

Telekom Austria Group Results for the Financial Year 2001

- Total managed Group revenues grow by 1.2% to EUR 3,943.5million
- 38.8% increase in total managed Group EBITDA, excluding costs for idle workforce, to EUR 1,472.8million
- Consolidated net loss of Telekom Austria AG reduced by 63.4% to EUR 104.6million, despite EUR 120million of goodwill impairment charges
- Capex reduction continues with a decline of 11.5% to EUR 812.2million
- Net debt falls by EUR 138.2million to EUR 3,282.1million
- Fixed line earnings improvement driven by better than expected headcount reduction and falling market share losses
- Mobile business benefits from focus on high-margin customer bases and growth of international activities
- 4Q EBITDA rises by 16.6% excluding the impact of early retirement and idle workforce costs, with Internet turning positive for the first time
- Stabilization of operating performance in 2002 with clear focus on further reducing fixed line market share losses through innovative marketing campaigns

Vienna, April 9 2002 -- Telekom Austria AG (VSE:TKA; NYSE:TKA) announced today its results for the financial year 2001. Total managed revenues for Telekom Austria Group, including Mobilkom Austria, rose by 1.2% to EUR 3,943.5million.

The following table sets out a summary of Telekom Austria Group's financial results for the twelve months of 2001 and the corresponding period in 2000. Total managed figures show group figures including the results of the mobile communications business segment.

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|--|--------|--------|----------|---------|---------|----------|
| Total managed revenues | 993.0 | 978.7 | 1.5% | 3,943.5 | 3,897.2 | 1.2% |
| Results excluding idle workforce costs: | | | | | | |
| Total managed EBITDA | 309.2 | 213.8 | 44.6% | 1,472.8 | 1,060.9 | 38.8% |
| Total managed EBIT | -141.2 | -79.7 | 76.9% | 156.0 | -29.4 | - |
| Costs for idle work force | 13.1 | 7.3 | - | 49.9 | 7.6 | - |
| Results including idle workforce costs: | | | | | | |
| Total managed EBITDA | 296.1 | 206.5 | 43.4% | 1,422.9 | 1,053.3 | 35.1% |
| Total managed EBIT | -154.3 | -87.0 | 77.3% | 106.1 | -37.0 | - |
| Net loss of Telekom Austria AG with Mobilkom Austria at-equity | -120.7 | -164.6 | 26.7% | -104.6 | -285.6 | 63.4% |
| Earning per share (in EUR) | - | - | - | -0.21 | -0.57 | 63.4% |
| Capital expenditures | 359.4 | 263.1 | 36.6% | 812.2 | 917.7 | -11.5% |
| Net debt - Telekom Austria Group | - | - | - | 3,282.1 | 3,420.3 | -4.0% |

Note: EBIT is defined as operating income plus costs for idle workforce, EBITDA as EBIT plus charges for depreciation and amortization.

Costs for idle workforce, which are excluded from total managed EBITDA and EBIT, include expenses for employees who have been released or transferred from the workforce as well as cash settlements for civil servants who have agreed to leave with severance packages. Costs for idle workforce amounted to EUR 49.9 million in 2001 and EUR 7.6 million in 2000.

Telekom Austria's total managed EBITDA and consolidated EBITDA include costs for early retirement programs which were exceptionally high during the year 2000. For ease of comparison, the following table shows total managed EBITDA and consolidated EBITDA excluding the impact of early retirement costs. There were no early retirement costs for Mobilkom Austria.

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|----------------------------------|--------|-------|----------|---------|---------|----------|
| Total managed EBITDA (adjusted)* | 303.1 | 260.0 | 16.6% | 1,470.4 | 1,314.1 | 11.9% |
| Total managed EBIT (adjusted)* | -147.3 | -33.5 | 339.6% | 153.6 | 223.8 | -31.4% |
| Early retirement costs | -6.1 | 46.2 | - | -2.4 | 253.2 | - |

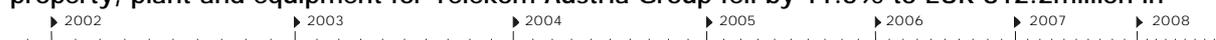
* excluding early retirement costs and costs for idle workforce

With total managed revenues up by 1.2%, Telekom Austria Group managed to raise EBITDA by 38.8% through stringent cost cutting and intensified marketing efforts in the fixed line business segment as well as through a rising contribution from mobile. Excluding the exceptionally high early retirement costs in 2000, total managed EBITDA rose by 11.9%.

Despite an impairment charge related to the goodwill of Czech On line in the amount of EUR 120.0million which was recorded in 4Q 2001, total managed EBIT of Telekom Austria Group turned positive in 2001 to EUR 156.0million compared to EUR (29.4)million in 2000.

The consolidated net loss of Telekom Austria AG, which includes Mobilkom Austria on an at-equity basis, decreased by 63.4% to EUR (104.6)million, compared to EUR (285.6)million in 2000. Earnings per share improved in parallel by 63.4% to EUR (0.21), compared to EUR (0.57) in 2000.

The emphasis on the reduction of capital expenditure continued in 2001. Total additions to property, plant and equipment for Telekom Austria Group fell by 11.5% to EUR 812.2million in



2001. This reduction contributed to the EUR 138.2million decline in the Group's net debt to EUR 3,282.1million as at December 31, 2001, despite the acquisition costs for Si.mobil and a GSM licenses for the total amount of EUR 182.2million.

Group Review

Revenues

During 2001, total managed revenues rose by 1.2% to EUR 3,943.5million. In the fourth quarter of 2001, total managed revenues were EUR 993.0million, a 1.5% increase over the fourth quarter of 2000.

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|-------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| Fixed line | 594.5 | 650.3 | -8.6% | 2,456.7 | 2,654.8 | -7.5% |
| Mobile communications | 441.4 | 384.4 | 14.8% | 1,713.2 | 1,501.0 | 14.1% |
| Data communications | 91.6 | 84.2 | 8.7% | 330.2 | 312.8 | 5.5% |
| Internet | 37.2 | 17.9 | 107.7% | 99.5 | 61.1 | 62.8% |
| Other & eliminations | -171.7 | -158.1 | 8.6% | -656.1 | -632.5 | 3.7% |
| Total managed revenues | 993.0 | 978.7 | 1.5% | 3,943.5 | 3,897.2 | 1.2% |

Fixed line revenues decreased by 7.5% to EUR 2,456.7million during 2001 as a result of the decline in market share and average tariffs following the introduction of lower priced product packages.

The growth in mobile communications revenues of 14.1% to EUR 1,713.2million comes largely from the foreign operations which include for the first time Si.mobil in Slovenia in 2001.

