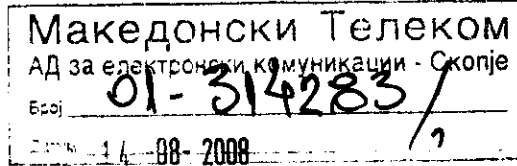


Makedonski Telekom AD Skopje
Orse Nikolov bb. 1000 Skopje



To: Securities and Exchange Commission of the RoM
26 Dimitrija Cupovski, 1000 Skopje

Date: 14.08.2008

Subject: Semi annual reports for 2008

Dear Sirs / Madams:

Pursuant to the articles 156 and 164 of the Law on Securities (Official Gazette of the RoM No.95/2005, 25/2007 and 7/2008), as well as the respective by-laws, please find attached the consolidated non audited financial statements for the period from 01.01.2008 until 30.06.2008, prepared in accordance with International Financial Reporting Standards, the Explanation on the operation of Makedonski Telekom AD - Skopje, as well as the Statement for the accuracy of the foregoing.

Yours faithfully,

Zarko Lukovski
President of the Board of Directors

Nikolai Beckers
Chief Executive Officer

To: Securities and Exchange Commission of the RoM
Dimitrija Cupovski br. 26, 1000 Skopje

Date: 14.08.2008

Subject: Explanation on the operation of Makedonski Telekom AD Skopje in the period from
01.01.2008 until 30.06.2008

Makedonski Telekom AD Skopje is the largest company which provides services in the field of the fixed telephony in Macedonia. Makedonski Telekom AD Skopje owns 100% of T-Mobile Macedonia which is a leading provider in the field of mobile telephony in Macedonia.

In the course of the first half of 2008, there is a growth in the revenues as a result of the growth in the revenues from the mobile telephony, which in spite of the competition, mark a continuous increase in the number of subscribers. The revenues in the fixed telecommunication services mark a slight decrease compared to the same period last year. The Internet revenues continue to mark a continuous growth as a result of the continuation of the increasing trend of the number of ADSL Internet subscribers. Furthermore, there is an increase in the revenues from sales of equipment and leased lines. The sale of the Montmak subsidiary in Montenegro in the first quarter this year, which was in 100% ownership of Makedonski Telekom AD, bears a positive impact on the growth of the revenues.

On cost side, we mark an increase of the costs for sales of equipment which are followed by the increased revenues from the same activity. The employee related costs also mark an increase compared to the same period last year as a result of the programme for voluntary leave of the company implemented in the first half of 2008. The depreciation costs are decreased compared to the same period last year. The other costs mark a slight increase as a result of the increased intensity of the marketing campaigns, as well as of the increase of the negative currency fluctuations compared to the same period last year.

As announced earlier, Magyar Telekom, which owns 51.00% of Makedonski Telekom AD - Skopje (the Company) through Stonebridge Communications AD Skopje - under liquidation, is investigating any possible violations of the Group's policy or the applicable laws and regulations, which investigation includes the Company.

This investigation, which is being conducted by an independent law firm and supervised by the Audit Committee of Magyar Telekom, is still ongoing. In May 2008, the independent law firm provided Magyar Telekom with a "Status Report on the Macedonian Phase of the Independent Investigation." In the Status Report, the independent law firm stated, among other things, that "there is affirmative evidence of illegitimacy in the formation and/or performance" of six contracts for advisory, marketing, acquisition due-diligence and/or lobbying services in Macedonia, entered into between 2004 and 2006 between Magyar Telekom and/or various of its affiliates on the one hand, and a Cyprus-based consulting company and/or its affiliates on the other hand, under which Magyar Telekom and/or its affiliated paid a total of over EUR 6.7 million. The Ministry of Interior of the Republic of Macedonia has requested information and documents concerning procurement and dividend payment activities in Macedonia of Magyar Telekom's Macedonian subsidiaries.

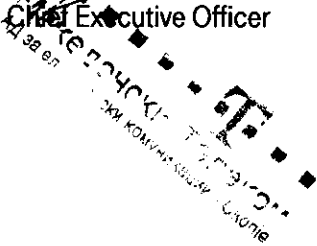


Makedonski Telekom AD - Skopje
Orce Nikolaov bb, 1000 Skopje

As a result of this on-going investigation, the Consolidated Financial Statements for 2005, 2006 and 2007 prepared in accordance with the International Financial Reporting Standards (IFRS) have not been audited yet. No assurance can be given that as a result of the investigation the Consolidated Financial Statements for 2005, 2006 and 2007 prepared in accordance with the IFRS and the financial statements or financial information referring to any other period, including any period of 2008, will not vary from those submitted and published prior to the completion of the investigation and the audit of such financial statements and data.



