Presentation
2007 first nine months results

On track to meet full year targets

Agenda

Magyar Telekom

Overview

First nine months 2007 summary and segment analysis

Regulatory snapshot

Integration and organizational changes

2007 public targets and 2008 outlook

Key strategic priorities

Dividend policy

Abbreviations:

IC: interconnection, NRA: National Regulatory Authority, CPI: consumer price index, WS: wholesale, SMP: significant market power, MakTel: Makedonski Telekomunikacii, CGT: Crna Gora Telekom, SI: system integration, IT: information technology, LAN: local area network, Tetra: Terrestrial Trunked Radio , 3G: third generation, HSDPA: high-speed downlink packet access, RPC: revenue producing customer, MOU: minutes of use, ARPU: average revenue per user, VAS: value added services, SIM: subscriber identity module, NGN: next generation network, IP: internet protocol, NPV: net present value, POP: point of presence

HUF/EUR 253.2 (8 November 2007)

As previously disclosed, in the course of conducting their audit of our 2005 financial statements, PricewaterhouseCoopers Könyvvizsgáló és Gazdasági Tanácsadó Kft. identified two contracts the nature and business purposes of which were not readily apparent. In February 2006, our Audit Committee initiated an independent investigation into this matter. In the course of the investigation, two further contracts entered into by Magyar Telekom Plc. were potentially raising concerns. To date, the independent investigators have been unable to find sufficient evidence to show that any of the four contracts under investigation resulted in the provision of services to us or to our subsidiaries under those contracts of a value commensurate with the payments we made under those contracts. The independent investigators have been unable to determine definitively the purpose of the contracts, and it is possible that the purpose may have been improper. The independent investigators further identified several contracts at our Macedonian subsidiary that could warrant further review. In February 2007, our Board of Directors determined that those contracts should be reviewed and expanded the scope of the independent investigation to cover these additional contracts and related transactions. We have approved and are currently implementing certain remedial measures designed to enhance our internal controls to ensure compliance with Hungarian and U.S. legal requirements and NYSE listing requirements.
As previously reported, the investigation delayed the finalization of our 2005 financial statements, and as a result we and some of our subsidiaries have failed and may fail to meet certain deadlines prescribed by U.S., Hungarian and other applicable laws and regulations for preparing and filing audited annual results and holding annual general meetings. We have to date been fined HUF 13 million as a consequence of these delays.
We have notified the Hungarian Financial Supervisory Authority, the U.S. Securities and Exchange Commission and the U.S. Department of Justice of the investigation, are in regular contact with these authorities regarding the investigation and are responding to inquiries raised by and the investigations being conducted by these authorities. The U.S. Department of Justice has recently expanded the scope of its investigation to include the actions taken by the Company in response to the findings of and issues raised by the Company's internal investigation and a related subpoena and further informal document requests have been issued.

Magyar Telekom Group at a glance

Magyar Telekom

Market leader in all core businesses

Integrated operations in Hungary, Macedonia and Montenegro

- alternative/wholesale operations in Romania, Bulgaria and Ukraine

Integration within the Group

- merger of T-Mobile Hungary, Emitel and the access business of T-Online into Magyar Telekom Plc.
- streamlining the organizational structure of T-Systems segment

Segment disclosure

- T-Com: fixed line operations in Hungary, Macedonia and Montenegro; PoP and alternative operations
- T-Mobile: mobile operations in Hungary, Macedonia and Montenegro; TETRA services
- T-Systems: corporate services in Hungary
- HQ and Shared services: strategic and cross-divisional management, real estate, marketing, security, procurement, human resources and accounting services

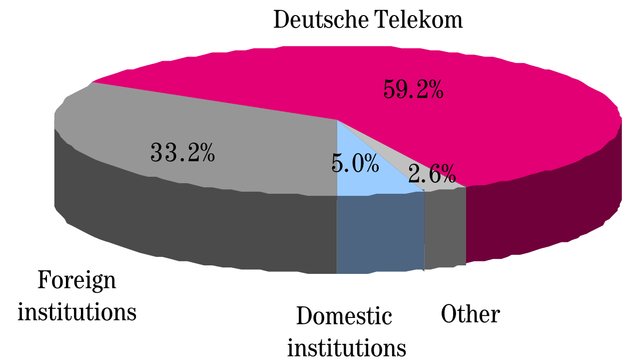
Stock information

EUR 3.8bn market capitalization

Stock exchange listing

- listed on NYSE and Budapest Stock Exchange
- traded in London, Frankfurt

Ownership structure*



*approximate figures

First nine months 2007 summary

Magyar Telekom

		Revenues		EBITDA		EBITDA margin
Group		HUF 503,644m	+2.7%	HUF 202,985m	+2.1%	40.3%
Segments*	T-Com	HUF 230,728m	-2.5%	HUF 93,268m	-3.9%	40.4%
	T-Mobile	HUF 257,774m	+1.6%	HUF 114,691m	+9.5%	44.5%
	T-Systems	HUF 56,736m	+31.3%	HUF 11,561m	+1.7%	20.4%
	HQ & shared services	HUF 17,460m	-7.2%	HUF (16,535)m	-15.4%	n.a.
International contribution		16.5%		21.5%		

