



# Results for the first nine months and third quarter 2016

Vienna, 27 October 2016

## 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 Telekom Austria nor any other person accepts any liability for any such forward-looking statements. Telekom Austria 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 Telekom Austria.'



# Operational and financial highlights for the first nine months and third quarter 2016

## Q3 2016: Focus on efficiency supports EBITDA despite challenges from roaming and FX

Group (in EUR million)	Reported Q3 16	Proforma* Q3 15	% change
Total revenues	1,073.2	1,058.8	1.4%
EBITDA	415.5	386.3	7.5%
CAPEX	196.5	178.8	9.9%

- > Group total revenues grew by 1.4% year-on-year on a proforma basis\* (reported: +4.7%), mainly due to higher equipment revenues with increasingly better trends also in service revenues
- > Negative roaming impact due to abolishment of EU retail roaming as per 30 April 2016 in line with expectations and mostly impacting Austria
- > Proforma\* Group EBITDA driven by one-off effect and positive restructuring charges in Austria\*\* which mitigate negative roaming impact (Reported: +9.4% y-o-y); excl. one-off and FX effects as well as restructuring, proforma Group EBITDA decreased by 1.0%, driven by the negative impacts of roaming

\* Proforma figures include effects of M&A transactions executed during the last twelve months.

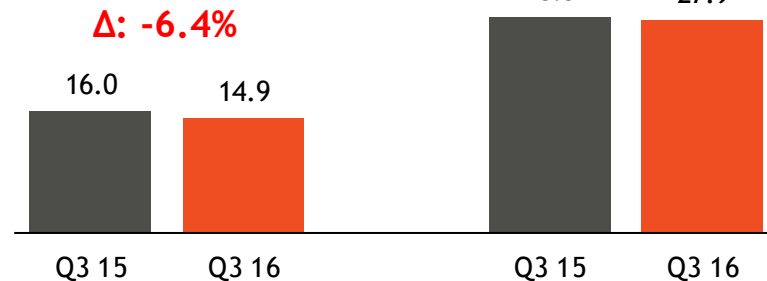
\*\* One-off effects in Austria amounted to EUR 14.4 mn in Q3 2016 and stem from a reversal of an accrual for copy rights; the positive restructuring charge of 20.4 mn is resulting from the revaluation due to changed underlying parameters for the restructuring provision

Results for the first nine months and third quarter 2016

# Austria: Stable revenues despite roaming impact, EBITDA driven by one-off effect and restructuring

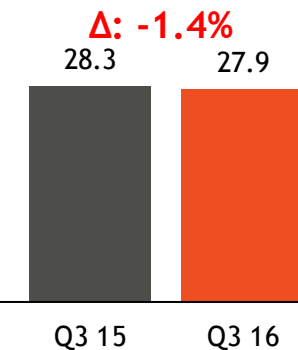
## ARPU

(in EUR)



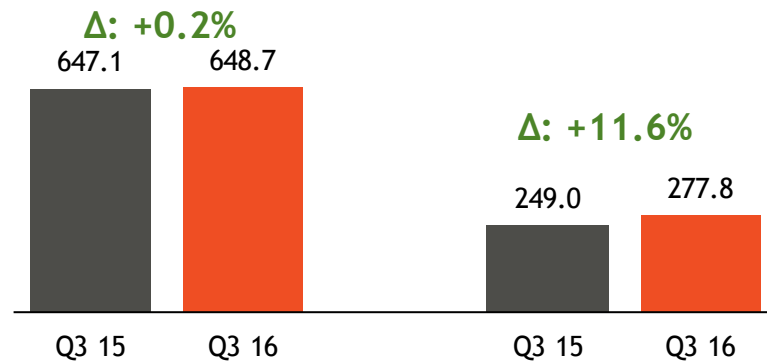
## ARPL

(in EUR)



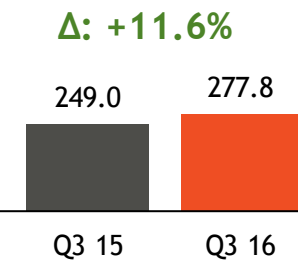
## Total revenues

(in EUR mn)



## EBITDA

(in EUR mn)



## Operational data

- > 0.7% y-o-y mobile subscriber growth (excl. M2M) due to increase in high-value segments
- > Excluding roaming and M2M, stable ARPU, again due to growing high value base
- > RGUs decline only slightly due to growth in TV and fixed-line broadband
- > Introduction of hybrid modems

## Financial performance

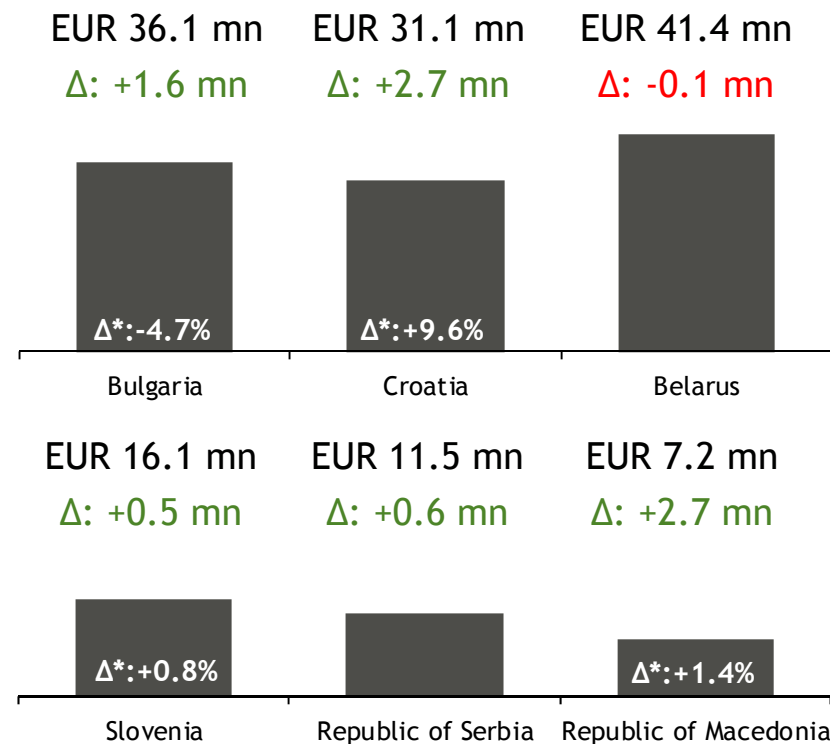
- > Stable revenues as higher wireless revenues (excl. customer roaming), interconnection and equipment revenues mitigate roaming decline
- > Interconnection, fixed-line BB and TV growth partly offset the voice revenue decline
- > EUR 14.4 mn one-off effect and EUR 20.4 mn positive restructuring charge lead to EBITDA increase of 11.6%\*

\* One-off effects in Austria amounted to EUR 14.4 mn in Q3 2016 and stem from a reversal of an accrual for copy rights; the positive restructuring charge of 20.4 mn is resulting from the revaluation due to changed underlying parameters for the restructuring provision  
Results for the first nine months and third quarter 2016

# CEE: Challenges remain but operations increasingly benefit from continuous initiatives

## EBITDA

(reported, in EUR mn)



\* Proforma view including M&A impact on EBITDA in Q3 2015: Bulgaria: EUR 3.4 mn, Croatia: EUR 0.0 mn, Slovenia: 0.4 mn, Republic of Macedonia: EUR 2.6 mn

## Highlights CEE

### Bulgaria:

- > Higher equipment revenues as well as stabilisation of domestic wireless and fixed-line service revenues allow 4.7% growth in proforma total revenues
- > Continued fierce competition in business segment

### Croatia:

- > Growth in both mobile and fixed-line service revenues
- > Higher proforma OPEX due to increase in cost of equipment, wholesale and content costs

### Belarus:

- > 20.5% y-o-y total revenues and 19.5% y-o-y EBITDA growth on a local currency basis
- > EUR 17.4 mn and EUR 8.2 mn negative FX effects on revenues and EBITDA respectively
- > Inflation at 8.3%; 16.9% average y-o-y BYN devaluation in Q3 16

### Other segments:

- > Stable EBITDA development in Slovenia, moderate growth in the Rep. of Serbia and the Rep. of Macedonia

# Build-up in working capital stabilised in Q3 in a year-on-year comparison

(in EUR million)	Q3 2016	Q3 2015	% change	1-9 M 2016	1-9 M 2015	% change
Net cash flow from operating activities	305.6	309.1	-1.1%	867.8	1,000.0	-13.2%
Capital expenditures paid	-205.1	-171.5	n.m.	-622.0	-525.8	n.m.
Proceeds from sale of plant, property and equipment	3.3	2.2	53.6%	15.4	5.7	168.6%
Interest paid	-24.9	-17.6	n.m.	-130.8	-125.8	n.m.
<b>Free Cash Flow</b>	<b>78.9</b>	<b>122.2</b>	<b>-35.5%</b>	<b>130.4</b>	<b>354.2</b>	<b>-63.2%</b>

