

Telekom Austria Group Results for the First Nine Months 2006

November 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.”

Agenda

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

Key Developments

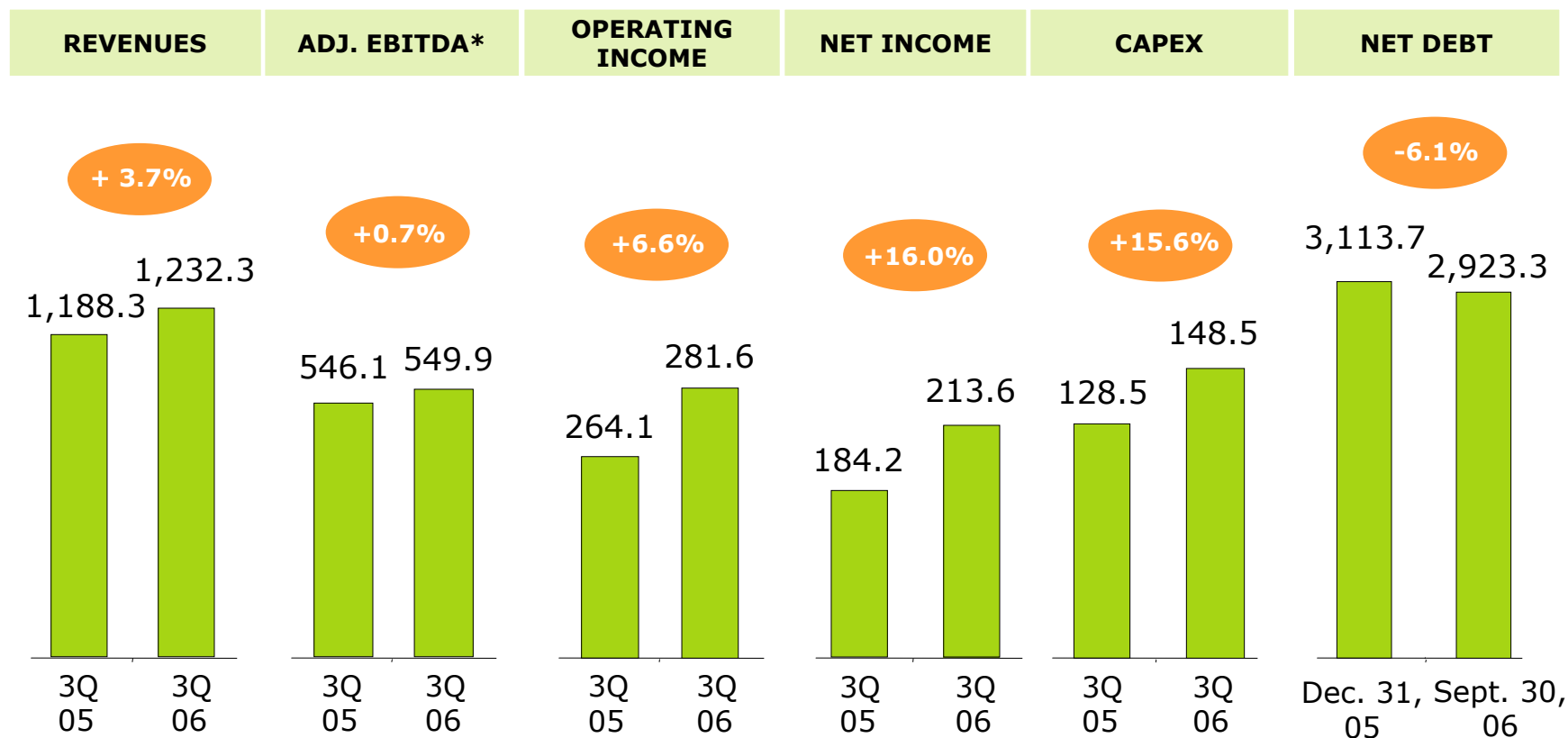
Telekom Austria – Highlights 3Q 2006

- Increase of all key financial indicators
- Group net income increases by 16.0% to EUR 213.6 million, earnings per share increase by 19.9%
- Accelerated acquisition of treasury shares: EUR 116.9 million executed in 3Q 06
- Further growth of subscriber base in all Wireless companies
- Wireline revenues stable, Wireline EBITDA impacted by higher personnel expenses & interconnection cost
- Revenue growth in the Wireless segment driven by international operations, Wireless EBITDA increases by 7.2%

Telekom Austria – 3Q 2006 Improvement of all Key Financial Indicators

Key Financial Indicators

(EUR million)



* Adjusted EBITDA is defined as net income before interest, income tax expense, depreciation and amortization, impairment charges, equity in earnings of affiliates, income/loss from investments and foreign exchange differences.

Wireline

Stable Revenues, Decline in EBITDA due to Increased Personnel & Interconnection Costs

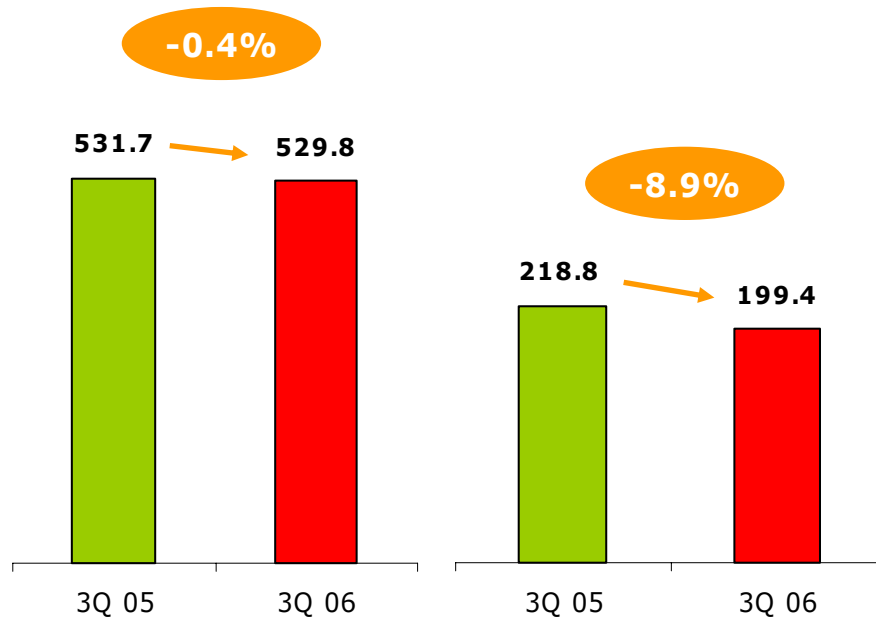
3Q 2006 Results

Key Highlights

(EUR million)

Revenues

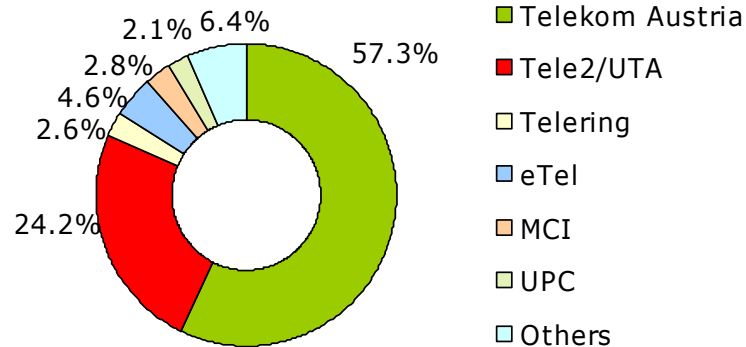
Adj. EBITDA



- Fixed-to-mobile substitution is main driver for decline of traditional voice revenues
- Revenues for Internet access & media increase by 10.7% and help to ease pressure
- Wholesale continues to partly offset trend with strong international wholesale business
- Adjusted EBITDA declines by 8.9% mainly due to higher operating expenses from increased personnel and interconnection costs

