

O2 Czech Republic comments on the messages given by the Chairman of the Supervisory Board in the interview for motejlek.com

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Martin Štefunko, the Chairman of the Supervisory Board of O2 Czech Republic gave an interview to motejlek.com. Below please find key highlights of the interview related to O2 Czech Republic:

- O2 Czech Republic is consistent and repeats that it has **no official dividend policy**
- Any shareholder remuneration **proposal will be made by the Board of Directors only after the year end** considering dividend capacity and available cash.
- The Board of Directors will not make any **dividend** proposals which would not be **sustainable**.
- Therefore management is and will **be consistent** and does not expect that the dividend will be neither zero nor CZK 30.
- O2 Czech Republic **intends to refinance its current debt** (CZK 7 billion) considering current situation on debt market.
- In case the Board of Directors would propose dividend level at 100 % of net income, there would be sufficient cash available.
- The company has a capacity to **distribute share premium** (up to CZK 38 per share), however this would be seen as **one-off shareholder remuneration**. Management is discussing this option internally, however **no decision has been taken so far** (O2 Czech Republic management comment: the final decision on shareholder remuneration distribution is made only by the General Meeting. We analysed the option to distribute share premium every year and would like to remind the fact that the General Meeting held on 22nd April 2013 decided on distribution of the part of share premium).
- In terms of capacity for additional leverage it was commented that the company is significantly below industry benchmark which is within the range of 2.0 to 2.5 net debt to EBITDA (net debt = debt minus cash). So considering this, theoretical leverage could be up to CZK 20 to 25 billion.

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