



ANNUAL REPORT 2013

T-SYSTEMS SLOVAKIA S.R.O.

T - Systems -





FOREWORD BY MANAGING DIRECTOR

Dear Readers,

Secure access to the Internet and the threat of disclosing confidential data's in business and private were the headlines in the last year – spy's and data leakage was considered to be everywhere. Security and trust in IT solutions are major criteria's for our customers if they decide in solutions made and provided by T-Systems. Cloud computing is still for many companies a no-go, as they consider it as not touchable and insecure. T-Systems has spent a lot of effort in the past months and years to make the cloud a better and very secure choice and has gained full trust from many big customers in moving their traditional IT into the cloud of T-systems – the operation for the cloud is mostly done by T-Systems Slovakia. Regular independent processes and security audits are underlining key elements for us to prove that all requirements in T-Systems Slovakia are based on international agreed standards. T-Systems Slovakia has passed in the last year successfully the audits of ISO 9001, ISO 20000 and ISO 27001 - without any findings but with recommendations and best practice examples for other companies. On top we have gathered the industry security certificate which gives us prove from independent auditors that we live with security and processes actively.

A highlight of the last year was the opening of a Financial Shared Center. It is focusing on the support of business processes within the finance community of T-Systems International. We plan to generate this year around 120 new working places. By this we were entering a new chapter and business opportunity which gives us additional growth independent from the future development in our computing and telecommunication business.

Due to the still continuing growth of T-Systems Slovakia in terms of revenue and number of employees and to be able to fulfill all the upcoming business challenges and qualification needs we have established the Dual education together with the local and national education authorities. Its task is to fill the gap between the secondary school and the university and is focusing primarily on practice. The first 30 students were acquired in September 2013. With the support of our mother company Deutsche Telekom we established an experienced team in T-Systems Slovakia which has the goal to ramp up this model to 90 students in the upcoming years. In a close partnership with the Secondary electro-technical school in Kosice we will educate young students to be able to handle business related topics like quality, processes, solution and IT challenges.

The IT environment is moving fast, technical changes are happening on daily bases. In the solutions which we operate in the pace of technical lifecycle is permanently increasing. The IT business will remain very challenging and competitive. To be able to handle the future of our location in Slovakia, it needs a stabile national environment and a strong support for fulfilling of our need in getting the right qualified labor force.

Kind regards,

Thomas Bogdain

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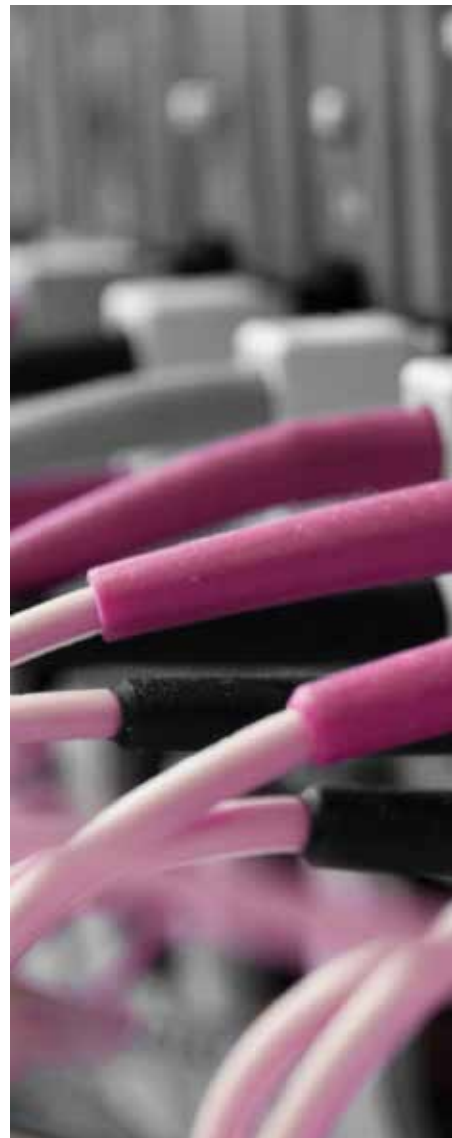
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T-Systems Slovakia

Part of a global group Deutsche Telekom AG | Legal Form: Limited Liability Company

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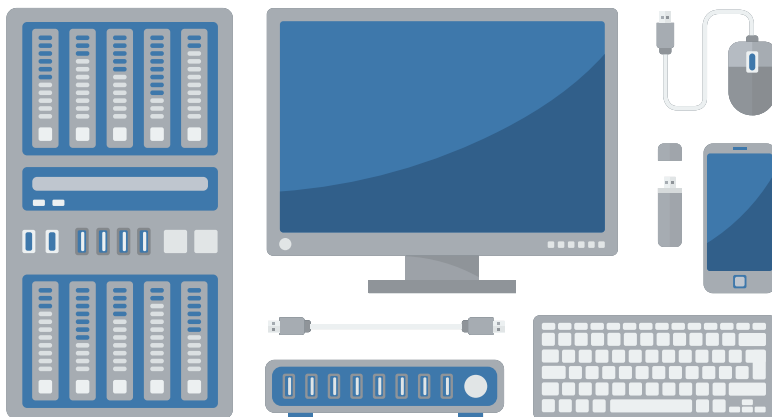
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COMPANY PROFILE

