

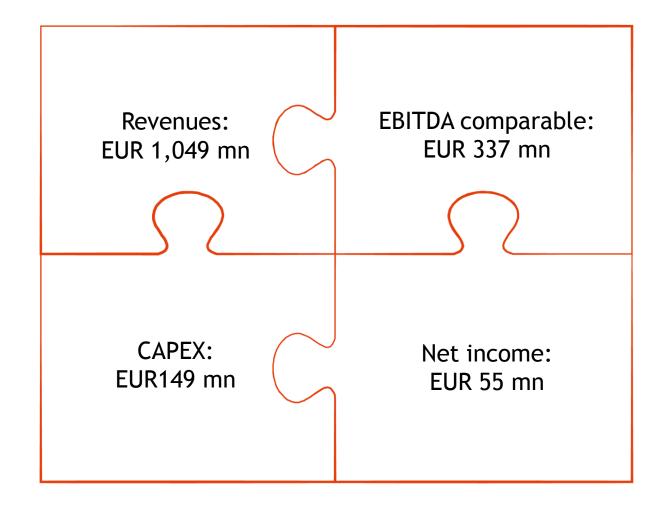
Agenda

01	Report on the fiscal year 2012
02	Utilisation of net profit
03	Discharge of the members of the Management Board
04	Discharge of the members of the Supervisory Board
05	Compensation for the members of the Supervisory Board

Agenda

06	Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2013
07	Elections to the Supervisory Board
08	Management report on share buyback, number of treasury shares held and use of treasury shares
09	Prolongation of authorization of the Management Board to share buyback and the authorization of use in this regard, as well as with entitlement to exclude the general purchase opportunity
10	Resolution on the amendment of the Articles of Association for adaptation according to the Company Law Amendment Act 2011 (GesellschaftsrechtsÄnderungsgesetz 2011)

First Quarter 2013: A Good Start.



First Quarter 2013: A Good Start.











PRICE EROSION

HOT COMPETITION

REGULATORY LANDSLIDE

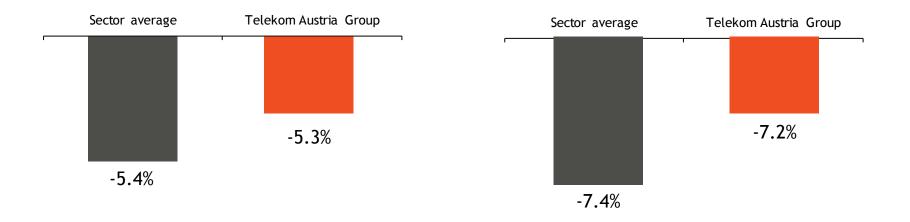
LOW MACROECONOMIC VISIBILITY

PRECARIOUS CAPITAL MARKETS

Results of Domestic Business in Line with Sector Trends





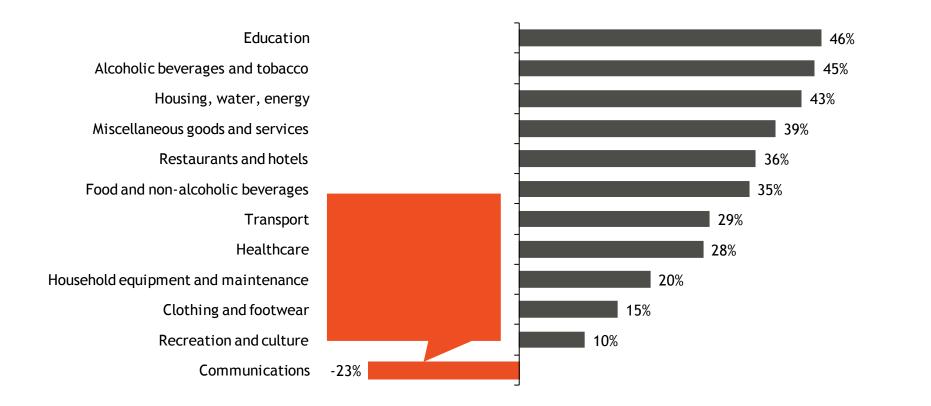


No comparable competitor posted an increase in results in its domestic market in 2012

AGM 2013 14

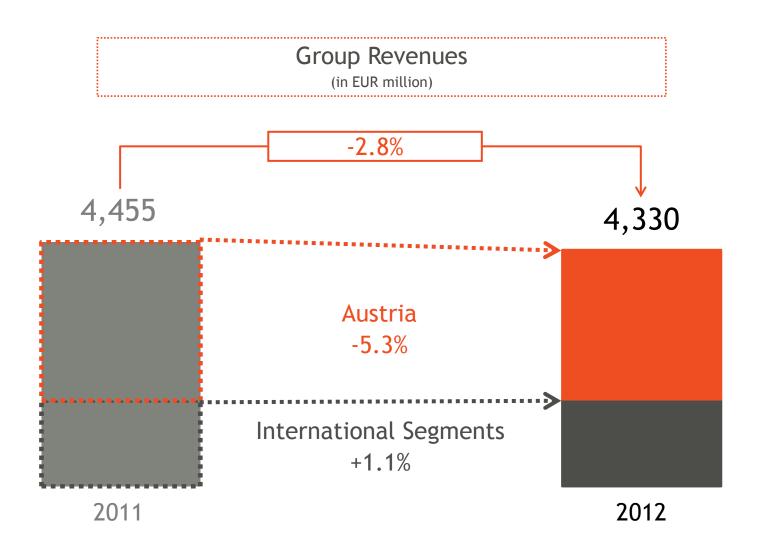
Telecommunications is the Only Basket of Goods that Has Declined in Value Since 2000

(CPI change against 2000 - main categories, annual average)



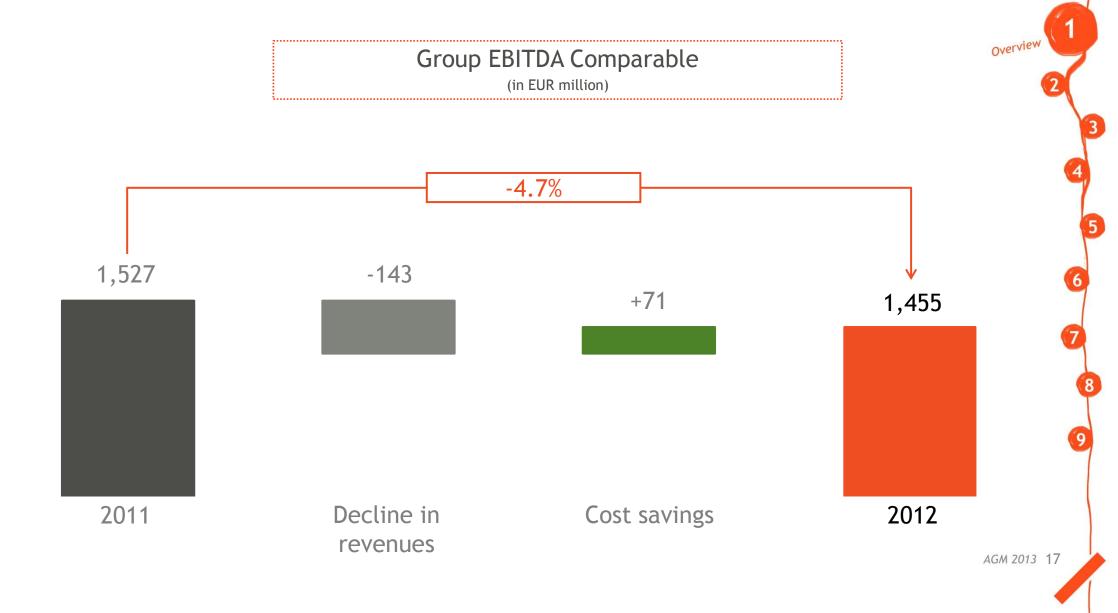
AGM 2013 15

Decline in Revenues in Austria, International Segments Report Modest Growth

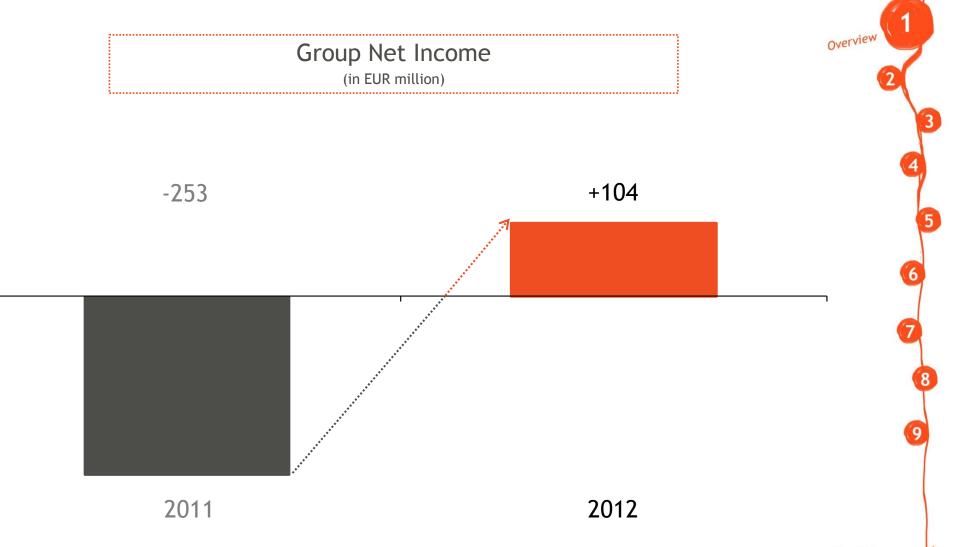


AGM 2013 16

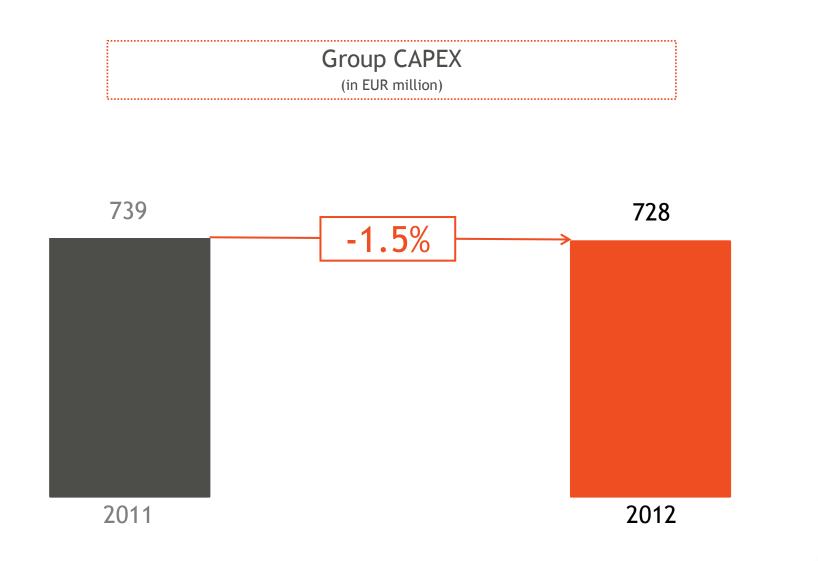
Cost Savings of EUR 71 Million Partly Dampen Decline in EBITDA Comparable



