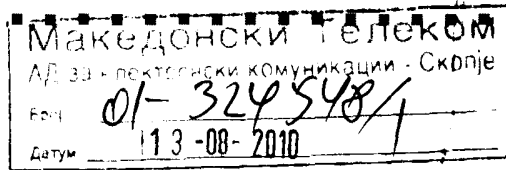


Makedonski Telekom AD - Skopje
Orce Nikolov bb, 1000 Skopje



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To: Securities and Exchange Commission of the RoM
Date: 13th of August 2010
Subject: Semi-annual report for the period 01.01.2010 – 30.06.2010

1. General data

Name	Makedonski Telekom, Joint Stock Company for electronic communications - Skopje
Address of the registered office	Orce Nikolov bb, 1000, Skopje, Republic of Macedonia
Telephone and fax	Tel: +389 2 3100 200 / Fax: +389 2 3100 300
E-mail	kontakt@telekom.mk
Web-site	www.telekom.mk

2. Legal status

Registry number	5168660
Activity code	61.10
Activity description	Wire line telecommunications
Decision number from the Central Registry	08-03/3843/1 dated 11.05.2006
Date of establishment	- Basic Court Skopje 29.01.2001 – the state owned AD Makedonski Telekomunikacii – Skopje was transformed into a joint stock company for telecommunications Makedonski Telekomunikacii - Skopje - On 11.05.2006, the Company was registered in the Central Register of the RoM in accordance with the legal regulations.
Status changes	- 29.01.2001 (Privatization and change of the company's status from a state owned joint stock company for telecommunications Makedonski Telekomunikacii – Skopje into a Joint Stock Company for telecommunications Makedonski Telekomunikacii - Skopje), - 05.03.1998 (transformation of the public enterprise for telecommunications Makedonski Telekomunikacii C.O. - Skopje into a state owned joint stock company for telecommunications Makedonski Telekomunikacii - Skopje), - 12.08.1997 (Establishment – organization of a public enterprise for telecommunications Makedonski Telekomunikacii C.O. - Skopje).
Number of subsidiaries, branch offices	- T-Mobile Macedonia as a separate legal entity 100% owned by Makedonski Telekom (MKT), - 44 subsidiaries/ MKT Points of Sale which do not have the status of separate legal entities. They have been registered as subsidiaries in accordance with the Law on Trade Companies pursuant to which every facility performing an MKT activity at a location other than the registered office of the MKT headquarters is registered as a subsidiary.
Number of employees at the end of the period (30.06.2010)	1,283
Management system	One tier
Name and last name of the procurist (proxy)	Nikolai Beckers

Makedonski Telekom AD – Skopje
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ID number 5168660



Makedonski Telekom AD - Skopje
Orce Nikolov bb, 1000 Skopje

3. Data on the capital and changes of the capital

Total value of the share capital in MKD	9,583,887,733.00
Number of issued shares	
- Ordinary shares	95,838,780
- Preference shares (Golden share)	1
Nominal value of ordinary share	100.00 MKD
Nominal value of preference share	9,733.00 MKD
Shares issue	There has been no issue of Makedonski Telekom's AD - Skopje shares in the reporting period.
Number and percentage of treasury shares in the share capital at the last day of the period (percentage rounded up to two decimals)	9,583,878 treasury shares (10.00% of the total number of issued ordinary shares of Makedonski Telekom AD - Skopje).
Data on purchase of treasury shares	
- date and manner of purchase	At the Government auction / regular trading held from 5 th till 9 th of June 2006, the Company purchased 10.00% of the Government shareholding in Makedonski Telekom AD - Skopje.
- legal basis for purchase	The treasury shares were purchased in accordance with the Resolution No. 021-98576/1 of the Company's Shareholders' Assembly.
- quantity	9,583,878
- price per share	Out of 9,583,878 purchased treasury shares, 9,488,040 shares were purchased for price of MKD 389 and 95,838 shares were purchased for price of MKD 390.
Shares split	There has been no split of Makedonski Telekom's AD - Skopje shares in the reporting period.
Number of shareholders at the end of the period (30.06.2010)	4,165
International identification number of the ordinary shares issued by the Company - ISIN number	MKMTSK101019
International identification number of the preference shares issued by the Company - ISIN number	MKMTSK121017
Account (s) / transaction account (s) of the Company and the title of the institution keeping it.	200000090141316, Stopanska banka AD - Skopje

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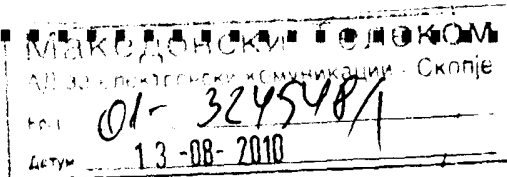


Makedonski Telekom AD - Skopje
Orce Nikolov bb, 1000 Skopje

4. Financial data and the financial condition of the Company

Price of the ordinary shares	
- maximum	MKD 530.00
- minimum	MKD 416.00
- closing	MKD 510.00
Price of the preference shares	/
Market capitalization (the value is calculated by multiplying the total number of issued ordinary shares and closing price per share of the ordinary shares on the stock exchange at the last day of the reporting period).	MKD 48,878 million
More detail explanation of the operation of the Company with which the data published in the previous annual report are updated.	The explanation of the operation is given in attach.

