



Nafoukli jsme pro vás internet v mobilu!

Nej
3G sít'

O křehkých jarních rekonditách našli naši internetoví šelmy, a to obzvláště v rozcvené síťovské síťovce. Třeba za 200 MB teď dáte jen 130 Kč, což je například správně mnohem méně, než v minulosti. Navíc máme jako jediné kvalitativní technologii HSPA+ v celé síti, takže vám přijde to, že jste v síti. Přijďte si pro nejlepší moment do našich prodejen pro společnou zálibu.

T-Mobile

Cesta k úspěšnému podnikání začíná 10. 11. v Ostravě

Získejte cenné informace pro rozjezd vašeho podnikání u podnikatele

Více na www.15.t-mobile.cz

2011

Annual Report

Life is for sharing.

T-Mobile

Fifteen years of T-Mobile's presence on the market

15

The year 2011 marked the fifteenth anniversary of T-Mobile's establishment on the Czech market. We have since succeeded in becoming the number-one Czech operator in terms of the number of customers, offering our services to more than 5.4 million clients from Aš in the west to Jablunkov in the east.

In 2011, we set about implementing our strategy of becoming the best internet provider, both in terms of the offer of services to our customers and in terms of the technologies employed. Last year, we built the 5,000th base-transceiver station in the community of Sloup v Čechách and by the end of the year we were operating a total of 5,563¹ stations. On average, one BTS thus covers 14 square kilometres of the territory of the Czech Republic.

It is also worth mentioning that we concluded a 3G network sharing agreement with Telefónica. The agreement concerns currently unserved areas and will bring high-speed mobile data to more locations. The joint project will accelerate construction of the network and significantly expand 3G coverage.

As we are fully committed to providing the best possible services within the T-Mobile network, it has become a well-established tradition to subject our network to an independent audit and comparison with the other operators. Measurements performed by the testing team of an independent company have confirmed that T-Mobile offers the fastest file download performance and the fastest web browsing service of all mobile 2G/3G networks in the Czech Republic. To make sure that everything works as it should, we also upgraded our mobile switching centres, which have been connecting calls of all customers in our mobile network using R4 generation technology since January.

¹ This figure includes 2G, 3G/FDD and 3G/TDD in the On Air state. The total comprises 5,201 base-transceiver stations (including 306 3G/FDD from Telefónica within network sharing) and 362 nanoBTS.



Magical rewards for our customers

- Smart phones at a discount and Internet Komplet for worry-free internet browsing
- Offer of family plans under the most favourable terms
- Offer of fixed-line internet and voice services for companies extended
- Magic Tuesdays: two products for the price of one for all our customers

Last year was marked by a myriad of magical products and services provided to our customers: in cooperation with our partners, we introduced the offer of two products for the price of one. And the number of participating partners is still growing.

Since January, we have been offering smart phones to our customers at significant discounts. Both our contract customers and prepaid Twist card users can browse the internet with new daily data bundles. We used the popular international game Angry Birds to communicate to our customers that smart phones have become an indispensable part of modern life.

And how about the offer for families? We introduced the most transparent and practical offer of family tariff plans and services under the most favourable terms by far.

The offer of our services was further extended with the Internet Komplet data plan, relieving customers from the dilemma of which device they want and can connect to the internet with. For one monthly fee, they can access the web from any of their devices at speeds of up to 11 Mbps. With the Internet na cesty Premium tariff plan, the maximum speeds reach 21 Mbps.

Before Christmas, the data limit under the Internet v mobilu plan was increased by a full one hundred percent and customers could purchase smart phones for favourable prices. In addition, we offered free calls, texts and web surfing on weekends.

We should not forget either that we prepared presents for loyal existing as well as new customers to celebrate 15 years since our establishment. Internet enthusiasts could purchase internet access plans for half-price during one week in September and customers who have been with us for 15 years were rewarded with a special membership in our TOP Programme.



Kouzelné úterky





Growing number of business customers

- We attracted 194 new business customers in 2011
- Ever expanding offer of ICT services

We also introduced several new services for our business customers. Last year, we attracted 194 new large business customers and extended contracts with 821 existing business customers. New customers include Barum, KPMG, Skanska, PRE and Johnson Controls, to name just a few.

The portfolio of services intended for business customers was also expanded to include the new generation of the Podnikatel Plus mobile plans. The launch of the Profi ADSL, Profi SHDSL, Voice Line and Multi Voice Line, which comprise a full-fledged replacement of the original products carried over from České Radiokomunikace, marked an important step on our path to becoming a fully integrated telecommunications operator. We did not forget to extend the offer of ICT services either – the ProfiNet solution now includes Data Centre and Network Security, allowing our customers to purchase both telecommunications and comprehensive IT services from one provider.



Our network is number one

- We built the fastest mobile 3G network with the largest coverage
- We completed projects involving massive modernisation of key technologies
- We are testing and preparing the launch of HSPA+ 42 technology, which will allow even higher speeds of data services in our mobile 3G network



Nejrychlejší
síť

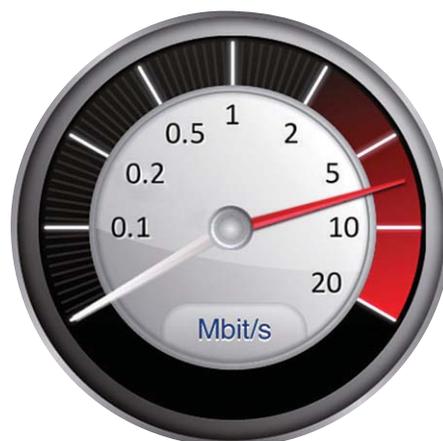
In 2011, our extensive technology investments focused primarily on achieving radical progress in the rollout of the mobile 3G network which we, as the only operator to do so, offer with HSPA+ technology allowing transmission speeds of up to 21 Mbps. We newly launched 1,108 base-transceiver stations, which were supplemented in less densely populated areas with more than three hundred transmitters shared with Telefónica, which means that we even exceeded our original ambitious plan by achieving more than 82% population coverage (outdoor)¹. We were the first operator in the Czech Republic to introduce the HD Voice service supporting superior voice quality of calls. Along with the rollout of the radio part of the network, we also continued to strengthen the related fibre-optic transmission networks in urban agglomerations and throughout the country by installing more than 20,000 km of optical fibres². This will enable us to complete the basic rollout of the 3G network in 2012.

In the first half of the year, we successfully completed the upgrade of the Core MSC network architecture to the more advanced Release 4 standard, which opens up better possibilities for implementing the telecommunications and internet company's services and technology administration in future. We carried out the necessary generation modernisation of fundamental systems and platforms, particularly the customer register (HLR – Home Location Register) and SMS centres. Additionally, we launched the project of replacing our fixed-line DSL service technologies and completed replacement of BRAS transport elements.

In the second half of 2011, we finished the necessary tests of HSPA+ 42 technology, which will enable achievement of much higher speeds of data services in our mobile 3G network – up to 42 Mbps, twice as fast as the current speeds. In accordance with the overall network development plans and the needs of the transmission capacities, the technology will be gradually put into commercial operation beginning in the second quarter of 2012.

¹ For 512/128 kbps

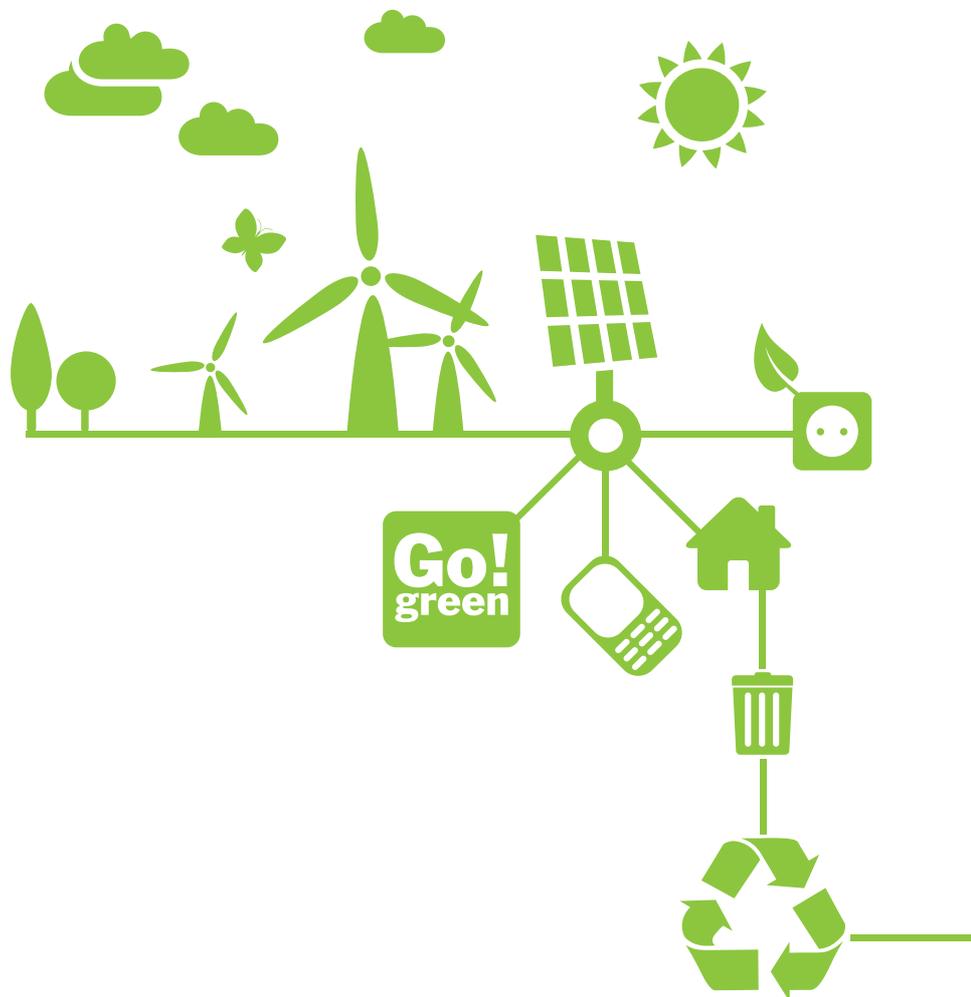
² This is the total of the lengths of all optical fibres, not of cables or lines.



We take care of the environment

A one-of-a-kind system for using solar and wind power put into operation at the headquarters building

Activities aimed at improving the environment were also implemented in the technology field. Last year, we put into operation a comprehensive power-supply system for all radio technologies (indoor and outdoor coverage with both the 2G and 3G signal) using alternative energy sources at our headquarters building in Prague's Roztyly district. Power is generated primarily by our own solar station and wind turbine, with hydrogen and methanol cells serving for backup power generation. The initial long-term trial operation will help us gain practical experience with these systems and determine the best next steps to be taken in this respect.



We take care of our employees

- T-Mobile named the Employer of the Year in the Prague Region
- A new educational philosophy employed for the development of our employees
- Electronic attendance system implemented
- Programme to support our employees' health in 2011



Naším to nejlepší

We have endeavoured to live up to the prize awarded to our company in 2010 edition of the Company of the Year: Equal Opportunities contest by implementing an equal-opportunities policy – the so-called fair share policy – within the company. This is also evidenced by the fact that as at 31 December 2011, the ratio of men and women employed in our company was 56.35 % to 43.65 %.

We continue to score highly in the rankings of the best employers. We placed second in the Employer Branding Award contest – our project of a comprehensive solution in the field of equal opportunities, work-life balance and attention to the needs of employees with small children was rated as one of the top three out of 28 competing projects from around the world at the end of February.

We also launched several programmes aimed at further development and education of employees, one of them being a new employee development philosophy called "Ideal proportions: 70:20:10". This philosophy is linked directly with our company's strategy of becoming the best performing integrated operator in the Czech telecommunications market. We officially introduced a mentoring programme for new employees and extended the possibility of making use of coaching to all employees of the company. To give employees an idea of the nature and purpose of coaching, we organised a Coaching Conference for them in May. The advantages and possibilities of coaching were presented by respected Czech coaches and T-Mobile's management also shared their experience with this development method. This event helped us gain roughly 50 new employees interested in coaching.

In 2011, we switched to a new employee attendance processing system under which all attendance data of both T-Mobile employees and contractors are processed electronically.

We continue to place great emphasis on the programme of supporting our employees' health, within which we focused particularly on the prevention of lifestyle diseases, balancing professional and private life, and improving work hygiene and the quality of the working environment. We also continue to enhance the loyalty of employees with small children and those on parental leave by organising social events and through the system of flexible work arrangements.



