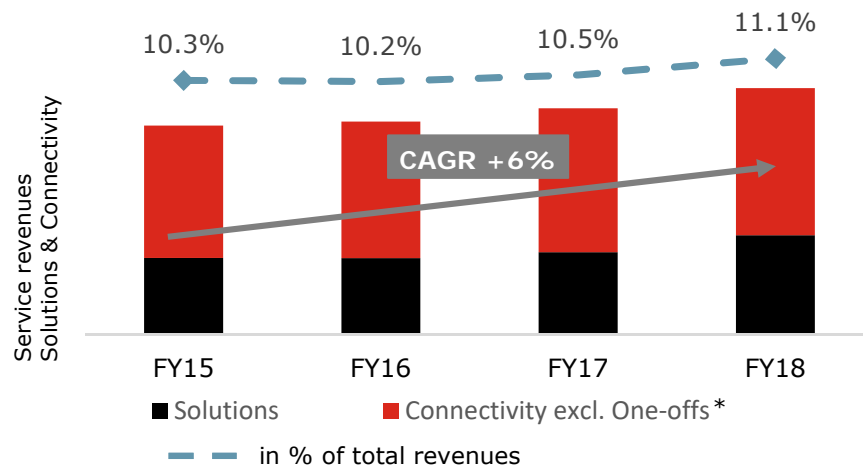
<i>(in EUR million)</i>	Q4 2018	Q4 2017	% change	FY 2018	FY 2017	% change
Net cash flow from operating activities	314.1	264.7	18.7%	1,232.3	1,174.8	4.9%
Capital expenditures paid	-212.9	-184.3	15.5%	-771.5	-705.4	9.4%
Proceeds from sale of plant, property and equipment	-2.5	3.3	-174.6%	7.5	15.1	-50.3%
Interest paid	-40.7	-35.2	15.8%	-84.2	-99.8	-15.6%
Free Cash Flow	58.0	48.6	19.4%	384.2	384.7	-0.1%

- Stable free cash flow in FY 2018 as ...
 - ... continuing strong cash flow from operations
 - ... as well as lower interest paid due to bond repayments and the use of favorable refinancing offset
 - ... higher CAPEX paid due to higher investments in full year 2018 and outstanding cash-receipts from government grants for the subsidized fiber roll-out
- Working capital needs of EUR 31.4 mn (EUR 67.8 mn in FY 2017), driven by
 - EUR 73.3 mn increase in accounts receivable,
 - EUR 45.4 mn instalment plans, mitigated by
 - EUR 112.3 mn higher accounts payable
- Other financial positions of EUR -149.4 mn (EUR -136.6 mn in FY 2017) stemming mainly from
 - EUR 95.6 mn payments for restructuring and
 - EUR 63.7 mn income taxes paid

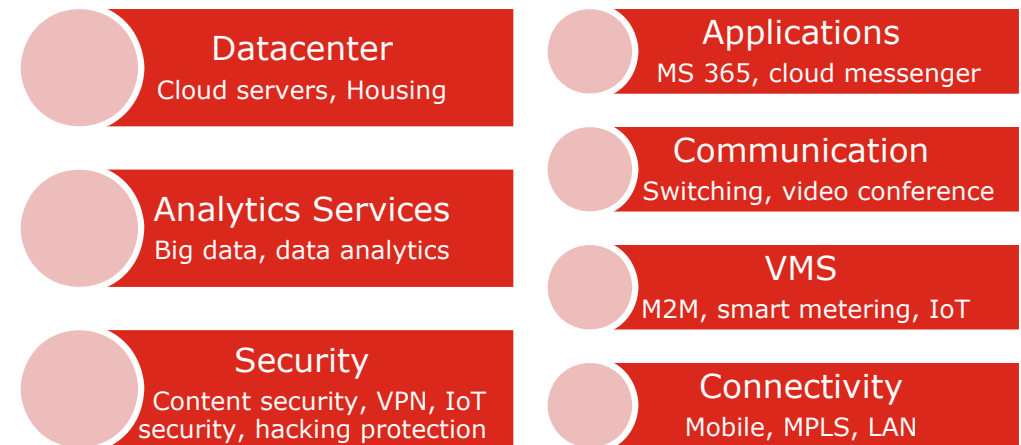
Focus Points



Fully integrated ICT propositions benefit both solutions and connectivity revenue trends



Unique combination of digital and traditional products

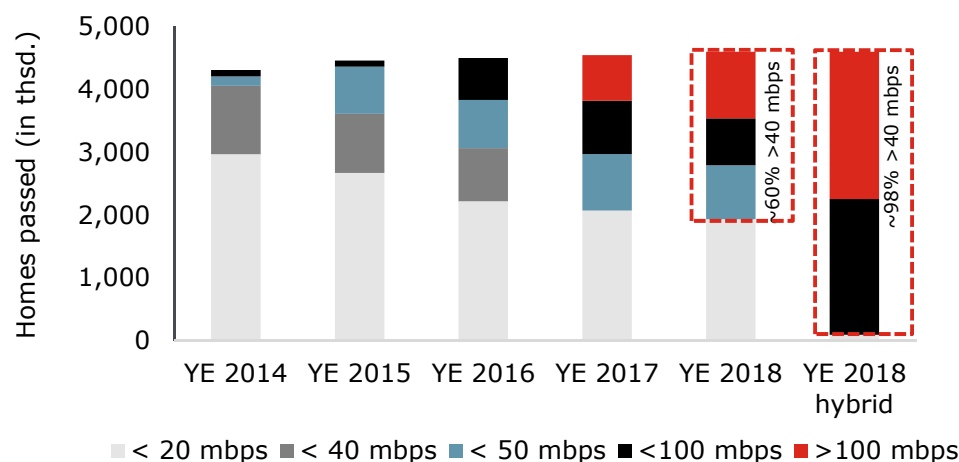


- Austria represents 90% of the Solutions & Connectivity revenues with growth in both areas
- Value proposition profits from convergence
- CEE markets recorded solid growth (+22% CAGR 2015-2018) with increasing demand
- A1 Group benefits from the ability to scale its solutions to customer size and needs

*Excl. positive EUR 10.5 mn one-off in 2015 and positive EUR 10.6 mn one-off in 2017

Results for the fourth quarter and full year 2018

Broadband roll-out in Austria provides best technology-mix in line with customer demand



