

# Telekom Austria Public Bond Investor Presentation

July, 2003

# 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.

# Legal Disclaimer

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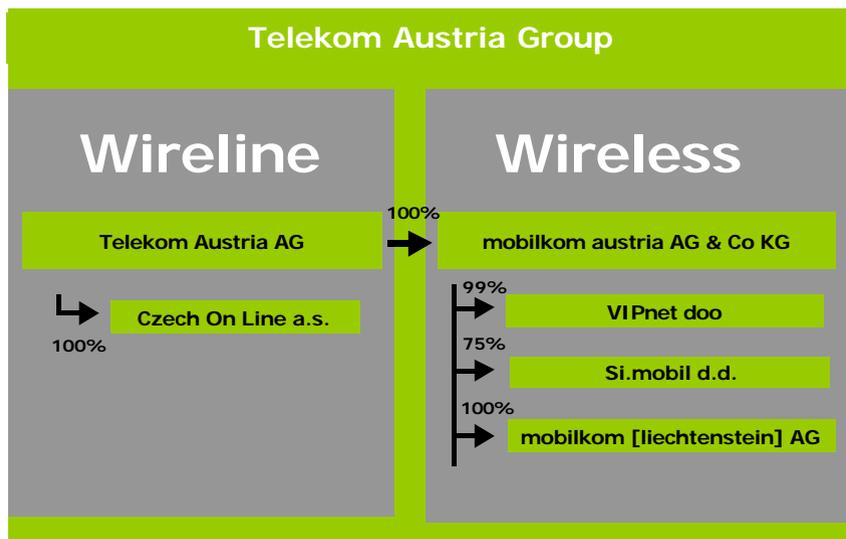
# Group Overview

# Group Overview

- Incumbent telecommunications operator in Austria
- Market leader in all core domestic markets
- As of year end 2002:
  - Access Lines: 3.1 million in Austria
  - Mobile subscribers: 3.0 million in Austria,  
1.1 million in Croatia and  
350,000 in Slovenia
  - Internet subscribers: 847,000 in Austria,  
275,000 in Czech Republic



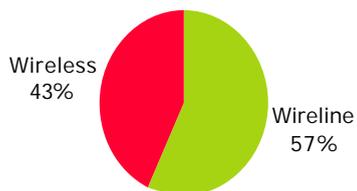
# Telekom Austria Group



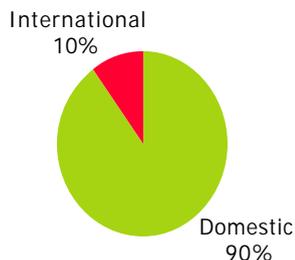
- Organised in two strategic business segments, Wireline and Wireless
- Developed from product-oriented infrastructure company to a customer focused full-service provider

## Group Revenue Split 2002

### By segment

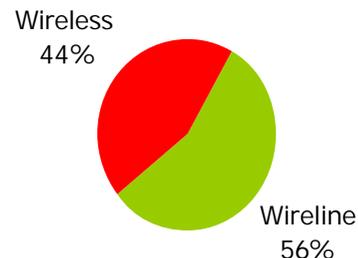


### By region



**Total managed revenues EUR 3,908mIn**

## Group EBITDA Split 2002



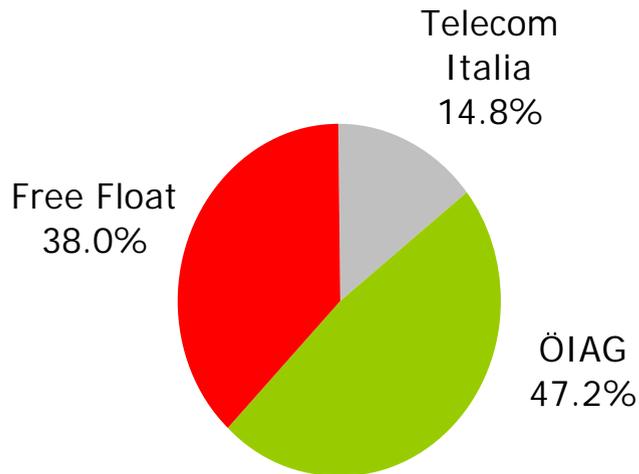
**Total managed EBITDA EUR 1,515mIn**

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

# Telekom Austria Ownership Structure

as of March 31, 2003

## Shareholder Structure



## Highlight

### ÖIAG

- Holding and Privatisation Agency of the Republic of Austria
- New Austrian Government has reiterated its intention to proceed with a full privatisation

### Telecom Italia

- Strategic shareholder since 1998
- Sold 15% to become pure financial investor in November 2002, in line with its strategic de-leveraging plan

### Free Float

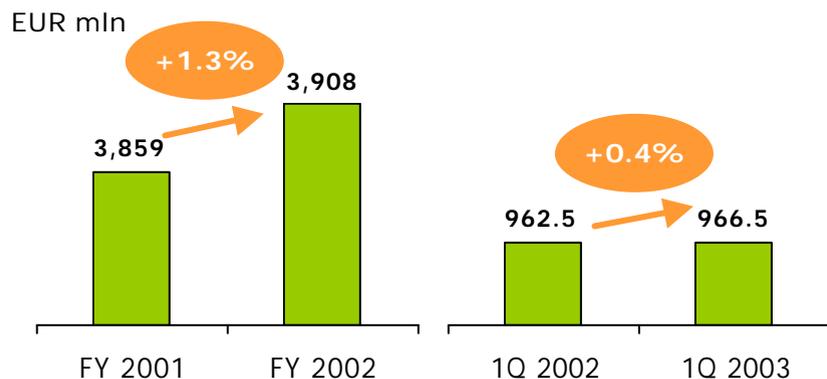
- IPO in November 2000
- Currently 38%

# Group Overview - 2002 Highlights

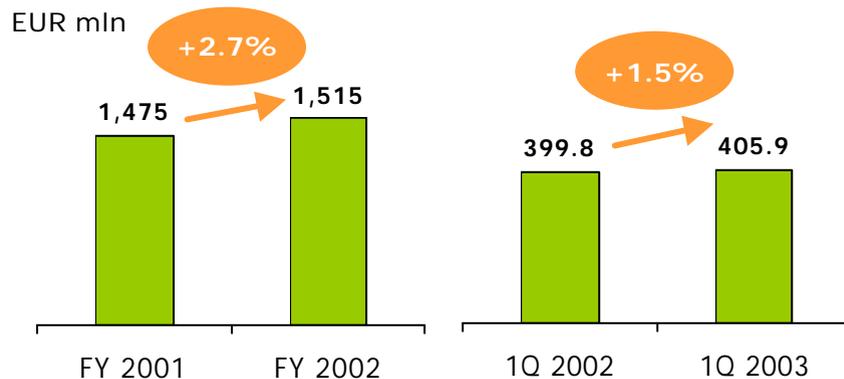
- Strengthening of domestic market position across all business segments
  - Stabilisation of fixed line operations
  - Limited downside from further market de-regulation
  
- Profitable growth in all mobile activities
  
- Strong financial performance in 2002
  - first net profit in two years
  - strong operating free cash flow
  - net debt reduction despite reacquisition of 25% of mobilkom austria
  
- Maximising group cash flows
  - optimising performance in operating segments
  - strict cost management
  - efficient deployment of resources

