

The Depository Trust Company

IMPORTANT DOCUMENTATION REQUIRED

B#: 6396

DATE: May 20, 2004

TO: All participants

CATEGORY: Dividends

FROM: Frederick Ceraso, Senior Specialist, Int'l Services

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief: Country - Estonia
A.S. Eesti Telekom 144A CUSIP: 04338U116
Record Date: 06/07/04 Payable Date: 06/24/04
EDS Cut-Off Date: 06/10/04

DTC has been notified by Deutsche Bank Trust Company Americas, the depository bank for the above issue, that it will distribute a cash dividend to holders of **A.S. Eesti Telekom** Global Depository Shares (GDSs) as of record date **June 7, 2004**. The dividend will be paid to holders of GDSs evidencing ordinary shares of **A.S. Eesti Telekom 144A** at the following approximate rate:

GDR Gross Rate:	\$1.8336
Less 26% Estonian W/H Tax:	\$0.4767
GDR Depository Fee:	\$0.0200
GDR Net:	\$1.3369

Deutsche Bank Trust Company Americas has been notified by its Estonian custodian that qualified beneficial owners as of the **June 7, 2004** record date may be eligible, as defined in the double taxation convention between the various countries listed below and Estonia, for a reduced Estonian withholding tax rate of **15%** rather than the statutory withholding tax rate of **26%**.

Participants certifying through an EDS elections for the favorable rate are certifying to the following:

1. We certify that the beneficial owner of the GDSs is a resident of one of the countries in the table below and is eligible for the 15% (or 10% in the case of Belarus) withholding tax rate.

2. We certify that in making the above certifications we shall hold the Depository harmless from any and all claims, losses, damages or liabilities arising from reliance upon information provided by such participant in connection with the treaty rate information.
3. We agree to return any funds erroneously received (including any interest, penalties, and additions to tax thereon).
4. We will be liable for any foreign exchange fluctuations impacting the amount of refunds or claims with the Estonian tax authorities.
5. We certify the GDSs/Shares supporting this tax reclaim are based upon ordinary shares which were held by the Depository, or its custodian, on the record date and were not acquired from any entity that has represented to Deutsche Bank Trust Company Americas, that the share position is not eligible for any tax reclaim.

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:
Armenia	15%	11%
Austria	15%	11%
Belarus	10%	16%
Belgium	15%	11%
Canada	15%	11%
China Republic	15%	11%
Czech Republic	15%	11%
Denmark	15%	11%
Finland	15%	11%
France	15%	11%
Germany	15%	11%
Iceland	15%	11%
Ireland	15%	11%
Italy	15%	11%
Kazakhstan	15%	11%
Latvia	15%	11%
Lithuania	15%	11%
Malta	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%

B# 6396

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.

Holders not making an election will likewise receive the unfavorable rate. EDS elections for the favorable rate not supported by the aforementioned disclosure and certification provided to Deutsche Bank Trust Company Americas / Globe Tax Services, as Depository by June 10, 2004, will default to the unfavorable 26% withholding rate.

Beneficial GDR owners residing in one of the above listed countries (or an authorized nominee or representative) must provide details, **NO LATER THAN June 10, 2004** of a beneficial owner's identity, address and number of shares held as of the **June 7, 2004** 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:

Deutsche Bank Trust Company Americas / Globe Tax Services
90 Broad Street – 8th floor
New York, NY 10004
Attention: Jenny Lin/ A.S. Eesti Telekom

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS JUNE 10, 2004.

The deadline for submitting certifications to Deutsche Bank Trust Company Americas / Globe Tax Services is June 10, 2004.

Reclaim applications will be accepted by Deutsche Bank Trust Company Americas / Globe Tax Services through **March 31, 2007**.

For information concerning filing a tax reclaim after the EDS certification deadline, as well as receiving the appropriate tax forms, please contact:

Deutsche Bank Trust Company Americas / Globe Tax Services
90 Broad Street – 8th floor
New York, NY 10004
Attention: Jenny Lin
Telephone#: 1-800-876-0959

Tax reclaims are subject to a Depository Service Charge of \$0.003 per share with a minimum of \$25 and a maximum of \$2,500.

Missed Deadline: All holders who failed to elect over EDS by the date specified above have **three years** after the GDR record date to submit their claims through Deutsche Bank Trust Company Americas / Globe Tax Services long form claims received will be filed on a periodic basis.

