

Telekom Austria Group Results for the Financial Year 2005

March 14, 2006

Cautionary Statement

“This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results. These risks and uncertainties are discussed in Telekom Austria's SEC filings, including, but not limited to, Telekom Austria's Form 6-K containing the relevant earnings release and certain sections of the Company's Annual Report on Form 20-F.

Although Telekom Austria has conducted diligence customary in acquisitions in Central and Eastern Europe, based on the information to which Telekom Austria was given access during the acquisition process, Telekom Austria has not been involved in the management of Mobiltel until July 12, 2005. Financial data prior to this period are given for comparative purposes only. Telekom Austria does not take responsibility for the correctness of these figures.”

Agenda

- Key Developments
- Wireline
- Wireless
- Financial Overview
- Outlook

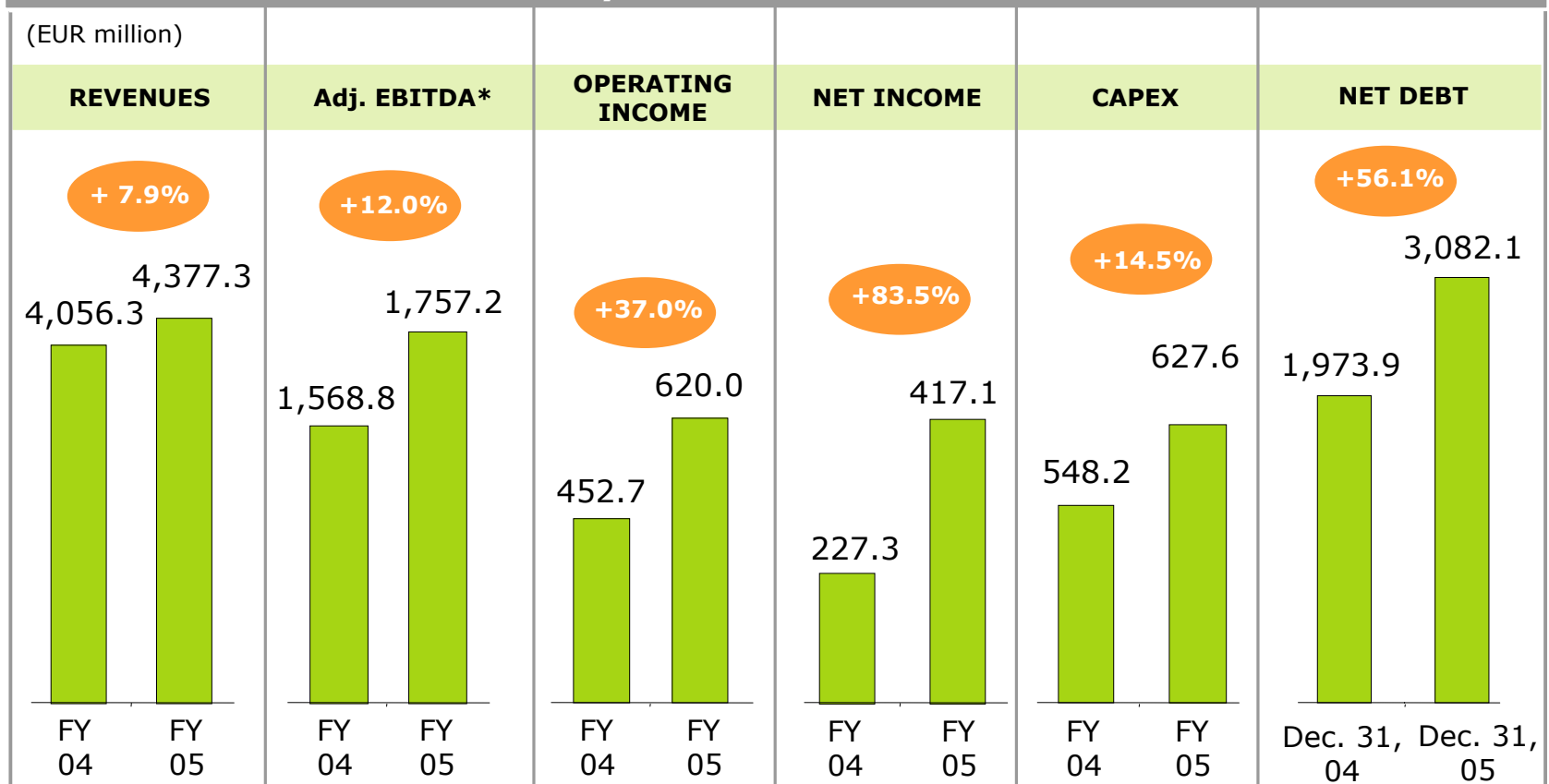
Key Developments

Telekom Austria – 2005 Highlights

- Group revenues, adjusted EBITDA and operating income show strong growth following the successful acquisition of Mobiltel
- Rising operating results in both segments, EBITDA margin rises to 40.1%
- Group net income increases by over 80%
- EUR 184.4 million of share buybacks executed in 2005
- Proposed dividend of EUR 0.55 per share corresponds to a 129% increase
- Wireline segment demonstrates strong broadband growth, partly offsetting decline from voice revenues
- Strong Wireless performance due to higher number of subscribers and well performing data business

Telekom Austria – 2005 Results Positively Impacted by Contribution from Mobiltel

Key Financial Indicators



* Operating income before depreciation, amortization and impairment charges

Wireline

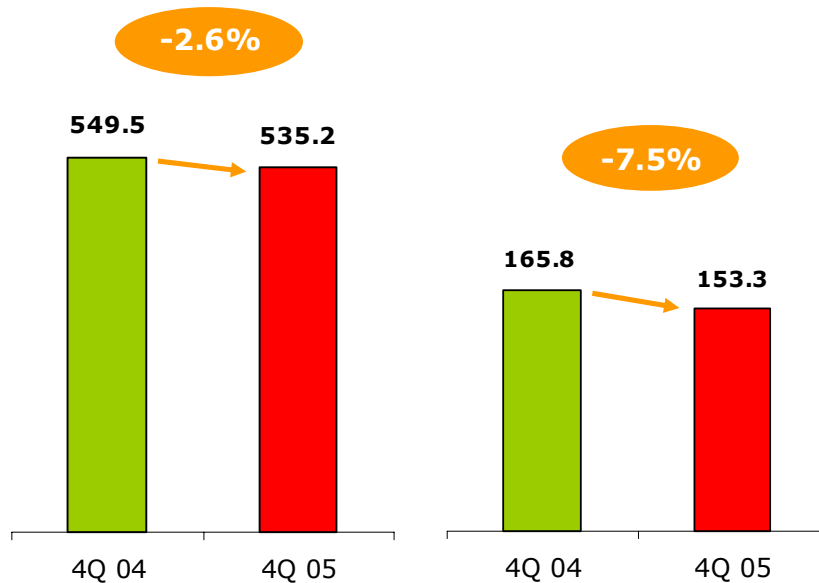
Strong Increase in Broadband Revenues Partially Offsets Decline from Voice Revenues

4Q 2005 Results

(EUR million)

Revenues

Adj. EBITDA

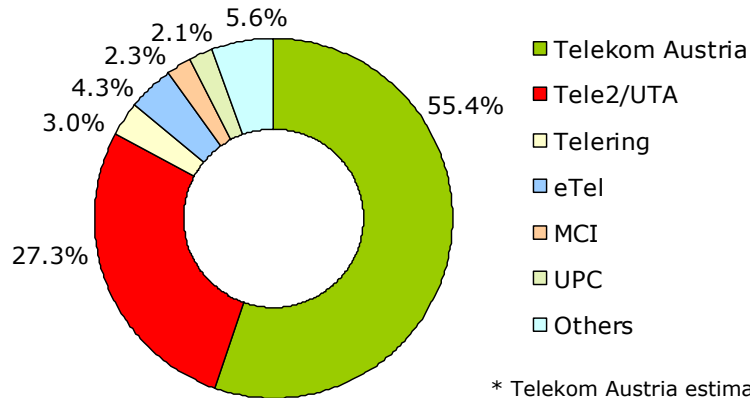


Key Highlights

- Strong ADSL growth in 4Q 05 with 48,500 net adds
- Revenues from Internet access & media increase by 21.5%
- Lower revenues primarily from monthly rental and wholesale voice in 4Q 05
- Lower revenues lead to a decline of 7.5% in adjusted EBITDA despite a slight reduction in cost
- Lower expenses for personnel and interconnection compensate higher material expenses

