

HUNGARIAN TELEPHONE & CABLE CORP  
Form DEFM14A  
February 03, 2009  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Hungarian Telephone and Cable Corp.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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2) Form, Schedule or Registration Statement No.: 333-155788

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3) Filing Party: Invitel Holdings A/S

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4) Date Filed: November 28, 2008



**Table of Contents**

**Hungarian Telephone and Cable Corp.**

**1201 Third Avenue**

**Suite 3400**

**Seattle, WA 98101-3034**

February 2, 2009

Dear Stockholder:

You are cordially invited to join us at a Special Meeting of Stockholders of Hungarian Telephone and Cable Corp. to be held at 10 a.m. (New York City time) on February 24, 2009. The meeting will be held at the offices of Simpson Thacher & Bartlett LLP located at 425 Lexington Avenue, New York, NY10017-3954, U.S.A.

We are pleased to present for your approval a proposal for reorganizing your company and effectively changing its place of incorporation from Delaware to Denmark.

When the reorganization is completed, the shares you own of Hungarian Telephone and Cable Corp. ( HTCC Delaware ) will automatically be converted into the right to receive American depositary shares ( Invitel Denmark ADSs ) of Invitel Holdings A/S ( Invitel Denmark ), evidenced by American depositary receipts ( Invitel Denmark ADRs ), representing ordinary shares of Invitel Denmark, provided that you may elect to receive ordinary shares instead of Invitel Denmark ADSs. Invitel Denmark is a Danish corporation that we recently formed for purposes of effecting the reorganization and is a wholly owned subsidiary of HTCC Delaware. Each Invitel Denmark ADS will represent one ordinary share of Invitel Denmark. The number of Invitel Denmark ordinary shares you will own, either directly or through Invitel Denmark ADSs, will be the same as the number of HTCC Delaware shares you own immediately prior to the completion of the reorganization, and your relative economic ownership in the company will remain unchanged. After completion of the reorganization, Invitel Denmark and its subsidiaries will continue to conduct the business conducted by HTCC Delaware and its subsidiaries.

The reorganization will be accomplished through the following steps:

the transfer of HTCC Delaware's assets to, and assumption of HTCC Delaware's liabilities by, Invitel Denmark in exchange for newly issued ordinary shares of Invitel Denmark,

the merger of HTCC Delaware with and into a newly formed Delaware limited liability company, Invitel Sub LLC ( MergeCo ), which will be the surviving company in the merger and a wholly owned subsidiary of Invitel Denmark, and

after completion of the merger, the transfer by MergeCo of its then remaining assets to and the assumption of its then remaining liabilities by its parent, Invitel Denmark, and the dissolution of MergeCo.

As a result of these transactions, it is intended that Invitel Denmark will be the successor to, and be substituted for, HTCC Delaware, as the holding company for the group of companies that currently are subsidiaries of HTCC Delaware.

The accompanying proxy statement/prospectus contains detailed information about the merger and the Special Meeting. This document is also a prospectus for the Invitel Denmark ordinary shares underlying the Invitel Denmark ADSs that will be delivered in connection with the merger. **HTCC Delaware's stockholders are encouraged to read this proxy statement/prospectus carefully before voting, including the section entitled Risk Factors beginning on page 19.**

The board of directors of HTCC Delaware has unanimously approved the agreement and plan of merger providing for the merger and related steps, and recommends that you vote FOR adoption of the agreement and plan of merger.

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The merger requires the affirmative vote of a majority of our outstanding common stock, including the common stock owned by TDC A/S, a Danish corporation ( TDC ). On February 2, 2009, TDC owned 10,499,782 shares of our common stock, representing approximately 63.9% of our outstanding common stock on that date. TDC has informed us that it intends to vote its shares of our outstanding common stock in favor of the adoption of the agreement and plan of merger. TDC owns sufficient shares of our common stock to approve the adoption of the agreement and plan of merger and, therefore, no action by any other stockholder of HTCC Delaware is required for the merger and reorganization to be completed.

HTCC Delaware s common stock is currently traded on the NYSE Alternext stock exchange (formerly known as The American Stock Exchange) under the symbol HTC . We intend to apply to list the Invitel Denmark ADSs on the NYSE Alternext stock exchange under the symbol IHO , effective upon the merger.

Holders of HTCC Delaware common stock will not be entitled to dissenters or appraisal rights under the Delaware General Corporation Law in connection with the merger.

Please vote your proxy by completing, signing and dating the enclosed proxy card and returning it promptly, whether or not you expect to attend the Special Meeting. You may revoke your proxy and vote in person if you decide to attend the meeting.

We urge you to join us in supporting this important opportunity.

