

Announcement on commencement of purchasing own shares (share buy-back)

May 15, 2012

Following the resolution of the General Meeting of the company Telefónica Czech Republic, a.s. held on 19 April 2012 and following the decision of the Board of Directors on 9 May 2012, the company has engaged the company UniCredit Bank AG, London Branch to implement the program for the acquisition of the company's own shares (share buyback).

UniCredit Bank AG, London Branch is, pursuant to the share buyback program, authorized to acquire up to 32,208,989 common shares at a price between CZK 150 and CZK 600 shares for a period of up to five years. Based on the above referenced decision of the Board of Directors, the company has instructed UniCredit Bank AG, London Branch to acquire 6,441,798 ordinary shares, i.e. a total of 2% of the total number of ordinary shares of the company.

Acquisition of the company's own shares will be realized on the European regulated market on which the shares of the company are quoted (Prague), while UniCredit Bank AG, London Branch, is, in order to implement the program, authorized to use the services of an investment firm authorized to trade on this market.

Implementing the purchases, the company UniCredit Bank AG, London Branch, is obliged to proceed independently from the company, with professional care and in the best interests of the company. Furthermore, it is also obliged to ensure that it proceeds in compliance with the relevant legislation of the Czech Republic, especially Act No. 513/1991 Coll. Commercial Code, Act No. 256/2004 Coll. on business operations on the capital market and with the European Union law, in particular with the Commission Regulation (EC) No. 2273/2003 (including the price and volume limitations of the purchases).

In accordance with the abovementioned, the company UniCredit Bank AG, London Branch, shall commence the purchase of the shares of the company on 16 May 2012 in the scope of the above resolution of the General Meeting and the decision of the Board of Directors.

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