

▶2001

▶2002

▶2003

▶2004

▶2005

▶2006

▶2007

▶2008

Telekom Austria Group

jet2web

# Telekom Austria Group 2000 Results

April 11, 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.

# Agenda

- Financial and Operational Highlights
- Segmental Results
- Transformation Update
- Outlook

# 2000 Financial Highlights

- Group revenues increased by 3.4% as the growth sectors mobile, data and internet outbalance decline in fixed line
- Restructuring measures begin to reduce recurring costs
- Exceptional social plan costs put pressure on results
- Excl. personnel reduction costs EBITDA decreased by 18.5%
- Capex reductions broadly in line with expectations

# Telekom Austria Group Figures

| (EUR million)                             | 2000    | 1999    | % change |
|---|---------|---------|----------|
| Total managed operating revenues          | 3,905.3 | 3,775.9 | 3.4%     |
| Total managed EBITDA *                    | 1,016.5 | 1,477.9 | -31.2%   |
| Total managed EBITDA*, excl.restr.costs   | 1,274.9 | 1,563.4 | -18.5%   |
| Total managed operat. income              | -31.5   | 493.7   | n.m.     |
| Total man, oper. income, excl.restr.costs | 226.9   | 579.2   | -60.8%   |
| Consolid. net result of Telekom Austria   | -285.6  | 200.2   | n.m.     |

\* EBITDA definition: operating income + depreciation /amortization +/- non operating income/expense

# 2000 Operational Highlights

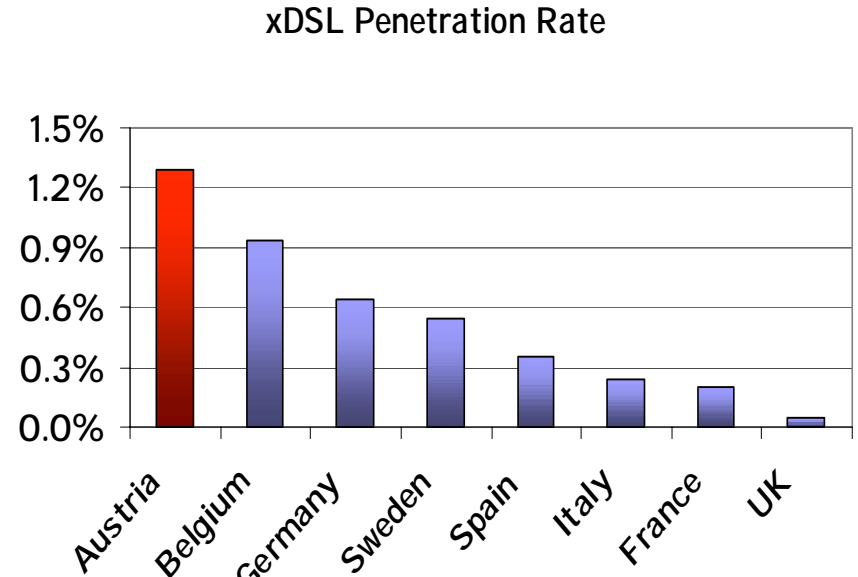
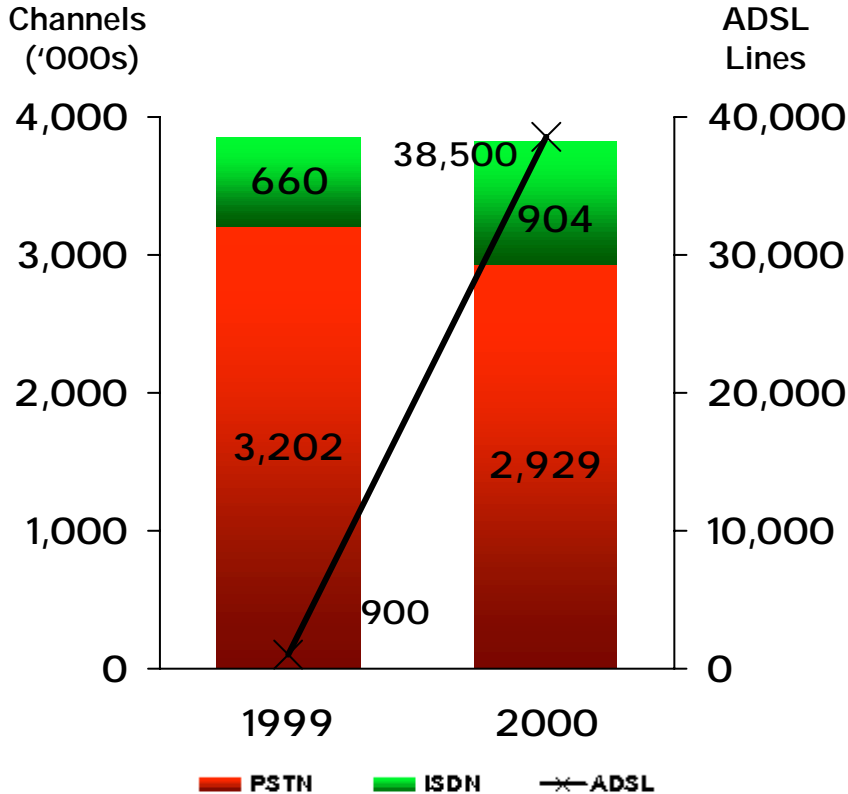
- European leadership in ADSL penetration
- New 2001 marketing initiatives start to take effect
- Mobile market leader in Austria and Croatia
- Increasing internet market share in Austria
- Transformation of fixed lines business in full progress
- Headcount reduction ahead of plan

# Fixed Line Services

3.8 million access channels,  
63% market share

▶ 2001      ▶ 2002      ▶ 2003      ▶ 2004      ▶ 2005      ▶ 2006      ▶ 2007      ▶ 2008

