

Report by the Management Board of Telekom Austria AG with Regard to the Share Buy-Back Effected, the Number of Own Shares Held and the Use of Own Shares of the Company Pursuant to Para 65 Sec 3 of the Austrian Stock Corporation Act

As we did at the Annual General Meeting 2004, we will report the number of own shares bought back since the last Annual General Meeting, the number of own shares held and the use of own shares pursuant to Para 65 Sec 3 Stock Corporation Act.

At the Annual General Meeting 2004, the Management Board was authorized to acquire own bearer or registered shares up to the maximum extent legally permitted, during a period of 18 months from the day of this resolution at a minimum price of EUR 9.- and a maximum price of EUR 18.- per share.

At the same Annual General Meeting, the Management Board was further authorized to

- a) decrease the share capital of the company according to Para 65 Sec 1 No 8 last sentence in connection with Para 192 Stock Corporation Act by up to EUR 109,050,000.- by withdrawing these own registered or bearer shares with no par value upon prior resolution of the general meeting;
- b) use own shares to serve stock options granted to employees, directors and members of the Management Board of the company or of an affiliated company;
- c) use own shares to serve convertible bonds;
- d) use own shares – also abroad – as consideration for the acquisition of enterprises, businesses or parts thereof, or shares of one or more companies;
- e) in case none of the aforementioned purposes is fulfilled, sell own shares in accordance with Para 65 Sec 1 lit b Stock Corporation Act for a period of 5 years in any way permitted by law, also other than over the stock exchange, whereas the Management Board is entitled to exclude the general purchase opportunity.

According to this authorization to buy back own shares, the Management Board has acquired a total of 5,653,660 shares for a total amount of EUR 73,457,017.16 from June 3, 2004 to April 22, 2005 over the stock exchange. This equals approximately 1.1 % of the share capital or a proportionate amount of EUR 12,330,632.46.

On April 22, 2005, the company held 8,890,793 own shares, which represent approximately 1.8 % of the share capital or a proportionate amount of EUR 19,390,819.53. These shares were acquired for a total amount of EUR 102,591,214.16.

We will report the current status of own shares held at the Annual General Meeting.