Solid Net Income in 2012

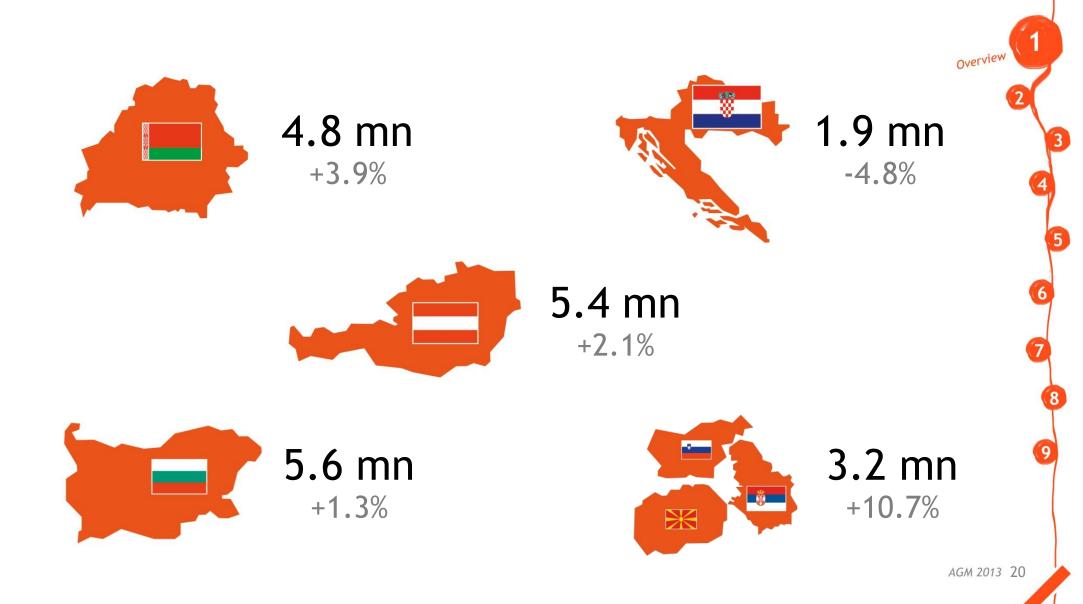


CAPEX Efficiency Protects Cash Flow



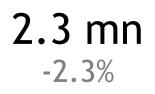
AGM 2013 19

Mobile Customer Base Increases by 3.1%



Access Lines Remain Stable at 2.6 Million







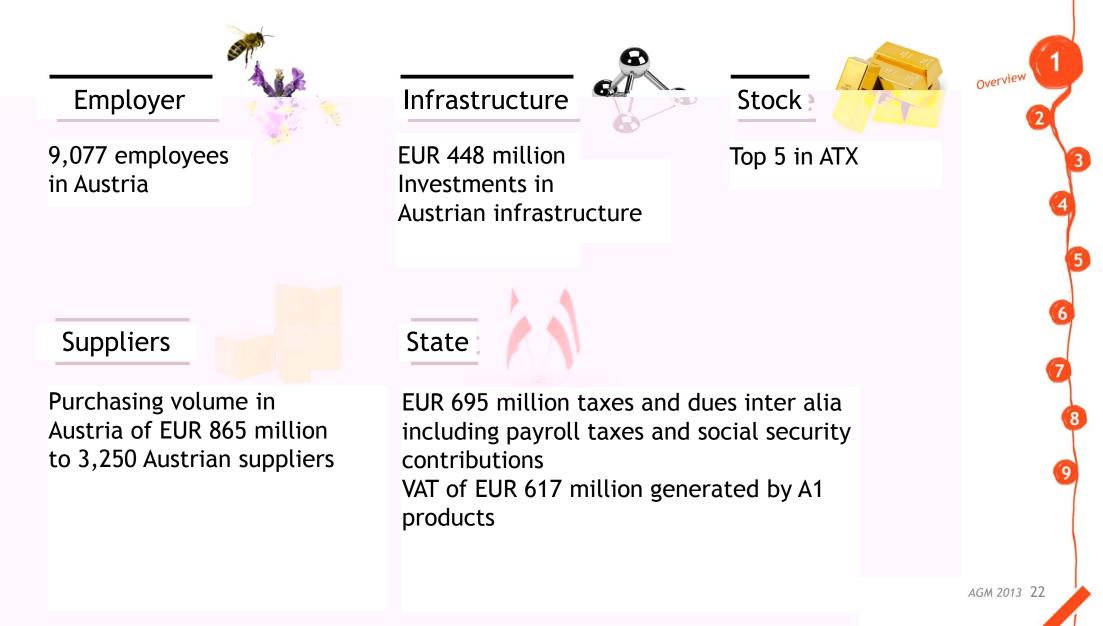
156,400 +21.5%





AGM 2013 21

Telekom Austria Group: A Key Player for Austria



Employees - The Company's Capital

Telekom Austria Group

 > 16,446 employees, thereof 7,205 outside of Austria
 > EUR 10 million for training

> 1,850 participants in 112 courses



 Survey for all employees
 Numerous measures implemented at each subsidiary

A1

- Successful apprenticeship training:
 62 apprenticeships completed
- > 227 apprentices in technical and commercial professions

- > Employment and career optimisation
- > 308 transfers to government

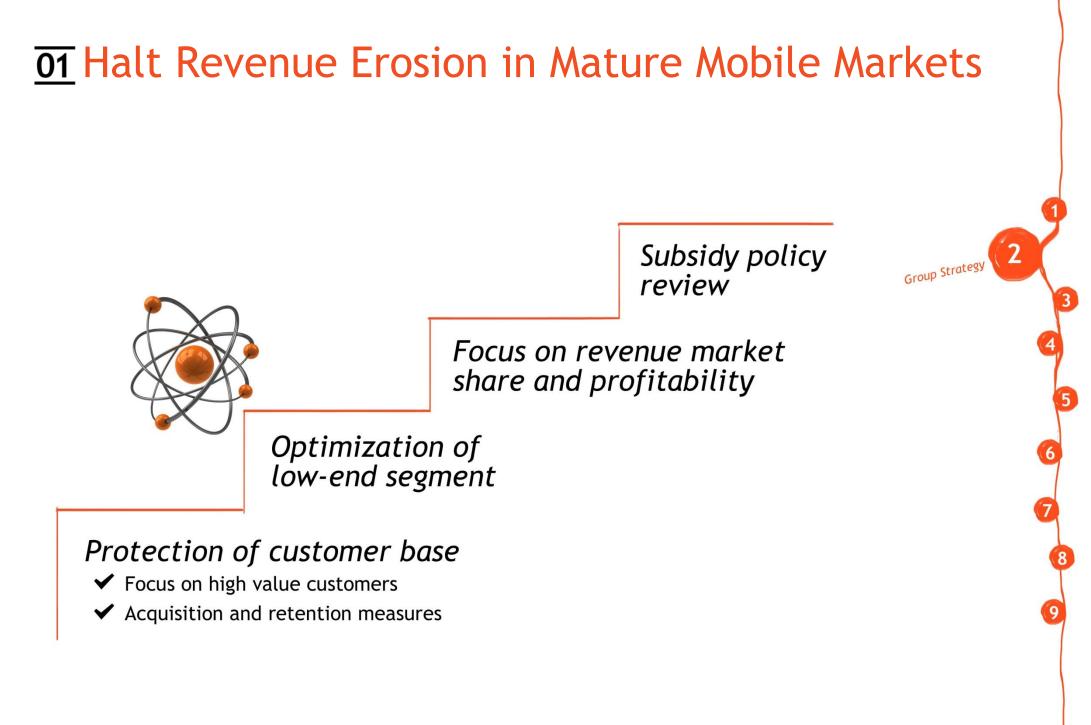


AGM 2013 23

Group Strategy

Telekom Austria Group Strategy





<u>O1</u> Continuing Growth in Mobile Only Markets

Focus on mobileonly strategy

Growth to achieve sustainable market positions

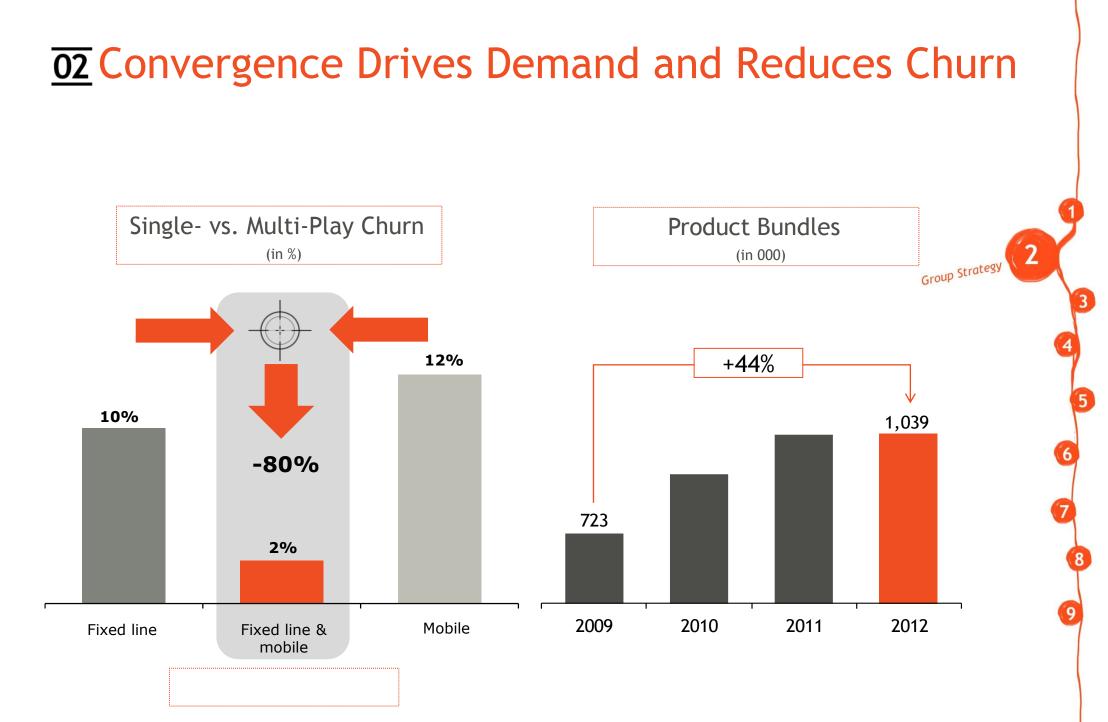
- Mobile data and smartphones
- ✓ Postpaid growth
- Optimisation of pricing policy

