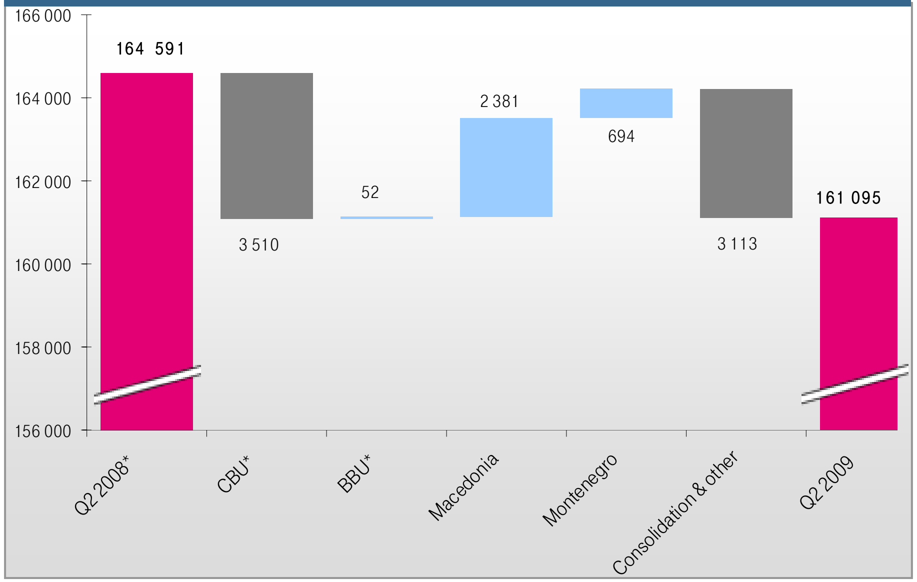
Presentation
Magyar Telekom Q2 2009 Results

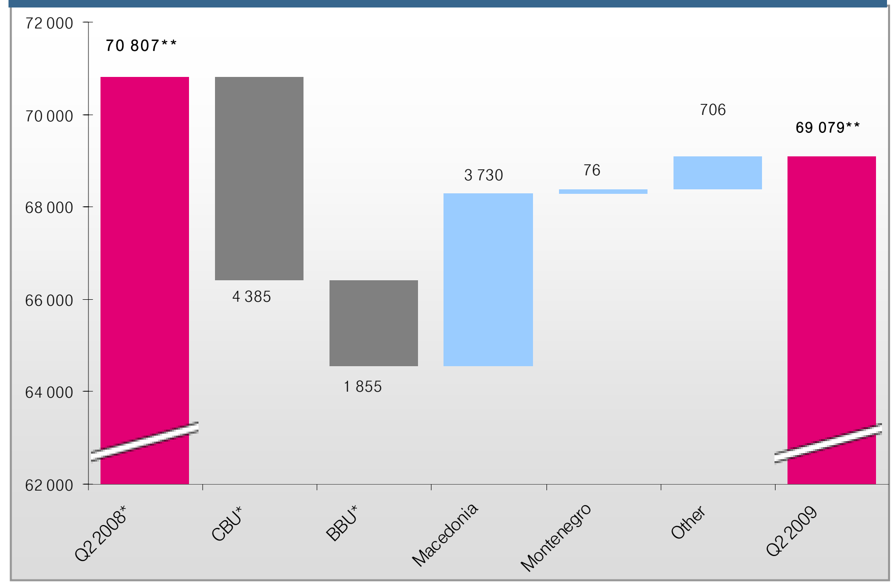
Continued focus on cost cutting and customer retention, revised 2009 guidance

Second quarter 2009 results
Business Unit analysis

Revenue development



Underlying EBITDA development



** excluding HUF 8.5bn F2M related reversal of provisions (HUF 3.1bn at CBU and HUF 5.4bn at BBU), **excluding investigation, headcount-reduction related costs*

2.1% revenue decline driven by recession, competition and regulation

- CBU declined primarily due to the worsening economic environment, cable competition and mobile termination rate regulation
- BBU showed flat revenues thanks to higher SI/IT revenues
- international revenue increase mainly driven by the foreign exchange impact, strong Macedonian results

2.4% underlying EBITDA decline due to change in revenue mix and recessionary impact

- further erosion of traditional voice revenues put pressure on EBITDA margin, which cost cutting could only partly offset
- wage increase for parent company employees in April 2009
- positive FX impact on result of international subsidiaries
- one-time HUF 1.4bn gain on the IKO Telekom Media transaction

Public targets for 2009 revised

Magyar Telekom

	Revised 2009 public targets	2009 H1 results
Revenue	**Around 2% decline compared to 2008** ▪ significant drop in disposable income of households due to recession (resulting in lower usage and tariffs, higher churn levels) ▪ intensifying competition ▪ regulatory impacts	**2.1% decline** ▪ strong decline in traditional voice revenues partly offset by new revenue sources (like SI/IT and TV services)
Underlying* EBITDA	**Up to 5% decline compared to 2008** ▪ difficult macroeconomic environment ▪ margin pressure due to faster than expected change in revenue mix ▪ regulatory impacts	**4.0% decline** ▪ strong decline in high-margin voice revenues ▪ cost cutting measures launched
Capex**	**Capex: maintain 2008 level** ▪ strong infrastructure based competition in Hungary ▪ pressure from weaker HUF ▪ cut in business-as-usual CAPEX, increased spending on new initiatives (satellite TV, fibre optic network)	**27% increase** ▪ higher H1 spending due to high demand for satellite TV services ▪ due to higher CAPEX on satellite TV, fibre-to-the-home roll-out Capex cut by HUF 2bn this year

