



## Investor Release

## Magyar Telekom

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## Magyar Telekom held its Annual General Meeting

**Budapest – April 7, 2017 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, today announces that it held its Annual General Meeting (the “AGM”) on April 7, 2017. The AGM approved audited consolidated and standalone financial statements of the Company for the year 2016, accepted the Corporate Governance and Management Report of the Company for the business year of 2016, and it decided to pay a dividend of HUF 25 per ordinary share from the profit of 2016. Three members of the Board of Directors resigned effective April 7, 2017, the General Meeting elected new Board of Directors 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 2016 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 2016 Consolidated Financial Statements of the Company prepared according to International Financial Reporting Standards (IFRS), including Balance Sheet Total Assets of HUF 1,175,529 million and Profit for the year 2016 of HUF 57,223 million. The AGM approved the 2016 standalone Annual Report of the Company prepared according to the Hungarian Accounting Act (HAR), including Balance Sheet Total Assets of HUF 984,574 million and profit after tax of HUF 28,536 million.

Following the above, the AGM decided on the use of the profit after tax earned in 2016. The Company will pay a dividend of HUF 25 per ordinary share with a face value of HUF 100 to the shareholders from the profit of 2016. The Company will pay the dividend of HUF 26,066,630,200 from the profit after tax of HUF 28,535,872,243 based on HAR figures, and the remaining amount of HUF 2,469,242,043 of the profit after tax based on HAR figures shall be allocated to retained earnings. The first day of dividend payment is May 23, 2017. The record date of the dividend payment shall be May 12, 2017. The Board of Directors will publish a detailed announcement on the order of dividend payment on April 13, 2017 on the websites of the Company and the Budapest Stock Exchange.

The AGM acknowledged the Board of Directors' informative on the purchase of treasury shares following the Annual General Meeting in 2016, furthermore, authorized the Board of Directors to purchase Magyar Telekom ordinary shares through the stock exchange or through an OTC transaction 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 AGM approved the Corporate Governance and Management Report of the Company for the business year of 2016, and, having ascertained the appropriateness of the management activities of the



Board of Directors members of the Company in the previous business year, decided to grant the relief from liability to the members of the Board of Directors regarding the 2016 business year.

Mrs. Kerstin Günther, Mr. Günter Mossal and dr. Ralph Rentschler resigned from their membership in the Board of Directors with the effect of April 7, 2017. Pursuant to the shareholders' decision, the following persons were newly elected as Board Members: Dr. Robert Hauber, Guido Menzel, Mardia Niehaus. Their assignment 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. None of the new Board members hold any Magyar Telekom shares.

The General Meeting adopted amendments to the Company's Articles of Association, then approved the amended Rules of Procedure of the Supervisory Board.

The AGM elected PricewaterhouseCoopers Könyvvizsgáló Kft, as the Statutory Auditor of the Company to perform audit services for the year 2017, for the period ending on May 31, 2018, or on the day of the Annual General Meeting closing the 2017 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, 2015 available on our website at <http://www.telekom.hu>.