Makedonski Telekom AD Skopje
Orca Nikolov bb, 1000 Skopje



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

Date: 13.08.2010

Subject: Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.01.2010 to 30.06.2010

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

During the first half of 2010, revenues on group level decreased by 4% compared to the same period in 2009. Revenues from the fixed telecommunication services have decreased compared to the same period of the previous year. Internet revenues still experience a continuous growth, as a result of the continuation of the trend for increasing the number of ADSL Internet subscribers. In addition, Makedonski Telekom AD - Skopje generates revenues from the sales of the service for provision of digital television via Internet protocol ("IPTV"). Revenues from VPN in the fixed telecommunication services have also increased which result in decrease of traditional leased line revenues. Foreign sales revenues have increased due to the increased volume of incoming international traffic.

On the cost side, depreciation is increased compared to the same period of the previous year. Position Services is increased due to payment to the domestic mobile and fix line operators partly compensated by the decrease of payment to international operators. Other operating costs are decreased compared to the same period of the previous year as a result of the decrease of the FX losses and valuation allowance of receivables and inventories.

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

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ID number 5168660



Makedonski Telekom AD Skopje
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- 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 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.



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

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 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.

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.

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.

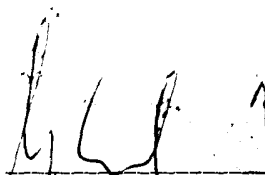


Makedonski Telekom AD Skopje
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Internal review in T-Mobile Macedonia

The Company recently became aware of misstatements at its subsidiary T-Mobile Macedonia relating to the recognition of certain deferred (prepaid) revenues for the first and second quarters of 2010, the years ended December 31, 2007, 2008 and 2009, and periods prior to 2007, as also announced on August 5, 2010 on the webpage of Magyar Telekom Plc, the majority shareholder of the Company through Stonebridge Communications AD - Skopje (under liquidation). Based on the results of the internal review to date the Company has adjusted the remaining balance sheet misstatement in the current period. In addition, the Company is further assessing the effects of these misstatements in terms of affecting the Company's previous and current financial statements.

The Company has extended its internal review to other accounts in relation to T-Mobile Macedonia. The Company has informed its Audit Committee, its independent external auditor, of the commencement of the internal review relating to T-Mobile Macedonia. At present, we cannot predict when the internal review will be concluded, what the final outcome of the review will be, or the further impact, if any, the review may have on our previously issued or future financial statements or results of operations.

 13/08/10

Nikolai Beckers
Chief Executive Officer



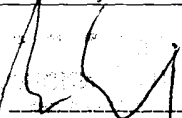
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CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	01.01.2010 - 30.06.2010	ID number	5168660

(in MKD thousands)

No.	Item	Previous year		Current year		Indices	
		01.01.2009 - 30.06.2009	01.04.2009 - 30.06.2009	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010	Compared to previous year	Compared to previous quarter
1	OPERATING INCOME	9,053,722	4,611,873	8,690,666	4,432,825	96	96
2	Sales revenues	8,825,889	4,531,348	8,480,295	4,374,348	96	97
2a	Domestic Sales Revenue	8,217,611	4,204,530	7,712,352	3,915,365	94	93
2b	Foreign Sales Revenue	608,278	326,818	767,943	458,983	126	140
3	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
4	Other operating income	227,833	80,525	210,371	58,477	92	73
5	OPERATING EXPENSES	-5,482,465	-2,747,651	-5,608,080	-2,715,644	102	99
6	Purchase value of trade goods	-743,780	-340,596	-736,917	-338,585	99	99
7	Spent materials, small inventory and services	-2,314,444	-1,168,490	-2,389,425	-1,238,599	103	106
7a	Spent raw materials and small inventory	-44,461	-18,311	-37,612	-17,377	85	95
7b	Services	-2,269,983	-1,150,179	-2,351,813	-1,221,222	104	106
8	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
9	Employee-related costs	-770,152	-391,833	-769,165	-380,279	100	97
10	Depreciation, amortization and provisions	-1,442,998	-708,787	-1,579,754	-695,500	109	98
10a	Depreciation	-1,442,159	-708,471	-1,486,195	-743,905	103	105
10b	Net losses due to amortization	-433	-202	-4,622	-984	1,067	487
10c	Provisions for costs and risks	-406	-114	-88,937	49,389	21,906	-43,324
11	Other operating expenses	-211,091	-137,945	-132,819	-62,681	63	45
12	OPERATING PROFIT/LOSS	3,571,257	1,864,222	3,082,586	1,717,181	86	92
13	Financial income	3,129	3,121	2,790	2,790	89	89
14	Income from investments, loans, interest and FX rate movements	238,686	101,244	224,131	118,768	94	117
15	Other financing income	-	-	-	-	-	-
16	Financial expenses	-56	-36	-50	-3	89	8
17	Expenses for interest, FX rate movements and similar expenses	46,678	51,594	-66,985	-61,632	-144	-119
18	Other financing expenses	-	-	-	-	-	-
19	Profit from regular operations before tax	3,859,694	2,020,145	3,242,472	1,777,104	84	88
20	Income tax	23,730	32,192	-27,965	-9,159	-118	-28
21	Net profit after tax	3,883,424	2,052,337	3,214,507	1,767,945	83	86
22	Minority interest	-	-	-	-	-	-
23	Net profit for the fiscal year	3,883,424	2,052,337	3,214,507	1,767,945	83	86


