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MATÁV AND COSMOTELCO TO AGREE ON THE EXTENSION OF COSMOTELCO'S CALL OPTION FOR 10% OF STONEBRIDGE

BUDAPEST – October 15, 2003 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider announces that it has entered into agreement with CosmoTelco regarding their option contract in Stonebridge. Stonebridge owns 51% of the Macedonian telecommunications company, MakTel.

According to the expired contract, CosmoTelco had the right to acquire additional shares in Stonebridge from Matáv such that CosmoTelco's holding can be increased from the current 7.4% by an additional 10% of the issued share capital of Stonebridge. The expiry date of the extension is November 30, 2003, other conditions are unchanged.

The current shareholders of Stonebridge are Matáv with an 89.55% stake, SEEF with a 3.05% and CosmoTelco with a 7.4% stake.

This press 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, 2002 filed with the U.S. Securities and Exchange Commission.