

# Telekom Austria Group Results for the Financial Year 2006

March 6, 2007

# 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

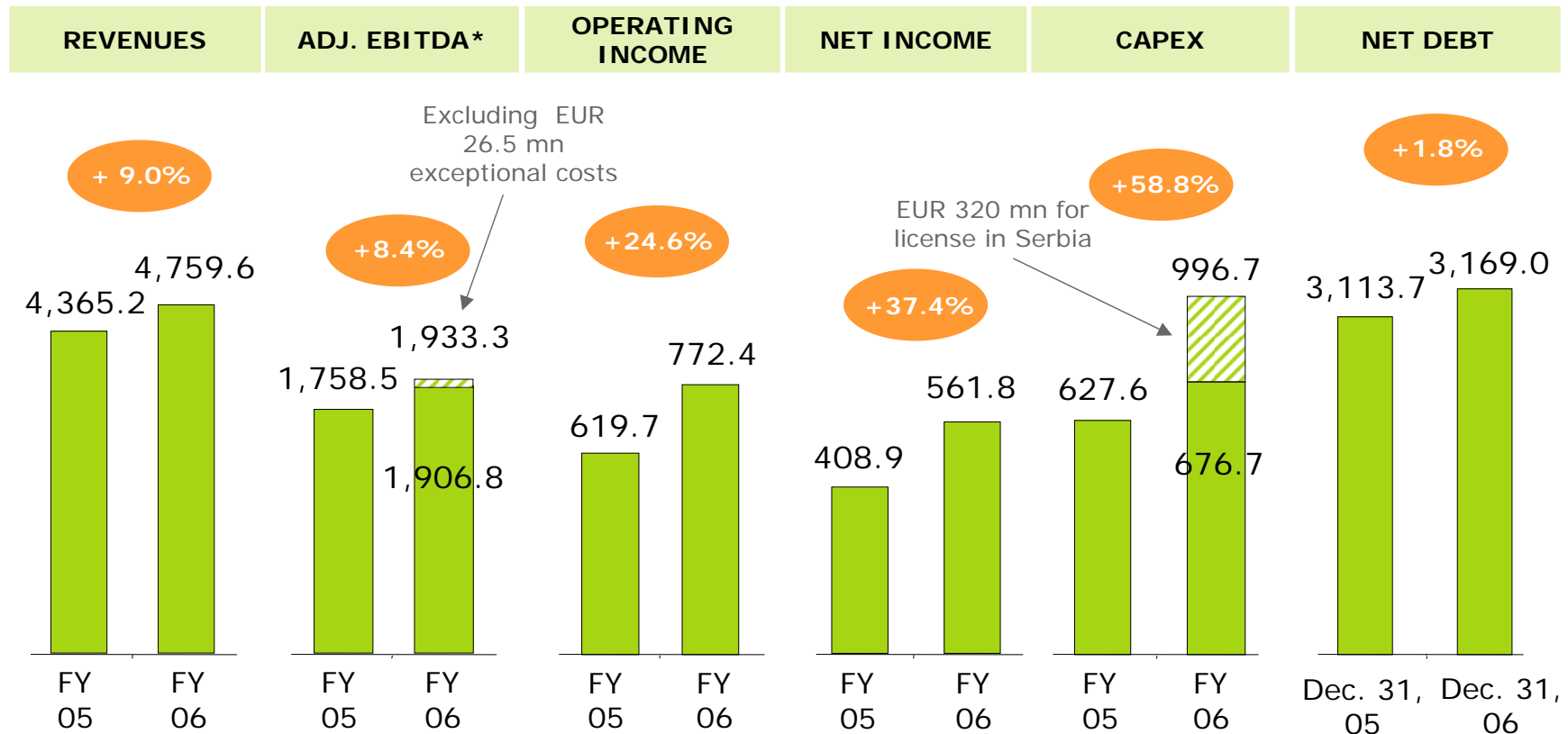
# Telekom Austria Group – FY 2006 Highlights

- Revenues increase by 9%, adj. EBITDA grows to EUR 1,906.8 billion including exceptional costs of EUR 26.5 million
- Strong increase of net income by 37.4% to EUR 561.8 million with earnings per share growing 41.7%
- Proposed dividend of EUR 0.75 per share for 2006
- EUR 406.8 million of share buybacks executed in 2006
- Stable Wireline revenues, Wireline EBITDA impacted by exceptional costs
- Strong operations throughout the Wireless segment, Wireless EBITDA increases by 21.5%
- Cancellation of 8% of treasury shares by April 5th, 2007

# Telekom Austria Group– Rising Operating Income & Net Income

## Key Financial Indicators FY 2006

(EUR million)



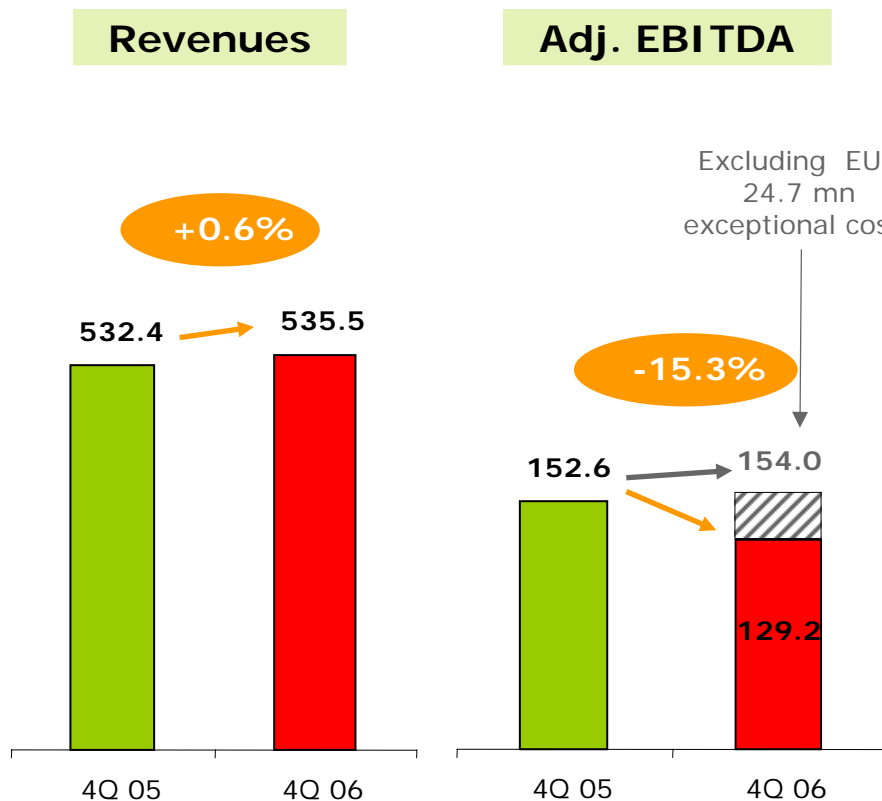
\* Adjusted EBITDA is defined as net income before interest, income tax expense, depreciation and amortization, impairment charges, equity in earnings of affiliates, income/loss from investments and foreign exchange differences.

# Wireline

# Slight Increase in Revenues and in Adj. EBITDA excluding Exceptional Costs

| 4Q 2006 Results | Facts |
|-----------------|-------|
|-----------------|-------|

(EUR million)

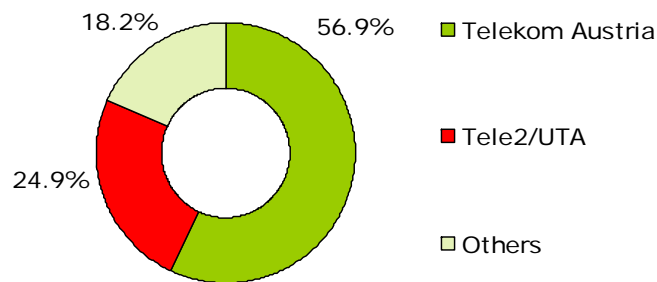


- International wholesale business, Data & IT solutions & broadband offset lower voice business
- Adj. EBITDA declined to EUR 129.2 million due to exceptional cost of EUR 24.7 million
- Exceptional cost include EUR 16.4 million accrual for voluntary termination and option program and EUR 8.3 million for employee participation program 2007



# Retention Remains Key to Manage Fixed-to-Mobile Substitution

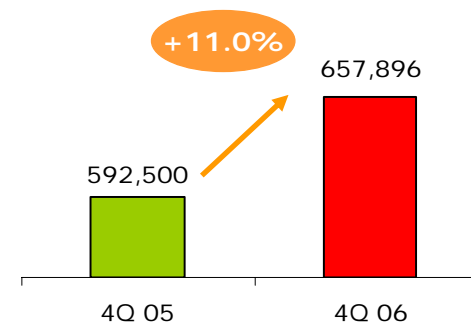
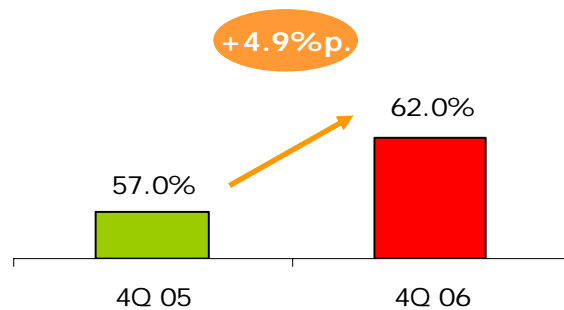
| Voice Market Shares* | Facts |
|----------------------|-------|
|----------------------|-------|



