

# Telekom Austria Group Results for the Financial Year and 4Q 2008

Vienna, February 25, 2009

# 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.”

# Agenda

- Key Developments
- Fixed Net
- Mobile Communication
- Financial Overview
- Outlook

# Key Developments

# Results of Telekom Austria Group are Evidence for Major Achievements

- Strong operational performance despite headwinds
- New strategic market approach in Fixed Net segment bears fruit
- Restructuring of Fixed Net segment yields first results and progresses according to plan
- No impact of economic and financial crisis on operations
- Dividend per share floor of 75 cent introduced for 2009–2012

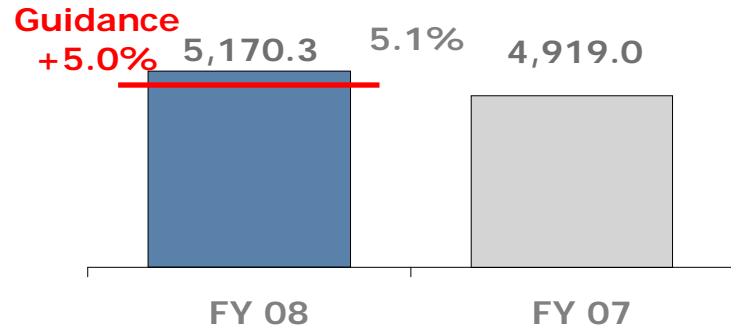
# Full Year 2008 Results Underpin Strong Operational Performance

- Well performing mobile operation drives revenue growth of 5.1% to EUR 5,170.3 mn
- Strong operational performance increases clean EBITDA by 3.9% to 1,927.7 mn
- Reported EBITDA of EUR 1,295.6 mn depressed by EUR 632.1 mn charge for the restructuring of the Fixed Net
- Material slowdown of Fixed Net access line loss and line growth in November and December 2008
- All Mobile Communication operations contribute to subscriber base growth of 15.2% to 17.8 million customers

# Full Year 2008 Operating Performance of Telekom Austria Group Clearly Above Guidance

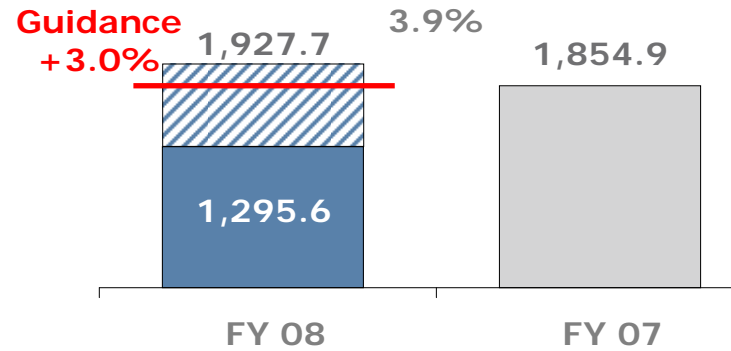
## Revenues

(EUR million)



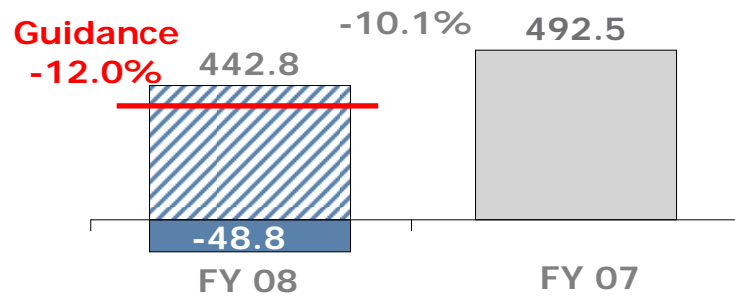
## EBITDA

(EUR million)



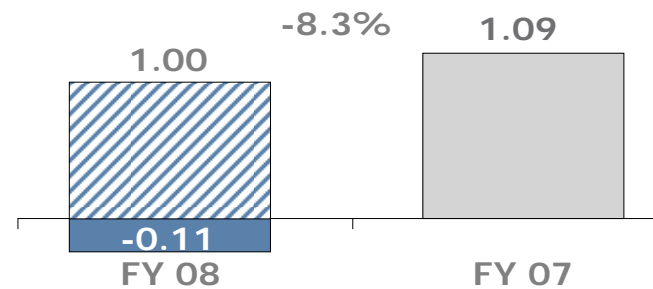
## Net Income/Loss

(EUR million)



## Earnings/Loss per Share

(EUR)



 Impact from EUR 632.1 mn restructuring charge

Results for the Financial Year 2008

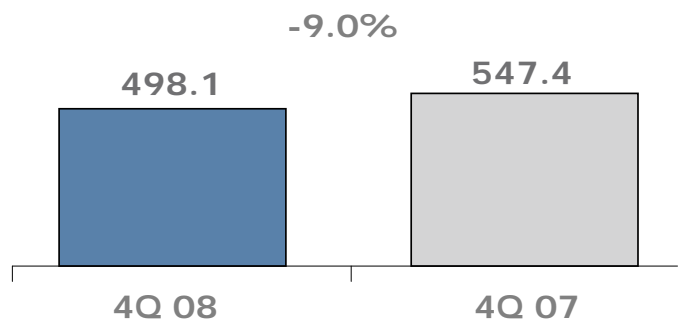
# Fixed Net



# Delivery on Cost Saving Targets Mitigates Impact of Lower Revenues

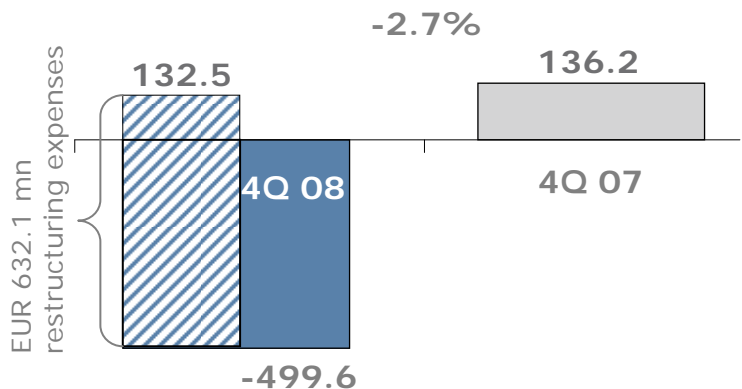
## Revenues

(EUR million)



## EBITDA

(EUR million)



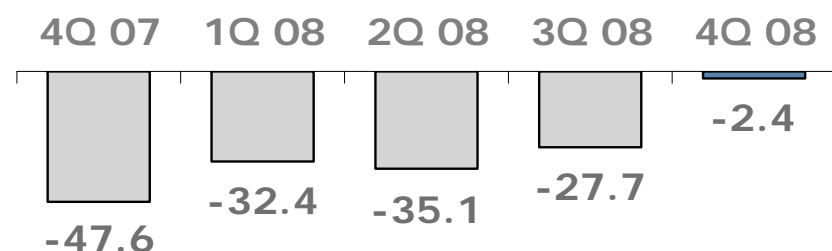
- Revenue decline reflects lower customer base and calling volume due to fixed-to-mobile substitution
- Excluding restructuring expenses EBITDA declines only by 2.7%
- Opex declined by EUR 60 mn to EUR 514 mn excluding restructuring measures
- Reported EBITDA includes a EUR 632.1 mn restructuring charge

Results for the Financial Year 2008

# Access Line Growth in November and December 2008 while ARPL Remains Stable

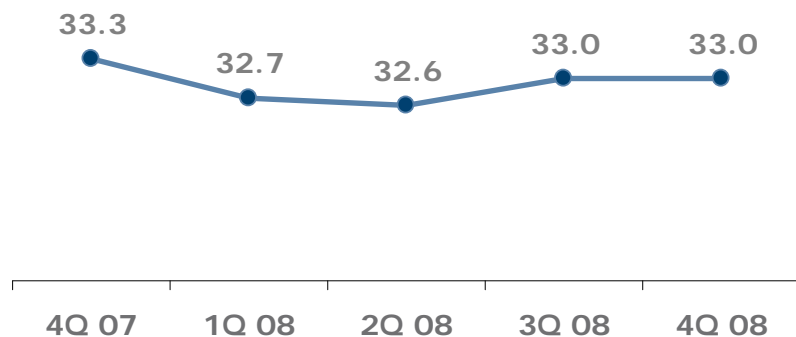
## Line Loss

(in 000)



## Average Revenues per Access Line

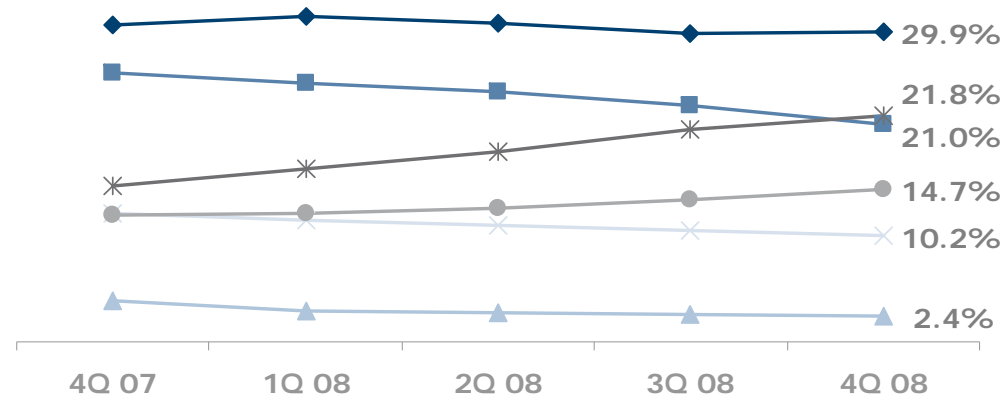
(in EUR)