We want to keep improving

Within the Six Sigma project, we increased the efficiency of the T-Mobile.cz portal and accelerated the rollout of the 3G network

The principle of continuous improvement constitutes an important part of our activities. Through our improvement activities, we focus on customer satisfaction and operating efficiency, thus striving to fulfil our strategy and vision of becoming the most highly regarded service company.

Within the Six Sigma project, a methodology for improving the efficiency of corporate processes, we significantly improved a range of our services and internal processes in 2011. The project helped us achieve an improvement of the technical efficiency parameters of web portal services, such as T-Mobile web, My T-Mobile and the T-Mobile e-shop, with the speed increasing by 50% and stability by 40% against 2010. In comparison with the previous year, we succeeded in significantly reducing the number of serious IT incidents occurring after installations by 60% while the time necessary for resolving them was reduced by as much as 80%. A great contribution to our efforts to enhance the quality of our 3G network coverage was the improvement activity that helped us accelerate the construction of base-transceiver stations from 16 to 12 months last year.



We support football and the Czech music scene

- The Czech national football team qualified for EURO 2012
- We released more digital albums by Czech bands
- We organised the new t-music Back to School music festival

We have been a partner of the Czech national football team since 1998 and our long-term partnership through the hard times of Czech football was rewarded by the team's qualification for EURO 2012. During the series of qualification matches that took place in 2011 we focused on bringing fans together, not only via the TV spot but also through a range of other activities. Fans had a possibility to check all important information on the newly developed micro site at www.t-mobile.cz/fotbal, take part in an SMS contest to win trips to matches played abroad or get free refreshment offered at more than 100 sports bars across the Czech Republic during the matches played by the Czech national football team.

Our cooperation with STES, the holder of the advertising and marketing rights of The Football Association of the Czech Republic, will continue at least until summer 2012. In addition to the European Championship in 2012, another important sports event will be the qualification for the next football World Cup, which will be held in 2014 in Brazil.

As in previous years, we continued supporting music projects via the music portal at www.t-music.cz. Thanks to the t-music fund, we supported releases of new digital albums by the Czech bands Sunshine, Vypsaná fiXa and Republic of Two. The new albums could be downloaded from the t-music.cz portal for prices determined by the buyers.

To music fans, we offered the possibility of sharing experiences at, for example, the open-air Majáles festivals organised in Plzeň, Hradec Králové, Brno and Prague, at the Rock for People festival and through the brand-new travelling t-music Back to School festival within which we organised six concerts in September and October in cooperation with selected universities in six cities. These concerts featured the Czech bands Horkýže Slíže, UDG, Polemic and Sto zvířat. Our music events were attended by 180,000 fans in 2011.



We want to be a good partner and neighbour

- We took part in the Strategic CSR conference
- We launched the Takeoffs for Start-ups project to support new businesses
- We educated non-profit organisations in the field of public relations
- Employees got involved in volunteer activities benefiting the regions in which they live and work

An important event in May 2011 was the Strategic CSR or What Tomáš Baťa Already Knew conference, of which T-Mobile was the general partner. An honoured guest and one of the speakers was Valerie Bockstette, director of the non-profit consultancy company FSG.

In September 2011, we launched the Takeoffs for Start-ups project focused on supporting start-up businesses. The faces of the advertising campaign accompanying the launch of the project were businesspeople Radim Jančura and Linda Vavříková. The project was organised under the auspices of the Union of Towns and Municipalities of the Czech Republic. The aim of the Takeoffs project is to support business novices not only with services but also know-how and expert consultations provided directly by selected employees of our company. This makes the project unique and interesting for many start-up businesses. A total of 343 people submitted their applications in the competition that is part of the first year of the project. The overall winners will receive financial support from T-Mobile in the amount of CZK 100,000.

Following a successful start in 2010, we continued with the organisation of free PR seminars for non-profit organisations in 2011. In addition to our employees, workshops were also presented by experienced journalists. As compared with the previous year, the workshops were extended with advanced PR seminars and seminars focusing on human resources. The workshops held in 2011 were attended by a total of 170 representatives of non-profit organisations.

In 2011, we also announced the sixth annual T-Mobile Fund for Employees, focused again on the “Healthy Planet” topic. The total contribution of CZK 2 million was distributed among 27 projects. When selecting the winning grant applications, the jury placed emphasis on the active involvement of the employees in the submitted projects. Employees also took part in the traditional “One Day For People in Need” volunteer programme, donating 669 man-days to support non-profit activities last year.

As part of our corporate responsibility activities, we became a partner of the Dobrý Anděl (“Good Angel”) endowment fund and donated CZK 500,000 to the fund. The donation will be distributed to the last crown to families fighting cancer. Additionally, we help Good Angel to address potential donors via our communications channels.

In 2011, the company did not have any structural components in foreign countries.



Roland Mahler
Chairman of the Board of Directors



Ing. Milan Vašina
Member of the Board of Directors



Independent Auditor's Report and Financial Statements

31 December 2011

INDEPENDENT AUDITOR'S REPORT

to the shareholders of T-Mobile Czech Republic a.s.



Report on the Financial Statements

We have audited the accompanying financial statements of T-Mobile Czech Republic a.s., identification number 64949681, with registered office at Tomíčková 2144/1, Praha 4 ("the Company"), which comprise the balance sheet as at 31 December 2011, the income statement and cash flow statement for the year then ended and notes, including a summary of significant accounting policies ("the financial statements").

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal controls as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors of the Czech Republic, International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2011, its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Report on Other Legal Requirements

REPORT ON THE ANNUAL REPORT

In addition we have verified that the other information included in the annual report of the Company for the year ended 31 December 2011 is consistent with the financial statements which are included in this annual report in chapter Financial Statements 2011. The Statutory Body is responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the financial statements based on our verification procedures.

Auditor's Responsibility

We conducted our verification procedures in accordance with the International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the verification procedures to obtain reasonable assurance about whether the other information included in the annual report which describes matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that the verification procedures performed provide a reasonable basis for our opinion.

Opinion

In our opinion, the other information included in the annual report of the Company for the year ended 31 December 2011 is consistent, in all material respects, with the financial statements.

REPORT ON REVIEW OF THE REPORT ON RELATIONS

In addition we have also reviewed the accompanying report on relations between the Company and its controlling party and between the Company and the other persons controlled by the same controlling party for the year ended 31 December 2011 (the "Report"). The completeness and accuracy of the Report is the responsibility of the Statutory Body of the Company. Our responsibility is to express our opinion on the Report based on performed review.

Scope of Review

We conducted our review in accordance with Audit standard 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the Report is free of material factual misstatement. A review is limited primarily to inquiries of Company personnel, analytical procedures and examination, on a test basis, of factual accuracy of data. A review therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Report has not been properly prepared, in all material respects, in accordance with the requirements of Article 66a of the Commercial Code.

13 March 2012



PricewaterhouseCoopers Audit, s.r.o.
represented by partner



Tomáš Bašta
Statutory Auditor, Licence No. 1966

Note

Our report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over the English version.

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PricewaterhouseCoopers Audit, s.r.o., se sídlem Kateřinská 40/466, 120 00 Praha 2, IČ: 40765521, zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl C, vložka 3637 a v seznamu auditorských společností u Komory auditorů České republiky pod oprávněním číslo 021.

BALANCE SHEET

	31. 12. 2011		31. 12. 2010	
	Gross amount CZK million	Provision CZK million	Net amount CZK million	Net amount CZK million
ASSETS				
B. Fixed assets	40,592	(24,207)	16,385	16,629
B. I. Intangible fixed assets	11,370	(6,797)	4,573	4,531
B. I. 1. Research and development	151	(151)	-	2
2. Software	5,287	(4,542)	745	535
3. Valuable rights	5,209	(2,020)	3,189	3,405
4. Goodwill	164	(68)	96	128
5. Intangible fixed assets in the course of construction	537	-	537	447
6. Other intangible fixed assets	22	(16)	6	14
B. II. Tangible fixed assets	29,202	(17,410)	11,792	12,098
B. II. 1. Land	17	-	17	17
2. Constructions	10,198	(4,939)	5,259	4,954
3. Equipment	17,944	(12,460)	5,484	5,231
4. Other tangible fixed assets	1	-	1	1
5. Tangible fixed assets in the course of construction	1,042	(11)	1,031	1,895
B. III. Long term investments	20	-	20	-
B. III. 1. Other long-term investments in securities	20	-	20	-
C. Current assets	21,805	(5,205)	16,600	16,551
C. I. Inventories	636	(58)	578	611
C. I. 1. Raw materials	217	(32)	185	170
2. Goods for resale	419	(26)	393	441
C. II. Long-term receivables	19	-	19	22
C. II. 1. Trade receivables	12	-	12	14
2. Long-term advances paid	7	-	7	8
C. III. Short-term receivables	8,960	(5,147)	3,813	12,892
C. III. 1. Trade receivables	6,744	(5,147)	1,597	1,585
2. Receivables – subsidiaries / controlling entity	-	-	-	8,900
3. Receivables from members of associations	33	-	33	31
4. Taxes receivable	18	-	18	32
5. Short-term advances paid	159	-	159	133
6. Estimated receivables	1,860	-	1,860	2,154
7. Other receivables	146	-	146	57
C. IV. Financial assets	12,190	-	12,190	3,026
C. IV. 1. Cash in hand	25	-	25	20
2. Cash at bank	10,964	-	10,964	2,806
3. Short-term investments	1,201	-	1,201	200
D. I. Prepayments and accrued income	173	-	173	117
D. I. 1. Prepaid expenses	167	-	167	97
2. Accrued income	6	-	6	20
TOTAL ASSETS	62,570	(29,412)	33,158	33,297

BALANCE SHEET (continued)

	31. 12. 2011	31. 12. 2010
	CZK million	CZK million
LIABILITIES AND EQUITY		
A. Equity	26,465	26,407
A. I. Share capital	520	520
A. I. 1. Share capital	520	520
A. II. Capital contributions	5,352	5,352
A. II. 1. Share premium	5,344	5,344
2. Other capital contributions	8	8
A. III. Reserve fund and other reserves	104	104
A. III. 1. Legal reserve fund	104	104
A. IV. Retained earnings	13,178	11,898
A. IV. 1. Retained earnings	13,178	11,898
A. V. Profit for the current period	7,311	8,533
B. Liabilities	5,489	5,841
B. I. Provisions	587	574
B. I. 1. Income tax provision	76	93
2. Other provisions	511	481
B. II. Long-term liabilities	28	80
B. II. 1. Trade payables	5	-
2. Long-term advances received	7	6
3. Deferred tax liability	16	74
B. III. Short-term liabilities	4,823	5,164
B. III. 1. Trade payables	2,293	2,214
2. Liabilities to members of associations	15	17
3. Liabilities to employees	98	105
4. Liabilities for social security and health insurance	59	57
5. Taxes and state subsidies payable	20	22
6. Short-term advances received	64	127
7. Estimated payables	2,252	2,578
8. Other payables	22	44
B. IV. Bank loans and overdrafts	51	23
B. IV. 1. Short-term bank loans and overdrafts	51	23
C. Accruals and deferred income	1,204	1,049
C. I. 1. Deferred income	1,204	1,049
TOTAL LIABILITIES AND EQUITY	33,158	33,297

INCOME STATEMENT

		Year ended 31 December	
		2011	2010
		CZK million	CZK million
I.	Sales of goods	596	613
A.	Cost of goods sold	1,789	1,496
+	Gross profit	(1,193)	(883)
II.	Sales of production	25,953	28,207
II.	1. Sales of own products and services	25,698	28,049
	2. Own work capitalised	255	158
B.	Cost of sales	10,681	11,876
B.	1. Raw materials and consumables	561	461
	2. Services	10,120	11,415
+	Added value	14,079	15,448
C.	Staff costs	2,602	2,549
C.	1. Wages and salaries	1,862	1,832
	2. Emoluments of board members	1	2
	3. Social security and health insurance costs	652	636
	4. Other social costs	87	79
D.	Taxes and charges	309	316
E.	Depreciation and amortisation of fixed assets	3,284	3,132
III.	Sale of fixed assets and raw materials	139	50
III.	1. Sale of fixed assets	134	50
III.	2. Sale of raw materials	5	-
F.	Net book value of fixed assets and raw materials sold	121	50
F.	1. Net book value of fixed assets sold	116	14
	2. Net book value of raw materials sold	5	36
G.	Increase in operating provisions	632	653
IV.	Other operating income	2,216	2,147
H.	Other operating charges	511	417
*	Operating result	8,975	10,528
VIII.	Income from short-term investments	5	9
IX.	Gain on revaluation of securities and derivatives	118	15
L.	Loss on revaluation of securities and derivatives	64	154
X.	Interest income	150	164
N.	Interest expense	1	1
XI.	Other financial income	144	180
O.	Other financial expense	167	147
*	Financial result	185	66
Q.	Tax on profit on ordinary profit	1,849	2,061
Q.	1. - current	1,907	2,139
	2. - deferred	(58)	(78)
**	Profit on ordinary activities after taxation	7,311	8,533
***	Net profit for the financial period	7,311	8,533
****	Net profit before taxation	9,160	10,594

