

Results for the First Half 2009

- Fixed Net line loss cut by 2/3 in 1H 09 to 20,600 lines
- Double digit subscriber growth of 10.1% to 18.1 million customers in Mobile Communication
- Revenues decline by 5.8% to EUR 2,388.8 million primarily driven by lower Fixed Net revenues
- EBITDA decreases by 5.2% to EUR 904.8 million while operating costs decline by 6.7%
- Operating free cash flow grows by 5.9% while free cash flow per share increases by 2.4% to 0.75 EUR
- Outlook for 2009 on a constant currency basis fully reiterated, as announced on the occasion of the 1Q 09 results
- Dividend per share floor of 75 cent per share reiterated for 2009-2012
- Management Board has resolved to cancel 17 million treasury shares or 3.7% of share capital as of August 24, 2009, thus, the number of shares will be reduced to 443 million
- Share buyback envisaged for 2010, subject to stable conditions

in EUR million	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	1,191.7	1,276.2	-6.6%	2,388.8	2,535.8	-5.8%
EBITDA	450.0	468.5	-3.9%	904.8	954.2	-5.2%
Operating income	170.2	174.1	-2.2%	350.3	376.4	-6.9%
Net income	82.3	96.3	-14.5%	167.6	226.0	-25.8%
Earnings per share (in EUR)	0.19	0.22	-14.5%	0.38	0.51	-25.8%
Free cash flow per share (in EUR)	0.45	0.40	12.1%	0.75	0.73	2.4%
Capital expenditures	149.3	190.7	-21.7%	265.3	350.3	-24.3%

in EUR million	June 30, 09	Dec. 31, 08	% change
Net debt	4,003.9	3,993.3	0.3%
Net debt/EBITDA (12 months) excluding restructuring program	2.1x	2.1x	

All financial figures are based on IFRS; if not stated otherwise, all comparisons are given year-on-year. EBITDA is defined as net income excluding interest, income tax expense, depreciation and amortization, impairment charges, equity in earnings of affiliates, income/loss from investments and foreign exchange differences. This equals operating income before depreciation, amortization and impairment charges.

Group Review

The presentation for the conference call and the key figures of the Telekom Austria Group in excel format („Key Figures 2Q 2009“) are available on our website at www.telekomaustria.com

Results for the first nine months 2009 will be announced on November 12, 2009.

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Operating free cash flow grew by 5.9%

Rates of EBITDA decline in Eastern operations slowed down compared to 1Q 09

Vienna, August 19, 2009 - Telekom Austria Group (VSE: TKA, OTC US: TKAGY) today announced its results for the first half 2009 and the second quarter ending June 30, 2009.

Summary

Year-to-date comparison:

In the first half of 2009 revenues decreased by 5.8% to EUR 2,388.8 million primarily due to lower revenues in the Fixed Net segment resulting from lower wholesale revenues and voice volumes as well as the sale of the Fixed Net subsidiaries in the Czech Republic, in Slovakia and in Poland respectively. While total operating expenses were reduced by 6.7%, EBITDA declined by 5.2% to EUR 904.8 million due to lower contributions from both business segments. Operating income fell by 6.9% to EUR 350.3 million, with a higher contribution from the Fixed Net segment partly compensating for a lower operating income in the Mobile Communication segment. Net income was EUR 167.6 million in the first six months of 2009 compared to EUR 226.0 million in the same period of the previous year.

Total capital expenditures decreased from EUR 350.3 million to EUR 265.3 million driven by a reduction of capital expenditures in both segments due to postponements and restrictive investment policy. Operating free cash flow grew by 5.9%, while free cash flow per share increased by 2.4% to EUR 0.75. Net debt remained almost stable at EUR 4,003.9 million at the end of June 2009 compared to year-end 2008. Net debt to EBITDA (last 12 months) excluding the impact of the provision in 4Q 2008 for the restructuring program was 2.1x.

Quarterly comparison:

In 2Q 09 revenues declined by 6.6% to EUR 1,191.7 million and EBITDA decreased by 3.9% to EUR 450.0 million. These declines were driven primarily by the Fixed Net segment with almost stable contributions from the Mobile Communication segment. Reductions in operating expenses resulted in a higher profitability of the Fixed Net segment despite lower revenues. Both the domestic mobile business and the operation in Belarus reported EBITDA growth rates, while start-up operations in the Republic of Serbia and the Republic of Macedonia further reduced their EBITDA losses. EBITDA trends for the operations in Bulgaria, Croatia and Slovenia improved as rates of decline slowed down compared to 1Q 09. Operating income decreased by 2.2% to EUR 170.2 million as a higher contribution from the Fixed Net segment partly offset a lower operating income in the Mobile Communication segment. Net income decreased by 14.5% to EUR 82.3 million in 2Q 09 compared to EUR 96.3 million in 2Q 08.

A restrictive investment policy and postponements of investments supported a reduction of capital expenditures from EUR 190.7 million to EUR 149.3 million which allowed an increase of free cash flow per share by 12.1% to EUR 0.45 in 2Q 09. Operating free cash flow increased by 8.2%.

Market Environment

While the sustained migration of Fixed Net voice customers to the Mobile Communication segment has been the main challenge for several years, mobile broadband continues to make steady inroads into the market for internet access. However, following the introduction of attractive product bundles, line loss decelerated significantly during recent quarters. Against this background the Fixed Net segment continues to focus on the stabilization of cash flows by means of a market-oriented product portfolio and attractive pricing schemes as well as a comprehensive cost-cutting program.

The Mobile Communication segment continued to show subscriber growth both in Austria and in its international markets. Austria is regarded as a highly developed mobile communications market

characterized by fierce competition. Bulgaria, Croatia and Slovenia still offer untapped potential in terms of contract customers and innovative data products, however, fierce competition and the economic slowdown in these markets led to price cuts and declining ARPU. The impact of the economic crisis in the consumer segment of our Eastern and South-Eastern operations in Bulgaria, Croatia, Slovenia and Belarus is limited. The impact is predominantly apparent in the business segment.

Velcom in Belarus was impacted by continuing devaluation of the Belarusian Ruble. Since the beginning of the year the Belarusian Ruble has devaluated by 29.3% against the Euro. The countermeasures adopted to mitigate the negative impact include a tariff increase effective as of mid-February 2009 as well as a rebalancing of costs based on the local currency. A segment-wide risk monitoring system has been put in place to identify risk factors such as currency fluctuations or long-term macro-economic trends in order to react in due time. Regulation remains an important external disrupting factor in all markets primarily impacting roaming tariffs and termination charges.

Update on Share Buyback Program

As announced at the Capital Market Day in January 2009, Telekom Austria Group evaluated the potential for a share buyback. Although financial markets make financing available, the operating performance in South- and Eastern Europe is subject to uncertainties and the risk of currency devaluations still remains. Nevertheless, the Telekom Austria Group envisages in accordance with the capital allocation policy to start share buybacks in 2010 depending on the normalization of business, stable currencies and provided no investment with a higher return is available. About 1/3 of free cash flow after dividends is available for a potential share buyback. The rest remains as a reserve.

Outlook 2009 Reiterated

As announced in May 2009 and based on a constant currency assumption, the Telekom Austria Group anticipates slightly weaker revenues than originally expected for the year 2009 due to lower Fixed Net wholesale revenues as well as lower Mobile Communication interconnection and equipment revenues, which will be accompanied by a proportionate reduction in costs. Therefore, on a constant currency basis EBITDA guidance remains unchanged at about EUR 1.9 billion in 2009. Capital expenditures for the year 2009 are expected to amount to approximately EUR 800 million, which will result into an operating free cash flow (EBITDA less capital expenditures) of around EUR 1.1 billion. The Telekom Austria Group expects to distribute 65% of net income in form of dividends at a minimum floor of 75 cent per share.

	Outlook 09 as of August 19	Outlook 09 as of May 13	Outlook 09 as of Feb. 25	Outlook 09 as of Jan. 29
Telekom Austria Group				
Revenues	Slightly weaker than originally expected	Slightly weaker than originally expected	~ EUR 5.1 bn	~ EUR 5.1 bn
EBITDA	~ EUR 1.9 bn	~ EUR 1.9 bn	~ EUR 1.9 bn	~ EUR 1.9 bn
Capital expenditures	~ EUR 0.8 bn	~ EUR 0.8 bn	~ EUR 0.8 bn	~ EUR 0.8 bn
Operating Free Cash Flow	~ EUR 1.1 bn	~ EUR 1.1 bn	~ EUR 1.1 bn	~ EUR 1.1 bn
Dividend	65% of net income, DPS of 75 cent minimum	65% of net income, DPS of 75 cent minimum	65% of net income, DPS of 75 cent minimum	65% of net income, DPS of 75 cent minimum

Outlook based on constant currency basis as announced on the Capital Market Day in January 2009

Reporting Changes

FX gains & losses moved from EBITDA to financial result

Starting from 1Q 2009 foreign exchange gains and losses are reported as part of the financial result instead of being split between operating and financial income. Comparative figures for 2Q 2008 and the first six months of 2008 were adjusted accordingly by a total FX gain of EUR 0.6 million and of EUR 13.5 million respectively.

