

**Investor Release****Magyar Telekom**

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Magyar Telekom held its Annual General Meeting

Budapest – April 12, 2016 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, announces that it has held its Annual General Meeting (the “AGM”) today. The AGM approved audited consolidated and standalone financial statements of the Company for the year 2015, accepted the Corporate Governance and Management Report of the Company for the business year of 2015, and it decided to pay a dividend of HUF 15 per ordinary share from the profit of 2015. The General Meeting elected new Board of Directors members, new Supervisory Board members, and Audit Committee members, furthermore elected the Statutory Auditor of the Company.

The report of the Board of Directors on the management of the Company, on the business operation, on the business policy and on the financial situation of the Company and Magyar Telekom Group in 2015 was presented to the shareholders. The relevant reports of the Supervisory Board, the Audit Committee and the Statutory Auditor were also presented.

The AGM approved the 2015 Consolidated Financial Statements of the Company prepared according to the International Financial Reporting Standards (IFRS) including Balance Sheet Total Assets of HUF 1,207,024 million and Profit for the year 2015 of HUF 31,547 million. The AGM approved the 2015 standalone Annual Report of the Company prepared according to the Hungarian Accounting Act (HAR), including Balance Sheet Total Assets of HUF 1,016,117 million and After-tax Net Income of HUF 20,393 million.

Following the above, the AGM decided on the use of the profit after tax earned in 2015. The Company will pay a dividend of HUF 15 per ordinary share with a face value of HUF 100 to the shareholders from the profit of 2015. The Company will pay the dividend of HUF 15,635,275,215 from the after-tax profits of HUF 20,393,262,492 based on HAR figures, and the remaining amount of HUF 4,757,987,277 of the after-tax profits based on HAR figures shall be allocated to retained earnings. The first day of dividend payment is May 25, 2016.

The record date of the dividend payment shall be May 13, 2016. The Board of Directors will publish a detailed announcement on the order of dividend payment on April 21 2016 on the websites of the Company and the Budapest Stock Exchange.

The AGM authorized the Board of Directors to purchase Magyar Telekom ordinary shares through the stock exchange for a period of 18 months from the General Meeting decision. The purpose of the authorization is to supplement the current shareholder remuneration policy of Magyar Telekom with this form, in accordance with the international practice, and to operate share-based incentive systems. The shares to be purchased on the basis of the authorization together with the treasury shares already held by Magyar Telekom shall not at any time exceed 10% of the share capital effective at the date of granting



the authorization (i.e. no more than 104,274,254 ordinary shares, each with a face value of HUF 100 each).

The AGM approved the Corporate Governance and Management Report of the Company for the business year of 2015, and, having ascertained the appropriateness of the management activities of the Board of Directors members of the Company in the previous financial year, decided to grant the relief from liability to the members of the Board of Directors regarding the 2015 business year.

The AGM elected board members, supervisory board members and audit committee members, as the assignment of the Board of Directors, Supervisory Board and Audit Board of Magyar Telekom Plc. expired on the General Meeting.

Pursuant to the shareholders' decision, the following persons were newly elected as Board Members: Kerstin Günther, Christopher Mattheisen, György Mosonyi, Günter Mossal, Ralf Nejedl, Frank Odzuck, Dr. Mihály Patai, Dr. Ralph Rentschler.

Newly elected members of the Supervisory Board are: Dr. János Bitó, Sándor Hartai (employee representative), Dr. János Illéssy, Dr. Sándor Kerekes, Konrad Kreuzer, Tamás Lichnovszky (employee representative), Martin Meffert, Éva Őz (employee representative), Dr. László Pap, Dr. Károly Salamon, Varga Zsoltné (employee representative), Dr. Konrad Wetzker.

Newly elected members of the Audit Committee are: Dr. János Bitó, Dr. János Illéssy, Dr. Sándor Kerekes, Dr. László Pap, Dr. Károly Salamon.

Assignment of the elected officers will expire on May 31 2019, provided that if in the year of expiry the General Meeting is held prior to May 31, then the assignment shall expire on the day of the General Meeting.

The AGM elected PricewaterhouseCoopers Könyvvizsgáló Kft, as the Statutory Auditor of the Company to perform audit services for the year 2016, for the period ending on May 31, 2017, or on the day of the Annual General Meeting closing the 2016 business year. The AGM approved the contents of the material elements of the contract to be conducted with the Statutory Auditor.

This investor news may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2014 available on our website at <http://www.telekom.hu>.