Presentation
2008 interim results

Strong margin reflects efficiency improvements

Agenda

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Abbreviations:

3G: third generation, ARPU: average revenue per user, BB: broadband, CBC: call-by-call, CPS: carrier pre-selection, HQ: headquarters, HSDPA: high-speed downlink packet access, IC: interconnection, IP: internet protocol, IT: information technology, LTO: local telecommunication operator, MOU: minutes of use, NGN: next generation network, NRA: National Regulatory Authority, POP: point of presence, RIO: reference interconnection offer, RPC: revenue producing customer, SI: system integration, SIM: subscriber identity module, SMP: significant market power, Special influences: investigation- and headcount reduction-related expenses, Tetra: Terrestrial Trunked Radio, UMTS: Universal Mobile Telecommunication System, VAS: value added services, VoCaTV: Voice over Cable TV, WiMax: Worldwide Interoperability for Microwave Access, WS: wholesale

HUF/EUR 253.4 (average H1 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 3.4 bn expenses relating to the investigation in the first half of 2008, which are included in other operating expenses in the Group Headquarters and Shared services ("GHS") segment.

Overview
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

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

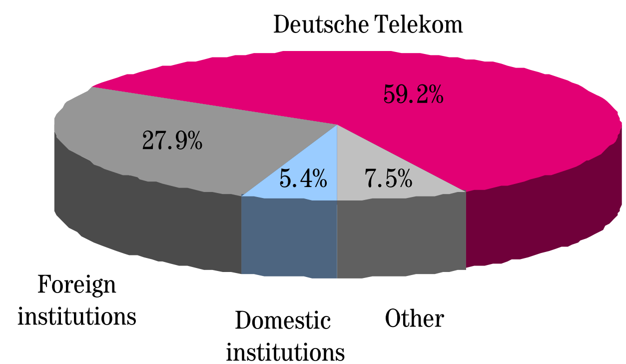
Stock information

EUR 3.2bn market capitalization

Stock exchange listing

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

Ownership structure*



*approximate figures as of 30 June, 2008

Magyar Telekom's strategic priorities

Focus on service excellence, efficiency and expansion

Excellence

- stronger customer focus
- improved service quality
- integrated sales and call-center services
- unified business client relationship management

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
- leading position in the IT market through acquisitions (KFKI, Dataplex, TSH)
- expansion into new business opportunities (e.g. content services)

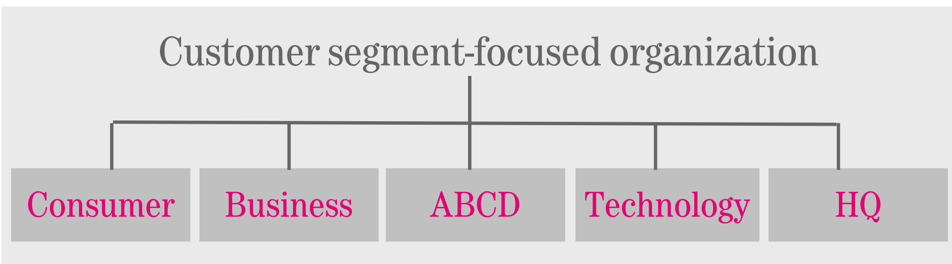
Changes in organization, brand structure
Leaner organization, simpler brand structure

New organizational structure

Structural changes in the telecom industry

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

New organization since January 1, 2008



- Consumer Services: mobile and wireline consumer services under the T-Home and T-Mobile 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

New brand structure

Clear brand structure – strong corporate brand

- One company, One voice – clear & credible corporate messages
- "T" as our corporate brand identifies the Magyar Telekom Group

T-Home

- "In the Home" wireline home communications and entertainment services
- replacing three former brands (T-Com, T-Online, T-Kábel)
- new 2Play, 3Play packages with discounts

T-Mobile

- "On the Move" wireless communication and entertainment services

T-Systems

- Business and corporate solutions, ICT services

New generation access (NGA) strategy
Reinforcing technology leadership

Wireline network strategy

5-year plan with aiming to cover 1.2 million households by 2013 (~30% of Hungarian households) offering bandwidth of up to 100 Mbit/s

Fiber-to-the-Home network

- To cover around 200,000 households by end-2009, extend to 780,000 households by end-2013
- Using mainly FTTH G-PON technology

