



Questions asked by the shareholders on the Annual Shareholders' Assembly of Makedonski Telekom held on 15 April 2015 and answers provided by the Company

I. Upon Item 2 of the Agenda: *Proposed Resolution on the adoption of the Consolidated Annual Accounts of the Company for the Year 2014 as per local GAAP;*

Question: Taking into consideration that the results from the previous year are deteriorating compared to the previous year/s, what measures are undertaken in order to compensate these negative trends and has the management made any projection as to when this negative trend is going to end?

Answer:

The decline started years ago and this trend is present in the entire telecommunications industry. The internet roaming item has decreased significantly, as well as the release of the roaming provisioning that was implemented here and which shall have an effect not only this year but also in the years to come, and one of the main issues is the serious competition in all markets in Europe and in Macedonia.

Regarding the question what was done in the financial year 2014 compared to 2013, it is a fact that there is a drop in the KPI and it was pointed out that if we look at the first half of 2014 there is no complete alignment with the budget, but by the end of 2014 the items that were been discussed with the shareholders were achieved and it was reflected in the Business Plan, i.e. from the beginning to the end of 2014, there was quite a positive progress compared to 2013, there is a drop, the turnover is declining and so is the dividend. Furthermore, in view of all major financial assets, especially the value of the shares, Makedonski Telekom is one of the more successful companies within the Deutsche Telekom Group. Comparison should not be made to 2000 when there was no competition either in the fixed or in the mobile telephony. However, we started 2015 with better trends than 2014 and this is an indicator of the market development, and certainly for the management is the best to show that everything is stable this year.

The company's progress is in line with the trend of the European companies.

Question: What is the forecast for the forthcoming years, and what are the unofficial results for the first quarter of 2015 compared to 2013 and 2014?

Answer:

The trend is definitely improving, but the figures for the first quarter cannot be disclosed today. Moreover, a company transformation program was initiated last year so as to stop the negative trend. First, the focus is put on revenue increase and cost reduction, considering that there is 12% revenue drop compared to the previous years, but the costs have not been reduced. We are still the biggest investor in the telecommunications industry. With smart investment there will be a positive effect at certain time period. The goal is to retain the shareholders, as the trend in Europe is definitely changing and the telecommunication industry is improving, and the trend in 2015 is better compared to 2014. The

focus of this Programme is put on the decrease of the operating expenses and the main goal is to increase the efficiency by initiating several measures so as to stop the declining trend.

II. Upon Item 7 of the Agenda: *Proposed Resolution on the approval of a conclusion of a Frame Loan Agreement between Makedonski Telekom and T-Mobile Macedonia, as a transaction with an interested party*

Question: What is the purpose of this loan, and why the parent company Makedonski Telekom needs to borrow money from the daughter company T-Mobile Macedonia, i.e. what will these funds be used for?

Answer:

This is a frame agreement that will be used on an as needed basis. Every withdrawal of funds will be subject to a detailed analysis of the need thereof and that this loan shall not cause any additional financial implications on a Group level and shall not be to the detriment of the shareholders. The main purpose of this loan is to manage the short term liquidity of the Company after the dividend payment, and if necessary to have an instrument ready to respond to such needs.

III. Upon Item 9 of the Agenda: *Proposed Resolution on the payment of dividend of the Company for the Year 2014 and the determination of the dividend calendar*

Question: Has the possibility for dividend payment on quarterly basis been considered?

Answer:

In view of the fact that the question refers to the timeframe for dividend payment, it depends on the cash flow projections and the legal deadline by which the dividend should be paid, which is by the end of the month of September. The dividend payment shall be effectuated as stated in the Resolution.