

Press Release

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Customers benefit from 4G network sharing between Magyar Telekom and Telenor Hungary

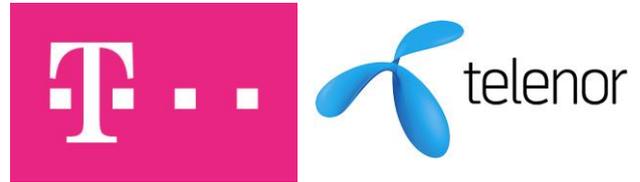
- **Magyar Telekom and Telenor Hungary agreed to jointly operate and develop their 800MHz 4G mobile networks in all parts of Hungary except Budapest.**
- **Network sharing will double the offered mobile internet speed available and provide earlier access to fast mobile internet services to those living in underserved areas. The speed and coverage will be increased gradually over the next several months.**
- **Joint network operation will not affect neither the relationship between operators and their customers, nor the competition between the operators on the retail market.**

Magyar Telekom and Telenor Hungary entered into a cooperation agreement for the joint development and operation of their 4G networks in the 800 MHz spectrum band in all parts of Hungary except Budapest. The main goal of the agreement is to provide Telekom and Telenor customers living in rural areas with 4G coverage and access to 4G based mobile internet services as early as possible. The cooperation will also improve service quality and availability in areas already covered by the 4G network, such as urban areas.

The cooperation will enable operators to gradually serve their customers in the future with double the offered mobile internet speed in the 800 MHz 4G network in their common 20 MHz bandwidth frequency blocks compared to the 10 MHz blocks available separately to each operator. As a result of the agreement, those living in the affected rural areas may benefit from 4G technology and improved coverage (such as higher upload and download speeds or uninterrupted video streaming) months or even a year earlier. The commonly managed 4G network will simultaneously provide customers of both operators with mobile internet service in the regions concerned which means that they will have a broader range of propositions to choose from.

Under the agreement, in line with the common rollout plan, Telenor will gradually implement and operate the 800 MHz 4G network in the Transdanubian region, while Telekom will do the same in the rest of Hungary – except Budapest. The two operators will install and manage 800 base stations each, that is, 1,600 base stations combined by end-2015. As part of the agreement, each operator will lease the frequency blocks used in the 800 MHz band to the other in the parts of the country covered by it. The spectrum lease contract has been approved by the National Media and Infocommunications Authority (Hungary) in accordance with applicable laws. The two companies informed the Hungarian Competition Authority (GVH) of their agreement.

This is the first time that this type of cooperation, which is widespread internationally, is adopted in Hungary. As a result of the cooperation, Telekom is expected to increase its nationwide outdoor 4G coverage to 97% instead of the earlier announced 93%, while Telenor reach a nationwide outdoor 4G coverage of 95% by the end of 2015.



The 800 MHz spectrum band is especially suitable for improving 4G coverage in small villages and scarcely populated regions. Network sharing will improve availability of broadband services in rural areas and reduce the gap in the quality of mobile internet services between urban and rural regions. In addition to better capacity utilization, network sharing will also improve operational efficiency. It will enable savings in network operation, which may boost investment and innovation, thereby enhancing international competitiveness of the Hungarian economy. In light of the above, the agreement may significantly contribute to bridging the digital divide and will support realizing the vision of a Digital Hungary.

The network sharing agreement between Telekom and Telenor is exclusively a technology cooperation agreement that has no impact on either operator's commercial activities on the retail market in any way. The two operators will continue to compete with each other in the services offered and customer servicing, while the agreement will soon make 4G coverage in the 800 MHz spectrum band a broad service feature in rural areas. As a result of the cooperation, on scarcely habited rural areas and on small settlements, customers will meet a greater choice of services much sooner from at least two 4G mobile internet providers than without the cooperation.

Neither the relationship between the providers and their customers, nor service continuity will be affected by the network sharing. The arrangement requires no action whatsoever on the part of customers.