*Before intersegment eliminations

T-Com: Hungarian operations

Focus on customer retention

Voice revenues under threat from competition

- strong mobile substitution as mobility premium diminishes
- cable operators offering VoCaTV & 3Play
- alternative operators taking advantage of CBC, CPS and unbundling

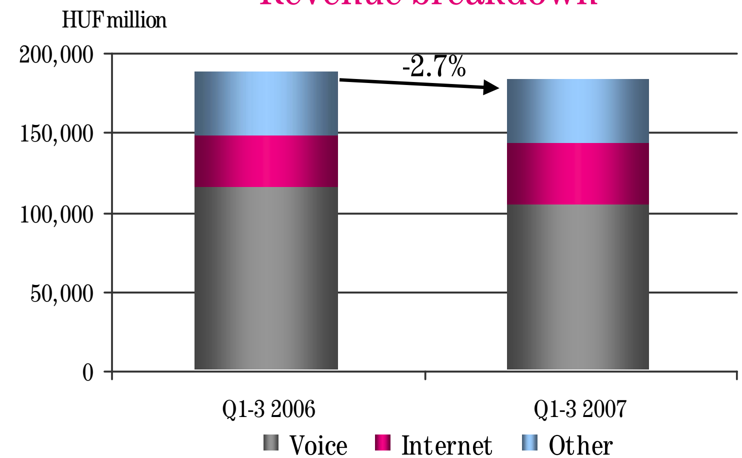
Successful retention measures introduced

- access type packages resulting in stable residential usage
- focus on migrating residential customers to fixed term contracts (~30%)
- presence in LTOs via CBC and CPS services
- scope of offers extended at T-Kábel

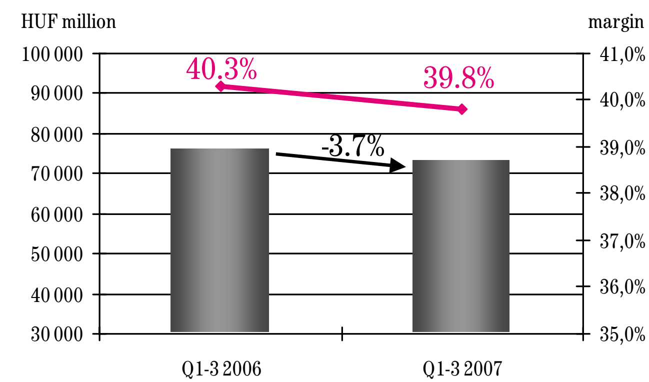
Headcount reduction related expenses

- HUF 3.7bn in Q1-3 2007; mainly relating to restructuring at the network division

Revenue breakdown



EBITDA and EBITDA margin



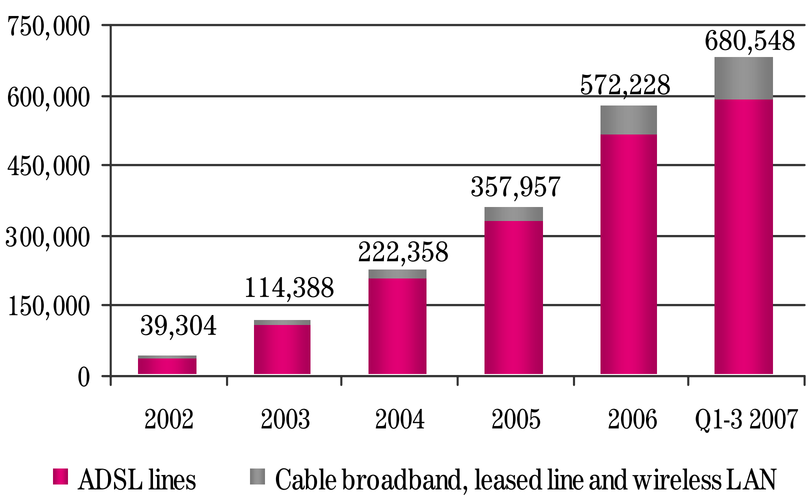
T-Com: Hungarian operations

Continued focus on broadband

Incentives to increase customer base

- low-end offer from HUF 2,990 (~EUR 12)
- naked DSL introduced in March
- bundled 2Play and 3Play offers (ADSL with VoIP & IPTV)
- decline in broadband retail ARPU to HUF 6,450 (from 7,588 in Q1-3 2006)

Broadband growth



Cable services

Triple play offers

- stable cable customer base (412,300)
- cable ARPU around HUF 3,300 (~EUR 13)
- T-Kábel market share c. 19%
- cable broadband customer base reaching 80,000
- 35,000 VoCaTV customers - c. HUF 2,600 voice ARPU

