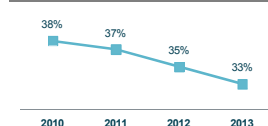


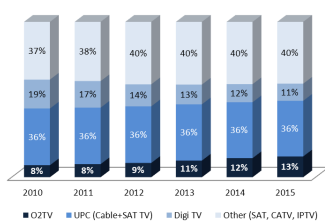
## TEF CZ is gaining market share on stagnating Czech PayTV market

### Paid TV HH Penetration



Data source: QFC2/2012 + LTP 2012

### Share of market (customers)



### Market trends and key challenges

- Pay TV market is slightly decreasing since 4Q2010
- Main driver was fast DTT rollout (availability of 21 free TV channels on 93% of population) and free DTH offer (2 mio active cards)

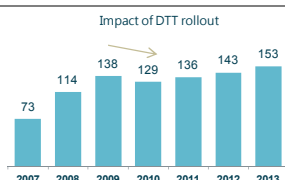
### Key opportunities

- Increasing demand for interactive TV
- OnDemand content consumption
- FBB base penetration
- Despite market trend IPTV as the only TV technology is growing

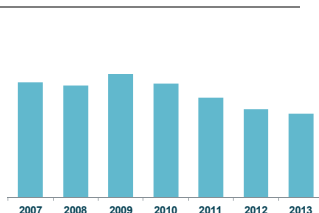
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## Performance of O2TV was impacted by fast DTT rollout and xDSL bundle strategy

EOP O2TV (ths)



ARPU O2TV (czk)



- Bundle strategy as a main driver of the continuous growths since 2011
- Positive impact of VDSL (49% of xDSL base)

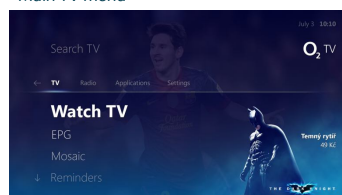
- ARPU under pressure due to aggressive competitors offers
- Positioning of IPTV as a value added on top of xDSL
- Win internet market share is our priority

Telefónica

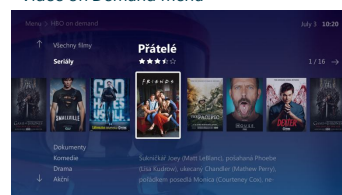
## New platform will enable us to bring unique features

### User Interface

Main TV menu



Video on Demand menu



### Multiscreen



TV



PC



Tablet



Smart phone

### Advanced features



Pause

Enables users to pause the live TV stream and resume later.



StartOver

Enables users to watch the current TV show from the beginning.



Timeshift

Users can watch a TV show that has already played in the past.



Record

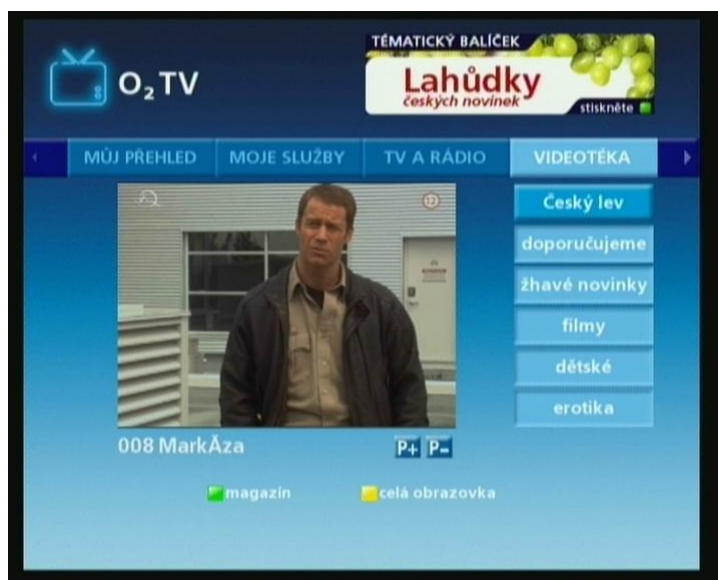
Network Personal Video Recorder allows parallel recording.



TV archive

Enables user to watch TV shows 7 days back.

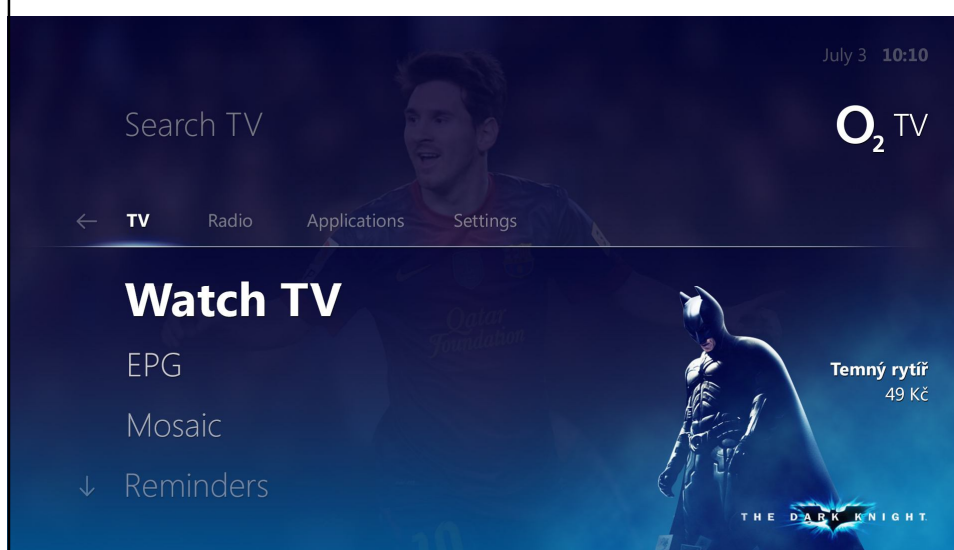
From an outdated Standard definition IPTV home screen...



