

Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije, d.d.

for 2013

Ljubljana, 26 February 2014

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1. Introductory note

Pursuant to the provisions of the Rules of the Ljubljana Stock Exchange, Telekom Slovenije, d.d. (hereinafter: Telekom Slovenije), with its registered office at Cigaletova 15, Ljubljana, hereby publishes the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for 2013.

All the financial statements of the Telekom Slovenije Group and Telekom Slovenije have been compiled in accordance with the International Financial Reporting Standards. The financial statements for 2013 are unaudited.

The Company's Supervisory Board discussed the Unaudited Business Report of the Telekom Slovenije Group and Telekom Slovenije for the period in question at its session on 26 February 2014.

Any significant changes to the data contained in the prospectus for listing on the stock exchange are regularly published by the Company on the Ljubljana Stock Exchange's SEOnet website and on the Company's website at www.telekom.si.

The Unaudited Business Report for 2013 is also available on the Company's website at www.telekom.si.

2. Vision, mission and values of the Telekom Slovenije Group

Vision

The Telekom Slovenije Group is a trustworthy partner to its users, with whom it creates a society of opportunities.

Mission

The Telekom Slovenije Group inspires its users with innovative technologies. We open up new professional and personal avenues for them, and together cultivate an environment for the development of a society of opportunities. With open, flexible, and scalable products and services, and attractive content, we continuously provide our users with effective, useful, reliable, entertaining, and constantly evolving tools for business and leisure.

Values

We live with the user.

Our guiding principle is a satisfied customer. We understand and respect their wishes and needs, and provide services that are simple, useful and tailored to those needs. Whenever they need information, advice or assistance, we are there to provide it.

We are reliable and innovative.

Through quality, reliability, innovation and flexibility, we offer our users the freedom to combine and intertwine our services, packages, content and products.

We act responsibly.

Our actions are ethical, heartfelt, responsible and sustainable with respect to the society and environment in which we operate. We encourage the development of knowledge, the exchange of experience, the creation of innovative solutions and operations that are people and environmentally friendly.

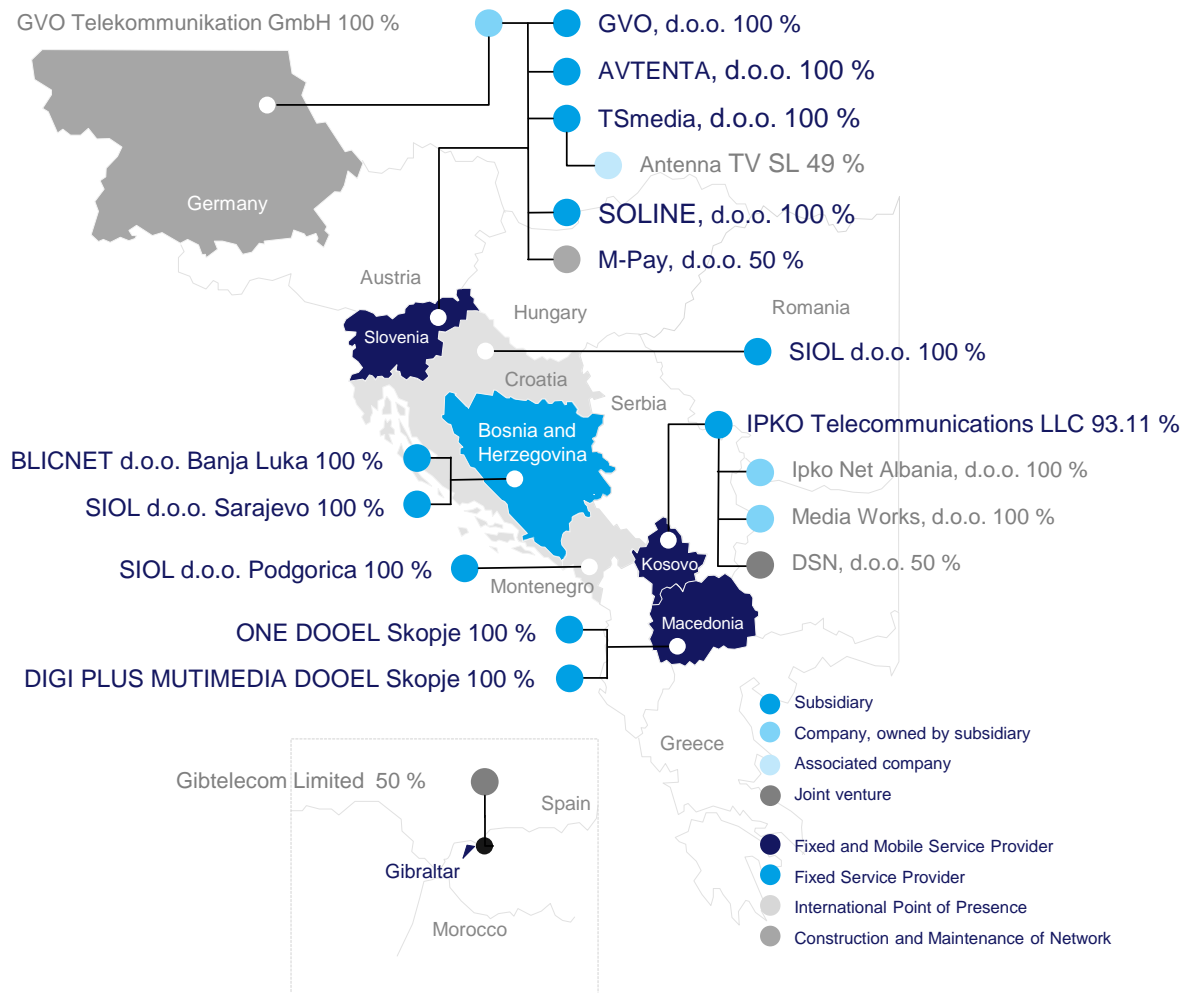
We create connections.

Telekom Slovenije Group employees work in a creative environment. We achieve excellent results because we are connected to one another, proactive, experienced and value an entrepreneurial mindset. We respect our agreements and keep our promises.

3. Telekom Slovenije Group

3.1. Structure and organisation

As at 31 December 2013 the Telekom Slovenije Group comprised the parent company Telekom Slovenije and the subsidiaries and joint ventures shown in the figure below with corresponding participating interests.



Changes in the composition of the Group in 2013

- On the basis of an increase in share capital via a new capital contribution, resolutions adopted by the general meeting and entry in the companies register in Bosnia and Herzegovina, Telekom Slovenije became the owner of a new participating interest in Aneks, d. o. o., Banja Luka (now Blicnet, d. o. o., Banja Luka) on 19 February 2013 in the amount of BAM 954,610.70.
- Following the entry of the transfer of the participating interest in the companies register in Banja Luka, Telekom Slovenije became 100% owner of Aneks, d. o. o., Banja Luka (now Blicnet, d. o. o., Banja Luka) on 21 February 2013.
- The subsidiary GVO, d. o. o. established its own subsidiary, GVO Telekommunikation, GmbH on 26 February 2013, with a registered office in Stadtlohn, Germany. GVO, d. o. o. is the sole owner of the company, which has share capital of EUR 25 thousand.
- On the basis of an increase in share capital via a new capital contribution, resolutions adopted by the general meeting and entry in the companies register in Bosnia and Herzegovina, Telekom Slovenije became the owner of a new participating interest in Aneks, d. o. o., Banja Luka (now Blicnet, d. o. o., Banja Luka)

Luka) on 15 May 2013 in the amount of BAM 5,867,490.00.

- Pursuant to the resolution of the sole owner, the subsidiary Aneks, d. o. o., Banja Luka is renamed Blicnet, društvo sa ograničenom odgovornošću za telekomunikacije, Banja Luka (abbreviated name: Blicnet, d. o. o., Banja Luka) on 30 July 2013.
- Based on an agreement on the sale of its 100% participating interest in the Albanian company PRIMO Communications Sh.p.k concluded on 3 October 2013, the consent of the Albanian competition authorities and the fulfilment of other conditions, Telekom Slovenije transferred ownership of the aforementioned 100% participating interest to AD – TRADE SHPK on 6 November 2013.

3.2. Operating highlights

The operations in 2013 were marked by the following events:

- In March 2013, Telekom Slovenije presents its fourth generation LTE commercial mobile network, which was constantly upgraded throughout the year.
- The transfer of a portion of the activities of TSmedia, d. o. o. and Avtenta, d. o. o. to the parent company was completed on 1 April 2013. In addition, the sale of the subsidiary in Albania was completed before the end of the year, all with the aim of consolidating operations and improving the effectiveness and competitiveness of the Telekom Slovenije Group.
- On 20 September 2013 the Agency for Communication Networks and Services of the Republic of Slovenia (APOK; previously: APEK) published a draft information memorandum that gives the conditions of the public tender via public auction for the allocation of radio frequencies for the provision of public communication services in radio frequency bands 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz for a period of 15 years.
- Ipko was the first operator in Kosovo that introduced third generation (3G) technology in December 2013, considered one of the major changes on the Kosovo mobile telephony market.
- The fixed segment in Macedonia was marked by the transition from analogue to digital terrestrial video broadcasting (DVB-T) on 1 June 2013. ONE was selected at the public tender to implement the digitalisation of the TV signal. In parallel to the transition, various promotions were carried out that expanded the subscriber base and the programme scheme was also enhanced with BoomTV Makedonija. For the first time the company generated an operating profit on an annual basis.
- In December 2013, mobile telephony using BH Telecom's 2G and 3G network was added to Blicnet's portfolio of fixed telephony, internet access and standard and high-definition digital television services, offered in Bosnia and Herzegovina.
- The Telekom Slovenije Group completed the construction of the regional fibre optic network that represents the main potential for growth in revenue and margins associated with international wholesale services in the coming years. The network facilitates connections with greater transfer speed of 100Gb/s and enables the realisation of the broadest possible range of services, including MPLS functionality (creation of virtual private networks).

The Telekom Slovenije Group achieved the following results in 2013:

- The Group generated operating revenues of EUR 799.2 million, at the level achieved in 2012.
- Operating profit amounted to EUR 71.5 million, up EUR 7.3 million or 11% on 2012. Telekom Slovenije's net operating profit remained at the level achieved in 2012 despite continued declining revenues from traditional voice telephony and lower revenues from mobile users due to the migration to new more affordable packages for subscribers.
- EBITDA reached EUR 237.8 million or 30.5% of net sales revenue.
- The Telekom Slovenije Group's net profit amounted to EUR 52.3 million, up EUR 7.7 million or 17% on 2012 and above the planned EUR 50 million.

