

TELEFÓNICA AND T-MOBILE ARE ANNOUNCING SIGNING OF THE AGREEMENT ON SHARING 2G AND 3G NETWORKS

October 30, 2013

Telefónica Czech Republic and T-Mobile Czech Republic have signed an agreement regarding the sharing of their current 2G and 3G mobile networks. The deal has been reached in order to achieve significant efficiencies in 2G and 3G networks and technologies. The transaction will bring substantial benefits to the customers of both operators, especially in improvement of service quality and coverage. The deal is the result of negotiations that begun this year in August.

To meet the technological challenges involved in the project, the first trials in lab conditions will commence already next week. The main goal of these trials is to confirm the technological solution. After the trials we will start operating shared 2G and 3G networks commercially during the first half of 2014, and in the following years the operations will be gradually extended to the whole area of Czech Republic, excluding Prague and Brno.

„The developments in the telco sector in Europe show us that network sharing is the future of the entire industry. We are glad to be at the forefront of this development,” Says Luis Malvido, CEO of Telefónica Czech Republic. „The deal we reached with T-Mobile means better coverage of both voice and data services, from which the customers of both parties will benefit,” adds Malvido. „We are glad that we managed to reach this deal. This is an important strategic step,” says Milan Vašina, the CEO of T-Mobile Czech Republic. „Our services will be available to more customers and our operations will be more effective. On top of that, we will achieve a positive impact on the environment,” adds Vašina.

The deal builds upon the very successful 3G network sharing scheme, which both companies already implemented in 2011-2012. This sharing scheme, which was the first active in Europe, helped accelerate 3G deployment in smaller towns. Currently, Telefónica and T-Mobile share almost 1,000 3G sites. The final number of shared sites that will be in scope of the new agreement will be dependent on the outcomes of the trials.

This deal has no relevance to any new technologies or future spectrum allocations.

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About Telefonica Czech Republic

Telefonica Czech Republic is a major integrated operator in the Czech Republic. It is now operating almost seven million lines, both fixed and mobile, making it one of the world's leading providers of fully converged services. The organization offers the most comprehensive portfolio of voice and data services in this country. It is paying special attention to the exploitation of the growth potential, particularly in the data and Internet sector. Telefonica 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. Telefonica Czech Republic is also a notable provider of ICT services.

About Telefonica

Telefonica is one of the world's largest telecommunications operators by market capitalisation. Its activities are centred mainly on the fixed and mobile telephony businesses, while its broadband business is the key growth driver underpinning both. It operates in 25 countries and has a global customer base of over 300 million. Telefonica's growth strategy is focused on the markets in which it has a strong foothold: Europe and Latin America. Telefonica is a 100% private sector company with its shares listed in Madrid and other stock exchanges and more than 1.5 million individual shareholders.