Dear Reader,

Another year has passed, and now you are reading Telekom’s report on the completion of its third Sustainability Strategy, which has been compiled, similar to last year, in full compliance with the 4th generation guidelines of the Global Reporting Initiative (GRI) and also reports the achievements related to the UN Global Compact as Magyar Telekom remains committed to the 10 principles set forth by the Global Compact in the areas of human rights, environmental protection and anticorruption.

While working hard on the last stretch of implementing the current strategy and laying the ground for the new one, in 2015, we mainly focused on network development to thus strengthen our technological leader position. We accelerated our high-speed broadband fixed-line network development efforts, and continued to roll out our 4G mobile network. We are committed to building a state-of-the-art infrastructure in Hungary, integrated into Europe’s overall broadband network.

Last year, we spent a significant amount of money on fixed-line network development. Relying upon our own resources, we provided high-speed broadband internet to more than 464,000 additional households by the end of the year, thus exceeding our original target.

As a result of the development, Telekom’s high-speed fixed-line internet coverage reached 2.3 million households.

Our 4G mobile network already demonstrated its power in 2015. By now, the most sophisticated mobile internet services are available at more than 2700 settlements, and the nationwide residential outdoor coverage exceeds 97%. The number of 4G/LTE users among our customers reached one million. This dynamic increase confirms that people are open to the technology launched in 2012, i.e. top quality, fast mobile internet, and the number of 4G/LTE-capable devices are increasingly popular.

While increasing our coverage, we also focused on quality: Telekom’s broadband mobile internet network achieved the best test results in course of the independent, international and Hungarian tests conducted during the year. The latest measurement results were published by a company highly esteemed in the mobile industry, OpenSignal, according to which Magyar Telekom’s 4G services provide 30 Mbit/s download speeds on average, which makes us the ninth 4G provider in the world and the third in Europe.

Another novelty of mobile nature is associated with the first venue of the Digital Hungary Program, Nyíregyháza. It was the first settlement in Hungary where Telekom’s mobile internet service, provided in cooperation with Ericsson and reaching as high nominal speeds as 300 Mbit/s became available in December 2015. That is

LETTER FROM THE CEO
The greatest sustainability success of 2015 we can look back upon is that the whole corporate Group went carbon-neutral. We were the first to achieve that status among large enterprises in Hungary, and only a few companies worldwide can boast of the same.

Getting back to topics closer to home and initiatives that aim to achieve more than business success, our company won the Family-friendly Workplace title for the second time in May 2015 and the Handicapped-friendly Workplace title in November 2015.

Sustainability is for our joint benefit. Therefore we strive to make it accessible and educative for everyone in a playful manner. We further developed the “hello holnap!” mobile application, by which customers collect points by taking sustainable actions, and then make monetary donations debited to those points.

It is also within the interest of all of us to support communities. That is why we opened community gardens at three of our less used premises last year, including the largest community garden of Budapest established at our Soroksári Road facility, where close to 100 families living in the tenement buildings close by can maintain their own vegetable gardens.

I am proud that our company, which has done excellently at sustainability for years, can draw attention by such an outstanding achievement, which is an authentic representation of our objective to lead by example.

It is my pleasure and I consider it important to highlight that Magyar Telekom achieves its outstanding business success as a responsible and sustainable enterprise, and always keeps customers and employees, i.e. its environment, in mind, along its new five-year sustainability strategy.

Christopher Mattheisen
Chief Executive Officer
Budapest, June 23, 2016