

Austria

Telekom Austria and mobilkom austria are market leaders on the Austrian telecommunications market.

Fixed Net Segment



The fixed net segment of the Telekom Austria Group is exposed to fierce competition in several respects. Traditional voice telephony must sustain its position against the many alternative fixed net and mobile communications providers. With regard to Internet access mobile broadband is increasing the pressure.

In this challenging environment the fixed net segment focuses on safeguarding fixed access lines through attractive product bundles, which combine fixed net and mobile telephony as well as broadband internet, mobile broadband and TV services. Due to that the decline in the number of fixed access lines was substantially curtailed.

The success of these product bundles also had a positive impact on the broadband business, with the number of fixed net broadband lines rising by 18.0% to 885,700 (including wholesale) in 2008.

In 2008 higher revenues in the data and IT solutions business were only partly able to compensate for the negative development of fixed net voice telephony and internet access; in a year-on-year comparison, the segment registered an overall decline in revenues of 4.4% to EUR 2,038.8 million in 2008.

Telekom Austria

Mobile Communications Segment



In an international comparison the Austrian mobile communications market is highly competitive. At the end of June 2007 an EU regulation came into force that imposed a roaming price cap for calls made within the EU member states on all mobile operators. However, the resulting decline in prices for voice roaming failed to lead to greater usage as the European Commission had originally forecast. Since September 2008, discussions have been underway about a European Commission proposal to additionally extend and expand the current EU roaming regulation and further reduce roaming prices by 2012.

With four network operators, a mobile virtual network operator, several service providers (such as YESSS!) as well as resellers and pre-selection providers which have specialized in certain areas (e.g. international telephony or broadband), the Austrian mobile communications market is extremely dynamic. At the end of 2008, mobile phone penetration in Austria amounted to 126.6 %, a rise of 8.3 percentage points compared to the previous year. The decisive factor for this growth was primarily the success of mobile broadband.

The EU roaming regulation as well as tariff reductions as a result of domestic competitive pressure had a negative impact on revenues in the 2008 financial year. However, due to higher than average growth in customer numbers and the increased use of data services, revenues remained stable at EUR 1,668.0 million compared with EUR 1,660.2 million in the previous year.

In 2008 mobilkom austria tailored its tariff models more closely to individual customer needs. The company's business customer portfolio was also very successful: 92 of Austria's top one hundred companies are mobilkom austria customers. In the low-price segment, the no-frills brand "bob" established itself extremely successfully, reaching 300,000 customers by the end of 2008.

mobilkom austria expanded its market share from 40.3% to 42.5%, and at year-end 2008 had approximately 4.5 million customers, 500,000 more than in the previous year. The share of contract customers rose from 66.3% to 69.5%.

mobilkom austria

