



## PRESS RELEASE

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PLACE / DATE

Prague / 30 September 2013

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### **PPF will not participate in the mobile spectrum auction for a 4<sup>th</sup> operator in the Czech Republic**

PPF Group announces that it does not take part in the auction of mobile frequencies reserved for a new mobile operator in the Czech Republic. The telecommunications regulator, Czech Telecommunications Office (CTU), has set unprecedented terms in the auction conditions which in effect exclude new players from entering the domestic telecommunications market. The auction conditions include certain provisions which, taken as a whole, prohibit a new operator from merging with any of the other auction participants during the whole period for which the auctioned frequencies are awarded (15 years). In practice it means that the regulator is excluding any future merger of a new operator with any of the existing operators. Since the telecommunications market is dramatically changing, following ground-breaking technological achievements, this 15-year exclusion does not make sense from the industry's point of view, as well as from a business point of view.

This limitation, which is unprecedented in the European market, was not included in the regulator's auction terms which underwent a process of public consultation, therefore there was no opportunity to take note of it earlier. The limitation appeared unexpectedly in the final wording of the auction conditions. As PPF Group stated in its press release dated 9 April, 2013, PPF would only take part in the auction if "*a genuine opportunity to establish a new operator exists*". Unfortunately, this pre-condition was not fulfilled by CTU. As a consequence, PPF recently sold the PPF Mobile Services a.s. company to its current CEO, Tomas Budnik. PPF will therefore not participate in the auction for mobile frequencies in the Czech Republic.

#### **Notes for editor**

#### **PPF Group**



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*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 21.5 billion (as of 31 December 2012).*

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