Cable network upgrade

- Cover around 380,000 households by end-2009
- Using Docsis 3.0 technology

Wireless network strategy

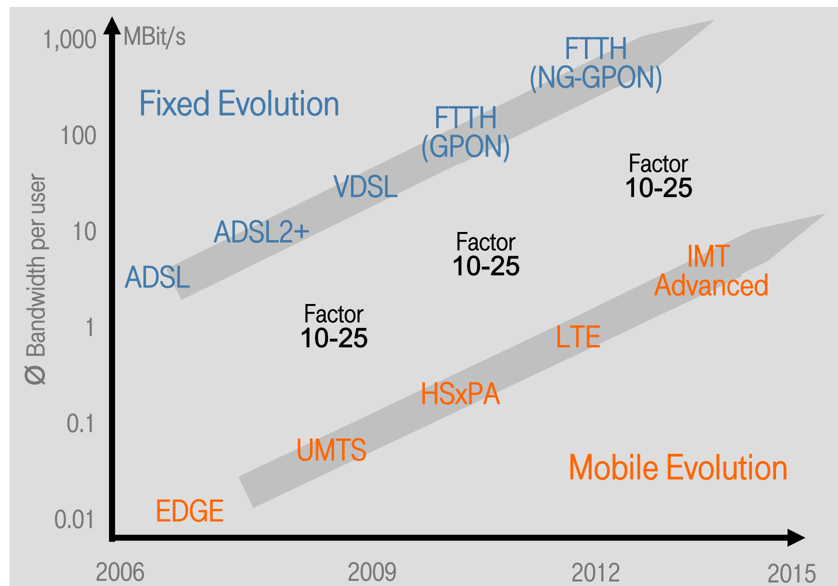
- HSDPA network covering ~59% of population with up to 7 Mbit/s bandwidth
- Magyar Telekom to further increase HSDPA network coverage in line with market needs and competition

CAPEX requirement

Total CAPEX investment is HUF 40 billion between 2009 and 2013

- 2009 CAPEX is HUF 10 bn, which will be absorbed in the annual CAPEX spending
- Total 2009 Group-level CAPEX will remain at 2008 levels

Fixed bandwidth ahead of mobile

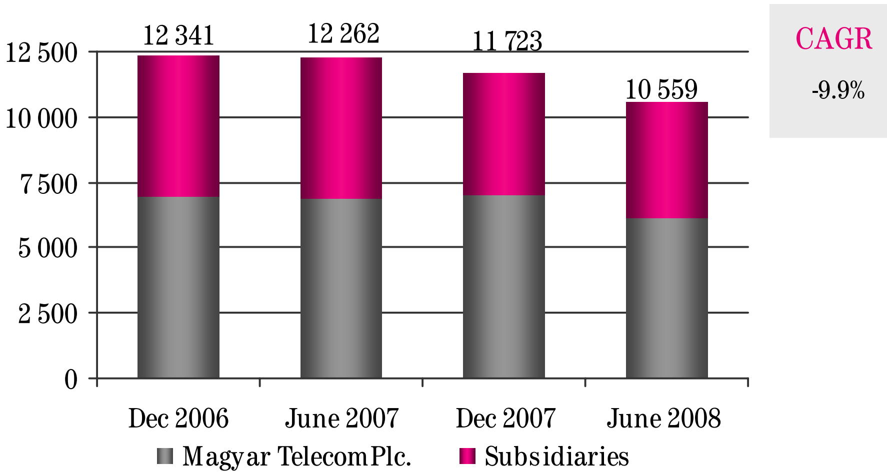


Headcount rationalization

Efficiency improvement

- commitment to reduce cost across the Group
- headcount reductions enabled through integrated operations and leaner corporate structure

Employee figures



Total Workforce Management

- focus on total labor cost – also including contracted or rented employees as well as outsourcing and entrepreneurial contracts
- aim to maintain or even slightly decrease total labor costs in nominal terms for the next years

Headcount-reduction

Headcount reduction for 2008

- 15% decrease (~1,800 employees) by end of 2008 compared to the end of June 2007 level of 12,262
- severance-related expenses of HUF 27.5bn in 2007
- underlying Group-level employee-related expenses to decrease by 5% in 2008

➡ 90% of the planned headcount reduction completed by end-June 2008

Headcount reduction for 2009

- ~300 employees lay-off until end-2009
- severance-related expenses expected to reach HUF 5 bn to be accounted in Q4 2008
- the related savings will reach around HUF 1.8 bn on an annual basis

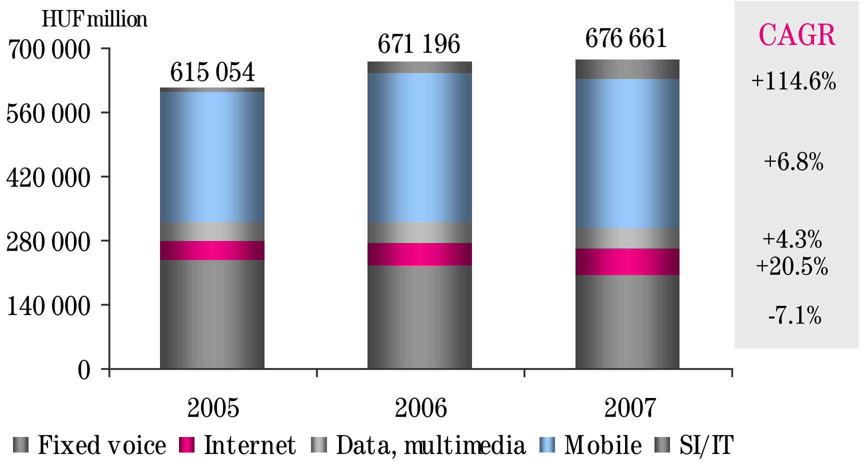
Wage increase for parent company employees

- 5.5% from March 2008
- 5.6% from April 2009

Challenges and strengths
Changing business needs continuous efficiency improvements

