

## OUTCOME OF THE ANNUAL GENERAL MEETING

**April 28, 2015**

The Annual General Meeting of O2 Czech Republic a.s. was held on 28 April 2015 in Prague. It was attended by shareholders who hold 93.86 % of the company's stock, providing a quorum for the meeting.

The supreme body of the company approved the unconsolidated and consolidated financial statements of the company for the year 2014 prepared under the International Financial Reporting Standards (IFRS). Both sets of financial statements were recommended for approval by the Board of Directors of the company, reviewed by the Supervisory Board and audited by the audit firm KPMG Česká republika Audit, who gave both sets of financial statements its unqualified statement. As per the 2014 financial statements, the company reported a net consolidated profit of CZK 3,998 million and a net unconsolidated profit of CZK 3,963million.

The General Meeting further approved the distribution of the company's unconsolidated 2014 profit and part of unconsolidated retained earnings from the previous years as a dividend in the total amount of CZK 4,103 million. A dividend of CZK 13 before tax will be paid to each share with a nominal value of CZK 87 and a dividend of CZK 130 before tax will be paid to the share with a nominal value of CZK 870. The date of record for the dividend payment, the payout of which shall be carried out by Česká spořitelna, shall be 28 April 2015. The dividend shall be payable on 28 May 2015.

In accordance with the separation project the General Meeting approved the separation of O2 Czech Republic a.s. by spin-off with formation of a new company Česká telekomunikační infrastruktura a.s. (CETIN). As part of the separation the General Meeting approved also the closing financial statements and the opening balance sheet of O2 Czech Republic a.s. and the opening balance sheet of CETIN. In connection with the separation O2 Czech Republic a.s. will reduce its registered capital from current amount CZK 27,461 million to CZK 3,102 million. The reduction will be achieved by reduction of the nominal value of each share from current nominal value of CZK 87 to CZK 10 and reduction of the nominal value of the share from current nominal value of CZK 870 to CZK 100 and via cancellation of treasury shares. The reduction of the share capital and cancellation of the treasury shares will not change the actual relative stakes of individual shareholders.

As a result of the separation the company's assets related to fixed public communications network, physical infrastructure of a public mobile communications network and data centres, and related employees, contracts and documentation shall be passed over to CETIN. For each share of O2 Czech Republic a.s. there will be one share of CETIN allocated to the shareholders as of the separation day. Shares of CETIN will be ordinary booked registered shares with nominal value of CZK 10, which will not be listed on any European regulated market. Therefore, the shareholders who voted against the separation at the General Meeting, either in person or by correspondence voting will be entitled to receive an offer from CETIN to sell all their CETIN shares for the price which will be determined based on the valuation carried out by an expert appointed by a court. The buyout offer for CETIN shares will be published within two weeks from the registration of CETIN in the commercial register.

In accordance with the separation project the General Meeting approved the changes in the changes in Articles of Association of O2 Czech Republic a.s. Based on that, the number of Board of Directors' members will be reduced from 5 to 3. As part of the approval of CETIN's

Articles of Association the General Meeting approved first members of the Board of Directors, who will be Petr Slováček, Michal Frankl and Martin Vlček and first members of the Supervisory Board, who will be Ladislav Chvátal, Lubomír Král and Vladimír Mlynář.

Acting on the proposal by the Supervisory Board and recommendation of the Audit Committee, the General Meeting appointed the auditor KPMG Česká republika Audit, s.r.o., as the company's statutory auditor for 2015.

The General Meeting elected Aleš Minx and Ctirad Lolek as members of the Supervisory Board, effective as at 1 June 2015 and approved entering into the executive service agreement of the Supervisory Board member between the company and both gentlemen.

#### **Contacts**

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#### **About O2 Czech Republic**

O2 is the largest integrated telecommunications provider in the Czech market. At present we operate close to eight million mobile and fixed accesses, which ranks us among the market leaders in fully converged services in Europe. To users of mobile services in the Czech Republic we offer state-of-the-art HSPA+ and LTE technology. We have the most comprehensive proposition of voice and data services in the Czech Republic, and we actively exploit the growth potential of the various business lines, especially ICT. Our data centres, with total floor area of 7,300 square metres, rank us among the leaders in hosting, cloud and managed services. O2 data centres belong to the few commercial ones in Central Europe to have TIER III certification. With our O2 TV we are also the largest IPTV service provider in the Czech Republic. In January 2014, O2 became a member of the Czech investment group PPF.

#### **About PPF Group**

PPF Group invests into multiple market segments such as banking and financial services, telecommunications, real estate, retail, insurance, metal mining, agriculture and biotechnology. PPF's reach spans from Europe to Russia, the USA and across Asia. PPF Group owns assets of EUR 24 billion (as at 30 June 2014).