

STRATEGIC FOCUS ON THE CUSTOMER EXPERIENCE

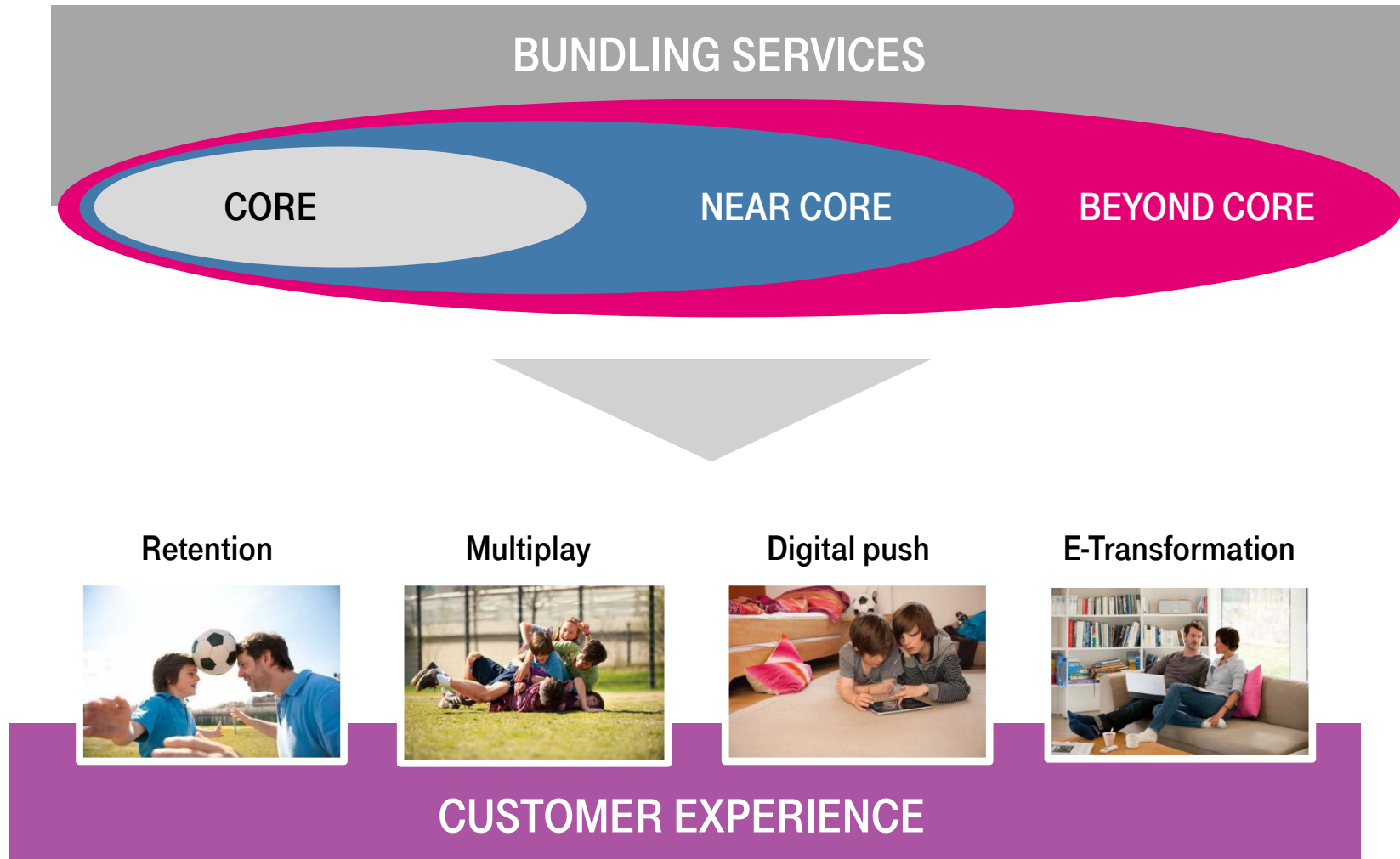
ATTILA KESZÉG

Chief Commercial Officer Residential



LIFE IS FOR SHARING.

