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# Magyar Telekom

Interim financial report

Analysis of the Financial Statements for the third quarter  
ended September 30, 2013



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Budapest – November 7, 2013 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, today reported its consolidated financial results for the third quarter and first nine months of 2013, in accordance with International Financial Reporting Standards (IFRS).

## 1. Highlights

MAGYAR TELEKOM Group Financial Results - IFRS (HUF million, except per share amounts and margins)	Q3 2012 (Unaudited)	Q3 2013 (Unaudited)	Change (%)	1-9. months 2012 (Unaudited)	1-9. months 2013 (Unaudited)	Change (%)
<b>Total revenues</b>	<b>150,145</b>	<b>158,264</b>	<b>5.4%</b>	<b>442,255</b>	<b>471,780</b>	<b>6.7%</b>
<b>Operating profit</b>	<b>30,120</b>	<b>24,489</b>	<b>(18.7%)</b>	<b>79,881</b>	<b>62,974</b>	<b>(21.2%)</b>
<b>Profit attributable to:</b>						
<b>Owners of the parent</b>	14,775	9,305	(37.0%)	38,472	23,207	(39.7%)
<b>Non-controlling interests</b>	4,242	1,539	(63.7%)	8,556	4,403	(48.5%)
	<b>19,017</b>	<b>10,844</b>	<b>(43.0%)</b>	<b>47,028</b>	<b>27,610</b>	<b>(41.3%)</b>
<b>EBITDA</b>	56,594	51,931	(8.2%)	157,795	140,709	(10.8%)
<b>EBITDA margin</b>	37.7%	32.8%	n.a.	35.7%	29.8%	n.a.
<b>Basic and diluted earnings per share (HUF)</b>	<b>14.17</b>	<b>8.93</b>	<b>n.a.</b>	<b>36.91</b>	<b>22.26</b>	<b>(39.7%)</b>
<b>CAPEX to Sales</b>				<b>16.0%</b>	<b>24.9%</b>	<b>n.a.</b>
<b>ROA</b>				<b>4.8%</b>	<b>2.9%</b>	<b>n.a.</b>
<b>ROE</b>				<b>10.8%</b>	<b>6.9%</b>	<b>n.a.</b>
<b>Net debt</b>				<b>296,819</b>	<b>365,274</b>	<b>23.1%</b>
<b>Net debt / total capital</b>				<b>36.4%</b>	<b>42.7%</b>	<b>n.a.</b>

- Revenues increased by 5.4% in the third quarter of 2013 compared to the same period of 2012, from HUF 150.1 billion to HUF 158.3 billion. This growth reflects the significant increase in revenues both from energy and SI/IT services as well as higher equipment sales revenues.
- EBITDA declined by 8.2%, from HUF 56.6 billion to HUF 51.9 billion, owing to the HUF 6.2 billion decrease in other operating income reflecting the HUF 3.7 billion gain realized on the real estate transaction in Macedonia and the HUF 1.6 billion gain relating to the sale of Pro-M, both recorded in the third quarter last year. Impacts of these were partially mitigated by lower operating taxes.

Details of special, telecom and utility taxes (HUF billion)*	Q3 2012	Q3 2013	1-9 months 2012	1-9 months 2013
Special tax	6.2		18.4	
Telecom tax	4.4	6.4	4.4	17.3
Utility tax		0.1		7.4
<b>Total</b>	<b>10.5</b>	<b>6.5</b>	<b>22.7</b>	<b>24.7</b>

\*Differences might occur due to rounding

- Employee-related expenses increased by HUF 1.4 billion in the third quarter compared to the same period last year primarily driven by the HUF 1.3 billion severance expense in Macedonia related to the 10% headcount reduction completed by the end of September. At the same time, the impact of the average 4% wage increase at Magyar Telekom Plc. effective from April this year was mostly offset by the lower headcount.
- Depreciation and amortization expenses rose from HUF 26.5 billion to HUF 27.4 billion due to increased amortization of licenses.
- Net financial expenses increased from HUF 5.2 billion to HUF 9.2 billion primarily due to higher net FX losses as during Q3 2013, HUF weakened by 1.1% against the EUR resulting in FX loss while during Q3 2012, HUF strengthened by 1.6% leading to FX gain.
- Income tax expense decreased from HUF 5.9 billion in Q3 2012 to HUF 4.4 billion in Q3 2013 in line with the lower profit before tax resulting from lower EBITDA and higher depreciation and amortization and financial expenses. At the same time, other income taxes



(including the local business tax and the innovation fee) remained stable at HUF 2.0 billion as the basis for their calculation is the statutory gross margin, not profit before tax. Consequently, **the effective tax rate** for Q3 2013 stood at **28.9%**.

- Profit attributable to the owners of the parent company (**net income**) **decreased from HUF 14.8 billion to HUF 9.3 billion** primarily due to the lower profit before tax.
- **Net cash generated from operating activities decreased by HUF 30.2 billion year-on-year, from HUF 105.4 billion in the first nine months of 2012 to HUF 75.3 billion in the first nine months of 2013.** The deterioration is driven by the HUF 17.1 billion lower EBITDA year-on-year coupled with unfavorable movements in working capital. Although working capital last year was negatively impacted by the HUF 20.7 billion settlement charge in connection with the SEC and DOJ investigations, this impact was counterbalanced by items adversely impacting working capital this year such as the deferred payment options offered for equipment contracts and a higher level of inventories. In addition, the positive one-off effect of the sale of Pro-M last year distorts comparison.
- **Investment in tangible and intangible assets (CAPEX) increased by HUF 46.6 billion in the first nine months of 2013 compared to the same period last year, from HUF 70.9 billion to HUF 117.4 billion.** The significant increase is primarily attributable to the extension of frequency licenses in Hungary in Q3 2013, amounting to HUF 38 billion, and the acquisition of the 4G license in Macedonia for HUF 3.1 billion. These were coupled with the capitalization of the present value of the future annual frequency fees – related to the recent relevant agreements and changes in the related regulations – amounting to HUF 17.3 billion. Excluding these, as well as the 900 MHz spectrum license fee booked in Q1 2012 that came to HUF 10.9 billion, CAPEX decreased slightly, from HUF 60.0 billion in the previous period to HUF 59.1 billion for the first nine months of 2013. The impact of the HUF 10.7 billion non-cash CAPEX accounted for in Q3 2012 in relation to the Macedonian real estate exchange transaction was mostly offset by higher investments in relation to the development of the integrated CRM and billing system, as well as the change in accounting for rented IPTV set-top box contracts from an operational to a financial lease basis. At the same time, CAPEX relating to the financial lease contracts was offset by an equivalent improvement in adjustments to cash purchases, resulting in an overall neutral impact to the free cash flow; while the spectrum license extension fees will only be paid in Q4 2013 and consequently, did not impact on the free cash flow in the first nine months of 2013.  
In the first nine months of 2013, Telekom Hungary accounted for HUF 103.4 billion of total CAPEX while T-Systems Hungary accounted for HUF 2.2 billion. In Macedonia and Montenegro, CAPEX was HUF 10.0 billion and HUF 2.0 billion, respectively.
- **Free cash flow** (operating cash flow and investing cash flow adjusted for proceeds from / payments for other financial assets) **deteriorated by HUF 35.9 billion in the first nine months of 2013 compared to the same period last year, from HUF 44.8 billion down to HUF 8.9 billion.** This was due to the lower operating cash flow and the proceeds from the sale of Pro-M improving last year's performance.
- **Net debt rose from HUF 296.8 billion** at the end of September 2012 to **HUF 365.3 billion** at the end of September 2013. The **net debt ratio** (net debt to total capital) rose to **42.7%** during the quarter, partly reflecting the increased financial liabilities recognized for the future annual frequency fees.

#### Christopher Mattheisen, CEO commented:

"In the third quarter of 2013, Magyar Telekom saw further positive developments which give grounds for optimism. In the Hungarian residential segment, we were able to reduce further the level of fixed voice churn and limit ARPU erosion, thanks to the favorably positioned bundled offers which not only include the traditional core telecommunication services but also equipment, such as television sets, along with gas and electricity services. I am also extremely pleased that following the changes in the relevant legislations (as previously announced) we are able to pursue our strategy regarding the energy offerings under the current conditions. We now expect annual revenues from our energy service provided to the universal and competitive segment to total around HUF 46 billion this year. At the same time, within the Hungarian residential mobile market, we have reached a very important milestone with the launch of full flat rate portfolios which will undoubtedly elevate competitive pressures. Notwithstanding this, it is currently our view that on account of our outstanding value proposition, including having Hungary's most extensive 4G network, we will be able to contain effectively the risks that will stem from these pressures.

In addition to the above, our quarterly financial performance that saw revenues increase by 5%, was also a reflection of our strong growth in IT revenues, among others, due to the successful tendering for projects such as the data center migration of Allianz.

We were able to stabilize the direct profit, while the 8% decline in reported EBITDA is largely a reflection of the non-recurrence of one-off items that positively impacted performance last year.

Looking ahead to the remainder of the year, we maintain our increasing revenue guidance and EBITDA target of a 9%-12% decline; however, we now expect this decline in EBITDA to be towards the better end of this range. We are also reiterating our CAPEX guidance of around a 5% decline, excluding both the cost of spectrum acquisitions and the capitalization of the present value of the future annual frequency fees."

#### 2013 public guidance:

HUF billion	2012	Public guidance 2013
Revenue	607.1	Increasing
EBITDA	194.8	9%-12% decline
CAPEX*	92.4	ca. 5% decline

\*excluding spectrum acquisitions and annual frequency fee capitalization



2. Consolidated IFRS Financial Statements  
2.1. Consolidated Statements of Financial Position

MAGYAR TELEKOM

Consolidated Statements of Financial Position (HUF million)	Dec 31, 2012 (Audited)	Sep 30, 2013 (Unaudited)	Change	Change (%)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	15,211	15,922	711	4.7%
Trade and other receivables	130,709	140,790	10,081	7.7%
Other current financial assets	53,966	24,354	(29,612)	(54.9%)
Current income tax receivable	821	2,017	1,196	145.7%
Inventories	12,400	15,291	2,891	23.3%
Non current assets held for sale	2,816	128	(2,688)	(95.5%)
<b>Total current assets</b>	<b>215,923</b>	<b>198,502</b>	<b>(17,421)</b>	<b>(8.1%)</b>
<b>Non current assets</b>				
Property, plant and equipment	510,962	496,251	(14,711)	(2.9%)
Intangible assets	311,066	377,986	66,920	21.5%
Deferred tax assets	532	274	(258)	(48.5%)
Non current financial assets	18,862	22,906	4,044	21.4%
Other non current assets	499	648	149	29.9%
<b>Total non current assets</b>	<b>841,921</b>	<b>898,065</b>	<b>56,144</b>	<b>6.7%</b>
<b>Total assets</b>	<b>1,057,844</b>	<b>1,096,567</b>	<b>38,723</b>	<b>3.7%</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Financial liabilities to related parties	35,344	49,853	14,509	41.1%
Other financial liabilities	40,341	89,704	49,363	122.4%
Trade payables	115,723	130,646	14,923	12.9%
Current income tax payable	762	1,876	1,114	146.2%
Provisions	5,668	2,868	(2,800)	(49.4%)
Other current liabilities	37,069	37,673	604	1.6%
<b>Total current liabilities</b>	<b>234,907</b>	<b>312,620</b>	<b>77,713</b>	<b>33.1%</b>
<b>Non current liabilities</b>				
Financial liabilities to related parties	261,126	237,248	(23,878)	(9.1%)
Other financial liabilities	5,498	28,745	23,247	422.8%
Deferred tax liabilities	22,428	19,215	(3,213)	(14.3%)
Provisions	10,858	8,547	(2,311)	(21.3%)
Other non current liabilities	944	981	37	3.9%
<b>Total non current liabilities</b>	<b>300,854</b>	<b>294,736</b>	<b>(6,118)</b>	<b>(2.0%)</b>
<b>Total liabilities</b>	<b>535,761</b>	<b>607,356</b>	<b>71,595</b>	<b>13.4%</b>
<b>EQUITY</b>				
<b>Equity of the owners of the parent</b>				
Common stock	104,275	104,275	0	0.0%
Capital reserves	27,383	27,386	3	0.0%
Treasury stock	(307)	(307)	0	0.0%
Retained earnings	310,452	281,542	(28,910)	(9.3%)
Accumulated other comprehensive income	21,253	24,965	3,712	17.5%
<b>Total Equity of the owners of the parent</b>	<b>463,056</b>	<b>437,861</b>	<b>(25,195)</b>	<b>(5.4%)</b>
Non-controlling interests	59,027	51,350	(7,677)	(13.0%)
<b>Total equity</b>	<b>522,083</b>	<b>489,211</b>	<b>(32,872)</b>	<b>(6.3%)</b>
<b>Total liabilities and equity</b>	<b>1,057,844</b>	<b>1,096,567</b>	<b>38,723</b>	<b>3.7%</b>



