

Contacts

Szabolcs Czente	Magyar Telekom IR	+36 1 458 0437
Rita Walfisch	Magyar Telekom IR	+36 1 457 6036
Gyula Fazekas	Magyar Telekom IR	+36 1 457 6186
investor.relations@telekom.hu		

Disposal of the Montenegrin CKB bank stake

Budapest – August 29, 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 its Montenegrin subsidiary had sold its 11.5% stake in CKB bank for a purchase price of approximately EUR 12 million.

Telekom Montenegro (TCG), Magyar Telekom's Montenegrin subsidiary, has held an 11.5% stake in CKB, Montenegro's largest retail bank, since 1999. Given that this minority stake is related to a non-core activity, TCG has joined other shareholders of the bank in negotiations with a strategic investor, the Hungarian OTP Bank, and agreed to sell its stake. The closure of the deal is anticipated at the end of 2006 and is subject to approval by Hungarian and Montenegrin financial supervisory authorities and the Montenegrin competition authority.

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.