

The Board of Directors of
Telefónica Czech Republic, a.s. (hereinafter "the Company")
with the registered office in Praha 4 - Michle, Za Brumlovkou 266/2, post code 140 22, recorded in
the Commercial Register of the City Court of Prague, Section B, Entry 2322

announces hereby that the Regular General Meeting of the Company held on 28th April 2011
decided to pay the dividend for 2010 as follows:

- 1) The dividend of CZK 40 per share before tax to each share with the nominal value of CZK 100; the dividend of CZK 400 per share before tax to each share with the nominal value of CZK 1,000.
- 2) Those persons will have the title to dividend for 2010 who will be the shareholders of the Company as at the conclusive day to claim the title to dividend (hereinafter "the conclusive day for dividend"), or their heirs or legal successors, provided that they prove the existence of their title. The respective shareholders shall be identified according to the state as of the conclusive day in the excerpt from the statutory register, which excerpt is to be ensured by the Company. The conclusive day for dividend shall be 7th September 2011. The dividend shall be payable on 6th October 2011.

The payment of the dividend, including the calculation of the income tax to be deducted, will be effected by Česká spořitelna, a.s., Company Registration No. 45244782, based at Olbrachtova 1929/62, 140 00 Praha 4 (hereinafter referred to as "Česká spořitelna"), as follows:

1. Shareholders – natural persons with permanent residence in the Czech Republic, or their representatives

- in cash – from 6th October 2011 until 5th October 2016 – at any branch office of Česká spořitelna in the Czech Republic, after presentation of the identity card; the representative of a shareholder will be paid the dividend upon presentation of the identity card and power of attorney signed by the shareholder;
- by bank transfer to a bank account, upon a written request delivered to Česká spořitelna, containing the necessary billing data and birth No.;
- for total dividend payment above CZK 3,000, the shareholder's signature on written request or power of attorney has to be legalized.

2. Shareholders – legal entities, administrators and shareholders – natural persons with permanent residence outside the Czech Republic, not represented by administrators

- by bank transfer to a bank account, upon a written request of the shareholder, with the signature attested by a notary, delivered to Česká spořitelna, containing the bank account number and bank identification data, and after presentation of further required documents.

The required documents are to be delivered to the address below:

Česká spořitelna, a.s.,
centrála v Praze, odbor 8430, Evropská 2690/17, Prague 6, 160 00

The detailed information on the method of payment of the dividend will be distributed to all shareholders (both individuals and corporations) in the form of a letter sent to the permanent residence/registered office address stated in the excerpt from the statutory register. Additional information can be obtained from Česká spořitelna at +420 224 995 433 or at nsmidova@csas.cz, for legal entities, or at +420 224 995 478 or at mpaclikova@csas.cz, for natural persons.

The payment of the dividend of Telefónica Czech Republic, a.s. will be carried out by the Board of Directors of Telefónica Czech Republic, a.s., in compliance with the Czech legal regulations and the Company's Articles of Association, at the costs and risks of Telefónica Czech Republic, a.s.

Board of Directors of Telefónica Czech Republic, a.s.