

Digital agenda for South East Europe – Brussels

December 13, 2011

15.12.2011



Croatia: geography position brings tourism-dependant economy and frequency coordination issues

Population

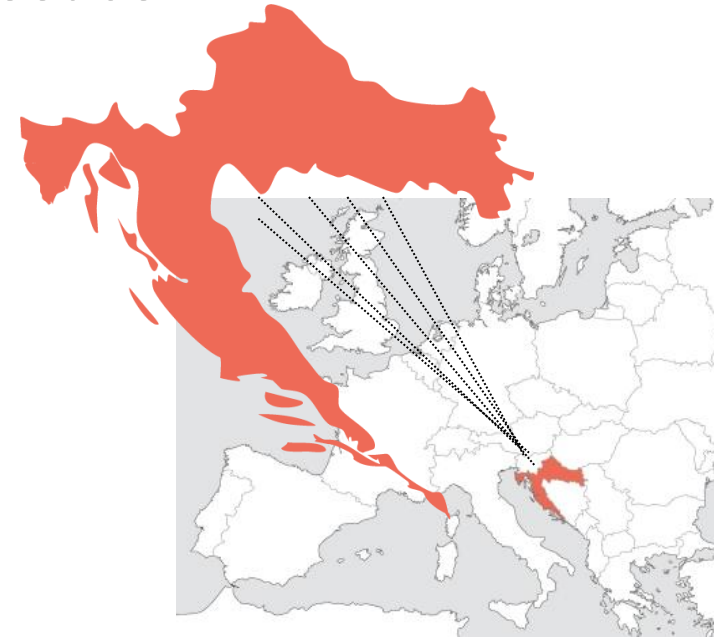
- >4,3 mio inhabitants
- >1,5 mio households

Economy

- >GDP per capita (2010): 13.750 USD
- >Registered unemployment rate 16.8% in Sep 2011
- >Visitors (2010): 10, 6 million

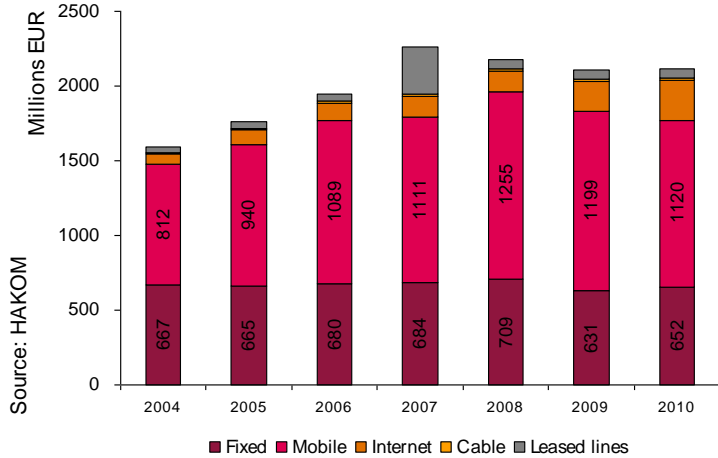
Geography

- >Land: 56.594 m2, 1.185 islands
- >Highest mountain top 1.831m

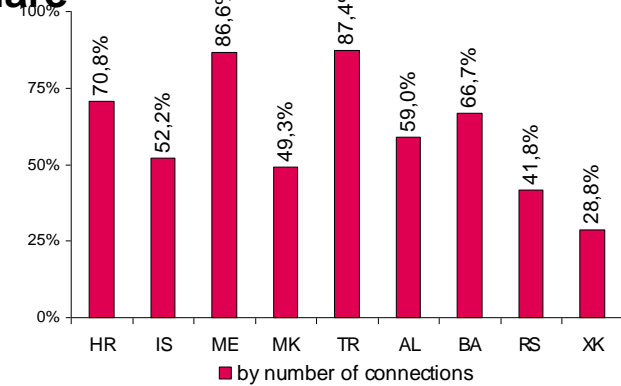


Telecom market: developed and competitive mobile, too centralized fixed broadband market segment

