

Telekom Austria Group Results for the 3rd Quarter 2005

November 16, 2005

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 press 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. As a result, Telekom Austria's assessment of the risks and opportunities presented by the acquisition, as well as the effects of the acquisition on Telekom Austria's financial results, may not be accurate and there may be risks of which Telekom Austria is not aware. The description of Mobiltel and its financial data contained in this press release is based solely upon the information provided to Telekom Austria during the acquisition process and during the short period of time of its involvement in the management of Mobiltel since 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

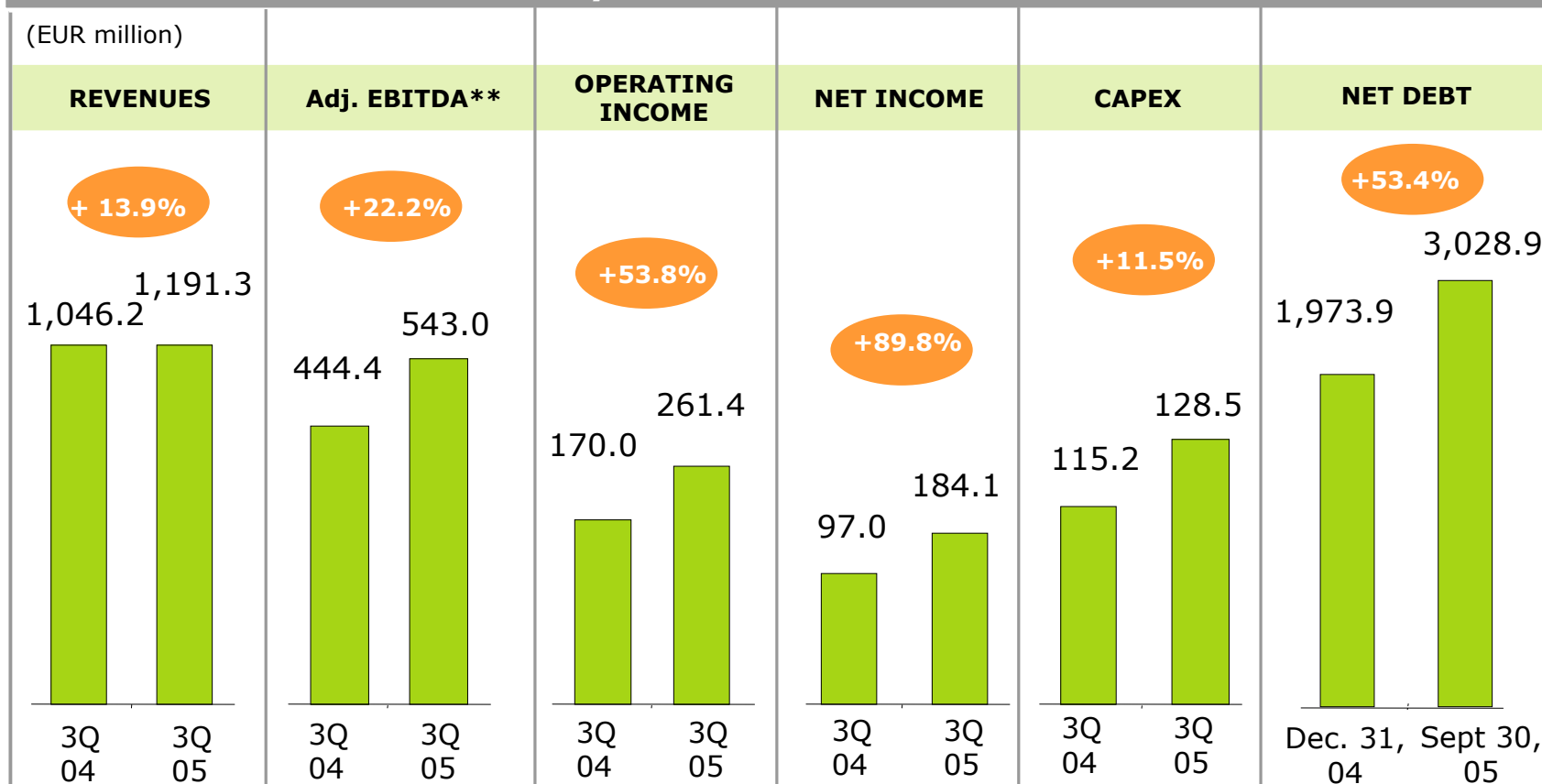
Key Developments

Telekom Austria – 3Q 05 Highlights

- Group results positively impacted by consolidation of Mobiltel from July 12, 2005
- Consolidated revenues increase by 13.9% to EUR 1,191.3 million and adjusted EBITDA increases by 22.2% to EUR 543,0 million
- Group net income increase by 89.8% to EUR 184.1 million
- Consolidated net debt increases by EUR 1,055.0 million to EUR 3,028.9 million compared to the end of December 2004
- Strong Wireless performance due to higher subscriber numbers and well performing data business
- Wireline segment demonstrates strong broadband growth

Telekom Austria – 3Q 2005 Results positively impacted by Mobilitel

Key Financial Indicators*



* Financial figures of Telekom Austria include the results of Mobilitel for the period of July 12 through September 30, 2005

** Operating income before depreciation, amortization and impairment charges

Wireline

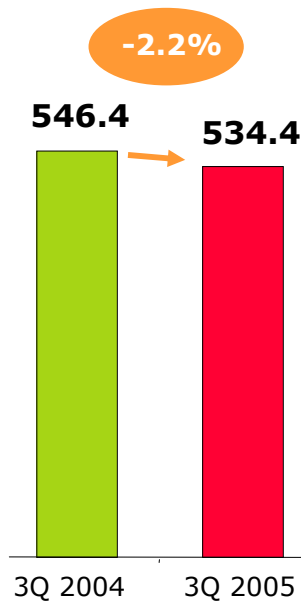
Wireline Results 3Q 05

3Q 2005 Results

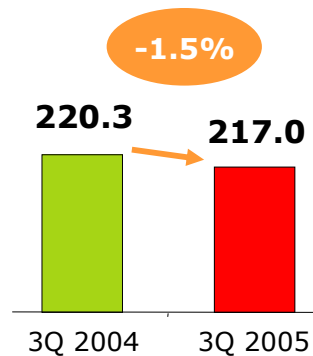
Key Highlights

(EUR million)

Revenues



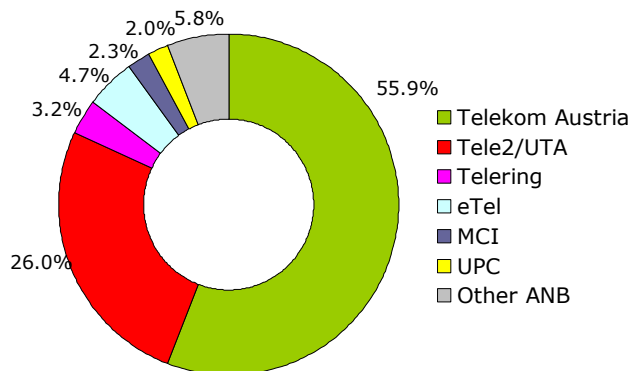
Adj. EBITDA



- Launch of new broadband products for retail and business customers
- Revenues from “Internet access & media” increase by 17.6% driven by strong broadband performance
- Decline of total revenues mainly due to lower revenues from traditional data services and monthly rentals
- Slight increase of EBITDA margin to 40.6%

