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## Extraordinary General Meeting approves Magyar Telekom Group and Magyar Telekom Plc. 2005 annual reports

**Budapest – December 21, 2006 – 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 it held an Extraordinary General Meeting (EGM) today. The EGM approved the annual reports on the 2005 business activities of Magyar Telekom Group and Magyar Telekom Plc., decided on the dividend to be paid from the 2005 results, elected the Company’s auditor for the next two years and determined its remuneration. The EGM also approved amendments to the Articles of Association of the Company, and elected to the Board of Directors CEO Christopher Mattheisen.**

The EGM heard the report of the Board of Directors on the business management, the business policy and financial situation of the Magyar Telekom Group and on the 2005 business activity of the Magyar Telekom Group and Magyar Telekom Plc. The Board also presented the reports of the Supervisory Board and the auditor.

The General Meeting approved the 2005 consolidated annual report of the Magyar Telekom Group prepared according to the International Financial Reporting Standards (IFRS) with HUF 1 082 948 million balance sheet total and with HUF 88 919 million profit after taxes (before deduction of HUF 10 355 million on minority shares).

The General Meeting approved Magyar Telekom Plc.’s 2005 annual report according to Hungarian Accounting Rules (HAR) with HUF 923 466 million balance sheet total and HUF 68 090 million profit after taxes.

The General Meeting, having evaluated the work of the members of the Board of Directors of the Company, decided to grant release to the members for the 2005 business year, with regard to §30 (5) of the Act on Business Associations.

The EGM has decided to pay to the shareholders HUF 70 dividend per share plus a HUF 3 per share compensation for the late payment totaling to HUF 73 per share on each equity share of HUF 100 face value and HUF 7 300 dividend on the preference share of HUF 10 000 face value from the 2005 results. The Company is using HUF 8 031 646 223 profit reserve for the payment of a total dividend of HUF 76 122 086 995, because the after-tax profit according to the HAR is HUF 68 090 440 772. The starting date of the dividend payment is January 12, 2007. On December 22, 2006 the Company will publish a detailed announcement on the rules of dividend payment.

The General Meeting elected PricewaterhouseCoopers Kft. auditor of Magyar Telekom Plc. for a term of two years, that is, until May 31, 2008, or the date of the Annual General Meeting closing the 2007 business year.

The General Meeting approved the payment – without the 2002 internal controls under the Sarbanex-Oxley Act – of the annual amount of HUF 81 000 000 (plus maximum 5% for related costs) + VAT for the Auditor for the 2006 and 2007 financial years. The amount comprises the auditing of the annual financial report of Magyar Telekom Plc. according to the Hungarian Accounting Regulations and the auditing of the annual consolidated financial statement of the Magyar Telekom Group according to the International Financial Reporting Standards (IFRS).

The General Meeting approved amendments to the Articles of Association of the Company. These include expansion of the list of its activities, and specification of the places where the announcements and notifications of the Company are made public.

The EGM elected Chief Executive Officer Christopher Mattheisen member of the Board of Directors of Magyar Telekom Plc. with the same terms and conditions as the other Board members, from today's date until May 31, 2007.

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.