

The Depository Trust Company
IMPORTANT
DOCUMENTATION REQUIRED

B#: 2051
DATE: May 24, 2001
TO: All participants
CATEGORY: Dividends
FROM: Mario Zaccardi, Supervisor, Dividend Department
ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers
SUBJECT: TaxRelief: Country - Estonia
A.S. Eesti Telekom 144A CUSIP: 04338U116
Record Date: 06/05/01 Payable Date: T/B/A
EDS Cut-Off Date: 06/15/01

DTC has been notified by Bankers Trust Company, the Depository Bank, that it will distribute a cash dividend to holders of A.S. Eesti Telekom Global Depository Shares (GDSs) as of record date June 5, 2001. The dividend will be paid to holders of GDSs evidencing ordinary shares of A.S. Eesti Telekom at the following approximate rate:

GDR Gross Rate:	\$0.9377
Less 26% Estonian W/H Tax:	\$0.2438
GDR Depository Fee:	\$0.0200
GDR Net:	\$0.6739

Bankers Trust has been advised by its Estonian custodian that a beneficial owner of A.S. Eesti Telekom GDSs as of the June 5, 2001 record date may be eligible for a reduced Estonian withholding tax rate. In order to receive a favorable rate, eligible beneficial owners must provide evidence that they are domiciled in a country with which Estonia has an Agreement of Avoidance of Double Taxation by completing an application for a partial refund of the Estonian withholding tax.

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Those countries with which Estonia has such an agreement and the applicable withholding tax rates are as follows:

If the beneficial GDR owner lives in:	The withholding tax rate is	The amount of the refund is:
Belarus	10%	16%
Canada	15%	11%
China Republic	15%	11%
Czech Republic	15%	11%
Denmark	15%	11%
Finland	15%	11%
Germany	15%	11%
Iceland	15%	11%
Ireland	15%	11%
Italy	15%	11%
Kazakhstan	15%	11%
Latvia	15%	11%
Lithuania	15%	11%
Moldavia	15%	11%
Netherlands	15%	11%
Norway	15%	11%
Poland	15%	11%
Sweden	15%	11%
Ukraine	15%	11%
United Kingdom	15%	11%
United States	15%	11%

Beneficial GDR owners residing in one of the above listed countries (or an authorized nominee or representative) must provide details, **NO LATER THAN JUNE 8TH, 2001** of a beneficial owner's identity, address and number of shares held as of the June 5th 2001 record date, by completing the attached application.

In addition, such beneficial owners must provide a certificate of residence from their country's relevant tax authority. This information should be sent to:

Bankers Trust Company
Depository Receipts
Attn: Heidy Kashef
4 Albany Street – 3rd Floor MS NYC03-5034
New York, NY 10006
Attn: A.S. Eesti Telekom Tax

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NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS: JUNE 15, 2001.

THE DEADLINE FOR SUBMITTING CERTIFICATION TO BANKERS TRUST IS JUNE 8, 2001.

Finally, eligible beneficial owners must also arrange to elect for the favorable dividend rate on the Elective Dividend Service (“EDS”) over DTC’s Participant Terminal System (“PTS”) no later than June 15, 2001. EDS elections for the favorable rate not supported by the aforementioned disclosure and certification provided to Bankers Trust, as Depository by June 15, 2001, will default to the unfavorable 26% withholding rate. Holders not making an election will likewise receive the unfavorable rate.

Beneficial owners who own their GDRs in street name, i.e. through a bank or broker, with the Depository Trust Company must submit their completed application through their DTC participant, who must forward the forms to Bankers Trust Company along with a cover letter detailing the name and address of each claimant and the number of GDRs outstanding as of the record date for each.

Beneficial owners who are eligible for a reduced Estonian withholding tax rate who are unable to apply for such a rate by the above-stated deadline, may file a tax reclaim by first completing the attached application. **Additionally, holders should attach to that application a POWER of ATTORNEY authorizing the Estonian Tax Authority to make payment of the refund to Bankers Trust, as GDR Depository, which in turn will arrange to forward the payment to the GDR owner.**

Reclaim applications will be accepted by Bankers Trust through October 1st 2001.

For further information, please contact Heidi Kashef at Bankers Trust at 212 –250 - 4495.

Questions regarding this Important Notice or the EDS function may be directed to Mr. Steve McDonough, or myself of DTC’s Dividend Department at (212) 855-4524 or 4540 respectively.

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[On Broker / Client letterhead]

Application for at-source relief of Estonian Withholding Tax

A.S. Eesti Telekom 144 A CUSIP 04338U116

Complete and send to:

Bankers Trust Company
4 Albany Street – 3rd Floor MS NYC03-5034
New York NY 10006
Attn: Eesti Telekom Tax Relief

A.S. Eesti Telekom RegS CUSIP 04338U108

Bank/Broker Nominee _____ DTC Participant # _____

Full name of the beneficial owner: _____

Country of Residence _____

Tax ID/ SS# _____

Full address _____

Number of GDRs as of record date June 5^h 2001 _____

We are submitting this form and the attached documentation in order to receive reduced Estonian withholding tax on a dividend to be paid to holders of A.S. Eesti Telekom as of June 8th 2000.

We confirm that we are resident of _____
(Country of residence)

and that we have no permanent establishment in Estonia.

Please find attached a certificate of residence provided by the tax office of the country in which we reside.

(Signature)

Bankers Trust Company
Depository Receipts
4 Albany Street – 3rd Floor/MS NYC03-5034
New York, NY 10006
Attn: Heidy Kashef/Estonian Tax
Questions may be directed to Heidy Kashef at Bankers Trust Company, Tel 212 250 4495 – Fax 212 669 0065