

Results for the Full Year 2013

Highlights

- > 3.4% revenue and 11.6% EBITDA comparable decline driven by mature markets Austria, Bulgaria and Croatia while Belarusian and Additional markets segments see continued growth
- > Regulatory effects contribute EUR 122.1 mn to revenue decline
- > EUR 118.1 mn gross costs savings facilitate investments into the premium mobile customer segment to target ARPU decline in mature markets via higher subsidies
- > Convergence strategy yields access line growth of 1,600 lines in Austria as well as growth of 1.4% and of 18.4% in Bulgaria and Croatia respectively
- > 10.1% and 6.3% revenue growth in Belarus and Additional Markets segment
- > Acquisition of YESSS! and other assets for approx. EUR 400 mn*
- > EUR 1.03 bn spectrum acquisition in Austria bolsters strategic network position for the future
 - > Downgrade to Baa2 (stable) and BBB- (stable) due to resulting higher leverage
 - > AI wins 'connect' network test
- > Outlook 2014: Group revenue to decline by approx. 3%, CAPEX** stable at approx. EUR 700 mn
- > Proposed dividend: EUR 0.05/share for the years 2013 and 2014 respectively

in EUR million	Q4 2013	Q4 2012***	% change	1–12 M 2013	1–12 M 2012***	% change
Revenues	1,055.7	1,117.8	-5.6%	4,183.9	4,329.7	-3.4%
EBITDA comparable	262.3	319.1	-17.8%	1,287.4	1,455.7	-11.6%
Operating income	32.8	69.0	-52.5%	377.6	457.1	-17.4%
Net income	-49.5	-76.0	n.m.	109.7	104.0	5.5%
Cash flow generated from operations	262.0	250.6	4.6%	1,051.6	1,047.9	0.3%
Earnings per share (in EUR)	-0.11	-0.17	n.m.	0.20	0.23	-16.7%
Free cash flow per share (in EUR)	-2.31	0.03	n.m.	-1.62	0.74	n.m.
Capital expenditures	1,286.1	238.8	n.m.	1,779.1	728.2	144.3%
in EUR million				31 Dec 2013	31 Dec 2012	% change
Net debt				3,695.8	3,248.9	13.8%
Net debt / EBITDA comparable (12 months)				2.9	2.2	28.6%

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 amortisation, restructuring and impairment charges.

* After purchase price adjustments

** Does not include investments for spectrum and acquisitions

*** As of 1 January 2013 IAS 19 – Employee Benefits (amended) – became effective. Accordingly, the reported results for the interim and full year 2012 were adjusted retrospectively

Disclaimer

Disclaimer for forward-looking statements: This document contains forward-looking statements. These forward-looking statements are usually accompanied by words such as “believe”, “intend”, “anticipate”, “plan”, “expect” and similar expressions. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither Telekom Austria nor any other person accepts any liability for any such forward-looking statements. Telekom Austria will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations. This report does not constitute a recommendation or invitation to purchase or sell securities of Telekom Austria.

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Quarterly Results

Group Review

The presentation for the conference call and key figures of the Telekom Austria Group in Excel format ("Fact Sheet Q4 2013") are available on the website at www.telekomaustria.com.

Results for the first quarter 2014 will be announced on 8 May 2014.

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Vienna, 26 February 2014 – Today the Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the full year and the fourth quarter 2013, ending 31 December 2013.

Summary

Year-to-date Comparison

Key Performance Indicators Group – Full Year 2013

Financials

in EUR million	1–12 M 2013	1–12 M 2012	% change
Revenues	4,183.9	4,329.7	–3.4%
EBITDA comparable	1,287.4	1,455.7	–11.6%
EBITDA incl. effects from restructuring and impairment tests	1,242.2	1,421.1	–12.6%
Operating income	377.6	457.1	–17.4%
Net income	109.7	104.0	5.5%
Cash flow generated from operations	1,051.6	1,047.9	0.3%
Earnings per share (in EUR)	0.2	0.23	–16.7%
Free cash flow per share (in EUR)	–1.62	0.74	n.m.
Capital expenditures	1,779.1	728.2	144.3%

in EUR million	31 Dec 2013	31 Dec 2012	% change
Net debt	3,695.8	3,248.9	13.8%
Equity	1,512.6	819.1	84.7%
Net debt / EBITDA comparable (12 months)	2.9	2.2	28.6%

Fixed access lines (in '000)	31 Dec 2013	31 Dec 2012	% change
Total access lines	2,636.9	2,602.9	1.3%
in Austria	2,283.9	2,282.3	0.1%
in Bulgaria	159.9	157.6	1.4%
in Croatia	193.1	163.0	18.4%
of which broadband lines	1,654.4	1,550.9	6.7%

Mobile communication subscribers (in '000)	31 Dec 2013	31 Dec 2012	% change
Total subscribers	20,117.4	19,625.6	2.5%
in Austria	5,714.5	5,179.2	10.3%
in Bulgaria	4,181.5	4,515.6	–7.4%
in Croatia	1,843.8	1,921.0	–4.0%
in Belarus	4,947.4	4,800.4	3.1%
in Slovenia	679.2	662.6	2.5%
in the Republic of Serbia	2,017.7	1,859.9	8.5%
in the Republic of Macedonia	629.7	632.0	–0.4%
in Liechtenstein	6.4	6.2	3.2%

Employees (full-time equivalent, period-end)	16,045	16,446	–2.4%
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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 amortisation, restructuring and impairment charges.

In the 2013 financial year, the Telekom Austria Group experienced revenue losses in all its mature markets as a result of competitive price pressure and regulatory cuts in termination and roaming rates. In Austria the management countered these negative factors with a clear focus on the high-value customer segment, the implementation of its convergence strategy and strict cost management. Mobile tariff structures were adjusted to changing customer requirements, such as the rising demand for broadband products. As a result of the latter as well as growth in the television business, the number of fixed-line connections increased slightly in Austria. The Bulgaria segment suffered from the effects of further termination rate cuts in combination with tough competition and a weak general economic environment, which negatively impacted consumer behaviour. In Croatia the growth in the fixed-line business largely compensated for the negative effects in the mobile business from competitive pressure and the strained economic situation in the first half of the year. In the second half of the year, however, the market also faced pressure on interconnection and roaming revenues as a result of the country joining the EU. Against the backdrop of negative foreign exchange rate effects, Belarus continued to post strong operational results. The rise in the share of contract customers in particular had a positive effect on the Additional Markets segment; the Republic of Serbia stood out with strong growth in revenues and EBITDA comparable.

In mobile communications the Telekom Austria Group posted an increase of 2.5% to 20.1 million customers in 2013. Austria enjoyed the strongest growth with a surge of around 535,300 customers, primarily as a result of the acquisition of the no-frills provider YESSS!, followed by the Republic of Serbia with net additions of 157,800 customers. Belarus also developed well with an increase of 147,000 customers. In the fixed business 34,000 access lines were added at Group level, corresponding to growth of 1.3% to 2.6 million access lines. Austria gained 1,600 net additions in the year as a whole.

As a result of the developments described above the Telekom Austria Group saw a reduction in revenues of 3.4% to EUR 4.18 billion in 2013. Higher revenues in the Belarus and Additional Markets segments were offset by declines in Austria, Bulgaria and Croatia. The Telekom Austria Group's international segments accounted for 37.2% of total revenues in 2013 after 36.7% in the previous year (measured as total consolidated revenues of the international segments to total Group revenues not including Corporate & Other or eliminations).

Telekom Austria Group focussed on the ongoing optimisation of operating efficiency and strict cost management in 2013 as well. As a result, operating expenses remained virtually stable overall at EUR 2,983.7 million, despite the 15.3% rise in material expenses resulting from the strategic focus on the high-value customer segment. Employee costs rose slightly by 1.5% to EUR 845.9 million despite a head-count reduction in the Group, primarily caused by an extraordinary effect in Austria and own work capitalised in Bulgaria and the Republic of Serbia.

Other operating expenses were reduced by 3.5% to EUR 1,590.5 million in 2013, which was mainly the result of lower interconnection and roaming expenses.

EBITDA comparable declined by 11.6% in the 2013 financial year to EUR 1,287.4 million. Belarus and the Additional Markets segment saw increases of 25.3% and 18.1% respectively. This could not, however, offset the reductions EBITDA comparable in Austria, Bulgaria and Croatia of 17.5%, 23.5% and 13.9% resulting from lower revenues.

In sum these developments led to a reduction in the EBITDA-comparable margin from 33.6% in the previous year to 30.8% in 2013.

Restructuring charges, which relate entirely to the Austria segment, amounted to EUR 45.2 million in the reporting year after EUR 34.7 million in the previous year. They include social plans for employees whose employment contracts are being terminated in a socially responsible manner, and future expenses for civil servants who no longer provide services to Telekom Austria Group, but whose employment contracts cannot be terminated due to their civil servant status. As in the previous year, there were no impairment losses in the reporting year.

Resulting from the operational trends as well as the restructuring expenses, EBITDA including effects of restructuring and impairment tests fell by 12.6% to EUR 1,242.2 million. At EUR 864.6 million, depreciation and amortisation were 10.3% lower than in the previous year. The strongest factor here was the completed write-down of the acquired mobile customer base of Mobiltel in Bulgaria in June 2012. Operating income for 2013 declined by 17.4% to EUR 377.6 million.

The negative financial result of the Telekom Austria Group amounted to EUR 187.4 million in the reporting year, a reduction of 11.9% as versus the previous year. This was primarily due to a EUR 31.8 million reduction of interest expenses as a result of the lower average financial liabilities for the year as a whole, as well as a reduction of the discount rate applied to the calculation of the restructuring provision, employee benefit obligation and asset retirement obligation in the fourth quarter of 2012. Interest income remained stable at around EUR 16.1 million. As a result of the weaker performance of the Belarusian Rouble and the Croatian Kuna, exchange rate differences amounted to a negative EUR 4.3 million in the reporting year after a positive EUR 2.5 million in the previous year.

