

## **Announcement on the results of Telefónica O2 Czech Republic's Regular General Meeting held on 21 April 2008 in Prague**

### **Ad item 1. - Opening:**

The shareholders with the vote right owning some 73% of the company's shares attended the General Meeting; therefore the meeting had a quorum.

### **Ad item 2. - Approval of Rules of Procedure of the General Meeting, election of the chairman of the General Meeting, the minutes clerk, minutes verifiers and persons to count the notes:**

The General Meeting approved the Rules of Procedure of the General Meeting, as proposed by the Board of Directors of the Company. The General Meeting elected Mr. Jan Zelený as Chairman of the General Meeting, Mr. Marcela Ulrichová as Minutes Clerk, and Mr. Richard Klouček and Mr. Vladimír Brož as Minutes Verifiers, and Mr. Václav Novotný and Mr. Antonín Králík as persons to count the votes (scrutineers).

### **Ad item 3. - Report by the Board of Directors on business activities of the Company and state of its assets as part of the annual report of the Company for the year 2007:**

Mr. Salvador Anglada, the Chairman of the Board of Directors and company's CEO presented the Board of Directors' report on the business activity of the company and the status of its assets for the year 2007.

### **Ad item 4. - Information on the results of inspection activities of the Company's Supervisory Board, including information on review of the report on relations among interconnected entities:**

Mr. Jaime Smith, the Chairman of the Supervisory Board presented the report on the results of inspection activities of the company's Supervisory Board including information on review of the report on relations between interconnected entities.

### **Ad item 5. - Approval of the Company's Financial Statements for the year 2007:**

The General Meeting approved the company's unconsolidated and consolidated financial statements for 2007 prepared in accordance to International Financial Reporting Standards (IFRS), recommended for approval by the company's Board of Directors. Both financial statements were audited by Ernst & Young, which expressed unqualified opinion to both financial statements. According to the financial statements for 2007, the company recorded a consolidated profit of CZK 10,386 million and an unconsolidated net profit of CZK 11,894 million.

### **Ad item 6. - Amendment to Company's Articles of Association:**

The General Meeting approved amendment to the Company's Articles of Association, as proposed by the Board of Directors. These amendments were motivated by various groups of reasons. There are some activities registered within the subjects of company's business activities that the company does not perform and does not even intend to perform, and that is why they were eliminated from the Articles of Association. Other amendments relate to the provisions regulating remuneration of members of the Board of Directors and the Supervisory Board, and are meant to enable the General Meeting to be more flexible when it comes to making decisions regarding specific remuneration rules. Other amendments related to reduction of the number of the Board of Directors members from 9 to 7, adjustment of the minimum number of the Supervisory Board meetings throughout the year and extension of the General Meeting's opportunities to make decisions regarding creation and use of the Reserve Fund. The last group of amendments consists in minor formal adjustments that have no

substantive impact and are only meant to clarify little inconsistencies in the Articles of Association, or is induced by amendments to legal regulations.

**Ad item 7. - Resolution on the Reserve Fund:**

Following this amendment to the Articles of Association approved in item 6. relating to the creation and use of the Reserve Fund, the General Meeting approved transfer of CZK 6,441,798 thousand from the Share Premium to the Reserve Fund.

**Ad item 8. - Resolution on distribution of Company profit for 2007 and retained Company profit from previous years and, as the case may be, other available own resources of the Company, and determination of royalties for 2007:**

The General Meeting approved the unconsolidated profit for 2007 in the amount of CZK 11,894,335,555.08 after tax to be distributed as follows:

1)	contribution to the reserve fund	0.00 CZK
2)	contribution to the social fund	25,000,000.00 CZK
3)	royalties	0.00 CZK
4)	dividends	9,662,697,000.00 CZK

The remaining part of the profit in the amount of CZK 2,206,638,555.08 shall remain undistributed and reclassified on the account of retained profit of previous years.