CASH FLOW STATEMENT

	2011	2010
	CZK million	CZK million
Cash flows from operating activities		
Net profit before tax	9,160	10,594
A.1. Adjustments for non-cash movements:		
A.1.1. Depreciation and amortisation of fixed assets	3,284	3,132
A.1.2. Change in provisions	632	653
A.1.3. Profit from disposal of fixed assets	(18)	(36)
A.1.4. Net interest income	(149)	(163)
A.1.5. Other non-cash movements	235	320
A* Net cash flow from operating activities before tax and changes in working capital	13,144	14,500
A.2. Working capital changes:		
A.2.1. Change in receivables and prepayments and accrued income	(767)	(400)
A.2.2. Change in short-term payables and accruals and deferred income	263	10
A.2.3. Change in inventories	34	(234)
A.2.4. Change in short-term investments	(1,001)	1,000
A** Net cash flow from operating activities before tax	11,673	14,876
A.3. Interest paid	(1)	(1)
A.4. Interest received	150	164
A.5. Income tax on ordinary activities paid	(1,923)	(2,899)
A*** Net cash flow from operating activities	9,899	12,140
Cash flows from investing activities		
B.1. Acquisition of fixed assets	(3,541)	(2,951)
B.2. Proceeds from reduction of purchase price of part of business	-	53
B.3. Proceeds from the sale of fixed assets	131	47
B.4. Loans to related parties	8,900	1,100
B*** Net cash flow from investing activities	5,490	(1,751)
Cash flows from financing activities		
C.1. Dividends paid	(7,253)	(7,945)
C*** Net cash flow from financing activities	(7,253)	(7,945)
Net increase in cash and cash equivalents	8,136	2,444
Cash and cash equivalents as at the beginning of the year	3,003	559
Cash and cash equivalents as at the end of the year	11,139	3,003

NOTES TO FINANCIAL STATEMENTS 2011

Company name:	T-Mobile Czech Republic a.s.
Registered office:	Tomíčková 2144/1, Praha 4, 149 00
Legal form:	Joint-stock company
Company registration number:	64949681
Registered with the Commercial Register:	Municipal Court in Prague, Section B, Entry 3787

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1 GENERAL INFORMATION

1.1 Establishment and Details of the Company

T-Mobile Czech Republic a.s. (“the Company”) with registered office in Prague 4, Tomíčková 2144/1, was incorporated on 15 February 1996 as a joint-stock company in the Czech Republic.

The Company is an integrated communications network operator providing both mobile and fixed electronic communication services.

The Company operates public communications networks and provides electronic communication services in the Czech Republic based on certificate No. 310/3, ref. No.153070/2010-631 issued on 4 March 2011 by the Czech Telecommunication Office (“CTO”).

As at 31 December 2011, the Company was organised into the following six divisions – Managing Director division, Marketing division, Finance division, Sales and Customer Services division, Technology division and Human Resources division.

1.2 Structure of the Company’s Ownership

As at 31 December 2011 and 31 December 2010, the ownership structure of the Company was as follows:

Shareholder	No. of shares	Paid in share capital	
	(thousands)	CZK million	%
CMobil B.V.	316	316	60.77
TMCZ Holdco II (Lux) S.ř.r.l.	204	204	39.23
Total	520	520	100.00

The ownership rights in the Company are governed by the terms of the Shareholders Agreement between CMobil B.V. and ČESKÉ RADIOKOMUNIKACE a.s. TMCZ Holdco II (Lux) S.ř.r.l. (formerly CESKE RADIOKOMUNIKACE S.ř.r.l.) assumed the rights and obligations established by the Shareholders Agreement based on an agreement referred to as Adherence Agreement dated 13 November 2006.

The ultimate parent company of the Company during the accounting periods ended 31 December 2011 and 31 December 2010 was Deutsche Telekom AG (“DTAG”) which controls CMobil B.V. via T-Mobile Global Holding Nr. 2 GmbH.

1.3 Licences and Trademarks

As at 31 December 2011, the Company had the right to use the following frequency bands:

- Allocation of frequency bands for provision of public mobile network of electronic communication under the GSM standard in the 900 MHz and 1800 MHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for provision of public mobile network of electronic communication under the UMTS standard in the 2.1 GHz and 28 GHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for provision of public mobile network of electronic communication in the 872 MHz frequency band for the period of 10 years (expires in 2015).

The allocations of the frequency bands are referred to in these financial statements as “licences”.

The Company owns 71 trademarks registered in the Industrial Property Office Register of the Czech Republic.

Based on a sub-licence agreement between the Company and Deutsche Telekom AG (legal successor of T-Mobile International AG), the Company is also entitled to use relevant trademarks registered by DTAG in the Czech Republic.

1.4 Statutory and Supervisory Bodies

The members of the Board of Directors as at 31 December 2011 were as follows:

Roland Mahler	Chairman
Terrence Edward Valeski	Vice-Chairman
Craig Nimrod Butcher	Member
Milan Vašina	Member
Ralph Roland Rentschler	Member
Albert Pott	Member
Robert Chmelař	Member

The members of the Board of Directors as at 31 December 2010 were as follows:

Roland Mahler	Chairman
Terrence Edward Valeski	Member
Craig Nimrod Butcher	Member
Robert Hauber	Member
Otakar Král	Member
Albert Pott	Member
Kerim Turkmen	Member

The members of the Supervisory Board as at 31 December 2011 were as follows:

Cornelia Elisabeth Sonntag	Chairwoman
Ratko Jovic	Vice-Chairman
Monika Vobořilová	Member
Martina Kemrová	Member
Antonius Joseph Zijlstra	Member
Hans-Peter Schultz	Member

The election of Mr. Jovic as Vice-Chairman of the Supervisory Board was not recorded in the Commercial Register as at the date of approval of the financial statements.

The members of the Supervisory Board as at 31 December 2010 were as follows:

Cornelia Elisabeth Sonntag	Chairwoman
Robert Chmelař	Vice-Chairman
Monika Vobořilová	Member
Martina Kemrová	Member
Antonius Joseph Zijlstra	Member
Hans-Peter Schultz	Member

2 ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic and under the historical cost convention. Derivates and securities are shown at fair value.

The financial statements have been prepared as at 31 December 2011. The accounting period is represented by the calendar year from 1 January 2011 to 31 December 2011.

All amounts in the financial statements are expressed in millions of Czech crowns (CZK million).

2.2 Valuation Methods

2.2.1 Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets except for land are recorded at acquisition cost less accumulated depreciation / amortisation and provisions for impairment. The acquisition cost comprises the purchase price, transportation costs, customs, installation costs and other relevant costs.

Intangible assets comprise especially the following:

i) UMTS licence

The UMTS licence represents the right to operate mobile communication networks in the Czech Republic under the UMTS standard. The licence is recorded at cost less accumulated amortisation. The licence was put into commercial use in October 2005. The licence is being amortised over its useful life using the straight-line method. The useful life of the licence is considered to be the period from the start of its commercial use, through to the licence expiration date in 2024.

ii) GSM licence

The GSM licence which represents the right to provide communication services in the Czech Republic and to establish and operate GSM communication equipment is recorded at cost less accumulated amortisation. The licence is being amortised over its useful life using the straight-line method. The useful life of the licence is considered to be the period from the start of its commercial use, through to the licence expiration date in 2024.

iii) Software

Capitalised software costs include the licence fees for the use of software, costs of consulting services related to software implementation and internal labour costs directly related to the integration of the purchased software. Software costs are amortised over the expected period of the benefit of the cost, which is two years, three years or over the length of the contract. Costs of consulting services, which are incurred after the relevant subsystem of the software is put into routine operation and as such do not fulfil the criteria for capitalisation, are expensed as incurred.

Development costs are generally expensed when incurred. Such costs are capitalised only if they are internally generated for trade purposes or if they are acquired from other parties. Development costs are amortised using the straight-line method over the period of their expected commercial use, however not exceeding five years. The Company does not perform research activities.

Repairs and maintenance expenditures of tangible and intangible fixed assets are expensed as incurred. Provisions are created in accordance with Act on Reserves for costs of necessary repairs, which are expected to be incurred in future periods, as estimated by the management.

Technical improvement of tangible fixed assets and intangible fixed assets exceeding CZK 40 thousand per year is, in case of tangible fixed assets or each completed technical improvement in case of intangible fixed assets, capitalised. Technical improvement below the stated amount is expensed.

2.2.2 Securities and Investments

The Company classifies securities and investments, other than investments in subsidiaries and associates undertaking, in the following categories: trading, available-for-sale or held-to-maturity.

All securities and investments are initially recorded at acquisition cost including transaction costs. The acquisition cost does not include interest from the acquisition of loans financing the securities and the related administration costs. Held-to-maturity investments are subsequently accounted for at amortised cost. Other investments are subsequently accounted for at fair value. The fair value is determined as the market value of the securities as at the balance sheet date. Measurement of non-traded securities is based on management estimates based on valuation techniques. Securities whose fair value cannot be reliably measured are measured at cost less provision.

Gains and losses arising from changes in the fair value of trading instruments are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in fair value of available-for-sale investments are recognised as a movement in equity and recognised into the income statement on realisation or when permanently impaired.

2.2.3 Inventories

Purchased inventories are stated at acquisition cost less provision. The acquisition cost of purchased inventories primarily includes the purchase price of materials and other costs incurred to bring inventory to its present state and location. These costs include mainly customs, storage during transportation and freight.

All disposals of purchased inventories are valued using the weighted-average cost method.

2.3 Purchase of Part of Business and Goodwill

Assets and liabilities acquired as part of purchase of part of a business are recorded at re-valued amounts in the Company's financial statements. Goodwill arising upon acquisition of part of a business represents the difference between the valuation of the enterprise acquired, in accordance with the Commercial Code, and the total of individually re-valued assets and liabilities acquired. Goodwill is amortized on a straight-line basis over the period of 60 months from the acquisition date. Negative goodwill is credited to income statement on a straight-line basis over the period of 60 months from the acquisition date. If the purchase price of part of a business subsequently changes, the amount of positive or negative goodwill will be adjusted, the time of amortization remains without changes.

2.4 Depreciation / Amortisation Method

The Company's tangible and intangible fixed assets are depreciated / amortised applying the straight-line method with annual depreciation rates based on estimated useful lives of the assets. Depreciation / amortisation commences in the month when all statutory and technical requirements are met, consistent with Czech legislation. Amortisation of intangible fixed assets for tax purposes commences in the following month.

Estimated useful lives for the main fixed asset categories are as follows:

Fixed asset group	Useful life (years)
Development costs	2 to 5
Software	2 to 3 years or in accordance with the contract term
Valuable rights – licences	8 to 20 years or in accordance with the licence term
Buildings, construction and leasehold improvements	10 to 50 years or in accordance with the lease term
Operating equipment:	
Network technology equipment (GSM, UMTS)	3 to 10
Transport vehicles, hardware and office equipment	3 to 13

Land is not depreciated.

Tax depreciation is calculated using the straight-line depreciation / amortisation method with the exception of GSM/UMTS equipment, which for tax purposes is depreciated using the accelerated depreciation method.

Depreciation / amortisation plan is being updated during useful life of fixed assets based on expected useful life and expected residual value of assets.

2.5 Method of Determining Provisions for Assets and Liabilities

2.5.1 Provisions for Assets

Provisions for impairment of tangible and intangible fixed assets

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

Provisions for receivables

The Company creates a provision for receivables based on the ageing of receivables and information about the current payment discipline of customers and dealers. The provision is calculated as a percentage of the nominal value of receivables, ranging from 2% to 100%. Overdue debts from customers are offset against deposits obtained from them at the beginning of the contract period. Receivables in the DTAG Group are not provided for.

Provisions for inventories

A provision is created for slow-moving and obsolete inventory based on an analysis of turnover and individual evaluation of inventories.

2.5.2 Provisions for Liabilities

The Company recognises provisions relating to probable future obligations or expenditures, when the purpose of the obligations or expenditures is known but the precise amount, or the time when the obligation or expenditure will crystallise, is not known. However, provisions are not created for future operating expenditures or for expenditures directly related to future revenue transactions. The Company takes into consideration all the predictable risks and possible losses when recognising provisions.

The Company recognises an asset retirement obligation, which represents the costs of restoring leased sites in accordance with the terms and conditions of the lease contracts. The provision reflecting this obligation is created on a straight-line basis during the expected period of use of the leased sites. If the obligation is settled for anything other than the carrying amount of the liability, a gain or loss on the settlement is recognised in the income statement.

