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MATÁV ANNOUNCES FINANCING DETAILS FOR THE ACQUISITION OF TELEKOM MONTENEGRO MAJORITY STAKE

BUDAPEST – March 21, 2005 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announces the signing of a loan agreement with Deutsche Telekom on a medium term Hungarian forint-denominated loan.

Matáv has been granted a loan by Deutsche Telekom in the amount of HUF 28 billion from March 22, 2005. The loan will be used for the acquisition of the 51.12% of Telekom Montenegro (Telekom Crne Gore AD) from the Government of Montenegro. The purchase of additional minority shares is expected to be financed from cash generated by Matáv.

The new facility will expire in October 2009 and bears a floating rate of interest with a 34 basis points margin over the 6-month BUBOR. Other conditions of the loan are similar to those stipulated in the previous agreements with Deutsche Telekom.

Matáv currently holds an A- credit rating from Standard&Poor's and Baa1 from Moody's.

This investor news 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.