CUSTOMER EXPERIENCE ENHANCED THROUGH BUNDLING SERVICES



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MAXIMIZING CUSTOMER VALUE THROUGH BUNDLING

CORE MARKETS



- Fixed & mobile voice
- Fixed & mobile internet

Retention

NEAR CORE MARKETS



- Fixed & mobile equipments
- TV packages

Multiplay

BEYOND CORE MARKETS

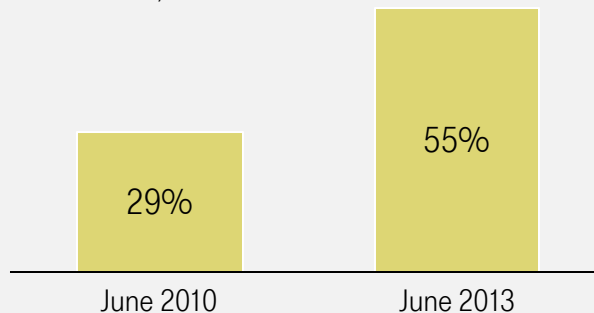


- Energy
- Insurance

Digital push

FIXED MULTIPLAY* RATIO

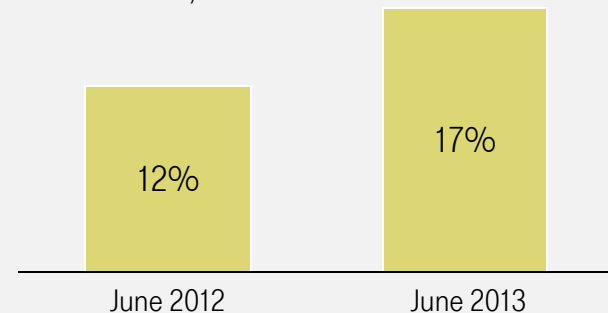
(% of total customers)



* users with 2 or 3 fixed services

RATIO OF HIGH VALUE MOBILE PACKAGES**

(% of total customers)



**high value: from ca HUF 7,000 (EUR 24)/month



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LOWER FIXED LINE CHURN AND STABLE MOBILE CUSTOMER BASE



FIXED VOICE ANNUAL CHURN DOWN TO 2%

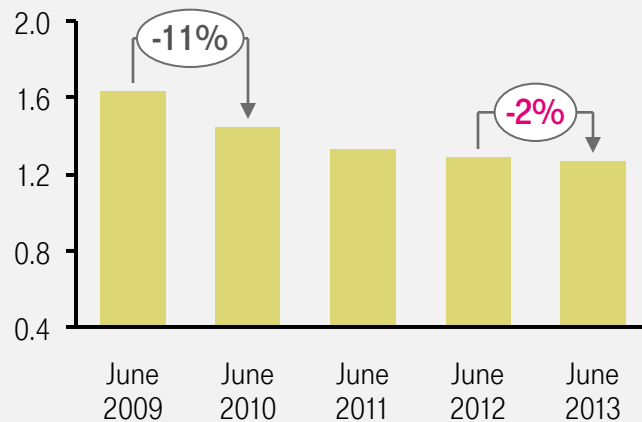
- Increased value of fixed voice through Hoppá flat tariff
- Improving customer loyalty through the energy offering

STABLE MOBILE CUSTOMER BASE IN A SHRINKING MARKET

- Best handset portfolio (smartphone focus)
- Attractive tariff propositions (mobile broadband bundling)