Effective Customer Retention Increases Voice Market Share & Eases Pressure

Voice Market Shares*



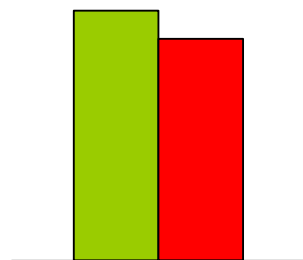
* Telekom Austria estimates

Highlights

- Effective customer retention leads to increase of voice market share by 1.4%p. to 57.3%
- 14.8% more bonus packages at the end of 3Q 06
- Total voice market declined by 11.3% compared to a 9.4% decline of minutes for Telekom Austria

Total Voice Market

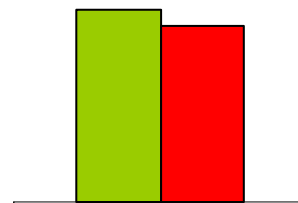
-11.3%



3Q 05 vs. 3Q 06

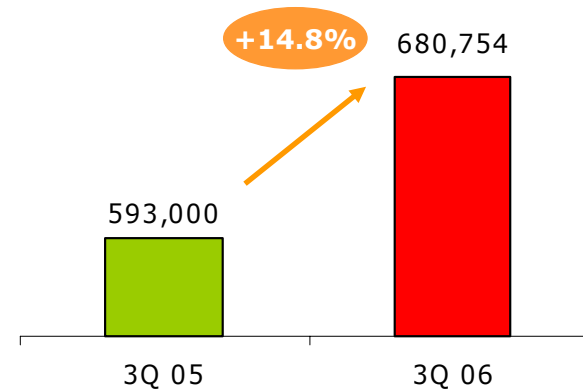
TA Voice MoU's

-9.4%



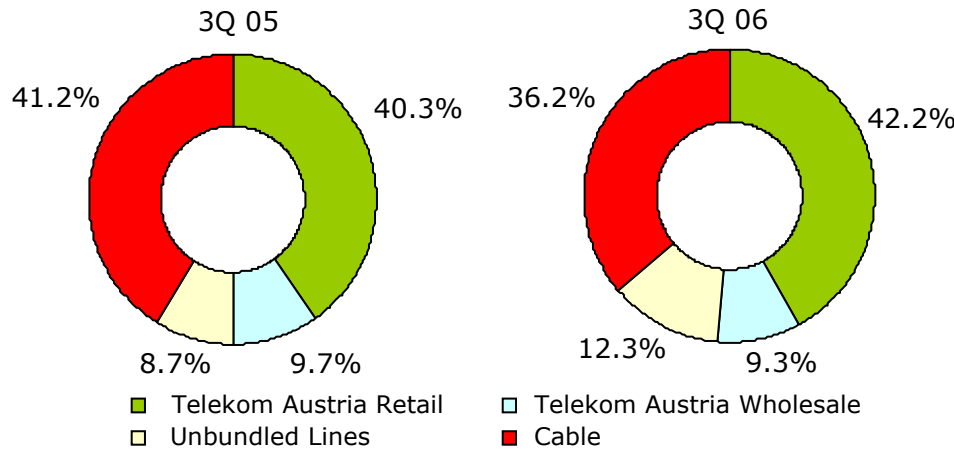
3Q 05 vs. 3Q 06

Bonus Packages



Broadband Market Share up to 51.5%, Further Rise of Total ADSL Lines

Broadband Market Shares Year on Year

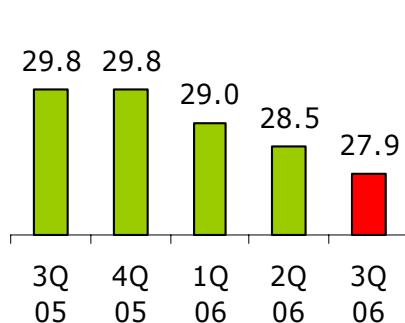


Highlights

- Broadband market share increases by 1.5%p year on year to 51.5%
- 16.9% growth in total ADSL revenues supported by migration from dial-up customers
- Further increase of total ADSL lines by 27.4% to 670,000
- The number of unbundled lines reaches 178,800 in 3Q 06 compared to 108,600 year on year
- Net adds grow by 5.4% despite competition from mobile operators for wireless broadband
- Launch of limited sales promotion aonSpeed for monthly rental of EUR 9.90 to stimulate growth
- Decline of ADSL ARPU by 6.4% due to strong customer acceptance of entry level packages

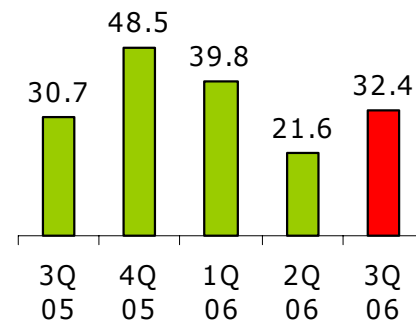
ADSL ARPU

(in EUR)



ADSL Net Adds

(in 000)



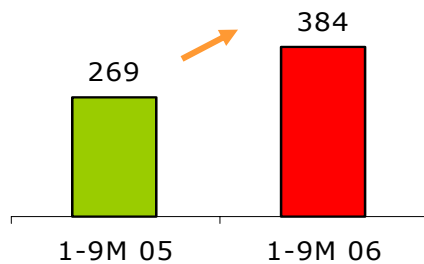
Wholesale: Focus on Eastern Europe and Mobile Operators Provides Growth

International Minutes

(in million minutes)

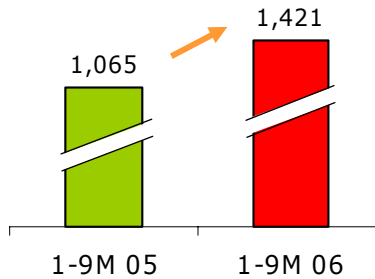
Int'l transit Eastern Europe

42.9%



Int'l minute volume

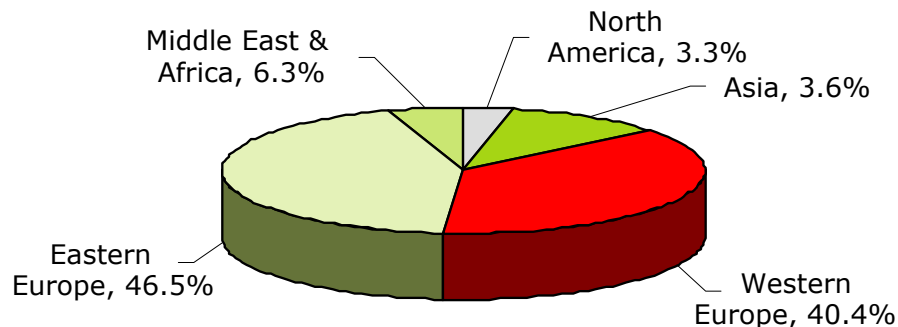
33.4%



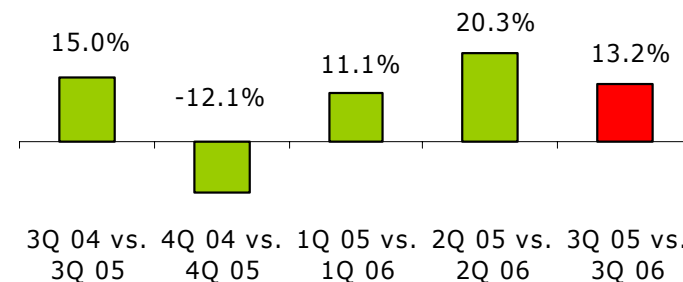
Highlights

- International Wholesale revenues increase by 13.2% mainly due to increased international transit revenues
- Focus on service for operators in Eastern Europe results in strong growth
- Successful acquisition of new customers with focus on mobile operators
- Revenue increase in international markets more than offsets price decline of international voice and reduction in national interconnection