2.2. Consolidated Statements of Comprehensive Income – quarter over quarter

<b>MAGYAR TELEKOM</b>				
<b>Consolidated Statements of Comprehensive Income (HUF million, except per share amounts)</b>	<b>Q3 2012 (Unaudited)</b>	<b>Q3 2013 (Unaudited)</b>	<b>Change</b>	<b>Change (%)</b>
<b>Revenues</b>				
Voice - retail	44,293	42,691	(1,602)	(3.6%)
Voice - wholesale <sup>(1)</sup>	8,402	7,334	(1,068)	(12.7%)
Voice - visitor	1,362	1,017	(345)	(25.3%)
Non-voice	16,541	17,648	1,107	6.7%
Equipment	7,153	9,369	2,216	31.0%
Other mobile revenues	2,270	1,981	(289)	(12.7%)
<b>Mobile revenues</b>	<b>80,021</b>	<b>80,040</b>	<b>19</b>	<b>0.0%</b>
Voice - retail	19,803	18,161	(1,642)	(8.3%)
Voice - wholesale <sup>(1)</sup>	4,224	3,910	(314)	(7.4%)
Internet	12,888	12,679	(209)	(1.6%)
Data	5,389	4,820	(569)	(10.6%)
TV	8,615	9,426	811	9.4%
Equipment	889	1,586	697	78.4%
Other fixed line revenues	1,854	2,364	510	27.5%
<b>Fixed line revenues</b>	<b>53,662</b>	<b>52,946</b>	<b>(716)</b>	<b>(1.3%)</b>
System Integration/Information Technology revenues	11,237	16,628	5,391	48.0%
Revenue from Energy Services	5,225	8,650	3,425	65.6%
<b>Total revenues</b>	<b>150,145</b>	<b>158,264</b>	<b>8,119</b>	<b>5.4%</b>
<b>Expenses</b>				
Mobile revenue-related payments	(18,969)	(20,731)	(1,762)	(9.3%)
Fixed line revenue-related payments	(9,874)	(10,221)	(347)	(3.5%)
SI/IT revenue-related payments	(6,348)	(10,247)	(3,899)	(61.4%)
Energy revenue-related payments	(5,514)	(8,426)	(2,912)	(52.8%)
Agent commissions	(2,590)	(2,673)	(83)	(3.2%)
Bad debt expense	(1,772)	(1,406)	366	20.7%
<b>Direct costs</b>	<b>(45,067)</b>	<b>(53,704)</b>	<b>(8,637)</b>	<b>(19.2%)</b>
Employee-related expenses	(21,628)	(23,061)	(1,433)	(6.6%)
Depreciation and amortization	(26,474)	(27,442)	(968)	(3.7%)
Other operating expenses	(33,331)	(29,884)	3,447	10.3%
<b>Total operating expenses</b>	<b>(126,500)</b>	<b>(134,091)</b>	<b>(7,591)</b>	<b>(6.0%)</b>
Other operating income	6,475	316	(6,159)	(95.1%)
<b>Operating profit</b>	<b>30,120</b>	<b>24,489</b>	<b>(5,631)</b>	<b>(18.7%)</b>
Net financial result	(5,243)	(9,240)	(3,997)	(76.2%)
<b>Profit before income tax</b>	<b>24,877</b>	<b>15,249</b>	<b>(9,628)</b>	<b>(38.7%)</b>
Income tax	(5,860)	(4,405)	1,455	24.8%
<b>Profit for the period</b>	<b>19,017</b>	<b>10,844</b>	<b>(8,173)</b>	<b>(43.0%)</b>
Change in exchange differences on translating foreign operations	(3,054)	2,141	5,195	n.m.
Revaluation of available-for-sale financial assets	(31)	(1)	30	96.8%
Other comprehensive income for the period	(3,085)	2,140	5,225	n.m.
<b>Total comprehensive income for the period</b>	<b>15,932</b>	<b>12,984</b>	<b>(2,948)</b>	<b>(18.5%)</b>
<b>Profit attributable to:</b>				
Owners of the parent	14,775	9,305	(5,470)	(37.0%)
Non-controlling interests	4,242	1,539	(2,703)	(63.7%)
	<b>19,017</b>	<b>10,844</b>	<b>(8,173)</b>	<b>(43.0%)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	12,552	10,850	(1,702)	(13.6%)
Non-controlling interests	3,380	2,134	(1,246)	(36.9%)
	<b>15,932</b>	<b>12,984</b>	<b>(2,948)</b>	<b>(18.5%)</b>
<b>Basic and diluted earnings per share (HUF)</b>	<b>14.17</b>	<b>8.93</b>	<b>(5.24)</b>	<b>(37.0%)</b>

<sup>(1)</sup> Comparatives modified

In order to maintain consistency with the current year presentation of revenues, certain items have been reclassified for comparative purposes. From Q1 2013, all mobile terminated incoming international traffic revenues are disclosed as mobile wholesale revenues, while they were disclosed as fixed line wholesale revenues when the incoming traffic transited through Makedonski Telekom to T-Mobile Macedonia. The previous year's interim income statement disclosure of the revenue breakdown was modified to be comparable to the current year's presentation. This change makes the financial data and mobile KPIs of the Macedonian segment and the Group more comparable with other market participants.



### 2.3. Consolidated Statements of Comprehensive Income – year over year

<b>MAGYAR TELEKOM</b>				
<b>Consolidated Statements of Comprehensive Income</b> (HUF million, except per share amounts)	<b>1-9. months, 2012</b> (Unaudited)	<b>1-9. months, 2013</b> (Unaudited)	<b>Change</b>	<b>Change</b> (%)
<b>Revenues</b>				
Voice - retail	129,076	124,265	(4,811)	(3.7%)
Voice - wholesale <sup>(1)</sup>	24,503	20,788	(3,715)	(15.2%)
Voice - visitor	2,827	2,145	(682)	(24.1%)
Non-voice	47,764	50,514	2,750	5.8%
Equipment	19,093	28,823	9,730	51.0%
Other mobile revenues	6,314	5,657	(657)	(10.4%)
<b>Mobile revenues</b>	<b>229,577</b>	<b>232,192</b>	<b>2,615</b>	<b>1.1%</b>
Voice - retail	61,471	55,006	(6,465)	(10.5%)
Voice - wholesale <sup>(1)</sup>	11,486	10,631	(855)	(7.4%)
Internet	39,379	38,564	(815)	(2.1%)
Data	17,184	14,877	(2,307)	(13.4%)
TV	25,572	27,622	2,050	8.0%
Equipment	2,307	5,539	3,232	140.1%
Other fixed line revenues	5,712	8,276	2,564	44.9%
<b>Fixed line revenues</b>	<b>163,111</b>	<b>160,515</b>	<b>(2,596)</b>	<b>(1.6%)</b>
System Integration/Information Technology revenues	35,329	45,831	10,502	29.7%
Revenue from Energy Services	14,238	33,242	19,004	133.5%
<b>Total revenues</b>	<b>442,255</b>	<b>471,780</b>	<b>29,525</b>	<b>6.7%</b>
<b>Expenses</b>				
Mobile revenue-related payments	(55,627)	(61,229)	(5,602)	(10.1%)
Fixed line revenue-related payments	(28,356)	(31,632)	(3,276)	(11.6%)
SI/IT revenue-related payments	(19,685)	(28,195)	(8,510)	(43.2%)
Energy revenue-related payments	(14,258)	(34,534)	(20,276)	(142.2%)
Agent commissions	(7,454)	(8,130)	(676)	(9.1%)
Bad debt expense	(5,476)	(5,022)	454	8.3%
<b>Direct costs</b>	<b>(130,856)</b>	<b>(168,742)</b>	<b>(37,886)</b>	<b>(29.0%)</b>
Employee-related expenses	(66,007)	(69,345)	(3,338)	(5.1%)
Depreciation and amortization	(77,914)	(77,735)	179	0.2%
Other operating expenses	(95,999)	(94,663)	1,336	1.4%
<b>Total operating expenses</b>	<b>(370,776)</b>	<b>(410,485)</b>	<b>(39,709)</b>	<b>(10.7%)</b>
Other operating income	8,402	1,679	(6,723)	(80.0%)
<b>Operating profit</b>	<b>79,881</b>	<b>62,974</b>	<b>(16,907)</b>	<b>(21.2%)</b>
Net financial result	(20,156)	(23,534)	(3,378)	(16.8%)
<b>Profit before income tax</b>	<b>59,725</b>	<b>39,440</b>	<b>(20,285)</b>	<b>(34.0%)</b>
Income tax	(12,697)	(11,830)	867	6.8%
<b>Profit for the period</b>	<b>47,028</b>	<b>27,610</b>	<b>(19,418)</b>	<b>(41.3%)</b>
Change in exchange differences on translating foreign operations	(19,399)	4,959	24,358	n.m.
Revaluation of available-for-sale financial assets	(30)	(15)	15	50.0%
Other comprehensive income for the period	(19,429)	4,944	24,373	n.m.
<b>Total comprehensive income for the period</b>	<b>27,599</b>	<b>32,554</b>	<b>4,955</b>	<b>18.0%</b>
<b>Profit attributable to:</b>				
Owners of the parent	38,472	23,207	(15,265)	(39.7%)
Non-controlling interests	8,556	4,403	(4,153)	(48.5%)
	<b>47,028</b>	<b>27,610</b>	<b>(19,418)</b>	<b>(41.3%)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	24,747	26,919	2,172	8.8%
Non-controlling interests	2,852	5,635	2,783	97.6%
	<b>27,599</b>	<b>32,554</b>	<b>4,955</b>	<b>18.0%</b>
<b>Basic and diluted earnings per share (HUF)</b>	<b>36.91</b>	<b>22.26</b>	<b>(14.65)</b>	<b>(39.7%)</b>

<sup>(1)</sup> Comparatives modified

In order to maintain consistency with the current year presentation of revenues, certain items have been reclassified for comparative purposes. From Q1 2013, all mobile terminated incoming international traffic revenues are disclosed as mobile wholesale revenues, while they were disclosed as fixed line wholesale revenues when the incoming traffic transited through Makedonski Telekom to T-Mobile Macedonia. The previous year's interim income statement disclosure of the revenue breakdown was modified to be comparable to the current year's presentation. This change makes the financial data and mobile KPIs of the Macedonian segment and the Group more comparable with other market participants.



