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### **MATÁV TO REFINANCE PART OF ITS LOAN EXPIRING IN AUGUST**

**BUDAPEST – May 19, 2004 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announces the signature of a loan agreement with Deutsche Telekom on a short term Hungarian forint-denominated loan.**

Matáv has been granted a loan by Deutsche Telekom in the amount of HUF 40 billion from May 20, 2004. This loan will be used to refinance HUF 40 billion of the HUF 126.6 billion loan agreement with Deutsche Telekom expiring in August 2004.

The new facility has a 10.945% fixed interest rate for the one year term. The conditions are similar to those in the previous agreement.

Further refinancing arrangements will be finalized at a later date.

Matáv currently holds a BBB+ credit rating from Standard & Poor's and Baa1 from Moody's.

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 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.