Presentation
First quarter 2008 results

Strong performance with efficiency improvements showing visible benefits

Agenda

Overview

Public targets for 2007 and 2008

First quarter 2008 summary and segment analysis

Regulatory snapshot

Key strategic priorities

Organizational changes and headcount reduction

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 259.3 (average Q1 2008)

As previously disclosed, in the course of conducting their audit of Magyar Telekom's 2005 financial statements, PricewaterhouseCoopers Könyvvizsgáló és Gazdasági Tanácsadó Kft. ("PWC") identified two contracts the nature and business purposes of which were not readily apparent to them. In February 2006, the Company's Audit Committee retained White & Case, as its independent legal counsel, to conduct an internal investigation into whether the Company had made payments under those, or other contracts, potentially prohibited by U.S. laws or regulations, including the Foreign Corrupt Practices Act ("FCPA"), or internal Company policy. The Company's Audit Committee also informed the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission ("SEC"), and the Hungarian Supervisory Financial Authority of the internal investigation. PwC initially raised concerns regarding two consultancy contracts entered into in 2005 by our Montenegrin subsidiaries, Crnogorski Telekom and T-Mobile Crna Gora. The initial scope of the internal investigation involved review of these two contracts. Early in the investigation, two additional consultancy contracts entered into by Magyar Telekom in 2005, were also called into question by the investigating law firm. As a result, our Audit Committee expanded the scope of the internal investigation to cover these contracts and related activities. In December 2006, the investigating law firm delivered an Initial Report of Investigation to the Audit Committee and the Board of Directors. As of the date of the Initial Report, the independent investigators were unable to find sufficient evidence to show that any of the four contracts subject of the internal investigation of the Company's Montenegrin operations resulted in the provision of services to the Company or to our subsidiaries under those contracts of a value commensurate with the payments the Company made under those contracts. As of the date of the Initial Report, the independent investigators were unable to determine definitively the purpose of those contracts, and it is possible that the contracts may have been entered into for an improper purpose, and in particular may have been in violation of the FCPA, other U.S. laws or regulations, and/or internal Company policy. The Audit Committee, through its counsel, has informed the DOJ and the SEC of these initial findings. The independent investigators also identified several additional contracts entered into by our Macedonian subsidiary that warranted further review. In February 2007, the Company's Board of Directors and Audit Committee determined that those contracts and any related or similarly questionable contracts or payments, should be reviewed, and the Board and Audit Committee expanded the scope of the internal investigation to cover those matters. In May, 2008 White&Case LLP provided the Company with a "Status Report on the Macedonian Phase of the Independent Investigation". In the Status Report, White & Case stated, among other things, that "there is affirmative evidence of illegitimacy in the formation and/or performance" of six contracts for advisory, marketing, acquisition due-diligence and/or lobbying services in Macedonia, entered into in 2004-06 between the Company and/or various of its affiliates on the one hand, and a Cyprus-based consulting company and/or its affiliates on the other hand, under which the Company and/or its affiliates paid a total of over EUR 6.7m. The independent investigation is continuing. The Company and the internal investigating law firm are in regular contact with the Hungarian Financial Supervisory Authority, the Hungarian National Bureau of Investigation, the DOJ and the SEC, regarding the internal investigation. These U.S. and Hungarian authorities have opened their own investigations concerning at least the transactions which are the subject of the Company's internal investigation, to determine whether there have been violations of U.S. and Hungarian law (the "Government investigations"). During 2007, the DOJ and the SEC expanded the scope of their investigations to include inquiry into the actions taken by the Company in connection with the internal investigation and the Company's public disclosures regarding the internal investigation. The Company is committed to cooperating with these investigations by responding to requests for documents and information from these authorities to the fullest extent allowed under applicable law. The Company cannot predict when the internal investigation or the Government investigations will be concluded, what the final outcome of those investigations may be, or the impact, if any, they may have on the Company's financial statements or results of operations. The Hungarian authorities, the DOJ or the SEC could seek criminal or civil sanctions, including monetary penalties, against Magyar Telekom, as well as additional changes to its business practices and compliance programs. As a consequence of the internal investigation, the Company has suspended a number of employees, including senior officers of the Company and of certain subsidiaries, respectively, whose employment have since been terminated. The Crnogorski Telekom Board of Directors has also been replaced as a result of the internal investigation. As a result of the investigations the Company and some of our subsidiaries 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. To date, the Company has been fined HUF 13 million as a consequence of previous delays related to the investigations. The Company is unable to estimate either the amount of any additional fines or the costs, in general, it could incur in relation to the investigation. Magyar Telekom incurred HUF 1.5 bn expenses relating to the investigation in the first quarter of 2008, which are included in other operating expenses in the Group Headquarters and Shared services ("GHS") segment.

