

Financial Statements as of December 31, 2006 of Telekom Austria AG

**(according to Austrian
Commercial Code – UGB)**

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Telekom Austria Aktiengesellschaft, Vienna, Austria

Annex I/1

Balance Sheet as of December 31, 2006

Assets

	Dec 31, 2006 EUR	Dec 31, 2005 TEUR
A. Fixed assets		
I. Intangible assets		
1. Licenses, industrial property rights and similar rights	26.155.372,00	36.977
2. Goodwill	423.934,00	479
	26.579.306,00	37.456
II. Property, plant and equipment		
1. Land, similar rights and buildings including buildings on non-owned land	318.789.166,15	354.955
2. Technical plants and machinery	1.663.795.129,36	1.978.825
3. Other plants, furniture and fixtures	61.415.265,45	68.140
4. Assets under construction	58.145.977,42	53.360
	2.102.145.538,38	2.455.280
III. Financial assets		
1. Investments in affiliated companies	2.756.200.302,57	1.978.206
2. Investments	4.156.617,42	4.157
3. Securities	4.445.195,58	4.445
4. Other loans	66.777.968,70	77.536
	2.831.580.084,27	2.064.344
	4.960.304.928,65	4.557.080
B. Current assets		
I. Inventories		
1. Raw materials and supplies	41.815.294,09	37.976
2. Merchandise	7.675.673,64	6.613
3. Services not yet chargeable	2.593.207,71	1.865
	52.084.175,44	46.454
II. Accounts receivable		
1. Accounts receivable - trade	371.220.335,33	383.923
2. Accounts receivable - affiliated companies	380.393.950,65	339.009
3. Accounts receivable - associated companies	23.442,92	31
4. Other receivables and assets	104.763.090,50	214.527
	856.400.819,40	937.490
III. Short-term investments	654.597.426,55	256.397
IV. Cash and cash equivalents	458.622,53	1.122
	1.563.541.043,92	1.241.463
C. Prepaid expenses	20.218.031,89	20.872
	6.544.064.004,46	5.819.415

Telekom Austria Aktiengesellschaft, Vienna, Austria

Annex I / 1

Balance Sheet as of December 31, 2006

Liabilities and Shareholders' equity

	Dec 31, 2006 EUR	Dec 31, 2005 TEUR
A. Shareholders' equity		
I. Common stock	1.090.500.000,00	1.090.500
II. Additional paid-in capital		
Appropriated	928.000.856,33	928.001
III. Taxed reserves		
1. Reserve for treasury stock	654.597.426,55	256.397
2. Other reserves (unrestricted reserves)	540.000.000,00	365.534
	<u>1.194.597.426,55</u>	<u>621.931</u>
IV. Net profit	402.114.895,76	279.794
thereof profit carryforward: EUR 18,593,510.56; prior year: TEUR 28,016		
	<u>3.615.213.178,64</u>	<u>2.920.226</u>
B. Untaxed reserves		
1. Reserves from special depreciation	2.319.056,91	2.321
2. Other untaxed reserves	0,00	322
	<u>2.319.056,91</u>	<u>2.643</u>
C. Accruals		
1. Accrued severance payments	28.507.356,64	16.876
2. Accrued taxes	169.758.665,10	5.274
3. Other accruals	170.308.853,35	191.413
	<u>368.574.875,09</u>	<u>213.563</u>
D. Liabilities		
1. Bank loans and overdrafts	355.844.884,82	605.628
2. Payments received in advance	1.133.207,12	1.689
3. Accounts payable - trade	181.500.205,21	204.741
4. Accounts payable - affiliated companies	1.600.925.396,64	1.424.449
5. Accounts payable - associated companies	1.907.698,68	3.546
6. Other liabilities	327.151.382,20	344.551
thereof due to taxes: EUR 15,435,548.01; prior year: TEUR 29,580		
thereof due to social security: EUR 3,470,065.26; prior year: TEUR 3,383		
	<u>2.468.462.774,67</u>	<u>2.584.604</u>
E. Deferred income	89.494.119,15	98.379
	<u>6.544.064.004,46</u>	<u>5.819.415</u>
Contingent liabilities	4.165.481.000,00	3.132.856

Profit and Loss Accounts for the Business Year 2006

	2006		2005	
	EUR	EUR	TEUR	TEUR
1. Net sales		2.088.116.162,35		2.093.818
2. Change in services not yet chargeable		728.180,07		14
3. Own work capitalized		27.280.742,86		28.538
4. Other operating income				
a) Income from disposal of fixed assets excluding financial assets	12.020.941,33		2.893	
b) Income from reversal of accruals	9.502.096,77		16.822	
c) Sundry	<u>37.522.895,99</u>	59.045.934,09	<u>42.304</u>	62.019
5. Cost of materials and other production services				
a) Cost of materials	78.077.261,07		66.848	
b) Cost of services	<u>504.284.093,79</u>	-582.361.354,86	<u>492.189</u>	-559.037
6. Personnel expenses				
a) Salaries	131.041.025,84		131.465	
b) Severance expense and contributions to respective funds	14.667.169,19		4.823	
c) Pension expense	5.819.048,88		5.637	
d) Expenses for statutory social security and payroll related taxes and contributions	33.858.207,68		31.599	
e) Other social benefits	<u>6.016.687,93</u>	-191.402.139,52	<u>4.131</u>	-177.655
7. Depreciation of intangible assets, property, plant and equipment		-617.018.739,72		-684.794
thereof: extraordinary depreciation of fixed assets according to § 204 (2) UGB: EUR 7,937.937,12; prior year: TEUR 0				
8. Other operating expenses				
a) Taxes	4.645.353,52		4.601	
b) Sundry	<u>640.177.346,90</u>	-644.822.700,42	<u>670.740</u>	-675.341
9. Subtotal from line 1 to 8 (EBIT)		<u>139.566.084,85</u>		<u>87.562</u>
10. Income from investments		301.101.904,44		325.541
thereof from affiliated companies: EUR 300,341,830.76; prior year: TEUR 325,003				
11. Income from other long-term securities of financial assets		149.467,50		133
12. Other interest and similar income		12.907.401,74		13.492
thereof from affiliated companies: EUR 158,575.48; prior year: TEUR 565				
13. Income from disposal and revaluation of financial assets and short-term securities		0,00		3.209
14. Expenses for financial assets and short-term securities		-17.784.569,09		-1.352
thereof a) Depreciation: EUR 1,135,861.00; prior year: TEUR 1,352				
b) Expenses for affiliated companies: EUR 16,648,708.09; prior year: TEUR 1,068				
15. Interest and similar expense		-89.317.408,95		-102.259
thereof for affiliated companies: EUR 61,542,401.08; prior year: TEUR 46,412				
16. Subtotal from line 10 to 15 (Financial result)		<u>207.056.795,64</u>		<u>238.764</u>
17. Ordinary business result		<u>346.622.880,49</u>		<u>326.326</u>
18. Extraordinary income		760.000.000,00		0
19. Extraordinary result		<u>760.000.000,00</u>		<u>0</u>
20. Taxes on income		-150.759.708,58		-32.545
21. Net profit for the year		<u>955.863.171,91</u>		<u>293.781</u>
22. Reversal of untaxed reserves		324.234,68		7.997
23. Allocation to taxed reserves		-572.666.021,39		-50.000
24. Profit carried forward from prior year		18.593.510,56		28.016
25. Net result		<u>402.114.895,76</u>		<u>279.794</u>

Notes to the Financial Statements for Financial Year 2006

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1. Accounting and Valuation Methods

1.1. *General principles*

The annual financial statements have been prepared in accordance with the provisions of the Austrian Commercial Code and generally accepted accounting principles in Austria with the general objective of providing a true and fair view of the balance sheet, the financial position and operating results of the Company.

The principle of completeness was complied with in preparing the annual financial statements.

The principles of individual valuation and going concern were complied with in valuing the individual assets and liabilities.

The principle of prudence was observed in that only those profits that were realized and earned as of the reporting date were recognized. All identifiable risks and contingent losses were taken into account.

The statement of operations was prepared in accordance with the total expenditure format. The figures presented in the notes to the financial statements are shown in thousand euros (TEUR). The reporting date is December 31.

1.2. *Long-lived assets*

Intangible assets are valued at acquisition cost and amortized using the straight-line method. The useful lives of intangible assets range from 3 to 15 years; fixed line rights are amortized over the terms of the relevant agreements. Impairment charges of TEUR 1,048 (2005: TEUR 0) were recorded in financial year 2006. According to its future economic use, goodwill is amortized over a useful life of 3 to 15 years using the straight-line method.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. The production cost of plant and equipment manufactured by the Company includes both direct costs and a proportional share of overheads, but excludes social security expenses as defined under Section 203 Paragraph 3 of

the Austrian Commercial Code as well as directly allocated interest payable on borrowed capital.

Scheduled depreciation was calculated using the straight-line method based on the following useful lives and depreciation rates:

	Useful life in years	Depreciation rate in %
Buildings	10 – 50	2 - 10
Technical equipment and machinery	3 – 20	5 – 33
Tools, measuring and testing equipment	5 – 10	10 – 20
Computer equipment	4 – 5	20 – 25
Motor vehicles	4 – 8	12,5 – 25
Warehouse and shop fittings and equipment	10	10
Office equipment and other small machines	2 – 10	10 - 50

In accordance with Section 7 Paragraph 2 of the Austrian Income Tax Act, a full year's depreciation is applied to additions made during the first half-year, and half a full year's depreciation for additions made during the second half. With the exception of minor value tools, measuring and testing equipment as well as ADSL modems, all minor value assets (with an individual acquisition cost of TEUR 0.4 or less) were expensed as incurred in the year of acquisition in accordance with Section 13 of the Austrian Income Tax Act. These items are shown as additions and disposals in the schedule of changes in long-lived assets. The constant value set for office equipment pursuant to Section 209 Paragraph 1 of the Austrian Commercial Code amounted to TEUR 6,196 as of the reporting date.