# Fixed Line - Access Channels

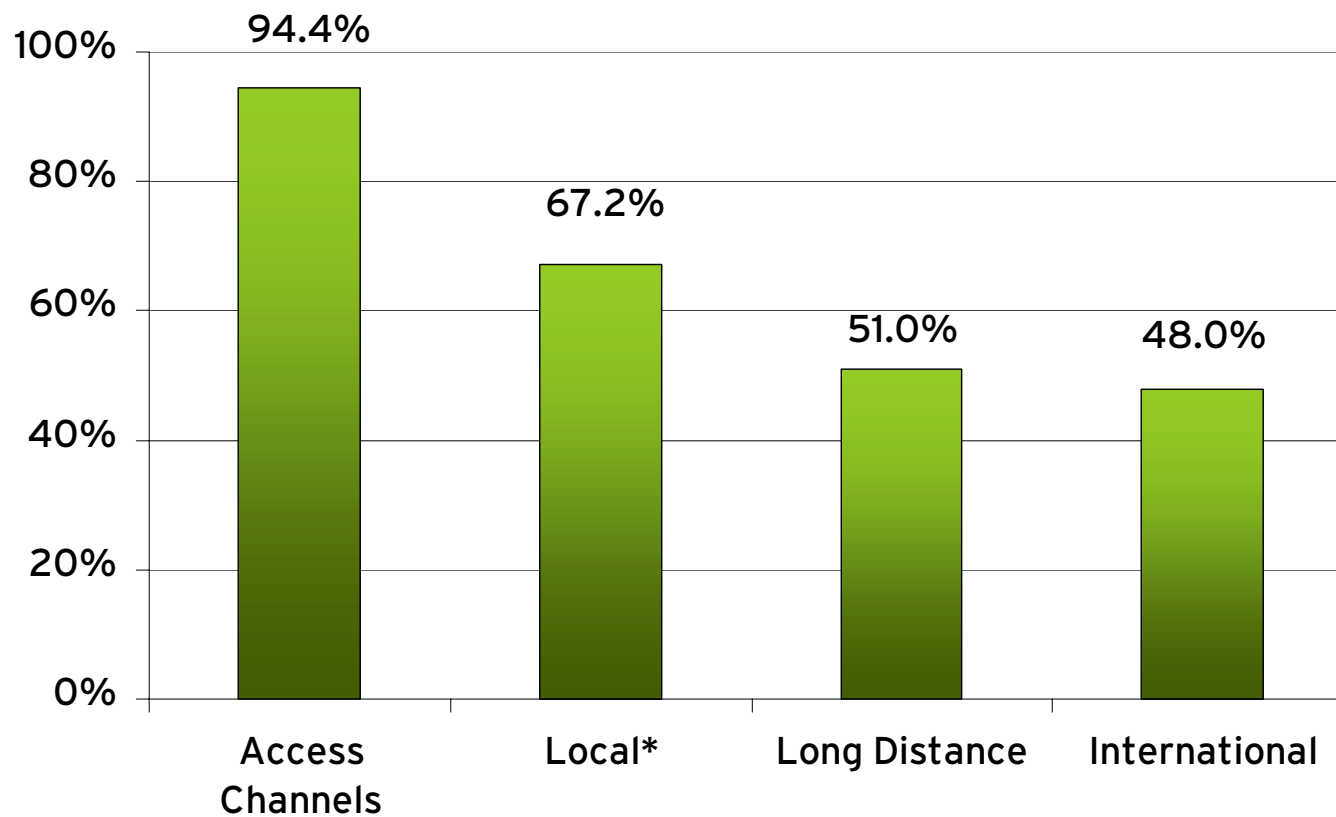


Source: Analysys-Research, Dec. 2000

# Fixed Line - Minutes

| (in millions of minutes) | 2000          | 1999          | 1998          |
|--------------------------|---------------|---------------|---------------|
| Local                    | 6,227         | 8,426         | 9,498         |
| Long distance            | 1,008         | 1,387         | 1,652         |
| Fixed-to-mobile          | 941           | 991           | 792           |
| Internet dial-up         | 3,872         | 2,991         | 1,403         |
| Other calls              | 3,157         | 248           | 114           |
| <b>Total fixed line</b>  | <b>15,205</b> | <b>14,043</b> | <b>13,459</b> |
| <b>Carrier services:</b> |               |               |               |
| Incoming international   | 1,305         | 1,184         | 1,140         |
| Outgoing international   | 1,149         | 1,178         | 1,113         |

# Fixed Line - Market shares (Dec. 31, 2000)



\*including internet dial-up traffic

# Fixed Line - Key Financial Data

| (EUR million)                          | 2000    | 1999    | % change |
|--|---------|---------|----------|
| Operating revenues                     | 2,676.9 | 2,842.2 | -5.8%    |
| EBITDA *                               | 519.5   | 1,077.1 | -51.8%   |
| EBITDA*, excluding restruct. costs     | 773.1   | 1,162.6 | -33.5%   |
| Operating income                       | -295.4  | 250.3   | n.m.     |
| Operating income, excl restruct. costs | -41.8   | 335.8   | n.m.     |

\* EBITDA definition: operating income + depreciation /amortization +/- non operating income/expense

# Fixed Line - Revenue Breakdown

| (EUR million)                              | 2000           | 1999           | % change     |
|--|----------------|----------------|--------------|
| Traffic revenues                           | 809.4          | 1,231.4        | -34.3%       |
| Monthly rental                             | 655.4          | 593.7          | 10.4%        |
| Interconnection                            | 618.8          | 409.1          | 51.3%        |
| Leased lines                               | 227.7          | 217.5          | 4.7%         |
| Equipment                                  | 105.7          | 131.2          | -19.4%       |
| Other                                      | 260.0          | 259.3          | 0.3%         |
| <b>Total fixed line operating revenues</b> | <b>2,677.0</b> | <b>2,842.2</b> | <b>-5.8%</b> |

# Fixed Line - Revenue Breakdown

|                                 |  |
|---------------------------------|--|
| <b>Traffic revenues</b>         | Decrease due to price reduction and more low priced minutes (internet) (2/3) and increased competition and higher mobile penetration (1/3) |
| <b>Connection, monthly fees</b> | 85% of increased sales due to higher monthly rentals, remainder due to ISDN related services   |
| <b>Interconnection</b>          | Majority of increase due to strong growth of transit traffic volume to mobile and international networks                                   |
| <b>Leased lines</b>             | Increased demand for capacity outbalanced about about 20% lower prices   |
| <b>Equipment</b>                | Increased competition and reduced sales offset by higher sales of mobile phones  |
| <b>Other</b>                    | Almost unchanged   |

# Fixed Line - Expense Breakdown

| (EUR million)                              | 2000           | 1999           | % change     |
|--|----------------|----------------|--------------|
| Material expense                           | 88.0           | 118.0          | -25.4%       |
| Employee costs                             | 810.2          | 613.2          | 32.1%        |
| Depreciation and amortization              | 857.7          | 837.4          | 2.4%         |
| Interconnection                            | 654.3          | 527.3          | 24.1%        |
| Repairs                                    | 126.0          | 104.7          | 20.3%        |
| Services received                          | 41.6           | 33.0           | 26.1%        |
| Other                                      | 394.6          | 358.3          | 10.1%        |
| <b>Total fixed line operating expenses</b> | <b>2,972.4</b> | <b>2,591.9</b> | <b>14.7%</b> |

