

ANNOUNCEMENT

from Matáv, Hungary's leading telecommunications company

**The Board of Directors of
the Hungarian Telecommunications Company Ltd.**
(headquarters: 1013 Budapest, Krisztina krt.55.)

**hereby notifies Shareholders that the Company
will hold its Annual General Meeting
at 11.00 a.m. on April 28, 2004**

Place of the General Meeting:

*The registered offices of the Company
Budapest I., Krisztina krt. 55.*

Agenda of the General Meeting:

- 1. Report of the Board of Directors on the management of the Company, the business policy of Matáv Group and report on the business operations and the financial situation of Matáv Group in 2003 according to the requirements of the Accounting Act.*
- 2. Report of the Board of Directors on the business operations of the Company in 2003, presentation of the proposal of the Supervisory Board and the Auditor.*
- 3. Proposal of the Board of Directors for the use of the profit after tax earned in 2003.*
- 4. Decision on transforming the printed shares of the Company to dematerialized shares.*
- 5. Modification of the Articles of Associations of Matáv Rt.*
- 6. Election of the Members of the Board of Directors.*
- 7. Election of the Members of the Supervisory Board.*
- 8. Determination of the remuneration of the members of the Board of Directors and the Supervisory Board.*
- 9. Election of the auditor and determination of his remuneration.*
- 10. Approval of the Rules of Procedure of the Supervisory Board.*
- 11. Miscellaneous*

Conditions for participation and exercising voting rights at the General Meeting

Shareholders may exercise the shareholder's rights at the General Meeting either in person or through a duly authorized proxy. The authorization shall be set forth in a public instrument or a private document of full probative force. The authorization shall be presented to the representative of the Board of Directors prior to the commencement of the General Meeting. The proxy of the shareholder may act on behalf of the shareholder pursuant to Act CXX of 2001 (Act on Capital Markets).

The condition of exercising the voting right at the General Meeting is that the shareholder or the duly authorized proxy of the shareholder is registered in the Stock Registers Department of KELER Rt. (1075 Budapest, Asbóth u. 9-11. Tel: 4836100 / 237, 253) at least six (6) working days (at the latest by April 20, 2004) prior to the General Meeting.

Those shareholders whose shares are deposited are kindly asked to notify the administrator of the deposit in writing – in order to avoid possible misunderstandings - upon their wish to participate at the General Meeting by April 15, 2004.

We wish to remind our shareholders that the registration will take place from 9.00 a.m. to 10.30. a.m. In the case of registration after the above indicated period the Company may not be held liable if the shareholder (or the proxy) misses part of the General Meeting due to late registry.

If the General Meeting does not have a quorum, the Board of Directors convokes the repeated General Meeting to April 29, 2004 at 11 a.m. with the same agenda at the above specified place.

Board of Directors of the Hungarian
Telecommunications Company Ltd.

**Announcement on the place where
the documents of the General Meeting can be reviewed**

We hereby further notice our kind shareholders that the documents (submissions, draft resolutions) of the annual General Meeting of the Company taking place on April 28, 2004 are available in writing for revision from March 29, 2004 at the administration office of KELER Rt. (1075 Budapest, Asbóth str. 9-11) between 9.00 a.m. and 3.00 p.m. and at the venue of the General Meeting from the commencement of the registration (on April 28, 2004 from 9.00 a.m.).

**Key financial figures of the Company, and
Proposals of the Board of Directors and the Supervisory Board for
the April 28, 2004 Annual General Meeting of Matáv Ltd.
in accordance with Hungarian Accounting Regulations**

The financial results of the Company in the 2003 fiscal year are as follows:

| | Matáv Rt. | Matáv Group |
|--|----------------|-------------|
| | In million HUF | |
| Total Assets | 923,268 | 1,051,974 |
| Long-term Assets | 839,375 | 912,237 |
| Current Assets | 63,849 | 107,084, |
| Common Stock | 104,281 | 104,281 |
| Capital Reserves, Retained Earnings and Restricted Reserves | 298,309 | 260,944 |
| Long-term Liabilities | 120,435 | 120,435 |
| Short-term Liabilities | 367,548 | 317,812 |
| Sales Revenues | 287,914 | 586,009 |
| Balance sheet result (after the proposed dividends) | 2,520 | -5,148 |

The Board of Directors proposes that the General Meeting should approve the 2003 Annual Report of Matáv Rt. prepared in line with the Hungarian Accounting Rules (HAR), inclusive of HUF 923,268 million Total Assets, and HUF 75,174 million After-tax Result.

The Board of Directors proposes that the General Meeting should approve that the Company shall disburse HUF 70 per each share of HUF 100 face value as annual dividend for 2003.

The Company shall transfer the remaining HUF 2,520 million to Retained Earnings, following the deduction of HUF 72,654 million to be disbursed as dividend on shares from the After-tax Result.

The Board of Directors proposes that the Annual General Meeting should approve the 2003 Annual Report of Matáv Group prepared in line with the Hungarian Accounting Rules (HAR), inclusive of HUF 1,051,974 million Total Assets, and HUF -5,148 million Balance Sheet Result.

The Supervisory Board continuously monitors the operations of the Company, and that of the whole Matáv Group, and based on its findings proposes to the General Meeting to

- accept the report of the Company and the Group on the 2003 business year,
- accept the financial statements of the Company and the Group with the net income as proposed by the Board,
- accept the proposal of the Board on the distribution of the profits, and propose to the General Meeting that after deducting the dividends, the remaining profits be made available for the Company as accumulated retained earnings, and
- accept the Auditor's Report.