



# Results for the First Quarter 2012

Vienna, 10 May 2012

## Cautionary Statement

“This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results.”



# Agenda

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- > Operational and Financial Highlights for the First Quarter 2012
  - > Key Financial Developments in the First Quarter 2012
  - > Focus Points
  - > Outlook for Full Year 2012
  - > Appendix
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# Operational and Financial Highlights for the First Quarter 2012

# Challenging First Quarter Results in Reduced Revenues and EBITDA comparable

- > Intensified competition in Austria, Bulgaria and Croatia as well as macroeconomic headwinds in the CEE region drive first quarter 2012
- > Group revenues and Group EBITDA comparable declined by 5.6% and 8.9% respectively
- > Excluding hyperinflation accounting and FX translation effects, Group revenues increased by 3.0% and Group EBITDA comparable by 0.9%
- > Strict cost control results in Group OPEX savings of EUR 29.1 mn
- > New Ambition Program on track: approximately 87% of measures initiated - majority of financial impact expected in second half of 2012
- > Group guidance 2012 reiterated: revenues approx. EUR 4.4 bn, EBITDA comparable approx. EUR 1.5 bn, CAPEX approx. EUR 0.75 bn, Operating Free Cash Flow approx. EUR 0.75 bn and a dividend per share of EUR 0.38
- > Q1 2012 operating free cash flow of EUR 215.6 mn provides solid basis for full year target

\* Excluding effects from hyperinflation accounting and foreign exchange translations



# Key Financial Developments in the First Quarter 2012

# On a Clean Basis\* Revenues Increased by 3.0% and EBITDA Comparable by 0.9%

| (in EUR million)   | Q1 2012      | Q1 2011      | % change |
|--|--------------|--------------|----------|
| Revenues   | 1,055.0      | 1,118.0      | -5.6%    |
| EBITDA comparable**  | 361.4        | 396.7        | -8.9%    |
| <i>EBITDA comparable margin**</i>  | <i>34.3%</i> | <i>35.5%</i> |          |
| Restructuring  | -4.4         | -184.1       | n.m.     |
| Impairment and reversal of impairment  | 0.0          | 0.0          | n.a.     |
| EBITDA (incl. Effects from Restructuring and Impairment tests)               | 357.0        | 212.7        | 67.9%    |
| <i>EBITDA (incl. Effects from Restructuring and Impairment tests) margin</i> | <i>33.8%</i> | <i>19.0%</i> |          |
| Depreciation & amortization  | -245.0       | -255.0       | -3.9%    |
| Operating income   | 112.0        | -42.3        | n.a.     |
| Financial result   | -51.4        | -53.5        | -3.8%    |
| Income before income taxes   | 60.5         | -95.8        | n.a.     |
| Income tax expense   | -13.7        | 16.6         | n.a.     |
| Net income / Net loss  | 46.9         | -79.2        | n.a.     |

> Decline in Group revenues and EBITDA comparable driven by Austria, Bulgaria and Belarus despite growth in Croatia and Additional Markets

> EUR 96.5 mn negative effects from hyperinflation accounting in Belarus and FX translations on Group revenues

> EUR 29.1 mn cost savings dampen decline of Group EBITDA comparable

> Restructuring in Austria on track with charge of EUR 4.4 mn

> Group net income turns positive following lower restructuring costs

\* Excluding effects from hyperinflation accounting and foreign exchange translations

\*\* Excluding effects from restructuring and impairment tests

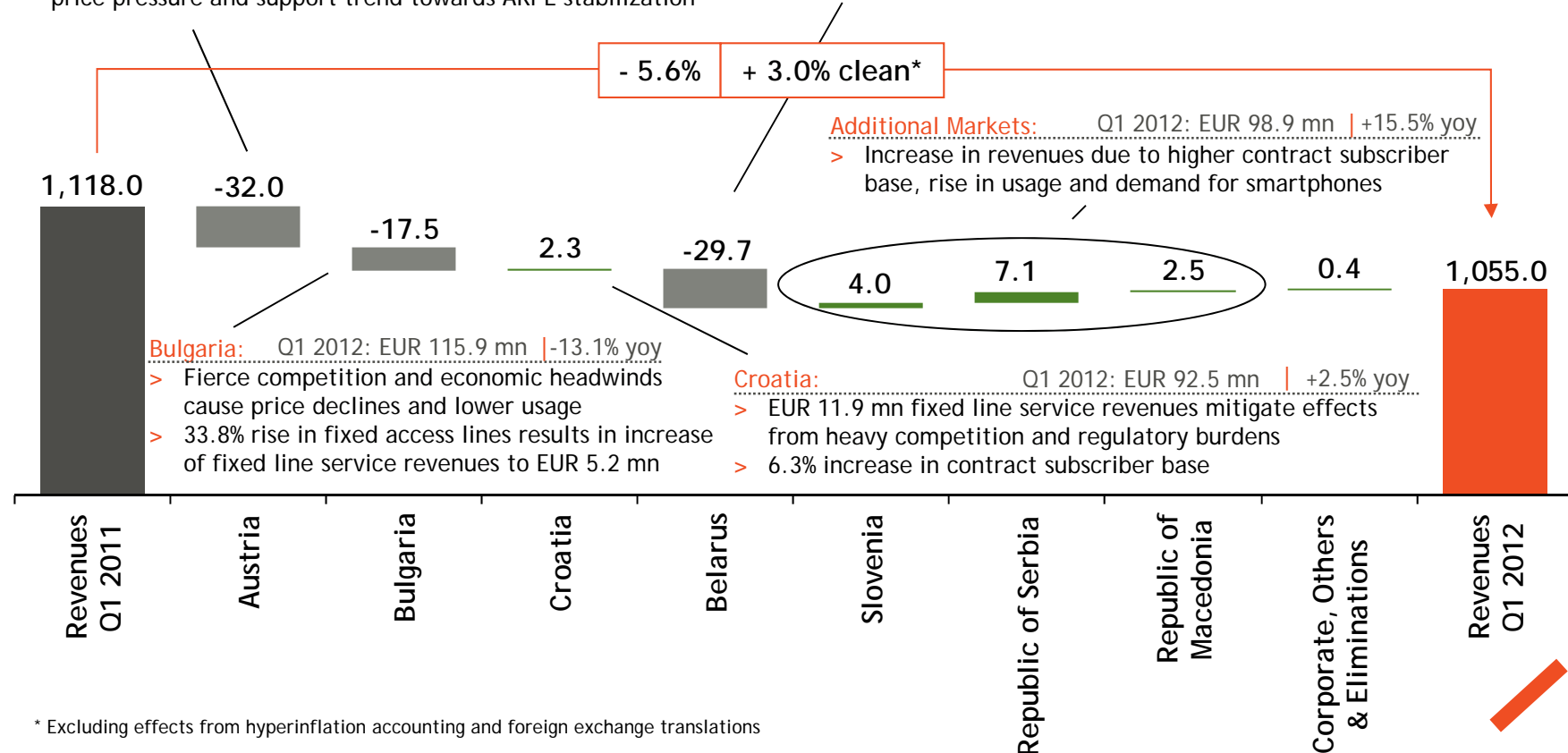
# Intensified Competition, Macroeconomic Headwinds and Regulatory Cuts Drive Revenues

**Austria** Q1 2012: EUR 706.3 mn | -4.3% yoy

- > Further intensified competition and regulatory effects drive revenues
  - > 29.2% of revenue decline due to regulatory effects
- > Broadband services partly dampen loss of voice minutes and price pressure and support trend towards ARPL stabilization

**Belarus:** Q1 2012: EUR 60.2 mn | -33.1% yoy

- > EUR -93.2 mn net effect from hyperinflation accounting and foreign exchange translation
- > 70.6% revenue growth on a clean basis due to price increases, larger subscriber base and higher usage



**Bulgaria:** Q1 2012: EUR 115.9 mn | -13.1% yoy

- > Fierce competition and economic headwinds cause price declines and lower usage
- > 33.8% rise in fixed access lines results in increase of fixed line service revenues to EUR 5.2 mn

