

Analyst Presentation

Eurotel Praha

Prague - March 30, 2004

Robert Bowker, Chief Financial Officer

Topics covered today

- 2003 Overview
- Operational results
- Financial results
- 2004

2003 Overview

Eurotel continues to generate one of the highest returns within the mobile industry.

- Return on invested capital of 25% maintained.
- Return on equity at 28% helped by CZK 11 billion dividend and the resultant tax credit of CZK 420 million.
- Low single digit revenue growth in an aggressive saturated market where Eurotel continues to maintain price premium in certain segments.
- EBITDA margin continues to be one of the highest in Europe.
- Capital discipline maintained.
- Management focus on innovative tarrifing and data.

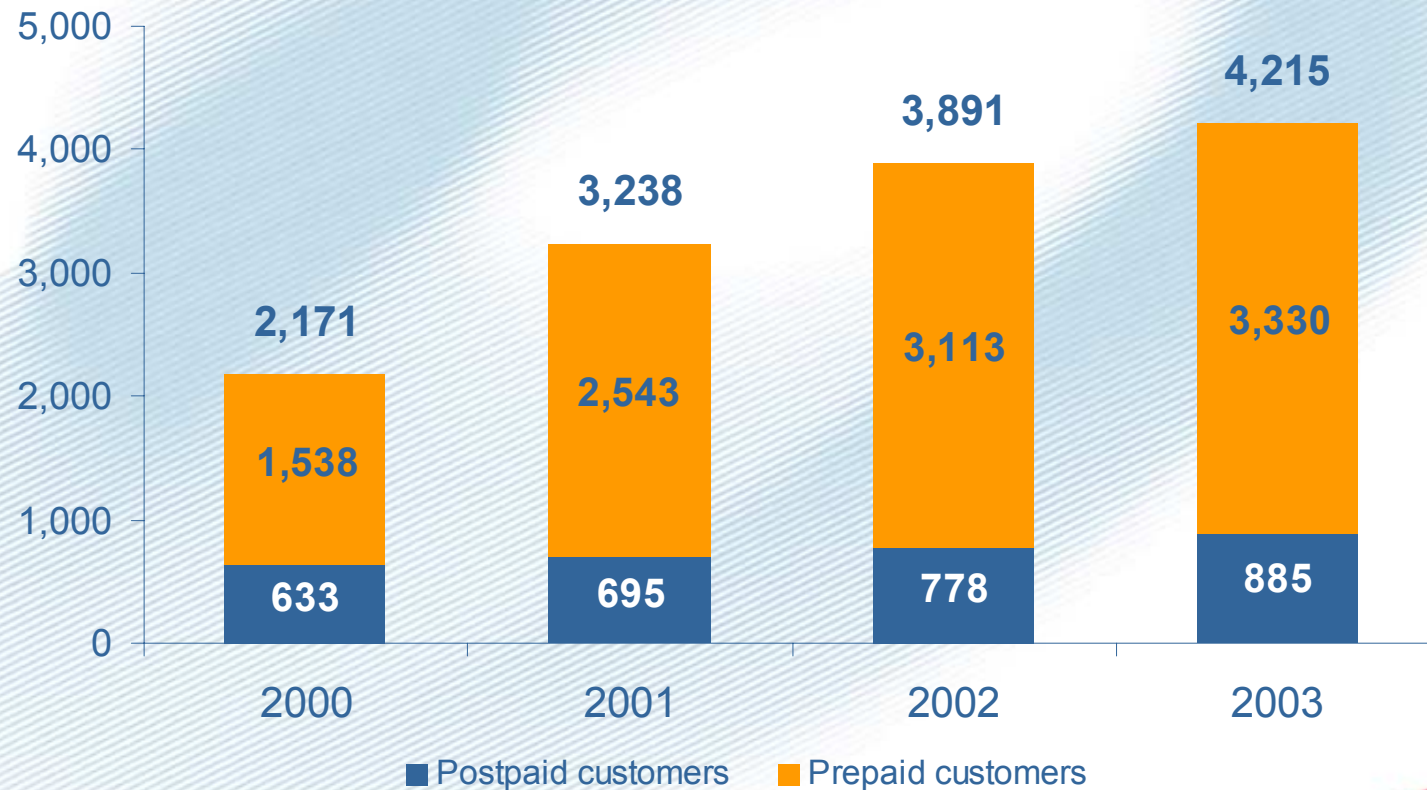
Operational results

- Customers
- GSM postpaid churn
- Voice minutes of use
- SMS
- ARPU

Customers

Total customers grew 8% in a saturated market.

