

T-HT Group

Results Presentation

January - September 2007

8 November 2007

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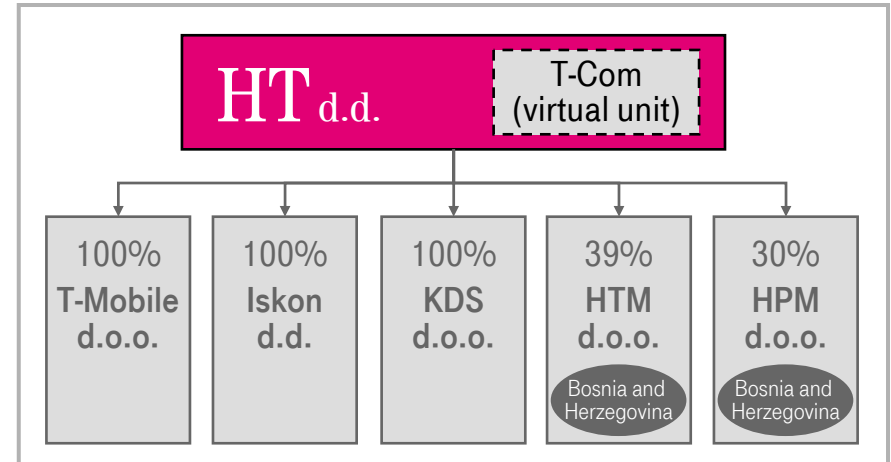
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Introduction of T-HT Group

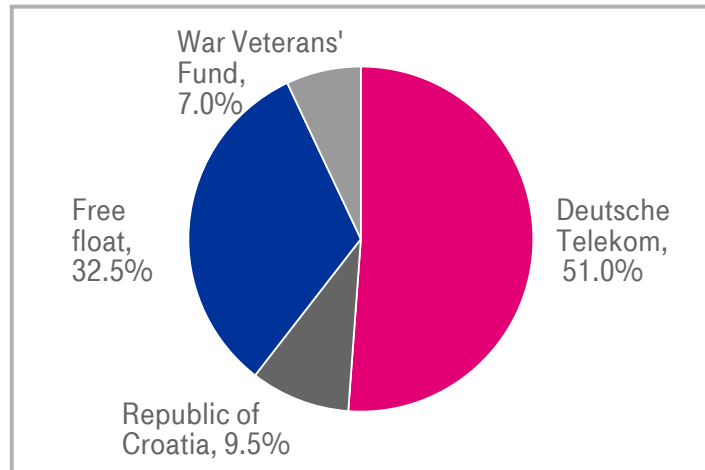
Highlights

- Full Telco services provider
- Market leader in all major segments
- Technological and quality leadership
- Strong competencies in IP Networks
- Full liberalization since 2005
- Company listed on LSE and ZSE since October 5th 2007

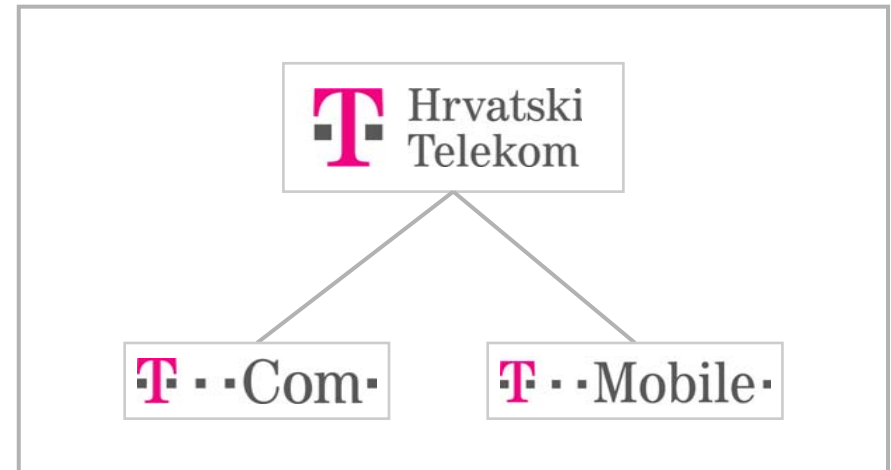
Organizational structure



T-HT Post IPO ownership structure



T Brand structure



Highlights

- IPO process successfully completed on 5 October 2007; Company listed on LSE (GDRs) and ZSE (shares)
- Revenues increased by 1.2 % over the same period last year, amounting to HRK 6,655 million (EUR 910 million⁽³⁾)
- Growth in mobile, Internet and wholesale services compensated for the expected decline in fixed line voice revenues
- Maintained position as market leader in all business segments
- Headcount optimization program ongoing
- Strong financial performance

¹ Excluding Other income

² Before exceptional items

In the reporting period 2007 exceptional items amounted to HRK 43 million (HRK 35 million related to DTI costs and HRK 8 million related to IPO costs).

