

Magyar Telekom Plc.
Form 6-K
April 16, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

Report on Form 6-K dated April 15, 2010

Magyar Telekom Plc.

(Translation of registrant's name into English)

Budapest, 1013, Krisztina krt. 55, Hungary

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Magyar Telekom Telecommunications

Public Limited Company

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2009

MAGYAR TELEKOM NYRT.

ANNUAL REPORT

31 DECEMBER 2009

INDEPENDENT AUDITOR'S REPORT
(Free translation)

To the Shareholders and Board of Directors of Magyar Telekom Nyrt.

We have audited the accompanying financial statements of Magyar Telekom Nyrt. (the Company) which comprise the balance sheet as of 31 December 2009 (in which the balance sheet total is HUF 968,412 million, the profit per balance sheet is HUF 0, the related profit and loss account for the year then ended, and the notes to the financial statement including a summary of the main accounting policies as well as other disclosures.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Accounting Act and accounting principles generally accepted in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to assess whether or not the accounting information disclosed in the business report is consistent with that contained in the financial statements. We conducted our audit in accordance with Hungarian and International Standards on Auditing and with applicable laws and regulations in force in Hungary. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work in respect of the business report was limited to checking it in within the aforementioned scope and did not

include a review of any information other than that drawn from the audited accounting records of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

During our work we have audited the components and disclosures along with the underlying accounting records and supporting documentation in the financial statements of Magyar Telekom Nyrt. in accordance with the Hungarian and International Standards on auditing and, on the basis of our audit work, we have gained sufficient and appropriate evidence that the financial statements have been prepared in accordance with the provision of the accounting law and with accounting principles generally accepted in Hungary. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Magyar Telekom Nyrt. as of 31 December 2009, and of the results of its operations for the year then ended. The business report is consistent with the disclosures in the financial statements.

Budapest, April 7, 2010

Manfred Krawietz
Partner
PricewaterhouseCoopers Kft.
1077 Budapest, Wesselényi u. 16.
License Number: 001464

Hegedűsné Szűcs Márta
Statutory auditor
Licence number: 006838

Translation note:

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Hungary.

Magyar Telekom Plc.

MAGYAR TELEKOM TELECOMMUNICATIONS

PUBLIC LIMITED COMPANY

BALANCE SHEET AND PROFIT AND LOSS STATEMENT

TO THE 2009 ANNUAL REPORT

Magyar Telekom Plc.

BALANCE SHEET AS OF DECEMBER 31, 2009

(All amounts in millions of HUF)

ASSETS

	Note	December 31, 2008	Self-revision	December 31, 2009
A. FIXED ASSETS AND FINANCIAL INVESTMENTS		827,970	-2,458	835,103
I. Intangible assets	5	212,582	-83	201,746
Capitalised costs of foundation and restructuring		0	0	0
Capitalised costs of research and development		0	0	0
Rights		60,561	-80	57,982
Intellectual property		3,600	-3	4,044
Goodwill		148,421	0	139,720
Advance payments on intangible assets		0	0	0
II. Tangible assets	6	421,738	-529	440,377
Land and buildings and related rights		228,367	3,550	242,792
- Land		2,437	-1	2,338
- Buildings		63,793	1,914	65,175
- Telecommunication network		151,134	1,319	164,343
- Other properties		9,761	290	9,897
- Real estate related rights		1,242	28	1,039
Technical equipment, machinery and vehicles		155,165	3,904	160,917
- Telecommunication equipment and machinery		153,230	3,814	159,141
- Other technical equipment, machinery and vehicles		1,935	90	1,776
Other equipment and vehicles		12,720	2,580	13,243
Construction-in-progress		25,486	-10,563	23,418
Advance payments on construction-in-progress		0	0	7
III. Financial investments		193,650	-1,846	192,980
Non current investments in related parties	7	173,211	-1,846	174,974
Non current loans granted to related parties	8	15,798	0	13,147
Other investments		0	0	0
Other non current loans granted	9	4,641	0	4,859
Non current bonds and other securities		0	0	0
B. CURRENT ASSETS		108,069	443	100,098
I. Inventories	10	8,267	-199	6,912
Raw materials		882	0	1,072
Work in progress and semi-finished products		149	0	212
Finished products		0	0	0
Goods resale		7,236	-199	5,628

