

BECOMING A DIVERSIFIED SERVICE PROVIDER

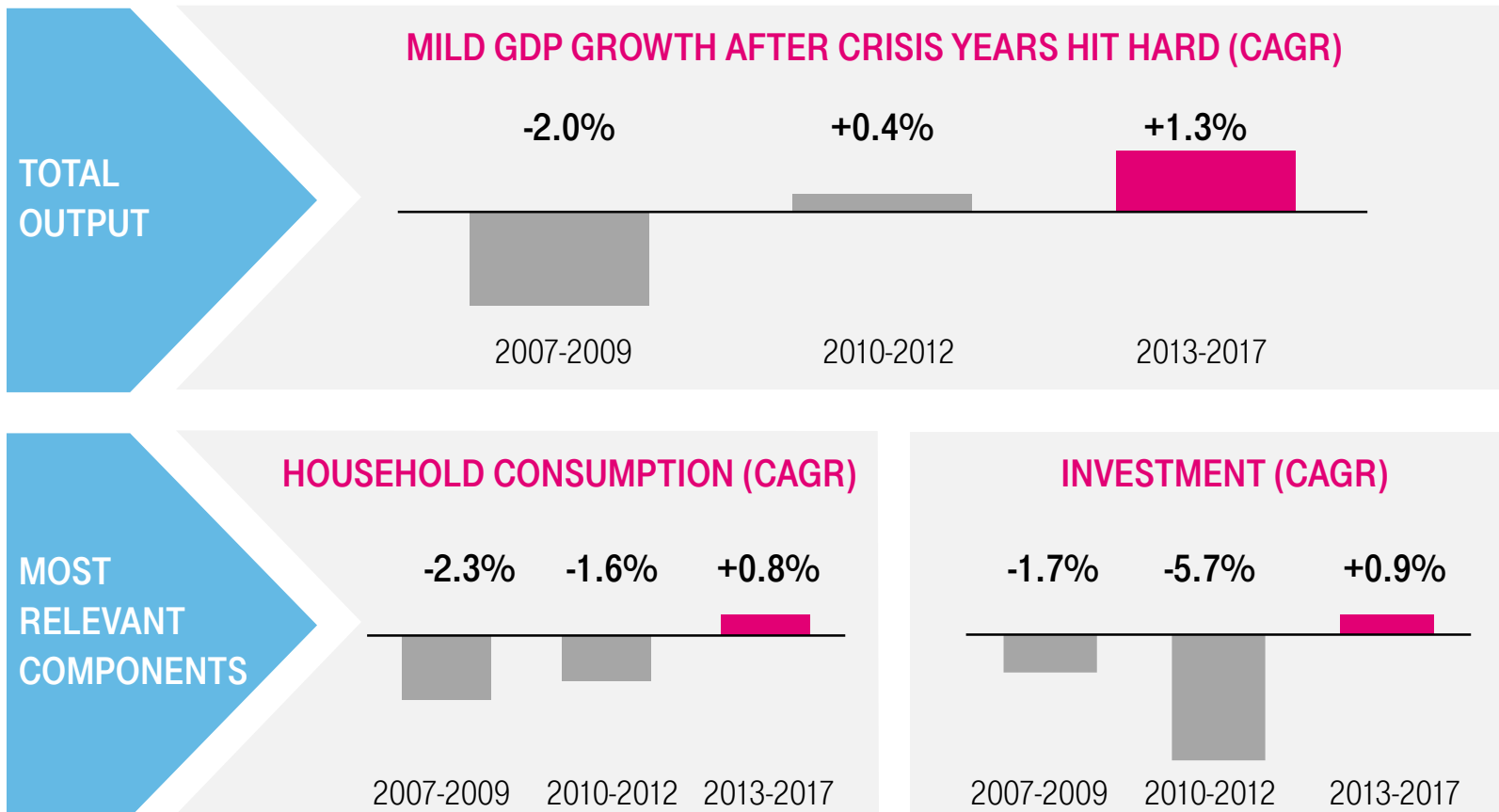
CHRISTOPHER MATTHEISEN

Chief Executive Officer



LIFE IS FOR SHARING.