- > Q3 2016: Stabilisation in working capital needs compared to the same period last year
- > In a year-on-year comparison, the reduction in free cash flow was caused by a EUR 196.3 mn build-up in working capital in 1-9M 2016 compared to EUR 49.7 mn in 1-9M 2015 as well as higher capital expenditures paid in 1-9M 2016
- > Build-up in working capital needs in the first nine months primarily driven by
  - > payments for restructuring
  - > increase in accounts receivables due to higher sales and roaming
  - > higher income taxes paid (EUR 30 mn extraordinary effects in Slovenia in 2015)
  - > decrease in accounts payables mainly due to reversal on an accrual
- > Higher CAPEX paid due to generally higher CAPEX in 1-9M 2016 driven by Belarus and Austria as well as payments for spectrum investments in Serbia from Q4 2015
- > Stabilisation in working capital changes expected during the rest of the year

# Focus points



# Austria: Hybrid modem launched to boost fixed-line bandwidth and exploit upselling potential

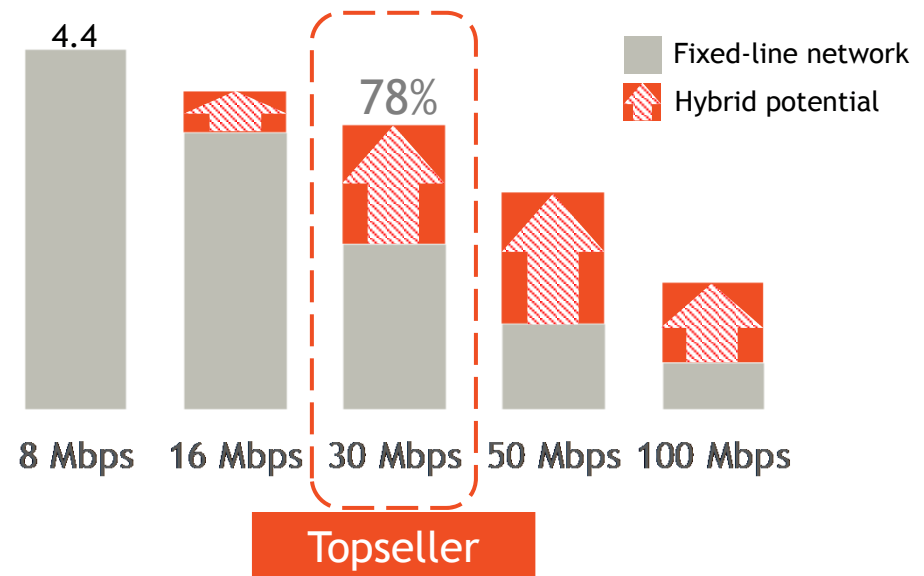
## Hybrid modem at a glance

- > High-speed fixed-line broadband product
- > Fixed-line access required
- > Combines fixed-line and mobile network to increase bandwidth if needed



## Households passed

(households passed in mn, coverage in %)



Improvement of customer coverage scope:  
Up to 78% of all households can be offered a 30 Mbps product

# Croatia: Better mobile positioning, cross-and upselling drive service revenue improvement

## External effects

- > Overall market stabilisation after a threefold increase in frequency usage fee in 2014
- > General fixed-line market consolidation after Vipnet's acquisitions in 2015 and 2013
- > Improvement in macro environment with GDP growth and positive impact from tourism



- > New convergent portfolio launched in April 2015 drives customer numbers and gross add share
- > Fixed-line gross adds expected to benefit further from new B2B telesales channel
- > Increase in cross-selling due to CRM/Sales activities

- > Successful launch of mobile portfolio in Q2 15 with focus on data monetization
- > Stricter management of tariff migration reduces churn
- > ARPU increased by EUR 0.5 y-o-y
- > LTE coverage increased to >70%



# Outlook for the full year 2016

# Telekom Austria Group outlook for the full year 2016 unchanged

	27 October 2016	Consensus
Total revenues	approx. +1%	EUR 4,168.0 mn
CAPEX	approx. EUR 750 mn	EUR 761.7 mn
Proposed dividend	EUR 0.20 / share	-

- > Outlook based on reported figures and constant currencies except for Belarus (assumed 20%)
- > CAPEX: does not include investments in spectrum or acquisitions
- > Dividend: intended proposal to the Annual General Meeting 2017



# Appendix 1

# The leading regional communications player providing convergent telecommunication services

as of 30 September 2016 (in '000)

## Austria

**Mobile market position #1**

**Mobile subscriber:**

> 5,919 (Q3 2015: 5,710)

**Fixed access lines:**

> 2,208 (Q3 2015: 2,334)



## Slovenia

**Mobile market position #2**

**Mobile subscriber:**

> 717 (Q3 2015: 702)

**Fixed access lines:**

> 72 (Q3 2015: 66)



## Belarus

**Mobile market position #2**

**Mobile subscriber:**

> 4,914 (Q3 2015: 4,937)



## Croatia

**Mobile market position #2**

**Mobile subscriber:**

> 1,823 (Q3 2015: 1,805)

**Fixed access lines:**

> 281 (Q3 2015: 247)



## Republic of Serbia

**Mobile market position #3**

**Mobile subscriber:**

> 2,105 (Q3 2015: 2,117)



## Bulgaria

**Mobile market position: #1**

**Mobile subscriber:**

> 4,117 (Q3 2015: 4,297)

**Fixed access lines:**

> 542 (Q3 2015: 161)



## Republic of Macedonia

**Mobile market position #1**

**Mobile subscriber:**

> 1,138 (Q3 2015: 624)

**Fixed access lines:**

> 141 (Q3 2015: 86)



# Telekom Austria Group - Profit and Loss

(in EUR million)	Q3 2016	Q3 2015	% change
Service Revenues	961.6	933.5	3.0%
Equipment Revenues	111.6	91.9	21.4%
<b>Total Revenues</b>	<b>1,073.2</b>	<b>1,025.5</b>	<b>4.7%</b>
Cost of Service	-329.0	-321.5	n.m.
Cost of Equipment	-126.3	-106.0	n.m.
Selling, General & Administrative Expenses	-202.6	-216.4	n.m.
Others	0.2	-1.7	n.m.
<b>Total Costs and Expenses</b>	<b>-657.7</b>	<b>-645.6</b>	<b>n.m.</b>
<b>EBITDA</b>	<b>415.5</b>	<b>379.9</b>	<b>9.4%</b>
<i>% of Total Revenues</i>	<i>38.7%</i>	<i>37.0%</i>	
Depreciation and Amortisation	-212.8	-191.0	n.m.
Impairment and Reversal of Impairment	0.0	0.0	n.a.
<b>EBIT</b>	<b>202.7</b>	<b>188.9</b>	<b>7.3%</b>
<i>% of Total Revenues</i>	<i>18.9%</i>	<i>18.4%</i>	
<b>EBT (Earnings Before Income Taxes)</b>	<b>160.3</b>	<b>147.7</b>	<b>8.6%</b>
<b>Net Result</b>	<b>143.2</b>	<b>137.1</b>	<b>4.5%</b>

# Telekom Austria Group - Revenues and OPEX per segment

## Telekom Austria Group - Revenue Split

Revenues (in EUR million)	Q3 2016	Q3 2015	% change
Austria	648.7	647.1	0.2%
Bulgaria	106.4	89.8	18.5%
Croatia	108.1	98.2	10.0%
Belarus	85.4	85.3	0.1%
Slovenia	55.0	49.4	11.3%
Republic of Serbia	56.1	53.3	5.2%
Republic of Macedonia	30.3	18.0	68.4%
Corporate & Holding, Elimination	-16.7	-15.7	n.m.
<b>Total Revenues</b>	<b>1,073.2</b>	<b>1,025.5</b>	<b>4.7%</b>

## Telekom Austria Group - Operating Expenses Split

Operating Expenses (in EUR million)	Q3 2016	Q3 2015	% change
Austria	370.9	398.1	-6.8%
Bulgaria	70.3	55.4	27.0%
Croatia	77.0	69.9	10.2%
Belarus	44.0	43.8	0.4%
Slovenia	38.9	33.9	14.9%
Republic of Serbia	44.5	42.4	5.0%
Republic of Macedonia	23.1	13.5	70.8%
Corporate & Holding, Elimination	-11.0	-11.3	n.m.
<b>Total Operating Expenses</b>	<b>657.7</b>	<b>645.6</b>	<b>1.9%</b>



# Telekom Austria Group - Headcount development

FTE (Average Period)	Q3 2016	Q3 2015	% change
Austria	8,437	8,657	-2.5%
International	9,023	7,288	23.8%
Corporate	219	180	21.8%
<b>Telekom Austria Group</b>	<b>17,679</b>	<b>16,124</b>	<b>9.6%</b>

FTE (End of Period)	Q3 2016	Q3 2015	% change
Austria	8,422	8,628	-2.4%
International	9,040	7,441	21.5%
Corporate	222	181	22.9%
<b>Telekom Austria Group</b>	<b>17,684</b>	<b>16,249</b>	<b>8.8%</b>

# Telekom Austria Group - Capital expenditure split

Capital Expenditures (in EUR million)	Q3 2016	Q3 2015	% change
Austria	132.4	123.8	7.0%
Bulgaria	13.8	13.9	-0.8%
Croatia	19.3	13.0	48.1%
Belarus	14.3	12.1	17.7%
Slovenia	6.2	1.9	226.5%
Republic of Serbia	6.7	5.5	22.3%
Republic of Macedonia	5.7	4.5	27.4%
Corporate & Holding, Elimination	-1.9	0.0	n.a.
<b>Total Capital Expenditures</b>	<b>196.5</b>	<b>174.7</b>	<b>12.5%</b>
thereof Tangible	171.5	148.1	15.8%
thereof Intangible	25.0	26.6	-5.8%

