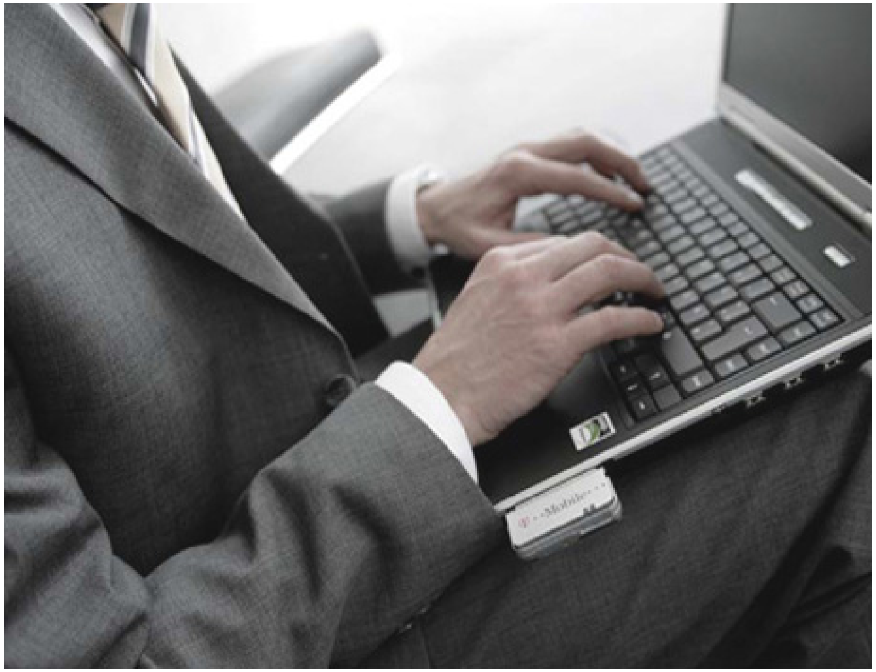
Presentation
Magyar Telekom Full Year 2008 Results

Transformation reinforces strong market and financial position



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 250.4 (average 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 (the "independent investigators"), 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.

Based on the documentation and other evidence obtained by it, White & Case preliminarily concluded that there was reason to believe four consulting contracts entered into in 2005 were entered into to serve improper objectives, and further found that certain employees had destroyed evidence that was relevant to the investigation. White & Case also 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 internal investigation to cover these additional contracts and any related or similarly questionable contracts or payments. In May 2008, the independent investigators provided us 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 between 2004 and 2006 between us and/or various of our affiliates on the one hand, and a Cyprus-based consulting company and/or its affiliates on the other hand, under which we and/or our affiliates paid a total of over EUR 6.7 million. The internal investigation is continuing into these and other contracts identified by the independent investigators.

In 2007 the Supreme State Prosecutor of the Republic of Montenegro informed the Board of Directors of Crnogorski Telekom, our Montenegrin subsidiary, of her conclusion that the contracts subject to the internal investigation in Montenegro included no elements of any type of criminal act for which prosecution would be initiated in Montenegro.

Hungarian authorities also commenced their own investigations into the Company's activities in Montenegro. The Hungarian National Bureau of Investigation has informed us that it closed its investigation as of May 20, 2008 without identifying any criminal activity.

United States authorities commenced their own investigations concerning the transactions which are the subject of our internal investigation, to determine whether there have been violations of U.S. law. The Ministry of Interior of the Republic of Macedonia has also issued requests to our Macedonian subsidiaries, requesting information and documents concerning certain of our subsidiaries' procurement and dividend payment activities in that country (together with U.S. investigations, the "Government investigations"). During 2007, the U.S. authorities expanded the scope of their investigations to include an inquiry into our actions taken in connection with the internal investigation and our public disclosures regarding the internal investigation.

We cannot predict when the internal investigation or the ongoing Government investigations will be concluded, what the final outcome of those investigations may be, or the impact, if any, they may have on our financial statements or results of operations. Government authorities could seek criminal or civil sanctions, including monetary penalties, against us or our affiliates, as well as additional changes to our business practices and compliance programs.

Magyar Telekom incurred HUF 5.4 bn expenses relating to the investigation in 2008, which are included in other operating expenses in the Group Headquarters and Shared services ("GHS") segment.

Agenda

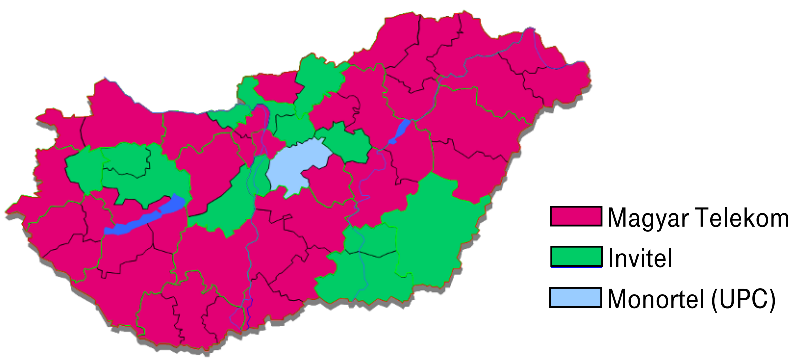
Overview
Magyar Telekom Group at a glance

Market leader in all core businesses

Integrated operations in Hungary, Macedonia and Montenegro

- operating in 39 local primary areas out of the total 54 in Hungary
- POP and /or alternative operations in Romania, Bulgaria and Ukraine

Local concession areas in Hungary



Segment reporting structure

- T-Com: fixed line; PoP and alternative operations
- T-Mobile: mobile operations; TETRA services
- T-Systems: traditional and SI/IT services for corporate clients
- HQ and Shared services: strategic and cross-divisional services

