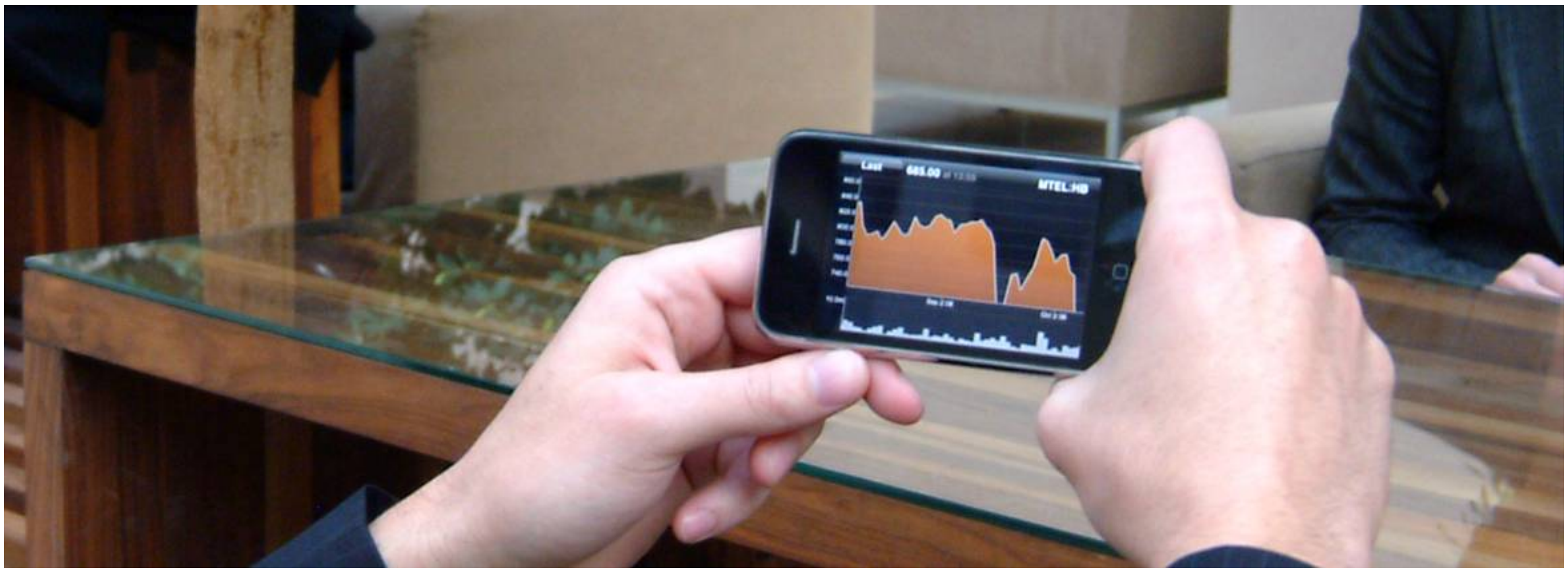
Presentation
2008 nine months results



Focus on efficiency and repositioning

Agenda

Overview

Magyar Telekom's strategic priorities

- Changes in organization, brand structure
- NGA strategy
- Headcount rationalization
- Challenges and strengths
- Dividend policy

Public targets for 2008 and 2008 nine months results

Nine months 2008 summary and segment analysis

Regulatory snapshot

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 247.8 (average 9M 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 relating to the operation of Magyar Telekom Group ("the Company") in Montenegro, 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 or any of its subsidiaries 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"), 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. The internal investigation is continuing. 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 Company and the internal investigating law firm are in regular contact with the Hungarian Financial Supervisory Authority, the Hungarian National Bureau of Investigation, the law enforcement authority of the Republic of Macedonia, the DOJ and the SEC, regarding the internal investigation. These U.S., Macedonian 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., Macedonian and/or 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. From May 2008 to date, the Ministry of Interior of the Republic of Macedonia has requested information and documents concerning procurement and dividend payment activities in Macedonia of Magyar Telekom's Macedonian subsidiaries. The Hungarian National Bureau of Investigation has informed us that it has closed its investigation as of May 20, 2008 without identifying any criminal activity.

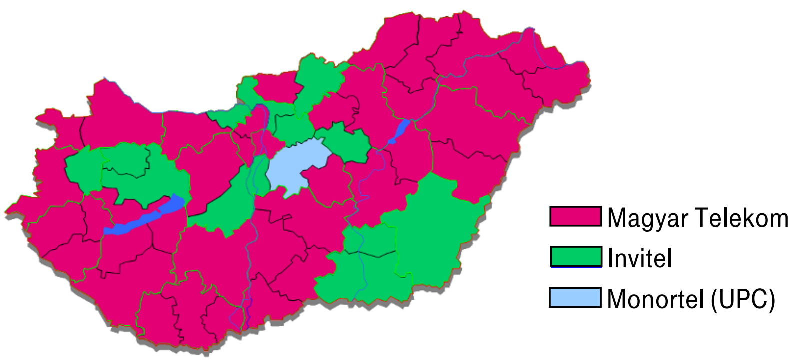
The Company is committed to cooperating with these investigations by responding to requests for documents and information from these authorities to the fullest extent allowed under applicable law. The Company cannot predict when the internal investigation or the Government investigations will be concluded, 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. Government authorities 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. Magyar Telekom incurred HUF 3.9 bn expenses relating to the investigation in the first three quarters 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

