

Report on Item 8 of the AGM Agenda

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

The Management Board reports on the number of treasury shares acquired since the last 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 General Meeting of May 20, 2009, the Management Board was authorized to acquire bearer or registered treasury shares up to the maximum extent legally permitted, during a period of 30 months from the day of this resolution at a minimum price of Euro 1 and a maximum price of Euro 30 per share.

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

- a) use treasury shares for issuance to employees with or without consideration and/or to serve stock options granted to employees, directors and members of the Management Board/management of the company or of an affiliated company;
- 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) 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 without further shareholders' resolution. 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; (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.

On May 20, 2009, the company held 17,601,778 bearer treasury shares without par value, which represented approximately 3.83 % of the share capital or a proportionate amount of Euro 38,389,477.82. The Management Board did not acquire any treasury shares from May 20, 2009 up to and including March 31, 2010.

On August 24, 2009, 17 million treasury shares which represented approximately 3.7 % of the share capital or a proportionate amount of Euro 37,077,000.00, were withdrawn under the authorization and according to a resolution of the Management Board of August 19, 2009, whereby the company's share capital was reduced to Euro 996,183,000.00. The share capital is now divided into 443 million shares without par value.

165,747 treasury shares were allocated for the fourth tranche of the Employee Participation Program.

On March 31, 2010, the company held 436,031 treasury shares, which represent approximately 0.098 % of the share capital or a proportionate amount of Euro 950,983.61. These shares were acquired for a total amount of Euro 8,195,692.89.

We will report on the current status of treasury shares held at the General Meeting.

Vienna, April 2010

The Management Board