



**Announcement of Matáv Ltd.
on the dematerialization of shares issued by the Company**

Matáv Hungarian Telecommunications Company Ltd. (Registry No.: Cg-01-10-041928, registered office: 1013 Budapest, Krisztina krt. 55.) hereby informs its shareholders, that based on the decision of its Annual General Meeting held on April 28, 2004, paper shares of the company have been successfully dematerialized.

As a result Matáv Ltd. invalidated its series "A" registered ordinary printed shares (ISIN: HU0000016522) and the series "B" registered voting preference printed share (ISIN: HU0000011325) on September 27, 2004.

ISIN code of the dematerialized registered ordinary shares: HU0000073507.

ISIN code of the dematerialized registered voting preference share: HU0000073515.

Dematerialized shares equivalent to the shares that are not submitted will be sold on the Budapest Stock Exchange within six months of the date of conversion through an investment service provider at market price.

It will not be possible to sell or buy securities that are not submitted and therefore invalidated. However, holders of such securities may request certificates to be replaced by dematerialized securities, or if all the invalidated shares have already been sold, they can request the value of the sold dematerialized securities. In order to replace printed shares with dematerialized shares, shareholders should first open a securities account with any depositary and then submit their shares at KELER Rt. (Asbóth u. 9-11. Budapest 1075, from 9.00 a.m. to 3 p.m. Monday-Friday, tel: 06 1483 6253).

Dematerialized shares will be transferred to depositories specified by shareholders within 5 working days from the date the printed shares are submitted.

In case all the invalidated shares have already been sold at the time a share owner presents his/her invalidated shares, Matáv will make payments deducting any costs incurred up to the time at which the securities are redeemed. Any arising monetary claims shall be treated in the same way as a claim for surrendering the security that it replaces.