



▶2001

▶2002

▶2003

▶2004

▶2005

▶2006

▶2007

Telekom Austria Group



jet2web

Telekom Austria Group Results for the First Nine Months 2001

November 27, 2001



Disclaimer

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

Agenda

- Group overview
- Operational highlights
- Financial review
- Outlook

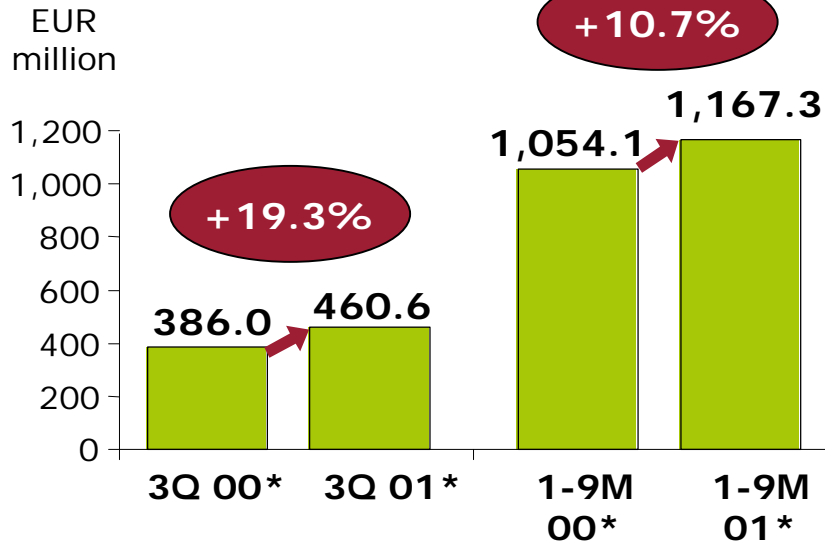
Group Overview

Highlights of the Third Quarter 2001

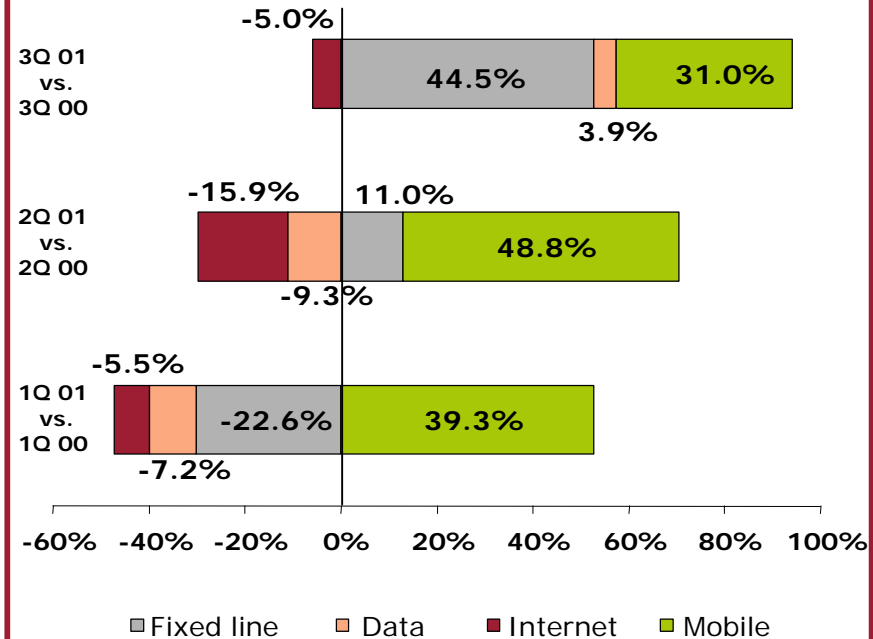
- Operating improvement in all four business segments
- Successful headcount reductions drives fixed line cost cutting, declining market share losses stemmed
- Rising mobile profitability
- Intra-year turn around in data communications
- Internet revenues driven by further growing subscriber figures
- Improved full year outlook for operating earnings

Telekom Austria Group EBITDA

Group EBITDA*



Share in EBITDA* Growth



* Adjusted to exclude the impact of early retirement costs

Operational Highlights by Business Segment

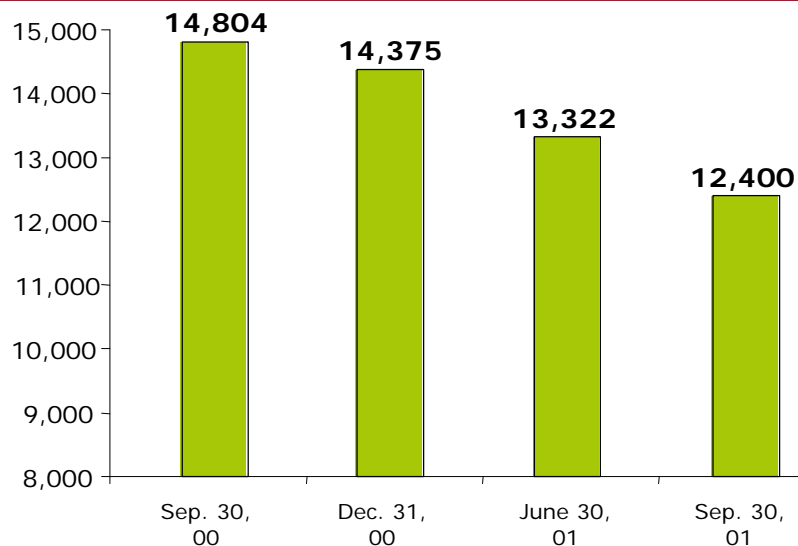
Fixed Line Highlights

- Headcount falls by almost 2,000 during 1-9M; progress ahead of schedule
- Reduction advances operating and personnel cost efficiencies
- TikTak tariff packages take-off during third quarter
- Optimization of customer service organization and process
- EBITDA margin rises above 40% for the first time

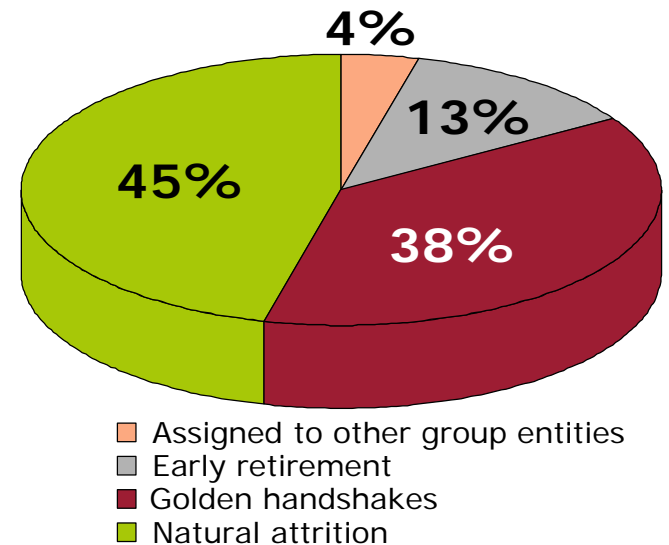
Personnel Reduction

- Headcount reduction during the first nine months, net of additions: **1,975**
- Majority of reduction without additional incentives