GRADUAL ECONOMIC RECOVERY EXPECTED IN HUNGARY



Source: Internal assumptions



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OPPORTUNITIES IN A CHANGING TECHNOLOGICAL AND CULTURAL LANDSCAPE

TECHNOLOGY

- High speed networks (fixed and mobile)
- Smart devices
- M2M and Cloud platforms

CUSTOMER BEHAVIOUR

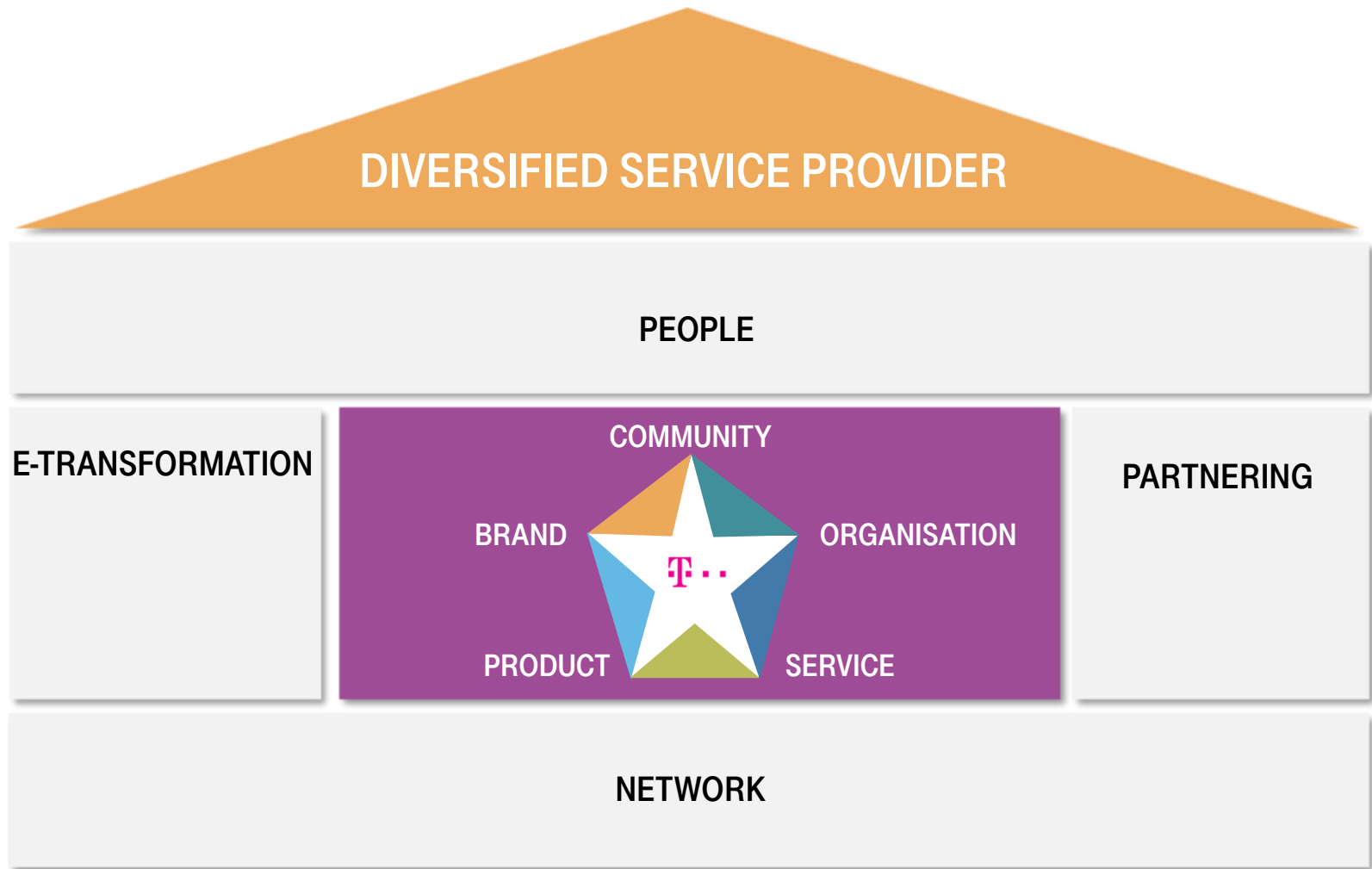
- Digitalization of generations
- Need for networks and networking
- Need for “Hyperconnectivity”

