

The Board of Directors of  
**Telefónica O2 Czech Republic, a.s. (formerly, ČESKÝ TELECOM, a.s.)**  
with the registered office in Praha 3, Olšanská 55/5, post code 130 34, recorded in the Commercial  
Register of the City Court of Prague, Section B, Entry 2322

announces hereby that the Regular General Meeting of the Company held on 27 April 2006 decided to pay the dividend as follows:

- 1) The dividend per share of par value of CZK 100 amounts to CZK 45 before tax; the dividend per share of par value of CZK 1,000 amounts to CZK 450 before tax.
- 2) The shareholder shall be entitled to the dividend for 2005 who owns the shares of Telefónica O2 Czech Republic, a.s., ISIN CZ0009093209, on the record date of 25 September 2006, based on an extract from the register of the issuer, administrated by the Securities Centre. The dividend will be payable on 2 October 2006. The title to the dividend shall be barred by the statute of limitation of four years.

The payment of the dividend, incl. the calculation of the income tax to be deducted, will be effected by Česká spořitelna, a.s., Company Registration No. 45244782, based at Olbrachtova 1929/62, 140 00 Praha 4 (hereinafter referred to as 'Česká spořitelna'), as follows:

1. Shareholders – natural persons with permanent residence in the Czech Republic, or their representatives

- in cash – from 2 October 2006 until 30 September 2010 – at any branch office of Česká spořitelna in the Czech Republic, after presentation of the identity card; the representative of a shareholder will be paid the dividend upon presentation of the identity card and power of attorney signed by the shareholder;
- by bank transfer to a bank account, upon a written request delivered to Česká spořitelna, containing the necessary billing data and birth No.

2. Shareholders – legal entities, administrators and shareholders – natural persons with permanent residence outside the Czech Republic, not represented by administrators

by bank transfer to a bank account, upon a written request of the shareholder, with the signature attested by a notary, delivered to Česká spořitelna, containing the bank account number and bank identification data, and after presentation of further required documents.

The required documents are to be delivered to the address below:

Česká spořitelna, a.s., centrála v Praze, odbor 3810, Národní 27, 113 98 Praha 1

The detailed information on the method of payment of the dividend will be distributed to all shareholders (both natural persons and legal entities) in the form of a letter sent to the permanent residence/registered office address stated in the extract from the register of the issuer at the Securities Centre. Further information can be obtained from Česká spořitelna (by phone) at 224 995 433 or (by e-mail) at [nsmidova@csas.cz](mailto:nsmidova@csas.cz) .

The payment of the dividend of Telefónica O2 Czech Republic, a.s. will be effected by the Board of Directors of Telefónica O2 Czech Republic, a.s., in compliance with the Czech legal regulations, at the costs and risks of Telefónica O2 Czech Republic, a.s.

Board of Directors of Telefónica O2 Czech Republic, a.s.