- Telekom Austria retains more customers than competitors
- Number of bonus packages grew by 11%
- Number of TikTak lines and share of total access line base rises

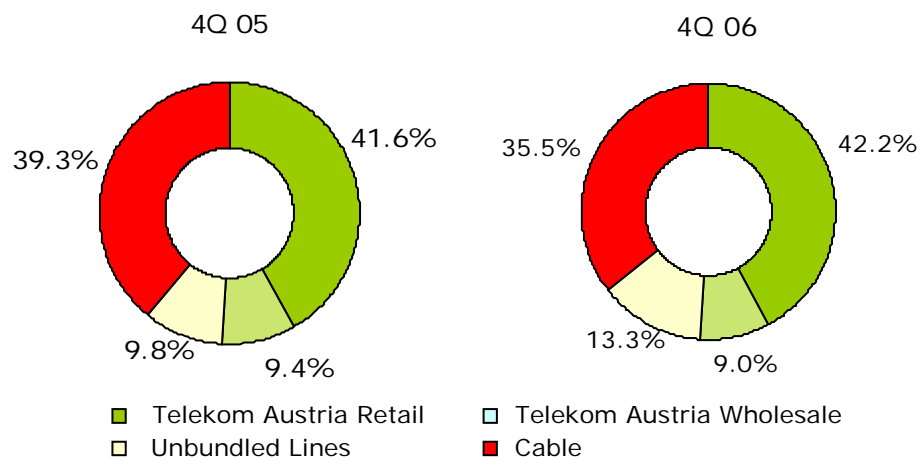
\* Telekom Austria estimates

| Tik Tak Lines in % of Total Access Lines | Bonus Packages |
|--|----------------|
|--|----------------|



# ADSL Gaining Ground from Cable Operators

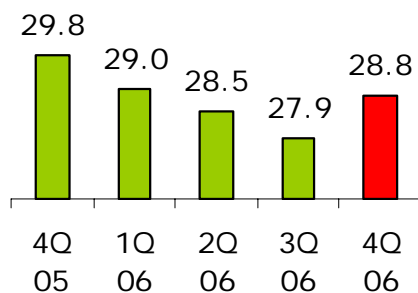
## Broadband Market Shares Year on Year Facts



- Broadband market share increases to 51.2%
- ADSL access line base grows by 20.8% to 693,600
- Growth of ADSL ARPU compared to 3Q 06 driven by higher usage
- Number of unbundled lines rises to 199,600
- ADSL net adds influenced by strong advertising for mobile broadband during Christmas season

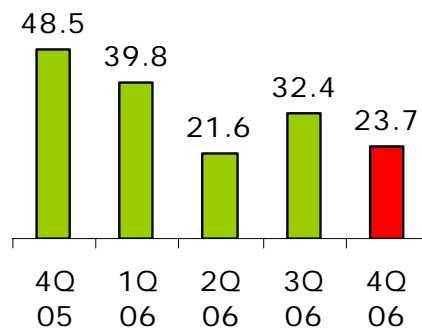
## ADSL ARPU Residential

(in EUR)



## ADSL Net Adds

(in 000)



# Business Solutions Expands Value Chain with ICT-Solutions

## Selected Key Projects of Telekom Austria Business Solution 2006



Digital Signage: innovative multi-media experience at McDonald, terminals for TV and Internet and advertising in all restaurants



Radiology project in Salzburg: Exchange of X-rays between hospitals and family doctors over peering points of the e- card solution



Telekom Austria operates Styrian community server on an ASP platform with a high-security computer center



Enhancement of security through a self-defending network. Installation of ICT-infrastructure



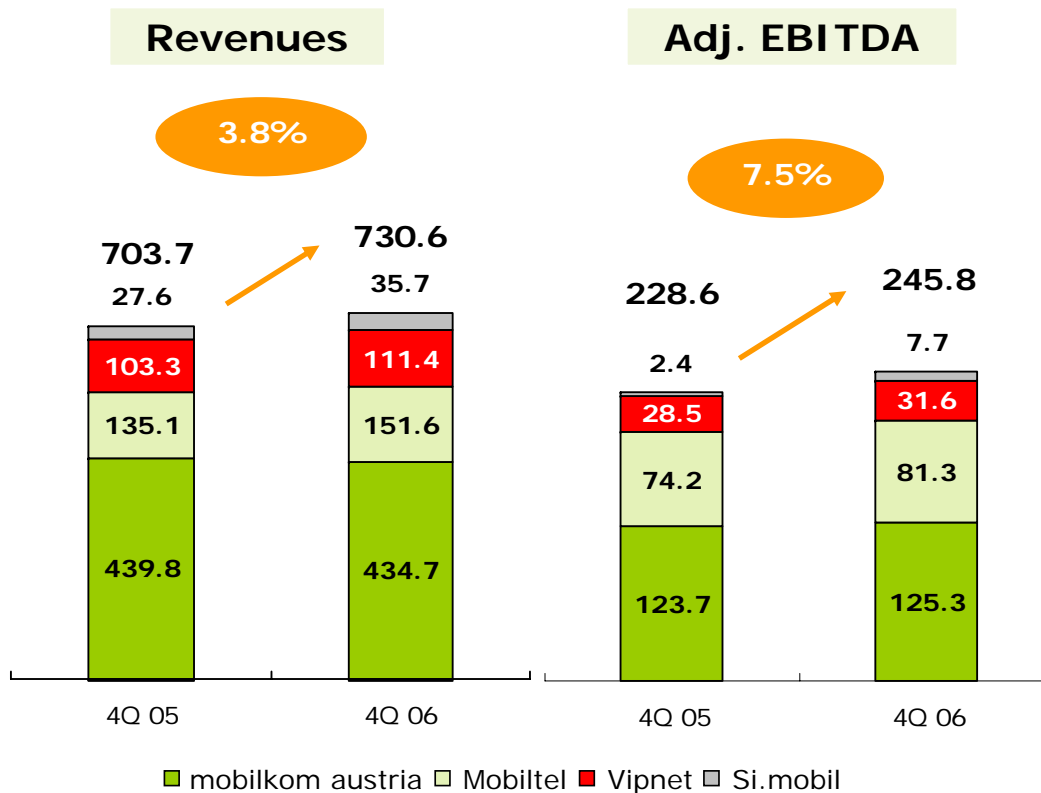
Mobile data processing in home nursing through PDA and RFID

# Wireless

# Customer Base Exceeds the 10 Million Mark Due to Strong Net Adds in all Countries

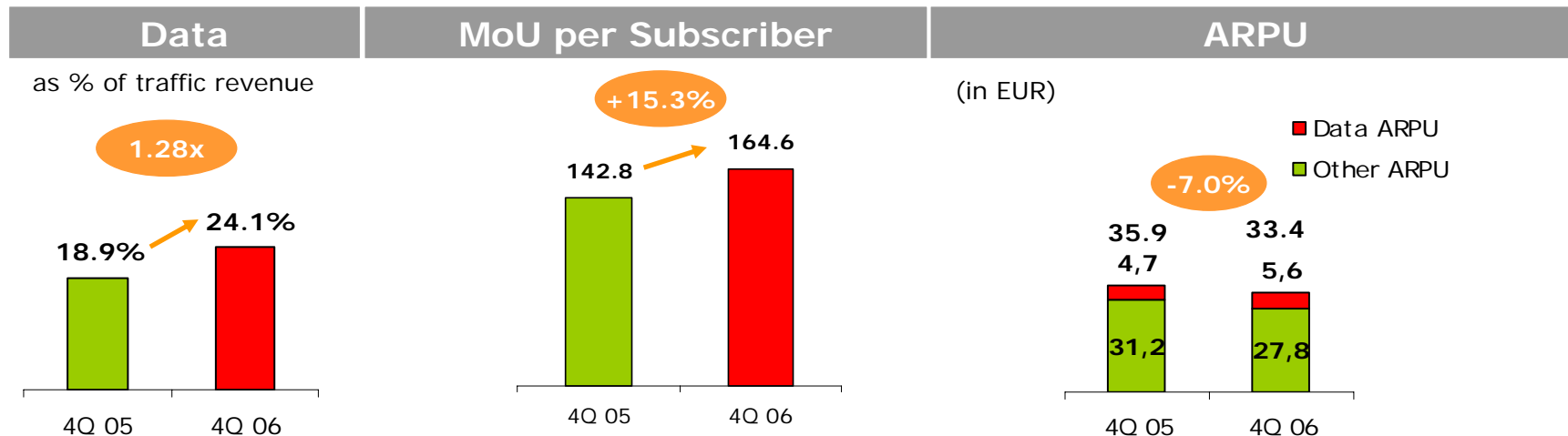
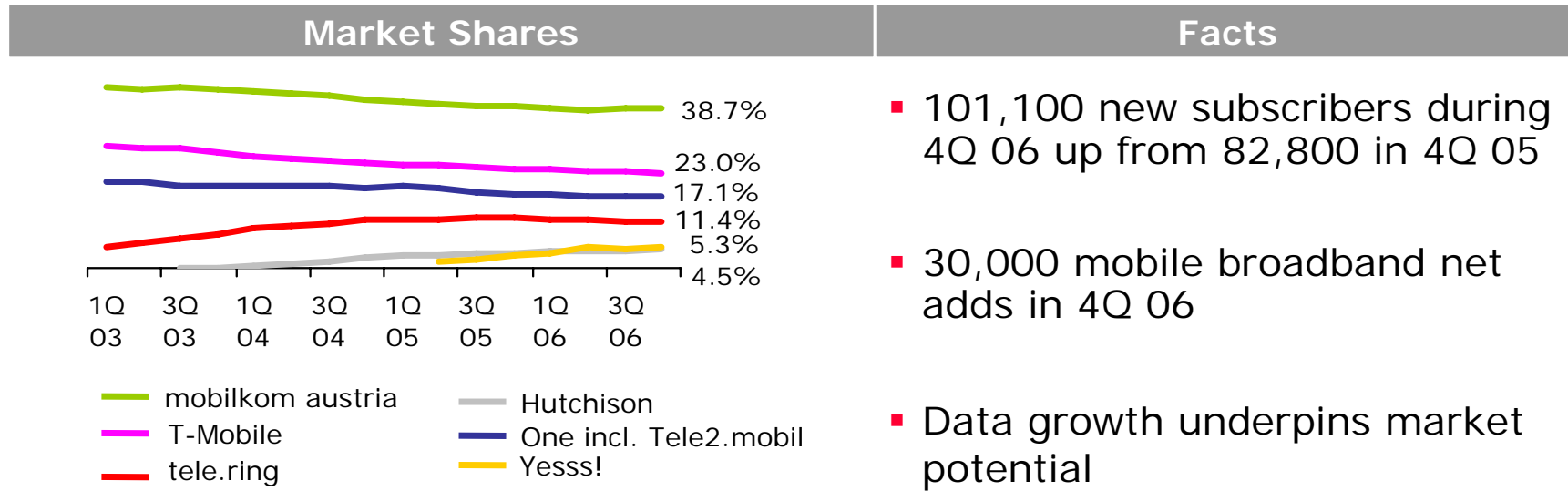
| 4Q 2006 Results | Facts |
|-----------------|-------|
|-----------------|-------|