No. of Fixed Line Employees

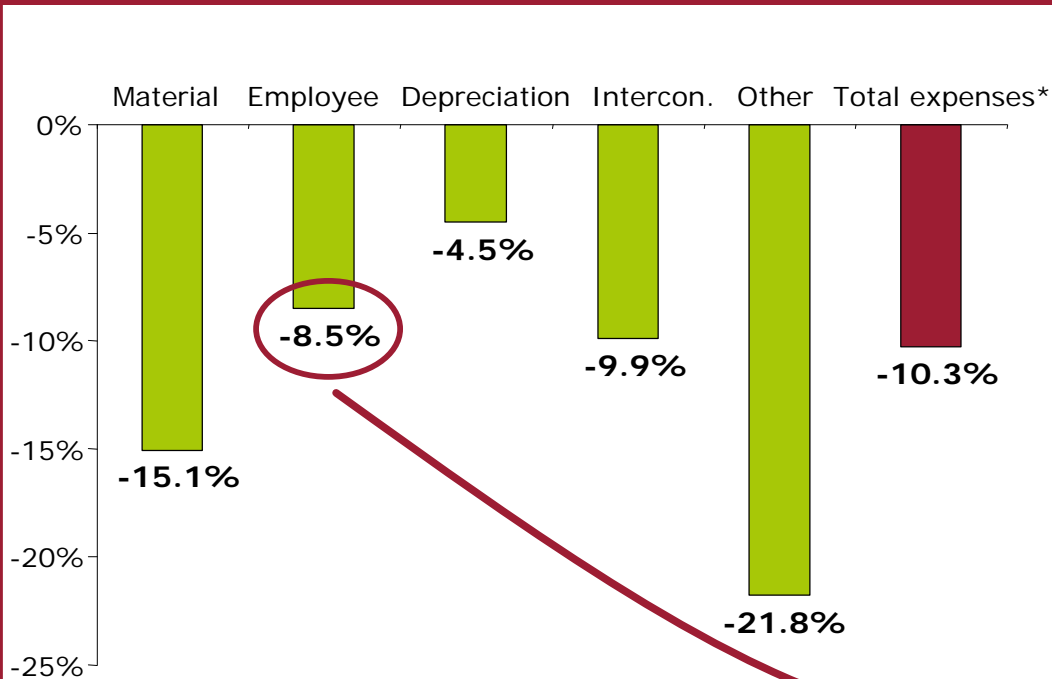


Reduction by Category



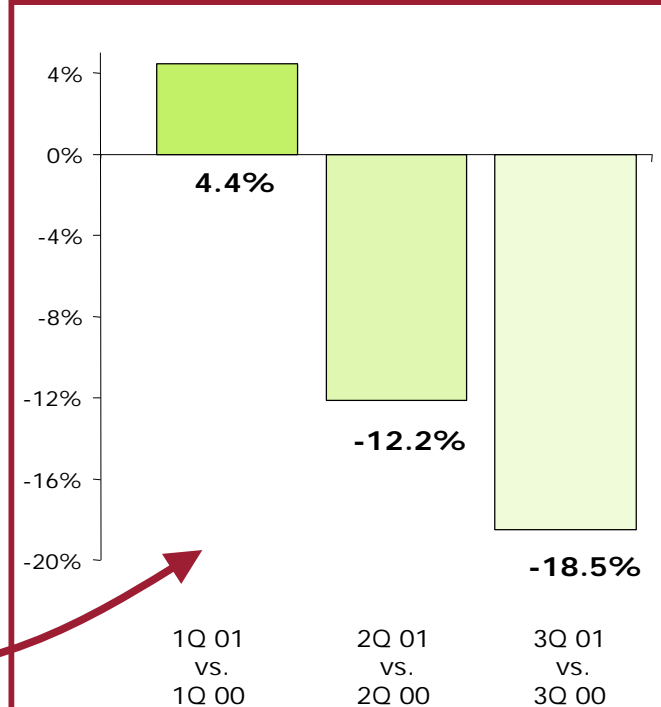
Further Improvement in Cost Reductions

Cost Reduction 1-9 M 2001 vs. 2000



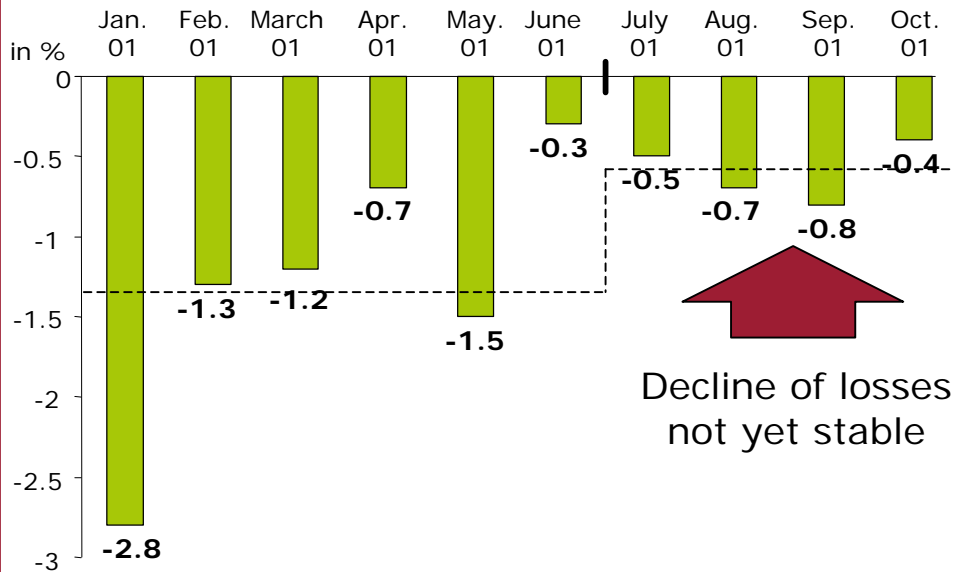
* Excluding costs for idle workforce and early retirement costs

Quarterly Development of Employee Costs



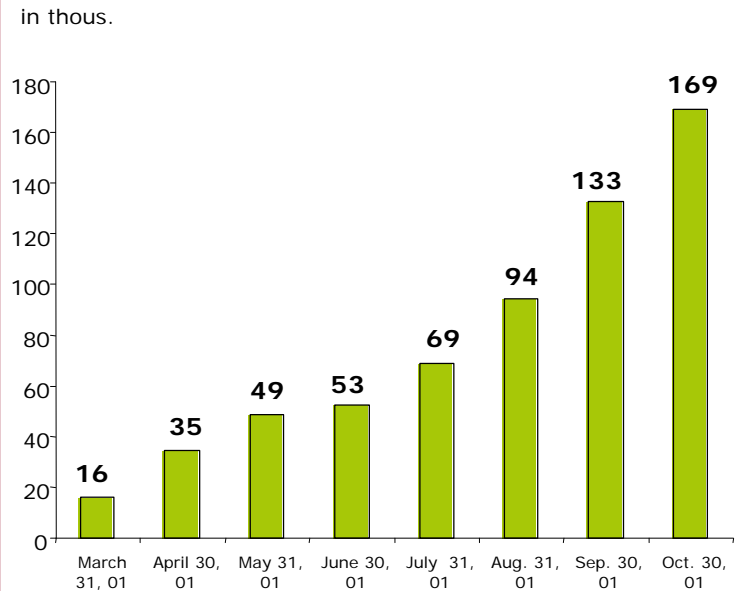
Voice Market Shares Losses Improve

Voice Market Share Losses



Note: Voice market shares excluding internet dial-up traffic

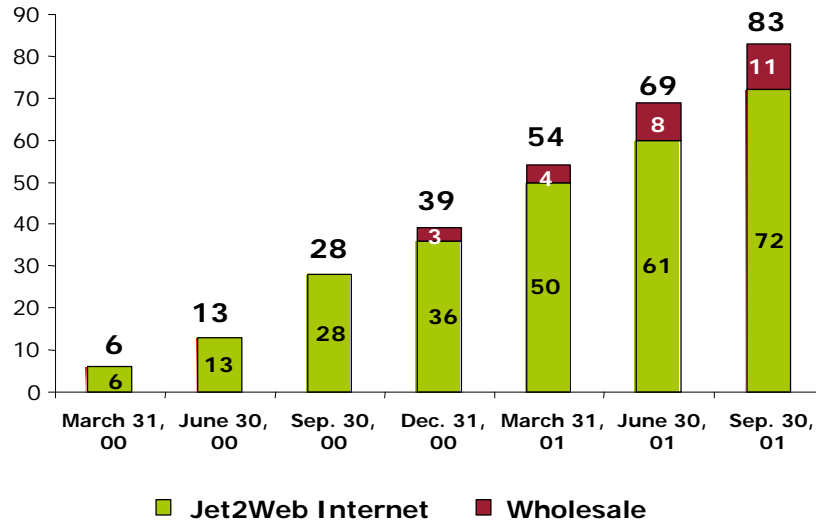
TikTak Lines



Front Runner in Broadband

ADSL Lines

in thous.



European Jet2Web Stream

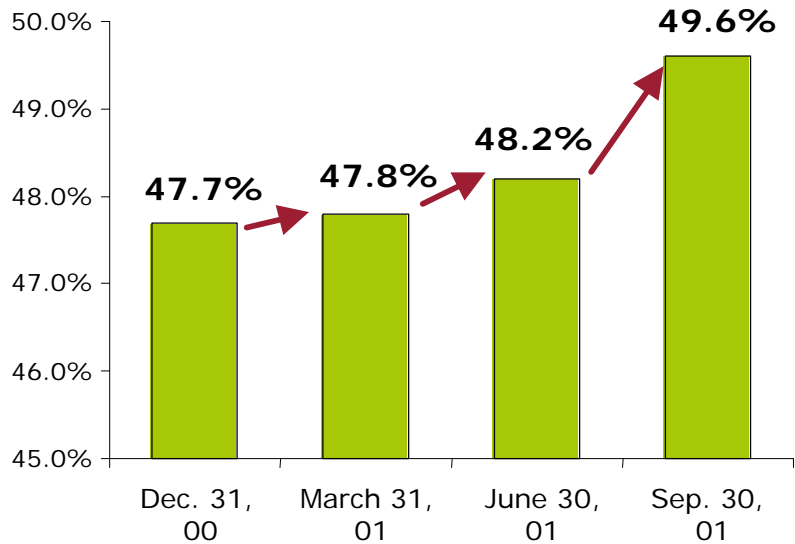


Mobile Highlights

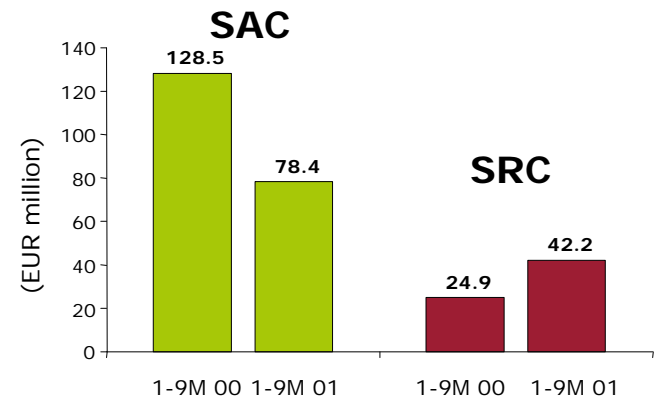
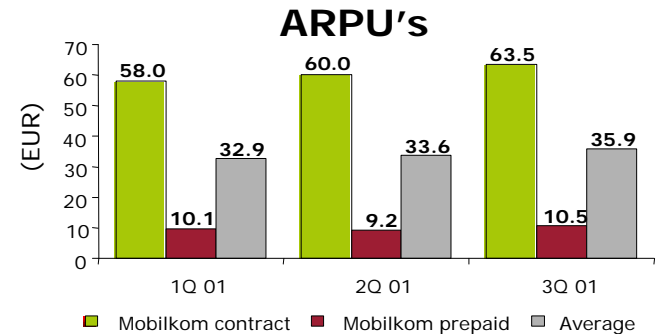
- Austrian ARPU's driven by value customer focus
- Adjustment for inactive customers lowers Austrian subscriber base
- Decline in acquisition costs outbalances increase in retention costs
- Extension of data applications
- Rising customer volume and profitability in Croatia
- Relaunch of Slovenian operator

