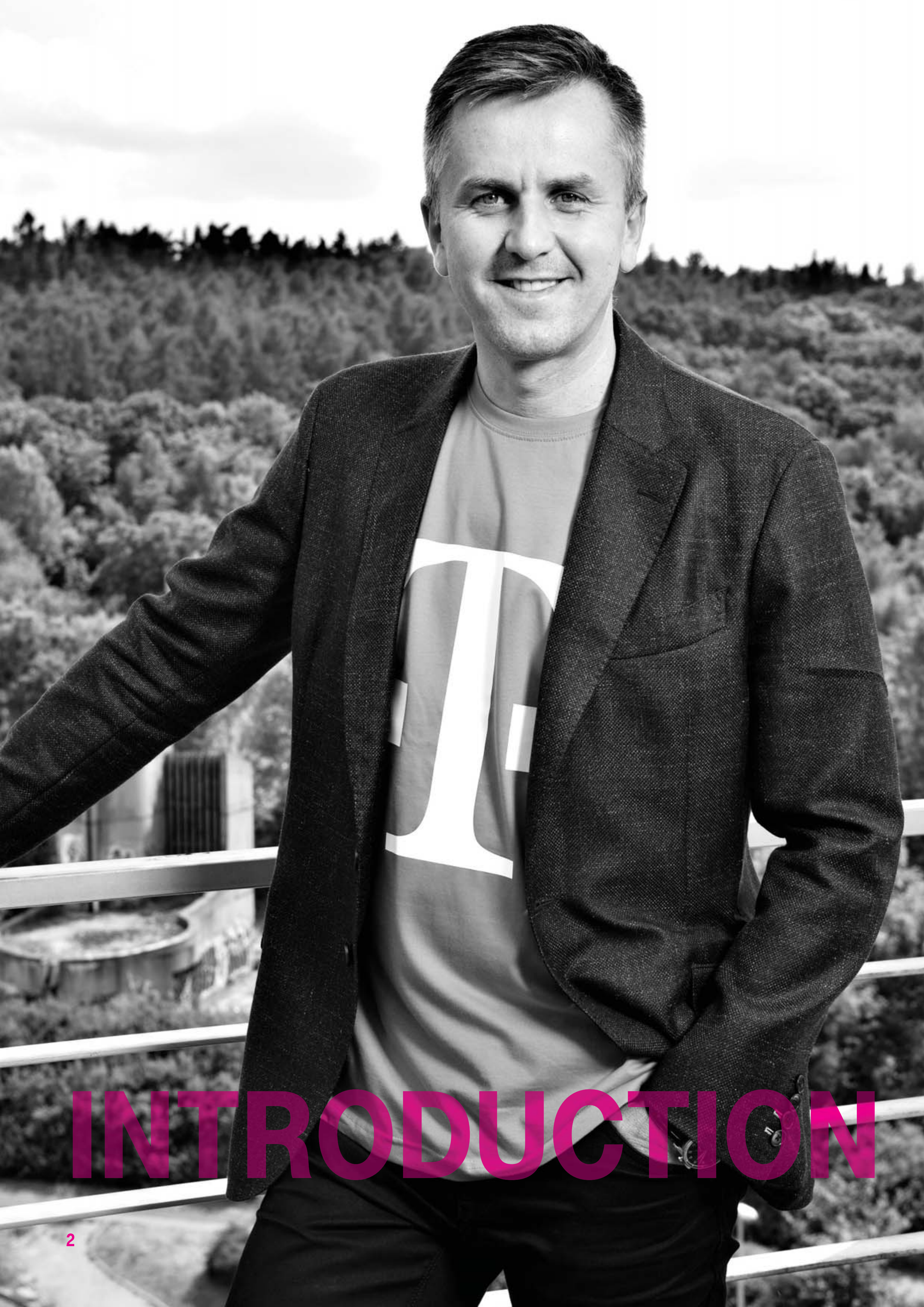
ANNUAL REPORT T-MOBILE CZECH REPUBLIC A.S.

2015

CONTENT



INTRODUCTION

The year 2015 at T-Mobile was marked primarily by the strengthening of our company's position as an integrated operator following the mergers with T-Systems Czech Republic a.s. and GTS Czech s.r.o. in the current and previous year. The core of our strategy was a massive rollout of the LTE network and an expansion of our offer in the B2B segment, particularly data services. Our company was successful not only on the Czech market but also internationally, reporting one of the highest performance rates within the entire Deutsche Telekom Group.

Implemented in 2014, the integration of T-Mobile, T-Systems and GTS was deepened in 2015 in terms of internal cooperation and unification of the "new" company's offer, particularly in the B2B area. This helped us further strengthen our position as a strong integrated operator covering all segments of mobile and fixed-line telecommunications, information technology and systems integration. The success of the merger of the three companies into one was confirmed by the excellent business results in the B2B segment and by the acquisition of new corporate customers who placed their confidence in us.

We did not forget about our residential customers either and we again offered them a number of attractive new services including, for example, the *Internet bez drátu* ("Wireless Internet") plan that enables creating a Wi-Fi network at home using the LTE or 3G signal – interest in this product exceeded our expectations. We also put the *Mobilní televize* ("Mobile TV") service into commercial operation and introduced new data and combined packages for prepaid Twist card users.

Our key priority last year was to offer the fastest mobile LTE network, which we have been building according to the Deutsche Telekom Group's international quality and security standards, to cover the largest number of customers possible. We made major investments in the rollout of this network and, thanks to more than 2,000 new transmitters, we expanded the coverage to 82% of the territory of the Czech Republic. We were pleased that our customers appreciate the benefits associated with the fastest mobile internet service – the volume of data transmitted in the LTE network increased by nearly 1,500% as compared with 2014!

Last year, T-Mobile was again the most innovative operator in the Czech Republic. The major innovations that we were the first to introduce or test include, in particular, voice-transmission technologies such as Voice over LTE (VoLTE) and Voice over Wi-Fi (VoWi-Fi), and the SIGFOX network for the Internet of Things. We consider the Internet of Things to be a major theme for the future which will rapidly gain importance and T-Mobile wants to be a trendsetting leader in this area.

We continued in our long-term partnership with the Czech National Football Team, with which we celebrated the Czech Republic's qualification for the EURO 2016 tournament to be held in France, as well as in our support for the Czech Olympic Committee. In cooperation with the Czech Olympic Committee, we organised the T-Mobile Olympic Run in June, which proved to be the most successful Olympic Run in the Czech Republic in the 28 years of this event's existence thanks to 25,000 participating athletes.

As a socially responsible company, we devoted ourselves to socially and environmentally friendly activities throughout the year. We organised the fifth edition of the T-Mobile Takeoffs competition, within which we help start-up businesses, and supported small non-profit organisations within the T-Mobile Fund. I am particularly proud of the third edition of "Supporting Stories", an internal fundraising campaign to support people in difficult life situations. Our employees raised more than CZK 500,000 to help those in need and the amount was matched by T-Mobile.

We are very pleased by the growing customer satisfaction with our care and services and the nearly six million active SIM cards in our network, being, the largest number on the Czech market, which at the same time is a huge obligation for the future. I would like to extend my sincere thanks to our customers for their confidence in us and to all T-Mobile employees for their tremendous diligence, reliability and creativity.

Milan Vašina

Managing Director, T-Mobile Czech Republic a.s.

FOR THE FIFTH TIME, WE SUPPORTED START-UP BUSINESSES IN THE T-MOBILE TAKEOFFS PROJECT

As in previous years, we were very active in the area of social responsibility also in 2015. In February, we organised another conference on the strategic approach to social responsibility, which was intended for CSR managers, business owners, executives and directors, the expert public and representatives of the non-profit sector.

The fifth edition of the T-Mobile Takeoffs (*T-Mobile Rozjezdy*) competition was held last year. This project is aimed at supporting owners of small businesses, particularly those from groups of the population that are at risk of unemployment: parents with young children, recent graduates, the long-term unemployed and disabled and elderly people. Our objective is to support business projects that will not only generate profit but will also contribute to their communities. Support provided via T-Mobile Takeoffs consists not only in the prizes awarded within the competition but also in expert assistance. A summary of the figures for the fifth edition of the Takeoffs shows that there were 296 registered projects, 49 regional winners, ten specialist workshops across the entire Czech Republic and more than 500 participants.

Breaking down our CSR activities in six pillars – MLUVME SPOLU (“Let’s Talk to Each Other”), POMÁHEJME SI (“Let’s Help Each Other”), ROZVÍJEJME SE (“Let’s Develop”), VYMYSLEME TO (“Let’s Think It Up”), ROZJEĎME TO (“Let’s Start it Up”) and PRO SVĚT (“For the World”) – proved to be useful. The LET’S TALK TO EACH OTHER grant programme focuses on support for small non-profit organisations that are active in local communities. Its key themes are communication, cooperation and integration. Within the two-year programme, T-Mobile distributed nearly CZK 2,700,000 to support nine selected projects. However, funding is not the only support that we provide to non-profit organisations – they can also receive free training within the T-Mobile Fund Academy.

The LET’S HELP EACH OTHER pillar is intended solely for the company’s employees and supports their volunteering and charitable activities and social responsibility. The traditional activities include the *Den pro dobrý skutek* (“One Day for People in Need”) programme, when employees can spend one workday per year volunteering in non-profit organisations, selection of the Volunteer of the Year and *Pomáhejme příběhům* (“Supporting Stories”), an internal fundraising campaign. The third edition of this campaign was organised in 2015 to raise funds for people in difficult life situations who live in the vicinity of our employees. A total of CZK 1,032,260 was raised to support those in need.

NEARLY CZK 2,700,000 WAS DISTRIBUTED AMONG NINE ORGANISATIONS WITHIN THE LET’S TALK TO EACH OTHER GRANT PROGRAMME

WE PARTICIPATED IN THE DEVELOPMENT AND INTRODUCTION OF APPLICATIONS FOR DISADVANTAGED GROUPS OF PEOPLE

The main activity within the LET’S DEVELOP pillar is the long-term educational programme called the T-Mobile Fund Academy. In 2015, five non-profit organisations took part in the programme, within which they received free specialist consultations and coaching and could attend specialist seminars free of charge for one year. Training was provided by T-Mobile employees, who were happy to share their knowledge and expertise with people from foundations and civic associations. In addition to the academy, the company continued to organise regular workshops for the non-profit sector, which were focused, for example, on PR and human resources.

Within the LET’S THINK IT UP pillar, we support the development of mobile applications and other on-line solutions that are socially useful. For example, such applications and solutions help people who are disadvantaged in a certain respect, improve our environment or change the world for the better in any other manner. We were very active in this area in 2015: we participated in the development and/or introduction of two solutions – *T-Mobile e-Přepis* (“T-Mobile e-Transcription”), a service for hearing-impaired customers, and *Pokročilá navigace nevidomých* (“Advanced Navigation for the Blind”), which is based on a special white cane connected to a smartphone and the navigation centre. In addition, we initiated the creation of a special category – Application for a Better World – within the Mobile Application of the Year contest and developed the *Snadněji pro seniory* (“Making it Easier for Elderly People”) application, which facilitates the use of tablets for senior citizens.

We are a member of the Association of Social Responsibility and have adopted the UN Global Compact principles on the local level.

WE ARE SOCIALLY RESPONSIBLE

As at 31 December 2015, our company had 3,321 employees with an average age of 36, of whom 65 % were men and 35 % women. Approximately one-third of them used the possibility of occasionally working from home, which we support as one of our flexible working arrangements. In 2015, 246 employees took maternity or parental leave. We stay in touch with such employees via our online EchoFamily platform and endeavour to make their return to work as easy as possible. Flexible working arrangements, a well-developed system of fair remuneration, support for our employees with children and our activities to promote diversity contributed to our third-place ranking in the Employer of the Year: Equal Opportunities awards.