Nikolaj Beckers
Chief Executive Officer



Makedonski Telekom AD - Skopje
 Crce Nikolov bb, 1000 Skopje

CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Makedonski Telekom AD Skopje
 ID 5168660

(in thousands of denars)

	31.12.2007	30.06.2008
ASSETS		
A) Receivables for issued not paid shares		
B) Non- current assets	16,350,410	15,973,396
Intangible assets	1,951,977	1,959,076
Tangible assets	14,067,684	13,786,798
Long term investments	227,168	116,127
Noncurrent receivables	103,581	111,395
C) Current assets	17,412,915	21,165,668
Inventory	332,981	351,730
Trade receivables	2,769,230	3,052,243
Advances paid	16,380	65,841
Other current receivables	33,149	44,227
Short term financial investment	7,384,557	9,522,855
Prepaid and deferred expenses and accrued income	147,781	303,111
Cash and cash equivalents	6,728,837	7,825,661
TOTAL ASSETS	33,763,325	37,139,064
EQUITY AND LIABILITES		
A) Equity and reserves	29,960,055	32,994,376
Share capital	9,583,888	9,583,888
Share premium	540,659	540,659
Revaluation reserves	-	-
Reserves	2,475,068	2,475,068
Retained earnings	21,203,945	24,238,266
Treasury shares	(3,843,505)	(3,843,505)
B) Long term provision	381,841	551,665
C) Minority interest	-	-
D) Noncurrent liabilities	139,607	126,610
E) Current liabilities	3,281,822	3,466,413
Trade payables	827,921	780,975
Other short term liabilities	959,297	936,890
Advances received	37,898	31,544
Short term loans	-	-
Accrued expenses and deferred revenue	1,456,706	1,717,004
TOTAL EQUITY AND LIABILITES	33,763,325	37,139,064

Nikolai Beckers
 Chief Executive Officer

CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS
Makedonski Telekom AD Skopje
ID 5168660

(in thousands of denars)

	01.01-30.06.2007	01.01-30.06.2008
Sales revenues	8,535,285	8,967,536
Other operating revenues	176,544	444,600
Movement in inventories	-	-
Capitalized own work and products	140	-
Materials, spare parts and office supplies	(38,024)	(42,306)
Employee expenses	(756,252)	(1,142,833)
Depreciation and revaluation (indexation) of depreciation	(1,603,642)	(1,444,717)
Other operating expenses	(2,402,412)	(2,874,424)
Cost of goods sold	(531,197)	(704,234)
Profit from operations	3,380,442	3,203,622
Financial income	340,682	287,646
Financial expenses	(14,734)	(14,686)
Profit from operating activities before tax	3,706,390	3,476,582
Income tax expense	(466,056)	(442,261)
Profit from operating activities after tax	3,240,334	3,034,321
Minority interest	-	-
Net profit from operating activities	3,240,334	3,034,321
Extraordinary income	-	-
Extraordinary expenses	-	-
Net profit	3,240,334	3,034,321

Nikolai Beckers
 Chief Executive Officer



Makedonski Telekom AD - Skopje
Or. # Nikolov bb, 1000 Skopje

CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS

Makedonski Telekom AD Skopje
ID 5168660

(in thousands of denars)