Data communications revenues grew by 5.5% to EUR 330.2million, primarily due to increased revenues from corporate networks services.

The strong growth of both dial-up and ADSL-subscribers in Austria drove Internet revenues up by 62.8% to EUR 99.5million.

EBITDA, excluding costs for idle workforce

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|---|--------------|--------------|--------------|----------------|----------------|---------------|
| Fixed line | 178.8 | 114.2 | 56.5% | 869.0 | 572.2 | 51.9% |
| <i>Fixed line (adjusted)*</i> | <i>173.2</i> | <i>159.9</i> | <i>8.3%</i> | <i>866.8</i> | <i>820.6</i> | <i>5.6%</i> |
| Mobile communications | 110.7 | 95.0 | 16.5% | 571.3 | 436.5 | 30.9% |
| Data communications | 20.7 | 14.8 | 39.9% | 54.7 | 57.4 | -4.7% |
| <i>Data communications (adjusted)*</i> | <i>20.2</i> | <i>15.3</i> | <i>32.1%</i> | <i>54.5</i> | <i>62.2</i> | <i>-12.4%</i> |
| Internet | 1.3 | -10.4 | - | -20.1 | -5.4 | 273.0% |
| Other & eliminations | -2.2 | 0.2 | - | -2.0 | 0.2 | - |
| Total managed EBITDA | 309.2 | 213.8 | 44.6% | 1,472.8 | 1,060.9 | 38.8% |
| <i>Total managed EBITDA (adjusted)*</i> | <i>303.1</i> | <i>260.0</i> | <i>16.6%</i> | <i>1,470.4</i> | <i>1,314.1</i> | <i>11.9%</i> |

* excluding costs for idle workforce and early retirement

Total managed EBITDA and total managed EBIT exclude costs for idle workforce. These costs amounted to EUR 49.9million in 2001, up from EUR 7.6million in 2000. Costs for idle workforce include expenses for employees who have been released or transferred from the workforce as well as all cash settlements for civil servants who have agreed to leave with severance packages. The idle workforce costs in 2000 relate exclusively to cash settlements for civil servants.

Earnings in 2000 were impacted by exceptionally high early retirement costs amounting to EUR 253.2million, affecting primarily the fixed line business and to a lesser extent data communications. Telekom Austria has essentially completed its early retirement programs. Further early retirement expenses relate mainly to interest costs for future payments. The year 2001 saw income in the amount of EUR 2.4million as some provisions for these costs were reversed.

Excluding costs for idle workforce total managed EBITDA rose by 38.8% to 1,472.8million. Adjusted for the impact of lower early retirement costs, growth was 11.9%. Both fixed line and



mobile communications show seasonal lower traffic and higher costs during the last quarter of the year. Therefore fourth quarter 2001 EBITDA significantly declined compared to the third quarter.

Despite the reduction in revenues, rigorous cost cutting led to an increase in fixed line EBITDA by 51.9% to EUR 869.0million. Excluding early retirement costs, growth amounts to 5.6% for the year as a whole and 8.3% for the fourth quarter of 2001. The seasonal decline in revenues during the fourth quarter and higher costs, due amongst other things to costs relating to the centralization of sites in Vienna and consulting for marketing projects, led in 2001 to a decline of fourth quarter results compared to the third quarter of the same year.

Although mobile communications earnings growth declined during the fourth quarter 2001 compared to the third quarter of the same year, full-year EBITDA still shows a healthy rise of 30.9% to EUR 571.3million. The fourth quarter traditionally sees the lowest EBITDA margin due to the decline in tourist traffic and higher subscriber acquisition costs during the Christmas campaign.

Although EBITDA margin in data communications declined as expected in 2001 due to higher intercompany prices charged by the fixed line business segment, the strong performance during the second half of the year reflects the increasing share of the higher margin data solutions business.

In the fourth quarter of 2001 Internet made a positive contribution to EBITDA for the first time. The positive result was achieved primarily due to the seasonally strong dial-up traffic and rising revenues from ADSL connections. EBITDA for the full year decreased from EUR (5.4)million in 2000 to EUR (20.1)million in 2001.

EBIT, excluding costs for idle workforce

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|--|--------|--------|----------|--------|--------|----------|
| Fixed line | -48.1 | -104.6 | -54.0% | 33.0 | -284.5 | - |
| <i>Fixed line (adjusted)*</i> | -53.7 | -58.9 | -8.8% | 30.8 | -36.1 | - |
| Mobile communications | 34.9 | 43.1 | -19.0% | 303.5 | 262.1 | 15.8% |
| Data communications | 10.0 | 5.2 | 91.3% | 19.4 | 24.4 | -20.7% |
| <i>Data communications (adjusted)*</i> | 9.5 | 5.7 | 65.9% | 19.2 | 29.2 | -34.4% |
| Internet | -1.8 | -11.7 | -84.6% | -30.0 | -7.3 | 311.0% |
| Other & eliminations | -136.1 | -11.7 | - | -169.8 | -24.1 | 604.7% |
| Total managed EBIT | -141.2 | -79.7 | 77.2% | 156.0 | -29.4 | - |
| <i>Total managed EBIT (adjusted)*</i> | -147.3 | -33.5 | 339.6% | 153.6 | 223.8 | -31.4% |

* excludes costs for idle workforce and early retirement

Total managed EBIT of Telekom Austria Group turned positive from EUR (29.4)million during the financial year 2000 to EUR 156.0million in 2001. The item 'other & eliminations' consists almost entirely of the amortization and impairment charges of goodwill for Telekom Austria's 100% interest in the Czech Internet provider Czech On Line. It increased in 2001 due to an impairment charge in the amount of EUR 120.0million taken during the fourth quarter, which is in addition to the regular amortization charge of EUR 48.5million. Total managed EBIT (adjusted) fell by 31.4% to EUR 153.6million.

Consolidated net result

In the consolidated figures of Telekom Austria AG, Mobilkom Austria AG & Co. KG is included at-equity. Mobilkom's earnings for the financial year 2001 have been included in earnings from equity investees before tax, whereas they were shown after tax in prior periods. This reflects the change in corporate form of Mobilkom Austria and contributed to the increase in equity in earnings of affiliates from EUR 36.3million in 2000 to EUR 195.5million in 2001. Mobilkom Austria's tax status changed from a taxable entity to a non-taxable limited liability partnership. Equity in earnings of affiliates in the financial year 2000 includes the complete write-off of Telekom Austria's EUR 90.5million participation in the Austrian company Libro AG. The participation was sold during 2001.

