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MATÁV TO BUY RÁBA-SZOLGÁLTATÓHÁZ LTD

BUDAPEST – October 31, 2003 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announces the purchase of a 100% stake in Rába-Szolgálatóház Ltd.

Rába-Szolgálatóház Ltd is the outsourcing partner for the affiliate companies of Rába Holding in the field of telecommunications, IT, financial, accounting and human resources related services. The cooperation with Rába Holding is based on a frame-contract expiring in 2012 to be signed on 14 November. The transaction is also subject to the approval of Competition Office. The acquisition provides Matáv with the opportunity to take advantages of its economies of scale in new areas.

The purchase price was HUF 900 million. Rába-Szolgálatóház Ltd is expected to reach revenues of approximately HUF 900 million for the year 2003 according to the Hungarian Accounting Rules.

Rába Automotive Group is one of Hungary's largest automotive manufacturers, producing axles, automotive components and commercial vehicles.

This press release contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Report on Form 20-F for the year ended December 31, 2002 filed with the U.S. Securities and Exchange Commission.