Change in revenue mix

Revenue breakdown



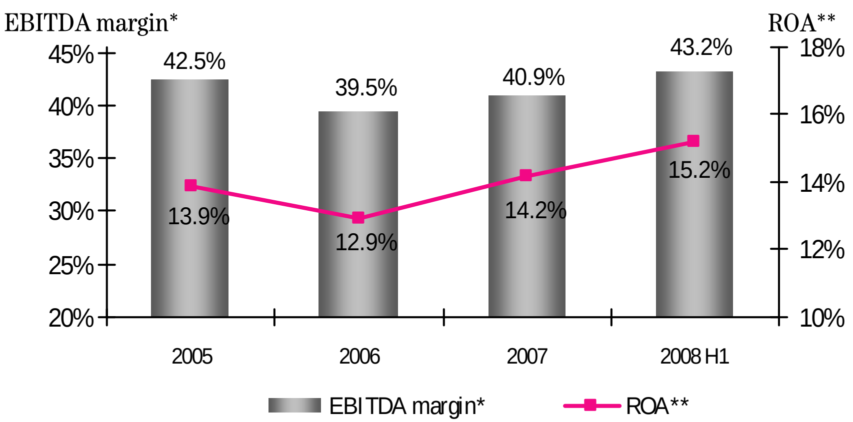
Flattish top line hides dynamic change in revenue mix

- ratio of IT/SI revenues exceeded 6% of Group revenues in 2007
- new revenue sources have lower EBITDA margin putting pressure on group profitability

Increasing profitability and return

- continuous headcount reduction and cost cutting bear fruit
- visible signs of efficiency improvements in the increasing EBITDA margin and return

EBITDA margin, ROA

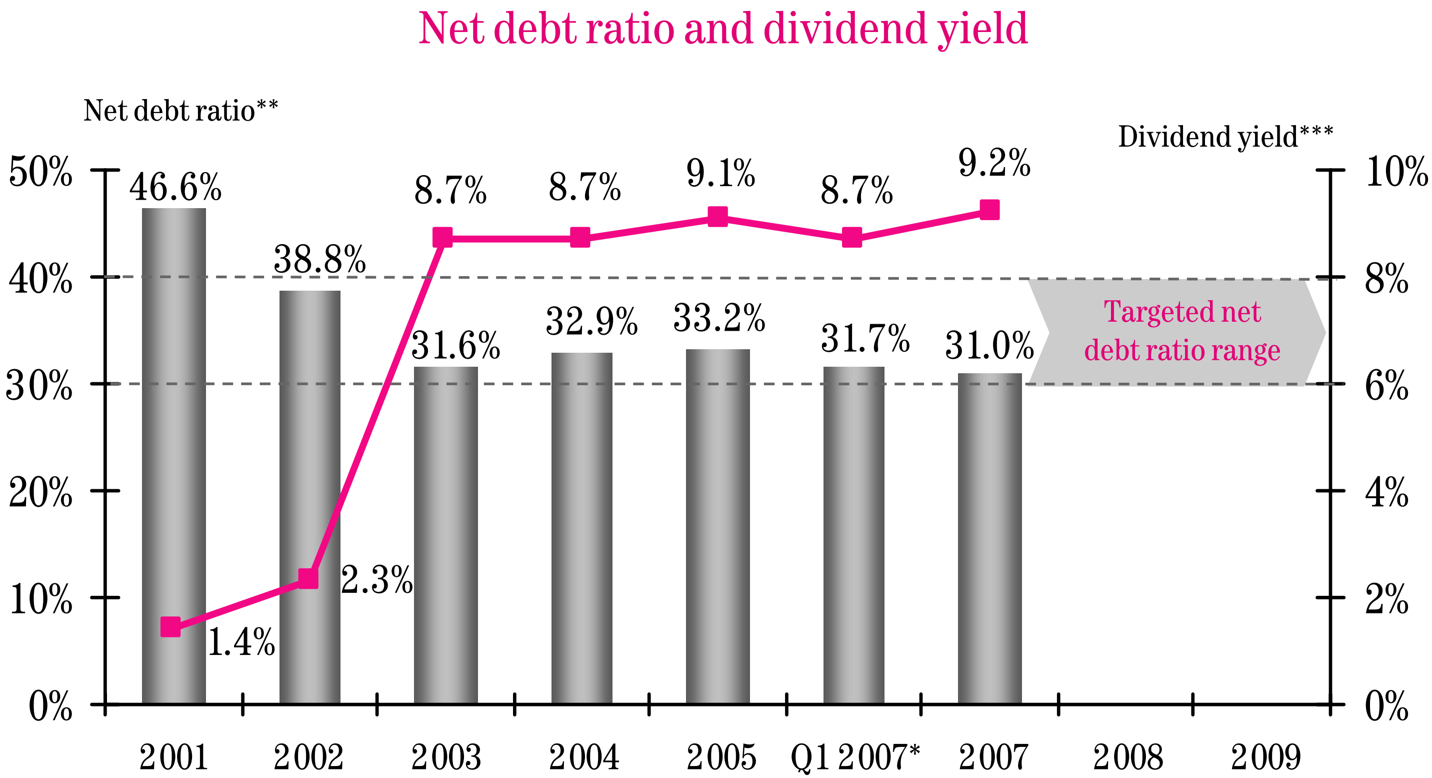


*Excluding special influences and the one-time provision reversal related to F2M IC fees