T-Systems Slovakia is a dynamically developing company providing its services in the information-communication technologies (ICT) sector. The company was established in January 2006 as a subsidiary of T-Systems International, GmbH, a company with its headquarter office in Germany and itself a member of the global group Deutsche Telekom AG. Within the Deutsche Telekom group, the Slovak company offers services as an outsourcer, specializing to corporate clientele in Germany, in the European Union and further across the globe. Thanks to its size, scope of operation and service quality, T-Systems Slovakia makes a sound contribution to the fact that the T-Systems brand is number one in the German market and is ranked amongst the top four ICT service providers in Europe.



Since its foundation, T-Systems Slovakia has had its seat in Kosice and is very closely linked with this region. Companies' most important asset and competitive advantage is its people, who are highly educated, reliable, ambitious, and dynamic. During the eight years of its existence, the company has exceeded the threshold of 2 890 people employed with average age of 30.4 years. In 2013 T-Systems Slovakia won honorable mention for supporting creative non-work activities of employees from Pontis Foundation. In the past years the company was awarded with the title of TREND Top Company of the Year 2011 and IT Company of the Year 2011 in Slovakia. In 2012 T-Systems Slovakia also added to these prestigious titles an award from the Ministry of Labour, Social Affairs and Family of the Slovak Republic: Employer friendly towards families, genders and opportunities. It has also received several HR Oscars for innovative human resources development projects. This and much more is T-Systems Slovakia, your trustworthy partner for ICT service outsourcing.

Where can one see the services provided by T-Systems Slovakia?

Production hailing from T-Systems Slovakia cannot be found in a shop or warehouse. One can come in contact with its services only indirectly, however, on a daily basis – be it while shopping for major brands, buying petrol or cars. Taking it literally, if the provided ICT services are reliable, an ordinary consumer will not realize that a part of the ICT they utilise is delivered remotely from T-Systems Slovakia. In its portfolio T-Systems Slovakia has leading brands from the automotive, telecommunication and petroleum industries, and also financial or consultancy services

What are ICT services and outsourcing about?

T-Systems Slovakia remotely manages almost all components related with ICT landscape, starting from local or long-distance computer or communication networks, through a multitude of servers with different operating systems, SAP systems for enterprise resource management, and ending with customized and customer-specific solutions for such diverse domains as toll collection or education and research.



MANAGEMENT OF T-SYSTEMS SLOVAKIA 2013



Thomas Bogdain

Managing Director,
Vice President Delivery



Marek Resovsky

Vice President Finance



Pavel Jirecek

Vice President HR



Thomas Grashoff

Head of Production Line
CSS



Matus Copik

Head of Production Line
TSS



Marcel Sekela

Head of Service



Juraj Girman

Head of Service
Line Telekom IT



Michala Bednarikova

Head of Processes,
Quality and IT



Lutz Reinegger

Head of Business
Operations Production
& Quality

OUR VISION, MISSION AND VALUES

T-Systems Slovakia is an integral part of the global group of Deutsche Telekom AG and an important member of its corporate services arm, T-Systems International, GmbH. Its vision and mission reflect the contribution our local company strives to deliver to successfully fulfill the global group's ambitions. Our Vision: "To be the most trusted outsourcing partner for ICT Services".

As a key factor to building a sustainable trade mark we consider our reputation as a trustworthy and reliable partner in delivering high-quality ICT services to its European and worldwide customers. We have an ambition to furthermore contribute to the sustainable growth of the competitiveness of T-Systems International in its entirety, as well as that of our mother group, Deutsche Telekom.

We connect our trustworthiness tightly with the quality and professional attitude of our specialists and managers, and thus, as a part of fulfilling our vision, we have an ambition to become the preferred employer not only on the regional level but also within Slovakia. Through continuous professional and personal development of our employees we want to keep increasing the flexibility and quality of the provided services, and thus actively contribute to the development of the entire Kosice region.

Our Mission: "We deliver high quality, cost efficient and innovative ICT services to customers worldwide." We understand our mission as a broader purpose, raison of the

