

**Magyar Telekom Telecommunications Public Limited Company  
Annual General Meeting**

**MINUTES**

taken at the Annual General Meeting of Magyar Telekom Telecommunications Public Limited Company (registered seat: 1013 Budapest, Krisztina krt. 55.; registration number: Cg. 01-10-041928) taking place at the headquarters of Magyar Telekom Plc. (1013 Budapest, 1<sup>st</sup> district, Krisztina krt. 55.; Tölösi Conference Centre) on April 15, 2015, from 11:00 a.m.

Way of participating at the General Meeting: in person.

Participants: as listed in the attached attendance sheet.

**Christopher Mattheisen:** Good morning Ladies and Gentlemen! I welcome the Shareholders and the invitees. I open the General Meeting at 11:00 a.m.

Let me inform the General Meeting that votes will be cast via computer and votes will be tallied electronically. I will state the result of voting as the computer-counted votes appear on the screen. I ask **Mrs. Judit Borókné Matus**, present on behalf of KELER Zrt., to describe the essence and method of computer voting.

**Mrs. Judit Borókné Matus:** Distinguished General Meeting, distinguished Chairman! My name is Mrs. Judit Borókné Matus, representing KELER Zrt. assisting in the management of the General Meeting and in the registration process. I briefly introduce You the voting system and the persons participating in the voting process Sándor Rákos, Tibor Petrás, Balázs Barna.

During the registration, You have received a wireless, radio-frequency operated voting device, which indicates the individual voting number of the shareholder. Therefore, please take care of the voting device and do not hand it over to anyone else. You may activate the device at the beginning of the General Meeting by pressing any button. You may vote with pressing buttons 1, 2, and 3: button no. 1 is the "YES" button, button no. 2 is the "NO" button, button no. 3 is the "ABSTENTION" button. Proposals will be put to the vote by the Chairman of the General Meeting and you can cast your vote during a 20 second period, the start and end of which is indicated by a voice signal.

After the start of the voting please push the applicable button (1, 2, 3) of the voting device then release it. Simultaneously with pushing the button your device will display the number of the respective button with which you cast your vote then the number disappears, indicating that the voting system received the vote and confirmed its receipt to the voting device. Please note that buttons must not be pressed continuously and in case the button is pressed several times only the last vote will be registered by the system!

Within a couple of seconds upon the closing of the voting the results are displayed on the screens and the monitor in front of the Chairman. In addition, the number of votes that were not cast will also be displayed. Naturally, the Chairman of the General Meeting will state verbally the result of the voting. Let me draw Your attention that the voting ratio will be rounded to 2 decimal places, therefore, there can be a situation when 1 "NO" vote is cast and the voting ratio will be 0.00% on the screen. Naturally, all votes will be registered both in the system and the minutes of the General Meeting.

Now, I propose to have a test voting. Please play the voice signal. Please, activate your device by pressing any button and then cast your vote. The voting is closed and the results are displayed. If the voting device does not work properly, please let us know and we immediately replace the device.

If you have any questions regarding the voting system, please let us know now. Thank you and I wish you good work and a successful General Meeting!

**Christopher Mattheisen:** Thank you very much.

Number of shares issued by the Company: 1,042,742,543 pcs of which non-voting treasury shares are: 390,862 pcs.

Total number of votes represented by the voting shares: 1,042,351,681 pcs.

The total number of votes represented by the present shareholders is: **681,583,341 pcs** (in percentage: **65.39%**).

Based on the registration I state that the General Meeting constitutes a quorum, as the shareholders representing more than half of the shares carrying voting rights at the General Meeting are present in person or by proxy.

The General Meeting is held with shareholders' attendance in person, by decision-making on the meeting.

I confirm that the General Meeting has been convened in compliance with the relevant provisions of law and the provisions of the Articles of Association. Submissions and the related reports of the Supervisory Board thereto and resolution proposals connected to the agenda items could be preliminarily studied at the home page of the Company and the Budapest Stock Exchange, at KELER Zrt. and before the start of the meeting, here, at the venue of the General Meeting.

On the basis of the proxy instruments submitted to the Company, I state that proxies represent the shareholders legally. Persons who certify their share ownership prior to the General Meeting, during registration by way of a securities account statement, issued to the name of the person but are not registered in the Share Register, may participate at the General Meeting but may not exercise shareholders' rights.

In accordance with the provisions of the Civil Code and the Articles of Association, in our Announcement for the General Meeting published on March 12, 2015 we called the attention of our Shareholders that shareholders' rights and in particular voting rights may be exercised at the General Meeting only by the persons whose names are contained in the Share Register at the time it was closed. That is, the names of shareholders and nominees who intend to participate at the General Meeting shall be registered in the Share Register on the second working day (April 13, 2015) prior to the starting date of the General Meeting.

The General Meeting is conducted in Hungarian and in English languages with interpretation. The translator devices are available beside the registration desk. I call the attention of our Distinguished Shareholders that agenda item no. 1 will be presented in English language. I request the Distinguished Shareholders to announce their name and the number in the front of their voting device into the microphone that we provide in every case when contributing to the discussion. Please always use the microphone because only those contributions will be registered in the minutes that are delivered with the use of the microphone. In accordance with the Articles of Association I stipulate that the time limit for each contribution is maximum 3 minutes per each shareholder's contribution. In order to ensure reasonable time management I request the shareholders to observe the said limit at each agenda point. The planned duration of the General Meeting is approximately 2 and half hours with a possible break.

I inform the Distinguished Shareholders that entering into Tölösi Conference Center, is only possible with the usage of the wristband received during the registration. With regard to this, I request the Distinguished Shareholders to wear the wristband during the whole General Meeting and show it again to enter or re-enter the room at the security checkpoint.

The General Meeting will be recorded. I make known the respective resolution proposal:

“The General Meeting agrees that the proceedings of the General Meeting shall be recorded.”

I ask the Shareholders whether there are any questions or remarks regarding this?

If there are none, then the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 662,416,923 affirmative votes (97.19%), 7,429 negative votes (0.00%), 14,022,560 abstentions (2.06%) with the number of votes cast and 5,138,929 votes did not cast (0.75%) indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 63.526412%, Negative: 0.000712%, Abstention: 1.344777%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 1/2015 (IV.15.).**

**Christopher Mattheisen:** I propose to the General Meeting to elect the Chairman of the General Meeting before the discussion of the agenda items begins. Based on the respective submission of the Board of Directors, I propose to the General Meeting to elect me, Christopher Mattheisen, to be the Chairman of the General Meeting.

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 662,264,924 affirmative votes (97.17%), 98,332 negative votes (0.01%), and 584,783 abstentions (0.09%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 63.511835%, Negative: 0.009430%, Abstention: 0.056081%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 2/2015 (IV.15.).**

**Chairman:** I propose to the General Meeting to elect dr. Gabriella Bognár in-house legal counsel as Keeper of the Minutes. I further propose to elect dr. Rita Bajáky, representative of Deutsche Telekom Europe B.V. as authenticator of the Minutes.

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 662,343,222 affirmative votes (97.18%), 0 negative votes (0.00%), and 82,929 abstentions (0.01%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 63.519344%, Negative: 0.000000%, Abstention: 0.007953%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 3/2015 (IV.15.).**

**Chairman:** I inform the Shareholders that no notice was submitted to the Board of Directors in connection with the supplementation of the agenda or the resolution proposal with respect to the items on or to be added to the agenda within 8 days following the publication of the Announcement on March 12, 2015, therefore it is not possible to adopt any further resolutions on the issues not included in the agenda published as part of the Announcement. No further items can be included in the agenda at this General Meeting, because not all of the shareholders are present.