Last year saw the continuation of our internal Healthy Company programme focused on the care of our employees' physical and mental health. To raise awareness in this area, we prepared an online portal for our colleagues focused on exercise and a healthy lifestyle. We offered aids and benefits to employees with disabilities to help them cope with their health condition. We again organised the traditional Health Days in Prague, Louny and Hradec Králové. Colleagues from regional towns had a possibility to choose from an offer of health programmes. Our employees continued to use the services of a private healthcare provider. Our efforts in this area were rewarded in 2015 with a first-place finish in the Company Supporting Health competition and defending the Company Supporting Health of the Third Degree certification.

In 2015, our employees continued to show great interest in training and learning, which we satisfied, as in the previous years, using largely our internal resources, by means of which we organised 40 development activities under the T-Mobile University umbrella, which were focused on different areas and attended by a total of 1,060 colleagues. An internal conference that offered its attendees the possibility of meeting an interesting guest – Tomáš Šebek of Doctors Without Borders – also met with great success. We continued to strengthen our platform of internal coaches. The results of their work were recognised at the ICF Coaching Conference, where we placed second among the best projects of 2015 for a project focused on development of the coaching culture within the company. Based on our good experience with inter-company mentoring, we expanded cooperation in the area of inter-company learning and shared internal trainers with several companies. More than 1,200 employees also used the opportunity to participate in individually planned trainings.

We trained 220 managers within our manager development programme. Selected managers visited prominent Czech and international companies within the Learning Journey part of the programme, while others went back to school within the very positively evaluated training and attended a semestral course at an institution of higher education.

Diversity in business is important and is thus also supported by T-Mobile Czech Republic. In 2015, we focused on women in our development activities, launching a programme dedicated specifically to them. The aim of the programme was to give talented women an opportunity to work on interesting projects that can bring added value to the company. The women were given the time and resource to engage in self-improvement and build up their confidence, while getting a better idea not only of what to expect during the hiring process for a management position, but also of the issues they may encounter in a management role should they decide to accept it one day.

And since we enjoy working together in our company, we have not forgotten the importance of balancing business and fun. This year, our colleagues took part in internal competitions to win tickets to a preview of the latest James Bond film, *Spectre*, and to concerts of the popular Czech band Kryštof, as well as a private party for participants in the best magenta photo contest.


WE PROMOTE DIVERSITY
WE TAKE CARE OF EMPLOYEES' HEALTH
WE CREATE AN ENVIRONMENT ENCOURAGING THE DEVELOPMENT OF OUR EMPLOYEES
WE ENJOY WORKING TOGETHER

WE STRENGTHENED OUR FIXED-LINE INFRASTRUCTURE

T-MOBILE FURTHER STRENGTHENS ITS POSITION AS AN INTEGRATED ICT OPERATOR

Thanks to the merger between T-Mobile, the number-one mobile operator on the Czech market, the ICT integrator T-Systems and GTS, a leading provider of fixed-line services and operator of data centres, we can offer the best of these three areas. Our comprehensive portfolio of services now covers every need of our business customers.

Following the 2013 acquisition of and subsequent merger with our sister company T-Systems Czech Republic a.s., we completed another integration project last year, specifically with GTS Czech s.r.o. The merger between T-Mobile and GTS Czech became legally effective on 1 January 2015. At the same time, CE Colo Czech s.r.o., a leading provider of “carrier neutral” data centre services, became our subsidiary.

Following this successful integration, we can now offer a comprehensive portfolio of services comprising IT solutions, systems integration, the densest metropolitan fibre-optic network in Prague and other products covering our customers’ requirements and their business needs. T-Mobile thus became a strong and stable partner in ICT. The portfolio places emphasis on security, data centres, IT and telecommunications services together with individualised customer care.

After having unified and simplified the company’s organisational structure, we are focusing on optimisation of our operating model. Last year, we unified our product portfolio, key processes in the sale of services and customer care and we have been continuously reducing the time between making an offer to our customers and setting up services. In the coming years, our focus will shift to simplification of internal processes, consolidation of IT systems and, as far as the network is concerned, optimisation of the nationwide fibre-optic infrastructure and consolidation of radio access points.

In relation to post-integration synergies, we are focusing on the sale of fixed-line solutions from the former GTS portfolio to T-Mobile mobile customers and vice versa. For example, we are already providing both mobile and fixed-line (and to some also ICT solutions) to 26% of our B2B customers and we want to increase this percentage. In terms of cost savings, we managed to cut costs, for example, thanks to consolidation of network leases, while achieving other economies of scale.

WE EXPANDED OUR SERVICES TO INCLUDE COMPREHENSIVE IT SOLUTIONS AND SYSTEMS INTEGRATION

WE BECAME NUMBER-ONE IN DATA CENTRES

A LARGE NUMBER OF SIGNIFICANT AWARDS

WE ENJOY COMMUNICATION

For the second year, our marketing communication involved cooperation with Ivan Trojan, a leading Czech actor who played the role of a secret agent in our print advertisements and TV commercials. Similarly as our previous advertising campaigns, this concept also became popular with viewers and the advertisements and commercials were rated the best on the market according to several surveys.

For the second year in a row, we received the Superbrands award within this worldwide programme involving independent brand evaluation. We also received several other awards, such as the *Zlatá pecka* ("Golden Stone") award in the TV spot category for the *V naší třídě je nejlíp* ("Our Class is the Best") TV commercial and the first-place finishes in two categories of the *Zlatý středník* ("Golden Semicolon") awards as well as in the Print category of the IIK Grand Prix 2015 for our internal magazine *Echo*. We received the Grand Prix prize in the Euro Effie Awards for the international roaming campaign WiFi Dogs and ranked second in the Czech round of this competition for the *Bezdrát* ("Wireless") campaign.

We again scored highly in the WebTop100 awards – our Facebook profile placed second in the Business Page on Social Networks category. Additionally, our My T-Mobile application ranked first in the Customer Service category of the Mobile Application of the Year awards.

We take pride in having the largest community of fans on Facebook among Czech operators – at the end of the year, our profile had more than 196,000 followers. With more than 111,000 subscribers, our YouTube channel was among the most viewed business channels in the Czech Republic and has long been a fixture in top ten operator channels with the largest number of video views in the world.

ONE OF THE MOST VIEWED BUSINESS CHANNELS ON YOUTUBE IN THE CZECH REPUBLIC

THE LARGEST COMMUNITY OF FANS ON FACEBOOK OF ANY CZECH MOBILE OPERATORS

We have long supported the best applications and offer them to our customers free of charge or for discounted prices. As part of a campaign focused on security, we offered to our customers the premium version of the Eset antivirus program for smartphones and tablets using the Android operating system free of charge for one year.

In April, we joined the partnership between our parent company Deutsche Telekom and Airbnb, a service enabling to search and pay for accommodation in private flats and houses worldwide. Every user registering with Airbnb through T-Mobile was offered a EUR 30 voucher that they could use when paying for accommodation. Another partnership within the group brought the handy UBER application to our customers with a CZK 500 discount on their first ride in Prague.

In June, the portfolio of free or discounted applications was expanded with the premium version of the Spendee financial management application, the Czech version of the SimpleMind mind-mapper with a 30% discount, and an improved version of the *Snadněji* ("Make it Easier") application, which facilitates the use of tablets for senior citizens.

Along with the ever expanding fastest mobile internet network, we keep adding more and more devices supporting this technology to our portfolio. At the end of the previous year, 94% of devices offered via T-Mobile's e-shop supported LTE; devices not supporting LTE were, with one exception (a handset with a physical keyboard intended particularly for senior citizens), nearing the end of their lifecycle. LTE-enabled devices are also increasingly more accessible – at the end of the year, our portfolio included nine LTE-enabled handsets for prices under CZK 4,000; the price of four of these devices was even below CZK 3,000 and the cheapest LTE-enabled smartphone could be purchased for only CZK 2,699.

We supported the use of fast mobile internet by introducing the *Internet bez drátu* ("Wireless Internet") tariff plan, which works with the LTE and 3G networks. It offers the possibility of easily setting up a home Wi-Fi network with a download speed of up to 20 Mbps, to which up to 32 devices can be connected simultaneously. We also offered a modem for a subsidised price, which could be paid in instalments, to go with this plan. This offer met with exceptional success among our customers, which exceeded our expectations.

In February, we commercially launched the *Mobilní televize* ("Mobile TV") service, which had been tested by approximately 10,000 customers since November 2014 in a free trial operation. As part of the Christmas campaign, we offered this service at special conditions – customers could use the *Start* plan free of charge for up to three months and the *Komplet* plan with a discount of CZK 119. Mobile data downloaded in connection with watching television did not count against the data limit during that three-month period.

WE OFFERED THE POSSIBILITY OF CREATING A HOME WI-FI NETWORK USING 3G OR LTE COVERAGE

WE ARE PASSIONATE ABOUT APPLICATIONS AND REWARD OUR CUSTOMERS WITH THEM

WE PUT MOBILE TV IN COMMERCIAL OPERATION IN 2015

WE ALWAYS BRING NEW SERVICES

To facilitate the use of mobile internet abroad for our customers, we increased the data allowance available under the *Internet v zahraničí na den* ("Internet Abroad for One Day") and *Internet v zahraničí 100 MB* ("100 MB Internet Abroad") bundles by up to 50% from 21 June to 30 September. The offer applied to the EU zone which, in addition to the European Union member states, also includes Norway, Liechtenstein, Iceland and Andorra. As it met with great success, the special offer was extended until the end of the year.

We did not forget about users of prepaid Twist services either. In August, we prepared five new Twist bundles for them, including two bundles offering unlimited access to social networks. In September and October, we enabled all Twist customers to make free unlimited calls for one week following their first activation of the *Twist neomezeně síť nesíť* ("Unlimited Twist Regardless of the Network") bundle.

Within our partnership with the Czech national football team, we offered discounted tickets to football matches, behind-the-scenes commentary within the www.fotbalvsrdci.cz ("Football in the Heart") project and an official application of the Czech national football team called *Česká Repre* ("Czech National Team"). Our partnership with the popular Czech band Kryštof brought our customers tickets to the band's concerts and the possibility of purchasing the *Srdcebeat* CD for a special price at T-Mobile shops. Additionally, we offered our customers a discount on tickets to the entire Rock for People music festival, as T-Mobile was a partner of the event for the eighth time last year.

We continued our *Našim pro radost* ("Treats for Our Customers") programme by offering attractive discounts on products and services of our partner companies as well as benefits provided directly by our company. We significantly increased the number of partners and brands, which led to a 44% increase in the average monthly number of ordered discounts as compared with the previous year.

WE PREPARED FIVE NEW BUNDLES FOR PREPAID TWIST CARD USERS AND ENABLED THEM TO CALL FREE OF CHARGE FOR ONE WEEK

WE INCREASED THE DATA ALLOWANCE UNDER THE ROAMING BUNDLES FOR MORE THAN A HALF YEAR

In October 2015, Kaktus celebrated its second anniversary. In the first two years of its existence, we succeeded in creating and developing a brand that is tailored to suit the needs of young people interested in prepaid services.

We consider last year's results to be positive both commercially and in terms of the number of customers, as Kaktus had 95,000 customers at the end of the previous year. We were the first operator to establish cooperation with young YouTubers and together with them we prepared two events that strengthened awareness of the brand in the target group of young people. Kaktus's brand awareness is the second highest on the market among virtual operators (the December figures show that the brand awareness of Tesco Mobile is 84% among respondents, followed by Kaktus with 82% and Bleskmobil with 75%).