(EUR million)



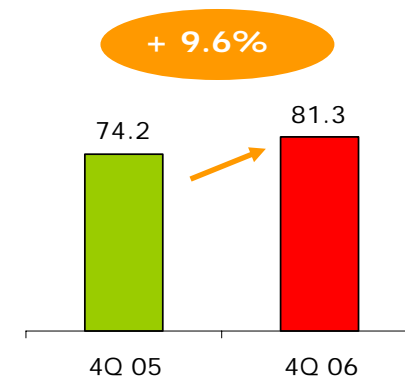
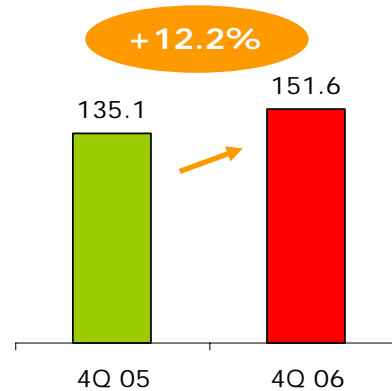
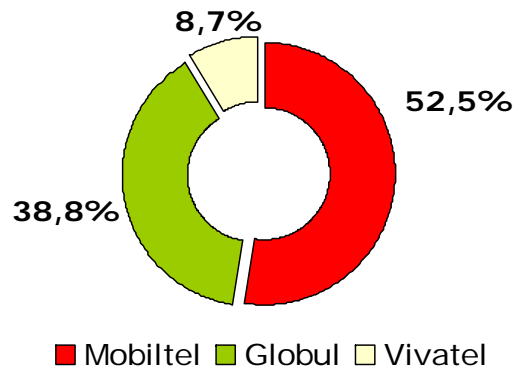
- Strong growth in customer base by 14.2% to 10.2 million
- Growing contract subscriber base in all countries
- Higher traffic, monthly rental and growing data business drives revenue growth
- Profitable growth with EBITDA margin expansion
- Adjusted EBITDA rises by 7.5%

# mobilkom austria Increases Market Share Lead over T-Mobile/tele.ring

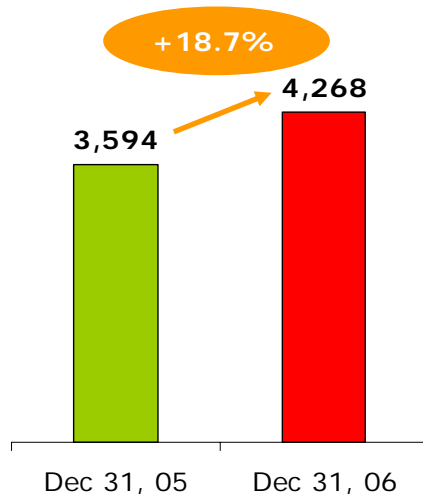


# Mobilitel Remains Highly Profitable with EBITDA Margin of 53.6%

| Market Shares | Revenues | Adjusted EBITDA |
|---------------|----------|-----------------|
|---------------|----------|-----------------|



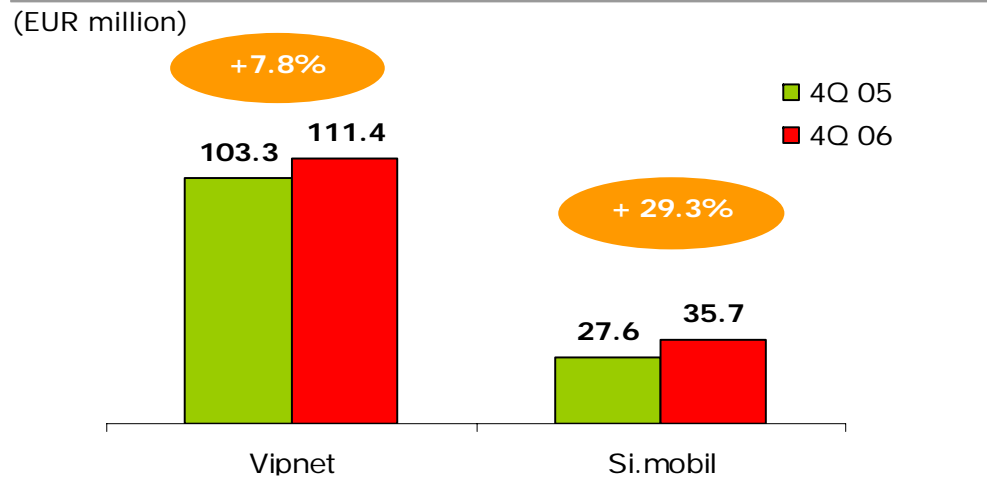
| Subscriber Development | Facts |
|------------------------|-------|
|------------------------|-------|



- Subscriber base grows by 18.7% to 4.3 million
- Contract subscriber base rises by 27.5% due to strong growth in business customer segment
- Penetration increase by 26.4 percentage points to 105.9% at the end of 4Q 06

# Profitable Growth in Croatia and Slovenia

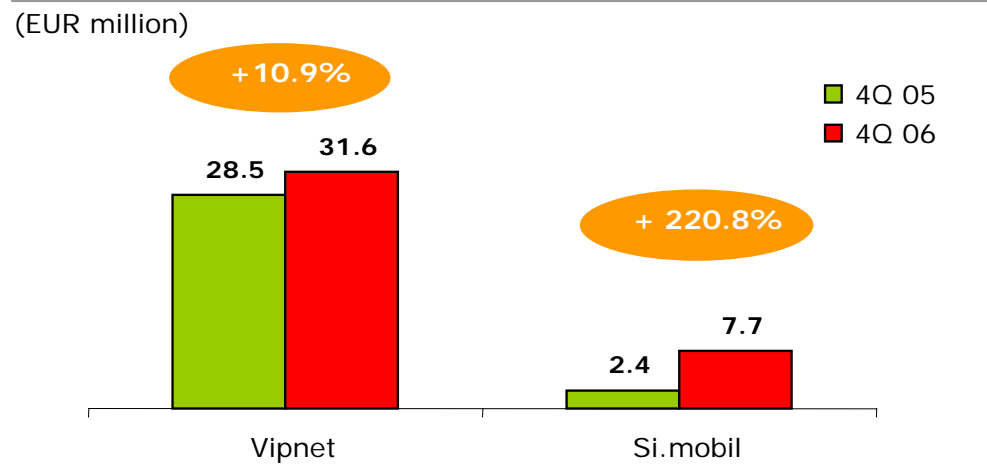
| Revenues | Facts |
|----------|-------|
|----------|-------|



## Vipnet

- Subscriber base reaches 1.9 million
- Revenues grow by 7.8% due to higher traffic & national roaming
- Profitability increases

| Adj. EBITDA |
|-------------|
|-------------|



## Si.mobil

- Further market share increase to 24.9% from 22.7% in 4Q 05
- ARPU grows by 16.1% due to higher usage & interconnection
- Adj. EBITDA more than triples to EUR 7.7 million



