

PRESS RELEASE
DATE September 29, 2014

Magyar Telekom wins frequency blocks

Magyar Telekom announces that in the tender for spectrum licences related to broadband services it has won the rights of use of the following frequency blocks:

	Price (HUF billion)	Band	Quantity
Package "A"	33.225	800 MHz	2x2x5 MHz
		900 MHz	2x2x1 MHz
		2600 MHz	6x2x5 MHz
Package "D"	15.000	1800 MHz	1x2x5 MHz
Package "E"	10.425	1800 MHz	1x2x5 MHz

Christopher Mattheisen, Magyar Telekom's CEO, commented on the tender results: "Magyar Telekom welcomes the success of the frequency tender. The new frequencies can enable the expansion of mobile broadband services coverage and capacity, help accomplish the targets of a Digital Hungary, contribute to stimulation of investments in the industry and improve the country's overall competitiveness. Thanks to the tender result and through further dynamic rollout of Telekom's 4G coverage, we'll be able to make accessible our services, representing a new era in mobile internet usage, for an ever broader range of customers."

On May 22, 2014, the Office of the National Media and Infocommunications Authority announced a tender for the utilisation of currently unused 800 MHz and 2600 MHz frequency bands and for the undistributed parts of 900 MHz, 1800 MHz and 26 GHz frequency bands. As announced, Magyar Telekom filed a tender bid on June 16, 2014. On September 29, 2014, Magyar Telekom received the Authority's Decision closing the tender.

Pursuant to the Decision, Magyar Telekom is entitled to use the above listed frequency bands – considering that by fulfilling the respective conditions the term of rights of use for frequencies is extended by five years – until June 15, 2034. Based on the Decision, Magyar Telekom is required to pay a price of HUF 58.65 billion for these frequency blocks, and this payment is expected to be due in the fourth quarter of 2014. The present value of the future annual band fees related to the acquisition of these frequency blocks will be capitalized in the amount of HUF 36.8 billion in the fourth quarter of 2014.

Magyar Telekom's frequency holdings with the frequency blocks acquired as part of the Decision includes the following:

Band	Quantity
800 MHz	2x10 MHz
900 MHz	2x12 MHz
1800 MHz	2x25 MHz
2100 MHz	2x15 MHz + 1x5 MHz
2600 MHz	2x30 MHz
3.5 GHz	4x2x3.5 MHz
26 GHz	4x2x28 MHz

MAGYAR TELEKOM TELECOMMUNICATIONS PUBLIC LIMITED COMPANY

Registered office: H-1013 Budapest, Krisztina krt. 55.

Commercial register: The Company was registered on number 01-10-041928 by the Budapest Metropolitan Court as Companies Registry