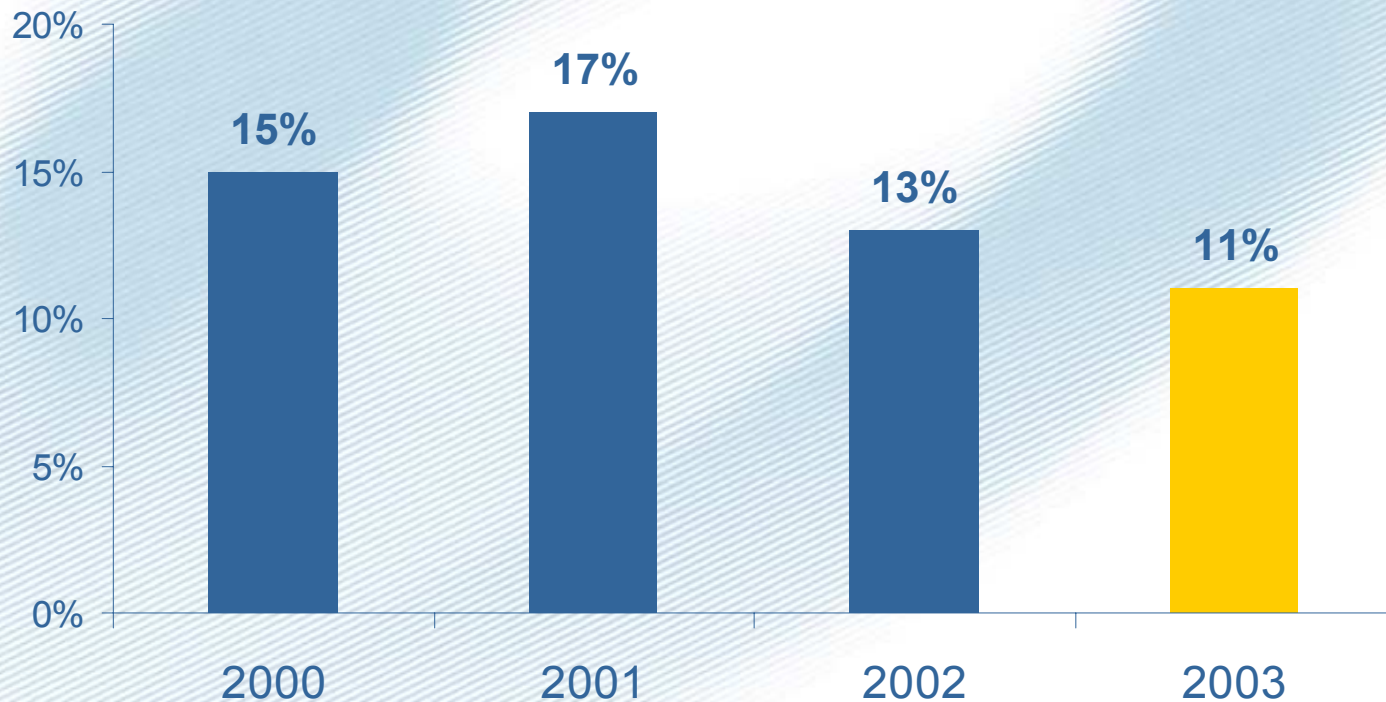
(in thousands)



GSM postpaid churn

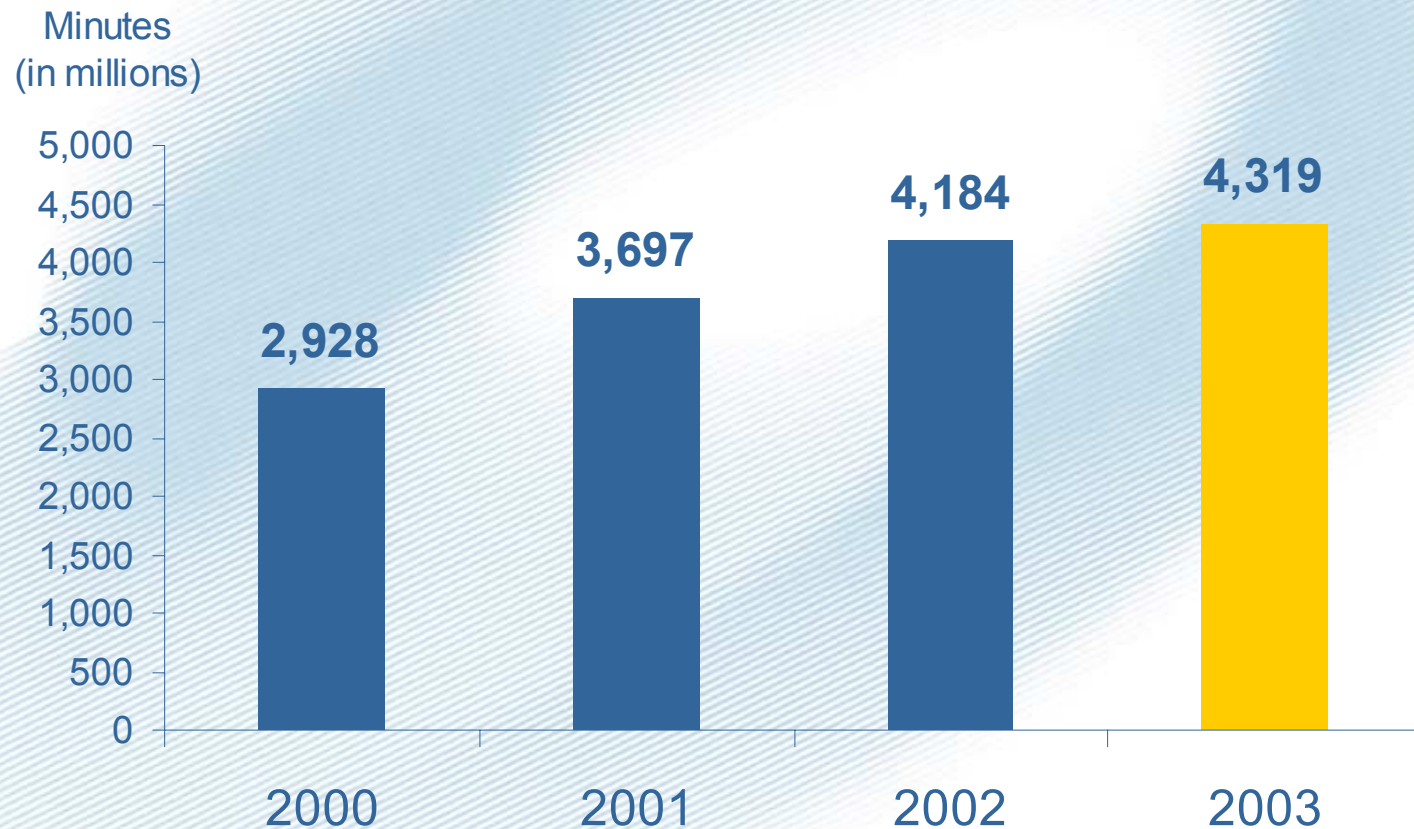
Churn maintained at world class levels in a competitive and saturated market.

