

TISKOVÁ ZPRÁVA

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PPF willing to join new frequency auction if genuine opportunity to establish fourth operator exists

PPF Group welcomes the decision taken by the Czech Telecommunications Office (CTO) to launch public consultations on the *Proposed Conditions for the New Frequency Auction* as part of the digital dividend. PPF Group is ready to actively participate in public consultations and states its readiness to take part in the new auction and subsequently establish a new mobile operator for the Czech Republic, provided that the key parameters of the proposed conditions are maintained as published. However, to prevent the new auction from failing again, i.e. ending without the emergence of the fourth operator, we believe it is vital that the key parameters of CTO's current proposal are preserved.

In particular, we consider the following to be the key parameters of the new auction:

- Reservation of two blocks (2 x 10 MHz) in the 800 MHz band exclusively for new entities.
- Prevention of discrimination against new entrants in the market; this specifically means a guarantee that it will be possible for the new players to obtain a bandwidth comparable with that of the current operators.
- Imposing of a strict obligation on the current operators to provide national roaming in 2G and 3G networks, plus a guarantee of protection against margin squeeze (an obligation to provide wholesale offers at prices lower than retail offers) to new entrants in the market as stated by the regulator.
- Ensuring of complete anonymity of all participants in the auction.

PPF will only take part in the new auction if the above conditions are met and the auction is called without undue delay. The experience of the first, failed auction

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has clearly shown that in the absence of the above parameters, a new operator's entry into a market dominated by the current three operators' oligopoly is not feasible. Thus, the liability for the outcome, i.e., for a new operator's entry into the market, rests fully with the CTO and the Ministry of Industry and Trade as the national authorities responsible for the regulation of the telecommunications market in the Czech Republic.

Notes for Editors

PPF Group

PPF Group invests into multiple market segments such as banking and financial services, insurance, real estate, energy, metal mining, agriculture, retail and biotechnology. PPF's reach spans from Central and Eastern Europe to Russia and across Asia. PPF Group owns assets amounted to EUR 17.6 billion (as of 30 June 2012).

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