

**Magyar Telekom Telecommunications Public Company Limited by Shares
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, 1st district, Krisztina krt. 55.; Tölösi Conference Centre) on April 12, 2013, from 11:05 a.m.

Way of participating at the General Meeting: in person.

Participants: as listed in the attached attendance sheet.

Christopher Mattheisen: Good morning, let me welcome our distinguished Shareholders, Ladies and Gentlemen! As you may know this morning it was announced that Annamária Szalai, President of the National Media and Infocommunications Authority, passed away. Before we start this General Meeting let me request you to remember Ms. Szalai with silent obeisance. Thank you very much.

I hereby open the General Meeting at 11:05 a.m. I welcome the Shareholders and the invitees.

Before reviewing the process of the General Meeting please let me introduce you the new Chief Financial Officer of the Company, János Szabó.

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 Borokné Matus**, present on behalf of KELER Zrt., to describe the essence and method of computer voting.

Mrs. Judit Borokné Matus: My name is Mrs. Judit Borókné Matus, representing KELER Zrt. assisting in the management of the General Meeting and in the registration process. I would like to briefly introduce You the voting system.

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 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 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 pressing the button 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.

I propose now to have a test voting. Please play the voice signal. Please 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.

The number of shares issued by the Company is: 1,042,742,543 of which the number non-voting treasury shares is: 390,862.

The total number of votes represented by the voting shares is: 1,042,351,681.

The total number of votes represented by the present shareholders is: **681,843,579** (in percentage: **65.41%**).

Based on the registration I state that the General Meeting constitutes a quorum, as the majority of the shareholders are present personally or via 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, resolution proposals 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 certified their shareholder status prior to the General Meeting, during registration by way of a securities account statement, issued to the name of the shareholder, however, are not registered in the Shareholders' Register, may participate the General Meeting but may not exercises shareholders' rights.

In accordance with the provisions of the Companies Act and the Articles of Association, in our Announcement for the General Meeting published on March 11, 2013 we called the attention of our Shareholders who intends to participate at the General Meeting shall be registered in the Share Registry until the second working day prior to the starting date of the General Meeting. At the General Meeting they might exercise their shareholders' rights and in particular voting rights provided that they had been recorded in the Shareholders' Register of the Company as owners of shares or nominees on the second working day (April 10, 2013 at 18.00 p.m.) prior to the starting date of the General Meeting. The closing of the Shareholders' Register does not restrict the right of the shareholder to transfer his shares after the closing of the Shareholders' Register. A transfer of the shares before the date of the General Meeting does not restrict the right of the person registered in the Shareholders' Register to participate the General Meeting and exercise his shareholder's rights.

The General Meeting is conducted in Hungarian and in English languages with interpretation. The translator devices are available beside the registration desk. I request shareholders to announce their name and the number of their voting device into the microphone that we provide in every case when contributing to the discussion. Please always use the microphone during your speech. Let me draw the Shareholders' kind attention, that 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 three 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 durance of the General Meeting is approximately three and half hours without a possible break.

I inform the Distinguished Shareholders that entering into Tölösi Conference Center, is only possible with the usage of both your event-entrance card and the wristband received during the registration. With regard to this, I request

the Shareholders to keep their event-entrance card during the whole General Meeting with them and use it again to enter or re-enter the room. Please return the event-entry card at the respective pick-up points when leaving.

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

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

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

Pál Kustra: Pál Kustra, box no. 308-0. With respect to the keeping of the minutes: I think that the minutes will be verbatim, as in the case of previous General Meetings. I would like to ask this from Mr. Mattheisen. And the other: I would also like to record the General Meeting, in order to identify my questions, if any, and the answers. Thank you.

Christopher Mattheisen: I kindly request **Balázs Máthé** Chief Officer.

Balázs Máthé: The answer to your first question is yes, verbatim minutes will be prepared. With respect to the second question, I would like to ask those who are present to let us know if they have any objection against Mr. Kustra's own recording? I have to ask this because of data protection reasons. If there are no objections, it is all right. (*No objections.*) Thank you.

Christopher Mattheisen: Thank you. Are there any other remarks or questions? None. 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 647 730 008 affirmative votes (95.00%), 116 656 negative votes (0.02%), and 20 643 553 abstentions (3.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 62.117923%, Negative: 0.011187%, Abstention: 1.979736%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 1/2013 (IV.12.).

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 has adopted the resolution with 647 809 788 affirmative votes (95.01%), 26 990 negative votes (0.00%), and 20 656 801 abstentions (3.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 62.125574%, Negative: 0.002588%, Abstention: 1.981007%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 2/2013 (IV.12.).

Chairman: I propose to elect dr. Gabriella Bognár in-house legal counsel as Keeper of the Minutes. I further propose that Mr. Roman Zitz, representative of MagyarCom Holding GmbH should authenticate 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 has adopted the resolution with 647 618 946 affirmative votes (94.98%), 118 840 negative votes (0.02%), and 20 651 461 abstentions (3.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 62.107272%, Negative: 0.011397%, Abstention: 1.980495%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 3/2013 (IV.12.).

Chairman: I inform the shareholders that no motion was submitted to the Board of Directors in connection with the supplementation of the agenda within 8 days upon the publication of the Announcement on March 11, 2013, 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. I ask **Mr. Balázs Máthé**, the Chief Legal and Corporate Affairs Officer of the Company to make known the agenda.

- Balázs Máthé:**
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 2012;
 2. Decision on the approval of the 2012 consolidated annual financial statements of the Company prescribed by the Accounting Act according to the requirements of the 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 2012 annual stand alone financial statements of the Company prepared in accordance with the requirements of the 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 2012; 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 2012, on the payment of dividends;
 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. Election of members of the Board of Directors;
 9. Election of members of the Supervisory Board;
 10. Election of members of the Audit Committee;
 11. Election and determination of the remuneration of the Company's Auditor, and determination of the contents of the material elements of the contract to be concluded with the auditor.

Chairman: Thank you very much. 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 647 627 924 affirmative votes (94.98%), 114 408 negative votes (0.02%), and 20 646 915 abstentions (3.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 62.108133%, Negative: 0.010972%, Abstention: 1.980059%.)

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. 4/2013 (IV.12.).

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 2012

Chairman: The Report of the Board of Directors is an informative and contains no resolution proposal. I inform the Distinguished Shareholders that the Report of the Board of Directors to be displayed on the screen has been

updated regarding the person of the Chief Financial Officer and the expected payable amount of the utility tax according to the disclosures of the Company published in the meantime. 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 2012¹ on the following topics:

- Management Committee and reporting structure;
- awards won in 2012;
- market positions on the Hungarian telecommunication market;
- Hungary – fixed voice market and retail energy;
- Hungary – fixed broadband and TV market;
- Hungary – mobile voice and data market;
- Hungarian economic environment;
- 2012 group results – revenues and EBITDA;
- free cash flow and dividends;
- Magyar Telekom strategic business priorities 2013;
- public targets for 2013;
- dividend payment details.

Chairman: Thank you very much. We shall continue with agenda item no. 2. Agenda item no. 2. (*Reacting to a shareholder's indication*) Yes, questions may be asked.

Pál Kustra: Pál Kustra, box no. 308-0. First of all, I would like to thank you this presentation, about the company ...

Chairman: A little bit louder, please.

Pál Kustra: I would like to thank you this presentation as a shareholder, that you told us about the past and future of the company. In particular, I am pleased that you have updated these figures, which show the economic environment in Hungary, so HUF 7.2 billion will be the planned cost instead of HUF 9-11 billion. So this is good news. Now, my question is the following: from this amount, if I'm correct, 33 billion was an extra cost last year. This will be HUF 27.2 billion this year, so improvement is to be expected with approximately HUF 5 billion. Is this true? The other question related to this topic: this extra cost was accounted as costs by Telekom or was it transferred partially to residential consumers in 2012, or is it planned to be transferred to in 2013, and how much to the consumers? So this is the first topic, and I think it is practical if I wait for the answer. Thank you.

Chairman: I let **János Szabó** Chief Financial Officer to answer in more detail, but generally I can say that in the current competitive market these are costs which practically may not be shifted to the customers. But let me ask János in detail.