Q1-3 2007 EBITDA around HUF 16bn with an EBITDA margin of above 40%

POP and alternative operations

Q1-3 2007 revenues of HUF 3.8bn

- POP in Bulgaria, Romania and Ukraine
- alternative services in Bulgaria and Romania

T-Mobile: Hungarian operations

Competitive environment

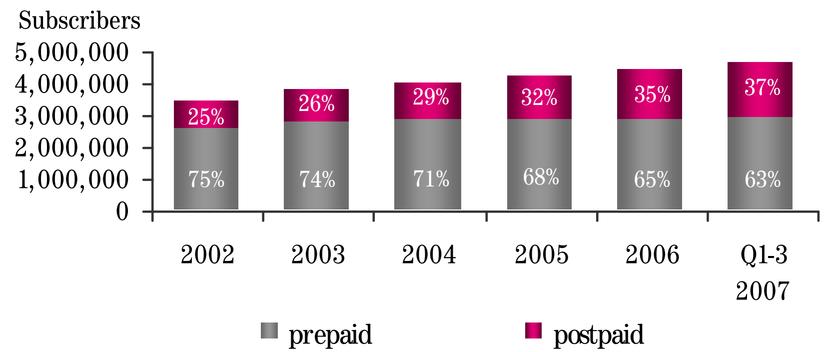
Increasing focus on retention

- clear market leadership position maintained
- continued growth in RPC base (up 7.5%), mainly driven by data card sales
- acquisition cost/new RPC grew by 12% to HUF 6,838 as focus shifted to postpaid customers and 3G/HSDPA devices

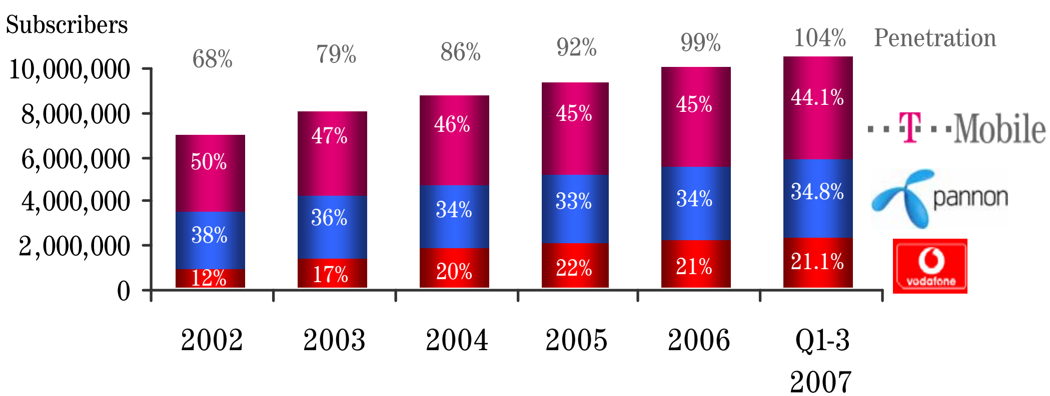
Tariff erosion

- broader use of closed-user-group services
- more conscious package selection
- average tariff level decrease of 13%

Breakdown of T-Mobile customer base



Subscribers, market shares and penetration



3G/HSDPA network development

- covering ~47% of population
- ~50% targeted by end-2007
- up to 7Mbps bandwidth

GSM license extension

- HUF 10bn license fee for 7.5 year extension
- HUF 20bn mobile broadband investment obligation for 2008-2009 period

T-Mobile: Hungarian operations & TETRA

Magyar Telekom

Solid operational performance

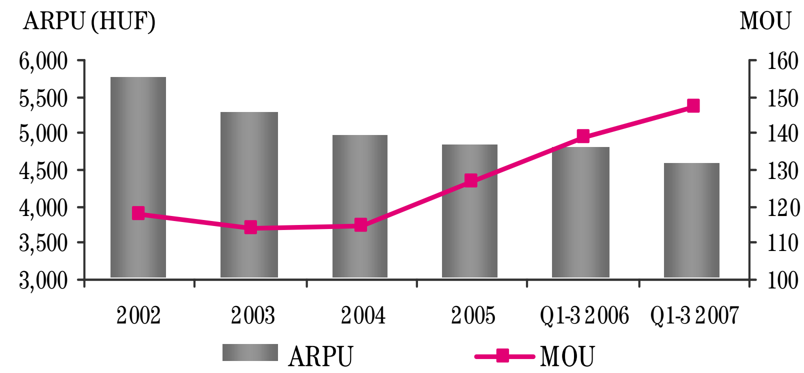
Usage increase supports ARPU

- MOU increased by 6% y-o-y to 147
- average tariff level decreased by 13%
- ARPU down by 5% to HUF 4,565 (~EUR 18)
- growing importance of VAS (15% of ARPU)