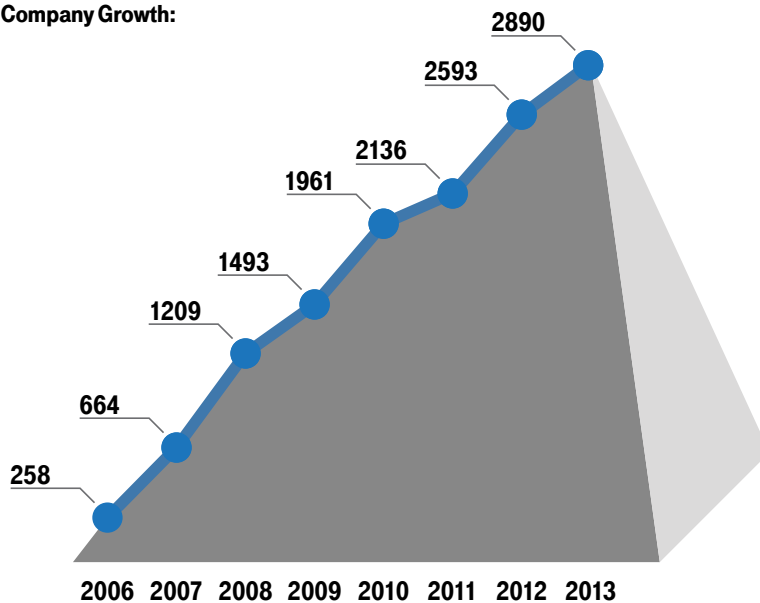
existence of our company in Slovakia and in the Kosice region. The mission of T-Systems Slovakia rests on four primary pillars, in which we see a guarantee of our sustainable development:

- **High quality** – we are continuously evolving into a global competence centre which is focusing on the development and operation of virtual ICT solutions
- **Cost efficiency** – we are focusing on the provision of the highest possible quality of ICT services whilst keeping our cost base competitive and sustainable in the long term
- **Innovative attitude** – we are proactively supporting the formulation and development of new ideas, solutions and delivery processes to achieve excellence in increasing the efficiency, effectiveness and quality of our ICT services
- **Customer satisfaction** – we are leading our business through international and global collaboration, enabling us to react quickly and respond to the evolving needs of our customers





Company Growth:



Gender distribution:

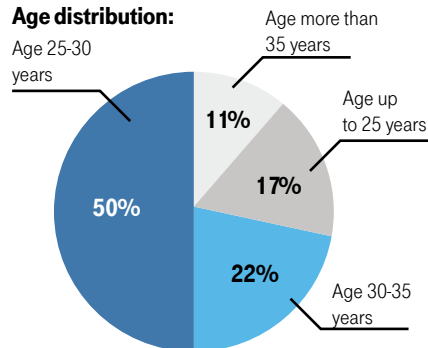


22,55%



77,45%

Age distribution:



PORTFOLIO OF DELIVERED ICT SERVICES

T-Systems Slovakia provides information and communication technology solutions and solutions for business processing outsourcing (BPO). For corporate customers ICT Outsourcing is one of the main methods for improving their own economic performance and flexibility. It is also a way that provides faster and cheaper access for customers to innovations or technological advantage, but above all it is a way of cutting costs. In practice, it is about a partial or full takeover of activities carried out by the customer's ICT departments, or by other providers of ICT services.

Within ICT services, T-Systems Slovakia delivers the following services, which can be structured in several levels:

Delivery and operation of ICT solutions and services

ICT SERVICES FOR TELECOMMUNICATION SYSTEMS

- Voice and video services, including VoIP and telepresence
- Network and security related ICT services for local and wide-area networks
- Optimization of network capacity and performance

ICT SERVICES FOR COMPUTING (SERVER) SYSTEMS

- Administration on network and security elements of global Data Centers
- Administration of global virtual platform for Cloud Computing and virtualized ICT solutions (Infrastructure as a Service, IaaS)
- Administration and operation of „SAP as a Service“ global platform (Platform as a Service, PaaS)
- Storage, back-up and recovery of data



SERVICES OF CUSTOMER OPERATING SYSTEMS AND APPLICATIONS

- Administration of MS Windows systems
- Administration of Linux and Unix systems and their variations
- Administration and maintenance of customer application and database solutions (Software as a Service, SaaS)
- Administrations of customer portals and applications

ICT services support

MANAGEMENT OF TRANSFORMATION AND DESIGN OF ICT SERVICES

- Services in the field of the design of customer solutions and ICT architectures
- Transformation of customer ICT systems for ICT outsourcing
- Project management and management of transformation projects for customers

RESEARCH, DEVELOPMENT AND SUPPORT FOR STRATEGIC DEVELOPMENT OF A GLOBAL COMPANY

In 2013 T-Systems Slovakia has decided to extend its primary ICT portfolio and thereby diversify its activities more into the direction of business process support. Having established a Shared Service Centre for Finance and Controlling, the portfolio elements are still developing, but currently include:

Business process support for T-Systems International, GmbH

OPERATIONAL PROCESSES FOR FC

- Global financial reporting
- Global financial controlling
- Sales, pre-sales and other processes

SALES, PRE-SALES AND OTHER PROCESSES

- New deal costing



MILESTONES 2013

ESTABLISHMENT OF SERVICE LINE TELEKOM IT

As a reaction to the continuous improvement and reflection of customers' needs worldwide, a new organizational unit Telekom IT has been created since August 1st, 2013. Its main aim is to simplify the organizational structure and strengthen cooperation with Deutsche Telekom customers and ensure effectiveness of business locally.