# Fixed Line - Expense Breakdown

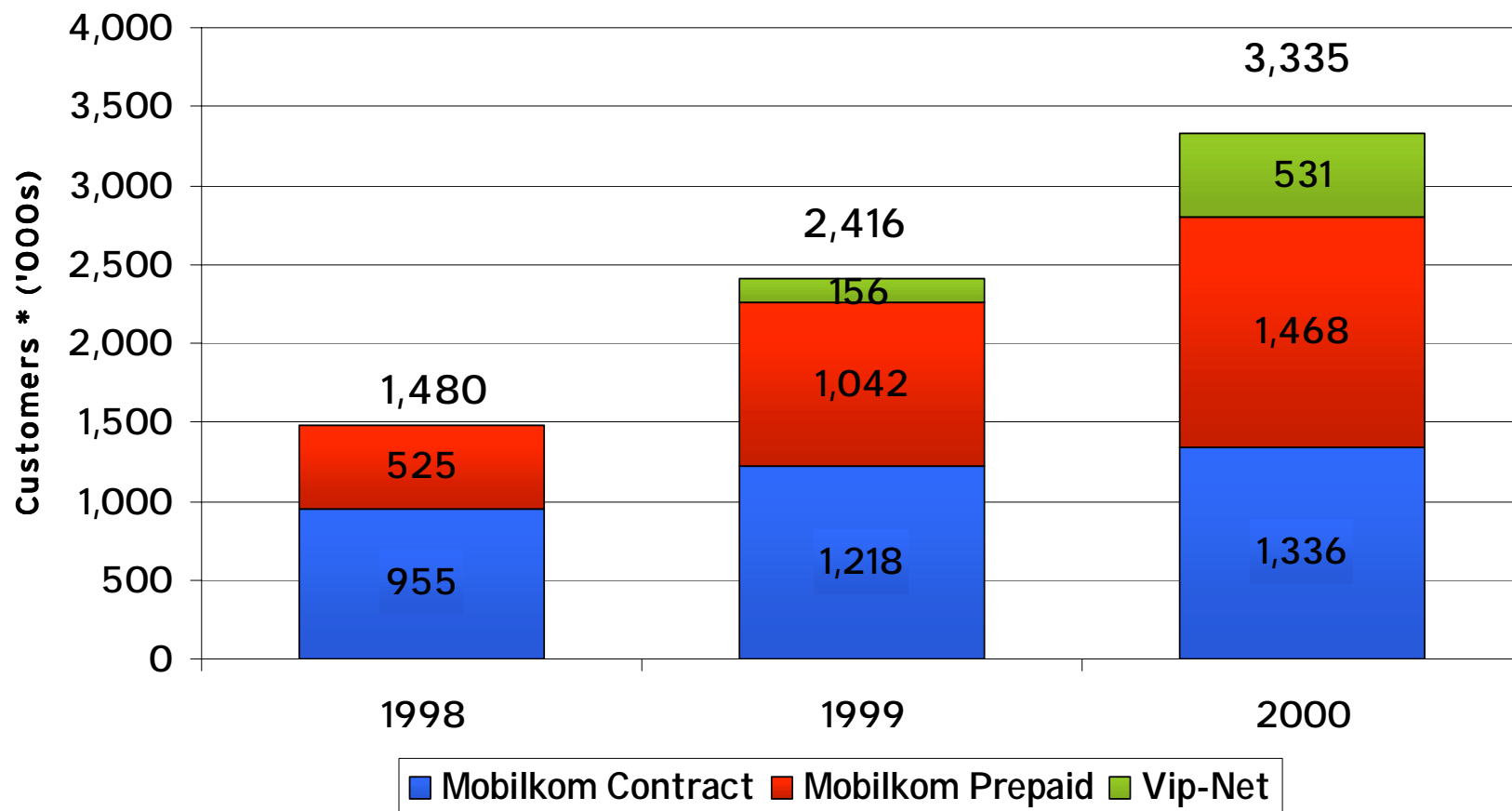
|                           |  |
|---------------------------|--|
| <b>Material expenses</b>  | Decrease due to less material need after completion of ISDN upgrading in 1999  |
| <b>Personnel expenses</b> | Increase primarily due to provision for early retirement programme and headcount reduction as part of our restructuring programme  |
| <b>Depreciation</b>       | Completion of digitalization in 1999 and extension of fiber optics networks  |
| <b>Interconnection</b>    | Increased transit traffic between mobile networks via Telekom Austria's fixed line network, increased costs for other carrier services and increased average cost for outgoing international calls |
| <b>Other</b>              | Increased marketing and advertising costs, legal and consulting fees, commissions to internet subsidiary   |

# Mobile Communications Services

3.3 million customers,  
market leader in Austria and Croatia

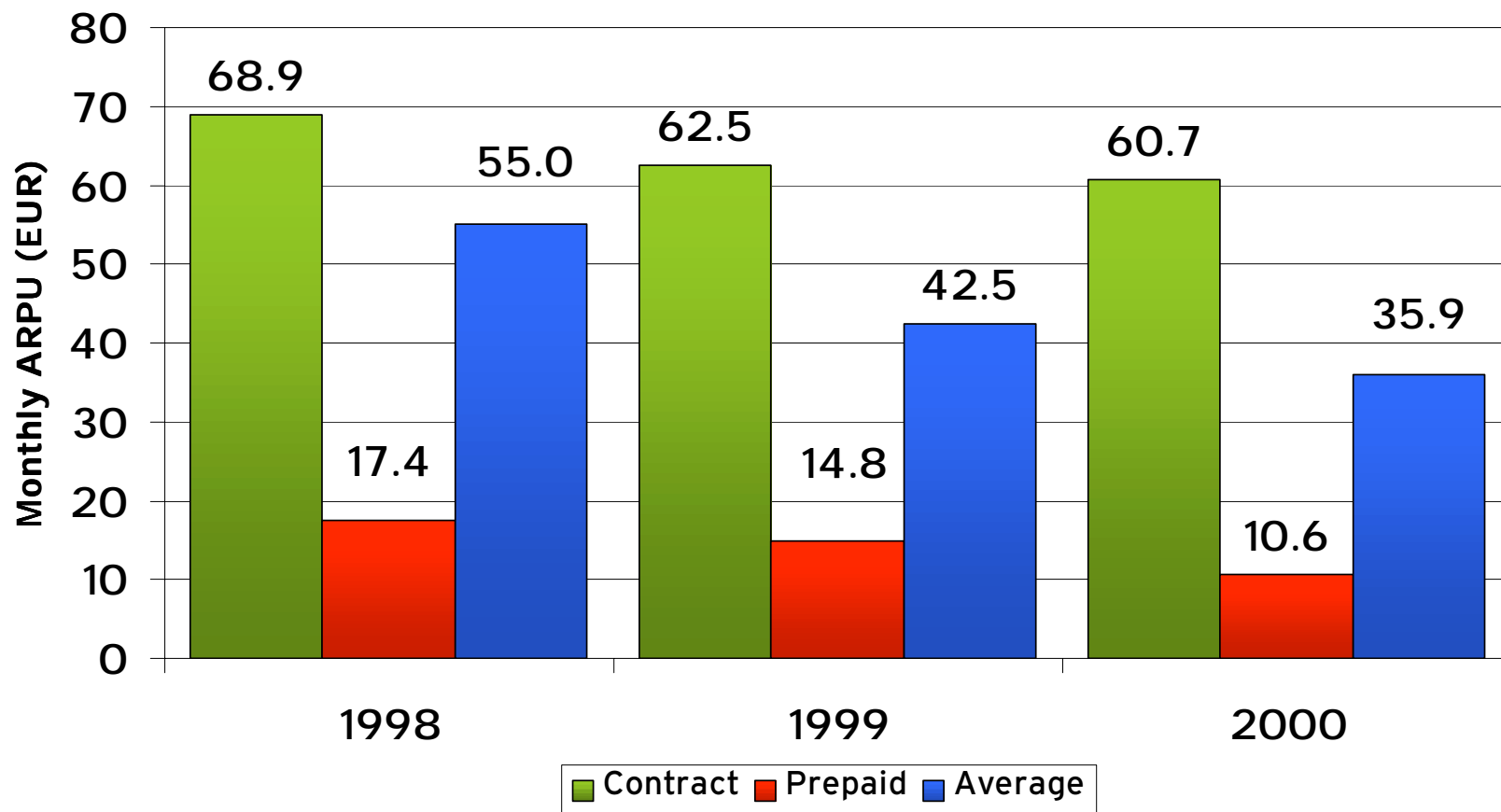
▶ 2001      ▶ 2002      ▶ 2003      ▶ 2004      ▶ 2005      ▶ 2006      ▶ 2007      ▶ 2008

