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MATÁV SUBMITS BID FOR TELEKOM CRNE GORE

BUDAPEST – December 22, 2004 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider today announced that following an in-depth due diligence process, it has submitted a binding offer in a public tender process for the sale of shares of Telekom Crne Gore (Telekom CG) to the Agency of Montenegro for Economic Restructuring and Foreign Investments.

The Telekom CG Group consists of Telekom CG and its three subsidiaries, Monet GSM, Internet CG and Montenegro Card. According to information published by the company, Telekom CG, Montenegro's incumbent fixed-line operator, provides fixed-line services to around 191,000 customers. The company generated standalone revenues of 72.1 million euros with an EBITDA of 22.8 million euros in 2003. The 100 percent owned Monet GSM is the country's second largest mobile operator with around 190,000 users and a 43 percent market share at the end of 2003. The 85 percent owned Internet CG is the country's dominant ISP with over 70,000 dial-up users and a 90 percent share of the market. TCG also owns 51 percent of Montenegro Card, a provider of public payphone services with a 60 percent market share.

Matáv has a proven track record in executing accretive acquisitions and its intention to acquire the shares of Telekom CG is in line with the strategic priority of seeking growth opportunities through value creating acquisitions. Telekom CG meets the selection criteria defined as part of the company's acquisition strategy.

In line with the tender rules and Matáv's non-disclosure agreement, detailed information on the company as well as the price offered are confidential and will only be disclosed upon the Montenegrin government's final decision.

Further information regarding Telekom CG and its subsidiaries and the telecommunications market of Montenegro can be found on the websites of the Telekom CG Group and the national regulatory authority:

<http://www.telekomcg.com/english.asp>

<http://www.monetcg.com/english/>

<http://www.cg.yu/eng/>

<http://www.agentel.cg.yu/english/index.htm>

This investor release contains forward-looking statements for Matáv and only publicly available information on TCG. 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.