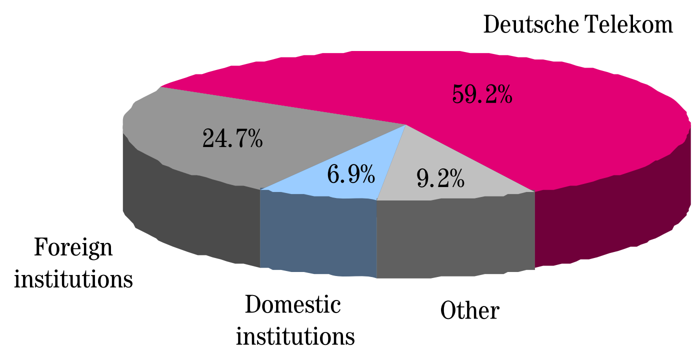
Stock information

EUR 2.0bn market capitalization

Stock exchange listing

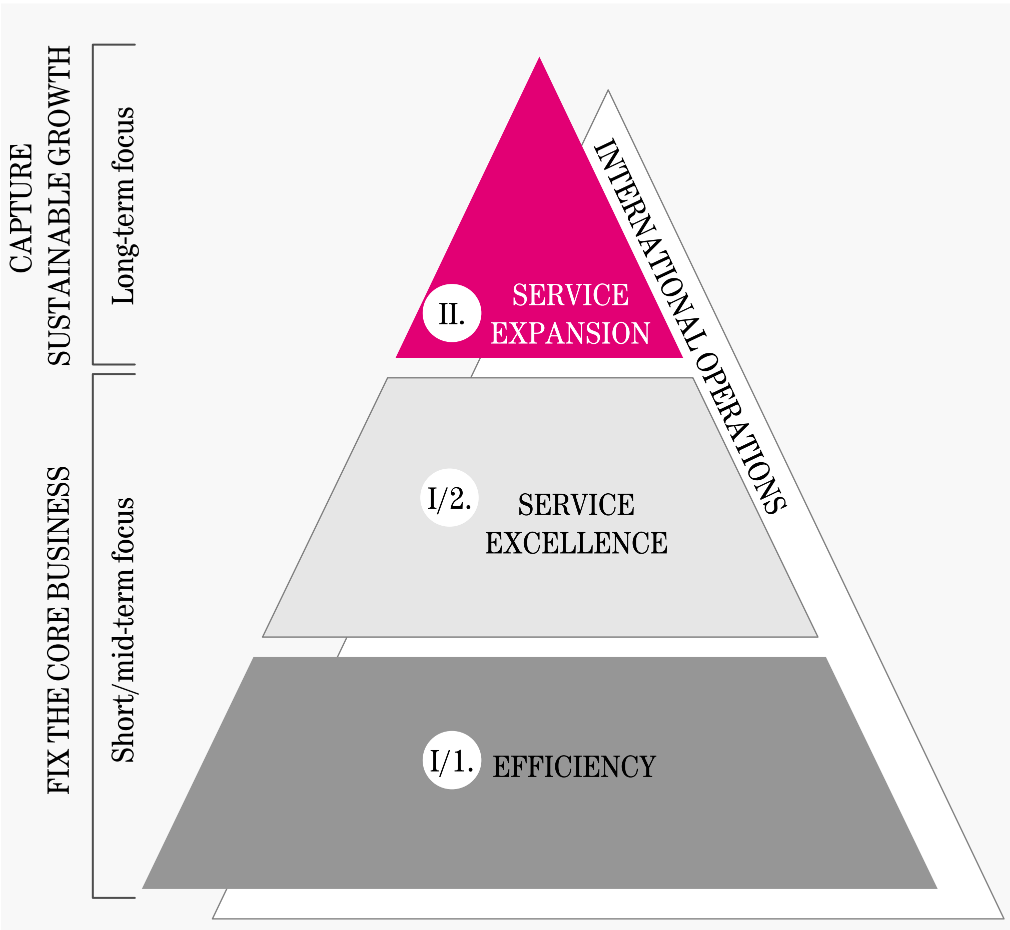
- listed on NYSE and Budapest Stock Exchange
- traded in London

Ownership structure*



*approximate figures as of 31 December, 2008

Magyar Telekom's strategic priorities
Focus on efficiency, service excellence and expansion



- execute value-accretive acquisitions in the region and in Hungary
- expand into new business areas (e.g. content services)
- develop and launch new access supporting services, T-inspired products

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

- leveraging opportunities from integrated operations
- improvements in operational cost structure
- increased productivity, headcount reductions

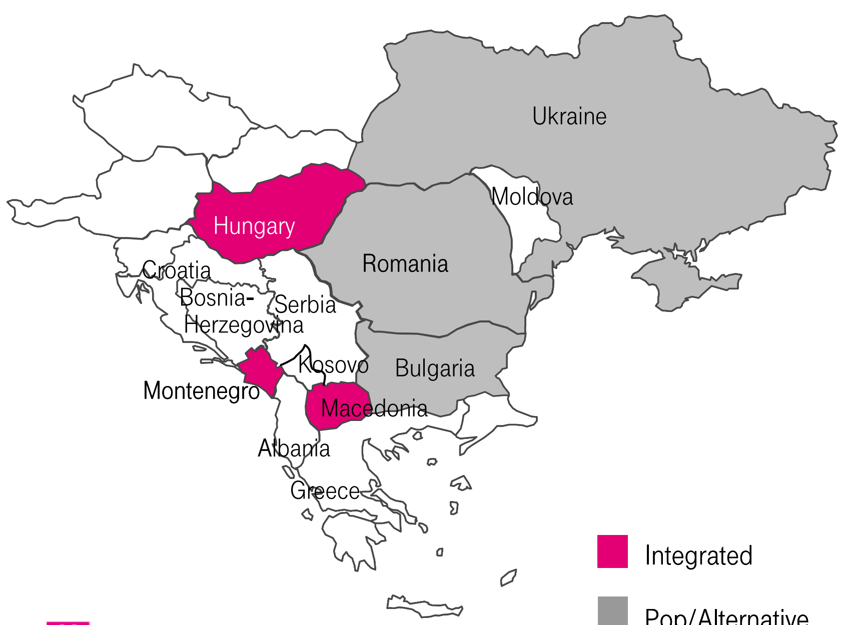
Magyar Telekom's strategic priorities
Further expansion in the SEE region and in Hungary