2.6 Revenue Recognition

Voice revenues constitute the principal part of total revenues, consisting primarily of domestic and foreign (roaming) airtime revenues and interconnection revenues from termination of traffic originating from the networks of other operators.

Interconnection revenues are recognised based on valid agreements.

Monthly subscription fees, revenues from non-voice services such as SMS, data transmissions and MMS and revenues from the sale of handsets and accessories represent another significant revenue stream.

Revenues from post-paid customers are recognised on the basis of airtime used and are recorded in monthly billing cycles.

Revenues from the sale of pre-paid cards are deferred and based on operational data are recognised at the moment when the customer uses the pre-paid credit.

The activation fee included in both pre-paid and post-paid package revenues is recognised in the period when the card is activated by the customer.

Revenues from the sale of handsets and accessories are recognised at the time of the customer's or independent dealer's purchase.

Interest income is recorded on an accrual and deferral basis using the effective interest method.

2.7 Foreign Currency Translation

Transactions denominated in a foreign currency are translated and recorded at the exchange rate published by the Czech National Bank as at the transaction date. Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2.8 Deferred Taxation

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, using the statutory tax rates that are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled. Deferred income tax charged or credited to the income statement is measured as the change in the net deferred income tax asset or liability during the year except when the deferred income tax relates to temporary differences from items credited or charged directly to equity.

The principal temporary differences arise from tax and accounting depreciation on fixed assets, changes in tax non-deductible adjustments and non-taxable provisions and revaluation of other assets and liabilities. A deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available, against which deductible temporary differences can be utilised.

2.9 Financial Risk Management

Financial risk management principles

The Company's activities expose it to a variety of financial risks, primarily currency risk, interest rate risk and price risk influencing the Company's assets, liabilities and planned transactions. The Company's overall risk management strategy focuses on the unpredictability of financial markets. The Company seeks to minimise potentially adverse effects on the Company's financial performance through its operating and financial procedures. Based on its risk assessment, the Company uses selected derivative and non-derivative hedging instruments to manage exposures. The derivatives are used solely for hedging purposes, not for trading or speculating. In order to manage credit risk, hedging transactions are generally entered into with institutions that meet the requirements of the Company's hedging strategy for required rating.

Financial risk management procedures are carried out by the Company's Treasury Department under policies and directions set by the Board of Directors of the Company, except for credit risks arising from sales activities which are managed by the Credit Risk Department.

Market risk

a) Currency risk

The Company operates internationally and is exposed to currency risk, primarily with respect to EUR. Currency risk arises from future commercial transactions, assets and liabilities denominated in foreign currencies.

The Company uses financial instruments, primarily currency forward contracts, in its management of the currency risk associated with its foreign currency denominated sales and purchases.

b) Interest rate risk

The Company invests in financial assets with short term maturity and fixed interest rate. Such instruments are not exposed to the risk of interest rate fluctuation. Therefore the Company does not actively manage the interest rate risk.

Credit risk

The counterparties for financial transactions of the Company's cash are limited to institutions with high credit quality as defined in the policies and directions set in investment strategy approved by the General meeting of the Company. The Company carries out only such financial transactions whose originator's or guarantor's credit rating from an independent global rating agency lies safely within investment grade (i.e. at least BBB+ / Baa1) and, at the same time, the originator's or guarantor's credit quality indicators can be continuously monitored through the financial market.

The Company manages the credit risk associated with its trading operations by using various instruments such as insurance, bank guarantees, credit limits, differentiated debt collecting process, etc.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The aim of the Treasury Department is to maintain flexibility in funding by maintaining availability under these committed facilities.

The Company maintains a liquidity reserve in the form of a bank overdraft and flexible credit line (refer to Note 3.9 Bank Loans and Overdrafts) to support its ability to meet its liabilities and to provide financial flexibility. Historically, the Company generated sufficient cash to ensure its solvency and financial flexibility. The Company does not consider itself significantly exposed to liquidity risk.

Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities) is based on quoted market prices as at the balance sheet date. If the market price is not available for the financial asset or liability the Company determines its fair value by using estimated discounted cash flows. The discount rate used is an interest rate quoted for similar instruments with similar credit risk and maturity.

Accounting for derivatives financial instruments and hedging activities

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. In assessing the fair value of derivatives, the Company uses a variety of methods including techniques such as the present value of estimated future cash flows and the future value of cash flows under assumptions that are based on market conditions existing as at the balance sheet date. All derivatives are disclosed in other receivables or in other payables when the fair value for the Company is positive or negative, respectively.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when the risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value, with changes in fair value being recorded in the income statement.

The Company uses currency forward contracts to hedge estimated cash flows. All transactions below the equivalent of EUR 15 million (CZK 387 million) are recognised as trade derivatives with changes in fair value being recognized as income or expenditure from revaluation of securities and derivatives. The Company in 2011 and 2010 did not apply hedge accounting.

2.10 Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognised in the balance sheet.

2.11 Employment Benefits

The Company recognises a provision relating to untaken holidays. The Company recognises an estimated payable relating to rewards and bonuses of employees. Regular contributions are made to the state to fund the national pension plan. The Company also provides contributions to defined contribution plans operated by independent pension funds.

2.12 Cash Flow Statement

The Company has prepared a cash flow statement following the indirect method. Cash equivalents represent bank account balances, bank deposits and their securitised equivalents, and overdrafts. For reconciliation of short-term financial assets and cash equivalents, refer to Note 3.4 Short-term Financial Assets.

2.13 Related Parties

The Company's related parties are considered to be the following:

- parties, of which the Company is a subsidiary or an associate, directly or indirectly, and other subsidiaries of these parties;
- members of the Company's or parent company's statutory and supervisory bodies and management and parties close to such members, including entities in which they have a controlling or significant influence.

Material transactions and outstanding balances with related parties are disclosed in Note 3.16 – Related party transactions and balances.

2.14 Subsequent Events

The effects of events which occurred between the balance sheet date and the date of signing the financial statements are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the signing of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves recognised in the financial statements.

3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

3.1 Fixed Assets

3.1.1 Intangible Fixed Assets

Cost CZK million	Goodwill	Software	Valuable rights – GSM/UMTS and other licenes	Other intangible fixed assets	Intangible assets in the course of construction and advances paid	Total
1.1.2010	164	5,596	5,028	195	309	11,292
Transfers	–	585	117	–	(640)	62
Additions	–	–	–	–	792	792
Disposals	–	(1,431)	–	(4)	(14)	(1,449)
31.12.2010	164	4,750	5,145	191	447	10,697
Transfers	–	835	71	–	(908)	(2)
Additions	–	–	–	–	998	998
Disposals	–	(298)	(7)	(18)	–	(323)
31.12.2011	164	5,287	5,209	173	537	11,370

Accumulated amortisation/ provisions CZK million	Goodwill	Software	Valuable rights – GSM/UMTS and other licenes	Other intangible fixed assets	Intangible assets in the course of construction and advances paid	Total
1.1.2010	3	5,113	1,465	165	–	6,746
Additions	33	533	275	14	–	855
Disposals	–	(1,431)	–	(4)	–	(1,435)
31.12.2010	36	4,215	1,740	175	–	6,166
Additions	32	625	287	10	–	954
Disposals	–	(298)	(7)	(18)	–	(323)
31.12.2011	68	4,542	2,020	167	–	6,797

Net book CZK million	Goodwill	Software	Valuable rights – GSM/UMTS and other licenes	Other intangible fixed assets	Intangible assets in the course of construction and advances paid	Total
31.12.2010	128	535	3,405	16	447	4,531
31.12.2011	96	745	3,189	6	537	4,573

3.1.2 Tangible Fixed Assets

Cost CZK million	Buildings, constructions and land	Equipment and other tangible fixed assets	Tangible fixed assets in the course of construction and advances paid	Total
1.1.2010	8,850	25,996	1,818	36,664
Transfers	523	2,210	(2,795)	(62)
Additions	-	-	2,931	2,931
Disposals	(29)	(7,529)	(26)	(7,584)
31.12.2010	9,344	20,677	1,928	31,949
Transfers	939	2,071	(3,008)	2
Additions	-	-	2,193	2,193
Disposals	(68)	(4,804)	(70)	(4,942)
31.12.2011	10,215	17,944	1,043	29,202

Accumulated depreciation/provisions CZK million	Buildings, constructions and land	Equipment and other tangible fixed assets	Tangible fixed assets in the course of construction and advances paid	Total
1.1.2010	3,826	21,270	49	25,145
Transfers	576	1,701	-	2,277
Additions	(29)	(7,526)	-	(7,555)
Provisions	-	-	(16)	(16)
31.12.2010	4,373	15,445	33	19,851
Additions	632	1,698	-	2,331
Disposals	(66)	(4,683)	-	(4,749)
Provisions	-	-	(22)	(22)
31.12.2011	4,939	12,460	11	17,410

Net book value CZK million	Buildings, constructions and land	Equipment and other tangible fixed assets	Tangible fixed assets in the course of construction and advances paid	Total
31.12.2010	4,971	5,232	1,895	12,098
31.12.2011	5,276	5,484	1,032	11,792

3.1.3 Long-term investments

The Company acquired a 12.5% share in MOPET CZ a.s. The purchase price of this investment amounted to CZK 20 million. As at the balance sheet date this investment is carried at cost because MOPET CZ a.s. shares are not listed and their fair value cannot be reliably measured.

3.2 Inventories

	31. 12. 2011	31. 12. 2010
CZK million		
Handsets and accessories	409	443
Technology inventories	211	198
Satellite TV devices and accessories	10	24
Other inventories	6	6
Total inventories – gross	636	671
Provision for inventories	(58)	(60)
Total inventories – net	578	611

The change in the provision for obsolete and slow-moving inventory can be analysed as follows:

	31. 12. 2011	31. 12. 2010
CZK million		
Opening balance as at 1 January	60	90
Creation of the provision	13	26
Release / utilisation of the provision	(15)	(56)
Closing balance as at 31 December	58	60

3.3 Receivables

3.3.1 Short-term Receivables

	31. 12. 2011	31. 12. 2010
CZK million		
Trade receivables		
– current and overdue less than 180 days	1,898	2,089
– overdue more than 180 days	4,846	4,015
Total trade receivables – gross	6,744	6,104
Provision for receivables	(5,147)	(4,519)
Total trade receivables – net	1,597	1,585

As at 31 December 2011 the overdue receivables amounted to CZK 5,643 million (as at 31 December 2010: CZK 4,937 million).

Trade receivables comprise mainly receivables from the communication network users, receivables from other communication services providers, receivables from partners for the electronic recharging of Twist prepaid cards and receivables from independent dealers.

Overdue receivables relate primarily to overdue receivables from customers of electronic communication services.

The change in the provision for doubtful debts may be analysed as follows:

	31. 12. 2011	31. 12. 2010
CZK million		
Opening balance as at 1 January	4,519	3,784
Creation of the provision	2,016	2,542
Release / utilisation of the provision	(1,388)	(1,807)
Closing balance as at 31 December	5,147	4,519

Estimated receivables represent mainly the communication network services provided to customers of the Company that were not invoiced as at the balance sheet date, uninvoiced interconnection fees and uninvoiced services provided to roaming partners.

3.3.2 Long-term Receivables

Long-term receivables consist primarily of advances for rent and receivables for fixed assets sold which are offset against liabilities for services received.

3.4 Short-term Financial Assets

Short-term financial assets can be analysed as follows:

	31. 12. 2011	31. 12. 2010
CZK million		
Cash in hand, cash in transit and cash at bank	10,989	2,826
Short-term investments	1,201	200
Total short-term financial assets	12,190	3,026
Bank overdrafts	(51)	(23)
Mortgage-backed securities	(1,000)	-
Total cash and cash equivalents	(11,139)	3,003

3.5 Prepayments and accrued income

3.5.1 Prepaid Expenses

As at 31 December 2011 prepaid expenses include primarily costs related to the lease of office space and buildings needed for the installation of communication technologies paid in advance. These costs are recorded as expenses on an accrual basis. Their total value as at 31 December 2011 was CZK 167 million (as at 31 December 2010: CZK 97 million).

3.6 Equity

Movements in the Company's equity:

CZK million	Registered capital	Share premium	Other capital contributions	Legal reserve fund	Retained earnings	Profit for the current period	Total
1.1.2010	520	5,344	8	104	10,740	9,103	25,819
Dividends paid	-	-	-	-	-	(7,945)	(7,945)
Transfer	-	-	-	-	1,158	(1,158)	-
Net profit for the period	-	-	-	-	-	8,533	8,533
31.12.2010	520	5,344	8	104	11,898	8,533	26,407
Dividends paid	-	-	-	-	-	(7,253)	(7,253)
Transfer	-	-	-	-	1,280	(1,280)	-
Net profit for the period	-	-	-	-	-	7,311	7,311
31.12.2011	520	5,344	8	104	13,178	7,311	26,465

3.6.1 Share Capital and Capital Contributions

The Company's shares have a nominal value of CZK 1,000 each and are book-entered, registered and not publicly traded. Approved and subscribed share capital is fully paid off. All shares have equal voting rights. As at 31 December 2011 and 31 December 2010, the registered capital was represented by 520 thousand shares.

