

**Annual General Meeting of  
Magyar Telekom Telecommunications Public Limited Company**

**MINUTES**

taken at the Annual General Meeting of Magyar Telekom Telecommunications Public Limited Company (registered seat: 1013 Budapest Krisztina krt. 55.) taking place at the headquarters of Magyar Telekom Plc. (1013 Budapest Krisztina krt. 55.) on April 25, 2008, from 11.00. a.m.

Manner of participating at the General Meeting: in person.

Participants: as listed in the attendance sheet.

**Christopher Mattheisen**, as the Chairman of the Board of Directors and Chief Executive Officer of Magyar Telekom Plc. opens the General Meeting at 11:00 o'clock.

Greets all shareholders and invitees and announces that pursuant to the provisions of Section 6.12 of the Articles of Association, he will chair the General Meeting as the Chairman of the Board of Directors.

The Chairman of the General Meeting (the **Chairman**) informs the General Meeting that votes will be cast via computer in accordance with Section 6.17.1 of the Articles of Association, and votes will be tallied electronically in accordance with Section 6.17.3 of the Articles of Association. He also informs the General Meeting that he will state the result of voting as they appear on the computer screen and the figures shall be registered in detail in the Minutes.

The **Chairman** asks **Mr. György Kató**, present on behalf of LINEÁR Kft., to describe the essence and method of computer voting.

Subsequent to **Mr. György Kató's** description the **Chairman** establishes that the holders of voting shares or their proxies representing 63 percent, altogether 655.948.181 votes out of altogether 1 041 242 074 pieces of common shares, are present and therefore the General Meeting constitutes a quorum.

The Chairman announces that the General Meeting has been convened in compliance with the relevant provisions of law and the provisions of the Articles of Association.

On the basis of the proxy instruments submitted to the Company, he states that proxies represent the shareholders legally. Shareholders present but not registered in the Stock Register or not holding an owner's certificate may participate at the General Meeting as observers; however they can not exercise the right of voting.

Section 304 (3) of the Act IV of 2006 on Business Associations (the Companies Act) sets forth that holders of registered shares, whose names are contained in the Stock Register at the moment of the closing thereof, are entitled to exercise their rights as shareholders. In compliance with the Companies Act the Articles of Association of Magyar Telekom Plc. also contains a provision on the same subject. In line with these provisions of law and the Articles of Association the Company called the attention of Shareholders to the fact in the Announcement of the General Meeting, published on March 25, 2008, that exercising their right of vote is subject to being registered in the Stock Register of the Company as

owners of shares or authorized proxies at least 6 workdays before the date of the General Meeting (i.e. on April 17, 2008 at the latest).

The **Chairman** requests the participants to agree to the recording of the proceedings of the General Meeting on tape.

The voting ratio necessary for adopting this resolution is **simple majority**. In the absence of any remarks or motions the Chairman puts the proposal to the vote.

#### **RESOLUTION No. 1/2008 (IV.25)**

**The General Meeting agrees to that the proceedings of the Meeting shall be recorded on tape.**

The General Meeting adopts this Resolution with 640,649,930 affirmative votes, 100 negative votes, and 15,298,151 abstentions.

The **Chairman** proposes to the General Meeting to elect Dr. Zsolt Herczegh, Head of the Company Law and Internal Regulations Department of Magyar Telekom Plc. as Keeper of the Minutes, and also proposes that Mr. Oliver Kranzusch, representative of MagyarCom Holding GmbH, should authenticate the Minutes.

In lack of any remarks or motions the Chairman puts the proposal to the vote. The voting ratio necessary for adopting this resolution is **simple majority**.

#### **RESOLUTION No. 2/2008 (IV.25)**

**The General Meeting elects dr. Zsolt Herczegh Keeper of the Minutes in addition to electing Oliver Kranzusch, representative of MagyarCom Holding GmbH authenticator of the Minutes.**

The General Meeting adopts this Resolution with 640,641,774 affirmative votes, 120 negative votes, and 15,298,152 abstentions.

The **Chairman** informs the shareholders that no motion was submitted to the Board of Directors regarding the agenda within 8 days upon its publication, i.e. March 25, 2008 therefore it is not possible to adopt any further resolutions on the issues not included in the agenda published as part of the announcement. On the other hand, no further items can be included in the agenda, because not all the shareholders are present.

The **Chairman** proposes that the General Meeting approves the following order for discussing the items on the agenda of the General Meeting:

1. Report of the Board of Directors on the management of the Company, the business policy of Magyar Telekom Group and report on the business operations and the financial situation of Magyar Telekom Group in 2007 according to the requirements of the Accounting Act
2. Report of the Board of Directors on the business operations of the Company in 2007, presentation of the report of the Supervisory Board and the Auditor
3. Decision on the approval of the 2007 financial statements of the Company, the company governance and management report and on the relief from liability of the members of the Board of Directors

4. Proposal of the Board of Directors for the use of the profit after tax earned in 2007
5. Modification of the Articles of Association of Magyar Telekom Plc.
6. Modification of the Rules of Procedure of the Supervisory Board
7. Election of Members of the Board of Directors
8. Election of Members of the Supervisory Board
9. Election of a Member of the Audit Committee
10. Election of the Company's Auditor and determination of its remuneration. Designation of the Auditor who will be personally responsible for the audit of the Company and designation of the deputy auditor
11. Miscellaneous

In lack of any remarks or motions the Chairman puts the proposal to vote. The voting ratio necessary for adopting this resolution is **simple majority**.

#### RESOLUTION No. 3/2008 (IV.25.)

The General Meeting approves the agenda of the Meeting, in line with the resolution proposal, as follows:

1. Report of the Board of Directors on the management of the Company, the business policy of Magyar Telekom Group and report on the business operations and the financial situation of Magyar Telekom Group in 2007 according to the requirements of the Accounting Act
2. Report of the Board of Directors on the business operations of the Company in 2007, presentation of the report of the Supervisory Board and the Auditor
3. Decision on the approval of the 2007 financial statements of the Company, the company governance and management report and on the relief from liability of the members of the Board of Directors
4. Proposal of the Board of Directors for the use of the profit after tax earned in 2007
5. Modification of the Articles of Association of Magyar Telekom Plc.
6. Modification of the Rules of Procedure of the Supervisory Board
7. Election of Members of the Board of Directors
8. Election of Members of the Supervisory Board
9. Election of a Member of the Audit Committee
10. Election of the Company's Auditor and determination of its remuneration. Designation of the Auditor who will be personally responsible for the audit of the Company and designation of the deputy auditor
11. Miscellaneous

The General Meeting adopts this Resolution with 640,654,110 affirmative votes, 110 negative votes, and 15,298,161 abstentions.

The **Chairman** opens the discussion of the first agenda item:

1. Report of the Board of Directors on the management of the Company, the business policy of Magyar Telekom Group and report on the business operations and the financial situation of Magyar Telekom Group in 2007 according to the requirements of the Accounting Act

Submitter: the Board of Directors

The **Chairman** makes it known that, in accordance with the provisions of the Act C. of 2000 on Accounting (the Accounting Act), the Company shall prepare a stand-alone Financial Report and as a parent company, a consolidated Financial Report to be approved by the General Meeting. The 2007 Financial Report of Magyar Telekom Plc. has been prepared according to the International Financial Reporting Standards. Shareholders could preliminarily review the figures of the annual report on the web site of the Company, the Budapest Stock Exchange, at KELER Zrt. and at the place of the General Meeting prior to the commencement of the General Meeting. PricewaterhouseCoopers Kft. audited the report and certified it as authentic.

