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## **GENERAL MEETING DECISION ON DIVIDEND AT MAKTEL**

**BUDAPEST – May 31, 2005 - Magyar Telekom (Reuters: NYSE: MTA.N, BSE: MTEL.BU and Bloomberg: NYSE: MTA US, BSE: MTELEKOM HB), the leading Hungarian telecommunications service provider, announced that its subsidiary, Makedonski Telekomunikacii AD (MakTel) held its General Meeting and among other items it has made a decision on dividend payment in a total amount of MKD 5.8 billion (equalling around HUF 24 billion using HUF/MKD rate of 4.13 as of May 27, 2005).**

At MakTel's General Meeting it was decided that the company will pay a dividend of MKD 5.8 billion (cca. HUF 24 billion) after the profit of year 2004. According to Macedonian Accounting Standards (MAS), MakTel on a standalone basis recorded a net income of MKD 1.6 billion for the year 2004. (MakTel Group, according to IFRS, recorded a net income of MKD 4.0 billion for the year 2004)

The receivers of the dividend and their shareholdings are Stonebridge Communications AD (51%), the Government of the Republic of Macedonia (47.12%), IFC (1.88%).

Stonebridge is entitled to an amount of cca. MKD 3.0 billion (HUF 12.3 billion) as dividend payment. According to the current ownership structure, Magyar Telekom has 100% stake in Stonebridge.

MakTel, as a legal entity, is the Macedonian parent company of MakTel Group, which is currently the sole fixed line and the leading mobile operator in Macedonia.

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.