In 2006, impairment charges of TEUR 6,890 (2005: TEUR 0) were recorded on property, plant and equipment and the useful lives of certain assets were reduced resulting in an impact on depreciation of TEUR 2,262 (2005: TEUR 15,341).

In 1998 and 1999, the Company entered into a number of contracts with several US trusts for the sale of digital switching equipment. These assets were subsequently leased back by Telekom Austria Aktiengesellschaft. Telekom Austria Aktiengesellschaft is entitled to buy back the leased assets at a contractually fixed price after approximately 10 years. In 2001, the Company also concluded an agreement to lease digital switching equipment to a US trust. This equipment was

subsequently leased back to the Company. Telekom Austria Aktiengesellschaft remains the beneficial owner of these assets.

Shares in affiliated companies, investments as well as marketable securities and loans are generally valued at acquisition cost. Impairment charges are recorded if the fair value on the reporting date is lower than the carrying value and the impairment is expected to be permanent. Extraordinary write-downs of TEUR 1,136 (2005: TEUR 1,352) were recorded in financial year 2006.

1.3. Current assets

Inventories are valued at acquisition or production cost, based on the lower of cost or market principle. The inventory value was determined on the basis of the weighted average cost.

Depreciation was required, in particular, due to lower market prices as of the reporting date, limited possibilities for use and unusually slow turnover.

Services not yet invoiced are recorded at production cost. Production costs include direct material and labor costs as well as an appropriate share of material and manufacturing overheads.

Accounts receivable and other assets are stated at their face value unless a lower value is recorded in the event of identifiable individual risks. General credit risk is accounted for by recording allowances on an individual or lump sum basis. Where necessary, receivables are discounted to reflect the fact that they fall due at a later date.

Foreign currency receivables are stated at the European Central Bank's euro reference rate as of the transaction date or the lower European Central Bank's euro reference rate as of the reporting date.

Foreign accounts receivable due from and foreign accounts payable due to the same international carrier are netted. The resulting balance is valued according to the lower of cost or market principle.

1.4. Accruals

Accruals for severance payments are recorded for the legal and contractual obligations to members of the Management Board and for employees whose employment with Telekom Austria AG started before January 1, 2003. The calculation is based on the principle of financial mathematics using the partial value method applying an interest rate of 4 % and a fluctuation discount of 4 %. A special severance plan was agreed between the Management Board and the employees' representatives in December 2006. It involves voluntary severance, which can be accepted by specific employees in the period from January 1 to November 30, 2007. An accrual of TEUR 8,447 was established in financial year 2006.

Other accruals are established equal to the amount of expected utilization. They take account of all identifiable risks and liabilities that are still indeterminate as of the reporting date.

1.5. ABS – Asset Backed Securitization

In 2002, Telekom Austria AG sold receivables due from domestic telephone customers to a "master purchaser" (trustee) in Ireland within the framework of an asset backed securitization transaction. This master purchaser holds the receivables in trust for Telekom Austria AG and, on the other hand, for an investor.

The total volume of receivables sold is limited to a combined maximum of TEUR 290,000 for Telekom and mobilkom, which also carried out a comparable transaction. The maximum individual limit for Telekom Austria is set at TEUR 250,000. In December 2003, the total volume was increased to TEUR 350,000, with a maximum individual limit of TEUR 300,000 for Telekom Austria.

This transaction represents an artificial factoring transaction, since the risk of default remains entirely with the seller and the seller therefore remains the economic owner of these assets. For this reason the accounts receivable and related allowances are reported unchanged in the balance sheet. Since Telekom Austria AG, as the seller, is responsible for the creditworthiness of the receivables,

this transaction is to be viewed as a loan secured by an assignment for security of the receivables. The net financial liability to the trustee comprises the initial purchase price (IPP) less the deferred purchase price (DPP). These amounts are netted because of their similarity, identical terms and identical creditor and debtor and are reported under other financial liabilities. The discount is reported in other receivables.

1.6. Liabilities

Liabilities are reported at the amount due to be repaid in accordance with the principle of prudence. Foreign currency liabilities are recorded at the European Central Bank's euro reference rate as of the reporting date, if this value exceeds the carrying amount. Foreign accounts receivable due from and foreign accounts payable due to the same international carriers are netted. The resulting balance is valued at the exchange rate prevailing when the liability was incurred or the higher exchange rate on the reporting date.

1.7. Deferred income

This item primarily contains deferred revenue from monthly switched voice basic charges and deferred income from cross-border lease contracts.

2. Notes to the Balance Sheet

2.1. Long-lived assets

Changes to individual items recorded under long-lived assets and the classification of the annual depreciation to the individual items are shown in the schedule of changes in the long-lived assets (Annex 1).

Properties, plant and equipment includes properties with a basic value of TEUR 53,056 (December 31, 2005: TEUR 57,027).

Loans with a remaining term of up to 1 year amount to TEUR 6,529 (December 31, 2005: TEUR 7,820).

Liabilities in connection with the use of property, plant and equipment not reported in the balance sheet amount to:

	Dec. 31, 2006 TEUR	Dec. 31, 2005 TEUR
Rentals and lease commitments for the next 5 years	127,182	128,908
Thereof rental and lease commitments in the following year	24,439	24,477

Marketable securities contain 66,430 shares in mutual funds with a carrying value of TEUR 4,445 and a fair market value of TEUR 4,867.

Telekom Austria Aktiengesellschaft, Vienna
Appendix III/7

Telekom Austria Aktiengesellschaft's shares in affiliated companies and investments amounting to at least 20 % of the relevant company's equity:

Name and corporate seat	Share in capital as of Dec. 31, 2006 %	Book value of equity as of Dec. 31, 2006 TEUR	Net income/loss 2006 TEUR
Affiliated companies			
mobilkom austria AG, Vienna	100.0	1,893,069	307,651
Telekom Austria FixNet AG, Vienna	100.0	15,978	117
Österreichische Fernmeldetechnische Entwicklungs- und Förderungsgesellschaft mbH, Vienna	100.0	392	289
Telekom Projektentwicklungs GmbH, Vienna	100.0	2,450	-19
Telekom Austria Personalmanagement GmbH, Vienna	100.0	8,745	0
Jet2Web Slovakia s.r.o, Bratislava ¹	100.0	857	104
Jet2Web Hungary Kft., Budapest ¹	100.0	464	80
TA Mreza d.o.o., Ljubljana ¹	100.0	444	75
World-Direct eBusiness solutions GmbH, Vienna	100.0	724	250
Investments			
Omnimedia Werbegesellschaft mbH, Vienna ²	26.0	3,184	2,630
Output Service GmbH, Vienna	25.1	48	1

A profit transfer agreement has been concluded with Telekom Austria Personalmanagement GmbH.

As of June 28, 2006, Telekom Austria, which had previously held 74.999 % of the shares in mobilkom austria AG, acquired the remaining 25.001 % of the shares issued by the company from Telekom Austria Personalmanagement GmbH.

In accordance with the split and takeover agreement dated August 8, 2006, TAP has transferred its entire limited partner's share in mobilkom austria AG & Co KG, which equates to an investment of 25.001 %, to its sole general partner, mobilkom austria AG by means of the split.

¹ Figures according to package as of December 31, 2006 prepared under IFRS

² Reporting date June 30, 2006

Furthermore, on the same date Telekom Austria also transferred its entire limited partner's share in mobilkom austria AG & Co KG to mobilkom austria AG. In doing so, part of the limited partner's share, which equates to an asset contribution of approximately 20.82 % of the shares held by Telekom Austria in mobilkom austria AG & Co KG, was brought in on the basis of a non-cash contribution agreement against an increase in the shareholders' equity of mobilkom austria AG of EUR 9.9 million and the issue of registered shares to Telekom Austria with an issue amount of EUR 79.9 million. The remaining limited partner's share amounting to some 79.18 % of the asset contribution held by Telekom Austria was assigned to mobilkom austria AG and the capital increase was waived.

Since all limited partner's shares in mobilkom austria AG, which is also the sole general partner, have been combined, the assets of mobilkom austria AG & Co KG have been transferred to mobilkom austria AG by means of an accrual pursuant to Section 142 of the Austrian Commercial Code.

Under the contribution agreement in accordance with the Supervisory Board resolution of June 12, 2006, Telekom Austria Beteiligungen GmbH (a 100 % subsidiary of Telekom Austria AG) was brought into mobilkom austria AG in accordance with the provisions of Article III of the Austrian Corporate Reorganization Taxation Act.

2.2. Receivables and other assets

The structure of accounts receivable is shown in the schedule of accounts receivable (Annex 2).

At the year-end, lump sum allowances of TEUR 5,438 (December 31, 2005: TEUR 7,974) were recorded for trade accounts receivable.

Other receivables include earnings of TEUR 23,196 (December 31, 2005: TEUR 17,746), which are due after the reporting date.

2.3. Prepaid expenses

This item consists mainly of a discount (EMTN program) and deferrals relating to maintenance and insurance expenses.

2.4. Shareholders' equity

The common stock of Telekom Austria Aktiengesellschaft remains unchanged at TEUR 1,090,500 and is divided into 500,000,000 bearer shares (unit shares). ÖIAG holds 25.18 %, 67.16 % of the shares represent a free float while the remaining 7.66 % are held as treasury stock by the Company.