Profit Drivers in Austria

Share of Contract Subscribers

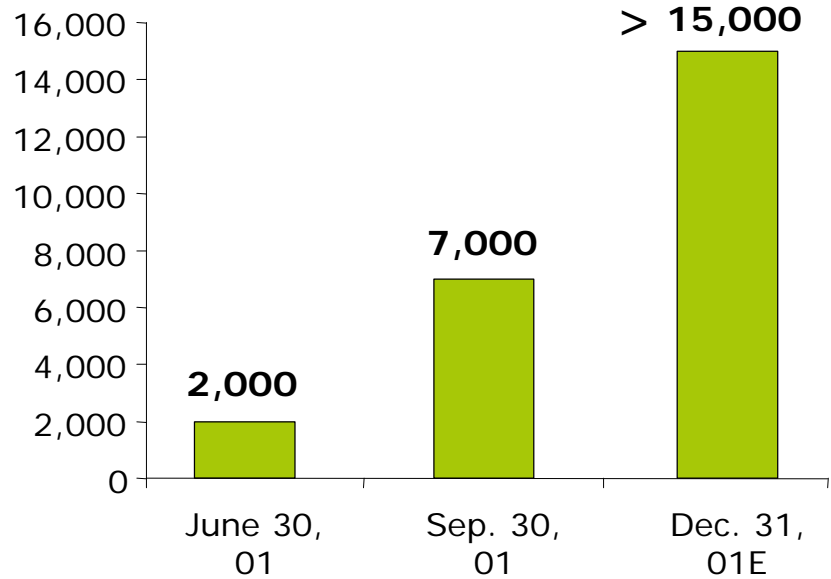


ARPU's / SAC / SRC



Mobilkom - Mobile Data

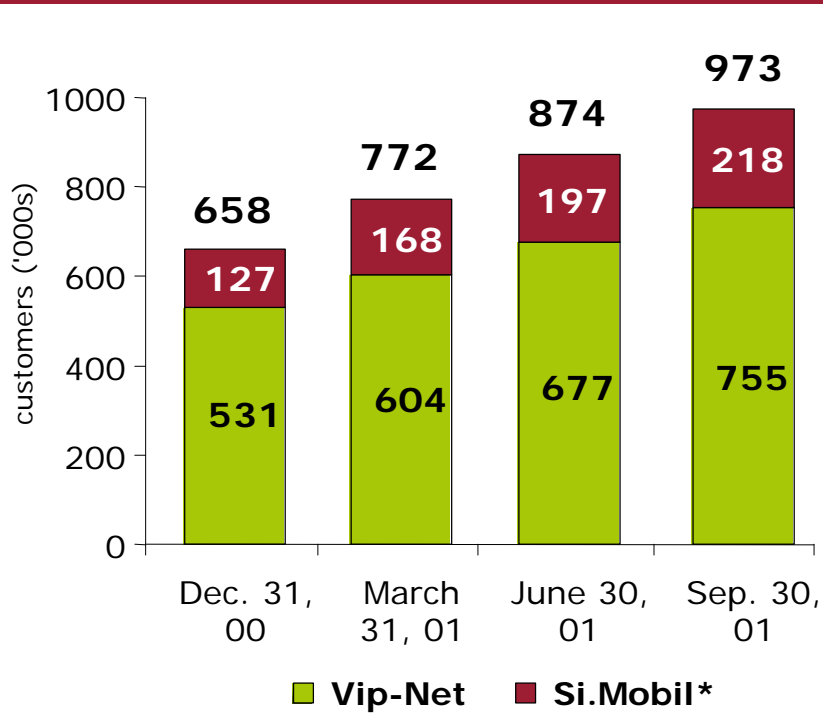
GPRS Customers



- Data in % of airtime revenues rises from 8.9% in 2Q 01 to 9.4% in 3Q 01
- Encouraging GPRS growth rates, further development depends primarily on availability of additional handsets
- Testing GPRS usage for business applications
- SMS rises in 3Q 2001 after a decline in 2Q
- Acquisition of a 49% stake in Paybox Austria will drive mobile payment usage (475 partners already available)

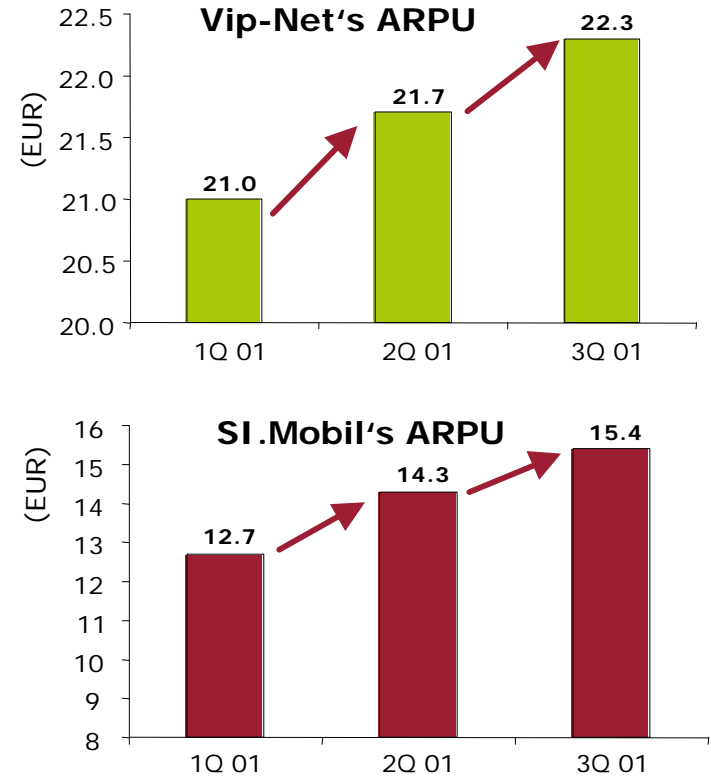
International Mobile

Int. Subscribers



*Acquired in Feb. 01

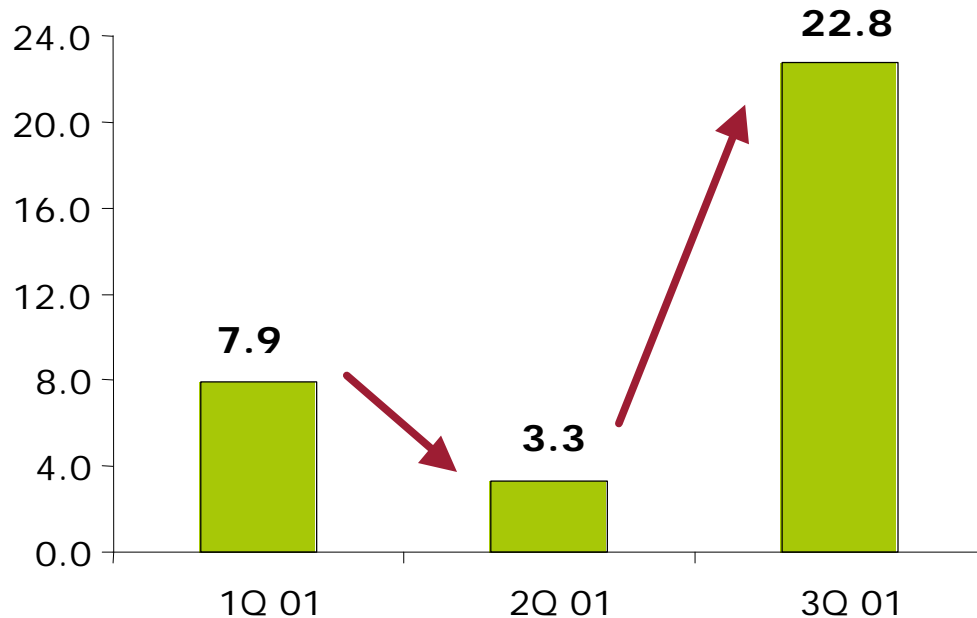
Vip-Net's ARPU / SI.Mobil's ARPU



EBITDA - Data Communications

Quarterly EBITDA's

(EUR million)



- Successful intra-year turn around
- Revenue growth in 3Q driven by solution business
- Headcount reduction

Jet2Web Internet Co-operations

Company	Content
Medienhaus + Partner	Business TV Streaming and Web Design
X-Art	Full Integrated Services for Online Video Applications
SAP	Bizmarket - Communication and Data Platform for B2B Transactions
ORF (Austrian Broadcasting Company)	Delivery of video content for broadband multimedia channel, 2.5% stake in Jet2Web Internet