Revenue breakdown in Fixed Net & Mobile Communication condensed to reflect changes in business

The revenue breakdown in both segments, Fixed Net and Mobile Communication, has been condensed beginning with 1Q 09 to reflect changes in the product portfolio. This adjustment affects the revenue split but has no further effects on total segment revenues.

Segment revenues remain unchanged

In the Fixed Net segment previously reported revenues from 'Fixed Net Voice Traffic', 'Switched Voice Monthly' and 'Internet Access & Media' as well as some smaller reclassifications in 2Q 08 in the amount of EUR 8.3 million from 'Data & IT Solutions' and EUR 11.4 million from 'Other' revenues were condensed and included in 'Access, Voice & Broadband' to reflect the marketing of product bundles encompassing access, voice, Internet and IPTV. This revenue position equals average revenues per Fixed Net access line (ARPL) multiplied by the average number of access lines. Starting with 1Q 09 the category 'Other' revenues includes 'Payphones & Value Added Services' as well as 'Other' revenues. In the Mobile Communication segment 'Traffic and Monthly Rental' revenues were condensed and included in 'Subscription and Traffic' revenues reflecting the trend towards flat rates or packages.

The breakdown of revenues in previous years has been adapted accordingly for comparison purposes. The quarterly revenue breakdown of the previous year based on the new revenue split is available on Telekom Austria's homepage www.telekomaustria.com

Year-to-Date Comparison

Fixed Net segment

Note: Detailed data of the Fixed Net segment are shown in the appendix on page 24

Fixed Net revenues decreased by 11.2% to EUR 926.4 million in the first half of 2009 mainly driven by lower revenues from Access, Voice & Broadband and from Wholesale Voice & Internet. The first six months of 2008 included cumulative revenues of EUR 19.8 million from eTel Polska as well as eTel Slovensko and Telekom Austria Czech Republic, which were sold in February 2008 and November 2008 respectively.

Reduction of operating expenses by 14.1%

EBITDA declined by 4.0% to EUR 299.8 million in the first half of 2009 compared to the first half of 2008 as a reduction of operating expenses of 14.1% partly offset lower revenues. The reduction of operating expenses reflects lower interconnection costs, lower material expenses, the implemented restructuring program as well as the disposal of subsidiaries in 2008.

Operating income grew by 29.1% to EUR 68.4 million due to a reduction in depreciation and amortization charges.

Fixed Net in EUR million	1H 09	1H 08	% change
Revenues	926.4	1,043.8	- 11.2%
EBITDA	299.8	312.4	- 4.0%
Operating income	68.4	53.0	29.1%

Mobile Communication segment

Note: Detailed data of the Mobile Communication segment are shown in the appendix on pages 25, 26 & 27.

Revenues in the Mobile Communication segment declined slightly by 1.2% to EUR 1,590.9 million in the first six months of 2009 mainly due to lower revenues in Croatia, Bulgaria and Austria. Revenues were impacted primarily by the expiry of the national roaming agreement in Croatia and lower international roaming revenues. The foreign currency translation negatively impacted revenues by an amount of EUR 28.0 million. On a local currency basis, revenues grew by 0.5%.

Revenues and EBITDA impacted by lower roaming business

EBITDA declined by 5.0% to EUR 620.0 million in the first half of 2009 as a higher EBITDA contribution from Belarus and the reduction of losses associated with the launch of operations in the Republic of Serbia and the Republic of Macedonia partly offset a lower EBITDA contribution from Bulgaria, Croatia and Slovenia. The negative impact of foreign currency translation amounted to EUR 9.2 million. On a local currency basis, EBITDA declined by 3.6%.

Operating income declined by 11.3% to EUR 296.5 million in the first six months of 2009 compared to EUR 334.2 million in the same period of the previous year primarily as a result of lower EBITDA and higher depreciation and amortization charges. On a local currency basis, operating income decreased by 11.5%.

Mobile Communication in EUR million	1H 09	1H 08	% change
Revenues	1,590.9	1,610.8	- 1.2%
EBITDA	620.0	652.8	- 5.0%
Operating income	296.5	334.2	- 11.3%

Consolidated Net Income

During the first half of 2009 net interest expenses increased by 12.9% to EUR 115.3 million compared to the same period of the previous year due to the restructuring program, which led to additional non-cash interest expenses in the amount of EUR 18.0 million.

Foreign exchange differences in the financial result turned from a gain of EUR 13.5 million in the first half of 2008 to a loss of EUR 14.1 million in the first half of 2009 mainly due to the devaluation of the Ruble in Belarus and the Dinar in the Republic of Serbia since January 2009 and more favorable USD-exchange rates in 2008.

In the first six months of 2009 income tax expense amounted to EUR 50.1 million compared to EUR 63.8 million in the same period of 2008 mainly due to lower income before income tax. The effective tax rate increased from 22.0% in the first half of 2008 to 23.0% in the first half of 2009.

Net income impacted by lower EBITDA and higher financial result

Net income was EUR 167.6 million compared to a net income of EUR 226.0 million in the first half of 2008.

Basic and diluted earnings per share amounted to EUR 0.38 in the first half of 2009 compared to EUR 0.51 in the same period in 2008.

Balance Sheet and Net Debt

Total assets of the Telekom Austria Group decreased from EUR 8,997.4 million as of December 31, 2008 to EUR 8,711.5 million as of June 30, 2009.

During the first six months of 2009 current assets increased by 23.7% to EUR 1,911.3 million due to higher cash and cash equivalents and higher short-term investments following the issue of the EUR 750 million bond in January 2009.

Goodwill decreased by 8.3% to EUR 1,795.6 million due to currency translation adjustments mainly resulting from the devaluation of the Belarusian Ruble in 2009. Other intangible assets declined from EUR 2,265.6 million to EUR 2,027.3 million at the end of June 2009 mainly as a result of the currency devaluation in Belarus and amortization exceeding additions. Property, plant and equipment declined by 7.3% to EUR 2,758.6 million due to depreciation charges exceeding additions and as a result of the devaluation of the Belarusian Ruble.

Current liabilities increased from EUR 2,220.5 million at the end of December 2008 to EUR 2,281.1 million at the end of June 2009 mainly due to higher short-term borrowings. Non-current liabilities increased by 2.8% to EUR 4,752.0 million mainly due to a higher long-term debt as a result of the bond issuance in January 2009, which was partly offset by the shift of a bond to short-term borrowings.

Stockholders' equity decreased from EUR 2,155.5 million as of December 31, 2008 to EUR 1,675.5 million as of June 30, 2009. Stockholders' equity decreased due to the payment of dividends in the amount of EUR 331.8 million and higher currency translation adjustments following the devaluation of the Ruble in Belarus.

Net debt stable at 2.1x EBITDA despite dividend distribution

Net debt remained stable at EUR 4,003.9 million as of June 30, 2009 as cash flow generation offset the payment of dividends and capital expenditures. Net debt to EBITDA (last 12 months) was 3.3x at the end of June 2009 compared to 3.1x at the end of December 2008 as a result of a lower EBITDA. Excluding the restructuring program net debt to EBITDA (last 12 months) remained stable at 2.1x.

Cash Flow and Capital Expenditures

Cash generated from operations decreased by EUR 77.3 million to EUR 594.9 million in the first six months of 2009 following the lower results from operations and payments for provisions.

Cash outflows for investing activities slightly increased to EUR 352.7 million in the first half of 2009 compared to EUR 346.0 million in the first half of 2008.

Cash from financing activities recorded a net inflow of EUR 28.5 million in the first six months of 2009 compared to a net outflow of EUR 349.1 million during the same period of the previous year as a consequence of the issuance of the EUR 750 million bond at the beginning of 2009.

Cash flow and net debt

in EUR million	1H 09	1H 08	% change
Cash generated from operations	594.9	672.2	- 11.5%
Cash used in investing activities	- 352.7	- 346.0	1.9%
Cash used in financing activities	28.5	- 349.1	n.a.
Effect of exchange rate changes	40.8	9.2	n.a.
Net increase/decrease in cash and cash equivalents	311.5	- 13.7	n.a.

in EUR million	June 30, 09	Dec. 31, 08	% change
Net debt	4,003.9	3,993.3	0.3%
Net debt/EBITDA (12 months) excluding restructuring program	2.1x	2.1x	

Postponements and restrictive investment policy supported reduction of Capex

Total capital expenditures decreased by 24.3% to EUR 265.3 million in the first half of 2009 due to lower capital expenditures in the Fixed Net and the Mobile Communication segment. Capital expenditures for tangible assets declined by 27.9% to EUR 198.0 million, while capital expenditures for intangible assets decreased by 11.1% to EUR 67.3 million.

In the Fixed Net segment capital expenditures decreased by 32.5% to EUR 89.4 million during the first half of 2009 due to postponements of investments in access and core infrastructure as well as a restrictive investment policy.

In the Mobile Communication segment capital expenditures decreased by 19.2% to EUR 175.9 million in the first half of 2009 mainly due to lower capital expenditures in Austria as well as lower investments into access and core infrastructure in the Republic of Serbia.

