

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

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Capital measures/Stock Activity

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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>

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