

RTR Telecom Monitor

2nd Quarter 2010

Data up to December 2009

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Preface

Dear Readers,

This section provides information about how the data for the Telecom Monitor is collected and about the basis for data collection and statistical analyses.

Communications Survey Ordinance (KEV)

Under the Communications Survey Ordinance (KEV, Federal Law Gazette II No. 365/2004), which went into effect on October 1, 2004, the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) is required to conduct statistical surveys in the field of communications on a quarterly basis and to publish the results of the accompanying data analyses. The data collected is to be made available to the public in such a way that information on specific companies can not be deduced.

The ordinance essentially pursues two objectives: First, the quarterly collection and publication of key market indicators is meant to increase the efficiency of RTR's monitoring process in order to uphold the authority's transparent, forward-looking and competition-oriented regulatory approach for all market participants (companies and consumers) as a means of promoting and ensuring growth, investment and innovation in the sector. Second, these activities serve to inform the interested public about the development of the telecommunications markets with current market data. In addition, RTR makes the KEV data available to Statistics Austria.

Data collection

In order to minimize expenses for the operators, RTR has defined the sample based on Art. 4 Par. 1 KEV in such a way that, on the basis of the overall population from the most recent market analyses, a minimum market share of 90% is covered in each cluster (fixed-link network, mobile communications, leased lines and broadband), thus ensuring a representative view of the market situation. RTR then uses this sample as a basis for extrapolation regarding the overall population.

Statistical evaluations and data values

In line with its publishing obligation under Art. 7 Par. 2 KEV, RTR reports the statistics explicitly mentioned in that provision separately for the fixed-link network, mobile communications, leased lines and broadband using a cluster approach. Due to occasional post-hoc data corrections, the values in the charts presented here may differ slightly from the information provided in earlier issues of the Telecom Monitor. Where major deviations (> 5%) arise in individual data values, a comment to this effect is provided for the figure in question.

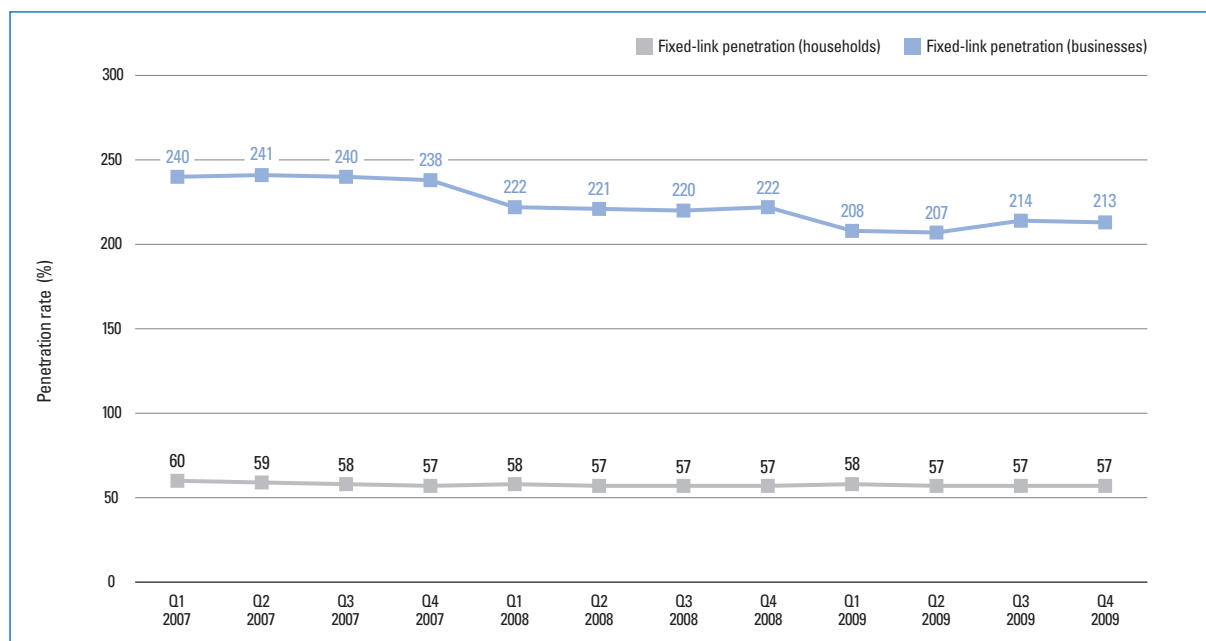
The RTR Team

Section 1 | Fixed-link network



Fixed-link penetration

➔ PENETRATION RATE REMAINS STABLE



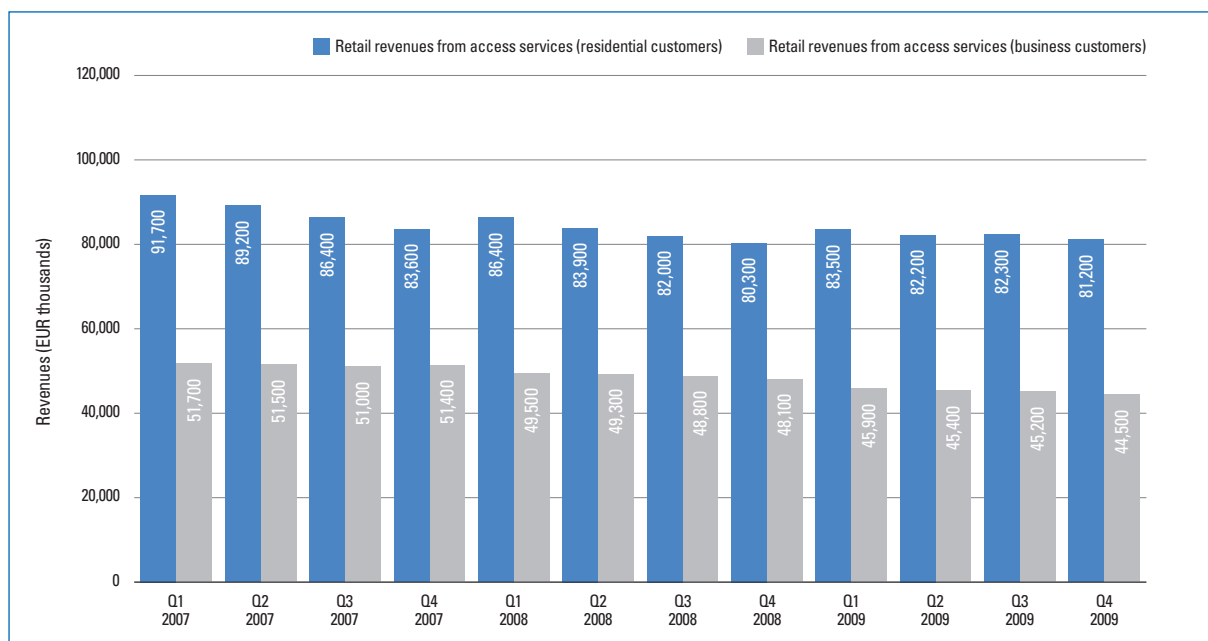
The chart above shows fixed-link penetration rates among households and businesses.

The higher penetration rate among businesses is explained by the fact that companies each generally have a larger number of fixed-link lines, meaning that this figure is not directly comparable to the penetration rate for households.

- For approximately two years now, the penetration rate among residential customers (households) has remained at a constant level. As in the two previous quarters, this rate came to 57% in Q4 2009.
- After the number of businesses used to calculate the penetration rate was amended in Q3 2009 (source: Statistics Austria), fixed-link penetration among businesses also remained stable at 213% in Q4 2009.

Retail revenues from access services

➔ YEAR-ON-YEAR DECLINE IN REVENUES FROM BUSINESS CUSTOMERS



Retail revenues from access services include periodic base fees and setup charges.

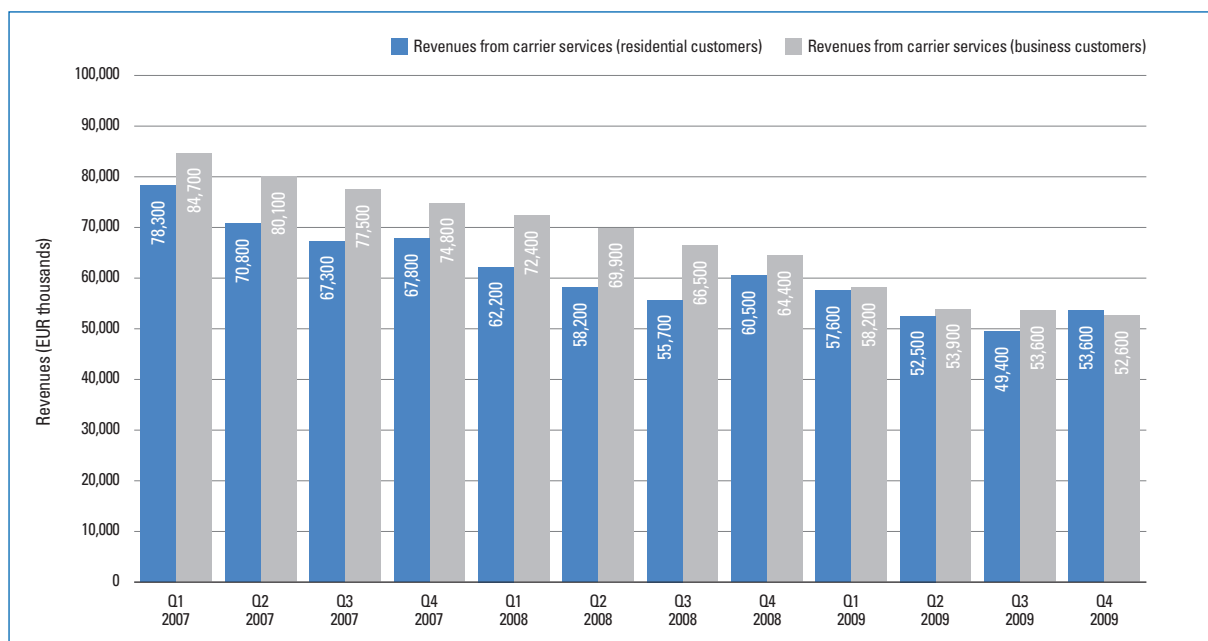
Base fees refer to revenues which are earned periodically and do not depend on the actual use of the subscriber line.

Setup charges for subscriber lines include revenues generated by the setup, transfer and disconnection of subscriber lines for voice telephony.

- In Q4 2009, retail revenues from access services totaled EUR 81.2 million in the residential segment and EUR 44.5 million in the business segment.
- In a year-on-year comparison, revenues from residential customers changed only marginally between 2008 and 2009 (approximately -1%), while revenues from business customers saw a more pronounced decrease (-7.5%) over the same period.

Retail revenues from carrier services

➔ RESIDENTIAL CUSTOMERS OVERTAKE BUSINESS SEGMENT



Retail revenues from carrier services are based on call minutes.

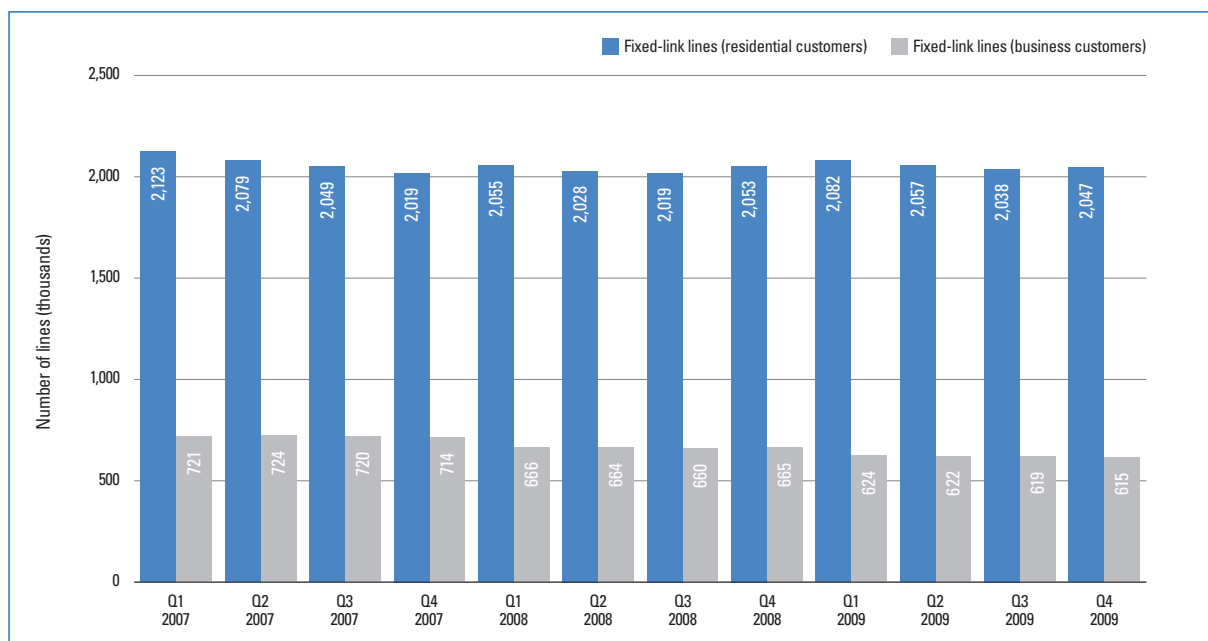
The revenues shown above include retail fees charged by operators for calls to the domestic fixed-link network, domestic mobile networks, international destinations, online services and service numbers.

The corresponding wholesale revenues are not included in these figures.

- For the first time in three years, revenues from carrier services in the residential segment (EUR 53.6 million) exceeded the corresponding revenues in the business segment (EUR 52.6 million) in Q4 2009. This can be attributed to the traditional increase in revenues from residential customers in the fourth quarter of each year, a seasonal effect which does not arise in the business segment.
- Compared to 2008, fixed-link providers saw substantial losses in revenues from carrier services in both segments (down approximately 10% in the residential segment and approximately 20% in the business segment).