The tax expenses in the reporting year amounted to EUR 80.4 million as against EUR 140.4 million in 2012 as a result of lower deferred tax expenses.

Overall, the Telekom Austria Group reported an increase in net income to EUR 109.7 million for the 2013 reporting year compared to EUR 104.0 million in the previous year.

For information regarding the year-to-date comparison please see the Telekom Austria Group Annual Report 2013, chapter Group Management Report, pp. 78-104 under:
http://cdn1.telekomaustria.com/final/en/media/pdf/TAG_AnnualReport_2013.pdf

Summary

Quarterly Comparison

Key Performance Indicators Group

4th Quarter 2013

Financials*

in EUR million	Q4 2013	Q4 2012*	% change
Revenues	1,055.7	1,117.8	-5.6%
EBITDA comparable	262.3	319.1	-17.8%
EBITDA incl. effects from restructuring and impairment tests	252.4	306.1	-17.6%
Operating income	32.8	69.0	-52.5%
Net income	-49.5	-76.0	-34.8%
Cash flow generated from operations	262.0	250.6	4.6%
Earnings per share (in EUR)	-0.11	-0.17	-34.0%
Free cash flow per share (in EUR)	-2.31	0.03	n.m.
Capital expenditures	1,286.1	238.8	n.m.

in EUR million	31 Dec 2013	31 Dec 2012	% change
Net debt	3,695.8	3,248.9	13.8%
Equity	1,512.6	819.1	84.7%
Net debt / EBITDA comparable (12 months)	2.9	2.2	28.6%

* As of 1 January 2013 IAS 19 – Employee Benefits (amended) – became effective. Accordingly, the reported results for the interim and full year 2012 were adjusted retrospectively

In the fourth quarter of 2013 Group revenues fell by 5.6% year-on-year to EUR 1,055.7 mn. While the Belarusian and the Additional Markets segments reported another successful quarter and posted year-on-year revenue growth, Austria, Bulgaria and Croatia saw substantial revenue declines.

In Austria revenues fell by 7.6% as a result of customer migration to all-in contracts and regulatory effects. Moreover equipment revenues declined as a result of lower gross additions in the premium segment. Nevertheless lower churn of high-value customers led to improved net additions in the fourth quarter of 2013. Higher broadband and TV revenues could only partly offset the continued decline of the fixed-line voice business. The consolidation of YESSS! as of 3 January 2013 affected the year-on-year comparison positively.

In Bulgaria regulatory cuts as well as political and economic instability resulted in continued revenue decline. In Croatia lower roaming and interconnection revenues following the country's accession to the European Union could not be compensated by the strong result from the fixed-line business and growth in the mobile contract segment. Revenues in Belarus rose slightly, as the strong operational performance more than offset the negative effects from foreign exchange translations in the amount of EUR 19.7 mn. The Additional Markets segment benefitted from higher subscriber numbers and higher contract ratios, with the Republic of Serbia showing a particularly strong performance. Excluding the negative effects from foreign exchange translations, Group revenues declined by 3.6% year on year.

In addition, other operating income increased by 36.6% to EUR 30.1 mn. The increase in other operating income stemmed primarily from own work capitalisation in Bulgaria and in the Republic of Serbia as well as from a one-off effect related to the settlement of a legal dispute in Slovenia. The corresponding amount for own work capitalisation in Bulgaria and Republic of Serbia is also included in operating expenses.

In the fourth quarter of 2013 total operating expenses remained almost stable at EUR 823.6 mn including one-off effects in the amount of EUR 20.1 mn compared to EUR 12.0 mn in the fourth quarter of 2012.

Group EBITDA comparable, which does not include any effects from restructuring and impairment testing, decreased by 17.8% year-on-year as a result of the revenue pressure. The biggest drag on EBITDA comparable resulted from the operations in Austria and in Bulgaria.

Negative effects from foreign exchange translations amounted to EUR 9.9 mn. On a clean basis Group EBITDA comparable declined by 14.7%.

In the fourth quarter of 2013 restructuring charges in Austria amounted to EUR 9.9 mn compared to EUR 13.0 mn in the same period of last year. Depreciation and amortisation charges fell by 7.4% versus the fourth quarter of 2012, primarily driven by the Austrian segment. However, this decline only slightly compensated for lower EBITDA comparable.

As a result operating income declined by 52.5% compared to the same period of last year and amounted to EUR 32.8 mn. The negative financial result declined from EUR 52.0 mn to EUR 45.5 mn mainly as a result of a reduction in interest expense. Lower tax expenses allowed an improvement of the net loss from EUR 76.0 mn in the fourth quarter of 2012 to EUR 49.5 mn in the fourth quarter of 2013.

In the fourth quarter of 2013 Group capital expenditure increased to EUR 1,286.1 mn due to the Austrian spectrum auctions that took place in September and October 2013 and led to costs of EUR 1,030 mn. Excluding this extraordinary investment, total Group CAPEX increased by 7.2% to EUR 256.1 mn, mostly driven by the Austrian and the Bulgarian as well as the Belarusian segments.

The Telekom Austria AG Share

After a volatile first half followed by a strong third quarter, the Telekom Austria AG share fell considerably in the latter half of the fourth quarter, eradicating earlier gains and closing the year down 4.1%. The share's volatility in the first half of 2013 was the result of investor anxiety about the Austrian mobile market, further regulatory cuts as well as political and macroeconomic headwinds in the CEE markets. On 5 July 2013 the share reached its annual low of EUR 4.74 intra-day. In contrast, a sector rally in the third quarter of the year also lent support to the Telekom Austria AG share, and the latter rose 27.4% between the end of June and September. Moreover, the potential for recovery of the company's domestic mobile market as well as expectations that no fourth mobile operator would enter the Austrian market outweighed fears over an expensive outcome to the spectrum auctions in Austria. In addition, América Móvil's bid for Dutch incumbent KPN, which was later withdrawn, fuelled speculation about the former's intention in Austria and provided a floor at points of weakness in the performance of the share. The fourth quarter saw Austrian mobile operators pay a combined EUR 2bn for Austrian multiband spectrum, of which Telekom Austria Group's domestic subsidiary A1 Telekom Austria acquired 50%. The share nevertheless reached an annual high of EUR 6.75 on 17 October, but fell away again in December.

After a mixed first half of the year, the Stoxx Telecom Index performed strongly in the second half of 2013. Sector M&A as well as the regulatory debate surrounding the EU single market proposal provided momentum. The index finished the year 2013 with a record 32.1% gain.

After being cautiously positive in the first quarter of the year, European capital markets rallied in May, after a number of better-than-expected economic data releases and an ECB interest rates cut. The resulting buoyancy came to an abrupt halt at the end of May, however, when Federal Reserve Chairman Ben Bernanke inferred that the US central bank might begin to taper its bond buying programme. European markets resumed their ascent in early July after reassurance from the Fed, and continued to gain for the remainder of the year bar a few temporary negative spells. Despite political strife in Italy, the Syrian civil war, the US budget crisis and continued tapering fears, the Stoxx 600 index closed the year up 17.4% on 31 December 2013.

The Austrian ATX underperformed other European markets, resulting from a number of weak heavyweight stock performances as well as its exposure to the CEE markets, which are still struggling to recover from the effects of the Euro crisis. The index closed the year up 6.1%.

Development of Telekom Austria share price

indexed from 1 Jan 2013



Market Environment

The Telekom Austria Group operates in eight markets across Central and Eastern Europe. In its mature markets Austria, Bulgaria and Croatia Telekom Austria Group offers mobile and fixed-line services, allowing the company to pursue a successful convergence strategy. In its mobile-only markets Telekom Austria Group seeks to capitalise on the existing growth potential for smartphone offers and mobile data products.

Fierce competition presents an issue in almost all markets, exerting downward pressure on mobile prices. The economic success of Telekom Austria Group thus hinges to a great extent on its ability to safeguard margins by continuously increasing cost efficiency. In addition, regulatory provisions in the form of interconnection and roaming rate reductions cause added drag on revenues, especially in those segments which must conform to EU regulation. In addition to existing glidepaths, the proposal for a single European telecommunications market, currently awaiting approval by the European parliament, poses a threat.

With one of the most sophisticated yet low-priced mobile markets in Europe, Austria is among the most competitive markets of the Telekom Austria Group. The Austrian telecoms sector contains full-scale as well as mobile virtual network operators. In terms of product offerings, all-in smartphone deals and mobile broadband solutions drive an ongoing fixed-to-mobile substitution, which is visible in the highly advanced but continual decline of fixed voice business. Attractive convergent bundle offers, incorporating fixed-line broadband and IPTV solutions, are key to the fixed-line business.

In the CEE markets political and macroeconomic headwinds remain challenging, as they affect demand and burden usage. In Bulgaria this resulted in Standard and Poor's downgrading its outlook from stable to negative (current rating BBB/A-2). Meanwhile Croatia became the 28th member of the European Union on 1 July 2013, requiring the country to comply with the EU's prevailing interconnection and roaming regulation. The outlook for growth remains fragile there also, although the government expects a GDP of 1.3% for 2014, compared to 0.2% in 2013.

In Belarus inflation and FX effects were relatively benign in the first half of 2013; however, the Belarusian Rouble has fallen visibly against the Euro in the second half of 2013. As the banking crisis continues, Slovenia's government has also extended austerity measures. Serbia had an encouraging start of the year with a relatively balanced Serbian dinar, which remained almost stable throughout the year 2013. The central bank of the Republic of Macedonia published the country's GDP growth forecast of 3.7% for 2014, as the country benefits from low debt levels and a stable banking sector.