Improved Position Drives Market Share, Slowdown of Decline of Voice MoU continues

Voice Market Shares*

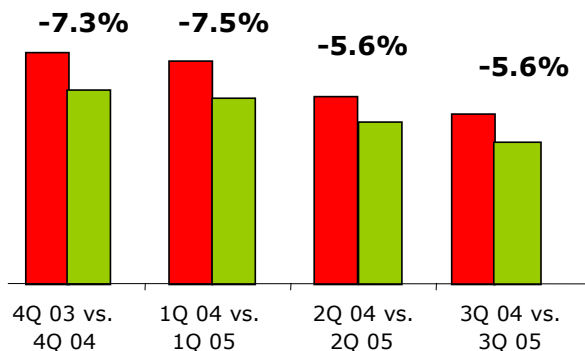


* Telekom Austria estimates

Highlights

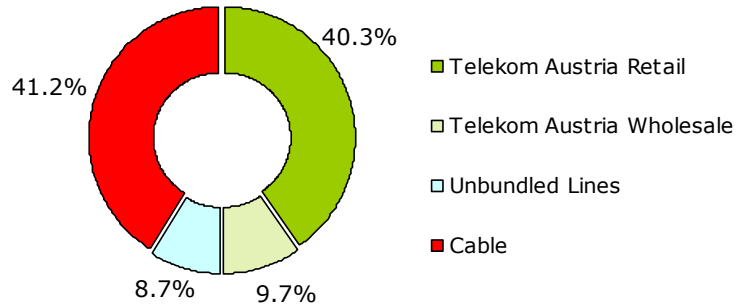
- Total voice market declined more than Telekom Austria's share of voice minutes
- Improved position drives market share by 1.9%p.
- Further increase of the market share gap between TA and its main competitor UTA/Tele2
- Following the slowdown seen in 2Q 05 the decline of total voice minutes remained stable compared to the previous quarter
- Number of bonus packages increased to 593,000 in Sept 05 vs. 452,000 in June 05

Stabilisation of Decline of Voice MoUs



Telekom Austria Accounts for 50% of Broadband Market

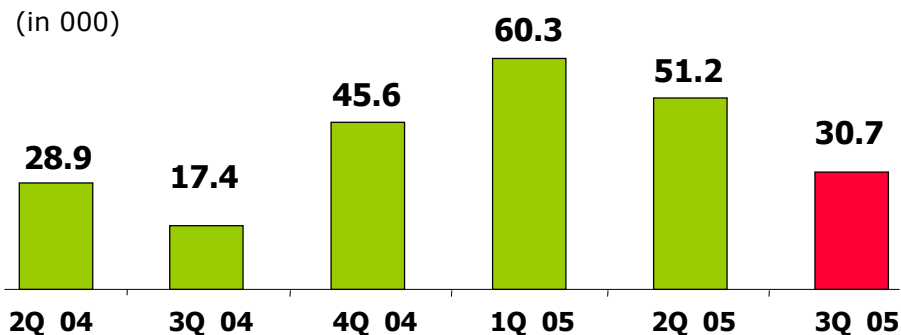
Broadband Market Shares



Highlights

- Telekom Austria continues to gain ground against cable operators
- Strong share of net adds drives retail market share
- Strong growth of ADSL lines continues despite seasonal slowdown during summer
- New retail and business broadband products introduced
- Introduction of IP TV product planned in Q4 2005

Quarterly ADSL Net Adds



Launch of Naked DSL planned for December 2005

Highlights

- Targeted to win back high-end-users
- Attractive for mobile-only households
- Price point prevents cannibalization of existing broadband portfolio
- Promotion in Vienna to address dominant position of cable operators

Product Features

Monthly Rental:	EUR 64.90
Installation Fee:	EUR 167.00
Downstream:	1280 kbit /s
Upstream:	256 kbit/s
Download volume:	Fair Use (15 GB)



Wireless

Wireless Serves 8.5 Mobile Customers in 5 countries

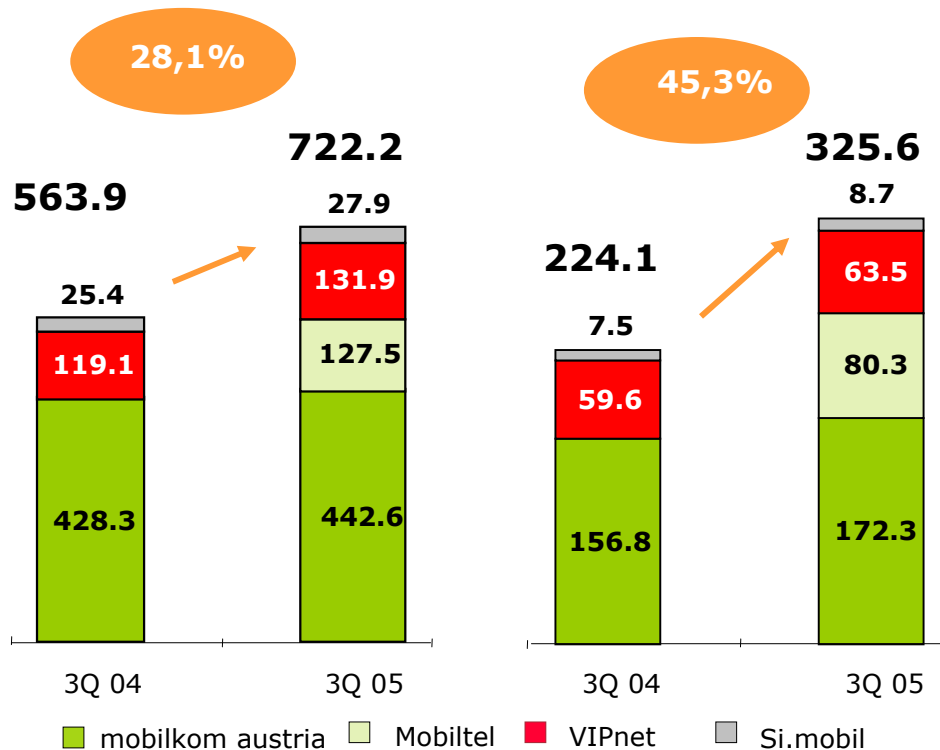
3Q 2005 Results*

Key Highlights

(EUR million)

Revenues

Adj. EBITDA

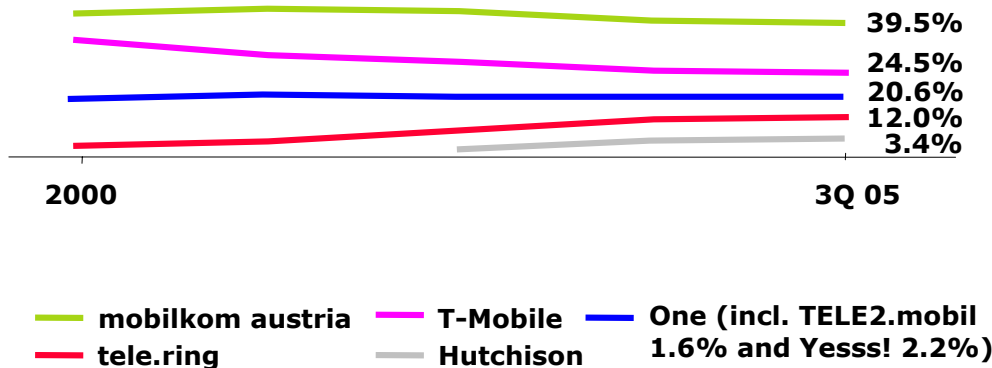


- Wireless revenues grow by 28.1% driven by Mobiltel acquisition and growth in all companies
- Mobiltel contributes revenues of EUR 127.5 mn and EBITDA of EUR 80.3 mn to group financials in Q3 05
- Revenues grow by 5.6% on a comparable basis driven by strong data business and a higher number of subscribers
- EBITDA margin increases by 5.3%p. to 45.1%

