

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

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Restructure of HQ agreement with WING Group; further rationalization of the real estate portfolio

Budapest – March 11, 2016 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, today announces the restructuring of the comprehensive real estate agreement signed with WING Group on May 19, 2015 regarding the building of the new headquarters for the Company.

Under the May 19, 2015 agreement, Magyar Telekom and WING Group had agreed a forward sales contract on the Company’s three main office buildings in Budapest. What has been amended is that now only two of the main office buildings will be covered by a forward sales agreement; the third building (Infopark “G” building) will be sold on a “cash-basis” to a third party appointed by WING, but also leased back to the Company until the handover of the new headquarters. Although the ca. HUF 4 billion profit deriving from these three sales transactions remains unchanged over the period, the new deal structure does affect the timings of cash inflows with a higher than planned cash inflow of EUR 25.5 million (ca. HUF 8 billion) in H1 2016, but lower in 2018.

The rental cost of Infopark “G” induces ca. HUF 700 million p.a. increase in rental costs for the Company during the next 3 years.

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>.