Capital expenditures

in EUR million	1H 09	1H 08	% change
Fixed Net	89.4	132.5	- 32.5%
Mobile Communication	175.9	217.8	- 19.2%
Total capital expenditures	265.3	350.3	- 24.3%
Thereof tangible	198.0	274.6	- 27.9%
Thereof intangible	67.3	75.7	- 11.1%

Quarterly Comparison

Note: Detailed data of the Fixed Net segment are shown in the appendix on page 24

Access line loss cut by 2/3

Fixed Net

Fixed Net access line loss was cut by 64.1% to 12,600 lines in 2Q 09 compared to 35,100 in 2Q 08 due to stronger customer retention and new product bundles sold. The rising number of retail broadband lines allowed an acceleration of the number of fixed net broadband lines which rose by 16.0% to 958,400 at the end of June 2009 and more than compensated for a decline in wholesale broadband lines. Average revenues per fixed net access line declined by 8.0% in 2Q 09 to EUR 34.5 compared to EUR 37.5 in 2Q 08 as the share of the lower priced product bundles increased as well as lower voice volumes.

The number of unbundled lines declined to 291,600 at the end of June 2009 compared to 297,500 at the end of June 2008. Fixed-to-mobile substitution is still the main driver for the decline in voice minutes by 12.6% to 839 million minutes in 2Q 09. Fixed Net voice market share of total voice minutes including mobile minutes decreased from 16.7% in 2Q 08 to 14.8% in 2Q 09.

Revenues decline also driven by disposal of subsidiaries

Fixed Net revenues decreased by 12.5% to EUR 456.9 million in 2Q 09 mainly driven by a lower number of access lines and declining voice volumes resulting in lower revenues from Access, Voice & Broadband. 2Q 2008 included cumulative revenues of EUR 9.4 million from eTel Slovensko and Telekom Austria Czech Republic, which were sold in November 2008. Furthermore lower revenues from Data & Wholesale Voice and Internet contributed to the decrease in revenues.

Access, Voice & Broadband revenues declined by 13.0% to EUR 240.5 million as a higher broadband customer base partly offset a lower total access line base and lower voice volumes.

Revenues from Data declined by 16.5% to EUR 96.7 million mainly due to a migration from leased lines to lower priced xDSL-based business networks as well as fewer information and communication technology projects compared to the same period of the previous year.

Wholesale Voice & Internet revenues declined by 16.6% to EUR 86.6 million mainly driven by lower wholesale voice revenues due to lower international traffic and lower prices. The reduction of the unbundled lines as well as lower unbundled fees also contributed to this decline.

Other revenues increased by 27.7% to EUR 33.2 million due to higher revenues from voting services for interactive TV-shows.

Profitability improved, Operating expenses reduced

Operating expenses decreased by 13.1% from EUR 382.9 million to EUR 332.6 million due to lower interconnection and employee costs following the implemented restructuring program as well as lower material expenses. Fixed Net EBITDA declined by 8.7% to EUR 142.0 million in 2Q 09 compared to 2Q 08. Lower expenses drove profitability and resulted in an improvement of the EBITDA margin from 29.8% to 31.1%.

Operating income rose by 1.3% to EUR 23.4 million in 2Q 09 compared to EUR 23.1 million in 2Q 08 driven by a significant reduction of depreciation and amortization charges.

Fixed Net in EUR million	2Q 09	2Q 08	% change
Revenues	456.9	521.9	- 12.5%
EBITDA	142.0	155.5	- 8.7%
Operating income	23.4	23.1	1.3%

Mobile Communication

Note: Detailed data of the Mobile Communication segment are shown in the appendix on pages 25, 26 & 27.

Reported revenues decline by 1.7%, organic revenue growth excluding FX is 0.2%

Reported EBITDA declines by 1.8%, organic EBITDA excluding FX almost stable

A rising number of contract subscribers in all mobile operations drove the growth of the customer base in the Mobile Communication segment by 10.1% to 18.1 million customers as of June 30, 2009.

Revenues in the Mobile Communication segment fell slightly by 1.7% to EUR 800.6 million in 2Q 09 primarily driven by lower revenues in Croatia, Bulgaria and Austria due to the expiry of the national roaming agreement in Croatia and lower international roaming revenues as well as lower prices for voice and data. The foreign currency translation impacted revenues negatively by EUR 15.3 million. On a local currency basis, revenues increased by 0.2%.

While EBITDA rose in Austria and Belarus, total EBITDA of the Mobile Communication segment declined by 1.8% to EUR 313.7 million in 2Q 09 mainly due to a lower contributions from Croatia, Bulgaria and Slovenia. The losses associated with the launch of operations in the Republic of Serbia and the Republic of Macedonia were further reduced from EUR 14.8 million in 2Q 08 to EUR 11.4 million in 2Q 09. The negative impact of foreign currency translation amounted to EUR 4.8 million. On a local currency basis, EBITDA remained almost stable.

Despite a reduction of operating expenses and depreciation and amortization charges, operating income declined by 3.1% to EUR 152.4 million in 2Q 09 compared to 2Q 08 as a consequence of lower revenues. On a local currency basis, operating income decreased by 3.4%.

Mobile Communication in EUR million	2Q 09	2Q 08	% change
Revenues	800.6	814.3	- 1.7%
EBITDA	313.7	319.4	- 1.8%
Operating income	152.4	157.3	- 3.1%

mobilkom austria

Strong subscriber growth in Austria

The subscriber base of mobilkom austria, the leading mobile operator in Austria, grew by 8.7% to 4.6 million subscribers at the end of June 2009 mainly driven by attractively priced tariff models and additional SIM cards for mobile broadband.

mobilkom austria maintained its market leadership with an almost stable market share of 42.3% at the end of 2Q 09 compared to 42.5% at the end of 2Q 08. The mobile penetration rate in Austria rose to 130.8% at the end of June 2009 compared to 119.8% in the previous year due to an increasing number of customers with double SIM cards for both mobile broadband and voice services respectively.

Average revenues per user (ARPU) decreased by 9.3% to EUR 25.5 as an increase in data usage partly offset lower prices for voice and data. ARPU remained stable compared to 1Q 09. Average minutes of use charged per subscriber decreased by 7.5% to 163.8 minutes in 2Q 09 primarily due to the dilution from mobile broadband. mobilkom austria grew its mobile broadband subscriber base by 43.0% and had 464,750 mobile broadband customers at the end of June 2009 compared to 325,000 mobile broadband customers at the end of June 2008. The number of mobile broadband net adds were 23,850 in 2Q 09. Data revenues as a percentage of traffic-related revenues rose from 31.0% in 2Q 08 to 35.1% in 2Q 09.

23,850 mobile broadband net adds in Austria in 2Q 09

Revenues of mobilkom austria declined by 1.4% to EUR 391.8 million compared to 2Q 08 mainly driven by lower traffic revenues following lower prices for voice and data as well as lower roaming revenues.

Subscriber acquisition costs were reduced from EUR 12.3 million in 2Q 08 to EUR 11.4 million in 2Q 09 driven primarily by lower commissions. Subscriber retention costs increased by 24.4% to EUR 20.4 million caused by a higher number of replacements as well as higher costs for high quality handsets.

Profitability improved as mobilkom austria's EBITDA increased by 5.4% to EUR 147.1 million in 2Q 09 compared to 2Q 08 as a result of lower marketing & sales costs as well as lower interconnection costs. 2Q 09 operating income increased by 16.9% to EUR 89.3 million due to a reduction of depreciation and amortization charges.

Mobitel

Mobitel, the leading mobile operator in Bulgaria, increased its customer base by 1.0% to 5.2 million customers at the end of June 2009 compared to the end of June 2008. The number of subscribers declined compared to 1Q 09 due to inactive prepaid customers, which were taken out of the subscriber base. Mobitel's market share declined slightly from 50.5% to 50.0% at the end of 2Q 09 compared to the end of 2Q 08. The mobile penetration rate in Bulgaria rose from 133.8% in the previous year to 137.5%.

Average minutes of use charged per subscriber increased by 14.4% to 98.6 minutes in 2Q 09 which partly compensated for lower prices limiting the ARPU decline to 4.0% or EUR 9.5 in 2Q 09 compared to 2Q 08.

Revenues of Mobitel declined from EUR 165.6 million in 2Q 08 to EUR 157.7 million in 2Q 09 mainly due to lower subscription and traffic revenues. A higher contract subscriber base partly offset lower prices as a consequence of fierce competition. In general, the economic slowdown in Bulgaria primarily impacted Mobitel's business segment. In the private customer segment usage continued to grow, but the growth was shifted to cheaper priced on-net minutes.

Rate of EBITDA decline improved compared to 1Q 09

EBITDA decreased from EUR 96.0 million in 2Q 08 to EUR 87.9 million in 2Q 09 mainly due to lower revenues and lower other operating income. The rate of decline materially improved compared to 1Q 09. Operating expenses could be reduced by EUR 2.3 million mainly due to savings in marketing and sales and material expenses, whereas interconnection costs rose due to rising traffic into other networks partly offset by lower mobile-to-fixed tariffs.

Mobitel's operating income decreased from EUR 51.9 million in 2Q 08 to EUR 42.8 million in 2Q 09 as lower expenses partly offset lower revenues.

Velcom

At the end of June 2009 Velcom, the second largest mobile operator in Belarus, grew its subscriber base by 13.3% to 3.8 million customers compared to 3.4 million at the end of June 2008. Velcom's market share declined from 44.4% at the end of June 2008 to 43.1% at the end of June 2009 due to the rising market share of the third operator in Belarus. The penetration rate in Belarus rose from 78.2% to 91.5% at the end of June 09.

