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MATÁV TO PURCHASE COSMOTELCO'S STAKE IN STONEBRIDGE

BUDAPEST – October 22, 2004 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announces that it has entered into an agreement with CosmoTelco regarding its stake in Stonebridge. Stonebridge owns 51% of the Macedonian telecommunications company, MakTel.

Under the agreement, Matáv will acquire CosmoTelco's 7.44% stake in Stonebridge for EUR 31.4 million. In addition, CosmoTelco will receive a pro rata dividend of MakTel for the year 2004. Following the completion of the transaction, which is expected to take place by the end of 2004, Matáv will be the 100% owner of Stonebridge and its effective ownership in MakTel will increase to 51%. The parties will continue the mutually beneficial commercial cooperation on the telecommunications market of Macedonia.

CosmoTelco holding has several interests in telecommunications in the region and is one of the largest alternative telecommunications service providers in Greece through its subsidiary CosmoLine.

This investor release 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.