Results for the Full Year 2012

Highlights

- Austrian and Bulgarian segments drive 2.8% revenue and 4.7% EBITDA comparable decline to EUR 4.33 billion and EUR 1.46 billion respectively
- Croatian segment benefits from full-year consolidation of the fixed lines business
- Strong operating performance in Belarusian segment
- Continued growth in Additional Markets segment
- OPEX savings of EUR 71.3 million lessen revenue pressure on EBITDA comparable
- Group Outlook 2013: Revenues approximately EUR 4.1 billion, CAPEX* approximately EUR 700 million
- Expected dividend per share of EUR 0.05 for 2012 and 2013

in EUR million	Q4 2012	Q4 2011	% change	1-12 M 2012	1-12 M 2011	% change
Revenues	1,117.8	1,115.9	0.2%	4,329.7	4,454.6	-2.8%
EBITDA comparable	318.8	336.9	-5.4%	1,455.4	1,527.3	-4.7%
Operating income	68.7	-216.4	n.m.	456.8	-7.6	n.m.
Net income	-76.3	-321.5	-76.3%	103.8	-252.8	n.m.
Earnings per share (in EUR)	-0.17	-0.72	-76.2%	0.23	-0.57	n.m.
Free cash flow per share (in EUR)	0.03	0.22	-85.3%	0.74	1.08	-32.1%
Capital Expenditures	238.8	284.1	-15.9%	728.2	739.0	-1.5%

in EUR million	Dec. 31, 2012	Dec. 31, 2011	% change
Net Debt	3,248.9	3,380.3	-3.9%
Net Debt/EBITDA comparable (12 months) excluding restructuring program	2.2x	2.2x	

All financial figures are based on IFRS; if not stated otherwise, all comparisons are given year-on-year. EBITDA comparable is defined as net income excluding financial result, income tax expense, depreciation and amortization, restructuring and impairment charges.
* Does not include investments for licenses and spectrum nor acquisitions

Group Review

Vienna, 28 February 2013 – Today, the Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announced its results for the full year and the fourth quarter 2012 ending 31 December 2012.

The use of automated calculation systems may give rise to rounding differences.

Following the classification of Belarus as a hyperinflationary economy, financial reporting in hyperinflationary countries according to IAS 29 is applied to the financial statements of the Belarusian segment starting 2011.

Summary

Year-to-Date Comparison:

A highly competitive environment, regulatory cuts leading to lower mobile termination and roaming rates as well as macro-economic headwinds drove a 2.8% decline in Group revenues to EUR 4,329.7 million. With growing contributions from the Belarusian and from the Additional markets segment and a stable performance in Croatia, this decrease stemmed entirely from lower revenues in the Austrian and in the Bulgarian segment. In 2012 the Austrian market was burdened by continued price pressure, an ongoing migration to all-in tariffs and roaming cuts. This translated into lower mobile revenues, while the fixed line business stabilised profiting from convergent product bundles. The Bulgarian segment was negatively impacted by lower national and international termination rates following the introduction of a new glidepath in the second half of 2012. In addition, the highly competitive environment drove further price erosion in the mobile as well as in the fixed line market. In the Croatian segment revenues from the fixed line business compensated for the pressure from mobile competition and macro-economic headwinds. A continued strong operational performance in the Belarusian segment as well as a stabilisation of the macro-economic environment drove revenue growth despite negative effects from foreign exchange translations. A higher number of subscribers and a rise in usage resulted in revenue growth in the Additional Markets segment.

Group EBITDA comparable, which does not include effects from restructuring and impairment tests, declined by 4.7% to EUR 1,455.4 million in 2012. Cost savings allowed a decline in Group operating expenses by EUR 71.3 million, predominantly in the Austrian segment which mitigated the effect on its EBITDA comparable to some extent. While growth in the Belarusian and in the Additional Markets segment provided strong contributions to Group EBITDA comparable, lower revenues led to a decline in EBITDA comparable in the Bulgarian segment. In the Croatian business segment the contribution from the fixed line business enabled a slight increase in EBITDA comparable.

In the Austrian segment restructuring charges fell from an amount of EUR 233.7 million in 2011 to a level of EUR 34.7 million in 2012. While for the Belarusian and Bulgarian segments as well as for the Republic of Serbia impairments and reversals of impairments in the net amount of EUR 248.9 million were recorded in 2011, no impairments were booked in 2012.

The financial result improved primarily due to the fact that foreign exchange differences turned from a loss to a gain as net monetary gains exceeded negative effects from foreign exchange translations. Income taxes turned from a positive contribution of EUR 1.7 million in 2011 to expenses in the amount of EUR 140.3 million in 2012. Altogether Group net income amounted to EUR 103.8 million in 2012, compared to a net loss of EUR 252.8 million in 2011.

In the full year 2012 Group capital expenditures declined by 1.5% to EUR 728.2 million as lower capital expenditures primarily in the Austrian segment more than compensated for the acquisition of spectrum in the Belarusian and Croatian segments as well as the Republic of Serbia.

The presentation for the conference call and key figures of the Telekom Austria Group in Excel format ("Fact Sheet Q4 2012") are available on our website at www.telekomaustria.com.

Results for the first quarter 2013 will be announced on 07 May 2013.

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Quarterly Comparison:
In the fourth quarter of 2012 Group revenues amounted to EUR 1,117.8 million and rose slightly by 0.2 % compared to the fourth quarter of 2011. Lower revenues from the Austrian and from the Bulgarian segment were fully offset by higher revenues from the Belarusian and from the Additional Markets segment. The Croatian business segment showed a flat revenue development. The decline in the Austrian segment was driven by lower prices, customer migration to all-in tariffs and a positive one-off effect in the fourth quarter of 2011 which could not be compensated by higher equipment revenues. Also the Bulgarian segment was impacted by a highly competitive environment driving prices down. In addition, regulatory cuts were accountable for almost half of the revenue decline. In the Croatian segment revenues remained stable as fixed line revenues offset declines in the mobile business. In the Belarusian segment revenues doubled compared to the same period last year following a continued strong operational performance in 2012 and extraordinary negative effects from foreign exchange translations and hyperinflation accounting which impacted the results in the previous year. The Additional Markets segment benefited from higher subscriber numbers and higher usage.

Group EBITDA comparable decline despite stable revenues

Group EBITDA comparable, which does not include any effects from restructuring and impairment tests, declined by 5.4% to EUR 318.8 million. The decline was primarily driven by the Austrian and by the Bulgarian segment as lower operating expenses could not compensate for the decline in revenues. In addition, the Croatian segment recorded higher market related costs which led to a lower EBITDA comparable contribution. Both the Belarusian and the Additional Markets segment continued to show a rise in EBITDA comparable.

In the fourth quarter of 2012 restructuring charges in the Austrian segment amounted to EUR 13.0 million compared to an amount of EUR 8.9 million the same period last year. While for the Belarusian and Bulgarian segments as well as for the Republic of Serbia impairments and reversals of impairments in the net amount of EUR 248.9 million were recorded in 2011, no impairments were booked in 2012. Consequently, the operating result improved to an income of EUR 68.7 million in the fourth quarter of 2012 compared to an operating loss of EUR 216.4 million in the same period of the previous year.

Group capital expenditures declined by 15.9% to EUR 238.8 million as lower capital expenditures in the Austrian and in the Additional markets segment offset an increase in the Croatian segment following the acquisition of spectrum in October 2012.

Market Environment

The environment of the eight markets that Telekom Austria Group operates in is affected by a number of challenges. Its major markets, namely Austria, Bulgaria and Croatia are characterised by highly mature mobile markets that Telekom Austria Group addresses via its convergence strategy. In its mobile only markets Telekom Austria Group seeks to capitalise on an existing growth potential for smartphone offers and mobile data products. Regulatory interventions, via cuts in termination and roaming rates, remain a key burden for Telekom Austria Group. Moreover, with fierce competition being visible in all its fixed line and mobile markets the economic success of Telekom Austria Group hinges to a great extent on its ability to continuously increase its cost efficiency.

In addition to these factors strong macro-economic headwinds remain a key challenge for Telekom Austria Group's CEE markets as they continue to suppress usage and hamper Telekom Austria Group's ability to stabilise negative pricing trends. Foreign currency risks remain and have recently been particularly visible in the volatility of the Belarusian Rouble and the Serbian Dinar. In the years 2011 and 2012 Belarus experienced a period of heightened inflation. Whilst this allowed management to offset negative impacts of currency fluctuations in 2012 outstanding structural reforms remain vital for the future stability of the Belarusian economy.

The Austrian mobile market remains highly competitive. Fierce competition drives a continued decline in prices both in the high value as well as in the no-frills segments. Focus remains on all-in smartphone offers as well as on mobile broadband solutions. This also drives an ongoing fixed-to-mobile substitution which is visible in the continued and highly advanced decline of fixed line voice minutes. Attractive convergence offers and innovative IP TV solutions are key to stabilising fixed line revenue trends.

Telekom Austria Group Outlook for Full Year 2013

Telekom Austria Group's operations are affected by a number of external factors that will continue to weigh on results. Fierce competition remains a key factor in the company's major markets, such as Austria, Bulgaria and Croatia, and is expected to persist for the foreseeable future. In Telekom Austria Group's home market Austria the deterioration of mobile pricing further encourages the ongoing fixed-to-mobile voice substitution and hampers fixed line data tariff initiatives. Regulatory burdens such as lower roaming charges as well as cuts in national and international mobile termination rates will continue to impact the Group in all major markets.

In the CEE region economic headwinds are expected to remain strong. This will continue to impact customer demand and pricing levels. Markets such as Belarus or the Republic of Serbia are likely to exhibit further foreign exchange volatility.

The management of Telekom Austria Group will address these challenges by means of a continuation of its successful convergence strategy and a clear focus on high value customers in its mature mobile markets. In its mobile only markets Telekom Austria Group will continue to concentrate on achieving its growth targets. Moreover, the management of Telekom Austria Group will further intensify its efforts of fostering operational excellence and targets cost cuts of at least EUR 100 million for the year 2013 to counteract the effects of revenue pressure on margins.

Telekom Austria Group expects to generate group revenues of approximately EUR 4.1 billion for 2013. Group CAPEX, before investments for licenses and spectrum and acquisitions, is expected to amount to approximately EUR 700 million.