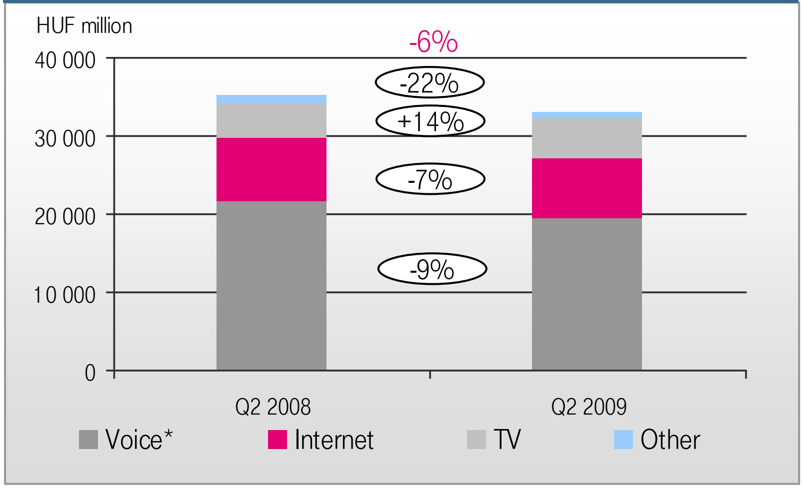
**Excluding special influences and HUF 8.5bn F2M related reversal of provisions booked in Q2 2008*

***Excluding the Macedonian 3G license fee of HUF 2.5bn and non-cash items totaling HUF 1.8bn in Q4 2008*

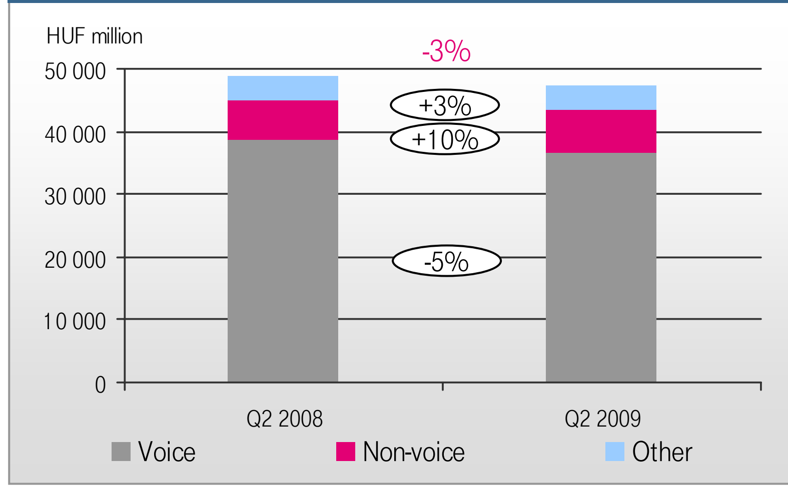
Consumer Services Business Unit (CBU) - Financials

Magyar Telekom

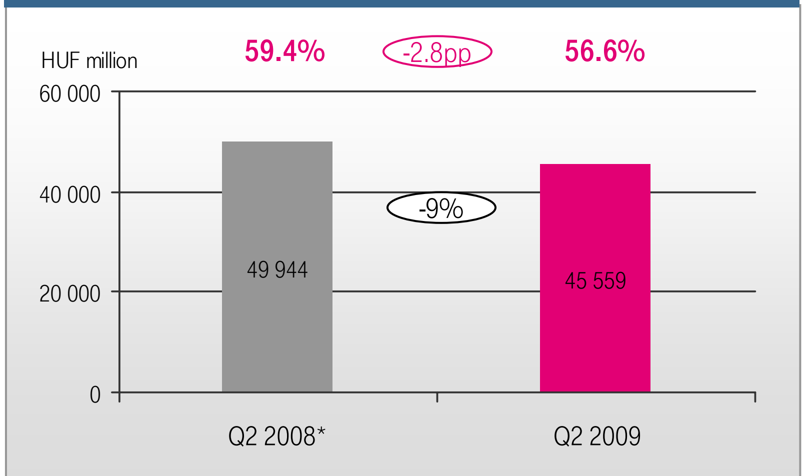
CBU Fixed line revenues



CBU Mobile revenues



CBU EBITDA and margin



** excluding HUF 3.1bn F2M related reversal of provisions accounted in Q2 2008*

Revenue decline driven by recession, competition and regulation

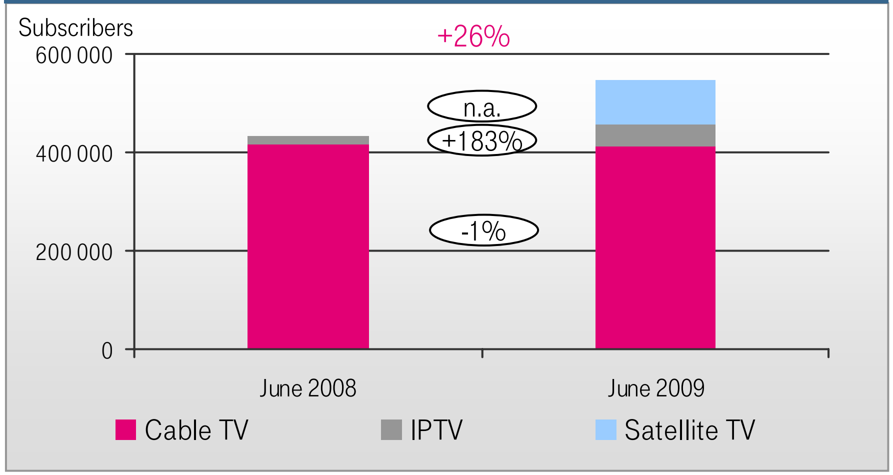
- usage declined and churn accelerated both in fixed line and mobile due to lower disposable income of households
- additional pressure on mobile revenues from regulation (cut in mobile termination rates and roaming tariffs)

