

O2 APPROVED A TERM FACILITY AGREEMENT, REPORT ON THE REQUEST FOR FINANCIAL ASSISTANCE AND EXTENDED THE USE OF THE O2 BRAND

18 November 2014

O2 Czech Republic a.s. (hereinafter the "Company") announces that on November 18, 2014 its competent authorities decided on:

- Entering into **Term Facility Agreement** up to CZK 4,000,000,000 between the Company as the borrower and Komerční banka, a.s. as the lender. The Company will be entitled to utilise a loan **up to CZK 4,000,000,000** with repayment term of 3+3 months and with optional further extension by another 6 months. The Company will use this short term credit facility to pay off the liabilities directly related to commercial relations with the previous majority owner.
- Approval of **Board of Directors report** prepared in accordance with Sec 311 letter d) of Act No. 90/2012, Coll., on Business Corporations ("Business Corporations Act"), following the request of the majority shareholder, PPF Arena 2 B.V. for **provision of financial assistance** dated 13 October 2014 and the **report on review of the request by an independent expert** appointed by the supervisory board in accordance with § 313 of the Business Corporations Act. As required by law, the Board of Directors report stipulates assumptions and conditions under which financial assistance may be provided in accordance with the request from the majority shareholder and the follow-up discussions between the Company and the majority shareholder (i.e. loan up to CZK 24.8 billion, repayment in 7 years and interest paid on a regular basis that will be higher than the interest on the loan that the Company must obtain within 6 months following the approval of the financial assistance by the shareholders meeting in the amount and under conditions allowing the provision of the financial assistance), contains the substantiation for granting the assistance (including benefits and risks) and the substantiation why the provision of the financial assistance is in the interest of the Company. Both reports will be published in accordance with Sec § 312 of the Business Corporations Act.
- On exercising the option under the license agreement, based on which the Company is using the O2 brand in the Czech Republic and Slovakia. By exercising the option, the period for which the Company will have the right to use the O2 brand shall be extended by one year until 27 January 2019. Furthermore, the Company will afterwards be entitled to extend the O2 brand license for an agreed fee by another three years (i.e. for the period ending 27 January 2022). The condition for exercising the option is that the Company settles all payments for the whole original period (i.e. for the period ending 27 January 2018) by 12 December 2014 at the latest. At the same time, the total price for the O2 brand will be reduced.

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**About O2 Czech Republic**

O2 Czech Republic is the largest integrated telecommunications provider in the Czech market. At present the Company operates close to eight million mobile and fixed accesses, which places it among the market leaders in fully converged services in Europe. To the users of mobile services in the Czech Republic O2 offers state-of-the-art HSPA+ and LTE technology. O2 has the most comprehensive proposition of voice and data services in the Czech Republic, and actively exploits the growth potential of its various business lines, especially ICT. O2 data centres, with total floor area of 7,300 square metres, rank O2 among the leaders in hosting, cloud and managed services. O2 data centres are the only centres in the Czech Republic and in Central Europe with TIER III certification. With the O2 TV the Company is also the largest IPTV service provider in the Czech Republic. The Company is present on the mobile market in Slovakia since 2007, through its 100% subsidiary O2 Slovakia. In January 2014, O2 Czech Republic 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, insurance, real estate, energy, metal mining, agriculture, retail and biotechnology. PPF's reach spans from Central and Eastern Europe to Russia and across Asia. PPF Group owns assets of EUR 22.113 billion (as at 30 June 2013).