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NRA Decision Regarding Mobile Termination Fees for T-Mobile Hungary

BUDAPEST – July 25, 2005 – Magyar Telekom (Reuters: NYSE: MTA.N, BSE: MTEL.BU and Bloomberg: NYSE: MTA US, BSE: MTELEKOM HB), the leading Hungarian telecommunications service provider announces that the Board of the Hungarian National Regulatory Authority (NRA) has published its resolution regarding the mobile termination fees of T-Mobile Hungary.

In the latest market analysis, T-Mobile Hungary was identified as an operator with significant market power and was required to file a new cost calculation for mobile termination fees. The NRA resolution settled T-Mobile's average mobile termination fee at HUF 27.17.

Based on the NRA's press release, the resolution stipulates a reduction of 10.38% to the average mobile termination fee for T-Mobile Hungary compared to the average termination fees in December 2004. The NRA release (in Hungarian) can be seen at: http://www.nhh.hu/menu2/m2_2/2005/kozlem_050722.htm

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.