Average minutes of use charged per subscriber decreased by 6.2% to 155.5 minutes in 2Q 09 compared to 2Q 08. ARPU amounted to EUR 6.4 in 2Q 09 compared to EUR 6.9 in the previous year. In local currency ARPU increased by 6.9%.

Organic revenue growth in Belarus of 21.9%

Revenues grew by 6.3% from EUR 71.1 million in 2Q 08 to EUR 75.6 million in 2Q 09 driven by higher revenues from subscription and traffic due to a larger subscriber base. Currency translation differences following the devaluation of the Belarusian Ruble in 2009 impacted revenues with an amount of EUR 11.0 million. In local currency, revenue growth was 21.9%.

Reported EBITDA growth of 10.9%, organic EBITDA growth excluding FX translation of 27.3%

In 2Q 09 EBITDA rose by 10.9% to EUR 38.8 million compared to EUR 35.0 million in 2Q 08 as revenue growth more than offset higher interconnection expenses and costs for services received. In local currency, EBITDA increased by 27.3%.

Velcom's operating income in 2Q 09 grew by 23.1% to EUR 20.8 million compared to EUR 16.9 million in 2Q 08 despite higher depreciation and amortization charges. Excluding the impact of the currency translation in the amount of EUR 3.2 million, operating income grew by 41.9%.

Vipnet

Vipnet, the second largest mobile operator in Croatia, increased its subscriber base by 14.8% to 2.6 million customers at the end of June 2009.

At the end of the second quarter 2009 the mobile penetration rate in Croatia was 136.5% compared to 122.1% at the end of 2Q 08. Vipnet's market share increased to 43.3% in 2Q 09 from 42.2% in 2Q 08 due to fierce competition.

ARPU declined by 17.4% to EUR 12.3 in 2Q 09 compared to EUR 14.9 in 2Q 08 as a higher contract subscriber base partly compensated for lower interconnection revenues, declining voice volume per subscriber and lower prices. Average minutes of use charged per subscriber declined by 9.6% to 84.1 minutes.

The expiry of the national roaming agreement in 2Q 08 impacted revenues and EBITDA of Vipnet

Revenues of Vipnet declined by 6.9% to EUR 119.3 million in 2Q 09 compared to EUR 128.2 million in 2Q 08 due to lower wholesale roaming revenues mainly as a result of the expiry of the national roaming agreement with a competitor in 2008 as well as lower subscription and traffic revenues as a result of lower prices and usage. Lower interconnection revenues, as a result of a reduction of mobile termination rates, which took effect as of March 2009, also contributed to this decline.

EBITDA decreased by 17.8% to EUR 40.6 million in 2Q 09 mainly due to lower revenues.

Operating income of Vipnet decreased by 27.0% to EUR 22.7 million in 2Q 09 compared to the same period of the previous year reflecting lower revenues and slightly higher depreciation and amortization charges.

Si.mobil

Si.mobil, the second largest operator in Slovenia, grew its subscriber base by 8.8% to 581,800 customers at the end of June 2009.

Si.mobil increased its market share from 27.2% to 28.0%. The mobile penetration rate in Slovenia was 102.4% at the end of 2Q 09 compared to 98.0% at the end of 2Q 08.

ARPU decreased by 10.2% to EUR 21.2 primarily driven by lower interconnection revenues partly offset by a higher contract subscriber base and an increase in average minutes of use charged per subscriber, which rose by 9.2% to 147.8 minutes as a result of a higher contract share and positive effects from new tariffs.

Lower and symmetric mobile termination rates impacted both revenues and EBITDA of Si.mobil

Revenues decreased by 8.6% to EUR 42.4 million during 2Q 09 mainly due to lower subscription and traffic revenues as well as interconnection revenues resulting from the symmetry of termination rates with the incumbent introduced in April 2009.

EBITDA decreased from EUR 15.5 million in 2Q 08 to EUR 11.4 million in 2Q 09 due to lower revenues.

Operating income decreased from EUR 10.1 million in 2Q 08 to EUR 5.8 million in 2Q 09 due to higher depreciation and amortization charges.

Vip mobile

Vip mobile, the third largest mobile operator in the Republic of Serbia, grew its subscriber base by 60.1% to 1.1 million customers at the end of June 2009 from 0.7 million customers at the end of June 2008 and had a market share of 10.7% at the end of 2Q 09 compared to 7.2% at the end of 2Q 08.

The penetration rate in the Republic of Serbia stood at 133.2% at the end of 2Q 09 compared to 123.9% at the end of 2Q 08, also reflecting an inflated subscriber number reported by the incumbent.

During 2Q 09 Vip mobile increased its revenues by 44.9% to EUR 18.4 million compared to EUR 12.7 million in 2Q 08 as a result of higher subscription and traffic revenues driven by a larger subscriber base and higher usage.

Negative EBITDA in Republic of Serbia further reduced

The negative EBITDA improved to EUR 7.4 million compared to EUR 9.6 million in 2Q 08. The operating loss was EUR 22.8 million in 2Q 09 compared to a loss of EUR 21.8 million in 2Q 08.

Vip operator

Vip operator, the third largest mobile operator in the Republic of Macedonia, had 224,400 customers in 2Q 09 compared to 209,200 customers in 2Q 08. Vip operator's market share was 9.6% at the end of 2Q 09 compared to 9.9% in 2Q 08 due to a drop in prepaid subscribers caused by an earlier promotions churn. At the end of June 2009 the penetration rate in the Republic of Macedonia was 114.6%.

Operating performance in the Republic of Macedonia improves as revenues more than doubled

Vip operator's revenues more than doubled to EUR 5.2 million in 2Q 09 compared to EUR 2.5 million in 2Q 08 as a result of higher subscription and traffic revenues driven by the strong increase of customer base and usage.

The negative EBITDA of the company improved from EUR 5.2 million in 2Q 08 to EUR 4.0 million in 2Q 09, reflecting a continuing enhancement of the operating performance.

Operating loss was reduced to EUR 5.7 million in 2Q 09 compared to an operating loss of EUR 6.1 million in 2Q 08.

Consolidated Net Income

In 2Q 09 net interest expenses increased to EUR 56.2 million from EUR 51.3 million during 2Q 08 due to the restructuring program, which led to additional non-cash interest expenses.

2Q 09 showed insignificant effects from foreign exchange differences on the financial result.

Income tax expense decreased from EUR 27.2 million in 2Q 08 to EUR 25.9 million due to a lower income before income tax in 2Q 09.

Net income primarily impacted by lower EBITDA and financial result

Net income amounted to EUR 82.3 million in 2Q 09 after a net income of EUR 96.3 million in 2Q 08. Basic and diluted earnings per share amounted to EUR 0.19 in 2Q 09.

Cash Flow and Capital Expenditures

During 2Q 09 cash generated from operations decreased by 5.4% to EUR 347.2 million mainly due to lower results from operations as well as higher payments to settle provisions and accrued liabilities.

Cash outflow from investing activities decreased from EUR 191.0 million in 2Q 08 to EUR 143.7 million in 2Q 09 mainly due to lower capital expenditures.

Net cash outflow from financing activities increased from EUR 169.4 million in 2Q 08 to EUR 363.8 million in 2Q 09 as the dividend distribution was partly offset by issuance of long-term debt in 2Q 08.

Cash Flow in EUR million	2Q 09	2Q 08	% change
Cash from operations	347.2	367.1	-5.4%
Cash from investing	-143.7	-191.0	-24.7%
Cash from financing	-363.8	-169.4	n.a.
Effect of exchange rate changes	9.2	-1.3	n.a.
Net increase/decrease in cash and cash equivalents	-151.1	5.5	n.a.

Reduction of capital expenditures by 21.7% to support free cash flow

During 2Q 09 total capital expenditures were reduced by 21.7% to EUR 149.3 million. Capital expenditures for tangible assets decreased by 23.2% to EUR 117.0 million and capital expenditures for intangible assets declined by 15.7% to EUR 32.3 million.

In the Fixed Net segment capital expenditures decreased by 13.2% to EUR 55.9 million during 2Q 09, mainly due to a postponement of investments into the access and core net infrastructure as well as a restrictive investment policy.

In the Mobile Communication segment capital expenditures decreased by 26.0% to EUR 93.4 million in 2Q 09 as lower capital expenditures in Austria, Bulgaria and the Republic of Serbia offset higher capital expenditures in Croatia.

Capital expenditures in EUR million	2Q 09	2Q 08	% change
Fixed Net	55.9	64.4	-13.2%
Mobile Communication	93.4	126.3	-26.0%
Total capital expenditures	149.3	190.7	-21.7%
Thereof tangible	117.0	152.4	-23.2%
Thereof intangible	32.3	38.3	-15.7%

Additional Information & Selected Notes

Selected Explanatory Notes to the Consolidated Interim Financial Statements (unaudited)

Basis of Presentation

The consolidated interim financial statements, in the opinion of management, include all adjustments necessary for a fair presentation in accordance with International Financial Reporting Standards (IFRS).

