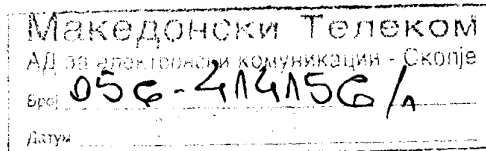


Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje



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

Date: 29.10.2010

Subject: Financial Statements for the third quarter of 2010

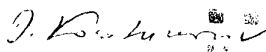
Dear Sirs/Madams,

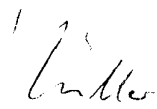
In accordance with Articles 157, 160 and 164 of the Law on Securities and the respective by-laws, please find enclosed herewith the financial statements for the third quarter of 2010 which contain the following:

1. The consolidated and non-consolidated unaudited income statement and the analysis of the consolidated and non-consolidated operating profit prepared in accordance with the International Financial Reporting Standards (IFRS);
2. Explanations on the operation of Makedonski Telekom AD - Skopje (MKT) for the period from 01.07.2010 until 30.09.2010 (the same refer to the consolidated and non-consolidated unaudited income statement);
3. Statement for the accuracy of the foregoing.

In accordance with the respective by-laws, MKT shall post the above listed financial statements in an electronic format on the website of the Securities and Exchange Commission through the respective module.

Yours faithfully,

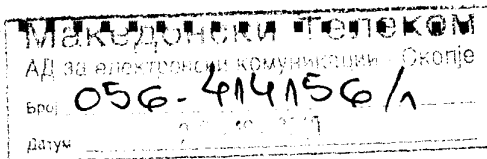

Oliver Kosturanov
President of the Board of Directors


Nikolai Beckers
Chief Executive Officer

Proofread and verified by Lingva Ekspert

Makedonski Telekom AD - Skopje
Address: Orce Nikolov bb 1000 Skopje R. Macedonia
Contact: Phone +389 2 3100 200; Fax +389 2 3100 300; Contact center 171
e-mail: kontakt@telekom.mk; www.telekom.mk
ID number: 5168660

Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje



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

Date: 29.10.2010

Subject: Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.07.2010 until 30.09.2010

The following analysis refers to the consolidated financial reports of the Makedonski Telekom AD – Skopje Group, which includes Makedonski Telekom AD - Skopje, T-Mobile Macedonia AD Skopje and the foundation e-Macedonia – Skopje.

During the third quarter of 2010, the revenues at Group level decreased by 4% compared to the same period in 2009. The revenues from the fixed telecommunication services remain stable, while the revenues from mobile telecommunications services mark a decrease compared to the same period of the previous year. The voice revenues in the fixed segment services mark a decrease. The Internet revenues still experience a continuous growth, as a result of the continuation of the trend of increasing the number of ADSL Internet subscribers. Furthermore, Makedonski Telekom AD - Skopje generates increased revenues from the sales of the service for the provision of digital television via Internet protocol ("IPTV"). The revenues from the VPN service and from the leased line service in fixed telephony also mark an increase. Foreign sales revenues have increased due to the increased volume of incoming international traffic.

On the cost side, the position 'Cost value of trade goods' mark a drop due to the decreased number of sold mobile phone sets in the current year. The other operating costs are decreased compared to the same period of the previous year as a result of the reduction of the required provisions.

On 13 February 2006, Magyar Telekom Plc., the controlling owner of the Company, (via Stonebridge Communications AD - Skopje (under liquidation), majority shareholder of the Company), announced that it was investigating certain contracts entered into by another subsidiary of Magyar Telekom Plc. to determine whether the contracts were entered into in violation of Magyar Telekom Plc. policy or applicable law or regulation. Magyar Telekom's Audit Committee retained White & Case, as its independent legal counsel to conduct the internal investigation. Subsequent to this on 19 February 2007, the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Company and the Audit Committee of Magyar Telekom Plc., adopted a resolution to conduct an independent internal investigation regarding certain contracts in Macedonia.

For further information about the internal investigation, please refer to the financial statements of the Company for the year ended 31 December 2008 and 2009.

According to the information provided to the Company by Magyar Telekom Plc., on 2 December 2009, the Audit Committee of Magyar Telekom Plc., provided the Magyar Telekom's Board of Directors with a "Report of Investigation to the Audit Committee of Magyar Telekom Plc." dated 30 November 2009 (the "Final Report"). The Audit Committee of Magyar Telekom indicated that it considers that, with the delivery of the Final Report based on currently available facts, White & Case has completed its independent internal investigation.