Financial Overview

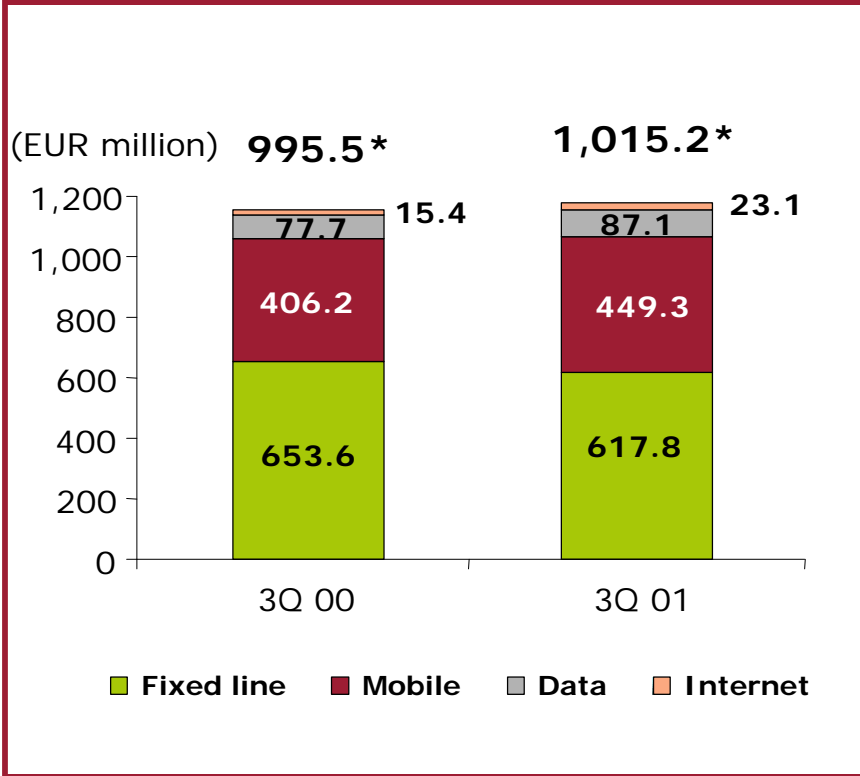
Telekom Austria Group Figures

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Total managed operating revenues	1,015.2	995.5	2.0%	2,950.5	2,918.5	1.1%	977.7	3,896.2
Total managed EBITDA*	459.0	207.1	121.6%	1,163.6	847.1	37.4%	212.8	1,059.9
Total managed EBITDA (adjusted)**	460.6	386.0	19.3%	1,167.3	1,054.1	10.7%	259.0	1,313.1
Total managed EBIT*	168.6	-60.4	n.m.	297.2	50.3	490.9%	-80.8	-30.5
Total managed EBIT (adjusted)**	170.2	118.5	43.6%	300.9	257.3	16.9%	-34.6	222.7
Consolid. net result of Telekom Austria, with Mobilkom at-equity	51.6	-98.5	n.m.	16.1	-121.0	n.m.	-164.6	-285.6
Capex	155.4	184.6	-15.8%	452.8	654.6	-30.8%	263.1	917.7
* excluding costs for idle workforce	18.5	0.3	n.m.	36.8	0.3	n.m.	7.3	7.6
** adjusted for early retirement costs	1.6	178.9	n.m.	3.7	207.0	n.m.	46.2	253.2

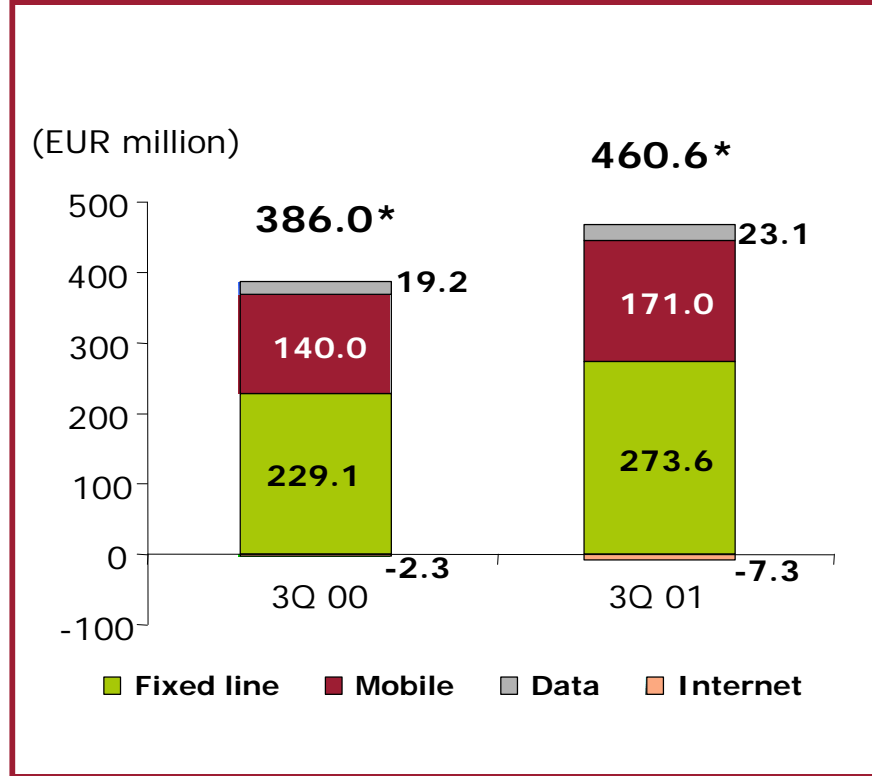
EBITDA is defined as operating income excluding depreciation, amortization and costs for idle workforce. See slide 22.

Business Segments - 3Q Revenues & EBITDA

Revenues



EBITDA (adjusted)



* Total managed group figures

Idle Workforce & Early Retirement Costs

(EUR million)	1-9M 00	FY 00	1-9M 01	FY 01E
Costs for idle workforce excluded in reported EBITDA	0.3	7.6	36.8	63.5
Early retirement costs included in reported EBITDA	207.0	253.2	3.7	5.0
there of:				
- fixed line	202.7	248.4	3.7	5.0
- data communications	4.3	4.8	-	-

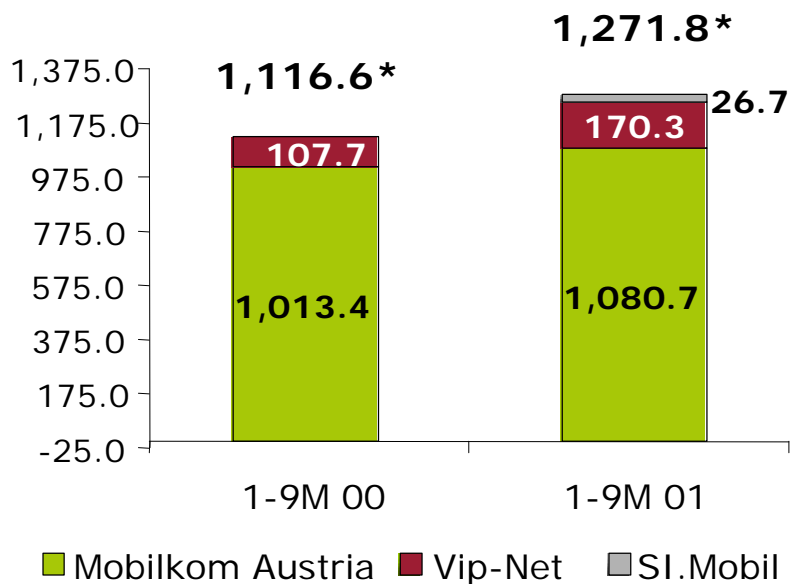
Costs for idle workforce: expenses for employees who have been released or transferred from the work force as well as all cash settlements for civil servants who have agreed to leave with severance packages.

Early retirement costs: Accrued costs for early retirement programs, which were finalized in 2000; current costs refer to interest costs

Mobile - Geographic Breakdown 1-9M

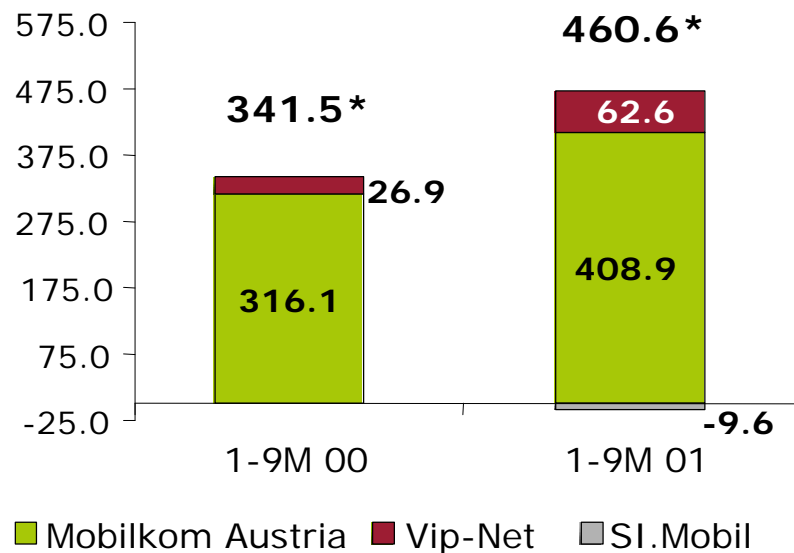
Revenues

(EUR million)



EBITDA

(EUR million)