# Mobile - Customer Growth



\* Analogue and digital customers

# Mobilkom Austria - ARPU development



# Mobilkom Austria - Traffic

|   | 2000  | 1999  | 1998  |
|---|-------|-------|-------|
| Outgoing minutes (millions) *             | 3,117 | 2,300 | 1,489 |
| Incoming minutes (millions) *             | 2,787 | 2,006 | 1,196 |
| Average number of customers ('000s)       | 2,544 | 1,870 | 1,210 |
| Minutes per customer per month - outgoing | 102   | 102   | 103   |
| - incoming                                | 91    | 89    | 82    |

\* Rated MOUs of Mobilkom customers

# Mobile - Key Financial Data

| (EUR million)      | 2000    | 1999    | % change |
|--------------------|---------|---------|----------|
| Operating revenues | 1,500.1 | 1,242.4 | 20.7%    |
| EBITDA*            | 437.9   | 355.3   | 23.2%    |
| Operating income   | 261.1   | 225.8   | 15.6%    |
| Net income         | 167.5   | 155.6   | 7.6%     |

\* EBITDA definition: operating income + depreciation /amortization +/- non operating income/expense

# Mobile - Revenue Breakdown

| (EUR million)   | 2000           | 1999           | % change     |
|---|----------------|----------------|--------------|
| Traffic revenues                                      | 721.3          | 536.5          | 34.4%        |
| Monthly rental  | 245.8          | 213.7          | 15.0%        |
| Equipment   | 187.5          | 183.4          | 2.2%         |
| Roaming   | 113.7          | 72.3           | 57.3%        |
| Interconnection                                       | 234.7          | 211.9          | 10.8%        |
| Other   | 20.3           | 29.4           | -31.0%       |
| Discounts   | -23.2          | -4.8           | 383.3%       |
| <b>Total mobile communications operating revenues</b> | <b>1,500.1</b> | <b>1,242.4</b> | <b>20.7%</b> |

# Mobile - Revenue Breakdown

## Traffic revenues

Increase in number of customers in Austria and start of operations in Croatia, partially offset by effects of 1999 tariff reductions in Austria

## Monthly fees

Higher number of contract customers in Austria, offset by lower monthly fee per subscriber

## Equipment

Increase due to the higher subscriber numbers

## Roaming

Increased calls of international mobile users in Austria and Croatia

## Interconnection

Increase due to growth of VIP-net's operations, decrease for Mobilkom due to price reductions

## Discounts

Dealer commissions and provision for loyalty programs

# Mobile - Expense Breakdown

| (EUR million)   | 2000           | 1999           | % change     |
|---|----------------|----------------|--------------|
| Material expense                                      | 302.9          | 271.3          | 11.6%        |
| Employee costs  | 98.1           | 74.3           | 32.0%        |
| Depreciation and amortization                         | 174.4          | 120.8          | 44.4%        |
| Interconnection                                       | 148.4          | 103.4          | 43.5%        |
| Repairs   | 27.6           | 20.6           | 34.0%        |
| Services received                                     | 181.6          | 146.2          | 24.2%        |
| Other   | 305.8          | 280.0          | 9.2%         |
| <b>Total mobile communications operating expenses</b> | <b>1,238.8</b> | <b>1,016.6</b> | <b>21.9%</b> |

# Mobile - Expense Breakdown

|                          |  |
|--------------------------|--|
| <b>Material</b>          | Increase sales of prepaid packages and handsets by VIP-net and purchase of handsets by Mobilkom            |
| <b>Employee costs</b>    | Higher headcount figure  |
| <b>Depreciation</b>      | Higher network-related capex   |
| <b>Interconnection</b>   | 2/3 due to higher interconnection fees by Mobilkom due to more calls to other mobile networks, 1/3 VIP-Net |
| <b>Services received</b> | Increase in roaming fees to international mobile operators   |
| <b>Other</b>             | Increase in marketing, sales and rental costs  |

# Si.Mobil

- Mobilkom acquired 49% directly plus 26% + 1 share through a 49%-held participation, agreements for a 100% take-over by the end of 2002
- Dispersed ownership structure hampered successful development in the past
- Management expertise from VIP-Net is transferred to Si.Mobil
- Logical link between Austria, Croatia and Italy
- Substantial increase of market share (present 15%) over the next years and doubling of present subscriber base of 130.000 in 2001
- 75% stake valued at EUR 141 million

# Data Communications Services

**Austria's Leading Data  
Communications Provider**

▶2001 ▶2002 ▶2003 ▶2004 ▶2005 ▶2006 ▶2007 ▶2008

# Data - Revenues and Expenses

| (EUR million)                           | 2000  | 1999  | % change |
|---|-------|-------|----------|
| Operating revenues                      | 309.0 | 279.6 | 10.5%    |
| Materials                               | 15.5  | 16.2  | -4.3%    |
| Employee costs                          | 52.0  | 43.2  | 20.4%    |
| Depreciation and amortization           | 32.5  | 26.2  | 24.0%    |
| Services recieved                       | 148.1 | 146.8 | 0.9%     |
| Other                                   | 38.1  | 31.2  | 22.1%    |
| Total operating expenses                | 286.2 | 263.6 | 8.6%     |
| Operating income                        | 22.8  | 16.0  | 42.5%    |
| Operating income, excl. restruct. costs | 27.6  | 16.0  | 72.5%    |
| EBITDA*                                 | 59.5  | 43.6  | 36.5%    |
| EBITDA* , excluding restructuring costs | 64.3  | 43.6  | 47.5%    |

\* EBITDA definition: operating income + depreciation /amortization +/- non operating income/expense

# Data - Revenues and Expenses

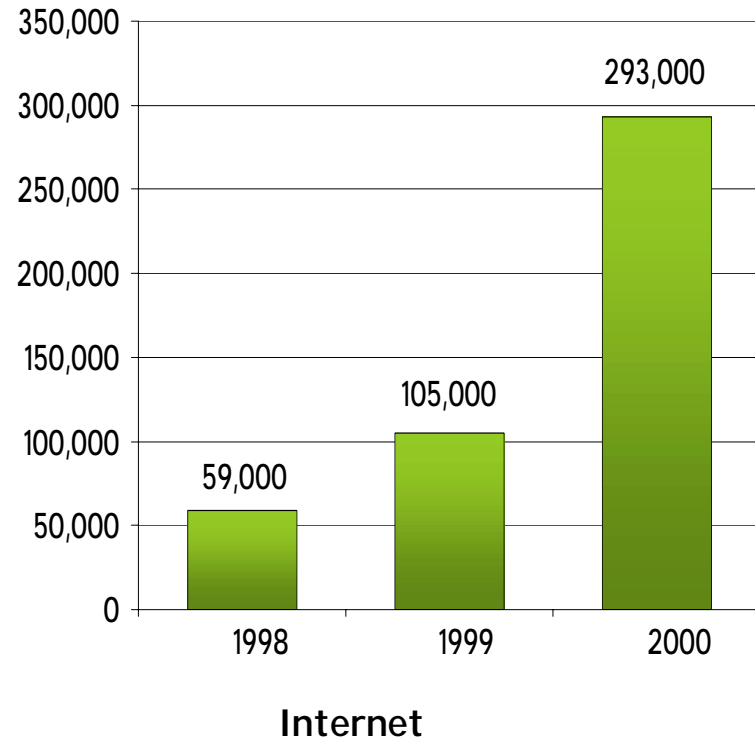
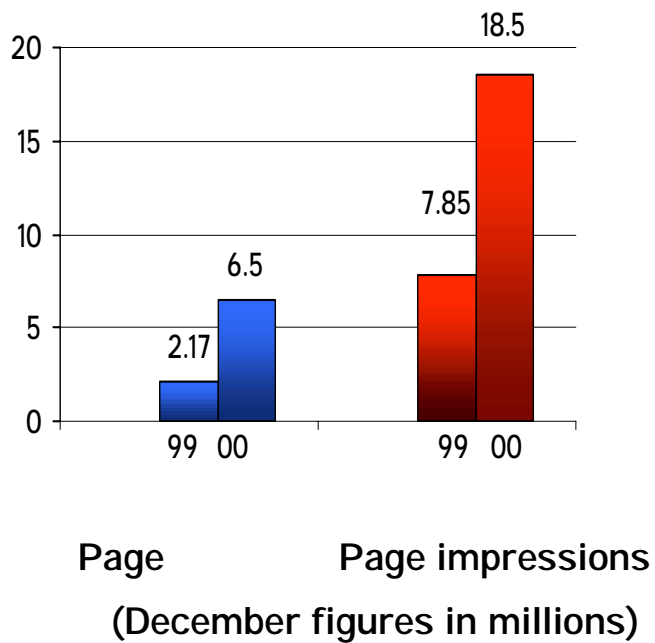
|                          |   |
|--------------------------|---|
| <b>Revenues</b>          | Increase almost entirely due to higher revenues from corporate networks and, to a lesser extent, due to VAS |
| <b>Material</b>          | Decrease due to more efficient purchasing and logistics program   |
| <b>Employee costs</b>    | Increased number of non-civil servants and restructuring costs  |
| <b>Depreciation</b>      | Increase due to higher capex in 2H 1999   |
| <b>Services received</b> | Almost stable development   |
| <b>Other expenses</b>    | Increased advertising, marketing and consulting costs   |