I propose that the General Meeting should approve the order for discussing the items on the agenda in accordance with the Announcement and as presented on the screen. (The order of the agenda items in accordance with the Announcement and as presented on the screen:

1. Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2014;
2. Decision on the approval of the 2014 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor;

3. Decision on the approval of the 2014 standalone Annual Report of the Company prepared in accordance with the Hungarian Accounting Act (HAR); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor;
4. Proposal of the Board of Directors for the use of the profit after tax earned in 2014; presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor; decision on the use of the profit after tax earned in 2014;
5. Authorization of the Board of Directors to purchase ordinary Magyar Telekom shares;
6. Decision on the approval of the Corporate Governance and Management Report;
7. Decision on granting relief from liability to the members of the Board of Directors;
8. Amendment of the Remuneration Guidelines;
9. Decision on the amendments of the Articles of Association of Magyar Telekom Plc. (Sections affected with the amendment: 5.2. Matters within the Exclusive Scope of Authority of the General Meeting; 6.4. Scope of authority of the Board of Directors; 6.5. Quorum, Passing Resolutions; 7.8. Audit committee (7.8.2.);
10. Approval of the amended Rules of Procedure of the Supervisory Board;
11. Election and determination of the remuneration of the Company's Statutory Auditor, and determination of the contents of the material elements of the contract to be concluded with the Statutory Auditor.)

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 662,418,072 affirmative votes (97.19%), 7,429 negative votes (0.00%), and 650 abstentions (0.00%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 63.526522%, Negative: 0.000712%, Abstention: 0.000062%.)

**I state that the General Meeting has adopted the order of discussion of the agenda items of the General Meeting, in line with the resolution proposal in Resolution No. 4/2015 (IV.15.).**

**Chairman:** I open the discussion of the first agenda item.

#### **Agenda item no. 1**

**Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2014**

**Chairman:** The Report of the Board of Directors is an informative and contains no resolution proposal. I will verbally outline the report of the Board of Directors in English language.

The Chairman presents the Report of the Board of Directors on the management of Magyar Telekom Plc., on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2014<sup>1</sup> on the following topics:

- the Management Committee;
- awards won in 2014;
- market positions on the Hungarian telecommunication market;
- Hungarian economic environment;
- 2014 Group results – revenues;
- 2014 Group results – EBITDA;
- free cash flow;
- dividends;
- public targets for 2015 and 2017.

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<sup>1</sup> The Report of the Board of Directors, verbally presented in English language, could also have been followed by the Shareholders at the General Meeting as it was displayed simultaneously in Hungarian and in English. The presented Report of the Board of Directors is attached in English as Annex no. 1 to these minutes.

I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! The Supervisory Board in its Report had dealt with this matter. This Report prepared for the General Meeting is available in whole in the disclosed documents and is also included in the handout that has been distributed to the Shareholders. The Supervisory Board examined the report of the Board of Directors on the management of the Company, on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2014, which the Supervisory Board acknowledged.

**Chairman:** Thank you very much. I ask the Distinguished Shareholders, whether there are any questions or remarks regarding the report of the Board of Directors? If there are none, we shall continue with agenda item no. 2.

#### **Agenda item no. 2**

#### **Decision on the approval of the 2014 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor**

**Chairman:** I ask **Mr. Balázs Máthé**, to make known the introduction to the submission.

**Balázs Máthé:** In accordance with the provisions of the Accounting Act, the Company shall prepare a financial statements and as a parent company, a consolidated financial statements to be approved by the General Meeting. In line with this, the 2014 Consolidated Financial Statements of the Company has been prepared according to International Financial Reporting Standards and the draft of it was published where stipulated in the Articles of Association. PricewaterhouseCoopers Könyvvizsgáló Kft. audited the financial statements. The Company deposits and discloses its financial statement approved by the General Meeting in compliance with the provisions of the relevant legal regulations.

**Chairman:** Thank you very much. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished Attendees! The Supervisory Board, with the involvement of the Audit Committee and the Statutory Auditor, examined the 2014 Consolidated Financial Statements prepared according to International Financial Reporting Standards, to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their approval. In the opinion of the Supervisory Board, the Consolidated Financial Statements are in compliance with the prescriptions of the law, the Supervisory Board agrees with their content. The Supervisory Board proposes to the General Meeting for approval the 2014 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards with Balance Sheet Total Assets and Profit for the year in accordance with the proposal of the Board of Directors and the Audit Committee.

**Chairman:** Thank you very much. I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee's Report** related to this agenda item verbally.

**dr. János Illéssy:** Distinguished General Meeting! Distinguished Shareholders! The Audit Committee's Report prepared for the General Meeting is also available in whole in the disclosed documents and is included in the handout that has been distributed to You. The Audit Committee reviewed and evaluated the 2014 Consolidated Financial Statements prepared according to International Financial Reporting Standards, abbreviated in English: IFRS, to be submitted to the Supervisory Board and the General Meeting by the Board of Directors, the proposal of the Board of Directors for their approval, and listened to the relevant report of the Auditor. The Audit Committee, based on its activities performed during the year and the report of the Auditor, agrees with the content of the Consolidated Financial Statements and the proposal, and submitted it to the Supervisory Board. The Audit

Committee proposed to the Supervisory Board for agreement of the content of the 2014 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards, and to the General Meeting for approval the Consolidated Financial Statements including Balance Sheet Total Assets of HUF 1,190,776 million and Profit for the year of HUF 32,024 million.

**Chairman:** Thank you very much. I request **Mr. Balázs Mészáros** representative of the Auditor, to verbally outline the essence of the **Auditor's Report** related to this agenda item.

**Balázs Mészáros:** Distinguished Shareholders! My name is Balázs Mészáros, associate of PricewaterhouseCoopers, the registered deputy auditor of Magyar Telekom Nyrt. PricewaterhouseCoopers has audited the 2014 consolidated financial statements of Magyar Telekom Group. The report was signed by Mr. Árpád Balázs registered appointed auditor and Mr. Armin Krug, who is also present on behalf of our company. As a result of the auditing, we issue our report containing an unqualified opinion. Let me read out the opinion. In our opinion, the consolidated financial statements give a true and fair view of the financial position of Magyar Telekom Távközlési Nyrt. and its subsidiaries as of 31 December 2014, and of the results of its operation for the year then ended in accordance with international Financial Reporting Standards as adopted by the European Union. The consolidated business report is consistent with the disclosures in the consolidated financial statements. Based on all these, we propose the financial statements to the General Meeting for approval.

**Chairman:** Thank you very much. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? Please. Please tell your name and the number of your voting device.

**Dr. Katalin Prandler:** May I speak in English? Is it OK?<sup>2</sup>

**Chairman:** Please.

**Dr. Katalin Prandler:** According to the international standards...

**Dr. Gabriella Bognár:** Excuse me, first the name and the voting device number, please. [*the request is also repeated in Hungarian*]

**Chairman:** Please state your name and your voting machine number, please.

**Dr. Katalin Prandler:** My name is dr. Prandler, I am a lawyer and an advocate, and at the same time I am the Vice-President of the Hungarian Women Advocates Association and a member of the European Women's Lawyer Association, a Board member. I am speaking on behalf of the "European Women Shareholders Demand Gender Equality Project". This project is supported by the European Commission. In the framework of this project we visit 100 annual general meetings of listed companies all over Europe. We want to find out whether the progress can be identified regarding the representation of women in economic decision making. However, we should focus on reaching adequate female representation in decision making positions in the private sector. Therefore, we prepared a questionnaire that will be submitted in all AGMs of Euro Top 50 companies, as well as selected companies of BUX and FTSE100.

**Dr. Gabriella Bognár:** Excuse me for the interruption but the whole time is three minutes and you left only one minute, so please if you have a question, ask a question. Thank you.