Telekom Austria Continues to Hold Strong Voice Market Share, Increase of Avg. Tariffs

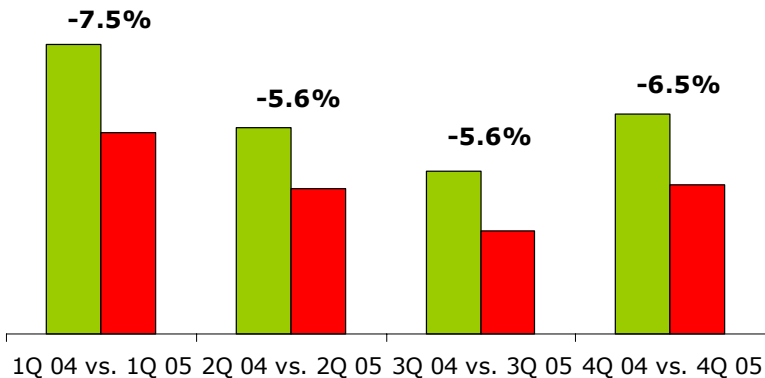
Voice Market Shares*



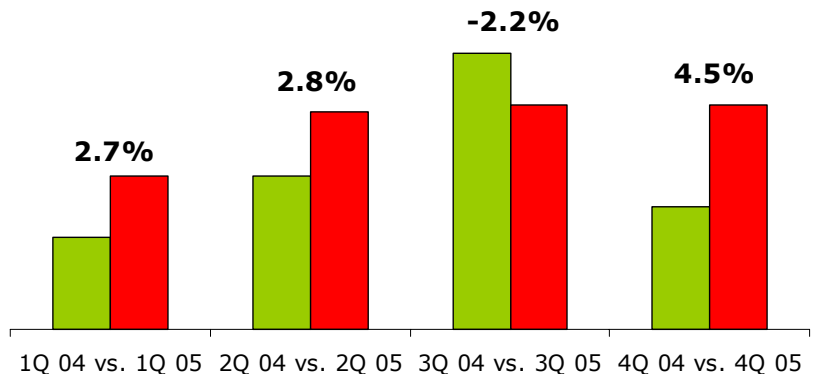
Highlights

- Year on year voice market share increases by 1% to 55.4%
- 35,900 customers signed up for the Tik Tak tariff in 4Q 05, total number of Tik Tak reaches 1.6 million
- 592,500 bonus packages at end of 4Q 05
- Decline of MoU driven by Fixed-to-mobile substitution and not VoIP

Decline of Voice MoUs

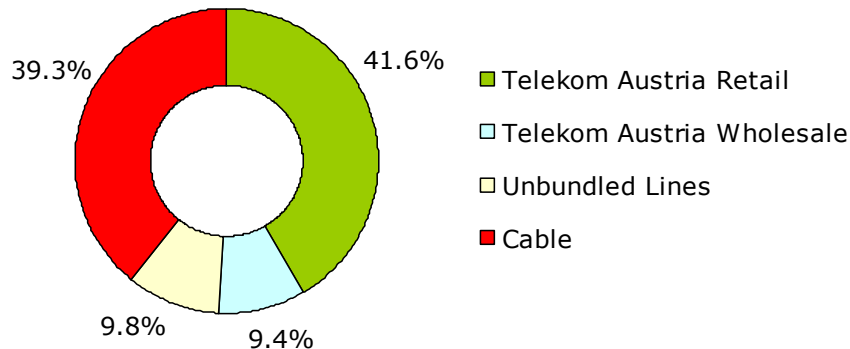


Wireline Average Voice Tariffs



Telekom Austria Broadband Market Share Rises to 51%, High Subscriber Intake in 4Q

Broadband Market Shares

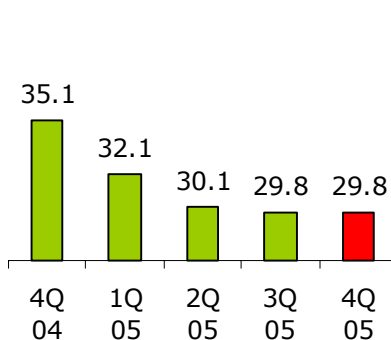


Highlights

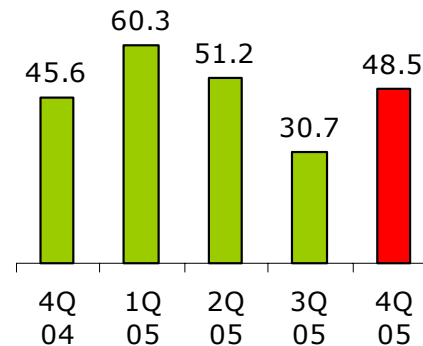
- Continuing increase of broadband market share
- Number of ADSL retail lines grows by 57%; total number of ADSL lines increase by 49.7% to 574,300
- Stabilization of ADSL ARPU over last three quarters
- ADSL retail market share grows by 5.6%, unbundled lines market share by 2.7%
- Encouraging introduction of naked DSL aonPur throughout Austria
- Consolidation following the acquisition of unbundling provider Inode by cable operator UPC

ADSL ARPU




(in 000)



ADSL Net Adds



aonDigital TV – Enriching Traditional Access Lines to Increase Customer Loyalty

Product Offer	Channels	Highlights
<p>Basis Package EUR 14.90* monthly rental</p> <ul style="list-style-type: none"> More than 40 channels Pay per View: Top movies & series for EUR 1 to EUR 3 Music videos & current cinema trailer Electronic program guide Traffic & weather information 	<p>Basis Package</p> 	<ul style="list-style-type: none"> aonDigital TV launched on March 6, 2006 ADSL2+ provides full coverage in Vienna at the time of the launch Further rollout to urban areas planned
<p>Set-Top-Box EUR 59.90*</p> <ul style="list-style-type: none"> Special offer for minimum contract period of 18 months instead of EUR 139.90 	<p>Premium TV</p> 	
<p>Premium TV Package EUR 7.90* monthly rental</p> <ul style="list-style-type: none"> Includes 10 premium channels: action movies, classic, cartoons, music & documentary, motor sports 		

* Installation for aonDigital TV is free of charge until June 30, 2006. The basis package starts at EUR 14.90 instead of EUR 19.90. All prices include 20% VAT.

Wireless

4Q 05 reflects Strong Christmas Business, Strong Subscriber Growth in All Companies

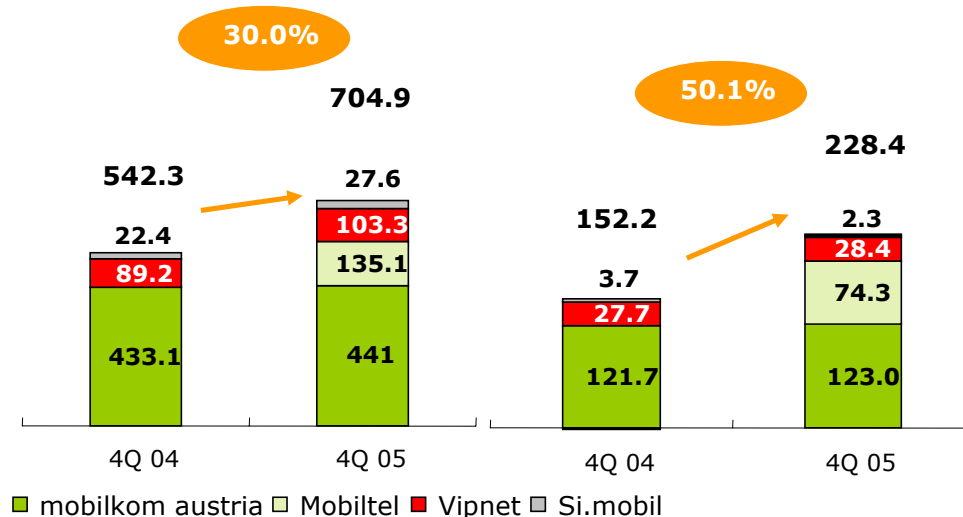
4Q 2005 Results*

Key Highlights

(EUR million)

