

Group Strategy

Cautionary Statement

“This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results.”

Telekom Austria Group Strategy Focuses on Value Creation for its Shareholders

Telekom Austria Group

- Group strategy focuses on value creation for its shareholders
- Internationalization creates sustainable growth potential
- Combine strengths and exploit synergies resulting from the strong positions in both Fixed Net and Mobile Communication in Austria
- Benefit from know-how transfer and exploit synergies from the international portfolio of Mobile Communication operations

Fixed Net



Stabilization of Cash Flow

Mobile Communication



Growing Cash Flow

Fixed Net Strategy

Fixed Net Strategy Focuses on the Stabilization of Cash Flow

Telekom Austria Group

Fixed Net

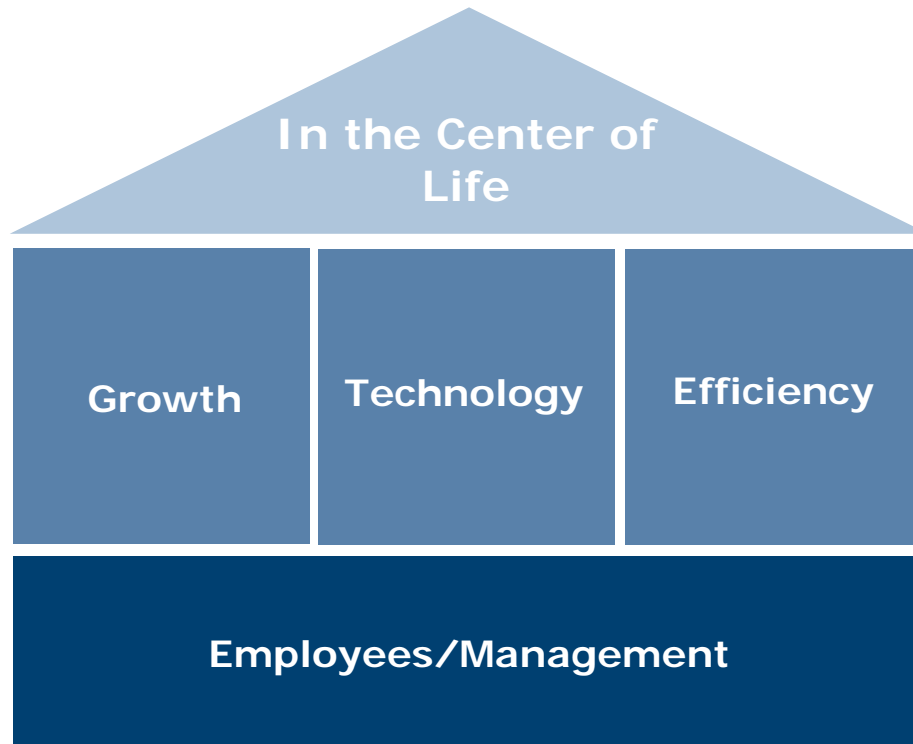
- Leverage strong market position to develop new business areas
- Develop broadband proposition and product bundles to protect customer base
- Focus on utilization of infrastructure to exploit economies of scale
- Investment in broadband infrastructure