The **Chairman** outlines the annual assessment of Magyar Telekom Group and the Company.

Magyar Telekom Plc. publishes and deposits its reports as required by the Accounting Act and the Act on Capital Markets subsequent to the General Meeting at the relevant places.

The **Chairman** asks **Hegedűsné Márta Szűcs**, representative of the Auditor, to verbally outline the essence of the Auditor's Report regarding the Group.

**Hegedűsné Márta Szűcs** announces that PriceWaterhouseCoopers Kft. has carried out the audit of the annual consolidated report of the Group for 2007. The report on the audit is included in the written handouts distributed to shareholders. In addition to Hegedűsné Márta Szűcs, the independent auditor's report on the auditing of Magyar Telekom Group was also signed by Mr. Nick Kós on behalf of PWC, who also attended the general meeting. For the audit an unqualified opinion has been issued, which is read out by Hegedűsné Márta Szűcs as follows:

"During the audit we have audited the components and disclosures along with the underlying accounting records and supporting documentation in the consolidated financial statements of Magyar Telekom Nyrt. in accordance with Hungarian and International Standards on Auditing and, on the bases of our audit work, we have gained sufficient and appropriate evidence that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Magyar Telekom Nyrt. as of 31 December 2007, and of the result of its operation for the year in accordance with International Financial Reporting Standard as adopted by the EU. The business report is consistent with the data in the consolidated annual report."

Based on this opinion, the Auditor proposes to the General Meeting to approve the financial statements.

The **Chairman** asks **Dr. László Pap**, Chairman of the Supervisory Board to outline the essence of the Supervisory Board's report verbally.

**Dr. László Pap** informs the Shareholders that the Supervisory Board's report to this agenda item is included in whole in the handout to shareholders. His verbal presentation is limited to disclosing the key data of the report. Based on the statements made during the continuous monitoring of the business operations of Magyar Telekom Group, the Supervisory Board proposes to the General Meeting to approve the Y2007 Consolidated Annual Report of Magyar Telekom Group prepared pursuant to the International Financial Reporting Standards with the balance sheet total and after-tax profit figures according to the submission of the Board of Directors, and to accept the relevant auditor's report.

The **Chairman** asks if shareholders have any comment or motion.

**Dr. Pál Kustra**, shareholder: "My name is Pál Kustra. I greet you, I am a small investor and I have some comments that I would like to share with you in three minutes. I do not want to quote the notes on the Supplementary Annex of the Consolidated Annual Report of Magyar Telekom that are related to the investigation and that was mentioned by Mr. Christopher Mattheisen, namely that it was an EBIDTA decreasing factor and I have studied them and I think that the notes comply with the announcement made in August, 2007 from a content point of view. So, in August, 2007 a similar announcement was made by Magyar Telekom. The investigation started at the beginning of 2006 with regard to contracts concluded in the amount of HUF 700 million. The Manager Magazine published a series of articles on how the "independent investigation" is carried out by White & Case, an international law firm. The paper raised the issue that perhaps the investigation was started because the management of MT wanted to replace PWC with another auditor.

My first question:

Did Magyar Telekom want to issue a tender for 2006 for the auditing services and did PWC know about this?

According to the announcement of Magyar Telekom, the internal investigation cost HUF 4.1 billion in 2006 and HUF 5.7 billion in 2007. Mr. Christopher Mattheisen, CEO of Magyar Telekom recently told the press that he did not know how long the investigation would last.

So the investigation started in early 2006 for contracts at a value of HUF 700 million and by the end of 2007 it cost the shareholders of Magyar Telekom HUF 9.8 billion.

My additional questions:

2. How could PWC accept the contract signed with White & Case which appears to be indefinite in its term and costs?
3. Is it true that the lawyers of White & Case traveled with private airplanes from the US to Europe and used the services of the most expensive hotels?
4. Who and how certified are the costs of White & Case and what report was submitted on the proceedings of the investigation to the top management of Magyar Telekom in 2007?
5. Has White & Case complied and does White & Case comply with Hungarian laws during the investigation? And my last question is:
6. Except for God himself, who on earth can tell when this investigation will end and how much it will cost?

Thank you."

**Dr. Balázs Máthé**, Chief Legal Counsel answers the questions as follows:

Question 1: At the moment he cannot tell, if there was a tender for the 2006 audit services, as none of the persons sitting at the table were in the position they are in now. Naturally, the Company will come back to this question in writing.

Question 2: A detailed answer will be given by the Company on this in the next relevant announcement to the shareholders. As earlier announcements have disclosed, the Board of Directors and the Audit Committee, respectively extended the investigation to Macedonia in February, 2007. The additional costs relate primarily to this. But there are other reasons, which will be disclosed in detail in the next written informative of the Company. The ratio of the value of the contracts and the costs of the investigation are not comparable, taking into account that a responsible corporate citizen in the 21<sup>st</sup> century cannot spare money on its perfect compliance with all the applicable laws be these laws the laws of any country.

Questions 3 and 4: The Company has an Audit Committee in compliance with corporate governance principles, which, under the mandate of the Board of Directors, supervises the investigation. The importance of this is that the management shall not be able to influence the investigation in any way. Approvals are always given by the authorized Magyar Telekom managers pursuant to Hungarian corporate representation laws.

Question 5: The Board of Directors of Magyar Telekom Plc., its management and the Audit Committee hired an international law firm, with a Hungarian office, of an outstanding reputation. Consequently, it is fair of the management of Magyar Telekom to assume that this law firm complies with the applicable laws.

Question 6: The basic philosophy of the investigation is that it may not be limited in a way that endangers its objective being that the investigation reaches its goal. It is in the interest of shareholders and management of Magyar Telekom Plc. and all stakeholders that the investigation be closed successfully and as soon as possible. But these two are joint, simultaneous conditions.

**Mr. Thilo Kusch**, Chief Financial Officer: Contracts were found at the company, which have been proven to be irregular. I think it is extremely important also for you as shareholders that the Company does everything to assure that we are doing business ethically. The costs are always very important but nevertheless it is extremely important that this investigation achieves the goal. It must be ensured that the business in all areas of the Company is done properly under ethical standards because this is absolutely key for the future of this Company.

**Mr. László Marosi**, shareholder: "My name is László Marosi, small investor. I greet the audience. I would like to ask a question about an item that, in my opinion, relates to year 2007. I would like to ask if it true that Magyar Telekom paid approximately HUF 1 billion under a contract signed in December, 2007 as a one-off payment without actual performance to a leased workforce service provider in April, 2008? If it is true, what was the legal title of the payment and where is this booked in the 2007 accounts? To what extent will it affect the 2007 balance sheet and the Shareholders? Thank you."

**Dr. Balázs Máthé**: The representatives of the Company who are present are not prepared for this item regarding the payment, therefore the Company will provide a written answer within the appropriate time.

**Mr. Gábor Rostás**, shareholder: "Good morning, my name is Gábor Rostás, small investor. Let me greet the participants of the General Meeting and I would like to ask whether the Company informed the shareholders - and if it has failed to do so, why? - on the fact that the ownership of Postás sports facility located Budapest, district XIV. Egressy u. 53, actually the Róna utca sports facility is now the subject of a court case? Magyar Telekom has an ownership share of 470/1000. And in addition to the court case, the Metropolitan Prosecution Office Investigation Supervision and Charge Preparation Department is also investigating the authenticity of the land registry records."