Sincerely,

Henrik Scheinemann

Chairman

**These securities have not been approved or disapproved by the Securities and Exchange Commission, any State Securities Commission or the Securities Regulatory Authority of any other jurisdiction nor has the Securities and Exchange Commission, any State Securities Commission or any Securities Regulatory Authority of any other jurisdiction passed upon the accuracy or adequacy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated February 2, 2009 and is expected first to be mailed to stockholders on or about February 3, 2009.

**Table of Contents**

**Hungarian Telephone and Cable Corp.**

**1201 Third Avenue**

**Suite 3400**

**Seattle, WA 98101-3034**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On February 24, 2009**

To the Stockholders of Hungarian Telephone and Cable Corp.:

Notice is hereby given that a Special Meeting of the Stockholders of Hungarian Telephone and Cable Corp., a Delaware corporation ( HTCC Delaware or the company ), will be held at 10 a.m. (New York City time) on February 24, 2009 at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY10017-3954, U.S.A. for the following purposes:

1. To adopt the agreement and plan of merger, a conformed copy of which is attached to and described in the accompanying proxy statement/prospectus as Annex A, among HTCC Delaware, Invitel Sub LLC, a Delaware limited liability company ( MergeCo ), and Invitel Holdings A/S, a Danish corporation ( Invitel Denmark ), whereby the company will effectively change its place of incorporation from Delaware to Denmark by merging HTCC Delaware with and into MergeCo, which will be the surviving entity and become a wholly owned, direct subsidiary of Invitel Denmark, and pursuant to which each share of HTCC Delaware will automatically be converted into the right to receive one American depositary share of Invitel Denmark representing one ordinary share of Invitel Denmark, provided that you may elect to receive ordinary shares instead of Invitel Denmark ADSs; and
2. To transact such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

The board of directors of HTCC Delaware has fixed the close of business on February 2, 2009 as the record date for determination of stockholders entitled to notice of, and to vote at, the Special Meeting and any adjournments or postponements thereof.

**To ensure that your shares of common stock are represented at the meeting, you should vote your proxy by completing, signing and dating the enclosed proxy card and returning it promptly in the enclosed envelope, whether or not you expect to attend the Special Meeting. You may revoke your proxy and vote in person if you decide to attend the meeting.**

By Order of the Board of Directors,

Peter T. Noone

General Counsel and Secretary

Seattle, Washington, February 2, 2009.

**Table of Contents**

TABLE OF CONTENTS

|  |    |
|--|----|
| <u>ADDITIONAL INFORMATION</u>  | ii |
| <u>ENFORCEABILITY OF CIVIL LIABILITIES</u>   | ii |
| <u>MARKET AND INDUSTRY DATA</u>  | ii |
| <u>CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS</u>  | ii |
| <u>QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION</u>  | 1  |
| <u>SUMMARY</u>   | 6  |
| <u>Parties to the Merger</u>   | 6  |
| <u>Recent Developments</u>   | 7  |
| <u>The Reorganization (see page 131)</u>   | 8  |
| <u>Background and Reasons for the Reorganization (see page 131)</u>  | 9  |
| <u>Reason for the Reincorporation of HTCC Delaware in Denmark</u>  | 10 |
| <u>Conditions to Consummation of the Reorganization (see page 133)</u>   | 10 |
| <u>Credit Facilities</u>   | 11 |
| <u>Material United States Federal Income Tax Consequences to Stockholders (see page 141)</u>                     | 11 |
| <u>Material Danish Income Tax Consequences to Stockholders (see page 147)</u>                                    | 12 |
| <u>Material Hungarian Income Tax Consequences to Stockholders (see page 148)</u>                                 | 12 |
| <u>Comparison of Rights of Stockholders/Rights of Shareholders (see page 164)</u>                                | 13 |
| <u>Stock Exchange Listing; Recent Stock Prices</u>   | 13 |
| <u>No Rights of Dissenting Stockholders (see page 137)</u>   | 14 |
| <u>Accounting Treatment of the Reorganization</u>  | 14 |
| <u>Effect on Stock Compensation Plans and Employment Arrangements with Officers and Directors (see page 137)</u> | 14 |
| <u>Special Meeting (see page 175)</u>  | 14 |
| <u>Recommendation of the Board of Directors</u>  | 15 |
| <u>Vote Required</u>   | 15 |
| <u>Proxies (see page 176)</u>  | 16 |
| <u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>   | 17 |
| <u>SUMMARY PRO FORMA FINANCIAL INFORMATION</u>   | 18 |
| <u>RISK FACTORS</u>  | 19 |
| <u>Risks Relating to the Reorganization</u>  | 19 |
| <u>Risks Relating to Our Business</u>  | 22 |
| <u>Risks Relating to Regulatory Matters</u>  | 28 |
| <u>Risks Relating to Our Existing Debt</u>   | 31 |
| <u>Risks Relating to Our Reported Financial Results</u>  | 33 |
| <br>   |    |
| <u>Other Risks</u>   | 36 |
| <u>Cautionary Statement Concerning Forward-Looking Statements</u>  | 38 |
| <u>HTCC DELAWARE VOTING SECURITIES</u>   | 40 |
| <u>MARKET FOR HTCC DELAWARE COMMON STOCK, DIVIDEND POLICY AND OTHER MATTERS</u>                                  | 41 |
| <u>Market Information</u>  | 41 |
| <u>Stockholders</u>  | 41 |
| <u>Dividend Policy</u>   | 41 |
| <u>BUSINESS OF HTCC DELAWARE</u>   | 42 |
| <u>Glossary of Business Terms</u>  | 42 |
| <u>Company Overview</u>  | 43 |
| <u>Company History</u>   | 51 |
| <u>Strategy</u>  | 53 |
| <u>Hungary</u>   | 55 |
| <u>Hungarian Telecommunications Industry</u>   | 56 |
| <u>Competition</u>   | 58 |
| <u>Hungarian Taxation</u>  | 65 |
| <u>Our Markets and Services</u>  | 65 |
| <u>Pricing and Tariffs</u>   | 69 |

