

Investor Release

Magyar Telekom

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New tax on the Hungarian telecommunications sector

Budapest – May 18, 2012 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that on May 18, 2012 the Parliament of Hungary adopted an act imposing a telecommunication 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 estimated total telecommunication tax payable by Magyar Telekom Group for 2012 under the new law is around HUF 10bn.

The tax imposed on fixed and mobile usage 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 2500 per month per calling number for other subscribers' subscriptions. The new tax is payable by the telecommunication service providers.

The estimated taxes payable by Magyar Telekom for the period July to December 2012 is around HUF 10bn according to the preliminary high level assessment based on the text of the law. The Company is still assessing the overall impact of the tax on the Group's underlying operations and financials and therefore guidance for a 4-6% decline in underlying EBITDA for 2012, excluding the impact of this new telecommunication tax and other special influences, is maintained.

In addition to the estimated HUF 10bn charge from this new telecommunication tax, the special telecommunication tax introduced in 2010 will also be payable until year end 2012, and will have an expected negative impact of HUF 24bn for this year.

The new tax is subject to formal execution and publication of the 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>.