Dividend payment

With the consent of the Supervisory Board, the Management Board will ask the Annual General Meeting on May 30, 2007 to approve the payment of a dividend of EUR 0.75 per unit share that is entitled to a dividend. The remaining retained earnings will be carried forward.

Authorized capital

In accordance with Section 159 Paragraph 3 of the Austrian Stock Corporation Act, the Management Board was authorized at the Annual General Meeting on June 4, 2003 to increase the Company's shareholders' equity by up to EUR 21,810,000.00 by issuing up to 10 million new ordinary bearer shares or ordinary registered shares with no par value (unit shares) to service stock options. This authorization is valid for 5 years. On December 13, 2004, the Management Board approved a conditional capital increase of up to EUR 7,415,400.00 to service the options issued in 2005 for ESOP 2005+. On December 6, 2005, the Management Board approved a further conditional capital increase of up to EUR 9,487,350 to service stock options granted in January 2006 as part of ESOP 2006+. The conditional capital increase will only be carried out to the extent that the exercise of any options is serviced by issuing new shares. The Management Board approved a cash settlement as an alternative form of servicing the options issued as part of ESOP 2005+. As a result, no use was made of the conditional capital increase approved on December 13, 2004.

On December 5, 2006, the Management Board also decided to make use of the authorization granted by the Annual General Meeting on May 23, 2006 and increase Telekom Austria's shareholders' equity conditionally by up to EUR 9,814,500.00 by issuing up to 4.5 million new registered shares with no par value to service stock

options, which will be issued to employees, top-level management and members of the Management Board of the Company or an affiliated company (ESOP 2007+).

The Management Board is also authorized, with the consent of the Supervisory Board, to approve a conditional capital increase of up to EUR 21,810,000 by issuing up to 10 million new bearer or registered shares with no par value (unit shares) against cash contributions to grant stock options to employees, top-level management and members of the Management Board/Executive Management of the Telekom Austria Group. This authorization is valid for 5 years from the date the change to the Articles of Association is registered in the Commercial Register. Section 4 of the Articles of Association was amended to this effect.

2.5. *Untaxed reserves*

Reserves from special depreciation

	Balance on Jan. 1, 2006 TEUR	Release TEUR	Balance on Dec. 31, 2006 TEUR
Continuation of special depreciation as permitted in Sections 8 and 122 of the Austrian Income Tax Act 1972	2,085	0	2,085
Transfer of hidden reserves as permitted in Section 12 of the Austrian Income Tax Act	237	3	234
	<u>2,322</u>	<u>3</u>	<u>2,319</u>

Other untaxed reserves

Year	Balance on Jan. 1, 2006 TEUR	Release TEUR	Balance on Dec. 31, 2006 TEUR
Investment allowances as permitted in Section 10 of the Austrian Income Tax Act			
1999	62	62	0
2000	260	260	0
	<u>322</u>	<u>322</u>	<u>0</u>

2.6. Accruals

Accrued tax liabilities as of December 31, 2006 relate to a deferred tax liability of TEUR 164,727 (December 31, 2005: TEUR 0) as well as municipal rates and fees to the chamber of commerce.

Account was taken of the obligation to create an accrued liability for deferred taxes on earnings on temporary differences between the profit calculated in accordance with the Austrian Commercial Code and the profit calculated in accordance with the Austrian Fiscal Code. All accrued deferred tax assets and liabilities resulting from recording all temporary differences in profits were netted, resulting in a figure of TEUR 164,727 to be transferred to accrued deferred tax liabilities.

Other accruals include provisions for:

	Dec. 31, 2006 TEUR	Dec. 31, 2005 TEUR
Outstanding purchase invoices	63,174	67,150
Discounts for major customers	42,202	41,430
Estimated real estate devaluations	29,537	36,404
Removal of old poles	10,293	13,994
Stock options	6,938	9,871
Unused vacation	5,650	5,205
Estimated losses from retirement of local telephone network	0	4,000
Miscellaneous	12,515	13,359
	<u>170,309</u>	<u>191,413</u>

2.7. Liabilities

The maturity and structure of liabilities are shown in the schedule of liabilities (Annex 3).

Other liabilities contain no major expenditure that is not payable until after the reporting date.

2.8. Other financial obligations

Commitments and contingencies

	Dec. 31, 2006 TEUR	Dec. 31, 2005 TEUR
Guarantee for Telekom Finanzmanagement GmbH in connection with the EMTN program	1,750,000	1,750,000
Obligations arising from cross-border leases	573,022	693,326
Guarantee to banks for loans of mobilkom austria AG	305,000	305,000
Bank guarantees	1,537,459	384,530
	<u>4,165,481</u>	<u>3,132,856</u>
thereof pertaining to affiliated companies	3,592,459	2,435,000

On June 30, 2003, Telekom Austria AG (TA) and Telekom Finanzmanagement GmbH (TFG) initiated a Euro Medium Term Note (EMTN) program of EUR 2.5 billion. All payments due in relation to bonds issued by TFG under this framework program are guaranteed irrevocably and unconditionally by TA.

On July 10, 2003, TFG successfully launched and placed a Eurobond offering which raised TEUR 750,000 with a 10-year maturity and a coupon of 5.00 % under the EMTN program. The notes were issued at a re-offer price of 99.193 % and used to refinance existing debt.

On January 27, 2005, TFG successfully launched and placed two Eurobonds which raised TEUR 500,000 each with maturities of 5 and 12 years and a coupon of 3.375 % and 4.250 % respectively under the EMTN program. The notes were issued at a re-offer price of 99.598 % and 98.829 %.

In December 2005, the volume of the existing EMTN program was increased to EUR 5 billion.

TA guarantees the interest rate swaps entered into by TFG.

Telekom Austria Aktiengesellschaft, Vienna
Appendix III/13

	Dec. 31, 2006 TEUR	Dec. 31, 2005 TEUR
Other liabilities		
Order purchase obligations for investments ³	43,800	23,400

³ Statistical survey, estimated to some extent

3. Notes to the Statement of Operations

3.1. Revenues

	2006 TEUR	2005 TEUR
Switched voice base traffic	349,834	389,209
Switched voice base monthly & other voice revenues	515,436	546,845
Payphones & VAS	44,911	47,974
Wholesale data & IT solutions	424,920	417,555
Internet access & media	258,656	230,009
Wholesale voice & Internet	380,455	350,061
Other	113,904	112,165
	<u>2,088,116</u>	<u>2,093,818</u>

3.2. Other operating income

	2006 TEUR	2005 TEUR
Income from the retirement of long-lived assets, with the exception of financial assets	12,021	2,893
Income from the reversal of accruals	9,502	16,822
Other	37,523	42,304
	<u>59,046</u>	<u>62,019</u>

Other operating income comprises the following:

	2006 TEUR	2005 TEUR
Rental and lease income	7,687	7,717
Settlement of damage claims	9,209	8,081
Income from previous periods	5,615	5,450
Other operating income	15,012	21,056
	<u>37,523</u>	<u>42,304</u>

3.3. Expenses for materials and other purchased manufacturing services

	2006 TEUR	2005 TEUR
Cost of materials	78,077	66,848
Cost of purchased services	504,284	492,189
	<u>582,361</u>	<u>559,037</u>

3.4. Personnel expenses

Personnel expenses comprise the following:

	2006 TEUR	2005 TEUR
Salaries	131,041	131,465
Expenses for severance payments	14,434	4,644
Payments for staff contribution plans	233	179
Expenses for pensions	5,819	5,637
Expenses for statutory social security contributions and pay-roll related duties and other mandatory contributions	33,858	31,599
Other employee-related expenses	6,017	4,131
	<u>191,402</u>	<u>177,655</u>

As of June 30, 2000, the entire workforce of Telekom Austria Aktiengesellschaft – with the exception of Management Board members – was transferred to Telekom Austria Personalmanagement GmbH. Subsequently staff were taken on again by TA on a regular basis. In financial year 2006, 66 (2005: 71) employees switched from Telekom Austria Personalmanagement GmbH to Telekom Austria Aktiengesellschaft. The personnel expenses charged by Telekom Austria Personalmanagement GmbH to Telekom Austria Aktiengesellschaft for staff made available but not taken on are included in the item for other operating expenses as services received.

The average number of full-time employees in the financial year was:

	2006	2005
Employees	<u>2,675</u>	<u>2,671</u>

On average 153 apprentices (2005: 80) were employed by the Company during the financial year.

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	2006 TEUR	2005 TEUR
Remuneration paid to members of the Management Board	3,004	2,851
Remuneration paid to members of the Supervisory Board	188	114
	<u>3,192</u>	<u>2,965</u>

The remuneration paid to members of the Management Board does not include benefits from the stock option program; see "4. Other Information". No use was made of the provision contained in Section 241 Paragraph 4 of the Austrian Commercial Code.

3.5. Expenses for severance payments and pensions

Expenses for severance payments and pensions are allocated as follows:

	2006 TEUR	2005 TEUR
Management Board members	964	1,558
Top-level management	1,029	875
Other employees	18,493	8,027
	<u>20,486</u>	<u>10,460</u>

3.6. Other operating expenses

	2006 TEUR	2005 TEUR
Other operating taxes	4,645	4,601
Miscellaneous	640,178	670,740
	<u>644,823</u>	<u>675,341</u>

Other operating expenses include losses on the retirement of long-lived assets of TEUR 212 (2005: TEUR 0).

3.7. Income from investments

Income from investments includes withdrawals of TEUR 4,180 (2005: TEUR 229,647) from mobilkom austria AG & Co KG and a dividend payout of TEUR 290,000 from mobilkom austria AG.

