

# Telekom Austria Group Results for the 2nd Quarter 2005

August 24, 2005

# Cautionary Statement

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

Although Telekom Austria has conducted diligence customary in acquisitions in Central and Eastern Europe, based on the information to which Telekom Austria was given access during the acquisition process, Telekom Austria has not been involved in the management of Mobitel until July 12, 2005. As a result, Telekom Austria's assessment of the risks and opportunities presented by the acquisition, as well as the effects of the acquisition on Telekom Austria's financial results, may not be accurate and there may be risks of which Telekom Austria is not aware. The description of Mobitel and its financial data contained in this press release is based solely upon the information provided to Telekom Austria during the acquisition process and during the short period of time of its involvement in the management of Mobitel since July 12, 2005.”

# Agenda

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

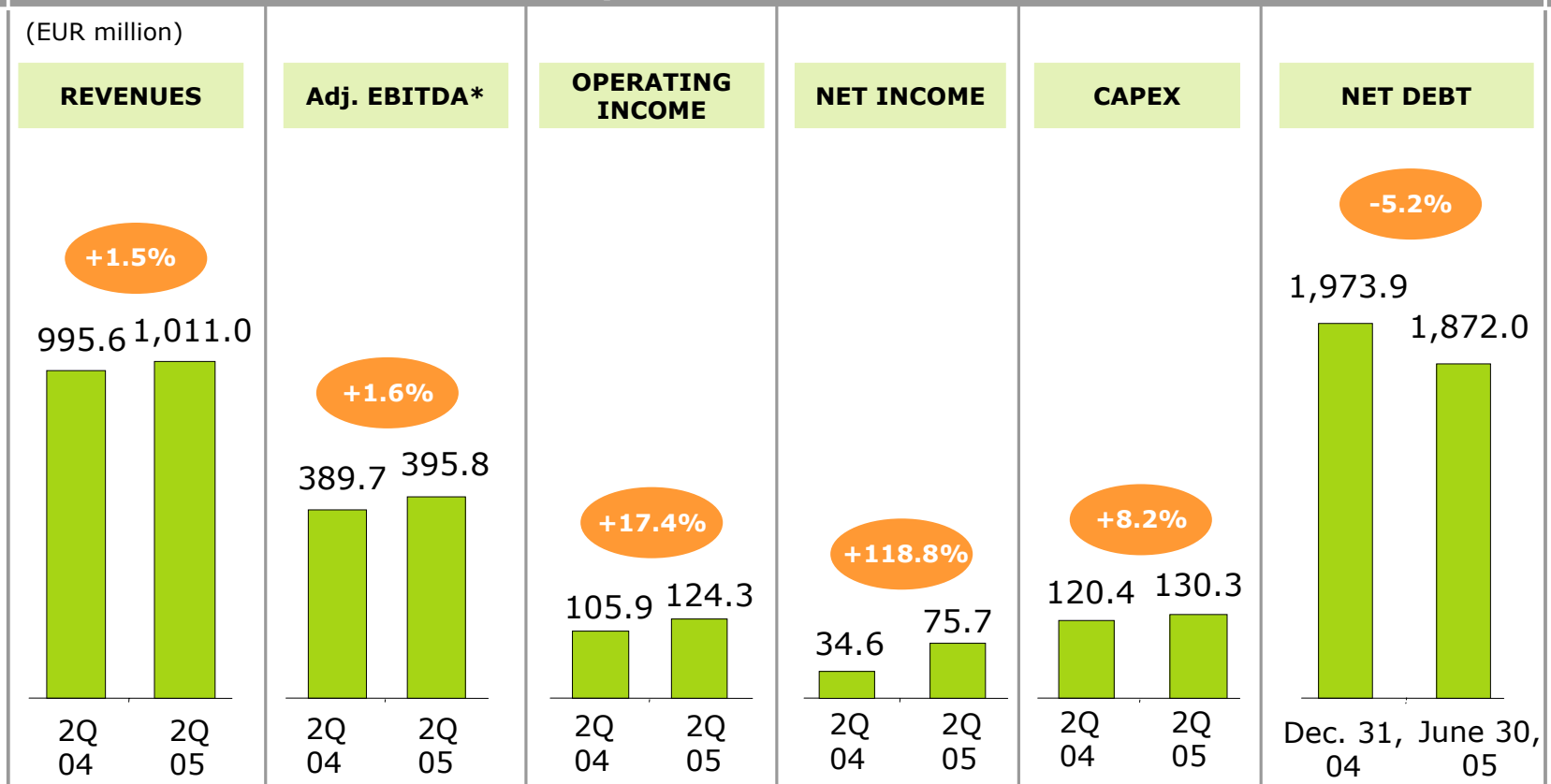
# Key Developments

# Telekom Austria – 2Q 05 Highlights

- Domestic wireless business continues to profit from growth of data business; rising earnings both in Croatia and Slovenia
- Decline of wireline adjusted EBITDA mainly due to a positive one-time effect of EUR 13 million in 2Q 04, continuing strong ADSL growth
- Net profit rises by 118.8%
- Acquisition of the leading Bulgarian mobile operator Mobiltel finalized; Consolidation from July 12, 2005
- Net debt declines despite dividend payment, higher CAPEX and acceleration of share buyback
- Solid basis for full year outlook

# Telekom Austria – 2Q 2005 Results

## Key Financial Indicators



\* Operating income before depreciation, amortization and impairment charges

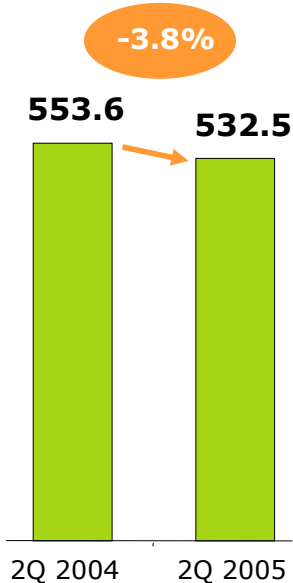
# Wireline

# Wireline Results 2Q 05

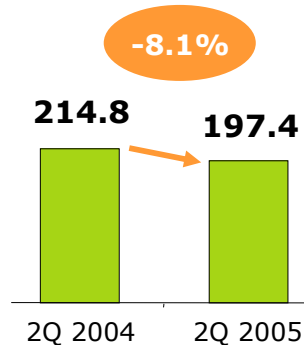
## 2Q 2005 Results

(EUR million)

### Revenues



### Adj. EBITDA



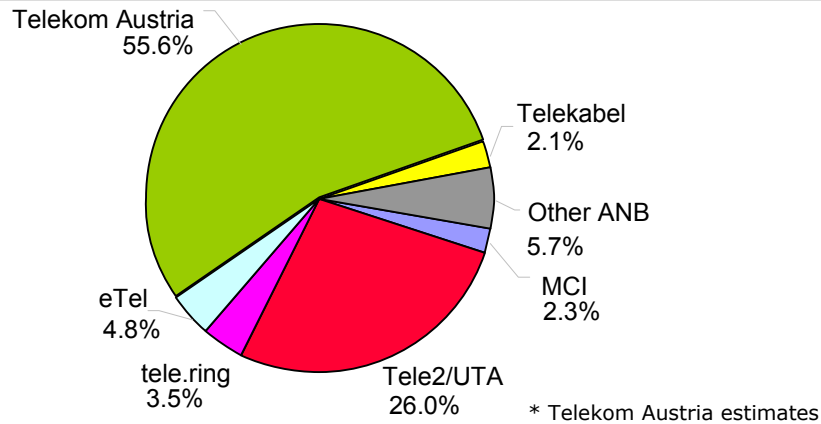
## Key Highlights

- Decline of revenues and adjusted EBITDA mainly due to a 13 million one-off payment for universal service obligation from alternative operators in 2Q 04
- Continuing strong broadband business in 2Q 05: ADSL net adds 51,200, +77.2%
- Gain of voice market share of 2.3 pp y-o-y
- Average voice tariff increases by 2.8% driven by higher fixed-to-mobile call volumes