	31.12.2007	30.06.2008
A) Cash flows from operating actives	9,669,909	4,174,764
Net profit after tax	6,161,001	3,034,321
Depreciation	3,273,901	1,444,717
Revaluation (indexation) of depreciation	-	-
Increase/(decrease) in inventories	9,254	(18,749)
Increase/(decrease) in trade receivables	(66,529)	(283,014)
Increase/(decrease) in advances paid	29,647	(49,461)
Increase/(decrease) in other current receivables	(15,854)	(11,078)
Increase/(decrease) in prepaid, deferred expenses and accrued income	(8,152)	(155,330)
Increase/(decrease) in trade payables	(401,017)	(18,179)
Increase/(decrease) in advances received	(270)	(6,354)
Increase/(decrease) in other current liabilities	189,033	(22,407)
Increase/(decrease) in accrued expenses and deferred revenue	498,895	260,298
B) Cash flows from investing activities	(5,476,806)	(3,234,767)
Acquisition of tangible and intangible assets	(2,350,188)	(1,216,454)
Sales of tangible and intangible assets	153,667	16,756
Increase/(decrease) in long term investments	(56,349)	111,042
Increase/(decrease) in non-current receivables	(20,377)	(7,813)
Increase/(decrease) in short-term financial investments	(3,203,559)	(2,138,298)
C) Cash flows from financing activities	(7,147,538)	156,827
Increase in equity	-	-
Increase/(decrease) in long term loans (non current liabilities & provisions)	279,256	156,827
Acquisitions of minority interest	-	-
Dividends paid	(7,426,794)	-
Purchase/sale of treasury shares	-	-
Increase/(decrease) in cash and cash equivalents	(2,954,435)	1,096,824
Cash and cash equivalents at the beginning of the year	9,683,272	6,728,837
Cash and cash equivalents at the end of the year/period	6,728,837	7,825,661

Nikolaj Beckers
Chief Executive Officer



Makedonski Telekom AD - Skopje
Orce Nikolov bb, 1000 Skopje

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS

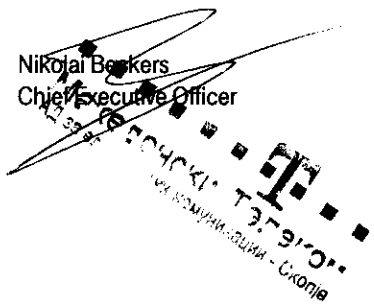
Makedonski Telekom AD Skopje

ID 5168660

(in thousands of denars)

	31.12.2007	Increase	Decrease	30.06.2008
Share capital	9,583,888	-	-	9,583,888
Share premium	540,659	-	-	540,659
Treasury shares	(3,843,505)	-	-	(3,843,505)
Reserves	2,475,068	-	-	2,475,068
Retained earnings	28,630,739	3,034,321	-	31,665,060
Dividends	(7,426,794)	-	-	(7,426,794)
Revaluation reserves	-	-	-	-
Total equity and reserves	29,960,055	3,034,321	-	32,994,376

Nikolaj Bojarski
Chief Executive Officer



Handwritten initials 'fz' and 'M'.



Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje

To: Securities and Exchange Commission of the RoM
26 Dimitrija Cupovski, 1000 Skopje

Date: 14.08.2008


STATEMENT

In accordance with the Law on Securities of the RoM, I, Nikolai Beckers, Chief Executive Officer of Makedonski Telekom AD – Skopje hereby affirm that the delivered consolidated non audited financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the related explanation on the operation for the period from 01.01.2008 until 30.06.2008, are accurate and reliable.

As announced earlier, Magyar Telekom, which owns 51.00% of Makedonski Telekom AD – Skopje (the Company) through Stonebridge Communications AD Skopje - under liquidation, is investigating any possible violations of the Group's policy or the applicable laws and regulations, which investigation includes the Company.

This investigation, which is being conducted by an independent law firm and supervised by the Audit Committee of Magyar Telekom, is still ongoing. In May 2008, the independent law firm provided Magyar Telekom with a "Status Report on the Macedonian Phase of the Independent Investigation." In the Status Report, the independent law firm stated, among other things, that "there is affirmative evidence of illegitimacy in the formation and/or performance" of six contracts for advisory, marketing, acquisition due-diligence and/or lobbying services in Macedonia, entered into between 2004 and 2006 between Magyar Telekom and/or various of its affiliates on the one hand, and a Cyprus-based consulting company and/or its affiliates on the other hand, under which Magyar Telekom and/or its affiliated paid a total of over EUR 6.7 million. The Ministry of Interior of the Republic of Macedonia has requested information and documents concerning procurement and dividend payment activities in Macedonia of Magyar Telekom's Macedonian subsidiaries. As a result of this on-going investigation, the Consolidated Financial Statements for 2005, 2006 and 2007 prepared in accordance with the IFRS have not been audited yet.

No assurance can be given that as a result of the investigation the Consolidated Financial Statements for 2005, 2006 and 2007 prepared in accordance with the IFRS and the financial statements or financial information referring to any other period, including any period of 2008, will not vary from those submitted and published prior to the completion of the investigation and the audit of such financial statements and data.


Makedonski Telekom AD Skopje
Nikolai Beckers
Chief Executive Officer

9