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Information on the dividend

The Telekom Austria Group intends to distribute a dividend of EUR 0.38 for the years 2011 and 2012. As of 2013, the payout ratio amounts to 55% of free cash flow to the extent that the dividend does not lead to a deterioration of Group equity.

* Free cash flow = Cash flow from operating activities minus capital expenditures in existing business

Year	AGM	Dividend in EUR per share	Payment date	Dividend ex date	Announcement
2010	May 19, 11	0.75	May 26, 11	May 23, 11	PDF (56.0 KB)
2009	May 27, 10	0.75	June 04, 10	June 1, 10	PDF (17.2 KB)
2008	May 20, 09	0.75	May 28, 09	May 26, 09	PDF (20.8 KB)
2007	May 20, 08	0.75	May 28, 08	May 26, 08	PDF (17.9 KB)
2006	May 30, 07	0.75	June 06, 07	June 6, 07	PDF (16.6 KB)
2005	May 23, 06	0.55	May 30, 06	May 26, 06	PDF (37.5 KB)
2004	May 25, 05	0.24	June 06, 05	May 31, 05	PDF (37.8 KB)
2003	June 3, 04	0.13	June 15, 04	June 9, 04	PDF (38.3 KB)

Dividend payments of Austrian joint-stock corporations (Aktiengesellschaften) are generally subject to Austrian withholding tax (Kapitalertragsteuer, KESSt) at a rate of 25% which has to be withheld by the joint-stock corporation and paid to the tax administration upon dividend distribution. As a consequence of this tax withholding dividends are finally taxed for income tax purposes if the Telekom Austria shares are held as private property by natural persons and – starting from October 1, 2011 – by corporations that are not governed by section 7 paragraph 3 of the Austrian Corporate Income Tax Act. These dividends need not be accounted for in the tax return any longer.

As regards capital gains from the disposal of Telekom Austria shares it depends on when you have purchased these securities.

The capital gains on the disposal of shares that you have purchased before January 1, 2011 are subject to income tax at your personal average tax rate if the shares are sold within the one year speculation period as provided for by Austrian income tax law. The capital gains must be declared in your income tax return if you sell the Telekom Austria shares within a one-year period after purchase. The capital gains are not subject to income tax if the shares are sold after the one-year period has elapsed. In case that you held shares in the minimum of 1% of the nominal capital during the past five years the shares are deemed to be an investment the disposal of which is subject to income tax independent from the speculation period. Austrian tax law provides for the

application of the half average income tax rate for capital gains from the disposal of such an investment before October 1, 2011.

The capital gains on the disposal of shares that you have purchased after December 31, 2010 are subject to income tax independent from the holding period (income from a realized increase in value). Only for disposals after September 30, 2011 the domestic custodian bank (domestic paying entity respectively) is obliged to withhold 25% Austrian withholding tax (Kapitalertragsteuer, KEST) from the capital gains (before October 1, 2011 the (speculation) capital gains have to be declared within the regular assessment procedure). As a consequence of this tax withholding the capital gains are finally taxed for income tax purposes and need not be accounted for in the tax return any longer. Under certain circumstances these capital gains can be offset within the regular assessment procedure against negative income from capital investments suffered within the same assessment period. The above information regarding the final taxation and the set-off with losses is not applicable if the Telekom Austria shares are held by natural persons not as private property or by corporations that are governed by section 7 paragraph 3 of the Austrian Corporate Income Tax Act.

The above remarks on the Austrian tax treatment of Telekom Austria shares held as private property are not meant to constitute a comprehensive description or to substitute the advice by a tax lawyer.