János Szabó: Thank you very much. The first part of the question: yes, these amounts are expected. Obviously, these taxes have the characteristics, especially the telecom tax, which is connected to minutes used and sms messages, so it may not be foreseen what the amount of the tax will be, however, this calculation is quite close to the final, factual amount of the tax in 2013. If we start with this, then the utility tax is much more exact, measurable by units, by the network, and this is a very precise number. Actually, the full amount of tax will decrease in a yearly comparison regarding these special taxes. These taxes are accounted for in our figures and present as costs, as items over the so-called EBITDA, so above the operational results. With respect to transferring costs: Chris gave the general answer in part. First, this is the environment, plus not only the economic environment became more difficult, but also the regulatory environment with respect to transferring. Balázs could say more about this, how it

¹ 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 updated and presented Report of the Board of Directors is attached in English as Annex no. 1 to these minutes.

became more limited, but the primary goal is that to form our different price changes in connection with the market environment and not regarding the taxes.

Chairman: Thank you very much János. If there are no other remarks or questions ...

Pál Kustra: Than thank you for the answer. So the answer is: that in fact, you can't transfer this to the consumers, and you do not want to do this, and you did not do this last year. Did I understand right?

Balázs Máthé: Mr. Kustra, you requested verbatim minutes. Let us stick to this, what is said here is in the minutes, and Your comments are also in the minutes. I think this is a fully fair procedure.

Chairman: Thank you very much.

Pál Kustra: Well, Pál Kustra, excuse me, box no. 308-0. So my question was, did you transfer it or not? Now, thank you for what you said, what Mr. Mattheisen said, and Mr. Szabó, who is new in this area. But if you have transferred it, it would be interesting to know. If not, than not. But let me ask my other question. Here in your next chart about the free cash flow and dividend there is the following: you have spent HUF 22.1 billion on the SEC-DoJ agreement. So there is chapter no. 19 in the next item, where this amount is HUF 21.857 billion. Can we interpret this in a way that in 2012 there is an extra DoJ-SEC cost of HUF 243 million?

Chairman: One moment.

János Szabó: This difference is the difference in the exchange rates, that can be seen between the two numbers, and this is treated differently.

Chairman: Thank you very much. Now we continue, really continue with item no. 2 ..., please.

Pál Kustra: Thank you for the answer. So this is the difference in the exchange rates, I think this can be found somewhere in the material. The next one: I would like to propose to You the method to gain revenues, couple of billions of HUF. So you paid more than HUF 7 billion to the SEC ...

Balázs Máthé: Excuse me, from procedural point of view, questions may be asked. Resolution proposals may be submitted by shareholders having more than 1%.

Pál Kustra: I understand. Let me phrase this as a question. So from the 7. ..., more than HUF 7 billion that you paid to the SEC, does the management, the executive officers, and Deutsche Telekom think to ask for at least half of it back, because it was verified that the claim of the SEC, what you paid for, in particular that there was no corruption or FCPA matter in Macedonia, and the proof of it that the procedures against the private individual started last year does not contain this count. Thank you.

Balázs Máthé: The management not only thinking, but obviously do everything to reach up to the possible maximum in the interest of the shareholders from any matter, whether it is a business, legal or any other matter. We act the same way in this case. We monitor the procedures in the various countries, and if we see any possibility, which requires a legal action on a well grounded basis, in order to vindicate the company's interests, we will do that.

Chairman: Thank you very much. We would like to move forward with agenda item no. 2.

Agenda item no. 2

Decision on the approval of the 2012 consolidated annual financial statements of the Company prescribed by the Accounting Act according to the requirements of the International Financial Reporting Standards (IFRS); 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 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 2012 consolidated financial statements of Magyar Telekom Nyrt. has been prepared according to the International Financial Reporting Standards (IFRS) as endorsed by the EU and the draft of it was published where stipulated in the Articles of Association. PricewaterhouseCoopers Könyvvizsgáló Kft. audited the financial statements and certified it as authentic. Subsequent to the General Meeting Magyar Telekom Nyrt. deposits and discloses its financial statements in compliance with the provisions of the Accounting Act and the relevant 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 Shareholders! The Supervisory Board's report prepared for the General Meeting was available in whole in the disclosed documents and is also included in the package that has been distributed to the Shareholders.

The Supervisory Board, with the involvement of the Audit Committee and the independent external auditor, discussed the 2012 consolidated financial statements prescribed by the Accounting Act according to the requirements of the International Financial Reporting Standards (IFRS) as endorsed by the EU, to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their acceptance.

In the opinion of the Supervisory Board, the 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 2012 consolidated financial statements of the Company prepared according to the International Financial Reporting Standards as endorsed by the EU with Balance Sheet Total Assets and Profit for the year in accordance with the proposal of the Board of Directors and the Audit Committee. Thank you.

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

dr. János Illéssy: Distinguished Shareholders, Ladies and Gentlemen! The Audit Committee's report prepared for the General Meeting was also available in whole in the disclosed documents and is also included in the handout that has been distributed to the Shareholders.

The Audit Committee also reviewed the 2012 consolidated financial statements prescribed by the Accounting Act according to the requirements of the International Financial Reporting Standards (i.e. IFRS) as endorsed by the EU to be submitted to the General Meeting by the Board of Directors, the proposal of the Board of Directors for their acceptance, 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 financial statements and the proposal. The Audit Committee proposes to the General Meeting for approval the 2012 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards (i.e. IFRS) as endorsed by the EU, including Balance Sheet Total Assets of HUF 1 057 844 million and Profit for the year of HUF 45 855 million.

Chairman: Thank you very much Mr. Illéssy. I request Mr. **Árpád Balázs** representative of the Auditor, to verbally outline the essence of the **Auditor's Report** on the Y2012 consolidated financial statements of the Company as prescribed by the Accounting Act according to the International Financial Reporting Standards as endorsed by the EU.

Árpád Balázs: Distinguished Shareholders! Our company, PricewaterhouseCoopers has audited the consolidated annual report of Magyar Telekom Public Limited Company and we have issued a report dated March 5, 2013 containing an unqualified opinion. This report was signed by me, Árpád Balázs, the registered auditor of the company, and my partner colleague, Mr. Manfred Krawietz, who is also present. Let me read out the opinion word by word. During our work we have audited the components and disclosures along with the underlying accounting records and supporting documentation in the consolidated financial statements of Magyar Telekom Nyrt. in accordance with Hungarian Standards on Auditing and, on the basis of our audit work, we have gained sufficient and appropriate evidence that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. In our opinion, the consolidated financial statements give a true fair view of the financial position of Magyar Telekom Nyrt. as of 31 December 2012, and of the results of its operation for the year then ended in accordance with international Financial Reporting Standards as adopted by the EU. The business report is consistent with the disclosures in the consolidated financial statements. Based on all these, we propose the report to the General Meeting for approval. Thank you.

Chairman: Thank you very much. I ask the Shareholders whether there are any questions or remarks regarding this agenda item? Please.

Pál Kustra: Pál Kustra, box no. 308-0. So you paid this more than USD 90 million to the SEC, to the DoJ in 2012, and in the end of 2012 it turned out that the one of the claims of the SEC, that corruption occurred in Macedonia or in Montenegro, is not valid. Now, regarding this, I think this would relate to the 2012 activities, that you analyze the possibility to request the return of that money. But let me move forward a little. The case is much worse. The investigation was conducted in a way that they saw how they could penalize Magyar Telekom much more, and the goal of the investigation was not to reveal what really happened. Now I can tell You that we submitted an offer in Macedonia in 2000, which contained the main numbers until 2007. This offer was prepared on the assumption that there are two mobile operators at the end of 2007, and the regulatory environment does not change. However, the main accusation by the DoJ and the SEC, in case of Macedonia, the FCPA accusations, were to hinder the 3rd mobile operator, to change the regulatory environment, and so on. So if I bought something on January 15, 2001, then I cannot commit corruption under the FCPA, because I was entitled to this. So my question to You: if the SEC's suspicion was ungrounded in case of Montenegro, and does not stand in case of Macedonia, then why did Magyar Telekom paid finally approximately HUF 50 billion to the American budget, and to American lawyers, respectively?

Keeper of the minutes: Excuse me Mr. Kustra, the three minutes expired.

