

Code of Ethics
for
Telekom Austria Aktiengesellschaft
and its Subsidiaries

Adopted August 8th, 2006

1. Introduction

This Code of Ethics (the "Code") has been adopted by the Management Board of Telekom Austria AG and summarises the standards that must guide the actions of our Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operation Officer Wireline (COO Wireline), Chief Operation Officer Wireless (COO Wireless), principal accounting officer, principal controller, and all other persons performing similar functions, as set out in Appendix A (each, a "Covered Officer"). While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles that represent Company policies and establish conditions for employment at the Company. In this Code, the word "Company" does also comprise the subsidiaries of Telekom Austria AG.

We must strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company's business activities including, but not limited to, relationships with employees, customers, suppliers, competitors, the government and the public, including our shareholders. Covered Officers must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behaviour. Even well intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company's most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognise that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

2. Conflicts of Interest

Covered Officers have an obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company. Covered Officers should endeavour to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when a Covered Officer takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Covered Officer (or his or her family members) receives improper personal benefits as a result of the Covered Officer's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations which may constitute a conflict of interest:

- Working, in any capacity, for a competitor, customer or supplier while employed by the Company.
- Accepting gifts of more than modest value or receiving personal discounts (if such discounts are not generally offered to the public) or other benefits as a result of your position in the Company from a competitor, customer or supplier.
- Competing with the Company for the purchase or sale of property, products, services or other interests.
- Having an interest in a transaction involving the Company, a competitor, customer or supplier (other than as an employee, officer or director of the Company and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of the Covered Officer's position with the Company.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

Situations involving a conflict of interest may not always be obvious or easy to resolve. Covered Officers should report actions that may involve a conflict of interest to their superior or the General Counsel of Telekom Austria AG ("General Counsel").

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of a Covered Officer, the Covered Officer involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

3. Quality of Public Disclosures

The Company has a responsibility to communicate effectively with shareholders so that they are provided with full and accurate information, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the United States Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and the Company has established a Disclosure Committee consisting of senior management to assist in monitoring such disclosures.

4. Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No Covered Officer of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

In case a Covered Officer believes that any practice raises questions as to compliance with any applicable law, rule or regulation or otherwise has questions regarding any law, rule or regulation, the Covered Officer shall contact his or her superior or the General Counsel.

5. Compliance with This Code and Reporting of Any Illegal or Unethical Behaviour

Covered Officers are expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with immediately. Violations of the Code that involve illegal behaviour will be reported to the appropriate authorities and may lead to an immediate dismissal.

Situations which may involve a violation of ethics, laws, rules, regulations or this Code may not always be clear and may require difficult judgement. Covered Officers should promptly report any concerns about violations of ethics, laws, rules, regulations or this Code to their superiors or to the General Counsel or, in the case of accounting, internal accounting controls or auditing matters, to the Audit Committee of the Supervisory Board after its establishment.

Any concerns about violations of ethics, laws, rules, regulations or this Code by a Member of the Management Board should be reported promptly to the General Counsel and the General Counsel shall notify the Chairman of the Supervisory Board. Any such concerns involving the General Counsel and a Member of the Management Board should be directly reported to the Chairman of the Supervisory Board.

The Company encourages all Covered Officers to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. Covered Officers are required to co-operate in internal investigations of misconduct and unethical behaviour.

The Company recognises the need for this Code to be applied equally to everyone it covers. The General Counsel with the assistance of the Internal Auditing Department (*Revision*) will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Audit Committee of the Supervisory Board after its establishment in the case of accounting, internal accounting controls or auditing matters. The Company will devote the necessary resources to enable the General Counsel and the Internal Auditing Department to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this Code. Questions concerning this Code should be directed to the General Counsel.

6. Waivers and Amendments

Any waivers (including any implicit waivers) of the provisions in this Code for Covered Officers - except for the CEO, CFO, the COO Wireline and the COO Wireless may - only be granted by the Management Board. Any waivers (including any implicit waivers) of the provisions in this Code for the CEO, the CFO, the COO Wireline and the COO Wireless may only

be granted by the Supervisory Board. Any waivers (including any implicit waivers) of the provisions in this Code with respect to the Members of the Management Board will be immediately disclosed to the market. All other waivers will be disclosed to the Company's Shareholders in the Company's next filing with the SEC following such waiver. Amendments to this Code must be approved by the Management Board and will be disclosed in the Company's annual report on Form 20-F.

Covered Officers:

Chief Executive Officer (CEO) Telekom Austria AG
Deputy Chief Executive Officer (CEO Wireline) Telekom Austria AG
Chief Financial Officer (CFO) Telekom Austria AG
Chief Financial Officer (CFO) Telekom Austria FixNet AG
Principal accounting officer of Telekom Austria AG (Group)
Principal accounting officer of Telekom Austria AG (Wireline)
Principal controller of Telekom Austria AG (Group)
Principal controller of Telekom Austria AG (Wireline)
Head of Investor Relations Telekom Austria AG
Head of Treasury (Group) Telekom Austria AG
CFO of mobilkom austria
Principal accounting officer of mobilkom austria, this function is presently covered by the
"Principal Officer Finance"
Principal controller of mobilkom austria
CEO of VipNet
CFO of VipNet
CEO of Mobiltel
CFO of Mobiltel

Whistle-Blower Protection

On the basis of our values and the Code of Ethics of Telekom Austria, all employees may turn to their supervisor or the General Counsel confidentially for advice and help, in the event that legally dubious incidents occur in their field of work.

In all questionable affairs that concern the integrity of our financial reporting, direct contact with the Disclosure Committee or the Audit Committee of the Supervisory Board may also be taken.

Due to legal regulations (Para 806 Sarbanes Oxley Act) as well as to internal guidelines (Para 4 Sec 4 of the Audit Committee Guideline) all parties providing confidential information have special personal protection with regard to the use of their information.

Contact Addresses:

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