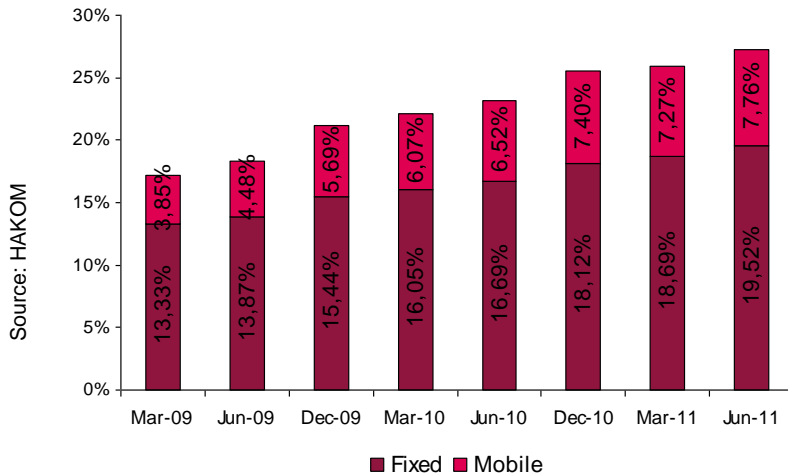
Croatia telecom market value



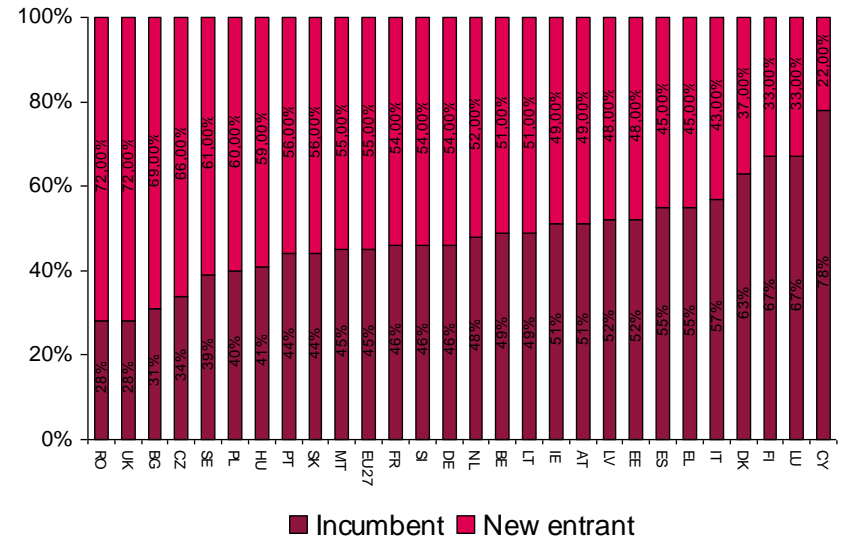
Incumbent's ISP's retail market share



Broadband penetration - Croatia



EU fixed broadband access lines:



Regulatory framework: great expectations for fixed market development through EU accession

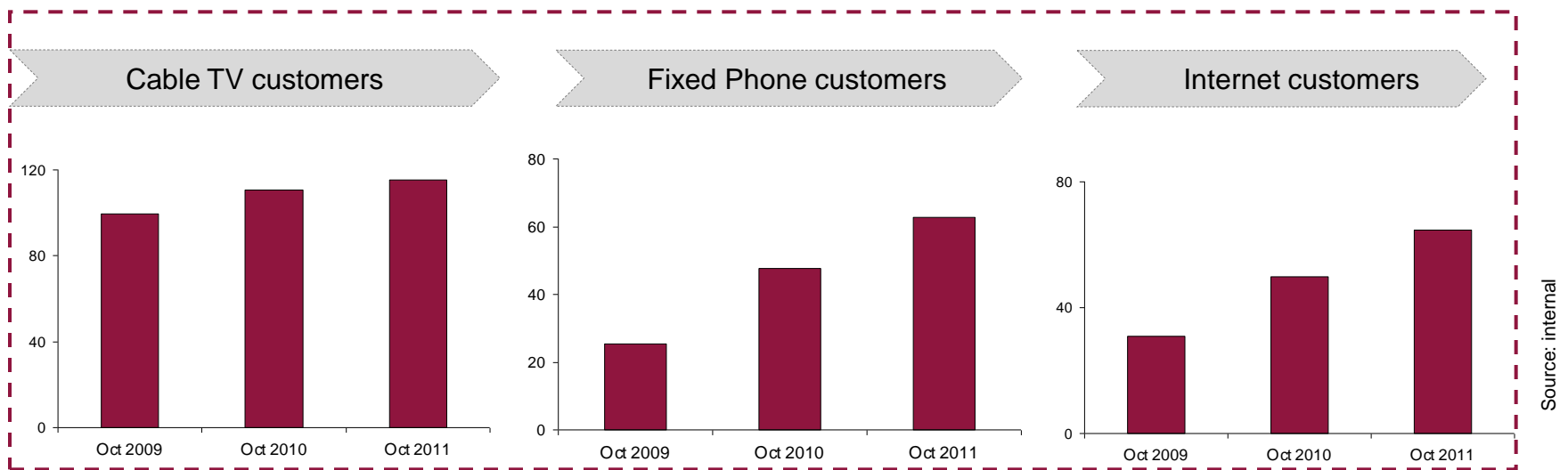
- > Croatia signed EU accession treaty on 9th Dec 2011
- > Accession by 1st July 2013

- > Fully introduced EU regulatory framework in 2009
- > New Law on Electronic Communications
- > Mobile tax to be abolished by 1st Jan 2012

- > Strong and effective wholesale access regulation on dominant operator
 - > Bistream fully enabled, including nakedDSL, Retail-minus -60%
 - > wholesale line rental – one invoice
- > Further crucial decisions to be delivered in terms of ensuring sustainable competition in fixed market:
 - > FTTH wholesale access regulation
 - > Retail fixed broadband regulation

Showcase: strong mobile operator acquires major cable operator to offer convergence

- > Unique step on the market: August 2011 Vipnet acquires B.net, the biggest Croatian cable operator to increase competitiveness
- > Independent NFC network able to deliver super fast broadband and 3DTV
- > This move is showcase of managing challenge of saturated mobile market by expanding to new business opportunity



Thank you

