

Zagreb – 20 June 2012

## T-Hrvatski Telekom

### Croatian Government proposes 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 reinstatement of the 6% fee on mobile networks services that came into effect from 26 January 2012 and was expected to be in force until 30 June 2013, when Croatia join European Union. The fee was originally introduced on 1 August 2009 as a crisis measure.

On 20 June 2012 the Croatian Government proposed the abolition of the 6% fee on revenues generated by mobile services, including SMS, MMS and voice, to be payable by the operator. Under the proposal, this fee will be terminated with effect from 1 July 2012.

The Government proposes abolition of the fee under the *Act on the Termination of the Fee for the Provision of Services in Mobile Electronic Communications Networks Act*, which will go before the Croatian Parliament.

The impact of the 6% tax in 2011 was HRK 145 million (2010: HRK 163 million) and in Q1 2012 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 654,000 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 depository 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.