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|   |     |
|---|-----|
| <u>Our Customers</u>  | 71  |
| <u>Sales and Distribution Channels</u>  | 72  |
| <u>Our Network</u>  | 73  |
| <u>Billing and Customer Care Software Systems</u>   | 76  |
| <u>Employees</u>  | 77  |
| <u>Description of Property</u>  | 77  |
| <u>Environmental</u>  | 78  |
| <u>Legal Proceedings</u>  | 78  |
| <u>Related Party Transactions</u>   | 79  |
| <u>DIRECTORS AND EXECUTIVE OFFICERS OF HTCC DELAWARE</u>  | 81  |
| <u>Executive Officer Compensation</u>   | 81  |
| <u>Director Compensation</u>  | 84  |
| <u>Security Ownership of Executive Officers and Directors</u>   | 86  |
| <u>PRINCIPAL STOCKHOLDERS OF HTCC DELAWARE</u>  | 87  |
| <u>HTCC DELAWARE MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS</u> | 88  |
| <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS</u>                                      | 128 |
| <u>THE REORGANIZATION</u>   | 131 |
| <u>Structure of the Reorganization</u>  | 131 |



**Table of Contents**

|   |     |
|---|-----|
| <u>Background and Reasons for the Reorganization</u>                                  | 131 |
| <u>Reason for the Reincorporation of HTCC Delaware in Denmark</u>                     | 133 |
| <u>The Merger Agreement</u>   | 133 |
| <u>Automatic Conversion</u>   | 135 |
| <u>Share Election; Exchange of Shares</u>   | 135 |
| <u>Management of Invitel Denmark</u>  | 136 |
| <u>Required Vote for the Reorganization</u>   | 136 |
| <u>No Rights of Dissenting Stockholders</u>   | 137 |
| <u>Dividends</u>  | 137 |
| <u>Stock Compensation Plans</u>   | 137 |
| <u>Severance and Employment Arrangements of Officers and Directors</u>                | 137 |
| <u>Stock Exchange Listing; Recent Stock Prices</u>                                    | 138 |
| <u>Accounting Treatment of the Reorganization</u>                                     | 139 |
| <u>Credit Facilities</u>  | 139 |
| <u>Invitel Denmark will be a Foreign Private Issuer</u>                               | 139 |
| <u>MATERIAL INCOME TAX CONSEQUENCES OF THE REORGANIZATION</u>                         | 141 |
| <u>Material United States Federal Income Tax Consequences</u>                         | 141 |
| <u>Material Danish Income Tax Consequences to Stockholders</u>                        | 147 |
| <u>Material Hungarian Income Tax Consequences to Stockholders</u>                     | 148 |
| <u>DESCRIPTION OF ORDINARY SHARES OF INVITEL DENMARK</u>                              | 149 |
| <u>Authorized Share Capital</u>   | 149 |
| <u>Preemptive Rights</u>  | 149 |
| <u>Dividend Rights</u>  | 150 |
| <u>Rights Upon Liquidation</u>  | 150 |
| <u>No Sinking Fund</u>  | 150 |
| <u>No Liability for Further Calls or Assessments</u>                                  | 150 |
| <u>Redemption (Squeeze-out)</u>   | 150 |
| <u>Repurchase</u>   | 151 |
| <u>No Restrictions on Transfer</u>  | 151 |
| <u>Voting</u>   | 151 |
| <u>Requisition of Meetings</u>  | 151 |
| <u>Place of Meetings</u>  | 152 |
| <br>  |     |
| <u>Preferred Shares</u>   | 152 |
| <u>Disclosure of Ownership Thresholds</u>   | 152 |
| <u>Exchange Controls</u>  | 152 |
| <u>DESCRIPTION OF INVITEL DENMARK AMERICAN DEPOSITARY SHARES</u>                      | 153 |
| <u>NYSE Alternext Listing of Invitel Denmark ADSs</u>                                 | 153 |
| <u>American Depositary Shares</u>   | 153 |
| <u>Holding the Invitel Denmark ADSs</u>   | 153 |
| <u>Dividends and Other Distributions</u>  | 154 |
| <u>Deposit, Withdrawal and Cancellation</u>   | 156 |
| <u>Voting Rights</u>  | 157 |
| <u>Fees and Expenses</u>  | 158 |
| <u>Payment of Taxes</u>   | 159 |
| <u>Reclassifications, Recapitalizations and Mergers</u>                               | 159 |
| <u>Amendment and Termination</u>  | 160 |
| <u>Books of Depositary</u>  | 160 |
| <u>Limitations on Obligations and Liability</u>                                       | 161 |
| <u>Requirements for Depositary Actions</u>  | 162 |
| <u>Your Right to Receive the Ordinary Shares Underlying Your Invitel Denmark ADSs</u> | 162 |
| <u>Pre-release of Invitel Denmark ADSs</u>  | 162 |
| <u>The Depositary</u>   | 163 |
| <u>COMPARISON OF RIGHTS OF STOCKHOLDERS/SHAREHOLDERS</u>                              | 164 |
| <u>THE SPECIAL MEETING</u>  | 175 |
| <u>Time, Place and Date</u>   | 175 |