3.3. Key financial indicators for the Telekom Slovenije Group

Key financial performance indicators of the Telekom Slovenije Group¹

in EUR thousand	2013	2012	Ind. 13/12
Operating revenues	799,179	795,260	100
EBITDA	237,847	241,162	99
EBITDA margin	30.5%	30.7%	99
EBIT	71,476	64,169	111
Return on sales: ROS (EBIT/net sales revenue) in %	9.2%	8.2%	112
Net profit	52,305	44,589	117
Assets	1,389,779	1,520,988	91
Equity	759,872	785,994	97
ROE	3.6%	2.9%	123
ROA	7.0%	5.8%	120
Equity ratio in %	54.7%	51.7%	106
Net financial debt	341,507	346,049	99

3.4. Overview by company and key market²

Operating revenues

in EUR thousand	2013	2012	Ind. 13/12
Telekom Slovenije	669,855	666,121	101
Other companies in Slovenia	56,186	61,293	92
Ipko Group - Kosovo	69,138	69,500	99
Companies in Macedonia	79,850	73,638	108
Other companies abroad	21,415	18,794	114
Total - unconsolidated	896,444	889,346	101
Eliminations and adjustments	-97,265	-94,086	-
Telekom Slovenije Group	799,179	795,260	100

¹ Pursuant to the requirements of IAS 1 and IAS 8, the financial statements for the comparative period have been adjusted for a change to an accounting policy. More on pages 23 and 24.

² Telekom Slovenije entered the demerger through acquisition of a portion of Avtenta, d. o. o. and TSmedia, d. o. o. in the companies register on 30 April 2013. The financial statements from the comparable period have been adjusted for the aforementioned transactions, as if the demerger through acquisition of both companies had been carried out during the comparable period.

EBITDA – earnings before interest, taxes, depreciation and amortisation

in EUR thousand	2013	2012	Ind. 13/12
Telekom Slovenije	191,252	207,257	92
Other companies in Slovenia	1,786	767	233
Ipko Group - Kosovo	26,576	24,451	109
Companies in Macedonia	14,381	9,511	151
Other companies abroad	2,504	2,312	108
Share in Gibtelecom	4,840	4,797	101
Total - unconsolidated	241,339	249,095	97
Eliminations and adjustments	-3,492	-7,933	-
Telekom Slovenije Group	237,847	241,162	99

EBIT – earnings before interest and taxes

in EUR thousand	2013	2012	Ind. 13/12
Telekom Slovenije	58,493	65,727	89
Other companies in Slovenia	-611	-1,495	-
Ipko Group - Kosovo	8,652	5,715	151
Companies in Macedonia	1,177	-5,223	-
Other companies abroad	-363	-478	-
Share in Gibtelecom	4,840	4,797	101
Total - unconsolidated	72,188	69,043	105
Eliminations and adjustments	-712	-4,874	-
Telekom Slovenije Group	71,476	64,169	111

Net profit or loss

in EUR thousand	2013	2012	Ind. 13/12
Telekom Slovenije	51,141	51,768	99
Other companies in Slovenia	-842	-2,447	-
Ipko Group - Kosovo	1,395	-1,791	-
Companies in Macedonia	-994	-7,036	-
Other companies abroad	-940	-973	-
Share in Gibtelecom	4,840	4,797	101
Total - unconsolidated	54,600	44,318	123
Eliminations and adjustments	-2,295	271	-
Telekom Slovenije Group	52,305	44,589	117

TELEKOM SLOVENIJE GROUP CONNECTIONS AND SERVICES BY TYPE AND MARKET

Broadband connections

Number of retail connections as at	31.12.2013	31.12.2012	Ind. 13/12
Slovenia	202,158	206,056	98
Macedonia	39,563	38,379	103
Kosovo	82,427	72,977	113
BiH	21,520	20,238	106
Albania	0	3,310	0
SE Europe	143,510	134,904	106
Telekom Slovenije Group	345,668	340,960	101

Fixed and mobile telephony connections

Number of retail connections as at	31.12.2013	31.12.2012	Ind. 13/12
Slovenia, mobile telephony	1,123,867	1,130,400	99
Slovenia, fixed voice telephony	421,701	450,978	94
SE Europe, mobile telephony:	1,082,143	966,354	112
- Macedonia	527,928	532,315	99
- Kosovo	554,010	434,039	128
- BiH	205		
SE Europe, fixed voice telephony	54,929	65,503	84
Telekom Slovenije Group	2,682,640	2,613,235	103
VoIP services			
Slovenia, VoIP	153,911	149,263	103
SE Europe, VoIP	24,927	11,165	223
Telekom Slovenije Group	178,838	160,428	111

Total number of mobile and fixed telephony connections

Number of retail connections as at	31.12.2013	31.12.2012	Ind. 13/12
Total mobile telephony	2,206,010	2,096,754	105
Total fixed voice telephony services*	655,468	676,909	97
Telekom Slovenije Group	2,861,478	2,773,663	103

* Sum of fixed voice telephony connections and VoIP services.

Capex

in EUR thousand	2013	2012	Ind. 13/12
Telekom Slovenije	71,174	81,771	87
Other companies in Slovenia	3,034	15,262	20
Ipko Group - Kosovo	13,070	16,695	78
Companies in Macedonia	20,455	9,131	224
Other companies abroad	5,837	5,232	112
Eliminations and adjustments	-2,805	-5,358	-
Telekom Slovenije Group	110,765	122,734	90

Employees

number of employees as at	31.12.2013	31.12.2012	Ind. 13/12
Telekom Slovenije	2,887	2,926	99
Other companies in Slovenia	684	690	99
Ipko Group - Kosovo	482	488	99
Companies in Macedonia	423	437	97
Other companies abroad	110	183	60
Telekom Slovenije Group	4,586	4,724	97

3.5. Ownership structure and share trading

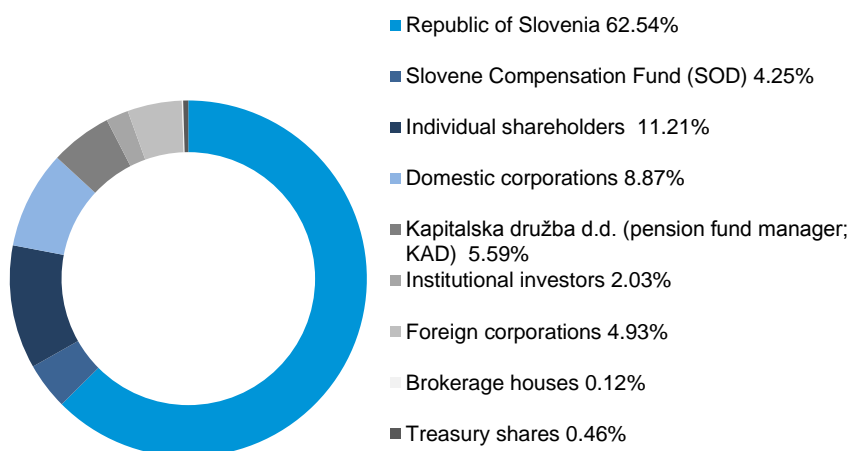
General information regarding shares	
Ticker symbol	TLSG
Listing	Ljubljana Stock Exchange, prime market
Share capital (EUR)	272,720,664.33
Number of ordinary registered non-par value shares	6,535,478
Number of treasury shares	30,000
Number of shareholders as at 31 December 2013	11,629

Ownership structure and largest shareholders

As at 31 December 2013 there were 11,629 shareholders entered in the Company's register of shareholders, an increase of 26 on the end of 2012. The largest increase of 34 was recorded by individual shareholders.

There were no significant changes in the ownership structure in 2013. Significant shifts in ownership were recorded only by domestic corporates, who via sales transactions decreased their stake by 0.31 percentage points to 8.87%, and on the other hand by individual shareholders, who through purchase transactions increased their stake by 0.59 percentage points to 11.21%. At the end of 2013 the largest shareholder of Telekom Slovenije still remained the Republic of Slovenia via its funds, Kapitalska družba, d. d. (pension fund manager; KAD) and the Slovene Compensation Fund (SOD) and Modra zavarovalnica, d. d. Collectively, 73.82% of the Company's shares were directly or indirectly held by the Republic of Slovenia at the end of the year.

Ownership structure as at 31 December 2013



Ten largest shareholders

As at 31 December 2013 the ten largest shareholders held 77.77% of the Company's share capital, down 0.40 percentage points on the last day in 2012. The largest shareholders remained the same in 2013 as in 2012, with certain shareholders reducing their participating interest.

Shareholder as at 31 March 2013		%	Shareholder as at 31 December 2012		%
1	Republic of Slovenia	62.54	Republic of Slovenia	62.54	
2	Kapitalska družba, d. d.	5.59	Kapitalska družba, d. d.	5.59	
3	Slovenska odškodninska družba, d. d.	4.25	Slovenska odškodninska družba, d. d.	4.25	
4	Modra zavarovalnica, d. d. (PPS)	1.44	Modra zavarovalnica, d. d. (PPS)	1.44	
5	Intersvet, d. o. o.	1.10	Intersvet, d. o. o.	1.14	
6	Perspektiva FT, d. o. o.	0.75	Perspektiva FT, d. o. o.	0.75	
7	NLB, d. d.	0.55	NFD 1 (equity sub-fund)	0.72	
8	Triglav mutual funds – Triglav equity fund	0.52	Triglav mutual funds – Triglav equity fund	0.62	
9	NFD 1 (balanced flexible sub-fund)	0.52	KD Galileo Flexible Asset Structure	0.57	
10	KD Galileo Flexible Asset Structure	0.51	NLB, d. d.	0.55	
Total		77.77	Total	78.17	

Shares held by the Management Board and the Supervisory Board of Telekom Slovenije