2.4. Consolidated Statements of Cash Flows

MAGYAR TELEKOM

Consolidated Statements of Cash Flows (HUF million)	1-9. months, 2012 (Unaudited)	1-9. months, 2013 (Unaudited)	Change	Change (%)
<b>Cash flows from operating activities</b>				
Profit for the period	47,028	27,610	(19,418)	(41.3%)
Depreciation and amortization	77,914	77,735	(179)	(0.2%)
Income tax expense	12,697	11,830	(867)	(6.8%)
Net financial result	20,156	23,534	3,378	16.8%
Change in assets carried as working capital	9,013	(17,937)	(26,950)	n.m.
Change in provisions	(2,179)	(4,617)	(2,438)	(111.9%)
Change in liabilities carried as working capital	(23,473)	(11,590)	11,883	50.6%
Income tax paid	(11,085)	(10,393)	692	6.2%
Dividend received	16	0	(16)	(100.0%)
Interest and other financial charges paid	(21,801)	(22,015)	(214)	(1.0%)
Interest received	2,548	1,167	(1,381)	(54.2%)
Other cashflows from operations	(5,393)	(68)	5,325	98.7%
<b>Net cash generated from operating activities</b>	<b>105,441</b>	<b>75,256</b>	<b>(30,185)</b>	<b>(28.6%)</b>
<b>Cash flows from investing activities</b>				
Investments in tangible and intangible assets	(70,891)	(117,445)	(46,554)	(65.7%)
Adjustments to cash purchases	(1,658)	51,018	52,676	n.m.
Purchase of subsidiaries and business units	(2,388)	(494)	1,894	79.3%
Cash acquired through business combinations	48	0	(48)	(100.0%)
Proceeds from other financial assets - net	15,567	18,264	2,697	17.3%
Proceeds from disposal of subsidiaries and associates	13,421	0	(13,421)	(100.0%)
Proceeds from disposal of property, plant and equipment (PPE) and intangible	777	548	(229)	(29.5%)
<b>Net cash used in investing activities</b>	<b>(45,124)</b>	<b>(48,109)</b>	<b>(2,985)</b>	<b>(6.6%)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders and Non-controlling interest	(66,063)	(65,361)	702	1.1%
Receipts of loans and other borrowings - net	5,819	38,715	32,896	n.m.
<b>Net cash used in financing activities</b>	<b>(60,244)</b>	<b>(26,646)</b>	<b>33,598</b>	<b>55.8%</b>
Exchange gains/(losses) on translation of cash and cash equivalents	(657)	210	867	n.m.
<b>Change in cash and cash equivalents</b>	<b>(584)</b>	<b>711</b>	<b>1,295</b>	<b>n.m.</b>
Cash and cash equivalents, beginning of period	14,451	15,211	760	5.3%
Cash and cash equivalents, end of period	13,867	15,922	2,055	14.8%
<b>Change in cash and cash equivalents</b>	<b>(584)</b>	<b>711</b>	<b>1,295</b>	<b>n.m.</b>





2.5. Consolidated Statements of Changes in Equity

MAGYAR TELEKOM - Consolidated Statements of Changes in Equity (unaudited)

	in HUF millions										
	pieces	Common stock		Capital reserves		Retained earnings		Accumulated Other Comprehensive Income			
	Shares of common stock	Additional paid in capital	Reserve for equity settled share-based transactions	Treasury stock	Reserve for equity settled share-based transactions	Retained earnings	Cumulative translation adjustment	Revaluation reserve for AFS financial assets – net of tax	Equity of the owners of the parent	Non-controlling interests	Total Equity
<b>Balance at December 31, 2011</b>	1,042,742,543	104,275	27,379	0	(307)	325,709	31,022	(63)	488,015	68,076	556,091
Dividend						(62,116)			(62,116)		(62,116)
Dividend declared to Non-controlling interests									0	(13,951)	(13,951)
Disposal of subsidiaries									0	(12)	(12)
Equity settled share-based transactions				2		38,472	(13,708)	(17)	24,747	2,852	27,599
Total comprehensive income											
<b>Balance at September 30, 2012</b>	1,042,742,543	104,275	27,379	2	(307)	312,065	17,314	(80)	460,648	56,965	517,613
Equity settled share-based transactions				2		(1,613)	4,021	(2)	2,406	2,062	4,468
Total comprehensive income											
<b>Balance at December 31, 2012</b>	1,042,742,543	104,275	27,379	4	(307)	310,452	21,335	(82)	463,056	59,027	522,083
Dividend						(62,117)			(62,117)		(62,117)
Dividend declared to Non-controlling interests									0	(13,312)	(13,312)
Equity settled share-based transactions				3		23,207	3,720	(8)	26,919	5,635	32,554
Total comprehensive income											
<b>Balance at September 30, 2013</b>	1,042,742,543	104,275	27,379	7	(307)	281,542	25,055	(90)	437,861	51,350	489,211



## 2.6. About Magyar Telekom

Magyar Telekom Telecommunications Public Limited Company (the Company or Magyar Telekom Plc.) with its subsidiaries form Magyar Telekom Group (Magyar Telekom or the Group). Magyar Telekom is the principal provider of telecommunications services in Hungary, Macedonia and Montenegro and alternative service provider in Bulgaria and Romania. These services are subject to various telecommunications regulations depending on the countries of operations.

The Company was incorporated in Hungary on December 31, 1991 and commenced business on January 1, 1992. The Company's registered office is Krisztina körút 55., 1013 Budapest, Hungary.

Magyar Telekom Plc. is listed on the Budapest Stock Exchange where its shares are traded. Magyar Telekom's American Depositary Shares (ADSs) each representing five ordinary shares were also traded on the New York Stock Exchange until November 12, 2010, when the ADSs were delisted. Magyar Telekom terminated the registration of its shares and ADSs in the US in February 2012. The Company maintains its American Depositary Receipt program on a Level I basis.

As of October 4, 2013 MagyarCom GmbH (MagyarCom) the immediate controlling shareholder of the Company owning 59.21% of the issued shares was merged into T-Mobile Global Holding Nr. 2 GmbH, also 100% owned by Deutsche Telekom AG. Therefore T-Mobile Global Holding Nr. 2 GmbH, as the legal successor to MagyarCom Holding GmbH, holds 59.21% of the voting rights in the Company. The ultimate controlling parent of Magyar Telekom is Deutsche Telekom AG (DT or DTAG).

## 2.7. Basis of preparation and audit of the interim financial report

This condensed consolidated interim financial information was prepared in accordance with IAS 34 (Interim Financial Reporting) and should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

This consolidated interim financial information has not been audited. The statutory accounts for December 31, 2012 have been filed with the Budapest Stock Exchange and Hungarian Financial Supervisory Authority. The statutory accounts for December 31, 2012 were audited and the audit report was unqualified.

## 2.8. Accounting policies

The principal accounting policies followed by the Group and the critical accounting estimates in applying accounting policies are consistent with those disclosed in the consolidated annual financial statements for the year ended December 31, 2012.

## 3. Consolidated management report

### 3.1. Operating and financial review – Group

#### 3.1.1 Exchange rate information

Exchange rate	Q3 2012	Q3 2013	Change	1-9. months, 2012	1-9 months, 2013	Change
HUF/EUR beginning of period .....	288.22	295.16	2.4%	311.13	291.29	(6.4%)
HUF/EUR period-end .....	283.71	298.48	5.2%	283.71	298.48	5.2%
HUF/EUR cumulative monthly average .....	282.74	299.14	5.8%	290.56	297.81	2.5%
HUF/MKD beginning of period .....	4.68	4.79	2.4%	5.06	4.74	(6.3%)
HUF/MKD period-end .....	4.61	4.85	5.2%	4.61	4.85	5.2%
HUF/MKD cumulative monthly average .....	4.60	4.86	5.7%	4.72	4.84	2.5%

In Q3 2013, foreign exchange rates had an effect on the revenue and expense lines of our foreign subsidiaries expressed in HUF as these are translated at the cumulative average rates.

#### 3.1.2 Revenues

Total revenues amounted to HUF 158.3 billion in Q3 2013 compared to HUF 150.1 billion in Q3 2012, representing a 5.4% increase quarter over previous year same quarter caused by the following:

**Mobile revenues** remained stable in Q3 2013 compared to the same quarter last year at HUF 80.0 billion. Higher mobile equipment and non-voice revenues offset the lower mobile voice and other revenues.



Within mobile telecommunications services, voice revenues represent the largest portion of revenues. Mobile voice revenues declined by 5.6% to HUF 51.0 billion in Q3 2013 compared to HUF 54.1 billion in Q3 2012.

Voice-retail revenues decreased by 3.6% to HUF 42.7 billion in Q3 2013, mainly due to lower outgoing mobile voice revenues in Macedonia as a result of the lower customer numbers and decreased average price per minute owing to strong competition in the market. These decreases were only partly offset by higher outgoing minutes of use (MOU). In Montenegro, voice-retail revenues declined due to decreased average monthly revenue per user (ARPU), although usage and the average customer base were higher quarter over quarter. In Hungary, outgoing voice revenues decreased as the growth in the average customer base and the outgoing MOU increase could not compensate for the drop in tariffs.

Voice-wholesale revenues were down by 12.7% and amounted to HUF 7.3 billion in Q3 2013, mainly due to mobile termination rate cuts in Hungary and Montenegro.

Non-voice revenues amounted to HUF 17.6 billion in Q3 2013 compared to HUF 16.5 billion in Q3 2012, representing a 6.7% increase. Higher non-voice revenues primarily came from higher mobile Internet revenues in Hungary and at our foreign subsidiaries, as both subscriber numbers and usage increased in Q3 2013. By September 30, 2013, the number of mobile broadband subscriptions was 1,725,003, which means a 30.5% increase in the customer base in Hungary. Our market share in Hungary based on the total number of subscriptions was 45.1% of the mobile broadband market.

Mobile equipment revenues increased significantly by 31.0% to HUF 9.4 billion in Q3 2013 compared to HUF 7.2 billion in Q3 2012, mainly attributable to our Hungarian operations. Higher revenues were driven by the growing average handset prices owing to the increased ratio of higher priced smartphones in the sales mix. In Montenegro, mobile equipment revenues increased due to intensive marketing campaigns carried out in Q3 2013. In Macedonia, growth in equipment revenues was mainly due to the higher number of handsets sold at an increased average price per handset in Q3 2013.

Other mobile revenues declined by 12.7% quarter over quarter to HUF 2.0 billion owing to the sale of Pro-M, which resulted in the fallout of Pro-M revenues from September 2012. However, these revenues did not represent a significant part of total mobile revenues.

**Fixed line revenues** amounted to HUF 52.9 billion in Q3 2013, compared to HUF 53.7 billion in the same period of the previous year representing a 1.3% decline. The decrease was driven by falling voice, data and Internet revenues, partly offset by increasing TV, equipment and other revenues.

Voice-retail revenues decreased by 8.3% to HUF 18.2 billion in Q3 2013 compared to HUF 19.8 billion in Q3 2012, mainly driven by the continuous decline in the number of revenue producing fixed lines and lower average tariff levels.

Voice-wholesale revenues decreased by 7.4% to HUF 3.9 billion in Q3 2013, largely due to a lower volume of domestic incoming and transit minutes from both local telecommunication and mobile operators.

Internet revenues slightly decreased from HUF 12.9 billion in Q3 2012 to HUF 12.7 billion in Q3 2013, representing a 1.6% decline. In Hungary, although the slight 0.7% decrease in our ADSL connections was compensated for by higher cablenet and fiber optic connections, lower ARPU caused by lower prices due to strong competition and by the migration towards Telekom double- and triple-play packages, resulted in this decrease in Internet revenues. In Macedonia, Internet revenues increased due to 9.4% growth in the number of ADSL accesses. In Montenegro, Internet revenues remained stable quarter over quarter.

Data revenues amounted to HUF 4.8 billion in Q3 2013 compared to HUF 5.4 billion in Q3 2012. The decrease in both broadband and narrowband revenues was mainly derived from a lower number of leased lines and a decrease in narrowband data traffic at T-Systems in Q3 2013.

TV revenues amounted to HUF 9.4 billion in Q3 2013 compared to HUF 8.6 billion in Q3 2012, representing an increase of 9.4%. This increase is mainly attributable to higher IPTV revenues driven by the growing IPTV subscriber base, both in Hungary and at our foreign subsidiaries. The fast growth of the IPTV customer base, helped by the development of our high speed Internet network, demonstrates the increasing popularity of interactive television. Growth in satellite TV revenues was due to the higher number of customers compared to the same quarter last year. These increases were partly offset by lower Cable TV revenues owing to the fact that an increasing number of existing subscribers have been migrating over to IPTV services in Hungary.

Fixed equipment revenues amounted to HUF 1.6 billion in Q3 2013 compared to HUF 0.9 billion in Q3 2012. The significant increase is mainly owing to the higher sale of TV sets in Hungary and in Macedonia. In Hungary, tablet sales also increased significantly in Q3 2013.

Other fixed line revenues increased significantly by 27.5% in Q3 2013 compared to the same period last year and amounted to HUF 2.4 billion. The increase was mainly driven by higher revenues derived from dunning and penalty charges in Hungary, in Q3 2013.



**System Integration ("SI") and IT revenues** increased considerably by 48.0% from HUF 11.2 billion in Q3 2012 to HUF 16.6 billion in the same period of 2013. Increased revenues are due to higher infrastructure and application revenues owing to several significant projects coming onstream in the third quarter of 2013.

