

Telekom Austria Group Results for the Financial Year 2006

March 6, 2007

Cautionary Statement

“This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results. These risks and uncertainties are discussed in Telekom Austria's SEC filings, including, but not limited to, Telekom Austria's Form 6-K containing the relevant earnings release and certain sections of the Company's Annual Report on Form 20-F.”

Agenda

- Key Developments
- Wireline
- Wireless
- Financial Overview
- Outlook

Key Developments

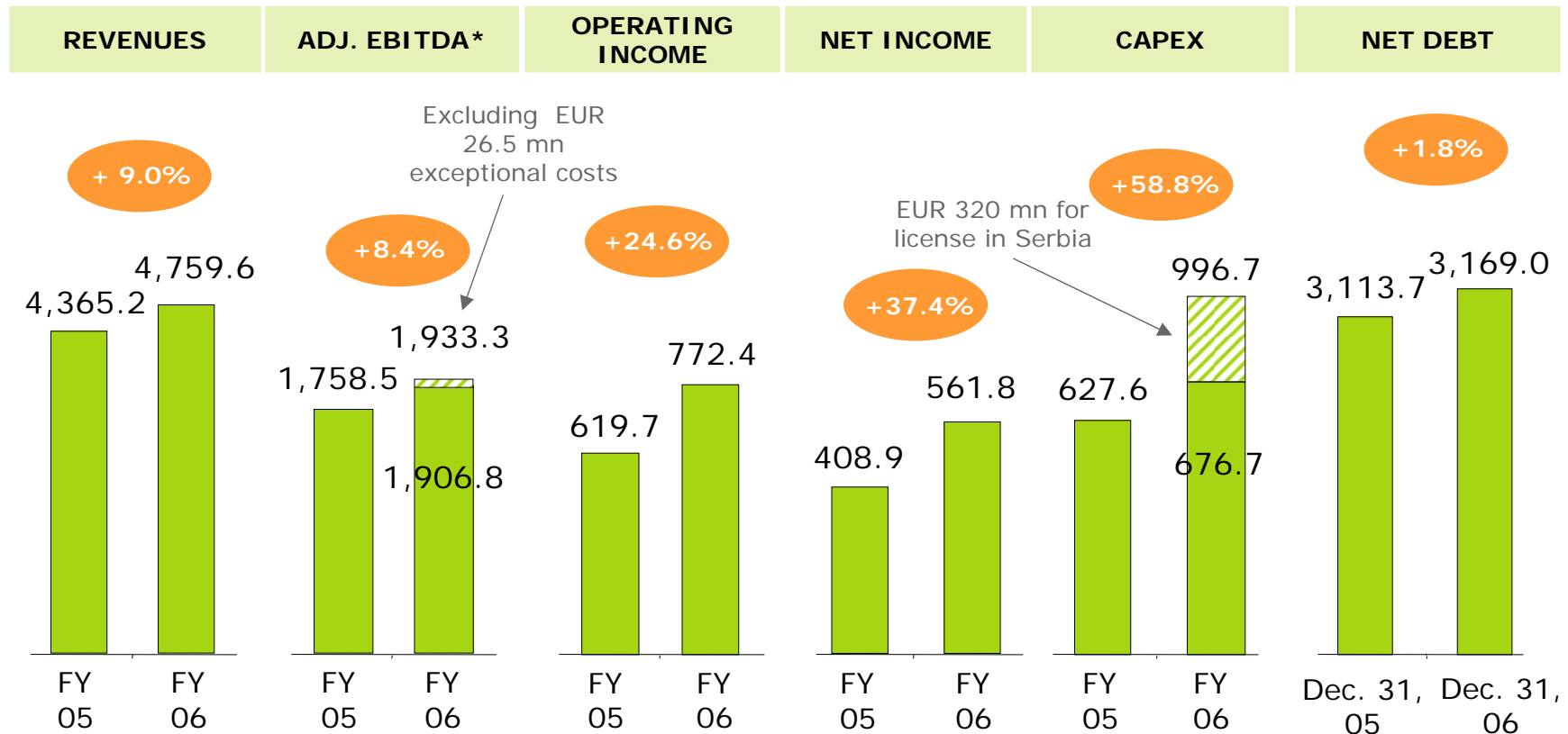
Telekom Austria Group – FY 2006 Highlights

- Revenues increase by 9%, adj. EBITDA grows to EUR 1,906.8 billion including exceptional costs of EUR 26.5 million
- Strong increase of net income by 37.4% to EUR 561.8 million with earnings per share growing 41.7%
- Proposed dividend of EUR 0.75 per share for 2006
- EUR 406.8 million of share buybacks executed in 2006
- Stable Wireline revenues, Wireline EBITDA impacted by exceptional costs
- Strong operations throughout the Wireless segment, Wireless EBITDA increases by 21.5%
- Cancellation of 8% of treasury shares by April 5th, 2007

Telekom Austria Group– Rising Operating Income & Net Income

Key Financial Indicators FY 2006

(EUR million)



* Adjusted EBITDA is defined as net income before interest, income tax expense, depreciation and amortization, impairment charges, equity in earnings of affiliates, income/loss from investments and foreign exchange differences.

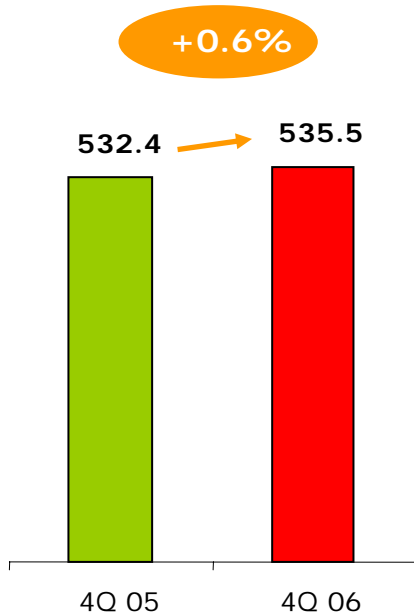
Wireline

Slight Increase in Revenues and in Adj. EBITDA excluding Exceptional Costs

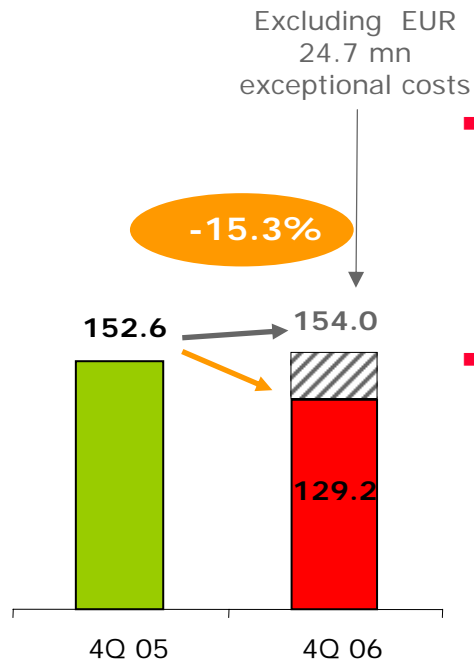
4Q 2006 Results	Facts
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(EUR million)

Revenues



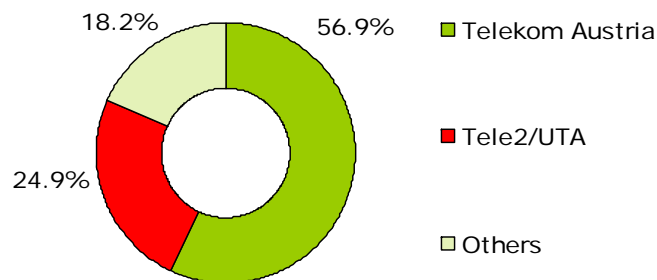
Adj. EBITDA



- International wholesale business, Data & IT solutions & broadband offset lower voice business
- Adj. EBITDA declined to EUR 129.2 million due to exceptional cost of EUR 24.7 million
- Exceptional cost include EUR 16.4 million accrual for voluntary termination and option program and EUR 8.3 million for employee participation program 2007

