

**TELEKOM
AUSTRIA
GROUP**



ANNUAL GENERAL MEETING

VIENNA, 25 MAY 2016

Agenda

- 01 Report on the 2015 financial year
- 02 Utilisation of net retained profits
- 03 Approval of the actions of the Management Board
- 04 Approval of the actions of the Supervisory Board
- 05 Determination of Supervisory Board remuneration
- 06 Elections to the Supervisory Board
- 07 Election of the auditors of the single-entity and consolidated financial statements for the 2016 financial year
- 08 Management report on the share buy-back effected, the number of treasury shares held and the use of treasury shares



Agenda item 1

Report on the 2015 financial year



**2015.
GROWTH
CHANGE**

CUSTOMERS
>24 MN

393

REVENUES
+0.2%

EUR MN NET PROFIT 2015



NET RESULTS DEVELOPMENT IN EUR MN

2010	2011	2012	2013	2014	2015
195	-253	104	52	-185	393



MOBILE 20.7 MN

+3%
BROADBAND

+4%

FIXED 3.4 MN

+28%
BROADBAND

+24%

TV 1.1 MN

+94%

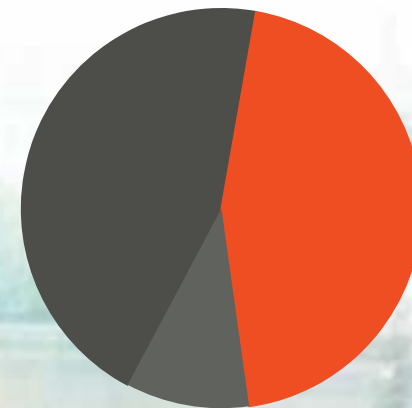
>24 MN CUSTOMERS

GROWTH THROUGH INVESTMENT

CORE BUSINESS

NEW PORTFOLIO