Exploiting synergies

✓ Know-how transfer

AGM 2013 27

Group Strategy 2



<u>02</u> Push Multi-Play for Added Value



Bundle penetration and demand are growing in all of Telekom Austria Group's convergent markets

<u>03</u> High Cost Efficiency: EUR 100* mn Gross Cost Savings in 2012

Sales & Customer Service

- Improve e-bill ratio to further decrease billing costs
- Increase rate of forum and crowd sourcing
- Review shop concept and savings on shop rental fees
- ✓ FTE and employee cost optimization

Administration

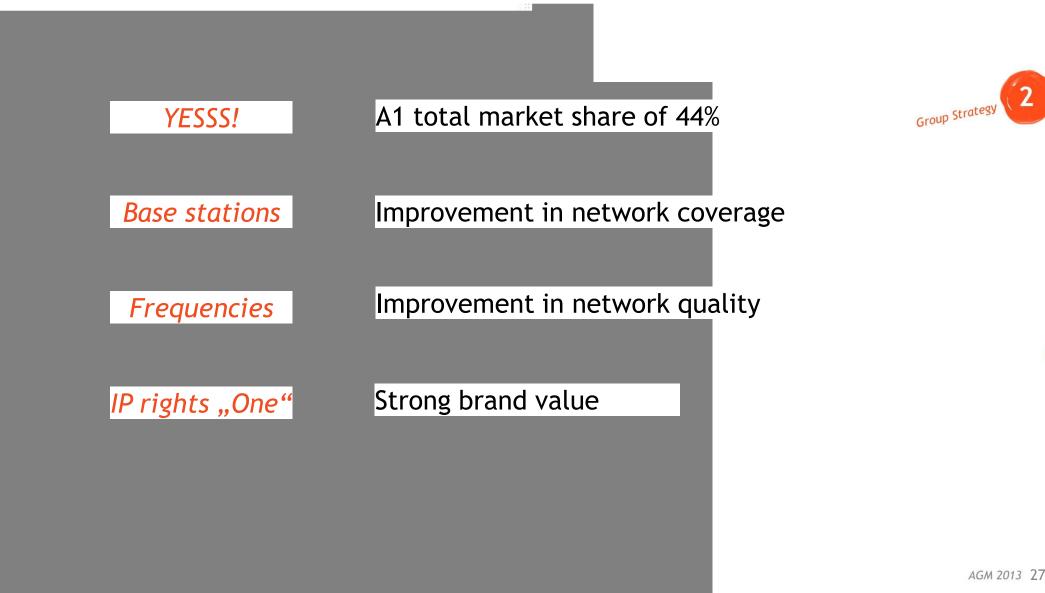
- Reduction of travel expenses
- Review of internal and external events

IT

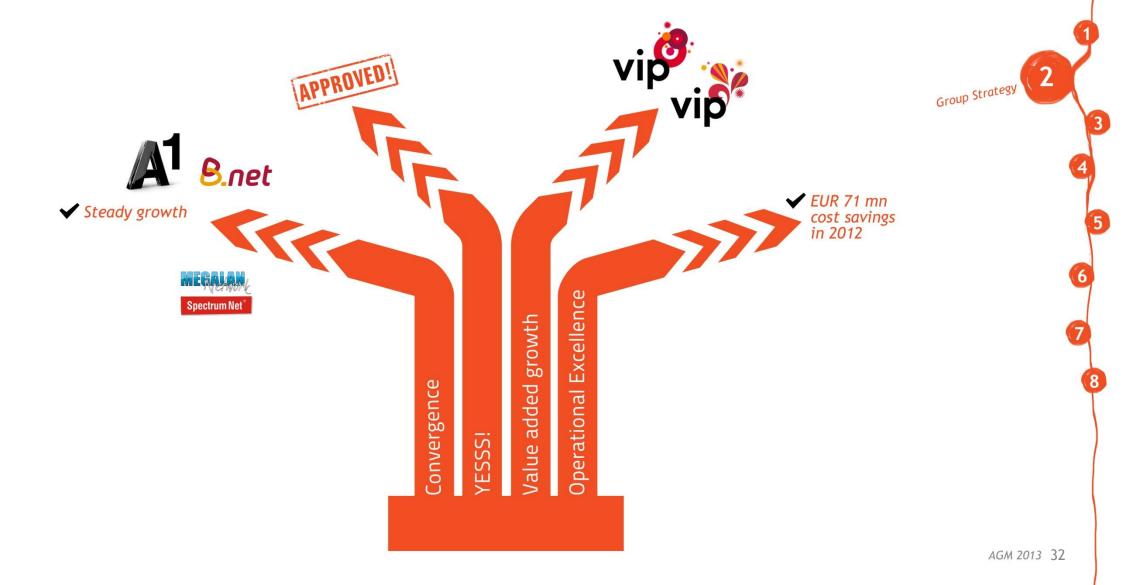
- Reduction of complexity of product/tariff structure
- Reducing expenses for external IT support

Group Strategy

<u>04</u> Acquisition of YESSS!



Successful Implementation of Telekom Austria Group's Strategy



Austria

Environment Remains Challenging

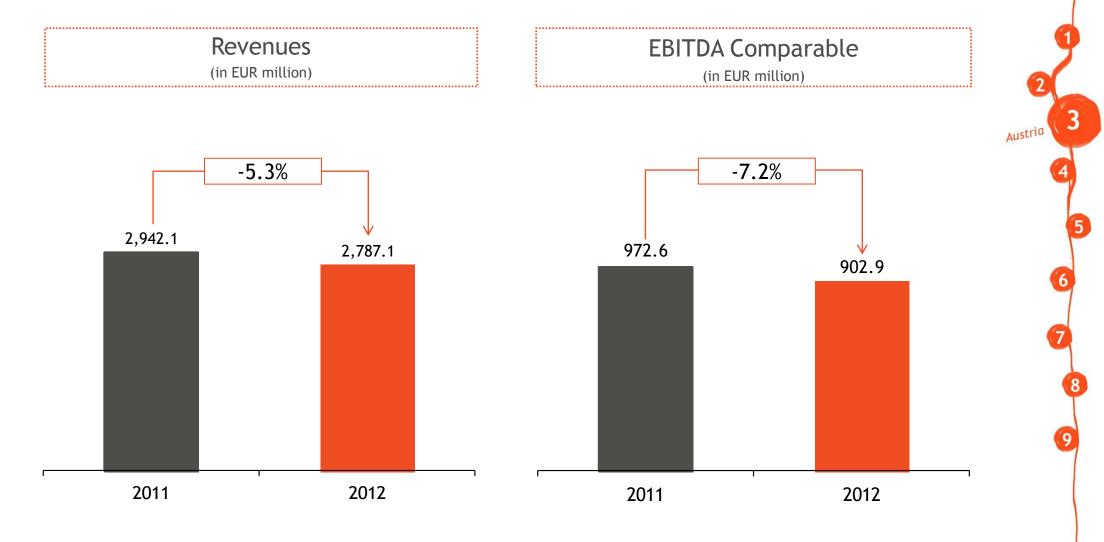


✓ Continued growth of the convergent customer base ✓ Cost savings and restructuring programmes ✓ Stabilisation of fixed line business ✓ Intense competition leads to pricing pressure and decline in revenues in mobile business ✓ 16% of decline in revenues due to regulation ✓ Rigid cost structure

Austria

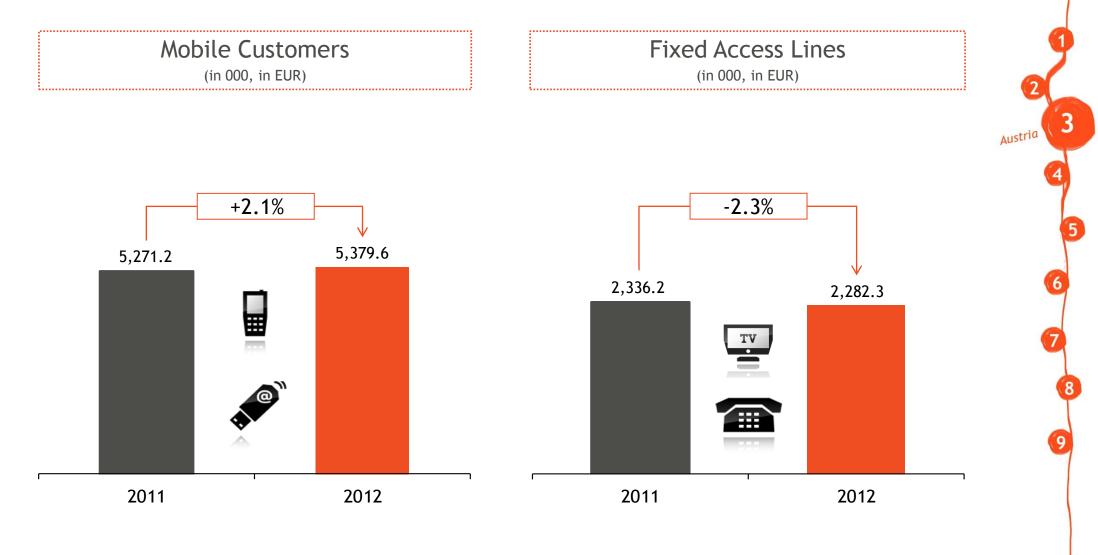
Intense Competition and Regulation Impact Results





Increase in Mobile Customers and Stabilisation in Fixed Access Lines





4,000 Employees Ensure Top-Quality A1 Service for our Customers



A1 shops 6 million customer visits per year



E-mail 500,000 e-mails processed per year



Service hotline* 10 million incoming calls per year



Field service* 1 million house visits

*1,165 service hotline employees (FTE)

*1,400 field service employees (FTE)

We are there for you 365 days a year.

