

OPTE-R-A

ISIN: HROPTERA0001

July, 29th 2016

Pursuant to The Merger Agreement with H1, Optima submitted to the Croatian Competition Agency (Hereinafter: CCA) an Application concerning the Concentration

OT - OPTIMA TELEKOM (Hereinafter: Optima) hereby announces, that on July 29th, 2016 with the Company H1 TELEKOM, with headquarters in Split, Dračevac 2 / d, registered with the Commercial Court in Split, MBS: 060145425, OIB: 88551335012 (Hereinafter: H1) signed The Merger Agreement (Hereinafter: The Agreement).

Pursuant to the Agreement, H1 as the transferor Company, will be merged with Optima as a transferee Company, by transferring the entire property and all rights and obligations of H1, without liquidation of the transferor Company.

As a compensation for the transferred assets, rights and obligations of H1, Optima will be obliged to transfer the Optima shares to the shareholders of H1 in an agreeable conversion ratio.

The effect of the merger should occur on January 1st, 2017, after obtaining all necessary permits and approvals.

Therefore, based on the provisions of the Competition Act, Optima on July 29th, 2016, submitted to CCA an Application concerning the Concentration.

Also, the Companies have obligation according to their Company Bylaws and in accordance with the provisions of the Companies Act, to convene the General Assemblies for approval of the Agreement as well as other necessary Decisions.

The purpose of H1 - Optima merger is the realization of positive synergies between Companies and increase of Optima's value for its existing shareholders and new shareholders (the former H1 shareholders).

Optima and H1 have mutual interest to leverage on merged business, organizational, legal and financial levels considering that the merger implementation and the realization of planned synergies will increase business efficiency and will reduce costs, which will undoubtedly increase the value of Optima as a respectable third operator on the fixed telephony market.

Optima Management Board:

Zoran Kežman, President

Tomislav Tadić, Member


OT - OPTIMA TELEKOM D.D.
ZAGREB