

Zagreb – 6 February 2013

T-Hrvatski Telekom

New Collective agreement signed; separately 403 to leave Company

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ), Croatia's leading telecommunications provider, announces that yesterday at the headquarters of Hrvatski Telekom, representatives of the employer and trade unions signed a new Collective Agreement. In addition, following a special severance offer 403 employees will leave the Company.

The new Collective Agreement ensures the conditions for the realization of the Company's business goals and maintains a high level of employee rights. Whilst certain aspects of the Agreement have been rationalized, with the annual vacation bonus per employee reduced from HRK 6,000 HRK to 3,000, the majority of employees' material rights remain unchanged.

This Agreement also guarantees that there will be no reductions in the workforce, excluding potential outsourcing programs within the business transformation program, during the period of the agreement.

Alongside the new Collective Agreement, a special severance offer for certain employee categories has also been agreed. Based on this offer, 403 employees will leave the Group by the end of June 2013. The total cost of severance and other statutory obligations for these employees is HRK 201 million, provision for most of which was booked at the end of the 2012 financial year.

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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 1.3 million fixed-line customers, more than 2.4 million mobile subscribers, 651,741 broadband access lines and provided TV services to 349,282 customers 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.