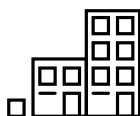


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**ANNUAL
REPORT
SI.MOBIL
2015**

MAY 2016

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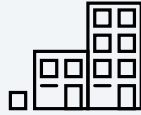
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BUSINESS REPORT





Principles of Business Operations

ASPIRING FOR EXCELLENCE IN CORPORATE MANAGEMENT

At Si.mobil we are committed to good and effective practices of corporate management. We place a great deal of focus on operating ethically and transparently, and in the long run this strengthens our reputation and public trust in our work. We create trust among all groups of stakeholders who we encounter through our consistent actions.

We are aware that if a company wishes to achieve excellence in its operations, it must establish a system of corporate integrity based on the ethical behavior of all its employees. Accordingly, we are working to establish an organizational culture which reinforces a business culture of integrity, lowers risks, and improves our reputation. We believe that responsibility accelerates company growth. With our exemplary actions we are constantly raising the standards and the level of ethical operations not only in the industry, but also in the broader environment we operate in.

Since consistent, ethical, and responsible business operations are our competitive advantage, Si.mobil insists on compliant operations and holds to the principles of the Code of Conduct. This is an umbrella document which helps steer all Telekom Austria Group employees towards compliant business practices, and is the same for the whole Group. Along with the Code, a range of guidelines are available to our colleagues to assist them regarding their work and behavior, including guidelines on gifts and invitations, on consulting services and lobbying, on sponsorships, donations and advertising, on preventing corruption and conflicts of interest, and regarding the rules of competition law. The guidelines are accompanied by an executive document governing business compliance – Regulations on Employee Conduct in Si.mobil, which defines the rights and obligations of employees in procedures related to the business compliance policy, and the obligations of the Compliance Assessment Team.

Each and every Si.mobil employee must be aware of the principles of compliant operations, and we place an appropriate amount of attention on training and informing employees on compliant behavior. Through training, employees learn to recognize situations which are not in compliance with our policies, such as conflict of interests, abuse of company assets, disclosure of trade secrets to unauthorized persons, false data, or conflicts at the workplace.

The same principles of the Code of Conduct, and the guidelines apply for the newly formed cluster organization with Vip mobile in Serbia. The newly formed organization carefully continues the path that Si.mobil has entered across the two markets.

We also require our suppliers and other business partners to observe compliance standards, which is why they sign the Code for Suppliers and undertake to conduct business ethically, honestly, and transparently.

Company Info Sheet

COMPANY INFO

Name	Si.mobil telekomunikacijske storitve, d.d.
Headquarters	Šmartinska 134b, 1000 Ljubljana
Phone	040 40 40 40
E-mail for residential users	info@simobil.si
E-mail for business users	info.poslovni@simobil.si
Website	www.simobil.si
Main activity	61.200 - Wireless telecommunications activities
Activity code	J61.200
Founded in	1998
VAT ID number	SI 60595256
Company registration number	1196332000
Share capital	SRG 1/29430/00 Ljubljana €38,781,000

OWNERSHIP

Si.mobil, d.d., is fully owned by Mobilkom Beteiligungsgesellschaft mbH. Since 2014 Mobilkom Beteiligungsgesellschaft mbH has been a part of the American Movil group.

MANAGEMENT BOARD

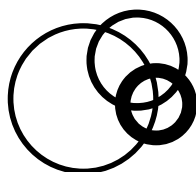
Dejan Turk	CEO
Natali Delić	CTO
Andreas Graf	CFO

DIRECTORS

Košak Boštjan	Executive Director
Špik Andrej	General Affairs Director
Gorjup Rok	Sales Director
Krajner Andrej	Corporate Communications Director
Čadež Petra	Marketing Communications Director
Čerič Damjan	Network and IT Operations Director
Štirn Andreja	Business Intelligence and Advanced Analytics Director
Grizilo Larisa	Human Resources Director
Lekić-Ignjatović Biljana	Controlling Director
Leko Rada	Finance Director
Milislavljević Jelena	Supply Chain and Internal Services Director
Pudrlja Durbaba Branka	Customer Service Director
Radaković Ivo	Customer Value Management Director
Kosec Hristina	Product Marketing Director
Riebler Wolfgang	Sales Director
Perović Vlada	IT and Services Director
Zeljковиć Nenad	Network Planning Director
Tomić Igor	Head of TPPM and Business and Technology Integration

SUPERVISORY BOARD

Alejandro Douglass Plater	Chairman of the Supervisory Board
Siegfried Mayrhofer	Supervisory Board Member
Bernd Schmutterer	Supervisory Board Member



BUSINESS REPORT



Changes in Our Management in 2015

CHANGES IN THE MANAGEMENT BOARD

Until 31 May 2015 Si.mobil's Management Board comprised CEO Jörg Zeddies, CFO Boštjan Škufca Zaveršek and CTO Ulrich Rokita. The Supervisory Board appointed a new Management Board comprising CEO Dejan Turk, and CFO Andreas Graf and CTO Dejan Kastelic, who started their term on 1 June 2015. Dejan Kastelic resigned as CTO as of 30 June 2015, and Natali Delić took over the position on 1 July 2015.

CHANGES IN THE SUPERVISORY BOARD

At the beginning of 2015 the Supervisory Board was comprised of the following members:

- Johannes Ametsreiter, Chairman of the Supervisory Board
- Günther Ottendorfer, Deputy Chairman of the Supervisory Board
- Silvia Buchinger, Supervisory Board Member
- Reinhard Zuba, Supervisory Board Member
- Siegfried Mayrhofer, Supervisory Board Member.

During the year, Chairman Johannes Ametsreiter, Deputy Chairman Günter Ottendorfer, and members Silvia Buchinger and Reinhard Zuba left the Supervisory Board. Alejandro Douglass Plater joined the Supervisory Board as Deputy Chairman and Bernd Schmutterer as a member. Alejandro Douglass Plater was appointed the Supervisory Board Chairman in August 2015 and Siegfried Mayrhofer was appointed Deputy Chairman.



Selected Performance Indicators

ANALYSIS OF THE PROFIT AND LOSS STATEMENT

In 2015, our total operating revenue increased by 6% compared to 2014. We also recorded a 5% growth in revenue from the sale of goods, which was the result of selling more expensive terminal equipment. Revenue from basic telecommunication services continued to drop due to the strong price pressure from competitors, as well as falling revenue from roaming and interconnections caused by regulated price decreases. Revenue from roaming and interconnections decreased by 45.1% in 2015.

Our earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 33.1% due to one-time operating revenue from an out-of-court settlement, and amounted to 79.9 million EUR. Si.mobil finished the year with a positive EBIT of 56.4 million EUR. This is a 50% increase compared to 2014. Earnings before tax stood at 56.8 million EUR.

At the end of 2015, Si.mobil had 708,536 users, which is a 4% increase compared to the year before. The growth was somewhat higher among subscribers (5.4%), which represent 80.5% of all users.

Average revenue per user (ARPU) decreased compared to 2014 due to price pressure from competitors and the regulation of carrier rates.

ANALYSIS OF THE BALANCE SHEET

Total assets amounted to 275.71 million EUR on 31 December 2015. This is 7.4% or 19.03 million EUR more than a year before.

Long-term assets amounted to 172.35 million EUR, which is 2.85% or 5.06 million EUR less than a year before. The decrease was the highest in long-term property rights, since no new investments were made in radio frequencies in 2015.

Short-term assets amounted to 93.16 million EUR, which is 35.22% or 24.26 million EUR more than a year before. The increase was the highest in cash and short-term receivables.

Equity and reserves amounted to 181.34 million EUR, which is 11.07% or 18.07 million EUR more than a year before. Shareholder equity ratio stood at 65.77%.

Long-term liabilities in the amount of 45 million EUR represented 16.32% of the total assets. This is 7.4% or 3.6 million EUR more than a year before due to a paid off loan.

Short-term liabilities in the amount of 40.47 million EUR represented 14.68% of the total assets. This is 18.7% or 6.38 million EUR more than in 2014. The increase was mostly caused by obligations arising from the corporate income tax.

BUSINESS REPORT



BELOW IS A GENERAL SUMMARY OF OUR FINANCIAL DEVELOPMENT FOR THE YEARS 2015 AND 2014
(IN ACCORDANCE WITH SLOVENIAN ACCOUNTING STANDARDS):

		2015	2014
Income Statement			
Total revenue	mio EUR	211.14	199.21
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	mio EUR	79.86	59.99
Earnings before interest and taxes (EBIT)	mio EUR	56.4	37.6
Financial Profit	mio EUR	0.43	-0.36
Earnings before tax (EBT)	mio EUR	56.83	37.25
Balance Sheet			
Assets	mio EUR	275.71	256.68
Tangible assets	mio EUR	66.61	67.59
Current assets	mio EUR	93.14	68.88
Financial and operating liabilities	mio EUR	85.47	82.69
Equity	mio EUR	181.34	163.27
Selected Performance Indicators			
EBITDA margin	%	37.82	30.11
Investments in tangible fixed assets	mio EUR	14.42	17.02
Average no. of employees		400	415
Number of employees (on 31 December)		375	419
Number of users (on 31 December)		708,536	681,515
Number of subscribers		570,348	541,000



Plans for the Future

In the second half of 2015, Si.mobil entered a new era in Telekom Austria Group, since our owners introduced cluster organizations that will combine forces and utilize products, services, platforms on a bigger scale in the future. Also during 2015, Si.mobil extended its LTE network in order to lead the market on data networks, providing an unparalleled experience for high speed data.

However, the main strategic step for Si.mobil was taken with the acquisition of AMIS, which will enable Si.mobil to join the convergence market, and allow it to offer fixed and mobile services under one umbrella in the future.

In 2016, Si.mobil will – after merging with Amis – extend its portfolio with truly convergent products and services, responding to the increased demand from the customers.

High speed mobile data networks complements high speed fixed internet at home, and Si.mobil will utilize the investment into frequencies to further improve the data experience for its subscribers with smartphones and mobile broadband users.

Si.mobil will never stop striving for great customer experience, and will follow up on the ratings of customers.

After the merger of the two companies, Si.mobil and Amis employees will form an even stronger team of telecommunications professionals, who enjoy see the full support of the management in improving their skills, teamwork and satisfaction. Both companies carry the family friendly enterprise certificate, which is a great base for keeping up our promise to our employees to give them a great place to work.

Last but not least, when it comes to financial performance, Si.mobil will work hard on convincing more customers to join its communities and benefit from its services, we will further exploit cost synergies, and leverage our investments to generate growth that is also required to keep up with the state-of-the-art technologies and continuous investments into the infrastructure.

Transactions with Related Parties

In accordance with article 546 of the Companies Act, the company hereby discloses transactions with related parties.

Based on its legal structure and the types of services it provides, Si.mobil collaborates with related parties in the areas of interconnection, hosting of technical systems, backbone network, services of management workers or experts, terminal devices supply, software solutions etc.

Financial review of operations with related parties is disclosed in the financial report.

In the fiscal year 2015 Si.mobil, d.d., did not perform or omit any acts on the initiative of affiliated companies which would represent a disadvantage for the company.



Risk Exposure

REGULATORY RISKS:

REGULATION OF CALL TERMINATION IN MOBILE AND FIXED NETWORKS

The Agency for Communication Networks and Services of the Republic of Slovenia (AKOS), which regulates and supervises the electronic communications market, conducted an analysis of the relevant market 7 “Voice call termination in individual public mobile telephone networks (carrier market)”. Based on this analysis it imposed new call termination price for calls to the networks of Si.mobil, Telekom Slovenije, Tušmobil, and T-2 in the amount of 0.0114 EUR (excluding VAT), which is in effect since 1 September 2014. The new price had an additional negative impact on revenues and EBITDA in 2015. At the end of 2015 AKOS published the Analysis and proposal for partial changes to the measures in relevant markets 3 and 7. This did not have any consequences in 2015, as the change has not been implemented yet.

THE REGULATION OF ROAMING IN EUROPEAN MOBILE NETWORKS AND THE REGULATION OF ACCESS TO THE OPEN INTERNET – INTERNET NEUTRALITY

On 1 July 2012, the EU Regulation No 531/2012 on roaming in the public mobile communication network in the European Union came into force. With this Regulation the European Union additionally lowered the retail and wholesale prices of international mobile roaming. In accordance with this Regulation the prices were lowered once per year, however this process completed on 1 July 2014. At the same time this Regulation introduced additional measures for promoting competition at the retail as well as the carrier level. These additional measures came into force in 2013 (carrier access for roaming), while the measure of selling regulated retail roaming services separately came into force in 2014.