Balázs Máthé: I try to interpret the comment in the context of the agenda item. So regarding the financial statements, the question is that how is this included in the financial statements? Or, I simply do not understand it. Obviously, the financial statements appropriately contain all the numbers of the cases You have mentioned, whether among the costs or in some other places. This is a comment which is related to the agenda. The other is that obviously these numbers are as per the procedures best known by the management, or the company. We have no information about the facts that You communicate us as facts Mr. Kustra.

Chairman: Thank you very much. Any other questions or remarks? Mr. Kustra.

Pál Kustra: Thank you for the answer. Excuse me, box no. 308-0. If Magyar Telekom paid HUF 22 billion last year, and it turns out that it was partially or fully illegal, than I think it is relevant. The other: You did not know about it. This is verified by the investigation. So the whole investigation was not conducted about facts, and the management did not consider those documents and information, according to which no Macedonian FCPA case existed. This will be proved sooner or later. I told in 2006 that it does not exist in Montenegro and at the end of last year it was proved. So this game here, and HUF 50 billion gone, and if this means to You that it hides in the lines, or I do not know how Mr. Máthé thought this comment, then I think the attitude of the management, the senior officers and Deutsche Telekom is very onward to this question. Thank you.

Balázs Máthé: This was a comment. My counter comment is that we will obtain an opinion from a reputable and independent law firm regarding Your comment. Obviously, this is not a topic for the General Meeting, but to reassure everybody, we will look into it. Thank you.

Chairman: Thank you very much. Are there any other questions or remarks? If there are no other remarks, I ask **Mr. Máthé** to make known the resolution proposal.

Balázs Máthé: "The General Meeting approves the 2012 Consolidated Financial Statements of Magyar Telekom Plc., prepared according to the International Financial Reporting Standards (IFRS), as endorsed by the EU including Balance Sheet Total Assets of HUF 1,057,844 million and Profit for the year 2012 of HUF 45,855 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 has adopted the resolution with 667 214 870 affirmative votes (97.85%), 128 451 negative votes (0.02%), and 14 456 572 abstentions (2.12%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 63.986540%, Negative: 0.012319%, Abstention: 1.386399%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 5/2013 (IV.12.).

Agenda item no. 3

Decision on the approval of the 2012 annual stand alone financial statements of the Company prepared in accordance with the requirements of the 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: Magyar Telekom Nyrt.'s 2012 stand-alone financial statements was prepared in accordance with the provisions of the Accounting Act 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. The report was audited by PricewaterhouseCoopers Könyvvizsgáló Kft. and was certified as authentic.

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 Shareholders! The Supervisory Board, with the involvement of the Audit Committee and the independent auditor, discussed the 2012 stand alone financial statements prepared in accordance with requirements of the Accounting Act to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their acceptance.

In the opinion of the Supervisory Board, the 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 2012 stand alone financial statements of the Company prepared according to the Hungarian Accounting Regulations (HAR) 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 very much. I request **dr. János Illéssy**, Chairman of the Audit Committee to make known the essence of the **Audit Committee's Report** related to this agenda item.

dr. János Illéssy: Distinguished Shareholders! The Audit Committee also reviewed the 2012 stand alone financial statements prepared in accordance with requirements of the Accounting Act to be submitted to the General Meeting by the Board of Directors, the proposal of the Board of Directors for their acceptance, 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 financial statements and the proposal. The Audit Committee proposes to the distinguished General Meeting for approval the 2012 Financial Statements of the Company prepared according to the Hungarian Accounting Regulations (its abbreviation in English is: HAR), including Balance Sheet Total Assets of HUF 880 312 million and After-tax Net Income of HUF 30 792 million.

Chairman: Thank you very much. I request Mr. **Árpád Balázs**, representative of the Auditor, to verbally outline the essence of the **Auditor's Report** prepared in relation to the Y2012 stand alone Financial Statements.

Árpád Balázs: Thank you very much. Distinguished Shareholders! PricewaterhouseCoopers has audited the stand alone annual financial statements of the Company in addition to the auditing of the consolidated report of the Magyar Telekom Plc. and we issued our report containing an unqualified opinion also dated March 5, 2013 about these financial statements. Let me read out the paragraph containing the opinion. During our work we have audited the components and disclosures along with the underlying accounting records and supporting documentation in the annual financial statements of Magyar Telekom Nyrt. in accordance with the Hungarian and International Standards on auditing and, on the basis of our audit work, we have gained sufficient and appropriate evidence that the financial statements have been prepared in accordance with the provision of the Accounting Act and with accounting principles generally accepted. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Magyar Telekom Nyrt. as of 31 December 2012, and of the results of its operations for the year then ended. 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. Thank you.

Chairman: Thank you very much. I ask the 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 2012 Standalone Financial statements of the Company prepared according to the Hungarian Accounting Regulations (HAR), including Balance Sheet Total Assets of HUF 880,312 million and After-tax Net Income of HUF 30,792 million."

Chairman: Thank you very much. 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 has adopted the resolution with 681 672 256 affirmative votes (99.97%), 119 139 negative votes (0.02%), and 7 898 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: 65.373017%, Negative: 0.011426%, Abstention: 0.000757%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 6/2013 (IV.12.).

Agenda item no. 4

Proposal of the Board of Directors for the use of the profit after tax earned in 2012; 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 2012, on the payment of dividends

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

Balázs Máthé: According to the Companies Act and the Articles of Association the decision on the use of profit after tax belongs to the exclusive scope of authority of the General Meeting. I make known the resolution proposal:

“A dividend of HUF 50 per ordinary share (with a face value of HUF 100) shall be paid to the shareholders from the profit of 2012.

The HUF 52,117,584,050 to be disbursed as dividends shall be paid from the after-tax profits of HUF 30,791,563,578 based on HAR figures, and the remaining amount of HUF 21,326,020,472 shall be paid from retained earnings.

May 16, 2013 shall be the first day of dividend disbursement. The record date shall be May 9, 2013.

On April 22, 2013, the Board of Directors of Magyar Telekom Plc. shall publish a detailed announcement on the order of dividend disbursement on the homepage of the Company and the Budapest Stock Exchange.

The dividends shall be paid by KELER Ltd., in compliance with Magyar Telekom Plc’s instructions.”

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** on this agenda item verbally.

dr. László Pap: Distinguished Shareholders! The Supervisory Board, with the involvement of the Audit Committee, discussed the proposal of the Board of Directors, according to which the Company shall pay a dividend of HUF 50 per ordinary share (with a face value of HUF 100) to the shareholders from the profit of 2012.

The Supervisory Board provided prior approval to the proposal of the Board of Directors with respect to dividend payment and proposes the proposal to the General Meeting for approval.

Chairman: Thank you very much. I request **dr. János Illéssy**, Chairman of the Audit Committee to make known the essence of the **Audit Committee’s report** related to this agenda item verbally.

dr. János Illéssy: Distinguished Shareholders! The Audit Committee reviewed the proposal of the Board of Directors, according to which the Company shall pay a dividend of HUF 50 per ordinary share (i.e. with a face value of HUF 100) to the shareholders from the profit of 2012. According to the review of the Audit Committee, the appropriate coverage for dividend payment is available, the Audit Committee agrees with the proposal. The Audit Committee proposes the proposal to the distinguished General Meeting for approval.

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

Árpád Balázs: Distinguished Shareholders! Having reviewed the audited financial statements, its balance sheet and profit and loss statement, I confirm that the after tax profits and the retained earnings of the Company provides sufficient resources to pay the proposed dividend. Thank you.

Chairman: I ask the Shareholders whether there are any questions or remarks regarding this agenda item? Please.

Tibor Lenhardt: I am Tibor Lenhardt, owner of voting device no. 311-8. I request Mr. Chairman to allow me the possibility to ask my question after the voting on the 2013 dividend.

Chairman: All right, yes.

Tibor Lenhardt: Thank you.

Chairman: Are there any other question? If there are no other remarks, I inform the 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 has adopted the resolution with 681 765 521 affirmative votes (99.99%), 34 372 negative votes (0.01%), and 0 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: 65.381961%, Negative: 0.003296%, Abstention: 0.000000%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 7/2013 (IV.12.).