# Financial Overview

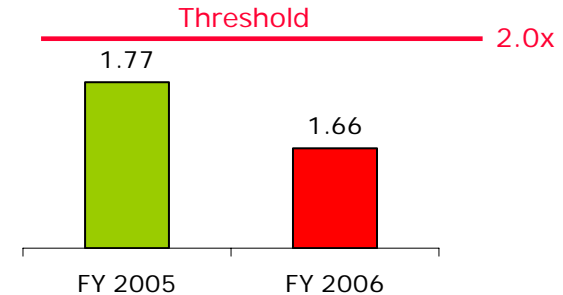
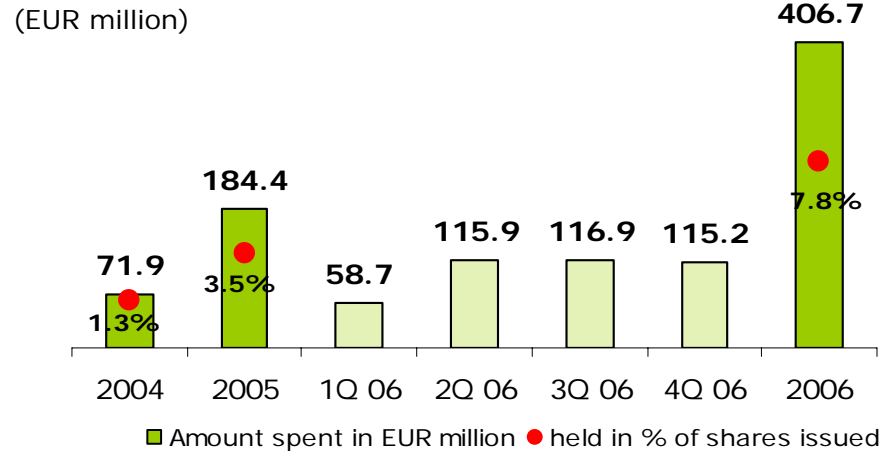
# Guidance Met on Clean Basis, Adj. EBITDA Impacted by Exceptional Cost of EUR 26.5 mn

| (EUR million)          | 4Q 06          | 4Q 05          | % change     | FY 2006        | FY 2005        | % change     |
|------------------------|----------------|----------------|--------------|----------------|----------------|--------------|
| <b>Total revenues</b>  | <b>1,199.3</b> | <b>1,168.4</b> | <b>2.6%</b>  | <b>4,759.6</b> | <b>4,365.2</b> | <b>9.0%</b>  |
| Other operating income | 14.3           | 10.6           | 34.9%        | 59.2           | 54.8           | 8.0%         |
| Adjusted EBITDA        | 375.1          | 381.5          | -1.7%        | 1,906.8        | 1,758.5        | 8.4%         |
| Adjusted EBITDA Margin | 31.3%          | 32.7%          |              | 40.1%          | 40.3%          |              |
| Operating income       | 76.7           | 59.6           | 28.7%        | 772.4          | 619.7          | 24.6%        |
| <b>Net income</b>      | <b>63.3</b>    | <b>38.7</b>    | <b>63.6%</b> | <b>561.8</b>   | <b>408.9</b>   | <b>37.4%</b> |
| Capital expenditures   | 575.3          | 249.6          | 130.5%       | 996.7          | 627.6          | 58.8%        |

| (EUR million)                   | Dec 31, 2006   | Dec 31, 2005   | % change    |
|---------------------------------|----------------|----------------|-------------|
| <b>Net debt (end of period)</b> | <b>3,169.0</b> | <b>3,113.7</b> | <b>1.8%</b> |

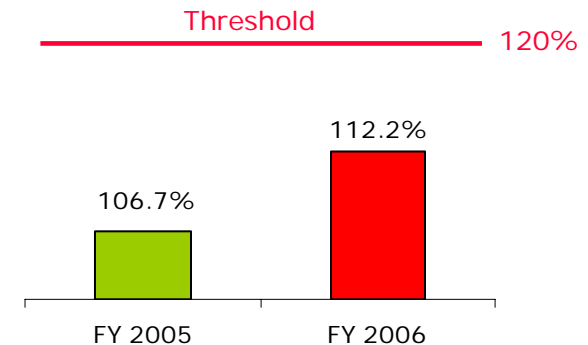
# Cancellation of 8% of Treasury Shares by April 5th

## Delivering on share buybacks Net debt/adj. EBITDA (annual.)



## Facts Net debt/equity (gearing ratio)

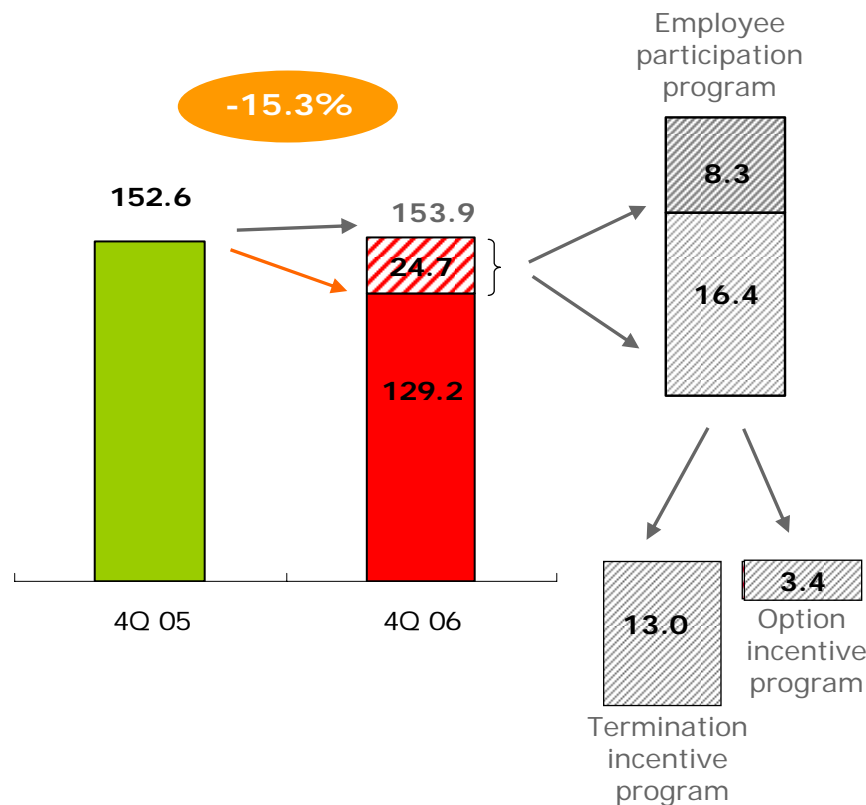
- Treasury shares for EUR 115.2 million acquired in 4Q 06
- 7.8% of issued shares held in treasury as of December 31, 2006
- Resolution to cancel 8% of treasury shares by April 5th



# Wireline 4Q 06 adj. EBITDA Includes Exceptional Costs of EUR 24.7 million

| Adj. EBITDA Wireline | Facts |
|----------------------|-------|
|----------------------|-------|

(EUR million)



- Reported adj. EBITDA declines by 15.3% to EUR 129.2 million
- Exceptional cost of EUR 24.7 million included
- Thereof EUR 16.4 million for voluntary termination and option incentive program
- Furthermore expenses of EUR 8.3 million for an employee participation program 2007
- Shares allocated to employees are not subject to wage inflation

# Telekom Austria Group Acquires eTel & Wins 3rd GSM Licenses in Serbia & Macedonia

## Facts



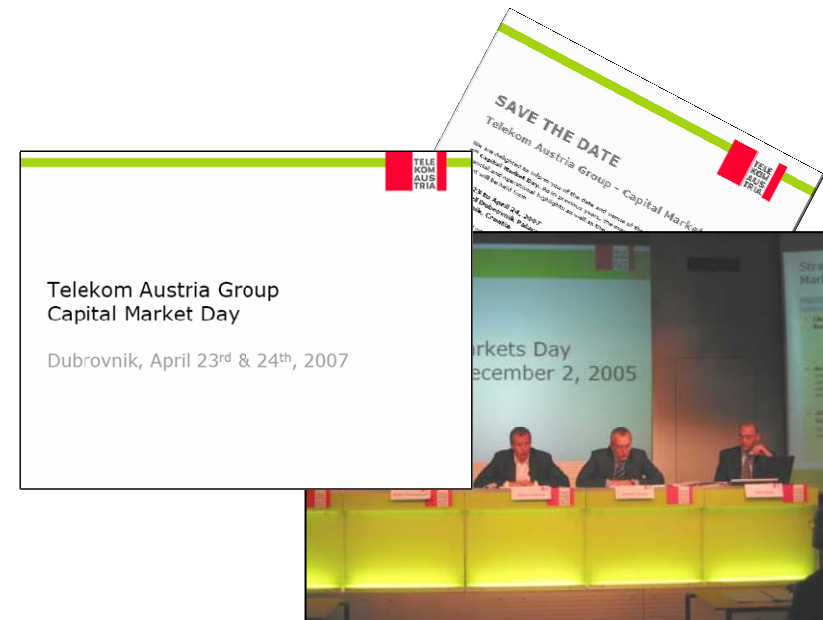
- Telekom Austria Group
- New members of the Telekom Austria Group
- Country of interest

- Agreement reached in December to acquire fixed line operator eTel
- Purchase price for eTel approx. EUR 90 million
- Regulatory approval pending
- Tender for 3rd licenses won in Serbia in November 2006 and the Republic of Macedonia in February 2007
- Launch of operations expected by June and September 2007

# Join the Capital Market Day in Dubrovnik on April 23<sup>rd</sup> & 24<sup>th</sup> 2007

## Key Points

- Telekom Austria will host its **Capital Market Day** on April 23<sup>rd</sup> and 24<sup>th</sup>, 2007 in Dubrovnik, Croatia
- Presentations will cover
  - Strategy
  - Operative performance of Wireline & Wireless
  - Update on Cash Use Policy and Multi-Year Outlook
- For more information please contact [investor.relations@telekom.at](mailto:investor.relations@telekom.at)  
+43(0)59059 1 19000