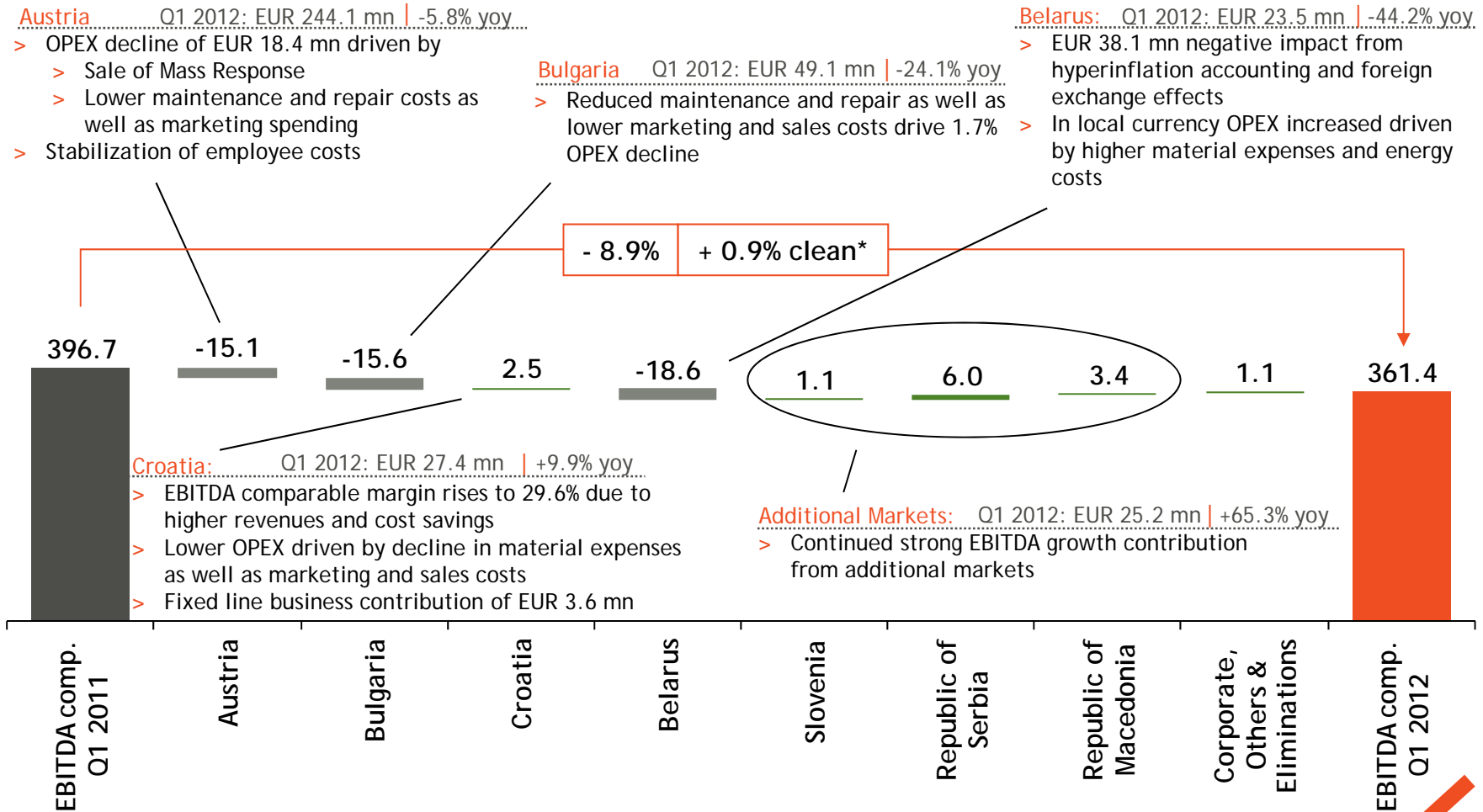
**Croatia:** Q1 2012: EUR 92.5 mn | +2.5% yoy

- > EUR 11.9 mn fixed line service revenues mitigate effects from heavy competition and regulatory burdens
- > 6.3% increase in contract subscriber base

\* Excluding effects from hyperinflation accounting and foreign exchange translations



# EUR 29.1 mn OPEX Savings Dampen Impact of Revenue Decline on EBITDA Comparable



\* Excluding effects from hyperinflation accounting and foreign exchange translations

# Increase of Free Cash Flow Due to Lower Working Capital

| (in EUR million)                | Q1 2012 | Q1 2011 | % change |
|---------------------------------|---------|---------|----------|
| Gross cash flow                 | 326.9   | 335.8   | -2.6%    |
| Change in working capital       | -134.4  | -185.2  | -27.4%   |
| Ordinary capital expenditures   | -145.8  | -120.4  | 21.1%    |
| Proceeds from sale of equipment | 1.4     | 1.3     | 4.6%     |
| Free cash flow                  | 48.1    | 31.5    | 52.7%    |
| Free cash flow per share        | 0.11    | 0.07    | 52.7%    |

- > Lower operating results led to a decreasing gross cash flow
- > Decrease in working capital due to
  - > Lower levels of inventories in Austrian segment due to less amount of handsets
  - > Decline of accounts receivables mostly driven by domestic business
- > Higher CAPEX driven by Austria due to LTE and Giganet rollout as planned

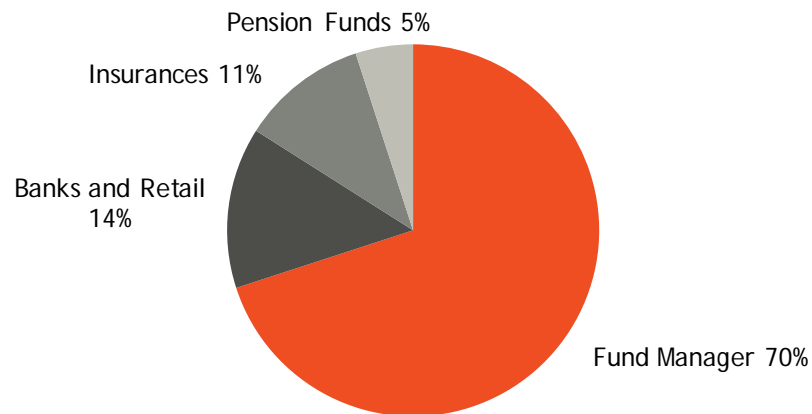


# EUR 750 mn Eurobond Successfully Placed With a Coupon Below Group Average Cost of Debt

## Terms and Conditions

|                   |   |
|-------------------|---|
| Volume            | EUR 750.0 mn                                |
| Coupon            | 4.000%                                      |
| Announcement Date | 26 March 2012                               |
| Maturity Date     | 4 April 2022                                |
| Tenure            | 10 years                                    |
| Rating            | Moody's: Baa1 (stable)<br>S&P: BBB (stable) |

## Placement

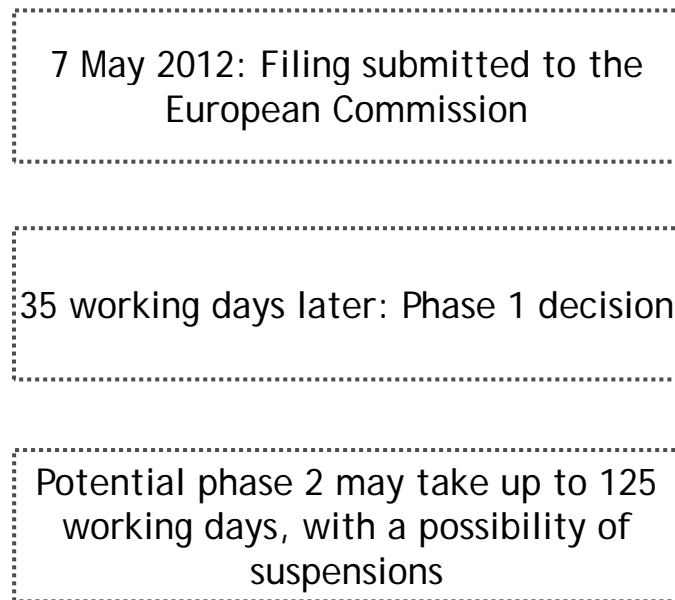


- > Favorable new issue conditions utilized
  - > 4.0% coupon below average cost of debt of approximately 4.4%
  - > Order book approximately two times oversubscribed
- > Maturity profile significantly extended
- > Broad diversification of investor base, both by region and investor type
- > Majority of 2012 funding requirements covered