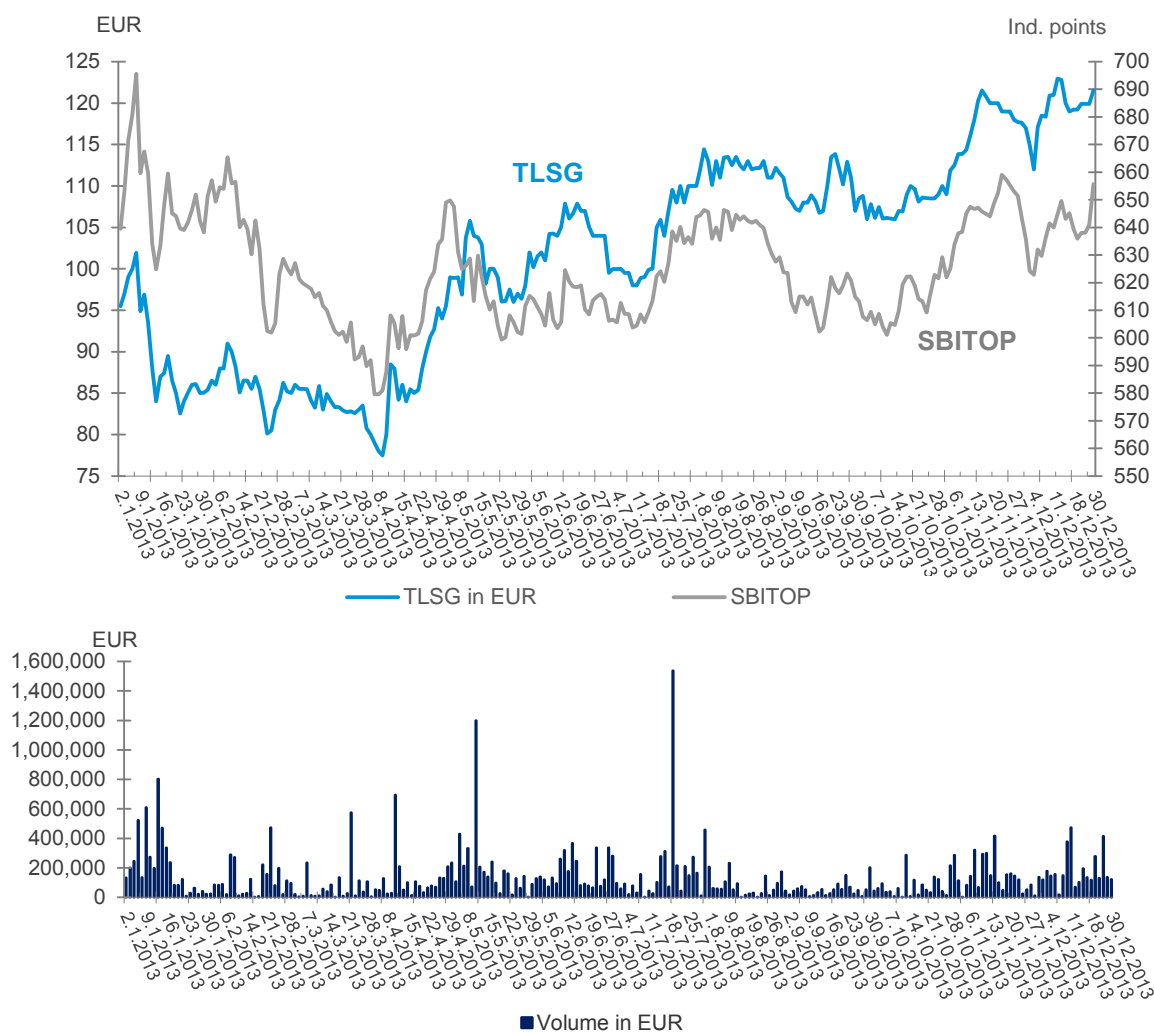
The table below lists the members of the Management Board and Supervisory Board who held 1,912 TLSG shares as at 31 December 2013. Other members of the aforementioned bodies did not hold the Company's shares.

Name	Office	Number of shares	% of equity
Management Board			
Rudolf Skobe, MSc	President of the Management Board	300	0.0046
Zoran Janko	Member of the Management Board	31	0.0005
Darja Senica	Member of the Management Board and Workers Director	338	0.0052
Supervisory Board			
Adolf Zupan, MSc	Vice-President of the Supervisory Board	1,094	0.0167
Martin Gorišek	Member of the Supervisory Board	125	0.0019
Matej Golob Matzele	Member of the Supervisory Board	22	0.0003
Milan Richter	Vice-President of the Supervisory Board	1	0.0000
Dean Žigon	Member of the Supervisory Board	1	0.0000
Total		1,912	0.0292

Trading statistics for TLSG shares on the Ljubljana Stock Exchange in the period January – December 2013/2012

Standard price in EUR	I - XII 2013	I - XII 2012
High	122.95	96.05
Low	77.50	58.01
Average	101.39	70.06
Volume in EUR thousand	I - XII 2013	I - XII 2012
Total	33,632.74	21,264.88
High	1,536.83	1,014.28
Low	1.36	0.13
Average	136.72	87.87

Movement in the TLSG share price compared to the SBI TOP and volume of trading in TLSG shares



Source: Ljubljana Stock Exchange, archive of share prices

Key financial data relating to shares

	31 Dec 2013	31 Dec 2012*
Standard price (P) of one share on the last trading day of the period in EUR	121.55	95.55
Book value (BV) ¹ of one share in EUR	119.88	123.93
Earnings per share (EPS) ² in EUR	7.86	7.96
P/BV	1.01	0.77
Capital return per share during the year ³	27.28%	51.67%

¹ The book value of one share is calculated as the ratio of the book value of Telekom Slovenije's equity on the last day of the period to the weighted average number of ordinary shares during the accounting period excluding treasury shares.

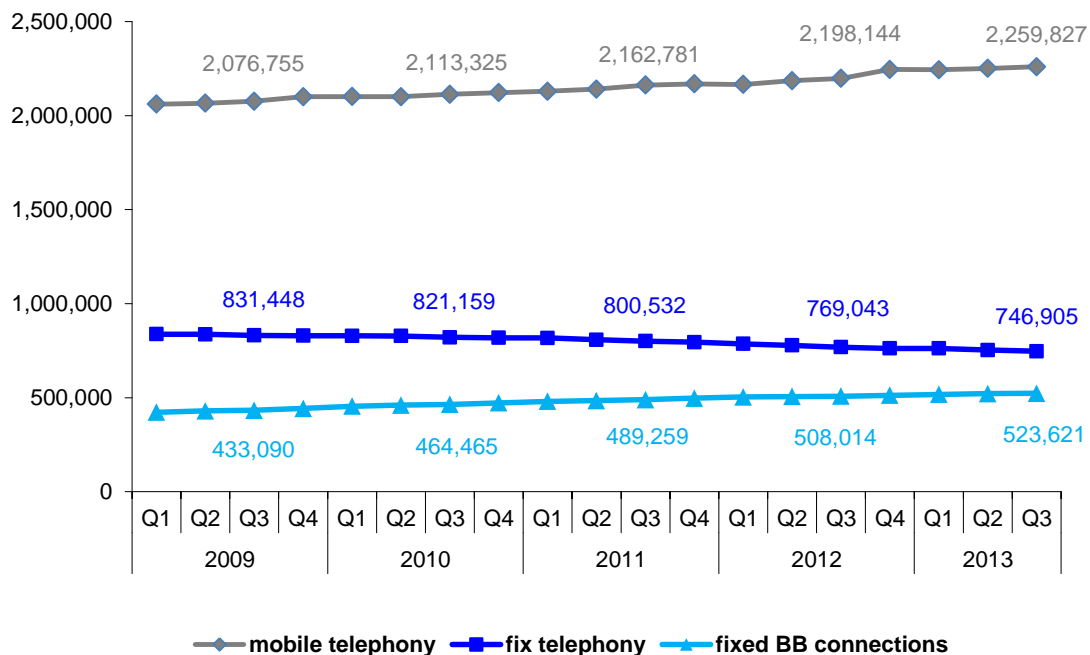
² Earnings per share is calculated as the ratio of Telekom Slovenije's net operating profit for the accounting period to the weighted average number of ordinary shares during the accounting period excluding treasury shares.

³ The capital return per share is calculated as the ratio of the share price on the final trading day of the period minus the share price on the first trading day of the period to the share price on the first trading day of the period.

* Adjusted to a change to an accounting policy.

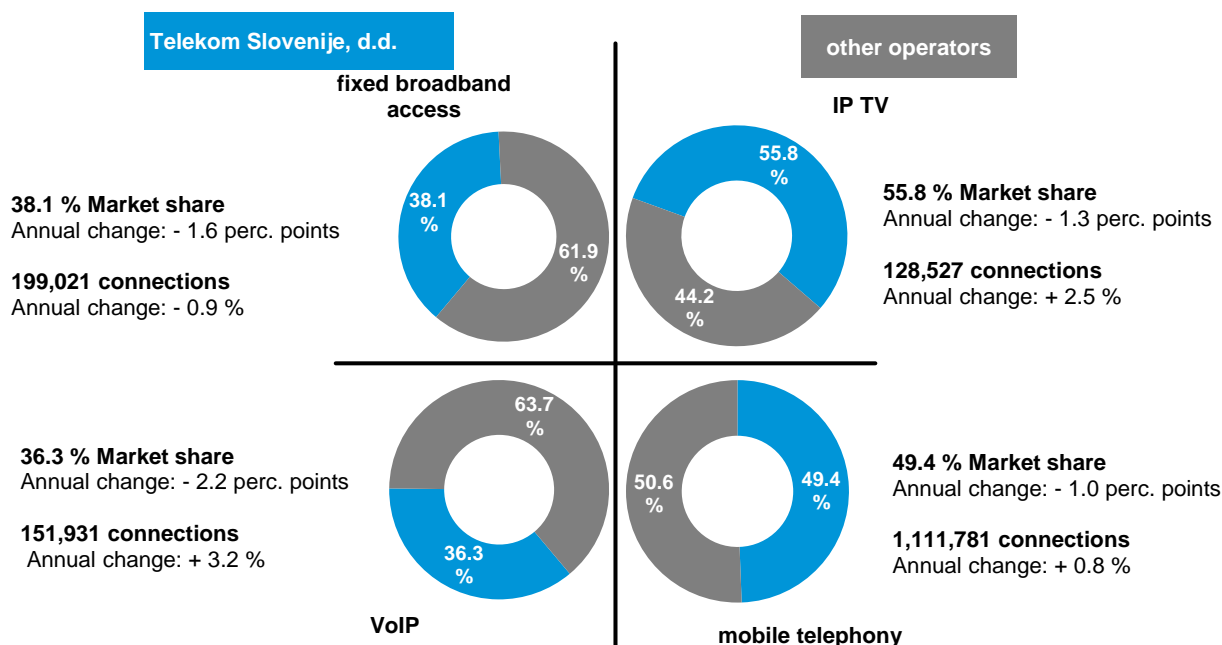
3.6. Market shares in key service segments

Number of users/connections on the Slovenian market



Source: Report for the third quarter of 2013, SORS

Telekom Slovenije Group market shares at the end of the third quarter of 2013 on key market segments



Source: Report for the third quarter of 2013, AKOS; internal Telekom Slovenije data.

3.7. Risk management

Key risks are presented below by individual company and market.