DPS of EUR 0.05 in 2012 and 2013

In this challenging environment a conservative financial profile based on a solid investment-grade rating of BBB (stable) remains the highest strategic priority of Telekom Austria Group. A medium-term leverage target of approximately 2.0x Net Debt/EBITDA comparable is also part of this strategy. For the year 2013 the management of Telekom Austria Group intends to distribute a dividend of 5 Eurocents per share.

This outlook is given on a constant currency basis for all markets of Telekom Austria Group and excludes any effects of hyperinflation accounting in the Belarusian segment.

	Outlook 2013 as of 28 February 2013
Revenues	approximately EUR 4.1 bn
Capital Expenditures*	approximately EUR 0.7 bn
Dividend	DPS of EUR 0.05

* Does not include investments for licenses and spectrum nor acquisitions.

Year-to-Date Comparison
Revenues

Revenues in EUR million	1–12 M 2012	1–12 M 2011	% change
Austria	2,787.1	2,942.1	–5.3%
Bulgaria	469.1	527.7	–11.1%
Croatia	420.4	420.7	–0.1%
Belarus	301.2	260.9	15.5%
Additional Markets	426.6	396.4	7.6%
Corporate & Holding, Eliminations	–74.7	–93.1	–19.7%
Total	**4,329.7**	4,454.6	–2.8%

Stable revenues in Croatia and growth in Belarus and Additional markets partly compensate revenues decline in Austria and Bulgaria

In 2012 Group revenues declined by 2.8% to EUR 4,329.7 million as higher results in the Belarusian and in the Additional Markets segment could only partly compensate for the decline in the Austrian and in the Bulgarian segment.

In the Austrian segment total revenues declined by 5.3% to EUR 2,787.1 million primarily due to 5.5% lower Monthly Fee and Traffic revenues. These were mainly burdened by continued customer migration to all-in tariffs, regulatory cuts in the mobile business and the ongoing decline of fixed line voice minutes. A higher number in ICT projects resulted in a 6.2% growth in Data and ICT Solutions revenues. 19.2% lower Wholesale including Roaming revenues were mostly driven by a positive one-off effect of EUR 19.0 million in 2011 as well as lower inter-operator tariffs in 2012. Interconnection revenues include a positive one-off effect of EUR 10.1 million in 2012 compared to a negative one-off effect of EUR 10.1 million in 2011. On a clean basis, Interconnection revenues declined by 9.9% due to lower usage and prices in the transit business. Following a strong demand for high value smartphones and higher average prices for handsets Equipment revenues increased by 17.9%. Other revenues declined by 60.1% following the sale of A1 subsidiary Mass Response Service GmbH in September 2011.

In 2012 revenues in the Bulgarian segment declined by 11.1% to EUR 469.1 million driven by lower mobile termination rates and lower prices. The introduction of a new glidepath on 1 July 2012 resulted in a cut of national and international interconnection rates by 57.7% and 70.6%, respectively. The impact on revenues amounted to EUR 23.4 million. High price pressure drove a 9.5% decline in Monthly Fee and Traffic revenues. Fixed line service revenues increased by 12.7% to EUR 20.1 million and benefited from an increase in access lines while the pressure on prices persisted.

Revenues in the Croatian segment remained stable at EUR 420.4 million as fixed line revenues compensated for the decline in the mobile business. This resulted in flat Monthly Fee and Traffic revenues. Strong demand for smartphones drove an increase in Equipment revenues while lower inter-operator tariffs negatively affected Wholesale including Roaming revenues. The fixed line business which has been consolidated since the third quarter of 2011 benefitted from a higher number of access lines as well as a continued focus on convergent product bundles driving revenues to an amount of EUR 44.0 million in 2012. Negative foreign exchange translations amounted to EUR 4.7 million in 2012.

In the Belarusian segment total revenues increased by 15.5% to EUR 301.2 million following a strong operational performance and backed by increased inflation over the last two years. This inflation allowed several price increases summing up to 39% during 2012. Reported revenues include a negative effect of EUR 15.1 million from foreign exchange translations. Monthly Fee and Traffic revenues increased by 17.8% driven by inflation induced price increases. A strong demand for smartphones, higher usage as well as a strong increase of the mobile broadband base positively contributed to the Belarusian results.

In the Additional Markets segment revenues continued to exhibit strong growth and increased by 7.6% to EUR 426.6 million primarily as a result of higher subscriber numbers. In Slovenia revenues were mostly driven by a higher subscriber base combined with increased revenues per user (ARPU) as well as higher roaming revenues. Rising contract shares and higher usage numbers translated into growing revenues in the Republic of Serbia and in the Republic of Macedonia. A negative effect of EUR 17.2 million from foreign exchange translations was recorded mainly due to the 8.0% loss of the Serbian Dinar versus the Euro.

EBITDA

EBITDA comparable

in EUR million	1–12 M 2012	1–12 M 2011	% change
Austria	902.9	972.6	–7.2%
Bulgaria	207.4	261.9	–20.8%
Croatia	136.6	134.5	1.5%
Belarus	124.4	106.6	16.7%
Additional Markets	117.3	90.4	29.7%
Corporate & Holding, Eliminations	–33.1	–38.6	–14.4%
Total	**1,455.4**	1,527.3	–4.7%

EBITDA comparable growth in the Bulgarian, Croatian and Additional markets segments

In 2012 Group EBITDA comparable declined by 4.7% to EUR 1,455.4 million despite a cost savings program which led to operating expense savings of EUR 71.3 million.

In the Austrian segment EBITDA comparable was 7.2% lower compared to the full year 2011 and amounted to EUR 902.9 million. Strict cost control resulting in EUR 91.0 million lower operating expenses could partly offset the decline of EUR 154.9 million in revenues. Material expenses were higher following a continued strong demand for high value handsets. Personnel expenses increased due to a negative one-off effect in the amount of EUR 12.0 million as well as a higher collective bargaining agreement for 2012 which offset the positive impact from a lower number of average full time equivalent employees. Interconnection expenses included a negative one-off effect of EUR 3.1 million in the first quarter of 2012 compared to a positive one-off effect of EUR 7.6 million in 2011. Interconnection expenses declined by EUR 41.3 million on a clean basis due to lower tariffs and a decline in volumes in the transit business.

In the Bulgarian segment EBITDA comparable declined by 20.8% to EUR 207.4 million as lower operating expenses of EUR 16.0 million could not compensate for negative revenue trends. The introduction of a new glidepath for mobile termination rates in July 2012 resulted in a EUR 17.1 million decline in EBITDA comparable. As a result of a higher amount of handsets sold as well as higher average costs per handset Material expenses increased. Savings in Marketing and Sales costs compensated for increased costs for services received due to the fixed line business.

In the Croatian segment EBITDA comparable remained stable at EUR 136.6 million as both revenues and operating expenses stayed relatively flat. Material expenses declined slightly following lower subscriber acquisition and retention costs. A restructuring program resulted in declining Personnel expenses. The integration of B.net in September 2011 resulted in higher Interconnection costs as well as costs for services received. The abolition of the mobile tax had a positive effect of EUR 7.9 million on operating expenses. A negative effect of EUR 1.5 million from foreign exchange translations was recorded for the full year 2012.

In the Belarusian segment EBITDA comparable increased by 16.7% to EUR 124.4 million, despite a negative effect of EUR 6.2 million from foreign exchange translations. The growth in operating expenses was primarily driven by higher Material expenses following a continued strong demand for smartphones, higher Interconnection costs due to increased termination rates and higher Other costs.

In the Additional Markets segment EBITDA comparable continued to exhibit strong growth and increased by 29.7% to EUR 117.3 million. All operations contributed to that increase. While Slovenia and the Republic of Serbia showed almost stable operating expenses, larger quantities of handsets sold led to a slightly higher level in the Republic of Macedonia. In the Additional Markets segment a negative effect of EUR 5.3 million from foreign exchange translations was recorded and was primarily driven by the Serbian Dinar.

EBITDA incl. effects from restructuring and impairment tests

in EUR million	1–12 M 2012	1–12 M 2011	% change
Austria	868.2	738.9	17.5%
Bulgaria	207.4	242.6	–14.5%
Croatia	136.6	134.5	1.5%
Belarus	124.4	–172.4	n.m.
Additional Markets	117.3	139.8	–16.1%
Corporate & Holding, Eliminations	–33.1	–38.6	–14.4%
Total	**1,420.8**	1,044.7	36.0%

EUR 34.7 million restructuring charge in the full year 2012

Restructuring charges in the Austrian segment amounted to EUR 34.7 million in 2012 compared to an amount of EUR 233.7 million in 2011. While for the Belarusian and Bulgarian segments as well as for the Republic of Serbia impairments in the net amount of EUR 248.9 million were recorded in 2011, no impairments were booked in 2012. Consequently, EBITDA including effects from restructuring and impairment tests was 36.0% higher than in the previous year and amounted to EUR 1,420.8 million in 2012.

Operating Income

EBIT

in EUR million	1–12 M 2012	1–12 M 2011	% change
Austria	313.6	129.7	141.8%
Bulgaria	55.2	42.3	30.7%
Croatia	69.4	67.9	2.2%
Belarus	29.5	–255.2	n.m.
Additional Markets	17.0	43.4	–60.8%
Corporate & Holding, Eliminations	–28.0	–35.8	–21.8%
Total	**456.8**	–7.6	n.m.

In the full year 2012 operating income amounted to EUR 456.8 million compared to an operating loss of EUR 7.6 million in 2011 primarily due to markedly lower restructuring charges and no impairments at all in 2012. In addition, depreciation and amortisation charges decreased by 8.4% primarily due to lower charges in the Austrian and in the Bulgarian segment.

Consolidated Net Income

In 2012 interest expense increased by 7.3% to EUR 232.7 million following the issuance of a EUR 750 million Eurobond, whilst interest income remained stable at EUR 16.9 million. While a devaluation of 63.2% of the Belarusian Rouble was recorded in 2011, the exchange rate remained relatively stable in 2012. Foreign exchange differences turned from a loss of EUR 43.5 million to a gain of EUR 2.5 million as net monetary gains exceeded negative effects from foreign exchange translations.

Substantially lower restructuring charges as well as a lack of impairments led to a rise of earnings before income taxes to EUR 244.1 million in 2012 compared to a loss of EUR 254.5 million in 2011.

