

## Results for the Full Year 2010

- > With 1,400 net adds during 2010 fixed access lines return to growth for the first time after more than 10 years
- > Group mobile subscriber base increases by 5.0% to more than 19.8 million customers
- > The improved operational performance limits the decline of Group revenues to EUR 4,650.8 million in 2010 despite a challenging macro-economic environment, strong competition and regulatory pressure
- > Group EBITDA comparable, which excludes restructuring and impairment charges, declines by 9.1% to EUR 1,645.9 million in 2010
- > Restructuring charges, which were predominately non-cash, in the amount of EUR 124.1 million and impairment charges in the amount of EUR 18.3 million incurred in 2010
- > CAPEX increases by 7.3% to EUR 763.6 million in 2010 predominantly due to higher investments in the next generation network in Austria
- > Net income improved to EUR 195.2 million in 2010 due to higher impairment charges in 2009
- > Revenues of up to EUR 4.6 bn, EBITDA comparable of up to EUR 1.6 bn and CAPEX of up to EUR 800 mn expected for 2011
- > Dividend floor of EUR 0.76 reiterated for the years 2011 and 2012

in EUR million	Q4 2010	Q4 2009	% change	FY 2010	FY 2009	% change
Revenues	1,170.8	1,181.5	-0.9%	4,650.8	4,802.0	-3.1%
EBITDA comparable	353.4	416.9	-15.2%	1,645.9	1,811.6	-9.1%
Operating income	-38.5	120.0	n.a.	437.9	343.9	27.3%
Net income	-61.3	63.6	n.a.	195.2	94.9	105.7%
Earnings per share (in EUR)	-0.14	0.14	n.a.	0.44	0.22	105.3%
Free cash flow per share (in EUR)	0.10	0.32	-69.5%	1.47	1.58	-6.8%
Capital Expenditures	320.2	291.6	9.8%	763.6	711.4	7.3%

in EUR million	Dec. 31, 2010	Dec. 31, 2009	% change
Net Debt	3,305.2	3,614.8	-8.6%
Net Debt/EBITDA comparable (12 months) excluding restructuring program	2.0x	2.0x	

All financial figures are based on IFRS; if not stated otherwise, all comparisons are given year-on-year. EBITDA comparable is defined as net income excluding financial result, income tax expense, depreciation and amortization, restructuring and impairment charges.

# Group Review

Vienna, February 23, 2011 – Today, the Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announced its results for the full year 2010 and the fourth quarter ending December 31, 2010.

## Summary

### Year-to-date comparison:

In 2010, Group revenues declined by 3.1% to EUR 4,650.8 million driven by lower revenues from the Austrian, Bulgarian and Croatian segments while Belarus and the segment Additional Markets, which includes Slovenia, the Republic of Serbia, the Republic of Macedonia and Liechtenstein showed revenue growth. The decline was primarily a consequence of declining prices due to the competitive environment, regulatory cuts of roaming and interconnection tariffs as well as a challenging macro-economic environment.

Group EBITDA comparable, which does not include restructuring and impairment charges, declined by 9.1% to EUR 1,645.9 million in 2010. Lower revenues in the Austrian, Bulgarian and Croatian segments, which could be mitigated by further cost savings, lead to a reduction of Group EBITDA comparable. The Belarusian and Additional Markets segments recorded rising EBITDA comparable driven by growing revenues.

While restructuring charges rose from EUR 17.5 million in 2009 to EUR 124.1 million in 2010, impairment charges fell from EUR 352.2 million in 2009 to EUR 18.3 million in 2010. Restructuring charges were primarily driven by civil servants transferring to the Austrian government as well as a change of the discount rate for the existing restructuring charge. These additional restructuring charges did not materially impact the cash flow of the Telekom Austria Group. Including the impact from restructuring and impairment charges operating income increased to EUR 437.9 million in 2010 EUR 343.9 million in 2009.

Net income rose from EUR 94.9 million in 2009 to EUR 195.2 million in 2010, primarily based on an improved operating income.

Capital expenditures increased by 7.3% to EUR 763.6 million due to higher expenditures in the Austrian segment in 2010.

### Quarterly comparison:

In the fourth quarter of 2010 Group revenues declined slightly by 0.9% to EUR 1,170.8 million. The fourth quarter was driven by strong demand for smartphones during the Christmas season which pushed up Equipment revenues, especially in Austria. On the whole, higher revenues from the Belarusian and Additional markets segment mitigated the impact of lower revenues from the Austrian, Bulgarian and Croatian segment as a consequence of the competitive environment, regulatory cuts and ongoing economic headwinds. The revenue growth achieved in the Belarusian and Additional markets segment was primarily driven by their rising mobile subscriber numbers.

Group EBITDA comparable, which does not include restructuring and impairment charges, declined by 15.2% to EUR 353.4 million during the fourth quarter of 2010 driven by lower results from the Austrian, Bulgarian, Croatian and Belarusian segments. Material and marketing expenses rose due to strong demand for smartphones during the Christmas season. Belarus saw a decline due to inventory write-offs and higher employee costs during the fourth quarter of 2010. EBITDA comparable growth was recorded in the segment Additional Markets with Republic of Serbia making the strongest contribution.

The presentation for the conference call and the key figures of the Telekom Austria Group in Excel format ("Fact Sheet 4Q 2010") are available on our website at [www.telekomaustria.com](http://www.telekomaustria.com).

Results for the first quarter 2011 will be announced on May 11, 2011.

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Operating income declined from EUR 120.0 million to an operating loss of EUR 38.5 million in the fourth quarter of 2010. Results of the fourth quarter of 2010 were impacted by a EUR 98.0 million restructuring charge in the Austrian segment compared to EUR 17.5 million in the fourth quarter of 2009. Furthermore, an impairment in the amount of EUR 18.3 million was recorded in the Austrian segment in the fourth quarter of 2010.

In the fourth quarter of 2010 a net loss in the amount of EUR 61.3 million was recorded compared to a net income of EUR 63.6 million in the fourth quarter of 2009.

Capital expenditures increased by 9.8% to EUR 320.2 million in the fourth quarter of 2010 as investments in the next generation network in the Austrian segment increased.

## Segment Reporting – Change in Reporting Structure

The Telekom Austria Group has realigned its management structure due to the increasing demand for convergent products. As a result, segment reporting is now based on geographical markets, instead of the segmentation in fixed and mobile businesses. The Telekom Austria Group reports separately on the five operating segments, Austria, Bulgaria, Croatia, Belarus and Additional Markets.

## Market Environment

Telekom Austria Group operates in a highly competitive environment both in the fixed line and mobile communication markets. Moreover, regulatory measures in all segments intensify the negative impact on pricing levels. Continuous scrutiny of cost structures, improvements to productivity and operating efficiency as well as introducing innovative services in fixed line and mobile communication markets are therefore essential to the success of the Telekom Austria Group.

In Austria, the sustained migration of fixed line voice to mobile communication remains a key challenge. However, on the back of strong demand for fixed broadband and the continued success of attractive convergent product bundles Telekom Austria Group returned to access line growth in 2010. Innovative products such as aonTV further support this trend. In Austria, the Telekom Austria Group remains focused on the protection of cash flows by offering a market-oriented product portfolio and attractive pricing schemes.

In CEE, a challenging macro-economic environment, fiscal burden and a high level of competition shape the operational situation. Moreover, innovative products, such as mobile broadband and convergent product bundles have become an increasing element of the competitive environment in the Central & Eastern European region.

Regulatory cuts in termination charges and roaming tariffs negatively impacts the domestic as well as the international businesses.

## Telekom Austria Group Outlook for 2011

Several negative external effects continue to shape the market environment of Telekom Austria Group. Whilst the macroeconomic situation in CEE is expected to recover throughout 2011, the Telekom Austria Group expects a delayed impact of such a recovery on its operational performance. These effects also include the unabated fixed-to-mobile substitution and the continued price pressure in the Telekom Austria Group's major markets. In addition, regulatory induced lower roaming prices as well as fixed and mobile termination rates will continue to impact the Group's results in 2011. Taxes levied on mobile communication services in Croatia pose an additional burden.

Nevertheless, the outlook for 2011 reflects the Group's confidence to be able to successfully mitigate these challenges through clear customer focus, intensified marketing of innovative products and strict cost management.

For the financial year 2011, revenues are expected to amount to up to EUR 4.6 billion. Focus on cost control will mitigate the impact from lower revenues and is anticipated to result in a EBITDA comparable, which does not include impairment and restructuring charges, of up to EUR 1.60 billion. Capital expenditures of the Telekom Austria Group are forecasted to reach up to EUR 800 million and do not include investments for license or spectrum acquisitions. Operating free cash flow\* remains the primary focus of management and is expected to amount to approximately EUR 800 million.

Following the update of its cash use policy at the last Capital Market Day in December 2010, the Telekom Austria Group intends to distribute 55% of free cash flow\*\* to its shareholders as dividends. For the years 2011 and 2012, a minimum dividend of EUR 0.76 per share has been put in place. Maintaining a stable investment grade rating of at least BBB (stable outlook) remains central to the Group's financial profile.

A leverage corridor of 2.0x – 2.5x Net debt/EBITDA comparable provides increased flexibility to balance share buybacks with growth projects. Hence, the start of share buybacks depends on the volume of potential growth projects. However, cash will always be returned to shareholders via share buybacks if leverage falls below 2.0x Net debt/EBITDA comparable. A stable business and currency environment remains a prerequisite for share buybacks.

This outlook is given on a constant currency basis.