Key risks for Telekom Slovenije

- Conditions in the area of regulation on the markets of fixed and mobile telecommunications remain uncertain. The European Commission presented a draft regulation laying down measures for a single European electronic communications market and to achieve a Connected Continent. If the regulation is adopted, major legislative changes will be introduced significantly faster compared with a directive. Thus, the possibility of an individual operator influencing the content of a legislative act is minimal.
- We detected new risks associated with licences for the provision of radio service, particularly derived from the actual manner of obtaining radio frequencies. The allocation of frequencies takes place at a public auction, which is complex due to the regulator's numerous rules and the outcome is uncertain. The risk of obtaining an inappropriate set of frequencies and a price that is higher than expected is managed through thorough preparations for the auction and assurance of optimal conditions for internal and external teams.
- Among market risks and risks linked to the competition, the increased risk remains of the migration of business and residential users to the networks of competitors, while a new revenue risk associated with wholesale trade has also been detected. Competition-market risks are managed by adapting the range of products and services, and by carrying out activities to promote sales and maintain existing subscribers. A great deal of attention is given to improving user support processes.
- Activities aimed at managing market shares also increase the risk of diminishing profitability for subscribers. Measures to manage this risk include optimising the range of products and services in terms of content and price, and clear rules regarding the allocation of benefits and discounts to subscribers.
- Employee-related risks are primarily linked to achieving the internal restructuring plan, which influences the implementation of the strategy associated with the number of service providers and knowledge for the Company's continued development. Employees are reallocated to areas where staff shortages have been identified.
- Despite implemented measures (consistent adherence with internal rules regarding legal reviews and the formalisation of cooperation in the preparation of defence strategies in open proceedings, and the appropriate setting of priorities), legal risks linked to lawsuits and legislation and risks associated with procedures before the regulatory body remain.
- Revenue-loss risk in the process from centralised data capture to the "switch to bill" calculation is managed with an established system to prevent the outflow of revenues from the fixed telephony segment.
- Special attention is given to managing operational risks associated with information and communication technology (ICT), where exposure to specific risks is low or moderate taking into account the effects of implemented measures. Key measures for managing risks related to the functioning and security of ICT include the implementation of preventive measures to identify potential problems and critical points, and the testing and training of personnel for appropriate action. We are implementing an information security management system (SSVI) for regular functioning and upgrading the business continuity programme (UNP) and procedures for taking action if extraordinary events occur.
- Exposure to financial risks is monitored regularly. The most significant source of credit risk (the risk of failure by subscribers and operators to fulfil obligations) is default by subscribers (retail segment) and operators (wholesale segment). We assess this risk as high. Measures to manage the credit risk associated with subscribers include the regular collection of debt, taking into account a subscriber's credit rating in sales and the monitoring of shifts in a subscriber's traffic relative to average use, and the resulting measures. A system to manage the credit risk associated with operators was introduced with the aim of improving credit risk management. Telekom Slovenije is exposed to certain credit risk also due to loans approved to its subsidiaries and issued guarantees or sureties, in particular for the liabilities of subsidiaries. Telekom Slovenije mitigates the risk of default via security in loan and guarantee agreements, the amount of which must at least reach the level of the loan amount.
- Exposure to liquidity and interest-rate risk has not risen. Liquidity risk is assessed as moderate, while interest-rate and currency risk are assessed as low. To manage risks associated with short-term solvency, the Company has established a system for managing and planning cash flows that facilitates the timely identification of potential shortfalls in liquid funds and decisions regarding measures. Unused short-term revolving loans and credit lines at domestic banks also provide a high level of financial flexibility to balance liquidity. Risks associated with long-term solvency are also assessed as moderate, as the result of a predictable cash flow, an appropriate plan to repay long-term debt, anticipated measures to manage working capital, the composition of capital including a relatively stable proportion of equity and long-term reserve credit lines.

Key risks in the construction and maintenance of networks (GVO)

- Risks associated with ensuring a sufficient number of new orders are high. The risks are managed by expanding operations to new, foreign markets and new areas, and by reducing the number of employees.
- The risk associated with expanding the range of existing services is managed using preliminary analyses regarding market entry opportunities and by assessing the costs of additional employee training.

Key risks in the development of digital content and media (TSmedia)

- The risk of a decline in leased advertising space is managed by investing in the technical and creative development of products.
- The risk that new services will not achieve positive sales results despite the positive response of the market based on preliminary market research is mitigated through intensive market communication and preparations for sales presentations.

Key risks for Soline

- There is a risk that the rehabilitation of damaged sea walls will not be carried out to the planned extent owing to austerity measures implemented by the Slovenian government. Rehabilitation is a precondition for the European Commission to co-finance the project intended to preserve endangered species and habitats in the Sečovelje Saltpans Regional Park.

Key risks on the Macedonian market

- The risk of falling prices on the end-user market due to declining wholesale prices is managed by searching for new markets and marketing approaches.
- We significantly mitigated the risk of network and technology obsolescence by implementing projects to modernise the network.
- Legal and regulatory risks remain high, in particular due to the specific nature of the highly regulated market.

Key risks for Kosovo

- Competition-market risks remain high. These risks are mitigated through a proactive market approach to attracting new subscribers and measures for maintaining existing subscribers in all segments.
- The risk of lower revenues from the termination of calls from the rest of the world is managed by carefully monitoring market developments and carrying out business analyses.
- The risk associated with a change to the conditions that facilitate the use of the transmission network of the energy operator is managed by analysing legal bases and planning various technical scenarios.
- Investments in the upgrading of the network are planned due to the obsolescence of the network and the resulting limited opportunities regarding the range of services.

Key risks in Bosnia and Herzegovina

- Legal risks associated with the placement of equipment are managed by searching for alternative locations.
- Competitive pressure, both in terms of price and the range of services, remains a significant risk factor. The Company regularly monitors the operations of the competition and regularly updates its own range of services.

4. Corporate governance

Management Board

Telekom Slovenije is managed by a five-member Management Board, comprising the following members:

- Rudolf Skobe, MSc, President
- Zoran Vehovar, MSc, Vice-President
- Mateja Božič, MSc, member
- Zoran Janko, member
- Darja Senica, member and Workers Director

Members of the Management Board are appointed for a term of four years, which begins on the day of appointment.

On 30 April 2014 the term of office of Zoran Vehovar, MSc, Vice-President of the Management Board ends. As of 1 May 2014 Tomaž Seljak, MSc, is appointed member of the Management Board for a term of four years.

Supervisory Board

The Supervisory Board has nine members, six of whom are shareholder representatives and three of whom are employee representatives. The members of the Supervisory Board submitted a statement of compliance with the criteria of independence in accordance with the Corporate Governance Code.

The Supervisory Board comprised the following members as at 31 December 2013:

Shareholder representatives, whose four-year term began on 27 April 2013 due to the expiry of the term of previous members of the Supervisory Board:

- Borut Jamnik, President
- Adolf Zupan, MSc, Vice-President
- Tomaž Berločnik, MSc, member
- Bernarda Babič, MSc, member

Shareholder representatives, whose four-year term began on 1 July 2013:

- Dr Marko Hočevár, member
- Matej Golob Matzele, member

Employee representatives:

- Milan Richter, Vice-President
- Martin Gorišek, member
- Dean Žigon, member.

The four-year term of employee representatives ends on 14 November 2017.

Composition of management and supervisory bodies at subsidiaries of the Telekom Slovenije Group as at 31 December 2013

Slovenia

GVO, d. o. o.

Managing Director: Edo Škufca

Avtenta, d. o. o.

Managing Director: Vedran Krevatin

TSmedia, d. o. o.

Managing Director: Tomaž Pernovšek, MSc

Soline, d. o. o.

Managing Director: Klavdij Godnič

M-Pay, d. o. o.

Managing Director: Dr Dean Korošec

Pursuant to the issued resignation, the company's supervisory board relieved Dr Dean Korošec of his position of managing director as of 31 January 2014, appointing Janez Stajnik in his place, effective from 1 February 2014.

Other countries

IPKO Telecommunications LLC, Kosovo

Board of Directors: Rudolf Skobe, MSc (President), Bujar Musa (Vice-President), Artan Lahaj, Dr Ciril Kafol and Robert Erzin, MSc

CEO: Robert Erzin, MSc

The company's general meeting of shareholders appointed Robert Erzin, MSc managing director as of 1 February 2014 for a new four-year term, while the Board of Directors elected him for the position of CEO.

ONE DOOEL Skopje, Macedonia

Managing Director: Dr Ciril Kafol

DIGI PLUS MULTIMEDIA DOOEL Skopje, Macedonia

Managing Director: Janez Marovt

On 31 May 2014 Janez Marovt resigned from his position as managing director. The general meeting of shareholders shall appoint a new managing director as of 1 June 2014.

Blicnet d. o. o. Banja Luka, Bosnia and Herzegovina

Managing Director: Igor Bohorč, MSc

The company's general meeting of shareholders extended Igor Bohorč's term of office for two years as of 3 October 2013.

SIOL, d. o. o., Croatia

Managing Director: Janez Marovt

SIOL d. o. o. Podgorica, Montenegro

Managing Director: Igor Bohorč, MSc

SIOL d. o. o. Sarajevo, Bosnia and Herzegovina

Managing Director: Igor Bohorč, MSc

Gibtelecom Limited, Gibraltar

Board of Directors: Dr Joseph Garcia (President), Tim Bristow (CEO), Dilip D. Tirathdas, Marko Boštjančič, Zoran Vehovar, MSc and Brigita Bohorč, MSc

5. Significant events in the period January – December 2013

January

- At the request of the Capital Assets Management Agency of the Republic of Slovenia and pursuant to Article 295 of the Companies Act and Articles 1 and 36 of Telekom Slovenije's Articles of Association, Telekom Slovenije's Management Board publishes the convening of the 23rd General Meeting to be held on 6 February 2013.
- Telekom Slovenije, as target company, receives a decision from the Securities Market Agency, based on which the Republic of Slovenia and six other legal entities in which the Slovenian government holds a participating interest are prohibited from exercising their voting rights associated with Telekom Slovenije. This prohibition applies until the aforementioned entities present a bid for the purchase of Telekom Slovenije shares or dispose of those shares.

February

- Antenna Group, a leading European media company, and Telekom Slovenije establish a joint venture Antenna TV SL that will manage Planet TV and help in the development of commercial television in Slovenia. Antenna Group will hold a 51% share in the company, while Telekom Slovenije's subsidiary TSmedia will hold a 49% share. Planet TV will continue to offer entertainment and news, and the broadcasting of local productions, the UEFA Champions League and some of the world's best movies and television series.
- To mark Internet Security Day, Telekom Slovenije and other Slovenian mobile operators and internet providers sign a code of conduct for providers of public electronic communication services for the protection of users.
- In a public-private partnership with Telekom Slovenije and NIL, d. o. o., the City of Ljubljana kicks off the first phase of the free WiFreeLjubljana wireless broadband network in Ljubljana. Eighty access points are set up during the first phase of the project to cover parts of the wider city centre with a wireless signal. The network is available to residents and visitors to Ljubljana, and to public institutions and companies under the auspices of the City of Ljubljana. Use of the wireless network is free-of-charge for one hour a day.
- On 6 February 2013 the Supervisory Board of Telekom Slovenije approved the Management Board's proposal regarding the payment of interim dividends for 2012 in the gross amount of EUR 3.70 per share.
- Microsoft Slovenija and the Ypsilon Institute, together with their partners Telekom Slovenije and the City of Ljubljana, present a new initiative, Ustvarjam kjerkoli (Create Anywhere) to raise awareness about the advantages of and opportunities for introducing more contemporary and flexible forms of work such as mobile work, work at home and telework for employees, companies and the environment as a whole.

March

- Telekom Slovenije receives a decision from the Ljubljana District Court in the commercial dispute with the plaintiff T-2, d. o. o. against the defendant Telekom Slovenije in which the court rejects the plaintiff's claim for the payment of EUR 129,556,756.00 and legally prescribed default interest from 16 January 2007 until payment, and orders the plaintiff to pay the defendant within 15 days legal costs in the amount of EUR 27,197.22 plus legally prescribed default interest, from the first day following the expiration of the established 15-day deadline for the fulfilment of obligations until payment.
- The Telekom Slovenije Group receives four Effie awards for market communication effectiveness: Telekom Slovenije receives a golden Effie for the project *Lepo je verjeti* (It's Nice to Believe), a silver Effie for the project *Posel je tekma* (Business is Competition) and for the Itak digital ELP platform, while TSmedia, d. o. o. receives a bronze Effie for the project *Lupčka mi je dala* (She Gave Me a Kiss). SiOL's TViN project places among the finalists for this year's Effie awards. Telekom Slovenije also receives the most prestigious award for most effective advertiser.
- Telekom Slovenije presents its fourth generation LTE commercial mobile network and the accompanying range of packages and devices.
- With its TVim service, Ipko offers its users online digital television, smart phones and tablet computers. The TVim service was developed by TSmedia and functions on the same platform as Telekom Slovenije's SiOL TViN.