**Dr. Balázs Máthé**: In compliance with applicable laws, all shareholders are informed on events that reach a particular threshold, accounting minimum values, or about any other significant events that influence the Company in the short and long term, affect the value or the money of the Shareholders. This case is well known to the Company and it does not belong to that category. Short briefing: three companies, as the legal successors of the Post - specifically: Magyar Posta, Antenna Hungária and Magyar Telekom Plc. - sponsored the postal sports club for a while. Then later, as a result of a business decision, this sponsorship was reduced and cancelled for the interest of the shareholders, and it is intended to sell the property. The police declined to investigate and that is why the investigation supervision is now pending. This is a standard legal dispute for the Company.

**Mr. István Mikó**, shareholder: 1. It was heard from the internet that some of the Deutsche Telekom shareholders have noticed that the issue price was too high and they have started legal proceedings. Has this occurred to Magyar Telekom? Some people say yes, but small investors know nothing about this. 2. It can be heard that fixed line subscriptions are terminated by subscribers and he thinks also to cancel the subscription with Magyar Telekom. Other service providers sell the modem system and the net services at a lower price. Why does Telekom fail to take action in areas where the most modern technology is available? Why does the Company lease them to third parties, like UPC etc.? This has to be solved with a major marketing campaign. He thinks this is only a technical issue that digital television should be available from the fixed line telecommunication system and many people would not terminate their subscription. He also is contemplating termination, as he does not get the quality of service and the price expected.

The **Chairman** regarding the second question answers that this is a pure business policy issue. The Company knows where it has network, how strong it is, what the demand is and how intense competition is. The investment needs to be prioritized. The Company is in a position to know how strong its ADSL network is, and knows the potential penetration of IP TV. The Company's resources are not unlimited. Referring to the annual assessment, he explains that the Capex / sales rate could be higher. The resources shall always be prioritized and business policy shall be adapted to this. The Company knows that the competition is intense and knows how big a challenge it is to keep its position on the fixed line market.

**Dr. Balázs Máthé** regarding the first question answers that this is the competence of the small investors and not the management of the Company.

**Mr. István Mikó**, shareholder repeats the question and adds that investors have noted that the share price of Matáv once peaked and since that time it has been around HUF 800 to 900 for years. Perhaps the issue price was not proportionate with the capital and some people have noted this. He does not know if legal proceedings have been initiated or not, however, Deutsche Telekom has seen several such court cases. He asks whether this has occurred here. The share price is not much different from the issue price still, despite the fact that we have had price increases and inflation. The capacity is available, but the share price has not increased to the extent the small shareholders would expect.

**Mr. Thilo Kusch**, Chief Financial Officer: this is a special situation Deutsche Telekom is in and it does not affect Magyar Telekom. The question is regarding the time of the DT IPO and regarding the valuation. Deutsche Telekom has issued more shares over the last few years which was not the case of Magyar Telekom. The Company is not aware of any minority lawsuit from shareholders against Magyar Telekom regarding valuations or any other issue surrounding the IPO of Magyar Telekom.

**Dr. Pál Kustra**, shareholder: "My name is Pál Kustra and let me thank the answer of Mr. Máthé and that he tried to answer some of my questions. Naturally, there are questions related to PWC and PWC has not made a statement. Can I take it that I will receive an answer in writing for all the questions raised related to both Magyar Telekom and PriceWaterhouseCoopers? Another comment. The 1934 US Securities Act says shareholders shall be protected and certain actions need to be taken to protect shareholders. If an investigation, which started with a value of HUF 700 million, costs almost 10 billion by the end of 2007, that is making fun of that law in my point of view. Thank you."

**Dr. Balázs Máthé** refers to the Sarbanes-Oxley Act, which was adopted later than the Act referred to by Mr. Kustra and which gives priority to the public interest. Shareholders may change, but priority shall also be given to the transparency of capital markets, the transparency of the operations of listed companies, as well as their competitive position. The Company will answer to the question which was not answered, namely whether was there a tender in 2006. All the other questions were answered.

**Mr. Thilo Kusch**, Chief Financial Officer: The Company periodically renegotiate and renew the contract with the auditor, from time to time. Obviously it also looks at alternative solutions, that is prudent. So far PWC always has been the best partner the Company could see in the market to do the auditing for Magyar Telekom.

**Mr. Nick Kós:** "I think there were a few questions and I think Chris[topher Mattheisen] and Thilo [Kusch] you answered. One of the questions which was around the re-appointment and tender. There was no official tender in 2006 for audit services, that was the first question. The second question was around, I think, why PWC would have approved the contracts with White & Case and allowed those costs. PWC is the auditor of the Company, we do not approve contracts of the Company and that is not our role. I think one of the other points to make is that the costs are not just White & Case's costs but there are lawyers for parties within the gambit of the investigation in other matters. So if there is any other questions to PWC I am happy to answer."

**Ms. Hajna Blaski**, shareholder: Matáv's share price goes down instead of going up. This is the trend now, this is not the heyday of telecommunications shares. However, except for the past six months, the stock exchange has gone up. The top management of many companies maintain the share price. They keep buying their own shares, the best example is OTP. The management consistently maintains the share price, not only when there is a stock exchange crisis, but always takes care that the share price remains stable. Why cannot Matáv do the same? Why cannot it maintain the share price by continuously buying its own shares especially when share prices fall? As if the top management was not interested in increasing Matáv's share price. Perhaps we shall keep the shares for 10 years to recoup the purchase price?

**Mr. Thilo Kusch**, Chief Financial Officer requests Mr. Szabolcs Czente to answer the question.

**Mr. Szabolcs Czente** director, Group Investor Relations and M&A Directorate: Two comments must be highlighted in connection with the share price and share buyback. In the past years the Company has distributed substantial dividends, unlike MOL or OTP. This was a dividend yield of 8-9%, which is the highest in Hungary. Considering the current dividend proposal of HUF 74 and the dividends formerly paid, amounting to approximately HUF 70 in four cases, the shareholder received a dividend of approximately HUF 350, this is part of the share price. It is reasonable to consider that the dividend or the potential dividend in the assessment of the share price of the Company. In connection with the share buyback it has been analysed several times how it could be returned to shareholders and improve yield. There are two ways: share price increase, when the company is growing or by returning the cash available, which can be dividend or own shares. Hungarian laws have changed and there is no difference for the shareholder if the company spends the money on purchasing its own shares or pays a dividend. There is no practical difference in taxation for the shareholders. The Company's dividend payment of HUF 74 means a yield of 8-9%.

**Ms. Hajna Blaski** shareholder: The share price of OTP, which has been listed for about 15 years, has increased hundred times. True enough, the par value was reduced from 1,000 to 100. The fact that the shareholder gets some dividend is hardly more than the average bank interest rate, that is next to nothing



compared with other shares multiplying their value by a magnitude of one hundred, while Matáv is still where it was 15 years ago.

**Mr. Szabolcs Czente:** Returning to the own shares: there is no practical difference between own shares and/or dividends. Purchasing own shares is not as easy technically as it may be at other companies, bearing in mind the ownership of Deutsche Telekom and other issues. The comment to the third issue: it must be seen how the share price of OTP and MOL changed since the issue date. There is a substantial difference between MT and MOL and OTP, but this is a different industry. Therefore, the share price of Magyar Telekom must be compared to telecommunications companies operating in the industry, in the neighboring countries. MOL and OTP work in different industries. The share price of Magyar Telekom was roughly similar to the share price of benchmark, reference companies. The shareholder is right about issue prices, if the latest period with OTP or the bank industry is considered. However, if the question is that how the share prices of OTP and Magyar Telekom changed in the past six months, you will see that Magyar Telekom outperformed OTP.

