

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

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Frequency licenses of Magyar Telekom extended

Budapest – September 6, 2013 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that its frequency usage rights in the 1800 MHz frequency band otherwise expiring on October 7, 2014 and in the 900 MHz frequency band otherwise expiring on May 4, 2016 have been extended and harmonized until April 7 and 8, 2022, respectively, by way of an amendment to Magyar Telekom’s authority contract with the President of the National Media and Infocommunications Authority (the “Amendment”). As a result of the harmonization, the frequency usage rights in the relevant frequency bands will expire at the same time for all three Hungarian mobile market players.

For Magyar Telekom, the Amendment secures the foundations for providing high quality mobile services in the future. The goals of the extension and harmonization as per the Amendment include, among others, to enhance the coverage and capacity of mobile broadband services, with a view to long-term social and economic interests such as consumer welfare, the competitiveness of Hungarian enterprises and sustainable economic development.

On the two duplex 1 MHz frequency blocks in the 900 MHz frequency band won by Magyar Telekom in 2012, Magyar Telekom will hold frequency usage rights also until April 8, 2022.

Accordingly, Magyar Telekom currently has frequency usage rights of 10 MHz duplex frequency blocks in the 900 MHz frequency band and of 15 MHz duplex blocks in the 1800 MHz frequency band.

The one-off fee of the extension and harmonization is HUF 38 billion. However, Magyar Telekom is required to pay HUF 34 billion out of the aforementioned amount, considering the expiry of the frequency blocks won in 2012 being changed from the original 2027 date to 2022. This payment is expected to be settled in the fourth quarter of 2013.

The annual fees, frequency usage fees, and frequency band fees of the frequency bands currently used by Magyar Telekom are to decrease by approximately HUF 3.8 billion annually between 2014 and 2022.

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, 2012 available on our website at <http://www.telekom.hu>.