Fixed-link lines

➔ RESIDENTIAL LINES REMAIN STABLE YEAR ON YEAR

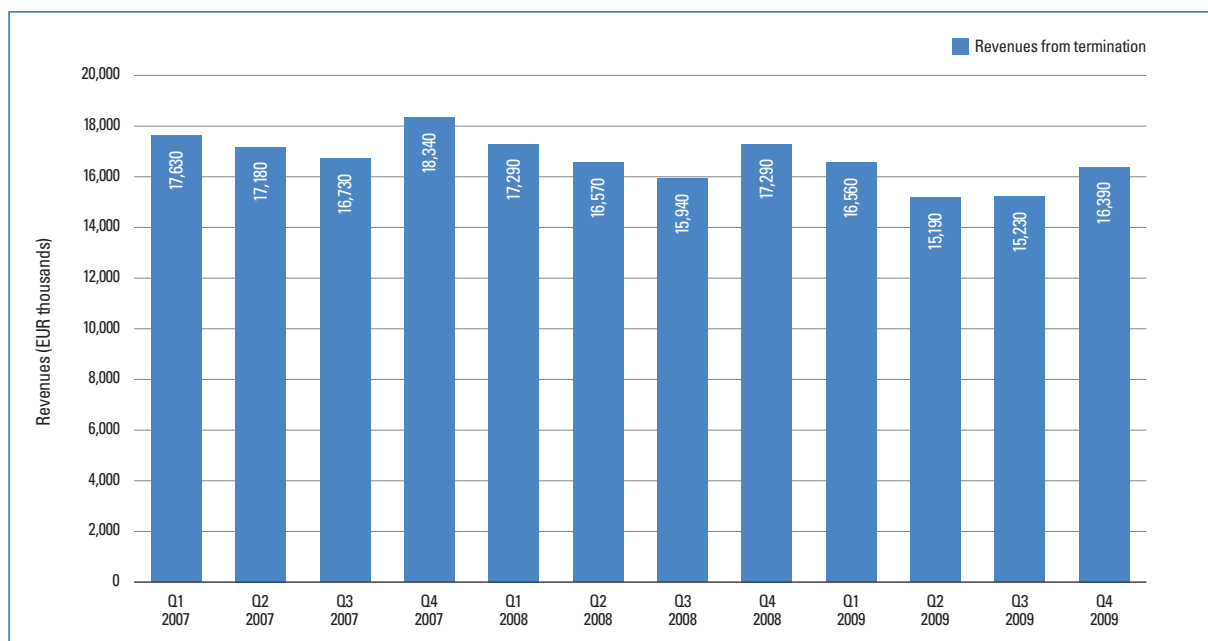


This chart shows the overall number of fixed-link lines, regardless of the underlying infrastructure (e.g., own or unbundled copper-wire pairs, coaxial cable, leased lines, fiber). These figures assign equal weight to POTS (plain old telephone service), ISDN and multi-ISDN lines.

- The development of fixed-link lines shows a similar pattern to the developments in retail revenues from access services. In the residential segment, the number of lines has remained nearly the same since the end of 2008, while the number of lines in the business segment has declined by 7.5%.
- In Q4 2009, the Austrian fixed-link network comprised approximately 2.05 million lines in the residential segment and 615,000 lines in the business segment.

Revenues from termination

➔ SEASONAL INCREASE IN REVENUES

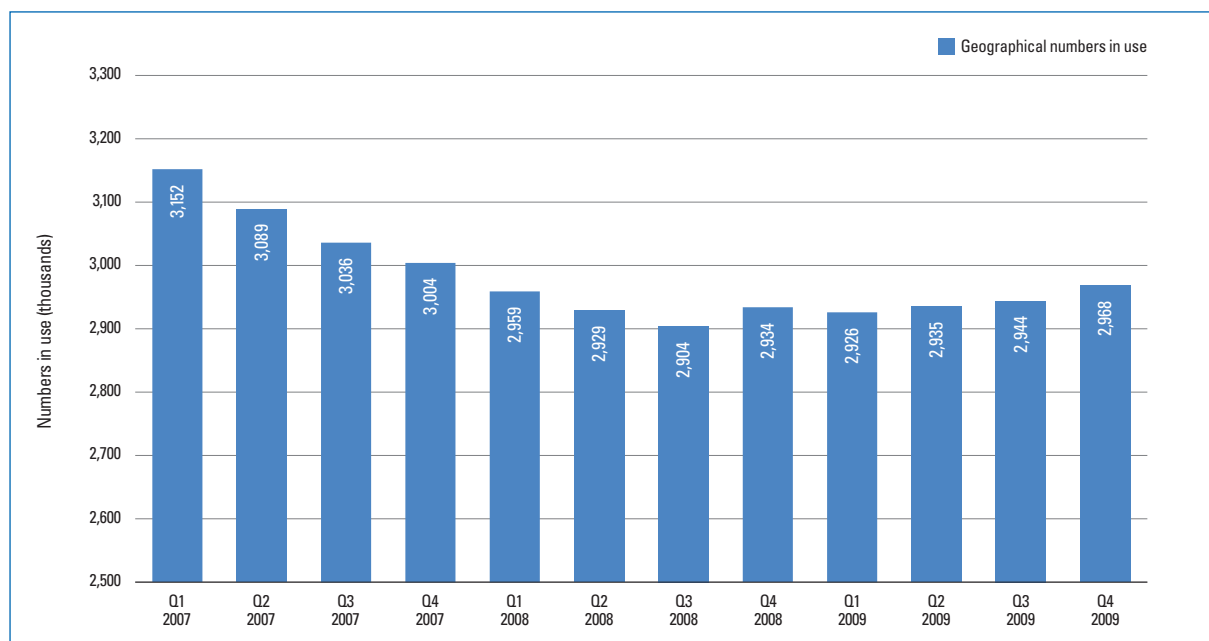


Revenues of this type are generated when a network operator routes a call from an external network to a subscriber connected to its own network. The service of termination is not provided for (or charged to) retail customers, but for other network operators at the wholesale level.

- Revenues from termination in the fixed-link network are subject to relatively large fluctuations, with a marked increase in revenues toward the end of each year due to increased demand for telephone services during that period.
- This tendency also manifested itself in Q4 2009, with revenues increasing by approximately 8% compared to the previous quarter. Compared to 2008, however, overall termination revenues for the year 2009 dropped by 5.5%.

Geographical numbers in use

➔ CONTINUED INCREASE



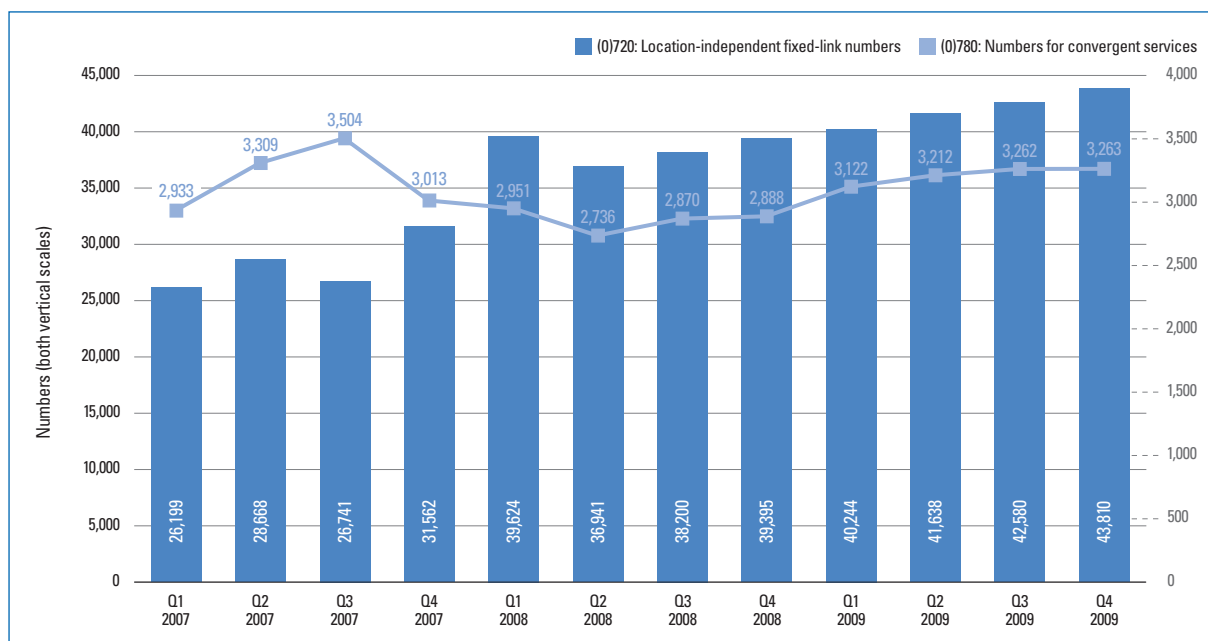
Geographical numbers refer to domestic telephone numbers which serve the purpose of addressing fixed physical network termination points (generally fixed-link lines) assigned to local networks, as well as providing public telephone services in fixed-link networks.

As more than one number may be assigned to a single line, the number of geographical numbers is not identical to the number of fixed-link subscriber lines.

- The total number of geographical numbers in use rose slightly in Q4 2009, ending the year at 2.97 million.
- As of December 31, 2009, the number of geographical numbers in use was 1.2% higher than at the end of 2008.

Location-independent fixed-link telephone numbers and numbers for convergent services

➔ STEADY DEVELOPMENT IN (0)780 NUMBERS



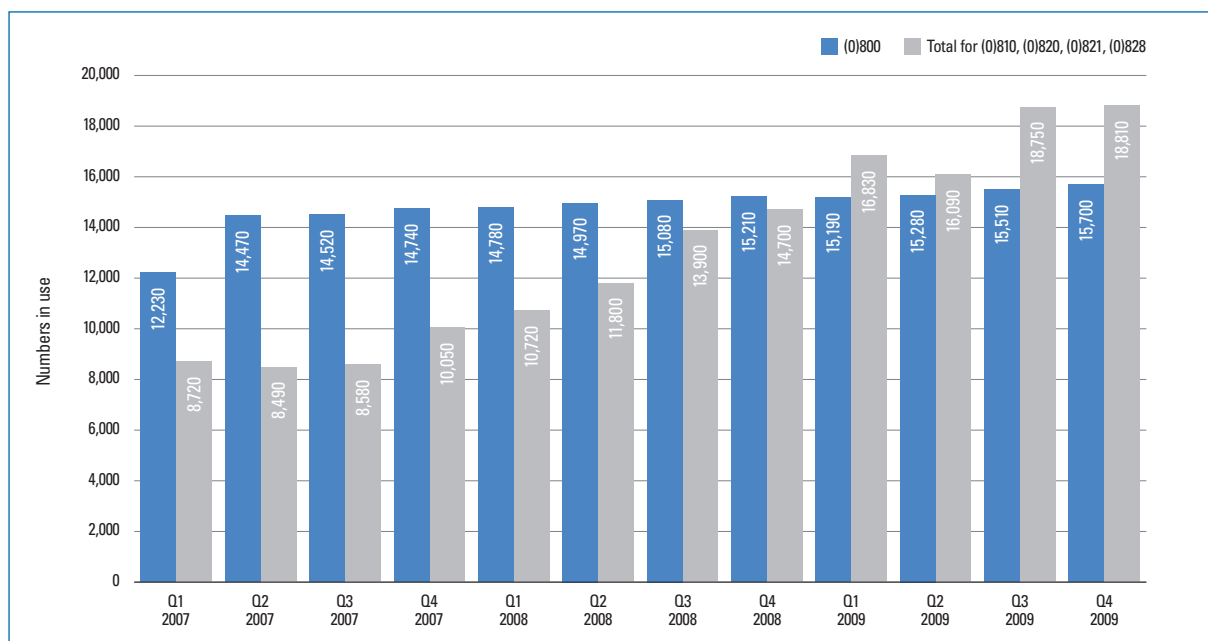
Location-independent fixed-link telephone numbers in the (0)720 range refer to domestic numbers which serve to address subscribers for telephone services and enable them to retain telephone numbers regardless of their location. Services offered in addition to public telephone services are also permitted in this range.

Telephone numbers in the (0)780 range are intended for convergent services. An ENUM entry is compulsory for each number in this range. The ENUM system makes it possible to assign telephone numbers to unique Internet domain names.

- Since Q2 2008, the number of telephone numbers in use in the (0)720 range has been rising slowly but steadily. By Q4 2009, the number of location-independent fixed-link numbers had reached approximately 43,800, up 11% year on year.
- In the (0)780 number range, numbers in use remained at the same level as in the previous quarter. Compared to the same period in the previous year, numbers for convergent services also grew substantially in number (+13%).

Service numbers in use: (0)800, (0)810, (0)820, (0)821 and (0)828

➔ (0)810, (0)820, (0)821, (0)828 NUMBERS REMAIN AT HIGH LEVEL



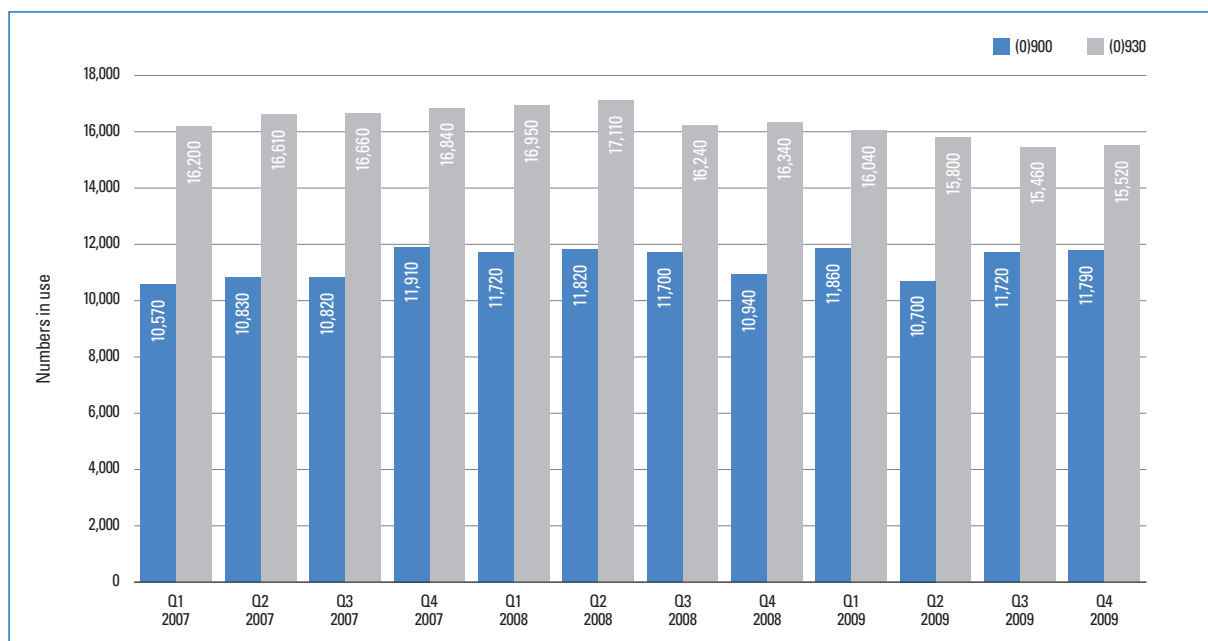
The chart above depicts the following number ranges:

- (0)800 range: toll-free services
- (0)810 range: max. EUR 0.10 per minute or text message
- (0)820 range: max. EUR 0.20 per minute or text message
- (0)821 range: max. EUR 0.20 per call or text message
- (0)828 range: text messages only; standard charges apply

- The slight increase in (0)800 numbers in use observed in recent quarters continued in Q4 2009, with an increase of approximately 1% compared to Q3 2009.
- At 18,800, the number of service numbers in use in the (0)810, (0)820, (0)821 and (0)828 number ranges remained at roughly the same level as in the previous quarter. In a year-on-year comparison, this figure has risen nearly 30% compared to 2008.