WE OFFERED NEW ATTRACTIVE DISCOUNTS AND BENEFITS WITHIN THE NAŠIM PRO RADOST LOYALTY PROGRAMME

THE BEST FOR OUR CUSTOMERS

WE TESTED THE SIGFOX NETWORK FOR THE INTERNET OF THINGS

WE EXPAND THE FASTEST NETWORK AND INNOVATE

WE WERE THE FIRST OPERATOR TO LAUNCH VOLTE AND VOWI-FI TECHNOLOGIES

WE HAVE COVERED 82% OF THE TERRITORY OF THE CZECH REPUBLIC WITH THE LTE NETWORK

Similarly as the previous year, 2015 was marked by a massive rollout of the LTE network. While at the end of 2014 our fastest mobile internet network covered approximately one-half of the territory of the Czech Republic, one year later this figure reached 82%. When expanding the coverage, we focused primarily on rural areas with no 3G signal, large cities, motorways and expressways, and recreational areas. At the end of 2015, data traffic in the LTE network exceeded that in the 3G network and our fastest mobile internet service was available in approximately 2,300 communities of the Czech Republic.

We began implementing the Single RAN concept, which combines 2G, 3G and LTE in one universal solution. We will gradually install it on new LTE transmitters and will also replace the existing 3G technology with this new solution. Single RAN will simplify the radio network architecture and facilitate the rollout of LTE using the 2100 MHz band also in areas covered with the 3G network.

In the first half of the year, we expanded our coverage with LTE Advanced (LTE-A) in Prague to half of the city's population. This technology is based on the aggregation of two bands (the carrier aggregation function), which enables theoretical maximum download and upload speeds of 225 Mbps and 50 Mbps, respectively. At the beginning of December, we launched LTE-A that combines three bandwidths in three locations, offering download speeds of up to 375 Mbps, which is the highest theoretical speed in a mobile network in the Czech Republic.

We continually reaffirmed our role as an innovator throughout the last year. In March, we completed the world's first trial operation of LTE 4x4 MIMO in the 800 MHz low-frequency band, proving that the technology can achieve up to double the standard speeds while strengthening the signal inside buildings and at the edge of the cells covered by individual transmitters. In May, we were the first operator in the Czech Republic to commercially launch Voice over LTE (VoLTE) technology, which allows standard IP calls in the LTE network. At the end of the year, we achieved another first to put into operation Voice over Wi-Fi technology, which enables making standard mobile calls and sending text and multimedia messages over a Wi-Fi network using customers' own phone numbers.

A separate chapter was the trial operation of the SIGFOX network for the Internet of Things, which was conducted from June to August. Based on the successful result, we decided in cooperation with the partner company SimpleCell Networks to jointly cover the entire Czech Republic in 2016 with the SIGFOX network, which will comprise a minimum of 350 base stations.

In the area of information technologies, 2015 saw in particular the continuation of our migration to a new client relationship management (CRM) system. This fundamental and necessary technological change helped to further improve the quality of services provided to our customers and to introduce new services.

The security of our services was a top priority for us. In the course of the year, we established very successful cooperation with the hacker community in identifying the security vulnerabilities of our systems (the Bug Bounty contest). Furthermore, we were the only operator on the market to implement a solution to protect our customers against the misuse of a security error in the Android system.

In Prague, 17 March 2016

Mark Klein
Chairman of the Board of Directors

Martin Schlieker
Member of the Board of Directors

REPORT ON THE RELATIONSHIPS

between the Related parties for the Year 2015 of company T-Mobile Czech Republic a.s.
In accordance with Section 82 of Act on Corporations

The Board of Directors of T-Mobile CzechRepublic a.s., having its registered office at Tomíčkova 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 ("the **Company**" or "TMCZ") prepared following Report on the Relationships in accordance with Section 82 of Act No. 90/2012 Coll., Act on Corporations ("the **Act on Corporations**"), in respect of the accounting period of the year 2015 ("the **Accounting Period**").

1. RELATIONSHIPS STRUCTURE

1.1 According to the available information of the Board of Directors of the Company acting with due managerial care, the Company formed part of the group of Deutsche Telekom AG ("**DTAG**") ("the **Group of companies**") during the accounting period. Information concerning parties in the Group of companies are presented as per 31 December 2015, based on the information of Board of Directors of the Company acting with due managerial care. The overview contains the entities controlled by DTAG, when the Company had business relationships with these entities during the accounting period, as well as some entities which stand in the structure of the Group of companies either above or below the aforementioned entities. Relationships structure in the Group of companies is shown in the Appendix 1.

1.1.1 CONTROLLING PARTY

Deutsche Telekom AG, having its registered office at Friedrich-Ebert-Allee 140, Bonn, Nordrhein-Westfalen, 53113 Germany ("the **Controlling party**") indirectly controls the Company via Deutsche Telekom Europe Holding GmbH (Germany) as 100% shareholder of Deutsche Telekom Europe Holding B.V. (the Netherlands) as a 100% shareholder of Deutsche Telekom Europe B.V. (the Netherlands), which owns 100 % of the Company.

2. THE COMPANY ROLE IN THE GROUP OF COMPANIES

The Company is the integrated operator: in addition to mobile and fix telecommunication services it provides a wide portfolio of IT services and system integration solutions to business customers. The Company is in the long term focused on the quality of provided services. Since its establishment the Company emphasizes the excellent customer care and a fair approach to business partners, employees and environment.

3. FORM AND MEANS OF CONTROL

The Controlling party indirectly controls the Company via Deutsche Telekom Europe Holding GmbH, which was in Accounting period the only owner of Deutsche Telekom Europe Holding B.V., which was in the Accounting period the only owner of Deutsche Telekom Europe B.V., which owns 100 % of the Company. The Company is controlled primarily by decision-making of the sole shareholder of the Company in the powers of the General Meeting of the Company.

The Company carries out its activities in line with the globally developed and focused business, financial, investment, and other plans of the DTAG group. Decisions on the day-to-day activities and business of the Company (e.g. budgets, marketing, HR policy, etc.) fall naturally within the autonomous powers of the Company while taking into account the DTAG group's global policy.

4. OVERVIEW OF CONTRACTS BETWEEN THE RELATED PARTIES IN THE GROUP OF COMPANIES

4.1 CONTRACTS CONCLUDED BETWEEN THE COMPANY AND THE CONTROLLING PARTY

New contracts concluded in 2015

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Amendment No. 9	Amendment No. 9	010109-109-00
Deutsche Telekom AG	Amendment No. 10 to Agreement on Global Roaming eXchange (GRX)	Amendment No. 10 to Agreement on Global Roaming eXchange (GRX)	010109-110-00
Deutsche Telekom AG	Amendment No. 8 – Signalling for international roaming – SS7 based Steering	Amendment No. 8 – Signalling for international roaming – SS7 based Steering	010340-108-00
Deutsche Telekom AG	Service Arrangement 2014 GHS (Procurement)	Service Arrangement 2014 GHS (Procurement)	013243-113-00
Deutsche Telekom AG	Service Arrangement 2015 GHS (Procurement)	Service Arrangement 2015 GHS (Procurement)	013243-114-00
Deutsche Telekom AG	Annex 2 – Service Arrangement 2015 – Inbound Service Agreement	Annex 2 – Service Arrangement 2015 – Inbound Service Agreement	013243-115-00
Deutsche Telekom AG	Annex – Service Arrangement – Products & Innovation Terminals Services	Annex – Service Arrangement – Products & Innovation Terminals Services	022888-117-00
Deutsche Telekom AG	Annex to the Framework Cooperation and Service Agreement-Service Arrangement Group Procurement	Annex to the Framework Cooperation and Service Agreement-Service Arrangement Group Procurement	022888-118-00
Deutsche Telekom AG	Service Arrangement – Board Area Europe Commercial Roaming/Winners Circle/Own Shops/e-Learning/ICCA/Web-Research/TRI:M	Service Arrangement – Board Area Europe Commercial Roaming/Winners Circle/Own Shops/e-Learning/ICCA/Web-Research/TRI:M	022888-119-00
Deutsche Telekom AG	Termination of the part of Service Arrangement 2015 Amendment No. 1	Termination of the part of Service Arrangement 2015 Amendment No. 1	022888-401-00
Deutsche Telekom AG	CDP Individual Agreeement on commissioned processing of personal data GPBI (BDSG)	CDP Individual Agreeement on commissioned processing of personal data GPBI (BDSG)	023692-201-00
Deutsche Telekom AG	CDP Individual Agreement on commissioned processing of personal data – S2C	CDP Individual Agreement on commissioned processing of personal data – S2C	023692-202-00
Deutsche Telekom AG	CDP Individual Agreement on commissioned processing of personal data OCP (OneCom)	CDP Individual Agreement on commissioned processing of personal data OCP (OneCom)	023692-203-00
Deutsche Telekom AG	Annex – Service Arranagement – Compensation in the area of M2M for 2015	Annex – Service Arranagement – Compensation in the area of M2M for 2015	024334-102-00
Deutsche Telekom AG	Amendment No. 1 to the Contract on Deutsche Telekom ICSS 024362-000-00	Amendment No. 1 to the Contract on Deutsche Telekom ICSS 024362-000-00	024362-101-00
Deutsche Telekom AG	Agreement for Discounts for Inter-operator Tariffs	Agreement for Discounts for Inter-operator Tariffs	024981-000-00
Deutsche Telekom AG	Global Strategic Retail Partnership – Marketing Funds Agreement	Global Strategic Retail Partnership – Marketing Funds Agreement	025120-000-00
Deutsche Telekom AG	EMIR Agreement for Dealing	EMIR Agreement for Dealing	025163-000-00
Deutsche Telekom AG	Interim Letter Agreement (ILA) – GPBI access to NatCo procurement data	Interim Letter Agreement (ILA) – GPBI access to NatCo procurement data	025332-000-00
Deutsche Telekom AG	Non-Disclosure Agreement – NDA – pro DTAG Group Procurement (souvisí s CDP)	Non-Disclosure Agreement – NDA – DTAG Group Procurement (connected with CDP)	025336-000-00
Deutsche Telekom AG	Bilateral SMS + Transit Contract	Bilateral SMS + Transit Contract	025440-000-00
Deutsche Telekom AG	CDP Frame Agreement for CoE Data Transparency – DTAG as controller	CDP Frame Agreement for CoE Data Transparency – DTAG as controller	025586-000-00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of pers.data – Performance M	Individual Agreement on the commissioned processing of pers.data – Performance M	026070-000-00
Deutsche Telekom AG	Service Agreement CZ – DT regarding Pan IP FTEs	Service Agreement CZ – DT regarding Pan IP FTEs	026089-000-00
Deutsche Telekom AG	Agreement on discounts for inter-operator tariffs // IntraDT_2015	Agreement on discounts for inter-operator tariffs // IntraDT_2015	026110-000-00
Deutsche Telekom AG	Cooperation Agreement	Cooperation Agreement	025746-000-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Supplementary Agreement – MNC Services	Supplementary Agreement – MNC Services	025558-000-00
Deutsche Telekom AG	Annex Service Agreement – SLA Inbound 2015 TMCZ Service Provider TDG Service Receiver	Annex Service Agreement – SLA Inbound 2015 TMCZ Service Provider TDG Service Receiver	013243-112-00
Deutsche Telekom AG	Service Arrangement – SLA Outbound Services 2015	Service Arrangement – SLA Outbound Services 2015	024410-102-00
Deutsche Telekom AG	Notice of Termination of LOA for Deezer	Notice of Termination of LOA for Deezer	024483-401-00
Deutsche Telekom AG	Agreement for Commissioned Data Processing in TMPC and ReMaiD	Agreement for Commissioned Data Processing in TMPC and ReMaiD	025557-000-00
Deutsche Telekom AG	Purchase Agreement – nákup HW	Purchase Agreement – purchase of HW	025837-000-00
Deutsche Telekom AG	Agreement on commissioned processing of personal data protection	Agreement on commissioned processing of personal data protection	025859-000-00
Deutsche Telekom AG	Service Level Agreement (SLA) – T-Parking: UQBATE – Funding transfer	Service Level Agreement (SLA) – T-Parking: UQBATE – Funding transfer	026079-000-00

