

ENHANCING THE VALUE OF HUMAN RESOURCES

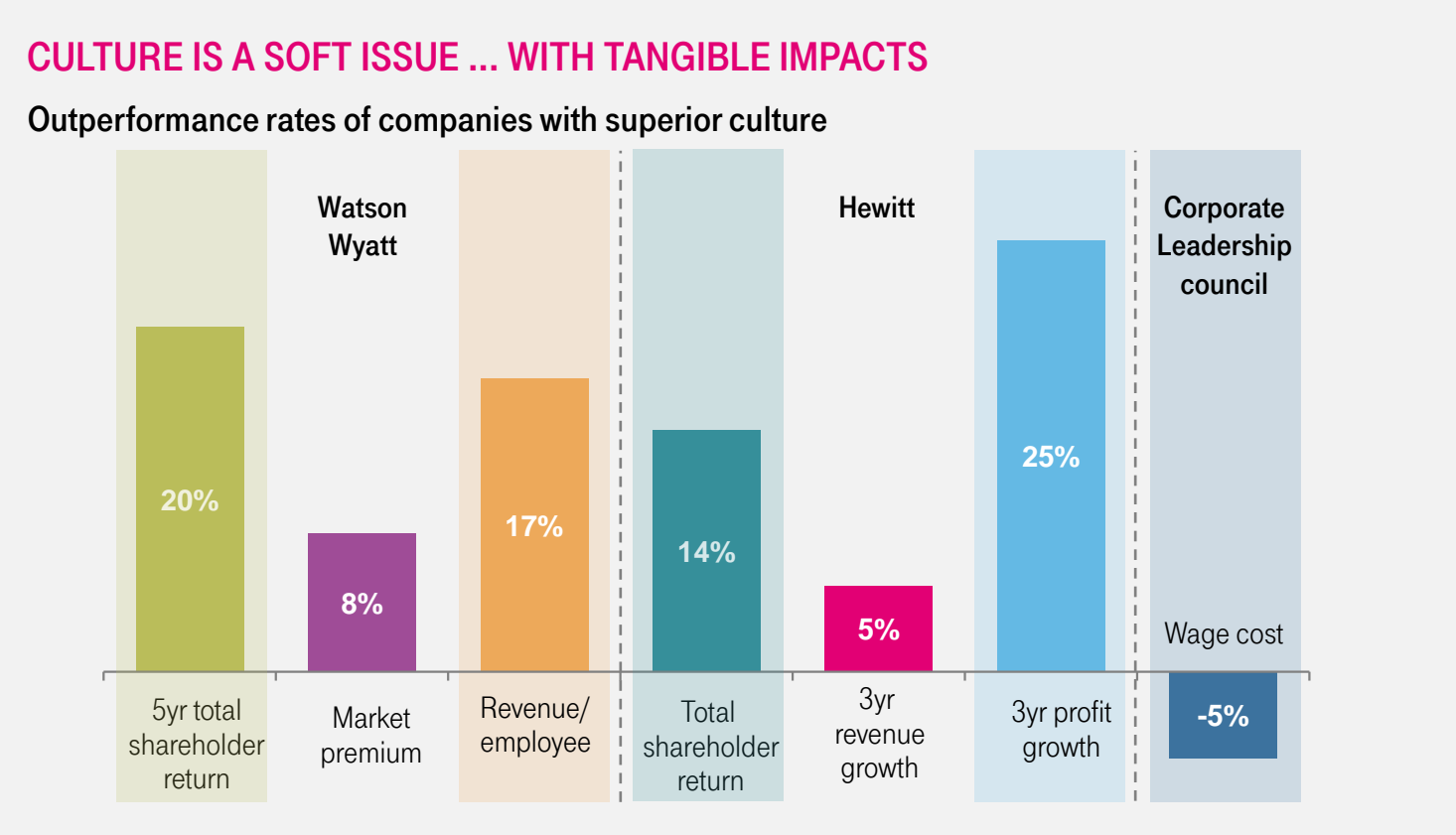
ÉVA SOMORJAI

Chief Human Resources Officer



LIFE IS FOR SHARING.