Telekom Austria Group	Outlook 2011 as of February 23, 2011
Revenues	Up to EUR 4.6 bn
EBITDA comparable	Up to EUR 1.60 bn
Capital Expenditures	Up to EUR 0.80 bn
Operating Free Cash Flow*	Approximately EUR 0.8 bn
Dividend	55% of free cash flow**, DPS of EUR 0.76 minimum

\* Operating Free cash flow = EBITDA comparable minus capital expenditures in existing business

\*\* Free cash flow = Cash flow from operating activities minus capital expenditures in existing business

Outlook 2011 – strong operational performance mitigates external challenges

Minimum DPS of EUR 0.76 by 2012

# Year-to-Date Comparison

## Revenues

Note: Detailed data on Group financials are shown in the appendix on page 19

Revenues in EUR million	FY 2010	FY 2009	% change
Austria	3,064.2	3,203.7	-4.4%
Bulgaria	564.5	614.7	-8.2%
Croatia	451.9	476.9	-5.2%
Belarus	343.6	300.3	14.4%
Additional Markets	321.1	297.8	7.8%
Corporate & Other, Eliminations	-94.4	-91.4	3.2%
<b>Total</b>	<b>4,650.8</b>	<b>4,802.0</b>	<b>-3.1%</b>

### Group revenue decline of 3.1%

In 2010, Group revenues declined by 3.1% to EUR 4,650.8 million due to lower revenues in the Austrian, Bulgarian and Croatian segments while the Belarusian and Additional Markets segments reported revenue growth.

### In Austria, access line growth of 1,400 lines in 2010

For the first time in more than 10 years, the full year comparison for Austria shows growth in access lines with the total figure rising by 1,400 lines to 2,3 million lines in 2010. The segment's mobile communication subscriber base increased by 5.6% to more than 5.1 million customers.

In the Austrian segment, the revenue decline of 4.4% to EUR 3,064.2 million was primarily driven by lower Monthly Fee and Traffic revenues as a consequence of lower prices as well as declining fixed line minutes. Furthermore, regulatory cuts in roaming and mobile interconnection tariffs impacted revenues negatively in 2010. EUR 13.9 million were reclassified from other OPEX and caused a reduction of Monthly Fee and Traffic revenues. A further EUR 20.0 million were reclassified from Wholesale (incl. Roaming) revenues to revenues from Data & ICT Solutions.

In the Bulgarian segment, revenues were primarily impacted by cuts in mobile termination rates and declined by 8.2% to EUR 564.5 million in 2010. Monthly Fee and Traffic revenues decreased as higher fixed fees could not compensate lower prices for voice telephony.

Revenues in the Croatian segment amounted to EUR 451.9 million and declined by 5.2% in 2010 compared to 2009. The reduction was primarily driven by lower Roaming and Interconnection revenues. Lower usage led to a decline in Monthly Fee and Traffic revenues in spite of a higher number of customers. In 2010, foreign currency translations positively impacted revenues by EUR 3.3 million.

In the Belarusian segment revenues increased by 14.4% to EUR 343.6 million in 2010. Monthly Fee and Traffic revenues increased due to a growing subscriber base and higher minutes of use per subscriber. Equipment revenues were driven by the demand for smartphones. Foreign currency translations impacted revenues in Belarus negatively by EUR 5.1 million.

In the Additional Markets segment revenues rose by 7.8% to EUR 321.1 million in 2010 and benefited from higher contributions from the operations in the Republic of Serbia and in the Republic of Macedonia. In Slovenia, revenues decreased due to lower Roaming and Interconnections revenues. Foreign currency translations negatively impacted the Additional Markets segment by EUR 9.7 million.

## EBITDA

### EBITDA comparable

in EUR million	FY 2010	FY 2009	% change
Austria	1,032.4	1,177.6	-12.3%
Bulgaria	298.6	327.0	-8.7%
Croatia	150.5	170.8	-11.9%
Belarus	155.6	149.9	3.8%
Additional Markets	41.1	13.8	197.0%
Corporate & Other, Eliminations	-32.3	-27.6	16.8%
<b>Total</b>	<b>1,645.9</b>	<b>1,811.6</b>	<b>-9.1%</b>

In 2010, EBITDA comparable, which excludes restructuring and impairment charges, declined by 9.1% to EUR 1,645.9 million. Positive contributions from the segments Belarus and Additional Markets could not compensate lower results from the segments Austria, Bulgaria and Croatia. Operating expenses related to the integration of the Austrian fixed and mobile operations amounted to EUR 17.6 million on Group level in 2010. Foreign currency translations negatively impacted Group EBITDA comparable by EUR 1.1 million in 2010.

EBITDA comparable declines by 9.1% at Group level

In the Austrian segment, EBITDA comparable declined by EUR 145.3 million due to lower revenues, which could only be partially mitigated by a decline of OPEX by EUR 1.7 million. In 2009, other operating income comprised a one-off effect of to EUR 10.2 million for a reimbursement from the government for investments into telecommunication surveillance equipment in 2009. In 2010, a net one-off effect of EUR 1.9 million for a real estate disposal was recorded in 2010.

In the Bulgarian segment, the impact of lower revenues on EBITDA comparable was cushioned by the reduction of total operating expenses by 8.0% protecting the EBITDA comparable margin at 52.9% in 2010 versus 53.2% in 2009. Total EBITDA comparable fell by 8.7% to EUR 298.6 million in 2010.

EBITDA comparable of the segment Croatia declined by 11.9% to EUR 150.5 million in 2010 mostly due to falling minutes charged to subscribers as well as the introduction of a 6% tax in August 2009. EUR 4.7 million lower operating expenses were a result of cost savings measures as well as lower interconnection and roaming costs.

In 2010, EBITDA comparable of the segment Belarus increased by 3.8% to EUR 155.6 million. Operating expenses rose primarily due to the roll-out of the 3G network. Foreign currency translations negatively impacted EBITDA comparable by EUR 2.3 million.

In 2010, EBITDA comparable of the segment Additional Markets almost tripled to EUR 41.1 million. In Slovenia, cost savings mitigated the impact of lower revenues and resulted in an EBITDA comparable of EUR 45.1 million compared to EUR 48.2 million in 2009. In the Republic of Serbia, the targeted EBITDA comparable break-even was achieved in 2010. EBITDA comparable of the Republic of Macedonia improved by 61.1% to a negative amount of EUR 5.2 million in 2010. The positive development in both countries was driven by strong growth of revenues. In the segment Additional Markets, positive effects of foreign currency translations amounted to a total of EUR 0.1 million.

EBITDA comparable tripled in the segment Additional Markets

EBITDA incl. Restructuring and Impairment Charges in EUR million	FY 2010	FY 2009	% change
Austria	890.0	1,159.9	-23.3%
Bulgaria	298.6	327.0	-8.7%
Croatia	150.5	170.8	-11.9%
Belarus	155.6	-140.1	n.a.
Additional Markets	41.1	-48.2	n.a.
Corporate & Other, Eliminations	-32.3	-27.6	16.8%
<b>Total</b>	<b>1,503.5</b>	<b>1,441.8</b>	<b>4.3%</b>

Restructuring charge of  
EUR 124.1 million in the  
Austrian segment in 2010

EBITDA incl. restructuring and impairment charges grew by 4.3% to EUR 1,503.5 million. In 2010, restructuring charges of EUR 124.1 million primarily for the transfer of civil servants to the Austrian government as well as a change of the discount rate for the existing restructuring charge and an impairment of AT Telekom Austria's subsidiary Mass Response Service GmbH of EUR 18.3 million were recorded in the Austrian segment. In 2009, a restructuring charge of EUR 17.5 million was recorded in the Austrian segment and results were impacted by impairment charges of EUR 290.0 million due to the foreign currency devaluation in the Belarusian segment and of EUR 62.0 million for the license in the Republic of Serbia in the Additional Markets segment.

## EBIT

EBIT in EUR million	FY 2010	FY 2009	% change
Austria	225.0	469.7	-52.1%
Bulgaria	124.1	147.9	-16.1%
Croatia	82.9	100.8	-17.8%
Belarus	73.4	-211.9	n.a.
Additional Markets	-36.1	-135.6	-73.4%
Corporate & Other, Eliminations	-31.3	-26.9	16.3%
<b>Total</b>	<b>437.9</b>	<b>343.9</b>	<b>27.3%</b>

In 2010, EBIT increased to EUR 437.9 million as a result of lower impairment charges. Foreign currency translations positively impacted operating income in the amount of EUR 7.3 million in 2010.

## Consolidated Net Income

In 2010, net interest expense declined by 11.8% to EUR 194.0 million compared to EUR 220.0 million in the same period of the previous year, mainly due to the repayment of a EUR 500.0 million Eurobond in the first quarter of 2010.

Following a comparably benign currency development, foreign exchange differences in the financial result improved from a negative amount of EUR 14.2 million in 2009 to a negative amount of EUR 1.7 million in 2010.

Income tax expenses increased to EUR 46.5 million as income before income tax rose from EUR 106.3 million in 2009 to EUR 241.6 million in 2010. The effective tax rate increased from 10.7% in 2009 to 19.2% in 2010.

Therefore, net income rose to EUR 195.2 million in 2010 from EUR 94.9 million in 2009.

Basic and diluted earnings per share amounted to EUR 0.44 in 2010 compared to EUR 0.22 in 2009.

## Balance Sheet and Net Debt

Total assets of the Telekom Austria Group declined by 11.1% from EUR 8,498.7 million as of December 31, 2009 to EUR 7,555.8 million as of December 31, 2010 primarily due to the repayment of a EUR 500.0 million Eurobond and the payment of a part of the remaining 30% stake in velcom. These payments were primarily financed out of existing cash and investments.

Total assets reduced due to repayment of long-term debt

In 2010, current assets declined by 29.0% to EUR 1,437.7 million primarily due to the above mentioned repayment of liabilities. Property plant and equipment and other intangible assets declined by 4.7% to EUR 2,549.0 million and by 9.6% to EUR 1,718.1 million respectively due to higher depreciation and amortization than additions.

Current liabilities declined by 29.7% from EUR 2,679.5 million as of December 31, 2009 to EUR 1,883.0 million as of December 31, 2010 as short-term borrowings declined due to the repayment of a EUR 500.0 million Eurobond. Furthermore, the payment of a part of the remaining 30% stake in velcom lead to a reduction of other current liabilities. Long-term liabilities declined due to a shift of maturing long-term debt to short-term debt and amounted to EUR 4,195.9 million as of December 31, 2010.

Long-term liabilities decline by EUR 9.2 million

Stockholders equity declined to EUR 1,476.9 million due to lower retained earnings.

