

Telekom Austria Group Results for the Financial Year 2004

March 16, 2005

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.

Agenda

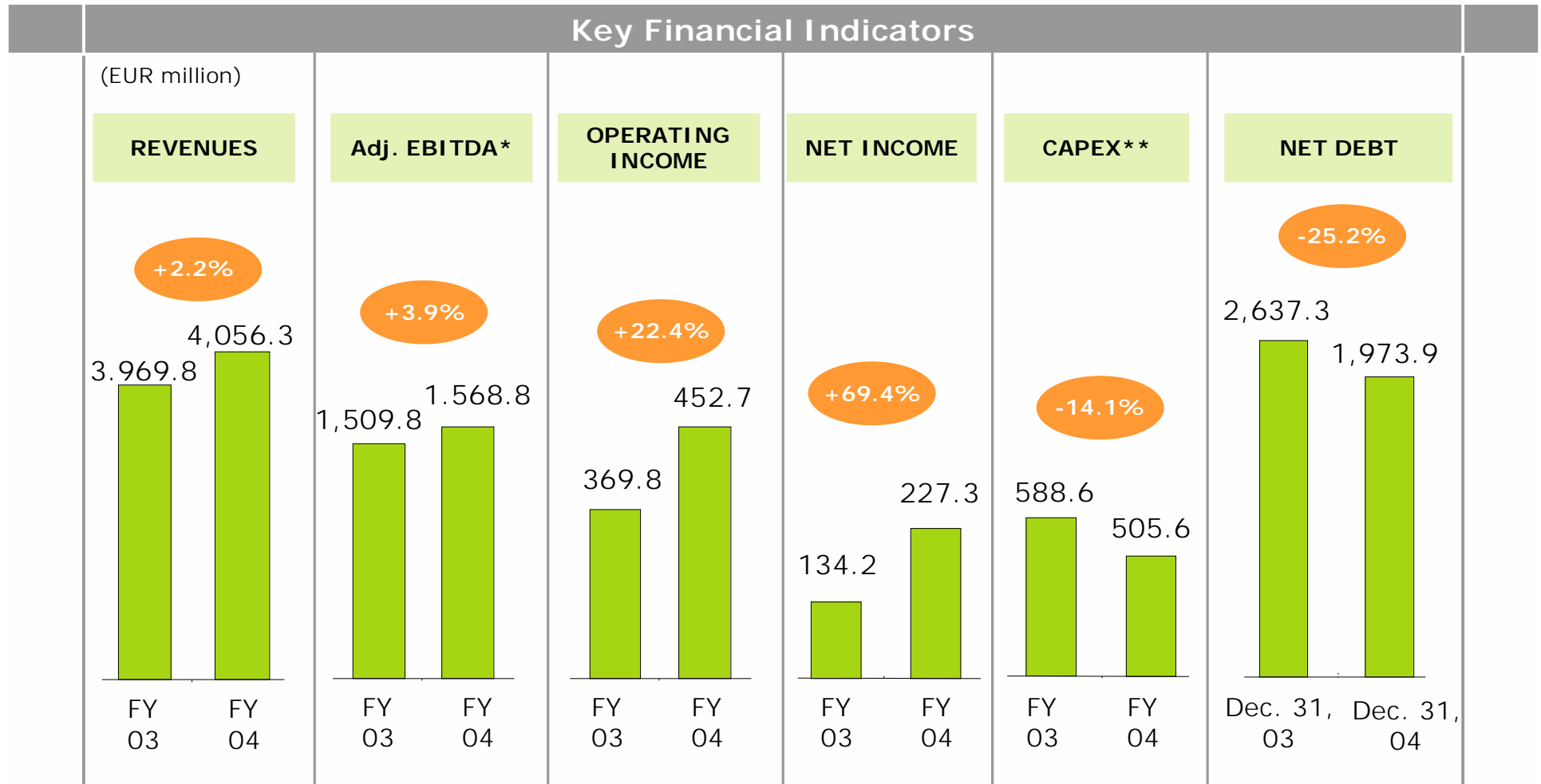
- Key Developments
- Operational Highlights
 - Wireline
 - Wireless
- Financial Overview
- Outlook

Key Developments

Telekom Austria – Highlights 2004

- Financial results exceed expectations
- Both business segments contribute to higher revenues and earnings
- Start of share buyback and substantially higher dividend proposal
- Net debt falls below EUR 2 billion
- Elimination of share overhang
- First step towards expansion into Bulgaria
- Outlook for 2005: At least stable revenues and EBITDA, net profit up by around 25%; rise in payout ratio to 65%

Telekom Austria – FY 2004 Results



* Operating income before depreciation, amortization and impairment charges ** Capital expenditures for tangible assets

Wireline

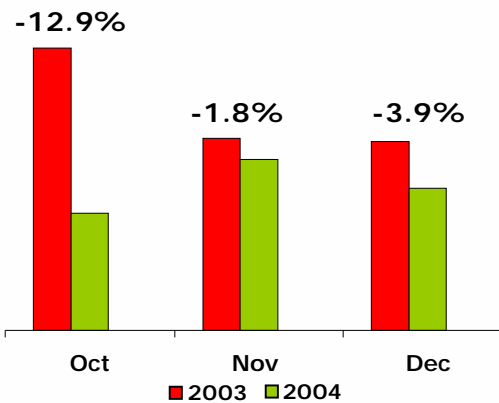
Wireline Results 4Q 04

4Q 2004 Results	Key Highlights												
<p>(EUR million)</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Revenues</p> <table border="1"> <tr><th>Period</th><th>Value (EUR million)</th></tr> <tr><td>4Q 2003</td><td>565.9</td></tr> <tr><td>4Q 2004</td><td>549.5</td></tr> </table> </div> <div style="text-align: center;"> <p>Adj. EBITDA</p> <table border="1"> <tr><th>Period</th><th>Value (EUR million)</th></tr> <tr><td>4Q 2003</td><td>154.7</td></tr> <tr><td>4Q 2004</td><td>165.8</td></tr> </table> </div> </div>	Period	Value (EUR million)	4Q 2003	565.9	4Q 2004	549.5	Period	Value (EUR million)	4Q 2003	154.7	4Q 2004	165.8	<ul style="list-style-type: none"> ▪ Year-on-year revenues benefit from higher wholesale figures ▪ 4Q 04 lower due to a decline in voice and one-off „other“ revenues in 4Q 03; continuing positive intra-year trend ▪ Full year margins rise even excluding impact of one-off items; headcount falls by 552 ▪ Encouraging acceptancy of new ADSL products; gaining market share from cable operators ▪ Start of preparation for the launch of a triple play offer
Period	Value (EUR million)												
4Q 2003	565.9												
4Q 2004	549.5												
Period	Value (EUR million)												
4Q 2003	154.7												
4Q 2004	165.8												

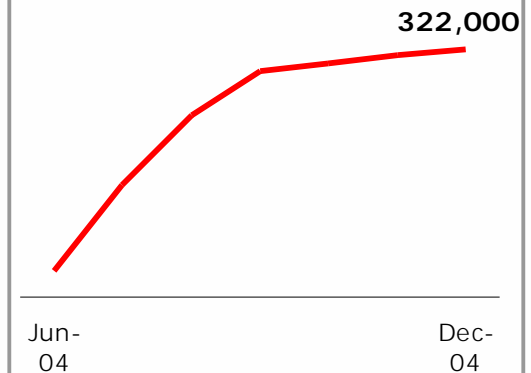
Regaining Voice Market Shares

- 212,000 customers have signed up for TikTak during 04 and chosen Telekom Austria
- Bonus packages above expectations; allow fine tuning of offers to customer needs and more stable revenues
- Improving price perception without damage to revenues
- Voice market share grows to 54.4% at the end of 04 (end of 03: 52.7%)
- High 4Q 04 minute decline primarily due to unusually low October

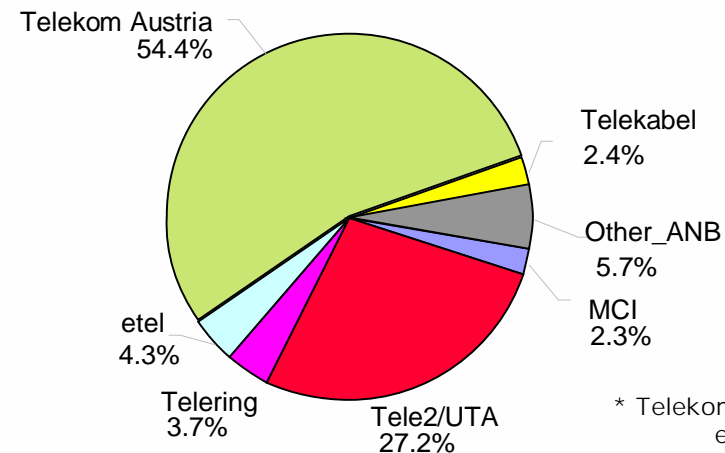
Wireline Minutes



TikTak Bonus Packages



Voice Market Shares*



* Telekom Austria estimates

Telekom Austria is Aware of the Hype around as well as the Reality of VoIP ...

