

THE ANNUAL GENERAL MEETING OF O2 APPROVED TOTAL AMOUNT TO BE PAID TO SHAREHOLDERS FOR 2017 OF CZK 21 PER SHARE

June 4, 2018

- In total, up to CZK 6.5 billion will be paid in dividends and distribution of part of the share premium, the payment will commence on July 4, 2018
- The shareholders also approved company's 2017 financial statements
- The General Meeting appointed the auditor KPMG Česká republika Audit to conduct mandatory audit of the company for 2018
- In addition, the shareholders also approved amendments to the company's Articles of Association and change in the rules for remuneration of the members of the Supervisory Board
- The General Meeting elected new members of the Supervisory Board and Audit Committee

The Annual General Meeting of O2 Czech Republic was held on June 4, 2018 in Prague. It was attended in person or by a proxy by shareholders who own shares representing 83.36% share on the voting rights, providing a quorum for the meeting.

The supreme body of the company approved the regular (unconsolidated) and consolidated financial statements of the company for the year 2017 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 KPMG Česká republika Audit, who gave both sets of financial statements its unqualified statement. As per the 2017 consolidated financial statements, consolidated revenue reached CZK 37,709 million, compared to CZK 37,522 million in 2016. EBITDA grew by 0.6 % year-on-year to CZK 10,513 million. The company reported net consolidated profit of CZK 5,587 million, up by 6.2% year-on-year and a net unconsolidated profit of CZK 5,396 million.

The General Meeting further approved the distribution of the company's unconsolidated 2017 as proposed by the Board of Directors. Dividend in the total amount of CZK 5,274 million will be paid out to the shareholders. A dividend of CZK 17 before tax will be paid to each share with a nominal value of CZK 10 and a dividend of CZK 170 before tax will be paid to the share with a nominal value of CZK 100. CZK 114 million from 2017 net income have been contributed to the retained earnings from previous years. On top of the regular dividend, the General Meeting approved distribution of part of the share premium of up to CZK 1,241 million, which will be paid out to the shareholders. CZK 4 before tax will be paid to each share with a nominal value of CZK 10 and CZK 40 before tax will be paid to the share with a nominal value of CZK 100. In total, up to CZK 6,515 million will be paid out to the shareholders for 2017. Those, who will be registered as shareholders as of June 4, 2018, will be entitled for the pay-out. The pay-out, which shall be carried out by Česká spořitelna, shall commence on July 4, 2018. „*The approved dividend and share premium distribution amount corresponds to our long-term shareholder remuneration policy,*” comments Tomáš Kouřil, the Chief Financial Officer and Vice-Chairman of the Board of Directors and adds: „*At the current share price we offer our shareholders over 7% yield, which ranks to the highest among the telecommunication operators in Central and South-eastern Europe.*“

Acting on the proposal by the Supervisory Board and recommendation of the Audit Committee, the General Meeting appointed the auditor KPMG Česká republika Audit, as the company's statutory auditor for 2018.

In addition, the General Meeting approved several amendments to the company's Articles of Association, which are to the large extent based on the legislative changes. These include mainly the reintroduction of compulsory employees' representation in the Supervisory Board.

The shareholders also approved change in the rules for remuneration of the members of the Supervisory Board, and new rules for provision of additional perquisites to members of the Supervisory Board as well as of the Audit Committee.

The General Meeting elected Kateřina Pospíšilová as a member of the Supervisory Board, who has been the member of the Supervisory Board appointed (co-opted) by the Supervisory Board since 28 February 2018. At the conclusion of its meeting the General Meeting elected Michal Krejčík as a member of the Audit Committee and Ondřej Chaloupecký as the first substitute member of the Audit Committee.

Contacts

Investor Relations

O2 Czech Republic a.s.

investor_relations@o2.cz

t +420 271 462 076

About O2 Czech Republic

O2 is the largest integrated telecommunications provider in the Czech market. At present we operate close to eight million mobile and fixed accesses, which ranks us among the market leaders in fully converged services in Europe. To users of mobile services in the Czech Republic we offer state-of-the-art HSPA+ and LTE technology. We have the most comprehensive proposition of voice and data services in the Czech Republic, and we actively exploit the growth potential of the various business lines, especially ICT. Our data centres, with total floor area of 7,300 square metres, rank us among the leaders in hosting, cloud and managed services. O2 data centres belong to the few commercial ones in Central Europe to have TIER III certification. With our O2 TV we are also the largest IPTV service provider in the Czech Republic.