According to the information provided to the Company by Magyar Telekom Plc., the Final Report includes the following findings and conclusions related to Magyar Telekom's Macedonian affiliates, based upon the evidence available to the Audit Committee of Magyar Telekom Plc. and its counsel:



Makedonski Telekom AD - Skopje
Orce Nikolov bb, 1000 Skopje

- *As previously disclosed, there is evidence that certain former employees intentionally destroyed documents relating to activities undertaken in Macedonia by Magyar Telekom Plc. and its affiliates.*
- *Between 2000 and 2006 a small group of former senior executives at Magyar Telekom and Magyar Telekom's Macedonian affiliates, authorized the expenditure of approximately EUR 24 million through over twenty suspect consultancy, lobbying, and other contracts (including certain contracts between Magyar Telekom and its subsidiaries on one hand, and affiliates of a Cyprus-based consulting company on the other hand). The Final Report concludes that "the available evidence does not establish that the contracts under which these expenditures were made were legitimate."*
- *"The evidence shows that, contrary to their terms, a number of these contracts were undertaken to obtain specific regulatory and other benefits from the government of Macedonia. The Companies generally received the benefits sought and then made expenditures under one or more of the suspect contracts. There is evidence that the remaining contracts were also illegitimate and created a pool of funds available for purposes other than those stated on the face of the agreements." However, the Magyar Telekom Audit Committee's counsel did not have access to evidence that would allow it to identify the ultimate beneficiaries of these expenditures.*
- *In entering into these contracts and approving expenditures under them, the former senior executives knowingly caused, structured, or approved transactions that shared most or all of the following characteristics:*
 - *intentional circumvention of internal controls;*
 - *false and misleading corporate documents and records;*
 - *lack of due diligence concerning, and failure to monitor performance of, contractors and agents in circumstances carrying a high risk of corruption; lack of evidence of performance; and*
 - *expenditures that were not for the purposes stated in the contracts under which they were made, but rather were intended to obtain benefits for the Magyar Telekom subsidiaries that could only be conferred by government action.*
- *The Final Report states that "the investigation did not uncover evidence showing receipt of payments by any Macedonian government officials or political party officials."*

As previously disclosed, Magyar Telekom has taken remedial steps to address issues previously identified by the independent investigation, including steps designed to revise and enhance the Magyar Telekom Group's internal controls as well as the establishment of the Magyar Telekom Corporate Compliance Program.

Due to these measures, no modifications to the Corporate Compliance Program were viewed as necessary in response to the Final Report. According to the information provided to the Company by Magyar Telekom, this conclusion has been discussed with the Audit Committee of Magyar Telekom, and the Audit Committee of Magyar Telekom has not made recommendations either relating to Magyar Telekom's compliance program or internal controls.

In relation to the issuance of the Final Report and the information provided to the Company by Magyar Telekom, in January 2010 the Chairman of the Company's Board of Directors requested third party legal and tax expertise for assessment of the potential accounting and tax implications arising from the transactions conducted by the Company and its subsidiary subject to the Final Report.

The external experts prepared reports (the "Reports") on their assessment and submitted the Reports to the Chairman of the Company's BoD and the Management of the Company and its subsidiary accordingly. As a result, based on the analysis of the Tax and Legal experts and information available to



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

the Management related to the transactions subject of the Final Report, amount of MKD 248,379 thousand has been identified as potential tax impact (together with related penalty interest) arising from the transactions conducted by the Company and its subsidiary subject to the Final Report. In addition, the value of one contract MKD 105,147 thousand capitalised within treasury shares is now corrected and accounted for as though these payments had been expensed in 2006 rather than capitalized as part of treasury shares as originally reported. The other contracts that were identified by the Final Report and the reports of the tax and legal experts related to transactions undertaken by the Company and its subsidiary were expensed in the related periods (2001-2007), which require no restatements.

Currently, there is ongoing tax audit conducted by the Public revenue office for the years 2009 and 2008, upon MKT claim for profit tax refund for the year 2009. At this stage, there are no proceedings initiated neither by the tax inspectors conducting the ongoing tax audit nor by the tax authorities in regard to the above described transactions.

Management believes that at this stage no release should be made on the amounts provided as a result of findings of White and Case investigation following the 5 year statute of limitation, pending the outcome of the ongoing tax audit.

In May 2008, the Ministry of Interior ("MOI") of the Republic of Macedonia ("RoM") submitted to the Company an official written request for information and documentation regarding certain payments for consultancy services and advance dividend, as well as certain procurements and contracts. In June 2008 the Company submitted copies from the requested documents. In the same period, T-Mobile Macedonia has also received similar requests for provision of certain documentation to the Ministry of Interior of RM and they were submitted accordingly.

In October 2008 the Investigation Judge from the Primary Court Skopje 1 – Skopje (the criminal court), has issued an official written order to the Company to handover certain original documentation. Later in October 2008, the Company officially and personally handed over the requested documentation. Additional MOI requests in written were submitted and the Company provided the requested documentation.

We understand, based on public information available as of 10 December 2008, that the MOI Organized Crime Department submitted the files to the Basic Public Prosecution Office of Organized Crime and Corruption, with a proposal to bring criminal charges against Attila Szendrei (former CEO of Makedonski Telekom AD - Skopje), Rolf Plath (former CFO of Makedonski Telekom AD - Skopje), Mihail Kefaloyannis (former member of the Board of Directors in Stonebridge and former member of the Board of Directors in Telemakedonia) and Zoltan Kisjuhász (former CEO of Stonebridge and former non-executive member of the Board of Directors of Makedonski Telekom AD - Skopje) on the account of a reasonable doubt for committed criminal act. These individuals are proposed to be charged with having "abuse of office and authorizations" in their position in Makedonski Telekom AD - Skopje by concluding consultancy contracts for which there was no intention or need for any services in return.

