

Magyar Telekom Telecommunications Company Ltd.

Submission

for Magyar Telekom Ltd.'s Extraordinary General Meeting

Subject: Decision regarding the upstream merger of T-Mobile Hungary Ltd. into Magyar Telekom Ltd.

Budapest, December 2005

Magyar Telekom Telecommunications Company Ltd.'s (1013 Budapest, Krisztina krt. 55.) Board of Directors convened the Company's Extraordinary General Meeting to take place at 11:00 am, on December 20, 2005 with the below quoted items on the agenda. In this General Meeting material we avail the necessary and currently available information for our kind shareholders that are necessary to make owners' decisions. Please find the individual submissions - in the order as set out in the announced agenda - and the proposed text of the GM resolutions attached.

1. Informative for the shareholders on the open issues, raised in connection with the merger of the Company and T-Mobile Hungary Ltd. (merging companies) – Enclosure No. 1
2. Decision on the declaration of the independent auditor regarding the draft asset balances- and asset inventories of the merging companies as well as the draft asset balance- and asset inventory of the legal successor company, the exchange ratio of the shares, in addition to the auditor's declaration on the draft Merger Agreement as well as the written report of the Board of Directors and the auditor's statement that the planned merger will not risk the satisfaction of creditors' claims towards the company – Enclosure No. 2
3. Decision of the Supervisory Board's opinion on the draft asset balances- and asset inventories of the merging companies as well as the draft asset balance- and asset inventory of the legal successor company – Enclosure No. 3
4. Approval of the written report of the Board of Directors on the merger – Enclosure No. 4
5. Decision on the amount of the asset proportion payable for shareholders who do not wish to enter the legal successor company in addition to the relevant settlement process - Enclosure No. 5
6. Decision on the draft merger asset balance- and asset inventory of Magyar Telekom Ltd. - Enclosure No. 6 (the draft asset inventories are available at the Investor Relations Department at Krisztina krt. 55.)
7. Final registry of shareholders not wishing to enter the legal successor company
8. Counting those shareholders who do not wish to enter the legal successor company
9. Decision on the draft merger asset balance- and asset inventory of the legal successor company - Enclosure No. 7 (in which the subscribed capital might be altered depending on item No. 8 on the agenda)
10. Decision on the merger, approval of the Merger Agreement - Enclosure No. 8
11. Decision of the members of the Board of Directors and the Supervisory Board of the legal successor company – oral submission
12. Decision on the amendment of the Articles of Association of the legal successor company – please find in proposal for Resolution No. 10/2005. of the General Meeting

**Informative for shareholders on issues concerning the merger of the Company and T-Mobile Hungary Ltd. (merging companies)**

The intent of the upstream merger of T-Mobile Hungary Ltd. into Magyar Telekom Ltd. was approved by the extraordinary General Meeting of both companies, held as of November 7, 2005 (first merger EGM). In order to realize the above decision both companies will have to make further decisions at another extraordinary General Meeting (second EGM, resolving the merger).

The draft asset balances and asset inventories prepared in advance with the turning date prior to this General Meeting (September 30, 2005) have been commented by the independent auditor and the relevant auditor's declaration has also been prepared. The Supervisory Board has prepared its standpoint on the merger. These documents will be submitted by the auditor and the Supervisory Board to the General Meeting.

We have defined the asset proportion due to departing shareholders, which information was published in our announcement (dated November 18, 2005) in which we also informed our shareholders on the method of announcing the intent of not wishing to become the shareholder of the legal successor company.

The Company has complied with the obligation to submit the relevant documents to the Registry Court and to make the relevant announcements – including the publication of data required by the Act on Capital Markets.

The task of this Extraordinary General Meeting is to resolve the merger of the two companies and to approve the documents that are necessary for the establishment of the legal successor company, including the Articles of Association of the legal successor, as a document of great importance.

Enclosure No. 2

**REPORT**  
**ON THE DRAFT MERGER BALANCE SHEET OF**  
**T-MOBILE MAGYARORSZÁG TELECOMMUNICATIONS LTD. Co.**  
**MERGING INTO**  
**MAGYAR TELEKOM TELECOMMUNICATIONS LTD. Co.**

**REPORT**  
**ON THE DRAFT MERGER BALANCE SHEET OF**  
**T-MOBILE MAGYARORSZÁG TELECOMMUNICATIONS LTD. Co.**  
**MERGING INTO**  
**MAGYAR TELEKOM TELECOMMUNICATIONS LTD. Co.**

On their General Meeting dated November 7, 2005. the shareholders of Magyar Telekom Telecommunications Ltd. Co. (registered office: 1013 Budapest, Krisztina krt. 55., corporate register No.: 01-10-041928, hereinafter referred to as: MT) and T-Mobile Magyarország Telecommunications Ltd. Co. (registered office: 1117 Budapest, Kaposvár u. 5-7., corporate register No.: 01-10-042361, hereinafter referred to as TMH) resolved the merger of the two companies. In the framework of the merger, TMH shall be merged into MT, and the latter company shall operate in an unchanged legal form and under name of Magyar Telekom Telecommunications Public Ltd. Co. following transformation. MT has authorized Metrum Auditing Ltd. (registered office: 1114 Budapest, Kemenes u. 6.; corporate register No.: 01-09-067958, auditor number: 000224) to audit the draft merger balance sheet. The work shall be carried out by Dr. Péter Galambos (auditor number: 003672).

The auditor shall, on the whole, carry out tasks referred to its responsibility by the Companies Act and the Accounting Act. The audit of the draft merger balance sheet serves the purpose of determining whether the draft merger balance sheet is in compliance with the provisions of the Companies Act and the Accounting Act. The auditor shall fulfill his engagement by handing over the report.

The auditor will not carry out an audit in relation to VAT, personal income tax and other taxes, but shall call the attention of the principal to deficiencies he may detect in the course of the audit.

The auditor is entitled to issue an adverse opinion if he detects material errors in the course of the audit. If the errors causing the adverse opinion are corrected, he may issue an unqualified opinion in the course of the subsequent audit.

