

Investor Release

Magyar Telekom

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The dividend paid for year 2007 continues to qualify as dividend

Budapest – October 20, 2009 – Magyar Telekom (Reuters: NYSE: MTA.N, BÉT: MTEL.BU and Bloomberg: NYSE: MTA US, BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider, in view of the articles appeared in the press in recent days, informs its shareholders – in accordance with, and partly supplementing, its previous disclosures – about the relevant facts and its position as follows:

In the law suit filed by two minority shareholders on May 23, 2008, the first instance Court rendered, on May 13, 2009, the resolutions (except for one procedural resolution) passed by the AGM on April 25, 2008 ineffective. The resolutions rendered ineffective included the resolution on dividend payment. We had previously paid dividends to our shareholders as approved by the AGM on April 25, 2008.

The law firm representing Magyar Telekom submitted an appeal against the first instance ruling, but the appeal was filed after the deadline. The law firm filed a request for acceptance of the late appeal, which request has not yet been decided upon by the second instance Court, which is authorized to do so. In the event the request will be refused by the second instance Court, the appeal will not be taken into consideration and the first instance ruling dated May 13, 2009 will be final and enforceable. In such case, we will address the ruling by passing confirmatory shareholders' resolutions with respect to the resolutions in question.

As the above mentioned first instance ruling (if becomes final and enforceable) will render the shareholders' resolutions in question (including the resolution on dividend) ineffective from the date as of which the enforceability of the ruling starts, i.e. from July 7, 2009, the dividend for year 2007 paid by July 6, 2009 will continue to qualify as dividend even in the event the first instance ruling becomes final and enforceable, i.e. the ruling does not result in any obligation of, nor requires any action by, the shareholders. (According to our records, the amount of dividend for year 2007 that was not paid until July 6, 2009 is HUF 17,385,412 out of the total dividend of HUF 77,051,913,476).

We cannot fully exclude that the Company will be required to take other time-consuming and/or expensive corrective actions. Also, we cannot exclude that the matter would have other unforeseen detrimental effects on the Company.

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, 2008 filed with the U.S. Securities and Exchange Commission.