# Improved Position Drives Market Share

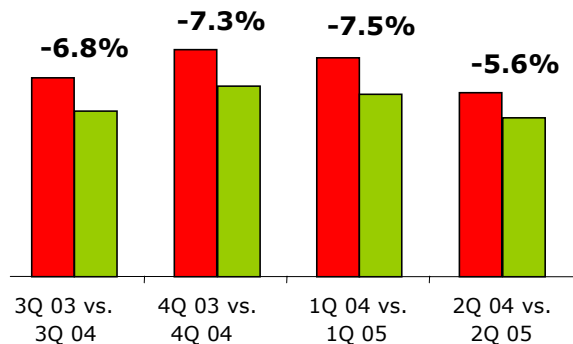
## Voice Market Shares\*



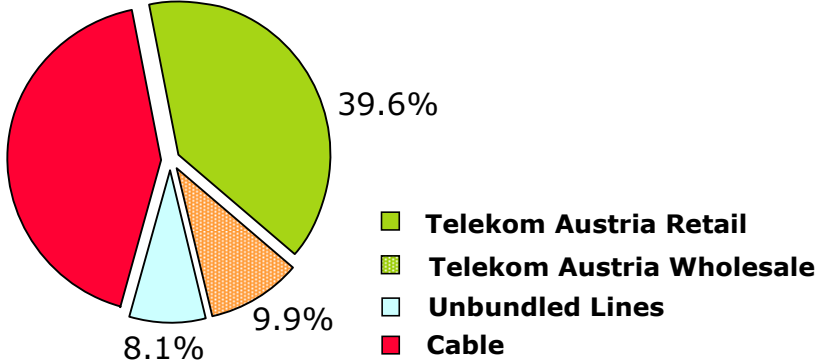
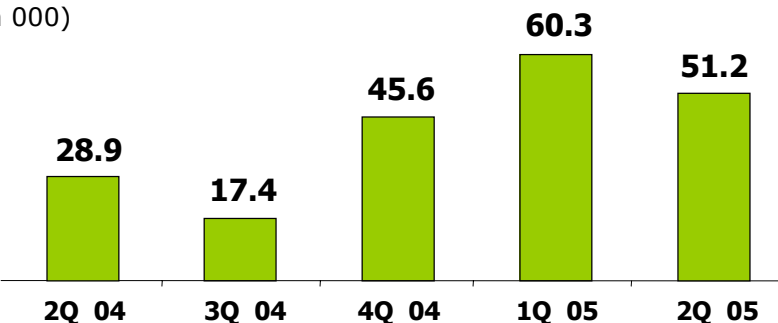
## Highlights

- Further rise of total voice market share due to improved market position in the local and long distance call segment
- Total voice market unchanged characterized by fixed-to-mobile migration
- Decline of voice minutes slowed down in 2Q 05 compared to previous quarters
- Number of bonus packages increased to 452,000 in June 05 vs. 423,000 in March 05

## Decline of Wireline Voice Minutes



# Substantial Increase in ADSL Net Adds

Broadband Market Share	Highlights												
 <p>A pie chart illustrating the distribution of broadband market share. The segments are: Telekom Austria Retail (39.6%, green), Telekom Austria Wholesale (42.4%, red), Unbundled Lines (8.1%, light blue), and Cable (9.9%, orange).</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Share (%)</th> </tr> </thead> <tbody> <tr> <td>Telekom Austria Retail</td> <td>39.6%</td> </tr> <tr> <td>Telekom Austria Wholesale</td> <td>42.4%</td> </tr> <tr> <td>Unbundled Lines</td> <td>8.1%</td> </tr> <tr> <td>Cable</td> <td>9.9%</td> </tr> </tbody> </table>	Category	Share (%)	Telekom Austria Retail	39.6%	Telekom Austria Wholesale	42.4%	Unbundled Lines	8.1%	Cable	9.9%	<ul style="list-style-type: none"> <li>▪ Telekom Austria (retail + wholesale) continues to gain ground against cable in the Austrian broadband market; 2Q 05: 49.5% vs. 1Q 05: 47.8%</li> </ul>		
Category	Share (%)												
Telekom Austria Retail	39.6%												
Telekom Austria Wholesale	42.4%												
Unbundled Lines	8.1%												
Cable	9.9%												
<h3>Quarterly ADSL Net Adds</h3>	<ul style="list-style-type: none"> <li>▪ Strong share of net adds</li> </ul>												
<p>(in 000)</p>  <p>A bar chart showing the quarterly ADSL net adds in thousands. The values are: 2Q 04 (28.9), 3Q 04 (17.4), 4Q 04 (45.6), 1Q 05 (60.3), and 2Q 05 (51.2).</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Net Adds (in 000)</th> </tr> </thead> <tbody> <tr> <td>2Q 04</td> <td>28.9</td> </tr> <tr> <td>3Q 04</td> <td>17.4</td> </tr> <tr> <td>4Q 04</td> <td>45.6</td> </tr> <tr> <td>1Q 05</td> <td>60.3</td> </tr> <tr> <td>2Q 05</td> <td>51.2</td> </tr> </tbody> </table>	Quarter	Net Adds (in 000)	2Q 04	28.9	3Q 04	17.4	4Q 04	45.6	1Q 05	60.3	2Q 05	51.2	<ul style="list-style-type: none"> <li>▪ Further strong ADSL growth in 2Q driven by entry level product</li> <li>▪ Number of unbundled lines grows slower than ADSL retail market</li> </ul>
Quarter	Net Adds (in 000)												
2Q 04	28.9												
3Q 04	17.4												
4Q 04	45.6												
1Q 05	60.3												
2Q 05	51.2												

# Repositioning of Business Solutions

- Focus on three main market initiatives to better serve business customers

## - **Stability Solutions – Assure Earnings**

Flexible infrastructure management provides maximum operating quality and security

## - **Productivity Solutions – Promote Efficiency**

Value enhancement through advanced technologies, exchange of knowledge and enhanced productivity