M&A



■ 45% MOBILE
■ 45% FIXED
■ 10% CLOUD/IT/OTT

FREQUENCIES

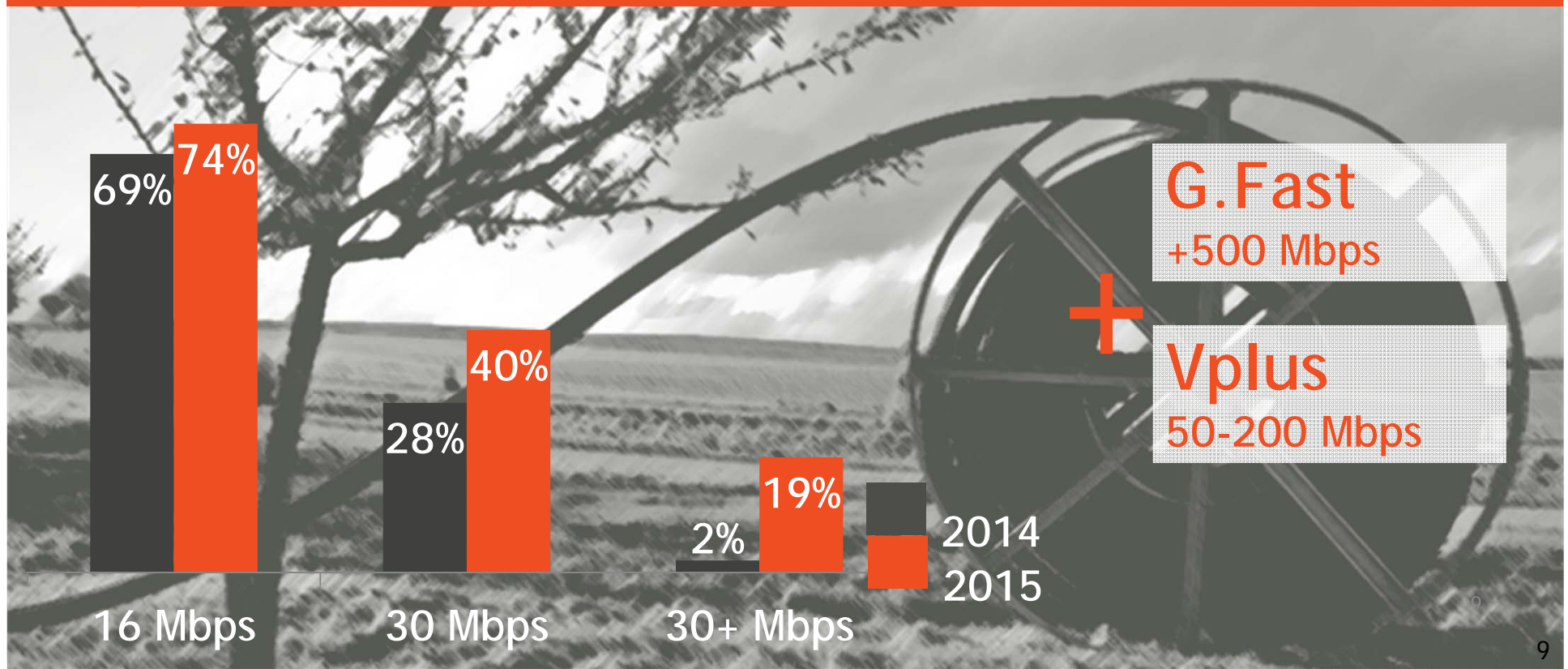
Republic
of Serbia
800
MHz

Belarus
900
MHz

Republic
of Serbia
1800
MHz

Croatia
1800
MHz

FIBRE





SYNERGIES
WITH START-UPS

Parkbob

R2

Parkbob



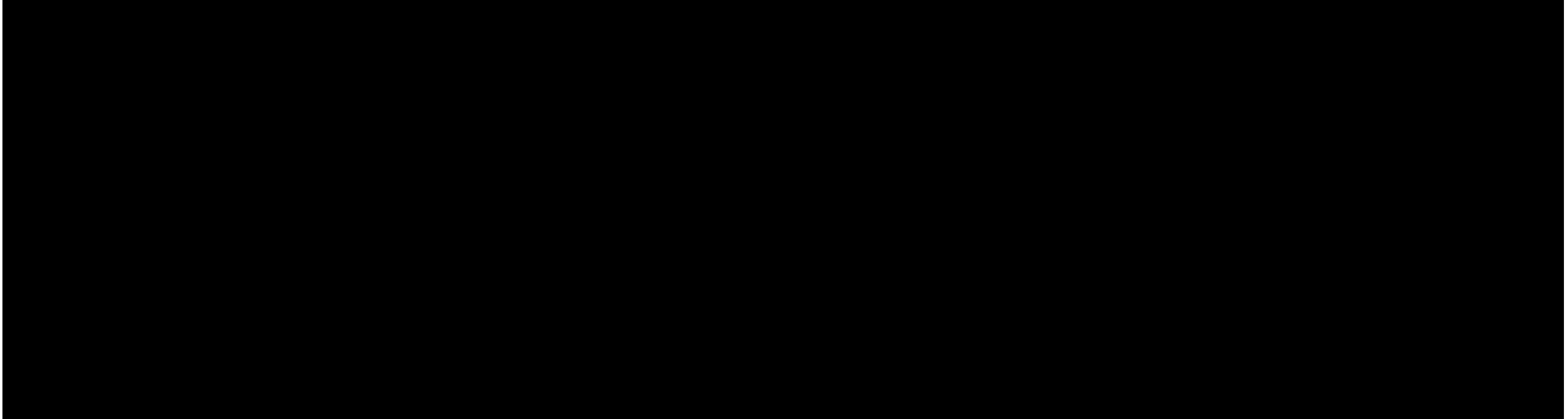
R2

M2M

HANDY
PARKEN

HOLIDAYS
WHEELS

INNOVATION



- single RAN
- IP-Photonics
- network function virtualisation
- harmonisation: business support systems

Best network technologies for our customers



5G technology demonstrated in a field trial together with Nokia.



With **Vplus** technology more than 200 Mbps several times proofed in FTTB scenarios.

M&A

SLOVENIA/CROATIA
zanesljivo

amis



BULGARIA
blizoo

one.vip
MACEDONIA

VISION

Core business

Portfolio

Targeted M&A

Growth

Innovation

Relevance in Europe



**2015.
GROWTH
INVESTMENT**

Key Financial Figures in EUR mn	2015	2014	+/- %
Group revenues	4,027	4,018	+0.2%
EBITDA comparable	1,373	1,286	+6.7%
EBITDA comparable- margin	34%	32%	n.m.
Net profit/loss	393	-185	n.m.