# Focus Points

# Acquisition of Orange Austria Assets - Approval Process on Track

## Acquisition of Orange Austria by Hutchison 3G (H3G)



## Acquisition of Orange Austria Assets by Telekom Austria from H3G



Spectrum Auction Postponed - New Date Unknown



# Austrian Segment- Focus on Multiplay Customers and Convergence

## Strategic Rationale

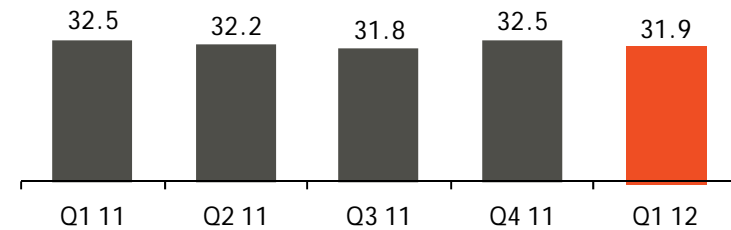
Five quarters of continued fixed access line growth provided clear signs of stabilization

Tariff adjustments in 2011 continued in Q1 2012

Focus on bundles, fixed broadband and IPTV

## Development of ARPL

(in EUR)



## Development of Access Lines

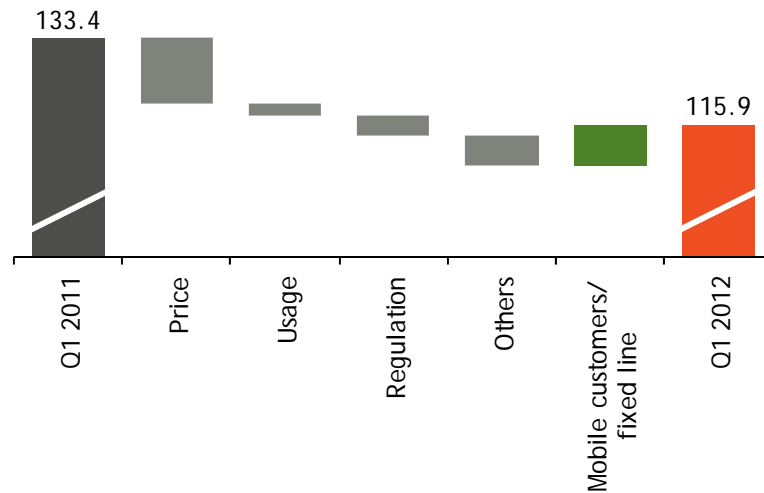
(in 000)



# Bulgarian Segment: Cost Savings Mitigate Effects of Fierce Competition and Macroeconomic Headwinds

## Split of EUR 17.5 mn Revenue Decline Year-on-year

(in EUR mn)



## Telekom Austria Group Response

### Revenue Protection:

- > Multibrand strategy: focus on bob to protect price levels of main brand
- > Convergence and package tariffs: EUR 5.2 mn revenue contribution from fixed line services

### Strict Cost Focus:

- > EUR 1.2 mn OPEX reduction despite fixed line acquisitions

# New Ambition Program on Track - Approximately 87% of Measures Initiated

## Austria:

- > Focus on value preservation despite price aggression
- > Increase Marketing Communication Efficiency
- > Focus on small and medium business customer retention

## Bulgaria:

- > Target to reduce FTE by 250 to 300 in 2012
  - > 87 FTE addressed in Q1 2012
- > Customer Service Efficiency

## Slovenia:

- > Launch of new broadband products
- > Optimized customer retention
- > Launch of cloud services



## Republic of Macedonia:

- > Focus on high-value residential customers
- > New postpaid tariffs
- > Usage stimulation on existing base

## Croatia:

- > Marketing efficiency
- > Sales efficiency & channel optimization

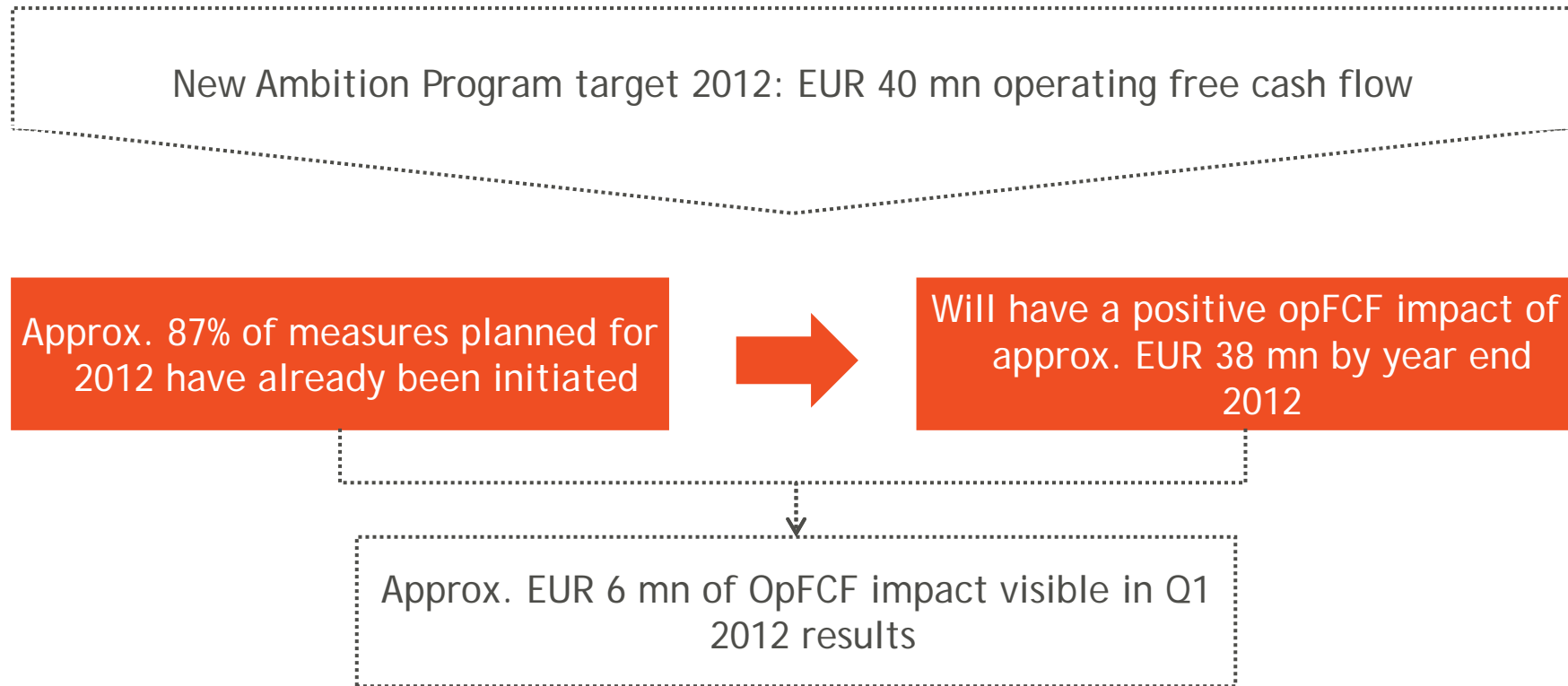
## Republic of Serbia:

- > Increased focus on mobile broadband
- > Reduction of costs for leased lines and site rentals





# New Ambition Program on Track to Reach Target of EUR 40 mn Operating Free Cash Flow Impact



# Outlook

# Telekom Austria Group Outlook for Full Year 2012\*

## Confirmed

### Telekom Austria Group - Full Year 2012

On a constant currency basis for all markets as well as before any effects of hyperinflation accounting for the Belarusian segment.

|                            |                          |
|----------------------------|--------------------------|
| Revenues                   | approx. EUR 4.4 bn       |
| EBITDA comparable          | approx. EUR 1.5 bn       |
| CAPEX                      | approx. EUR 0.75 bn      |
| Operating Free Cash Flow** | approx. EUR 0.75 bn      |
| Dividend                   | DPS of EUR 0.38 for 2012 |

\* Effects of a potential acquisition of YESS!, base stations and spectrum are not included

\*\* Operating Free Cash Flow = EBITDA comparable - CAPEX (excluding investments for licenses and spectrum acquisitions)