EBITDA margin declined despite cost cutting

- changing revenue mix
- increased mobile acquisition costs
- fixed cost related to satellite TV service
- higher employee-related costs driven by wage increase

CBU – focus on triple play services

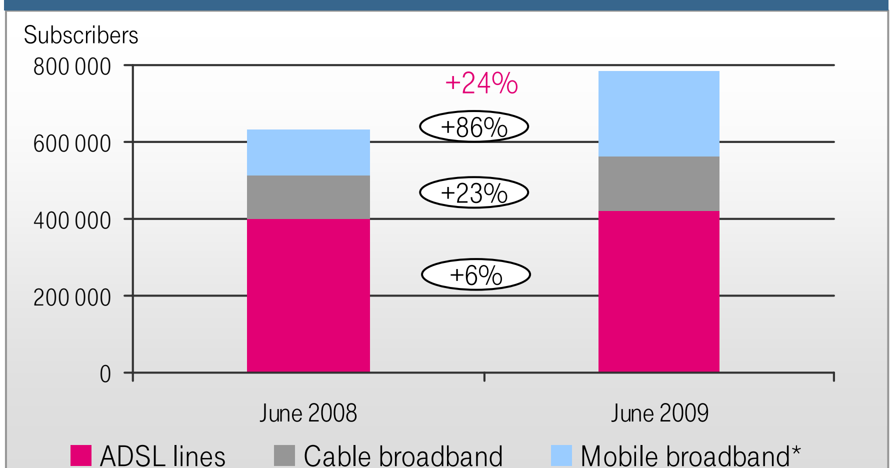
TV customer growth



Strong focus on Triple play on all networks (fixed line, cable and mobile)

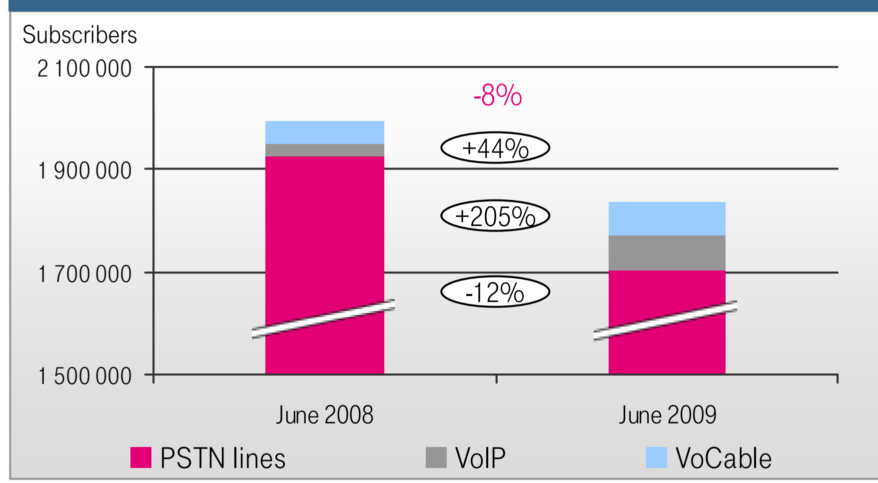
- new, simple and competitive offers launched under the T-Home brand last September
- new packages include more favorable VoIP solutions
- satellite TV service introduced last November enabling a country-wide TV offering
- triple play offers start from HUF 5,040/month (~EUR 17)

Broadband customer growth



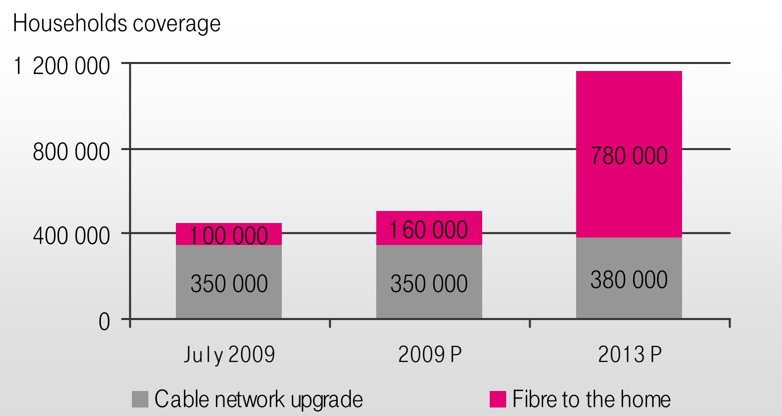
*Q2 2008 data estimated only

Fixed voice access



Improving service quality and portfolio

New generation access strategy



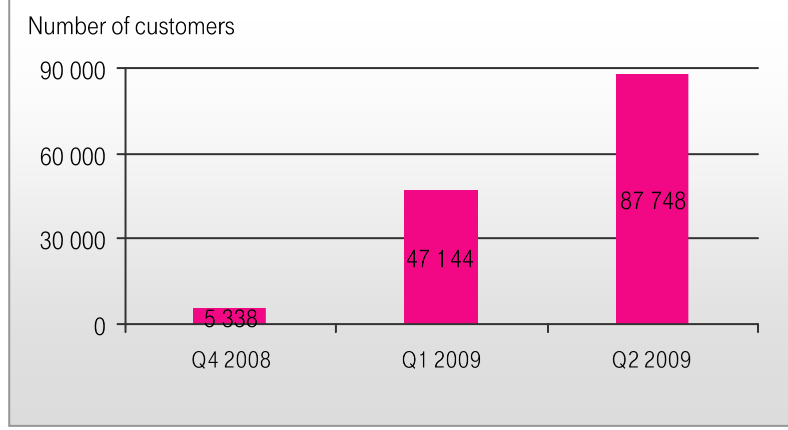
5-year plan to cover ~30% of Hungarian households with bandwidth of up to 100 Mbps