The share premium of CZK 5,344 million was settled by the Company's shareholders under the Joint Venture Agreement of the joint-stock company between ČESKÉ RADIOKOMUNIKACE a.s.* and CMobil B.V., dated 25 March 1996, and the Agreement between the Ministry of Economy of the Czech Republic (currently the Ministry of Industry and Trade), CMobil B.V. and ČESKÉ RADIOKOMUNIKACE a.s.*, dated 25 March 1996. The valuable right to provide communication services under the GSM standard forms a part of the share premium.

The legal reserve fund comprises funds that the Company is required to retain according to the current legislation. Use of the legal reserve fund is limited by legislation and Statutes of the Company. The legal reserve fund may not be distributed to shareholders.

3.6.2 Dividends

Based on the resolution of the General meeting held on 31 May 2011, the Company distributed part of its retained earnings to the shareholders in form of dividend in the aggregate amount of CZK 7,253 million (CMobil B.V.: CZK 4,408 million, TMCZ Holdco II (Lux) S.à.r.l.: CZK 2,845 million).

During 2010, the Company distributed to the shareholders a dividend in the aggregate amount of CZK 7,945 million (CMobil B.V.: CZK 4,828 million, TMCZ Holdco II (Lux) S.à.r.l.: CZK 3,117 million).

* Currently TMCZ Holdco II (Lux) S.ř.r.l. (previously CESKE RADIOKOMUNIKACE S.ř.r.l.)

3.7 Provisions

CZK million	Provisions for income tax payable	Other provisions	Total
1.1.2010	853	518	1,371
Charge for the year	93	304	397
Released / used in the year	(853)	(341)	(1,194)
31.12.2010	93	481	574
Charge for the year	76	392	468
Released / used in the year	(93)	(362)	(455)
31.12.2011	76	511	587

As at 31 December 2011, the Company recorded a provision of CZK 189 million for estimated future costs related to the T-Mobile bonus program for allocated loyalty points unused as at year-end (31 December 2010: CZK 210 million).

The provision for Asset Retirement Obligation based on lease contract conditions amounted to CZK 260 million as at 31 December 2011 (31 December 2010: CZK 206 million).

3.8 Short-term Liabilities

Trade payables

CZK million	31. 12. 2011	31. 12. 2010
Trade payables		
– domestic payables	2,246	2,120
– foreign payables	47	94
Total trade payables	2,293	2,214

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

As at 31 December 2011, overdue payables amounted to CZK 62 million (31 December 2010: CZK 98 million). The balances of overdue payables comprise primarily intercompany payables which became overdue as a result of the payment policy applied within the group.

Overdue payables do not include liabilities for social insurance or contributions to the state employment policy, nor do they include liabilities for health insurance.

Liabilities to members of associations represent advances received from members of the associations which were established for the purpose of building up telecommunications infrastructure. Liabilities to the members of associations as at 31 December 2011 amounted to CZK 15 million (31 December 2010: CZK 17 million).

Estimated payables

Estimated payables include the cost of goods and services that were received during the year, but for which no invoice was received as at the balance sheet date.

Overview of estimated payables by category as at 31 December 2011 and 31 December 2010:

	31. 12. 2011	31. 12. 2010
CZK million		
Estimated liability for interconnection costs	342	462
Estimated liability for operational expenditure	1,325	1,256
Estimated liability for capital expenditure	223	509
Estimates liability for staff costs	362	351
Total estimated payables	2,252	2,578

Other payables

Other short-term payables had the following balances as at 31 December 2011 and 31 December 2010:

	31. 12. 2011	31. 12. 2010
CZK million		
Currency forward contracts	–	34
Liability from subscribed shares	7	–
Other short-term payables	15	10
Total other payables	22	44

3.9 Bank Loans and Overdrafts

The total limit of bank overdrafts and flexible credit lines available to the Company is EUR 3 million (CZK 77 million) and CZK 600 million, respectively.

As at 31 December 2011, the Company drew overdrafts amounting to CZK 51 million (31 December 2010: CZK 23 million).

3.10 Financial Instruments

The Company manages its currency and interest rate risks in accordance with the hedging strategy of the Company, as approved by the General meeting (refer to Note 2.9 Financial Risk Management).

Forward contracts

As at the end of 2011, the Company had open currency forward contracts with a total nominal value of CZK 1,816 million (31 December 2010: CZK 2,226 million). These transactions focus on managing currency risks associated with the settlement of the Company's liabilities resulting from the customer-supplier relations and denominated in EUR. All currency forward contracts as at 31 December 2011 were initiated during 2011 with maturity by the end of 2012. During 2011, currency forward contracts in a total nominal value of CZK 2,994 million were settled (in 2010: CZK 4,664 million).

Open currency forward contracts

31. 12. 2011 31. 12. 2010

CZK million

Open currency forward contracts hedging other foreign currency liabilities:		
Positive fair value	90	8
Negative fair value	-	(34)
Total fair value of forward contracts	90	(26)

3.11 Accruals and Deferred Income**3.11.1 Deferred Income**

Deferred income includes deferred airtime revenue related to Twist prepaid services and credit tariffs.

3.12 Commitments and Contingencies

Tax authorities are authorised to inspect books and records at any time within 3 years subsequent to the deadline for filing a tax return for reported tax year, and consequently may impose additional income tax and penalties. The Company's management are not aware of any circumstances which may in the future give rise to a potential material liability in this respect.

On 31 May 2004, Vodafone Czech Republic a.s. (Český Mobil a.s. in the decisive period) filed a claim with the Municipal Court in Prague against the Company for compensation of damages in the total amount of CZK 615 million including claim attribution. Vodafone Czech Republic a.s. insists that the Company abused its dominant position on the market to the detriment of Vodafone Czech Republic a.s. On 8 December 2011, the Municipal Court in Prague refused Vodafone's claim. No written decision was delivered to the Company as of the balance sheet date. The management of the Company concluded that there are no risks arising from the case that should be recognised in the financial statements of the Company.

The Company's future capital commitments to major technology suppliers as at 31 December 2011 and 31 December 2010 are as follows:

31. 12. 2011 31. 12. 2010

CZK million

Up to 1 year	1,905	1,840
1 – 3 years	655	1,219
3 – 5 years	32	53
Over 5 years	30	386
Total	2,622	3,498

The future minimum lease payments under non-cancellable operating leases arising from the lease of microwave connections, optical fibres, communication base stations, other buildings and offices are as follows:

	31. 12. 2011	31. 12. 2010
CZK million		
Up to 1 year	766	564
1 – 3 years	700	658
3 – 5 years	674	644
Over 5 years	2,648	2,587
Total	4,788	4,453

In 2010, the Company commenced to lease optical fibre routes through operating leases. Minimum lease payment commitments under non-cancellable operating leases arising from the lease of optical fibres are represented by the amount of CZK 1,395 million as at 31 December 2011 (as at 31 December 2010: CZK 931 million).

3.13 Guarantees

As at 31 December 2011, bank guarantees totalling CZK 80 million were issued to lessors of commercial space, real estate and issuers of public tenders at the Company's request (31 December 2010: CZK 77 million).

As at 31 December 2010, the Company's liabilities from import duties were covered by bank guarantees totalling CZK 50 million. As at 31 December 2011 no bank guarantees for liabilities from import duties were issued.

3.14 Revenues and Expenses from Operating Activities

3.14.1 Operating Revenues according to Main Activities

	2011	2010
CZK million		
Sales of handsets and accessories	596	613
Communication network services	25,698	28,049
Total	26,294	28,662

3.14.2 Provozní výnosy a náklady

	2011	2010
CZK million		
Operating revenues	26,294	28,662
Other revenues	2,610	2,355
Total revenues	28,904	31,017
Cost of goods sold	1,789	1,496
Consumption of material and energy	561	461
Services	10,120	11,415
Staff costs	2,602	2,549
Amortisation / depreciation of intangible and tangible fixed assets	3,284	3,132
Other operating charges	1,573	1,436
Total operating expenses	19,929	20,489
Operating result	8,975	10,528

Services include leased line costs, interconnection costs, costs of external marketing services and rental expenses.

3.15 Income and Expenses from Financing Activities

	2011	2010
CZK million		
Income from financial operations and interest income	150	164
Other financial income	267	204
Cost of financial operations and interest expense	(1)	(1)
Other financial expenses	(231)	(301)
Financial result	185	66

3.16 Related Party Transactions and Balances

The following transactions are related to the shareholders and other related parties:

	2011	2010
CZK million		
České Radiokomunikace a.s.*:		
Purchase of services (leased lines, rent and other services)	-	374
DTAG group:		
Roaming, interconnect and related purchased services	537	436
Other purchased goods and services	224	134
Expenses from cross charges of services	595	576
IT services	754	732
Purchased foreign currency at market value	1,909	1,519
Total purchases	4,019	3,771
České Radiokomunikace a.s.*:		
GSM and interconnection services sold	-	41
DTAG group:		
Roaming, interconnection and related sold services	258	319
Income from cross charges of services	318	332
Interest income from loan provided	122	156
Total sales	698	848

Related party receivables:

	31. 12. 2011	31. 12. 2010
CZK million		
České Radiokomunikace a.s.:		
Receivables from GSM and other services	-	2
DTAG group:		
Receivables from roaming, interconnection and related sold services	191	189
Receivables and prepayments from other services and discounts	201	153
Loan provided (including interest)	-	8,919
Receivables from derivatives (fair value)	57	6
Total related party receivables	449	9,269

* On 27 January 2011, České Radiokomunikace a.s. ceased to be a related party of the Company. Because of the immateriality of transactions with České Radiokomunikace a.s. in 2011, these transactions are not presented as related party transactions in the financial statements.

Related party payables:

CZK million

31. 12. 2011 31. 12. 2010

České Radiokomunikace a.s.:		
Payables from leased lines and other rentals	–	35
DTAG group:		
Payables from roaming, interconnection and related purchased services	163	227
Payables from other services and discounts	788	474
Payables from derivatives (fair value)	–	18
Total related party payables	951	754

As part of managing liquidity, the Company used the possibility to invest temporarily surplus cash by providing short-term loan to Deutsche Telekom AG. As at 31 December 2010, this loan amounted to CZK 8,900 million and consisted of six individual obligations. As at 31 December 2011, this loan was not provided. All obligations are denominated in CZK. Due to the high turnover of the loan, the transactions resulting from the loan are recorded on a net basis in the cash flow statement for 2010.

3.17 Income Tax**3.17.1 Current Corporate Income Tax**

The Company estimates the following current income tax results:

CZK million

31. 12. 2011 31. 12. 2010

Accounting profit before tax	9,160	10,594
Non-tax deductible costs	1,415	1,272
Non-taxable revenues	(768)	(860)
Difference between accounting and tax depreciation/amortisation	80	350
Tax base before deductions	9,887	11,356
Gifts allowed as tax deductible	(15)	(18)
Adjusted tax base	9,872	11,338
Income tax expense	1,876	2,154
Supplementary increase / (decrease) in tax expense related to prior periods	31	(15)
Current period income tax expense	1,907	2,139
Advances paid	(1,800)	(2,061)
Income tax payable	76	93

3.17.2 Deferred Tax

	31. 12. 2011	31. 12. 2010
CZK million		
Difference between tax and net book value of fixed assets	(1,440)	(1,594)
Difference between tax and net book value of inventories	57	60
Difference between tax and net book value of receivables	489	558
Other provisions	808	588
Total temporary differences	(86)	(388)
Net deferred tax liability	(16)	(74)

The net deferred income tax liability as at 31 December 2011 and as at 31 December 2010 was calculated using the corporate income tax rate 19%.

4 EMPLOYEES AND MANAGEMENT

Development of staff costs (amounts in CZK million unless stated otherwise):

	Total		Management only	
	2011	2010	2011	2010
Members of Statutory bodies who are employees	1	2	1	2
Members of the Supervisory Board who are employees	2	2	-	-
Average number of other employees	2,944	2,900	34	36
Wages and salaries	1,862	1,832	117	132
Board emoluments	1	2	-	-
Social security and health insurance costs	652	636	26	25
Other social costs	87	79	2	5
Total staff costs	2,602	2,549	145	162

The emoluments for the members of statutory bodies and the Supervisory Board for 2011 were as follows:

CZK million	Total income	Monetary income	Benefit in kind
Board of Directors	1	1	0
Supervisory Board	0	0	0

The emoluments for the members of statutory bodies and the Supervisory Board for 2010 were as follows:

CZK million	Total income	Monetary income	Benefit in kind
Board of Directors	1	1	0
Supervisory Board	1	1	0

The number of employees is based on the average recalculated number of annual full-time employees. The management classification includes executive directors and other directors of the Company.

