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Merger on the market of system integration

The Hungarian Competition Authority granted authorisation to the acquisition of KFKI Direkt by Telekom.

On 9 February 2009 Magyar Telekom Távközlési Nyrt. (MT) concluded a contract with KFKI Direkt Kft. for the acquisition of 100% of its shares. MT is part of the group of undertakings controlled by Deutsche Telekom AG (DT-group). The main profile of the Hungarian members of DT-group is fixed network and mobile telecommunications and cable television services. Furthermore, the members of the group deal with IT services (including system integration, hardware support and installation, software support and installation), provide online content and online commercial marketing, content supply and marketing based on mobile technology.

The activity of KFKI Direkt also covers system integration, hardware support and installation, software support and installation services. According to the contract between MT and KFKI Direkt, an undertaking dissolving from KFKI Direkt will take over the resources and employees belonging to the businesses other than the above mentioned.

In the case of system integration, hardware support and installation, software support and installation services, neither the market share of the DT-group nor that of KFKI Direkt exceed 15% and 1% in Hungary respectively. A great number of undertakings with significant international background provide the services mentioned in Hungary and there are several undertakings with market shares exceeding the aggregate share of the DT-group and KFKI Direkt.

According to the Competition Act, the GVH may not refuse to grant authorisation for a concentration where the concentration does not create or strengthen a dominant position, which would impede the formation, development or continuation of effective competition on the relevant market. Since the aggregate market share of the undertakings concerned in the market of system integration, hardware support and installation, software support and installation does not reach the level (20%) that may raise competition concerns, the GVH authorised the concentration.

Case Nr: **Vj-18/2009**.

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Hungarian Competition Authority
Communication Group

Further information:

András Mihálovits

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB. 1036

Email: Mihalovits.Andras@gvh.hu

<http://www.gvh.hu>