International Distribution of Minutes



Int'l Wholesale Revenue Growth



Wireless

Growth of Wireless Segment Driven by Strong International Operations

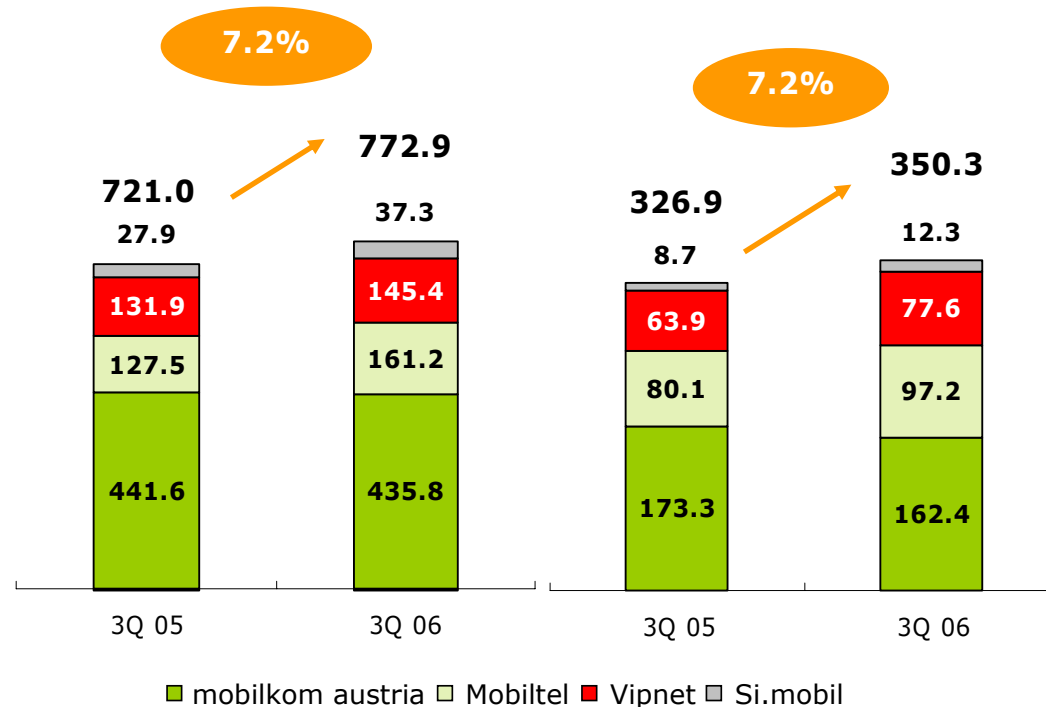
3Q 2006 Results*

Key Highlights

(EUR million)

Revenues

Adj. EBITDA



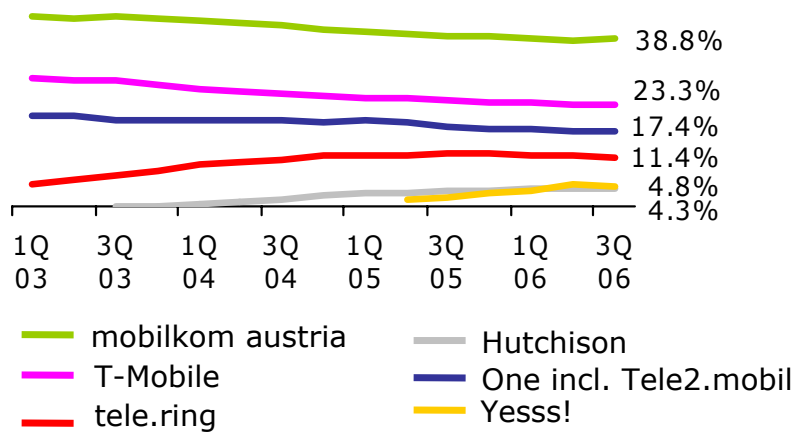
- Revenues and adj. EBITDA grow by 7.2%
- Strong subscriber growth of 15.7% in all markets despite already high penetration levels
- Domestic mobile resilient despite fierce competition and interconnection cuts
- Organic revenue growth through strong international traffic revenues and higher national roaming in Croatia and Austria
- Drivers for traffic revenue growth are higher subscriber base and increased usage per subscriber

* Financial figures for 3Q 05 include results for Mobiltel for the period from July 12 through September 30, 2005.

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mobilkom austria Reduces SAC per Subscriber Despite Increase of Net Adds

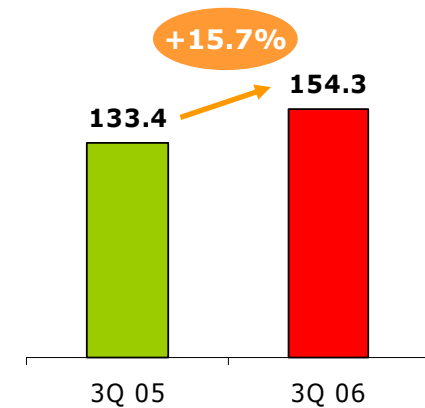
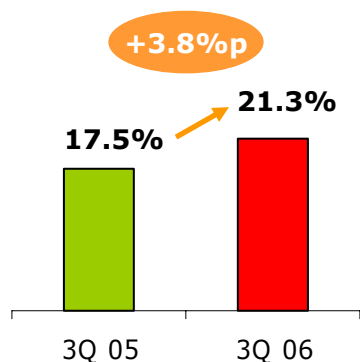
Market Shares	Key Highlights
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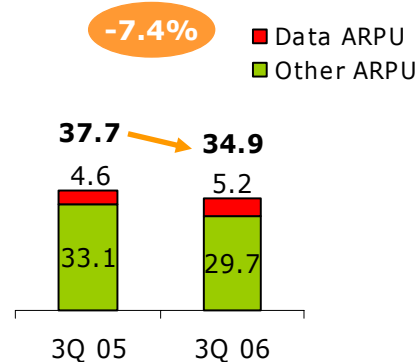
- Successful positioning of bob in low-price segment
- Slight decrease in market share due to ongoing growth in low-price segment
- Decline of ARPU driven by interconnection rate cuts as well as declining prices on the Austrian market
- Usage per subscriber increase by 15.7% partly offsets price competition

Data	MoU per Subscriber	ARPU	MTR Cuts ARPU
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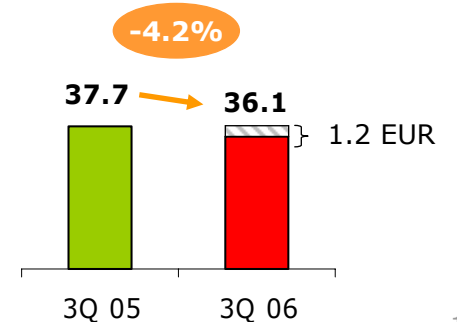
as % of traffic revenue



