

Makedonski Telekom AD Skopje

Македонски Телеком
АД за електронски комуникации - Скопје
Број: 01-206684/1
Датум: 30-04-2009

To: Securities and Exchange Commission of the RoM
26 Dimitrija Cupovski, 1000 Skopje

Date: 30.04.2009

Subject: Financial reporting for the first quarter of 2009


Dear Sirs / Madams,

Pursuant to the articles 157 and 164 of the Law on Securities as well as the respective by-laws, please find attached the consolidated and non - consolidated non audited income statements, the analysis on the consolidated and non - consolidated operating profit prepared in accordance with the International Financial Reporting Standards (IFRS), and the Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.01.2009 until 31.03.2009, as well as the Statement for the accuracy of the foregoing.

Yours faithfully,



Zarko Lukovski
President of the Board of Directors



Nikola Beckers
Chief Executive Officer

Македонски Телеком
АД за електронски комуникации - Скопје



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

To: Securities and Exchange Commission of RoM
26 Dimitrija Cupovski, 1000 Skopje

Date: 30.04.2009

Subject: Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.01.2009 until 31.03.2009

The following analysis refers to the consolidated Income Statement of Makedonski Telekom AD - Skopje Group, which includes Makedonski Telekom AD - Skopje, T-Mobile Macedonia AD Skopje and e-Makedonija - Skopje foundation.

During the first quarter of 2009, revenues remain stable, still marking a slight decrease.

Revenues from mobile telephony experience a continuous growth, since T-Mobile Macedonia, despite the competition, marks an increase in the number of subscribers. Revenues from the fixed telecommunication services have decreased compared to the same period of the previous year. Internet revenues still experience a continuous growth, as a result of the continuation of the trend for increasing the number of ADSL Internet subscribers. As well, Makedonski Telekom AD - Skopje already generates revenues from the sales of the new service for provision of digital television via Internet protocol ("IPTV"). Revenues from leased lines in fixed telecommunication services have also increased. Foreign sales revenues have decreased due to the lower volume of incoming international traffic.

On the cost side, there is slight increase in the costs of equipment sales. Employee-related costs and depreciation are stable compared to the same period of the previous year. Provisions costs have decreased due to the significant reduction of the required provisions in the current year. Other costs have decreased as a result of the decrease of the FX losses compared to the same period of the previous year.

On 13 February 2006, Magyar Telekom Plc., the controlling owner of Makedonski Telekom AD - Skopje (the Company), (via Stonebridge Communications AD - Skopje (under liquidation), majority shareholder of the Company), announced that it was investigating certain contracts entered into by another subsidiary of Magyar Telekom Plc. to determine whether the contracts were entered into in violation of Magyar Telekom Plc. policy or applicable law or regulation. Subsequent to this on 19 February 2007, the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Company and the Audit Committee of Magyar Telekom Plc., adopted a resolution to conduct an independent internal investigation regarding certain contracts in Macedonia. The investigation, conducted by an independent law firm and supervised by the Audit Committee of Magyar Telekom Plc., is still ongoing.

Magyar Telekom Plc. has already implemented certain remedial measures designed to enhance the control procedures of the Magyar Telekom Group with respect to the entry into consultancy contracts, including the introduction of a new governance model.

As a result of the delays in finalizing its 2005 and 2006 financial statements due to the investigation, the Company has failed to meet certain deadlines prescribed by Republic of Macedonia and other applicable laws and regulations for preparing and filing audited annual results and holding annual general meetings.



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In May 2008, White & Case LLP, counsel to the Audit Committee of Magyar Telekom Plc. in the independent investigation, provided Magyar Telekom Plc. 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 Magyar Telekom Plc. 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 Magyar Telekom Plc. and/or its affiliates paid a total of over EUR 6.7 million.

We understand, based on information from White & Case provided to Magyar Telekom, that the internal independent investigation has identified several contracts (including the six contracts with the Cyprus-based consulting company and/or its affiliates referred to in the public disclosure of May 21, 2008) related to Magyar Telekom Group's business operations in Macedonia, that White & Case deemed suspicious and worthy of further inquiry. The latest of those suspicious contracts is dated March 1, 2006. White & Case has indicated that it will inform Magyar Telekom's Audit Committee, Magyar Telekom's management and Magyar Telekom's auditors of relevant information and/or conclusion relating to these contracts. (Magyar Telekom's Board of Directors authorized White & Case to make voluntary disclosure of all the issues and concerns raised by the auditors to the Securities and Exchange Commission (SEC) and Department of Justice (DOJ), and Magyar Telekom has been informed that White & Case has met and discussed its investigation with the SEC and DOJ on several occasions.)

The independent investigation is continuing. The Company cannot predict when the internal investigation will be concluded, what the final outcome of the investigation may be, or the impact, if any, the investigation may have on the Company's financial statements or results of operations. In May 2008, the Ministry of Interior (MOI) of the RoM submitted to the Company an official written request for information and documentation regarding certain payments for consultancy services and advance dividend, as well as certain procurements and contracts. In June 2008 the Company submitted copies from the requested documents.

In October 2008 the Investigation Judge from the Primary Court Skopje 1 - Skopje (the criminal court), has issued an official written order to the Company to handover certain original documentation. Later in October 2008, the Company officially and personally handed over the requested documentation. Additional MOI requests in written were submitted and the Company provided the requested documentation.

We understand, based on public information available as of December 10, 2008, that the MOI Organized Crime Department submitted the files to the Basic Public Prosecution Office of Organized Crime and Corruption, with a proposal to bring criminal charges against Attila Szendrei (former CEO of Makedonski Telekom AD - Skopje), Rolf Plath (former CFO of Makedonski Telekom AD - Skopje), Mihail Kefaloyannis (former member of the Board of Directors in StoneBridge and former member of the Board of Directors in Telemacedonia) and Zoltan Kisjuhász (former CEO of Stonebridge and former non-executive member of the Board of Directors of Makedonski Telekom AD - Skopje) on the account of a reasonable doubt for committed criminal act. These individuals are proposed to be charged with having „abused of office and authorizations" in their position in Makedonski Telekom AD - Skopje by concluding consultancy contracts for which there was no intention or need for any services in return.

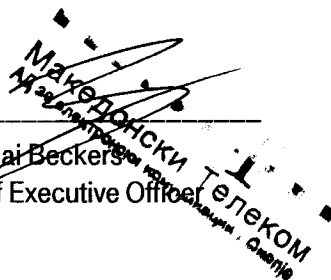
Makedonski Telekom AD Skopje
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The Primary Court Skopje 1 in Skopje, Investigative Department for Organized Crime delivered a summons to the Company in connection with the criminal charges against the above stated persons and asked for a statement whether the Company has suffered any damages on the basis of the said consultancy contracts.

After several postponements of the court hearing related to the investigation procedure handled in the Primary Court Skopje 1 Skopje, on the hearing held in April 2009, the representatives of Makedonski Telekom AD Skopje declared the position of the Company that taking into consideration the ongoing independent internal investigation conducted by White & Case, approved by the Company's BoD, it was premature to preannounce any damage which may be caused by means of the implementation of the mentioned contracts or with reference to them. Upon completion of the independent internal investigation, the Company will inform the court on its final position in respect of the possible damage and the criminal prosecution of the accused persons.

We have become aware of no information as a result of a request from any regulators or other external parties, from which we have concluded that the financial statements may be misstated, including from the effects of a possible illegal act.

Nikolai Beckers
 Chief Executive Officer



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Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	2009 Q1	ID number	5168660

(in thousands of MKD)

No.	Item	01.01.2008 – 31.03.2008	01.01.2009 – 31.03.2009	Indexes
1	OPERATING INCOME	4.667.083	4.441.849	(5%)
2	Sales revenues	4.332.503	4.294.541	(1%)
2a	Domestic Sales Revenue	3.992.690	4.013.081	1%
26	Foreign Sales Revenue	339.813	281.460	(17%)
3	Changes in the stock of finished products and on-going production	-	-	-
4	Other operating income	334.580	147.308	(56%)
5	OPERATING EXPENSES	(2.921.707)	(2.734.814)	(6%)
6	Purchase value of trade goods	(392.748)	(403.184)	3%
7	Spent materials, small inventory and services	(1.081.733)	(1.145.954)	6%
7a	Spent raw materials and small inventory	(18.903)	(26.150)	38%
76	Services	(1.062.830)	(1.119.804)	5%
8	Changes in the stock of finished products and on-going production	-	-	-
9	Employee-related costs	(381.323)	(378.319)	(1%)
10	Depreciation, amortization and provisions	(842.582)	(734.211)	(13%)
10a	Depreciation	(772.500)	(733.688)	(5%)
106	Net losses due to amortization	(300)	(231)	(23%)
10b	Provisions for costs and risks	(69.782)	(292)	(100%)
11	Other operating expenses	(223.321)	(73.146)	(67%)
12	OPERATING PROFIT	1.745.376	1.707.035	(2%)
13	Financial income	15	8	(47%)
14	Income from investments, loans, interest and FX rate movements	139.228	137.442	(1%)
15	Other financing income	-	-	-
16	Financial expenses	(312)	(20)	(94%)
17	Expenses for interest, FX rate movements and similar expenses	(7.230)	(4.916)	(32%)
18	Other financing expenses	-	-	-
19	Profit from regular operations before tax	1.877.077	1.839.549	(2%)
20	Income tax	(228.673)	(8.462)	(96%)
21	Net profit after tax	1.648.404	1.831.087	11%
22	Minority interest	-	-	-
23	Net profit for the fiscal year	1.648.404	1.831.087	11%

Nikolai Beckers
Chief Executive Officer

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Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje



ANALYSIS OF CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	2009 Q1	ID number	5168660

(in thousands of MKD)

No.	Item	01.01.2008 - 31.03.2008	01.01.2009 - 31.03.2009	Indexes
1	Sales revenues	4.332.503	4.294.541	(1%)
2	Other operating income	334.580	147.308	(56%)
3	Purchase value of goods and services sold	(392.748)	(403.184)	3%
4	Changes in the stock of finished products and on-going production	-	-	-
5	Raw materials, materials and small inventory spent	(18.903)	(26.150)	38%
6	Impairment charges	(50.083)	(51.252)	2%
7	Employee-related costs	(381.323)	(378.319)	(1%)
8	Sales costs	(919.132)	(806.084)	(12%)
9	Costs for services provided by other parties	(985.980)	(1.047.700)	6%
10	Other operating expenses	(173.538)	(22.125)	(87%)
11	OPERATING PROFIT	1.745.376	1.707.035	(2%)

Nikolai Becker
 Chief Executive Officer

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Makedonski Telekom AD Skopje
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NON-CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	2009 Q1	ID number	5168660

(in thousands of MKD)

No.	Item	01.01.2008 – 31.03.2008	01.01.2009 – 31.03.2009	Indexes
1	OPERATING INCOME	2.723.758	2.266.861	(17%)
2	Sales revenues	2.410.394	2.193.398	(9%)
2a	Domestic Sales Revenue	2.169.491	1.995.751	(8%)
26	Foreign Sales Revenue	240.903	197.647	(18%)
3	Changes in the stock of finished products and on-going production	-	-	-
4	Other operating income	313.364	73.463	(77%)
5	OPERATING EXPENSES	(1.851.496)	(1.611.669)	(13%)
6	Purchase value of trade goods	(161.277)	(113.975)	(29%)
7	Spent materials, small inventory and services	(833.811)	(778.412)	(7%)
7a	Spent raw materials and small inventory	(9.956)	(15.947)	60%
76	Services	(823.855)	(762.465)	(7%)
8	Changes in the stock of finished products and on-going production	-	-	-
9	Employee-related costs	(274.142)	(255.035)	(7%)
10	Depreciation, amortization and provisions	(406.026)	(413.557)	2%
10a	Depreciation	(405.931)	(413.554)	2%
106	Net loses due to amortization	(95)	(3)	(97%)
10b	Provisions for costs and risks	-	-	-
11	Other operating expenses	(176.240)	(50.690)	(71%)
12	OPERATING PROFIT	872.262	655.192	(25%)
13	Financial income	3.946.754	4.355.314	10%
14	Income from investments, loans, interest and FX rate movements	107.750	92.608	(14%)
15	Other financing income	-	-	-
16	Financial expense	(305)	-	(100%)
17	Expenses for interest, FX rate movements and similar expenses	(7.228)	(4.916)	(32%)
18	Other financing expenses	-	-	-
19	Profit from regular operations before tax	4.919.233	5.098.198	4%
20	Income tax	(115.112)	(7.667)	(93%)
21	Net profit after tax	4.804.121	5.090.531	6%
22	Minority interest	-	-	-
23	Net profit for the fiscal year	4.804.121	5.090.531	6%


Nikola Bekers
Chief Executive Officer

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Makedonski Telekom AD Skopje
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ANALYSIS OF NON-CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	2009 Q1	ID number	5168660

(in thousands of MKD)

No.	Item	01.01.2008 – 31.03.2008	01.01.2009 – 31.03.2009	Indexes
1	Sales revenues	2.410.394	2.193.398	(9%)
2	Other operating income	313.364	73.463	(77%)
3	Purchase value of goods and services sold	(161.277)	(113.975)	(29%)
4	Changes in the stock of finished products and on-going production	-	-	-
5	Spent raw materials, materials and small inventory	(9.956)	(15.947)	60%
6	Impairment charges	(38.659)	(30.763)	(20%)
7	Employee-related costs	(274.142)	(255.035)	(7%)
8	Sales costs	(458.087)	(462.625)	1%
9	Costs for services provided by other parties	(771.699)	(713.394)	(8%)
10	Other operating expenses	(137.676)	(19.930)	(86%)
11	OPERATING PROFIT	872.262	655.192	(25%)

Nikolai Bechevski
Chief Executive Officer

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