As one of the partners in the newly formed Mobilkom Austria AG & Co. KG, Telekom Austria is now taxed on a 74.99% portion of Mobilkom's income. Mobilkom Austria released its deferred tax asset during the first quarter of 2001. Accordingly, Telekom Austria recorded its 74.99% proportional share of Mobilkom's deferred tax assets and recognized a deferred tax benefit.



The income tax benefit shown in the consolidated statements of operations of Telekom Austria AG fell from EUR 178.8million during 2000 to EUR 94.9million in 2001. At the same time, the effective income tax rate increased from 36% in 2000 to 48% in 2001, primarily due to the impact of the disposal of the investment in Libro which was written down in the previous year.

With Mobilkom Austria at-equity, the consolidated net loss of Telekom Austria AG narrowed by 63.4% from EUR 285.6million to EUR 104.6million. This mirrors the decline in negative earnings per share from EUR (0.57) to EUR (0.21).

Net debt

Despite the acquisition of Si.mobil, total net debt of Telekom Austria Group fell from EUR 3,420.3million at December 31, 2000, to EUR 3,282.1million at the end 2001, resulting in net gearing (net debt/equity ratio) of 131.3%.

| in EUR million | FY 01 | FY 00 | % change |
|-----------------------------|---------|---------|----------|
| Telekom Austria - Wireline | 2,534.0 | 2,953.9 | -14.2% |
| Mobilkom Austria - Wireless | 748.1 | 466.4 | 60.4% |
| Telekom Austria Group | 3,282.1 | 3,420.3 | -4.0% |

Additions to property, plant and equipment

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|-----------------------------|-------|-------|----------|-------|-------|----------|
| Telekom Austria - Wireline | 198.8 | 166.0 | 19.8% | 449.0 | 594.6 | -24.5% |
| Mobilkom Austria - Wireless | 160.6 | 97.1 | 65.4% | 363.2 | 323.1 | 12.4% |
| Telekom Austria Group | 359.4 | 263.1 | 36.6% | 812.2 | 917.7 | -11.5% |

Although the fourth quarter saw the anticipated increase in additions to property, plant and equipment, the total for 2001 was slightly lower than expected, falling by 11.5% to EUR 812.2million.

With EUR 397.5million, the fixed line business accounts for almost 90% of total capital expenditure in the wireline business, and showed the sharpest decline, by 27% compared to 2000. The share of fixed line capex dedicated to broadband activities increased to 52.6%, up from 42% a year ago. This is in addition to capex in the internet business segment which rose from EUR 14.6million to EUR 20.0million. In data communications capital expenditure declined by 9% to EUR 31.5million.

In mobile communications, 37% of capital expenditure was spent abroad, primarily in Croatia and Slovenia, to adapt the network to increasing subscriber figures. In Austria, the number of base stations rose from 4,120 to 4,659 as the network was broadened.

In addition to this capital expenditure, further investments were made. These include EUR 188.6million for the purchase of Si.mobil, of which EUR 145.8million was paid in cash in 2001 for a 75%+1-stake, with the balance for the remaining 25% less one share due in June 2002, subject to certain contingent requirements. Almost all of the purchase price was paid for goodwill. Mobilkom Austria also acquired GSM 1,800-MHz frequencies for EUR 36.4million in the second quarter of 2001.



Personnel

| (full time employees) | End of period | | | Average of period | | |
|------------------------------|---------------|---------------|---------------|-------------------|---------------|---------------|
| | FY 01 | FY 00 | Change | FY 01 | FY 00 | change |
| Fixed Line * | 11,903 | 14,375 | -2,472 | 13,088 | 14,939 | -1,851 |
| Mobile communications | 3,438 | 2,768 | 670 | 3,251 | 2,520 | 731 |
| Data communications | 877 | 963 | -86 | 908 | 956 | -48 |
| Internet | 368 | 195 | 173 | 302 | 145 | 157 |
| Telekom Austria Group | 16,586 | 18,301 | -1,715 | 17,549 | 18,560 | -1,011 |
| * including idle workforce | 273 | 0 | 273 | 507 | 0 | 507 |

The reduction of headcount figures was one of the main targets for the financial year 2001. The total personnel figure fell by 1,715 for the entire Group. Personnel numbers in the fixed line and in the data communication segments, the main focus of Telekom Austria's headcount reduction measures, fell by 2,472 and 86 respectively. Including the employees which left on January 1, 2002, total headcount reduction for these two segments amounted to almost 2,800 during 2001. The fixed line personnel figure includes idle workforce of 273 employees at the year-end 2001. The acquisition of Si.mobil added another 271 employees, which are included in total headcount of the mobile communications business segment.

Outlook for the business year 2002

Following the strong operating turn-around in 2001, the improvements in revenues and earnings are expected to continue and go through a period of stabilization.

The integration during 2002 of the fixed line, data communications and Internet business segments into the Wireline Unit, with new customer-oriented divisions, is the result of a stronger focus on needs of specific customers segments. Upon its completion, the new business structure will not affect the Telekom Austria's practice of reporting by business segment.

In the fixed line business segment, efforts will be made to further slow down market share losses. The marketing and sales highlights for 2002 will be product offensives on the basis of the tariff packages introduced last year as well as marketing activities to promote broadband access lines. The personnel restructuring program, which reached its peak last year, will be continued, providing the basis for a further improvement of the cost structure. The netting of revenues and costs for transit calls, following a regulatory decision, will lead to a decrease in revenues and costs in the same amount without impacting EBITDA.

In mobile communications, the entry of a fifth operator is expected to further intensify competition in Austria. Mobilkom Austria aims to strengthen the focus on a high quality customer base while continuing to cut costs. In South Eastern Europe, Telekom Austria's primary area of international expansion, VIPnet's strong market position in Croatia is expected to provide a strong basis to exploit the increase in mobile penetration level. In Slovenia, Si.mobil's is expected to accelerate the improvement of its financial and operating performance.

The merger of Telekom Austria's key account management with Datakom Austria's sales division is expected to allow corporate customers to take full advantage of comprehensive one-stop shop business solutions. The enhanced offer of complex IT and telecommunications solutions is expected to result in higher-margin revenues in the data communications business segment.

As a result of the implementation of the Wireline organisation, the former Internet business segment will focus exclusively on portal and content-related activities. In 2002, revenues will still be dominated by the access business, which should primarily benefit from a further growth in ADSL customers.

Further cost cuts should offset the impact from initiatives to improve the fixed line market position which together with slower mobile growth in Austria will prevent a similar rise in total managed EBITDA as achieved last year. Nevertheless, Telekom Austria is aiming to achieve at least a minimal increase in total managed EBITDA for the group as a whole and a further improvement in the net result despite relatively flat total managed revenues.