NEW BUSINESS MODELS

- Partnering (B2B2C) becomes key
- New digitalized industries
- Applications driving new business strategies

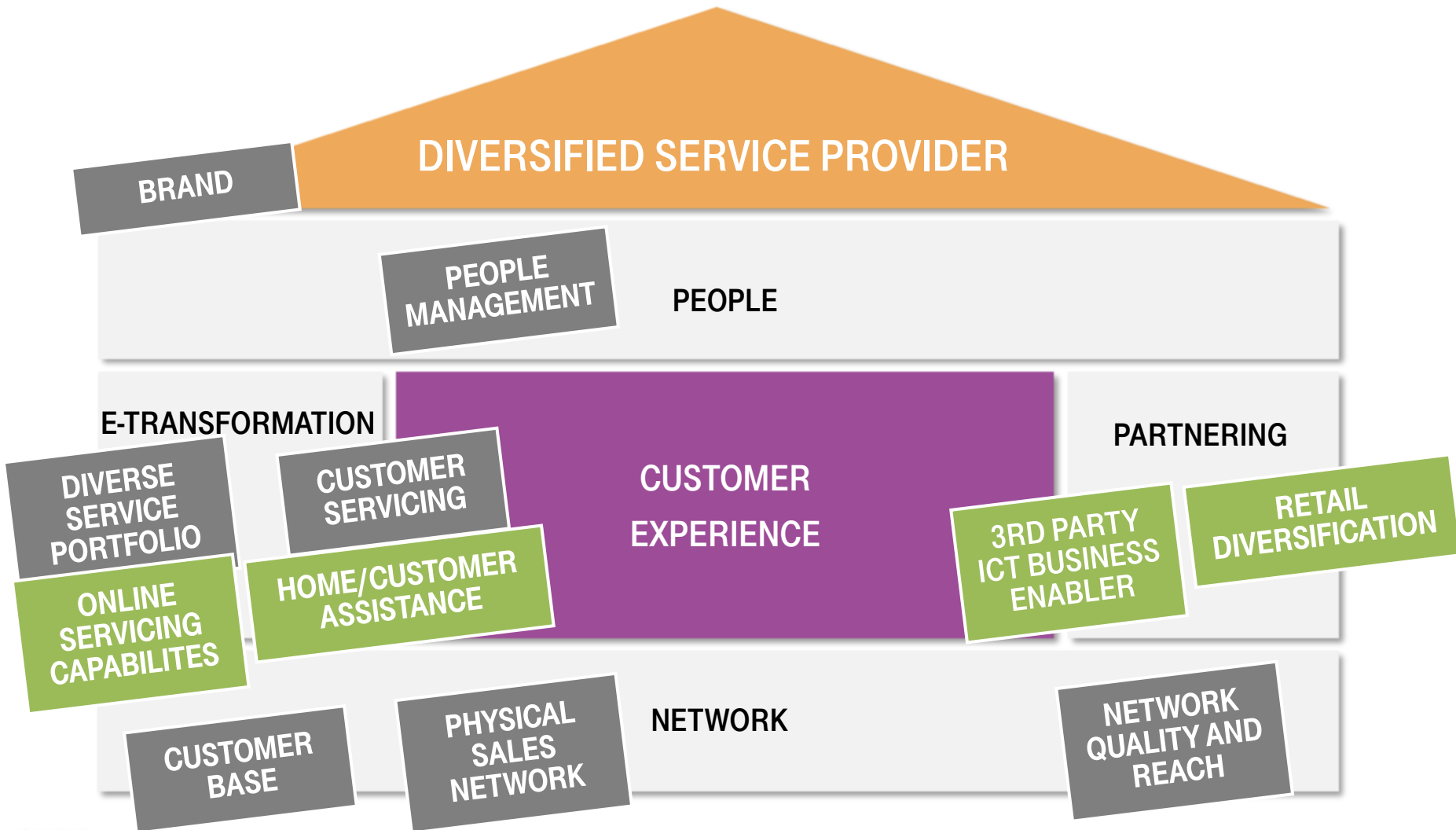


CUSTOMER EXPERIENCE CENTRIC STRATEGY



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CUSTOMER EXPERIENCE CENTRIC STRATEGY



