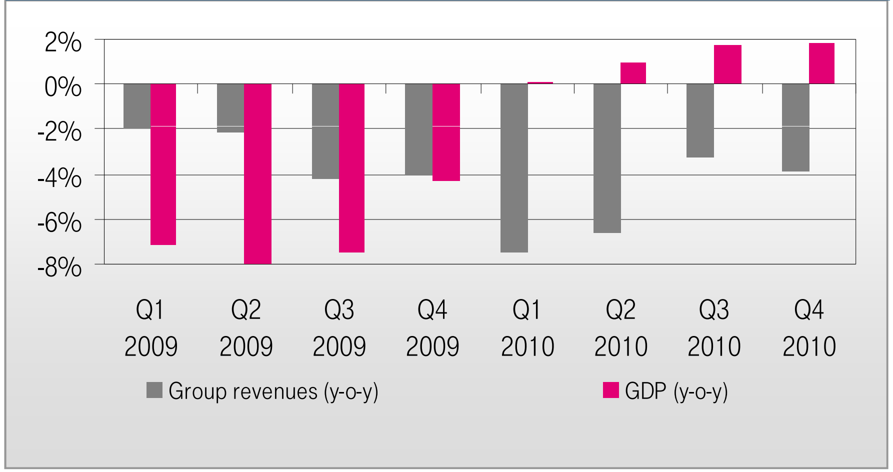
Presentation
Magyar Telekom Fourth Quarter 2010 results

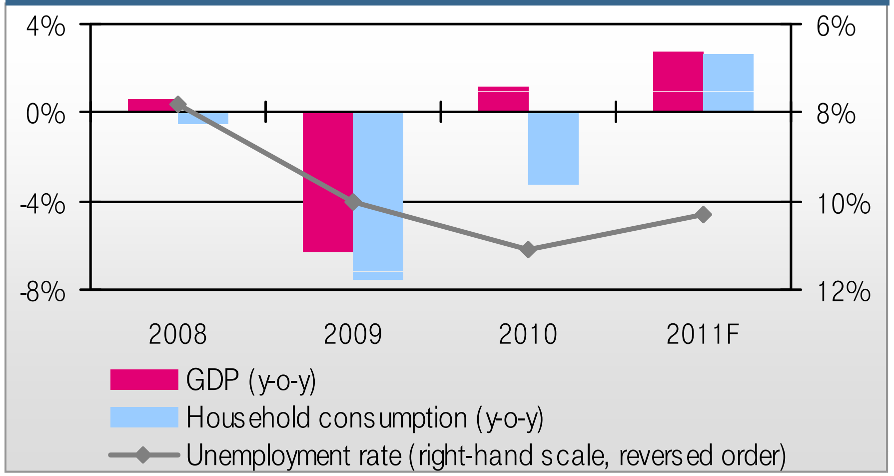
Public targets achieved, some signs of recovery

Some improvement in the economic environment

Group revenues and Hungarian GDP



Hungarian macroeconomic indicators



Source: Reuters Survey, Feb-2011, European Commission May-2010 forecasts

Economic indicators influence telecommunication spending in different ways

- although GDP has started to grow in 2010, household consumption is still under pressure
- telecommunication spending is more closely correlated with employment and household consumption trends

Improvement in the macroeconomic environment starting to feed into higher telecommunication spending

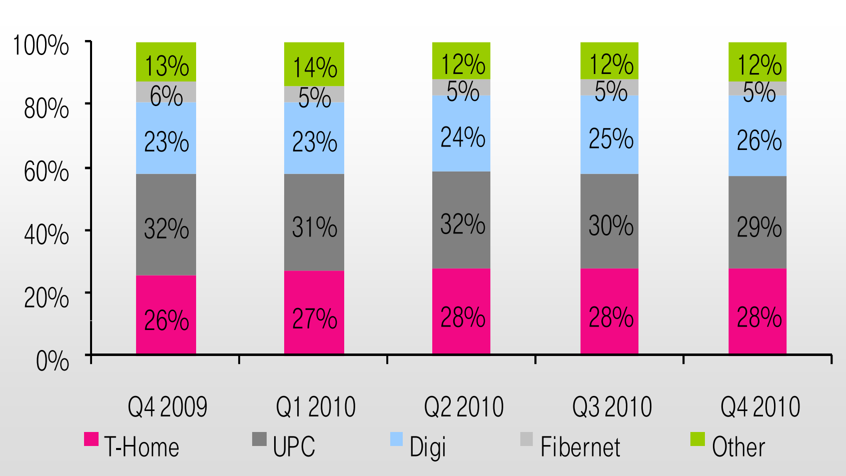
- stabilizing GDP is starting to have a delayed positive impact
- churn levels have stabilized
- usage has stabilized and even increased in some services

The sustainability of the improvement is uncertain: weak labor market and tight credit conditions

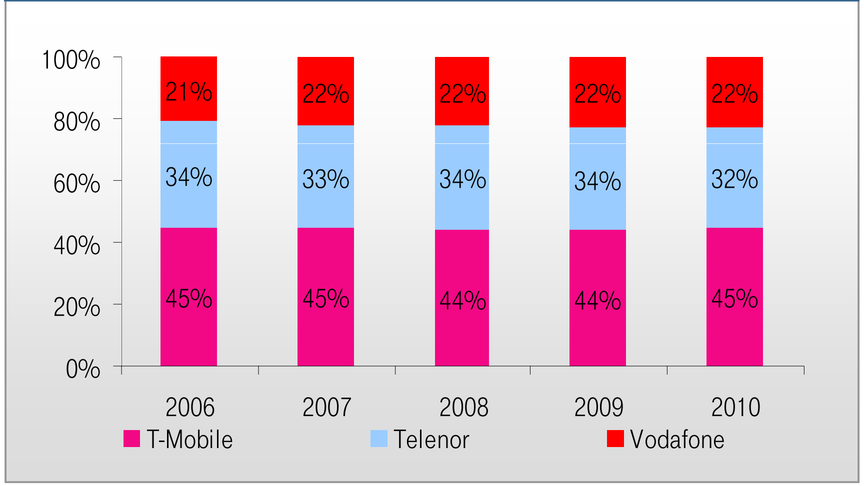
- unemployment to slightly improve in 2011
- contained wage and disposable income development
- continued relatively tight credit conditions and increasing debt burden on FX loans