Retention Remains Key to Manage Fixed-to-Mobile Substitution

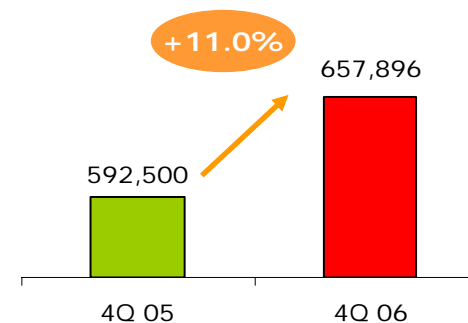
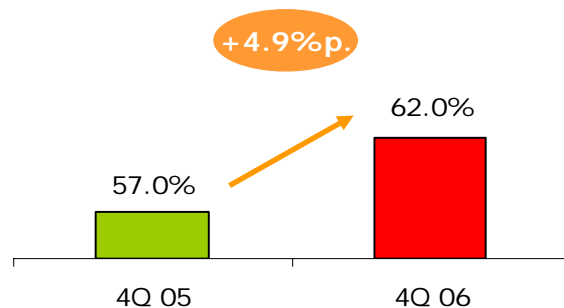
Voice Market Shares*	Facts
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- Telekom Austria retains more customers than competitors
- Number of bonus packages grew by 11%
- Number of TikTak lines and share of total access line base rises

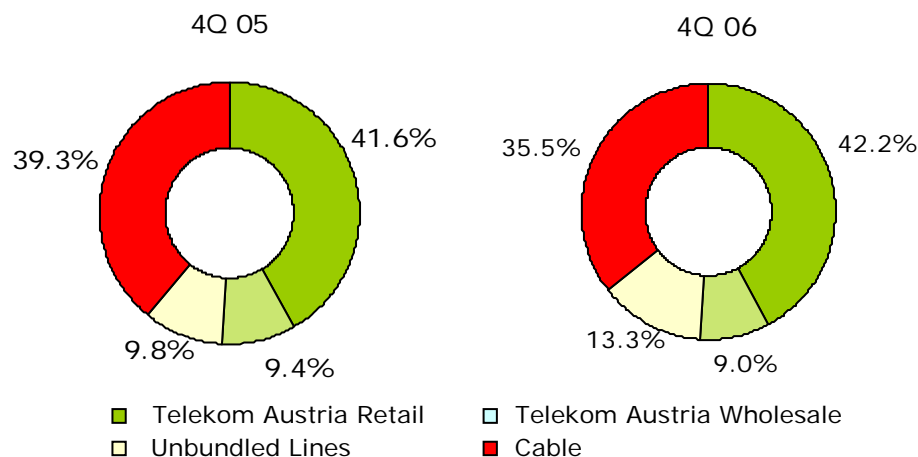
* Telekom Austria estimates

Tik Tak Lines in % of Total Access Lines	Bonus Packages
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ADSL Gaining Ground from Cable Operators

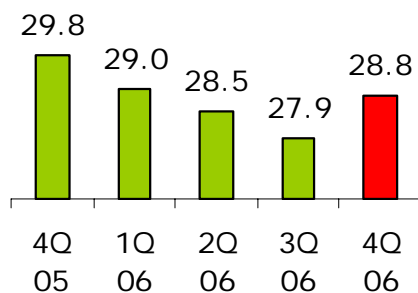
Broadband Market Shares Year on Year Facts



- Broadband market share increases to 51.2%
- ADSL access line base grows by 20.8% to 693,600
- Growth of ADSL ARPU compared to 3Q 06 driven by higher usage
- Number of unbundled lines rises to 199,600
- ADSL net adds influenced by strong advertising for mobile broadband during Christmas season

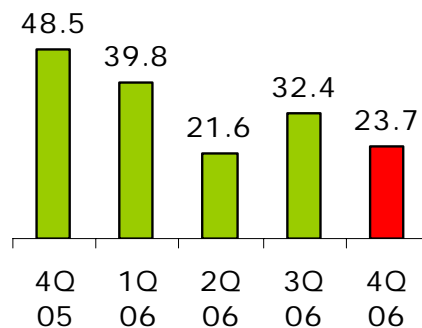
ADSL ARPU Residential

(in EUR)



ADSL Net Adds

(in 000)



Business Solutions Expands Value Chain with ICT-Solutions

Selected Key Projects of Telekom Austria Business Solution 2006



Digital Signage: innovative multi-media experience at McDonald, terminals for TV and Internet and advertising in all restaurants



Radiology project in Salzburg: Exchange of X-rays between hospitals and family doctors over peering points of the e- card solution



Telekom Austria operates Styrian community server on an ASP platform with a high-security computer center



Enhancement of security through a self-defending network. Installation of ICT-infrastructure



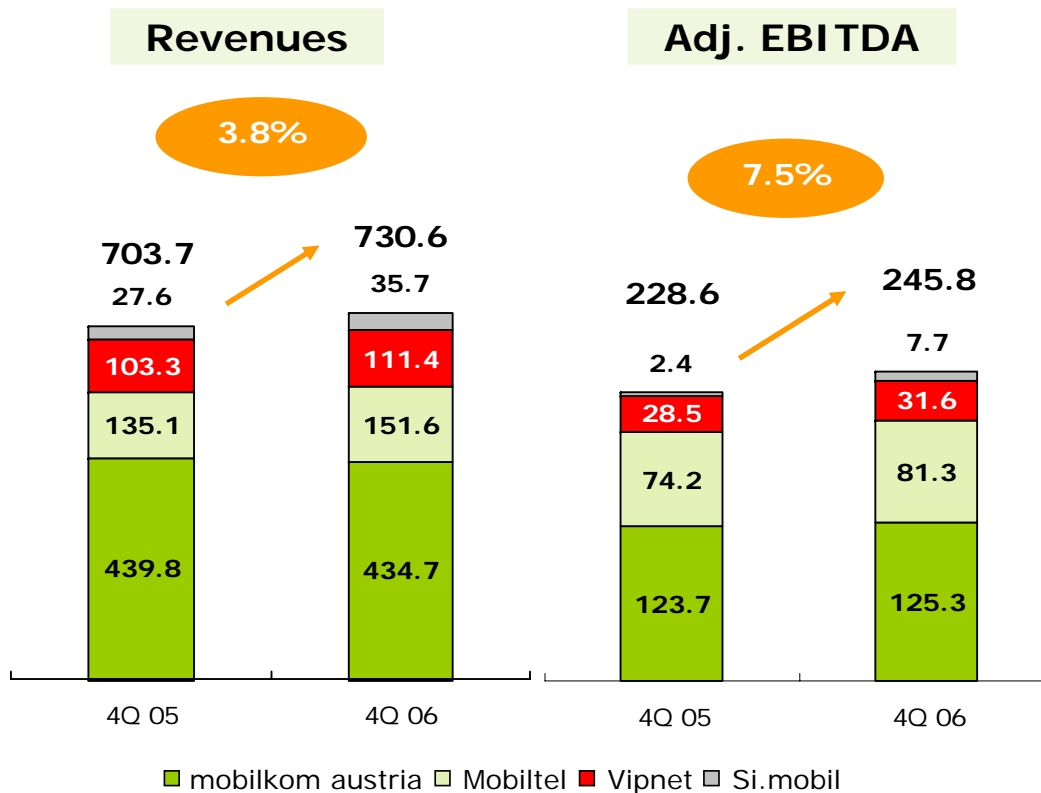
Mobile data processing in home nursing through PDA and RFID

Wireless

Customer Base Exceeds the 10 Million Mark Due to Strong Net Adds in all Countries