# Internet

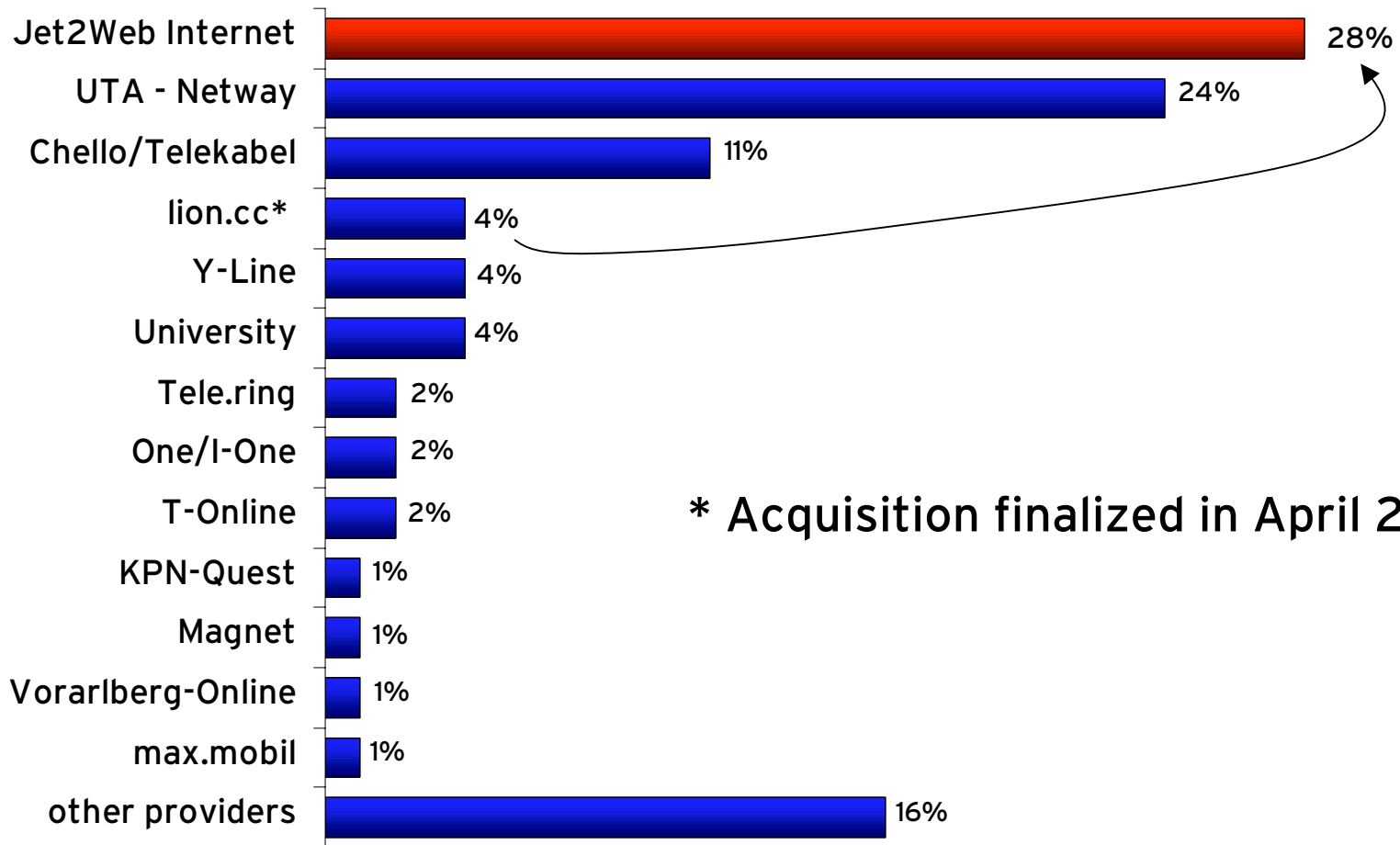
The Leading Austrian ISP with a  
32% Market Share

▶2001      ▶2002      ▶2003      ▶2004      ▶2005      ▶2006      ▶2007      ▶2008

# Internet Usage and Subscribers in Austria



# Internet - Residential market share (4Q/00)



\* Acquisition finalized in April 2001

# Other Business Segments

| (EUR million)      | 2000 | 1999 | % change |
|--------------------|------|------|----------|
| Operating revenues | 51.9 | 23.1 | 124.7%   |
| EBITDA*            | -0.6 | 2.1  | -128.6%  |
| Operating income   | -2.5 | -2.8 | 10.7%    |

\* EBITDA definition: operating income + depreciation /amortization +/- non operating income/expense