Nikolai Beckers
Chief Executive Officer

Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

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

Company	Makedonski Telekom AD - Skopje		
Reporting period	01.01.2010 – 30.06.2010	ID number	5168660

(in MKD thousands)

No.	Item	Previous year		Current year		Indices	
		01.01.2009 – 30.06.2009	01.04.2009 – 30.06.2009	01.01.2010 – 30.06.2010	01.04.2010 – 30.06.2010	Compared to previous year	Compared to previous quarter
1	Sales revenues	8,825,889	4,531,348	8,480,295	4,374,348	96	97
2	Other operating income	227,833	80,525	210,371	58,478	92	73
3	Purchase value of goods and services sold	-743,780	-340,596	-736,917	-338,586	99	99
4	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
5	Raw materials, materials and small inventory spent	-44,461	-18,311	-37,612	-17,378	85	95
6	Impairment charges	-131,429	-80,177	-39,310	-7,236	30	9
7	Employee-related costs	-770,152	-391,833	-769,165	-380,279	100	97
8	Sales costs	-1,569,982	-763,898	-1,729,882	-765,017	110	100
9	Costs for services provided by other parties	-2,142,566	-1,094,866	-2,197,063	-1,150,721	103	105
10	Other operating expenses	-80,095	-57,970	-98,131	-56,428	123	97
11	OPERATING PROFIT	3,571,257	1,864,222	3,082,586	1,717,181	86	92

27.08.2010

 Nikolai Beckers
 Chief Executive Officer

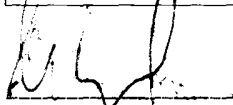
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CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Item	31.12.2009	30.06.2010	Indices
ASSETS			
NON-CURRENT ASSETS	17,591,572	17,231,333	98
Intangible assets	2,888,065	2,748,008	95
Property, plant and equipment	14,472,543	14,233,101	98
Investments in subsidiaries	-	-	-
Investments in associate companies	-	-	-
Investments in securities	61,967	64,276	104
Other tangible assets	-	-	-
Other long-term receivables	108,222	119,474	110
Deferred tax assets	60,775	66,474	109
CURRENT ASSETS	14,256,906	17,557,042	123
Inventories	529,339	657,359	124
Trade receivables	2,663,634	2,986,207	112
Other receivables	458,293	329,299	72
Short-term investments	10,444,332	13,294,766	127
Cash and cash equivalents	161,308	289,411	179
TOTAL ASSETS	31,848,478	34,788,375	109
OFF-BALANCE SHEET RECORDS - ASSETS			
EQUITY AND LIABILITIES			
EQUITY	26,947,966	30,162,473	112
Shareholders' equity	6,386,189	6,386,189	100
Reserves	2,475,068	2,475,068	100
Accumulated profit (loss)	18,086,709	21,301,216	118
Minority interest	-	-	-
LIABILITIES	4,900,512	4,625,902	94
CURRENT LIABILITIES	4,486,801	4,207,139	94
Trade payables and other liabilities	3,484,813	3,129,898	90
Short-term borrowings	-	-	-
Short-term provision	927,001	1,050,062	113
Payables to the state	74,987	27,179	36
LONG-TERM LIABILITIES	413,711	418,763	101
Long-term borrowings	-	-	-
Trade payables and other long-term liabilities	-	-	-
Other long-term provision	413,711	418,763	101
TOTAL EQUITY AND LIABILITY	31,848,478	34,788,375	109
OFF-BALANCE SHEET RECORDS - LIABILITIES			