AGM 2013 37

3

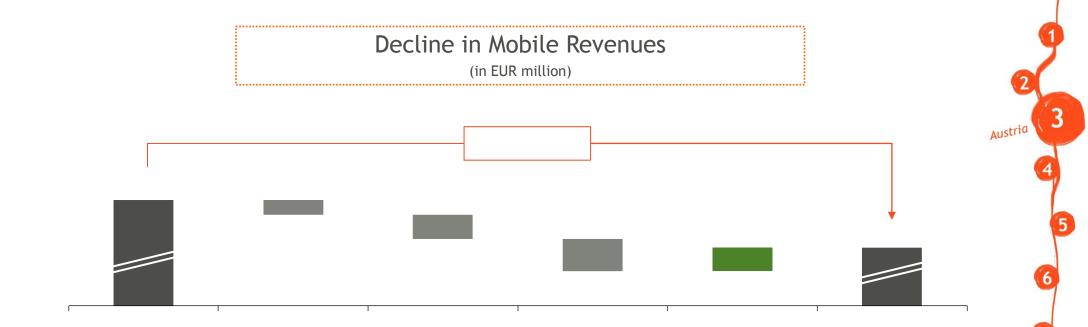
Austria

MOBILE BUSINESS UNDER PRESSURE

FIXED LINE BUSINESS STABILISED

0

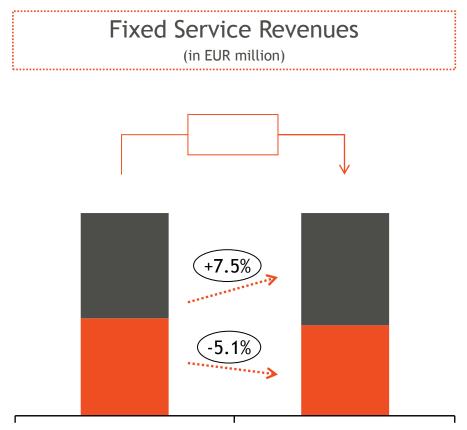
Mobile: Price Erosion Leads to Decline in Revenues Due to Churn and Tariff Migration



Challenges in Mobile Business:

- \checkmark Regulatory cuts of roaming and interconnection rates
- ✓ Intense competition
- \checkmark Tariff migration mainly at A1 brand

Revenue Growth in Fixed Line Business

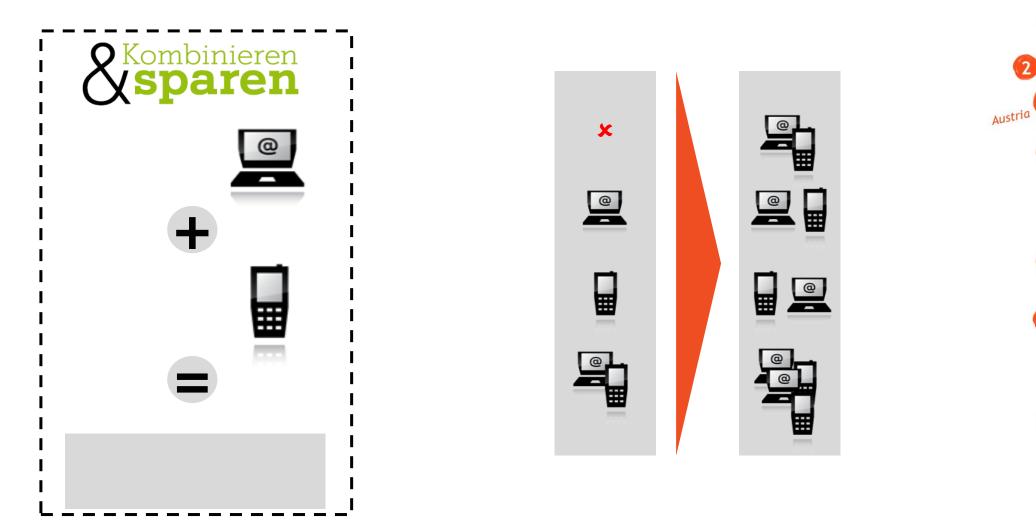


- ✓ Fixed line broadband, IP TV and business solutions drive stabilisation in revenues
- Migration of voice minutes from fixed line to mobile continues: down 10.1% in 2012



■Voice telephony ■Broadband, TV and other

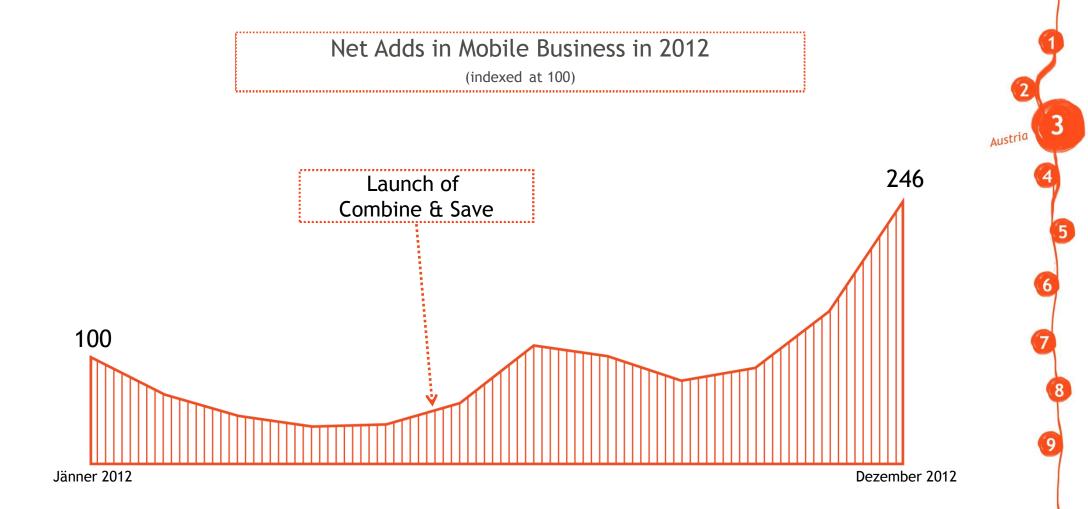
New Tariff Model Highlights Focus on Convergence: "Kombinieren & Sparen"



AGM 2013 41

3

Strong Customer Trends Since Start of "Kombinieren & Sparen"



New TV Platform Ensures Growth in TV Business





Outstanding user friendliness

TV More than 180 channels

• REC Integrated recorder



2,000 movies and series in the A1 Videothek

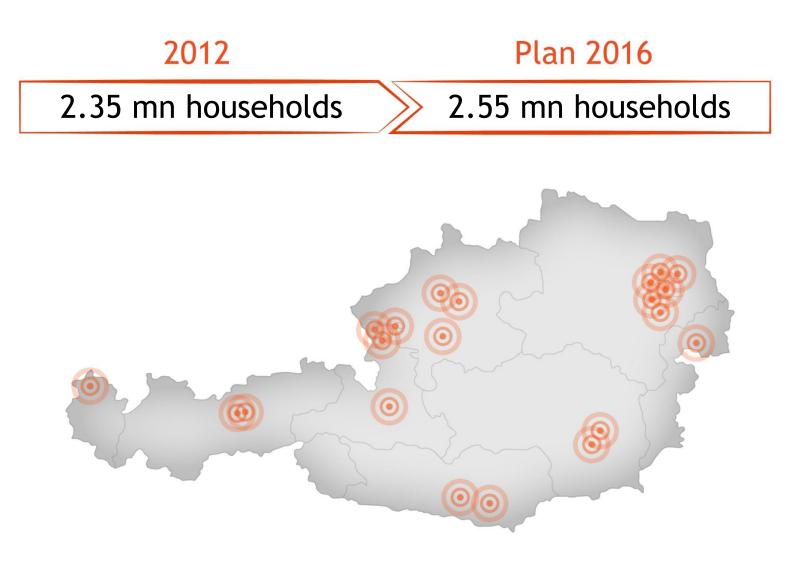
HD Largest HD portfolio

AGM 2013

Austria

FOCUS ON NETWORK QUALITY

More Than 50% of Austrian Households Covered by Giga Network

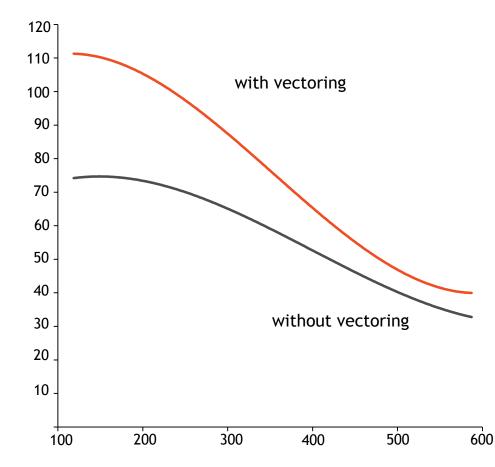




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Austria

Over 30% Increase in Speed via Vectoring



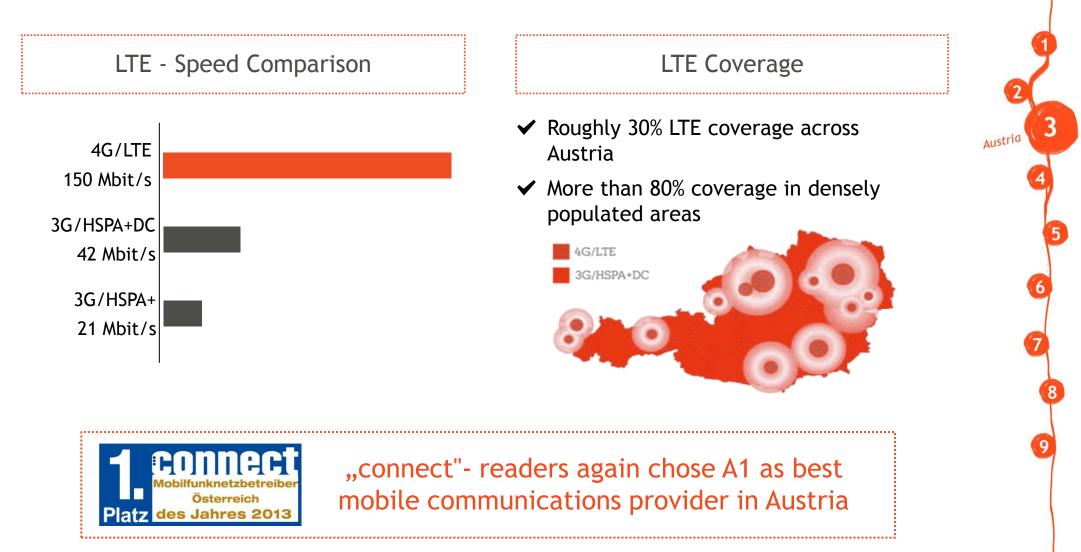
- CAPEX efficiency through optimisation of the copper network
- ✓ 34% increase in transmission rates
- ✓ Trial roll-out in Klosterneuburg completed
- ✓ World's first commercial provider



