

# Telekom Austria Group Results of the Financial Year 2002

March, 2003

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# Cautionary Statement

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results. These risks and uncertainties are discussed in Telekom Austria's SEC filings, including, but not limited to, Telekom Austria's Form 6-K containing the relevant press release and certain sections of the Company's Annual Report on Form 20-F.

# Agenda

- § Key Developments
- § Operational Highlights
  - ÿ Wireline
  - ÿ Wireless
- § Financial Overview
- § Outlook

# Key Developments

# Telekom Austria Group 2002 Highlights

## § Business

- ÿ Strengthened market position in all segments
- ÿ Stabilization of fixed line business trend
- ÿ Profitable growth in all mobile activities

## § Financial

- ÿ First net profit after two years
- ÿ Net debt declines in spite of buyback of mobile minorities

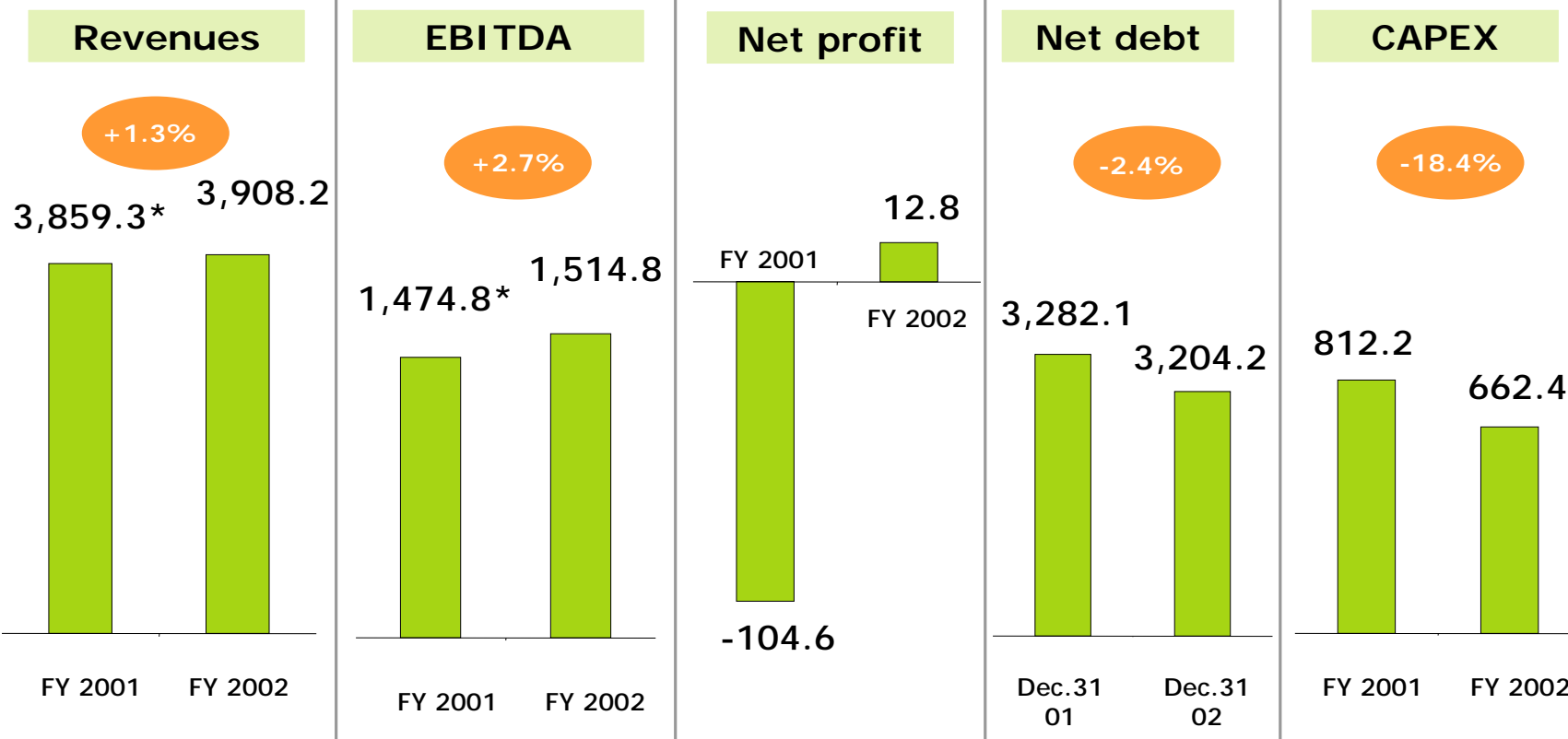
## § Corporate events

- ÿ Successful equity offering
- ÿ Merger of wireline business units
- ÿ 100% ownership of the mobile business

# Telekom Austria – Full Year Results

## Key Financial Indicators

(EUR million)



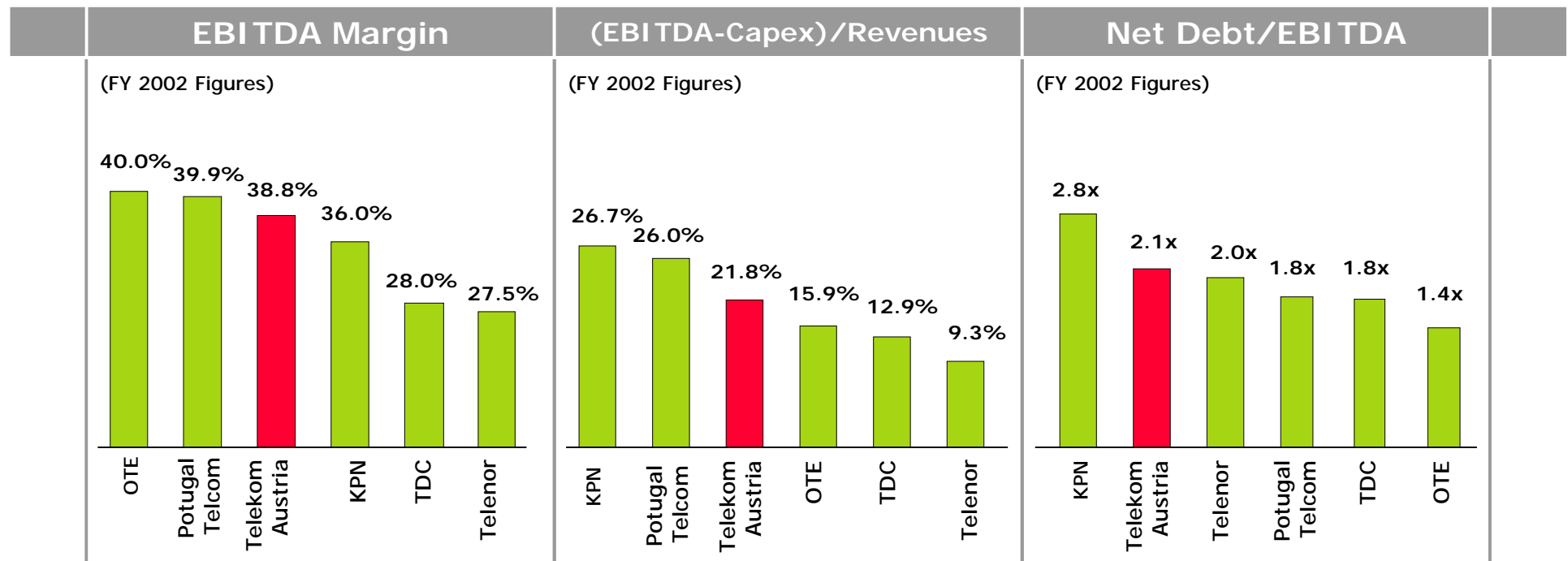
\* 2001 figures adjusted for change in billing of interconnection revenues and costs

# Telekom Austria vs. European Peers

§ Telekom Austria compares well with its peer group

Y 39% EBITDA margin

Y Further reduction of capex and debt planned



# Equity Offering and Liquidity Agreement

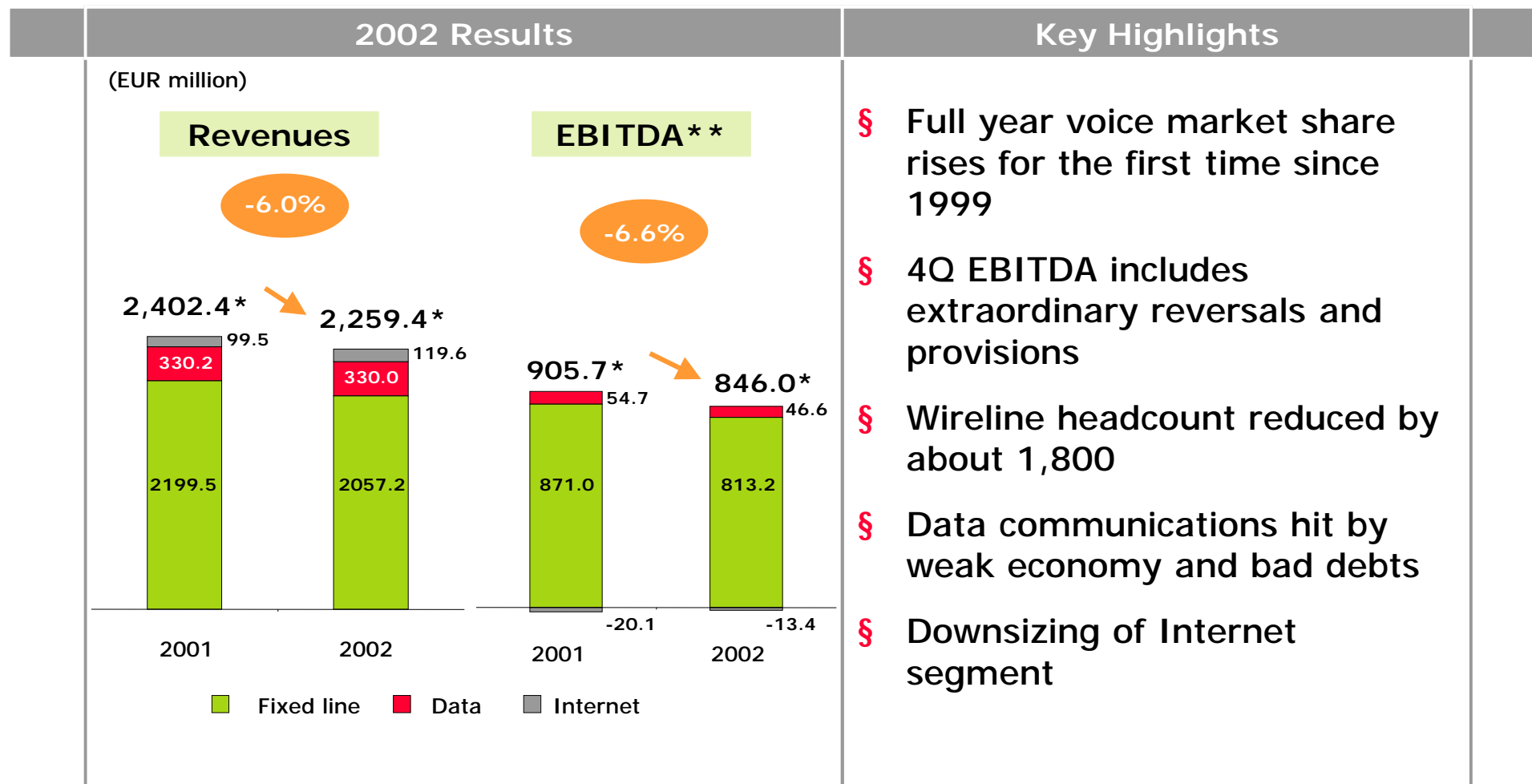
The new Austrian Government has reiterated its intention to proceed with a full privatization

November 02 Offering	Liquidity Agreement
<ul style="list-style-type: none"><li>§ Share offering of 75million shares by Telecom Italia</li><li>§ Share price increased by over 20% since the offering</li><li>§ Liquidity benefited from increasing the free float to 38%</li><li>§ Termination of Shareholders Agreement between Government (ÖIAG) and Telecom Italia</li><li>§ 6 months lock-up period</li></ul>	<ul style="list-style-type: none"><li>§ In the first nine month of 2003, the Government has the priority right to sell up to 25 million shares in a public market transaction</li><li>§ For any additional shares offered, the Government and Telecom Italia have the right to sell an equal number of shares</li><li>§ Private equity deals possible throughout the duration of the Liquidity Agreement</li></ul>



