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Magyar Telekom's Extraordinary General Meeting decides on further integration of the Group

Budapest – June 29, 2007 – Magyar Telekom (Reuters: NYSE: MTA.N, BÉT: MTEL.BU and Bloomberg: NYSE: MTA US, BÉT: MTELEKOM HB), the leading Hungarian telecommunications service provider, announces that the Extraordinary General Meeting made a decision about the fusion of the access business line split off from T-Online Hungary Co. Ltd. and Magyar Telekom Plc., and the merger of Emitel Co. Ltd. with Magyar Telekom.

In the Extraordinary General Meeting held today, Chairman-CEO Christopher Mattheisen briefed the shareholders about the issues relating to the merger by fusion of Magyar Telekom Plc., the business stake split off from T-Online Hungary Co. Ltd, and Emitel Co. Ltd. The General Meeting accepted the statement of the independent auditor on the draft valuation balance sheets and draft valuation inventories of the companies affected by the change, and the draft valuation balance sheet and draft valuation inventory of the successor company Magyar Telekom Plc. The Supervisory Board then declared its approval of the draft valuation balance sheets and draft valuation inventories. The General Meeting accepted the reports submitted in writing by the senior officers of the companies affected in the change about the legal and financial conditions that made the merger necessary.

The General Meeting made a decision to pay HUF 366 for each ordinary share to the persons who do not wish to participate as shareholders in the successor company. The General Meeting approved the settlement with the persons who do not wish to participate as shareholders in the successor company, and assigned the Board of Directors with the implementation of this process. Based on the valid statements made by the shareholders the number of persons who do not wish to participate in Magyar Telekom the successor company is 2 persons holding 22,700 shares.

The draft valuation balance sheet and draft valuation inventory of Magyar Telekom Plc. as successor company, adjusted to take account of the value paid to the shareholders who do not wish to participate in the successor company, was approved by the General Meeting. In accordance with the above, the share capital of Magyar Telekom Plc. changes to HUF 104,274,561,500.

The General Meeting decided on the separation of the access business line from T-Online Hungary Co. Ltd. and merger into Magyar Telekom Plc. and the merger of Emitel Co. Ltd. with Magyar Telekom. The change becomes effective with registration by the Court of Registry, the planned date of which is September 30, 2007. The General Meeting approved the Separation Agreement and the Merger Agreement, and gave authorization for their signing.

The General Meeting noted that the Board members and Supervisory Board members of Emitel Co. Ltd. resigned from their positions. With the exception of Dr. Klaus Hartmann, who, due to his increased responsibilities, resigned his Board membership as of June 19, 2007, the Board members and Supervisory Board members of Magyar Telekom Plc. hold their positions in the successor company with unchanged conditions and unchanged remuneration.

The General Meeting also adopted amendments to the Articles of Association of Magyar Telekom Plc. The primary reasons for the amendments are the now approved merger, and compliance with the regulation on termination of the priority voting share (golden share) granted to the Hungarian state. Through this latter amendment, the General Meeting of Magyar Telekom converted the one registered priority "B" series voting share (golden share) with a face value of HUF 10,000 to 100 dematerialized ordinary "A" series shares with a face value of HUF 100 each and terminated the priority rights associated with the golden share.

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.