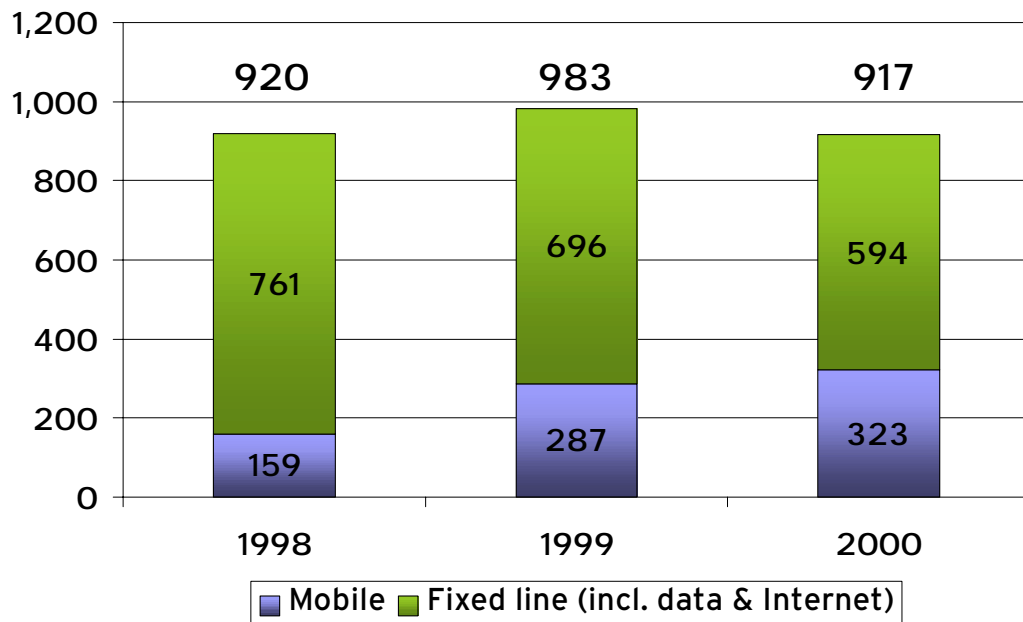
# Capital Expenditure

## Reflecting Broadband Focus

▶ 2001      ▶ 2002      ▶ 2003      ▶ 2004      ▶ 2005      ▶ 2006      ▶ 2007      ▶ 2008

# Capital expenditure

(EUR million)



- Capex reduction in line with budget
- Share of broadband capex in fixed line rises from 18% in 1999 to 42% in 2000
- 75% ADSL coverage
- Network optimization in mobile, BTS-stations rose from 3,333 to 4,120

# Transformation Update

## On Track to Restructure Telekom Austria

▶2001      ▶2002      ▶2003      ▶2004      ▶2005      ▶2006      ▶2007      ▶2008

# Strategic Focus on Transformation

| Change Corporate Culture   | Enhance Customer Focus  | Improve Profitability Significantly   |
|--|---|---|
| <ul style="list-style-type: none"><li>● Change to marketing orientation</li><li>● Create profit accountability</li><li>● Align management/organisation and shareholder objectives</li><li>● Streamline and strengthen organisation</li></ul> | <ul style="list-style-type: none"><li>● Reduce tariffs</li><li>● Reorganise sales force</li><li>● Introduce customer retention programmes</li><li>● Implement CRM system</li><li>● Improve time-to-market/product development</li></ul> | <ul style="list-style-type: none"><li>● Reduce fixed line headcount by more than 35%</li><li>● Slash overtime/consulting expenses</li><li>● Implement new procurement policy</li><li>● Enhance MIS quality</li><li>● Reduce/focus capex</li></ul> |

▶2001      ▶2002      ▶2003      ▶2004      ▶2005      ▶2006      ▶2007      ▶2008

# Transformation on Track – Controlling Procedures

- New controlling procedures in place:
  - Creation of spending control boards
  - First interactive bottom-up budgeting process including the entire group
  - Implementation and ongoing controlling procedures starting Jan. 2001
    - ◆ Creation of a new group controlling structure
    - ◆ Flash reports 14 days after month-end according to US-GAAP
    - ◆ Monthly financial and restructuring reporting to the board
  - Installation of product profitability accounting

# Transformation on Track - OPEX & CAPEX

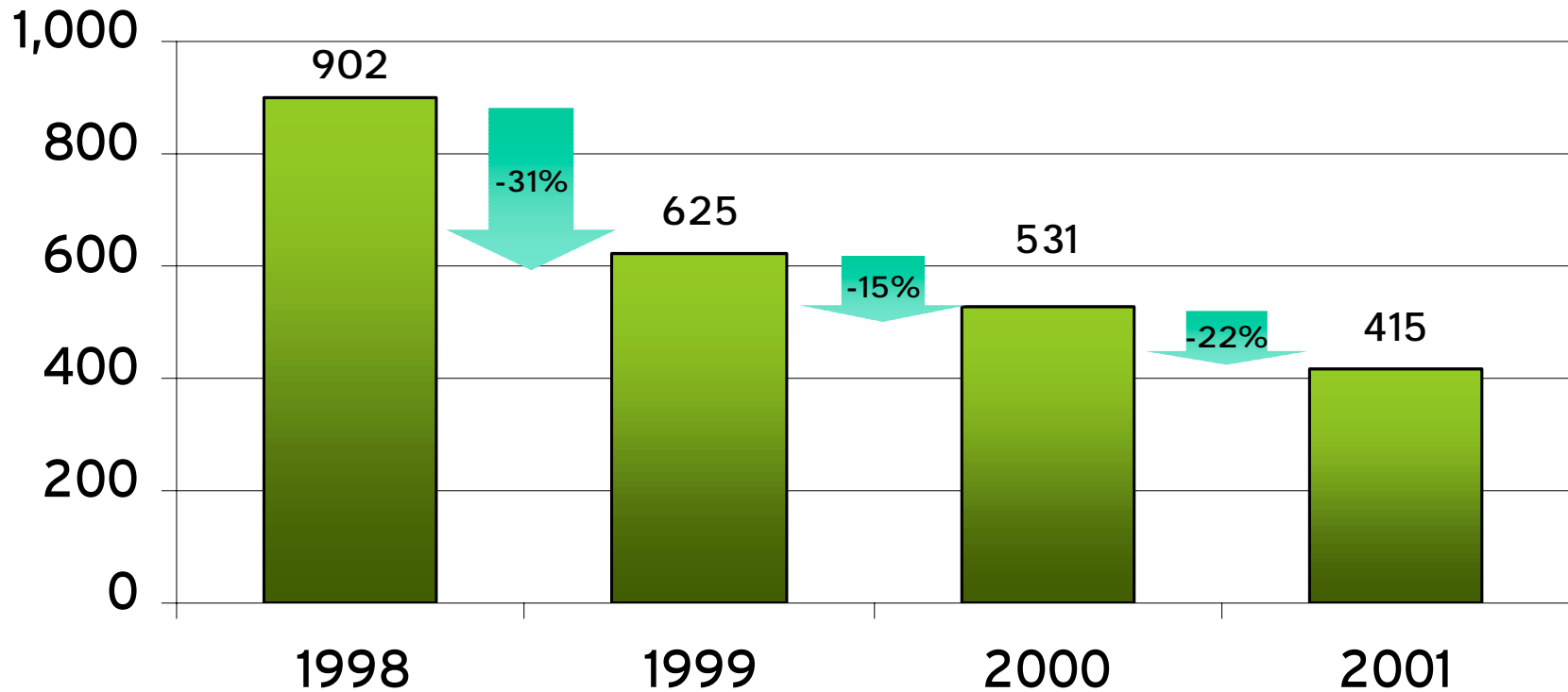
- 73 million EUR savings due to enhanced contracting & supply-management
- Reduction in number of materials supplied by two thirds
- Centralization of regional locations (e.g. logistic centers from 7 to 2)
- Implementation of a vertical, process driven technical organization
- Supply management activities:
  - Company-wide installation of cross-functional supply management-teams.
  - Review of technical specifications started successfully.
  - Benchmarking process 2001 with Telecom Italia completed.