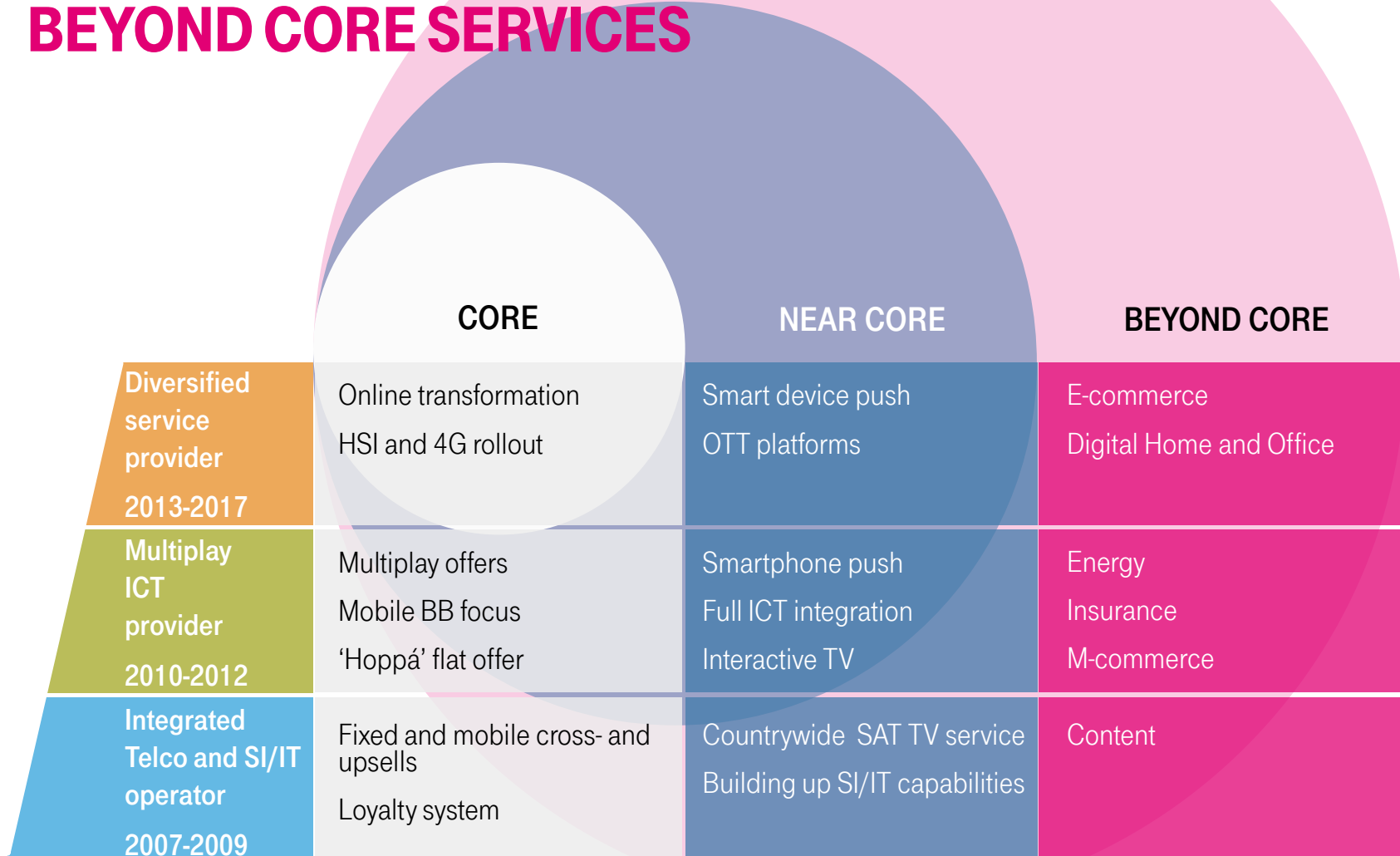
Existing competences



New competences needed

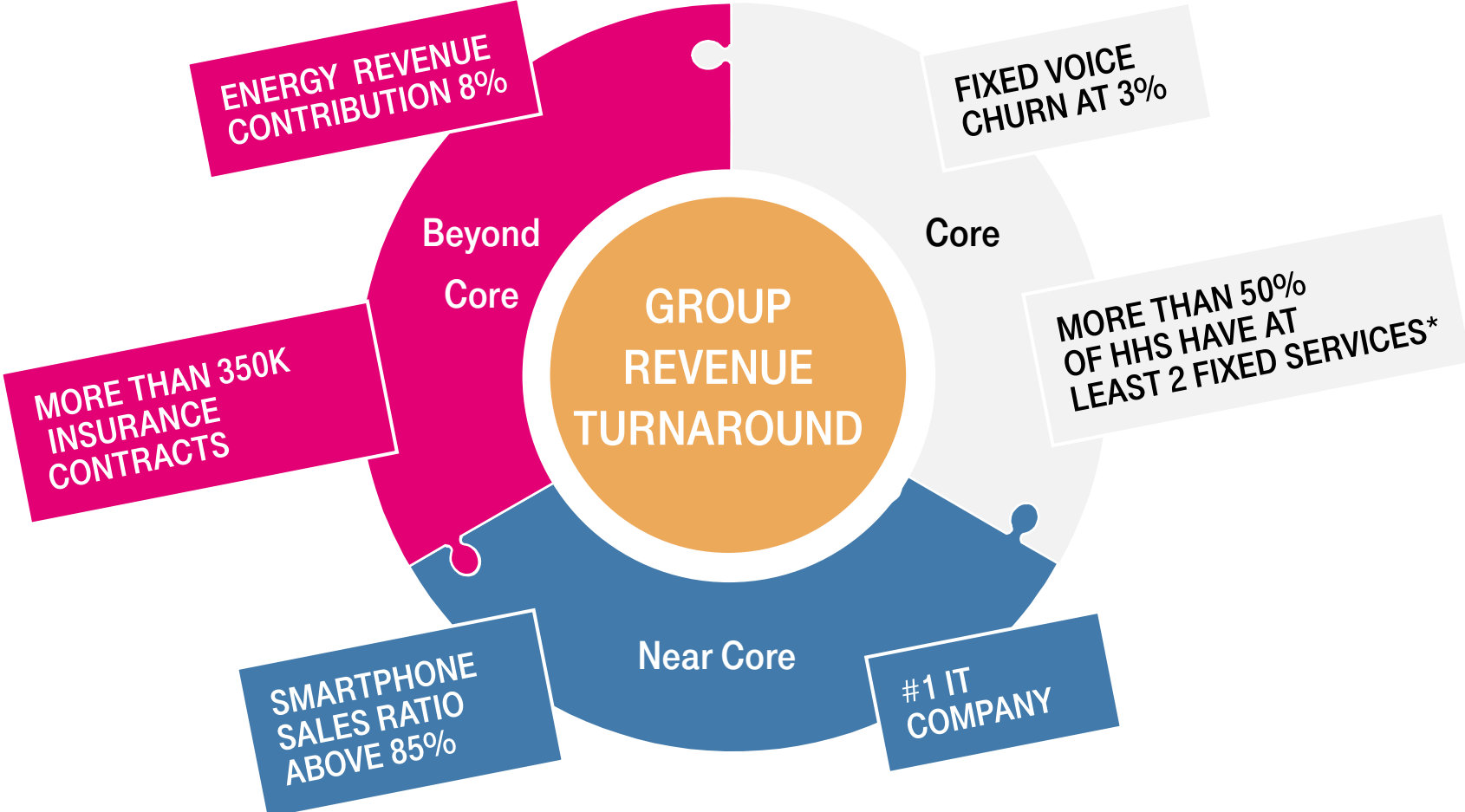
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DIVERSIFIED PORTFOLIO OF CORE, NEAR CORE AND BEYOND CORE SERVICES