B# 6396

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 Deutsche Bank, as GDR Depositary, which in turn will arrange to forward the payment to the GDR owner.**

Required Documentation for ALL Holders

1. Deutsche Bank Trust Company Americas filing cover letter (Exhibit 1)
2. Application for at source relief of Estonian Withholding Tax (Exhibit 2)
3. Certification of Residency obtained from beneficial owner's country of domicile.
4. Power of Attorney (Exhibit 3 **only for those who missed the initial deadline**)

If you have any questions, please feel free to call Jenny Lin at 1-800-876-0959

Questions regarding this Important Notice or the EDS function may be directed to Joseph Amoroso, or myself of DTC's International Services at (212) 855- 4525 or 4784 respectively.

B# 6396
Exhibit 1

FORMAT FOR COVER LETTER REQUIRED
OF CLAIMANTS FOR LONG FORM FILING

THIS DOCUMENT MUST BE PREPARED ON LETTERHEAD

[Date]

Deutsche Bank Trust Company Americas / Globe Tax Services
90 Broad Street, 8th floor
New York, NY 10004-2205
Attn: Jenny Lin

Enclosed please find tax reclamation documents, which we are submitting on behalf of our clients who have had excess tax withheld on Estonian GDRs. We, [NAME OF DTC PARTICIPANT] also identified as DTC participant number [DTC PARTICIPANT NUMBER], hereby state that each beneficial owner cited below held the respective amount of shares on the record date of June 7th, 2004 for the security A.S. Eesti Telekom 144A.

Below is the list of beneficial owners and their holdings, which total [TOTAL # OF GDRs CITED BELOW] GDRs. As required, an application for at-source relief of Estonian Withholding Tax (all claims filed after June 10th, 2004 require a Power of Attorney form), and a certification of residency for each beneficial owner is attached. **The ratio for A.S. Eesti Telekom 144A is 1 ADR to 3 Ordinary shares.** The information is as follows:

<u>Beneficial Owner Name</u>	<u>Address</u>	<u>Taxpayer I.D. Number</u>	<u># of GDRs</u>
1)			
2)			
3) etc.			

We ask Deutsche Bank Trust Company Americas, as Depositary, present these excess withholding tax refund requests on the above beneficial owners' behalf. Please contact the undersigned at [Signatory's Telephone Number] should you have any questions.

Sincerely,

[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]

PAYMENT ADDRESS: _____

Indemnification

In consideration of the services provided by Deutsche Bank Trust Company Americas contemplated hereby and the assistance provided by the issuer of the shares underlying the GDRs (the "Issuer"), we agree to indemnify, defend, hold and save Deutsche Bank Trust Company Americas, the Issuer and their respective affiliates, and the respective directors, offices, agents and employees of Deutsche Bank Trust Company Americas, the Issuer and each of their affiliates from and against any and all costs, damages or liabilities (including, without limitation, tax payments, interest charges, penalties or other costs assessed by relevant tax and administrative authorities, and the reasonable fees and disbursements of counsel), and any of them, arising out of or relating to the information provided by the undersigned in, or in connection with, this document.

B# 6396
Exhibit 2

**APPLICATION FOR AT SOURCE RELIEF
OF ESTONIAN WITHHOLDING TAX**
(please contact Deutsche Bank Trust Company Americas / Globe Tax Services
if using this document after June 10th, 2004)

*****THIS DOCUMENT MUST BE PREPARED ON LETTERHEAD*****

Application for at source relief of Estonian Tax

A.S. E esti Telekom 144A CUSIP 04338U116

Complete and send to:

Deutsche Bank Trust Company Americas / Globe Tax Services
90 Broad Street – 8th floor
New York, NY 10004
Attention: Jenny Lin/ **A.S. E esti Telekom**
Telephone# : 1-800-876-0959

A.S. E esti Telekom 144A CUSIP 04338U116

Bank/ Broker Nominee _____ DTC Participant Number _____

Full Name of Beneficial Owner _____

Country of Residence _____

TAX ID/ SS/ EIN _____

Full Address _____

Number of GDRs held as of record date June 7th, 2004 _____

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. E esti Telekom 144A as of June 7th, 2004.

We confirm that we are resident of _____ and that we have no permanent
(Country)
establishment in Estonia.

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

(Signature)

Questions may be directed to Jenny Lin at Deutsche Bank Trust Company Americas / Globe Tax Services
Tel: (212) 747-9100, Fax: (212) 425-0626.

B# 6396
Exhibit 3

POWER OF ATTORNEY

*****THIS DOCUMENT MUST BE PREPARED ON LETTERHEAD*****

<Beneficial Owner Name>
<Beneficial Owner Full Address>

Power of Attorney

The undersigned hereby authorize the Estonian Tax Authorities to make the payment of refund of the withholding tax on dividends to Deutsche Bank Trust Company Americas as GDR depository.

This Power of Attorney shall remain valid until revoked in writing.

<Company or Beneficiary Name>

Signature

Print Name

Title

Date _____

Place _____