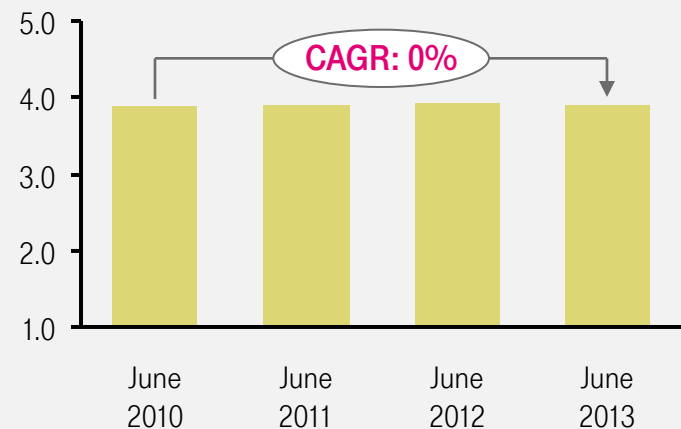
FIXED VOICE CUSTOMERS

mn customers



MOBILE VOICE CUSTOMERS

mn customers



WE OFFER SERVICES IN INTEGRATED PACKAGES

Multiplay



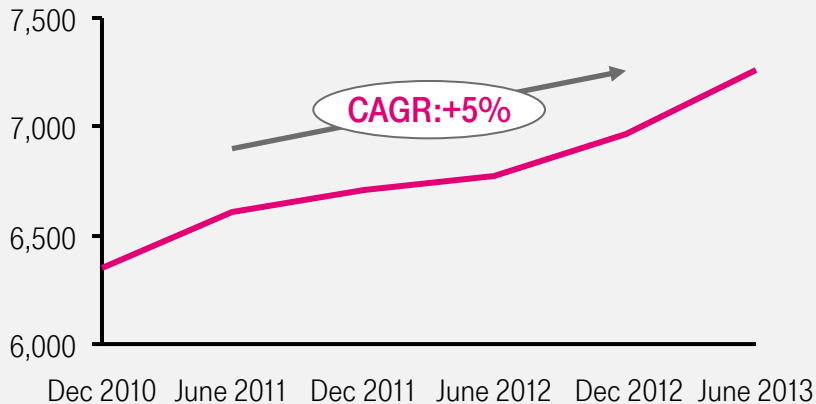
INCREASING HOUSEHOLD ARPU THANKS TO HIGHER AVERAGE NUMBER OF SERVICES TAKEN UP

- First in mobile BB (3G and 4G) with 80% attach rate in postpaid smartphone sales
- Nationwide TV offering; narrowing the market share differential vs. the #1 operator
- Enhanced cross and upsell efforts
- Consultative sales team

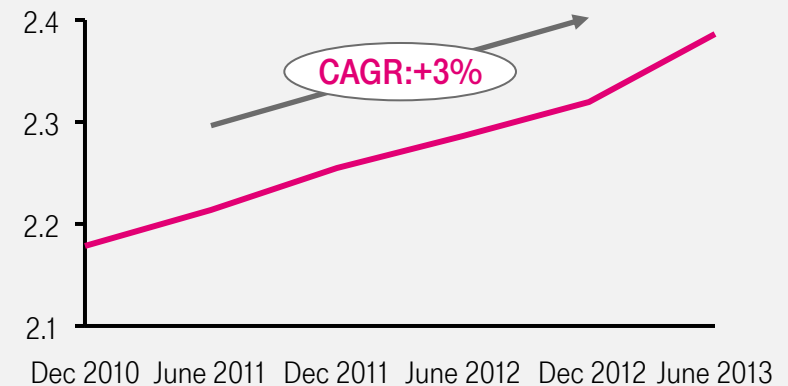
2017 TARGET:
3.1 SERVICES PER HHs

FIXED & MOBILE HOUSEHOLD ARPU

HUF/month



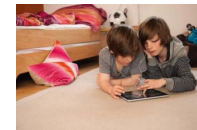
AVERAGE NUMBER OF FIXED & MOBILE SERVICES PER HH



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OPTIMIZING EXISTING CORE PORTFOLIO