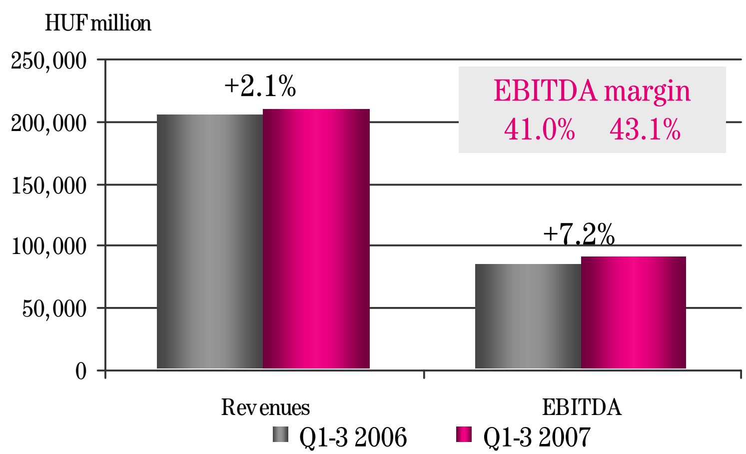
Mobile termination fee cut

- from February 15% cut to HUF 23 per minute
- decreasing asymmetry helps EBITDA margin

Usage and ARPU trends



T-Mobile Hungary financial performance



TETRA (Unified Digital Radio Network)

- network built for emergency services in 2006
- investments classified as finance lease
- Q1-3 2007: HUF 4.6bn service revenue
  HUF 1.5bn EBITDA
  HUF 0.7bn sale and cost of equipment sales
- 2006: HUF 2.2bn service revenue
  HUF -0.2bn EBITDA
  HUF 18bn sale and cost of equipment sales

T-Systems

Declining traditional revenues

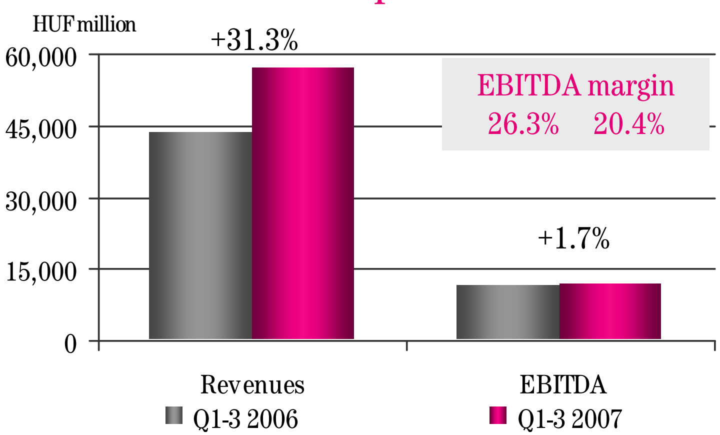
- intense competition from alternative service providers
- strong mobile substitution driven by negative mobility premium

- significant traffic and tariff erosion
- outgoing traffic down by 25% y-o-y
- traditional fixed line revenues decreased by 10%

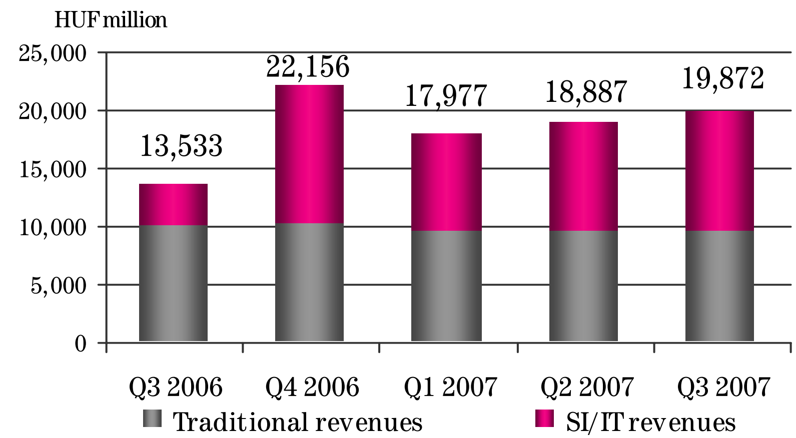
Growing importance of SI/IT services

- full scale of IT service portfolio offered, increasing presence in the Hungarian SI / IT market
- integrated outsourcing agreements (e.g. Allianz, E.ON, Erste)
- cross-sale opportunities thanks to integrated sales channels with T-Mobile
- consolidation of IT companies (KFKI, TSH) with HUF 18.7bn revenue and 2.2bn EBITDA contribution in Q1-3 2007
- fluctuating revenue stream

Financial performance



T-Systems quarterly revenue breakdown



T-Com: international operations

Macedonia

Limited top line opportunities
- strong mobile substitution
- competition from altnets and cables
- fixed penetration was 22.8% (down by 1.6ppt)
- number of lines down by 5.6% to ~500,000
- unfavorable FX impact of 5.5%