**Chairman:** Please.

**Dr. Katalin Prandler:** OK, I would just then summarize my questions. I have submitted them in details, so I expect to get written answer. I would just like to emphasize that Magyar Telekom is among the companies who has the

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<sup>2</sup> dr. Katalin Prandler's remark / question were outlined verbally in English.

highest representation on women[s] in Board in Hungary, among the 13 that are being so to say visited, so this is my pleasure as a shareholder also to say. And my question would be more general that what is the strategy, because I have read in your annual report on human policy that you plan to increase the ration of women in management to 30%.

**Chairman:** It's correct.

**Dr. Katalin Prandler:** ... and how would you like to do that? By what means?

**Chairman:** Yes, in general we take that objective into consideration every time we have a decision on any sort of senior or middle management position in the company. So it's a conscious factor in decision-making.

**Dr. Katalin Prandler:** Yes, and is female...

**Dr. Gabriella Bognár:** May I as the shareholder [not to take...]

**Dr. Katalin Prandler:** ...is female talent identified somehow, how are they supported? Or do you have a plan for that?

**Chairman:** We have a well-established recruitment and selection process and we take this factor, of percentage of women in our workforce, we take that into consideration consciously every time we engage in any sort of recruitment or selection process.

**Dr. Katalin Prandler:** Yes. Thank you very much and if I can get the detailed answers then...

**Chairman:** We will be happy to provide to you. Thank you.

**Dr. Gabriella Bognár:** I am sorry. I did not understand the voting device number, could you please tell it us again for the records? Thank you.

**Dr. Katalin Prandler:** 353-IV.

**Dr. Gabriella Bognár:** Thank you very much.

**Chairman:** Are there any other questions or comments?

**János Zelena:** János Zelena, shareholder. Distinguished General Meeting, distinguished Chief Executive Officer! In 2014 ...

**Dr. Gabriella Bognár:** I am sorry, would you please tell the number of the voting device Mr. Zelena?

**János Zelena:** 358-I. So, based on the 2014 results I can tell that the management successfully fulfilled the business objectives set forth in 2013 and I think it is important to highlight here that the company's perception by the investors improved a lot recently partly owing to the fact that the management set promising business objectives for the future. I would like to thank that, even if I sold some of my shares recently. I think it is very promising that the company establishes a joint venture to serve the business segment of the energy business line. I think the efficiency of procurement can improve a lot as a result of this. Besides, I also think that several external factors have a positive impact on the company's annual results. I would highlight two of these factors. The first one: The improvement of Hungary's macroeconomic indicators may involve the manifold improvement of the company's credit-rating that indirectly provides more room to maneuver for the government to re-regulate special taxes. Another factor could be the strengthening HUF currency against the Euro that makes it easier for the company to repay foreign exchange loans. Therefore, I would not exclude the possibility that there will be a significant foreign

exchange gain in the financial transaction revenue line. Finally, although it does not belong to this agenda item, I would like to offer my 20 years of professional experience in the natural gas sale as well as the related trade finance experience and expertise to the company. Naturally, without any consideration. Thank you for your kind attention and I wish the company's management much success in the fulfillment of this year's business plans. Thank you.

**Chairman:** Thank you very much. I propose **János Szabó**, our Chief Financial Officer to answer.

**János Szabó:** Thank you very much. It is hard to answer, honestly, but I would rather express my agreement that we also believe that year 2015 will provide better conditions to follow the path that we set foot upon back in 2014 and that we further improve and increase our performance mainly in Hungary. Let us not forget that we are a group. We have Macedonian and Montenegrin subsidiaries where the market conditions are different to those in Hungary. Therefore I think that the group will be successful this year too, the presented and undertaken financial objectives can be fulfilled in 2015 and that our shareholders will be satisfied with these results when we close the financial year.

**Chairman:** Thank you very much. Are there any other questions or comments? If there are none, I ask **Mr. Máthé** to make known the resolution proposal.

**Balázs Máthé:** "The General Meeting approves the 2014 Consolidated Financial Statements of the Company, prepared according to International Financial Reporting Standards (IFRS), including Balance Sheet Total Assets of HUF 1,190,776 million and Profit for the year 2014 of HUF 32,024 million."

**Chairman:** The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 676,464,266 affirmative votes (99.25%), 70,935 negative votes (0.01%), and 5,048,020 abstentions (0.74%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 64.873565%, Negative: 0.006803%, Abstention: 0.484110%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 5/2015 (IV.15.).**

### **Agenda item no. 3**

**Decision on the approval of the 2014 standalone Annual Report of the Company prepared in accordance with the Hungarian Accounting Act (HAR); presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor**

**Chairman:** I ask **Mr. Máthé**, to make known the introduction to the submission.

**Balázs Máthé:** In accordance with the provisions of the Accounting Act the 2014 standalone Annual Report of the Company has been prepared and the draft of it was published where stipulated in the Articles of Association. The approval on it falls into the exclusive scope of authority of the General Meeting. PricewaterhouseCoopers Könyvvizsgáló Kft. audited the financial statements.

**Chairman:** Thank you. I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

**dr. László Pap:** The Supervisory Board, with the involvement of the Audit Committee and the Statutory Auditor, examined the 2014 standalone Annual Report prepared in accordance with the Hungarian Accounting Act to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their approval. In the opinion of the Supervisory Board, the standalone Annual Report is in compliance with the prescriptions of the law, the Supervisory Board agrees with its content. The Supervisory Board proposes to the

General Meeting for approval the 2014 standalone Annual Report prepared in accordance with the Hungarian Accounting Act with Balance Sheet Total Assets and After-tax Net Income in accordance with the proposal of the Board of Directors and the Audit Committee.

**Chairman:** Thank you. I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee's Report** related to this agenda item verbally.

**dr. János Illéssy:** Yes, Distinguished Shareholders, this will be very similar to my previous remark. The Audit Committee reviewed and evaluated the 2014 standalone Annual Report prepared in accordance with the Hungarian Accounting Act, this is abbreviated in English: HAR, to be submitted to the Supervisory Board and the General Meeting by the Board of Directors, the proposal of the Board of Directors for their approval, and listened to the relevant report of the Auditor. The Audit Committee, based on its activities performed during the year and the report of the Auditor, agrees with the content of the standalone Annual Report and the proposal, and submitted it to the Supervisory Board. The Audit Committee proposed to the Supervisory Board for agreement of the content of the 2014 standalone Annual Report of the Company prepared in accordance with the Hungarian Accounting Act, and to the General Meeting for approval the standalone Annual Report including Balance Sheet Total Assets of HUF 1,016,916 million and After-tax Net Income of HUF 36,735 million.

**Chairman:** Thank you very much. I request **Mr. Balázs Mészáros**, representative of the Auditor, to verbally outline the essence of the **Auditor's Report** related to this agenda item.

**Balázs Mészáros:** Distinguished Shareholders! PricewaterhouseCoopers has audited the 2014 standalone financial statements of the Company in addition to the auditing of the consolidated financial statements of Magyar Telekom and issued the report containing an unqualified opinion. Let me read out the essence of the opinion. In our opinion, the financial statements give a true and fair view of the financial position of Magyar Telekom Távközlési Nyrt. as of 31 December 2014, and of the results of its operations for the year then ended in accordance with the provisions of the Accounting Act. The business report is consistent with the disclosures in the financial statements. Based on our auditing, we propose the report to the General Meeting for approval.

**Chairman:** Thank you very much. I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I ask **Mr. Máthé** to make known the resolution proposal.

**Balázs Máthé:** "The General Meeting approves the 2014 standalone Annual Report of the Company prepared according to the Hungarian Accounting Act (HAR), including Balance Sheet Total Assets of HUF 1,016,916 million and After-tax Net Income of HUF 36,735 million."