* Mobiltel is included for the period of July 12 to September 30

mobilkom austria Unchallenged Innovation and Market Leader

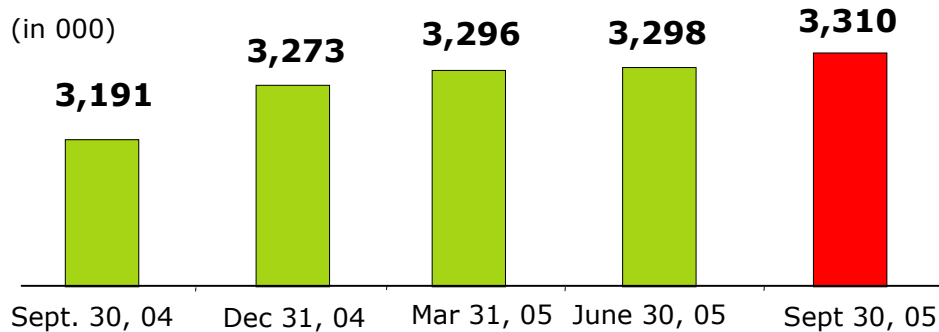
Market Shares



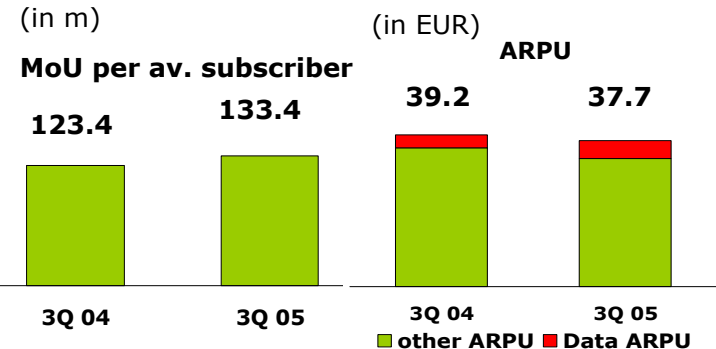
Key Highlights

- Subscriber base rises by 3.7% despite highly competitive market
- Data ARPU increases by 35.3% reflects innovation leadership
- MoU charged per subscriber increases by 8.1%
- SAC declines by 43.8% and SRC decreases by 29.0% compared to 3Q 2004

Subscribers mobilkom austria

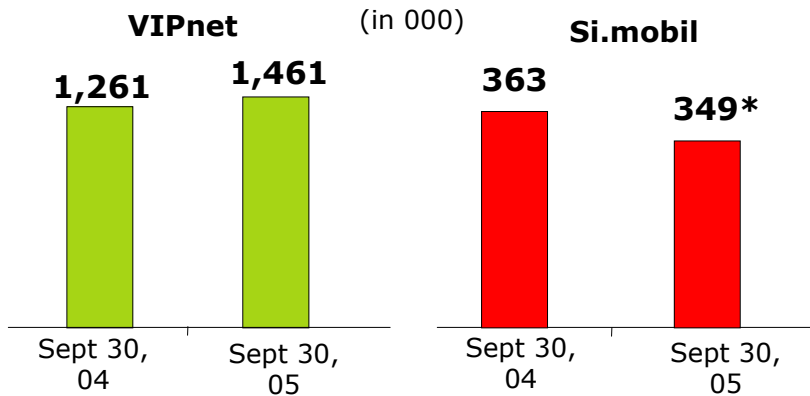


MoU & ARPU



Strong Growth in Croatia and Slovenia, Increasing Profitability in both countries

Subscribers (EoP)



Key Highlights

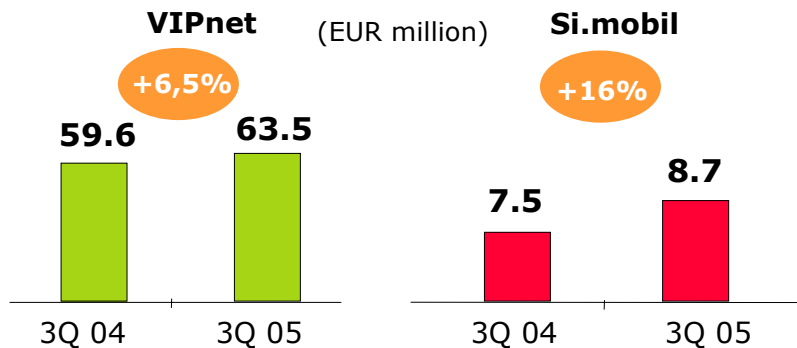
VIPnet

- Revenues increase by 10.7% due to rising subscriber numbers
- EBITDA rises by 6.5% and EBITDA margin increased to 48.1%
- MoU charged increases by 26.2%

Si.mobil

- Revenues increase by 9.8% primarily driven by higher usage
- EBITDA rises by 16% and EBITDA margin increases to 31.2% (3Q 04: 29.5%)
- ARPU increases by 15.6% to EUR 18.5

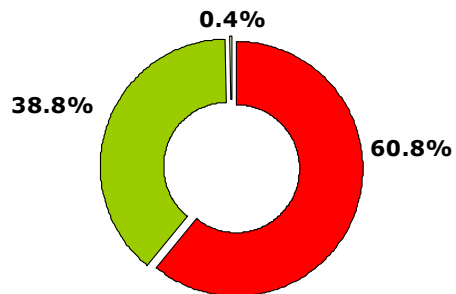
Adjusted EBITDA



* On July 1, 2005 the Slovenian Agency for Post and Electronic Communications ordered a new definition for counting the number of users reported by mobile operators. This change in customer number reporting has a positive impact on financial ratios 'per subscriber' but no impact on financial figures.

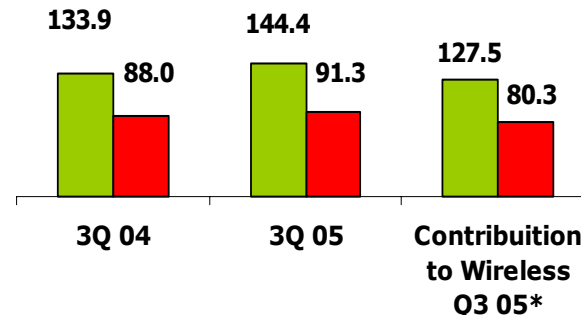
Mobiltel is Bulgaria 's Leading Mobile Operator

Market Shares



■ Mobiltel ■ Globul □ Analog operator

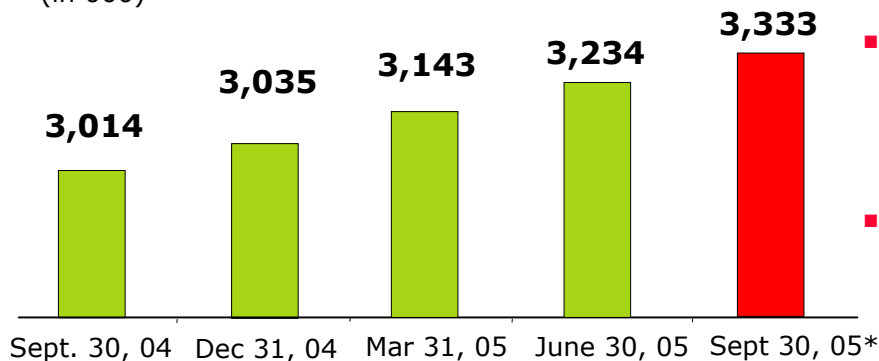
Key Financials*



■ Revenues ■ Adj. EBITDA

Subscribers Development

(in 000)