Both in the Wireline line (Telekom Austria) and in the Wireless (Mobilkom Austria) segments, further reductions in capital expenditures to a total level of approximately EUR 780million are planned. In light of increasing operating cash flow, this is expected to contribute to a further optimization of Telekom Austria Group's capital structure.



Results by Business Segment:

Fixed Line Services

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|--|-------|--------|----------|---------|---------|----------|
| Revenues | 594.5 | 650.3 | -8.6% | 2,456.7 | 2,654.8 | -7.5% |
| EBITDA* | 178.8 | 114.2 | 56.5% | 869.0 | 572.2 | 51.9% |
| EBITDA (adjusted)** | 173.2 | 159.9 | 8.3% | 866.8 | 820.6 | 5.6% |
| EBIT* | -48.1 | -104.6 | -54.0% | 33.0 | -284.5 | - |
| EBIT (adjusted)** | -53.7 | -58.9 | -8.8% | 30.8 | -36.1 | - |
| * excluding costs for idle work force | 13.1 | 7.3 | - | 49.9 | 7.6 | - |
| ** adjusted for early retirement costs | -5.6 | 45.7 | - | -2.2 | 248.4 | - |

The financial year 2001 was strongly affected by the transformation of the fixed line business segment which was started in 2000. The most important challenges were the reduction in personnel numbers and voice market share losses.

Although the fixed line market share based on minutes, including internet-dial up, continued to fall in 2001 from 63.7% at year-end 2000 to 56.2%, the decline slowed significantly during the second half of the year to 2.2 percentage points from 5.3 percentage points during the first half. Voice and internet dial-up minutes fell by 12.6% to 10,969million, primarily due to the decline in local voice traffic. Internet dial-up minutes rose by 16.3%.

The number of access lines fell by 3.1% to 3.17million 2001. PSTN lines declined by 5.8%, while Basic ISDN lines increased by 20.1%. The total figure includes 100,600 ADSL lines, which increased by 161% during 2001 including 14,000 lines sold to wholesale customers. Total access channels remained almost flat at 3.8million.

Reduced market share losses during the later part of the year are the result of the implementation of the new 'TikTak' tariff schemes, which were introduced from March 2001. These second-based tariff packages offer savings of up to 35% to residential and business customers as well as a number of add-on services. Special promotions such as "Free Fridays" in October and free calls between Christmas and New Year helped to bring the number of TikTak lines to 212.000 at year-end 2001. About 20% of voice minutes in December were already made via TikTak lines.

Fixed line revenues declined by 7.5% to EUR 2,456.7million. The decline was driven by the 26% reduction in traffic revenues due to a decrease in voice minutes at lower tariffs. An intra-year comparison shows that this decline also slowed during the second half of 2001. Revenues from monthly rentals and interconnection remained almost unchanged compared to 2000. Leased line revenues increased by 12.7% despite a price reduction of up to 43%, due to the rising demand for higher bandwidth capacity.

Excluding the impact of early retirement provisions, total costs fell by EUR 265.0million or almost 10% compared to 2000. The strongest declines were seen in personnel expenses, in interconnection due to lower traffic into domestic mobile and foreign networks as well as general administrative expenses.

EBITDA (excluding idle workforce) rose by 51.9% to EUR 869.0million. EBIT (excluding idle workforce) turned positive from EUR (284.5)million in 2000 to EUR 33.0million in 2001. Excluding the impact of early retirement costs, the rise in EBITDA was 5.6% to EUR 866.8million and EBIT improved from EUR (36.1)million in 2000 to EUR 30.8million in 2001. The seasonal decline in the result during the fourth quarter, due to lower revenues and higher expenses towards the year-end, was aggravated by additional IT- and consulting expenses in connection with the implementation of marketing tools as well as costs for the centralization of sites in Vienna.



Mobile Communications

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|---|-------|-------|----------|---------|---------|----------|
| Revenues | 441.4 | 384.4 | 14.8% | 1,713.2 | 1,501.0 | 14.1% |
| EBITDA | 110.7 | 95.0 | 16.5% | 571.3 | 436.5 | 30.9% |
| EBIT | 34.9 | 43.1 | -19.0% | 303.5 | 262.1 | 15.8% |
| Consolidated net income of Mobilkom Austria | 28.3 | 27.5 | 2.8% | 131.8 | 167.5 | -21.3% |

The rise in mobile penetration in Croatia as well as the consolidation of Si.mobil in Slovenia for the first time drove the share of the international business of total mobile revenues to 16.4% in 2001, up from 9.9% the year before.

The number of customers rose by 19.2% to almost 4 million. While the high mobile penetration level of 82.2% in Austria allowed for only a 1.6% rise in the number of customers, growth in Croatia amounted to 61% and together with Slovenia, the international subscriber base rose to 28% of total customers.

The focus for Mobilkom Austria was to improve the quality of its subscriber base. This is reflected in the increase of the share of contract subscribers within its customer base, rising from 47.7% at the end of 2000 to 50.5% at year-end 2001. The increase in churn rate to 26% in 2001, up from 23% in 2000, is largely due to the cancellation of inactive prepaid customer accounts, while contract churn was almost reduced by half. Mobilkom Austria's market share fell slightly to 42.9% (year-end 2000: 44.8%).

Mobile penetration in Croatia reached 39% at the end of 2001 and VIPnet retained its GSM-market leadership, with an overall market share of 48.7% at the end of 2001. Si.mobil more than doubled its subscriber base to 270.000 in 2001, increasing its market share to 20.8%. Slovenia's mobile penetration rate stood at 65% at the end of December 2001.

Total mobile communications revenues rose by 14.1% to EUR 1,713.2million. Revenue growth came primarily from higher traffic revenues. The sale of products with lower monthly rates resulted in relatively flat revenues from monthly rentals.

The rise in operating profitability was driven both by activities in Austria and in Croatia. The Austrian business showed an EBITDA margin of 35%, and VIPnet reached almost the same level. The repositioning of Si.mobil in Slovenia led to higher costs last year and therefore to a negative contribution to EBITDA. Overall, EBITDA in the mobile communications business segment rose by 30.9% to EUR 571.3million. The seasonal decline in EBITDA in the fourth quarter is primarily due to lower roaming revenues and higher subscriber acquisition costs during the Christmas season.

Depreciation and amortization rose by 53.5% due to the increased fixed asset base and rising goodwill amortization, which includes about EUR 30.8million of Si.mobil. Therefore EBIT showed a slower growth rate of 15.8% in 2001.