In the same period 2006 exceptional items amounted to HRK 5 million.

³ Kuna per Euro average rate Jan-Sep 2007: 7.31; Jan-Sep 2006: 7.32

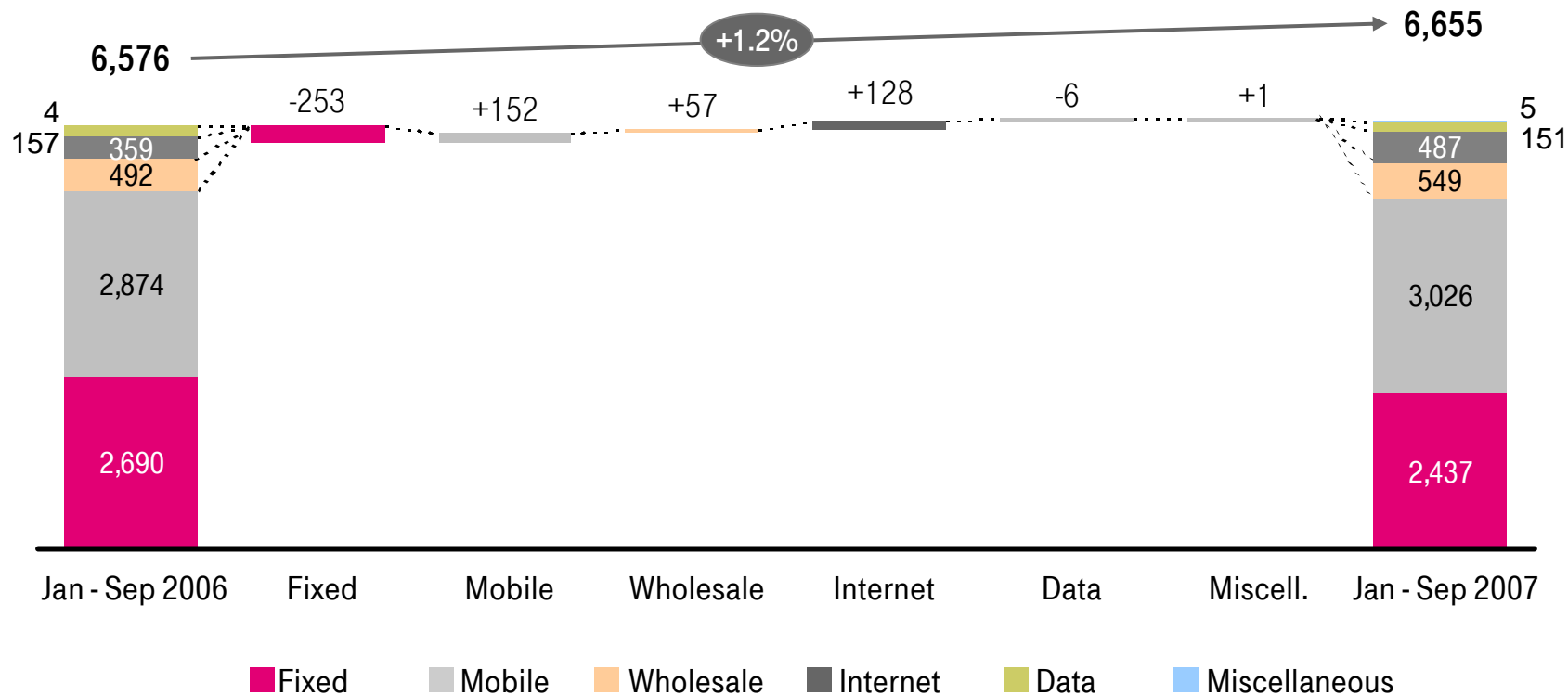
IFRS, Unaudited	HRK million		
	Jan-Sep 2006	Jan-Sep 2007	% Change
Revenues ⁽¹⁾	6,576	6,655	1.2
EBITDA	3,238	3,193	-1.4
EBITDA margin	49.2%	48.0%	
EBITDA ⁽²⁾	3,243	3,236	-0.2
EBITDA margin ⁽²⁾	49.3%	48.6%	
Net profit	1,872	2,152	15.0
Net profit margin	28.5%	32.3%	
Capex	746	629	-15.7
Capex/Revenue	11.3%	9.5%	
Headcount (Sep.30)	7,546	6,860	-9.1