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|  |     |
|--|-----|
| <u>Proposals</u>   | 175 |
| <u>Record Date</u>   | 175 |
| <u>Quorum</u>  | 175 |
| <u>Vote Required</u>   | 175 |
| <u>Voting your Shares and Changing your Vote</u>                                     | 176 |
| <u>Cost of Solicitation</u>  | 177 |
| <u>LEGAL MATTERS</u>   | 178 |
| <u>EXPERTS</u>   | 178 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u>   | 179 |
| <u>FINANCIAL STATEMENTS</u>  | 179 |
| <u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS SCHEDULES</u> | F-1 |

|         |   |
|---------|---|
| ANNEX A | <u>Agreement and Plan of Merger</u>                       |
| ANNEX B | <u>Form of Articles of Association of Invitel Denmark</u> |

**Table of Contents**

*In this proxy statement/prospectus, we refer to Hungarian Telephone and Cable Corp. as HTCC Delaware, and to Invitel Holdings A/S as Invitel Denmark. We refer to HTCC Delaware, Invitel Denmark and our operating subsidiaries, collectively, as HTCC or the HTCC group. Except where indicated otherwise, we refer to HTCC Delaware and Invitel Denmark, which will be HTCC Delaware's successor following the reorganization, together, as the company, we, us or our. Invitel Denmark ordinary shares and Invitel Denmark ADSs are also referred to collectively as Invitel Denmark securities. American depositary receipts evidencing Invitel Denmark ADSs are referred to herein as Invitel Denmark ADRs.*

Unless otherwise noted, all monetary amounts are stated in United States dollars.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this proxy statement/prospectus in connection with the transactions described in this proxy statement/prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by us.

Neither the delivery of this proxy statement/prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in our affairs since the date hereof. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or of any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy statement/prospectus unless the information specifically indicates that another date applies.

This proxy statement/prospectus has been prepared based on information provided by us and by other sources that we believe are reliable. This proxy statement/prospectus summarizes certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents, if any, for a more complete understanding of what we discuss in this proxy statement/prospectus. In deciding how to vote, you must rely on your own examination of our company and the terms of the reorganization and Invitel Denmark securities, including the merits and risks involved and other matters discussed in this document.

We are not making any representation to you regarding the legality of an investment in the Invitel Denmark securities by you under any legal investment or similar laws or regulations. You should not consider any information in this proxy statement/prospectus to be legal, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Invitel Denmark securities.

**Table of Contents**

**ADDITIONAL INFORMATION**

HTCC Delaware files annual, quarterly and other reports and other information with the Securities and Exchange Commission, or SEC. For a listing of the documents available from the SEC, please see the section entitled *Where You Can Find More Information* beginning on page 179.

HTCC Delaware will provide you with copies of the information relating to HTCC Delaware or Invitel Denmark, without charge, upon written or oral request to Mr. Peter T. Noone, HTCC Delaware General Counsel and Secretary, at 1201 Third Avenue, Suite 3400, Seattle, Washington 98101-3034 or at +1 (206) 654-0204. In order to receive timely delivery of the documents in advance of the HTCC Delaware special meeting, we should receive your request no later than February 16, 2009.