- fibre roll-out using mainly FTTH G-PON technology
- cable network upgrade with Docsis 3.0 technology

Total investment need of HUF 40 billion

- 2009 CAPEX of around HUF 8bn (cut by HUF 2bn)

Launch of satellite TV service

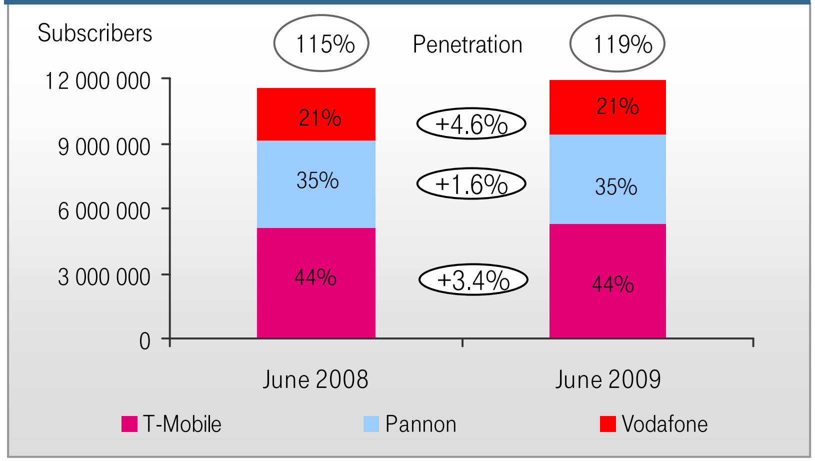


T-Home Sat TV

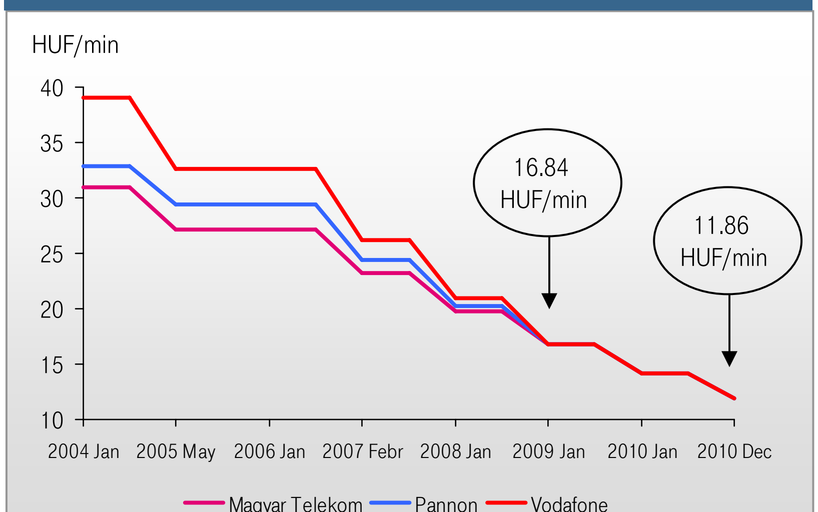
- recessionary environment has a positive impact on demand for TV services, better than expected sales results
- significant retention benefit: more than two-thirds of satellite TV customers are part of a 2Play or 3Play package

CBU - mobile operations

Mobile market shares



Mobile termination rate cuts



Recessionary impact can also be felt in the mobile market

- due to lower disposable income customers became more cost sensitive, increased churn levels
- usage and tariff levels are also under pressure
- although penetration grew year-on-year, in the last two quarters both penetration and customer numbers declined

Tariff erosion

- more conscious package selection and higher migration
- broad use of closed-user-group services
- further pressure from regulation: annual cut in mobile termination rates and roaming tariffs
- average voice revenue per minute decreased by 20% yoy

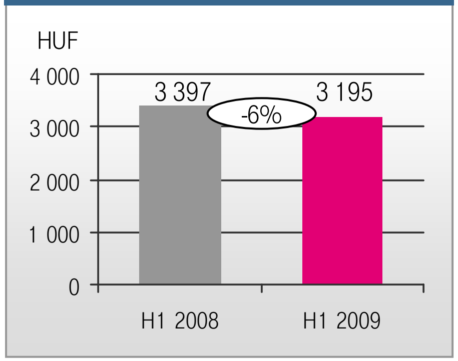
Mobile termination fee regulation

- asymmetry eliminated from beginning of this year, current rates are 17 HUF/min (EUR 0.06)
- further 16% cut in Jan-2010 and Dec-2010 for all operators

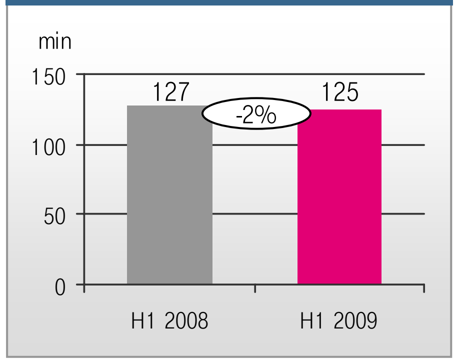
CBU - mobile KPIs

Magyar Telekom

ARPU



MOU



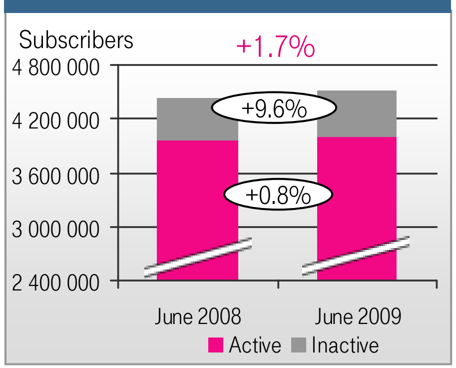
Continuing tariff decline

- average tariff levels declining
- recession negatively influencing price elasticity, MOU declines
- mobile termination rate cuts also negatively affect ARPU

