

## Information relating to matters according to Section 118(5) of the Act No. 256/2004 Coll., the Capital Market Undertakings Act (CMUA), and information which is a part of a summary report compiled according to the requirement of Section 118(8) of the CMUA

### The figures and information relating to matters under Sections 118(5a)–118(5l) of the Act No. 256/2004 Coll., the Capital Market Undertakings Act (CMUA):

- a) Information about the issuer's equity capital structure, including shares not admitted for trading on the regulate market in a European Union Member State, including any potential qualification of different types of shares or similar securities representing a share in the issuer, and the share in the share capital of each type of share or similar security representing a share in the issuer

The equity structure of Telefónica O2 as at 31 December was as follows:

(in CZK millions)	
Share capital	32,209
Share premium	24,374
Hedge fund	–
Fund for share-related payments	36
Funds	6,450
Retained earnings	14,721
Total	77,790

The Company's share capital as at 31 December 2009 was CZK 32,208,990,000 and was fully paid up.

The share capital is made up of the following shares:

- |    |                     |                    |
|----|---------------------|--------------------|
| A. | Type:               | ordinary share     |
|    | Form:               | bearer share       |
|    | Kind:               | booked             |
|    | Number of shares:   | 322,089,890 shares |
|    | Nominal value:      | CZK 100            |
|    | Total issue volume: | CZK 32,208,989,000 |
|    | ISIN:               | CZ0009093209       |
| B. | Type:               | ordinary share     |
|    | Form:               | registered share   |
|    | Kind:               | booked             |
|    | Number of shares:   | 1 share            |
|    | Nominal value:      | CZK 1,000          |
|    | Total issue volume: | CZK 1,000          |

As of the effective date of the agreement on the transfer of shares between Telefónica S.A. (Telefónica) and the National Property Fund of the Czech Republic, the registered share has lost the special rights which were attached to it pursuant to the provisions of Article IV (2) of Act No. 210/1993 Coll., amending Act No. 92/1991 Coll., on the conditions of transfer of state property to other entities, as amended.

The rights and obligations related to the registered share which represents a share in Telefónica O2 are set out in Article 5 of the Articles of Association of the Company.

The bearer shares in the nominal value of CZK 100 were listed for trading on the following markets:

Market	Note
Prague Stock Exchange  (Burza cenných papírů Praha, a.s.) RM-SYSTÉM, česká burza cenných papírů a.s.	On the main market
London Stock Exchange	In the form of Global Depositary Receipts (GDR). The depository for the GDR is The Bank of New York Mellon, ADR Division, 101 Barclay Street, West New York, NY 10286, USA; the custodian is Komerční banka, a.s., Na Příkopě 33, čp. 906, 114 07 Prague 1.

A full wording of the Terms and Conditions of the Share Issue – the document which is the source of this summary – is available at the registered address of the security issuer. The registered share in the nominal value of CZK 100 was not listed for trading on any regulated market in a European Union Member State.

b) Information about transferability of securities

Only the statutory requirements need to be met for a transfer of shares and Global Depositary Receipts. The Company's Articles of Association impose no further restrictions on the transferability of the shares and there are no other restrictions for reasons that would be on the part of the Company.

c) Information about significant direct and indirect shares in the voting rights of the issuer  
Key shareholders of Telefónica O2 as at 31 December 2009:

	Shareholder	Address	% of share capital
1	Telefónica, S.A.	Gran Vía 28, 28013 Madrid, the Kingdom of Spain	69.41%
2	Investment funds and individual shareholders	–	30.59%

As at 31 December 2009, the share of Telefónica, S.A., in the voting rights of Telefónica O2 Czech Republic, a.s., according to the provision of Section 122 of the Capital Market Undertakings Act was 69.41%.

d) Information about the holding of shares with special rights, including the description of these rights

The Company has not issued any securities with special rights, only ordinary shares as per point (a) above.

e) Information about restrictions of voting rights

Voting rights are attached to all shares issued by the Company and may be restricted or excluded only in instances set out in the law. The Company is not aware of any such statutory restriction or exclusion of voting rights. The Company's Articles of Association do not stipulate any restriction of voting rights; there are no other restrictions for reasons that would be on the part of the Company.

f) Information about agreements between shareholders or owners of securities representing a share in the issuer, which could restrict the transferability of shares or similar securities representing a share in the issuer, or of voting rights, if such information is known to the issuer

The Company has no knowledge of any agreements between shareholders which could restrict the transferability of shares or voting rights.

g) Information about special rules for the election and recall of the statutory body, amendment to the articles of association or similar document of the issuer

Members of the Board of Directors are elected and recalled by the General Meeting of the Company. The eligibility conditions for election to the Board of Directors are laid down in the law; the Articles of Association do not contain any restriction beyond the statutory scope; there are no other restrictions for reasons that would be on the part of the Company

Two thirds of members of the Supervisory Board are elected and recalled by the General Meeting of the Company; one third is elected and recalled by the Company's employees. The eligibility conditions for election to the Supervisory Board are laid down in the law; the Articles of Association contain only a single condition beyond the statutory scope – that the Chief Executive Officer may not be elected as member of the Supervisory Board. There are no other restrictions for reasons that would be on the part of the Company

h) Information about special powers of members of the statutory body, in particular about their authorisation as per Sections 161a and 210 of the Commercial Code

Members of the Board of Directors hold no special powers; some acts by the Board of Directors require, as per Article 14(4) of the Company's Articles of Association, a previous consent by the Supervisory Board.

i) Information about important contracts, which the issuer is a party to and which will come into effect, change or expire upon a change in the issuer's control as a result of a take-over bid, and about the effects thereof, with the exception such contracts whose disclosure would bear a serious harm for the issuer, which, however, does not reduce other duties of disclosure of such information under this law or under other laws

The Company has not entered into any contracts that will come into effect, change or expire upon a change in the issuer's control as a result of a take-over bid.

- j) Information about contracts between the issuer and the members of the statutory body or employees, by which the issuer is bound in the event of the termination of their office or employment in connection with a take-over bid.

No contracts were concluded between the Company and the members of its Board of Directors or its employees, by which the Company would be bound in the event of the termination of their office or employment in connection with a take-over bid.

- k) Information about any programmes based on which the employees and members of the statutory body of the company can acquire shares, share options or other rights at preferential terms, and about how the rights associated with these securities are exercised

No programmes exist for members of the Board of Directors or employees of the Company based on which they could acquire shares, share options or other rights at preferential terms.

- l) Information about payments remitted to the state for mining licences, provided the core business of the issuer is in the mining sector

With regard to the fact that the Company has no business in the mining sector, this declaration is not applicable.