Outlook

Telekom Austria Group outlook for the full year 2014

Telekom Austria Group's outlook for the year 2014 reflects the management's confidence in achieving its ambitious targets, even though the overall conditions in most of the Groups markets remain challenging. The continued implementation of the turnaround strategy is expected to yield further results, targeting enhanced profitability and revenue inflection in the midterm. A number of recent developments support the success of this strategy.

Adverse external factors such as macro-economic headwinds, regulatory cuts and severe price pressure, which dominated the business development in 2013, will continue to weigh on revenue trends in 2014. At the same time management expects an increasingly positive impact from the strategic steps already taken to deal with these external factors.

In its mature markets, Telekom Austria Group will proceed with its focus on the successful implementation of its convergence strategy, as well as on products for the high-value customer segment. Management also remains confident about its ability to monetise increasing data usage in both the fixed-line and mobile networks, and to add value by upgrading prepaid customers to the contract segment. The ongoing trend towards smartphones in all markets of the Telekom Austria Group, as well as penetration and market share growth in the Group's mobile-only markets, is expected to persist.

Operations in Austria, the domestic market of the Group, will continue to be impacted by low mobile price levels, leading to further ARPU deterioration and fixed-to-mobile substitution. The expected introduction of new services from mobile virtual network operators (MVNOs) entails additional risks. Management seeks to address these challenges through the continuation of its convergence strategy, by means of which the Group offers superior services to its customers and which is expected to support a further stabilisation of the fixed-line business. The recently acquired spectrum adds additional momentum to the anticipated growth in fixed-line and mobile broadband customers. Regulatory cuts such as lower roaming prices and termination rates will continue to burden revenues in Austria.

In the CEE region ongoing macro-economic headwinds will remain a key driver impacting businesses and customer demand. Despite the management's GDP growth expectations of approximately 2.0% in Bulgaria for the year 2014, the population reduction will further burden the business development. In Croatia management expects a stable GDP development, after a decline of 0.7% in 2013. In both countries regulatory interventions will continue to affect results negatively and they will be most prominently felt in Croatia, as the country became subject to EU regulation with its accession to the European Union in July 2013.

Growth in the Belarusian segment will be driven by the demand for smartphones also in 2014. Management expects the Belarusian rouble to decline at least 20% compared to the level seen at year-end 2013, in line with the expected inflation rate. The expected growth in the Additional market segment will be mostly driven by an ongoing rise in penetration in the Republic of Serbia as well as by targeted market share gains in the Serbian subsidiary Vip mobile.

In Bulgaria and Slovenia spectrum will come up for sale again in 2014. In Bulgaria existing 900-MHz and 1800-MHz spectrum will be resold in the first half of 2014. In Slovenia a multi-band auction will take place via a combinatorial clock auction format, which is expected to start in March 2014.

In order to mitigate the impact of the above-mentioned negative factors on Group profitability, strict cost management remains key. In line with the continued focus on the high-value customer segment management will periodically review its subsidy policy in the mature markets. In addition to OPEX savings, the realisation of further CAPEX efficiency gains is critical, as safeguarding cashflow generation is crucial to the business. Altogether management targets gross OPEX and CAPEX savings of approximately EUR 100 mn in 2014. The restructuring expense for civil servants in the Austrian segment is expected to amount to approximately EUR 30 million.

Altogether, the management of Telekom Austria Group expects Group revenues to decline by approximately 3% year-on-year and Group capital expenditures* to remain stable at approximately EUR 700 million in 2014.

Maintaining a conservative financial profile remains the number one priority of Telekom Austria Group's finance strategy. Thus, Telekom Austria Group seeks to return to its target rating of BBB (stable) with Standard & Poor's in the medium term via the use of operational cash flow, and to thus strengthen financial flexibility of the Group (current rating by Standard & Poor's: BBB-, stable). As a result, the management of Telekom Austria Group intends to distribute a dividend of 5 Eurocents per share for the year 2014.

DPS of EUR 0.05 intended for distribution for the financial year 2014

Outlook 2014	as of 26 February 2014
Revenues	approx. -3%
Capital expenditures*	approx. EUR 700 mn
Proposed dividend**	DPS of EUR 0.05

* Does not include investments for spectrum nor acquisitions.

** Intended proposal to the Annual General Meeting 2015; proposed dividend for 2013: EUR 0.05/share (AGM 2014)

Quarterly Analysis

Segment Austria

Key Performance Indicators

Financials* in EUR million	Q4 2013	Q4 2012*	% change
Revenues	666.3	721.0	-7.6%
EBITDA comparable	143.9	200.1	-28.1%
EBITDA incl. effects from restructuring and impairment tests	134.0	187.1	-28.4%
EBIT	2.4	41.4	-94.3%

Revenue detail	Q4 2013	Q4 2012	% change
Monthly fee and traffic	456.4	472.2	-3.3%
Data & ICT solutions	63.9	62.2	2.7%
Wholesale (incl. roaming)	33.9	38.2	-11.2%
Interconnection	55.9	74.9	-25.4%
Equipment	50.6	68.7	-26.4%
Other operating income	5.6	4.8	16.3%

Mobile communication business	Q4 2013	Q4 2012	% change
ARPU (in EUR)**	15.7	18.2	-13.9%
Mobile service revenues (in EUR million)	268.8	280.3	-4.1%
thereof interconnection	7.1%	10.1%	
Subscriber acquisition cost (SAC, in EUR million)	11.6	15.9	-27.3%
Subscriber retention cost (SRC, in EUR million)	32.3	29.9	8.2%
Churn (3 months)	4.7%	3.5%	

	Q4 2013	Q4 2012	% change
Mobile communication subscribers (in '000)**	5,714.5	5,179.2	10.3%
Mobile market share**	42.6%	37.9%	
Mobile contract share**	69.4%	76.6%	
Mobile broadband subscribers (in '000)**	816.4	743.5	9.8%
Mobile penetration - total market**	158.1%	161.8%	

Fixed line business	Q4 2013	Q4 2012	% change
ARPL (in EUR)	31.3	32.9	-5.0%
Fixed service revenues (in EUR million)	213.7	225.4	-5.2%
Fixed line voice minutes (in million)	518.3	575.9	-10.0%

in '000	Q4 2013	Q4 2012	% change
Access lines (without broadband lines)	893.7	970.1	-7.9%
Fixed broadband lines	1,390.2	1,312.1	5.9%
thereof fixed broadband retail lines	1,352.2	1,270.4	6.4%
thereof fixed broadband wholesale lines	38.0	41.7	-9.0%
Total access lines	2,283.9	2,282.3	0.1%
Lines unbundled	250.0	267.6	-6.6%

Austrian voice and broadband shares

Voice market share**	Q4 2013	Q4 2012	% change
Fixed Line A1 Telekom Austria	8.7%	8.9%	
Fixed Line Others	5.3%	5.4%	
Mobile	86.1%	85.7%	
Broadband market share**	Q4 2013	Q4 2012	% change
Fixed line retail A1 Telekom Austria	30.2%	29.2%	
Fixed line wholesale A1 Telekom Austria	0.8%	1.0%	
Mobile broadband A1 Telekom Austria	18.2%	17.1%	
Mobile broadband other operators	30.0%	32.3%	
Cable	15.8%	14.9%	
Unbundled lines	4.9%	5.6%	
Broadband penetration - total market**	121.2%	118.5%	

* As of 1 January 2013 IAS 19 – Employee Benefits (amended) – became effective. Accordingly, the reported results for the interim and full year 2012 were adjusted retrospectively

** As of Q2 2013 the methodology for counting subscribers was changed. Previous quarters of 2012 and 2013 were adjusted retrospectively.

In the fourth quarter of 2013 A1 Telekom Austria maintained its focus on its convergent product offerings and on its high-value customer base in order to mitigate the negative effects from further regulatory cuts and ongoing price pressure. Although customers have responded well to the new tariffs in the premium brand A1, the Austrian mobile communications market saw a deceleration in the fourth quarter 2013 versus previous year. This led to a lower number of gross additions in the premium segment with the corresponding effects on revenues as well as on costs. Competition remained intense in the no-frills and prepaid segments, leading to negative net additions overall in the fourth quarter of 2013.

Year-on-year, A1 Telekom Austria's mobile subscriber base, including YESSS! customers and after the retrospective adjustment of the methodology for subscriber counting for 2012 and 2013, grew by 10.3% in the fourth quarter of 2013. Furthermore a change in subscriber counting by a competitor also added to an increase in market share by 4.7 percentage points year-on-year. The number of mobile broadband subscribers increased by 9.8% year-on-year to approximately 816,400 subscribers by the end of fourth quarter of 2013.

Fixed access lines surged by approximately 10,300 in Q4 2013

Fixed access lines surged by approximately 10,300 in Q4 2013 as a result of healthy demand for convergent offers, IPTV as well as attractive fixed broadband offers allowing the company to grow access lines also for the full year 2013.

Revenues in the segment Austria fell by 7.6% to EUR 666.3 mn in the fourth quarter of 2013, including a positive contribution from YESSS!. Regulatory effects accounted for EUR 22.5 mn of this reduction in revenues. In addition, the revenue decline was driven inter alia by an ongoing reduction in monthly fee and traffic revenues which were 3.3% lower compared to the fourth quarter of 2012. This development is a result of the continued customer migration to all-in contracts and lower customer roaming revenues as well as lower fixed line service revenues. In addition, lower international transit termination rates and quantities as well as lower national termination rates resulted in 25.4% lower interconnection revenues. The trend towards increasing equipment revenues discontinued, as the above mentioned lower amounts of gross additions in the premium segment resulted in a decline of equipment revenues in the amount of EUR 18.1 mn in the fourth quarter of 2013.