- Successful marketing of product bundles slows down access line loss sustainably
- Access line growth registered in November and December 2008 for the first time after 12 years
- Line loss decreased from ~50k in 4Q 07 to ~2k in 4Q 08
- Upselling to broadband products keep ARPL stable despite lower prices

# Telekom Austria Exploits Broadband Penetration Growth via Product Bundles

## Broadband Market Shares 4Q 08



- ◆ TA Fixed Retail
- Cable
- ▲ TA Fixed Wholesale
- × Unbundled Lines
- \* Mobile Broadband without mobilkom
- Mobile Broadband mobilkom

- Fixed Net retail broadband market share rises to 29.9% in 4Q 08 vs. 3Q 08
- Product bundles let Telekom Austria participate in penetration growth
- Mobile broadband grows at the expense of alternative Fixed Net operators
- Penetration rate increases to 77.5% at EoP 08 after 63.0% at EoP 07

## Cost Cutting Measures Aimed at Curbing EBITDA Decline in 2009

- Restructuring expenses will result in lower personnel expenses in 2009
- Process reengineering expected to further reduce cost for sales, sales support & product development
- Focused marketing & sponsoring, reduction of energy & logistic costs provide additional saving potential
- Streamlining of operations and improved coordination increase the efficiency of field forces



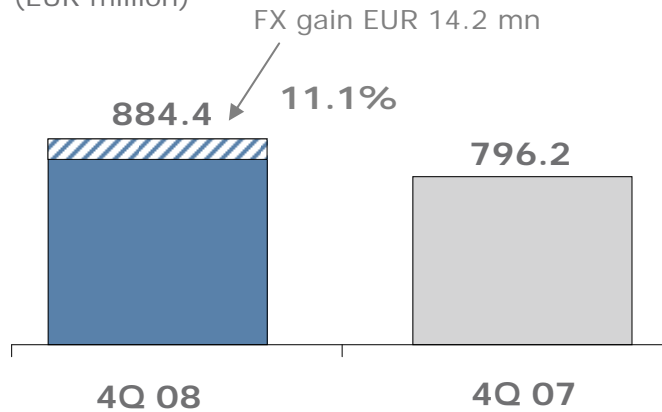
**Stricter spending policy to support profitability**

# Mobile Communication

# Double Digit Growth Driven by Strong Performance in Austria and Belarus

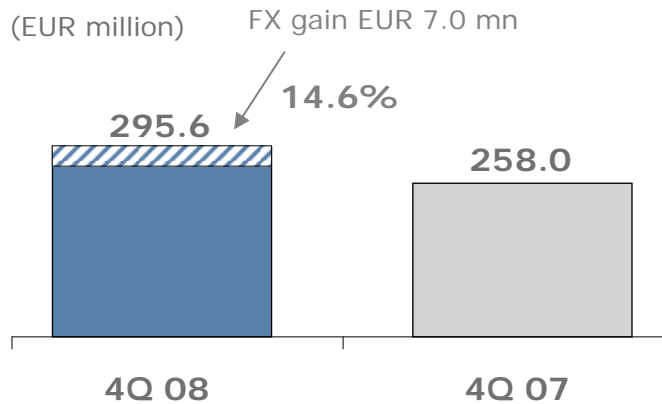
## Revenues

(EUR million)



## EBITDA

(EUR million)

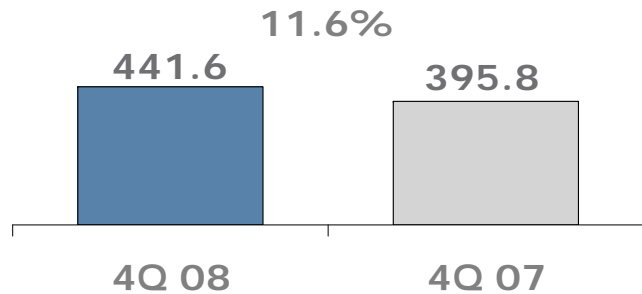


- Subscriber base grows by 15.2% to 17.8 million customers
- Revenue grows by 11.1% and EBITDA by 14.6%
- On constant currencies, revenue grows by 9.3% and EBITDA by 11.9%
- Margin increase by 1 pp. to 33.4% reflects focus on profitability

# Larger Customer Base of mobilkom austria Drives Profitable Growth

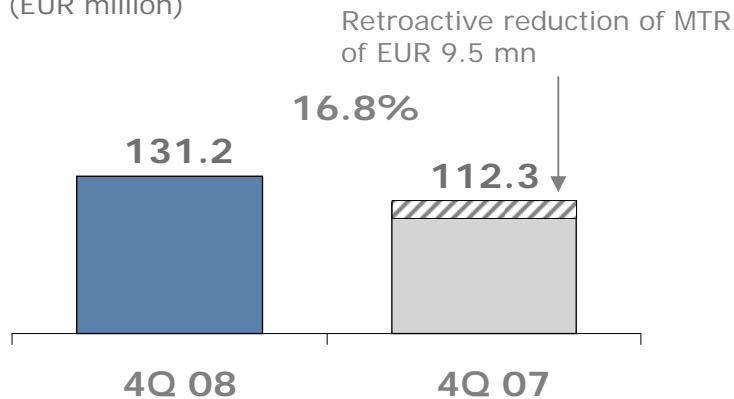
## Revenues

(EUR million)



## EBITDA

(EUR million)

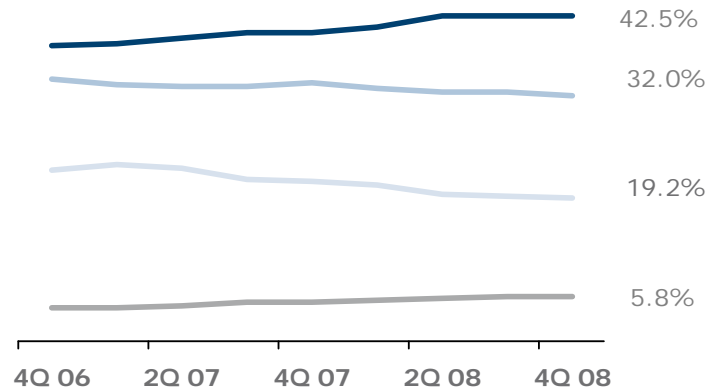


- Customer base of mobilkom austria grows by 13.6% to 4.5 million subscribers
- Lower SAC & SRC improve profitability
- EBITDA margin rises from 28.4% to 29.7%
- 4Q 07 included EUR 9.5 million charge for retroactive reduction of MTR's
- ARPU increases from EUR 28.4 to EUR 28.6

# mobilkom austria Reports Largest Market Share Growth Ever

## Market Shares

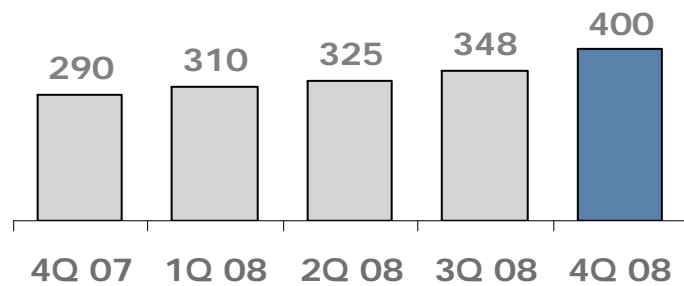
As of December 2008



— mobilkom austria     — T-Mobile incl. tele.ring  
— Hutchison            — Orange incl. YESSS!

## Mobile Broadband Subscribers

(in 000)



Results for the Financial Year 2008

- Market share grows from 40.3% in 4Q 07 to 42.5% in 4Q 08
- Successful multibrand strategy with combination of premium & no-frills brand
- Mobile broadband subscriber base grows by 37.9% to 400,000 customers
- Data share increases by 3.3 pp. to 33.9%

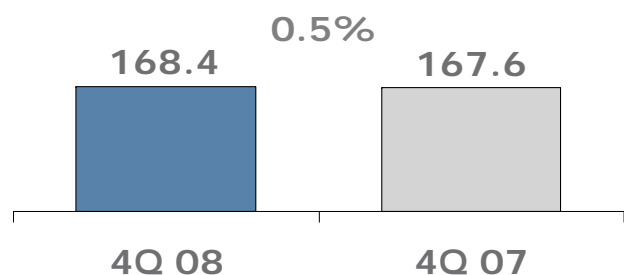




# Mobilitel in Bulgaria Grows Customer Base and Maintains High Level of Profitability

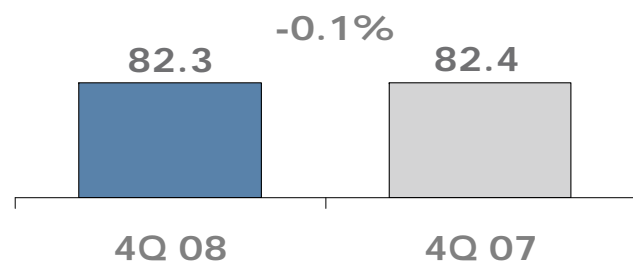
## Revenues

(EUR million)