### Net Debt

in EUR million	Dec. 31, 2010	Dec. 31, 09	% change
Net Debt	3,305.2	3,614.8	-8.6%
Net Debt/EBITDA comparable (12 months) excluding restructuring program	2.0x	2.0x	

As of December 31, 2010 net debt declined by 8.6% to EUR 3,305.2 million as long-term debt and short-term liabilities were reduced. Net debt to EBITDA comparable (last 12 months) remained stable at 2.0 x as of December 31, 2010.

Net debt/EBITDA stable at 2.0x



## Cash Flow

Cash Flow in EUR million	FY 2010	FY 2009	% change
Cash generated from operations	1,397.5	1,385.4	0.9%
Cash used in investing activities	-616.9	-929.8	-33.7%
Cash used in financing activities	-1,388.4	-152.9	808.3%
Effect of exchange rate changes	-2.0	42.6	n.a.
Net increase/decrease in cash and cash equivalents	-609.9	345.3	n.a.

Cash flow from operations  
increase by EUR 12.1 million

In 2010, cash generated from operations increased by EUR 12.1 million to EUR 1,397.5 million as change in working capital benefited from a stronger increase of accounts payable than accounts receivable.

Cash outflow from investing activities declined by 33.7% to EUR 616.6 million as net cash inflow from investments exceeded the increase in capital expenditures in 2010.

Cash outflow from financing activities increased from an outflow of EUR 152.9 million in 2009 to an outflow of EUR 1,388.4 million mainly due to the payment of a part of the remaining 30% stake in velcom. Moreover, a Eurobond of EUR 750.0 million was placed in 2009.

## Capital Expenditures

Capital Expenditures in EUR million	FY 2010	FY 2009	% change
Austria	515.8	424.5	21.5%
Bulgaria	66.3	74.8	-11.4%
Croatia	48.3	57.6	-16.0%
Belarus	62.9	59.2	6.3%
Additional Markets	70.3	95.4	-26.3%
Corporate & Other, Eliminations	0.0	0.0	n.a.
<b>Total Capital Expenditures</b>	<b>763.6</b>	<b>711.4</b>	<b>7.3%</b>
Thereof tangible	573.0	516.7	10.9%
Thereof intangible	190.6	194.7	-2.1%

Capital expenditures increase  
by 7.3%

In 2010, total capital expenditures increased by 7.3% to EUR 763.6 million driven by an increase in the Austrian segment and the Belarusian segment. In the Austrian segment, the increase in capital expenditures was predominantly due to investments in the next generation network. In addition, EUR 2.4 million were related to the integration of Austrian fixed and mobile operations. In the Belarusian segment the increase of capital expenditures was due to the roll-out of 3G network.

In the Bulgarian segment capital expenditures declined by 11.4% to EUR 66.3 million, predominantly due to higher network investments in 2009. In the Croatian segment the decline in capital expenditures was due to lower access investment.

In 2010, capital expenditures in the Additional Markets segment declined to EUR 70.3 million driven by lower investments in the Republic of Serbia following a more intensive roll-out during the previous year.

# Quarterly Analysis

## Segment Austria

Note: Detailed data of the segments are shown in the appendix on page 26

### Key Performance Indicators Austria

in EUR million	Q4 2010	Q4 2009	% change
Revenues	766.9	791.5	-3.1%
EBITDA comparable	219.1	275.0	-20.3%
EBITDA incl. Restructuring and Impairment Charges	102.8	257.4	-60.1%
EBIT	-68.3	78.0	n.a.
<b>Fixed Line Market</b>			
ARPL	34.0	34.0	0.0%
Total Access Lines	2,315.0	2,313.5	0.1%
Fixed Broadband Lines	1,161.0	1,022.6	13.5%
Fixed Line Voice Minutes	730.6	821.1	-11.0%
<b>Mobile Communication Market</b>			
Mobile Subscribers ('000)	5,105.2	4,834.2	5.6%
Mobile Market Share	41.4%	42.6%	
Mobile Penetration	146.7%	135.7%	
Mobile Broadband Customers	653,748	505,183	29.4%
ARPU	21.6	23.3	-7.3%

A highly competitive environment as well as the ongoing fixed to mobile substitution of voice minutes remained the key challenges in Austria in the fourth quarter of 2010. Nevertheless, via successful marketing activities and attractive and innovative product offerings, A1 Telekom Austria achieved a return to full year fixed access line growth as well as a continued rise of mobile subscriber numbers. With an increase of 11,900 fixed access lines during the fourth quarter of 2010 compared to 4,400 lines during the fourth quarter of 2009 this turnaround is a result of strong demand for product bundles based on fixed broadband as well as IPTV services.

Access line growth of 11,900 lines

The number of aonTV subscribers increased by almost 50.0% to more than 151,000 subscribers. Moreover, mobile subscriber growth remains driven by strong interest for smartphones as well as mobile broadband services. A1 Telekom Austria's mobile broadband subscriber base grew by 29.4% to approximately 654,000 customers in the fourth quarter of 2010.

In the fourth quarter 2010, revenues in the Austrian segment declined by 3.1% to EUR 766.9 million year on year. Higher Equipment revenues and Data and ICT Solutions revenues could partially compensate the reduction in Monthly Fee and Traffic revenues as well as Interconnection revenues.

Revenue decline slowed down and driven by loss of fixed line minutes

Monthly Fee and Traffic revenues declined by EUR 19.2 million to EUR 514.6 million due to lower prices and the loss of fixed line minutes in the fourth quarter 2010 which decreased by 11.0% to 730.6 million minutes due to fixed-to-mobile substitution. A reclassification of EUR 13.9 million from other OPEX impacted Monthly Fee and Traffic revenues negatively in the fourth quarter of 2010.

Revenues from Data & ICT Solutions increased by EUR 11.4 million to EUR 60.9 million and benefited from a pickup in demand as well as a reclassification of a revenue position of EUR 8.0 million from Wholesale (incl. Roaming). The latter declined by 26.5% to EUR 42.6 million, also due to lower roaming prices following regulatory cuts.

Interconnection revenues declined by 9.7% to EUR 95.8 million due to further cuts of national and international mobile termination rates. A one-off effect of EUR 3.1 million for universal services is included in interconnection revenues in the fourth quarter 2010.

Equipment revenues increased from EUR 25.8 million in the fourth quarter of 2009 to EUR 39.7 million in the fourth quarter of 2010 mainly driven by a higher demand for smartphones during the Christmas season.

Other operating income increased by EUR 2.0 million to EUR 34.9 million in the fourth quarter 2010 due to higher own work capitalized.

**Stable ARPL in 4Q 2010 due to success of product bundles**

Average revenue per fixed access line (ARPL) remained unchanged at EUR 34.0 in the fourth quarter 2010 compared to the same period last year as the impact of product bundles could compensate the loss of fixed line minutes. In the mobile communication market, blended average revenue per user (ARPU) decreased by 7.3% to EUR 21.6 in the fourth quarter 2010 from EUR 23.3 in the fourth quarter of 2009 mainly due to lower prices and lower interconnection tariffs. Furthermore, blended ARPU declined due to a higher number of no-frills customers and a migration towards new package tariffs. Data ARPU increased by 4.3% to EUR 7.3 in the fourth quarter of 2010.

EBITDA comparable is mainly impacted by lower revenues and higher operating expenses, particularly seasonally higher material and marketing expenses during the Christmas season. EBITDA comparable declined from EUR 275.0 million in the fourth quarter of 2009 to EUR 219.1 million in the fourth quarter of 2010.

Mobile subscriber acquisition costs (SAC) increased by 2.9% to EUR 17.5 million as a result of the above mentioned marketing activities such as higher subsidies for smartphones. Mobile subscriber retention costs (SRC) rose by 19.0% from EUR 23.2 million to EUR 27.6 million mainly due to higher subsidies for a higher number of handsets.

Material expenses increased by 35.2% to EUR 83.1 million due to a higher number of handsets sold. Employee costs declined from EUR 170.3 million to EUR 167.1 million as employee costs in the amount of EUR 2.3 million were shifted to the restructuring charge during the fourth quarter of 2010 due to the transfer of civil servants to the Austrian government. Interconnection costs declined by 5.0% to EUR 88.5 million as a result of further cuts in national and international mobile termination rates and due to lower volumes. Costs for services received declined by 34.1% to EUR 34.3 million due to lower inter-operator tariffs and a reclassification of energy costs in the amount of EUR 12.5 million to Other expenses. The latter rose by 26.2% to EUR 127.5 million, also due to higher marketing expenses. Costs related to the integration of fixed and mobile operations amounted to EUR 4.6 million in the fourth quarter of 2010.

**Restructuring charge of EUR 98.0 million**

In the fourth quarter of 2010 total restructuring charges amounted to EUR 98.0 million comprising of a EUR 36.1 million charge for the transfers of civil servants to the Austrian government and an additional restructuring charge of EUR 61.9 million which was mainly a result of a change of the discount rate for the existing restructuring charge. Furthermore, an impairment of EUR 18.3 million relating to Mass Response was recorded.

Including the restructuring and impairment charges, an operating loss of EUR 68.3 million was recorded in the fourth quarter of 2010 compared to a operating income of EUR 78.0 million in the same period last year.

## Segment Bulgaria

### Key Performance Indicators Bulgaria

in EUR million	Q4 2010	Q4 2009	% change
Revenues	146.9	149.1	-1.5%
EBITDA comparable	71.9	72.9	-1.4%
EBITDA incl. Restructuring and Impairment Charges	71.9	72.9	-1.4%
EBIT	27.6	28.7	-3.8%
Mobile Subscribers ('000)	5,248.7	5,352.5	-1.9%
Mobile Market Share	49.6%	49.8%	
Mobile Penetration	140.8%	142.0%	
Mobile Broadband Customers	126,217	60,111	110.0%
ARPU	8.7	9.0	-3.3%

MobilTel managed to keep its subscriber base almost stable at 5.3 million customers, while its contract subscribers increased by 6.7%, by the end of the fourth quarter of 2010. Mobile market share declined slightly to 49.6%. Mobile broadband exhibited a strong performance with the subscriber base doubling to more than 126,000 mobile broadband customers.