Hype around VoIP

- PC-based P2P VoIP (e.g. Skype, ...) offers „voice telephony and the PC for free“
- Public PC-based VoIP renders traditional telecom operators obsolete
- Leading hardware manufacturers support VoIP with dedicated products and push for the mass-market
- Corporate clients will move to VoIP to further reduce telecom cost

Reality of VoIP

- Every VoIP user needs a broadband connection
- Price conscious and early adopter customers will move to VoIP early
- Security (e.g. voice-viruses) and quality of service issues of VoIP are not being addressed today
- Real value of VoIP for corporate users lies in voice/data integration

Impact for Telekom Austria

- Further growth potential for broadband access
- More relevant for alternative fixed line and mobile providers as the target users tend to be cable and/or mobile and/or CbC/CPS users
- Real mass-market adoption of VoIP relies on „incumbents“ and significant CAPEX/OPEX
- Further growth potential for integrated voice/data solutions

... and is Prepared for Competition with a Comprehensive Product Portfolio

**Residential customers/
mass market**
Launch Q3/2005

- Broadband/Voice/VoIP bundle
- High-end hardware (e.g. WLAN PDA)
- Best effort product; not all public telephony features available
- Targeted at early adopters/technology-driven consumers
- High price position to protect ARPU in lower market segments

**SOHO/SME customers/
professional market**
Launch Q3/2005

- IP Centrex and broadband/VoIP bundles
- Quality of service guaranteed; not all public telephony features available
- Targeted at SOHOs and small SMEs
- Active marketing for IP Centrex solutions
- Reactive marketing for VoIP bundles to protect voice market

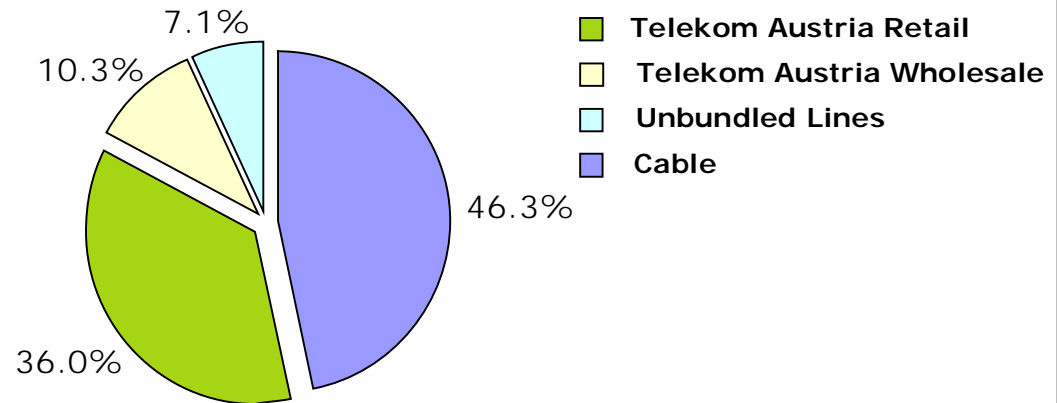
**Large accounts/
professional market**
**Solutions launched
2004, relaunch Q2/2005**

- IP solutions based on Cisco Call Manager and applications
- Dedicated, shared and hosted solutions in corporate networks
- Quality of service in customer corporate networks
- Integrated solutions with hardware and voice/data integration
- Ongoing active marketing (in cooperation with Cisco)

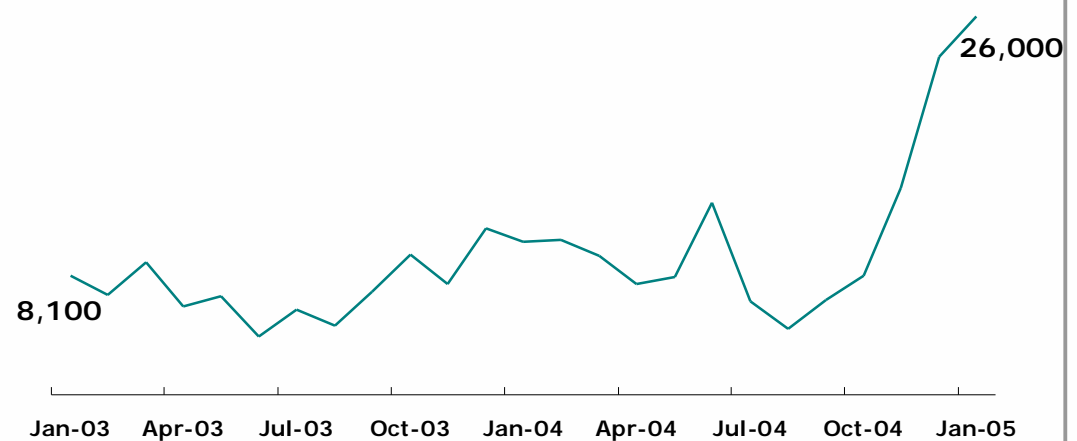
Substantial Increase in ADSL Net Adds

- Successful introduction of new ADSL packages in October 04; 2004 net adds rise by 41%
- Positive trend continues into 2005
- Process improvement allows a threefold increase of installations
- ADSL revenues increase by 34% during 04
- Telekom Austria broadband market share rises from 42.9% in 03 to 46.3% in 04
- Well managed retail-wholesale split

Broadband Market Share



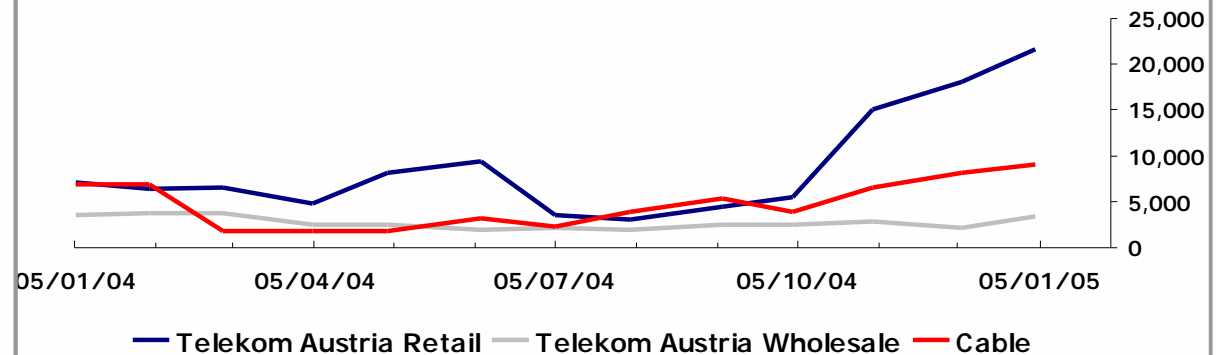
Monthly ADSL Net Adds



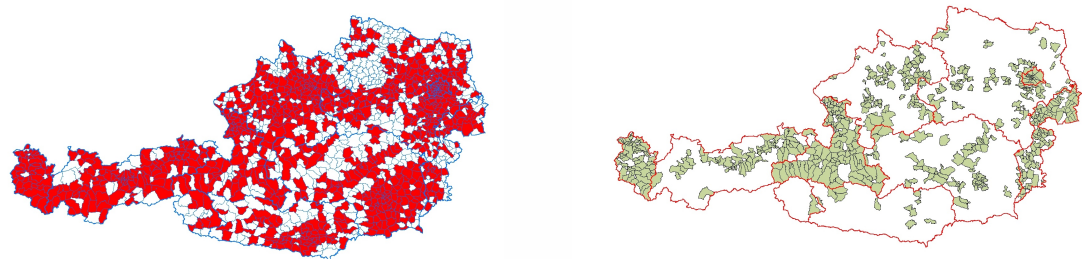
Gaining Ground against Cable

- ADSL exceeded cable net adds during all quarters in 2004
- 86% ADSL versus 41% cable household coverage
- Around 200 cable operators with five focused on major cities
- Increase in cable coverage would require major investments
- 61% of local switches ADSL enabled; further 30% will be enabled until 2007