Nikolai Beckers
Chief Executive Officer

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ID number 5168660



Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Item	31.12.2009	30.06.2010	Indices
A) Cash flows from operating activities	8,268,219	4,014,082	49
Net profit / loss after tax	6,909,183	3,214,506	47
Adjustment for			
Depreciation	2,783,885	1,486,195	53
Amortization and impairment charges	63,823	32,669	51
Increase / decrease of inventories	-249,179	-128,020	51
Increase / decrease of customers	41,964	-322,573	-769
Increase / decrease of advance payments receivables	-34,749	-829	2
Increase / decrease of other short-term receivables	-153,816	196,206	-128
Increase / decrease of prepaid expenses	22,672	-66,384	-293
Increase / decrease of trade payables	-826,675	-142,067	17
Increase / decrease of payables for received advances	11,820	6,953	59
Increase / decrease of other short-term liabilities	26,110	126,432	484
Increase / decrease of deferred income	188,927	8,004	4
Interest income / expense	-428,956	-224,081	52
Dividend paid / charged	-3,118	-2,789	89
Tax paid	-253,339	-81,471	32
Capital profit / loss from sale of fixed assets	-18,402	-3,924	21
Capital profit / loss from sale of investments	-3,032	0	0
Other cash flows from operating activities	191,101	-84,745	-44
B) Cash flows from investing activities	-2,075,562	-3,885,980	187
Acquisition of property, plant and equipment, intangible assets, etc.	-3,030,411	-1,266,842	42
Disposal of property, plant and equipment, intangible assets, etc.	47,772	15,677	33
Cash flows from disposal of bearer or debt securities to other legal persons and participation in joint ventures	-	-	-
Cash payments for acquisition of bearer or debt securities to other legal persons and participation in joint ventures	-	-	-
Cash advances and loans provided to other parties (excluding financial institutions)	-7,816	-8,958	115
Cash flows from collection of advances and loans provided to other parties (excluding financial institutions)	-	-	-
Cash flows from interests	428,956	224,081	52
Cash flows from dividends	3,118	2,789	89
Other cash flows from investing activities	482,819	-2,852,727	-591

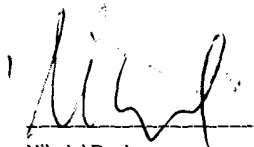
Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje



CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS (CONTINUED)

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660
(in MKD thousands)			
Item	31.12.2009	30.06.2010	Indices
C) Cash flows from financing activities	-6,160,720	0	0
Cash flows from increase of equity through issuing stock or other bearer securities	-	-	-
Cash payments for repayments of loans	-	-	-
Cash flows from issued debt securities and other short-term and long-term loans and borrowings	-	-	-
Acquisition of minority interests	-	-	-
Dividend paid	-6,160,720	0	0
Treasury shares purchased/ sold	-	-	-
Cash payments for reduction of financial leasing payables	-	-	-
Increase / decrease of cash and cash equivalents	31,937	128,102	401
Cash and cash equivalents at the beginning of the year	129,371	161,309	125
D) Cash and cash equivalents at the end of the year	161,308	289,411	179

BKK

 13/08/10
 Nikolai Beckers
 Chief Executive Officer



Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje					
Reporting period	30.06.2010		ID number	5168660		
(in MKD thousands)						
Changes	Shareholders' equity				Minority interest	Total equity
	Shareholders' equity	Share premium	Reserves	Accumulated profit (loss)		
Balances at 1 January of the previous year	5,845,530	540,659	2,475,068	17,338,246	-	26,199,503
Payment of shares	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-
Treasury shares sold	-	-	-	-	-	-
Conversion of securities	-	-	-	-	-	-
Profit (loss) for the fiscal year	-	-	-	6,909,183	-	6,909,183
Distribution of the profits as transfer to the reserves	-	-	-	-	-	-
Distribution of the profits for dividends and other payouts to the shareholders	-	-	-	6,160,720	-	-6,160,720
Distribution of the profits for rewards and benefits for the employees	-	-	-	-	-	-
Other bank reserves	-	-	-	-	-	-
Evaluation of tangible assets	-	-	-	-	-	-
Adjustments of investments available-for-sale at fair value	-	-	-	-	-	-
Realized capital gain from the sale of securities	-	-	-	-	-	-
Recording losses of subsidiaries using the equity method	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Deferred taxes	-	-	-	-	-	-
Recognized income and expenses, net	-	-	-	-	-	-
Foreign exchange rate movements	-	-	-	-	-	-
Other increase / decrease of assets, net	-	-	-	-	-	-
Balances at 31 December of the previous year	5,845,530	540,659	2,475,068	18,086,709	0	26,947,966
Payment of shares	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-
Treasury shares sold	-	-	-	-	-	-
Conversion of securities	-	-	-	-	-	-
Profit (loss) for the fiscal year	-	-	-	3,214,507	-	3,214,507
Distribution of the profits as transfer to the reserves	-	-	-	-	-	-
Distribution of the profits for dividends and other payouts to the shareholders	-	-	-	-	-	-
Distribution of the profits for rewards and benefits for the employees	-	-	-	-	-	-
Other bank reserves	-	-	-	-	-	-
Evaluation of tangible assets	-	-	-	-	-	-
Adjustments of investments available-for-sale at fair value	-	-	-	-	-	-
Realized capital gain from the sale of securities	-	-	-	-	-	-