Annual GSM postpaid churn



Total voice minutes of use

Total voice minutes increased by 3%.



Total SMS

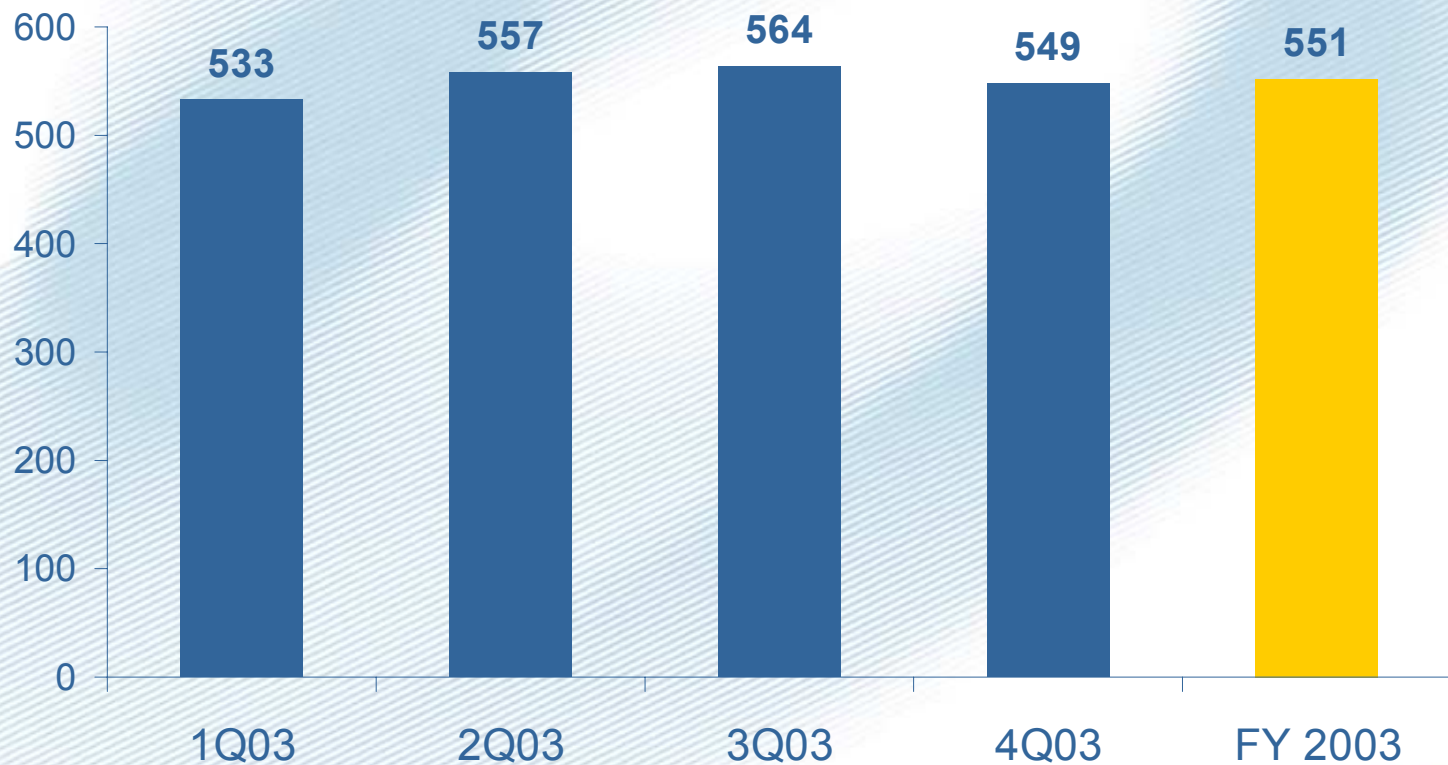
Total SMS grew 11%.



Blended ARPU

ARPU remained stable during the year.

(in CZK)



Financial results

- Income statement
- 2003 Eurotel – T- Mobile Czech Republic comparison
- 2003 EBITDA margin benchmarking
- Value added services
- 2003 capex to sales benchmarking
- Cash flow
- Balance sheet - assets
- Balance sheet – liabilities and equity

Income statement

(in millions of CZK)

	For the 12 months ended December 31,			
	2003	2002	Change	Change in %
Total revenues	29,078	28,800	278	1%
Recurring revenues	27,610	26,869	741	3%
Non-recurring revenues	1,468	1,931	(463)	(24%)
Gross profit	20,443	20,283	160	1%
Gross margin in %	70%	70%		
EBITDA	14,199	13,712	487	4%
EBITDA margin in %	49%	48%		
EBIT	9,191	9,116	75	1%
EBIT margin in %	32%	32%		
Income before tax	9,294	9,059	235	3%
Income tax	2,040	2,788	(748)	(27%)
Net income	7,254	6,271	983	16%
Net income in %	25%	22%		

Note:

Prepared under US GAAP. Audited.

2003 Eurotel – T-Mobile Czech Republic (“CR”) comparison

<i>(in millions of CZK)</i>	Eurotel	T-Mobile CR	Difference	Difference in %
Total revenues	29,078	24,442	4,636	19%
Recurring revenues	27,610	23,511	4,099	17%
Non-recurring revenues	1,468	931	537	58%
EBITDA	14,199	10,785	3,414	32%
<i>EBITDA margin</i>	<i>49%</i>	<i>44%</i>		
Net income	7,254	4,423	2,831	64%
<i>Net income margin</i>	<i>25%</i>	<i>18%</i>		
Blended ARPU (in CZK)	551	491	60	12%
Total customers (in thousands)	4,215	3,947	267	7%

Notes:

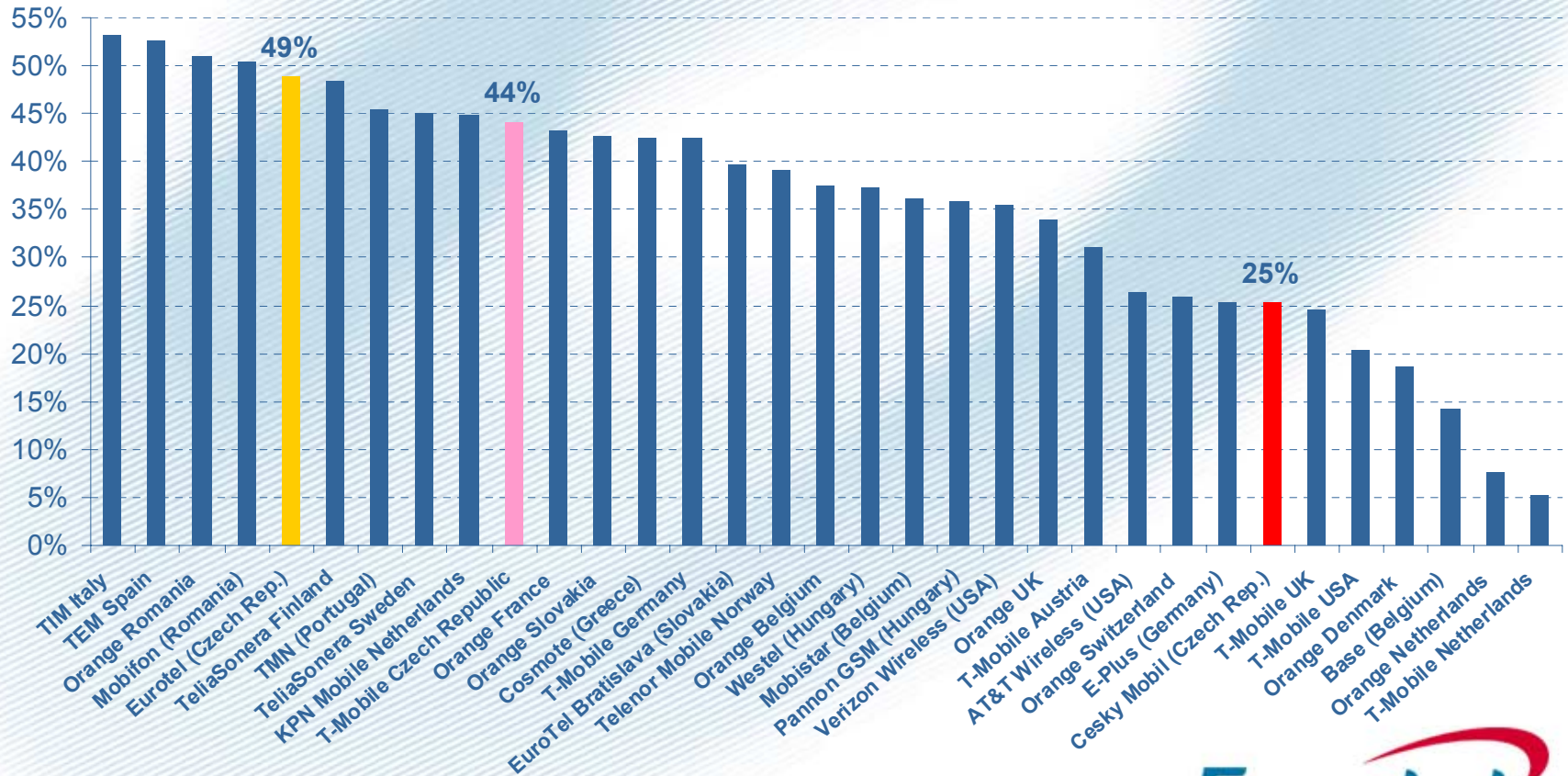
T-Mobile CR's financial results are prepared under German GAAP.

Source: T-Mobile CR's and Deutsche Telekom's reports

2003 EBITDA margin benchmarking

World class EBITDA margin.

(in %)



Value added services

Data revenues grew 41% q-q in 4Q03.



Note: Data revenues - include value added services excluding SMS, principally data

Data Nonstop customers

Eurotel Data Nonstop is the first flat rate unlimited mobile Internet access in Europe.

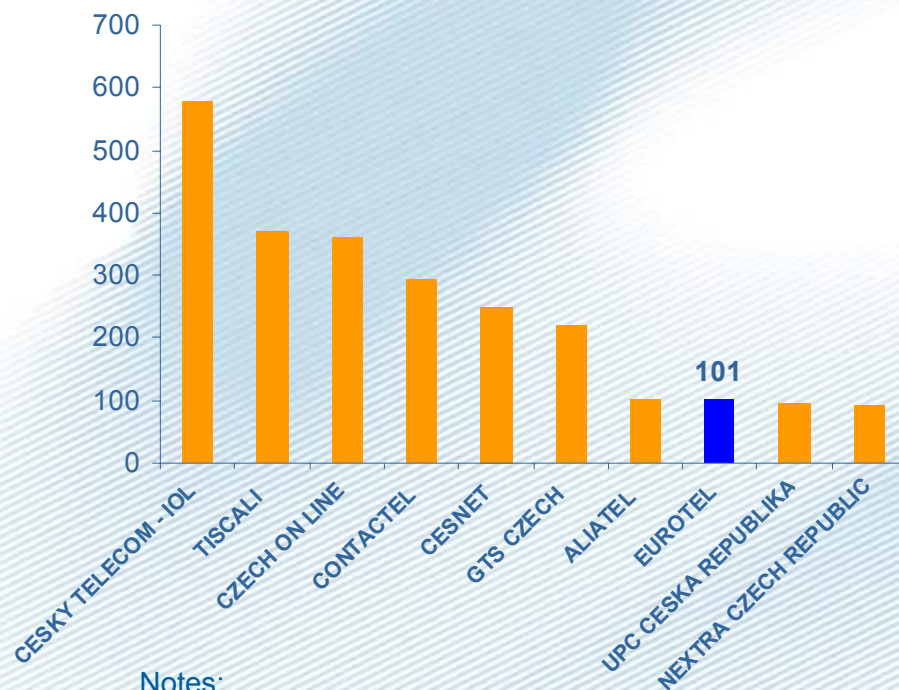
(customers)



