

**Question asked by shareholders at the Annual Shareholders' Assembly of Makedonski Telekom  
(the Company) held on 04.04.2012 and additional explanation**

- **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?

**Additional explanation:** The main difference between the audited Financial Statements of the Company prepared in accordance with the local GAAP and those prepared in accordance with the International Financial Reporting Standards (IFRS) is a result of the differences in the net carrying value of the property, plants and equipment and the intangible assets. Namely, in accordance with the Macedonian legislation, the items of property, plant and equipment and intangible assets in the past used to be revaluated (indexed) at the end of the year by applying the official coefficients based on the price index increase of the basic industrial products. The last indexation was made in 2000. Generally, such indexation is not recognised in accordance with the IFRS.