New impetus to internet revenues
- number of ADSL lines was 25,000 (up 77%)

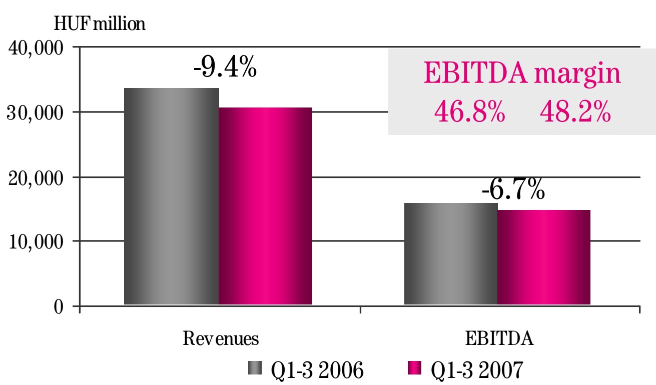
Focus on maintaining efficiency

Montenegro

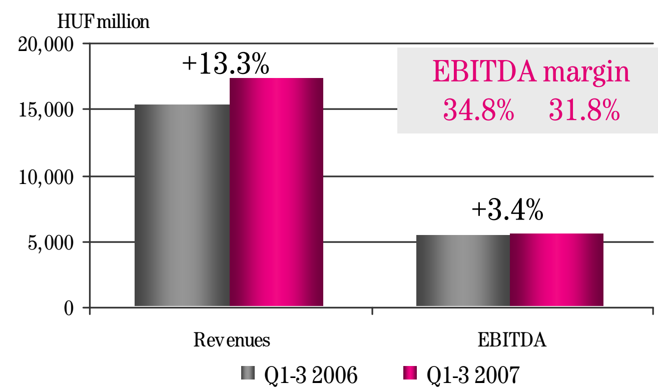
Saturated fixed line market
- increasing role of mobile substitution
- fixed line penetration at 30.5% (down 1.2ppt)
- number of lines down by 3.6% to ~190,000
- over 11,000 ADSL customers
- Serbian traffic classified as international
- tariff rebalancing launched in Sept. 2007

Improving efficiency
- HUF 1 bn severance expense in Q1 2007
- EBITDA margin excl. special influences ~37%