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Advance payments on inventories		0	0	0
II. Receivables		61,995	642	81,827
Accounts receivable	11	36,596	413	39,664
Receivables from subsidiaries	12	18,123	32	6,893
Bills receivable		0	0	0
Receivables from other related companies	13	0	0	29,500
Other receivables	14	7,276	197	5,770
III. Securities	15	1,179	0	1,179
Investments in related parties		0	0	0
Other investments		0	0	0
Treasury stock, quotas		1,179	0	1,179
Marketable securities		0	0	0
IV. Liquid assets		36,628	0	10,180
Cash and cheques		96	0	106
Bank deposits		36,532	0	10,074
C. PREPAYMENTS	16	29,213	-249	33,211
Accrued income		28,133	-213	31,098
Prepayments for costs and expenses		1,080	-36	2,113
Deferred expenses		0	0	0
TOTAL ASSETS		965,252	-2,264	968,412

Budapest, April 7, 2010

Christopher Mattheisen
Chairman and Chief Executive Office,
Chairman of the Board

Thilo Kusch
Chief Financial Officer,
Board member

The supplement forms an integral part of these financial statements.

Magyar Telekom Plc.

BALANCE SHEET AS OF DECEMBER 31, 2009

-All amounts in millions of HUF)

LIABILITIES AND SHAREHOLDER S EQUITY

	Note	December 31, 2008	Self-revision	December 31, 2009
D. SHAREHOLDER S EQUITY	17	358,437	-1,061	355,002
I. Common stock		104,275	0	104,274
- of this treasury stock at par value		150	0	150
II. Unpaid share capital (-)		0	0	0
III. Capital reserves		58,289	0	58,952
IV. Retained earnings		172,244	0	189,097
V. Restricted reserves		2,056	0	2,679
VI. Valuation reserves		0	0	0
VII. Net income		21,573	-1,061	0
E. PROVISIONS	18	20,082	0	19,495
Provision for expected obligations		18,948	0	18,972
Provision for expected expenses		988	0	447
Other provisions		146	0	76
F. LIABILITIES		536,772	-440	545,646
I. Subordinated liabilities		0	0	0
II. Non current liabilities		262,481	0	291,056
Non current borrowings		0	0	0
Convertible bonds		0	0	0
Debt from issuance of bonds		122	0	121
Investment and development loans		0	0	0
Other non current loans	19	18,326	0	23,120
Non current liabilities to related parties		0	0	0
Non current liabilities to other related parties	20	242,531	0	267,017
Other non current liabilities		1,502	0	798
III. Liabilities		274,291	-440	254,590
Current borrowings		71	0	70
- of this convertible bonds		0	0	0
Current loans	21	32,541	0	32,809
Advances received		274	5	311
Accounts payable		32,555	-271	29,534
Bills of exchange payable		0	0	0
Current liabilities to related parties	22	29,279	0	43,314
Current liabilities to other related parties	23	87,486	0	59,799

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Other current liabilities	24	92,085	-174	88,753
- of this dividends payable		77,052	0	77,052
G. ACCRUED EXPENSES	25	49,961	-763	48,269
Deferred income		4,259	40	4,821
Accrued expenses		45,367	-820	43,151
Other deferred revenue		335	17	297
TOTAL LIABILITIES AND SHAREHOLDER S EQUITY		965,252	-2,264	968,412

Budapest, April 7, 2010

Christopher Mattheisen
Chairman and Chief Executive Office,
Chairman of the Board

Thilo Kusch
Chief Financial Officer,
Board member

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Magyar Telekom Plc.

INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2009

(All amounts in millions of HUF)

	Note	2008	Self-revision	2009
1. Domestic sales	26	482,529	163	456,437
2. Export sales	27	18,275	31	18,832
I. Sales revenues		500,804	194	475,269
3. Change in self-manufactured inventories		117	0	63
4. Capitalised value of self-manufactured assets		21,413	22	21,417
II. Own work capitalized		21,530	22	21,480
III. Other revenues	28	26,698	-27	24,633
of which: reversal of impairment		0	0	0
5. Costs of raw material		30,000	-12	27,664
6. Costs of services	30	99,065	-1,160	96,628
7. Costs of other services		13,782	14	13,994
8. Cost of goods sold		34,605	1	34,126
9. Costs of services sold (intermediated)	31	79,138	-48	73,595
IV. Material-type expenses		256,590	-1,205	246,007