Transformation from a Traditional Telco Provider to a Multiservice Community Enabler

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We are a member of Deutsche Telekom Group

DT owns 59,2% of Magyar Telekom shares
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We are the leading telco operator in Hungary, Macedonia and Montenegro
About us

- 1st LTE player
- Best network
- Biggest Hungarian provider

- Excellence in customer service
- Best Employer
- Best sustainability report
Magyar Telekom serves a complex portfolio

Key business result in 2012

- TV (25%)
- Fixed BB (37%)
- Mobile voice (46%)
- Mobile BB (46%)
- Fixed telephone (60%)
- New non-telco (Energy & Insurance)
- ICT (17%)

Revenue

+ 1,6 %

(Hungarian market share)
Hungarian core market development

Telecom & IT market forecast implies limited growth with strong restructuring
The world changes

Revenue and traffic are disassociated in increasingly data-dominant world

Source: IBM Institute for Business Value analysis
Super user of now

Source: http://www.youtube.com - Thomas Suarez, 6th grade student at a middle school in the South Bay of Los Angeles
Drivers of telco development

- Access
- Traffic
- Usage & Services
- Device
Device boom drives IP traffic
Exploit existing infrastructure and deploy new technologies

Mobile

LTE versus 3G trend depends on the intense of investment to LTE

Fixed

- GPON → NGPON/WDM-PON 200+ Mbps as massproduct
- ED3.0 → Segmentation
- VDSL → DSM
- ADSL → Vectoring Bonding

We have to find the optimal technology mix
What happens in an Internet minute?

And Future Growth is Staggering

Today, the number of networked devices = the global population

By 2015, the number of networked devices = 2x the global population

In 2015, it would take you 5 years to view all video crossing IP networks each second
The way forward of technology

Customer Experience

Quality
Authorization
SDN
Simplification
IP transformation
NOS
Standards
Speed
Cloud
IPv6
Security
Onlinization
B2B
Billing
E2E

Cost Efficiency
Big Data
IPv6
Security
Onlinization
B2B
Billing
E2E
It’s about enabling new services

- e-Health
- Mobile payments
- e-Business
- Energy and insurance
- Home automation
- Home security
- M2M
- More to come

Ready for new services
It’s about cost efficiency

- All IP Transformation
- SDN
- SON
- Cloud
- IT Transformation
It’s about customer experience

Changing company
- Agile
- Online
- Flexible

Changing technology
- Enabler
- T2M reduction
- Quality awareness
- Architecture simplification

Changing mindset
- Customer in the focus of technology
In the future networks are all about

- Quality of services
- Cost efficiency
- Network modernization
- IT architecture simplification
- Application retirement

Speed of
- Technology innovation

Customer Experience
- Fixed, mobile and core IP network services
  - IT systems