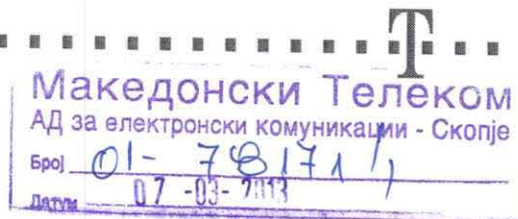


Makedonski Telekom AD Skopje  
„Kej 13-ti Noemvri“ br.6, 1000 Skopje, Republika Makedonija



To: Securities and Exchange Commission of the RoM  
26 Dimitrija Cupovski, 1000 Skopje

Date: 07.03.2013

Subject: Unaudited non-consolidated annual reports for the year 2012

Dear Sirs / Madams,

Pursuant to Law on Securities and respective by-laws which regulate the current reporting obligation of Makedonski Telekom AD – Skopje, enclosed are the unaudited non-consolidated annual reports for 2012, which includes:

1. Unaudited non-consolidated financial statements (income statement, analysis of the operating profit, balance sheet, cash flows statement and statement of changes in equity) for the period ended 31 December 2012 prepared in accordance with the International Financial Reporting Standards (IFRS);

In accordance with the respective by-laws, the complete material listed above shall be posted in an electronic format on the website of the Securities and Exchange Commission through the respective module.

Yours faithfully,

  
Oliver Kosturanov  
President of the Board of Directors

Македонски Телеком  
АД за електронски комуникации - Скопје

  
Daniel Szasz  
Chief Executive Officer

## INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

(in MKD thousands)

No.	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	OPERATING INCOME	8,184,624	1,970,065	8,286,695	1,421,828	101	72
2	Sales revenues	8,033,944	1,940,886	7,272,787	1,783,880	91	92
2a	Domestic sales revenue	6,537,367	1,583,182	5,787,673	1,413,325	89	89
2b	Foreign sales revenue	1,496,577	357,704	1,485,114	370,555	99	104
3	Changes in the stock of finished products and work in progress	0	0	0	0	0	0
4	Other operating income	150,680	29,179	1,013,908	-362,052	673	-1,241
5	OPERATING EXPENSES	-6,509,644	-1,700,063	-6,820,913	-1,344,175	105	79
6	Cost value of trade goods	-366,597	-103,114	-367,412	-121,622	100	118
7	Materials, small inventory and services	-3,299,015	-874,742	-3,268,601	-926,712	99	106
7a	Raw materials and small inventory	-49,291	-12,886	-44,597	-19,982	90	155
7b	Services	-3,249,724	-861,856	-3,224,004	-906,730	99	105
8	Changes in the stock of finished products and work in progress	0	0	0	0	0	0
9	Employee-related costs	-1,076,084	-280,707	-1,105,832	-294,400	103	105
10	Depreciation, amortization and provisions	-1,781,920	-440,205	-2,007,154	-555,764	113	126
10a	Depreciation	-1,777,780	-439,416	-2,007,154	-558,817	113	127
10b	Impairment of fixed assets	-4,140	-789	0	3,053	0	-387
10c	Provisions for costs and risks	0	0	0	0	0	0
11	Other operating expenses	13,972	-1,295	-71,914	554,323	-515	-42,805
12	OPERATING PROFIT/LOSS	1,674,980	270,002	1,465,782	77,653	88	29
13	Financial income	3,746,236	1	3,358,784	0	90	0
14	Income from investments, loans, interest and FX rate movements	177,956	47,263	155,827	39,491	88	84
15	Other financing income	0	0	0	0	0	0
16	Financial expenses	0	0	0	0	0	0
17	Expenses for interest, FX rate movements and similar expenses	-29,705	-7,583	-28,980	-16,483	98	217
18	Other financing expenses	0	0	0	0	0	0
19	Profit/loss from regular operations before tax	5,569,467	309,683	4,951,413	100,661	89	33
20	Income tax	0	0	0	0	0	0
21	Net profit/loss after tax	5,569,467	309,683	4,951,413	100,661	89	33
22	Minority interest	0	0	0	0	0	0
23	Net profit/loss for the fiscal year	5,569,467	309,683	4,951,413	100,661	89	33

## ANALYSIS OF UNAUDITED NON - CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company Makedonski Telekom AD - Skopje

Reporting period 01.01.2012 - 31.12.2012

ID number

5168660

(in MKD thousands)