3.8. Expenses relating to financial assets

Expenses relating to affiliated companies include expenses of TEUR 16,649 (2005: income from investments TEUR 95,032) under the Telekom Austria Personalmanagement GmbH profit transfer agreement.

3.9. Extraordinary income from the retirement of financial assets

By bringing in the investment in Telekom Austria Beteiligungen GmbH, there was a corresponding increase in the market value of the investment in mobilkom austria AG. Telekom has made use of the revaluation option permitted in Section 202 of the Austrian Commercial Code, whereby the figure reported for the investment in mobilkom austria AG was revalued by EUR 760.0 million resulting in extraordinary income in the statement of operations.

3.10. Income taxes

The company is the top-tier corporation in a tax group as defined in Section 9 of the Austrian Corporation Tax Act and has concluded a group tax apportionment agreement with the members 3G Mobile Telecommunications GmbH, Telekom Austria Personalmanagement GmbH, Telekom Austria FixNet AG, mobilkom austria AG, Telekom Projektentwicklungs GmbH, Telekom Finanzmanagement GmbH, Österreichische Fernmeldetechnische Entwicklungs- und FörderungsgmbH and World-Direct eBusiness solutions GmbH.

	2006 TEUR	2005 TEUR
Corporate income tax from the Group	-14,151	28,899
Corporate income tax, prior periods	184	3,647
	<u>-13,967</u>	<u>32,546</u>
Deferred tax liabilities	164,727	0
Total tax expenses	<u>150,760</u>	<u>32,546</u>

The reversal of untaxed reserves of TEUR 8 leads to an income tax charge of TEUR 2 (without taking account of any losses carried forward).

Of the figure for income taxes, TEUR -13,967 relates to the results from ordinary activities and TEUR 190,000 relates to extraordinary results. Non-capitalized deferred tax assets of TEUR 25,237 were deducted from the TEUR 190,000.

4. Other information

Stock Option Program 2004 (ESOP 2004+)

In the course of the first tranche of the Stock Option Program 2004 (ESOP 2004+) 1,450,445 options in Telekom Austria Aktiengesellschaft were issued on April 19, 2004. Each option entitles the holder either to purchase a stock at the exercise price of EUR 11.92 or to receive a cash payment equal to the difference between the exercise price and the closing price of TA stock on the date the option is exercised.

The exercise price of EUR 11.92 is the average closing price on the Vienna Stock Exchange during the 20 trading days preceding the last but one trading day before the allocation date (April 19, 2004).

The first tranche of ESOP 2004+ allocated on April 19, 2004 can be converted up to the end of May 2008 (maturity) if the earnings per share (EPS) target is reached. The options are subject to a 12-month blocking period from the time the option is allocated (vesting period), which means that the options can be exercised from April 20, 2005.

As the hurdle was reached in March 2005, the participants are entitled to exercise their options in the form of a cash payment. The average value of the options at the time they were exercised in 2006 amounted to EUR 8.07 (2005: EUR 4.87).

The stock option program led to employee costs of TEUR 322 (2005: TEUR 5,179) and ancillary wage costs of TEUR 178 (2005: 380) in the financial year.

The options that had not yet been exercised were valued using an option valuation model at EUR 8.59 per unit as of the reporting date December 31, 2006 and form the basis for calculating Telekom Austria AG's obligation to its employees.

No options forfeited in financial year 2006 (2005: 13,250).

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ESOP 2004+	Options granted 2004	Options exercised 2005/2006
Management Board members		
Heinz Sundt	96,000	96,000
Boris Nemsic	96,000	96,000
Stefano Colombo	96,000	96,000
Rudolf Fischer	96,000	96,000
Top-management	1,066,445	1,011,695
<i>Total Telekom Austria AG</i>	<u>1,450,445</u>	<u>1,395,695</u>
Executive bodies and top-management in subsidiaries	942,480	795,730

Stock Option Program 2005 (ESOP 2005+)

In the course of the second tranche of the ongoing Stock Option Program ESOP 2005+ 1,653,360 options in Telekom Austria Aktiengesellschaft were issued on January 19, 2005. Each option entitles the holder to purchase a stock at the exercise price of EUR 13.98 or to receive a cash payment equal to the difference between the exercise price and the closing price of TA stock on the date the option is exercised.

The exercise price of EUR 13.98 is the average closing price on the Vienna Stock Exchange during the 20 trading days preceding the last but one trading day before the allocation date (January 19, 2005).

The second tranche of ESOP 2005+ allocated on January 19, 2005 can be converted up to the end of May 2009 (maturity) if the EPS target value is reached. The options are subject to a 14-month blocking period from the time the option is allocated (vesting period), which means that the options can be exercised from March 2006.

As the hurdle was reached in March 2006, the participants are entitled to exercise their options in the form of a cash payment. The average value of the options at the time they were exercised in 2006 amounted to EUR 6.02.

The stock option program led to employee costs of TEUR 2,595 (2005: TEUR 7,612) and ancillary wage costs of TEUR 383 in the financial year.

The options that had not yet been exercised were valued using an option valuation model at EUR 6.71 as of the reporting date December 31, 2005 and form the basis for calculating Telekom Austria AG's obligation to its employees.

In financial year 2006, 5,900 options forfeited (2005: 24,000); 7,800 options were transferred to the Company (2005: 13,800).

ESOP 2005+	Options granted 2005	Options exercised 2006
Management Board members		
Heinz Sundt	99,100	99,100
Boris Nemsic	99,100	49,455
Stefano Colombo	99,100	99,100
Rudolf Fischer	99,100	51,000
Top-management	1,256,960	910,840
Total Telekom Austria AG	1,653,360	1,209,495
Executive bodies and top-management in subsidiaries	1,220,740	817,060

Stock Option Program 2006 (ESOP 2006+)

In the course of the third tranche of the ongoing Stock Option Program, ESOP 2006+ 1,924,920 options in Telekom Austria Aktiengesellschaft were issued on January 12, 2006. Each option entitles the holder to purchase a stock at the exercise price of EUR 18.91 or to receive a cash payment equal to the difference between the exercise price and the closing price of TA stock on the date the option is exercised.

The exercise price of EUR 18.91 is the average closing price on the Vienna Stock Exchange during the 20 trading days preceding the last but one trading day before the allocation date (January 12, 2006).

As was the case with ESOP 2004+ and ESOP 2005+, ESOP 2006+ is based on the profitability of the Telekom Austria Group. The exercise of options that were allocated in 2006 presupposes that the EPS target value (EPS = earnings per share) set by the Supervisory Board for financial year 2006 has been reached. If this EPS target value for financial year 2006 is not reached, options may still be exercised if an EPS target value set by the Supervisory Board for financial year 2007 or for

financial year 2008, which must be at least equal to the 2006 target value, is reached.

The third tranche of ESOP 2006+ allocated on January 12, 2006 can be converted up to the end of March 2010 (maturity) if the EPS target value is reached. The options are subject to a 14-month blocking period from the time the option is allocated (vesting period), which means that the options can be exercised from March 2007.

The options were valued using an option valuation model at EUR 2.59 per unit as of the reporting date December 31, 2006 and form the basis for calculating Telekom Austria AG's obligation to its employees, which is built up pro rata temporis over the vesting period. Employee costs of TEUR 3,659 were incurred in connection with ESOP 2006+ in the financial year.

In financial year 2006, 262,240 options forfeited; 14,196 options were transferred to the Company.

The options granted were allocated as follows:

	Options granted ESOP 2006+
Management Board members	
Boris Nemsic	120,000
Stefano Colombo	120,000
Rudolf Fischer	120,000
Top-management	1,564,920
Total Telekom Austria AG	<u>1,924,920</u>
Executive bodies and top-management in subsidiaries	1,983,548

Employee Participation Program

The Employee Participation Program (EPP) was agreed between the Management Board and the employee's representatives and is planned to last until 2010 for the time being with each tranche being approved separately by the Supervisory Board. The first tranche (EPP 2006/2007) was approved by the Supervisory Board of Telekom Austria AG on December 12, 2006. As part of the first tranche, a total of 500,503 shares worth a total of EUR 10,065,115.33 were allocated to Group staff

gratuitously in December 2006. In financial year 2006, the Company incurred expenses of EUR 775,607.06.

Share Buyback Program

In accordance with Section 65 Paragraph 1 No. 8 of the Austrian Stock Corporation Act, the Annual General Meeting of May 23, 2006 authorized the Management Board to acquire up to a total of 50 million bearer or registered unit shares, which represent up to 10 % of the common stock at the time the resolution was passed. The acquisition must take place within a period of 18 months from the date of the resolution at a price ranging between EUR 10.00 and EUR 25.00 per share.

The authorization by the Annual General Meeting of May 23, 2006 restricts use of the repurchased shares to the following:

- to service options granted to employees, top-management and members of the Management Board/executive management of the Company or an affiliated company and/or to be issued against payment or gratuitously to employees of the Company or an affiliated company
- to service convertible bonds
- for acquisitions and
- to sell shares in every legally permissible way, including off-market and by excluding the public from buying
- to reduce the common stock by up to EUR 109,050,000.00

At the reporting date, Telekom Austria AG held a total of 38,307,473 treasury shares worth EUR 654,597,426.55.

Presentation of derivative financial instruments in accordance with Section 237a of the Austrian Commercial Code

Derivative financial instruments were used by Telekom Austria AG to manage adverse fluctuations in interest and foreign exchange rates. All interest and currency swaps outstanding were completed as agreed during 2005. The Company has established a control environment which includes policies and procedures for risk assessment, approval, reporting and monitoring of derivative financial instrument activities. The company is not a party to leveraged derivatives and the

policies prohibit the holding or issuing of financial instruments for speculative purposes.

