

The Telekom Austria Group is an integrated, convergent provider of intelligent information and communications services and is a leader in its geographic markets. The company's strategic and operating targets include:

- Positioning Telekom Austria Group as a provider of convergent services
- Optimizing activities through operational excellence
- Value-creating growth through
  - convergence of Fixed Net and Mobile Communication in Austria
  - seizure of market consolidation opportunities
  - geographic expansion

### **Market-Oriented Convergent Product Bundles**

At the end of 2007, the Telekom Austria Group started introducing cross-segment product bundles to safeguard the attractiveness of fixed net access lines: They provide a one-stop-shop solution for all communication and media needs, lower prices compared to single services as well as high-quality service and technical support from one source. Moreover, the Telekom Austria

Group's product bundles leverage the successful domestic positioning of both the Fixed Net and Mobile Communication segments.

### **Integration of Fixed Net and Mobile Communication in Austria**

Many European telecommunications providers have already responded to the convergence of technologies by merging their previously separate fixed net and mobile communications operations. In the year under review, the Telekom Austria Group also duly evaluated the possibility of reorganizing its corporate structure in a similar way. At a number of its meetings, the Supervisory Board examined all potential options and on February 23, 2010 approved the merger of the domestic Fixed Net and Mobile Communication operations into a single operating company.

### **Investments in New Technologies**

The repositioning of the product portfolio and general rise in traffic volumes due to increased use of data services require considerable investments in network infrastructure and new technologies.