

**Magyar Telekom Telecommunications Public Limited Company**

**Submission**

**for Magyar Telekom Plc.'s General Meeting**

<b>Subject:</b>	Report of the Supervisory Board
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# Magyar Telekom Telecommunications Public Limited Company

## Supervisory Board

### Report of the Supervisory Board of Magyar Telekom Plc. for the General Meeting of the Company

In Y2008, the Supervisory Board of Magyar Telekom Plc. (the "Company") has performed its work in accordance with the Articles of Association of the Company and the Rules of Procedure of the Supervisory Board, based on its approved Working Schedule. In Y2008, the Supervisory Board held meetings on 5 occasions, and furthermore, it made resolutions without holding a meeting, via written (fax) voting on 1 occasion.

The Supervisory Board kept in regular contact with the Chairman-Chief Executive Officer, the Chief Financial Officer, the Chief Legal Counsel and the Head of Internal Audit of the Company.

The Supervisory Board regularly discussed the decisions made by the Board of Directors and the Management Committee, the executive financial reports and the reports on the group acquisition activities.

The Supervisory Board approved the Y2008 Workplan of the independent internal audit organization, requested and received regular information on the findings of each of the audits, the recommended measures and the status of the implementation of these measures. The questions further occurring in relation to the particular audits were regularly answered by the Head of Internal Audit at the Supervisory board meetings.

Internal Audit supported the SOX compliance, audited the documentation and procedures of financial reporting, supported the documentation of tax allowances. Internal Audit identified measures to increase the efficiency of receivable management, to strengthen the operation of the integrated processes, to increase the IT system security, to improve the effectiveness of the sales and customer care in the integrated organizations.

Internal Audit supported the work of Group Compliance Committee in the whistleblower cases with special ad-hoc investigations.

The Supervisory Board regularly reviewed the reports of the Audit Committee on its activities supporting the work of the Supervisory Board with respect to the proper supervision of the financial reporting system.

In the case of each request submitted to the Supervisory Board during Y2008 with regard to the operation of the Company, the Supervisory Board conducted the necessary investigations and delivered the appropriate information to the person making the request. In case of a shareholder's notification submitted to the Supervisory Board, the Supervisory Board also delivered the appropriate information to the person making the notification.

The Supervisory Board examined every important report on the business policy and every submission that is made on matters falling into the exclusive competence of and is on the agenda of the General Meeting.

According to the point of view of the Supervisory Board, the reorganization of the Magyar Telekom Group was successfully implemented in 2008, the Group initiated significant investments and achieved its financial targets in spite of the tense competition and strict regulation environment. The Supervisory Board has not discovered anything to disapprove in the Company's activities in Y2008, with regard to the Company's compliance with statutory operation.

The Supervisory Board, with the involvement of the Audit Committee and the independent external auditor, discussed the 2008 consolidated annual financial statements of the Company prescribed by the Accounting Act according to the requirements of the International Financial Reporting Standards (IFRS), to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their acceptance.

In the opinion of the Supervisory Board, the above mentioned financial statements are in compliance with the prescriptions of the law, the Supervisory Board agrees with their content. The Supervisory Board proposes to the General Meeting for approval the 2008 consolidated annual financial statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards (IFRS) with Balance Sheet Total Assets and Profit after tax in accordance with the proposal of the Board of Directors and the Audit Committee.

The Supervisory Board, with the involvement of the Audit Committee and the independent external auditor, discussed the 2008 annual stand alone financial statements prepared in accordance with requirements of the Accounting Act (HAR) to be submitted to the General Meeting by the Board of Directors, and the proposal of the Board of Directors for their acceptance.

In the opinion of the Supervisory Board, the above mentioned financial statements are in compliance with the prescriptions of the law, the Supervisory Board agrees with their content. The Supervisory Board proposes to the General Meeting for approval the 2008 annual stand alone financial statements prepared according to the Hungarian Accounting Regulations (HAR) with Balance Sheet Total Assets and Profit after tax in accordance with the proposal of the Board of Directors and the Audit Committee.

The Supervisory Board, with the involvement of the Audit Committee, discussed the proposal of the Board of Directors, according to which the Company shall pay a dividend of HUF 74 per ordinary share (with a face value of HUF 100) to the shareholders from the profit of 2008.

The Supervisory Board pre-approves the proposal of the Board of Directors with respect to dividend payment and proposes the proposal to the General Meeting for approval.

The Supervisory Board discussed the Corporate Governance Report of the Company and, with its pre-approval, proposes it to the General Meeting for approval.

Budapest, March 17, 2009

In representation of the Supervisory Board of Magyar Telekom Plc.:

Dr. László Pap  
Chairman of the Supervisory Board