# Financial Highlights

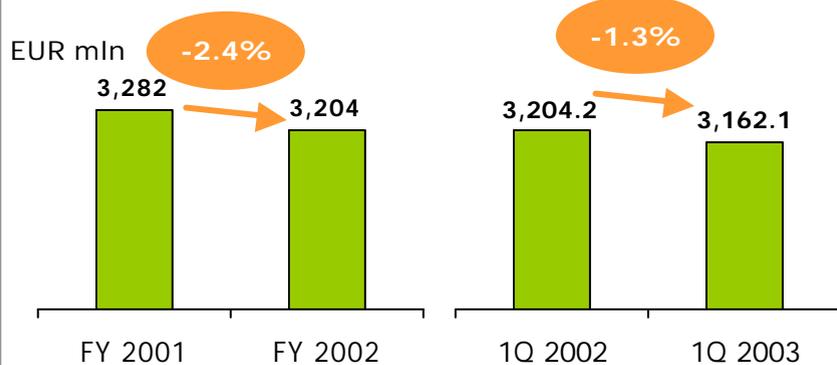
## Revenues



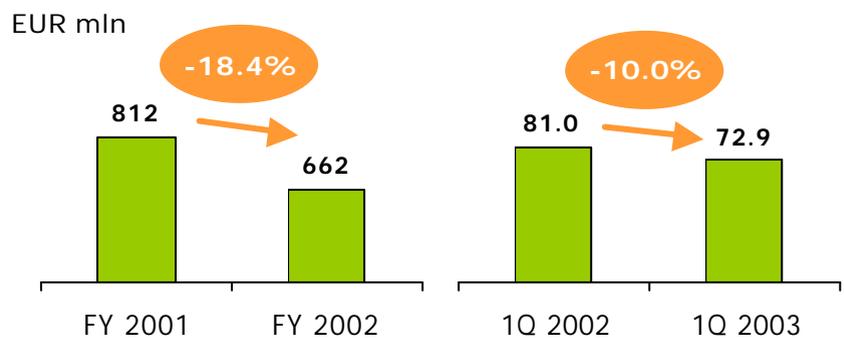
## EBITDA \*



## Net Debt



## CAPEX

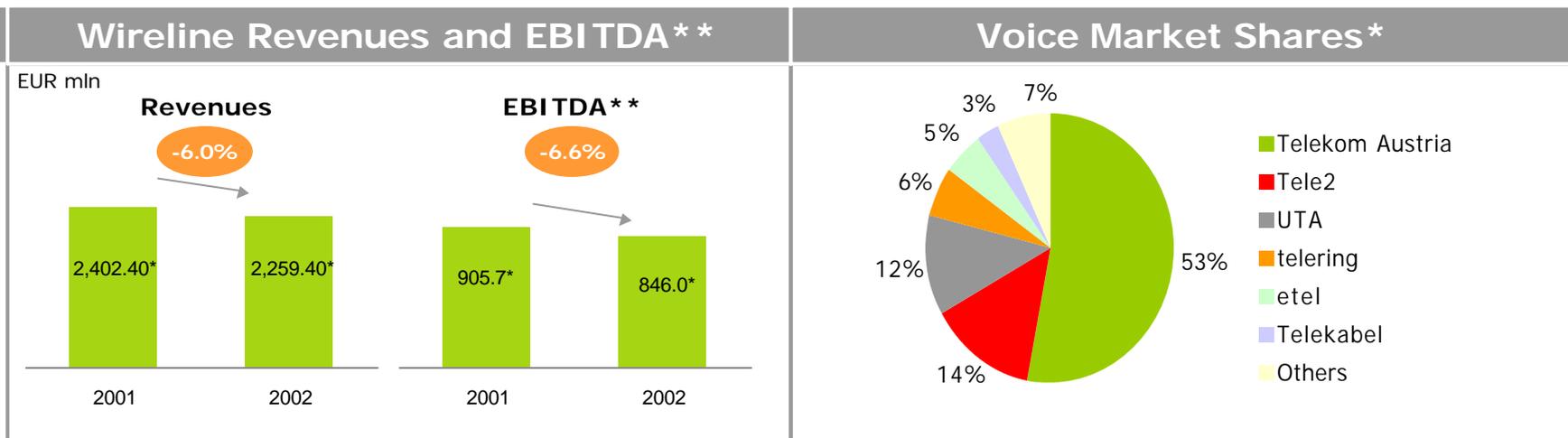


\* excluding costs for idle workforce and retirement of long-lived assets

# Business Overview

# Wireline

- 2002 revenue decline due to strong price competition and lower volumes
  - significant revenue improvement over course of year (4Q revenue growth of 2.1% vs. 1Q decline of 9.7%)
- Stable EBITDA margin due to sustainable improvement in efficiency
  - headcount reduction by 1,690
- Stabilisation of market share
  - stronger position in business market following increased sales efforts
- Number of fixed line competitors fell from 39 to 28 in 2002
  - further consolidation expected in 2003



\* excluding intragroup business

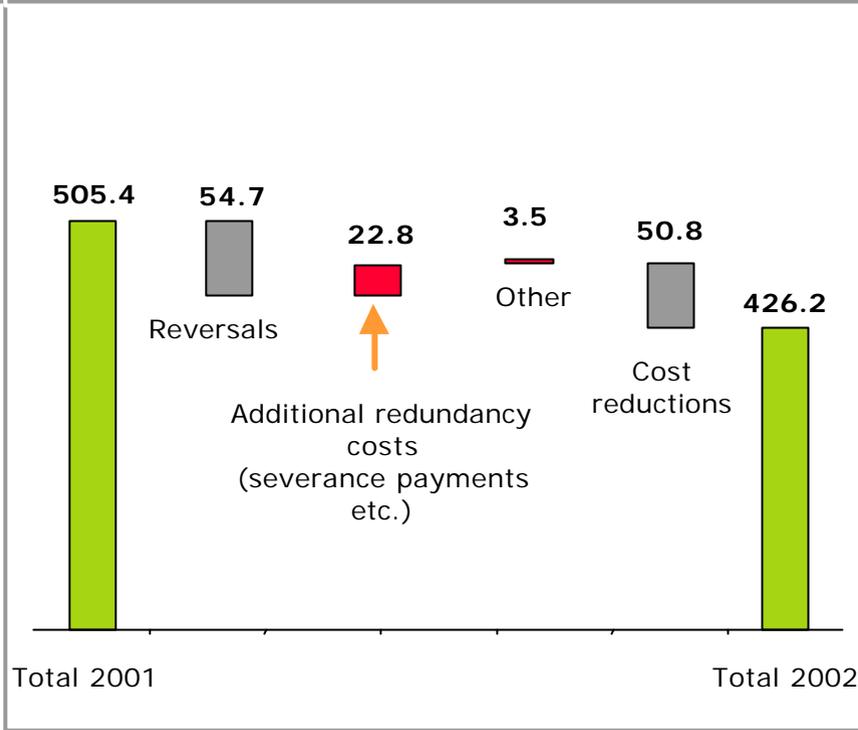
\*\* excl. costs for idle workforce and retirement of long-lived assets

\* Telekom Austria estimates

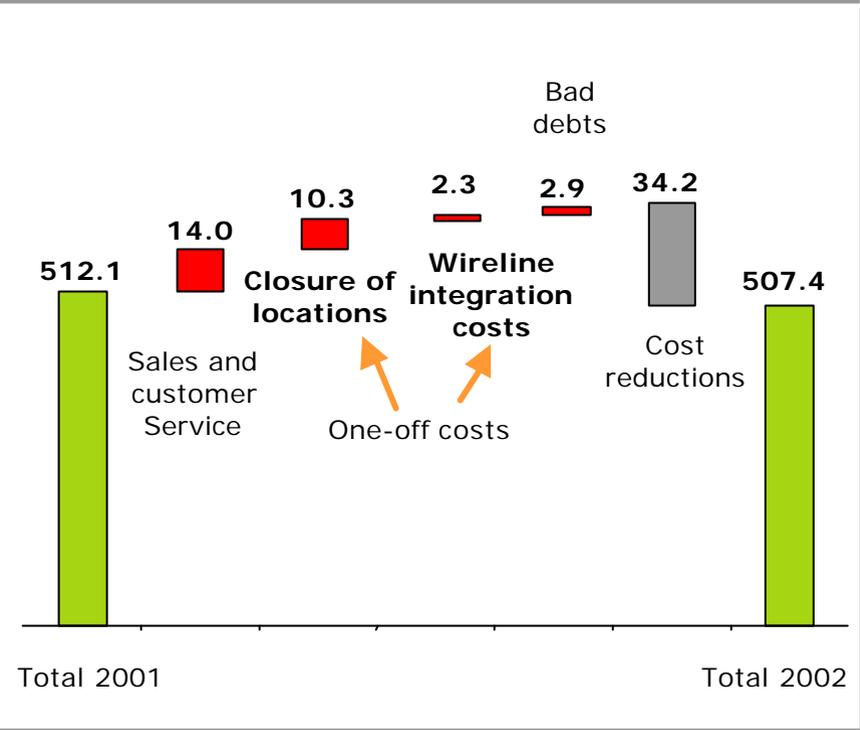
# Wireline - Costs Reduction in 2002

- 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 24.3mln) and extraordinary costs (EUR 27.4mln)