The Primary Court Skopje 1 in Skopje, Investigative Department for Organized Crime delivered a summon to the Company in connection with the criminal charges against the above stated persons and asked for a statement whether the Company has suffered any damages on the basis of the said consultancy contracts.

After several postponements of the court hearing related to the investigation procedure handled in the Primary Court Skopje 1 Skopje, on the hearing held on 13 April 2009, the representatives of Makedonski Telekom AD Skopje declared the position of the Company that taking into consideration the ongoing independent internal investigation conducted by White & Case, approved by the Company's BoD, it was premature to preannounce any damage which may be caused by means of the implementation of the mentioned contracts or with reference to them. Upon completion of the independent internal investigation, the Company will inform the court on its final position in respect of the possible damage

Makedonski Telekom AD Skopje
 Ulice Nikolov bb, 1000 Skopje

and the criminal prosecution of the accused persons. On April 9, 2010 MKT received notification from the Bureau of judicial expertise that based on the order of the Primary Court Skopje 1 Skopje the Bureau will perform expertise on case KIOK No. 66/08. The expertise was planned to be performed on April 16, 2010. Upon request from the attorney of Mr. Ketaloyannis the expertise was postponed for May 11, 2010.

On the meeting held on 11 May 2010 the experts from Ministry of Justice of the Republic of Macedonia – Court Expertise Office – Skopje, asked for some additional documents from MKT's side in order to prepare the Expertise. Next session will be arranged upon request by the Court Expertise Office.

MKT received a Notification from the Court Expertise Office - Skopje that the expertise continues. The meeting was scheduled to be held on October 18, at the MKT premises. The experts asked for additional information related to the Agreement concluded with OTEGlobe in 2005 and the Agreement concluded with Cosmotelco in 2006, as well as the related invoices. MKT will collect and submit the requested information/documentation.

The Chairman of the Company's BoD and the Company's Management have received an information that the contents of the Final Report has also been made available to the Macedonian Public Prosecution Office. The Company's Management cannot foresee whether the Macedonian Public Prosecution Office will initiate any legal procedure or the type and scope of legal actions on the basis of the information contained in the Final Report.

We have become aware of no information as a result of a request from any regulators or other external parties, other than as described above, from which we have concluded that the financial statements may be misstated, including from the effects of a possible illegal act.

Internal review in T-Mobile Macedonia

During the second quarter of 2010, the Company became aware of misstatements at its subsidiary T-Mobile Macedonia relating to the recognition of certain deferred (prepaid) revenues and initiated an internal review. The Company has informed its Audit Committee and its independent external auditor of the misstatements and that it was conducting an internal review.

Based on the final results of the internal review the Company concluded that the deferred prepaid revenues for the first and second quarters of 2010 and the years ended December 31, 2006, 2007, 2008 and 2009 were misstated, as also announced on the webpage of Magyar Telekom Plc, the majority shareholder of the Company through Stonebridge Communications AD - Skopje (under liquidation). Final results of the internal review do not indicate that any amounts in periods before 2006 were misstated.

As previously announced, the Company extended its internal review to other accounts in relation to T-Mobile Macedonia. The Company has conducted this review and has not identified any material misstatements which would affect the interim and year end financial statements of the Company for the current or prior periods.

The Company has adjusted the remaining balance sheet misstatement in the second quarter of 2010 and the Company is further assessing the effects of these misstatements in terms of affecting the Company's previous and current financial statements. In addition, the Company has initiated remedial actions to mitigate the risk of similar misstatement in the future, including actions related to personnel and steps to further improve the control environment.

Nikolai Beckers
Chief Executive Officer

Makedonski Telekom AD - Skopje
 Address Ulice Nikolov bb 1000 Skopje R.Macedonia
 Contact Phone +389 2 3100 200; Fax +389 2 3100 300; Contact center 171
 e-mail kontakt@telekom.mk; www.telekom.mk
 ID number 5168660

Proofreading by Lingva Ekspert



Makedonski Telekom AD - Skopje
 Ulica Nikolov bb 1000 Skopje

CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	Third quarter of 2010	ID number	5168660

(in thousands of MKD)

