



Investor Release

Magyar Telekom

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Magyar Telekom's Board of Directors' resolution to streamline organizational structure

Budapest – August 3, 2017 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB, hereinafter the “Company”), the leading Hungarian telecommunications service provider, hereby announces the Company’s Board of Directors’ resolution to streamline its organizational structure surrounding the services provided to small and medium-sized business customers, with effect from November 1, 2017. SoHo (small business) customers are to be managed within the Consumer segment and medium-sized businesses within T-Systems. As a direct consequence, the SMB area and Chief Commercial Officer SMB position will cease to exist and Péter Lakatos, Chief Commercial Officer SMB shall leave the Company with effect from November 1, 2017. In accordance, the size of the Management Committee will reduce from 8 members to 7.

Since the beginning of 2013, Magyar Telekom has provided telecommunication and IT services to more than 200,000 business customers, ranging from micro to small to medium-sized, through a single dedicated management function including the respective marketing, sales and customer service areas.

Based on the positions the Company has built up in the SMB segment and taking into consideration the relevant market trends, Magyar Telekom’s management believes that through merging the Consumer and SoHo segments, it will be better able to capitalize on the synergies available in terms of serving those customers. At the same time, shifting medium business customers to T-Systems should not only allow greater efficiencies in its operations, but also encourage a greater focus on IT services provided to medium-sized businesses. This streamlining of the Company’s operations is designed to help achieve the growth targets as set out in the Company’s corporate strategy.

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, 2016 available on our website at <http://www.telekom.hu>.