Strong positions in all segments of the Hungarian market

TV market shares

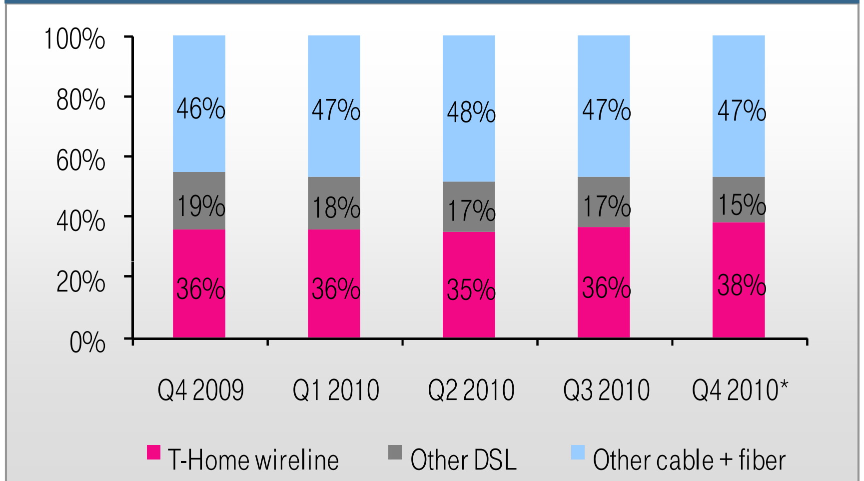


Mobile voice market shares*

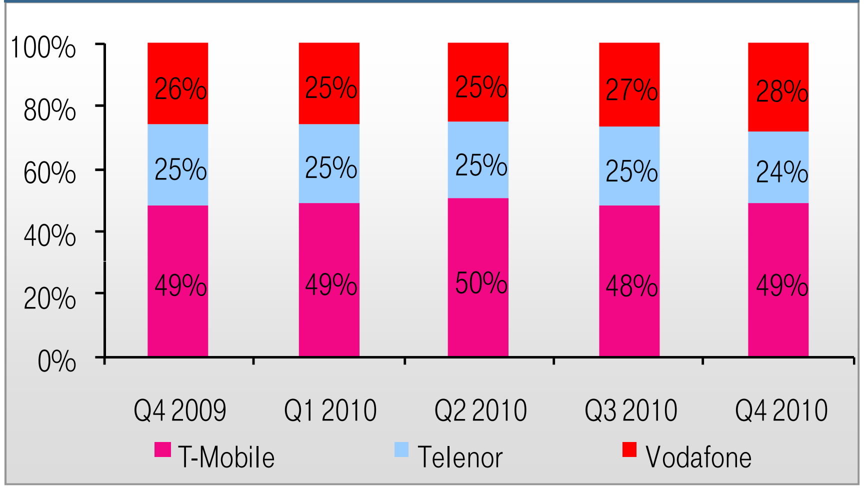


*based on active SIM cards

Wireline broadband market shares



Mobile broadband market shares**



**based on traffic generating subs.

Source: NRA, Q4 figures based on November results

Public targets for 2010 and 2011

	2010 public targets and results		2011 public targets
Revenue	6-8% decline (prev. 5-7%)	-5.3%	3-5% decline
Underlying EBITDA*	7-9% decline (prev. 5-7%)	-5.5%	4-6% decline
Capex	approx. 10% decline (prev. 5%)	-9.9%	approximately 5% decline

Revenue

2010 public targets and results: 6-8% decline (prev. 5-7%) — -5.3%

- recessionary impacts, pressure on consumer spending
- intense competition
- saturated core markets

2011 public targets: 3-5% decline

- intense competition partly offset by slightly improving macroeconomic environment
- further decrease in governmental revenues

Underlying EBITDA*

**Excluding special influences and telecom tax*

2010 public targets and results: 7-9% decline (prev. 5-7%) — -5.5%

- negative trends in high margin voice revenues
- partly offset by cost cutting initiatives
- EBITDA margin kept almost flat with 40.7%

2011 public targets: 4-6% decline

- new revenue streams with lower EBITDA margin
- negative impact on EBITDA from governmental cost saving measures

Capex

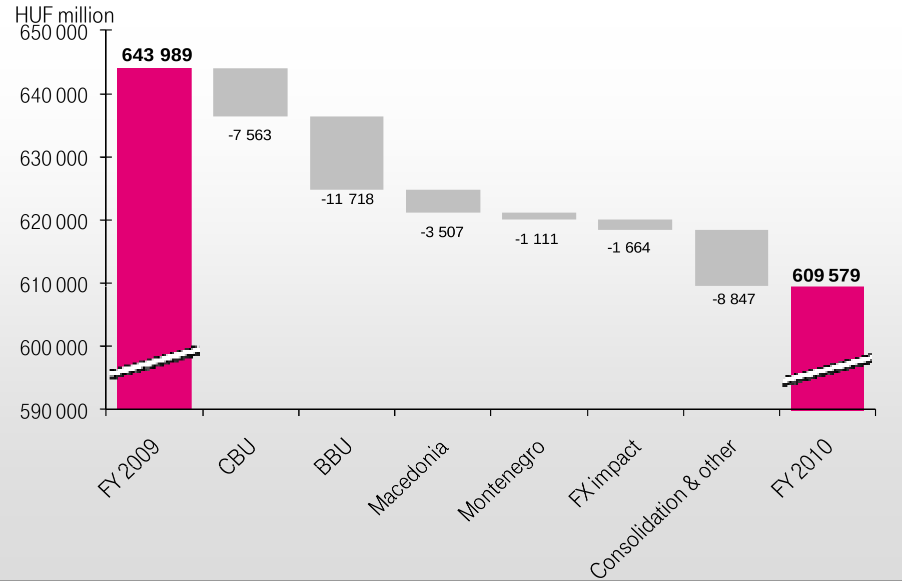
2010 public targets and results: approx. 10% decline (prev. 5%) — -9.9%