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



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 in Hungary
- HQ and Shared services: strategic and cross-divisional services

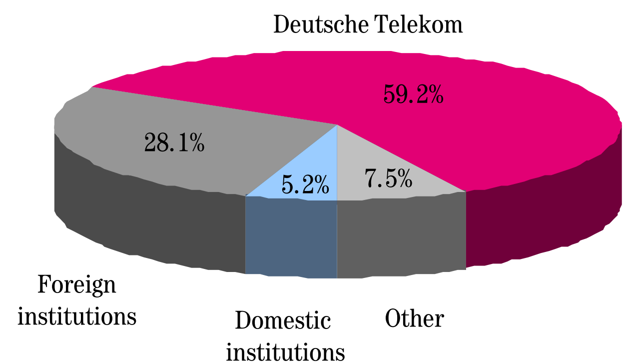
Stock information

EUR 2.6bn market capitalization

Stock exchange listing

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

Ownership structure*



*approximate figures as of 30 September, 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-creating 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

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

New brand structure

Clear brand structure – strong corporate brand

T

- “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 technological leadership

Wireline network 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, 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 ~63% of population with up to 7 Mbit/s bandwidth

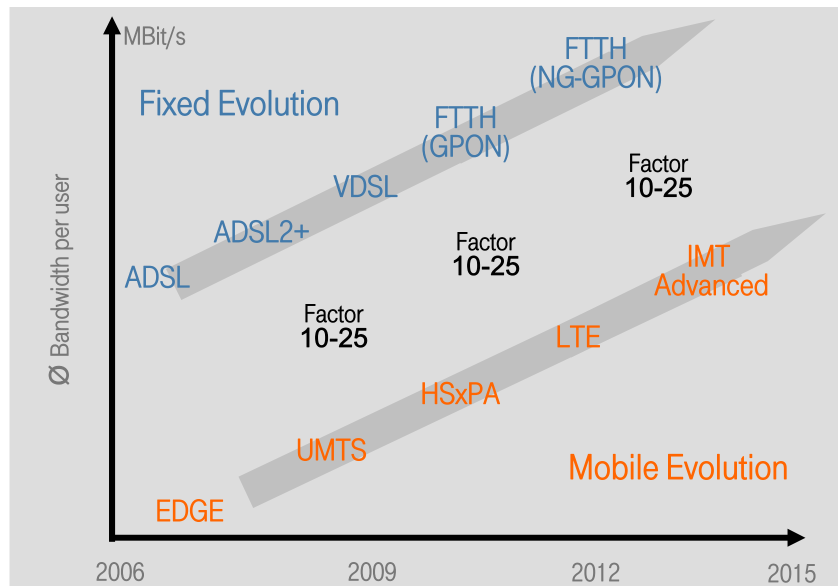
- Magyar Telekom to further increase HSDPA network coverage in line with market needs and competition