**ENFORCEABILITY OF CIVIL LIABILITIES**

Invitel Denmark is incorporated under the laws of Denmark and none of its directors or registered managers is a resident of the United States. Furthermore, substantially all of Invitel Denmark's assets and almost all of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Invitel Denmark or those persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws.

If a judgment is obtained in a U.S. court against Invitel Denmark or any such persons, investors will need to enforce such judgment in jurisdictions where Invitel Denmark or such person has assets. Under applicable Danish law, a judgment by a state or federal court of the United States in respect of the reorganization or exchange of HTCC Delaware shares for Invitel Denmark ADSs or Invitel Denmark ordinary shares will neither be recognized nor enforced by the courts of Denmark without a review of the merits underlying the judgment. You should consult with your own advisers in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

**MARKET AND INDUSTRY DATA**

Market data used in this proxy statement/prospectus was obtained from internal company estimates, government sources and various trade associations which monitor the industries in which we compete. We have not independently verified this market data. Similarly, internal company estimates, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any other person makes any representation as to the accuracy of the information. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and is subject to change based on various factors, including those discussed under *Risk Factors* in this proxy statement/prospectus.

**CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING STATEMENTS**

This proxy statement/prospectus contains forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties, which could cause actual results to differ materially from those expressed or implied in the statements. Words such as *believes*, *anticipates*, *estimates*, *expects*, *intends* and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) are only predictions or statements of current plans, which we review continuously.

**Table of Contents**

**PART I**

**QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION**

**Q. What am I being asked to vote on?**

- A. You are being asked to vote in favor of a reorganization of HTCC Delaware, a Delaware corporation, listed on the NYSE Alternext stock exchange ( NYSE Alternext, formerly known as The American Stock Exchange), in which it will effectively change its place of incorporation from Delaware to Denmark. The reorganization will be accomplished through the transfer of HTCC Delaware's assets to, and the assumption of HTCC Delaware's liabilities by, Invitel Denmark, followed by the merger of HTCC Delaware with and into a newly formed Delaware limited liability company, Invitel Sub LLC ( MergeCo ), which will be the surviving entity in the merger and a wholly owned subsidiary of Invitel Denmark. Invitel Denmark is a Danish corporation that we recently formed for the purposes of effecting the reorganization and is a wholly owned subsidiary of HTCC Delaware. After completion of the merger, the remaining assets and liabilities of MergeCo will be transferred to and assumed by its parent, Invitel Denmark, and MergeCo will be dissolved. As a result of the merger, you will own shares in Invitel Denmark, which will be the new holding company for the HTCC group.

**Q. What will I receive in the merger?**

- A. In the reorganization merger, each share of HTCC Delaware common stock will automatically convert into the right to receive one Invitel Denmark ADS representing one ordinary share of Invitel Denmark, provided that you may elect to receive ordinary shares instead of Invitel Denmark ADSs.

**Q. What is an Invitel Denmark ADS?**

- A. An American depository share, or ADS, is a security that allows shareholders in the United States to hold and trade interests in foreign-based companies more easily. ADSs are often evidenced by certificates known as American depository receipts, or ADRs. Invitel Denmark is a Danish corporation that issues ordinary shares. Each Invitel Denmark ADS represents one Invitel Denmark ordinary share. For a description of the rights attaching to Invitel Denmark ADSs, see Description of Invitel Denmark American Depository Shares on page 153. For a description of the rights attaching to each ordinary share of Invitel Denmark, see Description of Ordinary Shares of Invitel Denmark on page 149.

**Q. Will Invitel Denmark ADSs be publicly traded in the United States?**

- A. Yes. We intend to list Invitel Denmark ADSs publicly in the United States on the NYSE Alternext stock exchange (formerly known as The American Stock Exchange) under the symbol IHO and quoted in United States dollars. NYSE Alternext is the stock exchange on which the common stock of HTCC Delaware is currently listed.

**Q. Will Invitel Denmark ordinary shares be publicly traded in the United States or elsewhere?**

- A. No. However, we may consider seeking a listing of the Invitel Denmark ordinary shares on a stock exchange in Europe, where the HTCC group's operating businesses are located, at some future time.