Service numbers in use: (0)900 and (0)930 number ranges

➔ YEAR-ON-YEAR COMPARISON SHOWS STEADY DEVELOPMENT



Service numbers in the (0)900 and (0)930 ranges refer to telephone numbers for value-added services without price regulations.

The chart above depicts the following number ranges:

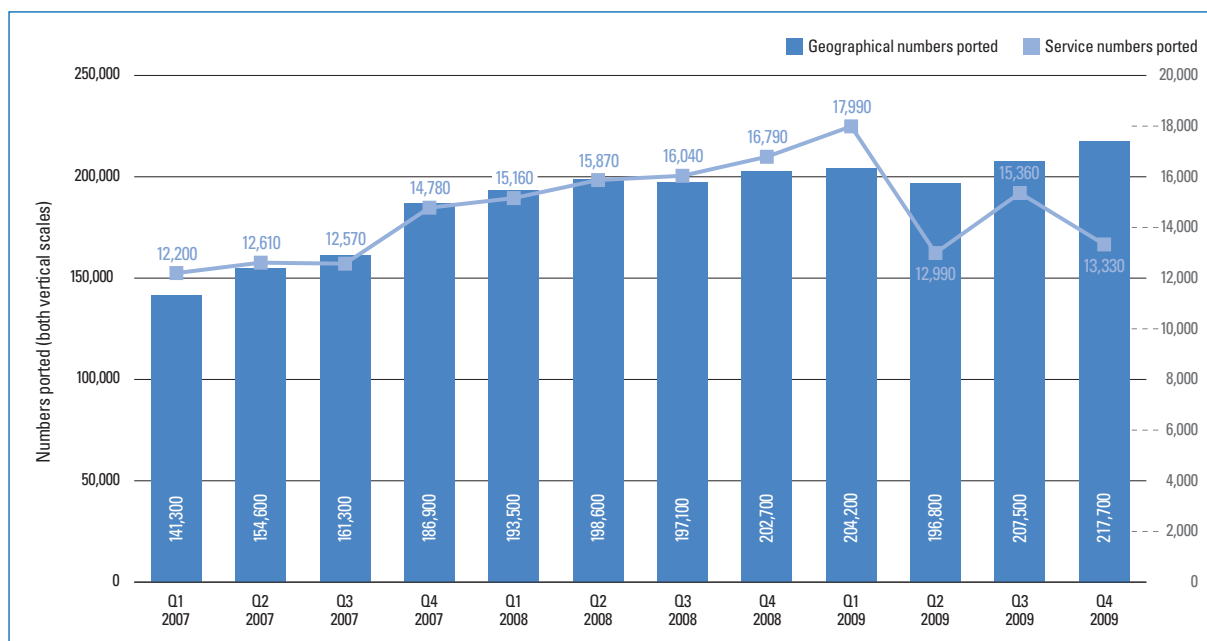
(0)900 range: max. EUR 3.64 per minute or max. EUR 10.00 per text message

(0)930 range: max. EUR 3.64 per minute or max. EUR 10.00 per text message (erotic hotlines)

- The number of service numbers in use in the (0)900 range saw relatively high fluctuations in the course of 2009, ending the year at approximately 11,800 numbers.
- The slight decline observed in the (0)930 range in previous quarters did not continue in Q4 2009. Telephone numbers in use in this number range remained at roughly the same level as in the previous quarter.
- Overall, the number of value-added service numbers without price regulations remained approximately the same compared to 2008.

Ported geographical numbers and service numbers (cumulative)

➔ DECREASE IN PORTED SERVICE NUMBERS



Number porting allows retail customers to retain their telephone numbers when they switch communications service providers.

This means that customers can keep their original geographical telephone numbers (within the same local area code) when they switch to a new service provider.

The chart above shows the total number of geographical numbers and service numbers ported (which is not equal to the total number of porting procedures carried out).

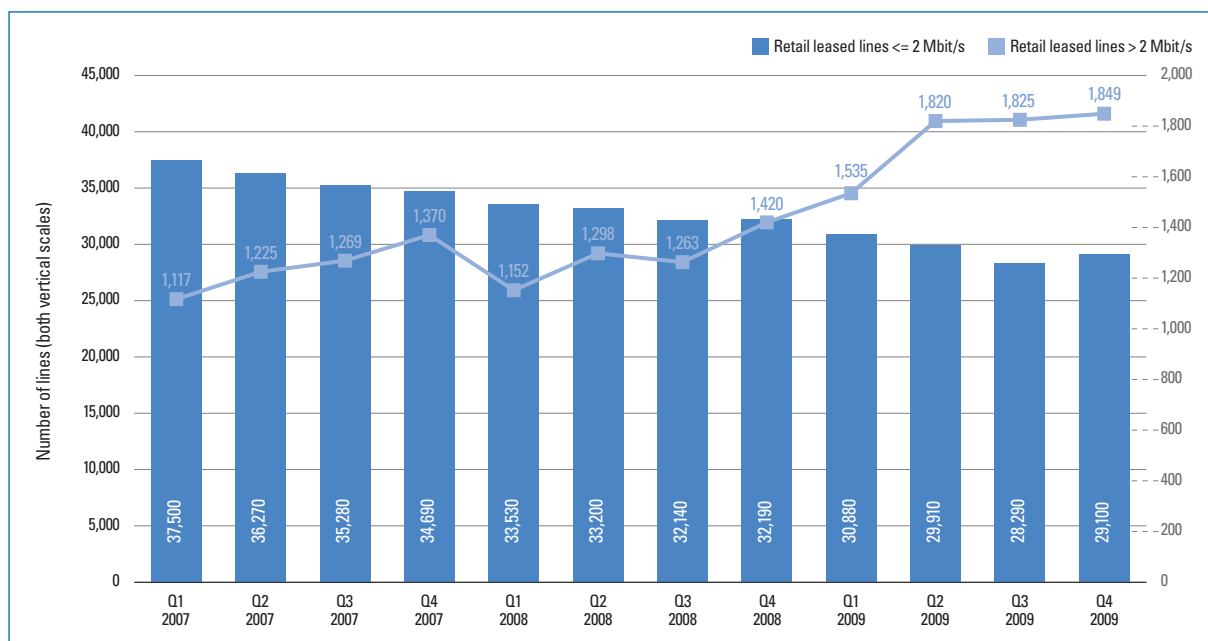
- The number of geographical numbers ported continued to increase in Q4 2009. Compared to 2008, the number of ported numbers rose by approximately 7% in this category.
- After an increase in Q3 2009, the number of service numbers ported declined toward the end of 2009, dropping to 13,300.

Section 2 | Leased lines



Number of retail leased lines in Austria

➔ YEAR-ON-YEAR GROWTH IN BANDWIDTHS ≤ 2 MBIT/S



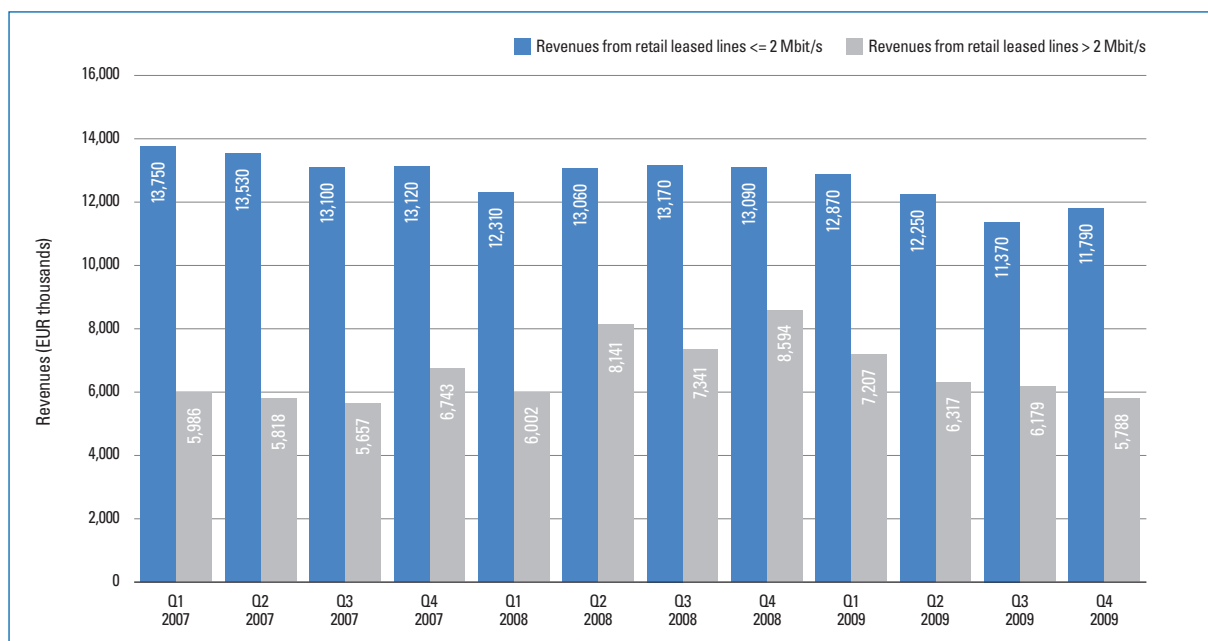
Retail leased lines are those which are not provided for communications network operators or communications service providers (i.e., holders of general licensing approvals).

With regard to data transmission rates, a distinction is drawn between leased lines with a capacity of 2 Mbit/s or less and those with a capacity exceeding 2 Mbit/s.

- The slight downward trend in the number of retail leased lines with a capacity of 2 Mbit/s or less did not continue in Q4 2009, as the number of lines in this category rose by approximately 3% compared to the previous quarter.
- The number of leased lines with a capacity exceeding 2 Mbit/s continued to increase, ended the year at 1,849 (up 30% on the previous year).

Revenues from retail leased lines in Austria

➔ DECLINE IN REVENUES IN 2009



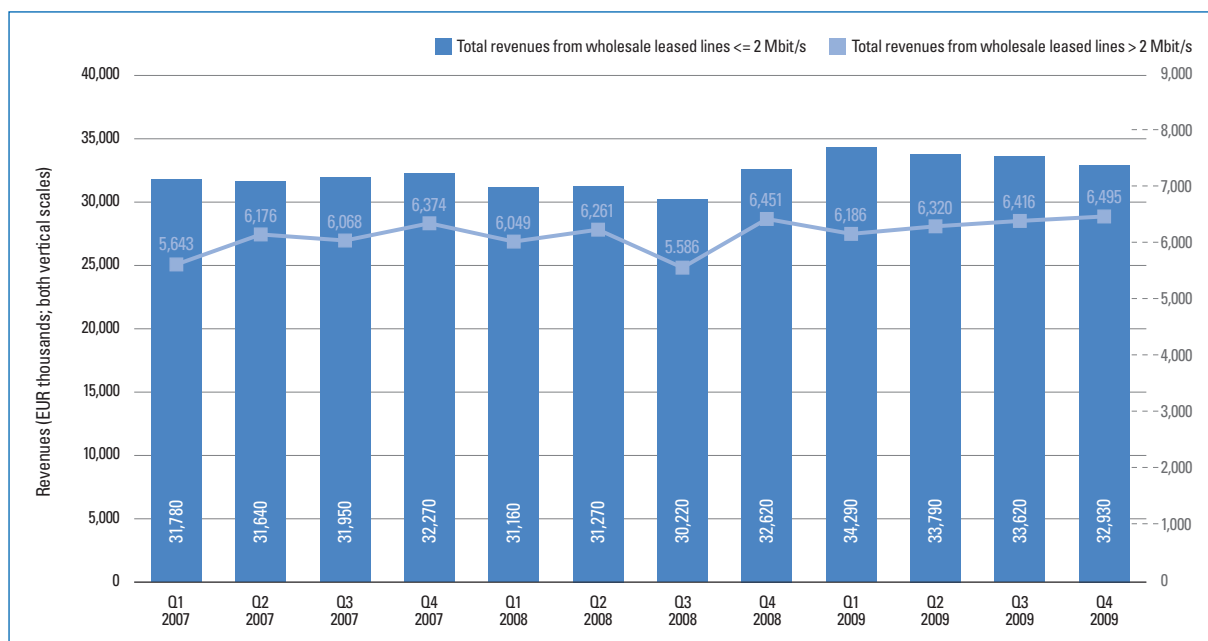
The chart above shows the revenues generated by retail leased lines in Austria.

As in the figure on page 15 ("Number of retail leased lines in Austria"), a distinction between data transmission rates of 2 Mbit/s or less and rates exceeding 2 Mbit/s is also drawn in this context.

- In line with the number of retail leased lines with a capacity of 2 Mbit/s or less, revenues from those lines saw a slight increase in Q4 2009 after declining steadily in the preceding quarters. However, the overall revenues from leased lines with a capacity of 2 Mbit/s or less were substantially lower in 2009 (-10%) compared to the previous year.
- As for leased lines with a capacity exceeding 2 Mbit/s, revenues dropped to about EUR 5.8 million in Q4 2009. Compared to Q4 2008, this represents a decline in revenues of approximately one third in this segment.

Revenues from wholesale leased lines in Austria

➔ BANDWIDTHS OVER 2 MBIT/S CONTINUE TO CLIMB



Wholesale leased lines are those which are provided only for communications network operators or communications service providers (i.e., holders of general licensing approvals). The chart above shows the total revenues from wholesale leased lines, broken down into lines with a capacity of 2 Mbit/s or less and lines with a capacity exceeding 2 Mbit/s.