CAPEX requirement

Total CAPEX investment is HUF 40 billion between 2009 and 2013

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

Technological evolution

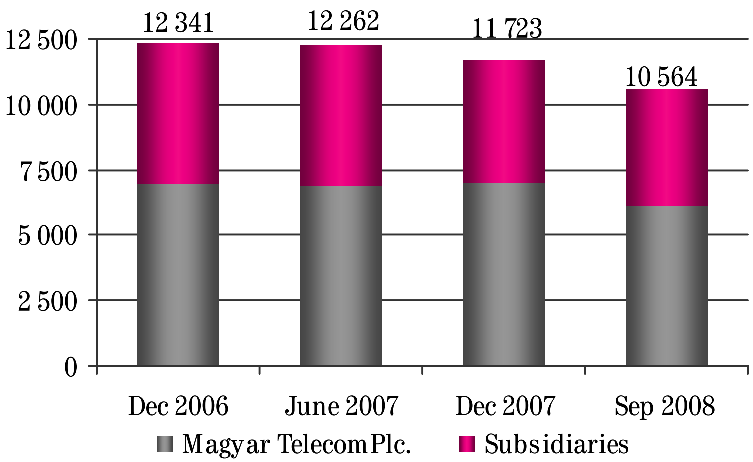


Headcount rationalization

Efficiency improvement

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

Employee figures



CAGR

-8.5%

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

Over 92% of the planned headcount reduction completed by end-September 2008

Headcount reduction for 2009

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

Wage increase for parent company employees

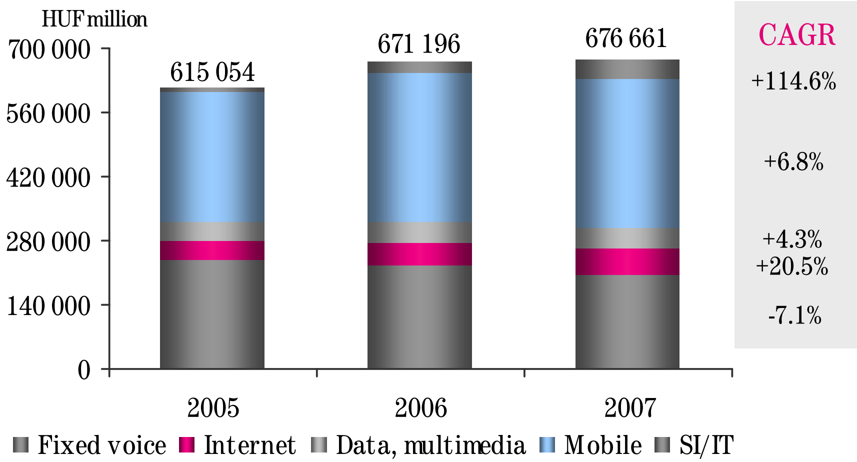
- 5.5% from March 2008
- 5.6% from April 2009

Challenges and strengths

Changing business needs, continuing efficiency improvement

Change in revenue mix

Revenue breakdown



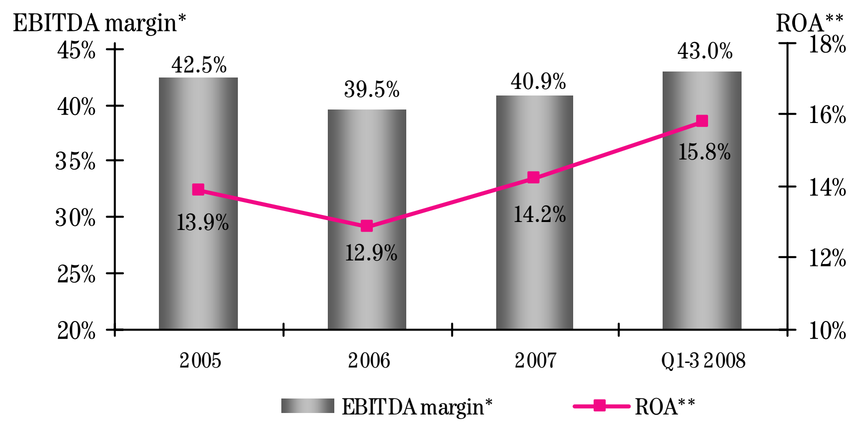
Stable top line hides dynamic change in revenue mix

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

Increasing profitability and return

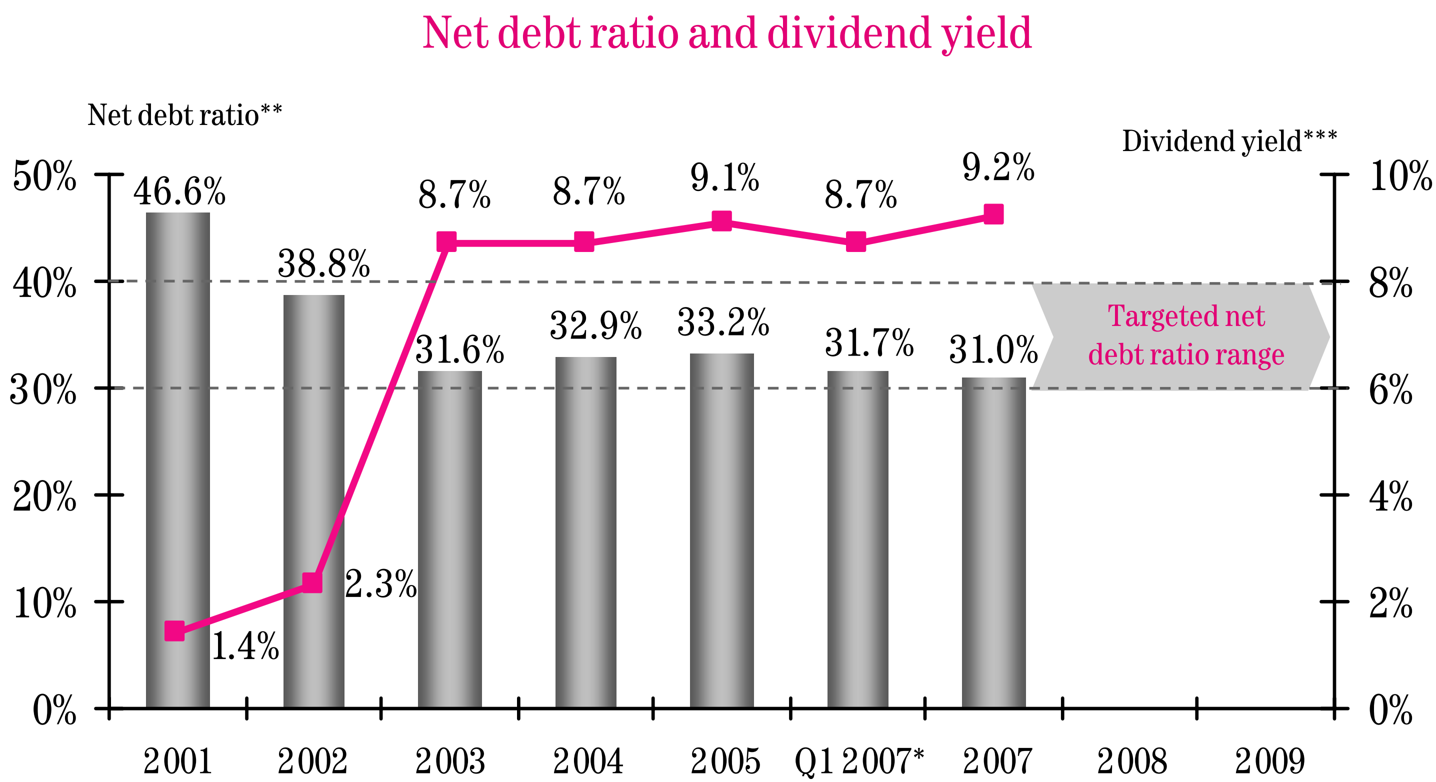
- ongoing headcount reduction and cost cutting bear fruit
- visible signs of efficiency improvements in the increasing EBITDA margin and return

