

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

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Magyar Telekom signs Heads of Terms about the sale of T-Systems Hungary

Budapest – July 9, 2019 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider (“Magyar Telekom” or the “Company”) announces that the Company has signed Heads of Terms with 4iG Plc. (“4iG”) about the sale of T-Systems Hungary Ltd. (“T-Systems”).

According to the Heads of Terms, at the closing of the transaction 4iG will purchase the shares of T-Systems. Prior to transaction closing, the small and medium size enterprise sales business of T-Systems will be carved out and will not be part of the transaction.

In the signed Heads of Terms, the parties agreed on the purchase price and the main conditions of the transaction, however, the full details of the transaction, including the Heads of Terms, will be binding upon the signing of the final sale and purchase agreement subject to the due diligence of T-Systems and the further negotiations between the parties.

According to the Heads of Terms, after the closing of the transaction the parties will enter into a long-term partnership agreement, under which T-Systems will continue to sell Magyar Telekom’s telecommunications services in the large enterprise and public segments.

Furthermore, the parties have agreed that 4iG shall have the right to use the T-Systems brand in Hungary during a three-year period following the closing.

The finalization and closing of the transaction depends on the due diligence process, the progress of discussions between the parties, the finalization of the contractual conditions, the signing of the legal documentation, and the receipt of requisite authority clearance(s). The closing of the transaction is expected in 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, 2018 available on our website at <http://www.telekom.hu>.