The reduction in consolidated net income of Mobilkom Austria is a result of the change of Mobilkom Austria's tax status from a taxable entity to a non-taxable limited liability partnership in the first quarter of 2001, effective retroactively to July 1, 2000. This led to a one-time tax expense of EUR 134.4million, primarily due to the reversal of net deferred tax assets.



Data Communications

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|---------------------------------------|-------|-------|----------|-------|-------|----------|
| Revenues | 91.6 | 84.2 | 8.7% | 330.2 | 312.8 | 5.5% |
| EBITDA | 20.7 | 14.8 | 39.9% | 54.7 | 57.4 | -4.7% |
| <i>EBITDA (adjusted)*</i> | 20.2 | 15.3 | 32.1% | 54.5 | 62.2 | -12.4% |
| EBIT | 10.0 | 5.2 | 91.3% | 19.4 | 24.4 | -20.7% |
| <i>EBIT (adjusted)*</i> | 9.5 | 5.7 | 65.9% | 19.2 | 29.2 | -34.4% |
| * adjusted for early retirement costs | -0.5 | 0.5 | - | -0.2 | 4.8 | - |

Data communications increased its revenues by 5.5% to EUR 330.2million due to increased revenues from corporate network services. During 2001 Datakom Austria broadened its product portfolio merging telecommunications and IT-services into integrated solutions. With a 58% market share, Datakom Austria successfully maintained its leading position in the Austrian market as a supplier to almost all of Austria's leading companies.

The decline in EBITDA is due to higher prices charged by the fixed line segment for leased lines which had an impact of EUR 26.0million on the results of the business segment. To mitigate that impact, cost cutting was intensified and led to 7.8% lower personnel expenses. Therefore, the 16.6% EBITDA margin fell only slightly below last year's level of 18.4%. EBIT fell from EUR 24.4million in 2000 to EUR 19.4million in 2001.

Internet

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|----------------|-------|-------|----------|-------|-------|----------|
| Revenues | 37.2 | 17.9 | 107.7% | 99.5 | 61.1 | 62.8% |
| EBITDA | 1.3 | -10.4 | - | -20.1 | -5.4 | 273.0% |
| EBIT | -1.8 | -11.7 | -84.6% | -30.0 | -7.3 | 311.0% |

The 62.8% rise in total revenues of the Internet business segment is primarily the result of increasing subscriber numbers in Austria. Although EBITDA decreased from EUR (5.4)million in 2000 to EUR (20.1)million in 2001, strong internet traffic allowed for a positive result during the fourth quarter of 2001. Czech On Line contributed about 8% of the segment revenues, and showed a slightly positive EBITDA.

The Austrian Internet Service Provider of Telekom Austria, Jet2Web Internet, increased its subscriber base by 127% to 666,400 during the business year 2001. This includes 86,400 ADSL customers. About 95,000 customers were acquired from other Internet Service Providers. The total Internet market share of the group rose from 28% at the end of 2000 to 37% at the end of 2001, extending the market leadership position. In 2001 Jet2Web Internet launched a new channels-based, horizontal internet portal www.jet2web.net. Furthermore, Jet2Web Internet set up the online market place www.bizmarket.at together with SAP. Subsequent to December 31, 2001, Hewlett Packard was incorporated into this joint venture.

With 238,000 customers at the end of the year, up from 189,000 a year ago, Czech On Line maintained its ISP market leadership in the Czech Republic. During 2001, it concentrated on establishing products and services for business customers with the aim of becoming a full service telecommunications provider for this customer segment. The launch of PSTN voice services for business customers in December 2001 is in line with this strategy.



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Disclaimer:

This news release 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.

- End -

TELEKOM AUSTRIA AG

CONSOLIDATED BALANCE SHEETS (in €, 000` s omitted, except per share information)

| | <u>December</u> <u>31,</u> <u>2001</u> | <u>December</u> <u>31,</u> <u>2000</u> |
|---|--|--|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents..... | 26,393 | 17,715 |
| Short-term investments..... | 8,523 | 5,962 |
| Accounts receivable, net of allowances of € 47,074 and € 72,168 as of December 31, 2001 and December 31, 2000..... | 455,272 | 493,817 |
| Receivables due from related parties..... | 105,979 | 33,906 |
| Inventories..... | 55,786 | 74,776 |
| Deferred tax assets..... | 3,822 | 1,742 |
| Prepaid expenses..... | 25,405 | 16,531 |
| Tax refunds..... | 38,069 | 108,503 |
| Other current assets..... | 128,465 | 165,000 |
| TOTAL CURRENT ASSETS..... | 847,714 | 917,952 |
| Property, plant and equipment, net..... | 4,591,757 | 5,069,507 |
| Intangible assets, at cost..... | 299,596 | 262,438 |
| Less accumulated amortization..... | (218,946) | (32,131) |
| | 80,650 | 230,307 |
| Investments in affiliates..... | 510,682 | 612,962 |
| Other investments | 162,981 | 149,612 |
| Deferred tax assets..... | 323,911 | 144,233 |
| Due from related parties..... | 218,018 | 218,018 |
| Other assets..... | 991,609 | 720,096 |
| TOTAL ASSETS..... | 7,727,322 | 8,062,687 |
| LIABILITIES AND STOCKHOLDERS´ EQUITY | | |
| Current liabilities | | |
| Short-term borrowings..... | 978,092 | 945,992 |
| Accounts payable | 439,529 | 524,969 |
| Accrued liabilities..... | 131,296 | 172,979 |
| Payables to related parties..... | 15,982 | 30,509 |
| Deferred income..... | 55,266 | 66,508 |
| Income taxes payable | 0 | 12,726 |
| Deferred income taxes | 20 | 1,398 |
| Other current liabilities..... | 59,949 | 44,352 |
| TOTAL CURRENT LIABILITIES..... | 1,680,134 | 1,799,433 |
| Long-term debt, net of current portion..... | 2,005,226 | 2,353,858 |
| Lease obligations, net of current portion..... | 1,086,874 | 798,955 |
| Employee benefit obligations..... | 378,125 | 448,536 |
| Deferred income taxes..... | 490 | 19,329 |
| Other..... | 76,079 | 38,964 |
| Stockholders´ equity | | |
| Common stock, issued and outstanding shares 500,000,000 with par value of € 2.181..... | 1,090,500 | 1,090,500 |
| Additional paid in capital..... | 451,677 | 451,677 |
| Retained earnings..... | 956,837 | 1,061,462 |
| Accumulated other comprehensive income (loss)..... | 1,380 | (27) |
| TOTAL STOCKHOLDERS´ EQUITY..... | 2,500,394 | 2,603,612 |
| TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY..... | 7,727,322 | 8,062,687 |