~60%

of households reached via pure fixed-line with at least 40 Mbps product



40 Mbps

set as standard bandwidth for gross adds

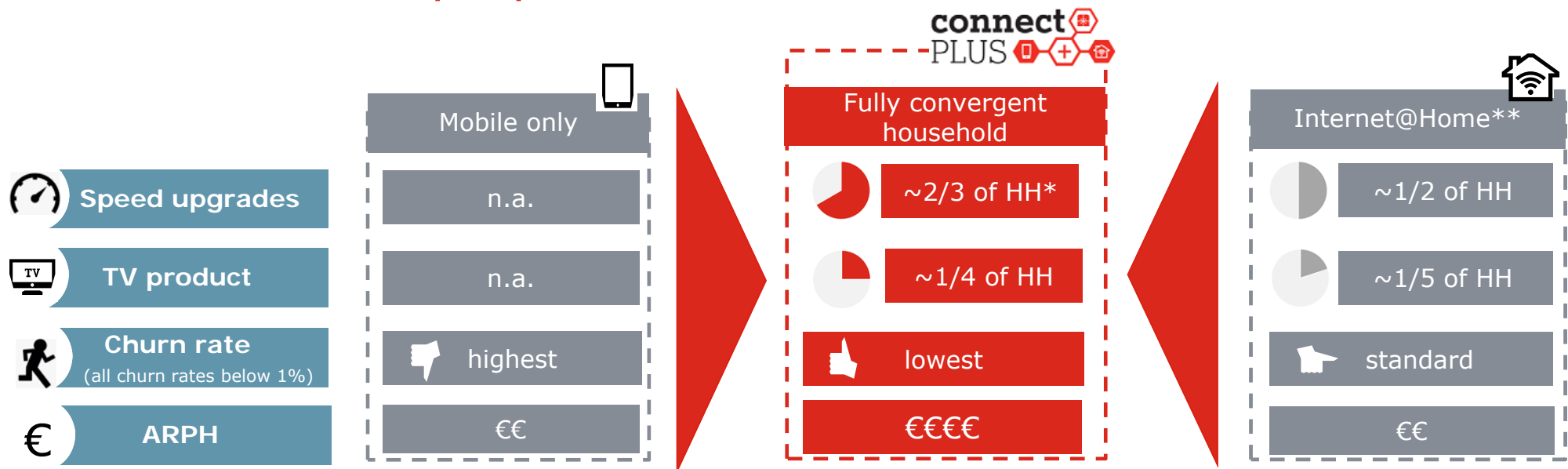


EUR
480 mn

total fibre investments in 2015-2018

- A1 Austria leverages best technology-mix, combining 4G/FTTx to provide so-called Internet@Home products, meaning broadband products used at home
- ~98% of households can be reached via hybrid modem, which combines fixed-line and mobile technologies
- Further growth potential as ~75% of existing customers have still products with a bandwidth of <40 Mbps
- Ongoing focus on fiber city push and subsidized roll-out in rural areas in 2019
 - Future investments are already included in CAPEX guidance

Austria: Further development of A1 customer base with the connect PLUS proposition



- Connect Plus program offers additional benefits to valuable FMC customers like additional data allowance, discounts, exclusive products and content
- The approach optimizes ARPH (average revenue per household), reduces the churn rate, increases the upselling potential and ensures sustainable revenue growth



Outlook for the full year 2019

A1 Telekom Austria Group outlook for the full year 2019

	February 12, 2019	Consensus 2019
Total revenues	~+2%	+1.1%
CAPEX	~ EUR 770 mn	EUR 750 mn*
Proposed dividend	EUR 0.21 / share	-

*CAPEX consensus excl. spectrum

- Outlook based on reported numbers under IFRS 15 and pre-IFRS 16; assumed devaluation of BYN vs. EUR: ~5-10%
- CAPEX: does not include investments in spectrum or acquisitions
- Dividend: intended proposal to the Annual General Meetings 2019 and 2020 for the financial years 2018 and 2019

Appendix 1

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

IAS 18 – IFRS 15 comparison shows same growth dynamics in FY 2018 revenues and EBITDA in both accounting standards

Income Statement (in EUR mn)	FY 2018 IAS 18	FY 2017* IAS 18	% change IAS 18	FY 2018 IFRS 15	FY 2017* IFRS 15	% change IFRS 15
Service revenues	3,828.2	3,780.9	1.3	3,680.8	3,626.8	1.5
Equipment revenues	546.2	504.4	8.3	662.6	618.4	7.2
Other Operating Income	91.9	103.2	-10.9	91.9	103.2	-10.9
Total Revenues	4,466.4	4,388.5	1.8	4,435.4	4,348.3	2.0
Cost of Equipment	-626.9	-584.2	7.3	-627.9	-582.5	7.8
Cost of Services	-1,395.6	-1,396.6	-0.1	-1,395.6	-1,396.6	-0.1
SG&A Expenses	-1,049.3	-996.7	5.3	-1,007.0	-951.2	5.9
Other Expenses	-13.9	-12.1	14.9	-13.9	-12.1	14.9
Total Costs and Expenses	-3,085.8	-2,989.6	3.2	-3,044.5	-2,942.4	3.5
EBITDA	1,380.6	1,398.9	-1.3	1,390.9	1,405.9	-1.1
EBITDA excl. restructuring	1,402.7	1,380.7	1.6	1,413.0	1,387.7	1.8
<i>% of Total Revenues</i>	<i>30.9%</i>	<i>31.9%</i>		<i>31.4%</i>	<i>32.3%</i>	
Depreciation and Amortisation	-956.5	-954.4	0.2	-956.5	-954.4	0.2
EBIT	424.1	444.5	-4.6	434.4	451.5	-3.8
<i>% of Total Revenues</i>	<i>9.5%</i>	<i>10.1%</i>		<i>9.8%</i>	<i>10.4%</i>	
Financial result	-81.7	-95.7	-14.6	-91.9	-104.0	-11.7
EBT	342.4	348.8	-1.9	342.5	347.5	-1.4
Income Taxes	-99.7	-3.1	n.m.	-98.8	-0.4	n.m.
Net Result	242.7	345.7	-29.8	243.7	347.1	-29.8

* FY 2017 includes proforma figures.



The leading regional communications player providing convergent telecommunication services

as of December 31, 2018 (in '000)

Austria

Mobile market position #1

Mobile subscribers:

- 5,364 (Q4 2017: 5,335)

Fixed access lines:

- 2,048 (Q4 2017: 2,118)

A1

Bulgaria

Mobile market position: #1

Mobile subscribers:

- 3,934 (Q4 2017: 3,977)

Fixed access lines:

- 536 (Q4 2017: 531)

A1

Croatia

Mobile market position #2

Mobile subscribers:

- 1,833 (Q4 2017: 1,773)

Fixed access lines:

- 297 (Q4 2017: 297)

A1



Belarus

Mobile market position #2

Mobile subscribers:

- 4,873 (Q4 2017: 4,864)

Fixed access lines:

- 452 (Q4 2017: 306)

velcom

Slovenia

Mobile market position #2

Mobile subscribers:

- 697 (Q4 2017: 703)

Fixed access lines:

- 74 (Q4 2017: 70)

A1

Republic of Serbia

Mobile market position #3

Mobile subscribers:

- 2,195 (Q4 2017: 2,183)

vip

Republic of Macedonia

Mobile market position #1

Mobile subscribers:

- 1,056 (Q4 2017: 1,072)

Fixed access lines:

- 164 (Q4 2017: 149)

one.vip



A1 Telekom Austria Group – Profit and Loss

(in EUR million)	Q4 2018	Q4 2017	% change
Service Revenues	973.6	940.2	3.6%
Equipment Revenues	170.0	161.5	5.3%
Other operating income	21.5	28.2	-24.0%
Total Revenues	1,165.1	1,130.0	3.1%
Cost of Service	-364.6	-365.6	0.3%
Cost of Equipment	-197.4	-183.9	-7.3%
Selling, General & Administrative Expenses	-303.8	-286.7	-6.0%
Others	-6.3	-5.5	-15.0%
Total Costs and Expenses	-872.1	-841.6	-3.6%
EBITDA	293.0	288.3	1.6%
<i>% of Total Revenues</i>	<i>25.1%</i>	<i>25.5%</i>	
Depreciation and Amortisation	-201.2	-308.4	34.8%
Impairment and Reversal of Impairment	0.0	0.0	n.a.
EBIT	91.7	-20.1	n.m.
<i>% of Total Revenues</i>	<i>7.9%</i>	<i>-1.8%</i>	
EBT (Earnings Before Income Taxes)	68.0	-42.3	n.m.
Net Result	43.5	-11.6	n.m.