# Appendix 1

# Telekom Austria Group - Revenue Breakdown

| Revenue Split - Segment Austria (in EUR million) | Q1 2012      | Q1 2011      | % change     |
|--|--------------|--------------|--------------|
| Monthly fee and traffic                          | 486.0        | 505.7        | -3.9%        |
| Data and ICT Solutions                           | 52.6         | 49.3         | 6.6%         |
| Wholesale (incl. Roaming)                        | 46.1         | 51.5         | -10.5%       |
| Interconnection                                  | 93.3         | 87.5         | 6.6%         |
| Equipment  | 25.8         | 31.2         | -17.4%       |
| Other revenues                                   | 2.6          | 13.2         | -80.5%       |
| <b>Total revenues - Segment Austria</b>          | <b>706.3</b> | <b>738.3</b> | <b>-4.3%</b> |









| Revenue Split - International Operations (in EUR million) | Q1 2012      | Q1 2011      | % change     |
|---|--------------|--------------|--------------|
| Monthly fee and traffic                                   | 277.9        | 299.8        | -7.3%        |
| Data and ICT Solutions                                    | 0.0          | 0.0          | n.a.         |
| Wholesale (incl. Roaming)                                 | 5.9          | 6.4          | -7.7%        |
| Interconnection   | 51.1         | 56.4         | -9.5%        |
| Equipment   | 27.7         | 31.0         | -10.7%       |
| Other revenues  | 3.4          | 3.7          | -10.0%       |
| <b>Total revenues - int. Operations</b>                   | <b>365.9</b> | <b>397.4</b> | <b>-7.9%</b> |

# Telekom Austria Group - Expense Breakdown

| Operating Expense - Segment Austria (in EUR million) | Q1 2012      | Q1 2011      | % change     |
|--|--------------|--------------|--------------|
| Material expense                                     | 64.1         | 65.6         | -2.3%        |
| Employee costs                                       | 172.6        | 171.9        | 0.4%         |
| Interconnection                                      | 71.8         | 75.1         | -4.4%        |
| Maintenance and repairs                              | 22.1         | 25.2         | -12.3%       |
| Services received                                    | 28.8         | 38.6         | -25.5%       |
| Other support services                               | 37.7         | 32.6         | 15.7%        |
| Other  | 85.3         | 91.8         | -7.0%        |
| <b>Total OPEX - Segment Austria</b>                  | <b>482.5</b> | <b>500.8</b> | <b>-3.7%</b> |

| Operating Expense - International Operations (in EUR million) | Q1 2012      | Q1 2011      | % change     |
|---|--------------|--------------|--------------|
| Material expense  | 38.7         | 40.8         | -5.1%        |
| Employee costs  | 33.7         | 32.6         | 3.4%         |
| Interconnection   | 48.0         | 50.2         | -4.5%        |
| Maintenance and repairs                                       | 13.8         | 13.6         | 1.5%         |
| Services received   | 26.5         | 25.3         | 4.5%         |
| Other support services  | 4.0          | 3.6          | 11.7%        |
| Other   | 80.1         | 88.2         | -9.2%        |
| <b>Total OPEX - int. Operations</b>                           | <b>244.9</b> | <b>254.4</b> | <b>-3.7%</b> |

# Telekom Austria Group - Mobile Communication Subscriber Base

|   | Mobile Subscribers (in 000) | Q1 2012 | Q1 2011 | % change |
|---|-----------------------------|---------|---------|----------|
|    | Austria                     | 5,286   | 5,145   | 2.7%     |
|   | Market share                | 39.5%   | 41.0%   |          |
|    | Bulgaria                    | 5,486   | 5,277   | 4.0%     |
|   | Market share                | 48.4%   | 49.3%   |          |
|    | Croatia                     | 1,964   | 2,002   | -1.9%    |
|   | Market share                | 39.0%   | 38.9%   |          |
|    | Belarus                     | 4,637   | 4,415   | 5.0%     |
|   | Market share                | 41.1%   | 41.1%   |          |
|    | Slovenia                    | 643     | 630     | 2.1%     |
|   | Market share                | 29.6%   | 29.6%   |          |
|    | Republic of Serbia          | 1,672   | 1,428   | 17.1%    |
|   | Market share                | 16.1%   | 14.2%   |          |
|  | Republic of Macedonia       | 581     | 491     | 18.5%    |
|   | Market share                | 26.1%   | 21.5%   |          |
|  | Liechtenstein               | 6       | 7       | -6.7%    |
|   | Market share                | 16.0%   | 20.5%   |          |



# Telekom Austria Group - Headcount Development

| FTE (Average period)   | Q1 2012 | Q1 2011 | % change |
|------------------------|---------|---------|----------|
| Austria                | 9,328   | 9,699   | -3.8%    |
| International          | 7,721   | 6,745   | 14.5%    |
| Telekom Austria Group* | 17,211  | 16,600  | 3.7%     |

| FTE (End of period)    | Q1 2012 | Q1 2011 | % change |
|------------------------|---------|---------|----------|
| Austria                | 9,335   | 9,649   | -3.3%    |
| International          | 7,660   | 7,351   | 4.2%     |
| Telekom Austria Group* | 17,153  | 17,162  | -0.1%    |

\*Including corporate segment





# Telekom Austria Group - Capital Expenditures Split

| Capital Expenditures (in EUR million)  | Q1 2012      | Q1 2011      | % change     |
|--|--------------|--------------|--------------|
| Segment Austria                        | 93.7         | 78.4         | 19.5%        |
| Segment Bulgaria                       | 23.2         | 13.9         | 66.8%        |
| Segment Croatia                        | 13.3         | 8.6          | 54.1%        |
| Segment Belarus                        | 5.1          | 3.1          | 65.2%        |
| Segment Additional Markets             | 10.7         | 16.4         | -34.5%       |
| <i>Slovenia</i>                        | 1.3          | 1.0          | 38.1%        |
| <i>Republic of Serbia</i>              | 7.8          | 14.0         | -44.6%       |
| <i>Republic of Macedonia</i>           | 1.6          | 1.4          | 19.4%        |
| <i>Liechtenstein</i>                   | 0.0          | 0.0          | -92.7%       |
| <i>Eliminations additional markets</i> | 0.0          | 0.0          | n.a.         |
| Corporate, Others & Elimination        | -0.2         | 0.0          | n.a.         |
| <b>Total capital expenditures</b>      | <b>145.8</b> | <b>120.4</b> | <b>21.1%</b> |
| Thereof tangible                       | 112.1        | 96.0         | 16.8%        |
| Thereof intangible                     | 33.7         | 24.4         | 38.1%        |

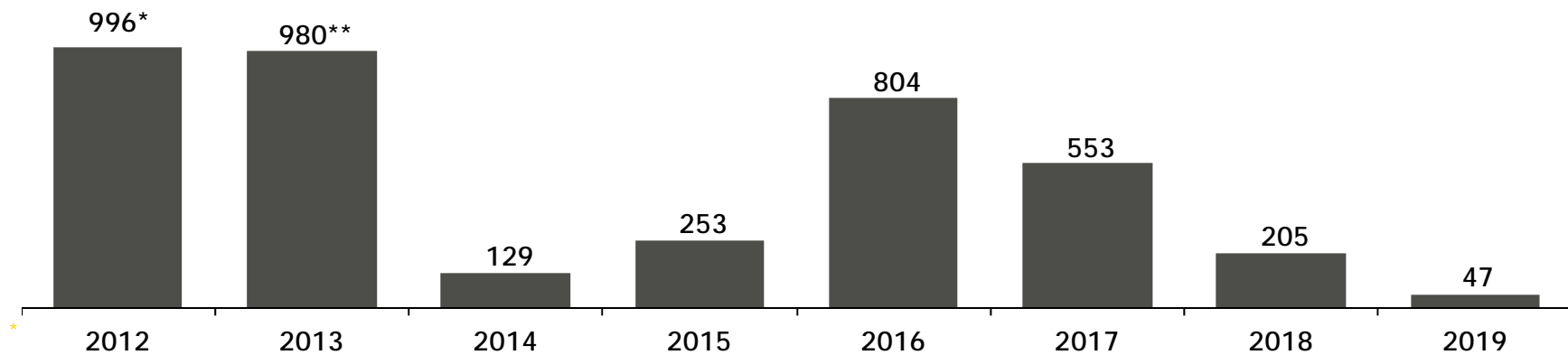
# Telekom Austria Group - Net Debt

| Net debt (in EUR million)  | Mar. 31, 2012  | Dec. 31, 2011  | % change     |
|--|----------------|----------------|--------------|
| Long-term debt   | 2,956.8        | 2,960.4        | -0.1%        |
| Short-term borrowings  | 1,011.6        | 1,052.4        | -3.9%        |
| Cash and cash equivalents, short-term and long term investments, finance lease receivables | -658.7         | -657.7         | 0.2%         |
| Derivate financial instruments for hedging purposes  | 27.6           | 25.2           | 9.7%         |
| <b>Net Debt of Telekom Austria Group</b>   | <b>3,337.3</b> | <b>3,380.3</b> | <b>-1.3%</b> |
| EBITDA comparable (last 12 months)   | 1,492.0        | 1,527.3        | -2.3%        |
| <b>Net Debt/ EBITDA comparable (last 12 months)</b>  | <b>2.2x</b>    | <b>2.2x</b>    | <b>n.a.</b>  |