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Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

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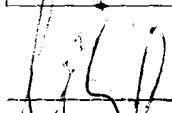
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS (CONTINUED)

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

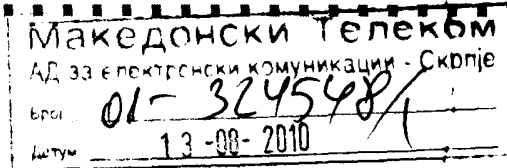
Changes	Shareholders' equity				Minority interest	Total equity
	Shareholders' equity	Share premium	Reserves	Accumulated profit (loss)		
Recording losses of subsidiaries using the equity method	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Deferred taxes	-	-	-	-	-	-
Recognized income and expenses, net	-	-	-	-	-	-
Foreign exchange rate movements	-	-	-	-	-	-
Other increase / decrease of assets, net	-	-	-	-	-	-
Balances at 30 June of the current year	5,845,530	540,659	2,475,068	21,301,216	0	30,162,473

5168660


 Nikola Beckers
 Chief Executive Officer

13/08/10

Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje



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

Date: 13.08.2010

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 Semi-annual report for 2010, is 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." 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.*



Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje

- *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.

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.



Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje

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 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.

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.

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.

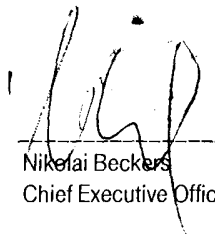
Internal review in T-Mobile Macedonia

The Company recently became aware of misstatements at its subsidiary T-Mobile Macedonia relating to the recognition of certain deferred (prepaid) revenues for the first and second quarters of 2010, the years ended December 31, 2007, 2008 and 2009, and periods prior to 2007, as also announced on August 5, 2010 on the webpage of Magyar Telekom Plc, the majority shareholder of the Company through Stonebridge Communications AD - Skopje (under liquidation). Based on the results of the internal review to date the Company has adjusted the remaining balance sheet misstatement in the current period. In addition, the Company is further assessing the effects of these misstatements in terms of affecting the Company's previous and current financial statements.

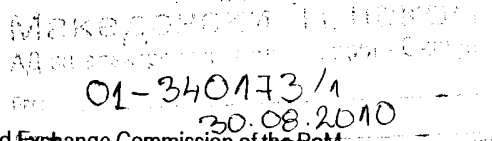


Makedonski Telekom AD Skopje
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The Company has extended its internal review to other accounts in relation to T-Mobile Macedonia. The Company has informed its Audit Committee, its independent external auditor of the commencement of the internal review relating to T-Mobile Macedonia. At present, we cannot predict when the internal review will be concluded, what the final outcome of the review will be, or the further impact, if any, the review may have on our previously issued or future financial statements or results of operations.

 13/08/10
Nikerai Beckers
Chief Executive Officer

Makedonski Telekom AD Skopje
Ulice Nikolov bb, 1000 Skopje



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

Date: 26.08.2010

Subject: Explanation on the operation of Makedonski Telekom AD - Skopje for the period from 01.01.2010 until 30.06.2010

The following analysis refers to the stand alone Financial Reports of Makedonski Telekom AD – Skopje.

During the first half of 2010, the revenues from fixed telecommunication services mark a decrease compared to the same period last year. Internet revenues still mark 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 revenues from the sales of the service for provision of digital television via Internet protocol ("IPTV"). The revenues from the VPN service in the fixed telephony mark an increase, and there is a decrease in the traditional leased line revenues in the fixed telephony. Foreign sales revenues have increased as a result of the increased volume of incoming international traffic.

On the cost side, the increase in the Services item refers to the increased payments to domestic mobile and fixed line operators that is partly compensated by the decrease of the payments to the international operators. The other operating costs mark a decrease compared to the same period last year as a result of the decrease of the FX losses and valuation allowance for receivables.

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."*

Makedonski Telekom AD – Skopje
Address: Ulice Nikolov bb 1000 Skopje R.Macedonia
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e-mail: kontakt@telekom.mk; www.telekom.mk
ID number 5168660



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

- *"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 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



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

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 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 KLOK 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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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.