**Chairman:** The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 676,466,766 affirmative votes (99.25%), 70,935 negative votes (0.01%), and 5,048,020 abstentions (0.74%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 64.873805%, Negative: 0.006803%, Abstention: 0.484110%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 6/2015 (IV.15.).**

#### **Agenda item no. 4**

**Proposal of the Board of Directors for the use of the profit after tax earned in 2014; presentation of the relevant report of the Supervisory Board, the Audit Committee and the Auditor; decision on the use of the profit after tax earned in 2014**

**Chairman:** I ask **Mr. Máthé**, to make known the submission and the resolution proposal.

**Balázs Máthé:** According to the Civil Code and the Articles of Association the deciding on the utilisation of after-tax earnings belongs to the exclusive scope of authority of the General Meeting. I make known the resolution proposal:

“The Company shall not pay dividend for the business year of 2014 and shall allocate the full amount of after-tax profits of HUF 36,735,391,749 based on Hungarian Accounting Rules figures as retained earnings.”

**Chairman:** I request **dr. László Pap** Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! The Supervisory Board, with the involvement of the Audit Committee, discussed the proposal of the Board of Directors, according to which the Company shall not pay dividend for the business year of 2014. The Supervisory Board provides prior approval to the proposal of the Board of Directors, and proposes the proposal to the General Meeting for approval.

**Chairman:** I request **dr. János Illéssy**, Chairman of the Audit Committee to outline the essence of the **Audit Committee’s Report** related to this agenda item verbally.

**dr. János Illéssy:** Distinguished Shareholders! The Audit Committee reviewed and evaluated the proposal of the Board of Directors, according to which the Company shall not pay dividend for the business year of 2014, and shall allocate the full amount of after-tax profits of HUF 36,735,391,749 based on the Hungarian Accounting Act figures as retained earnings. According to the Audit Committee, the proposal is in line with the Company’s dividend policy, and reflects the Company’s financial position. The Audit Committee proposed the proposal to the Supervisory Board for prior approval and proposes to the General Meeting for approval.

**Chairman:** I request **Mr. Balázs Mészáros**, representative of the Auditor, to verbally outline the Auditor’s Report on this agenda item.

**Balázs Mészáros:** Distinguished Shareholders! As previously discussed, it is the proposal of the Board of Directors not to pay dividend after the 2014 business year. If the General Meeting accepts this proposal of the Board of Directors, the standalone financial statements after the General Meeting will be published in an unchanged form and in connection with this PricewaterhouseCoopers will issue an unqualified opinion.

**Chairman:** I ask the Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put now the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 680,789,259 affirmative votes (99.88%), 264,953 negative votes (0.04%), and 531,509 abstentions (0.08%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.288336%, Negative: 0.025409%, Abstention: 0.050972%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 7/2015 (IV.15.).**

#### **Agenda item no. 5**

#### **Authorization of the Board of Directors to purchase ordinary Magyar Telekom shares**

**Chairman:** I ask **Mr. Máthé**, to make known the submission and the resolution proposal.

**Balázs Máthé:** The Board of Directors proposes to the General Meeting to give an authorization to purchase treasury shares. I make known the resolution proposal:

“The General Meeting authorizes the Board of Directors to purchase Magyar Telekom ordinary shares, the purpose of which could be to supplement Magyar Telekom’s current shareholder remuneration policy in line with international practice.

The authorization will be valid for 18 months starting from the date of approval of this General Meeting resolution. The shares to be purchased on the basis of this authorization together with the treasury shares already held by Magyar Telekom shall not at any time exceed more than 10% of the share capital effective at the date of granting this authorization (i.e. up to 104,274,254 ordinary shares with a face value of HUF 100 each) of Magyar Telekom Plc.

The shares can be purchased through the stock exchange. The equivalent value per share paid by Magyar Telekom Plc. may not be more than 5% above the market price of the share determined by the opening auction on the trading day at the Budapest Stock Exchange. The minimum value to be paid for one share is HUF 1.

The authorization may be exercised in full or in part, and the purchase can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum purchase volume has been reached.

Authorization granted to the Board of Directors by Resolution No. 8/2014 (IV.11.) of the General Meeting is hereby repealed.”

**Chairman:** I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished Shareholders! The Supervisory Board examined the proposal of the Board of Directors to purchase ordinary Magyar Telekom shares, and acknowledged it.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 680,986,001 affirmative votes (99.91%), 71,361 negative votes (0.01%), and 528,359 abstentions (0.08%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.307204%, Negative: 0.006844%, Abstention: 0.050670%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 8/2015 (IV.15.).**

#### **Agenda item no. 6**

#### **Decision on the approval of the Corporate Governance and Management Report**

**Chairman:** I ask **Mr. Máthé**, to make known the submission.

**Balázs Máthé:** Pursuant to the Civil Code, the board of directors of public limited companies must submit the corporate governance and management report to the Annual General Meeting of the company, prepared according to the rules applicable to the persons of the given stock exchange. According to the Articles of Association, the approval of the corporate governance and management report is within the exclusive authority of the General Meeting. The report and its annex were prepared on the basis of the provisions of the Civil Code and the Corporate Governance Recommendations of the Budapest Stock Exchange. The Board of Directors submits to the General Meeting the Corporate Governance and Management Report for the business year of 2014 of Magyar Telekom Nyrt. in line with the submission.

**Chairman:** I ask **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! The Supervisory Board examined the Corporate Governance and Management Report of the Company, and with its acknowledgement proposes it to the General Meeting for acceptance.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I ask **Mr. Máthé** to make known the resolution proposal:

**Balázs Máthé:** "The General Meeting has reviewed and approves the Corporate Governance and Management Report for the business year of 2014 of the Company."

**Chairman:** The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 680,986,426 affirmative votes (99.91%), 8,029 negative votes (0.00%), and 591,256 abstentions (0.09%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.307245%, Negative: 0.000770%, Abstention: 0.056702%.)

I state that the General Meeting has adopted the resolution proposal in **Resolution No. 9/2015 (IV.15.)**.

#### **Agenda item no. 7**

#### **Decision on granting relief from liability to the members of the Board of Directors**

**Chairman:** I ask **Mr. Máthé**, to make known the submission and the resolution proposal.

**Balázs Máthé:** Pursuant to the Civil Code, the company's general meeting, simultaneously with the approval of the financial statements, upon request of an executive officer, may grant relief from liability to the executive officer on ascertaining the appropriateness of the management activities during the previous financial year. According to the Articles of Association, the decision on granting liability relief to the members of the Board of Directors is within the exclusive authority of the General Meeting. The company may bring action against the executive officer on the grounds of breaching management activities in a claim for damages if the facts and information based on which the relief of liability was granted were false or insufficient. I make known the resolution proposal:

"The General Meeting of Magyar Telekom Plc. ascertains the appropriateness of the management activities of the Board of Directors members of the Company in the previous financial year and with regard to this hereby decides to grant the relief from liability to the members of the Board of Directors of the Company with respect to the 2014 business year. By granting the relief, the General Meeting confirms that the members of the Board of Directors have performed the management of the Company in 2014 by giving primacy of the interests of the Company."