The customer migration to all-in tariffs, regulatory changes and the integration of YESSS! customers burdened the average revenue per user (ARPU) and resulted in its 13.9% decline. Correspondingly, mobile service revenues fell by 4.1% year-on-year to EUR 268.8 mn.

Average revenue per line (ARPL) fell by 5.0% year-on-year driven by 10.0% lower voice minutes, the continued decline in voice only subscribers as well as the effects of attractive fixed broadband offers. These effects

could not be offset by broadband and IPTV upselling. As a result fixed-service revenues gave in by 5.2% year-on-year.

In the fourth quarter of 2013 operating expenses remained stable at EUR 546.4 mn, including one-off effects amounting to EUR 11.0 mn compared to EUR 12.0 mn in the same period of last year. In the fourth quarter of 2013 EUR 5.0 mn of these one-off effect were included in personal expenses, while EUR 6.0 mn were accounted for in material expenses. The latter effect stems from modernisation of fixed network architecture. Interconnection costs declined by 30.4% primarily as a result of lower international transit rates and lower domestic rates. In addition, fewer gross additions in the premium segment, as mentioned above, led to a lower amount of handsets sold and therefore 3.2% lower material expenses excluding the above mentioned one-off effect. However, these cost savings were offset by higher other costs, driven by an increase in marketing and sales costs as well as investments into efficiency projects in the fixed line business.

Altogether, this development translated into a fall in EBITDA comparable of 28.1% to EUR 143.9 mn in the fourth quarter of 2013.

The lower number of gross additions in the contract segment reduced mobile subscriber acquisition costs in the high-value segment by 27.3%. In contrast, subscriber retention costs increased by 8.2%, leading to improved churn rate.

In the fourth quarter of 2013 restructuring charges amounted to EUR 9.9 mn compared to EUR 13.0 mn from the same period of last year. Together with a decline in depreciation and amortisation, inter alia from network and intangible assets, the lower restructuring charges partly mitigated the pressure on operating income, which was reported at EUR 2.4 mn compared to EUR 41.4 mn in the fourth quarter of 2012.

Segment Bulgaria

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	99.4	110.8	-10.3%
EBITDA comparable	31.9	43.0	-25.8%
EBITDA incl. effects from restructuring and impairment tests	31.9	43.0	-25.8%
EBIT	7.4	14.6	-49.0%

Mobile communication business	Q4 2013	Q4 2012	% change
ARPU (in EUR)*	6.3	6.6	-4.1%
Mobile communication subscribers (in '000)*	4,181.5	4,515.6	-7.4%
Mobile market share*	39.0%	42.1%	
Mobile contract share*	78.7%	74.4%	
Mobile broadband subscribers (in '000)* / **	192.9	147.9	30.5%
Mobile penetration - total market*	144.8%	144.2%	

Fixed line business	Q4 2013	Q4 2012	% change
ARPL (in EUR)*	14.0	13.5	3.2%
Total access lines ('000)*	159.9	157.6	1.4%
Fixed broadband lines ('000)*	155.0	152.0	2.0%

* As of Q4 2013 the methodology for counting mobile and fixed lines subscribers was changed. Previous quarters of 2012 and 2013 were adjusted retrospectively.

** As of Q1 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs.

In the fourth quarter of 2013, regulation remained the most dominant factor that negatively impacted the performance of the Bulgarian segment. In addition, a weak macroeconomic backdrop, a declining population and shrinking foreign direct investments affected consumer confidence as well as demand.

Operationally Mobilitel counteracted these challenges with its focus on the high-value customer segment via smartphone offers and convergent product bundles as well as strict cost management.

As of the end of the fourth quarter of 2013 Mobilitel changed the counting methodology of SIM cards, which resulted in a total reduction of 1,026 million mobile communication subscribers. This change affects both the number of mobile subscribers and two fixed-line services. Previous quarters of 2012 and of 2013 were adjusted retrospectively.

With respect to prepaid customers the principle of counting subscribers was changed from voucher validity period to usage activity. As a result, subscribers previously counted as active within their voucher validity period of 12 months will in the future be considered active only if they have had an activity within the last three months. The change in the counting logic resulted in a reduction of 498,000 mobile communication subscribers.

With respect to fixed line services two products have been adjusted:

- > “Box” services, which replicate a fixed-line connection for residential customers via mobile technology by providing two numbers (one fixed-line and one mobile number), will now be counted as one mobile subscriber instead of two. This led to a reduction by 215,000 mobile subscribers. The service is not part of the focus of the company.
- > Integrated telecom solutions (ITS) are fixed-line services for business customers where the premises are connected via fixed lines, while the company uses a predefined range of mobile numbers for voice calls. These mobile numbers were counted as mobile subscribers until now. As of Q4 2013 these customers are being counted as pure fixed-line connections. This change led to a reduction by 313,000 mobile subscribers and an addition of 2,000 fixed access lines

These changes better reflect customer behaviour as well as Mobilitel’s position as a fully convergent operator since the acquisition of two fixed-line businesses in 2011. In addition, it provides increased transparency and aligns Mobilitel’s counting method with its competition.

Overall the reduction of 1.026 mn SIM cards and the addition of 2.000 access lines led to the following changes in KPIs in Q4 2013:

- > A reduction in overall mobile penetration in Bulgaria from 158.9% to 144.8%
- > A reduction of Mobilitel’s market share from 44.3% to 39.0%, which nevertheless leaves Mobilitel as the number-one operator in Bulgaria
- > An increase in overall ARPU by 22.4% and an increase of the prepaid ARPU by 56.5%
- > An increase in total ARPL by 27.4%

The following analysis is based on comparable subscriber numbers for Q4 2013 and Q4 2012:

The decline in Mobilitel’s prepaid customers as result of the focus on high-value segment accelerated in Q4 2013, which led to a reduction of the total number of customers by 7.4% to 4.2 mn subscribers. However, mobile broadband customers continued their ongoing growth and reached 192,900 subscribers, 30.5% above the fourth quarter of 2012.

While year-on-year fixed access lines grew by 1.4% driven by a 2.0% increase in broadband lines in the fourth quarter of 2013, lower promotion activities due to the ongoing strong price pressure resulted in a sequential fixed access line decline versus the third quarter 2013.

Change in subscriber counting provides increased transparency

In the fourth quarter of 2013 total revenues declined by 10.3% versus the same period last year primarily driven by monthly fee and traffic as well as interconnection revenues. The latter declined mainly as a result of the reduction of termination rates, while monthly fee and traffic revenues were negatively impacted by customer roaming. A higher number of smartphones sold drove the ongoing increase in equipment revenues. However, this rise could not outweigh the negative effects of lower tariffs and reduced traffic.

Average revenue per user (ARPU) declined by 4.1% versus the fourth quarter last year. Main driver for the ARPU drop is regulation. Excluding the regulatory effect, ARPU is mostly stable against the same period last year. Average revenue per fixed line (ARPL) increased by 3.2% year-on-year mainly due to an increase in the share of business subscribers and positive contributions from a higher number of broadband and TV access lines. Consequently, fixed-line service revenues continued to rise year-on-year and amounted to EUR 6.7 mn in the fourth quarter of 2013.

In the fourth quarter of 2013 other operating income increased by EUR 5.5 mn. EUR 4.5 mn of this increase stemmed from own work capitalisation. The corresponding amount is also included in operating expenses.

In the fourth quarter of 2013, operating expenses increased by 7.4% mainly driven by the above mentioned own work capitalisation. Interconnection and roaming costs declined inter alia following several significant termination rate cuts throughout 2013. However, this decline was offset by an increase in other costs stemming from a one-time effect related to suppliers.

The reduction in total revenues resulted in a 25.8% EBITDA comparable decline.

Operating income amounted to EUR 7.4 mn in the fourth quarter of 2013 compared to EUR 14.6 mn in the same period of last year.

Segment Croatia

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	95.5	106.4	-10.3%
EBITDA comparable	21.7	22.5	-3.9%
EBITDA incl. effects from restructuring and impairment tests	21.7	22.5	-3.9%
EBIT	5.0	5.7	-11.5%

Mobile communication business	Q4 2013	Q4 2012	% change
ARPU (in EUR)	11.1	12.1	-8.0%
Mobile communication subscribers (in '000)	1,843.8	1,921.0	-4.0%
Mobile market share	37.3%	38.3%	
Mobile contract share	45.1%	42.2%	
Mobile broadband subscribers (in '000)*	168.8	162.2	4.0%
Mobile penetration - total market	115.1%	116.8%	

Fixed line business	Q4 2013	Q4 2012	% change
ARPL (in EUR)	22.1	24.1	-8.3%
Total access lines ('000)	193.1	163.0	18.4%
Fixed broadband lines ('000)	109.2	86.8	25.9%

* As of the first quarter of 2013 the definition for the calculation of mobile broadband customers was changed to exclude M2M customers. Previous quarters were adjusted retrospectively.

In the fourth quarter of 2013 operational trends in Croatia remained impacted by macro-economic headwinds leading to lower prices for fixed and mobile services. In addition, regulatory pressure from the implementation of the EU roaming and mobile termination rate glidepaths since the country's accession to the European Union in July 2013 have continued to weigh on results.

Focus on high-value segment results in contract share of 45.1%

In the fourth quarter of 2013 Vipnet's total subscriber base declined by 4.0% to 1,843.8 million customers as the overall prepaid market continued to shrink in a year-on-year comparison. However, the contract subscriber base grew based on successful initiatives focusing on the high-value segment. This resulted in a year-on-year as well as a quarter-on-quarter growth of the contract subscriber base to approximately 831,800 subscribers by the end of the fourth quarter of 2013. Consequently, the contract share increased to 45.1% in the fourth quarter of 2013 compared to 42.2% in the same period of last year. In addition, the mobile broadband segment posted strong growth of 4.0%, reaching approximately 168,800 subscribers.