# Wireline

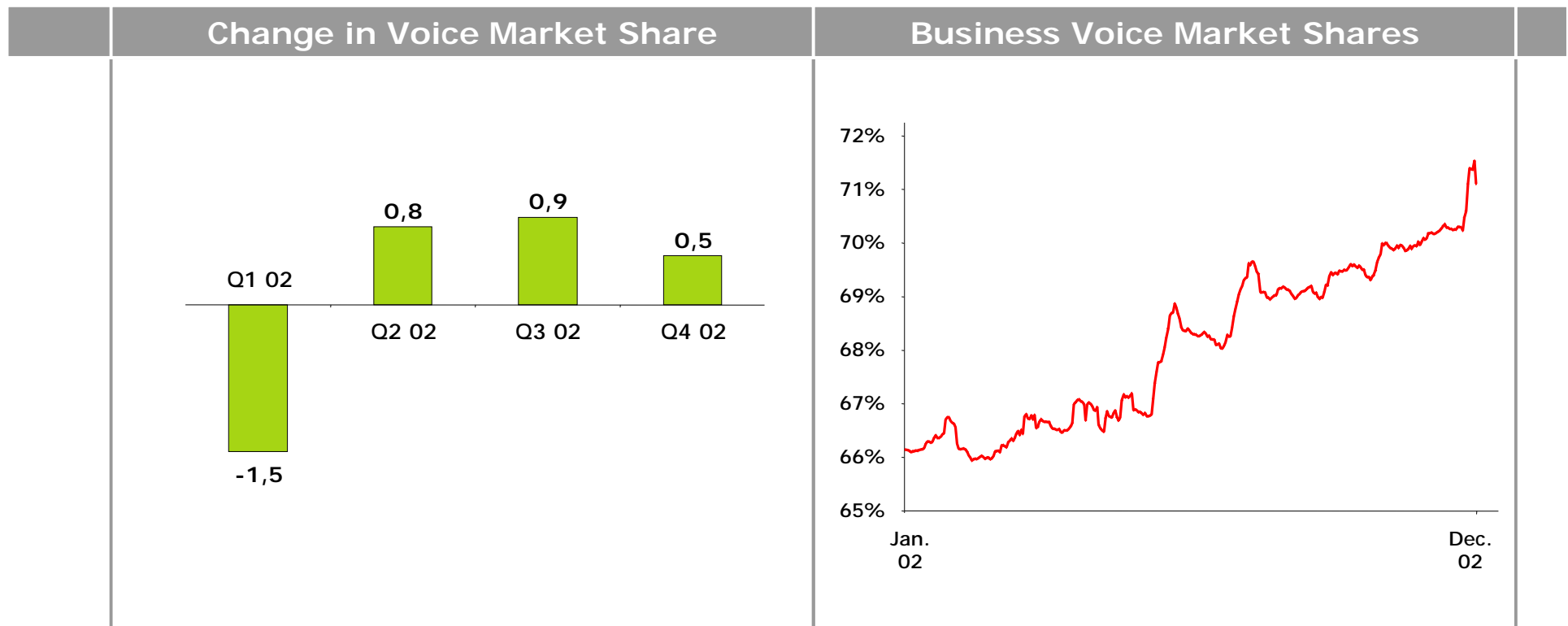
# Fixed Line, Data & Internet



\* excluding intragroup business; \*\* excluding costs for idle workforce and retirement of long-lived assets

# Improved Market Position

- Targeted win-back marketing campaigns
- Efficient use of the most important sales channels, primarily direct sales
- Promotional campaigns to change price perception
- Stronger position in business market following increased sales efforts


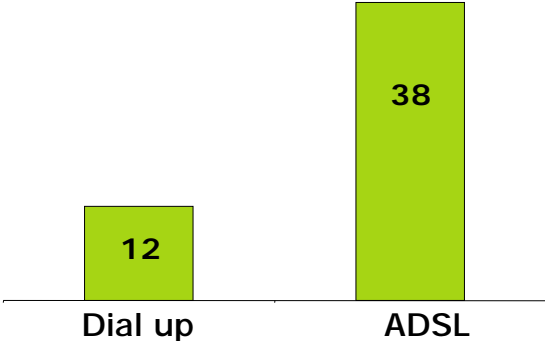


# Competition Update

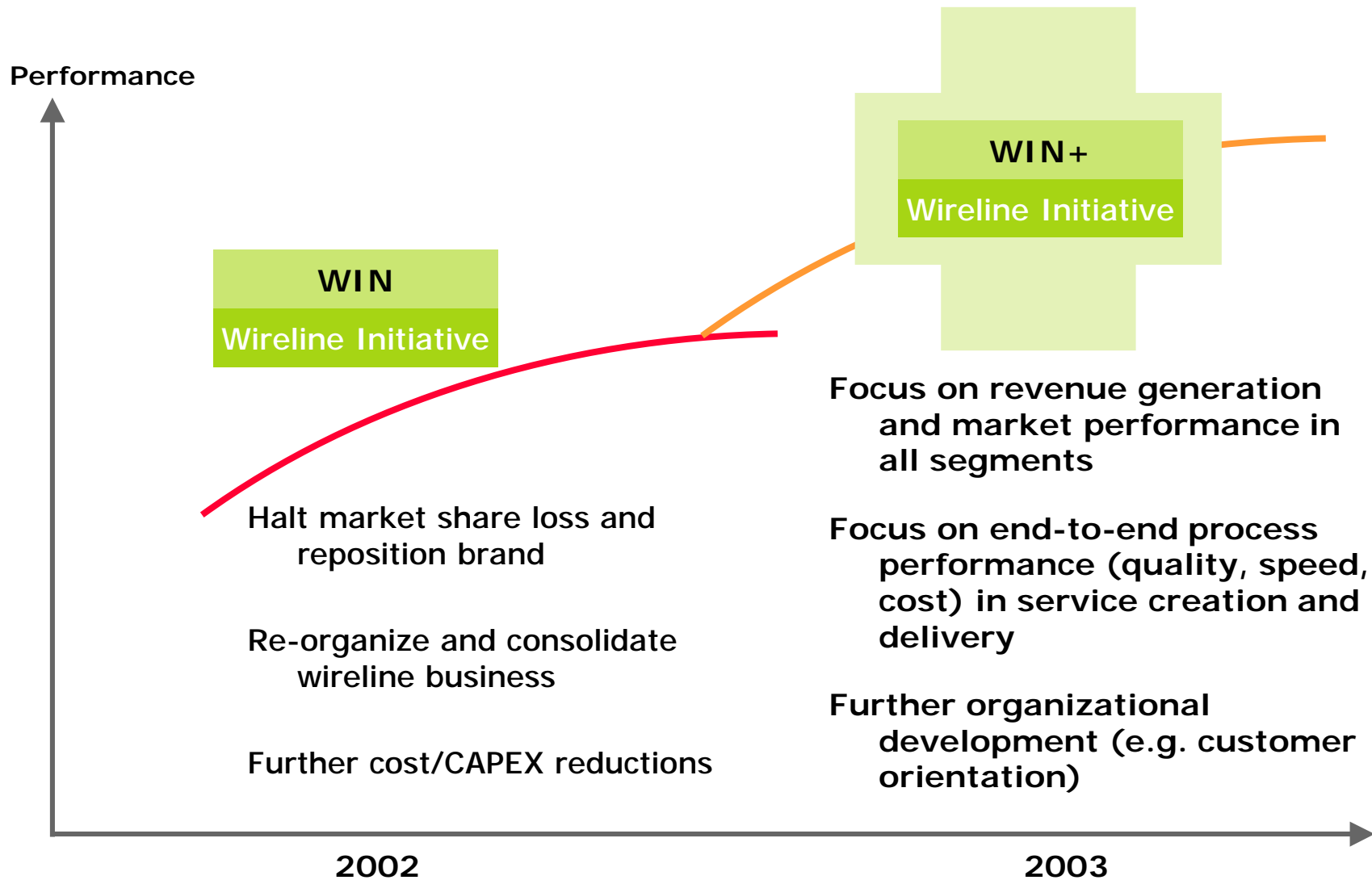
Voice Market Shares*	Competitive Situation																
<p>A pie chart illustrating the distribution of voice market shares among various providers. The largest share is held by Telekom Austria at 53%. Other significant players include Tele 2 at 14%, UTA at 12%, telering at 6%, etel at 4%, Telekabel at 3%, and a group of 'Others' at 8%.</p> <table border="1"> <thead> <tr> <th>Provider</th> <th>Share (%)</th> </tr> </thead> <tbody> <tr> <td>Telekom Austria</td> <td>53%</td> </tr> <tr> <td>Tele 2</td> <td>14%</td> </tr> <tr> <td>UTA</td> <td>12%</td> </tr> <tr> <td>telering</td> <td>6%</td> </tr> <tr> <td>etel</td> <td>4%</td> </tr> <tr> <td>Telekabel</td> <td>3%</td> </tr> <tr> <td>Others</td> <td>8%</td> </tr> </tbody> </table> <p>Legend:</p> <ul style="list-style-type: none"> <li>Telekom Austria (Green)</li> <li>Tele 2 (Red)</li> <li>UTA (Grey)</li> <li>telering (Orange)</li> <li>etel (Light Green)</li> <li>Telekabel (Light Grey)</li> <li>Others (White)</li> </ul>	Provider	Share (%)	Telekom Austria	53%	Tele 2	14%	UTA	12%	telering	6%	etel	4%	Telekabel	3%	Others	8%	<ul style="list-style-type: none"> <li>• No. of competitors falls from 39 to 28 during 2002</li> <li>• Tele2 continues to grow strongest in retail market</li> <li>• UTA focuses on business market, capital increase announced</li> <li>• Further consolidation expected in 2003</li> </ul>
Provider	Share (%)																
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Telekabel	3%																
Others	8%																

\* Telekom Austria estimates

# ADSL-Growth Driven by Marketing Push

Monthly ADSL Net Adds	Highlights
<p data-bbox="434 459 770 544">Start of simplified product offering</p>  <p data-bbox="331 571 427 600">6.500</p> <p data-bbox="958 491 1048 520">8.135</p> <p data-bbox="331 783 1032 842">Jan. 02   Mar. 02   Mai. 02   Jul. 02   Sep. 02   Nov. 02   Jan. 03</p>	<ul style="list-style-type: none"> <li data-bbox="1182 504 1756 655">§ ADSL to drive revenues growth and customer retention</li> <li data-bbox="1182 715 1827 818">§ Net adds rise following simplified product offering</li> <li data-bbox="1182 874 1823 1026">§ 40% of current ADSL customers had no Internet before</li> <li data-bbox="1182 1082 1805 1185">§ New product features and content push ahead</li> </ul>
<p data-bbox="539 882 842 919">ARPU / Month</p> <p data-bbox="286 967 371 995">(EUR)</p>  <p data-bbox="488 1201 539 1230">12</p> <p data-bbox="757 1046 808 1075">38</p> <p data-bbox="454 1278 573 1307">Dial up</p> <p data-bbox="757 1278 846 1307">ADSL</p>	

# Wireline Business Initiatives



# Business Solutions Focus in 2003

## Key Actions

### § Product push campaigns

ÿ Rising market share in VAS, business access, PABX and LAN services

### § Value-up migration

ÿ Customer retention through increased service portfolio, bundling of products and development of innovative solutions within the group

### § New business opportunities

ÿ Extend portfolio to new services (e.g. network centric IT solutions) through partnerships

