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Magyar Telekom's General Meeting adopted a decision on merger of Magyar Telekom and T-Mobile Hungary

Budapest – December 20, 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 its Extraordinary General Meeting adopted a decision on the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. The General Meeting approved the draft valuation balance sheet and draft valuation inventory of the predecessor Magyar Telekom Ltd. (before the merger) and the draft valuation balance sheet and draft valuation inventory of the successor Magyar Telekom Ltd. (after the merger). Additionally the General Meeting approved amendments in Magyar Telekom Ltd.'s Articles of Association.

At the Extraordinary General Meeting held today Elek Straub, Chairman-Chief Executive Officer informed the shareholders about the questions raised in connection with the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. The assigned independent auditor gave his preliminary opinion on the draft valuation balance sheet and draft valuation inventory prepared as of the predefined date (September 30, 2005) and submitted to the General Meeting his statement on approval. Then the Supervisory Board presented its approval of the draft valuation balance sheet and draft valuation inventory.

The General Meeting approved the draft valuation balance sheet and draft valuation inventory of the predecessor Magyar Telekom Ltd. prepared for the merger.

The General Meeting decided to pay within 30 days of reception of the notice of registration of merger by the Registration Court HUF 425 for each ordinary share to the shareholders who do not want to participate as shareholder in Magyar Telekom Ltd. after the merger (the successor business association). The General Meeting approved the method of settlement with the shareholders who do not want to participate as shareholder in the successor business association and assigned the Board to implement it.

On the basis of the valid statements made by the shareholders, 2 shareholders holding 43,385 shares do not want to participate as shareholder in the successor business association.

The General Meeting approved the draft valuation balance sheet and draft valuation inventory of Magyar Telekom Ltd. as successor company which was corrected – against the document submitted to the General Meeting for approval – with the share of equity to be paid to shareholders who do not want to participate in the successor company. Accordingly Magyar Telekom Ltd.'s equity changes to HUF 104,276,831,500.

The General Meeting approved, with the consent of the Hungarian State, the merger of T-Mobile Hungary Ltd. with Magyar Telekom Ltd.; the merger will become effective upon registration by the Registration Court. The General Meeting approved the Merger Agreement and gave authorization to sign it.

According to the decision of Magyar Telekom Ltd.'s General Meeting, Magyar Telekom Ltd.'s Board and Supervisory Board members will fulfill their functions as Board and Supervisory Board members with unchanged conditions and remuneration in the successor company.

The General Meeting approved amendments in Magyar Telekom Ltd.'s Articles of Association. A new item was added to the list of scope of activities stating that Magyar Telekom Ltd. is the general successor of T-Mobile Hungary Ltd. The decrease of equity is also stated by the amendment of the relevant clause of the Articles of Association. After registration of the merger by the Registration Court the company corporate name will change to Magyar Telekom Telecommunications Public Limited Company, the company's short name will be Magyar Telekom Plc.