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CLOSING OF THE OFFER TO ACQUIRE REMAINING SHARES IN TELEKOM MONTENEGRO

BUDAPEST – May 24, 2005 – Magyar Telekom (Reuters: NYSE: MTA.N, BSE: MTEL.BU and Bloomberg: NYSE: MTA US, BSE: MTELEKOM HB), the leading Hungarian telecommunications service provider, today announced the closing of its public offer to acquire the remaining shares in Telekom Montenegro (TCG).

As a result of the public offer, Magyar Telekom has acquired an additional 3.49% stake in Telekom Montenegro for EUR 3.64 million, increasing its stake to 76.53% by the time of the financial settlement (on May 24, 2005). Hence, the purchase price of the company totals EUR 140.51 million.

TCG's balance sheet has been consolidated in Magyar Telekom's accounts since March 31, 2005, while the company results will be included in the consolidated income statement from the second quarter of 2005.

This investor news contains 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 Report on Form 20-F for the year ended December 31, 2004 filed with the U.S. Securities and Exchange Commission.