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MATÁV ANNOUNCES TARIFF CHANGES FROM JANUARY 1, 2005

BUDAPEST – November 25, 2004 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider, hereby announces tariff changes to take effect from January 1, 2005.

As of January 1, 2005, Matáv is modifying the price and structure of its residential tariff packages, although, the Minimal, the Control and the universal (Halving) packages remain unchanged. The changes are anticipated to be in line with the regulatory requirements including restrictions on price increases of the subscription fees. The residential analog subscription fees will increase by 5.6% (the monthly subscription fee for the Basic package rising to 2,712 HUF net from the current 2,568 HUF). Except for the Basic and the unchanged packages, Matáv offers a bonus period (subscribers can choose one working day in the week on which off-peak local calls are free) and provides free caller identification, call waiting and forward services. Traffic fees will remain unchanged.

Residential ISDN subscribers will also be granted the aforementioned bonus period with an unchanged subscription fee. The business packages will remain unchanged.

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 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.