Agenda item no. 5... excuse me, I am sorry, yes, as we said. There is a question.

Tibor Lenhardt: I am Tibor Lenhardt, owner of voting device no. 311-8. My question is the following: does the management of the company plan a change in the dividend policy in a way that it will pay so-called preferred dividend on a quarterly basis? Let me tell you why: the relationship between the company and the shareholder would be closer than it is now, and, last but not least, it would make it more difficult to "short" the shares. Thank you.

János Szabó: Considering the current, outside economic environment and the business, the management does not plan a change in the dividend policy, neither in the principles we followed in the past years, nor in how to pay dividends in 2013. This is our standpoint currently.

Chairman: We consider your standpoint, however, we do not plan, we do not form an opinion on this now. Thank you very much.

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 the following:

- to supplement Magyar Telekom's current shareholder remuneration policy in line with international practice;
- to operate a share based management incentive plan.

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. 18/2012 (IV.16.) of the General Meeting is hereby repealed."

Chairman: Thank you very much. I ask the 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 has adopted the resolution with 681 555 398 affirmative votes (99.96%), 32 452 negative votes (0.00%), and 189 938 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.361810%, Negative: 0.003112%, Abstention: 0.018215%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 8/2013 (IV.12.).

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 Companies Act, if the shares of the publicly operating companies are listed on the Budapest Stock Exchange, the Board of Directors must submit the corporate governance and management report to the Annual General Meeting of the company, together with the financial statements prepared according to the Accounting Act. The Act also provides that the report can only be submitted to the General Meeting upon its prior approval by the Supervisory Board. The report and its Annex were prepared on the basis of the provisions of the Companies Act and the Corporate Governance Recommendations of the Budapest Stock Exchange (BSE). The Board of Directors submits to the General Meeting the Corporate Governance and Management Report for the business year of 2012 of Magyar Telekom Plc. 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 opinion on the Corporate Governance and Management Report verbally.

dr. László Pap: The opinion is quite short. The Supervisory Board discussed the Corporate Governance and Management Report of the Company and, with its prior approval, proposes it to the General Meeting for approval.

Chairman: Thank you very much. Do you have 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 2012 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 has adopted the resolution with 681 569 934 affirmative votes (99.96%), 119 738 negative votes (0.02%), and 110 221 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.363204%, Negative: 0.011483%, Abstention: 0.010570%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 8/2013 (IV.12.). (*Reacting to a notification for correction*) Nine. Then I correct myself.

I state that the General Meeting has adopted the resolution proposal in Resolution No. 9/2013 (IV.12.).

Agenda item no. 7

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

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

Balázs Máthé: According to the Companies Act, the Articles of Association contain provisions for the general meeting to put on the agenda the evaluation of the work of the executive officers in the previous financial year and to decide on granting relief from liability to the executive officers. According to the Articles of Association and the Companies Act, decision on granting liability relief is within the exclusive authority of the General Meeting. I propose to the General Meeting to adopt the following resolution proposal:

“The General Meeting of Magyar Telekom Plc. - having evaluated the work in the previous financial year of the Board of Directors members of the Company - hereby decides to grant the relief from liability for the members of the Board of Directors of the Company with respect to the 2012 business year in accordance with Section 30 (5) of Act IV of 2006 on Business Associations. By granting this relief, the General Meeting confirms that the members of the Board of Directors have performed their work in 2012 by giving priority to the interests of the Company. The relief from liability granted by this resolution shall be cancelled in the event of a subsequent binding court ruling declaring the information based on which the relief of liability was granted was false or insufficient.”

Chairman: Thank you very much. Do you have any questions or remarks? Mr. Kustra.

Pál Kustra: Pál Kustra, box no. 308-0. At the last General Meeting there was a question whether there was an investigation in 2008 against Telekom managers, and there were interesting answers. So you had one year since then to follow-up. My questions are as follows: did the DoJ interviewed two Telekom leaders on February 25 and 26 about what happened in Macedonia in 2006 and 2007 and were their answers appropriate? Did they find the email in the so-called dossier that was sent by the DoJ on March 13, 2008, sent by agent Duffy to the law firm representing Magyar Telekom? Did the DoJ issue any document until today that it accepted as the explanation of the law firm of Telekom? Thank you.

Balázs Máthé: I would like to indicate that the agenda item is about whether the members of the Board of Directors performed their duties in the interest of the Company in 2012. So I do not see the relevance.

Pál Kustra: Pál Kustra, box no. 308-0. The relevance is the following: last April the majority of the Board of Directors was here, and did not give proper answers. So now, if the members of the Board of Directors did not give appropriate answers, are they entitled to the relief? We all know, that the court procedure is long. It is a procedure. It takes years for the court to say something. Now it is a case of conscience and if You are able to answer these questions and perhaps you would repeat the answers you gave at the last General Meeting that no, no, no, than there may be a legal way to clarify this question. Thank you.

Balázs Máthé: On the one hand I still do not see the connection between the 2012 work and Your statements. Second, for the sake of the minutes I note, that this would be true as You listed the questions, but anyway no, than yes would be the answer, then it would not be relevant with respect to the relief. So there are two problems with Your question: first, from a timing point of view it does not relate to 2012, second, it is not connected to the agenda from a thematic point of view. Otherwise the answers given at the last General Meeting do not need to be repeated, because they are publicly available. Thank you.

Chairman: Thank you very much. Are there any other remarks or questions? 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 has adopted the resolution with 681 460 264 affirmative votes (99.94%), 42 055 negative votes (0.01%), and 197 564 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.352686%, Negative: 0.004033%, Abstention: 0.018947%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 10/2013 (IV.12.).

Now, in this moment, I would like to order a 15-minutes break. The General Meeting will continue at 12:52 p.m. Thank you very much.

After the break, the **Chairman** continues the General Meeting: Then we continue the General Meeting at 12:55 p.m.

Agenda item no. 8

Election of members of the Board of Directors

Chairman: New Board of Directors members shall be elected by the General Meeting as the mandate of the members of the Board of Directors of Magyar Telekom Plc. will expire at this General Meeting. I hereby thank the successful work of the members of the Board of Directors.

In accordance with the provisions of the Articles of Association the Board of Directors shall comprise minimum of six, and a maximum of eleven members. The members of the Board of Directors shall be elected by the General Meeting. The assignment of the members of the Board of Directors lasts for a term of three years until May 31 of the third year subsequent to the date of the said General Meeting, provided that if the General Meeting in the third year is held prior to May 31, then their assignment lasts until the date of the General Meeting.

The Board of Directors proposes the following persons to be elected by the General Meeting:

1. dr. Ferri Abolhassan
2. Kerstin Günther
3. Thilo Kusch
4. Christopher Mattheisen
5. György Mosonyi
6. Günter Mossal
7. Frank Odzuck
8. dr. Mihály Patai
9. dr. Ralph Rentschler
10. Branka Skaramuca

The biographies of the nominees were available in the published documents. I ask the nominees present to stand up. Thank you. I inform the Shareholders that among the biographies to be displayed on the screen Mr. Thilo Kusch's biography has been updated with his new positions according to the disclosure of the Company published in the meantime. I inform the Shareholders that we will vote on the Board of Directors members in line with the submission, one by one, in the order of the proposals.

The voting ratio necessary for adopting these resolutions is simple majority.

I make known the resolution proposal regarding dr. Ferri Abolhassan:

“The General Meeting elects dr. Ferri Abolhassan to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 560 611 affirmative votes (99.96%), 6 464 negative votes (0.00%), and 196 506 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362310%, Negative: 0.000620%, Abstention: 0.018845%.)

The General Meeting has adopted the resolution proposal in Resolution No. 11/2013 (IV.12.).

I make known the resolution proposal regarding Mrs. Kerstin Günther:

“The General Meeting elects Mrs. Kerstin Günther to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then her assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 665 543 affirmative votes (99.97%), 92 551 negative votes (0.01%), and 9 819 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: 65.372373%, Negative: 0.008876%, Abstention: 0.000942%.)

The General Meeting has adopted the resolution proposal in Resolution No. 12/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Thilo Kusch:

“The General Meeting elects Mr. Thilo Kusch to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 665 543 affirmative votes (99.97%), 5 864 negative votes (0.00%), and 9 819 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: 65.372373%, Negative: 0.000562%, Abstention: 0.000942%.)