## EBITDA

(EUR million)

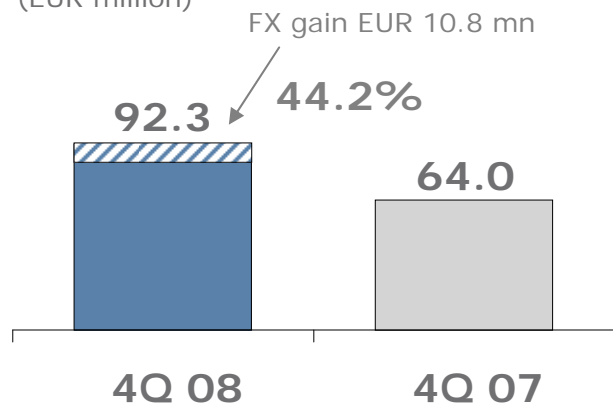


- Mobilitel's subscriber base grows by 5.8% to 5.4 million customers
- Stable market share of 50.0% despite competitive environment
- Usage growth of 21.3% partly compensates for lower prices
- Revenues & EBITDA remain stable despite economic slowdown

# Velcom in Belarus Delivers Strong Organic Growth Across all Major KPI's

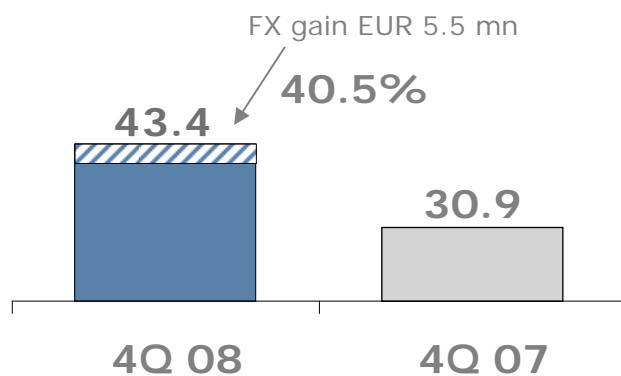
## Revenues

(EUR million)



## EBITDA

(EUR million)



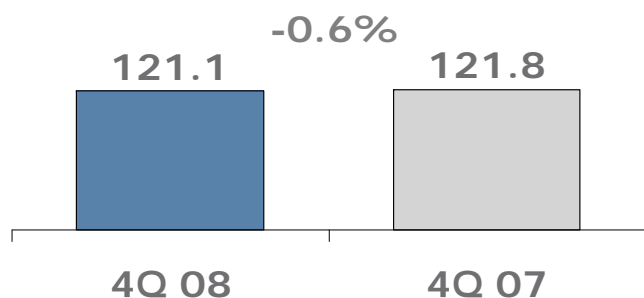
- Subscriber base grows by 20.9% to 3.7 million at end of 4Q 08
- Market share increases to 44.8% from 43.4% at the end of 4Q 07
- Revenues increase by 44.2% and EBITDA by 40.5%
- Organic growth on constant currencies of 27.3% for revenue and 22.7% for EBITDA

Results for the Financial Year 2008

# Double Digit Subscriber Growth in Croatia and Slovenia, National Roaming Loss Drags on Vipnet

## Revenues Vipnet

(EUR million)

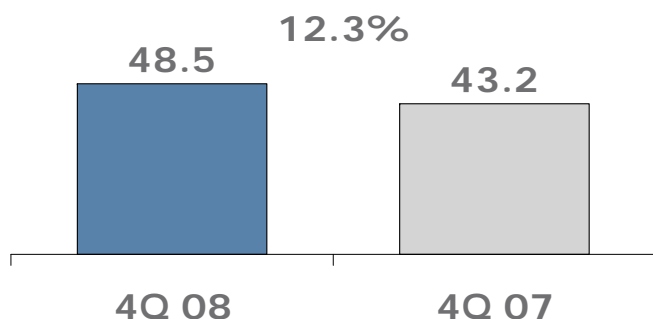


## Vipnet in Croatia

- Subscriber base grows by 14.1% to 2.5 mn customers
- EBITDA declines by 12.0% to EUR 35.2 mn primarily due to loss of national roaming agreement

## Revenues Si.mobil

(EUR million)



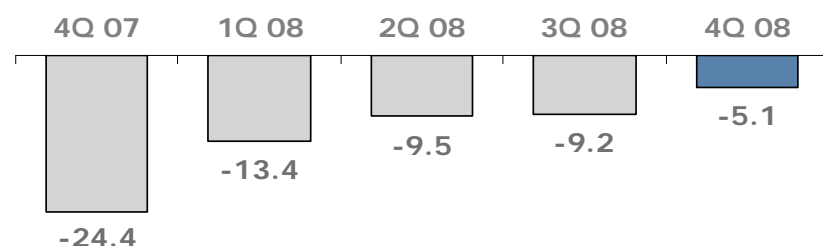
## Si.mobil in Slovenia

- Subscriber base grows by 14.7% to 570,600 customers
- EBITDA remains stable at EUR 11.6 mn

# Rising Contribution from Start-up Operations Despite Marketing Intensive Christmas Business

## EBITDA Development Vip mobile

(in 000)

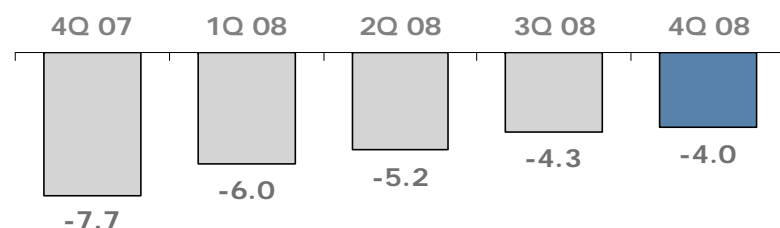


## Vip mobile in Serbia

- Subscriber base grows by 78.4% to 907,900 customers
- Market share of 9.1% compared to 5.8% at the end of 2007

## EBITDA Development Vip operator

(EUR million)



## Vip operator in Macedonia

- Subscriber base increases by 71.4% to 242,000 customers
- Market share of 10.7% compared to 7.9% at the end of 2007

# Financial Overview

# Operational Performance Better than Expected, Restructuring Charge Weighs on Reported Results

(EUR million)	<b>4Q 08</b>	4Q 07	% change	FY 2008	FY 2007*	% change
<b>Revenues</b>	<b>1,306.5</b>	1,288.1	1.4%	5,170.3	4,919.0	5.1%
<b>EBITDA</b>	<b>-212.0</b>	391.3	n.a.	1,295.6	1,854.9	-30.2%
<b>Operating income/loss</b>	<b>-516.1</b>	93.4	n.a.	135.5	761.4	-82.2%
Financial result	-60.9	-55.7	9.3%	-211.9	-153.6	38.0%
<b>Income/loss before income taxes</b>	<b>-577.0</b>	37.7	n.a.	-76.4	607.8	n.a.
Income tax expense/benefit	139.3	3.3	n.a.	27.6	-115.3	n.a.
<b>Net income/loss</b>	<b>-437.7</b>	41.0	n.a.	-48.8	492.5	n.a.

\*FY 2007 includes Velcom for 4Q only

Results for the Financial Year 2008

# Lower Ordinary Capital Expenditures Support Free Cash Flow Generation

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Cash Flow from operations before working capital adjustments	388.6	339.9	14.3%	1,693.7	1,681.5	0.7%
Change in working capital	69.5	204.4	-66.0%	-129.9	60.4	n.a.
Ordinary capital expenditures	-273.3	-316.5	-13.6%	-807.6	-766.2	5.4%
<b>Free cash flow</b>	<b>184.8</b>	<b>227.9</b>	<b>-18.9%</b>	<b>756.2</b>	<b>975.8</b>	<b>-22.5%</b>

\*FY 2007 includes Velcom for 4Q only

Results for the Financial Year 2008

# Absence of M&A Primarily Drives Lower Cash Consumption for Investing Activities

(EUR million)	<b>4Q 08</b>	4Q 07	% change	FY 2008	FY 2007*	% change
Fixed Net	82.3	135.7	-39.4%	263.5	324.5	-18.8%
Mobile Communication	193.2	180.8	6.9%	546.3	441.7	23.7%
Others & elimination	-2.2	0.0	n.a.	-2.2	0.0	n.a.
<b>Ordinary capital expenditures</b>	<b>273.3</b>	<b>316.5</b>	<b>-13.6%</b>	<b>807.6</b>	<b>766.2</b>	<b>5.4%</b>
<b>Growth projects &amp; acquisitions</b>	<b>0.3</b>	<b>1,350.6</b>	<b>n.a.</b>	<b>14.7</b>	<b>1,544.9</b>	<b>-99.0%</b>
<b>Capex, growth projects &amp; acquisitions</b>	<b>273.6</b>	<b>1,667.1</b>	<b>-83.6%</b>	<b>822.3</b>	<b>2,311.1</b>	<b>-64.4%</b>
Other investing activities, net	49.9	-7.9	n.a.	32.8	-19.5	n.a.
Purchase Price not yet paid	0.0	-606.3	n.a.	0.0	-606.3	n.a.
Cash acquired	0.0	-12.9	n.a.	-0.2	-15.4	n.a.
<b>Cash used in investing activities</b>	<b>323.5</b>	<b>1,040.0</b>	<b>-68.9%</b>	<b>854.9</b>	<b>1,669.9</b>	<b>-48.8%</b>