Revenue from **Energy Services** increased significantly to HUF 8.7 billion in Q3 2013 compared to HUF 5.2 billion in Q3 2012. The considerable growth resulted from the increasing demand for our energy retail services since their introduction in 2010. As at September 30, 2013, the number of electricity points of delivery had reached 106,813 while the number of gas points of delivery amounted to 67,637.

### 3.1.3 Operating expenses

Total operating expenses in Q3 2013 increased by 6.0% compared to the same period last year to HUF 134.1 billion.

Mobile services-related payments in Q3 2013 increased by 9.3% quarter over quarter, and amounted to HUF 20.7 billion. Increased mobile equipment costs owing to the higher ratio of smartphones and tablets sold were partly offset by decreased mobile voice payments.

Fixed line-related payments increased by 3.5% to HUF 10.2 billion in Q3 2013, from HUF 9.9 billion in Q3 2012. The increase is mainly driven by higher equipment sales at the Company due to the significant increase in tablet, notebook and TV-set sales. Furthermore, TV payments increased as well, owing to the increasing subscriber base quarter over quarter. These increases were counterbalanced by the continuously decreasing voice-related payments.

SI/IT-related payments increased from HUF 6.3 billion in Q3 2012 to HUF 10.2 billion in Q3 2013 in line with higher SI/IT revenues caused by several large infrastructure and application projects at T-Systems.

Energy-related payments in Hungary have been growing (from HUF 5.5 billion in Q3 2012 to HUF 8.4 billion in Q3 2013) in line with the increasing customer base.

Agent commissions remained broadly stable quarter over quarter. On a year-to-date basis, agent commissions increased by 9.1%, mainly caused by higher commission payments on Telekom home service (previously T-Home) products (higher commission for retention and higher sales).

Bad debt expenses decreased by 20.7% from Q3 2012 to Q3 2013, mainly as a result of better collection in Q3 2013 at T-Systems.

Employee-related expenses in Q3 2013 amounted to HUF 23.1 billion compared to HUF 21.6 billion in Q3 2012. The 6.6% increase was mainly attributable to the HUF 1.3 billion severance payment relating to the headcount reduction program in Macedonia. In Hungary, increase is mainly due to higher bonus payments.

Depreciation and amortization expenses rose from HUF 26.5 billion to HUF 27.4 billion due to the capitalization of the extended- and newly purchased spectrum licenses resulting in higher amortization. Furthermore, the accounting treatment of all future annual frequency fees has changed with the capitalization of their net present value (HUF 17.3 billion in the third quarter of 2013), which also adds to the increase in the amortization expenses.

Special "crisis" taxes on telecommunications services, retail sales and energy sales as of January 1, 2010 were enacted for a defined period between 2010-2012, and therefore Magyar Telekom is no longer subject to this tax liability in 2013.

However, another sector specific tax ("telecom tax") was introduced in Hungary for fixed and mobile voice and mobile SMS/MMS services, effective from July 1, 2012. The tax imposed on fixed and mobile usage amounted to HUF 2 per minute and HUF 2 per SMS/MMS. The tax was capped at HUF 400 per month per calling number for private individuals' subscriptions and HUF 1400 per month per calling number for other subscribers' subscriptions in 2012. In 2013, the tax is capped at HUF 700 per month per calling number for private individuals' subscriptions, and was HUF 2500 per month per calling number for non-private individual subscribers' subscriptions. From August 1, 2013, the tax measure had been raised to HUF 3 per minute and HUF 3 per SMS/MMS for non-private individual subscribers' subscriptions and also the cap applicable to these subscriptions had been raised to HUF 5,000 per month.

Besides this, on November 20, 2012 the Hungarian Parliament adopted an act imposing a tax on utility networks, effective from January 1, 2013 for an indefinite period of time. The tax expense and liability was recognized in the first quarter of 2013, as the full annual tax liability is payable based on the taxable infrastructure in place on January 1, 2013. Payments were made in two instalments in March and September this year. Telecommunication and utility taxes were recognized among other operating expenses.

Other operating expenses were down by 10.3%, from HUF 33.3 billion in Q3 2012 to HUF 29.9 billion in Q3 2013. The decrease is mainly owing to the curtailment of the crisis tax (HUF 6.2 billion in Q3 2012), and to lower fees and levies. Fees and levies were lower in Q3 2013, as annual fees of frequencies have been capitalised, resulting in a HUF 0.4 billion decrease quarter over quarter. These decreases were partly offset by the higher amount of telecom tax, and by higher marketing expenses in Q3 2013.

On a year-to-date basis, other operating expenses decreased slightly from HUF 96.0 billion as of September 2012 to HUF 94.7 billion as of September 2013. The 1.4% decrease is owing to the decrease in other service fees for temporary workforce as of September 2013, as a part of



temporary staff previously hired became standard employees of Magyar Telekom as of April 2012. The curtailment of the crisis tax also contributed to the decline. The decrease was largely offset by the increase in the telecom tax (introduced in July 2012), and by the utility tax introduced in 2013.

### **3.1.4 Other operating income**

Other operating income decreased from HUF 6.5 billion to HUF 0.3 billion quarter over quarter. The decrease was owing to higher other operating income in 2012, mainly due to a real estate transaction in Macedonia, where four old buildings were exchanged for a new one in the third quarter of 2012. The gain on the sale of the old buildings was HUF 3.7 billion. In Hungary, higher operating income from the sale of Pro-M on August 31, 2012 (HUF 1.6 billion gain) also contributed to the decrease.

### **3.1.5 Operating profit**

Operating profit decreased from HUF 30.1 billion in Q3 2012 to HUF 24.5 billion in Q3 2013 for the reasons described above.

### **3.1.6 Net financial result**

Net financial expense deteriorated by 76.2%, from HUF 5.2 billion in Q3 2012 to HUF 9.2 billion in Q3 2013. The deterioration was primarily due to the higher net loss on foreign exchange translation and hedges, as the HUF weakened by 1.12% against the EUR in Q3 2013 compared to a 1.56% strengthening in Q3 2012. Interest income decreased by HUF 0.4 billion from Q3 2012 to Q3 2013, owing to the cessation of finance lease interest income as a result of the sale of Pro-M, and to the lower bank deposit base and interest rate of bank deposits in Macedonia. These negative effects were partly offset by lower interest expenses, as the average interest rate decreased quarter over quarter.

### **3.1.7 Income tax**

Income tax expense decreased from HUF 5.9 billion in Q3 2012 to HUF 4.4 billion in Q3 2013 in line with the lower profit before tax resulting from lower EBITDA and higher depreciation and amortization and financial expenses. At the same time, other income taxes (including the local business tax and the innovation fee) remained stable at HUF 2.0 billion as the basis for their calculation is the statutory gross margin, not profit before tax. Consequently, despite a lower profit before tax, the effective tax rate for Q3 2013 was as high as 28.9%.

### **3.1.8 Profit attributable to non-controlling interests**

Profit attributable to non-controlling interests in Q3 2013 decreased by 63.7% compared to the same period in 2012. The decrease was predominantly due to the weaker results of the Macedonian subsidiaries, resulting from the 72.6% lower operating profit in MKD terms. In Montenegro, operating profit remained stable in EUR terms quarter over quarter.

### **3.1.9 Cash flows**

Net cash generated from operating activities amounted to HUF 75.3 billion in the first nine months of 2013, compared to HUF 105.4 billion in the same period last year. The main reasons for the decrease of HUF 30.1 billion are outlined below:

- HUF -17 billion change in EBITDA
- HUF -20 billion from a rise in trade and other receivables mainly due to increasing equipment sales (smartphones, TV, tablet, etc.) on instalment payment plans and T-Systems receivables from incomplete projects as opposed to the decrease of receivables for the corresponding period in 2012
- HUF -8 billion impact of changes in sector specific taxes payable (crisis, telco and utility tax) resulted in a less positive cash flow impact in 2013
- HUF -4 billion due to the proceeds from the recovery of Pro-M receivables as part of the disposal deal in Q3 2012
- HUF -3 billion due to the higher accumulation of higher price inventories in 2013 (smartphones, TV, tablets, etc.)
- HUF -3 billion due to higher severance payments from provisions and greater utilization of legal provisions in 2013 than in the same period in 2012
- HUF 22 billion due to the settlement payment to the DOJ and the SEC in Q1 2012
- HUF 4 billion effect due to the non-cash gain on the disposal of Makedonski Telekom's old buildings as part of the building exchange deal in Q3 2012.

Investing cash flows amounted to HUF -48.1 billion in the first nine months of 2013, compared to HUF -45.1 billion in the same period previous year. Main reasons for the HUF 3 billion higher cash outflows were the following:

- HUF -13 billion due to cash inflow from the sale of Pro-M (excluding the above mentioned HUF 4 billion) in Q3 2012



- HUF 11 billion 900 MHz spectrum license fee paid in 2012
- HUF -3 billion paid for new 4G license in Macedonia in Q3 2013
- HUF -2 billion coming from regular cash capex
- HUF 2 billion less payments for acquisitions due to M-Kábel acquisition in Q2 2012
- HUF 2 billion higher amount of bank term deposits converted into cash in 2013.

The cash impact of the renewal of the use of the 900 MHz and 1800 MHz frequency bands in Hungary will take effect from Q4 2013.

Free cash flow, defined as operating cash flow and investing cash flow excluding payments for / proceeds from other net financial assets, decreased from HUF 44.8 billion in the first nine month of 2012 to HUF 8.9 billion in the same period 2013 due to the reasons described above.

Net cash outflow from financing activities changed from HUF -60.2 billion for the first nine months of 2012 to HUF -26.6 billion in the same period of 2013. The main reasons for the changes were the following:

- HUF 32 billion higher net loan proceeds in 2013 as a result of the financing need generated by the lower free cash flows (operating and investing) in 2013
- HUF 1 billion less dividend payment in 2013. Magyar Telekom paid out the same level of dividend, while Makedonski Telekom paid less dividend and Crnogorski Telekom paid more dividend to its minority owners in 2013.

### 3.1.10 Key Performance Indicators / Key operating statistics

The financial and operating statistics are available on the following website:

[http://www.telekom.hu/investor\\_relations/financial](http://www.telekom.hu/investor_relations/financial)

## 3.2. Segment information

### 3.2.1 Description of segments

The Group's operating segments are Telekom Hungary, T-Systems Hungary, Macedonia and Montenegro.

The Telekom Hungary segment operates in Hungary providing mobile and fixed line telecommunications and TV distribution and energy retail services to millions of residential and small and medium business customers mainly under the Telekom brand. The Telekom brand name will in the future be expanded to cover all services offered to the general public as well as to small and medium-sized companies. The Telekom Hungary segment is also responsible for the wholesale mobile and fixed line services in Hungary, and performs strategic and cross-divisional management and support functions including Procurement, Treasury, Real Estate, Accounting, Tax, Legal, Internal Audit and similar shared services and other central functions of the Group's management. This segment is also responsible for the Group's points of presence in Bulgaria and Romania providing mainly wholesale services to local companies and operators.

T-Systems operates in Hungary providing mobile and fixed line telecommunications, infocommunications and system integration services mainly under the T-Systems brand to key business customers (large corporate and public sector customers).

The Group also has full-scale mobile and fixed line telecommunications operations in Macedonia and Montenegro, which represent two additional operating segments of the Group.



Information regularly provided to the Management Committee

The following tables present the information by reportable segment regularly provided to the Management Committee (MC) of the Company, reconciled to the corresponding Group numbers. The information regularly provided to the MC includes several measures of profit which are considered for the purposes of assessing performance and allocating resources. These items vary year-over-year in nature and magnitude. Management believes that EBITDA is the segment measure that is most consistent with the measurement principles used in measuring the corresponding amounts in these interim financial statements.