Following efforts to extend the existing population coverage, the fixed-line business showed significant access line growth of 18.4% year-on-year to approximately 193,100 lines. Fixed broadband access lines grew by 25.9%.

In the fourth quarter of 2013 revenues in Croatia declined mainly due to regulatory cuts, lower prepaid subscribers as well as the migration to all-in tariffs. The latter two effects negatively impacted monthly fee and traffic revenues, which declined by 5.2%. Interconnection and Wholesale (incl. Roaming) revenues fell by 26.2% and 74.0% respectively. Higher equipment revenues stemmed from the continued rise in contract share.

Fixed-line service revenue increase of 9.7% driven by growth in broadband

Average revenue per user (ARPU) amounted to EUR 11.1 in the fourth quarter of 2013 compared to EUR 12.1 in the same period last year driven by reduced airtime and interconnection revenues. The consolidation of Digi TV customers in March 2013 which reported lower average revenue per customer than Vipnet's traditional fixed-line customers resulted in a decline of average revenue per fixed-line (ARPL) in a year-on-year comparison. However, total fixed-line service revenues increased by 9.7% to EUR 12.7 mn mainly driven by the higher number of access lines.

Strict cost management and regulatory cuts resulted in a decline of total operating expenses by EUR 10.0 mn to EUR 74.3 mn. The implementation of the EU roaming glidepath led to a roaming cost reduction of 43.0%, while termination rate cuts reduced interconnection costs by 15.2%. In addition, as a result of different periodisation of campaigns marketing and sales costs were down by 17.0%, while higher hardware discounts resulted in declining material expenses.

In the fourth quarter of 2013 a cut in operating expenses offset most of the revenue decline which led to an almost stable EBITDA comparable at EUR 21.7 mn. In addition, depreciation and amortisation charges remained stable and resulted in a stable operating result of EUR 5.0 mn.

Segment Belarus

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	87.7	83.3	5.3%
EBITDA comparable	37.5	34.8	7.8%
EBITDA incl. effects from restructuring and impairment tests	37.5	34.8	7.8%
EBIT	17.1	11.4	49.6%
	Q4 2013	Q4 2012	% change
ARPU (in EUR)	4.7	4.9	-3.8%
Mobile communication subscribers (in '000)	4,947.4	4,800.4	3.1%
Market share	42.5%	43.5%	
Contract share	80.6%	80.3%	
Mobile broadband subscribers (in '000)*	246.5	227.5	8.4%
Market penetration - total market	123.0%	116.6%	

* As of the first quarter of 2013 the definition for the calculation of mobile broadband customers was changed to include solely data-only tariffs. Previous quarters were adjusted retrospectively.

Since the fourth quarter of 2011 Belarus has been classified as a hyperinflationary economy, and hyperinflation accounting according to IAS 29 has been applied to the Belarusian segment. Over the course of the fourth quarter of 2013 the Belarusian Rouble fell 6.3% against the Euro and 13.3% year-on-year. The inflation amounted to 6.0% in the fourth quarter of 2013 and to 16.6% for the year as a whole.

velcom continued its strong operational performance in the fourth quarter of 2013 as the key underlying drivers remained intact: usage continued to grow and strong demand for smartphones as well as attractively priced tablets supported the sale of data-centric services. This caused customer numbers and the overall penetration rate to grow further. In addition, velcom was again able to implement inflation-linked adjustments of its retail prices.

As a result, total revenues increased by 28.9% on a local currency basis driven by a 19.2% rise in monthly fee and traffic revenues as well as higher equipment revenues. However, the revenue rise in local currency was mostly offset by negative foreign exchange effects of EUR 19.7 mn. Consequently, total revenues increased by 5.3% in Euro.

On a local currency basis operating expenses increased by 25.1% despite the introduction of a VAT charge in January for retail telecom customers which reduced VAT non-refundable expenses. The primary driver of this increase were material expenses which rose due to the focus on smartphones and tablets. Nevertheless, the gross margin on devices remains healthy at 19.1% in Belarus and in absolute terms increased by 126.7% year-on-year to BYR 46.5 mn. Personnel expenses rose due to inflation-based salary increases and interconnection costs rose resulting from higher tariffs for outgoing international traffic. Ever though positive for-

EBITDA comparable growth despite EUR 9.4 mn negative FX-impact

exchange effects outweighed some of these increases, OPEX rose by EUR 1.9 mn in the fourth quarter of 2013 compared to the same period last year.

Nevertheless, EBITDA comparable for the fourth quarter of 2013 amounted to EUR 37.5 mn, 7.8% higher than last year, including a negative FX effect of EUR 9.4 mn. In local currency EBITDA comparable rose by 34.8% year-on-year.

A considerable reduction in depreciation and amortisation due to FX-effects boosted the operating result, which almost doubled to EUR 17.1 mn versus the previous year.

Segment Additional Markets

Slovenia

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	51.2	50.6	1.2%
EBITDA comparable	16.5	13.8	19.8%
EBITDA incl. effects from restructuring and impairment tests	16.5	13.8	19.8%
EBIT	10.5	7.5	40.3%

	Q4 2013	Q4 2012	% change
ARPU (in EUR)	17.2	21.7	-20.9%
Mobile communication subscribers (in '000)	679.2	662.6	2.5%
Market share	30.0%	30.3%	
Contract share	78.0%	76.4%	
Mobile broadband subscribers (in '000)	20,838	18,249	14.2%
Market penetration - total market	108.5%	107.1%	

Si.mobil customer base grew by 2.5 % y-o-y

Si.mobil continued to successfully mitigate the effects of a challenging macroeconomic environment and fierce competition by focusing on its multi-brand strategy. The mobile subscriber base increased by 2.5% mostly driven by the contract segment, which increased by 4.5% year-on-year. The market share remained almost flat at 30.0%, while the market penetration increased to 108.5%.

A higher contract subscriber base could not compensate for lower average prices which lead to a 5.0% decline in monthly fee and traffic revenues. However, higher interconnection and equipment revenues mitigated this decline and resulted in revenues remaining almost stable at EUR 51.2 mn versus EUR 50.6 mn in fourth quarter last year. Average revenue per user (ARPU) fell from EUR 21.7 to EUR 17.2 as a result of price pressure and roaming regulation.

In the fourth quarter of 2013, other operating income increased to EUR 2.1 mn. The amount is mostly attributable to an one-off effect related to the settlement of a legal dispute over interconnection payments between Si.mobil and another operator.

The higher amount of replaced handsets was offset by lower handset prices. This positively impacted material expenses which declined by 13.7%. In addition, interconnection costs declined as a result of a one-time effect resulting from the above mentioned legal dispute. However, these positive effects on operating expenses were almost fully offset by an increase in other costs of EUR 1.6 mn due to higher bad debts as well as increased consulting and slightly higher personnel expenses due to a higher number of FTE. Consequently, total operating expenses remained stable EUR 36.9 mn.

As a result of the increased other operating income, EBITDA comparable increased by 19.8% to EUR 16.5 mn in the fourth quarter of 2013. Depreciation and amortisation charges fell slightly and added to the EBIT increase of EUR 10.5 mn after EUR 7.5 mn in the fourth quarter of 2012.

Republic of Serbia

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	47.4	43.2	9.6%
EBITDA comparable	14.8	13.9	6.0%
EBITDA incl. restructuring and impairment test	14.8	13.9	6.0%
EBIT	-3.6	-3.5	3.6%

	Q4 2013	Q4 2012	% change
ARPU (in EUR)	7.3	7.1	2.9%
Mobile communication subscribers (in '000)	2,017.7	1,859.9	8.5%
Market share*	21.1%	17.6%	
Contract share	50.8%	47.2%	
Market penetration - total market	133.1%	147.2%	

*Change largely due to competitor restatements of mobile subscriber numbers in Q1 2013.

In the Republic of Serbia the pursuit of growth and value generation through the focus on the contract segment drove another increase in Vip mobile's subscriber base as well as a higher contract share. The restatement of a competitor's subscriber numbers which took place in the first quarter of 2013 resulted in a market penetration reduction from 147.2% to 133.1% year-on-year and in turn supported VIP mobile's market share growth.

The increase in the contract subscriber share resulted in an 8.9% increase in monthly fees and traffic revenues and was the main driver for the rise in total revenues by 9.6%. The increase in the subscriber base of 8.5% as well as higher usage resulted in 7.1% higher interconnection revenues. The larger contract subscriber base also drove the improvement of the average revenue per user (ARPU) to EUR 7.3 compared to EUR 7.1 in same period last year.

Revenues increase by 9.6%
year-on-year

In the fourth quarter of 2013, other operating income increased to EUR 3.9 mn from EUR 2.1 mn primarily driven by own work capitalisation. The corresponding amount is also included in operating expenses.

In the fourth quarter of 2013 Vip mobile's operating expenses increased mainly driven by the above mentioned own work capitalisation. In addition, higher marketing and sales costs as well as a rise in interconnection costs following a larger subscriber base and higher usage drove the growth of operational expenses by 16.3% to EUR 36.5 mn. However, despite this increase, revenue growth filtered through to EBITDA comparable which increased by 6.0% to EUR 14.8 mn.

The increase in EBITDA comparable compensated for higher depreciation and amortisation charges and led to a stable operating loss of EUR 3.6 mn.