\*FY 2007 includes Velcom for 4Q only

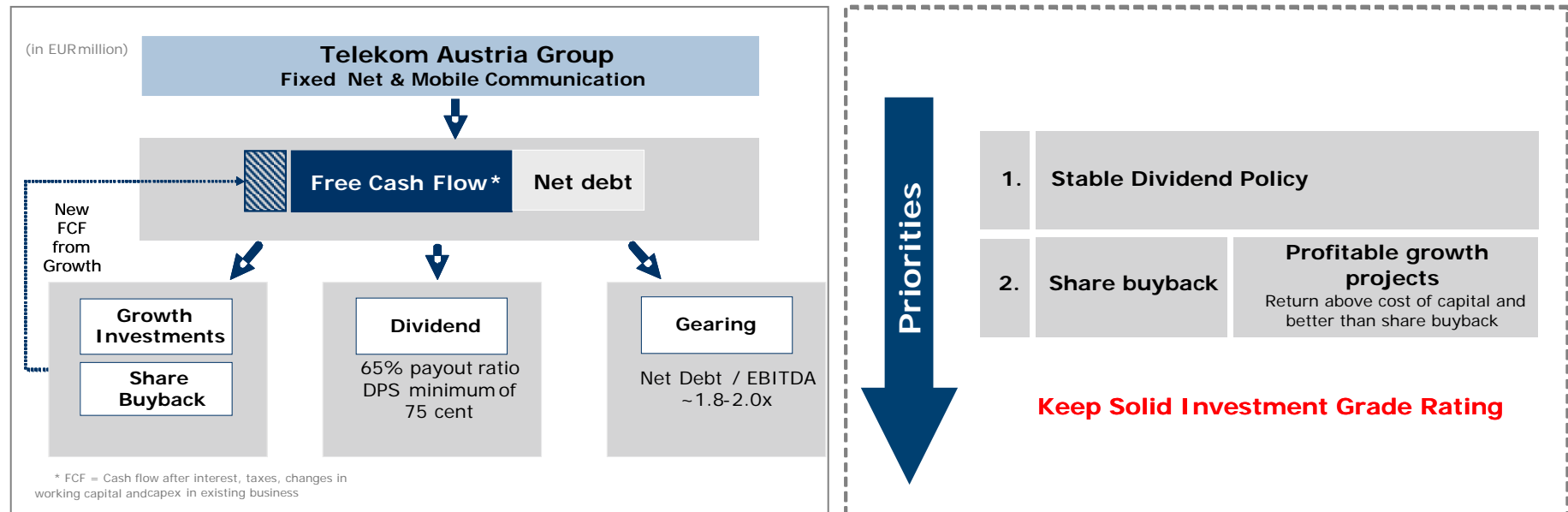
Results for the Financial Year 2008



## Asset Base Remains Stable as Higher Cash Offsets Reduction of Long-Term Assets

(EUR million)	<b>Dec. 31, 08</b>	Dec. 31, 07	% change
Long-term assets	7,452.0	7,677.5	-2.9%
Current assets	1,545.4	1,326.2	16.5%
<b>Total assets</b>	<b>8,997.4</b>	<b>9,003.7</b>	<b>-0.1%</b>
Current liabilities	2,220.5	2,557.2	-13.2%
Long-term liabilities	4,621.3	3,881.2	19.1%
Stockholders' equity	2,155.6	2,565.3	-16.0%
<b>Liabilities and stockholders' equity</b>	<b>8,997.4</b>	<b>9,003.7</b>	<b>-0.1%</b>
<b>Net Debt</b>	<b>3,993.3</b>	<b>4,407.2</b>	<b>-9.4%</b>
Net Debt/EBITDA (last 12 months)	3.1x	2.4x	-
<b>Net Debt/EBITDA (last 12 months) excluding restructuring program</b>	<b>2.1x</b>	<b>2.4x</b>	<b>-</b>

# Capital Allocation Announced at Capital Market Day Underpins Focus on Value Creation



## Growth Projects

Assessment for strategic fit and profitability and compared with share buyback

## Share Buyback

Evaluation after Q2 09 results depending on condition of financial markets and sustainability of operating performance

## Liquidity

Secured financing as precondition for acquisitions and share buyback

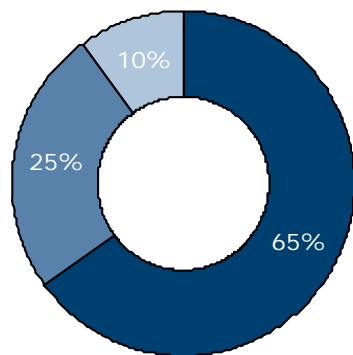
# EUR 750 mn Bond Placed in January 2009 Covers Refinancing Beyond 2010

## Key Facts

Volume	EUR 750 mn
Maturity	7 years
Coupon	6.375%, 325 bps spread

- Orderbook of EUR 3.3 bn
- Good company names with solid rating can access debt capital markets

## Allocation



- Pension funds, insurances and asset managers
- Banks
- Retail demand

- Bond issue is net debt neutral and increases cash position
- Additional interest expense of EUR 25 mn estimated for 2009

# Outlook

# Telekom Austria Group Expects 2009 Operating Free Cash Flow\* of EUR 1.1 billion

## Telekom Austria Group 2009

Revenues	~ EUR 5.1 bn
EBITDA	~ EUR 1.9 bn
CAPEX	~ EUR 0.8 bn
Dividend	DPS of 75 cent minimum

\* Operating Free Cash Flow = EBITDA - Capex

# Appendix

# Regulatory Issues – Key Aspects (1)

**Mobile termination rates:** The Austrian administrative court rescinded the last two SMP-decisions because the National Regulatory Authority imposed an ex-ante obligation on mobile operators retroactively which is illegal in the court's view. With this revocation the glide path of mobile termination rates was rescinded as well. The national regulatory authority resumed the proceedings, which were affected by the court's decision. The new decision is expected by the end of H1/2009.

**Next Generation Networks:** The Commission will publish its final recommendation on next generation access. The main issues addressed in the recommendation include access to basic facilities including ducts as well as geographical segmentation. The recommendation interprets the current framework and has in its draft partly contradicted the terms adopted by the European Parliament adopted in its first reading for the next legal framework on the subject of investments (e.g.: risk-sharing agreements, proportionality of remedies). At national level, especially access issues remain under discussion.

## Regulatory Issues – Key Aspects (2)

**Review of the Regulatory Electronic Communication Framework:** The new regulatory framework is now under discussion in a triologue between the European Parliament, the Council and the Commission, with the goal of reaching an agreement by mid-March 2009 at the latest in order to facilitate adoption in a second reading of the European Parliament. Reopened issues are, among others, the scope of functional separation (fixed only or undefined), NGA, net neutrality provisions, mobile number portability, spectrum management and the creation of a European Electronic Communications Authority.

**Unbundling of the Local Loop:** In a decision end of October 2008 the National Regulatory Authority mandated Telekom Austria to retroactive lower its monthly ULL charges from EUR 10.44 to EUR 9.33 due to the “KombiPaket” offer for the period from Nov.07 to Jan.08.



## Regulatory Issues – Key Aspects (3)

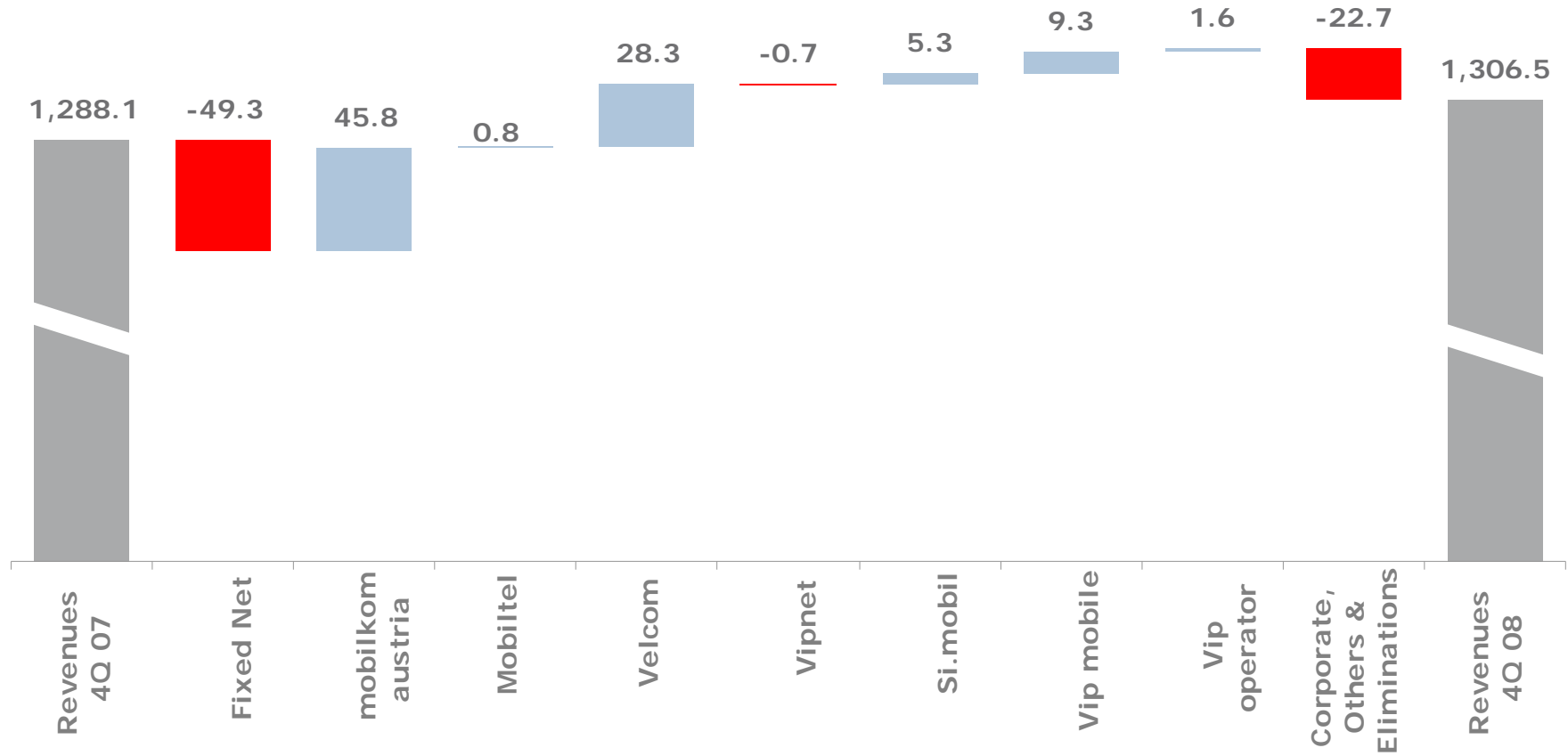
**International roaming charges:** As of end of September 2008 the EU-Commission filed its draft proposal to the EU Parliament and the Council to extend the existing roaming regulation. The proposal calls for:

- Extension of the voice roaming regulation at both wholesale and retail level until 2012.
- Per-second billing both at wholesale and retail level, except for 30/1 pulsing for outgoing calls at retail level.
- Wholesale and retail price caps for SMS. Wholesale cap at 4 Cents, retail cap at 11 Cents.
- Introduction of transparency measures for data roaming: By July 1, 2010 customers should be allowed to specify a “cut-off limit” for their outstanding data roaming charges.
- Introduction of a wholesale price cap for data roaming services of 1 Euro starting from July 1, 2009.

# Development of Revenues 4Q 08 vs. 4Q 07

## Revenues

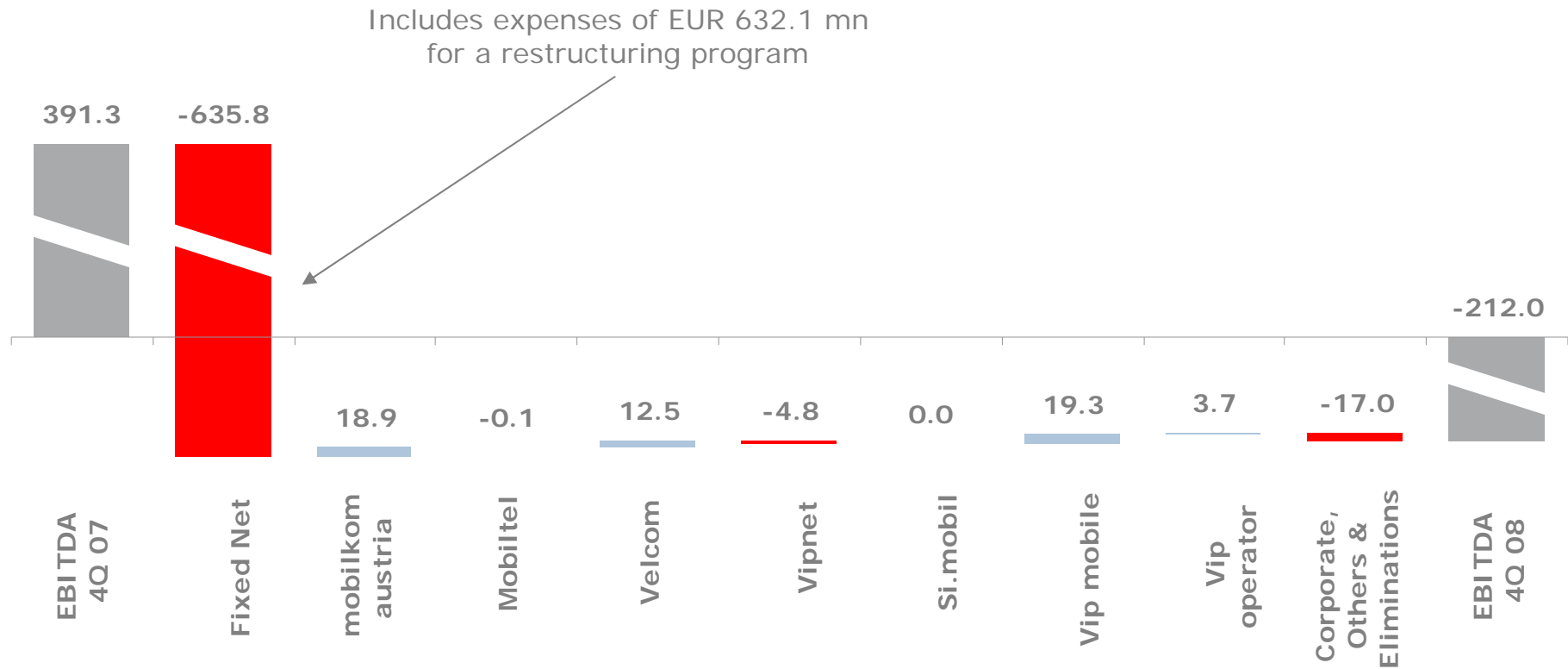
(EUR million)



# Development of EBITDA 4Q 08 vs. 4Q 07

## EBITDA

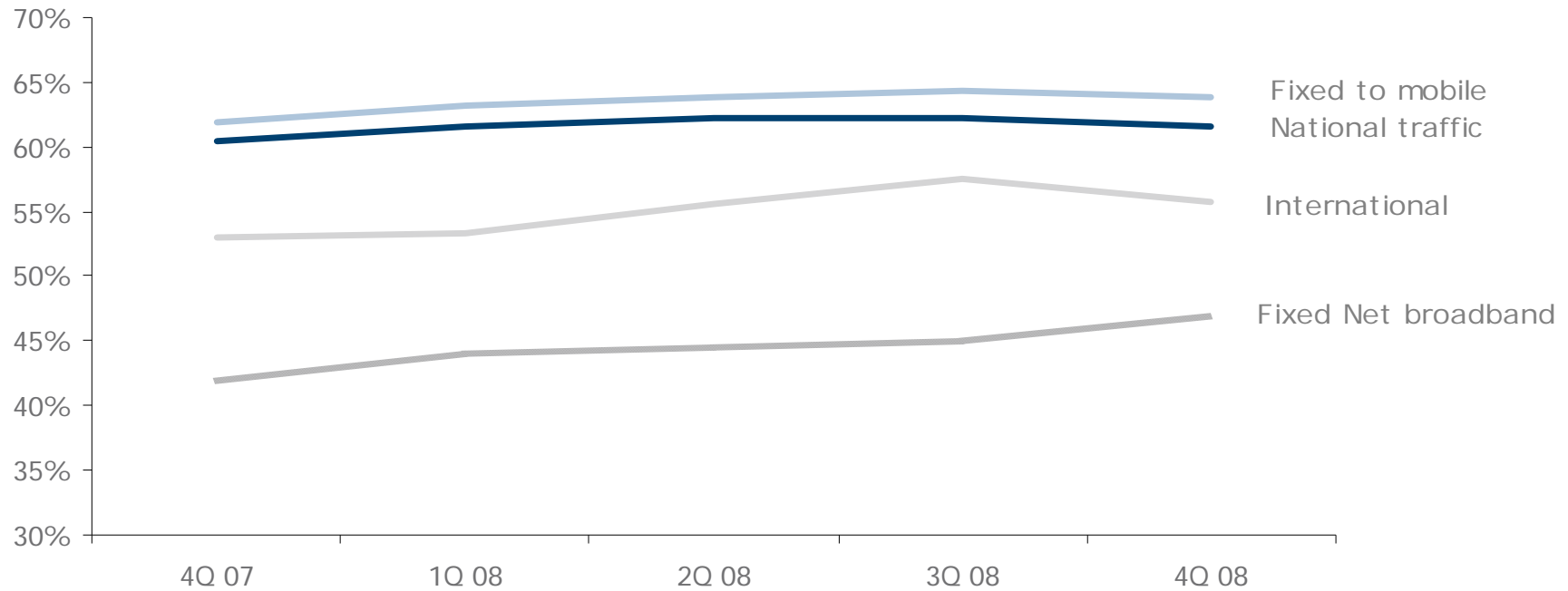
(EUR million)