Financial performance



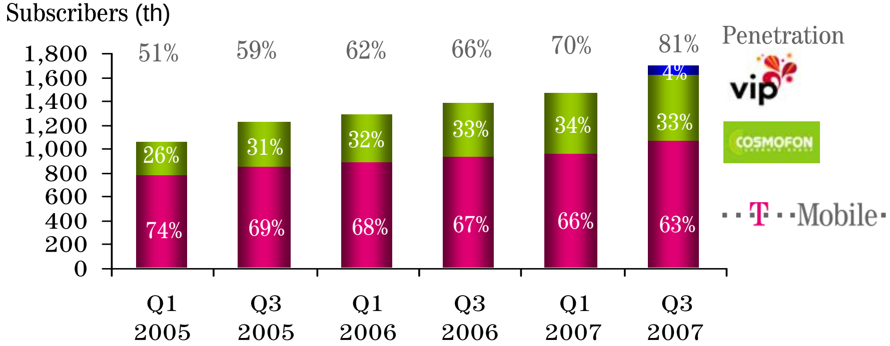
Financial performance



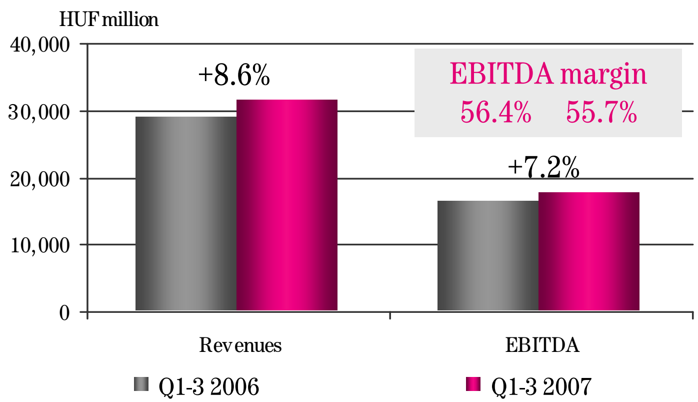
T-Mobile: international operations

Magyar Telekom

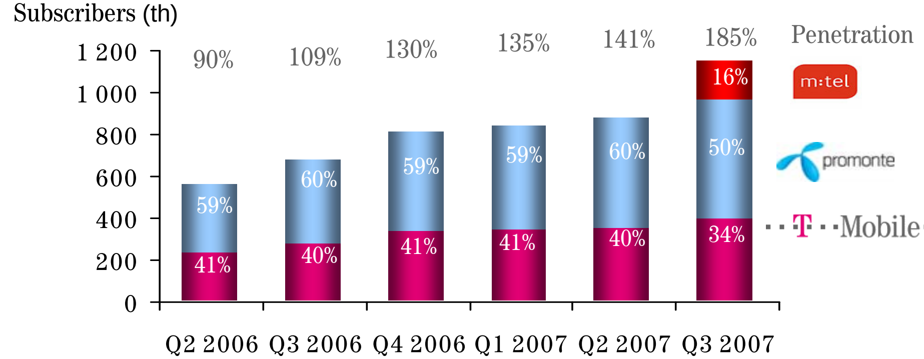
Macedonia



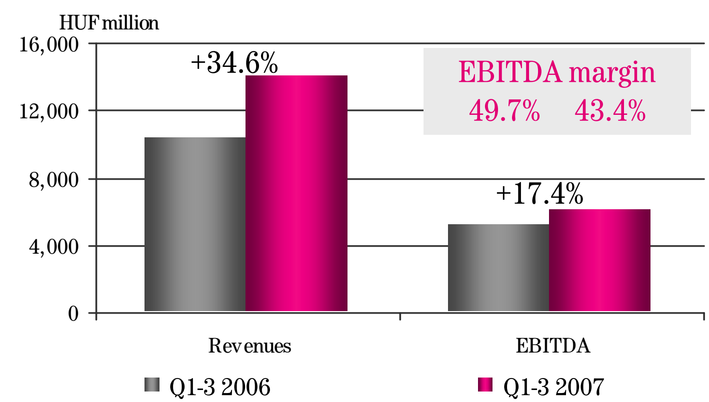
- focus on acquisitions, 15% growth in customer base
- competition driven tariff erosion offset by higher usage
- MOU 86 (up 21%); ARPU HUF 3,092 (~EUR 12)
- improving customer mix supported by rebranding
- 3rd operator VIP (TA) entered in September 2007



Montenegro



- highly seasonal mobile market due to tourism
- MOU 112; ARPU HUF 3,537 (~EUR 14)
- M2M termination rates increased
- 3rd operator m:tel (Telekom Serbia) entered in July 2007 targeting the low-end prepaid segment
- EBITDA margin excl. special influences ~46%



Regulatory snapshot

Magyar Telekom

Fixed-line

- geographic number portability since January 2004
- WS naked ADSL offered to ISPs since end-March 2007

Mobile

- mobile number portability since May 2004
- EU roaming regulation adopted

IC fees close to EU average

- approx 14% cut in average traffic fees announced in March 2006
- significant cut in the price of related services of reference offers

- NRA resolution aims to eliminate asymmetry among the 3 players in three steps and further decrease prices
- first cut in effect from February 1, 2007 – new prices: TMH 23.2; Pannon 24.4; Vodafone 26.2 HUF/minute
- 16.84 HUF/minute average voice termination fee with effect from 2009

Macedonia – full liberalization of the fixed market launched

- reference interconnection and unbundling offers approved
- RIO signed with 5 competitors
- 2 national and 18 regional WiMax licenses awarded

- 3rd mobile license granted to Mobilkom (TA) for EUR 10mn
- 4th license to be tendered

Montenegro – fixed line competition to emerge

- ProMonte obtained license for international termination
- 3 national WiMax licenses awarded, further 3 tendered

- 3rd mobile license granted to Telekom Serbia for EUR 16mn
- T-Mobile and ProMonte awarded UMTS licenses

Integration steps within the Magyar Telekom Group

Integration of T-Mobile Hungary

Decision made in December 2005, integration since March 2006

Benefits to come from

- unified shop network, integrated call-center
- targeted cross- and up-sell opportunities
- bundled packages
- integrated client database, joint CRM systems
- integrated procurement, real estate management
- shared IP platform, development of a joint NGN

NPV of expected benefits at around HUF 60 bn in 2007-2009

- savings roughly evenly distributed over the period
- 2007 to be dominated by CF savings
- cost synergies to increase during the period

Integration of T-Online and Emitel

Decision made in June 2007, integration since October 2007

T-Online

- integrate the internet access area into T-Com
- improve service quality through integrated customer service and customer relationship management

emitel

- LTO in three regional service areas of South-Hungary
- simplifying the operating structure by eliminating overlaps in activities

Integration within T-Systems segment

- the segment currently includes six subsidiaries
- integration into three divisions: Infocom, IT Infrastructure and IT Applications
- legal procedures to be completed by January 2008

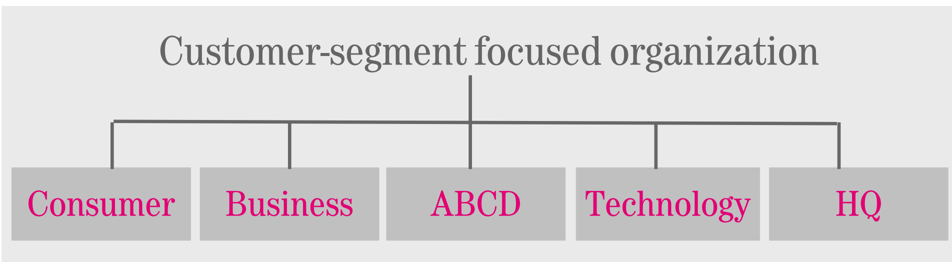
Changes in organization, headcount reduction

