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## 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 6% fee on mobile network services imposed under the *Fee for the Provision of Mobile Electronic Communications Networks Services Act* and introduced on 1 August, 2009 as crisis measure.

On 13 October 2011 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 January 2012.

In the first half 2011, the impact of the 6% tax on T-HT was HRK 71 million (H1 2010: HRK 77 million).

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.

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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 3.0 million mobile subscribers and almost 647,000 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.