These financial results in accordance with IAS 34 "Interim Financial Reporting" are unaudited and should be read in connection with the Telekom Austria Group's annual consolidated financial statements according to IFRS for the year ended December 31, 2008. The consolidated results for the interim periods are not necessarily indicative of results for the full year.

No major related party transactions, commitments and guarantees occurred since December 31, 2008.

The preparation of the interim financial statements in conformity with IFRS requires the Telekom Austria Group to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

The Telekom Austria Group has applied the same accounting policies and methods of computation in the interim financial statements as in the annual financial statements as of and for the year ended December 31, 2008 except for IFRIC 12 - Service Concession Arrangements, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 16 - Hedges of a Net Investment in a Foreign Operation and IAS 32 and IAS 1 - Puttable Financial Instruments and Obligations arising on Liquidation, which became effective during 2008 and as of January 1, 2009.

The Telekom Austria Group has adopted these standards/interpretations as of January 1, 2009. IFRIC 13 addresses the accounting of customer loyalty programs that are operated either by the manufacturer or service provider or by a third party. The award credit granted is accounted for as a separate component of the sales transaction and recognized as deferred revenue until it is either redeemed by the customer or forfeited. The adoption of IFRIC 13 led to a reclassification of approximately EUR 20.9 million from provisions and accrued liabilities to deferred income. Comparative figures were adjusted accordingly. The effect on net income was immaterial. The effects of the other new standards/interpretations, if any, on the consolidated financial statements were insignificant.

Compared to other economic sectors the telecommunications industry is in general less cyclical. Within the telecommunication sector the seasonality of the Telekom Austria Group's Fixed Net and Mobile Communication segment shows the same pattern as other European incumbents, having lower margins in the year-end quarter due to Christmas promotions, equipment provided to customers and increases in sales commissions. However, in the Mobile Communication segment customer and visitor roaming revenues are above average in the third quarter due to the summer vacation season. In Austria visitor roaming is also above average in the first quarter due to winter sports tourism.

Business Combinations and Investments

In March 2009, the Telekom Austria Group acquired 25.029% stake in Marx Media Vienna GmbH in the Fixed Net segment for an aggregate purchase price of EUR 3.2 million, which was paid in cash.

In February 2009 the Telekom Austria Group sold the stake of 37.47% in Infotech Holding GmbH for a sales price of EUR 7.0 million, which was paid in cash. The investment had been reported as asset held for sale in the Fixed Net segment as of December 31, 2008.

Since June 1, 2009, the Telekom Austria Group controls 100% of CRI Beteiligungs GmbH. The

Acquisition of CRI	Fair values on acquisition	Fair value adjustments	Carrying amounts before the combination
in EUR million (unaudited)			
Property, plant and equipment	21.2	0.0	21.2
Intangible assets	2.8	1.6	1.2
Other non-current assets	0.6	0.0	0.6
Deferred tax assets	6.5	6.4	0.1
Trade and other receivables	4.3	0.0	4.3
Cash and cash equivalents	1.1	0.0	1.1
Loans and borrowings	-3.2	0.0	-3.2
Trade and other payables	-16.1	0.0	-16.1
Net identifiable assets and liabilities	17.2	8.0	9.2
Non-controlling interests	-2.9		
Badwill on acquisition	-3.7		
Total Consideration	10.6		
Cash acquired	-1.1		
Net cash outflow	9.5		

aggregate purchase price amounted to EUR 10.6 million. CRI Beteiligungs GmbH was acquired in the Fixed Net segment. CRI Beteiligungs GmbH holds 76% in Cable Runner Austria GmbH, a technology company running glass fiber cable in sewage circuits.

The table above summarises the assets acquired and liabilities assumed at the date of acquisition as well as the carrying amounts according to IFRS as determined prior to the acquisition. Fair values were determined based on the provisional purchase price allocation to assets and liabilities.

Since the effect of the acquired entity prior to the acquisition on the consolidated financial statements of the Telekom Austria Group is not considered significant, no pro forma information is presented.

On April 30, 2009 the Telekom Austria Group acquired 25.1% interest in DSA Beteiligungs GmbH in the Fixed Net segment. Acquisition cost amounted to EUR 0.4 million. Additionally the Telekom Austria Group signed an option-agreement for EUR 0.5 million to acquire an additional 25% interest (options exercisable in the second quarter 2012).

Foreign Exchange Differences

Starting Q1 2009 all foreign exchange gains and losses are shown within the financial result, whereas until 2008 only foreign exchange differences relating to financing activities were reported therein. Foreign exchange differences relating to other activities were reported in operating expenses or other operating income. The new presentation provides a more reliable and relevant view on the operating result. Comparative figures for 2008 were adjusted accordingly.

Non-current liabilities, Short-Term Borrowings

An amount of EUR 449.9 million of long-term debt was repaid in the six month period ended June 30, 2009. On January 29, 2009, the Telekom Austria Group issued a bond on the Eurobond market with a face value of EUR 750.0 million, a maturity of 7 years, disagio and issue costs of EUR 8.0 million and a coupon of 6.375%.

Long-term debt increased mainly due to the issuance of the bond, which was partly compensated by the shift of a bond under the EMTN program to short-term borrowings.

In the six month period ended June 30, 2009 12 transactions of Cross Border Lease were terminated early. As a result the Telekom Austria Group realized an expense of EUR 7.6 million and income from the realization of the deferred unamortized balance on the sale of the tax benefit allocated to these transactions amounting to EUR 8.8 million. Thus, the Telekom Austria Group recognized the net amount of EUR 1.2 million in interest income. As a result of the early termination, contingent liabilities decreased to EUR 75.6 million.

Income Taxes

The effective tax rate for the six month periods ended June 30, 2009 and 2008 was 23.0% and 22.0%. In the six month period ended June 30, 2009, the effective tax rate was lower than the Austrian statutory tax rate of 25% mainly due to tax incentives.

Net deferred tax liabilities of EUR 44.7 million as of December 31, 2008 decreased to EUR 24.3 million mainly due to foreign exchange differences and the amortization and depreciation of fair value adjustments of assets acquired in business combinations.

Stock Based Compensation

In the first quarter 2009 the Telekom Austria Group launched the sixth tranche (or ESOP 2009+) of the stock option plan 2004.

For the six month period ended June 30, 2009 and 2008 the Telekom Austria Group recorded an expense of EUR 0.6 million and a benefit of EUR 6.9 million, respectively, excluding related payroll taxes and social contributions. The benefit in the six month period ended June 30, 2008 is mainly due to the decline of the Telekom Austria share price at June 30, 2008 compared to December 31, 2007.

Compensation expense is measured based on the fair value of the options at each reporting date and recognized over the service period on a straight-line basis. The fair value estimation is based on a binomial option pricing model by applying the parameters summarized in the following table.

ESOP Parameters	June 30, 09	Dec. 31, 08
Expected average dividend per share (in Euro)	0.74-0.87	0.75- 0.94
Expected volatility	55%	55%
Risk - free interest rate range	0.401% - 2.616%	2.750% - 3.354 %
Stock price (in Euro)	11.14	10.30
Fair value per option second tranche (in Euro)	-	0.47
Fair value per option third tranche (in Euro)	0.38	0.44
Fair value per option fourth tranche (in Euro)	0.72	0.62
Fair value per option fifth tranche (in Euro)	0.91	0.75
Fair value per option sixth tranche (in Euro)	1.28	-

Foreign currency translation adjustment

The foreign currency translation adjustment mainly results from the consolidation of Velcom in Belarus and Vip mobile in Serbia. Main driver was the devaluation of the Belarusian Ruble which resulted in an adjustment amounting to EUR 290.3 million in the six month period ended June 30, 2009.

Segment Reporting

In 2009, the Telekom Austria Group reduced estimated useful lives of certain technical and office equipment due to the rapid development of technological environment in the relevant areas. The change in estimate resulted in an increase of depreciation by EUR1.8 million in the Mobile Communication segment.

Risks & Uncertainties

The Telekom Austria Group faces various risks and uncertainties that could affect its results. These risks include, but are not limited to, a further reduction of prices for mobile communication services in Austria and elsewhere and an acceleration of fixed-to-mobile substitution resulting in further access line loss and a decline in fixed net minutes.

The Telekom Austria Group is also subject to risks related to the planned reduction of the number of employees in the Fixed Net segment. Furthermore, the Telekom Austria Group is subject to intensive regulation.

Through its expansion into the Eastern and South-Eastern European region, the company operates in markets that have been experiencing political and economic change. This circumstance has affected and may continue to affect the activities of enterprises operating in this environment. Consequently, operations in the Eastern and South-Eastern European region involve uncertainties, including foreign exchange and tax uncertainties that typically do not exist in other markets.

In recent years, the growth of Telekom Austria Group's business was marked by an expansion in various markets in Eastern and South-Eastern Europe. However, further growth will be affected by a number of factors over which Telekom Austria Group has no influence. Further organic growth also depends on the growth of the respective economies and individual telecommunication markets the Telekom Austria Group operates in.

Personnel

The total number of employees of the Telekom Austria Group declined by 825 to 16,859 employees at the end of June 2009 compared to the same period of the previous year.