Credit risk

The Company monitors its exposure to credit risk; it does not have any significant exposure to any individual customer or counterparty or any individual financial instrument.

In order to reduce the risk of nonperformance by the other parties to swap agreements, the contracts are subject to Swap Dealer Agreements.

Market risk

Market risk is monitored using value-at-risk models for interest rate as well as currency risk for the long-term debt and derivative portfolios.

The following valuation approaches are used for derivative financial instruments:

Interest swaps are used to hedge the risk of interest rate changes on individual loans.

Foreign currency swaps are entered into to hedge foreign currency liabilities. Foreign currency derivatives themselves are not valued, as the hedged foreign currency liabilities are reported at the hedging rate of the foreign currency derivative. The exchange rate gain is spread over the term of the financing.

5. Members of the Management Board and the Supervisory Board

Management Board:

Heinz Sundt	(Chairman of the Management Board until May 23, 2006)
Boris Nemsic	(Vice-Chairman of the Management Board until May 23, 2006; Chairman of the Management Board since May 24, 2006)
Stefano Colombo	
Rudolf Fischer	(Vice-Chairman of the Management Board since May 24, 2006)

Supervisory Board:

Peter Michaelis	(Chairman of the Supervisory Board)
Edith Hlawati	(Deputy Chairwoman)
Wolfgang C. Berndt	since May 23, 2006
Wilhelm Eidenberger	
Hans Haider	
Markus Hinker	
Walter Hotz	
Michael Kolek	
Stephan Koren	
Franz Kusin	
Peter Mitterbauer	until May 23, 2006
Hans-Jörg Schelling	since May 23, 2006
Harald Sommerer	until May 24, 2006
Wilfried Stadler	
Harald Stöber	
Rainer Wieltsch	
Otto G. Zich	until May 23, 2006

Vienna, February 20, 2007

The Management Board

Boris Nemsic

Rudolf Fischer

Stefano Colombo

Telekom Austria Aktiengesellschaft, Vienna
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Telekom Austria Aktiengesellschaft, Vienna, Austria
Annex III
Development of Fixed Assets

	Jan 1, 2006	Cost of acquisition			Dec 31, 2006	Accumulated	Book Value		Depreciation
		Additions	Disposals	Changes		Depreciation	Dec 31, 2006	Dec 31, 2005	Fiscal Year 2006
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
I. Intangible assets									
1. Licenses, industrial property rights and similar rights	101.762	15.741	22.800	844	95.547	69.392	26.155	36.977	27.396
2. Goodwill	6.889	0	0	0	6.889	6.465	424	479	55
	108.651	15.741	22.800	844	102.436	75.857	26.579	37.456	27.451
II. Property, plant and equipment									
1. Land, similar rights and buildings including buildings on non-owned land	678.185	5.299	23.897	7.461	667.048	348.259	318.789	354.955	39.720
2. Technical plants and machinery	7.533.355	191.156	310.366	22.764	7.436.909	5.773.113	1.663.796	1.978.825	519.121
3. Other plants, furniture and fixtures	230.703	18.772	20.008	5.880	235.347	173.933	61.414	68.140	30.727
4. Assets under construction	53.360	41.782	46	-36.949	58.147	0	58.147	53.360	0
	8.495.603	257.009	354.317	-844	8.397.451	6.295.305	2.102.146	2.455.280	589.568
III. Financial assets									
1. Investments in affiliated companies	1.981.568	777.994	0	0	2.759.562	3.361	2.756.201	1.978.207	0
2. Investments	7.999	1.136	4.977	0	4.158	2	4.156	4.156	1.136
3. Securities	4.445	0	0	0	4.445	0	4.445	4.445	0
4. Other loans	106.232	4.351	7.039	0	103.544	36.767	66.777	77.535	8.069
	2.100.244	783.481	12.016	0	2.871.709	40.130	2.831.579	2.064.343	9.205
	10.704.498	1.056.231	389.133	0	11.371.596	6.411.292	4.960.304	4.557.079	626.224

Accounts receivable table Dec 31, 2006

amounts in TEUR	balance sheet value	maturity	
		up to 1 year	exceeding 1 year
1. Accounts receivable - trade	371.220	371.220	0
2. Accounts receivable - affiliated companies			
- prepayments	0	0	0
- trade	16.230	16.230	0
- financial	58.496	55.995	2.501
- other receivables and assets	305.668	305.668	0
	380.394	377.893	2.501
3. Accounts receivable - associated companies			
- prepayments	0	0	0
- trade	23	23	0
- financial	0	0	0
- other receivables and assets	0	0	0
	23	23	0
4. Other receivables and assets			
- financial	82.958	77.903	5.055
- others	21.805	21.786	19
	104.763	99.689	5.074
Accounts receivable	856.400	848.825	7.575

Accounts receivable table Dec 31, 2005

amounts in TEUR	balance sheet value	maturity	
		up to 1 year	exceeding 1 year
1. Accounts receivable - trade	383.923	383.923	0
2. Accounts receivable - affiliated companies			
- prepayments	0	0	0
- trade	17.952	17.952	0
- financial	2.753	252	2.501
- other receivables and assets	318.304	318.304	0
	339.009	336.508	2.501
3. Accounts receivable - associated companies			
- prepayments	0	0	0
- trade	31	31	0
- financial	0	0	0
- other receivables and assets	0	0	0
	31	31	0
4. Other receivables and assets			
- financial	196.411	192.381	4.030
- others	18.116	15.508	2.608
	214.527	207.889	6.638
Accounts receivable	937.490	928.351	9.139

Table of liabilities Dec 31, 2006

amounts in TEUR	balance sheet value	maturity		
		up to 1 year	1 - 5 years	exceeding 5 years
1. Bonds	0	0	0	0
2. Bank loans and overdrafts	355.845	104.397	251.448	0
3. Payments received in advance	1.133	1.133	0	0
4. Accounts payable - trade	181.500	180.404	955	141
5. Accounts payable - affiliated companies				
- payments received in advance	0	0	0	0
- trade	39.996	39.996	0	0
- financial	1.489.203	313.203	146.000	1.030.000
- others	71.726	71.726	0	0
	1.600.925	424.925	146.000	1.030.000
6. Accounts payable - associated companies				
- payments received in advance	0	0	0	0
- trade	1.908	1.908	0	0
- others	0	0	0	0
	1.908	1.908	0	0
7. Other liabilities				
- financial	230.497	230.496	0	0
- others	96.654	36.291	46.452	13.912
	327.151	266.787	46.452	13.912
Accounts payable	2.468.462	979.554	444.855	1.044.053

Table of liabilities Dec 31, 2005

amounts in TEUR	balance sheet value	maturity		
		up to 1 year	1 - 5 years	exceeding 5 years
1. Bonds	0	0	0	0
2. Bank loans and overdrafts	605.628	255.051	345.854	4.723
3. Payments received in advance	1.689	1.689	0	0
4. Accounts payable - trade	204.741	203.787	928	26
5. Accounts payable - affiliated companies				
- payments received in advance	0	0	0	0
- trade	10.449	10.449	0	0
- financial	1.296.608	120.608	146.000	1.030.000
- others	117.392	67.490	49.902	0
	1.424.449	198.547	195.902	1.030.000
6. Accounts payable - associated companies				
- payments received in advance	0	0	0	0
- trade	3.546	3.546	0	0
- others	0	0	0	0
	3.546	3.546	0	0
7. Other liabilities				
- financial	214.674	214.674	0	0
- others	129.876	57.725	48.870	23.281
	344.550	272.399	48.870	23.281
Accounts payable	2.584.603	935.019	591.554	1.058.030

Management Report of Telekom Austria Aktiengesellschaft for the Period January 1 to December 31, 2006

Sustained Economic Growth

The Austrian economy reported sustained economic growth in 2006, with GDP rising by 3.2 % in real terms, compared to 2.0 % in 2005. Much of this increase was driven by exports which profited from the robust growth of the global economy and especially the economic recovery in the European Union. The benign economic situation also led to an upturn on the employment market, with the unemployment rate as calculated by Eurostat falling from 5.2 % to 4.9 % in 2006. Due to the recent decline in the price of oil, inflation fell to 1.7 % in 2006, less than the EU average of 2.2 %.

Infrastructure Creates Growth

According to the OECD, between 10 and 15 % of economic growth in Austria is directly attributable to broadband technology, and this trend is becoming stronger. Telekom Austria has invested more than one billion euros in Austria since the roll-out of ADSL in 1999, making a major contribution to the country's economic growth.

Telekom Austria is also investing in a next-generation network, the ALLmediaNET, which builds upon broadband and fiber optic technology. This step will make it possible to send large volumes of data safely and at much higher speeds, creating the basis for technological and economic progress in Austria.

Voice telephony traffic continued to shift in favor of mobile communications in 2006, a trend facilitated by full-coverage nationwide networks, fierce price competition on the Austrian mobile communications market and new technological applications. According to Telekom Austria estimates, roughly 63 % of all voice traffic is carried over mobile communications networks.

In this difficult business environment Telekom Austria was able to increase its share of the voice telephony market by 1.5 percentage points to 56.9 %. The Austrian broadband market once again reported strong growth in 2006. At year-end 2006 the penetration rate reached 40.5 %, while Telekom Austria's share of the broadband market (including wholesale customers) climbed to 51.20 %.

