

Zagreb, 18 August 2014

## T-Hrvatski Telekom

### Hrvatski Telekom, Ericsson and Ericsson Nikola Tesla agree on cooperation in the field of managed services

- HT selects Ericsson for partner in the construction and maintenance of telecommunications infrastructure, the contract on service provision signed for a 5 year period
- Contract signed on transfer of HT's technology unit for the construction and maintenance
- 640 employees will be transferred from Hrvatski Telekom into the newly established subsidiary of Ericsson Nikola Tesla - Ericsson Nikola Tesla Servisi d.o.o. from September 2014

Hrvatski Telekom has signed a contract with Ericsson which regulates services of construction and maintenance of telecommunications infrastructure for a five-year period. At the same time, a contract was signed on transfer of HT's technology unit for the construction and maintenance which is currently engaged in these activities, given that from 1 September these activities will be performed for HT by Ericsson, one of the strongest companies in this field worldwide.

640 employees who work at these jobs will be transferred from Hrvatski Telekom into the newly established subsidiary of Ericsson Nikola Tesla, a member of the global group Ericsson, named Ericsson Nikola Tesla Servisi d.o.o.

The five-year contract for construction and maintenance of telecommunications infrastructure includes planning and construction of fixed and mobile networks, maintenance of telecommunications infrastructure, telecom network monitoring, field maintenance of active access network and passive network.

**Davor Tomašković**, President of the Management Board and CEO, said:

"With this contract Hrvatski Telekom intends to increase the quality of infrastructure and simultaneously optimize costs related to the construction and maintenance of fixed and mobile networks. We have chosen a good and reliable partner who will increase the quality of our electronic communications networks at the highest level and at optimal costs. We have entrusted these important tasks to a company that is the global leader in this, so that we in our business could focus on advanced and innovative services for our customers."

**Jean-Claude Geha**, Vice President and Head of Managed Services at Ericsson, said:

“While extending our relationship with Hrvatski Telekom and the Deutsche Telekom Group, we will use our expertise gained from more than 15 years in telecom managed services to improve end-user experience and optimize network operating costs. By saving time and resources, Hrvatski Telekom will be able to increase its investments in innovation, sales and customer management.”

**Gordana Kovačević**, President of Ericsson Nikola Tesla, said:

“Ericsson Nikola Tesla perceives this contract as the next step in our long-term cooperation with Hrvatski Telekom. It will position us as the most powerful service organization in Croatia and new employees will be the additional foundation layer offering a better view into our customers’ needs and enabling new knowledge acquisition in this area. Employees who transfer from Hrvatski Telekom to Ericsson Nikola Tesla Servisi bring great value to the new company because they are top experts, and for them the new company opens up new prospects for the development and additional jobs. Ericsson and Ericsson Nikola Tesla will focus on fulfilling all T-HT needs and expectations in managed services based on Ericsson’s industry leading position in the mentioned services area. Competent and motivated employees will have a significant positive impact on T-HT’s end user customer satisfaction, brand value and service quality.”

Hrvatski Telekom is the leading provider of telecommunications services in Croatia and the sole company to offer the full range of these services. Alongside fixed and mobile telephony services, HT provides Internet services, including IPTV, data transmission services and ICT services and is a leader in all business segments. According to the results for the second quarter of 2014, HT Group serves 1.1 million fixed-line customers, 2.3 million mobile subscribers and 620,508 retail broadband access lines and provides television services to 393,525 customers.

Ericsson is the leader in the field of managed services for telecom operators and has over 15 years of experience in managing networks that combine multiple suppliers and different technologies. Over 30,000 employees from operators around the world became part of Ericsson with contracts on managed services so today Ericsson counts 61,000 service experts working in 180 countries. Ericsson provides management services of networks that have one billion subscribers worldwide. Today more than 40 percent of the world's mobile traffic passes through Ericsson's networks and it supports its clients' networks with over 2.5 billion subscribers.

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