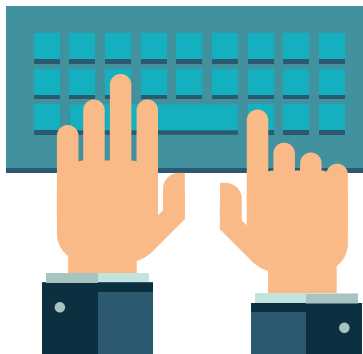
Telekom IT organization as strategic Nearshore location in Kosice allows the company and its partners to focus on the Telekom IT service chain, with the aim to achieve the efficiency and quality targets of delivered services. New structure also defines clear functional model, which supports the idea of Nearshore integration into company's partner organization structure.

The key objective beside of the standard application operation, database & middleware operation and service management support is that new established service line has started several new activities.

Major highlight is the ambition of growing in the field of SAP development and consulting – an attractive portfolio element for partners of the company to put in nearshore and employees to grow in professionally. Telekom IT is investing a lot of effort to increase the ratio of added value

services therefore has extended its line for more than 30 employees in year 2013.

Key activity of Telekom IT service line for the year 2014 is the expansion of value added tasks and creation of 90 more job positions of SAP developers, SAP consultants and SAP testers in various SAP modules (FI, CO, SRM, CRM, MM, SD), Non-SAP application development and application operation as well as process experts with the focus on service quality.



THE FIRST SHARED SERVICE CENTRE FOR FINANCE AND CONTROLLING IN KOSICE

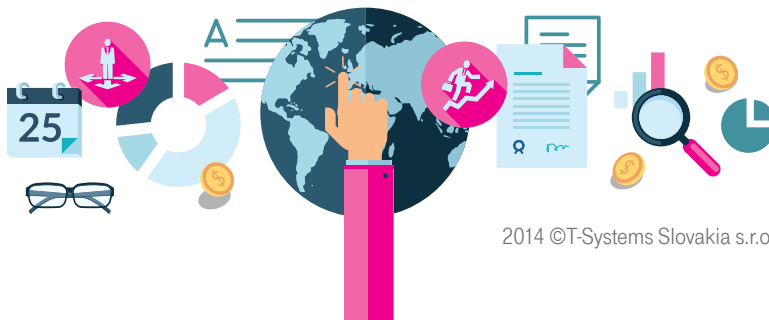
T-Systems Slovakia proved success in competing over strategic location for the Nearshore Finance Center which started from July 1st, 2013 in Košice. Due to globalization changes in the international environment and increasing the labor efficiency, T-Systems International established the Finance and Controlling Shared Service Centre in Kosice, which will provide services, consulting, and support to international subsidiaries of T-Systems International.

The main mission is to provide quality and cost effective services in the field of financial processes, financial administration and reporting tools and programs.

Until the turn of the year 2013/2014, 61 new colleagues were hired in Košice, to cope with the upcoming tasks in the different divisions as Reporting, Forecast and Planning, Customer Contract & Cash Flow Steering as well as Internal Charging, Closing & Cost Allocations.

Finance and Controlling Shared Service Centre concept revolves around removed administration of financial and controlling processes for T-Systems International GmbH. T-Systems Slovakia plans to create, by the end of 2014, 120 new jobs for people working in the field of economics in Slovakia.

By building financial center T-Systems Slovakia has proven itself as a reliable and transparent partner for delivering high quality and cost efficient financial services.



INDUSTRIAL SECURITY CLEARANCE CERTIFICATE

Another eminent moment for T-Systems Slovakia in 2013 was acquirement of Facility Security Clearance Certificate that enables our cleared personnel to access the classified information of the level “Confidential”. This clearance was issued and valid for the European Union by the National Security Authority of the Slovak republic for better understanding, the partner for the Slovak National Security Authority in Germany is” Bundesamt für Sicherheit in der Informationstechnik “.

The primary benefit of this certificate for T-Systems Slovakia is based on the bilateral governmental agreement between Germany and Slovakia; both nations recognize their certificates in full scope and scale. In other words, if T-Systems Slovakia is cleared by Slovak authority to access classified confidential information, than the clearance is valid in Germany in full scope/level/scale and vice versa. In a sense of Nearshore Offshore Regulation process (NOR/IRON), the benefits for Deutsche Telekom are that T-Systems Slovakia as a Nearshore company could be considered as a suitable company to provide service for regulated D5-D3 applications that have various security restrictions for the service provisioning.



Quality Management Systems

T-Systems Slovakia successfully passed ISO Surveillance Audit for standards ISO 9001, ISO 20000 and ISO 27001. Audit conducted in September 2013 praised T-Systems Slovakia for several Best Practices which are above the standards and contributes to company's performance and high quality levels. Among these strengths are company-wide programs for quality and process trainings, monthly evaluation of quality targets as well as regular drills for Business Continuity and Data Recovery. Management of T-Systems Slovakia presented a clear overview of the business organization including confirmation of how the management system is a key element in achieving objectives and the integrated management system is supported by the management team. T-Systems Slovakia is not only maintaining, but also constantly improving the working conditions of employees, the quality of services provided to customers, and all internal tools and processes.