- further CAPEX cut necessary to protect cash flow generation

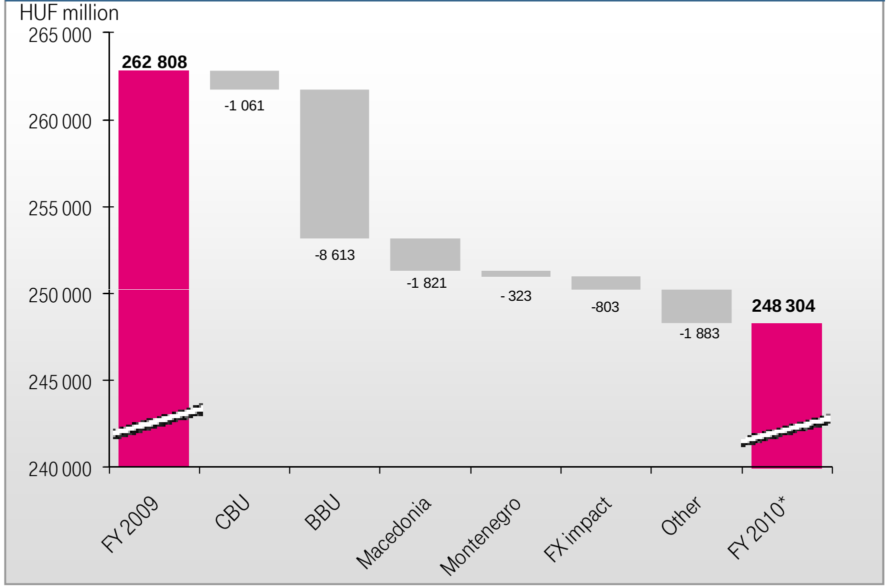
2011 public targets: approximately 5% decline

2010 results – Business Unit analysis

Full year revenue development



Full year underlying EBITDA* development



**excluding the telecom tax in the amount of HUF 27.0bn*

5.3% revenue decline driven by recession, competition and regulation

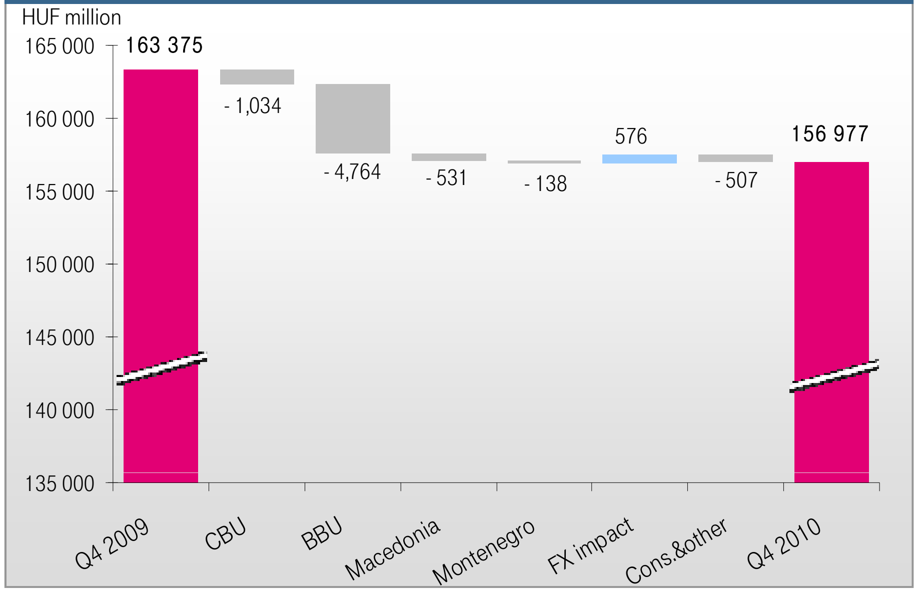
- CBU revenues declined primarily due to continuing intense competition and depressed household consumption
- BBU revenues down driven by decline in both private and public sector spending
- international revenues were negatively impacted by unfavorable FX impact

5.5% EBITDA decline, excluding SI and telecom tax, driven by changing revenue mix and economic recession

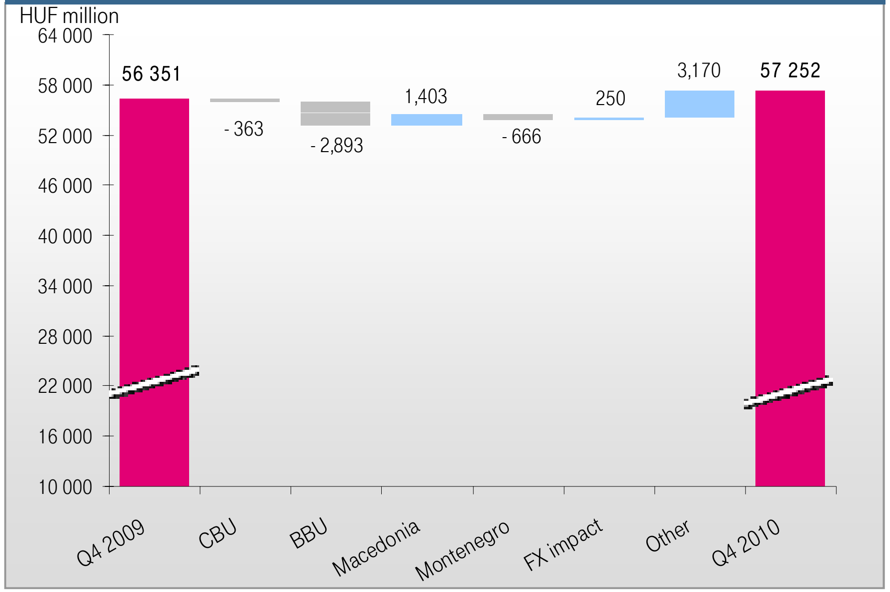
- business unit results under pressure due to further erosion of traditional voice revenues
- cost cutting measures to mitigate margin pressure
- FX negatively impacted the financial result of international subsidiaries