In September 2013, the European Commission published the Proposal for a regulation laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent, and amending Directives 2002/20/EC, 2002/21/EC, and 2002/22/EC and Regulations (EC) No. 1211/2009 and (EU) No. 531/2012. This Proposal was then partially worked into

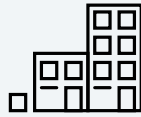
the REGULATION (EU) 2015/2120 of the EUROPEAN PARLIAMENT AND THE COUNCIL of 25 November 2015 on defining the measures related to the access to the open internet, and amendments to the Directive 2002/22/EC on the universal service and the users' rights related to electronic communications networks and services, and the Regulation (EU) No 531/2012 on roaming in public mobile communications networks in the Union. This Regulation brings new developments regarding roaming in the public mobile communication networks in the European Union. It also regulates access to the open internet, where Slovenia is one of the few countries which already has this issue covered in national legislation, the ZEKom-1. The said Regulation did not have any direct or major effect on operations in 2015.

At the beginning of 2015 AKOS found violations to the internet neutrality principle in its supervisory procedures of Telekom Slovenije and Si.mobil (and later also Tušmobil and AMIS). The said companies allegedly violated the Law on Electronic Communications. Si.mobil disagrees with AKOS's findings, and has launched court proceedings against the decision, however, it did adhere to it, and stopped providing the “Hangar Mapa” service with free data transfer (so-called zero rating).

PUBLIC TENDER FOR THE ASSIGNMENT OF RADIO FREQUENCIES

The Public Tender with a Public Auction for Assigning Radio Frequencies for the Provision of Public Communication Services in the 800 MHz, 900 MHz, 1800 MHz, 1800 MHz, 2100 MHz, and 2600 MHz Frequency Bands was completed on 28 April 2014. Si.mobil, Telekom Slovenije, and Tušmobil took part in the auction. Si.mobil obtained two 90 MHz slots of the FDD frequency spectrum, and one 45 MHz slot of the TDD frequency spectrum. For Si.mobil this also included the frequency spectrum with special coverage obligations, as we took the obligation when purchasing the frequencies that within 3 years we would provide coverage to 95% of the population of the Republic of Slovenia with the state of the art LTE technology,

BUSINESS REPORT



which supports broadband internet. Along with that, Si.mobil must bring broadband mobile internet to at least 225 settlements or groups of settlements in rural areas by mid-2017. These are the so-called white spots, which currently have no access or poor access to broadband internet. Fulfilling our obligation will mean that the Republic of Slovenia will take a crucial step towards meeting the requirements of the Digital Agenda for Europe, set by the European Union for its member countries. In 2015 Si.mobil not only fulfilled all the requirements set for the year, but also significantly surpassed them.

In November 2014 the Agency for Communication Networks and Services published that it has begun preparing a new public tender with a public auction for assigning radio frequencies for mobile service provision. It plans to offer frequencies in the 700 MHz, 1400 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 3500 MHz, and 3700 MHz frequency bands at the auction. Based on the strategic guidelines of the Ministry of Education, Science and Sports it became clear that no tender in 2015 or 2016 would include frequencies in the 700 MHz band. The Agency did publish in December 2015 a Draft information memorandum, which presents the conditions for conducting a public tender for the allocation of radio frequencies for providing public communications services in the 1800 and 2100 MHz frequency bands. The document was published in accordance with the first item of the strategic guidelines of the Ministry of Education, Science and Sport.

CODE ON SELF-REGULATION

In March 2014 Si.mobil and 7 other telecommunications operators and the Association of Cable Operators of Slovenia signed The Self-Regulatory Code of Refunds for the Outages or Poor Operations of Public Communication Services of Public Communications Operators in the Republic of Slovenia. The Code sets that the operator is obligated to repay its customers for the damage in the form of a reimbursement, if a certain service does not work or does not work properly. In 2015 the Code on Self-Regulation was reviewed, and according to Si.mobil's experience it serves its purpose well. Si.mobil has often decided to grant the end users' requests.

AGREEMENT ON SETTLING MUTUAL RELATIONS

Si.mobil and Telekom Slovenije signed the Agreement on settling mutual relations on 29 December 2014. By signing this Agreement the companies settled the open issues between one

another, and defined the conditions for future business cooperation. In 2015 all the mutual relations from the Agreement were finally settled.

CREDIT RISK

Company revenues stem from various sources, of which most revenues arise from voice calls and monthly subscriptions. Because the main body of subscribers at the end of 2014 were individuals, the credit risk is widely dispersed and insignificant. Other income sources are connected to sales representatives (for selling mobile phones) and other local and foreign mobile telephony operators (for selling interconnection and international roaming). Previous experience shows that there are no significant risks posed by these activities. As at the date of issue of the balance sheet, there was no significant dependency on any of the above-stated partners.

INTEREST-RATE RISK

In 2014, the company received a long-term loan from the company Mobilkom Beteiligungsgesellschaft MbH in the amount of 54,000,000 EUR.

The company is included in the cash pooling system in the form of overnight term deposits.

The interest-rate on loan and deposit are low, tied to EURIBOR, and there is no significant exposure to interest-rate risks. The company does not use special financial instruments for hedging the interest-rate risks.

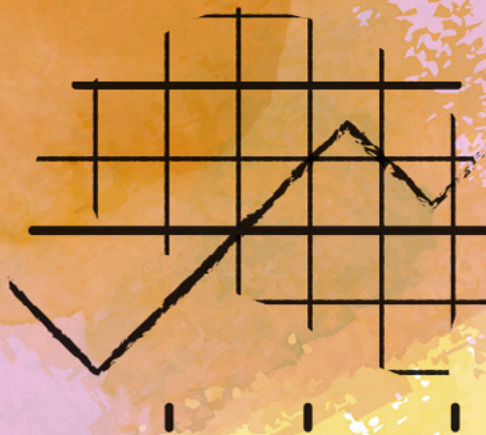
FOREIGN-EXCHANGE RISK

The company's functional currency in 2015 was the Euro. Only a small share of transactions is conducted in USD or other currencies, therefore the currency risk is not considered significant. The company does not use special financial instruments for hedging foreign-exchange risks.

LIQUIDITY RISK

The company gets liquid assets from business operations and from financing, which is based on loans from the owner that are provided when needed. Experience has shown that the company's performance and consequently its financial assets from operations are constantly improving. Implementation of new technologies that demand high up-front investments might require additional financial assets.

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS



2.1. GENERAL DISCLOSURE

2.1.1. INTRODUCTORY PRESENTATION OF THE COMPANY

2.1.1.1. Establishment and Ownership Structure

Si.mobil, telekomunikacijske storitve d.d., Šmartinska 134b, Ljubljana, was entered in the register of companies at the District Court in Ljubljana under the entry number 1/29430/00, decree no. SRG 97/07454 of 6 February 1998.

The company was founded on 23 December 1997. As at 31 December 2015 the ownership structure was as follows::

Shareholder	No. of shares	Structure
Mobilkom Beteiligungsgesellschaft mbH	9,300,000	100.00%
Total	9,300,000	100.00%

Since 2014 Mobilkom Beteiligungsgesellschaft mbH is a part of the American Movil group. American Movil is listed by the United States Securities and Exchange Commission, an agency of the United States federal government.

Company name:	Si.mobil, telekomunikacijske storitve d.d.
Shortened company name:	Si.mobil d.d.
Share capital:	38,781,000 EUR
Company registration no.:	1196332
VAT ID:	SI60595256
Classification code:	61.200
Size of the company:	large joint-stock company under the Companies Act
Financial year:	calendar year

2.1.1.2. Activities of the Company

The principal activity of the company is telecommunication. In addition to telecommunication, other activities have also been registered.

2.1.1.3. Data on the Controlling Company

Si.mobil d.d. is a subsidiary of Mobilkom Beteiligungsgesellschaft mbH, Lassallestrasse 9, Vienna, Austria and is included in its consolidated financial statements (for more information refer to www.telekomaustria.com). The consolidated financial statements of Mobilkom are included in the consolidated financial statements of Telekom Austria AG, Lassallestrasse 9, Vienna, Austria. In the financial statements of Si.mobil d.d., the enterprises of Telekom Austria AG are treated as Group enterprises.

FINANCIAL STATEMENTS



2.1.1.4. Employees

- the number of employees at the end of the 2015 business year was 375 (419 at the end of business year 2014);
- the average number of employees in the 2015 business year was 400;
- number of employees by education level:

NUMBER OF EMPLOYEES BY EDUCATION LEVEL

Education level	2015	2014
Vocational education or less	18	20
Secondary school	137	144
Higher education, 2-year school	50	60
Higher education, 3-year school	57	66
Univesary education	95	113
Postgraduate education	17	15
PhD	1	1
Total	375	419

2.1.2. Statement of the Management

The Management Board is responsible for preparing the Annual Report so that it represents a true and fair view of the company's financial position and the results of its operation for the year 2015.

The Management Board confirms that appropriate accounting policies were consistently used and that accounting estimates were made following the principles of prudence and good management. The Management Board also confirms that the financial statements and the accompanying notes were prepared on the basis of a presumption of business continuity, and in accordance with the valid legislation and Slovenian Accounting Standards.

The Management Board is also responsible for appropriately managed accounting, for the adoption of appropriate measures for protecting the assets, and for the prevention and detection of fraud and other irregularities or illegal activities. The tax authorities may at any time within 5 years after the year in which tax should have been levied verify the operations of the company, which may result in additional tax liabilities, interest and penalties from corporate income tax or other taxes and duties. The Management Board is not aware of any circumstances that could lead to a potential liability in this respect.

Dejan Turk
CEO

Natali Delić
CTO

Andreas Graf
CFO

Ljubljana, 25 January 2016



2.2. AUDITOR'S REPORT



This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the owner of Si.mobil d.d., Ljubljana

Report on the Financial Statements

We have audited the accompanying financial statements of Si.mobil d.d., which comprise the statement of financial position as at December 31, 2015, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Slovenian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Si.mobil d.d., as of December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Slovenian Accounting Standards.

Other matter

The financial statements of Si.mobil d.d. for the year ended December 31, 2014 were audited by another auditor, who expressed an unmodified opinion on those statements on January 23, 2015.

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the business report in accordance with the Slovenian Companies Act. Our responsibility is to assess whether the business report is consistent with the audited financial statements. Our work regarding the business report is performed in accordance with ISA 720, and restricted to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non-audited financial records.

The business report is consistent with the audited financial statements.

Ljubljana, January 29, 2016

Sanja Košir Nikašinović
Director
Ernst & Young d.o.o.
Dunajska 111, Ljubljana

 ERNST & YOUNG
Revizija, poslovno
svetovanje d.o.o., Ljubljana


Lidija Šinkovec
Certified Auditor

Ernst & Young Global Limited

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2.3. BALANCE SHEET AS AT 31 DECEMBER 2015

in EUR	Notes	31.12.2015	31.12.2014	
ASSETS		275,713,567	256,679,633	
A. LONG-TERM ASSETS		172,352,332	177,415,742	
I.	Intangible assets and long-term deferred costs and accrued revenue	2.9.1.1.	94,920,633	99,729,216
1.	Long-term property rights		77,312,439	83,499,428
5.	Other long-term deferred costs and accrued revenue		17,608,194	16,229,788
II.	Property, plant and equipment	2.9.1.2.	66,605,475	67,589,503
1.	Land		9,039	9,039
3.	Other plant and equipment		57,853,593	59,451,076
4.	Property, plant and equipment in acquisition		8,742,843	8,129,388
a)	Property, plant and equipment under construction		8,742,843	8,129,388
IV.	Long-term financial investments	2.9.1.3.	1,764,039	1,764,039
č)	Other long-term financial investments		1,764,039	1,764,039
V.	Long-term receivables	2.9.1.4.	6,984,532	6,412,103
2.	Long-term operating receivables		6,915,436	6,357,558
3.	Other long-term receivables		69,096	54,545
VI.	Deffered tax assets	2.9.1.5.	2,077,653	1,920,881
B. CURRENT ASSETS		93,135,395	68,875,606	
II.	Inventories	2.9.1.6.	5,329,769	5,126,576
4.	Goods		5,329,769	5,126,576
IV.	Short-term operating receivables	2.9.1.7.	44,144,118	40,956,701
1.	Short-term operating receivables due from group companies		2,055,845	1,714,284
2.	Short-term trade receivables		41,274,300	34,996,604
3.	Short-term operating receivables due from others		813,973	4,245,813

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V.	Cash	2.9.1.8.	43,661,508	22,792,329
C.	SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE	2.9.1.9.	10,225,840	10,388,285
	OFF-BALANCE SHEET ITEMS	2.9.1.15.	2,620,202	31,660,964

in EUR		Note	31.12.2015	31.12.2014
EQUITY AND LIABILITIES			275,713,567	256,679,633
A	EQUITY	2.9.1.10.	181,344,711	163,273,409
I.	Called-up capital		38,781,000	38,781,000
1	Share capital		38,781,000	38,781,000
II.	Capital surplus		83,941,657	83,941,657
III.	Profit reserves		3,878,100	3,878,100
1.	Statutory reserves		3,878,100	3,878,100
IV.	Surplus from revaluation		-69,957	-73,984
V.	Retained net profit		6,746,636	45,810
VII.	Net profit for the financial year		48,067,275	36,700,826
B	PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE	2.9.1.11.	4,906,773	6,571,682
1	Provisions for pensions and other similar liabilities		522,355	489,062
2	Other long-term provisions		4,224,167	5,778,231
3	Long-term accrued costs and deferred revenue		160,251	304,389
C	LONG-TERM LIABILITIES	2.9.1.12.	45,000,000	48,600,000
I.	Long-term financial liabilities		45,000,000	48,600,000
1	Long-term financial liabilities to group companies		45,000,000	48,600,000
Č	SHORT-TERM LIABILITIES	2.9.1.13.	40,467,563	34,092,070
II.	Short-term financial liabilities		3,922,973	3,967,349
1	Short-term financial liabilities to group companies		3,922,973	3,967,349

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III.	Short-term operating liabilities		36,544,590	30,124,721
1	Short-term operating liabilities to group companies		2,446,257	2,718,699
2	Short-term trade payables		22,765,200	24,751,671
3	Other short-term operating liabilities		11,333,133	2,654,351
D	SHORT-TERM ACCRUES COSTS AND DEFERRED REVENUE	2.9.1.14.	3,994,520	4,142,472
	OFF-BALANCE SHEET ITEMS	2.9.1.15.	2,620,202	31,660,964

The accounting policies and notes on pages 28 to 68 are an integral part of these financial statements.