Contracts that were effective during 2015

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Non-Disclosure and Confidentiality Agreement	Non-Disclosure and Confidentiality Agreement	001070-000-00
Deutsche Telekom AG	Letter of Understanding	Letter of Understanding	010003-000-00
Deutsche Telekom AG	Sublicenční smlouva (rebranding)	Sublicence agreement (rebranding)	010091-000-00
Deutsche Telekom AG	Dodatek č. 1 k dílčí smlouvě	Amendment No. 1 to the Sublicence Agreement	010091-201-01
Deutsche Telekom AG	Letter of Understanding	Letter of Understanding	010091-202-00
Deutsche Telekom AG	Amendment no. 8 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	Amendment no. 8 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	010109-108-00
Deutsche Telekom AG	Agreement	Agreement	010246-000-00
Deutsche Telekom AG	UMTS Frame Agreement	UMTS Frame Agreement	010322-000-00
Deutsche Telekom AG	Amendment No. 5 – roamingová signalizace	Amendment No. 5 – roaming signalizacion	010340-105-00
Deutsche Telekom AG	Amendment 6 – Agreement on application of Agreement on Signalling-for-International-Roaming (SPR Serices)	Amendment 6 – Agreement on application of Agreement on Signalling-for-International-Roaming (SPR Serices)	010340-106-00
Deutsche Telekom AG	Amendment No. 7 – Signalling for international roaming – Diameter/4G	Amendment No. 7 – Signalling for international roaming – Diameter/4G	010340-107-00
Deutsche Telekom AG	Rámcová smlouva – Inbound	Framework Agreement – Inbound	010562-000-00
Deutsche Telekom AG	Service Arrangement – Strategy & Portfolio Management	Service Arrangement – Strategy & Portfolio Management	010562-201-00
Deutsche Telekom AG	Service Arrangement – Management IT Applications	Service Arrangement – Management IT Applications	010562-202-00
Deutsche Telekom AG	Service Arrangement – ERP & Corporate Systems	Service Arrangement – ERP & Corporate Systems	010562-203-00
Deutsche Telekom AG	Service Arrangement – Managemnt IT Operations	Service Arrangement – Managemnt IT Operations	010562-204-00
Deutsche Telekom AG	Service Arrangement – End user Marketing	Service Arrangement – End user Marketing	010562-205-00
Deutsche Telekom AG	Service Arrangement – System Engineering	Service Arrangement – System Engineering	010562-206-00
Deutsche Telekom AG	Service Arrangement – System Engineering	Service Arrangement – System Engineering	010562-207-00
Deutsche Telekom AG	Service Arrangement – Network Deployment & Operations Management	Service Arrangement – Network Deployment & Operations Management	010562-208-00
Deutsche Telekom AG	Service Arrangement – Network Deployment & Operations Management	Service Arrangement – Network Deployment & Operations Management	010562-209-00
Deutsche Telekom AG	Rámcová smlouva – Outbound Direct Charging	Rámcová smlouva – Outbound Direct Charging	010563-000-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Service Arrangement – ERP & Corporate Systems	Service Arrangement – ERP & Corporate Systems	010563-201-00
Deutsche Telekom AG	Rámcová smlouva – Outbound	Frame Agreement – Outbound	010564-000-00
Deutsche Telekom AG	Sideletter to the Framework Cooperation and Service Ag. (Outbound/Allocation)	Sideletter to the Framework Cooperation and Service Ag. (Outbound/Allocation)	010564-101-00
Deutsche Telekom AG	Service Arrangement – Global Products	Service Arrangement – Global Products	010564-201-00
Deutsche Telekom AG	Service Arrangement – Payment	Service Arrangement – Payment	010564-202-00
Deutsche Telekom AG	Service Arrangement – IT Department	Service Arrangement – IT Department	010564-203-00
Deutsche Telekom AG	Service Arrangement – Marketing Department	Service Arrangement – Marketing Department	010564-204-00
Deutsche Telekom AG	Service Arrangement – Network Technology Office	Service Arrangement – Network Technology Office	010564-205-00
Deutsche Telekom AG	Service Arrangement – IT Strategy & Portfolio Management	Service Arrangement – IT Strategy & Portfolio Management	010564-206-00
Deutsche Telekom AG	Service Arrangement – Process Alignment & Quality Management	Service Arrangement – Process Alignment & Quality Management	010564-207-00
Deutsche Telekom AG	Service Arrangement – Management IT Applications	Service Arrangement – Management IT Applications	010564-208-00
Deutsche Telekom AG	Service Arrangement – Management IT Operations	Service Arrangement – Management IT Operations	010564-209-00
Deutsche Telekom AG	Service Arrangement – Marketing Coordination	Service Arrangement – Marketing Coordination	010564-210-00
Deutsche Telekom AG	Service Arrangement – Marketing Coordination	Service Arrangement – Marketing Coordination	010564-211-00
Deutsche Telekom AG	Service Arrangement – Product Management	Service Arrangement – Product Management	010564-212-00
Deutsche Telekom AG	Service Arrangement – End User Marketing	Service Arrangement – End User Marketing	010564-213-00
Deutsche Telekom AG	Service Arrangement – End User Marketing	Service Arrangement – End User Marketing	010564-214-00
Deutsche Telekom AG	Service Arrangement – Wholesale Marketing	Service Arrangement – Wholesale Marketing	010564-215-00
Deutsche Telekom AG	Service Arrangement – Wholesale Marketing	Service Arrangement – Wholesale Marketing	010564-216-00
Deutsche Telekom AG	Service Arrangement – European Terminal Management	Service Arrangement – European Terminal Management	010564-217-00
Deutsche Telekom AG	Service Arrangement – Systems Engineering	Service Arrangement – Systems Engineering	010564-218-00
Deutsche Telekom AG	Service Arrangement – Systems Engineering	Service Arrangement – Systems Engineering	010564-219-00
Deutsche Telekom AG	Service Arrangement – Network Deployment and Operations Management	Service Arrangement – Network Deployment and Operations Management	010564-220-00
Deutsche Telekom AG	Service Arrangement – Network Deployment and Operations Management	Service Arrangement – Network Deployment and Operations Management	010564-221-00
Deutsche Telekom AG	Service Arrangement – Technology and Development	Service Arrangement – Technology and Development	010564-222-00
Deutsche Telekom AG	Service Arrangement – Supplier Management	Service Arrangement – Supplier Management	010564-223-00
Deutsche Telekom AG	Service Arrangement – Network Budgeting Performance	Service Arrangement – Network Budgeting Performance	010564-224-00
Deutsche Telekom AG	Declaration of consent (souhlas s přístupem do TMCZ databáze)	Declaration of consent	010817-000-00
Deutsche Telekom AG	Sublicence of TIBCO Software License Agreement	Sublicence of TIBCO Software License Agreement	011269-000-00
Deutsche Telekom AG	Loan Agreement	Loan Agreement	012236-000-00
Deutsche Telekom AG	Agreement – poskytnutí záruky ze strany TMO pro Siemens AG	Agreement – provision of guarantee by TMO for Siemens AG	012309-000-00
Deutsche Telekom AG	Services Agreement – MBS	Services Agreement – MBS	012467-000-00
Deutsche Telekom AG	Letter of Affirmation – Licence Chordiant Marketing Director	Letter of Affirmation – Licence Chordiant Marketing Director	012761-000-00
Deutsche Telekom AG	T-Zones Agreement	T-Zones Agreement	012876-000-00
Deutsche Telekom AG	dodatek č. 1 (t-zones)	Amendment No. 1 (t-zones)	012876-101-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Letter of Variation – Dodatek č. 2 ke sml. na T-Zones – discount pro r. 2006	Letter of Variation – Amendment No. 2 T-Zones Agreement – discount for 2006	012876-102-00
Deutsche Telekom AG	Dodatek č. 3 – Addendum to T-Zones Agreement – contract update	Amendment No.3 to T-Zones Agreement – contract update	012876-103-00
Deutsche Telekom AG	Letter of Variation – T-Zones agreement dodatek	Letter of Variation – T-Zones agreement amendment	012876-104-00
Deutsche Telekom AG	Agreement – suretyship (Bürgschaft) Nortel GPRS	Agreement – suretyship (Bürgschaft) Nortel GPRS	012958-000-00
Deutsche Telekom AG	Framework cooperation and service agreement – Inbound	Framework cooperation and service agreement – Inbound	013243-000-00
Deutsche Telekom AG	Inbound (aktualizace Annex 2 – Service Arrangement 2005)	Inbound (update of Annex 2 – Service Arrangement 2005)	013243-101-00
Deutsche Telekom AG	Inbound (změna přílohy č. 2 – Service Arrangement 2006)	Inbound (update of Annex 2 – Service Arrangement 2006)	013243-102-00
Deutsche Telekom AG	Inbound service arrangement 2007	Inbound service arrangement 2007	013243-103-00
Deutsche Telekom AG	Service Arrangement 2008 (Inbound (annex 2 valid for 08))	Service Arrangement 2008 (Inbound (annex 2 valid for 08))	013243-104-00
Deutsche Telekom AG	Service Arrangement 2009	Service Arrangement 2009	013243-105-00
Deutsche Telekom AG	Service Arrangement 2010 – Annex 2 (Inbound Contract)	Service Arrangement 2010 – Annex 2 (Inbound Contract)	013243-106-00
Deutsche Telekom AG	Service Arrangement 2011 – X-charges inbound 2011 under the Framework Cooperation	Service Arrangement 2011 – X-charges inbound 2011 under the Framework Cooperation	013243-107-00
Deutsche Telekom AG	Service Arrangement 2013 (Inbound – Annex 2 – Product Development 2013)	Service Arrangement 2013 (Inbound – Annex 2 – Product Development 2013)	013243-108-00
Deutsche Telekom AG	SLA Inbound 2014 TMCZ Service Provider TDG Service Receiver	SLA Inbound 2014 TMCZ Service Provider TDG Service Receiver	013243-109-00
Deutsche Telekom AG	Service Arrangement – Annex Service Agreement TMCZ EUHQ 2014	Service Arrangement – Annex Service Agreement TMCZ EUHQ 2014	013243-110-00
Deutsche Telekom AG	Annex Service Agreement TMCZ EUHQ2013	Annex Service Agreement TMCZ EUHQ2013	013243-111-00
Deutsche Telekom AG	Framework Cooperation and Service Agreement (Outbound/Allocation)	Framework Cooperation and Service Agreement (Outbound/Allocation)	013244-000-00
Deutsche Telekom AG	Sideletter to the Cooperation and Service Agreement (Outbound/Allocation)	Sideletter to the Cooperation and Service Agreement (Outbound/Allocation)	013244-101-00
Deutsche Telekom AG	Outbound (změna Annexu 2 – Service Arrangement 2005)	Outbound Service Arrangement 2005 – Annex no. 2 modification	013244-102-00
Deutsche Telekom AG	Outbound (změna přílohy č. 2 – Service Arrangement pro rok 2006)	Outbound Service Arrangement 2006 – Annex no. 2 modification	013244-103-00
Deutsche Telekom AG	Outbound Service Arrangement 2007	Outbound Service Arrangement 2007	013244-104-00
Deutsche Telekom AG	Service Arrangement 2008 (Outbound) – změna přílohy č. 2	Service Arrangement 2008 (Outbound) – Annex no. 2 modification	013244-105-00
Deutsche Telekom AG	Service arrangement 2009	Service arrangement 2009	013244-106-00
Deutsche Telekom AG	Service Arrangement 2010 – Annex 2 (Outbound Contract)	Service Arrangement 2010 – Annex 2 (Outbound Contract)	013244-107-00
Deutsche Telekom AG	Sideletter on Chordiant Project – Terms of use of the CMD software	Sideletter on Chordiant Project – Terms of use of the CMD software	013956-000-00
Deutsche Telekom AG	Service Agreement concerning the Administration of MTIP in the Deutsche Telekom	Service Agreement concerning the Administration of MTIP in the Deutsche Telekom	014145-000-00
Deutsche Telekom AG	Service Agreement – Interoperator Discount Services („IOT-services“)	Service Agreement – Interoperator Discount Services („IOT-services“)	014585-000-00
Deutsche Telekom AG	Dodatek č. 1 – nové znění přílohy č. 1 (rozdělění discountů)	Amendment no. 1 – new version of annex no. 1 (discounts allocation)	014585-101-00
Deutsche Telekom AG	Suretyship Agreement (Nortel)	Suretyship Agreement (Nortel)	015123-000-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Agreement on the unification of payment terms – application Inhouse Cash	Agreement on the unification of payment terms – application Inhouse Cash	015941-000-00
Deutsche Telekom AG	Amendment No. 1 to the Agreement on the unification of Payments Terms	Amendment No. 1 to the Agreement on the unification of Payments Terms	015941-101-00
