

Telekom Austria Group Results of the Financial Year 2003

24 March, 2004

Cautionary Statement

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Forward-looking information involves risks and uncertainties that could significantly affect expected results. These risks and uncertainties are discussed in Telekom Austria's SEC filings, including, but not limited to, Telekom Austria's Form 6-K containing the relevant press release and certain sections of the Company's Annual Report on Form 20-F.

Key Developments

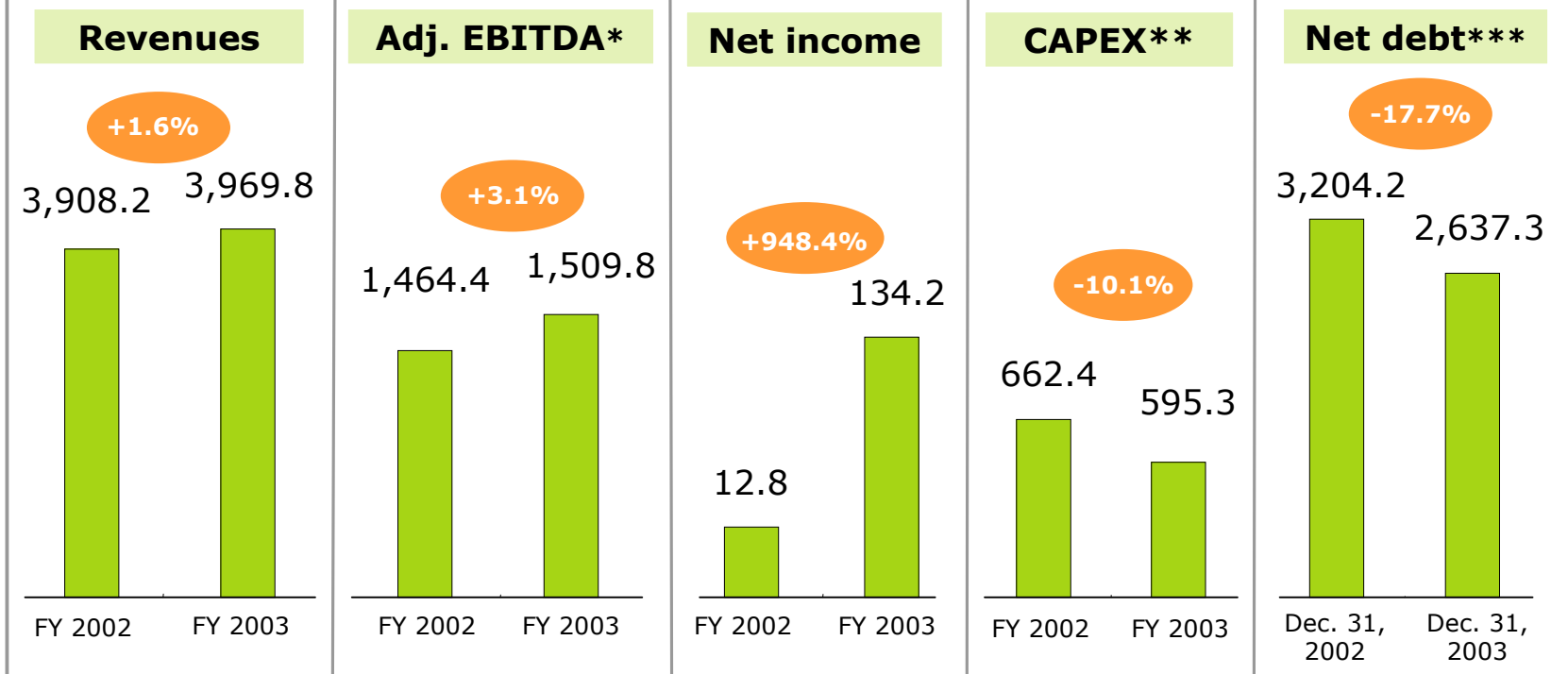
Telekom Austria Group 2003 Highlights

- 50% growth in ADSL customers mitigates wireline revenue decline
- Headcount reduction ahead of plan; further operating cost reductions achieved
- Earnings improve in all wireless operations
- Rising net adds in Austrian wireless business in spite of intensifying competition
- Substantial increase in net profit; dividend to be paid for first time since IPO
- Start of share buyback
- New stock option plan linked to operating performance and share price development about to be introduced

Telekom Austria – Full Year Results

Key Financial Indicators

(EUR million)



*Adjusted EBITDA: net income excluding interest, taxes, depreciation, amortization, impairment charges, dividend income, equity in earnings of affiliates, other non-operating income/expense, minority interests and the cumulative effect of changes in accounting principle. This equals to operating income plus depreciation, amortization and impairment charges. ** Add. to property, plant & equipment, including the effect of the adoption of SFAS 143 "Accounting for Asset Retirement Obligation" in the amount of EUR 6.6 million during FY 2003. *** See slide number 47

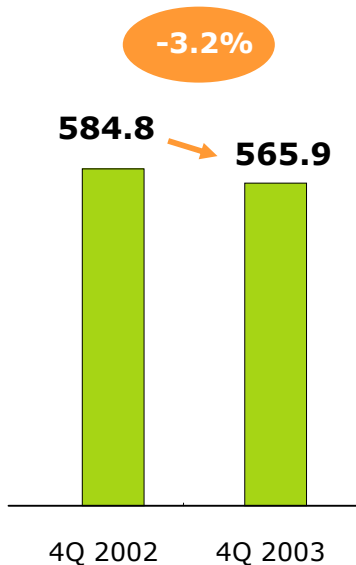
Wireline

Wireline Results 4Q 03

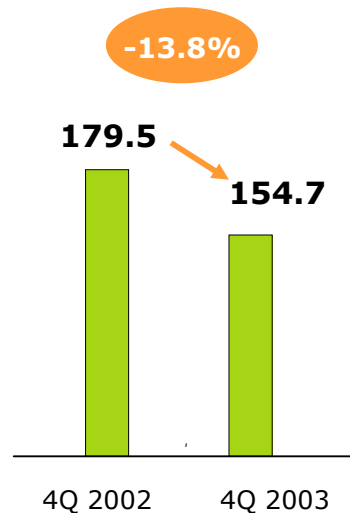
4Q 2003 Results

(EUR million)

Revenues*



Adj. EBITDA



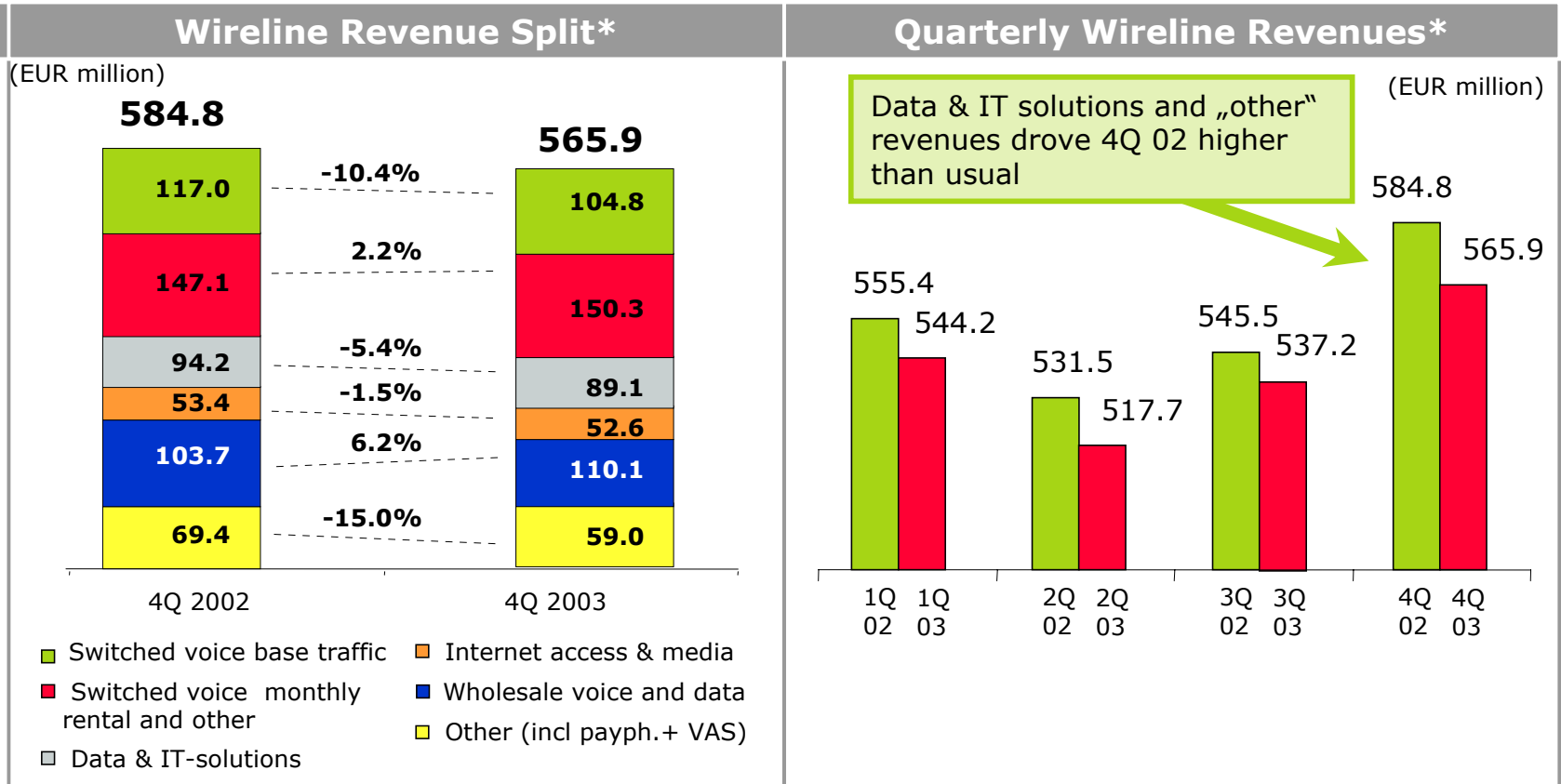
Key Highlights

- Year-on-year revenue comparison impacted by unusually high 4Q 02 revenues
- Excluding impact of headcount reduction (provision reversals and redundancy costs) adjusted EBITDA rises by over 6% to EUR 180million; reflects further costs reductions
- ADSL increases broadband market share
- Expected further stabilization of business trend in 2004