Monthly Broadband Gross Adds



Blanket ADSL versus Fragmented Cable Coverage



3 Phase Approach for TVoverDSL

**Phase 1 (-2004):
Technological expertise
and market insights**

**Phase 2 (2005):
Professionalisation
(technology/product)**

**Phase 3 (2006-):
Rollout and continuous
improvement**



• ~ 7,000 aon.tv customers
at the end of 2004

Focus 1: Platform/Technology

- Further develop scalable platform
- Design migration path and rollout plan
- Develop end-to-end management technology

Focus 2: Customer/Competition

- Move to cable competitive TV-based offering
- Leverage interactive technology into service and applications

Technology

- Rollout platform and required processes

Product/Offering

- Win „ownership“ of TV with interactive services/applications

Content

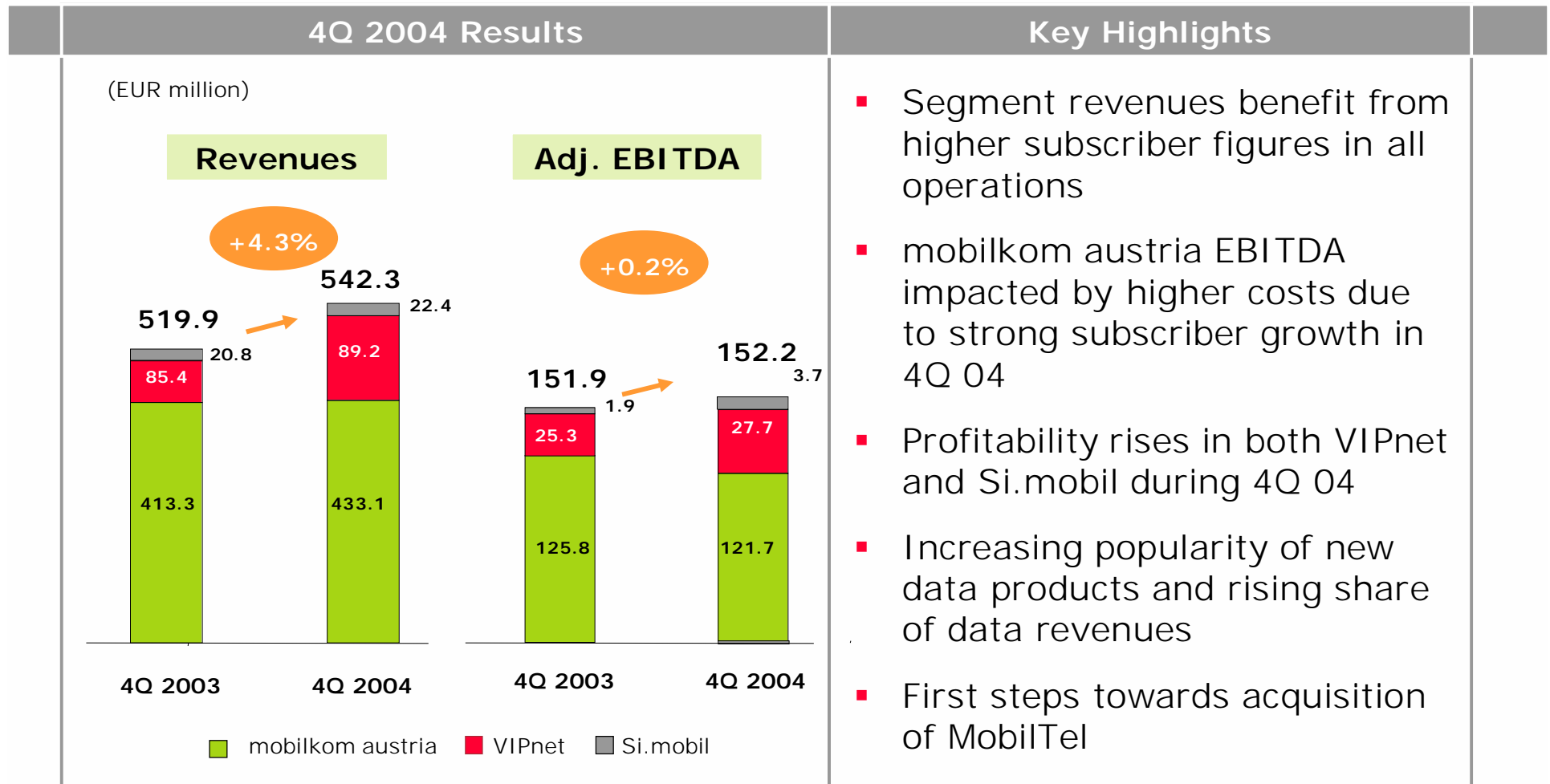
- Transition of content partnerships into viable business model

Customers

- Strong increase of customer base and drive ARPU

Wireless

Wireless Results 4Q 04




Market and Subscribers in Austria

Market Share and Subscribers	Key Highlights																		
<table border="1"> <caption>Market Share Data (2000 vs 2004)</caption> <thead> <tr> <th>Operator</th> <th>2000</th> <th>2004</th> </tr> </thead> <tbody> <tr> <td>mobilkom</td> <td>43%</td> <td>41%</td> </tr> <tr> <td>T-Mobile</td> <td>35%</td> <td>26%</td> </tr> <tr> <td>One (incl. Tele2)</td> <td>19%</td> <td>20%</td> </tr> <tr> <td>tele.ring</td> <td>3%</td> <td>11%</td> </tr> <tr> <td>Hutchison</td> <td>-</td> <td>2%</td> </tr> </tbody> </table>	Operator	2000	2004	mobilkom	43%	41%	T-Mobile	35%	26%	One (incl. Tele2)	19%	20%	tele.ring	3%	11%	Hutchison	-	2%	<ul style="list-style-type: none"> ▪ 4Q net adds rise to 82,000 ▪ Slight decline of market share but increasing the distance to the second operator ▪ Little impact so far from introduction of mobile number portability on Oct. 16, decline in contract churn in 4Q 04 ▪ Low priced packages lead to a slight decline in ARPU (- 1.1%) but to an increase in usage (MoU/user +5.5%) ▪ Margin also affected by higher SAC/SRC and interconnection expenses
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<h3>Subscribers mobilkom austria</h3> <p>(in 000)</p> <table border="1"> <caption>Subscribers mobilkom austria (in 000)</caption> <thead> <tr> <th>Year</th> <th>Subscribers</th> </tr> </thead> <tbody> <tr> <td>Dec 31, 02</td> <td>3,001</td> </tr> <tr> <td>Dec 31, 03</td> <td>3,163</td> </tr> <tr> <td>Dec 31, 04</td> <td>3,273</td> </tr> </tbody> </table>	Year	Subscribers	Dec 31, 02	3,001	Dec 31, 03	3,163	Dec 31, 04	3,273											
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Profitable Growth in Croatia and Slovenia

Subscribers		Key Highlights																	
<p>(in 000)</p> <p>VIPnet</p> <table border="1"> <tr><th>Period</th><th>Subscribers (in 000)</th></tr> <tr><td>Dec 02</td><td>1,098</td></tr> <tr><td>Dec 03</td><td>1,211</td></tr> <tr><td>Dec 04</td><td>1,309</td></tr> </table>	Period	Subscribers (in 000)	Dec 02	1,098	Dec 03	1,211	Dec 04	1,309	<p>Si.mobil</p> <table border="1"> <tr><th>Period</th><th>Subscribers (in 000)</th></tr> <tr><td>Dec 02</td><td>350</td></tr> <tr><td>Dec 03</td><td>362</td></tr> <tr><td>Dec 04</td><td>363</td></tr> </table>	Period	Subscribers (in 000)	Dec 02	350	Dec 03	362	Dec 04	363	<p>VIPnet</p> <ul style="list-style-type: none"> Revenues rise by 4.4%, adj. EBITDA by 9.5% in 4Q 04 UMTS license awarded for EUR 17.2 million Acquisition of remaining 1% minority stake Pending start of third operator <p>Si.mobil</p> <ul style="list-style-type: none"> Revenues up by 7.7%, almost doubled adj. EBITDA in 4Q 04 Government starts to implement a regulatory framework up to EU standards 	
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First Steps into the Bulgarian Mobile Market