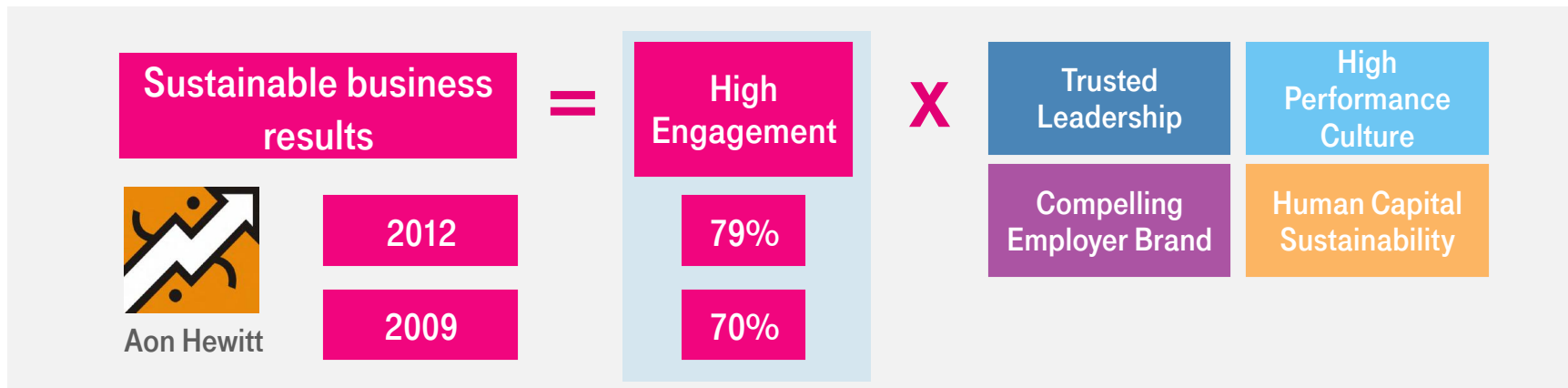
SUPERIOR CORPORATE CULTURE : AN OFTEN OVERLOOKED DIFFERENTIATING FACTOR WITH STRONG FINANCIAL IMPLICATIONS



Source: www.watsonwyatt.com/research; Hewitt 2005 Best Employers; ISR brochure

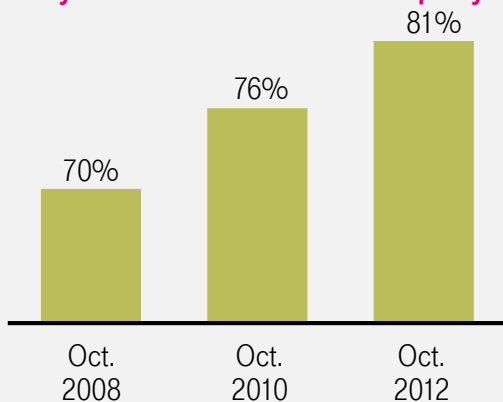


ENGAGEMENT IS A KEY DRIVER OF OUR BUSINESS SUCCESS

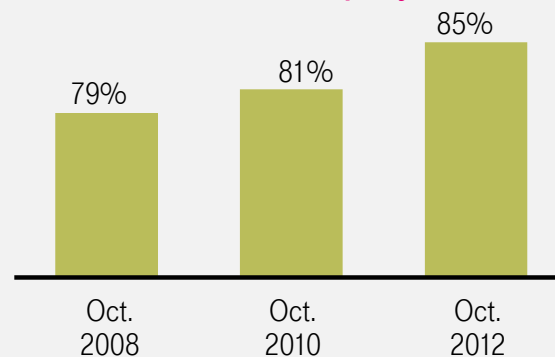


EMPLOYEE SURVEY RESULTS

"I feel very connected with the company"*



"I recommend the products and/or services of our company"*



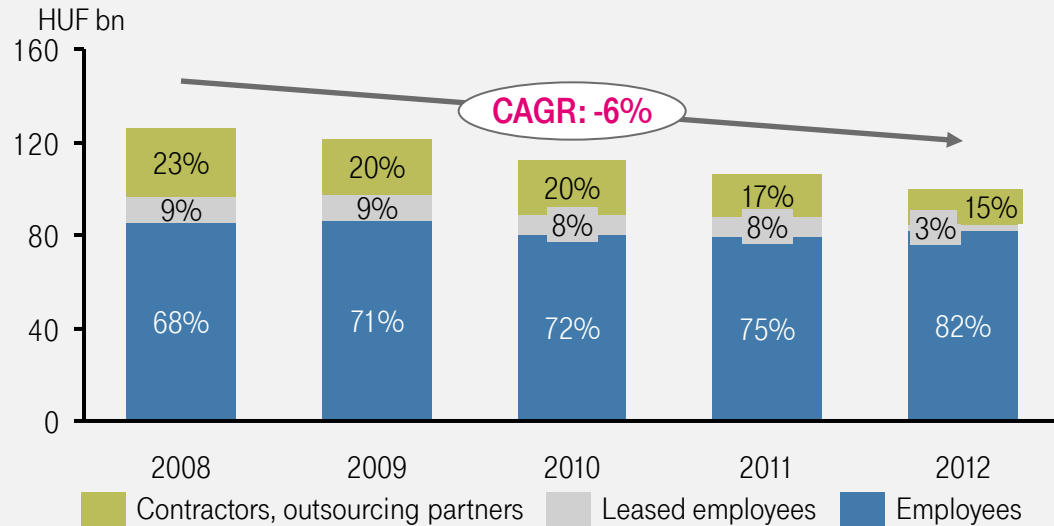
*% of respondents choosing one of the top 2 categories out of 5