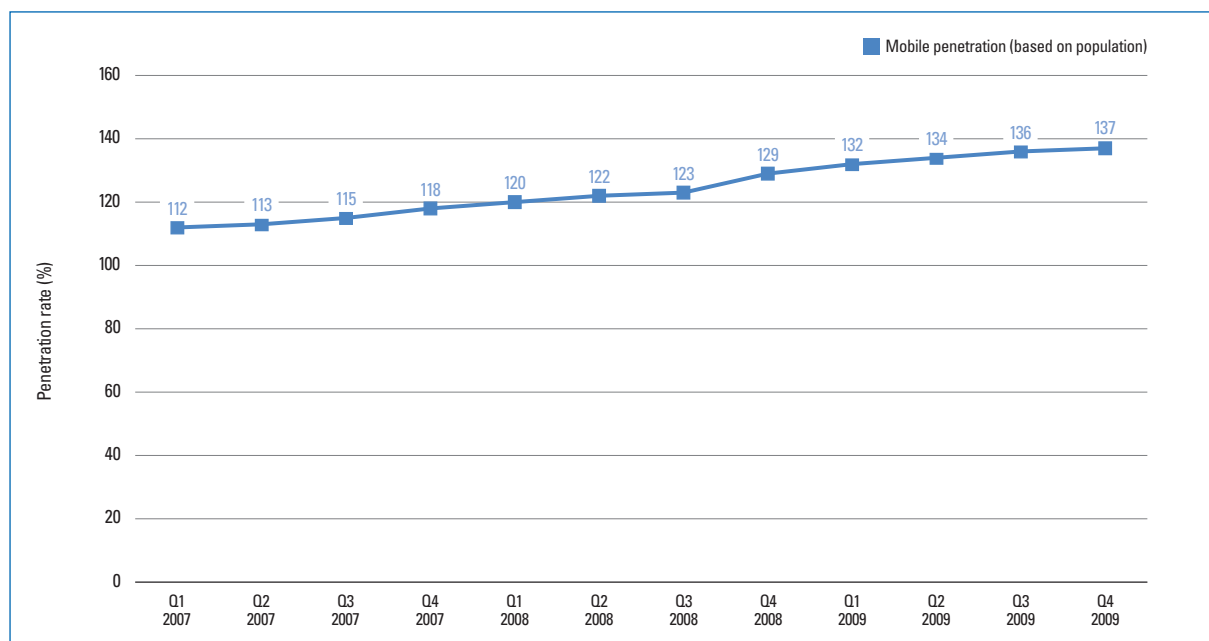
- After a sharp decrease at the beginning of the year, revenues from wholesale leased lines with a capacity exceeding 2 Mbit/s rose steadily in the latter three quarters of 2009. At EUR 6.5 million in Q4 2009, these revenues were just above the figure recorded at the end of 2008.
- Revenues for bandwidths of 2 Mbit/s or less edged down compared to the previous quarter. However, total revenues for the year 2009 rose 7.5% compared to 2008.

Section 3 | Mobile communications



Mobile penetration

➔ PENETRATION INCREASING STEADILY

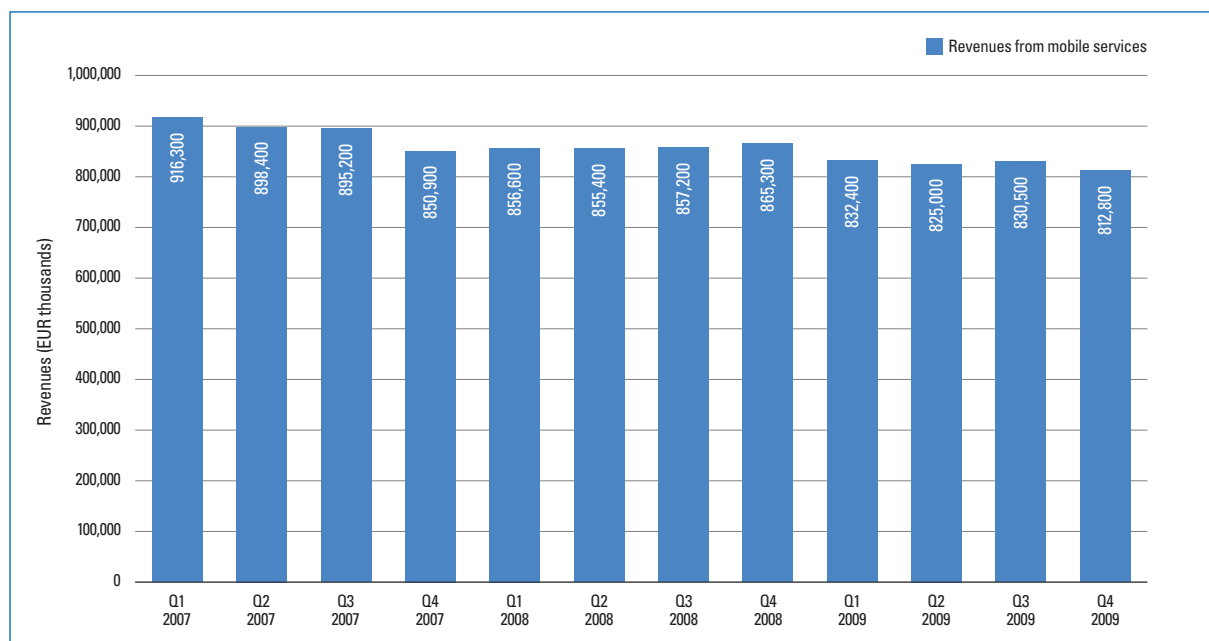


The mobile penetration rate is calculated as the number of activated SIM cards divided by the country's population.

- In October 2009, the average mobile penetration rate for the EU-27 stood at 122% (source: 15th Implementation Report of the European Commission), whereas Austria had already reached that level in Q2 2008.
- By the end of the year 2009, the mobile penetration rate had reached 137% in Austria, and a steady increase has been observed over the entire observation period. Despite this high level of penetration, no signs of market saturation have been observed to date.
- In the year 2009, the mobile penetration rate climbed by 8 percentage points.

Revenues from mobile services

➔ STABLE DEVELOPMENT



The total revenues from mobile communications shown in the chart above include revenues at both the wholesale and retail levels.

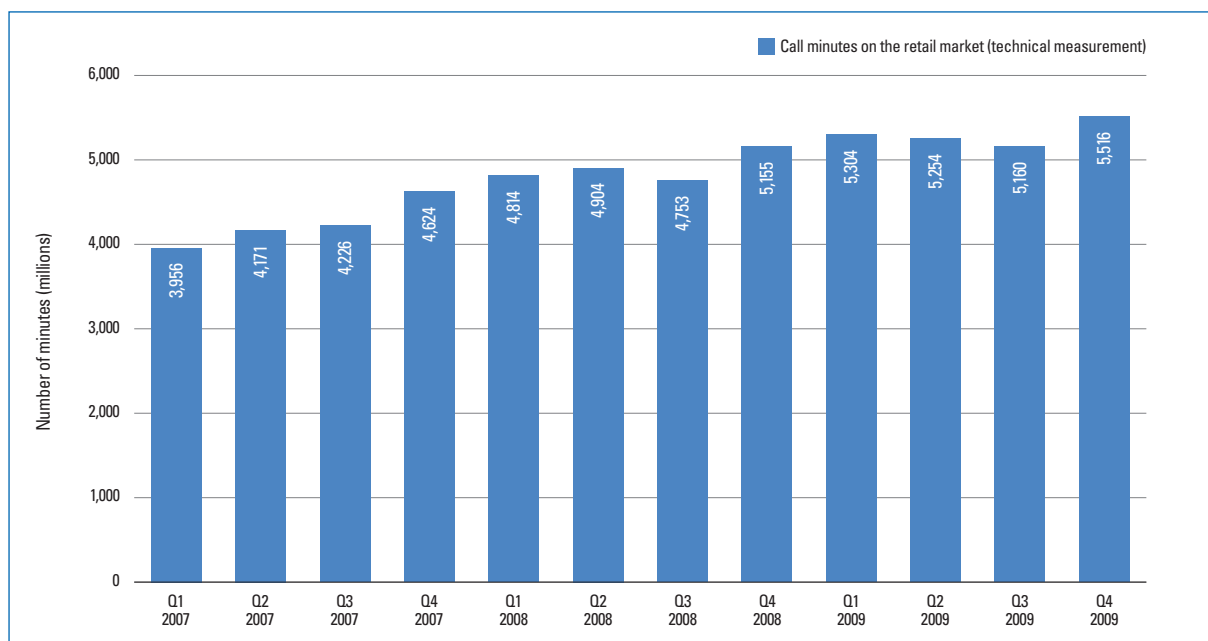
Wholesale revenues: Revenues from termination, origination, international roaming, national roaming and the sale of airtime to resellers.

Retail revenues: Revenues from connection charges for voice calls, periodic base fees, activation fees, text messaging fees, fees for data services and value-added data services, compensation for special coverage obligations and fees pursuant to the Telecommunications Fee Subsidies Act, and miscellaneous fees.

- In Q4 2009, revenues from mobile communications totaled EUR 812.8 million, down approximately 2% from the previous quarter.
- Compared to 2008, total revenues for the year dropped by nearly 4% in 2009. This decline can be attributed to reductions in termination fees and to falling revenues from international roaming, among other factors.

Call minutes on the retail market

➔ SUBSTANTIAL INCREASE



The chart above provides an overview of technically measured call minutes in mobile networks. These minutes refer to the actual duration of mobile calls made by retail customers.

In contrast, billed call minutes refer to the number of minutes actually charged to retail customers.

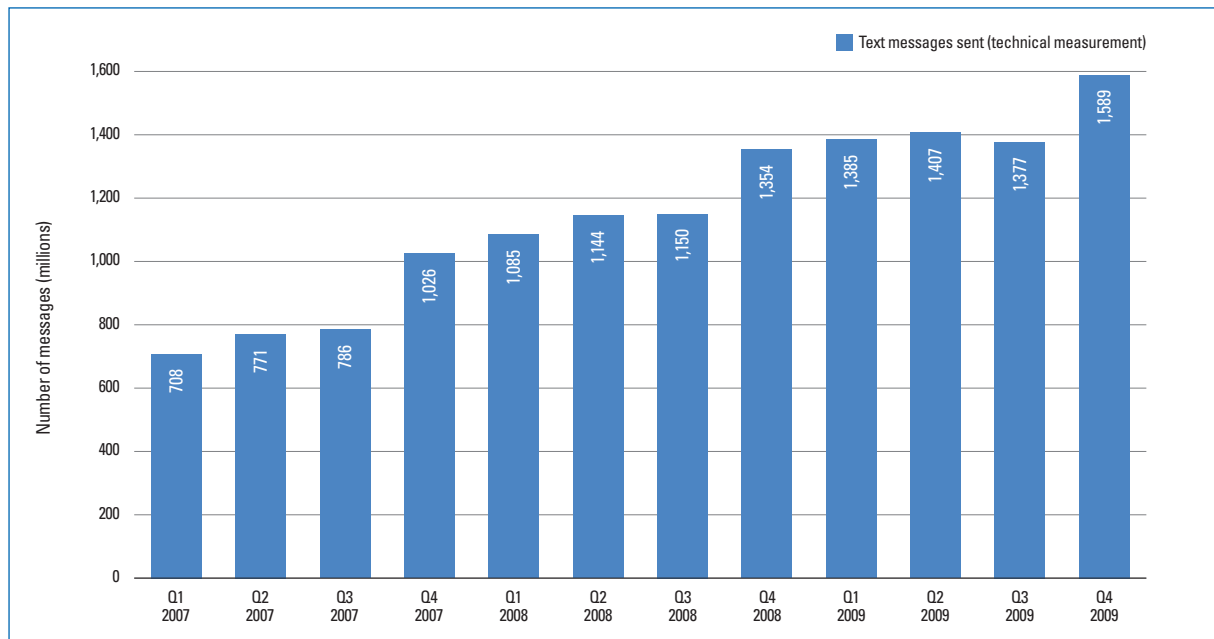
The main factors accounting for the difference between these two figures are the number of free minutes included in the periodic base fee and the pulse rate used for calls. This difference can be especially large in cases where flat rate packages are offered.

The chart above includes voice services only (i.e., without data services, video telephony, etc.).

- Over the entire observation period, we can identify cyclical fluctuations with a substantial increase in call minutes in the fourth quarter of each year. These fluctuations clearly point to increased demand for communications services at the end of the year. This tendency also manifested itself in 2009.
- In Q4 2009, a total of 5.5 billion call minutes were registered in mobile networks, which represents an increase of approximately 7% compared to the previous quarter. Compared to the year 2008, the number of call minutes also rose markedly (+8.2%).
- In general, an ongoing upward trend can be identified in call minutes, which can probably be attributed to flat rate packages and to the free minutes included in many rate plans.

Text messaging (SMS)

➔ TEXT MESSAGES SURPASS 1.5 BILLION MARK



The values in the chart above include all text messages sent in each quarter, including value-added text messaging services (technical measurement).

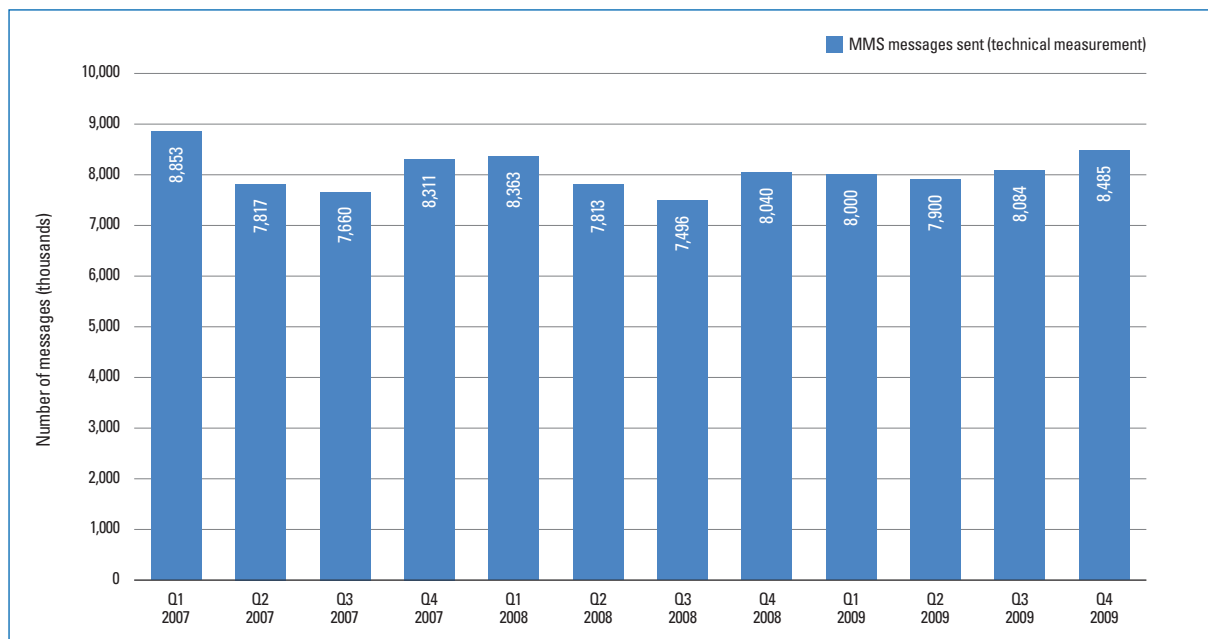
As in the case of call minutes, the term “technical measurement” means that the chart also includes text messages which are not charged individually to the retail customer (e.g., text messages included in flat rates).