**Chairman:** I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

**dr. László Pap:** Dear Attendees! The Supervisory Board examined the submission of the Board of Directors on granting relief from liability to the members of the Board of Directors, and agrees that the General Meeting should grant relief from liability to the members of the Board of Directors for the business year of 2014.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 676,092,601 affirmative votes (99.19%), 373,627 negative votes (0.05%), and 5,104,493 abstentions (0.75%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 64.837922%, Negative: 0.035831%, Abstention: 0.489526%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 10/2015 (IV.15.).**

#### **Agenda item no. 8**

#### **Amendment of the Remuneration Guidelines**

**Chairman:** I ask **Mr. Máthé**, to make known the submission and the resolution proposal.

**Balázs Máthé:** The Remuneration Guidelines of Magyar Telekom Plc. approved by resolution no. 17/2012 (IV.16.) of the General Meeting is proposed to be amended due to the following reasons:

- Changes affect the guidelines of the long term salary and incentive programs of the management:
  - in the incentive programs launched by the Company may be elements that are offered, sold or provided by the affiliate of the Company (i.e. Deutsche Telekom AG);
  - the Company will introduce modified Share Matching Plan program expectedly starting from July 1, 2015.
- Next reason: new layout.
- Next one: pursuant to the Civil Code and the Articles of Association, decision concerning the guidelines for a long term salary and incentive scheme for the members of the Board of Directors, Supervisory Board and executive employees (that is Remuneration Guidelines) belongs to the exclusive scope of authority of the General Meeting.
- Next reason: in order to comply with the Corporate Governance Recommendations of the Budapest Stock Exchange, it is recommended that the principles of the share-based incentive schemes are approved by the general meeting.

Based on the above, I make known the resolution proposal:

“The General Meeting amends the Remuneration Guidelines of Magyar Telekom Plc. as stated in the submission.”

**Chairman:** I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board’s Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! The Supervisory Board examined the amendment of the Remuneration Guidelines, and acknowledged it. Thank you.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 641,524,867 affirmative votes (94.12%), 39,506,259 negative votes (5.80%), and 554,595 abstentions (0.08%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 61.522844%, Negative: 3.788688%, Abstention: 0.053186%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 11/2015 (IV.15.).**

**Agenda item no. 9**

**Decision on the amendments of the Articles of Association of Magyar Telekom Plc. (Sections affected with the amendment: 5.2. Matters within the Exclusive Scope of Authority of the General Meeting; 6.4. Scope of authority of the Board of Directors; 6.5. Quorum, Passing Resolutions; 7.8. Audit committee (7.8.2.))**

**Chairman:** I request **Mr. Máthé** to make known the reasons for the modifications and the relevant submissions of the Articles of Association of Magyar Telekom Nyrt.

**Balázs Máthé:** According to the Civil Code and the Articles of Association the decision on the amendment of the Articles of Association falls into the exclusive scope of authority of the General Meeting of the Company. The detailed reasons for the modifications and the textual modifications of the Articles of Association are available in whole as part of the submission in the disclosed documents and are also included in the handout that has been distributed to the Shareholders during the shareholders' registration. For the efficiency of the General Meeting the textual modifications are also displayed on the screen so that Shareholders may easily follow. The Articles of Association shall be amended due to the following reasons:

1. Section 5.2. (Matters within the Exclusive Scope of Authority of the General Meeting) (r) of the Articles of Association is amended to be in consistency with other subsections. The actual text is shown on the screen. The relevant Resolution proposal is:

“The General Meeting approves the amendment of Section 5.2. (r) of the Articles of Association according to the submission.”

2. Section 6.4. (b) (title of which is: Scope of authority of the Board of Directors) of the Articles of Association is amended to be in more harmony with Section 6.4. (c) of the Articles of Association. The precise text is shown on the screen. The relevant Resolution proposal is:

“The General Meeting approves the amendment of Section 6.4. (b) of the Articles of Association according to the submission.”

3. Provisions regarding the quorum of Section 6.5. (Quorum, Passing Resolutions) is amended to ensure flexible operation of the Board of Directors. Text is on the screen. The relevant Resolution proposal is:

“The General Meeting approves the amendment of Section 6.5. of the Articles of Association according to the submission.”

4. Section 7.8.2 (Audit Committee) is amended to be more precisely align with the text of the laws. Proposed text is on the screen. The relevant Resolution proposal is:

“The General Meeting approves the amendment of Section 7.8.2. of the Articles of Association according to the submission.”

**Chairman:** I request **dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the **Supervisory Board's Report** related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! I will be quick again. The Supervisory Board examined the amendments to the Company's Articles of Association proposed by the Board of Directors, and agrees with them.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If, there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting the amendments of the Articles of Association is three-quarters majority. Within this agenda item please cast your votes regarding the modifications of the Articles of Association separately Sections by Sections.

Resolution proposal no. 1: “The General Meeting approves the amendment of Section 5.2. (r) of the Articles of Association according to the submission.”

I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 680,986,983 affirmative votes (99.91%), 11,761 negative votes (0.00%), and 585,723 abstentions (0.09%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.307298%, Negative: 0.001128%, Abstention: 0.056171%.)

**The General Meeting has adopted the resolution proposal in Resolution No. 12/2015 (IV.15.).**

Resolution proposal no. 2: “The General Meeting approves the amendment of Section 6.4. (b) of the Articles of Association according to the submission.”

I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 680,986,982 affirmative votes (99.91%), 7,429 negative votes (0.00%), and 591,309 abstentions (0.09%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.307298%, Negative: 0.000712%, Abstention: 0.056707%.)

**The General Meeting has adopted the resolution proposal in Resolution No. 13/2015 (IV.15.).**

Resolution proposal no. 3: “The General Meeting approves the amendment of Section 6.5. of the Articles of Association according to the submission.”

I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 628,818,382 affirmative votes (92.26%), 52,091,312 negative votes (7.64%), and 676,026 abstentions (0.10%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 60.304280%, Negative: 4.995606%, Abstention: 0.064832%.)

**The General Meeting has adopted the resolution proposal in Resolution No. 14/2015 (IV.15.).**

Resolution proposal no. 4: “The General Meeting approves the amendment of Section 7.8.2. of the Articles of Association according to the submission.”

I put the proposal to the vote.

The result of the voting: the General Meeting adopted this Resolution with 680,823,516 affirmative votes (99.89%), 10,029 negative votes (0.00%), and 676,676 abstentions (0.10%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.291622%, Negative: 0.000962%, Abstention: 0.064894%.)

**The General Meeting has adopted the resolution proposal in Resolution No. 15/2015 (IV.15.).**

## **Agenda item no. 10**

### **Approval of the amended Rules of Procedure of the Supervisory Board**

**Chairman:** I request **dr. László Pap**, Chairman of the Supervisory Board, to make known the submission and the essence of its Report related to this agenda item verbally.

**dr. László Pap:** Distinguished General Meeting! The detailed reasons for the modifications and the textual modifications of the Rules of Procedure are available in whole as part of the submission in the disclosed documents and are also included in the handout that has been distributed to the Distinguished Shareholders during the shareholders' registration. For the efficiency of the General Meeting the textual modification is also displayed on the screen so that Shareholders may easily follow. Act V of 2013 on the Civil Code entered into effect on March 15, 2014 and according to its official commentary, this is the act I will cite "[...] unambiguously declares, without any room for derogation, that the Board of Directors makes resolutions with non-equal voting ratio, therefore any regulation providing for a lower voting ratio shall be null and void. This also means that no rules are allowed based on which tie votes could be decided upon, e.g. the decisive vote of the chairman or any other board member. In such cases the necessary majority of votes - i.e. at least simple majority - is not ensured therefore no resolution can be made." Although the above commentary is applicable to the Board of Directors, the same rule applies to other corporate bodies, such as the Supervisory Board. With respect to this the Rules of Procedure shall be amended as follows: In Section 3.5. of the Rules of Procedure (the title of this is Quorum and passing resolutions) the provision, according to which, I also cite "[i]n the event of a tie vote, the proposal supported by the Chairman, or, in case of his absence, the proposal supported by the Deputy Chairman shall be approved. If the Chairman (Deputy Chairman) is not present at the meeting a proposal cannot be considered approved in the event of a tie vote, and the item must be discussed again at the next meeting" shall be deleted.

