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Draft resolution to Magyar Telekom's reference interconnection offer published by the Regulator

Budapest – March 6, 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 Board of the Hungarian National Regulatory Authority (NRA) has published its draft resolution concerning the new reference interconnection offer.

This release highlights the major changes implied in the regulator's draft resolution published on March 3, 2006, the new fees are applicable retrospectively from September 15, 2005. Main changes to the reference offer:

- The new reference offer enables service providers to reach all Magyar Telekom fixed subscribers from a single interconnection point up to a certain traffic limit with traffic fees recently equalling national origination and termination fees.
- Leased line services were excluded from the scope of the reference offer as these services will be regulated on a 'retail minus' basis.
- All data included in this announcement is in line with the draft resolution.

1. Traffic pricing

The impact of the new draft interconnection fees published by the NRA is estimated at an average 14% decrease in tariffs compared to previous levels. The table below sets out the new and previous per minute interconnection rates excluding VAT:

IC traffic services HUF/min	Peak – new	Off peak – new	Peak – old	Off peak – old
Local origination fee	2.08	1.21	2.42	1.27
Regional origination fee	2.58	1.50	3.48	1.82
National origination fee	2.94	1.70	4.87	2.56
Local termination fee	1.79	1.04	2.07	1.09
Regional termination fee	2.29	1.32	3.09	1.63
National termination fee	2.63	1.52	4.42	2.32

Transit services were excluded from the scope of the reference offer. The monthly fee for the 2 Mbit/s capacity flat rate Internet call origination (FRIACO) has declined by 4.9% to net HUF 247,599. The minute-based per minute prices excluding VAT are set out in the table below:

Internet call origination HUF/min	Peak - new	Off peak - new	Peak - old	Off peak - old
Local Internet origination fee	2.16	0.91	2.18	1.14
Regional Internet origination fee	3.03	1.28	3.13	1.64

2. Pricing of related services and leased line interconnection services

The prices of related services are to decrease significantly (40-90%). For example, the one-off fee charged for number portability is to decrease by 39% to HUF 2,592, and the one-off preselection installation per subscriber by 55% to HUF 1,482.

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.