South-Eastern Europe

Seeking additional value-creating acquisitions both in Hungary and South-Eastern Europe

- 2001 – Makedonski Telekom
- 2005 – Crna Gora Telekom
- 2006 – entry into the Bulgarian and Romanian retail markets

International presence



Hungary

Leading position in the SI/IT market through acquisitions; further consolidation underway

- 2005 – Dataplex
- 2006 – KFKI
- 2007 – T-Systems Hungary
- 2009 – KFKI Direkt

Increasing presence in the content and advertising market

- 2006 – Mobilpress, MFactory
- 2006 – iWiW
- 2008 – IKO New Media

Further consolidation in the cable market

- 2008 – Délvonal

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

Magyar Telekom

New organizational structure

New organization since January 1, 2008

Customer segment-focused organization

Consumer | Business | ABCD | Technology | HQ

- Consumer Services: mobile and wireline consumer services under the T-Home and T-Mobile brands
- Business Services: mobile and wireline corporate services including SI/IT 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

Clear brand structure

- "T" as our corporate brand identifies the Magyar Telekom Group

Consumer Services

T-Home

- "In the Home" wireline home communications and entertainment services

T-Mobile

- "On the Move" wireless communication and entertainment services

Business Services

T-Systems

- Business and corporate solutions, ICT services

Improving service quality and portfolio

Reinforcing technological leadership

New generation access strategy

5-year plan 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, extending to 780,000 households by end-2013
- using mainly FTTH G-PON technology

Cable network upgrade

- to cover around 380,000 households by end-2009
- using Docsis 3.0 technology

Total investment is HUF 40 billion between 2009 and 2013

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

Satellite TV service

T-Home Sat TV

- nationwide DVB-S service (Digital Video Broadcasting-Satellite)
- 5,000 Sat TV subscribers plus additional 13,000 orders by end-2008
- premium picture and voice quality, HD channels, electronic program listings
- discounts for 2Play and 3Play subscriptions

Investment need

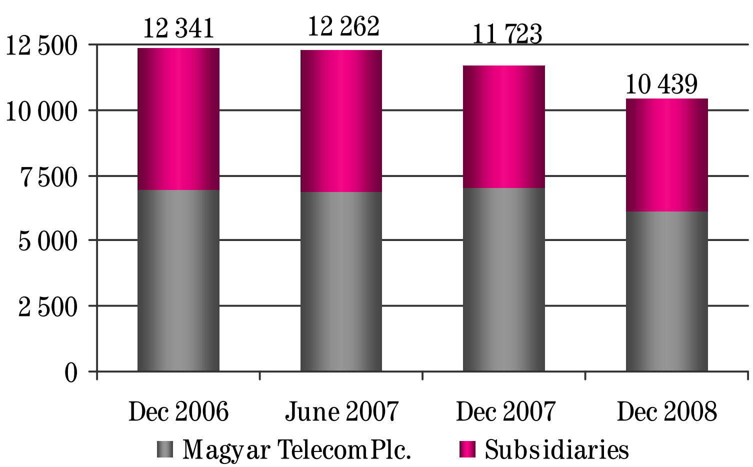
- CAPEX required for the establishment of the service was less than HUF 1 billion in 2008

Focus on efficiency
Headcount rationalization

Efficiency improvement

- headcount reductions enabled through integrated operations and leaner corporate structure

Employee numbers



CAGR

-8.0%

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 over the coming 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 employee-related expenses down by 3%

100% of the planned headcount reduction completed by end- 2008

Headcount reduction for 2009

- ~300 employee redundancies by end-2009
- severance-related expenses totaled HUF 5bn, accounted in Q4 2008
- the related savings will reach around HUF 1.8bn on an annual basis

Wage increase for parent company employees

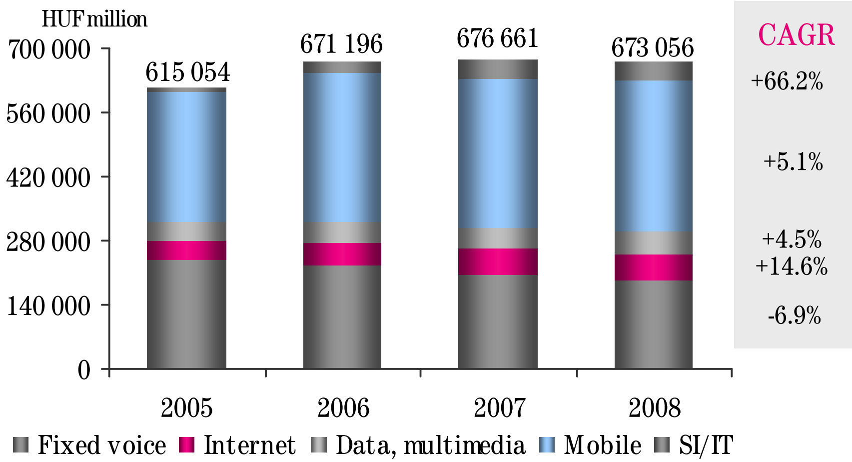
- 5.5% from March 2008
- 5.6% from April 2009

