

Investor Release

Magyar Telekom

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Amendments to the law on the new Hungarian telecommunications sector tax

Budapest – June 4, 2012 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that on June 4, 2012 the Parliament of Hungary adopted amendments to Act LVI of 2012 on the telecommunications tax.

As previously announced, on May 18, 2012, the Parliament adopted an act imposing a telecommunications tax on service providers for fixed and mobile voice and mobile SMS/MMS services, effective from July 1, 2012 for an indefinite period of time. The new tax law was promulgated on May 30, 2012 as Act LVI of 2012 on the telecommunications tax. The tax imposed on fixed and mobile usage amounts to HUF 2 per minute and HUF 2 per SMS/MMS. According to the original tax law as promulgated, the tax is capped at HUF 700 per month per calling number for private individuals' subscriptions and HUF 2500 per month per calling number for other subscribers' subscriptions..

According to the amendments adopted on June 4, 2012, the caps have been reduced for 2012. The new caps for 2012 are HUF 400 per month per calling number for private individuals' subscriptions and HUF 1400 per month per calling number for other subscribers' subscriptions. The caps of HUF 700 for private individuals' subscriptions and HUF 2500 for other subscribers' subscriptions as per the original tax law will apply from 2013. The tax amounts of HUF 2 per minute on fixed and mobile usage and HUF 2 per SMS/MMS are unchanged.

As a consequence of the amendment, the estimated telecommunication tax payable by Magyar Telekom for the period July to December 2012 is around HUF 8 billion, below the previously announced total of around HUF 10 billion, while the expected telecommunication tax payable from 2013 onwards will remain unchanged at around HUF 20 billion per year, according to our preliminary high level assessment based on the current text of the law.

The change to the tax caps is subject to formal execution and promulgation of the amending act adopted by the Parliament.

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>.