Results for the fourth quarter and full year 2018

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

A1 Telekom Austria Group - Total Revenue Split

Total Revenues (in EUR million)	Q4 2018	Q4 2017	% change
Austria	694.9	676.2	2.8%
Bulgaria	116.2	112.1	3.6%
Croatia	113.2	106.9	5.8%
Belarus	99.5	95.9	3.8%
Slovenia	56.4	54.1	4.2%
Republic of Serbia	67.0	66.2	1.2%
Republic of Macedonia	30.2	28.6	5.6%
Corporate & other, eliminations	-12.2	-10.1	-21.1%
Total Revenues	1,165.1	1,130.0	3.1%

A1 Telekom Austria Group - Costs and Expenses Split

Costs and Expenses (in EUR million)	Q4 2018	Q4 2017	% change
Austria	494.7	474.2	4.3%
Bulgaria	85.7	86.3	-0.8%
Croatia	94.0	87.3	7.7%
Belarus	62.9	59.4	5.9%
Slovenia	47.2	46.5	1.4%
Republic of Serbia	57.1	56.6	0.8%
Republic of Macedonia	22.9	22.0	4.2%
Corporate & other, eliminations	7.6	9.3	-18.3%
Total Operating Expenses	872.1	841.6	3.6%



A1 Telekom Austria Group – Headcount development

FTE (Average Period)	Q4 2018	Q4 2017	% change
Austria	8,062	8,263	-2.4%
International	10,329	10,377	-0.5%
Corporate	375	335	12.0%
A1 Telekom Austria Group	18,765	18,974	-1.1%

FTE (End of Period)	Q4 2018	Q4 2017	% change
Austria	8,010	8,246	-2.9%
International	10,319	10,366	-0.5%
Corporate	376	345	8.9%
A1 Telekom Austria Group	18,705	18,957	-1.3%

A1 Telekom Austria Group – Capital expenditure split

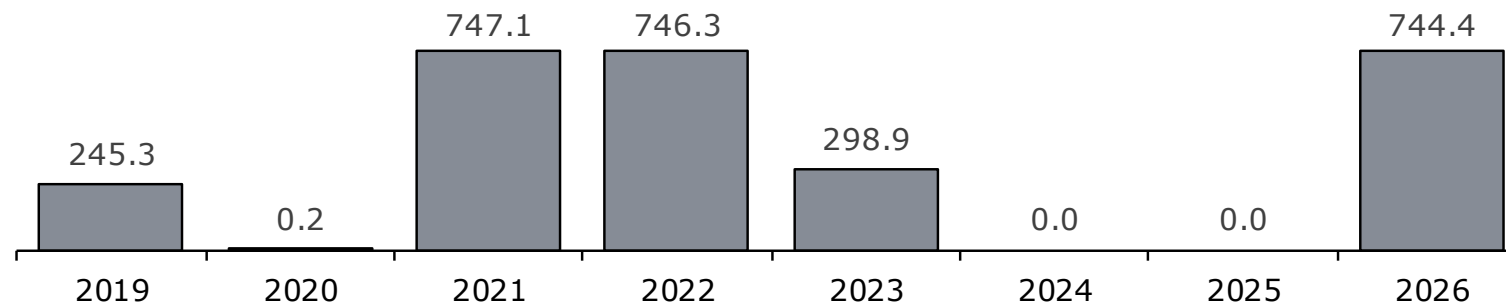
Capital Expenditures (in EUR million)	Q4 2018	Q4 2017	% change
Austria	135.0	131.3	2.8%
Bulgaria	35.6	25.9	37.8%
Croatia	31.7	31.8	-0.3%
Belarus	23.0	18.5	24.0%
Slovenia	16.4	11.6	41.5%
Republic of Serbia	16.1	11.8	36.3%
Republic of Macedonia	9.8	11.5	-15.1%
Corporate & other, eliminations	-3.9	-4.0	1.1%
Total Capital Expenditures	263.7	238.5	10.6%
thereof Tangible	194.0	182.5	6.3%
thereof Intangible	69.7	55.9	24.6%

A1 Telekom Austria Group – Net debt per December 31, 2018

Net Debt (in EUR million)	31 December 2018	31 December 2017	% change
Long-term Debt	2,536.8	2,533.6	0.1%
Short-term Borrowings	245.3	0.6	n.m.
Cash and Cash Equivalents and Short-term Investments	-63.6	-202.4	68.6%
Net Debt of A1 Telekom Austria Group	2,718.4	2,331.8	16.6%

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 December 31, 2018

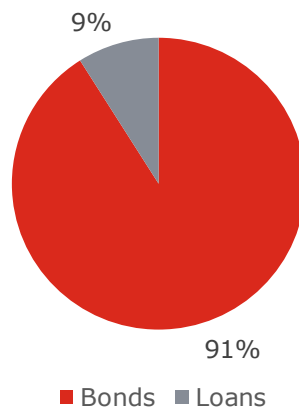


- EUR 2,782.0 mn short-and long-term borrowings as of 31 December 2018
- Average cost of debt of 2.68%
- Cash and cash equivalents and short-term investments of EUR 63.6 mn
- Average term to maturity of 4.28 years

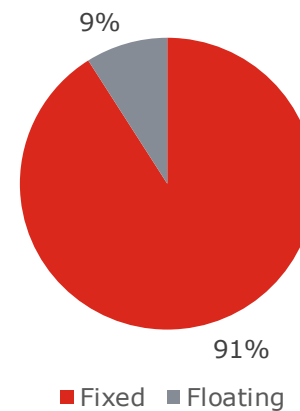
A1 Telekom Austria Group – Debt profile

as of December 31, 2018

Overview debt instruments



Fixed/floating mix



Lines of credit

- Undrawn committed credit lines amounting to EUR 1,015 mn
- Average term to maturity of 0.7 years

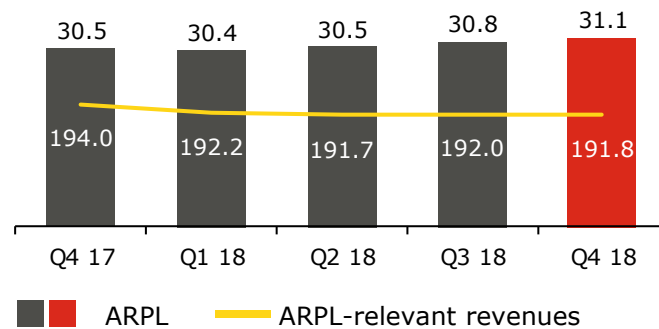
Ratings

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

Segment Austria – Fixed-line key performance indicators

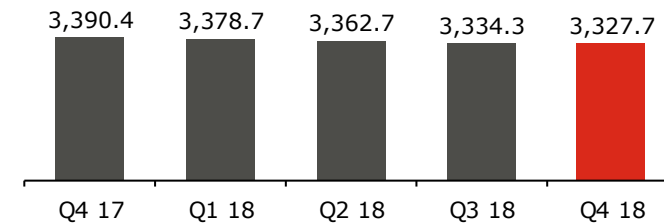
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



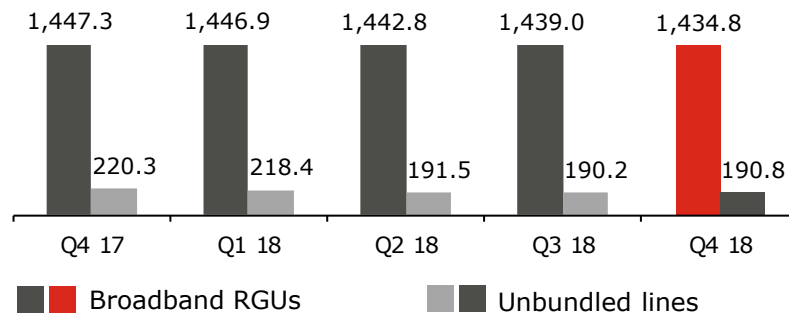
Total RGUs

(in '000)



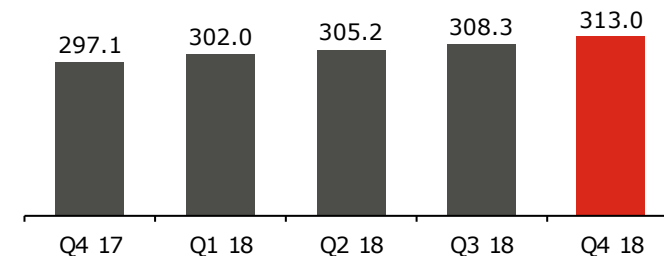
Broadband RGUs/unbundles lines

(in '000)



TV RGUs

(in '000)