## ANALYSIS OF OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

No	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	Sales revenues	8,033,944	1,940,886	7,272,787	1,783,880	91	92
2	Other operating income	150,680	29,179	1,013,908	-362,052	673	-1,241
3	Cost value of goods and services sold	-366,597	-103,114	-367,412	-121,622	100	118
4	Changes in the stock of finished products and work in progress	0	0	0	0	0	0
5	Raw materials, materials and small inventory	-49,291	-12,886	-44,597	-19,982	90	155
6	Impairment charges	39,090	16,354	-17,451	2,157	-45	13
7	Employee-related costs	-1,076,084	-280,707	-1,105,832	-294,400	103	105
8	Sales costs	-2,022,455	-511,084	-2,268,738	-637,134	112	125
9	Costs for services provided by other parties	-3,005,049	-790,187	-2,962,420	-828,413	99	105
10	Other operating expenses	-29,258	-18,439	-54,463	555,219	186	-3,011
11	OPERATING PROFIT/LOSS	1,674,980	270,002	1,465,782	77,653	88	29

Македонски Телеком

АД за електронски комуникации - Скопје

Daniel Szasz  
Chief Executive Officer

(in MKD thousands)

Item	Previous year	Current year	Indices
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	<b>15,075,010</b>	<b>16,590,375</b>	110
Intangible assets	693,371	712,893	103
Property, plant and equipment	11,223,700	12,705,875	113
Investments in subsidiaries	0	0	0
Investments in associate companies	2,792,171	2,792,171	100
Investments in securities	54,083	50,828	94
Other tangible assets	0	0	0
Other long-term receivables	311,685	328,608	105
Deferred tax assets	0	0	0
<b>CURRENT ASSETS</b>	<b>8,386,205</b>	<b>6,615,846</b>	79
Inventories	170,415	178,443	105
Trade receivables	1,286,861	1,152,024	90
Other receivables	115,807	134,872	116
Short-term investments	6,787,238	5,072,181	75
Cash and cash equivalents	25,884	78,326	303
<b>TOTAL ASSETS</b>	<b>23,461,215</b>	<b>23,206,221</b>	99
<b>OFF-BALANCE SHEET RECORDS - ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>21,101,883</b>	<b>19,889,739</b>	94
Shareholders' equity	6,386,189	6,386,189	100
Reserves	1,916,777	1,916,777	100
Accumulated profit (loss)	12,798,917	11,586,773	91
Minority interest	0	0	0
<b>LIABILITIES</b>	<b>2,359,332</b>	<b>3,316,482</b>	141
<b>CURRENT LIABILITIES</b>	<b>1,998,597</b>	<b>2,560,560</b>	128
Trade payables and other liabilities	1,952,899	2,482,592	127
Short-term borrowings	0	0	0
Short-term provision	44,317	57,144	129
Payables to the state	1,381	20,824	1508
<b>LONG-TERM LIABILITIES</b>	<b>360,735</b>	<b>755,922</b>	210
Long-term borrowings	0	0	0
Trade payables and other long-term liabilities	0	648,845	0
Other long-term provision	360,735	107,077	30
<b>TOTAL EQUITY AND LIABILITY</b>	<b>23,461,215</b>	<b>23,206,221</b>	99
<b>OFF-BALANCE SHEET RECORDS - LIABILITIES</b>			



(in MKD thousands)