MMS messages are not included in these figures.

- As in the case of mobile call minutes, the number of text messages sent is also subject to certain seasonal fluctuations, with a sharp increase between Q3 and Q4 each year. This tendency was also observed in 2009.
- In Q4 2009, the number of text messages sent reached a record high of 1.59 billion (up 17.4% compared to Q3 2009). Compared to the previous year, subscribers in Austria sent approximately one billion more text messages in 2009 (+21.7%).

Multimedia messaging (MMS)

➔ SUBSTANTIAL INCREASE



The values in the chart above include all multimedia messages sent in each quarter, including value-added multimedia messaging services (technical measurement).

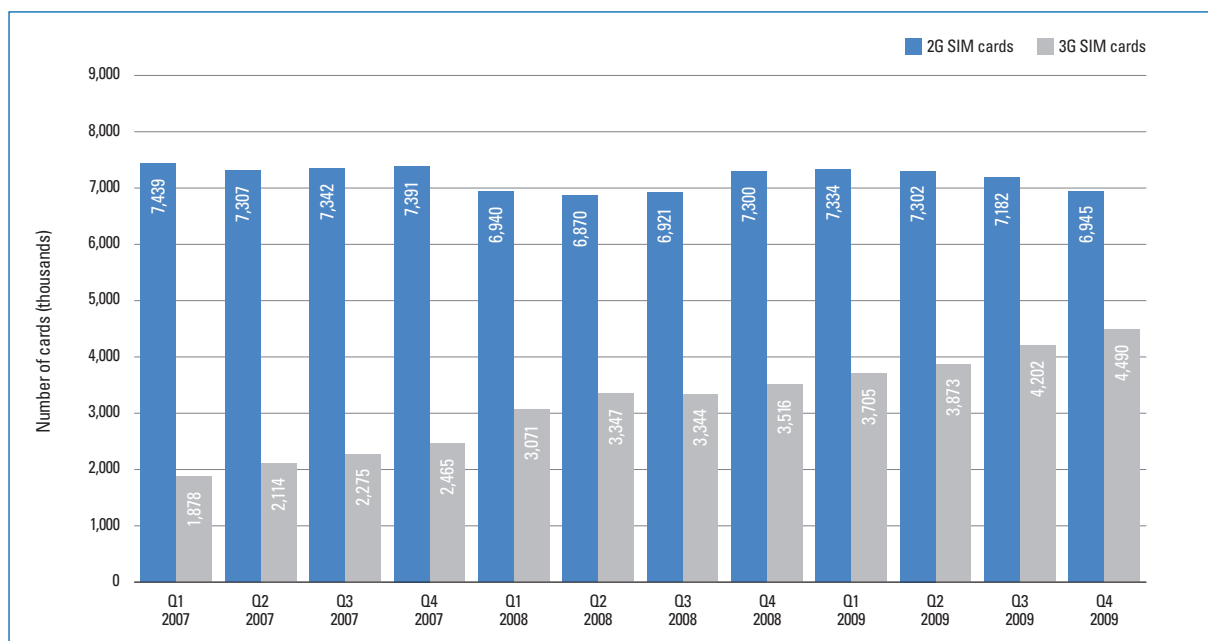
As in the case of call minutes, the term "technical measurement" means that the chart also includes multimedia messages which are not charged individually to the retail customer (e.g., messages included in the periodic base fee).

SMS messages are not included in these figures.

- The number of multimedia messages sent generally fluctuates heavily from one quarter to the next and has not shown a recognizable pattern or clear direction over time.
- In Q4 2009, approximately 8.5 million multimedia messages were sent; this figure increased some 5% compared to the previous quarter. However, the total number of multimedia messages sent each year has remained roughly the same (with fluctuations of +/-3%) since 2007.

SIM cards in use

➔ NUMBER OF 3G-COMPATIBLE SIM CARDS STILL CLIMBING



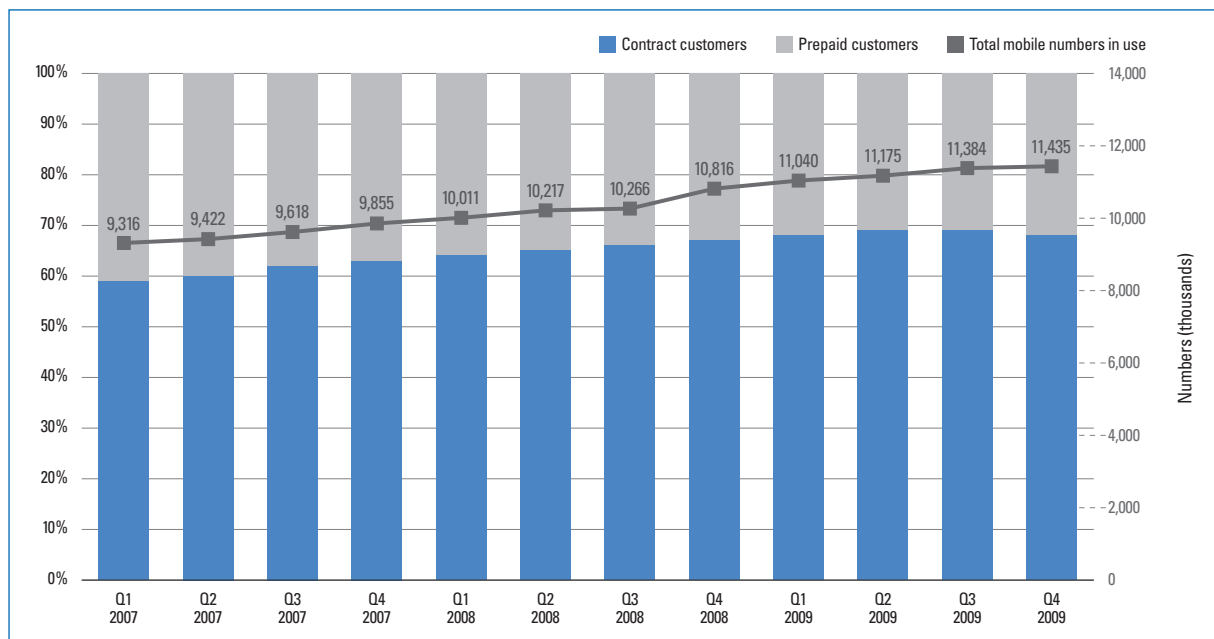
The chart above shows the number of SIM cards activated and in use, broken down into 2G (GSM) and 3G (UMTS) cards.

The number of SIM cards in use is not necessarily the same as the number of subscriber numbers in use, as multiple numbers may be assigned to one SIM card; conversely, multiple SIM cards may also be assigned the same number.

- The number of 3G-compatible SIM cards showed another substantial increase in Q4 2009, ending the year at 4.49 million. Compared to the end of 2008, the number of activated 3G SIM cards thus rose by approximately 28%. In contrast, the decline in the number of 2G SIM cards continued in the year 2009 (-5% over the same period).
- Compared to the previous year, the overall number of SIM cards in use rose 5.7% (to 11.4 million) in 2009.

Mobile numbers in use

➔ SLIGHT INCREASE CONTINUES



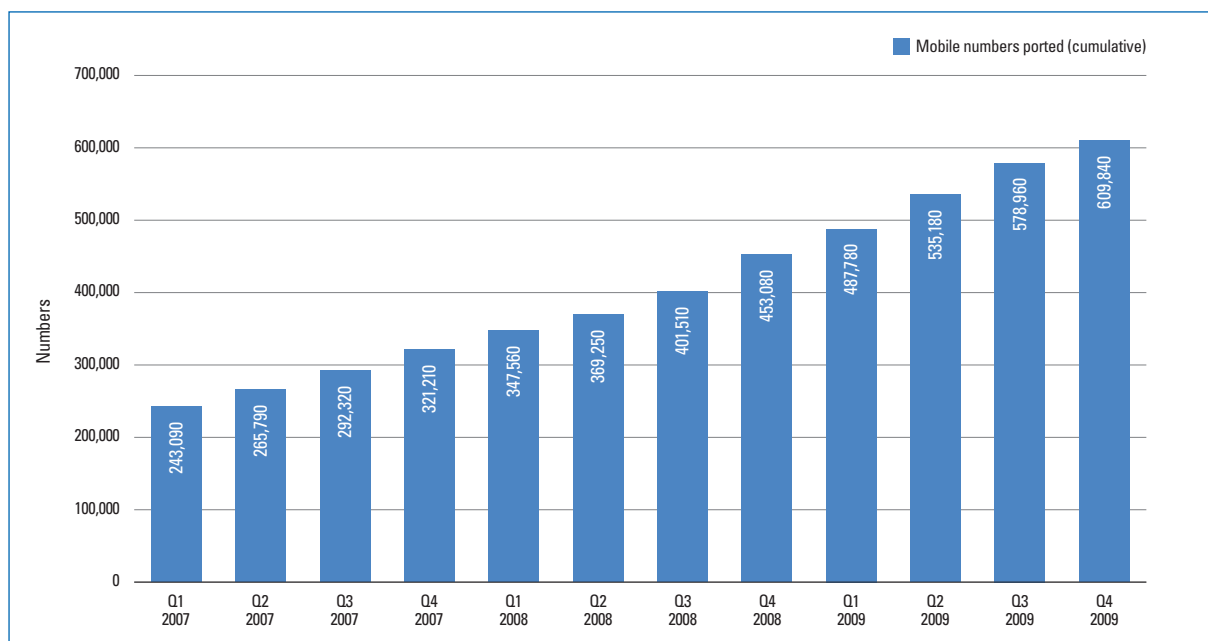
The chart above shows the percentages of subscriber numbers in use which can be attributed to contract customers and to prepaid customers, as well as the total number of mobile numbers in use.

Additional values can be found in the Appendix (see page 43).

- The number of contract customers is substantially higher than the number of prepaid customers in Austria, and the ratio between these figures is increasingly shifting in favor of contract customers. This can be attributed to the fact that providers are offering more and more contracts with prepaid characteristics (i.e., without base fees or minimum volumes), among other factors.
- However, the data for Q4 2009 does not reflect this development, as the number of mobile contract customers actually declined – albeit only slightly – compared to the previous quarter. This can be explained by slight inaccuracies in the data supplied by one operator. Given accurate data, the actual number of contract customers would probably not show a decline over the period in question.
- Thanks to an increase in the number of prepaid customers, however, the total number of subscriber numbers in use continued to climb, reaching approximately 11.4 million at the end of the year 2009 (up 5.7% compared to 2008).

Ported mobile numbers (cumulative)

➔ UNABATED GROWTH

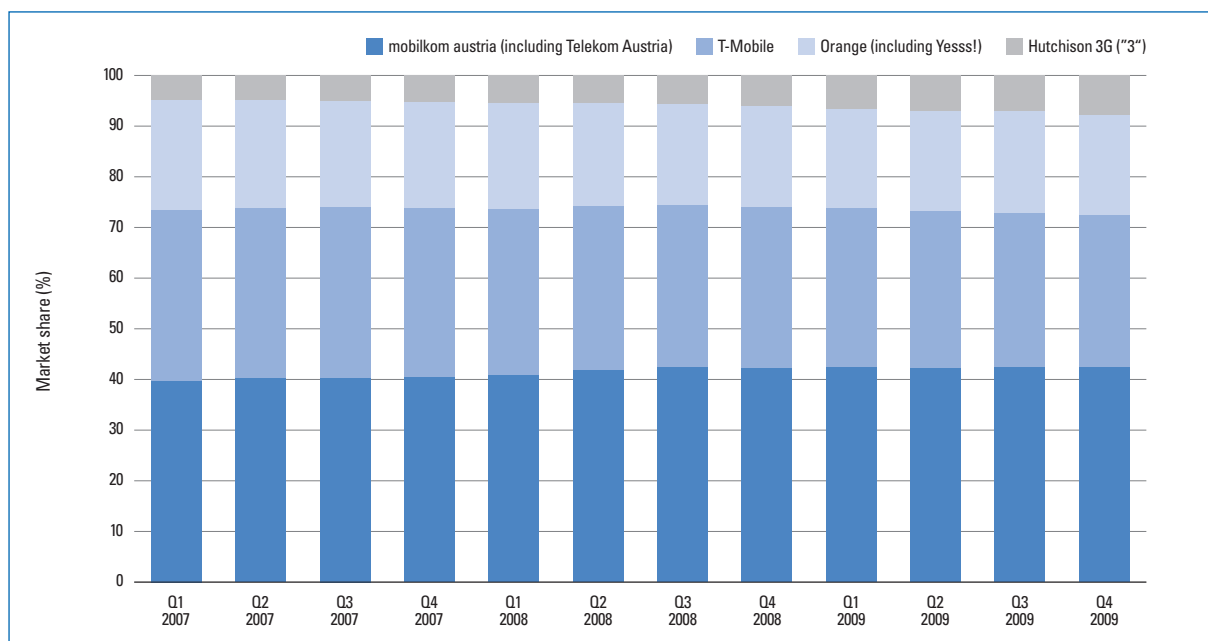


The chart above shows the total number of mobile numbers which have been ported (number of imports) since mobile number portability (MNP) was introduced in October 2004.

- The number of mobile numbers ported continued to rise in Q4 2009. In total, nearly 610,000 mobile numbers had been ported by the end of 2009, which represents an increase of 35% compared to the previous year's figure.
- The share of ported mobile numbers in the overall number of mobile numbers came to 5.3% in Q4 2009.