RESULTS

Key Financial Figures in EUR mn	2015	2014	+/- %
Capital expenditures	780	757	+3.0%
Free Cash Flow	355	156	+127.4%
Net debt	2,676	2,693	-0.6%
Net debt/EBITDA comparable	1.9x	2.1x	n.m.

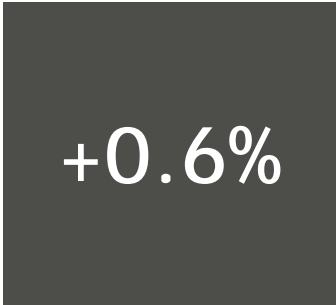


RESULTS

Key Financial Figures in EUR mn	2015	2014	+/- %
Revenues	2,527	2,472	+2.2%
EBITDA comparable	886	755	+17.3%
CAPEX	452	399	+13.5%

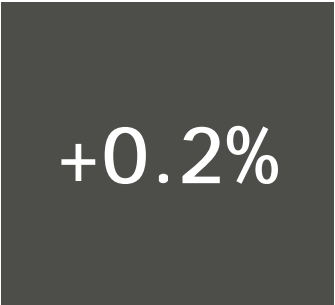
MOBILE SUBSCRIBERS

5,455k



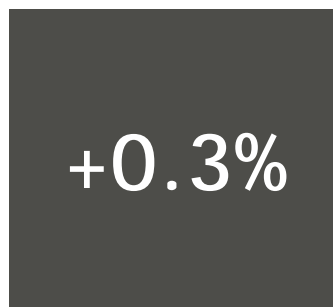
FIXED ACCESS LINES

2,291k

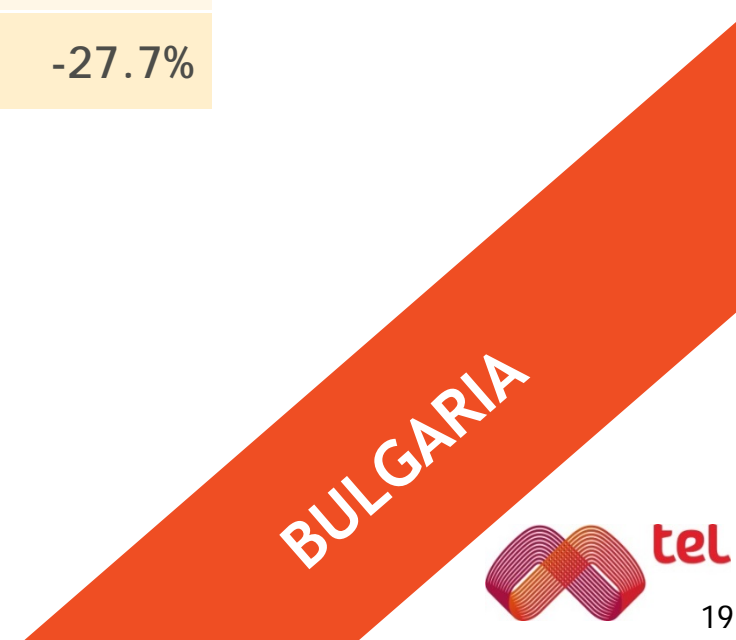
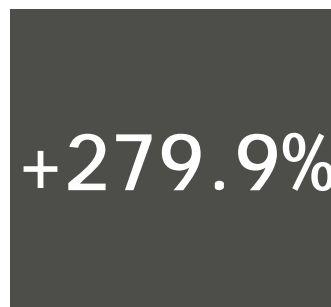


Key Financial Figures in EUR mn	2015	2014	+/- %
Revenues	365	371	-1.8%
EBITDA comparable	133	143	-7.2%
CAPEX	74	103	-27.7%

