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Magyar Telekom announces an update on the investigation

Budapest – May 21, 2008 – Magyar Telekom (Reuters: NYSE: MTA.N, BÉT: MTEL.BU and Bloomberg: NYSE: MTA US, BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider, announces an update on the investigation.

On May 19, 2008, White & Case LLP, counsel to the Audit Committee of Magyar Telekom Nyrt. (“the Company”), provided the Company with a “Status Report on the Macedonian Phase of the Independent Investigation.” In the Status Report, White & Case stated that the “Status Report is a summary of the status of an ongoing inquiry,” is “neither final nor comprehensive,” and “does not address all the contracts under investigation.” Nevertheless, in the Status Report, White & Case stated, among other things, that “there is affirmative evidence of illegitimacy in the formation and/or performance” of six contracts for advisory, marketing, acquisition due-diligence and/or lobbying services in Macedonia, entered into in 2004-06 between the Company and/or various of its affiliates on the one hand, and a Cyprus-based consulting company and/or its affiliates on the other hand, under which the Company and/or its affiliates paid a total of over EUR 6.7M. As previously disclosed, the Company has taken remedial steps to address issues previously identified by the independent investigation, including steps designed to revise and enhance the Company’s internal controls. The Company is considering whether and to what extent the recent Status Report warrants additional remedial actions. The independent investigation is continuing. The Company cannot predict when the internal investigation will be concluded, what the final outcome of the investigation may be, or the impact, if any, the investigation may have on the Company’s financial statements or results of operations.

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, 2006 filed with the U.S. Securities and Exchange Commission.