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

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.

27.08.2010

Nikolai Beckers
Chief Executive Officer



Makedonski Telekom AD Skopje
 Ulice Nikolov bb, 1000 Skopje

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

Company	Makedonski Telekom AD - Skopje		
Reporting period	01.01.2010 - 30.06.2010	ID number	5168660

(in MKD thousands)

No.	Item	Previous year		Current year		Indices	
		01.01.2009 - 30.06.2009	01.04.2009 - 30.06.2009	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010	Compared to previous year	Compared to previous quarter
1	OPERATING INCOME	4,451,869	2,185,008	4,257,908	2,167,579	96	99
2	Sales revenues	4,320,567	2,127,169	4,113,777	2,136,957	95	100
2a	Domestic Sales Revenue	3,899,303	1,903,552	3,535,319	1,780,840	91	94
2b	Foreign Sales Revenue	421,264	223,617	578,458	356,117	137	159
3	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
4	Other operating income	131,302	57,839	144,131	30,622	110	53
5	OPERATING EXPENSES	-3,195,900	-1,584,231	-3,209,131	-1,646,917	100	104
6	Purchase value of trade goods	-217,277	-103,302	-202,713	-100,140	93	97
7	Spent materials, small inventory and services	-1,539,246	-760,834	-1,613,226	-851,812	105	112
7a	Spent raw materials and small inventory	-27,623	-11,676	-22,898	-10,678	83	91
7b	Services	-1,511,623	-749,158	-1,590,328	-841,134	105	112
8	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
9	Employee-related costs	-519,671	-264,636	-528,306	-267,212	102	101
10	Depreciation, amortization and provisions	-817,651	-404,094	-815,498	-414,316	100	103
10a	Depreciation	-817,641	-404,087	-815,356	-414,314	100	103
10b	Net losses due to amortization	-10	-7	-142	-2	1,420	29
10c	Provisions for costs and risks	-	-	-	-	-	-
11	Other operating expenses	-102,055	-51,365	-49,388	-13,437	48	26
12	OPERATING PROFIT/LOSS	1,255,969	600,777	1,048,777	520,662	84	87
13	Financial income	4,358,427	3,113	4,021,920	4,021,920	92	129,198
14	Income from investments, loans, interest and FX rate movements	166,349	73,741	148,497	73,323	89	99
15	Other financing income	-	-	-	-	-	-
16	Financial expenses	-	-	-	-	-	-
17	Expenses for interest, FX rate movements and similar expenses	46,710	51,626	-12,406	-7,053	-27	-14
18	Other financing expenses	-	-	-	-	-	-
19	Profit from regular operations before tax	5,827,455	729,257	5,206,788	4,608,852	89	632
20	Income tax	122,935	130,602	-8,416	-3,665	-7	-3
21	Net profit after tax	5,950,390	859,859	5,198,372	4,605,187	87	536
22	Minority interest	-	-	-	-	-	-
23	Net profit for the fiscal year	5,950,390	859,859	5,198,372	4,605,187	87	536

27.08 2010
 Nikolai Beckers
 Chief Executive Officer

Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

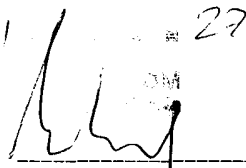
ANALYSIS OF NON-CONSOLIDATED OPERATING PROFIT ACCORDING TO IFRS (BY COST NATURE)

Company	Makedonski Telekom AD - Skopje		
Reporting period	01.01.2010 - 30.06.2010	ID number	5168660

(in MKD thousands)

No.	Item	Previous year		Current year		Indices	
		01.01.2009 - 30.06.2009	01.04.2009 - 30.06.2009	01.01.2010 - 30.06.2010	01.04.2010 - 30.06.2010	Compared to previous year	Compared to previous quarter
1	Sales revenues	4,320,567	2,127,169	4,113,777	2,136,957	95	100
2	Other operating income	131,302	57,839	144,131	30,622	110	53
3	Purchase value of goods and services sold	-217,277	-103,302	-202,713	-100,140	93	97
4	Changes in the stock of finished products and on-going production	-	-	-	-	-	-
5	Raw materials, materials and small inventory spent	-27,623	-11,676	-22,898	-10,678	83	91
6	Impairment charges	-45,327	-14,564	198	13,959	0	-96
7	Employee-related costs	-519,671	-264,636	-528,306	-267,212	102	101
8	Sales costs	-903,057	-440,432	-922,248	-461,125	102	105
9	Costs for services provided by other parties	-1,426,207	-712,813	-1,483,436	-794,323	104	111
10	Other operating expenses	-56,738	-36,808	-49,728	-27,398	88	74
11	OPERATING PROFIT	1,255,969	600,777	1,048,777	520,662	84	87