Mobile broadband customers doubled

Strong operational performance largely mitigated the negative effects from regulatory interventions and intense competition on revenues resulting in a decline of only 1.5% to EUR 146.9 million in the fourth quarter of 2010 compared to the same period last year. Monthly Fee and Traffic revenues increased due to a higher number of contract subscribers driven by higher demand for smartphones as well as growth in mobile broadband. Interconnection revenues were negatively impacted by regulation as termination rates dropped by approximately 43% on a year-on-year comparison.

Strong operational performance

Average revenue per user (ARPU) declined by 3.3% to EUR 8.7 as a higher number of contract customers dampened the effects of lower mobile termination rates.

Strong operational performance and a reduction of operating expenses by 2.8% to EUR 77.7 million in the fourth quarter of 2010 lead to EBITDA comparable declining only slightly by 1.4% to EUR 71.9 million.

In the Bulgarian segment operating income fell by 3.8% to EUR 27.6 million in the fourth quarter of 2010 from EUR 28.7 million in the fourth quarter of 2009.

## Segment Croatia

### Key Performance Indicators Croatia in EUR million

	Q4 2010	Q4 2009	% change
Revenues	105.9	109.4	-3.2%
EBITDA comparable	27.6	32.6	-15.3%
EBITDA incl. Restructuring and Impairment Charges	27.6	32.6	-15.3%
EBIT	10.5	15.3	-31.6%
Mobile Subscribers ('000)	2,749.5	2,603.0	5.6%
Mobile Market Share	43.1%	42.6%	
Mobile Penetration	144.5%	138.4%	
Mobile Broadband Customers	178,958	137,106	30.5%
ARPU	10.7	12.0	-10.8%

### Mobile broadband customer growth of 30.5%

Although Vipnet continues to operate in a challenging macro-economic and competitive environment, the company managed to increase its mobile subscriber base by 5.6% to 2.7 million customers and strengthened its contract share to 25.0%. Market share rose to 43.1% by the end of December 2010 compared to 42.6% in the same period of the prior year. Furthermore, Vipnet's mobile broadband subscriber base increased by 30.5% to almost 179,000 customers.

The revenue decline of 3.2% to EUR 105.9 million was mainly driven by lower Monthly Fee and Traffic revenues. Revenues decreased due to lower voice volumes driven by the challenging economic environment in Croatia. While lower Roaming revenues decreased as a result of lower inter-operator tariffs, Interconnection revenues rose as an increase in interconnection relevant minutes overcompensated declining interconnection rates.

Average revenue per user (ARPU) fell to EUR 10.7 in the fourth quarter of 2010 compared to EUR 12.0 in the same period of the previous year mainly due to lower monthly fee and traffic revenues.

Operating expenses increased slightly by 1.8% to EUR 79.5 million as material expenses increased due to a higher number of postpaid handsets sold driven by an increase in demand for smartphones. EBITDA comparable declined by 15.3% to EUR 27.6 million in the fourth quarter of 2010.

Operating income of Vipnet declined by EUR 4.8 million to EUR 10.5 million in the fourth quarter of 2010.

## Segment Belarus\*

### Key Performance Indicators Belarus

in EUR million	Q4 2010	Q4 2009	% change
Revenues	90.5	74.8	21.0%
EBITDA comparable	36.4	38.4	-5.1%
EBITDA incl. Restructuring and Impairment Charges	36.4	38.4	-5.1%
EBIT	14.5	20.4	-28.8%
Mobile Subscribers ('000)	4,353.7	4,102.4	6.1%
Mobile Market Share	41.9%	42.7%	
Mobile Penetration	109.6%	99.4%	
Mobile Broadband Customers	143,532	0.0	n.a.
ARPU	6.2	5.5	12.7%

velcom increased its subscriber base by 6.1% to almost 4.4 million customers in the fourth quarter 2010, and benefited from the growth of the number of mobile broadband customers. However, competitive pressure from the third operator led to a slight decrease of market share to 41.9%.

Revenue growth of 21.0% as mobile subscriber base rises by 6.1%

In the fourth quarter of 2010, revenues of velcom grew by 21.0% to EUR 90.5 million mainly due to higher Monthly Fee and Traffic revenues. This was a result of increased usage and a higher mobile subscriber number driven by mobile broadband. Equipment revenues were pushed by higher demand for smartphones. Foreign exchange translation impacted revenues positively by EUR 0.1 million in the fourth quarter of 2010.

Average revenue per user (ARPU) increased by 12.7% to EUR 6.2 in the fourth quarter of 2010 from EUR 5.5 in the same period of the previous year, as a result of higher usage.

ARPU increase of 12.7%

The increase in operating expenses from EUR 39.0 million to EUR 55.8 million was driven by inventory write-offs as well as higher employee expenses during the fourth quarter of 2010 and lead to an EBITDA comparable decline of 5.1% to EUR 36.4 million. A EUR 0.3 million foreign currency translation effect negatively impacted EBITDA comparable.

In the Belarusian segment operating income fell by 28.8% to EUR 14.5 million in the fourth quarter of 2010 from EUR 20.4 million in the fourth quarter of 2009.

\* The reported operating income represents the contribution of the subsidiaries to the consolidated operating income of operations of the Telekom Austria Group including amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the results of the single financial statements.

## Segment Additional Markets

### Slovenia

#### Key Performance Indicators Slovenia in EUR million

	Q4 2010	Q4 2009	% change
Revenues	45.0	43.6	3.2%
EBITDA comparable	9.8	12.9	-23.7%
EBITDA incl. Restructuring and Impairment charges	9.8	12.9	-23.7%
EBIT	4.3	7.2	-39.8%
Mobile Subscribers ('000)	618.9	589.4	5.0%
Mobile Market Share	29.2%	28.2%	
Mobile Penetration	102.1%	102.9%	
Mobile Broadband Customers	14,559	12,094	20.4%
ARPU	20.4	20.8	-1.9%

#### si.mobil market share increases to 29.2%

In the fourth quarter of 2010, the mobile subscriber base of si.mobil increased by 5.0% to almost 619,000 customers with an increase of the contract subscriber base by 8.1% to almost 441,000 mobile customers. Market share rose from 28.2% at the end of December 2009 to 29.2% at the end of December 2010.

Revenues increased by 3.2% to EUR 45.0 million compared to EUR 43.6 million in the fourth quarter of 2009. Monthly Fee and Traffic revenues benefited from higher fixed fees and a higher subscriber number, which outweighed lower voice volumes. Furthermore, a higher number of handsets sold resulted in higher Equipment revenues and offset lower interconnection and roaming prices.

In the fourth quarter 2010, average revenue per user (ARPU) declined modestly by 1.9% to EUR 20.4 as a higher number of subscribers number offset lower interconnection and roaming prices.

Operating expenses increased by 7.5% due to higher interconnection driven by increased usage as well as higher bad debt provisions and lead to a decline in EBITDA comparable of EUR 3.0 million to EUR 9.8 million in the fourth quarter of 2010.

Operating income declined to EUR 4.3 million in the fourth quarter of 2010 compared to EUR 7.2 million in the same period of the previous year.

## Republic of Serbia

### Key Performance Indicators Republic of Serbia

in EUR million	Q4 2010	Q4 2009	% change
Revenues	28.0	24.2	15.7%
EBITDA comparable	3.8	-5.5	n.a.
EBITDA incl. Restructuring and Impairment charges	3.8	-5.5	n.a.
EBIT	-10.1	-18.5	-45.1%
Mobile Subscribers ('000)	1,359.7	1,153.9	17.8%
Mobile Market Share	13.7%	12.0%	
Mobile Penetration	134.1%	128.4%	
ARPU	6.5	6.1	6.6%

The mobile subscriber base of Vip mobile in the Republic of Serbia reached almost 1.4 million customers by the end of the fourth quarter 2010 compared to 1.2 million at the end of 2009. An increase of the contract share supported the 6.6% increase of average revenue per user (ARPU) to EUR 6.5. Market share rose to 13.7% in the fourth quarter of 2010 up from 12.0% in the fourth quarter 2009.

Vip mobile's market share increases to 13.7%

Revenues of Vip mobile increased by 15.7% to EUR 28.0 million. The rising number of mobile subscribers lead to higher Monthly Fee and Traffic revenues and overcompensated lower Equipment revenues. The growing customers base benefited also Interconnection revenues which increased in addition due to a higher usage per subscriber. Foreign currency translations impacted revenues negatively by EUR 3.6 million. On a local currency basis revenues grew by 30.6%.

Operating expenses declined by 15.0% to EUR 25.8 million leading to a positive EBITDA comparable of EUR 3.8 million in the fourth quarter of 2010. Foreign currency translations negatively impacted EBITDA comparable by EUR 0.3 million.

Operating expenses decrease by 15.0%

Operating loss was almost halved to EUR 10.1 million in the fourth quarter of 2010 compared to a loss of EUR 18.5 million in the fourth quarter of 2009.



## Republic of Macedonia

### Key Performance Indicators Republic of Macedonia in EUR million

	Q4 2010	Q4 2009	% change
Revenues	10.2	6.4	59.1%
EBITDA comparable	-2.2	-2.3	-1.9%
EBITDA incl. Restructuring and Impairment charges	-2.2	-2.3	-1.9%
EBIT	-4.7	-4.5	5.0%
Mobile Subscribers ('000)	442.2	303.7	45.6%
Mobile Market Share	19.9%	15.9%	
Mobile Penetration	108.2%	92.7%	
ARPU	6.9	6.2	11.3%

#### Vip operator's market share up to 19.9%

Vip operator in the Republic of Macedonia increased its subscriber base by 45.6% to more than 442,000 customers in the fourth quarter of 2010, largely driven by a strong growth of its contract subscriber base. Vip operator's contract share increased to 36.1% in the fourth quarter of 2010 compared to 28.2% in the same period of the previous year. Vip operators market share continued to rise from 15.9% at the end of December 2009 to 19.9% at the end of December 2010.

Revenues grew by 59.1% to EUR 10.2 million in the fourth quarter of 2010 compared to the same period of the previous year as the higher number of mobile subscriber drove Monthly Fee and Traffic as well as Inter-connection revenues.