The **Chairman** thanks and asks for other comments.

**Mr. Gábor Rostás,** shareholder: "One brief comment on my question about the sports facility. Perhaps my question or remark was easy to misunderstand. The question was not whether Magyar Telekom wants to sell the property or not. That would be positive for the shareholders, right? The question is that the subject of the civil court case and the prosecutor's investigation focuses precisely on whether Magyar Telekom and Antenna Hungária may be considered an owner at all? Or was it only due to document forgery and other action that allowed them to be registered on the title deed of the property? I wanted to share with you this for clarification. This is certainly a longer procedure. Thank you."

The **Chairman** requests Dr. Balázs Máthé to answer the question.

**Dr. Balázs Máthé:** Briefly: the Company discloses to shareholders legal issues representing risks, risky elements when it is believed that they pose risks. This is the liability of the management. The auditor will check these, naturally. Acting prudently and based on a third party legal opinion it is believed by the Company that the submissions mentioned by the Shareholder are without merit, including the title deed and the criminal report as well. Appropriately, in case this is found to be incorrect later, during the proceedings or during any other procedure, that is to say the Company made a wrong judgment, shareholders will certainly be informed adequately.

In lack of any remarks or motions the **Chairman** reads out the resolution proposal and requests the Shareholders to cast their votes.

"The General Meeting approves the 2007 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards, including Balance Sheet Total Assets of HUF 1,135,578 million and after tax profit for year 2007 HUF 73,056 million (before the deduction of HUF 12,901 million attributable to minority interests)."

The voting ratio necessary for adopting this resolution is **simple majority**.

The Chairman announces that in line with the resolution proposal the General Meeting made the following resolution:

**RESOLUTION No. 4/2008 (IV.25.)**

The General Meeting approves the 2007 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards, including Balance Sheet Total Assets of HUF 1,135,578 million and Profit after tax for year 2007 HUF 73,056 million (before the deduction of HUF 12,901 million attributable to minority interests).

The General Meeting adopts this Resolution with 654,624,633 affirmative votes, 160,256 negative votes, and 1,170,000 abstentions.

**2. Report of the Board of Directors on the business operations of the Company in 2007, presentation of the report of the Supervisory Board and the Auditor**

Submitter: the Board of Directors

The **Chairman** makes it known that the Board of Directors presents the annual report of Magyar Telekom Plc. for discussion according to the submission. Shareholders could preliminarily review the figures of the annual report on the web site of the Company, the BSE, at KELER Zrt. and at the place of the General Meeting prior to the commencement of the General Meeting. He announces that PricewaterhouseCoopers Kft., the Auditor of the Company, audited the report and certified it as authentic.

The **Chairman** asks **Hegedűsné Márta Szűcs**, the Auditor's representative to verbally outline the essence of the Auditor's Report regarding the Company.

**Hegedűsné Márta Szűcs** announces that PWC has audited the 2007 annual report of the Company in addition to the auditing of the consolidated report of the Magyar Telekom Group and issued an unqualified opinion. The report on the audit is included in the written handouts distributed to shareholders. The report is included in your package, the summary of which is read out by Hegedűsné Márta Szűcs as follows:

“We have audited the components and disclosures along with the underlying accounting records and supporting documentation in the financial statements of Magyar Telekom Nyrt. in accordance with the Hungarian and International Standards on auditing and, on the basis of our audit work, we have gained sufficient and appropriate evidence that the financial statements have been prepared in accordance with the provision of the accounting law and with accounting principles generally accepted. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Magyar Telekom Nyrt. as of 31 December 2007, and of the result of its operations for the year then ended. The business report is consistent with the disclosures in the financial statements.”

As a result of the audit, the Auditor recommends that the General Meeting approve the report.

The **Chairman** asks **Dr. László Pap**, Chairman of the Supervisory Board, to outline the essence of the Supervisory Board's Report verbally.

**Dr. László Pap:** The Supervisory Board recommends that the General Meeting approve the 2007 annual report of the Company as prepared under Hungarian laws in compliance with the submission of the Board of Directors and with the balance sheet total and after tax profit figures of the submission as well as the auditor's report.

In lack of further comments or motions the **Chairman** makes known that the General Meeting will vote on the balance of the Company under the next agenda item.

**3. Decision on the approval of the 2007 financial statements of the Company, the Corporate Governance and Management Report and on the relief from liability of the members of the Board of Directors**

Submitter: the Board of Directors

The **Chairman** proposes the following draft resolution and asks the Shareholders to cast their votes:

“The General Meeting approves the 2007 Annual Report of the Company prepared according to the Hungarian Accounting Regulations (HAR), including Balance Sheet Total Assets of HUF 942,877 million and After-tax Net Income of HUF 35,634 million.”

The voting ratio necessary for adopting this resolution is **simple majority**. The Chairman puts the proposal to the vote.

**RESOLUTION No. 5/2008 (IV.25.)**

**The General Meeting approves the 2007 Annual Report of the Company prepared according to the Hungarian Accounting Regulations (HAR), including Balance Sheet Total Assets of HUF 942,877 million and After-tax Net Income of HUF 35,634 million.**

The General Meeting adopts this Resolution with 654,625,091 affirmative votes, 7,099 negative votes, and 1,322,599 abstentions.

The **Chairman** makes it known that according to the Companies Act if the shares of a public limited company are admitted for trading on the Budapest Stock Exchange, the General Meeting shall pass a resolution on the corporate governance and management report together with the annual report prepared pursuant to the Accounting Act. The report shall contain the Board's conclusions on the company's policy adopted with a view to sound governance and management in the previous financial year, and shall demonstrate any derogation from the Recommendations of the Budapest Stock Exchange for Sound Corporate Governance.

The 2007 Corporate Governance and Management Report of Magyar Telekom Plc. is submitted in line with the proposal of the Board of Directors that our shareholders could review on the web site of the Company, the Budapest Stock Exchange, at KELER Zrt. as well as at the registration.

The **Chairman** asks **Dr. László Pap**, Chairman of the Supervisory Board to outline the Supervisory Board's opinion with regard to the Corporate Governance and Management Report verbally.

**Dr. László Pap:** The Supervisory Board has dealt with the Corporate Governance and Management Report in detail at its last session, and it proposes the General Meeting to approve the 2007 Corporate Governance and Management Report. Thank you.

The **Chairman** thanks and asks if there are any remarks or motions? In lack of any remarks or motions the Chairman makes known the resolution proposal and requests Shareholders to cast their votes.

“The General Meeting has reviewed and approves the Corporate Governance and Management Report of the Board of Directors of Magyar Telekom on the financial year of 2007.”

The voting ratio necessary for adopting this resolution is **simple majority**. The Chairman puts the proposal to the vote.

The Chairman announces that the General Meeting approved the following resolution in line with the resolution proposal.

#### **RESOLUTION No. 6/2008 (IV.25.)**

**The General Meeting has reviewed and approves the Corporate Governance and Management Report of the Board of Directors of Magyar Telekom on the financial year of 2007.**

The General Meeting adopts this Resolution with 654,768,699 affirmative votes, 1,175,149 negative votes, and 4,333 abstentions.