Challenges and strengths

Changing business needs, need for efficiency improvement

Change in revenue mix

Revenue breakdown



Stable top line hides dynamic change in revenue mix

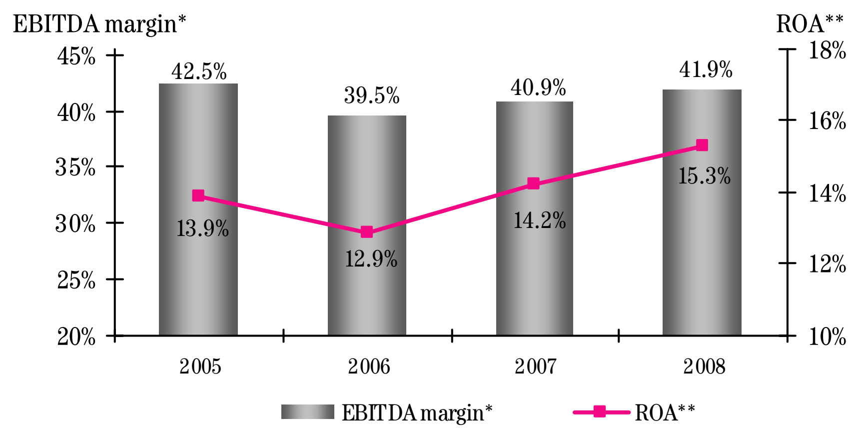
- ratio of SI/IT revenues exceeded 6% of Group revenues in 2008
- new revenue sources have lower EBITDA margin putting pressure on group profitability

Strong focus on profitability

Growing EBITDA margin and returns

- ongoing headcount reduction and cost cutting reflected in margin
- visible signs of efficiency improvements in the increasing EBITDA margin and returns

EBITDA margin, ROA



*Excluding special influences

**EBIT (excluding special influences) / Average total assets

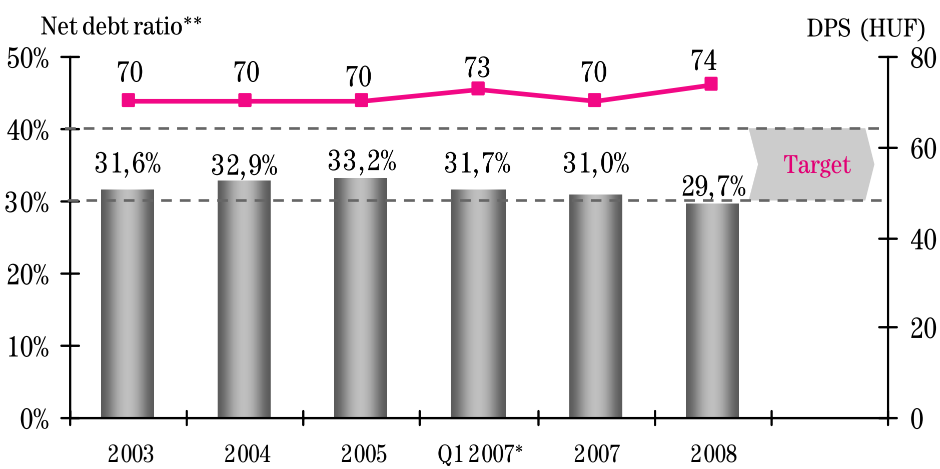
Dividend policy
Targeted balance sheet structure

Net debt ratio and dividend payment

Dividend policy driven by capital structure

- keep net debt within the range of 30-40%
- maintaining a flexible balance sheet in case value-creating acquisition opportunities arise

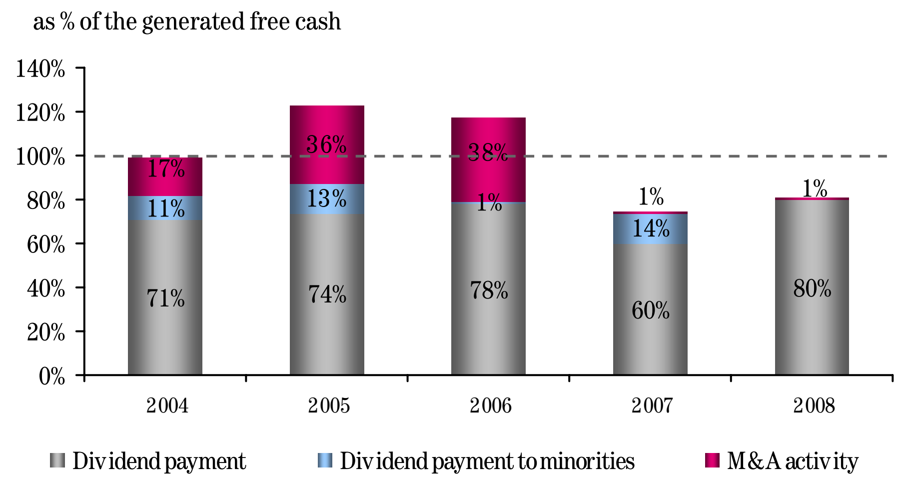
Historical dividend payments



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

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

Usage of free cash flow



Current dividend yield is 13%*

- cash flow per share generated before dividend payment to minorities was HUF 93 in 2008

Dividend payment

- the Board of Directors proposed HUF 74 dividend per share for 2008 financials for approval to the AGM
- ex-dividend date: 27 April 2009
- payment date: 7 May 2009 for ordinary shares, 14 May 2009 for ADRs

*yield calculation is based on the share price of HUF 549 (27 February 2009)

Impacts of the financial crisis on Magyar Telekom

2008 — 2009 — 2010 and beyond

Persistently weaker currency, higher interest rates

Economic recession

Risks

- increase in purchasing costs
- higher financing costs
- FX impact on consolidated results of international subsidiaries

- reduction of telecommunication spending both in residential and business segments
- increase in bad debt

Opportunities

- acquisition opportunities (low asset prices, companies facing financial difficulties)

- new orders through increased ICT (information and communication technology) and outsourcing activities in the corporate sector
- increased demand for competitive bundled offers (2Play/3Play)

Strengths

- conservative capital structure
- average maturity of debt is 3 years
- ratio of FX loans is insignificant
- financing through Deutsche Telekom

- demand for telecommunication services is less sensitive to economic downturn
- well diversified IT and telecommunication services portfolio