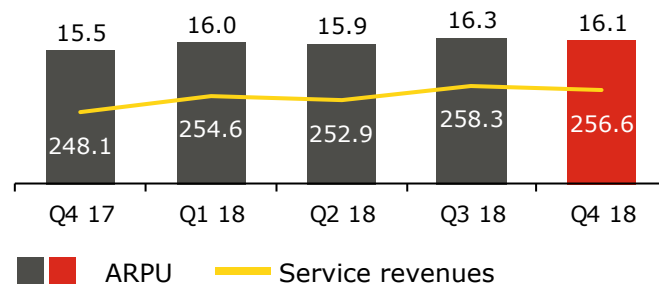


Results for the fourth quarter and full year 2018

Segment Austria – Mobile key performance indicators

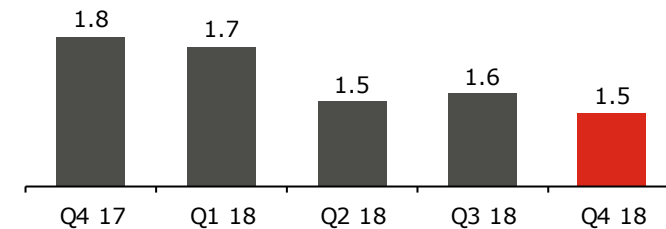
ARPU & Service revenues

(in EUR, in EUR million)



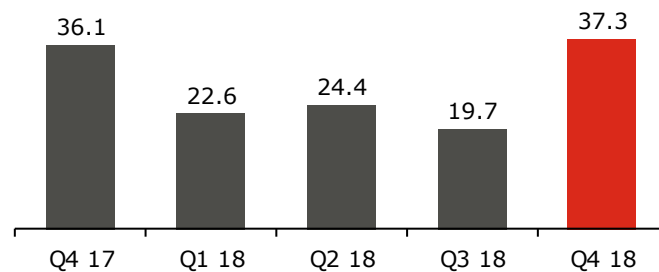
Churn rate

(in %)



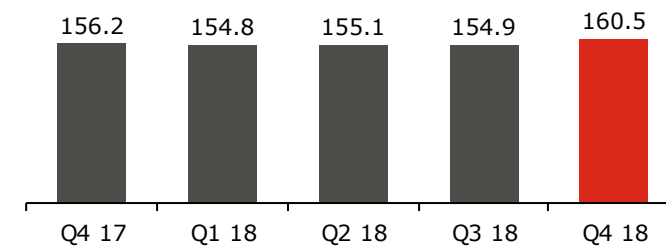
Subsidies (incl. promotional deals)

(in EUR million)



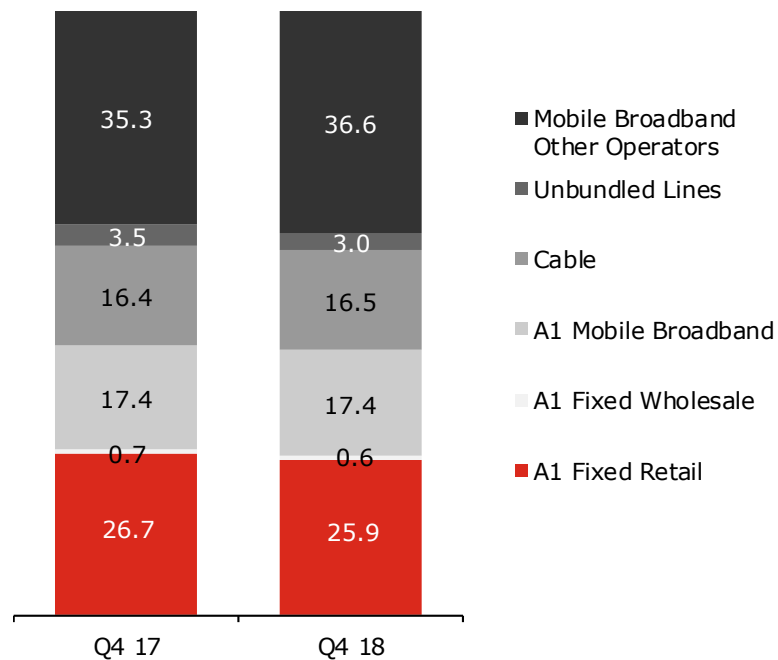
Mobile penetration

(in %)

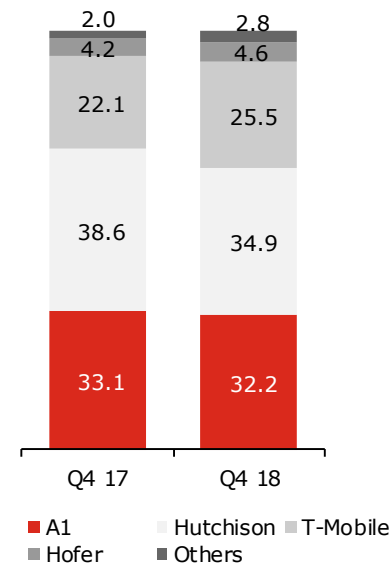


Segment Austria – Broadband market split

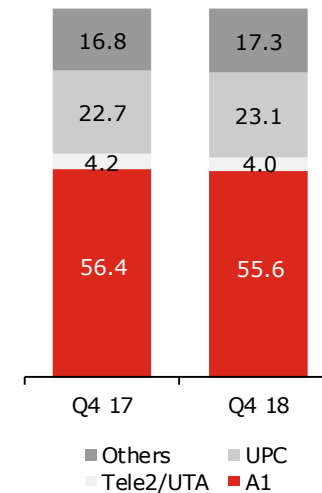
Market share total broadband
(in %)



Market share mobile broadband
(in %)



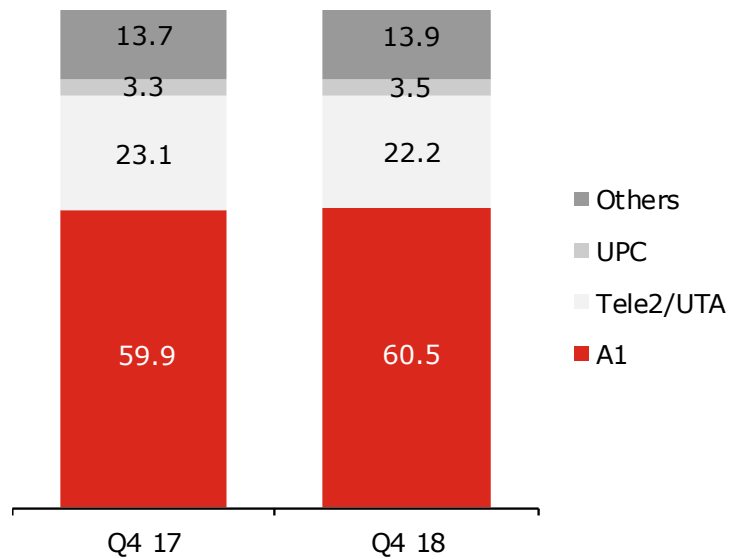
Market share fixed-line broadband
(in %)



Results for the fourth quarter and full year 2018

Segment Austria – Voice market split

Market share voice Minutes (in %)

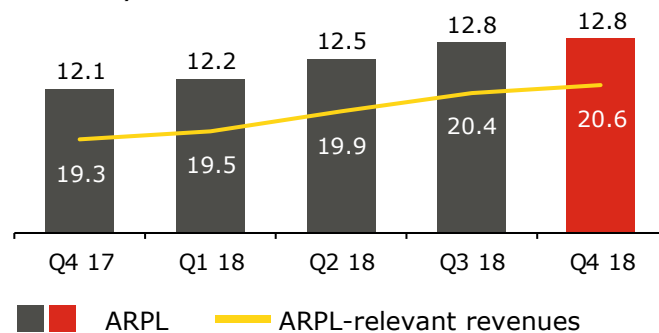


Results for the fourth quarter and full year 2018

Segment Bulgaria – Fixed-line key performance indicators

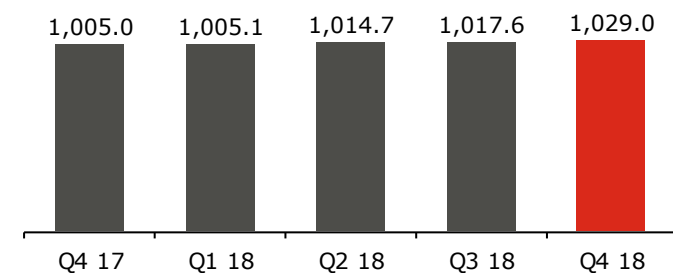
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



