

**TELEKOM  
AUSTRIA  
GROUP**



# ANNUAL GENERAL MEETING

VIENNA, 9 JUNE 2017

## Agenda

- 01 Report on the fiscal year 2016
- 02 Appropriation of the 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
- 06 Elections to the Supervisory Board
- 07 Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2017
- 08 Change of the company`s articles of association in Sec 16 (2) in regard to the transmission of deposit confirmations to the company

The background of the slide features a soft-focus photograph of several dandelions in various stages of bloom. A semi-transparent wireframe grid is overlaid on the image, with small square markers at the vertices of the grid. The overall color palette is muted, with greens, yellows, and browns.

# Agenda item 1

Report on the fiscal year 2016



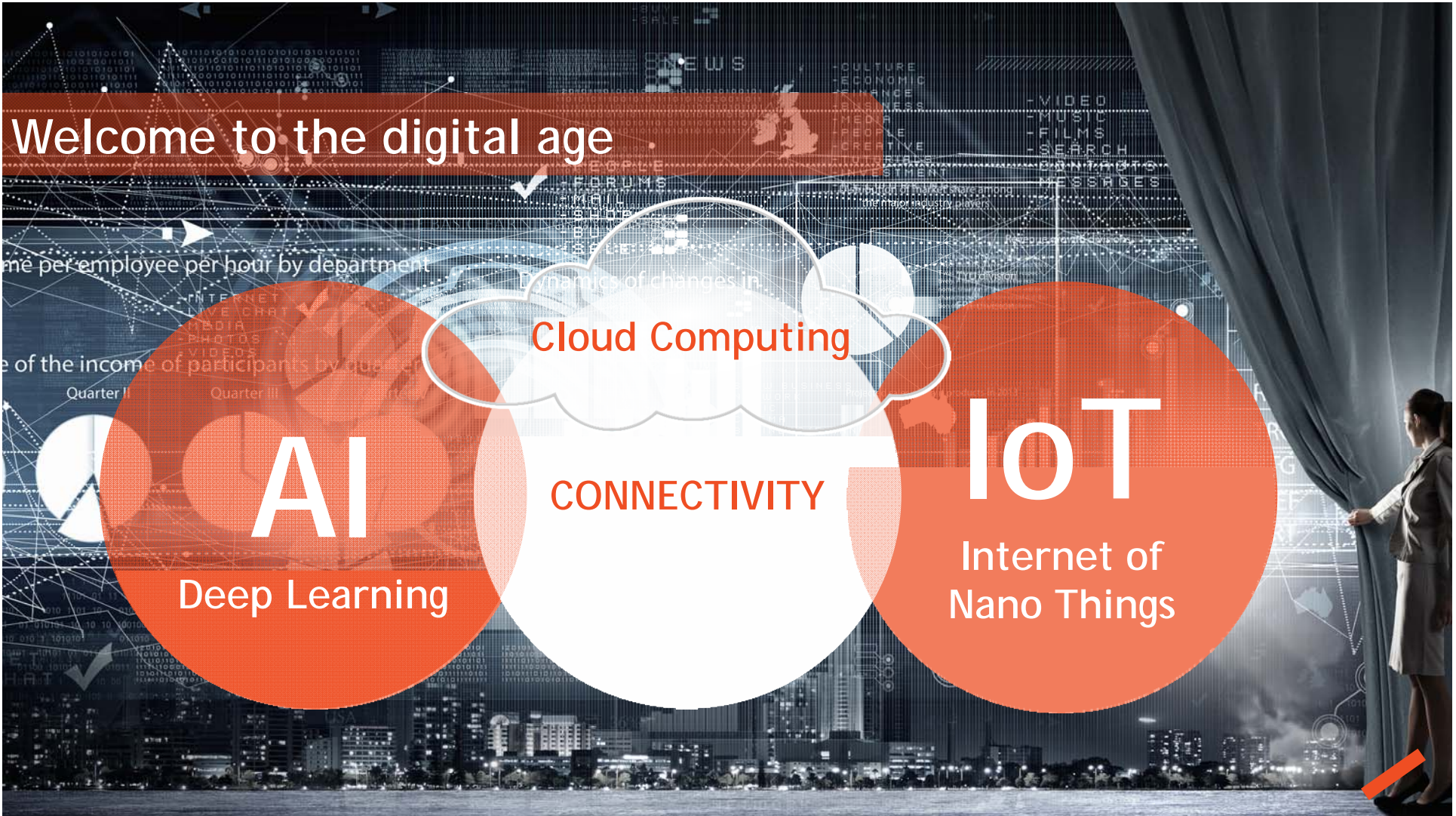
Welcome to the digital age

AI  
Deep Learning

Cloud Computing

CONNECTIVITY

IoT  
Internet of  
Nano Things



CORE LAYER  
INFRASTRUCTURE

HYBRID NETWORKS

SOFTWARE AS A SERVICE (SaaS)