**EBIT / Average total assets, annualized for 2008

Dividend policy

Magyar Telekom



* 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

Public targets for 2008 and 2008 H1 results

Magyar Telekom

	2008 public targets	2008 H1 results
Revenue	Flat over 2007	+2.2%
Underlying* EBITDA	Slight decline over 2007	+8.7%
Capex / sales	Around 15%	11.5%

Revenue

2008 public targets: Flat over 2007
- competitive landscape
- sluggish economic growth limits disposable income

2008 H1 results: +2.2%
- excluding HUF 8.5bn F2M related reversal of provisions revenues decreased by 0.4% in H1 2008
- Hungarian broadband growth has slowed
- Fixed line churn increased further

Underlying* EBITDA

**Excluding special influences*

2008 public targets: Slight decline over 2007
- increased competition in the international mobile markets
- difficult Hungarian macroeconomic environment
- regulatory impacts

2008 H1 results: +8.7%
- excluding HUF 8.5bn F2M related reversal of provisions and real estate sales (HUF 2.0bn) EBITDA increased by 1.0% in H1 2008
- strong focus on cost control
- headcount reduction progressing according to plan

Capex / sales

2008 public targets: 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

2008 H1 results: 11.5%
- Lower due to seasonality in CAPEX spending

First half 2008 summary

		Revenues		EBITDA		EBITDA margin
Group		HUF 335.8bn	+2.2%	HUF 144.3bn	+12.1%	43.0%
Underlying**				HUF 149.8bn	+8.7%	44.6%
Segments*	T-Com	HUF 147.7bn	-3.0%	HUF 64.4bn	+7.4%	43.6%
	underlying			HUF 66.2bn	+3.9%	44.8%
	T-Mobile	HUF 169bn	+2.0%	HUF 75.7bn	+5.2%	44.8%
	underlying			HUF 75.7bn	+3.8%	44.8%
	T-Systems	HUF 42.5bn	+15.3%	HUF 14.7bn	+82.2%	34.5%
	underlying			HUF 15.0bn	+80.6%	35.3%
	HQ & shared services	HUF 10.9bn	-7.4%	HUF -10.4bn	-7.1%	n.a.
	underlying			HUF -7.0bn	-12.0%	n.a.
International contribution		17.5%		17.6%		

*Before intersegment eliminations

** Excluding special influences and including the HUF 8.5bn one-time provision reversal related to F2M IC fees accounted in Q2 2008

T-Com: Hungarian operations

Focus on efficiency and customer retention

Voice revenues under threat from competition

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

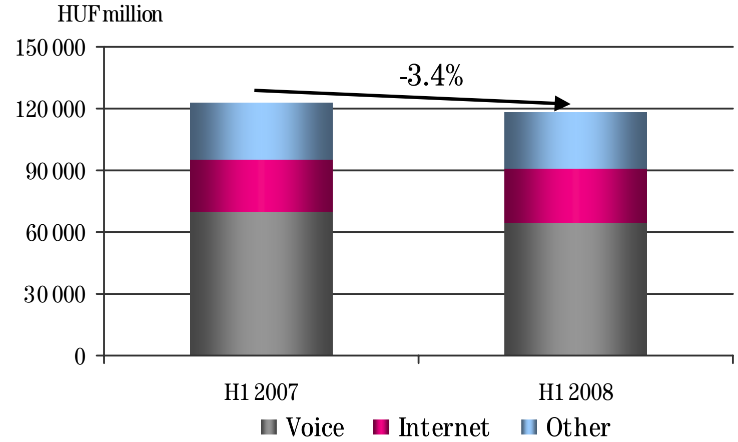
Successful retention measures introduced

- focus on migrating residential customers to fixed term contracts

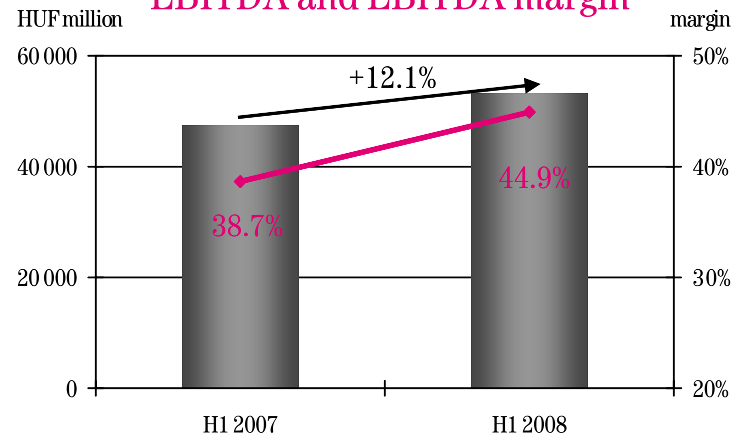
First results of efficiency improvement efforts

- lower headcount leads to 2% lower underlying employee-related expenses
- financials benefited from a one-time provision reversal related to F2M interconnection fees (in the amount of HUF 3.2bn)
- excluding the provision reversal EBITDA margin increased to 42% in H1 2008

