# Announcement

## Telefónica O2 Czech Republic terminated its dispute with TELE 2

**July 17, 2009**

Telefónica O2 Czech Republic, a.s and TELE 2 EUROPE S.A. agreed on a settlement and terminated their dispute in the Czech Republic. TELE 2 withdrew the legal action. As a result of this settlement, there is no longer any risk for Telefónica O2 Czech Republic with respect to the amount of CZK 2,141,603,909 originally claimed by TELE 2 in 2005.

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***About Telefónica O2 Czech Republic***

*Telefónica O2 Czech Republic, a.s., is the first integrated operator in the Czech Republic, formed on 1 July 2006 by the merger of the leading fixed line operator, ČESKÝ TELECOM, a.s., and the strongest mobile operator, Eurotel Praha, spol. s r.o., into a single telecommunications organization. The organization is now operating more than seven million lines, both fixed and mobile, making it one of the world's leading providers of fully converged services.*

*Telefónica O2 Czech Republic offers the most comprehensive portfolio of voice and data services in this country. Special attention is paid to the exploitation of growth potential, particularly in the data and Internet sector. Telefónica O2 Czech Republic operates the largest fixed and mobile network, including a 3rd generation network, CDMA (for data), and UMTS, enabling voice, data, and video transmission. Telefónica O2 Czech Republic also runs the largest network of WiFi hotspots in the country.*

***About Telefónica O2 Europe***

*Telefónica O2 Europe comprises mobile network operators in the UK, Ireland, and Slovakia, along with integrated fixed/mobile enterprises in Germany and the Czech Republic - all of which use 'O2' as their consumer brand. Telefónica O2 Europe also owns 50% of the Tesco Mobile and Tchibo Mobilfunk joint venture businesses in the UK and Germany, respectively, and has 100% ownership of Be, the UK's leading fixed broadband provider. Additionally, the group includes the Isle of Man fixed/mobile operator, Manx Telecom.*

*Telefónica O2 Europe, part of the Telefónica group, is headquartered in Slough, UK, and has more than 40 million mobile and fixed customers.*