## Next steps:

- Company-wide implementation of reviewed supply-strategies
- Significant reduction in number of suppliers
- Significant centralization of regional & headquarter locations
- Substantial cutback in CAPEX on non-market-driven activities
- Significant increase in productivity due to implementation of state-of-the-art dispatching tools and performance management techniques

# Fixed Line CAPEX 1998 - 2001

(EUR million)



# Transformation on Track - Marketing

- Restructuring of distribution channels and customer segmentation finalized
- Partner marketing with shop and value added resellers
- Optimization of shop structure and transformation into Jet2Web stores
- Redesign and relaunch of E-shop (portal shopping mall)
- Business Intelligence creates the basis for customer orientation
  - ◆ Customer relationship management - call center integration into Clarify system
  - ◆ Customer category management - customer based profitability reporting and orientation of distribution channels on customer value
- Marketing communications - launch and establishment of the new Jet2Web brand
- Introduction of second-based tariffs for residential and business users
- Implementation of ICSCS (Internet customer self service center)
- Test launch of e-bill: invoice via Internet and e-mail

# Transformation on Track - Marketing

- **Re-engineering customer care department**
  - ◆ Redesign project started January 2001, organization effective 1 April 2001
  - ◆ Fully process oriented organization
  - ◆ From distributed to centralized, one management level eliminated
  - ◆ Headcount reduction: 1,998 Jan. 2001 to 1,131 May 2001
- **Reorganizing product management department**
  - ◆ Re-design project started February 2001 , organization effective April 1, 2001
  - ◆ Special attention on skills, innovation process & portfolio management
- **Cross-functional project customer interface process**
  - ◆ Process improvement project, started February 2001
  - ◆ Objective to increase customer satisfaction (targets defined)
  - ◆ Focus on the whole sell-deliver-care process
- **Outsourcing**
  - ◆ Non-core activities defined, search for strategic partners

# Transformation on Track - Personnel

- Restructuring of the organization, shifting staff from operations into the TAP-Pool

- ◆ 1000 people have already been taken out of the workflow in Q1
- ◆ 2001 targets well ahead of the business plan

- Reducing headcount of TAP-Pool

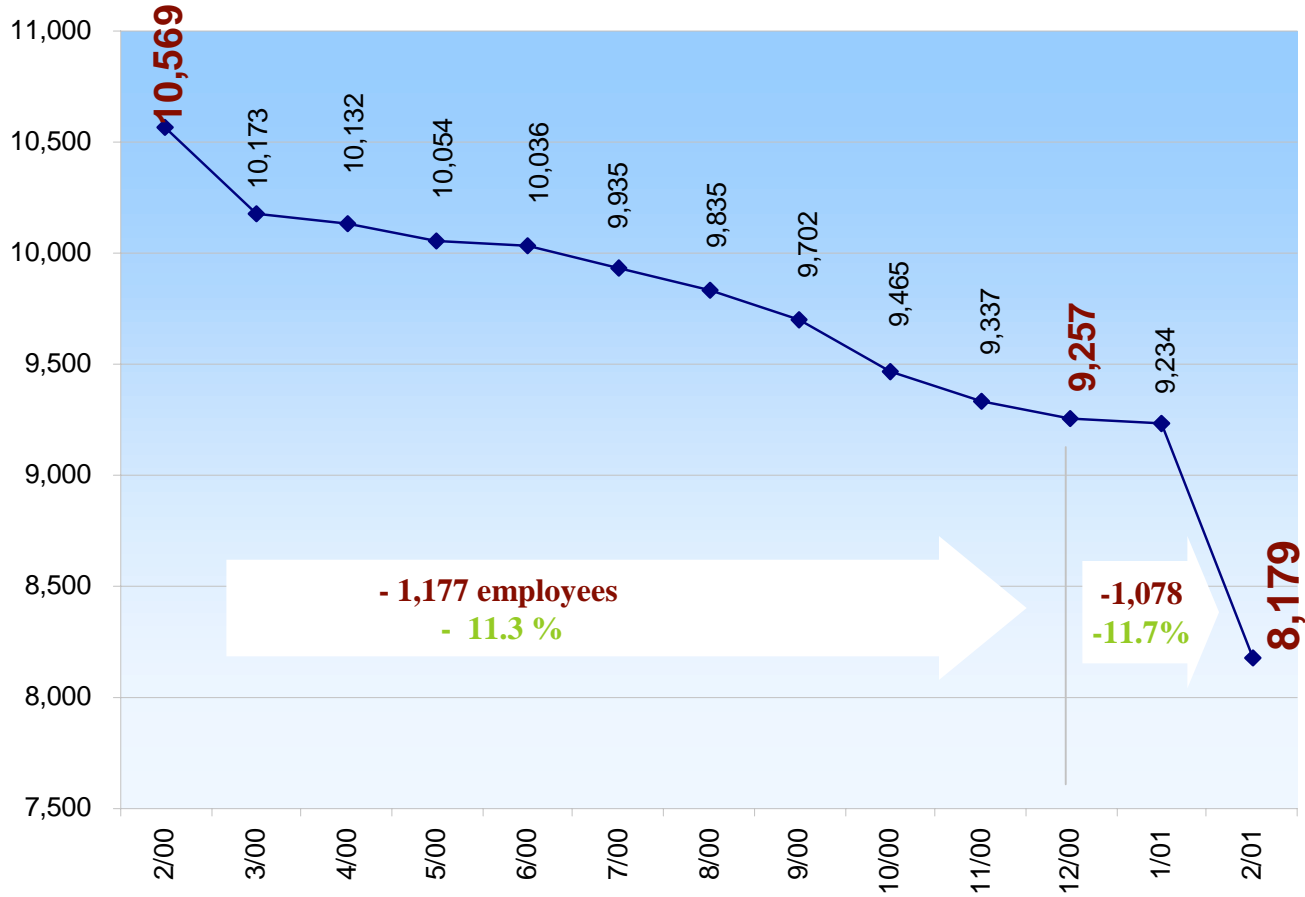
- ◆ 400 people left the company in Jan-Feb/01
- ◆ Headcount reduction ahead of plan
- ◆ Spread of further reductions in 2001 by measurements:

|   |           |
|---|-----------|
| Early retirement, golden handshake, retraining, layoffs | 1,100 FTE |
| Leasing   | 600 FTE   |
| Outsourcing   | 700 FTE   |
| Part-time   | 300 FTE   |
| Other (ordinary retirements, etc.)                      | 200 FTE   |

- Organizational & cultural change on track

- ◆ Performance management rolled out to expand MbO company-wide
- ◆ "License2Lead" management programme roll-out on track

# Headcount reduction in Networks&Operations



Whereas in the whole of 2000 the headcount reduction amounted to 1,177/11.3%, a reduction of 1,078/11.7% has been achieved in the first two months of year 2001 alone

# Outlook

## Fixed line

Intense continuation of restructuring, headcount reduction of 3,000 people, significant cost reduction, strong competition continues

## Mobile

Increasing contribution from Croatia, peaking penetration rates in Austria, lower earnings growth

## Data

Positioning as the solution provider within the group leads to higher transfer prices charged by fixed line segment

## Internet

First full year of operations of Jet2Web Internet as full ISP results in a higher revenue and cost base

# Appendix

▶ 2001      ▶ 2002      ▶ 2003      ▶ 2004      ▶ 2005      ▶ 2006      ▶ 2007      ▶ 2008