2010 Q4 results – Business Unit analysis

Q4-o-Q4 revenue development



Q4-o-Q4 underlying EBITDA* development



excluding the telecom tax in the amount of HUF 27.0bn

3.9% revenue decline driven by recession, competition and regulation

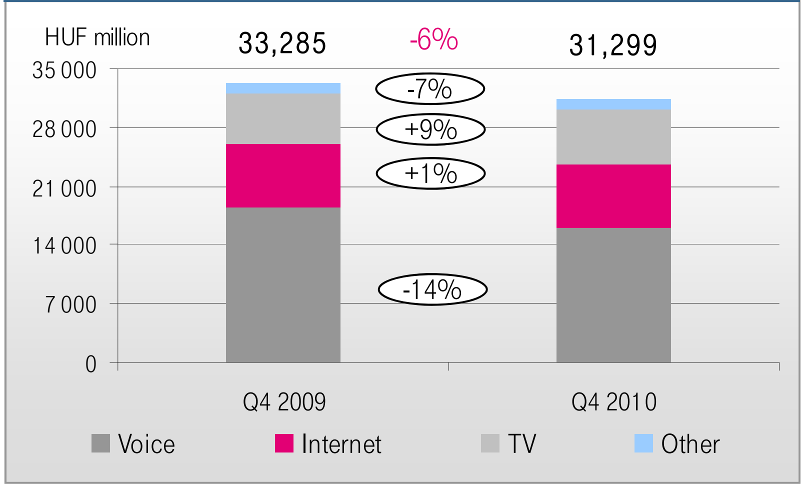
- at CBU continuous drop in voice revenues, but demand for bundled services is again strong
- BBU revenues down driven by public spending cuts, drop in SI/IT revenues also due to very strong Q4 2009 results
- voice wholesale revenues hit by two 16% termination fee cuts in January and December 2010

1.6% EBITDA growth, excluding SI and telecom tax, thanks to cost cutting measures

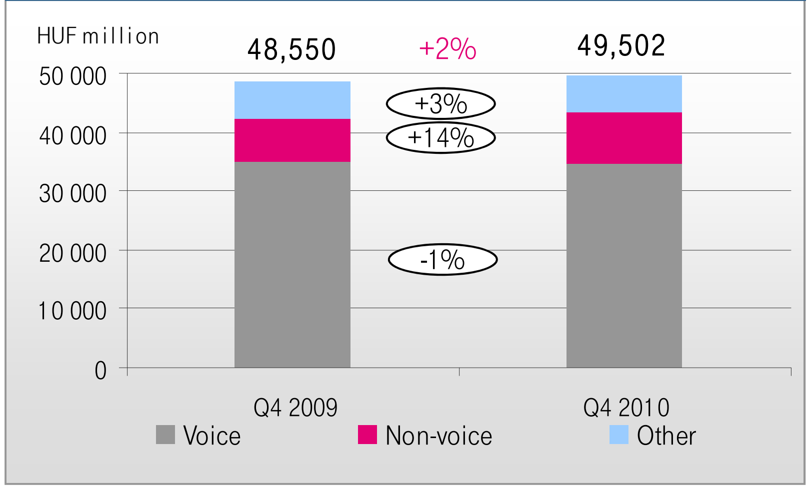
- increased workforce efficiency resulted in lower employee-related expenses
- strong savings in other operating expenses, especially in material and maintenance, marketing and consultancy

Consumer Services Business Unit (CBU)