# Telekom Austria Group - Net debt

Net Debt* (in EUR million)	30 September 2016	31 December 2015	% change
Long-term Debt	1,986.6	2,584.1	-23.1%
Short-term Borrowings	499.9	810.4	-38.3%
Cash and Cash Equivalents and Short-term Investments	-69.2	-911.5	n.m.
<b>Net Debt of Telekom Austria Group</b>	<b>2,417.3</b>	<b>2,483.0</b>	<b>-2.6%</b>

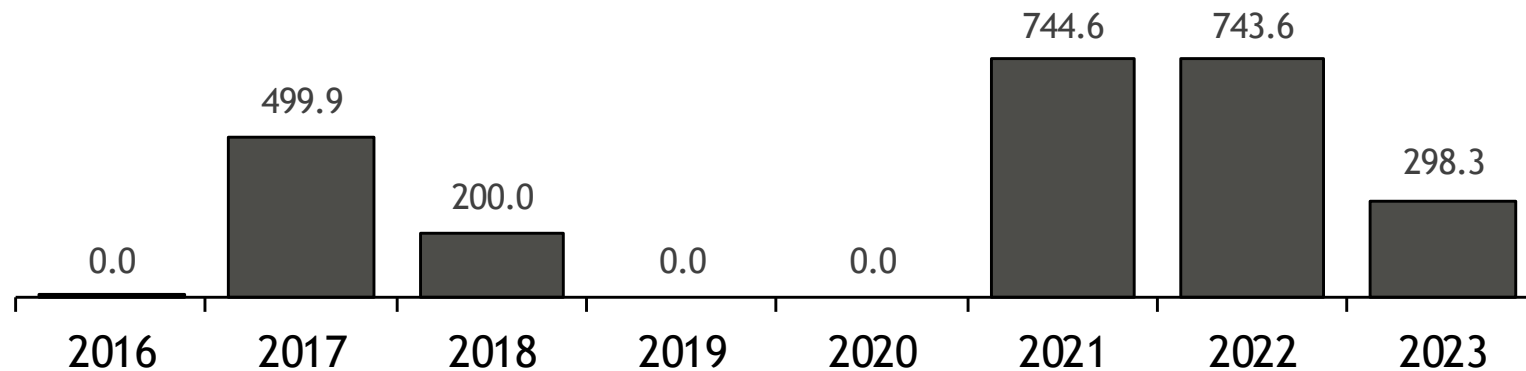
EUR 600 mn non-call (1 February 2018) 5 years hybrid bond qualified as 100% equity under IFRS

\* Accrued interest and purchase price liabilities from business combinations are no longer included in net debt; comparative figures have been adjusted accordingly.

# Telekom Austria Group - Debt maturity profile

## Debt maturity profile\*

(in EUR million)



- > EUR 2.486.50\*\* mn short-and long-term borrowings as of 30 September 2016
- > Average cost of debt of approximately 3.67%
- > Cash and cash equivalents and short-term investments of EUR 69.2 mn
- > Average term to maturity of 4.26 years

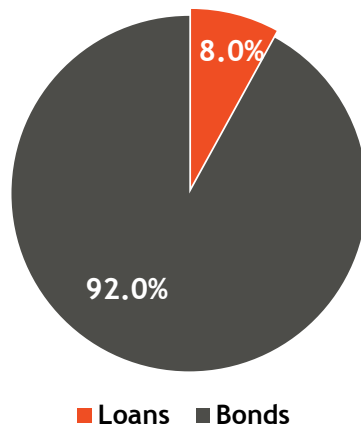
\* EUR 600 mn non-call 5 years hybrid bond qualified as 100% equity under IFRS

\*\* As of 31 March 2016 accrued interest and purchase price liabilities from business combinations are no longer included

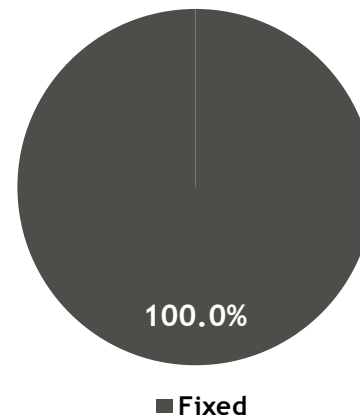


# Telekom Austria Group - Debt profile

## Overview debt instruments



## Fixed/floating mix



## Lines of credit

- > Undrawn committed credit lines amounting to EUR 1,000 mn
- > Average term to maturity of approx. 3.1 years

## Ratings

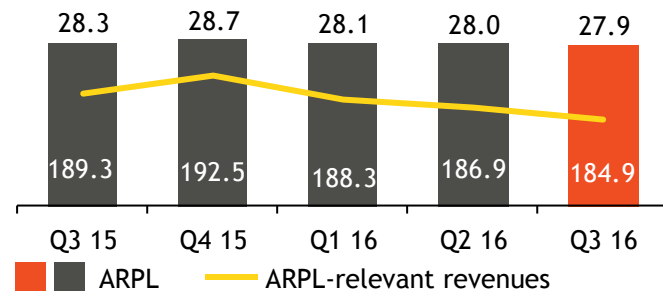
- > S&P: BBB (outlook stable)
- > Moody's: Baa2 (outlook stable)



# Segment Austria - Fixed-line key performance indicators

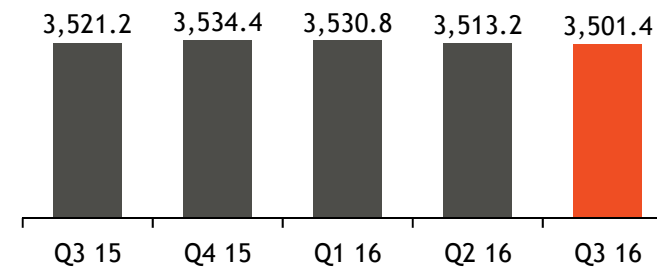
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



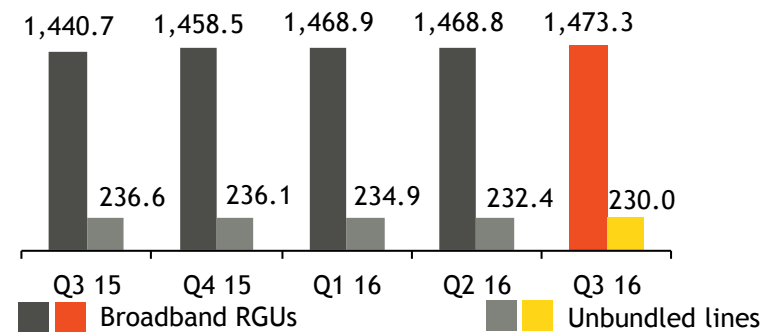
## Total RGUs

(in '000)



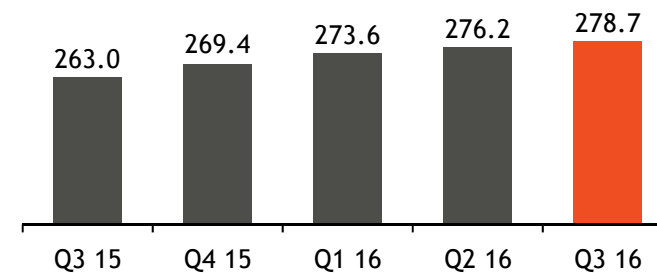
## Broadband RGUs/unbundles lines

(in '000)



## TV RGUs

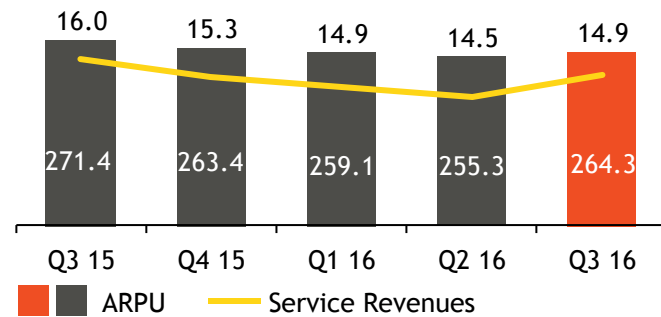
(in '000)



# Segment Austria - Mobile key performance indicators

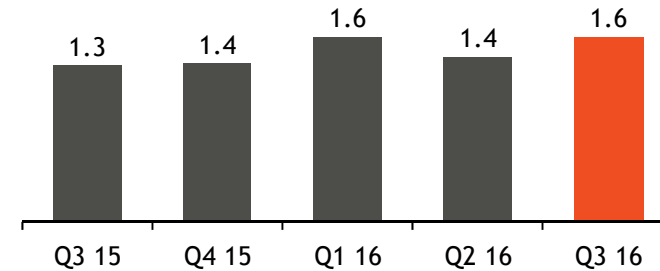
## ARPU & Service revenues

(in EUR, in EUR million)



