

**Key financial figures of the Company, and  
Proposals of the Board of Directors and the Supervisory Board for  
the December 21, 2006 Extraordinary General Meeting of Magyar Telekom Plc.  
in accordance with Hungarian Accounting Act and the Companies Act**

The financial results of the Company in the 2005 fiscal year are as follows<sup>1</sup>:

	Magyar Telekom Plc. (HAR)	Magyar Telekom Group (IFRS)
	In million HUF	
Total Assets	923,466	1,082,948
Long-term Assets	842,373	926,720
Current Assets	70,773	156,228
Common Stock	104,281	104,281
Total shareholders' equity	440,000	527,567
Long-term Liabilities	230,605	238,333
Short-term Liabilities	223,726	246,921
Sales Revenues	249,139	620,697
Profit for the year (IFRS)	-	88,919
Balance sheet result (HAR) (after the proposed dividends)	0	-

The Board of Directors proposes that the General Meeting should approve the 2005 Annual Report of Magyar Telekom Plc. prepared in line with the Hungarian Accounting Rules (HAR), inclusive of HUF 923,466 million Total Assets, and HUF 68,090 million After-tax Result.

The Board of Directors proposes that the General Meeting should approve that the Company shall disburse HUF 73 per each share of HUF 100 face value and HUF 7300 per each share of HUF 10000 face value as annual dividend for 2005.

The Company shall disburse as dividend on shares HUF 76,122 million from the After-tax Result HUF 68,090 million and transfers the remaining HUF 8,032 million from Retained Earnings.

The Board of Directors proposes that the General Meeting should approve the 2005 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards, including Balance Sheet Total Assets of HUF 1,082,948 million and Profit after tax for year 2005: HUF 88,919 million (before the deduction of HUF 10,355 million attributable to minority interests).

The Supervisory Board continuously monitors the operations of the Company, and that of the whole Magyar Telekom Group, and based on its findings – in the event of the Company's Auditor hands out its Report until the date of the GM with the content according to the proposal of the Board of Directors – SB proposes to the General Meeting to

- accept the report of Magyar Telekom on the 2005 business year,
- accept the financial statements of the Company with the net income as proposed by the Board,

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<sup>1</sup> The published figures are not audited

- accept the proposal of the Board on the dividend payment, and
- accept the Auditor's Report.

#### **Resolution proposals of the EGM of Magyar Telekom Plc. to be held December 21, 2006:**

1. The General Meeting approves the 2005 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards, including Balance Sheet Total Assets of HUF 1,082,948 million and Profit after tax for year 2005: HUF 88,919 million (before the deduction of HUF 10,355 million attributable to minority interests).
2. The General Meeting approves the Y2005 Annual Report of the Company prepared according to the Hungarian Accounting Regulations (HAR), including Balance Sheet Total Assets of HUF 923,466 million and After-tax Net Income of HUF 68,090 million.
3. The General Meeting hereby evaluates the work of the board members of the Company and decides on granting the relief from liability for the board members of the Company with respect to the 2005 business year in accordance with Section 30 (5) of the Companies Act. 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.
4. A dividend of HUF 73 per ordinary share (with a face value of HUF 100) and dividend of HUF 7 300 per preference share (with a face value of HUF 10 000) shall be paid to the shareholders from the profit of 2005.

The Company uses HUF 8,031,646,223 from profit reserves to pay the total dividend of HUF 76,122,086,995 because profit after tax before dividend is HUF 68,090,440,772 based on HAR figures.

January 12<sup>th</sup> 2007 shall be the first day of dividend disbursement.

On December 22<sup>nd</sup> 2006, the Management Committee of Magyar Telekom Plc. shall publish a detailed announcement on the order of dividend disbursement in Magyar Tőkepiac, 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 dividends.

5. The General Meeting elects PricewaterhouseCoopers Kft. (1077 Budapest, Wesselényi u. 16.; Registration no.: 001464). Name of the private person to perform audit services as registered auditor: Szabados Szilvia (chamber membership number: 005314; address: 1031 Budapest, Amfiteátrum u. 25. VI. 53.; mother's maiden name: Terézia Bukó) as Auditor of the Company for the two year period ending May 31<sup>st</sup> 2008 or if the Annual General Meeting closing the 2007 financial year will be held prior to May 31<sup>st</sup> 2008 than on the date thereof.

In the event that Szilvia Szabados is incapacitated, the GM elects Márta Hegedűsné Szűcs (chamber membership number: 006838, mother's maiden name: Julianna Hliva, address: 2071 Páty, Várhegyi u. 6.) to act as responsible auditor.

The General Meeting approves the payment of HUF 81,000,000 - not including the audit of internal controls as required by the Sarbanes-Oxley Act of 2002 - (+ a maximum of 5% for related costs) + VAT per year, covering the audit of the annual financial statements of Magyar Telekom Plc.

(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).

6. The General Meeting approves the modifications of the Articles as follows:

1.6.2. Other activities

40.11'03 Production of electricity

67.20'03 Other insurance activities

15.2. Notices

Notices and advertisements of the Company shall be published in the nationwide, official journal of the Budapest Stock Exchange and in the official publication space of the Budapest Stock Exchange Closed Limited Company (i.e. home page of the Stock Exchange) and the Official Gazette ("Céglözlöny") in cases required by applicable law.

All other provisions of the Articles of Association remain unchanged.

7. The General Meeting elects Christopher Mattheisen to the members of the Board of Directors of Magyar Telekom Nyrt. – under the same conditions as for the members today - until May 31, 2007.

We wish to inform our shareholders that the submissions prepared in writing of the Extraordinary General Meeting to be held as of December 21, 2006 are available from December 6, 2006 at the customer service office of KELER Ltd. (1075 Budapest, Asbóth u. 9-11.) between 9 a.m. – 3 p.m., on the web site of Magyar Telekom Plc. ([www.magyartelekom.hu](http://www.magyartelekom.hu)) and the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) and at the place of the General Meeting from the commencement of registration (December 21, 2006 9 a.m.).

Magyar Telekom Plc.

## **Informative on the election of the members of the Board of Directors of Magyar Telekom Plc.**

Let us hereby inform our shareholders that the following proposal was submitted to agenda No. 7 (Recalling and Election of Members of the Board of Directors) of the General Meeting:

**Christopher Mattheisen** (45) received his business and financial qualifications at the University of Indiana, Bloomington and the Columbia University, New York. He came to Hungary in 1990, where he founded a consultancy business dealing with business analysis and strategic planning. As of 1993, as US West International's marketing executive, he assisted the start-up of Hungarian, Polish and Czech mobile phone operators. Between 1993 and 1996 he worked in T-Mobile Hungary's (up till 2004, Westel Mobil Távközlési Rt.) Marketing and Sales Director position. As of 1997, he headed the commercial and marketing activities of MediaOne's mobile telecommunications businesses in London. Afterwards, he continued to work in England as BT Cellnet's Business Commerce and Marketing Director. As of September 2002, he worked as Magyar Telekom Group's (until May 2005: Matáv Group) Chief Officer and Head of the Residential Services Line of Business, as well as the Magyar Telekom Group Management Committee. Between January 2005 and June 2006 he headed the Fix-line Services Line of Business (T-Com).