PLATFORM AS A SERVICE (PaaS)

INFRASTRUCTURE AS A SERVICE (IaaS)



EMPOWERING  
DIGITAL LIFE

*Focus on Revenue Growth*



*Excellence in Execution*





4,211

EUR MN REVENUES  
+2.1%

1,354

EUR MN EBITDA  
-1.1%

TELEKOM  
AUSTRIA  
GROUP

+5.2% NET RESULT



TELEKOM  
AUSTRIA  
GROUP



0.0% +1.7% POSTPAID  
MOBILE -4.3% PREPAID

> 24 MN CUSTOMERS

VOICE

BROADBAND

TV

+6.3%  
RGUs

TELEKOM  
AUSTRIA  
GROUP



# M&A

BY: ATLANT TELECOM  
HR: METRONET

+44 EUR MN REVENUES

+16 EUR MN EBITDA

+193,000 FIXED ACCESS LINES

TELEKOM  
AUSTRIA  
GROUP





# 2016 MARKETS



# Reporting changes 2016

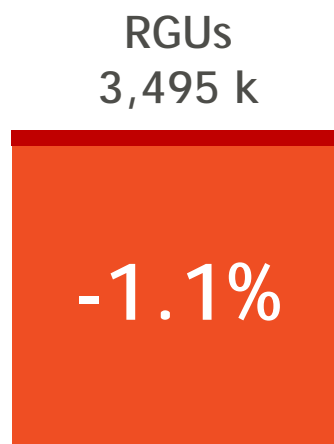
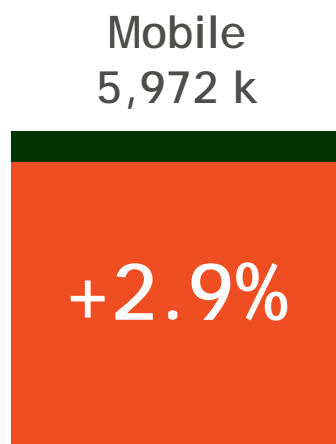
- > As of Q1 2016, the reporting structure has been fully aligned with América Móvil
- > Proforma presentation: Comparison figures for previous periods are presented as if M&A transactions executed between the start of the comparison period and the end of the reporting period had already been fully consolidated in the relevant months of the comparison period
- > Key changes:
  - > 'Total revenues' include other operating income (excluding own work capitalised)
  - > Own work capitalised is deducted from employee costs (previously included in other operating income)
  - > Switch to cost of sales methodology (previously cost-type approach)
  - > EBITDA: Only a single EBITDA figure (EBITDA). (previously distinction between 'EBITDA comparable' and 'EBITDA including effects from restructuring and impairment tests')



Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	4,211	4,125	+2.1%
EBITDA	1,354	1,369	-1.1%
EBITDA margin	32.2%	33.2%	-
	2016 reported	2015 reported	+/- %
Net result	413	393	+5.2%
CAPEX	764	785	-2.6%

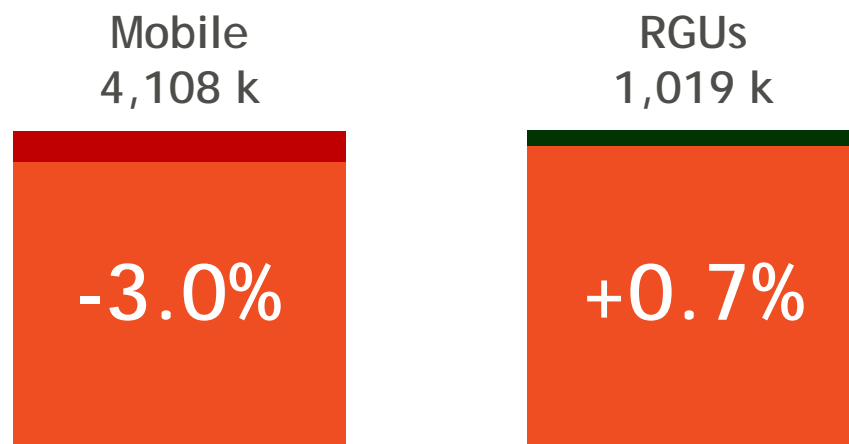


Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	2,576	2,582	-0.3%
EBITDA	898	881	+1.8%
CAPEX	460	457	+0.8%