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 Nikolai Beckers
 Chief Executive Officer



Makedonski Telekom AD Skopje
 Oŕce Nikolov bb, 1000 Skopje

NON-CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Item	31.12.2009	30.06.2010	Indices
ASSETS			
NON-CURRENT ASSETS	15,042,114	15,034,908	100
Intangible assets	624,521	628,490	101
Property, plant and equipment	11,419,889	11,398,667	100
Investments in subsidiaries	-	-	-
Investments in associate companies	2,792,171	2,792,171	100
Investments in securities	61,966	64,275	104
Other tangible assets	-	-	-
Other long-term receivables	107,915	119,169	110
Deferred tax assets	35,652	32,136	90
CURRENT ASSETS	9,798,272	14,913,679	152
Inventories	134,915	315,855	234
Trade receivables	1,510,429	1,633,019	108
Other receivables	300,507	135,227	45
Short-term investments	7,754,509	12,632,839	163
Cash and cash equivalents	97,912	196,739	201
TOTAL ASSETS	24,840,386	29,948,587	121
OFF-BALANCE SHEET RECORDS - ASSETS			
EQUITY AND LIABILITIES			
EQUITY	21,977,063	27,175,435	124
Shareholders' equity	6,386,190	6,386,190	100
Reserves	1,916,777	1,916,777	100
Accumulated profit (loss)	13,674,096	18,872,468	138
Minority interest	-	-	-
LIABILITIES	2,863,323	2,773,152	97
CURRENT LIABILITIES	2,551,556	2,459,504	96
Trade payables and other liabilities	1,983,993	1,933,656	97
Short-term borrowings	-	-	-
Short-term provision	545,792	525,848	96
Payables to the state	21,771	0	0
LONG-TERM LIABILITIES	311,767	313,648	101
Long-term borrowings	-	-	-
Trade payables and other long-term liabilities	-	-	-
Other long-term provision	311,767	313,648	101
TOTAL EQUITY AND LIABILITY	24,840,386	29,948,587	121
OFF-BALANCE SHEET RECORDS - LIABILITIES			

Nikolai Beckers
 Chief Executive Officer

27.08.2010



Makedonski Telekom AD Skopje
 Ulica Nikolov bb, 1000 Skopje

NON-CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Item	31.12.2009	30.06.2010	Indices
A) Cash flows from operating activities	3,555,945	1,646,938	46
Net profit / loss after tax	7,071,842	5,198,372	74
Adjustment for			
Depreciation	1,519,412	815,356	54
Amortization and impairment charges	39,515	17,870	45
Increase / decrease of inventories	-81,150	-180,940	223
Increase / decrease of customers	117,176	-122,590	-105
Increase / decrease of advance payments receivables	-908	-5,283	582
Increase / decrease of other short-term receivables	-159,796	164,028	-103
Increase / decrease of prepaid expenses	-10,368	6,534	-63
Increase / decrease of trade payables	-375,829	-1,208	0
Increase / decrease of payables for received advances	548	1,724	315
Increase / decrease of other short-term liabilities	14,984	101,585	678
Increase / decrease of differed income	257,954	-130,834	-51
Interest income / expense	-301,939	-148,926	49
Dividend paid / charged	-4,358,432	-4,021,920	92
Tax paid	-120,350	-26,670	22
Capital profit / loss from sale of fixed assets	-7,355	-8,397	114
Capital profit / loss from sale of investments	-3,032	0	0
Other cash flows from operating activities	-46,327	-11,763	25
B) Cash flows from investing activities	2,610,485	-1,548,111	-59
Acquisition of property, plant and equipment, intangible assets, etc.	-1,604,068	-841,999	52
Disposal of property, plant and equipment, intangible assets, etc.	31,690	12,625	40
Cash flows from disposal of bearer or debt securities to other legal persons and participation in joint ventures	-	-	-
Cash payments for acquisition of bearer or debt securities to other legal persons and participation in joint ventures	-	-	-
Cash advances and loans provided to other parties (excluding financial institutions)	-7,816	-8,958	115
Cash flows from collection of advances and loans provided to other parties (excluding financial institutions)	-	-	-
Cash flows from interests	301,939	148,925	49
Cash flows from dividends	4,358,432	4,021,920	92
Other cash flows from investing activities	-469,692	-4,880,624	1,039



Makedonski Telekom AD Skopje
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NON-CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO IFRS (CONTINUED)

