

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

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Changes in the remuneration policy of Magyar Telekom

Budapest – March 28, 2018 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, hereby announces that the Company has decided on further changes in the current remuneration structure.

Based on these changes the central bonus for 2018 will be paid via the ESOP (employee share ownership program) Organization for Magyar Telekom Plc. and T-Systems Hungary Ltd. eligible employees. To operate the incentive program, in addition to the treasury shares held by the Company, further Magyar Telekom shares worth ca HUF 1.7 billion will be purchased and transferred to the ESOP Organization.

The remuneration condition of the new program is the operating free cash flow for the MT-Hungary segment for the financial year ending December 31, 2018 to exceed that for the previous year ending December 31, 2017. If the remuneration condition is met, the relevant compensation will be paid in cash by the ESOP Organization through conversion of the Magyar Telekom shares provided, expectedly in March 2019.

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, 2016 available on our website at <http://www.telekom.hu>.