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Magyar Telekom announces completion of KFKI acquisition

Budapest – September 15, 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 following approval by the Hungarian Competition Authority, it has completed the transaction to acquire KFKI, Hungary’s leading ITC service provider.

On June 16, 2006, Magyar Telekom concluded an agreement to buy a 100% stake in KFKI Group for HUF 8.17 billion plus an optional earn-out payment of HUF 1.5bn dependent on the 2006 financial performance. The company has been granted regulatory authority approval necessary for the financial closing of the transaction. As a result, KFKI Group will be consolidated into Magyar Telekom’s Group accounts as of September 15, 2006.

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.