Deutsche Telekom AG	Amendment No. 2 to the Agreement on the unification of Payment Terms	Amendment No. 2 to the Agreement on the unification of Payment Terms	015941-102-00
Deutsche Telekom AG	Variation to Unification of Payment Terms Agreement	Variation to Unification of Payment Terms Agreement	015941-103-00
Deutsche Telekom AG	Inhouse Banking Side Agreement (Side Letter to UPT Agreement)	Inhouse Banking Side Agreement (Side Letter to UPT Agreement)	015941-201-00
Deutsche Telekom AG	Service Agreement (auditing services – x-charge)	Service Agreement (auditing services – x-charge)	016189-000-00
Deutsche Telekom AG	Sublicense Agreement (Intel)	Sublicense Agreement (Intel)	016228-000-00
Deutsche Telekom AG	Master Agreement – Hedging Activities	Master Agreement – Hedging Activities	016323-000-00
Deutsche Telekom AG	Agreement on Bilateral MMS eXchange	Agreement on Bilateral MMS eXchange	016451-000-00
Deutsche Telekom AG	Service Agreement for the provision of Marketing Services	Service Agreement for the provision of Marketing Services	016889-000-00
Deutsche Telekom AG	Amendment No. 1 to the Service Agr.- Service Description, Cost Allocation Scheme	Amendment No. 1 to the Service Agr.- Service Description, Cost Allocation Scheme	016889-101-00
Deutsche Telekom AG	Deed of Adherence (projekt Munice 2)	Deed of Adherence (project Munice 2)	017569-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) -výměn info. ZigBee na SIM kartě	Non-disclosure agreement – exchange of information ZigBee on Sim card	017808-000-00
Deutsche Telekom AG	Roaming Agreement for Public Wireless Lan Services (Germany)	Roaming Agreement for Public Wireless Lan Services (Germany)	017982-000-00
Deutsche Telekom AG	Deed of Adherence-přistoupení TMCZ ke Global Framework Ag. (GFA) č.990030-000-00	Deed of Adherence of TMCZ to Global Framework Ag. (GFA) no. 990030-000-00	018945-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	018965-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	019043-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	019044-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	019045-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	019046-000-00
Deutsche Telekom AG	Smlouva o zachování důvěrnosti informací (NDA) – Project 2G Modernization	Non-disclosure agreement – Project 2G Modernization	019052-000-00
Deutsche Telekom AG	EBS General Service Agreement	EBS General Service Agreement	019184-000-00
Deutsche Telekom AG	Service Package to the EBS General Service Agreement	Service Package to the EBS General Service Agreement	019184-201-00
Deutsche Telekom AG	Settlement Agreement – mezinárodní provoz_ vyrovnání	Settlement Agreement	019199-000-00
Deutsche Telekom AG	Deed of Adherence to the Framework Ag. for the Supply of Network Infrastructure	Deed of Adherence to the Framework Ag. for the Supply of Network Infrastructure	019440-000-00
Deutsche Telekom AG	Project Specific Annex (PSA) GGSN & SGSN – Commercial Conditions to the Frame Agreement	Project Specific Annex (PSA) GGSN & SGSN – Commercial Conditions to the Frame Agreement	019704-000-00
Deutsche Telekom AG	Master Agreement for Derivates and Investment Contracts	Master Agreement for Derivates and Investment Contracts	019894-000-00
Deutsche Telekom AG	Sideletter	Sideletter	019895-000-00
Deutsche Telekom AG	Amendment to the Side Letter to the Master Agreement for Derivates and Inv. Con.	Amendment to the Side Letter to the Master Agreement for Derivates and Inv. Con.	019895-101-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	WiFi Roaming Solution Agreement	WiFi Roaming Solution Agreement	020075-000-00
Deutsche Telekom AG	Amendment No. 1 to the WiFi Roaming Solution Agreement	Amendment No. 1 to the WiFi Roaming Solution Agreement	020075-101-00
Deutsche Telekom AG	Service Agreement – Interoperator Discount Contracts	Service Agreement – Interoperator Discount Contracts	021094-000-00
Deutsche Telekom AG	Confidentiality Agreement	Confidentiality Agreement	021267-000-00
Deutsche Telekom AG	License Agreement – Software concerning the predictive modeling	License Agreement – Software concerning the predictive modeling	021411-000-00
Deutsche Telekom AG	Agreement on the processing of personal data	Agreement on the processing of personal data	021442-000-00
Deutsche Telekom AG	Project Specific Annex RU20/OSS5.2	Project Specific Annex RU20/OSS5.2	021581-000-00
Deutsche Telekom AG	Project Service Agreement for cIBS – common Interconnect Billing System	Project Service Agreement for cIBS – common Interconnect Billing System	021810-000-00
Deutsche Telekom AG	Co-operation Agreement for Joint LTE-TD Evaluation Trial	Co-operation Agreement for Joint LTE-TD Evaluation Trial	021821-000-00
Deutsche Telekom AG	Project Service Agreement for RMC (PSA) for the new IT Enabler RMC (T-Rex)	Project Service Agreement for RMC (PSA) for the new IT Enabler RMC (T-Rex)	021911-000-00
Deutsche Telekom AG	Agreement on processing of data and information with condidentiality clause	Agreement on processing of data and information with condidentiality clause	022098-000-00
Deutsche Telekom AG	Contractual Agreement for change of delivery model for ng iBMD (Jellyfish)	Contractual Agreement for change of delivery model for ng iBMD (Jellyfish)	022173-000-00
Deutsche Telekom AG	Agreement on Commercial Roaming Broker Services	Agreement on Commercial Roaming Broker Services	022191-000-00
Deutsche Telekom AG	Amendment Letter No. 1 to the Agreement on Commercial Roaming Broker Services	Amendment Letter No. 1 to the Agreement on Commercial Roaming Broker Services	022191-101-00
Deutsche Telekom AG	Amendment Letter No. 3 to the Agreement on Commercial Roaming Broker Services	Amendment Letter No. 3 to the Agreement on Commercial Roaming Broker Services	022191-103-00
Deutsche Telekom AG	Cooperation Agreement	Cooperation Agreement	022250-000-00
Deutsche Telekom AG	Delivery of Software and the Performance of Services in Connection with ngCRM	Delivery of Software and the Performance of Services in Connection with ngCRM	022281-000-00
Deutsche Telekom AG	Supplement No. 1 – Delivery of Software and the Performance of Services in Connection with ngCRM	Supplement No. 1 – Delivery of Software and the Performance of Services in Connection with ngCRM	022281-101-00
Deutsche Telekom AG	Supplement No. 1 to Project Service Agreement (PSA) – ngCRM system	Supplement No. 1 to Project Service Agreement (PSA) – ngCRM system	022281-102-00
Deutsche Telekom AG	SERVICE Agreement Network Technology	SERVICE Agreement Network Technology	022467-000-00
Deutsche Telekom AG	SUBLICENSE AGREEMENt for the Software for IVR Campaigning/Banner	SUBLICENSE AGREEMENt for the Software for IVR Campaigning/Banner	022483-000-00
Deutsche Telekom AG	Management Agreement for international MNC Services	Management Agreement for international MNC Services	022522-000-00
Deutsche Telekom AG	Agreement for the Provision of Capacity	Agreement for the Provision of Capacity	022696-000-00
Deutsche Telekom AG	Supplementary Agreement to the Sublincence Agreement	Supplementary Agreement to the Sublincence Agreement	022780-000-00
Deutsche Telekom AG	iPad License Acknowledgement of Adherence to Wireless Service License – iPad TMC	iPad License Acknowledgement of Adherence to Wireless Service License – iPad TMC	022870-000-00
Deutsche Telekom AG	Angry Birds International Campaign	Angry Birds International Campaign	022875-000-00
Deutsche Telekom AG	Framework cooperation and service agreement – X-charges	Framework cooperation and service agreement – X-charges	022888-000-00
Deutsche Telekom AG	Annex No. 022888-104-00 Service arrangement EU HQ	Annex No. 022888-104-00 Service arrangement EU HQ	022888-104-00
Deutsche Telekom AG	Annex to FA – Service Arrangement – X- charges 2012- Products and Innovation annex	Annex to FA – Service Arrangement – X- charges 2012- Products and Innovation annex	022888-105-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Service Arrangement – Cross Charging 2013	Service Arrangement – Cross Charging 2013	022888-106-00
Deutsche Telekom AG	Annex Service Arrangement – Products and Innovation Terminals Services	Annex Service Arrangement – Products and Innovation Terminals Services	022888-110-00
Deutsche Telekom AG	Annex – Service Arrangement Product Roadmap 2014	Annex – Service Arrangement Product Roadmap 2014	022888-111-00
Deutsche Telekom AG	Annex Service Arrangement – P&I Payment Products	Annex Service Arrangement – P&I Payment Products	022888-112-00
Deutsche Telekom AG	Service Arrangement – Group Technology 2013 and 2014	Service Arrangement – Group Technology 2013 and 2014	022888-114-00
Deutsche Telekom AG	Annex – Service Arrangement – Group Technology 2014	Annex – Service Arrangement – Group Technology 2014	022888-115-00
Deutsche Telekom AG	Annex Service Arrangement – Board Area Europe	Annex Service Arrangement – Board Area Europe	022888-116-00
Deutsche Telekom AG	Letter of Intent – IT Data Assurance Shared Service Centre (SSC)	Letter of Intent – IT Data Assurance Shared Service Centre (SSC)	022962-000-00
Deutsche Telekom AG	Procurement Joint Venture of Deutsche Telekom AG and France Télécom SA: Interim	Procurement Joint Venture of Deutsche Telekom AG and France Télécom SA: Interim	022972-000-00
Deutsche Telekom AG	Amendment No. 1 – Interim letter – Joint Venture	Amendment No. 1 – Interim letter – Joint Venture	022972-101-00
Deutsche Telekom AG	Deed of Adherence (Vertragsbeitritt – to Contract 990053-000-00)	Deed of Adherence (Vertragsbeitritt – to Contract 990053-000-00)	023021-000-00
Deutsche Telekom AG	Side Letter to the Framework Cooperation and Service Agreement	Side Letter to the Framework Cooperation and Service Agreement	023056-000-00
Deutsche Telekom AG	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	023213-000-00
Deutsche Telekom AG	Tax Indemnity Agreement	Tax Indemnity Agreement	023340-000-00
Deutsche Telekom AG	Framework Cooperation and Service agreement	Framework Cooperation and Service agreement	023382-000-00
Deutsche Telekom AG	Co-operation agreement for joint smart lte evaluation trial	Co-operation agreement for joint smart lte evaluation trial	023418-000-00
Deutsche Telekom AG	Confidentiality Obligation for Clean Team Members	Confidentiality Obligation for Clean Team Members	023435-000-00
Deutsche Telekom AG	Letter of intent – OSS	Letter of intent – OSS	023451-000-00
Deutsche Telekom AG	Cooperation Agreement	Cooperation Agreement	023481-000-00
Deutsche Telekom AG	Cooperation Agreement – INTRA GROUP COMPLIANCE AGREEMENT	Cooperation Agreement – INTRA GROUP COMPLIANCE AGREEMENT	023496-000-00
Deutsche Telekom AG	Letter of Adherence („LoA“) – Ringback Tones Services	Letter of Adherence („LoA“) – Ringback Tones Services	023507-000-00
Deutsche Telekom AG	Global M2M Service cooperation – Joining Agreement	Global M2M Service cooperation – Joining Agreement	023543-000-00
Deutsche Telekom AG	Frame Agreement for Commissioned Personal Data Processing	Frame Agreement for Commissioned Personal Data Processing	023692-000-00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data	Individual Agreement on the commissioned processing of personal data	023727-000-00
Deutsche Telekom AG	Agreement on the purchase of a videoconferencing system	Agreement on the purchase of a videoconferencing system	023771-000-00
Deutsche Telekom AG	Letter of Intent 2013	Letter of Intent 2013	023803-000-00
Deutsche Telekom AG	Letter of Adherence – Callertunes service Real Networks	Letter of Adherence – Callertunes service Real Networks	023864-000-00
Deutsche Telekom AG	Service Arrangement P&I products core telco products and media 2013	Service Arrangement P&I products core telco products and media 2013	024087-000-00
Deutsche Telekom AG	Agreement For Commissioned Data Processing	Agreement For Commissioned Data Processing	024202-000-00