# Outlook

# Outlook FY 2007

|          |   |
|----------|---|
| Group    | <ul style="list-style-type: none"><li>▪ Stable revenues due to competitive impact on wholesale roaming prices; impact of the EU roaming regulation unforeseeable</li><li>▪ Adjusted EBITDA margin compression by 1.5 percentage points due to lower wholesale roaming prices and start-up operations</li><li>▪ Stable net income on comparable basis excluding one-off tax effects in 2006</li><li>▪ Capex increase of approximately 18% due to start-up operations</li></ul> |
| Wireline | <ul style="list-style-type: none"><li>▪ Continued fixed-to-mobile migration is expected to result in slightly lower revenue and adjusted EBITDA</li><li>▪ Further growth of operating income</li></ul>  |
| Wireless | <ul style="list-style-type: none"><li>▪ Continued customer and mobile data growth</li><li>▪ Slight revenue growth supported by international operations</li><li>▪ Adjusted EBITDA and operating income lower due to launch of operations in Serbia and Macedonia</li></ul>  |



# Appendix

# Regulatory Issues (1)

## Key Aspects

- RTR has to evaluate level of competition on regulated markets every two years – Austria is ahead of other EU member states in the market analysis process – to date all markets have been analyzed. Some draft decision and even some final decision have been issued.
- According to the modified Austrian Universal Service Ordinance from October 2006 (UDV) Telekom Austria as universal service provider is allowed to claim compensation for calls to 0800 numbers via payphones.
- European Commission published a new draft on the “Review 2006” and on Market Definitions for public consultation: The new draft recommends 12 instead of 18 markets. The deletion of all retail-voice markets (number 3 to 6) from the list is a first step in deregulating retail markets in Europe. The final recommendation with the new list of markets is expected to be published before summer 2007 and must be implemented into national law.

# Regulatory Issues (2)

## Key Aspects

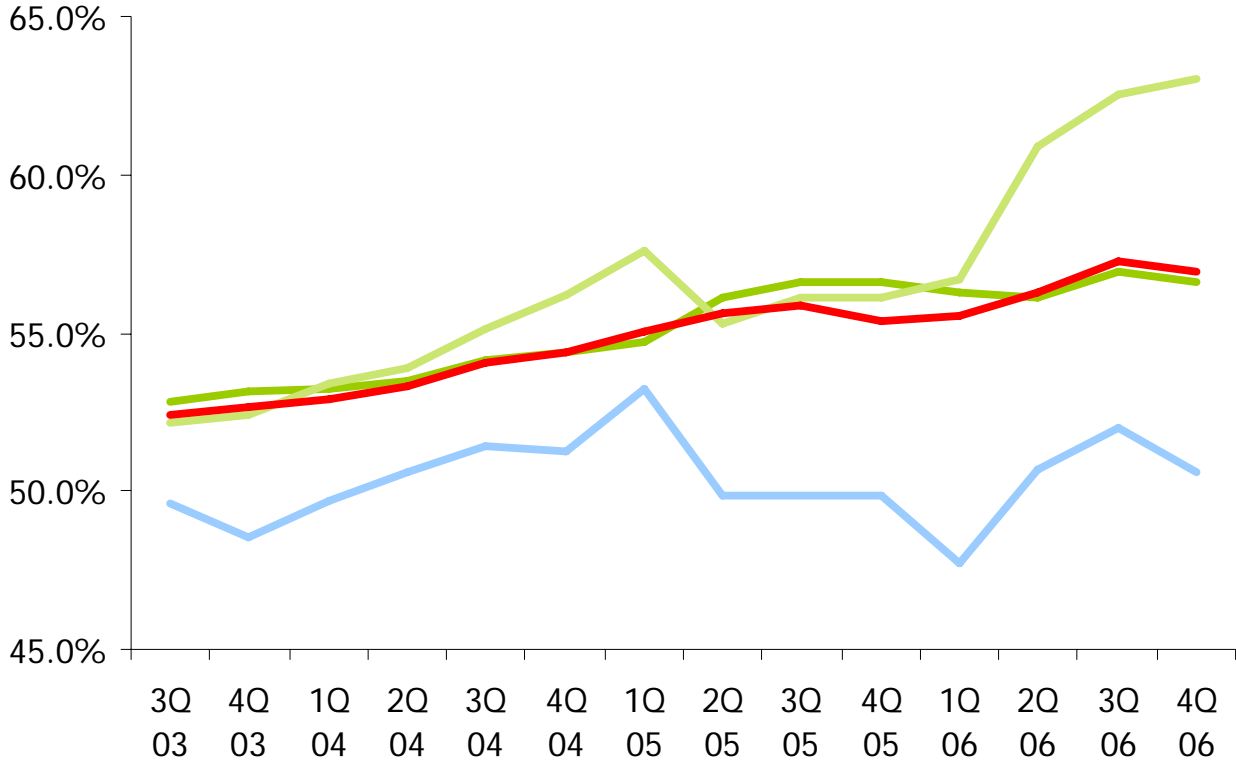
- Gliding Path Model Mobile Termination: Regulator urged mid-term unification of mobile termination rates between operators; Reduction took place according to a gliding path model. Currently there are several ongoing proceedings in order to recalculate the LRAIC-level and therefore also the Gliding Path Model for the upcoming years.
- Furthermore, mobilkom austria has started a proceeding in July 06 against T-Mobile/tele.ring to bring termination rates down to the level of mobilkom austria.
- 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 entering into force. At the moment both Parliament and Council focus on a tight regulation of wholesale prices and give operators a wider margin on the retail level. Presumably, the regulation will enter into force in autumn 2007.

# Wireline - Access Lines

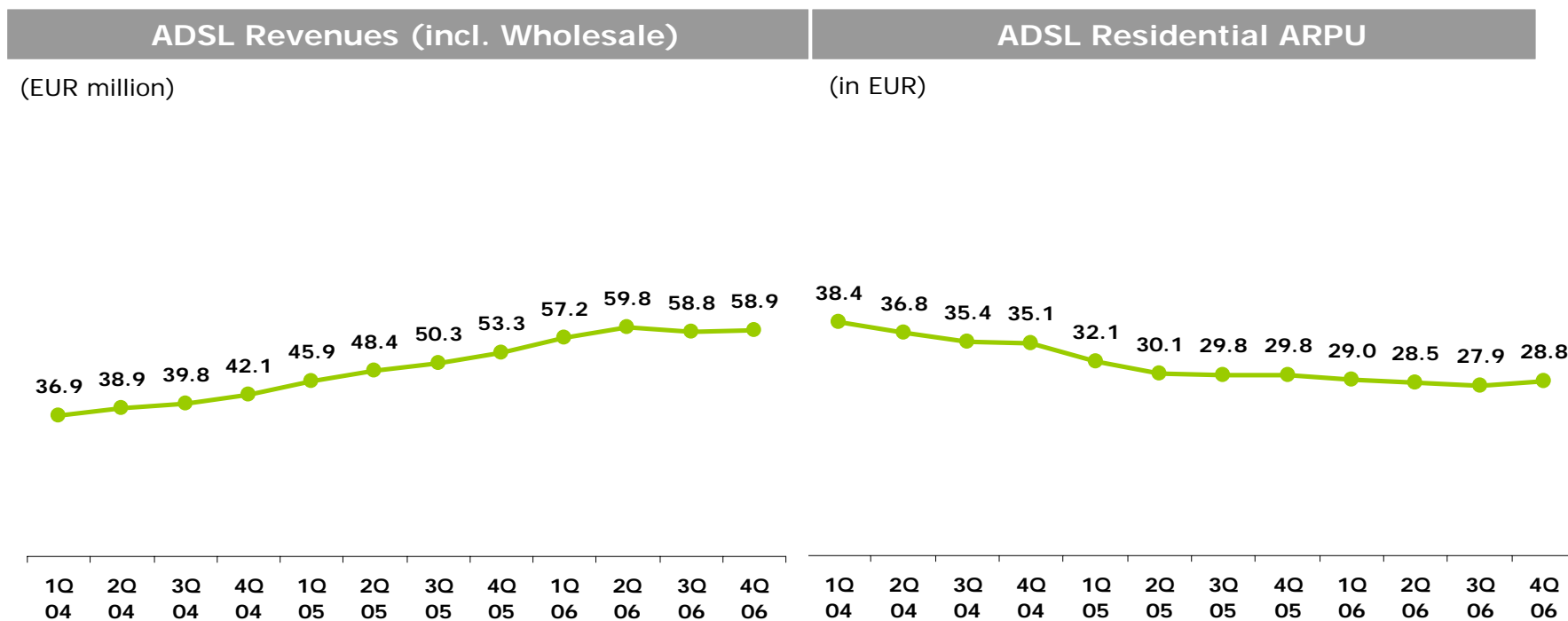
| (in 000)                                | 4Q 06          | 4Q 05          | % change        |
|---|----------------|----------------|-----------------|
| PSTN access lines                       | 2,244.2        | 2,374.5        | -5.5%           |
| Basic ISDN access lines                 | 391.3          | 420.1          | -6.9%           |
| Multi ISDN access lines                 | 7.1            | 7.3            | -2.3%           |
| <b>Total access lines in service</b>    | <b>2,642.6</b> | <b>2,801.9</b> | <b>-5.7%</b>    |
| of these ADSL access lines              | 693.6          | 574.3          | 20.8%           |
| thereof ADSL wholesale lines            | 122.3          | 105.8          | 15.6%           |
|   | <b>4Q 06</b>   | <b>4Q 05</b>   | <b>% change</b> |
| <b>Total access channels in service</b> | <b>3,240.7</b> | <b>3,433.7</b> | <b>-5.6%</b>    |
|   | <b>4Q 06</b>   | <b>4Q 05</b>   | <b>% change</b> |
| <b>ADSL net adds</b>                    | <b>23.7</b>    | <b>48.5</b>    | <b>-51.2%</b>   |
| <b>Unbundled lines</b>                  | <b>199.6</b>   | <b>127.9</b>   | <b>56.1%</b>    |