Important Regulatory Decisions

The drive toward harmonizing and deregulating the European telecommunications market was accomplished in Austria with the implementation of the Telecommunications Act in 2003. In 2006 the process of public consultation to

revise the regulatory framework for the telecommunications industry commenced. This resulted in the European Commission drawing up a new draft document listing the markets which was designed to further the market analyses in the member states. The recommendations of the European Commission regarding the new legal framework include proposals on harmonizing the procedure for analyzing the market, changes to frequency policy and initiatives for the i2010 program, the aim of which is to strengthen the European ICT industry. Special emphasis was given to aspects of network security and consumer protection. The updated list of markets will be published in 2007 and will define only 12 markets instead of the 18 identified hitherto.

The Austrian regulatory authority has already started its second review of competition on the individual telecommunications markets. The first changes to the requirements have already been announced. On the basis of the new legal framework Telekom Austria's four standard offers were also adjusted.

The year under review also saw major changes to the Universal Service obligation, with the removal of the directory enquiry service from the universal service. Furthermore, the legal basis for the payphone access charge was created in Austria in 2006. This entitles Telekom Austria to charge providers of value-added services for calls to 0800 numbers made from payphones.

Affiliated Companies

At year-end 2006 the wireless subsidiaries mobilkom austria, Mobiltel, VIPnet and Si.mobil were the largest affiliates of Telekom Austria. New operators are being created in the Republic of Serbia and the Republic of Macedonia, where mobile licenses have been acquired. The total number of wireless customers, including those of all subsidiaries, rose by 14.2 % to approximately 10.2 million.

Due to the trend of having second and third SIM cards as well as data cards, the mobile communications penetration rate in Austria increased 8.2 percentage points to 114.2 % at year-end 2006. With a subscriber base of 3.6 million at the end of 2006 mobilkom austria consolidated its market leadership, holding a market share of 38.7 %.

Despite a slight decline in market share compared to the previous year to 52.5 % and with approximately 4.3 million customers, Mobiltel remains the leading mobile communications provider in Bulgaria. Thanks to strong subscriber growth, the penetration rate on the Bulgarian market rose by 26.4 percentage points to 105.9 %.

In 2006 the Croatian subsidiary VIPnet boasted a sharp 18.6 % increase in subscriber numbers to 1.9 million. Due to the entry onto the market of a third provider VIPnet saw its market share decline from 44.1 % to 42.9 % at year-end 2006. At the same time, the penetration rate increased by 18.1 percentage points to 101.0 % at year-end 2006.

Si.mobil is the Slovenian mobile telecommunications subsidiary of the Telekom Austria Group and held 24.9 % of the market at year-end 2006. The penetration

rate on the Slovenian mobile communications market increased by 5.3 percentage points to 85.4 % at the end of 2006. With 421,000 customers as of December 31, 2006 Si.mobil reported a 17.0 % increase in its subscriber base.

In the Republic of Serbia a third mobile communications license with a ten year term was purchased for an auction price of EUR 320 million. Commercial operations must commence within six months of the award of the license.

Development of Results

In 2006 Telekom Austria revenues remained stable in comparison with the previous year at EUR 2.1 billion. In the 2006 reporting year Telekom Austria's operating income rose 59.4 % to EUR 139.6 million. Lower depreciation and amortization expenses as well as other operating expenses more than offset the higher material and personnel costs.

The general market trend toward mobile communications intensified in 2006. Nevertheless, Telekom Austria was able to further expand its share of the domestic voice telephony market by 1.5 percentage points to 56.9 %. Including Internet dial-up traffic, its market share grew by 1.1 percentage points to 56.8 %. In 2006 the number of fixed access lines decreased by 5.7 % to 2.6 million compared with the previous year.

However, with approximately 120,000 new subscribers, the broadband business developed extremely successfully for Telekom Austria. The number of customers rose by 21 % compared to the previous year to 693,600, while the wholesale segment had 122,300 customers. As a result of this development, the share of the broadband line market was improved to 51.2 % at the expense of cable lines.

Net income for the financial year 2006 increased to EUR 955.9 million, up from EUR 293.8 million in the previous year. This increase is attributable to the inclusion of an investment in mobilkom austria AG. Telekom Austria has made use of the revaluation option, whereby the investment in mobilkom austria AG was revalued by EUR 760.0 million and resulted in an extraordinary income in the statement of operations.

With the consent of the Supervisory Board, the Management Board will request that the Annual General Meeting approve the payment of a dividend of EUR 0.75 per share that is entitled to a dividend. This is an increase of 36.4 % compared to the previous year. Remaining retained earnings will be carried forward.

In the financial year 2006 Telekom Austria made additions to long-lived assets amounting to EUR 1,056.2 million, of which EUR 257.0 million were additions to property, plant and equipment and EUR 783.5 million to financial assets in connection with the increase in the book value of the investment in mobilkom Austria AG. Capital expenditures pertained mainly to the upgrading of infrastructure to increase network capacity and the expansion of broadband technology.

Financial Performance Indicators

The most important financial and profitability figures of Telekom Austria AG are explained in more detail below. The equity-assets ratio, gearing ratio, equity ratio, fictitious debt repayment period and the Return on Invested Capital (ROIC) are cited as examples and the method according to which they are calculated explained in brief:

- The equity-assets ratio decreased by 6.4 percentage points to 84.3 % in 2006. This figure is calculated by dividing equity plus long-term borrowed capital by long-term assets and shows the extent to which the company's assets base is covered by long-term capital.
- The gearing ratio fell from 66.9 % in the previous year to 53.2 % and is calculated by dividing interest-bearing borrowed capital less cash and cash equivalents by adjusted equity. This figure shows the degree to which a company's activities are financed by equity capital or by borrowed funds.
- The equity to assets ratio pursuant to Section 23 of the Business Reorganization Act (URG) increased from 50.2 % in 2005 to 55.3 % in the reporting year 2006. This ratio is calculated from total equity plus untaxed reserves divided by total assets.
- The fictitious debt repayment period in 2006 is 2.2 years (2005: 2.6 years) and indicates how many years it would take to discharge debts using the operating cash flow.
- The Return on Invested Capital (ROIC) remained stable at 8.2 % in 2006. The ROIC is calculated by dividing operating income by the average invested capital.

Risk Management

Telekom Austria AG operates in a number of countries and a variety of markets (wireline and Internet and through its wireless subsidiaries in mobile communications). While this diversification reduces risks, Telekom Austria has also installed a value-oriented risk management system throughout the company to ensure the systematic, proactive and transparent management of risks.

The company's risk management policy attaches particular importance to the introduction and auditing of an internal control system (ICS) for financial reporting. In 2005 Telekom Austria voluntarily commissioned the auditors to evaluate the ICS and in 2006 implemented the recommendations and other improvement measures drawn up on this basis. The detailed internal evaluation carried out as part of a management assessment confirmed the effectiveness of the ICS in the reporting year.

The following description summarizes the main risk factors.

Market and Competitive Risks

Given the extensive saturation of the fixed line business in Austria there is no indication that the extremely fierce competition will ease off. The takeover of Inode by UPC has created a powerful rival which will help ensure that the business environment remains difficult. The rapid pace of technological change and the overlapping of wireline and mobile communications products due to convergence mean that the future development of revenues at Telekom Austria AG will also be dependent on the acceptance of new products and services. Telekom Austria AG is responding to these challenges with new offers in order to safeguard its price and performance leadership.

Regulatory and Legal Risks

The operational flexibility of Telekom Austria is limited by the need to obtain approval from the regulator for customer tariffs and charges prior to commercial launch and by the obligation to grant access to infrastructure and services. Legal risks arise above all from unforeseen interventions by the regulator and law suits with competitors.

Telekom Austria AG is committed to acting with the utmost transparency and is engaged in an active dialogue and exchange of information with its stakeholders in order to identify controversial issues which could pose a threat to the company as early as possible and to take measures to counter them.

Technical and Financial Risks

Force majeure, human error and faulty materials can cause damage to the company's technical infrastructure. Technological progress increases the risks which arise from the ever-increasing speed with which the infrastructure becomes obsolescent. Telekom Austria AG mitigates these risks by placing greater emphasis on network reliability and fault tolerance.

Telekom Austria is also exposed to risks from loss of receivables and non-performance in the event of bankruptcy of corporate customers and suppliers.

The high percentage of employees with civil servant status limits Telekom Austria's ability to reduce employee costs.

Telekom Austria plans to expand into the countries of southeast Europe. The future value of these investments will, however, depend on the political, economic and legal development of these countries.

Human Resources

At year-end 2006 the Telekom Austria AG workforce comprised 2,661 employees and 199 apprentices. Compared to the previous year, the number of apprentices increased by 61, while the number of employees declined by 17.

Presentation of Derivative Financial Instruments in accordance with Section 237a of the Austrian Commercial Code

Derivative financial instruments were used by Telekom Austria AG to manage adverse fluctuations in interest and foreign exchange rates. The company has established a control environment which includes policies and procedures for risk assessment, approval, reporting and monitoring of derivative financial instrument activities. The company is not a party to leveraged derivatives and the policies prohibit the holding or issuing of financial instruments for speculative purposes.

Credit Risks: The company regularly monitors its exposure to credit risk; it does not have any significant exposure to any individual customer or counterparty or any individual financial instrument. In order to reduce the risk of non-performance by the other parties to swap agreements, the contracts are subject to Swap Dealer Agreements.

Market Risks: Market risk is quantified by using value-at-risk models for interest rate as well as currency risks pertaining to long-term debt and derivative portfolios.

Research & Development

The prime objective of research and development activities at Telekom Austria AG in 2006 was to expand the company's innovation leadership in terms of quality and the standard of service and to develop new business areas using innovative technologies and infrastructure networks.