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TOTAL WORKFORCE EFFICIENCY IMPROVEMENTS

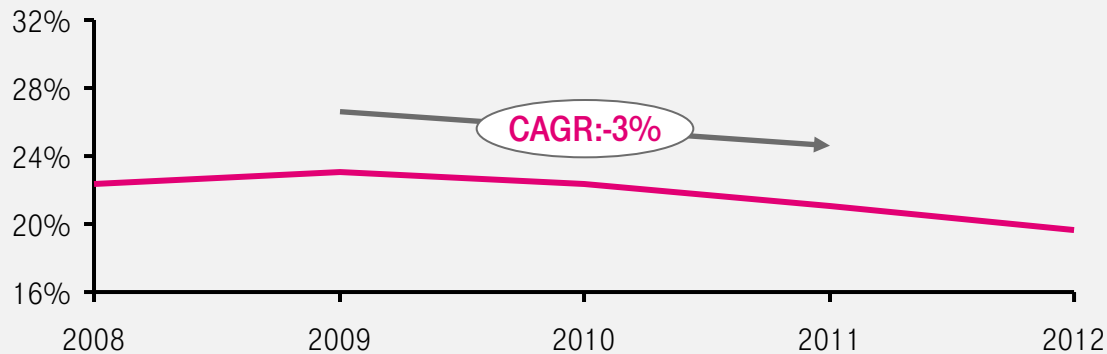
TWM COST COMPOSITION AND DEVELOPMENTS



WHY TOTAL WORKFORCE MANAGEMENT (TWM) COST VIEW?

- Optimizes the structure and costs of the entire workforce
- Ensures flexibility between the different forms of employment
- Group-wide standardization and simplification increases the efficiency of planning and controls

TWM COSTS RELATIVE TO REVENUES



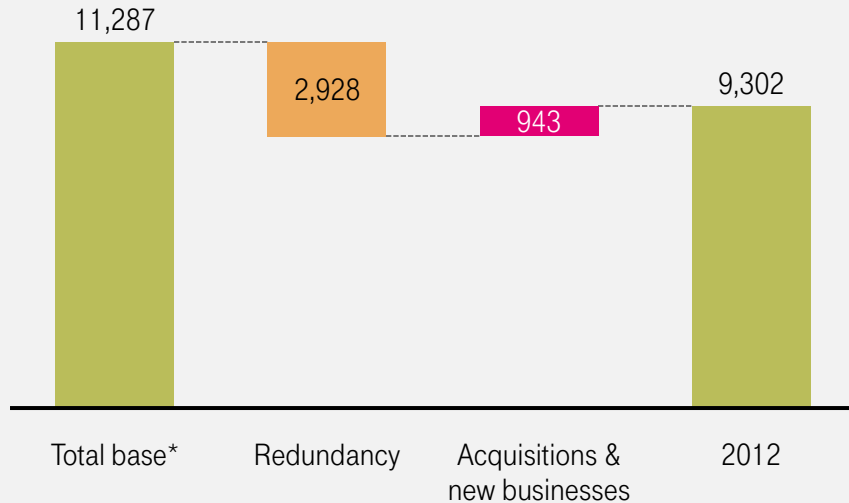
Our 2017 target is to maintain revenue proportionate efficiency improvement



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HEADCOUNT TRANSFORMATION IN LINE WITH NEW BUSINESS DEVELOPMENTS

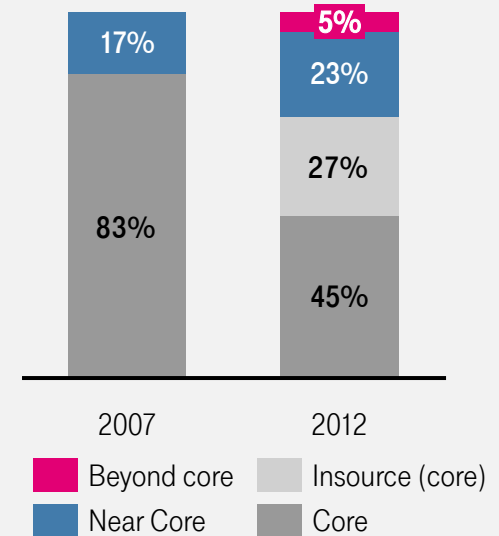
HUNGARIAN HEADCOUNT DEVELOPMENTS 2007-2012



- More than 30% headcount reduction in core activities over the past 5 years
- Insource-outsource activities in order to optimize costs

*YE 2007 headcount + 2,516 employees insourced in 2012

STRUCTURAL CHANGES IN THE EMPLOYEE BASE



28% of core services related headcount "reinvested" into the near core and beyond core activities



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RECOGNITION OF OUR ACHIEVEMENTS



Best Employer
2012



Client First
award
2012



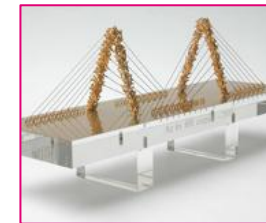
Divers and family
friendly
organization



Social media
HR 2011



Best Cafeteria
system award
2012



Golden Bridge
Diversity
award
2010



Deloitte 2012:
Green Frog award
A+ sustainability
report



Disability
friendly
workplace
award 2013



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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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