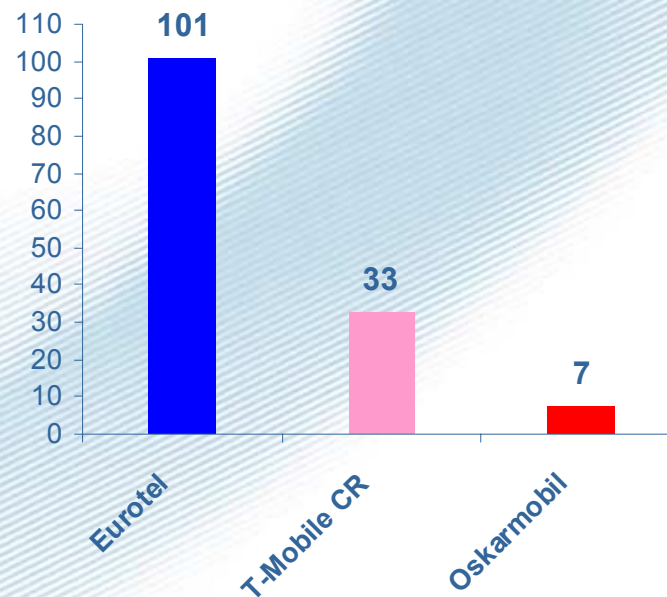
Internet users

Eurotel is now one of the TOP 10 ISPs in the Czech Republic according to “iAudit”, an independent research agency.

Unique visitors
(thousands)



Unique visitors
(thousands)



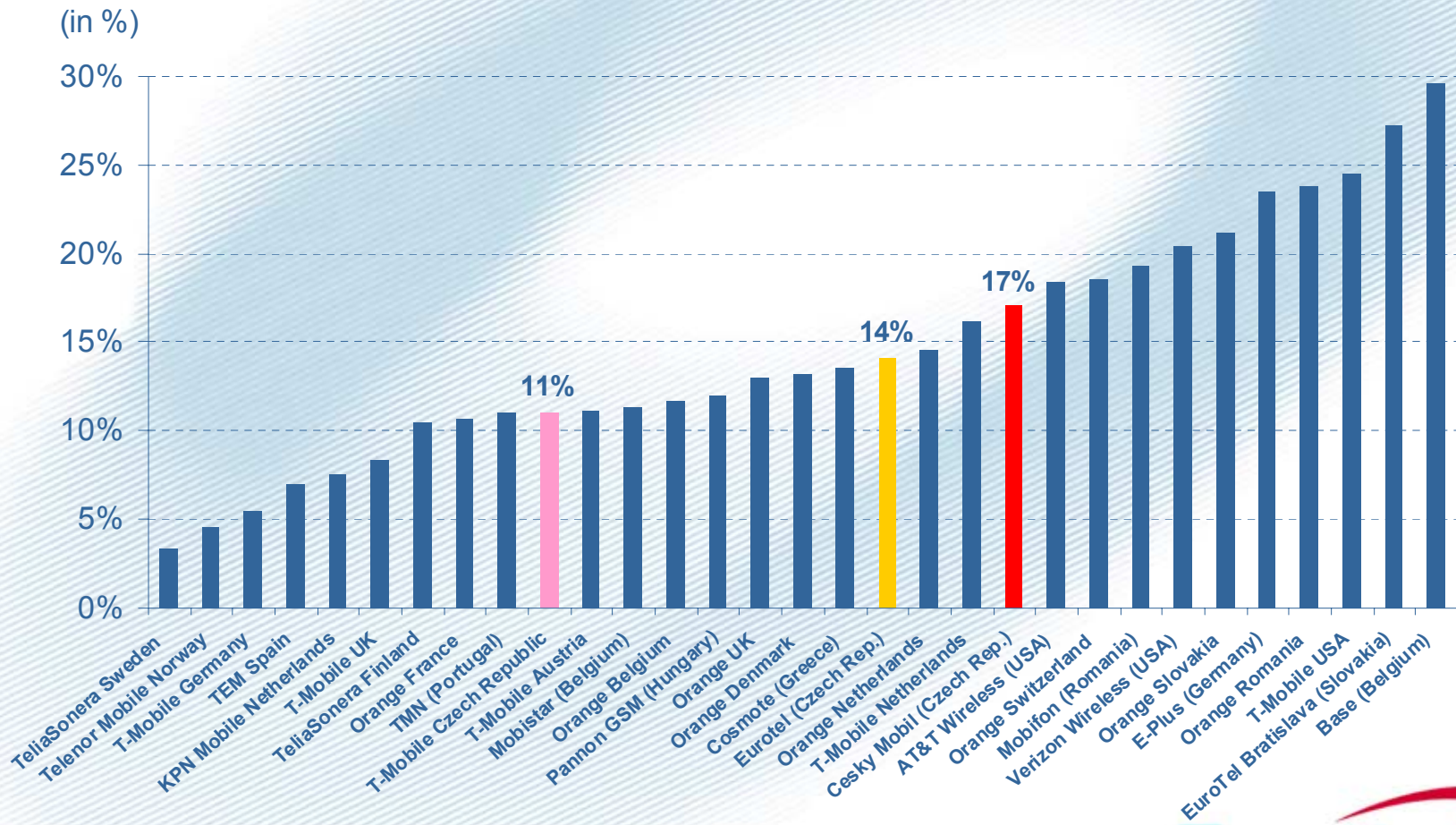
Notes:

Data for February 2004

Eurotel unique visitors – Data Nonstop customers and other GPRS and HSCSD users

2003 capex/sales benchmarking

Capital discipline maintained.