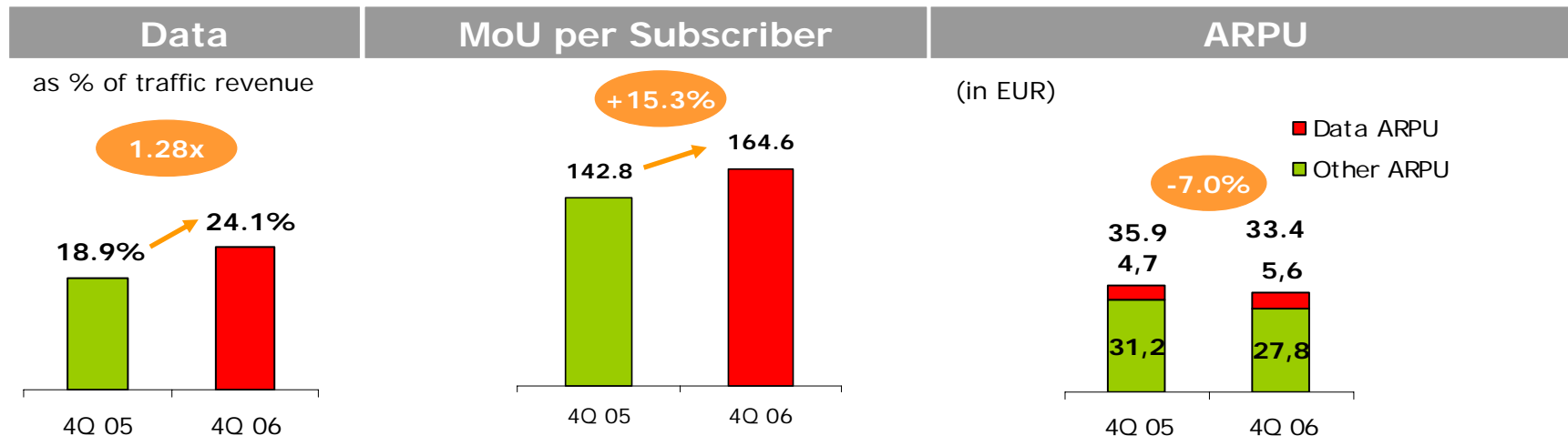
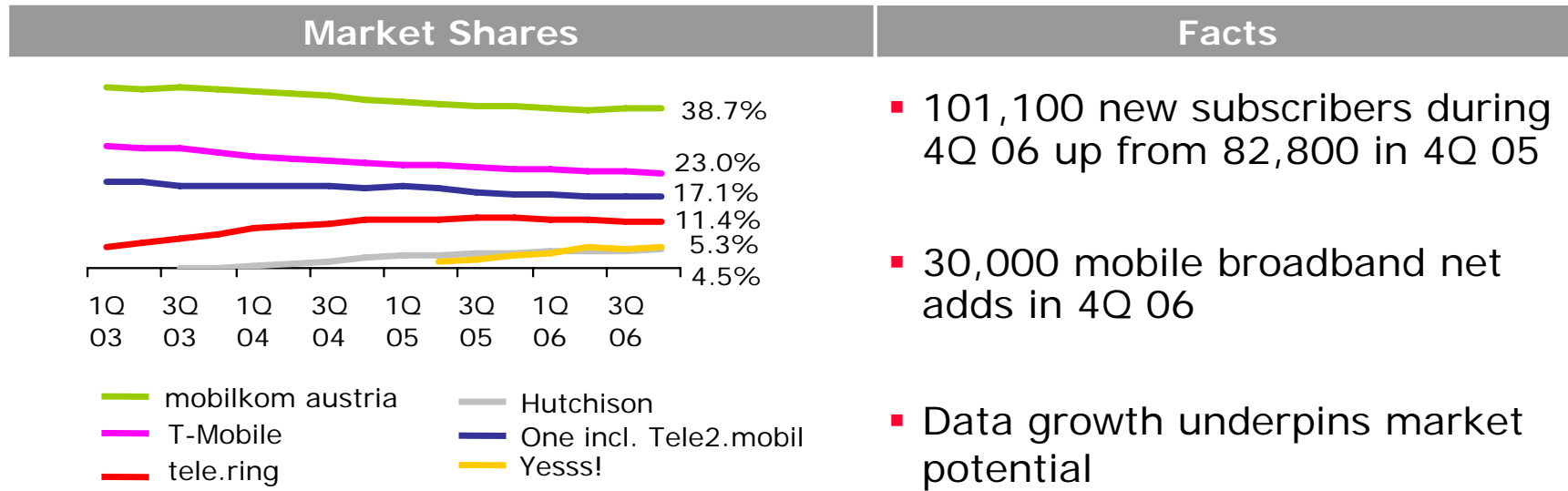
4Q 2006 Results	Facts
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(EUR million)



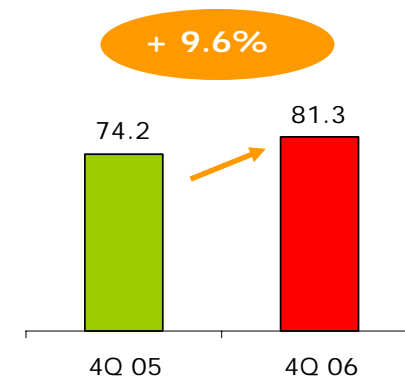
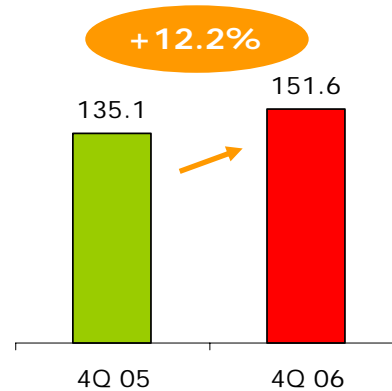
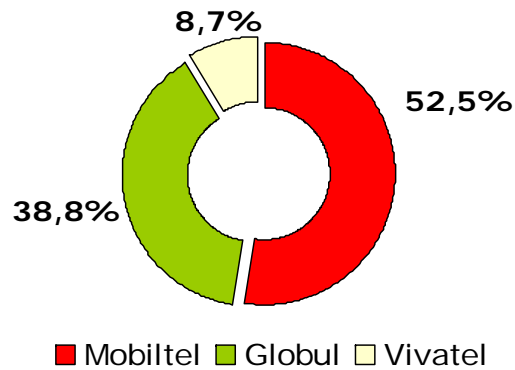
- Strong growth in customer base by 14.2% to 10.2 million
- Growing contract subscriber base in all countries
- Higher traffic, monthly rental and growing data business drives revenue growth
- Profitable growth with EBITDA margin expansion
- Adjusted EBITDA rises by 7.5%

mobilkom austria Increases Market Share Lead over T-Mobile/tele.ring

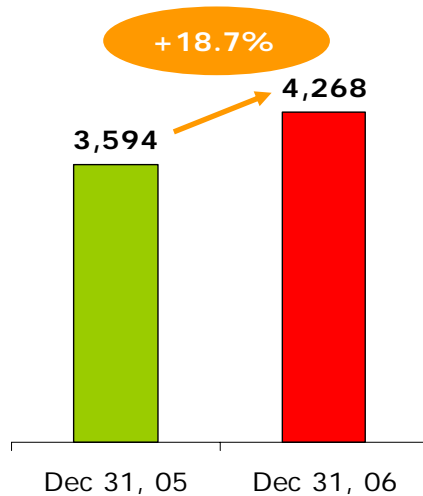


Mobilitel Remains Highly Profitable with EBITDA Margin of 53.6%

Market Shares	Revenues	Adjusted EBITDA
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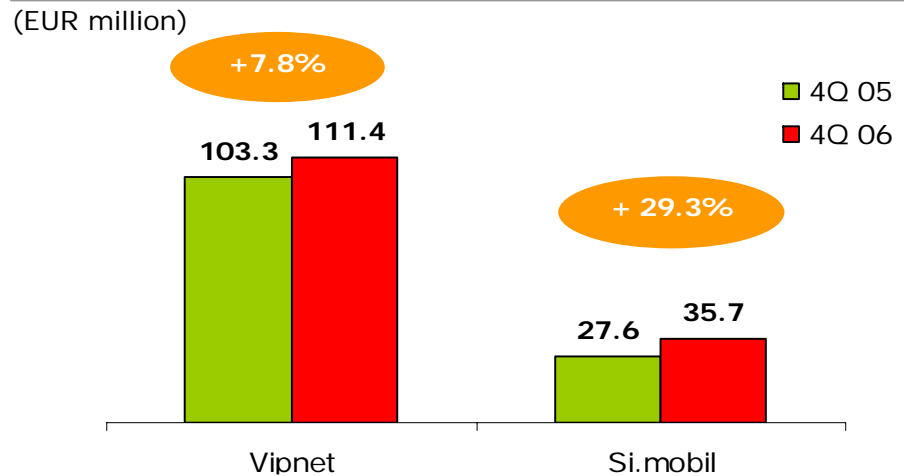
Subscriber Development	Facts
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- Subscriber base grows by 18.7% to 4.3 million
- Contract subscriber base rises by 27.5% due to strong growth in business customer segment
- Penetration increase by 26.4 percentage points to 105.9% at the end of 4Q 06

