

EANS-Adhoc: Telekom Austria AG / Results for the First Nine Months of 2014 (Ad-hoc)

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Earnings

Vienna, 23 October 2014: Today the Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the first nine months of 2014, ending 30 September 2014.

Highlights

- > Group revenue decline improves to -4.5% supported by better trends in Austria in Q3 as well as strong growth in Belarus and the Additional Markets segment
- > Subsidy-driven equipment revenues support revenue trends in CEE
- > EUR 110.6 mn negative regulatory effects on Group revenues
- > Group EBITDA comparable margin improves to 34.6% driven by lower OPEX in Austria and strong margin in Belarus
- > Austria:
 - > Continuously improving ARPU trends in 2014 driven by high-value focus
 - > 75.7% and 23.4% cuts in SACs and SRCs respectively drive margin improvement to 33.0%
- > CEE:
 - > Continued strong performance in Belarus on the back of inflation-linked price increases in 2013 and 2014 (FX development better than expected) and higher data usage
 - > Macro and regulatory factors (e.g. higher frequency usage fee in Croatia) and fierce competition drive other CEE markets
 - > Merger of mobilkom liechtenstein with Telecom Liechtenstein completed on 27 August 2014 results in a positive one-off effect on EBITDA comparable of EUR 26.8 mn
- > Group outlook for FY 2014 unchanged: Revenues of approx. -3.5%, CAPEX* of EUR 650 - 700 mn, intended dividend of EUR 0.05/share

in EUR million	Q32014	Q32013	%change	1-9M2014	1-9M2013	%change
Revenues	1,048.7	1,036.0	1.2%	2,987.7	3,128.3	-4.5%
EBITDA comparable	414.6	357.9	15.8%	1,034.0	1,025.1	0.9%
Operating income	200.0	121.5	64.7%	-22.6	344.7	n.m.
Net income	127.8	51.3	149.2%	-190.0	159.2	n.m.

Cash flow generated from operations	300.6	295.5	1.7%	674.0	789.5	-14.6%
Earnings per share (in EUR)	0.27	0.10	183.9%	-0.47	0.31	n.m.
Free cash flow per share (in EUR)	0.37	0.30	23.4%	0.47	0.69	-30.8%
Capital expenditures	143.6	167.6	-14.4%	472.5	493.0	-4.2%

in EUR million	30 Sept 2014	31 Dec 2013	%change
Net debt	3,530.9	3,695.8	-4.5%
Net debt / EBITDA comparable (12 months)	2.7	2.9	-5.1%

All financial figures are based on IFRS; if not stated otherwise, all comparisons are given year-on-year. EBITDA comparable is defined as net income excluding financial result, income tax expense, depreciation and amortisation, restructuring and impairment charges.

* Does not include investment in spectrum and acquisitions

Kind regards,
Telekom Austria Group Investor Relations Team

Further information about the results can be found here:
<http://www.telekomaustria.com/en/ir/interim-results>

The earnings release can be found here:
<http://cdn1.telekomaustria.com/final/en/media/pdf/results-qu3-2014.pdf>

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