

**Announcement of Matáv Ltd. on the completion of conversion of ordinary shares
with a nominal value of HUF 10,000
to ordinary shares with a nominal value of HUF 100**

The Extraordinary General Meeting of Matáv Ltd. held on September 29, 1997 decided to convert ordinary shares with a nominal value of HUF 10,000 to ordinary shares with a nominal value of HUF 100 and authorised the Board of Directors to take the necessary measures for the reduction of the nominal value of the company's shares. The old shares with a nominal value of HUF 10,000 were declared void as of October 22, 1997. From that time onward shareholders' rights can only be enforced based on the new shares.

Following the authorisation by the General Meeting Matáv's Board of Directors has decided to conclude the share conversion on September 24, 2004 and calls its shareholders still owning the old shares with a nominal value of HUF 10,000 to go to the office of KELER Rt. (1075 Budapest, Asbóth u. 9-11.) no later than September 24, 2004 to convert their shares.

KELER Rt. will transfer the equivalent number of shares with a nominal value of HUF 100 in exchange for the old shares with a nominal value of HUF 10,000 to shareholders' securities accounts. It is not possible to issue shares with a nominal value of HUF 100 in paper form. Therefore, it will be necessary for shareholders who do not already have a securities account to open one. This can be done with any investment service provider or bank. KELER will not charge any administration fee in respect of the share conversion.

After the share conversion, shareholders can take the necessary steps to submit the shares deposited in their securities account for dematerialization.

Matáv Ltd. will, through an investment service provider, immediately sell any shares with a nominal value of HUF 100 issued in place of shares with a nominal value of HUF 10,000 that are not converted by the final date of conversion period on the Budapest Stock Exchange. Shareholders who present shares with a nominal value of HUF 10,000 after the conversion deadline (after September 24, 2004) will not be entitled to deposit shares. They will receive the value of the sold shares and Matáv will deduct any costs incurred up to the time at which the shares are redeemed. Matáv Ltd. will publish an announcement on making payment after shares are sold in the company's official publication channels prescribed in the Articles of Association.

The Board of Directors of Matáv