



Investor Release

Magyar Telekom

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Magyar Telekom reaches agreement with the trade unions

Budapest – December 14, 2018 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, hereby announces that it has reached an agreement with the trade unions on a headcount reduction and wage increases at Magyar Telekom Plc in 2019.

The Company agreed with the trade unions on the termination of the employment relationship of ca. 400 employees at the parent company, with the majority of the terminations expected to be carried out during the first quarter of 2019. Severance expenses related to the headcount reduction are estimated to be approximately HUF 4.3 billion, the majority of which will also be accounted for in the first quarter of 2019.

In order to maintain wages at competitive levels, pursuant to the agreement with the trade unions, from April 1, 2019, non-managerial employee salaries at the Company will rise by an average of 6%.

The above measures, coupled with other agreed modifications to the employee remuneration structure, are expected to result in 4% savings for 2019 in parent company employee related expenses - excluding severance expenses - compared to 2018.

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, 2017 available on our website at <http://www.telekom.hu>.