

## BOARD OF DIRECTORS ANNOUNCES A CHANGE TO THE PROPOSED ARTICLES OF ASSOCIATION

March 7, 2014

The Board of Directors of Telefónica Czech Republic, a.s. has acknowledged a new proposal from the qualified shareholder PPF Arena 2 B.V., for a change of the Articles of Association, which is being proposed for approval at the shareholders meeting on March 12, 2014 and which is replacing the proposal attached to the invitation to the General Meeting published on February 19, 2014. PPF Arena 2 B.V. is proposing **to retain for the time being the current business name of the company, i.e. Telefónica Czech Republic, a.s.** The amended proposed Articles of Association are completely identical to the original proposal delivered to the shareholders with the exception of the articles mentioning the business names of the company. This new proposal of the amended Articles of Association is replacing the previous proposal of the Articles of Association, which has been withdrawn by the PPF Arena 2 B.V. in full.

Delivery of the new proposal to all shareholders via mail cannot be organized in time due to time constraints; the Board of Directors has therefore decided to publish the new proposal without delay on the internet website of the company.

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### About Telefónica Czech Republic

Telefónica Czech Republic is a major integrated operator in the Czech Republic. It is now operating almost eight 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. Telefónica 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. Telefónica Czech Republic launched a LTE (Long Term Evolution) 4th generation mobile communication network as the first operator in the Czech Republic. The new network offers the fastest available mobile Internet nowadays. Telefónica Czech Republic is also a notable provider of ICT services.

### 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).