Revenues

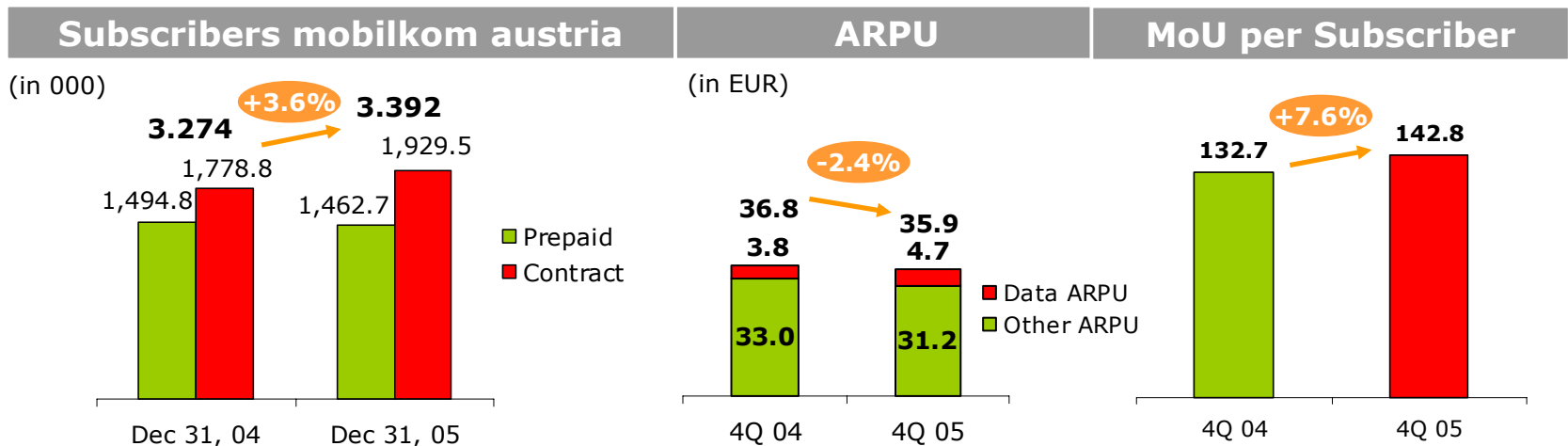
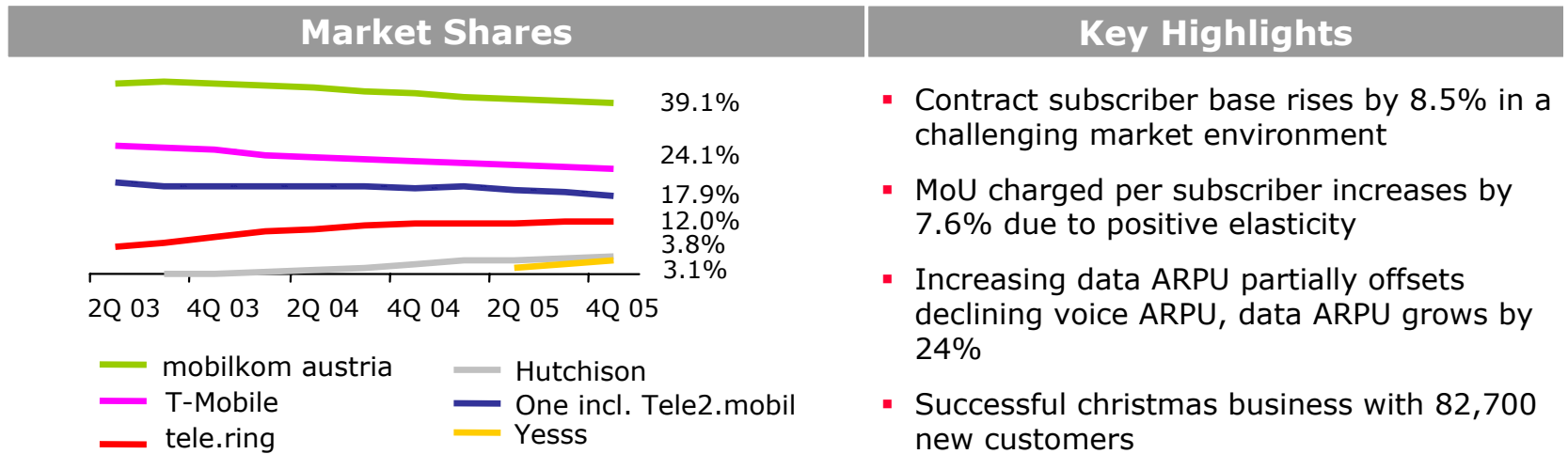
Adj. EBITDA



- Total number of customers grew by 81.1% to 9.0 million from 4Q 04 to 4Q 05
- Net adds including Mobiltel quadruple from 129,700 to 506,800
- Strong revenue increase driven by contribution from Mobiltel and higher monthly rentals and interconnection
- Adj. EBITDA Margin increases to 32.4% driven by the contribution from Mobiltel

* Mobiltel is included for the period of July 12 to December 31 2005. Mobiltel financial results are not included in 4Q 2004 results.

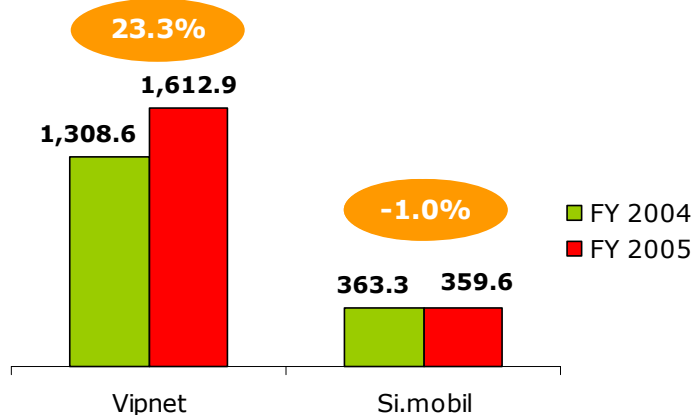
mobilkom austria: Successful Launch of Unlimited Tariffs, Higher Net Adds and MoU Charged



Market Development Supports Vipnet's Growth, Strong Increase of Net Adds of Si.mobil

Subscribers (EoP) Key Highlights

(in 000)

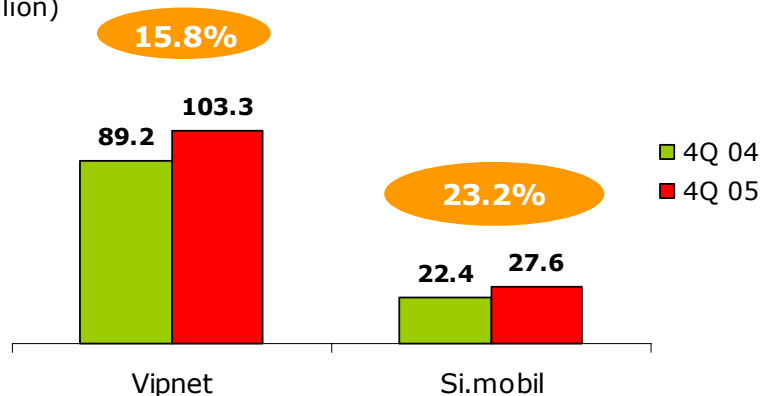


Vipnet

- 15.8% increase in 4Q 05 revenues driven by strong subscriber growth, EBITDA grows 2.5%
- Market share declined to 44.1% due to market entry of third operator
- Net adds triple to 151,800

Revenues

(EUR million)



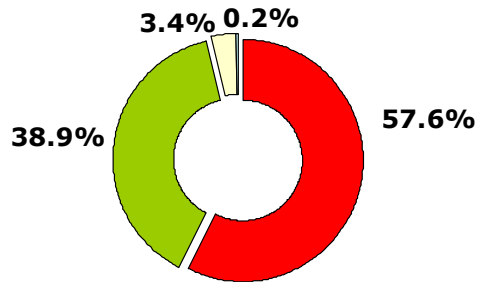
Si.mobil

- Revenues increase by 23.2%, EBITDA declines from EUR 3.7 million to EUR 2.3 million
- Strong net adds in 4Q almost neutralize impact from change of customer definition*
- ARPU increases by 24.1% to EUR 18.0
- Net adds of 10,600 (300 in 4Q 04)

* On July 1, 2005 the Slovenian regulator published a new definition for the number of users reported by mobile operators. This change reduced the overall subscriber figures, but had a positive impact on financial ratios 'per subscriber' without an impact on financial figures.