# Telekom Austria Group - Debt Maturity Profile

## Debt Maturity Profile

(in EUR million)



\* Includes approx. EUR 31.7 mn related to velcom and EUR 5.9 mn to fixed line acquisitions in Bulgaria, which is reported in Other liabilities

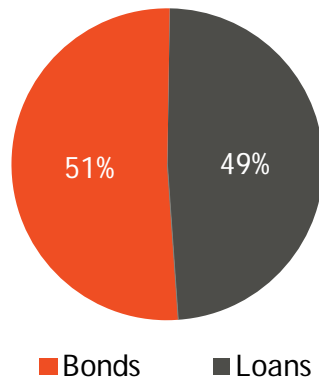
\*\* Includes approx. EUR 24.4 mn related to velcom

- > EUR 3,968.4 mn of short- and long-term borrowings as of March 31, 2012
- > Average cost of debt of approximately 4.4%

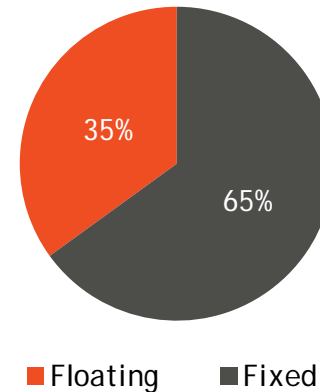


# Telekom Austria Group - Debt Profile

## Overview Debt Instruments



## Fixed-Floating Mix



## Lines of Credit

- > Undrawn committed lines of credit amounting to EUR 913.0 mn
- > Average term to maturity of approximately 1.4 years

## Ratings

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



# Belarus: Impact of Hyperinflation Accounting and Foreign Exchange Translations in First Quarter 2012

## Belarus Profit and Loss Statement for the First Quarter 2012

| (in EUR million)              | Excluding Hyperinflation and FX in Belarus | Hyperinflation and FX Effects in Belarus | Impairment | Reported   |
|-------------------------------|--|--|------------|------------|
| Revenues                      | 153.4                                      | -93.2                                    | 0.0        | 60.1       |
| Other operating income        | 2.8  | -1.7                                     | 0.0        | 1.1        |
| Operating expenses            | -94.6                                      | 56.8                                     | 0.0        | -37.8      |
| Impairment                    | 0.0  | 0.0                                      | 0.0        | 0.0        |
| Depreciation and amortization | -19.3                                      | -2.5                                     | 0.0        | -21.9      |
| Financial result              | 1.3  | 1.2                                      | 0.0        | 2.5        |
| Income taxes                  | -4.5                                       | 4.0                                      | 0.0        | -0.5       |
| <b>Net income</b>             | <b>39.1</b>                                | <b>-35.4</b>                             | <b>0.0</b> | <b>3.7</b> |

## Belarus Balance Sheet as of 31.03.2012

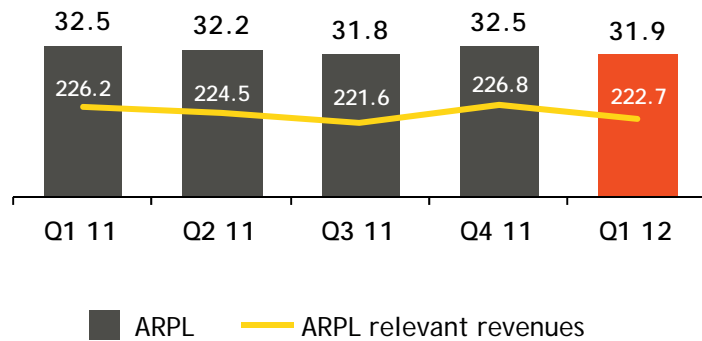
| (in EUR million)                     | Excluding Hyperinflation | Hyperinflation | Impairment*   | Reported     |
|--------------------------------------|--------------------------|----------------|---------------|--------------|
| Goodwill                             | 97.5                     | 181.5          | -279.0        | 0.0          |
| Current and other non-current assets | 255.5                    | 321.5          | 0.0           | 577.0        |
| Current and non-current liabilities  | -84.4                    | -57.9          | 0.0           | -142.3       |
| <b>Stockholders' Equity</b>          | <b>268.6</b>             | <b>445.0</b>   | <b>-279.0</b> | <b>434.7</b> |

\* Cumulated hyperinflation effects as of first application of IAS 29 in fourth quarter 2011

# Segment Austria - Fixed Line Key Performance Indicators

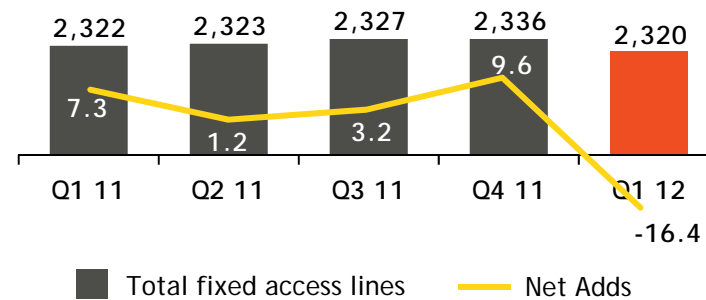
## ARPL & ARPL Relevant Revenues

(in EUR)



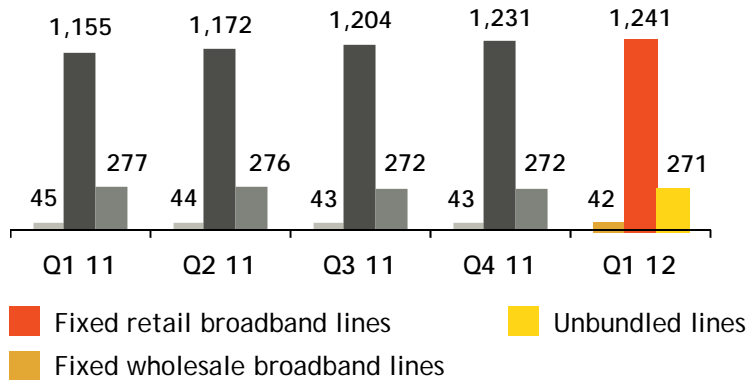
## Total Fixed Access Lines & Net Adds

(in 000)



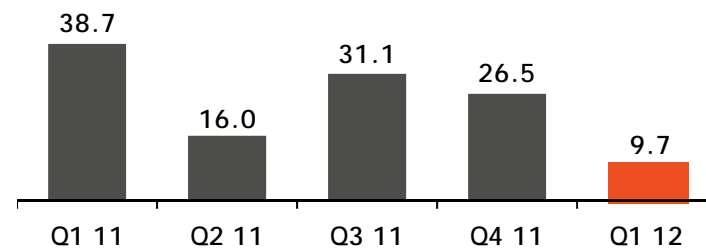
## Fixed Broadband Access Lines

(in 000)



## Fixed Broadband Net Adds incl. Wholesale

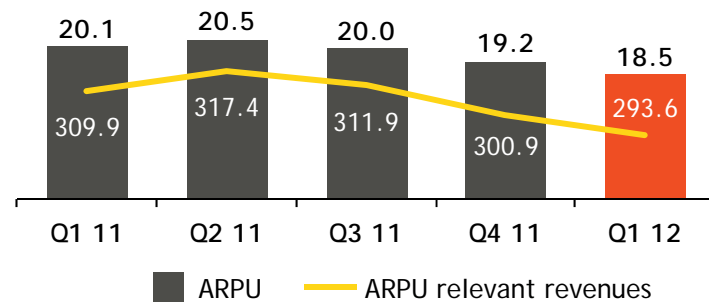
(in 000)



# Segment Austria - Mobile Key Performance Indicators

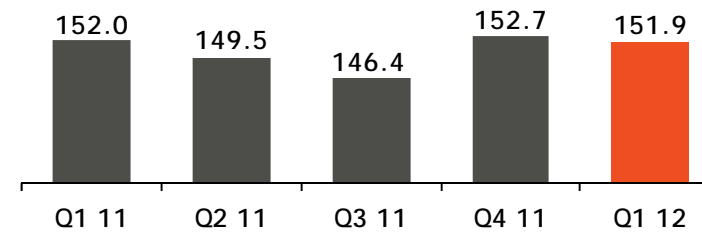
## ARPU & ARPU Relevant Revenues

(in EUR)