The General Meeting has adopted the resolution proposal in Resolution No. 13/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Christopher Mattheisen:

“The General Meeting elects Mr. Christopher Mattheisen to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 675 645 041 affirmative votes (99.09%), 6 114 974 negative votes (0.90%), and 7 898 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: 64.795001%, Negative: 0.586432%, Abstention: 0.000757%.)

The General Meeting has adopted the resolution proposal in Resolution No. 14/2013 (IV.12.).

I make known the resolution proposal regarding Mr. György Mosonyi:

“The General Meeting elects Mr. György Mosonyi to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 561 201 affirmative votes (99.96%), 105 874 negative votes (0.02%), and 92 940 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: 65.362366%, Negative: 0.010153%, Abstention: 0.008913%.)

The General Meeting has adopted the resolution proposal in Resolution No. 15/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Günter Mossal:

“The General Meeting elects Mr. Günter Mossal to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 465 533 affirmative votes (99.95%), 5 864 negative votes (0.00%), and 196 516 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.353192%, Negative: 0.000562%, Abstention: 0.018846%.)

The General Meeting has adopted the resolution proposal in Resolution No. 16/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Frank Odzuck:

“The General Meeting elects Mr. Frank Odzuck to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 565 543 affirmative votes (99.96%), 92 551 negative votes (0.01%), and 9 819 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: 65.362783%, Negative: 0.008876%, Abstention: 0.000942%.)

The General Meeting has adopted the resolution proposal in Resolution No. 17/2013 (IV.12.).

I make known the resolution proposal regarding dr. Mihály Patai:

“The General Meeting elects dr. Mihály Patai to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 644 909 affirmative votes (99.98%), 10 774 negative votes (0.00%), and 12 230 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: 65.370394%, Negative: 0.001033%, Abstention: 0.001173%.)

The General Meeting has adopted the resolution proposal in Resolution No. 18/2013 (IV.12.).

I make known the resolution proposal regarding dr. Ralph Rentschler:

“The General Meeting elects dr. Ralph Rentschler to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 562 564 affirmative votes (99.96%), 8 843 negative votes (0.00%), and 196 506 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362497%, Negative: 0.000848%, Abstention: 0.018845%.)

The General Meeting has adopted the resolution proposal in Resolution No. 19/2013 (IV.12.).

I make known the resolution proposal regarding Ms. Branka Skaramuca:

“The General Meeting elects Ms. Branka Skaramuca to the member of the Board of Directors of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then her assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 561 964 affirmative votes (99.96%), 96 130 negative votes (0.01%), and 9 819 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: 65.362440%, Negative: 0.009219%, Abstention: 0.000942%.)

The General Meeting has adopted the resolution proposal in Resolution No. 20/2013 (IV.12.).

Congratulations to the elected members of the Board of Directors.

Agenda item no. 9 Election of members of the Supervisory Board

Chairman: The General Meeting shall elect new Supervisory Board members, as the mandate of the Supervisory Board members of Magyar Telekom Plc. expires at this General Meeting. I hereby thank the successful work of the members of the Supervisory Board.

According to the provisions of the Articles of Association the Supervisory Board shall comprise of 3-15 members. The members shall be elected by the General Meeting. The assignment of the members of the Supervisory Board lasts for a term of three years until May, 31 of the third year subsequent to the date of the said General Meeting with the exception, that if the General Meeting in the third year is held prior to May 31 then their assignment lasts until the date of the General Meeting. The majority of the members of the acting Supervisory Board must be independent. The Supervisory Board member is independent if he/she has no other legal relationship with the Company than his/her Supervisory Board membership.

The employee representatives in the Supervisory Board are nominated for election by the Central Workers' Council after hearing the opinion of the trade unions operating at the Company. The person nominated by the Central Workers' Council shall be elected by the General Meeting, unless statutory grounds for disqualification exist in respect of the nominees.

The Board of Directors proposes the following persons to be elected by the General Meeting with respect to this agenda item:

1. dr. János Bitó (independent)
2. Attila Bujdosó, employee representative, upon Central Workers' Council nomination
3. dr. János Illéssy (independent)
4. dr. Sándor Kerekes (independent)
5. Konrad Kreuzer (independent)
6. Tamás Lichnovszky, employee representative, upon Central Workers' Council nomination
7. Martin Meffert
8. Éva Óz, employee representative, upon Central Workers' Council nomination
9. dr. László Pap (independent)
10. dr. Károly Salamon (independent)
11. Zsoltné Varga, employee representative, upon Central Workers' Council nomination
12. dr. Konrad Wetzker (independent)

The biographies of the nominees were available in the published documents. I ask the nominees present to stand up. So many of them are here. Thank you. I inform the Shareholders that we will vote on the Supervisory Board members in line with the submission, one by one, in the order of the proposals.

The voting ratio necessary for adopting these resolutions is simple majority.

I make known the resolution proposal regarding dr. János Bitó:

“The General Meeting elects dr. János Bitó to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 566 475 affirmative votes (99.97%), 0 negative votes (0.00%), and 198 917 abstentions (0.03%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362872%, Negative: 0.000000%, Abstention: 0.019076%.)

The General Meeting has adopted the resolution proposal in Resolution No. 21/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Attila Bujdosó:

“The General Meeting elects Mr. Attila Bujdosó to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 561 965 affirmative votes (99.96%), 95 529 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362440%, Negative: 0.009161%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 22/2013 (IV.12.).

I make known the resolution proposal regarding dr. János Illéssy:

“The General Meeting elects dr. János Illéssy to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 561 964 affirmative votes (99.96%), 95 530 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362440%, Negative: 0.009161%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 23/2013 (IV.12.).

I make known the resolution proposal regarding dr. Sándor Kerekes:

“The General Meeting elects dr. Sándor Kerekes to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 562 367 affirmative votes (99.96%), 186 687 negative votes (0.03%), and 16 338 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: 65.362478%, Negative: 0.017903%, Abstention: 0.001567%.)

The General Meeting has adopted the resolution proposal in Resolution No. 24/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Konrad Kreuzer:

“The General Meeting elects Mr. Konrad Kreuzer to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 560 826 affirmative votes (99.97%), 94 019 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362330%, Negative: 0.009017%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 25/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Tamás Lichnovszky:

“The General Meeting elects Mr. Tamás Lichnovszky to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 564 944 affirmative votes (99.97%), 92 148 negative votes (0.01%), and 108 300 abstentions (0.02%), with the number of votes cast

indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362725%, Negative: 0.008837%, Abstention: 0.010386%.)

The General Meeting has adopted the resolution proposal in Resolution No. 26/2013 (IV.12.).

I make known the resolution proposal regarding Mr. Martin Meffert:

“The General Meeting elects Mr. Martin Meffert to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 565 543 affirmative votes (99.97%), 87 090 negative votes (0.01%), and 113 359 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362783%, Negative: 0.008352%, Abstention: 0.010871%.)

The General Meeting has adopted the resolution proposal in Resolution No. 27/2013 (IV.12.).

I make known the resolution proposal regarding Ms. Éva Őz:

“The General Meeting elects Ms. Éva Őz to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then her assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 565 346 affirmative votes (99.97%), 86 687 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362764%, Negative: 0.008313%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 28/2013 (IV.12.).

I make known the resolution proposal regarding dr. László Pap:

“The General Meeting elects dr. László Pap to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 564 944 affirmative votes (99.97%), 92 148 negative votes (0.01%), and 108 300 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362725%, Negative: 0.008837%, Abstention: 0.010386%.)

The General Meeting has adopted the resolution proposal in Resolution No. 29/2013 (IV.12.).

I make known the resolution proposal regarding dr. Károly Salamon:

“The General Meeting elects dr. Károly Salamon to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 557 633 affirmative votes (99.97%), 8 842 negative votes (0.00%), and 112 230 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362024%, Negative: 0.000848%, Abstention: 0.010763%.)

The General Meeting has adopted the resolution proposal in Resolution No. 30/2013 (IV.12.).