## Fixed Net - Access Lines

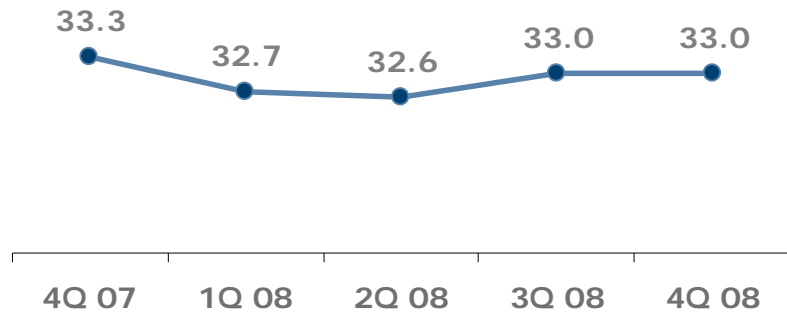
(in 000)	4Q 08	4Q 07	% change
PSTN access lines	1,955.3	2,028.9	-3.6%
Basic ISDN access lines	330.5	360.2	-8.2%
Multi ISDN access lines	6.4	6.5	-1.5%
Naked broadband lines	44.6	38.8	14.9%
<b>Total access lines in service</b>	<b>2,336.8</b>	<b>2,434.4</b>	<b>-4.0%</b>
of these broadband access lines	885.7	750.7	18.0%
thereof broadband wholesale lines	66.8	85.5	-21.9%
(in 000)	4Q 08	4Q 07	% change
<b>Fixed Net broadband net adds</b>	<b>50.4</b>	<b>28.6</b>	<b>76.2%</b>
<b>Unbundled lines</b>	<b>298.9</b>	<b>289.3</b>	<b>3.3%</b>

# Fixed Net – Voice & Broadband Market Shares

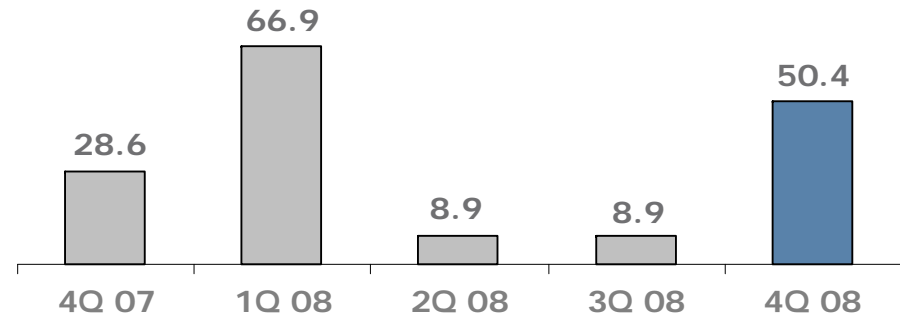


# Fixed Net Key Performance Indicators

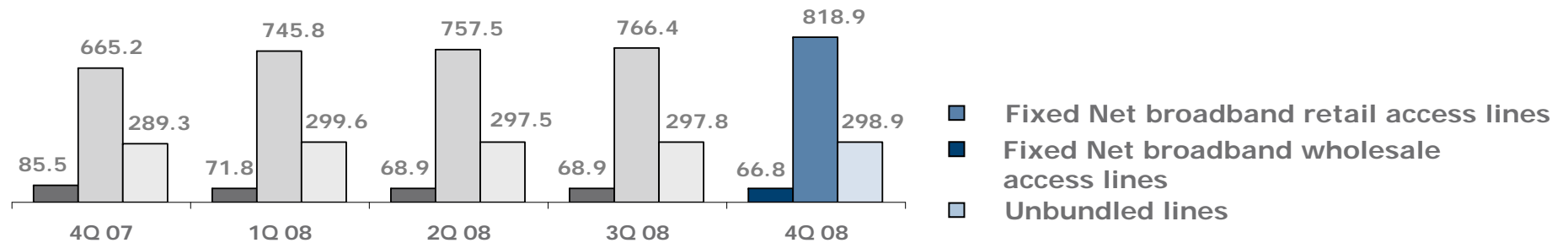
**Average Revenues per Access Line**  
(in EUR)



**Fixed Net Broadband Net Adds incl. Wholesale**  
(in 000)











**Fixed Broadband Access Lines**  
(in 000)



## Fixed Net - Minutes and Average Tariffs

(in million minutes)	4Q 08	4Q 07	% change
National	657	765	-14.1%
Fixed-to-mobile	182	195	-6.8%
International	98	106	-8.3%
<b>Total voice minutes</b>	<b>937</b>	<b>1,067</b>	<b>-12.2%</b>
Internet dial-up	68	148	-54.1%
<b>Total Fixed Net minutes</b>	<b>1,005</b>	<b>1,215</b>	<b>-17.3%</b>
(Average tariffs in EUR)	4Q 08	4Q 07	% change
National	0.042	0.043	-2.3%
Fixed-to-mobile	0.163	0.165	-1.2%
International	0.173	0.176	-1.7%
<b>Total voice average tariff</b>	<b>0.078</b>	<b>0.077</b>	1.3%
(in million minutes)	4Q 08	4Q 07	% change
National wholesale	1,783	2,014	-11.4%
International wholesale	1,134	865	31.2%
<b>Total wholesale minutes</b>	<b>2,918</b>	<b>2,878</b>	1.4%

# Mobile Subscribers

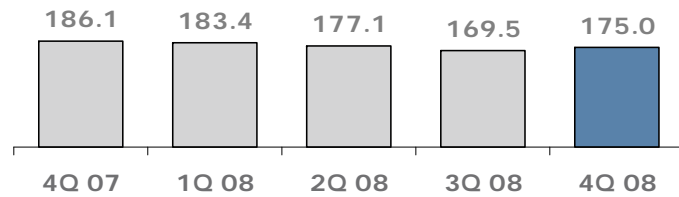
(in 000)		4Q 08	4Q 07	% change
	<b>Austria</b>	<b>4,496.3</b>	<b>3,959.3</b>	<b>13.6%</b>
	Market share	42.5%	40.3%	
	<b>Bulgaria</b>	<b>5,396.2</b>	<b>5,098.6</b>	<b>5.8%</b>
	Market share	50.0%	50.3%	
	<b>Belarus</b>	<b>3,697.9</b>	<b>3,058.7</b>	<b>20.9%</b>
	Market share	44.8%	43.4%	
	<b>Croatia</b>	<b>2,486.6</b>	<b>2,179.6</b>	<b>14.1%</b>
	Market share	42.2%	43.0%	
	<b>Slovenia</b>	<b>570.6</b>	<b>497.3</b>	<b>14.7%</b>
	Market share	27.7%	26.9%	
	<b>Republic of Serbia</b>	<b>907.9</b>	<b>508.9</b>	<b>78.4%</b>
	Market share	9.1%	5.8%	
	<b>Republic of Macedonia</b>	<b>242.0</b>	<b>141.2</b>	<b>71.4%</b>
	Market share	10.7%	7.9%	
	<b>Liechtenstein</b>	<b>5.9</b>	<b>5.4</b>	<b>9.3%</b>
	Market share	19.6%	18.4%	
	<b>Mobile Communication</b>	<b>17,803.4</b>	<b>15,449.0</b>	<b>15.2%</b>



# Operational Data – mobilkom austria

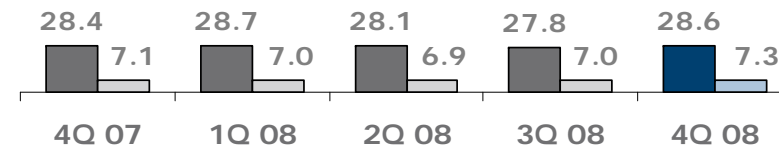
## MoU per Subscriber

(in minutes)



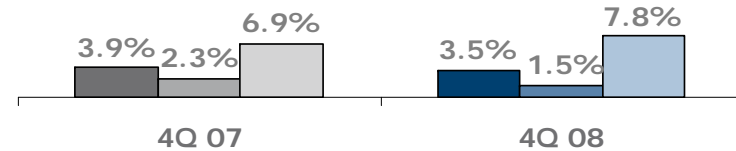
## ARPU & Data ARPU

(in EUR)



■ Blended ARPU ■ Data ARPU

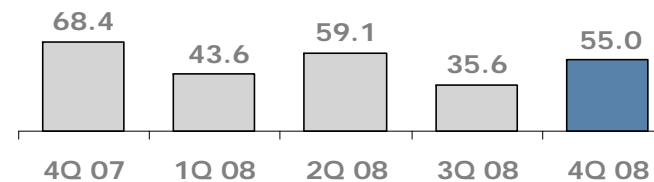
## Quarterly Churn



■ Blended ■ Contract ■ Prepaid

## SAC per Gross Add

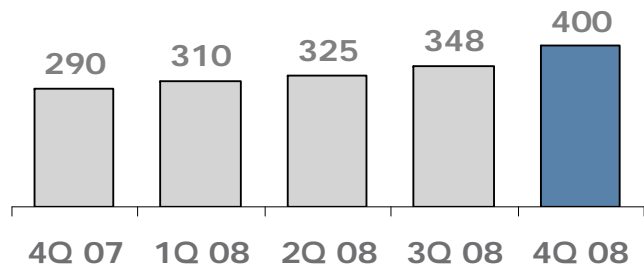
(in EUR)



# Mobile Data - mobilkom austria

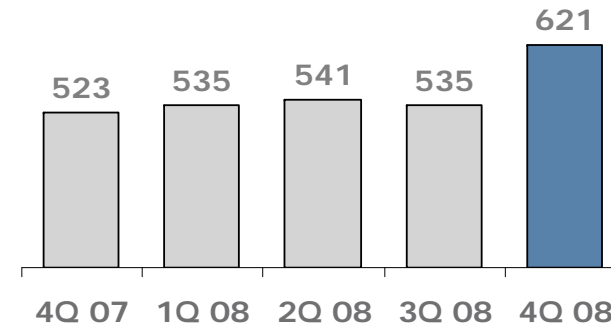
## Mobile Broadband Customers

(in 000)