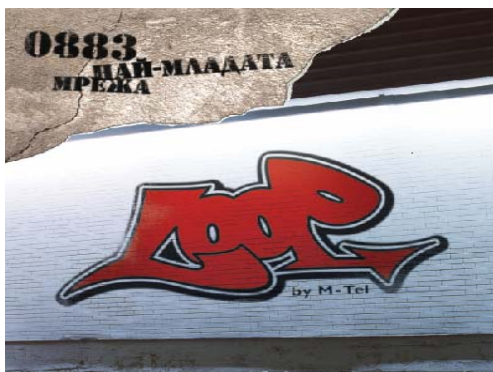
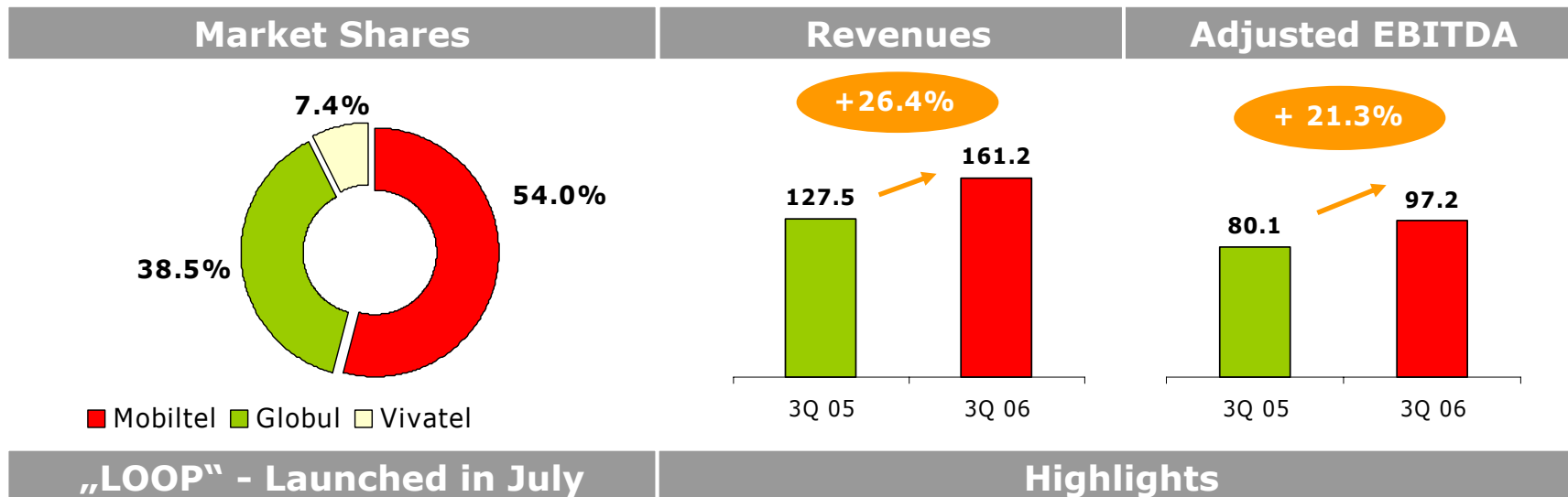
(in EUR)



Lower Mobile Termination Rate drives ARPU decline



Mobilitel Exceeds the 4-Million Subscriber Mark, Margin Sustained at 60%

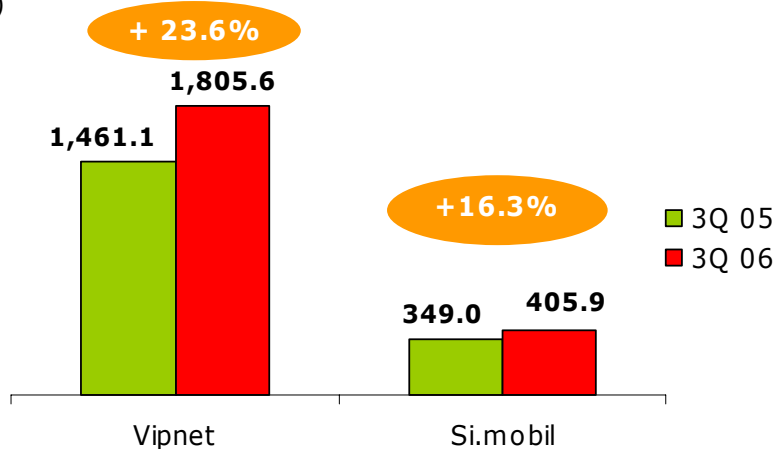


- Net adds increase by 84% despite competitive market, subscribers grow by 21.1% to 4.04 million
- “LOOP” dedicated to young people between 14 and 26, launched to improve position in growing youth segment
- Revenues increase by 26.4% mainly due to higher monthly rental and traffic revenues
- Decline in ARPU by 10.9% due to price reductions, mainly for on-net calls

Good Acceptance of "tomato" in Croatia, Operating Income Doubles in Slovenia

Subscribers (EoP)

(in 000)



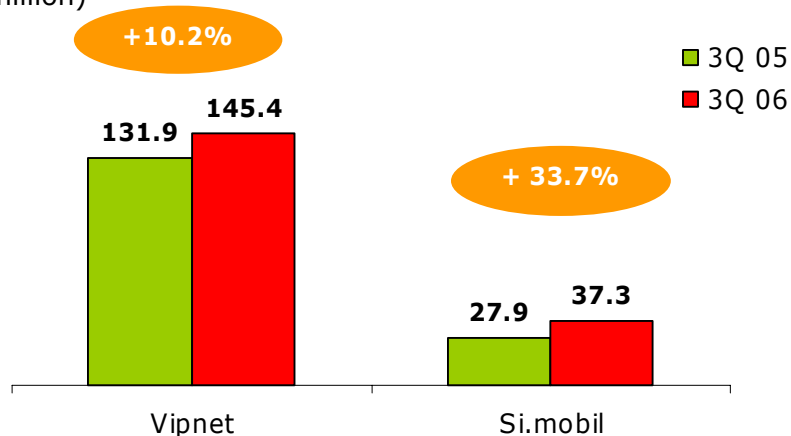
Key Highlights

Vipnet

- Good performance of "tomato" partly drives subscriber growth
- Total subscriber base stands at 1.8 million
- Revenues increase by 10.2% driven by increased traffic and national roaming revenues from Tele2
- Adj. EBITDA increases by 21.4% despite higher sales and marketing costs

Revenues

(EUR million)



Si.mobil

- Contract subscriber share increases by 8.4%p. to 55.2%
- Continuing growth of market share to 24.4% due to successful marketing campaigns
- Adj. EBITDA grows by 41.4%, operating income doubles
- ARPU increases significantly by 21.6% to EUR 22.5 due to larger contract subscriber base and higher traffic volume