# Wireline - Market Shares



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

# ADSL – Revenues and Residential ARPU








# Wireline - Minutes and Average Tariffs

| (in million minutes)          | 4Q 06        | 4Q 05        | % change      |
|-------------------------------|--------------|--------------|---------------|
| National                      | 853          | 965          | -11.6%        |
| Fixed-to-mobile               | 194          | 211          | -8.1%         |
| International                 | 102          | 110          | -7.2%         |
| <b>Total voice minutes</b>    | <b>1,149</b> | <b>1,286</b> | <b>-10.6%</b> |
| Internet dial-up              | 286          | 505          | -43.4%        |
| <b>Total wireline minutes</b> | <b>1,435</b> | <b>1,791</b> | <b>-19.9%</b> |

| (Average tariffs in EUR)   | 4Q 06        | 4Q 05        | % change    |
|----------------------------|--------------|--------------|-------------|
| National                   | 0.043        | 0.040        | 8.9%        |
| Fixed-to-mobile            | 0.167        | 0.188        | -11.2%      |
| International              | 0.178        | 0.179        | -0.6%       |
| <b>Total voice average</b> | <b>0.076</b> | <b>0.077</b> | <b>0.0%</b> |
| Internet dial-up           | 0.019        | 0.016        | 18.8%       |

| (in million minutes)           | 4Q 06        | 4Q 05        | % change     |
|--------------------------------|--------------|--------------|--------------|
| National wholesale             | 2,144        | 2,543        | -15.7%       |
| International wholesale        | 818          | 627          | 30.6%        |
| <b>Total wholesale minutes</b> | <b>2,962</b> | <b>3,170</b> | <b>-6.6%</b> |

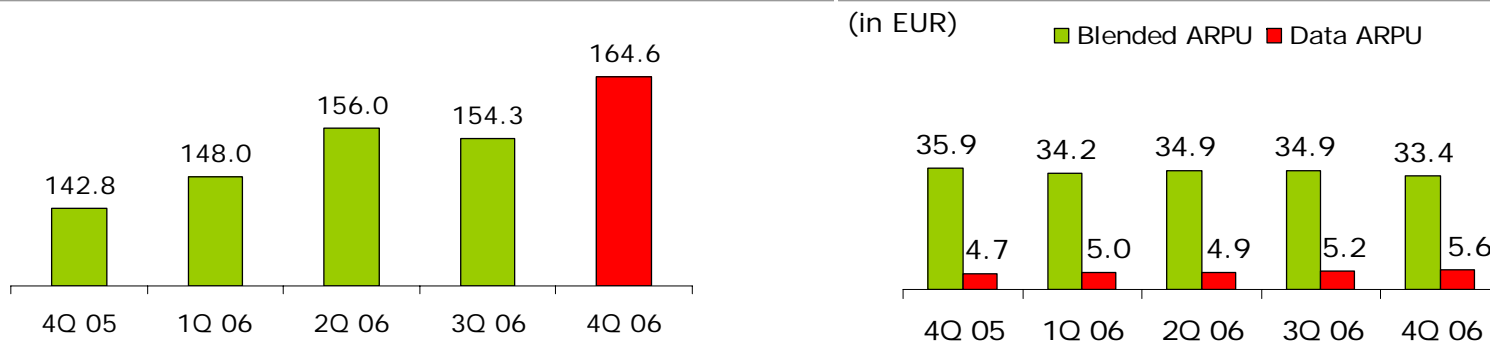
# Mobile Subscribers

|   |                            | (in 000) | 4Q 06           | 4Q 05          | % change     |
|---|----------------------------|----------|-----------------|----------------|--------------|
|    | Contract                   |          | 2,207.0         | 1,929.5        | 14.4%        |
|   | Prepaid                    |          | 1,423.5         | 1,462.7        | -2.7%        |
|   | <b>Total Austria</b>       |          | <b>3,630.5</b>  | <b>3,392.2</b> | <b>7.0%</b>  |
|   | Market share               |          | 38.7%           | 39.1%          |              |
|    | Contract                   |          | 1,570.1         | 1,231.2        | 27.5%        |
|   | Prepaid                    |          | 2,697.8         | 2,363.0        | 14.2%        |
|   | <b>Total Bulgaria</b>      |          | <b>4,267.9</b>  | <b>3,594.2</b> | <b>18.7%</b> |
|   | Market share               |          | 52.5%           | 57.6%          |              |
|    | Contract                   |          | 329.6           | 252.4          | 30.6%        |
|   | Prepaid                    |          | 1,582.7         | 1,360.5        | 16.3%        |
|   | <b>Total Croatia</b>       |          | <b>1,912.3</b>  | <b>1,612.9</b> | <b>18.6%</b> |
|   | Market share               |          | 42.9%           | 44.1%          |              |
|   | Contract                   |          | 242.1           | 176.7          | 37.0%        |
|   | Prepaid                    |          | 178.8           | 182.9          | -2.2%        |
|   | <b>Total Slovenia</b>      |          | <b>420.9</b>    | <b>359.6</b>   | <b>17.0%</b> |
|   | Market share               |          | 24.9%           | 22.7%          |              |
|  | <b>Total Liechtenstein</b> |          | <b>4.8</b>      | <b>4.2</b>     | <b>14.3%</b> |
|   | Market share               |          | 16.8%           | 15.1%          |              |
| <b>Total Wireless</b>   |                            |          | <b>10,236.4</b> | <b>8,963.1</b> | <b>14.2%</b> |

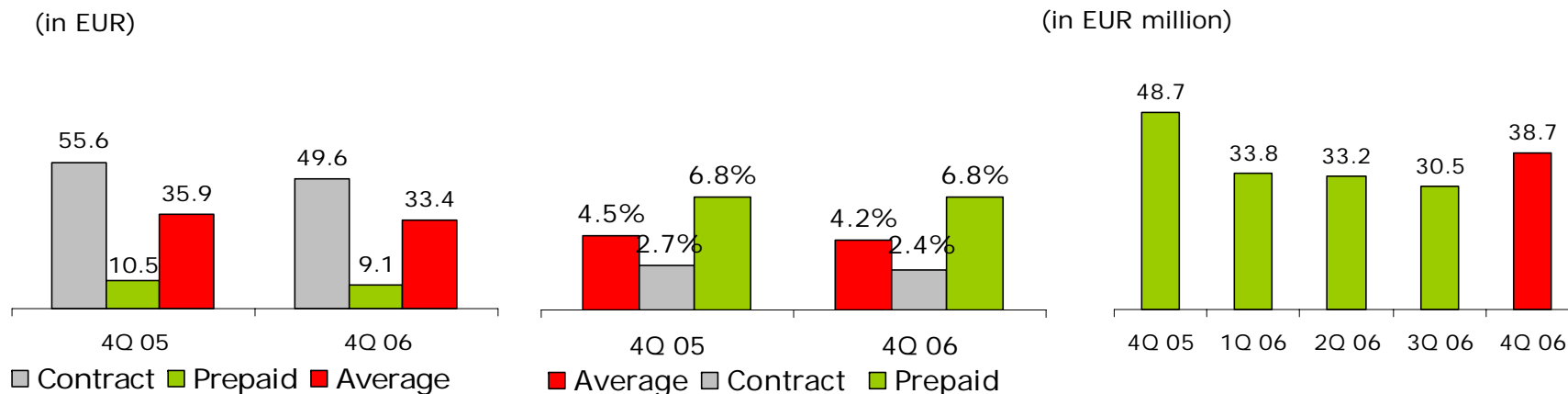


# Operational Data – mobilkom austria

## MoU per Subscriber | ARPU & Data ARPU



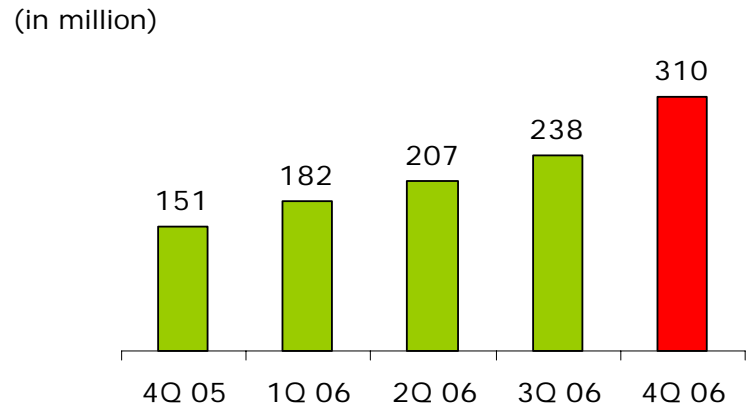
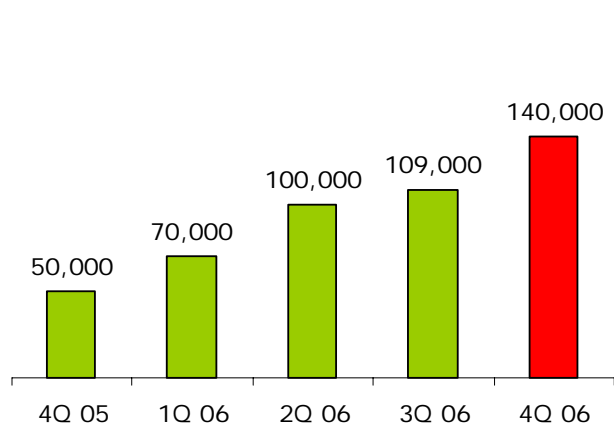
## ARPU | Quarterly Churn | SRC & SAC\*