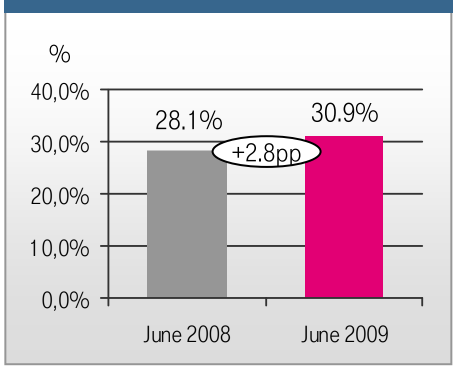
Mobile internet development

- strong demand for mobile broadband service, number of subscribers exceeded 310,000 at end of June 2009
- 3G/HSDPA network covering ~71% of population

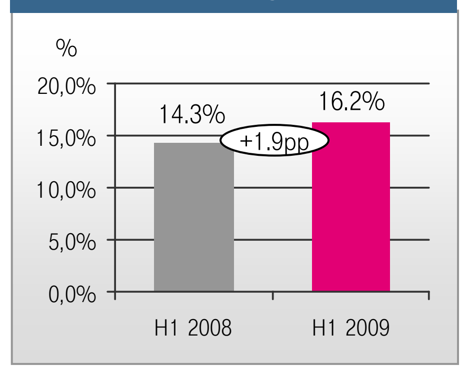
Total RPC



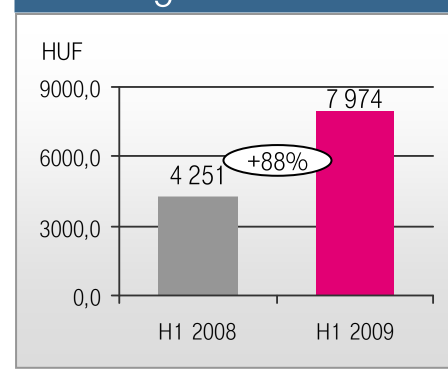
Postpaid share within RPC



Non-voice revenue per ARPU

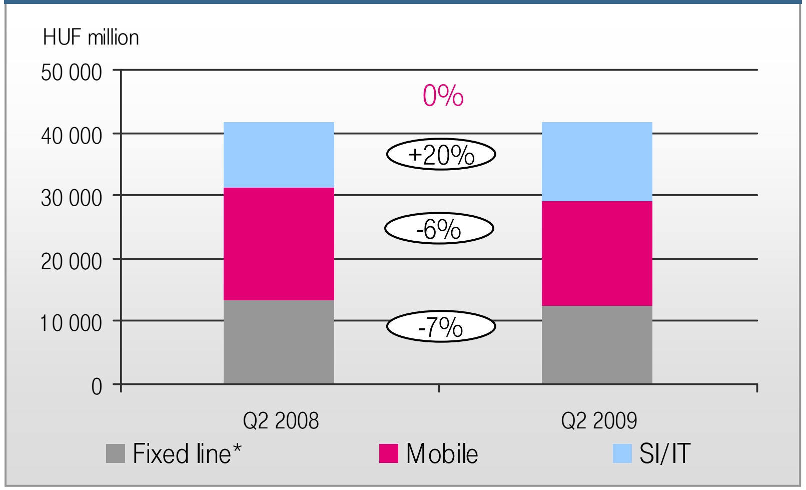


Acquisition cost per gross add

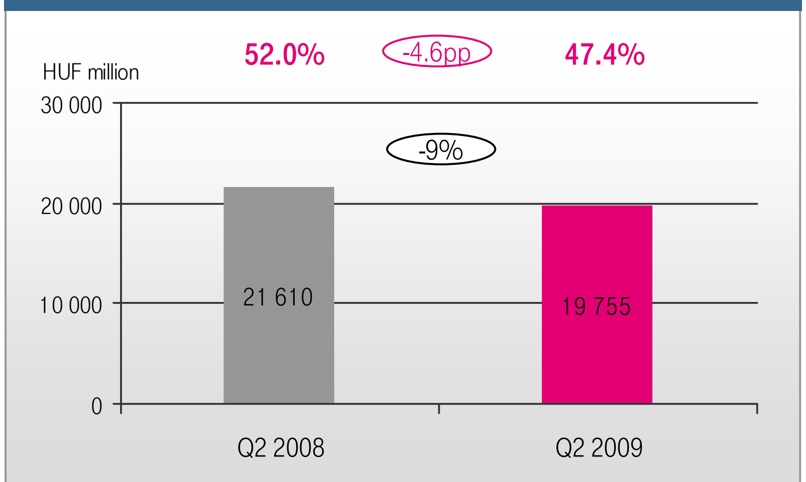


Business Services Business Unit (BBU) - Financials

BBU revenues



BBU EBITDA and margin



** excluding HUF 5.4bnF2M related reversal of provisions accounted in Q2 2008*

Falling voice revenues counterbalanced by increasing SI/IT service revenues

- decline in voice revenues accelerated by recession
- strong competition causes decline in mobile tariffs
- increasing contribution of SI/IT revenues