## Personnel Costs in 2002



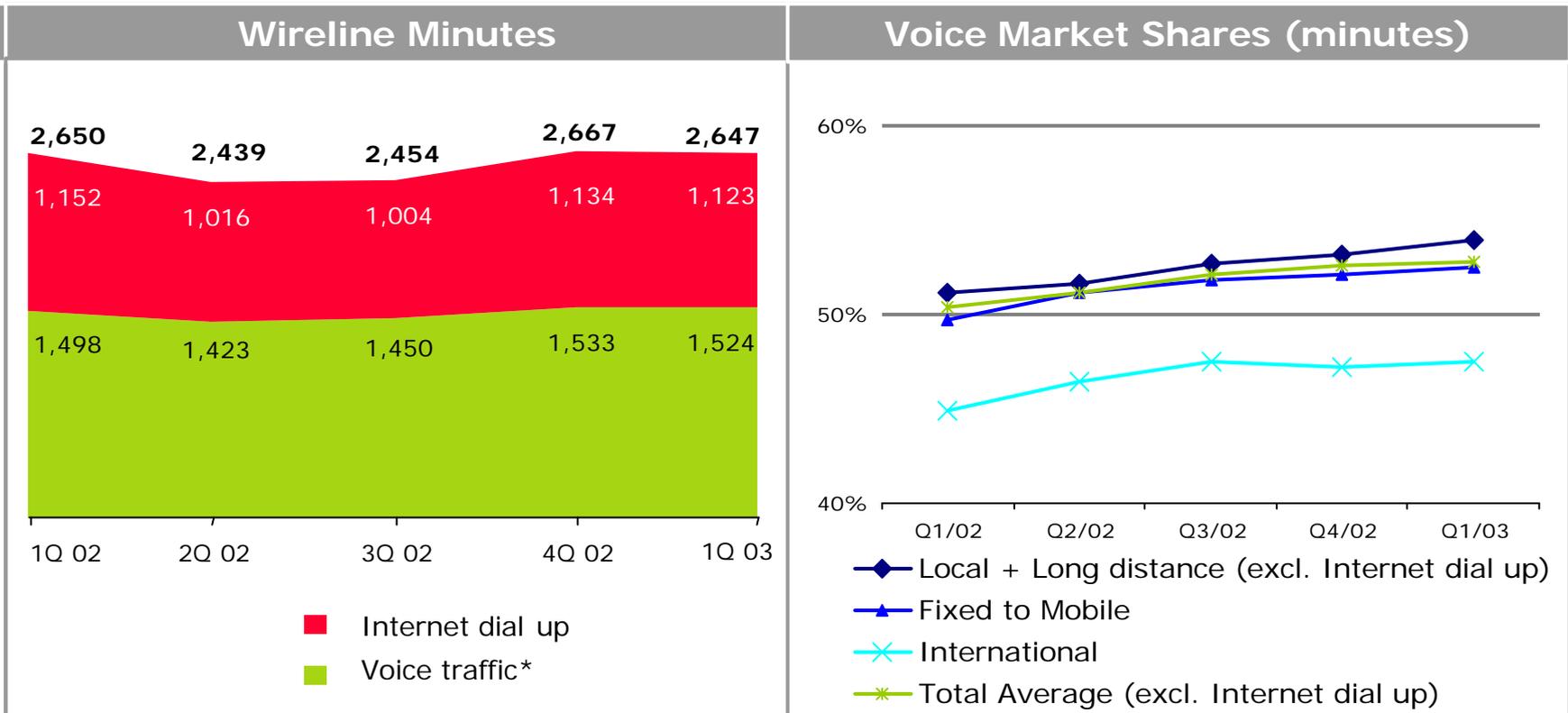
## Other Operating Costs\* in 2002



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

# Stable Wireline

- Increase in voice minutes in 1Q 03 compared to 1Q 02; stable total volumes incl. Internet dial-up (- 0.1% compared to 1Q 02)
- Due to the increased integration of local and long-distance, these are now shown as “national” as of 1Q 03

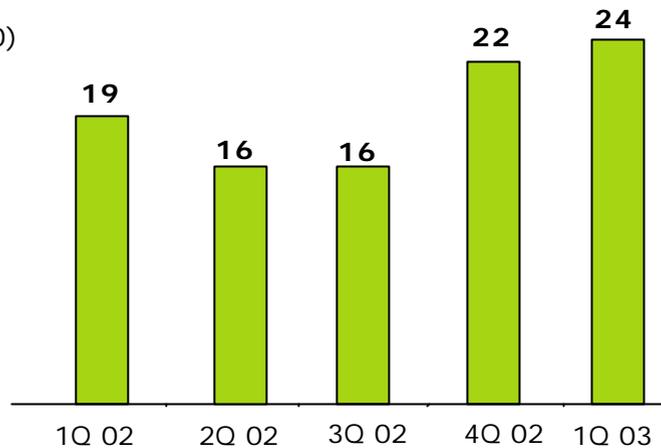


\* including national, international and fixed to mobile calls

# ADSL-Growth Driven by Marketing Push

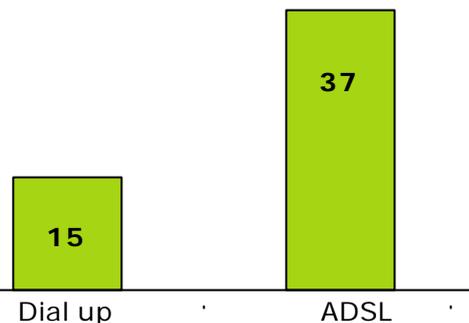
## ADSL Net Additions

(,000)



## ARPU / Month\*

EUR



## Highlights

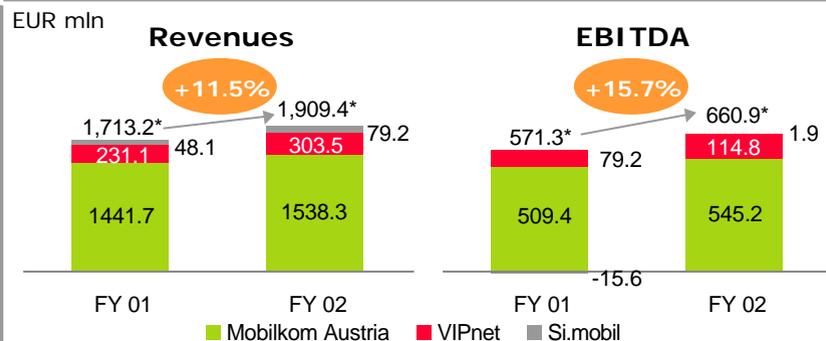
- ADSL to drive revenues growth and customer retention
- Net adds rise following simplified product offering
- 40% of current ADSL customers had no Internet before
- New product features and content push

\* 1Q 2003

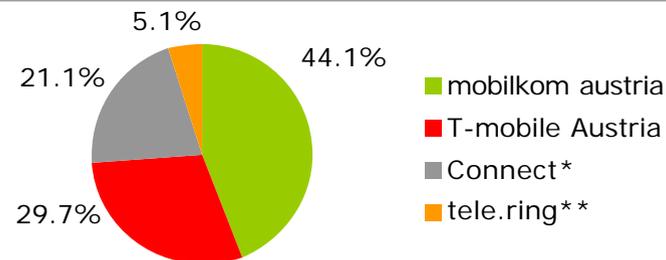
# Wireless

- Repurchase of minority stake in mobilkom austria (now 100% owned)
- 11.5% growth in revenues to EUR 1.9bn and 15.7% EBITDA growth to EUR 661m in 2002
- Increase in Austrian market share despite strong competition and penetration of 84%
- Accelerated domestic subscriber growth in 2002 and 2003 to exceed 3 million
  - Growth of Average Revenue Per User (ARPU) of 5% and Minutes of Use (MoU) of 9%
  - Targeted customer retention activities led to a decline in churn rate
- Group's total number of mobile subscribers has grown by 12% to over 4.4 million from FY2001 to FY2002
  - of which 1.45 million international