#### Negative EBITDA comparable reduced

The higher number of mobile customers and more handsets were the main reason for the rise in operating expenses by EUR 3.7 million to EUR 12.5 million. Vip operator's EBITDA comparable continued to improve to a negative amount of EUR 2.2 million in the fourth quarter of 2010 versus a negative amount of EUR 2.3 million in the fourth quarter of 2009.

The operating loss increased by 5.0% to EUR 4.7 million in the fourth quarter of 2010 compared to EUR 4.5 million in the same period of the prior year due to higher depreciation and amortization charges.

## Consolidated Net Income

In the fourth quarter of 2010, the financial result improved by 10.9% to EUR 44.9 million from EUR 50.4 million in the same period of the previous year. Net interest expense declined by 9.5% to EUR 45.7 million due to lower interest bearing liabilities in the fourth quarter of 2010. Foreign exchange differences resulted in a gain of EUR 3.2 million.

As a result of the loss before income taxes, an income tax gain of EUR 22.1 million was recorded in the fourth quarter of 2010 leading to a net loss of EUR 61.3 million compared to a net income of EUR 63.6 million in the fourth quarter 2009. The net loss was mainly a result of higher restructuring and impairments charges in the fourth quarter of 2010 compared to the same period of the previous year.

Basic and diluted earnings per share fell from EUR 0.14 in the fourth quarter 2009 to a loss of EUR 0.14 in the fourth quarter 2010.

## Cash Flow and Capital Expenditures

### Cash Flow

in EUR million	Q4 2010	Q4 2009	% change
Cash from operations	363.1	422.5	-14.1%
Cash from investing	-391.9	-480.2	-18.4%
Cash from financing	-678.2	-158.6	327.5%
Effect of exchange rate changes	0.7	-0.5	n.a.
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-706.2</b>	<b>-216.8</b>	<b>225.8%</b>

Cash flow from operating activities declined by 14.1% to EUR 363.1 million as gross cash flow and changes in working capital decreased in the fourth quarter of 2010. Working capital was mainly impacted by higher accounts receivable as well as accounts payable.

Cash flow from investing activities declined to EUR 391.9 million

Cash outflow from investing activities declined by 18.4% to EUR 391.6 million as purchase of investments were reduced during the fourth quarter of 2010.

Cash outflow from financing activities increased to EUR 678.2 million mainly due to the payment of a part of the remaining 30.0% portion of velcom in October 2010.

### Capital Expenditures

in EUR million	Q4 2010	Q4 2009	% change
Austria	225.4	184.8	22.0%
Bulgaria	24.5	15.1	62.5%
Croatia	11.1	14.2	-21.9%
Belarus	32.1	38.9	-17.6%
Additional Markets	27.2	38.7	-29.7%
Corporate & Other, Eliminations	0.0	0.0	n.a.
<b>Total capital expenditures</b>	<b>320.2</b>	<b>291.6</b>	<b>9.8%</b>
Thereof tangible	233.2	207.5	12.4%
Thereof intangible	87.1	84.1	3.5%

In the fourth quarter of 2010 capital expenditures increased by 9.8% to EUR 320.2 million. This increase mainly resulted from higher capital expenditures in the Austrian segment due to higher investment in the next generation network as well as LTE frequencies. While capital expenditures in the Bulgarian segment increased by 62.5% to EUR 24.5 million due to infrastructure investments, they declined in the Croatian, Belarusian and Additional Markets segments.

Total capital expenditures increased by 9.8%

# Additional Information

## Risks & Uncertainties

The Telekom Austria Group faces various risks and uncertainties that could affect its results. These risks include, but are not limited to, a further reduction of prices for mobile communication services in all of the Telekom Austria Group's markets as well as an acceleration of fixed-to-mobile substitution resulting in further access line loss and a decline in fixed line minutes. The Telekom Austria Group is also subject to risks related to the planned reduction of the number of employees in the Austrian segment. Furthermore, the Telekom Austria Group is subject to intensive regulation.

Through its expansion into the Eastern and South-Eastern European region, the company operates in markets that have been experiencing political and economic change. This circumstance has affected and may continue to affect the activities of enterprises operating in this environment. Consequently, operations in the Eastern and South-Eastern European region involve uncertainties, including foreign exchange and tax uncertainties that typically do not exist in other markets. In recent years, the growth of the Telekom Austria Group's business was marked by an expansion to various markets in Eastern and South-Eastern Europe. However, further growth will be affected by a number of factors, over which the Telekom Austria Group has no influence. Further organic growth also depends on the growth of the respective economies and individual telecommunication markets in which the Telekom Austria Group operates.

Further impacts of the economic downturn on the Telekom Austria Group's results cannot be ruled out. In the mobile communication business there are uncertainties with regard to lower roaming revenues as a result of a decrease in travelling. Moreover, customer usage behavior might change as a result of the economic crisis impacting the financial results of the Telekom Austria Group. Since December 31, 2010 no other material risks than those mentioned above occurred. For further details on risks and uncertainties with respect to the Telekom Austria Group please refer to the annual report 2009.

## Personnel

Headcount reduced by 72 full-time employees

The total number of employees of the Telekom Austria Group declined by 72 to 16,501 employees by the end of December 2010 compared to the same period of the previous year. The workforce in the Austrian segment decreased by 328 to 9,717 full-time equivalents at the end of December 2010. At the international operations the number of full time employees increased by 115 to 6,634 employees.

## Other and Subsequent Events

On 25 January 2011, the Telekom Austria Group closed the acquisition of the Bulgarian fixed line operators Spectrum Net AD via its Bulgarian subsidiary Mobilitel. The entity will be reported under the Segment Bulgaria as of Q1 2011.

On 3 February 2011, the Telekom Austria Group closed the acquisition of the Bulgarian fixed line operator Megalan Network AD via its Bulgarian subsidiary Mobilitel. The entity will be reported under the Segment Bulgaria as of Q1 2011.

In January 2011, the management agreed with staff representatives social plans for civil servants and employees as an opportunity for mutually and socially acceptable termination of employment.

## Waiver of Review

This financial report of the Telekom Austria Group contains quarterly results which were not audited nor reviewed by a certified public accountant.

# Condensed Consolidated Financial Statements Telekom Austria Group

## Condensed Consolidated Statements of Operations

in EUR million, except per share information	4Q 2010 (unaudited)	4Q 2009 (unaudited)	FY 2010 (audited)	FY 2009 (audited)
Operating revenues	1,170.8	1,181.5	4,650.8	4,802.0
Other operating income	34.6	35.1	89.2	94.6
Operating expenses				
Materials	-133.4	-106.5	-403.6	-396.8
Employee expenses, including benefits and taxes	-205.3	-198.5	-806.8	-788.0
Other operating expenses	-513.2	-494.6	-1,883.7	-1,900.2
<b>EBITDA comparable</b>	<b>353.4</b>	<b>416.9</b>	<b>1,645.9</b>	<b>1,811.6</b>
Restructuring	-98.0	-17.5	-124.1	-17.5
Impairment charges	-18.3	0.0	-18.3	-352.2
<b>EBITDA incl. restructuring and impairment charges</b>	<b>237.0</b>	<b>399.4</b>	<b>1,503.5</b>	<b>1,441.8</b>
Depreciation and amortization	-275.6	-279.4	-1,065.6	-1,097.9
<b>Operating income (loss)</b>	<b>-38.5</b>	<b>120.0</b>	<b>437.9</b>	<b>343.9</b>
Financial result				
Interest income	3.3	6.7	13.1	29.5
Interest expense	-48.9	-57.2	-207.1	-249.5
Foreign exchange differences	3.2	0.0	-1.7	-14.2
Other financial result	0.1	-0.1	0.2	-4.2
Equity in earnings of affiliates	-2.4	0.3	-0.8	0.8
<b>Earnings before income taxes</b>	<b>-83.4</b>	<b>69.7</b>	<b>241.6</b>	<b>106.3</b>
Income taxes	22.1	-6.1	-46.5	-11.4
<b>Net income</b>	<b>-61.3</b>	<b>63.6</b>	<b>195.2</b>	<b>94.9</b>
Attributable to:				
Owners of the parent	-61.1	63.6	195.4	95.1
Non-controlling interests	-0.2	0.0	-0.2	-0.2
Basic and fully diluted earnings per share	-0.14	0.14	0.44	0.22
Weighted-average number of ordinary shares outstanding	442,563,969	442,405,428	442,563,969	442,400,038

## Condensed Statement of Comprehensive Income

in EUR million	4Q 2010 (unaudited)	4Q 2009 (unaudited)	FY 2010 (audited)	FY 2009 (audited)
<b>Net income</b>	<b>-61.3</b>	<b>63.6</b>	<b>195.2</b>	<b>94.9</b>
Unrealized result on securities available-for-sale	0.0	0.0	0.4	1.4
Income tax (expense) benefit	0.0	0.0	-0.1	-0.3
Realized result on securities available-for-sale	0.0	-0.1	0.0	-0.2
Income tax (expense) benefit	0.0	0.0	0.0	0.0
Unrealized result on hedging activities	1.8	5.4	8.3	-3.6
Income tax (expense) benefit	-0.5	-0.3	-0.8	0.6
Foreign currency translation adjustment	20.2	-23.7	-8.3	-340.8
<b>Other comprehensive income (loss)</b>	<b>21.6</b>	<b>-18.7</b>	<b>-0.5</b>	<b>-342.9</b>
<b>Total comprehensive income (loss)</b>	<b>-39.7</b>	<b>44.9</b>	<b>194.7</b>	<b>-248.0</b>
Attributable to:				
Owners of the parent	-39.5	44.9	194.9	-247.8
Non-controlling interests	-0.2	0.0	-0.2	-0.2