The auditor may withdraw the unqualified opinion, addressed to the principal in writing, if facts arise in the future which were concealed before him in the course of the audit.

I carried out the audit in compliance with rules applied to auditing and the Hungarian National Auditing Standards. The principal has provided information and assistance necessary for the audit.

The basis of the draft merger balance sheets shall be comprised by the interim balance sheets of the merging companies, prepared as of September 30, 2005, audited by the statutory auditor of the companies concerned, who has issued an unqualified opinion thereto.

With respect to the merging companies, in comparison to the interim balance sheet, the column of the draft merger balance sheet of September 30, 2005, serving as the basis for the merger, contains the following modifications:

Since assets and liabilities have not been revaluated by TMH to be terminated by way of the merger, the only modification involves the posting of the interim profit (profit of HUF 42 007 million), recorded in the interim balance sheet of September 30, 2005, to retained earnings.

Similarly, the only change affecting the draft merger balance sheet of MT, the receiver company, is the posting of the interim profit (profit of HUF 70 923 million), recorded in the interim balance sheet of September 30, 2005, to retained earnings.

The draft after merger balance sheet of the company, continuing operation in an unchanged legal form, differs from the combined balance sheet of the two merging companies as follows:

- Egertel Ltd. Co., holding a 0,001 % stake in TMH, has declared that it does not wish to participate as a member in the future company following the merger. In accordance with the draft of the Agreement on the settlement, the share of the non-participating member shall be provided in cash. HUF 1 302 thousand in shareholders' equity is due for 116 959 pcs of TMH shares, such amount reducing the value of bank deposits recorded in the 1. difference column of the draft merger balance sheet. Pursuant to the relevant rules of the Accounting Act, the elements of shareholders' equity must be reduced with a corresponding amount. Accordingly, share capital has been reduced by HUF 117 thousand, capital reserve reduced by HUF 30 thousand and retained earnings reduced by HUF 1 155 thousand.
- Since MT holds a 99,999 % stake in TMH, this investment as a result of the merger shall be terminated and in line with this an equity adjustment is necessary. In the framework of the above, the value of shareholdings in TMH recorded in the books of the receiver company as indicated in the draft merger balance sheet, has been cancelled from among financial assets in the amount of HUF 59 675 180 thousand. The total amount of share capital has been reduced with the nominal value of cancelled shares, equaling HUF 8 030 883 thousand, and the total value of retained earnings has been decreased with the difference between the nominal value and the value indicated in the draft merger balance sheet, corresponding to the amount of HUF 51 644 297 thousand.
- As a result of eliminating mutual receivables and liabilities between TMH and MT, the balance sheet total of the continuing operation, shall be reduced by the amount of HUF 171 771 million. Within the above sum, HUF 116 300 million represents the amount of loan provided by MT to TMH. Furthermore, HUF 1 767 million and HUF 2 176 million corresponds to the trade and other receivables of MT vis-à-vis TMH, and HUF 51 528 million corresponds to trade receivables of TMH vis-à-vis MT. The latter amount was recorded with a

smaller value in the books of MT, therefore the difference reduced the retained earnings of the company, continuing operation, by HUF 3 million.

- According to the estimate of the management, a balance sheet loss of HUF 3 458 million is likely to be incurred by MT up to the expected date of the registration of the merger by the court of registration. For the purpose of providing coverage for such foreseeable loss, the reclassification column of the draft merger balance sheet indicates a corresponding amount of restricted reserve to the debit of retained earnings.

The shareholders' equity of Magyar Telekom Telecommunications Public Ltd. Co., continuing operation in an unchanged legal form following the merger, shall be as follows:

Data in HUF thousands	Share capital	Capital reserve	Retained earnings	Restricted Reserve	Profit for the year	Shareholder's equity
Basic data as of 2005.09.30	104 281 170	52 836 533	212 892 397	1 984 088	70 923 167	442 917 355
Changes:						
1. Posting of interim profit into retained earnings			70 923 167		-70 923 167	0
2. Addition of TMH shareholder's equity elements	8 031 000	2 097 329	78 799 280	500 000		89 427 609
3. Settlement with Egertel Ltd.	-117	-30	-1 155			-1 302
4. Equity adjustment related to the elimination of MT's TMH stake	-8 030 883		-51 644 297			-59 675 180
5. Difference after eliminating mutual claims and liabilities affecting R/E			-3 000			-3 000
5. Reserve for potential losses arising up to the expected date of registration of the merger			-3 458 000	3 458 000		0
Changes altogether	0	2 097 299	94 615 995	3 958 000	-70 923 167	29 748 127
<b>Total per draft after merger balance sheet</b>	<b>104 281 170</b>	<b>54 933 832</b>	<b>307 508 392</b>	<b>5 942 088</b>	<b>0</b>	<b>472 665 482</b>

The share capital of the legal successor corporation amounts to HUF 104 281 170 thousand and by being lower than the shareholder's equity less restricted reserves it is compliant with the relevant regulations of the Accounting Act. The list of freely negotiable assets representing the subscribed capital of the successor company shall be attached as Annex 1 of the draft after merger balance sheet.

The balance sheet total of the draft merger balance sheet of **T-Mobile Magyarország Telecommunications Ltd. Co.** terminated by way of the merger, corresponds to HUF 259 937 million (two hundred fifty nine billion nine hundred thirty seven million Hungarian forints).

The balance sheet total of the draft merger balance sheet of **Magyar Telekom Telecommunications Ltd. Co.**, taking over the merged company, corresponds to HUF 930 968 million (nine hundred thirty billion nine hundred sixty eight million Hungarian forints) prior to transformation.

The balance sheet total of the draft after merger balance sheet of **Magyar Telekom Telecommunications Public Ltd. Co.**, continuing operation in unchanged form following the

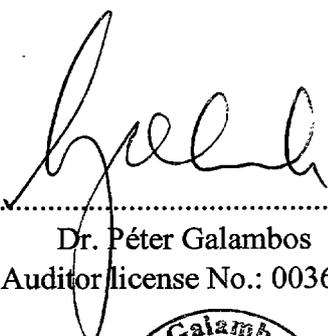
merger, corresponds to HUF 959 458 million (ninehundredfiftynine billion fourhundredfiftyeight million Hungarian forints).