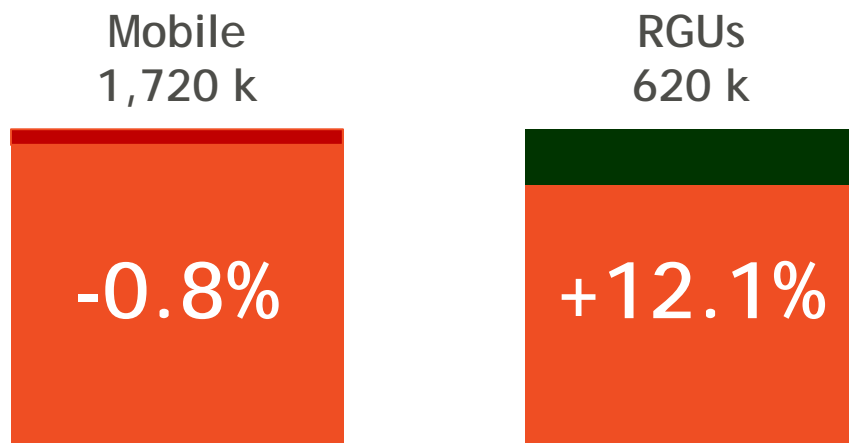




Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	412	376	+9.6%
EBITDA	126	133	-5.7%
CAPEX	73	74	-1.8%



Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	398	367	+8.6%
EBITDA	88	79	+12.3%
CAPEX	76	72	+5.4%



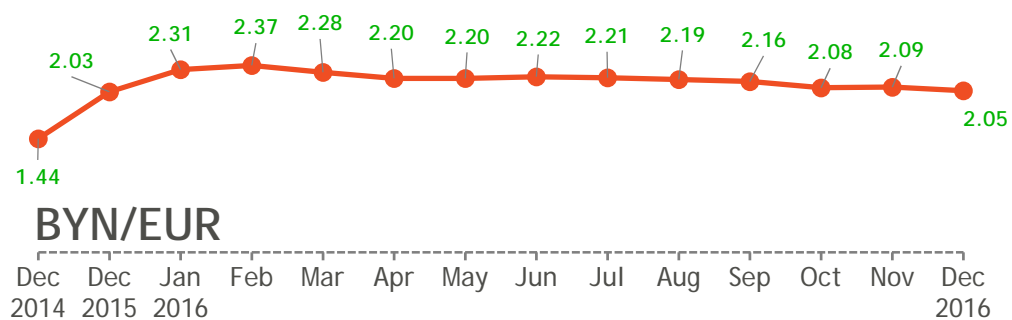
Financials in BYN mn	2016 reported	2015 reported	+/- %
Total revenues	707	588	+20.3%
EBITDA	334	290	+15.3%
CAPEX	162	117	+38.8%

Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	321	332	-3.4%
EBITDA	152	164	-7.4%
CAPEX	74	66	+11.5%

**-0.2%**

Mobile  
4,945 k

RGUs  
279 k



**BELARUS**

**velcom**





Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	221	211	+5.0%
EBITDA	39	43	-10.7%
CAPEX	26	78	-66.7%

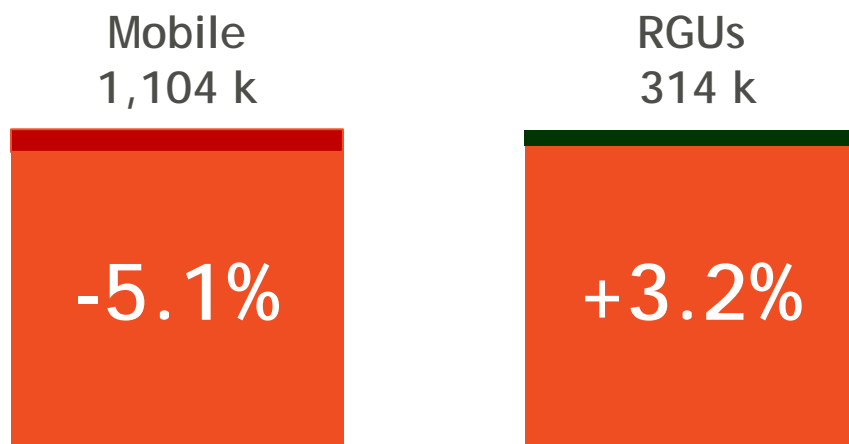
Mobile  
2.145 k

+1.7%

SERBIA



Financials in EUR mn	2016 reported	2015 reported	+/- %
Total revenues	119	81	+47.3%
EBITDA	26	17	+55.4%
CAPEX	35	22	+64.0%

