

Investor Release

Magyar Telekom

IR contacts:	Position:	Telephone:	E-mail address:
Krisztina Förhécz	Head of Investor Relations	+36-1-457-6029	forhecz.krisztina@telekom.hu
Linda László	IR manager	+36-1-457-6084	laszlo.linda@telekom.hu
Rita Walfisch	IR manager	+36-1-457-6036	walfisch.rita@telekom.hu
Márton Teremi	IR manager	+36-1-457-6229	teremi.marton@telekom.hu

Magyar Telekom's Board of Directors decides upon new management structure

Budapest – June 18, 2012 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that at its meeting held today, the Board of Directors approved the mid- and long-term strategic direction of the company's operations. One of the first steps is the establishment of a new management structure. The changes, to start from January 2013, will enable Magyar Telekom to exploit the new, innovative service and business opportunities by responding more flexibly to changes in customer demand and to market challenges. The company's new organizational structure is also designed to enable Magyar Telekom to serve its customers in a high-quality, state-of-the-art and efficient way. Magyar Telekom will provide further details regarding the new strategic direction and the operational model in the fall, following the adoption of necessary decisions.

In the changing world of telecommunications, the rapid development of technologies and the dynamic transformation of customer demand, as well as the unfavorable market and economic trends of the recent period pose challenges that Telekom intends to prepare for. The company's new vision is built to a great extent upon its existing, uniquely wide-range service portfolio, and the potential of its wide-scope sales channels and customer relations systems. Telekom's core business will be expanded to develop new online capabilities and opportunities in the digital home, further strengthening its footprint in non-traditional markets. The company's business activities will focus to an even greater extent on serving customers. This is reflected by the new organizational structure, in which separate management will be responsible for serving the three basic customer segments (residential; small and medium businesses; enterprises).

"Our market positions and the current challenges offer an opportunity, a break-out point for Telekom to implement the right strategic and management changes within a proper timeframe and thus ensure that we remain a service provider that is able to recognize trends and also shape them. As a result of the changes, we will be able to meet customer expectations without compromise and even exceed them. Moreover, we will ensure Magyar Telekom's long-term sustainable and profitable operations and the return on investment," said Chairman-CEO Christopher Mattheisen commenting on today's decisions.

The main changes, to take effect from January 1, 2013, pursuant to the decision of the Board of Directors, are as follows:

- The current position of Chief Sales and Services Officer shall be transformed and renamed "Chief Commercial Officer Residential".
- The current position of Chief Marketing Officer shall be terminated.
- A new position titled "Chief Commercial Officer SOHO/SMB" shall be created to head the field of responsibility in charge of serving the respective customer segment.
- The current position of Chief Operating Officer Business Services Business Unit shall be renamed "Chief Commercial Officer Enterprise".
- The current position of Chief Strategic and Corporate Development Officer shall be transformed and renamed "Chief Business Development Officer".

The number of senior executives will not change. The Management Committee, in charge of the company's operational management, will continue to consist of the Chairman-CEO and eight Chief Officers.

Magyar Telekom's Management Committee will elaborate on the transformation, new organization and management structure in due course. It will provide further information on the new strategic direction and the operational model in the fall.

As a result of the organizational changes, the employment of Chief Marketing Officer István Király will be terminated with mutual consent on June 30, 2012. His tasks will be assumed by Consumer Segment Marketing Director, Melinda Szabó, until the end of the year. Chief Technology and IT Officer István Maradi will also leave the company with mutual consent with effect of July 31, 2012. A decision concerning his successor will be taken later.

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, 2011 available on our website at <http://www.telekom.hu>.