

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

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Magyar Telekom reaches agreement with the trade unions

Budapest – December 4, 2019 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), 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 the Company in 2020.

The Company agreed with the trade unions on the termination of the employment relationship of ca. 450 employees, with the majority of the terminations expected to be carried out in the first quarter of 2020. Severance expenses related to the headcount reduction are estimated to be approximately HUF 4.9 billion, the majority of which will also be accounted for in the first quarter of 2020.

In order to maintain wages at competitive levels, pursuant to the agreement with the trade unions, from April 1, 2020, non-managerial employee salaries at the Company will rise by an average of 5%.

The above measures, coupled with other agreed modifications to the employee remuneration structure, are expected to result in ca. 3% savings for 2020 in parent company employee related expenses - excluding severance expenses - compared to 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>.