Market shares of mobile operators in Austria

➔ HUTCHISON 3G GAINS MARKET SHARE



The chart above shows the market shares (based on the number of subscribers) of operators which offer mobile communications services and operate a mobile network in Austria. Subscribers who use the services of resellers are included in the figures for the respective "home" network (e.g., Yesss! subscribers are included in the figures for Orange). The figures shown on this page were made available by individual companies specifically for this publication (Orange, Hutchison 3G ["3"]), or taken from annual reports (mobilkom austria, T-Mobile) or other publicly available sources. The chart above only includes data from mobile network operators, including resellers affiliated through legal ownership.

The absolute number of subscribers in each case can be found in the Appendix (see page 43).

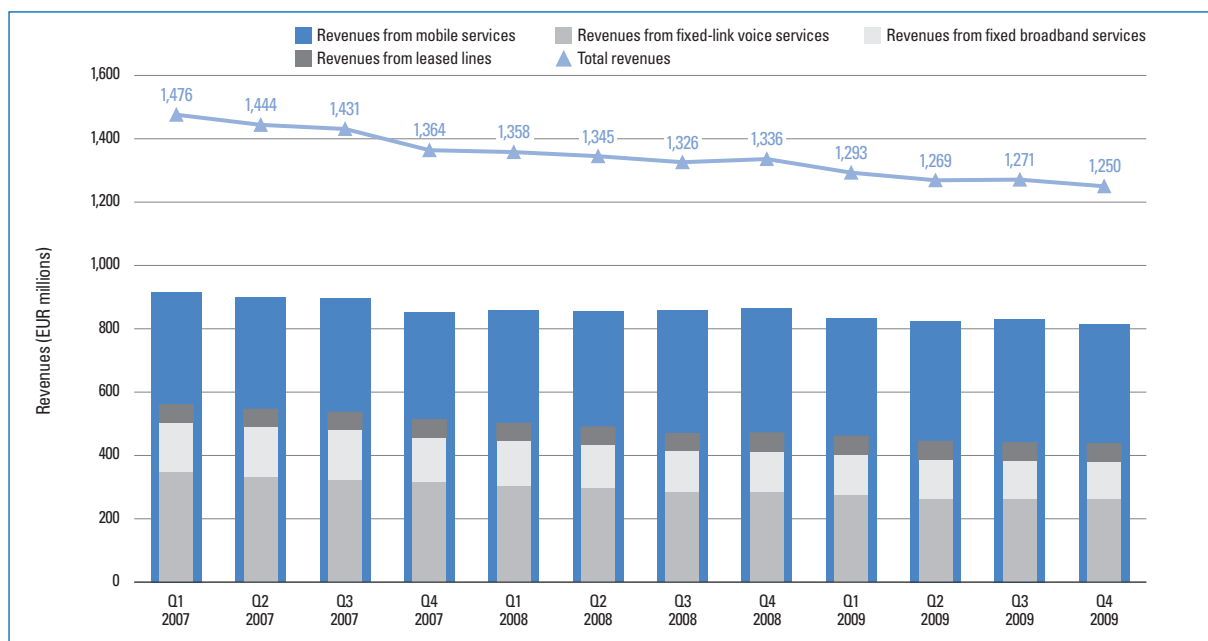
- The market shares of mobile operators remained fairly stable in Q4 2009. One conspicuous development is the fact that the smallest operator, Hutchison 3G ("3"), was the only company to gain market share – at its competitors' expense – toward the end of 2009. The market leader is still mobilkom austria with 42.3% (-0.1 percentage points compared to the previous quarter), followed by T-Mobile with 30.1% (-0.4 percentage points) and Orange with 19.8% (-0.2 percentage points). The smallest mobile operator in this respect is Hutchison 3G, which has a market share of 7.8% (+0.7 percentage points).

Section 4 | Comparisons of fixed-link and mobile networks



Revenues from fixed-link, mobile, broadband and leased line services

➔ OVERALL REVENUES DECLINE SLIGHTLY



Fixed-link voice telephony: Revenues from residential and business customers as well as public pay telephones, retail revenues from periodic base fees, setup charges and connection charges, wholesale revenues from origination, termination and transit, revenues from additional services, other fees and remuneration pursuant to the Telecommunications Fee Subsidies Act or for special coverage obligations.

Mobile communications: Retail revenues from periodic base fees, activation fees, connection charges (voice and broadband) and data services, remuneration for special coverage obligations and remuneration pursuant to the Telecommunications Fee Subsidies Act; wholesale revenues from termination, origination, international roaming, national roaming, and the sale of airtime to resellers.

Fixed-link broadband: Retail revenues from periodic base fees, setup charges and volume-based charges; wholesale revenues from setup charges, ongoing charges and volume-based charges.

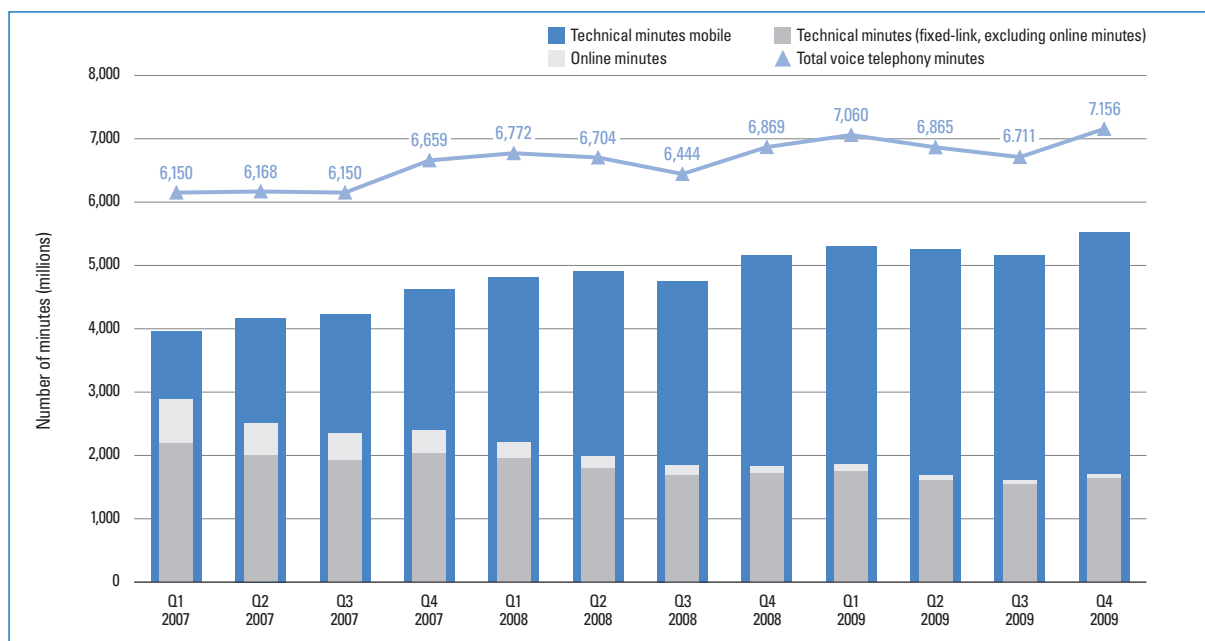
Leased lines: Retail revenues from periodic base fees and setup charges for domestic retail leased lines; wholesale revenues from periodic base fees and setup charges for terminating and trunk segments.

The data values for this chart can be found in the Appendix (see page 43).

- Once again, the total combined revenues from the mobile communications, leased lines and fixed-link broadband segments decreased slightly in Q4 2009 compared to the previous quarter. The most pronounced decline – approximately 2% – was recorded in mobile communications.
- At approximately EUR 261 million, revenues from fixed-link voice telephony remained roughly the same as in the previous quarter.
- Compared to 2008, however, the total revenues across all four segments fell by approximately 5% in 2009. In Q4 2009, this figure came to about EUR 1.25 billion, with approximately two thirds of total revenues coming from the mobile sector.

Technical minutes in fixed-link and mobile networks

➔ FIXED-LINK MINUTES FALLING, MOBILE ON THE RISE



The call minutes in the chart above include the following:

Mobile communications: Call minutes to the domestic fixed-link network, domestic mobile networks, international numbers, service numbers and directory assistance services.

Fixed-link network: Call minutes to the domestic fixed-link network, domestic mobile networks, international destinations, service numbers and directory assistance services as well as online services.

Total voice telephony minutes: This figure includes technical minutes in mobile and fixed-link networks; technical minutes for online services are not included.

The data values for this chart can be found in the Appendix (see page 43).

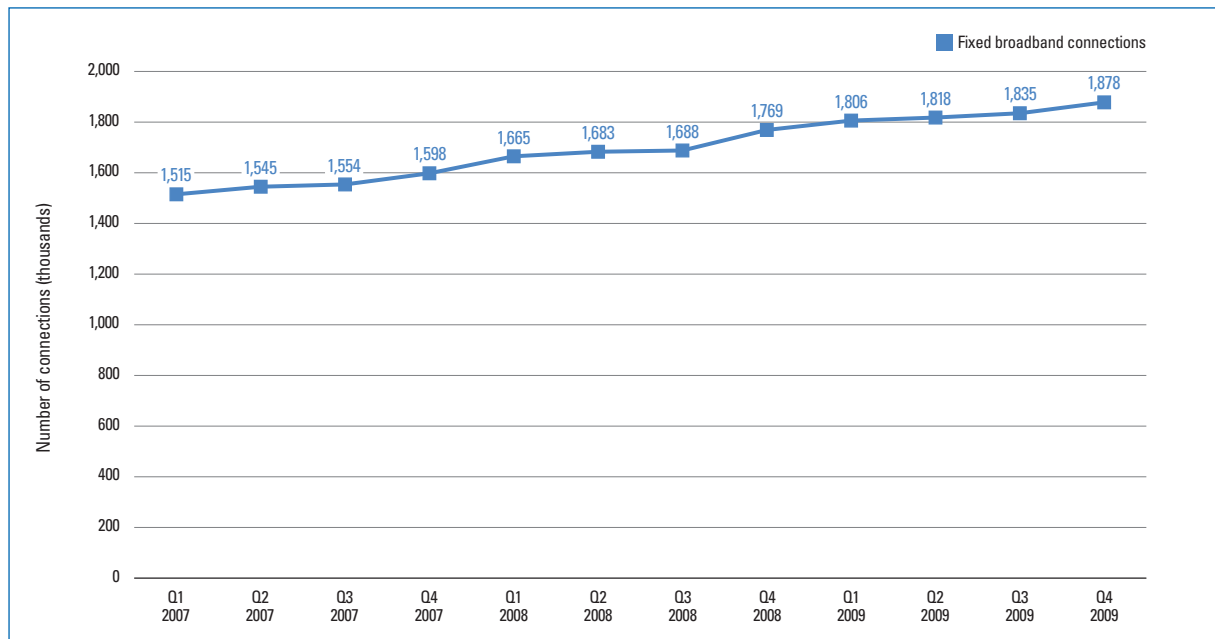
- As expected on the basis of developments in recent years, the number of call minutes in the fixed-link network (+6%) and in mobile networks (+7%) rose in Q4 2009 compared to the previous quarter.
- However, the overall number of fixed-link call minutes in the year 2009 declined by 8.5% compared to 2008. In contrast, an increase of roughly the same magnitude could be observed in mobile call minutes (+8.2%). As call minutes in the mobile network account for a majority of the total for the two segments, this means that the overall number of technical call minutes increased over the period in question.
- Call minutes to online services now play only a negligent role (0.8% of total minutes in Q4 2009). This can be attributed to rapid growth in the number of broadband connections in Austria.

Section 5 | Broadband



Fixed broadband connections

➔ **STEADY INCREASE CONTINUES**



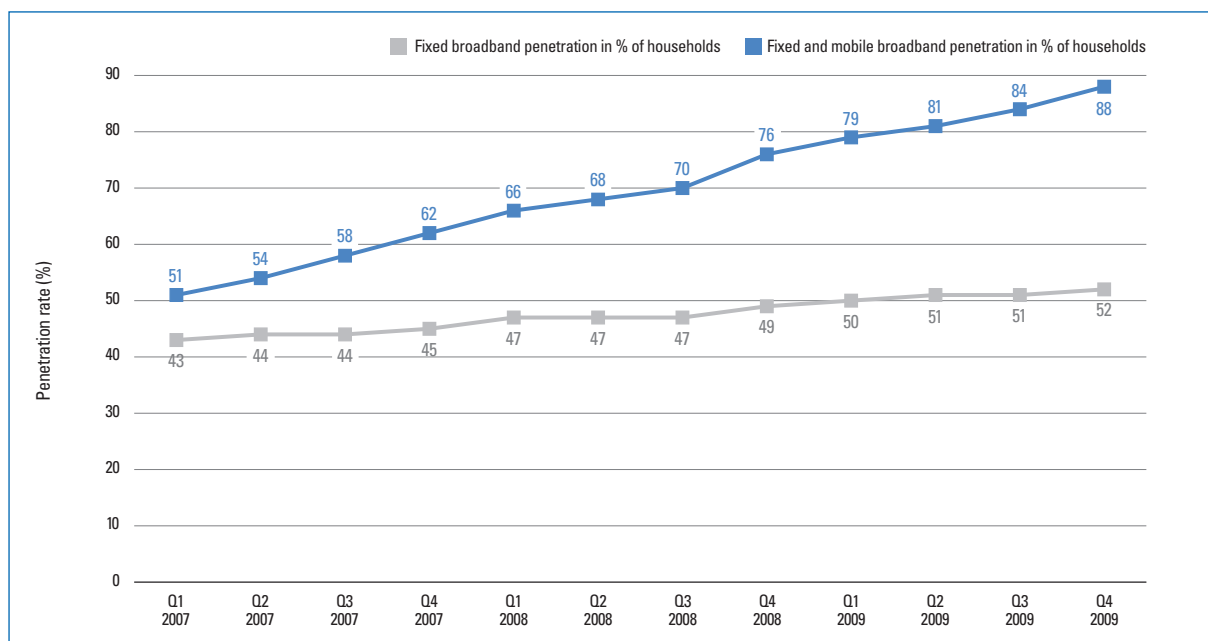
The chart above shows the total number of fixed broadband connections in Austria (regardless of the technology used). In this context, fixed broadband connections include those with a download rate of at least 144 kbit/s realized using copper-wire pairs in the Telekom Austria network, unbundled lines, coaxial cable, FWA (fixed wireless access, e.g., W-LAN, WiFi and WLL for "fixed" access, not at hot spots) and other infrastructure.