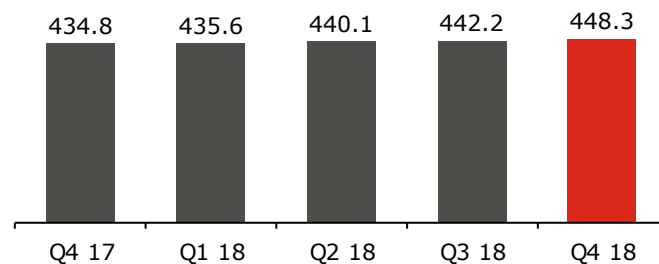
Total RGUs

(in '000)



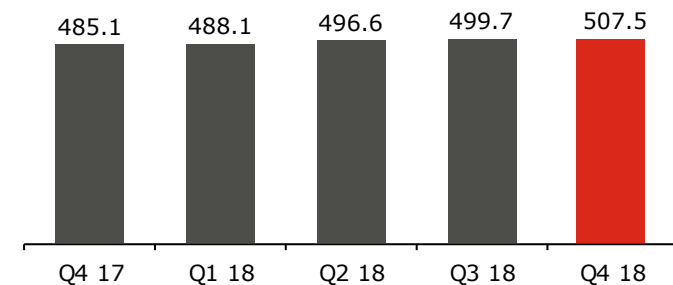
Fixed Broadband RGUs

(in '000)



TV RGUs

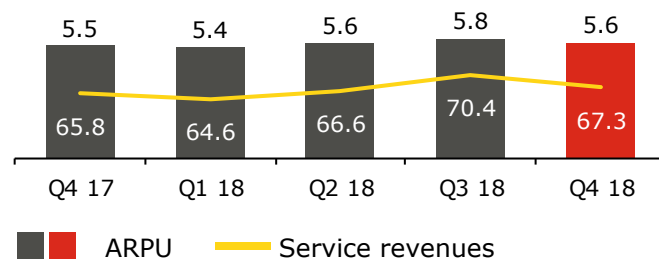
(in '000)



Segment Bulgaria – Mobile key performance indicators

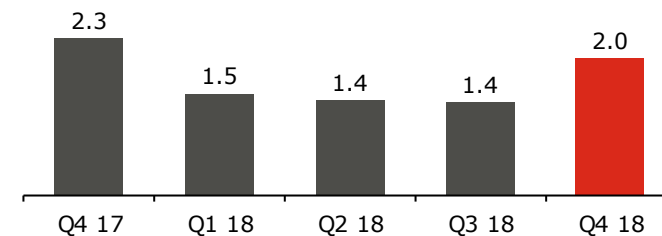
ARPU & Service revenues

(in EUR, in EUR million)



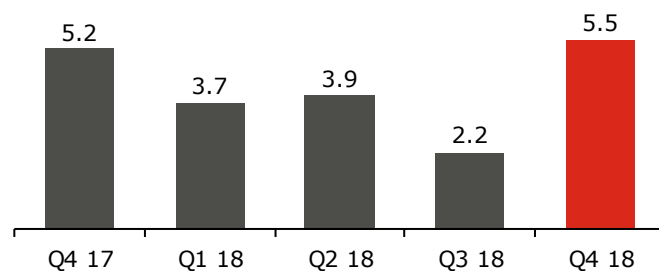
Churn rate

(in %)



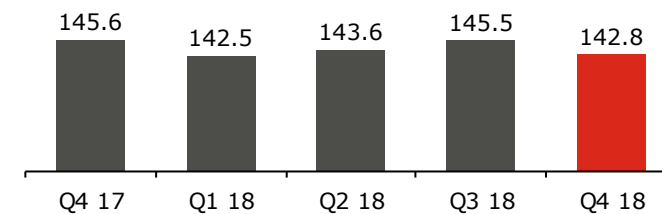
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

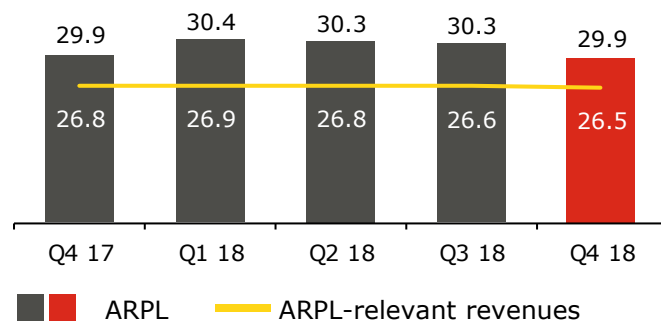
(in %)



Segment Croatia – Fixed-line key performance indicators

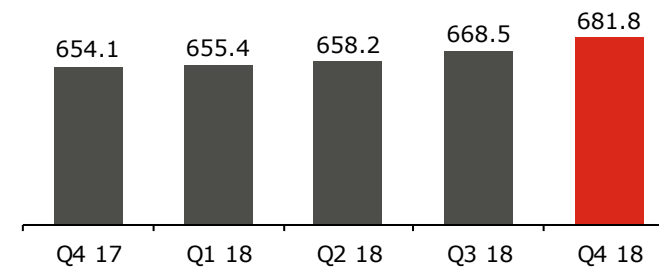
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



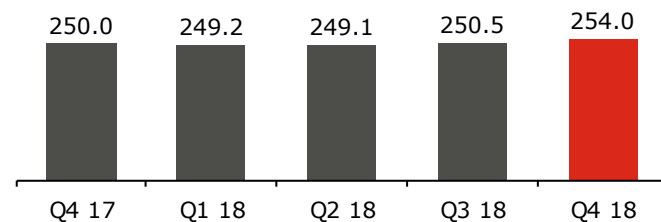
Total RGUs

(in '000)



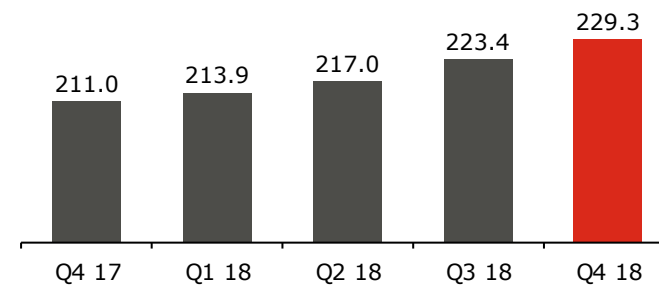
Fixed Broadband RGUs

(in '000)



TV RGUs

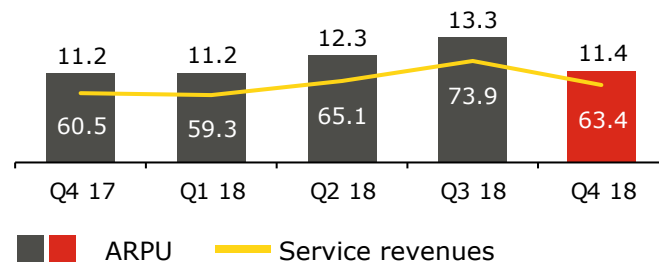
(in '000)



Segment Croatia – Mobile key performance indicators

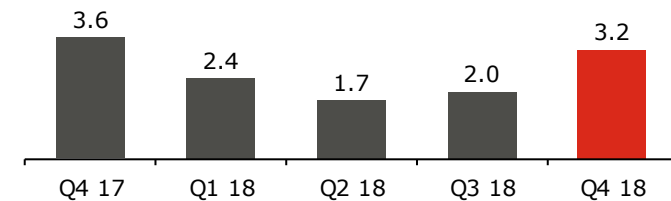
ARPU & Service revenues

(in EUR, in EUR million)