Digital push



BENEFITS:
Retention
Price & ARPU protection

DEVICE



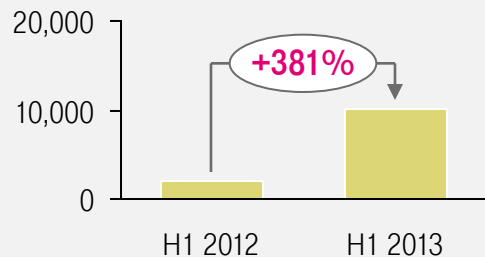
TARIFF



New devices coming on-stream:
E-Health
Power & heating control
E-Learning
Security

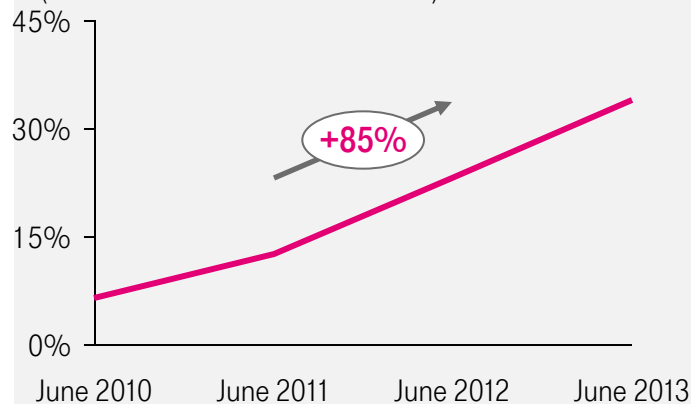
**2017 TARGET:
67% SMART DEVICE*
PENETRATION**

TV SET SALES



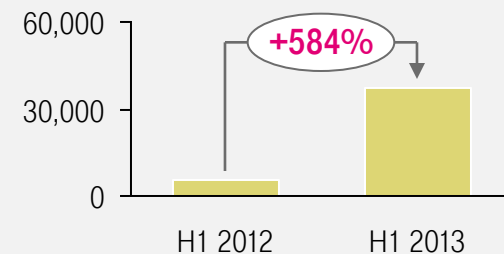
SMART DEVICE* PENETRATION

(% of SIMs used in a smart device)



*Includes: phones, tablets, cameras, etc.

TABLET SALES



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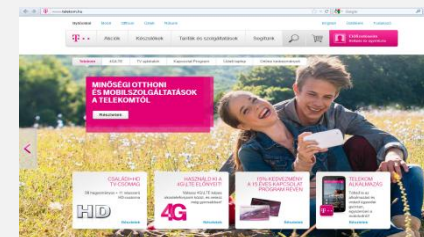
E-TRANSFORMATION AS A TOOL TO ENHANCE THE CUSTOMER EXPERIENCE



- Online & self service channels during traditional transactions
- Reduces pressure on present channels
- More time for consultative sales
- Effortless & easy to use processes
- Online specific portfolio

2017 TARGET:
40% E-CARE
30% E-SALES

Telekom.hu



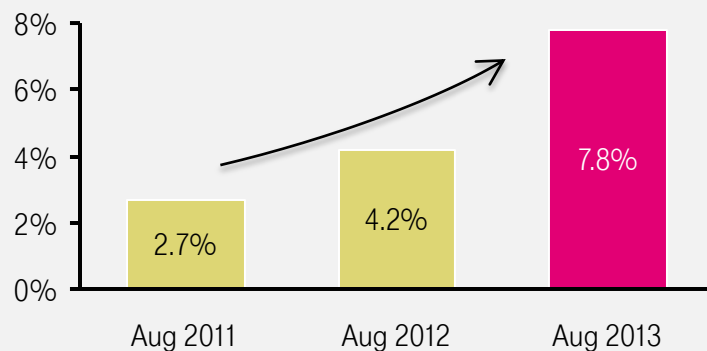
Online order pick-up in Telekom shops (X-channel)



