



Zagreb, 12 February 2016

Hrvatski Telekom

Hrvatski Telekom Continues Transformation Initiatives in 2016

In 2016, Hrvatski Telekom continues with the transformation of its business in order to ensure sustainability for its future development and growth. Within the transformation process, a surplus of workers has been identified and the Company intends to terminate their employment contracts on business-related grounds until 31 March 2016.

The Company's approach to the process of taking care of surplus workers is highly socially sensitive and responsible. The Company has reached an agreement with its social partners on severance payments that are higher than those stipulated by the Collective Agreement valid from 1 January 2016. Therefore, an average severance payment in this process amounts to approximately 230,000 HRK per worker, which is on average by 20% higher than the severance that they would be entitled to receive based on the Collective Agreement. Within this process, the Company intends to make severance payments to approximately 220 workers. Apart from the increased severance payments, the Company is also offering programs for professional retraining based on the worker's choice. The Company has initiated counseling procedure with its Workers' Council and other activities in accordance with the Labor Act and its Collective Agreement.

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About Hrvatski Telekom

Hrvatski Telekom (HT) is the leading provider of telecommunication services in Croatia, serving 1.1 million fixed lines, 2.3 million mobile subscribers, and nearly 700,000 broadband connections through its Residential and Business divisions.