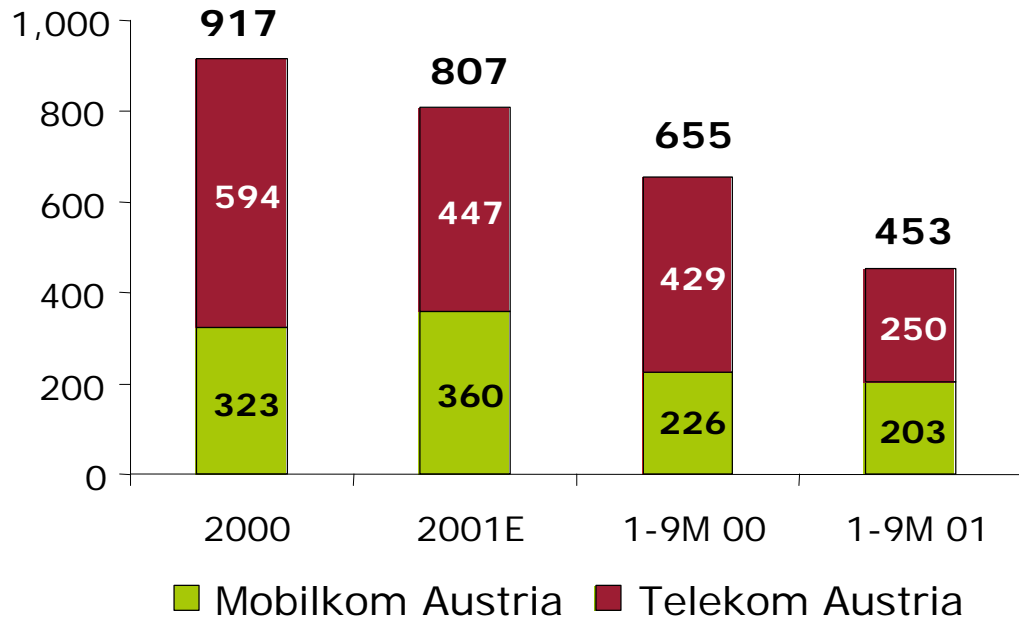


* Total consolidated numbers

Ongoing Capex Reductions

Telekom Austria Group CAPEX

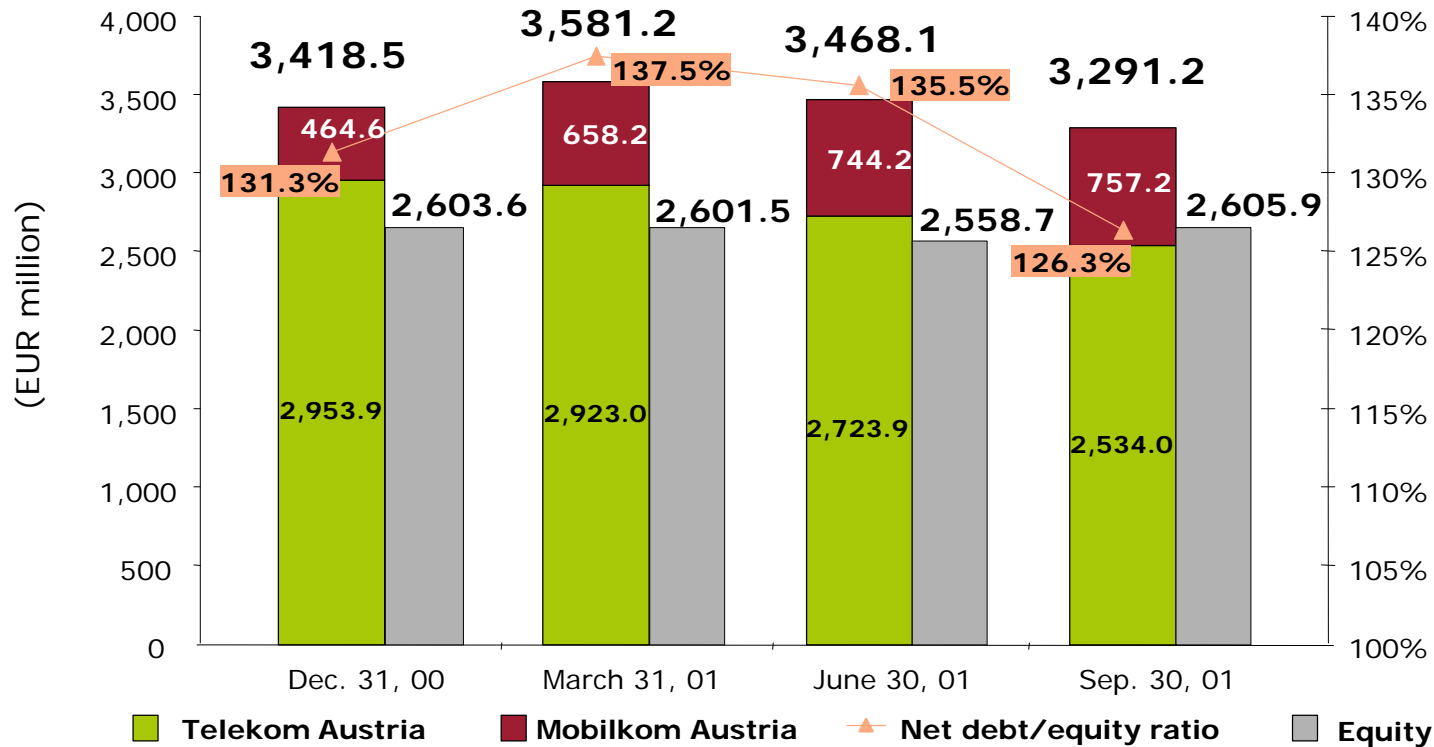
(EUR million)



- 50% of fixed line capex for extension of broadband activities, primarily ADSL
- 35% of mobile capex for foreign operations
- UMTS build-out on track
- Reduction of full year forecast

Net Debt & Equity- Telekom Austria Group

Continuing Reduction of Net Debt



Outlook

Outlook for Q4 2001

- | | |
|--------------|---|
| Fixed Line | <ul style="list-style-type: none">• EBITDA margins driven by headcount reductions and increased efficiency• Declining market share not yet stable |
| Mobile | <ul style="list-style-type: none">• Continuing positive trend in general• Seasonal decline of margins impacted in addition by the negative contribution from Slovenia |
| Data | <ul style="list-style-type: none">• Further operating improvement during the rest of the year |
| Internet | <ul style="list-style-type: none">• Increasing operating loss due to the launch of the broadband portal „speed.at“ |
| Group | <ul style="list-style-type: none">• Higher EBITDA margins even if adjusted for early retirement costs• Negative net result due to impairment write-offs and lower fourth quarter |

Reorganisation of Fixed Line Business

Wholesale

Wholesale marketing & sales

Integrate marketing & sales under single leadership

Strategic Portfolio & Technology Management (PT)