# Private & Professional Focus in 2003

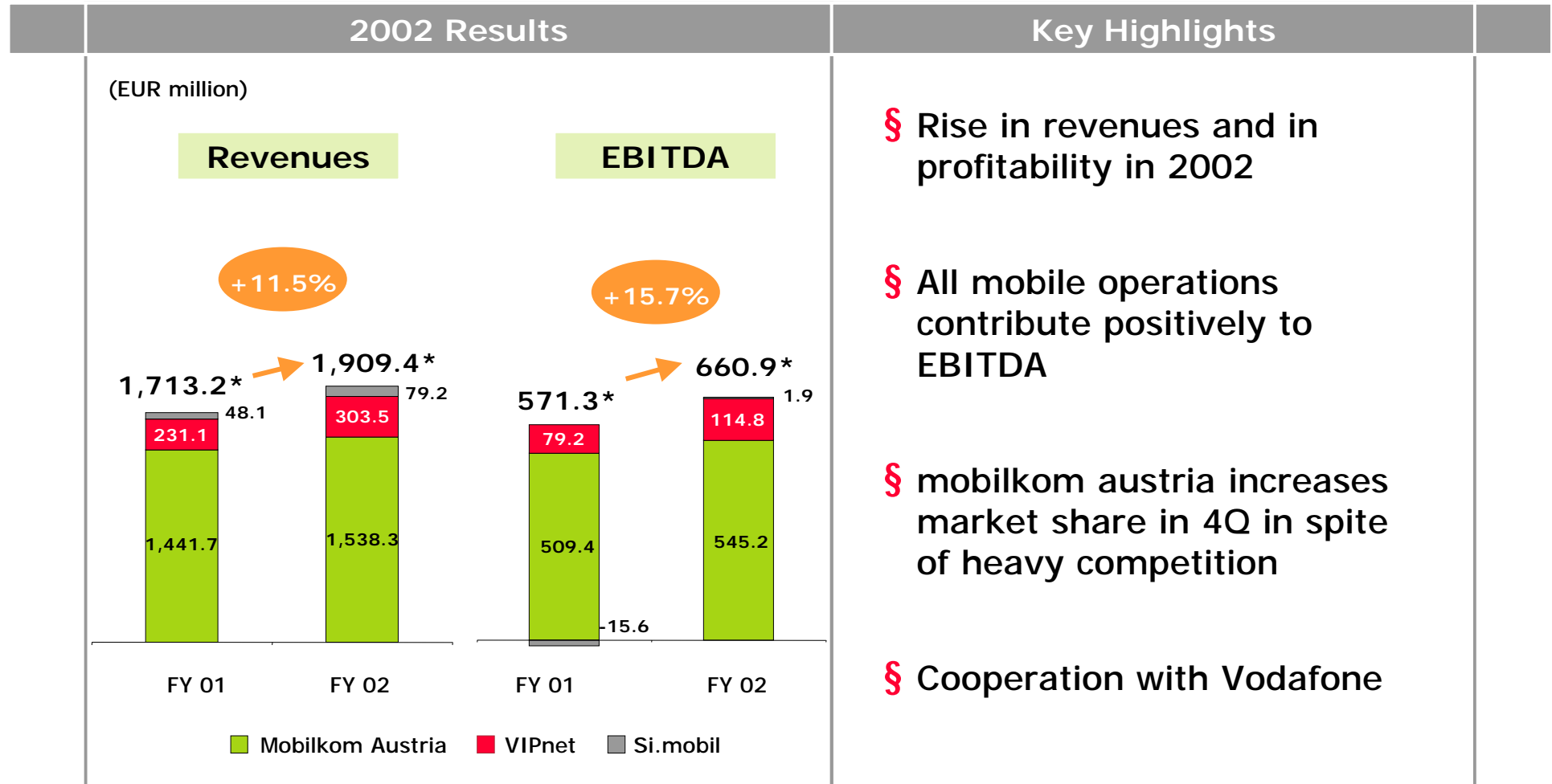
## Key Actions

- § Accelerate marketing campaigns for existing voice and Internet products
- § Further efficiency drive for direct sales and shop distribution
- § Churn prevention
  - ÿ Additional promotional campaigns to change price perception
  - ÿ Segment specific approach
  - ÿ Further amplification of customer database
- § Internet access push
- § Improvement in sales monitoring through closer targeting and tracking processes



# Wireless

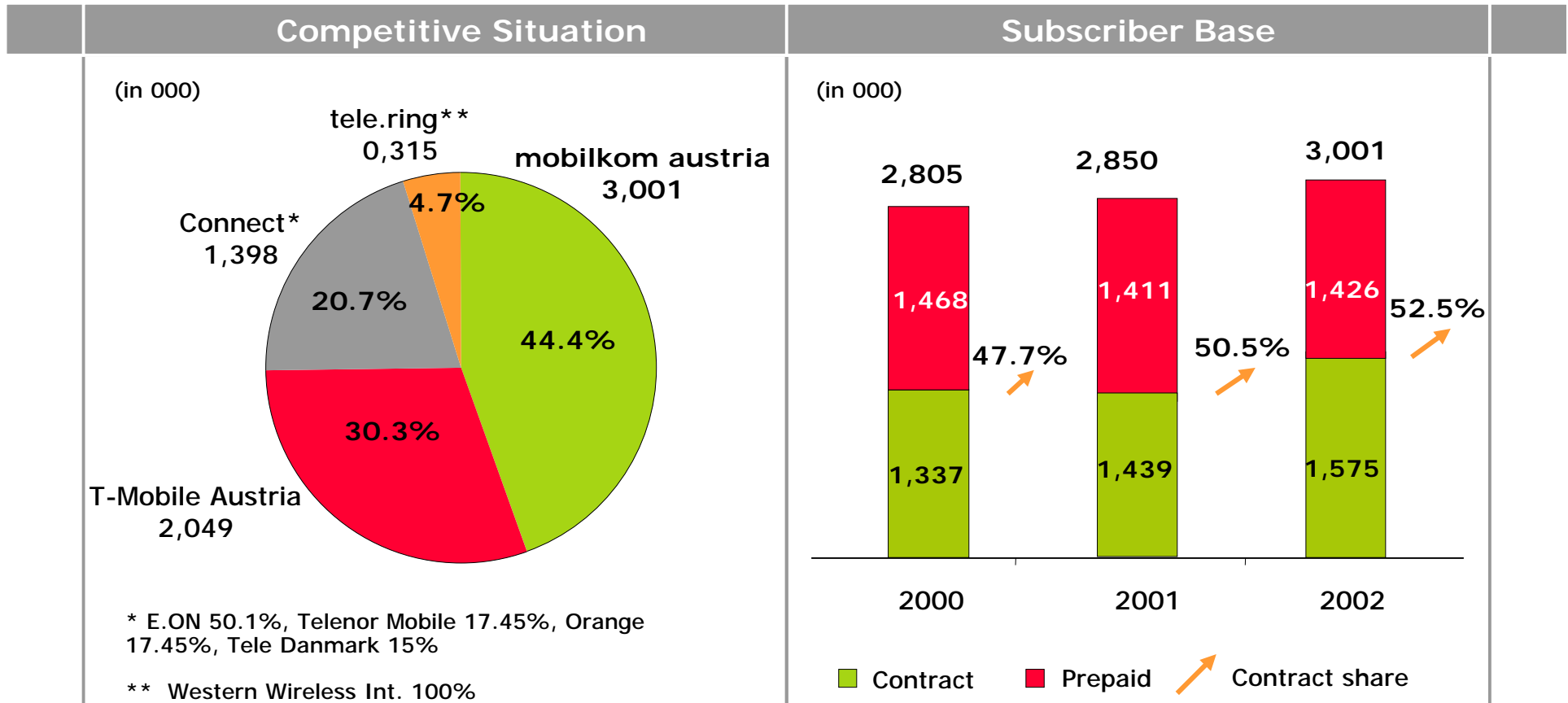
# Wireless - Geographic Breakdown



\* Total consolidated figures

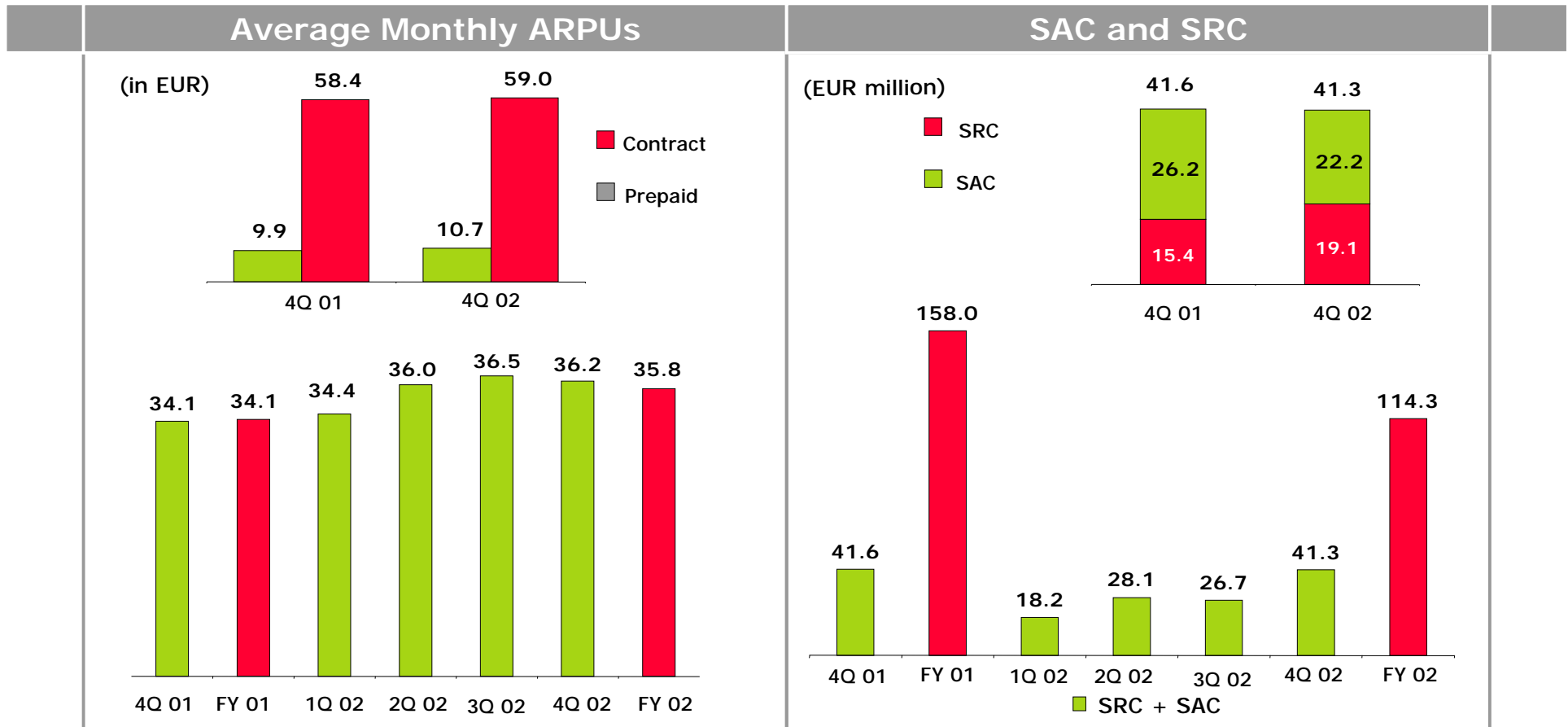
# Wireless – Austrian Market

- § Mobile penetration reaches 83.1% as of Dec. 31, 2002
- § Increasing market share during Q4 2002

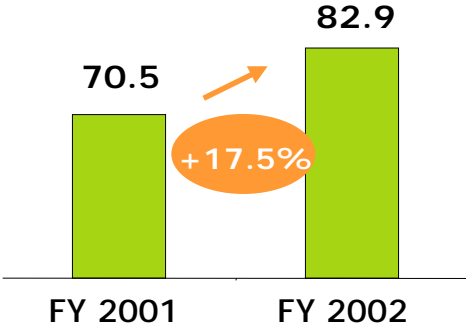
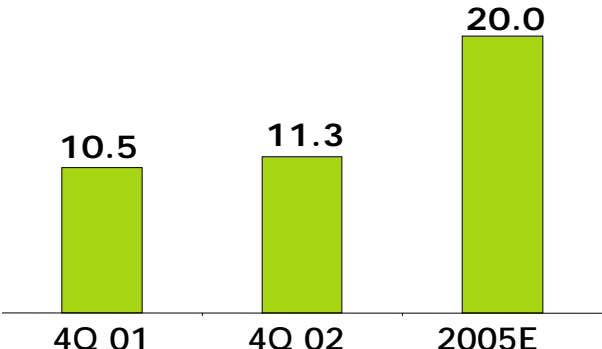