Regulatory snapshot

Regulation follows the EU regulatory recommendations in all three countries

- Hungary: fully in line with the EU Regulatory Framework
- Macedonia: liberalization of the fixed line market is in progress, regulated mobile termination rates
- Montenegro: new telecommunication law was adopted in 2008 – full liberalization to come in 2009 and 2010

	Hungary	Macedonia	Montenegro
Reference interconnection offer	✓	✓	✓
Reference unbundling offer	✓	✓	✗
Wholesale line rental	✗	✗ *	✗
Bitstream access	✓	✗ *	✗
Number portability (fixed and mobile)	✓	✓	✗
Regulated mobile termination rates	✓	✓	✓
EU mobile voice roaming regulation	✓	✗	✗

* Expected regulation in Q1 2009 based on proposed draft by-law

Public targets for 2008 and 2009

	2008 public targets and results			2009 public targets
Revenue	Flat over 2007	-0.5%	✓	1% decline compared to 2008
Underlying* EBITDA	Flat over 2007	+1.9%	✓	1-2% decline compared to 2008
Capex** / sales	Around 15%	15.4%	✓	Capex: maintain the absolute 2008 level

1% decline compared to 2008

- due to recession disposable income will significantly fall
- competitive landscape
- strict regulation

1-2% decline compared to 2008

- difficult macroeconomic environment
- increased competition in the international mobile markets
- regulatory impacts

Capex: maintain the absolute 2008 level

- fiber-to-the-home roll-out
- increase BB coverage (fixed and mobile)
- develop new products and services

**Excluding special influences*

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

2008 summary

Magyar Telekom

	Revenues		EBITDA		EBITDA margin
Group	**HUF 673.1bn**	-0.5%	**HUF 268.4bn**	+10.0%	**39.9%**
Underlying**			HUF 282.3bn	+1.9%	41.9%
Segments*					
T-Home	HUF 290.5bn	-5.6%	HUF 117.7bn	+5.5%	40.5%
underlying			HUF 122.8bn	-3.9%	42.9%
T-Mobile	HUF 349.4bn	+0.7%	HUF 148.4bn	-0.6%	42.5%
underlying			HUF 149.2bn	-1.3%	42.7%
T-Systems	HUF 85.2bn	+8.0%	HUF 23.6bn	+99.7%	27.7%
underlying			HUF 25.1bn	+83.9%	29.4%
HQ & shared services	HUF 22.1bn	-6.7%	HUF -21.4bn	+25.8%	n.a.
underlying			HUF -14.8bn	+4.4%	n.a.
International contribution	16.2%		18.6%		

*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-Home: Hungarian operations

Magyar Telekom

Focus on efficiency and customer retention

Voice revenues under threat from competition

- increasing threat from cable operators offering 3Play
- strong mobile substitution as mobility premium diminishes
- annualized churn of fixed lines was 9.6% at the end of 2008

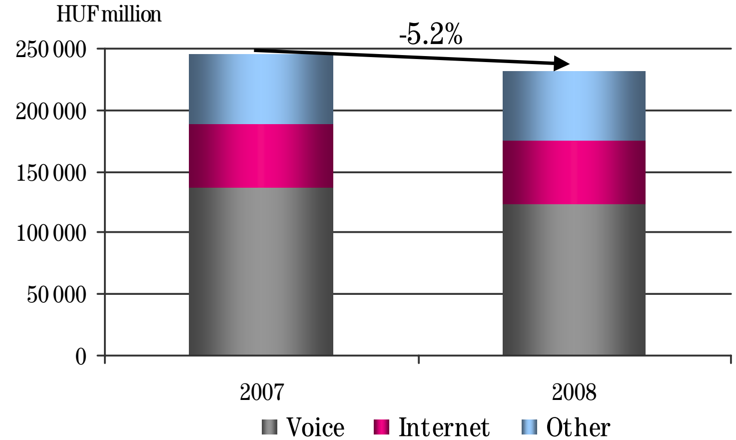
New offers launched with T-Home rebranding campaign

- new double and triple play packages with discounts
- more competitive broadband pricing

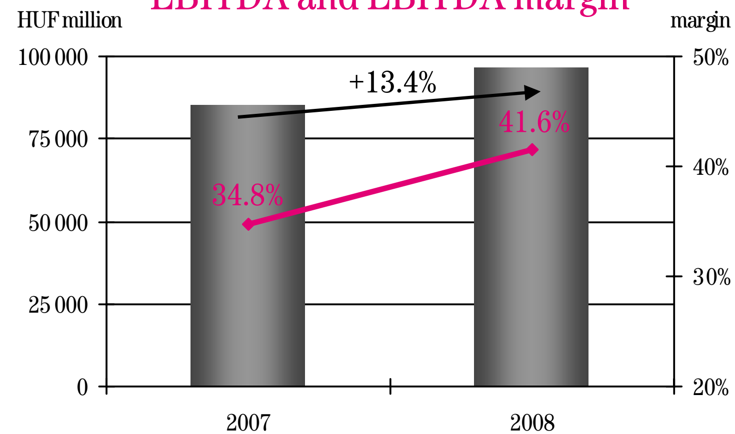
First results of efficiency improvement efforts

- lower headcount leads to 2% lower underlying employee-related expenses
- positive impact of the one-time provision reversal related to F2M interconnection fees (HUF 3.2bn)