Magyar Telekom Group at a glance

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 reporting structure

- 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: traditional and SI/IT services for corporate clients in Hungary
- HQ and Shared services: strategic and cross-divisional management, real estate, marketing, security, procurement, human resources and accounting services

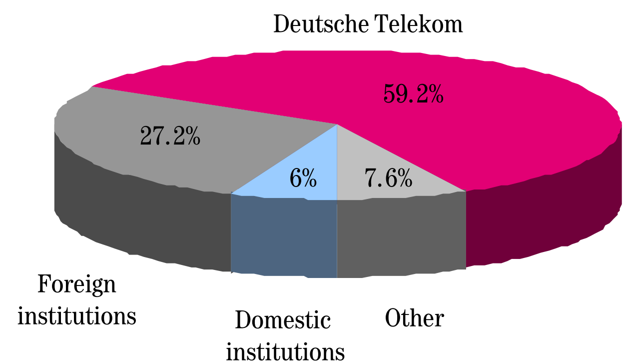
Stock information

EUR 3.6bn market capitalization

Stock exchange listing

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

Ownership structure*



*approximate figures as of 31 March, 2008

Public targets for 2007 and 2008

2007 public targets and results			2008 public targets
Revenue	Flat over 2006	+0.8% ✓	Flat over 2007
Underlying EBITDA	Flat over 2006	+2.9%* ✓	Slight decline over 2007
Capex / sales	Below 14%	13.9%** ✓	Around 15%

Revenue – 2008: Flat over 2007

- competitive landscape
- sluggish economic growth limits disposable income

Underlying EBITDA – 2008: Slight decline over 2007

- improvement compared to the previous guidance published in October 2007 (slight decline over 2006)
- increased competition in the international mobile markets
- difficult Hungarian macroeconomic environment
- regulatory impacts

Capex / sales – 2008: Around 15%

- increase BB coverage (fixed and mobile)
- develop new products and services
- Group-wide consolidation of our IT platforms
- expand capacity at our server hosting subsidiary

*Excluding investigation- (HUF 5.7bn) and headcount reduction-related expenses (HUF 27.5bn)

**Excluding the GSM license fee (HUF 10bn) paid in Q4 2007

First quarter 2008 summary

	Revenues		EBITDA		EBITDA margin
Group	**HUF 162.6bn**	+0.9%	**HUF 68.9bn**	+9.4%	**42.4%**
Underlying**			HUF 70.5bn	+3.8%	43.3%
Segments*: T-Com	HUF 72.7bn	-3.4%	HUF 33.2bn	+8.6%	45.6%
underlying			HUF 33.2bn	+2.3%	45.6%
Segments*: T-Mobile	HUF 82.3bn	+1.9%	HUF 35.4bn	+2.7%	43.0%
underlying			HUF 35.4bn	+0.1%	43.0%
Segments*: T-Systems	HUF 18.9bn	+5.3%	HUF 5.2bn	+24.7%	27.4%
underlying			HUF 5.2bn	+19.7%	27.4%
Segments*: HQ & shared services	HUF 5.3bn	-7.8%	HUF -4.8bn	-22.1%	n.a.
underlying			HUF -3.2bn	-22.1%	n.a.
International contribution	16.2%		20.1%		

*Before intersegment eliminations
** Excluding investigation- and headcount reduction-related expenses

T-Com: Hungarian operations

Magyar Telekom

Focus on efficiency and customer retention

Voice revenues under threat from competition

- strong mobile substitution as mobility premium diminishes
- cable operators offering VoCaTV & 3Play

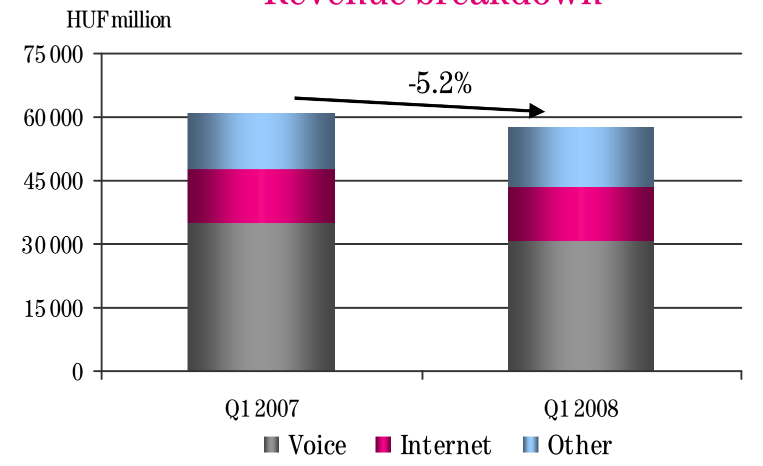
Successful retention measures introduced

