

NETWORK AS AN ENABLER

WALTER GOLDENITS
Chief Technology and IT Officer



LIFE IS FOR SHARING.

TECHNOLOGY AS AN ENABLER OF CUSTOMER EXPERIENCE



SPEED OF

- Technology
- Innovation
- Activities



COST EFFICIENCY

- Network modernization
- Architecture simplification
- Application retirement



QUALITY OF

- Fixed, mobile and core IP network
- Services
- IT systems



TECHNOLOGICAL PERFORMANCE DRIVING CUSTOMER SATISFACTION

1.2 MILLION 3G MOBILE DEVICES

150 MILLION SMS/MONTH

>500 MILLION VOICE CALLS/MONTH

CCA. 900,000 WIRED INTERNET ACCESS POINTS

6,370 GBYTE AVERAGE MONTHLY DATA TRAFFIC OF TOP 10 WIRED CUSTOMERS

200,000 ACTIVE NETWORK ELEMENTS




32,500 TBYTE WIRED DATA TRAFFIC/MONTH

3,600 PHYSICAL & VIRTUAL SERVERS



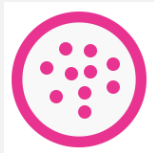
LIFE IS FOR SHARING.

TECHNOLOGIES ENABLE SCALABLE ACCESS SPEED – UTILIZE COPPER, EXTEND HSI COVERAGE

LAST MILE	HH COVERED	INVESTMENT FOCUS	SPEED (Mbps)
 <p>FIBER</p>	<p>7% FTTH</p>	<ul style="list-style-type: none"> FTTH coverage extension through partnering 	200
 <p>COAX</p>	<p>16% COAX</p> <ul style="list-style-type: none"> 15% Next generation 	<ul style="list-style-type: none"> Extension of next generation cable TV coverage through acquisitions followed by network upgrades 	120
 <p>COPPER</p>	<p>87% COPPER</p> <ul style="list-style-type: none"> 24% VDSL 56% ADSL ≥ 10Mbps 7% ADSL < 10Mbps 	<ul style="list-style-type: none"> Extension of VDSL coverage Deployment of the new vectoring technology for increasing VDSL up to 100 Mbps DSL modernization 	30 10



NETWORK ROLLOUT DRIVEN BY BUSINESS POTENTIAL AND COST OPTIMIZATION



FIBER
(FTTH, FTTB)



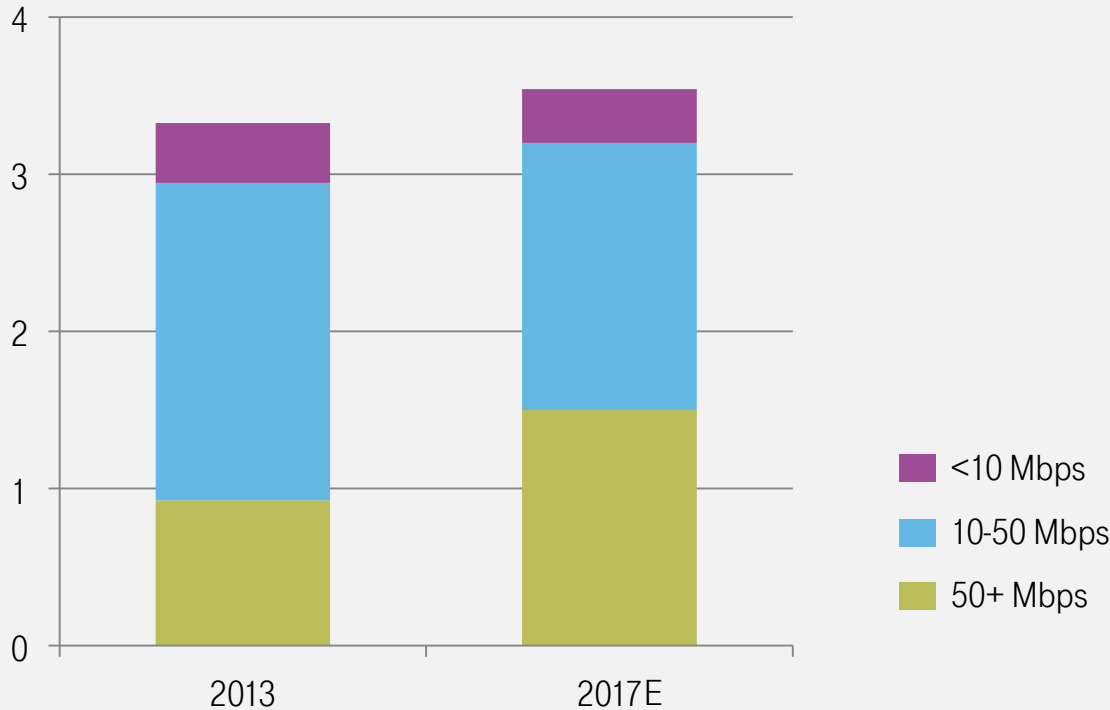
COAX



COPPER
(FTTC, VECTORING,
BONDING)