New organizational structure

Structural changes in the telecom industry:

- technological development and innovation
- convergence throughout the industry
- changes in customer demand

New organization from January 1, 2008



- Consumer Services: mobile and wireline consumer services under the T-Mobile, T-Com and T-Online brands
- Business Services: mobile and wireline corporate services including IT / SI under the T-Systems brand
- Alternative Businesses and Corporate Development (ABCD): content, media and other non-access services, new business development
- Technology and IT Management: mobile and wireline network and IT management and development

Headcount rationalization

Agreement with trade unions reached on October 1, 2007

Group-level headcount reduction

- 15% decrease (c.a. 1,800 employees) by end of 2008 compared to the end of June 2007 level of 12,262
- majority to be implemented in Q1 2008

Financial impact

- severance related expenses of HUF 24 bn in Q4 2007 (additional HUF 7 bn accounted in H1 2007)
- wage increase of 5.5% from March 2008

➡ Underlying Group-level employee related expenses to decrease by 5% next year

2007 public targets and 2008 outlook

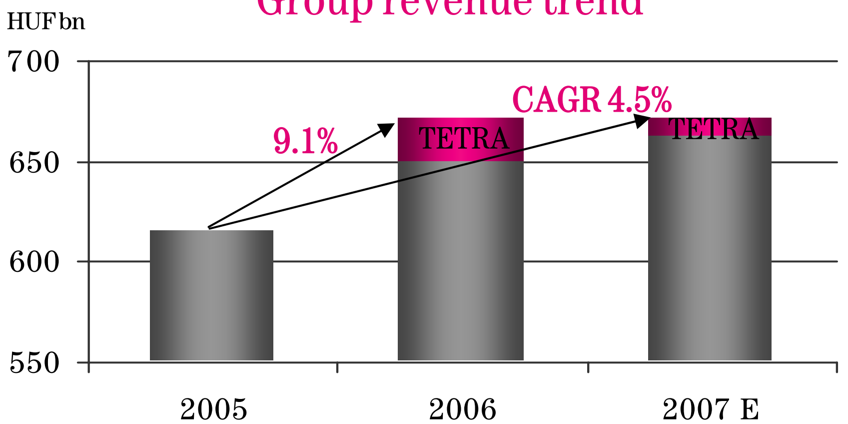
2007 revenue stable compared to 2006

4.5% compound average growth rate over 2005

Flat over 2006 due to:

- c. HUF 11bn lower TETRA revenues than in 2006
- favorable FX movements in 2006 which may have a negative impact in 2007
- austerity package limiting disposable income

Group revenue trend



Capex / sales ratio below 14%

Excluding the GSM license fee:

- HUF 10bn license fee for 7.5 years to be paid in Q4 2007

2007 EBITDA stable compared to 2006

HUF 2bn growth over 2005 level

Flat over 2006 due to:

- c. HUF 3bn lower TETRA EBITDA than planned
- favorable FX movements in 2006 which may have a negative impact in 2007
- higher costs as a result of austerity package
- further investigation costs
- FMC benefit mainly a CF factor

Outlook for 2008

Traditional voice business

- declining revenues due to increasing competition, tougher regulatory and macro environment
- aim to maintain profitability

New service and business opportunities

- help to maintain Group revenue levels
- lower margin business

➡ Slight decline in 2008 EBITDA compared to the 2006 level

Key strategic priorities

Current direction maintained, strengthened focus on 3 key areas

Excellence

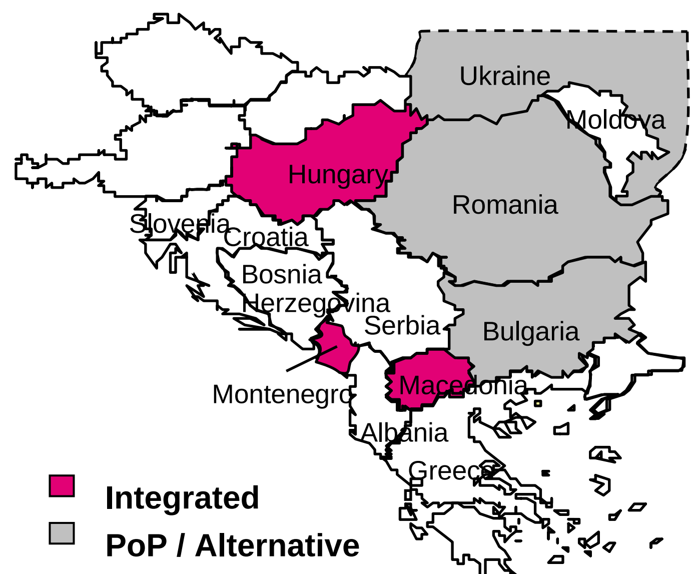
- stronger customer focus
- improved service quality
- integrated sales and call-center services
- unified relationship management towards business clients
- special, tailor-made offers
- strong broadband impetus