Revenue development

T-HT Group

- Growth in revenues from mobile telephony, Internet and wholesale services offset the expected decline in fixed telephony revenues and revenues from data services to result in an overall increase in total consolidated revenues

Revenues (HRK million)



Note: Consolidated revenues (excluding Other income).

T-Com Business Segment

Key Highlights T-Com

- Fixed telephony declining, partly offset by growth in Wholesale services (CPS, ULL) and Mobile (FMS) services
- Strong growth in Internet services driven by IP/DSL services
- Data services in decline as traditional services are replaced by lower cost IP based solutions

Key financials (HRK million)

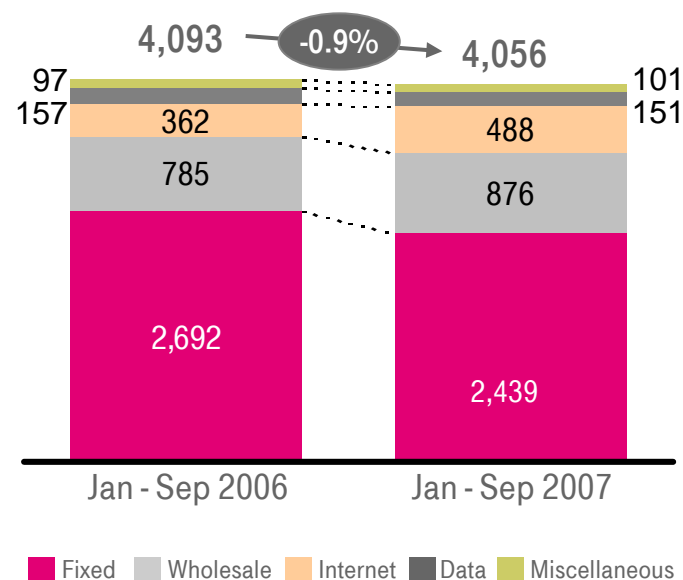
	Jan-Sep 2006	Jan-Sep 2007	% Change
Revenues ^(1, 3)	4,093	4,056	-0.9
EBITDA	1,843	1,703	-7.6
EBITDA margin	45.0%	42.0%	
EBITDA ⁽²⁾	1,849	1,745	-5.6
EBITDA ⁽²⁾ margin	45.2%	43.0%	
Capex	516	430	-16.7
Capex/Revenue	12.6%	10.6%	
Headcount (Sep.30)	6,504	5,802	-10.8

⁽¹⁾ Excluding Other income

⁽²⁾ Before exceptional items

⁽³⁾ Unconsolidated figures

Revenues by business service⁽³⁾ (HRK million)

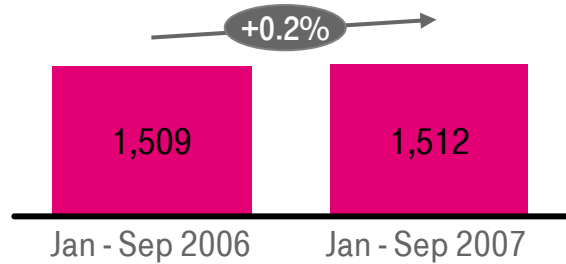


Fixed telephony

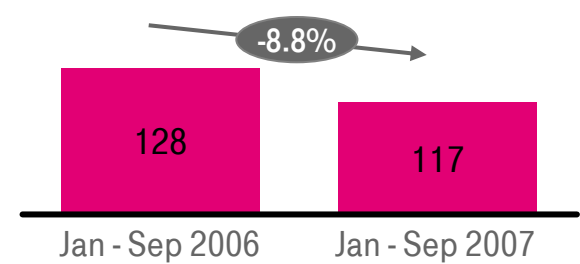
Traditional voice services in decline

- Successful marketing campaign (POTS for 1 HRK) resulting in slight increase of POTS mainlines compared to same period in 2006
- Declining fixed voice ARPA due to decreased traffic
- More than 35.000 returned CPSs to T-Com