3

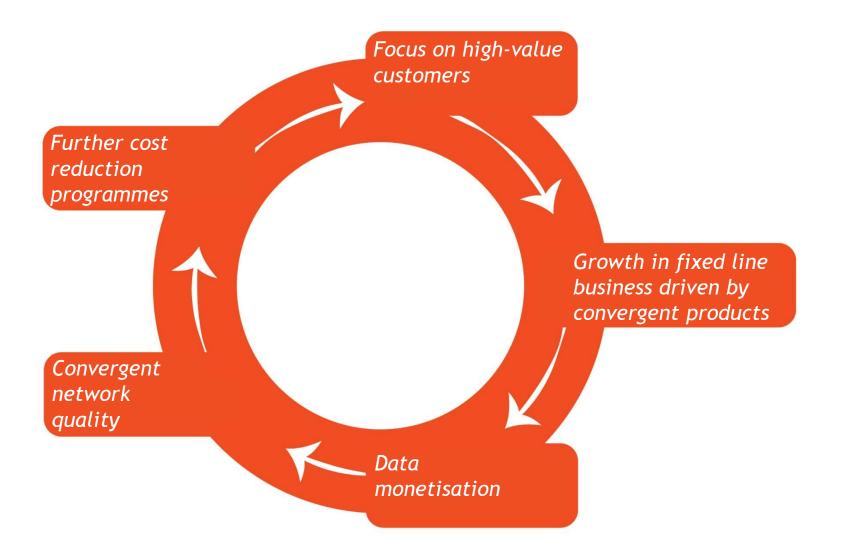
Austria

4G - The Future of Mobile Technology at A1



TURNAROUND STRATEGY

Goal: Stabilisation of Revenues

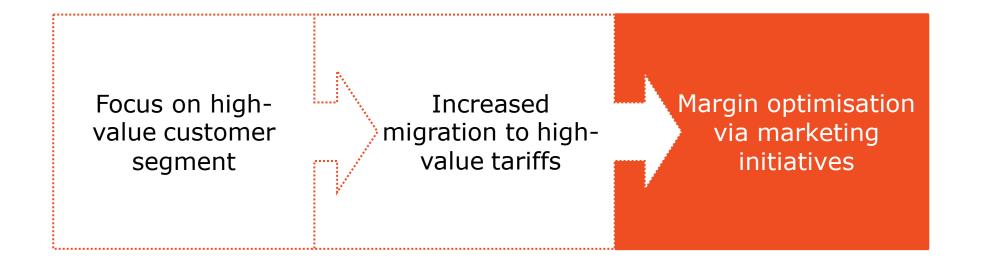


AGM 2013 49

3

Austria

High-Value Customer Segment and Convergence at the Centre of Turnaround Strategy

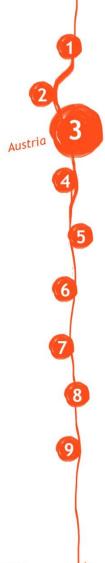


AGM 2013 50

Austria

New Smartphone Tariffs: A1 GO!



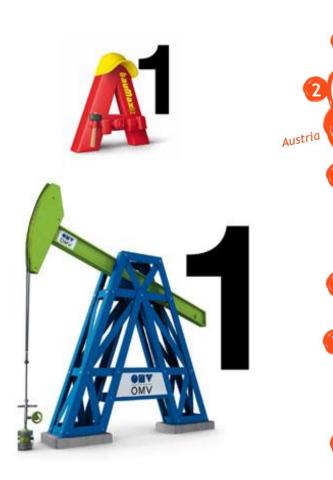


A1 Solutions for Austrian Corporates





- ✓ One-stop solutions
- Complexity outsourced
- ✓ Single point of contact with local service partner throughout Austria



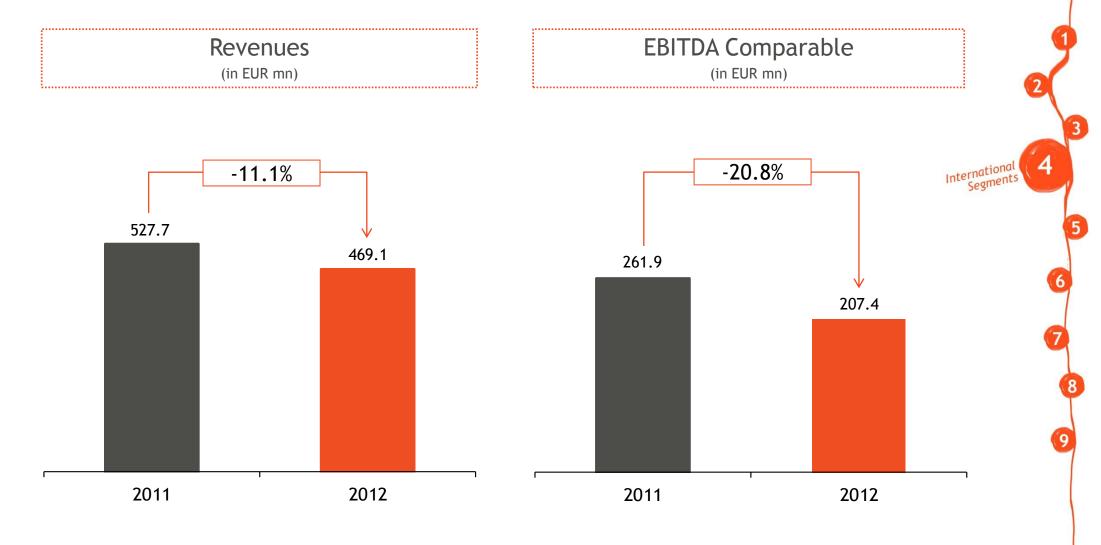
AGM 2013 52

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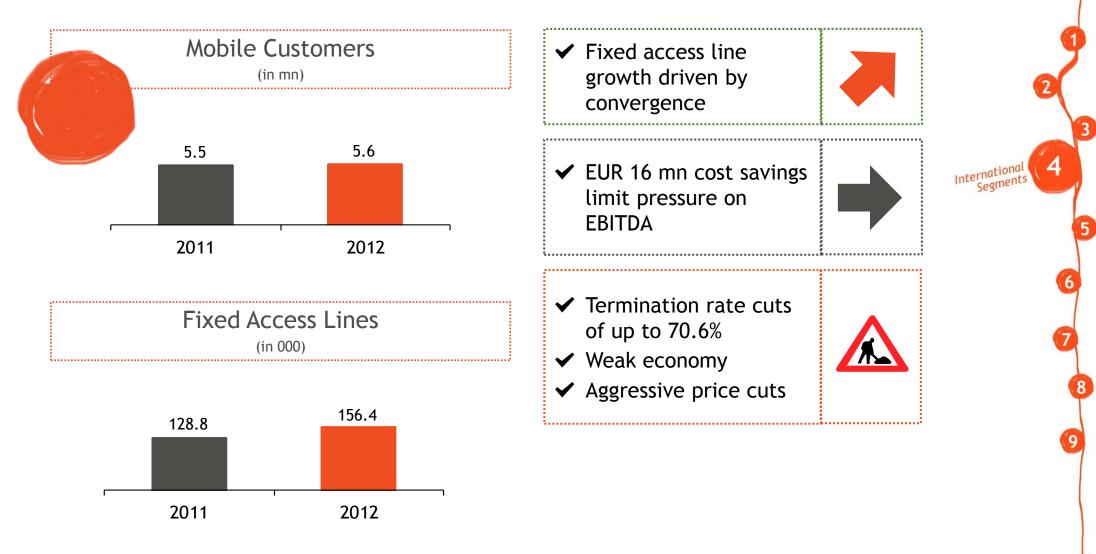
International Segments

Bulgaria: Regulatory Cuts and Macro-Economic Headwinds





Bulgaria: Mobile and Fixed Line Customer Growth

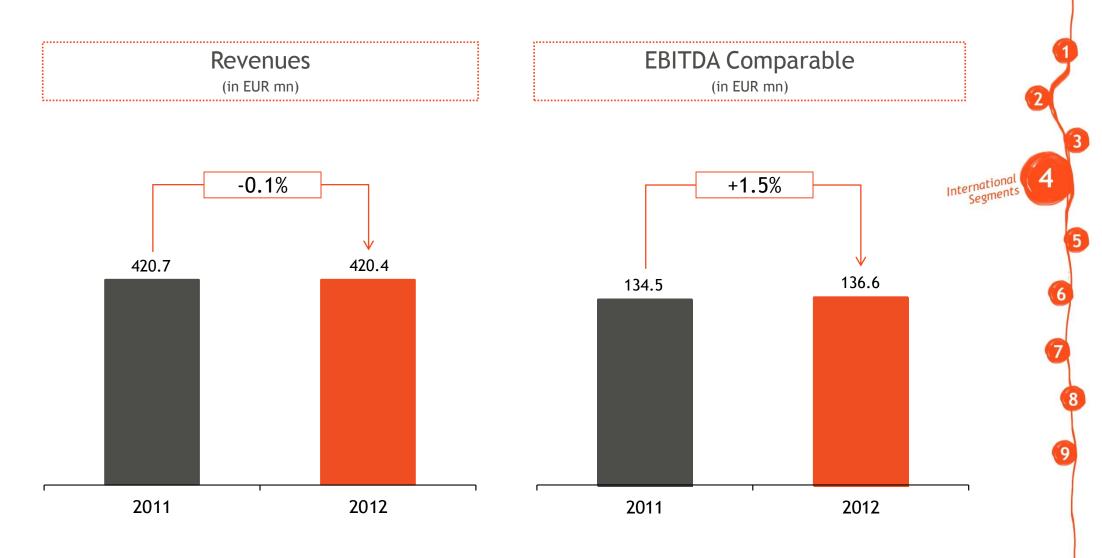


AGM 2013 55

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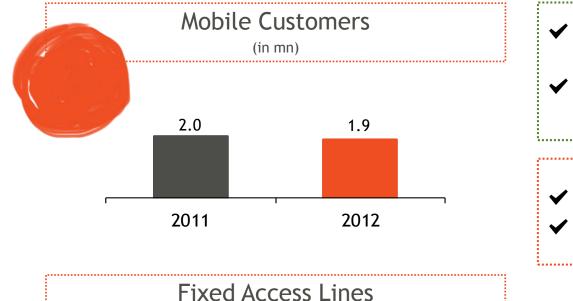
Croatia: Convergence Allows Business Stabilisation