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OUR ACHIEVEMENTS JUSTIFY OUR STRATEGY – SELECTED KPIS



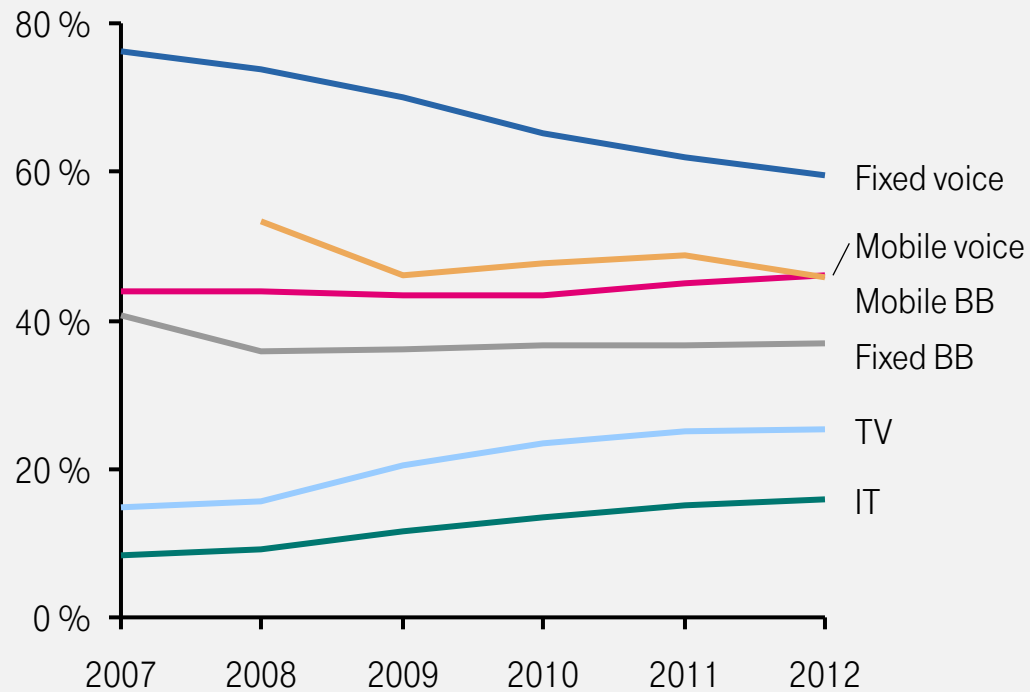
*Out of households where Magyar Telekom is present



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OUR ACHIEVEMENTS JUSTIFY OUR STRATEGY – EXCELLENT MARKET POSITIONS

MARKET SHARES IN HUNGARY*



TARGETS FOR EACH MARKET SEGMENT

- Fixed voice: keep churn at low level
- Mobile voice: keep market share stable
- Mobile broadband: keep market leader position
- Fixed broadband: increase market share and remain #1
- TV: keep interactive TV market leader position
- IT: grow continuously

*Data for voice, broadband, and TV are based on total market estimates by the regulator. IT market shares are revenue-based estimates from IDC.