HUNGARIAN FIXED BROADBAND NETWORK DEVELOPMENTS



mn households



LIFE IS FOR SHARING.

MOBILE DATA GROWTH – THE MAIN DRIVER OF MOBILE NETWORK DEVELOPMENTS

LTE COVERAGE TARGET OF 80% OF POPULATION BY 2015

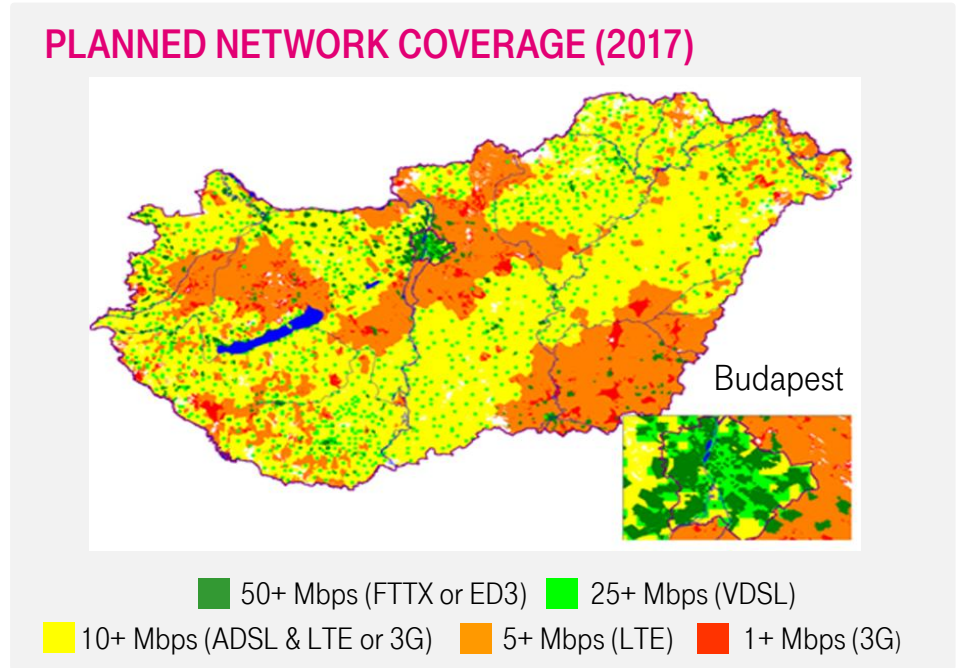
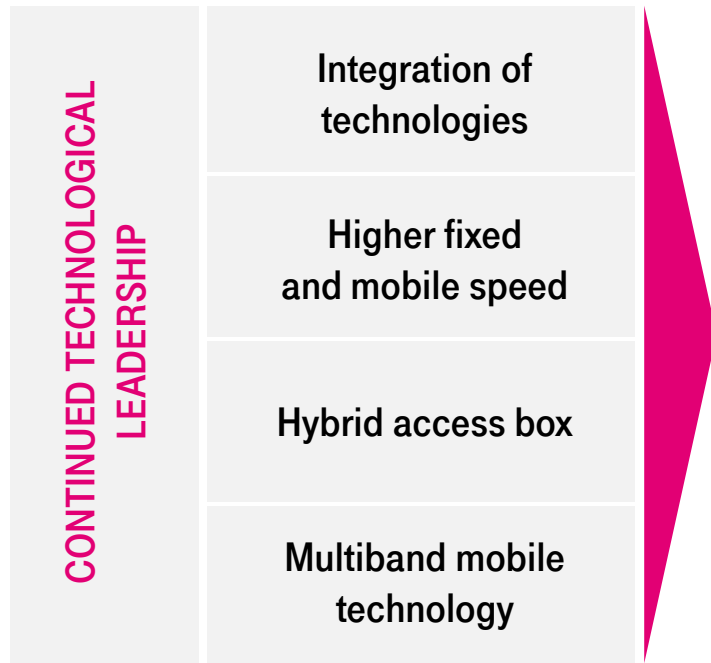
	2G	3G (UMTS, HSPA, HSPA+)	4G (LTE, LTE ADVANCED)
 VOICE	GSM ✓	IP Telephony ✓	VoLTE
 DATA	GPRS, EDGE ✓	UP TO 42 Mbps ✓	UP TO 100 Mbps ✓