No.	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	OPERATING INCOME	13,814,983	4,761,261	13,251,431	4,560,765	96	96
2	Sales revenues	13,474,689	4,648,800	12,987,128	4,506,833	96	97
2a	Domestic sales revenue	12,557,196	4,339,585	11,712,643	4,000,291	93	92
2b	Foreign sales revenue	917,493	309,215	1,274,485	506,542	139	164
3	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
4	Other operating income	340,294	112,461	264,303	53,932	78	48
5	OPERATING EXPENSES	(8,416,386)	(2,933,921)	(8,322,444)	(2,714,364)	99	93
6	Cost value of trade goods	(1,227,217)	(483,436)	(1,048,149)	(311,232)	85	64
7	Materials, small inventory and services	(3,481,108)	(1,166,665)	(3,563,861)	(1,174,436)	102	101
7a	Raw materials and small inventory	(64,760)	(20,299)	(54,635)	(17,023)	84	84
7b	Services	(3,416,348)	(1,146,366)	(3,509,226)	(1,157,413)	103	101
8	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
9	Employee-related costs	(1,155,817)	(385,665)	(1,174,363)	(405,198)	102	105
10	Depreciation, amortization and provisions	(2,189,450)	(746,451)	(2,337,184)	(757,430)	107	101
10a	Depreciation	(2,188,533)	(746,373)	(2,230,643)	(744,448)	102	100
10b	Impairment of fixed assets	(559)	(126)	(4,761)	(139)	852	110
10c	Provisions for costs and risks	(358)	48	(101,780)	(12,843)	28,430	(26,756)
11	Other operating expenses	(362,794)	(151,704)	(198,887)	(66,068)	55	44
12	OPERATING PROFIT/LOSS	5,398,597	1,827,340	4,928,987	1,846,401	91	101
13	Financial income	3,134	5	2,790	0	89	0
14	Income from investments, loans, interest and FX rate movements	325,743	87,057	288,854	64,723	89	74
15	Other financing income	-	-	-	-	-	-
16	Financial expenses	(94)	(38)	(100)	(50)	106	132
17	Expenses for interest, FX rate movements and similar expenses	47,102	424	(76,310)	(9,325)	(162)	(2,199)
18	Other financing expenses	-	-	-	-	-	-
19	Profit from regular operations before tax	5,774,482	1,914,788	5,144,221	1,901,749	89	99
20	Income tax	(820)	(24,550)	(43,307)	(15,342)	5,281	62
21	Net profit after tax	5,773,662	1,890,238	5,100,914	1,886,407	88	100
22	Minority interest	-	-	-	-	-	-
23	Net profit for the fiscal year	5,773,662	1,890,238	5,100,914	1,886,407	88	100

Nikolai Beckers
 Chief Executive Officer

Makedonski Telekom AD - Skopje
 Address: Ulica Nikolov bb 1000 Skopje R. Macedonia
 Contact: Phone +389 2 3100 200; Fax +389 2 3100 300; Contact center 171
 e-mail: kontakt@telekom.mk; www.telekom.mk
 ID number 5168660



Makedonski Telekom AD - Skopje
Crae Nikolov bb, 1000 Skopje

ANALYSIS OF CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	Third quarter of 2010	ID number	5168660

(in thousands of MKD)

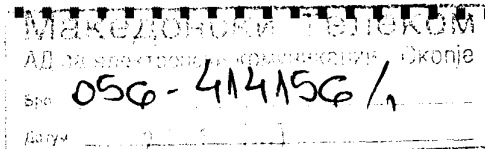
No.	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	Sales revenues	13,474,689	4,648,800	12,987,128	4,506,833	96	97
2	Other operating income	340,294	112,461	264,303	53,932	78	48
3	Cost value of goods and services sold	(1,227,217)	(483,436)	(1,048,149)	(311,232)	85	64
4	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
5	Raw materials, materials and small inventory	(64,760)	(20,299)	(54,635)	(17,023)	84	84
6	Impairment charges	(150,178)	(18,749)	(74,435)	(35,125)	50	187
7	Employee-related costs	(1,155,817)	(385,665)	(1,174,363)	(405,198)	102	105
8	Sales costs	(2,384,249)	(814,268)	(2,561,455)	(831,573)	107	102
9	Costs for services provided by other parties	(3,220,989)	(1,078,423)	(3,280,194)	(1,083,131)	102	100
10	Other operating expenses	(213,176)	(133,081)	(129,213)	(31,082)	61	23
11	OPERATING PROFIT	5,398,597	1,827,340	4,928,987	1,846,401	91	101

Ok

Nikolai Beckers
Chief Executive Officer

Makedonski Telekom AD - Skopje
Address: Crae Nikolov bb, 1000 Skopje R Macedonia
Contact: Phone: +389 2 3100 200; Fax: +389 2 3100 300; Contact center 171
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ID number 5168660

Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje



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

Date: 29.10.2010

Subject: Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.07.2010 until 30.09.2010

The following analysis refers to the stand-alone financial reports of Makedonski Telekom AD - Skopje.

During the third quarter of 2010, the revenues remain stable compared to the same period of the previous year. The voice revenues in the fixed segment services mark a decrease. The Internet revenues still experience a continuous growth, as a result of the continuation of the trend of increasing the number of ADSL Internet subscribers. Furthermore, Makedonski Telekom AD - Skopje generates increased revenues from the sales of the service for the provision of digital television via Internet protocol ("IPTV"). The revenues from the VPN service and the leased line service also mark an increase. The foreign sales revenues have increased due to the increased volume of incoming international traffic.