Considering that a 99,999 % stake of the merged company is held by the receiving company, the shareholders' equity of the receiving company may not be increased with the nominal value of such shares. The other shareholder of the merged company has stated that it does not wish to participate as a member in the legal successor company, therefore its shares shall be redeemed and its proportionate share of TMH assets will be paid out. The above transactions are appropriately reflected by the draft merger balance sheets. Considering that no new shares shall be issued by the receiver company in exchange for the shares of the merged company, there shall be no ratio of exchange for shares.

The provisions of the draft Merger Agreement and the written report of senior officials are in conformity with the audited draft of merger balance sheets and the inventories of assets. We are of the view that the planned merger does not pose a risk to the satisfaction of creditor claims vis-à-vis the two companies.

In the course of the audit, I reviewed the draft merger balance sheet of the two companies affected by the merger – the after merger balance sheet total corresponding to HUF 959 458 million (ninehundredfiftynine billion fourhundredfiftyeight million Hungarian forints) – in accordance with the Hungarian National Auditing Standards in force, and on the basis thereof, I acquired sufficient and adequate proof to the effect that the draft merger balance sheet was prepared in compliance with the Accounting Act and general accounting principles. The draft merger balance sheets provide a reliable and true picture of the assets and finances of the merging companies.

Budapest, November 7, 2005

  
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Dr. Péter Galambos  
Auditor license No.: 003672



*Attachments:*

Draft merger balance sheet and draft inventory of assets of MT

Draft merger balance sheet and draft inventory of assets of merged company TMH

Draft after merger balance sheet, draft inventory of assets and list of assets representing the share capital of MT, the company operating in unchanged form following the merger

The Supervisory Board's opinion on the draft asset balances- and asset inventories of the merging companies as well as the draft asset balance- and asset inventory of the legal successor company

According to the Hungarian Act on Business Associations the Supervisory Board of Magyar Telekom Telecommunications Company Ltd. has examined the submission prepared by the executive officers of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. for the EGM regarding the proposed legal upstream merger of T-Mobile Hungary Ltd. The Supervisory Board unanimously approved and proposes to be approved by the Extraordinary General Meeting the draft asset balances- and asset inventories of Magyar Telekom Ltd. and T-Mobile Hungary as set out in the submission.

**Written report of senior officers on the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd.**

The opportunities arising from technological development – especially the increasing demand for broadband Internet and mobility – drive telecommunications companies to ever closer harmonization of the fixed-line and mobile business fields. Harmonization of fixed-line and mobile business fields can significantly increase operational efficiency through standardization and simplification of operational processes and structures. Furthermore, the harmonized approach does not only promote better and more efficient service provision to customers, but – through the optimal utilization of certain fixed-line and wireless technologies – significantly boosts a more cost-efficient roll-out of the broadband infrastructure.

The underlying opportunities (e.g.: headcount reduction) in Magyar Telekom's shareholder value creation strategy have been (still are) fully exploited by now. Thus, there are no substantial reserves in creating further shareholder value, which inevitably calls for group-level harmonization. Numerous service providers with fixed-line and mobile businesses have already realized the strategic benefits and opportunities in convergence. Efforts to harmonize their fixed-line and mobile businesses become ever more commonplace amongst European national service providers, too.

Group-level harmonization support Magyar Telekom Group in exploiting the value creation opportunities in a long-term sustainable manner, with special emphasis on retaining and acquiring customers, optimizing efficiency and cost-levels, as well as exploiting opportunities of the new innovative technology.

The major market drivers and their implications behind Magyar Telekom Groups initiative regarding the upstream merger can be summarized as follows:

- Stagnating share price
- Stagnating voice market growth
- Converging price levels
- Unexploited broadband growth potential

The advantages for the Group attached to the upstream merger include benefits for customers, intensifying competition, improving competitiveness and increasing operational efficiency. The exploited advantages enable Magyar Telekom Group's sustainable operations, thus ensuring that the largest telecommunications service provider be continuously able to make further investments – primarily aimed at broadband Internet – contributing to the conditions of building up the Information Society.

In addition, the Group will benefit from the utilization of its tax credit on broadband investments and the tax losses of the parent company.

The most important of all the benefits are the widening scope of the service portfolio, simpler access to products and more competitive value propositions (both in terms of quality and added value) – perceived by customers. From the aspect of corporate efficiency, the primary positive impacts are the benefits of synergies and the opportunity to simplify the process structure.

The upstream merger will also improve competitive conditions, since service providers will fight for customers by increasingly competitive value propositions in both the fixed-line and the mobile fields. In addition to the above, the harmonization promotes the nation-wide roll-out of the broadband IP-based network infrastructure, which will serve as the basis for long-term service-based competition.

The unified Magyar Telekom (fixed-line and mobile) can significantly simplify the way customers can do business, purchase goods, receive bills, ask for technical support and conduct any transactions with the fixed-line and the mobile service providers in the mid-term.

Magyar Telekom Group's long-term competitiveness is largely dependent upon whether the Group is able to significantly rationalize its costs and improve its efficiency. Furthermore, taking into consideration that there is only limited room to increase revenues in the saturated fixed-line and the mobile market, which is becoming saturated, too, cost reduction is of utmost importance from the aspect of meeting owners' requirements. The upstream merger enables cost reduction, as well as the optimization of financial and human resources through fully exploiting synergies.

As a result of gradual harmonization, Magyar Telekom Group can create value at a high scale, through capturing additional revenues on one hand, on the other hand optimizing operational and capital expenditure.

The preliminary forecasts show significant financial impact in terms of revenue increases and cost reductions. The actual impact on the following years naturally depends on the timing of the specific measures.

The legal upstream merger of T-Mobile Hungary Rt. into Magyar Telekom Ltd. – as an initial step towards harmonization – enables the Company to exploit the opportunities that lie in establishing a more cost-efficient and optimal corporate structure, in compliance with statutory requirements.