Further, the General Meeting approved of the distribution of part of the reserve fund, which can be used at company's discretion in the amount of CZK 6,441,798,000.00 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	6,441,798,000.00 CZK

Further, the General Meeting approved that the unconsolidated retained profit of previous years in the current total amount of CZK 3,075,917,978.79 shall remain undistributed.

A dividend of CZK 50.00 before tax shall thus be paid to each share with the nominal value of CZK 100, and a dividend of CZK 500.00 before tax shall be paid to each share with the nominal value of CZK 1,000. The conclusive day for dividend shall be 17th September 2008. The dividend shall be payable on 8th October 2008.

**Ad item 9. - Recall of members of the Supervisory Board save for the members thereof elected by the Company employees in accordance with Section 200 of the Commercial Code:**

The General Meeting approved no resolution to this item.

**Ad item 10. – Election of members of the Supervisory Board of the Company:**

The General Meeting confirmed by election Ms. Maria Pilar López Álvarez in the office of a Supervisory Board member, the post to which she was co-opted on 26 July 2007 and filled thus the post vacated by Ms. Catherine Jane Keers, Mr. Vivek Dev in the office of a Supervisory Board member, the post to which he was co-opted on 25 October 2007 and filled thus the post vacated by Mr. Sohail Qadri, and Mr. Jaime Smith Basterra in the office of a Supervisory Board member, the post to which he was co-opted on 21 February 2008 and filled thus the post vacated by Mr. Peter Antony Erskine. Moreover, the General Meeting elected Mr. Antonio Botas Bañuelos as a Supervisory Board member, who filled the post vacated by Mr. Julio Esteban Linares, who resigned from his office on 21 April 2008.

**Ad item 11. – Resolution on the Rules for Remuneration of Members of the Board of Directors of the Company:**

The General Meeting canceled the rules for remuneration of members of the Board of Directors approved by the Regular General Meeting held on 27 April 2006, and approved the rules for remuneration of members of the Company Board of Directors as submitted by the Company Board of Directors, with effect from 1 July 2008.

**Ad item 12. – Resolution on the Rules for Remuneration of Members of the Supervisory Board of the Company:**

The General Meeting canceled the rules for remuneration of members of the Company Supervisory Board approved by the Extraordinary General Meeting held on 3 February 2005, and approved the rules for remuneration of members of the Supervisory Board as submitted by the Company Board of Directors with effect from 1 July 2008.

**Ad item 13. – Approval of remuneration of members of the Board of Directors and the Supervisory Board of the Company:**

The General Meeting stipulated that for the period of 1 January 2008 to 30 June 2008 the members of the Company Board of Directors should be provided with a total remuneration in the extent of its components under items 1) and 2) of the rules of remuneration of members of the Company Board of Directors approved by the Regular General Meeting on 27 April 2006 in the amount of CZK 1.5 mil. and the members of the Company Supervisory Board should be provided with a total remuneration in the extent of its components under items 1), 2) and 3) of remuneration rules of members of the Company Supervisory Board approved by the Extraordinary General Meeting held on 3 February 2005 in the amount of CZK 4.2 mil.

**Ad item 14. – Approval of the agreements on the performance of the office of members of the Company's Supervisory Board:**

The General Meeting approved conclusion of the agreement on the performance of the office of a member of the Supervisory Board between the Company and Maria Pilar López Álvarez, Jaime Smith Basterra, Vivek Dev, Antonio Botas Bañuelos, Lubomír Vinduška, Luis Lada Díaz, Andrew Harley, Ángel Vilá Boix, Alfonso Alonso Durán, Guillermo José Fernández Vidal, Vlastimil Barbořák, Pavel Herštlík, Miloslav Krch, Dušan Stareček and Petr Zatloukal.

**Ad item 15. – Conclusion:**

The chairman of the General Meeting briefly summarized the course of the General Meeting and informed the General Meeting of the final voting results.