**Q. How do I make the choice to receive Invitel Denmark ordinary shares instead of Invitel Denmark ADSs?**

- A. Prior to the merger, an exchange agent will be appointed for the purpose of exchanging HTCC Delaware common stock for, as applicable, Invitel Denmark ADSs or Invitel Denmark ordinary shares. The exchange agent will mail to each holder of record of HTCC Delaware common stock a letter of transmittal for use in

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**Table of Contents**

effecting delivery of certificates representing these shares to the exchange agent. The letter of transmittal will enable each holder of HTCC Delaware common stock to make an election to receive Invitel Denmark ordinary shares instead of Invitel Denmark ADSs, by way of a cancellation of Invitel Denmark ADSs within 30 days from the date of issuance, at no cost to the holder. If a holder of HTCC Delaware common stock does not make an election, the holder will automatically receive one Invitel Denmark ADS for each share of HTCC Delaware common stock. If a holder of HTCC Delaware common stock elects to receive Invitel Denmark ordinary shares, the holder will receive the Invitel Denmark ordinary shares in dematerialized form, subject to compliance with the requirements to receive Invitel Denmark ordinary shares. Invitel Denmark issues its shares through the Danish central securities depository, VP Securities Service (Værdipapircentralen A/S). In order to receive ordinary shares of Invitel Denmark, you will have to appoint a bank, broker or other nominee who is a clearing member of VP Securities Service or who has an agreement with a clearing member of VP Securities Service, and establish an account with VP Securities Service through such bank, broker or other nominee. You must follow the instructions of such bank, broker or nominee in order to receive Invitel Denmark ordinary shares.

If you hold your shares of HTCC Delaware common stock in street name through a stockbroker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of those shares, and the letter of transmittal should be forwarded to you by your stockbroker, bank or other nominee. You should note, if you intend to elect to receive Invitel Denmark ordinary shares, that the Invitel Denmark ordinary shares will not be publicly traded, and may not become publicly traded in the future. For more information on the exchange of the HTCC Delaware common stock for HTCC Denmark securities, see The Reorganization Share Election; Exchange of Shares on page 135.

**YOU SHOULD NOT SEND YOUR HTCC DELAWARE STOCK CERTIFICATES TO THE EXCHANGE AGENT UNTIL YOU HAVE RECEIVED TRANSMITTAL MATERIALS FROM THE EXCHANGE AGENT. DO NOT RETURN HTCC DELAWARE STOCK CERTIFICATES WITH THE ENCLOSED PROXY CARD.**

**Q. What are the implications to HTCC Delaware stockholders of Invitel Denmark being a foreign private issuer ?**

- A. Following completion of the merger, Invitel Denmark will be subject to the reporting requirements under the U.S. Securities Exchange Act of 1934 (the Exchange Act) applicable to foreign private issuers. Under current regulations, Invitel Denmark will be required to file an annual report on Form 20-F with the SEC within six months after the end of each fiscal year. Invitel Denmark's current fiscal year begins on January 1 and ends on December 31. In addition, Invitel Denmark will be required to furnish reports on Form 6-K to the SEC regarding any information required to be publicly disclosed by Invitel Denmark in Denmark or filed with any stock exchange where its ordinary shares may be listed, or distributed or required to be distributed by Invitel Denmark to its shareholders. Invitel Denmark will remain subject to the disclosure rules of NYSE Alternext. Invitel Denmark will be subject to the mandates of the Sarbanes-Oxley Act applicable to foreign private issuers. Invitel Denmark will be exempt from certain rules under the Exchange Act, including the proxy rules which impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act, and will not be required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. In addition, among other matters, Invitel Denmark's officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Invitel Denmark securities. If Invitel Denmark loses its status as a foreign private issuer, it will no longer be exempt from such rules and, among other things, will be required to file periodic reports and financial statements as if it were a company incorporated in the United States. In addition, Invitel Denmark is considering preparing its financial reporting in accordance with International Financial Reporting Standards (IFRS) and may also change its reporting currency from U.S. dollars to euros. See Invitel Denmark will be a Foreign Private Issuer on page 139.

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**Table of Contents**

**Q. How will the reorganization be accomplished?**

- A. HTCC Delaware will transfer its assets to, and will have its liabilities assumed by, its wholly owned subsidiary Invitel Denmark in exchange for newly issued shares of Invitel Denmark. HTCC Delaware will subsequently merge with and into, a new Delaware limited liability company, MergeCo, a wholly owned direct subsidiary of Invitel Denmark, which was formed specifically for the merger. MergeCo will be the surviving entity in the merger. After completion of the merger, any remaining assets and liabilities of MergeCo will be transferred to and assumed by its parent, Invitel Denmark, and MergeCo will be dissolved. As a result of the merger, each share of HTCC Delaware common stock outstanding immediately prior to the effective time of the merger will automatically convert into the right to receive one Invitel Denmark ADS representing one ordinary share of Invitel Denmark, provided that you may elect to receive ordinary shares instead of Invitel Denmark ADSs. This procedure allows you to become a holder, either through Invitel Denmark ADSs or directly, of ordinary shares of Invitel Denmark, the new Danish parent company of the entire HTCC group. After this merger, you will own an interest in a Danish holding company which, together with its subsidiaries, will continue to be engaged in the same business that HTCC Delaware and its subsidiaries were engaged in before the merger. The additional steps in the reorganization are more fully described in *The Reorganization Structure of the Reorganization* on page 131.

