

## THE ANNUAL GENERAL MEETING OF O2 APPROVED DIVIDEND FOR 2015 OF CZK 16 PER SHARE

April 19, 2016

- **In total, close to CZK 5 billion will be paid in dividends, dividend payment will commence on May 19, 2016**
- **The shareholders also approved company's 2015 financial statements**
- **By amending the Articles of Association the General Meeting approved extension of O2's subject of business with consumer credit providing and mediation and insurance mediation**

The Annual General Meeting of O2 Czech Republic a.s. was held on April 19, 2016 in Prague. It was attended by shareholders who hold 88.21 % of the company's stock, 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 2015 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 2015 consolidated financial statements, consolidated revenue reached CZK 37,385 million, flat compared to 2014. EBITDA grew by 24.7 % year-on-year to CZK 10,142 million. The company reported net consolidated profit of CZK 5,077 million, up by 44.4% year-on-year and a net unconsolidated profit of CZK 4,711 million.

The General Meeting further approved the distribution of the company's unconsolidated 2015 profit and part of unconsolidated retained earnings from the previous years as a dividend in the total amount of CZK 4,964 million. A dividend of CZK 16 before tax will be paid to each share with a nominal value of CZK 10 and a dividend of CZK 160 before tax will be paid to the share with a nominal value of CZK 100. The date of record for the dividend payment, the payout of which shall be carried out by Česká spořitelna, shall be April 19, 2016. The dividend shall be payable on May 19, 2016. *„The approved dividend amount corresponds to our long-term dividend policy. The dividend sustainability was one of the key factors when we discussed the proposal at the Board level,”* comments Tomáš Kouřil, the Chief Financial Officer and Vice-Chairman of the Board of Directors on dividend approval and adds: *„At the current share price we offer our shareholders over 6% dividend yield, by far 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, s.r.o., as the company's statutory auditor for 2016.

At the conclusion of its meeting the General Meeting approved the amendment to the company's Articles of Association. In connection with the ongoing legislative change in the Consumer Credit Act the subject of company's business activity "consumer credit providing and mediation" was modified. The subject of company's business activity has also been extended to insurance mediation. *"Currently, we already offer our customers the insurance of mobile phones and tablets, and newly also the first automatic travel insurance in mobile phone. In line with our strategy to exploit the potential of our customer base and offer them*

*other than telecommunications services we intend to develop insurance products in the future",* explains Tomáš Budník, Chief Operating Officer and Chairman of the Board of O2 Czech Republic the reason for this change in the Articles. Other approved changes only formally update amend parts of the Articles of Association, particularly with regard to the amendment of laws, possibly in order to more closely align the wording of the Articles of Association with applicable laws.

#### **Contacts**

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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.