Results of the Annual General Meeting

April 22, 2013

- Approval of the unconsolidated and consolidated 2012 financial statements
- Resolution on distribution of the company's profit and a portion of the share premium
- Reduction of the registered capital by cancellation of company's own shares
- Amendment to the Articles of Association, election of Supervisory Board and Audit Committee members.

The Annual General Meeting of Telefónica Czech Republic, a.s., was held on 22 April 2013 in Prague. It was attended by shareholders who together hold 82.3 % of shares, which means that it had a quorum.

The supreme body of the company approved the unconsolidated and the consolidated financial statements of the company for the year 2012 prepared under the International Financial Reporting Standards (IFRS). Both sets of financial statements were recommended for approval by the Board of Directors of the company, reviewed by the Supervisory Board and audited by the audit firm Ernst & Young, which gave both sets of financial statements its unqualified opinion. As per the 2012 financial statements, the company posted net consolidated profit of CZK 6,776 million, and net unconsolidated profit of CZK 5,925 million.

Upon the Board of Directors' proposal, the company's General Meeting decided by resolution on the distribution of the company's 2012 profit and a part of retained profits in the amount of CZK 6,442 million in the dividend. A dividend of CZK 20 before tax will be paid to each share with a nominal value of CZK 87 and dividend of CZK 200 before tax to the share with a nominal value of CZK 870. In addition, the General Meeting approved distribution of a portion of the company's share premium by the total amount of up to CZK 3,221 million. An amount of CZK 10 before tax shall be paid to each share with the nominal value of CZK 87 and an amount of CZK 100 before tax shall be paid to the share with the nominal value of CZK 870. In total, CZK 30 per share will be paid out to the shareholders. The conclusive day for dividend and the amount corresponding to the distribution of share premium, the payout of which shall be carried out by Česká spořitelna, shall be on 14 October 2013. Both amounts shall be payable on 11 November 2013.

David Melcon, 1st Vice-chairman of the Board of Directors and Director, Finance Division, Telefónica Czech Republic, a.s. explains that: "*The proposal was based on a detailed analysis carried out by the Board of Directors evaluating company's results from previous years, the current balance sheet and estimated future results, including investment plans and cash flow generation outlook.*"

Upon the Board of Directors' proposal, the General Meeting approved the reduction of the registered capital by cancellation of 2% of own shares, which the company acquired in 2012 in the course of the share buy-back. Company's registered capital will be reduced by the total amount of CZK 560 million. The total purchase price amount, for which the company acquired the cancelled shares, amounted to CZK 2,483 million. The share premium shall be reduced by CZK 1,922 million,

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which represents the difference between the purchase price and the nominal value of the cancelled shares. Given that the cancelled shares are company's own shares, the amount corresponding to the capital reduction will not be paid to shareholders or transferred to another equity account, but it will reduce the balance of registered capital.

The General Meeting also approved an amendment to the company's Articles of Association in the wording proposed by the Board of Directors. One of the essential changes is the expansion of the company's registered business to include the consumer credit providing and mediation. Further changes were made to the amounts of members of statutory bodies and they are to take effect on 30 June 2013. These changes relate to the Supervisory Board, which is to have 9 instead of the existing 12 members and to the Nomination and Remuneration Committee, which is to have 3 instead of the existing 5 members. The General Meeting also approved an amendment to the rules for provision of non-claim perquisites to members of the Supervisory Board and the Audit Committee.

The General Meeting confirmed by election Messrs Jesús Pérez de Uriguen and Antonio Manuel Ledesma Santiago in their offices of Supervisory Board members. In addition, Mr. Francisco de Borja de Nicolás Benito was elected a member of the Supervisory Board. Messrs Jesús Pérez de Uriguen and Antonio Manuel Ledesma Santiago were elected members of the Audit Committee. Messrs Francisco de Borja de Nicolás Benito, Lubomír Vinduška and Ivan Varela Sanchez were elected substitute members of the Audit Committee.

Acting on recommendation of the Audit Committee, the General Meeting appointed the audit firm Ernst & Young Audit, s.r.o., as the company's statutory auditor for 2013.

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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) 4rd 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 Telefónica

Telefónica 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 312 million. Telefónica's growth strategy is focused on the markets in which it has a strong foothold: Spain, Europe and Latin America. Telefónica is a 100% private sector company with its shares listed in Madrid and other stock exchanges and more than 1.5 million individual shareholders.