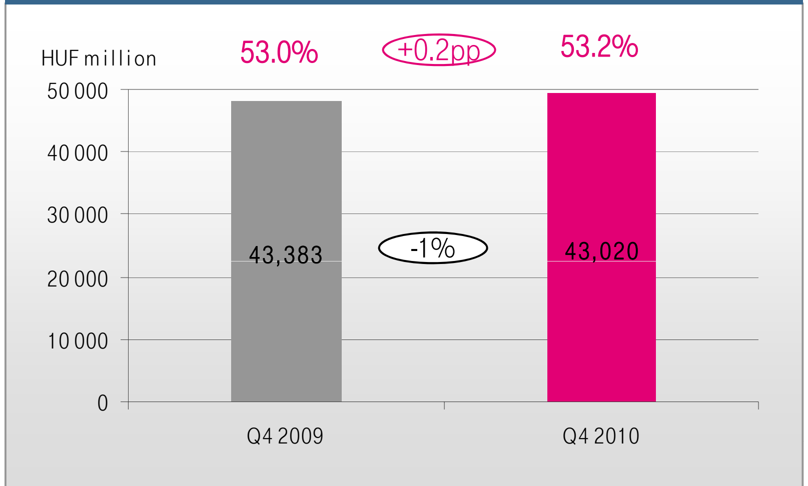
Fixed line revenues



Mobile revenues



Underlying EBITDA* and margin



* - Excluding telecom tax

Revenue decline principally driven by recession

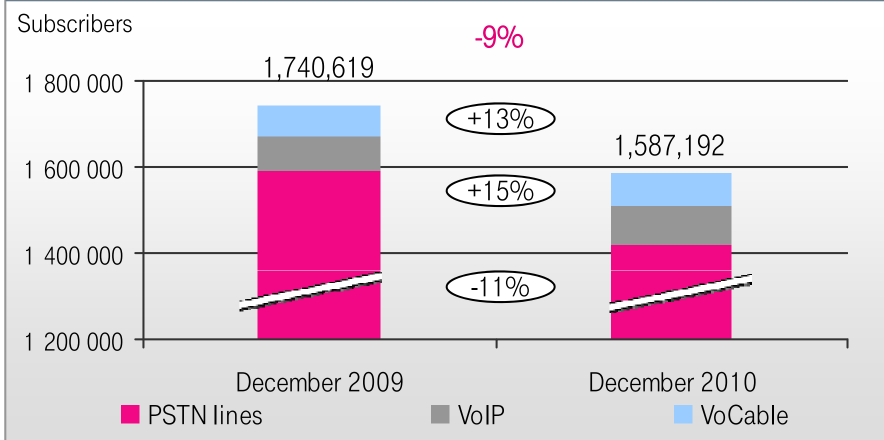
- depressed consumer spending and intense competition remain the most significant negative drivers
- internet revenues slightly up
- regulatory impacts on mobile revenues (two cuts in mobile termination rates and roaming tariffs)

Improvement in EBITDA margin

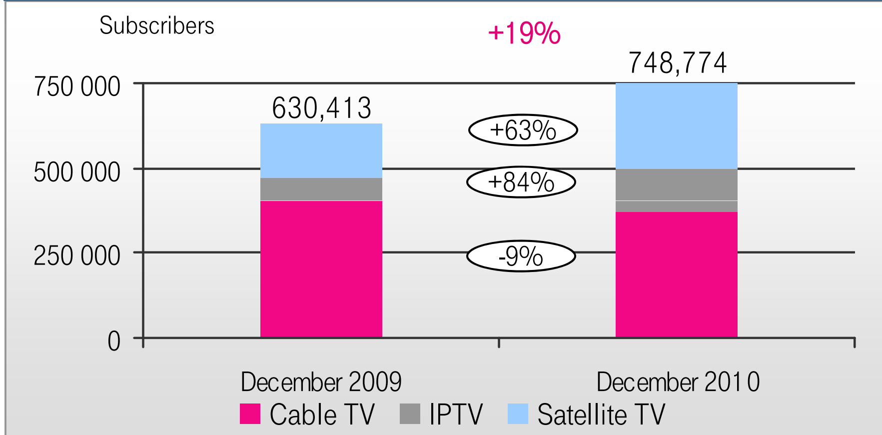
- strong cost reductions helped to offset the negative revenue trend

CBU – fixed line operations

Fixed voice access



TV customer growth



Strong focus on multi-play and bundling on all networks (fixed line, cable and mobile)

- ratio of multi-play **customers ~43%**
- launch of **quadruple play** packages by adding mobile voice service as well (ca. 30,000 customers)
- energy and insurance bundling to retain customers

Increasing number of TV customers

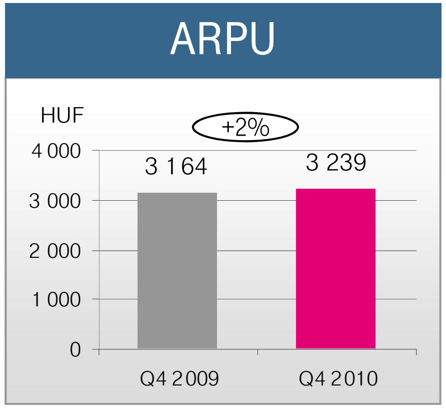
- TV service is the best retention tool in Hungary
- number of TV customers reached 748,000
- 78% of TV customers are 2Play or 3Play package subscribers

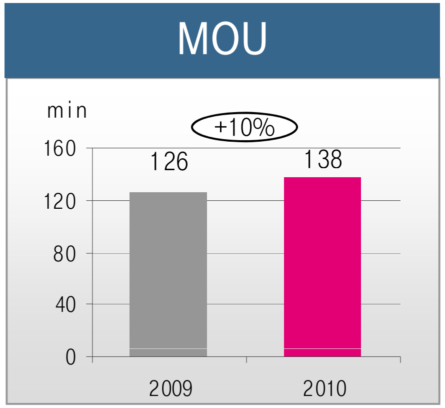
New generation network rollout

- we plan to cover ~30% or 1.4mn of Hungarian households with bandwidth of up to 100 Mbps by end-2012
- HH coverage at end-2010: 227,000 fiber, 596,000 Docsis 3.0
- total investment requirement of HUF 40 billion

  (of which HUF 8 billion spent in 2009 and HUF 5.3 billion in 2010)

CBU – mobile operations





Mobile voice market shows some signs of improvement

- churn levels are declining but still above pre-crisis levels
- in Q4 2010 customer numbers increased moderately
- usage increased and ARPU stabilized

Tariff erosion: average voice revenue per minute decline of 9%

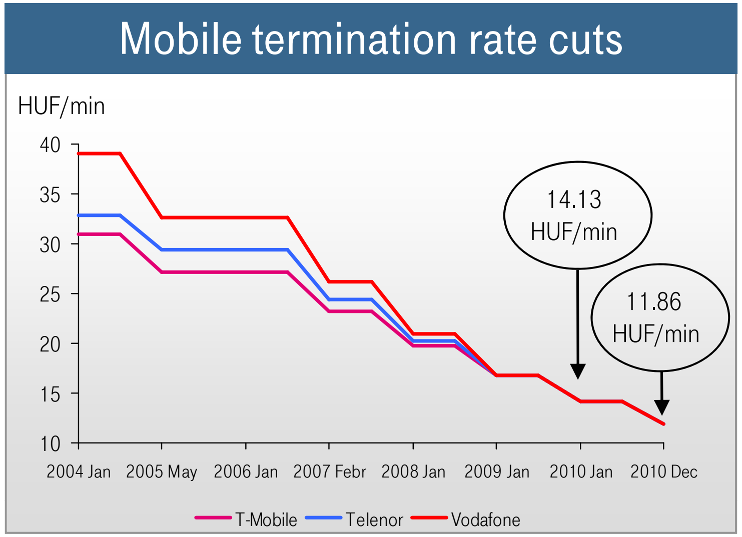
- more conscious package selection
- wide use of closed-user-group services
- annual cuts in mobile termination rates
- EU-regulated roaming tariffs