Revenue breakdown



EBITDA and EBITDA margin



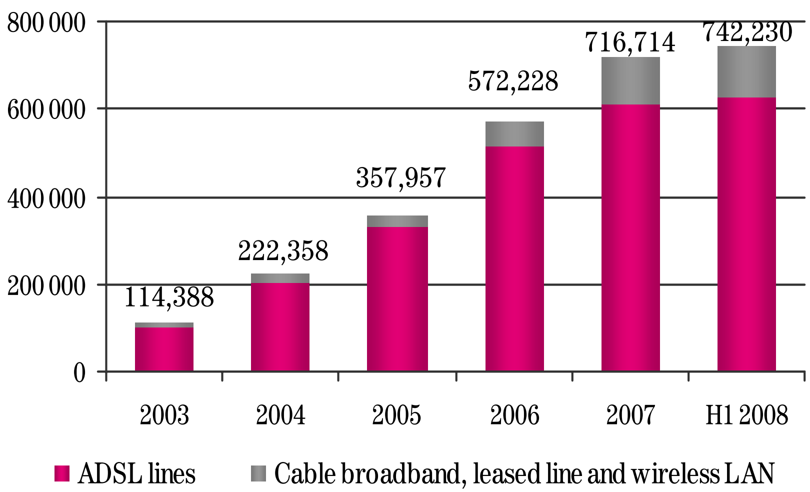
T-Com: Hungarian operations

Broadband market developments

General deceleration of BB market growth

- cable broadband is becoming more popular than ADSL among new customers (in H1 2008 ~70% of the BB net adds was cable, ~30% ADSL)
- mobile broadband is becoming a competitive product
- low-end DSL offer from HUF 2,990 (~EUR 13)
- decline in average DSL ARPU to HUF 5,400 (13% decrease compared to the level in H1 2007)

Broadband growth



Cable services

Second player on the cable market

- T-Kábel market share ~19% based on cableTV customers (~418,000)
- CaTV ARPU around HUF 3,500 (~EUR 15)
- cable broadband customer base close to 100,000
- 43,000 VoCaTV customers - c. HUF 2,400 voice ARPU

2008 H1 revenue around HUF 11.6bn with an EBITDA margin of around 42%

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 15,600 by end-June 2008
- number of 3Play customers on the cable network was ~28,000

T-Mobile: Hungarian operations

Competitive environment

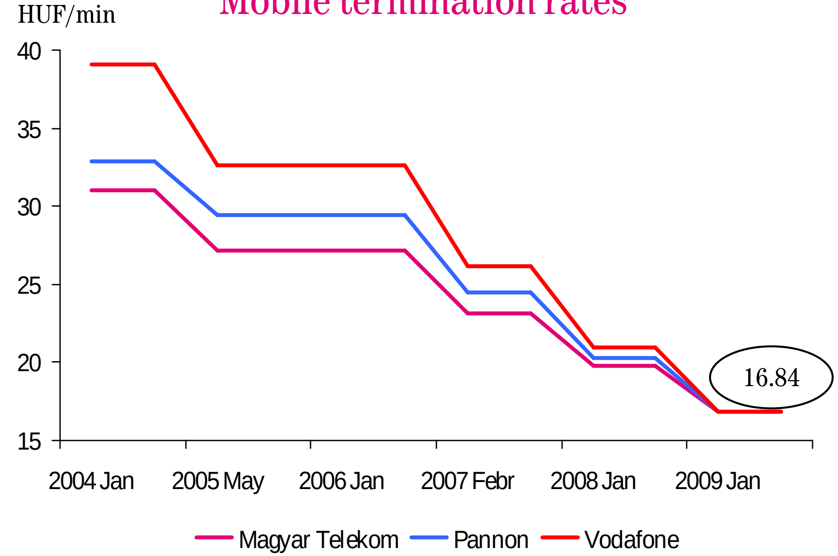
Increasing focus on customer acquisition

- continued growth in RPC base (up 13%)
- due to distribution of free SIM cards acquisition cost/new RPC fell by 20% to HUF 5,675 in H1

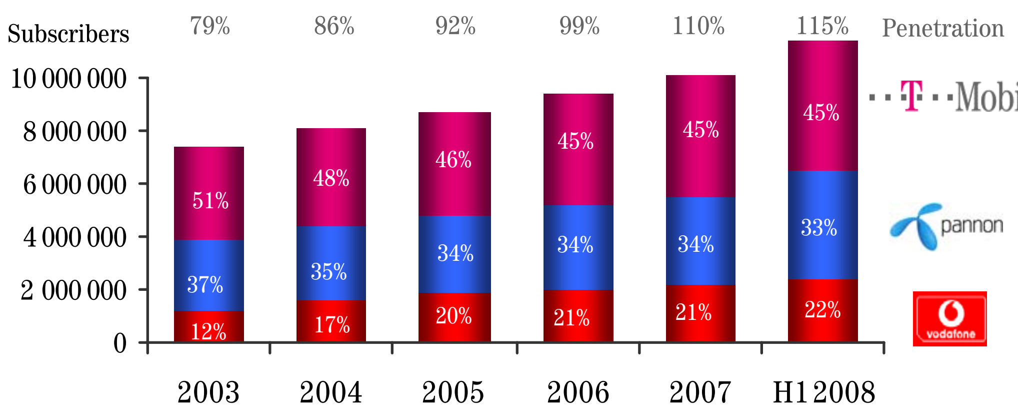
Tariff erosion

- more conscious package selection and broader use of closed-user-group services
- cut in mobile termination rates in January 2008
- average per minute voice revenue decrease of 15% yoy
- increasing inactive ratios at all 3 operators