# mobilkom austria - ARPU and Costs

- § Average ARPU rises by 5% during 2002, average MoU by 8.7%
- § Seasonal decline of 4Q EBITDA as expected due to higher acquisition and marketing costs ahead of the increasing competition in Austria



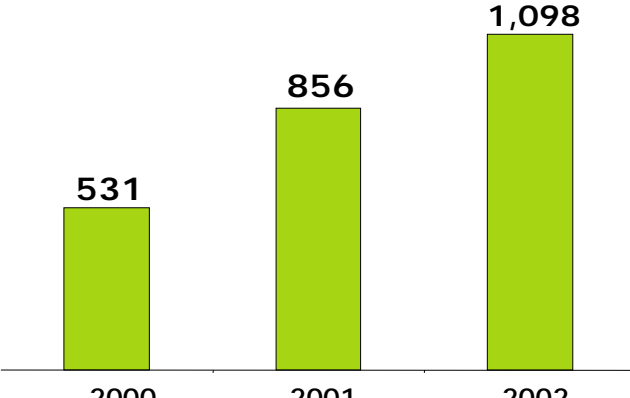
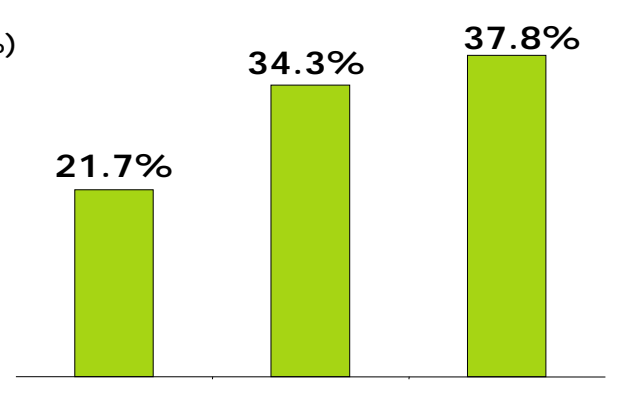
# mobilkom austria - Mobile Data

Mobile Data Revenues	Key Developments														
<p data-bbox="338 448 1021 501">Data revenues (in EUR million)</p>  <table border="1"> <caption>Mobile Data Revenues (in EUR million)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue (EUR million)</th> </tr> </thead> <tbody> <tr> <td>FY 2001</td> <td>70.5</td> </tr> <tr> <td>FY 2002</td> <td>82.9</td> </tr> </tbody> </table> <p data-bbox="353 879 1037 932">Data in % of airtime revenues</p>  <table border="1"> <caption>Data in % of airtime revenues</caption> <thead> <tr> <th>Period</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>4Q 01</td> <td>10.5</td> </tr> <tr> <td>4Q 02</td> <td>11.3</td> </tr> <tr> <td>2005E</td> <td>20.0</td> </tr> </tbody> </table>	Fiscal Year	Revenue (EUR million)	FY 2001	70.5	FY 2002	82.9	Period	Percentage	4Q 01	10.5	4Q 02	11.3	2005E	20.0	<ul style="list-style-type: none"> <li data-bbox="1151 440 1957 576">§ Significant growth in GPRS users:           <ul style="list-style-type: none"> <li>- GPRS user figures reach 223,000 as of December 31, 2002</li> </ul> </li> <li data-bbox="1151 635 1912 770">§ Continuing upward SMS trend:           <ul style="list-style-type: none"> <li>- Chargeable SMS increase by 16% QoQ to 147million in Q4 2002</li> </ul> </li> <li data-bbox="1151 829 1935 965">§ Increasing MMS usage:           <ul style="list-style-type: none"> <li>- About 60,000 MMS sent in January 2003 (2,000 per day on average)</li> </ul> </li> <li data-bbox="1151 1024 1957 1287">§ Technological launch of Europe's first nationwide UMTS network:           <ul style="list-style-type: none"> <li>- 40% population coverage YE 2002</li> <li>- Commercial launch depends on handset availability</li> </ul> </li> </ul>
Fiscal Year	Revenue (EUR million)														
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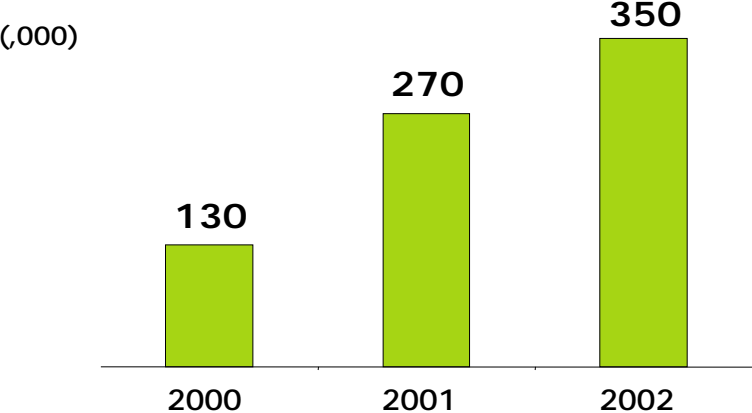
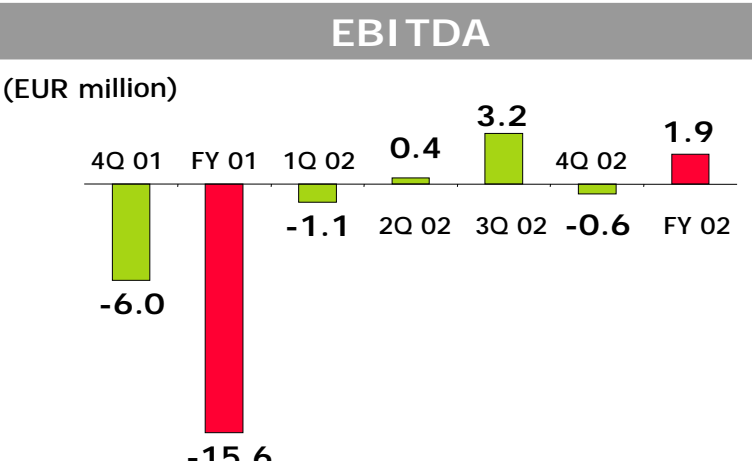
# mobilkom austria - Competition Update

Competitive Situation	Marketing Strategy
<ul style="list-style-type: none"><li>§ Very aggressive marketing campaigns by all competitors</li><li>§ Tele2 started as service operator using One's network; possible MVNO in 2H 03</li><li>§ Hutchison expected to start operation in 2Q 03; national roaming agreement with mobilkom</li><li>§ New business offers by One and T-Mobile/UTA</li><li>§ tele.ring offers 1 cent/min. calls</li></ul>	<ul style="list-style-type: none"><li>§ mobilkom austria strengthens focus on service and innovation</li><li>§ Branch solutions and increased customer value approach</li><li>§ Strategy to avoid price competition for the sake of market share</li></ul>

# VIPnet - Operations and Financials

Subscriber Base	Key Highlights								
<p>(,000)</p>  <table border="1"> <caption>Subscriber Base (in thousands)</caption> <thead> <tr> <th>Year</th> <th>Subscriber Base</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>531</td> </tr> <tr> <td>2001</td> <td>856</td> </tr> <tr> <td>2002</td> <td>1,098</td> </tr> </tbody> </table>	Year	Subscriber Base	2000	531	2001	856	2002	1,098	<ul style="list-style-type: none"> <li>§ Stable market share (48.2%)</li> <li>§ Rising share of contract customers (16%) and business market share (30%) following marketing focus on SME</li> <li>§ ARPU declines by 5.2% to EUR 20 due to strong customer growth</li> </ul>
Year	Subscriber Base								
2000	531								
2001	856								
2002	1,098								
EBITDA Margin	<ul style="list-style-type: none"> <li>§ Revenues rise by 31%, EBITDA by 45%</li> <li>§ GSM/UMTS license auction in 2003 could bring 3rd competitor</li> <li>§ mobilkom austria increases ownership to 80% in 1/03</li> </ul>								
<p>(in %)</p>  <table border="1"> <caption>EBITDA Margin (in %)</caption> <thead> <tr> <th>Fiscal Year</th> <th>EBITDA Margin</th> </tr> </thead> <tbody> <tr> <td>FY 2000</td> <td>21.7%</td> </tr> <tr> <td>FY 2001</td> <td>34.3%</td> </tr> <tr> <td>FY 2002</td> <td>37.8%</td> </tr> </tbody> </table>		Fiscal Year	EBITDA Margin	FY 2000	21.7%	FY 2001	34.3%	FY 2002	37.8%
Fiscal Year	EBITDA Margin								
FY 2000	21.7%								
FY 2001	34.3%								
FY 2002	37.8%								

# Si.mobil - Operations and Financials

Subscriber Base	Key Highlights															
<p>(,000)</p>  <table border="1"> <caption>Subscriber Base (in thousands)</caption> <thead> <tr> <th>Year</th> <th>Subscriber Base</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>130</td> </tr> <tr> <td>2001</td> <td>270</td> </tr> <tr> <td>2002</td> <td>350</td> </tr> </tbody> </table>	Year	Subscriber Base	2000	130	2001	270	2002	350	<ul style="list-style-type: none"> <li>§ First positive full-year EBITDA in 2002</li> <li>§ Accelerated subscriber growth in 4Q 02</li> <li>§ Contract share rises by 8.0 pp. to 44%</li> <li>§ ARPU profits from rising contract share and increases by 11.2% to EUR 15.5</li> <li>§ Significant market power in spite of 23% market share</li> <li>§ Regulatory environment should improve with Slovenia joining the EU</li> </ul>							
Year	Subscriber Base															
2000	130															
2001	270															
2002	350															
<p style="text-align: center;"><b>EBITDA</b></p> <p>(EUR million)</p>  <table border="1"> <caption>EBITDA (in EUR million)</caption> <thead> <tr> <th>Period</th> <th>EBITDA</th> </tr> </thead> <tbody> <tr> <td>4Q 01</td> <td>-6.0</td> </tr> <tr> <td>FY 01</td> <td>-15.6</td> </tr> <tr> <td>1Q 02</td> <td>-1.1</td> </tr> <tr> <td>2Q 02</td> <td>0.4</td> </tr> <tr> <td>3Q 02</td> <td>3.2</td> </tr> <tr> <td>4Q 02</td> <td>-0.6</td> </tr> <tr> <td>FY 02</td> <td>1.9</td> </tr> </tbody> </table>	Period	EBITDA	4Q 01	-6.0	FY 01	-15.6	1Q 02	-1.1	2Q 02	0.4	3Q 02	3.2	4Q 02	-0.6	FY 02	1.9
Period	EBITDA															
4Q 01	-6.0															
FY 01	-15.6															
1Q 02	-1.1															
2Q 02	0.4															
3Q 02	3.2															
4Q 02	-0.6															
FY 02	1.9															



# Partnership Agreement with Vodafone

§ Agreement includes Austria, Croatia and Slovenia and, inter alia, the following activities:

- Roaming
- Development of products and services
- Global account management
- Purchasing / Supply Chain Management

§ Current status of cooperation

- Eurocall roaming tariff successfully launched in Austria and Croatia
- First joint global account offers
- Product roadmaps are harmonized
- Vodafone/mobilkom austria communication campaigns have started
- Next priorities: virtual home environment, assisted roaming and GPRS roaming



Dual branding for global products and services

# Financial Overview

# Telekom Austria Results

	FY 2002	FY 2001	%	4Q 2002	4Q 2001	%
Total man. revenues	3,908.2	3,859.3	1.3%	1,008.4	971.1	3.8%
Total man. EBITDA	1,514.8	1,474.8	2.7%	303.9	309.7	-1.9%
EBITDA margin	38.8%	38.2%		30.1%	31.9%	
Total man. EBIT	323.5	158.0	104.7%	-62.0	-140.8	56.0%
Consol. net profit	12.8	-104.6	-	-99.2	-120.7	17.8%
Total man. capex	662.4	812.2	-18.4%	289.1	359.4	-21.0%
Net debt (year-end)	3,204.2	3,282.1	-2.4%			

