

Zagreb, 2 May 2012

T-Hrvatski Telekom

Treasury share buyback program

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ), the leading provider of telecommunications services in Croatia, publishes a Treasury Share Buyback Program adopted at today's session of the Management Board, as indicated in an announcement on 24 April 2012. The purpose of the Program is to realise the long-term incentive plans for senior management.

At present, it is applicable only to the President of the Management Board (CEO) and is described in the Group's 2011 Annual Report.

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T-Hrvatski Telekom

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About T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ)

T-Hrvatski Telekom (T-HT) is the leading provider of telecommunication services in Croatia, serving more than 1.2 million fixed lines, more than 2.3 million mobile subscribers and nearly 655,000 broadband connections through its Residential and Business divisions.

Since its initial public offering in October 2007, T-HT shares have traded on the Zagreb Stock Exchange, with global depositary receipts trading on the London Stock Exchange. Deutsche Telekom AG owns 51% of T-HT's shares, with the War Veterans' Fund owning 7% and the Pensioners' Fund holds 3.5%. The remaining free float is in the hands of private and institutional investors.

Pursuant to the Bylaw upon execution terms for Treasury share buyback program and measures of stabilization of financial instruments under which is realized exemption of market malpractice injunction (Official Gazette No. 5/09, in further text: "Bylaw") The Management Board of the company HRVATSKI TELEKOM d.d., Zagreb, Savska cesta 32 (hereinafter: „Issuer“) has passed, on 2 May 2012, the following

TREASURY SHARE BUYBACK PROGRAM

INTRODUCTORY PROVISIONS

Article 1

The Issuer's share capital amounts to 8,188,853,500.00 HRK, divided into 81,888,535 ordinary shares at a nominal value of 100.00 HRK, under the symbol HT-R-A and ISIN ID Number HRHT00RA0005 (hereinafter: „Shares“). The Issuer's shares exist in dematerialized form only, as electronic records on the accounts of the central depository managed by the Central Clearing and Depository Agency Inc. (hereinafter: „CCDA“), Zagreb. The Shares are registered to the holder's name, each of them giving the right to 1 (one) vote at the General Assembly of the Issuer, and other rights as defined by law.

By decision of the Zagreb Stock Exchange (ZSE), the shares were listed in the first quotation on 5 October 2007, i.e. admitted to listing on the ZSE Official Market.

TERMS AND CONDITIONS OF THE PROGRAM

Article 2

Pursuant to the decision of the Issuer's General Assembly on Treasury share buyback program dated 4 May 2011 and the decision of the Issuer's Supervisory Board dated 15 December 2011 introducing the Matching Share Plan, the Management Board of the Issuer herewith passes this Treasury share buyback program (hereinafter: „Program“) in line with the provisions of the Bylaw.

The goal of the Program is the acquisition of treasury shares for the purpose as set forth by the provision of Art. 3. Par.1 Item (b) of the Bylaw.

The Program shall be implemented in accordance with the provisions of the Bylaw, the Capital Market Act, the Companies Act and other relevant regulations.

The maximum number of Shares which the Issuer intends to acquire within the scope of this Program is 7.800. The maximum amount which the Issuer intends to pay as counter value for such number of Shares is 1,800,000.00 HRK.

The Program shall be applied from 2 May 2012, until 4 May 2016 at the latest.

TERMS OF PURCHASE

Article 3

The Issuer shall implement the Program via credit institution authorized to provide investment services as defined by the provisions of Art. 5 Par. 1 Item 2 of the Capital Market Act, by purchase of Shares on the regulated market.

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Bank accounts
Supervisory
Board
Board of Management
Commercial register
2360000-1101310875 (Zagrebačka banka d.d. Zagreb); OIB: 81793146560
A. Moelich – Chairman
I. Mudrinić – President, D. Dogan, B. Poldrugač, B. Skaramuča, I. Jolić Šimović, J. Busé
The Commercial Court Zagreb, MBS: 080266256;
foundation capital: 8.188.853.500,00 kuna; total number of shares issued: 81.888.535;
nominal share value: 100,00 kuna

In the implementation of the Program, the price at which treasury shares will be acquired for the Issuer and the daily purchase volume for treasury shares will not exceed the limits as defined by Art. 5 of the Bylaw. The price at which treasury shares will be acquired for the Issuer will not be above 10%, or below 10% of the average market price achieved for treasury shares during the previous trading day.

ANNOUNCEMENT

Article 4

The Issuer will publish the Program via Official Register of Prescribed Information and via Zagreb Stock Exchange, as well as on the Issuer's web site.

The Issuer shall, without delay, within four trading days upon treasury shares acquisition at the latest publish the number of treasury shares (in absolute and relative amounts) held by the Issuer after each treasury share buyback.

The Issuer shall ensure reporting to the Croatian Financial Services Supervisory Agency (hereinafter: „HANFA“) and the Zagreb Stock Exchange on trading within the scope of this Program, in the manner as prescribed by the provisions of the Bylaw.

FINAL PROVISIONS

Article 5

All changes and amendments to the Program shall be passed by the Issuer's Management Board.

The Issuer shall report to HANFA and Zagreb Stock Exchange with information on all changes and amendments to the Program in the same manner as done with the publishing of this Program.

The Program shall enter into effect as at the day of its passing.

HRVATSKI TELEKOM d.d.



Dino Ivan Dogan, Ph.D.
Member of the Management Board and CFO



Branka Skaramuša
Member of the Management Board and CHRO