## Wireless Revenues



## Austrian Wireless Market Share

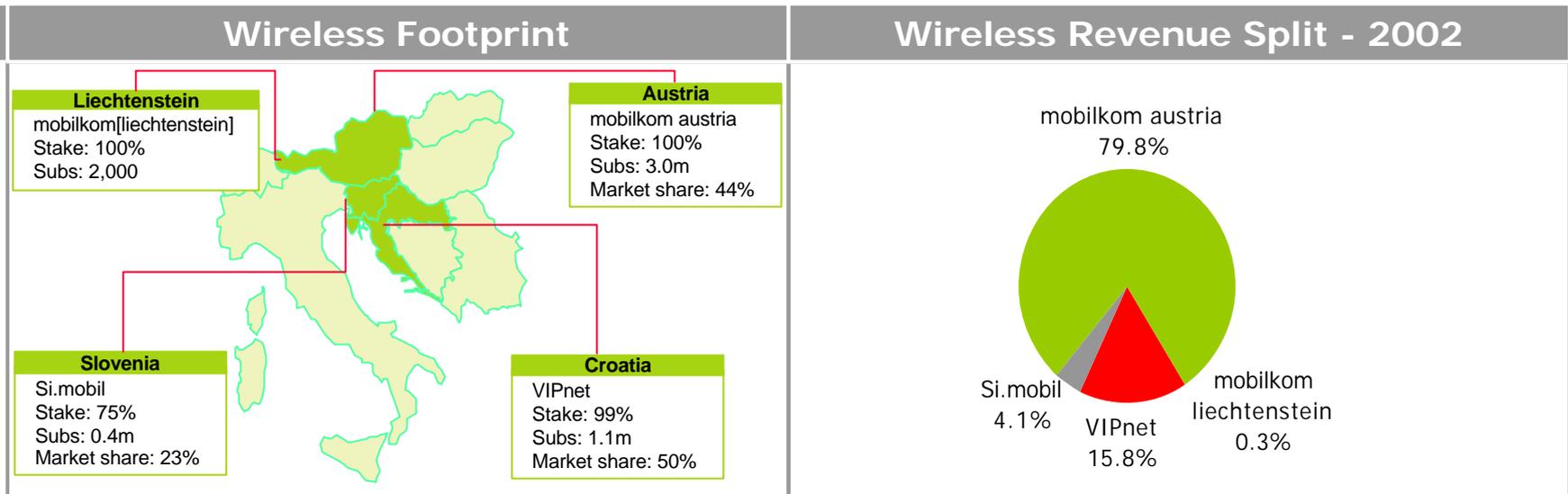


\* E.ON 50.1%, Telenor Mobile 17.45%, Orange 17.45%, Tele Danmark 15%

\*\* Western Wireless Int. 100%

# Wireless (cont'd)

- Growth in Croatian/Slovenian mobile subsidiaries
  - access to further Eastern European growth markets
- Strong mobile data proposition
  - significant growth in GPRS users
  - increasing SMS/MMS usage
- No 3G greenfield exposure
  - low UMTS licence fee



# 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



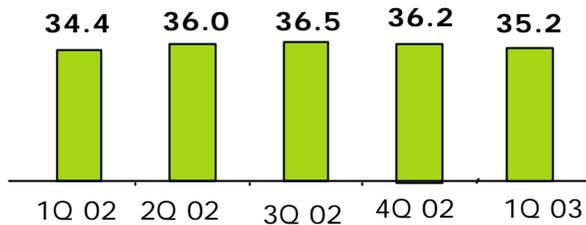
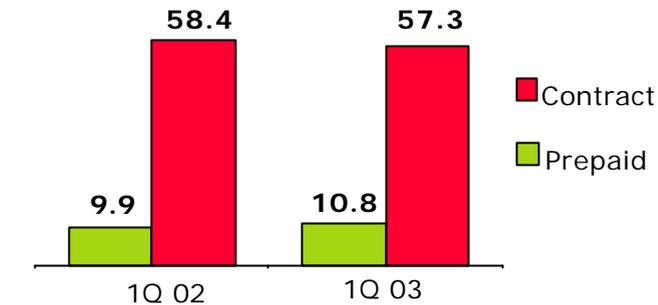
Dual branding for global products and services

# mobilkom austria - ARPU and Costs

- 1Q 03 blended ARPU increased 2.3% compared to 1Q 02; MOUs up by 5.1%
- 1Q 03 competition driven higher by handset subsidies leading to rising SAC and SRC compared to 1Q 02 (1Q 02 SRC include reversal of provision for retention costs in the amount of EUR 2 million)

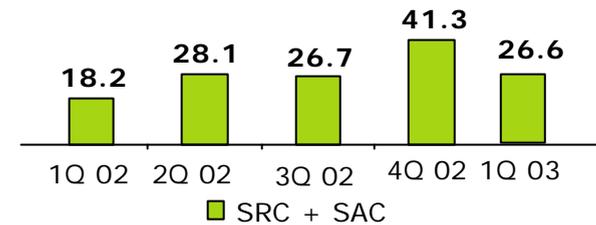
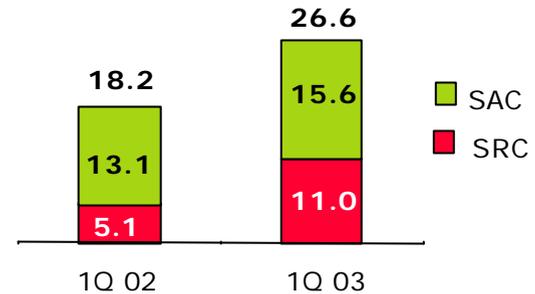
## Average Monthly ARPUs

EUR



## SAC and SRC

EUR mln



# Financial Overview

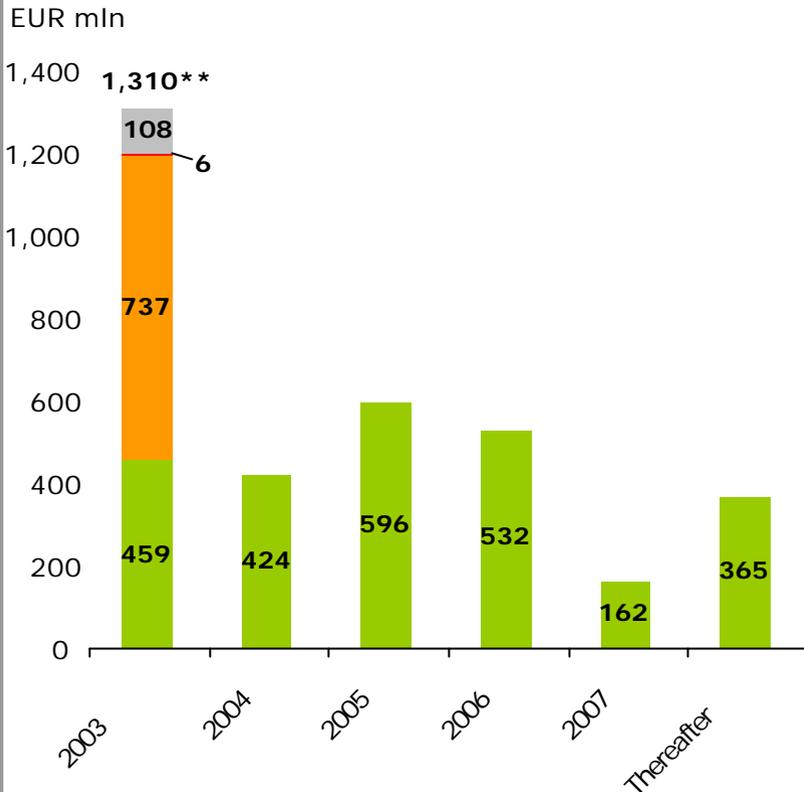
# Financial Overview - Telekom Austria Group

	2002 (EUR mln)	% Change	2001 (EUR mln)
Revenues	3,908	+1.3%	3,859
EBITDA*	1,515	+2.7%	1,475
EBITDA margin (%)	38.8%	+ 0.6 p.p.	38.2%
Net Interest	156	-1.2%	158
Net Debt	3,204	-2.4%	3,282
Free Cash Flow	670	+11.8%	599
Net Debt/EBITDA	2.1x	-5.0%	2.2x
EBITDA/Net Interest	9.7x	+3.9%	9.3x
Free Cash Flow/Net Debt	20.9%	+ 2.6 p.p.	18.3%
CAPEX	662	-18.4%	812

\* as reported: excluding costs for idle workforce and retirement of long-lived assets

# Telekom Austria Debt Maturity Profile

## Telekom Austria Debt Maturity Profile\*



\* as of Dec. 31, 2002

\*\* EUR 459mln current portion of long-term debt  
 EUR 737mln short-term debt,  
 EUR 6mln lines of credit and  
 EUR 108mln of current lease obligations

## Highlights

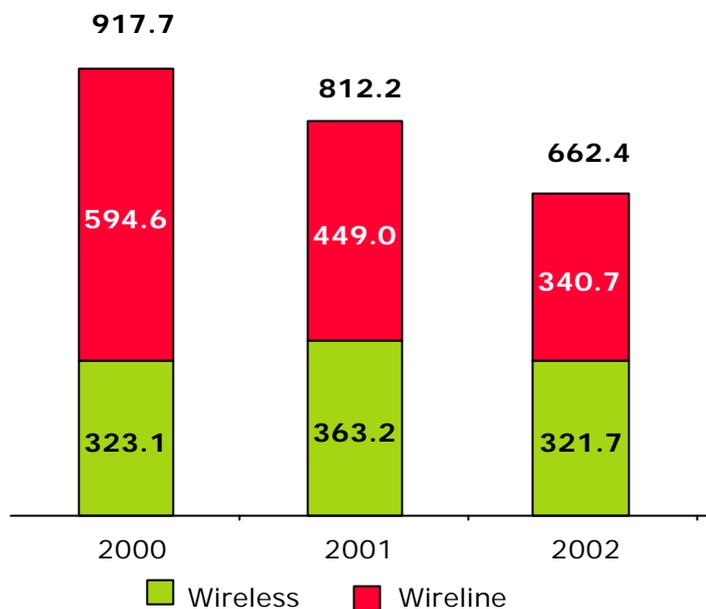
- Most of the bonds were issued and loans granted while Telekom Austria was fully owned by the Republic of Austria.
- As per 31 December 2002, a total of EUR 1.75bn of total bank debt was guaranteed by the Republic of Austria.
- The proceeds from the bond issue will be used to extend Telekom Austria's debt maturity profile.