Income tax expenses increased to EUR 140.3 million in 2012 compared to tax gains of EUR 1.7 million in 2011 mainly due to the write-down of tax assets in the Austrian segment. In 2012 net income amounted to EUR 103.8 million compared to a net loss of EUR 252.8 million in 2011.

Balance Sheet and Net Debt

In 2012 Total assets declined by 2.6% to EUR 7,251.5 million as the decline in Non-current assets exceeded the increase in Current assets. Total Current assets increased by 3.3% to EUR 1,809.3 million driven by higher levels of Cash and cash equivalents. Total Non-current assets declined by 4.5% to EUR 5,442.3 million primarily driven by EUR 112.4 million lower Deferred tax assets as well as a decline in Other intangible assets and Property, Plant and Equipment.

Total Current liabilities declined by 3.7% to EUR 2,322.1 million following a decline in Accounts payable and Other current liabilities. Total Non-current liabilities were 1.5% lower and amounted to EUR 4,093.3 million.

Total Stockholder's equity declined from EUR 883.1 million to EUR 836.1 million. This follows as the dividend payment amounting to EUR 168.2 million for the year 2011 exceeded the total comprehensive income and the positive effect from hyperinflation accounting which reflects the inflation adjustment of non-monetary assets.

Net Debt

in EUR million	Dec 31, 2012	Dec. 31, 2011	% change
Net Debt	3,248.9	3,380.3	–3.9%
Net Debt/EBITDA comparable (12 months) excluding restructuring program	2.2x	2.2x	

Following the repayment of bank debt inter alia with the proceeds of a Eurobond in the amount of EUR 750 million, which was settled on 2 April 2012, Net Debt declined by 3.9% to EUR 3,248.1 million. Net Debt to EBITDA comparable (last 12 months) remained stable at 2.2x.

Cash Flow

Cash Flow

in EUR million	1–12 M 2012	1–12 M 2011	% change
Cash flow from operating activities	1,047.9	1,213.3	–13.6%
Cash flow from investing activities	–636.3	–854.8	–25.6%
Cash flow from financing activities	–269.6	–3.7	n.m.
Effect of exchange rate changes	0.0	1.3	n.a.
Monetary loss on cash and cash equivalents	–1.2	–16.4	–92.6%
Net increase/decrease in cash and cash equivalents	140.8	339.8	–58.6%

In 2012 cash flow from operating activities declined by 13.6% to EUR 1,047.9 million primarily as a result of increased cash requirements for working capital. Gross cash flow declined by 3.3% due to a weaker operational performance. Cash requirements for working capital were driven by higher cash-out for accounts payables and for restructuring purposes as well as a higher level of accounts receivables.

Cash outflow from investing activities was 25.6% lower in 2012 compared to the previous year. This was primarily due to the acquisitions for the fixed line operators in Bulgaria and in Croatia which took place in 2011.

Cash outflow from financing activities increased from EUR 3.7 million to EUR 269.6 million due to higher repayments of long-term debt which was only partly compensated by lower payments for dividends and short-term borrowings.

As a result of the hyperinflation accounting in the Belarusian segment the monetary loss on cash and cash equivalents amounted to EUR 1.2 million in 2012 compared to EUR 16.4 million in 2011.

Capital Expenditures

Capital Expenditures

in EUR million	1–12 M 2012	1–12 M 2011	% change
Austria	448.2	485.1	–7.6%
Bulgaria	68.8	70.5	–2.4%
Croatia	78.8	50.5	56.0%
Belarus	43.7	44.9	–2.7%
Additional Markets	88.8	87.9	1.0%
Corporate & Holding, Eliminations	–0.2	0.0	n.a.
Total capital expenditures	**728.2**	739.0	–1.5%
Thereof tangible	550.7	592.8	–7.1%
Thereof intangible	177.5	146.2	21.5%

In the full year 2012 capital expenditures amounted to EUR 728.2 million and were 1.5% lower compared to 2011. A total amount of EUR 34.5 million was used for acquisitions of spectrum amounting to EUR 19.9 million in Croatia, EUR 9.5 million in Belarus and EUR 5.1 million in the Republic of Macedonia in 2012. The decline in capital expenditures was primarily driven by the Austrian segment following lower network investments. Investments in the fixed line business led to higher capital expenditures in the Croatian segment. In the Bulgarian and in the Belarusian segment capital expenditures remained stable, while the acquisition of spectrum in the Republic of Macedonia led to an increase in capital expenditures in the Additional Markets segment.

1.5% lower capital expenditures primarily due to the Austrian segment

Note: Detailed data of the segments are shown in the appendix on page 26

Quarterly Analysis
Segment Austria

Key Performance Indicators Austria

in EUR million	Q4 2012	Q4 2011	% change
Revenues	721.0	752.0	–4.1%
EBITDA comparable	199.8	226.5	–11.8%
EBITDA incl. effects from restructuring and impairment tests	186.8	217.5	–14.1%
EBIT	41.1	61.2	–32.9%
Fixed Line Market			
ARPL (in EUR)	32.9	32.5	1.3%
Total Access Lines ('000)	2,282.3	2,336.2	–2.3%
Fixed Broadband Lines ('000)	1,312.1	1,273.4	3.0%
Fixed Line Voice Minutes (in million)	575.9	640.5	–10.1%
Mobile Communication Market			
Mobile Subscribers ('000)	5,379.6	5,271.2	2.1%
Mobile Market Share	38.8%	40.0%	
Mobile Penetration	164.2%	156.6%	
Mobile Broadband Customers ('000)	776.4	744.9	4.2%
ARPU (in EUR)	17.5	19.2	–8.7%

In the fourth quarter of 2012 the Austrian segment remained impacted by customer migration to all-in tariffs and continued fierce mobile competition whilst fixed line trends continued to stabilise. As a result, mobile pricing pressure remained severe driven by highly subsidised smartphone tariffs as well as low-cost SIM-only offers. A1 counteracted the pressure on revenues by focusing on the protection of its high value customer segment via attractive convergent offers as well as increased mobile retention and acquisition measures.

Driven by continued strong demand for mobile broadband and no-frills offers, A1's mobile subscriber base grew by 2.1% year-on-year in the fourth quarter of 2012.

Access line loss of only 2,800 lines following a strong demand for convergent product bundles and A1 TV

Fixed line trends improved further as a result of a strong demand for convergent product bundles as well as for business solutions such as unified communication. Consequently the number of broadband lines increased by 3.0% to a total of 1.3 million. This limited the decline of total access lines to 2,800 during the fourth quarter of 2012 which is a substantial intra-year improvement. The A1 TV subscriber base rose by 10.2% to 218,800, while convergent product bundles increased by 0.3% to 1.0 million.

In the fourth quarter of 2012, total revenues in the Austrian segment declined by 4.1% to EUR 721.0 million. Excluding the one-off effects during the fourth quarter of 2011 in the total amount of EUR 17.2 million, revenues declined by 1.9% year-on-year in the fourth quarter of 2012.

Monthly Fee and Traffic revenues decreased by 6.1% to EUR 472.2 million which was mainly driven by the mobile operations. Mobile service revenues declined by 6.9% to EUR 280.3 million primarily due to continued customer migration to all-in tariffs and regulatory impacts. An increase in revenues from A1 TV and unified communication compensated the 10.1% decline in fixed line voice minutes and resulted in almost stable fixed line service revenues of EUR 225.4 million.

Revenues from Data and ICT Solutions were 12.5% higher compared to the fourth quarter of 2011 due to a higher number of ICT projects. The 37.1% decline in Wholesale including Roaming revenues was almost entirely driven by a positive one-off effect of EUR 19.0 million included in the fourth quarter of 2011. On a clean basis, Wholesale including Roaming revenues were slightly lower in the fourth quarter of 2012 compared to the same period last year due to lower prices.

Interconnection revenues declined by 12.1%, primarily due to lower prices and usage in the transit business. A negative one-off effect of EUR 1.8 million was included in the fourth quarter of 2011. Equipment revenues increased by 51.1% due to the strong demand for high value handsets.

Other Operating Income declined by 14.6% to EUR 23.4 million.

As a result of the above mentioned fixed line and mobile trends average revenue per line (ARPL) rose by 1.3% to EUR 32.9 during the fourth quarter of 2012 compared to the same period last year. Average revenue per user (ARPU) declined by 8.7% mainly driven by a continued customer migration to all-in tariffs.

In the fourth quarter of 2012, EBITDA comparable declined by 11.8% to EUR 199.8 million mostly driven by one-off effects and the focus on the high value customer base. Excluding the effect of one-off items included in the fourth quarters of 2011 und 2012, EBITDA comparable declined by 1.9%. The reported EBITDA comparable margin declined to 27.7% in the fourth quarter of 2012 compared to 30.1% in the previous year.

Total costs were mainly driven by Material expenses which increased by 27.9% due to higher mobile subscriber acquisition and retention costs. Personnel Expenses increased by 10.2% primarily as a result of a negative one-off effect amounting to EUR 12.0 million as well as a higher collective bargaining agreement for 2012. Further price cuts and lower quantities in the transit business as well as a positive one-off effect of EUR 1.3 million in the fourth quarter of 2011 resulted in a 14.1% decline in Interconnection costs. Costs for services received declined by EUR 5.3 million mainly due to a negative one-off effect amounting to EUR 5.0 million in the fourth quarter of 2011. Other operating expenses declined by 3.9% mostly due 33.0% lower Marketing and Sales costs which were driven by cuts in marketing campaigns and sponsoring.

As a result of A1's focus on the high value customer segment, mobile subscriber retention and acquisition costs were markedly higher compared to the previous year. Mobile subscriber retention costs (SRC) increased by 33.2%, while mobile subscriber acquisition costs were 33.7% higher; both driven by increased subsidies as well as a resulting higher number of gross adds.

In the fourth quarter of 2012 restructuring charges amounted to EUR 13.0 million compared to EUR 8.9 million in the fourth quarter of 2011. 14 civil servants were transferred to the government and 77 accepted social plans. Lower costs for intangible assets, switching technologies and radio access network equipment resulted in a decline of depreciation and amortisation charges. EBIT declined by 32.9% to EUR 41.1 million.