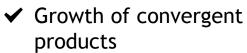




Croatia: Revenue Growth in Fixed Line Business Compensates Decline in Mobile







- ✓ Increase in contract share
- ✓ Mobile price pressure
- ✓ Shrinking economy



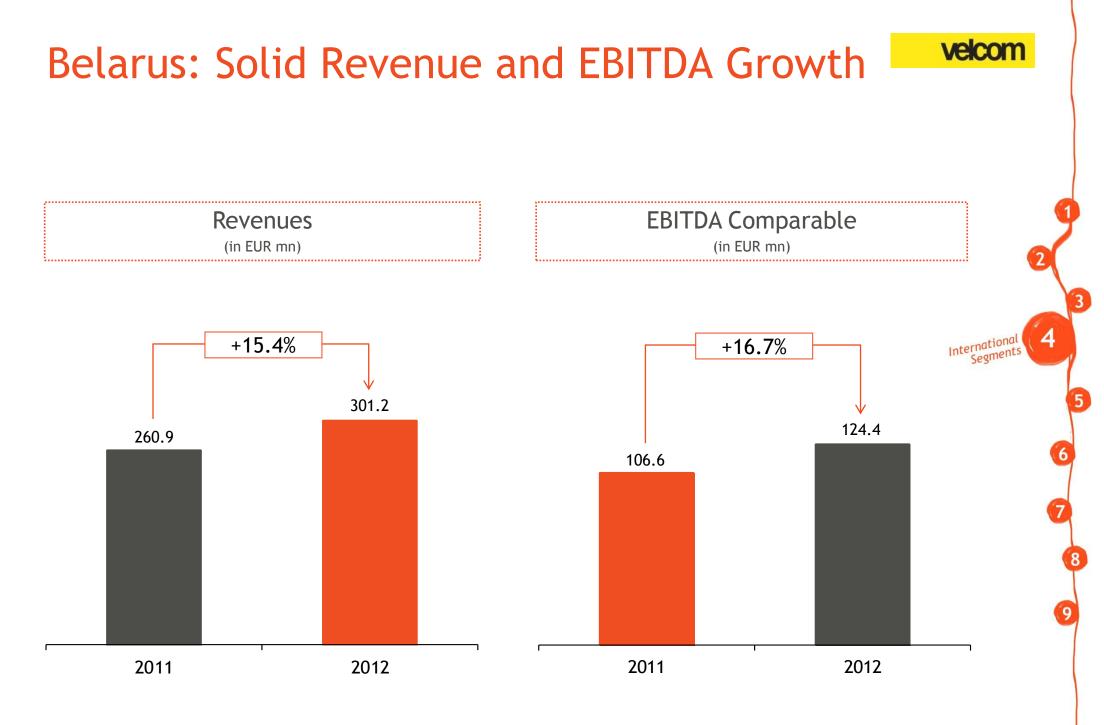


International Segments

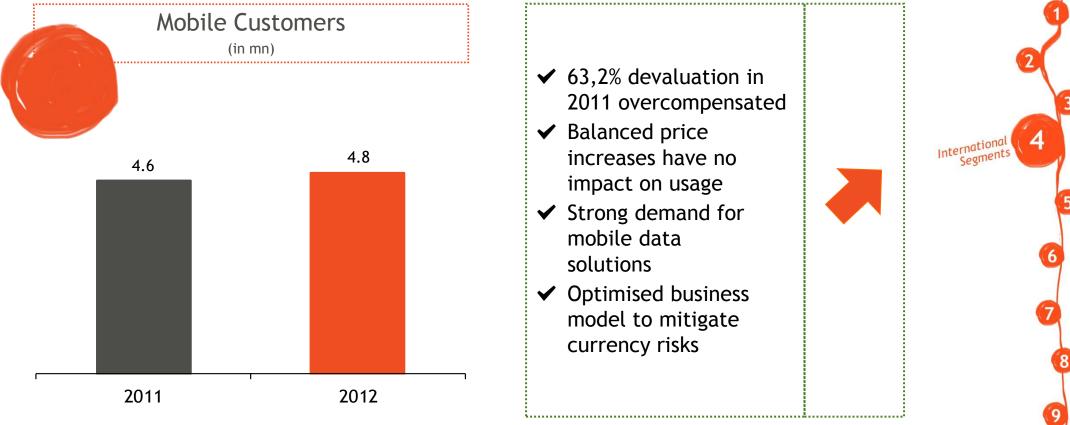
 143.7
 163.0

 2011
 2012

(in 000)

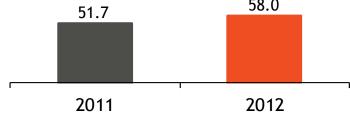


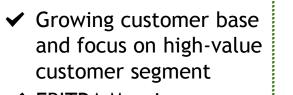
Belarus: 3.9% Growth of Customer Base



Slovenia: Strong Market Position Leads to Continued Growth







✓ EBITDA Margin increased to 29.1%

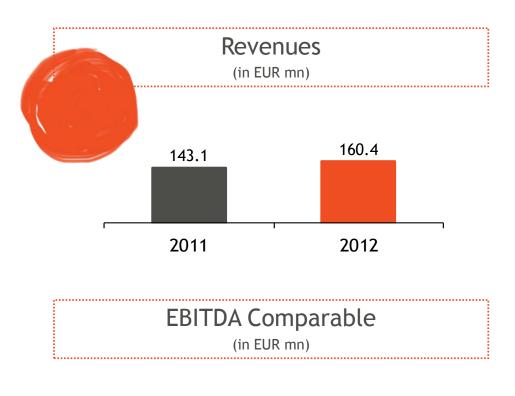
✓ Ongoing recession

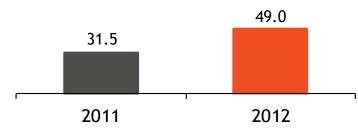


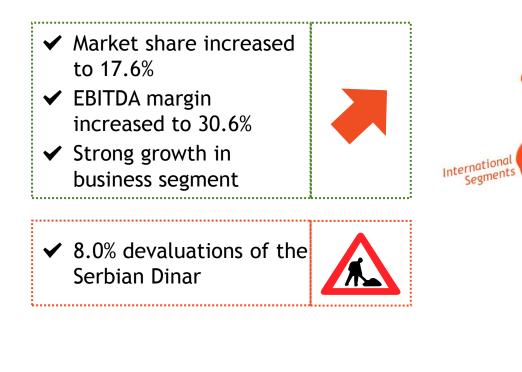
🎯 simobil.si

International Segments

Republic of Serbia: Growing Revenues and EBITDA Despite Currency Devaluations

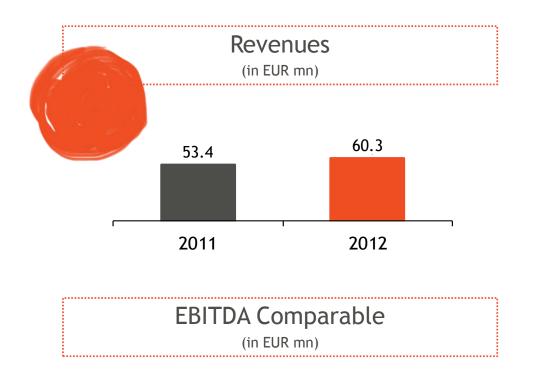


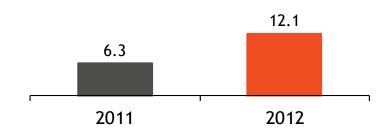




Republic of Macedonia: Transition from Growth to Value









 Roll-out of state-ofthe-art 3G network

> Approx. 5% decline of telecommunication market





AGM 2013 62

International Segments

Key Finance Indicators

3

Solid Net Profit Despite "Rough Times"

-	-4.7%	1,527.3	1,455.4
a Key Finance Indicators 2012	36.0%	1,044.7	1,420.8

- \checkmark Decline in revenues driven by the Austria and Bulgaria segments
- ✓ EUR 71 million cost savings mitigate impact of the revenue decline on EBITDA
- ✓ Net profit due to lower restructuring costs in Austria and cost savings of EUR 71 million

728.2	739.0	-1.5%
16,446	17,217	-4.5%

AGM 2013 64

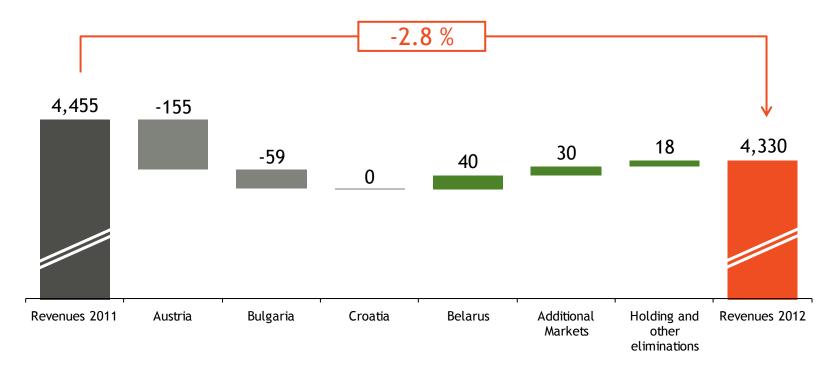
5



* Does not include any investments for licenses and spectrum nor acquisitions.