▶ 2002
▶ 2003
▶ 2004
▶ 2005
▶ 2006
▶ 2007
▶ 2008

TELEKOM AUSTRIA AG

CONSOLIDATED STATEMENTS OF OPERATIONS (in €, 000` s omitted, except per share information)

| | Twelve months ended December 31, | | |
|--|-------------------------------------|-------------|-------------|
| | 2001 | 2000 | 1999 |
| Operating revenues..... a) | 2,659,660 | 2,814,397 | 2,948,199 |
| Operating expenses..... b) | | | |
| Materials..... | (71,908) | (108,167) | (133,718) |
| Employee costs, including benefits and taxes..... | (569,152) | (858,009) | (645,596) |
| Idle workforce..... | (49,928) | (7,590) | 0 |
| Depreciation and amortization..... | (1,049,201) | (915,889) | (864,549) |
| Other operating expenses..... | (1,114,910) | (1,223,918) | (1,036,694) |
| OPERATING INCOME (LOSS)..... | (195,439) | (299,176) | 267,642 |
| Other income (expense) | | | |
| Interest income..... c) | 82,683 | 78,552 | 66,749 |
| Interest expense..... d) | (240,986) | (239,914) | (228,069) |
| Dividend income..... | 2,229 | 1,405 | 1,152 |
| Other, net..... | (43,475) | (38,121) | (9,528) |
| INCOME (LOSS) BEFORE INCOME TAXES, EQUITY IN EARNINGS OF AFFILIATES AND EXTRAORDINARY ITEMS | (394,988) | (497,254) | 97,946 |
| Equity in earnings of affiliates..... | 195,450 | 36,314 | 117,469 |
| Income tax (expense) benefit..... | 94,913 | 178,829 | (14,489) |
| INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS..... | (104,625) | (282,111) | 200,926 |
| Extraordinary loss, net of tax..... | 0 | (3,453) | (689) |
| NET INCOME (LOSS)..... | (104,625) | (285,564) | 200,237 |
| Basic and fully diluted earnings per share..... | (0,21) | (0,57) | 0,40 |
| Basic and fully diluted earnings per share excluding Extraordinary items..... | (0,21) | (0,56) | 0,40 |
| a) includes revenues from related parties of | 293,459 | 289,818 | 262,970 |
| b) includes operating expenses from related parties of | 314,769 | 309,094 | 344,864 |
| c) includes interest income from related parties of | 17,619 | 3,138 | 1,975 |
| d) includes interest expense from related parties of | 749 | 13,045 | 31,298 |

▶ 2002 ▶ 2003 ▶ 2004 ▶ 2005 ▶ 2006 ▶ 2007 ▶ 2008

TELEKOM AUSTRIA AG

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in €, 000` s omitted, except per share information)

| | Twelve months ended December 31, | | |
|---|-------------------------------------|-------------------------|-------------------------|
| | 2001 | 2000 | 1999 |
| Cash generated from operations | | | |
| Net Income (Loss)..... | (104,625) | (285,564) | 200,237 |
| Adjustments to reconcile net income to cash generated from operations | | | |
| Depreciation and amortization | 1,049,201 | 915,889 | 864,549 |
| Employee benefit obligation - long term..... | (70,447) | 200,073 | 34,699 |
| Allowance for doubtful accounts..... | (14,818) | 26,483 | 40,142 |
| Change in deferred taxes..... | (94,969) | (180,726) | 6,270 |
| Equity in earnings of affiliates in excess of dividends received..... | (80,731) | 30,805 | (59,325) |
| Stock purchase plan..... | 0 | 7,196 | 0 |
| Gain on sales of investments..... | 0 | (524) | 201 |
| Loss on disposal / retirement of equipment..... | 38,922 | 35,161 | 14,046 |
| Changes in assets and liabilities, net of effect of business acquired | | | |
| Accounts receivable..... | 54,037 | 94,224 | (121,158) |
| Due from related parties..... | 69,050 | (12,508) | 46,213 |
| Inventories..... | 19,030 | 4,920 | 14,639 |
| Prepaid expenses..... | (8,874) | 2,005 | 875 |
| Other assets..... | (47,568) | 7,808 | 42,194 |
| Accounts payable..... | (85,734) | 143,480 | 111,294 |
| Accrued liabilities..... | (54,414) | 38,723 | 17,384 |
| Due to related parties..... | 3,830 | (27,054) | (8,737) |
| Other liabilities..... | 170,490 | 7,282 | 8,155 |
| | <u>842,380</u> | <u>1,007,673</u> | <u>1,211,678</u> |
| Cash from (used in) investing activities | | | |
| Capital expenditures, including interest capitalized..... | (459,039) | (601,538) | (697,188) |
| Acquisitions and investments..... | (4,759) | (334,662) | (45,057) |
| Proceeds from sale of equipment..... | 12,106 | 16,133 | 11,503 |
| Purchase of investments - short term..... | (2,790) | (176) | (6,513) |
| Purchase of American Call for Stock Option Programm..... | 0 | (12,527) | 0 |
| Proceeds from sale of investment - short term..... | 8 | 36,336 | 138,383 |
| Proceeds from sale of investment - long term..... | 1,285 | 2,719 | 2,665 |
| | <u>(453,189)</u> | <u>(893,715)</u> | <u>(596,207)</u> |
| Cash from (used in) financing activities | | | |
| Principal payments on bonds..... | (61,845) | (202,030) | 0 |
| Proceeds from issuance of long-term debt..... | 0 | 377,553 | 0 |
| Principal payments on long-term debt..... | (335,159) | (138,151) | (248,654) |
| Change in short-term bank borrowings..... | 74,968 | 387,710 | 31,016 |
| Changes in financing with ÖIAG..... | 0 | (492,516) | (398,588) |
| Changes from financing with Mobilkom Austria group..... | (73,166) | (268,520) | (110,135) |
| Proceeds from sale of tax benefits..... | 14,547 | 0 | 44,437 |
| Dividends paid..... | 0 | (140,549) | (333,201) |
| | <u>(380,655)</u> | <u>(476,503)</u> | <u>(1,015,125)</u> |
| Effect of exchange rate changes..... | <u>142</u> | <u>158</u> | <u>0</u> |
| Net increase (decrease) in cash and cash equivalents..... | <u><u>8,678</u></u> | <u><u>(362,387)</u></u> | <u><u>(399,654)</u></u> |
| Cash and cash equivalents at beginning of period..... | 17,715 | 380,102 | 779,756 |
| Cash and cash equivalents at end of period..... | 26,393 | 17,715 | 380,102 |
| Cash paid for | | | |
| Interest..... | 180,436 | 190,278 | 200,825 |
| Income tax..... | 10,235 | 8 | 80,178 |
| Cash received for | | | |
| Interest..... | 18,176 | 30,882 | 63,242 |
| Tax refunds..... | 91,255 | 0 | 31,160 |
| Non cash investing and financing | | | |
| Cross border leasing..... | 267,505 | 0 | 607,802 |
| Dividends not received in cash..... | 86,315 | 0 | 0 |