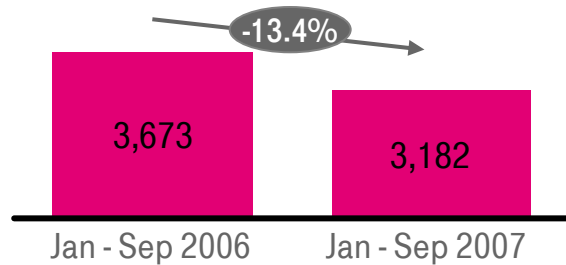
No. of POTS⁽¹⁾ Mainlines ('000)



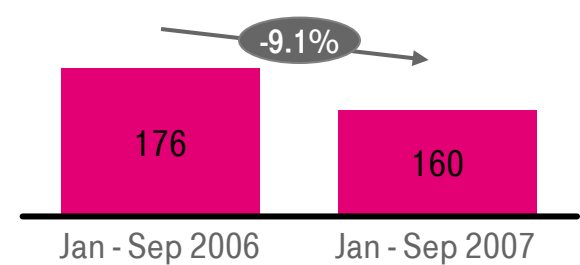
No. of ISDN Mainlines ('000)



Total Traffic in minutes (million)



ARPA⁽²⁾ (HRK)

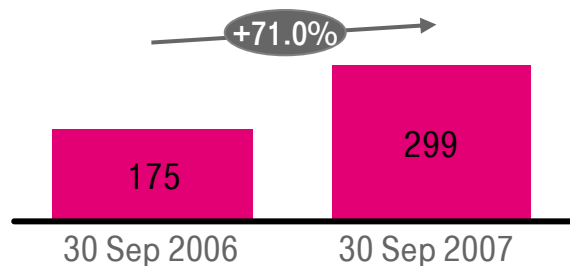


Note: ⁽¹⁾ FGSM included; Payphones not included
⁽²⁾ Average monthly voice revenue per voice access

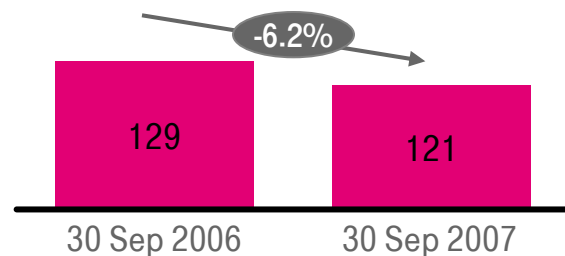
Internet services

- Strong growth of MAXdsl users; introduction of self-installation; supportive campaigns – Member Get Member, Speed upgrade, MAXdsl + Console.
- Shift from narrowband to broadband - lower number of dial-up customers
- MAXtv: Promotion of actual content and features; increase in exclusive content

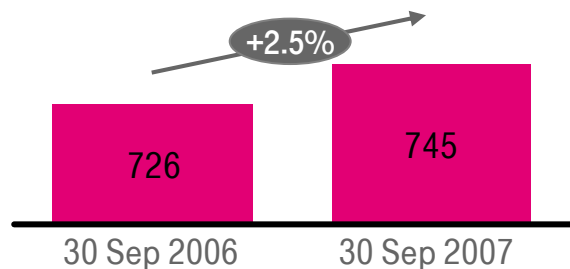
No. of ADSL mainlines ('000)



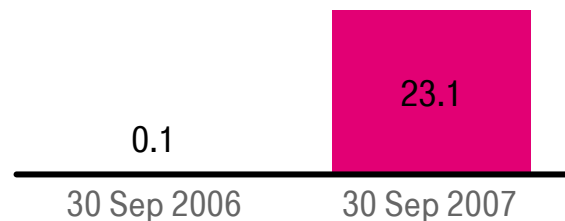
ADSL mainlines ARPA (HRK)



No. of dial-up users ('000)