Segment Bulgaria

Key Performance Indicators Bulgaria

in EUR million	Q4 2012	Q4 2011	% change
Revenues	110.8	132.6	–16.5%
EBITDA comparable	43.0	58.1	–26.1%
EBITDA incl. effects from restructuring and impairment tests	43.0	38.8	10.7%
EBIT	14.6	–13.9	n.m.
Mobile Communication Market			
Mobile Subscribers ('000)	5,574.3	5,501.4	1.3%
Mobile Market Share	46.9%	48.6%	
Mobile Penetration	159.9%	151.4%	
Mobile Broadband Customers ('000)	370.7	192.0	93.1%
ARPU (in EUR)	5.4	7.0	–22.7%
Fixed Line Market			
ARPL (in EUR)	11.5	15.0	–23.2%
Total Access Lines ('000)	156.4	128.8	21.5%
Fixed Broadband Lines ('000)	151.6	123.1	23.2%

In Bulgaria fierce competition, driving down prices, and strong macro-economic headwinds effected also the fourth quarter of 2012. In addition, a 57.7% cut of national and a 70.6% cut of international termination rates in July 2012 continued to burden results. Mobiltel counteracted this pressure with intensified efforts for convergent services and a continued focus on its high value customers as well as on its multi-brand strategy.

Total access line growth of 21.5%

In the fourth quarter of 2012, Mobiltel managed to increase its mobile subscriber base by 1.3% to 5.6 million. Mobile broadband customers almost doubled to 370,700. Driven by a strong demand for fixed broadband solutions and convergent products, fixed broadband lines increased by 23.2% to 151,600 resulting in a growth in total access lines of 21.5%.

In the fourth quarter of 2012 total revenues declined by 16.5% to EUR 110.8 million. Out of this decline an amount of EUR 11.5 million stemmed from regulatory cuts, predominantly from the above mentioned cut in termination rates in July 2012. Excluding the regulatory impact, revenues declined by 7.8%. Monthly Fee and Traffic revenues were mainly impacted by lower pricing levels deriving from continued heavy competition both in the mobile and in the fixed line business. Wholesale including Roaming revenues declined primarily as lower prices could not be compensated by higher usage from visitor roaming. Interconnection revenues were impacted by the lower termination rates which could be partly offset by higher national usage. A higher number of handsets sold and a higher average price per handset resulted in growing Equipment revenues.

Price pressure as well as regulatory cuts resulted in a 22.7% decline of average revenue per user (ARPU) which amounted to EUR 5.4 in the fourth quarter of 2012 compared to EUR 7.0 in the fourth quarter of 2011. The average revenue per line (ARPL) declined by 23.2% to EUR 11.5 driven by continued fierce competition and customer migration to bundle products.

EBITDA comparable declined by 26.1% to EUR 43.0 million. With a negative impact of EUR 6.8 million approximately half of the decline of EBITDA comparable stemmed from regulatory interventions. Without the effect from interconnection, EBITDA decreased by 14.4%. The remainder was a result of lower prices. Total operating expenses were cut by EUR 6.2 million supported by a EUR 4.7 million decline in Interconnection costs and a reduction in Personnel expenses. An increase in handsets sold as well as a strong demand for more expensive handsets resulted in an increase in Material expenses.

As the mobile customer base was fully amortised as of June 2012 following the acquisition of Mtel in 2005, depreciation and amortisation charges almost halved during the fourth quarter 2012 compared to the same period last year. In addition, an impairment charge for a brand name in the amount of 19.3 million was recorded in the fourth quarter of 2011. Consequently, operating income increased to EUR 14.6 million compared to an operating loss of EUR 13.9 million in the fourth quarter of 2011.

Operating income amounting to EUR 14.7 million

Segment Croatia

Key Performance Indicators Croatia in EUR million	Q4 2012	Q4 2011	% change
Revenues	106.4	106.3	0.1%
EBITDA comparable	22.5	30.3	–25.7%
EBITDA incl. effects from restructuring and impairment tests	22.5	30.3	–25.7%
EBIT	5.7	13.1	–56.4%
Mobile Communication Market			
Mobile Subscribers ('000)	1,921.0	2,018.0	–4.8%
Mobile Market Share	38.3%	39.2%	
Mobile Penetration	116.8%	119.9%	
Mobile Broadband Customers ('000)	181.1	170.6	6.2%
ARPU (in EUR)	12.1	12.4	–2.5%
Fixed Line Market			
ARPL (in EUR)	24.1	22.6	6.9%
Total Access Lines ('000)	163.0	143.7	13.5%
Fixed Broadband Lines ('000)	86.8	68.6	26.6%

In the fourth quarter of 2012, the Croatian market was characterized by continued strong macroeconomic headwinds and fierce competition which caused prices to decline further. To counter the resulting revenue pressure Vipnet focused on convergence by launching its IP TV platform Vip TV in the beginning of October 2012.

Moreover, Vipnet intensified its efforts to increase its contract customer share amidst a general trend of customers reducing the number of prepaid SIM cards used. Supported by a strong demand for mobile broadband which resulted in an increase by 6.2% to 181,100 customers, the number of contract subscribers rose by 6.2% and the contract share to 42.2%.

Mobile broadband customer growth of 6.2%

However, as the prepaid customer base declined strongly, total customers were 4.8% lower and amounted to 1,921,000. The focus on convergent product bundles drove a 26.6% increase in fixed broadband lines resulting in a 13.5% higher number of total access lines.

Decline in Monthly Fee and Traffic fully mitigated

In the Croatian segment revenues remained stable at EUR 106.4 million, as lower Monthly Fee and Traffic revenues could be compensated by Wholesale including Roaming, Interconnection and Equipment revenues. Despite higher usage, reduced prices resulted in lower Monthly Fee and Traffic revenues. Revenues from Wholesale including Roaming increased due to higher visitor roaming usage of mobile broadband services. Interconnection revenues increased as higher usage overcompensated mobile termination rate cuts. More handsets sold resulted in an increase of Equipment revenues.

On the back of ongoing mobile price pressure, the average revenues per user (ARPU) declined by 2.5% to EUR 12.1. Average revenues per line (ARPL) increased by 6.9% to EUR 24.1 following Vipnet's focus on convergent products.

Following an increase in sold handsets, Material expenses rose by 19.6% during the fourth quarter of 2012 compared to the fourth quarter of 2011. The introduction of Vip TV resulted in an increase of costs for services received. Continued fierce competition and the above mentioned focus on new convergent services necessitated a step-up in marketing activities and sales discounts resulting in higher Marketing and Sales costs. In addition, EBITDA comparable was affected by higher bad debts in the business as well as in the private customer segment. This caused the EBITDA comparable margin to compress to 21.2% and EBITDA comparable to decline by 25.7% year-on-year to EUR 22.5 million in the fourth quarter of 2012. A decline in depreciation and amortisation charges could only partly mitigate the impact on EBIT which declined by 56.4% to EUR 5.7 million.

Segment Belarus

Key Performance Indicators Belarus

in EUR million	Q4 2012	Q4 2011	% change
Revenues	83.3	41.2*	n.m.*
EBITDA comparable	34.8	6.9*	n.m.*
EBITDA incl. effects from restructuring and impairment tests	34.8	–272.1*	n.m.*
EBIT	11.4	–312.9*	n.m.*
Mobile Communication Market			
Mobile Subscribers ('000)	4,800.4	4,620.4	3.9%
Mobile Market Share	43.5%	41.1%	
Mobile Penetration	116.6%	118.8%	
Mobile Broadband Customers ('000)	803.4	453.1	77.3%
ARPU (in EUR)	4.9	3.5*	n.m.*

* The reported results for the fourth quarter of 2011 include the full adjustments for hyperinflation accounting for the full year 2011 and thus a comparison is not meaningful.

Since the classification of Belarus as a hyperinflationary economy, financial reporting in hyperinflationary economies according to IAS 29 was applied to the financial statements of the Belarusian segment. At the end of the fourth quarter of 2012, the exchange rate was 11,340 BYR/1 EUR, compared to 10,800 at the end of 2011 and the inflation rate reached 21.8% by year-end 2012 after 108% in 2011. Thus the macro-economic environment remained comparatively benign in the fourth quarter of 2012.

Continued strong operational performance

Supported by heightened inflation in 2011 and 2012 velcom introduced further revenue optimising price increases in the fourth quarter of 2012. In addition, management continued to capitalise on the growing demand for mobile data and focused on smartphone offers via instalment schemes. As a result, mobile broadband customers increased by 77.3% to 803,400 which drove the 3.9% growth of the customer base to 4,8 million. The dedollarisation and optimisation of its operating expenses and capital expenditures remained a key focus point in the fourth quarter of 2012.

Revenue growth of 57% on a local currency basis and before inflation adjustments

In the fourth quarter of 2012 total revenues in the Belarusian segment amounted to EUR 83.3 million. Monthly Fee and Traffic revenues were the main driver for the increase in total revenues boosted by the growth of velcom's subscriber base, an increase in usage and inflation based price increases summing up to 39% during 2012. Wholesale including Roaming revenues were lower compared to the fourth quarter of 2011 as higher usage could not compensate higher discounts to roaming partners. The continued strong demand for smartphones resulted in a significant increase in equipment revenues.

The average revenue per user (ARPU) grew in line with the positive revenue trends in the contract as well as in the prepaid customer segment and was 40.4% higher at EUR 4.9.

In the fourth quarter of 2012 EBITDA comparable was approximately five times higher and amounted to EUR 34.9 million. Important drivers of this change were foreign exchange translations and hyperinflation adjustments in the fourth quarter of 2011. On a local currency basis, the strong operational performance resulted in a 94.7% increase in EBITDA comparable. On the same basis, operating expenses increased primarily due to higher Material, Interconnection and Personnel expenses as well as costs of Services received.

In the fourth quarter of 2012 operating income amounted to EUR 11.4 million compared to an operating loss of EUR 312.9 million in the fourth quarter of 2011 which was burdened by an impairment of EUR 279.0 million following the introduction of hyperinflation accounting.

Segment Additional Markets

Slovenia

Key Performance Indicators Slovenia in EUR million	Q4 2012	Q4 2011	% change
Revenues	50.6	50.8	–0.4%
EBITDA comparable	13.8	12.6	9.6%
EBITDA incl. restructuring and impairment test	13.8	12.6	9.6%
EBIT	7.5	7.3	2.3%
Mobile Subscribers ('000)	662.6	639.7	3.6%
Mobile Market Share	30.3%	29.7%	
Mobile Penetration	107.1%	105.6%	
Mobile Broadband Customers	18,249	15,935	14.5%
ARPU (in EUR)	21.7	21.4	1.4%

Si.mobil customer base grows by 3.6%

Si.mobil continued its strong operational performance by focusing on its multi-brand strategy and increased its mobile subscriber base by 3.6% to 662,600 subscribers.