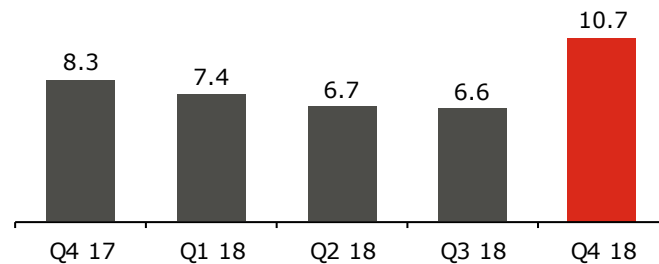
Churn rate

(in %)



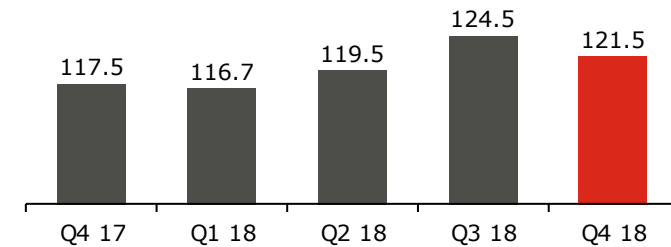
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

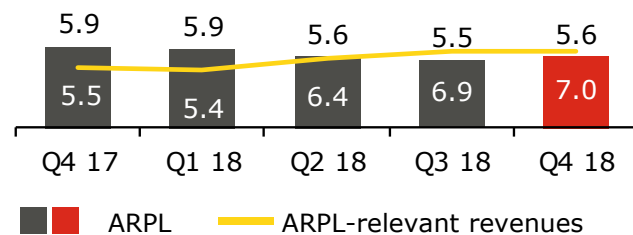
(in %)



Segment Belarus – Fixed-line key performance indicators

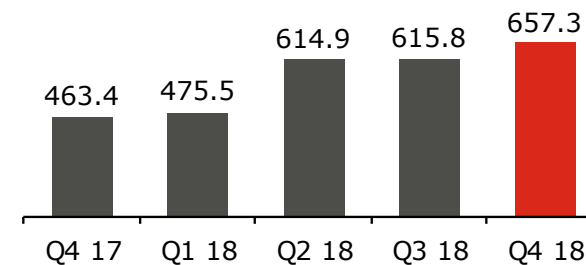
ARPL & ARPL-relevant revenues*

(in EUR, in EUR million)



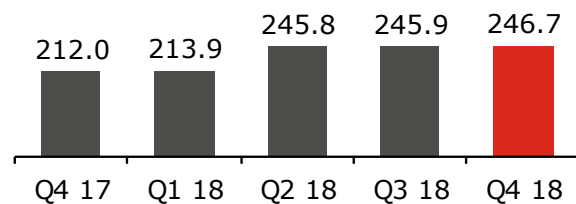
Total RGUs*

(in '000)



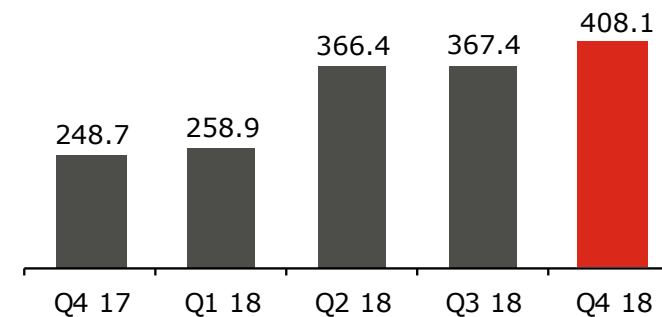
Fixed Broadband RGUs*

(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.

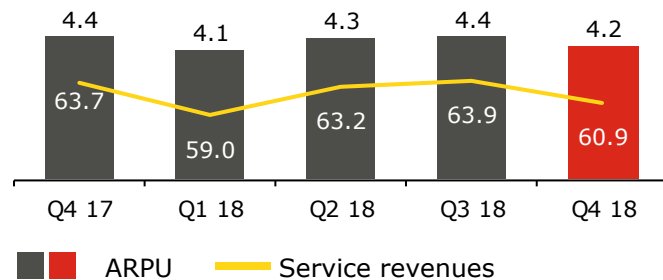


Results for the fourth quarter and full year 2018

Segment Belarus – Mobile key performance indicators

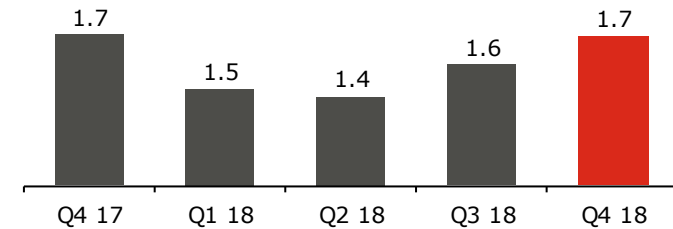
ARPU & Service revenues

(in EUR, in EUR million)



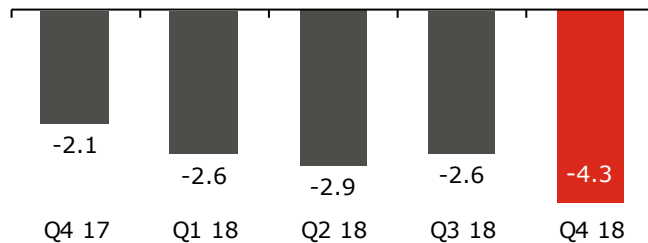
Churn rate

(in %)



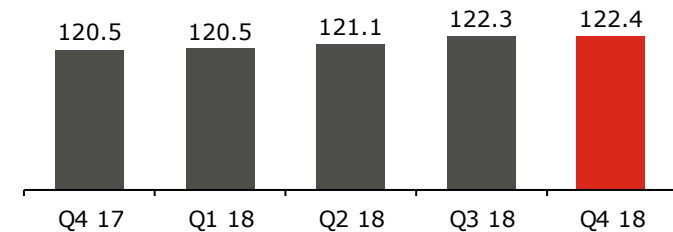
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

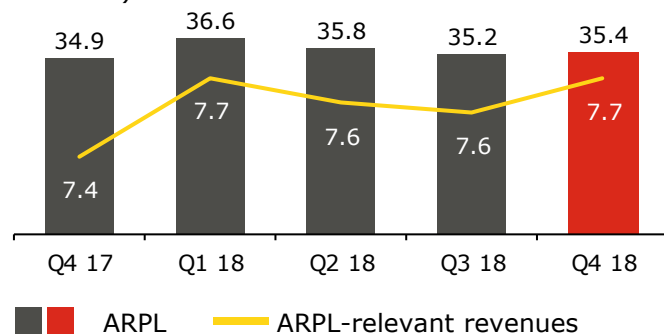
(in %)



Segment Slovenia – Fixed-line key performance indicators

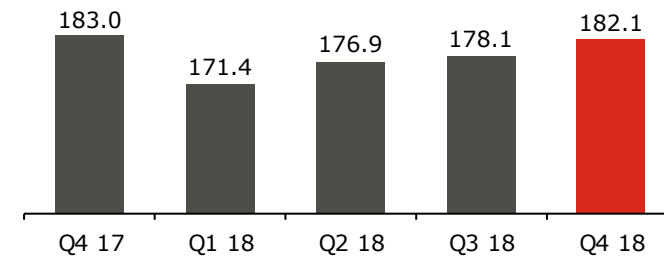
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



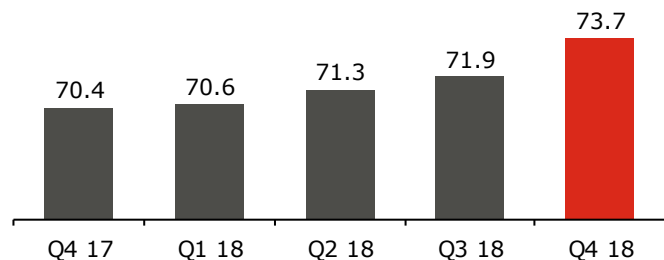
Total RGUs

(in '000)