- flat rate packages resulting in stable residential usage (around 30% of lines)
- focus on migrating residential customers to fixed term contracts

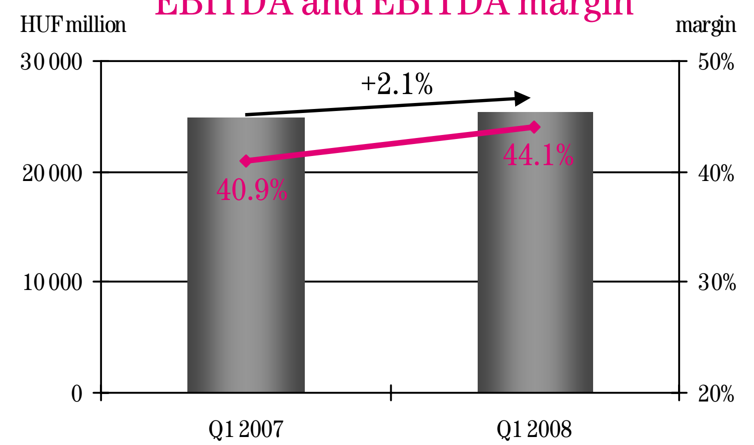
First results of efficiency improvement efforts

- lower headcount, 4% lower underlying employee-related expenses
- EBITDA margin increased to 44% in Q1 2008

Revenue breakdown



EBITDA and EBITDA margin



T-Com: Hungarian operations

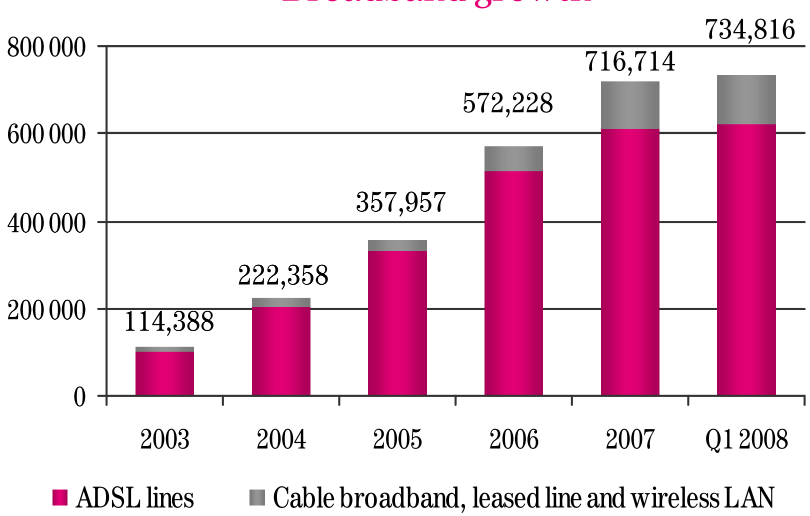
Magyar Telekom

Continued focus on broadband

Incentives to increase customer base

- general deceleration of BB market growth
- cable broadband is more popular than ADSL among new customers
- mobile broadband is becoming a competitive product
- low-end offer from HUF 2,990 (~EUR 12)
- bundled 2Play and 3Play offers
- decline in broadband retail ARPU to HUF 5,500 (from 6,750 HUF in Q1 2007)

Broadband growth



Cable services

Second player on the cable market

- T-Kábel market share ~19% based on cableTV customers (~420,000)
- cable broadband customer base is above 96,000
- CaTV ARPU around HUF 3,400 (~EUR 14)
- 41,000 VoCaTV customers - c. HUF 2,600 voice ARPU

2008 Q1 revenue around HUF 5.8bn with an EBITDA margin of above 41%

Triple play offers

Offering Triple play on both fixed line and cable network

- fixed line: IPTV, ADSL, VoIP
- cable: CaTV, Cablenet, VoCable
- offers starting from HUF 6,000 monthly fee
- number of IPTV customers reached 12,800 by end-March 2008
- number of 3Play customers on the cable network was ~32,000

