

Results of the Annual General Meeting

March 12, 2014

The Annual General Meeting of Telefónica Czech Republic, a.s., took place in Prague on March 12, 2014. In attendance were shareholders representing 83, 65 percent of the company's shares, thereby constituting a quorum.

The General Meeting elected three new members to the Supervisory Board, namely **Martin Štefunko, Ladislav Bartoníček and Vladimír Mlynář – all previously co-opted on to this body**. At the same time, the General Meeting elected to recall Lubomír Vinduška, Antonín Botlík and Jiří Trupl from further serving on the Supervisory Board.

In connection with the recall of three elected members of the Supervisory Board, a new Social Dialogue Council will be created. *"For our company, continuing discussions between the firm's management bodies and employee representatives, to the degree that hitherto has been the case, is of great importance. To that end, we will see the creation of the Social Dialogue Council, which will be directly subordinate to the Supervisory Board and will be comprised of representatives of the company's statutory bodies and employee representatives,"* said **Ctirad Lolek**, Human Resources Director at Telefónica.

Additionally, the General Meeting elected **Martin Štefunko** to serve as a member of the Audit Committee alongside **Ondřej Chaloupecký** and **Radek Neužil**.

The General Meeting also approved changes to the company's statutes in the manner determined by the qualified shareholder PPF Arena 2, B.V. For example, the number of members of the company's statutory bodies was altered. Specifically, this meant a reduction in the number of Board Members from seven to five, a reduction in the number of members of the Supervisory Board from nine to three, and a reduction in the number of members of the Audit Committee from five to three.

The General Meeting has further approved retaining, for the time being, of the current business name of the company, i.e. Telefónica Czech Republic, a.s.

Contacts

Investor Relations

Telefónica Czech Republic, a.s.

investor_relations@telefonica.com

t +420 271462076

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).