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



* 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 first nine months results

	2008 public targets	2008 first nine months results
Revenue	**Flat over 2007** ▪ competitive landscape ▪ sluggish economic growth limits disposable income	**-0.2%** ▪ Hungarian broadband growth has slowed down ▪ further increase in fixed line churn ▪ regulatory impacts ▪ positive one-time impact of provision reversal (HUF 8.5 bn)
Underlying* EBITDA **Excluding special influences*	**Restated: flat over 2007** ▪ increased competition in the international mobile markets ▪ difficult Hungarian macroeconomic environment ▪ regulatory impacts	**+2.8%** ▪ strong focus on cost control ▪ headcount reduction progressing according to plan ▪ positive one-time impact of provision reversal (HUF 8.5 bn)
Capex / sales	**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	**12.0%** ▪ Lower due to seasonality in CAPEX spending

First nine months 2008 summary

	Revenues		EBITDA		EBITDA margin
Group	**HUF 502.8bn**	-0.2%	**HUF 213.8bn**	+5.4%	**42.5%**
Underlying**			HUF 221.1bn	+2.8%	44.0%
Segments*					
T-Com	HUF 218.7bn	-5.2%	HUF 93.4bn	+0.1%	42.7%
underlying			HUF 96.3bn	-1.8%	44.0%
T-Mobile	HUF 258.7bn	+0.4%	HUF 116.0bn	+1.1%	44.8%
underlying			HUF 116.0bn	+0.3%	44.9%
T-Systems	HUF 61.4bn	+8.3%	HUF 19.3bn	+67.0%	31.4%
underlying			HUF 19.6bn	+64.8%	32.0%
HQ & shared services	HUF 16.3bn	-6.4%	HUF -14.8bn	+10.2%	n.a.
underlying			HUF -10.8bn	+0.5%	n.a.
International contribution	16.2%		18.3%		

*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 3Play
- strong mobile substitution as mobility premium diminishes
- annualized churn of fixed lines was 8.6% in September 2008

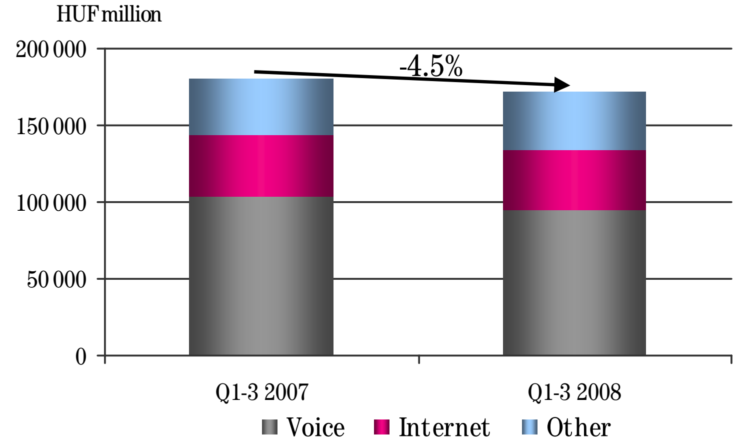
New offers launched with T-Home rebranding campaign

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

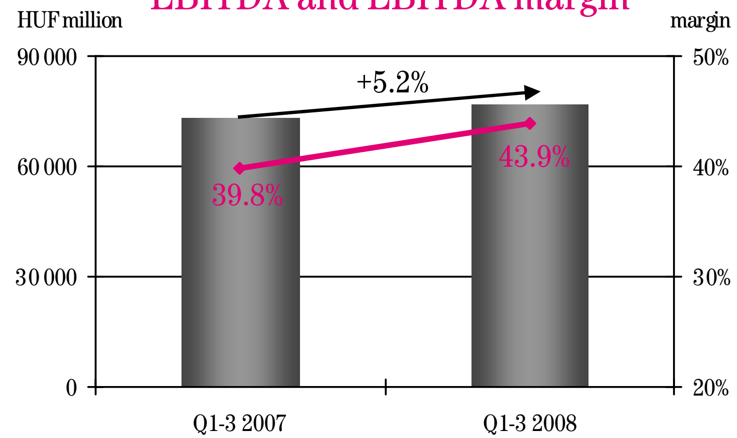
First results of efficiency improvement efforts