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003. Revenues excluding third party value added services revenues are the basis for the calculation of the adjusted EBITDA margin. See also slides 22 and 43

Wireline Revenues

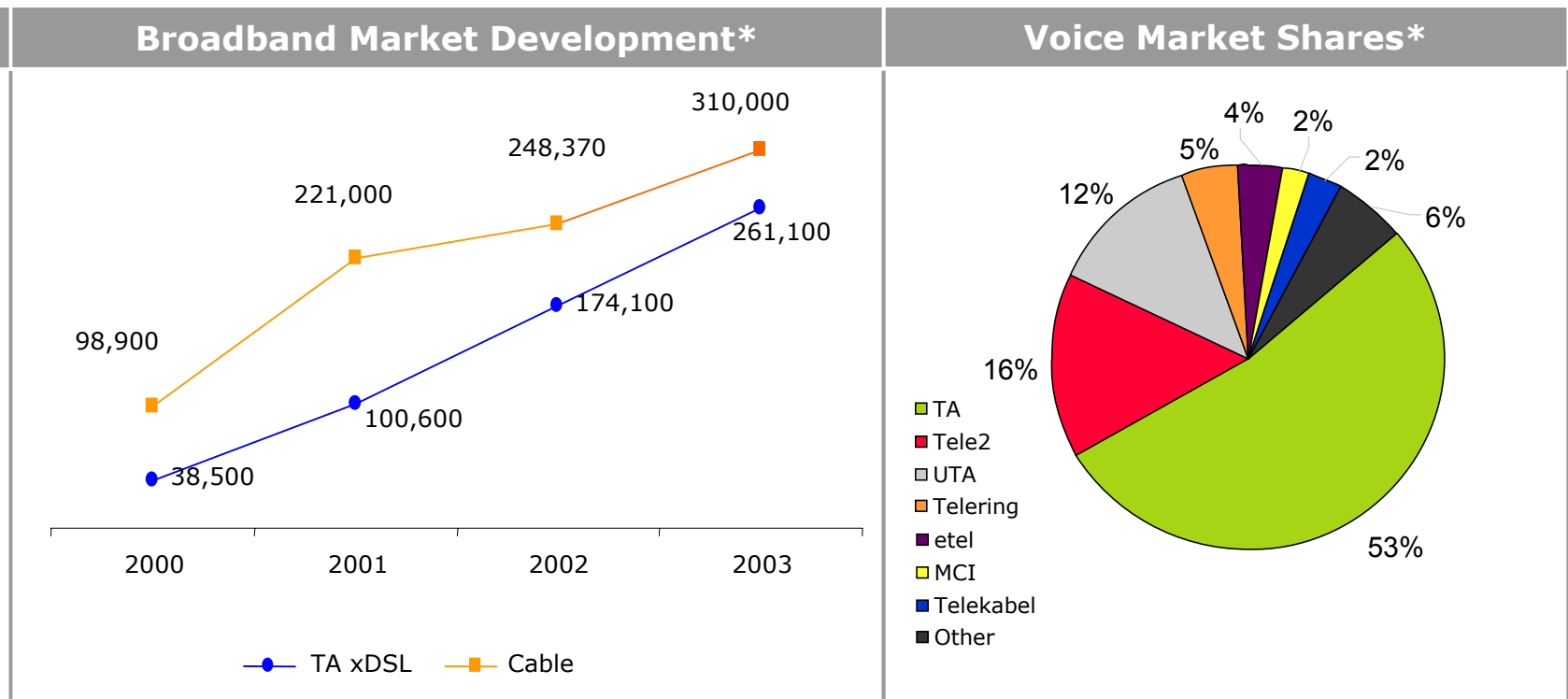
- Voice revenues decline due to lower volumes and tariffs; monthly rental revenues benefit from elimination of minimum tariff; project business drove Data & IT solutions and „Other“ revenues in 4Q 02



* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003.

Wireline Voice and Broadband Markets

- Continuing migration of voice volumes into mobile networks; elimination of minimum tariff has resulted in less churn than expected
- Strong uptake of ADSL in 2H; expected to overtake cable in 2004/05



*Telekom Austria estimates

Ways to Increase ADSL Penetration

Upgrades and new features to enhance product attractiveness	Demand orientated customer segmentation	Raising public awareness
<ul style="list-style-type: none">▪ 500 MB starter package▪ Capacity upgrade▪ xDSL office▪ Additional products, e.g.:<ul style="list-style-type: none">▪ AonSpamfilter▪ AonVirenchecker▪ Music download▪ Aon.tv▪ Security for businesses	<ul style="list-style-type: none">▪ Retail customers▪ Convenience users vs. heavy users▪ Small and medium enterprises▪ Special user groups, e.g. business lines, seniors etc.	<p>Broadband penetration is becoming a competitive advantage:</p> <ul style="list-style-type: none">▪ National▪ Regional▪ Local



+ 50 % ADSL customers in 2003

Targeted Marketing Initiatives in 2004

	Voice & Voice Related	Data & IT Solutions	Multimedia
Private Customers	<ul style="list-style-type: none"> ▪ TikTak tariff relaunch: <ul style="list-style-type: none"> ▪ simplification ▪ usage stimulation ▪ improve price perception ▪ Churn prevention and customer winback 	<ul style="list-style-type: none"> ▪ Further focus on broadband user ▪ Bundling access with specific add-ons 	<ul style="list-style-type: none"> ▪ Leading Aon.portal to back one-stop shopping offers ▪ Further roll out of multimedia stations
Small Offices Small Business Customers	<ul style="list-style-type: none"> ▪ Office tariff launch ▪ Value added services initiative ▪ Event based billing 	<ul style="list-style-type: none"> ▪ XDSL office offering ▪ Bundling offers for specific customer needs e.g. Internet on rooms ▪ Customized security solutions (firewalls, housing, hosting) 	
Key Account Customers	<ul style="list-style-type: none"> ▪ “Everywhere connected” network push promoting security and reliability of TA data network ▪ Business security initiative ▪ Position TA as customized application service provider 		

2007 Goals of Wireline Top Program

Most profitable incumbent in Europe

- Real growth in revenues
- Cost leadership in operations and infrastructure
- Cost leadership in overhead

Market and innovation leader in Austria

- > 50% voice market share
- > 50% broadband market share
- Strong positioning in IT and multimedia

5% revenues from new businesses

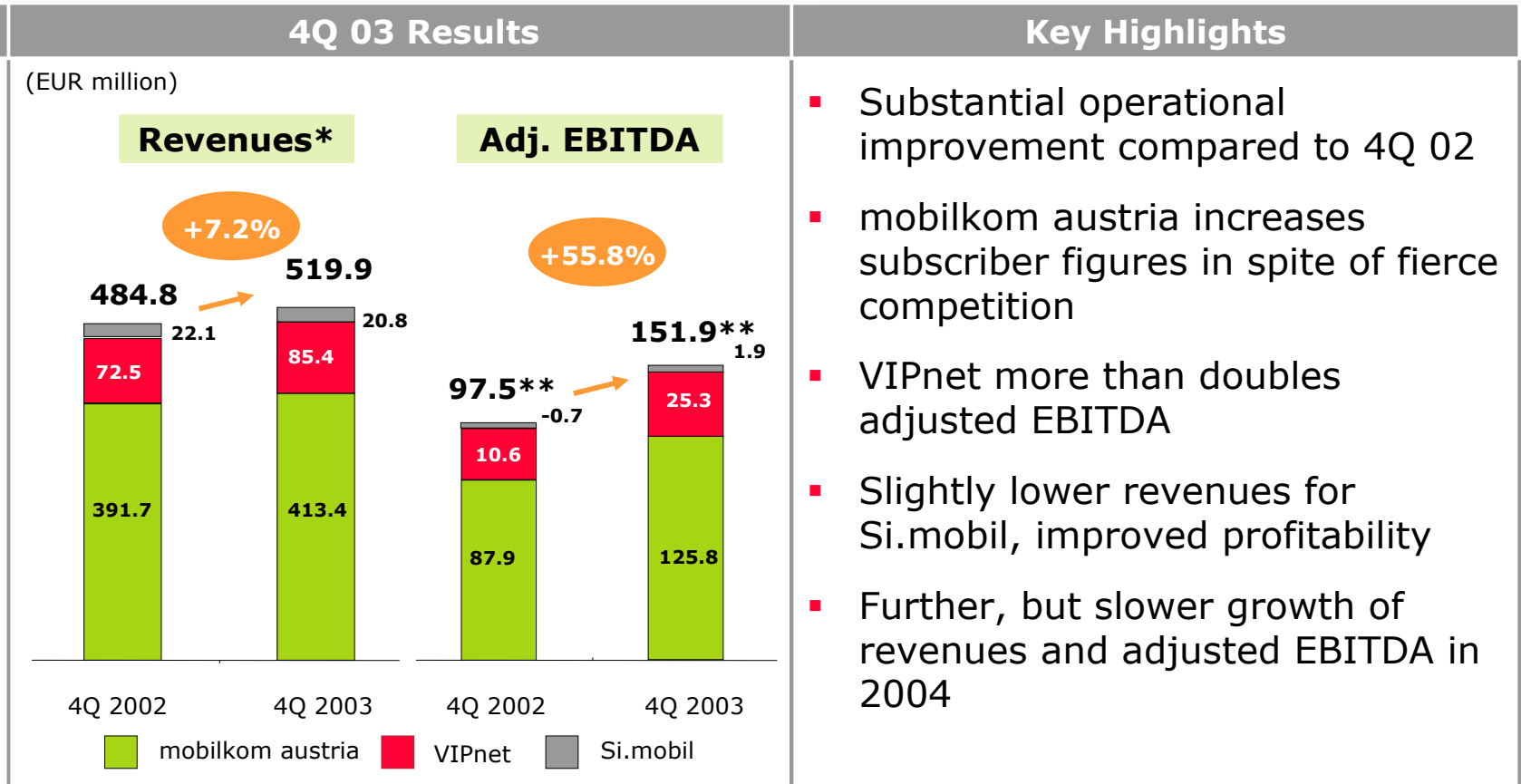
- Exploit TA core competencies
- Active participation in market consolidation
- Profitable partnering options