# Net Debt Reduction

- Capex declines by 18%; capex to revenue ratio falls from 21% to 17%
- Net debt/EBITDA 2.1x; interest coverage of 9.7x; net gearing of 128%

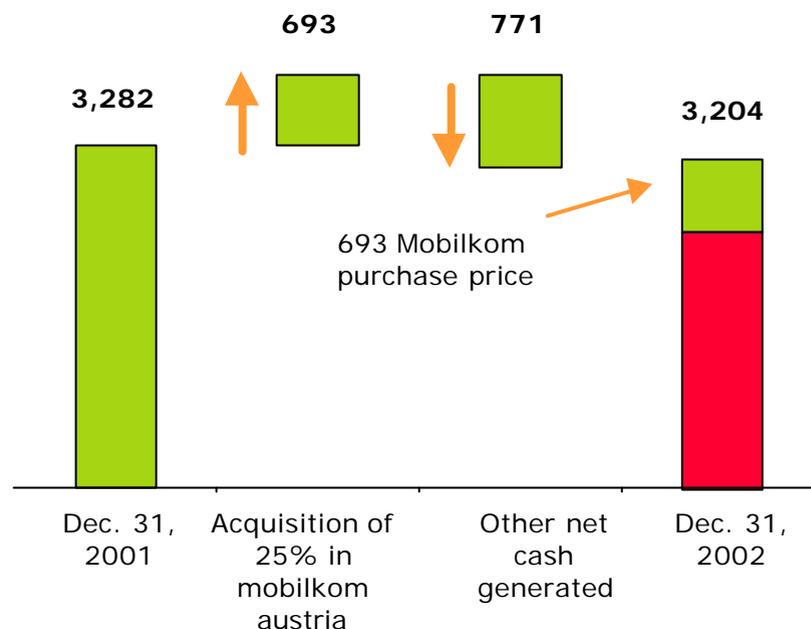
## Capital Expenditures

EUR mln



## Net Debt

EUR mln



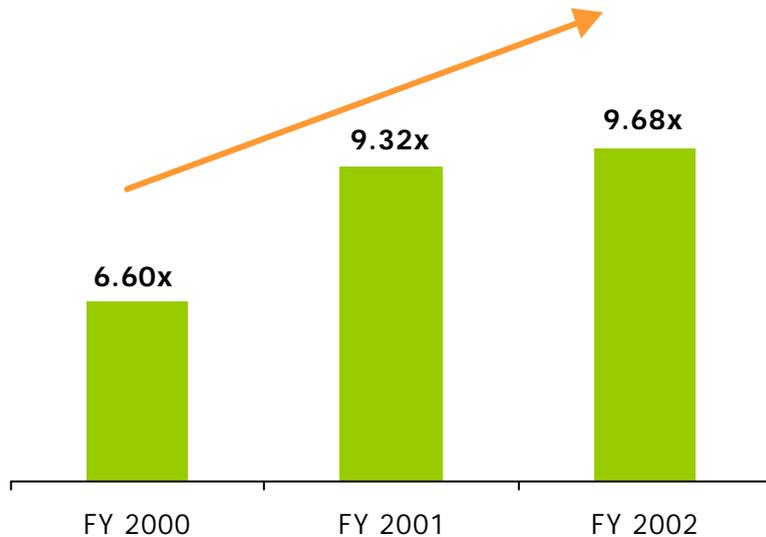
# Employee Benefit Obligations

- Pension liabilities are negligible

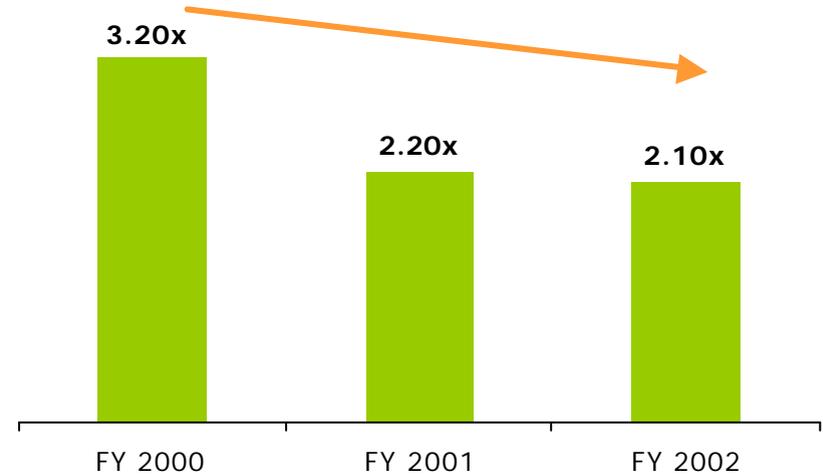
EUR mln	FY2002	FY2001
Pensions	9.7	9.9
Contractual termination benefits	132.3	287.3
Service awards	57.9	59.2
Severance	32.6	21.8

# Financial Overview - Telekom Austria Group - Credit Ratios Improving

EBITDA/Net Interest FY2000 - FY2002



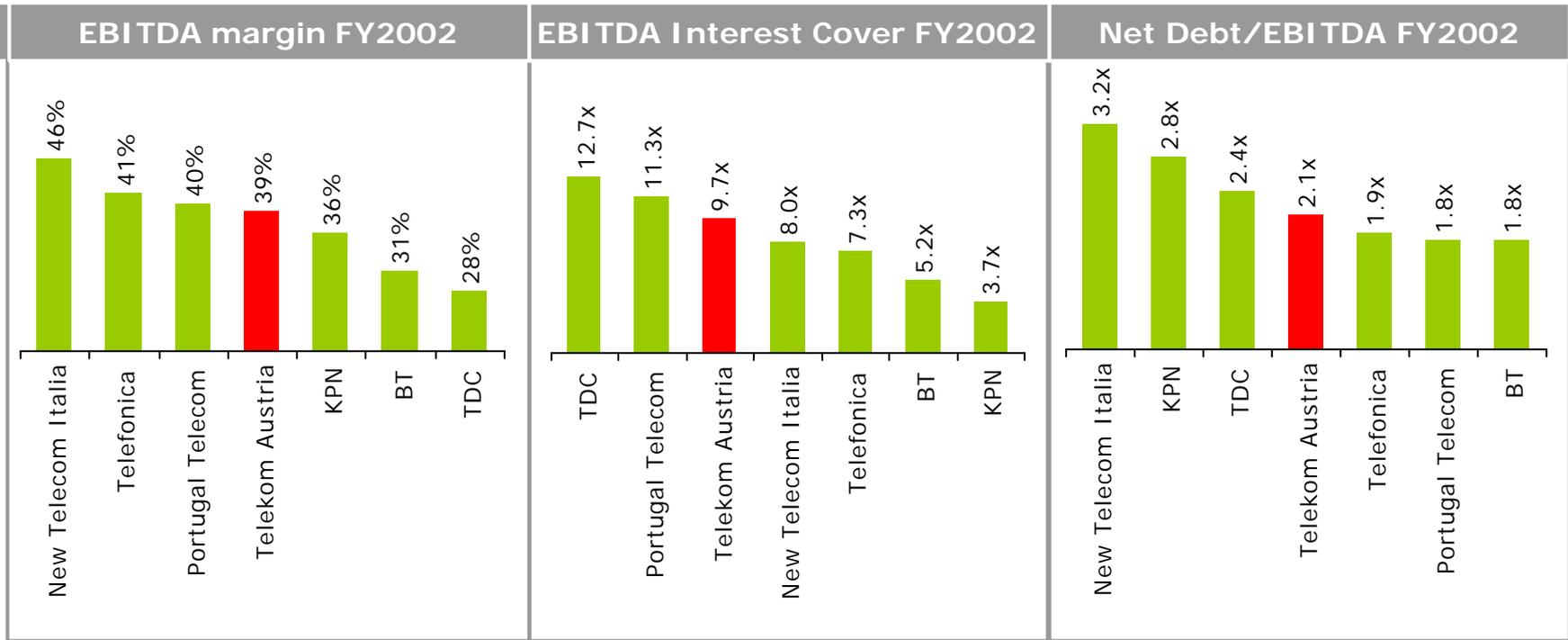
Net Debt/EBITDA FY2000 - FY2002



- Telekom Austria managed to strongly improve its Net Interest Coverage since FY2000

- Net Debt/EBITDA has dropped to 2.1x in FY2002 from 3.2x in FY2000

# Financial Overview - Telekom Austria vs European Peers\*



- Telekom Austria compares favourably with its European peer group
  - 39% EBITDA margin
  - Further reduction in CAPEX and debt planned

\* Source: ABN Amro Credit Research

# Medium Term Internal Financial Targets

	Term	Target
Revenue CAGR	2003 - 2006	app. 2%
EBITDA CAGR	2003 - 2006	app. 3%
CAPEX	2003	EUR 640mIn
CAPEX/Revenues		~ 14%
Average Yearly FCF		EUR 500mIn
Net Debt/Equity	2003	120%
Net Debt/EBITDA	2003	2.0x
Wireline headcount reduction	2003	600
Wireline Operating Cost reduction	2003	4%

- Cash generation remains the key focus for Telekom Austria.
- Telekom Austria strictly adheres to its internal financial targets.