- Revenues increase by 7.8% mainly due to higher traffic revenues
- EBITDA margin remains at a high level of 63.2%

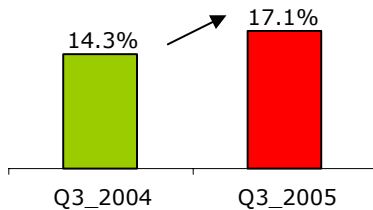
* Figures of Mobiltel are presented on a stand-alone basis for full Q3 04 and Q3 05. Contribution to Wireless reflects consolidation for period July 12 to September 30

Innovation Leadership Demonstrated by Strong Data Business

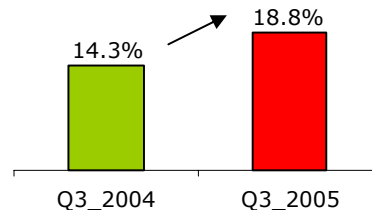
Data Share

Highlights

Data in % of revenues* - incl Mobiltel

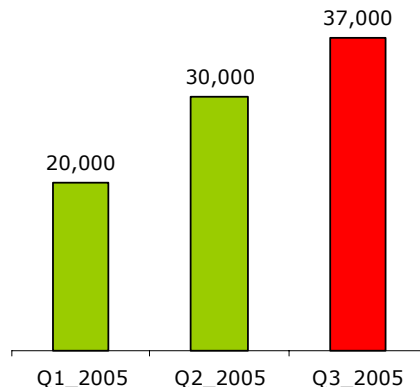


Data in % of revenues* - excl Mobiltel



* Traffic related revenues

VF Mobile Connect Card UMTS



- Strong rise of GPRS- and UMTS enabled handsets which results in higher usage of data services
- More than 1,049,000 Vodafone live! active customers at the end of Sept 2005 in the Wireless segment
- 37,000 Vodafone Mobile Connect Cards in Austria
- mobilkom austria is the single most successful seller of 3G cards among the Vodafone group in relation to customer base
- Launch of Vodafone Mobile Connect Card UMTS + EDGE in Austria in September 2005

Financial Overview

Telekom Austria 3Q 05 Results Boosted by Acquisition of Mobiltel

(EUR million)	3Q 05	3Q 04	% change
Total Revenues	1,191.3	1,046.2	13.9%
Adjusted EBITDA	543.0	444.4	22.2%
Operating Income	261.4	170.0	53.8%
Net income	184.1	97.0	89.8%
Capital expenditures	128.5	115.2	11.5%

(EUR million)	Sept 30, 2005	Dec 31, 2004	% change
Net debt (end of period)	3,028.9	1,973.9	53.4%

Amortization of Intangibles Following Acquisition of Mobiltel

(EUR million)

	3Q 05	3Q 04
Adjusted EBITDA	543.0	444.4
Depreciation/Amortization	281.6	274.4
Operating Income	261.4	170.0
Interest income/expenses	-29.6	-28.3
Equity in earnings	0.1	0.0
Other income, net	1.7	4.6
Income tax expense	-49.5	-49.0
Minority interests	0	-0.3
Net income	184.1	97.0

Wireline D&A declines by 11.2%, Wireless rises by 30% mainly due to Mobiltel. EUR 509 mn are allocated to customer base and amortized over 7 years. EUR 18.2 mn of that is included in Q3 05.

Higher net debt incurred in the acquisition of Mobiltel results in an increase of 4.6%

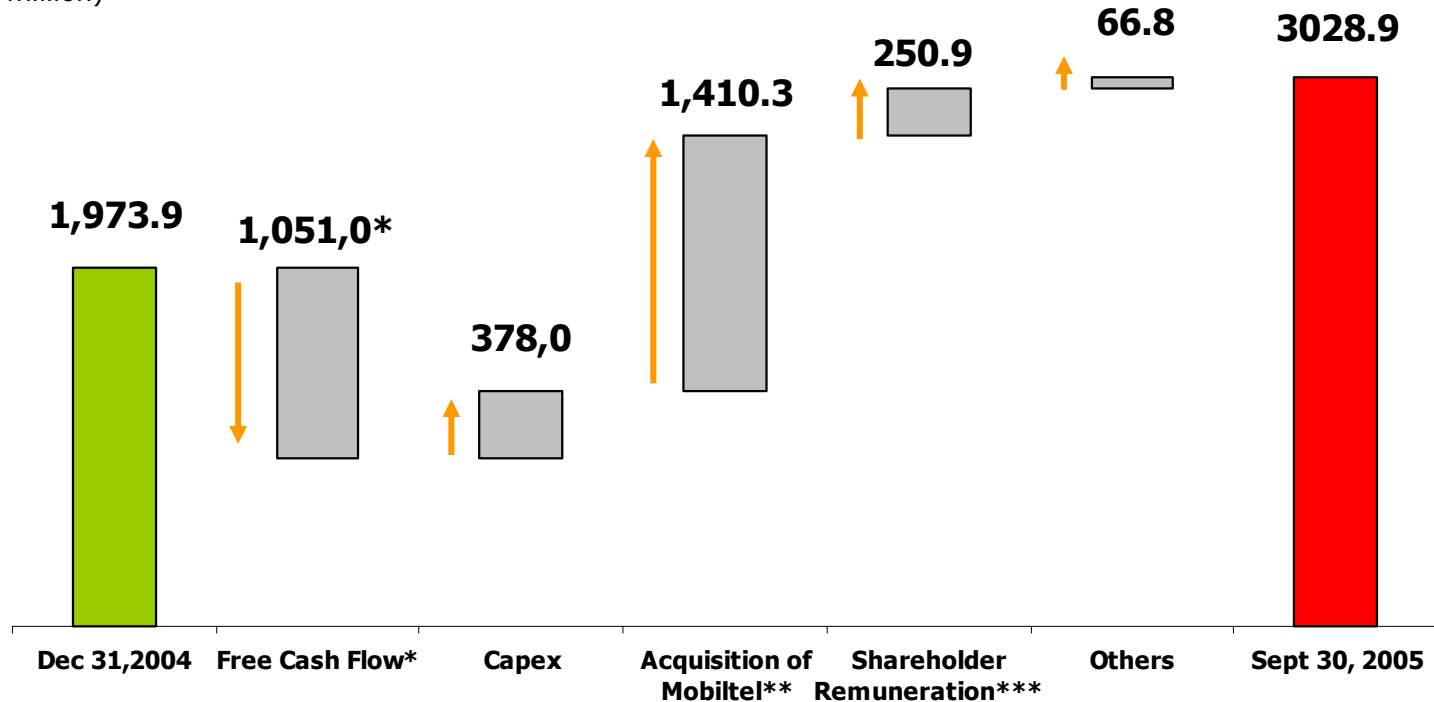
Decrease mostly driven by foreign exchange differences

Slight increase due to higher taxable income which is mostly compensated by a lower average tax rate

