## Voice services

In the area of mobile voice services in 2009, Telefónica O2 continued its focus on offering simple and easy to understand tariffs, reflecting on the needs of the customers at the challenging time of the economic slowdown. The goal was to offer such services that would help customers in their economizing – achieving savings and having maximum control over their expenditure. This helped the Company increase the total voice traffic generated in its mobile network by 11.1% to 8,155 million of minutes. In the segment of fixed access, the Company concentrated on the promotion of its new service concept built around the broadband internet service  $O_2$  Internet, with options to subscribe to various voice tariffs for unlimited calls to all fixed line networks in the Czech Republic.

In addition to innovations for contract customers of mobile services, who were offered, among other things, also a new tariff from the family of unlimited tariffs  $O_2$  NEON,  $O_2$  NEON L+, or the unique  $O_2$  ZERO without a commitment and monthly subscription, Telefónica O2 in 2009 focused also on always offering something new to pre-paid customers – such as bonuses for regular credit top-ups.

From February, both new and existing contract customers of mobile services could activate  $O_2$  Neomezené zprávy if they already subscribed to  $O_2$  NEON and  $O_2$  NEON Basic. For a monthly fee of CZK 190 they could send SMS and MMS to all networks in the  $O_2$  mobile and fixed line network in the Czech Republic.

O<sub>2</sub> ZERO, a tariff launched in June, was a unique proposition to the Czech market. It contained neither a commitment nor the requirement to pay monthly subscription fees. The prices for calls, SMS and MMS to all networks were flat – regardless of the network and the time of day. Customers could also set a maximum monthly limit in order to have their expenditure fully under control, and were free to adjust the limit at any time.

In October 2009, Telefónica expanded its offer of successful unlimited tariffs  $O_2$  NEON by adding a new tariff –  $O_2$  NEON L+. For CZK 950 inclusive of VAT per month, the customer make unlimited calls to any number in the  $O_2$  network on weekends and off-peak, in addition to getting 300 free minutes for calling any number in any network of choice, regardless of the time of day. The tariff  $O_2$  NEON XL was also made more attractive as its free minutes increased from 400 to 600. Furthermore, the per-minute price for calls was reduced from CZK 3.90 to CZK 2.90.

Customers of pre-paid mobile services of Telefónica O2 could, from 1 April 2009, subscribe to new tariffs  $O_2$  NA!PIŠTE and  $O_2$  NA!HLAS. Anybody who topped up their credit by CZK 300 or more could choose one of the three bonuses on offer: weekend calls in the  $O_2$  mobile network for CZK 0.50 per minute, evening calls in the  $O_2$  mobile network for CZK 0.50 per minute, SMS in the  $O_2$  mobile network for CZK 0.50/1 SMS on weekends. The bonus could be changed for another upon any subsequent top-up of CZK 300 or more; of course, the customer could choose to stay with the original option. Customers who, in the period between 15 June and 31 August, bought one of the new pre-paid cards  $O_2$  NA!PIŠTE or  $O_2$  NA!HLAS, received a special bonus of 100% of credit upon the first top-up, which they could use for calls and SMS. A one-time top-up by CZK 300–1,000 qualified for the bonus.

A competition Dobij a vyhraj (Top up and Win) was launched on 23 February. All  $O_2$  customers who topped up their credit – in any of the available ways – were automatically entered in the competition. After topping up, the customer received an SMS with a competition code

which, if checked against the site www.dobijavyhraj.cz, immediately informed the customer of a potential win. The prizes included merchandise and discounts on O<sub>2</sub> services and were differentiated based on the amount of the top-up. The competition was followed by the campaign Odměna za dobití (Top-up Reward) which was launched on 3 October.

During 2009, Telefónica O2 registered a change in the pattern of behaviour of its business customers who, to a larger extent than before, limited their use of traditional fixed voice services in favour of mobile voice and Voice-over-IP services. In February, Telefónica O2 responded by introducing a new proposition aimed at this customer segment – a convergent voice service branded as O2 Neomezené volání. The service was the first in the Czech Republic to have made it possible to make unlimited calls from the fixed and mobile network for a flat monthly fee. The business customer assigned a suitable tariff to employees, pre-defining the type of calls which can be made for CZK 0 per minute. Unlimited calls to all fixed lines in the Czech Republic (CZK 330 exclusive of VAT per month) and to mobile numbers (CZK 350 per month) were already included in the basic tariff. No charge applied to calls within the company. Calls from the fixed line were carried using IP telephony and the monthly subscription fee included, in addition to usage, also a rental of an IP telephone and the design of a virtual PABX exchange for every subscriber.

In March, the Company began offering a teleconference service to those customers who do not own the required infrastructure and did not want to rent it. To start a videoconference, one needs only O<sub>2</sub> Konference, any mobile telephone and to send an activation SMS. The provider then connects and carries the conference call between the parties. The service is charged at a rate equivalent to a standard call and it can be used both in Czech and in English.