Key Highlights	Target Region
<ul style="list-style-type: none">▪ Call option for MobilTel in Bulgaria secures a highly attractive asset in a growing market▪ Purchase price of up to 1.6 billion EUR well within stated multiple range▪ Based on historically high profitability significant accretion to earnings and cash flow expected▪ Closing expected for 4Q 05▪ Track record of existing foreign operations and call option agreement for MobilTel reflect disciplined approach to further expansion steps	 <p>A map of Central and Eastern Europe showing various countries. Austria, Slovenia, and Croatia are highlighted in red. Bosnia, Serbia, and Montenegro are highlighted in green. Albania, Macedonia, Romania, Hungary, Slovakia, and the Czech Republic are highlighted in grey.</p>

Data Business Benefits Increasingly from Vodafone Partnership

Key Highlights

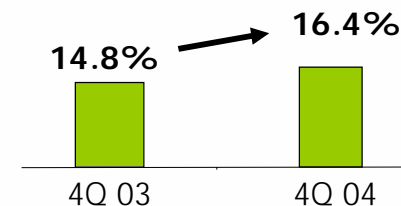


- Vodafone cooperation allows us to compete on other terms than just price
- Roaming business benefits from increased capture rate and attractive Vodafone world tariffs
- Fast and flexible introduction of new data services, such as Vodafone live!
- Better and cheaper access to an enlarged handset portfolio

Data Business

- 490,000 Vodafone live! User in Austria, Croatia and Slovenia; 60% of handsets sold in Christmas sales by mobilkom austria were Vodafone live! enabled
- 17% of December data group revenues from Vodafone live!
- Over 20,000 3G Connect Cards sold in Austria to date

Data in % of Wireless Airtime Revenues



Financial Overview

Telekom Austria 4Q 04 and FY 04 Results

(EUR million)	4Q 2004	4Q 2003	% Change	FY 2004	FY 2003	% Change
Revenues	1,025.1	1,018.5	+0.6%	4,056.3	3,969.8	+2.2%
<i>Revenues excluding third party value added services revenues*</i>	<i>1,025.1</i>	<i>1,018.5</i>	<i>+0.6%</i>	<i>4,056.3</i>	<i>3,923.9</i>	<i>+3.4%</i>
Adjusted EBITDA	318.0	307.1	+3.5%	1,568.8	1,509.8	+3.9%
Operating income	40.9	14.2	+188.0%	452.7	369.8	+22.4%
Net income	25.0	-15.6		227.3	134.2	+69.4%
Capital expenditures**	241.6	258.6	-6.6%	548.2	599.7	-8.6%

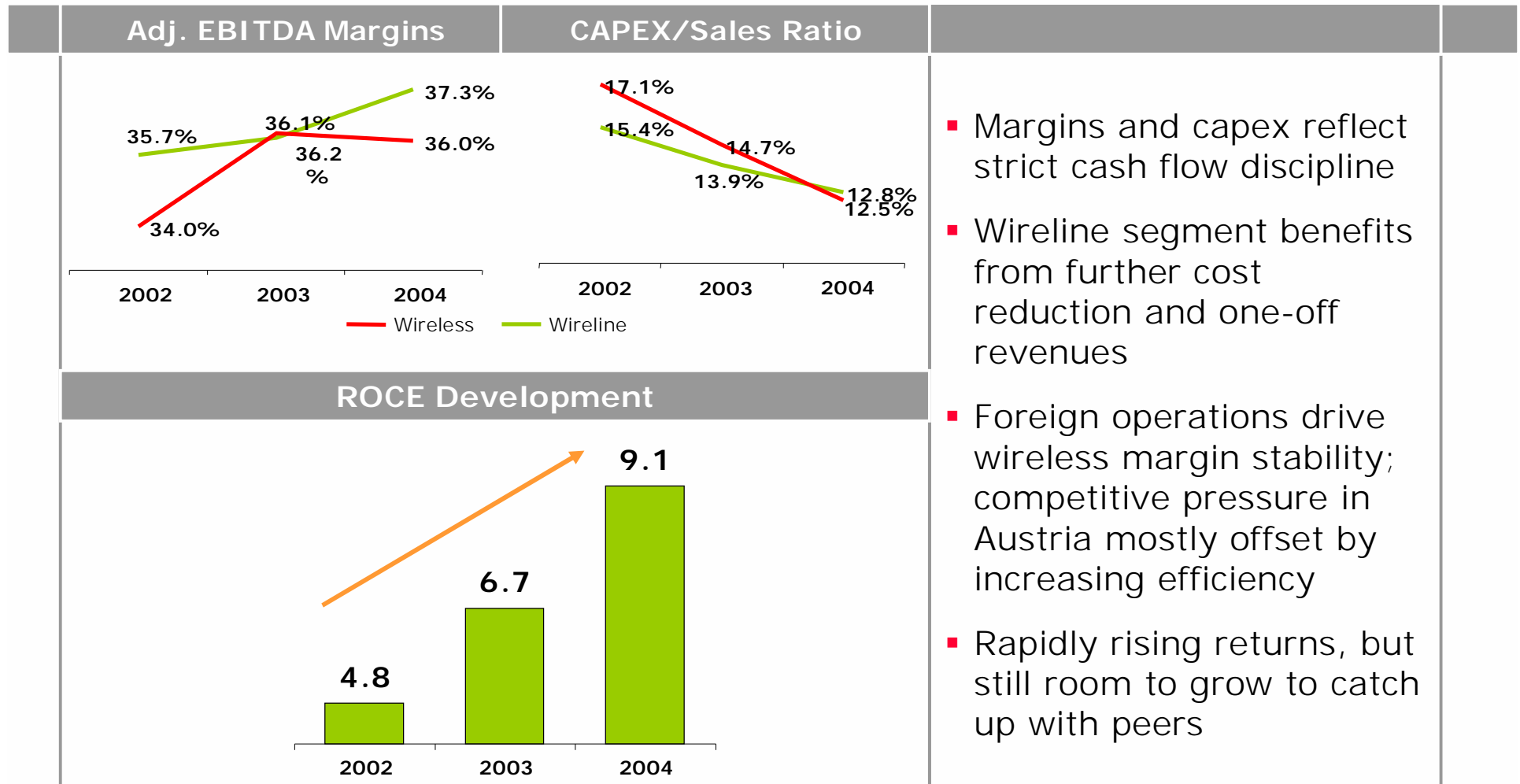
(EUR million)	Dec. 31 2003	Dec. 31 2004	% Change
Net debt (end of period)	2,637.3	1,973.9	-25.2%

* For comparative purposes, prior periods were adjusted to reflect the change in the accounting for third party value added services. ** Capital expenditures for tangible and intangible assets

Telekom Austria FY 04 Net Profit

(EUR million)	FY 04	FY 03	
Adjusted EBITDA	1,568.8	1,509.8	
Depreciation & amortization	-1,114.8	-1,133.2	Continuous decrease in wireline offsets increase in wireless business segment
Impairment charges	-1.3	-6.8	
Operating income	452.7	369.8	Foreign exchange gains in 2004
Non-operating expenses, net	15.6	-0.5	Decrease reflects net debt reduction and lower interests
Net interest expense	-118.8	-155.8	Decrease due to sale of stake in Herold Business Data in 03
Equity & dividend income	0.6	19.1	
Taxes	-122.2	-83.1	Includes EUR 21.8 non-cash charge due to lower tax rate starting in 2005
Minority interests	-0.6	-3.4	
Change in acc. principle	-	-11.9	
Consolidated net income	227.3	134.2	Dividend rises by 85%, 52% payout ratio
Proposed dividend/share	0.24	0.13	

