

## Investor Release

## Magyar Telekom

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## Magyar Telekom to launch share allocation program

Budapest – September 29, 2010 - Magyar Telekom (Reuters: NYSE: MTA.N, BÉT: MTEL.BU and Bloomberg: NYSE: MTA US, BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider today announces the decision by its Board of Directors to launch a share allocation program under which Magyar Telekom shares will be awarded to the Company's best performing employees. This program will replace and be equivalent in value to the bonus budget set aside for 2010 (equivalent to a 1.5% wage increase for 2010).

In total, about 858,000 treasury shares will be distributed among the best performing Magyar Telekom employees in December 2010. The total number may change according to the actual market value of the shares at the grant date. The shares will vest at year-end 2012 but will also yield a dividend up to 2012.

Magyar Telekom's aim is to reconcile employee and Company interests while simultaneously strengthening loyalty and ownership perspective among key employees. Furthermore, from a financial perspective, granting Company shares, rather than distributing the bonus budget equivalent to a 1.5% wage increase, is advantageous for the Company as its free cash flow implications are more favourable. The improvement in free cash flow for 2010 is expected to be approximately HUF 800 million compared to distributing the bonus budget.

This investor news contains 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 Report on Form 20-F for the year ended December 31, 2009 filed with the U.S. Securities and Exchange Commission.