Telekom Austria's research and development activities focused on increasing customer convenience, especially broadband technologies, the integration of communications and information technologies and the digitalization of content. The main area of emphasis was the continued migration of network infrastructures for voice, data and Internet services to an All-IP network and the development of the media platform ALLmediaNET.

In 2006 total research and development expenditure by Telekom Austria AG declined from EUR 28.5 million in 2005 to EUR 25.8 million.

Non-Financial Performance Indicators

Telekom Austria AG also pays special attention to important environmental and social aspects in the pursuit of its business objectives, including providing information on environmental affairs and the concerns of its employees.

Telekom Austria endeavors to close geographical gaps in coverage and counter the digital exclusion of disadvantaged members of the community by continuously investing in innovative technologies and measures. This should also reduce the risk of Telekom Austria services and products becoming unavailable.

Carefully selected sponsoring activities of Telekom Austria serve to build brand image and strengthen customer loyalty.

Telekom Austria uses key figures to evaluate the success of its environmental protection measures and, for example, to control the risk of rising energy costs. In fall 2006 an external audit once again confirmed the effectiveness of this ISO 14001-certified management system; this should minimize the risk of negative impacts on the environment.

In 2006 the Human Resources department of Telekom Austria implemented education and further training programs and also stepped up apprentice training at its own training centers in order to meet future demand for skilled specialists. The personnel restructuring measures which have become necessary in the wireline segment were and will in the future be carried out in the most socially responsible manner possible and include numerous measures to allow the affected employees to retrain.

Shareholders and Management Bodies of the Telekom Austria Group

Pursuant to the amendments of the Takeover Act Telekom Austria is obliged to provide the following information in the Management Report of the stand-alone financial statements.

The common stock of Telekom Austria AG amounts to EUR 1,090,500,000 and is divided into 500,000,000 bearer shares (unit shares).

There are no voting restrictions or syndicate agreements known to the company.

The Republic of Austria holds 25.2 % of Telekom Austria shares through the ÖIAG. As of December 31, 2006 Capital Research & Management (California) held just under 7.7 %.

Those shares which have been allocated to the employees of Telekom Austria are held in a collective custody account administered by the company and the voting rights may not be exercised directly. As long as the shares are deposited in the collective custody account, the voting right attached to them is automatically transferred to a notary public who exercises the voting right in accordance with the instructions of a "Trust Board." The Trust Board which is responsible for supervising

the collective custody account comprises 2 members representing employees and employers respectively and a notary public.

In 2006 the following changes were made to the Management Board and Supervisory Board of the Telekom Austria Group:

Chief Executive Officer Heinz Sundt resigned from his post on conclusion of the Annual General Meeting on May 23, 2006 and Chief Financial Officer Stefano Colombo did not seek an extension of his directorship and will retire from this position at the end of March 2007. Hans Tschuden will succeed him as Chief Financial Officer in April 2007.

In 2006 Wolfgang C. Berndt and Hans Jörg Schelling were appointed to the Supervisory Board. Harald Sommerer and Peter Mitterbauer resigned from the Supervisory Board on June 24, 2006 and May 23, 2006 respectively.

The company has entered into no significant agreements which will become effective, change or be terminated upon a change of control in the company as a result of a takeover bid.

Outlook

Telekom Austria expects that business operations in 2007 will be characterized by a further decline in the number of subscriber lines, stronger competition in the broadband segment from mobile communications operators and the continued migration of voice minutes to mobile communications networks. This development is expected to result in a slight decline in revenues. In order to maintain profitability Telekom Austria will continue to implement a strict cost management program in 2007. Telekom Austria anticipates an increase in operating income in 2007 due to falling depreciation and amortization expenses.

Major Subsequent Events

The earnings-per-share target value for the third tranche of the stock option program started in 2004 was reached. Holders may exercise the options once the results have been published. A provision amounting to EUR 3.66 million has been included in the financial statements for the year 2006.

On January 8, 2007 the eligible employees were offered 4,047,472 options from the fourth tranche of the stock option program. These options may be settled either by cash payments, new shares or repurchased treasury shares at the discretion of the company, whereby an option includes the right to buy one share. The exercise price is EUR 20.34. The option may only be exercised if the EPS target value determined by the Supervisory Board has been reached. The options have an exercise period of 3 years following a vesting period of roughly 14 months. The options therefore have a life of slightly more than 4 years.

On December 20, 2006 Telekom Austria announced the purchase of all the common stock of the integrated provider eTel for approximately EUR 90 million. eTel has operational subsidiaries in Austria, Hungary, Germany, the Czech Republic, Slovakia and Poland. Merger control approval is still pending.

On February 5, 2007 the Telekom Austria Group won the tender for a GSM license in the Republic of Macedonia. The cost of the license amounts to EUR 10 million and the license will be granted for a period of ten years, automatically renewable for a further ten years.

Vienna, February 20, 2007

The Management Board

Boris Nemsic
Chief Executive Officer

Rudolf Fischer
Vice-Chairman of the
Management Board

Stefano Colombo
Chief Financial Officer

Telekom Austria Aktiengesellschaft, Vienna

Appendix V

Affiliated companies and equity investments as of Dezember 31, 2006

	Currency	Share capital	Capital held	Share in capital	Book value of equity as of Dec. 31, 2006 EUR	Book value of equity as of Dec. 31, 2005 EUR	Last reporting date	(Negative) equity TEUR	Net income/ loss TEUR
1. Affiliated companies									
mobilkom austria AG, Wien	EUR	10.000.000	10.000.000	100%	2.718.115.344,8	74.999,0	31.12.2006	1.893.069	307.651
Telekom Austria Personalmanagement GmbH, Wien	EUR	70.000	70.000	100%	16.845.922,9	709.582.003,5	31.12.2006	8.745	0 4)
Telekom Austria FixNet AG, Wien	EUR	10.000.000	10.000.000	100%	15.861.600,0	0,0	31.12.2006	15.978	117 1)
Telekom Projektentwicklungs GmbH (früher: Telekom Beteiligungs- und Entwicklungs GmbH), Wien	EUR	35.000	35.000	100%	2.135.000,0	35.000,0	31.12.2006	2.450	-19 1)
World-Direct eBusiness solutions GmbH, Wien	EUR	35.000	35.000	100%	1.766.000,0	1.766.000,0	31.12.2006	724	250 1)
Jet2Web Stream Hungary kft, Budapest	HUF	15.000.000	15.000.000	100%	692.160,3	692.160,3	31.12.2006	464,0	80 3)
Jet2Web Stream Slovakia s.r.o, Bratislava	SKK	2.300.000	2.300.000	100%	473.753,0	473.753,0	31.12.2006	857,0	104,0 3)
TA Mreza d.o.o., Ljubljana	SIT	2.100.000	2.100.000	100%	309.134,4	309.134,4	31.12.2006	444,0	75,0 3)
Osterreichische Fernmeldetechnische Entwicklungs- und Föderungsgesellschaft m.b.H., Wien	EUR	37.000	37.000	100%	1.387,2	1.387,2	31.12.2006	392	289 1)
Telekom Austria Beteiligungen GmbH (früher: Jet2Web Net Internet Betriebs GmbH), Wien	EUR	35.000	35.000		0,0	659.682.295,0	31.12.2006		6)
mobilkom austria Aktiengesellschaft & Co KG, Wien	EUR	79.940.118	59.954.289		0,0	605.589.870,1	31.12.2006		7)
					2.756.200.302,6	1.978.206.602,5			
2. Equity investments									
Omnimedia Werbegesellschaft m.b.H., Wien	EUR	218.100	56.706	26%	3.401.088,6	3.401.088,6	30.06.2006	3.184	2.630
Wiener Börse AG	EUR	14.000.000	280.000	2%	543.341,9	543.341,9	31.12.2006	x	x 2)
Netz & Plan Leitungsdokumentations GmbH, Linz	EUR	74.000	7.400	10%	138.537,0	138.537,0	31.12.2006	182,0	20
Internet - Lösungen und Dienstleistungen RIS GmbH, Steyr	EUR	150.000	22.500	15%	64.864,5	64.864,5	31.12.2006	x	x 2)
Output Service GmbH, Wien	EUR	35.000	8.785	25,1%	8.785,0	8.785,0	31.12.2006	48	1
Austrian Research Centers GmbH - ARC, Wien	EUR	470.920	13.081	2,78%	0,4	0,4	31.12.2006	x	x 2)
A-Trust Gesellschaft für Sicherheitssysteme im elektronischen Datenverkehr GmbH, Wien	EUR	4.790.013	953.212		0,0	0,0	31.12.2006		
					4.156.617,4	4.156.617,4			
					2.760.356.920,0	1.982.363.219,9			

1) Preliminary financial statements

2) Financial statements not available at time of audit

3) Figures according to US-GAAP package as of Dec. 31, 2005

4) After transfer of profit to TA (TEUR -16.649)

5) Investment: 75% less one share

6) contribution to mobilkom austria AG, Wien

7) accretion to mobilkom austria AG, Wien

Unqualified Auditor's Report

We have audited the accompanying financial statements including the underlying accounting records of

**Telekom Austria Aktiengesellschaft,
Vienna, Austria**

for the **fiscal year from 1 January to December 31, 2006**. The maintenance of the accounting records and the preparation and contents of these financial statements including management report in accordance with the Austrian Commercial Code are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit and to state whether management report corresponds is consistent with the financial statements.

We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether we can state that the management report is in accordance with the financial statements. In determining the audit procedures we considered our knowledge of the business, the economic and legal environment of the Company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the financial statements and underlying accounting records predominantly on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in accordance with legal requirements and present fairly, in all material aspects the financial position and the results of its operations and its cash flows in accordance with generally accepted accounting principles in Austria. The management report is consistent in accordance with the financial statements.