▶ 2002 ▶ 2003 ▶ 2004 ▶ 2005 ▶ 2006 ▶ 2007 ▶ 2008

**MOBILKOM AUSTRIA AG & Co KG
and MOBILKOM AUSTRIA AG**

COMBINED CONSOLIDATED BALANCE SHEETS
(in €, 000` s omitted)

| | December 31, 2001 | December 31, 2000 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents..... | 8,911 | 36,988 |
| Accounts receivable, net of allowance of € 66,907 and € 71,457 as of December 31, 2001 and December 31, 2000 | 217,944 | 191,297 |
| Receivables due from related parties..... | 1,888 | 3,581 |
| Inventories..... | 50,213 | 44,175 |
| Prepaid expenses..... | 54,643 | 51,235 |
| Other current assets..... | 52,364 | 31,386 |
| TOTAL CURRENT ASSETS..... | 385,963 | 358,662 |
| Property, plant and equipment, net..... | 941,135 | 753,003 |
| Intangible assets, net..... | 619,108 | 415,387 |
| Investments | 9,740 | 3,934 |
| Deferred tax assets..... | 21,020 | 164,151 |
| Other assets..... | 237,135 | 226,332 |
| TOTAL ASSETS..... | 2,214,101 | 1,921,469 |
| LIABILITIES AND STOCKHOLDERS´ EQUITY | | |
| Current liabilities | | |
| Short-term borrowings..... | 37,219 | 91,202 |
| Accounts payable | 246,022 | 184,549 |
| Accrued liabilities..... | 56,514 | 38,012 |
| Payables to related parties..... | 119,076 | 21,404 |
| Deferred income..... | 52,339 | 47,039 |
| Income taxes payable | 3,961 | 26,108 |
| Deferred income taxes | 3 | 51 |
| Other current liabilities..... | 91,686 | 31,343 |
| TOTAL CURRENT LIABILITIES..... | 606,820 | 439,708 |
| Long-term debt, net of current portion..... | 449,981 | 212,819 |
| Long-term debt to related parties..... | 218,018 | 218,018 |
| Lease obligations, net of current portion..... | 228,311 | 214,958 |
| Other..... | 42,864 | 34,580 |
| Stockholders´ equity | | |
| Common Stock..... | 100 | 72,673 |
| Share Capital..... | 79,940 | 0 |
| Additional paid in capital..... | 7,819 | 7,819 |
| Retained earnings..... | 579,607 | 720,842 |
| Accumulated other comprehensive income..... | 641 | 52 |
| TOTAL STOCKHOLDERS´ EQUITY..... | 668,107 | 801,386 |
| TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY..... | 2,214,101 | 1,921,469 |

**MOBILKOM AUSTRIA AG & Co KG
and MOBILKOM AUSTRIA AG**

COMBINED CONSOLIDATED STATEMENTS OF INCOME
(in €, 000` s omitted)

| | | Twelve months ended December 31, | | |
|--|----|-------------------------------------|-----------|-----------|
| | | 2001 | 2000 | 1999 |
| Operating revenues..... | a) | 1,713,179 | 1,501,048 | 1,243,307 |
| Operating expenses..... | b) | | | |
| Materials..... | | (250,738) | (302,886) | (271,281) |
| Employee costs, including benefits and taxes..... | | (134,532) | (98,107) | (74,281) |
| Depreciation and amortization..... | | (267,784) | (174,442) | (120,763) |
| Other operating expenses..... | | (756,602) | (663,507) | (550,269) |
| OPERATING INCOME..... | | 303,523 | 262,106 | 226,713 |
| Other income (expense) | | | | |
| Interest income..... | c) | 20,518 | 18,201 | 6,784 |
| Interest expense..... | d) | (49,910) | (35,296) | (16,877) |
| Write offs from investments..... | | (628) | (1,577) | 0 |
| Other, net..... | | 2,246 | 870 | (2,569) |
| Loss from at equity investees..... | | (186) | 0 | 0 |
| INCOME BEFORE INCOME TAXES MINORITY INTERESTS AND EXTRAORDINARY LOSS..... | | 275,563 | 244,304 | 214,051 |
| Income tax expense..... | | (133,645) | (76,034) | (68,298) |
| Minority Interests..... | | (10,146) | 529 | 10,377 |
| NET INCOME BEFORE EXTRAORDINARY LOSS..... | | 131,772 | 168,799 | 156,130 |
| Extraordinary loss, net of tax..... | | 0 | (1,343) | (542) |
| NET INCOME..... | | 131,772 | 167,456 | 155,588 |
| a) includes revenues from related parties of | | 236,251 | 254,152 | 265,352 |
| b) includes operating expenses from related parties of | | 258,023 | 239,345 | 213,943 |
| c) includes interest income from related parties of | | 731 | 386 | 3,414 |
| d) includes interest expense from related parties of | | 17,619 | 3,019 | 0 |

TELEKOM AUSTRIA GROUP

Operating Results by Business Segments

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|-------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| Fixed line | 594.5 | 650.3 | -8.6% | 2,456.7 | 2,654.8 | -7.5% |
| Mobile communications | 441.4 | 384.4 | 14.8% | 1,713.2 | 1,501.0 | 14.1% |
| Data communications | 91.6 | 84.2 | 8.7% | 330.2 | 312.8 | 5.5% |
| Internet | 37.2 | 17.9 | 107.7% | 99.5 | 61.1 | 62.8% |
| Other & eliminations | -171.7 | -158.1 | 8.6% | -656.1 | -632.5 | 3.7% |
| Total managed revenues | 993.0 | 978.7 | 1.5% | 3,943.5 | 3,897.2 | 1.2% |