MOBILE SUBSCRIBERS
4,236k

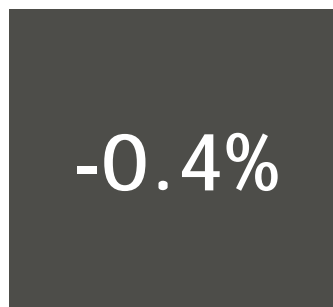


FIXED ACCESS LINES
584k

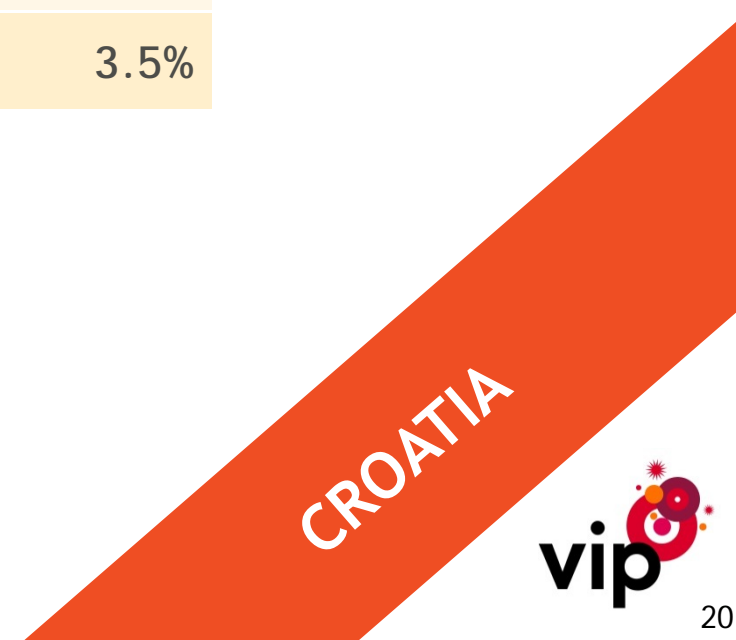
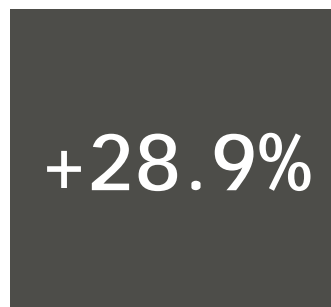


Key Financial Figures in EUR mn	2015	2014	+/- %
Revenues	371	378	-1.8%
EBITDA comparable	83	84	-1.5%
CAPEX	72	70	3.5%

MOBILE SUBSCRIBERS
1,734k



FIXED ACCESS LINES
283k



Key Financial Figures in EUR mn	2015	2014	+/- %	in BYR
Revenues	327	355	-7.9%	+20.2%
EBITDA comparable	164	172	-5.1%	+21.4%
CAPEX	66	49	+36.4%	

MOBILE SUBSCRIBERS

4,957k

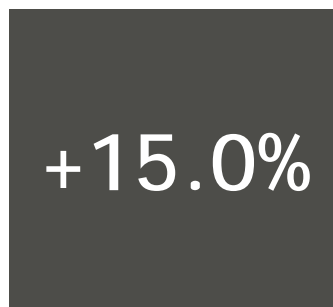
+0.1%

BELARUS

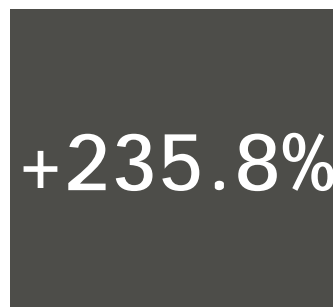


Key Financial Figures in EUR mn	2015	2014	+/- %
Revenues	481	481	0.1%
EBITDA comparable	138	137	+0.9%
CAPEX	117	137	-14.9%