FINANCIAL STATEMENTS



2.4. PROFIT AND LOSS STATEMENT FOR 2015 – VERSION I

in EUR	Note	2015	2014
1 Net sales	2.9.2.1.	173,941,511	193,906,077
3 Capitalized company products and services		114,682	0
4 Other operating revenue (including revaluation operating revenue)	2.9.2.2.	37,086,536	5,300,720
5 Costs of goods, materials and services	2.9.2.3.	106,258,261	115,544,229
a) Costs of goods and materials sold and costs of materials used		31,042,931	27,875,044
b) Costs of services		75,215,330	87,669,185
6 Labour costs	2.9.2.4.	18,899,357	17,155,770
a) Payroll costs		13,397,679	12,999,322
b) Social security costs		2,751,003	2,552,087
c) Other labour costs		2,750,675	1,604,361
7 Write-downs in value		27,777,390	26,978,891
a) Depreciation and amortisation expense	2.9.2.5.	23,459,327	22,386,477
b) Revaluation operating expenses associated with intangible assets and property, plant and equipment		94,822	108,322
c) Revaluation operating expenses for working capital	2.9.2.6.	4,223,241	4,484,092
8 Other operating expenses	2.9.2.7.	1,804,205	1,924,660
Operating result (EBIT)		56,403,516	37,603,247
11 Financial revenue from operating receivables	2.9.2.8.	2,145,789	1,042,638
a) Financial revenue from operating receivables due from group companies		0	706
b) Financial revenue from operating receivables due from others		2,145,789	1,041,932
13 Financial expenses for financial liabilities	2.9.2.9.	1,378,731	1,155,126
a) Financial expenses for loans received from group companies		1,378,731	1,155,126
b) Financial expenses for loans received from banks			
14 Financial expenses for operating liabilities	2.9.2.10.	339,156	244,655
b) Financial expenses for trade payables and bills payable		17,164	5,988
c) Financial expenses for other operating liabilities		321,992	238,667

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	Total profit before taxes		56,831,418	37,246,104
17	Income tax	2.9.2.12.	-8,921,740	-567,336
18	Deferred taxes	2.9.2.13.	157,597	22,058
19	Net profit for the period	2.9.2.11.	48,067,275	36,700,826

2.5. OTHER COMPREHENSIVE INCOME

in EUR	2015	2014
Net profit for the period	48,067,275	36,700,826
Actuarial gains/losses recognized in the surplus from revaluation	4,027	-73,984
Other comprehensive income	48,071,302	36,626,842

The accounting policies and notes on pages 28 to 68 are an integral part of these financial statements.

FINANCIAL STATEMENTS



2.6. STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1.1.2015 TO 31.12.2015 – VERSION II

in EUR	2015	2014
A CASH FLOWS FROM OPERATING ACTIVITIES		
a) Items from income statement	74,030,788	60,350,751
Operating revenue (except for revaluation) and financial revenue from operating receivables	210,095,910	200,249,434
Operating expenses excluding depreciation or amortisation (except for revaluation) and financial expenses from operating liabilities	-127,300,979	-139,353,406
Income taxes and other taxes not included in operating expenses	-8,764,143	-545,277
b) Changes in net operating assets in balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	-380,991	-17,005,389
Opening less closing operating receivables	-5,006,046	-13,544,288
Opening less closing deferred costs and accrued revenue	162,445	-768,026
Opening less closing deferred tax assets	-156,772	-37,212
Opening less closing inventories	12,374	-147,251
Closing less opening operating liabilities	6,419,869	-1,745,650
Closing less opening accrued costs and deferred revenue and provisions	-1,812,861	-762,962
c) Net cash flows from operations or net cash flows applied to operations (a+b)	73,649,797	43,345,363
B CASH FLOWS FROM INVESTING ACTIVITIES		
a) Receipts from investing activities	0	0
Receipts from investing activities related to intangible fixed assets	0	0
b) Cash payments for investing activities	-17,761,538	-88,066,141
Cash payments to acquire intangible assets	-4,508,188	-72,639,175
Cash payments to acquire property, plant and equipment	-13,253,350	-15,426,966
Cash payments to acquire long-term financial investments	0	0
c) Net cash flows from investing activities or net cash flows applied to investing activities (a+b)	-17,761,538	-88,066,141
C CASH FLOWS FROM FINANCING ACTIVITIES		
a) Receipts from financing activities	-44,376	52,567,349
Receipts from long-term financial liabilities increase	0	48,600,000
Receipts from short-term financial liabilities increase	-44,376	3,967,349
b) Cash payments for financing activities	-34,974,704	-32,529,110
Interest paid on financing activities	-1,378,731	-1,155,126

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	4,027	-73,984
Gains/losses recognized in the revaluation surplus		
	-3,600,000	0
Cash repayments of short-term financial liabilities		
	-30,000,000	-31,300,000
Dividends paid		
c) Net cash from financing activities or net cash flows applied to financing activities (a+b)	-35,019,080	20,038,238
D CLOSING BALANCE OF CASH	43,661,508	22,792,329
x) Net cash inflow or outflow for the period	20,869,179	-24,682,540
y) Opening balance of cash	22,792,329	47,474,869

The accounting policies and notes on pages 28 to 68 are an integral part of financial statements.

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2.7. STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

in EUR	Share capital	Capital reserves	Statutory reserves	Revaluation surplus	Retained earnings	Net profit for the period	Total capital
	I	II	III	IV	V	VI	VII
Business events							
A.1. Closing balance as at 31.12.2014	38,781,000	83,941,657	3,878,100	-73,984	45,810	36,700,826	163,273,409
A.2. Opening balance as at 1.1.2015	38,781,000	83,941,657	3,878,100	-73,984	36,746,636	0	163,273,409
B.1. Changes in share capital	0	0	0	0	-30,000,000	0	-30,000,000
g) Dividend payments	0	0	0	0	-30,000,000	0	-30,000,000
B.2. Total comprehensive income for the period	0	0	0	4,027	0	48,067,275	48,071,302
a) Net profit for the period	0	0	0	0	0	48,067,275	48,067,275
e) Settlement of loss as a deduction component of capital	0	0	0	4,027	0	0	4,027
B.3. Changes in capital	0	0	0	0	0	0	0
b) Allocation of profit as capital by the resolution of management or supervisory board	0	0	0	0	0	0	0
c) Allocation of profit as capital by the resolution of general assembly	0	0	0	0	0	0	0
C. Closing balance as at 31.12.2015	38,781,000	83,941,657	3,878,100	-69,957	6,746,636	48,067,275	181,344,711

The accounting policies and notes on pages 28 to 68 are an integral part of financial statements.

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B) STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2014 TO 31 DECEMBER 2014

in EUR	Share capital	Capital reserves	Statutory reserves	Revaluation surplus	Retained earnings	Net profit for the period	Total capital
Business events	I	II	III	IV	V	VI	VII
A.1. Closing balance as at 31.12.2013	38,781,000	83,941,657	3,878,100	0	12,731	31,333,079	157,946,567
A.2. Opening balance as at 1.1.2014	38,781,000	83,941,657	3,878,100	0	31,345,810	0	157,946,567
B.1. Changes in share capital	0	0	0	0	-31,300,000	0	-31,300,000
g) Dividend payments	0	0	0	0	-31,300,000	0	-31,300,000
B.2. Total comprehensive income for the period	0	0	0	-73,984	0	36,700,826	36,626,842
a) Net profit for the period	0	0	0	0	0	36,700,826	36,700,826
e) Settlement of loss as a deduction component of capital	0	0	0	-73,984	0	0	-73,984
B.3. Changes in capital	0	0	0	0	0	0	0
b) Allocation of profit as capital by the resolution of management or supervisory board	0	0	0	0	0	0	0
c) Allocation of profit as capital by the resolution of general assembly	0	0	0	0	0	0	0
C. Closing balance as at 31.12.2014	38,781,000	83,941,657	3,878,100	-73,984	45,810	36,700,826	163,273,409

The accounting policies and notes on pages 28 to 68 are an integral part of financial statements.

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The company has formed available profit in accordance with Companies Act (ZGD). The company has formed legal reserves in the prescribed amount. The Management Board will propose the profit distribution to shareholders and for part of the profit to be transferred into the following year. The decision on the distribution of the available profit is taken by the general assembly on the basis of a proposal of the Management Board and the Supervisory Board.

AVAILABLE PROFIT/LOSS

in EUR	2015	2014
a) Net profit or loss for the period	48,067,275	36,700,826
b) + retained loss from previous periods	6,746,636	45,810
c) + decrease in revenue reserves	0	0
č) - increase in profit reserves based on a decision of the Management Board (legal reserves, reserves for own shares and interests, and reserves under articles of association)	0	0
d) - increase in profit reserves based on a decision of the management and the supervisory board (other profit reserves)	0	0
e) = Available profit (a+b+c-č-d) appropriated by the annual general meeting of shareholders as follows:	54,813,911	36,746,636
- distributed to shareholders	0	0
- allocated to other reserves	0	0
- carried forward to the following period and	0	0
- appropriated for other purposes	0	0
or		
= Accumulated loss	0	0

The accounting policies and notes on pages 28 to 68 are an integral part of financial statements.

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2.8. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

2.8.1. PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with Slovenian Accounting Standards 2006 issued by the Slovenian Institute of Auditors.

The financial statements are in euros, which is the company's functional currency, and rounded off to a full unit.

In the preparation of financial statements the management of the company has made certain judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The company does not have any defined service line or geographical sectors.

The basis for measuring economic categories in the financial statements are original historical cost and final fair values, as evident from accounting records.

Financial statements for the year 2015 are comparable to the financial statements for the year 2014, except in cases where changes were made to the accounting estimates. The accounting estimate was changed for the recognition of revenue from connection fees. The effect of the change in the accounting policies in the amount of 1.3 million EUR is insignificant, and therefore the opening balance is not shown as if it has always been so (retroactively corrected).

2.8.2. EXCHANGE RATE AND THE METHOD OF TRANSLATION INTO LOCAL CURRENCY

Business events conducted in a foreign currency are recalculated into EUR according to the valid exchange rate of the European Central Bank (ECB) on the date of the business event. Foreign exchange differences between the date of the transaction and the day of payment are recorded in the profit and loss statement as financial revenue or expenses.

Operating receivables and liabilities in a foreign currency are recalculated into EUR according to the valid ECB exchange rate on the date of the balance. Financial liabilities in a foreign currency are recalculated into EUR according to the valid ECB exchange rate on the date of the balance. Cash and long-term and short-term financial assets in a foreign currency are recalculated into EUR according to the valid ECB exchange rate on the date of the balance. Foreign exchange differences arising from these transactions are recorded in the profit and loss statement as financial revenue or expenses.