Vienna, February 21, 2007

KPMG Austria GmbH
Wirtschaftsprüfungs-und Steuerberatungsgesellschaft

signed:

Mag. Michael Schlenk
Wirtschaftsprüfer
(Austrian Chartered Accountants)

Mag. Yann-Georg Hansa
Wirtschaftsprüfer

Report by the Supervisory Board

Ladies and Gentlemen,

In 2006 Telekom Austria continued its growth and internationalization strategy focused on a sustainable increase in shareholder value and at the same time successfully defended its market and innovation leadership in Austria. The very favorable development of financial results in previous years reached a new record level in the reporting year.

In addition to the continuing focus on expansion, 2006 also saw changes at the top management level in line with the new holding structure. Boris Nemsic was appointed Chairman of the Management Board of Telekom Austria effective May 24, 2006 and Rudolf Fischer Vice Chairman of the Management Board. Both management mandates were extended until April 30, 2011. Based on the new holding structure, which provides for a transparent and future-oriented Group structure with two operational units under the umbrella of a lean management holding company, the Supervisory Board drew up a qualification profile for the Chief Financial Officer. The Personnel and Appointments Committee was asked to make the necessary preparations for filling this position.

At a meeting of the Supervisory Board on October 23, 2006 Hans Tschuden was appointed to succeed Stefano Colombo effective April 1, 2007 for a period of five years. Mr. Tschuden is a respected financial expert with in-depth knowledge of southeast Europe.

There were also a number of changes to the Supervisory Board in 2006: Peter Mitterbauer, Harald Sommerer and Otto G. Zich retired from the Supervisory Board. The election of Wolfgang C. Berndt and Hans Jörg Schelling at the 2006 Annual General Meeting further strengthened the expertise of the Supervisory Board in the areas of Corporate Governance and Marketing. Following his election to Parliament, Hans Jörg Schelling resigned from the Supervisory Board in February 2007.

The continuation of the value-oriented expansion strategy and the personnel decisions outlined above required frequent meetings of the Supervisory Board and its committees. The business development and strategic focus of the Telekom Austria Group was discussed extensively at nine meetings of the Supervisory Board, five meetings of the Audit Committee established in compliance with US law, one meeting of the Audit Committee established under Austrian law, three meetings of the Structural Committee and a strategy workshop. Particular attention was devoted to expansion projects in the wireless segment in Serbia, Bosnia Herzegovina, Slovakia, Macedonia and Kosovo, and the acquisition of eTel in the wireline segment. Other discussions focused on strategically positioning and defending the position of the two segments in Austria, risk management and internal control systems.

The role of a financial expert for the Audit Committee which was carried out by Harald Sommerer until his resignation is now being fulfilled by Rainer Wieltsch. Wolfgang C. Berndt was voted on to the Audit Committee for the first time, providing a valuable addition to this body with his many years of experience on the supervisory boards of several international companies. In the year under review the Audit Committee focused on the internal control system for financial reporting which has now been implemented throughout the Group. Other Audit Committee activities included monitoring the integrity of the financial statements, the quality, independence and performance of the auditors and the functioning of internal audit controls. In 2006 the Audit Committee also carried out a self-evaluation for the first time. The Chairman of the Audit Committee provided the other members of the Supervisory Board with regular and detailed reports on the Committee's work.

The Supervisory Board of Telekom Austria is strongly committed to compliance with the Austrian Corporate Governance Code and responsible company management and control aimed at sustained value creation. According to the criteria laid down by the Supervisory Board of Telekom Austria, six of the nine shareholder representatives are deemed to be independent. Telekom Austria possesses effective corporate governance mechanisms which comply with the strict US standards and is therefore well prepared for the introduction of similar regulations in the European Union.

The annual financial statements of Telekom Austria AG and the consolidated financial statements were audited by KPMG Austria Wirtschaftsprüfungs- und Steuerberatungs GmbH and received unqualified opinions. The management report and the group management report are consistent with the annual financial statements and consolidated financial statements. After prior consultation with the Audit Committee established under Austrian law, and extensive discussions and review, the Supervisory Board approved the 2006 annual financial statements in accordance with § 125 Para. 2 of the Austrian Stock Corporation Act. Furthermore, after prior consultation with the Audit Committee (US law) and the Audit Committee (Austrian law) and after detailed discussion and review, the Supervisory Board approved the consolidated financial statements prepared in accordance with § 245 of the Austrian Enterprise Code pursuant to IFRS, the reconciliation report pursuant to the Austrian Enterprise Code, the reconciliation report pursuant to U.S. GAAP, the management report and the group management report.

The Supervisory Board gave its assent to the Management Board's proposal to pay a dividend of EUR 0.75 per eligible share and carry forward the remaining amount.

I would like to take this opportunity to offer my sincere thanks to the management and employees for their devotion and commitment. In particular, I would like to thank the former Chief Executive Officer Heinz Sundt, who retired in May 2006, and the retiring Chief Financial Officer Stefano Colombo who have both

performed such excellent work for the company. I would also like to thank all Telekom Austria customers and shareholders for their confidence and support and at the same time ask for their continued loyalty in the future.

Peter Michaelis

Chairman of the Supervisory Board

Vienna, March 2007

Supervisory Board of Telekom Austria AG

<i>Name</i>	<i>First Appointed</i>	<i>Committee Membership</i>	<i>Other Supervisory Board Positions and Comparable Functions</i>	<i>Independent pursuant to Rule 53 of the Austrian Corporate Governance Code</i>	<i>Annual General Meeting at which Mandate ends</i>
<i>Peter Michaelis, Chairman</i>	<i>28.6.2001</i>	<i>Chairman of the Personnel and Nomination Committee, the Chairing and Remuneration Committee and the Structural Committee</i>	<i>OMV AG, Austrian Airlines AG, Österreichische Post AG, APK-Pensionskasse AG</i>	<i>Yes Not, however, pursuant to Rule 54 of the Austrian Corporate Governance Code</i>	<i>2008</i>
<i>Edith Hlawati, Vice Chairwoman</i>	<i>28.6.2001</i>	<i>Member of the Chairing Committee and Remuneration Committee and the Personnel and Nomination Committee</i>		<i>Yes</i>	<i>2008</i>
<i>Rainer Wieltsch</i>	<i>12.6.2002</i>	<i>Chairman of the Audit Committee and member of the Structural Committee</i>	<i>Austrian Airlines AG, OMV AG, Austrian Research Centers, Österreichische Post AG, Bundesrechenzentrum GmbH</i>	<i>Yes</i>	<i>2008</i>
<i>Johann Haider</i>	<i>4.6.2003</i>		<i>Siemens AG Österreich, Ennstkraftwerke AG, Steweag-Steg GmbH, Verbund-Austrian Hydro Power AG, Verbund-Austrian Power Grid AG, Verbund-Austrian Power Trading AG, Verbund-Austrian Thermal Power GmbH, Energie Klagenfurt GmbH, KELAG – Kärntner Elektrizitäts- AG</i>	<i>Yes</i>	<i>2008</i>
<i>Stephan Koren</i>	<i>17.9.1999</i>		<i>Österreichische Post AG, Wiener Stadtwerke Holding AG, Bawag PSK Leasing GmbH, PSK Versicherung AG, easybank AG, Bausparkasse Wüstenrot AG, Omnimedia Werbegesellschaft mbH, Österreichische Lotterien Gesellschaft mbH, Österreichische Verkehrskreditbank AG, uni venture Beteiligungs AG, Austria Wirtschaftsservice GmbH</i>		<i>2008</i>
<i>Wilfried Stadler</i>	<i>15.7.2005</i>		<i>ATP Planungs- und Beteiligungs-AG, Die Furche – Zeitschriften – Betriebsgesellschaft m.b.H., TRODAT Holding GmbH, VBW Anlagenvermietungs- und Beteiligungs AG, WIENSTROM GmbH, Walter Just Verwaltungs GmbH, Academia Scientiarum et Artium Eurpaea Privatstiftung</i>	<i>Yes</i>	<i>2008</i>
<i>Harald Stöber</i>	<i>4.6.2003</i>	<i>Member of the Structural Committee</i>	<i>Deutsche Messe AG Hannover</i>		<i>2008</i>
<i>Wolfgang Berndt</i>	<i>23.5.2006</i>	<i>Member of the Audit Committee</i>	<i>Cadbury Schweppes PLC, Lloyds TSB Group PLC, Lloyds TSB Bank PLC, GfK AG, Institute For The Future</i>	<i>Yes</i>	<i>2008</i>
Members of the Supervisory Board delegated by the Works' Council					
<i>Wilhelm Eidenberger</i>	<i>30.4.2001</i>				
<i>Markus Hinker</i>	<i>15.7.2005</i>		<i>Telekom Austria Personalmanagement GmbH</i>		
<i>Walter Hotz</i>	<i>9.12.2003</i>	<i>Member of the Structural Committee</i>			
<i>Michael Kolek</i>	<i>20.3.2002</i>	<i>Member of the Personnel and Nomination Committee, the Audit Committee and the Structural Committee</i>	<i>APK Pensionskasse AG, Telekom Austria Personalmanagement GmbH, Österreichische Industrieholding AG</i>		
<i>Franz Kusin</i>	<i>6.8.2004</i>				
Members who Retired in the Reporting Year		Retirement Date			
<i>Peter Mitterbauer</i>		<i>23.5.2006</i>			
<i>Hans Jörg Schelling</i>		<i>6.2.2007</i>			
<i>Harald Sommerer</i>		<i>24.6.2006</i>			
<i>Otto G. Zich</i>		<i>23.5.2006</i>			