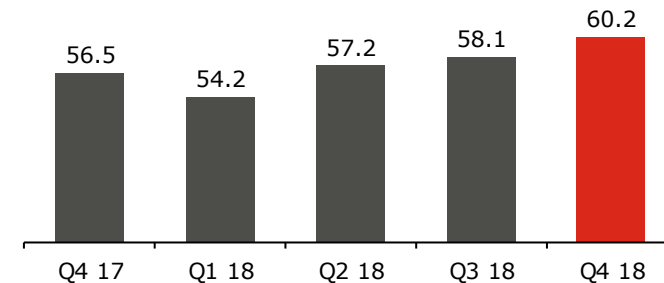
Fixed Broadband RGUs

(in '000)



TV RGUs

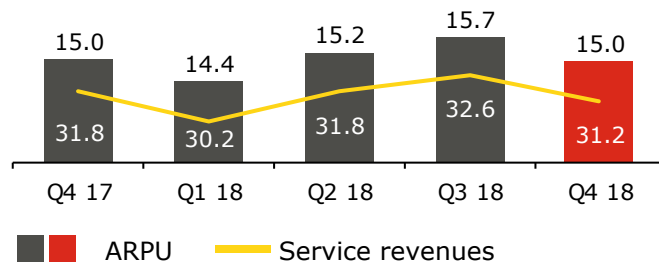
(in '000)



Segment Slovenia – Mobile key performance indicators

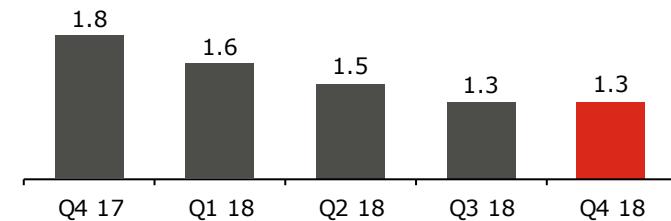
ARPU & Service revenues

(in EUR, in EUR million)



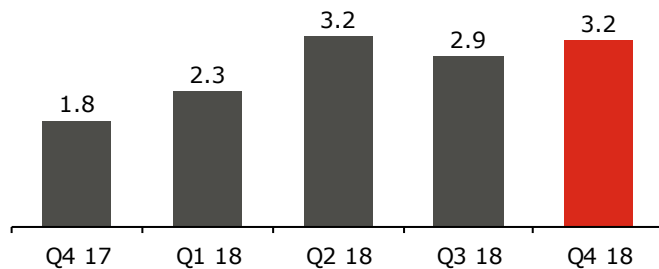
Churn rate

(in %)



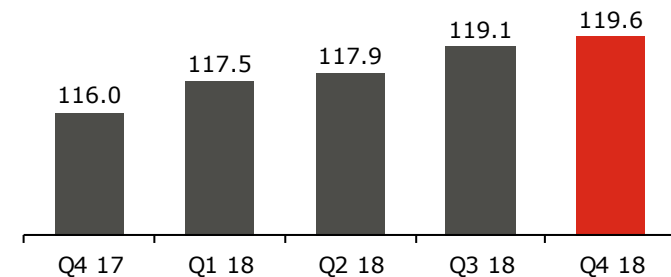
Subsidies

(in EUR million)



Mobile penetration

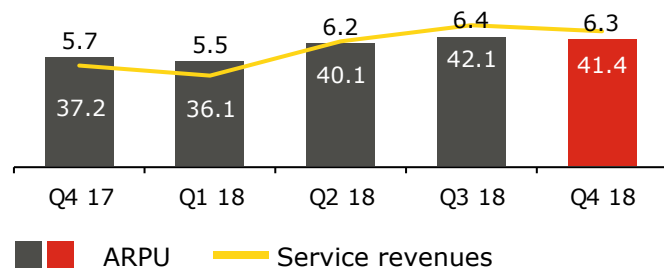
(in %)



Segment Serbia – Mobile key performance indicators

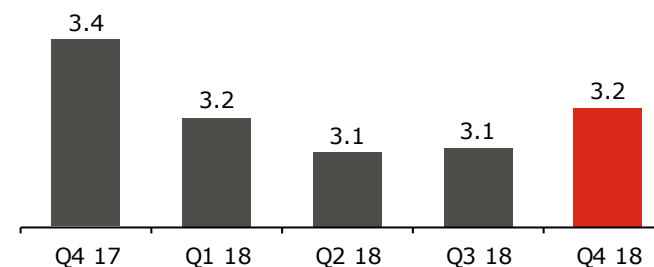
ARPU & Service revenues

(in EUR, in EUR million)



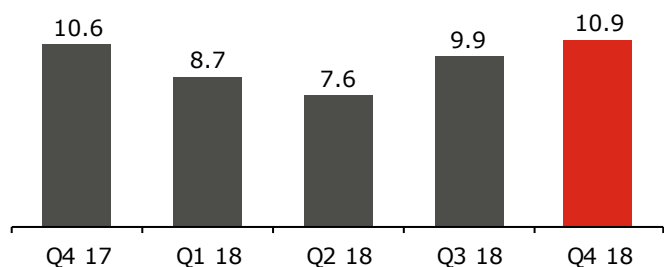
Churn rate

(in %)



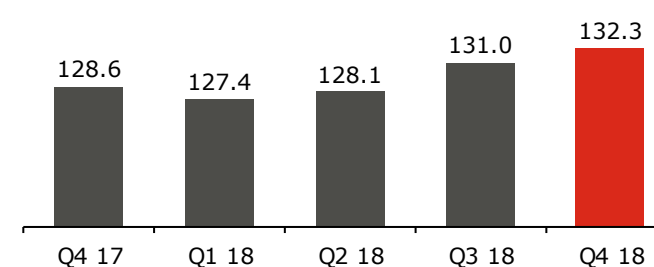
Subsidies (incl. promotional deals)

(in EUR million)



Mobile penetration

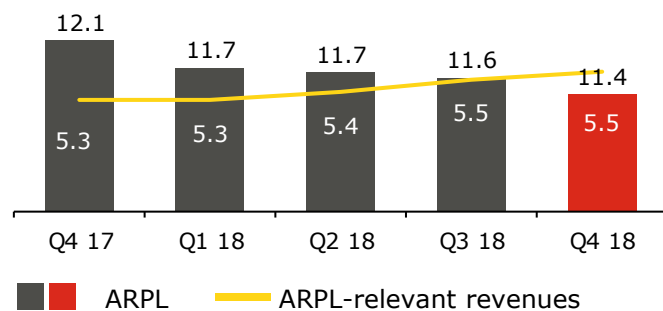
(in %)



Segment Macedonia – Fixed-line key performance indicators

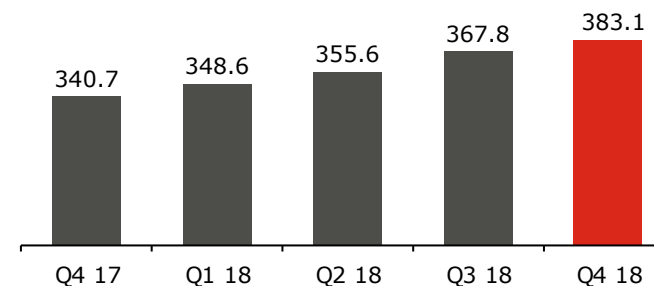
ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



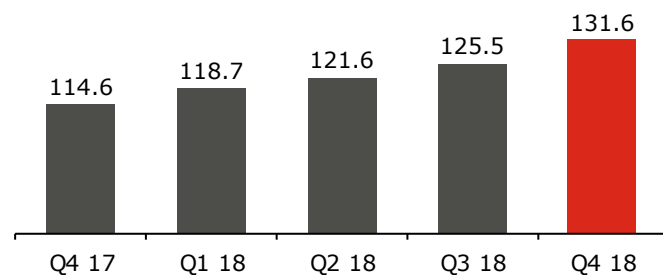
Total RGUs

(in '000)