HUF millions	Q3 2012	Q3 2013	1-9. months, 2012	1-9. months, 2013
Total Telekom Hungary revenues	107,946	112,461	315,612	343,007
Less: Telekom Hungary revenues from other segments	(7,099)	(6,740)	(21,445)	(20,995)
<b>Telekom Hungary revenues from external customers</b>	<b>100,847</b>	<b>105,721</b>	<b>294,167</b>	<b>322,012</b>
Total T-Systems Hungary revenues	26,367	32,070	81,797	90,103
Less: T-Systems Hungary revenues from other segments	(2,689)	(4,620)	(8,081)	(11,230)
<b>T-Systems Hungary revenues from external customers</b>	<b>23,678</b>	<b>27,450</b>	<b>73,716</b>	<b>78,873</b>
Total Macedonia revenues	16,570	16,030	49,229	46,191
Less: Macedonia revenues from other segments	(6)	(7)	(43)	(20)
<b>Macedonia revenues from external customers</b>	<b>16,564</b>	<b>16,023</b>	<b>49,186</b>	<b>46,171</b>
Total Montenegro revenues	9,075	9,091	25,194	24,745
Less: Montenegro revenues from other segments	(14)	(10)	(26)	(22)
<b>Montenegro revenues from external customers</b>	<b>9,061</b>	<b>9,081</b>	<b>25,168</b>	<b>24,723</b>
Total consolidated revenue of the segments	150,150	158,275	442,237	471,779
Measurement differences to Group revenue	(5)	(11)	18	1
<b>Total revenue of the Group</b>	<b>150,145</b>	<b>158,264</b>	<b>442,255</b>	<b>471,780</b>
Segment results (EBITDA)				
Telekom Hungary	36,734	36,997	106,083	100,470
T-Systems Hungary	4,439	4,618	13,656	12,111
Macedonia	11,994	6,224	27,979	18,450
Montenegro	3,514	3,709	9,953	9,763
<b>Total EBITDA of the segments</b>	<b>56,681</b>	<b>51,548</b>	<b>157,671</b>	<b>140,794</b>
Measurement differences to Group EBITDA	(87)	383	124	(85)
<b>Total EBITDA of the Group</b>	<b>56,594</b>	<b>51,931</b>	<b>157,795</b>	<b>140,709</b>
Total depreciation and amortization of the Group	(26,474)	(27,442)	(77,914)	(77,735)
<b>Total operating profit of the Group</b>	<b>30,120</b>	<b>24,489</b>	<b>79,881</b>	<b>62,974</b>

**3.2.2 Telekom Hungary**

HUF millions	Q3 2012	Q3 2013	Change	Change (%)	1-9. months, 2012	1-9 months, 2013	Change	Change (%)
Voice revenues .....	40,414	38,575	(1,839)	(4.6%)	117,497	112,439	(5,058)	(4.3%)
Non-voice revenue .....	12,113	13,039	926	7.6%	35,471	37,652	2,181	6.1%
Other mobile revenues.....	7,375	9,579	2,204	29.9%	18,734	29,315	10,581	56.5%
<b>Total mobile revenues .....</b>	<b>59,902</b>	<b>61,193</b>	<b>1,291</b>	<b>2.2%</b>	<b>171,702</b>	<b>179,406</b>	<b>7,704</b>	<b>4.5%</b>
Voice revenues .....	15,624	14,177	(1,447)	(9.3%)	47,193	42,586	(4,607)	(9.8%)
Internet revenues .....	10,131	9,800	(331)	(3.3%)	30,744	29,911	(833)	(2.7%)
TV revenues .....	7,497	8,069	572	7.6%	22,302	23,702	1,400	6.3%
Other fixed line revenues.....	9,326	10,202	876	9.4%	28,183	33,143	4,960	17.6%
<b>Total fixed line revenues .....</b>	<b>42,578</b>	<b>42,248</b>	<b>(330)</b>	<b>(0.8%)</b>	<b>128,422</b>	<b>129,342</b>	<b>920</b>	<b>0.7%</b>
SI/IT revenues .....	241	370	129	53.5%	1,250	1,017	(233)	(18.6%)
Revenue from Energy Services.....	5,225	8,650	3,425	65.6%	14,238	33,242	19,004	133.5%
<b>Total revenues.....</b>	<b>107,946</b>	<b>112,461</b>	<b>4,515</b>	<b>4.2%</b>	<b>315,612</b>	<b>343,007</b>	<b>27,395</b>	<b>8.7%</b>
Crisis tax .....	(5,329)	0	5,329	100.0%	(15,758)	0	15,758	100.0%
Telecom tax.....	(3,627)	(5,179)	(1,552)	(42.8%)	(3,627)	(14,321)	(10,694)	(294.8%)
Utility tax (net) .....	0	(127)	(127)	n.a.	0	(6,939)	(6,939)	n.a.
Other operating expenses (net).....	(62,256)	(70,158)	(7,902)	(12.7%)	(190,144)	(221,277)	(31,133)	(16.4%)
<b>EBITDA.....</b>	<b>36,734</b>	<b>36,997</b>	<b>263</b>	<b>0.7%</b>	<b>106,083</b>	<b>100,470</b>	<b>(5,613)</b>	<b>(5.3%)</b>
Hungarian frequency licences.....	0	55,061	55,061	n.a.	10,923	55,061	44,138	404.1%
STB rental to finance lease .....	0	0	0	n.a.	0	7,225	7,225	n.a.
Other investments in tangible and intangible assets .....	14,014	14,387	373	2.7%	35,130	41,106	5,976	17.0%
<b>Total investments in tangible and intangible assets .....</b>	<b>14,014</b>	<b>69,448</b>	<b>55,434</b>	<b>395.6%</b>	<b>46,053</b>	<b>103,392</b>	<b>57,339</b>	<b>124.5%</b>

**Revenues**

Total revenues in the Telekom Hungary segment increased in Q3 2013 compared with the same quarter in the previous year due to considerably higher revenues from energy services, as well as increased mobile and fixed equipment, mobile internet and TV revenues. These increases were mitigated by lower mobile and fixed voice revenues.





Mobile services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
Mobile penetration <sup>(1)</sup> .....	115.8%	116.9%	n.a.	115.8%	116.9%	n.a.
Mobile SIM market share <sup>(2)</sup> .....	46.0%	46.3%	n.a.	46.0%	46.3%	n.a.
<b>Number of customers (RPC)</b> .....	<b>4,819,872</b>	<b>4,852,771</b>	<b>0.7%</b>	<b>4,819,872</b>	<b>4,852,771</b>	<b>0.7%</b>
Postpaid share in the RPC base .....	47.0%	48.3%	n.a.	47.0%	48.3%	n.a.
<b>MOU</b> .....	<b>159</b>	<b>162</b>	<b>1.8%</b>	<b>160</b>	<b>160</b>	<b>0.0%</b>
<b>ARPU (HUF)</b> .....	<b>3,542</b>	<b>3,474</b>	<b>(1.9%)</b>	<b>3,437</b>	<b>3,369</b>	<b>(2.0%)</b>
Postpaid .....	5,779	5,587	(3.3%)	5,692	5,498	(3.4%)
Prepaid .....	1,469	1,430	(2.7%)	1,397	1,353	(3.1%)
Churn rate .....	18.8%	18.5%	n.a.	17.6%	18.2%	n.a.
Postpaid .....	12.5%	12.7%	n.a.	13.7%	13.8%	n.a.
Prepaid .....	24.4%	23.9%	n.a.	21.0%	22.2%	n.a.
Ratio of non-voice revenues in ARPU .....	23.1%	25.3%	n.a.	23.2%	25.1%	n.a.
Average acquisition cost (SAC) per gross add (HUF) .....	4,236	6,444	52.1%	5,239	5,877	12.2%
Average retention cost (SRC) per retained customer (HUF) .....	9,952	13,504	35.7%	13,331	13,153	(1.3%)
<b>Number of mobile broadband subscriptions</b> .....	<b>1,234,933</b>	<b>1,596,694</b>	<b>29.3%</b>	<b>1,234,933</b>	<b>1,596,694</b>	<b>29.3%</b>
<b>Mobile broadband market share based on total number of subscriptions</b> <sup>(2)</sup> .....	<b>46.4%</b>	<b>45.1%</b>	<b>n.a.</b>	<b>46.4%</b>	<b>45.1%</b>	<b>n.a.</b>
Population-based outdoor 3G coverage .....	78.6%	82.9%	n.a.	78.6%	82.9%	n.a.
Population-based outdoor LTE coverage .....	26.4%	38.0%	n.a.	26.4%	38.0%	n.a.

(1) Data relates to the mobile penetration in Hungary, including customers of all three service providers.

(2) Data relates to Magyar Telekom Plc. based on NMHH reports.

Mobile revenues increased by 2.2% in Q3 2013 versus Q3 2012 due to higher equipment revenues driven by higher average handset prices and by the increase in non-voice revenues due to wider usage of mobile Internet. In addition, the higher other mobile revenues caused by increased amount of penalties charged also contributed to the growth in total mobile revenues.

Fixed line services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
<b>Voice services</b>						
Total voice access .....	1,553,901	1,514,987	(2.5%)	1,553,901	1,514,987	(2.5%)
Total outgoing traffic (thousand minutes) .....	739,660	732,560	(1.0%)	2,383,504	2,355,484	(1.2%)
Blended MOU (outgoing) <sup>(1)</sup> .....	173	171	(1.4%)	181	182	0.6%
Blended ARPU (HUF) <sup>(1)</sup> .....	2,802	2,764	(1.4%)	2,867	2,782	(3.0%)

(1) Including PSTN, VoIP and VoCable.

Fixed line voice-retail revenues declined by 8.6% in the third quarter of 2013 compared to the same quarter in 2012 due to lower subscription fee revenues resulting from the decrease in the average number of fixed lines. The decrease was also driven by lower outgoing traffic revenues due to the loss of lines and price discounts reflecting the unfavorable economic environment and competition with VoIP and VoCable operators. The increasing popularity of flat rate packages (e.g. Hoppá) also led to lower ARPU.

Magyar Telekom Plc. offered several price discounts to customers choosing different flat-rate and optional tariff packages. Our Hoppá tariff package was very successful, generating 632,485 subscribers by the end of September 2013. The vast majority of customers choosing this package signed a 2-year loyalty contract; therefore, this offer proves to be a very effective tool in decreasing fixed line customer churn in Hungary. Our integrated fixed and mobile offer, the Paletta tariff package reached almost 52,300 customers as at September 30, 2013.



Internet services	Q3 2012	Q3 2013	change %	1-9 months, 2012	1-9 months, 2013	change %
<b>Blended retail broadband market share <sup>(1)</sup></b> .....	<b>36.8%</b>	<b>37.5%</b>	<b>n.a.</b>	<b>36.8%</b>	<b>37.5%</b>	<b>n.a.</b>
Number of retail DSL customers .....	495,861	512,190	3.3%	495,861	512,190	3.3%
Number of cable broadband customers.....	237,722	271,616	14.3%	237,722	271,616	14.3%
Number of fiber optic connections .....	39,183	48,615	24.1%	39,183	48,615	24.1%
<b>Total retail broadband customers.....</b>	<b>772,766</b>	<b>832,421</b>	<b>7.7%</b>	<b>772,766</b>	<b>832,421</b>	<b>7.7%</b>
Blended broadband ARPU (HUF).....	3,751	3,465	(7.6%)	3,808	3,561	(6.5%)
Number of wholesale DSL access .....	94,534	73,946	(21.8%)	94,534	73,946	(21.8%)

(1) Data relates to Magyar Telekom Plc. based on NMHH reports.

Internet revenues decreased and amounted to HUF 9.8 billion in Q3 2013. The decrease was mainly owing to a lower number of wholesale connections quarter over quarter. Cablenet customer base and the number of fiber connections have been increasing but the retail broadband volume increase could not fully compensate for the decrease in wholesale connections and the effects of lower ARPU, reflecting lower prices forced by strong competition. The migration towards Telekom double- and triple-play packages also had a negative effect on the blended ARPU level.

TV services	Q3 2012	Q3 2013	change %	1-9 months, 2012	1-9 months, 2013	change %
<b>Blended TV market share <sup>(1)</sup></b> .....	<b>25.2%</b>	<b>25.8%</b>	<b>n.a.</b>	<b>25.2%</b>	<b>25.8%</b>	<b>n.a.</b>
Number of IPTV customers .....	291,872	372,286	27.6%	291,872	372,286	27.6%
Number of satellite TV customers .....	287,284	304,661	6.0%	287,284	304,661	6.0%
Number of cable TV customers.....	244,754	196,350	(19.8%)	244,754	196,350	(19.8%)
<b>Total TV customers.....</b>	<b>823,910</b>	<b>873,297</b>	<b>6.0%</b>	<b>823,910</b>	<b>873,297</b>	<b>6.0%</b>
Blended TV ARPU (HUF) .....	3,040	3,120	2.6%	3,057	3,100	1.4%

(1) Data relates to Magyar Telekom Plc. based on NMHH reports.