T-SYSTEMS SLOVAKIA EDUCATES FOR LONG TERM SUCCESS

Rapidly growing business has made it increasingly more important to have the right employees with the right set of skills at T-Systems Slovakia. In a pilot project, T-Systems Slovakia has offered graduates of technically focused high schools in Slovakia a Dual education program in Information and Communication Technologies which not only further educates potential employees, but also contributes to the development of the region.

T-Systems Slovakia expands cooperation with educational institutions in Slovakia. For this purpose a pilot of Dual education project has started in September this year with the Secondary Electro-Technical School in Kosice. Support for this three-year advanced vocational training came from Kosice Self-Governing Region as a school founding authority and the Slovak-German Chamber of Commerce and Industry as a certification authority.

A TRAILBLAZER PROGRAM



Dual education program - three years higher vocational education in the field of ICT was officially opened on the September 3rd 2013. This unique program is a form of study that supports a close partnership between the educational and business community in the education of graduates. Typical characteristic of dual study is close connection of theoretical education in the school environment with practical development of both hard and soft skills in the broad practice in business. Universities under authority of Kosice Self-Governing Region which will also adjust their curricula to the parameters of this collaboration. Focus therefore will be on the harmonization of the employer's requirements with knowledge and skill sets of high school graduates. Program offers students a great opportunity to realize their potential in the ICT industry, within

an industrial segment producing high added value services. Program focuses on preparing what we call "versatilists," at T-Systems Slovakia also known as "T-shaped experts". Our aim is to develop these potential employees so that they are specialists within one particular ICT field, yet they would have a broad overview of other related ICT areas as well as processes and soft skills. This is the kind of "in-depth-and-scope oriented" expertise, which is critical for long-term sustainability of T-Systems Slovakia. "We want to offer this program as a trailblazer, since such a practice-centered study is currently not available in the Slovak labor market

FINANCIAL REPORT

<i>Economic Development of the Company</i>	2012	2013
Operation and remote administration of operating systems and virtual ICT infrastructures	21 852 635	44 937 531
Operation and remote administration of SAP platform	13 161 494	13 016 166
Operations and remote administration of customer applications	32 802 581	16 741 735
Operation, administration and monitoring of remote	7 134 479	8 206 406
Sale of goods to the end customer		
ICT Service Management and support	2 437 190	6 137 454
Project Management	3 221 739	4 068 578
Others	87 755	1 166 125
	80 697 873	94 273 995

Current liquidity of 3.0 means that the company is able to pay its liabilities.

Return on sales of 3.56 % means that there is 3.56 cents of profit per each Euro earned.

Total debt of 41.80 % represents a share of foreign capital, i.e. the company covers 58.20 % of its assets by its own resources.

The increase in revenues for services compared to 2012 is valued at 13 576 122 EUR.



OUTLOOK 2014

Year 2014 will bring a new milestone for the company. On one side it will be a year of continued growth and development but this shall be focusing less on quantitative increase and more on qualitative deepening. T-Systems Slovakia is expecting a small quantitative increase of job positions and a resulting increase of service volume served from Kosice, thus a breadth-first growth. In this context the company will look into its telecommunication solution portfolio and application portfolio for primary internal customer – Deutsche Telekom AG. On the other side T-Systems Slovakia is expecting an increase in the qualitative level of ICT services, therefore a depth-first growth, towards the activities with higher added value. There is an expected growth in software development and testing (SAP ABAP focus) and establishment of first SCRUM teams for application development. We also expect growth in outsourcing business processes, particularly in the scope of our Shared Service Centre for Finance and Controlling, but also in the context of maintaining customer solutions on the level of business processes.





In the long-term development strategy is best reflected by the transition of knowledge and competence pyramid with the core being in lower-level activities, towards the pyramid whose core is shifting to the tasks requiring more creativity, innovation and responsibility.

In 2014 T-Systems Slovakia plans to actively contribute to increasing the global efficiency of its mother company, by means of increasing internal labor productivity, and by means of increasing the critical volume of provided services. Despite the continuing pressure on ICT outsourcing cost reduction, T-Systems Slovakia is expecting a growth in the number of employees exceeding in 2014 the psychological threshold of three thousands. Thereby the company will become the second largest employer regionally, and the largest one in the segment of higher added value services.

From the viewpoint of effective steering of know-how and skills of human resources presents 2014 an ambitious challenge, particularly in absorbing new work entrants, not only their hiring process, but also the process of their preparation and training for the job and continuous development. This challenge is even more important as T-Systems Slovakia will implement a strategy of shifting towards services with a higher added value (applications, software development, business processes). The friction between the capability of the local labor market to provide specialists mainly to feed the entry level of competence pyramid and the requirement to deliver ICT services relying on advanced and expert skills in ICT is thus going to be a substantial factor in the implementation of the strategy of T-Systems Slovakia throughout 2014.