Financial Overview

Revenues Increase by 3.7%, adj. EBITDA Stable. Operating Income Grows by 6.6%

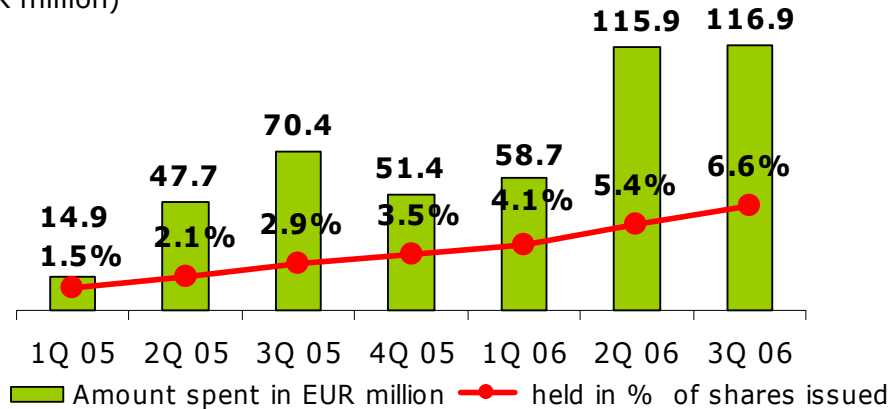
(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Total revenues	1,232.3	1,188.3	3.7%	3,560.3	3,196.8	11.4%
Other operating income	17.6	13.3	32.3%	44.9	44.2	1.6%
Adjusted EBITDA	549.9	546.1	0.7%	1,531.7	1,377.0	11.2%
Adjusted EBITDA Margin	44.6%	46.0%	-2.9%	43.0%	43.1%	-0.1%
Operating income	281.6	264.1	6.6%	695.7	560.1	24.2%
Net income	213.6	184.2	16.0%	498.5	370.2	34.7%
Capital expenditures	148.5	128.5	15.6%	421.4	378.0	11.5%

(EUR million)	Sep 30, 2006	Dec 31, 2005	% change
Net debt (end of period)	2,923.3	3,113.7	-6.1%

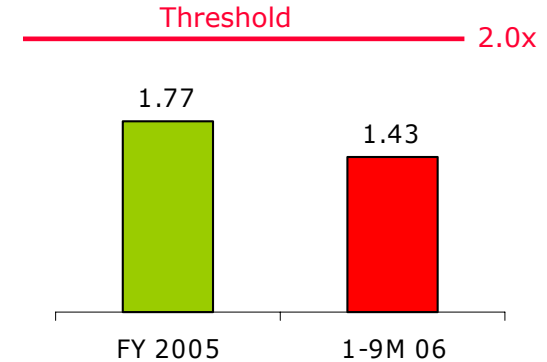
Acceleration of Acquisition of Treasury Shares

Amount spent on share buybacks

(EUR million)



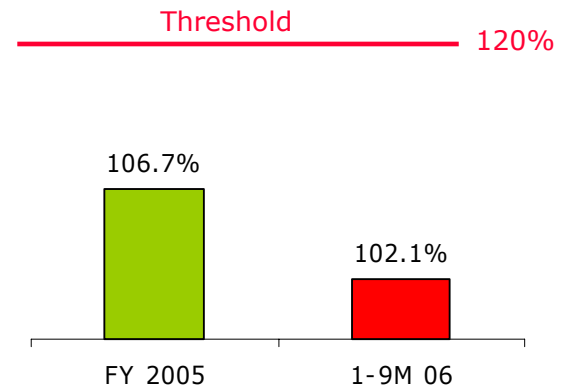
Net debt/adj. EBITDA (annual.)



Highlights

- Acceleration of acquisition program with aim to reach 10.0% treasury shares
- 7.4% of issued shares held in treasury as of November 14, 2006
- EUR 116.9 million spent in 3Q 06
- EUR 67.5 million spent in first three weeks of 4Q 06

Net debt/equity (gearing ratio)



Adoption of Tax Reforms in Bulgaria and Slovenia Reduces Corporate Income Tax

Tax reform in Bulgaria

- In October 2006 the national assembly of the Republic of Bulgaria adopted a tax reform to become effective as of January 1, 2007
- Corporate income tax rate will be reduced from 15% to 10%
- Tax income expected in 4Q 06 due to revaluation of estimated deferred tax assets and liabilities
- Goodwill amortization will no longer be allowed for tax purposes

Tax reform in Slovenia

- In November 2006 the Slovenian parliament passed an act to gradually decrease income tax rate
- Corporate income tax in Slovenia for 2006 is 25%
- Corporate income tax rate will be reduced to 23% in 2007
- Further reductions to 22% in 2008, 21% in 2009 and 20% in 2010

Third License Allows Cash Preserving Entry Into Serbian Market

Highlights



- Telekom Austria Group winning bidder for GSM 900/1800 and UMTS license in Serbia
- EUR 320 million and 1 Euro paid for 20 year licenses
- The license conditions require to start operations within 6 months following the license grant date
- Payment of the license fee is expected in 2006
- Operation expected to continue EBITDA & Cash Flow in 2009
- EUR 250 million Capex expected by 2009 for the network rollout
- Cash preserving entry into Serbian market

Outlook

Improved Outlook for FY 2006

Group	<ul style="list-style-type: none">▪ Revenue growth of about 5% and increase in adjusted EBITDA by about 10%▪ Upgrade of growth expectations for operating income and net income. Both expected to rise by approximately 30%▪ Steady pay-out ratio of 65%▪ Increase in Capex by around 8% due to full year consolidation of Mobitel and 3G investments
Wireline	<ul style="list-style-type: none">▪ Continuing migration of call volumes to mobile will lead to lower revenues and decline in adjusted EBITDA; strong growth in broadband area will not fully offset decline in voice business
Wireless	<ul style="list-style-type: none">▪ Further rise in operating revenues and in adjusted EBITDA from contribution of Mobitel and good performance of our international operations, fierce price competition in all markets

Appendix

Regulatory Issues (1)

Key Aspects

- RTR has to evaluate stage of competition on regulated markets every two years – Austria is ahead of other EU member states with market analysis process – 2nd round will be finalized in December 2006
- Public payphones: the minimum charge of EURc 20 was increased up to EURc 30
- Yearly certification of TA's regulatory cost accounting model finalized
- European Commission published new draft documents for consultation on the Review 2006 and on Market Definitions: only 12 instead of 18 markets defined. However, the Commission suggests to include SMS in the market for mobile termination its recommendation for relevant markets. This is rejected not only by operators but also by the European Regulators Group.

Regulatory Issues (2)

Key Aspects

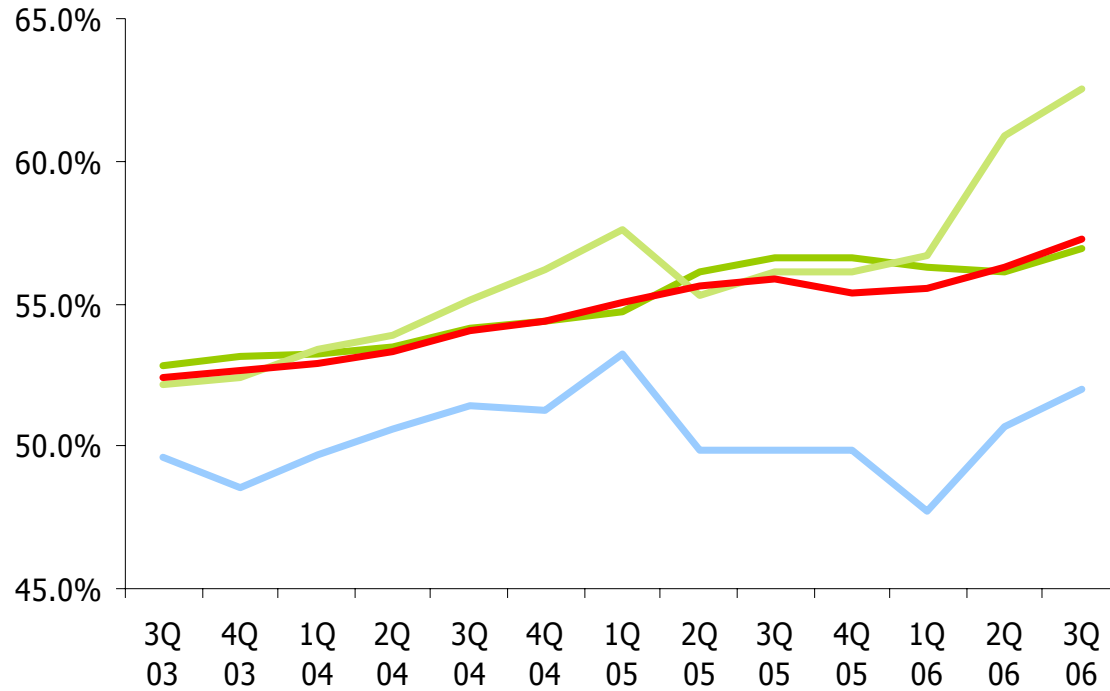
- **Gliding Path Model Mobile Termination:** Regulator urged mid-term unification of mobile termination rates between operators; Reduction took place according to a gliding path model: by July 1, 2006 mobilkom austria reduced its termination rate to EURc 8.34. mobilkom austria has started a new proceeding with the NRA against T-mobile/tele.ring to bring termination rates down to mobilkom-level.
- **Roaming Regulation:** in July 2006 the European Commission adopted a proposal for a regulation on roaming charges.