IPTV and satellite TV revenues increased in Q3 2013 compared to the same quarter last year; however, this increase was partly offset by lower Cable TV revenues influenced by the significantly lower customer base primarily due to migration from Cable TV to IPTV.

Energy services	Q3 2012	Q3 2013	change %	1-9 months, 2012	1-9 months, 2013	change %
Electricity points of delivery .....	73,567	106,813	45.2%	73,567	106,813	45.2%
Gas points of delivery .....	52,450	67,637	29.0%	52,450	67,637	29.0%

Telekom Hungary has rapidly growing revenues from the retail energy service launched in 2010. Revenues from Energy services increased by HUF 3.4 billion in Q3 2013 versus Q3 2012, due to the significant growth in the number of customers (points of delivery).

## EBITDA

EBITDA of the Telekom Hungary segment increased slightly by 0.7% in Q3 2013 versus Q3 2012, the main reason for which is that the slightly decreasing direct margin (revenues less direct costs) was mitigated by the lower amount of sector specific tax expenses in Q3 2013.

On a year-to-date basis, EBITDA decreased by 5.3%, due to the lower direct margin, the higher sector specific tax expenses and the higher employee-related expenses owing to the higher average headcount figure, as staff previously hired on a temporary basis to work in call centers, customer care, sales and customer experience services became permanent employees of Magyar Telekom as of April 2012.

## Investments in tangible and intangible assets

Investments in tangible and intangible assets increased by HUF 55.4 billion mainly due to the extension and harmonization of Magyar Telekom's frequency licenses.

**3.2.3 T-Systems Hungary**

HUF millions	Q3 2012	Q3 2013	Change	Change (%)	1-9. months, 2012	1-9. months, 2013	Change	Change (%)
Mobile voice revenues .....	3,888	3,505	(383)	(9.9%)	11,662	10,633	(1,029)	(8.8%)
Non-voice revenue .....	2,330	2,337	7	0.3%	6,913	6,845	(68)	(1.0%)
Other mobile revenues.....	1,414	849	(565)	(40.0%)	4,971	2,530	(2,441)	(49.1%)
<b>Total mobile revenues .....</b>	<b>7,632</b>	<b>6,691</b>	<b>(941)</b>	<b>(12.3%)</b>	<b>23,546</b>	<b>20,008</b>	<b>(3,538)</b>	<b>(15.0%)</b>
Fixed voice revenues .....	2,167	2,079	(88)	(4.1%)	6,786	6,367	(419)	(6.2%)
Internet revenues .....	614	577	(37)	(6.0%)	1,878	1,778	(100)	(5.3%)
Data revenues.....	2,662	2,284	(378)	(14.2%)	8,517	7,005	(1,512)	(17.8%)
Other fixed line revenues.....	430	442	12	2.8%	1,308	1,595	287	21.9%
<b>Total fixed line revenues.....</b>	<b>5,873</b>	<b>5,382</b>	<b>(491)</b>	<b>(8.4%)</b>	<b>18,489</b>	<b>16,745</b>	<b>(1,744)</b>	<b>(9.4%)</b>
SI/IT revenues .....	12,862	19,997	7,135	55.5%	39,762	53,350	13,588	34.2%
<b>Total revenues.....</b>	<b>26,367</b>	<b>32,070</b>	<b>5,703</b>	<b>21.6%</b>	<b>81,797</b>	<b>90,103</b>	<b>8,306</b>	<b>10.2%</b>
Crisis tax .....	(823)	0	823	100.0%	(2,615)	0	2,615	100.0%
Telecom tax.....	(725)	(1,223)	(498)	(68.7%)	(725)	(2,952)	(2,227)	(307.2%)
Utility tax (net) .....	0	0	0	n.a.	0	(509)	(509)	n.a.
Other operating expenses (net).....	(20,380)	(26,229)	(5,849)	(28.7%)	(64,801)	(74,531)	(9,730)	(15.0%)
<b>EBITDA.....</b>	<b>4,439</b>	<b>4,618</b>	<b>179</b>	<b>4.0%</b>	<b>13,656</b>	<b>12,111</b>	<b>(1,545)</b>	<b>(11.3%)</b>
Investments in tangible and intangible assets	1,087	1,237	150	13.8%	2,924	2,208	(716)	(24.5%)

**Revenues**

The total revenue of T-Systems Hungary increased in Q3 2013 compared to Q3 2012, as higher SI/IT revenues more than compensated for the decrease in mobile and fixed line revenues.

Mobile services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
Number of customers (number or SIM cards) .....	474,370	507,333	6.9%	474,370	507,333	6.9%
Churn rate .....	12.9%	7.5%	n.a.	8.0%	7.6%	n.a.
MOU .....	276	273	(1.0%)	281	282	0.4%
ARPU (HUF) .....	4,446	3,942	(11.3%)	4,515	3,991	(11.6%)
Ratio of non-voice revenues in ARPU.....	37.6%	40.3%	n.a.	37.4%	39.4%	n.a.
Average acquisition cost (SAC) per gross add (HUF).....	2,436	3,206	31.6%	4,620	3,225	(30.2%)
Number of mobile broadband subscriptions.....	87,394	128,309	46.8%	87,394	128,309	46.8%

Mobile voice revenues decreased by 9.9% in Q3 2013 versus Q3 2012, predominantly due to lower voice-retail revenues as a result of lower average price per minute and decreased MOU partly compensated for by a higher average customer base.



Fixed line services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
<b>Voice services</b>						
Total lines .....	173,135	168,176	(2.9%)	173,135	168,176	(2.9%)
Total outgoing traffic (thousand minutes).....	58,424	55,673	(4.7%)	188,504	175,143	(7.1%)
MOU (outgoing).....	170	173	1.9%	178	181	1.4%
ARPU (HUF) .....	4,212	4,155	(1.3%)	4,363	4,238	(2.9%)
<b>Internet services</b>						
Number of retail broadband access .....	14,553	15,039	3.3%	14,553	15,039	3.3%
Retail DSL ARPU (HUF) .....	7,660	6,664	(13.0%)	7,397	7,094	(4.1%)

Fixed line voice-retail revenues decreased, caused by the erosion both in the customer base and traffic. Fixed line data revenues were lower, as a result of a lower number of leased lines, and lower narrowband data traffic in Q3 2013. Fixed line Internet revenues also declined slightly. Although the number of retail DSL access increased, the lower retail ARPU resulted in a decrease in Internet revenues.

**SI/IT services**

The 55.5 % increase in SI/IT revenues resulted mainly from higher infrastructure and application revenues owing to significantly higher project revenues in Q3 2013.

**EBITDA**

EBITDA increased by 4.0% in Q3 2013 compared to Q3 2012, mainly due to the increase in the direct margin of SI/IT revenues. This increase in EBITDA was somewhat counterbalanced by the decrease in other operating income as a result of the one-off gain on the sale of Pro-M in Q3 2012 (HUF 1.6 billion).

On a year-to-date basis, EBITDA decreased by 11.3%, mainly as a result of the one-off gain on the sale of Pro-M in Q3 2012.

**Investments in tangible and intangible assets**

Investments in tangible and intangible assets increased quarter over quarter, as a result of the higher amount of new infrastructure projects requiring higher spending on tangible and intangible assets in Q3 2013.

On a year-to-date basis, investments in tangible and intangible assets decreased, as a result of the lower amount of new outsourcing projects requiring higher spending on tangible and intangible assets in the first three quarters of 2013.

**3.2.4 Macedonia**

HUF millions	Q3 2012	Q3 2013	Change	Change (%)	1-9. months, 2012	1-9. months, 2013	Change	Change (%)
Voice revenues <sup>(1)</sup> .....	8,078	7,304	(774)	(9.6%)	23,180	20,432	(2,748)	(11.9%)
Non-voice revenue .....	1,581	1,647	66	4.2%	4,141	4,338	197	4.8%
Other mobile revenues.....	565	731	166	29.4%	1,577	2,150	573	36.3%
<b>Total mobile revenues .....</b>	<b>10,224</b>	<b>9,682</b>	<b>(542)</b>	<b>(5.3%)</b>	<b>28,898</b>	<b>26,920</b>	<b>(1,978)</b>	<b>(6.8%)</b>
Voice revenues <sup>(1)</sup> .....	3,586	3,241	(345)	(9.6%)	11,734	9,834	(1,900)	(16.2%)
Internet revenues .....	1,348	1,418	70	5.2%	4,276	4,311	35	0.8%
TV revenues .....	393	561	168	42.7%	1,079	1,590	511	47.4%
Equipment revenues .....	302	359	57	18.9%	1,022	1,340	318	31.1%
Other fixed line revenues.....	625	630	5	0.8%	1,964	1,929	(35)	(1.8%)
<b>Total fixed line revenues.....</b>	<b>6,254</b>	<b>6,209</b>	<b>(45)</b>	<b>(0.7%)</b>	<b>20,075</b>	<b>19,004</b>	<b>(1,071)</b>	<b>(5.3%)</b>
SI/IT revenues .....	92	139	47	51.1%	256	267	11	4.3%
<b>Total revenues.....</b>	<b>16,570</b>	<b>16,030</b>	<b>(540)</b>	<b>(3.3%)</b>	<b>49,229</b>	<b>46,191</b>	<b>(3,038)</b>	<b>(6.2%)</b>
<b>EBITDA.....</b>	<b>11,994</b>	<b>6,224</b>	<b>(5,770)</b>	<b>(48.1%)</b>	<b>27,979</b>	<b>18,450</b>	<b>(9,529)</b>	<b>(34.1%)</b>
Investments in tangible and intangible assets	14,152	5,583	(8,569)	(60.5%)	18,491	9,979	(8,512)	(46.0%)

<sup>(1)</sup> Comparatives modified

In order to maintain consistency with the current year presentation of revenues, certain items were reclassified for comparative purposes. From Q1 2013, all mobile terminated incoming international traffic revenues are disclosed as mobile wholesale revenues, while they were disclosed as fixed line wholesale revenues when the incoming traffic transited through Makedonski Telekom to T-Mobile Macedonia. The previous year's interim income statement disclosure of the revenue breakdown was modified to be comparable to the current year's presentation. This change makes the financial data and mobile KPIs of the Macedonian segment and the Group more comparable with other market participants.

**Revenues**

The 5.7% stronger MKD against the HUF on average in Q3 2013 compared with the same quarter last year had a positive impact on the results of the Macedonian segment in HUF terms. Despite the positive FX effect, revenues decreased by 3.3% in HUF terms over the same period last year, mainly driven by the significant decrease in mobile-, and fixed voice revenues.

Mobile services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
Mobile penetration <sup>(1)</sup> .....	110.9%	109.4%	n.a.	110.9%	109.4%	n.a.
Market share of T-Mobile Macedonia <sup>(1)</sup> .....	49.8%	49.0%	n.a.	49.8%	49.0%	n.a.
Number of customers (RPC).....	1,227,111	1,211,544	(1.3%)	1,227,111	1,211,544	(1.3%)
Postpaid share in the RPC base.....	31.3%	31.8%	n.a.	31.3%	31.8%	n.a.
MOU .....	167	197	17.8%	157	188	19.7%
ARPU (HUF) <sup>(2)</sup> .....	2,520	2,357	(6.5%)	2,384	2,235	(6.3%)

(1) Restated, according to Agency of Electronic Communications.

(2) Restated, due to change in calculation methodology.

Mobile voice revenues decreased by 9.6% quarter over quarter, driven by lower voice-retail revenues, as higher outgoing minutes could not offset the lower subscription fees as a result of new promotions and offers reflecting the strong competition, and the decline in the postpaid customer base.

Non voice revenues remained broadly stable quarter over quarter, as higher mobile internet revenues were counterbalanced by lower SMS revenues owing to the lower number of SMSs sent.

Other mobile revenues increased by 29.4%, mainly driven by the greater number of higher average price handsets sold in Q3 2013 compared to Q3 2012.