The **Chairman** proposes to the General Meeting the following draft resolution with respect to the relief from liability of the members of the Board:

“The General Meeting, having evaluated the work of the Board members of the Company, decides on granting the relief from liability for the Board members of the Company with respect to the 2007 business year in accordance with Section 30 (5) of Act IV. of 2006 on Business Associations. The evaluation and the relief from liability granted by this resolution shall not apply to the liability of the Board members arising from their gross negligence or wilful misconduct.”

The **Chairman** asks the Shareholders whether there are any remarks or motions. As there are no remarks or motions, the Chairman puts the proposal to the vote. The voting ratio necessary for adopting this resolution is **simple majority**.

#### **RESOLUTION No. 7/2008 (IV.25.)**

**The General Meeting, having evaluated the work of the Board members of the Company, decides on granting the relief from liability for the Board members of the Company with respect to the 2007 business year in accordance with Section 30 (5) of Act IV. of 2006 on Business Associations. The evaluation and the relief from liability granted by this resolution shall not apply to the liability of the Board members arising from their gross negligence or wilful misconduct.**

The General Meeting adopts this Resolution with 654,624,633 affirmative votes, 5,149 negative votes, and 1,170,001 abstentions.

#### **4. Proposal of the Board of Directors for the use of the profit after tax earned in 2007**

Submitter: the Board of Directors

The **Chairman** makes known that Magyar Telekom Plc.'s after-tax profit for the year 2007 is HUF 35,634 million in compliance with Hungarian Accounting Rules.

The proposal of the Board of Directors is that a dividend of HUF 74 per ordinary share with a face value of HUF 100 shall be paid to the shareholders from the profit of 2007.

The Company uses the HUF 35,633,509,239 profit after tax based on HAR figures and HUF 41,418,404,237 from profit reserves to pay the total dividend of HUF 77,051,913,476.

The **Chairman** asks **Hegedűsné Márta Szűcs**, representative of the Auditor to outline her findings verbally.

**Hegedűsné Márta Szűcs:** As it is clear from the figures of the profit and loss account, the after-tax profit of the Company in 2007, in addition to the profit reserves from earlier year is sufficient to cover the proposed amounts.

The **Chairman** thanks and asks **Dr. László Pap**, Chairman of the Supervisory Board, to outline the Supervisory Board's report as regards this item on the agenda.

**Dr. László Pap:** The Supervisory Board has reviewed and has followed the dividend policy of the Group and the Company for many years and based on this, it proposes to the General Meeting that it approve the proposal of the Board of Directors on the dividend disbursement and accept the relevant audit report.

Pursuant to the provision of Section 4.5. of the Articles of Association the **Chairman** informs the shareholders on the following:

May 27th, 2008 shall be the first day of dividend disbursement.

On May 5th, 2008, the Board of Directors of Magyar Telekom Plc. shall publish a detailed announcement on the order of dividend disbursement in the following newspapers: Magyar Hírlap, Népszava and Világgazdaság as well as on the homepage of the Company and of the Budapest Stock Exchange.

In compliance with Magyar Telekom's assignment, KELER Ltd. shall disburse the dividends.

In lack of any remarks or motions the **Chairman** makes known the resolution proposal and requests shareholders to cast their votes.

"A dividend of HUF 74 per ordinary share (with a face value of HUF 100) shall be paid to the shareholders from the profit of 2007.

The Company uses the HUF 35,633,509,239 profit after tax based on HAR figures and HUF 41,418,404,237 from profit reserves to pay the total dividend of HUF 77,051,913,476.

May 27th, 2008 shall be the first day of dividend disbursement.

On May 5th, 2008, the Board of Directors of Magyar Telekom Plc. shall publish a detailed announcement on the order of dividend disbursement in the following newspapers: Magyar Hírlap, Népszava and Világgazdaság, as well as on the homepage of the Company and the Budapest Stock Exchange.

In compliance with Magyar Telekom's assignment, KELER Ltd. shall disburse dividends."

The voting ratio necessary for adopting this resolution is **simple majority**. The **Chairman** puts the proposal to the vote.

The **Chairman** makes known that in line with the resolution proposal the General Meeting makes the following resolution.

**RESOLUTION No. 8/2008 (IV.25)**

A dividend of HUF 74 per ordinary share (with a face value of HUF 100) shall be paid to the shareholders from the profit of 2007.

The Company uses the HUF 35,633,509,239 profit after tax based on HAR figures and HUF 41,418,404,237 from profit reserves to pay the total dividend of HUF 77,051,913,476.

May 27th, 2008 shall be the first day of dividend disbursement.

On May 5th, 2008, the Board of Directors of Magyar Telekom Plc. shall publish a detailed announcement on the order of dividend disbursement in the following newspapers: Magyar Hírlap, Népszava and Világgazdaság, as well as on the homepage of the Company and the Budapest Stock Exchange.

In compliance with Magyar Telekom's assignment, KELER Ltd. shall disburse dividends.

The General Meeting adopts this Resolution with 654,777,061 affirmative votes, 120 negative votes, and 1,171,000 abstentions.

**5. Modification of the Articles of Association of Magyar Telekom Plc.**

Submitter: the Board of Directors

The **Chairman** requests **Dr. Balázs Máthé** to inform the shareholders of the reasons for the modification of the Articles of Association.

**Dr. Balázs Máthé** informs the Shareholders of the reasons for the modification of the Articles of Association. Beforehand, he indicates that the actual texts of the modification of the Articles of Association could be found both on the homepage of the Company and BSE, as well as KELER Zrt. He briefly outlines the reasons of the modification, point by point.

1. Section 1.4. of the Articles is amended due to changes of the location of the sites of the Company.
2. Section 1.6. of the Articles is amended due to the changes in the regulation of the TEÁOR, the Statistical Classification of Economic Activities. Some of the activities can be automatically reclassified in accordance with the new regulations, without formal legal measures. In other cases, it is the company's, i.e. the General Meeting's decision, which new economic activity to include in the Articles of Association.
3. Section 1.8. of the Articles is amended to spell out exactly the details of the transformations describing the legal predecessor and legal successor relations, including the dates.
4. In Section 4.5. of the Articles a technical modification is made in consultation with the Budapest Stock Exchange.
5. Sections 5.1., 6.2. (i), 7.4.1 (b) and 8.3. of the Articles are amended to modify a technical term: based on the Companies Act "management report" shall be replaced with "corporate governance and management report".

6. Section 7.6. of the Articles sets out the basic rules of keeping the minutes of Board meetings. Due to the fact that the operation of the Board is regulated by a detailed and public Rules of Procedure, the Board of Directors proposes that it is sufficient to refer to the Rules of Procedure without reiterating the detailed rules of minute keeping.
7. In Section 8.4.5. of the Articles, based on the reasons explained previously, with regard to the Supervisory Board, it is also proposed that it is sufficient to refer to the rules of procedure of the Supervisory Board.
8. Amendment of the provisions related to the Audit Committee in section 8.7.: the reason behind this is that the Rules of Procedure was amended by the Audit Committee, according to the Articles of Association and within its own competence, on February 15, 2008. The point of this is to ensure that the respective provisions of the Articles are harmonized with the effective Rules of Procedure of the Audit Committee with regard to the status, competences and tasks of the Audit Committee and in compliance with the requirements of the Stock Exchange and the law.
9. Section 15.2 of the Articles is amended because the place of the announcements of the Company, i.e. the actual forum where the Shareholders have access to the announcements, „Magyar Tőkepiac”, was last published in print version on February 15, 2008. The deletion is also justified by the fact that the publication of the announcement in the printed press is no longer required by the Companies Act.