Increase of Net Debt following Acquisition of Mobiltel

Net Debt Development

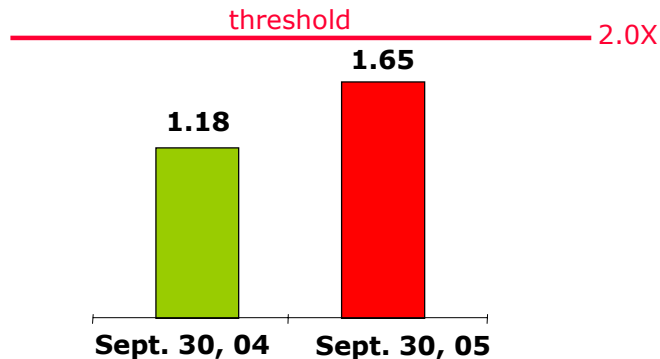
(EUR million)



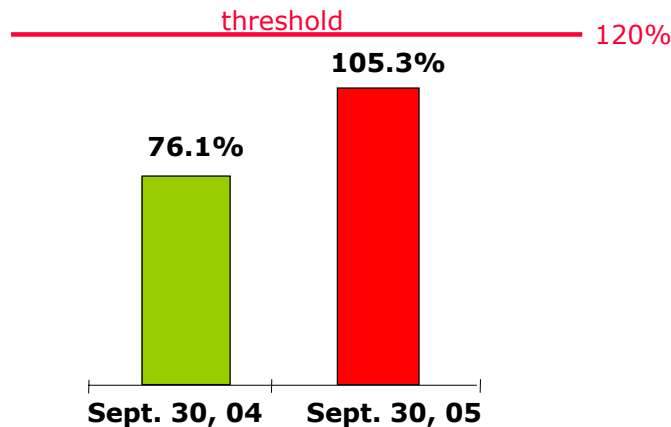
* CF from operations + CF from investing – Mobiltel acquisition price – Mobiltel debt – CAPEX; ** Mobiltel Cash purchase price of EUR 905.4 mn + net debt assumed incl. UMTS licence fee of EUR 504.9 mn + cost related to the acquisition; *** Shareholders Remuneration includes EUR 118 mn dividends and EUR 132.9 mn share buybacks

Net Debt Measures well below Communicated Thresholds

Net debt/ad. EBITDA (annualized)



Net debt/Equity (Gearing ratio)



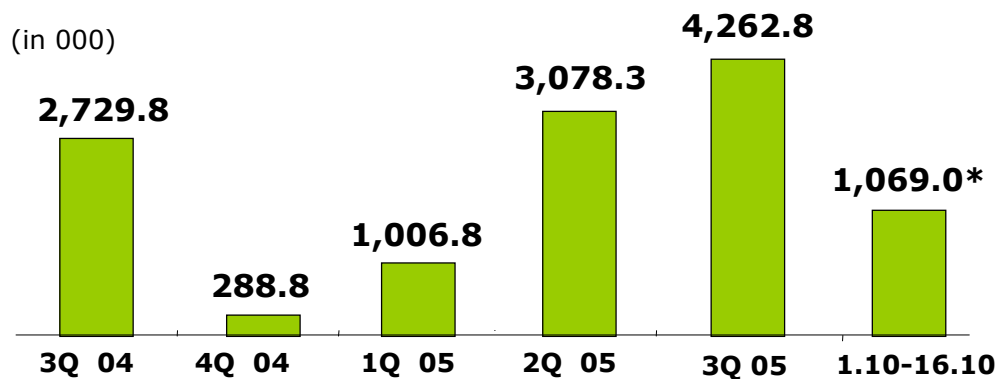
Highlights

- Net debt increased by EUR 1,055 mn compared to end 2004
- Gearing ratio stand at 105,3%, Net debt/EBITDA at 1.65x
- Net debt measures well below communicated thresholds:
 - Gearing ratio: 120%
 - Net debt/Equity: 2.0x

Delivering on Share Buyback

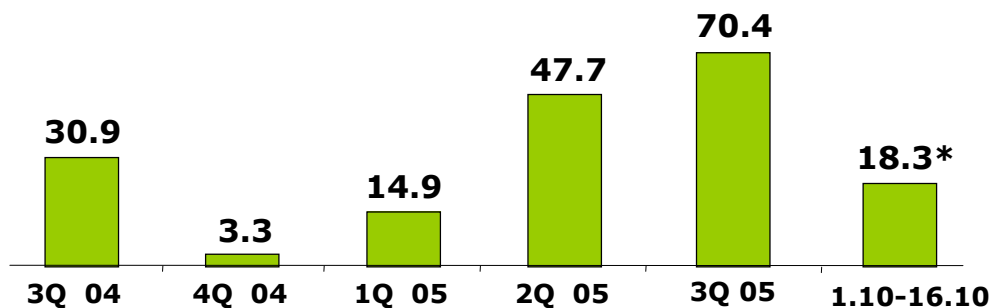
Number of Repurchased Shares

(in 000)



Total amount spent on share buybacks

(EUR million)



Highlights

- 4.3 mn shares bought back in 3Q for EUR 70.4 mn
- Total number of treasury shares as of Sep 30, 2005 increased to 14.6 mn (including 3.3 mn shares bought back in February 2004 through exercise of call options)
- Total amount of EUR 196.4 mn spent on share buybacks

* Halted due to start of black out period

Outlook

New Outlook for 2005 reflects contribution from Mobiltel

Wireline

- Slight decrease in revenues and adj. EBITDA, in part due to one-time revenues in 2004; further rise in operating income

Wireless

- Growth in revenues and adj. EBITDA from increasing contribution from international investments including consolidation of Mobiltel, stable development in Austria

Group

- Revenue growth of more than 5% and increase of adj. EBITDA by more than 10%; net income rises by $\sim 2/3$
- Pay-out ratio rises to 65%
- Including Mobiltel, tangible Capex increases by $\sim 15\%$

Capital Markets Day on December 2nd 2005

Data Share

- Telekom Austria will host its **Capital Markets Day** on December 2, 2005 in Vienna
- Presentations will cover
 - strategy
 - operative performance of Wireline & Wireless
 - Information on Mobiltel
- Presentation of our aonDigital TV broadband product
- For more information contact investor.relations@telekom.at
+43(0)59059 1 19000



Appendix

Regulatory Issues

Key Aspects

- Definition, analysis and remedies for new telecommunication markets almost complete (decision on wholesale market for broadband access expected by end of year)
- Telekom Austria entitled to charge Payphone Access Charge (€ 0.075 excl. VAT) in order to recoup payphone infrastructure costs (implementation September 2005).
- Agreement on ULL with Inode, eTel, Colt on prices and conditions; further negotiations with Tele2UTA – pending procedure.
- Resale of access standard offer by Telekom Austria still not signed by any other operator; implementation not before 3Q 06
- Regulator approves Telekom Austria's leased line offer and considers it to be non-discriminating
- Regulator: Agreement reached between Province of Lower Austria and mobile operators. The Province will refrain from introducing a tax on mobile transmission masts as of January 1, 2006. In return all mobile operators will withdraw the lawsuits they individually filed before the Constitutional Court against this law and have agreed to foster shared mast utilization.

