

Zagreb – 11 January 2011

T-Hrvatski Telekom

Headcount reduction

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ), Croatia's leading telecommunications provider, announces that as part of its continuing program of rationalization of business processes and efficiency improvements, it will reduce its headcount by around 300 staff in 2011.

In 2010, the Group's Surplus Management Programme was not implemented due to the Social Partnership Agreement signed with unions in November 2009.

The average cost of severance and other statutory obligations per employee included in the Surplus Management Programme is approx. HRK 350.000 gross, provision for most of which was booked in the 2009 financial year. The remainder has been provisioned within the 2010 financial year.

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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 1.4 million fixed lines, nearly 2.8 million mobile subscribers and more than 600,000 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 owns 7% and the Pensioners' Fund holds 3.5%. The remaining free float is in the hands of private and institutional investors.