

## Telekom Austria Acquires Call Option for the Purchase of Mobiltel (Ad hoc Release)

The call option gives Telekom Austria the unilateral and irrevocable right to purchase 100% of the share capital of Mobiltel AD for a total enterprise value of up to EUR 1,600 million in late 2005. "We are delighted to have secured the right to acquire Mobiltel, which we view as a quality asset in a highly attractive market. The terms of the transaction underline Telekom Austria's prudent growth strategy in South Eastern Europe and perfectly match the criteria which we have communicated for our expansion policy" said Heinz Sundt, CEO of Telekom Austria.

The call option is priced at up to EUR 80 million which would be offset against the purchase price. The call option is payable in 1Q 05 and is exercisable in 3Q 05.

Up to EUR 150 million of the purchase price is contingent upon Mobiltel achieving certain operating and financial performance criteria in 2005 and will be payable in 2Q 06. Boris Nemsic, COO Wireless Telekom Austria and CEO mobilkom austria, will be admitted as a non-voting observer to management and supervisory board meetings of Mobiltel AD. "This process will allow for regular business updates and assist us in our decision on exercising the call option", explained Boris Nemsic.

If the call option is exercised, Telekom Austria intends to fund the acquisition mainly from its cash flow and in part through the issuance of debt. Stefano Colombo, CFO of Telekom Austria reiterates: "Telekom Austria does not intend to raise equity in order to finance the potential acquisition and will maintain its current share buyback programme".

As of 30 June 2004, Mobiltel had approximately 2.75 million subscribers, making it the largest mobile communications operator in Bulgaria with a subscriber market share of approximately 67%. For the 12 months ended 30 June 2004, Mobiltel had proforma revenues and EBITDA of approximately EUR 455 million and EUR 290 million, respectively. Mobiltel is owned by a consortium of Austrian and international financial investors.

With total managed revenues of EUR 3.9 billion and 13,900 employees in 2003 Telekom Austria is the largest telecommunications company in Austria and also one of the leading corporations in this country. Telekom Austria AG has been listed on both the Vienna and New York stock exchanges since November 2000.

Lehman Brothers and Raiffeisen Investment AG are advising Telekom Austria on this transaction.

[Additional information on Bulgaria and on Mobiltel](#)

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