The proposal has to be adopted by both the national governments represented in the Council of Ministers and the EU Parliament in parallel before it can come into force. Due to delays in the European Council and Parliament this “co-decision procedure” will presumably be concluded end of 2007 thereby delaying the entry into force of the regulation by about 6 months.

Wireline - Access Lines

(in 000)	3Q 06	3Q 05	% change
PSTN access lines	2,289.8	2,388.9	-4.1%
Basic ISDN access lines	398.0	427.0	-6.8%
Multi ISDN access lines	7.2	7.4	-1.9%
Total access lines in service	2,695.1	2,823.3	-4.5%
of these ADSL access lines	670.0	525.8	27.4%
thereof ADSL wholesale lines	121.0	101.7	19.0%
	3Q 06	3Q 05	% change
Total access channels in service	3,303.0	3,464.3	-4.7%
	3Q 06	3Q 05	% change
ADSL net adds	32.4	30.7	5.4%
Unbundled lines	178.8	108.6	64.7%

Wireline - Market Shares

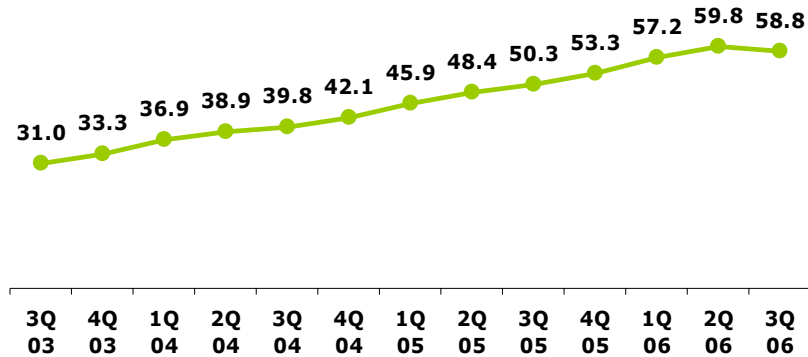


- Local + National long distance traffic
- Fixed to mobile
- International
- Total voice traffic

ADSL – Revenues and Residential ARPU

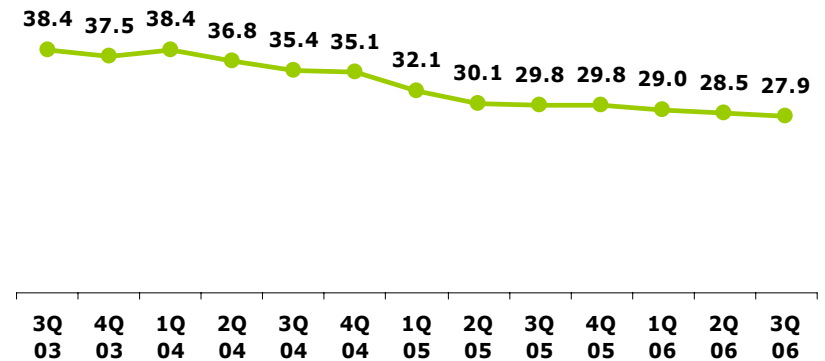
ADSL Revenues (incl. Wholesale)

(EUR million)



ADSL Residential ARPU

(in EUR)








Wireline - Minutes and Average Tariffs

(in million minutes)	3Q 06	3Q 05	% change
National	818	913	-10.5%
Fixed-to-mobile	195	208	-6.1%
International	101	108	-6.2%
Total voice minutes	1,114	1,229	-9.4%
Internet dial-up	310	507	-38.9%
Total wireline minutes	1,424	1,736	-18.0%

(Average tariffs in EUR)	3Q 06	3Q 05	% change
National	0.042	0.040	6.3%
Fixed-to-mobile	0.168	0.187	-10.1%
International	0.181	0.179	1.1%
Total voice average	0.077	0.077	0.0%
Internet dial-up	0.018	0.017	5.2%

(in million minutes)	3Q 06	3Q 05	% change
National wholesale	2,144	2,543	-15.7%
International wholesale	818	627	30.6%
Total wholesale minutes	2,962	3,170	-6.6%

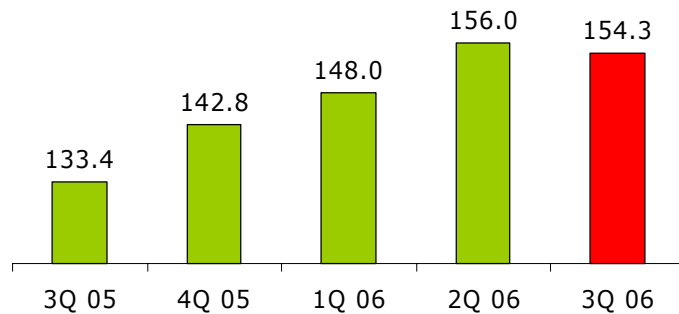
Mobile Subscribers

		(in 000)	3Q 06	3Q 05	% change
	Contract		2,093.7	1,845.1	13.5%
	Prepaid		1,435.7	1,464.4	-2.0%
	Total Austria		3,529.4	3,309.5	6.6%
	Market share		38.8%	39.5%	
	Contract		1,446.8	1,178.9	22.7%
	Prepaid		2,589.5	2,154.0	20.2%
	Total Bulgaria		4,036.3	3,332.9	21.1%
	Market share		54.0%	60.8%	
	Contract		292.0	234.8	24.4%
	Prepaid		1,513.6	1,226.3	23.4%
	Total Croatia		1,805.6	1,461.1	23.6%
	Market share		43.2%	45.1%	
	Contract		224.1	163.5	37.1%
	Prepaid		181.8	185.5	-2.0%
	Total Slovenia		405.9	349.0	16.3%
	Market share		24.4%	22.1%	
	Total Liechtenstein		4.7	3.7	27.0%
	Market share		16.4%	14.1%	
Total Wireless*			9,781.9	8,456.2	15.7%

* Mobitel figures are included in 3Q 05 subscriber figures.