Total revenues remained stable as higher Monthly Fee and Traffic revenues as a result of an increase in contract subscribers offset the decline in Interconnection revenues following cuts in termination rates. The average revenue per user (ARPU) increased by 1.4% to EUR 21.7.

Operating expenses fell compared to the fourth quarter of 2011 primarily due to a decline in bad debt provision and Material expenses. Thus, in the fourth quarter of 2012 EBITDA comparable increased by 9.6% to EUR 13.8 million compared to the same period last year. With slightly higher depreciation and amortisation charges operating income remained almost stable at EUR 7.5 million.

Republic of Serbia

Key Performance Indicators Republic of Serbia in EUR million	Q4 2012	Q4 2011	% change
Revenues	43.2	38.9	11.2%
EBITDA comparable	13.9	9.9	40.4%
EBITDA incl. restructuring and impairment test	13.9	59.3	–76.5%
EBIT	–3.5	43.3	n.m.
Mobile Subscribers ('000)	1,859.9	1,642.7	13.2%
Mobile Market Share	17.6%	15.7%	
Mobile Penetration	147.2%	141.3%	
ARPU (in EUR)	7.1	7.3	–2.5%

Mobile subscriber base grows by 13.2%

In the fourth quarter of 2012, Vip mobile continued its focus on contract subscribers and increased its postpaid share to 47.2% compared to 42.1% in the fourth quarter of 2011. Vip mobile's market share rose to 17.6%.

On a local currency basis revenue growth amounted to 23.6% and was primarily driven by a 13.2% growth of subscriber numbers and an increasing contract subscriber base. This resulted in higher Monthly Fee and Traffic revenues. In addition, the increased subscriber base as well as higher usage per customer resulted in growing Interconnection revenues. Including a negative effect of EUR 4.8 million from foreign exchange translations, revenues increased by 11.2% to EUR 43.2 million.

In the fourth quarter of 2012 revenue growth translated into an increase in EBITDA comparable by 40.4% to EUR 13.9 million. Operating expenses remained relatively flat as higher Interconnection costs corresponding to higher usage could be compensated by savings in Marketing and Sales costs.

Operating loss amounted to EUR 3.5 million in the fourth quarter of 2012 compared to an operating income of EUR 43.3 million in fourth quarter of 2011. This development was primarily driven by a reversal of impairments in the amount of EUR 49.4 million for the Serbian mobile license in 2011.

Republic of Macedonia

Key Performance Indicators Republic of Macedonia in EUR million	Q4 2012	Q4 2011	% change
Revenues	15.6	14.1	11.0%
EBITDA comparable	2.8	5.2	–46.1%
EBITDA incl. restructuring and impairment test	2.8	5.2	–46.1%
EBIT	0.5	–3.5	n.m.
Mobile Subscribers ('000)	632.0	566.6	11.5%
Mobile Market Share	27.3%	24.9%	
Mobile Penetration	113.1%	111.0%	
ARPU (in EUR)	7.5	7.4	1.5%

Vip operator's market share grows to 27.3%

In the fourth quarter of 2012 Vip operator strengthened its position as the no. 2 operator in the market and increased its market share to 27.3%. Continued growth in subscribers resulted in a customer base of 632,000 subscribers and a rise by 11.5%. Consequently, Monthly Fee and Traffic revenues increased which together with higher Equipment revenues resulted in a rise of total revenues by 12.9% to EUR 15.6 million in the fourth quarter of 2012 compared to the same period last year. The positive revenue trend led to an increase in ARPU by 1.5% to EUR 7.5.

Quarterly EBITDA declines reflecting the replacement of the legacy network

Higher operating expenses due to more handsets sold as well as extraordinary expenses related to the replacement of the legacy network resulted in an EBITDA comparable decline of 46.1% to EUR 2.8 million for the fourth quarter of 2012. Operating income amounted to EUR 0.5 million and compared to a loss of EUR 3.5 million in the fourth quarter of the previous year.

Consolidated Net Income

In the fourth quarter of 2012 Group depreciation and amortization charges declined by 19.8% to EUR 237.1 million primarily following the complete amortisation of the Bulgarian customer base up to the second quarter of 2012.

The financial loss increased to EUR 52.0 million as foreign exchange differences turned from a positive amount of in the fourth quarter of 2011 to a negative amount in the fourth quarter of 2012. This was driven by an extraordinary effect in the fourth quarter of 2011 where net monetary gains exceeded negative effects from foreign exchange translations due to the implementation of hyperinflation accounting in Belarus.

In the fourth quarter of 2012 income tax expenses increased from EUR 61.1 million to EUR 93.0 million driven by the write-down of deferred tax assets in the Austria segment. Net loss amounted to EUR 76.3 million compared to EUR 321.5 million in the fourth quarter of 2011 which was burdened by impairments and reversals of impairments in the net amount of EUR 248.9 million.

Cash Flow and Capital Expenditures

Cash Flow in EUR million	Q4 2012	Q4 2011	% change
Cash flow from operating activities	250.6	378.6	–33.8%
Cash flow from investing activities	–194.9	–283.4	–31.2%
Cash flow from financing activities	36.8	33.3	10.6%
Effect of exchange rate changes	2.1	29.2	–93.0%
Monetary loss on cash and cash-equivalents	–0.1	–16.4	–99.2%
Net increase/decrease in cash and cash equivalents	**94.4**	141.3	–33.2%

Cash flow from operations declined to EUR 250.6 million

In the fourth quarter of 2012 cash flow from operating activities declined by 33.8%. This was primarily due to the cash inflow from working capital of EUR 76.6 million in the fourth quarter of 2011 compared to a cash outflow for working capital in the amount of EUR 37.2 million in the fourth quarter of 2012. The change in working capital was mostly a consequence of a lower level of accounts payable in the fourth quarter of 2012.

Cash flow from investing activities declined to EUR 194.9 million due to lower capital expenditures and lower purchase of investments in the fourth quarter of 2012.

The inflow from cash flow from financing activities remained almost stable and amounted to EUR 36.8 million.

In the fourth quarter of 2011 a monetary loss on cash and cash equivalents of EUR 16.4 million was recorded due to the hyperinflation in Belarus.

Capital Expenditures in EUR million	Q4 2012	Q4 2011	% change
Austria	126.7	166.5	–23.9%
Bulgaria	19.9	22.2	–10.3%
Croatia	38.0	24.7	53.9%
Belarus	25.5	30.6	–16.6%
Additional Markets	28.9	40.2	–28.2%
Corporate & Other, Eliminations	0.0	0.0	n.a.
Total capital expenditures	**238.8**	284.1	–15.9%
Thereof tangible	157.8	224.5	–29.7%
Thereof intangible	81.0	59.6	35.9%

Total capital expenditures declined by 14.4%

In the fourth quarter of 2012 capital expenditures declined by 15.9% to EUR 238.8 million. This includes spectrum acquisitions amounting to EUR 19.9 million in Croatia and to EUR 9.5 million in Belarus.

In the fourth quarter of 2012 lower network investments drove a 23.9% decline in capital expenditures in the Austrian segment. In the Bulgarian segment capital expenditure declined by 10.3% to EUR 19.9 million following lower investments in the fixed segment. Infrastructure investments in the fixed line business resulted in higher capital expenditures in the Croatian segment. In the Additional Markets segment capital expenditures declined primarily driven by higher investments in the mobile infrastructures in the Republic of Serbia and in the Republic of Macedonia in the fourth quarter of 2011.

Additional Information

Personnel

Headcount fell by 771 full-time employees mainly driven by the Bulgarian segment

The total number of employees of the Telekom Austria Group declined by 771 to 16,446 employees by the end of 2012 compared to December 2011. This was primarily driven by headcount reductions in the Bulgarian segment and restructuring efforts in the Austrian segment, which offset the increase of workforce in the Additional markets segment.

Subsequent and Other Events

On 2 February 2012 Telekom Austria Group and A1 Telekom Austria AG agreed to acquire assets owned by Orange Austria Telecommunication GmbH ("Orange Austria") for a total amount of up to EUR 390 million. The transaction includes the following assets:

- 2 x 13.2-MHz frequencies in the 900 MHz, 2,100 MHz and the 2,600 MHz range by A1 Telekom Austria
- a company into which the base stations are spun-off by Telekom Austria AG
- collocation rights to base stations sites by A1 Telekom Austria AG
- the mobile phone operator YESSS! Telekommunikation GmbH ("YESSS!") by Telekom Austria AG
- certain intangible property rights, including the "One" brand by A1 Telekom Austria AG

On 3 January 2013 Telekom Austria Group completed the acquisition of YESSS! and A1 Telekom Austria AG completed the acquisition of the intangible property rights from "Orange Austria". Acquisition of the other assets will be completed in stages.

On 24 January 2013 Telekom Austria Group issued a EUR 600 million hybrid bond with perpetual maturity. The settlement took place on 1 February 2013. After five years, the redemption can take place for the first time, except in certain circumstances and the annual coupon for this five-year period amounts to 5.625%. Coupon payments can be deferred. Under IFRS this issue is classified as equity.

Other

The use of automated calculation systems may give rise to rounding differences.

Following the classification of Belarus as a hyperinflationary economy in the fourth quarter of 2011, financial reporting in hyperinflationary countries according to IAS 29 has been applied to the financial statements of the Belarusian segment. Effects from the inflation of non-monetary assets and the translation into Euro are shown net.