40% annual mobile data growth expected until 2017

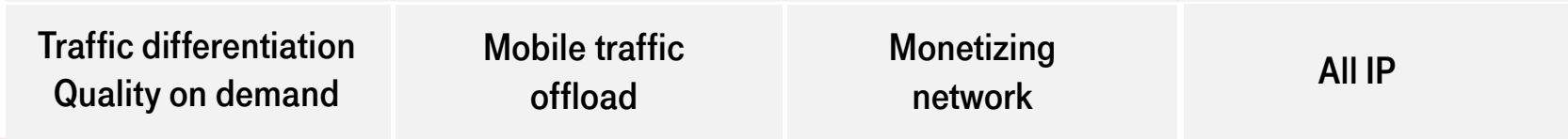


LIFE IS FOR SHARING.

THE FUTURE: INTEGRATED NETWORKS AND IP TRANSFORMATION TO IMPROVE EFFICIENCY

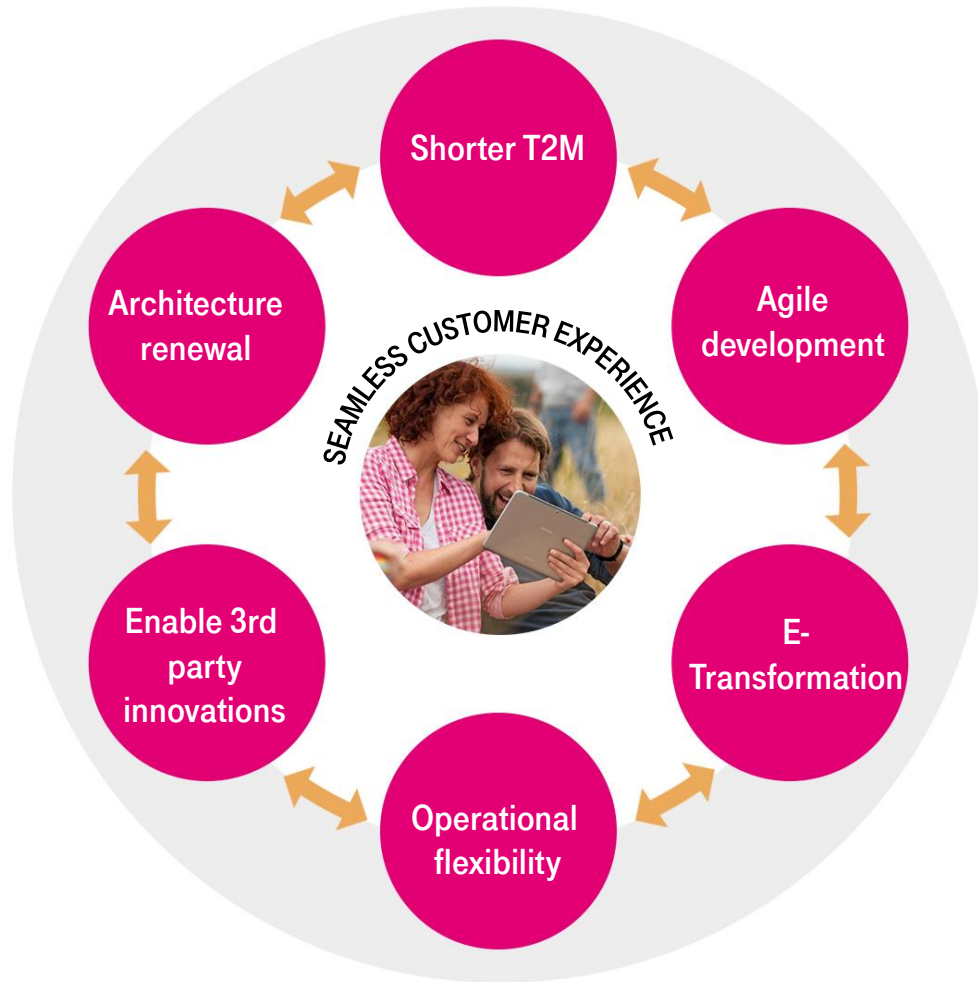


TECHNOLOGY LIFECYCLE MANAGEMENT - EFFICIENT NETWORK



LIFE IS FOR SHARING.