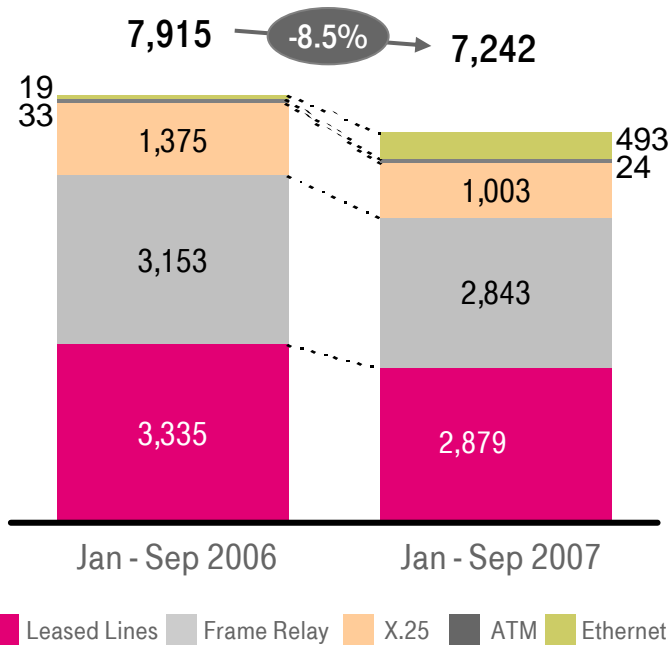
No. of MAXtv customers ('000)



Data and Wholesale services

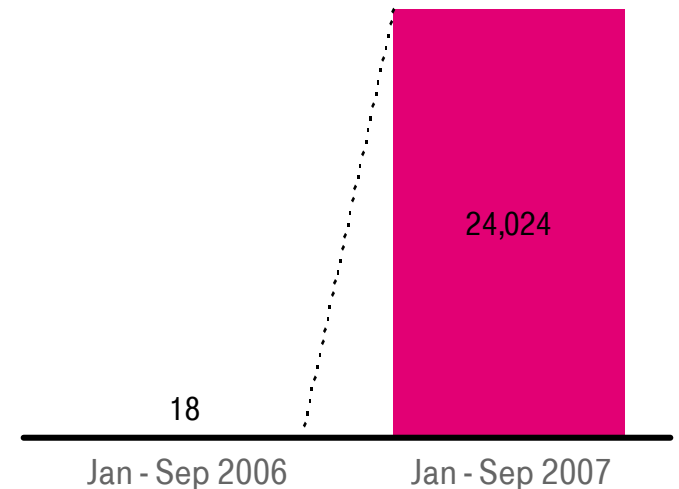
- Traditional data lines and revenues decreasing - customer migration towards new IP-based services
- Wholesale revenues increased by 11.6% to HRK 876 million
- Strong growth in number of ULL (September 2007: 32.8% of used pairs open for competition)

Traditional Data lines⁽¹⁾



⁽¹⁾ Only billed Data lines

Number of ULL



T-Mobile Business Segment

Key Highlights T-Mobile

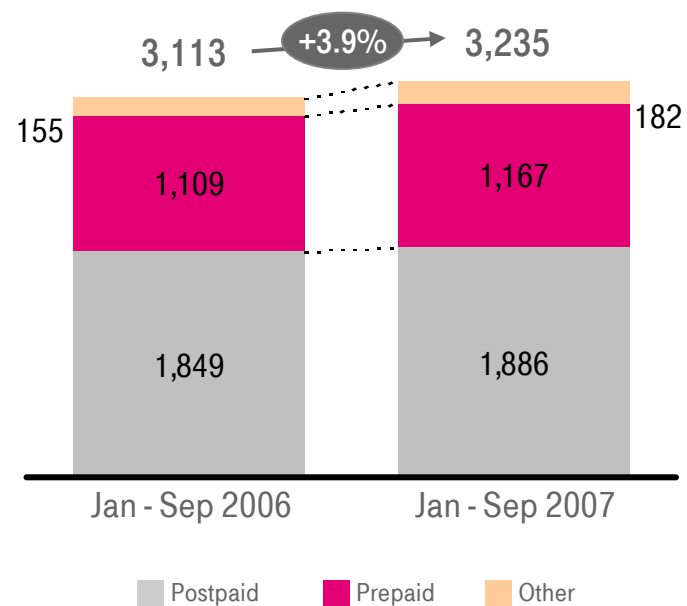
- Strong growth in subscriber base enabled revenue growth
- EBITDA development reflecting revenue growth and cost control