Strict Focus on Rising Cash Flows Supports Increase in ROCE



Net Debt Declines below 2 Billion EUR

Net Debt	Highlights										
<p>(EUR million)</p> <table border="1"> <caption>Net Debt Components</caption> <thead> <tr> <th>Item</th> <th>Value (EUR million)</th> </tr> </thead> <tbody> <tr> <td>Net Debt (Dec. 31, 03)</td> <td>2,637.3</td> </tr> <tr> <td>Free Cash Flow</td> <td>808.5</td> </tr> <tr> <td>Dividend Buyback, License Costs</td> <td>145.1</td> </tr> <tr> <td>Net Debt (Dec. 31, 04)</td> <td>1,973.9</td> </tr> </tbody> </table>	Item	Value (EUR million)	Net Debt (Dec. 31, 03)	2,637.3	Free Cash Flow	808.5	Dividend Buyback, License Costs	145.1	Net Debt (Dec. 31, 04)	1,973.9	<ul style="list-style-type: none"> ▪ Around EUR 800 million of free cash flow before dividends and buybacks ▪ 72 % debt/equity ratio provides enough room for expansion ▪ Cash allocation balances prudent external growth with rising shareholder distribution ▪ Increase of distributable statutory reserves to EUR 645 million, including proposed dividend for 04 ▪ Success of recent bond placement reflects Telekom Austria's financial strength
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Net Debt (Dec. 31, 04)	1,973.9										

Outlook

Outlook for 2005*

Wireline	<ul style="list-style-type: none">▪ Slight decrease in revenues and adj. EBITDA, in part due to one-time revenues in 2003. Further rise in operating profit
Wireless	<ul style="list-style-type: none">▪ Further but declining growth in revenues due to increasing contribution from abroad, stable development in Austria
Group	<ul style="list-style-type: none">▪ Compared to previous year, at least stable revenues and EBITDA; net profit rises by around 25%▪ Pay-out ratio rises to 65%▪ Temporary rise in tangible capex by 10% due to UMTS and EDGE as well as legal requirements

*Excluding any impact of a possible MobilTel consolidation

Appendix

Regulatory Issues

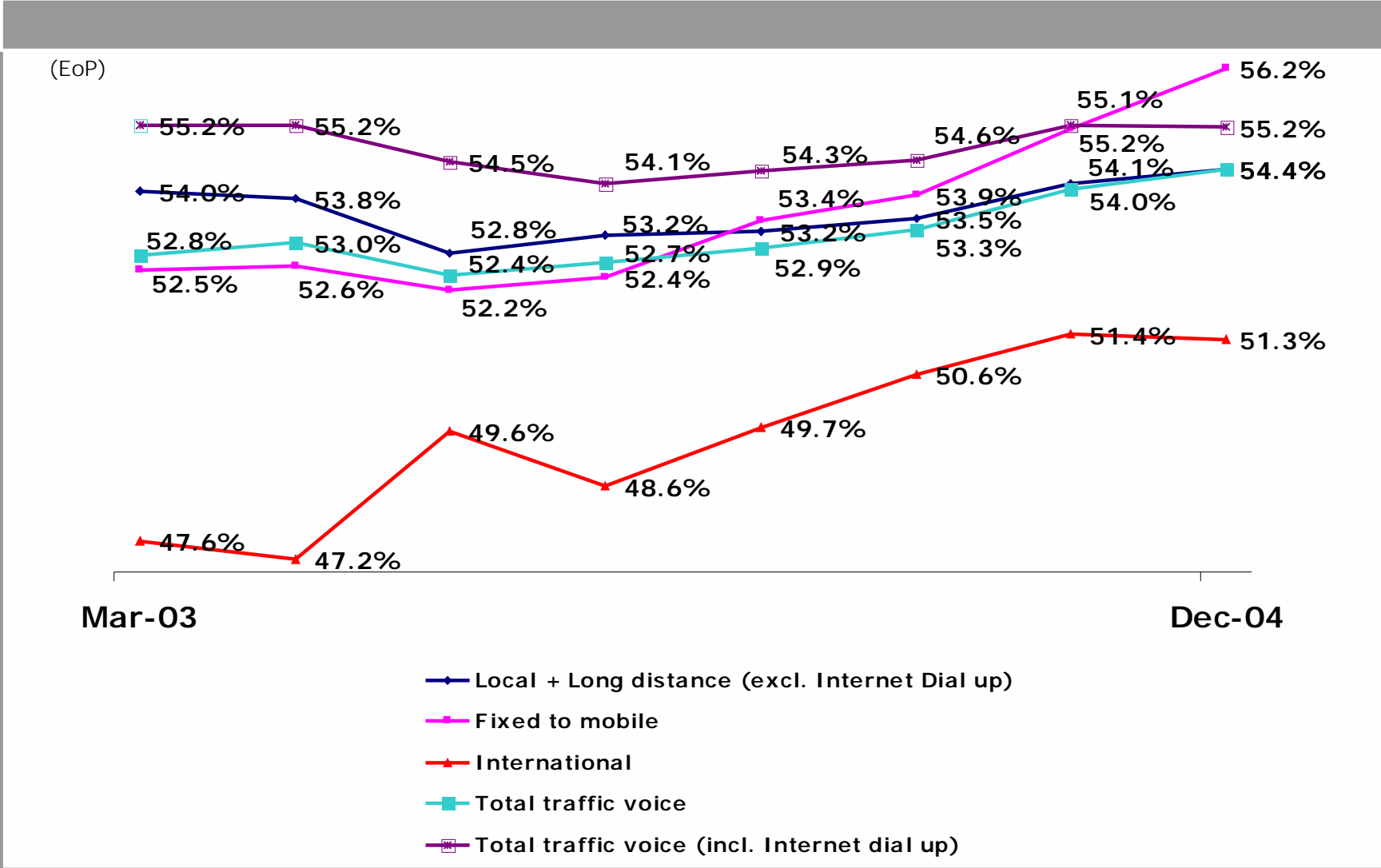
Key Aspects

- Ongoing definition, analysis and remedies for a number of telecommunication markets; sufficient competition for “publicly available international telephone services - residential customers” and “wholesale trunk segments of leased lines”; decisions pending for “broadband wholesale” and “roaming”
- Resale of access standard offer by Telekom Austria not signed by any other operator; implementation not before 4Q 05
- After a 10% cut in 4/04, Tele.ring reduced its mobile termination rate by another 10% in 10/04; further 10% decrease in 4/05;
- Regulator urges mid-term unification of mobile termination rates between operators; consultation of new regulatory model ongoing
- Implementation of mobile number portability as of Oct. 16, 2004; billable costs set at EUR 19

