

Questions for 2009 AGM by IVA (Advocacy Group for Investors) and Answers by *Telekom Austria AG*

Also this year, IVA (Advocacy Group for Investors) has elaborated 10 main questions and has invited publicly listed companies to provide corresponding answers. These answers will be published on the Internet at www.iva.or.at.

Questions:

1. How many employees had a higher annual remuneration than a member of the Management Board? How many employees do earn more than 75% of a Board Member's salary?

2.

In 2008 no employee had a higher annual remuneration than a member of the Management Board. No employees earned up to 75% of a Board member's salary.

3. On which performance criteria is the performance-related remuneration of the company's Board members and managers based in order to guarantee the achievement of a sustainable and long-term generation of shareholder value? How much does the performance-related component of the total salary of all employees account for?

The performance-related remuneration of Board members and managers is based on both quantitative and qualitative targets, which are linked to success criteria. These refer to financial figures (50%) such as Economic Value Added (EVA) and Free Cash Flow (FCF) as well as to strategic objectives (50%).

The performance-related component of the salary, based on the achievement of full year objectives, amounts to 4.5% for Fixed Net employees (calculated on the basis of the fixed salary) and 4.6% for Mobile Communication employees.

4. How much was spent on in-house and external professional training and further education? How many man-days were invested?

In 2008 a total of EUR 12.0 million was spent on further education and professional training for employees, this corresponds to EUR 682 per employee.

5. Number of shares purchased by employees in 2008 taking advantage of the related tax benefits ((§ 3, Para 15 Income Tax Act – for a maximum of Euro 1,460)?

Within the framework of the Employee Participation Program, Telekom Austria granted a total of 186,480 shares in 2008.

6. Expenditures for press and PR activities, including details about external consultancy and agency costs?

Total external expenditures for press and PR activities in 2008 amounted to EUR 2.2 million (2007: EUR 2.9 million) for Telekom Austria TA AG, EUR 1.3 million (2007: EUR 1.5 million) for mobilkom austria and EUR 460,000 (2007: EUR 1.2 million) for the holding.

7. External expenses for AGM and Annual Report (incl. details about circulation) and for IR-related activities (incl. costs for road shows and investor meetings)?

External costs for the AGM 2008 amounted to approximately EUR 100,000. The realization of the Annual Report for the 2008 business year with a circulation of 10,000 copies led to expenses of roughly EUR 180,000. Moreover, a total of EUR 1 million was spent for IR-related activities including costs.

8. In the 2007 reporting year did the group invest in investment funds? Purchases, sales, profits/losses from these investments?

As of the beginning of the year under review, the Group had invested a total of EUR 14.4 million in investment funds (especially as legal obligations to cover securities for pension provisions). Additional purchases amounted to roughly EUR 2.2 million, whereas disposals amounted to EUR 4.8 million. The valuation loss, which had no effect on results, amounted to EUR 2.2 million.

9. How does the cost curve relate to revenues? On which source of energy does the company rely on? (Distribution)? Which kind of measures do you plan to safeguard energy supply?

The sources of energy we rely on are electric power and in terms of heating, district heating, natural gas and crude oil. In addition, we use petrol, diesel and natural gas for our vehicle fleet. In the case of short-term power outages we can fall back upon a battery energy storage system. Moreover, we have equipped our most important network switching centres with emergency backup generators, which can be operated anytime.

In order to enhance energy efficiency over the long term, i.e. reduce energy consumption, we have initiated a number of activities:

In the Fixed Net segment, an energy policy was agreed upon in 2007 aimed at optimizing energy efficiency and achieving considerable savings in all corporate processes. As a result, an energy management system was put in place.

Energy accounting in combination with energy monitoring and load course analysis provide the basis for measures such as retrofitting air conditioning systems with rotation speed control, improving efficiency of computing centers and purchasing energy-efficient hardware. Based on these first measures, energy consumption in the company's Headquarters has been reduced by 10% to date. Moreover, the Fixed Net Headquarters have been supplied with climate-friendly electric power since 2008.

Following an extensive evaluation project in 2007, mobilkom austria began to equip mobile basis stations with new intelligent air conditioning systems. In addition, measures were implemented to optimize energy consumption within computing and switching centers. Besides, projects were initiated to test the deployment of renewable energy sources to supply basis stations. In 2008 the first wind turbine triggered mobile base station was operated in Eibesthal.

Last but not least, information campaigns about energy saving measures are launched on a regular basis to raise awareness in this regard among employees of all departments.

10. Does Telekom Austria carry out financial transactions in tax havens such as Liechtenstein, Malta, Cyprus, Singapore, Caribbean Islands and Canary Islands? If yes, to what extent and why?

No, the Telekom Austria Group does not carry out any business transactions in tax havens. The Telekom Austria Group has mobile operations in Liechtenstein, mobilkom liechtenstein. The holding of our mobile subsidiary in Belarus, Velcom, is based in Cyprus, where the Supervisory Board meets on a regularly basis.

11. Which measures are you planning and putting in place to counteract and prevent the unfavorable consequences of the economic downturn?

Especially in times of recession, companies should be enabled and encouraged to make investments. Thus, especially for the Fixed Net segment, it is of crucial importance that corresponding investment-friendly framework conditions are guaranteed to promote investments in next generation network infrastructures.

Thanks for answering our questions!