T-Mobile: Hungarian operations

Magyar Telekom

Competitive environment

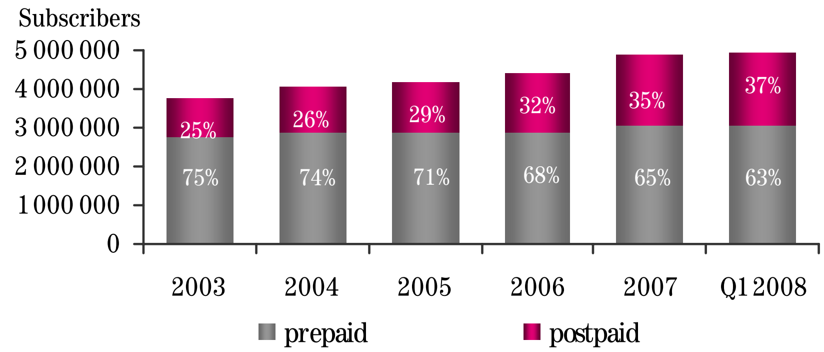
Increasing focus on customer acquisition

- clear market leadership position maintained
- continued growth in RPC base (up 10%)
- acquisition cost/new RPC grew by 10% to HUF 7,200 driven by intense competition and higher handset subsidies

Tariff erosion

- more conscious package selection and broader use of closed-user-group services
- mobile termination rates have been reduced twice
- average tariff level decrease of 17% qoq
- increasing inactive ratios at all 3 operators

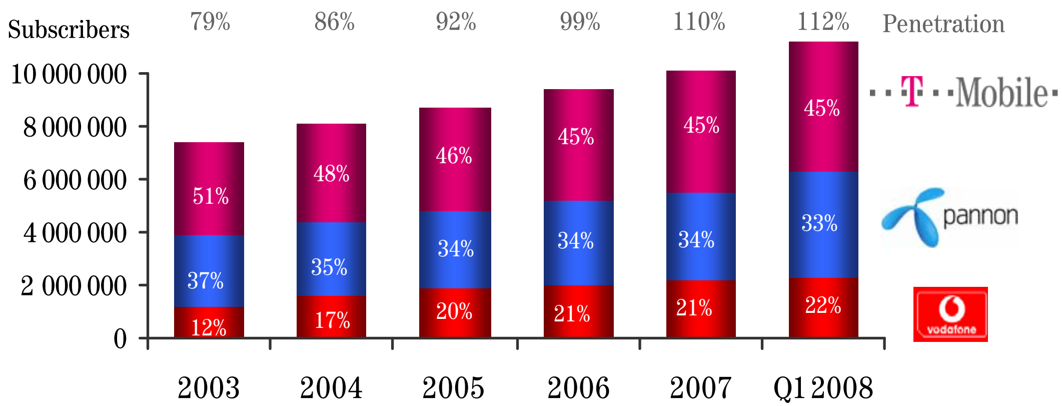
Breakdown of T-Mobile customer base



Mobile internet development

- HSDPA network covering ~55% of population
- up to 7Mbps bandwidth
- number of internet subscribers exceeded 164,000 at end-March 2008

Subscribers, market shares and penetration*



*Subscribers and market shares are based on active SIM cards reported by NRA

T-Mobile: Hungarian operations & TETRA

Solid operational performance

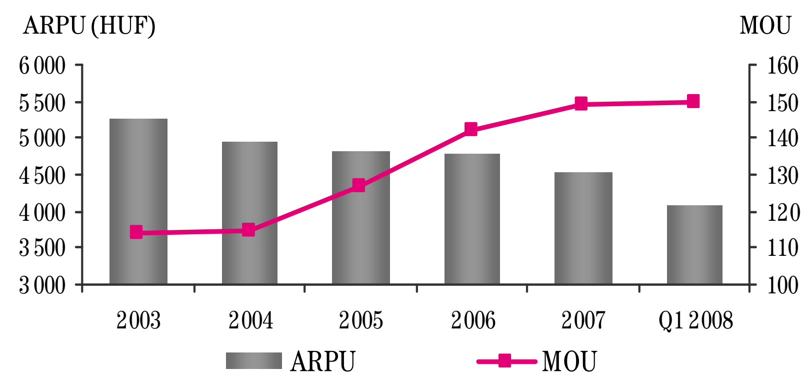
Usage increase supports ARPU

- MOU increased by 7% qoq to 150
- ARPU down by 8% to HUF 4,090 (~EUR 16)
- growing importance of VAS (17% of ARPU)

