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Magyar Telekom sells its stake in Cardnet Zrt.

Budapest – August 30, 2006 – Magyar Telekom (Reuters: NYSE: MTA.N, BÉT: MTEL.BU and Bloomberg: NYSE: MTA US, BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider today announced that it has sold its 72% stake in Cardnet Zrt. for a purchase price of above HUF 300 million plus the proportionate dividend for 2006.

Cardnet's main activity is the sale and maintenance of Point of Sales terminals. In 2005, the company reported revenues of HUF 331 million and an EBITDA of HUF 32 million. The disposal of this stake is in line with Magyar Telekom's efforts to focus on its core businesses.

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.