Wireline - Access Lines

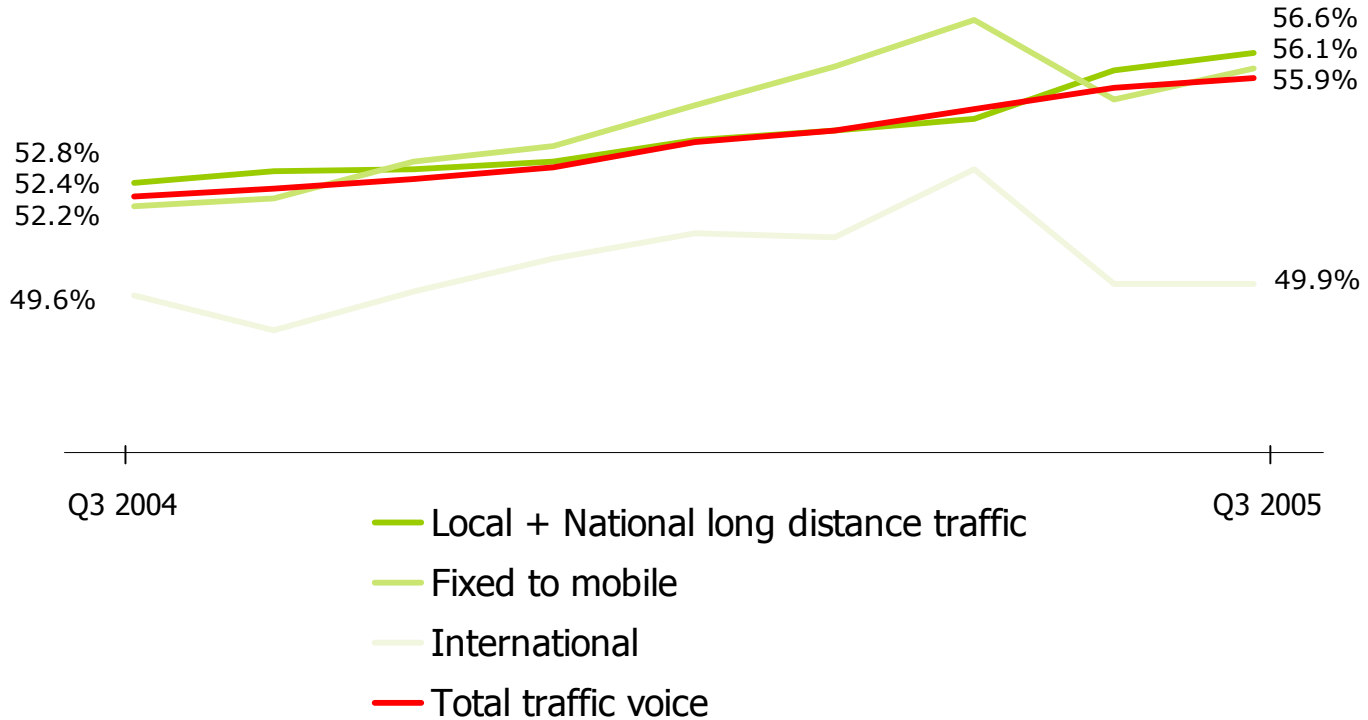
(in 000)

	3Q 05	3Q 04	% change
PSTN access lines	2,388.9	2,478.1	-3.6%
Basic ISDN access lines	427.0	444.8	-4.0%
Multi ISDN access lines	7.4	7.7	-4.1%
Total access lines in Service	2,823.3	2,930.6	-3.7%
of these ADSL access lines	525.8	338.0	55.6%
thereof ADSL wholesale lines	101.7	77.9	30.5%

(in 000)

	3Q 05	3Q 04	% change
Total access channels in Service	3,464.3	3,599.5	-3.8%

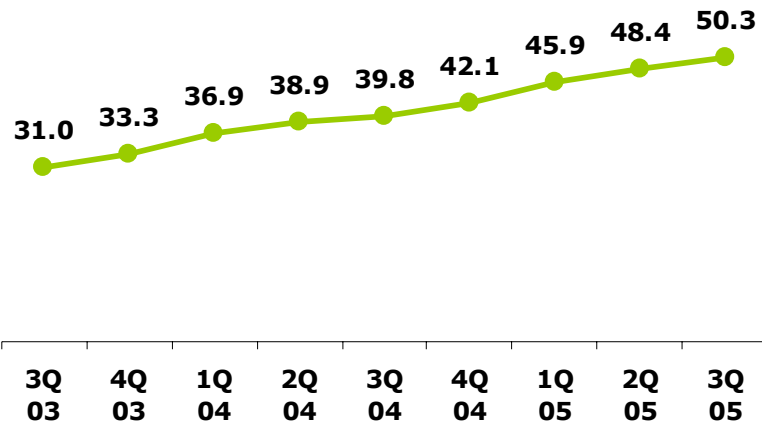
Fixed Line - Market Shares



ADSL

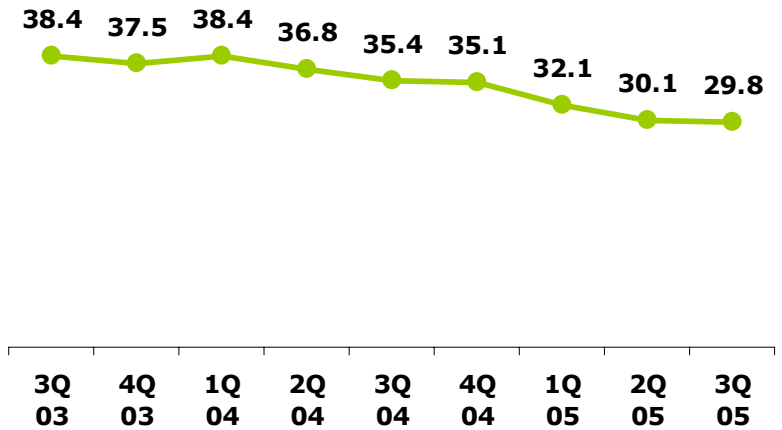
ADSL XDSL Revenues (incl. Wholesale)

(EUR million)



ADSL Residential ARPU

(in EUR)



Wireline - Minutes and Average Tariffs

(in 000) Minutes	3Q 05	3Q 04	% change
National	913.3	976.7	-6.5%
Fixed-to-mobile	207.7	212.3	-2.2%
International	107.9	113.4	-4.8%
Total voice minutes	1,229.0	1,302.4	-5.6%
Internet dial up	507.1	733.5	-30.9%
Total wireline minutes	1,736.1	2,035.9	-14.7%

(in EUR) Average Tariffs	3Q 05	3Q 04	% change
National	0.040	0.041	-3.7%
Fixed-to-mobile	0.187	0.193	-3.2%
International	0.179	0.186	-3.7%
Total voice average	0.077	0.079	-2.2%
Internet dial up	0.017	0.017	0.6%

Mobile Subscribers

(in 000)

3Q 05 **3Q 04** **% change**



Contract	1,845.1	1,718.2	7.4%
Prepaid	1,464.4	1,473.4	-0.6%
Austria Total	3,309.5	3,191.6	3.7%



Contract	1,178.9	1,039.4	13.4%
Prepaid	2,154.0	1,974.1	9.1%
Bulgaria Total	3,332.9	3,013.5	10.6%



Contract	234.8	190.3	23.4%
Prepaid	1,226.3	1,071.1	14.5%
Croatia Total	1,461.1	1,261.4	15.8%



Contract	163.5	151.6	7.8%
Prepaid	185.5	211.4	-12.3%
Slovenia Total	349.0	363.0	-3.9%