The reported result in the Bulgarian, Croatian and Belarusian segments include depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements.

n.m. – not meaningful, used for changes >300% and for percentage changes which are not meaningful

n.a. – not applicable

Consolidated Financial Statements Telekom Austria Group

Condensed Consolidated Statements of Operations

in EUR million, except per share information	Q4 2012 unaudited	Q4 2011 unaudited	1–12 M 2012 audited	1–12 M 2011 audited
Operating revenues	1,117.8	1,115.9	4,329.7	4,454.6
Other operating income	22.1	26.5	82.1	100.4
Operating expenses				
Materials	–169.3	–137.9	–474.7	–442.0
Employee expenses, including benefits and taxes	–223.1	–205.6	–833.6	–805.0
Other operating expenses	–428.6	–462.1	–1,648.1	–1,780.6
EBITDA comparable	**318.8**	336.9	**1,455.4**	1,527.3
Restructuring	–13.0	–8.9	–34.7	–233.7
Impairment and reversal of impairment	0.0	–248.9	0.0	–248.9
EBITDA incl. effects from restructuring and impairment tests	**305.8**	79.1	**1,420.8**	1,044.7
Depreciation and amortization	–237.1	–295.5	–964.0	–1,052.4
Operating result	**68.7**	–216.4	**456.8**	–7.6
Financial result				
Interest income	3.4	5.7	16.9	16.9
Interest expense	–54.3	–56.1	–232.7	–216.8
Foreign exchange differences	–2.1	7.0	2.5	–43.5
Other financial result	0.0	–0.7	–0.4	–4.5
Result from investments in affiliates	0.9	0.2	1.0	1.1
Earnings before income taxes	**16.8**	–260.4	**244.1**	–254.5
Income taxes	–93.0	–61.1	–140.3	1.7
Net Result	**–76.3**	–321.5	**103.8**	–252.8
Attributable to:				
Owners of the parent	–76.3	–320.7	103.6	–252.0
Non-controlling interests	0.0	–0.8	0.1	–0.8
Basic and fully diluted earnings per share	**–0.17**	–0.72	**0.23**	–0.57
Weighted-average number of ordinary shares outstanding	**442,563,969**	442,563,969	**442,563,969**	442,563,969

Condensed Statement of Comprehensive Income

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	1–12 M 2012 audited	1–12 M 2011 audited
Net Result	**−76.3**	−321.5	**103.8**	−252.8
Unrealized result on securities available-for-sale	0.0	0.0	0.3	−0.6
Income tax (expense) benefit	0.0	0.0	−0.1	0.2
Realized result on securities available-for-sale	0.0	0.0	0.5	0.0
Income tax (expense) benefit	0.0	0.0	−0.1	0.0
Unrealized result on hedging activities	−7.8	−2.7	−27.4	−27.4
Income tax (expense) benefit	1.9	0.7	6.9	6.8
Foreign currency translation adjustment	0.3	428.1	−27.8	−5.1
Income tax (expense) benefit	0.0	−6.3	0.0	0.0
Other comprehensive income (loss)	**−5.5**	419.7	**−47.8**	−26.1
Total comprehensive income (loss)	−81.8	98.2	56.0	−278.9
Attributable to:				
Owners of the parent	−81.8	99.0	55.9	−278.1
Non-controlling interests	0.0	−0.8	0.1	−0.8

Condensed Consolidated Statements of Financial Position

in EUR million	Dec. 31, 2012 audited	Dec. 31, 2011 audited
ASSETS		
Current assets		
Cash and cash equivalents	600.8	460.0
Short-term investments	85.1	166.0
Accounts receivable - trade, net of allowances	746.9	737.6
Receivables due from related parties	0.0	0.1
Inventories	152.9	157.7
Prepaid expenses	106.7	101.0
Income tax receivable	21.1	40.6
Non-current assets held for sale	0.9	0.1
Other current assets	94.8	88.3
Total current assets	**1,809.3**	1,751.4
Non-current assets		
Investments in associates	3.7	3.7
Financial assets long-term	7.9	13.9
Goodwill	1,289.5	1,289.7
Other intangible assets, net	1,522.6	1,619.3
Property, plant and equipment, net	2,426.4	2,462.2
Other non-current assets	30.8	34.5
Deferred tax assets	161.5	273.9
Receivables due from related parties, finance	0.0	0.1
Total non-current assets	**5,442.3**	5,697.4
TOTAL ASSETS	**7,251.5**	7,448.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	−1,049.4	−1,014.2
Accounts payable - trade	−567.1	−642.2
Current provisions and accrued liabilities	−301.8	−311.6
Payables to related parties	−7.8	−9.8
Income tax payable	−37.2	−41.3
Other current liabilities	−195.1	−226.5
Deferred income	−163.7	−166.5
Total current liabilities	**−2,322.1**	−2,412.0
Non-current liabilities		
Long-term debt	−2,832.0	−2,934.9
Employee benefit obligation	−139.0	−129.0
Non-current provisions	−923.1	−888.2
Deferred tax liabilities	−115.2	−127.3
Other non-current liabilities and deferred income	−84.0	−74.2
Total non-current liabilities	**−4,093.3**	−4,153.7
Stockholders' equity		
Common stock	−966.2	−966.2
Treasury shares	8.2	8.2
Additional paid-in capital	−582.9	−582.9
Retained earnings	219.1	219.8
Available-for-sale reserve	0.2	0.8
Hedging reserve	48.5	27.9
Translation adjustments	438.1	410.2
Equity attributable to equity holders of the parent	**−835.1**	−882.2
Non-controlling interests	−1.1	−0.9
Total stockholders' equity	**−836.1**	−883.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**−7,251.5**	−7,448.8

Condensed Consolidated Statements of Cash Flows

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	1–12 M 2012 audited	1–12 M 2011 audited
Cash flow from operating activities				
Net Result	–76.3	–321.5	103.8	–252.8
Adjustments to reconcile net result to operating cash flow				
Depreciation, amortization, impairment and reversal of impairment	237.1	544.4	964.0	1,301.3
Employee benefit obligation - non-cash	6.0	1.3	16.8	7.6
Bad debt expenses	12.1	15.5	49.9	65.7
Change in deferred taxes	81.1	55.9	97.1	–51.9
Equity in earnings of affiliates	–0.9	0.8	–1.0	0.6
Share-based compensation	0.4	1.5	0.0	1.7
Change in asset retirement obligation - non-cash	2.0	1.1	8.4	7.0
Provision for restructuring - non-cash	17.1	6.2	63.5	222.1
Result on sale of investments	0.0	3.6	0.5	4.0
Result on disposal / retirement of equipment	1.6	4.0	4.3	7.1
Gain on monetary items - non cash	–1.0	–30.4	–4.1	–30.4
Other	8.4	19.5	–7.3	57.6
Gross cash flow	**287.8**	**302.0**	**1,295.9**	**1,339.6**
Changes in assets and liabilities				
Accounts receivable - trade	3.8	21.2	–60.8	–13.9
Inventories	–5.6	–6.1	6.7	–10.0
Prepaid expenses and other assets	–8.8	–6.3	8.3	–1.7
Accounts payable - trade	40.7	108.1	–76.1	–23.9
Employee benefit obligation	–1.1	–0.8	–6.6	–8.1
Provisions and accrued liabilities	–12.6	–0.9	–97.8	–53.6
Other liabilities and deferred income	–57.5	–43.2	–19.7	–11.9
Payables due to related parties	3.9	4.7	–2.0	–3.4
Changes in assets and liabilities	–37.2	76.6	–248.0	–126.4
Cash flow from operating activities	**250.6**	**378.6**	**1,047.9**	**1,213.3**
Cash flow from investing activities				
Capital expenditures	–238.8	–284.1	–728.2	–739.0
Acquisitions of subsidiaries, net of cash acquired	0.0	0.0	0.0	–135.7
Sale of subsidiary, net of cash disposed	1.1	0.9	1.1	0.9
Sale of property, plant, equipment and intangible assets	2.5	2.8	5.7	4.9
Purchase of investments	–2.2	–109.4	–766.7	–111.3
Sale of investments	42.5	106.4	852.0	125.4
Cash flow from investing activities	**–194.9**	**–283.4**	**–636.3**	**–854.8**
Cash flow from financing activities				
Proceeds from issuance of long term debt	100.0	0.0	838.4	755.3
Principal payments on long-term debt	–96.0	0.0	–918.9	–224.1
Changes in short-term borrowings	32.8	33.3	13.8	–185.2
Dividends paid	0.0	0.0	–168.2	–331.9
Deferred consideration paid for business combinations	0.0	0.0	–34.7	–17.8
Cash flow from financing activities	**36.8**	**33.3**	**–269.6**	**–3.7**
Effect of exchange rate changes	**2.1**	**29.2**	**0.0**	**1.3**
Monetary loss on cash and cash equivalents	**–0.1**	**–16.4**	**–1.2**	**–16.4**
Change in cash and cash equivalents	**94.4**	**141.3**	**140.8**	**339.8**
Cash and cash equivalents at beginning of period	506.3	318.7	460.0	120.2
Cash and cash equivalents at end of period	600.8	460.0	600.8	460.0

Condensed Consolidated Statements of Changes in Stockholders' Equity

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	Market value reserves	Translation adjustment	Total	Non-controlling interest	Total stockholders' equity
Balance at January 1, 2012	**966.2**	**−8.2**	**582.9**	**−219.8**	**−28.7**	**−410.2**	**882.2**	**0.9**	**883.1**
Net Result	0.0	0.0	0.0	103.6	0.0	0.0	103.6	0.1	103.8
Net unrealized result on securities	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.2
Net realized result on securities	0.0	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.4
Net unrealized result on hedging activities	0.0	0.0	0.0	0.0	−20.6	0.0	−20.6	0.0	−20.6
Foreign currency translation adjustment	0.0	0.0	0.0	0.0	0.0	−27.8	−27.8	0.0	−27.8
Other comprehensive income (loss)	**0.0**	**0.0**	**0.0**	**0.0**	**−20.0**	**−27.8**	**−47.8**	**0.0**	**−47.8**
Total comprehensive income (loss)	**0.0**	**0.0**	**0.0**	**103.6**	**−20.0**	**−27.8**	**55.9**	**0.1**	**56.0**
Distribution of dividends	0.0	0.0	0.0	−168.2	0.0	0.0	−168.2	0.0	−168.2
Hyperinflation adjustment	0.0	0.0	0.0	65.2	0.0	0.0	65.2	0.0	65.2
Balance at December 31, 2012	**966.2**	**−8.2**	**582.9**	**−219.1**	**−48.7**	**−438.1**	**835.1**	**1.1**	**836.1**