** Operating Free cash flow = EBITDA comparable minus capital expenditures (excluding investments for licenses and spectrum auctions)

Competition, Regulation and Macro-Economic Trends Drive Revenue Decline

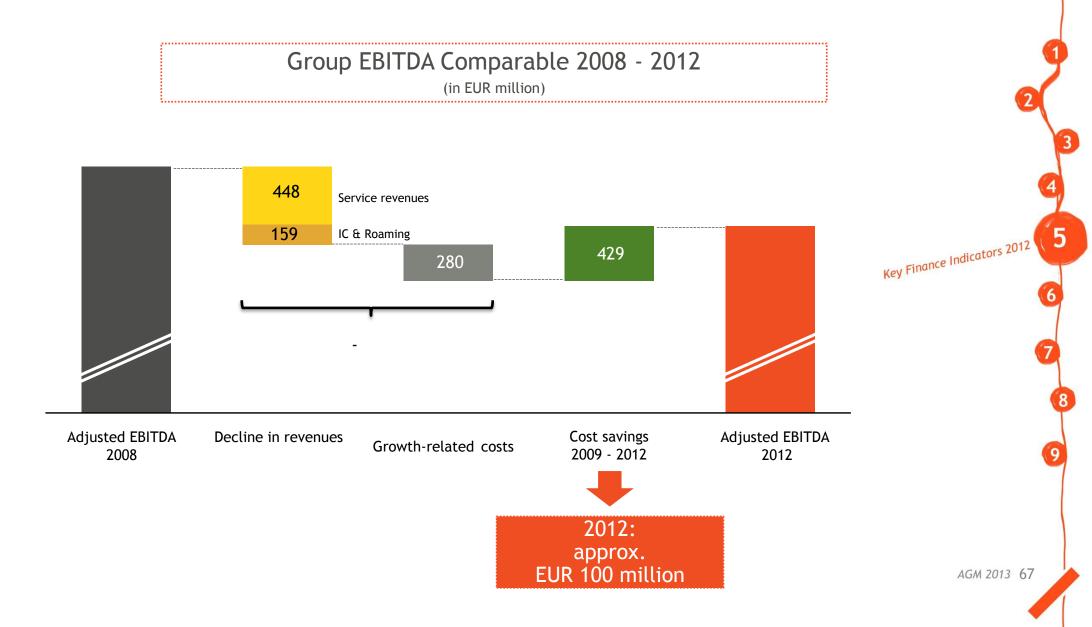


- ✓ Intense competition in the Austrian, Bulgarian and Croatian segments
- ✓ Significant regulatory pressure
- $\checkmark\,$ Difficult macroeconomic environment in CEE
- \checkmark Additional Markets segment driven by substantial increase in customers

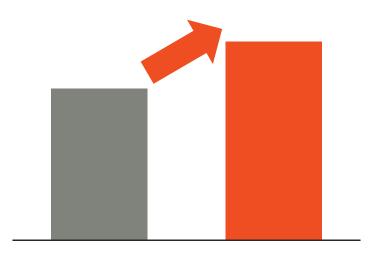
AGM 2013 66

Key Finance Indicators 2012

High Cost Efficiency: Cost Savings of Over EUR 420 Million Since 2008



2012: Gross Cost Savings of EUR 100 Million



Cost savings 2012 Cost savings 2013E

2012

 Cost savings of approximately EUR 100 million (net effect of EUR 71 million)

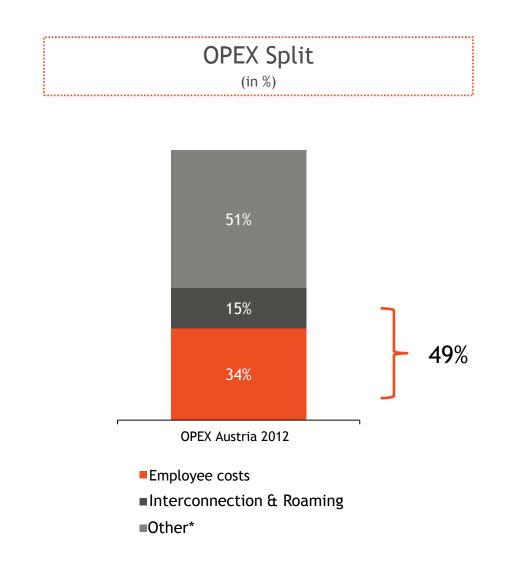
2013

✓ Further cost savings of at least EUR 100 million

Key Finance Indicators 2012

5

Rigid Cost Structure Burdens Austrian Segment



- ✓ 65% of Group costs are incurred in Austria
- Approx. half of the costs in Austria are inflexible
- Approx. 70% of employees have restrictive employment contracts

5

Key Balance Sheet Figures

(in EUR million)	2012	2011	% change
	1,809	1,751	+3%
	5,442	5,697	-4%
	7,252	7,449	-3%
	2,322	2,412	-4%
	4,093	4,154	-1%
	836	883	-5%

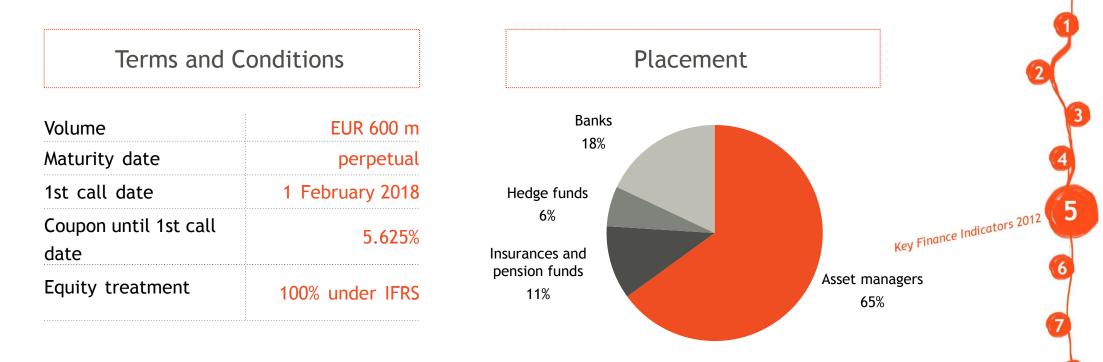
3,249	3,380	-4%
2.2x	2.2x	-

AGM 2013 70

5

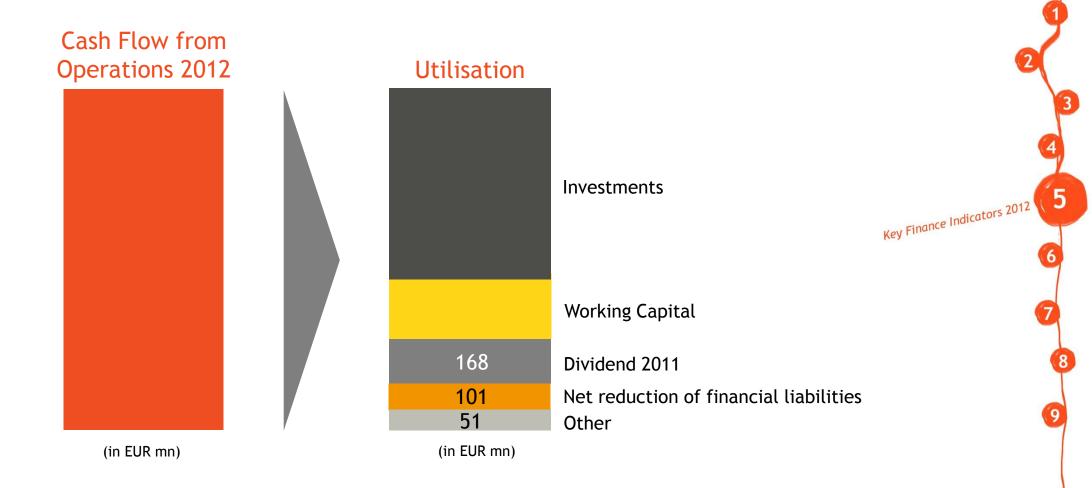
Key Finance Indicators 2012

EUR 600 Million Hybrid Bond Strengthens Capital Structure and Secures Ratings

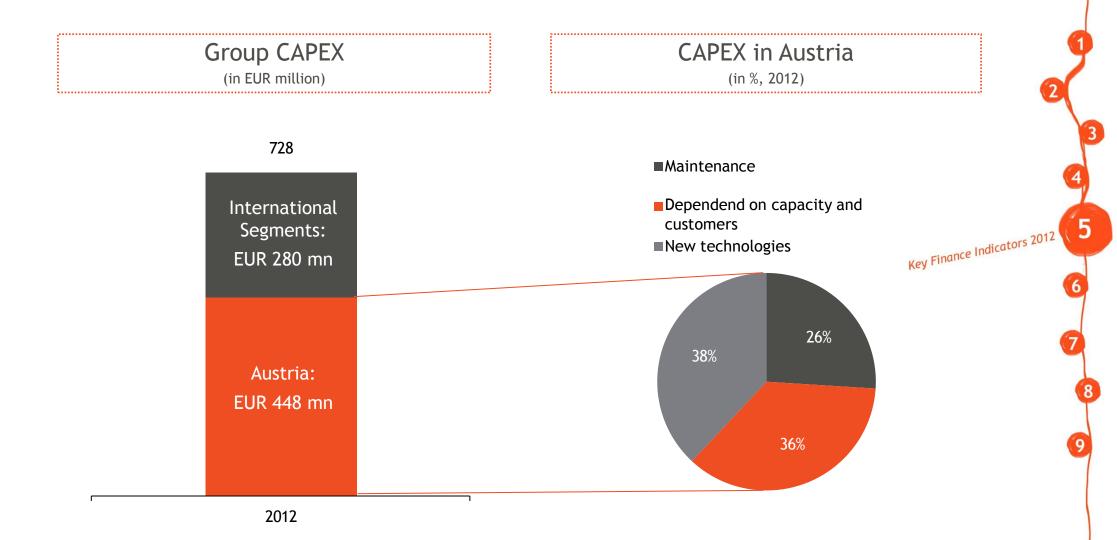


- ✓ Refinancing needs for 2013 covered (except potential frequency auctions)
- ✓ Favourable issue conditions utilised
- ✓ Strong demand results in order book of approximately EUR 4.0 bn
- Protection of solid investment grade rating

Strong Cash Flow as Basis for Investments and Dividend



Solid Capital Expenditures Ensure Quality Leadership



Finance Strategy

- - (6) (7

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Conservative Financial Profile Remains Highest Priority