With regard to the beginners segment, T-Systems Slovakia launched an innovative pilot program of dual vocational education and training for the graduates of secondary schools. In the context of this initiative the company will continue working together with regional secondary schools to educate and bring practice-oriented ICT specialists to the company and thus to provide it a competitive edge. We continue running the initiative as a three-year long higher education program which will be concluded by a formal exam and an internationally-acknowledged diploma. In 2014 T-Systems Slovakia will open a new study group and also intend to actively support the legislative changes in the context of Slovak national educational framework, in a tight collaboration with industrial associations and ministry of education.

Year 2014 will also be innovative for one of flagship educational programs, the T-Systems Education Academy, which has been running since 2009 in collaboration with the local universities in Košice. In the near-term future T-Systems Slovakia aims to align this program with our ambitions, especially in terms of growth towards services with higher added value. The plan is to include in this form of co-operation other universities and faculties in the region. One particular objective for 2014 will be the opening of SAP Academy within our Education Academy, with an emphasis on one of the most dynamically growing segments of ICT.

Since T-Systems Slovakia is active as an outsourcer for ICT services, a large portion of cost base is linked to human resources. Therein

lay also the biggest risks to the above-sketched plans. One of the most prominent is the (lack of) qualified work entrants who would be capable of filling the scenario of increasing the share of value-added services in our portfolio.

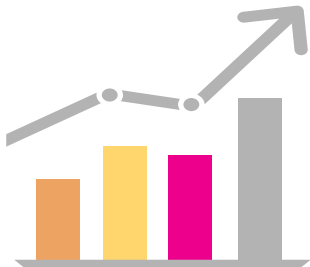
A particular risk to T-Systems Slovakia arises from the situation that these scarce resources may become employed by other ICT service providers active in the region. Another risk linked to the competitive environment in the segment of ICT services provisioning, both in Slovakia and in the V4 region, is the drain of qualified resources from within the company to competition, thus filling the growth scenarios of competitors. Both risks have an impact on our goal to balance the competence pyramid around the higher value skills. Both risks are, however, analyzed, and our company is working on its strategy of diversifying its portfolio and thus its labor pools, and subsequently a tighter alignment of the capabilities of a particular work entrant group with the expected professional qualifications.

One of the outstanding challenges for 2014 is the continuous increase in the ICT service efficiency and the increase in quality and productivity (per person). To fulfill this plan, T-Systems Slovakia will focus in 2014 on two core programs – Efficiency Drive and Zero Outage Drive, in frame of which we will continue the path started in the domain of standardizing and automating ICT service provisioning. In 2013 T-Systems Slovakia was successfully awarded a certificate of industrial security from Slovak National Security Office, which enables it to offer ICT services up to the level of “Confidential”. This opens up new market opportunities for T-Systems Slovakia and in 2014 we plan to launch pilot projects in becoming a player in the delivery of ICT services for highly secure domains.

Transformation and modernization lie also in

increasing the responsibility and accountability of the best specialists for larger parts of the global value chain. In practice, this means utilizing the potential and the experience the company has gained in bringing to the market emerging models of ICT services, for example, Security as a Service, Platform or Software as a Service, to our existing clients. T-Systems Slovakia plans to continuously expand its competencies, supporting business processes in the area of ICT applications. Furthermore, expand the area of support for financial processes within share services center.

T-Systems Slovakia has serious ambitions in the area of innovations: here, the primary goal is to become a location that effectively brings and implements automation scenarios into the ICT services world. On one hand, the aim in this is to eradicate human errors whilst operating large distributed infrastructures, and on the other hand the aim is to increase the efficiency by avoiding bottlenecks in our processes. In 2014 we also plan to start with the development of new entrepreneurial models, which would complement our core business, ICT services. In this area, T-Systems Slovakia will be closely collaborating with local universities to research new methods and techniques for innovative Cloud solutions and Big Data solutions. We plan to work more systematically with regional and national institutions who want to join forces in linking academic world and students with the business practice.





HUMAN RESOURCES

Women and men in T-Systems Slovakia are the most valuable asset of the company. Only through motivated and satisfied employees the company can successfully meet its goals. At 31.12.2013 T-Systems Slovakia employed 2890 employees which is 294 employees more than previous year. Last year T-Systems Slovakia employed 652 women and 2238 men. In terms of education level, more than 60% of employees have a second university degree. Average age of employees is 30.4 years. Previous year the company employed 47 foreigners from various EU and non EU countries.





EMPLOYEES DEVELOPMENT

Employees of T-Systems Slovakia are the most precious assets of the company. T-Systems Slovakia aims to become a mature and ever-learning organization by means of the continuous development of its employees, which is perceived as the core strength of the organization. The company supports the development of employees' skills and leads them to increase their maturity through a range of programs, training sessions and courses, which can be categorized into the following groups: hard skills (ICT) training, soft skills training, methodology training, and language

training. Development trainings, courses and special programs of T-Systems Slovakia help employees to keep the pace with the trend. As many as 2,890 employees took part in at least one training last year. The development of employees is an inevitable part of the success of T-Systems Slovakia during the past years. The company belongs amongst the top investors into educational and development programs in the entire Slovak Republic.