April

- Close to 1,000 young people participate in six career workshops in the scope of the Itak Job project, which was created by Telekom Slovenije and the employment portal MojeDelo.com and helps young people throughout

Slovenia prepare to search for their first job.

- The SiOL Beta Club project receives the EMERald award of Excellence 2013 from IABC in the customer relations category. The SiOL Beta Club is a website through which Telekom Slovenije offers its users and other interested parties the opportunity to test new SiOL services before commercial use.
- The ratings agency Moody's downgrades Telekom Slovenije from "Baa3" to "Ba1" with a negative outlook. The agency decided to downgrade the Company primarily based on its assessment that Telekom Slovenije is overly exposed to the domestic banking system, which threatens or limits its liquidity management.
- The 2013 national Eco-Quiz competition, which tests knowledge of environmental topics, is concluded. Telekom Slovenije is co-organiser of the competition for the fifth consecutive year. A total of 4,653 primary school students competed in the aforementioned competition during the 2012/2013 school year.
- The Supervisory Board meets at its final session of the current term, where it discusses and approves the audited annual report of Telekom Slovenije and the Telekom Slovenije Group for 2012.

May

- According to Slovenian consumers, Telekom Slovenije's Mobitel and SiOL brands offer the best price-to-quality ratio on the market among providers of telecommunication services for mobile devices and internet access services. This is the result of the Best Buy Award research carried out by the Swiss company ICERTIAS in Slovenia in accordance with the International Code on Market and Social Research adopted by the International Chamber of Commerce (ICC) and the European Society of Opinion and Marketing Research (ESOMAR).
- Telekom Slovenije informs the Company's shareholders and interested parties that the convening of general meetings and associated announcements (e.g. counter-proposals, the expansion of the agenda, etc.) will only be published on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), in the Ljubljana Stock Exchange's SEOnet information system and on the Company's website at www.telekom.si in the Investor relations section. The Company will no longer publish the aforementioned announcements in the Official Gazette of the Republic of Slovenia.
- On 31 May 2013 ONE organises a symbolic public countdown to the switch to the digital television signal, thus successfully completing the activities which had been carried out since November 2012, when ONE was selected via tender to implement digitalisation, making Macedonia the first country in the region to implement this project.
- Mobile telephony using BH Telecom's 2G and 3G network is added to Blicnet's portfolio of fixed telephony, internet access and standard and high-definition digital television services, offered in Bosnia and Herzegovina under the Blicnet brand. This cooperation represents the logical continuation of the Group's presence in Bosnia and Herzegovina, as it rounds out the range of services for private and business users. Following the introduction of mobile telephony, Blicnet users will be able to receive all telecommunication services in one place.
- Avtenta begins cooperation with the company VeriPark, a leading global provider of customer relationship management (CRM) solutions for the financial sector. VeriPark has developed the special VeriTouch package of solutions in accordance with the needs and processes of financial institutions. It links the standard functionalities of CRM tools with additional modules that cover the specificities of processes in the financial sector.
- The most sought after business directory in Slovenia, bizi.si, is also available as a mobile application since the end of May 2013. The users of Android smart phones enjoy simple access to contact, commercial, credit rating and financial information regarding business partners and the competition.

June

- Telekom Slovenije offers all of its Itak subscribers the use of the new advanced Itak Plejs service, which combines the most advanced web TV, video-on-demand and internet multimedia storage services in one place. Itak users may use the S package, which includes 10 GB of data storage space and access to Red Bull videos and the TV listing free-of-charge until the end of 2013.
- ONE presents a new package in the prepaid segment that includes calls to all networks in Macedonia. With the aforementioned package, all prepaid mobile telephony users and ĐaBest users receive an extraordinary offer for just MKD 79 per week: 60 minutes of calls in all mobile and fixed networks in Macedonia.
- Avtenta presents itself at the SAP Forum, the largest commercial-training IT event in Slovenia. The company shares its expert knowledge with workshop participants, and presents examples of the use of mobile solutions for management from actual practice and a mobile strategy that benefits the company. The HANDS ON workshop was carried out in the scope of the forum, where Avtenta's experts demonstrated that SAP really functions on tablet computers and phones, as well.
- IPKO Telecommunications LLC reaches the milestone of 500,000 active mobile telephony users in its network

in Kosovo. The number of users was thus up 33% over a one year period, thus further solidifying IPKO Telecommunications LLC's position on the mobile telephony market. This is the result of quality services and good customer care. With its high penetration rate on the mobile telephony market, the company has become the fastest growing mobile operator in Europe.

- The spring 2013 version of the Slovenian telephone directory is published on DVD. With its numerous functionalities, the directory facilitates much more than the search for contact data in a database of nearly 1,000,000 entities.

July

- At the 24th General Meeting of Telekom Slovenije's shareholders, shareholders support the counterproposal regarding the use of distributable profit in the amount of EUR 100,839,530.63 for the 2012 financial year. Shareholders confirm the proposal to earmark EUR 53,995,467.40 for dividends in the gross amount of EUR 8.30 per share, which together with previously paid interim dividends in the gross amount of EUR 3.70 per share, brings total dividends paid to EUR 78,065,736. The remaining distributable profit in the amount of EUR 22,773,794.63 is brought forward to the following year.
- Telekom Slovenije includes the popular YouTube website in its SiOL TV service. This allows users to view and exchange videos that they may comment on and rate.
- At an auction held by the Macedonian Electronic Communications Agency, ONE is awarded additional frequencies, enabling it to introduce new, 4G mobile technologies, including LTE technology. ONE will use the acquired frequency domain for the further development of the mobile network. Through the use of additional frequencies, ONE will provide users increased transfer speed in mobile data traffic, improved coverage by the mobile signal and the introduction of the most state-of-the-art LTE technology.
- Telekom Slovenije and Hrvatski Telekom, strategic partners in the area of roaming, prepare an exclusive summer offer for their mobile telephony users: for EUR 10 a month, the users of Mobitel services have unlimited access to the mobile internet in one of Hrvatski Telekom's mobile networks (e.g. the HR-CRONET or T-Mobile HR network) until 30 September 2013.
- Since 19 July Telekom Slovenije offers its users satellite-based broadband internet access. The service is primarily intended for the inhabitants of those areas where the provision of broadband internet services was not previously possible. The majority of such areas are in rural Slovenia, while the service is also available in urban settlements.
- Telekom Slovenije now offers its users the possibility of paying invoices for telecommunication services rendered via payment machines at Telekom centres. The payment machines facilitate the fast, simple and user friendly payment of invoices, without processing costs or fees.
- ONE successfully passes an examination by the organisation CIS Austria, and receives a certificate confirming compliance with the ISO 20000:2011 IT service management and ISO 27001:2005 information security standards. With the introduction of the new standards, the company demonstrates its readiness to upgrade its systems and processes, and its commitment to ensure the best user services and information security. In addition to the ISO 20000:2011 and ISO 27001:2005 certificates, ONE received a certification of compliance with the ISO 9001:2008 quality management standard already in 2011.

August

- Telekom Slovenije and Tušmobil, d. o. o. sign annex no. 1 to the agreement on the acknowledgement of debt, surety and the repayment of outstanding liabilities. Tušmobil, d. o. o. settles a portion of its debt to Telekom Slovenije in a lump-sum amount, and commits to settle the remainder in ten quarterly instalments, with the first instalment falling due for payment at the end of September 2015 and the last instalment falling due at the end of December 2017. Tušmobil, d. o. o. withdrew its suit against Telekom Slovenije based on the existence of the aforementioned agreement and the prohibition on the redemption of collateral instruments in proceedings before the Ljubljana District Court under file no. VIII Pg 5705/2012.

September

- Telekom Slovenije is the first Slovenian operator to offer the advantages of LTE high-speed data transfer to users of prepaid mobile internet service.
- The number of telephone numbers transferred to Blicnet's fixed network quadruples in August and September 2013. The main reason for increased interest in Blicnet's fixed services among the inhabitants of Bosnia and Herzegovina is the high quality of those services accompanied by an extremely affordable monthly subscription fee and the prices of calls in local and foreign networks.
- ONE is the first and only operator on the market to date to allow users to create their own subscriber packages to meet their needs and wishes. The offer is available to all new individuals and business users, and to existing

subscribers who extend their subscriptions. Users may sign an agreement without a commitment or may opt for a 24-month agreement and the purchase of a new mobile phone at a very affordable price.

- Since 30 September ONE offers pensioners in Macedonia the best subscriber package on the market: TOTAL S for this customer segment, which includes a free Alcatel 2000 mobile phone and a very affordable monthly subscription fee.
- Telekom Slovenije and TSmedia receive several WEBSI awards – web champions for digital communication. We receive first prize in the category of Socially Responsible Projects for the Itak Job project, which was created with the aim of helping young people in the search for their first job. We also receive awards in the category of Special Digital Projects: SiOL TViN, which allows subscribers to receive TV programmes with respect to their subscriber package, places second in the aforementioned category, while the EI Robusto application for Facebook, which helps Itak subscribers choose a mobile phone, places third. The Itak.si website likewise garners third place in the Business Websites category. First place in the Voice of the People category is shared by two projects: the Najdi.si map, which takes first place in the Special Digital Projects category, and the Planet Siol.net online media, which is the winner in the Media category.

October

- The Company presents itself at the 13th Third Age Festival at Cankarjev Dom. The Teleoskrba (Telecare) service with First Aid Assistance is presented. The service is simple: a single touch of a button immediately establishes contact with a special call centre, a doctor or family members. The service is provided throughout Slovenia, and abroad in the event of medical assistance.
- In the scope of the Days of Slovenian Tourism, the Association of Slovenian Tourism Journalists announces the results of the national commission of the My Country – Beautiful and Hospitable project. The recipient of this year's Crystal Triglav, recognition for outstanding achievements in Slovenian tourism, is Soline with its Lepa Vida Thalasso Spa located in the Sečovelje Salina Nature Park. With its spa, Soline expands its activity to the segment of wellness tourism in the abandoned area of the nature park.
- Telekom Slovenije presents an upgrade of the security system with the transmission of Infranet alarm signals based on IP technology. The IP-infranet network is intended to protect buildings such as banks and post offices, warehouses, shops and other institutions, as well as more demanding private users. The basic advantage of the network is its highly reliable transmission of alarm signals in the event of break-ins, fire and other security incidents.
- Telekom Slovenije continues with the intensive building of base stations for the needs of LTE technology, which provides Slovenian users an even faster mobile internet. To date, 182 base stations have been set up, covering 72 Slovenian cities and towns, while more than 50% of the population has been afforded the opportunity to use LTE technology. Coverage with Mobitel's LTE/4G signal is thus improving significantly in rural areas, as well. Slovenska odškodninska družba, d. d. signs a mandate agreement with the financial consulting company Citigroup Global Markets Limited on the sale of Telekom Slovenije shares held by Slovenska odškodninska družba, d. d., the Republic of Slovenia, Kapitalska družba, d. d., Zavarovalnica Triglav, d. d. and Pozavarovalnica Sava, d. d.