Mobile termination rates



Subscribers, market shares and penetration*



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

Mobile termination fee cut

- current mobile termination rate is HUF 20 per minute at T-Mobile
- successive 15% cuts from Feb-2007 and Jan-2008 for T-Mobile, steeper decrease for the competitors
- decreasing asymmetry among operators helps EBITDA margin

T-Mobile: Hungarian operations

Solid financial and operational performance

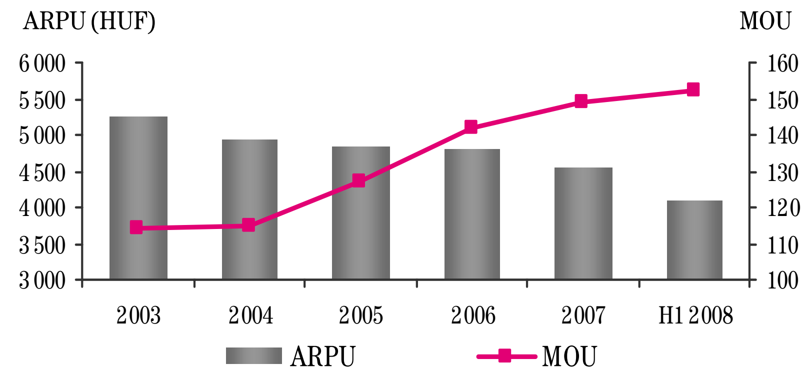
Continued tariff decline

- MOU increased by 5% yoy to 152 in H1
- ARPU down by 9% to HUF 4,104 (~EUR 17)
- growing importance of VAS (17% of ARPU)
- Postpaid ratio continuously increasing

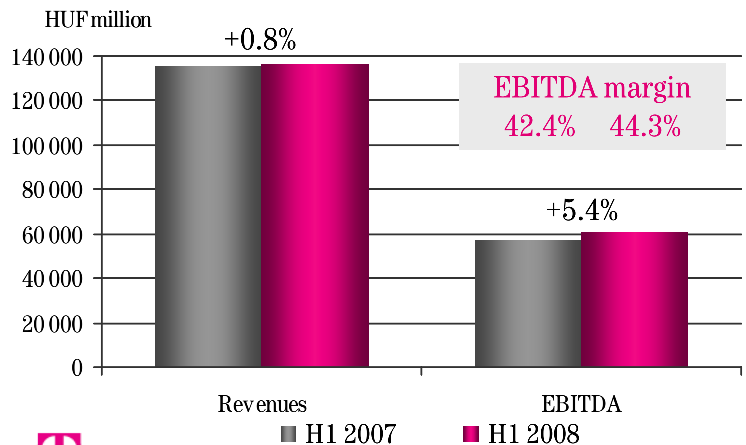
Mobile internet development

- HSDPA network covering ~59% of population
- up to 7Mbps bandwidth
- number of internet subscribers exceeded 184,000 at end-June 2008

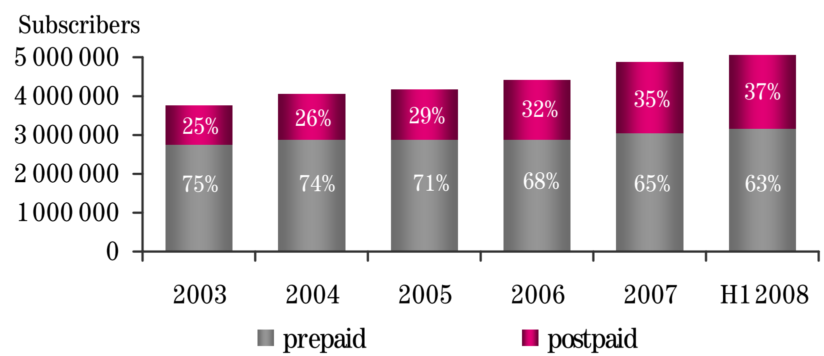
Usage and ARPU trends



T-Mobile Hungary financial performance



Breakdown of T-Mobile customer base



T-Com: international operations

Macedonia

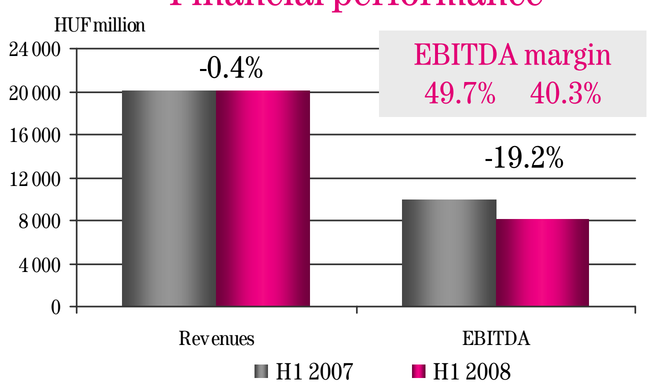
Limited top line growth opportunities

- fixed line penetration was 22.1% (down 1ppt)
- number of lines ~483,000 (down 4.5%)
- strong mobile substitution, competition from altnets and cables
- decreasing tariff levels