I make known the resolution proposal regarding Mrs. Zsoltné Varga:

“The General Meeting elects Mrs. Zsoltné Varga to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then her assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 547 732 affirmative votes (99.97%), 95 127 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.361075%, Negative: 0.009123%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 31/2013 (IV.12.).

I make known the resolution proposal regarding dr. Konrad Wetzker:

“The General Meeting elects dr. Konrad Wetzker to the member of the Supervisory Board of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 558 612 affirmative votes (99.97%), 87 090 negative votes (0.01%), and 112 230 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362118%, Negative: 0.008352%, Abstention: 0.010763%.)

The General Meeting has adopted the resolution proposal in Resolution No. 32/2013 (IV.12.).

Congratulations to the elected members of the Supervisory Board.

Agenda item no. 10

Election of members of the Audit Committee

Chairman: The General Meeting shall elect new Audit Committee members, as the mandate of Magyar Telekom Plc.'s Audit Committee members expires at this General Meeting. I hereby thank the successful work of the members of the Audit Committee.

In accordance with the provisions of the Articles of Association the General Meeting elects a 3-5 member Audit Committee from the independent members of the Supervisory Board for the same period as the membership of the relevant members in the SB. At least one Audit Committee member must have a qualification in accountancy and/or be a qualified auditor.

The Board of Directors proposes the following persons to be elected by the General Meeting with respect to this agenda item:

1. dr. János Bitó
2. dr. János Illéssy
3. dr. Sándor Kerekes
4. dr. László Pap
5. dr. Károly Salamon

The biographies of the nominees were available in the published documents. Among the nominees dr. Sándor Kerekes has qualification in accountancy and/or auditing. I ask the nominees present to stand up. Thank you. I inform the Shareholders that we will vote on the Audit Committee members in line with the submission, one by one, in the order of the proposals.

The voting ratio necessary for adopting these resolutions is simple majority.

I make known the resolution proposal regarding dr. János Bitó:

“The General Meeting elects dr. János Bitó to the member of the Audit Committee of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 560 342 affirmative votes (99.97%), 92 550 negative votes (0.01%), and 12 230 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: 65.362284%, Negative: 0.008876%, Abstention: 0.001173%.)

The General Meeting has adopted the resolution proposal in Resolution No. 33/2013 (IV.12.).

I make known the resolution proposal regarding dr. János Illéssy:

“The General Meeting elects dr. János Illéssy to the member of the Audit Committee of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 570 405 affirmative votes (99.97%), 87 089 negative votes (0.01%), and 107 898 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.363249%, Negative: 0.008352%, Abstention: 0.010348%.)

The General Meeting has adopted the resolution proposal in Resolution No. 34/2013 (IV.12.).

I make known the resolution proposal regarding dr. Sándor Kerekes:

“The General Meeting elects dr. Sándor Kerekes to the member of the Audit Committee of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 565 346 affirmative votes (99.97%), 186 687 negative votes (0.03%), and 13 359 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: 65.362764%, Negative: 0.017903%, Abstention: 0.001281%.)

The General Meeting has adopted the resolution proposal in Resolution No. 35/2013 (IV.12.).

I make known the resolution proposal regarding dr. László Pap:

“The General Meeting elects dr. László Pap to the member of the Audit Committee of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 570 135 affirmative votes (99.97%), 87 089 negative votes (0.01%), and 7 898 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: 65.363223%, Negative: 0.008352%, Abstention: 0.000757%.)

The General Meeting has adopted the resolution proposal in Resolution No. 36/2013 (IV.12.).

I make known the resolution proposal regarding dr. Károly Salamon:

“The General Meeting elects dr. Károly Salamon to the member of the Audit Committee of Magyar Telekom Plc. until May 31, 2016, provided that if the General Meeting is held prior to May 31 of the year in which such mandate expires, then his assignment lasts until the date of the General Meeting.”

I put the proposal to the vote.

The result of the voting: the General Meeting has adopted the resolution with 681 550 165 affirmative votes (99.97%), 94 018 negative votes (0.01%), and 115 209 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.361308%, Negative: 0.009016%, Abstention: 0.011049%.)

The General Meeting has adopted the resolution proposal in Resolution No. 37/2013 (IV.12.).

Congratulations to the elected members of the Audit Committee.

Agenda item no. 11

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

Chairman: I announce that the assignment of PricewaterhouseCoopers Könyvizsgáló Kft., as the Auditor of Magyar Telekom Plc, expires today. Due to this fact it is necessary to elect the Company's Auditor. According to the Articles of Association of the Company, it is the competence of the Audit Committee to make proposal regarding the

election of the auditor to the General Meeting. I request **dr. János Illéssy**, Chairman of the Audit Committee, to make known the proposal of the Audit Committee to the Shareholders.

dr. János Illéssy: Dear Mr. Chairman, distinguished Shareholders! The Audit Committee, having reviewed and evaluated the performance, qualifications and independence of the Independent External Auditor of Magyar Telekom Plc., will submit a resolution proposal to the General Meeting in relation to the election and determination of the remuneration of the Company's Auditor. But beforehand, we would like to make known, or propose the material elements of the contract. I would like to make known three material elements.

The first is the scope of the contract:

The audit of the standalone financial statements of the Company prepared according to the Hungarian Accounting Act (HAR), and the audit of the consolidated financial statements of the Company prepared in accordance with the International Financial Reporting Standards for the business year 2013. So these two audits would be in the scope of the contract, the Hungarian and the international.

The second material element is the billing and the payment:

We propose that 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, in case of significant change in Magyar Telekom Group, significant change in business or regulatory circumstances, such may happen) for unforeseeable reasons, 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 approves the same according to its Pre-Approval Policy.

The third material point is the duration of the contract:

The contract is for the period ending May 31st, 2014 or if the Annual General Meeting closing the 2013 business year will be held prior to May 31st 2014 then until the date thereof.

I would like to read out the text of the resolution proposal:

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

PricewaterhouseCoopers Auditing Ltd. (Registered office: 1077 Budapest, Wesselényi u. 16; company registration number: 01-09-063022; registration number: 001464)

to perform audit services for the year 2013, for the period ending May 31st 2014 or if the Annual General Meeting closing the 2013 business year will be held prior to May 31st 2014 then on the date thereof.

Personally responsible registered auditor appointed by the 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 Lőcsei, address: 1137 Budapest, Katona József u. 25. V. em. 4.).

The General Meeting approves HUF 191 151 000 + VAT + 8 % related costs + VAT be the Auditor's annual compensation, covering the audit of the financial statements of the Company prepared in accordance with the Hungarian Accounting Act and also the audit of the consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS).

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

Chairman: Thank you very much. I ask the Shareholders whether there are any questions or remarks? There is.

Imre Pál Czégé: My name is Imre Pál Czégé, my number is 403-4 and my question is the following: did the Audit Committee have an alternative proposal or notion regarding the auditor? If it had, which was this company, if it did not have, then why? A brief answer would be appreciated.

dr. János Illéssy: Yes, of course there was. The relation with the auditor is a confidential relation, and it is not fortunate to change it every year. However, there was such a process in the recent past, even at group level, and let me refer to the relation with the majority shareholder which is also an important relation due to the consolidation. However, in Hungary there was major competition and a thorough selection procedure independently from the parent co... the majority shareholder, and the auditor was selected based on this. However, please note that name of the participants is confidential business information.

Chairman: Thank you very much.

Imre Pál Czégé: Thank you for the answer.

Chairman: Are there any other questions or remarks? If none, 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 has adopted the resolution with 681 566 685 affirmative votes (99.97%), 92 720 negative votes (0.01%), and 107 908 abstentions (0.02%), with the number of votes cast indicated by the computer and recorded in the minutes. (Voting ratios in proportion to the registered capital: Affirmative: 65.362892%, Negative: 0.008892%, Abstention: 0.010348%.)

I state that the General Meeting has adopted the resolution proposal in Resolution No. 38/2013 (IV.12.).

Chairman: With no more items on the agenda of the General Meeting, let me thank the Shareholders their participation. I declare the General Meeting closed at 2:03 p.m.

