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MATÁV'S BOARD OF DIRECTORS ANNOUNCES PROPOSED DIVIDEND PAYMENT

BUDAPEST – March 22, 2004 – Matáv (NYSE: MTA.N and BSE: MTAV.BU), the Hungarian Telecommunications Company, today announced that the Board of Directors and Supervisory Board have reviewed the 2003 annual reports of Matáv Ltd. and Matáv Group, prepared in accordance with Hungarian Accounting Rules (HAR), and propose them for approval to the Annual General Meeting.

In view of the Group's current level of profitability and solid financial position, Matáv's Board of Directors will propose to Shareholders a dividend payment of HUF 70 per share (par value HUF 100) for the financial year 2003. This level of dividend payment ensures that the Group capital structure will remain at the optimal level as defined in the dividend policy dated March 21, 2003.

The dividend policy allows Matáv to almost quadruple the dividend payment compared to last year. We would, however, like to reiterate that, in line with our strategy, growth through further value enhancing acquisitions remains Matáv Group's priority in the future.

Matáv will hold its Annual General Meeting on April 28th, 2004.

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