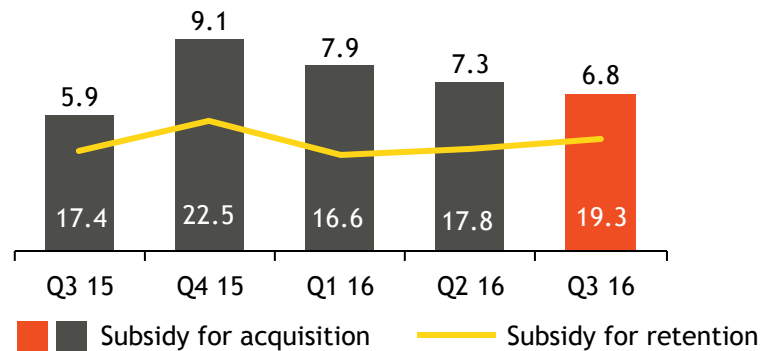
## Churn rate

(in %)



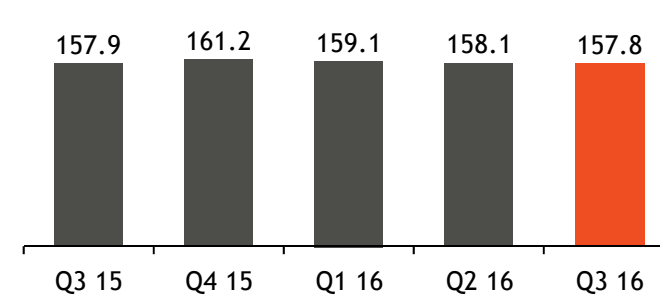
## Subsidies

(in EUR million)



## Mobile penetration

(in %)



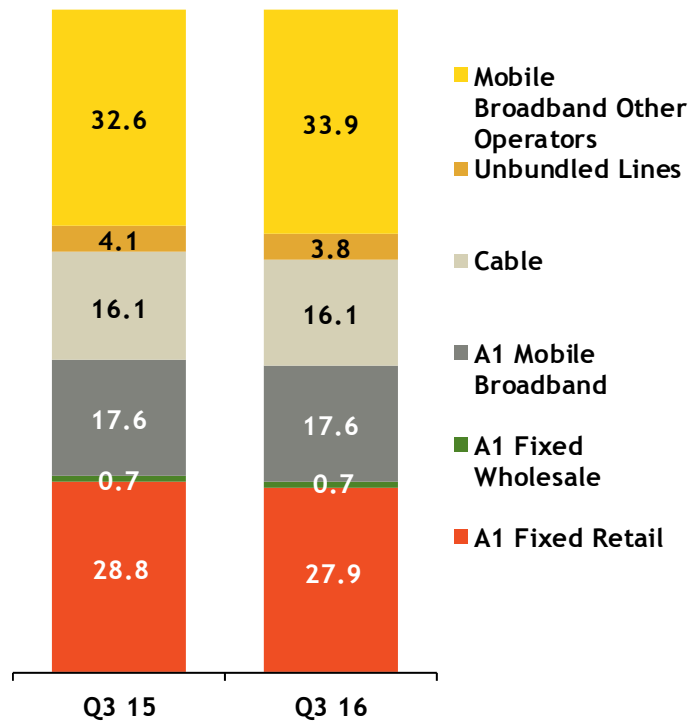
Results for the first nine months and third quarter 2016



# Segment Austria - Broadband market split

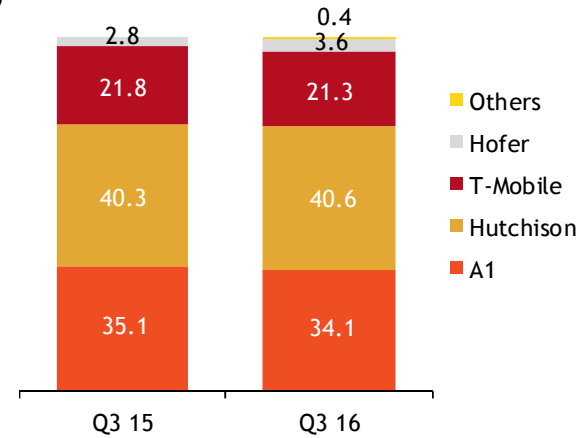
## Market share total broadband

(in %)



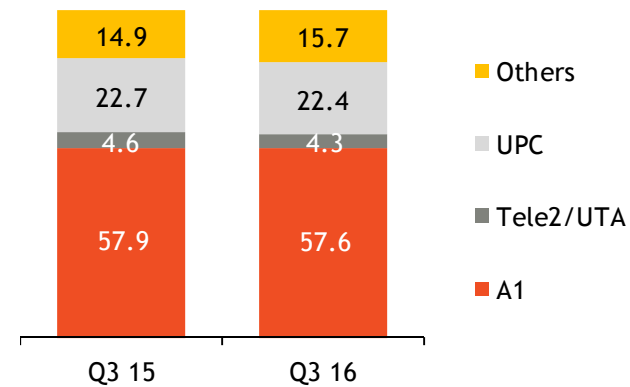
## Market share mobile broadband

(in %)



## Market share fixed-line broadband

(in %)

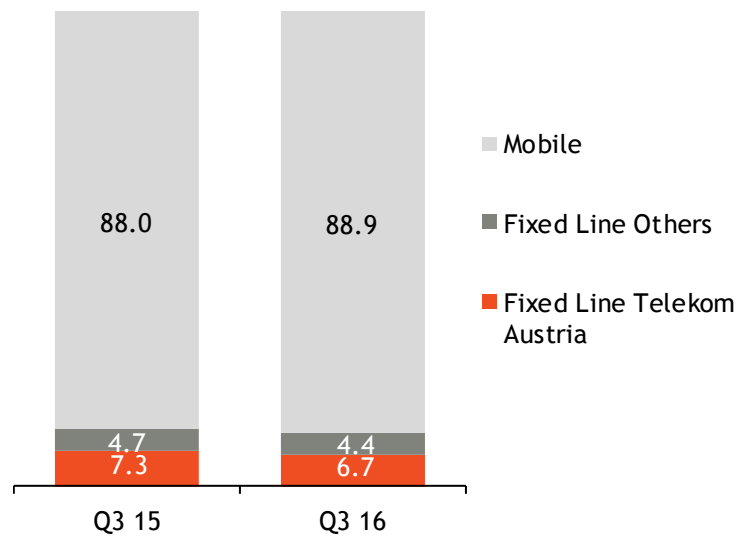




# Segment Austria - Voice market split

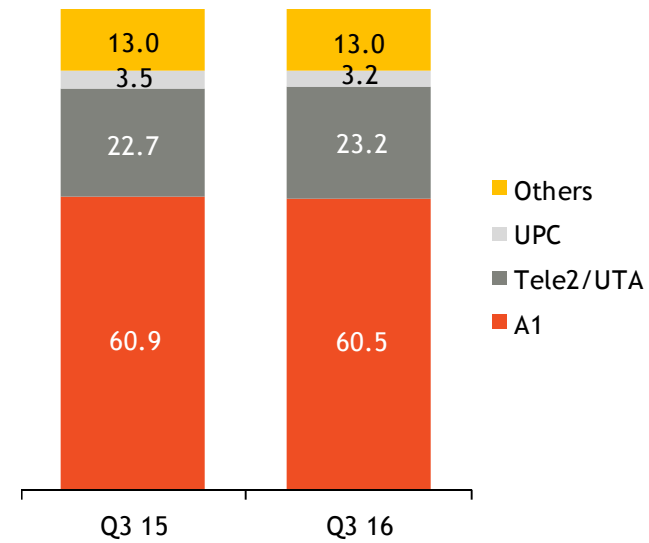
## Market share total minutes

(in %)



## Market share voice RGUs

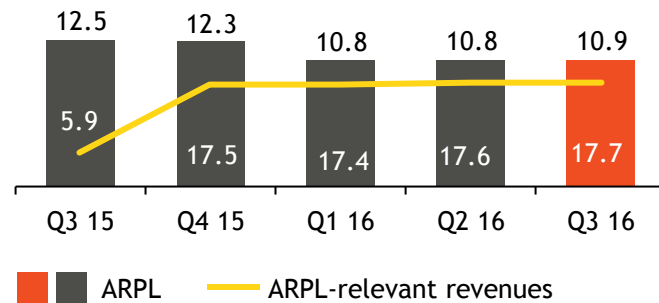
(in %)



# Segment Bulgaria - Fixed-line key performance indicators

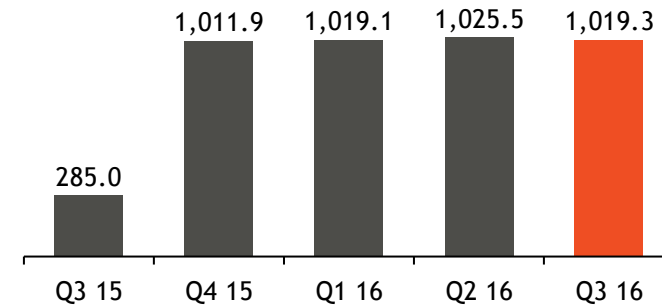
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



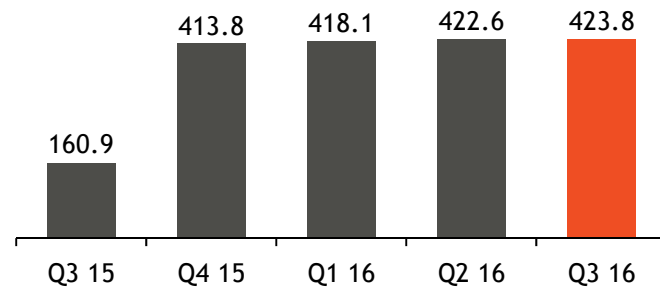
## Total RGUs

(in '000)