MOBILE SUBSCRIBERS
3,981k



FIXED ACCESS LINES
210k



ADDITIONAL
MARKETS

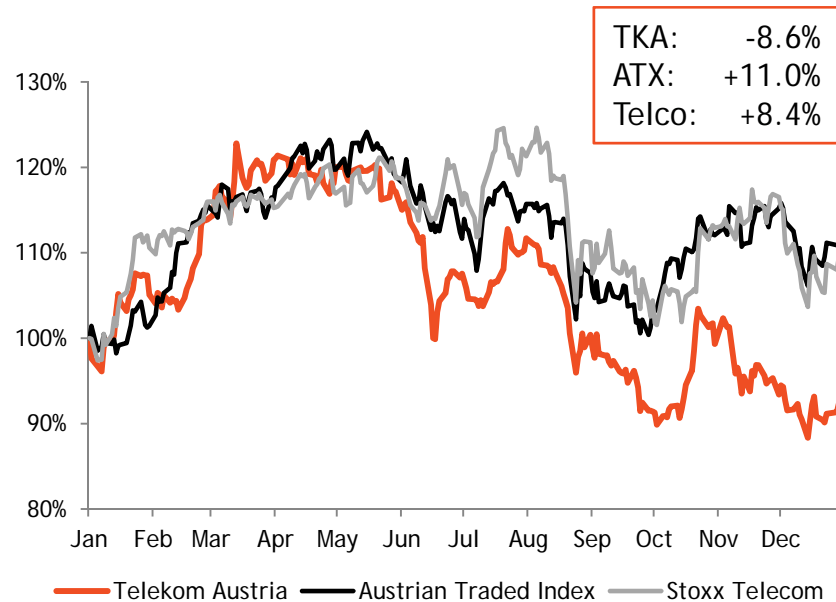


Share Price

Share price performance in 2016 driven by positive business development

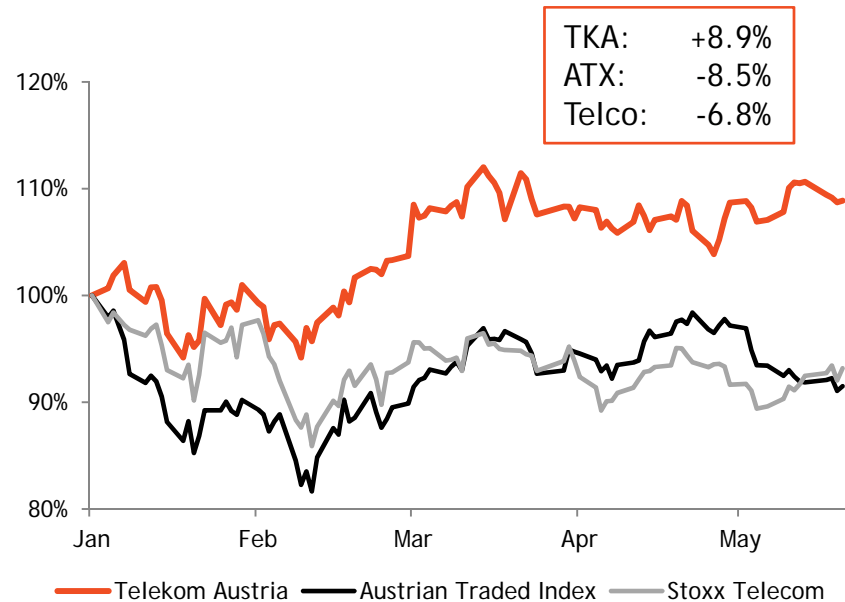
Performance of the Telekom Austria share 2015

Indicated as of 1 January 2015



Performance 2016 to date

Indicated as of 1 January 2016





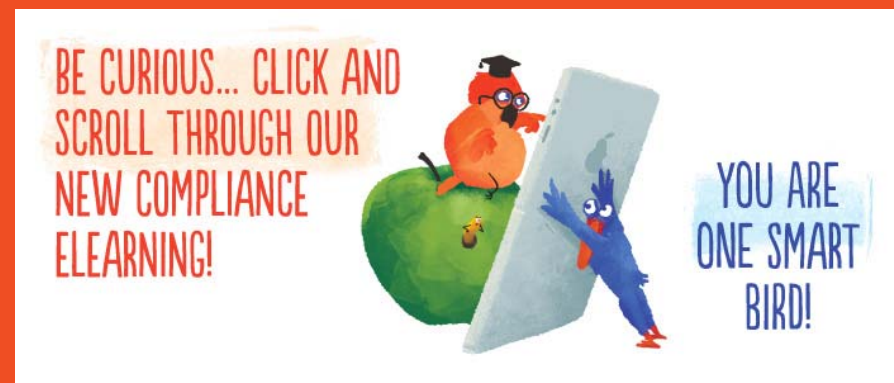
Compliance

Compliance Management System and compliance measures embedded throughout the group

- > The Telekom Austria Group today has a compliance management system (CMS) which was audited by the audit and consulting company PwC in 2013. PwC issued Telekom Austria AG a positive audit report for its CMS with no further remarks.
- > Compliance measures are firmly established throughout the group in all divisions of the company.