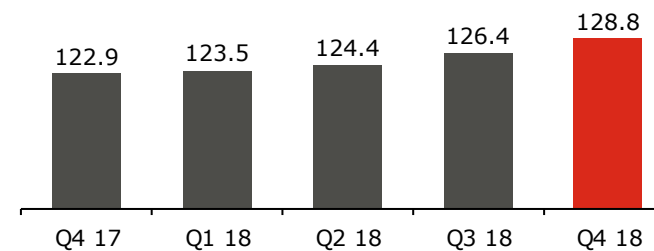
Fixed Broadband RGUs

(in '000)



TV RGUs

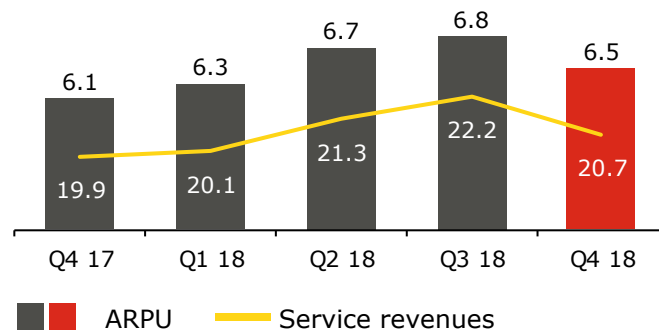
(in '000)



Segment Macedonia – Mobile key performance indicators

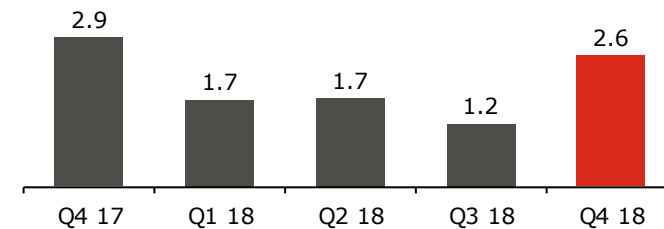
ARPU & Service revenues

(in EUR, in EUR million)



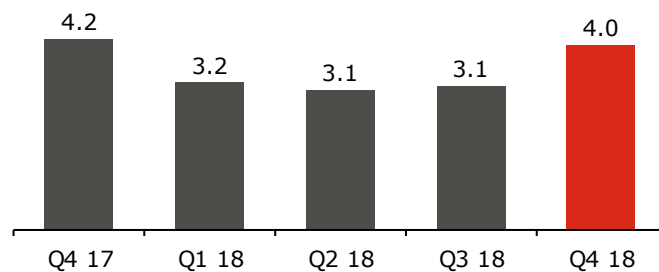
Churn rate

(in %)



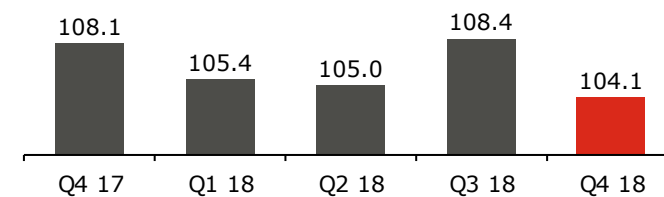
Subsidies (incl. promotional deals)

(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



Results for the fourth quarter and full year 2018

Upcoming spectrum tenders/prolongations/assignments*

	Expected	Comments
Austria	2019 (3400-3800 MHz) 2020 (700, 1500, 2100 MHz) 2020 (1500, 2300 MHz)	3400–3800 MHz auction in February 2019. 700/1500/2100 MHz auction planned for Q1/2020, consultation up & running
Bulgaria	2019 (1800, 2100, 2600 MHz) 2020 (800, 2600, 3400-3800 MHz)	Availability of spectrum in 800 MHz is dependent on the release of frequencies used by military.
Croatia	2019 (2100, 2600 MHz) 2021 (700 MHz)	2100 MHz auction opened in December 2018, official decision till 15 February 2019 2600 MHz allocation in Q1 2019
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	2019 (2100 MHz) 2020 (700 MHz) 2022 (2100 MHz) 2020 (3500 MHz)	Assignment of 2x15 MHz License in 2100 MHz band expected in Q1 2019.

* Please note that this is 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.



Results for the fourth quarter and full year 2018

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 blue, with some red nodes scattered throughout. The lines are thin and blue, creating a web-like structure that suggests a network or data flow. The overall effect is a high-tech, digital aesthetic.

Appendix 3 – Personnel restructuring in Austria

Full Year Overview – Restructuring charges and provision vs. FTE

Overview restructuring charges

(in EUR million)

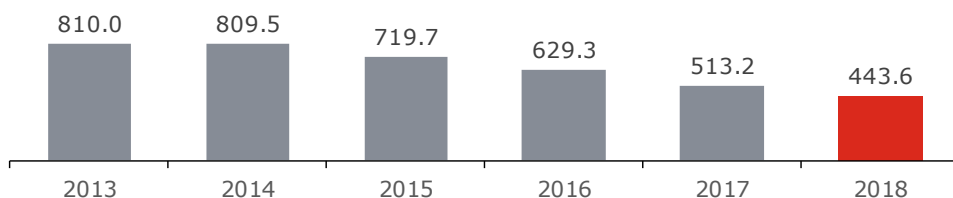
	2013	2014	2015	2016	2017	2018
FTE reduction	149.0	86.4*	69.5**	95.0	9.1	70.1
Servicekom contribution	-103.8	-39.4	-72.0	-96.9***	-27.3	-47.1
Interest rate adjustments	0.0	42.6	2.9	9.2	0.0	-0.9
Total	45.2	89.6	0.4	7.2	-18.2	22.1

FTEs addressed

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

Overview restructuring provision****

(in EUR million)



Provisioned FTEs

	2013	2014	2015	2016	2017	2018
Transfer to government	330	242	205	193	176	159
Social plans	1,315	1,460	1,661	1,821	1,707	1,748
Staff released from work	410	350	253	200	172	116
Total	2,055	2,052	2,119	2,214	2,055	2,023

* 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)

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
Q4 2018	24.0
FY 2018	95.6

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

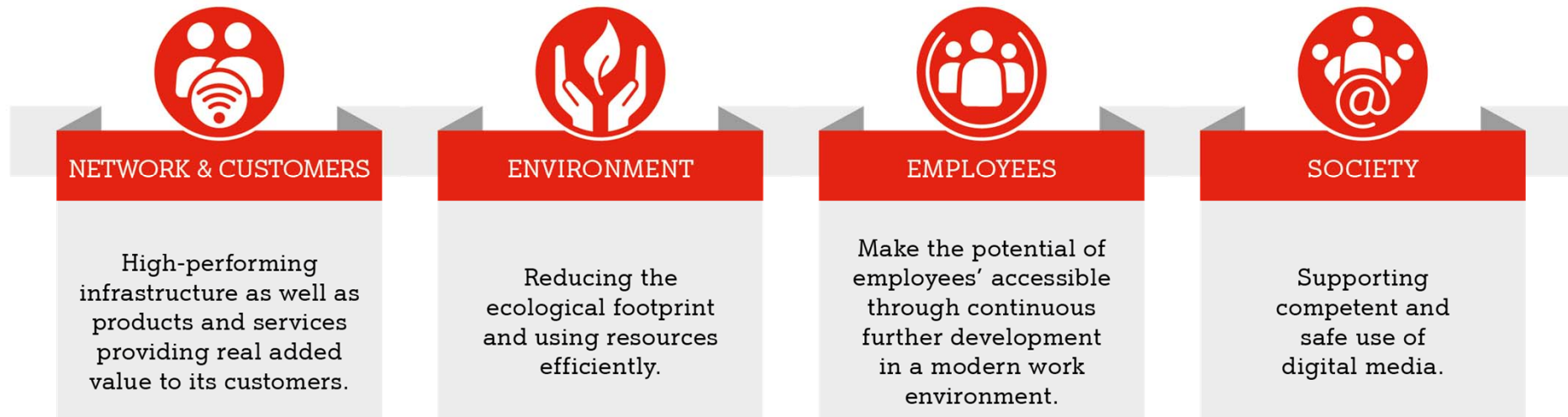
Restructuring outlook 2019f

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



Appendix 4 – 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)	1.127.925
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



Memberships