The essence of the Supervisory Board's Report related to this agenda item: The Supervisory Board accepted its amended Rules of Procedure, and submits it to the General Meeting for approval.

**Chairman:** I ask the Distinguished Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I make known the resolution proposal:

"The General Meeting approves the amended and restated Rules of Procedure of the Supervisory Board with the modifications set out in the submission."

The voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 680,899,496 affirmative votes (99.90%), 7,799 negative votes (0.00%), and 676,626 abstentions (0.10%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.298908%, Negative: 0.000748%, Abstention: 0.064889%.)

**The General Meeting has adopted the resolution proposal in Resolution No. 16/2015 (IV.15.).**

## **Agenda item no. 11**

### **Election and determination of the remuneration of the Company's Statutory Auditor, and determination of the contents of the material elements of the contract to be concluded with the Statutory Auditor**

**Chairman:** I inform the General Meeting that the assignment of PricewaterhouseCoopers Könyvvizsgáló Kft., as the Statutory Auditor of Magyar Telekom Plc, expires today. Due to this fact it is necessary to elect the Company's Statutory Auditor. According to the Articles of Association of the Company, it is the competence of the Supervisory Board to make proposal regarding the election of the Statutory Auditor to the General Meeting. I request **dr. László Pap**, Chairman of the Supervisory Board, to make known the proposal of the Supervisory Board and the essence of its Report related to this agenda item verbally to the Shareholders.

**dr. László Pap:** Distinguished General Meeting! The Supervisory Board of Magyar Telekom Nyrt. submits the following resolution proposal to the General Meeting in relation to the election and determination of the remuneration of the Company's statutory Auditor. Furthermore, in relation to this, it proposes the contents of the material elements of the contract to be concluded with the Auditor – in addition to elements set out in the resolution proposal – to be determined as follows:

- First point is the scope of the contract:  
The audit of the standalone Annual Report of the Company prepared in accordance with the Hungarian Accounting Act (HAR), and the audit of the Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS) for the business year 2015.
- Second point: Billing and payment:  
The fee of the Auditor shall be paid in 12 monthly installments. The Auditor may change the fees reasonably and proportionally if the scope of the work is changed (for example, significant change in Magyar Telekom Group, significant change in business or regulatory circumstances) for an unforeseeable reason, or if excess work arises for a reason attributable to the interests of the Company, provided that the scope and fees of the excess work are mutually agreed in advance by the contracting parties and the Audit Committee pre-approved the same according to its Pre-Approval Policy.
- Duration of the contract:  
The contract is for the period ending May 31st, 2016 or if the Annual General Meeting closing the 2015 business year will be held prior to May 31st 2016 then until the date thereof.

And the resolution proposal is the following.

"The General Meeting elects as Statutory Auditor of Magyar Telekom Plc. (the "Company")

PricewaterhouseCoopers Auditing Ltd. (registered office: 1055 Budapest, Bajcsy-Zsilinszky út 78.; company registration number: 01-09-063022; registration number: 001464)

to perform audit services for the year 2015, for the period ending May 31st 2016 or if the Annual General Meeting closing the 2015 business year will be held prior to May 31st 2016 then on the date thereof.

Personally responsible registered auditor appointed by the Statutory Auditor: Árpád Balázs  
Chamber membership number: 006931  
Address: 1124 Budapest, Dobsinai u. 1.  
Mother's maiden name: Hedvig Kozma

In the event he is incapacitated, the appointed deputy auditor is: Balázs Mészáros (chamber membership number: 005589, mother's maiden name: Orsolya Lócsei, address: 1137 Budapest, Katona József u. 25. V. em. 4.).

The General Meeting approves HUF 212,632,000 + VAT + 8 % related costs + VAT be the Statutory Auditor's annual compensation, covering the audit of the standalone Annual Report of the Company prepared in accordance with the Hungarian Accounting Act and also the audit of the Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS).

The General Meeting approves the contents of the material elements of the contract to be concluded with the Statutory Auditor according to the submission."

Briefly the proposal of the Supervisory Board is as follows: the Supervisory Board accepted its proposal on the election and determination of the remuneration of the Company's Statutory Auditor, and determination of the

contents of the material elements of the contract to be concluded with the Statutory Auditor, and submits it to the General Meeting for approval. Thank you.

**Chairman:** I also thank you. I ask the Shareholders whether there are any questions or remarks regarding this agenda item? If there are none, I inform the Distinguished Shareholders that the voting ratio necessary for adopting this resolution is simple majority. I put the proposal to vote.

The result of the voting: the General Meeting adopted this Resolution with 680,551,947 affirmative votes (99.85%), 364,661 negative votes (0.05%), and 515,314 abstentions (0.08%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.265578%, Negative: 0.034971%, Abstention: 0.049419%.)

**I state that the General Meeting has adopted the resolution proposal in Resolution No. 17/2015 (IV.15.).**

**Chairman:** With no more items on the agenda of the General Meeting, let me thank to the Distinguished Shareholders their participation. I declare the General Meeting closed at 12:40 p.m.

.....  
**Christopher Mattheisen**  
Chairman of the General Meeting

.....  
**dr. Gabriella Bognár**  
Keeper of the Minutes

.....  
**dr. Rita Bajáky**  
Authenticator of the Minutes

Countersigned by:

.....  
**dr. Balázs Máthé**  
Chief Legal Counsel  
Chief Legal and Corporate Affairs Officer  
In House certificate No.: 13691

# REPORT OF THE BOARD OF DIRECTORS ON THE MANAGEMENT OF MAGYAR TELEKOM PLC., ON THE BUSINESS OPERATION, ON THE BUSINESS POLICY AND ON THE FINANCIAL SITUATION OF THE COMPANY AND MAGYAR TELEKOM GROUP IN 2014

CHRISTOPHER MATTHEISEN  
CEO – MEMBER OF THE BOARD OF DIRECTORS

**ANNUAL GENERAL MEETING**  
**APRIL 15, 2015**



EGYÜTT. VELED

## MANAGEMENT COMMITTEE



Christopher Mattheisen  
Chief Executive Officer



Chief Commercial  
Officer Residential



Péter Lakatos  
Chief Commercial  
Officer SMB



Tibor Rékasi  
Chief Commercial  
Officer Enterprise



Walter Goldenits  
Chief Technology  
and IT Officer



János Szabó  
Chief Financial  
Officer



Éva Somorjai  
Chief Human  
Resources Officer



Balázs Máthé  
Chief Legal and  
Corporate Affairs  
Officers



EGYÜTT. VELED

# AWARDS WON IN 2014

Excellence in Customer Servicing award e-channel category



Oekom sustainability award 3rd place

Family friendly workplace

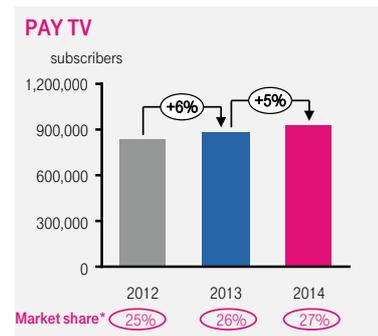
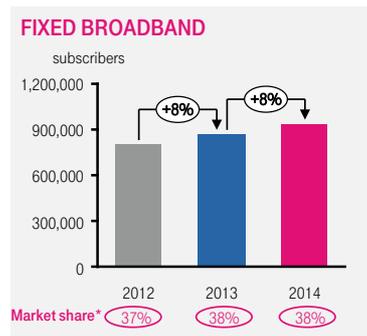
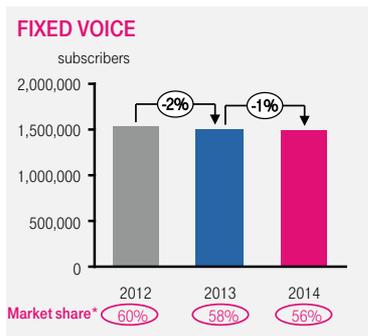
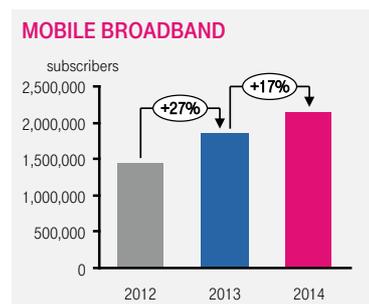
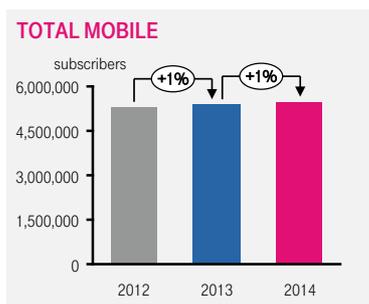