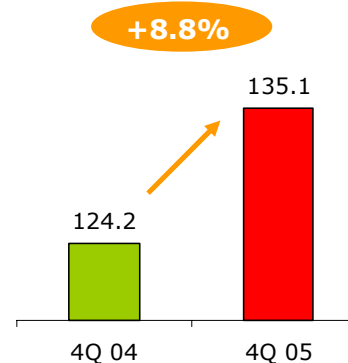
Successful Marketing Promotions in Bulgaria Lead to Strong Increase in Subscriber Base

Market Shares

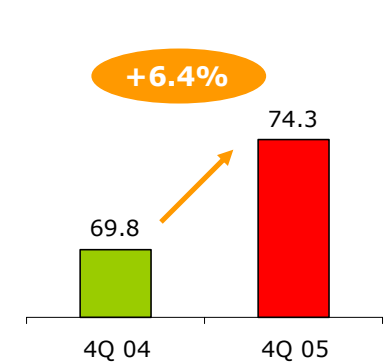


■ Mobilitel ■ Globul ■ Vivatel ■ Analog Operator

Revenues

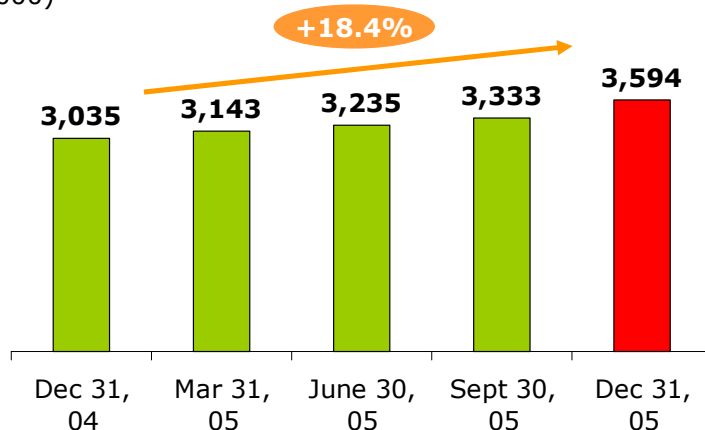


Adjusted EBITDA



Subscribers Development

(in 000)

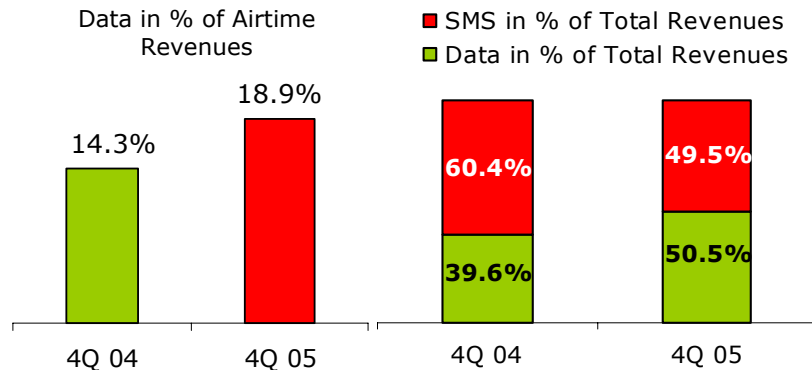


Highlights

- Increase in revenues mainly due to 18.4% rise in total subscriber base
- Strong christmas business added 261,300 new customers in 4Q 05 (21,400 in Q4 04)
- Reduction in market share to 57.6% due to a competitive environment following the entrance of a new competitor
- Higher equipment revenues as a result of high net adds

Austria: Revenues from Data Exceed Revenues from SMS for the First Time

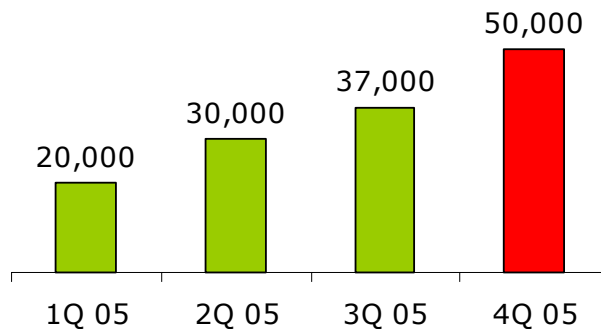
Data Development



Highlights

- More than 50,000 Vodafone Mobile Connect Cards sold by end of 4Q 05 in Austria
- Vodafone Mobile Connect Card best selling piece of hardware
- More than 1.3 million Vodafone live! customers at the end of Dec 2005 in the Wireless segment
- mobilkom austria first operator in Europe to launch HSDPA in January; rollout to all provincial cities in 2Q 06
- HSDPA offers download speed of up to 1.8 Mb/s
- Application portfolio enriched with multimedia services – first to offer national TV in Austria on mobile handsets

Number of VF Mobile Connect Cards



Financial Overview

Strong Increase of all Financial Indicators in 4Q 05, EBITDA Margin Rises to 32.6%

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Total revenues	1,171.5	1,025.1	14.3%	4,377.3	4,056.3	7.9%
Adjusted EBITDA	382.1	318.0	20.2%	1,757.2	1,568.8	12.0%
Adjusted EBITDA Margin	32.6%	31.0%	5.1%	40.1%	38.7%	3.8%
Operating income	60.6	40.9	48.2%	620.0	452.7	37.0%
Net income	41.6	25.0	66.4%	417.1	227.3	83.5%
Capital expenditures	249.6	241.6	3.3%	627.6	548.2	14.5%

(EUR million)	Dec 31, 2005	Dec 31, 2004	% change
Net debt (end of period)	3,082.1	1,973.9	56.1%

Higher Net Income and Higher Depreciation & Amortization due to Mobiltel Contribution

(EUR million)

	4Q 05	4Q 04
Adjusted EBITDA	382.1	318.0
Depreciation & Amortization	-304.1	-276.9
Impairment Charges	-17.4	-0.2
Operating income	60.6	40.9
Interest income/expenses	-28.0	-25.1
Equity in earnings of affiliates	0.3	0.3
Other income, net	3.1	2.1
Income tax expense	5.6	7.0
Minority interests	0.0	-0.1
Net income	41.6	25.0

Declining asset has caused a decrease in Wireline D&A; Wireless D&A was higher due to Mobiltel amortization of customer base (EUR 18.2 million)