Mobile internet development

- leading market position with 49% market share
- number of T-Mobile's subscribers exceeded 624,000 at the end of 2010
- 3G/HSDPA network covering ~75% of population

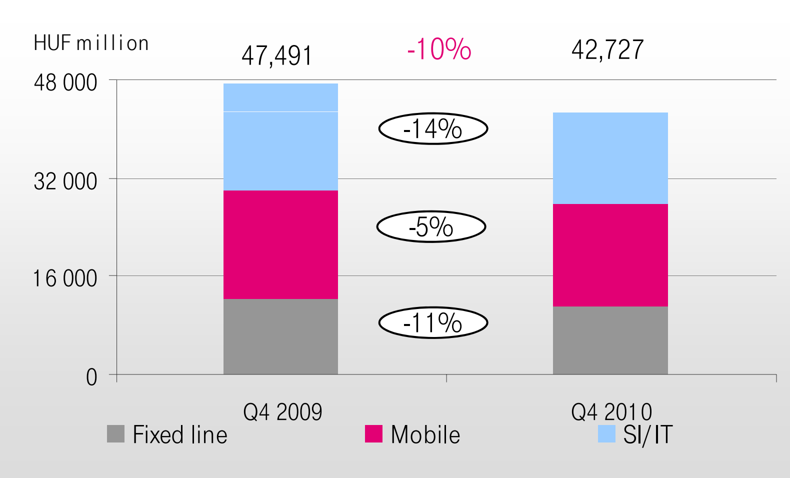
Mobile termination rate regulation

- further 16% cuts in Jan-2010 and Dec-2010
- current rates are 12 HUF/min from December 2010

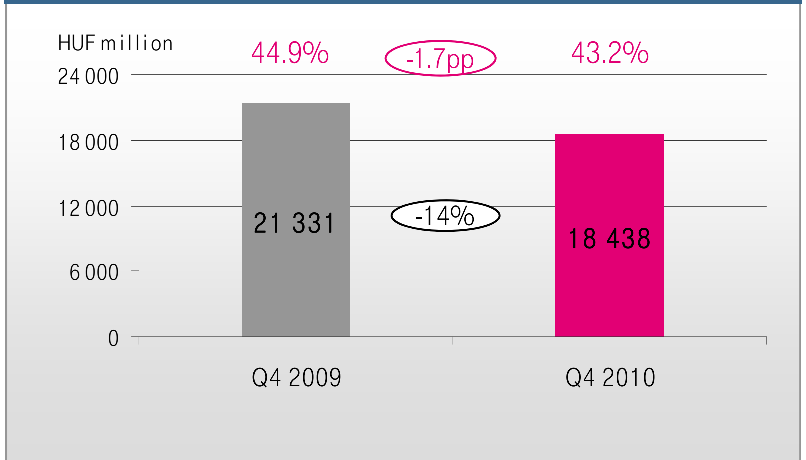


Business Services Business Unit (BBU)

Revenues



Underlying EBITDA* and margin



* - Excluding telecom tax

Falling voice and data revenues

- strong pressure on clients to renegotiate contract terms
- high churn among fixed voice, data and internet customers
- continued pressure on mobile tariffs resulting in lower ARPU level
- Governmental measures negatively affecting revenues and EBITDA

Decrease in SI/IT revenues

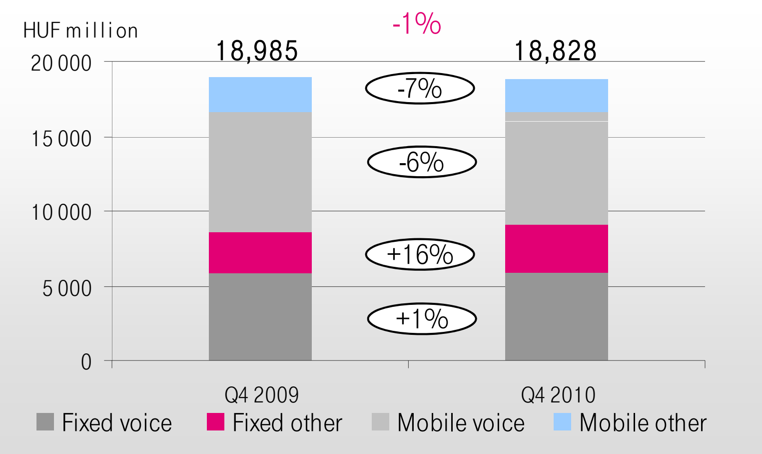
- public sector orders cancelled due to budget deficit targets
- revenues supported by consolidation impact of ISH since December 2009