Since 2002, the Company has been providing its employees with a contribution to supplementary pension insurance. In 2011, the total contribution provided was CZK 35 million (in 2010: CZK 35 million).

In 2011 and 2010, the Company did not provide any loans to members of statutory bodies. Company cars are made available for use by management for business and personal purposes. The total acquisition cost of cars used by the Company's management as at 31 December 2011 is CZK 19 million (31 December 2010: CZK 17 million). Since 2004, the Company has provided top management with compensation for fuel used for private purposes. In 2011, the compensation totalled CZK 2 million (in 2010: CZK 2 million).

5 FEES PAID AND PAYABLE TO THE AUDIT COMPANY

The information on the fees of the audit company, covering the whole group, is included in the annual report of the parent company Deutsche Telekom AG.

6 SUBSEQUENT EVENTS

On 9 February 2012, the Company received a written decision of the court related to the dispute with Vodafone Czech Republic a.s. (refer to Note 3.12). Vodafone Czech Republic a.s. appealed against the decision within the time limit prescribed by law. The management of the Company concluded that there are no risks arising from the case that should be recognised in the financial statements of the Company.

No other events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2011.

Approval of the statutory financial statements

These financial statements have been approved by the Board of Directors of the Company for issuance on 13 March 2012.



Roland Mahler
Chairman of the Board of Directors



Ing. Milan Vašina
Member of the Board of Directors

Report on the Relationships between the Related Parties

for the Year 2011

In accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, the Board of Directors of T-Mobile Czech Republic a.s., having its registered office at Tomíčková 2144/1, 149 00 Praha 4, company registration number 64949681, which is registered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 3787 ("TMCZ"), prepared, in respect of the accounting period of the year 2011, the Report on the Relationships between the Controlling Party and the Controlled Party and on the Relationships between the Controlled Party and Other Parties Controlled by the Same Controlling Party.

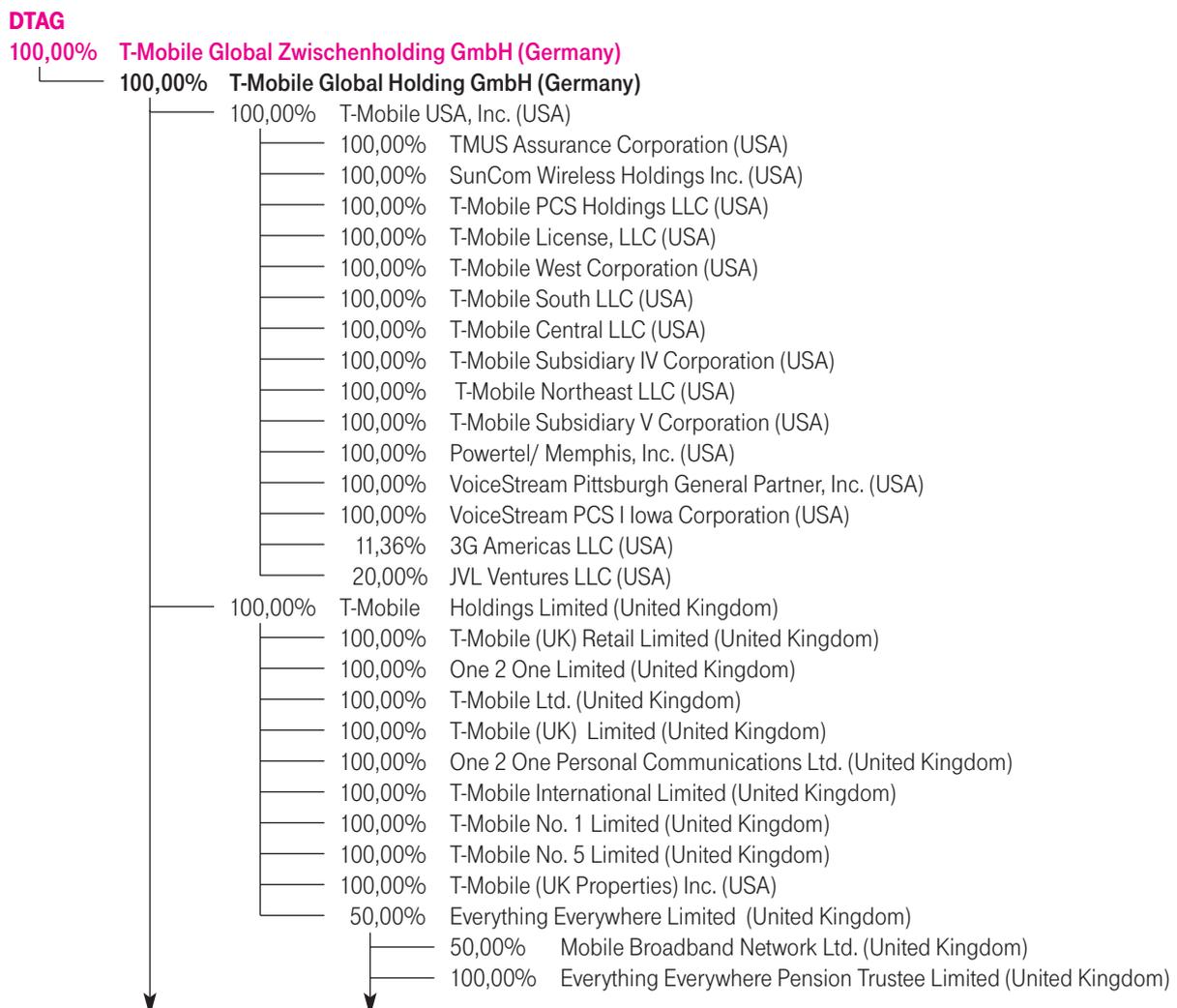
During the accounting period, TMCZ formed part of the Group of Deutsche Telekom AG, having its registered office at Friedrich-Ebert-Allee 140, 53113 Bonn ("DTAG").

In 2011, the party controlling TMCZ was CMobil B.V. (60.77% share). The party controlling CMobil B.V. was T-Mobile Global Holding Nr. 2 GmbH (100% share). The party controlling the aforementioned company was DTAG (100% share).

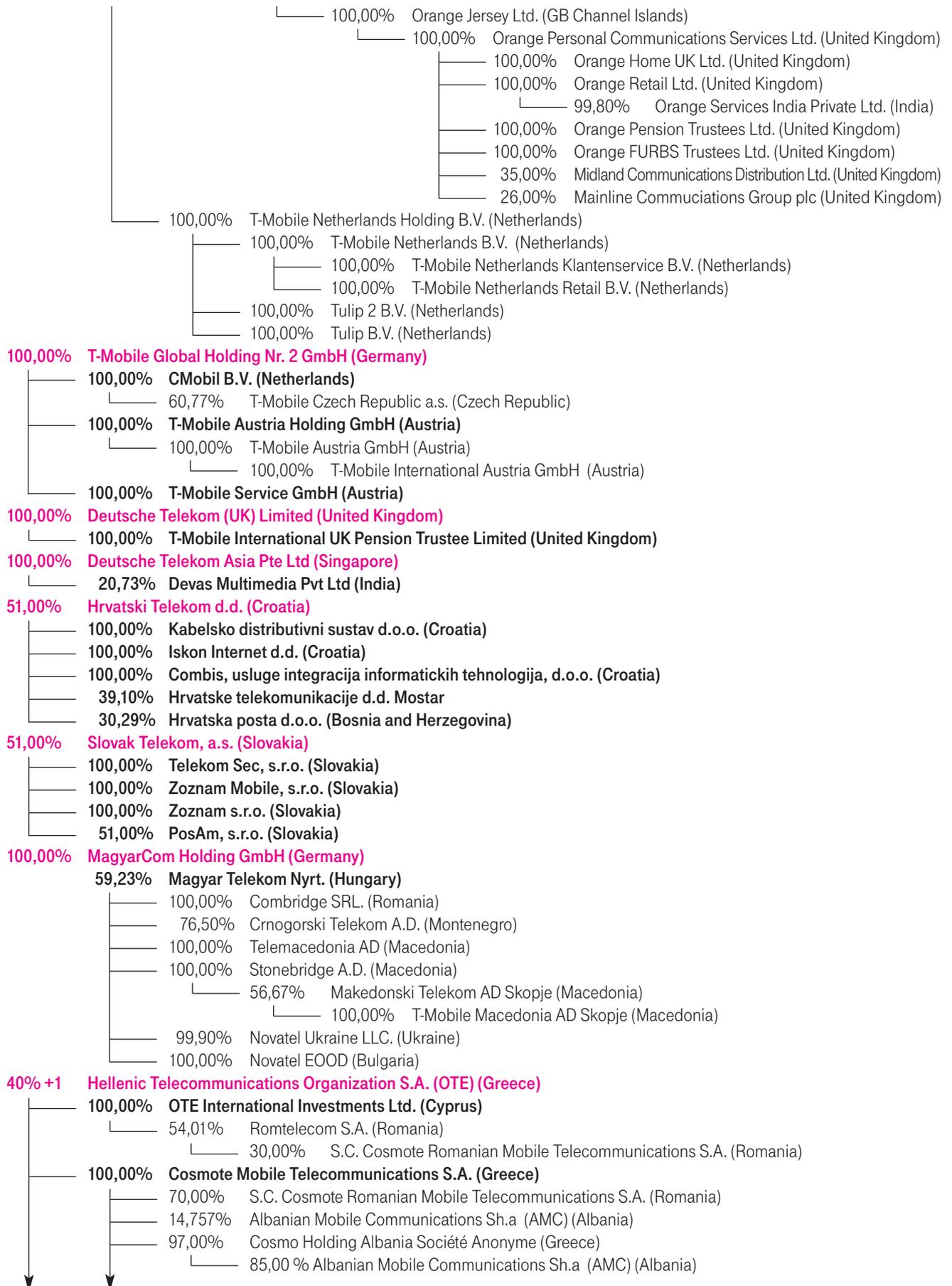
Throughout the accounting period, TMCZ did not control any business entity or any other entity.

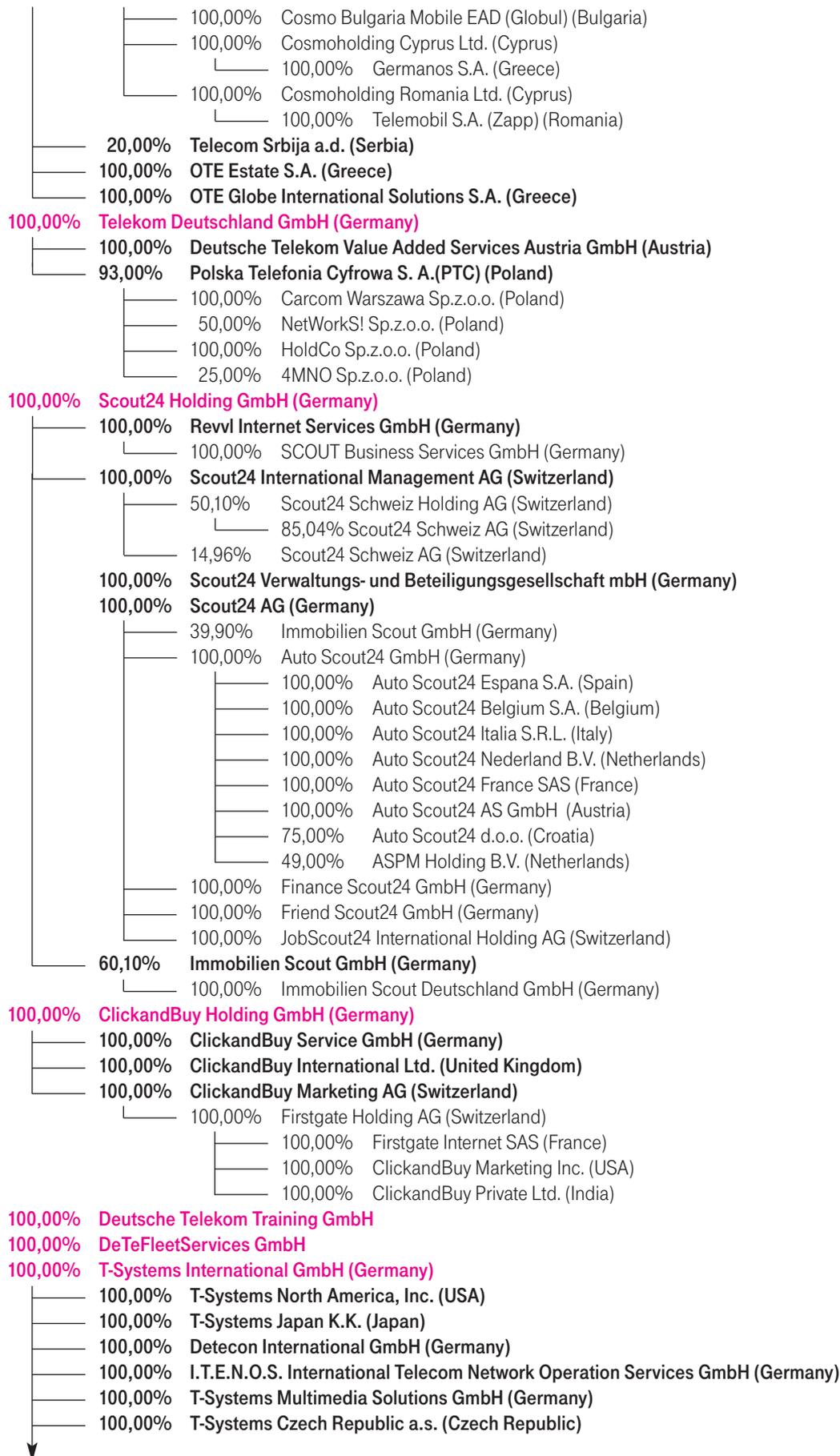
1. Overview of the Related Parties

The overview contains the entities controlled by DTAG with which TMCZ had business relationships during the accounting period, as well as some entities which stand, in the structure of the group companies, either above or below the aforementioned entities.



