

Zagreb – 10 January 2012

T-Hrvatski Telekom

Headcount reduction

T-Hrvatski Telekom (Reuters: THTC.L, HT.ZA; Bloomberg: THTC LI, HTRA CZ, “the Group”), Croatia’s leading telecommunications provider, announces that it continues investing in service development, infrastructure and business processes still further in 2012 and has determined a surplus of around 450 staff, so has commenced activities prescribed by the Labor Act and Collective Agreement, which will take place during first quarter.

The average cost of severance and other statutory obligations per employee is approximately HRK 360,000 gross, provision for which was booked at the end of the 2011 financial year.

Contact details

T-Hrvatski Telekom

Erika Kašpar, Corporate Communications and Investor Relations	00 385 1 491 2000
Elvis Knežević, Investor Relations	00 385 1 491 1114
Anita Marić Šimek, Investor Relations	00 385 1 491 1884
E-mail	ir@t.ht.hr
Web site	www.t.ht.hr/eng/investors

College Hill

Kay Larsen / Adrian Duffield	+44 (0)20 7457 2020
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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 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 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.