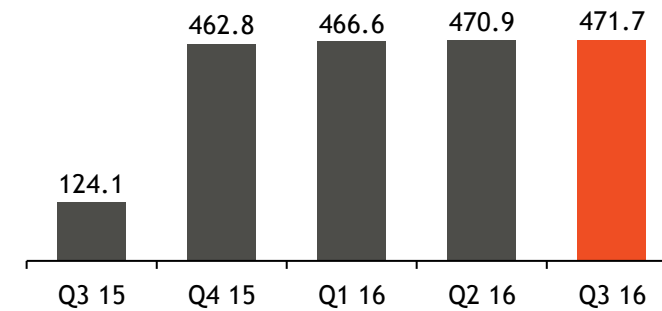
## Fixed broadband RGUs

(in '000)



## TV RGUs

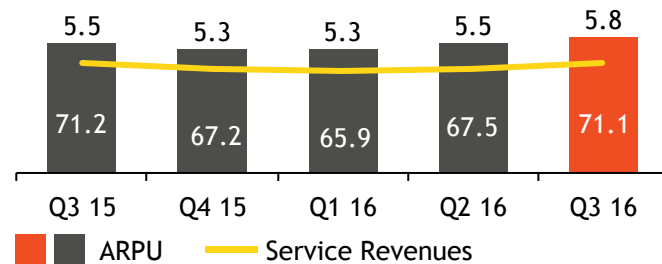
(in '000)



# Segment Bulgaria - Mobile key performance indicators

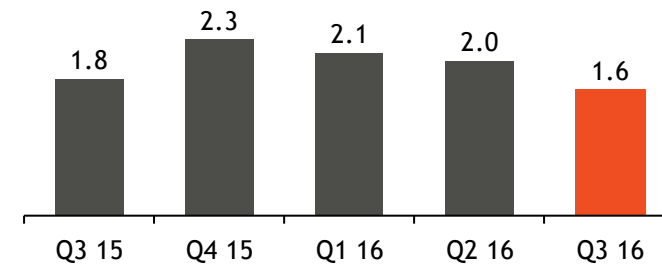
## ARPU & Service revenues

(in EUR, in EUR million)



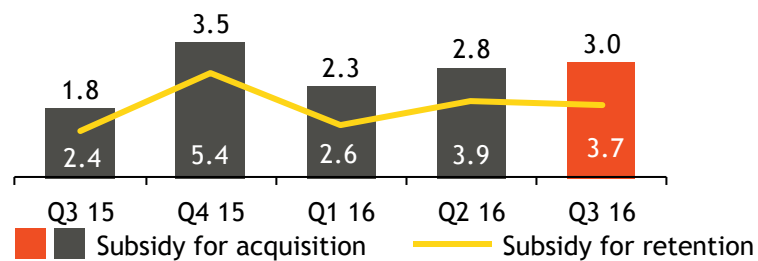
## Churn rate

(in %)



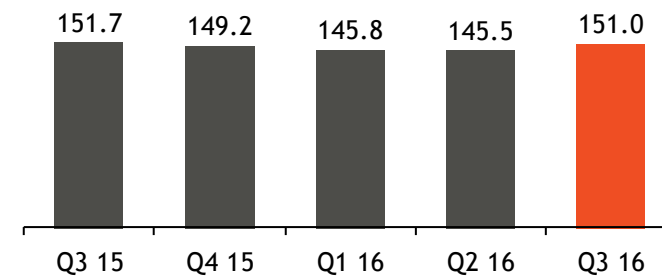
## Subsidies

(in EUR million)



## Mobile penetration

(in %)



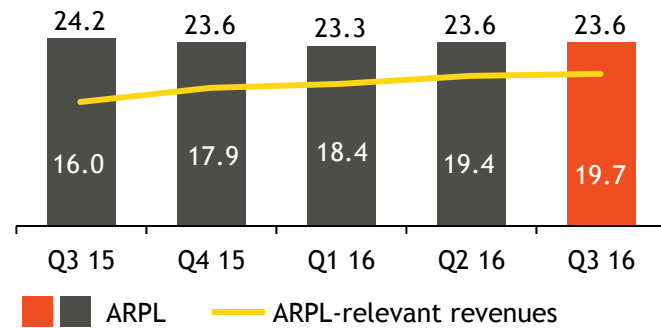
Results for the first nine months and third quarter 2016



# Segment Croatia - Fixed-line key performance indicators

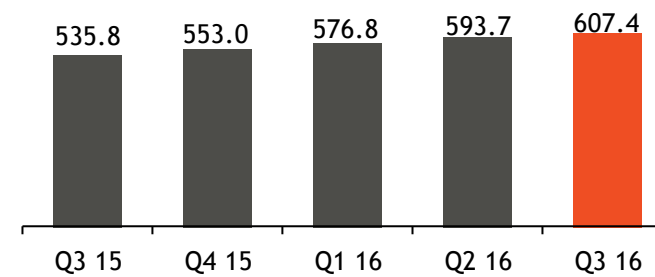
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



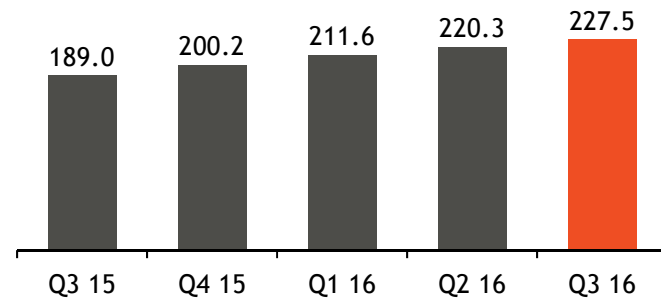
## Total RGUs

(in '000)



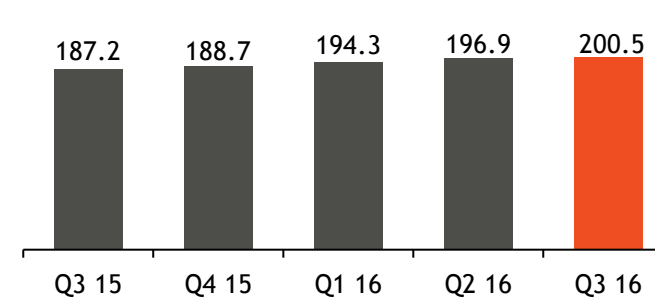
## Fixed broadband RGUs

(in '000)



## TV RGUs

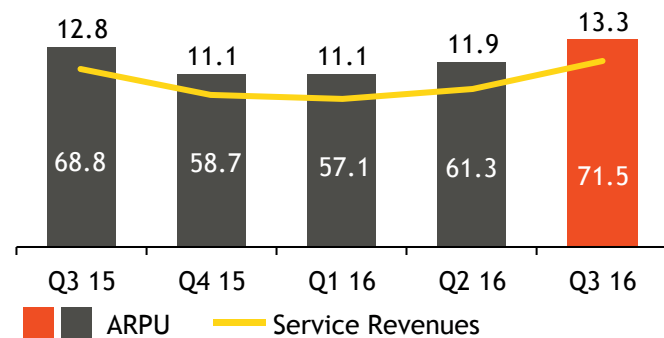
(in '000)



# Segment Croatia - Mobile key performance indicators

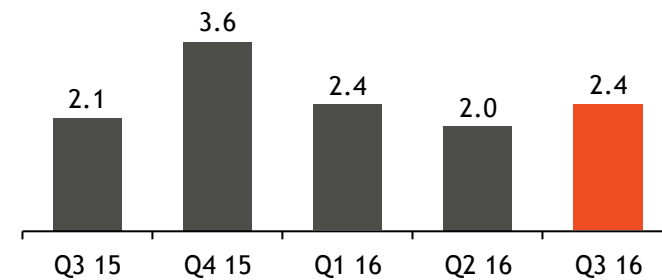
## ARPU & Service revenues

(in EUR, in EUR million)



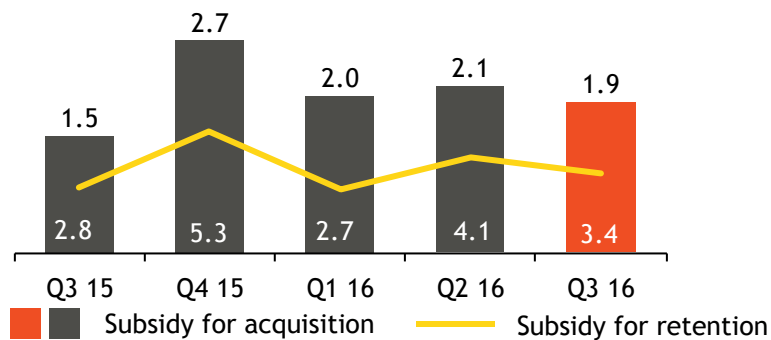
## Churn rate

(in %)



