

Zagreb – 24 June 2008

T- Hrvatski Telekom

Completion of offering of shares to present and former employees

Following announcements on 17 March 2008 and 23 May 2008 regarding the sale of T-Hrvatski Telekom (T-HT) shares owned by the Government of Croatia to present and former employees of T-HT, the Company today issues the following update.

The Government of the Republic of Croatia held 9.5% of the total share capital of HT - Hrvatske telekomunikacije d.d, of which 7% (or 5,732,197 shares) was earmarked for sale at preferential terms to present and former employees.

Following its invitation to subscribe for shares, the Government received applications from 14,942 eligible employees and former employees. As a result, the Government allocated a total of 3,449,439 shares in the sale, representing 4.21% of the total share capital of the Company.

Ownership of shares sold in the offer will be transferred from the Government account to employee accounts by 30 June 2008. The new shareholders must hold these shares for a minimum of six to 12 months, depending on their length of service.

The Government will transfer dividends of HRK 29.56 per share, accrued on those shares for the 2007 financial year, to the new shareholders by 30 June 2008.

The remaining 2,282,758 shares not sold in the offer will remain in the ownership of the Government. Accordingly, following the sale, the Government has reduced its holding to 4,329,973 shares, representing 5.29% of the total share capital of the Company. Of this holding, up to 2.5% (2,047,215 shares) may be allocated as "bonus shares" to investors who subscribed for shares in the Initial Public Offering on 5 October 2007, and who have held them for a minimum of 12 months.

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About T-Hrvatski Telekom

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HRTA CZ) is the leading provider of telecommunication services in Croatia. Through its two business units, T-Com and T-Mobile, the Group provides fixed telephony, mobile telephony, wholesale, internet and data services. Iskon Internet d.d., one of the leading alternative telecommunication providers in Croatia, was acquired by and became a member of T-HT Group in 2006. The majority shareholder of T-HT is Deutsche Telekom AG with 51% of T-HT's shares. Following the sale of shares to present and former employees in June 2008, the Government of the Republic of Croatia reduced its stake from 9.5% to 5.3%. The remaining shares are owned by institutional and retail investors, and the Croatian War Veterans' Fund. The Company completed the listing of its shares on the Zagreb Stock Exchange and global depository receipts on the London Stock Exchange on 5 October 2007.

Background to the sale

The Law on the Privatization of Hrvatske telekomunikacije d.d. (the Company) dating from 1999 and its subsequent amendments of 2001, which regulates the framework for privatization of the Company, provides for the sale of 7% of shares to present and former employees of the Company and Hrvatske pošte d.d. and former employees of Public Enterprise for Postal and Telecommunications Traffic HPT – Croatian Post and Telecommunications.

Pursuant to this Law, the Government of the Republic of Croatia passed a corresponding decision (Decision) in November 2007 through which the basic terms governing the sale of shares were defined.

On 17 March, the company subsequently invited former employees to check their eligibility to purchase shares at preferential terms by 30 March. On 23 May, the Government announced terms on which present and former employees were invited to subscribe for shares.