EACH EMPLOYEE ATTENDED 14,1 TRAINING DAYS IN 2013 ON AVERAGE.

CREATING A BETTER BALANCE OF LIFE AND WORK

T-Systems Slovakia's mission to mobilize personal, social, and business networking demands increased flexibility from employees. The company balances this challenge by granting its workforce greater freedom to harmonize work, individual life styles and private life.

T-Systems Slovakia's employees are its key to organizational health, economic growth, and financial success. An attractive and wide-ranging work-life portfolio guarantees ongoing motivation with a better life quality, encourages physical and mental well-being, and contributes to a positive working environment.

HEALTHCARE

The physical and mental well-being of the workforce is an issue particularly close to our hearts. Throughout the year, several specialists are available to all employees such as general practitioners, dermatologists, orthopedic surgeons and psychologists. Two times per year the company organizes so-called Health

Days, where employees can test their health condition and take part in various exercises. At the same time, they have an opportunity to donate blood right in the premises of T-Systems Slovakia. After a busy day at work, employees can also enjoy body massages and a range of sport exercises.

FLEXIBLE WORK-TIME MODELS

Individual life planning depends on more than just a job. T-Systems Slovakia's accommodates employees with different options such as flexi-time and part-time work models, for example home office, educational leave, or sabbaticals.

In 2012 the company launched the Work Life Coaching Program, which offers all employees the opportunity to have their own personal consultant. With the help of consultants, our employees can easily overcome personal problems accompanying their lives

BENEFITS

In addition to the basic principles of rewarding employees stipulated by the Labor Code, the company motivates its employees using a dedicated, so-called Benefit Cafeteria Program. The company is offering individual as well as generally-shared benefits. Generally-shared benefits are offered to all employees in the shape of discounts, benefits, weekend events, offers, awards and special reward programs such as Employee of the Year. Individual benefits are oriented towards four basic categories: Health, Leisure, Education, and

Travel and commuting to work, which are offered in the shape of an annual financial allowance.

In addition T-Systems Slovakia is regularly organizing weekend events, sport competition in futsal, competitions for concert tickets, as well as large company-wide events including family members. Those events are highly popular among employees.

EMPLOYEE SATISFACTION

T-Systems Slovakia is a part of Deutsche Telekom Group, which every two years organizes an employee satisfaction survey, in which our company also takes part. The company is also measuring employee

satisfaction using other tools, such as attrition ratio, and the new employee recommendation program (which is also a financial benefit for the recommender).





RESPONSIBILITY TOWARDS COMMUNITY

SYSTEMS SLOVAKIA DONATION FUND

In the year of 2013 T-Systems Slovakia Fund was created. The Fond is divided into three pillars:

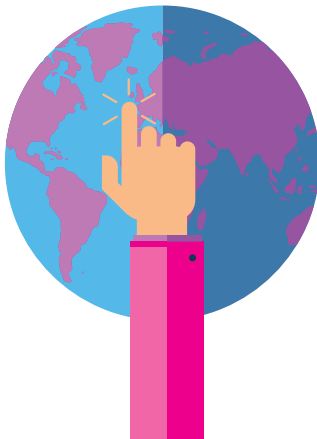
First pillar is used in case of any natural disasters – to support individuals or organizations in time of crises or in time of emergency in Kosice and Presov region.

Second pillar supports small-scale self-help projects of NGOs that were initiated by T-Systems employees. The aim is to create opportunities for employees to implement their creative and innovative ideas while contributing to the development of communities in Eastern Slovakia through educational activities, environmental protection and the development of leisure activities. The company will support 9 projects by the financial support of 7,432.21€ during 2013/14.

Third pillar is so called T-Systems Slovakia Scholarship Programme. The scholarship programme is offered to the full-time university students who come from East Slovakia region and belong to a disadvantaged category (e.g., socially weak). During 2012/2013 the company supported six students in their studies. In 2013/2014 an additional eight candidates were supported by total amount of 13,200€. Each student received 1,400€ which should cover his daily expenses connected to his studies.

Main objectives of the programme include:

- establishing opportunities for educating young talented people from the East Slovakia region,
- preparing and educate young qualified professionals with an inherent interest in the development of East Slovakia region,
- increasing the awareness and patriotism to the region, especially among young people,
- Increasing the awareness of volunteering amongst young people in eastern Slovakia.