2.8.3. INTANGIBLE ASSETS AND LONG-TERM DEFERRED COSTS AND ACCRUED REVENUES

Intangible assets comprise investments into property rights. The company has chosen the cost model and hence measures intangible assets at costs of purchase less accumulated straight-line amortisation and impairment adjustments. Borrowing costs which can be directly attributed to the purchase, construction or the production of a qualifying asset are part of the cost of the said asset. Other borrowing costs are recognized as expenditure in the period in which they were incurred. Borrowing costs include interest and other costs arising from borrowing financial assets.

The company checks the values of intangible assets at the end of each year, looking for any potential impairment. If there is any evidence that the assets have been impaired, the assets' recoverable amount is estimated. If there is evidence of impairment, the company also estimates the remaining useful life of the asset and the method of amortization.

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Subsequent expenditures incurred in relation with intangible assets increase the purchase value of an asset if its future benefits are increased compared to those assessed originally. Major repairs or maintenance are intended to renew or maintain the future economic benefits that are expected on the basis of the originally estimated rate of performance of an asset and are recognised as expenses when incurred.

Long-term deferred costs and accrued revenue refer to long-term deferred subscriber acquisition costs, long-term deferred connection fees for data lines and long-term deferred rents for base station sites. Subscriber acquisition costs are incurred by subsidising the handsets and are deferred over the (typically) two-year subscription agreement. Customer acquisition costs (from subsidized phones) are deferred in the amount of:

- the difference between the purchase price for the customer and the purchase price for the reseller (for those sold through resellers)
- the difference between the purchase price for the customer and the purchase price for the company (for those sold through shops and representatives).

The subsidised handset costs are decreased by the estimated subscriber churn, connection fees are deferred in the period of the granted radio-frequencies, whereas rents are deferred over the contractual rent period.

2.8.4. PROPERTY, PLANT AND EQUIPMENT

The company has chosen the cost model and hence measures property, plant and equipment at costs of purchase less accumulated straight-line depreciation and impairment adjustments.

The acquisition value of property, plant and equipment includes its purchase price, including import duties and non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, especially costs of transport and installation. Borrowing costs which can be directly attributed to the purchase, construction or the production of a qualifying asset are part of the acquisition value of the said asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest and other costs arising from borrowing financial funds.

Own produced assets are recognised and measured at costs of material, own work and the related part of overhead costs. The company has included in the acquisition value all the costs of employee compensations arising directly from the purchase or the construction of an asset since September 2015. In 2015, the company included in acquisition value the cost of employee allowances in the amount of 114,682 EUR. The acquisition value of certain assets (base stations) also includes the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs contractually. The costs of dismantling and removing the item are estimated based on contractor prices for each type of base station, increased for inflation until the estimated period of dismantling and discounted to their present value.

Donated property, plant and equipment is measured at fair value.

In case an item of property, plant and equipment is composed of separate components of higher value with different useful lives, the components are recognised and measured separately.

Subsequent expenditures incurred in relation with property, plant and equipment increase the purchase value of

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an asset if its future benefits are increased compared to those assessed originally. Major repairs or maintenance are intended to renew or maintain the future economic benefits that are expected on the basis of the originally estimated rate of performance of an asset and are recognised as expenses when incurred.

The carrying amounts of the company’s property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. The recoverable amount of property, plant and equipment is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The difference between the net sales value and the net book value of disposed or liquidated assets is transferred to revaluation operating revenue or expense.

2.8.5. DEPRECIATION AND AMORTISATION COSTS

Property, plant and equipment and intangible assets are depreciated and amortised on a straight-line basis. Low-value assets are depreciated using the composite-life method of depreciation. Land is not depreciated.

Property, plant and equipment are subject to depreciation on the first day of the month after they have been ready for operation. An intangible asset is subject to amortisation when ready for use.

AMORTIZATION RATES ARE BASED ON THE ESTIMATED USEFUL LIFE AND AMOUNT TO:

Item	Useful life (in years) 2015
Intangible assets	
Radio-frequencies	15 or in accor. with the decisions
Software and licences	1–5
Property, plant and equipment	
Base stations and mobile switches	5–15
Computer equipment	3–4
Investment in other fixed assets	10
Other equipment	5–7
Low-value assets and spare parts	2–3

Amortization and depreciation rates remained unchanged in 2015.

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2.8.6. LONG-TERM FINANCIAL INVESTMENTS

Among long-term financial investments, the company records equity investments in subsidiaries that are not quoted on the Stock Exchange and are measured at cost of purchase.

On the balance sheet date, the company verifies whether there are any objective reasons for impairing financial investments. Objective reasons for impairment are major financial problems of the debtor (e.g. liquidity problems), which could arguably lead to the conclusion on a future bankruptcy. In this event an allowance in the initial value should be booked against the revalued financial expenditures.

2.8.7. RECEIVABLES

Receivables of all categories are initially recognised at the nominal amounts stated in the accounting documents less allowance for doubtful receivables, which is based on past experience and future expectations.

Subsequent write-off of receivables is subject to the availability of substantiating documents, such as a court decision, a decision on compulsory settlement, a decision on bankruptcy proceedings and other documents.

Provisions are created for receivables that are believed to be uncollectible by their due date (as stipulated in a contract or other official document) or that are overdue, or are deemed doubtful, and a valuation allowance is calculated for their value. The allowance for receivables is formed based on experience from previous years, as follows:

- overdue by 1 to 30 days 5%;
- overdue by 31 to 90 days 40%;
- overdue by 91 to 180 days 60%;
- overdue by 181 to 360 days 90%;
- overdue by more than 361 days 100%;

The accounting estimate regarding the calculation of the value of allowances did not change in 2015.

Allowances for doubtful receivables are formed and charged to revaluation operating expenses.

Receivables from operations are not insured.

2.8.8. INVENTORIES

Inventories are valued at cost which consists of the purchase price with all the discounts detailed on the invoice, the import and other non-refundable purchase taxes, and direct costs of acquisition. The cost price for inventory units is determined using the moving average method. Costs of inventories comprise of: purchase price, import duties and other non-refundable duties, and other directly attributable costs of acquisition, such as costs of transportation, forwarding charges, customs clearance charges, and import charges.

The write down of the value is formed based on experience from operations in accordance with the expected 5% monthly decline of phone device prices.

Net realizable price of inventories is the estimated selling price less costs related to the sale.

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2.8.9. CASH

Cash includes cash in hand, cash in banks, cash in transit and callable deposits. Cash is carried at nominal value.

2.8.10. EQUITY

The total equity comprises of share capital, capital surplus, legal reserves, revalued correction of the capital from actuarial gains and losses from forming provisions for severance pay, transferred net profit from previous years, and the previously undistributed net profit from the financial year.

The total equity of the company is the sum of its liabilities to owners that fall due if the company discontinues its operations. It is determined by the amounts invested by the owners, and with amounts generated during operations that belong to the owners.

Share capital is recorded in local currency.

2.8.11. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUES

A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risk specific to the liability.

Provisions include long-term service benefits other than pension plans, which are measured at the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is formed based on actuarial calculation and is discounted to its present value. The current service cost falls under labour costs, the costs of interest under financial expenses, unrealized actuarial gain/loss are recognized through other comprehensive return on capital as revaluation surplus.

Provisions are recognized when a present legal or constructive obligation which can be reliably estimated, has arisen as a result of a past event, and it is probable that settling the obligation will require an outflow of resources embodying economic benefits. Potential obligations are not recognized in financial statements, as their existence is yet to be confirmed by future events which cannot be predicted.

Provisions also include the asset retirement obligation for the location of base stations, based on contractual obligations. The obligation is calculated based on contractor prices for each type of base station, increased for inflation until the estimated period of dismantling and discounted to their present value. The obligation is increasing due to passage of time.

Long-term accrued costs and deferred revenue include long-term deferred revenue for assets acquired free of charge. The deferral is released in line with depreciation of the fixed assets.

2.8.12. LIABILITIES

Operating liabilities are suppliers' loans for good or services purchased, liabilities to employees for work provided, obligations to financiers related to interest and similar items, obligations to the state related to taxes, including the charged value added tax, and obligations related to the distribution of the profit or loss.

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Financial liabilities are loans obtained on the basis of loan agreements, and debt securities issued.

Liabilities of all categories are initially stated at their cost from appropriate documents (without the transaction fees). Liabilities are decreased either by paid amounts or by other forms of settlement approved by the creditor. The portion of long-term liabilities payable within one year is shown under current liabilities.

2.8.13. SHORT-TERM ACCRUED AND DEFERRED ITEMS

Short-term deferred costs include amounts paid for services not yet rendered. Revenues are accrued when the company has considered the service rendered but where no invoice has yet been issued to the customer and no payment has been received.

Accrued costs include costs incurred and services rendered by suppliers, where supporting documents are yet to be received. They relate to the accounting period for which the operating result is to be determined. Revenues are deferred when the company has invoiced the customer or when payment has been received for services it has agreed to render in the future.

2.8.14. RECOGNITION OF REVENUES

Operating revenues comprise revenues earned from sales of goods and services in the accounting period. They are recognised in the profit and loss statement under the following conditions:

- goods have been delivered or services have been performed;
- the risk has passed to the buyer;
- the revenue can be reliably measured;
- it can be justifiably expected that the revenues will lead to cash inflows.

Revenue is measured excluding VAT, taxes and discounts associated with the sale.

Revenue from services relates to telecommunications and comprises amounts charged to customers in respect of monthly fixed fees, airtime usage, messaging, provision of other telecommunications services (including data services and information provision) and connection fees for connecting customers to the network.

Since September 2015 the company has been recognizing revenue from connection fees for the whole period of the subscriber's contract of 24 months. In the past the company recognized the revenue from connection fees immediately when they were charged to the customer. The effect of the change in the accounting policy is insignificant, and therefore the opening balance is not shown as if it has always been so (retroactively corrected).

Fixed fees and airtime are invoiced and recorded periodically and recognised as turnover over the related period. Unbilled turnover resulting from services provided from the billing cycle date to the end of each period is accrued. Revenue from the sale of prepaid airtime is deferred until such time as the customer uses the airtime.

Roaming revenues for visitors in the Si.mobil network are charged on a monthly basis to roaming partners.

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Revenue from the sale of goods is primarily related to handsets and accessories. The handsets are sold to end-customers at a subsidised price. The costs related to this are deferred over the whole period of the subscription contract, and gradually transferred to costs of services, generally over a period of two years.

Customer acquisition costs (from subsidized phones) are deferred in the amount of:

- the difference between the purchase price for the customer and the purchase price for the reseller (for those sold through resellers)
- the difference between the purchase price for the customer and the purchase price for the company (for those sold through shops and representatives).

Revaluation operating revenues result from the disposal of tangible and intangible fixed assets.

Financial revenues (including revaluation financial revenues) are revenues from interests and foreign exchange gains.

2.8.15. RECOGNITION OF EXPENSES

Operating expenses are recognised when the goods are sold or the service is rendered. Payments made under operating lease are recognised in the income statement on a straight-line basis over the term of the lease.

Revaluation operating expenses are recognised when revaluation is performed.

2.8.16. TAXES

Tax expense (income) in the profit and loss for the year refers to current tax expense (income) and deferred tax expense (income).

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantially enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred taxes derive from the deductible temporary differences based on the balance sheet liability method, where temporary differences between the book and tax value of assets and liabilities are considered.

Deferred tax assets are recognised if there is assurance beyond reasonable doubt that future taxable income would be sufficient to allow the benefit to be realised. Deferred tax assets are reduced by the amount, for which it is no longer considered probable that the tax benefit would be realised.

Deferred tax is recognized directly against equity, if the tax relates to the items recognized directly against equity. The company has not recognized any deferred taxes directly against the equity.

2.8.17. STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the indirect method of reporting cash flow, taking into account data from the balance sheet as at 31 December 2014, the balance sheet as at 31 December 2013, the profit and loss statement for the year 2014, and additional data, which are required to adjust inflows and outflows and to adequately itemise significant items.

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The cash flow statement comprises cash flows from operating, investing and financing activities.

The cash flows from operating activities are calculated based on the profit and loss statement of the accounting period, adjusted for the change in inventories, accounts receivable, short-term accrued and deferred items, accounts payable, deferred taxes and corporate income tax.

The cash flows from investing activities comprise cash flows related to acquisition and disposal of intangible and tangible fixed assets.

The cash flows from financing activities include changes in amount or composition of equity, increase or decrease of debts and dividend payments.

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2.9. NOTES TO THE FINANCIAL STATEMENTS

2.9.1. BALANCE SHEET

2.9.1.1. Intangible assets and long-term deferred costs and accrued revenue **94,920,633 EUR**

Item	31.12.2015	31.12.2014
Long-term property rights	77,312,439	83,499,428
Fee for additionally awarded radio-frequency spectrum	65,344,319	69,622,342
Software and licences	11,968,120	13,877,086
Long-term deferred costs and accrued revenue	17,608,194	16,229,788
Investment in fixed assets owned by third parties	2,160,980	2,403,223
Long-term deferred costs for usage of data lines	3,911,275	1,716,542
Long-term deferred costs for usage of land for base stations	476,422	1,736,671
Long-term deferred costs of customer acquisition	11,059,517	10,373,352
Total	94,920,633	99,729,216

Radio-frequencies

In 2015 there were no investments in radio frequencies. (2014: 65,277,500 EUR).

