

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

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Magyar Telekom grants shares to CEO

Budapest – May 20, 2016 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, hereby announces that Christopher Mattheisen, CEO and member of the Board of Directors of the Company, was granted 41,095 Magyar Telekom shares on May 20, 2016 as part of the “Matching Share Plan” scheme. Following the transaction, Christopher Mattheisen holds a total of 178,566 Magyar Telekom shares.

As previously disclosed, the “Matching Share Plan” scheme, approved by the Board of Directors of the Company in December 2011 and implemented from 2012, required Christopher Mattheisen to invest a minimum of 10% of his gross annual variable bonus in Magyar Telekom shares, with an option to voluntarily increase this to a maximum of 33.3%. These shares are subject to a 4-year lock up period following which one additional share is granted by the Company, for every share acquired as part of the personal investment. As part of this scheme, Christopher Mattheisen purchased 41,095 Magyar Telekom shares on May 17, 2012.

Following the transaction, the number of treasury shares held by Magyar Telekom declined from 390,862 to 349,767 as of May 20, 2016.

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, 2015 available on our website at <http://www.telekom.hu>.