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|---|--------------|--------------|--------------|----------------|----------------|---------------|
| Fixed line | 178.8 | 114.2 | 56.5% | 869.0 | 572.2 | 51.9% |
| <i>Fixed line (adjusted)*</i> | <i>173.2</i> | <i>159.9</i> | <i>8.3%</i> | <i>866.8</i> | <i>820.6</i> | <i>5.6%</i> |
| Mobile communications | 110.7 | 95.0 | 16.5% | 571.3 | 436.5 | 30.9% |
| Data communications | 20.7 | 14.8 | 39.9% | 54.7 | 57.4 | -4.7% |
| <i>Data communications (adjusted)*</i> | <i>20.2</i> | <i>15.3</i> | <i>32.1%</i> | <i>54.5</i> | <i>62.2</i> | <i>-12.4%</i> |
| Internet | 1.3 | -10.4 | - | -20.1 | -5.4 | 273.0% |
| Other & eliminations | -2.2 | 0.2 | - | -2.0 | 0.2 | - |
| Total managed EBITDA, excl. costs for idle workforce | 309.2 | 213.8 | 44.6% | 1,472.8 | 1,060.9 | 38.8% |
| <i>Total managed EBITDA (adjusted)*</i> | <i>303.1</i> | <i>260.0</i> | <i>16.6%</i> | <i>1,470.4</i> | <i>1,314.1</i> | <i>11.9%</i> |

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|---|---------------|--------------|---------------|--------------|--------------|---------------|
| Fixed line | -48.1 | -104.6 | -54.0% | 33.0 | -284.5 | - |
| <i>Fixed line (adjusted)*</i> | <i>-53.7</i> | <i>-58.9</i> | <i>-8.8%</i> | <i>30.8</i> | <i>-36.1</i> | <i>-</i> |
| Mobile communications | 34.9 | 43.1 | -19.0% | 303.5 | 262.1 | 15.8% |
| Data communications | 10.0 | 5.2 | 91.3% | 19.4 | 24.4 | -20.7% |
| <i>Data communications (adjusted)*</i> | <i>9.5</i> | <i>5.7</i> | <i>65.9%</i> | <i>19.2</i> | <i>29.2</i> | <i>-34.4%</i> |
| Internet | -1.8 | -11.7 | -84.6% | -30.0 | -7.3 | 311.0% |
| Other & eliminations | -136.1 | -11.7 | - | -169.8 | -24.1 | 604.7% |
| Total managed EBIT, excl. costs for idle workforce | -141.2 | -79.7 | 77.2% | 156.0 | -29.4 | - |
| <i>Total managed EBIT (adjusted)*</i> | <i>-147.3</i> | <i>-33.5</i> | <i>339.6%</i> | <i>153.6</i> | <i>223.8</i> | <i>-31.4%</i> |

Reconciliation between segmental results and consolidated results of Telekom Austria AG

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|------------------------------|--------------|--------------|--------------|----------------|----------------|--------------|
| Fixed line | 594.5 | 650.3 | -8.6% | 2,456.7 | 2,654.8 | -7.5% |
| Data communications | 91.6 | 84.2 | 8.7% | 330.2 | 312.8 | 5.5% |
| Internet | 37.2 | 17.9 | 107.7% | 99.5 | 61.1 | 62.8% |
| Other & eliminations | -64.6 | -55.2 | 17.0% | -226.7 | -214.3 | 5.8% |
| Consolidated revenues | 658.7 | 697.2 | -5.5% | 2,659.7 | 2,814.4 | -5.5% |

| in EUR million | 4Q 01 | 4Q 00 | % change | FY 01 | FY 00 | % change |
|--|---------------|---------------|--------------|---------------|---------------|---------------|
| Fixed line | -48.1 | -104.6 | -54.0% | 33.0 | -284.5 | - |
| Data communications | 10.0 | 5.2 | 91.3% | 19.4 | 24.4 | -20.7% |
| Internet | -1.8 | -11.7 | -84.6% | -30.0 | -7.3 | 311.0% |
| Other & eliminations | -134.1 | -11.8 | - | -167.8 | -24.2 | 593.5% |
| Consolidated EBIT, excluding costs for idle workforce | -174.1 | -122.9 | 41.7% | -145.5 | -291.6 | -50.1% |
| Idle workforce costs | -13.1 | -7.3 | - | -49.9 | -7.6 | - |
| Consolidated operating result | -187.2 | -130.2 | 43.8% | -195.4 | -299.2 | -34.7% |

* excluding costs for idle workforce and for early retirement



TELEKOM AUSTRIA GROUP

Key Operating Data

Fixed line:

Traffic minutes (in millions of minutes)
during the period:

| | FY 2001 | FY 2000 |
|---------------------------------|---------------|---------------|
| Local | 4,335 | 6,227 |
| National long distance | 823 | 1,008 |
| Fixed-to-mobile | 830 | 941 |
| International | 476 | 507 |
| Internet dial-up | 4,505 | 3,872 |
| Total fixed line minutes | 10,969 | 12,555 |

Carrier services:

| | | |
|------------------------|-------|-------|
| Incoming international | 1,090 | 1,305 |
| Outgoing international | 1,044 | 1,149 |

December 31, 2001 December 31, 2000

Lines and channels (in '000):

| | | |
|------------------------------|--------------|--------------|
| PSTN access lines | 2,760 | 2,929 |
| Basic ISDN access lines | 399 | 332 |
| Multi ISDN access lines | 8 | 8 |
| Total access lines | 3,167 | 3,269 |
| of these ADSL access lines | 101 | 39 |
| Total access channels | 3,806 | 3,833 |
| Total market share | 56.2% | 63.7% |

Mobile communications:

Mobile subscribers (in '000):

| | | |
|---------------------------------|--------------|--------------|
| Austria | 2,850 | 2,805 |
| Croatia | 856 | 531 |
| Slovenia | 270 | - |
| Liechtenstein | 1 | - |
| Total mobile subscribers | 3,977 | 3,336 |

Market shares:

| | | |
|----------|-------|-------|
| Austria | 42.9% | 44.8% |
| Croatia | 48.7% | 48.4% |
| Slovenia | 20.8% | - |

Internet:

Subscribers ('in 000):

| | | |
|----------------|-----|-----|
| Austria | 666 | 293 |
| Czech Republic | 238 | 189 |

Employees per business segment: *

(End of period)

| | December 31, 2001 | December 31, 2000 |
|-----------------------|-------------------|-------------------|
| Fixed Line** | 11,903 | 14,375 |
| Mobile communications | 3,438 | 2,768 |
| Data communications | 877 | 963 |
| Internet | 368 | 195 |

Total **16,586** **18,301**

**including idle workforce 273 0

(Average of period)

| | FY 2001 | FY 2000 |
|-----------------------|---------|---------|
| Fixed Line** | 13,088 | 14,939 |
| Mobile communications | 3,251 | 2,520 |
| Data communications | 908 | 956 |
| Internet | 302 | 145 |

Total **17,549** **18,560**

**including idle workforce 507 0

* Full-time equivalents