Of course, due emphasis is to be put on not jeopardizing the conditions that enable the Company to meet the specific requirements of the mobile market, maintaining competitiveness, mobile-specific expertise, flexibility and the business unit's necessary high-level independence in the new structure.

The merger of the above described merging companies is specific since T-Mobile Hungary Ltd. is 99,99% directly owned by Magyar Telekom Ltd. The owner of the remainder ownership proportion (0,01%) of the amalgamating company (Egertel Rt.) does not wish to become the member of the legal successor. Due to the above the registered capital of the amalgamating company may not become part of the registered capital of the successor company. As a consequence the notion of the "exchange proportion" of the shares of the merging companies is meaningless.

The merger of T-Mobile Hungary Ltd. into Magyar Telekom Ltd. carries concrete business opportunities and quantifiable financial benefits, whereas its risk factors are manageable. Based on preliminary calculations the overall positive financial impact deriving from the business advantages will significantly surpass incurred costs or potential risks.

Budapest, November 15, 2005

## Enclosure No. 5

### **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 18<sup>th</sup> 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.

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Enclosure No. 6

## Magyar Telekom Távközlési Rt.

### Draft of Pre-merger Balance Sheet as of September 30, 2005.

#### Assets

Data in HUF millions

	Description	Book Value	Reclassification	Pre-merger B/S Value
01.	<b>A. Fixed assets</b>	<b>845 894</b>	<b>0</b>	<b>845 894</b>
02.	I. Intangible assets	176 223	0	176 223
03.	1) Capitalized cost of foundation and restructuring			0
04.	2) Capitalized cost of research and development			0
05.	3) Concessions, licenses and similar rights	8 818		8 818
06.	4) Trade-marks, patents and similar assets	4 253		4 253
07.	5) Goodwill	163 152		163 152
08.	6) Advance payments on intangible assets			0
09.	7) Value adjustment on intangible assets			0
10.	II. Tangible assets	340 042	0	340 042
11.	1) Land and buildings and related rights	204 407		204 407
12.	2) Plant and machinery, vehicles	119 207		119 207
13.	3) Other equipment, fixtures and fittings, vehicles	6 300		6 300
14.	4) Breeding stock			0
15.	5) Construction-in-progress	10 128		10 128
16.	6) Advance payments on construction-in-progress			0
17.	7) Value adjustment on tangible assets			0
18.	III. Financial investments	329 629	0	329 629
19.	1) Non current investments in affiliated companies	229 511		229 511
20.	2) Non current loans to affiliated companies	95 355		95 355
21.	3) Other investments			0
22.	4) Non current loans to third parties			0
23.	5) Other non current loans granted	4 763		4 763
24.	6) Non current bonds and other securities			0
25.	7) Value adjustment on financial investments			0
26.	<b>B. Current assets</b>	<b>74 267</b>	<b>0</b>	<b>74 267</b>
27.	I. Inventories	3 084	0	3 084
28.	1) Raw materials	692		692
29.	2) Work in progress and semi-finished products			0
30.	3) Animals for breeding and other livestock			0
31.	4) Finished products			0
32.	5) Goods available for sale	2 392		2 392
33.	6) Advance payments on inventories			0
34.	II. Receivables	68 086	0	68 086
35.	1) Accounts receivable	21 147		21 147
36.	2) Receivables from affiliated companies	39 128		39 128
37.	3) Receivables from other related companies	30		30
38.	4) Bills receivable			0
39.	5) Other receivables	7 781		7 781
40.	III. Securities	1 984	0	1 984
41.	1) Investments in affiliated companies			0
42.	2) Other investments			0
43.	3) Treasury stock, quotas	1 984		1 984
44.	4) Marketable securities			0
45.	IV. Liquid assets	1 113	0	1 113
46.	1) Cash and checks	4		4
47.	2) Bank deposits	1 109		1 109
48.	<b>C. Prepayments and accrued income</b>	<b>10 807</b>	<b>0</b>	<b>10 807</b>
49.	1) Accrued income	9 719		9 719
50.	2) Prepayments for costs and expenses	1 088		1 088
51.	3) Deferred expenses			0
52.	<b>Total assets</b>	<b>930 968</b>	<b>0</b>	<b>930 968</b>

 Date Budapest, November 7th, 2005.

PH.

  
 Straub Elek  
 Chairman and  
 Chief Executive Officer

  
 Dr. Klaus Hartmann  
 Chief Financial Officer

1 0 7 7 3 3 8 1 - 6 4 2 0 - 1 1 4 - 0 1

Statistical No.

0 1 - 1 0 - 0 4 1 9 2 8

Corporate Registry No.

