

**euro adhoc: Telekom Austria AG / Mergers - Acquisitions - Takeovers /
Telekom Austria Accelerates the Acquisition of Mobiltel (E)**

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01.06.2005

Change to a previous Ad-Hoc Announcement

Vienna, June 1, 2005: Telekom Austria (VSE: TKA, NYSE: TKA) announced today, that it has agreed to accelerate the acquisition of Mobiltel AD, the leading Bulgarian wireless operator. Telekom Austria Group will acquire 100% of Mobiltel for a total consideration (Enterprise Value) of up to EUR 1,600 million through early exercise of the call option acquired on December 17, 2004 and has signed a Share Purchase Agreement with the owners of Mobiltel today. Mobiltel is owned by a consortium of Austrian and international financial investors. The closing of the transaction is expected to occur in July 2005.

The Enterprise Value of up to EUR 1,600 million remains unchanged and includes several components:

- A deferred contingent payment component of up to EUR 100 million. This payment is deferred until 4Q 2005 and made contingent upon Mobiltel achieving certain financial and operating criteria in 3Q 2005. The initial cash purchase price payable upon closing will be reduced by this payment;
- A deferred consideration of EUR 182 million. Due to the acceleration of the transaction, the formerly contingent consideration of up to 150 million was increased by 32 million and the date for the operating and financial performance criteria was brought forward to April 30, 2005. This deferred consideration has already become unconditional and is now payable in 4Q 2005. The initial cash purchase price payable upon closing will be reduced by this payment;
- The cash purchase price for 100% of the shares in Mobiltel. The call option price of EUR 80 million paid by Telekom Austria in Q1 2005 will be fully creditable against the purchase price; and

- Net debt of Mobiltel which will be assumed by Telekom Austria.

The Enterprise Value of EUR 1,600 million implies an EV/EBITDA multiple (based on 2004 figures) of 5.2x which compares favorably to recent transactions. This announcement amends communications distributed on 17 December, 2004 via EURO Ad-Hoc.

Please find additional information on Bulgaria and on Mobiltel on our website www.telekom.at/ir .

Further inquiry note:

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euro adhoc 01.06.2005 08:27:53

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indexes:
stockmarkets:
sector: Telecommunications Equipment
language: English

*** OTS-ORIGINALTEXT UNTER AUSSCHLISSLICHER INHALTLICHER
VERANTWORTUNG DES AUSENDERS ***

OTE0001 2005-06-01/09:03

010903 Jun 05

Link zur Aussendung:

https://www.ots.at/presseaussendung/OTE_20050601_OTE0001