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MATÁV BECOMES THE 100% OWNER OF WESTEL

BUDAPEST - December 21, 2001 - Matáv (NYSE: MTA.N and BSE: MTAV.BU), the leading Hungarian telecommunications service provider today closed the transaction with Deutsche Telekom to acquire the remaining 49% stakes in Westel and Westel 0660.

Matáv paid EUR 920 million for the 49% Westel stakes and has agreed to pay in 2002 an amount equal to 49% of the dividend to be declared by Westel for 2001. The amount of dividend with respect to 2001 has not yet been determined. The purchase price was financed by way of a medium term euro loan provided by Deutsche Telekom at an interest rate of LIBOR+50bp.

Elek Straub, Chairman and CEO of Matáv said: "This is an outstanding moment in the history of Matáv. We are confident that Westel will continue to outperform its peers and retain its solid leading position in the Hungarian mobile telecommunications market."

Westel is the largest mobile operator in Hungary with 2.3 million subscribers and over 50% GSM market share as of November 2001.

Westel 0660 is the sole analogue mobile operator in Hungary with 47,000 subscribers as of November 2001.

Matáv is the principal provider of telecom services in Hungary. Matáv provides a broad range of services including telephony, data transmission, value-added services, and through its subsidiaries is Hungary's largest mobile telecom provider. Matáv also holds a majority stake in Stonebridge Communications AD controlling MakTel, the sole fixed line and the market leader mobile operator in Macedonia. Key shareholders of Matáv include MagyarCom, owned by Deutsche Telekom AG (59.49%), while 40.51% of the shares are publicly traded.

For corporate news you can visit:

(<http://www.matav.hu/english/world/investors>) or the website of the Budapest Stock Exchange (www.bse.hu Listed Securities / Issuer's news).