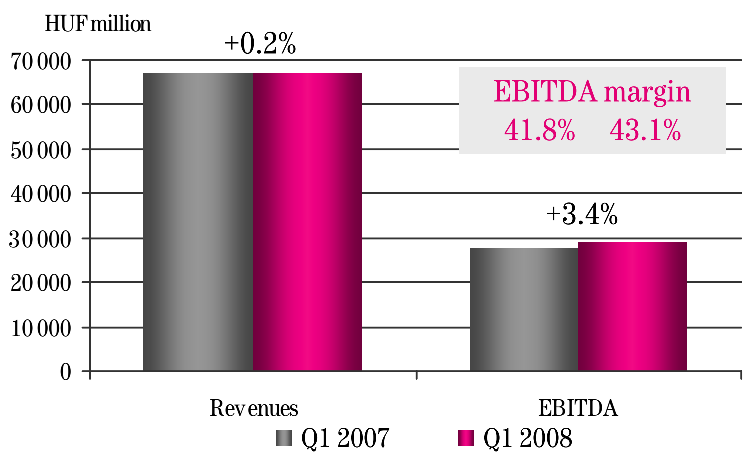
Mobile termination fee cut

- successive 15% cuts from Feb-2007 and Jan-2008, current rate is HUF 20 per minute
- decreasing asymmetry among operators 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
- annual service revenue of HUF 6 bn, EBITDA HUF 1.5bn until end-2015

T-Systems

Growing importance of SI/IT services

Leading position in the Hungarian SI/IT market

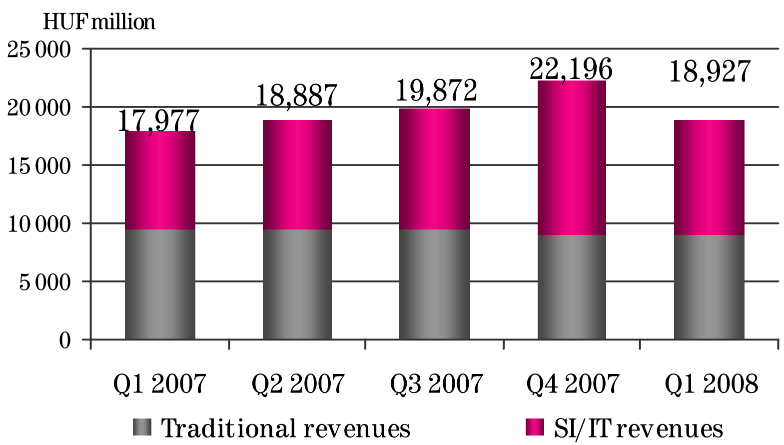
- full scale IT service portfolio offered
- cross-selling opportunities through sales channels integrated with T-Mobile and T-Com
- new bundled products for our corporate customers (dedicated team to serve TOP 30 customers)
- SI/IT revenues grew by 18% in Q1 2008

Declining traditional revenues

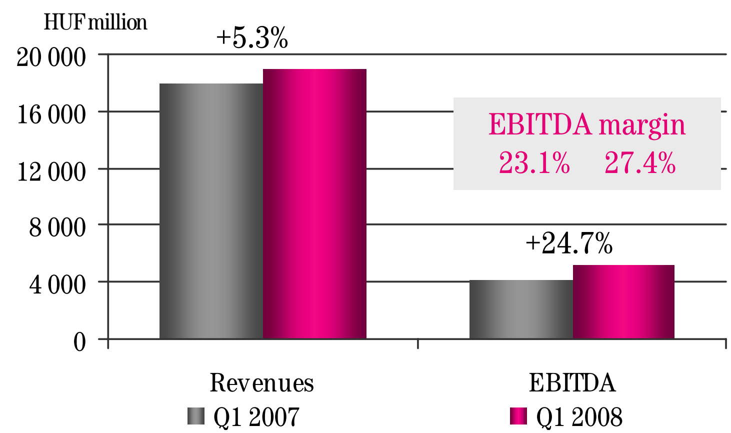
- intense competition from alternative service providers
- strong mobile substitution – mobile tariff levels are significantly lower than fixed line tariffs

- significant traffic and tariff erosion
- traditional fixed line revenues decreased by 6%
- increasing contribution of low-margin SI/IT revenues

T-Systems quarterly revenue breakdown



Financial performance



T-Com: international operations

Macedonia

Limited top line growth opportunities

- strong mobile substitution, competition from altnets and cables
- decreasing tariff levels
- fixed line penetration was 22.3% (down 1.1ppt)
- number of lines ~487,000 (down 4.8%)

Increasing internet revenues and rebranding

- number of ADSL lines exceeded 67,000 (up 268%)
- introduction of T-Home brand, rebranding expected to be completed by May, 2008
- new innovative products and packages
- EBITDA margin excluding the HUF 1.3 bn gain on the sale of Montmak was 47% in Q1 2008