## Condensed Consolidated Statements of Financial Position

in EUR million	Dec. 31, 2010 (audited)	Dec. 31, 2009 (audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	120.2	730.1
Short-term investments	127.6	215.4
Accounts receivable - trade, net of allowances	772.2	668.6
Receivables due from related parties	0.1	3.9
Inventories	150.2	126.4
Prepaid expenses	128.4	121.3
Income taxes receivable	40.7	43.9
Non-current assets held for sale	0.0	3.2
Other current assets	98.3	111.0
<b>Total current assets</b>	<b>1,437.7</b>	<b>2,023.8</b>
<b>Non-current assets</b>		
Investments in associates	4.3	7.5
Financial assets long-term	90.4	137.8
Goodwill	1,489.2	1,493.1
Other intangible assets, net	1,718.1	1,900.3
Property, plant and equipment, net	2,549.0	2,675.2
Other non-current assets	31.2	33.5
Deferred tax assets	235.8	227.5
Receivables due from related parties, finance	0.1	0.0
<b>Total non-current assets</b>	<b>6,118.1</b>	<b>6,474.9</b>
<b>TOTAL ASSETS</b>	<b>7,555.8</b>	<b>8,498.7</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	-506.7	-856.0
Accounts payable - trade	-678.7	-523.6
Current provisions and accrued liabilities	-258.0	-222.8
Payables to related parties	-13.1	-11.4
Income taxes payable	-41.7	-22.5
Other current liabilities	-221.9	-890.9
<b>Deferred income</b>	<b>-163.0</b>	<b>-152.3</b>
<b>Total current liabilities</b>	<b>-1,883.0</b>	<b>-2,679.5</b>
<b>Non-current liabilities</b>		
Long-term debt	-3,077.2	-3,213.7
Lease obligations and Cross Border Lease	-13.9	-21.1
Employee benefit obligation	-131.6	-123.7
Non-current provisions	-761.8	-669.9
Deferred tax liabilities	-125.4	-144.0
<b>Other non-current liabilities and deferred income</b>	<b>-86.1</b>	<b>-32.7</b>
<b>Total non-current liabilities</b>	<b>-4,195.9</b>	<b>-4,205.1</b>
<b>Stockholders' equity</b>		
Common stock	-966.2	-966.2
Treasury shares	8.2	8.2
Additional paid-in capital	-582.9	-582.9
Retained earnings	-346.3	-482.9
Fair value reserve	0.3	0.6
Hedging reserve	7.4	14.9
<b>Translation adjustments</b>	<b>405.1</b>	<b>396.9</b>
Equity attributable to equity holders of the parent	-1,474.4	-1,611.4
<b>Non-controlling interests</b>	<b>-2.5</b>	<b>-2.7</b>
<b>Total stockholders' equity</b>	<b>-1,476.9</b>	<b>-1,614.2</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>-7,555.8</b>	<b>-8,498.7</b>

## Condensed Consolidated Statements of Cash Flows

in EUR million	4Q 2010 (unaudited)	4Q 2009 (unaudited)	FY 2010 (audited)	FY 2009 (audited)
<b>Cash flow from operating activities</b>				
Net Income	-61.3	63.6	195.2	94.9
Depreciation, amortization and impairment charges	293.9	279.4	1,083.9	1,450.1
Employee benefit obligation - non-cash	3.0	5.6	13.6	12.0
Bad debt expenses	16.4	9.1	47.5	50.0
Change in deferred taxes	-38.2	-4.0	-27.1	-88.2
Equity in earnings of affiliates - non-cash	2.4	0.4	0.8	-0.1
Stock compensation	0.2	-7.2	0.7	-5.4
Employee participation program	0.0	1.6	0.0	1.6
Asset retirement obligation - accretion expense	1.8	1.4	5.8	6.9
Provision for restructuring - non-cash	97.4	15.3	139.4	42.2
Result on sale of investments	-0.1	0.0	-0.1	-1.1
Result on disposal / retirement of equipment	6.5	-5.1	4.0	-5.5
Other	-1.6	-6.1	14.9	12.4
<b>Gross cash flow</b>	<b>320.4</b>	<b>354.0</b>	<b>1,478.6</b>	<b>1,569.8</b>
<b>Changes in assets and liabilities</b>				
Accounts receivable - trade	-63.0	21.1	-148.4	-11.0
Receivables due from related parties	0.2	-0.9	1.1	-0.3
Inventories	-18.7	-2.6	-22.7	2.6
Prepaid expenses and other assets	-44.3	1.1	-13.4	-28.7
Accounts payable - trade	173.4	62.5	151.7	-44.2
Employee benefit obligation	-0.9	-0.9	-5.6	-6.1
Provisions and accrued liabilities	-2.0	-7.1	-39.5	-54.0
Other liabilities and deferred income	-8.7	-8.5	-6.7	-40.4
Payables due to related parties	6.7	3.8	2.4	-2.3
Changes in working capital	<b>42.7</b>	<b>68.5</b>	<b>-81.0</b>	<b>-184.4</b>
<b>Cash flow from operating activities</b>	<b>363.1</b>	<b>422.5</b>	<b>1,397.5</b>	<b>1,385.4</b>
<b>Cash flow from investing activities</b>				
Capital expenditures, including interest capitalized	-320.2	-291.6	-763.6	-711.4
Acquisitions of subsidiaries, net of cash acquired	0.0	0.0	3.5	-12.7
Sale of subsidiary, net of cash	0.0	0.0	3.8	7.7
Proceeds from sale of equipment	0.7	12.0	11.0	18.0
Purchase of investments	-72.9	-201.4	-294.5	-394.9
Proceeds from sale of investments	0.6	0.8	422.7	163.5
<b>Cash flow from investing activities</b>	<b>-391.9</b>	<b>-480.2</b>	<b>-616.9</b>	<b>-929.8</b>
<b>Cash flow from financing activities</b>				
Proceeds from issuance of long term debt	75.0	0.0	75.0	750.0
Principal payments on long-term debt	0.0	-180.0	-579.7	-629.9
Changes in short-term borrowings	-132.0	21.4	30.9	58.8
Dividends paid	0.0	0.0	-331.9	-331.8
Proceeds from derivative financial instruments	-38.4	0.0	0.0	0.0
Deferred consideration paid for business combinations	-582.7	0.0	-582.7	0.0
<b>Cash flow from financing activities</b>	<b>-678.2</b>	<b>-158.6</b>	<b>-1,388.4</b>	<b>-152.9</b>
Effect of exchange rate changes	0.7	-0.5	-2.0	42.6
<b>Change in cash and cash equivalents</b>	<b>-706.2</b>	<b>-216.8</b>	<b>-609.9</b>	<b>345.3</b>
Cash and cash equivalents at beginning of period	826.4	946.9	730.1	384.8
Cash and cash equivalents at end of period	120.2	730.1	120.2	730.1

## Condensed Consolidated Statements of Changes in Stockholders' Equity

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	Fair value reserve	Translation adjustment	Total	Non-controlling interest	Total stockholders' equity
<b>Balance at January 1,10</b>	<b>966.2</b>	<b>-8.2</b>	<b>582.9</b>	<b>482.9</b>	<b>-15.5</b>	<b>-396.9</b>	<b>1,611.4</b>	<b>2.7</b>	<b>1,614.1</b>
Net income	0.0	0.0	0.0	195.4	0.0	0.0	195.4	-0.2	195.2
Net unrealized result on securities	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.3
Net unrealized result on hedging activities	0.0	0.0	0.0	0.0	7.5	0.0	7.5	0.0	7.5
Foreign currency translation adjustment	0.0	0.0	0.0	0.0	0.0	-8.3	-8.3	0.0	-8.3
<b>Other comprehensive income (loss)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.8</b>	<b>-8.3</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>
<b>Total comprehensive income (loss)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>195.4</b>	<b>7.8</b>	<b>-8.3</b>	<b>194.9</b>	<b>-0.2</b>	<b>194.7</b>
Distribution of dividends	0.0	0.0	0.0	-331.9	0.0	0.0	-331.9	0.0	-331.9
<b>Balance at Dec. 31, 10</b>	<b>966.2</b>	<b>-8.2</b>	<b>582.9</b>	<b>346.3</b>	<b>-7.7</b>	<b>-405.1</b>	<b>1,474.4</b>	<b>2.5</b>	<b>1,476.9</b>

  

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	Fair value reserve	Translation adjustment	Total	Non-controlling interest	Total stockholders' equity
<b>Balance at January 1, 09</b>	<b>1,003.3</b>	<b>-330.8</b>	<b>547.3</b>	<b>1,005.2</b>	<b>-13.4</b>	<b>-56.1</b>	<b>2,155.5</b>	<b>0.1</b>	<b>2,155.6</b>
Net income	0.0	0.0	0.0	95.1	0.0	0.0	95.1	-0.2	94.9
Net unrealized result on securities	0.0	0.0	0.0	0.0	1.1	0.0	1.1	0.0	1.1
Net realized result on securities	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
Net unrealized result on hedging activities	0.0	0.0	0.0	0.0	-3.1	0.0	-3.1	0.0	-3.1
Foreign currency translation adjustment	0.0	0.0	0.0	0.0	0.0	-340.8	-340.8	0.0	-340.8
<b>Other comprehensive income (loss)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.1</b>	<b>-340.8</b>	<b>-342.9</b>	<b>0.0</b>	<b>-342.9</b>
<b>Total comprehensive income (loss)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>95.1</b>	<b>-2.1</b>	<b>-340.8</b>	<b>-247.8</b>	<b>-0.2</b>	<b>-248.0</b>
Distribution of dividends	0.0	0.0	0.0	-331.8	0.0	0.0	-331.8	0.0	-331.8
Retirement of Treasury shares	-37.1	319.5	37.1	-286.0	0.0	0.0	33.6	0.0	33.6
Employee participation program	0.0	3.1	-1.5	0.3	0.0	0.0	1.9	0.0	1.9
Addition from acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	2.8
<b>Balance at Dec. 31, 09</b>	<b>966.2</b>	<b>-8.2</b>	<b>582.9</b>	<b>482.9</b>	<b>-15.5</b>	<b>-396.9</b>	<b>1,611.4</b>	<b>2.7</b>	<b>1,614.1</b>

	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009
Number of shares of common stock	443,000,000	443,000,000	443,000,000
Number of treasury shares	436,031	436,031	436,031
Average purchase price of treasury shares	18.80	18.80	18.80

