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Magyar Telekom to buy Dataplex

Budapest – December 13, 2005 – 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 it has signed an agreement to buy Dataplex Kft., a Hungarian IT outsourcing company.

On December 12, 2005 Magyar Telekom agreed to buy a 100% stake in Dataplex Kft. for 5.1 billion forint, based on the current net debt position of the company. Additionally, Magyar Telekom takes over of an asset lease liability with a present value of 230 million forint.

As the boundaries between IT and telecoms services converge, presence in certain segments of IT markets is proving beneficial for telecommunication companies. At the same time, there is an increasing need for quality outsourcing and managed IT services and, as a result, Magyar Telekom subsidiary, T-Online's own capacity is no longer sufficient to fulfil all the needs of business clients. The transaction will therefore provide Magyar Telekom with an organic growth opportunity in the IT outsourcing market as a result of increased capacity. Furthermore, with the acquisition of Dataplex, the Group will be in a position to exploit internal synergies in marketing, sales and overall operational activities using T-Online's resources. In addition, the introduction of complex telecommunication and IT services will allow Magyar Telekom to capitalize on further synergies.

Dataplex Kft. currently has 18 employees and expects revenues of around 1.3 billion forint for 2005. This figure is expected to increase in the future as a result of higher capacity utilization. In the long run, the projected EBITDA margin of the IT outsourcing business is expected to approach that of the domestic fixed line segment.

The purchase price will be financed through Magyar Telekom's available credit lines. Completion of the transaction, which requires approval by the Competition Office, is anticipated in the first quarter of 2006.

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.