5

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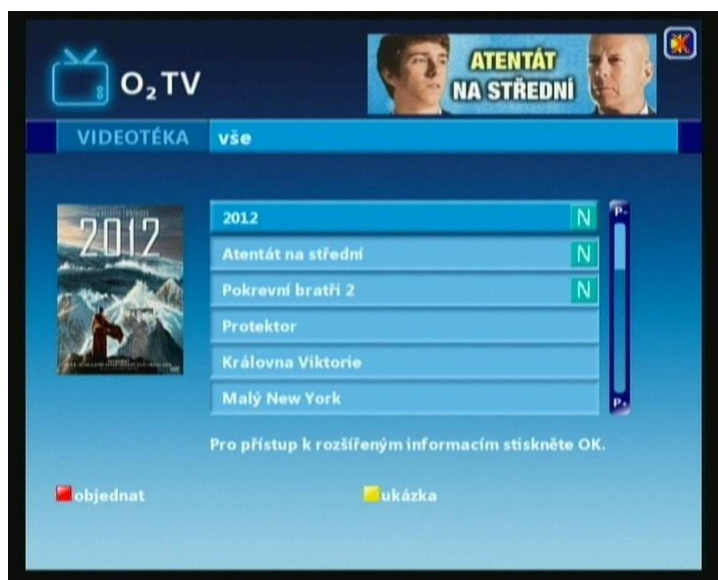
...to fresh and up-to-date High definition screen



6

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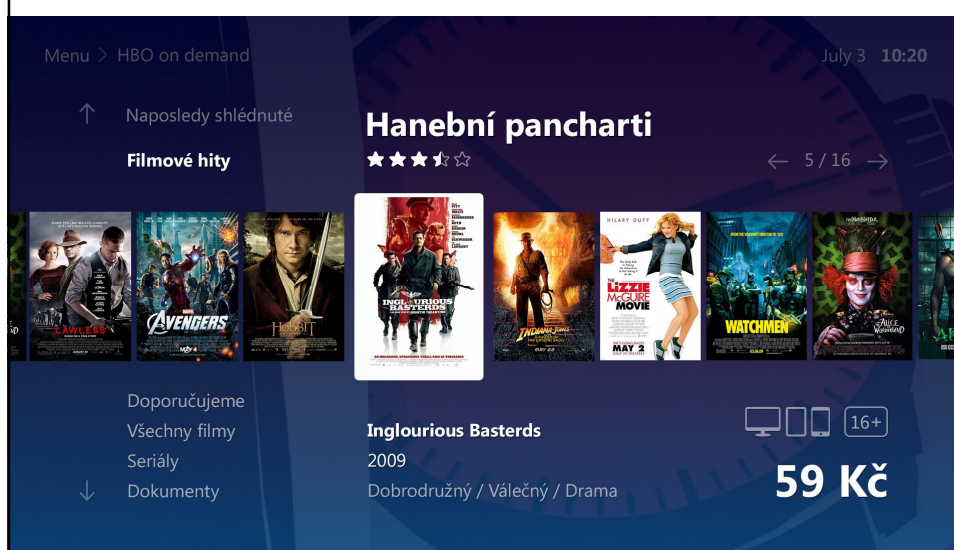
From a current On demand section screen...



7

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.....to modern, appealing, call to action screen



8

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## Service and content portfolio of O2 TV

### Linear TV channels (107)

20 Free to Air channels  
75 Thematic channels  
8 Premium Channels  
1 Barker channel

### HD TV channels - Trial

12 channels available in HD

### Audio channels

20 radio channels available in digital quality

### Value-added services

Advanced EPG (3 screens)  
TV Menu ordering  
Parental control  
Multi room  
interactive Magazine



product web site at: [www.o2tv.cz](http://www.o2tv.cz)

### On Demand services

#### Transactional VoD

1.000+ titles from  
Sony, Warner, Disney,  
Universal and local

#### Subscription VoD

150 titles, weekly refresh  
free for HBO subscribers

#### Catch Up TV

7-days back TV for selected  
programs of 7 Must Carry  
channels

#### Network User PVR

Recordings of 10 hour with 7  
days expiration, available to  
all customers for free