# Credit Rating

# Credit Rating

## **Moody's Investors Service Limited**

25 June 2003

**Senior unsecured: Baa2 outlook stable**

- **Austria's leading provider** of telecommunications and Information and Communication Technology services
- An important rating factor is Telekom Austria's **strengthening financial risk profile and the expectation that the company will generate strong free cash flow**
- The rating agency also notes **the company's public commitment to various financial parameters**, including an average cash flow (pre-acquisitions) target of EUR 500 million

## **Standard & Poor's**

25 June 2003

**Senior unsecured: BBB outlook stable**

- **Leading market positions** in all telecommunications segments in Austria;
- **Strong operating profitability and sustainable free operating cash flow**
- The stable outlook reflects expectations that **Telekom Austria will continue to defend successfully its domestic market-leading position**

# Summary of Key Credit Strengths

# Summary of Key Credit Strengths

Group	<ul style="list-style-type: none"><li>▪ Management focused on cash flow generation and reducing costs and capital expenditure further</li><li>▪ Low Leverage (Net Debt/EBITDA) of 2.1x with scope for further debt reduction</li><li>▪ Interest coverage and cash flow to debt ratios are strong and amongst the best in the European telecom operator universe</li><li>▪ Solid liquidity position</li><li>▪ Stable Group revenues and EBITDA</li></ul>
Wireline	<ul style="list-style-type: none"><li>▪ Wireline trends are encouraging with successful cost reductions achieved</li><li>▪ Wireline competitive landscape is becoming less aggressive</li><li>▪ Further stabilisation of revenues</li><li>▪ Additional cost cutting measure to mitigate effect of higher interconnection and personnel costs</li></ul>
Wireless	<ul style="list-style-type: none"><li>▪ Wireless growth potential from foreign operations</li><li>▪ UMTS is already commercially launched in Austria at low cost</li><li>▪ Increase in revenues and earnings, but at lower growth rates</li></ul>

# Summary of Terms

Issuer	Telekom Finanzmanagement GmbH
Guarantor	Telekom Austria AG
Rating	Baa2 (stable) / BBB (stable)
Issue Size	Benchmark
Maturity	tbd
Documentation	Off Telekom Austria's EMTN Programme
Listing	Luxembourg
Use of Proceeds	Restructuring of Debt Maturity Profile
Bookrunners	ABN AMRO, BA-CA/HVB, Lehman Brothers

# Appendix

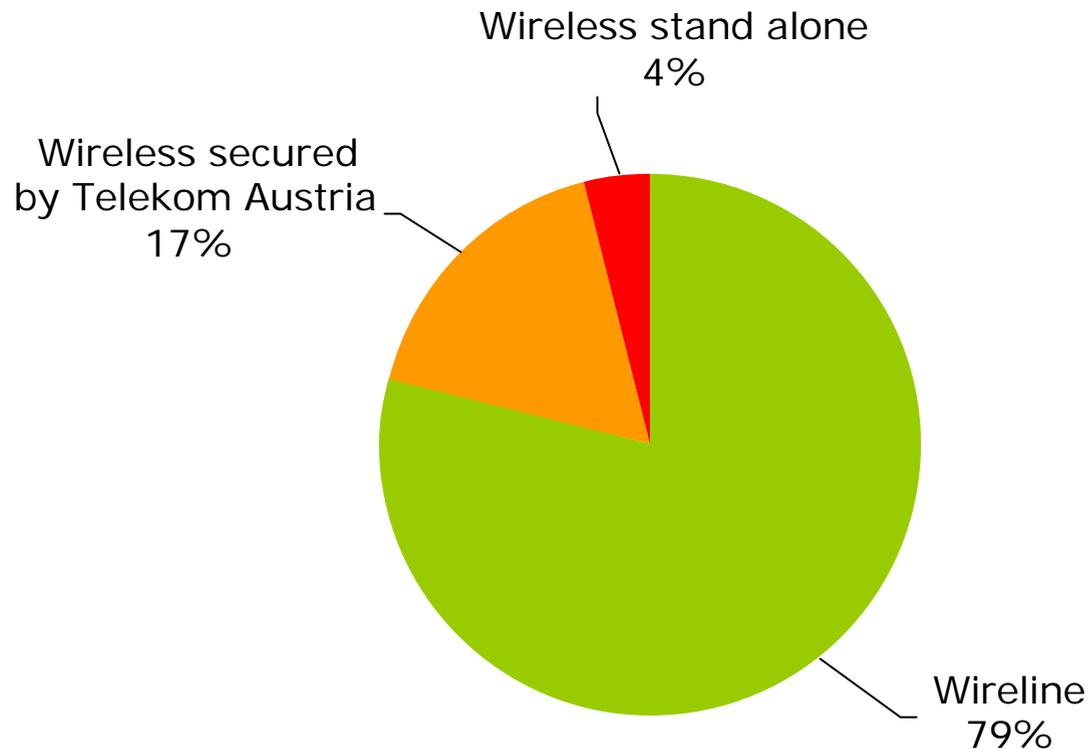
# Net Debt - Telekom Austria Group

EUR mln	Mar. 31, 03	Dec. 31, 02
Long-term debt	1,957.4	2,079.9
Short-term debt	1,394.0	1,309.9
- Cross border lease, included in short-term debt	-108.2	-107.9
+ Capital lease obligations	5.6	7.3
+ Related parties	0.6	0.4
Cash and cash equivalents, short-term and long-term investments	-56.2	-46.5
Financial instruments, included in other assets	-31.1	-38.7
<b>Net debt of Telekom Austria Group</b>	<b>3,162.1</b>	<b>3,204.2</b>
Shareholders' equity	2,545.7	2,509.5
<b>Net debt/equity</b>	<b>124.2%</b>	<b>127.7%</b>

# Debt Allocation as of March 31, 2003

- 21% of Telekom Austria Group Debt is located in the Wireless segment/mobilkom austria Group, of which 17% is guaranteed by Telekom Austria

TELEKOM AUSTRIA GROUP DEBT ALLOCATION



# Regulation Overview

## Wireline

- New regulator in charge as of November 2002
- New Telecom Law to be introduced in July 2003
  - Focus on infrastructure based providers
  - Reduced number of market definition
- Decision to leave unbundling fees unchanged was made in January 2003

## Wireless

- One of the lowest termination rates in Europe
- Number portability not expected before the end of 2003

# Financial Overview - Total Managed Results\*

EUR mln	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>Operating Revenues</b>							
Wireline	565.9	541.8	555.7	596.6	2,260.0	555.7	-1.8%
Wireless	452.2	454.8	509.8	492.6	1,909.4	474.7	5.0%
Intersegmental eliminations & other	-55.6	-61.3	-63.5	-80.8	-261.2	-63.9	nm
<b>Total</b>	<b>962.5</b>	<b>935.3</b>	<b>1,002.0</b>	<b>1,008.4</b>	<b>3,908.2</b>	<b>966.5</b>	0.4%
<b>EBITDA</b>							
Wireline	211.9	207.8	208.3	179.4	807.4	215.5	1.7%
Wireless	187.9	161.2	202.9	97.5	649.5	189.8	1.0%
Intersegmental eliminations & other	0.0	-0.3	-0.1	7.9	7.5	0.6	nm
<b>Total</b>	<b>399.8</b>	<b>368.7</b>	<b>411.1</b>	<b>284.8</b>	<b>1,464.4</b>	<b>405.9</b>	1.5%
<b>EBIT</b>							
Wireline	5.1	-3.6	8.1	-124.9	-115.3	10.2	100.0%
Wireless	121.9	94.0	129.0	35.9	380.8	111.0	-8.9%
Intersegmental eliminations & other	-0.1	-0.1	0.0	7.9	7.7	0.7	nm
<b>Total</b>	<b>126.9</b>	<b>90.3</b>	<b>137.1</b>	<b>-81.1</b>	<b>273.2</b>	<b>121.9</b>	-3.9%
<b>CAPEX**</b>							
Wireline	40.5	63.3	71.5	165.4	340.7	49.8	23.0%
Wireless	40.5	88.6	66.5	126.1	321.7	30.5	-24.7%
<b>Total</b>	<b>81.0</b>	<b>151.9</b>	<b>138.0</b>	<b>291.5</b>	<b>662.4</b>	<b>80.3</b>	-0.9%

\* For comparison reasons financial figures contained in this table follow the reporting structure of Telekom Austria which was established at the beginning of 2003. The new reporting structure has not been subject to audit yet. For 2002 audited figures please refer to the annual report.