Broadband Internet connections based on mobile technology (UMTS) are not included in the values shown here.

- At the end of 2009, there were approximately 1.88 million broadband lines based on fixed-link infrastructure in Austria. Over the course of the year, a total of 109,000 new lines were realized in the fixed-link network; this represents an increase of 6.2% compared to 2008.

Broadband penetration (% of households)

➔ PENETRATION CONTINUES TO RISE

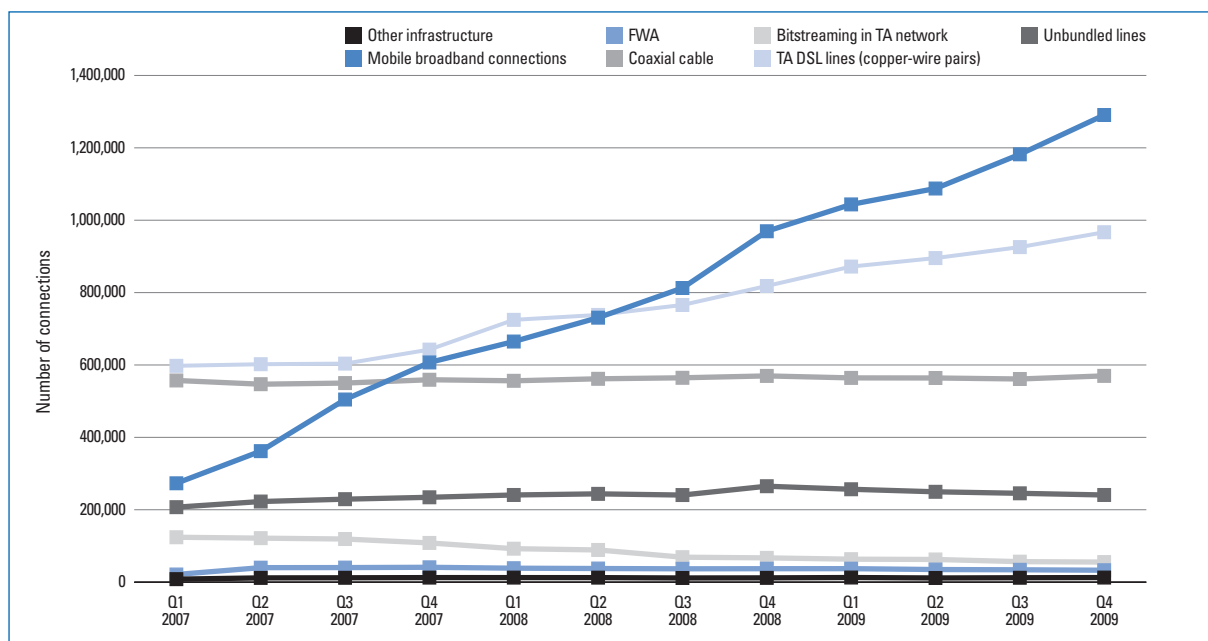


Broadband penetration refers to the ratio of the number of fixed and/or mobile broadband connections to the total number of households (expressed as a percentage). The broadband penetration rate calculated here also includes broadband connections used in businesses.

- In Q4 2009, fixed broadband penetration in Austria (in percent of households) rose slightly, ending the year at 52%.
- Including mobile broadband connections, however, the penetration rate came to 88% at the end of 2009. In the course of the year, the overall broadband penetration rate thus climbed by 12 percentage points.
- By international comparison, Austria is in third place in the EU in terms of mobile broadband penetration based on total population (Austria: 15.1%, EU average: 5.2% in January 2010; source: 15th Implementation Report of the European Commission). As for fixed broadband penetration, Austria’s penetration rate of 22.7% in Q4 2009 was in the middle range compared to the rest of the EU countries (EU average: 24.8% based on overall population; source: 15th Implementation Report of the European Commission).

Retail broadband connections 1/2

➔ CONTINUED GROWTH IN MOBILE AND DSL CONNECTIONS



The number of retail broadband connections includes all connections which offer a download bandwidth of more than 144 kbit/s. The number of mobile broadband connections refers to the number of contracts for UMTS/HSDPA-based mobile broadband services which include at least 250 MB in the monthly base fee as well as prepaid cards with which at least 750 MB were downloaded in the relevant quarter.

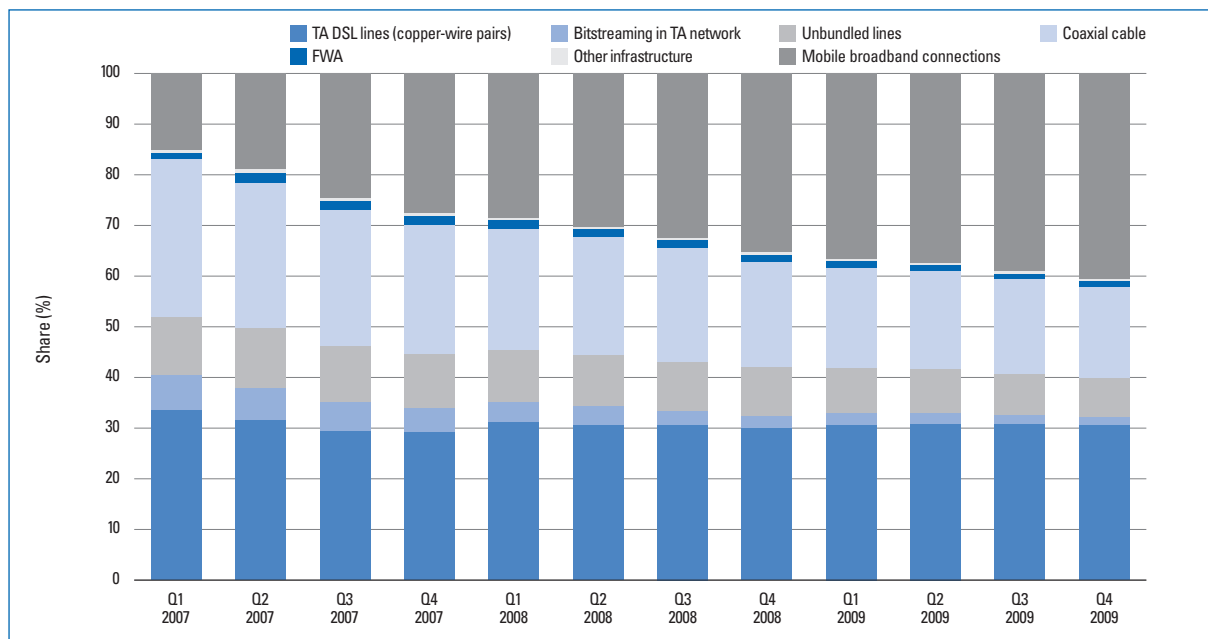
The chart above provides a breakdown according to the infrastructure used: copper-wire pairs in the Telekom Austria network (subdivided into Telekom Austria’s retail broadband connections and broadband connections implemented through bitstreaming), unbundled lines, coaxial cable, FWA (fixed wireless access, e.g., W-LAN, WiFi and WLL for “fixed” access, not at hot spots), mobile broadband connections and other infrastructure, that is, leased lines, FTTH (fiber to the home), PLC (broadband via power lines) and satellite broadband connections.

The data values for this chart can be found in the Appendix (see page 44).

- Broadband connections in Austria are primarily realized using mobile infrastructure or DSL technology. In 2009, the largest quarter-on-quarter increases in these two forms of access were once again recorded in the fourth quarter of the year (DSL: +4.4%; mobile: +9.2%).
- The number of broadband connections realized using coaxial cable began to rise again for the first time since Q4 2008, ending the year 2009 at approximately 570,000.
- Compared to the previous quarter, broadband connections based on bitstreaming, unbundled lines and FWA each declined slightly in Q4 2009, while connections realized using other forms of infrastructure saw an increase (+4%).

Retail broadband connections 2/2

➔ CONTINUED SHIFT TOWARD MOBILE BROADBAND

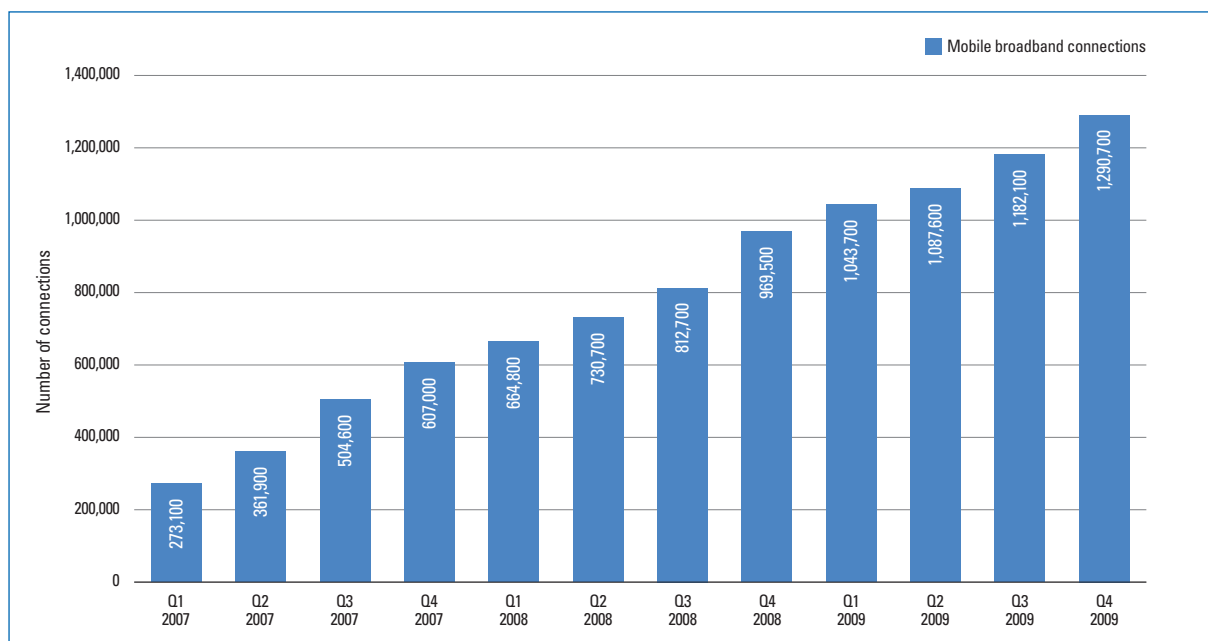


The chart above distinguishes between connections which use copper-wire pairs in the Telekom Austria (TA) network, unbundled lines, coaxial cable, FWA (fixed wireless access), mobile infrastructure and other infrastructure.

- At the end of 2009, more than 70% of all broadband connections in Austria were realized using either DSL or mobile infrastructure.
- In Q4 2009, the total number of retail broadband connections came to 3.17 million, which represents an increase of approximately 16% compared to the previous year.
- The share of mobile broadband connections in the overall number of broadband connections has risen steadily; this figure came to 40.7% in Q4 2009, which represents a year-on-year increase of 5.3 percentage points.

Mobile broadband connections

➔ MOBILE BROADBAND UP BY ONE THIRD IN 2009

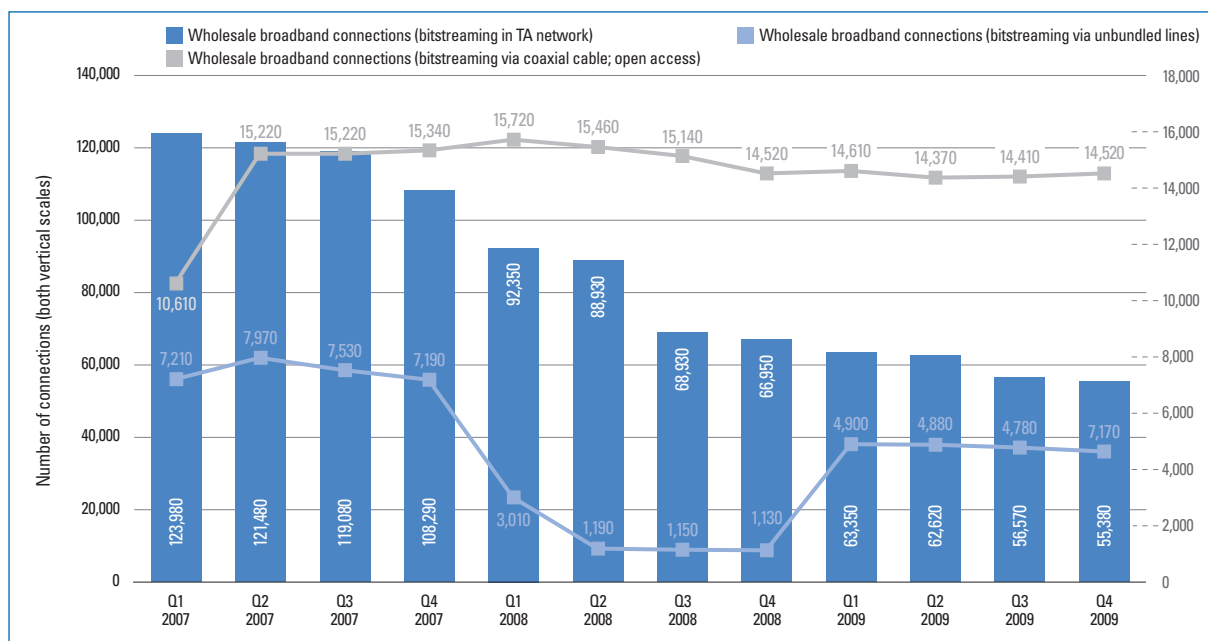


The chart above shows the number of contracts for UMTS/HSDPA-based mobile broadband services which include at least 250 MB in the monthly base fee as well as prepaid cards with which at least 750 MB were downloaded in the relevant quarter.

- The number of mobile broadband connections in Austria has continued to increase steadily, even rising by a full third in the year 2009 (+33% compared to Q4 2008). Three quarters of all new broadband connections activated in Austria in 2009 were mobile connections.
- By the end of 2009, some 1.29 million broadband lines had been realized using mobile infrastructure.