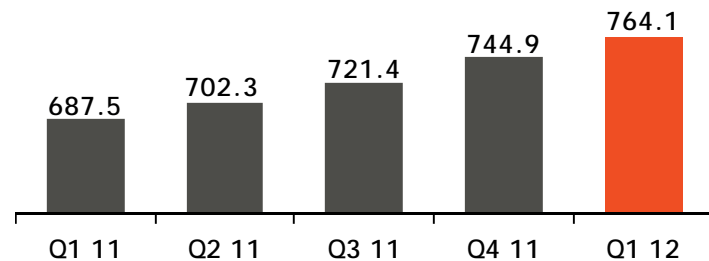
## MoU per Subscriber

(in min)



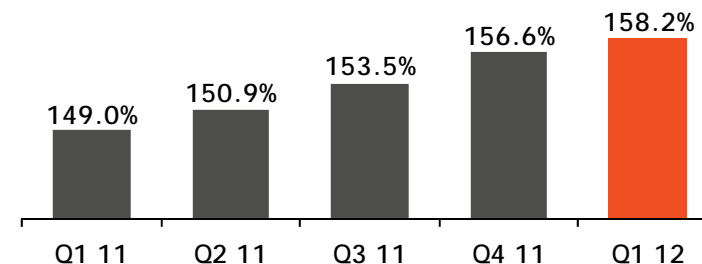
## Mobile Broadband Customers

(in 000)



## Mobile Penetration

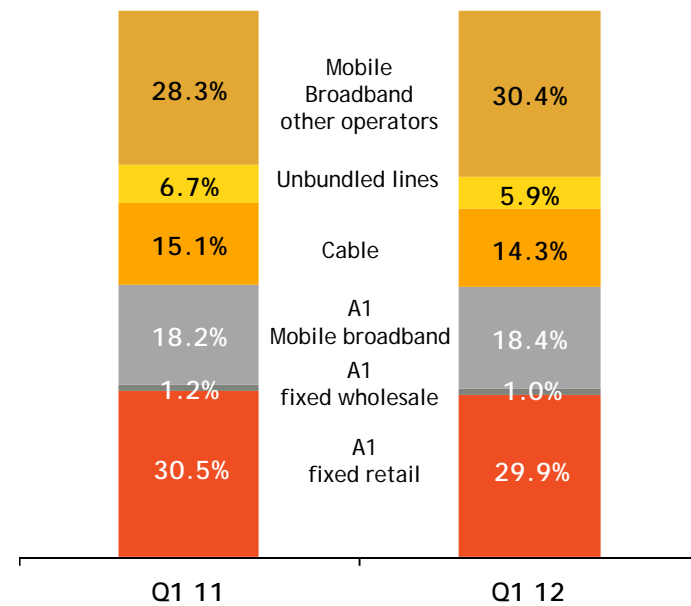
(in %)



# Segment Austria - Broadband Market Split

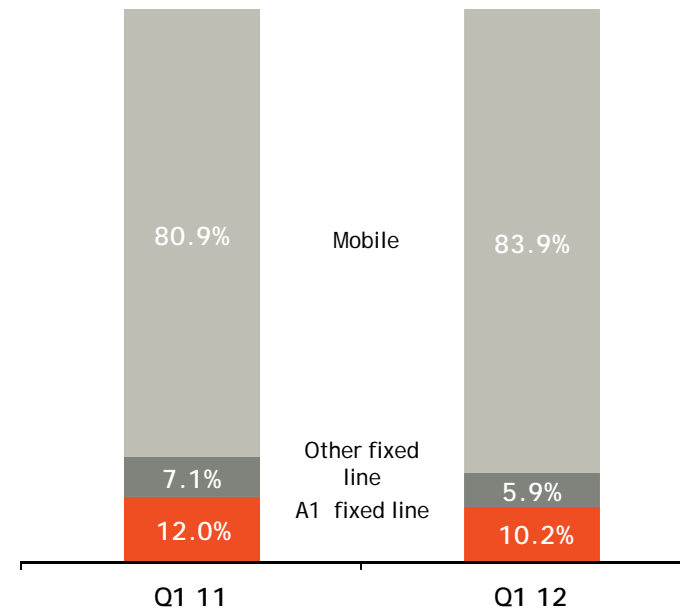
## Market Share Broadband Lines

(in %)



## Market Share Voice Minutes

(in %)

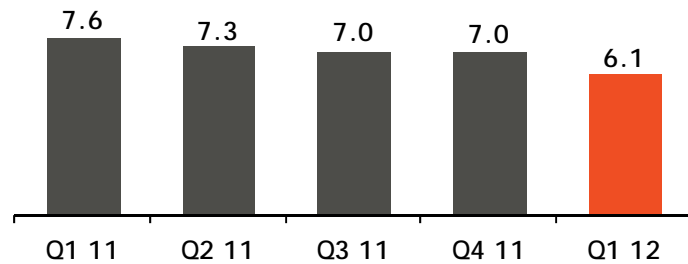




# Segment Bulgaria - Mobile Key Performance Indicators

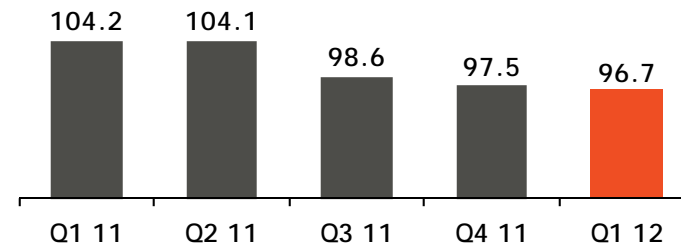
## ARPU

(in EUR)



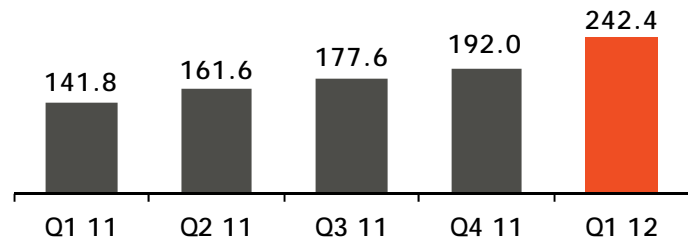
## MoU per Subscriber

(in min)



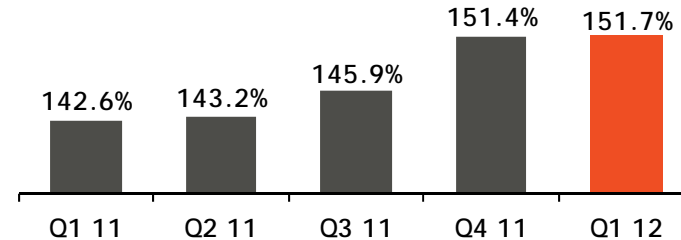
## Mobile Broadband Customers

(in 000)



## Mobile Penetration

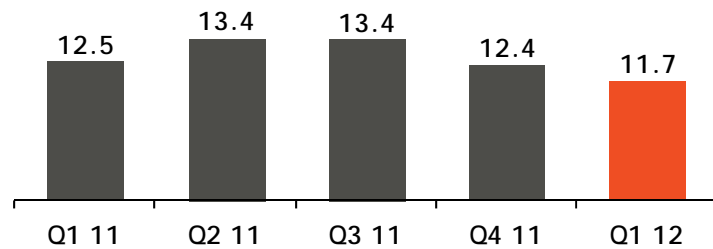
(in %)



# Segment Croatia - Mobile Key Performance Indicators

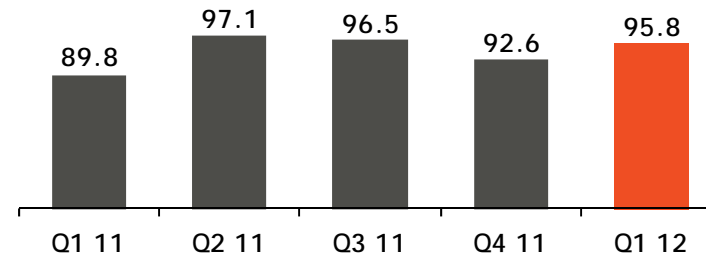
## ARPU\*

(in EUR)



