

Zagreb – 6 July 2012

## T-Hrvatski Telekom

### Croatian Parliament approves abolition of mobile services fee

T-Hrvatski Telekom, (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ, 'the Group'), Croatia's leading telecommunications provider, announces an update on the 6% fee on mobile networks services, following legislation passed today by the Croatian Parliament.

The Croatian Parliament has approved the Government's proposal to abolish the 6% fee on revenues generated by mobile services, including SMS, MMS and voice, to be payable by the operator.

The *Act on the Termination of the Fee for the Provision of Services in Mobile Electronic Communications Networks Act* was approved today. As a consequence, the 6% fee will be terminated with effect from 1 July 2012.

The 6% fee was originally introduced on 1 August 2009 as a crisis measure and was initially abolished with effect from 1 January 2012. Subsequently, the newly elected Government proposed and Parliament reinstated the fee with effect from 26 January 2012. This had been expected to remain in force until 30 June 2013, when Croatia is scheduled to accede to European Union.

The impact of the 6% tax in 2011 was HRK 145 million (2010: HRK 163 million) and in Q1 2012 it was HRK 21 million (Q1 2011: HRK 34 million).

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#### About T-Hrvatski Telekom

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.