\*\* 1Q 2003 Capex is shown including the impact of one-time non-cash additions to account for asset retirement obligation following the introduction of SFAS No. 143 amounting to EUR 7.4mln for the group.

# Financial Overview - Total Managed Results (cont'd) \*

EUR mln	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
Wireline EBITDA	211.9	207.8	208.3	179.4	807.4	215.5	1.7%
Idle workforce costs	9.7	9.2	3.0	7.5	29.4	4.8	-50.5%
Net loss of retirement of long-lived assets	4.0	0.8	0.7	2.2	7.7	0.6	-85.0%
Voluntary retirement provision	0.9	-25.1	-11.6	-21.5	-57.3	-1.3	nm
<b>Adjusted wireline EBITDA</b>	<b>226.5</b>	<b>192.7</b>	<b>200.4</b>	<b>167.6</b>	<b>787.2</b>	<b>219.6</b>	-3.0%
Wireless EBITDA	187.9	161.2	202.9	97.5	649.5	189.8	1.0%
Net loss of retirement of long-lived assets	0.4	1.9	1.6	7.5	11.4	2.5	nm
	<b>188.3</b>	<b>163.1</b>	<b>204.5</b>	<b>105.0</b>	<b>660.9</b>	<b>192.3</b>	2.1%
Group EBITDA	399.8	368.7	411.1	284.8	1,464.4	405.9	1.5%
Idle workforce costs	9.7	9.2	3.0	7.5	29.4	4.8	-50.5%
Net loss of retirement of long-lived assets	4.4	2.7	2.3	11.6	21.0	3.1	-29.5%
Voluntary retirement provision	0.9	-25.1	-11.6	-21.5	-57.3	-1.3	nm
<b>Adjusted group EBITDA</b>	<b>414.8</b>	<b>355.5</b>	<b>404.8</b>	<b>282.4</b>	<b>1,457.5</b>	<b>412.5</b>	-0.6%
<b>Cash flows**</b>							
Cash generated from operations	187.7	343.9	232.0	407.8	1,171.4	135.8	-27.7%
Cash from (used in) investing activities	-36.6	-728.9	-138.9	-271.5	-1,175.9	-87.7	nm
Cash from (used in) financing activities	-160.4	411.1	-82.0	-166.9	1.8	-39.0	nm
Effect of exchange rate changes	0.0	0.0	1.3	2.4	3.7	5.5	nm
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-9.3</b>	<b>26.1</b>	<b>12.4</b>	<b>-28.2</b>	<b>1.0</b>	<b>14.6</b>	nm

\* For comparison reasons financial figures contained in this table follow the reporting structure of Telekom Austria which was established at the beginning of 2003. The new reporting structure has not been subject to audit yet. For 2002 audited figures please refer to the annual report.

\*\* Cash flows are based on consolidated results which do not include the wireless business segments during 1Q and 2Q 2002.

# Financial Overview - Wireline\*

EUR mln	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>Operating Revenues</b>	<b>565.9</b>	<b>541.8</b>	<b>555.7</b>	<b>596.6</b>	<b>2,260.0</b>	<b>555.7</b>	-1.8%
<b>EBITDA</b>	<b>211.9</b>	<b>207.8</b>	<b>208.3</b>	<b>179.4</b>	<b>807.4</b>	<b>215.5</b>	1.7%
<b>EBIT</b>	<b>5.1</b>	<b>-3.6</b>	<b>8.1</b>	<b>-124.9</b>	<b>-115.3</b>	<b>10.2</b>	100.0%
<b>Wireline operating revenues</b>							
Switched voice base traffic	132.5	119.9	120.3	123.1	495.8	121.2	-8.5%
Switched voice monthly rental & others	137.5	131.8	145.9	138.3	553.5	137.9	0.3%
Payphones and VAS	17.2	22.0	18.6	23.8	81.6	18.2	5.8%
Data and IT- solutions	82.1	82.2	86.5	92.7	343.5	87.4	6.5%
Internet access & media	44.3	43.4	44.7	47.0	179.4	48.4	9.3%
Wholesale voice & Internet	83.5	74.3	71.0	76.6	305.4	80.5	-3.6%
Wholesale data	22.3	25.0	22.9	36.0	106.2	25.2	13.0%
Other	46.5	43.2	45.8	59.1	194.6	36.9	-20.6%
<b>Total wireline operating revenues</b>	<b>565.9</b>	<b>541.8</b>	<b>555.7</b>	<b>596.6</b>	<b>2,260.0</b>	<b>555.7</b>	-1.8%
<b>Market Shares (Minutes)</b>							
National	51.2%	51.7%	52.7%	53.2%	53.2%	54.0%	2.8 p.p.
Fixed-to-mobile	49.7%	51.2%	51.9%	52.2%	52.2%	52.5%	2.8 p.p.
International	45.0%	46.5%	47.6%	47.3%	47.3%	47.6%	2.6 p.p.
<b>Total traffic voice</b>	<b>50.4%</b>	<b>51.2%</b>	<b>52.1%</b>	<b>52.6%</b>	<b>52.6%</b>	<b>52.8%</b>	2.4 p.p.
<b>Total traffic voice (incl. Internet dial up)</b>	<b>55.1%</b>	<b>55.3%</b>	<b>55.6%</b>	<b>55.3%</b>	<b>55.3%</b>	<b>55.2%</b>	0.1 p.p.

\* For comparison reasons financial figures contained in this table follow the reporting structure of Telekom Austria which was established at the beginning of 2003. The new reporting structure has not been subject to audit yet. For 2002 audited figures please refer to the annual report.

# Financial Overview - Wireline (cont'd)

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>Minutes</b> (in million)							
National	1,178	1,111	1,120	1,198	4,607	1,194	1.4%
Fixed-to-mobile	197	203	213	213	826	210	6.6%
International	123	109	117	122	471	120	-2.4%
<b>Total voice minutes</b>	<b>1,498</b>	<b>1,423</b>	<b>1,450</b>	<b>1,533</b>	<b>5,904</b>	<b>1,524</b>	1.7%
Internet dial up	1,152	1,016	1,004	1,134	4,306	1,123	-2.5%
<b>Total wireline minutes</b>	<b>2,650</b>	<b>2,439</b>	<b>2,454</b>	<b>2,667</b>	<b>10,210</b>	<b>2,647</b>	-0.1%
<b>Average Tariffs</b> (EUR)							
National	0.052	0.048	0.047	0.045	0.048	0.044	-15.4%
Fixed-to-mobile	0.234	0.193	0.189	0.182	0.189	0.184	-9.8%
International	0.219	0.221	0.215	0.203	0.213	0.205	-6.4%
Average Voice	0.086	0.082	0.081	0.077	0.081	0.076	-11.6%
Internet dial up	0.015	0.016	0.016	0.016	0.016	0.016	6.7%
<b>Access Lines</b> (000's)							
PSTN	2,723.9	2,704.1	2,684.6	2,659.1	2,659.1	2,630.5	-3.4%
ISDN basic	412.7	419.5	424.8	430.1	430.1	438.2	6.2%
ISDN multi	8.2	8.2	8.1	8.1	8.1	8.1	-1.2%
<b>Total</b>	<b>3,144.8</b>	<b>3,131.8</b>	<b>3,117.5</b>	<b>3,097.3</b>	<b>3,097.3</b>	<b>3,076.8</b>	-2.2%
<b>Channels</b> (000's)	<b>3,795.3</b>	<b>3,789.1</b>	<b>3,778.4</b>	<b>3,762.3</b>	<b>3,762.3</b>	<b>3,749.9</b>	-1.2%
<b>ADSL Lines</b> (000's)							
Retail	101.7	113.8	126.1	143.1	143.1	161.2	58.5%
Wholesale	18.2	22.2	25.5	31.0	31.0	36.9	102.7%
<b>Total</b>	<b>119.9</b>	<b>136.0</b>	<b>151.6</b>	<b>174.1</b>	<b>174.1</b>	<b>198.1</b>	65.2%
<b>Internet Customers</b> (000's)							
Austria	724.8	760.6	803.4	846.5	846.5	920.4	27.0%
Czech Republic	254.0	252.3	262.1	275.3	275.3	280.8	10.6%

