

Investor Release

Magyar Telekom

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Magyar Telekom books one-off charge relating to tax law change

Budapest – November 24, 2011 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, today announced that due to recent tax law changes in Hungary, the decrease in deferred tax liabilities reported in Q4 2010 will be reversed in Q4 2011 causing an approximate HUF 15bn increase in income tax expense.

In Q4 2010, one-off tax income of HUF 14.6bn was booked driven by a change in the Hungarian corporate tax law which reduced the Hungarian corporate tax rate from 19% to 10% effective from 2013. In November 2011, the tax law was changed further so that instead of a universal 10% corporate tax rate, the 19% rate remains effective from 2013 on the annual tax base exceeding HUF 500mn. Consequently, the one-off decrease in deferred tax liabilities recognized in Q4 2010 will be reversed in Q4 2011, increasing the income tax expense of the Group by around HUF 15bn.

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.