Stabilization of Cash Flow

Mobile Communication

Growing Cash Flow

Fixed Net Strategy Translates into Three Pillars and One Proposition

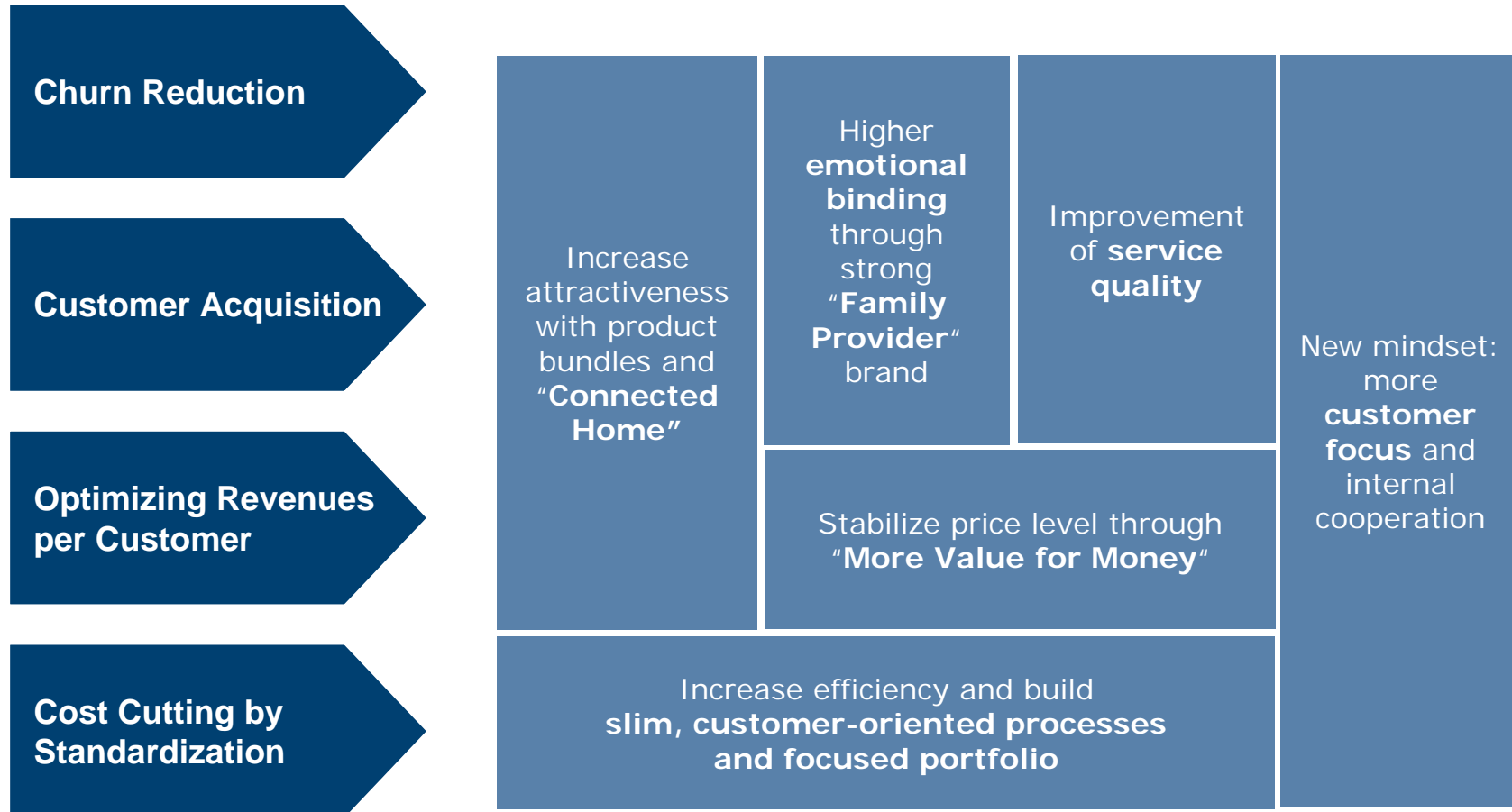


- “In the Center of Life” symbolizes customer focus
- Objective: growth of broadband customer base, slow down of line loss trend
- Utilization of infrastructure and investments in broadband
- Increase productivity
- Motivate employees despite the need to reduce headcount

Strategic Approaches for Residential Market

Strategic Approaches

Fundamental Strategic Lever



2008: Line Loss Significantly Reduced

2009: Focus on Business Customers

In the Center of the Office

Connectivity



- Network expansion with up-to-date IP-technology
- Unified communication with fixed-mobile convergence
- Product bundles for business customers

One Workplace



- One workplace with desktop full service
- Selective enlargement of features
- Leasing for PC, notebook, mobile phone, etc.
- Sales co-promotion for hardware distribution

Service



- Improvement of QoS and launch of service level agreements
- Assessment of innovative service concepts and help lines
- Security packages

- Create one-stop-shop for business customers
- Utilize customer potential through up and cross selling