Fixed Net workforce declines by 1,238 employees
433 employees left with a social plan

The workforce in the Fixed Net segment decreased by 1,238 to 8,216 full-time equivalents. 254 full-time equivalents were reduced due to the sale of eTel Slovensko and Telekom Austria Czech Republic. The remaining decrease is related primarily to the restructuring program. Within this framework 433 employees have accepted a social plan and left the company as of June 30, 2009.

The number of employees of the Mobile Communication segment increased by 413 to 8,643 employees mainly as a result of a larger workforce in the operations of Belarus and the Republic of Serbia.

Other Events

The Telekom Austria Group was informed in April 2009 that the shareholding of UBS AG, Zurich was 29,559,356 shares or 6.43% as of March 27, 2009 and the shareholding of Capital Research and Management Company was 46,059,136 shares or 10.01% as of April 7, 2009.

Mobile termination rates in Austria retroactively lowered

In April 2009 the regulator decided to lower termination rates compared to the previous schedule published in 2007. The termination rates of the Austrian mobile communication operators were reduced retroactively to a uniform termination rate of 5.72 cents as of July 1, 2008, equivalent to the level implemented by mobilkom austria since January 1, 2008. In addition, the uniform termination rate of all Austrian mobile communication operators was reduced retroactively from 5.72 cents to 4.50 cents as of January 1, 2009. On June 17, 2009 the Austrian Regulatory Authority

announced the gliding path for the reduction of the mobile termination rates to 2.01 cent by June 1, 2011 with incremental reductions of 0.5 cents.

As of June 1, 2009, mobile operators have to pay an additional 10% tax on selected revenues in the Republic of Serbia. This tax refers to revenues from SMS, MMS, voice services, data transfers (internet traffic) as well as special services.

Austrian National Council passed amendment of Telecommunications Act

On June 18, 2009 the Austrian National Council passed an amendment of the Telecommunications Act. The amendment allows for a more economical rollout of new fixed net infrastructure and replacement of the existing infrastructure. Furthermore, changes in the regulatory framework support an improved return on investments in infrastructure.

Subsequent Events

End of July 2009 the Croatian Parliament has passed an act which introduces a monthly tax on the mobile operators services effective August 1, 2009. According to the act, the mobile operators are obliged to pay a monthly fee of 6% on revenues from SMS, MMS and voice services.

In July 2009 the 25.1% interest in DSA BeteiligungsGmbH was sold. The sale had no material financial effect.

The Management Board has resolved to cancel 17 million treasury shares or 3.7% of Telekom Austria AG share capital as of August 24, 2009. Thus, the number of shares issues will be reduced to 443 million and the cancellation increases stakes of remaining shareholders by 3.8%.

Disclaimer: This document contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are usually accompanied by words such as "believe," "intend," "anticipate," "plan," "expect" and similar expressions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These factors include, but are not limited to, the following:

- the level of demand for telecommunications services or equipment, particularly with regard to access lines, traffic, bandwidth and new products;
- competitive forces in liberalized markets, including pricing pressures, technological developments, alternative routing developments and new access technologies, and our ability to retain market share in the face of competition from existing and new market entrants;
- the effects of our tariff reduction or other marketing initiatives;
- the regulatory developments and changes, including the levels of tariffs, the terms of interconnection, unbundling of access lines and international settlement arrangements;
- our ability to achieve cost savings and realize productivity improvements;
- the success of new business, operating and financial initiatives, many of which involve start-up costs, and new systems and applications, particularly with regard to the integration of service offerings;
- our ability to secure the licenses we need to offer new services and the cost of these licenses and related network infrastructure build-outs;
- the progress of our domestic and international investments, joint ventures and alliances
- the impact of our new business strategies and transformation program;
- the availability, terms and deployment of capital and the impact of regulatory and competitive developments on capital expenditure;
- the outcome of litigation in which we are involved;
- the level of demand in the market for our shares which can affect our business strategies;
- changes in the law including regulatory, civil servants and social security law, including pensions and tax law; and general economic conditions, government and regulatory policies, and business conditions in the markets we serve.

Through its expansion into the Eastern and South-eastern European region, the company operates in markets that have been experiencing political and economic change. This circumstance has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Eastern and South-eastern European region involve uncertainties, including tax uncertainties and risks related to foreign exchange rates that typically do not exist in other markets.

Due to rounding differences deviations in subtotals and totals may occur.

Condensed Consolidated Financial Statements Telekom Austria Group

Condensed Consolidated Statements of Operations

in EUR million, except per share information	2Q 09 unaudited	2Q 08 unaudited	1H 09 unaudited	1H 08 unaudited
Operating revenues	1,191.7	1,276.2	2,388.8	2,535.8
Other operating income	20.0	23.0	33.3	44.1
Operating expenses				
Materials	-89.3	-94.3	-188.2	-194.8
Employee expenses, including benefits and taxes	-200.8	-213.6	-405.8	-418.0
Depreciation and amortization	-279.6	-294.4	-554.3	-577.8
Impairment charges	-0.2	0.0	-0.2	0.0
Other operating expenses	-471.6	-522.8	-923.3	-1,012.9
Operating income	170.2	174.1	350.3	376.4
Financial result				
Interest income	6.1	4.8	17.0	11.4
Interest expense	-62.3	-56.1	-132.3	-113.5
Foreign exchange differences	-1.1	0.8	-14.1	13.5
Result from financial assets	-4.8	0.1	-3.6	1.9
Equity in earnings of affiliates	0.1	-0.2	0.4	0.1
Income before income taxes	108.2	123.5	217.7	289.8
Income taxes	-25.9	-27.2	-50.1	-63.8
Net income	82.3	96.3	167.6	226.0
Attributable to:				
Owners of the parent	82.4	96.3	167.7	225.9
Non - controlling interests	-0.1	0.0	-0.1	0.1
Basic and fully diluted earnings per share	0.19	0.22	0.38	0.51
Weighted - average number of ordinary shares outstanding	442,398,222	442,211,742	442,398,222	442,211,742

Condensed Consolidated Statements of Comprehensive Income

in EUR million	2Q 09 unaudited	2Q 08 unaudited	1H 09 unaudited	1H 08 unaudited
Net income	82.3	96.3	167.6	226.0
Unrealized result on securities available - for - sale	0.4	-0.2	0.9	-0.7
Income tax (expense) benefit	-0.1	0.1	-0.2	0.2
Realized result on securities available - for - sale	-0.1	0.1	-0.1	0.0
Unrealized result on hedging activities	3.0	1.2	-10.9	1.2
Income tax (expense) benefit	-0.1	0.0	0.8	0.0
Foreign currency translation adjustment	-47.9	31.9	-306.4	-67.2
Other comprehensive income (loss)	-44.8	33.0	-315.9	-66.5
Total comprehensive income (loss)	37.5	129.4	-148.3	159.5
Attributable to:				
Owners of the parent	37.6	129.3	-148.2	159.4
Non - controlling interests	-0.1	0.1	-0.1	0.1

Condensed Consolidated Financial Statements Telekom Austria Group

Condensed Consolidated Balance Sheets

in EUR million	June 30, 09 unaudited	Dec. 31, 08 audited
ASSETS		
Current assets		
Cash and cash equivalents	696.3	384.8
Short-term investments	160.4	86.0
Accounts receivable - trade, net of allowances	674.9	724.3
Receivables due from related parties	3.1	3.2
Inventories	118.7	128.5
Prepaid expenses	141.7	112.6
Income taxes receivable	38.2	32.9
Non-current assets held for sale	3.2	6.3
Other current assets	74.8	66.8
Total current assets	1,911.3	1,545.4
Non-current assets		
Investments in associates	7.8	4.2
Financial assets long-term	38.0	43.0
Goodwill	1,795.6	1,958.5
Other intangible assets, net	2,027.3	2,265.6
Property, plant and equipment, net	2,758.6	2,976.0
Other non-current assets	48.2	61.3
Deferred tax assets	124.7	143.4
Total non-current assets	6,800.2	7,452.0
TOTAL ASSETS	8,711.5	8,997.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	-1,158.5	-961.5
Accounts payable - trade	-455.0	-589.2
Provisions and accrued liabilities	-219.9	-228.4
Payables to related parties	-8.9	-13.7
Income taxes payable	-20.0	-20.2
Other current liabilities	-259.1	-232.4
Deferred income	-159.7	-175.1
Total current liabilities	-2,281.1	-2,220.5
Non-current liabilities		
Long-term debt	-3,087.2	-2,917.4
Lease obligations and Cross Border Lease	-20.6	-29.7
Employee benefit obligation	-119.3	-117.4
Provisions long-term	-689.2	-691.4
Deferred tax liabilities	-149.0	-188.1
Other non-current liabilities and deferred income	-686.7	-677.3
Total non-current liabilities	-4,752.0	-4,621.3
Stockholders' equity		
Common stock	-1,003.3	-1,003.3
Treasury shares	330.8	330.8
Additional paid-in capital	-547.3	-547.3
Retained earnings	-841.1	-1,005.2
Revaluation reserve	22.9	13.4
Translation adjustments	362.5	56.1
Equity attributable to equity holders of the parent	-1,675.5	-2,155.5
Non-controlling interests	-2.9	-0.1
Total stockholders' equity	-1,678.4	-2,155.6
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	-8,711.5	-8,997.4