Revenue breakdown



EBITDA and EBITDA margin



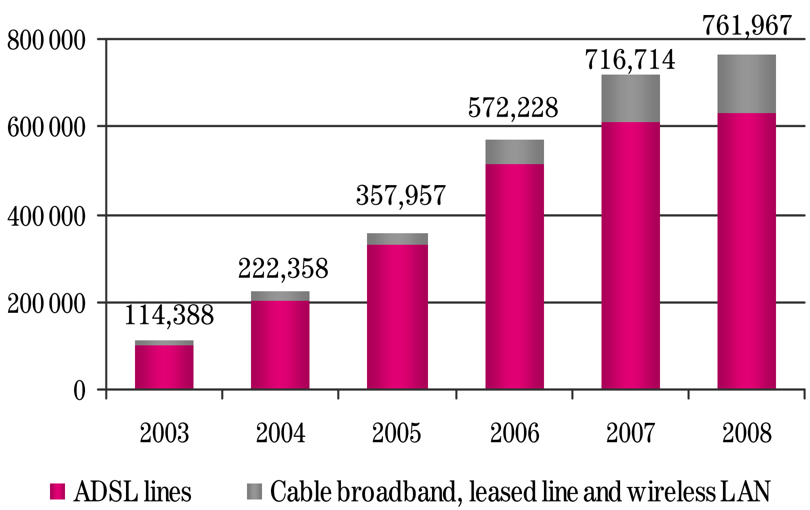
T-Home: Hungarian operations

Broadband market developments

General deceleration of BB market growth

- MTel's ADSL retail market share is 52%, cable BB 16%
- most competition comes from cable operators, while mobile BB is also becoming a competitive product
- low-end DSL offer from HUF 2,990 (~EUR 12)
- decline in average DSL ARPU to HUF 5,300 (11% decrease compared to the level in 2007)

Broadband growth



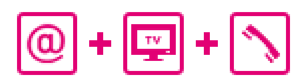
Cable services

Second player on the cable market

- T-Kábel market share ~19% based on cableTV customers (~423,000)
- CaTV ARPU around HUF 3,500 (~EUR 14)
- cable broadband customer base 108,000
- 51,000 VoCaTV customers - c. HUF 2,300 voice ARPU

2008 revenue HUF 24.3bn with an EBITDA margin of around 41%

Triple play offers



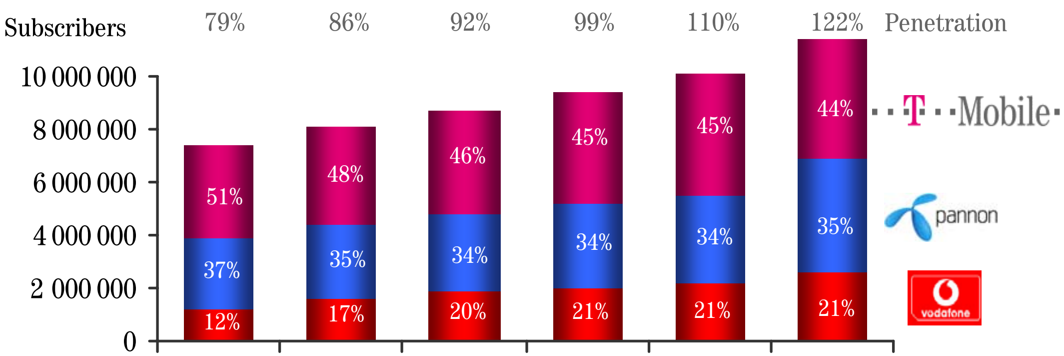
Strong focus on Triple play on both fixed line and cable network

- rebranding and repositioning of our 3Play offers
- new, simple and competitive offers under T-Home, launch of Sat TV service
- fixed line: IPTV/Sat TV, ADSL, VoIP
- cable: CaTV, Cablenet, VoCable
- offers starting from HUF 6,480/month (~EUR 26)

T-Mobile: Hungarian operations

Competitive environment

Subscribers, market shares and penetration*



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

Increasing focus on customer acquisition

- continued growth in RPC base (up 11%)
- acquisition cost/new RPC increased by 13% to HUF 7,376 in 2008

Tariff erosion

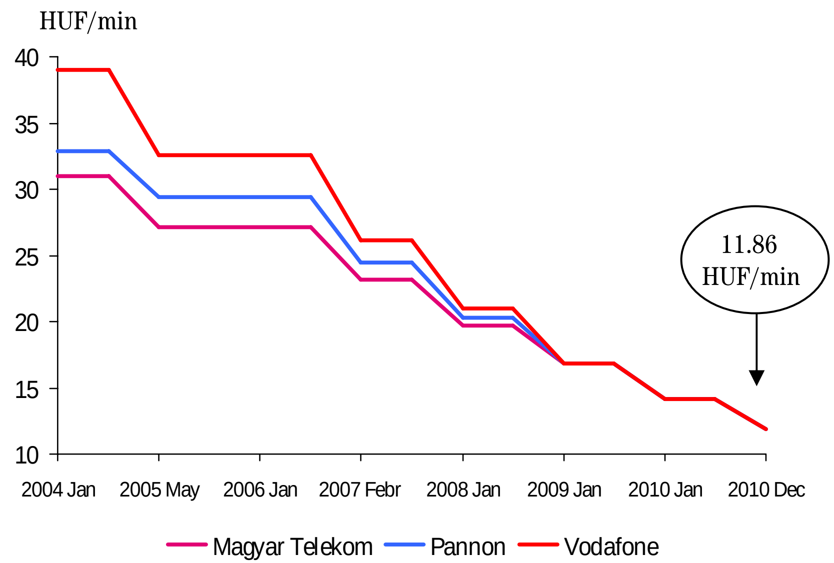
- broad use of closed-user-group services
- annual cut in mobile termination rates and roaming tariffs
- average voice revenue per minute decreased by 16% yoy

Regulation

Mobile termination fee cut

- further 16% cut in Jan-2010 and Dec-2010 for all operators
- decreasing asymmetry among operators helped EBITDA margin in past years
- asymmetry eliminated from beginning of this year