Wholesale broadband connections

➔ YEAR-ON-YEAR DECLINE



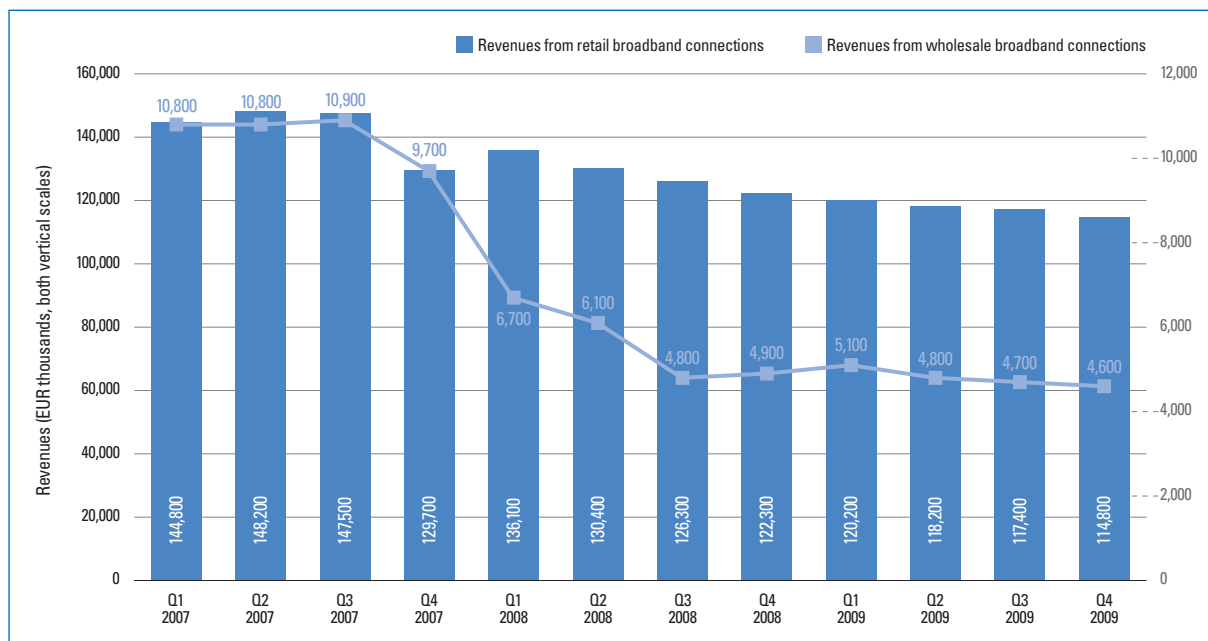
The chart above shows the number of wholesale broadband connections made available to other communications service providers in wholesale offers. In contrast to the market definition in the TKMV 2008, the figures shown do not include self-provided services.

The figures are broken down by infrastructure into bitstreaming in the Telekom Austria network, on unbundled lines and in coaxial networks (open access).

- In Q4 2009, the number of bitstreaming connections in Telekom Austria’s network declined once again compared to the previous quarter; this was also the case with bitstreaming connections on unbundled lines. The number of wholesale broadband connections realized using coaxial cable remained roughly the same (approximately 14,500).
- Compared to 2008, the number of wholesale broadband connections fell by about 10% over the year 2009.

Revenues from fixed broadband connections

➔ SLIGHT DECLINE IN ALL AREAS



The chart above shows the revenues generated by fixed retail and wholesale broadband connections in Austria.

Retail revenues represent the total of ongoing monthly charges, volume-based charges for data transfer volumes and miscellaneous revenues in the retail segment.

Wholesale broadband revenues refer to the total of one-off setup charges, ongoing monthly charges for ATM connections, ongoing monthly charges based on retail customers, data volume charges and other revenues generated in connection with wholesale offers.

Broadband Internet connections based on mobile technology (UMTS) are not included in the chart.

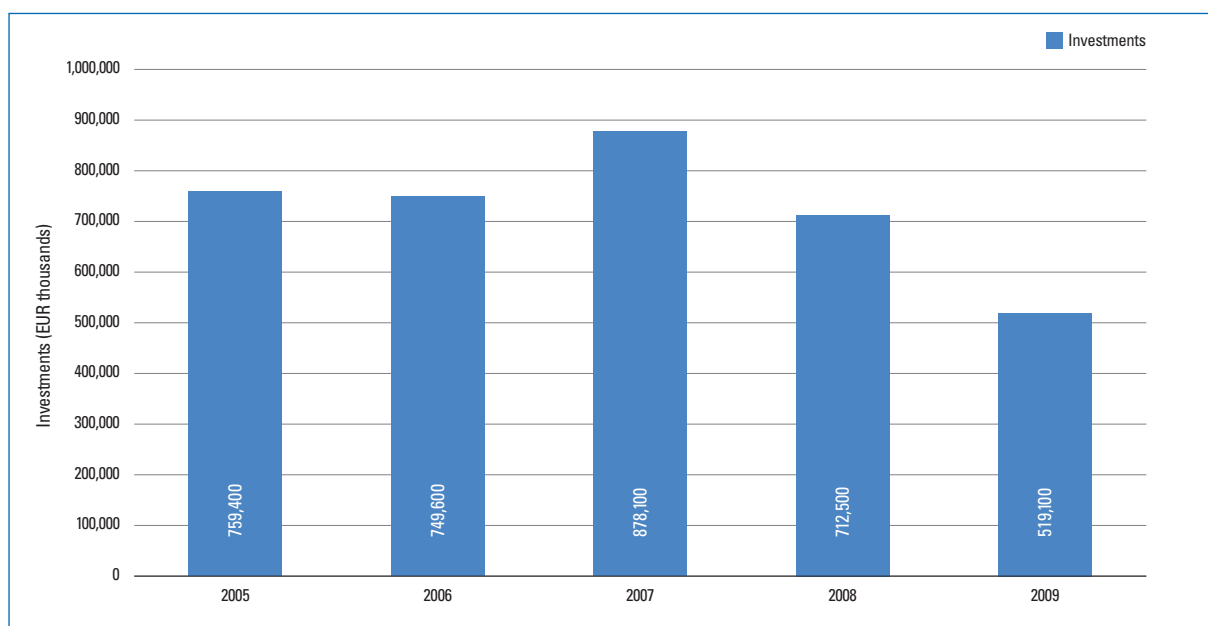
- The slight decrease in broadband revenues observed in recent quarters continued in both the retail and wholesale segments in Q4 2009. Overall, revenues from broadband services slipped approximately 6% in the year 2009.
- In the final quarter of the year, revenues on the wholesale market came to approximately EUR 4.6 million, while retail revenues totaled EUR 114.8 million.
- In the fourth quarter of each year, declining revenues have been observed in connection with an increasing number of connections, which points to substantial price reductions due to special offers during the holiday season. These reductions can also be explained by competitive pressure from mobile broadband services.
- The clear differences between the two categories shown above can be attributed in part to the large share of broadband connections in vertically integrated enterprises.

Section 6 | Business indicators



Investments

➔ INVESTMENTS TOTAL EUR 519.1 MILLION IN 2009



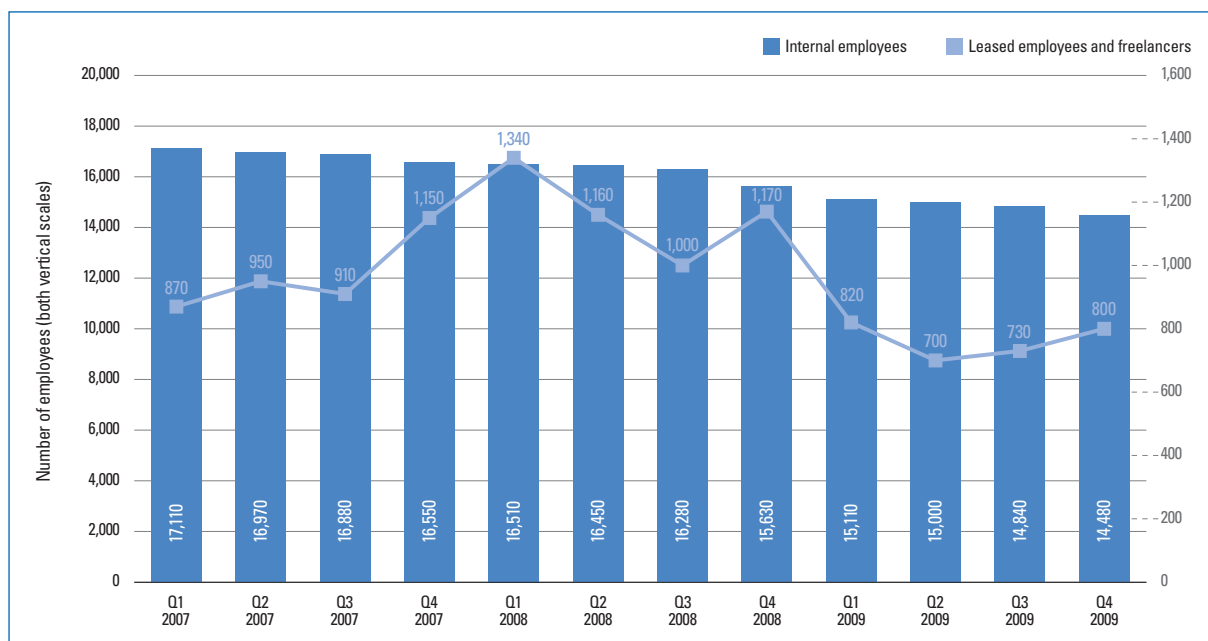
The chart above shows the development of investments in frequencies, technical infrastructure, sales and customer service in the years 2005 to 2009. In this context, it is important to note that the values reported are partly based on estimates and extrapolations from individual quarters for entire years. As a result, the exact figure for total investments can not be calculated reliably.

The amounts shown here only include those investments made directly by telecommunications enterprises. They do not include investments in upstream branches of the industry.

- In the year 2009, investments in the telecommunications industry amounted to EUR 519.1 million, down 27% on the previous year.

Employees in the telecommunications sector

➔ FURTHER INCREASE IN LEASED PERSONNEL



The chart above shows the number of employees in the telecommunications sector, broken down into internal employees and leased personnel/freelancers, and expressed in terms of full-time equivalents (FTEs).

When interpreting these figures, please note that they only include staff employed directly by telecommunications enterprises. The figures do not include employees in supplier industries, external call-center employees or outsourced positions.

- Over the entire observation period, a gradual but steady decline in the number of internal employees could be observed in the telecommunications sector. This trend is also visible in the statistics for Q4 2009. Compared to 2008, the telecommunications sector employed approximately 7% fewer internal employees at the end of the year 2009.
- The number of leased employees again rose slightly in Q4 2009 compared to the previous quarter, but at a total of 800 this figure was still markedly lower than the level reached at the end of 2008 (-32%).

Section 7 | Appendix



MOBILE NUMBERS IN USE (P. 25)

	Mobile numbers (thousands)											
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contract customers	5,493	5,674	5,943	6,160	6,398	6,680	6,737	7,264	7,517	7,674	7,856	7,793
Prepaid customers	3,823	3,748	3,675	3,695	3,613	3,537	3,529	3,552	3,523	3,501	3,528	3,642
Total	9,316	9,422	9,618	9,855	10,011	10,217	10,266	10,816	11,040	11,175	11,384	11,435

MARKET SHARES OF MOBILE OPERATORS IN AUSTRIA (P. 27)

	Number of subscribers (absolute figures)											
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
mobikom austria (including Telekom Austria)	3,697,300	3,764,000	3,853,700	3,959,000	4,101,000	4,257,000	4,356,000	4,496,000	4,582,000	4,628,000	4,719,000	4,834,000
T-Mobile	3,139,000	3,148,000	3,227,000	3,273,000	3,300,000	3,300,000	3,300,000	3,400,000	3,400,000	3,400,000	3,400,000	3,446,000
Orange (including Yesss!)	2,022,237	2,002,542	2,005,196	2,047,000	2,118,000	2,060,000	2,045,000	2,117,000	2,133,000	2,164,000	2,228,000	2,267,000
Hutchison 3G ("3")	460,600	465,000	480,600	513,000	544,000	562,000	588,000	655,000	713,000	773,000	793,000	893,000
Total	9,319,137	9,379,542	9,566,496	9,792,000	10,063,000	10,179,000	10,289,000	10,668,000	10,828,000	10,965,000	11,140,000	11,440,000

REVENUES FROM FIXED-LINK, MOBILE, BROADBAND AND LEASED LINE SERVICES (P. 29)

	Revenues (EUR millions)											
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues from fixed-link voice services	347	330	321	315	302	295	282	283	275	262	260	261
Revenues from mobile services	916	898	895	851	857	855	857	865	832	825	831	813
Revenues from fixed broadband services	156	159	158	139	143	136	131	127	125	123	122	119
Revenues from leased lines	57	57	57	59	56	59	56	61	61	59	58	57
Total revenues	1,476	1,444	1,431	1,364	1,358	1,345	1,326	1,336	1,293	1,269	1,271	1,250

TECHNICAL MINUTES IN FIXED-LINK AND MOBILE NETWORKS (P. 30)

	Number of minutes (millions)											
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Online minutes	689	512	429	360	255	184	148	124	98	73	63	57
Technical minutes (fixed-link, excluding online minutes)	2,194	1,997	1,924	2,035	1,958	1,800	1,691	1,714	1,756	1,611	1,551	1,640
Technical minutes (mobile)	3,956	4,171	4,226	4,624	4,814	4,904	4,753	5,155	5,304	5,254	5,160	5,516
Total voice telephony minutes	6,150	6,168	6,150	6,659	6,772	6,704	6,444	6,869	7,060	6,865	6,711	7,156

RETAIL BROADBAND CONNECTIONS 1/2 (P. 34)

	Number of connections											
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TA DSL lines (copper-wire pairs)	597,700	602,100	603,800	642,500	724,700	738,300	765,800	818,300	871,900	895,400	925,700	966,800
Bitstreaming in TA network	124,000	121,500	119,100	108,300	92,400	88,900	68,900	67,000	63,400	62,600	56,600	55,400
Unbundled lines	207,100	222,700	229,200	234,400	240,800	243,900	240,600	265,000	256,600	249,600	245,400	240,800
Coaxial cable	557,200	546,900	550,000	559,200	556,300	561,800	564,600	569,800	564,300	564,100	561,300	569,900
FWA	21,100	40,000	40,200	41,000	38,500	37,600	36,800	37,100	37,200	34,800	34,100	32,900
Mobile broadband connections	273,100	361,900	504,600	607,000	664,800	730,700	812,700	969,500	1,043,700	1,087,600	1,182,100	1,290,700
Other infrastructure	8,200	11,700	12,000	12,500	12,500	12,400	11,500	11,800	12,700	11,500	12,100	12,600
Total	1,788,400	1,906,800	2,058,900	2,204,900	2,330,000	2,413,600	2,500,900	2,738,500	2,849,800	2,905,600	3,017,300	3,169,100