Partner	Services / goods	Services / goods – translation	No. of contract of Company
Deutsche Telekom AG	Cooperation and Service agreement – Ring back tones	Cooperation and Service agreement – Ring back tones	024204-000-00
Deutsche Telekom AG	Retail and Marketing Funds Agreement	Retail and Marketing Funds Agreement	024307-000-00
Deutsche Telekom AG	„m-wall“ (POS presentation) Agreement	„m-wall“ (POS presentation) Agreement	024308-000-00
Deutsche Telekom AG	Annex 1 to Service Arrangement – Product Roadmap 2015	Annex 1 to Service Arrangement – Product Roadmap 2015	024334-101-00
Deutsche Telekom AG	Main Contract on IP Transit	Main Contract on IP Transit	024335-000-00
Deutsche Telekom AG	Agreement on City-to-City Bandwidth Services (International Transmission Network	Agreement on City-to-City Bandwidth Services (International Transmission Network	024351-000-00
Deutsche Telekom AG	Agreement on the processing of personal data in International Sharepoint	Agreement on the processing of personal data in International Sharepoint	024360-000-00
Deutsche Telekom AG	Letter of Adherence (Deezer)	Letter of Adherence (Deezer)	024483-000-00
Deutsche Telekom AG	Contract on Deutsche Telekom ICSS Mobile Services – DINr3, Services enabling IP/MPLS platform	Contract on Deutsche Telekom ICSS Mobile Services – DINr3, Services enabling IP/MPLS platform	024362-000-00
Deutsche Telekom AG	iPhone Contract of Adherence to the iPhone Agreement between Apple and DT	iPhone Contract of Adherence to the iPhone Agreement between Apple and DT	024364-000-00
Deutsche Telekom AG	Trial Agreement for Joint Active Antenna System (ASS) Trial	Trial Agreement for Joint Active Antenna System (ASS) Trial	024515-000-00
Deutsche Telekom AG	Agreement for Provisioning of Integration Services for MyWallet	Agreement for Provisioning of Integration Services for MyWallet	024546-000-00
Deutsche Telekom AG	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	024565-000-00
Deutsche Telekom AG	Agreement on application of Global Intranet GPRS Roaming eXchange (GRX)	Agreement on application of Global Intranet GPRS Roaming eXchange (GRX)	024807-000-00
Deutsche Telekom AG	Agreement on the commissioned processing of personal data (Non-compliance list)	Agreement on the commissioned processing of personal data (Non-compliance list)	024809-000-00
Deutsche Telekom AG	Agreement for Support Services for MyWallet	Agreement for Support Services for MyWallet	024811-000-00
Deutsche Telekom AG	MyWallet License Agreement (ver.1.0.12)	MyWallet License Agreement (ver.1.0.12)	024938-000-00
Deutsche Telekom AG	M-Wall & Shop Window Digit (POS presentation) Agreement	M-Wall & Shop Window Digit (POS presentation) Agreement	024975-000-00
Deutsche Telekom AG	Letter of Intent	Letter of Intent	025121-000-00
Deutsche Telekom AG	Clima Frame Agreement	Clima Frame Agreement	2013/0080
Deutsche Telekom AG	Individual loan contract	Individual loan contract	2013/0229
Deutsche Telekom AG	Business Agreement concerning the Telekom Global Net transport oriented services	Business Agreement concerning the Telekom Global Net transport oriented services	2013/0357
Deutsche Telekom AG	Annex to Business Agreement concerning the Telekom Global Net	Annex to Business Agreement concerning the Telekom Global Net	2013/0637
Deutsche Telekom AG	Commissioned Data Processing	Commissioned Data Processing	2013/0790
Deutsche Telekom AG	Non – Disclosure Agreement	Non – Disclosure Agreement	0000156/2006-SMnp
Deutsche Telekom AG	International Carrier Interconnection- Deutsche Telekom network through Deutsche Telekom Point of Presence in Prague for International Telecommunications Services viac PSTN/ISDN	International Carrier Interconnection- Deutsche Telekom network through Deutsche Telekom Point of Presence in Prague for International Telecommunications Services viac PSTN/ISDN	0000230/2007-SMws
Deutsche Telekom AG	Agreement on – Circuit Solution EoM	Agreement on – Circuit Solution EoM	0000289/2011-SMna

4.2 CONTRACTS CONCLUDED BETWEEN THE COMPANY AND OTHER ENTITIES CONTROLLED BY THE CONTROLLING PARTY

Contracts concluded in 2015

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
A1 Telekom Austria AG, O2 Czech Republic a.s.	NDA pro výměnu RF dat s A1 Telekom Austria pro účely příhraniční koordinace LTE cell	Non-Disclosure Agreement	025645-000-00
Antel Germany GmbH	LOAN FACILITY AGREEMENT	LOAN FACILITY AGREEMENT	0000009/2005-SMfd
Antel Germany GmbH	General terms and conditions_VIX	General terms and conditions_VIX	0000002/2010-SmNAD
Antel Germany GmbH	Nákup materiálu	Purchase of material	0000013/2011-SMfd
BUYIN SA	Amendment No. 1 to Participation Agreement – Joint Venture	Amendment No. 1 to Participation Agreement – Joint Venture	023174-101-00
CARDUELIS B.V.	Carduelis B.V. – smlouva o převodu práv a povinností	Carduelis B.V. – agreement on transfer of rights and obligations	0000045/2005-SMws
CARDUELIS B.V.	Individual Service Agreement	Individual Service Agreement	0000065/2007-SMws
CE Colo Czech s.r.o.	Smlouva o kontaktních osobách pro veškeré transakce a úkony a uspořádání	Contract for the contact persons for all transactions and operations and organization	025159-000-00
Ce Colo Czech s.r.o.	Smlouva o poskytování pracovnělékařských služeb a nadstandardní zdravotní péče	Service Agreement for the provision of labour-medical services and premium medical healthcare	025210-000-00
Ce Colo Czech s.r.o.	Smlouva o zachování důvěrnosti informací – NDA	Non-Disclosure Agreement – NDA	025382-000-00
Ce Colo Czech s.r.o.	Smlouva o zpracování osobních údajů	Contract for the processing of personal data	025383-000-00
CE Colo Czech s.r.o.	Smlouva o zvláštním běžném účtu	Contract for special current account	025452-000-00
CE Colo Czech s.r.o.	Rámcová smlouva o koupi, prodeji a užití poukázek (mezi CE Colo a Endered)	Framework agreement for the purchase, sale and use of vouchers	025830-000-00
CE Colo Czech s.r.o., GTS Central European Holding B.V., Carduelis B.V.	First Amendment Agreement to Share Purchase Agreemen – Neptune	First Amendment Agreement to Share Purchase Agreemen – Neptune	025202-101-00
Crnogorski Telekom a.d. Podgorica	International Roaming Agreement – Montenegro	International Roaming Agreement – Montenegro	026007-000-00
Detecon International GmbH	Subcontract to the Project „K-028393 TR CS Security Operations Center“	Subcontract to the Project „K-028393 TR CS Security Operations Center“	025690-000-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Samsung	Engagement Form (Czech Republic) – Samsung	020475-108-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – provided by PayPal (Europe) SARL ET CIE S.C.A	Engagement Form (Czech Republic) – provided by PayPal (Europe) SARL ET CIE S.C.A	020475-109-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Fortumo	Engagement Form (Czech Republic) – Fortumo	020475-110-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Dimoco	Engagement Form (Czech Republic) – Dimoco	020475-111-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – AIRBNB	Engagement Form (Czech Republic) – AIRBNB	020475-112-00
Deutsche Telekom (UK) Limited	Project Services Agreement (PSA) for the Provision of DTUK Services	Project Services Agreement (PSA) for the Provision of DTUK Services	025345-000-00
Deutsche Telekom Business Services	Frame Agreement for Commisioned Data Processing – project ARAMIS	Frame Agreement for Commisioned Data Processing – project ARAMIS	024890-000-00
Deutsche Telekom Business Services	Individual Agreement on the commissioned processing of personal data (Aramis)	Individual Agreement on the commissioned processing of personal data (Aramis)	024891-000-00
Deutsche Telekom Business Services	Rámcová smlouva DTBS Shared Services Centrum pro HR procesy v Bukurešti	Frame contract DTBS Shared Services Centrum for HR processes in Bucurest	025175-000-00
Deutsche Telekom Business Services	Service Arrangement for the Delivery of Inquiry Management Services – k převáděn	Service Arrangement for the Delivery of Inquiry Management Services – k převáděn	025175-201-00
Deutsche Telekom Business Services	Service Arrangement for the Delivery of Employee Data Administration Services -	Service Arrangement for the Delivery of Employee Data Administration Services -	025175-202-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom Europe Holding B.V	Pan-Net mVAS Framework Agreement	Pan-Net mVAS Framework Agreement	025941-000-00
Deutsche Telekom Shared Services s.	Amendment No. 2 – změny ceny	Amendment No. 2 – price change	024259-102-00
GTS Hungary Távközlési Kft.	RCTIO Framework Cooperation and Service Agreement	RCTIO Framework Cooperation and Service Agreement	025427-000-00
GTS Hungary Távkozlesi Kft., GTS Poland sp. z o.o., GTS Telecom S.R.L.	Cooperation Agreement	Cooperation Agreement	025746-000-00
GTS Telecom S.R.L.	RCTIO Framework Cooperation and Service Agreement	RCTIO Framework Cooperation and Service Agreement	025471-000-00
Hrvatski Telekom d.d.	Service Agreement No. ICT-03/2015	Service Agreement No. ICT-03/2015	025538-000-00
Motionlogic GmbH	Cooperation Agreement	Cooperation Agreement	025515-000-00
Slovak Telekom, a.s.	International Roaming Agreement	International Roaming Agreement	026001-000-00
Telekom Deutschland (DT Technik)	Planning Arrangement for coordination of LTE cells in the border area of Czech Republic	Planning Arrangement for coordination of LTE cells in the border area of Czech Republic	025533-000-00
Telekom Deutschland,	11th Variation Agreement on Discounts for Inter-Operator Tariffs + Termination of the Agreement	11th Variation Agreement on Discounts for Inter-Operator Tariffs + Termination of the Agreement	015878-111-00, 015878-401-00
T-Mobile Austria GmbH	Service provider agreement – M2M platform	Service provider agreement – M2M platform	025577-000-00
T-Mobile Austria GmbH, O2 Czech Republic a.s., Vodafone Czech Republic a.s., A1 Telekom Austria AG	Planning Arrangement for Coordination of LTE cells in the border area of CR – Cross-Border	Planning Arrangement for Coordination of LTE cells in the border area of CR – Cross-Border	025612-000-00
T-Mobile Netherlands B.V.	International Roaming Agreement	International Roaming Agreement	025209-000-00
T-Mobile Polska S.A.	Annex to the Project Service Agreement – Mobile Wallet	Annex to the Project Service Agreement – Mobile Wallet	023472-101-00
T-Mobile Polska S.A.	Termination of the Project Service Agreement	Termination of the Project Service Agreement	023472-401-00
T-Mobile Polska S.A.	RCTIO Framework Cooperation and Service Agreement	RCTIO Framework Cooperation and Service Agreement	025182-000-00
T-Mobile Polska S.A.	Framework Purchase Contract – regionální smlouva o přeprodeji HW mezi zeměmi regionu	Framework Purchase Contract – agreement on HW reselling between countries in region	025678-000-00
T-Mobile Polska S.A.	Intercompany Master Service Agreement	Intercompany Master Service Agreement	025785-000-00
T-Systems Magyarország ZRt	Term Sheet – Seamless Communication Platform Hungary (SCPH) – SCP-Webex	Term Sheet – Seamless Communication Platform Hungary (SCPH) – SCP-Webex	025801-000-00
T-Systems Magyarország ZRt	Non-Disclosure Agreement – NDA	Non-Disclosure Agreement – NDA	025975-000-00
T-Systems Magyarország ZRt	Personal Data Processing Contract	Personal Data Processing Contract	026067-000-00
T-Systems International GmbH	Sublicensing and Crosscharging Agreement – Aspera license	Sublicensing and Crosscharging Agreement – Aspera license	025060-000-00
T-Systems International GmbH	Frame Agreement for Commisioned Data Processing	Frame Agreement for Commisioned Data Processing	025166-000-00
T-Systems International GmbH	Amendment No. 1 to Frame Agreement for Commisioned Data Processing	Amendment No. 1 to Frame Agreement for Commisioned Data Processing	025166-101-00
T-Systems International GmbH	Agreement about International Internal Services	Agreement about International Internal Services	025415-000-00
T-Systems International GmbH	Master Term sheet 2015	Master Term sheet 2015	025702-000-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
T-Systems International GmbH	Agreement about International Internal Services – Testing Trinity Suite	Agreement about International Internal Services – Testing Trinity Suite	025954-000-00
T-Systems International GmbH	Prolongation Agreement Infrastructure Services	Prolongation Agreement Infrastructure Services	880052-102-00
T-Systems International GmbH	Termination Letter Clima – Contract	Termination Letter Clima – Contract	880072-401-00
T-Systems International GmbH (8450)	Service Agreement about International Internal Services – Service Delivery Platform	Service Agreement about International Internal Services – Service Delivery Platform	025692-000-00
T-Systems Limited	Agreement Concerning The Transfer of Assets (smlouva o převodu majetku)	Agreement Concerning the Transfer of Assets	025388-000-00

