

Investor Release

Magyar Telekom

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Development in the lawsuit regarding the decision closing the 900 MHz frequency auction

Budapest – October 17, 2012 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that the Curia suspended, until the conclusion of the judicial review procedure, the enforceability of the judgment of the Metropolitan Court in the lawsuit concerning the judicial review of the decision closing the auction for spectrum related to the provision of mobile telecommunications services in the 900 MHz frequency band.

As previously announced, on August 4, 2011, the Office of the National Media and Infocommunications Authority (the “NMHH Office”) announced an auction for the right of use of a total amount of 10.8 MHz of unused spectrum related to the provision of mobile telecommunications services in the 900 MHz frequency band. The spectrum can be utilized in a technology neutral manner, allowing for the installation and operation of GSM, UMTS, LTE and/or WiMAX mobile networks. Magyar Telekom filed an auction bid on December 8, 2011. On January 31, 2012, Magyar Telekom received from the NMHH Office the first instance, non-final decision closing the auction. In the decision, a consortium of Magyar Posta Zrt., MFB Invest Zrt. and Magyar Villamos Művek Zrt. (the “Consortium”) was designated as an auction winner, amongst others. Magyar Telekom, like other incumbent operators present on the mobile telecommunications market, filed an appeal to the President of the National Media and Infocommunications Authority concerning the designation of the Consortium as an auction winner and certain relating requirements of the first instance decision. On March 9, 2012, Magyar Telekom received from the NMHH Office the final and non-appealable decision of the NMHH Vice-President, dismissing the appeal of Magyar Telekom and upholding the first instance decision. Accordingly, the decision closing the auction became final.

As also announced previously, on March 12, 2012 Magyar Telekom filed a petition with the Metropolitan Court, requesting that the Court annul the designation of the Consortium as an auction winner and certain relating requirements of the final decision. In addition to Magyar Telekom, Telenor Magyarország Zrt. and Vodafone Magyarország Zrt. also filed petitions against certain provisions of the final decision.

As also announced previously, the Metropolitan Court, by its final judgment announced on September 17, 2012, annulled the entire decision closing the auction. This judgment is non-appealable; however, a judicial review of the judgment before the Curia is available.

A request for judicial review of the Metropolitan Court’s judgment, and a request for the suspension of enforceability of the judgment, was filed with the Curia. In line with the suspension request, the Curia – by its order delivered to Magyar Telekom on October 17, 2012 – suspended the enforceability of the Metropolitan Court’s judgment until the conclusion of the judicial review process. This order of the Curia has no impact on the substance of the case; the Curia will decide on the substance of the case later on, as a result of the judicial review procedure.

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, 2011 available on our website at <http://www.telekom.hu>.