

Invitation to the Annual General Meeting

Telekom Austria Aktiengesellschaft

We are pleased to invite our shareholders to the annual general meeting, which will take place on Wednesday, **May 20, 2009** at 10:00 a.m. at the Austria Center Vienna, Saal F, Bruno-Kreisky-Platz 1, A-1220 Vienna.

Agenda

Agenda Item 1: Presentation of the financial statements and the management report as well as the consolidated financial statements including the consolidated management report for the fiscal year 2008 and the supervisory board report on the fiscal year 2008.

Agenda Item 2: Resolution on the distribution of the net profit.

Agenda Item 3: Resolution on the discharge of the members of the management board and of the members of the supervisory board for the fiscal year 2008.

Agenda Item 4: Resolution on the compensation for the members of the supervisory board for the fiscal year 2008.

Agenda Item 5: Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2009.

Agenda Item 6: Management report on share buy-back effected, number of treasury shares held and use of treasury shares.

Agenda Item 7: Resolution on the authorization of the management board in accordance with Para 65 Sec 1 No. 8 Stock Corporation Act to acquire treasury bearer or registered 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.

The management board shall further be authorized to

- a) issue treasury shares to employees of the Telekom Austria Group¹, be it with or without consideration, and/or to use treasury shares to serve stock options granted to employees, managers and members of the management board of the Telekom Austria Group¹;
- b) use treasury shares to serve convertible bonds;

¹ The Telekom Austria Group is comprised of the Telekom Austria AG and its affiliated companies.

- 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 treasury registered or bearer shares with no par value without further resolution by the annual general meeting. The supervisory board is authorized to resolve upon the amendments of the Articles of Association required upon the withdrawal of shares;
- e) sell treasury shares in accordance with Para 65 Sec 1b of the Stock Corporation Act (i) any time via the stock exchange or by public offer; (ii) for a period of 5 years from the day of this resolution in any way permitted by law, also other than via the stock exchange, whereby the management board is entitled to exclude the general purchase opportunity.

This authorization replaces the authorization resolved by the last annual general meeting on May 20, 2008 as Item 8 of the agenda with regard to share buyback and use of treasury shares.

Agenda Item 8: Authorization to issue convertible bonds

Resolution on the authorization of the management board to issue – also in several tranches – convertible bonds which grant the right of subscription and/or conversion of up to 80 million shares of the company. The management board is entitled to exclude subscription rights of shareholders with respect to convertible bonds. To serve the convertible bonds the management board may use either the conditional capital to be resolved and/or treasury shares. The management board shall determine the issue price and the terms and conditions of the issue. The price of the convertible bonds shall be calculated according to recognized finance mathematical methods in a recognized pricing procedure as follows: The issue price of the convertible bond is composed of the issue price of a traditional fixed interest-bearing bond, the price for the conversion right and the other terms. The calculation of the issue price of the bond is determined by calculating the cash value under consideration of the maturity date of the bond, the interest of the bond, the current market interest rate (e.g. Euribor/swap rate) as well as the credit standing of the company. The calculation of the price of the conversion right is determined by methods of option pricing under consideration of the maturity date/exercise period, the current fluctuations of the share price (volatility), the ratio of the conversion price to the current share price of the Telekom Austria share, the current market interest rate (e.g. Euribor/swap rate) as well as the dividend yield. Additional terms such as a right to early cancellation by the issuer, a right to early cancellation by the purchaser (under terms to be determined), a conversion obligation, a right to effect a cash payment instead of a conversion, a fixed or variable conversion ratio are additionally taken into account when calculating the price. According to the recognized finance mathematical methods described above the issue price of the shares is determined in accordance with the issue price and the interest calculation of the convertible bond, if issued in a foreign currency under consideration of the currency exchange rate. This authorization applies until May 19, 2014 and replaces the authorization to issue convertible bonds from June 3, 2004.

Agenda Item 9: Resolution on the conditional increase of the share capital

Resolution on the conditional increase of the share capital of the company according to Para 159 Sec 2 No. 1 Stock Corporation Act by up to EUR 87,240,000 by issuing up to 40 million new ordinary bearer shares with no par value in order to serve holders of convertible bonds, which the management board will be authorized to issue in this annual general meeting. The capital increase shall only be effected to the extent that holders of convertible bonds exercise their subscription right and/or their conversion right with respect to shares of the company and that the management board resolves to serve the convertible bonds with new shares. The issue price and the exchange ratio are to be calculated by using recognized finance mathematical methods as well as the market value of the company in a recognized pricing procedure (basis for the calculation of the issue price); the issue price must not lie below the pro-rate amount of the

share capital allocated to each share. The newly issued shares shall be fully entitled to dividends for the full fiscal year in which they were issued. The conditional capital increase of June 3, 2004 shall be revoked.

Resolution on the amendment of Para 4 of the articles of association (share capital and shares) – conditional capital increase.

Para 4 Sec 5 of the articles of association states as follows:

"(5) The share capital of the company is increased by up to EUR 87,240,000 according to Para 159 Sec 2 No. 1 Stock Corporation Act by issuing up to 40 million new ordinary bearer shares with no par value in order to serve holders of convertible bonds, which the management was authorized to issue at the annual general meeting of May 20, 2009. The capital increase shall only be effected to the extent that holders of convertible bonds exercise their subscription right and/or their conversion right with respect to shares of the company and that the management board resolves to serve the convertible bonds with new shares. The issue price and the exchange ratio are to be calculated by using recognized finance mathematical methods as well as the market value of the company in a recognized pricing procedure (basis for the calculation of the issue price); the issue price must not lie below the pro-rata amount of the share capital allocated to each share. The newly issued shares of the conditional capital shall be fully entitled to dividends for the fiscal year in which they were issued. The supervisory board is authorized to adapt the version of the Articles of Association according to the number of subscribed shares that are issued. The same applies if the authorization to issue convertible bonds is not exercised upon expiration of the authorization period, as well as if the conditional capital is not exercised upon expiration of deadlines according to the terms and conditions of the convertible bonds."

According to Para 16 of the articles of association, shareholders are entitled to participate in this annual general meeting after having deposited their shares by May 14, 2009 at the latest at Telekom Austria AG, at the office of an Austrian public notary, or at the head office of a domestic financial institution until the end of the annual general meeting. The shares are also properly deposited if, by agreement of one of the depositories, the shares are frozen at another bank until the end of the annual general meeting. The depositories are obliged to submit certification about the deposits made to Telekom Austria AG by May 15, 2009 at the latest (fax in advance to number: +43 (0) 59 059 9 200509).

The annual report of Telekom Austria AG for 2008 including the consolidated financial statements and the consolidated management report, the financial statements 2008 comprising the management report, as well as the reports on Items 6,7 and 8 of this agenda are now available to the public at Telekom Austria AG, 1020 Vienna, Lassallestrasse 9, at Bank Austria AG, 1010 Vienna, Am Hof 2 and at Raiffeisen Centrobank AG, 1015 Vienna, Tegetthoffstrasse 1 and on the Internet under www.telekomaustria.com/annual_reports and www.telekomaustria.com/ir/agm

Paying Agent: Bank Austria AG. Number of shares: 460 million; every share grants the right to one vote. Holders of treasury shares are not entitled to vote. Each shareholder who has registered for the annual general meeting in accordance with above said provisions in time, may participate in the annual general meeting either in person or by way of a representative authorized in writing and may exercise his shareholder rights (in particular right to ask questions and right to vote).

Vienna, April 2009

The management board

International Securities Identification Number (ISIN)
AT 0000720008