On the cost side, the position 'Services' is increased due to the increased payments to the domestic mobile and fixed line operators. The other operating costs mark a decrease compared to the same period of the previous year as a result of the reduction of the required provisions.

On 13 February 2006, Magyar Telekom Plc., the controlling owner of the Company, (via Stonebridge Communications AD - Skopje (under liquidation), majority shareholder of the Company), announced that it was investigating certain contracts entered into by another subsidiary of Magyar Telekom Plc. to determine whether the contracts were entered into in violation of Magyar Telekom Plc. policy or applicable law or regulation. Magyar Telekom's Audit Committee retained White & Case, as its independent legal counsel to conduct the internal investigation. Subsequent to this on 19 February 2007, the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Company and the Audit Committee of Magyar Telekom Plc., adopted a resolution to conduct an independent internal investigation regarding certain contracts in Macedonia.

For further information about the internal investigation, please refer to the financial statements of the Company for the year ended 31 December 2008 and 2009.

According to the information provided to the Company by Magyar Telekom Plc., on 2 December 2009, the Audit Committee of Magyar Telekom Plc., provided the Magyar Telekom's Board of Directors with a "Report of Investigation to the Audit Committee of Magyar Telekom Plc." dated 30 November 2009 (the "Final Report"). The Audit Committee of Magyar Telekom indicated that it considers that, with the delivery of the Final Report based on currently available facts, White & Case has completed its independent internal investigation.

According to the information provided to the Company by Magyar Telekom Plc., the Final Report includes the following findings and conclusions related to Magyar Telekom's Macedonian affiliates, based upon the evidence available to the Audit Committee of Magyar Telekom Plc. and its counsel:

- *As previously disclosed, there is evidence that certain former employees intentionally destroyed documents relating to activities undertaken in Macedonia by Magyar Telekom Plc. and its affiliates.*

Makedonski Telekom AD Skopje
 Once Nikolov bl., 1000 Skopje

- *Between 2000 and 2006 a small group of former senior executives at Magyar Telekom and Magyar Telekom's Macedonian affiliates, authorized the expenditure of approximately EUR 24 million through over twenty suspect consultancy, lobbying, and other contracts (including certain contracts between Magyar Telekom and its subsidiaries on one hand, and affiliates of a Cyprus-based consulting company on the other hand). The Final Report concludes that "the available evidence does not establish that the contracts under which these expenditures were made were legitimate."*
- *"The evidence shows that, contrary to their terms, a number of these contracts were undertaken to obtain specific regulatory and other benefits from the government of Macedonia. The Companies generally received the benefits sought and then made expenditures under one or more of the suspect contracts. There is evidence that the remaining contracts were also illegitimate and created a pool of funds available for purposes other than those stated on the face of the agreements." However, the Magyar Telekom Audit Committee's counsel did not have access to evidence that would allow it to identify the ultimate beneficiaries of these expenditures.*
- *In entering into these contracts and approving expenditures under them, the former senior executives knowingly caused, structured, or approved transactions that shared most or all of the following characteristics:*
 - *intentional circumvention of internal controls;*
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The external experts prepared reports (the "Reports") on their assessment and submitted the Reports to the Chairman of the Company's BoD and the Management of the Company and its subsidiary accordingly. As a result, based on the analysis of the Tax and Legal experts and information available to the Management related to the transactions subject of the Final Report, amount of MKD 248,379 thousand has been identified as potential tax impact (together with related penalty interest) arising from the transactions conducted by the Company and its subsidiary subject to the Final Report. In addition, the value of one contract MKD 105,147 thousand capitalised within treasury shares is now corrected and



Makedonski Telekom AD Skopje
Črnci Hektorovih, 1000 Skopje

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In October 2008 the Investigation Judge from the Primary Court Skopje 1 – Skopje (the criminal court), has issued an official written order to the Company to handover certain original documentation. Later in October 2008, the Company officially and personally handed over the requested documentation. Additional MOI requests in written were submitted and the Company provided the requested documentation.

We understand, based on public information available as of 10 December 2008, that the MOI Organized Crime Department submitted the files to the Basic Public Prosecution Office of Organized Crime and Corruption, with a proposal to bring criminal charges against Attila Szendrei (former CEO of Makedonski Telekom AD - Skopje), Rolf Plath (former CFO of Makedonski Telekom AD - Skopje), Mihail Kefaloyannis (former member of the Board of Directors in Stonebridge and former member of the Board of Directors in Telemakedonia) and Zoltan Kisjuhász (former CEO of Stonebridge and former non-executive member of the Board of Directors of Makedonski Telekom AD - Skopje) on the account of a reasonable doubt for committed criminal act. These individuals are proposed to be charged with having "abuse of office and authorizations" in their position in Makedonski Telekom AD - Skopje by concluding consultancy contracts for which there was no intention or need for any services in return.

