

PRESS RELEASE

PLACE / DATE | Amsterdam/Prague, 5th November, 2013

PPF Group to acquire majority shareholding in Telefónica Czech Republic

PPF Group (PPF) today announces that it has agreed to acquire a 65.9% shareholding in Telefónica Czech Republic, a.s., including its 100%-owned subsidiary Telefónica Slovakia, s.r.o., (Telefónica CR/SK), from Telefónica, S.A., for a total consideration of CZK 63.6 billion (€2,467 million; CZK 305,6 per share). PPF Group will finance the transaction through an equity tranche of CZK 35.5 billion (€1.4 billion) and a syndicated loan facility provided by a consortium led by Société Générale.

The closing of the transaction of acquiring control of Telefónica CR by PPF is subject to approval by European Commission. On completion of the transaction PPF will launch a mandatory tender offer for the remaining shares of Telefónica CR.

The agreement also includes the following stipulations:

- Telefónica CR/SK will be entitled to use the O2 brand for a period of up to four years.
- Telefónica CR/SK will be entitled to remain a participant in Telefónica's Business Partners Programme for a period of up to four years. The Programme provides access to joint procurement of technologies, roaming agreements etc.
- Telefónica S.A. will retain a 4.9% equity stake in Telefónica CR; Telefónica S.A. has formally committed not to accept the subsequent mandatory tender offer by PPF in respect of this shareholding.

PRESS RELEASE

STRANA / PAGE | 2/2

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 of EUR 22.113 billion (as at 30 June 2013).

Contact:

Radek Stavěl

Spokesperson of PPF Group

Phone: +420 224 174 748

Mobile: +420 724 875 932

Email: spokesperson@ppf.eu

www.ppf.eu