

**Vienna, June 10, 2002: Telekom Austria (VSE:TKA; NYSE:TKA) today announced that its mobile subsidiary, Mobilkom Austria, has increased its stake in the Croatian operator VIPnet from 66% to 71%.**

Mobilkom Austria has acquired the 5% stake from Ingra, an Engineering & Construction Company. A 19% stake is held by Western Wireless International and 10% by Vecernji List, a publishing house.

With total revenues of EUR 58.8million in the first quarter 2002 (+ 48.5% compared to the previous year) VIPnet accounts for approximately 13% of total mobile revenues within the Telekom Austria Group. EBITDA increased by 143.5% to EUR 22.4million in the first quarter 2002, which corresponds to an EBITDA margin of 38.1%. Total subscriber numbers reached 911,000 as of end of March 2002, with mobile penetration rate totaling 42.3% in Croatia.

The Croatian market is currently marked by two aspects: the high number of prepaid customers and high SMS volume. The monthly average of SMS sent by a VIPnet customer is 69, three times as many as the average European subscriber.

As to the further development the telecommunications market in Croatia, Boris Nemsic, CEO of Mobilkom Austria, said: "As innovation leader our main focus for the future will be on business customers who need innovative services and fast data transfer."

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