- lower headcount leads to 3% lower underlying employee-related expenses
- positive impact of the one-time provision reversal related to F2M interconnection fees (HUF 3.2bn)
- excluding the provision reversal EBITDA margin increased to 42.0% in Q1-3 2008

Revenue breakdown



EBITDA and EBITDA margin



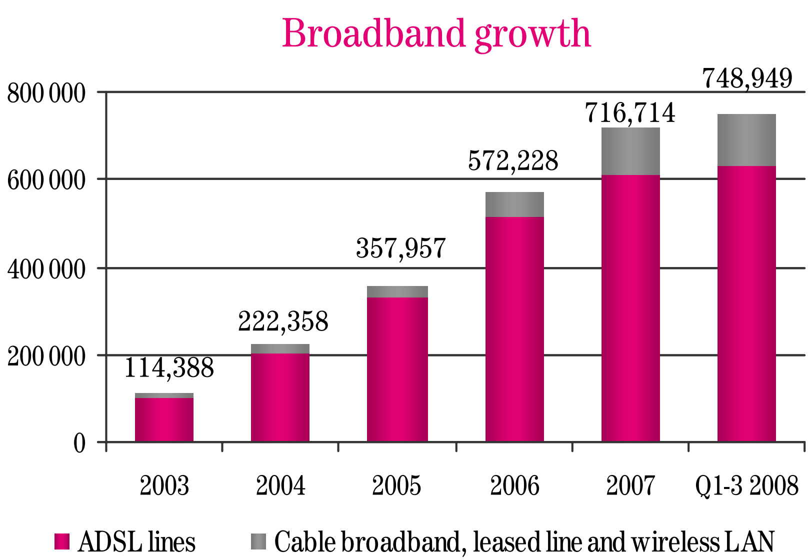
T-Com: Hungarian operations

Magyar Telekom

Broadband market developments

General deceleration of BB market growth

- MTel's ADSL retail market share 52%, cable BB 15%
- 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 5,400 (13% decrease compared to the level in Q1-3 2007)



Cable services

Second player on the cable market

- T-Kábel market share ~19% based on cableTV customers (~417,000)
- CaTV ARPU around HUF 3,500 (~EUR 14)
- cable broadband customer base above 102,000
- 44,000 VoCaTV customers - c. HUF 2,300 voice ARPU

2008 Q1-3 revenue around HUF 17.4bn with an EBITDA margin of around 42%

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
- fixed line: IPTV, ADSL, VoIP
- cable: CaTV, Cablenet, VoCable
- offers starting from HUF 6,480/month (~EUR 26)

T-Mobile: Hungarian operations

Competitive environment

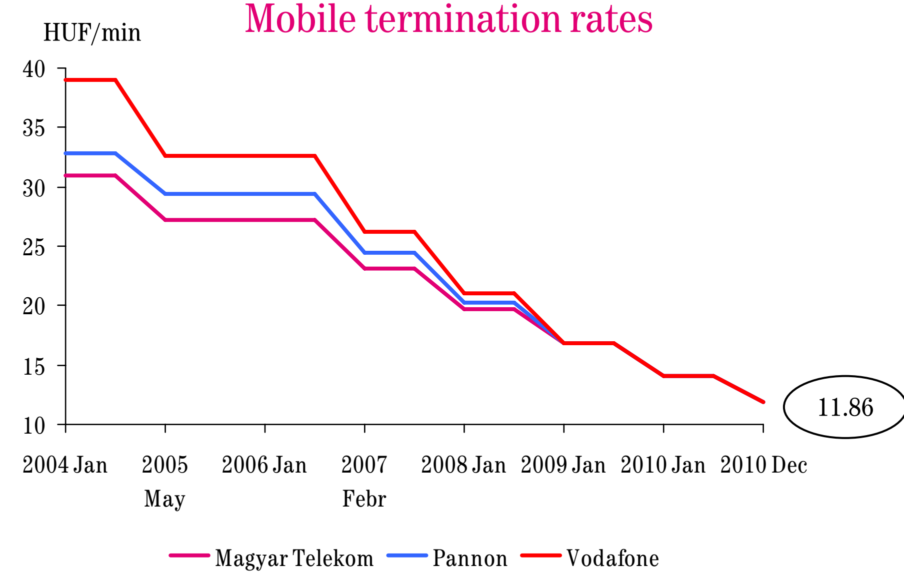
Increasing focus on customer acquisition

- continued growth in RPC base (up 11%)
- due to distribution of free SIM cards acquisition cost/new RPC fell by 4% to HUF 6,550 in Q1-3