## Condensed Segment Reporting

### FY 2010

in EUR million (audited)	Austria	Bulgaria	Croatia	Belarus	Additional Markets	Corporate & Other	Eliminations	Consolidated
External revenues	3,037.0	534.6	432.1	343.5	303.8	0.0	0.0	4,650.8
Intersegmental revenues	27.2	29.9	19.9	0.1	17.3	0.0	-94.4	0.0
<b>Total revenues</b>	<b>3,064.2</b>	<b>564.5</b>	<b>451.9</b>	<b>343.6</b>	<b>321.1</b>	<b>0.0</b>	<b>-94.4</b>	<b>4,650.8</b>
Other operating income	105.8	5.7	2.1	5.3	4.8	34.9	-69.5	89.2
Segment expenses	-2,137.6	-271.6	-303.6	-193.3	-284.8	-51.9	148.6	-3,094.1
<b>EBITDA comparable</b>	<b>1,032.4</b>	<b>298.6</b>	<b>150.5</b>	<b>155.6</b>	<b>41.1</b>	<b>-17.0</b>	<b>-15.2</b>	<b>1,645.9</b>
Restructuring	-124.1	0.0	0.0	0.0	0.0	0.0	0.0	-124.1
Impairment charges	-18.3	0.0	0.0	0.0	0.0	0.0	0.0	-18.3
<b>EBITDA incl. restructuring and impairment charges</b>	<b>890.0</b>	<b>298.6</b>	<b>150.5</b>	<b>155.6</b>	<b>41.1</b>	<b>-17.0</b>	<b>-15.2</b>	<b>1,503.5</b>
Depreciation and amortization	-665.0	-174.5	-67.6	-82.2	-77.2	0.0	0.9	-1,065.6
<b>Operating income (loss)</b>	<b>225.0</b>	<b>124.1</b>	<b>82.9</b>	<b>73.4</b>	<b>-36.1</b>	<b>-17.0</b>	<b>-14.3</b>	<b>437.9</b>
Interest income	9.3	1.6	0.8	0.9	1.2	31.3	-32.1	13.1
Interest expense	-64.1	-0.4	-0.7	-0.9	-0.8	-172.3	32.1	-207.1
Equity in earnings of affiliates	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	-0.8
Other financial result	107.5	0.0	1.2	0.2	-1.9	979.7	-1,088.1	-1.5
<b>Earnings before income taxes</b>	<b>276.8</b>	<b>125.3</b>	<b>84.2</b>	<b>73.6</b>	<b>-37.5</b>	<b>821.7</b>	<b>-1,102.4</b>	<b>241.6</b>
Income taxes								-46.5
<b>Net income (loss)</b>								<b>195.2</b>
Segment assets	4,376.2	1,576.9	486.0	881.2	728.8	7,105.6	-7,599.0	7,555.8
Segment liabilities	-2,653.9	-110.3	-146.8	-107.3	-130.5	-4,494.3	1,564.2	-6,078.9
Capital expenditures - intangible	133.3	24.1	6.9	8.8	17.4	0.0	0.0	190.6
Capital expenditures - tangible	382.4	42.2	41.4	54.1	52.9	0.0	0.0	573.0
<b>Total capital expenditures</b>	<b>515.8</b>	<b>66.3</b>	<b>48.3</b>	<b>62.9</b>	<b>70.3</b>	<b>0.0</b>	<b>0.0</b>	<b>763.6</b>

### FY 2009

in EUR million (audited)	Austria	Bulgaria	Croatia	Belarus	Additional Markets	Corporate & Other	Eliminations	Consolidated
External revenues	3,176.9	593.4	454.7	300.1	276.9	0.0	0.0	4,802.0
Intersegmental revenues	26.7	21.3	22.2	0.2	21.0	0.0	-91.4	0.0
<b>Total revenues</b>	<b>3,203.7</b>	<b>614.7</b>	<b>476.9</b>	<b>300.3</b>	<b>297.8</b>	<b>0.0</b>	<b>-91.4</b>	<b>4,802.0</b>
Other operating income	113.3	7.7	2.1	6.6	7.8	18.5	-61.5	94.6
Segment expenses	-2,139.3	-295.3	-308.3	-157.1	-291.8	-44.1	150.9	-3,084.9
<b>EBITDA comparable</b>	<b>1,177.6</b>	<b>327.0</b>	<b>170.8</b>	<b>149.9</b>	<b>13.8</b>	<b>-25.6</b>	<b>-2.0</b>	<b>1,811.6</b>
Restructuring	-17.5	0.0	0.0	0.0	0.0	0.0	0.0	-17.5
Impairment charges	-0.2	0.0	0.0	-290.0	-62.0	0.0	0.0	-352.2
<b>EBITDA incl. restructuring and impairment charges</b>	<b>1,159.9</b>	<b>327.0</b>	<b>170.8</b>	<b>-140.1</b>	<b>-48.2</b>	<b>-25.6</b>	<b>-2.0</b>	<b>1,441.8</b>
Depreciation and amortization	-690.2	-179.2	-70.0	-71.8	-87.4	0.0	0.7	-1,097.9
<b>Operating income (loss)</b>	<b>469.7</b>	<b>147.9</b>	<b>100.8</b>	<b>-211.9</b>	<b>-135.6</b>	<b>-25.6</b>	<b>-1.4</b>	<b>343.9</b>
Interest income	21.0	1.4	1.6	2.4	1.6	87.5	-86.0	29.5
Interest expense	-81.0	-0.3	-0.9	-1.5	-2.4	-249.4	86.0	-249.5
Equity in earnings of affiliates	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Other financial result	-5.0	0.0	-0.4	-10.7	0.3	90.5	-93.0	-18.4
<b>Earnings before income taxes</b>	<b>405.5</b>	<b>149.0</b>	<b>101.0</b>	<b>-221.8</b>	<b>-136.0</b>	<b>-96.9</b>	<b>-94.4</b>	<b>106.3</b>
Income taxes								-11.4
<b>Net income (loss)</b>								<b>94.9</b>
Segment assets	4,463.0	1,650.3	474.9	840.0	713.9	7,518.1	-7,161.5	8,498.7
Segment liabilities	-2,756.1	-95.7	-111.3	-72.8	-114.7	-5,421.6	1,687.6	-6,884.6
Capital expenditures - intangible	109.7	36.2	12.0	9.4	27.4	0.0	0.0	194.7
Capital expenditures - tangible	314.8	38.6	45.6	49.8	68.0	0.0	0.0	516.7
<b>Total capital expenditures</b>	<b>424.5</b>	<b>74.8</b>	<b>57.6</b>	<b>59.2</b>	<b>95.4</b>	<b>0.0</b>	<b>0.0</b>	<b>711.4</b>



## Results by Segments

in EUR million	4Q 2010 (unaudited)	4Q 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
<b>Revenues</b>						
Austria	766.9	791.5	-3.1%	3,064.2	3,203.7	-4.4%
Bulgaria	146.9	149.1	-1.5%	564.5	614.7	-8.2%
Croatia	105.9	109.4	-3.2%	451.9	476.9	-5.2%
Belarus	90.5	74.8	21.0%	343.6	300.3	14.4%
Additional markets	85.0	76.2	11.4%	321.1	297.8	7.8%
Corporate, Other & Eliminations	-24.4	-19.6	24.5%	-94.4	-91.4	3.2%
<b>Revenues</b>	<b>1,170.8</b>	<b>1,181.5</b>	<b>-0.9%</b>	<b>4,650.8</b>	<b>4,802.0</b>	<b>-3.1%</b>
<b>EBITDA comparable</b>						
Austria	219.1	275.0	-20.3%	1,032.4	1,177.6	-12.3%
Bulgaria	71.9	72.9	-1.4%	298.6	327.0	-8.7%
Croatia	27.6	32.6	-15.3%	150.5	170.8	-11.9%
Belarus	36.4	38.4	-5.1%	155.6	149.9	3.8%
Additional markets	11.6	5.6	106.0%	41.1	13.8	197.0%
Corporate, Other & Eliminations	-13.2	-7.6	74.5%	-32.3	-27.6	16.8%
<b>EBITDA comparable</b>	<b>353.4</b>	<b>416.9</b>	<b>-15.2%</b>	<b>1,645.9</b>	<b>1,811.6</b>	<b>-9.1%</b>
<b>EBITDA incl. restructuring and impairment charges</b>						
Austria	102.8	257.4	-60.1%	890.0	1,159.9	-23.3%
Bulgaria	71.9	72.9	-1.4%	298.6	327.0	-8.7%
Croatia	27.6	32.6	-15.3%	150.5	170.8	-11.9%
Belarus	36.4	38.4	-5.1%	155.6	-140.1	n.a.
Additional markets	11.6	5.6	106.0%	41.1	-48.2	n.a.
Corporate, Other & Eliminations	-13.2	-7.6	74.5%	-32.3	-27.6	16.8%
<b>EBITDA incl. restructuring and impairment charges</b>	<b>237.0</b>	<b>399.4</b>	<b>-40.7%</b>	<b>1,503.5</b>	<b>1,441.8</b>	<b>4.3%</b>
<b>Operating income (loss)</b>						
Austria	-68.3	78.0	n.a.	225.0	469.7	-52.1%
Bulgaria	27.6	28.7	-3.8%	124.1	147.9	-16.1%
Croatia	10.5	15.3	-31.6%	82.9	100.8	-17.8%
Belarus	14.5	20.4	-28.8%	73.4	-211.9	n.a.
Additional markets	-10.0	-15.1	-33.8%	-36.1	-135.6	-73.4%
Corporate, Other & Eliminations	-12.9	-7.4	74.6%	-31.3	-26.9	16.3%
<b>Operating income (loss)</b>	<b>-38.5</b>	<b>120.0</b>	<b>n.a.</b>	<b>437.9</b>	<b>343.9</b>	<b>27.3%</b>

## Capital Expenditures

in EUR million	4Q 2010 (unaudited)	4Q 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Austria	225.4	184.8	22.0%	515.8	424.5	21.5%
Bulgaria	24.5	15.1	62.5%	66.3	74.8	-11.4%
Croatia	11.1	14.2	-21.9%	48.3	57.6	-16.0%
Belarus	32.1	38.9	-17.6%	62.9	59.2	6.3%
Additional markets	27.2	38.7	-29.7%	70.3	95.4	-26.3%
<b>Total capital expenditures</b>	<b>320.2</b>	<b>291.6</b>	<b>9.8%</b>	<b>763.6</b>	<b>711.4</b>	<b>7.3%</b>
Thereof tangible	233.2	207.5	12.4%	573.0	516.7	10.9%
Thereof intangible	87.1	84.1	3.5%	190.6	194.7	-2.1%

## Net Debt

in EUR million	Dec. 31, 2010 (audited)	Dec. 31, 2009 (audited)
Long-term debt	3,146.4	3,234.8
Short-term borrowings	522.6	1,501.6
Cash and cash equivalents, short-term and long-term investments, finance lease receivables	-355.0	-1,099.0
Derivative financial instruments for hedging purposes	-8.9	-22.5
<b>Net debt *</b>	<b>3,305.2</b>	<b>3,614.8</b>
Net debt/EBITDA comparable (last 12 months)	2.0x	2.0x

\* Cross border lease and finance lease obligations are included in long-term debt and short-term borrowings. Deposits for cross border lease are included in short-term and long-term investments. The remaining performance based consideration related to the acquisition of SBT is included in short-term borrowings and long-term debt.