Change in revenue mix puts pressure on EBITDA margin

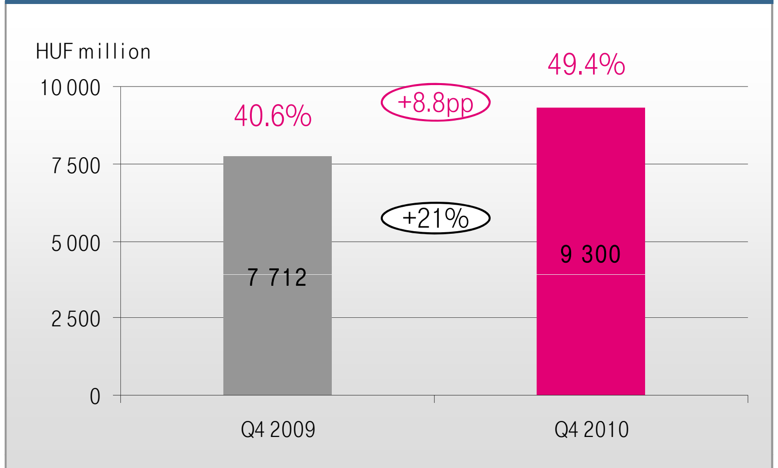
- despite cost control measures, Q4 2010 EBITDA margin decreased

Macedonia

Revenues



Underlying EBITDA* and margin



* - Excluding telecom tax

Results slightly negatively impacted by FX trend

- HUF strengthened on average by 2% to the Macedonian Denar in Q4 2010
- excluding FX impact revenues and EBITDA were down by 3% and up by 17%, respectively

Increasing fixed line revenues

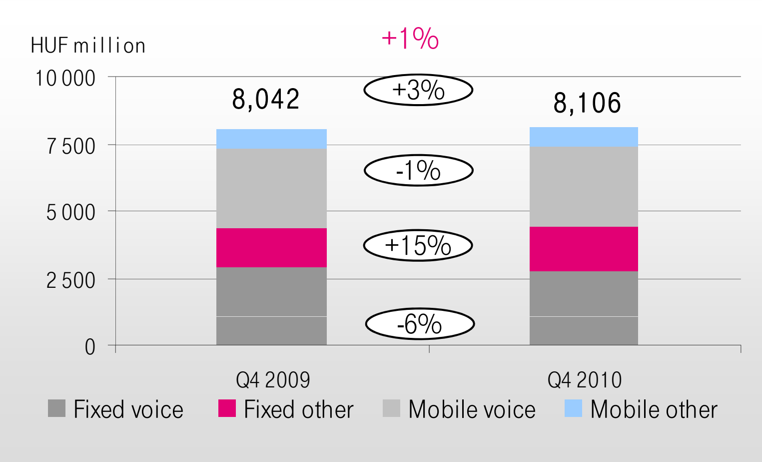
- decreasing fixed retail voice revenues due to competition from altnets and cable companies and strong mobile substitution
- higher wholesale voice revenues driven by higher incoming traffic and higher prices for international traffic termination
- increasing demand for 2Play/3Play packages
- positive contribution from broadband and TV revenues

Mobile competition intensified further

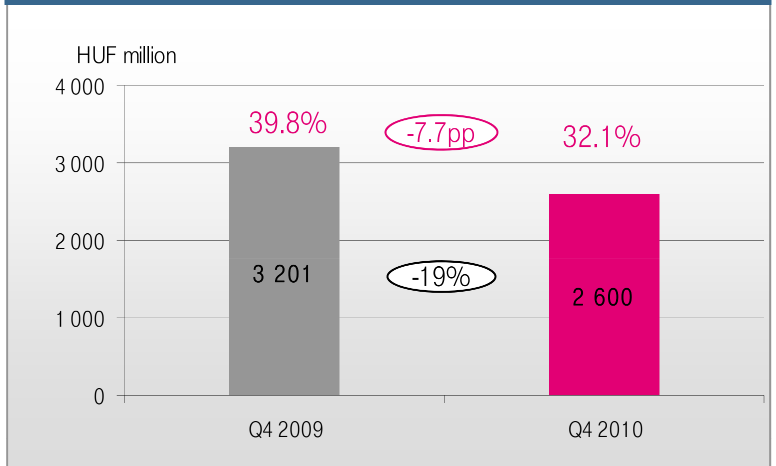
- lower number of subscribers and competition-driven tariff reductions
- postpaid share within RPC up 2ppt YTD to 32.3%
- MOU at 135 in 2010 (up by 11.6%)
- ARPU of HUF 2,690 for 2010 (~EUR 9.6)

Montenegro

Revenues



Underlying EBITDA and margin



* - Excluding telecom tax

Results negatively impacted by FX trend

- HUF strengthened on average by 2.6% to the Euro in Q4 2010
- excluding FX impact, revenues were down by 1.7% and EBITDA decreased by 20.3% due to several one-off items

Fixed voice revenues under pressure

- deterioration in retail voice revenues driven by high mobile substitution
- lower international incoming traffic volume affecting wholesale voice revenues
- growing internet and TV revenues thanks to strong increase in the number of ADSL and IPTV customers

Mobile revenue erosion driven by strong competition

- intense competition resulting in lower tariff levels
- focus on the postpaid segment
- MOU at 105 in 2010 (up by 10% YTD)
- ARPU of HUF 2,430 for 2010 (~EUR 8.7)

Abbreviations:
3G: third generation, ARPU: average revenue per user, BB: broadband, CBC: call-by-call, CPS: carrier pre-selection, HQ: headquarters, HSDPA: high-speed downlink packet access, IC: interconnection, IP: internet protocol, IT: information technology, LTO: local telecommunication operator, MOU: minutes of use, NGN: next generation network, NRA: National Regulatory Authority, POP: point of presence, RIO: reference interconnection offer, RPC: revenue producing customer, SI: system integration, SIM: subscriber identity module, SMP: significant market power, Special influences: investigation- and headcount reduction-related expenses, Tetra: Terrestrial Trunked Radio, TWM: Total Workforce Management, UMTS: Universal Mobile Telecommunication System, VAS: value added services, VoCaTV: Voice over Cable TV, WiMax: Worldwide Interoperability for Microwave Access, WS: wholesale
HUF/EUR exchange rate: 278.8 (average Q4 2010)

In the course of conducting their audit of the Company's 2005 financial statements, PricewaterhouseCoopers, the Company's auditors, identified two contracts the nature and business purposes of which were not readily apparent to them. In February 2006, the Company's Audit Committee retained White & Case, as its independent legal counsel, to conduct an internal investigation into whether the Company had made payments under those, or other contracts, potentially prohibited by U.S. laws or regulations, including the U.S. Foreign Corrupt Practices Act ("FCPA") or internal Company policy. The Company's Audit Committee also informed the United States Department of Justice ("DOJ"), the United States Securities and Exchange Commission ("SEC") and the Hungarian Financial Supervisory Authority of the internal investigation.