Accelerate and support product development

Network

Realize cost synergies through concentration of network operations

Retail

Business Solutions

Join business customer distribution within Telekom Austria & Datakom

Residential/SOHO

Merge Internet access and voice to win back customers

Customer Care

Ensure 100% end-to-end customer satisfaction

Media

Focus on portal business

Appendix

▶ 2001

▶ 2002

▶ 2003

▶ 2004

▶ 2005

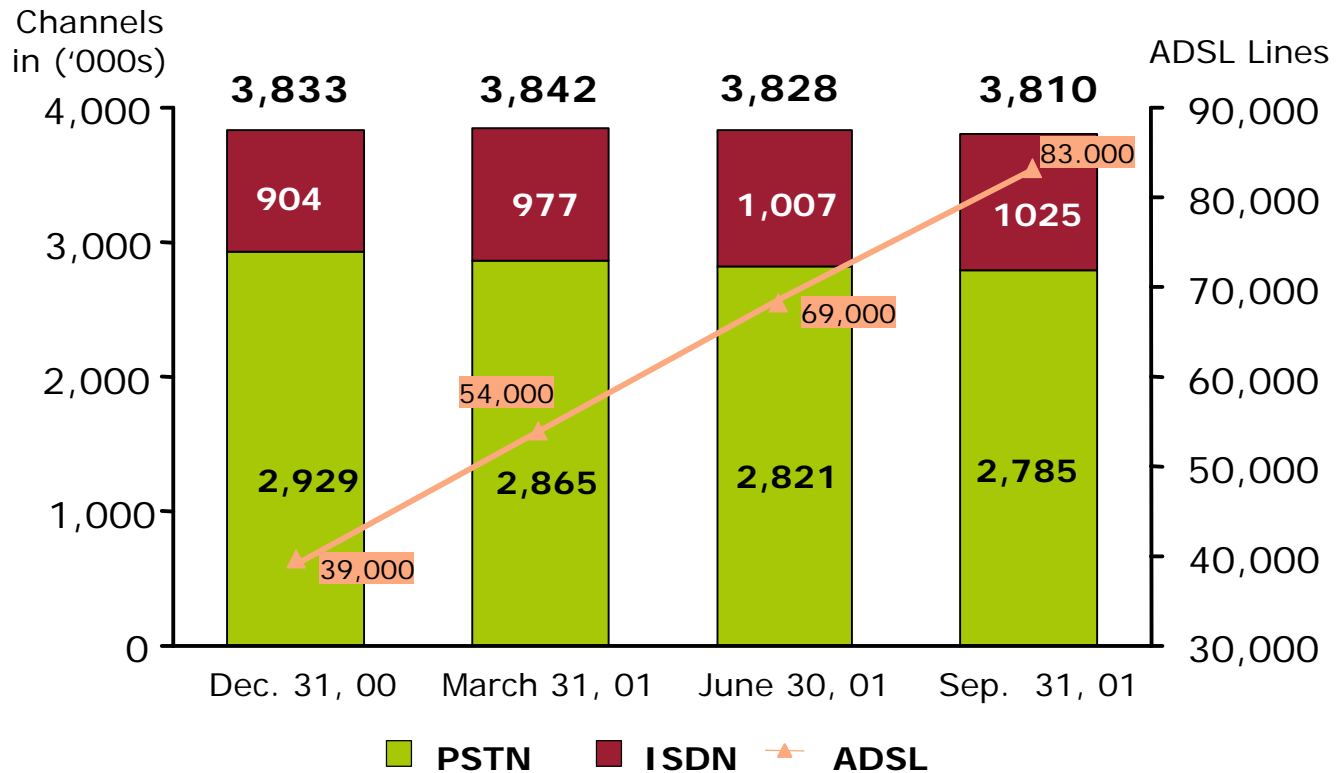
▶ 2006

▶ 2007

▶ 2008

Fixed Line - Access Channels

Access Channels / ADSL Lines

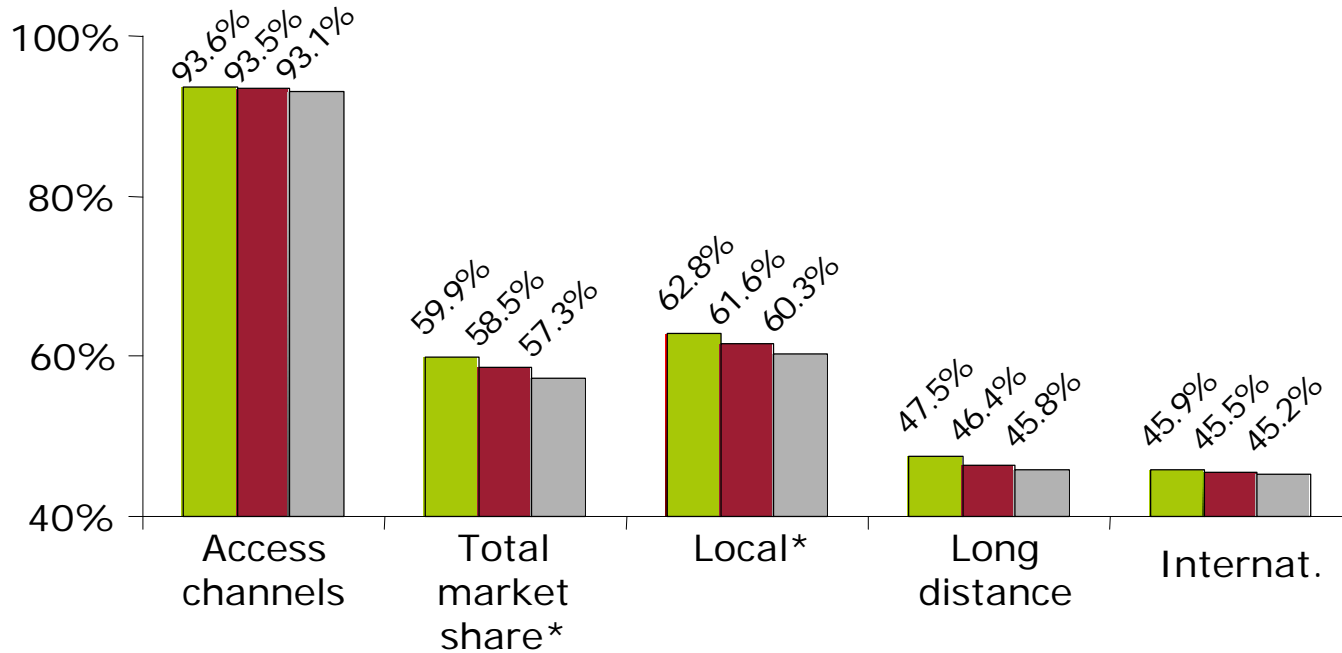


Fixed Line - Minutes

(in millions of minutes)	1-9M 2001	1-9M 2000	% Change
Local	3,348	4,805	-30.3%
Long distance	628	775	-19.0%
Fixed-to-mobile	619	719	-13.9%
Internet dial-up	3,180	2,849	11.6%
Other Calls	3,034	2,236	35.7%
Total fixed line minutes	10,809	11,384	-5.1%
International traffic	353	390	-9.5%
Carrier services:			
Incoming international	831	993	-16.3%
Outgoing international	777	919	-15.5%

Fixed Line - Market Shares

Market Shares



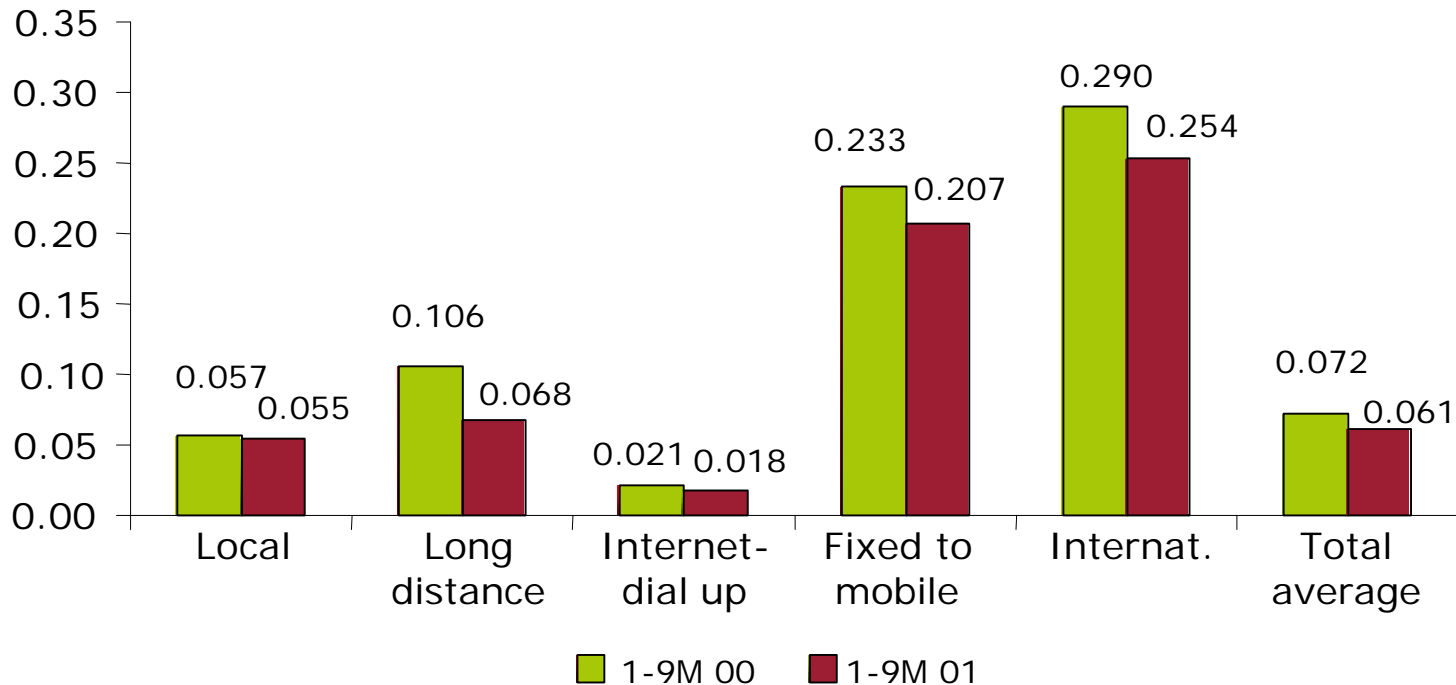
*Including internet dial-up traffic

■ March 31, 01 ■ June 30, 01 ■ Sep. 30, 01

Fixed Line - Average Tariffs

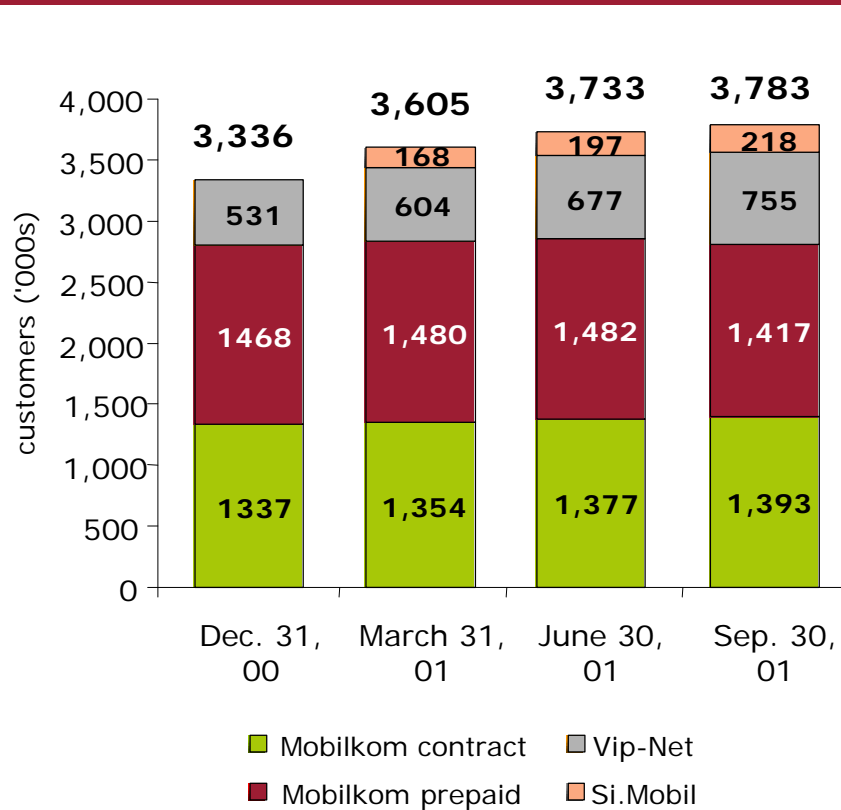
Average Tariffs in EUR

(In EUR for one minute)