November

- In its first year of broadcasting, Planet TV can boast of an 80% rise in its share of viewers and the largest number of own-production programmes in Slovenia.
- Telekom Slovenije receives a decision from the Competition Protection Agency (hereinafter: the CPA) in the repeated procedure to determine the abuse of a dominant position relating to ISDN – ADSL tying. In its decision no. 3072-2/2004/132 of 25 October 2013, the CPA determines that in the period from 1 December 2002 to 5 September 2005 Telekom Slovenije abused its dominant position on the inter-operator broadband access market with bit-streaming via the copper-based network in the Republic of Slovenia, by making ADSL connections for internet providers conditional on the prior leasing of ISDN connections by end users. Telekom Slovenije will study the CPA's decision and make a decision regarding further measures.
- Telekom Slovenije presents the updated image of its umbrella brand, under which all services offered to users are brought together. From now on, the Company will communicate its entire range of products and services, including broadband internet, fixed, mobile, prepaid and ICT services, under the Telekom Slovenije umbrella brand. In accordance with the Company's established marketing strategy, we are consolidating existing brands by combining their strengths and values in a single, powerful umbrella brand.
- Based on an agreement on the sale of its 100% participating interest in the Albanian company PRIMO Communications Sh.p.k concluded on 3 October 2013, the consent of the Albanian competition authorities and the fulfilment of other conditions, Telekom Slovenije transfers ownership of the aforementioned 100% participating interest to AD – TRADE SHPK on 6 November 2013. AD – TRADE SHPK paid the entire amount of consideration when the agreement on the sale of the 100% participating interest was signed.

- Telekom Slovenije's Works Council elects employee representatives to the Company's Supervisory Board. Milan Richter, Martin Gorišek and Dean Žigon are elected to the Company's Supervisory Board. Employee representatives are appointed to Telekom Slovenije's Supervisory Board for a four-year term of office that begins on 14 November 2013.

December

- The ratings agency Moody's downgrades Telekom Slovenije from "Ba1" to "Ba2" maintaining a negative outlook. Moody's argument for the downgrading rests on greater pressure being placed on the Company's liquidity with regard to past (higher payout of dividends than planned) and expected (uncertainty relating to expenses for the purchase of frequencies in 2014) financial outflows and given its high dependency on the unstable domestic banking system.
- Soline and its products enter four new markets in the last quarter of 2013: Montenegro, Macedonia, Belgium and France.
- Telekom Slovenije receives judgement no. G 9/2012-28 from the Supreme Court of the Republic of Slovenia in the process of judicial protection against the defendant, the Slovenian Competition Protection Agency – CPA, setting aside the judgement on abuse of dominant position no. 306-14/2009-239. With the judgement in question the Supreme Court of the Republic of Slovenia found in favour of Telekom Slovenije's action and set aside the decision of the Slovenian Competition Protection Agency, with which the latter established that Telekom Slovenije was in breach of Article 9 of the Prevention of Restriction of Competition Act and Article 102 of the Treaty on the Functioning of the European Union. The Slovenian Competition Protection Agency stated in its decision that Telekom Slovenije from November 2008 and July 2010, with the aim of strengthening or maintaining its market power on a significant segment of the retail mobile telecommunication services market offered the retail package Itak Džabest at unfair sales prices, resulting in the likelihood that competitors were being pushed from the market, whereby Telekom Slovenije abused its dominant position on the retail mobile telecommunication services market. The Supreme Court of the Republic of Slovenia set aside the judgement of the Slovenian Competition Protection Agency and found the contested decision to be burdened with the incorrect application of substantive law, serious procedural breaches and incomplete determination of facts. In the repeated procedure the CPA shall have to take into account the procedural and substantive positions expressed in the judgement.
- Telekom Slovenije receives judgement no. I Cpg 708/2013, issued on 21 November 2013, from the Ljubljana Higher Court in the commercial dispute lodged by the plaintiff T-2 against the defendant Telekom Slovenije for the payment of compensation in the amount of EUR 129,556,756.00 with appertaining amounts (file no. 8 Pg 54/2007, Ljubljana District Court). By way of the judgement in question, the Ljubljana Higher Court rejected the plaintiff's appeal against the court of first instance and upheld the contested ruling. The plaintiff is obliged to reimburse the defendant for the costs of the appeal proceedings. With the judgement in question the action brought by T-2 against Telekom Slovenije for the payment of compensation in the amount of EUR 129,556,756.00 is rejected in full and is final. Pursuant to the ruling of the court of first instance, T-2 is obliged to pay legal costs to Telekom Slovenije in the amount of EUR 27,197.22, and pursuant to the ruling of the higher court also appeal proceeding costs totalling EUR 2,091.66.
- The Supervisory Board of Telekom Slovenije discusses and approves the Annual Business Plan of the Telekom Slovenije Group for 2014 and the Strategic Business Plan of the Telekom Slovenije Group for the period 2014 to 2018.
- Telekom Slovenije, d. d. and Slovenska odškodninska družba, d. d. signed an agreement on mutual relations in the process of selling the majority of shares of the issuer Telekom Slovenije. Slovenska odškodninska družba, d. d. signed the agreement on behalf of a consortium of sellers who collectively hold 72.75% of Telekom Slovenije's share capital. The agreement sets out the envisaged phases in the sales process, organisation of the process, method of notifying the stakeholders and mutual relations between Telekom Slovenije and the sellers. Consent to signing the agreement was also given by the Company's Supervisory Board.
- Blicnet offered users on the market of Bosnia and Herzegovina mobile telephony services that include Mobi subscriber packages with affordable prices for calls, messaging and data transfer. With the introduction of mobile telephony, Blicnet joined the few telecommunication companies on the market of Bosnia and Herzegovina that offer all four basic services: mobile telephony, fixed telephony, internet access and digital television. Blicnet offers all four services to users in attractive Blicnet QUADRO packages with numerous benefits.

6. Significant events after the balance-sheet date

January

- Telekom Slovenije was awarded the ISO 50001 international certificate, which represents a standard that enables organisations to effectively and consistently manage energy. Telekom Slovenije was awarded this certificate given its implementation of the sustainable development strategy related to the reduction of electricity consumption and improvement of fuel consumption efficiency for the Company's vehicle fleet and heating.
- The Supervisory Board of Telekom Slovenije discusses and approves the activities relating to the expansion of operations of the Telekom Slovenije Group on the market of Bosnia and Herzegovina. Tomaž Seljak, MSc, is appointed member of the Management Board responsible for technical matters for a four-year term of office beginning on 1 May 2014. Tomaž Seljak, MSc heads the Access Network Department at Telekom Slovenije, which combines the development, planning, maintenance and management of fixed and mobile access networks of Telekom Slovenije. He holds a master's degree in electrical engineering. The term of office of current Management Board member Zoran Vehovar, MSc ends on 30 April 2014. The works council of Telekom Slovenije proposed the appointment of Darja Senica to the Supervisory Board as worker director within the Management Board. The Supervisory Board did not give its consent to such proposal. Darja Senica's four-year term as a member of the Management Board and worker director ends on 7 April 2014.
- The Urbana city card system underwent a virtual upgrade with a new mobile application – a virtual stored-value Urbana card on smart phones, which was developed by Telekom Slovenije in cooperation with partners, holders of the Urbana card, etc. The innovative solution received a prestigious award at the "MasterCard Transport Ticketing Awards" in the category "Most successful payment systems on mobile phones". This means that the system ranks among the most advanced solutions in the area of transport tickets and mobile payment. Therefore the Urbana application will enable in the not too distant future the payment of travel with city buses, payment of parking services, funicular railway and BicikeLJ services.
- TSmedia enhanced, in terms of content, the most visited business directory in Slovenia bizi.si, which now via the company card offers data on the functions of representatives of corporate entities, also adding supervisory board members of companies. The number of bizi.si users increased by 15% in 2013.
- Pursuant to an agreement on the sale and transfer of the 100% participating interest in its subsidiary Media Works, which was concluded on 18 December 2013, the Kosovo subsidiary IPKO Telecommunications LLC concluded the transfer of its ownership stake in Media Works to the buyer on 9 January 2014.

February

- Telekom Slovenije offered four new Mobitel Neomejeni packages to private users entitled A, B, C and D packages. The Mobitel Neomejeni D package is the first real unlimited package available to Slovenian users of mobile services. The new Mobitel service subscriber packages bring an upgraded and updated concept of products and services that follow the changed habits of mobile service users.
- Telekom Slovenije on behalf of nine consortium partners from six countries gained a new European project related to smart networks SUNSEED (Sustainable and Robust Networking for Smart Electricity Distribution) that is being carried out under a European Commission programme. The objective of the project that will be carried out until February 2017 is the development of a technical and economical model for the most efficient use of the communication infrastructure in smart electricity networks of the future.

7. Financial statement of the Telekom Slovenije Group and of Telekom Slovenije, d. d. for the period January to December 2013

7.1. Introductory notes

The consolidated financial statements of the Telekom Slovenije Group and the financial statements of the parent company Telekom Slovenije for the reported period and the comparable period last year were compiled in accordance with the provisions of the Companies Act, the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policy regarding measurement following recognition was amended on 1 January 2013, from a revaluation model to the historical cost model for cable ducts.

The rationale behind the aforementioned change lies in the fact that the majority of European telecoms value telecommunications equipment according to the historical cost model. This will improve comparability with the financial statements of other companies that provide the same or similar services.

IAS 16, which deals with property, plant and equipment, does not include special provisions regarding the disclosure of the aforementioned change to the associated accounting policy. Telekom Slovenije and the Telekom Slovenije Group therefore followed IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and adjusted their financial statements for past periods in accordance with the requirements of IAS 1 Presentation of Financial Statements.

The results of the change to the accounting policy on the financial statements of Telekom Slovenije and thus the consolidated financial statements were as follows:

Balance as at 1 January 2012	EUR thousand
Decrease in the value of property, plant and equipment	-35,546
Decrease in revaluation surplus for property, plant and equipment	-36,785
Increase in capital surplus	8,348
Decrease in deferred tax liabilities	-7,109
Change in net profit for the period	1,631
Change in retained earnings	-1,631
Balance as at 31 December 2012	
Decrease in the value of property, plant and equipment	-33,507
Decrease in revaluation surplus for property, plant and equipment	-36,347
Increase in capital surplus	7,866
Decrease in deferred tax liabilities	-5,026
Change in net profit for the period	1,672
Change in retained earnings	-1,672
Earnings per share – basic and adjusted EPS were up by EUR 0.26	
Balance as at 31 December 2013	
Decrease in depreciation of property, plant and equipment	-2,033
Increase in deferred tax assets/liabilities	346
Increase in net profit	1,687
Earnings per share – basic and adjusted EPS were up by EUR 0.26 EUR.	