Over the course of the fourth quarter of 2013, the Serbian Dinar lost slightly versus the Euro resulting in negative foreign exchange translation effects of EUR 0.3 mn on revenues and EUR 0.1 mn on EBITDA comparable.

Republic of Macedonia

Key Performance Indicators

in EUR million	Q4 2013	Q4 2012	% change
Revenues	15.5	15.6	-1.0%
EBITDA comparable	4.5	2.8	59.4%
EBITDA incl. effects from restructuring and impairment tests	4.5	2.8	59.4%
EBIT	2.4	0.5	n.m.

	Q4 2013	Q4 2012	% change
ARPU (in EUR)	7.4	7.5	-0.6%
Mobile communication subscribers (in '000)	629.7	632.0	-0.4%
Market share	28.0%	27.3%	
Contract share	47.5%	41.8%	
Market penetration - total market	109.2%	113.1%	

Contract subscriber base growth of 13.2% year-on-year

In the Republic of Macedonia Vip operator continued to focus on the consolidation of its operations in a strongly contested market. The company was able to defend its no. 2 position and maintained its market share of 28.0%. The mobile subscriber base remained almost stable, while the contract segment grew by 13.2%. Market penetration fell from 113.1% to 109.2% as competitive post-paid bundle offers reduce the demand for multiple SIM cards.

The increased contract share led to 7.8% higher monthly fee and traffic revenues as higher fixed fees could offset the effect from lower prepaid usage. However, this increase could not compensate for lower interconnection revenues following a 70.0% cut in mobile termination rates in November 2013 and lower equipment revenues. Consequently, revenues fell slightly by 1.0% to EUR 15.5 mn. The average revenue per user (ARPU) declined in line with revenues and amounted to EUR 7.4 compared to EUR 7.5 in the same period last year.

In the fourth quarter of 2013, the new SIM-only product portfolio led to lower material expenses following fewer handsets sold. In addition, lower interconnection and national roaming costs drove the decline in total operating expenses of 12.3%. Consequently, the EBITDA comparable increased by 59.4% to EUR 4.5 mn.

As a result of the increased EBITDA comparable and slightly lower depreciation and amortisation charges, the operating result rose substantially to EUR 2.4 mn.

Consolidated Net Income

In the fourth quarter 2013 operating income declined from EUR 69.0 mn to EUR 32.8 mn as lower depreciation and amortisation stemming primarily from the Austrian and the Bulgarian segments could not compensate for the decline in EBITDA comparable.

The negative financial result improved from a negative amount of EUR 52.0 mn in fourth quarter of 2012 to a negative amount of EUR 45.5 mn in fourth quarter of 2013, mainly due to lower interest expenses driven by refinancing activities resulting in lower average cost of debts.

Due to lower tax expenses net income loss improved to EUR 49.5 mn in the fourth quarter of 2013 compared to EUR 76.0 mn in the same period of last year. The tax expenses were higher in fourth quarter of 2012 as a consequence of revised future taxable income estimates resulting in reversal of capitalised deferred tax assets.

Cash Flow

Cash flow in EUR million	Q4 2013	Q4 2012	% change
Cash flow from operating activities	262.0	250.6	4.6%
Cash flow from investing activities	-1,240.5	-194.9	n.m.
Cash flow from financing activities	594.4	36.8	n.m.
Effect of exchange rate changes	0.5	2.1	-76.9%
Monetary loss on cash and cash- equivalents	-0.8	-0.1	n.m.
Net increase / decrease in cash and cash equivalents	-384.4	94.4	n.m.

In the fourth quarter of 2013 cash flow from operating activities increased by 4.6% to EUR 262.0 mn versus the same period of last year. The cash outflow from working capital of EUR 37.2 mn in the fourth quarter of 2012 turned into a cash inflow of EUR 34.3 mn in the fourth quarter of 2013. The change in working capital over the fourth quarter of 2013 was mostly a consequence of the positive effect from lower levels of accounts receivable and inventories as well as an increase in accounts payables. These positive effects were partly mitigated by lower levels of other liabilities as well as a reduction in deferred income.

Cash flow from operating
activities increased to EUR
262.0 mn

The cash outflow from investing activities increased to EUR 1,240.5 mn in the fourth quarter of 2013 and was mainly driven by the spectrum auction in Austria, which took place in September and October 2013 and resulted in a payment of EUR 1,030.0 mn. Excluding this extraordinary investment the cash outflow from investing activities of EUR 210.5 mn was still higher compared to the fourth quarter of 2012 and was driven by higher capital expenditures in the Austrian and the Bulgarian segment.

In December 2013 the Telekom Austria Group successfully placed a EUR 750.0 mn Eurobond, which was used for financing the spectrum costs. Consequently, the cash inflow from financing activities increased from EUR 36.8 mn in fourth quarter of 2012 to EUR 594.4 mn in the fourth quarter of 2013.

In summary, cash and cash equivalents recorded an outflow of EUR 384.4 mn versus an inflow of EUR 94.4 mn in the same period of last year.

Capital Expenditures

Capital expenditures in EUR million	Q4 2013	Q4 2012	% change
Austria	1,177.9	126.7	n.m.
Bulgaria	26.0	19.9	30.7%
Croatia	41.4	38.0	9.0%
Belarus	16.4	25.5	-35.8%
Additional Markets	24.5	28.9	-15.2%
Corporate & Other, Eliminations	0.0	0.0	n.a.
Total capital expenditures	1,286.1	238.8	n.m.
thereof tangible	151.2	157.8	-4.2%
thereof intangible	1,134.9	81.0	n.m.

Total capital expenditures driven by Spectrum Auction in Austria

As a result of the Austrian spectrum auctions that took place in September and October 2013 and resulted in costs of EUR 1,030 mn, Group capital expenditures increased to EUR 1,286.1 mn versus last year. Excluding this extraordinary investment, total Group capital expenditures increased by 7.2% to EUR 256.1 mn, mostly driven by the Austrian and the Bulgarian segments.

In Austria tangible capital expenditures were slightly lower than in the fourth quarter of 2012 stemming from the effects of the fibre rollout in the fourth quarter of last year. Intangible capital expenditures rose following the acquisition of frequencies from Orange Austria and higher investments for IT projects.

In Bulgaria capital expenditures rose by 30.7% due to rollout and modernisation works in both the fixed-line and the mobile networks. Croatia saw a 9.0% rise in capital expenditures versus last year due to the acquisition of additional spectrum in the 800-MHz frequency band. As a result Vipnet owns 50% of the 800 MHz spectrum band. Capital expenditures in Belarus fell by 35.8%, while the Additional Markets segment posted a 15.2% capital expenditures reduction primarily due to significant investments in tangible assets in the Republic of Serbia in the fourth quarter of 2012.

Personnel

Personnel (full-time equivalent) End of period	31 Dec 2013	31 Dec 2012	% change
Austria	8,804	9,077	-3.0%
International Operations	7,076	7,205	-1.8%
Total	16,045	16,446	-2.4%

Personnel (full-time equivalent) Average of period	Q4 2013	Q4 2012	% change
Austria	9,019	9,254	-2.5%
International Operations	7,022	7,192	-2.4%
Total	16,203	16,610	-2.5%

Headcount reduced by 401 full-time employees, primarily resulting from Bulgarian outsourcing

As of 31 December 2013 Telekom Austria Group had 16,045 full-time employees (FTEs), a decrease of 401 full-time employees versus 31 December 2012. The primary driver of this change was the ongoing outsourcing of services in Bulgaria, which reduced the Bulgarian headcount by 290 FTEs, as well as a reduction of 273 FTEs in Austria. The latter was part of the continued restructuring efforts in Austria. Net additions took place in the Belarusian (69 FTEs), the Croatian (34 FTEs) and the Additional Markets (59 FTEs) segments. In Croatia additions happened as a result of acquisition of 4 small cable operators and satellite operator Digi TV.

Additional Information

Risks and Uncertainties

The Telekom Austria Group faces various risks and uncertainties which could affect its results. For further details about these risks and uncertainties please refer to the Telekom Austria Group Annual Report 2013, pp. 101 ff.

Other and Subsequent Events

For details on other and subsequent events please refer to page 103.

Waiver of Review

This financial report of the Telekom Austria Group contains quarterly results which were not audited nor reviewed by a certified public accountant.

Other

As of 1 January 2013 IAS 19 - Employee Benefits (amended) - became effective. Accordingly, the reported results for the interim and full year 2012 were adjusted retrospectively.

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.

The reported result in the Austrian, Bulgarian, Croatian and Belarusian segments include depreciation and amortisation 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 percentage changes >300% and others which are not meaningful.

n.a. – not applicable, i.e. for divisions by zero.