The Primary Court Skopje 1 in Skopje, Investigative Department for Organized Crime delivered a summons to the Company in connection with the criminal charges against the above stated persons and asked for a statement whether the Company has suffered any damages on the basis of the said consultancy contracts.

After several postponements of the court hearing related to the investigation procedure handled in the Primary Court Skopje 1 Skopje, on the hearing held on 13 April 2009, the representatives of Makedonski Telekom AD Skopje declared the position of the Company that taking into consideration the ongoing independent internal investigation conducted by White & Case, approved by the Company's BoD, it was premature to preannounce any damage which may be caused by means of the implementation of the mentioned contracts or with reference to them. Upon completion of the independent internal investigation, the Company will inform the court on its final position in respect of the possible damage and the criminal prosecution of the accused persons. On April 9, 2010 MKT received notification from the Bureau of judicial expertise that based on the order of the Primary Court Skopje 1 Skopje the Bureau will perform expertise on case KIOK No. 66/08. The expertise was planned to be performed on April 16, 2010. Upon request from the attorney of Mr. Kefaloyannis the expertise was postponed for May 11, 2010.

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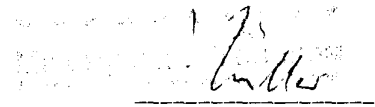
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On the meeting held on 11 May 2010 the experts from Ministry of Justice of the Republic of Macedonia – Court Expertise Office – Skopje, asked for some additional documents from MKT's side in order to prepare the Expertise. Next session will be arranged upon request by the Court Expertise Office.

MKT received a Notification from the Court Expertise Office - Skopje that the expertise continues. The meeting was scheduled to be held on October 18, at the MKT premises. The experts asked for additional information related to the Agreement concluded with OTEGlobe in 2005 and the Agreement concluded with Cosmotelco in 2006, as well as the related invoices. MKT will collect and submit the requested information/documentation.

The Chairman of the Company's BoD and the Company's Management have received an information that the contents of the Final Report has also been made available to the Macedonian Public Prosecution Office. The Company's Management cannot foresee whether the Macedonian Public Prosecution Office will initiate any legal procedure or the type and scope of legal actions on the basis of the information contained in the Final Report.

We have become aware of no information as a result of a request from any regulators or other external parties, other than as described above, from which we have concluded that the financial statements may be misstated, including from the effects of a possible illegal act.



Nikolai Beckers
Chief Executive Officer

Proofreading by Lingva Ekspert



Makedonski Telekom AD Skopje
 Ulica Nikolov bb, 1000 Skopje

NON-CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	Third quarter of 2010	ID number	5168660

(in thousands of MKD)

No,	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	OPERATING INCOME	6,647,209	2,195,340	6,461,215	2,203,307	97	100
2	Sales revenues	6,423,365	2,102,798	6,278,457	2,164,680	98	103
2a	Domestic sales revenue	5,750,677	1,851,374	5,297,162	1,761,843	92	95
2b	Foreign sales revenue	672,688	251,424	981,295	402,837	146	160
3	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
4	Other operating income	223,844	92,542	182,758	38,627	82	42
5	OPERATING EXPENSES	(4,773,702)	(1,577,799)	(4,858,790)	(1,649,659)	102	105
6	Cost value of trade goods	(303,252)	(85,976)	(277,002)	(74,289)	91	86
7	Materials, small inventory and services	(2,265,532)	(726,284)	(2,463,181)	(849,955)	109	117
7a	Raw materials and small inventory	(43,979)	(16,356)	(33,353)	(10,455)	76	64
7b	Services	(2,221,553)	(709,928)	(2,429,828)	(839,500)	109	118
8	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
9	Employee-related costs	(766,996)	(247,324)	(795,042)	(266,736)	104	108
10	Depreciation, amortization and provisions	(1,220,714)	(403,063)	(1,242,110)	(426,612)	102	106
10a	Depreciation	(1,220,697)	(403,056)	(1,241,956)	(426,600)	102	106
10b	Impairment of fixed assets	(17)	(7)	(154)	(12)	906	171
10c	Provisions for costs and risks	-	-	-	-	-	-
11	Other operating expenses	(217,208)	(115,152)	(81,455)	(32,067)	38	28
12	OPERATING PROFIT/LOSS	1,873,507	617,541	1,602,425	553,648	86	90
13	Financial income	4,358,448	5	4,021,920	0	92	0
14	Income from investments, loans, interest and FX rate movements	224,351	58,002	194,317	45,820	87	79
15	Other financing income	-	-	-	-	-	-
16	Financial expenses	-	-	-	-	-	-
17	Expenses for interest, FX rate movements and similar expenses	47,135	425	(17,102)	(4,696)	(36)	(1,105)
18	Other financing expenses	-	-	-	-	-	-
19	Profit from regular operations before tax	6,503,441	675,973	5,801,560	594,772	89	88
20	Income tax	113,671	(9,264)	(11,006)	(2,590)	(10)	28
21	Net profit after tax	6,617,112	666,709	5,790,554	592,182	88	89
22	Minority interest	-	-	-	-	-	-
23	Net profit for the fiscal year	6,617,112	666,709	5,790,554	592,182	88	89

