

EANS-Adhoc: Telekom Austria AG / Telekom Austria Group successfully completes capital increase (Ad hoc)

ad-hoc disclosure transmitted by euro adhoc with the aim of a Europe-wide distribution. The issuer is solely responsible for the content of this announcement.

Capital measures/Stock Activity
24.11.2014

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN.

Vienna, 24 November 2014: Today Telekom Austria Group announces the end of its rights offering subscription period and completion of the capital increase it announced on 7 November 2014. The number of shares of Telekom Austria Group will increase by 221.5 million, from 443.0 million to 664.5 million. The net proceeds of the transaction will amount to approx. EUR 997 million.

Based on preliminary results of the subscription period that ends today at 24.00 CET, approx. 25.5 million new shares were subscribed for at a price of EUR 4.57 per new share by free float investors. Including the commitments of the core shareholders América Móvil (including Carso Telecom) and ÖIAG the total take-up will be approximately 99.7%. Given the high take-up during the subscription period, there will be no rump placement. The approx. 0.3% remaining shares not subscribed for in the subscription period or committed to by the core shareholders will be taken-up by Deutsche Bank and sold in the market.

América Móvil (including Carso Telecom) will subscribe for approx. 132.2 million new shares according to its approx. 264.5 million subscription rights. ÖIAG will subscribe for approx. 63.0 million new shares so that its participation in the share capital of Telekom Austria after the capital increase corresponds as closely as possible to its current pro-rata participation in Telekom Austria (approximately 28.42%).

Trading of the new shares on the Vienna Stock Exchange is expected to commence on 27 November 2014. Each of Telekom Austria, América Móvil (including Carso Telecom) and ÖIAG has committed itself to a lock-up period of six months following the first day of trading of the new shares on the Vienna Stock

Exchange.

Telekom Austria intends to use the net proceeds of the capital increase to re-establish its target capital structure and maintain a credit rating of at least BBB (stable) by Standard & Poor's. This will allow Telekom Austria Group to pursue strategic investment priorities with the aim to strengthen the Telekom Austria Group's operational performance and to return to a sustainable growth profile within the stated sound financial framework. In particular, the capital increase will allow Telekom Austria Group to implement an accelerated roll-out of its fibre infrastructure during the years 2015 - 2018 in combination with latest available technologies to ensure CAPEX efficiency. Telekom Austria Group thus aims to meet increasing demand for high bandwidth services and safeguard the Group's network quality leadership in the Austria segment. Furthermore, Telekom Austria Group will be able to finance value-accretive M&A opportunities that strengthen its operational strategy, thereby maintaining the following priorities: (i) in-market consolidation to strengthen existing operations; (ii) the continued pursuit of Telekom Austria Group's convergence strategy to diversify in markets that are currently mobile-only and to enhance existing convergent operations; and (iii) expansion via new operations.

For further information about the capital increase please see the following link:

<http://www.telekomaustria.com/en/ir/14887>

This document does not constitute an offer of securities, nor a solicitation for an offer of securities nor marketing or sales activity for such securities in countries where such an offer or solicitation for an offer is subject to legal restrictions. This document must not be used for such an offer or such marketing activities. Under <http://www.telekomaustria.com/en/ir/14887>, a prospectus will be published in accordance with the Austrian Capital Market Act (Kapitalmarktgesetz).

This document is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This document does not constitute or form a part of any offer or solicitation to purchase securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets

Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Disclaimer for forward-looking statements:

This document contains forward-looking statements. These forward-looking statements are usually accompanied by words such as "believe", "intend", "anticipate", "plan", "expect" and similar expressions. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither Telekom Austria nor any other person accepts any liability for any such forward-looking statements. Telekom Austria will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations. This report does not constitute a recommendation or invitation to purchase or sell securities of Telekom Austria.

Further inquiry note:

Matthias Stieber

Director Investor Relations

Tel.: +43 (0) 50 664 39126

mailto: matthias.stieber@telekomaustria.com

end of announcement

euro adhoc

~

issuer: Telekom Austria AG
Lassallestrasse 9
A-1020 Wien
mail: investor.relations@telekomaustria.com
WWW: www.telekomaustria.com/ir
sector: Telecommunications
ISIN: AT0000720008
indexes: WBI, ATX Prime, ATX

~

stockmarkets: official market: Wien

language: English

Digital press kit: <http://www.ots.at/pressemappe/2161/aom>

***ORIGINAL APA-OTS TEXT - THE INFORMATION CONTAINED IN THIS PRESS
RELEASE IS SUBJECT TO THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER***

OTE0004 2014-11-24/20:01

242001 Nov 14

Link zur Aussendung:

http://www.ots.at/presseaussendung/OTE_20141124_OTE0004