Contracts that were effective during 2015

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Actelis Networks Israel Ltd.	MUTUAL NON-DISCLOSURE AGREEMENT	Mutual non-disclosure agreement	0000015/2008-SMfd
BUYIN SA	Service Agreement x-charging	Service Agreement x-charging	024643-000-00
CE Colo Czech s.r.o.	Smlouva o postoupení práv a povinností ze smluv RWE	Agreement on the Assignment of Rights and Obligations related to agreements with RWE	025324-000-00
CE Colo Czech s.r.o.	Dodatek č.6 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Amendment no. 6 – Housing services agreement	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.7 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Amendment no. 7 – Housing services agreement	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.8 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Amendment no. 8 – Housing services agreement	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.9 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Amendment no. 9 – Housing services agreement	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.10 – Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Amendment no. 10 – Housing services agreement	0000463/2008-SMna
CE Colo Czech s.r.o.	Kupní smlouva Volkswagen Passat Variant	Purchase agreement for Volkswagen Passat Variant	0000008/2012-SMfa
CE Colo Czech s.r.o.	Kupní smlouna na vozidlo Škoda	Purchase agreement for Škoda	0000001/2013-SMfa
CE Colo Czech s.r.o.	Kupní smlouva na vozidlo	Purchase agreement for car	0000002/2013-SMfa
CE Colo Czech s.r.o., Carduelis B.V., GTS Central European Holding B.V.	Share Purchase Agreement – Neptune (sale of GTS)	Share Purchase Agreement – Neptune (sale of GTS)	025202-000-00
COSMOTE Mobile Telecommunications S.A.	International Telecommunication Services Agreement	International Telecommunication Services Agreement	0000192/2007-SMws
COSMOTE – Mobile Telecommunications	Confidentiality and Privacy Agreement	Confidentiality and Privacy Agreement	024265-000-00
Cosmote Mobile Telecommunications S.A.	International Roaming Agreement – Croatia	International Roaming Agreement – Croatia	021841-000-00
Cosmote Mobile Telecommunications S.A.	Non-Disclosure Agreement (NDA)	Non-Disclosure Agreement (NDA)	023943-000-00
Hrvatski Telekom d.d.	Non-Disclosure Statement	Non-Disclosure Statement	024770-000-00
Deutsche Telekom (UK) Limited	Content Reseller Agreement	Content Reseller Agreement	001406-000-00
Deutsche Telekom (UK) Limited	Dodatek č. 6 – MTV Engagement Form	Amendment no. 6 – MTV Engagement Form	001406-106-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom (UK) Limited	Dodatek č. 7 – Universal Content	Amendment no. 7 – Universal Content	001406-107-00
Deutsche Telekom (UK) Limited	Engagement Form no. 10 (Trigenix Screen Styles)	Engagement Form no. 10 (Trigenix Screen Styles)	001406-110-00
Deutsche Telekom (UK) Limited	Engagement Form – dodatek č. 13 – CONTENT	Engagement Form – Amendment no. 10 – Content	001406-113-00
Deutsche Telekom (UK) Limited	Engagement Form – Universal – Melody	Engagement Form – Universal – Melody	001406-116-00
Deutsche Telekom (UK) Limited	Engagement Form – Universal – Mono and Poly Marketing	Engagement Form – Universal – Mono and Poly Marketing	001406-117-00
Deutsche Telekom (UK) Limited	Engagement Form – Sony Content (dodatek 22)	Engagement Form – Sony Content (Amendment no. 22)	001406-122-00
Deutsche Telekom (UK) Limited	Dodatek č. 23 – Fox Studios Content – MMS obsah	Amendment no.23 – Fox Studios Content – MMS content	001406-123-00
Deutsche Telekom (UK) Limited	Dodatek č. 24 – Disney Content – MMS obsah	Amendment no. 24 – Disney Content – MMS Content	001406-124-00
Deutsche Telekom (UK) Limited	Dodatek č. 25 – Java od spol. Turner – CONTENT	Amendment no. 25 – Java od spol. Turner – CONTENT	001406-125-00
Deutsche Telekom (UK) Limited	Engagement Form – Chipandales – CONTENT	Engagement Form – Chipandales – CONTENT	001406-126-00
Deutsche Telekom (UK) Limited	Engagement Form – Penthouse – CONTENT	Engagement Form – Penthouse – CONTENT	001406-127-00
Deutsche Telekom (UK) Limited	Dodatek č. 28 – Engagement Form – Warner Music Content	Amendment no. 28 – Engagement Form – Warner Music Content	001406-128-00
Deutsche Telekom (UK) Limited	Dodatek č. 29 – Engagement Form – iFone Content	Amendment no. 29 – Engagement Form – iFone Content	001406-129-00
Deutsche Telekom (UK) Limited	Dodatek č. 30 – Engagement Form – Arvato Content	Amendment no. 30 – Engagement Form – Arvato Content	001406-130-00
Deutsche Telekom (UK) Limited	Dodatek č. 31 – Engagement Form – Blue Sphere Content	Amendment no. 31 – Engagement Form – Blue Sphere Content	001406-131-00
Deutsche Telekom (UK) Limited	Dodatek č. 32 – Engagement Form – mForma Content	Amendment no. 32 – Engagement Form – mForma Content	001406-132-00
Deutsche Telekom (UK) Limited	Dodatek č. 33 – Engagement form – Jamdat Content	Amendment no. 33 – Engagement form – Jamdat Content	001406-133-00
Deutsche Telekom (UK) Limited	Dodatek č. 34 – Engagement Form – Gameloft Content	Amendment no. 34 – Engagement Form – Gameloft Content	001406-134-00
Deutsche Telekom (UK) Limited	Dodatek č. 35 – Engagement Form – Living Mobile Content	Amendment no. 35 – Engagement Form – Living Mobile Content	001406-135-00
Deutsche Telekom (UK) Limited	Dodatek č. 36 – Engagement Form – Mobile Scope Content	Amendment no. 36 – Engagement Form – Mobile Scope Content	001406-136-00
Deutsche Telekom (UK) Limited	Dodatek č. 37 – Engagement Form – Sumea Content	Amendment no. 37 – Engagement Form – Sumea Content	001406-137-00
Deutsche Telekom (UK) Limited	Dodatek č. 38 – Engagement Form – HandyGames Content	Amendment no. 38 – Engagement Form – HandyGames Content	001406-138-00
Deutsche Telekom (UK) Limited	Dodatek č. 39 – Engagement Form – Digital Bridges Content	Amendment no. 39 – Engagement Form – Digital Bridges Content	001406-139-00
Deutsche Telekom (UK) Limited	Engagement Form no. 40 – India Games Content	Engagement Form no. 40 – India Games Content	001406-140-00
Deutsche Telekom (UK) Limited	Engagement Form no. 41 – Advanced Mobile Applications	Engagement Form no. 41 – Advanced Mobile Applications	001406-141-00
Deutsche Telekom (UK) Limited	Engagement form No. 42 – Eurofun (Madagascar) Content	Engagement form no. 42 – Eurofun (Madagascar) Content	001406-142-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom (UK) Limited	Engagement Form 43 – I-play/Digital Bridges – Non-EA Titles (content)	Engagement Form 43 – I-play/Digital Bridges – Non-EA Titles (content)	001406-143-00
Deutsche Telekom (UK) Limited	Engagement Form – Eurofun (Madagascar) Content	Engagement Form – Eurofun (Madagascar) Content	001406-144-00
Deutsche Telekom (UK) Limited	Engagement Form – wait4u (amendment 45)	Engagement Form – wait4u (amendment 45)	001406-145-00
Deutsche Telekom (UK) Limited	Engagement Form No. 46 – Sony Pictures	Engagement Form no. 46 – Sony Pictures	001406-146-00
Deutsche Telekom (UK) Limited	Engagement Form – Glu Mobile Content	Engagement Form – Glu Mobile Content	001406-147-00
Deutsche Telekom (UK) Limited	Engagement Form – Player-X Content	Engagement Form – Player-X Content	001406-149-00
Deutsche Telekom (UK) Limited	Engagement Form – Rockpool Games Content	Engagement Form – Rockpool Games Content	001406-150-00
Deutsche Telekom (UK) Limited	Engagement Form – THQ Wireless International Games Content	Engagement Form – THQ Wireless International Games Content	001406-151-00
Deutsche Telekom (UK) Limited	Engagement Form – OJOM Content	Engagement Form – OJOM Content	001406-152-00
Deutsche Telekom (UK) Limited	Dodatek č. 53 – Engagement form (video download – Mobix Content)	Amendment no. 53 – Engagement form (video download – Mobix Content)	001406-153-00
Deutsche Telekom (UK) Limited	Engagement Form – Infospace (Elkware GmbH) – Infospace Content	Engagement Form – Infospace (Elkware GmbH) – Infospace Content	001406-154-00
Deutsche Telekom (UK) Limited	Engagement Form – Electronic Arts Games (EA Content)	Engagement Form – Electronic Arts Games (EA Content)	001406-155-00
Deutsche Telekom (UK) Limited	Engagement Form (C2M) – Transactional Content	Engagement Form (C2M) – Transactional Content	001406-156-00
Deutsche Telekom (UK) Limited	International Download Centre Access and Managed Services Ag.	International Download Centre Access and Managed Services Ag.	001407-000-00
Deutsche Telekom (UK) Limited	MCS Service Agreement	MCS Service Agreement	012075-000-00
Deutsche Telekom (UK) Limited	Service Agreement for Provision of Interim Solution for Caller Tunes (Melody)	Service Agreement for Provision of Interim Solution for Caller Tunes (Melody)	016903-000-00
Deutsche Telekom (UK) Limited	Amendment 1 to Project service agreement for International eSales Solution (IneSS)	Amendment 1 to Project service agreement for International eSales Solution (IneSS)	019713-101-00
Deutsche Telekom (UK) Limited	Content Resale and Partner Services Agreement	Content Resale and Partner Services Agreement	020475-000-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Android Services	Engagement Form (Czech Republic) – Android Services	020475-101-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic); Blackberry Services	Engagement Form (Czech Republic); Blackberry Services	020475-102-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic); Microsoft Services	Engagement Form (Czech Republic); Microsoft Services	020475-103-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Facebook Services	Engagement Form (Czech Republic) – Facebook Services	020475-104-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Boku longlist	Engagement Form (Czech Republic) – Boku longlist	020475-105-00
Deutsche Telekom (UK) Limited	Engagement Form (Czech Republic) – Gameloft	Engagement Form (Czech Republic) – Gameloft	020475-106-00
Deutsche Telekom (UK) Limited	Engagement form – MindMatics	Engagement form – MindMatics	020475-107-00
Deutsche Telekom (UK) Limited	Cross Charging Services Agreement	Cross Charging Services Agreement	020909-000-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Deutsche Telekom (UK) Limited	Addendum No. 1 – Cross charging agreement for additional services – SDP Partner	Addendum No. 1 – Cross charging agreement for additional services – SDP Partner	020909-101-00
Deutsche Telekom (UK) Limited	Amendment No. 1 to the project service agreement for personal touchpoints and stores	Amendment No. 1 to the project service agreement for personal touchpoints and stores	023392-101-00
Deutsche Telekom (UK) Limited	Project Service Agreement for the Provision of DTUK Services	Project Service Agreement for the Provision of DTUK Services	024682-000-00
Deutsche Telekom Europe B.V., Netherlands	Amendment No. 1 – Clarification to Loan Agreement	Amendment No. 1 – Clarification to Loan Agreement	015106-101-00
Deutsche Telekom Shared Services s.	Agreement for Commissioned Data Processing – SAP access	Agreement for Commissioned Data Processing – SAP access	024430-000-00
Deutsche Telekom Shared Services s.	Commissioned Data Processing, as of 8.3.2013	Commissioned Data Processing, as of 8.3.2013	2013/0166
Deutsche Telekom Training GmbH	Agreement on the Processing of Personal Data Under Contract Pursuant	Agreement on the Processing of Personal Data Under Contract Pursuant	022411-000-00
EE Limited	International GSM Roaming Agreement	International GSM Roaming Agreement	000338-000-00
EE Limited	Addendum to the International GSM Roaming Agreement – Inter Operator Discounts	Addendum to the International GSM Roaming Agreement – Inter Operator Discounts	000338-101-00
EE Limited	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	000338-201-00
EE Limited	Framework Contract of Sale – odprodej servisních karet SAU	Framework Contract of Sale – service cards (SAU) sale	012533-000-00
EE Limited	Sub-licence Agreement (Rolling Stones concert)	Sub-licence Agreement (Rolling Stones concert)	014442-000-00
EE Limited	Roaming Agreement for Public Wireless LAN Services (WLAN)	Roaming Agreement for Public Wireless LAN Services (WLAN)	016881-000-00
EE Limited	Project Service Agreement for International eSales Solution (IneSS) in TMCZ	Project Service Agreement for International eSales Solution (IneSS) in TMCZ	019713-000-00
EE Limited	Licence agreement	Licence agreement	020996-000-00
EE Limited	Project Service Agreement (operation of International Transmission Network)	Project Service Agreement (operation of International Transmission Network)	021147-000-00
EE Limited	Mutual Long Form Non-Disclosure Agreement	Mutual Long Form Non-Disclosure Agreement	024251-000-00
EE Limited	International Roaming Agreement – the UK, GBROR, GBRME	International Roaming Agreement – the UK, GBROR, GBRME	024352-000-00
GTS Central European Holding B.V.	Individual contract – interconnection services	Individual contract – interconnection services	0000016/2006-SMws
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	Agreement in Relation to Repayment of Intra-Group Loan	0000019/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	Agreement in Relation to Repayment of Intra-Group Loan	0000020/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	Agreement in Relation to Repayment of Intra-Group Loan	0000022/2012-SMfd
GTS Central European Holding B.V.	Agreement in Relation to Repayment of Intra-Group Loan	Agreement in Relation to Repayment of Intra-Group Loan	0000027/2012-SMfd
GTS Hungary Távközlési Kft.	Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	0000063/2007-SMws
GTS Hungary Távközlési Kft.	Amendment Nr.1 to the Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	Amendment Nr.1 to the Service Agreement for GTS NET a.s and GTS Magyarország Távkozlési Kft.	0000063/2007-SMws
GTS Hungary Távközlési Kft.	Contract of subdelivery	Contract of subdelivery	0000019/2008-SmCSC
GTS Hungary Távközlési Kft.	International Telecommunication Service	International Telecommunication Service	0000007/2010-SMws