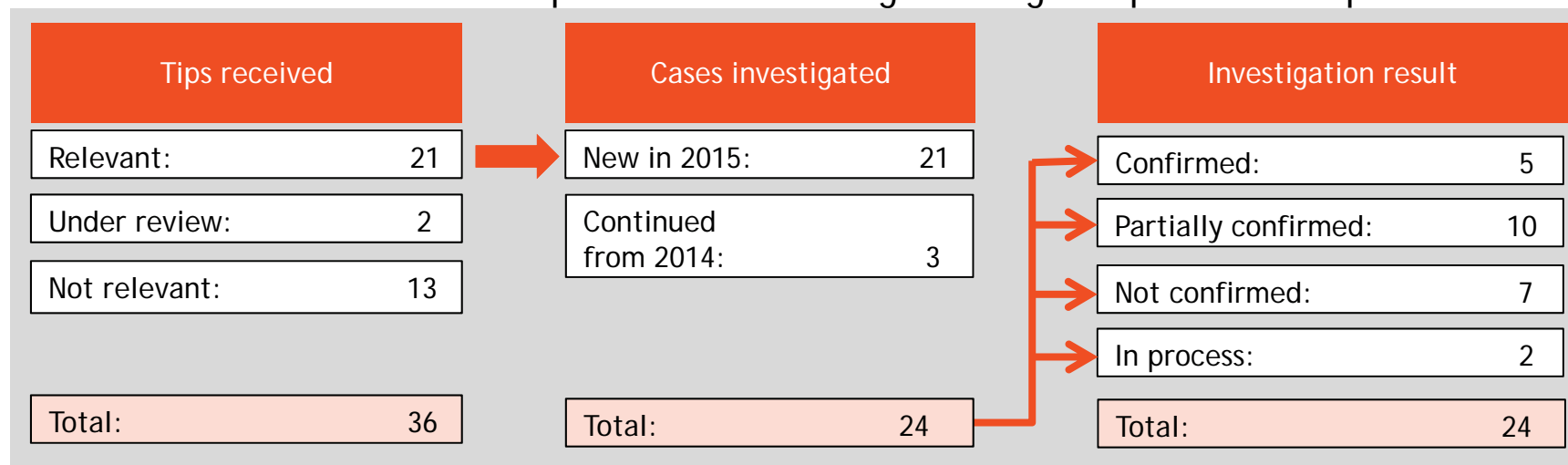
In 2015 approximately 20.000 compliance e-learning programs for anti-corruption and for data privacy were completed by managers and employees throughout Telekom Austria Group.

In addition 1.400 managers and employees of the Group received personal training in approximately 200 training sessions.



Compliance breaches are fully investigated and appropriately penalised

- > No compliance management system can fully prevent misconduct on the part of individuals.
- > However, breaches of compliance regulations are investigated in detail in the Telekom Austria Group and appropriate sanctions are imposed.
- > The number of cases corresponds to the average among comparable companies.



Agenda item 2

Utilisation of net retained profits



Proposal on the utilisation of the net retained profits

The Management Board and the Supervisory Board propose to use the net retained profits of Telekom Austria AG generated in the 2015 financial year in the amount of EUR 292,772,081.99 as follows:

- > Distribution of a dividend of EUR 0.05 per eligible no par value share
- > The remainder is to be carried forward to the new account

Information

- > Ex-dividend date: 1 June 2016
- > Dividend record date: 2 June 2016
- > Dividend payment date: 3 June 2016



Agenda item 3

Approval of the actions of the
Management Board



Approval of the Actions of the Management Board

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Management Board for the fiscal year 2015.



Agenda item 4

Approval of the actions of the
Supervisory Board



Approval of the Actions of the Supervisory Board

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Supervisory Board for the 2015 financial year.



Agenda item 5

Determination of Supervisory Board remuneration



Supervisory Board remuneration remains unchanged

The Management Board and the Supervisory Board of Telekom Austria AG propose to determine the remuneration for the elected members of the Supervisory Board for the 2015 financial year as follows:

	2015
For the chairman	EUR 30,000
For the deputy chairmen	EUR 22,500
For every further member of the Supervisory Board	EUR 15,000
The attendance fee for each member of the Supervisory Board per meeting shall amount until further notice to	EUR 300

The Supervisory Board remuneration was last revised in 2005.