Mobile Communication Strategy

Mobile Communication Strategy Focuses on Growing Cash Flow

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Fixed Net

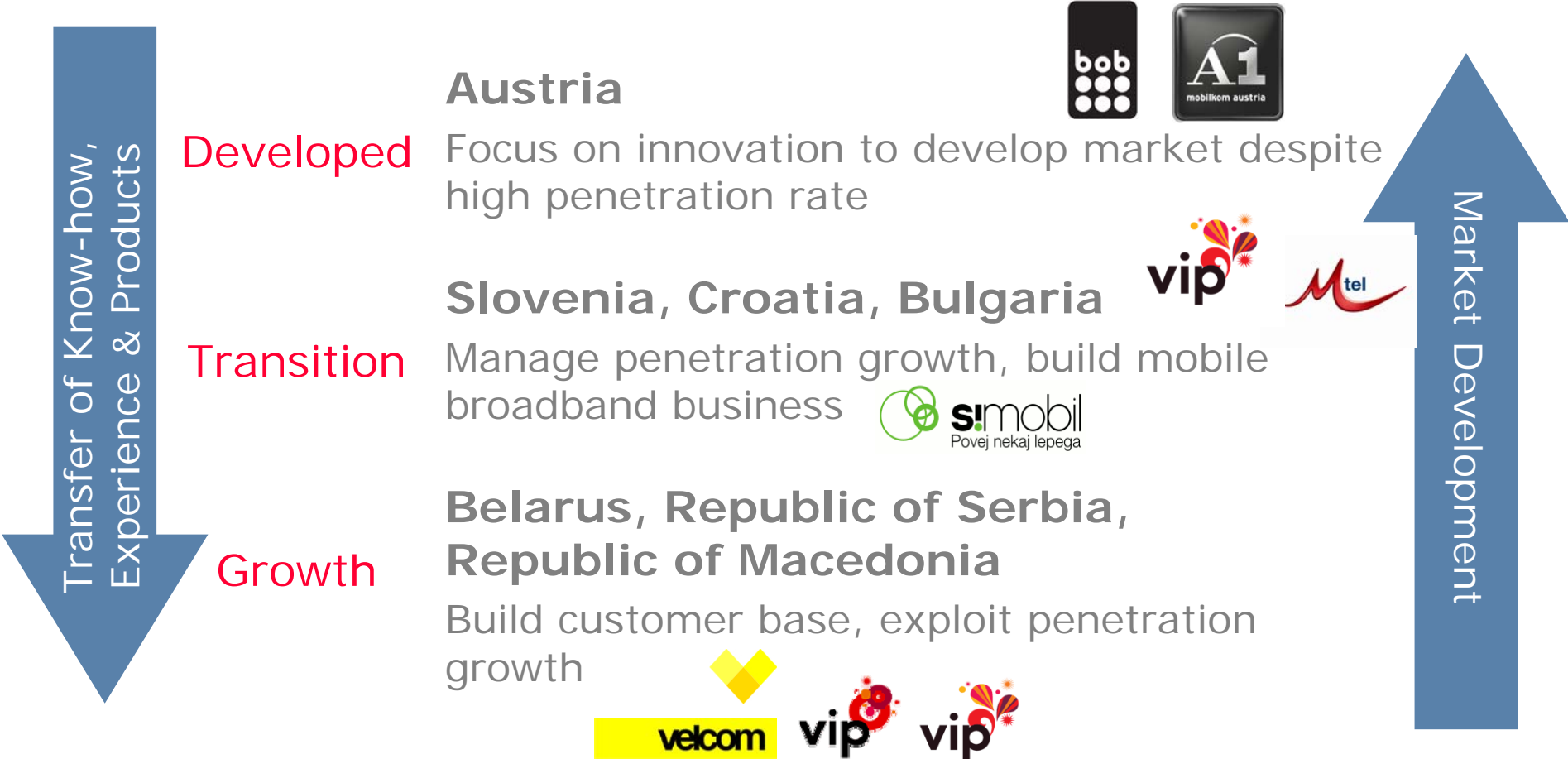
Stabilization of Cash Flow

Mobile Communication

- Value-accretive expansion in Eastern and South-Eastern Europe
- Creation of growth potential in developed markets through new products (e.g. mobile data service)
- Increase efficiency through shared service company and combined purchasing

Growing Cash Flow

Mobile Communication Portfolio Generates Cash and is Basis for Future Cash Generation



“Think Global, Act Local” Combines Customer Focus and Leverage of Group Synergies

Local focus necessary as telecommunication is a consumer business

- Country-specific approach to meet market and customer demand
- Powerful local brands and flexibility for local operations, yet alignment with group strategy

Global view necessary to leverage synergies

- Leadership in innovation and quality
- Use Vodafone partnerships and exploit economies of scale
- Shared service company facilitates coordination and know-how transfer
- Opportunistic expansion in Eastern- and South-Eastern Europe

Shared Service Company Aims at Exploiting Synergies

Procurement:

- Enlarged volumes
- Extension to Fixed Net business planned
- Additional scale benefit from Vodafone partnership

Roaming:

- Managed roaming
- Scale benefit from Vodafone partnership

International Accounts:

- Coordinated sale for multinational accounts



Best Practice and Know-How Transfer:

- Best practice sharing
- Know-how transfer

Integration:

- Fast and reliable integration

Network Synergies:

- Harmonization of platforms and processes
- "One Network" approach
- Hosting