**Magyar Telekom Távközlési Rt.**  
**Draft of Pre-merger Balance Sheet as of September 30, 2005.**

**Liabilities and Shareholder's Equity**

Data in HUF millions

	Description	Book Value	Reclassification	Pre-merger B/S Value
53.	<b>D. Shareholders' equity</b>	<b>442 917</b>	<b>0</b>	<b>442 917</b>
54.	I. Share capital	104 281		104 281
55.	of this treasury stock at par value	253		253
56.	II. Unpaid share capital (-)			0
57.	III. Capital reserve	52 837		52 837
58.	IV. Retained earnings	212 892	70 923	283 815
59.	V. Restricted reserve	1 984		1 984
60.	VI. Revaluation reserve			0
61.	VII. Profit or loss for the year	70 923	-70 923	0
62.	<b>E. Provisions</b>	<b>4 886</b>	<b>0</b>	<b>4 886</b>
63.	1) Provisions for expected obligations	4 679		4 679
64.	2) Provisions for expected expenses	201		201
65.	3) Other provisions	6		6
66.	<b>F. Liabilities</b>	<b>457 399</b>	<b>0</b>	<b>457 399</b>
67.	I. Subordinated liabilities	0	0	0
68.	1) Subordinated liabilities to affiliated companies			0
69.	2) Subordinated liabilities to other investments			0
70.	3) Subordinated liabilities to third parties			0
71.	II. Long-term liabilities	230 750	0	230 750
72.	1) Long-term credits			0
73.	2) Convertible bonds			0
74.	3) Debt from issuance of bonds	125		125
75.	4) Investment and development loans	18 625		18 625
76.	5) Other long-term loans			0
77.	6) Long-term liabilities to affiliated companies			0
78.	7) Long-term liabilities to other investments	212 000		212 000
79.	8) Other long-term liabilities			0
80.	III. Current liabilities	226 649	0	226 649
81.	1) Short-term borrowings	71		71
82.	- of this convertible bonds			0
83.	2) Other short-term loans	51 861		51 861
84.	3) Advances received from customers	675		675
85.	4) Accounts payable	12 135		12 135
86.	5) Bills payable			0
87.	6) Short-term liabilities to affiliated companies	71 297		71 297
88.	7) Short-term liabilities to other investments	75 935		75 935
89.	8) Other short-term liabilities	14 675		14 675
90.	<b>G. Accrued expenses and deferred income</b>	<b>25 766</b>	<b>0</b>	<b>25 766</b>
91.	1) Deferred income	2 479		2 479
92.	2) Accrued expenses	22 778		22 778
93.	3) Other deferred revenue	509		509
94.	<b>Total liabilities and Shareholder's Equity</b>	<b>930 968</b>	<b>0</b>	<b>930 968</b>

Date Budapest, November 7th, 2005.

PH.   
Straub Elek  
Chairman and  
Chief Executive Officer

  
Dr. Klaus Hartmann  
Chief Financial Officer

Reclassification: reclass of profit for the period to retained earnings

Enclosure No. 7

Magyar Telekom Telecommunications Public Limited Company  
Draft of After Merger Balance Sheet as of September 30, 2005.

Data in HUF millions

Assets	Magyar Telekom Rt.	T-Mobile Rt.	Sum	Difference 1	Difference 2	Difference 3	Difference 4	Difference 5	Difference 6	Reclassification	After merger B/S
<b>01. A. Fixed assets</b>	845 894	159 502	1 005 396	0	-59 675,180	-84 400	0	0	0	0	861 321
I. Intangible assets	176 223	42 433	218 676	0	0	0	0	0	0	0	218 676
1) Capitalized cost of foundation and restructuring	0	0	0	0	0	0	0	0	0	0	0
2) Capitalized cost of research and development	0	0	0	0	0	0	0	0	0	0	0
3) Concessions, licenses and similar rights	8 818	27 646	36 464	0	0	0	0	0	0	0	36 464
4) Trade-marks, patents and similar assets	4 253	14 807	19 060	0	0	0	0	0	0	0	19 060
5) Goodwill	163 152	0	163 152	0	0	0	0	0	0	0	163 152
6) Advance payments on intangible assets	0	0	0	0	0	0	0	0	0	0	0
7) Value adjustment on intangible assets	0	0	0	0	0	0	0	0	0	0	0
II. Tangible assets	340 042	116 882	456 924	0	0	0	0	0	0	0	456 924
1) Land and buildings and related rights	204 407	25 845	230 252	0	0	0	0	0	0	0	230 252
2) Plant and machinery, vehicles	119 207	69 557	188 764	0	0	0	0	0	0	0	188 764
3) Other equipment, fixtures and fittings, vehicles	6 300	9 523	15 823	0	0	0	0	0	0	0	15 823
4) Breeding stock	0	0	0	0	0	0	0	0	0	0	0
5) Construction-in-progress	10 128	11 942	22 070	0	0	0	0	0	0	0	22 070
6) Advance payments on construction-in-progress	0	15	15	0	0	0	0	0	0	0	15
7) Value adjustment on tangible assets	0	0	0	0	0	0	0	0	0	0	0
III. Financial investments	329 629	167	329 796	0	-59 675,180	-84 400	0	0	0	0	185 721
1) Non current investments in affiliated companies	229 511	35	229 546	0	-59 675,180	-84 400	0	0	0	0	169 871
2) Non current loans to affiliated companies	95 355	0	95 355	0	0	0	0	0	0	0	10 955
3) Other investments	0	0	0	0	0	0	0	0	0	0	0
4) Non current loans to third parties	0	0	0	0	0	0	0	0	0	0	0
5) Other non current loans granted	4 763	132	4 895	0	0	0	0	0	0	0	4 895
6) Non current bonds and other securities	0	0	0	0	0	0	0	0	0	0	0
7) Value adjustment on financial investments	74 267	81 279	155 546	-1,302	0	-31 900	-829	-2 176	-50 111	0	70 529
<b>26. B. Current assets</b>	3 084	3 432	6 516	0	0	0	0	0	0	0	6 516
I. Inventories	692	472	1 164	0	0	0	0	0	0	0	1 164
1) Raw materials	0	0	0	0	0	0	0	0	0	0	0
2) Work in progress and semi-finished products	0	0	0	0	0	0	0	0	0	0	0
3) Animals for breeding and other livestock	0	0	0	0	0	0	0	0	0	0	0
4) Finished products	0	0	0	0	0	0	0	0	0	0	0
5) Goods available for sale	2 392	2 960	5 352	0	0	0	0	0	0	0	5 352
6) Advance payments on inventories	0	0	0	0	0	0	0	0	0	0	0
II. Receivables	68 086	77 069	145 155	0	0	-31 900	-829	-2 176	-50 111	0	60 139
1) Accounts receivable	21 147	19 181	40 328	0	0	0	0	0	0	0	40 328
2) Receivables from affiliated companies	39 128	50 135	89 263	0	0	-31 900	-829	-2 176	-50 111	0	4 247
3) Receivables from other related companies	30	0	30	0	0	0	0	0	0	0	30
4) Bulk receivable	0	0	0	0	0	0	0	0	0	0	0
III. Securities	7 781	7 753	15 534	0	0	0	0	0	0	0	15 534
1) Investments in affiliated companies	1 984	1 984	3 968	0	0	0	0	0	0	0	3 968
2) Other investments	0	0	0	0	0	0	0	0	0	0	0
3) Treasury stock, quotas	1 984	1 984	3 968	0	0	0	0	0	0	0	3 968
4) Marketable securities	0	0	0	0	0	0	0	0	0	0	0
IV. Liquid assets	1 113	777	1 890	-1,302	0,000	0	0	0	0	0	1 889
1) Cash and checks	4	69	73	0	0	0	0	0	0	0	73
2) Bank deposits	1 109	708	1 817	-1,302	0,000	0	0	0	0	0	1 816
<b>48. C. Prepayments and accrued income</b>	10 807	19 156	29 963	0,000	0	0	-938	0	-1 417	0	27 608
1) Accrued income	9 719	17 986	27 705	0	0	0	-938	0	-1 282	0	25 485
2) Prepayments for costs and expenses	1 088	1 170	2 258	0	0	0	0	0	-135	0	2 123
3) Deferred expenses	0	0	0	0	0	0	0	0	0	0	0
<b>52. Total assets</b>	930 948	259 937	1 190 905	-1,302	-59 675,180	-116 300	-1 767	-2 176	-51 528	0	959 458