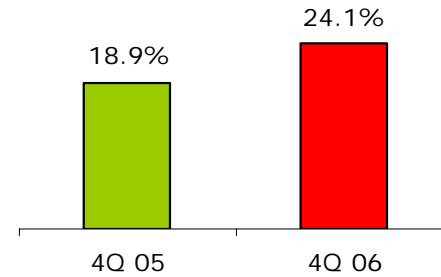
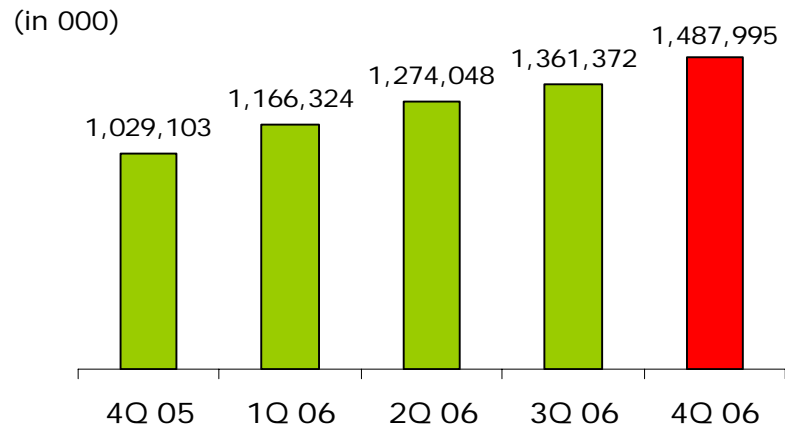
\* Subscriber retention cost & subscriber acquisition cost

# mobilkom austria - Mobile Data

## Data Cards and USB Modems Sold | Number of SMS



## MMS Users | Data in % of Revenues\*



\* Traffic related revenues

# Headcount\* Development

| (average period)             | Dez 31,2006   | Dez 31,2005   | change |
|------------------------------|---------------|---------------|--------|
| Wireline                     | 9.503         | 9.603         | -100   |
| Wireless                     | 5.990         | 4.800         | 1.190  |
| <b>Telekom Austria Group</b> | <b>15.493</b> | <b>14.403</b> | 1.090  |
| thereof Mobitel              | 2.423         |               |        |

| (end of period)              | Dez 31,2006   | Dez 31,2005   | change |
|------------------------------|---------------|---------------|--------|
| Wireline                     | 9.433         | 9.557         | -124   |
| Wireless                     | 5.995         | 6.038         | -43    |
| <b>Telekom Austria Group</b> | <b>15.428</b> | <b>15.595</b> | -167   |
| thereof Mobitel              | 2.447         |               |        |

\* Full-time-equivalents

# Wireline - Revenue Breakdown

| (EUR million)                                 | 4Q 06        | 4Q 05        | % change    | FY 2006        | FY 2005        | % change     |
|---|--------------|--------------|-------------|----------------|----------------|--------------|
| Switched voice base traffic                   | 88.1         | 98.0         | -10.1%      | 361.0          | 398.1          | -9.3%        |
| Switched voice monthly & other voice revenues | 126.6        | 133.2        | -5.0%       | 520.2          | 548.8          | -5.2%        |
| Payphones & VAS                               | 11.1         | 11.2         | -0.9%       | 44.9           | 48.1           | -6.7%        |
| Wholesale data & IT-solutions                 | 115.6        | 111.0        | 4.1%        | 425.0          | 419.7          | 1.3%         |
| Internet access & media                       | 70.5         | 66.0         | 6.8%        | 268.9          | 241.9          | 11.2%        |
| Wholesale voice & Internet                    | 89.8         | 80.6         | 11.4%       | 380.1          | 349.3          | 8.8%         |
| Other   | 33.8         | 32.4         | 4.3%        | 119.4          | 118.0          | 1.2%         |
| <b>Total wireline revenues</b>                | <b>535.5</b> | <b>532.4</b> | <b>0.6%</b> | <b>2,119.5</b> | <b>2,123.9</b> | <b>-0.2%</b> |

# Wireline - Expense Breakdown

(EUR million)

|   | 4Q 06        | 4Q 05        | % change     | FY 2006        | FY 2005        | % change     |
|---|--------------|--------------|--------------|----------------|----------------|--------------|
| Material expense                                  | 25.9         | 23.7         | 9.3%         | 77.1           | 69.0           | 11.7%        |
| Employee costs                                    | 164.8        | 129.1        | 27.7%        | 549.0          | 500.1          | 9.8%         |
| Depreciation, amortization and impairment charges | 166.8        | 201.3        | -17.1%       | 636.6          | 721.3          | -11.7%       |
| Interconnection                                   | 85.6         | 82.2         | 4.1%         | 352.4          | 340.4          | 3.5%         |
| Maintenance and repairs                           | 42.5         | 40.0         | 6.3%         | 118.3          | 113.6          | 4.1%         |
| Services received                                 | 12.4         | 12.7         | -2.4%        | 48.2           | 44.7           | 7.8%         |
| Other support services                            | 26.2         | 32.2         | -18.6%       | 86.1           | 88.7           | -2.9%        |
| Other   | 59.6         | 72.5         | -17.8%       | 207.0          | 228.7          | -9.5%        |
| <b>Total wireline expenses</b>                    | <b>583.8</b> | <b>593.7</b> | <b>-1.7%</b> | <b>2,074.7</b> | <b>2,106.5</b> | <b>-1.5%</b> |

# Wireless - Revenue Breakdown

| (EUR million)   | 4Q 06        | 4Q 05        | % change    | FY 2006        | FY 2005        | % change     |
|---|--------------|--------------|-------------|----------------|----------------|--------------|
| Traffic revenues  | 359,3        | 331,4        | 8,4%        | 1.442,3        | 1.264,7        | 14,0%        |
| Monthly rental  | 125,5        | 117,7        | 6,6%        | 483,1          | 396,9          | 21,7%        |
| Equipment   | 91,3         | 93,8         | -2,7%       | 264,4          | 225,6          | 17,2%        |
| Roaming   | 44,9         | 36,3         | 23,7%       | 257,9          | 204,8          | 25,9%        |
| Interconnection   | 113,7        | 111,2        | 2,2%        | 446,9          | 392,8          | 13,8%        |
| Other   | 12,4         | 2,4          | 416,7%      | 46,2           | 13,8           | 234,8%       |
| Discounts   | -16,5        | 10,9         | -251,4%     | -38,2          | -13,8          | 176,8%       |
| <b>Total wireless revenues*</b>                                     | <b>730,6</b> | <b>703,7</b> | <b>3,8%</b> | <b>2.902,6</b> | <b>2.484,8</b> | <b>16,8%</b> |
| <b>Wireless revenues, on a comparable basis, excluding Mobiltel</b> |              |              |             | <b>2.325,1</b> | <b>2.223,0</b> | <b>4,6%</b>  |

\* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005.

# Wireless - Expense Breakdown

| (EUR million)   | 4Q 06        | 4Q 05        | % change    | FY 2006        | FY 2005        | % change     |
|---|--------------|--------------|-------------|----------------|----------------|--------------|
| Material expense  | 104,5        | 108,9        | -4,0%       | 331,1          | 301,9          | 9,7%         |
| Employee costs  | 57,9         | 57,7         | 0,3%        | 218,1          | 198,8          | 9,7%         |
| Depreciation, amortization and impairment charges           | 131,8        | 120,8        | 9,1%        | 498,3          | 417,9          | 19,2%        |
| Interconnection   | 82,2         | 72,6         | 13,2%       | 315,0          | 271,3          | 16,1%        |
| Repairs   | 19,2         | 19,7         | -2,5%       | 71,8           | 66,2           | 8,5%         |
| Services received   | 73,1         | 73,2         | -0,1%       | 303,9          | 275,7          | 10,2%        |
| Other support services                                      | 7,5          | 5,9          | 27,1%       | 25,1           | 22,4           | 12,1%        |
| Other   | 144,1        | 134,0        | 7,5%        | 477,0          | 391,3          | 21,9%        |
| <b>Total wireless expenses*</b>                             | <b>620,3</b> | <b>592,8</b> | <b>4,6%</b> | <b>2.240,3</b> | <b>1.945,5</b> | <b>15,2%</b> |
| <b>Wireless, on a comparable basis, excluding Mobilitel</b> |              |              |             | <b>1.861,3</b> | <b>1.779,7</b> | <b>4,6%</b>  |

\* Consolidated 2006 financial statements of Telekom Austria include figures for Mobilitel. Results for 2005 include contributions from Mobilitel for the period from July 12, 2005 through December 31, 2005.