Mobile termination rates



T-Mobile: Hungarian operations

Magyar Telekom

Solid financial and operational performance

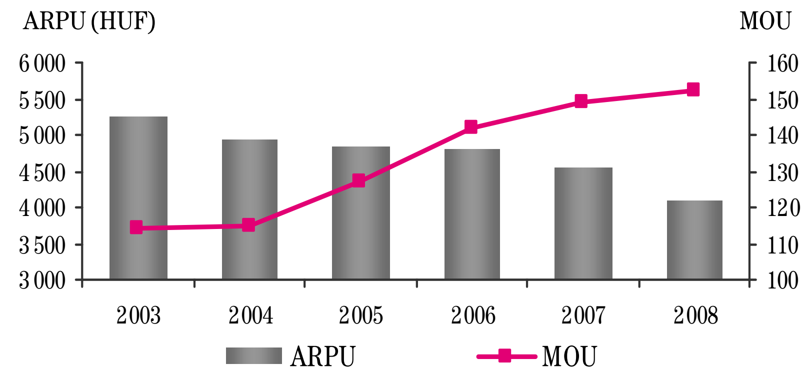
Continuing tariff decline

- MOU increased by 2% yoy to 152 in 2008
- ARPU down by 10% to HUF 4, 087 (~EUR 16)
- growing importance of VAS (17% of ARPU)
- postpaid ratio continuously increasing

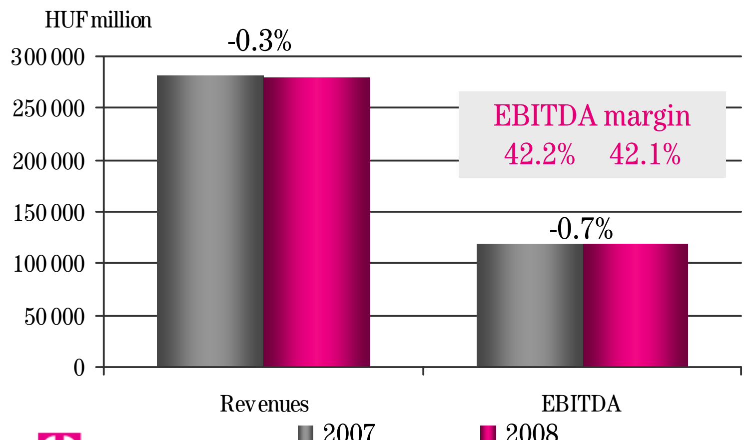
Mobile internet development

- HSDPA network covering ~67% of population
- up to 7Mbps bandwidth
- number of internet subscribers exceeded 220,000 at end-2008

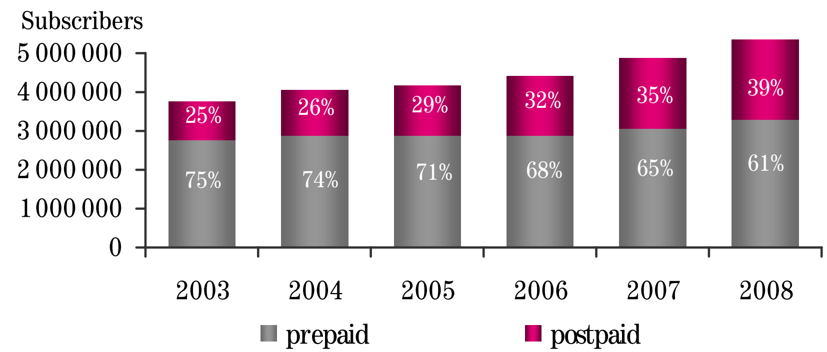
Usage and ARPU trends



T-Mobile Hungary financial performance



Breakdown of T-Mobile customer base



T-Home: international operations

Macedonia

Limited top line growth opportunities

- fixed line penetration was 20.9% (down 1.5ppt)
- number of lines ~458,000 (down 7.0%)
- strong mobile substitution, competition from altnets, cables and one mobile operator offering fixed line service
- decreasing tariff levels

Increasing internet revenues and rebranding

- number of ADSL lines ~99,000 (up 105%)
- successful launch of IPTV and 2Play/3Play offers
- EBITDA margin excluding the HUF 2.0bn severance costs was 45.6% in 2008

Montenegro

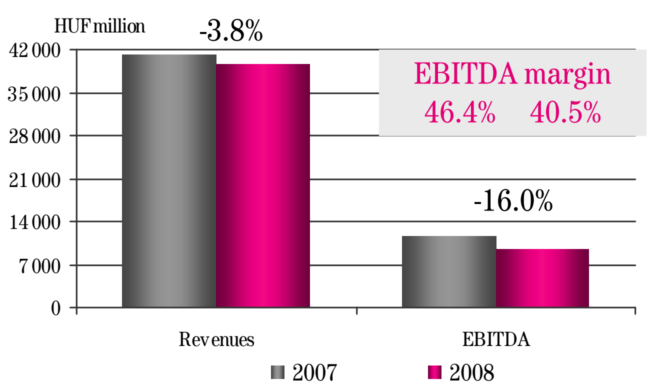
Booming broadband market

- fixed line penetration at 28.0% (down 2.6ppt)
- number of lines ~187,000 (down by 1.7%)
- rapidly growing broadband market, almost 39,000 ADSL customers (including IPTV)
- 68% growth in internet revenues

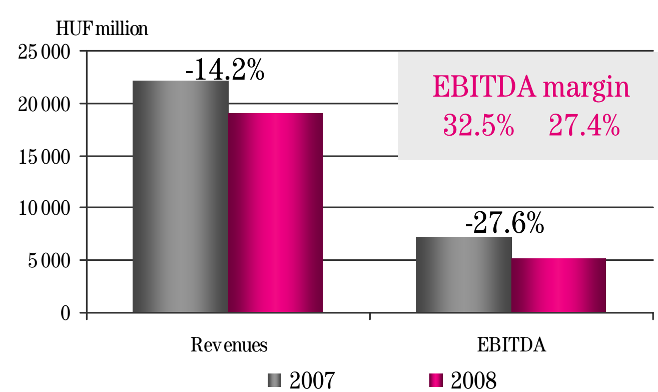
Wholesale revenues and headcount reduction

- drop in wholesale revenues driven by Promonte's traffic rerouting through Serbia
- 14% headcount reduction at parent company this year
- EBITDA margin excluding the severance costs was 32.2% in 2008

