

Frequently asked questions regarding delisting and deregistration

Why did Magyar Telekom decide to delist its American Depositary Shares (ADS) from the New York Stock Exchange (NYSE) and to deregister from the SEC?

Investors are increasingly focusing on the stock exchange with the highest liquidity for a stock. Only approximately 8% of the total U.S. investment in Magyar Telekom's shares is held in the form of ADSs, i.e. over 90% of such U.S. investment is held in ordinary shares. For those investors who prefer to hold shares in the form of ADSs, according to our current plans, our ADSs will continue to trade in the U.S. over-the-counter (OTC) market on the basis of a "Level I" American Depositary Receipt (ADR) Program.

What is the difference between Delisting and Deregistration?

"Delisting" refers to the withdrawal of an issuer's securities from trading on the relevant stock exchange (e.g. NYSE).

"Deregistration" refers to the termination of the SEC registration of an issuer's securities, resulting in the termination of an issuer's reporting obligations under Sections 13(a) and 15(d) of the U.S. Securities Exchange Act of 1934.

What is a Level I ADR Program?

A "Level I ADR Program" trades on a U.S. over-the-counter (OTC) market instead of a stock exchange. Contrary to a stock exchange listing, a registration of securities with the U.S. Securities and Exchange Commission (SEC) is not required for a "Level I ADR Program".

Will the move of trading in Magyar Telekom ADSs from the NYSE to the OTC market and later SEC deregistration change the Company's reporting standards and frequency?

Magyar Telekom will maintain its high level of transparency in its reporting based on the internationally acknowledged accounting and reporting standards of IFRS (International Financial Reporting Standards). In addition, the Company will continue to publish all disclosures required by the Budapest Stock Exchange and Hungarian law in English on its website.

Does the move from the NYSE to the OTC market affect ADR holders' ability to purchase, hold or sell Magyar Telekom ADSs?

The delisting of the ADSs is not expected to materially affect the ability of investors to purchase, hold or sell Magyar Telekom ADSs. Investors can continue to trade Magyar Telekom ADSs through a U.S.-registered stock broker, with the main difference being that the trade is executed via the OTC market instead of over the NYSE.

Will the delisting and the deregistration affect the ADR holders' AGM voting rights? Will ADR holders still receive proxy materials in English from Magyar Telekom?

There is no change with respect to voting rights. As an ADR holder on the record date, you will have the right to vote the equivalent number of underlying shares as represented by your Magyar Telekom ADR holdings. ADR holders will still receive their proxy materials in English through their usual financial intermediary if they hold ADSs in beneficial form or through JPMorgan if they are registered holders.

For ADR holders, will any dividends that the Company distributes continue to be paid in U.S. dollars?

ADR holders will continue to receive in U.S. dollars any dividends that the Company distributes in the future.

Has the depositary bank for Magyar Telekom's ADSs changed, following its move from the NYSE to the OTC market?

No. JP Morgan remains Magyar Telekom's depositary bank after the delisting as well.