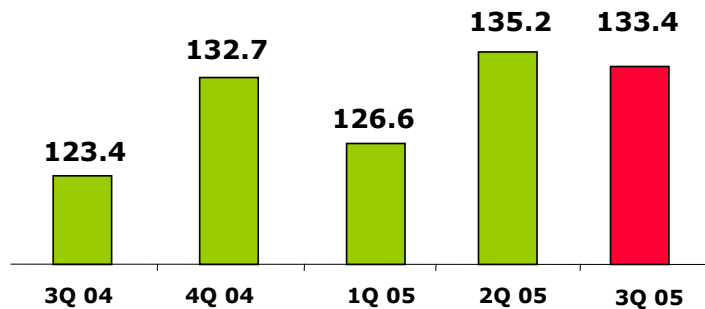


Liechtenstein Total	3.7	3.3	12.1%
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Total Wireless	8,456.2	4,819.3	75.5%
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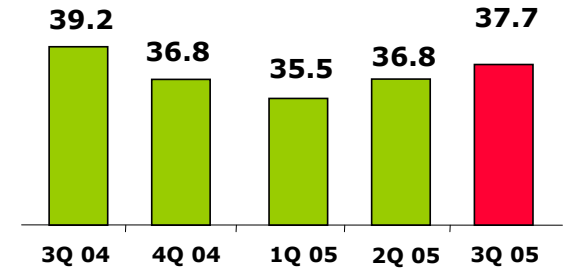
Operational Data – mobilkom austria

Average MoU per Subscriber



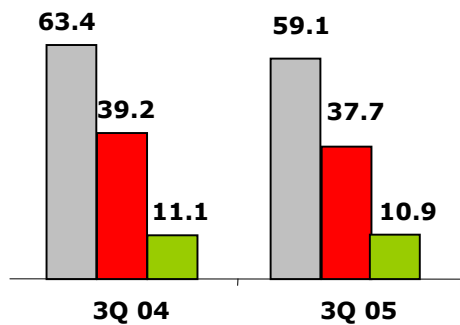
Blended ARPU

(in EUR)



ARPU

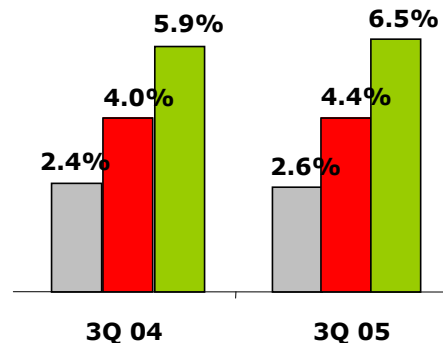
(in EUR)



■ Average ■ Contract ■ Prepaid

Quarterly Churn

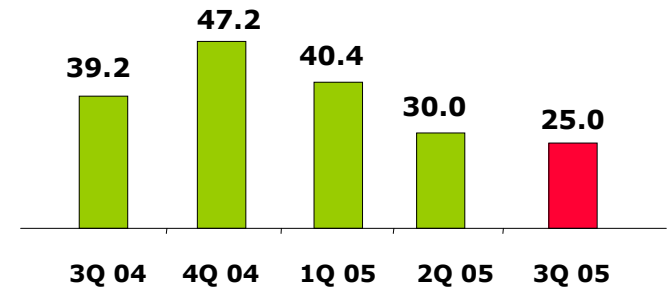
(in EUR million)



■ Contract ■ Average ■ Prepaid

SRC+SAC

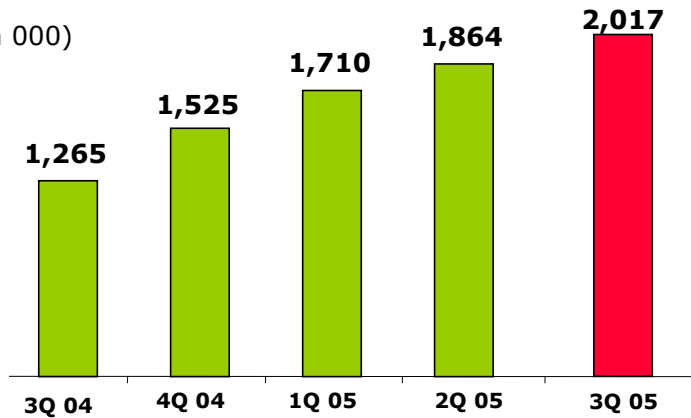
(in EUR million)



mobilkom austria - Mobile Data

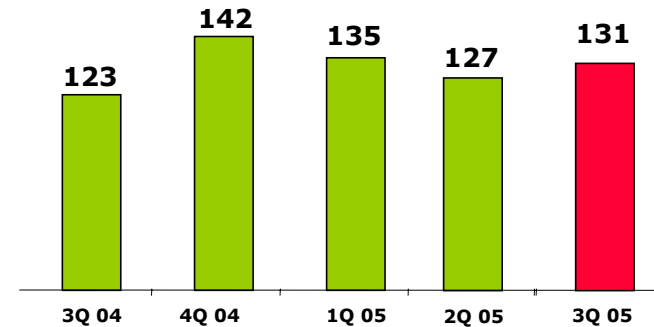
GPRS Customers

(in 000)



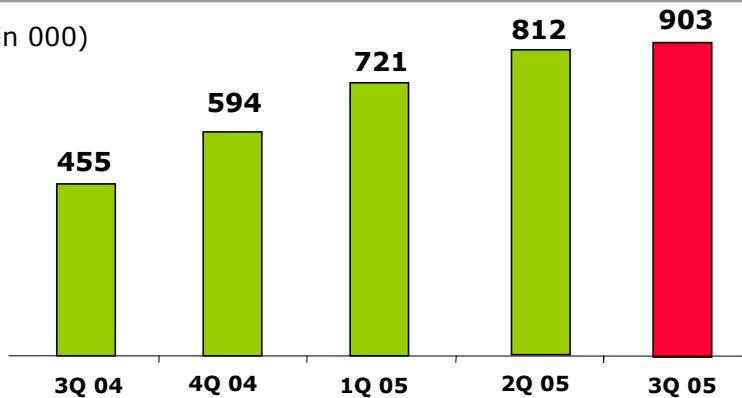
Number of SMS

(in million)

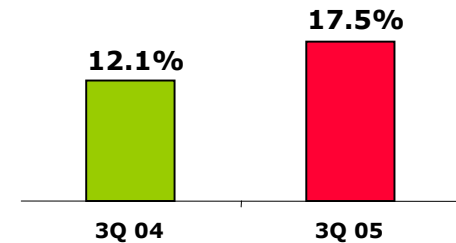


MMS Users

(in 000)



Data in % of Revenues*



* Traffic related revenues

Headcount* Development

(average of period)	3Q 05	3Q 04	change
Wireline	9,582	9,864	-282
Wireless	5,960	3,622	2,338
Telekom Austria Group	15,542	13,486	2,056
thereof Mobitel	2,367		

(end of period)	Sept. 30, 2005	Sept. 30, 2004	change
Wireline	9,585	9,676	-91
Wireless	5,963	3,632	2,331
Telekom Austria Group	15,548	13,308	2,240
thereof Mobitel	2,374		

* Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)

	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Switched voice base traffic	97.6	101.2	-3.6%	300.1	304.2	-1.3%
Switched voice monthly & other voice revenues	137.8	142.0	-3.0%	415.6	431.0	-3.6%
Payphones & VAS	12.2	14.3	-14.7%	36.9	39.6	-6.8%
Wholesale Data & IT-solutions*	104.3	112.4	-7.2%	308.7	329.0	-6.2%
Internet access & media	59.6	50.7	17.6%	175.9	152.9	15.0%
Wholesale voice & Internet	90.3	90.8	-0.6%	268.7	275.6	-2.5%
Other	32.6	35.0	-6.9%	94.1	102.9	-8.6%
Total Wireline Revenues	534.4	546.4	-2.2%	1,600.0	1,635.2	-2.2%

