

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

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Magyar Telekom to exit the residential gas market

Budapest – May 12, 2015 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, today announces that the Company has decided to exit from the residential segment of the gas market with effect from July 31, 2015, following changes in the energy market environment.

Magyar Telekom has regularly reviewed its business model with respect to its energy service offering and our most recent review concluded that maintaining our presence on the residential gas service market would have an adverse financial impact on the Company's profitability. As a result, a decision has been reached to exit from the residential gas market with effect from July 31, 2015, ceasing the opportunity as of today to conclude any new contract on this service at Magyar Telekom.

The exit from the residential gas business will have no direct impact on the residential electricity service that will continue to be provided by Magyar Telekom. However, as with residential gas, the Company will remain watchful as to how any future developments in the market environment might impact our operations, and if deemed necessary, be swift to take appropriate action.

As a consequence of our exit from the residential segment of the gas market as well as the expected deconsolidation of our B2B energy service in the second half of the year, total revenues for 2015 are now anticipated to be lower than previously guided, and similarly for 2017. The Company now expects 2015 revenues to be roughly stable compared to the 2014 figure of HUF 626.4 billion. Excluding the contribution of energy services altogether, we would also expect 2017 revenues to remain approximately consistent with the 2014 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, 2014 available on our website at <http://www.telekom.hu>.