

Investor Release

Magyar Telekom

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Administrative decision closing 900 MHz frequency auction becomes final; Magyar Telekom refers the case to court

Budapest – March 12, 2012 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that the administrative decision closing the auction for spectrum related to the provision of mobile telecommunications services in the 900 MHz frequency band became final. Magyar Telekom initiated a judicial review of the decision.

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. As announced, 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. Pursuant to the decision, Magyar Telekom won the right of use of two duplex frequency blocks of 1 MHz each for a period of 15 years. Pursuant to the decision, Magyar Telekom is required to pay an auction price of 10.9 billion HUF + VAT for these frequency blocks.

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 filed an appeal to the President of the National Media and Infocommunications Authority (the “NMHH President”) concerning the designation of the Consortium as an auction winner and certain relating requirements of the first instance decision. Other incumbent operators present on the mobile telecommunications market also filed appeals to the NMHH President.

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.

On March 12, 2012, due to legal errors in the auction process and the decision, 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; and that the Court suspend the enforceability of these same provisions.

The petition does not concern Magyar Telekom’s obligation to pay the auction price. Magyar Telekom will duly pay the auction price of 10.9 billion HUF + VAT within the fifteen day deadline specified in the final decision.

This investor news contains 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 Report on Form 20-F for the year ended December 31, 2010 filed with the U.S. Securities and Exchange Commission.