524

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Nikolai Beckers
 Chief Executive Officer



Makedonski Telekom AD Skopje
Orca: Nikolov bb 1000 Skopje

ANALYSIS OF NON-CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	Third quarter of 2010	ID number	5168660

(in thousands of MKD)

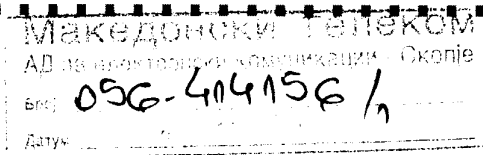
No,	Item	Previous year		Current year		Indices	
		Cumulative from the beginning of the year	Current quarter	Cumulative from the beginning of the year	Current quarter	Compared to the previous year	Compared to the previous quarter
1	Sales revenues	6,423,365	2,102,798	6,278,457	2,164,680	98	103
2	Other operating income	223,844	92,542	182,758	38,627	82	142
3	Cost value of goods and services sold	(303,252)	(85,976)	(277,002)	(74,289)	91	86
4	Changes in the stock of finished products and work in progress	-	-	-	-	-	-
5	Raw materials, materials and small inventory	(39,449)	(11,825)	(33,353)	(10,455)	85	88
6	Impairment charges	(46,512)	(1,185)	(17,609)	(17,807)	38	1,503
7	Employee-related costs	(766,996)	(247,324)	(795,042)	(266,736)	104	108
8	Sales costs	(1,349,308)	(446,251)	(1,397,105)	(474,858)	104	106
9	Costs for services provided by other parties	(2,097,473)	(671,264)	(2,274,679)	(791,242)	108	118
10	Other operating expenses	(170,712)	(113,974)	(64,000)	(14,272)	37	13
11	OPERATING PROFIT	1,873,507	617,541	1,602,425	553,648	86	90

516

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Nikolai Beckers
Chief Executive Officer

Makedonski Telekom AD Skopje
Ulice Nikolov bb 1000 Skopje



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

Date: 29.10.2010

STATEMENT

In accordance with the Law on Securities of the RoM as well as the respective by-laws, I, Nikolai Beckers, Chief Executive Officer of Makedonski Telekom AD – Skopje hereby affirm that the delivered financial reports for the third quarter of 2010, are accurate and reliable.

On 13 February 2006, Magyar Telekom Plc., the controlling owner of the Company, (via Stonebridge Communications AD - Skopje (under liquidation), majority shareholder of the Company), announced that it was investigating certain contracts entered into by another subsidiary of Magyar Telekom Plc. to determine whether the contracts were entered into in violation of Magyar Telekom Plc. policy or applicable law or regulation. Magyar Telekom's Audit Committee retained White & Case, as its independent legal counsel to conduct the internal investigation. Subsequent to this on 19 February 2007, the Board of Directors of the Company, based on the recommendation of the Audit Committee of the Company and the Audit Committee of Magyar Telekom Plc., adopted a resolution to conduct an independent internal investigation regarding certain contracts in Macedonia.

For further information about the internal investigation, please refer to the financial statements of the Company for the year ended 31 December 2008 and 2009.

According to the information provided to the Company by Magyar Telekom Plc., on 2 December 2009, the Audit Committee of Magyar Telekom Plc., provided the Magyar Telekom's Board of Directors with a "Report of Investigation to the Audit Committee of Magyar Telekom Plc." dated 30 November 2009 (the "Final Report"). The Audit Committee of Magyar Telekom indicated that it considers that, with the delivery of the Final Report based on currently available facts, White & Case has completed its independent internal investigation.

According to the information provided to the Company by Magyar Telekom Plc., the Final Report includes the following findings and conclusions related to Magyar Telekom's Macedonian affiliates, based upon the evidence available to the Audit Committee of Magyar Telekom Plc. and its counsel:

- *As previously disclosed, there is evidence that certain former employees intentionally destroyed documents relating to activities undertaken in Macedonia by Magyar Telekom Plc. and its affiliates.*
- *Between 2000 and 2006 a small group of former senior executives at Magyar Telekom and Magyar Telekom's Macedonian affiliates, authorized the expenditure of approximately EUR 24 million through over twenty suspect consultancy, lobbying, and other contracts (including certain contracts between Magyar Telekom and its subsidiaries on one hand, and affiliates of a Cyprus-based consulting company on the other hand). The Final Report concludes that "the available evidence does not establish that the contracts under which these expenditures were made were legitimate."*
- *"The evidence shows that, contrary to their terms, a number of these contracts were undertaken to obtain specific regulatory and other benefits from the government of Macedonia. The Companies generally received the benefits sought and then made expenditures under one or more of the suspect contracts. There is evidence that the remaining contracts were also illegitimate and created a pool of funds available for purposes other than those stated on the face of the agreements."*

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 Otce Nikolov bb 1000 Skopje

However, the Magyar Telekom Audit Committee's counsel did not have access to evidence that would allow it to identify the ultimate beneficiaries of these expenditures.