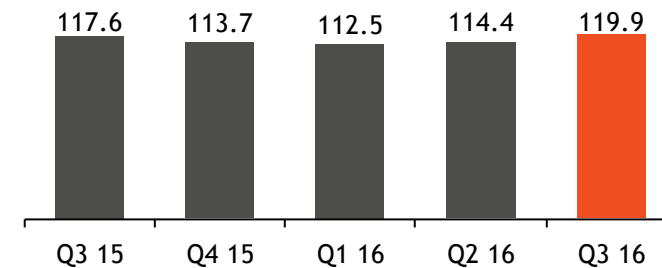
## Subsidies

(in EUR million)



## Mobile penetration

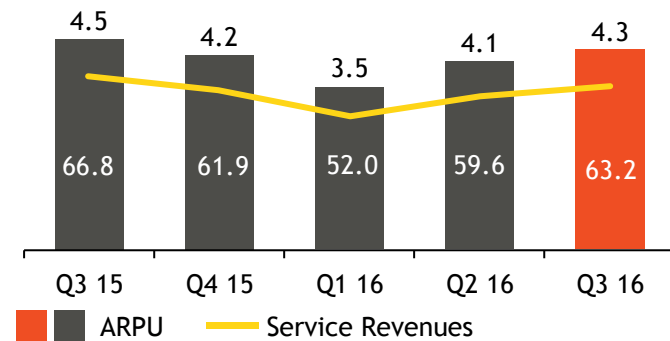
(in %)



# Segment Belarus - Mobile key performance indicators

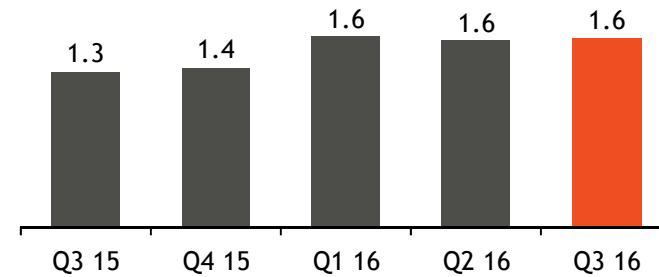
## ARPU & Service revenues

(in EUR, in EUR million)



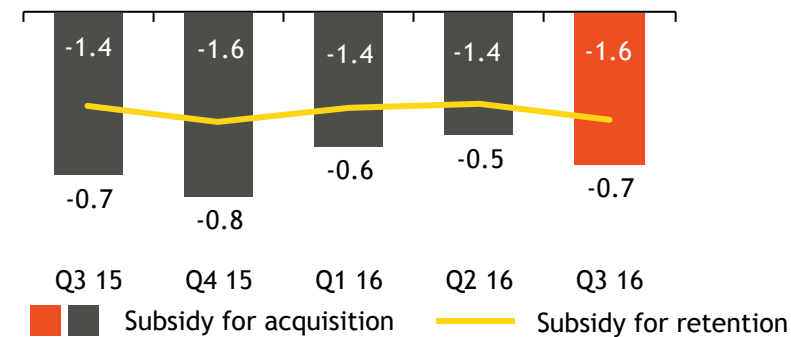
## Churn rate

(in %)



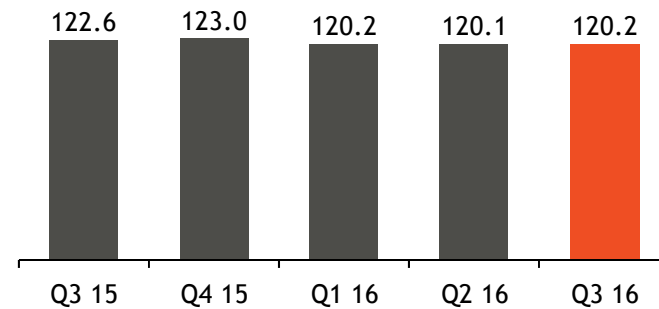
## Subsidies

(in EUR million)



## Mobile penetration

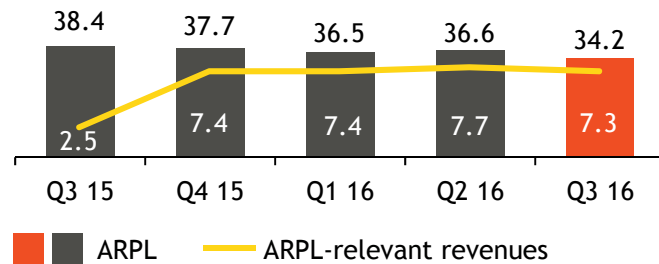
(in %)



# Segment Slovenia - Fixed-line key performance indicators

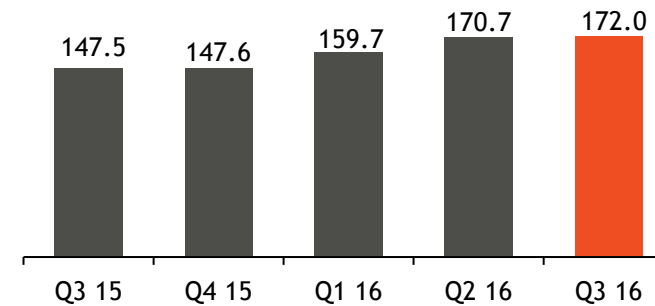
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



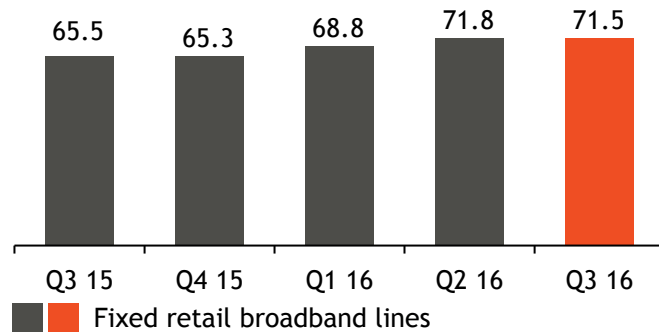
## Total RGUs

(in '000)



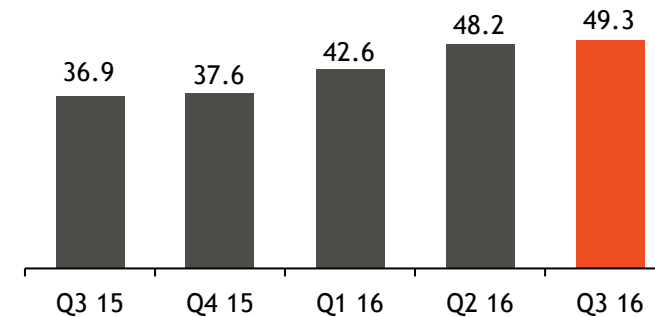
## Fixed broadband RGUs

(in '000)



## TV RGUs

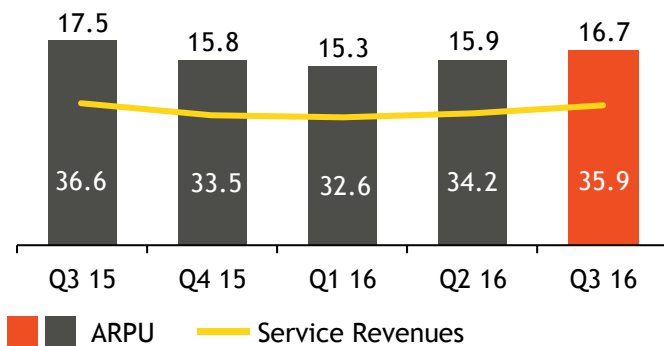
(in '000)



# Segment Slovenia - Mobile key performance indicators

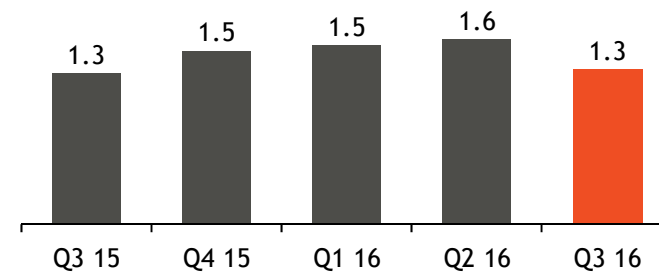
## ARPU & Service revenues

(in EUR, in EUR million)



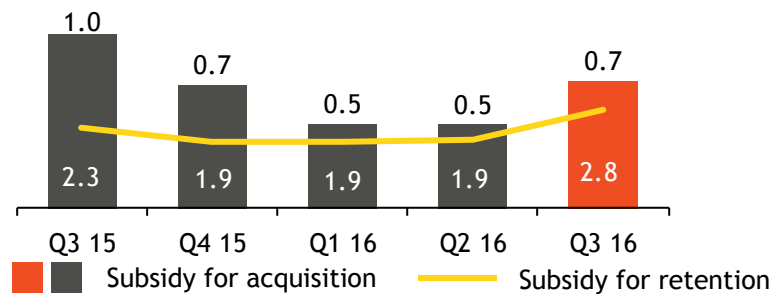
## Churn rate

(in %)