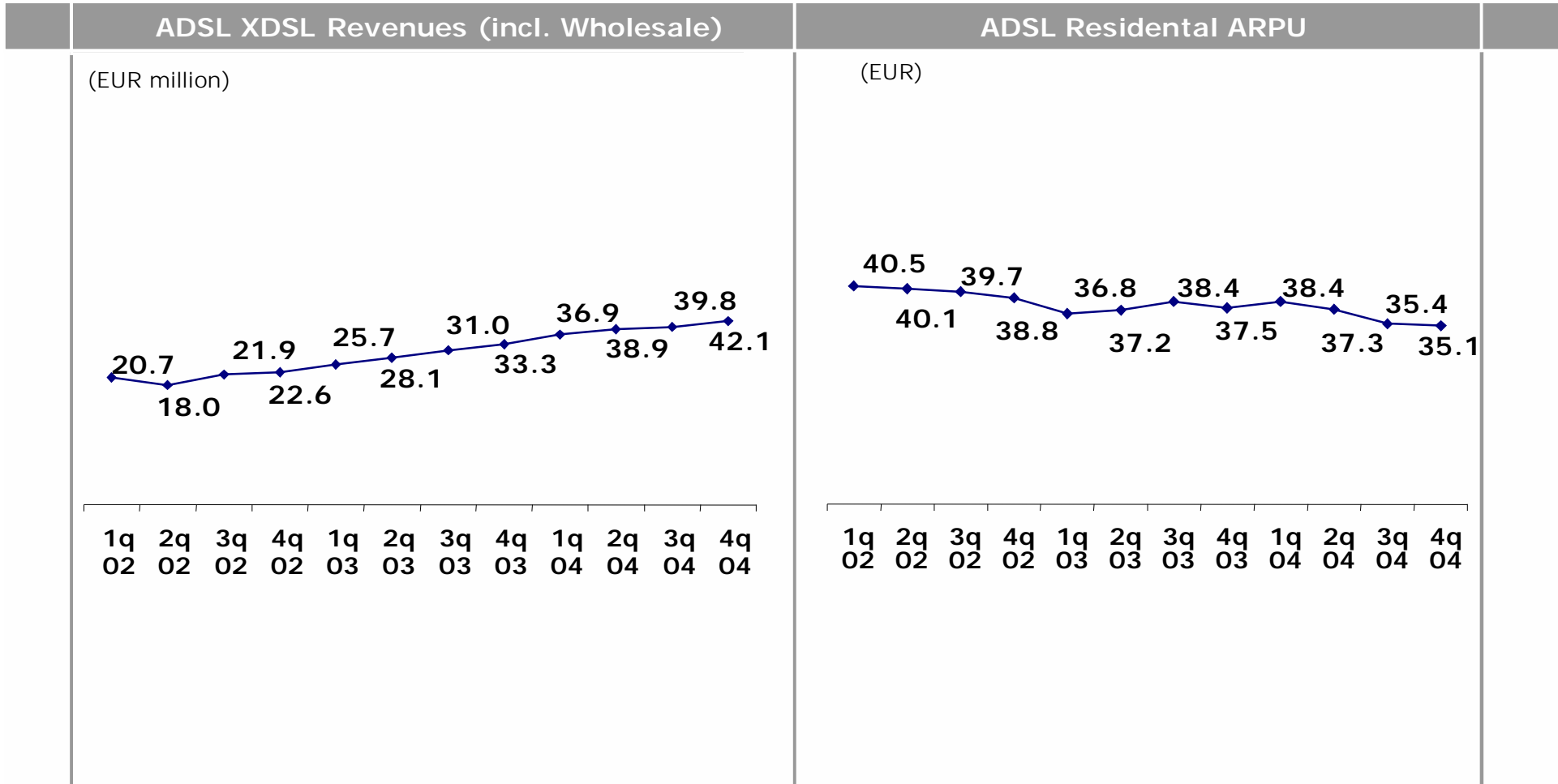
Wireline - Access Lines

(in thousands)	Dec. 31, 2004	Dec. 31, 2003	% change
PSTN access lines	2,455.5	2,555.8	-3.9%
Basic ISDN access lines	443.6	447.2	-0.8%
Multi ISDN access lines	7.6	7.8	-2.6%
Total access lines in service	2,906.7	3,010.8	-3.5%
of these ADSL access lines	383.6	261.1	46.9%
thereof ADSL wholesale lines	85.2	53.5	59.3%
(in thousands)	Dec. 31, 2004	Dec. 31, 2003	% change
Total access channels in service	3,570.7	3,684.2	-3.1%

Fixed Line - Market Shares



ADSL



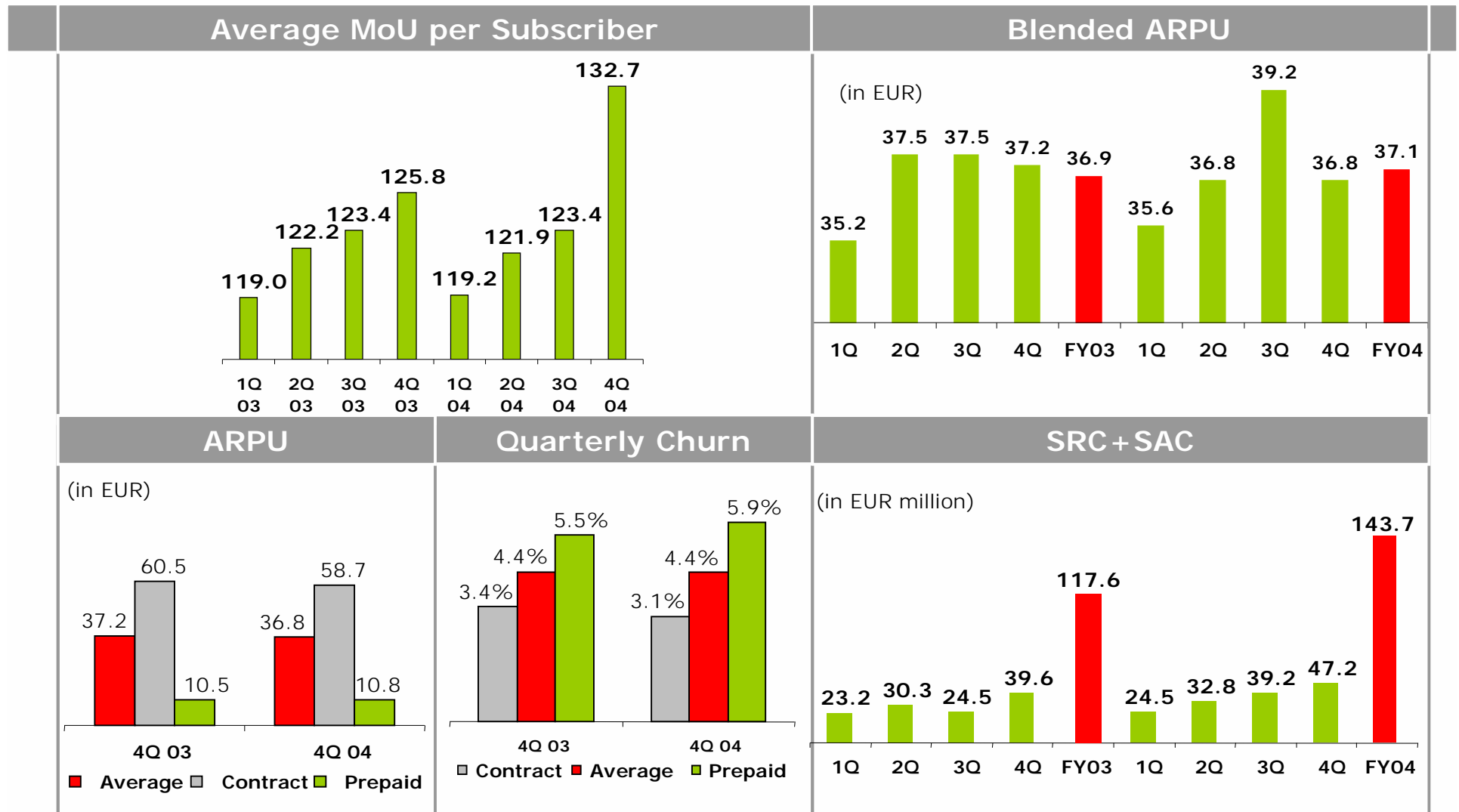
Wireline - Minutes and Average Tariffs

(in millions of minutes)	4Q 04	4Q 03	% change	FY 2004	FY 2003	% change
National	1,048	1,139	-8.0%	4,174	4,485	-6.9%
Fixed-to-mobile	213	217	-1.8%	854	855	-0.1%
International	114	127	-10.6%	467	484	-3.5%
Total voice minutes	1,375	1,483	-7.3%	5,495	5,824	-5.6%
Internet dial up	759	963	-21.2%	3,376	3,953	-14.6%
Total wireline minutes	2,134	2,446	-12.8%	8,871	9,777	-9.3%
(EUR per minute)	4Q 04	4Q 03	% change	FY 2004	FY 2003	% change
National	0.040	0.042	-4.2%	0.040	0.044	-9.1%
Fixed-to-mobile	0.191	0.183	4.4%	0.187	0.184	1.6%
International	0.183	0.189	-3.2%	0.185	0.196	-5.6%
Total voice average	0.074	0.075	-1.3%	0.075	0.078	-3.8%
Internet dial up	0.016	0.016	0.0%	0.016	0.017	-5.9%