The income statement of the Telekom Slovenije Group and of Telekom Slovenije for the comparable period of 2012 (except for the change to the aforementioned accounting policy) has been adjusted to illustrate the elimination of provisions, which the Group discloses as other operating revenues as of 2013, and the disclosure of capitalised own products and services, where assets produced at Group companies reduce specific types of costs as of 2013. The aforementioned adjustments do not affect the net operating results for the comparable period. The 2012 financial year is adjusted also to the change for the actuarial calculation of the valuation of provisions and jubilee benefits in the amount of EUR 528,000 and adjustment of other operating expenses of the Group due to the impairment of inventories with a negative effect on the net profit of the comparable period in the amount of EUR 242,000.

Apart from being adjusted to the change in accounting policy and to the illustrated effects, the statement of financial position of the Telekom Slovenije Group and of Telekom Slovenije is also adjusted for the reclassification of non-current operating receivables from other financial assets to other non-current assets.

7.2. Condensed unaudited financial statements of the Telekom Slovenije Group for the period January – December 2013

Consolidated income statement for the period ending 31 December 2013

EUR thousand	2013	2012 adjusted	Ind 13/12
Revenue	779.360	786.086	99
Other operating income	19.819	9.174	216
Share of profit or loss in joint ventures	4.840	4.797	101
Cost of goods and materials sold	-66.804	-50.169	133
Cost of materials	-19.260	-21.921	88
Cost of services	-320.976	-320.915	100
Employee benefits expense	-142.440	-153.499	93
Amortisation and depreciation expense	-166.371	-176.993	94
Other operating expenses	-16.692	-12.391	135
Total operating expenses	-732.543	-735.888	100
Profit or loss from operations	71.476	64.169	111
Revenue	4.961	8.022	62
Other operating income	-21.408	-24.666	87
Share of profit or loss of associates and joint ventures	-4.930	6	-
Profit or loss before tax	50.099	47.531	105
Income tax expense	-136	205	--
Deferred tax	2.342	-3.147	--
Net profit or loss for the period	52.305	44.589	117
Basic and diluted earnings per share (in EUR)	8,04	6,85	117

Consolidated statement of comprehensive income for the period ending 31 December 2013

EUR thousand	2013	2012 adjusted	Ind 13/12
Net profit or loss for the period	52,305	44,589	117
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Translation reserves	267	783	34
Change in revaluation surplus of actuary deficits and surpluses	599	528	113
Change in revaluation surplus of available-for-sale financial assets	141	405	35
Deferred tax	-24	-61	39
Change in reclassification of revaluation surplus of available-for-sale financial assets	0	-371	-
Deferred tax on reclassification of revaluation of available-for-sale financial assets to profit or loss	0	56	-
Deferred tax on reclassification of revaluation of available-for-sale financial assets to profit or loss	-14	34	-41
Change in revaluation surplus of available-for-sale financial assets (net)	103	63	163
Changes in fair value of cash flow hedges	0	0	-
Deferred tax	0	0	-
Reclassification of changes in fair value of cash flow hedges	0	0	-
Deferred tax	0	0	-
Net gain on changes in fair value of cash flow hedges	0	0	-
<i>Other comprehensive income not to be reclassified to profit or loss in next periods:</i>			
Change in revaluation reserves for property, plant and equipment	0	-2,304	0
Deferred tax on change in revaluation reserves for property, plant and equipment	0	345	0
Change in deferred taxes due to restatement of tax rate	-197	635	-31
Change in revaluation surplus of property, plant and equipment	-197	-1,324	15
Other comprehensive income for the period	772	50	-
Total comprehensive income for the period	53,077	44,639	119

Consolidated statement of financial position as at 31 December 2013

EUR thousand	31. 12. 2013	31. 12. 2012 adjusted	1. 1. 2012 adjusted	Ind. 13/12
ASSETS				
Intangible assets	144,309	148,955	157,418	97
Property, plant and equipment	840,721	903,833	958,892	93
Investments in associates and joint ventures	44,319	42,914	42,225	103
Other investments	11,168	7,516	8,277	149
Other non-current assets	27,447	19,482	28,884	141
Investment property	4,119	6,378	6,463	65
Deferred tax assets	24,444	21,238	22,561	115
Total non-current assets	1,096,527	1,150,316	1,224,720	95
Assets held for sale	4,478	3,846	4,485	116
Inventories	23,876	22,386	22,787	107
Trade and other receivables	155,903	187,888	185,105	83
Deferred costs and accrued revenue	38,277	33,105	17,163	116
Income tax credits	618	17,566	2,659	4
Current investments	10,866	61,807	21,584	18
Cash and cash equivalents	59,234	44,074	61,265	134
Total current assets	293,252	370,672	315,048	79
Total assets	1,389,779	1,520,988	1,539,768	91
EQUITY AND LIABILITIES				
Called-up capital	272,721	272,721	272,721	100
Capital surplus	147,990	146,974	145,957	101
Revenue reserves	253,764	254,021	229,309	100
<i>Legal reserves</i>	51,625	51,619	51,663	100
<i>Reserves for own shares and interests</i>	3,671	3,671	3,671	100
<i>Own shares and interests</i>	-3,671	-3,671	-3,671	100
<i>Statutory reserves</i>	54,924	54,924	54,854	100
<i>Other revenue reserves</i>	147,215	147,478	122,792	100
Retained earnings	52,412	78,609	103,699	67
<i>Retain earnings from previous periods</i>	113	58,494	78,725	0
<i>Profit or loss for the period</i>	52,299	20,115	24,974	260
Revaluation surplus for property, plant and equipment	32,642	34,295	37,061	95
Revaluation surplus for financial instruments	714	611	187	117
Revaluation surplus for actuary deficits and surpluses	1,127	528	0	
Translation reserve	-1,498	-1,765	-2,096	85
Total capital and reserves	759,872	785,994	786,838	97
Non-current deferred income	9,800	7,747	8,579	127
Provisions	40,421	45,706	45,619	88
Non-current operating liabilities	1,001	210	286	477
Interest bearing borrowings	59,586	92,534	127,896	64
Other non-current financial liabilities	317,124	315,278	308,484	101
Deferred tax liabilities	1,728	1,583	2,676	109
Total non-current liabilities	429,660	463,058	493,540	93
Trade and other liabilities	126,237	193,030	155,692	65
Income tax payable	32	230	35	14
Interest bearing borrowings	33,012	35,284	35,580	94
Other current financial liabilities	1,885	8,834	16,508	21
Deferred income	10,789	10,621	24,010	102
Accrued costs and expenses	28,292	23,937	27,565	118
Total current liabilities	200,247	271,936	259,390	74
Total liabilities	629,907	734,994	752,930	86
Total equity and liabilities	1,389,779	1,520,988	1,539,768	91

Consolidated statement of changes in equity for the period ending 31 December 2013

EUR thousand	Called-up capital	Capital surplus	Revenue reserves					Retained earnings	Revaluation reserves for property, plant and equipment	Revaluation of available-for-sale financial assets (net)	Revaluation surplus of actuary deficits and surpluses	Translation reserve	Total equity of owners of the Company
			Legal reserves	Reserves for own shares	Own shares	Statutory reserves	Other revenue reserves						
Balance at 1 Jan 2013	272,721	146,974	51,619	3,671	-3,671	54,924	147,478	78,609	34,295	611	528	-1,765	785,994
Net profit or loss for the period								52,305					52,305
Other comprehensive income for the period									-197	103	599	267	772
Total comprehensive income for the period	0	0	0	0	0	0	0	52,305	-197	103	599	267	53,077
Dividends paid								-78,556					-78,556
Transactions with owners		0	0	0	0	0	0	-78,556	0	0	0	0	-78,556
Transfer to other reserves								-263	263				0
Transfer to retained earnings and reserves		1,016						440	-1,456	0			0
Transfer to other reserves based on decision of the Management Board			6					-6					0
Other								-643	0	0			-643
Balance at 31 December 2013	272,721	147,990	51,625	3,671	-3,671	54,924	147,215	52,412	32,642	714	1,127	-1,498	759,872

Consolidated statement of changes in equity for the period ending 31 December 2012

EUR thousand	Called-up capital	Capital surplus	Revenue reserves					Retained earnings	Revaluation surplus for property, plant and equipment	Revaluation surplus for available-for-sale financial assets (net)	Revaluation surplus of actuary deficits and surpluses	Translation reserve	Total equity of owners of the Company
			Legal reserves	Reserves for own shares	Own shares	Statutory reserves	Other revenue reserves						
Balance at 1 Jan 2012	272,721	137,609	51,663	3,671	-3,671	54,854	122,792	103,699	73,846	187	0	-2,096	815,275
Effect of change in accounting policy		8,348							-36,785				-28,437
Balance as at 1. 1. 2012 - Adjusted	272,721	145,957	51,663	3,671	-3,671	54,854	122,792	103,699	37,061	187	0	-2,096	786,838
Net profit or loss for the period								44,589					44,589
Other comprehensive income for the period									-1,324	63	528	783	50
Total comprehensive income for the period	0	0	0	0	0	0	0	44,589	-1,324	63	528	783	44,639
Dividends paid								-45,538					-45,538
Transactions with owners		0	0	0	0	0	0	-45,538	0	0	0	0	-45,538
Transfer to retained earnings and reserves		1,017						516	-1,442	361		-452	0
Transfer to other reserves based on the decision of the Management Board			-44			70	24,686	-24,712					0
Other								55					55
Balance at 31 December 2012 - Adjusted	272,721	146,974	51,619	3,671	-3,671	54,924	147,478	78,609	34,295	611	528	-1,765	785,994

Consolidated statement of cash flows for the period ending 31 December 2013

EUR thousand	2013	2012	Ind 13/12
Cash flows from operating activities			
Profit before tax	50,099	47,531	105
Adjustments for:			
Depreciation and amortisation of intangible assets and property, plant and equipment	166,371	176,993	94
Impairment and write-offs of intangible assets, property, plant and equipment	2,427	6,600	37
Gain or loss on disposal of property, plant and equipment	-23	-983	2
Gain on sale of investment property	258	0	
Finance income	-4,961	-8,028	62
Finance costs	26,338	24,666	107
Change in assets held for sale	-632	639	-99
Change in trade and other receivables	31,985	-2,783	-1,149
Change in trade and other receivables	-5,172	-15,942	32
Change in other non-current assets	-5,756	9,403	-
Change in inventories	-1,490	401	-372
Change in provisions	-5,285	87	-6,075
Change in deferred income	2,221	-14,221	-
Change in accruals	4,355	-3,628	-120
Change in trade and other payables	-66,153	40,455	-164
Income tax paid	15,134	-15,644	-
Net cash from operating activities	209,716	245,546	85
Cash flows from investing activities			
Receipts from investing activities	71,046	40,026	177
Proceeds from sale of property, plant and equipment	2,480	994	249
Dividends received	3,581	4,186	86
Interest received	1,529	3,792	40
Cash proceeds from sale of investment property	990	0	
Disposal of non-current investments	1,288	3,912	33
Disposal of current investments	61,178	27,142	225
Disbursements from investing activities	-134,066	-203,672	66
Acquisition of property, plant and equipment	-79,146	-100,342	79
Acquisition of intangible assets	-31,619	-27,749	114
Acquisition of investments	-5,469	-64,707	8
Investments in subsidiaries and joint ventures net of cash acquired and acquisition of minority interests	-8,061	0	-
Interest bearing loans	-9,771	-10,874	-
Cash used in investing activities	-63,020	-163,646	39
Cash flows from financing activities			
Receipts from financing activities	0	390	-
Paid in capital	0	390	-
Disbursements from financing activities	-131,536	-99,481	132
Repayment of non-current borrowings	-35,260	-35,582	99
Interest paid	-17,617	-18,426	96
Dividends paid	-78,658	-45,473	173
Cash flow used in financing activities	-131,536	-99,091	133
Net increase/decrease in cash and cash equivalents	15,160	-17,191	-88
Closing balance of cash	59,234	44,074	134
Opening balance of cash	44,074	61,265	72