Further strengthening of position in the Hungarian SI/IT market

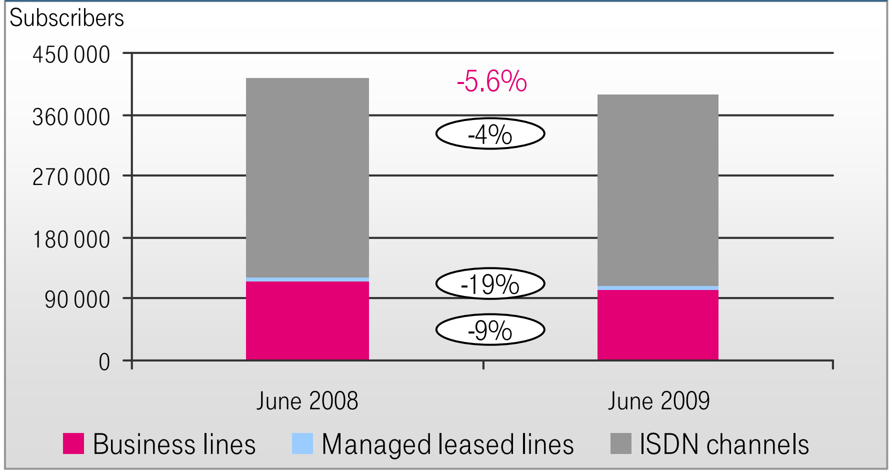
- acquisition of KFKI Direkt and ISH, consolidation expected from Q3 and Q4, respectively
- launch of new virtual service portfolio (software-as-a-service)

Change in revenue mix puts pressure on EBITDA margin

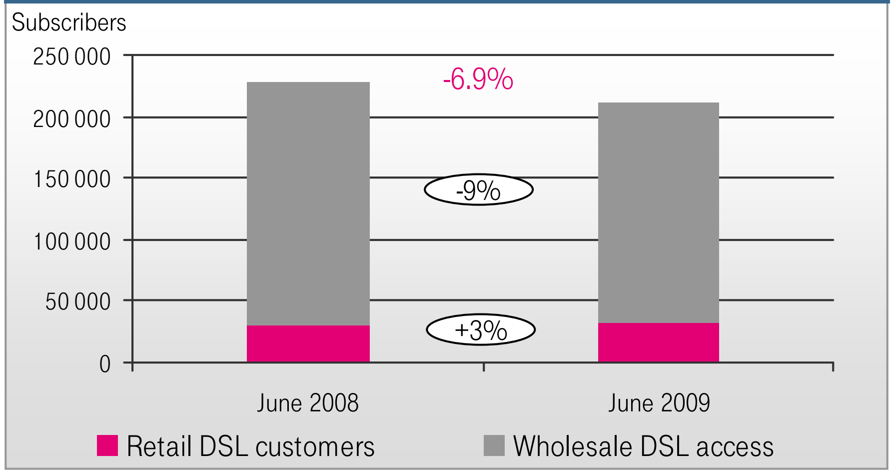
- ratio of lower-margin SI/IT revenues is continuously increasing while high-margin voice revenues are declining (although due to their lower Capex-intensity, SI/IT services have similar return characteristics)