# Telekom Austria Consolidated Income Statement

| (EUR million)                                      | 2000     | 1999     |
|--|----------|----------|
| Operating revenues                                 | 2,814.4  | 2,948.2  |
| Operating expenses                                 |          |          |
| Materials  | -108.2   | -133.7   |
| Employees costs                                    | -865.6   | -645.6   |
| Depreciation and amortization                      | -915.9   | -864.5   |
| Other operating expenses                           | -1,217.4 | -1,036.7 |
| Operating income                                   | -292.6   | 267.6    |
| Other income (expense)                             |          |          |
| Equity in earnings of affiliates                   | 36.3     | 117.5    |
| Interest income                                    | 78.6     | 66.7     |
| Interest expense                                   | -239.9   | -228.1   |
| Dividend income                                    | 1.4      | 1.2      |
| Other, net   | -44.7    | -9.5     |
| Income before income taxes and extraordinary items | -460.9   | 215.4    |
| Income tax expense                                 | 178.8    | -14.5    |
| Income before extraordinary items                  | -282.1   | 200.9    |
| Extraordinary loss, net of tax                     | -3.5     | -0.7     |
| Net income   | -285.6   | 200.2    |

# Telekom Austria Consolidated Balance Sheet

| (EUR million)                                     | 2000           | 1999           |
|---|----------------|----------------|
| Current Assets                                    | 991.2          | 1,507.3        |
| Fixed Assets and Investments                      | 6,424.6        | 6,106.4        |
| Other Assets                                      | 720.1          | 693.4          |
| <b>Total Assets</b>                               | <b>8,135.9</b> | <b>8,307.1</b> |
| Current Liabilities                               | 1,872.7        | 1,835.2        |
| Long Term Debt                                    | 2,353.9        | 2,319.1        |
| Lease and Employee Benefit Obligations            | 1,247.5        | 1,005.8        |
| Other Liabilities                                 | 58.2           | 116.9          |
| Shareholders' Equity                              | 2,603.6        | 3,030.1        |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>8,135.9</b> | <b>8,307.1</b> |

# Telekom Austria Consolidated Cash Flows

| (EUR million)  | 2000    | 1999     |
|--|---------|----------|
| Cash generated from operations                       | 1,007.7 | 1,211.7  |
| Cash used in investing activities                    | -893.7  | -596.2   |
| Cash from (used in) financing activities             | -476.5  | -1,015.1 |
| Effect of exchange rate changes                      | 0.2     | 0.0      |
| Net increase (decrease) in cash and cash equivalents | -362.4  | -399.6   |

# Mobilkom Consolidated Income Statement

| (EUR million)                                      | 2000    | 1999    |
|--|---------|---------|
| Operating revenues                                 | 1,500.1 | 1,242.4 |
| Operating expenses                                 |         |         |
| Materials  | -302.9  | -271.3  |
| Employees costs                                    | -98.1   | -74.3   |
| Depreciation and amortization                      | -174.4  | -120.8  |
| Other operating expenses                           | -663.5  | -550.3  |
| EBIT   | 261.2   | 225.7   |
| Other income (expense)                             |         |         |
| Interest income                                    | 18.2    | 6.8     |
| Interest expense                                   | -35.3   | -16.9   |
| Write offs of investments                          | -1.6    |         |
| Other, net   | 1.8     | -1.6    |
| Income before income taxes and extraordinary items | 244.3   | 214.0   |
| Income tax expense                                 | -76.0   | -68.3   |
| Minority interest                                  | 0.5     | 10.4    |
| Income before Extraordinary Items                  | 168.3   | 156.1   |
| Extraordinary loss, net of tax                     | -1.3    | -0.5    |
| Net income   | 166.92  | 155.6   |

# Mobilkom Consolidated Balance Sheet

| (EUR million)                                     | 2000           | 1999           |
|---|----------------|----------------|
| Current Assets                                    | 401.2          | 430.0          |
| Fixed Assets and Investments                      | 1,336.6        | 824.1          |
| Other Assets                                      | 226.3          | 400.0          |
| <b>Total Assets</b>                               | <b>1,964.1</b> | <b>1,654.1</b> |
| Current Liabilities                               | 482.3          | 473.5          |
| Long Term Debt                                    | 430.8          | 219.3          |
| Lease Obligations                                 | 215.0          | 201.6          |
| Other Liabilities                                 | 34.6           | 38.7           |
| Shareholders' Equity                              | 801.4          | 721.0          |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>1,964.1</b> | <b>1,654.1</b> |

# Mobilkom Consolidated Cash Flows

| (EUR million)  | 2000   | 1999   |
|--|--------|--------|
| Cash generated from operations                       | 388.0  | 175.2  |
| Cash used in investing activities                    | -529.8 | -302.3 |
| Cash from (used in) financing activities             | 107.2  | 9.5    |
| Effect of exchange rate changes                      | -0.9   | 0.6    |
| Net increase (decrease) in cash and cash equivalents | -35.5  | -117.0 |

# Operating revenues by segment

| (EUR million)                           | 2000           | 1999           | % change     |
|---|----------------|----------------|--------------|
| Fixed line services                     | 2,676.9        | 2,842.2        | -5.8%        |
| Data communications services            | 309.0          | 279.6          | 10.5%        |
| Other segments                          | 51.9           | 23.1           | 124.7%       |
| Intersegmental eliminations             | -223.5         | -196.7         | -13.6%       |
| <b>Consolidated operating revenues</b>  | <b>2,814.3</b> | <b>2,948.2</b> | <b>-4.5%</b> |
| Mobile communications services          | 1,500.1        | 1,242.4        | 20.7%        |
| Intersegmental eliminations             | -409.1         | -414.7         | 1.4%         |
| <b>Total managed operating revenues</b> | <b>3,905.3</b> | <b>3,775.9</b> | <b>3.4%</b>  |

# EBITDA by segment

| (EUR million)                  | 2000           | 1999           | % change      |
|--------------------------------|----------------|----------------|---------------|
| Fixed line services            | 519.5          | 1,077.1        | -51.8%        |
| Data communications services   | 59.5           | 43.6           | 36.5%         |
| Other segments                 | -0.6           | 2.1            | n.m.          |
| Intersegmental eliminations    | 0.2            | -0.2           | n.m.          |
| <b>Consolidated EBITDA</b>     | <b>578.6</b>   | <b>1,122.6</b> | <b>-48.5%</b> |
| Mobile communications services | 437.9          | 355.3          | 23.2%         |
| Intersegmental eliminations    | 0.0            | 0.0            | -             |
| <b>Total managed EBITDA</b>    | <b>1,016.5</b> | <b>1,477.9</b> | <b>-31.2%</b> |

# Operating income by segment

| (EUR million)                         | 2000          | 1999         | % change    |
|---------------------------------------|---------------|--------------|-------------|
| Fixed line services                   | -295.4        | 250.3        | n.m.        |
| Data communications services          | 22.8          | 16.0         | 42.5%       |
| Other segments                        | -2.5          | -2.8         | -10.7%      |
| Intersegmental eliminations           | -17.6         | 4.1          | n.m.        |
| <b>Consolidated operating income</b>  | <b>-292.7</b> | <b>267.6</b> | <b>n.m.</b> |
| Mobile communications services        | 261.1         | 225.8        | 15.6%       |
| Intersegmental eliminations           | 0.0           | 0.3          |             |
| <b>Total managed operating income</b> | <b>-31.5</b>  | <b>493.7</b> | <b>n.m.</b> |