Efficiency

- improvements in operational cost structure
- increased headcount productivity
- leveraging opportunities from integrated operations
- eliminating overlap of operational functions
- exploiting savings opportunities from technological developments

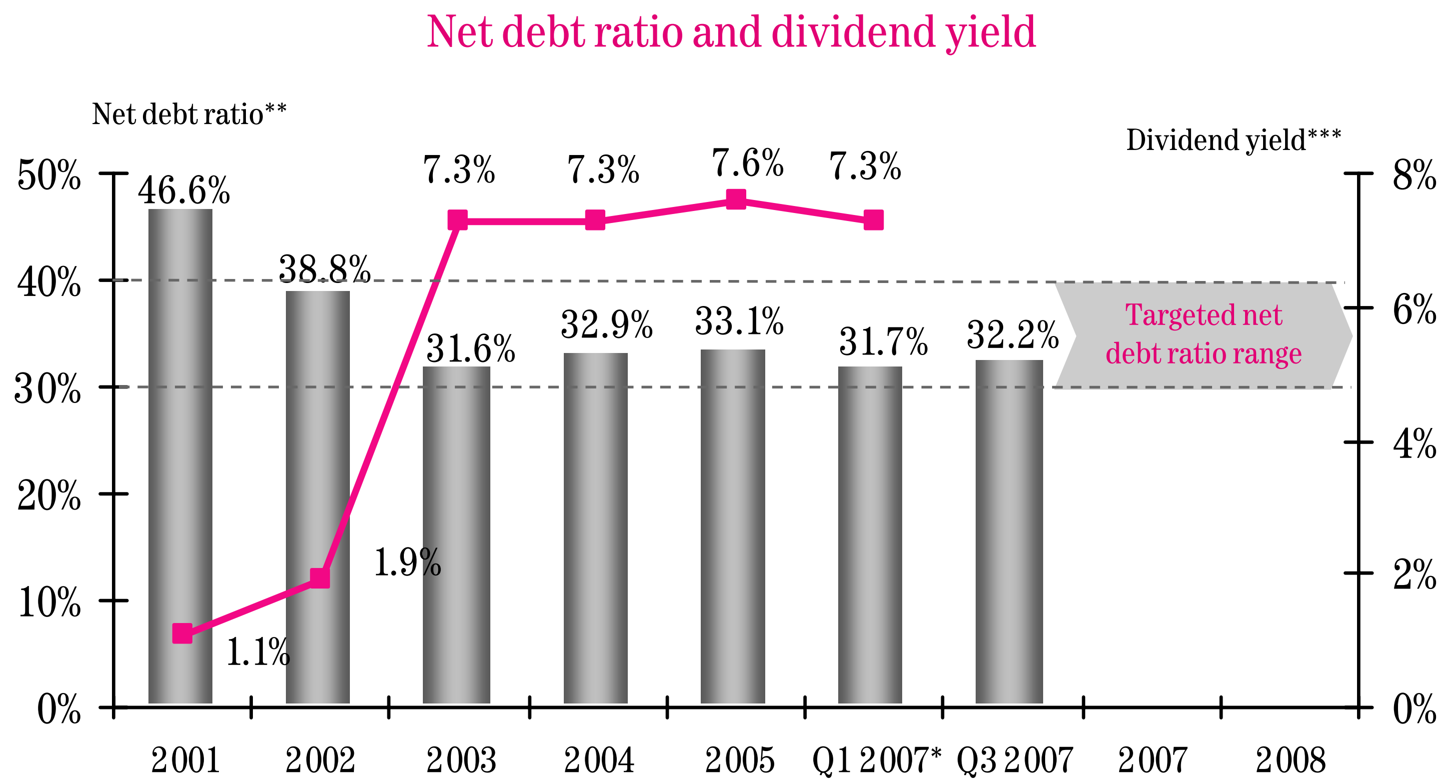
Expansion

- seeking value-accretive acquisitions both in Hungary and the region
- integrated operations in Macedonia and Montenegro
- alternative service provider in Romania and Bulgaria, point of presence in the Ukraine
- strengthening position in the IT market
  – acquisition of KFKI, Dataplex and TSH in Hungary
- expansion into new business opportunities (e.g. content services)



Dividend policy

Magyar Telekom



* dividends for 2005 financials were paid in January 2007

** net debt / (net debt + total equity)

***dividend yield calculation based on HUF 960 share price (21 March 2007)

Annual General Meeting held on 26 April 2007 approved HUF 70 per share dividend payment for the financial year 2006. Ex-dividend date: 15 May 2007; Payment date: 24 May 2007