

**Information on the refund of tax securement withheld from the payment associated with the reduction of the nominal value of shares of Telefónica Czech Republic, a.s. (decisive date 14 November 2012)**

Dear Shareholders,,

We would like to inform you about the possibility how to ask for the refund of tax securement withheld from the payment associated with a reduction of the nominal value of shares of Telefónica Czech republic, a.s. (the "Company") with the decisive date 14 November 2012. This approach follows the standpoint of the methodology department at the Specialized Tax Authority ("STA") which the Company recently received.

**This approach relates to shareholders** where the tax securement was withheld due to missing required documents within the given deadline (18 December 2012) (i.e. shareholders with **tax residency of the state where no tax securement is needed**, ), but the **required documents** proving the beneficial ownership and shareholders' tax residency were not provided to the Company within the deadline).

Based on the mentioned standpoint, a tax overpayment arose to these shareholders. The shareholder can **ask for such tax overpayment himself at the appropriate tax authority**, no later than within the statutory deadline for the tax assessment in accordance with section 148 of the Tax Code. If the appropriate tax authority cannot be determined (i.e. for shareholders with no-Czech tax residency) Tax Authority for Prague shall be authorized for filing a refund request.

The Company **does not accept shareholders' request for the refund of tax securement associated with the reduction of the nominal value of shares** referring to the above mentioned standpoint.

Please see enclosed the simplified .pdf schedule for tax procedures which may happen in this respect. See also enclosed the official standpoint of the STA. Please note that the Company is not entitled to provide any tax advisory services and all the information arises only from the enclosed standpoint.

The requests which were processed until the issuance date of the standpoint remain valid.

In case of any questions please contact Miloslava Dobrá (e-mail: [miloslava.dobra@telefonica.com](mailto:miloslava.dobra@telefonica.com)) or Kristýna Pincová (e-mail: [kristyna.pincova@telefonica.com](mailto:kristyna.pincova@telefonica.com)).