

**Buyback Program of Telekom Austria AG  
Disclosure in Accordance with Para 4 (2) Para 5 and Para 6 of the Disclosure  
Regulation 2002**

The Annual General Meeting modified the existing authorization to buy back shares on May 23, 2006.

**The Management Board of Telekom Austria AG decides to exercise the rights under this amended authorization, and to modify the Share Buyback Program of Telekom Austria AG published on May 31, 2005, as follows:**

Details on the Share Buyback Program

1. The day of authorization of the resolution by the Annual General Meeting according to Para 65 Sec. Z 8 AktG (Stock Corporation Act) is May 23, 2006.
2. The resolution by the Annual General Meeting was announced via the APA on May 23, 2006 and will be published in the "Amtsblatt der Wiener Zeitung" on May 27, 2006.
3. The Buyback Program is expected to end on November 22, 2007.
4. The Buyback Program concerns ordinary shares of Telekom Austria AG.
5. The intention is to buy back up to a holding of 30 million shares, i.e. up to 6% of the current share capital of Telekom Austria AG.
6. The minimum price to be paid in the buyback is EUR 10 (ten euros) and the maximum price to be paid in the buyback is EUR 25 (twenty-five euros) per share.
7. The buyback takes place via the stock exchange. The main purpose is the return of capital to the shareholders while simultaneously improving the capital structure. The authorization by the Annual General Meeting extends to the use of repurchased shares (i) to serve stock options to be granted to employees, managers and members of the Management Board / the management of the Company or of an affiliated company, and/or to issue said treasury shares to employees of Telekom Austria or one of its affiliated companies, be it with or without consideration (ii) to serve convertible bonds, (iii) as consideration for acquisitions, (iv) to sell own shares over the stock exchange or via a public offer anytime, as well as (v) for 5 (five) years from the date of the resolution to sell own shares in any way permitted by law, also over the counter and by excluding the general purchase opportunity. Furthermore, the Management Board is authorized to lower the common stock of the Company by up to EUR 109,050,000 by withdrawing treasury registered or bearer shares with no par value without further resolution of the Annual General Meeting, whereby the Supervisory Board is authorized to resolve upon amendments of the Articles of Association resulting from the withdrawal of shares.
8. Within the framework of the third tranche of the Stock Option Program (ESOP 2006+), the Company granted 3,897,968 stock options representing the right to acquire up to a maximum number of 3,897,968 shares to employees, managers of the company or of an affiliated company. 120,000 options each were granted to the members of the Management Board of the company, Boris Nemsic, Rudolf Fischer and Stefano Colombo which entitle each of them to acquire 120,000 shares.

A total of 375,564 stock options were granted to the Management Boards of affiliated companies, which entitle them to acquire up to a maximum of 375,564 shares<sup>1</sup>.

The disclosure of this resolution by the Management Board and the fulfillment of additional disclosure obligations according to Para 6 and 7 of the Disclosure Regulation 2002 will be effected by disclosing details on the Internet website of Telekom Austria AG at [www.telekom.at](http://www.telekom.at), which is publicly accessible.

Vienna, May 23, 2006

The Management Board

Telekom Austria AG

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<sup>1</sup> **ESOP 2004+ and ESOP 2005+**: On April 19, 2004, the company issued 2,392,925 stock options within the scope of the first tranche of the Stock Option Program (ESOP 2004+), and on January 19, 2005 issued 2,874,100 stock options within the scope of the second tranche of the stock option program to employees, managers and members of the Management Board of the company or of an affiliated company. On March 15, 2005 (for ESOP 2004+) and on March 6, 2006 (for ESOP 2005+), the Management Board decided to serve stock options issued within the scope of ESOP 2004+ or 2005+ through cash compensation. Therefore, no treasury shares were used to serve the tranches ESOP 2004+ and ESOP 2005+.