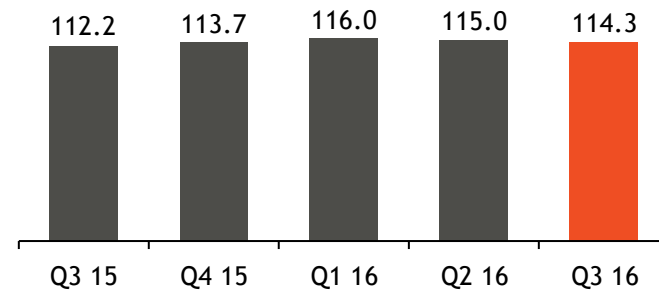
## Subsidies

(in EUR million)



## Mobile penetration

(in %)

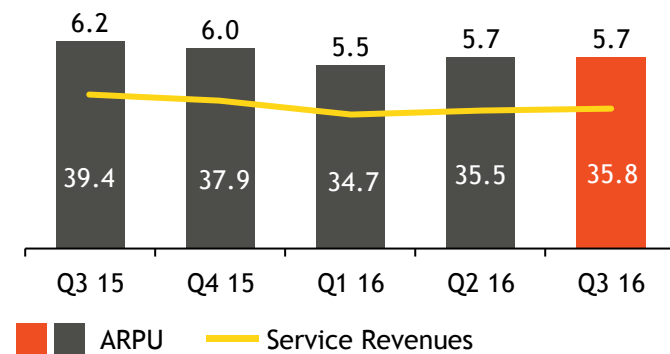




# Segment Serbia - Mobile key performance indicators

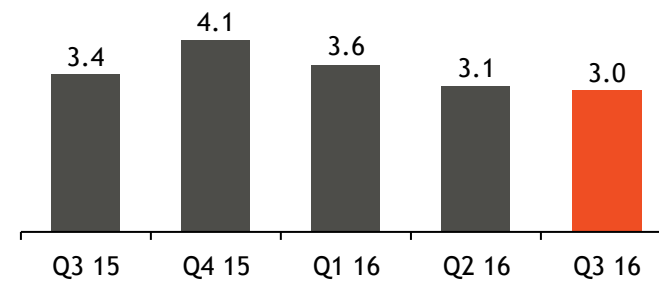
## ARPU & Service revenues

(in EUR, in EUR million)



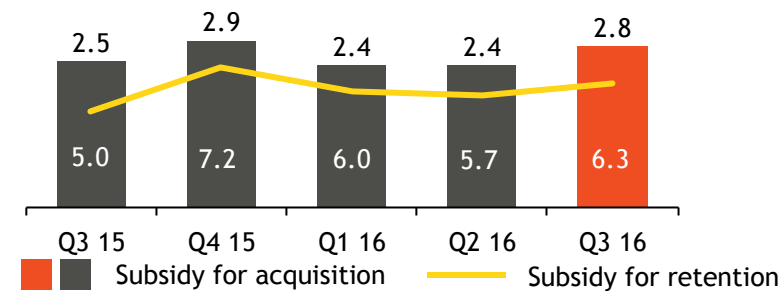
## Churn rate

(in %)



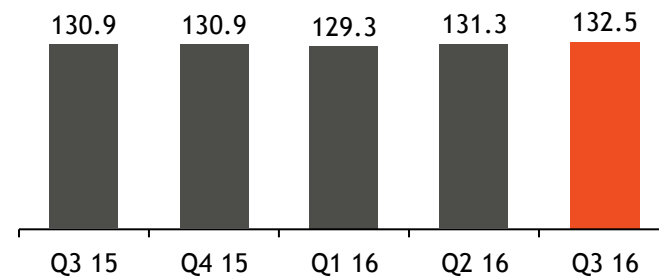
## Subsidies

(in EUR million)



## Mobile penetration

(in %)



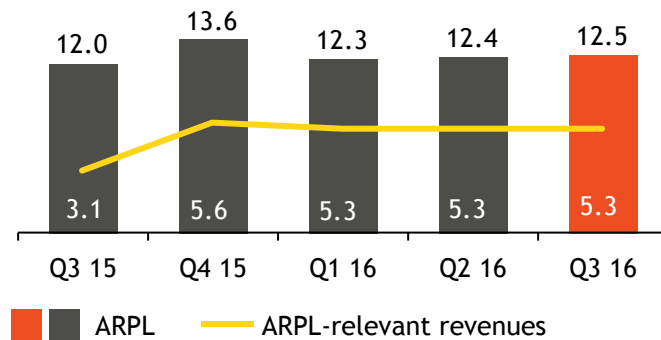
Results for the first nine months and third quarter 2016



# Segment Macedonia - Fixed-line key performance indicators

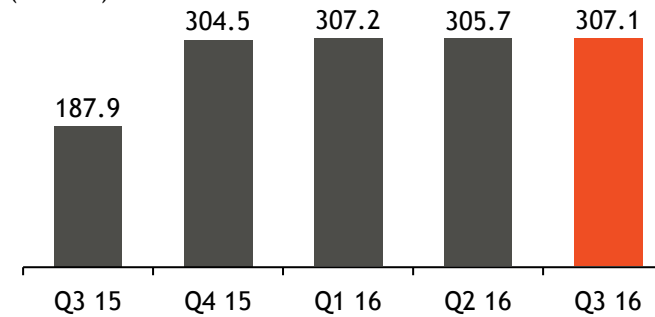
## ARPL & ARPL-relevant revenues

(in EUR, in EUR million)



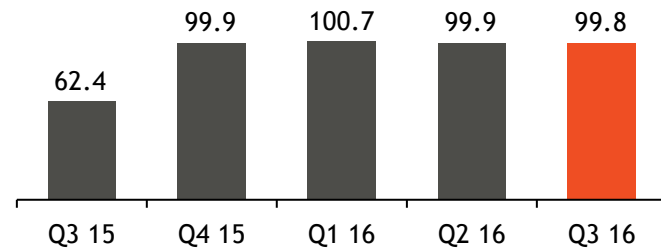
## Total RGUs

(in '000)



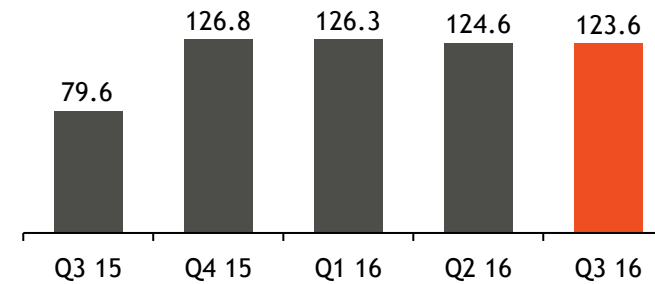
## Fixed broadband RGUs

(in '000)



## TV RGUs

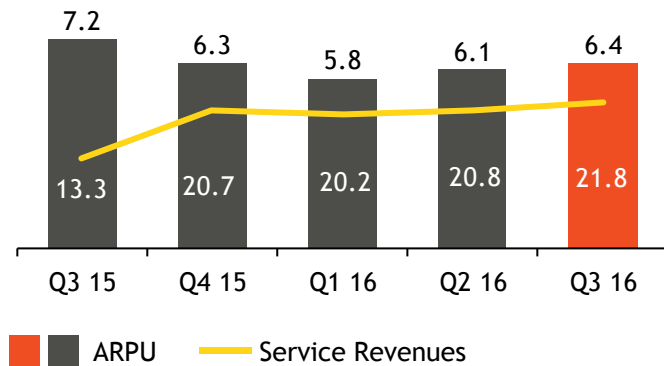
(in '000)



# Segment Macedonia - Mobile key performance indicators

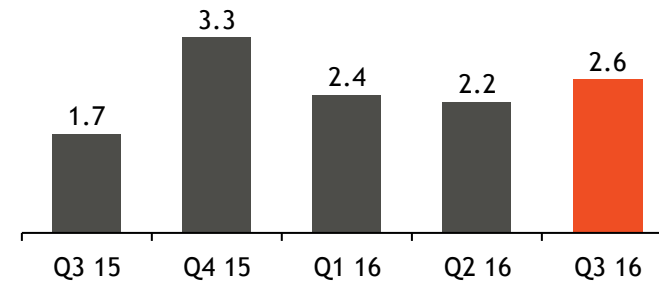
## ARPU & Service revenues

(in EUR, in EUR million)



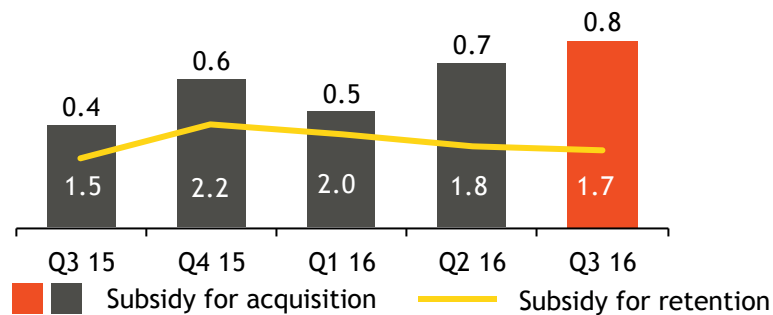
## Churn rate

(in %)



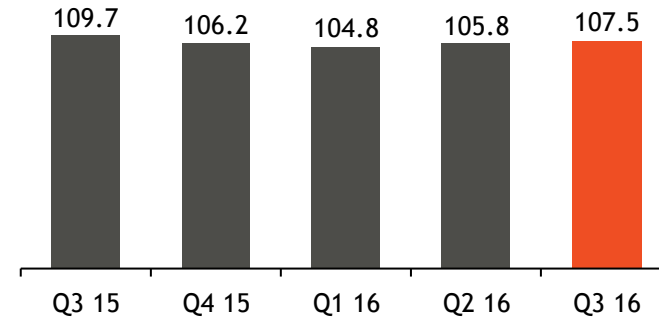
## Subsidies

(in EUR million)