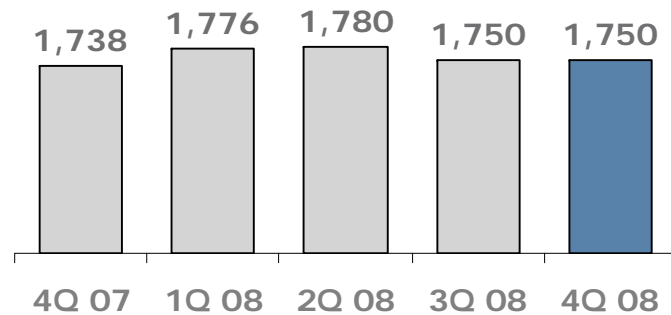
## Number of SMS

(in million)

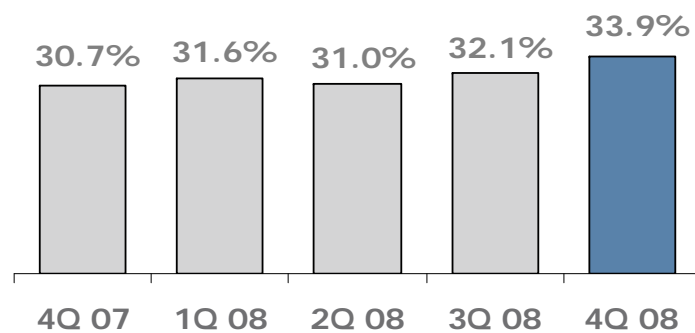


## Vodafone Live! Customers

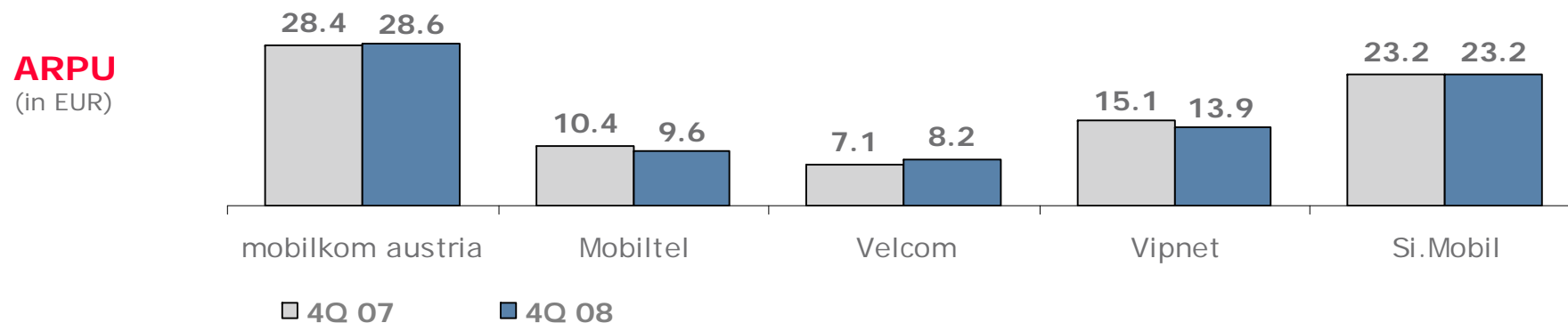
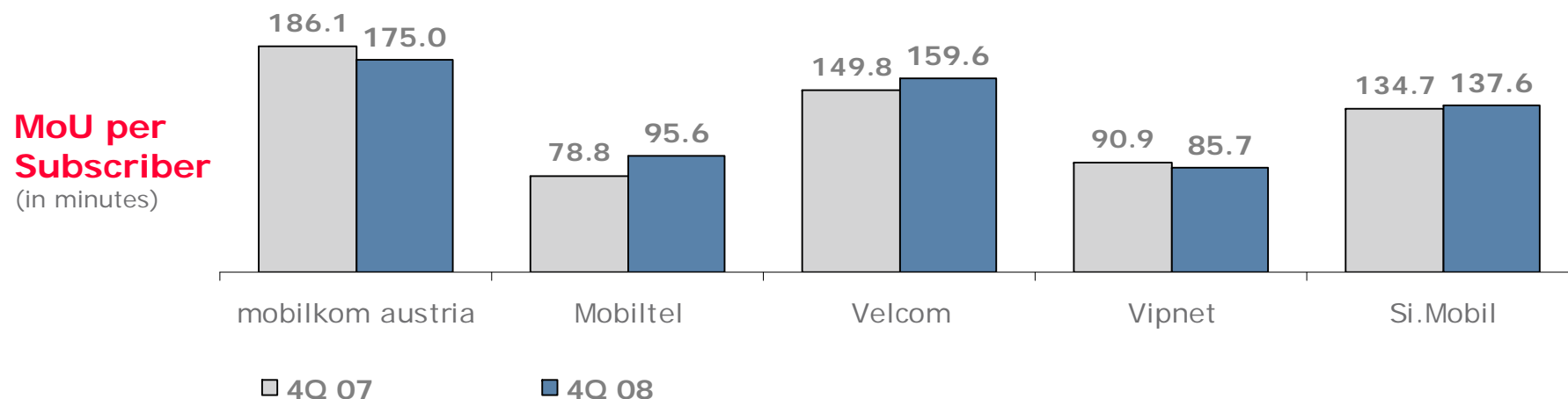
(in 000)



## Data in % of Revenues



# ARPU & MoU per Subscriber for Selected Mobile Communication Operations



# Headcount\* Development

(average period)	4Q 08	4Q 07	change
Fixed Net	9,030	9,685	-655
Mobile Communciation	8,385	7,035	1,350
<b>Telekom Austria Group</b>	<b>17,415</b>	<b>16,720</b>	695
(end of period)	4Q 08	4Q 07	change
Fixed Net	8,571	9,598	-1,027
Mobile Communciation	8,383	8,030	353
<b>Telekom Austria Group</b>	<b>16,954</b>	<b>17,628</b>	-674

\* Full-time-equivalents

# Fixed Net - Revenue Breakdown

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007	% change
Switched voice base traffic	75.9	88.7	-14.4%	318.0	349.9	-9.1%
Switched voice monthly & other voice revenues	112.3	111.9	0.4%	456.9	471.0	-3.0%
Payphones & VAS	9.5	12.4	-23.4%	41.2	46.7	-11.8%
Wholesale data & IT-solutions	121.9	125.3	-2.7%	465.1	446.4	4.2%
Internet access & media	55.1	65.5	-15.9%	235.3	280.7	-16.2%
Wholesale voice & Internet	90.7	101.9	-11.0%	405.6	410.4	-1.2%
Other	32.7	41.7	-21.6%	116.7	127.9	-8.8%
<b>Fixed Net revenues</b>	<b>498.1</b>	<b>547.4</b>	<b>-9.0%</b>	<b>2,038.8</b>	<b>2,133.0</b>	<b>-4.4%</b>

# Fixed Net – Expense Breakdown

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007	% change
Material expense	19.1	24.3	-21.4%	86.4	79.0	9.4%
Employee costs*	769.7	158.4	n.a.	1,186.1	559.4	n.a.
Depreciation, amortization and impairment charges	131.5	142.6	-7.8%	509.5	553.8	-8.0%
Interconnection	84.4	83.5	1.1%	344.4	359.3	-4.1%
Maintenance and repairs	28.8	35.5	-18.9%	107.9	111.1	-2.9%
Services received	21.6	25.9	-16.6%	83.5	73.3	13.9%
Other support services	31.4	31.8	-1.3%	110.1	93.5	17.8%
Other	59.6	71.9	-17.1%	201.1	215.9	-6.9%
<b>Fixed Net expenses</b>	<b>1,146.1</b>	<b>573.9</b>	<b>99.7%</b>	<b>2,629.0</b>	<b>2,045.3</b>	<b>28.5%</b>

\* Includes restructuring expenses of EUR 632.1 million

Results for the Financial Year 2008

# Mobile Communication - Revenue Breakdown

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Traffic revenues	423.5	398.4	6.3%	1,650.3	1,473.0	12.0%
Monthly rental	201.5	176.6	14.1%	763.1	613.8	24.3%
Equipment	84.2	85.6	-1.6%	269.8	278.7	-3.2%
Roaming	29.6	40.3	-26.6%	182.1	240.8	-24.4%
Interconnection	143.3	97.8	46.5%	510.8	422.9	20.8%
Other	17.8	11.5	54.8%	61.4	52.8	16.3%
Discounts	-15.5	-14.0	10.7%	-46.6	-46.9	-0.6%
<b>Mobile Communication revenues</b>	<b>884.4</b>	<b>796.2</b>	<b>11.1%</b>	<b>3,390.9</b>	<b>3,035.1</b>	<b>11.7%</b>

\*FY 2007 includes Velcom for 4Q only

# Mobile Communication – Expense Breakdown

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Material expense	116.2	109.0	6.6%	360.3	345.9	4.2%
Employee costs	74.0	66.3	11.6%	266.8	236.5	12.8%
Depreciation, amortization and impairment charges	173.0	155.4	11.3%	651.3	540.1	20.6%
Interconnection	114.5	84.2	36.0%	416.4	345.6	20.5%
Repairs	21.3	21.1	0.9%	80.4	73.0	10.1%
Services received	87.0	78.9	10.3%	313.7	303.9	3.2%
Other support services	8.1	7.7	5.2%	34.9	30.0	16.3%
Other	175.1	197.8	-11.5%	631.3	566.2	11.5%
<b>Mobile Communication expenses</b>	<b>769.2</b>	<b>720.4</b>	<b>6.8%</b>	<b>2,755.1</b>	<b>2,441.2</b>	<b>12.9%</b>