Montenegro

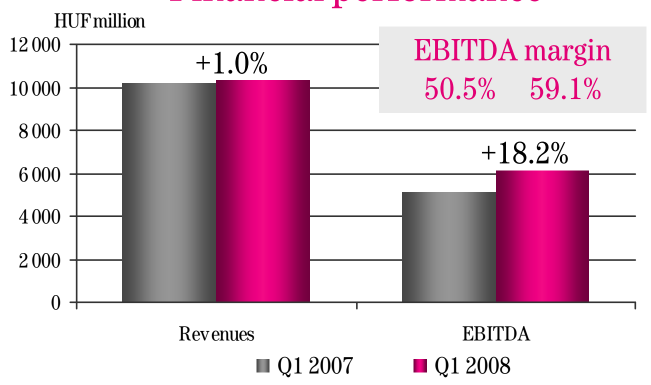
Stable fixed line voice market and booming broadband market

- stable fixed line customer base
- fixed line penetration at 30.1% (down 0.4ppt)
- number of lines ~190,000; rapidly growing broadband market
- over 24,000 ADSL customers (including IPTV)

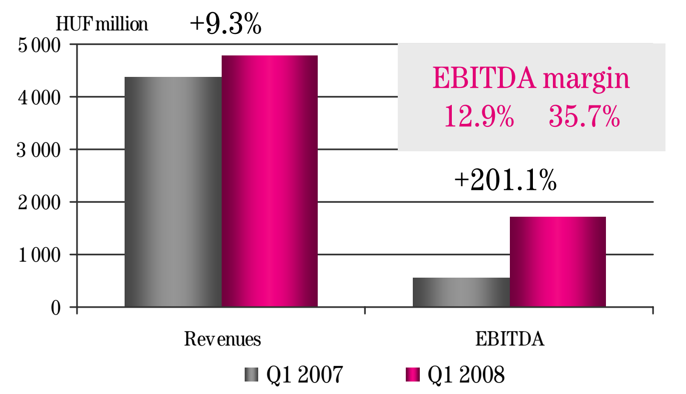
Improving efficiency; focus on broadband revenues

- stable voice and 100% growth in internet revenues
- EBITDA excluding special influences increased by 12% in Q1 2008