*K. Hartmann*  
Dr. Klaus Hartmann  
Chief Financial Officer

*Graub Elek*  
Chairman and Chief Executive Officer

Magyar Telekom Telecommunications Public Limited Company  
Draft of After Merger Balance Sheet as of September 30, 2005.

Liabilities and Shareholder's Equity

Description	Magyar Telekom Rt.	T-Mobile Rt.	Sum	Difference						Reclassification	After merger B/S
				1	2	3	4	5	6		
53. D. Shareholders' equity	442 917	89 427	532 344	-1,302	-59 675,180	0	0	0	-3	0,000	472 665
54. I. Share capital	104 281	8 031	112 312	-0,117	-8 030,983						104 281
55. of this treasury stock at par value	253	0	253								253
56. II. Unpaid share capital (-)	0	0	0								0
57. III. Capital reserve	52 837	2 097	54 934	-0,030							54 934
58. IV. Retained earnings	283 815	78 799	362 614	-1,153	-51 644,297				-3	-3 458	307 508
59. V. Restricted reserve	1 984	500	2 484							3 458	5 942
60. VI. Revaluation reserve	0	0	0								0
61. VII. Profit or loss for the year	0	0	0								0
62. E. Provisions	4 886	3 719	8 605	0,000	0	0	0	0	0	0	8 605
63. 1) Provisions for expected obligations	1 924	1 924	6 603								6 603
64. 2) Provisions for expected expenses	201	1 748	1 949								1 949
65. 3) Other provisions	6	53	59								53
66. F. Liabilities	457 399	146 994	604 393	0,000		-116 300	-827	-2 176	-50 109	0	434 981
67. I. Subordinated liabilities	0	0	0	0,000		0			0		0
68. 1) Subordinated liabilities to affiliated companies	0	0	0								0
69. 2) Subordinated liabilities to other investments	0	0	0								0
70. 3) Subordinated liabilities to third parties	0	0	0								0
71. II. Long-term liabilities	230 750	84 400	315 150	0,000		-84 400	0	0	0	0	230 750
72. 1) Long-term credits	0	0	0								0
73. 2) Convertible bonds	0	0	0								0
74. 3) Debt from issuance of bonds	125	0	125								125
75. 4) Investment and development loans	18 625	0	18 625								18 625
76. 5) Other long-term loans	0	0	0								0
77. 6) Long-term liabilities to affiliated companies	0	84 400	84 400			-84 400					0
78. 7) Long-term liabilities to other investments	212 000	0	212 000								212 000
79. 8) Other long-term liabilities	226 649	62 594	289 243	0,000		-31 900	-827	-2 176	-50 109	0	204 231
80. III. Current liabilities	71	0	71								71
81. 1) Short-term borrowings	0	0	0								0
82. - of this convertible bonds	0	0	0								0
83. 2) Other short-term loans	51 861	0	51 861								51 861
84. 3) Advances received from customers	675	142	817								817
85. 4) Accounts payable	12 135	18 674	30 809								30 809
86. 5) Bills payable	0	0	0								0
87. 6) Short-term liabilities to affiliated companies	71 297	34 910	106 207			-31 900	-827	-2 176	-50 109		21 195
88. 7) Short-term liabilities to other investments	75 935	0	75 935								75 935
89. 8) Other short-term liabilities	14 675	8 868	23 543								23 543
90. G. Accrued expenses and deferred income	25 766	19 797	45 563	0,000	0,000	0	-940	0	-1 416	0	43 207
91. 1) Deferred income	2 479	5 177	7 656								7 656
92. 2) Accrued expenses	22 778	14 341	37 119				-940		-1 281		34 898
93. 3) Other deferred revenue	509	279	788								788
94. Total liabilities and Shareholder's Equity	930 968	259 937	1 190 905	-1,302	-59 675,180	-116 300	-1 767	-2 176	-51 528	0,000	939 498

Magyar Telekom Részvénytársaság  
1013 Budapest, Krisztina krt. 55.  
Cégjegyzékszám Bejegyezve a Fővárosi Bíróság mint Cégbíróságon Cg. 01-10-041928 szám alatt

Date Budapest, November 7th, 2005.