## Mobile penetration

(in %)



Results for the first nine months and third quarter 2016



# Appendix 2 – Regulatory topics

# Glide Path of Mobile Termination Rates

	Jan 2015	Jul 2015	Jan 2016	Jul 2016	Jan 2017	Jul 2017
Austria (EUR)	0.008049	0.008049	0.008049	0.008049 <sup>2</sup>	0.008049 <sup>2</sup>	0.008049 <sup>2</sup>
Bulgaria (BGN)	0.019	0.019	0.019	0.019	No data	No data
Croatia (HRK)	0.063*	0.063*	0.063*	0.063 <sup>1</sup>	0.063 <sup>1</sup>	0.063 <sup>1</sup>
Belarus (BYN)	180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	MTS 250/125 BeST 180/90**	No data	No data
Slovenia (EUR)	0.0114	0.0114	0.0114	0.0114	0.0114	0.0114
Serbia (RSD)	3.43 <sup>1</sup>	3.43 <sup>1</sup>	3.43 <sup>1</sup>	From May 2016 2.75 <sup>1</sup>	2.07 <sup>1</sup>	2.07 <sup>1</sup>
Macedonia (MKD)	0.90	0.90	0.90	0.90	0.60	0.60

\* 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: 1,73kn/min -> 2,00kn/min in Apr 2016

\*\* Belarus values: peak times/off-peak times – the medium weighted MTR value amounts to BYN 0.022, 150 per minute

1 NRA currently reviews wholesale markets and cost accounting models. Outcome of analysis/proceedings can lead to (slight) MTR reductions in Q2/2016ff. CRC will publish on public consultations updated BU-LRIC models.

2 NRA analyses currently the market data to actualize the cost calculation model PURE-LRIC . First evaluation expected autumn 2016. In Austria due to near balanced national traffic little impact on EBIDTA expected even by further MTR rate erosion.

# EU roaming price regulation

RETAIL (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 July 2017
Data (per MB)	none	70	45	20	domestic tariff + 5*	domestic tariff
Voice-calls made (per minute)	35	29	24	19	domestic tariff + 5*	domestic tariff
Voice-calls received (per minute)	11	8	7	5	weighted average MTR*	domestic tariff
SMS (per SMS)	11	9	8	6	domestic tariff + 2*	domestic tariff
WHOLESALE (in EURc)	Before	July 2012	July 2013	July 2014	30 April 2016	15 July 2017
Data (per MB)	50	25	15	5	5	?**
Voice (per minute)	18	14	10	5	5	?**
SMS (per SMS)	4	3	2	2	2	?**

\* 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.

\*\* Upon entry into force of the new Regulation, the Commission shall initiate a review of the wholesale roaming market with a view to assessing measures necessary to enable abolition of retail roaming surcharges.

# Upcoming spectrum tenders/prolongations/ assignments

	Expected	Comments
Austria	2019 (2100 MHz) 2020 (700 MHz)	-
Bulgaria	2018 (800 MHz) 2019 (2100 MHz)	NRA opened a hearing procedure in October to evaluate the interest from operators for spectrum in the 800 MHz-band.
Croatia	2017 (2100 MHz) 2020 (700 MHz)	-
Belarus	2016 (1800 MHz) 2016 (2100 MHz)	
Slovenia	2016 (1800 MHz) 2016 (2100 MHz)	-
Republic of Serbia	No new Auctions	Expecting <b>automatic</b> renewal of currently owned (10 year period) frequencies in November
Republic of Macedonia	2016 (800 MHz) 2017 (900, 1800 MHz) 2018 (2100 MHz)	-



# Appendix 3 – Personnel restructuring in Austria



# Quartely Overview - Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

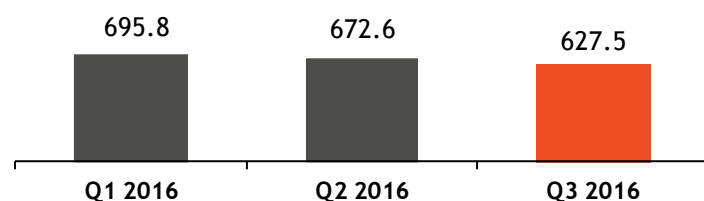
	Q1	Q2	Q3
FTE reduction	9.2	21.0	1.8
Servicekom contribution	-18.4	-20.1	-29.6*
Interest rate adjustments	9.7	-0.5	7.4
<b>Total</b>	<b>0.5</b>	<b>0.4</b>	<b>-20.4</b>

## FTEs addressed

	Q1	Q2	Q3
Transfer to government	0	1	2
Social plans	31	63	16
Staff released from work	0	0	0
<b>Total</b>	<b>31</b>	<b>64</b>	<b>18</b>

## Overview restructuring provision\*\*

(in EUR million)



## Provisioned FTEs

	Q1	Q2	Q3
Transfer to government	203	197	192
Social plans	1,668	1,715	1,703
Staff released from work	232	207	200
<b>Total</b>	<b>2,103</b>	<b>2,119</b>	<b>2,095</b>

\* EUR 29.0 mn in restructuring charges 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

# Full Year Overview - Restructuring charges and provision vs. FTE

## Overview restructuring charges

(in EUR million)

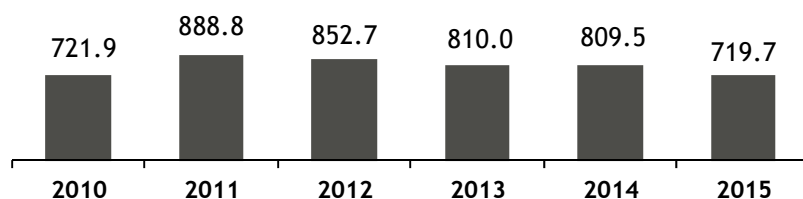
	2010	2011	2012	2013	2014	2015
FTE reduction	76.9	274.3	49.9	149.0	86.4*	69.5**
Servicekom contribution	0.0	-40.6	-76.7	-103.8	-39.4	-72.0
Interest rate adjustments	47.2	0.0	61.4	0.0	42.6	2.9
<b>Total</b>	<b>124.1</b>	<b>233.7</b>	<b>34.7</b>	<b>45.2</b>	<b>89.6</b>	<b>0.4</b>

## FTEs addressed

	2010	2011	2012	2013	2014	2015
Transfer to government	158	106	44	22	52	49
Social plans	28	685	94	409	199	270
Staff released from work	27	0	0	0	0	0
<b>Total</b>	<b>213</b>	<b>791</b>	<b>138</b>	<b>431</b>	<b>251</b>	<b>319</b>

## Overview restructuring provision\*\*\*

(in EUR million)



## Provisioned FTEs

	2010	2011	2012	2013	2014	2015
Transfer to government	158	264	308	330	242	205
Social plans	299	922	1,030	1,315	1,460	1,661
Staff released from work	763	649	510	410	350	253
<b>Total</b>	<b>1,220</b>	<b>1,835</b>	<b>1,848</b>	<b>2,055</b>	<b>2,052</b>	<b>2,119</b>

\* Including EUR 15.0 mn due to the judgment of the European Court of Justice from 11 November 2014 regarding the remuneration and legal rights of civil servants ('Vorrückungstichtag')

\*\* Restructuring expenses include a positive one-off effect in the amount of EUR 21.6 mn in Q4 2015 stemming from a settlement.

\*\*\* Including liabilities for transfer of civil servants to government bodies since 2010

Results for the first nine months and third quarter 2016

# Overview - Cash flow impact of restructuring

## Overview cash flow impact\*

(in EUR million)

	<u>Total cash-flow impact</u>
2010	57.9
2011	93.4
2012	104.0
2013	108.0
2014	107.1
2015	101.9
Q1 2016	26.5
Q2 2016	25.7
<i>Q3 2016</i>	<i>26.6</i>

- > Total cash flow impact comprises old and new programmes
- > Cash flow impact for Q3 2016 of EUR 26.6mn
- > Total expected cash flow impact for 2016 of approximately EUR 100 mn

\* Historical numbers have been restated since 2011 to fully reflect all payments from the transfer of civil servants to government bodies.

# Appendix 4 – Corporate sustainability

# Key figures - Corporate Sustainability

## Selected Group-wide KPIs

	2015
<b>Products: Providing Responsible Products</b>	
Customer contacts in customer service ('000)	38,175
<b>Environment</b>	
Total CO <sub>2</sub> Emissions (Scope 1+2 in tonnes)	187,383
Energy efficiency index (in Mwh/terabyte)	0,6
Paper consumption (in tonnes)	1,758,252
Collected old mobile phones (in pcs)	26,405
E-billing share (in %)	64
<b>Employees</b>	
Share of femal employees (in %)	38
Share of femal executives (in %)	35
<b>Society</b>	
Participants in trainings on media literacy	24,481
Local educational projects	over 30

## Ratings



- › Classification: B (99 points out of 100)
- › Leadership index



- › Classification: B-



## Indices



## Memberships