BBU KPIs

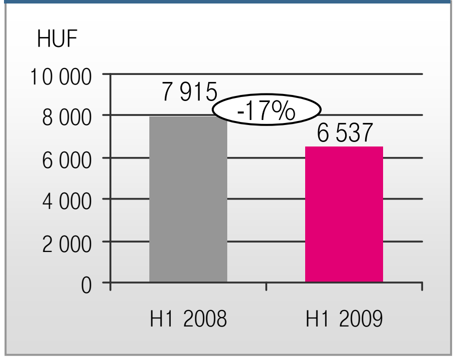
Fixed voice access



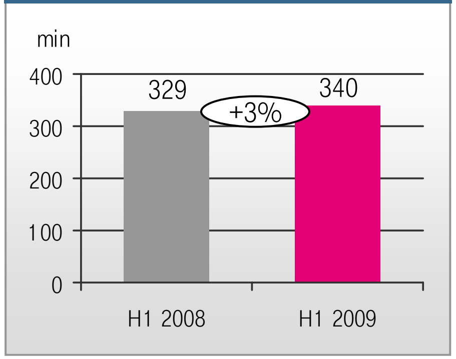
DSL customers



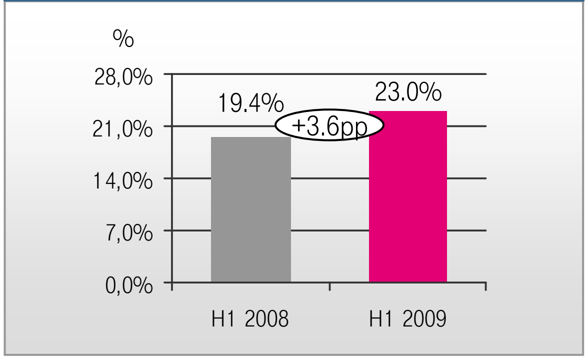
Mobile ARPU



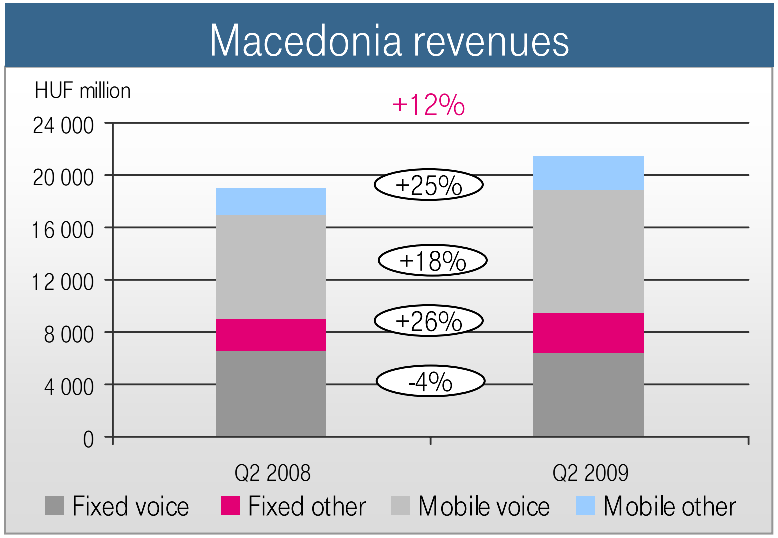
Mobile MOU

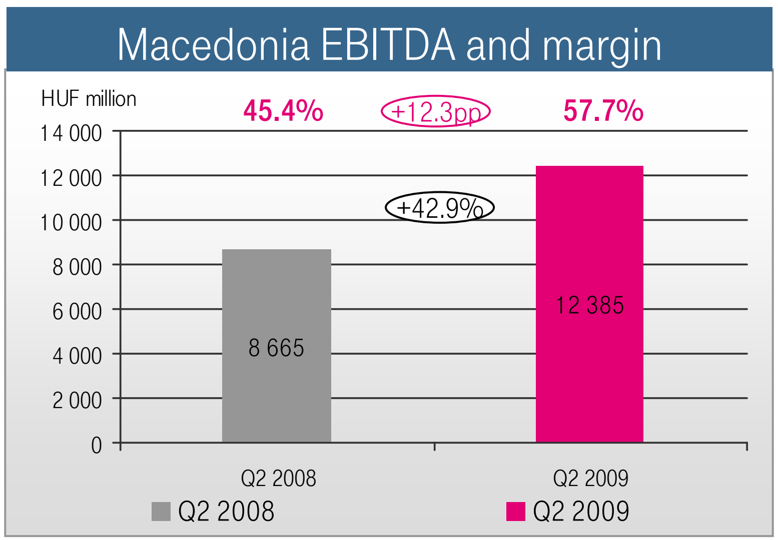


Non-voice revenue per ARPU



Macedonia





Results supported by significant FX impact

- HUF weakened on average by 15.6% to the Macedonian Denar in the second quarter

Declining traditional fixed line voice revenues

- strong mobile substitution, competition from altnets, cables and one mobile operator offering fixed line service
- decreasing fixed tariff levels

Increasing internet revenues

- number of ADSL lines at 113,000 (up 58%)
- successful launch of IPTV and 2Play/3Play offers

Growth in mobile revenues

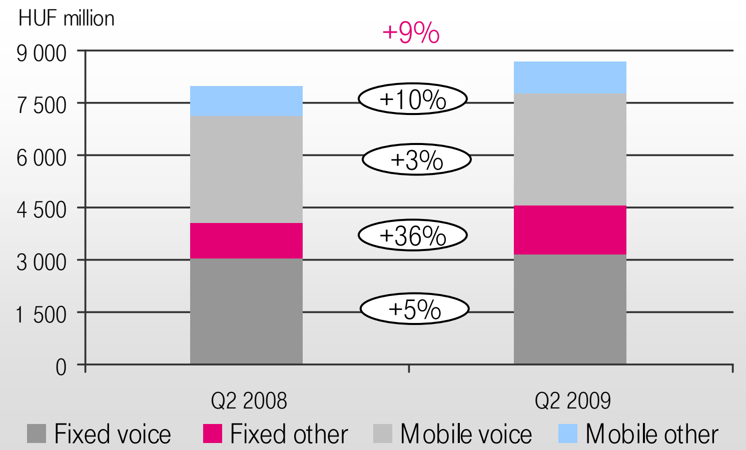
- focus on customer acquisition, 11% growth in customers
- MOU at 93 (up by 3%)
- ARPU of HUF 2,688 (~EUR 9)

EBITDA margin increased

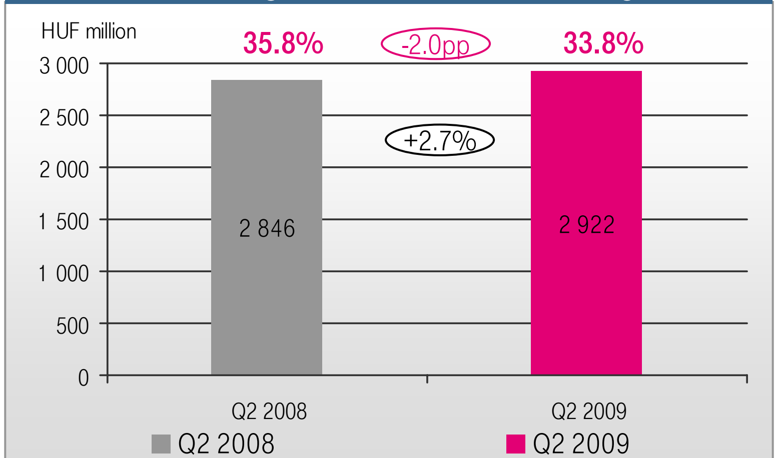
- in addition to severance payment of HUF 1.7bn accounted in Q2 2008, higher margin also driven by cost cutting
- excluding severance payment EBITDA margin increased by 3.4pp

Montenegro

Montenegro revenues



Montenegro EBITDA and margin



Results supported by significant FX impact

- HUF weakened on average by 15.8% to the Euro in the second quarter

Fixed voice revenue decline

- decrease in voice retail revenues driven by high mobile substitution
- drop in wholesale revenues driven by Promonte's traffic rerouting through Serbia