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

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

.....
Roman Zitz
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 2012

CHRISTOPHER MATTHEISEN
CHAIRMAN -CEO

ANNUAL GENERAL MEETING
APRIL 12, 2013



EGYÜTT. VELED

MANAGEMENT COMMITTEE AND REPORTING STRUCTURE



Christopher Mattheisen
Chairman and
Chief Executive Officer



Attila Keszég
Chief Commercial
Officer Residential



Péter Lakatos
Chief Commercial
Officer SMB



Róbert Budafoki
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
Officers

Reporting
structure

Telekom Hungary

residential, SoHo, SMB
customers

T-Systems Hungary

public sector and enterprise
clients

Macedonia

Montenegro



EGYÜTT. VELED

AWARDS WON IN 2012

Excellence in customer service award in the personal service category



Best employer in Hungary



Best sustainability report in Hungary

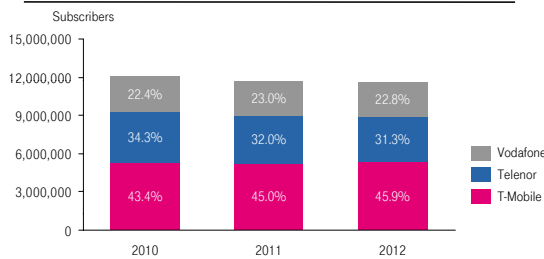


Best Organizational Development project in Hungary - Service attitude program

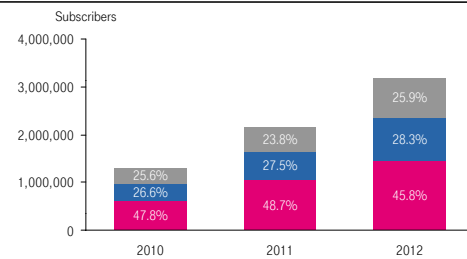


MARKET POSITIONS ON THE HUNGARIAN TELECOMMUNICATION MARKET

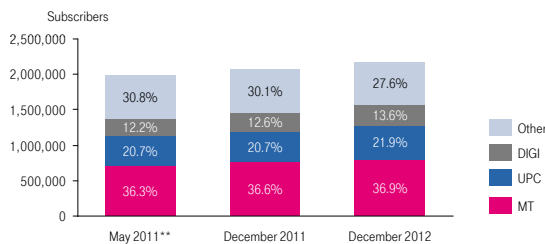
Mobile voice market shares (based on total SIMs)



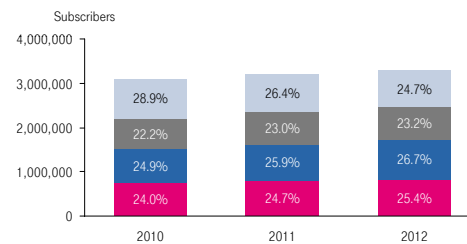
Mobile broadband market shares (based on total SIMs)



Fixed broadband market shares*



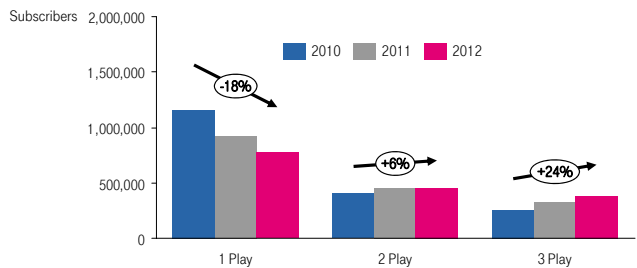
TV market shares*



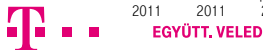
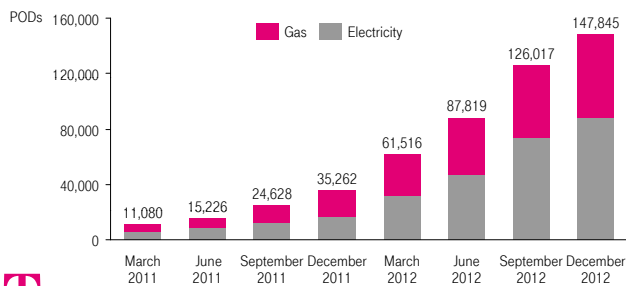
*based on the total fixed BB /TV market estimated by the National Media and Infocommunications Authority
**data is not available for earlier periods

HUNGARY – FIXED VOICE MARKET AND RETAIL ENERGY

Multi-Play developments



Gas and electricity points of delivery (POD)

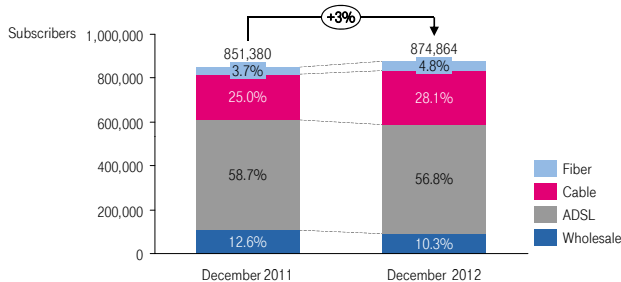


Market trends

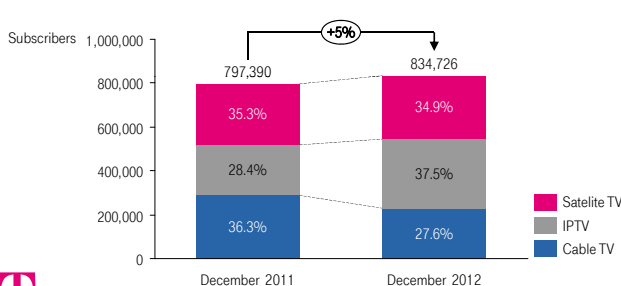
- significant **reduction in fixed voice churn** due to the retention benefit of:
 - Hoppá package
 - 2Play/3Play offers
 - retail **energy bundling**
- decline in **1Play** customer base to **48%**
- success of the retail energy business demonstrated by a significant increase in the number of **energy delivery points**
- 45% of energy customers subscribe to a 3Play package

HUNGARY – FIXED BROADBAND AND TV MARKET

T-Home fixed broadband subscriber breakdown



TV subscriber breakdown



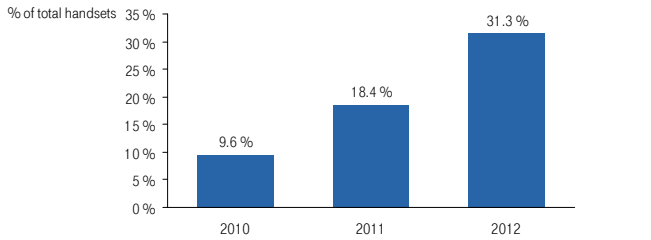
Market trends

- broadband market **growth driven by cable and fiber development**, while ADSL growth has slowed
- internet service portfolio restructured to **support fixed broadband market share**
- TV ARPU supported by increasing ratio of **interactive IPTV customers**
- significant **migration from cable to IPTV**

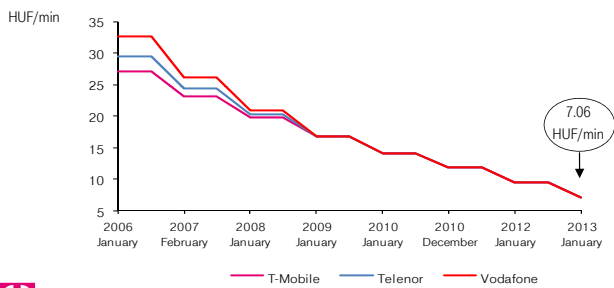


HUNGARY – MOBILE VOICE AND DATA MARKET

T-Mobile smartphone penetration



Mobile termination rate cuts



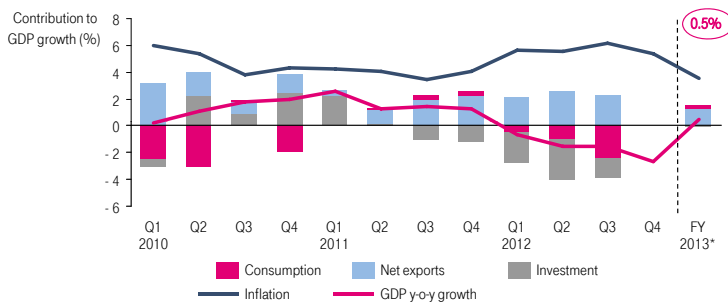
Market trends

- improving customer mix: y-o-y increase in postpaid ratio to 47% from 46%
- smartphone sales reached 70% in 2012
- broadband subscription attach rate at ca. 80%
- full LTE coverage in Budapest and 65 additional towns in Hungary
- MTR cuts: 20% cut from Jan 2012, further 25% cut from Jan 2013 to 2.4 eurocents