Based on the documentation and other evidence obtained by it, White & Case preliminarily concluded that there was reason to believe that four consulting contracts entered into in 2005 were entered into to serve improper objectives, and further found that during 2006 certain employees had destroyed evidence that was relevant to the investigation. White & Case also identified several contracts at our Macedonian subsidiary that warranted further review. In February 2007, our Board of Directors determined that those contracts should be reviewed and expanded the scope of the internal investigation to cover these additional contracts and any related or similarly questionable contracts or payments.

For further information about the internal and governmental investigations, please refer to the Company's quarterly reports for the first, second and third quarters of 2009 and the first and second quarter of 2010 furnished under cover of Form 6-K and the Company's annual report on Form 20-F for the year ended December 31, 2009.

On December 2, 2009, the Audit Committee provided the Company's Board of Directors with a "Report of Investigation to the Audit Committee of Magyar Telekom Plc." dated November 30, 2009 (the "Final Report"). The Audit Committee 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.

The Final Report includes the following findings and conclusions, based upon the evidence available to the Audit Committee and its counsel: The information obtained by the Audit Committee and its counsel in the course of the investigation "demonstrates intentional misconduct and a lack of commitment to compliance at the most senior levels of Magyar Telekom, TCG, and Makedonski Telekom during the period under investigation."; As previously disclosed, with respect to Montenegrin contracts, there is "insufficient evidence to establish that the approximately EUR 7 million in expenditures made pursuant to four consultancy contracts ... were made for legitimate business purposes", and there is "affirmative evidence that these expenditures served improper purposes." These contracts were not appropriately recorded in the books and records of the Company and its relevant subsidiaries. As previously disclosed, the Company has already reclassified, in the Company's financial statements, the accounting treatment relating to certain of these contracts to more accurately account for these expenditures. ; As previously disclosed, there is evidence that certain former employees intentionally destroyed documents relating to activities undertaken in Macedonia by the Company and its affiliates.; Between 2000 and 2006 a small group of former senior executives at the Company and the Company's Macedonian affiliates, authorized the expenditure of approximately EUR 24 million through over twenty suspect consultancy, lobbying, and other contracts (including certain contracts between the Company 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.";

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

Nothing in the Final Report implicates any current senior executive or Board member of the Company in connection with any wrongdoing.

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

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

The Company is continuing to assess the nature and scope of potential legal remedies available to the Company against individuals or entities that may have caused harm to the Company.

As previously announced, the DOJ, the SEC and the Ministry of Interior of the Republic of Macedonia have commenced investigations into certain of the Company's activities that were the subject of the internal investigation. Further, in relation to certain activities that were the subject of the internal investigation, the Hungarian Central Investigating Chief Prosecutor's Office has commenced a criminal investigation into alleged corruption with the intention of violating obligations in international relations and other alleged criminal offenses. Also, as previously announced, the Hungarian National Bureau of Investigation ("NBI") has begun a criminal investigation into alleged misappropriation of funds relating to payments made in connection with the Company's ongoing internal investigation and the possible misuse of personal data of employees in the context of the internal investigation. These governmental investigations are continuing, and the Company continues to cooperate with those investigations.

The Company, through its external legal counsel, has recently engaged in discussions with the DOJ and the SEC regarding the possibility of resolving their respective investigations as to the Company through negotiated settlements. The Company has not reached any agreement with either the DOJ or the SEC regarding resolution of their respective investigations, and discussions with both agencies are continuing. We may be unable to reach a negotiated settlement with either agency. Any resolution of the investigations could result in criminal or civil sanctions, including monetary penalties and/or disgorgement, against the Company or its affiliates, which could have a material effect on the Company's financial position, results of operations or cash flows, as well as require additional changes to its business practices and compliance programs. The Company cannot predict or estimate whether or when a resolution of the DOJ or SEC investigations will occur, or the terms, conditions, or other parameters of any such resolution, including the size of any monetary penalties or disgorgement, the final outcome of these investigations, or any impact such resolution may have on its financial statements or results of operations. Consequently, the Company has not made any provisions in its financial statements as of December 31, 2010 with respect to the investigations.

Magyar Telekom incurred HUF 2.3 bn expenses relating to the investigations in 2010, which are included in other operating expenses of Group Headquarters.

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

Based on the final results of the internal review, the Company concluded that deferred prepaid revenues for the first and second quarters of 2010 and the years ended December 31, 2006, 2007, 2008 and 2009 were misstated. The 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 concluded this review and has not identified any material misstatements that would affect the interim and year-end financial statements of Magyar Telekom for the current or prior periods.

In light of the amount of the misstatements and the lack of any indication that senior Magyar Telekom executives directed or knew of the misstatements, the Company has reached the conclusion that the misstatements were immaterial to the Company's previously reported consolidated financial statements and are immaterial to the Company's current consolidated financial statements and to its prior assessment that internal controls over financial reporting were effective. The Company adjusted the remaining balance sheet misstatement in the second quarter of 2010. 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.

For further questions please contact the IR department:

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In addition to figures prepared in accordance with IFRS, Magyar Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, underlying EBITDA, underlying EBITDA margin and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. For further information relevant to the interpretation of these terms, please refer to the chapter "Reconciliation of pro forma figures", which is posted on Magyar Telekom's Investor Relations webpage at www.telekom.hu/investor_relations.