

Zagreb - 6 December 2013

## T-Hrvatski Telekom

### Entry to retail electricity market

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ, "T-HT", or „the Company“), Croatia’s leading telecommunications provider, announces that from 9 December, 2013 it will be offering retail electricity services to residential and business customers. This follows the grant of a licence from the Croatian Energy Regulatory Agency (HERA) in October 2013 to provide electricity supply.

In line with its strategy of entering new business segments that provide opportunities for further business growth and development based on leveraging the Company's present resources, T-HT has identified such potential within the retail electricity market.

The expansion of its service portfolio should enable T-HT to generate additional revenue and increase customer satisfaction by using its advanced IT solutions, strong customer care capability and extensive sales network.

In addition to lower electricity prices than those offered by the universal service of the dominant supplier, T-HT's electricity customers will also benefit from a welcome bonus, no contractual obligations and no fixed monthly charges.

The Croatian electricity market was deregulated in 2008. The residential electricity market was supplied exclusively by the state owned company until July 2013, when several alternative suppliers entered.

In 2012 the value of the market was HRK 11.5 billion with an annual growth rate of 7.5%.

Ivica Mudrinić, president of the Management Board and CEO said:

*„By entering the electricity supply market, HT will, through the expansion of its service portfolio, reinforce its position as one of the key drivers of Croatian economic development. We have made the decision to enter this market because we can offer our customers attractive pricing and service. In the fiercely competitive telecommunication market, we have maintained a leadership position because we listen to our customers, acknowledge their needs and strive to respond in the most effective way. By extending this approach to the electricity market, I am confident that HT can become a leading alternative electricity supplier.“*

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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 nearly 1.2 million fixed lines, 2.4 million mobile subscribers and 667,000 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.