

INVESTOR LETTER

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Vienna
Austria
("Subscription Agent")

with copy to

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
London E14 5LB
United Kingdom

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Germany

Erste Group Bank AG
Graben 21
1010 Vienna
Austria

Raiffeisen Centrobank AG
Tegetthoffstraße 1
1050 Vienna
Austria

(together with the Subscription Agent, the **Joint Bookrunners**)

[●] 2014

Ladies and Gentlemen:

In connection with our proposed exercise of any subscription rights ("Subscription Rights") with respect to the new ordinary shares, with no par value (the "New Shares"), of Telekom Austria Aktiengesellschaft ("Telekom Austria"), which are being offered by way of a rights offering (the "Rights Offering") by Telekom Austria, we confirm that:

1. We, and any account for which we are purchasing New Shares by way of exercising Subscription Rights, are, and at the time of any exercise by us of Subscription Rights will be, a "qualified institutional buyer" (a "QIB") within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act").
2. We understand and acknowledge that neither the Subscription Rights nor any New Shares issuable upon exercise of the Subscription Rights have been or will be registered under the Securities Act,

and that the Rights Offering is not being extended to shareholders of Telekom Austria or to other investors in the United States, except on an exceptional basis under limited circumstances pursuant to an exemption from the Securities Act. We acknowledge and agree that we are not participating in the Rights Offering as a result of any solicitation by Telekom Austria or its agents, advisers, representatives or by the Joint Bookrunners.

3. As a purchaser in a private placement of securities that have not been registered under the Securities Act, we are participating in the Rights Offering for our own account, or for the account of one or more other QIBs for which we are acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution (within the meaning of the U.S. securities laws) of any such Subscription Rights or of any New Shares issuable upon exercise of the Subscription Rights.

4. We understand that the Subscription Rights and the New Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and that for so long as the New Shares are “restricted securities” within the meaning of U.S. federal securities law, no such New Shares may be deposited into any unrestricted depository receipt facility, unless at the time of deposit such New Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act. We understand and agree that if, in the future, we or any such other QIB for which we are acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor, decide to offer, sell, pledge or otherwise transfer any New Shares issued upon the exercise of Subscription Rights, we and it will do so only (i) pursuant to an effective registration statement under the Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an “offshore transaction” (and not in a pre-arranged transaction resulting in the resale of such Subscription Rights or New Shares into the United States) or (iv) in accordance with Rule 144 (if available) under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. We understand that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of New Shares. We also shall notify such subsequent transferee of the transfer restrictions set out in this paragraph, paragraphs 1 and 2 above and paragraph 5 below.

5. We, and each other QIB, if any, for whose account we are acquiring Subscription Rights or New Shares, in the normal course of business, invest in or purchase securities similar to the Subscription Rights and the New Shares issuable upon the exercise of Subscription Rights, have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing any of the Subscription Rights and such New Shares and are aware that we must bear the economic risk of an investment in each Subscription Right and any Offering Share into which it may be exercised for an indefinite period of time and are able to bear such risk for an indefinite period.

6. We have: (i) conducted our own investigation with respect to Telekom Austria, the Subscription Rights and the New Shares; (ii) received all information that we believe is necessary or appropriate in connection with our exercise of Subscription Rights; and (iii) made our own assessment and have satisfied ourselves concerning the relevant tax, legal, currency and other economic considerations relevant to our investment in the New Shares.

7. We understand and acknowledge that the Joint Bookrunners will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. We understand that they are relying on this letter in order to comply with the Securities Act and other U.S. state securities laws. We

irrevocably authorize them to produce this letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

8. We are empowered, authorized and qualified to participate in the Rights Offering, and the person signing this letter on our behalf has been duly authorized by us to do so. If we are a broker-dealer acting as agent on behalf of a client, we have authority to make, and do make, the statements set forth in this letter on behalf of our client and have confirmed that our client is a QIB.

9. We undertake promptly to notify the Subscription Agent if, at any time prior to the acquisition of New Shares, any of the foregoing ceases to be true.

Terms used herein but not otherwise defined have the meanings given to them by Regulation S under the Securities Act.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Insert Name of Qualified Institutional Buyer in the United States]

Name:

By: _____

Title:

Address:

Telephone number:

Date:

You must review, sign and return this Investor Letter to the addressee set forth below by fax or email.

[Name of the financial intermediary]

Please note that this investor letter does not represent an order to subscribe for or purchase the New Shares. To exercise your Subscription Rights to subscribe for the New Shares, please contact your financial intermediary.