## - **Marketing Solutions – Raise Revenues**

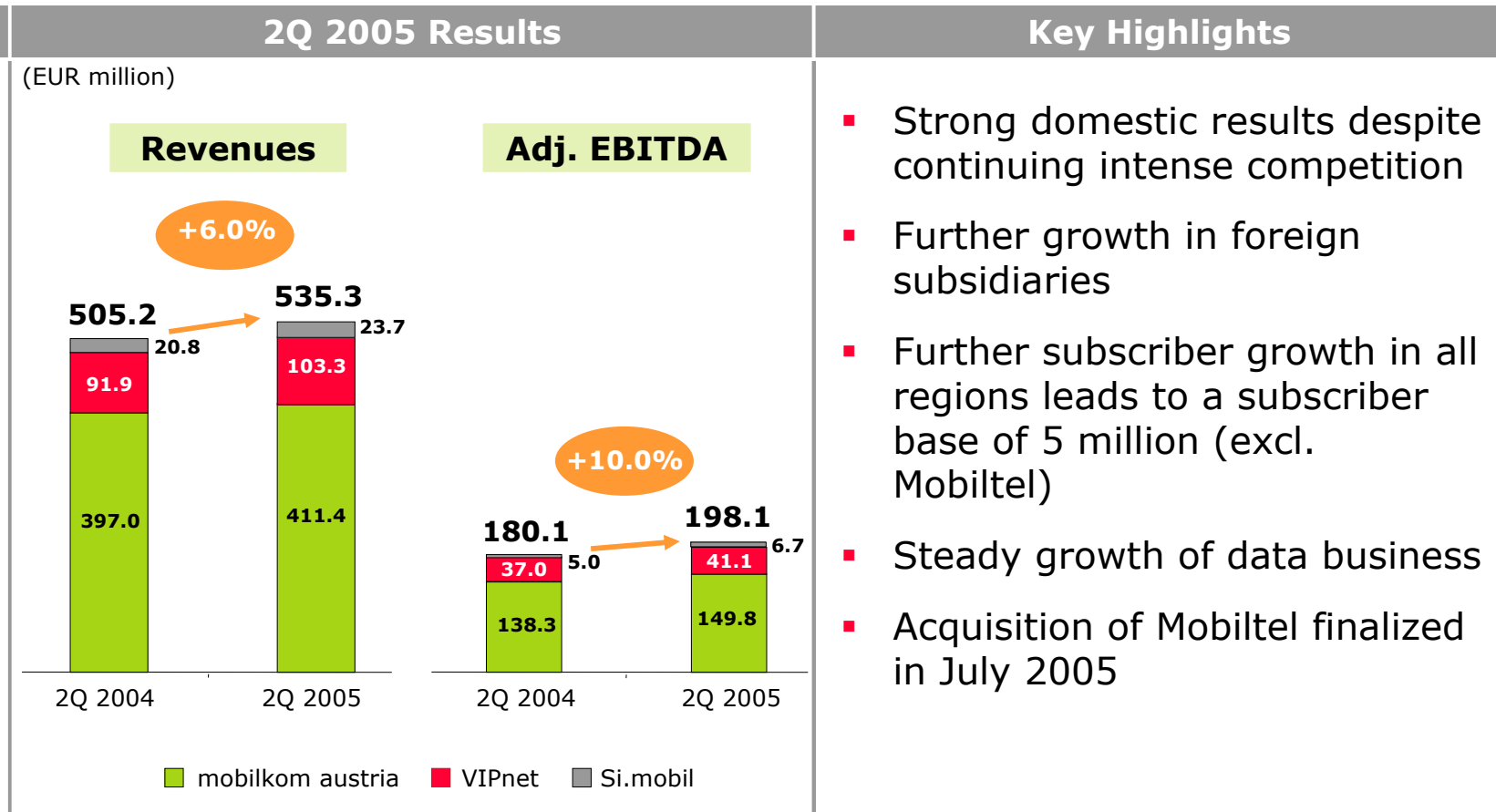
Advanced technologies allow optimal customer service and flawless communications between companies and their end-customers, while at the same time costs are kept to a minimum.

## TA Solutions

- Selective outsourcing of IT and communications infrastructure, and security solutions
- IP voice services with integrated application, collaboration and B2B communication solutions and e-conferencing
- Call center solutions, e-marketing and portals, Interactive voice recording (IVR) combined with marketing lines and CRM

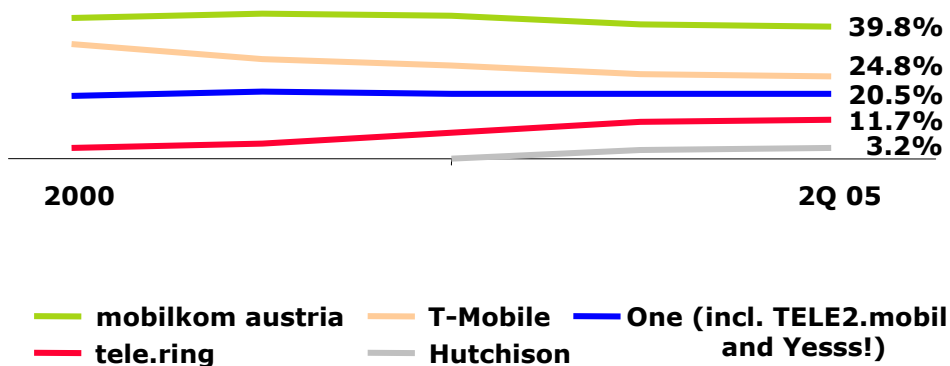
# Wireless

# Wireless Results 2Q 05



# Market and Subscribers in Austria

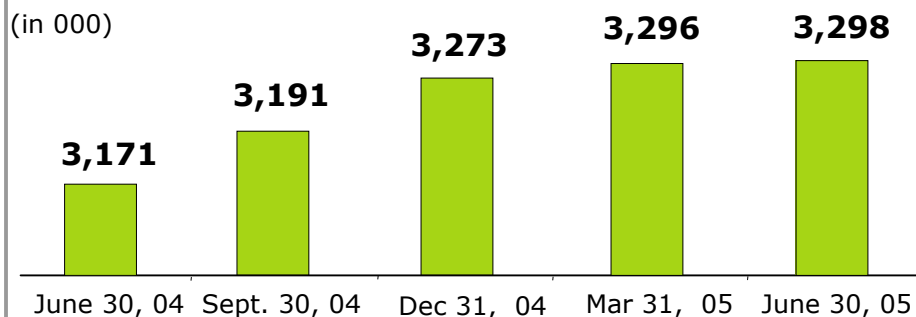
## Market Share



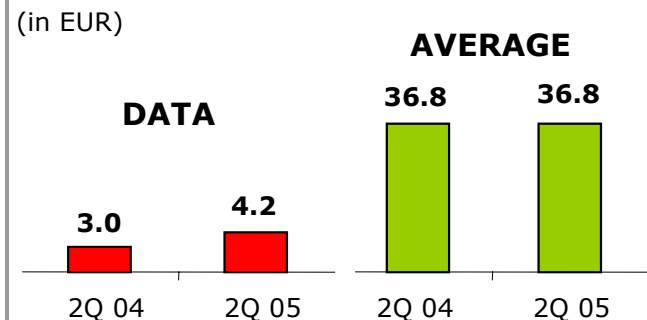
## Key Highlights

- Slight increase of subscriber base
- Consolidation in the Austrian mobile market starts with the acquisition of tele.ring by T-Mobile
- Increasing data usage offsets decline in voice ARPU resulting in flat average ARPU
- SAC/SRC declined by 9.1% to EUR 30 million during 2Q 05 vs. 2Q 04

## Subscribers mobilkom austria



## ARPU



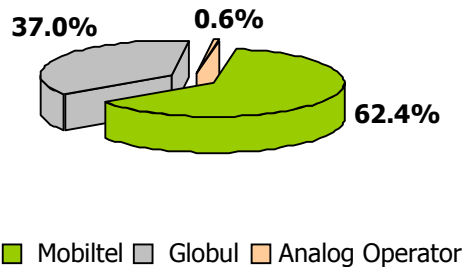
# Profitable Growth in Croatia and Slovenia