EDUCATION SUPPORT

Since 2006, T-Systems Slovakia carried out a lot of information and educational activities in order to increase the awareness of information and communication technologies. Cooperation of T-Systems Slovakia with educational institutions is covered in educational program "IT Academy". Program supports cooperation with universities, secondary schools and elementary schools. Every year T-Systems Slovakia organizes IT courses in specialization of basic Linux administration and basic knowledge of Windows Server under the title "Evening & Summer University", which targets the general public willing to educate themselves in information and communication technologies. This event was established in 2006 and regularly takes part in collaboration with the Technical University of Kosice and the University of Pavol Jozef Safarik in Kosice. Together with the Technical University of Kosice, the company has a long-term commitment to support the so-called T-Systems

Education Academy, within which the students can choose from a range of 13 ICT courses that are formally accredited by the Ministry of Education, Science, Research and Sport of the Slovak Republic. The curriculum and the lecturers of these courses are a live evidence of T-Systems Slovakia's engagement in the area of content creation, lecturer training and professional technological support for the courses. Company is also offering possibility to execute Bachelors and Diploma thesis for students. In 2013 T-Systems Slovakia also worked with secondary technical schools in the region, in order to increase the attractiveness of IT learning and training in this field by organizing Open Door days, specialized practice and creation of IT labs for students. The company is also active in collaboration with primary schools, where cooperates in education of students in the field of ICT by sending company employees who volunteer to teach basic skills in ICT.

KOSICE IT VALLEY

T-Systems Slovakia is an active member - and not to mention one of the founding members - of the association of legal entities operating under the title Kosice IT Valley. The aim of the association is to establish a center of excellence in information and communication technologies in the East Slovakia region with the purpose of making the regional socio-economic environment more attractive, especially for young people. The association

aims to contribute to building an information and knowledge-focused society in the east of the country, building a communication platform between public authorities, local businesses and local educational institutions, which shall thus lead to an accelerated development of the ICT industry in the region. The association welcomes anyone who is willing to contribute to achieve these goals.

COALITION 2013+

T-Systems Slovakia was also a founding member of an association of legal entities operating under the title of Coalition 2013+, whose main goal is to support and successfully implement the project Kosice: European Capital of Culture 2013 (further EHMK) and to ensure sustainability of the project with a continuity guarantee for the future. During the year the company has supported several cultural activities such as Imaginations, which is designed as a multi-genre, open-air, site-specific performance with the inclusion of unique atmosphere in nature or in night city scenery. It is a joint work by domestic and foreign European artists, independent theatres and

organizations. Since 2009 T-Systems Slovakia supports International Peace Marathon in Kosice, second oldest marathon worldwide. Tens of employees participate in different categories every year. Besides runners the company has its own category – Inline 20km which become very popular among youngsters. Last year the company together with Telekom Slovakia opens Magio Beach. Beach welcomed visitors from 26 June till 8 September 2013. The area consisted of various playgrounds, children's sandpit, as well as a beach bar and offered cultural events, sports activities or the possibility to enjoy the beach.

VOLUNTEERING

Painting the borders of the National Nature Reserve, building a unique hobbit house in the Eco Center, organizing creative workshops for children or teaching seniors basic PC skills. Those are just some of activities of 2013 by which T-Systems Slovakia employees as volunteers supported the community in Eastern Slovakia. The special project called AjTy Senior was launched in September 2013. In line with Deutsche Telekom's firm conviction that there is no age limit for IT education, this project addresses the needs of senior citizens, e.g. by helping them call their grand-children or read the news on the internet. Eight volunteers from T-Systems Slovakia were involved in the project as teachers for the 16 senior students in the first semester. The second half of the year 2013 T-Systems Slovakia ran an internal ecological campaign (Ecodzilla project) to raise

environmental awareness among employees. The project included seminars with 30 participants in total, a volunteering day for 22 employees and their family members in an ECO center where they helped to build a unique hobbit house which will serve as a teahouse and a volunteering day for employees and their family members in the National Nature Reserve where they painted the borders of the national reserve and an exposition of plastic sculptures. Moreover, the company participated in the nationwide event Our City, where more than 50 employees, including members of the Board of Management, participated in volunteering activities such as renovation of old castles, painting walls in schools, reconstruction of fence or preparation of packages for drug addicted people.



RESPONSIBILITY TOWARDS ENVIRONMENT

T-Systems Slovakia has continued with its implementation of an active environmental policy based on its corporate values. By regular checking of energy consumption and increase of fossil fuel and energy consumption efficiency, T-Systems Slovakia was able to mitigate its negative impact on environment.

In 2013, T-Systems Slovakia identified a disproportional increase of energy consumption to an increase of a number of employees. For that reason, during the year 2013 the company installed reactive power compensators to use electricity more efficiently and to diminish the negative trend in energy consumption. T-Systems Slovakia is now able to lower its yearly energy consumption by 15 %. Additionally, temperature in server storage rooms was set from 18°C to 21°C. The temperature increase of 3 degrees is expected to save 18% in energy consumed in server storage rooms without compromising their functionality.

Furthermore, T-Systems Slovakia organized internal communication campaigns for its employees to educate them how to use electricity more efficiently and to enhance their environmental concerns.

Thanks to these efficiency improvements, T-Systems Slovakia was able to lower its increase of energy consumption per head to 0,5% at the end of 2013. This number is, however, expected to decrease and even reach negative values in the coming years.

The company continuously achieved to keep its CO₂ emissions in accordance to regulations and within the range set by Deutsche Telekom.





T-SYSTEMS SLOVAKIA

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