Extracts from Consolidated Financial Statements Telekom Austria Group

Statements of Profit or Loss

in EUR million, except per share information	Q4 2013 unaudited	Q4 2012 unaudited	1–12 M 2013 audited	1–12 M 2012 audited
Operating revenues	1,055.7	1,117.8	4,183.9	4,329.7
Other operating income	30.1	22.1	87.1	82.1
Materials	-171.3	-169.3	-547.3	-474.7
Employee expenses, including benefits and taxes	-227.6	-222.8	-845.9	-833.3
Other operating expenses	-424.7	-428.6	-1,590.5	-1,648.1
Operating expenses	-823.6	-820.7	-2,983.7	-2,956.0
EBITDA comparable	262.3	319.1	1,287.4	1,455.7
Restructuring	-9.9	-13.0	-45.2	-34.7
Impairment and reversal of impairment	0.0	0.0	0.0	0.0
EBITDA incl. effects from restructuring and impairment testing	252.4	306.1	1,242.2	1,421.1
Depreciation and amortisation	-219.5	-237.1	-864.6	-964.0
Operating result	32.8	69.0	377.6	457.1
Interest income	3.6	3.4	16.1	16.9
Interest expense	-49.2	-54.3	-200.9	-232.7
Foreign exchange differences	-1.3	-2.1	-4.3	2.5
Other financial result	-0.1	0.0	-0.1	-0.4
Result from investments in affiliates	1.5	0.9	1.7	1.0
Financial result	-45.5	-52.0	-187.4	-212.7
Earnings before income taxes	-12.7	17.1	190.1	244.4
Income taxes	-36.9	-93.1	-80.4	-140.4
Net Result	-49.5	-76.0	109.7	104.0
Attributable to:				
Owners of the parent	-50.3	-76.1	86.5	103.9
Non-controlling interests	-0.1	0.0	0.1	0.1
Hybrid capital owners	0.8	0.0	23.1	0.0
Basic and fully diluted earnings per share	-0.11	-0.17	0.20	0.23
Weighted-average number of ordinary shares outstanding	442,584,841	442,563,969	442,570,851	442,563,969

Consolidated Statements of Comprehensive Income

in EUR million	Q4 2013 unaudited	Q4 2012 unaudited	1–12 M 2013 audited	1–12 M 2012 audited
Net Result	-49.5	-76.0	109.7	104.0
Unrealised result on securities available-for-sale	0.0	0.0	0.0	0.3
Income tax (expense) benefit	0.0	0.0	0.0	-0.1
Realised result on securities available-for-sale	0.1	0.0	0.2	0.5
Income tax (expense) benefit	0.0	0.0	-0.1	-0.1
Unrealised result on hedging activities	0.0	-7.8	0.4	-27.4
Income tax (expense) benefit	0.0	1.9	-0.1	6.9
Realised result on hedging activities	1.6	0.0	3.2	0.0
Income tax (expense) benefit	-0.4	0.0	-0.8	0.0
Foreign currency translation adjustment	-0.3	0.3	-4.2	-27.8
Items that may be reclassified to profit or loss	0.9	-5.5	-1.3	-47.8
Remeasurements of defined benefit obligations	0.4	-11.9	1.4	-15.8
Income tax (expense) benefit	-0.1	2.9	-0.4	3.9
Items that are not reclassified to profit or loss	0.3	-8.9	1.0	-11.9
Other comprehensive income (loss)	1.2	-14.5	-0.3	-59.6
Total comprehensive income (loss)	-48.3	-90.5	109.4	44.4
Attributable to:				
Owners of the parent	-49.0	-90.5	86.2	44.2
Non-controlling interests	-0.1	0.0	0.1	0.1
Hybrid capital owners	0.8	0.0	23.1	0.0

Consolidated Statements of Financial Position

in EUR million	31. Dec. 2013 audited	31 Dec. 2012 audited
ASSETS		
Current assets		
Cash and cash equivalents	201.3	600.8
Short-term investments	9.9	85.1
Accounts receivable - trade, net of allowances	683.8	751.1
Receivables due from related parties	0.1	0.0
Inventories	127.3	152.9
Prepaid expenses	101.7	106.7
Income tax receivable	22.2	21.1
Non-current assets held for sale	1.0	0.9
Other current assets	74.0	90.6
Total current assets	1,221.2	1,809.3
Non-current assets		
Investments in associates	5.0	3.7
Financial assets long-term	5.2	7.9
Goodwill	1,581.9	1,289.5
Other intangible assets, net	2,590.3	1,522.6
Property, plant and equipment, net	2,308.1	2,426.4
Other non-current assets	25.2	30.8
Deferred tax assets	123.0	167.1
Total non-current assets	6,638.8	5,447.9
TOTAL ASSETS	7,860.0	7,257.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	-230.3	-1,049.4
Accounts payable - trade	-573.8	-590.8
Current provisions and accrued liabilities	-301.4	-301.8
Payables to related parties	-5.9	-7.8
Income tax payable	-34.7	-37.2
Other current liabilities	-137.1	-171.5
Deferred income	-159.1	-163.7
Total current liabilities	-1,442.3	-2,322.1
Non-current liabilities		
Long-term debt	-3,737.7	-2,832.0
Employee benefit obligation	-164.3	-161.7
Non-current provisions	-881.4	-923.1
Deferred tax liabilities	-105.3	-115.2
Other non-current liabilities and deferred income	-16.4	-84.0
Total non-current liabilities	-4,905.1	-4,116.0
Stockholders' equity		
Common stock	-966.2	-966.2
Treasury shares	7.8	8.2
Additional paid-in capital	-582.6	-582.9
Hybrid capital	-591.2	0.0
Retained earnings	132.6	236.1
Available-for-sale reserve	0.0	0.2
Hedging reserve	45.7	48.5
Translation adjustments	442.3	438.1
Equity attributable to equity holders of the parent	-1,511.5	-818.0
Non-controlling interests	-1.1	-1.1
Total stockholders' equity	-1,512.6	-819.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	-7,860.0	-7,257.1

Consolidated Statements of Cash Flows

in EUR million	Q4 2013 unaudited	Q4 2012 unaudited	1–12 M 2013 audited	1–12 M 2012 audited
Net Result	-49.5	-76.0	109.7	104.0
Adjustments to reconcile net result to cash flow				
Depreciation, amortization	219.5	237.1	864.6	964.0
Employee benefit obligation - non-cash	0.9	5.7	11.9	16.5
Bad debt expenses	3.7	12.1	38.0	49.9
Change in deferred taxes	27.3	81.2	29.9	97.2
Result from investments in affiliates	-1.5	-0.9	-1.4	-1.0
Share-based compensation	0.6	0.4	-0.4	0.0
Change in asset retirement obligation - non-cash	1.9	2.0	7.8	8.4
Provision for restructuring - non-cash	8.8	17.1	54.8	63.5
Result on sale of investments	0.1	0.0	0.2	0.5
Result on disposal / retirement of equipment	9.0	1.6	8.5	4.3
Gain on monetary items - non cash	-1.0	-1.0	-1.1	-4.1
Other	7.9	8.4	14.6	-7.3
Gross cash flow	227.7	287.8	1,137.2	1,295.9
Accounts receivable - trade	67.1	20.9	36.3	-43.8
Inventories	18.6	-5.6	25.9	6.7
Prepaid expenses and other assets	-4.8	-25.9	1.2	-8.8
Accounts payable - trade	17.9	22.5	-28.7	-94.3
Employee benefit obligation	0.4	-1.1	-7.9	-6.6
Provisions and accrued liabilities	-4.6	-12.6	-92.5	-97.8
Other liabilities and deferred income	-60.8	-39.3	-18.0	-1.5
Payables due to related parties	0.4	3.9	-1.8	-2.0
Changes in assets and liabilities	34.3	-37.2	-85.7	-248.0
Cash flow from operating activities	262.0	250.6	1,051.6	1,047.9
Capital expenditures	-1,286.1	-238.8	-1,779.1	-728.2
Acquisitions of subsidiaries, net of cash acquired	-0.1	0.0	-330.9	0.0
Sale of subsidiary, net of cash disposed	0.0	1.1	0.0	1.1
Sale of property, plant, equipment and intangible assets	3.7	2.5	10.8	5.7
Purchase of investments	-8.8	-2.2	-564.2	-766.7
Sale of investments	50.7	42.5	642.1	852.0
Cash flow from investing activities	-1,240.5	-194.9	-2,021.4	-636.3
Proceeds from issuance of long term debt	742.8	100.0	1,040.3	838.4
Principal payments on long-term debt	-175.0	-96.0	-932.2	-918.9
Changes in short-term borrowings	26.6	32.8	-10.1	13.8
Issuance of hybrid bond	0.0	0.0	588.2	0.0
Dividends paid	0.0	0.0	-22.2	-168.2
Settlement of derivative financial instruments	0.0	0.0	-65.1	0.0
Deferred consideration paid for business combinations	0.0	0.0	-29.3	-34.7
Cash flow from financing activities	594.4	36.8	569.6	-269.6
Effect of exchange rate changes	0.5	2.1	1.8	0.0
Monetary loss on cash and cash equivalents	-0.8	-0.1	-1.0	-1.2
Change in cash and cash equivalents	-384.4	94.4	-399.4	140.8
Cash and cash equivalents at beginning of period	585.8	506.3	600.8	460.0
Cash and cash equivalents at end of period	201.3	600.8	201.3	600.8

Consolidated Statements of Changes in Stockholders' Equity

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Hybrid capital	Retained earnings	Other reserves	Total	Non-controlling interest	Total stockholders' equity
Balance at 1 January 2013	966.2	-8.2	582.9	0.0	-236.1	-486.7	818.0	1.1	819.1
Net Result	0.0	0.0	0.0	0.0	109.6	0.0	109.6	0.1	109.7
Other comprehensive income (loss)	0.0	0.0	0.0	0.0	1.0	-1.3	-0.3	0.0	-0.3
Total comprehensive income (loss)	0.0	0.0	0.0	0.0	110.6	-1.3	109.3	0.1	109.4
Distribution of dividends	0.0	0.0	0.0	0.0	-14.4	0.0	-14.4	0.0	-14.5
Hyperinflation adjustment	0.0	0.0	0.0	0.0	7.3	0.0	7.3	0.0	7.3
Issuance of hybrid capital	0.0	0.0	0.0	591.2	0.0	0.0	591.2	0.0	591.2
Issuance of treasury shares	0.0	0.4	-0.3	0.0	0.0	0.0	0.1	0.0	0.1
Balance at 31. Dec. 2013	966.2	-7.8	582.6	591.2	-132.6	-488.0	1,511.5	1.1	1,512.6

in EUR million (audited)	Common stock	Treasury shares	Additional paid-in capital	Hybrid capital	Retained earnings	Other reserves	Total	Non-controlling interest	Total stockholders' equity
Balance at 1 January 2012	966.2	-8.2	582.9	0.0	-225.2	-438.9	876.7	0.9	877.7
Net Result	0.0	0.0	0.0	0.0	103.9	0.0	103.9	0.1	104.0
Other comprehensive income (loss)	0.0	0.0	0.0	0.0	-11.9	-47.8	-59.6	0.0	-59.6
Total comprehensive income (loss)	0.0	0.0	0.0	0.0	92.0	-47.8	44.2	0.1	44.4
Distribution of dividends	0.0	0.0	0.0	0.0	-168.2	0.0	-168.2	0.0	-168.2
Hyperinflation adjustment	0.0	0.0	0.0	0.0	65.2	0.0	65.2	0.0	65.2
Balance at 31. Dec. 2012	966.2	-8.2	582.9	0.0	-236.1	-486.7	818.0	1.1	819.1