The **Chairman** informs the General Meeting that the relevant proposals have been reviewed by the Supervisory Board of the Company and asks the Shareholders if there are any comment or motion?

**Dr. Pál Kustra**, shareholder: “Just one question. Section 1.2. on the changes affecting the Supervisory Board mentions that it, I mean the Supervisory Board, may request information from the top management or senior employees of the company, it may inspect the books of the company, and it may also involve third party experts if need be. My understanding of this text was that this reference to the expert has just been inserted. My question is that by the word *expert* do we mean a type of investigator like White & Case?”

**Dr. Balázs Máthé** informs the shareholder that at the moment the Articles are discussed and not the Rules of Procedure of the Supervisory Board and he is not in the position to answer the question now.

**Dr. Pál Kustra**, shareholder: “The Articles affect the Supervisory Board as well. If we have a separate vote on this, my question remains.”

**Dr. László Pap** informs the Shareholder that the Supervisory Board is not responsible for independent investigations. That competence has been given to the Audit Committee by the Company. There are cases, and there is now one specific example, when the Supervisory Board has called for an internal investigation. The internal audit and the legal department may not be independent from the case. In the relevant case, as the Chairman of the Supervisory Board, he called for an investigation by a third party law firm to allow accurate and independent assessment of the particular issue. This is related to a particular litigation.

**Dr. Tibor Botos** (representing Botos Law Office): “We are talking about the amendment of the Articles. But the textual amendment of the Articles is not included in the written handouts, nor has it been read out

here. The resolution proposal only includes that the points are approved according to the submission. This is of doubtful legality, because the General Meeting is not supposed to approve the reasons, but it shall approve the textual formulations of the amendment. The rules of procedure of the Supervisory Board is available, that was received by the shareholders. But there is not a sentence about the Articles, or how the Articles are amended. The shareholders shall vote on that precisely. If this is not done like this, that would be of doubtful legality and any shareholder will be able to successfully challenge the resolutions before a court.”

**Dr. Balázs Máthé** thanks for the comment and indicates that – as he indicated previously – shareholders could inspect the proposals on the website of the Company and BSE, at KELER Zrt., and in the informative material available and distributed here in the handouts.

**Dr. Tibor Botos** (representing Botos Law Office): “That is precisely what I mean. It was not distributed. It is not included in the General Meeting handout, thus we cannot vote on this, the shareholders will not know what they vote on.”

**Dr. Balázs Máthé** requests the hostesses at the General Meeting to bring in the amendments to the Articles to the Shareholder. After the amendment to the Articles is handed over to the Shareholder, he indicates that before the General Meeting in the lobby the two sets of documents were displayed side by side on the table, not on top of each other. He asks for the apologies of the shareholder and indicates that this will be supplemented for the shareholders who did not get them.

**Dr. Tibor Botos** (representing Botos Law Office): “To be able to move forward, you can just tell them now and we can vote on them. But the General Meeting handout does not include them either in Hungarian or in English, and I have collected all the papers displayed. So I propose to the General Meeting that you should read out the text of section 1.4., that is one sentence and this will probably allow us to do the voting lawfully.”

**Dr. Balázs Máthé** informs the General Meeting that after receiving the printed amendments, those will be read out.

**Dr. Tibor Botos** (representing Botos Law Office): “I think it was not so. But you can go ahead as you think fit. If you continue like before and it was not distributed and it is not included in the handouts, let me just say that this is of doubtful legality. This is possible to challenge before the court of registration. Now we get them, obviously.”

**Dr. Balázs Máthé** indicates that in his opinion the Shareholder left the relevant document on the registration table.

**Dr. Tibor Botos** (representing Botos Law Office): “Please ask the other shareholder if everybody has left them on the table. It is not included in the bound handout. But irrespective of the fact whether it was displayed or not, for the past 11 years or so, we at the General Meeting have always voted on the textual formulations of the Articles. I can tell you this as back then, I and my law firm wrote the Articles of Matáv under the Transformation Act. There have always been textual amendments. And they were always registered by the Court of Registration. So this solution like now has not been tried earlier at the Matáv General Meeting. It can be tried now, but you may not succeed before the Court of Registration.”



**Dr. Balázs Máthé** informs the shareholders that the documents were duly disclosed to shareholders under the current laws on the web page, on the webpage of the BSE, and at KELER Zrt. 15 days prior to the General Meeting. But it may not be excluded that there is a shareholder who could challenge this before a court, he reads out the amendments of the Articles.

After reading out the amendments of the Articles, in lack of any remarks or motions the **Chairman** puts the proposal to the vote. He informs that General Meeting that the voting ratio necessary for adopting this resolution is **three-quarters majority**. He asks the Shareholders to vote on each and every amendment of the Articles separately and proposes that the General Meeting approves the following draft resolutions:

1. draft resolution: The Annual General Meeting approves the amendment of Section 1.4. of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

#### **RESOLUTION No. 9/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 1.4. of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,864,433 affirmative votes, 17,841,231 negative votes, and 19,246,717 abstentions.

2. draft resolution: The Annual General Meeting approves the amendment of Section 1.6. of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

#### **RESOLUTION No. 10/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 1.6. of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,712,875 affirmative votes, 17,991,789 negative votes, and 19,247,717 abstentions.

3. draft resolution: The Annual General Meeting approves the amendment of Section 1.8. of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

#### **RESOLUTION No. 11/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 1.8. of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,860,233 affirmative votes, 17,845,431 negative votes, and 19,246,717 abstentions.

4. draft resolution: The Annual General Meeting approves the amendment of Section 4.5. of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 12/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 4.5. of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,713,875 affirmative votes, 17,991,789 negative votes, and 19,246,717 abstentions.

5. draft resolution: The Annual General Meeting approves the amendment of Section 5.1., 6.2. (i), 7.4.1 (b) and 8.3 of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 13/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 5.1., 6.2. (i), 7.4.1 (b) and 8.3 of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,712,875 affirmative votes, 17,992,789 negative votes, and 19,246,717 abstentions.

6. draft resolution: The Annual General Meeting approves the amendment of Section 7.6. of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 14/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 7.6. of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,862,141 affirmative votes, 17,843,423 negative votes, and 19,246,717 abstentions.

7. draft resolution: The Annual General Meeting approves the amendment of Section 8.4.5 of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 15/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 8.4.5 of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,708,543 affirmative votes, 17,997,121 negative votes, and 19,246,717 abstentions.

8. draft resolution: The Annual General Meeting approves the amendment of Section 8.7 of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 16/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 8.7 of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,713,875 affirmative votes, 17,839,181 negative votes, and 19,246,717 abstentions.

9. draft resolution: The Annual General Meeting approves the amendment of Section 15.2 of the Articles of Association according to the submission.

The **Chairman** puts the proposal to the vote.

**RESOLUTION No. 17/2008 (IV.25.)**

**The Annual General Meeting approves the amendment of Section 15.2 of the Articles of Association according to the submission.**

The General Meeting adopts this Resolution with 618,713,875 affirmative votes, 17,991,789 negative votes, and 19,246,717 abstentions.