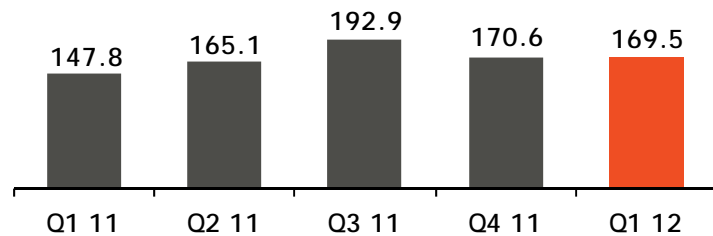
## MoU per Subscriber\*

(in min)



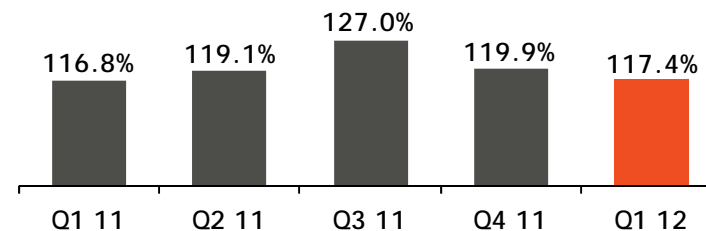
## Mobile Broadband Customers\*

(in 000)



## Mobile Penetration\*

(in %)



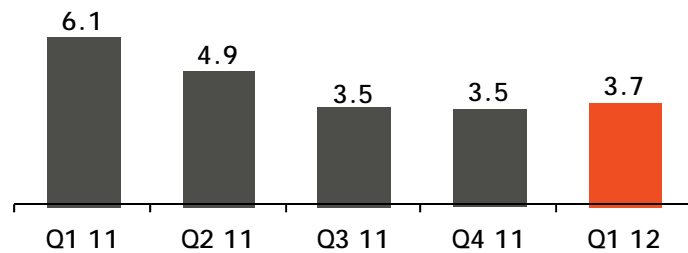
\* Due to a new definition on prepaid subscribers, the counting method of active prepaid SIM cards was changed from a 15-month rolling average to a 90 day active methodology. Following this implementation historic KPI's have been restated as of Q1 2010. As of Q4 2011 calculation method of fixed access lines has been harmonized to Group standards and have been restated as of Q3 2011.



# Segment Belarus – Mobile Key Performance Indicators

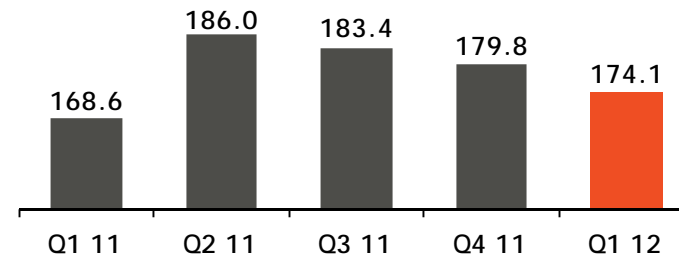
## ARPU

(in EUR)



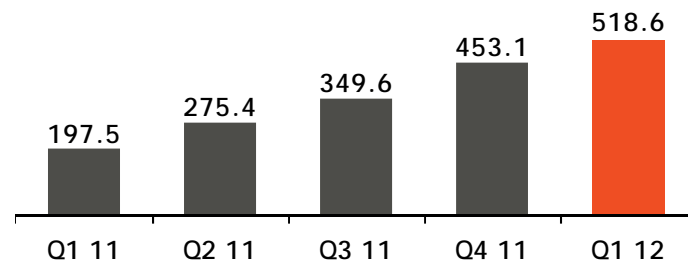
## MoU per Subscriber

(in min)



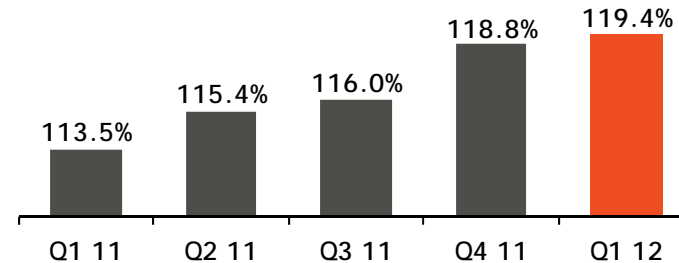
## Mobile Broadband Customers

(in 000)



## Mobile Penetration

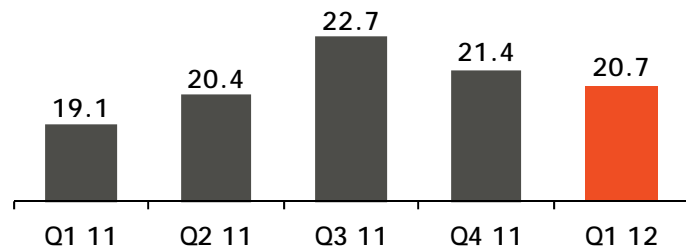
(in %)



# Segment Additional Markets - Mobile Key Performance Indicators

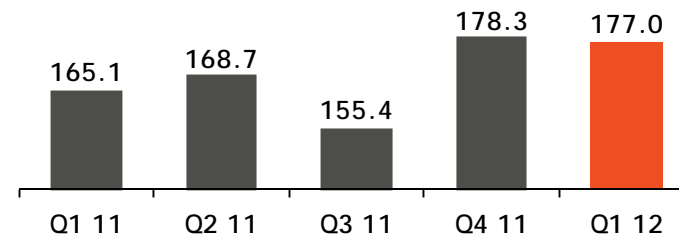
## Slovenia - ARPU

(in EUR)



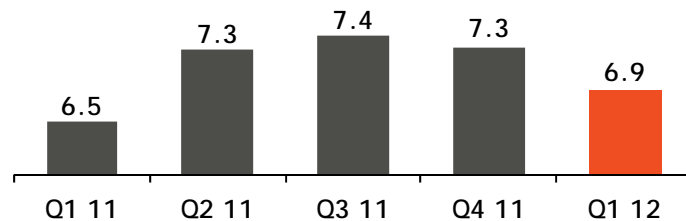
## Slovenia - MoU per Subscriber

(in min)



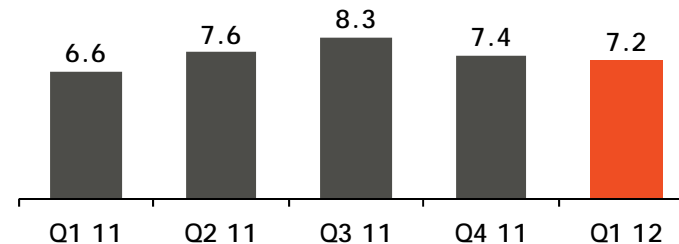
## Serbia - ARPU

(in EUR)