# Financial Overview - Wireless\*

EUR mln	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>Operating Revenues</b>							
mobilkom austria	379.0	365.9	394.1	399.3	1,538.3	391.4	3.3%
VIPnet	58.8	72.7	99.6	72.5	303.6	65.3	11.1%
Si.mobil	16.3	19.0	21.8	22.1	79.2	19.0	16.6%
mobilkom [liechtenstein]	0.6	0.9	1.3	2.1	4.9	2.4	300.0%
Intersegmental	-2.5	-3.7	-7.0	-3.4	-16.6	-3.4	nm
<b>Total</b>	<b>452.2</b>	<b>454.8</b>	<b>509.8</b>	<b>492.6</b>	<b>1,909.4</b>	<b>474.7</b>	5.0%
<b>EBITDA</b>							
mobilkom austria	167.1	131.8	148.6	87.9	535.4	158.4	-5.2%
VIPnet	22.4	29.3	51.4	10.6	113.7	27.9	24.6%
Si.mobil	-1.2	0.4	3.2	-0.7	1.7	3.8	nm
mobilkom [liechtenstein]	-0.1	0.1	0.1	0.0	0.1	0.2	nm
Intersegmental	-0.3	-0.4	-0.4	-0.3	-1.4	-0.5	nm
<b>Total</b>	<b>187.9</b>	<b>161.2</b>	<b>202.9</b>	<b>97.5</b>	<b>649.5</b>	<b>189.8</b>	1.0%
<b>EBIT</b>							
mobilkom austria	116.8	81.6	93.8	47.1	339.3	99.9	-14.5%
VIPnet	9.9	15.5	35.9	-5.7	55.6	11.8	19.2%
Si.mobil	-4.3	-2.8	-0.3	-5.1	-12.5	-0.3	nm
mobilkom [liechtenstein]	-0.2	-0.1	-0.1	-0.2	-0.6	0.1	nm
Intersegmental	-0.3	-0.2	-0.3	-0.2	-1.0	-0.5	nm
<b>Total</b>	<b>121.9</b>	<b>94.0</b>	<b>129.0</b>	<b>35.9</b>	<b>380.8</b>	<b>111.0</b>	-8.9%
<b>CAPEX</b>							
mobilkom austria	30.6	58.8	46.1	70.5	206.0	20.1	-34.3%
VIPnet	7.2	22.4	13.6	29.0	72.2	8.7	20.8%
Si.mobil	2.7	7.2	6.7	26.4	43.0	1.7	-37.0%
mobilkom [liechtenstein]	0.0	0.2	0.1	0.2	0.5	0.0	nm
<b>Total</b>	<b>40.5</b>	<b>88.6</b>	<b>66.5</b>	<b>126.1</b>	<b>321.7</b>	<b>30.5</b>	-24.7%

\* For comparison reasons financial figures contained in this table follow the reporting structure of Telekom Austria which was established at the beginning of 2003. The new reporting structure has not been subject to audit yet. For 2002 audited figures please refer to the annual report.

# Financial Overview - Wireless (cont'd)

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>mobilkom austria</b>							
<b>Market Share (Subs) Penetration in Austria</b>	42.6%	42.8%	42.9%	44.4%	44.4%	44.1%	1.5 p.p. 2.3 p.p.
<b>Subscribers (000's)</b>							
Contract	1,445.0	1,480.4	1,528.4	1,574.9	1,574.9	1,592.6	10.2%
Prepaid	1,396.5	1,413.4	1,408.2	1,426.5	1,426.5	1,434.6	2.7%
<b>Total</b>	<b>2,841.5</b>	<b>2,893.8</b>	<b>2,936.6</b>	<b>3,001.4</b>	<b>3,001.4</b>	<b>3,027.2</b>	6.5%
<b>Monthly ARPU (EUR)</b>							
Contract	58.4	60.8	60.9	59.0	59.8	57.3	-1.9%
Prepaid	9.9	9.9	10.5	10.7	10.3	10.8	9.1%
<b>Average</b>	<b>34.4</b>	<b>36.0</b>	<b>36.5</b>	<b>36.2</b>	<b>35.8</b>	<b>35.2</b>	2.3%
<b>Minutes of Use</b>							
MOU charged/ø subs	113.2	117.5	120.5	123.3	118.7	119.0	5.1%
<b>Churn Rates</b>							
GSM Churn Rate	3.9%	4.1%	3.8%	5.1%	17.0%	4.0%	0.1 p.p.
Contract-GSM Churn Rate	2.9%	2.5%	1.9%	2.8%	10.2%	2.9%	0.0 p.p.
Prepaid-GSM Churn Rate	4.9%	5.8%	5.8%	7.6%	24.2%	5.2%	0.3 p.p.
<b>SAC total (EUR m)</b>	13.1	15.5	14.8	22.2	65.6	15.6	19.1%
<b>SRC total (EUR m)</b>	5.1	12.6	11.9	19.1	48.7	11.0	115.7%
<b>Mobile Data</b>							
Data in % of airtime revenues	10.6%	9.3%	9.2%	11.3%	10.2%	12.1%	1.5 p.p.
Number of SMS (mn)	129.0	117.9	126.0	147.1	519.9	148.9	15.5%.

# Financial Overview - Wireless (cont'd)

	1Q 2002	2Q 2002	3Q 2002	4Q 2002	2002	1Q 2003	Annual growth (1Q 03 vs 1Q 02)
<b>VIP net</b>							
<b>Market Share (Subs)</b>	47.6%	48.1%	47.1%	48.2%	48.2%	50.3%	2.7 p.p.
<b>Penetration in Croatia</b>	42.3%	45.3%	49.1%	51.9%	51.9%	50.5%	8.2 p.p.
<b>Vip Net's Subscribers (000's)</b>							
Contract	129.3	138.7	151.8	176.0	176.0	178.8	38.3%
Prepaid	781.3	818.2	864.0	921.8	921.8	938.3	20.1%
<b>Total</b>	<b>910.6</b>	<b>956.9</b>	<b>1,015.8</b>	<b>1,097.8</b>	<b>1,097.8</b>	<b>1,117.1</b>	22.7%
<b>Monthly ARPU (EUR)</b>							
Contract	49.4	52.6	52.5	49.9	51.1	44.9	-9.1%
Prepaid	14.2	14.8	15.8	13.7	14.6	12.4	-12.7%
<b>Average</b>	<b>19.1</b>	<b>20.2</b>	<b>21.2</b>	<b>19.3</b>	<b>20.0</b>	<b>17.6</b>	-7.9%
<b>Si.mobil</b>							
<b>Market Share (Subs)</b>	21.6%	21.7%	21.9%	23.4%	23.4%	23.1%	1.5 p.p.
<b>Penetration in Slovenia</b>	67.6%	69.4%	70.8%	74.7%	74.7%	75.7%	8.1 p.p.
<b>Subscribers (000's)</b>							
Contract	114.4	126.3	135.0	154.5	154.5	161.2	40.9%
Prepaid	176.9	173.8	174.4	195.5	195.5	190.3	7.6%
<b>Total</b>	<b>291.3</b>	<b>300.1</b>	<b>309.4</b>	<b>350.0</b>	<b>350.0</b>	<b>351.5</b>	20.7%
<b>Monthly ARPU (EUR)</b>							
Contract	28.3	28.7	29.2	28.1	28.6	25.6	-9.5%
Prepaid	5.8	6.8	6.6	5.9	6.3	5.1	-12.1%
<b>Average</b>	<b>14.2</b>	<b>15.7</b>	<b>16.2</b>	<b>15.7</b>	<b>15.5</b>	<b>14.3</b>	0.7%
<b>mobilkom [liechtenstein]</b>							
<b>Subscribers (000's)</b>	1.5	1.7	1.8	2.0	2.0	2.1	40.0%

# Further Details

## Listing

- Vienna Listing: TKA AV / TELA.VI
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## Financial Calendar

- August 26, 2003: First Half Results 2003
- November 19, 2003: First Nine Months Results 2003