**6. Modification of the Rules of Procedure of the Supervisory Board**

Submitter: the Supervisory Board

The **Chairman** asks **Dr. László Pap**, the Chairman of the Supervisory Board to present the submission.

**Dr. László Pap** informs the Shareholders the proposed amendments were available on the website of the Company and BSE, at KELER Zrt., prior to the General Meeting and they were distributed at registration, in a way that the actual changes were marked-up. He notes that inter alia those references upon which the Supervisory Board can better perform its supervisory duties are recorded in the amendment proposal of the Rules of Procedure of the Supervisory Board, taking into account that the Supervisory Board is committed to improve its efficiency and would like to support that the Company complies with the requirements of the Stock Exchange. He highlights a few points. The first point is that this defines the own secretariat for the independent operations of the Supervisory Board. A joint, independent secretariat with the Audit Committee will be established. This is in section 3.17. Section 4.4. refers to the previous practice, whereby tape recordings are made of all the meetings of the Supervisory Board and the material tasks about the obligation to store the recordings. The most important changes are in section 6. "Tasks related to the management". With this the previous practice is confirmed partly and it also identifies a few new tasks. On the one hand the Board of Directors shall prepare a report to the Supervisory Board pursuant to the Companies Act on the management, on the financial position and business policy of the Company. The Supervisory Board has been receiving such reports, but is expecting more detailed ones from now on. The Board of Directors annually prepares a self-assessment. This is a new rule and the Supervisory Board will check this. The Supervisory Board requests detailed reports and preliminary information on the strategy and business plans of the Company and information on the remuneration of the employees. This used to be the competence of the Supervisory Board, as it was allowed to access all

information. But this has become a general rule. In any issue in the competence of the Management Committee affecting the basic operations of the Company shall also be reported to the Supervisory Board continuously.

**Dr. Balázs Máthé** makes a technical comment that the principle of verbatim is deemed to be complied with as the deleted texts and the new texts would be unreasonable to be read out together. If there is no objection, voting is possible.

The **Chairman** thanks and asks the Shareholders whether there are any other comment or motion?

**Mr. László Kapcsos**, shareholder: "I greet you all, my name is László Kapcsos, small investor. I would like to ask a question from Mr. Pap on the Supervisory Board. Mr. Pap mentioned a case earlier, in which an independent investigation or investigation was initiated. I would like to ask what this case is and what specific information is possible to disclose on this?"

**Dr. László Pap** provides information on the action the Supervisory Board. As he is not a lawyer, he requests Dr. Balázs Máthé to provide information on the legal matter. In his capacity as the chairman of the Supervisory Board, he got information on the 'call centre' related problem in the end of October. He has contacted the management on this and was informed that negotiations were under way, which negotiations halted in December. After January 1st, he found a letter in his flat without an addressee. The lawyer of the companies used a strange way of communicating a problem. He took seriously this not serious notification. Next day he turned to the management and the internal audit. He asked the internal audit to conduct a detailed investigation. In addition to this, he asked the legal department and the management through Mr. Mattheisen to hire an independent legal expert to assess the situation. He indicated to them in advance that the Supervisory Board would discuss the issue and make a resolution that would be forwarded to the management. These measures were taken. He would not want to disclose the essence of these as this is likely to end up in court.

**Dr. Balázs Máthé** briefly summarizes to Shareholders the background of the matter. In the course of the restructuring of Magyar Telekom Group, for the sake of the improvement of customer satisfaction and excellent customer service, an integrated telephone call centre facility is expected to be created. Certain contracts were terminated and new ones were signed. This resulted in a legal dispute. Currently there is a pending court case against Magyar Telekom Plc. whereby no specific claim for damages has been identified.

The **Chairman** thanks the information and asks the Shareholders whether there are any other comments.

**Dr. Pál Kustra**, shareholder: "My name is Pál Kustra and thank you Mr. Pap for the information. I do not challenge the fact that the Supervisory Board needs experts and it should hire them. But as we have heard we have here a Supervisory Board, we have an Audit Committee, and both of them may hire experts, practically without any limitation, without any limitation as to the term or the cost implications. I do not think this could serve the interest of shareholders in the future, if we keep making decisions like this. On the other hand, I think the Supervisory Board should have checked in 2007 where the HUF 5.8 billion was spent for the investigation. How this huge amount was booked, how was it certified, was there any specific performance to justify it, any report or something that White & Case did? In 2006 we had something like these. There were reports. But in 2007 there was nothing I could see in any of the announcements. Thanks."

**Dr. Balázs Máthé** indicates that in his understanding this is not a new question, but if there is a misunderstanding he asks the correction of the Shareholder.

**Dr. Pál Kustra**, shareholder: “This is not a new question. But it has not been answered. How could these huge amounts be accepted and what performance is behind them? I have received no answer, neither from the management, the auditor or the Supervisory Board.”

**Dr. Balázs Máthé** informs the Shareholder that Shareholders will be able to discuss these in full and in detail when the investigation is over and when it has the result. It is difficult to assess the value ratio without having seen the other part. In the near future the report is expected and obviously the Company will appropriately disclose its essence.

**Dr. László Pap** as he got the question personally, he indicates that the Supervisory Board was not assigned with any task related to the costs. This is the competence of the Audit Committee, so this should be raised with the Chairman of the Audit Committee. The fact that Mr. Kustra does not know about these activities does not mean that such activities did not happen. The Supervisory Board continuously received various information and reports on the outcome of the investigations, verbally, and in given cases in writing as well.

The **Chairman** thanks the answer of Dr. László Pap and asks the Shareholders whether are there any other remarks. In lack of other remarks, the Chairman makes known the resolution proposal.

“The General Meeting approves the amended and restated Rules of Procedure of the Supervisory Board with the modifications set out in the submission.”

The Chairman puts the proposal to the vote. The voting ratio necessary for adopting this resolution is **simple majority**.

#### **RESOLUTION No. 18/2008 (IV.25.)**

**The General Meeting approves the amended and restated Rules of Procedure of the Supervisory Board with the modifications set out in the submission.**

The General Meeting adopts this Resolution with 618,713,885 affirmative votes, 17,991,778 negative votes, and 19,246,717 abstentions.

### **7. Election of Members of the Board of Directors**

The **Chairman** announces that two members of the Board of Directors of Magyar Telekom Plc. (dr. Klaus Hartmann and Rudolf Kemmler) resigned in the period following the previous Annual General Meeting and prior to this Annual General Meeting.

He informs the General Meeting that according to Section 7.2. of the Articles the Board of Directors is comprised of minimum 6 and maximum 11 members. The Company continuously complied with this requirement.

He further informs the General Meeting that the candidates and their short CVs were published on the web site of the Budapest Stock Exchange and Magyar Telekom Plc.

The Chairman makes known the nominations received:

- Gregor Stücheli
- Lothar Alexander Harings

The **Chairman** asks for remarks or motions. In lack of remarks or motions, the Chairman puts the proposed candidates to the vote individually, in line with the order of their names listed above.

The voting ratio necessary for adopting these resolutions is **simple majority**.

The Chairman asks the Shareholders to vote on the election of Gregor Stücheli to the member of the Board of Directors. The Chairman puts the proposal to vote.

**RESOLUTION No. 19/2008 (IV.25.)**

**The General Meeting elects Gregor Stücheli to the members of the Board of Directors of Magyar Telekom Nyrt. until May 31, 2010.**

The General Meeting adopts this Resolution with 654,446,599 affirmative votes, 157,747 negative votes, and 1,348,034 abstentions.