# Operating Revenues by Segment

| (EUR million)  | 4Q 06          | 4Q 05          | % change    | FY 2006        | FY 2005        | % change    |
|--|----------------|----------------|-------------|----------------|----------------|-------------|
| Wireline revenues  | 535,5          | 532,4          | 0,6%        | 2.119,5        | 2.123,9        | -0,2%       |
| Wireless revenues*   | 730,6          | 703,7          | 3,8%        | 2.902,6        | 2.484,8        | 16,8%       |
| Other & eliminations   | -66,8          | -67,7          | -1,3%       | -262,5         | -243,5         | 7,8%        |
| <b>Operating revenues</b>                                      | <b>1.199,3</b> | <b>1.168,4</b> | <b>2,6%</b> | <b>4.759,6</b> | <b>4.365,2</b> | <b>9,0%</b> |
| <b>Wireless, on a comparable basis,<br/>excluding Mobiltel</b> |                |                |             | <b>2.325,1</b> | <b>2.223,0</b> | <b>4,6%</b> |

\* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005.



# Adjusted EBITDA and Operating Income by Segment

| (EUR million)   | 4Q 06        | 4Q 05        | % change     | FY 2006        | FY 2005        | % change    |
|---|--------------|--------------|--------------|----------------|----------------|-------------|
| Wireline EBITDA   | 129,2        | 152,6        | -15,3%       | 729,4          | 789,4          | -7,6%       |
| Wireless EBITDA*  | 245,8        | 228,6        | 7,5%         | 1.175,4        | 967,7          | 21,5%       |
| Other & eliminations  | 0,1          | 0,3          | -66,7%       | 2,0            | 1,4            | 42,9%       |
| <b>Adjusted EBITDA**</b>  | <b>375,1</b> | <b>381,5</b> | <b>-1,7%</b> | <b>1.906,8</b> | <b>1.758,5</b> | <b>8,4%</b> |
| <b>Wireless EBITDA, on a comparable basis, excluding Mobiltel</b> |              |              |              | <b>835,1</b>   | <b>813,3</b>   | <b>2,7%</b> |

| (EUR million)   | 4Q 06       | 4Q 05       | % change     | FY 2006      | FY 2005      | % change     |
|---|-------------|-------------|--------------|--------------|--------------|--------------|
| Wireline operating income   | -37,6       | -48,7       | -22,8%       | 92,8         | 68,1         | 36,3%        |
| Wireless operating income*  | 114,0       | 107,9       | 5,7%         | 677,1        | 549,8        | 23,2%        |
| Other & eliminations  | 0,3         | 0,4         | -25,0%       | 2,5          | 1,8          | 38,9%        |
| <b>Operating income</b>   | <b>76,7</b> | <b>59,6</b> | <b>28,7%</b> | <b>772,4</b> | <b>619,7</b> | <b>24,6%</b> |
| <b>Wireless operating income, on a comparable basis, excluding Mobiltel</b> |             |             |              | <b>478,2</b> | <b>456,0</b> | <b>4,9%</b>  |

\* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005. \*\* Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment charges.

# Capital Expenditure by Segment

| (EUR million)   | 4Q 06        | 4Q 05        | % change      | FY 2006      | FY 2005      | % change      |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| Wireline tangible   | 98.6         | 97.6         | 1.0%          | 260.4        | 289.5        | -10.1%        |
| Wireless tangible*  | 110.1        | 94.1         | 17.0%         | 300.3        | 239.9        | 25.2%         |
| <b>Tangible (total)</b>   | <b>208.7</b> | <b>191.7</b> | <b>8.9%</b>   | <b>560.7</b> | <b>529.4</b> | <b>5.9%</b>   |
| Wireline intangible   | 7.0          | 10.2         | -31.4%        | 23.5         | 24.6         | -4.5%         |
| Wireless intangible*  | 359.6        | 47.7         | 653.9%        | 412.5        | 73.6         | 460.5%        |
| <b>Intangible (total)</b>   | <b>366.6</b> | <b>57.9</b>  | <b>533.2%</b> | <b>436.0</b> | <b>98.2</b>  | <b>344.0%</b> |
| <b>Telekom Austria Group</b>  | <b>575.3</b> | <b>249.6</b> | <b>130.5%</b> | <b>996.7</b> | <b>627.6</b> | <b>58.8%</b>  |
| <b>Wireless tangible, on a comparable basis, excluding Mobiltel</b> |              |              |               | <b>202.6</b> | <b>195.9</b> | <b>3.4%</b>   |

| (EUR million)            | 4Q 06 | 4Q 05 | % change | FY 2006 | FY 2005 | % change |
|--------------------------|-------|-------|----------|---------|---------|----------|
| <b>Wireless tangible</b> |       |       |          |         |         |          |
| mobilkom austria         | 51.5  | 37.0  | 39.2%    | 132.9   | 127.5   | 4.2%     |
| Mobiltel                 | 32.5  | 25.5  | 27.5%    | 97.7    | 44.0    | 122.0%   |
| Vipnet                   | 18.3  | 24.2  | -24.4%   | 55.0    | 58.3    | -5.7%    |
| Si.mobil                 | 12.7  | 7.3   | 90.6%    | 19.2    | 10.4    | 84.6%    |

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# Net Debt - Telekom Austria Group

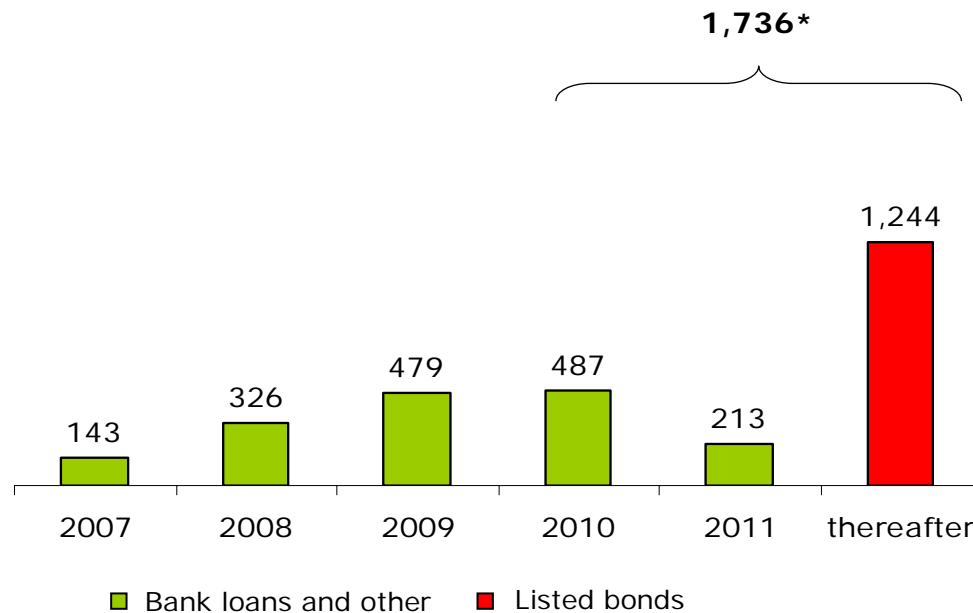
(EUR million)

|  | Dec 31,2006    | Dec 31,2005    | % change    |
|--|----------------|----------------|-------------|
| Long-term debt   | 2,764.6        | 2,557.7        | 8.1%        |
| Short-term debt  | 562.1          | 704.1          | -20.2%      |
| - Short-term portion of capital and cross border lease obligations       | -9.4           | -9.4           | 0.1%        |
| + Capital lease obligations  | 0.1            | 0.6            | -84.2%      |
| Cash and cash equivalents, short-term and long term investments          | -148.3         | -139.3         | 6.5%        |
| Financial instruments, included in other assets and other current assets | -0.1           | 0.0            | n.a.        |
| <b>Net debt of Telekom Austria Group</b>                                 | <b>3,169.0</b> | <b>3,113.7</b> | <b>1.8%</b> |
| Shareholders' equity   | 2,823.5        | 2,918.8        | -3.3%       |
| <b>Net debt/equity</b>   | <b>112.2%</b>  | <b>106.7%</b>  | <b>5.2%</b> |

# Telekom Austria Debt Maturity Profile

| Debt Maturity Profile | Facts |
|-----------------------|-------|
|-----------------------|-------|

(EUR million)



- 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 Dec 31, 2006: 112.2%
- Net debt /adj. EBITDA (annualized): 1.66x

- 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)                    | 4Q 06        | 4Q 05        | % change     |
|----------------------------------|--------------|--------------|--------------|
| <b>Adjusted EBITDA**</b>         | <b>375.1</b> | <b>381.5</b> | <b>-1.7%</b> |
| Depreciation and amortization    | -290.5       | -304.5       | -4.6%        |
| Impairment charges               | -8.0         | -17.4        | n.a.         |
| <b>Operating income</b>          | <b>76.6</b>  | <b>59.6</b>  | <b>28.7%</b> |
| Interest income                  | 5.3          | 9.6          | -44.8%       |
| Interest expense                 | -34.4        | -37.5        | -8.2%        |
| Accretion expense                | -0.9         | -0.6         | 46.7%        |
| Foreign exchange differences     | -0.1         | 1.5          | n.a.         |
| Income from investments          | 0.1          | -0.3         | n.a.         |
| Equity in earnings of affiliates | -0.1         | 0.3          | n.a.         |
| Income tax expense               | 16.8         | 6.1          | 175.4%       |
| <b>Net income</b>                | <b>63.3</b>  | <b>38.7</b>  | <b>63.6%</b> |

\* Consolidated 2006 financial statements of Telekom Austria include figures for Mobiltel. Results for 2005 include contributions from Mobiltel for the period from July 12, 2005 through December 31, 2005. \*\* Adjusted EBITDA is defined as operating income before depreciation, amortization and impairment charges.