The tax benefit relating to the amount of interest attributable to hybrid bond owners is included in the distribution of dividends in 2013

Net Debt

in EUR million	31. Dec. 2013 audited	31 Dec. 2012 audited
Long-term debt	3,737.7	2,832.0
Short-term borrowings	232.2	1,078.6
Cash and cash equivalents and short-term investments	-211.2	-685.9
Long-term investments, installment sale and finance lease receivables	-62.9	-29.5
Derivative financial instruments for hedging purposes	0.0	53.6
Net debt*	3,695.8	3,248.9
Net debt/EBITDA comparable (last 12 months)	2.9x	2.2x

*As of 31 December 2013 the purchase price not yet paid related to the acquisition of SOBS is included in short-term borrowings. The remaining performance based consideration related to the acquisition of SBT which was paid in Q1 2013 was included in short-term borrowings as of 31 December 2012.

Operating Segments

1–12 M 2013

in EUR million (audited)	Austria	Bulgaria	Croatia	Belarus	Additional Markets	Corporate & Other	Eliminations	Consolidated
External revenues	2,637.5	395.7	377.5	331.7	441.6	0.0	0.0	4,183.9
Intersegmental revenues	21.1	3.7	11.7	0.1	11.9	0.0	-48.5	0.0
Total revenues	2,658.6	399.4	389.2	331.7	453.5	0.0	-48.5	4,183.9
Other operating income	87.5	11.9	5.8	4.9	12.4	23.9	-59.3	87.1
Segment expenses	-2,000.8	-252.8	-277.4	-180.7	-327.4	-52.4	107.7	-2,983.7
EBITDA comparable	745.3	158.6	117.6	155.9	138.5	-28.5	-0.1	1,287.4
Restructuring	-45.2	0.0	0.0	0.0	0.0	0.0	0.0	-45.2
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	700.1	158.6	117.6	155.9	138.5	-28.5	-0.1	1,242.2
Depreciation and amortisation	-516.1	-94.6	-65.8	-84.3	-104.7	0.0	0.9	-864.6
Operating result	184.0	64.0	51.8	71.6	33.8	-28.5	0.8	377.6
Interest income	2.4	1.1	0.9	8.2	0.8	21.6	-18.8	16.1
Interest expense	-39.0	-2.8	-11.0	-1.8	-0.8	-164.3	18.8	-200.9
Equity in earnings of affiliates	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.7
Other financial result	-0.5	-0.1	-2.1	0.8	-0.1	326.3	-328.7	-4.4
Earnings before income taxes	148.7	62.2	39.6	78.7	33.7	155.1	-327.9	190.1
Income taxes								-80.4
Net result								109.7
Segment assets	4,927.0	1,282.2	544.7	572.5	751.7	7,723.4	-7,941.4	7,860.0
Segment liabilities	-2,695.2	-146.5	-366.1	-58.3	-126.9	-4,435.7	1,481.3	-6,347.4
Capex other intangible assets	1,203.5	22.5	30.9	5.2	30.0	0.0	0.0	1,292.1
Capex property, plant and equipment	306.3	37.6	51.5	28.8	62.7	0.0	0.0	487.0
Total capital expenditures	1,509.8	60.2	82.4	34.0	92.8	0.0	0.0	1,779.1
EBITDA comparable margin	28.0%	39.7%	30.2%	47.0%	30.5%	n.a	n.a	30.8%

1–12 M 2012

in EUR million (audited)	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	-1,974.0	-268.8	-285.8	-181.2	-317.1	-56.7	127.6	-2,956.0
EBITDA comparable	903.2	207.4	136.6	124.4	117.3	-33.2	0.1	1,455.7
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 testing	868.5	207.4	136.6	124.4	117.3	-33.2	0.1	1,421.1
Depreciation and amortisation	-554.5	-152.2	-67.2	-94.9	-100.3	0.0	5.1	-964.0
Operating result	314.0	55.2	69.4	29.5	17.0	-33.2	5.2	457.1
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
Equity in earnings of affiliates	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Other financial income	-0.9	-0.1	-1.2	5.1	-0.3	376.1	-376.6	2.1
Earnings before income taxes	256.9	49.9	63.1	36.1	16.3	193.3	-371.2	244.4
Income taxes								-140.4
Net result								104.0
Segment assets	3,915.9	1,326.8	532.9	598.2	805.5	7,221.9	-7,149.8	7,257.1
Segment liabilities	-2,182.6	-197.7	-331.9	-52.9	-179.6	-4,661.8	1,168.3	-6,438.1
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
EBITDA comparable margin	32.4%	44.2%	32.5%	41.3%	27.5%	n.a	n.a	33.6%

Results by Segments

in EUR million	Q4 2013 unaudited	Q4 2012 unaudited	% change	1–12 M 2013 audited	1–12 M 2012 audited	% change
Revenues						
Austria	666.3	721.0	-7.6%	2,658.6	2,787.1	-4.6%
Bulgaria	99.4	110.8	-10.3%	399.4	469.1	-14.8%
Croatia	95.5	106.4	-10.3%	389.2	420.4	-7.4%
Belarus	87.7	83.3	5.3%	331.7	301.2	10.1%
Additional markets	116.1	111.3	4.3%	453.5	426.6	6.3%
Corporate & Other & Eliminations	-9.3	-15.1	-38.2%	-48.5	-74.7	-35.1%
Total revenues consolidated	1,055.7	1,117.8	-5.6%	4,183.9	4,329.7	-3.4%
EBITDA comparable						
Austria	143.9	200.1	-28.1%	745.3	903.2	-17.5%
Bulgaria	31.9	43.0	-25.8%	158.6	207.4	-23.5%
Croatia	21.7	22.5	-3.9%	117.6	136.6	-13.9%
Belarus	37.5	34.8	7.8%	155.9	124.4	25.3%
Additional markets	35.3	29.8	18.3%	138.5	117.3	18.1%
Corporate & Other & Eliminations	-7.9	-11.0	-28.3%	-28.5	-33.1	-13.8%
Total EBITDA comparable consolidated	262.3	319.1	-17.8%	1,287.4	1,455.7	-11.6%
EBITDA incl. effects from restructuring and impairment testing						
Austria	134.0	187.1	-28.4%	700.1	868.5	-19.4%
Bulgaria	31.9	43.0	-25.8%	158.6	207.4	-23.5%
Croatia	21.7	22.5	-3.9%	117.6	136.6	-13.9%
Belarus	37.5	34.8	7.8%	155.9	124.4	25.3%
Additional markets	35.3	29.8	18.3%	138.5	117.3	18.1%
Corporate & Other & Eliminations	-7.9	-11.0	-28.3%	-28.5	-33.1	-13.8%
Total EBITDA incl. effects from restructuring and impairment testing consolidated	252.4	306.1	-17.6%	1,242.2	1,421.1	-12.6%
Operating result						
Austria	2.4	41.4	-94.3%	184.0	314.0	-41.4%
Bulgaria	7.4	14.6	-49.0%	64.0	55.2	15.9%
Croatia	5.0	5.7	-11.5%	51.8	69.4	-25.4%
Belarus	17.1	11.4	49.6%	71.6	29.5	142.8%
Additional markets	8.6	4.0	114.1%	33.8	17.0	98.9%
Corporate & Other & Eliminations	-7.7	-8.1	-4.8%	-27.7	-28.0	-1.2%
Total operating result consolidated	32.8	69.0	-52.5%	377.6	457.1	-17.4%
EBITDA comparable margin						
Austria	21.6%	27.8%		28.0%	32.4%	
Bulgaria	32.1%	38.8%		39.7%	44.2%	
Croatia	22.7%	21.2%		30.2%	32.5%	
Belarus	42.7%	41.7%		47.0%	41.3%	
Additional markets	30.4%	26.8%		30.5%	27.5%	
EBITDA comparable margin total consolidated	24.8%	28.6%		30.8%	33.6%	

Capital Expenditures

in EUR million	Q4 2013 unaudited	Q4 2012 unaudited	% change	1–12 M 2013 audited	1–12 M 2012 audited	% change
Austria	1,177.9	126.7	829.7%	1,509.8	448.2	236.8%
Bulgaria	26.0	19.9	30.7%	60.2	68.8	-12.6%
Croatia	41.4	38.0	9.0%	82.4	78.8	4.5%
Belarus	16.4	25.5	-35.8%	34.0	43.7	-22.3%
Additional markets	24.5	28.9	-15.2%	92.8	88.8	4.4%
Corporate & Other & Elimination	0.0	0.0	n.a	0.0	-0.2	n.a
Total capital expenditures	1,286.1	238.8	438.5%	1,779.1	728.2	144.3%
Thereof tangible	151.2	157.8	-4.2%	487.0	550.7	-11.6%
Thereof intangible	1,134.9	81.0	1301.0%	1,292.1	177.5	627.8%