

Telekom Austria Group: Telekom Finanzmanagement GmbH Plans to Issue a Bond with a Volume of up to EUR 750 mn (Ad hoc Release)

The bullet bond, which will have a maturity of 7 years, will be divided into a nominal value of EUR 1,000. The issuer of the planned bond is Telekom Finanzmanagement GmbH guaranteed by Telekom Austria AG and Telekom Austria TA AG. With this bond the Telekom Austria Group is primarily addressing investors in Austria, Germany and the rest of Europe.

“With this bond we not only strengthen our finance base, but also extend the maturity profile of Telekom Austria Group. Furthermore we diversify our debt portfolio and increase our independence from mere bank finance”, says Hans Tschuden, CFO of Telekom Austria Group, adding: “By taking advantage of the prevailing relatively favourable climate in the international bond markets, we secure the refinancing requirements of Telekom Austria Group beyond the year 2010.”

The bond will be listed on the Luxembourg Stock Exchange and will not effect the net debt of Telekom Austria Group.

BNP Paribas, Erste Group Bank AG, The Royal Bank of Scotland plc and UniCredit CAIB AG have been mandated as joint bookrunners.

This Ad-Hoc release does not constitute a public offer of bonds of the Telekom Austria Group. A prospectus in accordance with Prospectus Directive 2003/71/EC is expected to be approved by the Commission de Surveillance du Secteur Financier (CSSF) on January 19, 2009. It will be published on the homepage of the Luxembourg Stock Exchange (www.bourse.lu) and the Austrian Finanzmarktaufsicht (FMA) and the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) will be notified in accordance with Article 18 of the Prospectus Directive. A public offering is permissible only one business day following such notification and publication, which is January 21, 2009 at the earliest. Any subscription offers made before January 21, 2009 will be rejected.

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