* Until 6 July 2009, the party controlling CMobil B.V. was T-Mobile International AG, which ceased to exist on the above date as a result of merger with DTAG





99,00%	T-Systems Venture Fund GmbH & Co. KG (Germany)
100,00%	Horaz Telekommunikationsdienste GmbH (Germany)
100,00%	T-Systems Polska Sp. z o.o. (Poland)
100,00%	T-Systems CIS (Russia)
100,00%	T-Systems Schweiz AG (Switzerland)
100,00%	T-Systems Spring Italia S.r.l. (Italy)
100,00%	T-Systems Nordic A/S (Denmark)
100,00%	T-Systems Limited (United Kingdom)
100,00%	T-Systems Nederland B.V. (Netherlands)
100,00%	T-Systems Beteiligungsverwaltungsgesellschaft mbH (Germany)
100,00%	T-Systems ITC Iberia, S.A. (Spain)
100,00%	T-Systems South Africa Holdings (Proprietary) Limited (South Africa)
100,00%	Software Daten Service Gesellschaft m.b.H. (Austria)
99,40%	T SYSTEMS TELEKOMÜNİKASYON LIMITED SİRKETİ (Turkey)
32,40%	TeleOp Gesellschaft mit beschränkter Haftung (Germany)
100,00%	T-Systems, informacijski sistemi, d.o.o.(Slovenia)
100,00%	T-Systems d.o.o.i.L. (Serbia)
99,90%	TOB T-Systems Ukraine (Ukraine)
100,00%	Transparent Goods GmbH (Germany)
97,50%	T-Systems Slovakia s.r.o. (Slovakia)
100,00%	T-Systems China Limited (China)
99,00%	T-Systems Information and Communication Technology E.P.E. (Greece)
100,00%	T-Systems Regional Services and Solutions GmbH (Germany)
100,00%	T-Systems Individual Desktop Solutions GmbH (Germany)
100,00%	GEMAPPS Gesellschaft für mobile Lösungen mbH (Germany)
99,98%	T-Systems Luxembourg S.A. (Luxemburg)
100,00%	IT Services Hungary Szolgáltató Kft. (Hungary)
100,00%	T-Systems IT Gamma GmbH (Germany)
100,00%	T-Systems Hosting Services GmbH (Germany)
100,00%	T-Systems IT Epsilon GmbH (Germany)
100,00%	T-Systems IT Zeta GmbH (Germany)
100,00%	T-Systems IT Eta GmbH (Germany)
100,00%	T-Systems IT Theta GmbH (Germany)
49,00%	T-Systems Telecomunicaciones de Mexico, S.A. de C.V. (Mexico)
100,00%	T-Systems Malaysia Sdn. Bhd. (Malaysia)
100,00%	T-Systems Information and Communication Technology India Private Limited (India)
100,00%	T-Systems SFPH GmbH (Germany)
100,00%	T-Systems France SAS (France)
50,00%	operational services GmbH & Co. KG (Germany)
100,00%	T-Systems on site services GmbH (Germany)
98,00%	T-Systems Argentina S.A. (Argentina)
100,00%	T-Systems Mexico, S.A. de C.V. (Mexico)
100,00%	T-Systems Austria GmbH (Austria)
100,00%	T-Systems P.R. China Ltd (Hong Kong)
20,00%	HWW- Höchstleistungsrechner für Wissenschaft und Wirtschaft Betriebsgesellschaft mbH (Germany)
100,00%	T-Systems GEI GmbH (Germany)
100,00%	T-Systems Singapore Pte. Ltd. (Singapore)
99,35%	T-Systems Belgium NV (Belgium)
99,99%	T-Systems do Brasil Ltda. (Brazil)
100,00%	T-Systems DDM GmbH (Germany)
100,00%	T-Systems Italia S.p.A. (Italy)
100,00%	T-Systems Solutions for Research GmbH (Germany)
100,00%	T-Systems Bulgaria EOOD
95,00%	T-Systems ICT Romania S.R.L.

The entities listed in the overview are hereinafter referred to as the "Related Parties".

2. Contracts concluded with the Related Parties in 2011

The performances specified below are in CZK millions. Performances shown as negative amounts represent mostly credit notes received or issued.

Deutsche Telekom AG*

- T-Zones agreement – Letter of Variation (No. 012876-104-00)
- Service Arrangement (X-charges Inbound Contract 2011) (No. 013243-107-00)
- Cooperation Agreement (No. 022250-000-00)
- Delivery of Software and the Performance of Services in Connection with ngCRM (No. 022281-000-00)
- Delivery of Software and the Performance of Services in Connection with ngCRM – Supplement No. 1 (No. 022281-101-00)
- Supplement No. 1 to Project Service Agreement (PSA) – ngCRM system (No. 022281-102-00)
- Agreement on the joint execution of price benchmarks (No. 022767-000-00)
- Supplementary Agreement to the Sublicense Agreement (No. 022780-000-00)
- iPad License Acknowledgement of Adherence to Wireless Service License – iPad TMC (No. 022870-000-00)
- SERVICE Agreement Network Technology (No. 022467-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
46			Technology deliveries

- Sublicense Agreement for the Software for IVR Campaigning/Banner (No. 022483-000-00)
- Management Agreement for international MNC Services (No. 022522-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
13			Re-invoicing of the costs related to the common platform – MNC

- Agreement for the Provision of Capacity – WhS – Provision of Backbone Network Capacity (Prague – Warsaw) (No. 022696-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	4		Lease of fibre optic lines

- Angry Birds International Campaign – Agreement on the Use Rights with respect to Angry Birds (No. 022875-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Licence

- Framework cooperation agreement – X-charges (No. 022888-000-00)
- Letter of Intent - IT Data Assurance Shared Service Centre (SSC) (No. 022962-000-00)
- Procurement Joint Venture of Deutsche Telekom AG and France Télécom SA: Interim Letter Agreement (No. 022972-000-00)
- Deed of Adherence (ke smlouvě 990053-000-00) (No. 023021-000-00)
- Sideletter to the Framework Cooperation and Service Agreement (No. 023056-000-00)
- TSA – Microwave Specifications (No. 990047-000-00)
- Wireless Service License (No. 990051-000-00)
- Frame Agreement for the Supply of Goods and/or Services (No. 990053-000-00)
- Framework Agreement for the Supply of Network Infrastructure Equipment and Services (No. 990029-000-00)
- Global Framework Agreement for the supply of Network Infrastructure Equipment (No. 990049-000-00)

* This also includes performances under the agreements signed with T-Mobile International AG, which ceased to exist as a result of merger with DTAG in 2009.

Deutsche Telekom (UK) Limited

- Project Service Agreement for Mobile Advertising (PSA) (No. 022785-000-00)
- Frame Agreement for the supply of Goods and/or Services (No. 990050-000-00)

Deutsche Telekom Training GmbH

- Agreement on the processing of personal data under contract pursuant to §11 of the Federal Data Protection Act (No. 022411-000-00)

Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság (Magyar Telekom Telecommunications Public Limited Company)

- Cooperation Agreement (No. 022250-000-00)

Telekom Deutschland GmbH

- 6th Variation Agreement (No. 015878-106-00)
- 7th Variation Agreement (No. 015878-107-00)
- Termination of Project Service Agreement (PSA) – Instant Messaging Mobile Service (No. 020684-401-00)
- Project service agreement – provisioning and operation of the short message application (No. 022597-000-00)
- Project Service Agreement (MyFaves Service) (No. 022880-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-3			Re-invoicing of the costs related to the common platform – My Faves

T – Mobile Austria GmbH

- Cooperation Agreement (No. 022250-000-00)

Hrvatski Telekom d.d

- Cooperation Agreement (No. 022250-000-00)

Polska Telefonia Cyfrowa

- Cooperation Agreement (No. 022250-000-00)

Slovak Telekom, a.s.

- Cooperation Agreement (No. 022250-000-00)
- Confidentiality Agreement (No. 022727-000-00)
- Mandate Agreement – legal services (No. 022794-000-00)
- ACQUISITION DUE DILIGENCE CONTRACT – financial consultations (No. 022795-000-00)
- Addendum Letter to Acquisition Due Diligence Contract – Poletucha (Flying Squirrel) Project (No. 022795-101-00)

T-Mobile Netherlands B.V.

- Project Service Agreement for operation of International Transmission Network (No. 021146-000-00)
- Cooperation Agreement (No. 022250-000-00)

T-Systems Czech Republic a.s.

- Amendment No. 4 to the Agreement on Signalling for International Roaming (SPR Service) (No. 010340-104-00)
- Amendment No. 1 to the Implementation Agreement –NG CRM R1 – E2E Services – Supplement (No. 022646-101-00)
- Amendment No. 5 to Global Intranet GPRS Roaming eXchange (GRX) (No. 010109-105-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014777-401-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014778-401-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014779-401-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014780-401-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014781-401-00)
- Dohoda o ukončení smluv a o vyrovnání nájemného a podnájemného za r. 2010 (Agreement on the Termination of Contracts and Settlement of Rent and Sub-Rent for 2010) (No. 014782-401-00)
- Dodatek č. 13 ke Smlouvě o propojení telekomunikačních sítí (Amendment 13 to the Telecommunications Network Interconnection Agreement) (No. 010530-113-00)
- Dodatek č. 2 k Dílčí smlouvě (Amendment 2 to Sub-Agreement) (No. 017167-202-02)
- Dodatek č. 1 – úprava přílohy č. 4 – cena za služby údržby (Amendment 1 – Modification of Annex 4 – Price of Maintenance Services) (No. 017167-205-01)
- Delivery and Integration of Software Clarity (Ovcak Project) (No. 017167-206-00)
- Dílčí smlouva č. 7 – Nákup HW, maintenance pro nové řešení ReDat (Sub-Agreement 7 – Purchase of HW, Maintenance for the New ReDat Solution) (updated) – DC WAIKIKI (No. 017167-207-00)
- Side Letter to the Agreement on the Joint Execution of Price Benchmarks (No. 020615-000-00)
- Dodatek č. 1 ke smlouvě o užívání nebytových prostor (Amendment 1 to the Agreement on the Use of Non-Residential Premises) (No. 022451-101-00)
- Sublicence Agreement (smlouva o nákupu a užívání licencí Microsoft) (Agreement on the Purchase and Use of Microsoft Licences) (No. 022490-000-00)
- Personal Data Processing Agreement (No. 022759-000-00)

- Side Letter to the Agreement on the Joint Execution of Price Benchmarks (No. 022767-201-00)
- Podnájemní smlouva (pronájem konferenčního sálu v objektu TMCZ – Roztyly) (Sub-Lease Agreement – Lease of the Conference Room in the TMCZ's Roztyly building) (No. 022982-000-00)
- Amendment No. 5 – Náhrada Schedule B18 v FCA II novou verzí 7.4 (Replacement of Schedule B18 in FCA II with the new Version 7.4) (No. 018835-105-00)
- Dodatek č. 4 ke Smlouvě o poskytování služeb elektronických komunikací XDSL (Amendment 4 to the Agreement on the Provision of XDSL Electronic Communications Services) (No. 019266-104-00)
- Dodatek č. 1 ke smlouvě o poskytování služeb – úprava přílohy 5 (Amendment 1 to the Agreement on the Provision of Services – Modification of Annex 5) (No. 022439-101-00)
- Smlouva o poskytování služeb – Projekt Barefa (Agreement on the Provision of Services – Barefa Project) (No. 022439-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
174			Printing, postage and related services

- Smlouva o užívání nebytových prostor (Agreement on the Use of Non-Residential Premises) (No. 022451-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	6		Rent and services

- Smlouva o užívání technologických prostor (Agreement on the Use of Technology Premises) (No. 022463-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	14		Rent and services

- Service contract on IP-Transit (No. 022627-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			Lease of lines

- Implementation Agreement - NG CRM R1 - E2E services (No. 022646-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
66			Implementation services under the NG CRM project

- Contract for Cooperation (No. 022757-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1	1	Lease and services	Marketing costs

T-Systems International GmbH

- Personal Data Processing Contract (No. 022692-000-00)
- Confidentiality Agreement (No. 023158-000-00)

3. Contracts with the Related Parties lasting during 2011 based on which payment, services or goods were provided

Cosmote Romanian Mobile Telecommunications S.A.