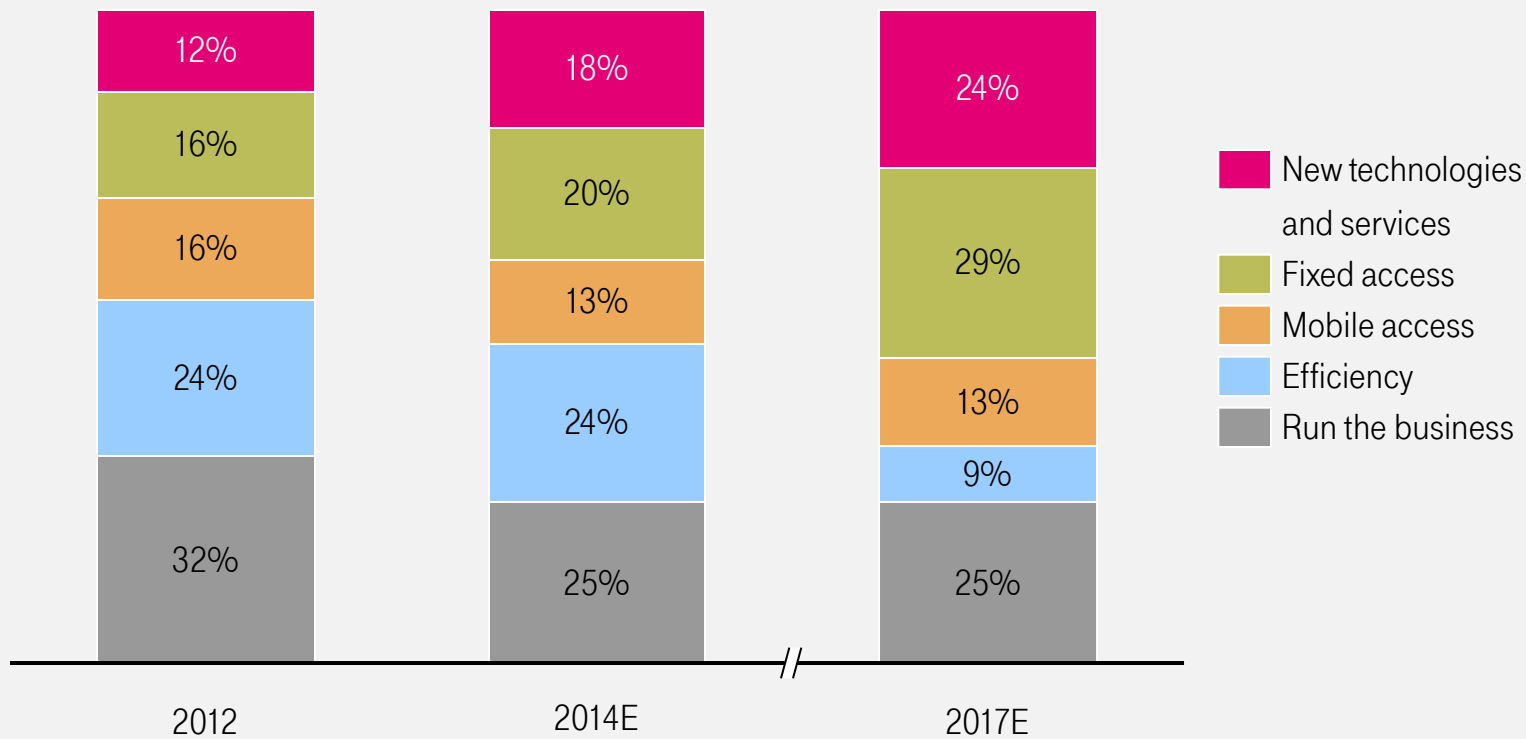
MEETING NEW CUSTOMER EXPECTATIONS THROUGH INNOVATION



LIFE IS FOR SHARING.

EFFICIENCY INVESTMENTS FREE UP CAPEX FOR NEW TECHNOLOGIES AND SERVICES

DISTRIBUTION OF HUNGARIAN CAPEX



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

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

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



LIFE IS FOR SHARING.