Cash flow

(in millions of CZK)

	For the 12 months ended December 31,			
	2003	2002	Change	Change in %
Cash flow provided by operations	14,412	14,088	324	2%
Cash flow used in working capital	431	739	(308)	(42%)
Income tax received/(paid)	(3,268)	(3,005)	(263)	9%
Interest received/(paid)	131	(4)	135	N/A
Cash flow provided by operating activities	11,706	11,818	(112)	(1%)
Cash flow used in investment activities	4,159	4,838	(679)	(14%)
Free cash flow	7,547	6,980	567	8%

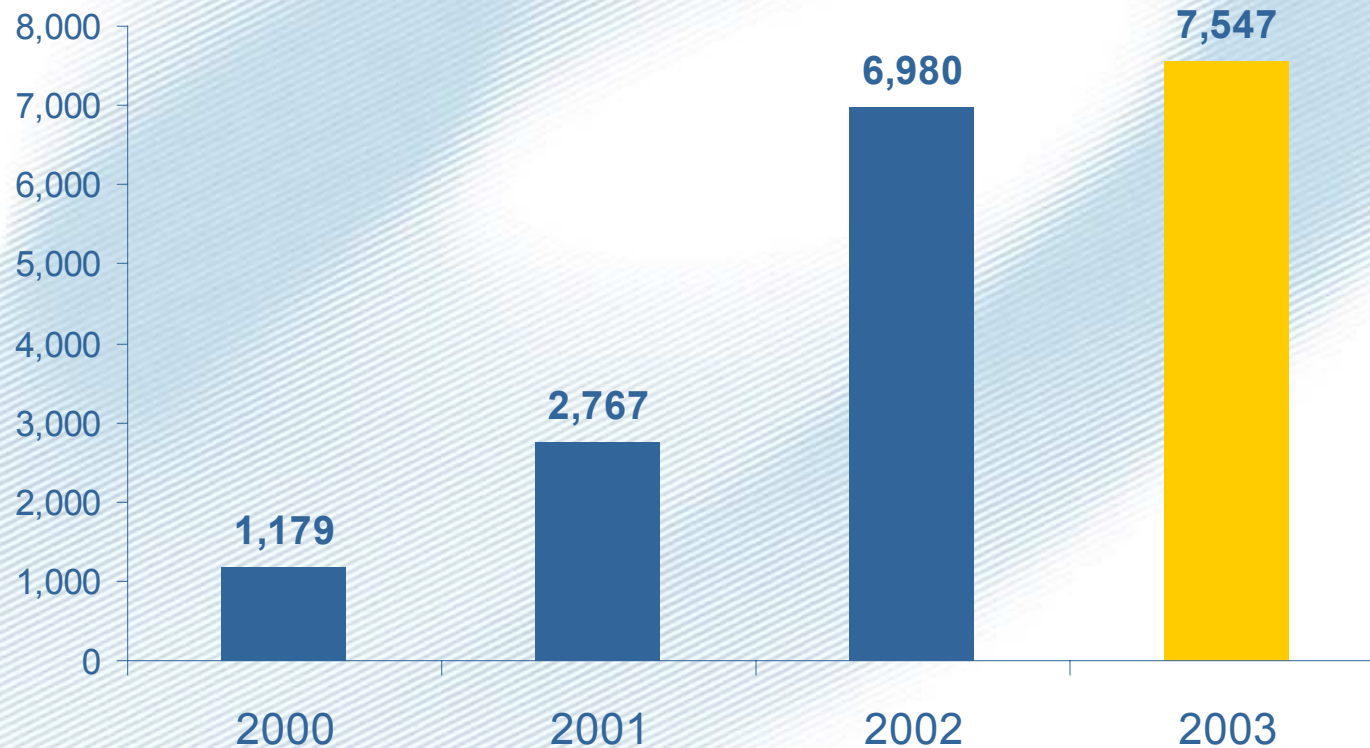
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Free cash flow