\*FY 2007 includes Velcom for 4Q only



# Revenues by Segment

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Fixed Net revenues	498.1	547.4	-9.0%	2,038.8	2,133.0	-4.4%
Mobile Communication revenues	884.4	796.2	11.1%	3,390.9	3,035.1	11.7%
Corporate, Other & Eliminations	-76.0	-55.5	36.9%	-259.4	-249.1	4.1%
<b>Revenues Telekom Austria Group</b>	<b>1,306.5</b>	<b>1,288.1</b>	<b>1.4%</b>	<b>5,170.3</b>	<b>4,919.0</b>	<b>5.1%</b>

\*FY 2007 includes Velcom for 4Q only

# EBITDA and Operating Income by Segment

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Fixed Net EBITDA**	-499.6	136.2	n.a.	-21.3	705.0	n.a.
Mobile Communication EBITDA	295.6	258.0	14.6%	1,340.6	1,177.6	13.8%
Corporate, Other & Eliminations	-8.0	-2.9	n.a.	-23.7	-27.7	-14.4%
<b>EBITDA Telekom Austria Group</b>	<b>-212.0</b>	<b>391.3</b>	<b>n.a.</b>	<b>1,295.6</b>	<b>1,854.9</b>	<b>-30.2%</b>

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Fixed Net operating income**	-631.1	-6.4	n.a.	-530.8	151.2	n.a.
Mobile Communication operating income	122.6	102.6	19.5%	689.3	637.5	8.1%
Corporate, Other & Eliminations	-7.6	-2.8	n.a.	-23.0	-27.3	-15.8%
<b>Operating income Telekom Austria Group</b>	<b>-516.1</b>	<b>93.4</b>	<b>n.a.</b>	<b>135.5</b>	<b>761.4</b>	<b>-82.2%</b>

\*FY 2007 includes Velcom for 4Q only

\*\* Includes restructuring expenses of EUR 632.1 million

# Capital Expenditures by Segment

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
Fixed Net tangible	60.2	106.5	-43.5%	201.8	272.6	-26.0%
Mobile Communication tangible	116.0	114.1	1.7%	390.1	364.9	6.9%
<b>Tangible</b>	<b>176.2</b>	<b>220.6</b>	<b>-20.1%</b>	<b>591.9</b>	<b>637.5</b>	<b>-7.2%</b>
Fixed Net intangible	22.1	29.2	-24.3%	61.7	51.9	18.9%
Mobile Communication intangible	77.2	66.7	15.7%	156.2	161.9	-3.5%
<b>Intangible</b>	<b>99.3</b>	<b>95.9</b>	<b>3.5%</b>	<b>217.9</b>	<b>213.8</b>	<b>1.9%</b>
<b>Total Capex Telekom Austria Group</b>	<b>273.3</b>	<b>316.5</b>	<b>-13.6%</b>	<b>807.6</b>	<b>851.3</b>	<b>-5.1%</b>

(EUR million)	4Q 08	4Q 07	% change	FY 2008	FY 2007*	% change
<b>Mobile Communication tangible</b>						
mobilkom austria	43.2	31.0	39.4%	121.9	119.2	2.3%
Mobiltel	2.9	25.2	-88.5%	63.4	75.9	-16.5%
Velcom	26.7	14.4	85.4%	50.5	14.4	n.a.
Vipnet	17.7	11.1	59.5%	62.6	53.2	17.7%
Si.mobil	9.8	6.7	46.3%	18.8	20.2	-6.9%
Vip mobile	8.8	28.5	-69.1%	64.8	62.8	3.2%
Vip operator	4.8	12.3	-61.0%	12.9	21.6	-40.3%

\*FY 2007 includes Velcom for 4Q only

Results for the Financial Year 2008

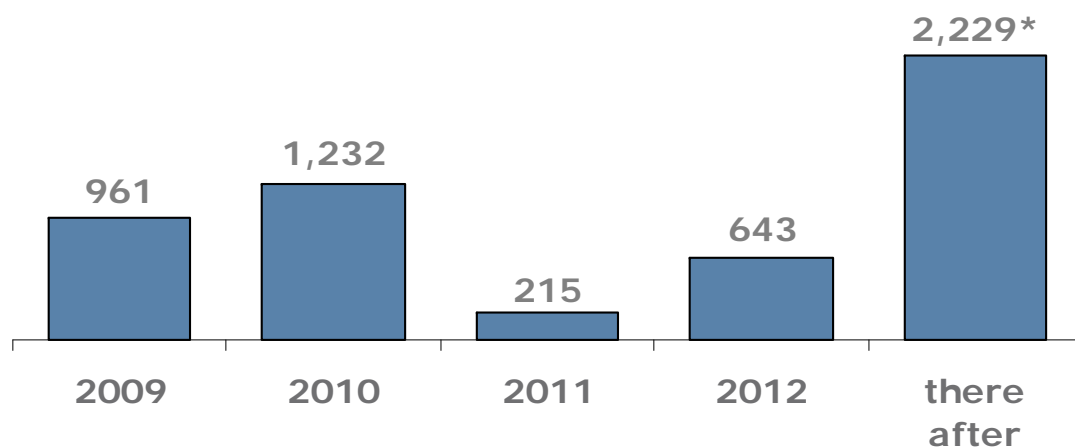
# Net Debt - Telekom Austria Group

(EUR million)	Dec 31, 2008	Dec 31, 2007	% change
Long-term debt	3,598.5	3,438.0	4.7%
Short-term debt	961.5	1,236.1	-22.2%
- Short-term portion of capital and cross border lease obligations	0.0	0.0	n.a.
+ Capital lease obligations	1.0	1.0	-3.8%
Cash and cash equivalents, short-term and long term investments, financing with related parties	-513.1	-287.8	n.a.
Derivate financial instruments for hedging purposes	-54.6	19.9	n.a.
<b>Net Debt of Telekom Austria Group</b>	<b>3,993.3</b>	<b>4,407.2</b>	<b>-9.4%</b>
Net Debt/ EBITDA (last 12 months)	3.1x	2.4x	n.a.
<b>Net Debt/ EBITDA (last 12 months) excluding restructuring measures</b>	<b>2.1x</b>	<b>2.4x</b>	<b>-</b>
EBITDA (last 12 months)	1,295.6	1,854.9	-30.2%

# EUR 750 mn Bond Supports Refinancing Beyond 2010

## Debt Maturity Profile

(EUR million)



### Ratings:

- S&P: BBB+ (*negative outlook*)
- Moody's: A3 (*stable outlook*)

## Lines of Credit

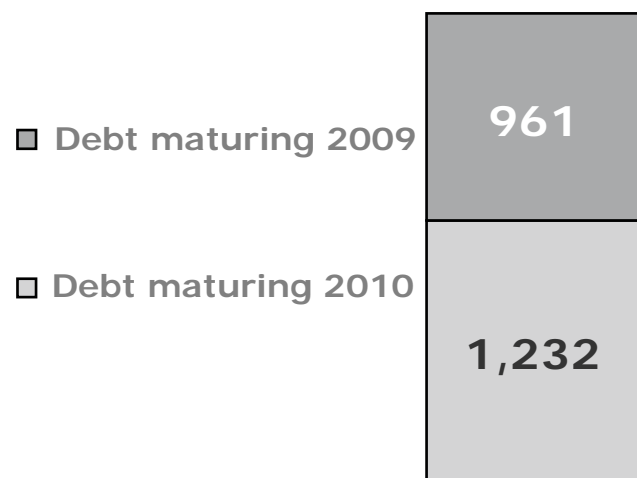
- Undrawn committed lines of credit amounting to EUR 1.5 bn
- Average life of 4 years
- Provided by 20 Banks

\* Including the EUR 750 million bond placed in January 2009

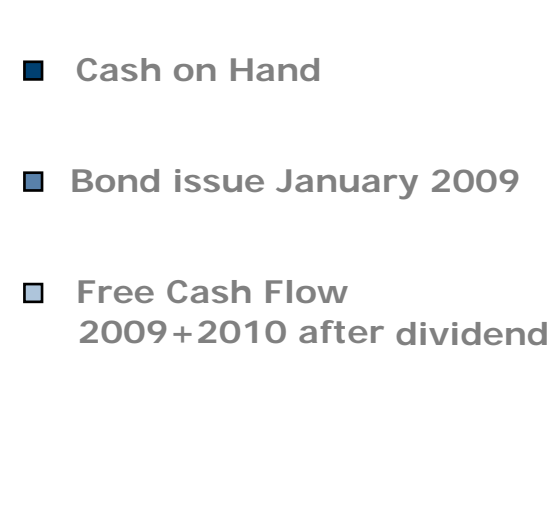
# Free Cash Flow After Dividend, Cash on Hand and Bond Proceeds Cover Refinancing in 2009 & 2010

## Debt Maturing

(in EUR million)



## Sources of Cash



- Free cash flow (after dividend) and cash on hand cover refinancing in 2009
- Refinancing need 2010 covered by bond issue and free cash flow after dividend payment