- Difference 1 Settlement with non-participating T-Mobile shareholder
  - Difference 2 Elimination of Telekom's investment in T-Mobile and the related equity adjustment
  - Difference 3 Elimination of loans receivable/payable
  - Difference 4 Elimination of Telecom A/R and T-Mobile A/P
  - Difference 5 Elimination of other receivables/liabilities
  - Difference 6 Elimination of T-Mobile A/R and Telecom A/P
- Reclassification Reserve for potential losses arising up to the expected date of registration of the merger



ISO 9001 2000 szennésű rendszer

Straub Elek  
Chairman and Chief Executive Officer

Dr. Klaus Fartmann  
Chief Financial Officer

## Upstream Merger Contract Draft

concluded by and between

**T-Mobile Hungary Telecommunications Company Limited by Shares** (1117 Budapest, Kaposvár u. 5-7., registered at the Municipal Court of Budapest as a registry court under corporate registry No. 01-10-042361, represented by: ..... and .....) as the amalgamated company, hereinafter referred to as the Amalgamated Company, on one hand

and

**Magyar Telekom Telecommunications Company Ltd.** (1013 Budapest, Krisztina krt. 55., registered at the Municipal Court of Budapest as a registry court under corporate registry No. 01-10-041928, represented by: ..... and .....), as the successor company, hereinafter referred to as the Successor Company, on the other hand – jointly referred to as Contractual Parties,

On the date and at the venue below:

1. On the basis of Resolution No. ... /2005 adopted by the General Meeting of the Successor Company on December 20, 2005 and Resolution No. ... /2005 adopted by the General Meeting of the Amalgamated Company on December 20, 2005, the Contractual Parties agree to unify the Contractual parties – in compliance with the stipulations of the Companies Act (CXLIV/1997) by means of the **upstream merger** of the Amalgamated Company into the Successor Company.
2. The Contractual Parties agree that after the upstream merger takes place, the Amalgamated Company shall cease to exist with the Successor Company being the legal successor. Regarding the shares of the Amalgamated Company that become invalid, the Board of Directors of the Successor Company shall take the necessary measures to apply the legal consequences of invalidity within 30 days upon receiving notification about the registration.
3. The Contractual Parties agree that the corporate format of the company established through the upstream merger remains to be “company limited by shares”.
4. The Contractual Parties agree that after the upstream merger the Successor Company shall have the following features:

- 4.1. Name: **Magyar Telekom Nyilvánosan Működő Távközlési Részvénytársaság**
- 4.2. Corporate Registry No. (unchanged): 01-10-041928
- 4.3. Short name: **Magyar Telekom Nyrt.**
- 4.4. Seat (unchanged): 1013 Budapest, Krisztina krt. 55.
- 4.5. Main activity (unchanged): 64.20'03 Telecommunications

5. The modified Articles of the legal successor company shall be approved by the General Meeting on December 20, 2005.
6. As a result of the upstream merger 1.) in the Articles of the Successor Company (Company data) is modified as follows: 1.8 shall include the text "**Magyar Telekom Telecommunications Public Limited Company** is the general legal successor of **T-Mobile Hungary Telecommunications Company Limited by Shares** (1117 Budapest, Kaposvár u. 5-7.; Corporate Registry No.: 01-10-042361)". Furthermore, 1.1 and 1.2 of the Successor Company's Articles shall be modified – pursuant to §177 (4) of the Companies Act – since as a result of the upstream merger the names of the Company will be as follows: full name: Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság, short name: Magyar Telekom Nyrt, English name (full name): Magyar Telekom Telecommunications Public Limited Company, English short name: Magyar Telekom Plc. 1.6.2. Other activities point will be amended as follows: 32.20'03 Manufacture of industrial transmission apparatus; 52.61'03 Retail sale via mail order houses; 52.63'03 Non-store retail sale; 71.40'03 Renting of personal and household goods. (*The 1.7 and 2.1 sections of the Articles will only be modified, if the subscribed capital of the Company will change as follows:*)

*1.7. The Company's Registered Share Capital*

*The registered capital of the Company is HUF ....., that is ....., which consists of HUF ....., that is ..... cash contribution and HUF 58.266.189.000, that is Fifty Eight Billion Two Hundred and Sixty Six Million One Hundred and Eighty Nine thousand in-kind contributions.*

*2.1 Shares*

*The total share capital of the Company consists of (i) ..... registered ordinary Series "A" Shares each having a nominal value of HUF 100 and (ii) 1 registered Series "B" Voting Preference Share with a nominal value of HUF 10.000.*

*The shares of the Company are put out in a dematerialized form.*

*Dematerialized shares are such registered shares that do not have serial numbers and the name and other data to clearly identify their owners are contained on the securities account."*

7. One specific feature of the upstream merger is that the Amalgamated Company is 99.99% owned directly by the company it is being merged into. The owner (Egertel Rt.) of the remaining shares (0.01%) does not wish to be a shareholder of the successor company. Due to the aforementioned circumstances, the subscribed capital of the Amalgamated Company cannot be part of the equity of the successor company. Thus, the concept of an exchange rate to be identified regarding the shares of the Amalgamated Company is not applicable.
8. Due to the special nature of the ownership structure described in 7. and Egertel Rt's negative statement, §76 (2) a-c) of the Companies Act are not applicable to the upstream merger in question.
9. The Successor Company shall maintain the preferential rights stipulated in its Articles identically to the status prior to the upstream merger. The legal status of the members of the Board of Directors, the Supervisory Board, as well as the executives shall remain unchanged.
10. The subscribed capital of the Successor Company *can be altered* after the upstream merger depending on the proportion of the declarations of Departing Shareholders. The amount of the subscribed capital will be finalized on the second EGM held on 20 December 2005.

11. Regarding any issues not addressed in the present Upstream Merger Contract, the stipulations of the Companies Act (CXLIV/1997) are applicable.
12. The Contractual Parties agree that the present Upstream Merger Contract can become valid upon approval by the respective topmost decision-making bodies of the Contractual Parties.

The undersigned Contractual Parties sign the present Upstream Merger Contract upon perusal and mutual clarification as a true representation of their respective intentions.

Budapest, December 20, 2005.

Budapest, December 20, 2005.

.....  
**Magyar Telekom Ltd.**  
the Successor Company

.....  
**T-Mobile Hungary Ltd.**  
the Amalgamated Company

The present document has been prepared and counter-signed on December 20, 2005 by:

## Resolution proposals:

### Resolution No. 1/2005. of the General Meeting

The General Meeting approves with the content attached herein the declaration of the independent auditor regarding the draft asset balances- and asset inventories of the merging companies, the draft asset balance- and asset inventory of the legal successor company, the auditor's declaration on the draft Merger Agreement, the written report of the Board of Directors as well as the auditor's statement that the planned merger will not risk the satisfaction of creditors' claims towards the company.

