

## **Amendment to the Buyback Program of Telekom Austria AG<sup>1</sup>**

By resolution of the Annual General Meeting on June 4, 2003, the Management Board of Telekom Austria AG was first authorized to undertake a share buyback. This authorization has been replaced by an amended and prolonged authorization by resolution of the Annual General Meeting on June 3, 2004 as follows:

The Management Board is authorized to acquire to the maximum extent legally permitted, i.e. up to 10 % of the share capital of the Company, own shares at no par value, during a period of 18 months from the day of this resolution of the Annual General Meeting at a minimum price of € 9,-- (nine Euro) and a maximum price of € 18,-- (eighteen Euro) per share.

The authorization by the Annual General Meeting also extends to the use of the repurchased shares (i) to serve stock options to be granted to employees, directors and members of the Management Board of the Company or of an affiliated company, (ii) to serve convertible bonds, (iii) as consideration for acquisitions as well as to sell the shares in any way permitted by law, also over the counter and by excluding of the general purchase opportunity.

On June 21, 2004 the Management Board of Telekom Austria AG decided to exercise the rights under in this new authorization and to amend the buyback program, disclosed on March 24, 2004 as follows (No 4 and 5 of the buyback program disclosed on March 24, 2004 remain the same).

### **Details on the Share Buyback Program**

1. The day of authorization of the resolution by the Annual General Meeting according to Para 65 Sec. 1 Z 8 AktG (Stock Corporation Act) is June 3, 2004.
2. The resolution by the Annual General Meeting was announced via the APA on June 3, 2004 and published in the "Amtsblatt der Wiener Zeitung" on June 12, 2004.

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<sup>1</sup> According to Para 5 (4) of the Disclosure Regulation Telekom Austria announced on March 27, 2004 in the "Amtsblatt der Wiener Zeitung" to fulfil its disclosure obligations on its Internet website.

3. The Buyback Program has begun on March 29, 2004, was modified on June 21, 2004 and is expected to end on December 2, 2005.

4. The Buyback Program concerns ordinary shares of Telekom Austria AG.

5. The intention is to buy back up to 30 million shares, i.e. up to 6 % of the current share capital of Telekom Austria AG.

6. The minimum price to be paid in the buyback is € 9,-- (nine Euro) and the maximum price to be paid in the buyback is € 18,-- (eighteen Euro) per share.

7. The buyback takes place via the stock exchange. The main purpose is the return of capital to the shareholders while simultaneously improving the capital structure. The authorization by the Annual General Meeting also extends to the use of the repurchased shares (i) to serve stock options to be granted to employees, directors and members of the Management Board of the company or of an affiliated company, (ii) to serve convertible bonds, (iii) as consideration for acquisitions as well as to sell own shares in any way permitted by law, also over the counter and by excluding of the general purchase opportunity.

8. The Company granted 2.539.480 stock options representing the right to acquire up to a maximum number of 2.539.480 shares to employees, directors and members of the Management Board of the Company or of an affiliated company. 96.000 stock options were granted to the four members of the Management Board, which entitle each of them to acquire 96.000 shares. In total 197.000 stock options were granted to the Management Boards of affiliated companies, which entitle them to acquire up to a maximum number of 197.500 shares.

Telekom Austria AG intends to fulfil disclosures obligations according to Para 6 and 7 of the Disclosure Regulation 2002 by disclosing details on the Internet website of Telekom Austria AG ([www.telekom.at](http://www.telekom.at)) which is publicly accessible.

Telekom Austria AG

The Management Board

Vienna, June 24, 2004