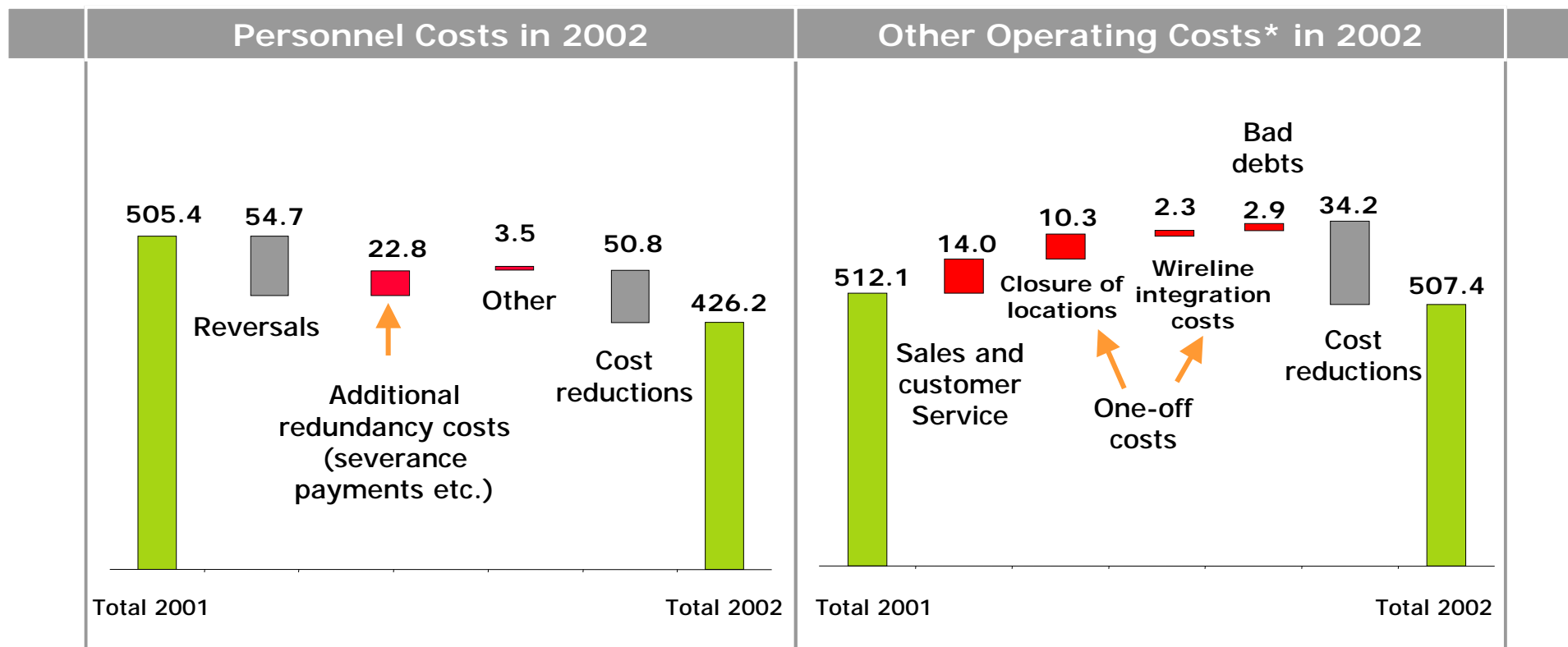
§ EBITDA and EBIT are reported excluding costs for idle workforce and net loss from retirement of long lived assets

# Items Affecting Operating Results

Fixed Line	<ul style="list-style-type: none"><li>§ Full year EUR 54.7million (4Q 02: EUR 24.3million) of reversal for early retirement costs</li><li>§ 4Q impacted by additional personnel (EUR 14.8million) and other operating (EUR 12.6 million) costs</li></ul>
Data	<ul style="list-style-type: none"><li>§ Full year results include EUR 11.3 million of bad debt expense</li></ul>
Internet	<ul style="list-style-type: none"><li>§ Further impairment write-off for Czech On Line in the amount of EUR 40.4 million reduces goodwill to EUR 14.6 million</li></ul>
Mobile	<ul style="list-style-type: none"><li>§ EUR 8.3million provision for contribution to regulatory obligations by mobilkom austria (eliminated on group level)</li><li>§ VIPnet 4Q EBITDA includes additional EUR 5.1million of bank charges due to refinancing</li></ul>

# Fixed Line - Costs Reduction in 2002

- § 80% completion of 5-year headcount reduction plan within two years
- § EUR 85 million of costs reductions in the fixed line segment during 2002
- § 4Q impacted by reversals (EUR 24.3 million) and extraordinary costs (EUR 27.4 million)



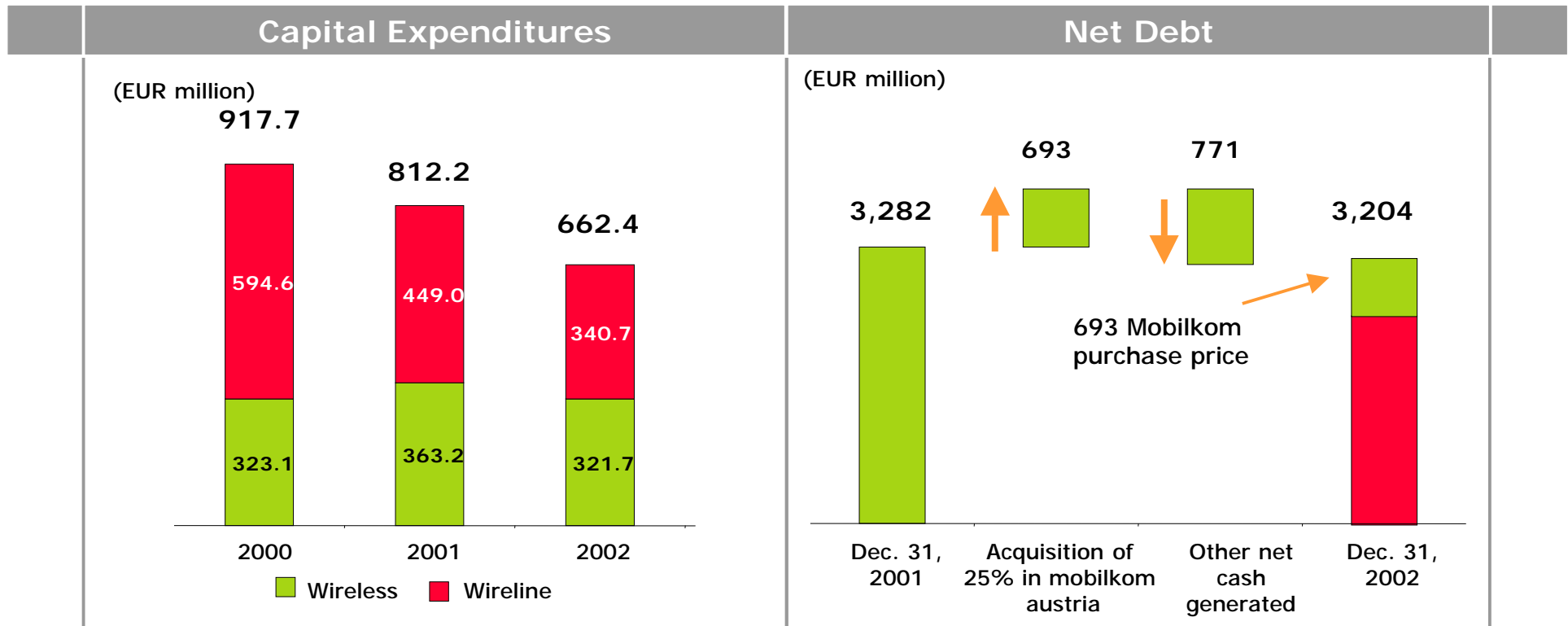
\* All pre-EBITDA costs excluding personnel and interconnection costs

# Total managed equals Consolidated Net Profit

(EUR million)	FY 02	FY 01	
<b>EBITDA</b>	<b>1.514,8</b>	<b>1.474,8</b>	
Depreciation & amortization	-1.149,4	-1.171,7	4Q includes EUR 30.9million due to accelerated depreciation
Impairment charges	-41,9	-145,1	Impairment charge primarily for Czech On Line
Idle workforce	-29,4	-52,0	
Net losses of asset retirements	-21,0	0,0	Reporting change according to US GAAP
<b>Operating result</b>	<b>273,1</b>	<b>106,0</b>	8.2% reduction
Non-operating expenses, net	-1,6	-42,9	Cash taxes EUR 11million; remaining indefinite tax loss carry forward: EUR 531 million
Net interest expense	-172,3	-187,6	
Taxes	-28,8	62,1	
Minority interests	-57,6	-42,2	2002 minority interests include TIM's 25% share in mobile profits until June 02
<b>Consolidated net income (loss)</b>	<b>12,8</b>	<b>-104,6</b>	

# Net Debt Reduction

- § Capex declines by 18%; capex to revenue ratio falls from 21% to 17%
- § Net debt continues to fall slightly in 4Q
- § Net debt/EBITDA 2.1; interest coverage of 8.8x; net gearing of 128%



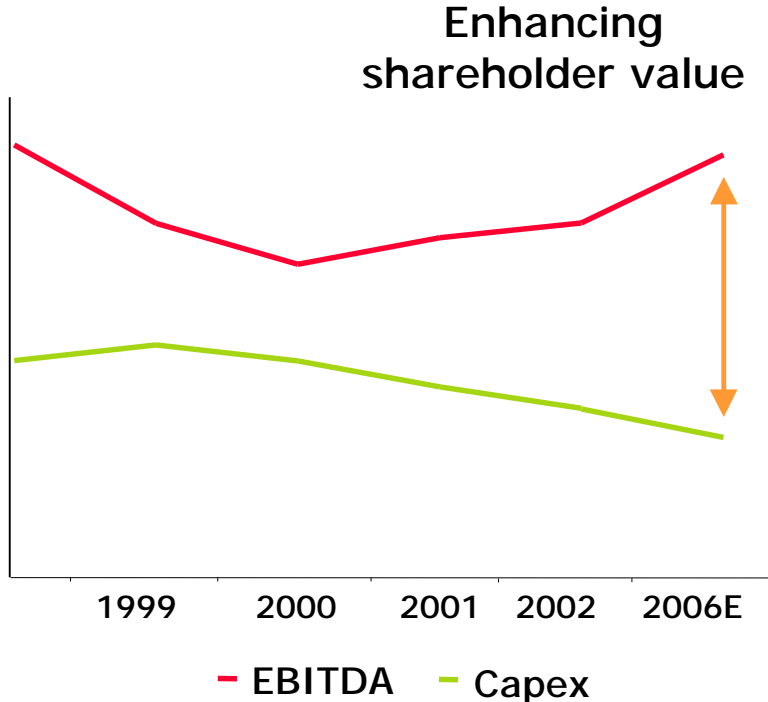
# Outlook



# 2003 Outlook

<b>Wireline</b>	<ul style="list-style-type: none"><li>§ Intensified marketing measures and further rigid costs control</li><li>§ Revenues and earnings are expected to stabilize in 2003</li></ul>
<b>Wireless</b>	<ul style="list-style-type: none"><li>§ Additional competitors expected both in Austria and in Croatia</li><li>§ Lower roaming revenues</li><li>§ Further increase in revenues and earnings but at lower rates</li></ul>
<b>Group</b>	<ul style="list-style-type: none"><li>§ A slight increase in Group revenues and EBITDA is targeted</li><li>§ Expected dividend payment for 2003 in 2004</li><li>§ Focus on cash generation and debt reduction continues</li></ul>

# Cash Generation Remains the Focus ...

Medium Term Group Targets	Increasing Cash Generation
Revenue CAGR 2002 - 2006	 <p style="text-align: center;">Enhancing shareholder value</p>
EBITDA CAGR 2002 - 2006	
Capex/revenues	
Average yearly FCF ~ EUR 500million	
Net debt/equity 2003	
Net debt/EBITDA 2003	