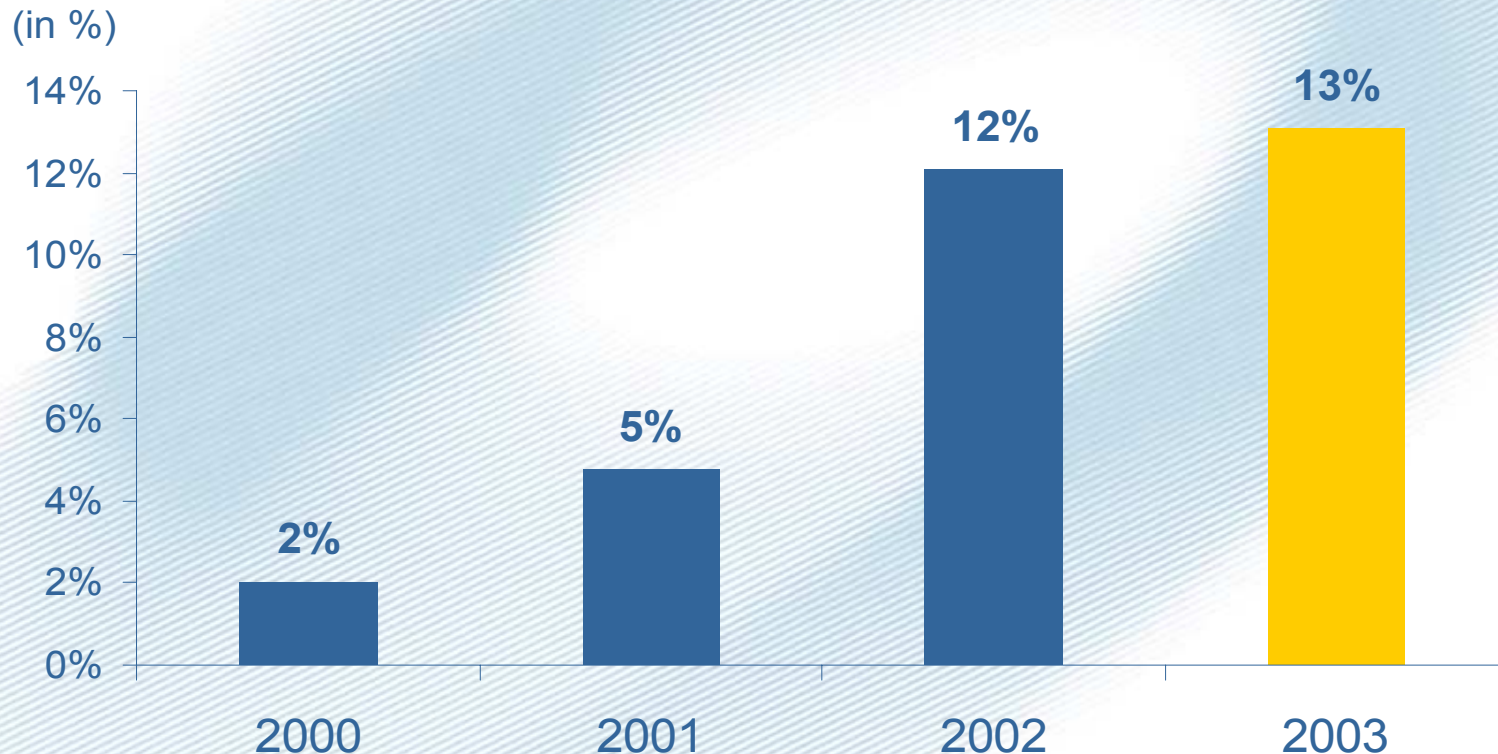
Enhanced cash generation and shareholder value.

(in millions of CZK)



Free cash flow yield

Increasing free cash flow yield.



Note:

Eurotel equity value estimate is based on Cesky Telecom's purchase price of USD 1.05 bn achieved in acquiring the remaining 49% of Eurotel.

Balance sheet - assets

<i>(in millions of CZK)</i>	December 31, December 31,		Change	Change in %
	2003	2002		
Current assets	8,146	12,414	(4,268)	(34%)
Cash and cash equivalents	2,908	6,417	(3,509)	(55%)
Trade and other receivables	4,733	5,109	(376)	(7%)
Inventories	505	888	(383)	(43%)
Non-current assets	28,718	29,986	(1,268)	(4%)
Property, plant and equipment	24,276	25,477	(1,201)	(5%)
Intangible assets	4,442	4,509	(67)	(1%)
Total assets	36,864	42,400	(5,536)	(13%)

Note:

Prepared under US GAAP. Audited.

Balance sheet – equity and liabilities

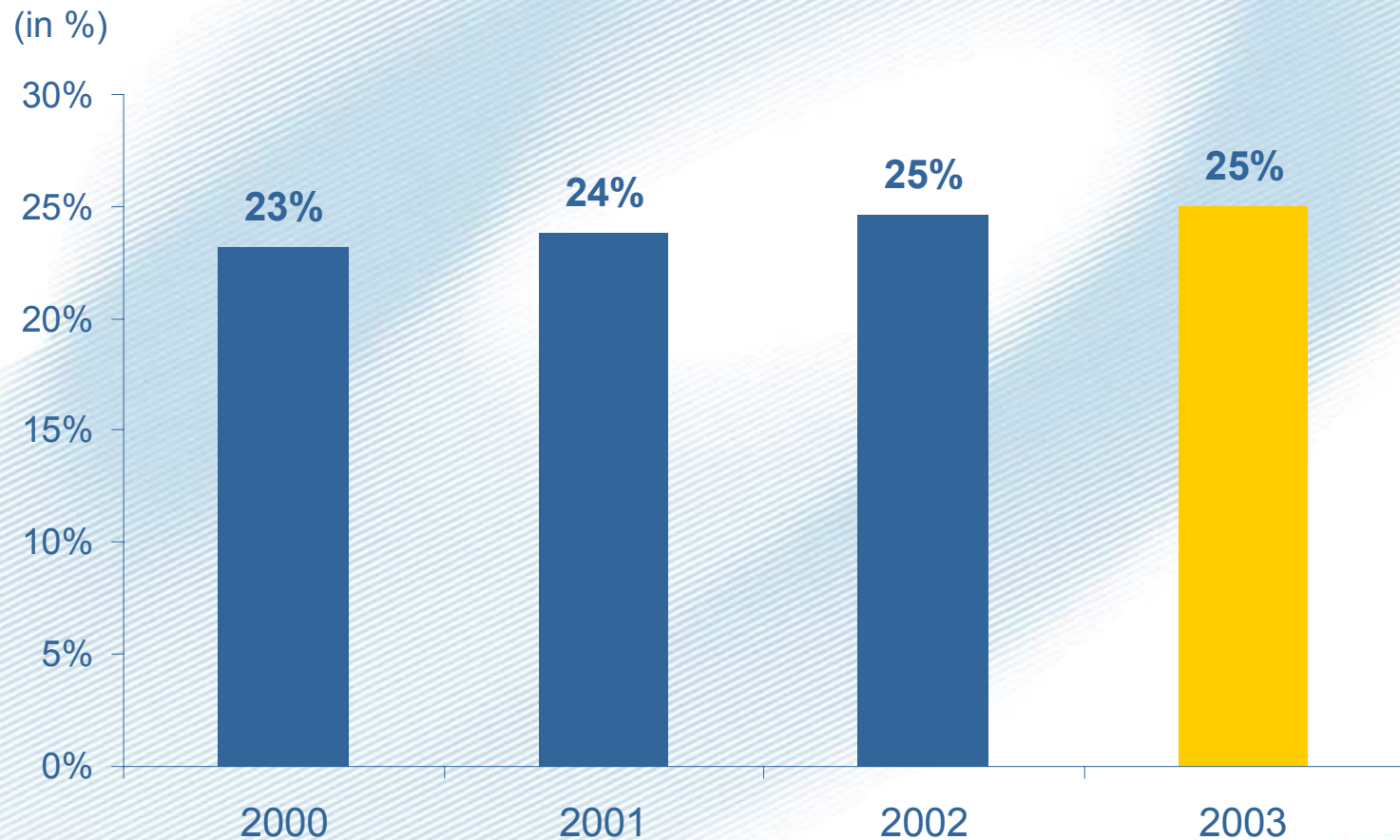
<i>(in millions of CZK)</i>	December 31, December 31,		Change	Change in %
	2003	2002		
Current liabilities	8,701	7,178	1,523	21%
Short-term debt	2,284	253	2,031	803%
Other current liabilities	6,417	6,925	(508)	(7%)
Non-current liabilities	2,194	5,528	(3,334)	(60%)
Long-term debt	-	2,028	(2,028)	(100%)
Deferred tax liabilities	2,194	3,500	(1,306)	(37%)
Total equity	25,969	29,694	(3,725)	(13%)
Total liabilities and equity	36,864	42,400	(5,536)	(13%)