## Macedonia - ARPU

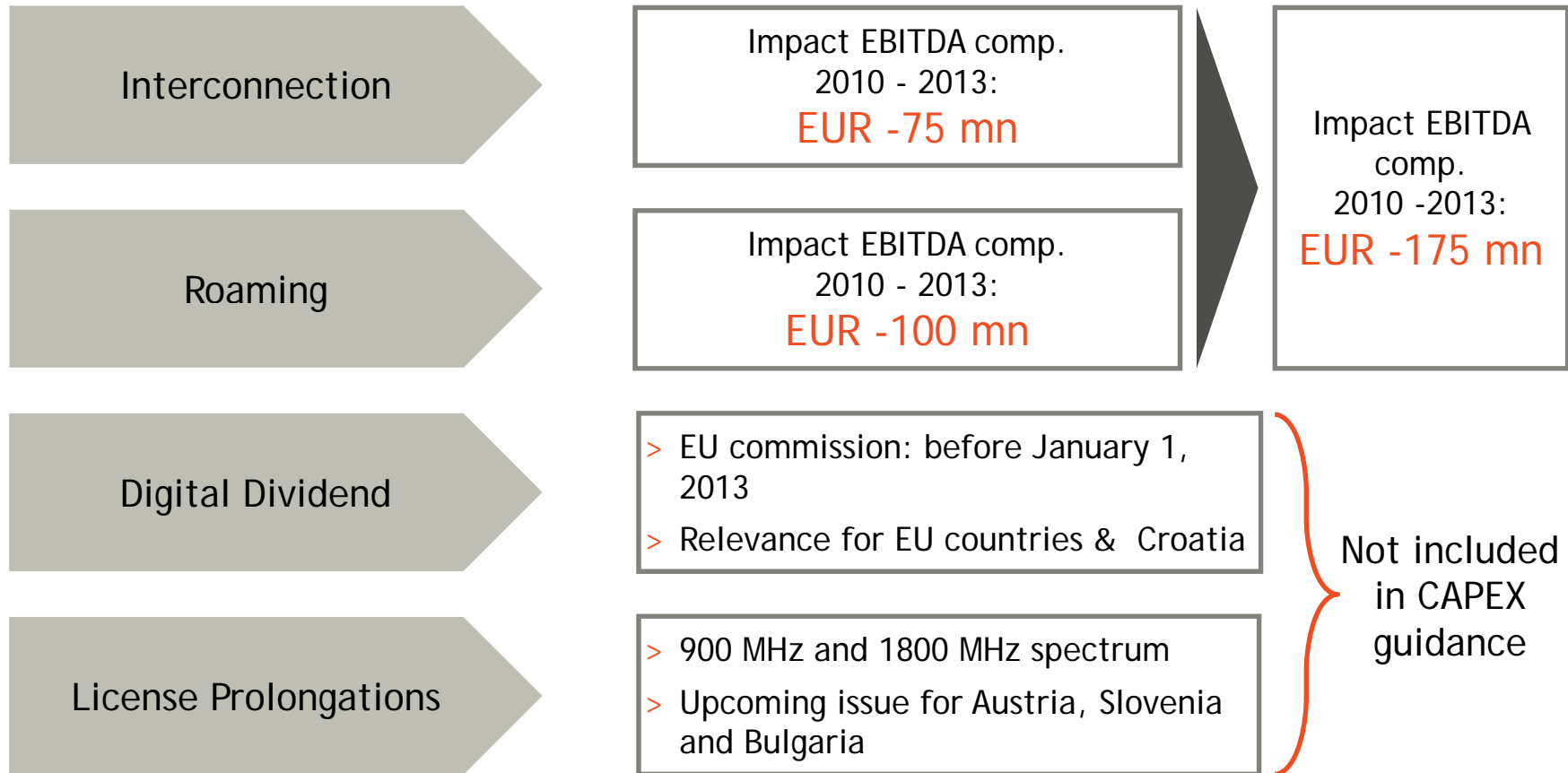
(in EUR)



# Appendix 2 – Regulatory Topics

# Negative Impact of Approx. EUR 175 mn on EBITDA Comparable Expected until 2013\*

## Key Points



\*as of December 2010

# Glide Path of Mobile Termination Rates

|                  | July 2009 | January 2010 | July 2010                   | August 2010 | January 2011  | June 2011 | July 2011                   | August 2011 | January 2012 | April 2012 | July 2012 | August 2012 | January 2013 |
|------------------|-----------|--------------|-----------------------------|-------------|---|-----------|-----------------------------|-------------|--------------|------------|-----------|-------------|--------------|
| <b>Austria</b>   | 4.00      | 3.50         | 3.01                        |             | 2.51  | 2.01      | market analysis during 2012 |             |              |            |           |             |              |
| <b>Bulgaria</b>  | 11.76     | 10.48        | 6.65                        |             |   |           |                             |             |              |            | 2,7*      |             | 2,3*         |
| <b>Croatia</b>   | 9.10      | 7.60         | 7.60                        |             | 5.30  |           |                             |             | 4.00         |            |           |             |              |
| <b>Slovenia</b>  | 5.23      | 4.95         | 4.66                        |             | 4.38  | 4.38      | 4.09                        |             | 3.81         |            | 3.52      |             | 3.24         |
| <b>Macedonia</b> | 9.50      | 9.50         |                             | 8.80        |   |           |                             | 7.50        |              |            |           | 6.00        |              |
| <b>Serbia</b>    | 5.15      | 4.82         | 4.68 (until next price cap) |             | not clear when next regulatory decision will take place |           |                             |             |              |            |           |             |              |

\*According to CRC's glide path proposal which is currently pending the notification to the European Commission (numbers are given for peak hours)



# EU-Roaming Glide Path

|                | July 2009 | July 2010 | July 2011 |
|----------------|-----------|-----------|-----------|
| <b>Voice</b>   |           |           |           |
| Wholesale      | 0.26      | 0.22      | 0.18      |
| Retail active  | 0.43      | 0.39      | 0.35      |
| Retail passive | 0.19      | 0.15      | 0.11      |
| <b>SMS</b>     |           |           |           |
| Wholesale      | 0.04      | 0.04      | 0.04      |
| Retail         | 0.11      | 0.11      | 0.11      |
| <b>Data</b>    |           |           |           |
| Wholesale      | 1.00      | 0.80      | 0.50      |



# Appendix 3 – Personnel Restructuring in Austria

# Overview - Restructuring Charges and Provision vs. FTE

## Overview Restructuring Charges

(in EUR million)

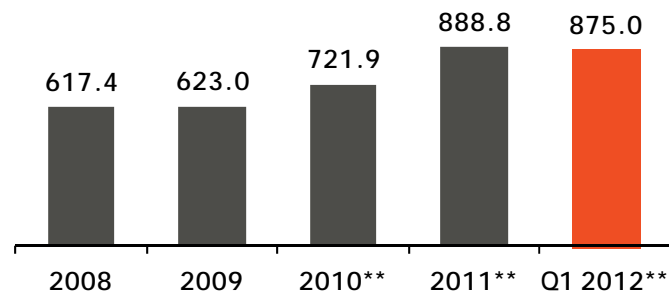
|                           | 2008         | 2009        | 2010         | 2011         | Q1 2012    |
|---------------------------|--------------|-------------|--------------|--------------|------------|
| FTE Effect                | 632.1        | -10.0       | 76.9         | 233.7        | 4.4        |
| Interest rate adjustments | 0.0          | 27.5        | 47.2         | 0.0          | 0.0        |
| <b>Total</b>              | <b>632.1</b> | <b>17.5</b> | <b>124.1</b> | <b>233.7</b> | <b>4.4</b> |

## FTEs Addressed

|                          | 2008         | 2009       | 2010       | 2011       | Q1 2011  |
|--------------------------|--------------|------------|------------|------------|----------|
| Transfer to government   | 0            | 0          | 158        | 106        | 9        |
| Social plans             | 256          | 451        | 28         | 685        | 0        |
| Staff released from work | 968          | -194       | 27         | 0          | 0        |
| <b>Total</b>             | <b>1,224</b> | <b>257</b> | <b>213</b> | <b>791</b> | <b>9</b> |

## Overview Restructuring Provision

(in EUR million)



## Provisioned FTEs

|                          | 2008       | 2009         | 2010         | 2011         | Q1 2012      |
|--------------------------|------------|--------------|--------------|--------------|--------------|
| Transfer to government   | 0          | 0            | 158          | 264          | 273          |
| Social plans             | 14         | 273          | 299          | 922          | 916          |
| Staff released from work | 968        | 789          | 763          | 649          | 644          |
| <b>Total</b>             | <b>982</b> | <b>1,062</b> | <b>1,220</b> | <b>1,835</b> | <b>1,833</b> |

\* Including liabilities for transfer of civil servants to government bodies

# Overview - Cash Flow Impact of Restructuring

## Overview Cash Flow Impact

(in EUR million)

|         | Total cash flow impact |
|---------|------------------------|
| 2008    | 14.7                   |
| 2009    | 62.0                   |
| 2010    | 57.9                   |
| 2011    | 89.0                   |
| Q1 2012 | 24.3                   |

- > Total cash flow impact comprises old as well as new programs
- > Total expected cash flow impact for 2012 of approximately EUR 100 mn



# Restructuring - Explanatory Information

- > The following factors have to be taken in account when comparing “FTEs Addressed” to “Provisioned FTEs”:
  - > FTEs of social plans may include receivers of one-time payments such as golden handshakes and can fluctuate due to retirement
  - > Number of staff released from work may fluctuate due to permanent reactivation, acceptance of social plans, transfer to government or retirement
- > In 2009, the following effects were noticeable:
  - > “FTE Effect” of EUR -10.0 mn as income from a reduction of staff released from work outweighed expense for number of new social plans
  - > This was overcompensated by interest rate adjustments and resulted in a total restructuring charge of EUR 17.5 mn
  - > Social plans included a significant number of FTEs accepting one-time payments
- > Previously communicated FTE numbers for 2008 and 2009 were adapted to a unified accounting view