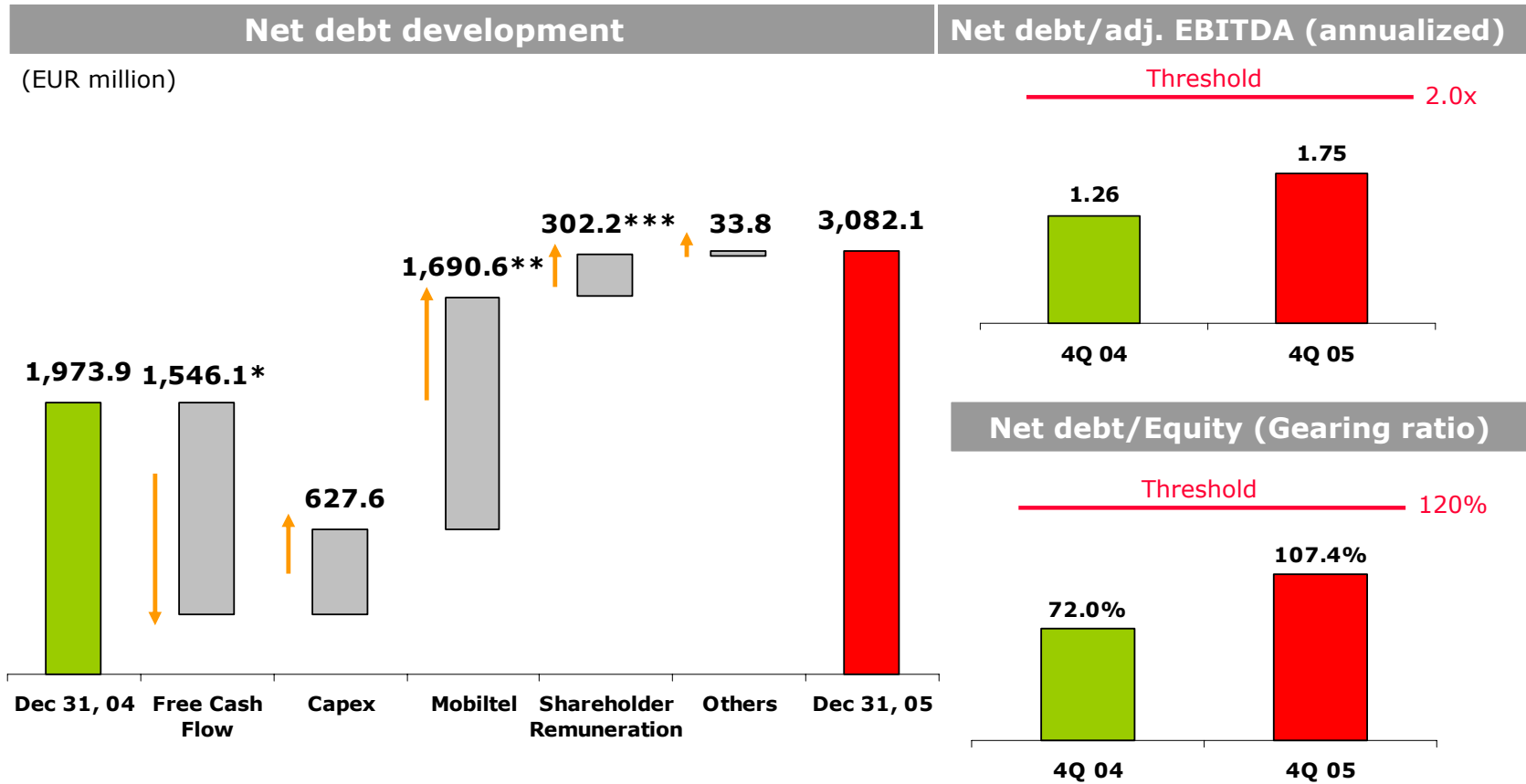
Primarily due to write down of remaining goodwill of Czech On Line

Only slight increase of interest expenses despite higher net debt

Foreign exchange differences caused slight increase

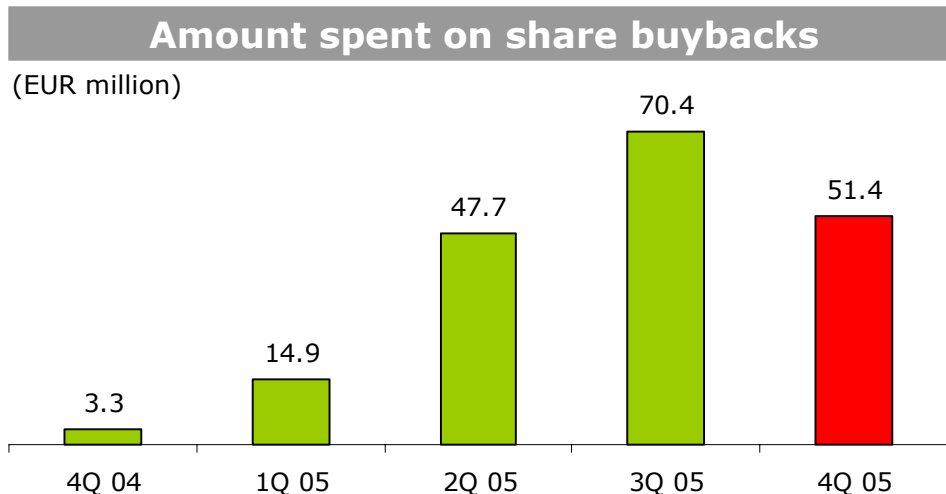
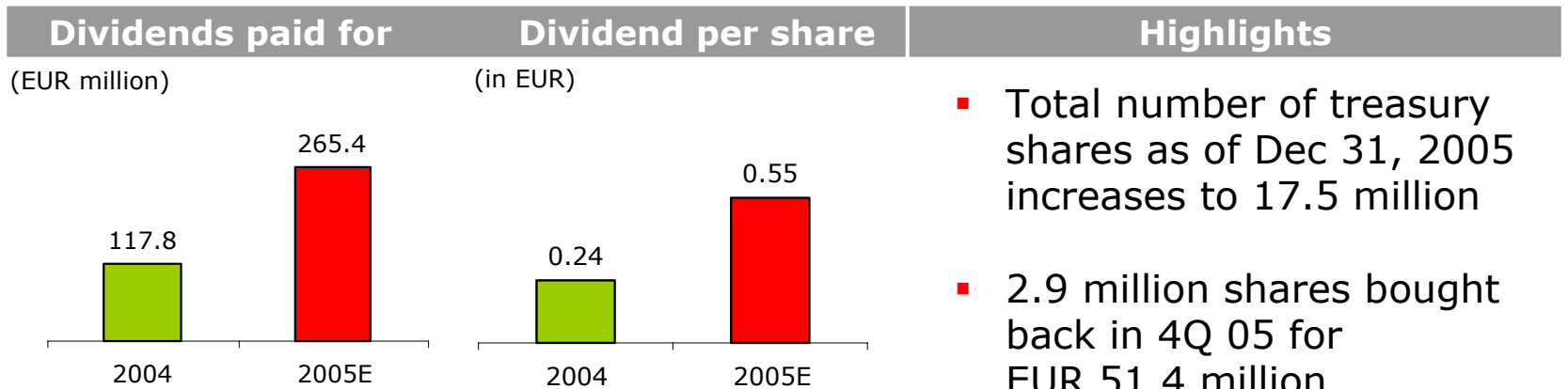
Due to positive one time effect of group taxation and as increased taxable income could be offset by lower tax rate

Net Debt Increases but Remains well below the Communicated Thresholds



* CF from operations + CF from investing - Mobitel acquisition price - CAPEX; ** Mobitel cash purchase price of EUR 1,185.7 million + acquired net debt of EUR 504.9 million including EUR 70.4 million for UMTS licence and acquisition related cost; ***Shareholder remuneration includes EUR 117.8 million dividends and EUR 184.4 million share buybacks

Strong Shareholder Remuneration



- Total amount of EUR 248.5 million spent on share buybacks so far
- Management proposes dividend of EUR 0.55 per share
- Dividend per share increases by 129%

Outlook

Outlook for 2006 Reflects Further Growth – No Material Impact from Adoption of IFRS Expected

Group

- Revenue growth of about 5% and increase of adjusted EBITDA of about 10%; net income rises by around 20%
- Constant pay-out ratio of 65%
- Increase of Capex due to consolidation of Mobiltel and 3G investments
- Strong cash flow allows reduction in net debt and continuation of share buyback program

Wireline

- Continuing migration of call volumes to mobile will lead to decline in revenues and adjusted EBITDA; strong growth in broadband area will not fully offset decline in voice business

Wireless

- Further rise in revenues and adjusted EBITDA from 12 month contribution of Mobiltel; increasing contribution from international operations, tough price competition in all markets

