

**UCom LLC**  
**Consolidated Financial Statements**  
**for the year ended 31 December 2013**



'000 AMD	Note	2013	2012
<b>Assets</b>			
Property and equipment	10	15,271,903	11,505,015
Intangible assets	11	7,061,089	1,147,118
Borrowings given		23,863	-
Other non-current assets		5,400	5,400
<b>Non-current assets</b>		<b>22,362,255</b>	<b>12,657,533</b>
Inventories		183,140	81,258
Trade and other receivables	12	1,171,828	737,127
Prepaid income tax		16,851	-
Other prepaid taxes	13	1,649,216	1,133,755
Prepayments		345,706	384,252
Borrowings given		43,552	63,236
Cash and cash equivalents	14	62,298	103,317
<b>Current assets</b>		<b>3,472,591</b>	<b>2,502,945</b>
<b>Total assets</b>		<b>25,834,846</b>	<b>15,160,478</b>
<b>Equity</b>			
Charter capital	15	15,050	15,050
Accumulated losses		(24,569)	(908,743)
Additional paid-in capital		6,519,894	4,856,067
<b>Total equity</b>		<b>6,510,375</b>	<b>3,962,374</b>
<b>Non-current liabilities</b>			
Loans and borrowings	16	13,820,246	6,420,894
Deferred tax liabilities	9	1,280,587	1,052,367
<b>Non-current liabilities</b>		<b>15,100,833</b>	<b>7,473,261</b>
<b>Current liabilities</b>			
Loans and borrowings	16	1,443,817	1,939,126
Trade and other payables	17	2,407,403	1,663,657
Other taxes payables		75,135	43,791
Current tax liability		297,283	78,269
<b>Current liabilities</b>		<b>4,223,638</b>	<b>3,724,843</b>
<b>Total liabilities</b>		<b>19,324,471</b>	<b>11,198,104</b>
<b>Total equity and liabilities</b>		<b>25,834,846</b>	<b>15,160,478</b>

'000 AMD	Note	2013	2012
Revenue	5	8,836,297	5,128,344
Other income		64,391	48,783
Purchased internet and TV channels		(2,372,299)	(1,844,630)
Depreciation and amortization expense		(1,839,031)	(1,036,984)
Personnel expense		(1,222,743)	(648,183)
Operating lease expense	6	(417,416)	(106,662)
Marketing expenses		(220,498)	(99,871)
Cost of goods sold		(113,807)	(74,942)
Cost of works done		(100,944)	-
Gain on bargain purchase	20	196,012	-
Impairment loss on intangible assets	11	(92,346)	-
Other expenses	7	(723,570)	(497,261)
<b>Results from operating activities</b>		<b>1,994,046</b>	<b>868,594</b>
Finance income	8	335	218
Finance costs	8	(893,206)	(956,356)
<b>Net finance costs</b>		<b>(892,871)</b>	<b>(956,138)</b>
<b>Profit/(loss) before income tax</b>		<b>1,101,175</b>	<b>(87,544)</b>
Income tax expense	9	(217,001)	(90,437)
<b>Profit/(loss) and total comprehensive income/(loss) for the year</b>		<b>884,174</b>	<b>(177,981)</b>

These consolidated financial statements were approved by management on 30 June 2014 and were signed on its behalf by:

Hayk Yesayan  
Director



Arman Poghosyan  
Financial Director

'000 AMD	Attributable to equity holders of the Company				Non- controlling interests	Total equity
	Charter capital	Additional paid-in capital	Accumulated losses	Total		
Balance at 1 January 2012	15,050	1,982,397	(730,762)	1,266,685	16,665	1,283,350
Initial discount on low interest loans and borrowings received from shareholder net of deferred tax of AMD 718,417 thousand (note 16)	-	2,873,670	-	2,873,670	-	2,873,670
Loss and total comprehensive loss for the year	-	-	(177,981)	(177,981)	-	(177,981)
Acquisition of non-controlling interests without a change in control	-	-	-	-	(16,665)	(16,665)
<b>Balance at 31 December 2012</b>	<b>15,050</b>	<b>4,856,067</b>	<b>(908,743)</b>	<b>3,962,374</b>	<b>-</b>	<b>3,962,374</b>
<b>Balance at 1 January 2013</b>	<b>15,050</b>	<b>4,856,067</b>	<b>(908,743)</b>	<b>3,962,374</b>	<b>-</b>	<b>3,962,374</b>
Initial discount on low interest loans and borrowings received from shareholder net of deferred tax of AMD 415,958 thousand (note 16)	-	1,663,827	-	1,663,827	-	1,663,827
Profit and total comprehensive income for the year	-	-	884,174	884,174	-	884,174
<b>Balance at 31 December 2013</b>	<b>15,050</b>	<b>6,519,894</b>	<b>(24,569)</b>	<b>6,510,375</b>	<b>-</b>	<b>6,510,375</b>

<b>'000 AMD</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Cash received from customers, inclusive of VAT	10,326,663	5,837,159
Cash paid to suppliers	(4,761,677)	(4,435,587)
Cash paid to employees	(962,665)	(788,869)
Payment for income tax	(195,547)	(44,501)
Payments of taxes other than on income	(1,381,456)	(1,818,820)
Interest paid	(191,002)	(239,518)
<b>Net cash from/(used in) operating activities</b>	<b>2,834,316</b>	<b>(1,490,136)</b>
<b>Cash flows from investing activities</b>		
Borrowings given	(107,801)	(64,000)
Acquisition of subsidiaries, net of cash acquired	-	(1,077,540)
Repayments of borrowings given	150,818	42,100
Interest received	211	218
Acquisition of property and equipment	(4,673,298)	(4,685,891)
Acquisition of intangible assets	(5,848,625)	-
Return of prepayments for non-current assets	-	980,000
<b>Net cash used in investing activities</b>	<b>(10,478,695)</b>	<b>(4,805,113)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	10,375,081	12,525,543
Repayments of loans and borrowings	(2,787,612)	(6,203,525)
Acquisition of non-controlling interests	-	(16,665)
<b>Net cash from financing activities</b>	<b>7,587,469</b>	<b>6,305,353</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(56,910)</b>	<b>10,104</b>
Cash and cash equivalents at 1 January	103,317	86,192
Effect of exchange rate fluctuations on cash and cash equivalents	15,891	7,021
<b>Cash and cash equivalents at 31 December ( note 14 )</b>	<b>62,298</b>	<b>103,317</b>