Software and licences

In 2015, additions to software and licences amounted to 2,530,836 EUR (2014: 7,641,218 EUR).

In 2015 an impairment test was conducted for fixed assets on the basis of discounted future cash flows for the cash-generating unit. The impairment test included plan for the 2016–2019 period, the discount rate before tax of 7.5% and long-term growth rate of 0.6%. The need for impairment has not been established.

Refer to Appendix 1 for a table of movements in intangible assets and long-term deferred costs and accrued revenue.

Commitments

As at 31 December 2015 the company did not have commitments for the purchase of intangible assets.

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2.9.1.2. Property, Plant and Equipment 66,605,475 EUR

Item	31.12.2015	31.12.2014
Land	9,039	9,039
Base stations and mobile switches	43,390,552	44,143,967
Computer equipment	1,368,989	1,494,908
Investment in fixed assets owned by third parties	3,161,741	3,579,286
Other equipment	9,744,408	10,032,914
Low value assets and spare parts	187,903	200,001
Tangible fixed assets under construction	8,742,843	8,129,388
Total	66,605,475	67,589,503

Land

Land includes land that has been purchased in order to ensure access to base stations. There were no new investments in land during 2015.

Base stations and mobile switches

In 2015, additions to base stations and mobile switches amounted to 10,478,686 EUR (2014: 11,415,214 EUR). The estimated useful life of base stations is 5 years for equipment and 15 years for infrastructure assets. The straight-line method of depreciation is used.

Book value of assets retirement costs included in the base stations value amounted to 1,249,253 EUR as at 31 December 2015 (2014: 2,516,967 EUR).

When calculating the provisions for the decommissioning costs as at 31 December 2015, the company has applied the following:

- discount rate 2% (2014: 2%)
- inflation rate 1% (2014: 2%).

Based on the changes to the decommissioning costs and the rate of inflation the company recognized a decrease of assets in the amount of 1,416,218.30 EUR in 2015 (2014: 1,552,851 EUR).

Other plant and equipment

In 2015, other additions to property, plant and equipment included additions to computer equipment in the amount of 746,786 EUR (2014: 870,234 EUR), other equipment in the amount of 3,191,033 EUR (2014: 4,744,238 EUR) and low-value assets and spare parts in the amount of 200,831 EUR (2014: 124,508 EUR).

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Property, plant and equipment under construction and advances for acquisition of property, plant and equipment

The item includes investments in base stations and mobile switches as well as investments in materials, which are required for network construction. Property, plant and equipment under construction also include investments in IT equipment related to base stations.

Refer to Appendix 2 for a table of movements in property, plant and equipment.

Mortgages

As at 31 December 2015, no fixed assets were pledged as security (2014: no fixed assets were pledged as security).

Commitments

The amount of commitments for the purchase of property, plant and equipment amounted to 939,036 EUR on 31 December 2015 (2014: 1,511,360 EUR).

2.9.1.3. Long-Term Financial Investments 1,764,039 EUR

Long-term financial investment in the amount of 10,000 EUR refer to an investment to Sklad Si.voda (2014: 10,000 EUR), which is fully owned of the company, and an investment to ICT Technology Network Institute in the amount of 750 EUR (2014:750 EUR) and investment in TA Mreža d.o.o., in the amount of 1,753,289 EUR (2014: 1,753,289 EUR), which is fully owned by the company.

On 31 December 2015, found Si.voda had 10,000 EUR (2014: 10,000 EUR) of initial investment and 90.13 EUR of total assets (2014: 122,219 EUR). Revenues in 2015 amounted to 2,886 EUR (2014: 59,125 EUR), and surplus of expenses stood at 122,513 EUR (2014: 11,903 EUR).

The company TA Mreža, d.o.o. had 1,996,038 EUR of equity (2014: 1,922,681 EUR) and 2,030,919 EUR of total assets as on 31 December 2015 (2014: 1,967,189 EUR). Revenues in 2015 amounted to 479,850 EUR (2014: 520,015 EUR) and net profit to 73,364 EUR (2014: 89,242 EUR).

The consolidated financial statements were not prepared, since the existing investments do not exceeded the materiality threshold for a true and fair presentation in accordance with paragraph 6 of Article 56 of the Companies Act.

2.9.1.4. Long Term Receivables 6,984,532 EUR

Long-term operating receivables include long-term debt securities given to the company Euromarkt d.o.o. in the amount of 44,686 EUR (2014: 33,135 EUR), to the company Globus trgovina d.o.o. in the amount of 12,750 EUR (2014: 12,750 EUR), to the company GF nepremičnine in the amount of 3,523 EUR (2014: 3,523 EUR), to the company BTC d.d. in the amount of 3,000 EUR (2014: 0 EUR), and to the company Mercator d.d. in the amount of 5,137 EUR (2014: 5,137 EUR). Receivables from selling handsets in instalments in the amount of 6,915,436 EUR (2014: 6,357,558 EUR) are recognized as long-term operating receivables.

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2.9.1.5. Deferred Tax Assets 2,077,653 EUR

in EUR	31.12.2015	31.12.2014
From deductible temporary differences	2,077,653	1,920,881
Total	2,077,653	1,920,881

The company has deferred liabilities for taxes in the amount of 2,077,653 EUR: from allowances for liabilities which were non-tax deductible in the amount of 1,834,551 EUR (2014: 1,666,177 EUR), non-tax deductible provisions in the amount of 191,325 EUR (2014: 306,511 EUR), and the differences arising from differences in the amortization and depreciation for operating and tax purposes in the amount of 51,777 EUR (2014: liability of 51,806 EUR).

Management believes that in the future the company will generate enough taxable profit, against which all deferred tax receivables will be reported.

In EUR	Deferred tax receivables 01.01.2015	Additions	Reversals	Spending	Deferred tax receivables 31.12.2015	Deferred tax receivables 31.12.2014
From temporary differences arising from revaluation of assets	1,666,177	569,903	0	-401,529	1,834,551	1,666,177
From temporary differences from provisions	306,510	34,684	0	-149,869	191,325	306,511
From temporary differences arising from different tax recognised and financial depreciation period	-51,806	271,337	0	-167,754	51,777	-51,807
Total	1,920,881	875,924	0	-719,152	2,077,653	1,920,881

2.9.1.6. Inventories 5,329,769 EUR

Inventories include inventories of goods, which comprises mobile phones, prepaid packages and handset accessories as well as other goods.

In EUR	Gross amount	Allowances	Net amount 31.12.2015	Net amount 31.12.2014
Products and goods	5,870,511	540,742	5,329,769	5,126,576
Total	5,870,511	540,742	5,329,769	5,126,576

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In EUR	Gross amount	Allowances	Net amount 31.12.2014	Net amount 31.12.2013
Products and goods	5,882,884	756,308	5,126,576	4,979,326
Total	5,882,884	756,308	5,126,576	4,979,326

Stock taking in 2015 resulted in 5,639 EUR (2014: 4,947 EUR) of inventory shortages and 134,769 (2014: 840 EUR) of inventory surpluses. As at 31 December 2015, no inventories were pledged as security.

2.9.1.7. Short-Term Operating Receivables 44,144,118 EUR

Receivables	31.12.2015	31.12.2014
Short-term trade receivables	41,228,749	34,965,673
Short-term advances and security deposits	45,551	30,931
Short-term operating receivables due from group companies	2,055,845	1,714,284
Short-term operating receivables due from others	813,973	4,245,813
Total	44,144,118	40,956,701

SHORT-TERM OPERATING RECEIVABLES AS PER DUE DATE ON 31 DECEMBER 2015:

in EUR	31.12.2015	31.12.2014
	Short-term operating receivables	Short-term operating receivables
Not yet due	35,508,239	26,387,624
Due in 1–30 days	4,130,466	6,534,303
Due in 31–180 days	1,344,439	1,159,043
Due in 181–360 days	139,391	270,172
Due in over 361 days	106,214	614,531
Total	41,228,749	34,965,673

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SHORT-TERM TRADE RECEIVABLES:

In EUR	Gross amount	Allowances	Net amount 31.12.2015	Net amount 31.12.2014
Domestic customers – subscribers	56,411,630	22,650,125	33,761,505	27,718,817
Domestic customers – others	7,516,499	1,099,218	6,417,281	6,200,181
Foreign customers	1,131,428	81,465	1,049,963	1,046,675
Total	65,059,557	23,830,808	41,228,749	34,965,673

As at 31 December 2015, short-term trade receivables due from post-paid customers included receivables from monthly subscriptions, airtime and other services in the amount of 33,761,505 EUR (2014: 27,718,817 EUR). In 2015, additional allowances were formed for these receivables in the net amount of 4,126,001 EUR, 2,940,456 EUR of which were spent (2014: 4,157,272 EUR added, 2,834,546 EUR spent). 598,857 EUR were written off (2014: 539,899 EUR).

Short-term trade receivables include receivables from other domestic customers, including dealers, retailers and interconnection partners. In 2015, allowances were increased in the net amount of 57,484 EUR and spent in the amount of 51,822 EUR (2014: increased by 72,418 EUR and spent in amount of 37,266 EUR). There were no write-offs in 2015.

Receivables due from customers abroad include mainly receivables from international roaming. In 2015 the allowances decreased by 26,627 EUR and 12,629 EUR was spent (2014: decreased by 31,500 EUR and spent in the amount of 201,981 EUR).

In EUR	Allowance 01.01.2015	Increase	Spending	Write-off	Allowance 31.12.2015	Allowance 31.12.2014
Domestic customers – subscribers	22,063,437	4,126,001	-2,940,456	-598,857	22,650,125	22,063,436
Domestic customers – others	1,093,556	57,484	-51,822	0	1,099,218	1,093,556
Foreign customers	67,467	26,627	-12,629	0	81,465	67,467
Total	23,224,460	4,210,112	-3,004,907	-598,857	23,830,808	23,224,459

SHORT-TERM ADVANCES AND SECURITY DEPOSITS:

In EUR	Gross amount	Allowances	Net amount 31.12.2015	Net amount 31.12.2014
Advances for current assets	33,700	0	33,700	19,581
Advances for bailiffs	24,563	22,107	2,456	2,511
Advances to suppliers abroad	0	0	0	0
Security deposits	9,395	0	9,395	8,839
Total	67,658	22,107	45,551	30,931

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SHORT-TERM OPERATING RECEIVABLES DUE FROM GROUP COMPANIES

In EUR	Gross amount	Allowances	Net amount 31.12.2015	Net amount 31.12.2014
Amis, d. o. o.	109,182	0	109,182	0
VIPnet, d. o. o.	294,491	0	294,491	210,056
VIPnet usluge, d. o. o.	0	0	0	0
A1 Telekom Austria AG	575,728	0	575,728	493,890
Telekom Austria AG	30,300	0	30,300	17,000
mobilkom CEE Beteiligungsverwaltung GmbH	0	0	0	0
mobilkom [liechtenstein] AG	0	0	0	90
one. Vip DOO Skopje	34,999	0	34,999	7,143
Vip mobile, d. o. o.	777,203	0	777,203	906,392
Unitary enterprise velcom	0	0	0	0
Mobiltel EAD	4,664	0	4,664	6,580
Telecom Liechtenstein AG	152,369	0	152,369	71,170
Telekom Austria Group M2M GmbH	103	0	103	-205
AMX Argentina, S.A.	76,620	0	76,620	104
Claro S.A. (prej BCP, S.A.)	6	0	6	26
Compañía Dominicana de Teléfonos, S.A.	33	0	33	1,927
Servicios de Comunicaciones de Honduras, S.A. de C.V.	0	0	0	10
Puerto Rico Telephone Company, Inc.	0	0	0	0
Telecomunicaciones de Guatemala, S.A.	2	0	2	0
Empresa Nicaragüense de Telecomunicaciones, S.A.	0	0	0	0
CTE Telecom Personal, S.A. de C.V.	0	0	0	0
Comunicación Celular, S.A.	12	0	12	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	2	0	2	0
AMX Paraguay, S.A.	0	0	0	0
AM Wireless Uruguay, S.A.	0	0	0	0

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Claro Chile, S.A., Chile	4	0	4	0
América Móvil Perú, S.A.C.	0	0	0	0
Claro Panamá, S.A.	0	0	0	0
Radiomóvil Dipsa, S.A. de C.V.	127	0	127	101
Total	2,055,845	0	2,055,845	1,714,284

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SHORT-TERM OPERATING RECEIVABLES DUE FROM OTHERS:

In EUR	Gross amount	Allowances	Net amount 31.12.2015	Net amount 31.12.2014
VAT receivable	486,028	0	486,028	0
Receivables from corporate income tax	0	0	0	3,304,724
Receivables for the refund of compensation payments	42,457	0	42,457	25,399
Receivables due from banks	44,659	0	44,659	59,420
Receivables due from credit card issuers	190,339	0	190,339	150,024
Receivables due from employees	2,720	0	2,720	4,596
Other receivables	47,770	0	47,770	701,650
Total	813,973	0	813,973	4,245,813

Receivables are not secured.

Credit risk from short-term trade receivables due from subscribers is widely dispersed and is not considered significant, as most of the customers at the end of 2015 were private individuals. For other receivables due from dealers as well as other domestic and foreign mobile operators, past experience has shown that there are also no significant risks involved. As at the balance sheet date there was no significant dependency on any of the aforementioned debtors.

Only a relatively small portion of the transactions is denominated in USD, therefore currency risk is not considered significant.

2.9.1.8. Cash **43,661,508 EUR**

The cash assets the company keeps are cash in hand, cash in banks and cash pooling.

The company has granted unused overdrafts in the amount of 916,602 EUR.

in EUR	31.12.2015	31.12.2014
Bank balances	1,927,204	1,308,961
Cash on hand	33,446	40,736
Callable deposits	41,700,858	21,442,632
"Cash pooling" – TAG	41,416,122	21,136,129
Callable deposit in financial institutions	284,736	306,503
Total cash and cash equivalents	43,661,508	22,792,329

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2.9.1.9. Short-Term Deferred Costs and Accrued Revenues 10,225,840 EUR

In EUR	31.12.2015	31.12.2014
Deferred costs (expenses)	790,880	951,425
Accrued revenues	9,434,960	9,436,860
Total	10,225,840	10,388,285

Deferred costs (expenses) include deferred costs of rents for land (base stations) and other deferred costs (power supply, car insurance, technical literature, etc.).

Accrued revenues include revenues from mobile communication services provided in December 2015 and billed in January 2016, revenues from roaming and interconnection services provided in December 2015 and billed in January 2016, and other accrued revenues.

2.9.1.10. Equity 181,344,711 EUR

As at 31 December 2015, equity in the amount of 181,344,711 EUR was recorded. The share capital is divided into 9,300,000 ordinary shares at par value of 4.17 EUR. All shares are called. Capital surplus amounts to 83,941,657 EUR and refers to a payment from the majority shareholder. Net profit for 2015 amounts 48,067,275 EUR. Net profit per share amounts to 5.17 EUR (2014: 3.95 EUR), 48,067,275 EUR divided by 9,300,000 shares.

2.9.1.11. Provisions and Long-Term Accrued Costs and Deferred Revenue 4,906,773 EUR

Long-term provisions include accrued costs for jubilee payments, a provision for retirement indemnity payments, accrued costs of the long-term incentives program for key employees and a provision for dismantling costs. Long-term accrued costs and deferred revenue include free-of-charge assets, and government grants.

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In EUR	Provisions 01.01.2015	Increase	Reversal	Deductions from equity	Spending	Provisions 31.12.2015	Provisions 31.12.2014
Jubilee payments	162,352	22,552	0	0	-10,580	174,324	162,352
Severance pay upon retirement	326,710	37,622	0	-4,852	-11,449	348,031	326,710
Long-term incentive program	55,335	61,528	-71,926	0	0	44,937	55,335
Decommissioning costs	5,778,231	321,711	-1,875,775	0	0	4,224,167	5,778,231
Free-of-charge assets	37,227	0	0	0	-37,227	0	37,227
Government grants	211,827	36,273	0	0	-132,786	115,314	211,827
Total	6,571,682	479,686	-1,947,701	-4,852	-192,042	4,906,773	6,571,682

Provisions for jubilee payments and accrued costs for severance payments upon retirement are formed based on actuarial calculation. The liabilities are equal to the current value of future pay-outs. The actuarial calculation of jubilee benefits includes the 1.25% discount rate (2014: 2%). The actuarial calculation of severance payments includes the 2.25% discount rate (2014: 2%).

Provisions for long term incentive program for key employees are formed based on calculation of Telekom Austria group.

Provisions for the decommissioning of assets were increased after concluding new contracts for the sites. The 2% discount rate and the 1% inflation rate were applied in calculating these provisions.

The provisions related to fixed assets attained free of charge are released at the amount of the current amortisation of these assets.

Government grants are reduced as they are spent.

There are no significant discrepancies between the planned formation and utilisation, and the realised formation and utilisation.

2.9.1.12. Long Term Liabilities 45,000,000 EUR

In EUR	31.12.2015	31.12.2014
Mobilkom Beteiligungsgesellschaft mbH	45,000,000	48,600,000
Total	45,000,000	48,600,000

As at 31 December 2015 the company's long term financial liabilities comprise the loan from Mobilkom Beteiligungsgesellschaft mbH in the amount of 45,000,000 EUR. The interest rate as at 31 December 2015 is at 2.63%. The loan is not insured with insurance instruments.

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In EUR	Long-term liabilities on 1.1.2015	Transfer to current liabilities	Utilization	Repayments	Long-term liabilities on 31.12.2015
Long-term liabilities to group companies	48,600,000	-3,600,000	0	0	45,000,000
Total	48,600,000	-3,600,000	0	0	45,000,000

2.9.1.13. Short-Term Liabilities

40,467,563 EUR

In EUR	31.12.2015	31.12.2014
Short-term financial liabilities	3,922,973	3,967,349
Short-term operating liabilities	36,544,590	30,124,721
Total	40,467,563	34,092,070

SHORT-TERM FINANCIAL LIABILITIES

In EUR	31.12.2015	31.12.2014
Short-term financial liabilities to group companies from interest	322,973	367,349
Short-term financial liabilities to group companies from loans	3,600,000	3,600,000
Total	3,922,973	3,967,349

SHORT-TERM FINANCIAL LIABILITIES TO GROUP COMPANIES FROM LOAN PRINCIPAL

In EUR	Long-term liabilities on 1.1.2015	Transfer to current liabilities	Utilization	Repayments	Long-term liabilities on 31.12.2015
Liabilities arising from the principal of the loan from group companies	3,600,000	3,600,000	0	-3,600,000	3,600,000
Total	3,600,000	3,600,000	0	-3,600,000	3,600,000

Short-term financial liabilities from interest to group companies in the amount of 322,973 EUR represent interest on the loan from Mobilkom Beteiligungsgesellschaft MbH.

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SHORT-TERM OPERATING LIABILITIES

In EUR	31.12.2015	31.12.2014
Short-term operating liabilities from advances	481,269	478,911
Short-term trade payables	22,283,931	24,272,761
Short-term operating liabilities to group companies	2,446,257	2,718,699
Other short-term operating liabilities	11,333,133	2,654,350
Total	36,544,590	30,124,721

SHORT-TERM OPERATING LIABILITIES FROM ADVANCES

In EUR	31.12.2015	31.12.2014
Liabilities from advances – group companies	0	0
Liabilities from advances – others	481,269	478,911
Total	481,269	478,911

SHORT-TERM TRADE LIABILITIES

In EUR	31.12.2015	31.12.2014
Short-term trade liabilities to domestic suppliers	14,231,385	16,745,607
Short-term trade liabilities to foreign suppliers	8,052,546	7,527,154
Total	22,283,931	24,272,761

SHORT-TERM OPERATING LIABILITIES TO GROUP COMPANIES

In EUR	31.12.2015	31.12.2014
Amis d.o.o.	66,426	0
VIPnet d.o.o.	104,400	176,170
VIPnet usluge d.o.o.	246,577	40,304
A1 Telekom Austria AG	1,440,393	1,822,657
Telekom Austria AG	64,950	53,750

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Mobilkom [liechtenstein] AG	0	504
one. Vip DOO Skopje	2,319	1,614
Vip mobile d.o.o.	386,087	631,897
Unitary enterprise velcom	22,083	21,884
Mobiltel EAD	111,748	32,071
World direct	0	0
Telecom Liechtenstein AG	0	-19
Telekom Austria Group M2M GmbH	-625	-64,098
AMX Argentina, S.A.	205	338
Claro S.A. (antes BCP, S.A.)	848	713
Compañía Dominicana de Teléfonos, S.A.	199	186
Servicios de Comunicaciones de Honduras, S.A. de C.V.	9	8
Puerto Rico Telephone Company, Inc.	1	36
Telecomunicaciones de Guatemala, S.A.	6	31
Empresa Nicaragüense de Telecomunicaciones, S.A.	17	67
CTE Telecom Personal, S.A. de C.V.	1	3
Comunicación Celular, S.A.	29	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel")	27	0
AMX Paraguay, S.A.	6	9
AM Wireless Uruguay, S.A.	7	46
Claro Chile, S.A., Chile	38	100
América Móvil Perú, S.A.C.	175	68
Claro Panamá, S.A.	12	22
Radiomóvil Dipsa, S.A. de C.V.	319	338
Total	2,446,257	2,718,699

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OTHER SHORT-TERM OPERATING LIABILITIES

In EUR	31.12.2015	31.12.2014
Net wages and salaries	606,328	607,992
Taxes from gross wages and salaries	227,008	185,125
Contributions from gross wages and salaries	238,348	241,064
Other payables to employees (meal allowance, commuting allowance)	173,647	108,164
Concession fee payable	10,554	1,052
Taxes on wages and salaries	173,257	171,960
Liabilities for VAT	1,442,941	1,208,709
Liabilities for corporate income tax	8,217,873	0
Other short-term liabilities (debts)	243,177	130,285
Total	11,333,133	2,654,351

Liabilities of the company are not secured and there are no mortgages on assets for the liabilities.

2.9.1.14. Short-Term Accrued Costs and Deferred Revenue **3,994,520 EUR**

In EUR	31.12.2015	31.12.2014
Short-term deferred revenue	1,705,590	1,263,566
Short-term accrued costs (expenses)	2,288,930	2,878,906
Total	3,994,520	4,142,472

Short-term accrued costs and expenses include costs of 2015 bonuses for directors, managers and employees, costs for unused paid leave for the year 2015 and other accrued costs.

Short term deferred revenues relate to the sold and not activated vouchers for prepaid systems SIMPL and BOB, to activated and yet unused vouchers in the said systems, and to received deposits.

There are no significant discrepancies between the planned formation and utilisation, and the realised formation and utilisation.

2.9.1.15. Off-Balance Sheet Items **2,620,202 EUR**

Off balance sheet items include given guarantees in the amount of 83,398 EUR (2014: 118,883 EUR), potential liability based on a lawsuit in the amount of 1,882,249 EUR (2014: 901,215 EUR), potential revenue from interest, and court costs of enforcement procedures in the amount of 654,555 EUR (2014: 640,866 EUR).

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2.9.2. PROFIT AND LOSS STATEMENT

The profit and loss statement has been prepared showing cost items by type. The profit and loss statement showing cost items by individual functional group is shown below:

In EUR	2015	2014
Net revenue from sale, capitalized own products and other revenues	210,398,547	199,206,797
Cost of sales (with amortisation) or original cost of sold goods	113,091,000	118,678,551
Selling costs (with amortisation)	23,458,965	24,618,015
Administrative costs (with amortisation)	17,445,066	18,306,983
Operating result (EBIT)	56,403,516	37,603,248

2.9.2.1. Net Sales

173,941,511 EUR

In EUR	2015	2014
Revenue from sale of services	141,750,738	163,326,564
Revenue from sale fo goods	32,190,773	30,579,513
Total	173,941,511	193,906,077

As a result of discounting sales in instalments in 2015, revenue from the sale of goods decreased by 1,191,484 EUR and will be in future periods recognized as financial income.

