

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

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Magyar Telekom reaches agreement with the trade unions

Budapest – November 3, 2016 – 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 its proposed salary increase measures for Magyar Telekom Plc. and T-Systems Magyarország Zrt.

According to the terms of the agreement, in order to keep salaries at competitive levels, as from January 1, 2017, employee salaries, excluding senior management, at the parent company will rise by 5.5% on average, and 3.1% at T-Systems Magyarország Zrt.

We do not have plans for headcount reduction at the Hungarian operation in 2017.

The above measures are expected to induce approximately HUF 2.4 billion growth in 2017 employee-related expenses at the Group level.

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>.