

**Buyback Program of Telekom Austria AG
Disclosure in Accordance with Para 4 (2) and Para 5 of the Disclosure Regulation
2002**

The Annual General Meeting modified the existing authorization to buy back shares on May 25, 2005.

The Management Board of Telekom Austria AG decides to exercise the rights under this amended authorization, and to modify the Share Buyback Program of Telekom Austria AG published on June 24, 2004, as follows:

Details on the Share Buyback Program

1. The day of authorization of the resolution by the Annual General Meeting according to Para 65 Sec. 1 Z 8 AktG (Stock Corporation Act) is May 25, 2005.
2. The resolution by the Annual General Meeting was announced via the APA on May 25, 2005 and published in the "Amtsblatt der Wiener Zeitung" on May 28, 2005.
3. The Buyback Program is expected to end on November 24, 2006.
4. The Buyback Program concerns ordinary shares of Telekom Austria AG.
5. The intention is to buy back up to 30 million shares, i.e. up to 6% of the current share capital of Telekom Austria AG.
6. The minimum price to be paid in the buyback is EUR 9 (nine euros) and the maximum price to be paid in the buyback is EUR 21 (twenty-one euros) per share.
7. The buyback takes place via the stock exchange. The main purpose is the return of capital to the shareholders while simultaneously improving the capital structure. The authorization by the Annual General Meeting also extends to the use of repurchased shares (i) to serve stock options to be granted to employees, directors and members of the Management Board / the management of the Company or of an affiliated company, (ii) to serve convertible bonds, (iii) as consideration for acquisitions, (iv) to sell own shares over the stock exchange or via a public offer anytime, as well as (v) for 5 (five) years from the date of the resolution to sell own shares in any way permitted by law, also over the counter and by excluding the general purchase opportunity. Furthermore, the Management Board is authorized to lower the common stock of the Company by up to EUR 109,050 by withdrawing bearer or name shares with no par value without further resolution of the Annual General Meeting, whereby the Supervisory Board is authorized to resolve upon amendments of the Articles of Association resulting from the withdrawal of shares.
8. Within the framework of the second tranche of the Stock Option Program (ESOP 2005+), the Company granted 2,858,460 stock options representing the right to acquire up to a maximum number of 2,858,460 shares to employees, directors and members of the Management Board of the Company or of an affiliated company. 99,100 options were granted to the four members of the Management Board, which entitle each of them to acquire 99,100 shares. A total of 139,200 stock options were granted to the Management Boards of affiliated companies, which entitle them to acquire up to a maximum of 139,200 shares¹.

¹ **ESOP 2004+:** Since April 19, 2004, the Company issued 2,392,925 stock options within the scope of the first tranche of the Stock Option Program (ESOP 2004+), representing the right to acquire up to a maximum of 2,392,925 shares, to employees, directors and members of the Management Board of the Company or of an affiliated company. 96,000 options were granted to the four members of the Management Board of the Company, which entitle each of them to acquire 96,000 shares. A total of

The disclosure of this resolution by the Management Board and the fulfillment of additional disclosure obligations according to Para 6 and 7 of the Disclosure Regulation 2002 will be effected by disclosing details on the Internet website of Telekom Austria AG www.telekom, which is publicly accessible.

Vienna, May 31, 2005

The Management Board

Telekom Austria AG

197,500 stock options were granted to the Management Boards of affiliated companies, which entitle them to acquire up to a maximum of 197,500 shares. On March 15, 2005, the Management Board decided to serve stock options issued within the scope of ESOP 2004+ through cash compensation.