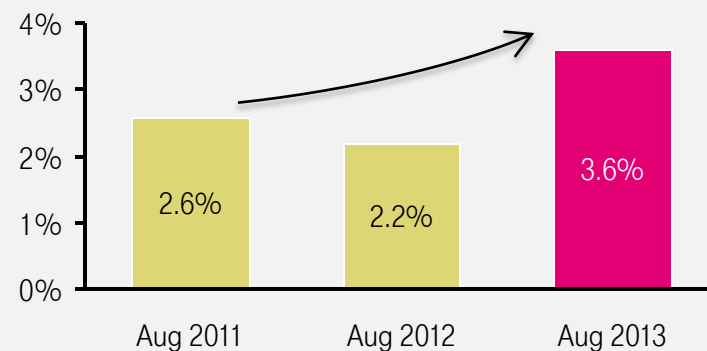
Application



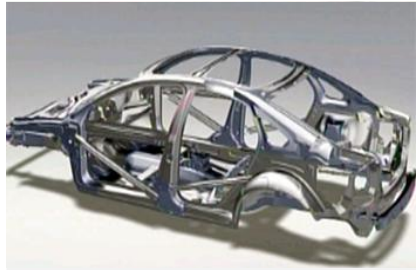
MOBILE CONSUMER E-SALES SHARE



HOME CONSUMER E-SALES SHARE

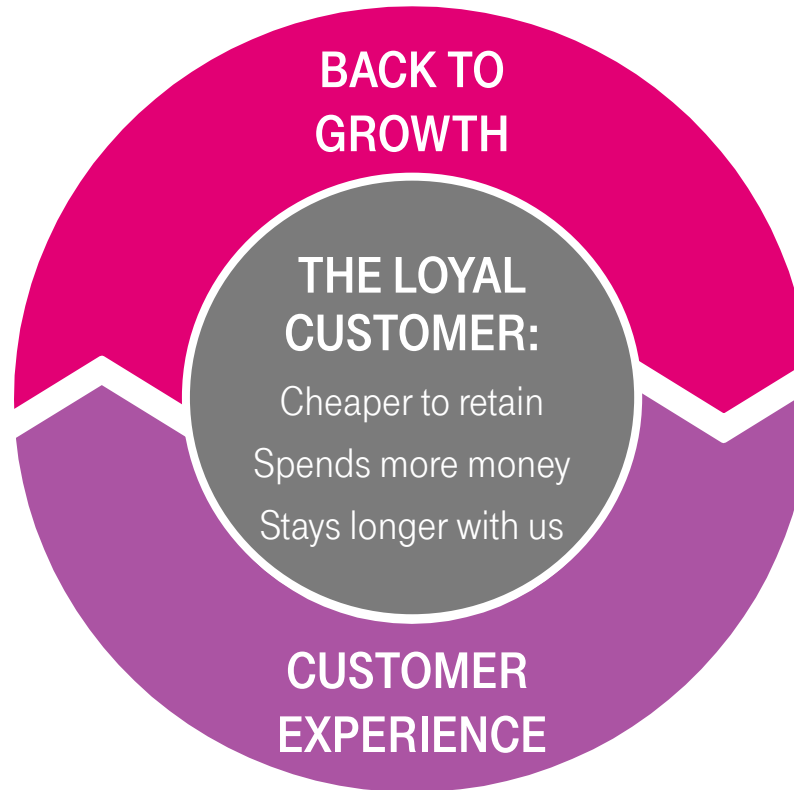


CUSTOMER EXPERIENCE: CORNERSTONE TO GROWTH STRATEGY



ENABLERS

- Network, solid IT
- Pricing
- Distribution network
- Communication



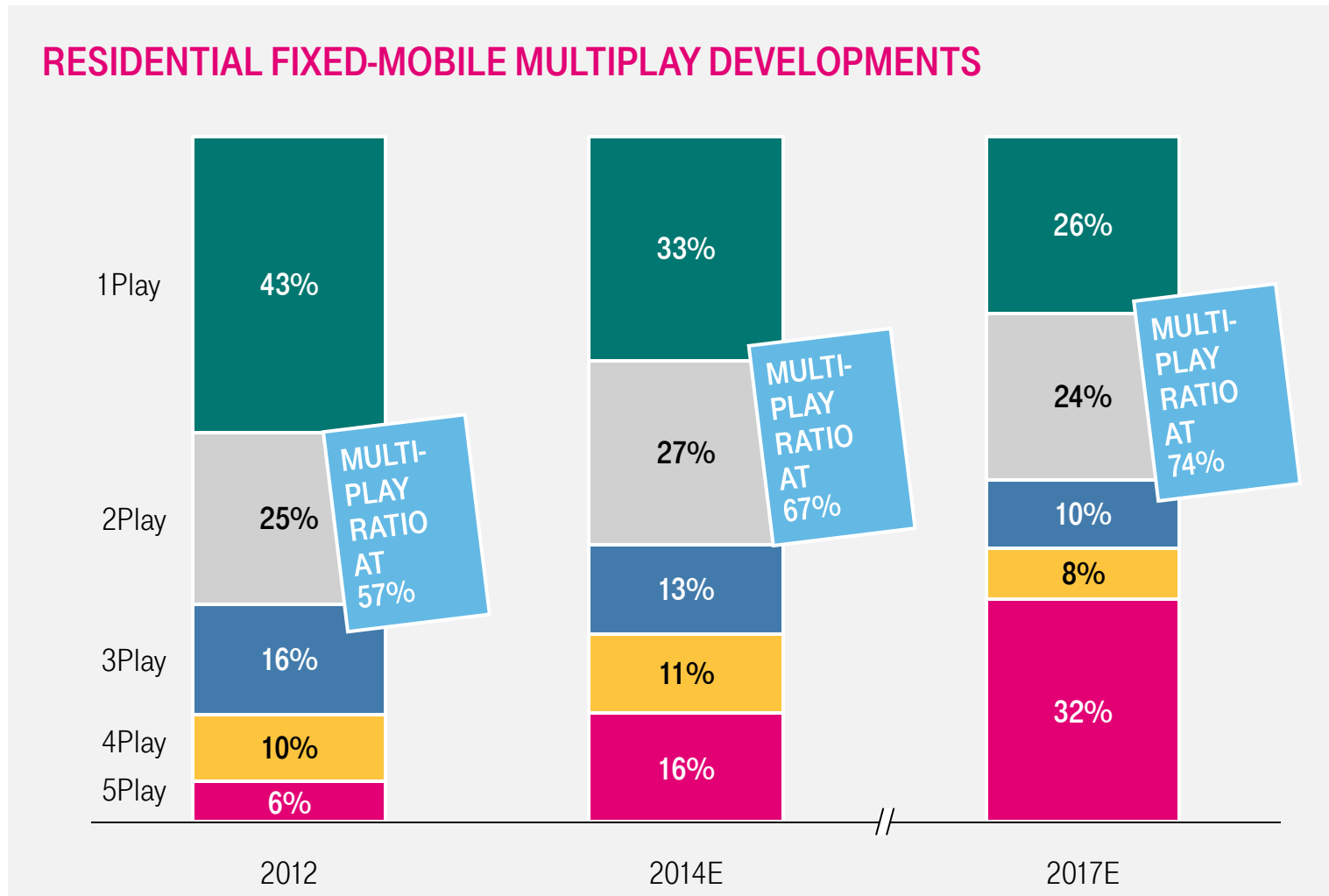
DIFFERENTIATORS

- T- Experience
- Truly Integrated Provider
- T Brand



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MULTIPLAY RATIO TO INCREASE FURTHER



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

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

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



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