## Personnel

Personnel (full-time equivalent)	Dec. 31, 2010	Dec. 30, 2009	End of period change	Q4 2010	Q4 2009	Average of period change
Austria	9,717	10,045	-3.3%	9,808	10,172	-3.6%
International Operations	6,634	6,519	1.8%	6,611	6,499	1.7%
Total	16,501	16,573	-0.4%	16,566	16,680	-0.7%

## Key Data Segment Austria

### Financials - Segment Austria

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	766.9	791.5	-3.1%	3,064.2	3,203.7	-4.4%
EBITDA comparable	219.1	275.0	-20.3%	1,032.4	1,177.6	-12.3%
EBITDA (incl. Restructuring and Impairment Charges)	102.8	257.4	-60.1%	890.0	1,159.9	-23.3%
EBIT	-68.3	78.0	-187.5%	225.0	469.7	-52.1%

Revenue detail - Austria	FY 2010 (audited)	FY 2009 (audited)	% change
Monthly Fee and Traffic	2,085.7	2,172.0	-4.0%
Data & ICT Solutions	215.8	186.1	16.0%
Wholesale (incl. Roaming)	200.4	245.1	-18.3%
Interconnection	397.6	431.2	-7.8%
Equipment	107.2	106.1	1.0%
Other Operating Income	57.4	63.1	-9.1%
Total revenues Austria	3,064.2	3,203.7	-4.4%

## Key Data Segment Austria

Key Data Fixed Line - Austria	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Average revenues per access line (ARPL)	34.0	34.0	0.0%	33.3	34.1	-2.2%
Total voice minutes	731	821	-11.0%	2,973	3,380	-12.1%

Lines (in '000)	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Access lines (without broadband lines)	1,153.9	1,290.9	-10.6%
Fixed broadband retail lines	1,115.5	972.4	14.7%
Fixed broadband wholesale lines	45.5	50.2	-9.4%
Fixed broadband lines	1,161.0	1,022.6	13.5%
<b>Total access lines</b>	<b>2,315.0</b>	<b>2,313.5</b>	<b>0.1%</b>
Lines unbundled	278.1	286.6	-3.0%

## Austrian Telecommunications Market

Broadband Market Shares	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
A1 Telekom Austria Fixed Line Retail	30.4%	30.5%	
A1 Telekom Austria Fixed Line Wholesale	1.2%	1.6%	
Mobile broadband A1 Telekom Austria	17.8%	15.9%	
Mobile broadband other operators	28.2%	27.1%	
Cable	15.4%	16.6%	
Unbundled lines	7.0%	8.3%	
Broadband penetration - Total market	102.9%	88.8%	

Voice Market Shares	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Fixed Line A1 Telekom Austria	12.3%	13.5%	
Fixed Line Others	7.3%	8.2%	
Mobile	80.4%	78.3%	

Key Data Mobile Communication	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Customers (in 1.000)			
Mobile Communication Customers ('000)	5,105.2	4,834.2	5.6%
Contract share	76.0%	72.8%	
Mobile Market Share	41.4%	42.6%	
<b>Mobile Penetration</b>	<b>146.7%</b>	<b>135.7%</b>	

	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Average monthly revenue per User (in EUR)	21.6	23.3	-7.3%	22.0	24.3	-9.5%
Data as a portion of traffic-related revenues	44.6%	38.9%		42.1%	37.0%	
Subscriber acquisition cost (SAC)	17.5	17.0	2.9%	46.3	53.6	-13.6%
Subscriber retention cost (SRC)	27.6	23.2	19.0%	84.2	85.0	-0.9%
Churn (3 Months)	3.6%	3.6%		14.1%	14.6%	

## Key Data Segment Bulgaria

### Bulgaria

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	146.9	149.1	-1.5%	564.5	614.7	-8.2%
EBITDA comparable	71.9	72.9	-1.4%	298.6	327.0	-8.7%
EBITDA (incl. Restructuring and Impairment Charges)	71.9	72.9	-1.4%	298.6	327.0	-8.7%
EBIT	27.6	28.7	-3.8%	124.1	147.9	-16.1%
Average monthly revenue per User (in EUR)	8.7	9.0	-3.3%	8.3	9.1	-8.8%
Data as a portion of traffic-related revenues	21.9%	19.8%		18.6%	16.1%	
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				5,248.7	5,352.5	-1.9%
Mobile Market Share				49.6%	49.8%	
Mobile Penetration				140.8%	142.0%	
Mobile Broadband Customers				126,217	60,111	110.0%

## Key Data Segment Croatia

### Croatia

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	105.9	109.4	-3.2%	451.9	476.9	-5.2%
EBITDA comparable	27.6	32.6	-15.3%	150.5	170.8	-11.9%
EBITDA (incl. Restructuring and Impairment Charges)	27.6	32.6	-15.3%	150.5	170.8	-11.9%
EBIT	10.5	15.3	-31.6%	82.9	100.8	-17.8%
Average monthly revenue per User (in EUR)	10.7	12.0	-10.8%	11.3	12.3	-8.1%
Data as a portion of traffic-related revenues	27.2%	28.9%		27.0%	30.0%	
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				2,749.5	2,603.0	5.6%
Mobile Market Share				43.1%	42.6%	
Mobile Penetration				144.5%	138.4%	
Mobile Broadband Customers				178,958	137,106	30.5%

## Key Data Segment Belarus

Belarus						
in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	90.5	74.8	21.0%	343.6	300.3	14.4%
EBITDA comparable	36.4	38.4	-5.1%	155.6	149.9	3.8%
EBITDA (incl. Restructuring and Impairment Charges)	36.4	38.4	-5.1%	155.6	-140.1	n.a.
EBIT	14.5	20.4	-28.8%	73.4	-211.9	n.a.
Average monthly revenue per User (in EUR)	6.2	5.5	12.7%	6.2	6.1	1.6%
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				4,353.7	4,102.4	6.1%
Contract Share				78.2%	75.8%	
Market Share				41.9%	42.7%	
Market Penetration				109.6%	99.4%	
Mobile Broadband Customers				143,532	0	n.a.

## Key Data Segment Additional Markets

Slovenia						
in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	45.0	43.6	3.2%	174.0	180.3	-3.4%
EBITDA comparable	9.8	12.9	-23.7%	45.1	48.2	-6.5%
EBITDA (incl. Restructuring and Impairment Charges)	9.8	12.9	-23.7%	45.1	48.2	-6.5%
EBIT	4.3	7.2	-39.8%	24.0	25.5	-6.2%
Average monthly revenue per User (in EUR)	20.4	20.8	-1.9%	20.5	21.7	-5.5%
Data as a portion of traffic-related revenues	27.8%	23.5%		26.7%	22.1%	
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				618.9	589.4	5.0%
Mobile broadband subscribers ('000)				14,559	12,094	20.4%
Contract Share				71.2%	69.2%	
Market Share				29.2%	28.2%	
Market Penetration				102.7%	102.9%	

\* The reported operating income represents the contribution of the subsidiaries to the consolidated operating income of operations of the Telekom Austria Group including amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the results of the single financial statements.

## Key Data Segment Additional Markets

### Republic of Serbia

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	28.0	24.2	15.7%	104.7	80.7	29.8%
EBITDA comparable	3.8	-5.5	n.a.	0.0	-23.6	n.a.
EBITDA (incl. Restructuring and Impairment Charges)	3.8	-5.5	n.a.	0.0	-85.6	n.a.
EBIT	-10.1	-18.5	-45.1%	-47.1	-143.3	-67.1%
Average monthly revenue per User (in EUR)	6.5	6.1	6.6%	6.2	5.5	12.7%
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				1,359.7	1,153.9	17.8%
Market Share				13.7%	12.0%	
Market Penetration				134.1%	128.4%	

### Republic of Macedonia

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	10.2	6.4	59.1%	35.8	21.7	65.2%
EBITDA comparable	-2.2	-2.3	-1.9%	-5.2	-13.4	-61.1%
EBITDA (incl. Restructuring and Impairment Charges)	-2.2	-2.3	-1.9%	-5.2	-13.4	-61.1%
EBIT	-4.7	-4.5	5.0%	-14.3	-20.9	-31.4%
Average monthly revenue per User (in EUR)	6.9	6.2	11.3%	6.8	6.1	11.5%
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				442.2	303.7	45.6%
Market Share				19.9%	15.9%	
Market Penetration				108.2%	92.7%	

### Liechtenstein

in EUR million	Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change	FY 2010 (audited)	FY 2009 (audited)	% change
Revenues	1.9	2.2	-13.8%	7.0	15.6	-55.2%
EBITDA comparable	0.1	0.7	-87.6%	1.3	3.4	-62.9%
EBITDA (incl. Restructuring and Impairment Charges)	0.1	0.7	-87.6%	1.3	3.4	-62.9%
EBIT	-0.1	0.5	-120.8%	0.5	2.6	-82.1%
				Q4 2010 (unaudited)	Q4 2009 (unaudited)	% change
Mobile Communication Subscribers ('000)				6.4	6.3	1.6%