Increasing internet revenues and rebranding

- number of ADSL lines exceeded 77,000 (up 310%)
- introduction of T-Home brand in May, 2008
- EBITDA margin excluding the HUF 1.3bn gain on the sale of Montmak and 1.7bn severance costs was 42% in H1 2008

Financial performance



Montenegro

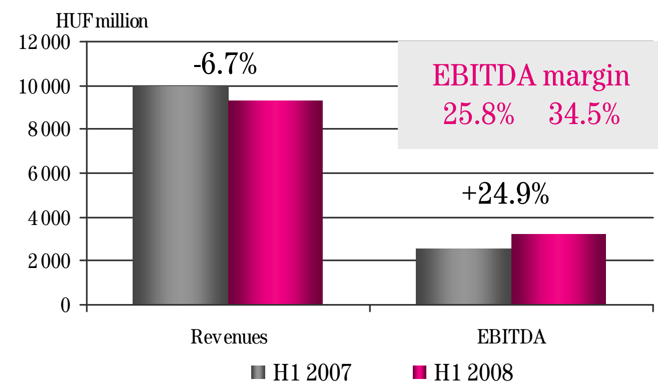
Booming broadband market

- fixed line penetration at 28.3% (down 2.4ppt)
- number of lines ~185,000 (down by 2.9%)
- rapidly growing broadband market, over 27,500 ADSL customers (including IPTV)
- 86% growth in internet revenues

Declining wholesale revenues

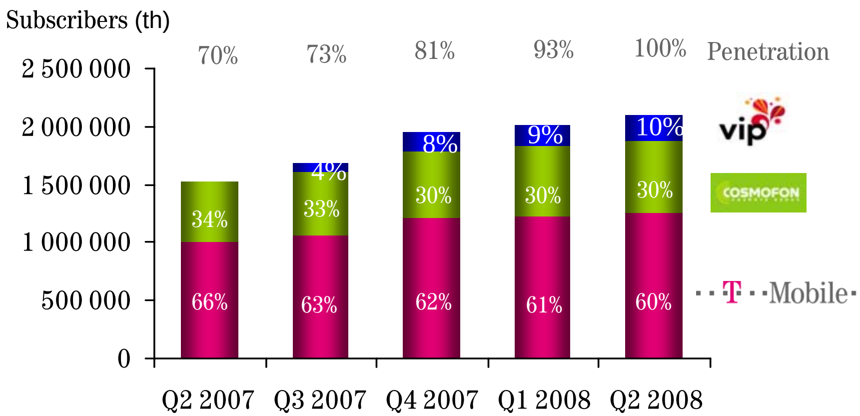
- drop in wholesale revenues driven by Promonte's rerouting through Serbia

Financial performance

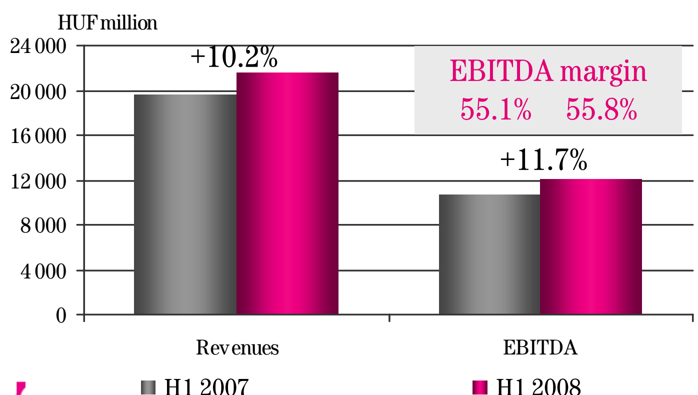


T-Mobile: international operations

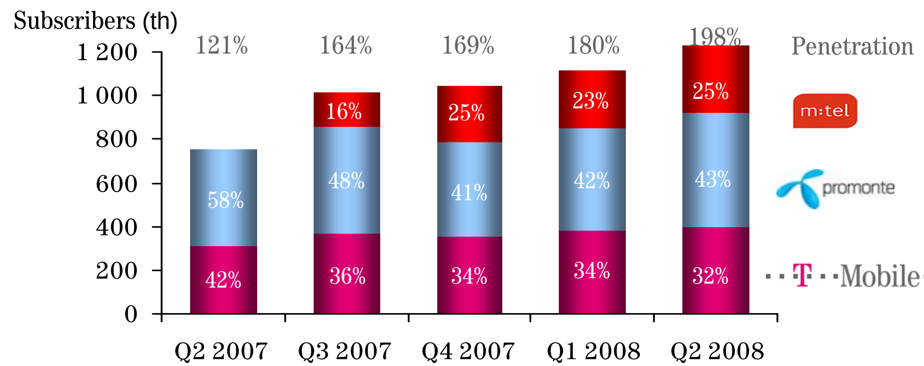
Macedonia



- 3rd operator VIP (Telekom Austria) entered in September 2007
- focus on customer acquisition, 25% growth in customer base
- MOU 90 (up 8%); ARPU HUF 2,602 (~EUR 11)