REVENUE FROM SALE ON DOMESTIC AND FOREIGN MARKETS

in EUR	2015	2014
Revenue from sale on domestic market	168,963,011	188,296,784
- Revenue from the sale of services	136,855,185	157,764,677
- Revenue from the sale of goods	32,107,826	30,532,108
Revenue from sale on foreign markets	4,978,500	5,609,292
- Revenue from the sale of services to group companies	3,695,882	2,899,545
- Revenue from the sale of services to other foreign companies	1,199,671	2,662,342
- Revenue from the sale of goods to group companies	0	0
- Revenue from the sale of services to other foreign companies	82,947	47,405
Total	173,941,511	193,906,077

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REVENUE FROM THE SALE OF SERVICES – BY TYPE OF SERVICE

In EUR	2015	2014
Services to subscribers and prepaid users	125,053,243	138,200,444
Interconnection and roaming services	12,977,681	21,944,980
Other revenue from the sale of services	3,719,814	3,181,140
Total	141,750,738	163,326,564

2.9.2.2. Other Operating Revenue

37,086,536 EUR

Other operating revenue comprises gains from assets sold in the amount of 2,988 EUR (2014: 103,336 EUR), revenue from reversing long term provisions for free-of-charge tangible assets in the amount of 37,227 EUR (2014: 38,481 EUR), revenue from the abolition of long-term provisions for the costs of decommissioning base stations in the amount of 459,556 EUR (2014: 24,574 EUR), revenue from the reversal of provisions in the amount of 800,000 EUR (2014: 0 EUR), revaluation operating revenue from derecognizing allowances in the amount of 2,977,041 EUR (2014: 2,974,096 EUR), reimbursed court costs in the amount of 1,137,952 EUR (2014: 1,339,679 EUR), revenue from written-off paid receivables in the amount of 22,572 EUR (2014: 29,811 EUR), revaluation operating revenue from inventories in the amount of 215,566 EUR (2014: 0 EUR), revenue arising from the deployment of employees to other companies in the amount of 1,291,669 EUR (2014: 751,500 EUR), revenue from extrajudicial dispute resolution arrangements in the area of the competition protection in the amount of 30,000,000 EUR (2014: 0 EUR), and other revenue in the amount of 141,965 EUR (2014: 39,243 EUR).

2.9.2.3. Cost of Goods, Materials and Services

106,258,261 EUR

In EUR	2015	2014
Costs of goods	27,342,772	24,350,224
Costs of materials	3,700,159	3,524,820
Costs of services	75,215,330	87,669,185
Total	106,258,261	115,544,229

The costs of goods are reduced by the deferred costs related to subscriber acquisition in the amount of 14,055,122 EUR (2014: 12,270,724 EUR). Long-term deferred costs of subscriber acquisition were included in other costs of services in the amount of 13,368,957 EUR (2014: 17,714,641 EUR).

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COST OF MATERIALS

In EUR	2015	2014
Costs of energy	2,993,370	2,741,273
Costs of spare parts and materials for maintenance	22,104	19,587
Low-value assets write-off	22,741	72,673
Other costs of materials	18,149	52,019
Costs of office stationary and technical literature	643,795	639,268
Total	3,700,159	3,524,820

COST OF SERVICES

In EUR	2015	2014
Costs of outsourced manufacturing and services	5,830,369	6,108,019
Costs of transportation services	224,730	282,233
Costs of maintenance services	7,191,958	6,932,883
Rental expenses	8,783,140	9,209,877
Costs of fund transfer services and bank charges	713,818	742,480
Remuneration of travel expenses to employees	309,067	406,590
Costs of professional services	2,693,664	2,683,406
Insurance premiums	192,019	195,197
Costs of interconnection and roaming services	17,011,338	25,517,173
Marketing costs	8,808,816	8,745,158
Other costs of services	23,456,411	26,846,169
Total	75,215,330	87,669,185

Other costs of services include costs of subscriber acquisition, postal charges, telephone charges and other costs. Auditing services for the year 2015 cost 36,200 EUR and include the cost of interim and annual audit.

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2.9.2.4. Labour Costs

18,899,357 EUR

In EUR	2015	2014
Costs of wages and salaries	13,397,679	12,999,322
Pension insurance costs	1,691,687	1,589,566
Other social insurance costs	1,059,316	962,521
Other labour costs:		
- Commuting allowances	460,287	479,787
- Meal allowances	483,345	508,003
- Vacation bonuses	428,925	436,275
- Severance pays and anniversary bonuses	1,371,302	83,613
- Costs of unused paid leave	-85,389	47,244
- Other labour costs	92,205	49,439
Total	18,899,357	17,155,770

2.9.2.5. Depreciation and Amortisation

23,459,327 EUR

In EUR	2015	2014
Depreciation of property, plant and equipment	14,142,556	14,270,140
Amortisation of intangible assets	9,316,771	8,116,337
Total	23,459,327	22,386,477

2.9.2.6. Revaluation Operating Expenses for Current Assets

4,223,241 EUR

In EUR	2015	2014
Allowances for receivables	4,223,241	4,410,028
Inventory allowance	0	74,064
Total	4,223,241	4,484,092

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2.9.2.7. Other Operating Expenses 1,804,205 EUR

In EUR	2015	2014
Charges not depending on business results	1,613,480	1,649,233
Other charges	190,725	275,427
Total	1,804,205	1,924,660

Charges not depending on business results include fees to AKOS in the amount of 1,141,035 EUR (2014: 1,093,671 EUR), and administrative fees and court fees.

2.9.2.8. Financial Revenue from Operating Receivables 2,145,789 EUR

In EUR	2015	2014
Interest income – others	1,985,299	999,219
Interest income – group companies – cash pooling	0	706
Foreign exchange gains	30,072	42,263
Other financial revenues	130,418	450
Total	2,145,789	1,042,638

2.9.2.9. Financial Expenses from Financial Liabilities 1,378,731 EUR

In EUR	2015	2014
Interest from relationships with group companies – loan	1,378,731	1,155,126
Total	1,378,731	1,155,126

2.9.2.10. Financial Expenses for Operating Liabilities 339,156 EUR

In EUR	2015	2014
Late interest charges to suppliers	17,164	5,988
Negative foreign exchange differences	49,959	31,889
Other interest	272,033	206,779
Total	339,156	244,655

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2.9.2.11. Net Profit for the Period

48,067,275 EUR

In EUR	2015	2014
Operating result	56,403,516	37,603,247
Financial result	427,902	-357,143
Income before taxes	56,831,418	37,246,104
Income tax	-8,921,740	-567,336
Deferred tax	157,597	22,058
Total	48,067,275	36,700,826

2.9.2.12. Income Tax

8,921,740 EUR

Taxable income for the current year was partially offset with deductions for supplementary pension insurance and donations and allowances for investments. The current year tax expense amounts to 8,921,740 EUR (2014: 567,336 EUR). Effective tax rate is 15.7%.

2.9.2.13. Deferred Taxes

157,579 EUR

Long-term deferred tax liabilities increased in 2015, which affects the deferred income tax. The reconciliation between tax expense and taxable income is as follows

CURRENT TAXES	Tax rate	Base	Tax
Income before taxes		56,831,418	
Income tax (by applying the official tax rate)	17%	56,831,418	9,661,341
Non-tax deductible items – permanent differences	17%	898,167	152,688
Non-tax deductible items – temporary differences	17%	4,165,705	708,170
Current tax	17%	61,895,290	10,522,200
Offsetting against temporary differences	17%	-3,243,518	-551,398
Offsetting against deductions	17%	-6,196,962	-1,053,484
Net tax outflow	17%	-3,267,538	-555,481
Actual current tax	17%	52,454,810	8,917,318

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DEFERRED TAXES	Tax rate	Base	Tax
From deductible temporary differences			
Additions to deferred taxes from temporary differences	17%	-2,639,422	-448,702
Usage of formed deferred taxes from temporary differences	17%	1,717,234	291,930
Adjustment of deferred taxes from previous years	17%	-4,852	-825
Total deferred taxes from deductible temporary differences			-157,597
TOTAL DEFERRED TAXES			-157,597

NET PROFIT OR LOSS FOR THE PERIOD AFTER REVALUATING EQUITY BY APPLYING THE COST OF LIVING INDEX:

	Amount of capital	Increase in %	Effect
Equity – all items of capital except current net profit or loss (by applying the cost of living index)	133,277,437	-0.50%	-666,387

2.9.2.14. Financial Overview of Transactions with Related Parties

Mobilkom Beteiligungsgesellschaft mbH is the sole owner of Si.mobil d.d. and is not registered in Slovenia. Telekom Austria AG owns Mobilkom Beteiligungsgesellschaft mbH. Thus Telekom Austria AG is an indirect owner of Si.mobil.

Si.mobil has also concluded transactions with some other indirectly connected companies, namely:

- company TA Mreža d.o.o. from Slovenia,
- companies Vipnet and Vipnet Usluge, registered in Croatia,
- company Mobiltel from Bulgaria,
- companies mobilkom liechtenstein and Telecom Liechtenstein AG from Liechtenstein,
- company Vip mobile from Serbia,
- company one.Vip from The Republic of Macedonia,
- company Unitary Enterprise Velcom from Belarus,
- companies A1 Telekom Austria AG, Telekom Finanzmanagement (TFG) and TAG M2M from Austria,
- companies AMX Argentina, S.A., Claro S.A. (antes BCP, S.A.), Claro Chile, S.A., Compania Dominicana de Teléfonos, S.A., Telecomunicaciones de Guatemala, S.A., Servicios de Comunicaciones de Honduras, S.A. de C.V., Radiomóvil Dipsa, S.A. de C.V., Empresa Nicaragüense de Telecomunicaciones, S.A., Claro Panamá, S.A., América Móvil Perú, S.A.C., Puerto Rico Telephone Company, Inc., AMX Paraguay, S.A., CTE Telecom Personal, S.A. de C.V., AM Wireless Uruguay, S.A., Comunicación Celular, S.A., Consorcio Ecuatoriano de Telecomunicaciones, S.A. (“Conecel”), registered outside Europe.

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The company does business with related subjects in the areas of international roaming, network interconnection, technical systems hosting, backbone network, services of managers and leading experts, procuring mobile phones and other equipment, software use, and other fields.

REVENUES FROM SALES

in EUR	2015	2014
Amis, d. o. o.	191,957	0
VIPnet, d. o. o.	183,270	589,747
VIPnet usluge, d. o. o.	0	0
A1 Telekom Austria AG	1,950,879	1,187,243
Telekom Austria AG	144,300	204,000
mobilkom CEE Beteiligungsverwaltung GmbH	0	0
mobilkom [liechtenstein] AG	0	260
one. Vip DOO Skopje	38,217	53,059
Vip mobile, d. o. o.	722,368	190,301
mobilkom Belarus Beteiligungsverwaltung GmbH	0	0
Unitary enterprise velcom	488	2,537
Mobiltel EAD	732,447	621,764
Telecom Liechtenstein AG	147	85
Telekom Austria Group M2M GmbH	104,091	50,549
AMX Argentina, S.A.	58	56
Claro S.A. (prej BCP, S.A.)	813	447
Compañía Dominicana de Teléfonos, S.A.	96	26
Servicios de Comunicaciones de Honduras, S.A. de C.V.	0	0
Puerto Rico Telephone Company, Inc.	3	26
Telecomunicaciones de Guatemala, S.A.	1	4
Empresa Nicaragüense de Telecomunicaciones, S.A.	0	1
CTE Telecom Personal, S.A. de C.V.	5	0
Comunicación Celular, S.A.	10	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	6	0

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AMX Paraguay, S.A.	0	0
AM Wireless Uruguay, S.A.	0	0
Claro Chile, S.A., Chile	24	0
América Móvil Perú, S.A.C	71	6
Claro Panamá, S.A.	3	0
Radiomóvil Dipsa, S.A. de C.V.	1,856	686
Total	4,071,109	2,900,796

OTHER REVENUES (INTEREST, EXCHANGE DIFFERENCES)

in EUR	2015	2014
mobikom [liechtenstein] AG	0	0
Unitary enterprise velcom	0	0
Telekom Finanzmanagement (TFG)	0	706
one. Vip DOO Skopje	0	0
Compañía Dominicana de Teléfonos, S.A.	0	0
Radiomóvil Dipsa, S.A. de C.V.	-1	3
Puerto Rico Telephone Company, Inc.	0	0
Claro S.A. (antes BCP, S.A.)	-5	5
Telecomunicaciones de Guatemala, S.A.	0	0
Empresa Nicaragüense de Telecomunicaciones, S.A.	0	0
CTE Telecom Personal, S.A. de C.V.	0	0
Comunicación Celular, S.A.	0	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	0	0
AMX Argentina, S.A.	-1	1
AMX Paraguay, S.A.	0	0
AM Wireless Uruguay, S.A.	0	0
Claro Chile, S.A., Chile	0	0
América Móvil Perú, S.A.C	0	0
Servicios de Comunicaciones de Honduras, S.A. de C.V.	0	0
Claro Panamá, S.A.	0	0
Total	-7	716