Cisco Innovative Solution Award in South Eastern Europe for T-Systems Hungary

Bicycle friendly organization



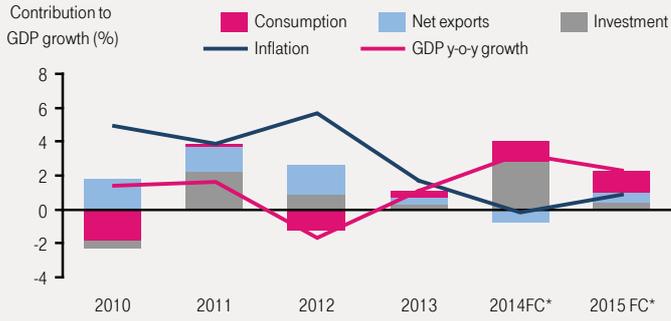
# MARKET POSITIONS ON THE HUNGARIAN TELECOMMUNICATION MARKET



\* Based on the total fixed voice / BB / pay TV market estimated by the National Media and Infocommunications Authority

# HUNGARIAN ECONOMIC ENVIRONMENT

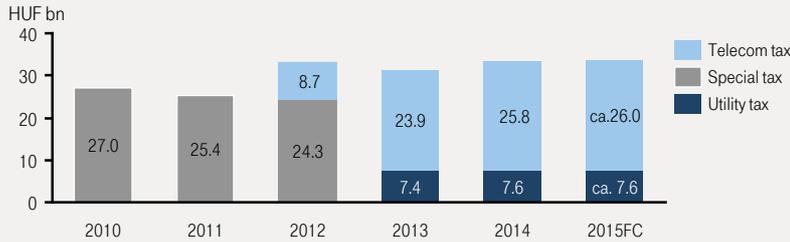
## GROWTH STRUCTURE



## DOMESTIC DEMAND SHOWS SIGNS OF IMPROVEMENT AS ECONOMY RECOVERS

- Governmental measures support consumer spending
- Investment levels show strong volatility due to EU fund cycles
- MT is expected to benefit from positive trends of domestic demand

## ADDITIONAL TAXES LEVIED ON MAGYAR TELEKOM



## TAX BURDENS TO REDUCE BUDGET DEFICIT

- Temporary special revenue-based sector tax levied between 2010-2012
- Permanent traffic-based telecom tax introduced in July, 2012, increased from August, 2013
- Permanent tax on utility and telecom networks levied from 2013

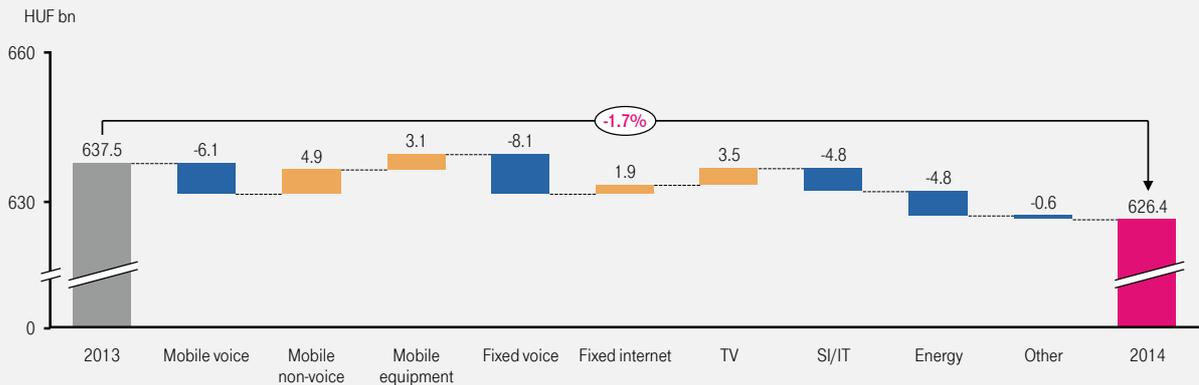


\* Central Bank of Hungary December 2014 forecast

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# 2014 GROUP RESULTS – REVENUES

## GROUP REVENUES

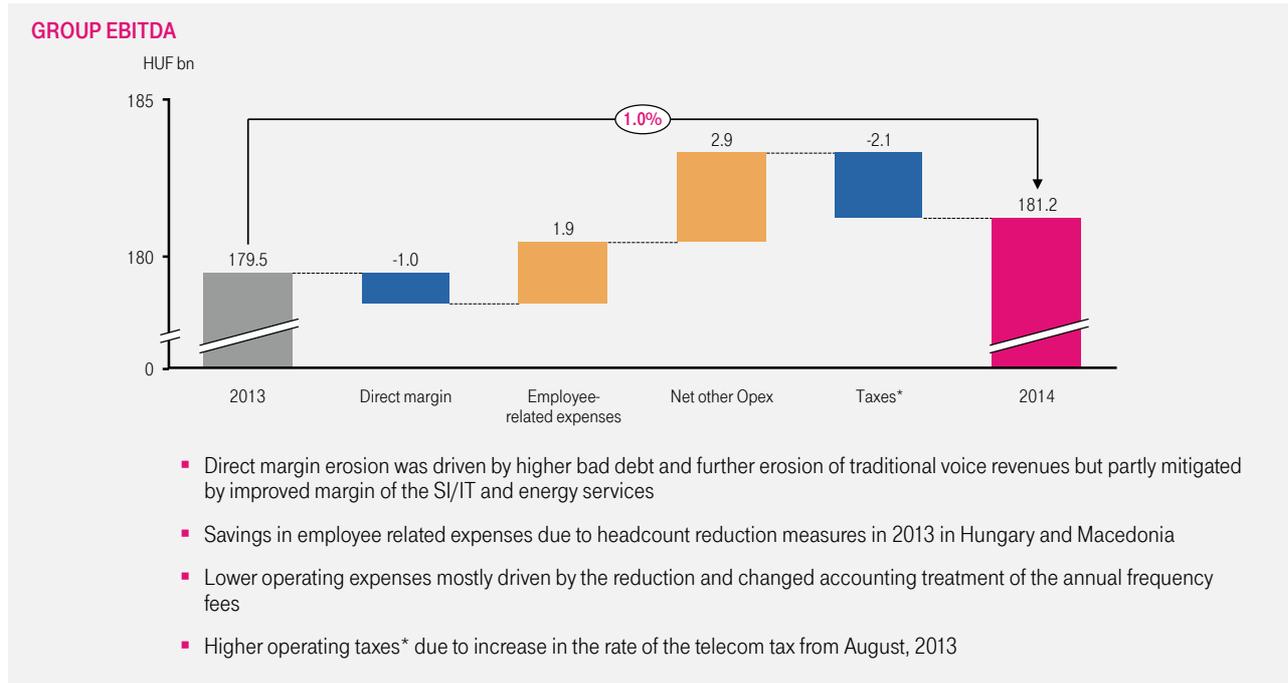


- Decline in mobile voice revenues counterbalanced with strong growth in mobile data usage resulting also in higher smart mobile device sales
- Traditional fixed voice revenue decline partly offset by growth in fixed broadband and TV revenues driven by continuous increase in the customer base
- Energy revenue decline due to regulated price reductions
- Lower SI/IT revenues caused by change in product mix