Fixed line services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
<b>Voice services</b>						
Fixed line penetration.....	15.2%	13.8%	n.a.	15.2%	13.8%	n.a.
Total voice access.....	293,916	269,995	(8.1%)	293,916	269,995	(8.1%)
Total outgoing traffic (thousand minutes).....	159,646	141,555	(11.3%)	516,262	434,027	(15.9%)
<b>Internet and TV services</b>						
Retail DSL market share (estimated).....	81.9%	82.6%	n.a.	81.9%	82.6%	n.a.
Number of retail DSL customers.....	140,270	155,421	10.8%	140,270	155,421	10.8%
Number of wholesale DSL access.....	26,449	27,035	2.2%	26,449	27,035	2.2%
Number of total DSL access.....	166,719	182,456	9.4%	166,719	182,456	9.4%
Number of IPTV customers.....	58,046	83,789	44.3%	58,046	83,789	44.3%

Fixed-line revenues remained stable quarter over quarter, as the decrease in voice-retail revenues reflecting the loss of fixed lines and lower traffic was largely offset by the increase in TV and equipment revenues.

Increasing TV revenues are owing to the growing IPTV subscriber base, while higher equipment revenues are due to the increased sale of TV and home appliances.

On a year-to-date basis, fixed-line revenues decreased by 5.3%, due to the significant decrease in voice revenues.

#### EBITDA

EBITDA of our Macedonian operations decreased by 48.1% in Q3 2013 versus Q3 2012 in HUF terms derived mainly from higher other operating income in Q3 2012, owing to the real estate transaction resulting in a HUF 3.7 billion gain, where four old buildings were exchanged for a new one. Furthermore, higher employee related expenses due to the severance expenses relating to the headcount reduction program in Q3 2013, and the lower direct margin also contributed to the EBITDA decrease.

On a year-to-date basis, EBITDA decreased by 34.1% for the same reasons.

#### Investment in tangible and intangible assets

Investment in tangible and intangible assets decreased by 60.5% in Q3 2013, mainly due to the higher capex in Q3 2012 on the real estate transaction. Capex on the new 4G license in the amount of HUF 3.1 billion in September 2013 partly counterbalanced this decrease.

**3.2.5 Montenegro**

HUF millions	Q3 2012	Q3 2013	Change	Change (%)	1-9. months, 2012	1-9. months, 2013	Change	Change (%)
Voice revenues .....	3,199	2,875	(324)	(10.1%)	8,515	7,247	(1,268)	(14.9%)
Non-voice revenue .....	915	1,034	119	13.0%	2,459	2,885	426	17.3%
Other mobile revenues .....	168	277	109	64.9%	378	723	345	91.3%
<b>Total mobile revenues .....</b>	<b>4,282</b>	<b>4,186</b>	<b>(96)</b>	<b>(2.2%)</b>	<b>11,352</b>	<b>10,855</b>	<b>(497)</b>	<b>(4.4%)</b>
Voice revenues .....	2,887	2,816	(71)	(2.5%)	7,917	7,626	(291)	(3.7%)
Internet revenues .....	841	910	69	8.2%	2,657	2,642	(15)	(0.6%)
Data revenues .....	410	365	(45)	(11.0%)	1,341	1,166	(175)	(13.0%)
Other fixed line revenues .....	584	680	96	16.4%	1,713	1,948	235	13.7%
<b>Total fixed line revenues.....</b>	<b>4,722</b>	<b>4,771</b>	<b>49</b>	<b>1.0%</b>	<b>13,628</b>	<b>13,382</b>	<b>(246)</b>	<b>(1.8%)</b>
SI/IT revenues .....	71	134	63	88.7%	214	508	294	137.4%
<b>Total revenues.....</b>	<b>9,075</b>	<b>9,091</b>	<b>16</b>	<b>0.2%</b>	<b>25,194</b>	<b>24,745</b>	<b>(449)</b>	<b>(1.8%)</b>
<b>EBITDA.....</b>	<b>3,514</b>	<b>3,709</b>	<b>195</b>	<b>5.5%</b>	<b>9,953</b>	<b>9,763</b>	<b>(190)</b>	<b>(1.9%)</b>
Investments in tangible and intangible assets	864	685	(179)	(20.7%)	2,829	2,022	(807)	(28.5%)

**Revenues**

The 5.8% stronger EUR against the HUF on average in Q3 2013 versus Q3 2012 had a positive impact on the results of our Montenegrin operations.

In HUF terms, total revenue remained broadly stable quarter over quarter, as the decrease in both mobile and fixed line voice revenues was counterbalanced by higher mobile non-voice, other mobile, fixed line internet and SI/IT revenues.

Mobile services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
Mobile penetration <sup>(1)</sup> .....	176.1%	181.2%	n.a.	176.1%	181.2%	n.a.
Market share of T-Mobile Crna Gora <sup>(1)</sup> .....	34.1%	35.2%	n.a.	34.1%	35.2%	n.a.
Number of customers (RPC) <sup>(1)</sup> .....	375,337	395,885	5.5%	375,337	395,885	5.5%
Postpaid share in the RPC base .....	35.4%	34.5%	n.a.	35.4%	34.5%	n.a.
MOU .....	164	168	2.4%	160	168	5.0%
ARPU (HUF) <sup>(1)</sup> .....	3,586	2,968	(17.2%)	3,427	2,914	(15.0%)

(1) According to data published by the Montenegrin Agency for Electronic Communications and Postal Services (EKIP).

Compared with the same period last year, mobile revenues in HUF terms decreased slightly by 2.2% owing to lower voice revenues. Lower voice-retail revenues were the result of the significantly lower tariff levels that could not be compensated by the increase in total billed minutes.

These decreases were largely offset by the increase in non-voice and other mobile revenues. Non-voice revenues increased by 13.0% mainly due to higher Internet subscription revenues driven by the increased number of subscribers. Other mobile revenues increased as well, mainly owing to higher handset sales due to successful smartphone marketing campaigns in Q3 2013.



Fixed line services	Q3 2012	Q3 2013	change %	1-9. months, 2012	1-9. months, 2013	change %
<b>Voice services</b>						
Fixed line penetration.....	26.2%	25.6%	n.a.	26.2%	25.6%	n.a.
Total voice access.....	166,883	163,216	(2.2%)	166,883	163,216	(2.2%)
Total outgoing traffic (thousand minutes).....	71,431	63,382	(11.3%)	227,549	201,436	(11.5%)
<b>Internet and TV services</b>						
Retail DSL market share (estimated).....	83.3%	81.8%	n.a.	83.3%	81.8%	n.a.
Number of DSL access.....	79,632	86,792	9.0%	79,632	86,792	9.0%
Number of IPTV customers.....	51,995	57,393	10.4%	51,995	57,393	10.4%

Total fixed line revenues in HUF terms remained broadly stable. Lower voice-retail revenues are due to a decline in outgoing traffic and lower number of accesses. Data revenues decreased, as the number of leased line and IP network customers fell along with prices. These decreases were largely offset by higher equipment revenues due to the increasing number of TV-set and laptop sales.

### EBITDA

The EBITDA of our Montenegrin operation increased by 5.5%, primarily due to lower consulting and marketing expenses.

On a year-to-date basis, EBITDA decreased by 1.9%, primarily due to the lower direct margin.

### Investment in tangible and intangible assets

Investment in tangible and intangible assets decreased in Q3 2013 compared to the same quarter last year, owing to higher spending in 2012 on base stations as a result of the mobile network modernization project, and on local access.

### 3.3. Contingencies and commitments

#### Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of uncertain future events not within the control of the Group. These assets are not recognized in the statement of financial position.

The Group has no contingencies where the inflow of economic benefits would be probable and material.

#### Contingent liabilities

The most significant contingent liabilities of the Group are described below. No provisions have been recognized for these cases as management estimates that it is unlikely that these claims originating from past events would result in any material economic outflows from the Group, or the amount of the obligation cannot be measured with sufficient reliability.

#### Macedonia

##### Compensation for termination of a service contract by T-Mobile MK

In January 2002, T-Mobile MK signed an agreement with a subcontractor, including a 3-month trial period, for the collection of T-Mobile MK's overdue receivables. After the expiration of the 3-month trial period, T-Mobile MK terminated this contract in April 2002 due to breaches of the contractual obligations by the subcontractor. The subcontractor initiated a lawsuit in April 2003 requesting damage compensation for foregone profit and compensation for services already rendered. Management estimates it unlikely that the subcontractor would win the court case against T-Mobile MK. The potential loss from the claim is approximately HUF 4.6 billion. The first and second instance decisions were in favor of T-Mobile MK, but the plaintiff submitted a revision to the Supreme Court, therefore the timing of the final resolution is uncertain.

##### Alleged breach of certain deadlines

MKT and T-Mobile MK have contingent liabilities in respect of legal and regulatory claims arising in the ordinary course of business. The major part of the contingent liabilities relate to several requests for initiating misdemeanor procedures from regulatory bodies for alleged breaches of certain deadlines for decision upon subscriber's request. The maximum possible fine for each individual case is 4% - 10% of the annual revenue (HUF 38-45 billion) of the companies for the year preceding the misdemeanor, in accordance with the local legislation. Based on legal advice,





Management believes, that it is not probable that a significant liability will arise from these claims because of unsubstantiated bases for initiating these misdemeanor procedures.

## Hungary

### Public lawsuits relating to transaction fee

Two similar lawsuits were launched against the Company by the Hungarian Authority for Consumer Protection and the National Federation of Associations for Consumer Protection claiming that charging customers a transaction fee for invoices to be settled by yellow postal payment orders or in person at the cash-desk was unlawful. The Company is adamant that charging the transaction fee at the time of their introduction was not in breach of any law, while it was subsequently prohibited by a modification of the Act on Electronic Communications. The Company discontinued charging the fee on the effective date of the modification, and continues to comply with the provisions of the Act.

### Guarantees

Magyar Telekom Plc. is exposed to risks that arise from the possible drawdown of guarantees.

### Commitments

There has not been any material change in the nature and amount of our commitments in Q3 2013.

## 3.4. Other matters

### Investigations into certain consultancy contracts

As previously disclosed, the Company's Audit Committee conducted an internal investigation regarding certain contracts relating to the activities of the Company and/or its affiliates in Montenegro and Macedonia that totalled more than EUR 31 million. In particular, the internal investigation examined whether the Company and/or its Montenegrin and Macedonian affiliates had made payments prohibited by U.S. laws or regulations, including the U.S. Foreign Corrupt Practices Act (the "FCPA"). The Company has previously disclosed the results of the internal investigation. For further information regarding the internal investigation, please see the Company's annual report for the year ended December 31, 2011.

The Company's Audit Committee informed the U.S. Department of Justice (the "DOJ") and the U.S. Securities and Exchange Commission (the "SEC") of the internal investigation. The DOJ and the SEC commenced investigations into the activities that were the subject of the internal investigation.

On December 29, 2011, the Company announced that it had entered into final settlements with the DOJ and the SEC to resolve the DOJ's and the SEC's investigations relating to the Company. The settlements concluded the DOJ's and the SEC's investigations. The Company disclosed the key terms of the settlements with the DOJ and the SEC on December 29, 2011. On January 6, 2012 the Company paid a criminal penalty of USD 59.6 million (HUF 14,712 million) pursuant to the settlement with the DOJ and on January 23, 2012 the Company paid USD 25.2 million for disgorgement of profits and USD 6.0 million of prejudgment interest (HUF 7,366 million in total) pursuant to the settlement with the SEC, totalling USD 90.8 million (HUF 22,078 million) paid with respect to the settlements with the DOJ and the SEC.

The aggregate amount of USD 90.8 million payable by the Company in settlement of the DOJ's and SEC's investigations was fully provided for before the end of 2011.

In addition to the DOJ's and the SEC's investigations, the Ministry of Interior of the Republic of Macedonia, the Montenegrin Supreme State Prosecutor, the Hungarian Central Investigating Chief Prosecutor's Office and the First Instance Prosecutor's Office of Athens commenced investigations into certain of the activities that were the subject of the internal investigation. These governmental investigations are continuing, and the Company and/or its relevant subsidiaries continue to cooperate with these investigations.

## 3.5. Significant events between the end of the quarter and the publishing of the "Interim financial report"

No such events have taken since September 30, 2013 to the publication date of this report.