Key financials (HRK million)⁽¹⁾

	Jan-Sep 2006	Jan-Sep 2007	% Change
Revenues	3,113	3,235	3.9
EBITDA	1,395	1,491	6.9
EBITDA margin	44.8%	46.1%	
Capex	230	199	-13.6
Capex/Revenue	7.4%	6.2%	
Headcount (Sep.30)	1,042	1,058	1.5

⁽¹⁾ Unconsolidated figures

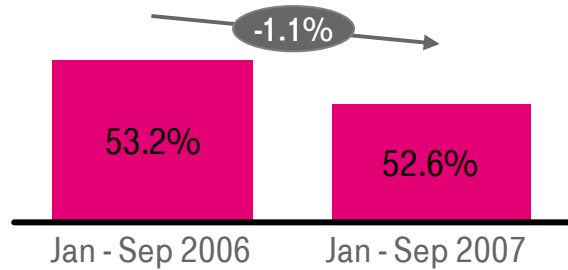
Revenues breakdown⁽¹⁾ (HRK million)



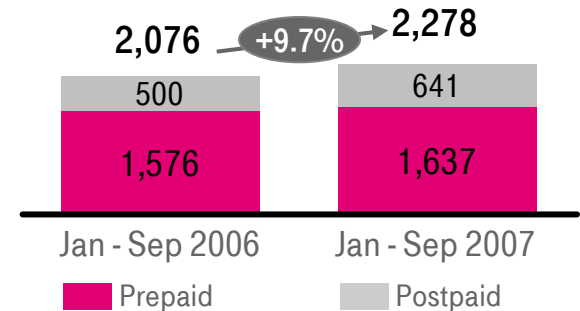
Mobile telephony

- T-Mobile is successfully maintaining its position as the market leader despite competition
- Increased share of Postpaid subscribers from 24.1% to 28.1 %
- ARPU decrease managed through effective value-for-money positioning
- Growing minutes of usage (MOU) partially neutralized prices drop

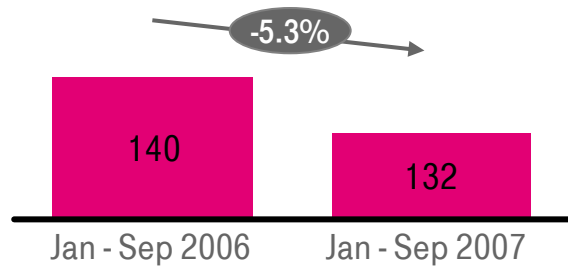
Market share by revenue (%)⁽¹⁾



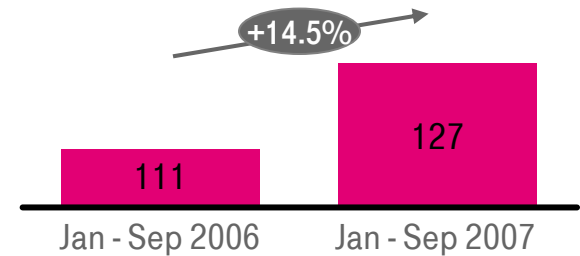
Number of T-Mobile Subscribers ('000)



Blended ARPU (HRK/month)



Average MOU (minutes/month)



⁽¹⁾ Source: Telekom Austria annual report for 2006 and for the first half of 2007, internal estimation of VIPnet's revenues for 3Q2007 and revenues for Tele2. Market shares are based on unconsolidated revenues for T-Mobile (i.e. not net of T-Com revenues) and excluding estimated VIPnet roaming revenues from Tele2.

Outlook for 2007

Revenues

- Relative decline in 2007 fixed telephony revenues expected equivalent to decline in 2006
- Growth in wholesale revenues partly offsetting decline in Fixed telephony
- Traditional data revenues in slight decline
- Strong growth in Internet services. Target of reaching slightly above 320,000 ADSL subscribers by end of 2007 with ARPU under pressure
- Mobile ARPU decrease offset by subscriber growth resulting in low-single digit growth

EBITDA

- EBITDA margin under pressure from increasing acquisition and retention costs
- Cost optimisation program and further headcount reduction to limit decrease in margins