Rapid growth in broadband market

- ADSL customers up 67% to close to 46,000

Mobile revenues under pressure

- very intense tariff competition since the entrance of 3rd mobile operator
- recession negatively affecting tourism
- MOU declined by 16% to 88
- ARPU of HUF 2,494 (~EUR 9)

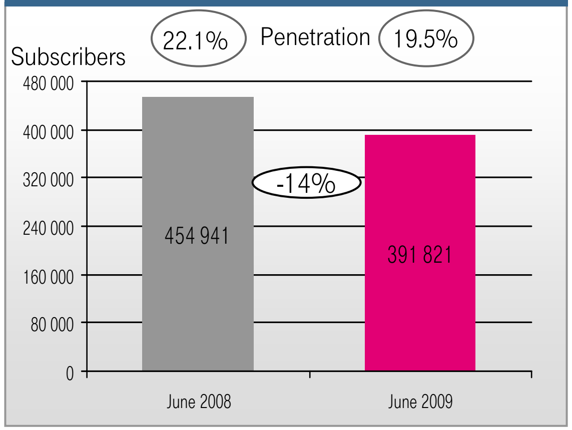
Lower EBITDA margin

- decrease in tourism revenues due to unfavorable economic environment
- wage increase since June 2008

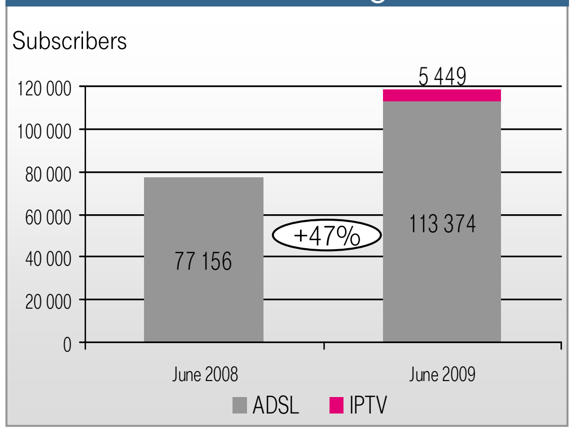
International KPIs

Macedonia

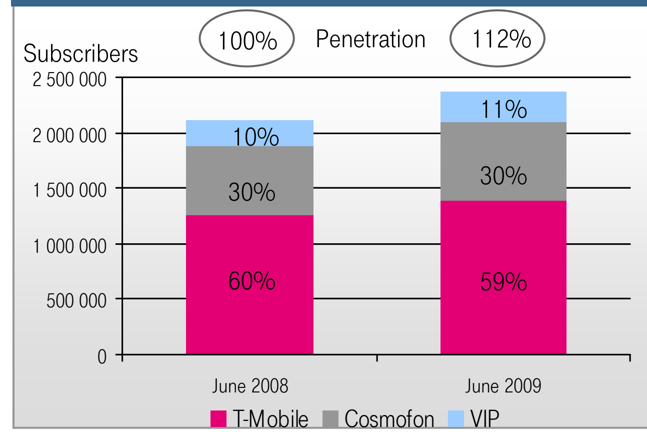
Fixed voice access



ADSL customer growth

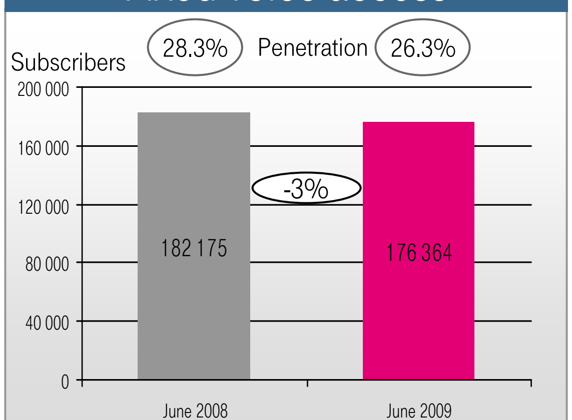


Mobile subscribers

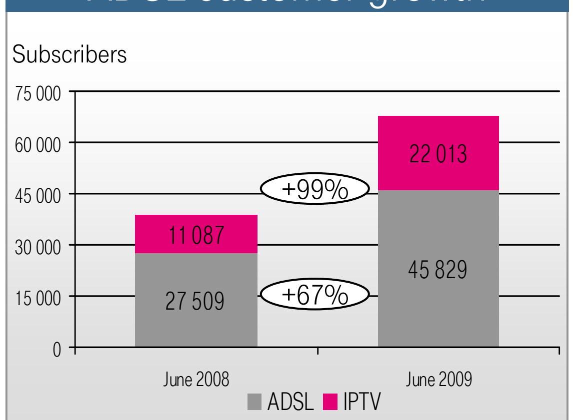


Montenegro

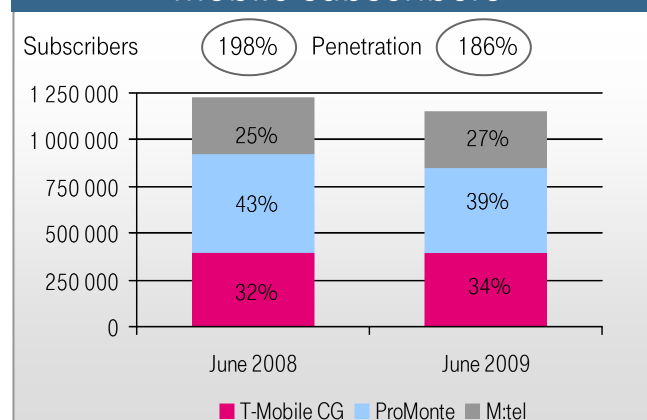
Fixed voice access



ADSL customer growth



Mobile subscribers



Data based on the active SIM cards published by the Montenegrin Telecom Agency