Subscribers (EoP)		Key Highlights													
<p>(in 000)</p> <p><b>VIPnet</b></p> <table border="1"> <tr> <th>Period</th> <th>Subscribers (in 000)</th> </tr> <tr> <td>June 30, 04</td> <td>1,244</td> </tr> <tr> <td>June 30, 05</td> <td>1,333</td> </tr> </table>	Period	Subscribers (in 000)	June 30, 04	1,244	June 30, 05	1,333	<p><b>Si.mobil</b></p> <table border="1"> <tr> <th>Period</th> <th>Subscribers</th> </tr> <tr> <td>June 30, 04</td> <td>362</td> </tr> <tr> <td>June 30, 05</td> <td>368</td> </tr> </table>	Period	Subscribers	June 30, 04	362	June 30, 05	368	<p><b>VIPnet</b></p> <ul style="list-style-type: none"> <li>Revenues increase by 12.4%</li> <li>EBITDA rises to EUR 41.1 million</li> <li>National roaming contract with Tele2 (valid for 3 years)</li> </ul>	
Period	Subscribers (in 000)														
June 30, 04	1,244														
June 30, 05	1,333														
Period	Subscribers														
June 30, 04	362														
June 30, 05	368														
Adjusted EBITDA															
<p>(EUR million)</p> <p><b>VIPnet</b></p> <table border="1"> <tr> <th>Period</th> <th>Adjusted EBITDA (EUR million)</th> </tr> <tr> <td>2Q 04</td> <td>37.0</td> </tr> <tr> <td>2Q 05</td> <td>41.1</td> </tr> </table>	Period	Adjusted EBITDA (EUR million)	2Q 04	37.0	2Q 05	41.1	<p><b>Si.mobil</b></p> <table border="1"> <tr> <th>Period</th> <th>Adjusted EBITDA (EUR million)</th> </tr> <tr> <td>2Q 04</td> <td>5.0</td> </tr> <tr> <td>2Q 05</td> <td>6.7</td> </tr> </table>	Period	Adjusted EBITDA (EUR million)	2Q 04	5.0	2Q 05	6.7	<p><b>Si.mobil</b></p> <ul style="list-style-type: none"> <li>Revenues increase by 13.9%</li> <li>EBITDA margin rises to 28.3% (2Q 04: 24.0%)</li> <li>Share of contract subscribers increased to 44% (Q2 04: 41%)</li> </ul>	
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# Acquisition of Mobitel finalized on July 12, 05

## Mobitel Market Figures as of June 30, 05

### Market shares



**Penetration** 65.8%

**Subscribers** 3,234.5

**Contract Share** 34.6%

## Mobitel Key Financial Figures\*

1H 05

(EUR million)

<b>Revenues</b>	248.4
<b>Adjusted EBITDA</b>	159.2
<b>EBITDA margin</b>	64.1%
<b>Capex</b>	78.8

\* according to US GAAP

## Integration Process on Track

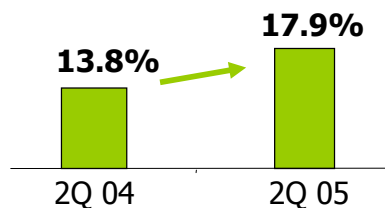
- Mobile telecommunications experts from Austria and Croatia added to existing local management
- Integration process are above expectations due to highly professional local management
- Knowledge transfer in finance, marketing and technology will further strengthen market position and innovation leadership of Mobitel



# Steady Growth of Data Business

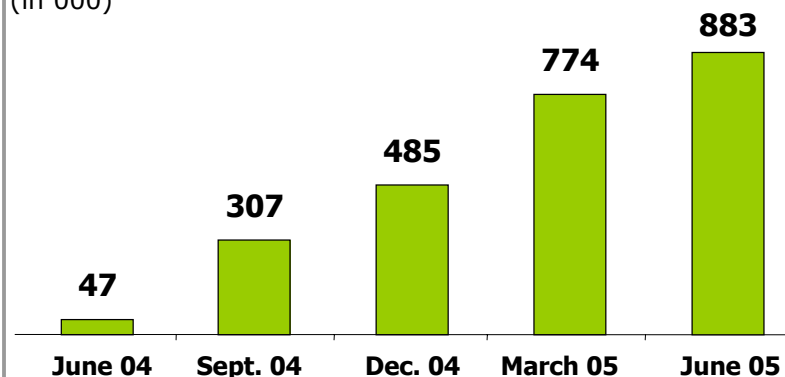
## Key Development

### Data as a portion of traffic-related revenues



## Vodafone live! Customers

(in 000)



## Highlights

- Data portion of traffic-related revenues increased significantly by 4.1 pp
- mobilkom austria is single most successful seller of 3G cards among the Vodafone group
- 30,000 Vodafone Mobile Connect Cards in Austria
- More than 883,000 Vodafone live! active customers at the end of June 2005 in the wireless segment
- 16% of wireless customers use Vodafone live! groupwide at the end of June
- Revenues from m-commerce services (including data traffic triggered by m-commerce services) rose by 87% compared to 2Q 2004

# Financial Overview

# Telekom Austria 2Q 05 Results

(EUR million)	2Q 2005	2Q 2004	% Change
Revenues	1,011.0	995.6	+1.5%
Adjusted EBITDA	395.8	389.7	+1.6%
Operating income	124.3	105.9	+17.4%
Net income	75.7	34.6	+118.8%
Capital expenditures	130.3	120.4	+8.2%
(EUR million)	June 30, 2005	Dec. 31, 2004	% Change
Net debt (end of period)	1,872.0	1,973.9	-5.2%

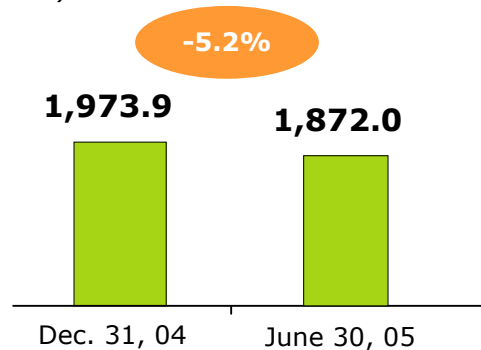
# P&L Statement Analyses

(EUR million)	2Q 05	2Q 04	
<b>Adjusted EBITDA</b>	<b>395.8</b>	<b>389.7</b>	EUR 7.4 million positive group impact of universal service payment in 2Q 04
Depreciation & amortization	-271.6	-283.7	
<b>Operating income</b>	<b>124.3</b>	<b>105.9</b>	Reduction due to lower charges in the wireline segment
Net interest expense	-25.0	-31.0	Almost 20% lower due to reduced net debt and lower interest
Other, net	1.9	1.6	
Taxes	-25.5	-41.9	Reduction of the statutory tax rate from 34% to 25% led to a revaluation of deferred tax assets and liabilities in 2Q 04, increasing tax expenses by EUR 18.8 mn
Minority interests	0.0	-0.1	
<b>Consolidated net income</b>	<b>75.7</b>	<b>34.6</b>	

# Decline of Net Debt & Improved Ratings

## Net Debt Declines to EUR 1.87 billion

(EUR million)



- Further decline of net debt despite dividend payment of EUR 117.8 mn, rising CAPEX and accelerated share buyback
- Gearing ratio falls below 68%, net debt/adj. EBITDA at 1.1x (annualized)

## Credit Ratings upgraded in June 2005

	<b>Moody's</b>	<b>S&amp;P</b>
<b>Credit Rating:</b>	from Baa2 to A3	from BBB to BBB+
<b>Company Outlook:</b>	positive	stable

# Acceleration of Share Buyback in 2Q 05

Number of Repurchased Shares	Highlights												
<p>(in 000)</p> <table border="1"> <caption>Number of Repurchased Shares (in 000)</caption> <thead> <tr> <th>Period</th> <th>Number of Repurchased Shares</th> </tr> </thead> <tbody> <tr> <td>3Q 04</td> <td>2,729.8</td> </tr> <tr> <td>4Q 04</td> <td>288.8</td> </tr> <tr> <td>1Q 05</td> <td>1,006.8</td> </tr> <tr> <td>2Q 05</td> <td>3,078.3</td> </tr> <tr> <td>1/7 - 26/7 05*</td> <td>1,724.4</td> </tr> </tbody> </table>	Period	Number of Repurchased Shares	3Q 04	2,729.8	4Q 04	288.8	1Q 05	1,006.8	2Q 05	3,078.3	1/7 - 26/7 05*	1,724.4	<ul style="list-style-type: none"> <li>▪ 3.1 mn shares bought back via market in 2Q for EUR 47.7 mn</li> <li>▪ Total number of treasury shares as of Aug 24, 2005 increased to 12.1 mn (including 3.3 mn shares bought back in February 2004 through exercise of call options)</li> <li>▪ Total amount of EUR 124.7 mn spent on share buybacks via the market</li> <li>▪ Current program extended by AGM until November 2006</li> <li>▪ Maximum repurchase price increased by AGM from 18 EUR to 21 EUR</li> </ul>
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# Outlook

# New Outlook for 2005 after Acquisition of Mobiltel

Wireline	<ul style="list-style-type: none"><li>▪ Slight decrease in revenues and adj. EBITDA, in part due to one-time revenues in 2004; further rise in operating income</li></ul>
Wireless	<ul style="list-style-type: none"><li>▪ Growth in revenues and adj. EBITDA from increasing contribution from abroad including first time consolidation of Mobiltel, stable development in Austria</li></ul>
Group	<ul style="list-style-type: none"><li>▪ Revenue growth of ~5% and increase of adj. EBITDA by ~10%; net income rises by around 50%</li><li>▪ Pay-out ratio rises to 65%</li><li>▪ Including Mobiltel, capex increases by ~15%</li></ul>



# Appendix

# Regulatory Issues

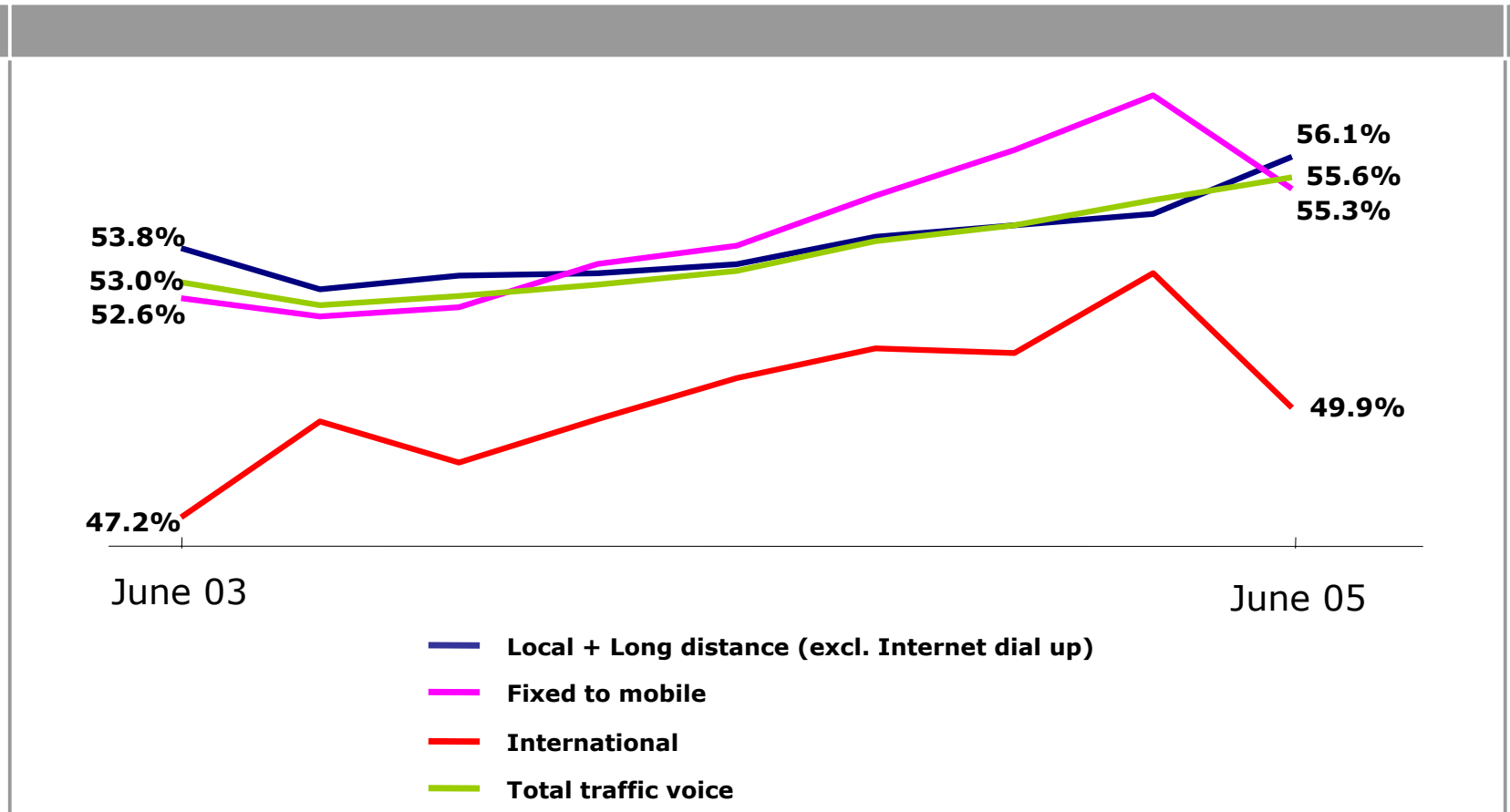
## Key Aspects

- Definition, analysis and remedies for new telecommunication markets almost complete (apart from wholesale market, international roaming and wholesale market for broadband access - results of market analysis not yet provided)
- Telekom Austria entitled to charge Payphone Access Charge (maximum price ceiling of € 0.1058) in order to recoup payphone infrastructure costs (decision due in August).
- Agreement on ULL with Inode, eTel, Colt on prices and conditions; further negotiations with 2 other providers.
- Resale of access standard offer by Telekom Austria still not signed by any other operator; implementation not before 2Q 06
- Regulator approves Telekom Austria's leased line offer and considers it to be non-discriminating
- Regulator: tax on transmission masts against federal law's objective (securing of non-discriminatory and effective competition); European Commission considers legal action but awaits decision of the European Court of Justice.

# Wireline - Access Lines

(in 000)	June 30,2005	June 30,2004	% change
PSTN access lines	2,412.1	2,505.5	-3.7%
Basic ISDN access lines	432.8	447.1	-3.2%
Multi ISDN access lines	7.4	7.8	-4.6%
<b>Total access lines in service</b>	<b>2,852.4</b>	<b>2,960.3</b>	<b>-3.6%</b>
of these ADSL access lines	495.1	320.7	54.4%
thereof ADSL wholesale lines	98.6	71.3	38.4%
(in 000)	June 30,2005	June 30,2004	% change
<b>Total access channels in service</b>	<b>3,500.8</b>	<b>3,633.3</b>	<b>-3.6%</b>

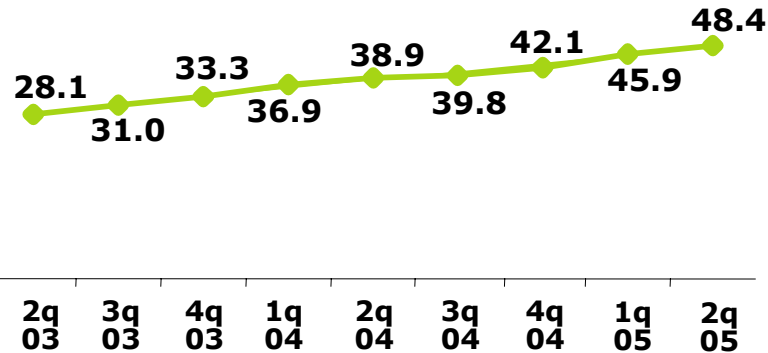
# Fixed Line - Market Shares



# ADSL

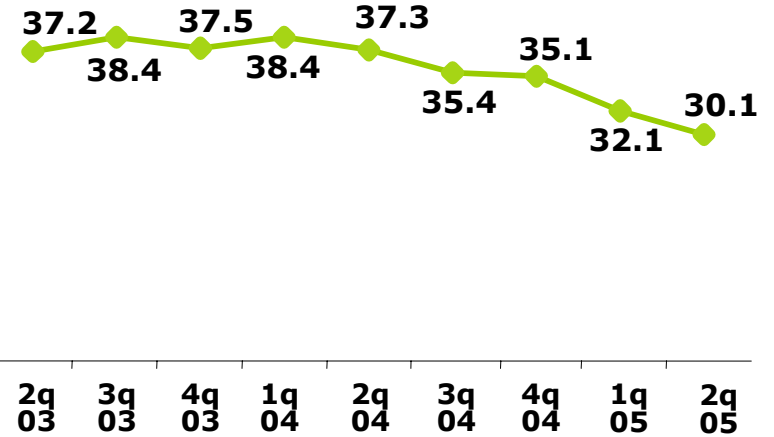
## ADSL XDSL Revenues (incl. Wholesale)

(EUR million)



## ADSL Residential ARPU

(in EUR)



# Wireline - Minutes and Average Tariffs

(in millions of minutes)	2Q 05	2Q 04	% change
National	959	1,025	-6.5%
Fixed-to-mobile	213	214	-0.6%
International	110	118	-6.8%
<b>Total voice minutes</b>	<b>1,282</b>	<b>1,257</b>	<b>-5.6%</b>
Internet dial up	559	862	-35.2%
<b>Total wireline minutes</b>	<b>1,841</b>	<b>2,219</b>	<b>-17.1%</b>

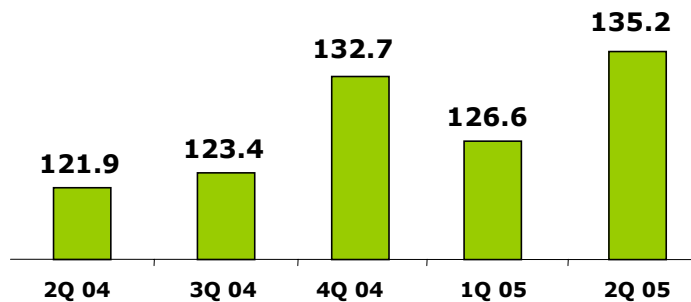
(in EUR per minute)	2Q 05	2Q 04	% change
National	0.040	0.039	3.3%
Fixed-to-mobile	0.188	0.185	1.4%
International	0.181	0.186	-2.9%
<b>Total voice average</b>	<b>0.077</b>	<b>0.075</b>	<b>2.8%</b>
Internet dial up	0.017	0.018	-5.6%

# Mobile Subscribers

(in 000)	June 30,2005	June 30,2004	% change
<b>AUSTRIA</b>			
Contract	1,829.6	1,693.3	8.0%
Prepaid	1,468.1	1,477.9	-0.7%
<b>Total</b>	<b>3,297.7</b>	<b>3,171.2</b>	<b>4.0%</b>
<b>CROATIA</b>			
Contract	218.0	188.0	16.0%
Prepaid	1,114.8	1,056.1	5.6%
<b>Total</b>	<b>1,332.8</b>	<b>1,244.1</b>	<b>7.1%</b>
<b>SLOVENIA</b>			
Contract	161.9	148.7	8.9%
Prepaid	206.2	213.0	-3.2%
<b>Total</b>	<b>368.1</b>	<b>361.7</b>	<b>1.8%</b>
<b>LIECHTENSTEIN</b>	<b>3.7</b>	<b>2.9</b>	<b>27.6%</b>
<b>Total</b>	<b>5,002.3</b>	<b>4,779.9</b>	<b>4.7%</b>

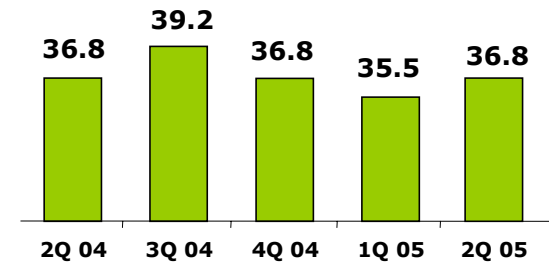
# Operational Data – mobilkom austria

## Average MoU per Subscriber



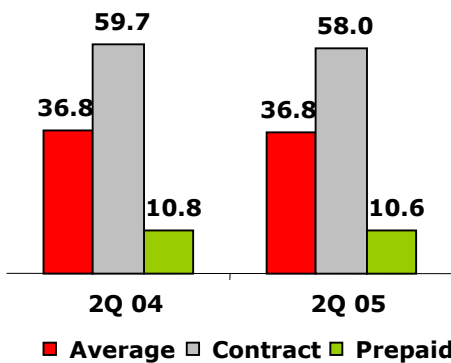
## Blended ARPU

(in EUR)

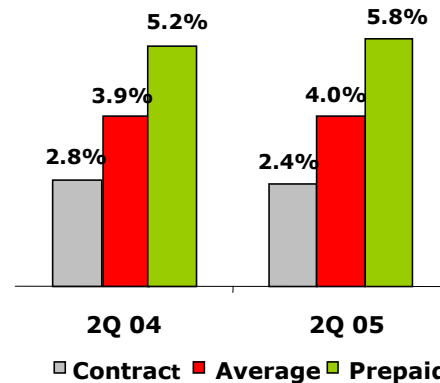


## ARPU

(in EUR)

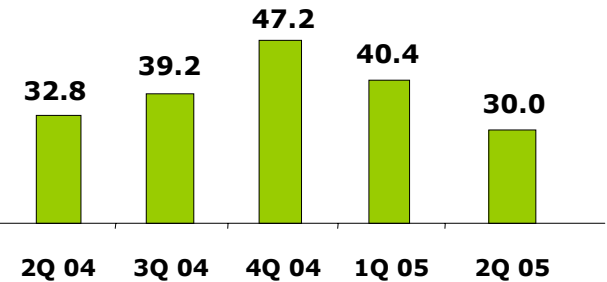


## Quarterly Churn



## SRC+SAC

(in EUR million)

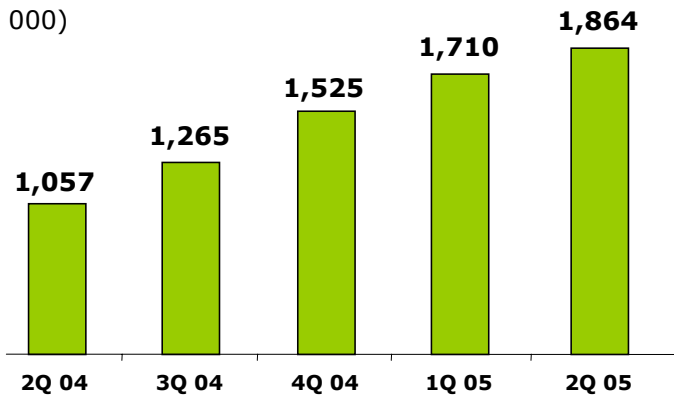




# mobilkom austria - Mobile Data

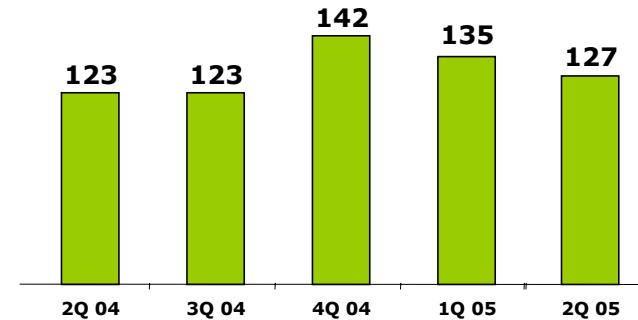
## GPRS Customers

(in 000)



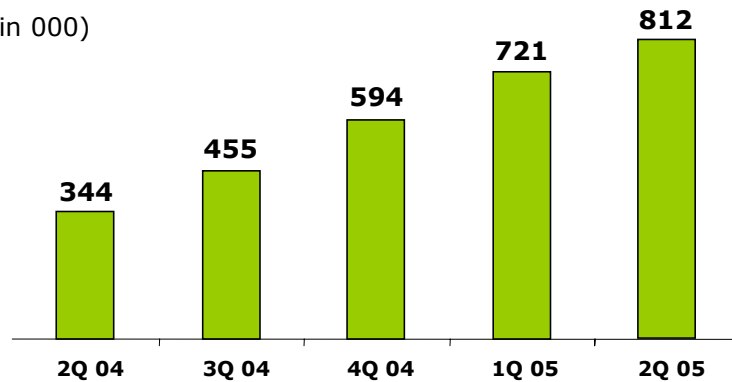
## Number of SMS

(in million)

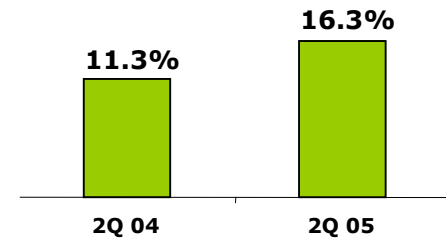


## MMS Users

(in 000)



## Data in % of Revenues



# Headcount\* Development

(average of period)	2Q 05	2Q 04	Change
Wireline	9,603	10,192	-589
Wireless	3,609	3,663	-54
<b>Telekom Austria Group</b>	<b>13,212</b>	<b>13,855</b>	<b>-643</b>

(end of period)	June 30,2005	June 30,2004	Change
Wireline	9,585	10,150	-565
Wireless	3,599	3,658	-59
<b>Telekom Austria Group</b>	<b>13,184</b>	<b>13,808</b>	<b>-624</b>

\* Full-time-equivalents

# Wireline - Revenue Breakdown

(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Switched voice base traffic	100.9	98.5	2.4%	202.5	203.0	-0.2%
Switched voice monthly & other voice revenues	138.6	144.6	-4.1%	277.8	289.0	-3.9%
Internet access & media	58.3	51.0	14.3%	116.3	102.2	13.8%
Payphones & VAS	12.1	12.3	-1.6%	24.7	25.3	-2.4%
Data & IT-solutions*	101.6	109.5	-7.2%	204.4	216.6	-5.6%
Wholesale voice & Internet	90.2	102.3	-11.8%	178.4	184.8	-3.5%
Other	30.8	35.4	-13.0%	61.5	67.9	-9.4%
<b>Total wireline revenues</b>	<b>532.5</b>	<b>553.6</b>	<b>-3.8%</b>	<b>1,065.6</b>	<b>1,088.8</b>	<b>-2.1%</b>

\* including wholesale data

# Wireline - Expense Breakdown

(EUR million)	1H 2005	1H 2004	% Change
Material expense	24.9	34.0	-26.8%
Employee costs	247.2	250.1	-1.2%
Depreciation and amortization	357.2	387.5	-7.8%
Interconnection	169.6	161.4	5.1%
Maintenance and repairs	46.1	52.8	-12.7%
Services received	21.2	19.7	7.6%
Other	140.3	142.6	-1.6%
<b>Total wireline expenses</b>	<b>1,006.5</b>	<b>1,048.1</b>	<b>-4.0%</b>

# Wireless - Revenue Breakdown

(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Traffic revenues	292.3	285.4	2.4%	563.5	549.9	2.5%
Monthly rental	86.3	74.0	16.6%	170.0	148.5	14.5%
Equipment	43.1	33.0	30.6%	74.4	74.5	-0.1%
Roaming	36.4	34.3	6.1%	92.7	81.9	13.2%
Interconnection	86.8	81.2	6.9%	167.9	161.2	4.2%
Other	4.5	2.9	55.2%	9.6	8.6	11.6%
Discounts	-14.1	-5.6	151.8%	-16.0	-5.3	201.9%
<b>Total wireless revenues</b>	<b>535.3</b>	<b>505.2</b>	<b>6.0%</b>	<b>1,062.1</b>	<b>1,019.3</b>	<b>4.2%</b>

# Wireless - Expense Breakdown

(EUR million)	1H 2005	1H 2004	% Change
Material expense	117.7	112.6	4.5%
Employee costs	92.7	88.9	4.3%
Depreciation and amortization	177.1	177.1	0.0%
Interconnection	122.7	113.0	8.6%
Repairs	29.0	30.3	-4.3%
Services received	130.7	129.0	1.3%
Other	154.2	156.4	-1.4%
<b>Total wireless expenses</b>	<b>824.1</b>	<b>807.3</b>	<b>2.1%</b>

# Operating Revenues by Segment

(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Wireline	532.5	553.6	-3.8%	1,065.6	1,088.8	-2.1%
Wireless	535.3	505.2	6.0%	1,062.1	1,019.3	4.2%
Other & eliminations	-56.8	-63.2	-10.1%	-113.2	-123.1	-8.0%
<b>Operating Revenues</b>	<b>1,011.0</b>	<b>995.6</b>	<b>1.5%</b>	<b>2,014.5</b>	<b>1,985.0</b>	<b>1.5%</b>

# Adjusted EBITDA and Operating Income by Segment

(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Wireline	197.4	214.8	-8.1%	416.4	428.2	-2.8%
Wireless	198.1	180.1	10.0%	415.0	389.1	6.7%
Other & eliminations	0.3	-5.2	-	0.7	-10.9	-
<b>Adjusted EBITDA*</b>	<b>395.8</b>	<b>389.7</b>	<b>1.6%</b>	<b>832.1</b>	<b>806.4</b>	<b>3.2%</b>
(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Wireline	15.2	19.4	-21.6%	59.1	40.6	45.6%
Wireless	108.6	91.6	18.6%	238.0	212.0	12.3%
Other & eliminations	0.5	-5.1	-	0.9	-10.7	-
<b>Operating income</b>	<b>124.3</b>	<b>105.9</b>	<b>17.4%</b>	<b>298.0</b>	<b>241.9</b>	<b>23.2%</b>

\* Adjusted EBITDA is defined as net income excluding interest, taxes, depreciation, amortization, impairment charges, dividend income, equity in earnings of affiliates, other non-operating income/expense, minority interests and the cumulative effect of changes in accounting principle.