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Retained earnings	Market value reserves	Translation adjustment	Total	Non-controlling interest	Total stockholders' equity
Balance at January 1, 2011	966.2	−8.2	582.9	346.3	−7.7	−405.1	1,474.4	2.5	1,476.9
Net Result	0.0	0.0	0.0	−252.0	0.0	0.0	−252.0	−0.8	−252.8
Net unrealized result on securities	0.0	0.0	0.0	0.0	−0.5	0.0	−0.5	0.0	−0.5
Net unrealized result on hedging activities	0.0	0.0	0.0	0.0	−20.5	0.0	−20.5	0.0	−20.5
Foreign currency translation adjustment	0.0	0.0	0.0	0.0	0.0	−5.1	−5.1	0.0	−5.1
Other comprehensive income (loss)	0.0	0.0	0.0	0.0	−21.0	−5.1	−26.1	0.0	−26.1
Total comprehensive income (loss)	0.0	0.0	0.0	−252.0	−21.0	−5.1	−278.1	−0.8	−278.9
Distribution of dividends	0.0	0.0	0.0	−331.9	0.0	0.0	−331.9	0.0	−331.9
Hyperinflation adjustment	0.0	0.0	0.0	17.8	0.0	0.0	17.8	0.0	17.8
Acquisition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−0.8	−0.8
Balance at December 31, 2011	966.2	−8.2	582.9	−219.8	−28.7	−410.2	882.2	0.9	883.1

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2011
Number of shares of common stock	443,000,000	443,000,000	443,000,000
Number of treasury shares	436,031	436,031	436,031
Average purchase price of treasury shares	18.80	18.80	18.80

Condensed Operating Segments

in EUR million (audited)	1–12 M 2012 Austria	Bulgaria	Croatia	Belarus	Additional Markets	Corporate & Other	Eliminations	Consolidated
External revenues	2,763.7	448.3	405.4	301.2	411.1	0.0	0.0	4,329.7
Intersegmental revenues	23.4	20.8	15.0	0.1	15.5	0.0	−74.7	0.0
Total revenues	**2,787.1**	**469.1**	**420.4**	**301.2**	**426.6**	**0.0**	**−74.7**	**4,329.7**
Other operating income	90.1	7.2	2.0	4.3	7.8	23.5	−52.8	82.1
Segment expenses	−1,974.3	−268.8	−285.8	−181.2	−317.1	−56.7	127.6	−2,956.3
EBITDA comparable	**902.9**	**207.4**	**136.6**	**124.4**	**117.3**	**−33.2**	**0.1**	**1,455.4**
Restructuring	−34.7	0.0	0.0	0.0	0.0	0.0	0.0	−34.7
Impairment and reversal of impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA incl. effects from restructuring and impairment tests	**868.2**	**207.4**	**136.6**	**124.4**	**117.3**	**−33.2**	**0.1**	**1,420.8**
Depreciation and amortization	−554.5	−152.2	−67.2	−94.9	−100.3	0.0	5.1	−964.0
Operating result	**313.6**	**55.2**	**69.4**	**29.5**	**17.0**	**−33.2**	**5.2**	**456.8**
Interest income	4.6	1.2	1.8	3.8	0.6	34.8	−29.9	16.9
Interest expense	−61.7	−6.4	−6.9	−2.3	−1.0	−184.4	30.0	−232.7
Result from investments in affiliates	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Other financial result	−0.9	−0.1	−1.2	5.1	−0.3	376.1	−376.6	2.1
Earnings before income taxes	**256.6**	**49.9**	**63.1**	**36.1**	**16.3**	**193.3**	**−371.2**	**244.1**
Income taxes								−140.3
Net result								**103.8**
Segment assets	3,915.9	1,326.8	532.9	598.2	805.5	7,221.9	−7,149.8	7,251.5
Segment liabilities	−2,161.1	−197.5	−331.9	−52.9	−179.4	−4,660.9	1,168.3	−6,415.4
Capital expenditures - intangible	94.6	20.5	27.8	15.5	19.3	0.0	−0.2	177.5
Capital expenditures - tangible	353.6	48.3	51.1	28.2	69.5	0.0	0.0	550.7
Total capital expenditures	**448.2**	**68.8**	**78.8**	**43.7**	**88.8**	**0.0**	**−0.2**	**728.2**

in EUR million (audited)	1–12 M 2011 Austria	Bulgaria	Croatia	Belarus	Additional Markets	Corporate & Other	Eliminations	Consolidated
External revenues	2,919.4	500.0	403.0	260.8	371.4	0.0	0.0	4,454.6
Intersegmental revenues	22.6	27.7	17.7	0.1	25.0	0.0	−93.1	0.0
Total revenues	**2,942.1**	**527.7**	**420.7**	**260.9**	**396.4**	**0.0**	**−93.1**	**4,454.6**
Other operating income	95.8	19.1	2.8	5.3	6.2	20.8	−49.5	100.4
Segment expenses	−2,065.3	−284.9	−289.0	−159.5	−312.2	−59.2	142.4	−3,027.7
EBITDA comparable	**972.6**	**261.9**	**134.5**	**106.6**	**90.4**	**−38.4**	**−0.3**	**1,527.3**
Restructuring	−233.7	0.0	0.0	0.0	0.0	0.0	0.0	−233.7
Impairment and reversal of impairment	0.0	−19.3	0.0	−279.0	49.4	0.0	0.0	−248.9
EBITDA incl. effects from restructuring and impairment tests	**738.9**	**242.6**	**134.5**	**−172.4**	**139.8**	**−38.4**	**−0.3**	**1,044.7**
Depreciation and amortization	−609.2	−200.3	−66.6	−82.8	−96.4	0.0	2.9	−1,052.4
Operating result	**129.7**	**42.3**	**67.9**	**−255.2**	**43.4**	**−38.4**	**2.6**	**−7.6**
Interest income	10.7	2.5	1.2	4.1	2.0	30.7	−34.2	16.9
Interest expense	−57.1	−7.5	−4.1	−3.0	−1.0	−178.8	34.7	−216.8
Result from investments in affiliates	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Other financial result	−5.2	0.0	−1.9	−7.9	0.1	481.7	−514.8	−48.1
Earnings before income taxes	**79.2**	**37.2**	**63.2**	**−262.0**	**44.5**	**295.2**	**−511.8**	**−254.5**
Income taxes								1.7
Net result								**−252.8**
Segment assets	4,308.4	1,513.9	516.8	560.1	834.1	7,693.4	−7,977.8	7,448.8
Segment liabilities	−2,737.5	−270.6	−264.8	−88.9	−165.5	−5,147.8	2,109.4	−6,565.7
Capital expenditures - intangible	101.7	19.7	5.0	3.3	16.4	0.0	0.0	146.2
Capital expenditures - tangible	383.4	50.8	45.5	41.6	71.5	0.0	0.0	592.8
Total capital expenditures	**485.1**	**70.5**	**50.5**	**44.9**	**87.9**	**0.0**	**0.0**	**739.0**

Results by Segments

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 audited	1–12 M 2011 audited	% change
Revenues						
Austria	721.0	752.0	–4.1%	2,787.1	2,942.1	–5.3%
Bulgaria	110.8	132.6	–16.5%	469.1	527.7	–11.1%
Croatia	106.4	106.3	0.1%	420.4	420.7	–0.1%
Belarus	83.3	41.2	102.3%	301.2	260.9	15.5%
Additional markets	111.3	105.5	5.5%	426.6	396.4	7.6%
Corporate, Other & Eliminations	–15.1	–21.6	–30.2%	–74.7	–93.1	–19.7%
Revenues	**1,117.8**	1,115.9	0.2%	**4,329.7**	4,454.6	–2.8%
EBITDA comparable						
Austria	199.8	226.5	–11.8%	902.9	972.6	–7.2%
Bulgaria	43.0	58.1	–26.1%	207.4	261.9	–20.8%
Croatia	22.5	30.3	–25.7%	136.6	134.5	1.5%
Belarus	34.8	6.9	n.m.	124.4	106.6	16.7%
Additional markets	29.8	27.3	9.4%	117.3	90.4	29.7%
Corporate, Other & Eliminations	–11.0	–12.2	–9.6%	–33.1	–38.6	–14.4%
EBITDA comparable	**318.8**	336.9	–5.4%	**1,455.4**	1,527.3	–4.7%
EBITDA incl. effects from restructuring and impairment tests						
Austria	186.8	217.5	–14.1%	868.2	738.9	17.5%
Bulgaria	43.0	38.8	10.7%	207.4	242.6	–14.5%
Croatia	22.5	30.3	–25.7%	136.6	134.5	1.5%
Belarus	34.8	–272.1	n.m.	124.4	–172.4	n.m.
Additional markets	29.8	76.6	–61.1%	117.3	139.8	–16.1%
Corporate, Other & Eliminations	–11.0	–12.2	–9.6%	–33.1	–38.6	–14.4%
EBITDA incl. effects from restructuring and impairment tests	**305.8**	79.1	286.8%	**1,420.8**	1,044.7	36.0%
Operating result						
Austria	41.1	61.2	–32.9%	313.6	129.7	141.8%
Bulgaria	14.6	–13.9	n.m.	55.2	42.3	30.7%
Croatia	5.7	13.1	–56.4%	69.4	67.9	2.2%
Belarus	11.4	–312.9	n.m.	29.5	–255.2	n.m.
Additional markets	4.0	47.5	–91.6%	17.0	43.4	–60.8%
Corporate, Other & Eliminations	–8.1	–11.5	–29.4%	–28.0	–35.8	–21.8%
Operating result	**68.7**	–216.4	n.m.	**456.8**	–7.6	n.m.

Capital Expenditures

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 audited	1–12 M 2011 audited	% change
Austria	126.7	166.5	–23.9%	448.2	485.1	–7.6%
Bulgaria	19.9	22.2	–10.3%	68.8	70.5	–2.4%
Croatia	38.0	24.7	53.9%	78.8	50.5	56.0%
Belarus	25.5	30.6	–16.6%	43.7	44.9	–2.7%
Additional markets	28.9	40.2	–28.2%	88.8	87.9	1.0%
Corporate & Elimination	0.0	0.0	n.a.	–0.2	0.0	n.m.
Total capital expenditures	**238.8**	284.1	–15.9%	**728.2**	739.0	–1.5%
Thereof tangible	157.8	224.5	–29.7%	550.7	592.8	–7.1%
Thereof intangible	81.0	59.6	35.9%	177.5	146.2	21.5%

Net Debt

in EUR million	Dec. 31, 2012 audited	Dec. 31, 2011 audited
Long-term debt	2,832.0	2,960.4
Short-term borrowings	1,078.6	1,052.4
Cash and cash equivalents and short-term investments	–685.9	–625.9
Long-term investments and finance lease receivables	–29.5	–31.8
Derivative financial instruments for hedging purposes	53.6	25.2
Net debt*	**3,248.9**	3,380.3
Net debt/EBITDA comparable (last 12 months)	**2.2x**	2.2x

* Finance lease obligations and the remaining performance based consideration related to the acquisition of SBT are included in long-term debt and short-term borrowings. As of 31 Dec. 2011 the remaining performance based consideration related to the acquisition of Megalan/Spectrumnet is included in short-term borrowings.