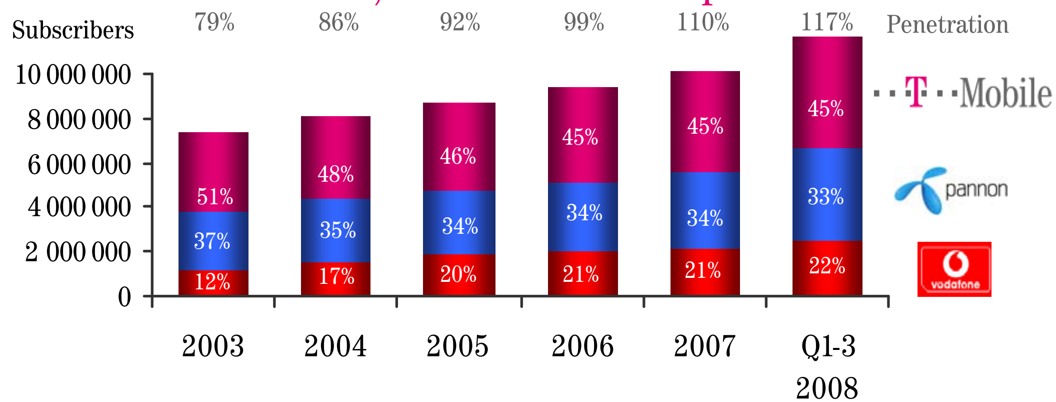
Tariff erosion

- broad use of closed-user-group services
- cut in mobile termination rates in January 2008
- cut in EU roaming tariffs in September 2007 and 2008
- average voice revenue per minute decreased by 17% yoy

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

- successive 15% cuts from Feb-2007, Jan-2008 and Jan-2009 for T-Mobile, steeper decrease for the competitors
- further cuts: 16% cuts in Jan-2010 and Dec-2010 for all operators
- decreasing asymmetry among operators helps EBITDA margin in 2008

T-Mobile: Hungarian operations

Solid financial and operational performance

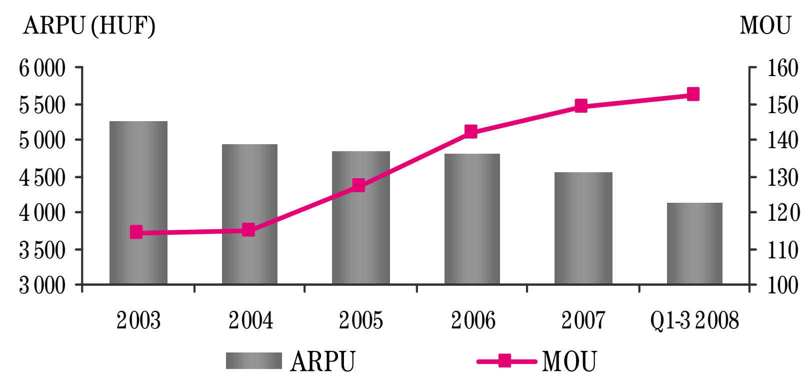
Continued tariff decline

- MOU increased by 3% yoy to 152 in Q1-3
- ARPU down by 10% to HUF 4,124 (~EUR 17)
- growing importance of VAS (17% of ARPU)
- postpaid ratio continuously increasing

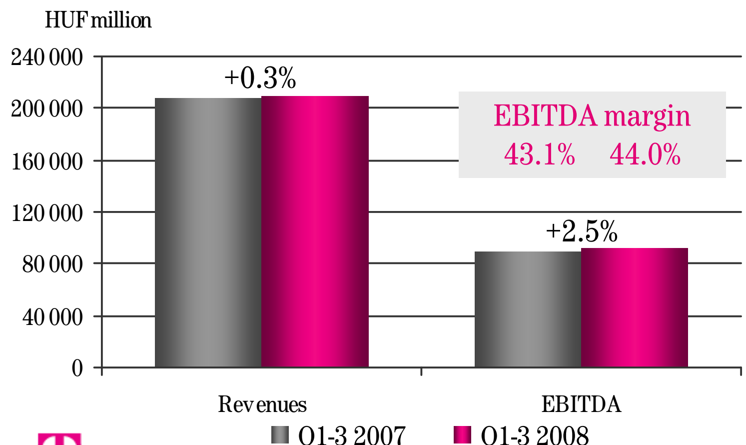
Mobile internet development

- HSDPA network covering ~63% of population
- up to 7Mbps bandwidth
- number of internet subscribers exceeded 211,000 at end-September 2008

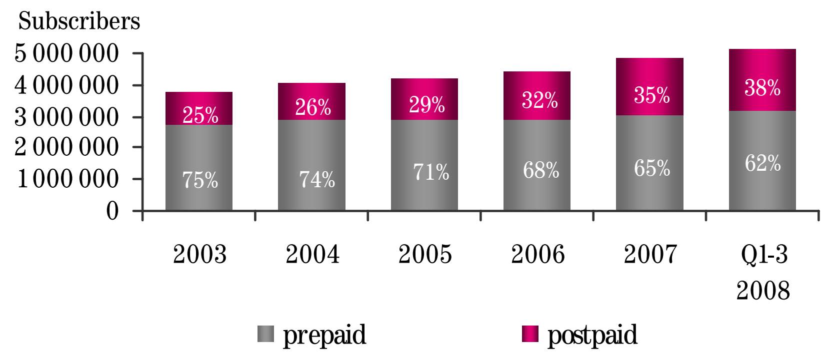
Usage and ARPU trends



T-Mobile Hungary financial performance



Breakdown of T-Mobile customer base



T-Com: international operations

Macedonia

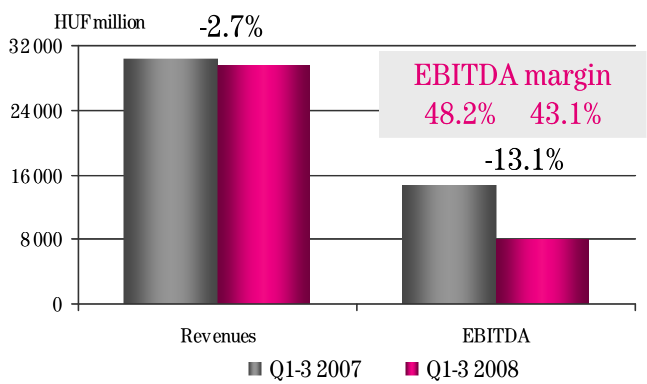
Limited top line growth opportunities

- fixed line penetration was 21.6% (down 1.2ppt)
- number of lines ~473,000 (down 5.2%)
- strong mobile substitution, competition from altnets and cables
- decreasing tariff levels

Increasing internet revenues and rebranding

- number of ADSL lines exceeded 85,000 (up 243%)
- introduction of T-Home brand in May, 2008
- EBITDA margin excluding the HUF 1.8bn severance costs was 49.3% in Q1-3 2008

Financial performance



Montenegro

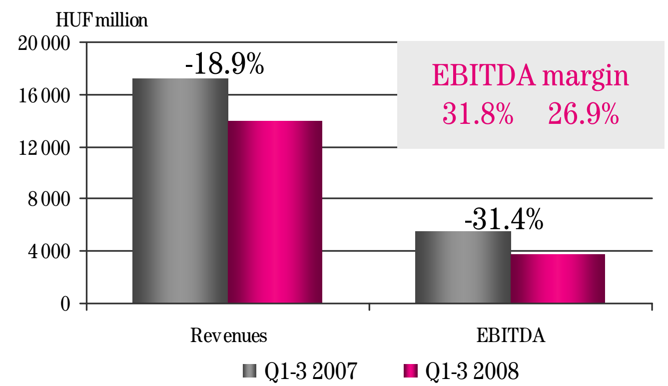
Booming broadband market

- fixed line penetration at 28.2% (down 2.3ppt)
- number of lines ~185,000 (down by 2.4%)
- rapidly growing broadband market, over 30,000 ADSL customers (including IPTV)
- 71% growth in internet revenues

Wholesale revenues and headcount reduction

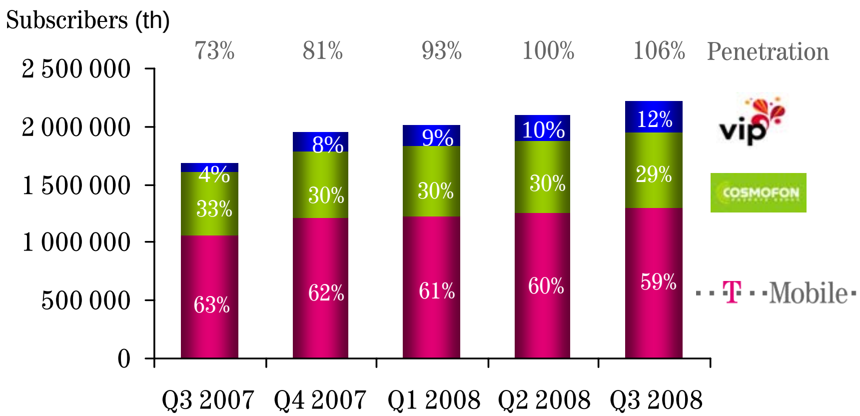
- drop in wholesale revenues driven by Promonte's traffic rerouting through Serbia
- HUF 0.9bn accounted in Q3 for 14% headcount reduction at parent company by year-end
- EBITDA margin excluding the severance costs was 33.2%

Financial performance

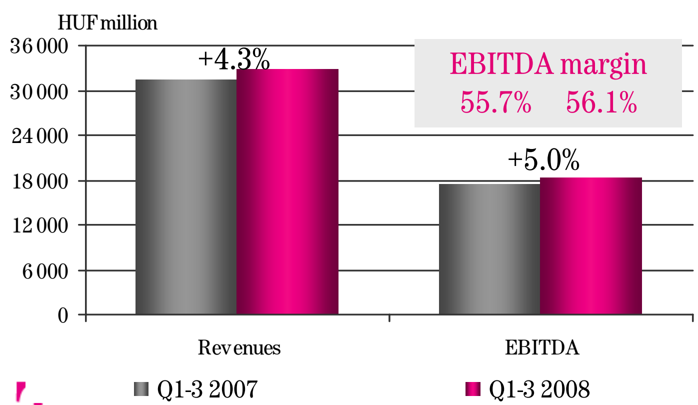


T-Mobile: international operations

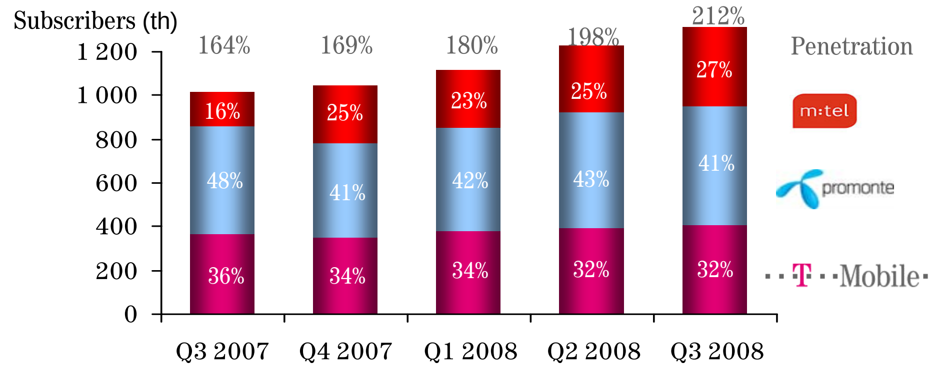
Macedonia



- 3rd operator VIP (Telekom Austria) entered in September 2007
- focus on customer acquisition, 22% growth in customers
- MOU 95 (up 11%); ARPU HUF 2,600 (~EUR 10)

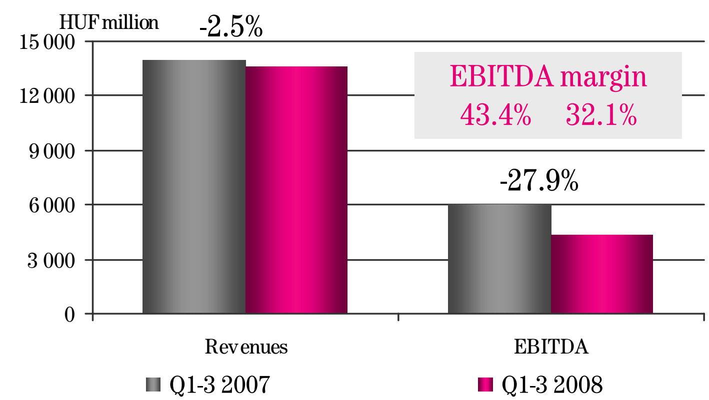


Montenegro



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 107; ARPU HUF 3,000 (~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

SI/IT revenues grew by 5%, while traditional revenues decreased by 8% in Q1-3 2008 y-o-y

Declining traditional revenues

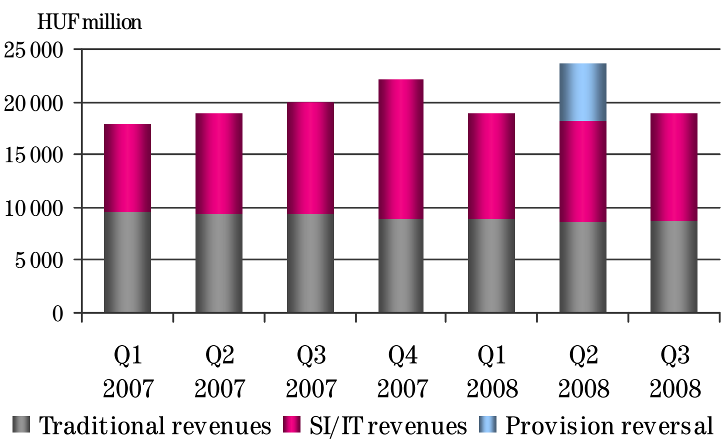
Pressure on voice and data revenues

- intense competition from alternative service providers and strong mobile substitution

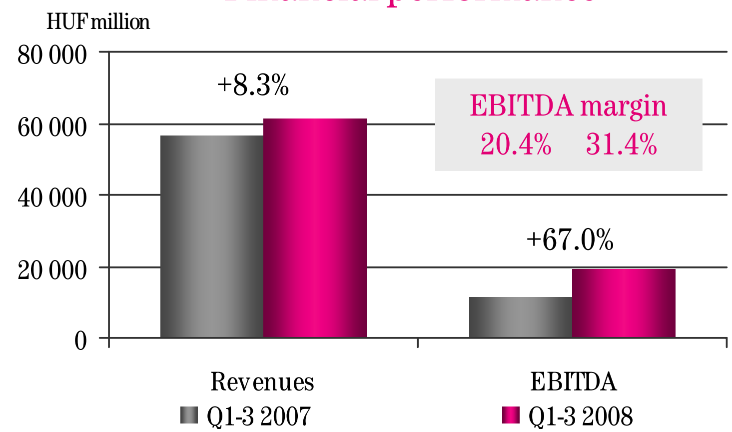
Change in revenue mix puts pressure on EBITDA margin

- increasing contribution of low-margin SI/IT revenues
- financials were helped by a one-time HUF 5.3bn provision reversal in Q2 2008
- excluding the provision reversal revenues decreased by 1.2% in 1-3Q 2008

T-Systems quarterly revenue breakdown



Financial performance



Regulatory snapshot

Magyar Telekom

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