

## EANS-Adhoc: Telekom Austria AG / Results for the Full Year and the Fourth Quarter 2013

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annual result

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.

Highlights for the Full Year 2013

- > 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(1)
- > 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
- > Al wins 'connect' network test
- > Outlook 2014: Group revenue to decline by approx. 3%, CAPEX(2) 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	1-12M 2013	1-12M 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.

- (1) After purchase price adjustments  
(2) 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

The Group Management Report for the full year 2013 can be found in the Annual Report via the following link: [http://cdn1.telekomaustria.com/final/en/media/pdf/TAG\\_AnnualReport\\_2013.pdf](http://cdn1.telekomaustria.com/final/en/media/pdf/TAG_AnnualReport_2013.pdf)

For information regarding the quarterly results please see: <http://cdn1.telekomaustria.com/final/en/media/pdf/results-qu4-2013.pdf>

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