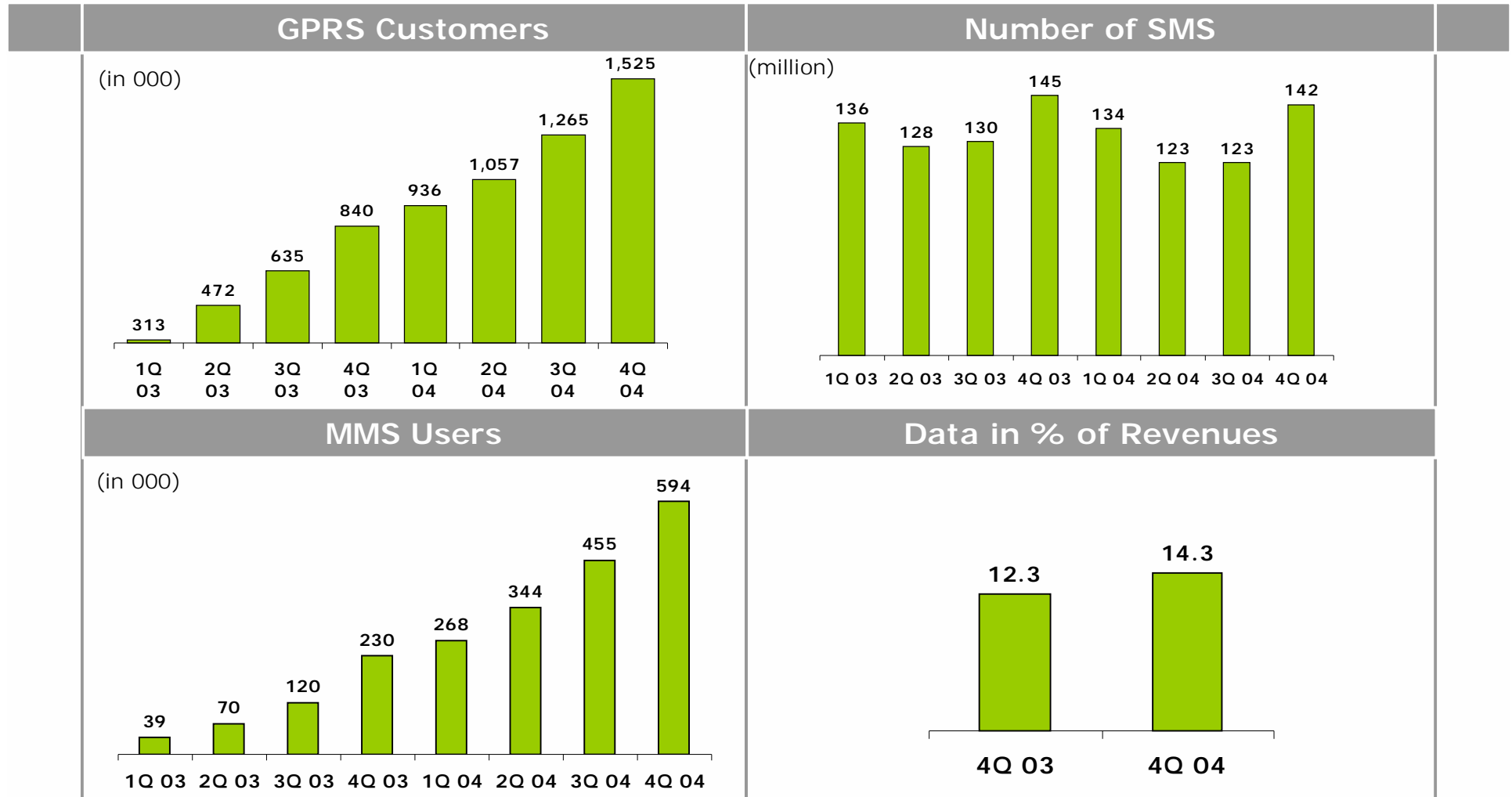
Mobile Subscribers

Customers ('000s)	Dec. 31, 2004	Dec. 31, 2003	% change
AUSTRIA			
Contract	1,778.8	1,682.2	5.7%
Prepaid	1,494.8	1,481.0	0.9%
Total	3,273.6	3,163.2	3.5%
CROATIA			
Contract	193.6	186.2	4.0%
Prepaid	1,114.9	1,024.3	8.8%
Total	1,308.6	1,210.5	8.1%
SLOVENIA			
Contract	155.7	157.3	-1.0%
Prepaid	207.6	204.2	1.7%
Total	363.3	361.5	0.5%
LIECHTENSTEIN			
Total	3.5	2.5	40.0%

Operational Data – mobilkom austria



mobilkom austria - Mobile Data



Headcount* Development

(average of period)	FY 2004	FY 2003	Change
Wireline	9,995	11,027	-1,032
Wireless	3,643	3,630	+13
Telekom Austria Group	13,638	14,657	-1,019

(end of period)	Dec. 31, 2004	Dec. 31, 2003	Change
Wireline	9,682	10,234	-552
Wireless	3,625	3,656	-31
Telekom Austria Group	13,307	13,890	-583

* = Full-time-equivalents

Wireline - Revenue Breakdown

(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Switched voice base traffic	99.2	104.8	-5.3%	403.4	428.8	-5.9%
Switched voice monthly & other voice revenues	139.1	150.3	-7.5%	570.1	567.9	0.4%
Payphones & VAS	13.0	12.5	4.0%	52.6	57.8	-9.0%
Data & IT solutions, incl. Wholesale	112.0	115.0	-2.6%	441.0	442.1	-0.2%
Internet access & media	54.3	52.6	3.2%	207.2	198.4	4.4%
Wholesale voice & Internet	93.4	84.2	10.9%	369.0	311.4	18.5%
Other	38.5	46.5	-17.2%	141.4	158.6	-10.8%
Total wireline revenues excluding third party value added services revenues*	549.5	565.9	-2.9%	2,184.7	2,165.0	0.9%
VAS adjustment					32.7	
Total wireline revenues	549.5	565.9	-2.9%	2,184.7	2,197.7	-0.6%

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

Wireline - Expense Breakdown

(EUR million)	2H 04	2H 03	% Change	FY 2004	FY 2003	% Change
Material expense	35.0	35.5	-1.4%	69.0	63.3	9.0%
Employee costs	244.8	264.2	-7.3%	494.9	531.9	-7.0%
Depreciation and amortization, Impairment Charges	371.0	397.8	-6.7%	758.5	814.8	-6.9%
Interconnection	171.7	157.5	9.0%	333.1	300.9	10.7%
Maintenance and repairs	63.7	67.0	-4.9%	116.5	119.2	-2.3%
Services received	22.2	23.0	-3.5%	41.9	39.0	7.4%
Other support services	53.0	43.1	23.0%	87.2	72.6	20.1%
Other	119.4	143.3	-16.7%	227.8	257.5	-11.5%
Total wireline expenses excluding third party value added services expenses*	1,080.8	1,131.4	-4.5%	2,128.9	2,199.2	-3.2%
VAS adjustment		10.6			32.7	
Total wireline expenses	1,080.8	1,142.0	-5.4%	2,128.9	2,231.9	-4.6%

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

Wireless - Revenue Breakdown

(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Traffic revenues	287.4	277.1	3.7%	1,141.5	1,077.1	6.0%
Monthly rental	78.6	75.6	3.9%	303.9	297.7	2.1%
Equipment	71.3	61.8	15.3%	180.1	176.3	2.2%
Roaming	33.1	27.5	20.3%	175.6	153.8	14.2%
Interconnection	82.3	80.0	2.9%	328.0	303.2	8.2%
Other	-0.6	4.2		15.9	18.1	-12.2%
Discounts	-9.8	-6.3	55.1%	-19.5	-16.3	19.6%
Total wireless revenues excluding third party value added services revenues*	542.3	519.9	4.3%	2,125.5	2,009.9	5.8%
VAS adjustment					20.3	
Total wireless revenues	542.3	519.9	4.3%	2,125.5	2,030.2	4.7%

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

Wireless - Expense Breakdown

(EUR million)	2H 04	2H 03	% Change	FY 2004	FY 2003	% Change
Material expense	163.7	146.1	12.0%	276.3	254.7	8.5%
Employee costs	90.9	87.6	3.8%	179.8	167.8	7.2%
Depreciation and amortization	181.0	167.0	8.4%	358.1	325.6	10.0%
Interconnection	123.0	110.8	11.0%	236.0	203.7	15.9%
Repairs	33.4	33.7	-0.9%	63.7	62.0	2.7%
Services received	138.9	132.0	5.2%	267.9	250.9	6.8%
Other support services	12.3	11.5	7.0%	24.0	25.3	-5.1%
Other	167.6	168.4	-0.5%	312.3	318.5	-1.9%
Total wireless expenses excluding third party value added services expenses*	910.8	857.1	6.3%	1,718.1	1,608.5	6.8%
VAS adjustment		7.1			20.3	
Total wireless expenses	910.8	864.2	5.4%	1,718.1	1,628.8	5.5%