**Q. Will the reorganization dilute my ownership interest?**

- A. No. The reorganization will not dilute your ownership interest. Immediately after the reorganization is consummated, you will, either through Invitel Denmark ADSs or directly, own the same percentage of Invitel Denmark ordinary shares as you owned of HTCC Delaware common stock immediately prior to the completion of the reorganization, and your relative economic ownership in the company will remain unchanged. After completion of the reorganization, the total number of outstanding ordinary shares of Invitel Denmark will be equal to the number of shares of common stock of HTCC Delaware that were outstanding immediately prior to the effective time of the merger. As of February 2, 2009, HTCC Delaware had 16,425,733 shares of common stock outstanding.

**Q. Do I have to change my stock certificates?**

- A. Yes. The exchange agent will send you a letter of transmittal, which will instruct you how to surrender your certificates of common stock of HTCC Delaware. Upon surrender of the certificate with a duly executed letter of transmittal, you will be entitled to receive in exchange the whole number of Invitel Denmark ADSs or, if you so elect, Invitel Denmark ordinary shares that you have the right to receive pursuant to the merger agreement. If you surrender a HTCC Delaware stock certificate and request the new Invitel Denmark ADSs or Invitel Denmark ordinary share in dematerialized form, as the case may be, to be issued in a name other than the one appearing on the surrendered certificate, you must endorse the stock certificate or otherwise prepare it to be in proper form for transfer. HTCC Delaware certificates that are surrendered will be cancelled. No interest will be paid or accrued on any amount payable upon surrender of stock certificates. No holder of unsurrendered certificates will receive any dividends or other distributions with respect to Invitel Denmark ADSs or Invitel Denmark ordinary shares to which the holder is entitled under the merger agreement, or be entitled to exercise voting power with respect to such holder's interest in Invitel Denmark ordinary shares, until the HTCC Delaware certificate registered to the holder is surrendered to the exchange agent. For further information, please see *The Reorganization The Merger Agreement Share Election; Exchange of Shares* on pages 133 and 135.

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**Table of Contents**

**Q. Will HTCC Delaware stockholders be taxed as a result of the reorganization?**

- A. No. Generally, if you are a United States person and not a Danish resident, you should not recognize gain or loss when you exchange your shares of HTCC Delaware common stock solely for Invitel Denmark ADSs or Invitel Denmark ordinary shares pursuant to the reorganization. Your aggregate tax basis in Invitel Denmark ADSs or Invitel Denmark ordinary shares that you receive in the reorganization should equal your aggregate tax basis in shares of HTCC Delaware common stock you surrender. Your holding period for Invitel Denmark ADSs or Invitel Denmark ordinary shares that you receive in the reorganization should include your holding period for the shares of HTCC Delaware common stock that you surrender. If you acquired different blocks of HTCC Delaware common stock at different times and at different prices, your tax basis and holding period in your Invitel Denmark ADSs or Invitel Denmark ordinary shares may be determined with reference to each block of HTCC Delaware common stock. See *Material Income Tax Consequences of the Reorganization* *Material United States Federal Income Tax Consequences* *United States Federal Income Tax Consequences of the Reorganization* *Tax Consequences to HTCC Delaware Stockholders* on page 144. See also *Material Income Tax Consequences of the Reorganization* *Material Danish Income Tax Consequences to Stockholders* and *Material Income Tax Consequences of the Reorganization* *Material Hungarian Income Tax Consequences to Stockholders*. **You should consult your own tax advisors concerning the United States federal income tax consequences to you of the reorganization in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.**

**Q. Will HTCC Delaware be taxed as a result of the reorganization?**

- A. We believe that HTCC Delaware should not incur a material amount of United States federal income tax liability as a result of the reorganization. However, there can be no assurance that the U.S. Internal Revenue Service ( IRS ) will not challenge the position taken by us with respect to the valuation of our assets. If the IRS were to successfully challenge the valuation of the company's assets, this could have a material adverse effect on Invitel Denmark as a successor to HTCC Delaware.

**Q. When do you expect to complete the reorganization?**

- A. We hope to complete the reorganization (subject to the satisfaction or waiver of the conditions to the merger) shortly after the special meeting of HTCC Delaware stockholders, which we will hold on February 24, 2009.

**Q. Will the proposal affect current operations? What about the future?**

- A. The reorganization will have no immediate major impact on how we conduct day-to-day operations. The location of future operations will depend on the needs of our business, independent of our place of incorporation.

**Q. Will I be able to trade my shares during the time it takes to complete the reorganization?**

- A. Yes.

**Q. How do I vote if my shares are registered in my name?**

- A. By completing, signing and returning your proxy card in the enclosed postage-prepaid envelope, you will authorize the persons named on the proxy card to vote your shares according to your instructions.