Most attractive high-tech employer in Austria

- Top talents and development
- Top image
- Stable average personnel costs

Wireless

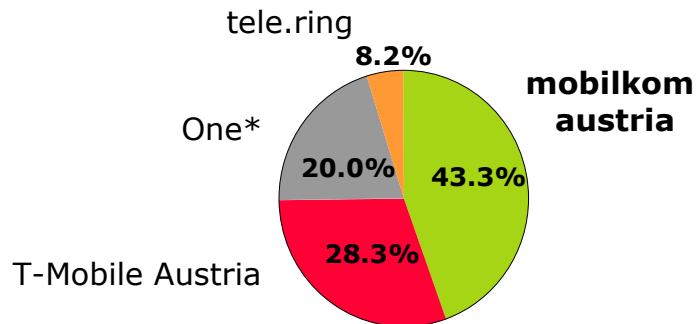
Wireless Results 4Q 03



* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003. Revenues excluding third party value added services revenues are the basis for the calculation of the adjusted EBITDA margin. See also slides 22 and 43. ** Total consolidated figures

Market and Subscribers in Austria

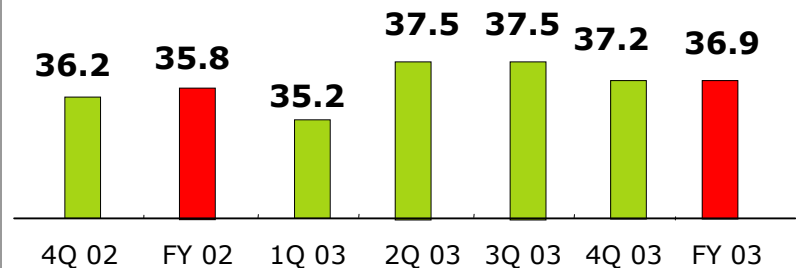
Market Share and Subscribers



*including ~33,600 Tele2 subscribers
Hutchison Austria: 17,100 subscribers (0.2% market share)

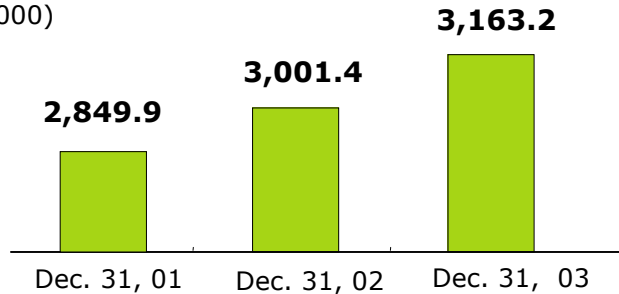
Blended ARPU

(in EUR)

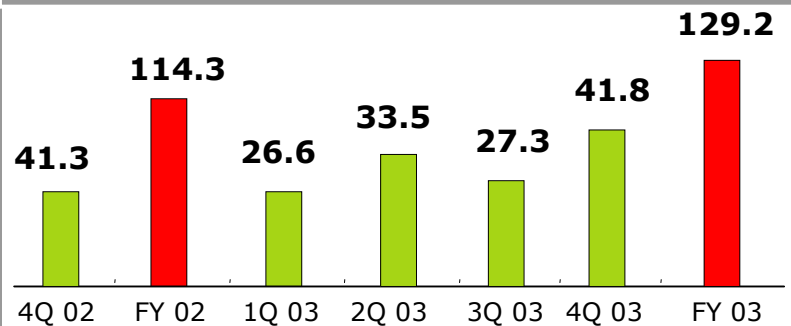


Subscribers mobilkom austria

(in 000)



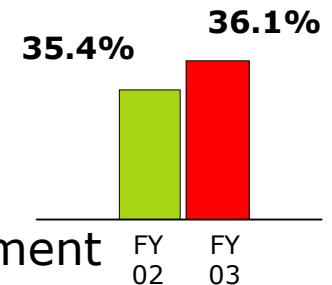
SRC+SAC



How mobilkom austria Succeeds

- Margin rises in spite of competitive battle
- Main factors of mobilkom austria success:
 - Strong brand A1
 - Best quality and largest network
 - 2/3 of the business market
 - State-of-the-art customer relationship management
 - Vodafone partnership increases visitor roaming capture rate
 - Large portfolio of attractive data products
 - UMTS launch underlines technological leadership
 - 1 cent offer in 2004 takes away Telering's USP

**mobilkom austria
adjusted EBITDA
margin***

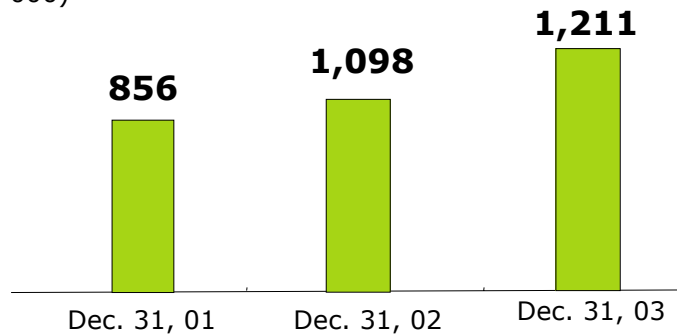


* Revenues excluding third party value added services revenues are the basis for the calculation of the adjusted EBITDA margin.

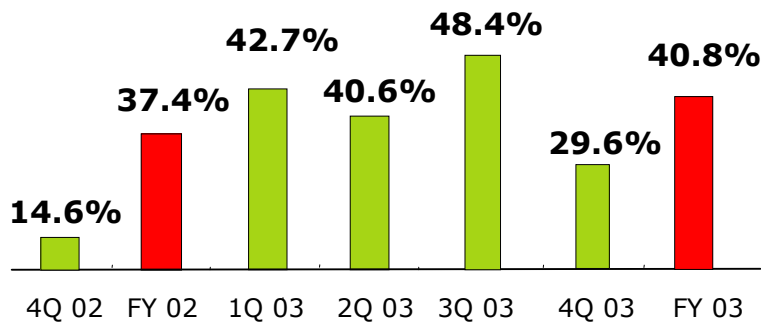
VIPnet – 4Q 03 Results

VIPnet - Subscriber Base

(in 000)



VIPnet - Adj. EBITDA Margin



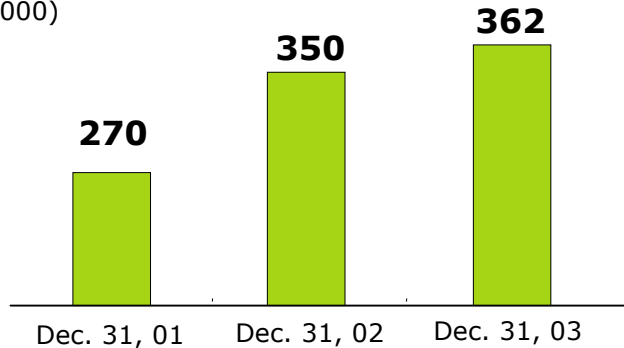
Key Highlights

- 50% market share
- Subscriber number rises by 10.3%
- Revenues rise by 18%
- Adjusted EBITDA more than doubles
- VIPnet intends to acquire a UMTS license
- GSM license auction could bring a third operator

Si.mobil – 4Q 03 Results

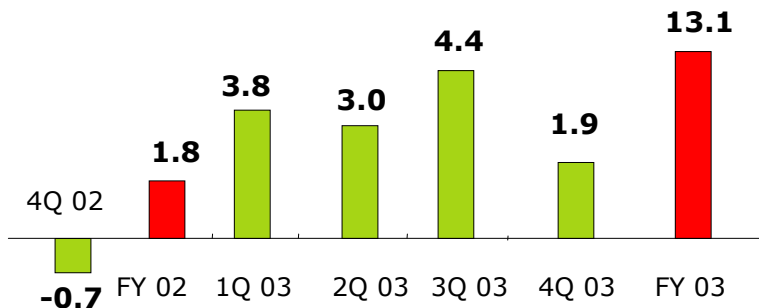
Si.mobil - Subscriber Base

(in 000)



Si.mobil - Adj. EBITDA

(EUR million)



Key Highlights

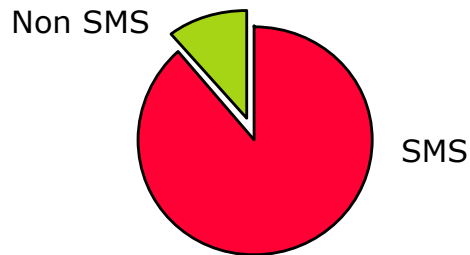
- 24% market share
- Slight revenue decline due to lower equipment revenues
- Full year EBITDA margin rises from 2% to 16%, operating result almost break-even
- Favorable deal for asymmetrical interconnection rates with the incumbent in November 03
- Regulatory framework is about to change after EU accession of Slovenia in May 04

Expanding Portfolio of Data Products

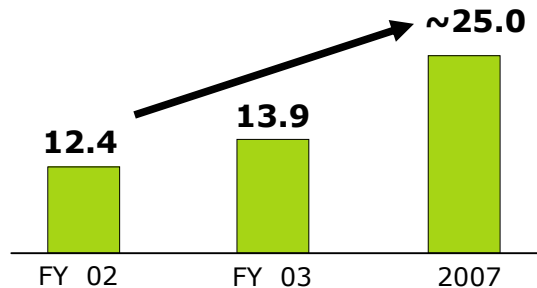
Mobile Data – Wireless Segment

Key Highlights

Structure of data revenue 2003



Data in % of airtime*



- More than EUR 150 Mio. generated through data products in 2003
- Goal 2007: balanced data revenue structure SMS vs. other data products
- Innovation leader:
 - First European national UMTS in Europe (~50% pop coverage)
 - WLAN with McDonald's and railways
 - Vodafone Connect UMTS/GPRS datacard
 - First high-speed data network in Slovenia (EDGE)
- Successful data services:
 - 35,000 mobile parking users in Austria; know-how transfer from Croatia
 - 90,000 mobile event tickets in 2003

*Traffic related revenues

Financial Overview

Telekom Austria FY 03 Results

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Total managed Revenues	1,018.5	1,008.4	+1.0%	3,969.8	3,908.2	+1.6%
<i>Total managed Revenues excluding third party value added services revenues*</i>	<i>1,018.5</i>	<i>992.2</i>	<i>+2.6%</i>	<i>3,923.9</i>	<i>3,849.8</i>	<i>+1.9%</i>
Adjusted EBITDA	307.1	284.7	7.9%	1,509.8	1,464.4	3.1%
Adjusted EBITDA margin*	30.2%	28.7%		38.5%	38.0%	
Operating income (loss)	14.2	-81.1	-	369.8	273.1	35.4%
Net income (loss)	-21.2	-99.2	78.6%	134.2	12.8	948.4%
Earnings per share (in EUR)	-0.04	-0.19	78.6%	0.27	0.03	948.4%
Capital expenditures **	255.9	291.5	-12.2%	595.3	662.4	-10.1%
Net debt (end of period)				2,637.3	3,204.2	-17.7%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003. Revenues excluding third party value added services revenues are the basis for the calculation of the adjusted EBITDA margin. See also slides 22 and 42. ** Add. to property, plant & equipment incl. EUR 6.6 million due to SFAS 143 Asset Retirement Obligation

Change of Accounting for VAS

- In accordance with a ruling of the Austrian supreme court, Telekom Austria is no longer considered the primary obligor for value added services provided by third parties and ceased reporting revenues on a gross basis, beginning on October 1, 2003.
- Effect: Equal reduction of revenues and costs with no impact on adjusted EBITDA and on operating income.
- Third party valued added service revenues:

(EUR million)	4Q 03*	4Q 02**	FY 2003**	FY 2002**
Wireline	12.2	11.8	32.7	42.8
Wireless	6.6	7.8	20.3	25.3
Other & eliminations	-2.8	-3.4	-7.1	-9.7
Total managed revenues	16.0	16.2	45.9	58.4

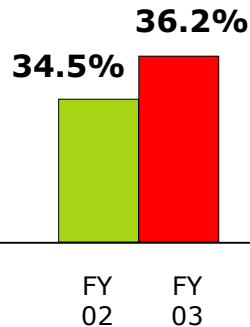
* In 4Q 03 and FY 2003 third party valued added revenues in the amount of EUR 16.0 million have been netted with costs in the same amount for Telekom Austria Group as a whole. Therefore these amounts are not included in revenues for 4Q 03 and FY 2003.

** Amounts for periods prior to October 1, 2003 which are included in revenues for these periods. Where necessary for comparison reasons, revenue figures including the change also for prior periods are shown. Slide 42 shows the full picture of segmental and group revenues when applying the accounting change during 4Q 03 also to prior periods.

Successful Focus on Profitability

Adjusted EBITDA Margins

Wireless*



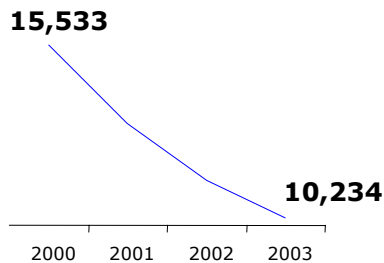
Wireline*



Key Highlights

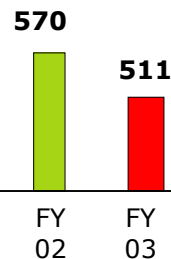
- Wireless benefits from strong 4Q 03
- Wireline impacted by headcount reduction
- Excluding redundancy costs and reversals of provisions personnel costs fall by EUR 59million and wireline EBITDA margins rise from 34.3% to 37%
- Wireline headcount reduction of 1,125 in 2003
- Other opex fall by EUR 44million

Wireline Headcount

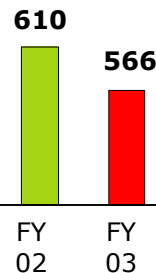


Wireline Costs

Personnel **



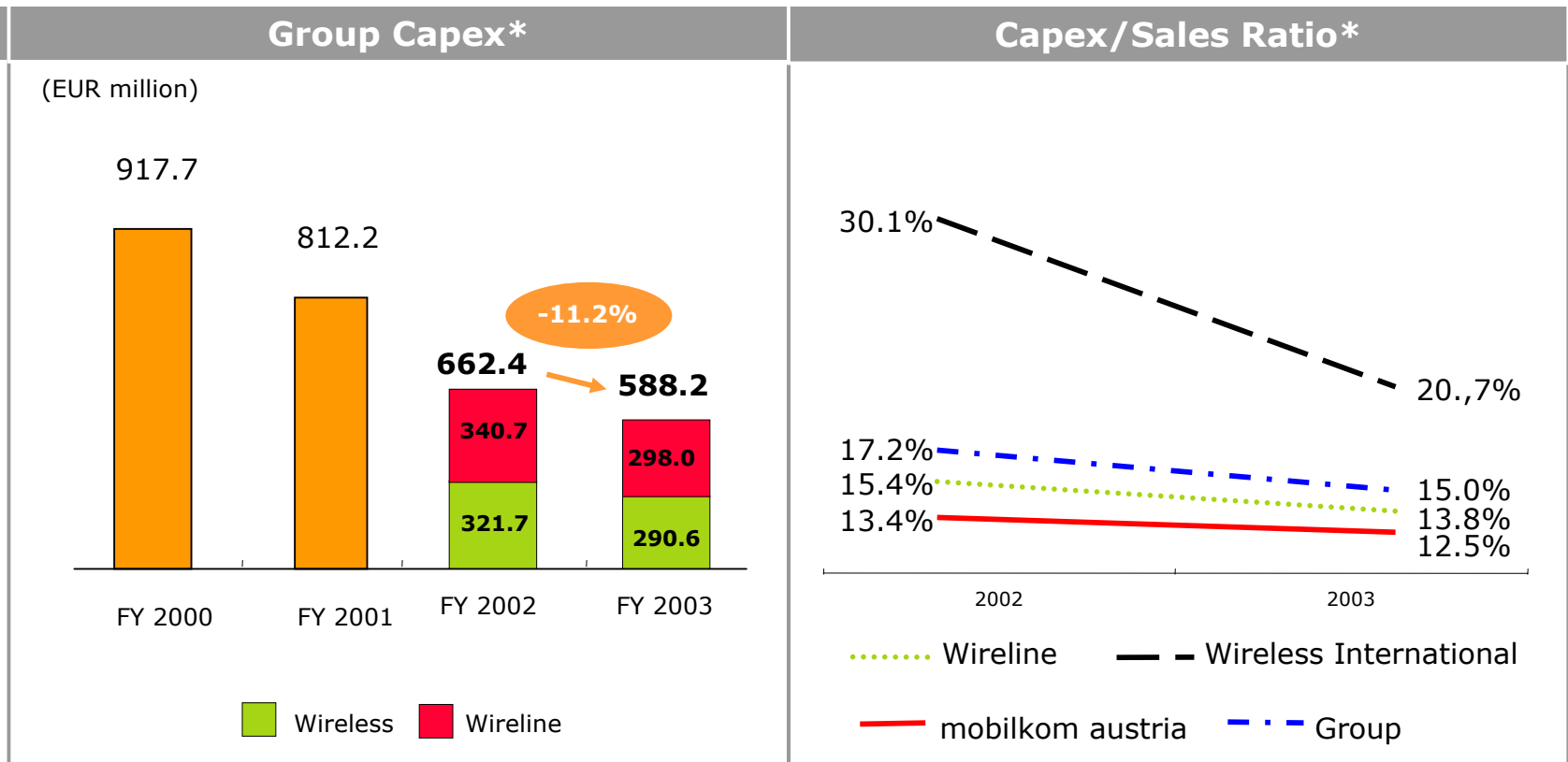
Other opex***



* Based on revenues with prior periods adjusted to reflect change in accounting of third party valued added services VAS during 4Q 03
 ** Without reversals of early retirement costs and additional redundancy costs *** Operating costs without personnel, interconnection costs, depreciation, amortization and impairment charges

Rigid Capital Expenditures Policy

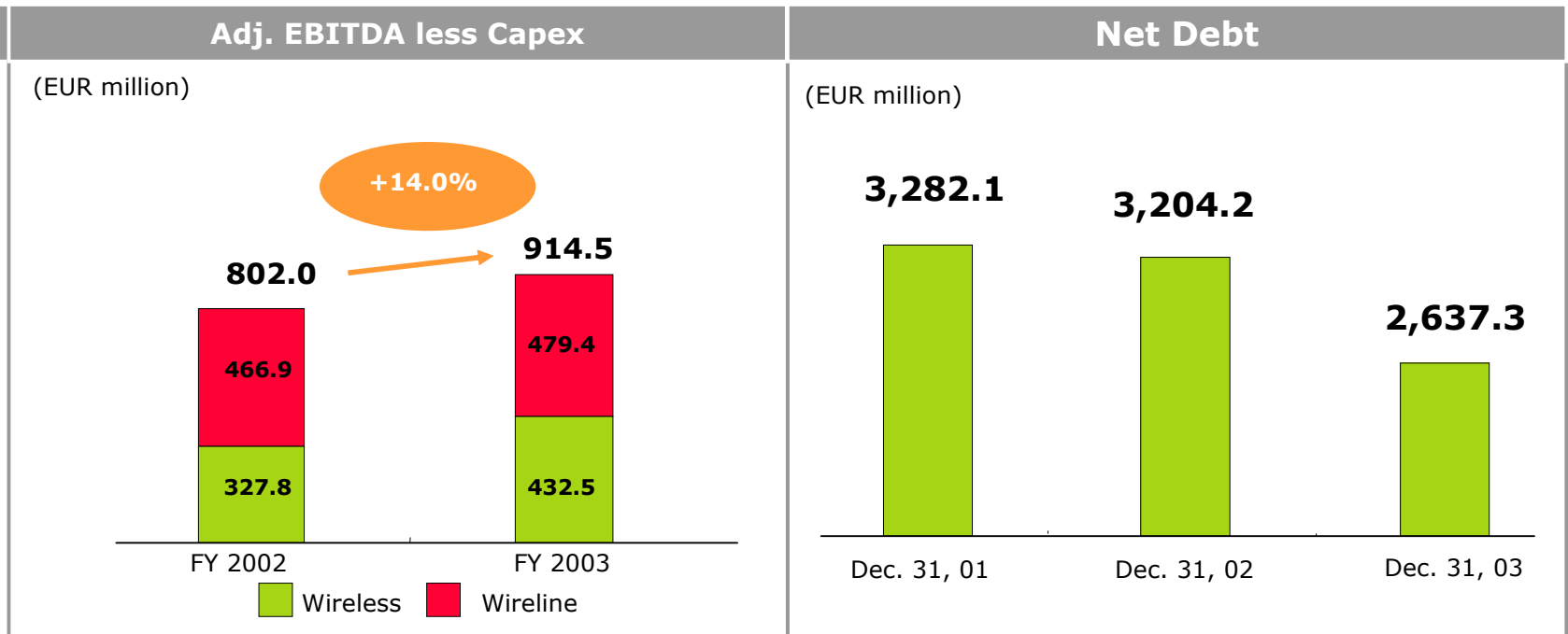
- Capex/sales ratios declines in all operations; below 14% in domestic business; further but slower declines expected



*excl. the effect of the adoption of SFAS 143 „Accounting for Asset retirement Obligation“ in the amount of EUR 6.6 million

Rising Cash Flows Reduce Net Debt

- Net debt falls by EUR 567million during 2003, in spite of EUR 70million spent on VIPnet stake increases
- Successful bond issue substantially extends long-term maturity profile
- Start of dividend payments and share buyback



Details of BuyBack Programm

Key Aspects

- AGM authorization for up to 50 million shares at EUR 9 to EUR 15 until December 2, 2004
- In order for ÖIAG not to go back to above 50% of our outstanding shares and under the assumption that ÖIAG does not participate to the buyback a maximum of 5.6% can be repurchased
- First repurchase on Feb. 27, 2004 of 0.7% of share capital through an off-market transaction
- Following this repurchase up to EUR 270 million of reserves are available
- At March 23, 2004 closing price this translates in 23.8 million shares or 4.8 % of the share capital as per Dec. 31, 2003
- Share repurchases will be executed through open market transactions on the Vienna Stock exchange

Outlook

Outlook for 2004

Wireline

- Revenue decline continues to slow down
- Stable adjusted EBITDA thanks to cost reductions

Wireless

- Stable domestic business and rising contributions from international activities
- Further but lower growth in revenues and adjusted EBITDA

Group

- Revenues expected to rise by 0 to 1%
- Adjusted EBITDA expected to rise by 1 to 2%
- Net profit expected to rise by substantially above 10% (excluding non-cash impact from Austrian tax reform)

Appendix

Regulatory Issues

Key Aspects

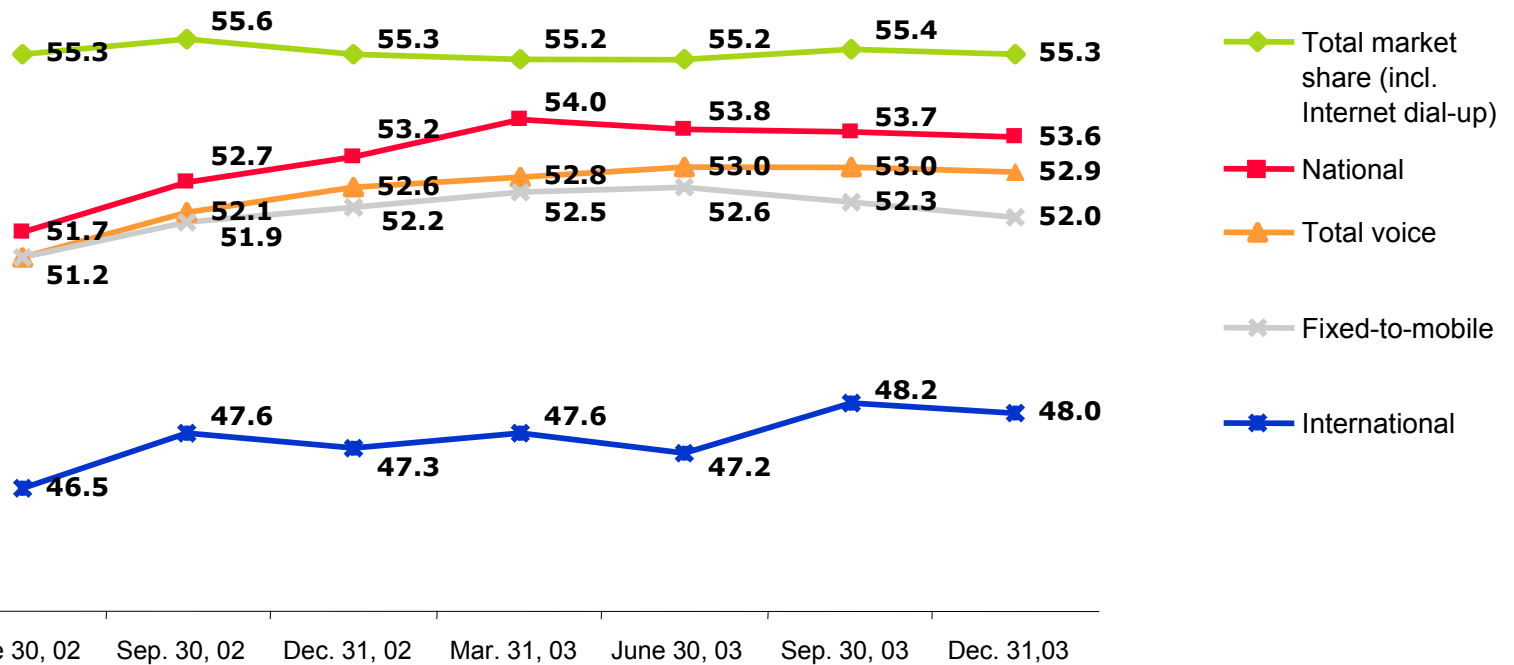
- Markets for regulation have been defined; data is now collected in order to assign significant market power (SMP) status depending on effective competition
- Decision about new wireline interconnection rate in 2Q 2004
- Resale of access line not expected until 2005
- Introduction of mobile number portability (MNP) expected for 4Q 04/1Q 05
- Cut of tele.ring's mobile termination rate by 30% until 4/2005 will reduce asymmetry of interconnection rates between operators

Wireline - Access Lines

(in thousands)	Dec. 31, 2003	Dec. 31, 2002	% change
PSTN access lines	2,555.8	2,659.1	-3.9%
Basic ISDN access lines	447.2	430.1	4.0%
Multi ISDN access lines	7.8	8.1	-3.7%
Total access lines	3,010.8	3,097.3	-2.8%
of these ADSL access lines	261.1	174.1	50.0%
thereof wholesale lines	53.5	31.0	72.6%
Total access channels	3,684.2	3,762.3	-2.1%

Fixed Line - Market Shares

(in %)



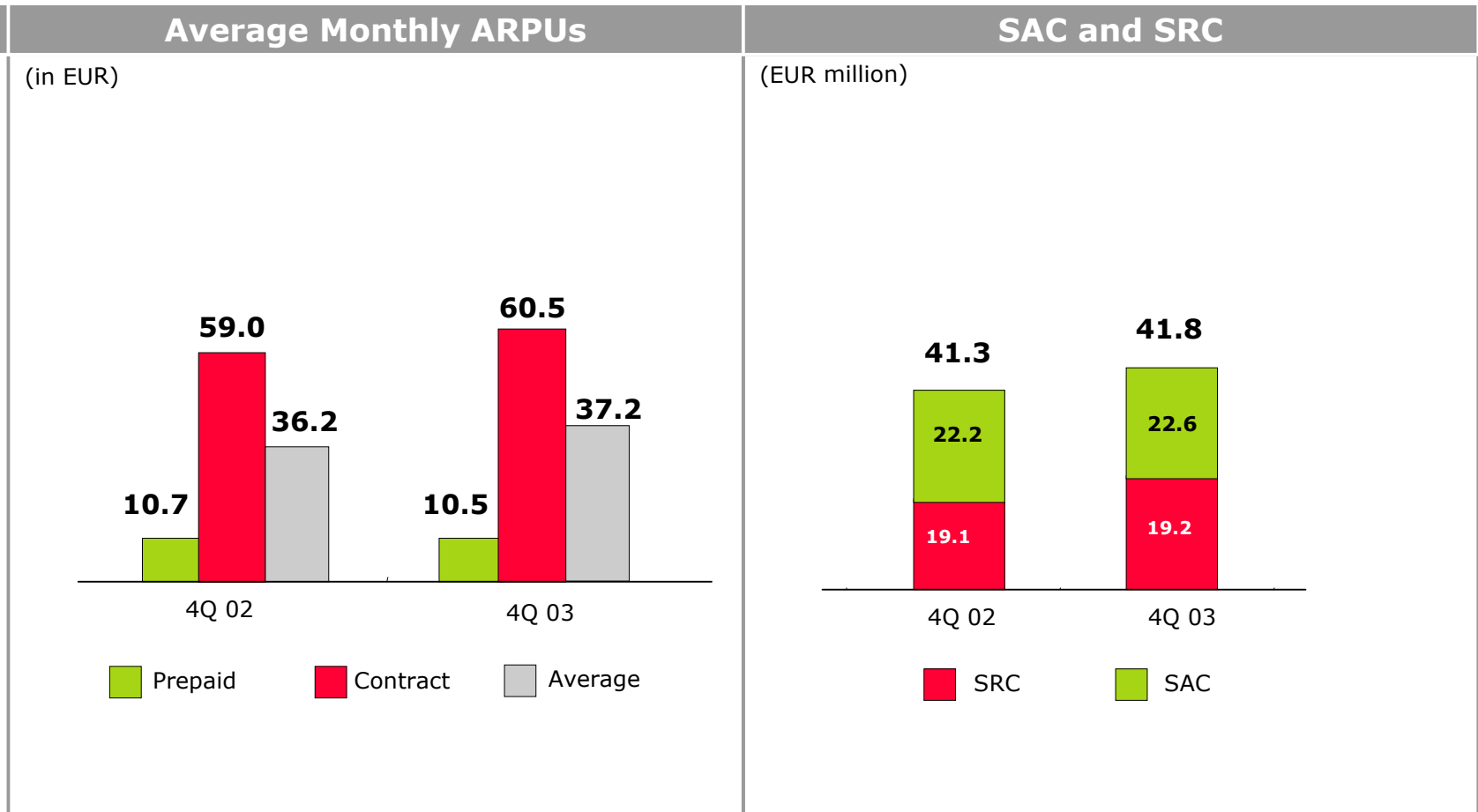
Wireline – Minutes and Average Tariffs

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
National	1,139.0	1,198.0	-4.9%	4,485.0	4,607.0	-2.6%
Fixed-to-mobile	217.0	213.0	1.9%	855.0	826.0	3.5%
International	127.0	123.0	3.3%	484.0	472.0	2.5%
Total voice minutes	1,483.0	1,534.0	-3.3%	5,824.0	5,905.0	-1.4%
Internet dial up	963.0	1,133.0	-15.0%	3,953.0	4,305.0	-8.2%
Total wireline minutes	2,446.0	2,667.0	-8.3%	9,777.0	10,210.0	-4.2%
(EUR per minute)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
National	0.042	0.045	-6.7%	0.044	0.048	-8.3%
Fixed-to-mobile	0.183	0.182	0.5%	0.184	0.189	-2.6%
International	0.189	0.203	-6.9%	0.196	0.213	-8.0%
Total voice average	0.075	0.077	-2.6%	0.078	0.081	-3.7%
Internet dial up	0.016	0.016	0.0%	0.017	0.016	6.3%

Mobile Subscribers

Customers ('000s)	Dec. 31, 2003	Dec. 31, 2002	% change
Austria			
Contract	1,682.2	1,574.9	6.8%
Prepaid	1,481.0	1,426.5	3.8%
Total	3,163.2	3,001.4	5.4%
Croatia			
Contract	186.2	176.0	5.8%
Prepaid	1,024.3	921.8	11.1%
Total	1,210.5	1,097.8	10.3%
Slovenia			
Contract	157.3	154.5	1.8%
Prepaid	204.2	195.5	4.5%
Total	361.5	350.0	3.3%
Liechtenstein	2.6	2.0	24.5%
Total Group	4,737.7	4,451.2	6.4%

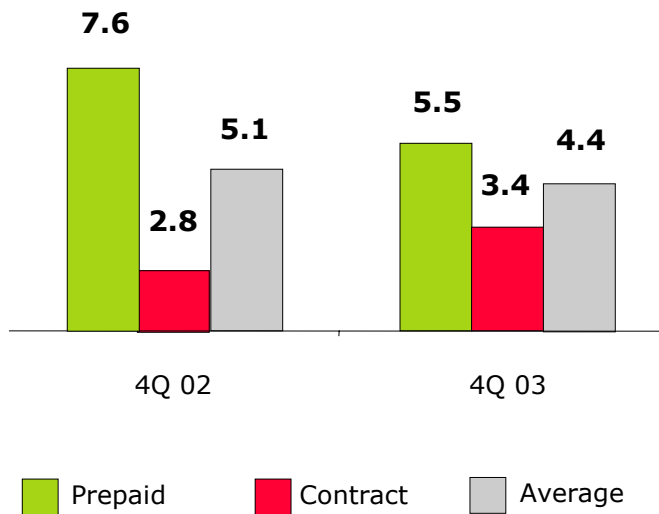
mobilkom austria - ARPU and Costs



mobilkom austria - Churn, MoU

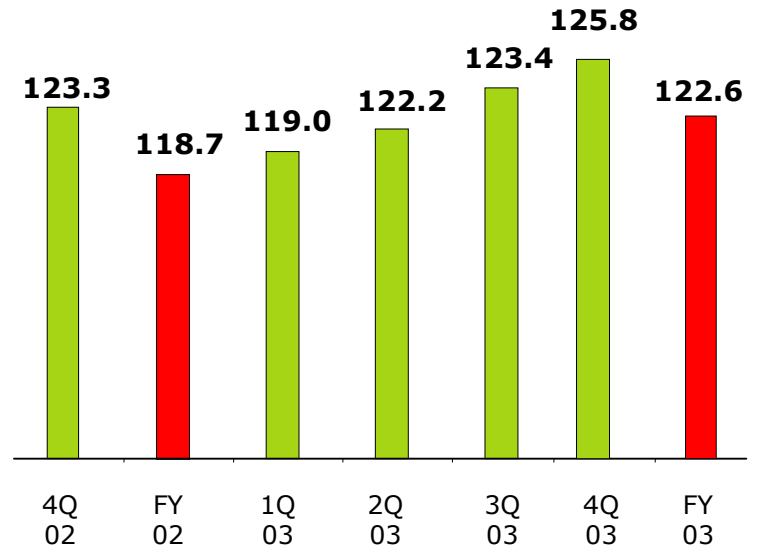
Quarterly GSM Churn

(in %)

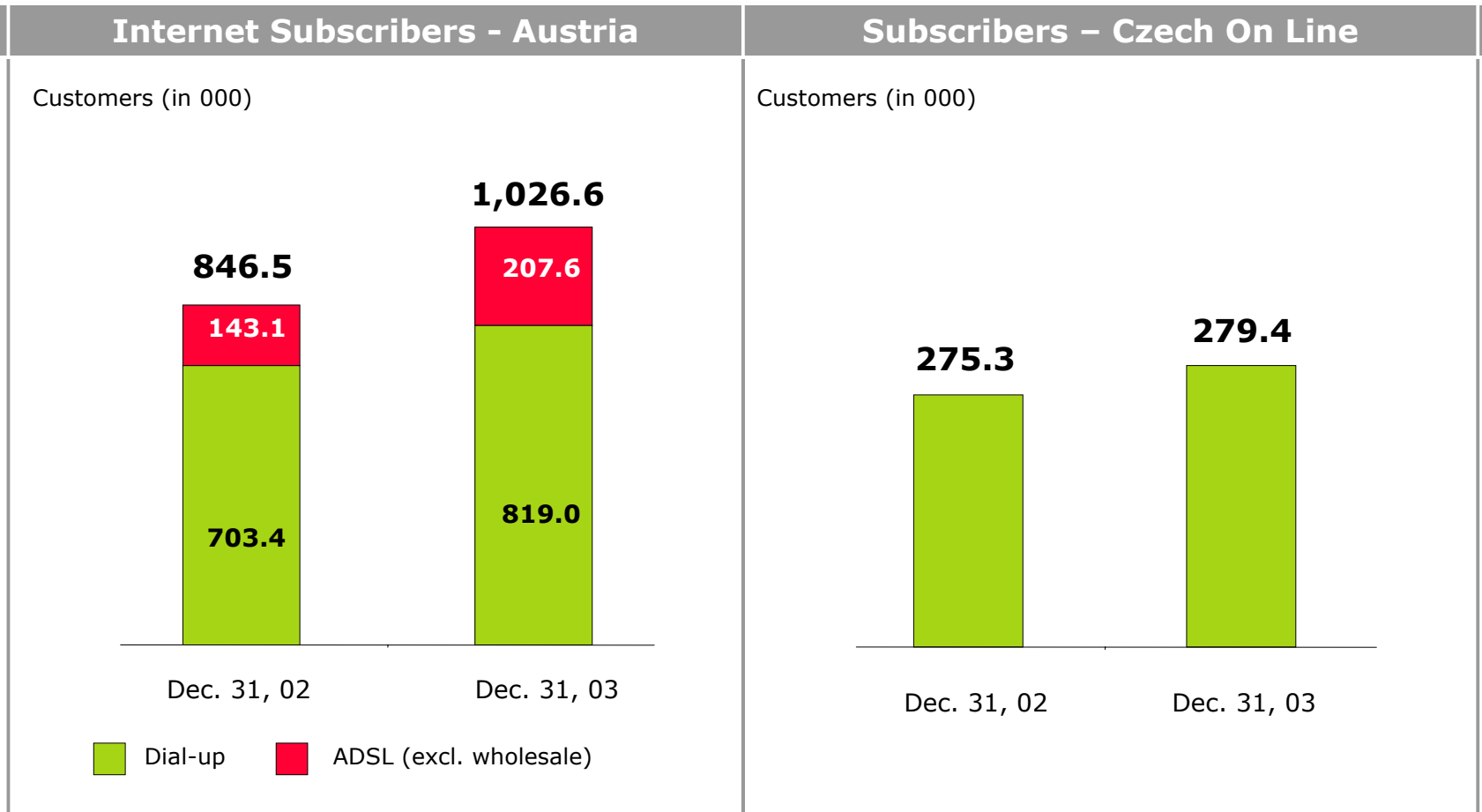


Average MoU per Subscriber

(in minutes)



Internet & Czech On Line Subscribers



Headcount* Development

(average of period)	FY 2003	FY 2002	Change
Wireline	11,027	12,184	-1,157
Wireless	3,630	3,530	100
Telekom Austria Group	14,657	15,714	-1,057

(end of period)	Dec. 31, 03	Dec. 31, 02	Change
Wireline	10,234	11,359	-1,125
Wireless	3,656	3,592	64
Telekom Austria Group	13,890	14,951	-1,061

* = Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Switched voice base traffic	104.8	117.0	-10.4%	428.8	473.4	-9.4%
Switched voice monthly & other voice revenues	150.3	147.1	2.2%	567.9	562.2	1.0%
Payphones & VAS	12.5	15.4	-18.8%	57.8	67.1	-13.9%
Data & IT-solutions	89.1	94.2	-5.4%	338.3	340.6	-0.7%
Internet access & media	52.6	53.4	-1.5%	198.4	193.7	2.4%
Wholesale voice & Internet	84.2	76.6	9.9%	311.4	305.5	1.9%
Wholesale data	25.9	27.1	-4.4%	103.8	97.4	6.6%
Other	46.5	54.0	-13.9%	158.6	177.3	-10.5%
Total wireline revenues excluding third party value added services revenues*	565.9	584.8	-3.2%	2,165.0	2,217.2	-2.4%
VAS adjustment		11.8		32.7	42.8	
Total wireline revenues	565.9	596.6	-5.1%	2,197.7	2,260.0	-2.8%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003.

Wireline - Expenses Breakdown

(EUR million)	FY 2003	FY 2002	% Change
Material expenses	63.3	59.1	7.1%
Employee costs	531.9	523.1	1.7%
Depreciation, Amortization and Impairment Charges	814.8	922.8	-11.7%
Interconnection	300.9	296.2	1.6%
Maintenance and repairs	119.2	130.6	-8.7%
Services received	28.6	6.7	326.9%
Others	340.5	394.0	-13.6%
Total wireline operating expenses excluding third party value added services expenses*	2.199,2	2.332,5	-5.7%
VAS adjustment	32.7	42.8	
Total wireline operating expenses	2.231,9	2.375,3	-6.0%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003.

Wireless - Revenue Breakdown

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Traffic revenues	277.1	255.3	8.5%	1,077.1	976.0	10.4%
Monthly rental	75.6	74.7	1.3%	297.7	283.5	5.0%
Equipment	61.8	57.3	7.9%	176.3	175.2	0.6%
Roaming	27.5	27.4	0.3%	153.8	155.9	-1.3%
Interconnection	80.0	69.9	14.3%	303.2	275.2	10.2%
Other	4.2	2.9	45.1%	18.1	27.7	-34.7%
Discounts	-6.3	-2.8	-128.5%	-16.3	-9.4	-73.4%
Total wireless revenues excluding third party value added services revenues*	519.9	484.8	7.2%	2,009.9	1,884.1	6.7%
VAS adjustment		7.8		20.3	25.3	
Total wireless revenues	519.9	492.6	5.5%	2,030.2	1,909.4	6.3%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003.

Wireless - Expenses Breakdown

(EUR million)	FY 2003	FY 2002	% Change
Material expenses	254.7	252.3	1.0%
Employee costs	167.8	158.6	5.8%
Depreciation, Amortization	325.6	268.8	21.1%
Interconnection	203.7	167.3	21.8%
Repairs	62.0	59.3	4.6%
Services received	250.9	231.2	8.5%
Others	343.8	365.9	-6.0%
Total wireless operating expenses excluding third party value added services expenses*	1,608.5	1,503.4	7.0%
VAS adjustment	20.3	25.3	
Total wireless operating expenses	1,628.8	1,528.7	6.5%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services in the fourth quarter of 2003.

Operating Revenues by Segment

Revenues	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Wireline	565.9	596.6	-5.1%	2,197.7	2,260.0	-2.8%
Wireless	519.9	492.6	5.5%	2,030.2	1,909.4	-2.8%
Other & eliminations	-67.3	-80.8	16.7%	-258.1	-261,2	1.2%
Total managed revenues	1,018.5	1,008.4	1.0%	3,969.8	3,908.2	1.6%
Third party value added services revenues recorded prior to October 1, 2003	4Q 2003	4Q 2002		FY 2003	FY 2002	
Wireline		11.8		32.7	42.8	
Wireless		7.8		20.3	25.3	
Other & eliminations	-	-3.4		-7.1	-9.7	
Total managed revenues		16.2		45.9	58.4	
Revenues excluding third party value added services revenues	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Wireline	565.9	584.8	-3.2%	2,165.0	2,217.2	-2.4%
Wireless	519.9	484.8	7.2%	2,009.9	1,884.1	6.7%
Other & eliminations	-67.3	-77.4	13.0%	-251.0	-251.5	0.2%
Total managed revenues excluding third party value added services revenues	1,018.5	992.2	2.6%	3,923.9	3,849.8	1.9%

Adjusted EBITDA and Operating Income by Segment

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Wireline	154.7	179.5	-13.8%	780.5	807.6	-3.4%
Wireless	151.9	97.5	55.8%	727.1	649.5	11.9%
Other & eliminations	0.5	7.7	-93.5%	2.2	7.3	-69.9%
Total adjusted EBITDA*	307.1	284.7	7.9%	1,509.8	1,464.4	3.1%
(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Wireline	-50.3	-124.9	59.7%	-34.3	-115.3	70.3%
Wireless	63.8	35.9	77.7%	401.4	380.7	5.4%
Other & eliminations	0.7	7.9	-91.1%	2.7	7.7	-64.9%
Total operating income	14.2	-81.1	-117.5%	369.8	273.1	35.4%

* Adjusted EBITDA is defined as net income excluding interest, taxes, depreciation, amortization, impairment charges, dividend income, equity in earnings of affiliates, other non-operating income/expense, minority interests and the cumulative effect of changes in accounting principle.

Telekom Austria FY 03 Results

(EUR million)	FY 03	FY 02	
Adjusted EBITDA	1,509.8	1,464.4	
Depreciation & amortization	-1,133.2	-1,149.3	Decrease in wireline, increase in wireless segment
Impairment charges	-6.8	-41.9	Reduction after last year's impairment charge for Czech On Line
Operating income	369.8	273.1	
Net interest expense	-155.8	-172.3	Decrease reflects lower net debt
Equity, dividends, other	18.6	-1.6	Increase due to sale of stake in Herold Business Data
Taxes	-83.1	-28.8	
Minority interests	-3.4	-57.6	Effective tax rate of 35.7%
Cumul. effect of acc. Change, net of tax	-11.9	-	SFAS 143 „Asset Retirement Obligation“
Consolidated net income	134.2	12.8	

Capital Expenditures by Segment

(EUR million)	4Q 2003	4Q 2002	% Change	FY 2003	FY 2002	% Change
Wireline	113.7	165.4	-31.3%	301.1	340.7	-11.6%
Wireless	142.6	126.1	13.1%	294.6	321,7	-8.4%
Intersegmental eliminations & other	-0.4	0.0		-0.4	0.0	
Telekom Austria Group incl. ARO	255.9	291.5	-12.2%	595.3	662.4	-10.1%
Asset retirement obligation (ARO)	-1.1	0,0	-	6.6	0,0	-
Telekom Austria Group excl. ARO	257.0	291.5	11.8%	588.7	662.4	-11.1%
mobilkom austria	102.7	70.6	45.5%	202.8	206.2	-1.6%
VIPnet	28.3	29.0	-2.3%	71.4	72.2	-1.1%
Si.mobil	11.7	26.4	-55.8%	16.3	43.0	-62.1%

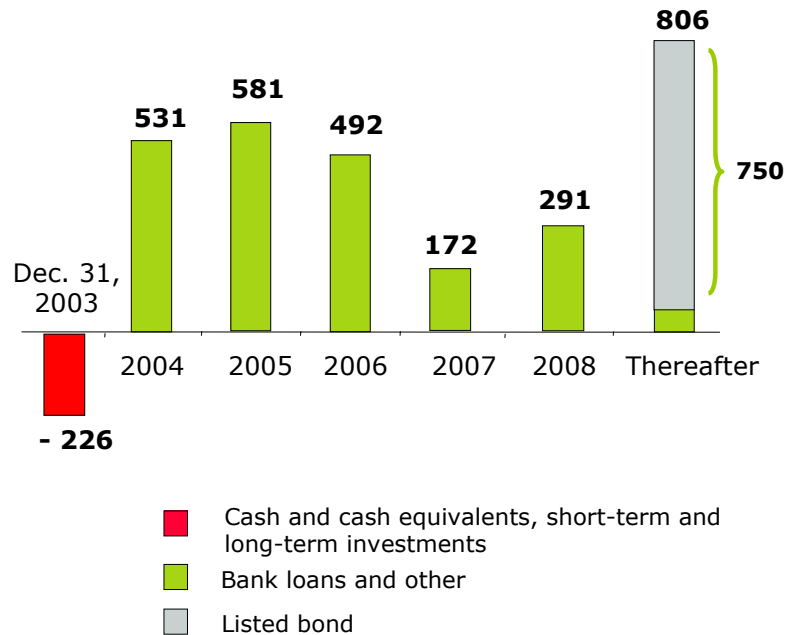
Net Debt - Telekom Austria Group

(EUR million)	Dec. 31, 03	Dec. 31, 02
Long-term debt	2,342.3	2,079.9
Short-term debt	631.3	1,309.9
- Short-term portion of capital and cross border lease	-95.5	-107.9
+ Capital lease obligations (short-term and long-term)	2.1	7.3
+ Payables to related parties	0.0	0.4
+ Receivables from related parties	0.0	-0.1
Cash and cash equivalents, short-term and long-term investments	-226.4	-46.6
Financial instruments, included in other assets	-16.5	-38.7
Net debt of Telekom Austria Group	2,637.3	3,204.2
Shareholders' equity	2,639.4	2,509.5
Net debt/equity	99.9%	127.7%

Telekom Austria Debt Maturity Profile

Debt Maturity Profile

(EUR million)



Key Highlights

- Rating of listed bond: BBB/Baa2
- Healthy ratios:
 - Debt/equity as of Dec. 31, 2003: 99.9%
 - Net Debt/adj.EBITDA: 1.7
 - Adj. EBITDA/net interest FY 03: 9.7

Adj. EBITDA excl. Certain Items

(in EUR million)	4Q 03	4Q 02	FY 2003	FY 2002	% Change
Adjusted wireline EBITDA*	154.7	179.5	780.5	807.6	-3.4%
Idle workforce	2.7	7.5	20.0	29.4	-32.0%
Net loss of retirement of long-lived assets	15.0	2.1	32.3	7.6	325.0%
Voluntary retirement provision	-21.9	-21.5	-26.8	-57.4	53.3%
Additional redundancy costs	47.3	10.8	47.3	10.8	-
Adjusted wireline EBITDA excl. certain items	197.6	178.4	853.3	798.0	6.9%
Adjusted wireless EBITDA*	151.9	97.5	727.1	649.5	11.9%
Net loss of retirement of long-lived assets	6.0	7.5	9.3	11.4	-18.4%
Adjusted wireless EBITDA excl. certain items	-157.9	105.0	736.4	660.9	-11.4%
Adjusted Group EBITDA *	307.1	284.7	1,509.8	1,464.4	3.1%
Idle workforce costs	2.7	7.5	20.0	29.4	-32.0%
Net loss of retirement of long-lived assets	21.0	11.6	41.6	21.0	98.1%
Voluntary retirement provision	-21.9	-21.5	-26.8	-57.4	53.3%
Additional redundancy costs	47.3	10.8	47.3	10.8	-
Adjusted Group EBITDA excl certain items	356.2	293.1	1,591.9	1,468.2	8.4%

* Adjusted EBITDA is defined as net income excluding interest, taxes, depreciation, amortization, impairment charges, dividend income, equity in earnings of affiliates, other non-operating income/expense, minority interests and the cumulative effect of changes in accounting principle.

Reconciliation from (Total Managed) EBITDA to Consolidated Net Income

(EUR million)	FY 03	FY 02
Adjusted EBITDA (excluding impairment charges; total managed for 2002)	1,509.8	1,464.4
Wireless prior to consolidation	0.0	-349.1
Impairment Charges	-6.8	-41.9
Intersegmental Eliminations	0.0	0.3
Adjusted EBITDA consolidated (including impairment charges)	1,503.0	1,073.7
Depreciation and amortization	-1,133.2	-1,016.3
Interest income	75.2	88.2
Interest expense	-231.0	-244.6
Equity in earnings of affiliates - Wireless prior to consolidation	0.0	0.0
Equity in earnings of affiliates - other	19.1	140.5
Other	-0.5	2.3
Income before taxes, minority interests and cumulative effect of change in accounting principle	232.6	43.8
Income tax expense	-83.1	-26.1
Minority interests	-3.4	-4.9
Cumulative effect of change in accounting principle, net of tax	-11.9	0.0
Net income	134.2	12.8

Reconciliation of Total Managed to U.S. GAAP Consolidated Statements of Operations

December 31, 2003 and December 31, 2002 (in EUR millions)	Total managed results in 2003 equals consolidated results	Total managed results	Reconciliation		Consolidated results
			Elimination of the results of mobilkom austria	Other Eliminations *	
	2003	2002	2002		2002
Total managed operating revenues	3,969.8	3,908.2	-906.9	116.8	3,118.1
Total managed operating expenses					
Materials	-297.1	-294.0	103.7	-6.1	-196.4
Employee costs, including benefits and taxes	-699.3	-678.0	77.3	0.0	-600.7
Depreciation and amortization incl. impairment charges	-1,140.0	-1,191.2	133.2	-0.2	-1,058.2
Other operating expenses	-1,463.6	-1,471.9	376.8	-110.3	-1,205.4
TOTAL MANAGED OPERATING INCOME	369.8	273.1	-215.9	0.2	57.4
Total managed other income (expense)					
Interest income	75.2	93.3	-10.9	5.8	88.2
Interest expense	-231.0	-265.6	26.8	-5.8	-244.6
Equity in earnings of affiliates	19.1	0.0	0.0	140.5	140.5
Other, net	-0.5	-1.6	1.7	2.2	2.3
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	232.6	99.2	-198.3	142.9	43.8
Income tax expense	-83.1	-28.8	2.7	0.0	-26.1
Minority interests	-3.4	-57.6	5.1	47.6	-4.9
INCOME BEFORE CUMMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLE	146.1	12.8	-190.5	190.5	12.8
Cumulative effect of change in accounting principle, net of tax	-11.9	0.0	0.0	0.0	0.0
NET INCOME	134.2	12.8	-190.5	190.5	12.8

* Eliminations required to consolidate mobilkom austria and recognize equity in earnings of mobilkom austria for the period from January 1, 2002 to June 30, 2002.