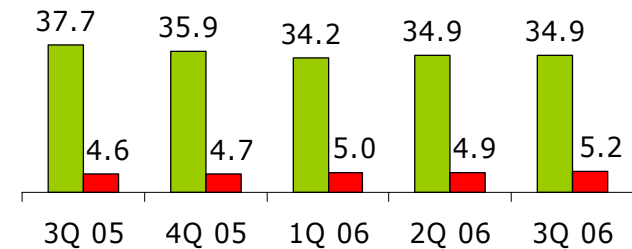
Operational Data – mobilkom austria

MoU per Subscriber



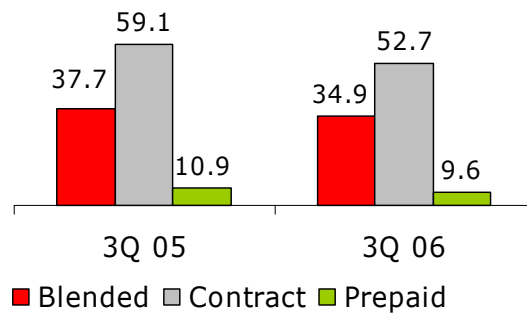
ARPU & Data ARPU

(in EUR) ■ Blended ARPU ■ Data ARPU

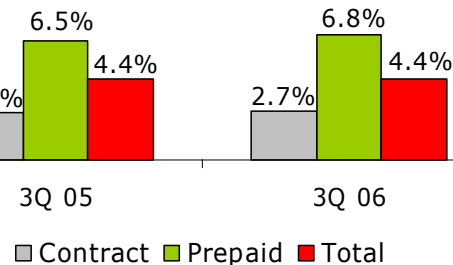


ARPU

(in EUR)

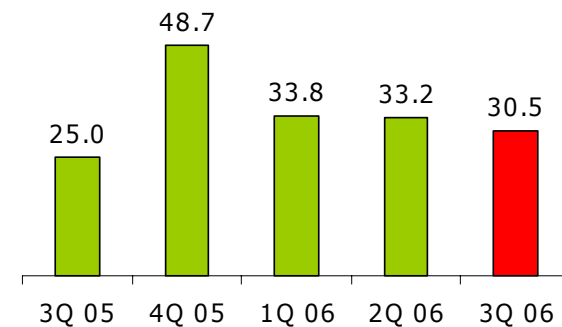


Quarterly Churn



SRC & SAC*

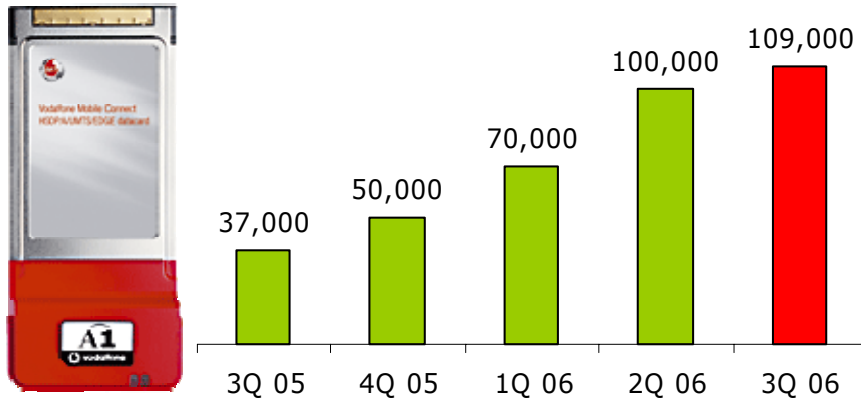
(in EUR million)



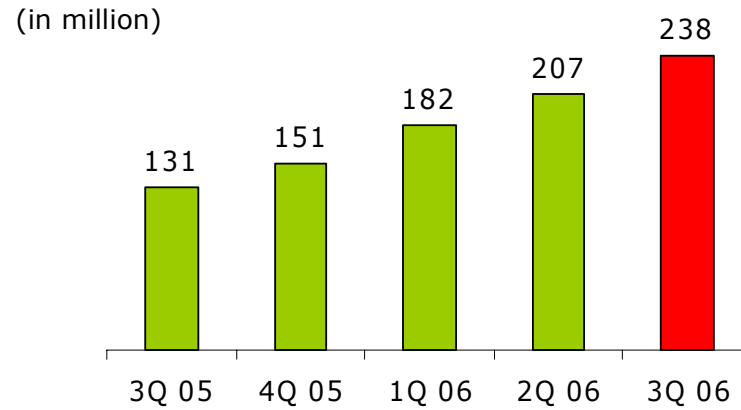
* Subscriber retention cost & subscriber acquisition cost

mobilkom austria - Mobile Data

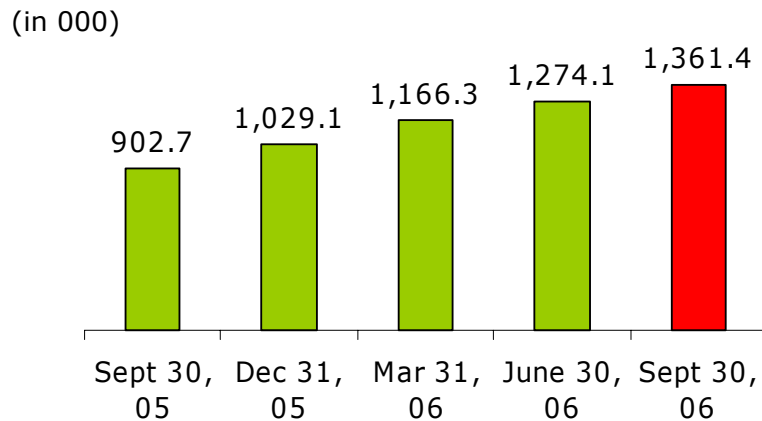
Number of Data Cards Sold Cumulated



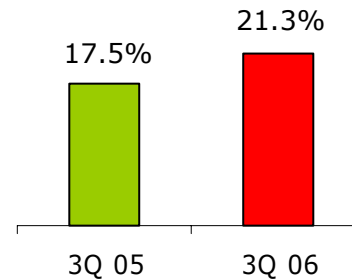
Number of SMS



MMS Users



Data in % of Revenues*



* Traffic related revenues

Headcount* Development

(average period)	Sep 30,2006	Sep 30,2005	change
Wireline	9,518	9,613	-95
Wireless	5,991	4,395	1,596
Telekom Austria Group	15,509	14,008	1,501
thereof Mobiltel	2,418		

(end of period)	Sep 30,2006	Sep 30,2005	change
Wireline	9,499	9,585	-86
Wireless	5,968	5,963	5
Telekom Austria Group	15,467	15,548	-81
thereof Mobiltel	2,409		

* Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)

	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Switched voice base traffic	85.6	97.6	-12.3%	272.9	300.1	-9.1%
Switched voice monthly & other voice revenues	129.8	137.8	-5.8%	393.6	415.6	-5.3%
Payphones & VAS	11.8	12.2	-3.3%	33.8	36.9	-8.4%
Wholesale data & IT-solutions	102.7	104.3	-1.5%	309.4	308.7	0.2%
Internet access & media	66.0	59.6	10.7%	198.4	175.9	12.8%
Wholesale voice & Internet	103.9	90.3	15.1%	290.3	268.7	8.0%
Other	30.0	29.9	0.3%	85.6	85.6	0.0%
Total wireline revenues	529.8	531.7	-0.4%	1,584.0	1,591.5	-0.5%

Wireless - Revenue Breakdown

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Traffic revenues	382.9	369.8	3.5%	1,083.0	933.3	16.0%
Monthly rental	121.0	109.3	10.7%	357.6	279.2	28.1%
Equipment	61.0	57.4	6.3%	173.1	131.8	31.3%
Roaming	87.9	75.8	16.0%	213.0	168.5	26.4%
Interconnection	114.1	113.7	0.4%	333.2	281.6	18.3%
Other	11.6	3.8	205.3%	33.8	11.4	196.5%
Discounts	-5.6	-8.8	-36.4%	-21.7	-24.7	-12.1%
Total wireless revenues*	772.9	721.0	7.2%	2,172.0	1,781.1	21.9%
Wireless revenues, on a comparable basis, excluding Mobiltel	613.5	594.4	3.2%	1,744.4	1,654.5	5.4%

* Mobiltel is included in 3Q 05 and 1-9M 05 figures for the period from July 12 through December 31, 2005.

