



## Investor Release

## Magyar Telekom

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## Changes in Magyar Telekom's telecommunication tax and revision of Magyar Telekom's public guidance

**Budapest – June 27, 2013 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, announces an increase in its telecommunication tax burden resulting from amendments to the telecommunication tax adopted by the Parliament of Hungary on June 27, 2013. Magyar Telekom expects EBITDA to decline more than previously forecasted.**

The current telecommunication tax on service providers for fixed and mobile voice and mobile SMS/MMS services has been effective since July 1, 2012 and was introduced for an indefinite period of time. The tax currently amounts to HUF 2 per minute and HUF 2 per SMS/MMS and is capped at HUF 700 per month per calling number for private individuals' subscriptions and HUF 2,500 per month per calling number for other subscribers' subscriptions.

On June 27, 2013, the Parliament of Hungary adopted an act amending the amount of the telecommunication tax, raising the tax measure to HUF 3 per minute and HUF 3 per SMS/MMS for non-private individual subscribers' subscriptions and also raising the cap applicable to these subscriptions to HUF 5,000 per month. These changes are to take effect from August 1, 2013 and are subject to formal execution and promulgation of the amending act adopted by the Parliament.

Based on our updated estimates that take into account the above amendments as well as the actual usage patterns experienced this year to date, we now expect the telecommunication tax expense for Magyar Telekom to be around HUF 25 billion in 2013, above the previously announced total of around HUF 20 billion. The estimated telecommunication tax expense in 2014 will be around HUF 28 billion based on our preliminary high level assessment and the current text of the law.

As a consequence of the higher telecommunication tax coupled with deteriorating market conditions in Macedonia also putting pressure on our profitability, we now expect EBITDA to decrease by 9-12% in 2013 compared to 2012, as opposed to the 4-7% decline we forecasted at the beginning of the year. Public guidance for revenues and CAPEX (excluding spectrum acquisition costs) remain unchanged at flat and around a 5% decline, respectively.

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, 2012 available on our website at <http://www.telekom.hu>.