

Zagreb, 28 October 2011

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 today 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 January 2012.

The 6% fee was introduced on 1 August 2009 as a crisis measure and the Croatian Government proposed abolition of the fee on 13 October 2011.

As announced in T-HT's results released earlier today, the impact of the 6% tax in the nine months to 30 September 2011 was HRK 113 million (Jan-Sep 2010: HRK 124 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 1.3 million fixed lines, nearly 2.5 million mobile subscribers and 648,000 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%. The remaining free float is in the hands of private and institutional investors.