### Resolution No. 2/2005. of the General Meeting

The General Meeting approves with the content attached herein the Supervisory Board's statement on the draft merging asset balances- and asset inventories of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. as well as the draft asset balance- and asset inventory of the legal successor Magyar Telekom Ltd.

### Resolution No. 3/2005. of the General Meeting

The General Meeting approves the written report of the Board of Directors, prepared according to Article 76 (3) of Act CXLIV of 1997 on Business Associations - attached herein – on the necessity of the merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd., with taking all legal and economic aspects into account.

### Resolution No. 4/2005. of the General Meeting

The General Meeting defines the asset proportion of one ordinary share at the rate of HUF 425,- (that is four hundred and twenty five) for shareholders who do not wish to enter the legal successor company. The General Meeting approves the settlement method to be followed with shareholders who do not wish to enter the legal successor company with the content as attached herein and assigns the Board of Directors to carry out the relevant steps therein.

### Resolution No. 5/2005. of the General Meeting

The General Meeting approves with the content attached herein the draft merger asset balance and asset inventory of the legal predecessor Magyar Telekom Ltd.

### Resolution No. 6/2005. of the General Meeting

The General Meeting hereby states that on the basis of the valid preliminary declarations – i.e. entering the declaration of shareholders registered in the Share Register into a private document with full probative force - submitted to Magyar Telekom Ltd. and on the basis of the validly submitted declarations at the General Meeting – the same validity rules apply as above - the number of shareholders who do not wish to enter the legal successor company as shareholders is ....., representing ..... shares.

*/ If there will not be departing members the above resolution will not be made, the Minutes will include the below text.*

On the basis of the preliminary survey of the Board of Directors and the counting process at the General Meeting the Chairman states that no valid declarations - i.e. shareholders registered in the Share Register entered such declarations into a private document with full probative force and the company received such declaration by the deadline of December 18, 2005 - were submitted to Magyar Telekom Ltd. and no shareholder - registered in the Share Register - entered his declaration into a private document with full probative force. Consequently, there are no departing members from Magyar Telekom Ltd., as the legal predecessor company./

#### Resolution No. 7/2005. of the General Meeting

The General Meeting approves the draft asset balance and asset inventory of Magyar Telekom Ltd., as the legal successor company, with the amendment that the said drafts – as submitted to the General Meeting - will be adjusted according to the asset proportion payable to shareholders who do not wish to enter the legal successor company.

In line with the above the General Meeting states that the registered capital of Magyar Telekom will change with such value of the capital proportion that equals to the value of the shares payable to Departing Shareholders, therefore the registered capital shall be HUF ..... (that is .... HUF), comprised of HUF ..... (that is ..... HUF) cash contribution and HUF ..... (that is ..... HUF) contribution-in-kind thus the number of „A” series registered shares, each representing HUF 100,- (that is one hundred HUF) face value decreases with the number of registered shares owned by such shareholders, therefore the number of shares is ..... .

If there will not be departing members the above resolution will be amended accordingly.

#### Resolution No. 8/2005. of the General Meeting

The General Meeting, with the consent of the „B” shareholder, resolves the upstream merger of Magyar Telekom Ltd. and T-Mobile Hungary Ltd. in a way that T-Mobile Hungary Ltd. merges into Magyar Telekom Ltd. The merger enters into force when registered by the Court of Registry. The General Meeting approves the Merger Agreement – in the form attached herein – and empowers Mr. Elek Straub, CEO, and dr. Klaus Hartmann, CFO, to sign the said agreement.

#### Resolution No. 9/2005. of the General Meeting

The General Meeting acknowledges that T-Mobile Hungary Ltd.'s Board and Supervisory Board members resign from their posts and states that Magyar Telekom Ltd.'s Board and Supervisory Board members shall carry on working in the same Board and Supervisory Board positions at the legal successor company, with the same remuneration and other conditions.

#### Resolution No. 10/2005. of the General Meeting

The General Meeting resolves the amendment of the Articles of Associations of the legal successor, Magyar Telekom Ltd., with the effect of its registry at the Registry Court as follows: according to the requirements of Section 177 (4) of the Act on Business Associations, Sub-section 1.1. and 1.2. of Section 1. is replaced by the below text as well as amended with Sub-section 1.6.2. with 4 additional other activities and 1.8.

*(If there is/are departing member(s) and with reference to Resolution No. .... of the General Meeting, Section 1.7. and 2.1. are deleted and replaced by the following text.)*

## “1. Company data

### 1.1. The Registered Name of the Company

The registered name of the Company is Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság

The Company's abbreviated name is Magyar Telekom Nyrt.

### 1.2. The Company's name in English

The Company's name in English is Magyar Telekom Telecommunications Public Limited Company

The Company's abbreviated name: Magyar Telekom Plc.

### 1.6.2. Other activities point will be amended as follows:

- 32.20'03 Manufacture of industrial transmission apparatus;
- 52.61'03 Retail sale via mail order houses;
- 52.63'03 Non-store retail sale;
- 71.40'03 Renting of personal and household goods

### 1.7. *The Company's Registered Share Capital*

*The registered capital of the Company is HUF ....., that is ....., which consists of HUF ....., that is ..... cash contribution and HUF 58.266.189.000, that is Fifty Eight Billion Two Hundred and Sixty Six Million One Hundred and Eighty Nine thousand in-kind contributions.*

1.8 Magyar Telekom Telecommunications Public Limited Company is the general legal successor of T-Mobile Hungary Telecommunications Company Limited by Shares (1117 Budapest, Kaposvár u. 5-7.; Corporate Registry No.: 01-10-042361)

### 2.1 Shares

*The total share capital of the Company consists of (i) ..... registered ordinary Series "A" Shares each having a nominal value of HUF 100 and (ii) 1 registered Series "B" Voting Preference Share with a nominal value of HUF 10.000.*

*The shares of the Company are put out in a dematerialized form.*

*Dematerialized shares are such registered shares that do not have serial numbers and the name and other data to clearly identify their owners are contained on the securities account.”*