- *In entering into these contracts and approving expenditures under them, the former senior executives knowingly caused, structured, or approved transactions that shared most or all of the following characteristics:*
 - *intentional circumvention of internal controls;*
 - *false and misleading corporate documents and records;*
 - *lack of due diligence concerning, and failure to monitor performance of, contractors and agents in circumstances carrying a high risk of corruption; lack of evidence of performance; and*
 - *expenditures that were not for the purposes stated in the contracts under which they were made, but rather were intended to obtain benefits for the Magyar Telekom subsidiaries that could only be conferred by government action.*
- *The Final Report states that "the investigation did not uncover evidence showing receipt of payments by any Macedonian government officials or political party officials."*

As previously disclosed, Magyar Telekom has taken remedial steps to address issues previously identified by the independent investigation, including steps designed to revise and enhance the Magyar Telekom Group's internal controls as well as the establishment of the Magyar Telekom Corporate Compliance Program.

Due to these measures, no modifications to the Corporate Compliance Program were viewed as necessary in response to the Final Report. According to the information provided to the Company by Magyar Telekom, this conclusion has been discussed with the Audit Committee of Magyar Telekom, and the Audit Committee of Magyar Telekom has not made recommendations either relating to Magyar Telekom's compliance program or internal controls.

In relation to the issuance of the Final Report and the information provided to the Company by Magyar Telekom, in January 2010 the Chairman of the Company's Board of Directors requested third party legal and tax expertise for assessment of the potential accounting and tax implications arising from the transactions conducted by the Company and its subsidiary subject to the Final Report.

The external experts prepared reports (the "Reports") on their assessment and submitted the Reports to the Chairman of the Company's BoD and the Management of the Company and its subsidiary accordingly. As a result, based on the analysis of the Tax and Legal experts and information available to the Management related to the transactions subject of the Final Report, amount of MKD 248,379 thousand has been identified as potential tax impact (together with related penalty interest) arising from the transactions conducted by the Company and its subsidiary subject to the Final Report. In addition, the value of one contract MKD 105,147 thousand capitalised within treasury shares is now corrected and accounted for as though these payments had been expensed in 2006 rather than capitalized as part of treasury shares as originally reported. The other contracts that were identified by the Final Report and the reports of the tax and legal experts related to transactions undertaken by the Company and its subsidiary were expensed in the related periods (2001-2007), which require no restatements.

Currently, there is ongoing tax audit conducted by the Public revenue office for the years 2009 and 2008, upon MKT claim for profit tax refund for the year 2009. At this stage, there are no proceedings initiated neither by the tax inspectors conducting the ongoing tax audit nor by the tax authorities in regard to the above described transactions.



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Orce Nikolov bb 1000 Skopje

with Cosmotelco in 2006, as well as the related invoices. MKT will collect and submit the requested information/documentation.

The Chairman of the Company's BoD and the Company's Management have received an information that the contents of the Final Report has also been made available to the Macedonian Public Prosecution Office. The Company's Management cannot foresee whether the Macedonian Public Prosecution Office will initiate any legal procedure or the type and scope of legal actions on the basis of the information contained in the Final Report.

We have become aware of no information as a result of a request from any regulators or other external parties, other than as described above, from which we have concluded that the financial statements may be misstated, including from the effects of a possible illegal act.

Internal review in T-Mobile Macedonia

During the second quarter of 2010, the Company became aware of misstatements at its subsidiary T-Mobile Macedonia relating to the recognition of certain deferred (prepaid) revenues and initiated an internal review. The Company has informed its Audit Committee and its independent external auditor of the misstatements and that it was conducting an internal review.

Based on the final results of the internal review the Company concluded that the deferred prepaid revenues for the first and second quarters of 2010 and the years ended December 31, 2006, 2007, 2008 and 2009 were misstated, as also announced on the webpage of Magyar Telekom Plc, the majority shareholder of the Company through Stonebridge Communications AD - Skopje (under liquidation). Final results of the internal review do not indicate that any amounts in periods before 2006 were misstated.

As previously announced, the Company extended its internal review to other accounts in relation to T-Mobile Macedonia. The Company has conducted this review and has not identified any material misstatements which would affect the interim and year end financial statements of the Company for the current or prior periods.

The Company has adjusted the remaining balance sheet misstatement in the second quarter of 2010 and the Company is further assessing the effects of these misstatements in terms of affecting the Company's previous and current financial statements. In addition, the Company has initiated remedial actions to mitigate the risk of similar misstatement in the future, including actions related to personnel and steps to further improve the control environment.

Nikolai Beckers
Chief Executive Officer

Proofreading by Lingva Ekspert