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MATÁV TO FURTHER OUTPLACE ITS REAL ESTATE OPERATIONS

BUDAPEST – February 1, 2005 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announced that it has sold its real estate operations company Telit Rt. to DeTe Immobilien (100% owned Deutsche Telekom subsidiary) for EUR 2.1 mn. The company will provide real estate services to Matáv Rt. based on a long term service contract effective from February 1, 2005.

This new contract further strengthens the relationship with DT Group not only providing cost reductions for Matáv Rt., but also creating the basis for the outplacement of an additional 50 people on top of the earlier real estate outplacement. A small strategic real estate management unit will remain in Matáv reporting to the CFO. During 2005 Matáv intends to continue outsourcing in other areas.

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.