Financial performance



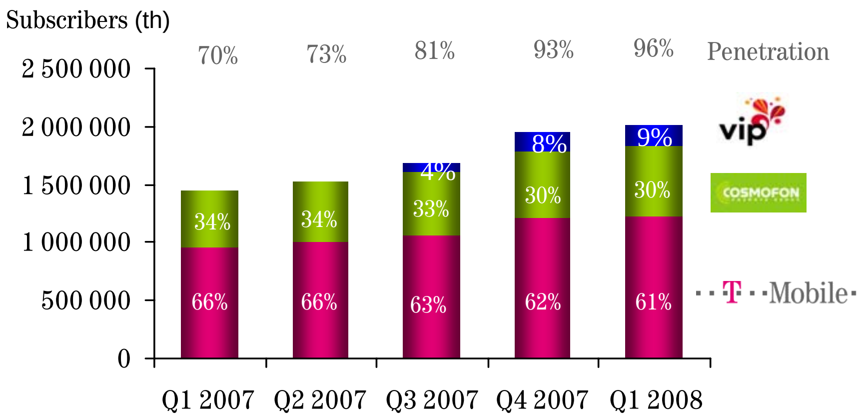
Financial performance



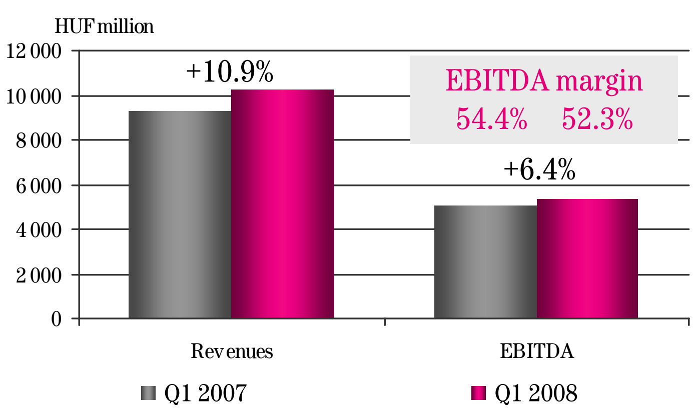
T-Mobile: international operations

Magyar Telekom

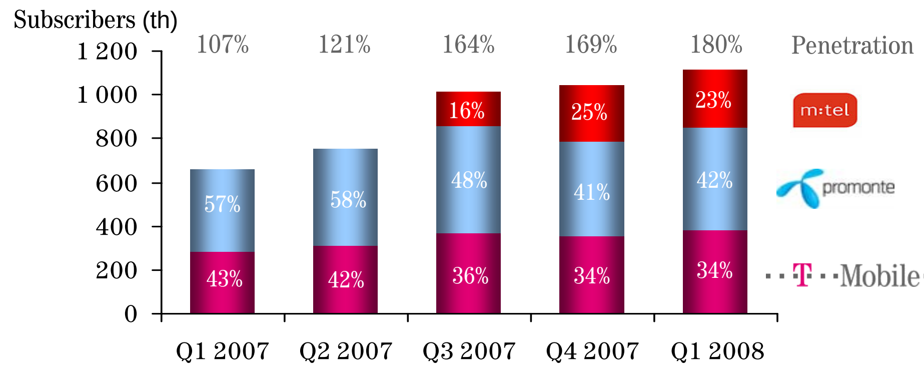
Macedonia



- focus on customer acquisition, 28% growth in customer base
- MOU 85 (up 10%); ARPU HUF 2,475 (~EUR 10)
- improving customer mix, postpaid ratio increased to 25% in Q1 2008
- 3rd operator VIP (TA) entered in September 2007

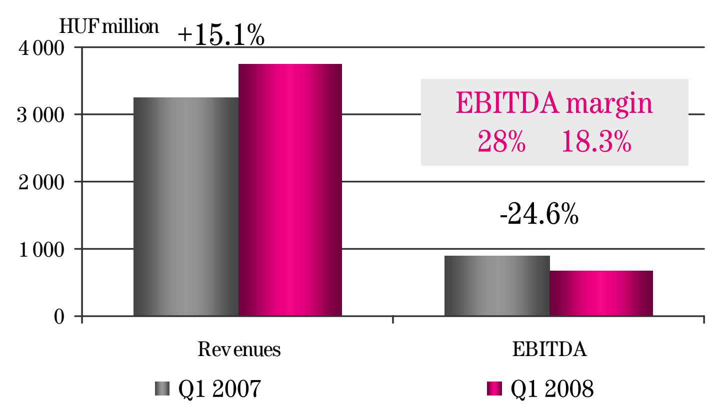


Montenegro



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

- high penetration is driven by tourism and 3rd entrant
- competition increased significantly following entrance of new operator (M:tel – Telekom Serbia, July 2007)
- MOU 98; ARPU HUF 2,740 (~EUR 11)
- due to tariff competition and increased acquisition costs, EBITDA margin decreased to 18% in Q1 2008



Regulatory snapshot

Fixed-line	Mobile

Hungary – in line with EU regulatory framework

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

- mobile number portability since May 2004
- EU roaming regulation adopted
- NRA resolution aims to further decrease prices and eliminate asymmetry among the 3 players in three steps
- latest cut from January 1, 2008 – new prices:
  TMH 19.8; Pannon 20.3; Vodafone 21.0 HUF/minute
- 16.84 HUF/minute average voice termination fee with effect from January 2009

Macedonia – full liberalization of the fixed market launched

- reference interconnection and unbundling offers approved
- RIO signed with 7 competitors
- 2 national and 18 regional WiMax licenses awarded

- 3rd mobile license granted to Mobilkom (TA)
- 3G license granted to Cosmofon in January 2008
- T-Mobile and Cosmofon received SMP status
- mobile termination rates to be cut from June 2008

Montenegro – fixed line competition to emerge

- ProMonte obtained license for international termination
- 3 national WiMax licenses awarded, further 3 tendered
- new EU-compliant Telecommunication Law is expected to be passed by end Q3 2008

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

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 business client relationship management
- attractive, tailor-made offers
- strong broadband impetus

Efficiency

- improvements in operational cost structure
- increased productivity, headcount reductions
- 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
- strengthening position in the IT market
  – acquisition of KFKI, Dataplex and TSH in Hungary
- expansion into new business opportunities (e.g. content services)

