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Magyar Telekom refinances its two inter-company loans

Budapest – May 25, 2007 – 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 the signature of a Hungarian forint-denominated loan agreement with the Deutsche Telekom Group. The loan will be used to refinance the maturing HUF 20bn and HUF 14bn inter-company loans.

Magyar Telekom has been granted a loan by Deutsche Telekom in the amount of HUF 34 billion. The loan will mature in July 2011 and carry fixed interest rate based on market conditions.

Magyar Telekom currently holds an A- credit rating from Standard & Poor's and Baa1 from Moody's.

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, 2005 filed with the U.S. Securities and Exchange Commission.