Profitable Growth in Croatia and Slovenia

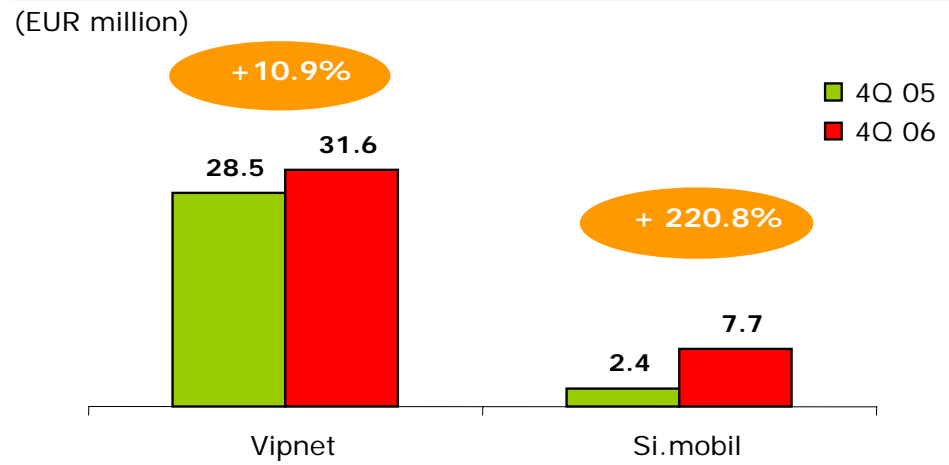
Revenues	Facts
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Vipnet

- Subscriber base reaches 1.9 million
- Revenues grow by 7.8% due to higher traffic & national roaming
- Profitability increases

Adj. EBITDA



Si.mobil

- Further market share increase to 24.9% from 22.7% in 4Q 05
- ARPU grows by 16.1% due to higher usage & interconnection
- Adj. EBITDA more than triples to EUR 7.7 million

Financial Overview

Guidance Met on Clean Basis, Adj. EBITDA Impacted by Exceptional Cost of EUR 26.5 mn

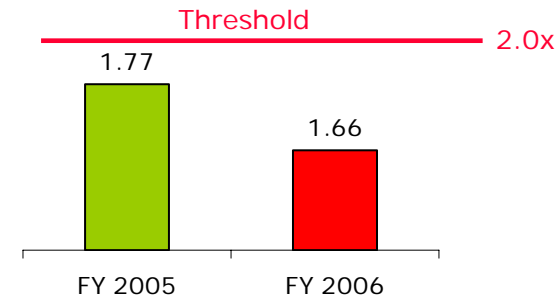
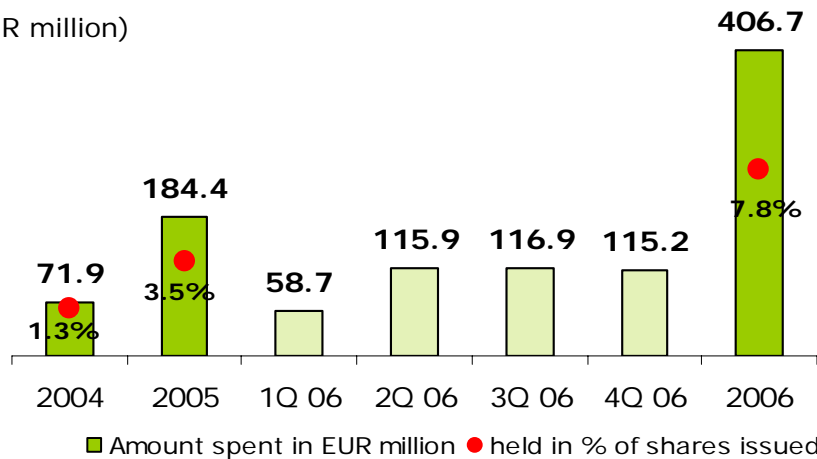
(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Total revenues	1,199.3	1,168.4	2.6%	4,759.6	4,365.2	9.0%
Other operating income	14.3	10.6	34.9%	59.2	54.8	8.0%
Adjusted EBITDA	375.1	381.5	-1.7%	1,906.8	1,758.5	8.4%
Adjusted EBITDA Margin	31.3%	32.7%		40.1%	40.3%	
Operating income	76.7	59.6	28.7%	772.4	619.7	24.6%
Net income	63.3	38.7	63.6%	561.8	408.9	37.4%
Capital expenditures	575.3	249.6	130.5%	996.7	627.6	58.8%

(EUR million)	Dec 31, 2006	Dec 31, 2005	% change
Net debt (end of period)	3,169.0	3,113.7	1.8%

Cancellation of 8% of Treasury Shares by April 5th

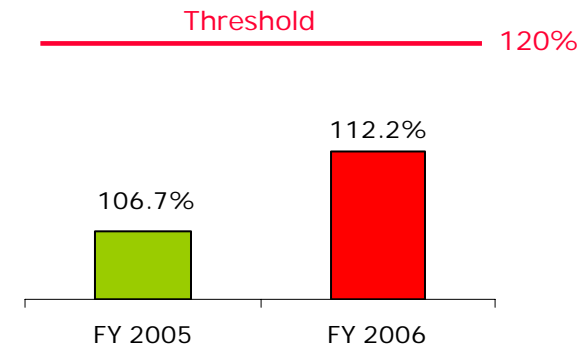
Delivering on share buybacks | Net debt/adj. EBITDA (annual.)

(EUR million)



Facts | Net debt/equity (gearing ratio)

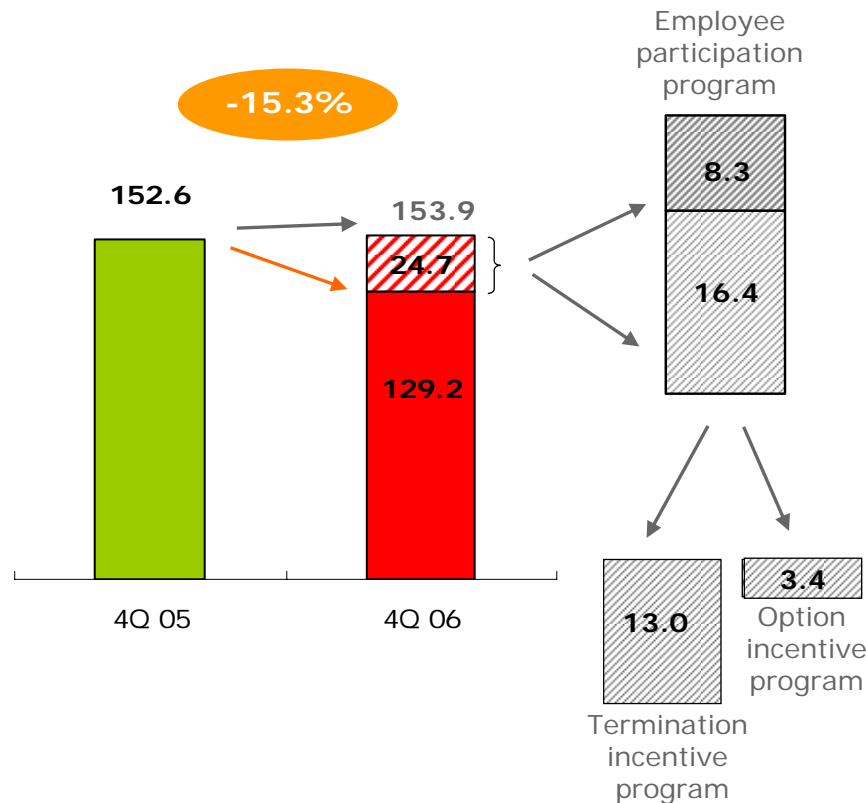
- Treasury shares for EUR 115.2 million acquired in 4Q 06
- 7.8% of issued shares held in treasury as of December 31, 2006
- Resolution to cancel 8% of treasury shares by April 5th