The Chairman asks the Shareholders to vote on the election of Lothar Alexander Harings to the member of the Board of Directors. The Chairman puts the proposal to vote.

**RESOLUTION No. 20/2008 (IV.25.)**

**The General Meeting elects Lothar Alexander Harings to the members of the Board of Directors of Magyar Telekom Nyrt. until May 31, 2010.**

The General Meeting adopts this Resolution with 654,594,007 affirmative votes, 5,139 negative votes, and 1,353,234 abstentions.

## **8. Election of Members of the Supervisory Board**

The **Chairman** informs the General Meeting that two members of the Supervisory Board of Magyar Telekom Plc. (dr. György Szapáry and Gellért Kadlót) resigned in the period following the previous Annual General Meeting and prior to this Annual General Meeting.

The Chairman informs the General Meeting that according to Section 8.2.1. of the Articles the Supervisory Board is comprised of minimum 3 and maximum 15 members. The Company continuously complied with this requirement.

The Chairman further informs the General Meeting that the candidate and her short CV are published on the web site of the Budapest Stock Exchange and Magyar Telekom Plc.

The Chairman makes known the proposals received:

- Varga Zsoltné                      employee representative, nominee of the Central Works Council

As Varga Zsoltné is present, in a due manner the Chairman introduces her. The Chairman asks the Shareholders whether there are any remarks or motions. In lack of remarks or motions the Chairman puts the proposal on the election of Zsoltné Varga to the member of the Supervisory Board to the vote.

The voting ratio necessary for adopting these resolutions is **simple majority**. The Chairman puts the proposal to the vote.

**RESOLUTION No. 21/2008 (IV.25.)**

**The General Meeting elects Varga Zsoltné to the Members of Magyar Telekom Plc.'s Supervisory Board from today until May 31, 2010.**

The General Meeting adopts this Resolution with 654,773,131 affirmative votes, 5,049 negative votes, and 1,174,200 abstentions.

**9. Election of members of the Audit Committee**

The **Chairman** announces that one member of the Audit Committee of Magyar Telekom Plc. (dr. György Szapáry) resigned in the period following the previous Annual General Meeting and prior to this Annual General Meeting.

The Chairman informs the General Meeting that according to Section 8.7.1. of the Articles the Audit Committee is comprised of minimum 3 and maximum 5 members. The Company continuously complied and currently complies with this requirement.

He further informs the Shareholders that no proposal was submitted to the new member of the Audit Committee.

The Chairman requests the Shareholders to make their proposal now, if they have any.

As there was no remark or motion - in lack of a proposal - the General Meeting could not make a decision with regard to this agenda item.

**10. Election of the Company's Auditor and determination of its remuneration. Designation of the Auditor who will be personally responsible for the audit of the Company and designation of the deputy auditor**

The **Chairman** announces that the assignment of PricewaterhouseCoopers Kft., as the auditor of the Company, expires today. Due to this fact it is necessary to elect a new auditor and a person who will be personally responsible for the audit activities.

The Chairman outlines the draft proposal:

"The General Meeting elects as Auditor of Magyar Telekom Plc. (the "Company") PricewaterhouseCoopers Ltd. (1077 Budapest, Wesselényi u. 16.; Registration no.: 001464) personally Márta Hegedűsné Szűcs as registered auditor (Chamber membership number: 006838; Address: 2071 Páty, Várhegyi u. 6.; Mother's maiden name: Julianna Hliva) to perform audit services for the year 2008,

i.e. for the period ending May 31st 2009 or if the Annual General Meeting closing the 2008 fiscal year will be held prior to May 31st 2009 then on the date thereof.

In the event that Márta Hegedűsné Szűcs is incapacitated, the General Meeting elects Margit Gyurikné Sós (chamber membership number: 003662, mother's maiden name: Margit Varró, address: 1041 Budapest, Bercsényi u. 11.) to act as responsible auditor.

The General Meeting approves HUF 72,000,000 + VAT + max 5% related costs + VAT (excluding the audit of internal controls as required by the Sarbanes-Oxley Act of 2002), to be the Auditor's annual compensation, covering the audit of the annual financial statements of the Company prepared in accordance with the Hungarian Accounting Act and also the audit of the annual consolidated financial statements of the Magyar Telekom Group prepared in accordance with International Financial Reporting Standards (IFRS)."

The **Chairman** asks the Shareholders whether there are any remarks.

**Dr. Pál Kustra**, shareholder: "Apologies, I did not introduce myself before. My name is Pál Kustra. Mr. Máthé read out many things regarding the Audit Committee. If I listened well, it contained that it is the competence of the Audit Committee to make a proposal to the auditor for the next year. Since we, as the general meeting, adopted that resolution point, I am not a lawyer, however, from formal point of view, I feel that the Audit Committee should present this proposal and this should be the Audit Committee's proposal. Thank you."

**Dr. Balázs Máthé** thanks the comments of the shareholder and informs him that in the course of the preparation for the auditing work of 2008, this rule did not exist. The change, adopted previously, will be effective upon the registration, by which, in next year, the Audit Committee will make the relevant proposal.

In lack of other remarks the **Chairman** proposes the Shareholders to cast their votes. The voting ratio necessary for adopting this Resolution is **simple majority**.

#### Resolution No. 22/2008 (IV.25.)

The General Meeting elects as Auditor of Magyar Telekom Plc. (the "Company") PricewaterhouseCoopers Ltd. (1077 Budapest, Wesselényi u. 16.; Registration no.: 001464), personally Márta Hegedűsné Szűcs as registered auditor (Chamber membership number: 006838; Address: 2071 Páty, Várhegyi u. 6.; Mother's maiden name: Julianna Hliva) to perform audit services for the year 2008, i.e. for the period ending May 31st 2009 or if the Annual General Meeting closing the 2008 fiscal year will be held prior to May 31st 2009 then on the date thereof.

In the event that Márta Hegedűsné Szűcs is incapacitated, the General Meeting elects Margit Gyurikné Sós (chamber membership number: 003662, mother's maiden name: Margit Varró, address: 1041 Budapest, Bercsényi u. 11.) to act as responsible auditor.

The General Meeting approves HUF 72,000,000 + VAT + max 5% related costs + VAT (excluding the audit of internal controls as required by the Sarbanes-Oxley Act of 2002), to be the Auditor's annual compensation, covering the audit of the annual financial statements of the Company prepared in accordance with the Hungarian Accounting Act and also the audit of the annual consolidated financial statements of the Magyar Telekom Group prepared in accordance with International Financial Reporting Standards (IFRS).



The General Meeting adopts this Resolution with 654,620,433 affirmative votes, 157,747 negative votes, and 1,174,200 abstentions.

**11. Miscellaneous**

The **Chairman** informs the General Meeting that in the framework of the agenda item "Miscellaneous", briefings and proposals are possible to be made. However, no new item can be put on the agenda aside from those that were published, since not all the shareholders are present.

With no more remarks or motions the Chairman thanks the Shareholders for the work and in lack of other agenda items declares the General Meeting adjourned at 1:43 p.m.

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Christopher Mattheisen  
Chairman of the General Meeting

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Dr. Zsolt Herczegh  
Minute Keeper

.....  
Oliver Kranzusch  
Authenticator

Countersigned by:

.....  
Dr. Balázs Máthé  
Chief Legal Counsel  
Certificate No.: 13691