## ... also in 2003

- § Capex expected to stabilize at EUR 660million notwithstanding higher UMTS investments
- § Wireline headcount reduction target of 600 employees
- § Efforts to lower wireline other operating costs by 4% through:
  - ÿ decrease in infrastructure and network costs
  - ÿ lower advertising and marketing costs
  - ÿ benefits deriving from streamlining of wireline organization offset by higher costs of sales

# International Expansion Strategy

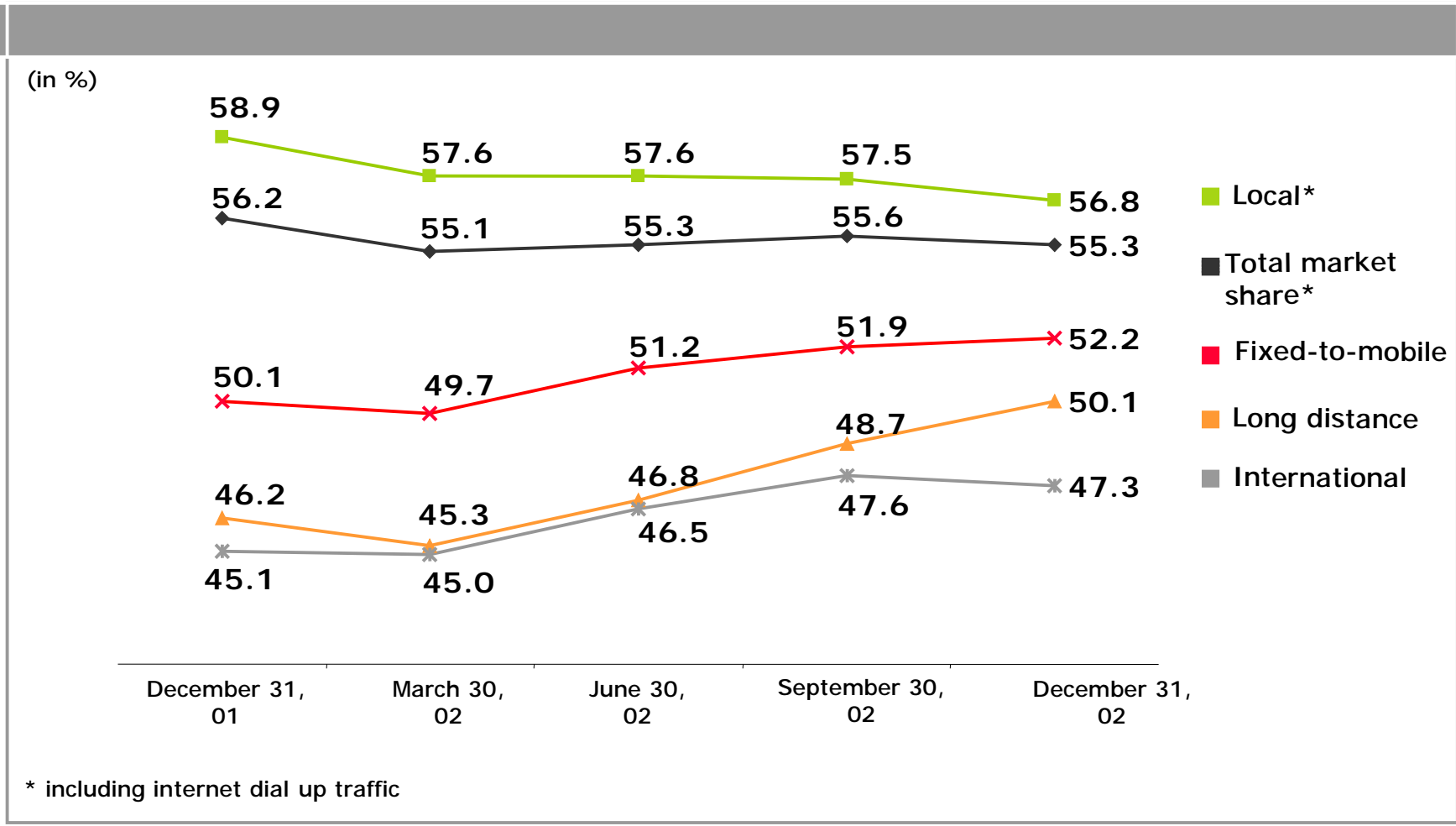
- § Consistent with the principle of enhancing shareholder value, Telekom Austria will continue to explore “selected” acquisition opportunities
- § Stringent screening criteria and thorough review procedures requiring
  - § attractive entry price
  - § low penetration markets
  - § strong competitive position
- § Focus markets near the present operations in order to
  - § maximize synergies
  - § leverage management expertise
- § Successful track record supports conservative expansion approach

# Appendix

# Fixed Line - Access Lines

(in thousands)	Dec. 31, 2002	Dec. 31, 2001	% change
PSTN access lines	2,659.1	2,759.8	-3.6%
Basic ISDN access lines	430.1	398.7	7.9%
Multi ISDN access lines	8.1	8.3	-2.4%
<b>Total access lines</b>	<b>3,097.3</b>	<b>3,166.8</b>	<b>-2.2%</b>
of these ADSL access lines	174.1	100.6	73.1%
thereof wholesale lines	31.0	14.2	118.1%
<b>Total access channels</b>	<b>3,762.3</b>	<b>3,806.2</b>	<b>-1.2%</b>

# Fixed Line - Market Shares



# Fixed Line - Minutes

(in millions of minutes)	4Q 2002	4Q 2001	% change
Local	972	1,037	-6.3%
National long distance	226	206	9.8%
Fixed-to-mobile	213	206	3.4%
International	122	120	1.9%
Internet dial up	1,134	1,145	-1.0%
<b>Total fixed line minutes</b>	<b>2,667</b>	<b>2,714</b>	<b>-1.7%</b>
<b>Carrier services:</b>			
Incoming international	309	259	19.1%
Outgoing international	313	267	17.0%



# Fixed Line – Average Tariffs

(EUR per minute)	4Q 2002	4Q 2001	% change
Local	0.045	0.055	-17.4%
National long distance	0.050	0.065	-19.4%
Fixed-to-mobile	0.182	0.206	-11.7%
International	0.203	0.225	-9.8%
Internet dial up	0.016	0.017	-4.7%
<b>Total average*</b>	<b>0.077</b>	<b>0.088</b>	<b>-12.5%</b>

\* Excluding Internet dial-up tariff

# Mobile Subscribers

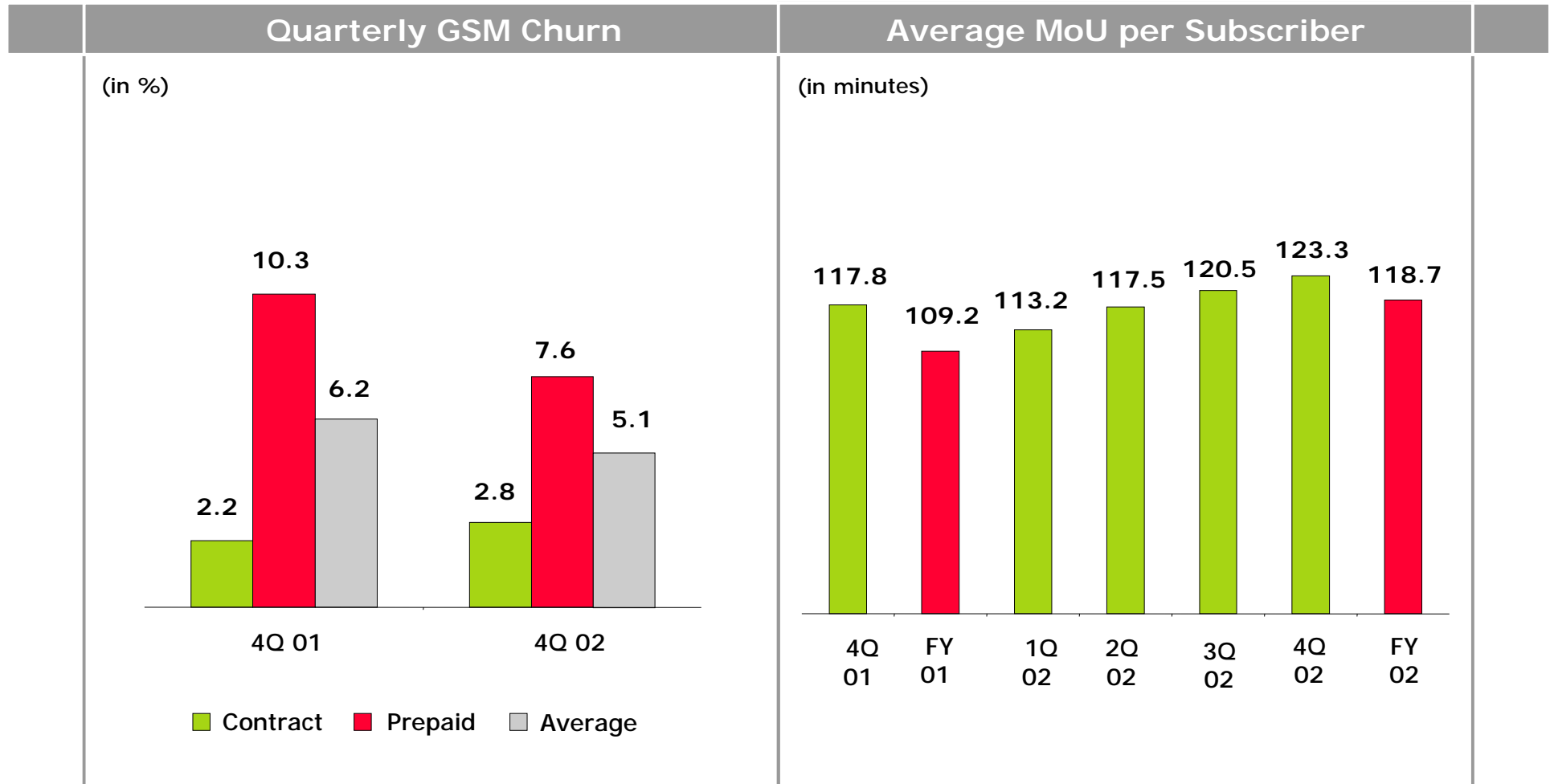
Customers ('000s)	Dec. 31, 2002	Dec. 31, 2001	% change
<b>Austria</b>			
Contract	1,574.9	1,439.4	9.4%
Prepaid	1,426.5	1,410.5	1.1%
<b>Total</b>	<b>3,001.4</b>	<b>2,849.9</b>	<b>5.3%</b>
<b>Croatia</b>			
Contract	176.0	119.0	47.9%
Prepaid	921.8	736.7	25.1%
<b>Total</b>	<b>1,097.8</b>	<b>855.7</b>	<b>28.3%</b>
<b>Slovenia</b>			
Contract	154.5	97.5	58.5%
Prepaid	195.5	172.1	13.6%
<b>Total</b>	<b>350.0</b>	<b>269.6</b>	<b>29.8%</b>
<b>Liechtenstein</b>	<b>2.0</b>	<b>1.3</b>	<b>55.3%</b>
<b>Total Group</b>	<b>4,451.2</b>	<b>3,976.5</b>	<b>11.9%</b>