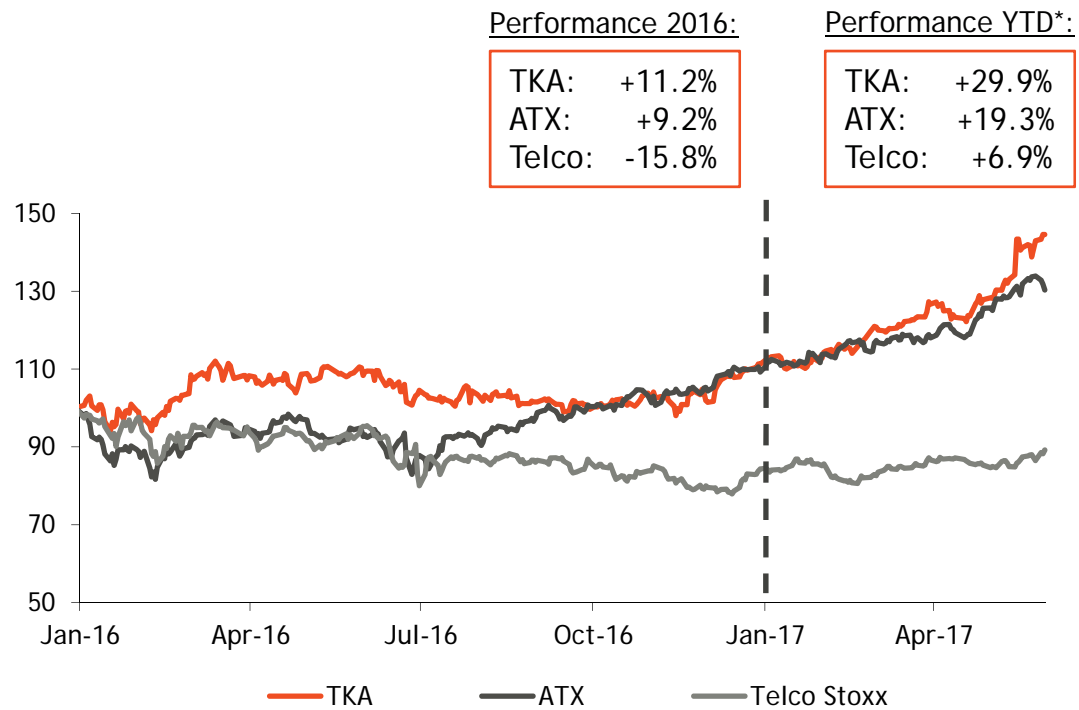






Share price

# Performance of the Telekom Austria share



(indexed from 1 January 2016)

\* As of 31.05.2017

## Dividend:

- > Increase from EURc 5 to EURc 20

## Treasury shares:

- > Holdings as of 09.06.2017: 415,159 shares
- > No transactions in the financial year 2016





# 2017 OUTLOOK

# 2016

Revenues

CAPEX

DIVIDEND

GUIDANCE

+1%

EUR 750 mn

EUR 0.05\*

EXPECTED

+1.8%

EUR 761 mn

-

ACHIEVED

+2.1%

EUR 764 mn

EUR 0.20

# 2017

+1%

EUR ~725 mn

EUR 0.20

\*Revised to EUR 0.20 on 22 July 2016



## Agenda item 2

Appropriation of the net profit



## Appropriation of the net profit

The Management Board and the Supervisory Board propose to use the net retained profits of Telekom Austria AG generated in the 2016 fiscal year in the amount of EUR 413,200,000 as follows:

- > Distribution of a dividend of EUR 0.20 per eligible no par value share
- > The remainder is to be carried forward to the new account

### Information

- > According to Austrian tax law, the dividend qualifies as a repayment of capital pursuant to Sec 4 para 12 Income Tax Act (EStG).
- > Ex-dividend date: 16 June 2017
- > Dividend record date: 19 June 2017
- > Dividend payment date: 20 June 2017





## Agenda item 3

Discharge of the members of the Management Board

## Discharge of the members 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 2016.





The background of the slide features a close-up photograph of several dandelion seed heads in various stages of maturity, set against a soft-focus background of green foliage and a bright sky. A semi-transparent wireframe grid is overlaid on the image, with several small square handles at the vertices, suggesting a design or editing tool. The text is centered in a dark, semi-transparent rectangular box.