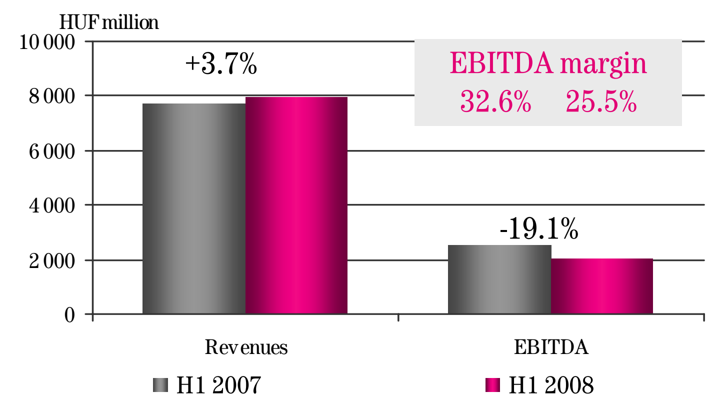


Montenegro



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

- high penetration is driven by tourism and 3rd entrant
- 3rd operator M:tel (Telekom Serbia) entered in July 2007
- MOU 105; ARPU HUF 2,825 (~EUR 12)
- tariff competition and increased acquisition costs put pressure on EBITDA



T-Systems

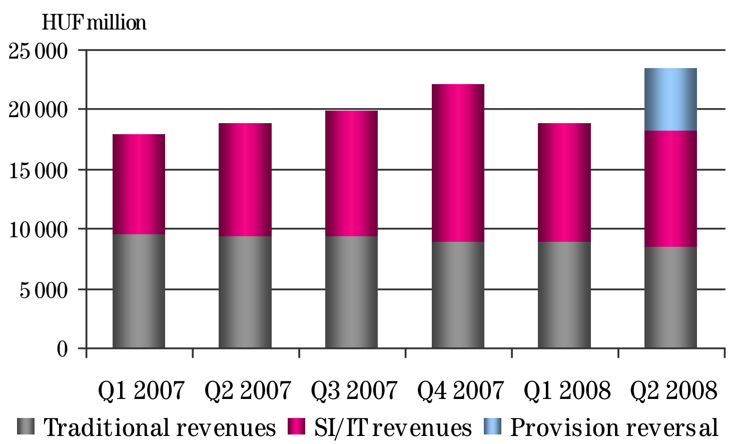
Growing importance of SI/IT services

Leading position in the Hungarian SI/IT market

- full scale IT service portfolio offered through acquisitions of KFKI and T-Systems Hungary
- 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 10%, while traditional revenues decreased by 8% in H1 2008 y-o-y

T-Systems quarterly revenue breakdown



Declining traditional revenues

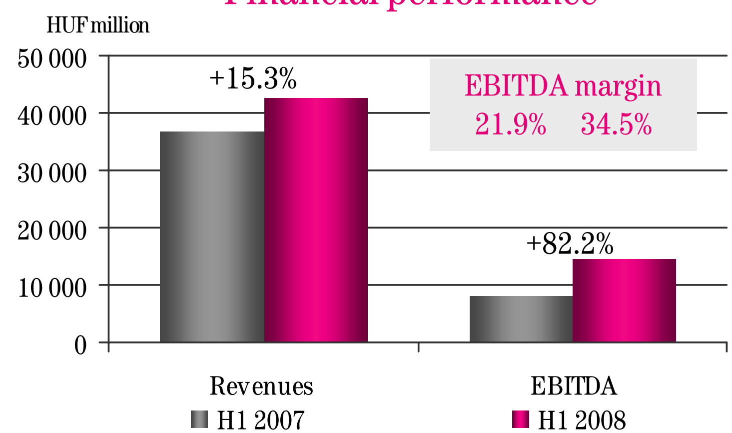
Pressure on voice and data revenues

- intense competition from alternative service providers and strong mobile substitution
- continuous traffic and tariff erosion

Change in revenue mix puts pressure on EBITDA margin

- increasing contribution of low-margin SI/IT revenues
- financials were helped by a one-time HUF 5.3bn provision reversal related to F2M interconnection fees
- excluding the provision reversal revenues decreased by 3.5% in H1 2008

Financial performance



Regulatory snapshot

Fixed-line	Mobile

Hungary – in line with EU regulatory framework

Fixed-line

- geographic number portability since January 2004
- WS naked ADSL offered to ISPs since end-March 2007
- IC fees slightly below EU average, approx. 26% cut in average traffic fees announced in June 2008

Mobile

- mobile number portability since May 2004
- EU roaming regulation adopted
- termination fee 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, thus eliminating the asymmetry among mobile operators

Macedonia – full liberalization of the fixed market launched

Fixed-line

- RIO fees around EU average, latest cuts were in June 2008 by approx. 18%
- 2 national and 18 regional WiMax licenses awarded, service launch anticipated soon

Mobile

- 3G license granted to Cosmofon in January 2008
- mobile termination rates for T-Mobile and Cosmofon (SMPs) are cut by 40% from September 2008
- number portability (both fixed and mobile) since September 2008

Montenegro – fixed line competition to emerge

Fixed-line

- ProMonte obtained license for international termination
- RIO fees were cut by approx. 10% from July 2008
- new EU-compliant Telecommunication Law has been approved by Parliament in July 2008

Mobile

- all three operators were awarded UMTS licenses