Operating Revenues by Segment

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Wireline revenues	529.8	531.7	-0.4%	1,584.0	1,591.5	-0.5%
Wireless revenues*	772.9	721.0	7.2%	2,172.0	1,781.1	21.9%
Other & eliminations	-70.4	-64.4	9.3%	-195.7	-175.8	11.3%
Operating revenues	1,232.3	1,188.3	3.7%	3,560.3	3,196.8	11.4%
Wireless, on a comparable basis, excluding Mobiltel	613.5	594.4	3.2%	1,744.4	1,654.5	5.4%

* Mobiltel is included in 3Q 05 and 1-9M 05 figures for the period from July 12 through December 31, 2005.

Adjusted EBITDA and Operating Income by Segment

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Wireline EBITDA	199.4	218.8	-8.9%	600.2	636.8	-5.7%
Wireless EBITDA*	350.3	326.9	7.2%	929.6	739.1	25.8%
Other & eliminations	0.2	0.4	-50.0%	1.9	1.1	72.7%
Adjusted EBITDA**	549.9	546.1	0.7%	1,531.7	1,377.0	11.2%
Wireless EBITDA, on a comparable basis, excluding Mobiltel	253.1	246.7	2.6%	670.7	658.9	1.8%

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Wireline operating income	52.6	56.4	-6.7%	130.4	116.8	11.6%
Wireless operating income*	228.7	207.3	10.3%	563.1	441.9	27.4%
Other & eliminations	0.3	0.4	-25.0%	2.2	1.4	57.1%
Operating income	281.6	264.1	6.6%	695.7	560.1	24.2%
Wireless operating income, on a comparable basis, excluding Mobiltel	165.6	158.1	4.7%	405.5	392.7	3.3%

* Mobiltel is included in 3Q 05 and 1-9M 05 figures for the period from July 12 through December 31, 2005.

** Operating income before depreciation, amortization and impairment charges.

Capital Expenditure by Segment

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Wireline tangible	59.7	66.0	-9.5%	161.8	191.9	-15.7%
Wireless tangible*	55.9	49.3	13.4%	190.2	145.8	30.5%
Tangible (total)	115.6	115.3	0.3%	352.0	337.7	4.2%
Wireline intangible	4.9	2.9	69.0%	16.5	14.4	14.6%
Wireless intangible*	28.0	10.3	171.8%	52.9	25.9	104.2%
Intangible (total)	32.9	13.2	149.2%	69.4	40.3	72.2%
Telekom Austria Group	148.5	128.5	15.6%	421.4	378.0	11.5%
Wireless tangible, on a comparable basis, excluding Mobiltel	34.4	36.1	-4.7%	125.0	132.6	-5.7%

(EUR million)	3Q 06	3Q 05	% change	1-9M 06	1-9M 05	% change
Wireless tangible						
mobilkom austria	21.3	24.0	-11.3%	81.4	90.5	-10.1%
Mobiltel	21.6	13.2	63.6%	65.4	13.2	395.5%
Vipnet	11.8	5.7	107.0%	36.7	34.1	7.6%
Si.mobil	1.3	1.2	8.3%	6.5	3.1	109.7%

* Mobiltel is included in 3Q 05 and 1-9M 05 figures for the period from July 12 through December 31, 2005.

Net Debt - Telekom Austria Group

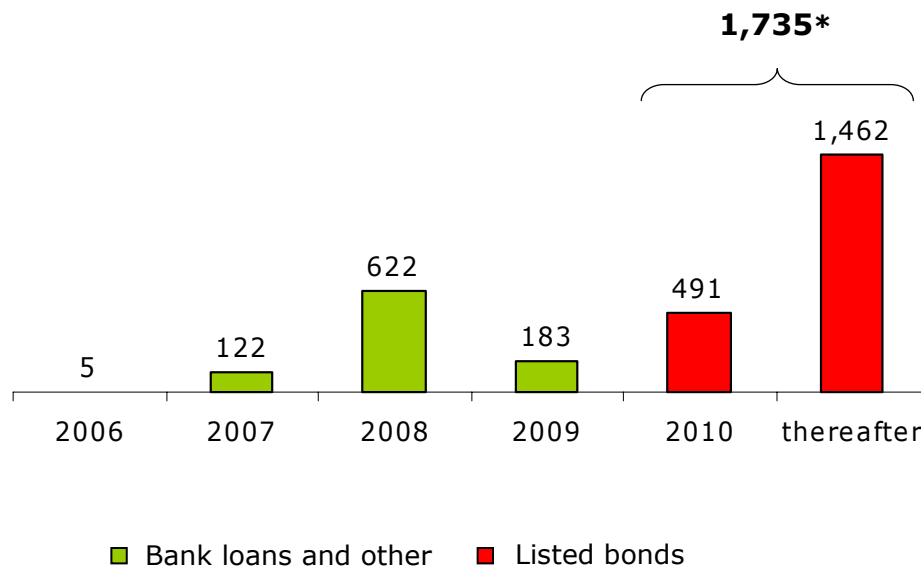
(EUR million)

	Sep 30,2006	Dec 31,2005	% change
Long-term debt	2,790.5	2,557.7	9.1%
Short-term debt	293.9	704.1	-58.3%
- Short-term portion of capital and cross border lease obligations	-11.3	-9.4	20.3%
+ Capital lease obligations	0.5	0.6	-20.9%
Cash and cash equivalents, short-term and long term investments	-145.3	-139.3	4.3%
Financial instruments, included in other assets and other current assets	-5.0	0.0	n.a.
Net debt of Telekom Austria Group	2,923.3	3,113.7	-6.1%
Shareholders' equity	2,863.2	2,918.8	-1.9%
Net debt/equity	102.1%	106.7%	-4.3%

Telekom Austria Debt Maturity Profile

Debt Maturity Profile

(EUR million)



Key Highlights

- Ratings of listed bonds:
 - S&P: BBB+ (*Positive outlook*)
 - Moody's: A3 (*Positive outlook*)
 - S&P upgraded outlook to positive in August 2006

Ratios:

- Net debt/equity as of Sept 30, 2006: 102.1%
- Net debt /adj. EBITDA (annualized): 1.43x
- 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 Net Income*

(EUR million)	3Q 06	3Q 05	% change
Adjusted EBITDA**	549.9	546.1	0.7%
Depreciation and amortization	-268.3	-282.0	-4.9%
Impairment charges	0.0	0.0	n.a.
Operating income	281.6	264.1	6.6%
Interest income	4.9	5.3	-7.5%
Interest expense	-33.6	-34.9	-3.7%
Accretion expense	-0.9	-0.9	0.0%
Foreign exchange differences	0.0	-0.1	n.a.
Income from investments	0.0	0.3	n.a.
Equity in earnings of affiliates	0.1	0.1	0.0%
Income tax expense	-38.5	-49.7	-22.5%
Net income	213.6	184.2	16.0%

* Deviations may occur due to rounding differences. Mobiltel is included in 3Q 05 figures for the period from July 12 through December 31, 2005, ** Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment charges. 42