

Frequency Tender Notice by the National Media and Infocommunications Authority

The Office of the National Media and Infocommunications Authority, Hungary (hereinafter referred to as the Contracting Authority), as the authority in charge of civilian frequency management hereby announces a tender for the acquisition of frequency usage rights concerning basic blocks in the 26 GHz band.

1. The tender procedure, to be conducted in accordance with the conditions set forth in Act C of 2003 *on Electronic Communications* (hereinafter referred to as the Electronic Communications Act) and in NMHH Decree 4/2011 (X. 6.) *on the rules of auction of tender for the acquisition of the rights of use of frequency*, is an official procedure within the jurisdiction of the Contracting Authority, launched ex officio and governed by the rules set out in the Electronic Communications Act and Act CXL of 2004 *on the General Rules of Public Administration Procedures and Services*. In other matters, the tender procedure shall be governed by prevailing Hungarian law.

2. Pursuant to Government Decree 346/2004 (XII. 22.) on the subject of the definition of the national Table of Frequency Allocations (NTFA) and NMHH Decree 7/2011 (X. 6.) on the establishment of the rules relating to the usage of frequency bands, the subject of the tender procedure shall be the exclusive right of frequency usage for user blocks created, from a total of 26 basic blocks in the 26 GHz band, by the Contracting Authority based on the outcome of the tender.

Provided that it meets all statutory conditions, the applicant winning the frequency usage right may lawfully install and operate, based on the frequency usage licenses and in line with the contents thereof, point-to-point digital radio links and/or radio telecommunications systems based on point-to-multipoint digital radio links. The user block can be used for establishing and operating access systems (direct service of terminals), as well as internal operation networks serving radio relay networks and mobile telecommunications base stations.

One applicant may submit bids for and be awarded the usage rights of no more than six (6) basic blocks; with the condition that if the applicant has already acquired in a tender procedure prior to the current one a basic block in the 26 GHz frequency band, the basic block shall be included in the maximum number of basic blocks that may be acquired. The winner announced in the definitive resolution concluding this procedure may be only an applicant that has acquired rights for at least two basic blocks as a result of this procedure, unless the applicant already holds a frequency usage right in the 26 GHz frequency band at the time this tender procedure is commenced.

The term of the frequency usage right shall be fifteen (15) years starting with the date of acquisition of the frequency usage right.

3. The detailed rules of the tender procedure are set forth in the tender notice documentation (hereinafter referred to as the Documentation) drawn up by the Contracting Authority. For a fee of HUF 25,000 (that is, twenty-five thousand Hungarian forints) payable via bank transfer in advance, the Documentation can be obtained in hardcopy form at the Central Customer Service Office of the Contracting Authority, located at 1133 Budapest, Visegrádi u. 106. Opening hours: Monday

through Thursday from 9:00 am to 2:00 pm, Fridays from 9:00 am to 12:00 pm. Alternatively, the Documentation may also be downloaded from the website of the Contracting Authority (www.nmhh.hu) free of charge.

4. The tender fee for a single basic block is HUF 75,000,000 that is, seventy-five million Hungarian forints, plus applicable VAT.

5. The Contracting Authority shall hold a consultation on 1 December 2011 at 10:00 am at the Event and Training Centre of the National Media and Infocommunications Authority (1027 Budapest, Fő u. 80.). Participation at the consultation is subject to purchase of the Documentation.

6. The tender application deadline is 6 February 2012, 2:00 pm. Applications may be submitted at the Central Customer Service Office of the National Media and Infocommunications Authority, located at 1133 Budapest, Visegrádi u. 106.

7. Subjective conditions of participation are contained in the Documentation.

8. Those seeking to apply to the tender procedure are required pay the Contracting Authority a participation fee of HUF 2,000,000 that is, two-million Hungarian forints plus applicable VAT, in the manner specified in the Documentation.

9. The Contracting Authority shall evaluate, in accordance with the criteria set forth in the Documentation, the tenders submitted and create a sufficient number of blocks on the basis of the ranking for each basic block determined as the outcome of the assessment, defined based on the ranking of bids, and in line with the number of basic blocks acquired by the participant and as prescribed by the Documentation, taking into account the requirements concerning the minimum and maximum number of basic blocks.

10. Planned closing date for the tender procedure: 14 March 2012.

Budapest, 8 November 2011.