# mobilkom austria's Traffic and ARPU

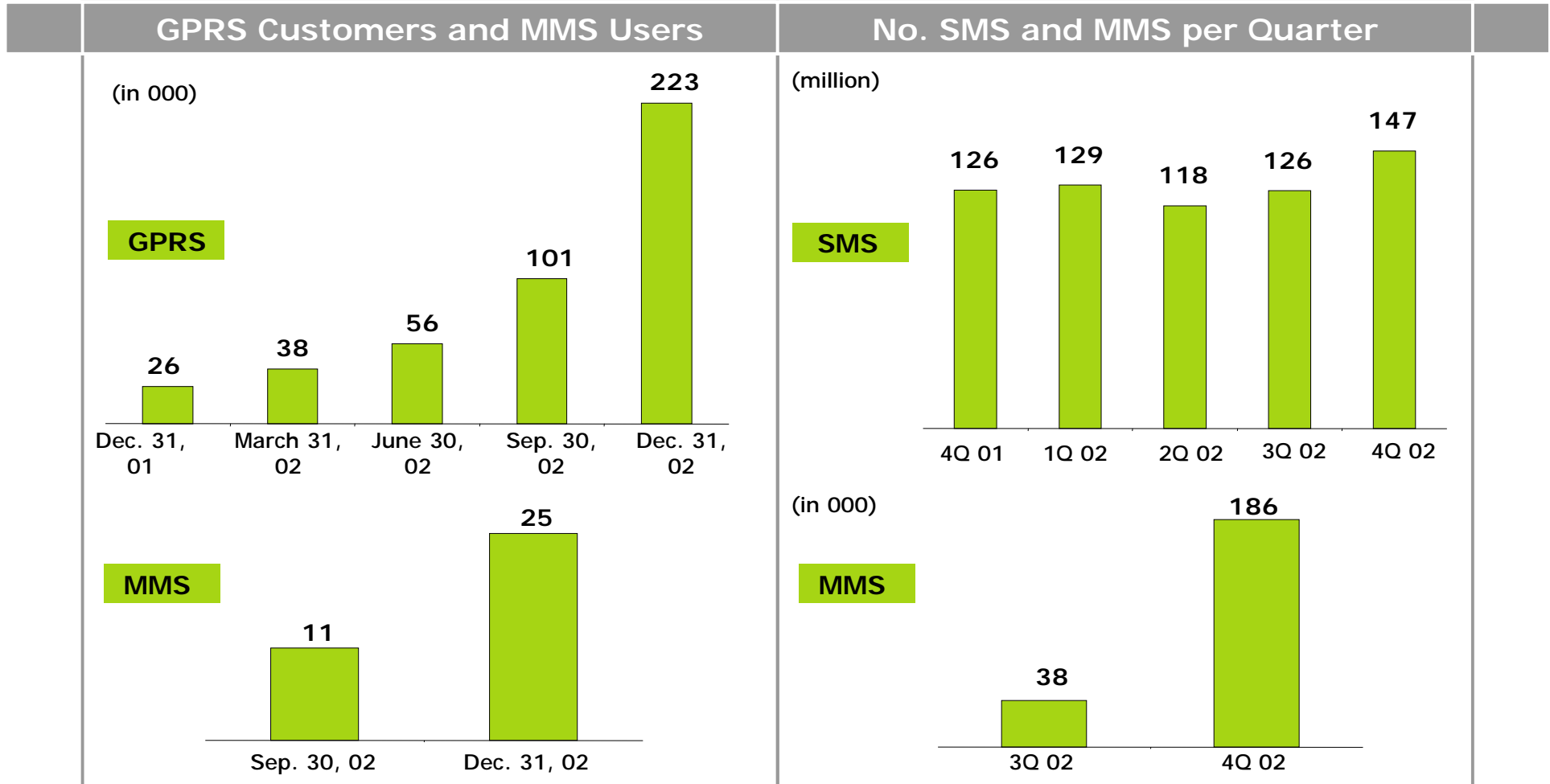
	4Q 2002	4Q 2001
Charged minutes (millions) *	1,088	1,001
Average number of customers ('000s)	2,940	2,829
Monthly MOU - charged	123.3	117.8
Average Monthly ARPU Contract	59.0	58.4
Average Monthly ARPU Prepaid	10.7	9.9
Average Monthly ARPU	36.2	34.1

\* Rated MOUs of Mobilkom customers

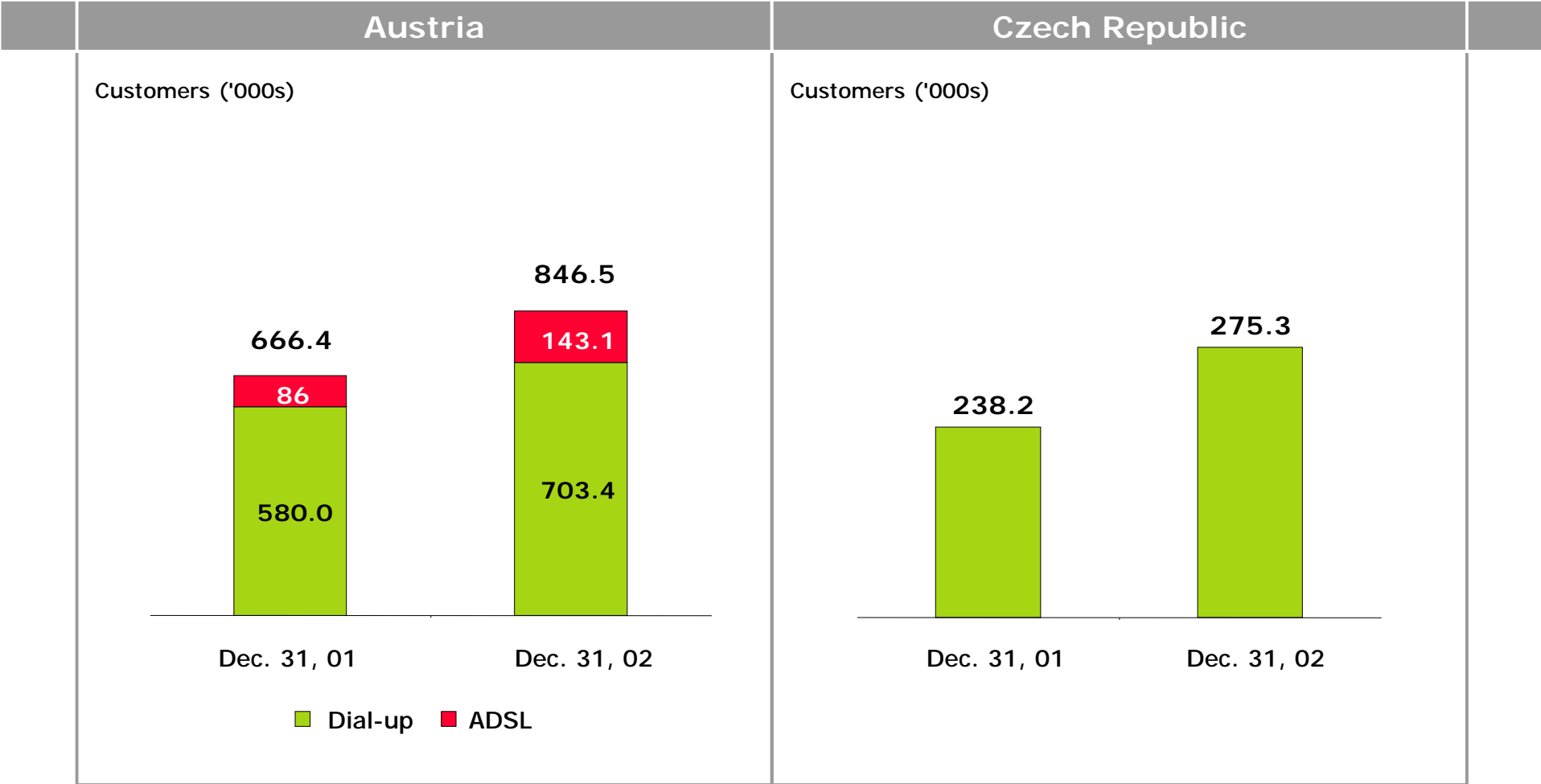
# mobikom austria - Churn, MoU



# mobilkom austria - Mobile Data



# Internet Subscribers



# Headcount\* Development

(average of period)	FY 2002	FY 2001	Change
Fixed Line**	10,973	13,088	-2,115
Mobile	3,530	3,251	279
Data	841	908	-67
Internet	370	302	68
<b>Telekom Austria Group</b>	<b>15,714</b>	<b>17,549</b>	<b>-1,835</b>
**including idle workforce	592	565	27

(end of period)	Dec. 31, 2002	Dec. 31, 2001	Change
Fixed Line**	10,213	11,903	-1,690
Mobile	3,592	3,438	154
Data	779	877	-98
Internet	367	368	-1
<b>Telekom Austria Group</b>	<b>14,951</b>	<b>16,586</b>	<b>-1,635</b>
**including idle workforce	262	332	-70

\* = Full-time-equivalents

# Fixed Line - Revenue Breakdown

(EUR million)	4Q 02	4Q 01 adjusted	% change	FY 02	FY 01 adjusted	% change	FY 01 previously reported
Traffic revenues	131.6	139.3	-5.5%	499.4	599.1	-16.6%	599.1
Monthly rental	155.4	159.7	-2.7%	619.1	635.5	-2.6%	635.5
Interconnection	96.1	91.2	5.4%	366.4	379.8	-3.5%	637.0
Leased lines	69.6	67.6	3.0%	246.1	256.6	-4.1%	256.6
Equipment	27.5	25.9	6.2%	94.5	97.7	-3.3%	97.7
Other	65.9	51.0	29.2%	231.7	230.8	0.4%	230.8
<b>Total fixed line operating revenues</b>	<b>546.1</b>	<b>534.7</b>	<b>2.1%</b>	<b>2,057.2</b>	<b>2,199.5</b>	<b>-6.5%</b>	<b>2,456.7</b>



# Fixed Line - Expense Breakdown

(EUR million)	FY 02	FY 01 adjusted	% change	FY 01 previously reported
Material expense	55.5	66.5	-16.5%	66.5
Employee costs*	426.2	505.4	-15.2%	507.5
Depreciation and amortization	834.5	836.0	-0.2%	836.0
Loss from retirement of long lived assets	5.1	0.0	-	0.0
Interconnection	310.5	310.9	-0.1%	568.1
Repairs	123.8	129.7	-4.5%	129.7
Services received	13.1	24.3	-46.1%	24.3
Other	315.0	291.7	8.0%	291.6
<b>Total fixed line operating expenses</b>	<b>2,083.7</b>	<b>2,164.5</b>	<b>-3.7%</b>	<b>2,423.8</b>
* excl. Idle Workforce				

# Mobile - Revenue Breakdown

(EUR million)	4Q 02	4Q 01	% change	FY 02	FY 01	% change
Traffic revenues	262.9	208.1	26.3%	1,000.6	853.3	17.3%
Monthly rental	74.7	63.9	16.9%	283.5	252.1	12.5%
Equipment	57.2	67.1	-14.8%	175.2	181.0	-3.2%
Roaming	27.4	27.6	-0.7%	155.9	147.8	5.5%
Interconnection	70.2	69.4	1.2%	275.9	274.3	0.6%
Other	3.0	7.1	-57.7%	27.7	26.9	3.0%
Discounts	-2.8	-1.8	55.6%	-9.4	-22.2	57.7%
<b>Total mobile operating communications revenues</b>	<b>492.6</b>	<b>441.4</b>	<b>11.6%</b>	<b>1,909.4</b>	<b>1,713.2</b>	<b>11.5%</b>

# Mobile - Expense Breakdown

(EUR million)	FY 02	FY 01	% change
Material expense	252.3	250.7	0.6%
Employee costs	158.6	134.5	17.9%
Depreciation and amortization	268.8	267.8	0.4%
Loss from retirement of long lived assets	11.4	0.0	-
Interconnection	192.6	169.2	13.8%
Repairs	59.3	39.9	48.6%
Services received	231.2	210.2	10.0%
Other	354.4	337.3	5.1%
<b>Total mobile operating Communications expenses</b>	<b>1,528.6</b>	<b>1,409.6</b>	<b>8.4%</b>

# Operating Revenues by Segment

(EUR million)	4Q 02	4Q 01 adjusted	% change	FY 02	FY 01 adjusted	% change	FY 01 previously reported
Fixed line services	546.1	534.7	2.1%	2,057.2	2,199.5	-6.5%	2,456.7
Data communications services	94.3	91.6	2.9%	330.0	330.2	-0.1%	330.2
Internet	32.4	37.2	-12.9%	119.6	99.5	20.2%	99.5
Mobile communications services	492.6	441.4	11.6%	1,909.4	1,713.2	11.5%	1,713.2
Other & eliminations	-157.0	-133.8	-17.3%	-508.0	-483.1	-5.2%	-656.4
<b>Total managed revenues</b>	<b>1,008.4</b>	<b>971.1</b>	<b>3.8%</b>	<b>3,908.2</b>	<b>3,859.3</b>	<b>1.3%</b>	<b>3,943.2</b>
Mobile communications services	0.0	-441.4	-	-906.9	-1,713.2	47.1%	-1,713.2
Intersegmental eliminations	0.0	69.1	-	116.8	256.3	-54.4%	429.4
<b>Consolidated revenues</b>	<b>1,008.4</b>	<b>598.8</b>	<b>68.4%</b>	<b>3,118.1</b>	<b>2,402.4</b>	<b>29.8%</b>	<b>2,659.7</b>