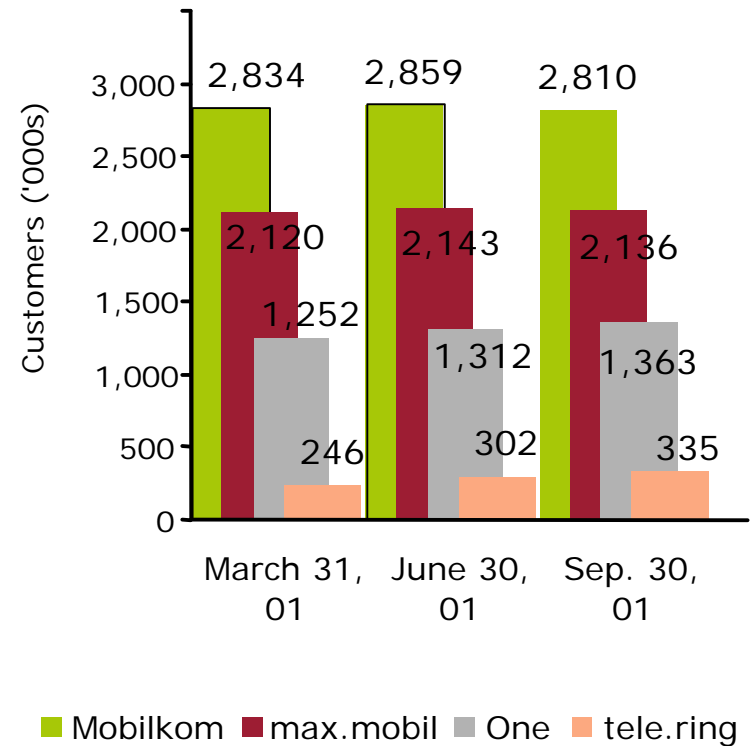


Mobilkom's Subscribers

Mobile Subscribers



Austrian Mobile Market



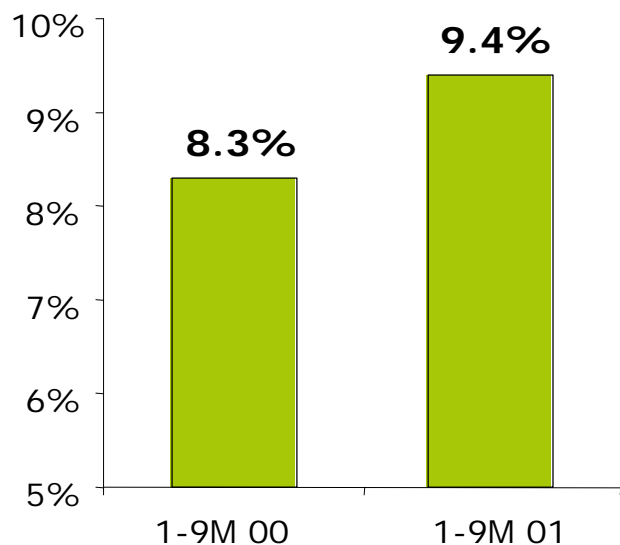
Mobilkom's Traffic Development

	1-9M 00	1-9M 01
Charged minutes (millions) *	2,347	2,708
Non charged minutes (millions) *	1,998	2,347
Average number of customers ('000s)	2,484	2,839
Minutes per customer per month - charged	105	106
non charged	89	92

* Rated MOUs of Mobilkom customers

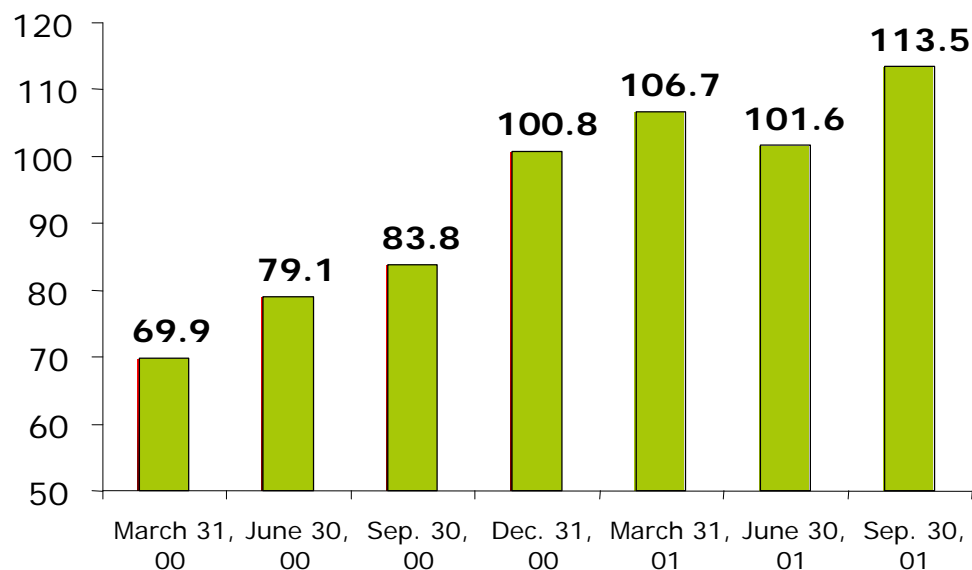
Mobilkom - Mobile Data

Data Revenues in % of Airtime Revenues



No. of SMS per Quarter

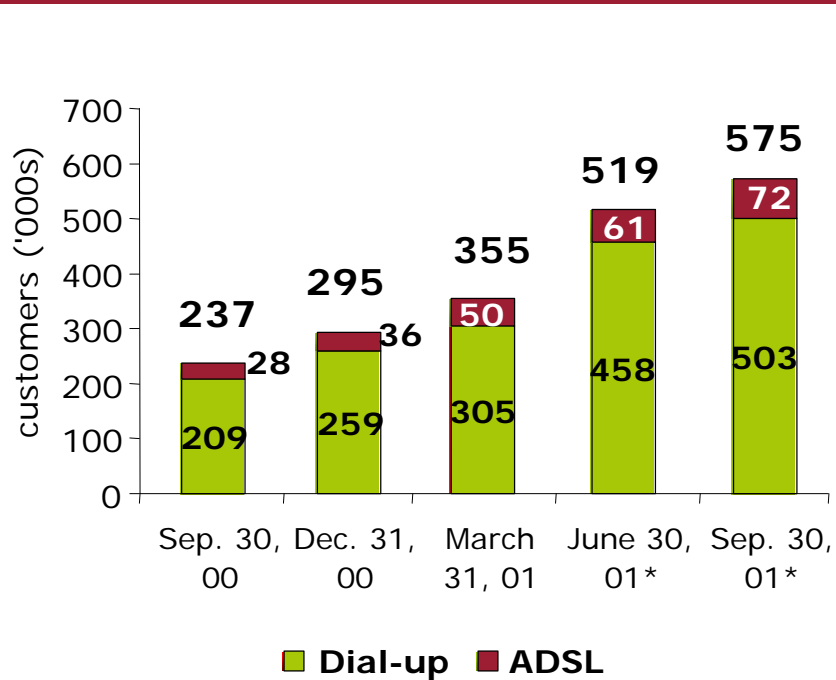
(in million)



Note: New basis of calculation

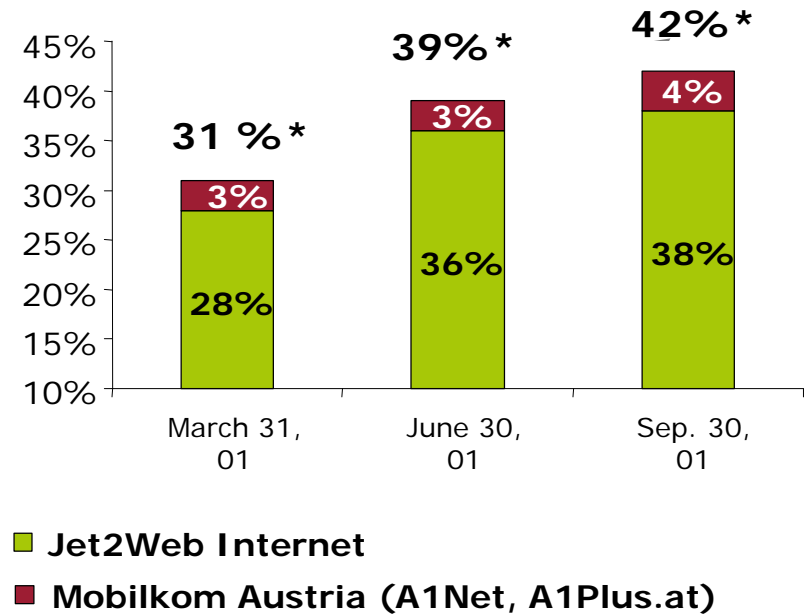
Internet in Austria

Internet Subscribers



* Including 90,000 subscribers acquired during 2Q 01

Residential Market Share



* Telekom Austria Group

Head Count* Development

(average of period)	1-9M 01	1-9M 00	% Change
Fixed Line	13,447	15,125	-11.1%
Mobile	3,194	2,458	29.9%
Data	926	952	-2.7%
Internet	290	75	286.7%
Telekom Austria Group	17,857	18,610	-4.0%

(end of period)	Sep. 30, 01	Sep. 30, 00	% Change
Fixed Line	12,400	14,804	-16.2%
Mobile	3,398	2,681	26.7%
Data	910	961	-5.3%
Internet	329	79	316.5%
Telekom Austria Group	17,037	18,525	-8.0%

* = Full-time-equivalents

Fixed Line - Key Financial Data

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Operating revenues	617.8	653.6	-5.5%	1,862.2	2,004.5	-7.1%	650.3	2,654.8
EBITDA*	272.3	54.5	399.6%	690.2	458.0	50.7%	114.2	572.2
EBITDA (adjusted)**	273.6	229.1	19.4%	693.6	660.7	5.0%	159.9	820.6
EBIT*	72.8	-148.9	n.m.	81.1	-179.9	n.m.	-104.6	-284.5
EBIT (adjusted)**	74.1	25.7	188.3%	84.5	22.8	270.6%	-58.9	-36.1
* Excluding costs for idle workforce	18.5	0.3	n.m.	36.8	0.3	n.m.	7.3	7.6
** Adjusted for early retirement costs	1.3	174.6	n.m.	3.4	202.7	n.m.	45.7	248.4

