



Investor Release

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Magyar Telekom to acquire GTS Hungary

Budapest – February 25, 2015 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that it acquires GTS Hungary Kft. from Deutsche Telekom to strengthen its market positions among business customers.

Today the Board of Directors of Magyar Telekom has approved to conclude a Share Purchase Agreement to acquire a 100% stake in GTS Hungary Kft., the leading alternative ICT provider in Hungary, for a cash and debt free purchase price of approximately EUR 42mn (ca. HUF 13bn). In 2014, GTS Hungary delivered revenues of around HUF 10bn and EBITDA of ca. HUF 2.5bn.

The primary aim of the acquisition is to further strengthen our market positions in the business segment. Currently GTS Hungary provides fixed voice, internet, data and IT services to ca. 7 thousand business customers and also provides fixed internet and telephony services to ca. 11 thousand residential clients across Hungary, while has a strong domestic and international wholesale operation as well. We plan to fully integrate GTS Hungary's operation to the Magyar Telekom Group within a couple of years providing opportunities to reach fixed and mobile cross-selling possibilities, leveraging better our wholesale and IT operations and also cost synergies thanks to process, network and headcount rationalization.

Completion of the intra-group transaction is anticipated in the second quarter 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>.