Wireline 4Q 06 adj. EBITDA Includes Exceptional Costs of EUR 24.7 million

Adj. EBITDA Wireline	Facts
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(EUR million)



- Reported adj. EBITDA declines by 15.3% to EUR 129.2 million
- Exceptional cost of EUR 24.7 million included
- Thereof EUR 16.4 million for voluntary termination and option incentive program
- Furthermore expenses of EUR 8.3 million for an employee participation program 2007
- Shares allocated to employees are not subject to wage inflation

Telekom Austria Group Acquires eTel & Wins 3rd GSM Licenses in Serbia & Macedonia

Facts



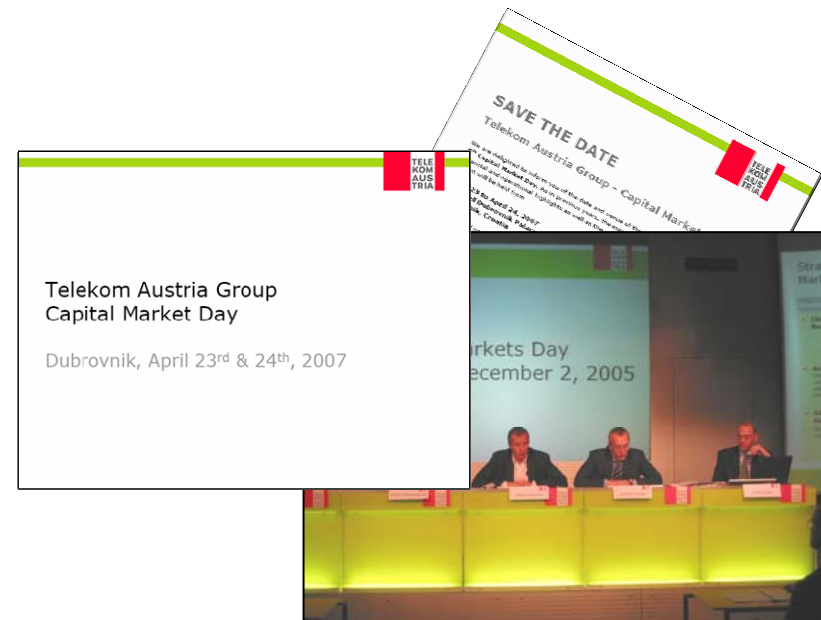
- Telekom Austria Group
- New members of the Telekom Austria Group
- Country of interest

- Agreement reached in December to acquire fixed line operator eTel
- Purchase price for eTel approx. EUR 90 million
- Regulatory approval pending
- Tender for 3rd licenses won in Serbia in November 2006 and the Republic of Macedonia in February 2007
- Launch of operations expected by June and September 2007

Join the Capital Market Day in Dubrovnik on April 23rd & 24th 2007

Key Points

- Telekom Austria will host its **Capital Market Day** on April 23rd and 24th, 2007 in Dubrovnik, Croatia
- Presentations will cover
 - Strategy
 - Operative performance of Wireline & Wireless
 - Update on Cash Use Policy and Multi-Year Outlook
- For more information please contact investor.relations@telekom.at
+43(0)59059 1 19000



Outlook

Outlook FY 2007

Group	<ul style="list-style-type: none">▪ Stable revenues due to competitive impact on wholesale roaming prices; impact of the EU roaming regulation unforeseeable▪ Adjusted EBITDA margin compression by 1.5 percentage points due to lower wholesale roaming prices and start-up operations▪ Stable net income on comparable basis excluding one-off tax effects in 2006▪ Capex increase of approximately 18% due to start-up operations
Wireline	<ul style="list-style-type: none">▪ Continued fixed-to-mobile migration is expected to result in slightly lower revenue and adjusted EBITDA▪ Further growth of operating income
Wireless	<ul style="list-style-type: none">▪ Continued customer and mobile data growth▪ Slight revenue growth supported by international operations▪ Adjusted EBITDA and operating income lower due to launch of operations in Serbia and Macedonia

Appendix

Regulatory Issues (1)

Key Aspects

- RTR has to evaluate level of competition on regulated markets every two years – Austria is ahead of other EU member states in the market analysis process – to date all markets have been analyzed. Some draft decision and even some final decision have been issued.
- According to the modified Austrian Universal Service Ordinance from October 2006 (UDV) Telekom Austria as universal service provider is allowed to claim compensation for calls to 0800 numbers via payphones.
- European Commission published a new draft on the “Review 2006” and on Market Definitions for public consultation: The new draft recommends 12 instead of 18 markets. The deletion of all retail-voice markets (number 3 to 6) from the list is a first step in deregulating retail markets in Europe. The final recommendation with the new list of markets is expected to be published before summer 2007 and must be implemented into national law.

Regulatory Issues (2)

Key Aspects

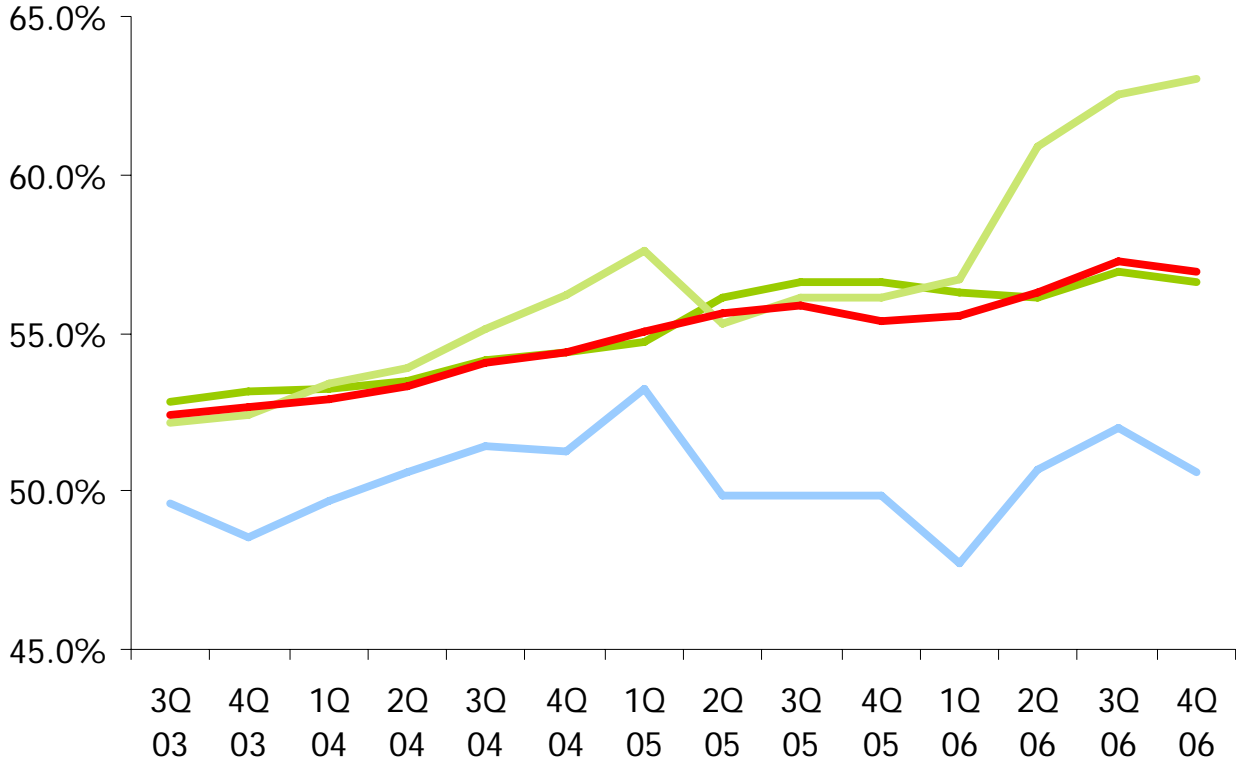
- Gliding Path Model Mobile Termination: Regulator urged mid-term unification of mobile termination rates between operators; Reduction took place according to a gliding path model. Currently there are several ongoing proceedings in order to recalculate the LRAIC-level and therefore also the Gliding Path Model for the upcoming years.
- Furthermore, mobilkom austria has started a proceeding in July 06 against T-Mobile/tele.ring to bring termination rates down to the level of mobilkom austria.
- Roaming Regulation: in July 2006 the European Commission adopted a proposal for a regulation on roaming charges.