7.3. Condensed unaudited financial statements of Telekom Slovenije for the period January – December 2013

Income statement of Telekom Slovenije, d. d. for the period ending 31 December 2013

EUR thousand	2013	2012 prilagojeno	Ind. 13/12
Revenue	658,493	660,679	100
Other operating income	11,362	5,442	209
Cost of goods and materials sold	-63,315	-46,477	136
Cost of materials	-12,448	-13,671	91
Cost of services	-279,643	-270,226	103
Employee benefits expense	-111,691	-122,825	91
Amortisation and depreciation expense	-132,759	-141,530	94
Other operating expenses	-11,506	-5,665	203
Total operating expenses	-611,362	-600,394	102
Profit or loss from operations	58,493	65,727	89
Finance income	18,345	22,561	81
Finance costs	-27,984	-33,625	83
Profit or loss before tax	48,854	54,663	89
Income tax expense	0	0	
Deferred tax	2,287	-2,894	-79
Net profit or loss for the period	51,141	51,769	99

Statement of other comprehensive income of Telekom Slovenije, d. d. for the period ending 31 December 2013

EUR thousand	2013	2012 prilagojeno	Ind. 13/12
Net profit or loss for the period	51,141	51,769	99
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Change in revaluation surplus of actuary deficits and surpluses	584	528	111
Change in revaluation surplus of available-for-sale financial assets	141	405	35
Deferred tax	-24	-61	39
Change in reclassification of revaluation surplus of available-for-sale financial assets	0	-371	0
Deferred tax on reclassification of revaluation of available-for-sale financial assets to profit or loss	0	56	0
Deferred tax on reclassification of revaluation of available-for-sale financial assets to profit or loss	-14	34	-41
Change in revaluation surplus of available-for-sale financial assets (net)	103	63	163
Other comprehensive income not to be reclassified to profit or loss in next periods:			
Change in revaluation reserves for property, plant and equipment	0	-2,304	0
Deferred tax on change in revaluation reserves for property, plant and equipment	0	345	0
Change in deferred taxes due to restatement of tax rate	-197	635	-31
Change in revaluation surplus of property, plant and equipment	-197	-1,324	15
Other comprehensive income for the period	490	-733	-67
Total comprehensive income for the period	51,631	51,036	101

Statement of financial position of Telekom Slovenije, d. d. as at 31 December 2013

EUR thousand	31.12.2013	31. 12. 2012 adjusted	1. 1. 2012 adjusted	Ind. 13/12
ASSETS				
Intangible assets	62,731	69,522	77,603	90
Property, plant and equipment	688,245	747,324	805,740	92
Investments in joint ventures	117,796	121,918	116,145	97
Other investments	171,048	165,510	167,048	103
Other non-current assets	31,863	22,606	34,939	141
Investment property	4,119	6,378	6,463	65
Deferred tax assets	23,697	20,549	21,649	115
Total non-current assets	1,099,499	1,153,807	1,229,588	95
Assets held for sale	4,478	3,846	4,485	116
Inventories	16,278	14,168	14,364	115
Trade and other receivables	139,950	167,444	164,215	84
Deferred expenses and accrued revenues	28,420	25,433	12,676	112
Income tax credits	22	17,497	746	0
Current financial assets	30,285	79,254	43,918	38
Cash and cash equivalents	52,894	31,824	43,957	166
Total current assets	272,327	339,466	284,361	80
Total assets	1,371,826	1,493,273	1,513,949	92
EQUITY AND LIABILITIES				
Called-up capital	272,721	272,721	272,721	100
Capital surplus	144,007	142,991	141,974	101
Revenue reserves	251,701	251,701	227,236	100
<i>Legal reserves</i>	50,434	50,434	50,434	100
<i>Reserves for own shares and interests</i>	3,671	3,671	3,671	100
<i>Own shares and interests</i>	-3,671	-3,671	-3,671	100
<i>Statutory reserves</i>	54,544	54,544	54,544	100
<i>Other revenue reserves</i>	146,723	146,723	122,258	100
Retained earnings	76,963	103,350	121,051	74
<i>Retain earnings from previous periods</i>	25,822	76,046	108,093	34
<i>Profit or loss for the period</i>	51,141	27,304	12,958	187
Revaluation reserves for property, plant and equipment	32,641	34,294	37,107	95
Revaluation reserves for financial instruments	714	611	548	117
Revaluation surplus for actuary deficits and surpluses	1,112	528	0	211
Total capital and reserves	779,859	806,196	800,637	97
Non-current deferred income	9,010	8,252	7,995	109
Provisions	35,916	39,125	42,403	92
Non-current operating liabilities	992	12	277	8,267
Interest bearing borrowings	59,245	92,104	127,185	64
Other non-current financial liabilities	312,401	311,977	305,135	100
Deferred tax liabilities	1,728	1,583	2,676	109
Total non-current liabilities	419,292	453,053	485,671	93
Trade and other liabilities	110,156	168,264	141,725	65
Income tax payable	0	0	0	-
Interest bearing borrowings	32,869	35,101	35,502	94
Other current financial liabilities	473	8,795	16,424	5
Deferred income	5,351	4,699	17,842	114
Accrued costs and expenses	23,826	17,165	16,149	139
Total current liabilities	172,675	234,024	227,641	74
Total liabilities	591,967	687,077	713,312	86
Total equity and liabilities	1,371,826	1,493,273	1,513,949	92

Statement of changes in equity of Telekom Slovenije, d. d. for the period ending 31 December 2013

	Capital surplus	Revenue reserves		Reserves for own shares				Retained earnings	Revaluation reserves for property, plant and equipment	Revaluation of available-for-sale financial assets (net)	Revaluation of available-for-sale financial assets (net)	Revaluation surplus of actuary deficits and surpluses	Total equity of owners of the Company
		Legal reserves	Reserves for own shares	Own shares	Statutory reserves	Other revenue reserves							
Balance at 1 Jan 2013	272,721	142,991	50,434	3,671	-3,671	54,544	146,723	103,350	34,294	611	0	528	806,196
Net profit or loss for the period								51,141					51,141
Other comprehensive income for the period									-197	103		584	490
Total comprehensive income for the period	0	0	0	0	0	0	0	51,141	-197	103	0	584	51,631
Dividends paid								-78,065					-78,065
Transactions with owners		0	0	0	0	0	0	-78,065	0	0	0	0	-78,065
Transfer to retained earnings and reserves		1,016						440	-1,456	0			0
Other								97					97
	272,721	144,007	50,434	3,671	-3,671	54,544	146,723	76,963	32,641	714	0	1,112	779,859

Statement of changes in equity of Telekom Slovenije, d. d. for the period ending 31 December 2012

EUR thousand	Capital surplus	Revenue reserves		Reserves for own shares				Retained earnings	Revaluation reserves for property, plant and equipment	Revaluation of available-for-sale financial assets (net)	Revaluation of available-for-sale financial assets (net)	Revaluation surplus of actuary deficits and surpluses	Total equity of owners of the Company
		Legal reserves	Reserves for own shares	Own shares	Statutory reserves	Other revenue reserves							
Balance at 1 Jan 2012	272,721	133,626	50,434	3,671	-3,671	54,544	122,258	119,698	73,892	548	0	0	827,721
Merger								1,353					1,353
Effect of change in accounting policy		8,348							-36,785				-28,437
Balance as at 1. 1. 2012 - Adjusted	272,721	141,974	50,434	3,671	-3,671	54,544	122,258	121,051	37,107	548	0	0	800,637
Net profit or loss for the period								51,769					51,769
Other comprehensive income for the period									-1,324	63		528	-733
Total comprehensive income for the period	0	0	0	0	0	0	0	51,769	-1,324	63	0	528	51,036
Dividends paid								-45,538					-45,538
Transactions with owners		0	0	0	0	0	0	-45,538	0	0	0	0	-45,538
Transfer to retained earnings and reserves		1,017						533	-1,489				61
Transfer to other reserves based on the decision of the Management Board							24,465	-24,465					0
Balance at 31 December 2012 - Adjusted	272,721	142,991	50,434	3,671	-3,671	54,544	146,723	103,350	34,294	611	0	528	806,196

Cash flow statement of Telekom Slovenije, d. d. for the period ending 31 December 2013

EUR thousand	2013	2012 adjusted
Cash flows from operating activities		
Profit before tax	48,854	54,663
Adjustments for:		
Depreciation and amortisation expense	132,759	141,530
Impairment and write-offs of property, plant and equipment	2,041	3,135
Gain or loss on disposal of property, plant and equipment	3	-1,194
Gain on sale of investment property	258	0
Finance income	-18,345	-22,561
Finance costs	27,984	33,625
Change in assets held for sale	-632	639
Change in trade and other receivables	27,494	-3,229
Change in trade and other receivables	-2,987	-12,757
Change in other non-current assets	-6,998	12,418
Change in inventories	-2,110	196
Change in provisions	-3,209	-3,278
Change in deferred income	1,410	-12,886
Change in accruals	6,661	1,016
Change in trade and other payables	-58,451	32,262
Income tax paid	16,014	-16,334
Net cash from operating activities	170,746	207,245
Cash flows from investing activities		
Receipts from investing activities	94,677	64,564
Proceeds from sale of property, plant and equipment	0	994
Cash proceeds from sale of investment property	990	0
Dividends received	3,697	4,237
Interest received	10,902	15,983
Disposal of non-current investments	9,186	15,768
Disposal of current investments	69,902	27,582
Disbursements from investing activities	-114,326	-185,544
Acquisition of property, plant and equipment	-54,542	-65,749
Acquisition of intangible assets	-16,632	-16,022
Acquisition of investments	-5,125	-64,707
Investments in subsidiaries and joint ventures net of cash acquired and acquisition of minority interests	-11,701	-11,470
Interest bearing loans	-26,326	-27,596
Cash used in investing activities	-19,649	-120,980
Cash flows from financing activities		
Receipts from financing activities	350	0
Paid in capital		0
Non-current borrowings		0
Current borrowings	350	0
Disbursements from financing activities	-130,377	-98,398
Repayment of current borrowings		0
Repayment of current borrowings	-350	0
Repayment of non-current borrowings	-35,080	-35,456
Interest paid	-16,770	-17,469
Dividends paid	-78,177	-45,473
Cash flow used in financing activities	-130,027	-98,398
Net increase/decrease in cash and cash equivalents	21,070	-12,133
Closing balance of cash	52,894	31,824
Opening balance of cash	31,824	43,957