Personnel

	End of period			Average of period		
Personnel (full-time equivalent)	Dec. 31, 2012	Dec. 31, 2011	% change	Q4 2012	Q4 2011	% change
Austria	9,077	9,292	–2.3%	9,254	9,281	–0.3%
International Operations	7,205	7,762	–7.2%	7,192	7,693	–6.5%
Total	**16,446**	17,217	–4.5%	**16,610**	17,134	–3.1%

Key Data Segment Austria

Financials - Segment Austria

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	721.0	752.0	–4.1%	2,787.1	2,942.1	–5.3%
EBITDA comparable	199.8	226.5	–11.8%	902.9	972.6	–7.2%
EBITDA incl. effects from restructuring and impairment tests	186.8	217.5	–14.1%	868.2	738.9	17.5%
EBIT	41.1	61.2	–32.9%	313.6	129.7	141.8%

Revenue detail - Austria	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Monthly Fee and Traffic	472.2	502.7	–6.1%	1,915.7	2,027.4	–5.5%
Data & ICT Solutions	62.2	55.3	12.5%	214.8	202.3	6.2%
Wholesale (incl. Roaming)	38.2	60.7	–37.1%	164.5	203.6	–19.2%
Interconnection	74.9	85.2	–12.1%	327.1	341.7	–4.3%
Equipment	68.7	45.5	51.1%	148.7	126.1	17.9%
Other Operating Income	4.8	2.5	93.3%	16.3	41.0	–60.1%
Total revenues Austria	**721.0**	752.0	–4.1%	**2,787.1**	2,942.1	–5.3%

Key Data Segment Austria

Key Data Fixed Line - Austria	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Average revenues per access line (in EUR)	32.9	32.5	1.3%	32.1	32.2	–0.5%
Fixed service revenues (in EUR mn)	225.4	226.8	–0.6%	885.8	899.1	–1.5%
Fixed Line Voice Minutes (in million)	575.9	640.5	–10.1%	2,335.9	2,612.2	–10.6%

Lines (in '000)	Q4 2012 unaudited	Q4 2011 unaudited	% change
Access lines (without broadband lines)	970.1	1,062.9	–8.7%
Fixed broadband retail lines	1,270.4	1,230.5	3.2%
Fixed broadband wholesale lines	41.7	42.9	–2.7%
Fixed broadband lines	1,312.1	1,273.4	3.0%
Total access lines	2,282.3	2,336.2	–2.3%
Lines unbundled	267.6	271.5	–1.5%

Austrian Telecommunications Market

Broadband Market Shares	Q4 2012 unaudited	Q4 2011 unaudited
A1 Telekom Austria Fixed Line Retail	29.0%	30.4%
A1 Telekom Austria Fixed Line Wholesale	1.0%	1.1%
Mobile broadband A1 Telekom Austria	17.7%	18.4%
Mobile broadband other operators	32.0%	29.5%
Cable	14.8%	14.5%
Unbundled lines	5.5%	6.1%

Broadband penetration - Total market	119.4%	111.7%

Voice Market Shares	Q4 2012 unaudited	Q4 2011 unaudited
Fixed Line A1 Telekom Austria	8.9%	10.6%
Fixed Line Others	5.4%	6.4%
Mobile	85.7%	83.0%

Key Data Mobile Communication	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Customers ('000)	5,379.6	5,271.2	2.1%
Contract share	77.4%	77.6%	
Mobile Broadband Customers ('000)	776.4	744.9	4.2%
Mobile Market Share	38.8%	40.0%	
Mobile Penetration	164.2%	156.6%	

	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
ARPU (in EUR)	17.5	19.2	–8.7%	18.2	20.0	–9.0%
Mobile service revenues (in EUR mn)	280.3	300.9	–6.9%	1,155.3	1,240.2	–6.8%
thereof interconnection share	10.1%	9.6%		9.7%	9.1%	
Subscriber acquisition cost (SAC)	15.9	11.9	33.7%	41.4	49.3	–16.0%
Subscriber retention cost (SRC)	29.9	22.4	33.2%	87.3	82.6	5.6%
Churn (3 Months)	3.3%	3.6%		14.1%	14.7%	

Key Data Segment Bulgaria*

Bulgaria

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	110.8	132.6	−16.5%	469.1	527.7	−11.1%
EBITDA comparable	43.0	58.1	−26.1%	207.4	261.9	−20.8%
EBITDA incl. effects from restructuring and impairment tests	43.0	38.8	10.7%	207.4	242.6	−14.5%
EBIT	14.6	−13.9	n.m.	55.2	42.3	30.7%

Mobile Communication Market	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Subscribers ('000)	5,574.3	5,501.4	1.3%
Mobile Market Share	46.9%	48.6%	
Mobile Penetration	159.9%	151.4%	
Mobile Broadband Customers ('000)	370.7	192.0	93.1%
ARPU (in EUR)	5.4	7.0	−22.7%

Fixed Line Market	Q4 2012 unaudited	Q4 2011 unaudited	
ARPL (in EUR)	11.5	15.0	−23.2%
Total Access Lines ('000)	156.4	128.8	21.5%
Fixed Broadband Lines ('000)	151.6	123.1	23.2%

* The reported result includes depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements.

Key Data Segment Croatia*

Croatia

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	106.4	106.3	0.1%	420.4	420.7	−0.1%
EBITDA comparable	22.5	30.3	−25.7%	136.6	134.5	1.5%
EBITDA incl. effects from restructuring and impairment tests	22.5	30.3	−25.7%	136.6	134.5	1.5%
EBIT	5.7	13.1	−56.4%	69.4	67.9	2.2%

Mobile Communication Market	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	1,921.0	2,018.0	−4.8%
Contract share	42.2%	37.8%	
Mobile Market Share	38.3%	39.2%	
Mobile Penetration	116.8%	119.9%	
Mobile Broadband Customers ('000)	181.1	170.6	6.2%
ARPU (in EUR)	12.1	12.4	−2.5%

Fixed Line Market	Q4 2012 unaudited	Q4 2011 unaudited	% change
ARPL (in EUR)	24.1	22.6	6.9%
Total Access Lines ('000)	163.0	143.7	13.5%
Fixed Broadband Lines ('000)	86.8	68.6	26.6%

* The reported result of 2012 includes depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements. As of Q4 2011 calculation method of fixed access lines has been harmonized to Group standards and have been restated as of Q3 2011.

Key Data Segment Belarus*

Belarus

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	83.3	41.2**	n.m. **	301.2	260.9	15.5%
EBITDA comparable	34.8	6.9**	n.m. **	124.4	106.6	16.7%
EBITDA incl. effects from restructuring and impairment tests	34.8	–272.1**	n.m. **	124.4	–172.4	n.m.
EBIT	11.4	–312.9**	n.m. **	29.5	–255.2	n.m.
ARPU (in EUR)	4.9	3.5**	n.m. **	4.6	4.2	8.5%

	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	4,800.4	4,620.4	3.9%
Contract Share	80.3%	79.7%	
Market Share	43.5%	41.1%	
Market Penetration	116.6%	118.8%	
Mobile Broadband Customers ('000)	803.4	453.1	77.3%

* The reported result includes depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements.

** The reported results for the fourth quarter of 2011 include the full adjustments for hyperinflation accounting for the full year 2011 and thus a comparison is not meaningful.

Key Data Segment Additional Markets

Slovenia

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	50.6	50.8	–0.4%	199.6	192.7	3.6%
EBITDA comparable	13.8	12.6	9.6%	58.0	51.7	12.3%
EBITDA incl. effects from restructuring and impairment tests	13.8	12.6	9.6%	58.0	51.7	12.3%
EBIT	7.5	7.3	2.3%	36.3	30.2	20.0%
ARPU (in EUR)	21.7	21.4	1.4%	21.8	20.9	4.1%

	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	662.6	639.7	3.6%
Contract Share	76.4%	74.5%	
Market Share	30.3%	29.7%	
Market Penetration	107.1%	105.6%	
Mobile broadband subscribers	18,249	15,935	14.5%

Key Data Segment Additional Markets

Republic of Serbia

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	43.2	38.9	11.2%	160.4	143.1	12.1%
EBITDA comparable	13.9	9.9	40.4%	49.0	31.5	55.6%
EBITDA incl. effects from restructuring and impairment tests	13.9	59.3	–76.5%	49.0	80.9	–39.4%
EBIT	–3.5	43.3	n.m.	–18.4	21.1	n.m.
ARPU (in EUR)	7.1	7.3	–2.5%	7.1	7.2	–1.2%

	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	1,859.9	1,642.7	13.2%
Market Share	17.6%	15.7%	
Market Penetration	147.2%	141.3%	

Republic of Macedonia

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	15.6	14.1	11.0%	60.3	53.4	12.9%
EBITDA comparable	2.8	5.2	–46.1%	12.1	6.3	91.7%
EBITDA incl. effects from restructuring and impairment tests	2.8	5.2	–46.1%	12.1	6.3	91.7%
EBIT	0.5	–3.5	n.m.	0.4	–10.3	n.m.
ARPU (in EUR)	7.5	7.4	1.5%	7.5	7.5	0.8%

	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	632.0	566.6	11.5%
Market Share	27.3%	24.9%	
Market Penetration	113.1%	111.0%	

Liechtenstein

in EUR million	Q4 2012 unaudited	Q4 2011 unaudited	% change	1–12 M 2012 unaudited	1–12 M 2011 unaudited	% change
Revenues	1.9	1.8	3.9%	6.8	7.6	–11.3%
EBITDA comparable	0.2	0.3	–51.2%	1.2	1.9	–33.6%
EBITDA incl. effects from restructuring and impairment tests	0.2	0.3	–51.2%	1.2	1.9	–33.6%
EBIT	–0.2	0.1	n.m.	0.3	1.0	–74.2%

	Q4 2012 unaudited	Q4 2011 unaudited	% change
Mobile Communication Subscribers ('000)	6.2	6.2	–0.3%