* including wholesale data

Wireless - Revenue Breakdown

(EUR million)

	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Traffic revenues	347.5	304.2	14.2%	911.0	854.1	6.7%
Monthly rental	109.2	76.8	42.2%	279.2	225.3	23.9%
Equipment	57.4	34.3	67.3%	131.8	108.8	21.1%
Roaming	75.7	60.6	24.9%	168.4	142.5	18.2%
Interconnection	113.7	84.5	34.6%	281.6	245.7	14.6%
Other	5.0	7.9	-36.7%	14.6	16.5	-11.5%
Discounts	13.7	-4.4	-411.4%	-2.3	-9.7	-76.3%
Total Wireless Revenues*	722.2	563.9	28.1%	1,784.3	1,583.2	12.7%
Wireless Revenues, on a comparable basis, excluding Mobiltel	595.6	563.9	5.6%	1,657.7	1,583.2	4.7%

* Mobiltel is included for the period of July 12 to September 30, 2005

Operating Revenues by Segment

(EUR million)

	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Total Wireline Revenues	534.4	546.4	-2.2%	1,600.0	1,635.2	-2.2%
Total Wireless Revenues*	722.2	563.9	28.1%	1,784.3	1,583.2	12.7%
Other & eliminations	-65.3	-64.1	1.9%	-178.5	-187.2	-4.6%
Operating Revenues	1,191.3	1,046.2	13.9%	3,205.8	3,031.2	5.8%
Wireless, on a comparable basis, excluding Mobiltel	595.6	563.9	5.6%	1,657.7	1,583.2	4.7%

* Mobiltel is included for the period of July 12 to September 30, 2005

Adjusted EBITDA and Operating Income by Segment

(EUR million)	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Wireline	217.0	220.3	-1.5%	633.4	648.5	-2.3%
Wireless*	325.6	224.1	45.3%	740.6	613.2	20.8%
Other & eliminations	0.4	0.0		1.1	-10.9	-110.1%
Adjusted EBITDA**	543.0	444.4	22.2%	1,375.1	1,250.8	9.9%
Wireless EBITDA, on a comparable basis, excluding Mobilitel	245.3	224.1	9.5%	660.3	613.2	7.7%

(EUR million)	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Wireline	54.7	37.6	45.5%	113.8	78.2	45.5%
Wireless*	206.3	132.2	56.1%	444.3	344.2	29.1%
Other & eliminations	0.4	0.2	100.0%	1.3	-10.6	-112.3%
Operating income	261.4	170.0	53.8%	559.4	411.8	35.8%
Wireless operating income, on a comparable basis, excluding Mobilitel	156.9	132.2	18.7%	394.9	344.2	14.7%

* Mobilitel is included for the period of July 12 to September 30, 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)

	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Wireline tangible	68.9	69.4	-0.7%	206.3	176.9	16.6%
Wireless tangible*	57.5	45.3	26.9%	168.2	119.7	40.5%
Tangible (total)	126.4	114.7	10.2%	374.5	296.6	26.3%
Intangible	2.1	0.5	320%	3.5	10.0	-65%
Telekom Austria Group	128.5	115.2	11.5%	378.0	306.6	23.3%
Wireless tangible, on a comparable basis, excluding Mobiltel	44.3	45.3	-2.2%	155.0	119.7	29.5%

(EUR million)

	3Q 05	3Q 04	% change	1-9M 05	1-9M 04	% change
Wireless tangible:						
mobikom austria	33.6	31.1	8.0%	110.4	66.9	65.0%
Mobiltel**	13.2			13.2		
VIPnet	9.4	11.2	-16.1%	41.6	47.3	-12.1%
Si.mobil	1.5	3.0	-50.0%	3.5	5.3	-34.0%

* Mobiltel is included for the period of July 12 to September 30, 2005

** Mobiltel for the period July 12 to September 30, 2005

Net Debt - Telekom Austria Group

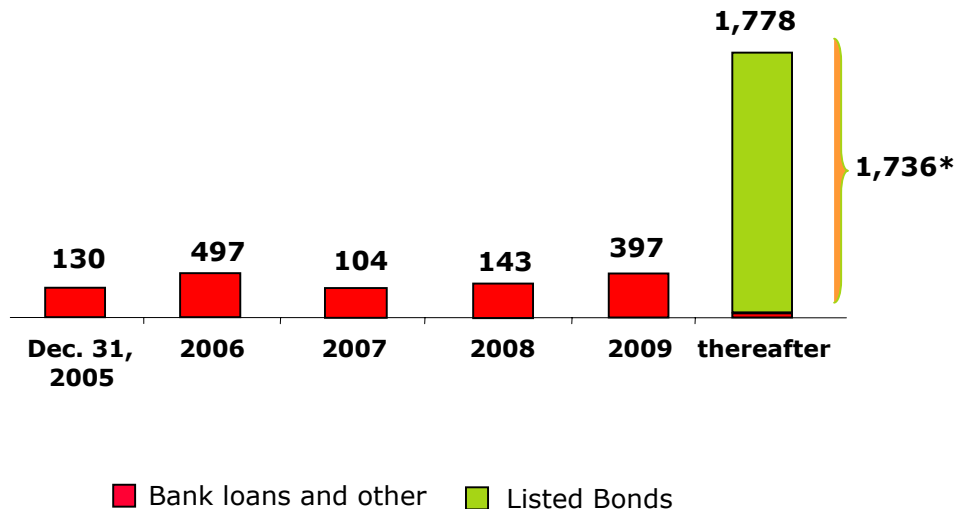
(EUR million)

	1-9M 05	1-9M 04	% change
Long-term debt	2,412.4	1,647.2	46.5%
Short-term debt	880.2	751.1	17.2%
- Short-term portion of capital and cross border lease obligations	-114.6	-95.3	20.3%
+ Capital lease obligations	0.9	1.6	-43.8%
Cash and cash equivalents, short-term and long term investments	-150.0	-312.9	-52.1%
Financial instruments, included in other assets and other current assets	0.0	-17.8	-100.0%
Net debt of Telekom Austria Group	3,028.9	1,973.9	53.4%
Shareholders' equity	2,877.5	2,741.6	5.0%
Net debt/equity	105.3%	72.0%	33.3%p.

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 Sept 30, 2005: 105.3%
 - Net debt /Adj. EBITDA (annualized): 1.65
- Maturities:
 - Bond 1: EUR 750 mn in 2013
 - Bond 2: EUR 500 mn in 2010
 - Bond 3: EUR 500 mn in 2017

*Listed Bonds at amortized costs

Reconciliation from EBITDA to Consolidated Net Income

(EUR million)

	3Q 05*	3Q 04	% change
Adjusted EBITDA	543.0	444.4	22.2%
Depreciation/Amortization	281.6	274.4	2.6%
Operating Income	261.4	170.0	53.8%
Interest income/expenses	-29.6	-28.3	4.6%
Equity in earnings	0.1	0.0	
Other income, net	1.7	4.6	-63.0%
Income before taxes and minority interests	233.6	146.3	59.7%
Income tax expense	-49.5	-49.0	1.0%
Minority interests	0.0	-0.3	
Net income	184.1	97.0	89.8%

* Mobiltel is included for the period of July 12 to September 30, 2005