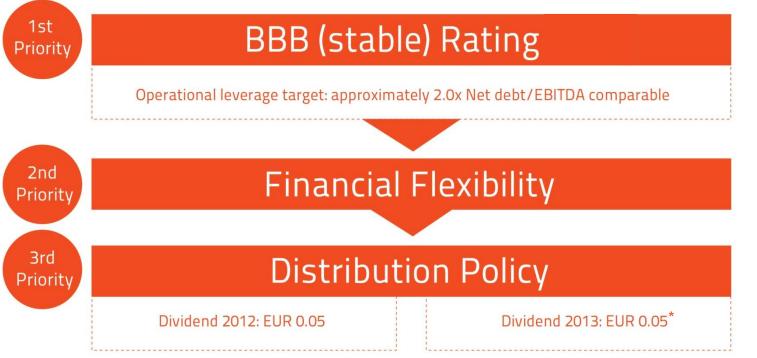


AGM 2013 75

6

Finance Strategy

Cash Use Policy



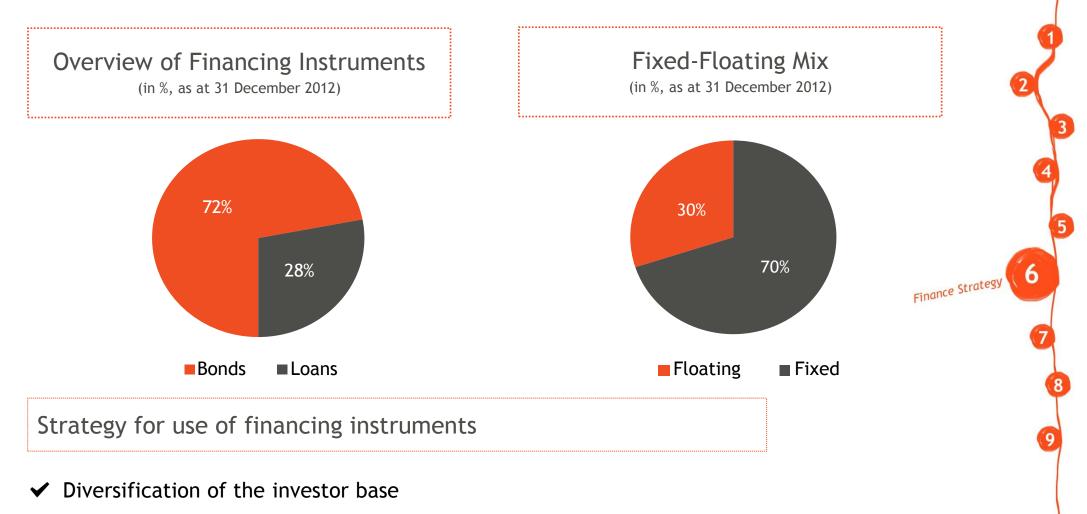
* Intended proposal at the Annual General Meeting 2014

AGM 2013 76

6

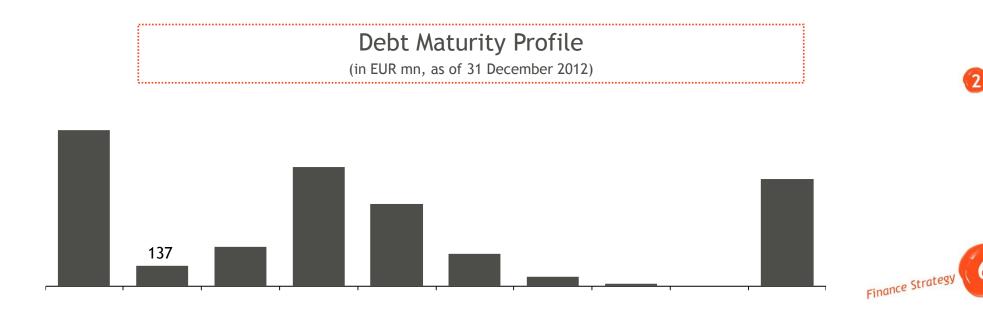
Finance Strategy

Liability Structure Supports Conservative Financial Policy



Capitalising on attractive financing conditions on capital markets

Debt Maturity Profile as of 31 December 2012 - 2013 Refinancing Needs Already Covered

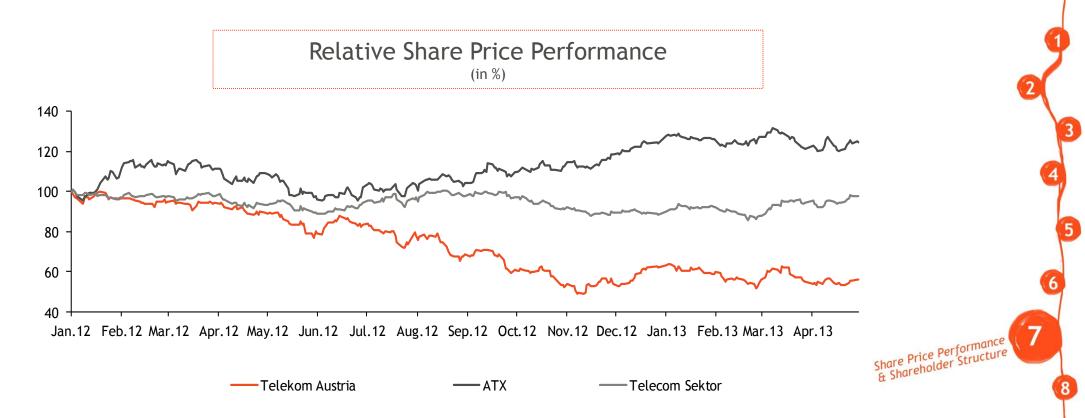


- ✓ EUR 3,911 mn of short- and long-term borrowings as of 31 December 2012 with Cash and cash equivalents and short-term investments amounting to EUR 686 mn
- ✓ Average cost of debt of approximately 4.2%
- ✓ Average term to maturity of approximately 3.8 years
- ✓ Strong ratings: S&P: BBB (stable), Moody's: Baa1 (negative)

Share Price Performance & Shareholder Structure

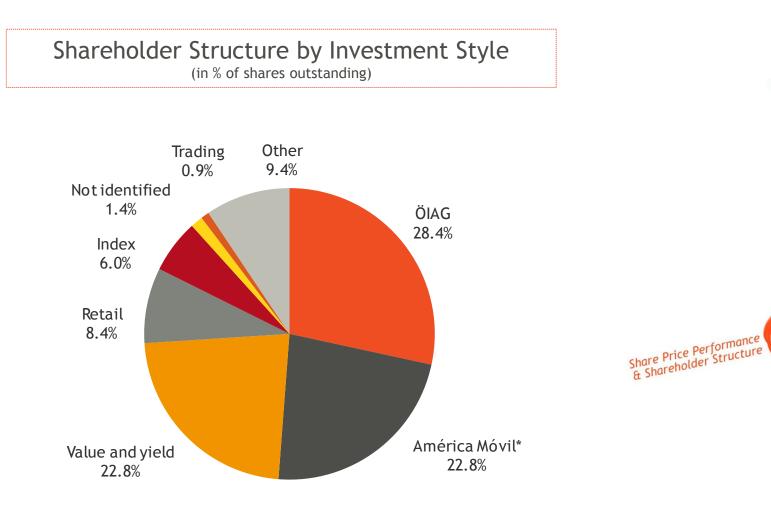


Volatile Market Environment Influences Performance of Telekom Austria Share in 2012



- \checkmark Share price performance reflects operational challenges
- ✓ Stabilisation since Q4 2012 reflects opportunities on the Austrian market
- \checkmark Telecoms sector in general is suffering from regulatory cuts and competitive pressure

Shareholder Structure with Long-Term Focus and Two Solid Key Shareholders



* According to official threshold notification as of 15 June 2012. 23.7% according to the published results of América Móvil for Q4 2012

Outlook 2013

- - - (8) (9)

2

3

5

Outlook 2013

Telekom Austria Group - Outlook for 2013

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



* Does not include investments for licenses and spectrum and acquisitions

** Operating free cash flow = EBITDA comparable minus capital expenditures (excluding investments for licenses and spectrum auctions)

Outlook 2013 AGM 2013 83

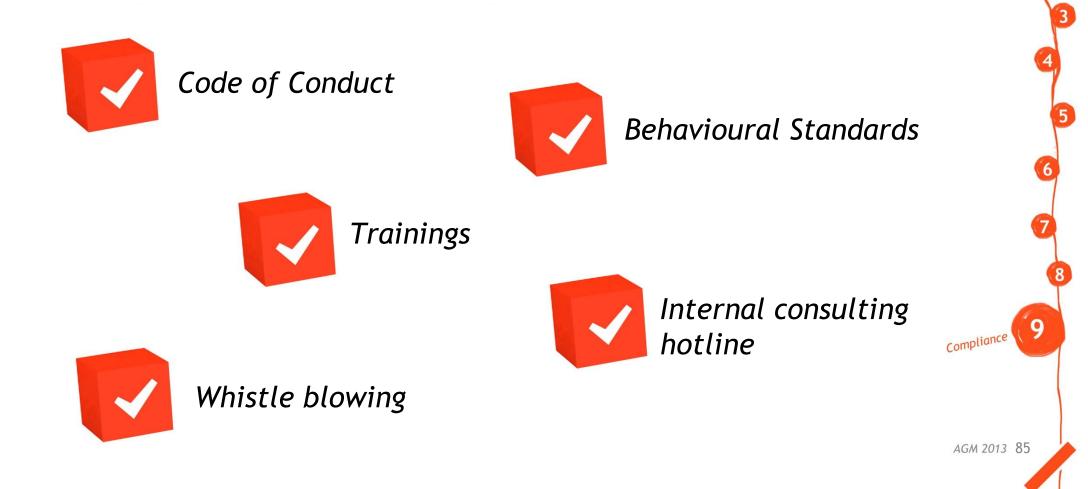
Compliance

3 (4) (5) (6) (7) (8) (9)

2



All elements of a modern compliance management system have been implemented, e.g.:



Outlook

- ✓ An audit firm (PWC) is currently reviewing the effectiveness of the compliance management system in Austria and the status of implementation in its six major subsidiaries
- ✓ The aim is to successfully obtain certification before the end of the year 2013

Compliance





Thank you for your participation!