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COSTS OF SERVICES AND OTHER OPERATING EXPENSES

in EUR	2015	2014
Amis, d. o. o.	101,623	0
VIPnet, d. o. o.	1,272,131	1,119,268
VIPnet usluge, d. o. o.	246,577	0
A1 Telekom Austria AG	6,104,445	7,789,363
Telekom Austria AG	731,415	609,000
mobilkom [liechtenstein] AG	0	79
one. Vip DOO Skopje	3,525	2,796
Vip mobile, d. o. o.	662,565	96,156
Unitary enterprise velcom	272	249
Mobiltel EAD	86,387	-12,336
World direct	0	0
Telecom Liechtenstein AG	161	3
Telekom Austria Group M2M GmbH	-625	0
TA Mreža, d. o. o.	0	19,699
AMX Argentina, S.A.	805	467
Claro S.A. (prej BCP, S.A.)	4,251	2,155
Compañía Dominicana de Teléfonos, S.A.	1,313	223
Servicios de Comunicaciones de Honduras, S.A. de C.V.	17	8
Puerto Rico Telephone Company, Inc.	35	36
Telecomunicaciones de Guatemala, S.A.	30	58
Empresa Nicaragüense de Telecomunicaciones, S.A.	209	205
CTE Telecom Personal, S.A. de C.V.	15	4
Comunicación Celular, S.A.	29	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	51	0
AMX Paraguay, S.A.	9	9
AM Wireless Uruguay, S.A.	21	47
Claro Chile, S.A., Chile	273	100

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América Móvil Perú, S.A.C	1,710	356
Claro Panamá, S.A.	26	22
Radiomóvil Dipsa, S.A. de C.V.	3,111	1,508
Total	9,220,379	9,629,473

OTHER EXPENSES (INTEREST, EXCHANGE DIFFERENCES)

in EUR	2015	2014
mobilkom Beteiligungsgesellschaft mbH	1,378,731	1,155,126
mobilkom [liechtenstein] AG	0	0
VIPnet, d. o. o.	6	0
one. Vip DOO Skopje	0	0
Vip mobile, d. o. o.	0	0
Mobiltel EAD	0	0
Unitary enterprise velcom	0	0
Compañía Dominicana de Teléfonos, S.A.	-5	7
Radiomóvil Dipsa, S.A. de C.V.	0	5
Puerto Rico Telephone Company, Inc.	-3	3
Claro S.A. (prej BCP, S.A.)	-4	16
Telecomunicaciones de Guatemala, S.A.	-1	1
Empresa Nicaragüense de Telecomunicaciones, S.A.	-2	3
CTE Telecom Personal, S.A. de C.V.	0	0
Comunicación Celular, S.A.	0	0
Consortio Ecuatoriano de Telecomunicaciones, S.A. (Conecel)	0	0
AMX Argentina, S.A.	-6	10
AMX Paraguay, S.A.	0	0
AM Wireless Uruguay, S.A.	-3	3
Claro Chile, S.A., Chile	-6	7
América Móvil Perú, S.A.C.	1	2
Servicios de Comunicaciones de Honduras, S.A. de C.V.	0	0
Claro Panamá, S.A.	-1	1
Total	1,378,707	1,155,183

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NET PROFIT OR LOSS WITH GROUP COMPANIES

v EUR	2015	2014
Net profit or loss with group companies	-6,527,984	-7,883,144

2.9.2.15. Events after the date of the balance sheet

On 4 January 2016 the company received from its owner 25,000,000 EUR for capital reserves, which is an ex-post contribution of a shareholder. On 4 January 2016 the company purchased Amis d.o.o. There were no other events that would significantly affect the financial statements for 2015 or require additional disclosures.

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2.10. OTHER DISCLOSURES

2.10.1. INCOME OF MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES

The total cost of the Management Board, the Supervisory Board and the employees with individual contracts in 2015 includes gross income, included in the personal income tax return, holiday allowance, fringe benefits and profit sharing. In 2015 this amounted to:

- Management Board: 634,012 EUR;
- Supervisory Board: 0 EUR;
- employees with individual contracts: 968,277 EUR.

Income by member of the Management Board:

in EUR	Fixed income	Variable income	Fringe benefits	Other income
Jörg Zeddies	182,084	42,555	10,153	166,328
Ulrich Rokita	0	0	43,113	0
Boštjan Škufca Zaveršek	113,288	61,163	9,995	5,333
Total	295,372	103,718	63,261	171,661

CTO Ulrich Rokita is employed by the parent company and Si.mobil did not pay his income except for the fringe benefits.

The company has no recorded receivables from or liabilities to the Management Board or the members of the Supervisory Board.

2.10.2. THE AUDITOR'S FEE

In EUR	2015 Ernst&Young	2014 Deloitte
The amount spent for annual report auditing	36,200	35,700
Tax consulting services	0	1,800
Other non-audit services	3,620	0
Total	39,820	37,500

The costs of auditing include the costs of the interim and the annual audit.

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2.10.3. LIABILITIES AND RECEIVABLES FOR OPERATING LEASES

The company as the lessee

The company has obligations from leasing tangible assets relating especially to leased lines, leasing of business premises and base stations.

Maturity date - in EUR	31.12.2015	31.12.2014
up to 1 year	6,827,919	7,184,133
from 1 to including 5 years	29,124,099	28,440,665
Total	35,952,018	35,624,798

Contracts for leased lines have been concluded with various business partners for long and short term. Long-term contracts are generally concluded for 5 or 10-year periods.

The rent for business premises and base stations is generally set with regard to the agreed price with the owner and with regard to previous rents. If the owner is an operator, the rent is set in based on their price list and a comparison to the company's own price list for leasing premises. Lease contracts are concluded for indefinite period, for the duration of operations or for 15 years with the option for extension.

In 2015 the company recognized the leasing costs in the amount of 6,827,919 EUR (2014: 7,184,133EUR).

The company as the lessor

The company has receivables from the leasing of tangible assets. They represent receivables from leasing shared locations and base stations.

Maturity date - in EUR	31.12.2015	31.12.2014
up to 1 year	1,341,974	1,405,096
from 1 to including 5 years	5,367,898	5,823,918
Total	6,709,872	7,229,014

Leasing contracts are generally concluded for an indefinite period.

In 2015 the company recognized leasing revenues in the amount of 1,341,974 EUR (2014: 1,405,096 EUR) in the income statement under revenue from the sale of services in the domestic market.

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APPENDIX 1: TABLE OF INTANGIBLE ASSETS AND LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE
MOVEMENTS (IN EUR)

	Radio- frequencies	Software and licences	Long-term deferred connection fees for data lines	Long-term deferred lease of land	Long-term deffered maintenance costs	Long-term deferred subscriber acquisition costs	Total
Costs of purchase							
Balance as at 1 January 2015	92,113,004	52,996,873	2,523,055	2,562,515	2,426,458	31,316,213	183,938,118
Additions	0	2,530,836	23,090	672,678	202,807	14,055,121	17,484,532
Disposals	0	0	0	0		-19,052,044	-19,052,044
Transfer	0	0	0	1,833,510	-1,305,832	0	527,678
Balance as at 31 December 2015	92,113,004	55,527,709	2,546,145	5,068,703	1,323,433	26,319,290	182,898,284
Accumulated amortisation							
Balance as at 1 January 2015	22,490,662	39,119,788	119,832	845,973	689,787	20,942,861	84,208,903
Additions, amortisation	4,278,023	4,439,801	0	0		0	8,717,824
Additions, recognised in costs	0	0	265,333	311,455	157,224	13,368,956	14,102,967
Disposals	0	0	0	0	0	-19,052,044	-19,052,044
Transfer	0	0	0	0	0	0	0
Balance as at 31 December 2015	26,768,685	43,559,589	385,165	1,157,428	847,011	15,259,773	87,977,650
Net carrying amount							
Balance as at 1 January 2015	69,622,342	13,877,085	2,403,223	1,716,542	1,736,671	10,373,352	99,729,215
Balance as at 31 December 2015	65,344,319	11,968,120	2,160,980	3,911,275	476,422	11,059,517	94,920,633

FINANCIAL STATEMENTS



APPENDIX 1: TABLE OF INTANGIBLE ASSETS AND LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE MOVEMENTS (IN EUR)

	Radio- frequencies	Software and licences	Long-term deferred connection fees for data lines	Long-term deferred lease of land	Long-term deferred subscriber acquisition costs	Total
Costs of purchase						
Balance as at 1 January 2014	26,835,504	45,355,655	81,949	1,266,186	167,645,951	241,185,245
Additions	65,277,500	7,641,218	2,441,106	2,452,244	12,270,724	90,082,792
Disposals	0	0	0	0	-148,600,462	-148,600,462
Transfer	0	0	0	0	0	0
Balance as at 31 December 2014	92,113,004	52,996,873	2,523,055	3,718,430	31,316,213	182,667,575
Accumulated amortisation						
Balance as at 1 January 2014	18,904,914	35,245,272	0	0	151,828,682	205,978,868
Additions, amortisation	3,585,748	3,874,515	0	0	0	7,460,263
Additions, recognised in costs	0	0	119,832	265,217	17,714,641	18,099,690
Disposals	0	0	0	0	-148,600,462	-148,600,462
Transfer	0	0	0	0	0	0
Balance as at 31 December 2014	22,490,662	39,119,787	119,832	265,217	20,942,861	82,938,359
Net carrying amount						
Balance as at 1 January 2014	7,930,590	10,110,383	81,949	1,266,186	15,817,269	35,206,377
Balance as at 31 December 2014	69,622,342	13,877,086	2,403,223	3,453,213	10,373,352	99,729,216

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APPENDIX 2: TABLE OF PROPERTY, PLANT AND EQUIPMENT MOVEMENTS (IN EUR)

	Land	Base stations and mobile switches	Computer equipment	Investments in fixed assets owned by third parties	Other equipment	Low-value assets and spare parts	Property, plant and equipment under construction	Total
Costs of purchase								
Balance as at 1 January 2015	9,039	124,328,914	14,149,396	7,265,034	34,253,217	1,590,191	8,129,388	189,725,179
Additions	0	10,478,686	746,786	49,238	3,191,033	200,831	613,455	15,280,029
Disposals	0	-5,050,739	-783,250	0	-3,827	-5,347	0	-5,843,163
Transfer	0	0	0	0	0	0	0	0
Balance as at 31 December 2015	9,039	129,756,861	14,112,932	7,314,272	37,440,423	1,785,675	8,742,843	199,162,045
Accumulated depreciation								
Balance as at 1 January 2015	0	80,184,947	12,654,488	3,685,748	24,220,303	1,390,190	0	122,135,676
Additions, depreciation	0	9,721,438	862,078	466,783	3,479,539	211,665	0	14,741,503
Additions, recognised in costs	0	0	0	0	0	0	0	0
Disposals	0	-3,540,077	-772,623	0	-3,827	-4,083	0	-4,320,610
Transfer	0	0	0	0	0	0	0	0
Balance as at 31 December 2015	0	86,366,308	12,743,943	4,152,531	27,696,015	1,597,772	0	132,556,569
Net carrying amount								
Balance as at 1 January 2015	9,039	44,143,967	1,494,908	3,579,286	10,032,914	200,001	8,129,388	67,589,503
Balance as at 31 December 2015	9,039	43,390,553	1,368,989	3,161,741	9,744,408	187,903	8,742,843	66,605,476

FINANCIAL STATEMENTS



APPENDIX 2: TABLE OF PROPERTY, PLANT AND EQUIPMENT MOVEMENTS (IN EUR)

	Land	Base stations and mobile switches	Computer equipment	Investments in fixed assets owned by third parties	Other equipment	Low-value assets and spare parts	Property, plant and equipment under construction	Total
Costs of purchase								
Balance as at 1 January 2014	9,039	163,769,254	13,159,235	6,804,335	31,349,879	2,113,678	8,038,986	225,244,406
Additions	0	11,415,214	870,234	460,699	4,744,238	124,508	90,402	17,705,295
Disposals	0	-50,855,553	-109,092	0	-1,840,900	-418,976	0	-53,224,521
Transfer	0	0	229,019	0	0	-229,019	0	0
Balance as at 31 December 2014	9,039	124,328,915	14,149,396	7,265,034	34,253,217	1,590,191	8,129,388	189,725,180
Accumulated depreciation								
Balance as at 1 January 2014	0	119,093,476	11,508,136	3,222,127	22,960,227	1,919,440	0	158,703,406
Additions, depreciation	0	10,217,629	1,478,670	463,621	3,100,975	-334,681	0	14,926,214
Disposals	0	-49,126,157	-108,810	0	-1,840,899	-418,077	0	-51,493,942
Transfer	0	0	-223,508	0	0	223,508	0	0
Balance as at 31 December 2014	0	80,184,948	12,654,488	3,685,748	24,220,303	1,390,190	0	122,135,677
Net carrying amount								
Balance as at 1 January 2014	9,039	44,675,778	1,651,099	3,582,208	8,389,652	194,238	8,038,986	66,541,000
Balance as at 31 December 2014	9,039	44,143,967	1,494,908	3,579,286	10,032,914	200,001	8,129,388	67,589,503