

Magyar Telekom Telecommunications Public Limited Company

Submission

for Magyar Telekom Plc.'s General Meeting

Subject:	Report of the Audit Committee
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**Magyar Telekom Telecommunications Public Limited Company
Audit Committee**

**Report of the Audit Committee of Magyar Telekom Plc.
for the General Meeting of the Company
in relation to the approval of
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),
of the 2008 annual stand alone financial statements of the Magyar Telekom Plc.
prepared in accordance with requirements of the Accounting Act (HAR),
and the use of the profit after tax earned in 2008**

In Y2008, the Audit Committee 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 Audit Committee, based on its Working Schedule, and in case of the occurrence of an extraordinary case, with a focus on its discussion without delay and on the interest of making the appropriate decision. In Y2008, the Audit Committee held meetings on 9 occasions, and furthermore, it made resolutions without holding a meeting, via written (fax) voting on 10 occasions.

The Audit Committee kept in continuous contact with the Chief Financial Officer of the Company, the Head of Internal Audit, the Group Compliance Director and the Chief Legal Counsel of the Company, and the independent external auditor.

The Company, by the direction of the Audit Committee, has been conducting and is conducting an independent internal investigation with the involvement of an independent outside counsel, regarding certain contracts and conduct involving the Company and certain of its affiliates (the "Independent Investigation"). The Audit Committee, in relation to the Independent Investigation, has been supervising and is supervising the work of the independent outside counsel involved in the Independent Investigation. The Audit Committee regularly discussed the issues with respect to the Independent Investigation, and the appropriateness of the remedial actions taken in response to the deficiencies revealed during the Independent Investigation.

The Committee, in accordance with its purpose, oversaw the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements falling within the scope of authorities and responsibilities of the Committee, the qualifications and independence of the Company's independent external auditor and the performance of the Company's internal audit function and independent external auditor.

In the course of overseeing the work and performance of the independent outside auditor, the Audit Committee reviewed and evaluated the Management Letter, and regularly reviewed the services provided by the independent external auditor and their fees. The auditor, with the general or specific pre-approval of the Audit Committee, provided only audit and audit-related services for the Company during the 2008 business year.

In the course of overseeing the performance of the Internal Audit, the Audit Committee regularly reviewed and evaluated the reports on the activities of the Internal Audit, reviewed and approved the Audit Plan of the Internal Audit.

In the course of overseeing the activities of the Group Compliance Director, the Audit Committee quarterly reviewed and evaluated the Group Compliance Director's reports on

- the progress of the implementation of the compliance program;
- the reported comments and complaints, the status of the investigations initiated with respect to them, and the proposed remedial actions;
- the reported frauds.

The Audit Committee discussed the fraud risk assessment report for 2008, reviewed in detail the particular action plans with respect to the risk assessment, the implementation of which it shall keep monitoring.

In the course of overseeing the Company's internal controls over financial reporting, the Audit Committee has continuously monitored the Company's SOX 404 compliance.

The Audit Committee reviewed and evaluated the reports to be submitted to the stock exchanges and the financial authorities, including the 20-F annual report of the Company, the quarterly reports and the relevant press releases, and the quarterly reports of the Company's Disclosure Committee.

The Audit Committee reviewed and evaluated the changes in the risk management system of the Magyar Telekom Group, and quarterly, the risk management reports.

There was no shareholder notification to the Audit Committee in Y2008. With respect to the one and only request directly submitted to the Audit Committee at the beginning of 2008, the Audit Committee handled it within the framework of the Supervisory as the members of the Supervisory Board.

The Audit Committee reviewed the 2008 consolidated annual financial statements 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, the proposal of the Board of Directors for their acceptance, and listened to the relevant report of the independent external auditor.

The Audit Committee, based on its own investigations and the report of the independent external auditor, agrees with the content of the financial statements and the proposal and submits it to the Supervisory Board. The Audit Committee proposes to the General Meeting for approval the 2008 Consolidated Financial Statements of Magyar Telekom Group prepared according to the International Financial Reporting Standards (IFRS), including Balance Sheet Total Assets of HUF 1,168,856 million and Profit after tax for year 2008 HUF 105,593 million (before the deduction of HUF 12,585 million attributable to minority interests).

The Audit Committee reviewed 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, the proposal of the Board of Directors for their acceptance, and listened to the relevant report of the independent external auditor.

The Audit Committee, based on its own investigations and the report of the independent external auditor, agrees with the content of the financial statements and the proposal and submits it to the Supervisory Board. The Audit Committee proposes to the General Meeting for approval the Y2008 Annual Report of the Company prepared according to the Hungarian Accounting Regulations (HAR), including Balance Sheet Total Assets of HUF 965,252 million and After-tax Net Income of HUF 98,625 million.

The Audit Committee reviewed 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 Audit Committee agrees with the proposal and proposes to the Supervisory Board for pre-approval and to the General Meeting for approval.

Budapest, March 17, 2009

In representation of the Audit Committee of Magyar Telekom Plc.:

Dr.  Farkas
Chairman of the Audit Committee