The proposal has to be adopted by both the national governments represented in the Council of Ministers and the EU Parliament in parallel before entering into force. At the moment both Parliament and Council focus on a tight regulation of wholesale prices and give operators a wider margin on the retail level. Presumably, the regulation will enter into force in autumn 2007.

Wireline - Access Lines

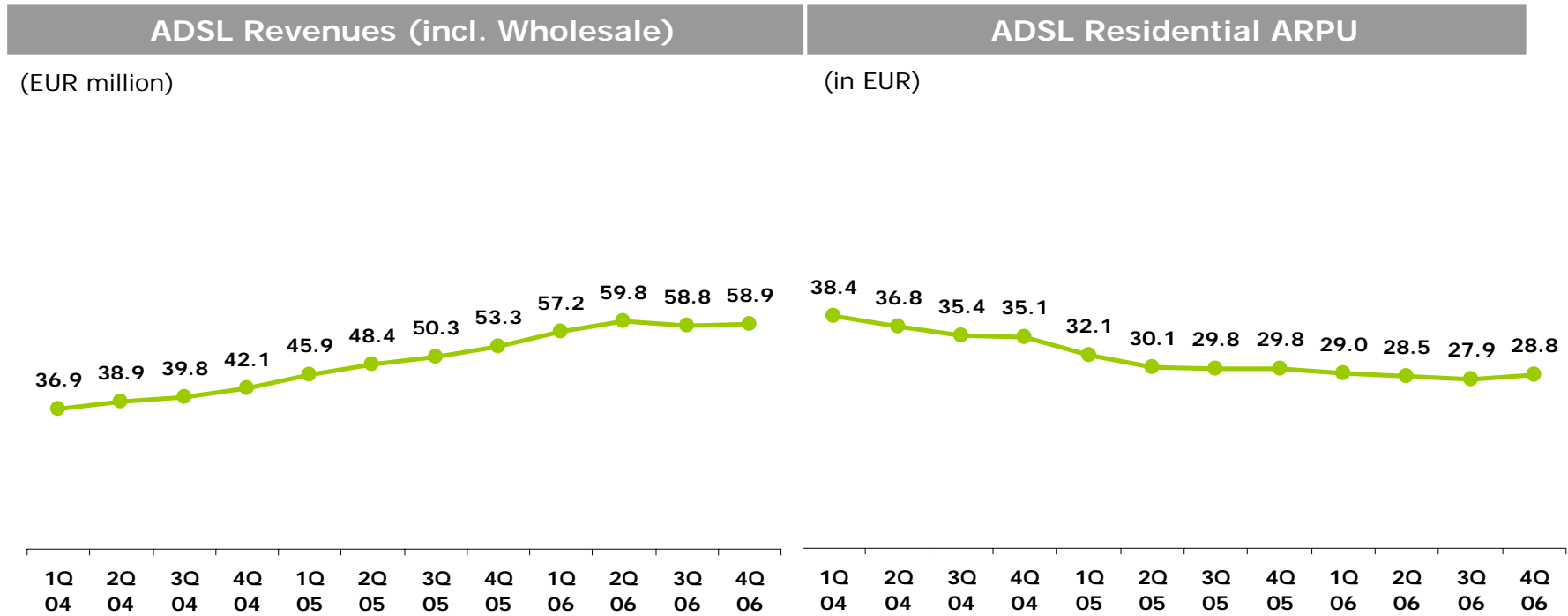
(in 000)	4Q 06	4Q 05	% change
PSTN access lines	2,244.2	2,374.5	-5.5%
Basic ISDN access lines	391.3	420.1	-6.9%
Multi ISDN access lines	7.1	7.3	-2.3%
Total access lines in service	2,642.6	2,801.9	-5.7%
of these ADSL access lines	693.6	574.3	20.8%
thereof ADSL wholesale lines	122.3	105.8	15.6%
	4Q 06	4Q 05	% change
Total access channels in service	3,240.7	3,433.7	-5.6%
	4Q 06	4Q 05	% change
ADSL net adds	23.7	48.5	-51.2%
Unbundled lines	199.6	127.9	56.1%

Wireline - Market Shares



- Local + National long distance traffic
- Fixed to mobile
- International
- Total voice traffic

ADSL – Revenues and Residential ARPU








Wireline - Minutes and Average Tariffs

(in million minutes)	4Q 06	4Q 05	% change
National	853	965	-11.6%
Fixed-to-mobile	194	211	-8.1%
International	102	110	-7.2%
Total voice minutes	1,149	1,286	-10.6%
Internet dial-up	286	505	-43.4%
Total wireline minutes	1,435	1,791	-19.9%

(Average tariffs in EUR)	4Q 06	4Q 05	% change
National	0.043	0.040	8.9%
Fixed-to-mobile	0.167	0.188	-11.2%
International	0.178	0.179	-0.6%
Total voice average	0.076	0.077	0.0%
Internet dial-up	0.019	0.016	18.8%

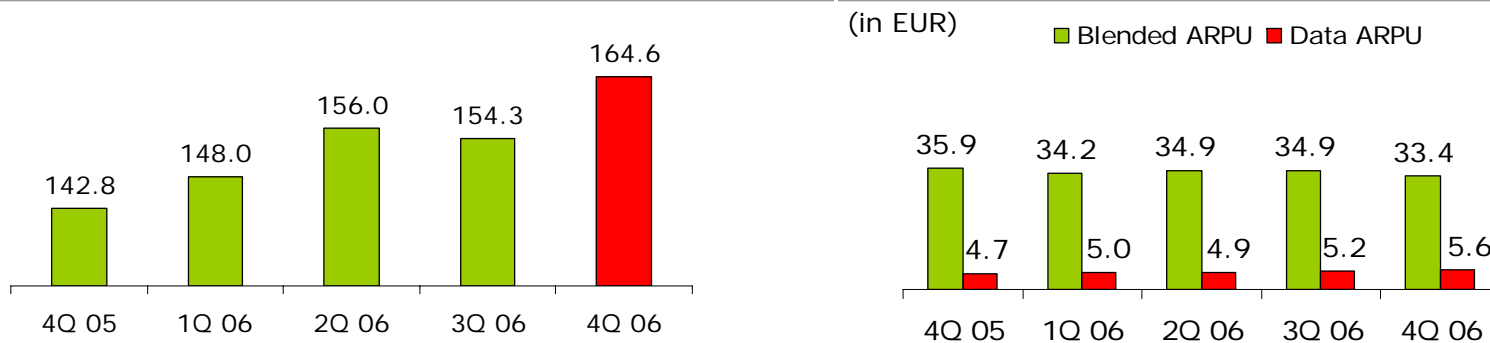
(in million minutes)	4Q 06	4Q 05	% change
National wholesale	2,144	2,543	-15.7%
International wholesale	818	627	30.6%
Total wholesale minutes	2,962	3,170	-6.6%

