

An aerial photograph showing a complex multi-level highway interchange on the left side of the frame. To the right of the highway is a dense residential neighborhood with numerous houses, streets, and green spaces. A large body of water is visible on the far left. The top right corner of the image is overlaid with a dark teal banner containing text and a page number.

Other information for  
shareholders and investors

06

# Other information for shareholders and investors

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The shareholder structure of Telefónica CR as at 30 June 2012:

Telefónica, S.A.	69.41 %
Investment funds and individual shareholders	30.26 %
Telefónica CR (own shares)	0.33%

## Trading in Telefónica CR shares

The total volume of Telefónica CR shares traded on the stock market of the Prague Stock Exchange (PSE) reached CZK 16.6 billion in the first half of 2012, compared to CZK 15.3 billion in the first half of 2011. This ranked the Company among TOP 5 blue chips and accounted for approximately 12% of all trades. Compared to the first half of 2010, the average daily trading volume increased in the first half of 2012 from CZK 87.8 million in the first half of the previous year to CZK 97.8 million.

As at 30 June 2012, the market capitalisation of the Company was CZK 120.4 billion, which helped Telefónica CR maintain the fourth position among companies traded on the stock market of the PSE. It represented 12% of the total market capitalisation of the PSE stock market at the end of the first half of 2012.

In the period from the start of the year until 30 June 2012, the share price of Telefónica CR went up 0.05% to CZK 385.00. The performance of the PSE stock market, as measured by the PX Index, fell 1.1% in the same period.

## General Meeting

The Ordinary General Meeting of the Company was held on 19 April 2012 in Prague. For an overview of the most important conclusions of the General Meeting please refer to Section 4 Corporate Governance of this Half-year Report.

## Dividends and reduction of the share capital

The key parameters of the dividends and the reduction of the share capital are given in Section 4 Corporate Governance of this Half-year Report. The record day for the payment of the dividends will be 12 September 2012, and the dividends will be paid out on 10 October 2012. The record day for the reduction of the share capital will be the day of the registration of the reduction in the Commercial

Register. The payment of the amount corresponding to the reduction of the share capital will be made starting from the 22nd working day after the registration of the reduction in the Commercial Register. Česká spořitelna will process the payment of the dividends and of the amount corresponding to the reduction of the nominal value of shares. After the applicable record day, the bank will advise all shareholders eligible to collect dividends or the amount corresponding to the reduction of the share capital, as the case may be, of the method of payment.

#### **Acquisition of the Company's own shares**

Following the decision of the General Meeting which concerned a programme of acquisition of the Company's own shares up to 10% from the total number of 322,089,890 ordinary shares over a period of five years, the Board of Directors passed a decision on 9 May 2012 to commence the programme of acquisition of own shares, pending on the conclusion of a contract with a brokerage firm selected for this purpose. The selected brokerage firm will hold a mandate to acquire up to 6,441,798 ordinary shares as part of the programme of acquisition of own shares, which is up to 2% of the total outstanding ordinary shares of the Company. The Board of Directors also approved the plan to submit to the General Meeting, after the programme of acquisition of the Company's own shares, a proposal to cancel the acquired shares together with a proposal to reduce the Company's share capital by the amount equivalent to the nominal value of the shares. The purpose of the programme of acquisition of own shares is to improve the present very conservative capital structure of the Company.

Following the Board of Directors' decision dated 9 May 2012, the Company gave a mandate to UniCredit Bank AG, London Branch, to commence with the programme of acquisition of own shares. The acquisition was realised on the European regulated market on which the Company's shares are listed (Prague Stock Exchange); UniCredit Bank AG, London Branch, was mandated to execute the programme through a securities trader qualified to trade on this market.

The Company commence the process of acquisition of its own shares on 18 May 2012. By 30 June 2012, the Company had acquired 1,067,080 shares with the nominal value of CZK 100; it represents 0.33% from the total of 322,089,890 ordinary shares. The sum of the acquisition prices of the shares reached CZK 405.1 million. The lowest acquisition price was CZK 371.00 per share; the highest CZK 388.50 per share. No shares were sold or alienated during the first half of the year.

Updates to the status of acquisition of the Company's own shares are published on the Company's website: [http://www.telefonica.cz/en/shares/284480-nabyti\\_vlastnich\\_akcii\\_spolecnosti.html](http://www.telefonica.cz/en/shares/284480-nabyti_vlastnich_akcii_spolecnosti.html)

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