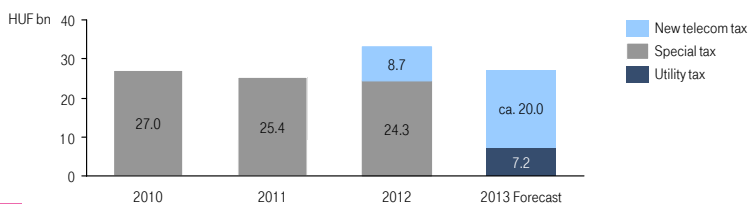
HUNGARIAN ECONOMIC ENVIRONMENT

Growth structure



* Central Bank of Hungary December 2012 forecast

Additional taxes levied on Magyar Telekom



Economic challenges

Economic downturn coupled with a high rate of inflation

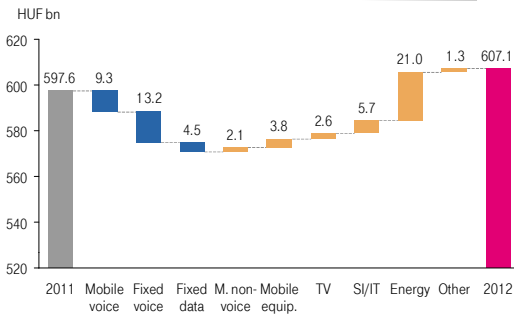
- GDP performance dependent on export dynamics
- continued decline in household spending due to the weakening HUF, high unemployment and inflation has put pressure on consumption
- MT financials strongly correlated with trends in domestic demand

New tax burdens introduced to reduce budget deficit

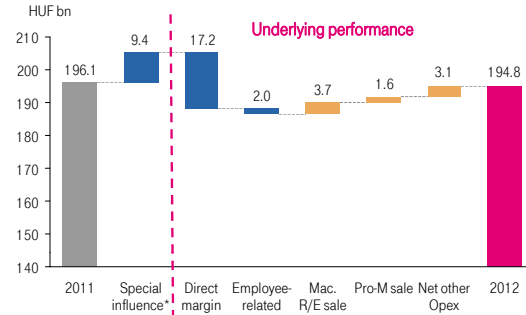
- special, revenue-based sector tax levied on a temporary basis between 2010-2012
- new, traffic-based permanent telecom tax introduced from July 2012
- permanent tax on utility and telecom networks levied from 2013

2012 GROUP RESULTS – REVENUES AND EBITDA

Group revenues



Group EBITDA



Revenue development

Group revenues up 1.6% y-o-y

- strong contribution from energy service revenues
- increase in contribution from mobile internet revenues and smartphone sales
- fixed and mobile voice revenue decline reflect depressed household consumption and MTR cuts
- decrease in fixed data revenues primarily due to public sector insourcing

EBITDA development

Underlying EBITDA down 4.4% y-o-y

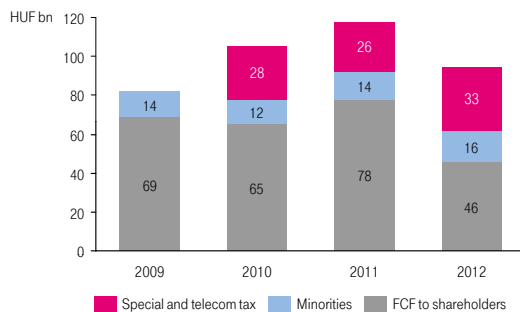
- further erosion of traditional voice and data revenues
- lower direct margin contribution of new, growing businesses
- efficiency enhancing measures have mitigated margin dilution
- introduction of new telecommunications tax from July 2012
- negative impact of HUF 16.2 bn provision related to the SEC/DOJ settlement on 2011 results



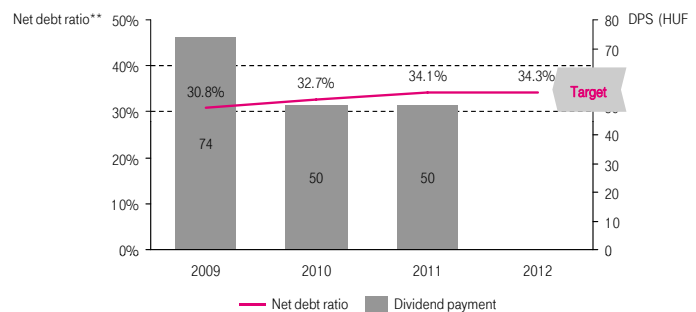
*investigation- and severance-related expenses, as well as special and new telecom taxes

FREE CASH FLOW AND DIVIDENDS

Free cash flow* generation



Dividend payment

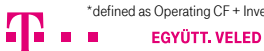


Free cash flow generation

- FCF declined in 2012 due to a number of exceptional costs:
 - spectrum acquisition (HUF 10.9 bn)
 - DOJ/SEC settlement (HUF 22.1 bn)
 - new telecom tax introduced in July 2012 (HUF 9 bn)
- partially mitigated by proceeds from Pro-M sale (HUF 20 bn)

Dividend policy

- in order to maintain an efficient capital structure, we have a net debt ratio target of 30-40%
- increase in ratio attributed to exceptional costs in 2012
- the Board of Directors proposes HUF 50 dividend per share on 2012 earnings for approval at the AGM



*defined as Operating CF + Investing CF adjusted for proceeds from/payments for other financial assets

**defined as net debt / total capital

MAGYAR TELEKOM STRATEGIC BUSINESS PRIORITIES 2013

We aim to become the most highly regarded SERVICE company, thereby maintaining our leadership in all segments and achieving turnaround in our financials both top- and bottom-line. Short-term corporate targets are derived from long-term priorities

INNOVATE the core	<ol style="list-style-type: none"> 1. Build online Company through E-TRANSFORMATION both externally and internally 2. Differentiate through outstanding CUSTOMER EXPERIENCE in all channels 3. Secure leadership in BROADBAND QUALITY countrywide (fixed and mobile) 4. Improve OPERATIONAL EXCELLENCE through online and agility 5. Develop PEOPLE as our most important assets
GROW the core	<ol style="list-style-type: none"> 6. Leverage B2B competences in IT services regionally and increase non-telco revenues
EXTEND the core	<ol style="list-style-type: none"> 7. Boost INNOVATION and capture new revenue streams in Digital Home and Retail+

PUBLIC TARGETS FOR 2013

	2013 targets	2012 results
Revenue	Flat to -3% <ul style="list-style-type: none"> ▪ pressure on real disposable income to lead to a further decline in household consumption ▪ spending power in the business sector is expected to remain limited ▪ shortfall of Pro-M revenues 	+1.6%
Reported EBITDA <small>*4.4% decline y-o-y refers to change in underlying EBITDA</small>	4 – 7% decline <ul style="list-style-type: none"> ▪ changing revenue mix with increasing proportion of sales made up by lower margin services ▪ margin dilution partially mitigated by efficiency enhancing measures 	-4.4%*
CAPEX** <small>**excluding spectrum license fees</small>	5% decline <ul style="list-style-type: none"> ▪ network modernization, LTE roll-out ▪ internal efficiency programs 	92.4bn

DIVIDEND PAYMENT DETAILS

The proposed gross dividend is HUF 50 per ordinary share with a nominal value of HUF 100

- April 22, 2013 detailed announcement will be published on the order of dividend disbursement on the homepage of the Company and the Budapest Stock Exchange
- May 6, 2013 last day of trading with Magyar Telekom shares entitled to dividend
- May 7, 2013 ex-dividend date
- May 9, 2013 record date for dividend entitlement
- May 16, 2013 first day of dividend disbursement



THANK YOU FOR YOUR ATTENTION!

FOR FURTHER QUESTIONS PLEASE CONTACT THE INVESTOR RELATIONS DEPARTMENT:

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