#### Timeshift

30 hours back for all  
channels but Adult available  
to all new platform customers  
for free

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Programming strategy is bringing various channels in base to attract wide range of customers

### 26 ZÁKLADNÍCH PROGRAMŮ



### + 5 NEW CHANNELS



### NEW MODIFIED PACK (8 channels)



50+ channels

### 1 OPTIONAL PACK

Children (10)  
Series (6)  
Documents (10)  
Sport (11)  
Films (6)  
Music (9)

Proposed prices based on actual situation on the market, maintaining the current price for the bundle and positive P&L for top-up O2TV service

### Customers w/o xDSL

O2TV + xDSL (20 Mb/s) = 650 CZK (25 EUR)  
O2TV + xDSL (40 Mb/s) = 750 CZK (29 EUR)

*" High speed internet with many TV entertainment (attractive TV channels, VoD, Recording & TV archive) "*

- Price is valid forever
- Set-top- box rent for 1,656 CZK one off or **69 CZK within 24instalments**
- New xDSL modem for 999 CZK
- 12 M commitment
- Revolving mode

### Customers with xDSL

O2TV Flexi for 150 CZK (5,8 EUR)  
(within bundle)

*" Thanks to your high speed internet you can now enjoy TV entertainment for attractive price "*

- Price is valid forever
- Set-top- box rent for 1,656 CZK one off or **69 CZK within 24instalments**
- No new xDSL modem necessary
- 12 M commitment
- Revolving mode (xDSL for 500 CZK)

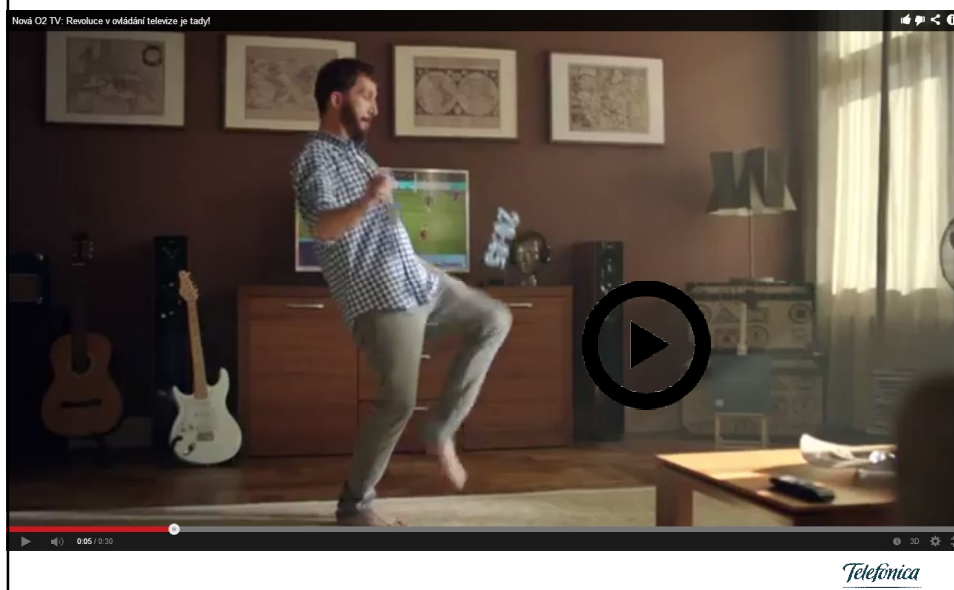
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## Back Up

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## Watch TV commercial of new O2TV



## Watch features of new OTV

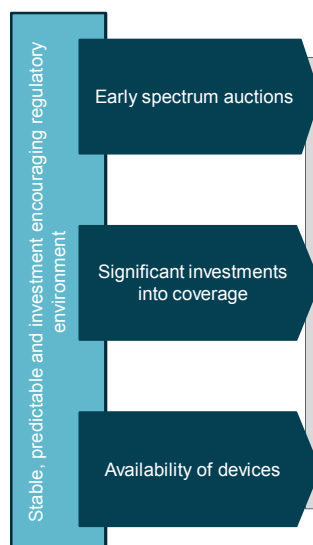


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## Several factors have created a unique situation in the US

### Supply side

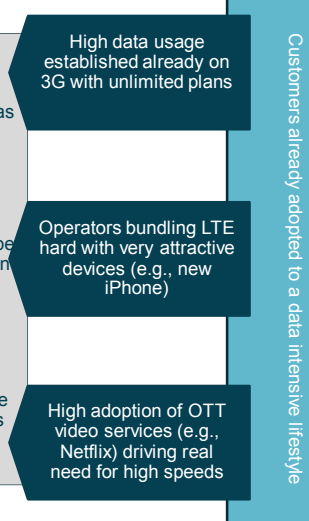


The situation in US is unique in the developed world as the constant negative revenue trend has been reversed

Primarily it's a factor of timing of auctions – Europe will eventually catch up on this

But US will remain unique as investment appetite is higher partly driven by regulation

### Demand side



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