Mobile Subscribers

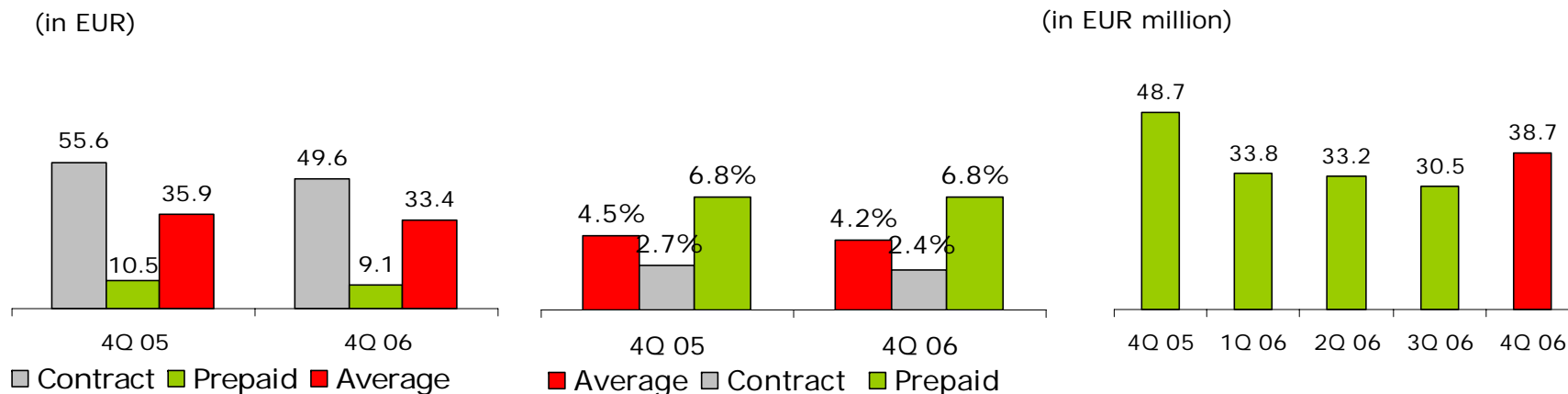
		(in 000)	4Q 06	4Q 05	% change
	Contract		2,207.0	1,929.5	14.4%
	Prepaid		1,423.5	1,462.7	-2.7%
	Total Austria		3,630.5	3,392.2	7.0%
	Market share		38.7%	39.1%	
	Contract		1,570.1	1,231.2	27.5%
	Prepaid		2,697.8	2,363.0	14.2%
	Total Bulgaria		4,267.9	3,594.2	18.7%
	Market share		52.5%	57.6%	
	Contract		329.6	252.4	30.6%
	Prepaid		1,582.7	1,360.5	16.3%
	Total Croatia		1,912.3	1,612.9	18.6%
	Market share		42.9%	44.1%	
	Contract		242.1	176.7	37.0%
	Prepaid		178.8	182.9	-2.2%
	Total Slovenia		420.9	359.6	17.0%
	Market share		24.9%	22.7%	
	Total Liechtenstein		4.8	4.2	14.3%
	Market share		16.8%	15.1%	
Total Wireless			10,236.4	8,963.1	14.2%

Operational Data – mobilkom austria

MoU per Subscriber | ARPU & Data ARPU



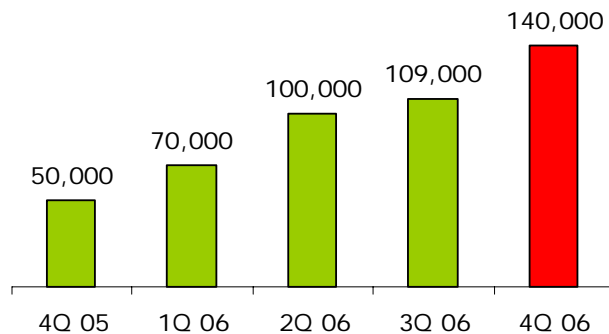
ARPU | Quarterly Churn | SRC & SAC*



* Subscriber retention cost & subscriber acquisition cost

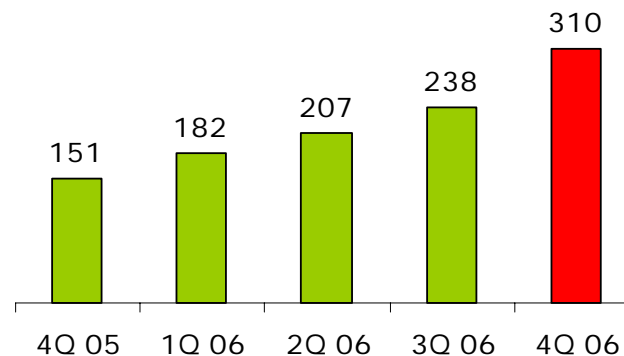
mobilkom austria - Mobile Data

Data Cards and USB Modems Sold



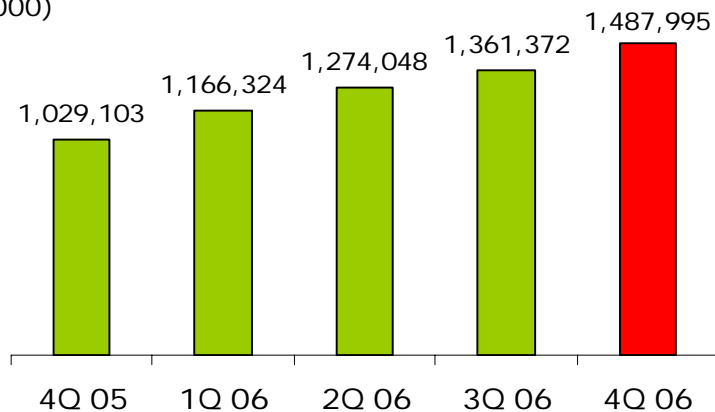
Number of SMS

(in million)

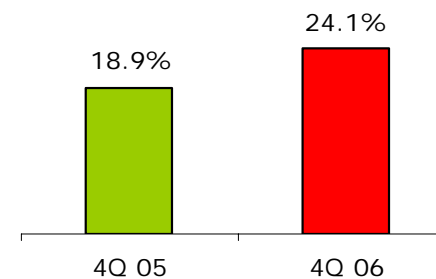


MMS Users

(in 000)



Data in % of Revenues*



* Traffic related revenues

Headcount* Development

(average period)	Dez 31,2006	Dez 31,2005	change
Wireline	9.503	9.603	-100
Wireless	5.990	4.800	1.190
Telekom Austria Group	15.493	14.403	1.090
thereof Mobitel	2.423		

(end of period)	Dez 31,2006	Dez 31,2005	change
Wireline	9.433	9.557	-124
Wireless	5.995	6.038	-43
Telekom Austria Group	15.428	15.595	-167
thereof Mobitel	2.447		

* Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)

	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Switched voice base traffic	88.1	98.0	-10.1%	361.0	398.1	-9.3%
Switched voice monthly & other voice revenues	126.6	133.2	-5.0%	520.2	548.8	-5.2%
Payphones & VAS	11.1	11.2	-0.9%	44.9	48.1	-6.7%
Wholesale data & IT-solutions	115.6	111.0	4.1%	425.0	419.7	1.3%
Internet access & media	70.5	66.0	6.8%	268.9	241.9	11.2%
Wholesale voice & Internet	89.8	80.6	11.4%	380.1	349.3	8.8%
Other	33.8	32.4	4.3%	119.4	118.0	1.2%
Total wireline revenues	535.5	532.4	0.6%	2,119.5	2,123.9	-0.2%

Wireline - Expense Breakdown

(EUR million)

	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Material expense	25.9	23.7	9.3%	77.1	69.0	11.7%
Employee costs	164.8	129.1	27.7%	549.0	500.1	9.8%
Depreciation, amortization and impairment charges	166.8	201.3	-17.1%	636.6	721.3	-11.7%
Interconnection	85.6	82.2	4.1%	352.4	340.4	3.5%
Maintenance and repairs	42.5	40.0	6.3%	118.3	113.6	4.1%
Services received	12.4	12.7	-2.4%	48.2	44.7	7.8%
Other support services	26.2	32.2	-18.6%	86.1	88.7	-2.9%
Other	59.6	72.5	-17.8%	207.0	228.7	-9.5%
Total wireline expenses	583.8	593.7	-1.7%	2,074.7	2,106.5	-1.5%

Wireless - Revenue Breakdown

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Traffic revenues	359,3	331,4	8,4%	1.442,3	1.264,7	14,0%
Monthly rental	125,5	117,7	6,6%	483,1	396,9	21,7%
Equipment	91,3	93,8	-2,7%	264,4	225,6	17,2%
Roaming	44,9	36,3	23,7%	257,9	204,8	25,9%
Interconnection	113,7	111,2	2,2%	446,9	392,8	13,8%
Other	12,4	2,4	416,7%	46,2	13,8	234,8%
Discounts	-16,5	10,9	-251,4%	-38,2	-13,8	176,8%
Total wireless revenues*	730,6	703,7	3,8%	2.902,6	2.484,8	16,8%
Wireless revenues, on a comparable basis, excluding Mobiltel				2.325,1	2.223,0	4,6%

* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005.

