

Settlement process to be applied with shareholders who do not wish to enter the merged company after the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd.

Let us hereby inform our shareholders that the General Meeting of Magyar Telekom Ltd. (registered seat: 1013 Budapest, Krisztina krt. 55., Registry No.: 01-10-041928), held as of November 7, 2005 preliminarily decided on the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. (1117 Budapest, Kaposvár u. 5-7., Registry No.: 01-10-042361). The merger of the two companies is realized by the upstream merger of T-Mobile Hungary Ltd. into Magyar Telekom Ltd.

According to Act CXLIV. of 1997 on Business Associations it is not compulsory for the shareholders of the merging companies (i.e. Magyar Telekom Ltd. and T-Mobile Hungary Ltd.) to remain shareholder in the merged company.

Those shareholders who wish to remain shareholders of the merged company have nothing to do regarding their shares. Those shareholders who do not wish to become a shareholders of the merged company may proportionally withdraw their assets – according to the number of their shares – from the assets of Magyar Telekom Ltd.

Provision of the assets

The provision of the assets is realized as follows: Magyar Telekom Ltd. shareholders who do not wish to enter the merged company are entitled to receive 425 HUF (that is Four Hundred Twenty Five HUF) by each 100 HUF face value share, issued by Magyar Telekom Ltd., as a redemption for those proportionately owned assets for which the shareholders in question submit their relevant declaration to Magyar Telekom Ltd and made sure that the transfer was carried out to the below mentioned securities account.

Persons not wishing to take part as shareholders in the merged company will receive the above sum for each share within thirty (30) days upon the registry of the merger by the Court of Registry, via remittance to their bank accounts.

Declaration of the departing shareholders

Should you decide not to become the shareholder of the merged company you may announce this intent in two ways. On one hand you may draw up your declaration prior to the second EGM - in this case it is not necessary to participate the said EGM. On the other hand you may announce your intent at the second EGM in a way that you participate the meeting as a shareholder and make a written declaration at the discussion of the relevant agenda item.

Let us draw the attention of our shareholders that only those shareholders may exercise their share related rights towards the company – i.e. only those shareholders make valid declarations – whose names are registered in the Share Register of the company. Let us further draw the attention of our shareholders that only those shareholders may exercise their share related rights towards the Company – i.e. only those declarations shall be deemed valid – that are made by such shareholders or by such shareholder representatives who are registered in the Share Registry of the Company. According to the provisions of the Act on Capital Markets the custodian, registered in the Share Registry as the representative thereof, may also act on behalf of the shareholder.

If you do not wish to participate the second EGM you may announce that you do not wish to enter the merged company by filling in and returning the attached declaration form (Declaration) for the attention of the Board of Directors of Magyar Telekom Ltd. The said declaration must arrive to the below address at the latest by December 18, 2005: KELER Rt. Részvénykönyv-vezetési Osztály 1075 Budapest Asbóth utca 9-11. Please indicate on the envelope: „Magyar Telekom egyesülési nyilatkozat” (Magyar Telekom merger declaration).

Another precondition of making such declaration is that shareholders transfer their shares indicated in the declaration to Magyar Telekom Ltd's specific securities account held at KELER Rt. (account No.: 1145/100000) at the latest 18th December 2005. In the notice rubricate of the transfer order the securities account number shown in the declaration must be endorsed.

Shareholders may also announce their intent that they do not wish to enter the merged company at the discussion of the relevant agenda item of the General Meeting. In this case such shareholders are to submit their declarations to the Board of Directors of Magyar Telekom Ltd. at the second EGM. Let us draw the attention of our shareholders that the precondition of validly submitting their declarations is that such shareholders have their relevant shares frozen prior to the EGM.

To make a declaration the same precondition as above is applicable it is required that shareholders hand over the proxy regarding the transfer of the shares indicated in the declaration to Magyar Telekom Ltd. specific securities account at KELER Rt. (account No.: 1145/100000), and appoint Magyar Telekom Ltd to submit the transfer proxy to the appropriate securities intermediary. The shares will be transferred to the above mentioned securities account after the lift of attachment for the EGM. Subsequent to the submission of their declarations the shareholders will not be able to make any order regarding the departing shares.

If the registry of the merger at the Registry Court fails Magyar Telekom Ltd. shall re-transfer those shares of departing shareholders that have been transferred to the specific account at KELER Rt. within 3 banking days to the securities account specified by such shareholders in their declarations.

Let us draw the attention of our shareholders that if a participant is represented at the second EGM by a proxy, his declaration on departing the company will only be valid if the proxy instrument clearly and separately indicates such intent. The validity of such declarations will be checked by the Board of Directors.

To sum up the above, if you do not wish to participate the second EGM, neither wish to become a shareholder of the merged company, you must fill in and return the attached declaration form within the deadline to the above address and make sure that the transfer will be carried out in compliance with the above written procedure.

Should you wish to make your declaration on being a departing shareholder of the merged company at the second General Meeting there are two things to do: firstly you must make order to freeze your shares at the latest by December 12, 2005 secondly you must make your written declaration and the above detailed transfer proxy and hand them over to the Board of Directors (i.e. its representative) at the second merger EGM.

Let us draw the attention of our shareholders that subsequent to the date when the Court of Registry registers the merger the Company will decrease its subscribed capital with the face value of those shares

of which their owner announced its intent to depart and carried out the necessary transfer. Regarding the departing shares Magyar Telekom Ltd. will only pay the relevant asset proportion to the owners.

Should you need further guidance on the above procedures, please call the free share line of Magyar Telekom at: +36 80 38 38 38

November 18, 2005

The Board of Directors of Magyar Telekom Ltd.

DECLARATION

I, the undersigneddue to the preliminary decision on the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. hereby announce that in possession of _____ pieces of 100 HUF face value ordinary shares, representing a total nominal value of HUF _____ and with respect to the same shares I do not wish to become the shareholder of the legal successor company, established through the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd.

My data are as follows:

Name (of the company):

Address (registered seat):

Notification address:

Mother's name:

Securities intermediary:

Securities account No.:

Please transfer my asset proportion due from Magyar Telekom Ltd.'s assets (HUF 425 (that is four hundred and twenty five HUF that is payable for each share) to the below bank account via remittance.

Name of the bank:

Bank account No.:

With the submission of this declaration I accept the content of the announcement regarding the settlement process with shareholders who do not wish to remain shareholders in the legal successor company, established through the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd.

Date:

Signature of the shareholder

1st witness^[2]

2nd witness

Signature:

Signature:

Name:

Name:

Address:

Address:

^[1] In case of a legal entity the proper signature of the legal entity is required

^[2] Witnesses are only required if the signatory is natural person