

THE ANNUAL GENERAL MEETING OF O2 APPROVED TOTAL AMOUNT TO BE PAID TO SHAREHOLDERS FOR 2016 OF CZK 21 PER SHARE

May 10, 2017

- In total, up to CZK 6.5 billion will be paid in dividends and distribution of part of the share premium, the payment will commence on June 9, 2017
- The shareholders also approved company's 2016 financial statements
- The General Meeting appointed the auditor KPMG Česká republika Audit to conduct mandatory audit of the company for 2017
- Ladislav Bartoníček has been elected as a member of the Supervisory Board

The Annual General Meeting of O2 Czech Republic was held on May 10, 2017 in Prague. It was attended in person or by a proxy by shareholders who own shares representing 87.44% share on the voting rights, providing a quorum for the meeting.

The supreme body of the company approved the regular (unconsolidated) and consolidated financial statements of the company for the year 2016 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 2016 consolidated financial statements, consolidated revenue reached CZK 37,522 million, flat compared to 2015. EBITDA grew by 3 % year-on-year to CZK 10,451 million. The company reported net consolidated profit of CZK 5,259 million, up by 3.6% year-on-year and a net unconsolidated profit of CZK 5,394 million.

The General Meeting further approved the distribution of the company's unconsolidated 2016 as proposed by the Board of Directors. Dividend in the total amount of CZK 5,274 million will be paid out to the shareholders. A dividend of CZK 17 before tax will be paid to each share with a nominal value of CZK 10 and a dividend of CZK 170 before tax will be paid to the share with a nominal value of CZK 100. On top of the dividend pay-out, the General Meeting distribution of part of the share premium of up to CZK 1,241 million, which will be paid out to the shareholders. CZK 4 before tax will be paid to each share with a nominal value of CZK 10 and CZK 40 before tax will be paid to the share with a nominal value of CZK 100. In total, up to CZK 6,515 million will be paid out to the shareholders for 2016. Those, who will be registered as shareholders As of May 10, 2017, will be entitled for the pay-out. The pay-out, which shall be carried out by Česká spořitelna, shall commence on June 9, 2017. „*The approved dividend and share premium distribution amount corresponds to our long-term shareholder remuneration policy,*” comments Tomáš Kouřil, the Chief Financial Officer and Vice-Chairman of the Board of Directors and adds: „*At the current share price we offer our shareholders about 7% yield, which ranks to the highest among the telecommunication operators in Central and South-eastern Europe.* “

Acting on the proposal by the Supervisory Board and recommendation of the Audit Committee, the General Meeting appointed the auditor KPMG Česká republika Audit, as the company's statutory auditor for 2017.



At the conclusion of its meeting the General Meeting elected Ladislav Bartoníček as a member of the Supervisory Board, who has been the member of the Supervisory Board appointed by the Supervisory Board since 19 October 2016.

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About O2 Czech Republic

O2 is the largest provider of telecommunications services in the Czech market. Currently it operates almost eight million mobile and fixed lines, which ranks it to one of the leading provider of fully convergent services in Europe. To its mobile customers O2 offers state-of-the-art HSPA+ and LTE technologies. For customers, O2 brand does not mean just telecommunications. O2 is capable to meet also the most demanding requests also in ICT area and provide them housing, hosting and cloud services in data centres with total area 7,300 square metres. These data centres are the only ones in the Czech Republic and Central Europe to have TIER III certification. The company is also, with its O2 TV, the largest IP TV provider in the Czech Republic.