# Agenda item 4

Discharge of the members of the Supervisory Board

## Discharge of the members 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 2016 fiscal year.







# Agenda item 5

Compensation for the members of the Supervisory Board

## Compensation for the members of the Supervisory Board

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 2016 financial year as follows:

	2016	2015	Last adjustment
For the chairman	EUR 40,000	EUR 30,000	2005
For the deputy chairman	EUR 30,000	EUR 22,500	2005
For every further member of the Supervisory Board	EUR 20,000	EUR 15,000	2005
For the Chairman of a committee	EUR 12,000	-	-
For every other committee member	EUR 10,000	-	-

From 2017 onwards, a fixed attendance fee of EUR 400 (previously: EUR 300) is to be granted for each member of the Supervisory Board for each of the meetings of the Supervisory Board or committee meetings which the member attends. This is the first increase since the year 2006.



## Compensation for the members of the Supervisory Board

- > The remuneration for committee members is limited to one committee mandate. Accordingly, committee members are only entitled to remuneration once even if they belong to several committees.
- > From 2017 onwards, a fixed attendance fee of EUR 400 is to be granted for each member of the Supervisory Board for each of the meetings of the Supervisory Board or committee meetings which the member attends.
- > Remuneration is paid on a pro rata basis (calculated daily) if a member of the Supervisory Board or committee did not belong to the board or the respective committee for the entire financial year.

### Information:

- > This is the first increase since the year 2005 (for remuneration) resp. 2006 (for the attendance fee).



The background of the slide features a close-up photograph of several dandelion seed heads in various stages of maturity, set against a soft, out-of-focus background of green foliage and a pale sky. A semi-transparent wireframe grid is overlaid on the image, with several small square markers at the vertices of the grid, suggesting a digital or technical theme.

# Agenda item 6

Elections to the Supervisory Board



## Reelection: Mag. Stefan Pinter

- > Proposal for the election of

**Mr. Stefan Pinter,  
born on 15 April 1978,**



as of termination of this shareholder's meeting until the termination of such shareholder's meeting that resolves upon the discharge for the business year 2017, 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 8 May 2017.

## Reelection: Mag. Reinhard Kraxner

- > Proposal for the election of

**Mr. Reinhard Kraxner,  
born on 7 May 1970,**



as of termination of this shareholder's meeting until the termination of such shareholder's meeting that resolves upon the discharge for the business year 2017, 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 8 May 2017.



The background of the slide features a soft-focus photograph of several dandelions in various stages of bloom. Overlaid on this image is a semi-transparent wireframe grid in a light yellow-green color. The grid consists of interconnected lines forming a series of irregular polygons, with small square markers at the vertices. The overall aesthetic is clean and modern, with a naturalistic theme.

## Agenda item 7

Election of the auditors of the financial statements  
and of the consolidated financial statements for the  
fiscal year 2017

## Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2017

The Supervisory Board of Telekom Austria AG proposes to elect Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H , Vienna, as auditor and Group auditor for the 2017 fiscal year.





## Agenda item 8

Change of the company`s articles of association in Sec 16(2) in regard to the transmission of deposit confirmations to the company

## Change of the company`s articles of association in Sec 16(2) in regard to the transmission of deposit confirmations to the company

- > The Management Board and the Supervisory Board of Telekom Austria AG propose to change the company`s statutes of association in Sec 16 (2) so that it reads as follows:

*“(2) for the proof of shareholding in regard to bearer shares it is sufficient to keep a deposit confirmation according to Sec 10a Austrian Stock Corporation Act (AktG), which shall reach the company at the latest on the 3<sup>rd</sup> business day before the Annual General Meeting at the address announced in the invitation. Details in regard to the deposit confirmation will be announced together with the invitation. The invitation can foresee as communication channel the transmission of deposit confirmations via Telefax or e-mail (the electronic format can be determined in the invitation).”*

Many thanks for attending!

[www.telekomaustria.com](http://www.telekomaustria.com)



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