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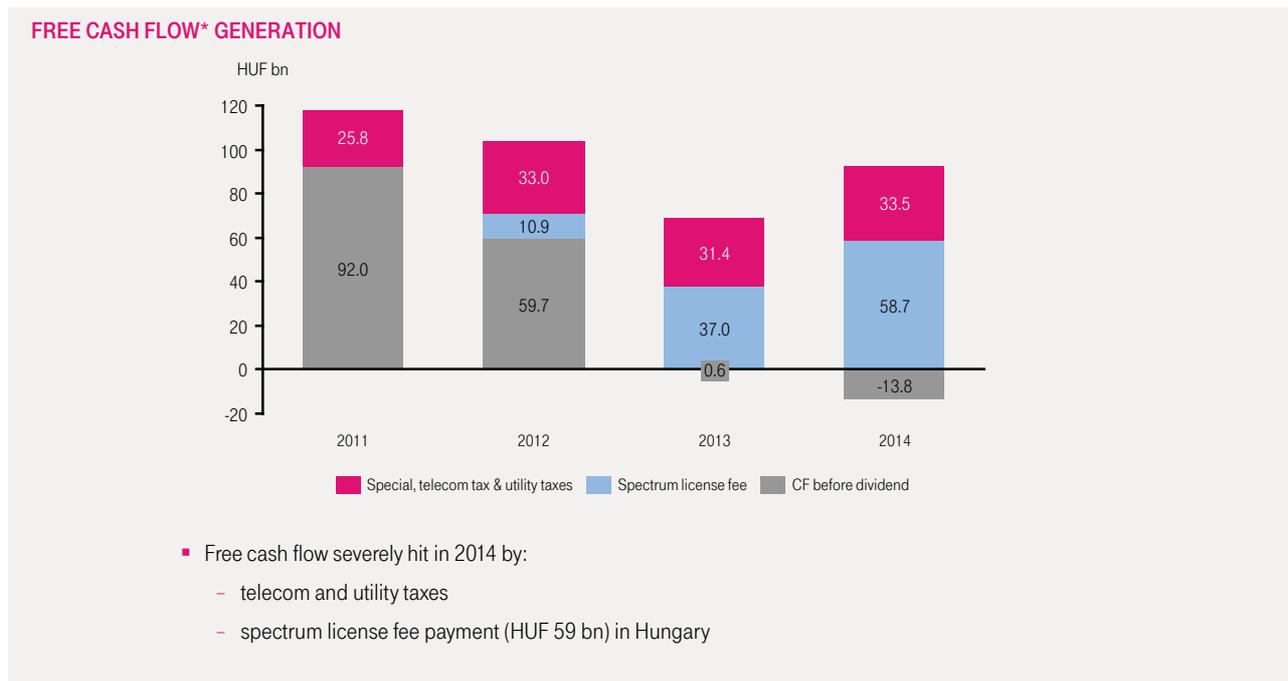
# 2014 GROUP RESULTS – EBITDA



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\* telecom and utility taxes

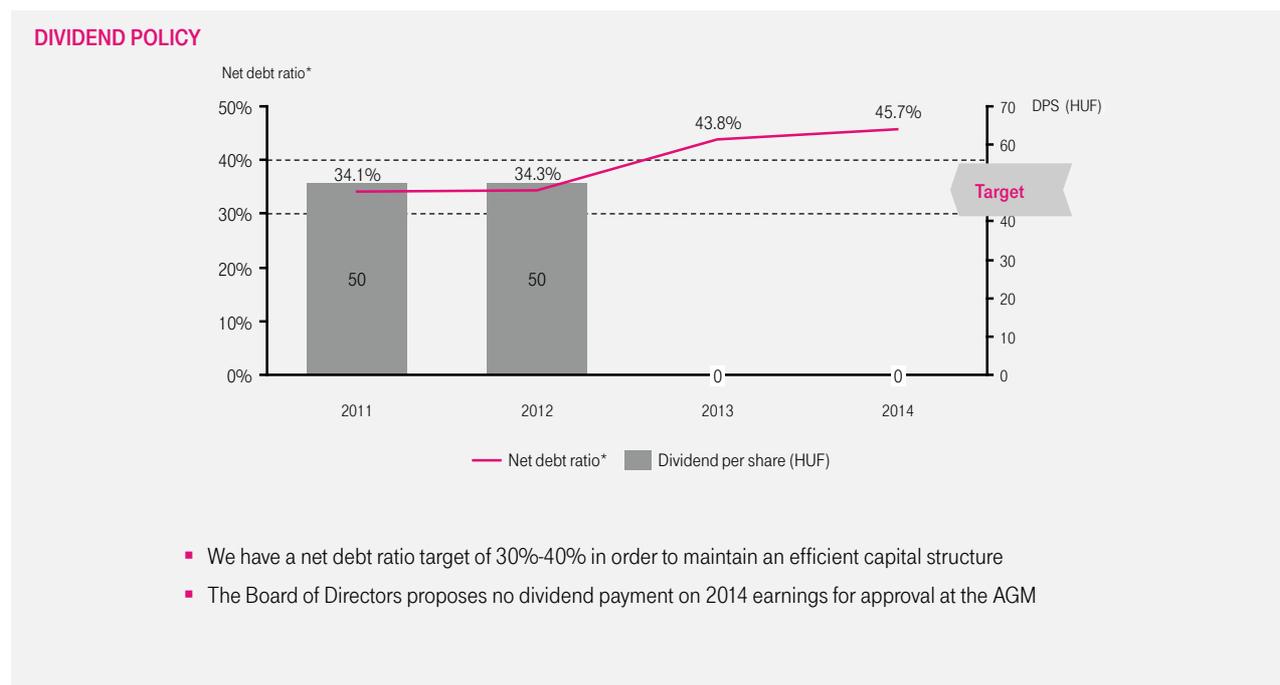
# FREE CASH FLOW



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\*operating cash flow and investing cash flow adjusted for proceeds from / payments for other financial assets and repayment of other financial liabilities

# DIVIDENDS



# PUBLIC TARGETS FOR 2015 AND 2017

	2014 RESULTS	2015 TARGETS	2017 TARGETS
Revenue	HUF 626.4bn	0-3% increase	roughly stable compared to 2014 level
Reported EBITDA	HUF 181.2bn	0-3% decline	surpassing HUF 185bn
CAPEX*	HUF 86.8bn	around HUF 105bn	around HUF 80bn
FCF**	around HUF -19bn		surpassing HUF 50bn

\*excluding spectrum license fees and annual frequency fee capitalization

\*\*after subsidiary minority dividend payment

# THANK YOU FOR YOUR ATTENTION!

FOR FURTHER QUESTIONS PLEASE CONTACT THE INVESTOR RELATIONS DEPARTMENT:

PHONE: +36 1 458 0424

FAX: +36 1 458 0443

E-MAIL: [INVESTOR.RELATIONS@TELEKOM.HU](mailto:INVESTOR.RELATIONS@TELEKOM.HU)



EGYÜTT. VELED