

Report on Item 7 of the AGM Agenda

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

The Management Board herewith reports the number of treasury shares acquired since the last annual general meeting, the number of treasury shares held and the use of treasury shares pursuant to Para 65 Sec 3 Stock Corporation Act.

At the annual general meeting 2007, the Management Board was authorized to acquire treasury bearer or registered treasury 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 Euro 9 and a maximum price of Euro 30 per share.

At the same annual general meeting, the Management Board was further authorized to

- a) use treasury shares to serve stock options granted to employees, directors and members of the Management Board of the Company and/or for issuance to employees of the Company or of an affiliated company with or without consideration;
- b) use treasury shares to serve convertible bonds;
- c) use treasury shares – also abroad – as consideration for the acquisition of enterprises, businesses or parts thereof, or shares of one or more companies;
- d) without further shareholders' resolution decrease the share capital of the Company according to Para 65 Sec 1 No 8 last sentence in connection with Para 192 of the Stock Corporation Act by up to Euro 100,326,000 by withdrawing up to 46 million bearer or registered treasury shares with no par value. The Supervisory Board is authorized to resolve upon the amendments to the Articles of Association required by the withdrawal of shares;
- e) sell treasury shares in accordance with Para 65 Sec 1b Stock Corporation Act (i) anytime via the stock exchange or via a public offer; as well as (ii) for a period of 5 years from the resolution in any other way permitted by law, also other than via the stock exchange, whereas the Management Board is also entitled to exclude the general purchase opportunity.

According to this authorization to buy back treasury shares, the Management Board acquired over the stock exchange a total of 15,320,000 shares for a total amount of Euro 284,970,826 from May 30, 2007 to March 31, 2008. This equals approximately 3.33% of the share capital or a proportionate amount of Euro 33,412,920.

Under the first tranche of the Employee Participation Program 86,742 shares were allocated.

On March 31, 2008 the Company held 17,788,258 treasury shares, which represent approximately 3.87% of the share capital or a proportionate amount of Euro 38,796,191. These shares were acquired for a total amount of Euro 334,350,308.94.

We will report the current status of treasury shares held at the annual general meeting.

Vienna, April, 2008

The Management Board