

**Questions asked by shareholders at the annual meeting  
of the Shareholders' Assembly of Makedonski Telekom held on 14.04.2011  
and Answers by the Company**

- **Upon the Agenda item 2 – “Proposed Resolution on the adoption of the Consolidated Annual Accounts of the Company for the Year 2010 as per local GAAP”:**

**Question:** With reference to item 6A of the Income Statement table, the employee salary expenses were increased by approximately EUR 1,300,000.00 (one million and three hundred thousand euros) in the Year 2010, whereas the number of employees was decreased by 20 employees compared to the Year 2009. What were the reasons for such disproportion, decreased number of employees – increased salary expenses, when the salaries of the employees in the Company in the Year 2010 were not increased (raised)?

**Answer:** The increased salary cost in 2010 compared with 2009 is due to the following Company decisions and activities in the respective period:

- During the year 2010, 33 employees in total left MKT and TMMK (15 employees from MKT and 18 employees from TMMK), however, the major part of them left at the end of December 2010 (23 employees). Due to this reason, the salary costs for these employees who left remained almost unchanged in the course of 2010.

- Beside performance based adjustment, salary is linearly increased in 2009 and 2010 in agreement with the Trade Union of MKT related to increased living cost and inflation - applicable for all employees of MKT, as a result of what there was a total cost increase compared with 2009.

- Having into consideration the challenging sales targets of both Companies, and with aim to respond appropriately to the increasing competitive environment on the market, additional incentive models for motivation and awarding of achieved sales were introduced in the course of 2010, as time limited actions, which aim was to contribute to additional motivation of sales of certain products, which were applicable for all employees in both Companies (MKT and TMMK). Based on the achieved good sales results for the products which were subject of these additional incentive models, additional one-time sales bonuses were paid to the employees in 2010.