■ Addendum to International Roaming Agreement (Romania) (No. 014876-101-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2	1	Roaming	Roaming

■ 5th Variation Agreement (No. 015878-105-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-2	-1	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

CTDI GmbH

■ Network Repairs and Maintenance (No. 018783-00-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Network repairs and maintenance

Cosmo Bulgaria Mobile EAD

■ International GSM Roaming agreement (No. 001295-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
3	1	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1			Performances provided within cooperation with individual operators

COSMOTE S.A.

■ Roaming Agreement (No. 000030-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
6	2	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-2			Performances provided within cooperation with individual operators

DeTeFleetServices GmbH

■ Operational Car Leasing (No. 019374-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Operational car leasing

■ Car Purchase (No. 023019-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Car purchase

Deutsche Telekom AG

■ Contractual Agreement for change of delivery model for ng iBMD (Meduza) (No. 022173-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
10			New-generation IBMD development, maintenance and improvement

■ Project Service Agreement for cIBS - common Interconnect Billing System (No. 021810-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
7			Re-invoicing of the costs related to the common platform – cIBS

■ Project Service Agreement for RMC (PSA) for the new IT Enabler RMC (T-Rex) (No. 021911-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – RMC

■ Project Service Agreement for VoMS – Voucher Management System

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – VoMS

■ Master Agreement for Derivates and Investment Contracts (No. 019894-000-00) a Side Letter (No. 019895-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
51,990	61,012	Shareholder's loan – loan principal provided	Shareholder's loan – repayment of the loan principal and interest

■ Master Agreement for Derivates and Investment Contracts (No. 019894-000-00) a Side Letter (No. 019895-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1,909			Purchase of foreign currencies at market value

■ Agreement on Bilateral MMS eXchange (No. 016451-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			MMS interworking

■ Cost allocation agreement (HR issues)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Personální náklady

■ Transfer pricing Wholesale

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
10			Re-invoicing of the costs related to the common platform – Wholesale

■ Sublicence Agreement (No. 010091-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
68			Licence

■ T-Zones Agreement (No. 012876-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
20			Use of the T-Zones brand

T-Zones

■ Agreement on the Provision of Services in the Area of TMO (allocation of insurance premium) (No. 017472-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
6			Allocation of insurance premium

■ Sublicence Agreement for micro payment platform XTC

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – XTC

■ Project Service Agreement for Subscription Server

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
5			Re-invoicing of the costs related to the common platform – Subscription server

■ Framework Cooperation and Service Agreement – Inbound (No. 013243-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	4		Human resources services within the DTAG Group

■ Framework Cooperation and Service Agreement – Inbound (No. 013243-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	5		Customer care services

■ Framework Cooperation and Service Agreement – Inbound (No. 013243-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	135		Technology services

■ international Billing Mediation Device (iBMD)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	123		iBMD development, maintenance and support

■ Framework Cooperation and Service Agreement (Outbound/Allocation) (No. 013244-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
247			Technology services

■ Framework Cooperation and Service Agreement (Outbound/Allocation) (č. 013244-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
24			Customer care services

■ Framework Cooperation and Service Agreement (Outbound/Allocation) (č. 013244-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
56			Marketing services

■ Agreement on Cooperation in Provision of Roaming Services (No. 014585-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-134	-238	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

■ Sublicence of TIBCO Software License Agreement (No. 011269-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – TIBCO

■ Transfer pricing – My Favés

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
7			Re-invoicing of the costs related to the common platform – My Favés

■ Transfer pricing – cNTDB

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – cNTDB

■ Transfer pricing – IR Testing

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – IR Testing

■ Transfer pricing – Blackberry services

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – Blackberry services

■ Transfer pricing – My phonebook

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – My phonebook

■ Transfer pricing – NG CRM

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
45			Re-invoicing of the costs related to the common platform – NG CRM

■ Transfer pricing – Opera Mini

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – Opera Mini

■ Transfer pricing – RDM

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
3			Re-invoicing of the costs related to the common platform – RDM

■ Transfer pricing – WLAN

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – WLAN

■ Transfer pricing – FTE

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – FTE

■ Project Service Agreement (PSA) for For the Provision of the Next Generation Voice Mail System

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
20			Re-invoicing of the costs related to the common platform – VMS a SMSC

■ Project Service Agreement - For the Provision of OTA Services

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Re-invoicing of the costs related to the common platform – OTA Services

■ Project Service Agreement

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
3			Re-invoicing of the costs related to the common platform – IMM

■ Project Service Agreement For the Provision of IN Systems

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			Re-invoicing of the costs related to the common platform – IN Systems

■ Project Service Agreement for the Provision of MMSC – Services (No. 020176-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
6			Re-invoicing of the costs related to the common platform – MMSC Services

Deutsche Telekom (UK) Limited

- Content Resale and Partner Services Agreement – content purchase (No. 020475-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			Content services

- Cross Charging Services Agreement (No. 020909-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	16	SW development	

Everything Everywhere Limited

- Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-11	-16	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

- International GSM Roaming Agreement (No. 000338-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
12	22	Roaming	Roaming

Hrvatski Telekom d.d.

- International Roaming Agreement (HRVCN 219-01) (No. 021841-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
74	10	Roaming	Roaming

- Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-51	-8	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

Polska Telefonia Cyfrowa Sp.z o.o.

- International GSM Roaming Agreement (No. 011455-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
13	28	Roaming	Roaming

- Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-4	-10	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

Telekom Deutschland GmbH

■ Project Service Agreement (Technology expertise for Community services) (No. 021194-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	3		Re-invoicing of the costs related to the common platform – Community services

■ Project Service Agreement (Remote Device Management) Release 1 (No. 016886-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-6			Re-invoicing of the costs related to the common platform – RDM

■ Service Agreement Concerning the Performance of Melody Services (No. 014973-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	4		Re-invoicing of the costs related to the common platform – the Melody project

■ Interconnection Agreement (No. 001776-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
24	40	Interconnection	Interconnection

■ International Roaming Agreement (No. 016485-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
56	71	Roaming	Roaming

■ Roaming Agreement for Public Wireless LAN Services (WLAN – Germany) (No. 016882-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	2		WLAN

■ Project Service Agreement (WLAN Central Service Area (CSA) – HotSpot) (No. 016928-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-2			WLAN

■ Project Service Agreement For the Provision of FTE based Services (No. 021155-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1			Re-invoicing of the costs related to the common platform – FTE

■ Transfer pricing – Blackberry Download Server

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	2		Re-invoicing of the costs related to the common platform

■ Transfer pricing – Fota

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1			Re-invoicing of the costs related to the common platform – Fota

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-13	-22	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

■ Transfer pricing – My Faves (No. 022880-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-3			Re-invoicing of the costs related to the common platform – My Faves

T-Mobile Austria GmbH

■ International GSM Roaming Agreement (No. 011417-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
26	13	Roaming	Roaming

■ Interconnection Agreement (No. 013609-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
6	13	Interconnection	Interconnection

■ Service Agreement Concerning the Performance of Melody Services (č. 014973-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	1		Re-invoicing of the costs related to the common platform – the Melody project

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-6	-4	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

Magyar Telekom Távközlési Nyilvánosan Működő Részvénytársaság (Magyar Telekom Telecommunications Public Limited Company)

■ International GSM Roaming Agreement (No. 011437-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
6	12	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-2	-6	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

T-Mobile Macedonia A.D. Skopje

■ International Roaming Agreement (No. 00362-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1	2	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1	-2	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

T-Mobile Netherlands B.V.

■ International GSM Roaming Agreement (No. 000537-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
5	7	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1	-3	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

■ Transfer pricing– ESOC

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			Re-invoicing of the costs related to the common platform – ESOC

Slovak Telekom, a.s.

■ International GSM Roaming Agreement (No. 000178-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
48	50	Roaming and SMS interworking	Roaming and SMS interworking

■ Interconnection Agreement (No. 016452-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
53	19	Interconnection	Interconnection

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-11	-14	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

■ Employees-related performances

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	1	Employees-related performances	

T-Mobile USA, Inc.

■ International Roaming Agreement – USA (No. 016180-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
33	18	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-22	-13	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

T-Systems Czech Republic a. s.

■ Agreement on the Provision of xDSL Electronic Communications Services (No. 019266-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
200			DSL connection

■ Agreement on the Provision of Maintenance Services, Service Support and Related Extra Services (No. 019807-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			SW support and maintenance

■ GSM Services

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	9	GSM services and sale of mobile phones	

■ Global Intranet GPRS Roaming eXchange (GRX) (No. 010109-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
1			Lease of lines

■ Agreement on Interconnection of Telecommunication Networks (No. 010530-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
32			Lease of optical fibres

■ Agreement on Interconnection of Telecommunication Networks (No. 010530-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
	1	Interconnection	

■ Agreement on International Telecommunication Services (No. 012866-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
92	23	Interconnection	Interconnection

■ Final Consolidation Agreement II (IT outsourcing – phase 2) (No. 018835-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
620			IT outsourcing services

■ Framework Contract for Network Interconnection (No. 001111-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
5			Lease of lines

■ Framework Contract – project deliveries (implementation of TEE projects) (No. 017167-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
25			Services and product deliveries within IT projects

T- Systems International GmbH

■ SW fees (PegaPlan)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2			Fees for the use of SW and SW services – PegaPlan

■ SW fees (SAP)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
11			Fees for the use of SW and SW services – SAP

Crnogorski Telekom a.d

■ Roaming agreement (No. 011470-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
2	1	Roaming	Roaming

■ Agreement on Discounts for Inter-Operator Tariffs (No. 015878-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
-1	-1	Performances provided within cooperation with individual operators	Performances provided within cooperation with individual operators

Telekom SRBIJA a.d. Belgrade

■ Roaming Agreement (No. 000365-000-00)

Payments		Services/goods	
Provided by TMCZ	Received by TMCZ	Provided by TMCZ	Received by TMCZ
5	5	Roaming	Roaming

The Report on the Relationships does not contain performances under contracts between the Related Parties provided in 2011 where the total value of performances related to a single contract did not exceed CZK 500,000. For 2011, there are 81 such contracts in total. The aggregate value of the performances received by TMCZ based on these contracts amounts to CZK 4 million; the aggregate value of the performances provided by TMCZ based on these contracts amounts to CZK 3 million. These contracts did not result in any loss on the part of TMCZ.

4. Other legal transactions undertaken in the interest or at the instigation of the Related Parties

In 2011, TMCZ did not perform any other legal transactions in the interest or at the instigation of the Related Parties.

5. Other measures taken in the interest or at the instigation of the Related Parties

In 2011, TMCZ did not accept or take, in the interest or at the instigation of the Related Parties in terms of the provisions of the Commercial Code which regulate the Report on the Relationships, any other measures which could have resulted in a potential loss on the part of TMCZ.

6. Assessment of reasonability of the performances and related considerations ensuing from the contracts with the Related Parties, other legal transactions and other measures performed in the interest or at the instigation of the Related Parties

During the 2011 accounting period, performances and related considerations were provided based on the contracts with the Related Parties under the standard business terms and conditions and at customary prices corresponding to the performances provided. These performances and related considerations were in each and every case provided in compliance with laws and regulations governing the protection of economic competition and in no case were of the nature of agreements which might result in the distortion of competition in terms of the Protection of Economic Competition Act No. 143/2001 Coll.

In 2011, TMCZ did not incur any loss in connection with the relationships with the Related Parties.

7. Final declaration

The data set forth in this Report has been processed with due managerial care and is true and complete.