# EBITDA by Segment

(EUR million)	4Q 02	4Q 01	% change	FY 02	FY 01	% change
Fixed line services	187.5	179.4	4.5%	813.2	871.0	-6.6%
Data communications services	10.7	20.7	-48.3%	46.6	54.7	-14.8%
Internet	-7.4	1.3	-	-13.4	-20.1	33.3%
Mobile communications services	105.0	110.7	-5.1%	660.9	571.3	15.7%
Intersegmental eliminations & other	8.1	-2.5	-	7.5	-2.1	-
<b>Total managed EBITDA, adjusted*</b>	<b>303.9</b>	<b>309.7</b>	<b>-1.9%</b>	<b>1,514.8</b>	<b>1,474.8</b>	<b>2.7%</b>
Costs for idle workforce	-7.5	-13.8	45.7%	-29.4	-52.0	43.5%
Net loss from retirement of long lived assets	-21.0	0.0	-	-21.0	0.0	-
<b>Total managed EBITDA incl. costs for idle workforce and net losses from retirement of long lived assets</b>	<b>275.4</b>	<b>295.9</b>	<b>-6.9%</b>	<b>1,464.4</b>	<b>1,422.8</b>	<b>2.9%</b>
Mobile communications services	0.0	-110.7	-	-351.4	-571.3	38.5%
Intersegmental eliminations & other	2.3	2.5	-8.0%	2.6	2.2	18.2%
<b>Consolidated EBITDA</b>	<b>277.7</b>	<b>187.7</b>	<b>48.0%</b>	<b>1,115.6</b>	<b>853.7</b>	<b>30.7%</b>

\* Excluding costs for idle workforce and net loss from retirement of long lived assets

# EBIT by Segment

(EUR million)	4Q 02	4Q 01	% change	FY 02	FY 01	% change
Fixed line services	-64.4	-47.4	-35.9%	-21.4	35.0	-
Data communications services	3.1	9.9	-68.7%	10.5	19.3	-45.6%
Internet	-52.3	-121.8	57.1%	-65.7	-150.0	56.2%
Mobile communications services	43.4	34.9	24.4%	392.1	303.5	29.2%
Intersegmental eliminations & other	8.2	-16.4	-	8.0	-49.8	-
<b>Total managed EBIT, adjusted*</b>	<b>-62.0</b>	<b>-140.8</b>	<b>-56.0%</b>	<b>323.5</b>	<b>158.0</b>	<b>104.7%</b>
Costs for idle workforce	-7.5	-13.8	45.7%	-29.4	-51.9	43.5%
Net loss from retirement of long lived assets	-21.0	0.0	-	-21.0	0.0	-
<b>Total managed operating result</b>	<b>-90.5</b>	<b>-154.6</b>	<b>41.5%</b>	<b>273.1</b>	<b>106.1</b>	<b>157.6%</b>
Mobile communications services	0.0	-34.9	-	-218.2	-303.5	28.1%
Intersegmental eliminations & other	2.3	2.3	0.0%	2.5	2.0	19.0%
<b>Consolidated operating income (loss) acc. to US GAAP</b>	<b>-88.2</b>	<b>-187.2</b>	<b>52.9%</b>	<b>57.4</b>	<b>-195.4</b>	<b>-</b>

\* Excluding costs for idle workforce and net loss from retirement of long lived assets

# Fixed line, Data and Internet - Revenues, EBITDA, EBIT

(EUR million)	4Q 02	4Q 01	% change	FY 02	FY 01	% change
Fixed line services	546.1	534.7	2.1%	2,057.2	2,199.5	-6.5%
Data communications services	94.3	91.6	2.9%	330.0	330.2	-0.1%
Internet	32.4	37.2	-12.9%	119.6	99.5	20.2%
Intersegmental eliminations & other	-76.7	-64.7	-18.5%	-247.4	-226.8	-9.1%
<b>Revenues</b>	<b>596.2</b>	<b>598.8</b>	<b>-0.5%</b>	<b>2,259.4</b>	<b>2,402.4</b>	<b>-6.0%</b>
Fixed line services	187.5	179.4	4.5%	813.2	871.0	-6.6%
Data communications services	10.7	20.7	-48.3%	46.6	54.7	-14.8%
Internet	-7.3	1.3	-	-13.4	-20.1	33.3%
Intersegmental eliminations & other	-0.3	-	-	-0.5	0.1	-
<b>EBITDA</b>	<b>190.5</b>	<b>201.4</b>	<b>-5.4%</b>	<b>846.0</b>	<b>905.7</b>	<b>-6.5%</b>
Fixed line services	-64.4	-47.4	-35.9%	-21.4	35.0	-
Data communications services	3.1	9.9	-68.7%	10.5	19.4	-45.9%
Internet	-52.3	-121.6	57.1%	-65.7	-150.0	56.2%
Intersegmental eliminations & other	-0.3	-15.3	-	-0.4	-47.9	-
<b>EBIT</b>	<b>-113.9</b>	<b>-174.1</b>	<b>-34.6%</b>	<b>-77.0</b>	<b>-143.5</b>	<b>46.3%</b>

# Capital Expenditures\*

(EUR million)	FY 02	FY 01	% change
Fixed Line	307.5	397.5	-22.6%
Data Communications	19.9	31.5	-36.8%
Internet	13.3	20.0	-33.5%
Mobile Communications	321.7	363.2	-11.4%
<b>Telekom Austria Group</b>	<b>662.4</b>	<b>812.2</b>	<b>-18.4%</b>
mobilkom austria	206.2	229.0	-10.0%
VIPnet	72.2	103.2	-30.0%
Si.mobil	43.0	30.3	41.9%
mobilkom liechtenstein	0.4	0.7	-42.9%

\* Additions to property, plant & equipment

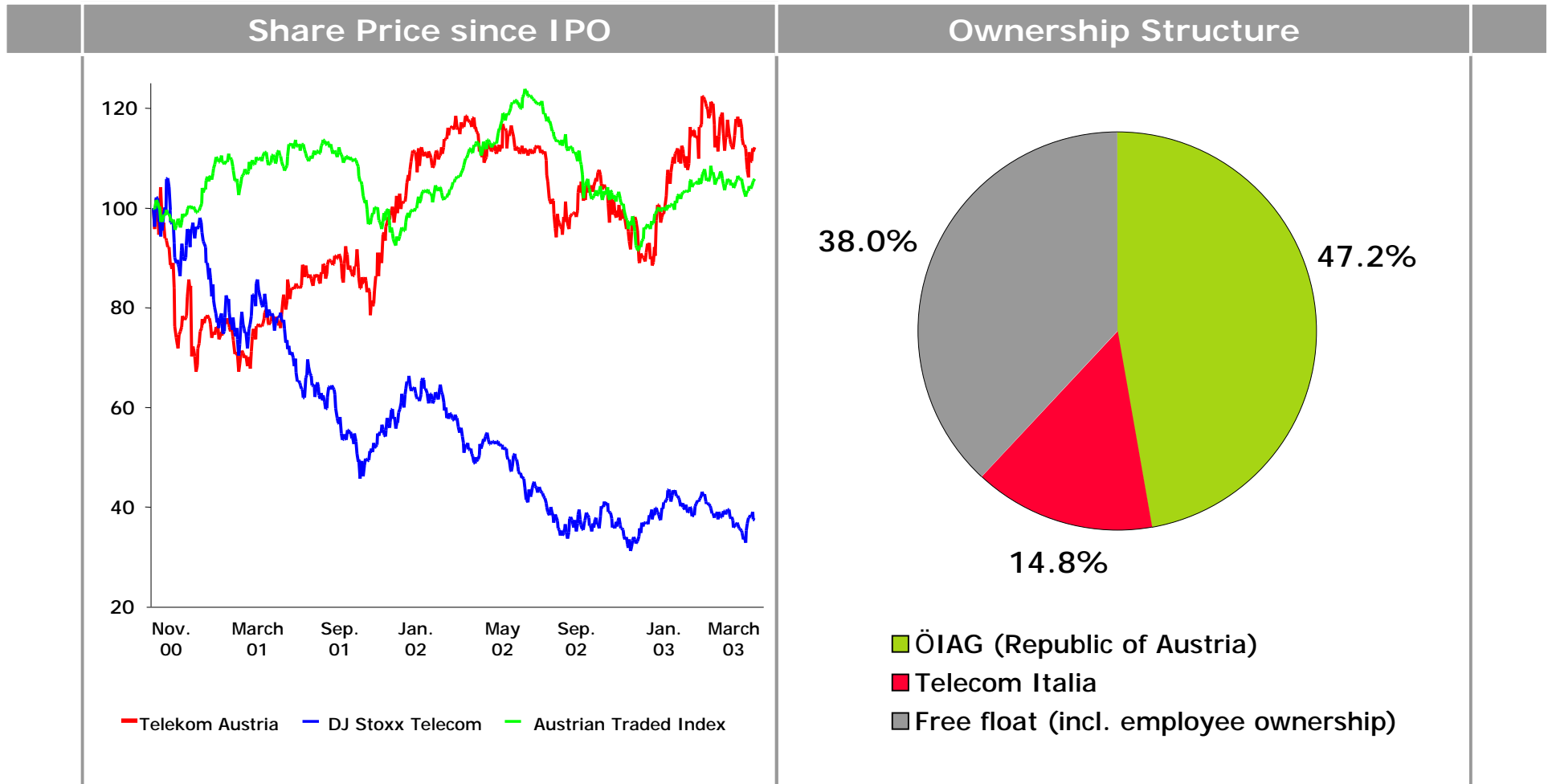


# Net Debt - Telekom Austria Group

(EUR million)	Dec. 31, 02	Dec. 31, 01
Long-term debt	2,079.9	2,005.2
Short-term debt	1,309.9	978.1
- Cross border lease, included in short-term debt	-107.9	-87.5
+ Capital lease obligations	7.3	7.5
+ Related parties	0.4	-
- Intercompany accounts	0.0	-286.5
Cash and cash equivalents, short-term and long-term investments	-46.5	-34.9
Financial instruments, included in other assets	-38.7	-47.9
<b>Net debt Telekom Austria</b>	<b>3,204.2*</b>	<b>2,534.0</b>
Long-term debt	-	668.0
Short-term debt	-	37.2
- Cross border lease, included in short-term debt	-	-23.7
+ Capital lease obligations	-	7.0
Intercompany accounts with Telekom Austria	-	68.5
Cash and cash equivalents and short-term investments	-	-8.9
<b>Net debt mobilkom austria</b>	<b>-</b>	<b>748.1</b>
<b>Net debt of Telekom Austria Group</b>	<b>3,204.2</b>	<b>3,282.1</b>
Shareholders' equity	2,509.5	2,500.4
<b>Net debt/equity</b>	<b>127.7%</b>	<b>131.3%</b>

\* including mobilkom austria

# Price Performance and Equity Offering



# Regulatory Update

Wireline	Wireless
<ul style="list-style-type: none"><li>§ New regulator took office in November 2002</li><li>§ New Telecom Law to be introduced in 2H 2003<ul style="list-style-type: none"><li>Ÿ Focus on infrastructure based providers</li><li>Ÿ Reduced number of market definition</li></ul></li><li>§ Major issues in 2003:<ul style="list-style-type: none"><li>Ÿ Decision to leave unbundling fee unchanged was made in January</li><li>Ÿ Resale of access line: no immediate decision expected</li></ul></li></ul>	<ul style="list-style-type: none"><li>§ One of the lowest termination rates in Europe</li><li>§ Next decision (expected 2Q 03) should stabilize the current rates and possibly bring competitors rates down</li><li>§ Number portability not expected before the end of 2003</li></ul>