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

Operating Revenues by Segment

Revenues (EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireline	549.5	565.9	-2.9%	2,184.7	2,197.7	-0.6%
Wireless	542.3	519.9	4.3%	2,125.5	2,030.2	4.7%
Other & eliminations	-66.7	-67.3	-0.9%	-253.9	-258.1	-1.6%
Total revenues	1,025.1	1,018.5	0.6%	4,056.3	3,969.8	2.2%
Third party value added services revenues recorded prior to October 1, 2003	4Q 04	4Q 03		FY 2004	FY 2003	
Wireline					-32.7	
Wireless					-20.3	
Other & eliminations					7.1	
Total revenues					-45.9	
Revenues excluding third party value added services revenues	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireline	549.5	565.9	-2.9%	2,184.7	2,165.0	0.9%
Wireless	542.3	519.9	4.3%	2,125.5	2,009.9	5.8%
Other & eliminations	-66.7	-67.3	-0.9%	-253.9	-251.0	1.2%
Total revenues excluding third party value added services revenues	1,025.1	1,018.5	0.6%	4,056.3	3,923.9	3.4%

Adjusted EBITDA and Operating Income by Segment

(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireline	165.8	154.7	7.2%	814.3	780.5	4.3%
Wireless	152.2	151.9	0.2%	765.4	727.1	5.3%
Intersegmental eliminations & other	0.0	0.5		-10.9	2.2	
Total adjusted EBITDA*	318.0	307.1	3.5%	1,568.8	1,509.8	3.9%

(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireline	-22.4	-50.3	-55.5%	55.8	-34.3	-262.7%
Wireless	63.2	63.8	-0.9%	407.4	401.4	1.5%
Intersegmental eliminations & other	0.1	0.7		-10.5	2.7	
Total operating income	40.9	14.2	188.0%	452.7	369.8	22.4%

* 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.

Capital Expenditures by Segment

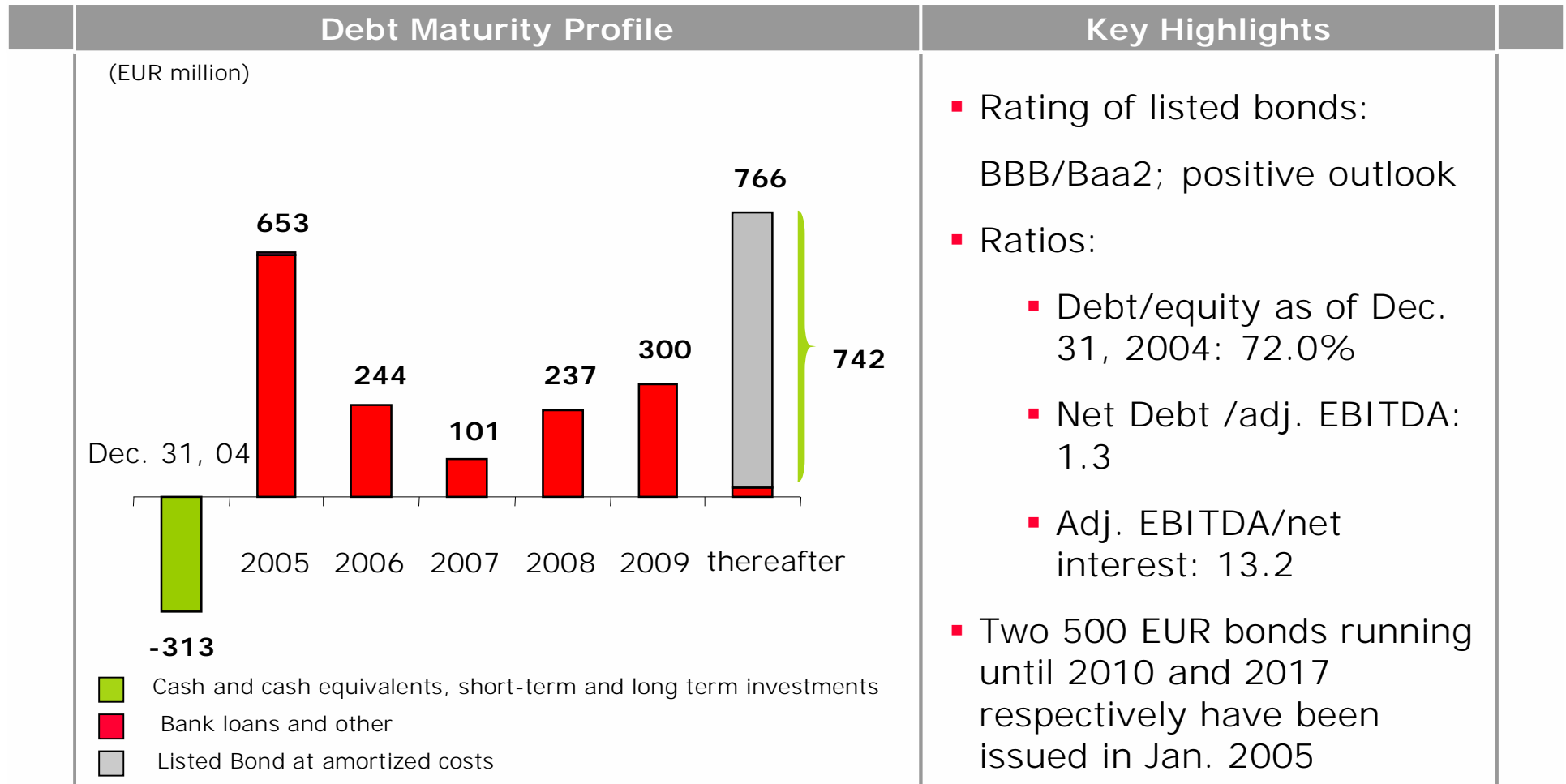
(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireline tangible	103.1	114.4	-9.9%	280.0	298.0	-6.0%
Wireless tangible	105.9	142.6	-25.7%	225.6	290.6	-22.4%
Tangible	209.0	257.0	-18.7%	505.6	588.6	-14.1%
Intangible	32.6	2.0		42.6	11.5	
Eliminations & other		-0.4			-0.4	
Total	241.6	258.6	-6.6%	548.2	599.7	-8.6%

(EUR million)	4Q 04	4Q 03	% Change	FY 2004	FY 2003	% Change
Wireless tangible						
mobilkom austria	72.3	102.7	-29.6%	139.2	202.8	-31.4%
VIPnet	24.6	28.3	-13.1%	71.9	71.4	0.7%

Net Debt - Telekom Austria Group

(EUR million)	Dec. 31, 2004	Dec. 31, 2003
Long-term debt	1,647.2	2,342.3
Short-term debt	751.1	631.3
- Short-term portion of capital and cross border lease	-95.3	-95.5
+ Capital lease obligations	1.6	2.1
Cash and cash equivalents, short-term and long-term investments	-312.9	-226.4
Financial instruments, included in other assets and other current assets	-17.8	-16.5
Net debt of Telekom Austria Group	1,973.9	2,637.3
Shareholders' equity	2,741.6	2,639.4
Net debt/Equity	72.0%	99.9%

Telekom Austria Debt Maturity Profile as of Dec. 31, 2004



Reconciliation from EBITDA to Consolidated Net Income

(EUR million)	FY 2004	FY 2003
Adjusted EBITDA (excluding impairment charges)	1,568.8	1,509.8
Impairment charges	-1.3	-6.8
Adjusted EBITDA (including impairment charges)	1,567.5	1,503.0
Depreciation and amortization	-1,114.8	-1,133.2
Interest income	70.0	75.2
Interest expense	-188.8	-231.0
Equity in earnings of affiliates	0.6	19.1
Other income (expense), net	15.6	-0.5
Income before taxes, minority interests and cumulative effect of change in accounting principle; Net of tax	350.1	232.6
Income tax expense	-122.2	-83.1
Minority interests	-0.6	-3.4
Cumulative effect of change in accounting principle, net of tax	0.0	-11.9
Net income	227.3	134.2