Agenda item 6

Elections to the Supervisory Board



Dr. Peter Hagen



- > Proposal for the election of
Mr. Peter Hagen,
born on 12 December 1959,
as of termination of this extraordinary general meeting until the
termination of such general meeting that resolves upon the discharge
for the business year 2018, to the supervisory board of the Company

Mr. Hagen issued a statement according to Sec 87 Para 2 AktG as well as providing a curriculum vitae.

The documents have been made available on the homepage of Telekom Austria as of 3 May 2016.

Dr. Peter Hagen



Education/Career

- > Iuris Doctor, University of Vienna
- > 2000 - 2004 Deputy General Manager of Kooperativa pojistovna, Prague
- > 2004 - 2009 Member of the Management Board of Wiener Städtische (later VIG)
- > 2009 - 2012 Deputy General Manager of Vienna Insurance Group
- > 2012 - 2015 Group CEO Vienna Insurance Group

Reelection: Alejandro Cantú Jiménez, J.D.



- > Proposal for the election of
Mr. Alejandro Cantú Jiménez,
born on 26 April 1972,
as of termination of this extraordinary general meeting until the
termination of such general meeting that resolves upon the discharge
for the business year 2018, to the supervisory board of the Company

Mr. Cantú Jiménez issued a statement according to Sec 87 Para 2 AktG as well as providing a curriculum vitae.

The documents have been made available on the homepage of Telekom Austria as of 3 May 2016.

Reelection: Alejandro Cantú Jiménez, J.D.



Education/Career

- > Iuris Doctor, Universidad Iberoamericana, Mexico City
- > International Associate at Fried, Frank, Harris, Shriver & Jacobson
- > Associate at Mijares Angoitia, Cortés y Fuentes, S.C.
- > Since 2001 General Counsel at América Móvil, S.A.B. de C.V.

Other functions

Various supervisory board memberships in companies of the América Móvil Group.

Reelection: Mag. Stefan Pinter



- > Proposal for the election of
Mr. Stefan Pinter,
born on 15 April 1978,
as of termination of this extraordinary general meeting until the
termination of such general meeting that resolves upon the discharge
for the business year 2016, to the supervisory board of the Company.

Mr. Pinter issued a statement according to Sec 87 Para 2 AktG as well as providing a curriculum vitae.

The documents have been made available on the homepage of Telekom Austria as of 3 May 2016.

Reelection: Mag. Stefan Pinter



Education/Career

- > Degree in Law, University of Graz
- > 2007 - 2011 European Affairs Manager, OMV AG
- > Since 2012 Member of the Management Team, Head of/Manager Corporate Affairs, PHILIP MORRIS AUSTRIA GmbH

Reelection: Mag. Reinhard Kraxner



- > Proposal for the election of
Mr. Reinhard Kraxner,
born on 7 May 1970,
as of termination of this extraordinary general meeting until the
termination of such general meeting that resolves upon the discharge
for the business year 2016, to the supervisory board of the Company.

Mr. Kraxner issued a statement according to Sec 87 Para 2 AktG as well as providing a curriculum vitae.

The documents have been made available on the homepage of Telekom Austria as of 3 May 2016.

Reelection: Mag. Reinhard Kraxner



Education/Career

- > Degree in Law, University of Graz
- > 1996 - 2000 Inhouse Counsel Treasury, Creditanstalt AG/Bank Austria AG
- > 2000 - 2001 Legal Counsel, red-stars.com data AG
- > Since 2002 Assistant General Counsel Treasury/Finance at Philip Morris International Management SA

Agenda item 7

Election of the auditor of the single-entity and consolidated financial statements



Election of the auditor of the single-entity and consolidated financial statements

The Supervisory Board of Telekom Austria AG proposes to elect Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H , Vienna, as auditor and Group auditor for the 2016 financial year.



Agenda Item 8:

Management report on the share buy-back effected, number of treasury shares held and use of treasury shares



Management report on the share buy-back, number of treasury shares held and use of treasury shares

A resolution on this item of the agenda is not required.



Many thanks for attending!

www.telekomaustria.com

**TELEKOM
AUSTRIA
GROUP**



ANNUAL GENERAL MEETING

VIENNA, 25 MAY 2016