



Document for Shareholders

Regarding item 6) of the agenda of the regular General Meeting of Telefónica O2 Czech Republic, a.s., which will be held on April 28, 2011

RESOLUTION ON DISTRIBUTION OF THE COMPANY PROFIT FOR 2010 AND RETAINED COMPANY PROFIT FROM PREVIOUS YEARS AND, AS THE CASE MAY BE, OTHER AVAILABLE FUNDS OF THE COMPANY, AND DETERMINATION OF ROYALTIES FOR 2010

The Board of Directors' draft resolution regarding item 6) of the agenda:

The Board of Directors proposes to distribute the unconsolidated profit of Telefónica O2 Czech Republic, a.s. (hereinafter "Company") for 2010 in the amount of CZK 12,695,745,921.87 after tax as follows:

1) contribution to the reserve fund	0.00 CZK
2) contribution to the social fund	15,000,000.00 CZK
3) royalties	0.00 CZK
4) dividends	12,680,745,921.87 CZK

Additionally, the Board of Directors proposes to use the unconsolidated retained profit from previous years (in the current total amount of CZK 1,846,046,871.46) in the amount of CZK 202,850,078.13 as follows:

1) contribution to the reserve fund	0.00 CZK
2) contribution to the social fund	0.00 CZK
3) royalties	0.00 CZK
4) dividends	202,850,078.13 CZK

Further, the Board of Directors proposes that the unconsolidated retained profit of previous years in the total amount of CZK 1,643,196,793.33 shall remain undistributed.

A dividend of CZK 40 before tax shall thus be paid to each share with the nominal value of CZK 100, and a dividend of CZK 400 before tax shall be paid to each share with the nominal value of CZK 1,000. Under the conditions arising from the Czech legal regulations, the relevant tax shall be deducted (subtracted) by the Company before effecting the payment.

Those persons will have the title to dividend who will be the shareholders of the Company as at the conclusive day to claim the title to dividend (hereinafter "the conclusive day for dividend"), or their heirs or legal successors, provided that they prove the existence of their title. The respective shareholders shall be identified according to the state as of the conclusive day in the excerpt from the statutory register, which excerpt is to be ensured by the Company (unless it is proven that the record in the register fails to comply with reality).

The conclusive day for dividend shall be September 7, 2011.

The dividend shall be payable on October 6, 2011. The responsibility for the dividend payout rests with the Company's Board of Directors and it shall be carried out at the Company's costs through Česká spořitelna, a.s. and where not regulated by this provision, the payment shall be carried out in compliance with legal regulations and the Company's Articles of Association.

Without any undue delay after the regular General Meeting, the Board of Directors shall send written information on the resulting resolution of the General Meeting regarding the dividend payout, including the information on the dividend payout schedule, the dividend conclusive day, the dividend payout day and the financial institution designated to pay the dividend out, to the shareholders at the addresses of their registered office or their place of residence listed in the securities register administered in accordance with Act No. 256/2004 Coll., the Capital Market Trading Act.

The Board of Directors of Telefónica O2 Czech Republic, a.s.