

TELEFÓNICA AND T-MOBILE PLAN TO SHARE 2G AND 3G NETWORKS

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Telefónica Czech Republic and T-Mobile Czech Republic have started negotiations regarding the consolidation of their current 2G and 3G mobile networks. These negotiations are building 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. The objective of the planned cooperation is the creation of an outstanding 2G and 3G network coverage in the Czech Republic. The planned transaction would bring significant benefits for customers and efficiencies for both partners.

„We have been sharing part of our 3G infrastructure with T-Mobile for more than two years now and thanks to this cooperation, we can provide a better quality of service as well as a better geographical reach to O2 customers. Based on this experience and on experience from other countries too, we see that network sharing is the key to offering a top quality network,” said Luis Malvido, CEO of Telefónica Czech Republic.

„We plan to continue implementing our proven model – to divide the country in two regions, with each of them being served by one of the carriers,” said Milan Vašina, CEO of T-Mobile Czech Republic. „This cooperation will bring better service for the customers, but we will also be able to phase out some of our less efficient antennae, thus achieving a positive impact on the environment,” added Vašina.

This deal is being prepared in order to achieve efficiencies in 2G and 3G networks and technologies and thus has no relevance to any new technologies or future spectrum allocations. Both sides intend to close the deal by the end of the year in order to begin implementing the sharing scheme in 2014.

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About Telefonía Czech Republic

Telefonía 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. Telefonía 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. Telefonía Czech Republic is also a notable provider of ICT services.

About Telefonía

Telefonía 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. Telefonía's growth strategy is focused on the markets in which it has a strong foothold: Europe and Latin America. Telefonía is a 100% private sector company with its shares listed in Madrid and other stock exchanges and more than 1.5 million individual shareholders.