Note:

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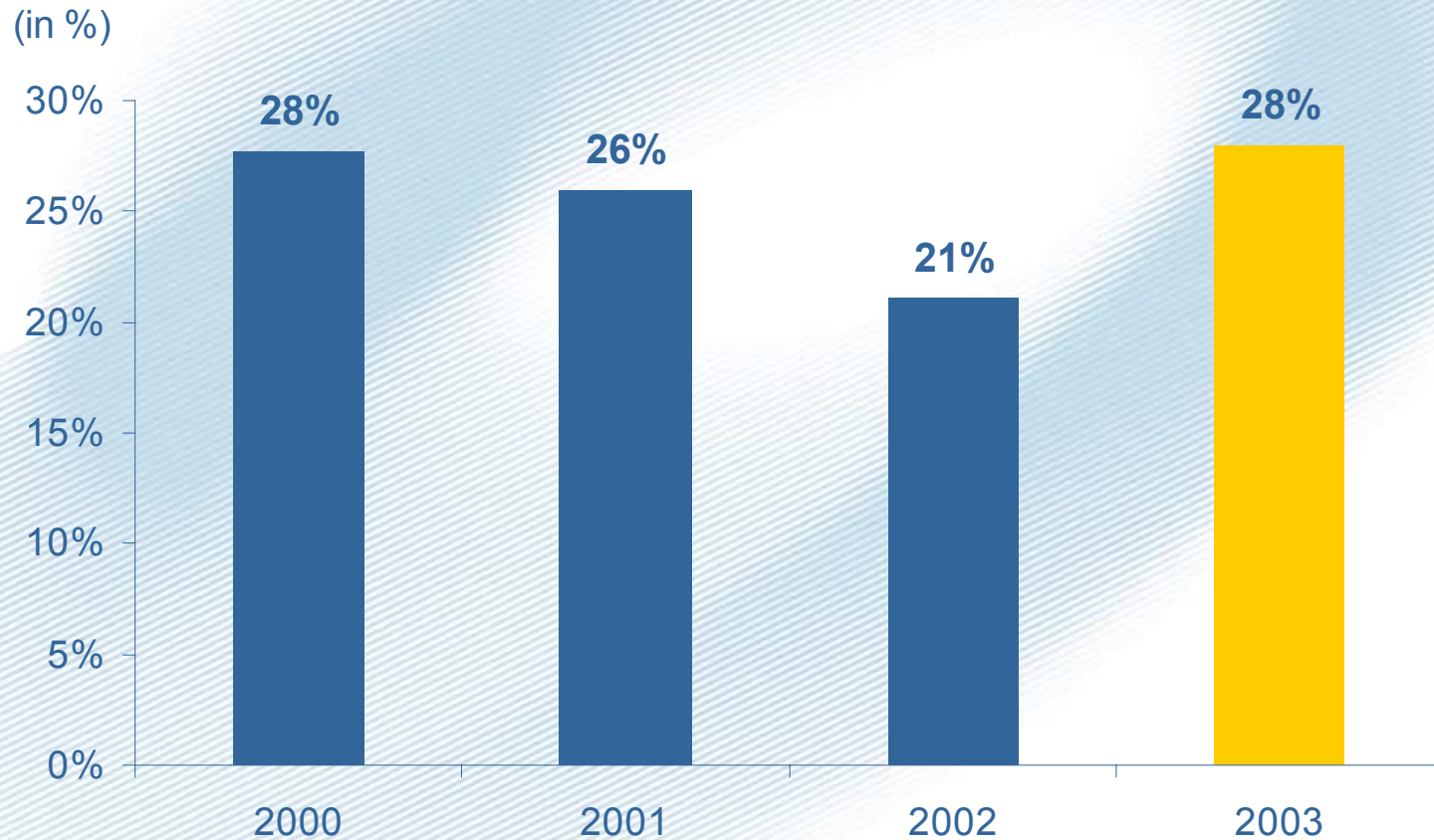
Eurotel return on invested capital

Outstanding returns maintained.



Eurotel return on equity

ROE increased due to dividend payment in 2003.



2004

Continued focus on innovative tariffing and data services as well as cash returns to ČESKÝ TELECOM.

- Cash distribution to be aligned to ČESKÝ TELECOM needs
- Prepayment of UMTS loan moved required launch of UMTS commercial operations by one year to January 2006.
- Dividends and UMTS prepayments funded from cash reserves and free cash flow to be generated in 2004.