



Investor Release

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Magyar Telekom to set up a B2B energy services joint venture

Budapest – March 11, 2015 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that it has signed an agreement with MET Holding AG, a leading integrated retail energy services trader in the region to establish a joint venture that will provide energy services for business customers.

The cooperation is based on the strategic agreement that was signed in July 2013 between Magyar Telekom and MOL, which has a significant ownership share in MET Group. The primary aim of the joint venture is to improve and optimize the energy operations serving the business customers of both Magyar Telekom and MET Group. Each party brings its own unique but complementary sets of strengths that will contribute to the success of the joint venture – in the case of Magyar Telekom, the experience it has gained in customer servicing and innovation through its energy market presence, matched by MET Group's comprehensive experience in the wider energy industry. The parties see significant opportunities for utilizing the synergies, driven primarily by greater economies of scale, and the potential for risk sharing.

Due to the establishment of the joint venture, natural gas and electricity services currently provided by Magyar Telekom to business customers will be ceased in mid-term as these services will be provided by the joint venture. The change in the business energy service operation will have no impact on the residential energy service offered by Magyar Telekom.

The joint venture will be set up by the parties on a 50:50 ownership basis with balanced rights in the management structure. Therefore, once the joint venture has commenced effective operations, the business energy service operations will no longer be consolidated but 50% of the joint venture's results will appear as a below EBITDA item. As a consequence, total revenues for Magyar Telekom are now anticipated to be proportionally lower than previously guided, down by around HUF 35-40 billion in 2017, implying roughly stable revenues compared to 2014 of HUF 626.4 billion.

Completion of the transaction, which requires approval by the relevant authorities, is anticipated in the second half of 2015.

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, 2013 available on our website at <http://www.telekom.hu>.