Financial performance

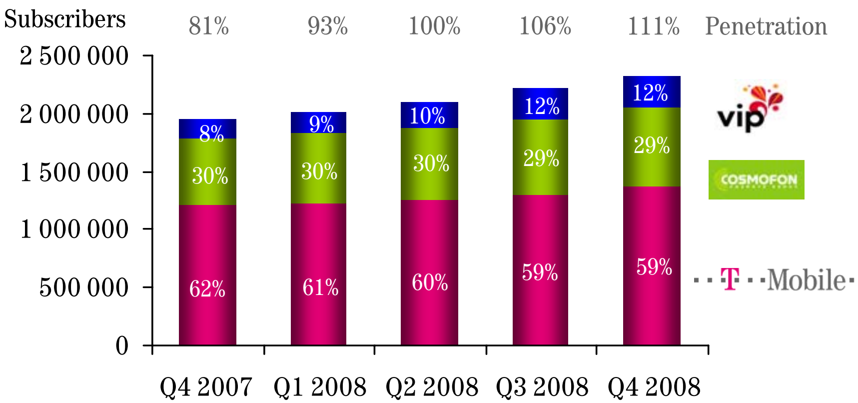


Financial performance



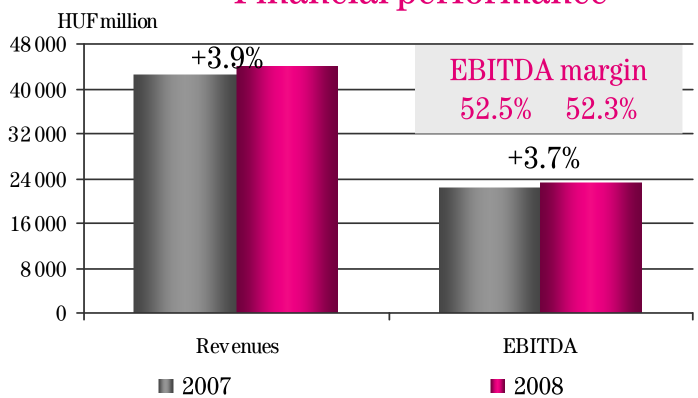
T-Mobile: international operations

Macedonia

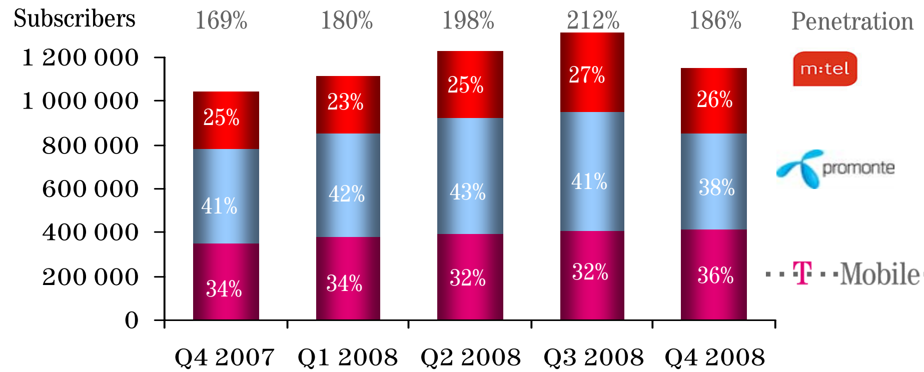


- 3rd operator VIP (Telekom Austria) entered in September 2007
- focus on customer acquisition, 14% growth in customers
- MOU 96 (up 7%); ARPU HUF 2,586 (~EUR 10)

Financial performance



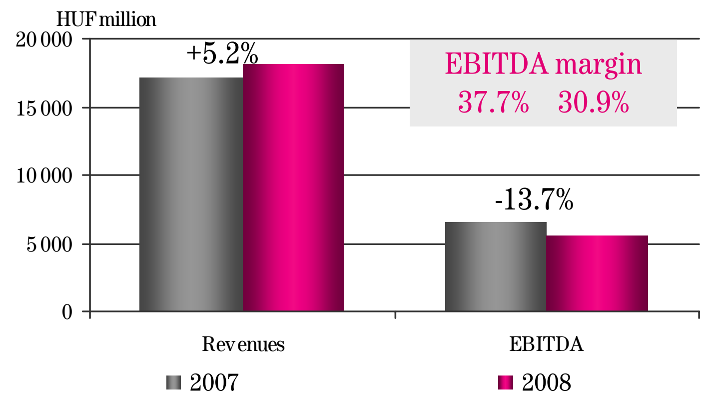
Montenegro



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 2,886 (~EUR 9)

Financial performance



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 cost-efficient bundled products for our corporate customers

SI/IT revenues grew by 8% in 2008

Declining traditional revenues

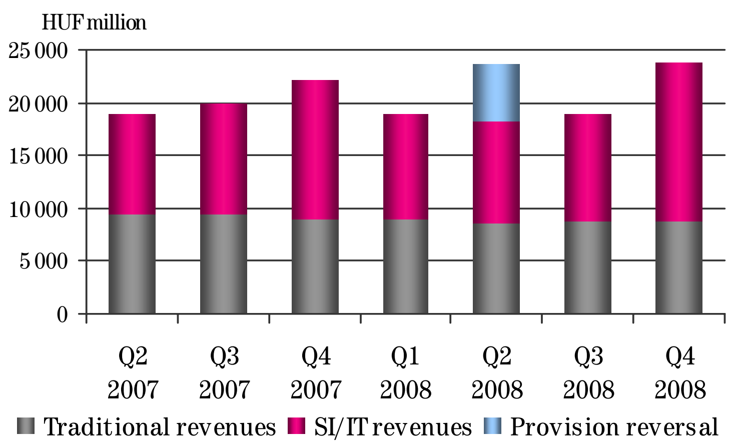
Pressure on voice and data revenues

- intense competition from alternative service providers and strong mobile substitution

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 in Q2 2008

T-Systems quarterly revenue breakdown



Financial performance