Condensed Consolidated Financial Statements Telekom Austria Group

Condensed Consolidated Statements of Cash Flows

in EUR million	2Q 09 unaudited	2Q 08 unaudited	1H 09 unaudited	1H 08 unaudited
Cash flow from operating activities				
Net Income	82.3	96.4	167.6	226.0
Adjustments to reconcile net income to operating cash flow				
Depreciation, amortization and impairment charges	279.8	294.4	554.5	577.8
Write-offs from and appreciation to investments	0.0	0.1	0.0	0.1
Employee benefit obligation - non-cash	1.8	2.2	2.1	4.6
Allowance for doubtful accounts	12.9	9.1	23.2	19.3
Change in deferred taxes	2.4	4.0	-14.2	15.4
Equity in earnings of affiliates - non-cash	-0.1	0.2	-0.4	-0.1
Stock compensation	0.0	3.2	0.6	-6.9
Asset retirement obligation - accretion expense	1.8	1.3	3.6	2.5
Provision for restructuring - accretion expense	9.0	0.0	18.0	0.0
Result on sale of investments	-0.1	0.1	-1.1	-1.7
Result on disposal / retirement of equipment	-0.6	-5.3	0.0	-10.3
Other	1.7	0.8	18.9	0.1
	390.9	406.4	772.8	826.8
Changes in assets/liabilities, net of business combinations				
Accounts receivable - trade	-12.2	-48.0	17.3	-28.8
Receivables due from related parties	-0.2	-0.8	0.5	-0.0
Inventories	3.4	3.9	10.3	3.6
Prepaid expenses and other assets	3.8	2.1	-28.3	-28.2
Accounts payable - trade	-16.7	-7.1	-112.8	-91.5
Employee benefit obligation	-0.2	-0.3	-0.4	-0.8
Provisions and accrued liabilities	-22.6	-12.1	-31.7	-2.1
Payables due to related parties	1.7	6.2	-4.9	-6.1
Other liabilities and deferred income	-0.7	16.8	-27.9	-0.6
	-43.7	-39.3	-177.9	-154.6
Cash flow from operating activities	347.2	367.1	594.9	672.2
Cash flow from investing activities				
Capital expenditures, including interest capitalized	-149.3	-190.7	-265.3	-350.3
Acquisitions of subsidiaries, net of cash acquired	-9.5	-7.3	-12.7	-9.3
Sale of subsidiary, net of cash	0.7	0.0	7.7	1.4
Proceeds from sale of equipment	1.8	9.9	2.6	16.8
Purchase of investments	9.2	-3.2	-91.8	-6.3
Proceeds from sale of investments	3.4	0.3	6.8	1.7
Cash flow from investing activities	-143.7	-191.0	-352.7	-346.0
Cash flow from financing activities				
Proceeds from issuance of long term debt	0.0	137.5	750.0	137.5
Principal payments on long-term debt	0.0	0.0	-449.9	-327.3
Changes in short-term borrowings	-32.0	24.8	60.2	172.4
Dividends paid	-331.8	-331.7	-331.8	-331.7
Cash flow from financing activities	-363.8	-169.4	28.5	-349.1
Effect of exchange rate changes	9.2	-1.3	40.8	9.2
Change in cash and cash equivalents	-151.1	5.5	311.5	-13.7
Cash and cash equivalents at beginning of period	847.4	189.9	384.8	209.1
Cash and cash equivalents at end of period	696.3	195.4	696.3	195.4

Condensed Consolidated Financial Statements Telekom Austria Group

Condensed Consolidated Statement of Changes in Stockholders' Equity

in EUR million (unaudited)	Common stock Par Value	Treasury shares	Additional paid-in capital	Retained earnings	Revaluation reserve	Translation adjustment	Total	Non- controlling interest	Total stockholders' equity
Balance at January 1, 09	1,003.3	-330.8	547.3	1,005.2	-13.4	-56.1	2,155.5	0.1	2,155.6
Total comprehensive income (loss)				167.6	-9.5	-306.4	-148.3	-0.1	-148.3
Distribution of dividends				-331.8			-331.8		-331.8
Addition from acquisition								2.9	2.9
Balance at June 30, 09	1,003.3	-330.8	547.3	841.1	-22.9	-362.5	1,675.5	2.9	1,678.4
in EUR million (unaudited)	Common stock Par Value	Treasury shares	Additional paid-in capital	Retained earnings	Revaluation reserve	Translation adjustment	Total	Non- controlling interest	Total stockholders' equity
Balance at January 1, 08	1,003.3	-334.4	548.9	1,385.7	0.1	-38.3	2,565.3	0.0	2,565.3
Total comprehensive income (loss)				225.9	0.7	-67.2	159.4	0.1	159.5
Distribution of dividends				-331.7			-331.7		-331.7
Balance at June 30, 08	1,003.3	-334.4	548.9	1,280.0	0.8	-105.6	2,393.0	0.1	2,393.1

	June 30, 09	Dec. 31, 08	June 30, 08
Number of shares of common stock	460,000,000	460,000,000	460,000,000
Number of treasury shares	17,601,778	17,601,778	17,788,258
Average purchase price of treasury shares	18.80	18.80	18.80

Condensed Consolidated Financial Statements Telekom Austria Group

Condensed Segment Reporting

1H 09					
in EUR million (unaudited)	Fixed Net	Mobile Communication	Corporate & Other	Eliminations	Consolidated
External revenues	845.7	1,543.1	0.0	0.0	2,388.8
Intersegmental revenues	80.7	47.8	0.0	-128.5	0.0
Total revenues	926.4	1,590.9	0.0	-128.5	2,388.8
Other operating income	28.5	17.8	3.4	-16.4	33.3
Segment expenses	-655.1	-988.7	-15.4	141.9	-1,517.3
EBITDA	299.8	620.0	-12.0	-3.0	904.8
Impairment charges	-0.2	0.0	0.0	0.0	-0.2
EBITDA (incl. Impairment charges)	299.6	620.0	-12.0	-3.0	904.6
Depreciation and amortization	-231.2	-323.5	0.0	0.4	-554.3
Operating income	68.4	296.5	-12.0	-2.6	350.3
Financial result					-132.6
Income before income taxes					217.7
Segment assets	2,400.6	6,780.9	7,307.7	-7,777.7	8,711.5
Segment liabilities	-1,316.3	-4,720.1	-5,616.0	4,619.3	-7,033.1
1H 08					
in EUR million (unaudited)	Fixed Net	Mobile Communication	Corporate & Other	Eliminations	Consolidated
External revenues	963.7	1,572.1	0.0	0.0	2,535.8
Intersegmental revenues	80.1	38.7	0.0	-118.8	0.0
Total revenues	1,043.8	1,610.8	0.0	-118.8	2,535.8
Other operating income	30.8	23.8	3.3	-13.8	44.1
Segment expenses	-762.2	-981.8	-14.0	132.3	-1,625.7
EBITDA	312.4	652.8	-10.7	-0.3	954.2
Depreciation and amortization	-259.4	-318.6	0.0	0.2	-577.8
Operating income	53.0	334.2	-10.7	-0.1	376.4
Financial result					-86.6
Income before income taxes					289.8
Segment assets	2,530.3	7,420.5	6,459.8	-7,696.7	8,713.9
Segment liabilities	-1,015.3	-4,969.6	-4,755.4	4,419.5	-6,320.8

Net Debt*

in EUR million	June 30, 09 unaudited	Dec. 31, 08 audited
Long - term debt	3,760.6	3,599.5
Short - term borrowings	1,158.5	961.5
Cash and cash equivalents, short - term and long - term investments, financing with related parties	-893.8	-513.1
Derivative financial instruments for hedging purposes	-21.4	-54.6
Net debt	4,003.9	3,993.3
Net debt/EBITDA (last 12 months)	3.3x	3.1x
Net debt/EBITDA (last 12 months) excl. restructuring program	2.1x	2.1x

* Cross border lease and finance lease obligations are included in long-term debt and short-term borrowings. Deposits for cross border lease are included in short-term and long-term investments. The purchase price obligation related to the acquisition of SBT is included in long-term debt.

