



AD MAKEDONSKI TELEKOMUNIKACI-SKOPJE
Orce Nikolov bb 1000 Skopje, Republic of Macedonia
Tel. +389 3 242 013

D. Jp 02.195309/ 30-10-2006
To: Securities and Exchange Commission
Dimitrija Cupovski No. 26, 1000 Skopje

Date: 30.10.2006

Subject: Summary on the operation of AD Makedonski Telekomunikacii for the period 01.01.2006 – 30.09.2006

AD Makedonski Telekomunikacii is the largest fixed line service provider in Macedonia. The Macedonian telecommunications sector is regulated by the implementation of the new Law on Electronic Communications (LEC) which was enacted in March 2005. MT has signed a concession contract (under the old Telecommunications Act) on the basis of which it may provide the foregoing services until December 31, 2018. Furthermore, MT had been granted the exclusive rights: (a) in the provisioning of fixed-line services, leased line services and (b) to construct, lease, own, develop, maintain and operate fixed public telecommunications networks until December 31, 2004. These exclusive rights included local, national and international long distance public fixed voice services independently of the technology used, including voice over Internet Protocol services.

MT's main objectives for the forthcoming year are to remain the leading provider of telecommunication services in Macedonia and to continue to provide high-quality services at attractive prices so as to prepare itself for future competition.

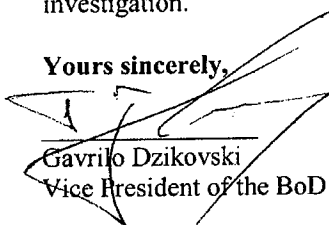
The revenue from the fixed segment is kept stable. Internet revenues increased due to the growing ADSL subscriber base. The proportion of mobile revenue is increasing despite the competition, mainly owing to the increased subscriber base.

On the cost side, we have identified savings in the employee-related costs which were driven by the YoY headcount reduction. However, this could not counterbalance the increase of certain cost elements of the other operating expenses, such as the unfavorable movement of the FX rates.

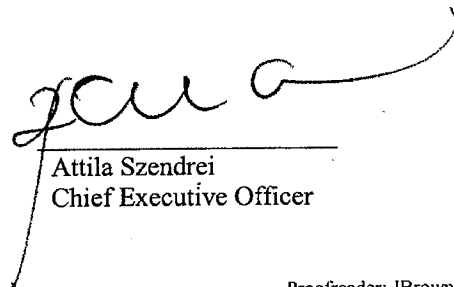
The Macedonian Government held an auction aimed at the selling of its shares in MT in the period from 5-9 June, 2006. During the auction, MT bought a total of 10% of the company's shares (9.9% plus 0.1%), whereas 0.3% was sold to other investors.

As it has been previously announced, Magyar Telekom, the parent company of AD Makedonski Telekomunikacii - Skopje, is still investigating certain contracts in order to determine whether they have been entered into in violation of the company policy or the applicable laws and regulations. This investigation, which is conducted by an independent law firm and supervised by the Audit Committee of Magyar Telekom, is still ongoing. No assurance can be given that as a result of the investigation the audited financial statements for 2005 and financial statements or financial information for any other period, including any period of 2006, will not vary from those published prior to the completion of the investigation.

Yours sincerely,


Gavrilko Dzikovski
Vice President of the BoD




Attila Szendrei
Chief Executive Officer

Proofreader: JBrown



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CONSOLIDATED INCOME STATEMENT

AD Makedonski Telekomunikacii - Skopje
ID 5168660

(in thousands of MKD)

	AOP	01.01 - 30.09.2006	01.07 - 30.09.2006
Sales revenues	032	12,698,100	4,513,745
Other operating revenues	033	314,143	144,291
Movement in inventories	034		
Capitalized own work and products	035	23,581	8,778
Materials, spare parts and office supplies	036	(65,526)	(27,786)
Employee-related costs	037	(1,206,821)	(384,353)
Depreciation and revaluation (indexation) of depreciation	038	(2,794,378)	(899,143)
Other operating expenses	039	(4,067,798)	(1,367,734)
Cost of goods sold	040	(527,645)	(174,619)
Profit/loss from operations (AOP 032 through to 040)	041	4,373,656	1,813,179
Financial revenues	042	419,399	142,563
Financial expenses	043	(22,717)	12,168
Profit/loss before tax (AOP 041+042-043)	044	4,770,338	1,943,574
Income tax expense	045	573,199	255,421
Profit/loss from operating activities after tax (AOP 044-045)	046	4,197,139	1,688,153
Minority interest	047		
Net profit/loss from operating activities (AOP 046-047)	048	4,197,139	1,688,153
Extraordinary income	049		
Extraordinary expenses	050		
Net profit/loss (AOP 048+049-050)	051	4,197,139	1,688,153

Proofreader: JBrown