CAPEX

- Group CAPEX as percentage of revenues slightly lower compared to 2006

Appendix

Consolidated Income Statement

in HRK million (IFRS; unaudited)	Jan-Sep 2007	Jan-Sep 2006	% of change
Fixed telephony	2,437	2,690	-9.4%
Mobile telephony	3,026	2,874	5.3%
Wholesale services	549	492	11.6%
Internet services ¹⁾	487	359	35.7%
Data services	151	157	-3.8%
Miscellaneous	5	4	25.0%
Revenues	6,655	6,576	1.2%
Other operating income	172	122	41.0%
Operating cost	3,634	3,460	5.0%
EBITDA²⁾	3,193	3,238	-1.4%
Depreciation and amortization	1,018	1,048	-2.9%
EBIT³⁾	2,175	2,190	-0.7%
Financial income / expenses	231	158	46.2%
Share of profits of associates and equity accounted investments	271	1	
Profit before taxes	2,677	2,349	14.0%
Taxation	525	477	10.1%
Net profit	2,152	1,872	15.0%
Exceptional items ⁴⁾	43	5	760.0%
EBITDA before exceptional items	3,236	3,243	-0.2%

¹⁾ Iskon included in financial statements from 1 June 2006

²⁾ EBITDA - Earnings before interest, taxes, depreciation and amortization. The Group believes that EBITDA is measure commonly used by analysts and investors in the industry in which it operates. EBITDA, as calculated by the Group, may not be comparable to similarly titled measures reported by other companies.

³⁾ EBIT - Earnings before interest and taxes but after exceptional items.

⁴⁾ Exceptional items only occurred and shown in T-Com segment

Consolidated Balance Sheet

in HRK million (IFRS; unaudited)	At 30 September 2007	At 31 December 2006	% of change
Intangible and tangible assets	967	1,126	-14.1%
Property, plant and equipment	5,997	6,244	-4.0%
Goodwill	78	78	0.0%
Investments	401	113	254.9%
Other long term assets	111	123	-9.8%
Total non-current assets	7,554	7,684	-1.7%
Inventories	211	175	20.6%
Debtors	1,345	1,135	18.5%
Prepayments and accrued income	104	49	112.2%
Investments	293	878	-66.6%
Cash equivalents and time deposits	5,078	5,537	-8.3%
Total current assets	7,031	7,774	-9.6%
TOTAL ASSETS	14,585	15,458	-5.6%
Subscribed share capital	8,189	8,189	0.0%
Reserves	410	415	-1.2%
Retained earnings	3,656	4,127	-11.4%
Total issued capital and reserves	12,255	12,731	-3.7%
Provisions	96	97	-1.0%
Employee benefit obligations	217	199	9.0%
Deferred income and other non-current liabilities	54	176	-69.3%
Total non-current liabilities	367	472	-22.2%
Trade payables and other current liabilities	1,171	1,383	-15.3%
Provisions for redundancy	197	428	-54.0%
Accruals, deferred income and other current liabilities	595	444	34.0%
Total current liabilities	1,963	2,255	-12.9%
Total liabilities	2,330	2,727	-14.6%
TOTAL EQUITY AND LIABILITIES	14,585	15,458	-5.6%

Consolidated Cash Flow Statement

in HRK million (IFRS; unaudited)	Jan-Sep 2007	Jan-Sep 2006	% of change
Profit before tax	2,677	2,349	14.0%
Depreciation charges	1,018	1,048	-2.9%
Interest income	-186	-133	39.8%
Loss on disposal of assets	15	0	
Decrease in inventories	-36	10	-460.0%
(Increase) / Decrease in receivables and prepayments	-254	54	-570.4%
(Increase) / Decrease in payables and accruals	-199	-240	-17.1%
Decrease in provisions	-246	-174	41.4%
Other transaction with impact on operating activities	-32	70	-145.7%
Taxes paid	-499	-407	22.6%
Net cash flow from operating activities	2,258	2,577	-12.4%
Net Purchase/Proceeds of non-current assets	-616	-664	-7.2%
Net Purchase/Proceeds of financial assets	789	-2,231	-135.4%
Net cash flow from investing activities	173	-2,895	-106.0%
Repayment of long-term borrowings and proceeds from loan taken	-3	17	-117.6%
Dividends paid	-2,617	-813	221.9%
Net cash flow from financing activities	-2,620	-796	229.1%
Effect of F/X rate changes on cash and cash equivalents	-4	1	
Net decrease in cash and cash equivalents	-193	-1,113	-82.7%
Analysis of changes in cash and cash equivalents:			
At the beginning of period	1,254	2,889	-56.6%
Net cash (outflow) / inflow	-193	-1,113	-82.7%
At the end of period	1,061	1,776	-40.3%

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