Results by Segments

in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues						
Fixed Net	456.9	521.9	-12.5%	926.4	1,043.8	-11.2%
Mobile Communication	800.6	814.3	-1.7%	1,590.9	1,610.8	-1.2%
Corporate, Other & Eliminations	-65.8	-60.0	9.7%	-128.5	-118.8	8.2%
Revenues	1,191.7	1,276.2	-6.6%	2,388.8	2,535.8	-5.8%
EBITDA						
Fixed Net	142.0	155.5	-8.7%	299.8	312.4	-4.0%
Mobile Communication	313.7	319.4	-1.8%	620.0	652.8	-5.0%
Corporate, Other & Eliminations	-5.7	-6.4	-10.9%	-15.0	-11.0	36.4%
EBITDA	450.0	468.5	-3.9%	904.8	954.2	-5.2%
Operating income						
Fixed Net	23.4	23.1	1.3%	68.4	53.0	29.1%
Mobile Communication	152.4	157.3	-3.1%	296.5	334.2	-11.3%
Corporate, Other & Eliminations	-5.6	-6.3	-11.1%	-14.6	-10.8	35.2%
Operating income	170.2	174.1	-2.2%	350.3	376.4	-6.9%

Capital Expenditures

in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Fixed Net	55.9	64.4	-13.2%	89.4	132.5	-32.5%
Mobile Communication	93.4	126.3	-26.0%	175.9	217.8	-19.2%
Total capital expenditures	149.3	190.7	-21.7%	265.3	350.3	-24.3%
Thereof tangible	117.0	152.4	-23.2%	198.0	274.6	-27.9%
Thereof intangible	32.3	38.3	-15.7%	67.3	75.7	-11.1%

Personnel

Personnel (full-time equivalent)	End of period			Average of period		
	June 30, 09	June 30, 08	change	2Q 09	2Q 08	change
Fixed Net	8,216	9,454	-1,238	8,333	9,357	-1,024
Mobile Communication	8,643	8,230	413	8,490	8,245	245
Telekom Austria Group	16,859	17,684	-825	16,823	17,602	-779

Key Data Fixed Net

Lines (in '000)	2Q 09	2Q 08	% change
Access lines (without broadband lines)	1,357.8	1,540.5	- 11.9%
Fixed Net broadband retail lines	895.8	757.5	18.3%
Fixed Net broadband wholesale lines	62.6	68.9	- 9.1%
Fixed Net broadband lines	958.4	826.4	16.0%
Total access lines	2,316.2	2,366.9	- 2.1%
Lines unbundled	291.6	297.5	- 2.0%

Other Operationals	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Average revenues per access line (ARPL)	34.5	37.5	- 8.0%	35.1	37.3	- 5.9%
Total voice minutes	839	960	- 12.6%	1,752	1,988	- 11.9%

Fixed Net revenues in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Access, Voice and Broadband	240.4	276.3	- 13.0%	490.4	554.1	- 11.5%
Data	96.7	115.8	- 16.5%	194.2	219.1	- 11.4%
Wholesale Voice & Internet	86.6	103.8	- 16.6%	176.6	214.6	- 17.7%
Others	33.2	26.0	27.7%	65.2	56.0	16.4%
Fixed Net revenues	456.9	521.9	- 12.5%	926.4	1,043.8	- 11.2%

Austrian Telecommunications Market

Broadband Market Shares	2Q 09	2Q 08	% change
Telekom Austria Fixed Net Retail	29.9%	30.7%	-
Telekom Austria Fixed Net Wholesale	2.1%	2.8%	-
Mobile broadband mobilkom austria	15.5%	12.8%	-
Mobile broadband other operators	24.0%	18.3%	-
Cable	19.4%	24.1%	-
Unbundled lines	9.1%	11.3%	-
Broadband penetration - Total market	83.1%	70.1%	-

Voice Market Shares	2Q 09	2Q 08	% change
Fixed Net Telekom Austria	14.8%	16.7%	-
Fixed Net Others	8.3%	9.7%	-
Mobile	76.9%	73.6%	-

Key Data Mobile Communication

Mobile Communication in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	800.6	814.3	-1.7%	1,590.9	1,610.8	-1.2%
EBITDA	313.7	319.4	-1.8%	620.0	652.8	-5.0%
Operating income	152.4	157.3	-3.1%	296.5	334.2	-11.3%
Data as a portion of traffic - related revenues	27.7%	24.4%	-	28.8%	25.1%	-

	2Q 09	2Q 08	% change
Subscribers ('000)	18,140.1	16,468.8	10.1%

mobilkom austria* in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	391.8	397.4	-1.4%	795.4	806.4	-1.4%
EBITDA	147.1	139.5	5.4%	307.8	309.6	-0.6%
Operating income	89.3	76.4	16.9%	191.3	183.2	4.4%
Monthly ARPU (EUR)	25.5	28.1	-9.3%	25.5	28.4	-10.2%
Data as a portion of traffic - related revenues	35.1%	31.0%	-	36.2%	31.3%	-
Subscriber acquisition cost (SAC)	11.4	12.3	-7.3%	25.7	23.6	8.9%
Subscriber retention cost (SRC)	20.4	16.4	24.4%	39.1	34.8	12.4%
Churn (3 months)	3.4%	3.3%	-	7.3%	7.3%	-
Monthly MOU charged / ø subscriber	163.8	177.1	-7.5%	166.0	180.2	-7.9%

	2Q 09	2Q 08	% change
Subscribers ('000)	4,628.4	4,257.4	8.7%
Contract share	70.9%	67.5%	-
Market share	42.3%	42.5%	-
Market penetration	130.8%	119.8%	-

Mobiltel, Bulgaria, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	157.7	165.6	-4.8%	307.8	320.0	-3.8%
EBITDA	87.9	96.0	-8.4%	164.5	188.9	-12.9%
Operating income	42.8	51.9	-17.5%	74.4	104.8	-29.0%
Monthly ARPU (EUR)	9.5	9.9	-4.0%	9.1	9.6	-5.2%
Data as a portion of traffic - related revenues	13.8%	11.1%	-	14.2%	11.6%	-

	2Q 09	2Q 08	% change
Subscribers ('000)	5,205.4	5,154.2	1.0%
Contract share	56.3%	47.3%	-
Market share	50.0%	50.5%	-
Market penetration	137.5%	133.8%	-

* The reported operating income represents the contribution of the subsidiaries to the consolidated operating income of operations of the Telekom Austria Group including amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the results of the single financial statements.

Key Data Mobile Communication

Velcom*, Belarus, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	75.6	71.1	6.3%	148.4	135.6	9.4%
EBITDA	38.8	35.0	10.9%	75.5	66.9	12.9%
Operating income	20.8	16.9	23.1%	39.0	30.1	29.6%
Monthly ARPU (EUR)	6.4	6.9	-7.2%	6.3	6.7	-6.0%

	2Q 09	2Q 08	% change
Subscribers ('000)	3,817.4	3,369.0	13.3%
Market share	43.1%	44.4%	-
Market penetration	91.5%	78.2%	-

Vipnet*, Croatia, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	119.3	128.2	-6.9%	224.7	244.7	-8.2%
EBITDA	40.6	49.4	-17.8%	73.2	91.6	-20.1%
Operating income	22.7	31.1	-27.0%	37.3	55.1	-32.3%
Monthly ARPU (EUR)	12.3	14.9	-17.4%	12.2	14.7	-17.0%
Data as a portion of traffic - related revenues	30.0%	26.9%	-	30.7%	27.8%	-

	2Q 09	2Q 08	% change
Subscribers ('000)	2,609.0	2,272.2	14.8%
Contract share	23.3%	21.5%	-
Market share	43.3%	42.2%	-
Market penetration	136.5%	122.1%	-

Si.mobil*, Slovenia, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	42.4	46.4	-8.6%	88.1	90.5	-2.7%
EBITDA	11.4	15.5	-26.5%	21.7	30.2	-28.1%
Operating income	5.8	10.1	-42.6%	10.4	19.9	-47.7%
Monthly ARPU (EUR)	21.2	23.6	-10.2%	21.5	23.5	-8.5%
Data as a portion of traffic - related revenues	20.7%	19.3%	-	21.0%	20.6%	-

	2Q 09	2Q 08	% change
Subscribers ('000)	581.8	534.7	8.8%
Contract share	68.1%	64.1%	-
Market share	28.0%	27.2%	-
Market penetration	102.4%	98.0%	-

* The reported operating income represents the contribution of the subsidiaries to the consolidated operating income of operations of the Telekom Austria Group including amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the results of the single financial statements.

Key Data Mobile Communication

Vip mobile, Republic of Serbia, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	18.4	12.7	44.9%	33.8	24.8	36.3%
EBITDA	-7.4	-9.6	-22.9%	-14.2	-22.6	-37.2%
Operating income	-22.8	-21.8	4.6%	-44.2	-45.0	-1.8%
Monthly ARPU (EUR)	5.3	5.3	0.0%	5.0	5.5	-9.7%

	2Q 09	2Q 08	% change
Subscribers ('000)	1,067.5	666.6	60.1%
Market share	10.7%	7.2%	-
Market penetration	133.2%	123.9%	-

Vip operator, Republic of Macedonia, in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	5.2	2.5	108.0%	9.1	4.3	111.6%
EBITDA	-4.0	-5.2	-23.1%	-8.3	-11.2	-25.9%
Operating income	-5.7	-6.1	-6.6%	-11.7	-13.0	-10.0%
Monthly ARPU (EUR)	6.5	3.6	80.6%	5.6	3.4	64.7%

	2Q 09	2Q 08	% change
Subscribers ('000)	224.4	209.2	7.3%
Market share	9.6%	9.9%	-
Market penetration	114.6%	103.8%	-

mobilkom liechtenstein in EUR million (unaudited)	2Q 09	2Q 08	% change	1H 09	1H 08	% change
Revenues	4.6	5.7	-19.3%	10.2	10.3	-1.0%
EBITDA	1.0	0.8	25.0%	1.8	1.9	-5.3%
Operating income	0.8	0.6	33.3%	1.4	1.5	-6.7%

	2Q 09	2Q 08	% change
Subscribers ('000)	6.2	5.5	12.7%

Waiver of Review

This half-yearly financial report of the Telekom Austria Group has not been audited or reviewed.

Statement of all Legal Representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the International Financial Reporting Standards (IFRS) and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 19, 2009

The Management Board



Hannes Ametsreiter, CEO



Hans Tschuden, Deputy CEO, CFO