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MEET THE TEAM



Attila Keszég

Chief Commercial Officer Residential



Péter Lakatos

Chief Commercial Officer SMB



Tibor Rékasi

Chief Commercial Officer Enterprise*



Walter Goldenits

Chief Technology and IT Officer



Róbert Pataki

Chief Business Development Officer



Éva Somorjai

Chief Human Resources Officer



János Szabó

Chief Financial Officer



Balázs Máthé

Chief Legal and Corporate Affairs Officer

*as of October 1, 2013



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CONTRIBUTIONS TO OUR TURNAROUND STORY

RESIDENTIAL

- Maximising customer value through bundling
- Online capabilities enhancing customer experience

2017: 3.1 SERVICES PER HH

2017: 30% E-SALES RATIO

2017: 40% E-CARE RATIO

2017: 74% MULTIPLAY RATIO

2017: 80% SMART DEVICE PENETRATION

SOHO/SMB

- Revenue growth via increased IT/cloud contribution

SOHO/SMB REVENUE TURNAROUND IN 2015

ENTERPRISE

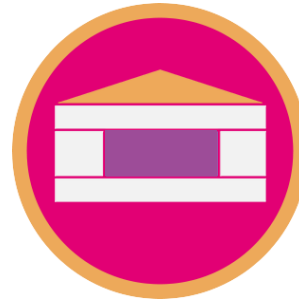
- Become a transformation partner in SI/IT
- Mitigate telco erosion

T-SYSTEMS ADJ. MARGIN TURNAROUND IN 2015

NEW SERVICES

- Find value in industries with a strategic fit
- Strict financial and risk-sharing criteria of entering new markets

2017: 18% OF TOTAL HUNGARIAN REVENUES FROM BEYOND CORE



TECHNOLOGY

- Maintain technology leadership
- Focus on efficiency in network developments

2015: 80% OUTDOOR LTE COVERAGE

2017: 1.5Mn HHs COVERED W/ 50MBPS+ FIXED ACCESS

HR

- Maintain holistic and strict cost management while upholding employee satisfaction

2017: TWM/REVENUES TO DECREASE FURTHER



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This presentation contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our annual financial statements for the year ended December 31, 2012, available on our website at <http://www.telekom.hu> which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union.

Abbreviations: #: Number, 2G: Second Generation, 3G: Third Generation, 4G: Fourth Generation, ADSL: Asymmetric Digital Subscriber Line, App.: Application, ARPU: Average Revenue Per User, AVG: Average, B2B2C: Business to Business to Consumer, BB: Broadband, Bn: Billion, CAGR: Compound Annual Growth Rate, CAPEX: Capital Expenditures, COAX: Coaxial Cable, CRM: Customer Relationship Management, DL: Downlink, DPS: Dividend per Share, DT: Deutsche Telekom, E2E: End-to-End, EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization, EDGE: Enhanced Data for Global Evolution, ERP: Enterprise Resource Planning FCF: Free Cash Flow, FDD: Frequency-Division Duplexing, FTTB: Fiber to the Building, FTTC: Fiber to the Cabinet, FTTH: Fiber to the Home, GDP: Gross Domestic Product, GSM: Global System for Mobile communication, GPRS: General Pocket Radio Service, H1: First half, HH: Household, HSPA: High-Speed Packet Access, HUF: Hungarian Forint, HW: Hardware, ICT: Info-Communication Technology, IMS: IP Multimedia Subsystem, IP: Internet protocol, IT: Information technology, K: Thousand, KPI: Key Performance Indicator, LTE: Long Term Evolution, Min: minute, M2M: Machine-to-Machine, M-: Mobile-, Mbps: Mega Bit Per Second, MHz: Mega Hertz, Mn: Million, OPEX: Operating Expenses, OS: Operating System, OTT: Over The Top, PSTN: Public Switched Telephone Network, SAT: Satellite, SI: System Integration, SIM: Subscriber Identity Module, SMB: Small Medium Enterprises, SOHO: Small office home office, SW: Software, T2M: Time to Market, TDD: Time-Division Duplexing, TV: Television, TWM: Total Workforce Management, UL: Uplink, UMTS: Universal Mobile Telecommunication System, USP: Universal Service Provider, VDSL: Very high bit rate Digital Subscriber Line, yr: year



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