Appendix

Regulatory Issues

Key Aspects

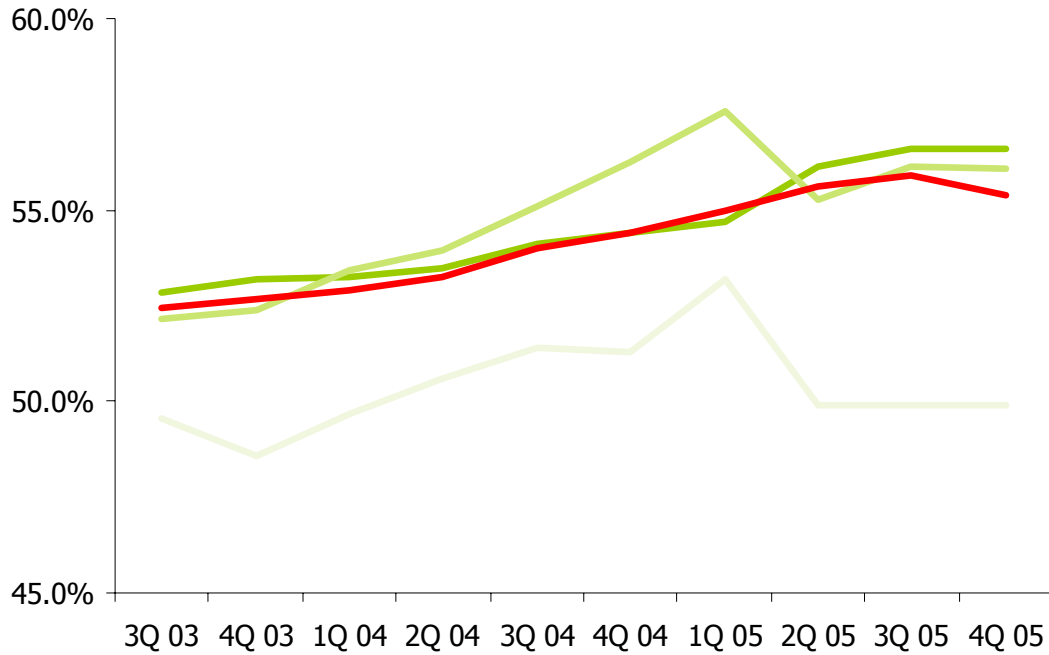
- Definition, analysis and remedies for all telecommunication markets completed. The overall scope of intervention has not materially changed. Update of Market Analysis started.
- Reduction of monthly charges for ULL between Telekom Austria and Tele2/UTA by 1.83 % to EUR 10.70 per fully unbundled line and EUR 8.29 for sub loop unbundling and adjustments of the pricing for collocation sites.
- Regulator approves Telekom Austria's leased line offer and considers it to be non-discriminating.
- Due to a decision of the Administrative Court the PAC (payphone access charge) will be negotiated on a contractual basis in the future.
- Mobitel termination rates: The long run perspective of the Regulator is to have reciprocal termination rates on the level of the most efficient mobile network provider in Austria (= L-RAIC-level). All mobile operators are required to lower their termination rates from January 1, 2006, by EURc 1 every six months (Hutchison 3G by EURc 1.83) until each of them reaches the L-RAIC level of EURc 6.79.

Wireline - Access Lines

(in 000)

	4Q 05	4Q 04	% change
PSTN access lines	2,374.5	2,455.5	-3.3%
Basic ISDN access lines	420.1	443.6	-5.3%
Multi ISDN access lines	7.3	7.6	-3.9%
Total access lines in service	2,801.9	2,906.7	-3.6%
of these ADSL access lines	574.3	383.6	49.7%
thereof ADSL wholesale lines	105.8	85.2	24.2%
	4Q 05	4Q 04	% change
Total access channels in service	3,433.7	3,570.7	-3.8%

Wireline - Market Shares

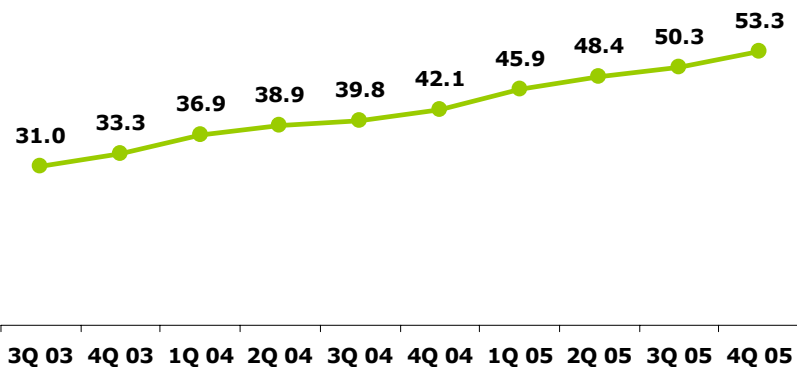


- Local + National long distance traffic
- Fixed to mobile
- International
- Total voice traffic

ADSL

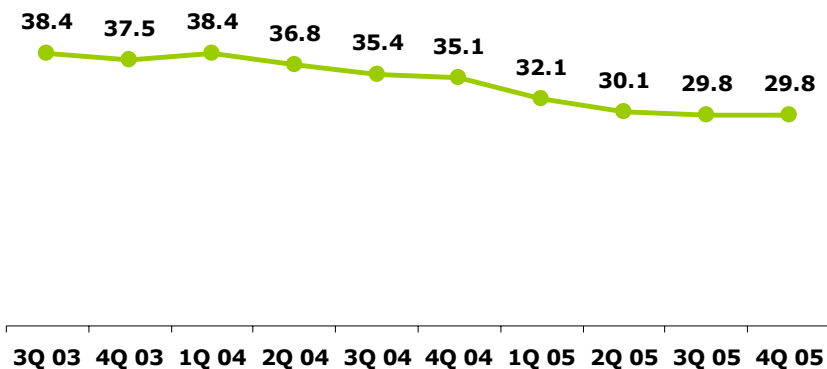
ADSL Revenues (incl. Wholesale)

(EUR million)



ADSL Residential ARPU

(in EUR)



Wireline - Minutes and Average Tariffs

(in million minutes)	4Q 05	4Q 04	% change
National	965.0	1,048.1	-7.9%
Fixed-to-mobile	211.0	213.0	-0.9%
International	109.5	113.6	-3.6%
Total voice minutes	1,285.5	1,374.8	-6.5%
Internet dial up	505.1	759.1	-33.5%
Total wireline minutes	1,790.6	2,133.9	-16.1%

(Average tariffs in EUR)	4Q 05	4Q 04	% change
National	0.040	0.040	-1.9%
Fixed-to-mobile	0.188	0.191	-1.6%
International	0.179	0.183	-2.1%
Total voice average	0.077	0.074	4.5%
Internet dial up	0.016	0.016	0.0%

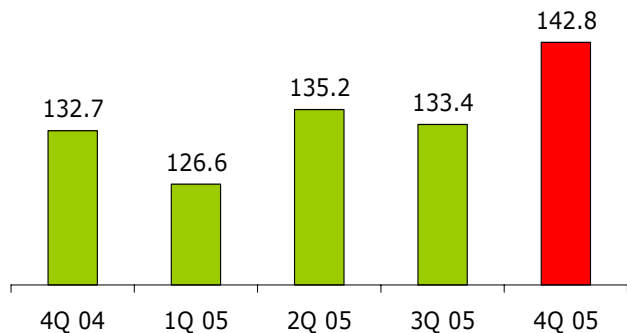
Mobile Subscribers

		(in 000)	4Q 05	4Q 04	% change
	Contract		1,929.5	1,778.8	8.5%
	Prepaid		1,462.7	1,494.8	-2.1%
	Austria Total		3,392.2	3,273.6	3.6%
	Contract		1,231.2	1,067.8	15.3%
	Prepaid		2,363.0	1,967.1	20.1%
	Bulgaria Total		3,594.2	3,034.9	18.4%
	Contract		252.4	193.6	30.4%
	Prepaid		1,360.5	1,114.9	22.0%
	Croatia Total		1,612.9	1,308.6	23.3%
	Contract		176.7	155.7	13.5%
	Prepaid		182.9	207.6	-11.9%
	Slovenia Total		359.6	363.3	-1.0%
	Liechtenstein Total		4.2	3.5	20.0%
Total Wireless*			8,963.1	4,949.0	81.1%

* Mobitel figures are not included in 4Q 04 subscriber figures.