**Q. How do I vote if my broker holds my shares in street name ?**

- A. If you hold your shares in street name through a stockbroker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares, and the proxy materials are being

**Table of Contents**

forwarded to you by your stockbroker, bank or other nominee together with a voting instruction card. Please carefully consider the information contained in this proxy statement/prospectus and, whether or not you plan to attend the special meeting, please follow the instructions provided to you by your stockbroker, bank or other nominee so that your shares may be voted in accordance with your wishes. To vote at the meeting, beneficial owners will need to contact the broker, bank, or other nominee that holds their shares to obtain a proxy issued in your name to bring to the special meeting.

**Q. What if I don't vote or abstain?**

SHARES FOR WHICH NO VOTES ARE CAST EFFECTIVELY WILL BE TREATED AS THOUGH THEY WERE VOTED AGAINST THE AGREEMENT AND PLAN OF MERGER. ABSTENTIONS WILL BE COUNTED AS VOTES AGAINST THE AGREEMENT AND PLAN OF MERGER.

Our majority stockholder, TDC, owns sufficient shares of our common stock to approve the adoption of the agreement and plan of merger and, therefore, no action by any other stockholder of HTCC Delaware is required for the merger and reorganization to be completed.

**Q: Can I change my vote after I have delivered my proxy?**

A: Yes. You may revoke your proxy at any time before its exercise. Proxies may be revoked by (i) sending a written notice of revocation dated later than the proxy to our proxy agent, Continental Stock Transfer & Trust Company, before the special meeting, (ii) duly executing a subsequent proxy relating to the same shares and delivering it to Continental Stock Transfer & Trust Company before the special meeting, or (iii) attending the special meeting and voting in person (although attendance at the special meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered to Continental Stock Transfer & Trust Company before the special meeting. If you are a beneficial stockholder, you must contact your broker, bank or other nominee to determine how to change your vote.

**Q: Who will bear the cost for soliciting votes for the special meeting?**

A: HTCC Delaware will bear all expenses in conjunction with the solicitation of the enclosed proxy, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to security owners. In addition, proxies may be solicited by mail, in person, or by telephone or fax by certain officers, directors and employees of HTCC Delaware.

**Q: Whom should I call with other questions?**

A: If you have additional questions about this proxy statement, the special meeting, the reorganization or the merger, please contact: Hungarian Telephone and Cable Corp., 1201 Third Avenue, Suite 3400, Seattle, Washington 98101-3034, Attention: Peter T. Noone, General Counsel and Secretary, Telephone: +1 (206) 654-0204.

**Table of Contents**

**SUMMARY**

*This document is a prospectus of Invitel Denmark and a proxy statement of HTCC Delaware. This summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the reorganization, the merger and other transactions more fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document, including the Annexes and the other documents we have referred you to. See *Where You Can Find More Information* on page 179. The agreement and plan of merger is attached as Annex A to this document. The articles of association that will govern our company once we are domiciled in Denmark are attached as Annex B.*

**Parties to the Merger**

***Hungarian Telephone and Cable Corp. ( HTCC Delaware )***

Hungarian Telephone and Cable Corp. was incorporated in Delaware in 1992 as a holding company to acquire concessions from the government of the Republic of Hungary to own and operate local fixed line telecommunications networks in Hungary as Hungary privatized its telecommunications industry. Today, we are the second largest fixed line telecommunications services provider in Hungary and the incumbent provider of fixed line telecommunications services to residential and business customers in our 14 historical concession areas, where we have a dominant market share. We are also the number one alternative fixed line operator in Hungary outside our historical concession areas, and we are also the number one independent regional wholesale provider of data and capacity services in Central and South Eastern Europe.

Our historical concession areas in Hungary are geographically clustered and cover an estimated 2.1 million people, representing approximately 21% of Hungary's population. Outside our historical concession areas, we believe that we are well positioned to continue to grow our revenue and market share based on our owned state-of-the-art backbone network, our experienced sales force and our comprehensive portfolio of services. Our extensive national fiber optic backbone network comprising approximately 8,500 route kilometers of fiber, provides us with nationwide reach, allowing business customers to be connected directly to our network to access voice, data and Internet services.

Outside Hungary we are the leading independent provider of wholesale data and capacity services throughout Central and South Eastern Europe. Our regional fiber optic backbone network comprises approximately 19,000 route kilometers of fiber with 40 points of presence in 14 countries. Our clients include the incumbent telecommunications services providers in these countries as well as alternative fixed line telecommunications services providers, mobile operators, cable television operators and Internet Service Providers. We also provide services to telecommunication services providers from Western Europe and the United States, enabling them to meet the regional demands of their corporate clients.

We operate in the following four markets: