

**Questions asked by shareholders at the Annual Shareholders' Assembly of Makedonski Telekom
(the Company) held on 04.04.2012 and answers to the questions**

- **Upon the proposed items of the Working Part of the Agenda:**

Question: Why isn't there an explicitly defined item in the Agenda – Report of the Audit Company?

Why does the report from the audit company now have a new form, i.e. what is the goal and purpose of such change?

Answer: The opinion of the audit company in terms of the financial statements, as before, is included on the first page of the financial statements of the Company, in each item respectively. The opinions of the audit company, as an integral part of the financial statements, have always been delivered in this manner and there is no change in their presentation.

- **Upon the second item of the Agenda – Proposed Resolution on the adoption of the Consolidated Annual Accounts of the Company for the Year 2011 as per local GAAP:**

Question: On the sixth page of the report which pertains to the second item of the Agenda, with reference to the frauds in the Company, it is stated, and the Board of Directors accepted that statement, that the Company has not been damaged, i.e. it has not suffered damage from the frauds that were published in the past years and for which the American company that conducted the investigation “White & Case” also has its final report in which it confirms that damage has been caused in the Company in the amount of twenty-four million EUR and other four million Euros of unpaid tax – evaded tax to the Public Revenue Office. That is a statement from the final report on the investigations. On the other hand, in the Annual Report of Magyar Telekom it is stated that the Company has been damaged on this basis for twenty-two billion HUF i.e. around seventy million EUR. How is it possible for the company in which it has happened not to be damaged and to suggest that the shareholders are those which suffered damage. There are illogical elements in the statement due to the fact that it is said that the company is not damaged but the shareholders and yet the Company belongs to the shareholders.

An explanation with reference to this question was asked because it has implications on the current and future court procedures.

Answer: The policy of the Company in terms of the court procedures is to refrain from making any statements that could affect any procedure of any authority in the Republic of Macedonia. The Company, of course, will comply with any decision adopted by the state authorities and the court authorities. All documents requested from the Company in the course of the investigation were submitted to the competent authorities. Regarding the financial impacts, it was stated that they are explained in the annual accounts.

- **Upon the fourth item of the Agenda - Proposed Resolution on the adoption of the audited IFRS Financial Statements of the Company for the year 2011:**

Question: What is the difference between the audited Financial Statements of the Company as per local GAAP and as per IFRS?

Answer: The Statements were prepared in accordance with the MAS and the IFRS. The difference between them is in the amortisation rates, i.e. the difference is in the treatment of the assets, because one set of amortisation rates applies in accordance with the MAS and another one applies in accordance with the IFRS. As it can be seen from the statements, the Company made efforts for reconciliation and approximation of the accounting standards of the financial statements from the aspect of equalisation of the applied accounting policies in accordance with the IAS and MAS.

- **Upon the seventh item of the Agenda – Proposed Resolution on the distribution of the net profit of the Company for the Year 2011:**

Question: Since the profit is a result of the revenue, and normally, of the costs as well, and the operating revenue amounts approximately eight billion denars, and the profit is almost more than fifty (50) % of this revenue, where does this illogicality come from of having such high profit at such low revenue?

Answer: The profit at non-consolidated level of Makedonski Telekom AD - Skopje is consisted of the profit that the Company has generated in the course of the ongoing year plus the revenues generated based on the dividend from its subsidiary T-Mobile Macedonia AD Skopje generated in the course of the previous year, which is 100% owned by the Company. The amount of approximately 3.74 billion denars is profit from T-Mobile Macedonia AD Skopje from 2010 obtained as a dividend. This revenue from dividend in Makedonski Telekom AD – Skopje was posted in 2011. The profit of Makedonski Telekom AD – Skopje generated in 2011 is added to that amount and hence that result.

Question: Does this revenue pertain to T-Home (Makedonski Telekom) only?

Answer: Item No. 22 of the Statement indicates where the revenues come from. The revenues based on dividends are not from the regular operation of the Company. The revenue of eight billion denars is from the regular operation of Makedonski Telekom AD – Skopje, and given the fact that the revenues based on dividend are not from the regular operation of Makedonski Telekom AD – Skopje, they are separated. At consolidated level, it can be seen that they are netted and in this manner the total amount of the revenue can be seen.

Question: Due to the fact that the shares of the shareholders of Makedonski Telekom AD – Skopje are for the consolidated financial statements of the T-Home and T-Mobile Group, and at today's Shareholders' Assembly only the Financial Statement and Annual Account of T-Home (Makedonski Telekom) are adopted and not for T-Mobile, who adopts them for T-Mobile?

Answer: There are two types of accounts, one is non-consolidated and it is related only to Makedonski Telekom AD – Skopje, and the other one is consolidated with T-Mobile Macedonia. The financial statements are adopted at a separate Assembly of T-Mobile, in accordance with their Statute. It was explained that Makedonski Telekom is 100% owner of T-Mobile, which as a separate legal entity holds its own meetings of the Assembly.

- **Upon the covering of the items of the Working Part of the Agenda:**

Question: What is the impact of the paid penalty in the amount of \$ 95,000,000.00 (ninety five million dollars) on Makedonski Telekom AD – Skopje?

Answer: Those assets are not paid by Makedonski Telekom AD – Skopje but by Magyar Telekom and Deutsche Telekom and that is comprised in their financial statements. The \$ 95,000,000.00 (ninety five million dollars) were paid jointly by Magyar Telekom and Deutsche Telekom, where the bigger part was paid by Magyar Telekom, and those funds are neither in the balance sheets of Makedonski Telekom AD - Skopje not in the ones of T-Mobile Macedonia AD Skopje, i.e. these costs were posted in the financial statements of Magyar Telekom and Deutsche Telekom.

Translated by Lingva Ekspert