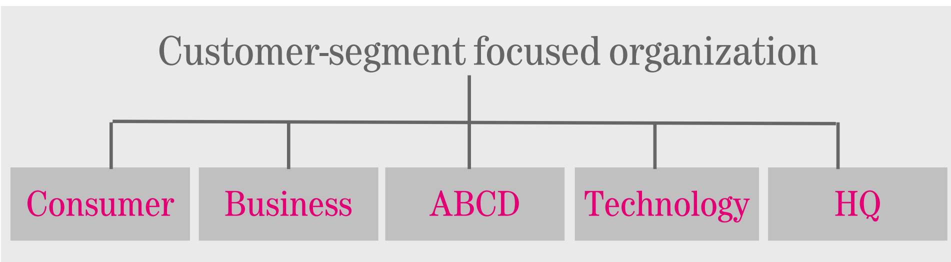
Changes in organization, headcount reduction

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 (~1,800 employees) by end of 2008 compared to the end of June 2007 level of 12,262

Financial impact

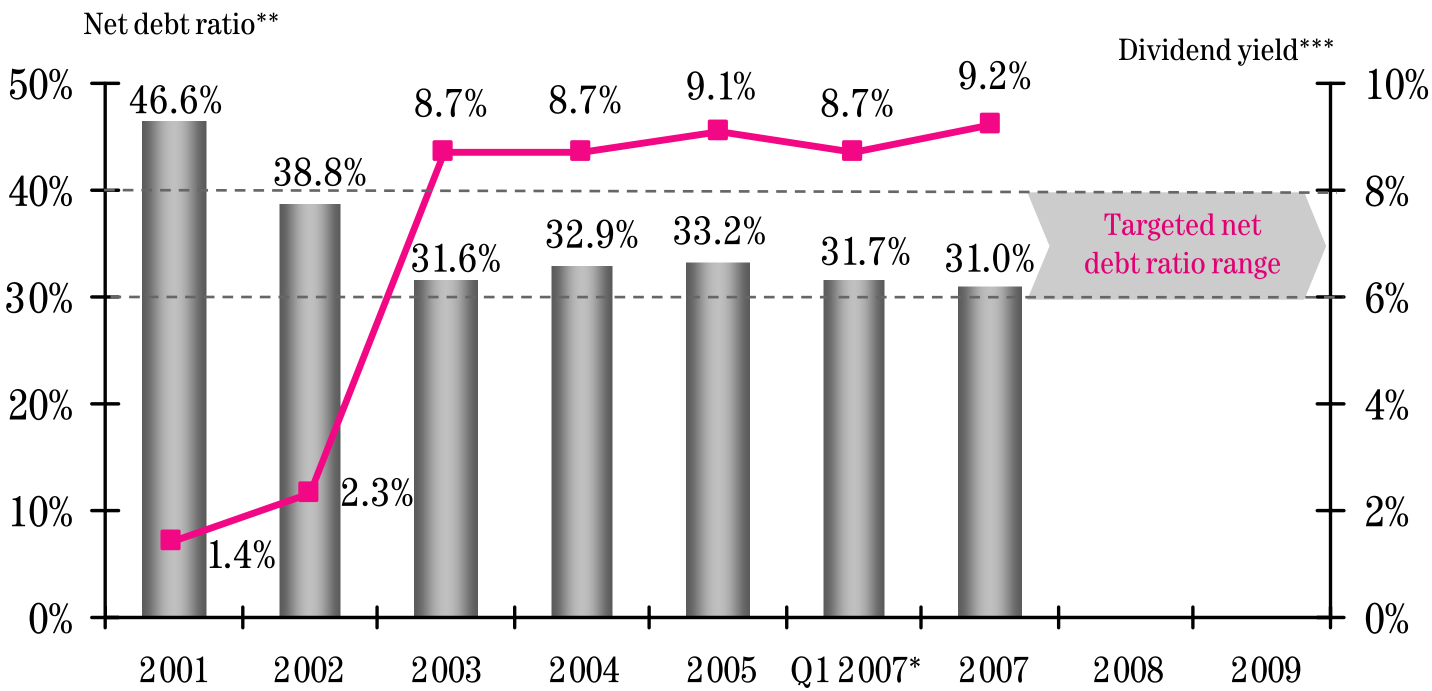
- severance-related expenses of HUF 27.5bn in 2007
- wage increase of 5.5% from March 2008

Underlying Group-level employee-related expenses to decrease by 5% in 2008

70% of the planned headcount reduction has been completed by end-March 2008

Dividend policy

Net debt ratio and dividend yield



* 2006 dividend payment (for 2005 financials) was delayed to January 2007

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

***dividend yield calculation based on HUF 801 share price (17 March 2008)

AGM approved HUF 74 dividend per share for the financial year 2007 on April 25, 2008.

Ex-dividend date: 16 May 2008

Payment date: 27 May 2008 for ordinary shares, 3 June 2008 for ADRs