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Item	31.12.2009	30.06.2010	Indices
C) Cash flows from financing activities	-6,160,720	0	0
Cash flows from increase of equity through issuing stock or other bearer securities	-	-	-
Cash payments for repayments of loans	-	-	-
Cash flows from issued debt securities and other short-term and long-term loans and borrowings	-	-	-
Acquisition of minority interests	-	-	-
Dividend paid	-6,160,720	0	0
Treasury shares purchased/ sold	-	-	-
Cash payments for reduction of financial leasing payables	-	-	-
Increase / decrease of cash and cash equivalents	5,710	98,827	1,731
Cash and cash equivalents at the beginning of the year	92,202	97,912	106
D) Cash and cash equivalents at the end of the year	97,912	196,739	201

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Nikolai Beckers
27.08.2010

Nikolai Beckers
 Chief Executive Officer



Makedonski Telekom AD Skopje
 Orce Nikolov bb, 1000 Skopje

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

Changes	Shareholders' equity				Minority interest	Total equity
	Shareholders' equity	Share premium	Reserves	Accumulated profit (loss)		
Balances at 1 January of the previous year	5,845,530	540,659	1,916,777	12,762,975		21,065,941
Payment of shares	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-
Treasury shares sold	-	-	-	-	-	-
Conversion of securities	-	-	-	-	-	-
Profit (loss) for the fiscal year	-	-	-	7,071,842	-	7,071,842
Distribution of the profits as transfer to the reserves	-	-	-	-	-	-
Distribution of the profits for dividends and other payouts to the shareholders	-	-	-	-6,160,720	-	-6,160,720
Distribution of the profits for rewards and benefits for the employees	-	-	-	-	-	-
Other bank reserves	-	-	-	-	-	-
Evaluation of tangible assets	-	-	-	-	-	-
Adjustments of investments available for sale at fair value	-	-	-	-	-	-
Realized capital gain from the sale of securities	-	-	-	-	-	-
Recording losses of subsidiaries using the equity method	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Deferred taxes	-	-	-	-	-	-
Recognized income and expenses, net	-	-	-	-	-	-
Foreign exchange rate movements	-	-	-	-	-	-
Other increase / decrease of assets, net	-	-	-	-	-	-
Balances at 31 December of the previous year	5,845,530	540,659	1,916,777	13,674,097	-	21,977,063
Payment of shares	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-
Treasury shares sold	-	-	-	-	-	-
Conversion of securities	-	-	-	-	-	-
Profit (loss) for the fiscal year	-	-	-	5,198,372	-	5,198,372
Distribution of the profits as transfer to the reserves	-	-	-	-	-	-
Distribution of the profits for dividends and other payouts to the shareholders	-	-	-	-	-	-
Distribution of the profits for rewards and benefits for the employees	-	-	-	-	-	-
Other bank reserves	-	-	-	-	-	-
Evaluation of tangible assets	-	-	-	-	-	-
Adjustments of investments available for sale at fair value	-	-	-	-	-	-
Realized capital gain from the sale of securities	-	-	-	-	-	-



Makedonski Telekom AD Skopje
 Ulica Nikolov bb, 1000 Skopje

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ACCORDING TO IFRS (CONTINUED)

Company	Makedonski Telekom AD - Skopje		
Reporting period	30.06.2010	ID number	5168660

(in MKD thousands)

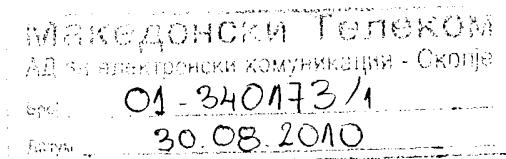
Changes	Shareholders' equity				Minority interest	Total equity
	Shareholders' equity	Share premium	Reserves	Accumulated profit (loss)		
Recording losses of subsidiaries using the equity method	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Deferred taxes	-	-	-	-	-	-
Recognized income and expenses, net	-	-	-	-	-	-
Foreign exchange rate movements	-	-	-	-	-	-
Other increase / decrease of assets, net	-	-	-	-	-	-
Balances at 30 June of the current year	5,845,530	540,659	1,916,777	18,872,469	-	27,175,435

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27 08 2010

Nikolai Beckers
 Chief Executive Officer

Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje



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

Date: 26.08.2010

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 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." 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.*

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ID number: 5163660



Makedonski Telekom AD Skopje
Orce Nikolov bb 1000 Skopje

- *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.

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.



Makedonski Telekom AD Skopje
Orce Nikolov bb, 1000 Skopje

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.

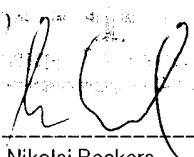
The Primary Court Skopje 1 in Skopje, Investigative Department for Organized Crime delivered a summon to the Company in connection with the criminal charges against the above stated persons and asked for a statement whether the Company has suffered any damages on the basis of the said consultancy contracts.

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 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.

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.

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.


27.08 2010

Nikolai Beckers
Chief Executive Officer