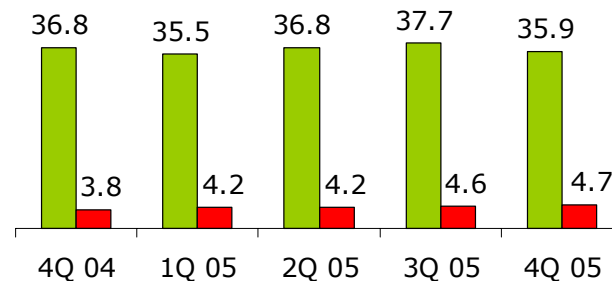
Operational Data – mobilkom austria

Average MoU per Subscriber



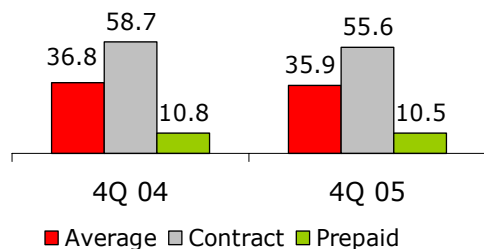
Average ARPU & Data ARPU

(in EUR) ■ Average ARPU ■ Data ARPU

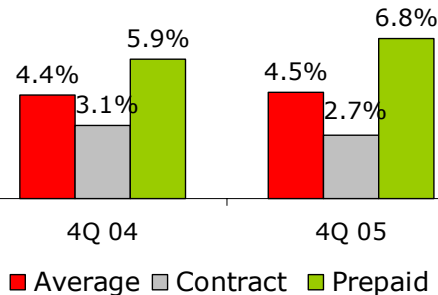


ARPU

(in EUR)

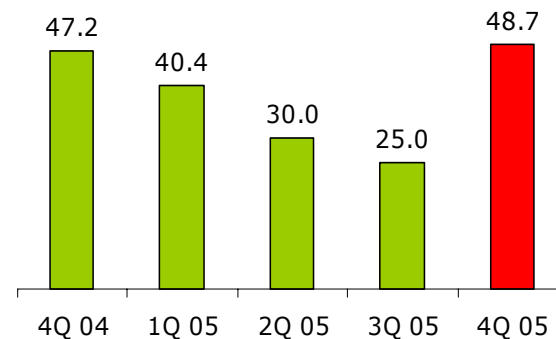


Quarterly Churn



SRC & SAC*

(in EUR million)

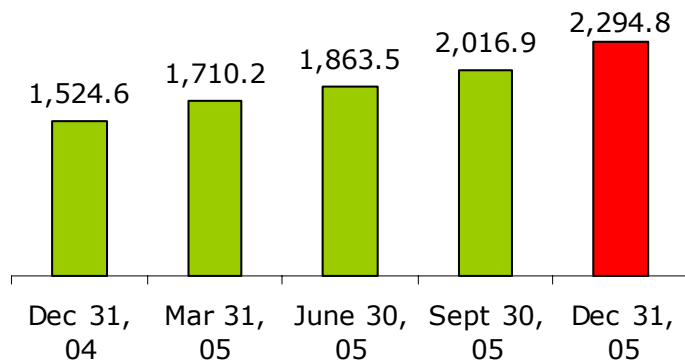


* Subscriber retention cost & subscriber acquisition cost

mobilkom austria - Mobile Data

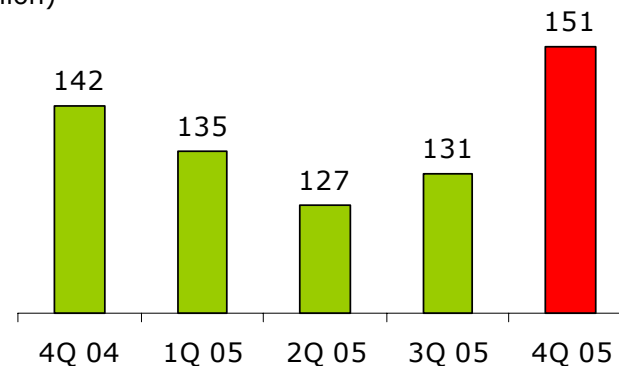
GPRS Users

(in 000)



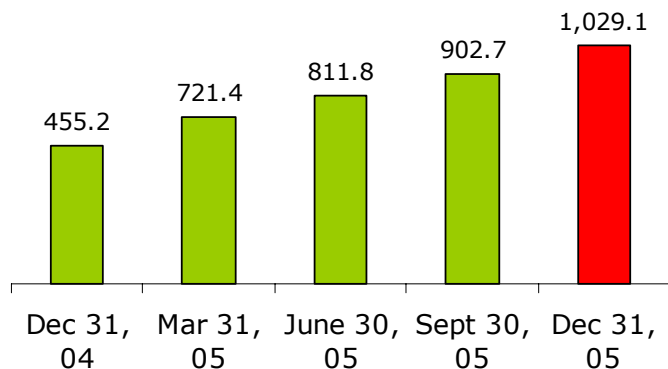
Number of SMS

(in million)

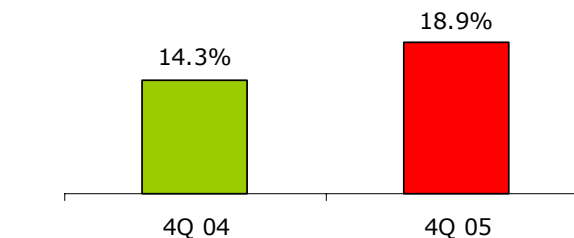


MMS Users

(in 000)



Data in % of Revenues*



* Traffic related revenues

Headcount* Development

(average period)	4Q 05	4Q 04	change
Wireline	9,571	9,674	-103
Wireless	6,011	3,621	2,390
Telekom Austria Group	15,582	13,295	2,287
thereof Mobitel	2,420		

(end of period)	Dec 31, 2005	Dec 31, 2004	change
Wireline	9,557	9,682	-125
Wireless	6,038	3,625	2,413
Telekom Austria Group	15,595	13,307	2,288
thereof Mobitel	2,447		

* in Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)

	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Switched voice base traffic	98.0	99.2	-1.2%	398.1	403.4	-1.3%
Switched voice monthly & other voice revenues	133.2	139.1	-4.2%	548.8	570.1	-3.7%
Payphones & VAS	11.2	13.0	-13.8%	48.1	52.6	-8.6%
Wholesale data & IT-solutions*	111.0	112.0	-0.9%	419.7	441.0	-4.8%
Internet access & media	66.0	54.3	21.5%	241.9	207.2	16.7%
Wholesale voice & Internet	80.6	93.4	-13.7%	349.3	369.0	-5.3%
Other	35.2	38.5	-8.6%	129.3	141.4	-8.6%
Total Wireline revenues	535.2	549.5	-2.6%	2,135.2	2,184.7	-2.3%

* including wholesale data

Wireline – Expense Breakdown

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Material expense	22.7	19.4	17.0%	65.3	69.0	-5.4%
Employee costs	124.4	127.5	-2.4%	481.3	494.9	-2.7%
Depreciation, amortization and impairment charges	201.2	188.1	7.0%	720.8	758.5	-5.0%
Interconnection	82.2	85.7	-4.1%	340.4	333.1	2.2%
Maintenance and repairs	40.0	36.0	11.1%	113.6	116.5	-2.5%
Services received	12.8	10.6	20.8%	44.8	41.9	6.9%
Other support services	32.2	33.3	-3.3%	88.7	87.2	1.7%
Other	67.5	71.4	-5.5%	214.4	227.8	-5.9%
Total Wireline expenses	583.0	572.0	1.9%	2,069.3	2,128.9	-2.8%

Wireless - Revenue Breakdown

(EUR million)

	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Traffic revenues	353.7	287.4	23.1%	1,264.7	1,141.5	10.8%
Monthly rental	117.7	78.6	49.7%	396.9	303.9	30.6%
Equipment	93.8	71.3	31.6%	225.6	180.1	25.3%
Roaming	36.4	33.1	10.0%	204.8	175.6	16.6%
Interconnection	111.3	82.3	35.2%	392.9	328.0	19.8%
Other	3.5	-0.6	-683.3%	18.1	15.9	13.8%
Discounts	-11.5	-9.8	17.3%	-13.8	-19.5	-29.2%
Total Wireless revenues*	704.9	542.3	30.0%	2,489.2	2,125.5	17.1%
Wireless revenues, on a comparable basis, excluding Mobiltel	569.6	542.3	5.0%	2,227.3	2,125.5	4.8%

* Mobiltel is included for the period of July 12 to December 31, 2005.

