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MATÁV SELECTS CISCO OPTICAL NETWORKING SOLUTIONS TO DELIVER HIGH CAPACITY BANDWIDTH TO THE HUNGARY MINISTRY OF EDUCATION

Matáv Deploys Cisco ONS 15800 and 15200 DWDM Solutions in Long-Haul and Metro Networks to Increase Capacity and Extend Reach

BUDAPEST. — October 31, 2001 — Cisco Systems, Inc. (Nasdaq:CSCO), the worldwide leader in networking for the Internet, today announced that Matáv has selected Cisco Systems' optical networking equipment as the foundation of an expansion project and new infrastructure, which will provide transport services to the Hungary Ministry of Education and other customers throughout the country. Matáv chose the ONS 15800 Series Long-Haul DWDM System and the ONS 15200 Metro DWDM line to expand capacity and achieve the lowest transport cost per bit.

“By creating new capacity in our core and metro networks utilizing DWDM technology, we are cost-effectively able to address increased demand for high-bandwidth services as well as expand our connectivity throughout Europe,” said Géza Paksy, Head of Transport Networks Development Department, Matáv. “Cisco’s DWDM solutions enable us to deliver bandwidth with the flexibility of single wavelength increments as well as the scalability to provide valuable services to our customers and to efficiently add capacity for evolving bandwidth requirements.”

The addition of dense wavelength division multiplexing (DWDM) technologies to Matáv’s fiber optic infrastructure brings scalability as well as increased capacity and lower cost. Initial links, which began to receive live traffic in October, will support 2.5 Gbps with scalability to support 10 Gbps traffic for future growth. The increased capacity of Matáv’s new network will also enable the company to provide connectivity to Hungary for large European service providers to increase Matáv’s revenue opportunities and extend its reach.

“With Cisco’s ONS 15800 and 15200 DWDM solutions, Matáv is expanding its revenue generating opportunities as well as capacity in core and metro networks, enabling its customers to maximize the benefits of high-bandwidth services,” said Geraint Anderson VP/GM Cisco

Photonics. “We are pleased Matáv has chosen Cisco’s IP+Optical solutions to enable customers like the Hungary Ministry of Education to realize the full potential of the Internet.”

By providing increased transport capacity to Hungarnet, the national academic IP network operated by National Information Infrastructure Development Office (NIIF), Matáv is enabling universities to have greater access to the academic research network. Matáv provides Hungarian segments of 2.5 Gbps links for GÉANT interconnecting Vienna and Budapest and Bratislava-Budapest. GÉANT, the next generation pan-European Gigabit research network, is a project created to maximize the emerging developments in telecommunications technology to provide an infrastructure to support researchers, as well as providing an infrastructure for research itself. A primary goal of GÉANT is to complement and interconnect national research networks in various European countries at Gigabit speeds.

Matáv selected Cisco’s optical networking equipment to complement the capabilities of its existing Cisco 12000 series Internet Router infrastructure in an IP+Optical network. Matáv chose the ONS 15801 Long-Haul DWDM System to cost-effectively increase capacity on key routes throughout Hungary. Using the ONS 15801 to expand long-haul transport capabilities and maximize installed fiber, Matáv is able to meet customer requirements and achieve lowest cost per bit per kilometer in the core network. The Cisco ONS 15800 Series Long-Haul DWDM System is a field proven, carrier-class optical transport platform, with a worldwide customer base and over 3,000 10 Gbps channels shipped to date.

With the ONS 15252 Metro DWDM solution, Matáv also brings scalable multi-channel flexibility into its metropolitan networks. Matáv will use the ONS 15252 Metro DWDM solution to deliver individual wavelengths to customer premises. These metro wavelengths can be aggregated onto the ONS 15801 platforms for long-haul transport. Introduced by Cisco earlier this year as part of the ONS 15200 line, the ONS 15252 delivered the first wavelength to the building solution to provide the scalability needed in today’s complex metro environments. To lower operations costs and simplify network management, Matáv is also deploying the Cisco Transport Manager element management system. Matáv’s IP+Optical infrastructure marries the high capacity capabilities of optics with the intelligence of IP to bring maximum value to its customers.

About Cisco Systems

Cisco Systems is the worldwide leader in networking for the Internet. Cisco news and information are available at <http://www.cisco.com>.

About Matáv

Matáv is the principal provider of telecom services in Hungary and holds the national concession for national and international long distance telephony. 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 mobile operator in Macedonia. Key shareholders of Matáv as of June 30, 2001 include the Hungarian State (holder of the Golden Share), MagyarCom, owned by Deutsche Telekom AG (59.49%), while 40.51% is publicly traded.