### 3.6. Business environment

The telecommunications industry is undergoing a major change globally. Worldwide trends are driving towards an integrated telecommunications, information, media and entertainment market. The increasing need for mobility and interactivity together with local specifics create new set-up in our eco-system both in terms of infrastructure, servicing and new types of business models.

Market delivers moderate growth with strong restructuring between segments that puts pressure on margin levels. We expect that the traditional telecommunications market will no longer deliver sizeable revenue growth in Hungary. The fixed voice market revenue is declining; mobile is no longer able to compensate this decline. However, we expect that new core segments, especially mobile broadband, pay TV and IT services will deliver sizable revenue growth in the coming years. An increasing technology platform-based competition can be observed in the domestic market, where our competitors are extensively deploying next-generation countrywide fixed and mobile networks. The battle for customer contacts has pushed prices down. We expect continued consolidation in the fixed arena, while in mobile, new entrants are expected as mobile virtual network operators (MVNOs).

Latest macroeconomic forecasts lag behind previous assumptions, especially in terms of investment levels, residential consumption and public spending. Market development is challenged by further uncertainties in macroeconomic outlook putting pressure on market players. The weakness of domestic demand entails negative changes in the economic structure and a decline in services. Decrease in corporate tax rate has not yet generated an increase in either consumption or investments. The flat personal income tax rate system increased savings at higher income categories. The recently imposed utility tax and the significantly increased special telecom tax is impacting telecom operators' investment intensity having a negative effect on overall telecom market development. GDP is expected to reach the pre-crisis level only after 2014.

### 3.7. Strategy

As a result of our focused strategic efforts, Magyar Telekom has maintained leading positions and increased market share in its Hungarian fixed line, mobile, broadband and ICT businesses in the third quarter of 2013. Even under uncertain macroeconomic and market conditions, we managed to deliver a turnaround in revenues, we successfully improved customer retention and delivered strong volume figures. We have also gradually extended our network and offering capabilities proactively leveraging various partnering models as well. The evolving external environment continues to drive the need for changes in our approach to our customers and our business.

We continue our transformation on a new basis to become The Most Highly Regarded Services Company in the quality of life business. To accelerate our efforts, we have developed a future-proof business and operating model based on our strategic imperatives to innovate, grow and extend the core business – thus growing revenue whilst becoming a more agile organization. This enables us to exploit and develop our extended customer base, improve efficiency and capture growth opportunities that secures stable cash generation in the long run. The strategic objective in the mid-term is to become more agile, enhance efficiency, simplify the product and services portfolio and increase process automation. We aim to exploit our abilities to become a leader in all digital services around the home for both consumers and third parties. Our non-core areas, such as energy, e-health, finance and insurance services, support customer retention and new revenue streams.

### 3.8. Resources and risk factors

- Our operations (both in Hungary and abroad) are subject to substantial government regulation, which can result in adverse consequences for our business and results of operations;
- We are subject to more intense competition;
- Our ability to meet our revenue targets will depend in part on our ability to offset the declining voice revenues with TV, Internet, SI/IT and retail energy revenues;
- We may be unable to adapt to technological changes in the telecommunications market;
- The future of our current operational model is subject to currently unforeseeable changes in the future business environment;
- Developments in the technology and telecommunications sectors have resulted and may result in impairments in the carrying value of certain of our assets;
- Our business may be adversely affected by actual or perceived health risks associated with mobile communications technologies;
- System failures could result in reduced user traffic and revenue and could harm our reputation;
- Loss of key personnel could weaken our business;
- Our share price may be volatile, and your ability to sell our shares may be adversely affected due to the relatively illiquid market for our shares and ADRs;
- Fluctuations in the currency exchange rate could have an adverse effect on our results of operations;
- We are continuously involved in disputes and litigation with regulators, competitors and other parties. The ultimate outcome of such legal proceedings is generally uncertain. The results of those procedures may have a material adverse effect on our results of operations and financial condition;
- The value of our investments, results of operations and financial condition could be adversely affected by economic developments in Hungary and other countries;
- We are subject to unpredictable changes in the Hungarian tax regulations.



### 3.9. Outlook

The telecommunications industry is undergoing significant changes globally. We have observed several long-term trends which are changing the structure of the telecommunications market. These long-term trends include changes in technology (e.g., IP-based broadband products and solutions, and emerging wireless broadband technologies), customer requirements (e.g., increase in mobile usability of content services and terminal devices, 4Play solutions and the growing need for customized content) and competition and regulation (e.g., low entry barriers, new business models, convergence in the telecommunications and media broadcast industry).

Magyar Telekom's current plans and outlook are based on our best knowledge and expected circumstances. Nevertheless, we cannot predict the behaviour of our competitors. Therefore, a stronger than assumed impact of other operators, new market entrants and new solutions in any country where we are present could result in a negative impact on our business performance.

Each of our business segments is affected by its unique business environment, and we are subject to circumstances and events that are unforeseen or beyond our control. In the European economy a slow recovery has started however it is still fragile. Major uncertainties surrounding the future of the euro have escalated the debt crisis for several euro-zone members. The Hungarian economy has been impacted heavily by the second wave of the financial crisis. GDP projections for 2013 were reduced significantly, and the Hungarian National Bank forecasts indicate GDP growth of about 0.7 percent for 2013. The unemployment rate remains above ten percent, and the volatility of the Hungarian currency is expected to continue.

In order to balance the government budget, the Hungarian government has implemented several measures to reduce the deficit to 2.8 percent of GDP in 2013. Although the special telecommunications tax, which came into effect in 2010, was terminated in 2013, the Parliament adopted an act imposing telecommunications tax on service providers for fixed and mobile voice and mobile SMS/MMS services, effective from July 1, 2012 for an indefinite period of time. The tax imposed on fixed and mobile usage amounts to HUF 2 per minute and HUF 2 per SMS/MMS. The tax is capped: for 2013, at HUF 700 per month per calling number for private individuals' subscriptions and HUF 2500 per month per calling number for other subscribers' subscriptions. On June 27, 2013, the Parliament of Hungary adopted an act amending the amount of the telecommunication tax, raising the tax measure to HUF 3 per minute and HUF 3 per SMS/MMS for non-private individual subscribers' subscriptions and also raising the cap applicable to these subscriptions to HUF 5,000 per month. These changes took effect from August 1, 2013. The telecommunication tax payable by Magyar Telekom for 2013 is estimated at around HUF 25 billion. The Parliament also adopted an act imposing a further tax levied on utility networks (e.g.: ducts, cables) from 2013. The tax expense and liability was recognized in the first quarter of 2013 as the full annual tax liability is payable based on the taxable infrastructure in place on January 1, 2013. Our T-Systems Hungary segment is also affected by heavy spending cuts by the government, our largest business customer.

In September 2013, frequency usage rights in the 900 MHz and 1800 MHz frequency bands were extended and harmonized until April 2022. Magyar Telekom is required to pay a one-off fee of HUF 34 billion for the extension.

#### 3.9.1 Revenues

In our fixed line operations, we expect further declines in voice revenues due to continued line reduction and fixed line unit price erosion driven by mobile substitution and increased competition in the fixed line market, including competition from VoIP and VoCable providers. Mobile substitution remains the main driver of churn and we expect that average mobile per minute fees will continue to be lower than average fixed line per minute fees in 2013. As the market is shifting towards multiplay offers, we are combining our product portfolio in order to provide all services for every customer demand on every platform. By having the full range of telecommunications services, we are capable of offering 4Play packages, unique in the Hungarian market. Magyar Telekom - due to unfavourable economic and market trends - has implemented a tariff change effective from November 2013. Fixed line interconnection tariffs are expected to be reduced by 30% in each half year from January of 2013 until January 2016.

In the saturated fixed line market TV remains the key driver. Building on our large variety of platforms (cable, IP, DVB-S), we are targeting to reach those customers who currently have less than three of our services. We are aiming to expand further our RPC figures in 2013; however margins are under pressure due to significant competition. To strengthen our position in the TV market, we are continuously innovating our product portfolio (e.g. by offering interactive SAT TV).

In the mobile market, penetration has reached saturation point, and we expect declining voice revenues in 2013. We expect further growth in mobile broadband and future growth potential of value-added and data services, but this positive impact will not offset the decline in voice revenues. Mobile interconnection tariffs were reduced by 25% in 2013. Mobile termination rates are expected to be reduced further in the future. The market entry of the 4th mobile operator is not likely in 2013.

Magyar Telekom is continuously seeking business opportunities beyond core services. A significant step was made in this direction upon our entrance into the Hungarian retail energy market. This new revenue stream will enable us to compensate for the decrease in our Hungarian revenue in 2013; however, these revenues are associated with lower margins and as such, we expect our overall margins to decline. The Hungarian government has approved a cut in household energy prices by 10% from January 1, 2013, and another 11% from November 1, 2013,



and may approve further cuts in the future. The move applies to electricity, natural gas and district heating prices. In the future, we intend to shift our business focus and concentrate more on the competitive segment.

To sustain our competitiveness in the corporate sector, we are committed to developing further our IT competencies by focusing on complex service offerings through managed services, system integration and outsourcing of consultant services to corporate customers.

In Macedonia, competition is increasing both in the fixed line and mobile market. Our main competitors in the fixed line market are ONE and two major cable TV operators, which target the retail voice market with 3Play offers, aggressive pricing and marketing communication. We also expect more intensive regulatory measures in Macedonia in the future. In the mobile market, competition is also very strong with three players in the market. Mobile voice revenues are expected to decline, only partially offset by the fast growth in mobile broadband based on the new 3G and 4G technology.

In Montenegro, we also anticipate a tough environment due to competitive and regulatory pressures in the near future. Fixed wholesale revenues are expected to be the most impacted by regulatory actions (reducing international termination rates to rates at the national level), while mobile revenues are also expected to decline due to gradual termination fee cuts. Growth in fixed and mobile broadband cannot entirely compensate for the losses in the voice market. Competitors are also putting pressure on prices with 2Play and 3Play offers.

### **3.9.2 Expenses**

We are entirely committed to improving internal operational efficiency in all of our business segments. To accomplish our goals despite the intensifying competitive environment, we expect to partially offset decreasing revenue with strict cost control. We will continue our group-wide efforts to increase cost efficiency. We have reached an agreement with trade unions on headcount reduction and other cost efficiency measures for 2014 concerning Magyar Telekom Plc. employees. According to the terms of the agreement, the Company plans to make around 250 employees redundant, the majority of these employees will leave the Company by the end of 2013. There will not be any general increase in the base salaries for parent company employees during 2014. These measures will reduce our Total Workforce Management ("TWM") related costs.

In line with global market developments and the liberalization of the Hungarian energy market, we have experienced rapid growth in energy prices above the rate of inflation. We expect energy costs to remain high in 2013, impacting us negatively.

### **3.9.3 Investments in tangible and intangible assets**

Compared to previous years, the key priorities of capex spending have not changed. Investments in new products and platforms (e.g., LTE, FTTx) remain our key strategic goals although the overall investment level is decreasing. Broadband expansion is supported by large scale modernization of the mobile network.

We will increase investments in the IT area to reach our goals of becoming an ICT leader in Hungary, while expansion into new segments will also demand additional investments.

Striving for further improvement in customer orientation, the strategic priority for 2013 and beyond is the successful development and implementation of a new CRM system in Hungary. We are targeting the complete overhaul of the current customer management system of the Company.

In line with our strategy, we are committed to further strengthening and leveraging our presence in the South-Eastern Europe region. Therefore, we are continuously seeking further value-creating acquisitions and investment targets.



#### 4. Declaration

We the undersigned declare that to the best of our knowledge this report prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Magyar Telekom and its consolidated undertakings. In addition, the report gives a fair view of the position, development and performance of Magyar Telekom and its consolidated undertakings, and contains risk factors and uncertainties relating to the future events of the financial year. Independent Auditor's Report was not prepared on the Interim financial report.

Christopher Mattheisen  
Chief Executive Officer, Board member

János Szabó  
Chief Financial Officer

Budapest, November 7, 2013

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

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

In addition to figures prepared in accordance with IFRS, Magyar Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, underlying EBITDA, underlying EBITDA margin and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter "Reconciliation of pro forma figures", which is posted on Magyar Telekom's Investor Relations webpage at [www.telekom.hu/investor\\_relations](http://www.telekom.hu/investor_relations).