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General Meetings of Emitel and Vidanet, as well as the Quotaholders' Meeting of Tele-Data decide on dividend payment

Budapest – May 31, 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 the General/Quotaholders' Meetings of three of its subsidiaries approved the companies' 2005 financial statements, prepared according to Hungarian Accounting Rules (HAR), and decided on a dividend payment.

The AGM of Emitel Zrt., a fully owned subsidiary of Magyar Telekom, decided on a total dividend payment of HUF 1.3 bn, while the AGM of Vidanet Zrt. and Quotaholders' Meeting of Tele-Data Kft approved total dividend payments of HUF 0.9 bn and HUF 79 mn, respectively. Directly and indirectly, Magyar Telekom has 90% ownership in Vidanet and 51% in Tele-Data.

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.