Wireless - Expense Breakdown

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Material expense	104,5	108,9	-4,0%	331,1	301,9	9,7%
Employee costs	57,9	57,7	0,3%	218,1	198,8	9,7%
Depreciation, amortization and impairment charges	131,8	120,8	9,1%	498,3	417,9	19,2%
Interconnection	82,2	72,6	13,2%	315,0	271,3	16,1%
Repairs	19,2	19,7	-2,5%	71,8	66,2	8,5%
Services received	73,1	73,2	-0,1%	303,9	275,7	10,2%
Other support services	7,5	5,9	27,1%	25,1	22,4	12,1%
Other	144,1	134,0	7,5%	477,0	391,3	21,9%
Total wireless expenses*	620,3	592,8	4,6%	2.240,3	1.945,5	15,2%
Wireless, on a comparable basis, excluding Mobiltel				1.861,3	1.779,7	4,6%

* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005.

Operating Revenues by Segment

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Wireline revenues	535,5	532,4	0,6%	2.119,5	2.123,9	-0,2%
Wireless revenues*	730,6	703,7	3,8%	2.902,6	2.484,8	16,8%
Other & eliminations	-66,8	-67,7	-1,3%	-262,5	-243,5	7,8%
Operating revenues	1.199,3	1.168,4	2,6%	4.759,6	4.365,2	9,0%
Wireless, on a comparable basis, excluding Mobiltel				2.325,1	2.223,0	4,6%

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Adjusted EBITDA and Operating Income by Segment

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Wireline EBITDA	129,2	152,6	-15,3%	729,4	789,4	-7,6%
Wireless EBITDA*	245,8	228,6	7,5%	1.175,4	967,7	21,5%
Other & eliminations	0,1	0,3	-66,7%	2,0	1,4	42,9%
Adjusted EBITDA**	375,1	381,5	-1,7%	1.906,8	1.758,5	8,4%
Wireless EBITDA, on a comparable basis, excluding Mobiltel				835,1	813,3	2,7%

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Wireline operating income	-37,6	-48,7	-22,8%	92,8	68,1	36,3%
Wireless operating income*	114,0	107,9	5,7%	677,1	549,8	23,2%
Other & eliminations	0,3	0,4	-25,0%	2,5	1,8	38,9%
Operating income	76,7	59,6	28,7%	772,4	619,7	24,6%
Wireless operating income, on a comparable basis, excluding Mobiltel				478,2	456,0	4,9%

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Capital Expenditure by Segment

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Wireline tangible	98.6	97.6	1.0%	260.4	289.5	-10.1%
Wireless tangible*	110.1	94.1	17.0%	300.3	239.9	25.2%
Tangible (total)	208.7	191.7	8.9%	560.7	529.4	5.9%
Wireline intangible	7.0	10.2	-31.4%	23.5	24.6	-4.5%
Wireless intangible*	359.6	47.7	653.9%	412.5	73.6	460.5%
Intangible (total)	366.6	57.9	533.2%	436.0	98.2	344.0%
Telekom Austria Group	575.3	249.6	130.5%	996.7	627.6	58.8%
Wireless tangible, on a comparable basis, excluding Mobiltel				202.6	195.9	3.4%

(EUR million)	4Q 06	4Q 05	% change	FY 2006	FY 2005	% change
Wireless tangible						
mobilkom austria	51.5	37.0	39.2%	132.9	127.5	4.2%
Mobiltel	32.5	25.5	27.5%	97.7	44.0	122.0%
Vipnet	18.3	24.2	-24.4%	55.0	58.3	-5.7%
Si.mobil	12.7	7.3	90.6%	19.2	10.4	84.6%

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Net Debt - Telekom Austria Group

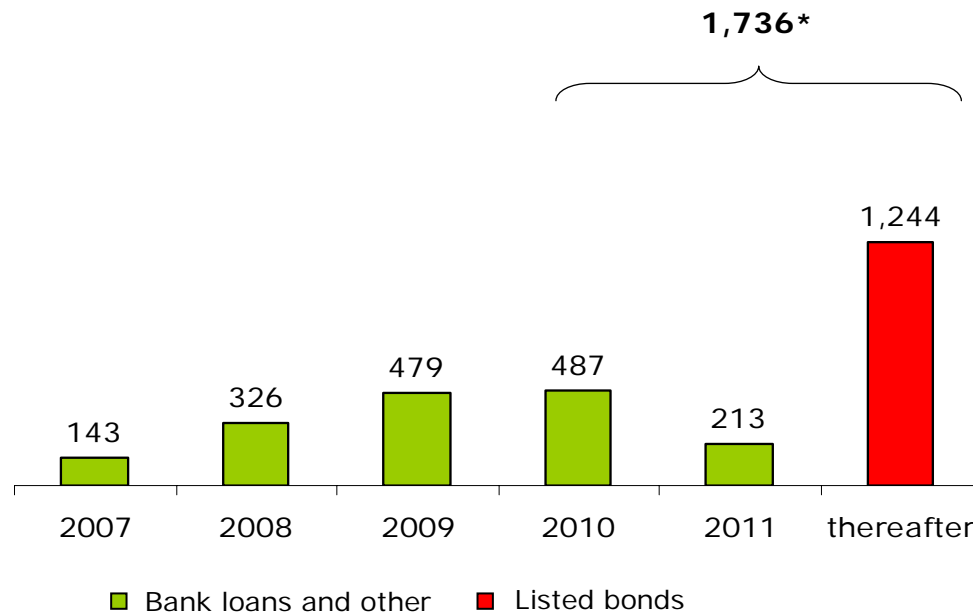
(EUR million)

	Dec 31, 2006	Dec 31, 2005	% change
Long-term debt	2,764.6	2,557.7	8.1%
Short-term debt	562.1	704.1	-20.2%
- Short-term portion of capital and cross border lease obligations	-9.4	-9.4	0.1%
+ Capital lease obligations	0.1	0.6	-84.2%
Cash and cash equivalents, short-term and long term investments	-148.3	-139.3	6.5%
Financial instruments, included in other assets and other current assets	-0.1	0.0	n.a.
Net debt of Telekom Austria Group	3,169.0	3,113.7	1.8%
Shareholders' equity	2,823.5	2,918.8	-3.3%
Net debt/equity	112.2%	106.7%	5.2%

Telekom Austria Debt Maturity Profile

Debt Maturity Profile	Facts
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(EUR million)



- Ratings of listed bonds:
 - S&P: BBB+ (*Positive outlook*)
 - Moody's: A3 (*Positive outlook*)
 - S&P upgraded outlook to positive in August 2006

Ratios:

- Net debt/equity as of Dec 31, 2006: 112.2%
- Net debt /adj. EBITDA (annualized): 1.66x

- Listed bonds:
 - EUR 750 million 2003 – 2013
 - EUR 500 million 2005 – 2010
 - EUR 500 million 2005 - 2017

*Listed bonds at amortized costs.

Reconciliation from Adjusted EBITDA to Net Income*

(EUR million)	4Q 06	4Q 05	% change
Adjusted EBITDA**	375.1	381.5	-1.7%
Depreciation and amortization	-290.5	-304.5	-4.6%
Impairment charges	-8.0	-17.4	n.a.
Operating income	76.6	59.6	28.7%
Interest income	5.3	9.6	-44.8%
Interest expense	-34.4	-37.5	-8.2%
Accretion expense	-0.9	-0.6	46.7%
Foreign exchange differences	-0.1	1.5	n.a.
Income from investments	0.1	-0.3	n.a.
Equity in earnings of affiliates	-0.1	0.3	n.a.
Income tax expense	16.8	6.1	175.4%
Net income	63.3	38.7	63.6%

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