Fixed Line - Revenue Breakdown

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Traffic revenues	143.5	186.7	-23.1%	459.8	643.9	-28.6%	162.3	806.2
Monthly rental	158.3	164.9	-4.0%	475.8	492.4	-3.4%	163.0	655.4
Interconnection	167.9	175.4	-4.3%	486.0	470.4	3.3%	148.4	618.8
Leased lines	60.8	38.5	57.9%	189.0	151.3	24.9%	76.4	227.7
Equipment	24.9	25.9	-3.9%	71.8	81.6	-12.0%	24.1	105.7
Other	62.4	62.3	0.2%	179.7	164.9	9.0%	76.2	241.1
Total fixed line operating revenues	617.8	653.7	-5.5%	1,862.1	2,004.5	-7.1%	650.4	2,654.9

Mobile - Key Financial Data

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Operating revenues	449.3	406.2	10.6%	1,271.8	1,116.6	13.9%	383.5	1,500.1
EBITDA	171.0	140.0	22.1%	460.6	341.5	34.9%	94.1	435.6
EBIT	103.1	96.5	6.8%	268.6	219.0	22.6%	42.1	261.1
Net income*	86.2	59.7	44.4%	103.5	140.0	-26.1%	27.5	167.5

* Including the one-off tax effect (EUR 134.4million) resulting from the change of legal structure of Mobilkom Austria

Mobile - Revenue Breakdown

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Traffic revenues	231.5	190.8	21.3%	645.2	528.8	22.0%	192.5	721.3
Monthly rental	64.5	61.6	4.7%	188.2	183.4	2.6%	62.4	245.8
Equipment	38.0	56.3	-32.5%	113.9	136.5	-16.6%	51.0	187.5
Roaming	44.0	33.9	29.8%	120.2	87.7	37.1%	26.0	113.7
Interconnection	72.4	65.3	10.9%	204.9	170.1	20.5%	64.6	234.7
Other	7.9	1.2	558.3%	19.7	17.3	13.9%	3.0	20.3
Discounts	-9.1	-2.9	213.8%	-20.4	-7.2	183.3%	-16.0	-23.2
Total mobile operating communications revenues	449.2	406.2	10.6%	1,271.7	1,116.6	13.9%	383.5	1,500.1

Data - Key Financial Data

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Operating revenues	87.1	77.7	12.1%	238.6	228.6	4.4%	84.2	312.8
EBITDA	22.8	14.9	52.8%	34.0	42.6	-20.3%	14.8	57.4
<i>EBITDA (adjusted) *</i>	23.1	19.2	20.2%	34.3	46.9	-26.9%	15.3	62.2
EBIT	13.8	7.0	97.1%	9.4	19.2	-51.0%	5.2	24.4
<i>EBIT (adjusted) *</i>	14.1	11.3	24.8%	9.7	23.5	-58.7%	5.7	29.2
* Adjusted for early retirement costs	0.3	4.3	-	0.3	4.3	-	0.5	4.8

Internet - Key Financial Data

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Operating revenues	23.1	15.4	50.0%	62.3	43.2	44.2%	17.9	61.1
EBITDA	-7.3	-2.3	217.4%	-21.4	5.0	n.m.	-10.4	-5.4
EBIT	-9.2	-2.8	228.6%	-28.2	4.4	n.m.	-11.7	-7.3

Operating Revenues by Segment

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Fixed line services	617.8	653.6	-5.5%	1,862.2	2,004.5	-7.1%	650.3	2,654.8
Data communications services	87.1	77.7	12.1%	238.6	228.6	4.4%	84.2	312.8
Internet	23.1	15.4	50.0%	62.3	43.2	44.2%	17.9	61.1
Intersegmental eliminations	-56.6	-50.4	-12.3%	-162.1	-159.1	-1.9%	-55.2	-214.3
Consolidated operating revenues	671.4	696.3	-3.6%	2,001.0	2,117.2	-5.5%	697.2	2,814.4
Mobile communications services	449.3	406.2	10.6%	1,271.8	1,116.6	13.9%	383.5	1,500.1
Intersegmental eliminations	-105.5	-107.0	1.4%	-322.3	-315.3	-2.2%	-103.0	-418.3
Total managed operating revenues	1,015.2	995.5	2.0%	2,950.5	2,918.5	1.1%	977.7	3,896.2

EBITDA by Segment

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	FY 00
Fixed line services	272.3	54.5	399.6%	690.2	458.0	50.7%	114.2	572.2
<i>Fixed line services (ajusted)</i>	273.6	229.1	19.4%	693.6	660.7	5.0%	159.9	820.6
Data communications services	22.8	14.9	52.8%	34.0	42.6	-20.3%	14.8	57.4
<i>Data com. services (adjusted)</i>	23.1	19.2	20.2%	34.3	46.9	-26.9%	15.3	62.2
Internet	-7.3	-2.3	217.4%	-21.4	5.0	n.m.	-10.4	-5.4
Intersegmental eliminations & other	0.2	0.0	-	0.2	0.0	-	0.1	0.1
Consolidated EBITDA	288.0	67.1	329.2%	703.0	505.6	39.0%	118.7	624.3
<i>Consolidated EBITDA (ajusted)</i>	289.6	246.0	17.7%	706.7	712.6	-0.8%	164.9	877.5
Mobile communications services	171.0	140.0	22.1%	460.6	341.5	34.9%	94.1	435.6
Intersegmental eliminations & other	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Total managed EBITDA	459.0	207.1	121.6%	1,163.6	847.1	37.4%	212.8	1,059.9
<i>Total managed EBITDA (ajusted)</i>	460.6	386.0	19.3%	1,167.3	1,054.1	10.7%	259.0	1,313.1

Note: Adjusted = Excluding early retirement costs

EBIT by Segment

(EUR million)	3Q 01	3Q 00	% change	1-9M 01	1-9M 00	% change	4Q 00	4Q 00
Fixed line services	72.8	-148.9	n.m.	81.1	-179.9	n.m.	-104.6	-284.5
<i>Fixed line services (adjusted)</i>	<i>74.1</i>	<i>25.7</i>	<i>188.3%</i>	<i>84.5</i>	<i>22.8</i>	<i>270.6%</i>	<i>-58.9</i>	<i>-36.1</i>
Data communications services	13.8	7.0	97.1%	9.4	19.2	-51.0%	5.2	24.4
<i>Data com. services (adjusted)</i>	<i>14.1</i>	<i>11.3</i>	<i>24.8%</i>	<i>9.7</i>	<i>23.5</i>	<i>-58.7%</i>	<i>5.7</i>	<i>29.2</i>
Internet	-9.2	-2.8	228.6%	-28.2	4.4	n.m.	-11.7	-7.3
Intersegmental eliminations & other	-11.9	-12.2	2.5%	-33.7	-12.4	271.8%	-11.8	-24.2
Consolidated EBIT	65.5	-156.9	-141.7%	28.6	-168.7	-117.0%	-122.9	-291.6
<i>Consolidated EBIT (adjusted)</i>	<i>67.1</i>	<i>22.0</i>	<i>205.0%</i>	<i>32.3</i>	<i>38.3</i>	<i>-15.7%</i>	<i>-76.7</i>	<i>-38.4</i>
Mobile communications services	103.1	96.5	6.8%	268.6	219.0	22.6%	42.1	261.1
Intersegmental eliminations & other	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Total managed EBIT	168.6	-60.4	n.m.	297.2	50.3	490.9%	-80.8	-30.5
<i>Total managed EBIT (adjusted)</i>	<i>170.2</i>	<i>118.5</i>	<i>43.6%</i>	<i>300.9</i>	<i>257.3</i>	<i>16.9%</i>	<i>-34.6</i>	<i>222.7</i>

Note: Adjusted = Excluding early retirement costs

Cash Flows - Telekom Austria Group

(EUR million)	Telekom Austria AG			Mobilkom Austria AG		
	1-9M 01	1-9M 00	%	1-9M 01	1-9M 00	%
Cash flow from operating activities	587.0	928.8	-36.8%	418.5	239.2	75.0%
Cash used in investing activities	-253.3	-846.2	-70.1%	-398.9	-243.3	64.0%
Cash from (used in) financing activities	-335.2	-428.9	-21.8%	-25.0	-49.8	-49.8%
Effect of exchange rate changes	0.0	0.6	-101.3%	3.5	-1.5	n.m.
Net increase (decrease) in cash and cash equivalents	-1.5	-345.8	-99.6%	-1.8	-55.5	-96.7%

Net Debt - Telekom Austria Group

(in EUR million)	Dec. 31, 00	Mar. 31, 01	Jun. 30, 01	Sept. 30, 01
Long-term debt	2,353.9	2,274.5	2,245.6	2,147.1
Short-term debt	946.0	1,166.4	1,105.5	862.9
- Cross border lease, included in s/t debt	-81.2	-84.5	-88.0	-83.7
+ Capital lease obligations	6.2	6.0	6.7	3.6
- Intercompany loans for Mobilkom Austria	-199.7	-378.9	-472.9	-320.7
Cash and cash equivalents and short-term investments	-23.7	-14.9	-22.3	-21.8
Financial instruments, included in other assets	-47.6	-45.5	-50.6	-53.3
Net debt Telekom Austria	2,953.9	2,923.0	2,723.9	2,534.0
Long-term debt	430.8	473.7	472.2	630.9
Short-term debt	91.2	269.4	321.2	180.5
- Cross border lease, included in s/t debt	-18.6	-19.6	-20.5	-19.0
Cash and cash equivalents and short-term investments	-38.8	-65.3	-28.7	-35.2
Net debt Mobilkom Austria	464.6	658.2	744.2	757.2
Net debt of Telekom Austria Group	3,418.5	3,581.3	3,468.1	3,291.2
Shareholders' equity	2,603.6	2,604.6	2,558.7	2,605.9
Net debt/equity	131.3%	137.5%	135.5%	126.3%



▶2001

▶2002

▶2003

▶2004

▶2005

▶2006

▶2007

▶2008

Telekom Austria Group



Thank you!