Wireless – Expense Breakdown

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Material expense	109.0	101.5	7.4%	302.0	276.3	9.3%
Employee costs	57.8	48.8	18.4%	198.2	179.8	10.2%
Depreciation and amortization	120.4	89.2	35.0%	416.8	358.1	16.4%
Interconnection	72.5	61.6	17.7%	271.3	236.0	15.0%
Repairs	19.7	18.0	9.4%	66.2	63.7	3.9%
Services received	77.0	67.4	14.2%	290.4	267.9	8.4%
Other support services	5.9	6.3	-6.3%	22.4	24.0	-6.7%
Other	134.7	86.3	56.1%	369.7	312.3	18.4%
Total Wireless expenses	597.0	479.1	24.6%	1,937.0	1,718.1	12.7%
Wireless, on a comparable basis, excluding Mobiltel	506.4	479.1	5.7%	1,769.2	1,718.1	3.0%

Operating Revenues by Segment

(EUR million)

	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Total Wireline revenues	535.2	549.5	-2.6%	2,135.2	2,184.7	-2.3%
Total Wireless revenues*	704.9	542.3	30.0%	2,489.2	2,125.5	17.1%
Other & eliminations	-68.6	-66.7	2.8%	-247.1	-253.9	-2.7%
Operating revenues	1,171.5	1,025.1	14.3%	4,377.3	4,056.3	7.9%
Wireless, on a comparable basis, excluding Mobiltel	569.6	542.3	5.0%	2,227.3	2,125.5	4.8%

* Mobiltel is included for the period of July 12 to December 31, 2005.

Adjusted EBITDA and Operating Income by Segment

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Wireline	153.3	165.8	-7.5%	786.7	814.3	-3.4%
Wireless*	228.4	152.2	50.1%	969.0	765.4	26.6%
Other & eliminations	0.4	0.0		1.5	-10.9	-113.8%
Adjusted EBITDA**	382.1	318.0	20.2%	1,757.2	1,568.8	12.0%
Wireless EBITDA, on a comparable basis, excluding Mobiltel	154.1	152.2	1.2%	814.4	765.4	6.4%

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Wireline	-47.9	-22.4	113.8%	65.9	55.8	18.1%
Wireless*	107.9	63.2	70.7%	552.2	407.4	35.5%
Other & eliminations	0.6	0.1	500.0%	1.9	-10.5	-118.1%
Operating income	60.6	40.9	48.2%	620.0	452.7	37.0%
Wireless operating income, on a comparable basis, excluding Mobiltel	63.3	63.2	0.2%	458.2	407.4	12.5%

* Mobiltel is included for the period of July 12 to December 31, 2005.

** Adjusted EBITDA is defined as net income excluding interest, taxes, depreciation, amortization, impairment charges, dividend income, equity in earnings of affiliates, other non-operating income/expense, minority interests and the cumulative effect of changes in accounting principles;

Capital Expenditures by Segment

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Wireline tangible	107.7	103.1	4.5%	314.0	280.0	12.1%
Wireless tangible*	135.7	105.9	28.1%	303.9	225.6	34.7%
Tangible (total)	243.4	209.0	16.5%	617.9	505.6	22.2%
Intangible	6.2	32.6	-81.0%	9.7	42.6	-77.2%
Telekom Austria Group	249.6	241.6	3.3%	627.6	548.2	14.5%
Wireless tangible, on a comparable basis, excluding Mobilтел	100.2	78.4	27.8%	255.2	225.6	13.1%

(EUR million)	4Q 05	4Q 04	% change	FY 2005	FY 2004	% change
Wireless tangible						
mobikom austria	64.0	72.3	-11.5%	174.4	139.2	25.3%
Mobilтел*	35.5			48.7		
Vipnet	29.6	24.6	20.3%	71.2	71.9	-1.0%
Si.mobil	8.8	8.9	-1.1%	12.3	14.2	-13.4%

* Mobilтел is included for the period of July 12 to December 31, 2005.

Net Debt - Telekom Austria Group

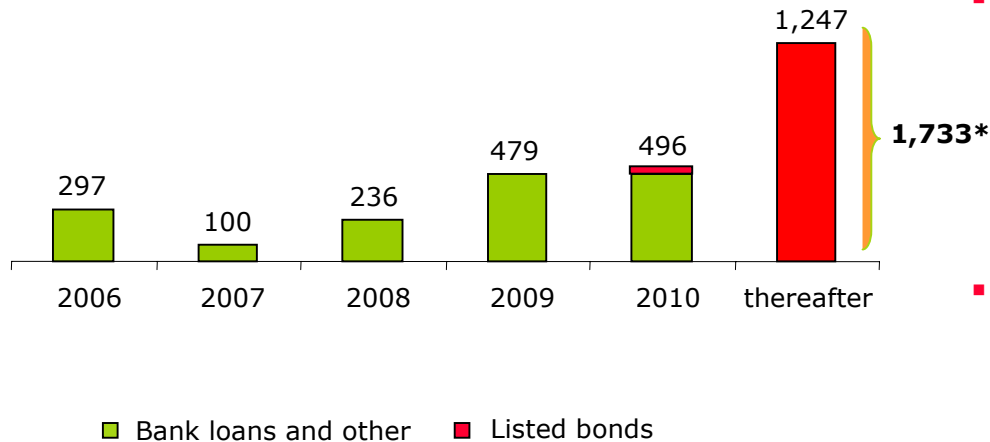
(EUR million)

	FY 2005	FY 2004	% change
Long-term debt	2,557.7	1,647.2	55.3%
Short-term debt	785.8	751.1	4.6%
- Short-term portion of capital and cross border lease obligations	-122.7	-95.3	28.8%
+ Capital lease obligations	0.6	1.6	-62.5%
Cash and cash equivalents, short-term and long term investments	-139.3	-312.9	-55.5%
Financial instruments, included in other assets and other current assets	0.0	-17.8	-100.0%
Net debt of Telekom Austria Group	3,082.1	1,973.9	56.1%
Shareholders' equity	2,869.5	2,741.6	4.7%
Net debt/equity	107.4%	72.0%	

Telekom Austria Debt Maturity Profile

Debt Maturity Profile

(EUR million)



Key Highlights

- Ratings of listed bonds:
 - S&P: BBB+ (*Stable outlook*)
 - Moody's: A3 (*Positive outlook*)
- Ratios:
 - Debt/equity as of Dec 31, 2005: 107.4%
 - Net debt /Adj. EBITDA (annualized): 1.75x
- Listed Bonds:
 - EUR 750 million 2003 – 2013
 - EUR 500 million 2005 – 2010
 - EUR 500 million 2005 - 2017

*Listed bonds at amortized costs

Reconciliation from Adjusted EBITDA to Consolidated Net Income*

(EUR million)	4Q 05	4Q 04	% change
Adjusted EBITDA	382.1	318.0	20.2%
Depreciation, Amortization & Impairment Charges	-321.5	-277.1	16.0%
Operating income	60.6	40.9	48.2%
Interest income/expenses	-28.0	-25.1	11.6%
Equity in earnings of affiliates	0.3	0.3	0.0%
Other income, net	3.1	2.1	47.6%
Income tax expense	5.6	7.0	-20.0%
Minority interests	0	-0.1	-100.0%
Net income	41.6	25.0	66.4%

* Mobitel is included in 4Q 2005.