Item	Previous year	Current year	Indices
<b>A) Cash flows from operating activities</b>	<b>3,302,992</b>	<b>2,775,878</b>	<b>84</b>
Net profit / loss after tax	5,569,467	4,951,413	89
Adjustment for			
Depreciation	1,777,780	2,007,154	113
Amortization and impairment charges	22,301	39,146	176
Increase / decrease of inventories	44,809	-8,028	(18)
Increase / decrease of customers	97,409	113,786	117
Increase / decrease of advance payments receivables	1,534	-9,209	(600)
Increase / decrease of other short-term receivables	81,954	3,094	4
Increase / decrease of prepaid expenses	-12,093	-14,027	116
Increase / decrease of trade payables	-206,726	-19,241	9
Increase / decrease of payables for received advances	3,848	1,467	38
Increase / decrease of other short-term liabilities	-29,092	-2,058	7
Increase / decrease of differed income	-67,226	25,803	(38)
Interest income / expense	-170,517	-127,191	75
Dividend paid / charged	-3,746,236	-3,358,784	90
Tax paid	1,378	19,443	1,411
Capital profit / loss from sale of fixed assets	-19,375	-711,225	3,671
Capital profit / loss from sale of investments	-383	0	0
Other cash flows from operating activities	-45,840	-135,665	296
<b>B) Cash flows from investing activities</b>	<b>2,654,182</b>	<b>3,440,121</b>	<b>130</b>
Acquisition of property, plant and equipment, intangible assets, etc.	-1,562,422	-1,801,594	115
Disposal of property, plant and equipment, intangible assets, etc.	59,112	35,478	60
Cash flows from disposal of bearer or debt securities to other legal persons and	0	0	0
Cash payments for acquisition of bearer or debt securities to other legal persons and	0	0	0
Cash advances and loans provided to other parties (excluding financial institutions)	791	2,354	298
Cash flows from collection of advances and loans provided to other parties	0	0	0
Cash flows from interests	173,408	128,238	74
Cash flows from dividends	3,746,236	3,358,784	90
Other cash flows from investing activities	237,057	1,716,861	724
<b>C) Cash flows from financing activities</b>	<b>-5,947,479</b>	<b>-6,163,557</b>	<b>104</b>
Cash flows from increase of equity through issuing stock or other bearer securities	0	0	0
Cash payments for repayments of loans	0	0	0
Cash flows from issued debt securities and other short-term and long-term loans and	0	0	0
Acquisition of minority interests	0	0	0
Dividend paid	-5,947,479	-6,163,557	104
Treasury shares purchased/ sold	0	0	0
Cash payments for reduction of financial leasing payables	0	0	0
<b>Increase / decrease of cash and cash equivalents</b>	<b>9,695</b>	<b>52,442</b>	<b>541</b>
Cash and cash equivalents at the beginning of the year	16,189	25,884	160
<b>D) Cash and cash equivalents at the end of the period</b>	<b>25,884</b>	<b>78,326</b>	<b>303</b>



Daniel Szasz  
Chief Executive Officer

Македонски Телеком  
Д за електронски комуникации - Скопје

## UNAUDITED NON - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS

Company Makedonski Telekom AD - Skopje

Reporting period 31.12.2012

ID number

5168660

(in MKD thousands)

Changes	Shareholders' equity	Share premium	Reserves	Accumulated profit (loss)	Minority interest	Total equity
Balances at 1 January of the previous year	5,845,530	540,659	1,916,777	13,176,929	0	21,479,895
Payment of shares	0	0	0	0	0	0
Treasury shares acquired	0	0	0	0	0	0
Treasury shares sold	0	0	0	0	0	0
Conversion of securities	0	0	0	0	0	0
Profit (loss) for the fiscal year	0	0	0	5,569,467	0	5,569,467
Distribution of the profits as transfer to the reserves	0	0	0	0	0	0
Distribution of the profits for dividends and other payouts to the shareholders	0	0	0	-5,947,479	0	-5,947,479
Distribution of the profits for rewards and benefits for the employees	0	0	0	0	0	0
Other company reserves	0	0	0	0	0	0
Evaluation of tangible assets	0	0	0	0	0	0
Adjustments of investments available-for-sale at fair value	0	0	0	0	0	0
Realized capital gain from the sale of securities	0	0	0	0	0	0
Recording losses of subsidiaries using the equity method	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0
Recognized income and expenses, net	0	0	0	0	0	0
Foreign exchange rate movements	0	0	0	0	0	0
Other increase / decrease of assets, net	0	0	0	0	0	0
Balances at 31 December of the previous year	5,845,530	540,659	1,916,777	12,798,917	0	21,101,883
Payment of shares	0	0	0	0	0	0
Treasury shares acquired	0	0	0	0	0	0
Treasury shares sold	0	0	0	0	0	0
Conversion of securities	0	0	0	0	0	0
Profit (loss) for the fiscal year	0	0	0	4,951,413	0	4,951,413
Distribution of the profits as transfer to the reserves	0	0	0	0	0	0
Distribution of the profits for dividends and other payouts to the shareholders	0	0	0	-6,163,557	0	-6,163,557
Distribution of the profits for rewards and benefits for the employees	0	0	0	0	0	0
Other company reserves	0	0	0	0	0	0
Evaluation of tangible assets	0	0	0	0	0	0
Adjustments of investments available-for-sale at fair value	0	0	0	0	0	0
Realized capital gain from the sale of securities	0	0	0	0	0	0
Recording losses of subsidiaries using the equity method	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0
Recognized income and expenses, net	0	0	0	0	0	0
Foreign exchange rate movements	0	0	0	0	0	0
Other increase / decrease of assets, net	0	0	0	0	0	0
Balances at 31 December of the current year	5,845,530	540,659	1,916,777	11,586,773	0	19,889,739


  
**Македонски Телеком**
  
 Daniel Szasz
   
 Ад за електронски комуникации - Скопје
   
 Chief Executive Officer