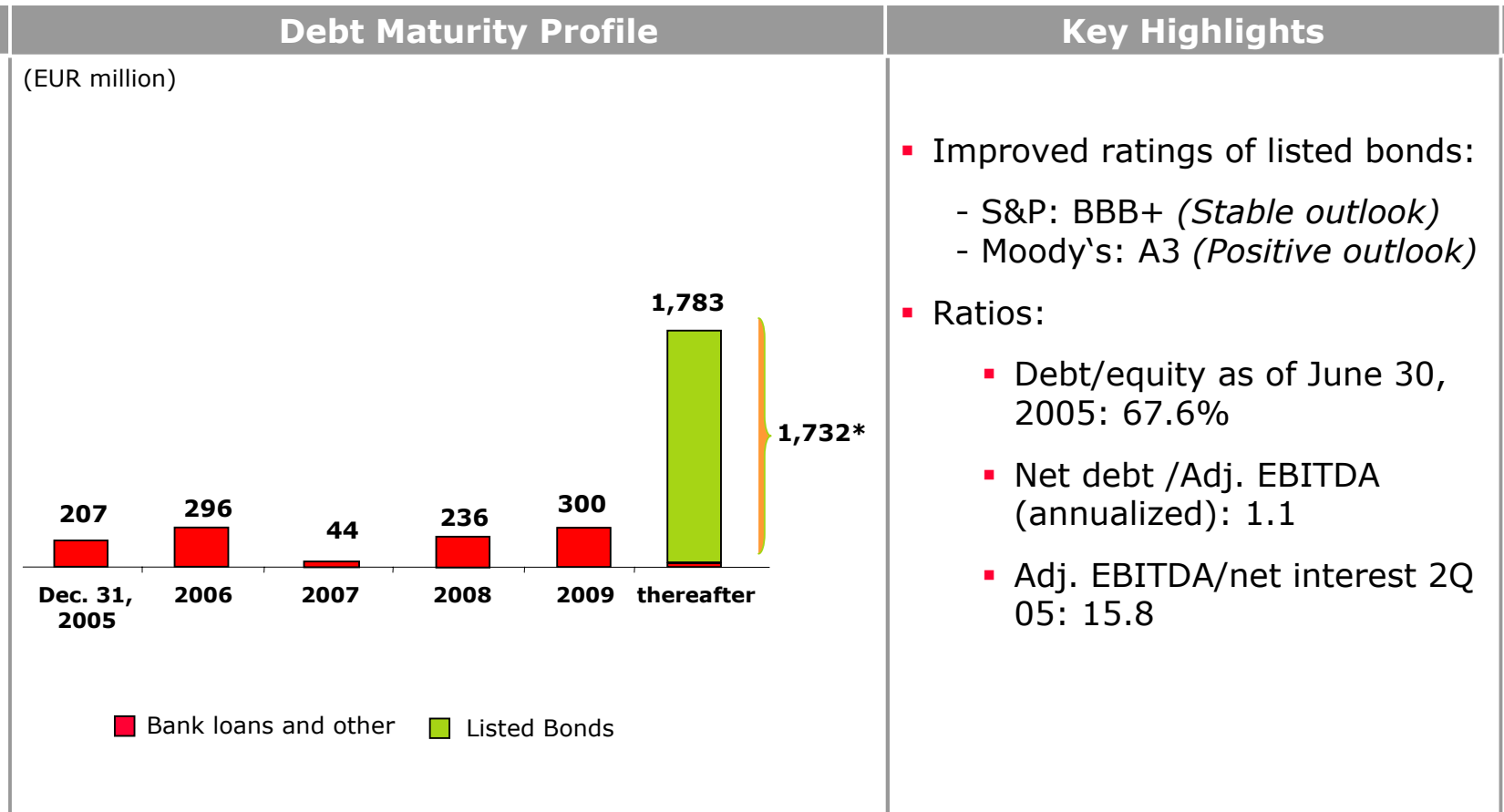
# Capital Expenditures by Segment

(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
Wireline tangible	73.8	63.8	15.7%	137.4	107.5	27.8%
Wireless tangible	55.3	48.1	15.0%	110.7	74.4	48.8%
<b>Tangible (total)</b>	<b>129.1</b>	<b>111.9</b>	<b>15.4%</b>	<b>248.1</b>	<b>181.9</b>	<b>+36.4%</b>
Intangible	1.2	8.5	-85.9%	1.4	9.5	-85.3%
<b>Telekom Austria Group</b>	<b>130.3</b>	<b>120.4</b>	<b>8.2%</b>	<b>249.5</b>	<b>191.4</b>	<b>30.4%</b>
(EUR million)	2Q 2005	2Q 2004	% Change	1H 2005	1H 2004	% Change
<b>Wireless tangible:</b>						
mobilkom austria	31.8	18.7	70.1%	76.8	35.8	114.5%
VIPnet	22.0	27.6	-20.3%	32.2	36.1	-10.8%
Si.mobil	1.4	1.7	-17.6%	2.0	2.3	-13.0%

# Net Debt - Telekom Austria Group

(EUR million)	June 30, 2005	Dec. 31, 2004
Long-term debt	2,421.4	1,647.2
Short-term debt	562.8	751.1
- Short-term portion of capital and cross border lease	-114.4	-95.3
+ Capital lease obligations	1.1	1.6
Cash and cash equivalents, short-term and long-term investments	-998.9	-312.9
Financial instruments, included in other assets and other current assets	0.0	-17.8
<b>Net debt of Telekom Austria Group</b>	<b>1,872.0</b>	<b>1,973.9</b>
Shareholders' equity	2,769.1	2,741.6
<b>Net debt/Equity</b>	<b>67.6%</b>	<b>72.0%</b>

# Telekom Austria Debt Maturity Profile



\*Listed Bonds at amortized costs

# Reconciliation from EBITDA to Consolidated Net Income

(EUR million)	2Q 05	2Q 04
<b>Adjusted EBITDA</b>	395.8	389.7
Depreciation and amortization	-271.6	-283.7
Interest income	24.0	18.6
Interest expense	-49.0	-49.6
Equity in earnings of affiliates - other	0.0	0.1
Other	2.0	1.6
<b>Income before taxes and minority interests</b>	101.2	76.6
Income tax expense	-25.5	-41.9
Minority interests	0.0	-0.1
<b>Net income</b>	75.7	34.6