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STANDARD & POOR'S UPGRADES MATÁV TO A- /STABLE

BUDAPEST – March 3, 2005 - Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider, announced that Standard & Poor's today upgraded Matáv's rating from BBB+ to A-, with a stable outlook.

The move follows a similar upgrade of Matáv's majority owner, Deutsche Telekom AG. The credit rating agency said that Matáv's ratings would move in line with those of its parent for as long as Standard & Poor's regarded Matáv as a strategically important investment for Deutsche Telekom.

This investor 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, 2003 filed with the U.S. Securities and Exchange Commission.