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
GTS Hungary Távközlési Kft.	Fourth Amendment to the Master Services Agreement	Fourth Amendment to the Master Services Agreement	0000022/2011-SMws
GTS Hungary Távközlési Kft.	Service Agreement	Service agreement	0000045/2011-SMws
GTS Hungary Távközlési Kft.	Outsourcing Service Agreement	Outsourcing Service Agreement	0000051/2011-SMws
GTS Hungary Távközlési Kft.	Smlouva IFS ISCS 04 2008	Agreement IFS ISCS 04 2008	0000059/2011-SMws
GTS Novera a.s.	Dodatek smlouvy o poskytování telekomunikačních služeb	Amendment to service arrangement on telecommunication services	0000019/2005-SMws
GTS Novera a.s.	Smlouva č. GTS – 01 o poskytování telekomunikačních služeb	Service arrangement GTS-01 on telecommunication services	0000004/2003-CS
GTS Novera a.s.	Smlouva o lokálním peeringu	Agreement on the local peering	0000015/2006-SMin
GTS Poland Sp. z o.o.	Reciprocal Telecommunications Services Agreement	Reciprocal Telecommunications Services Agreement	0000064/2007-SMws
GTS Poland Sp. z o.o.	Contract of subdelivery	Contract of subdelivery	0000018/2008-SmCSC
GTS Poland Sp. z o.o.	Agreement on the Assignment of Rights and Obligations	Agreement on the Assignment of Rights and Obligations	0000029/2011-SMws
GTS Poland Sp. z o.o.	Agreement on the Assignment of Rights and Obligations	Agreement on the Assignment of Rights and Obligations	0000030/2011-SMws
GTS Poland Sp. z o.o.	Shared Cost and Free Phone Pricelist	Shared Cost and Free Phone Pricelist	0000036/2011-SMws
GTS Poland Sp. z o.o.	Service Agreement	Service agreement	0000044/2011-SMws
GTS Poland Sp. z o.o.	Shared Cost and Free Pricelist	Shared Cost and Free Pricelist	0000060/2011-SMws
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	Agreement on the assignment of rights and obligations	0000207/2011-SMna
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	Agreement on the assignment of rights and obligations	0000208/2011-SMna
GTS Poland Sp. z o.o.	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	Agreement on the assignment of rights and obligations	0000098/2012-SMna
GTS Poland Sp. z o.o.	Agreement on the assignment of rights and obligations	Agreement on the assignment of rights and obligations	0000056/2014-SMna
GTS Telecom SRL	Contract of subdelivery	Contract of subdelivery	0000020/2008-SmCSC
GTS Telecom SRL	International Telecommunication Service	International Telecommunication Service	0000008/2010-SMws
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	Agreement on the Assignment of Rights and Obligations	0000032/2011-SMws
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	Agreement on the Assignment of Rights and Obligations	0000033/2011-SMws
GTS Telecom SRL	Annex 1 to the Agreement for the provision and operation of international freephone service and international shared cost services	Annex 1 to the Agreement for the provision and operation of international freephone service and international shared cost services	0000035/2011-SMws
GTS Telecom SRL	Service Agreement	Service Agreement	0000043/2011-SMws
GTS Telecom SRL	Voice Reseller Master Agreement Romania	Voice Reseller Master Agreement Romania	0000055/2011-SMws
GTS Telecom SRL	Agreement on the Assignment of Rights and Obligations	Agreement on the Assignment of Rights and Obligations	0000209/2011-SMna
GTS Telecom SRL	AGREEMENT between GTS Czech and GTS Telecom	Agreement between GTS Czech and GTS Telecom	0000001/2013-SMfd
HT – Hrvatski Telekom d.d.	Confidentiality Agreement	Confidentiality Agreement	0000288/2007-SMws
HT – Hrvatski Telekom d.d.	Agreement	Agreement	0000031/2008-SMws
Iskon Internet d.d.	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	Agreement on the Assignment of Rights and Obligations	0000163/2011-SMna

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Magyar Telekom Telecommunications Public Limited Company	Addendum 2 to the International GSM Roaming Agreement Inter Operator Discounts	Addendum 2 to the International GSM Roaming Agreement Inter Operator Discounts	011437-102-00
Magyar Telekom Telecommunications Public Limited Company	Supplementary Discount Agreement for Bilateral discount on the Inter Operator Tariff (IOT)	Supplementary Discount Agreement for Bilateral discount on the Inter Operator Tariff (IOT)	011437-201-00
Magyar Telekom Telecommunications Public Limited Company	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	011437-202-00
Magyar Telekom Telecommunications Public Limited Company	International GSM Roaming Agreement – Hungary	International GSM Roaming Agreement – Hungary	011437-000-00
Magyar Telekom Telecommunications Public Limited Company	Roaming Agreement for Public Wireless Lan Services (Hungary)	Roaming Agreement for Public Wireless Lan Services (Hungary)	018026-000-00
Magyar Telekom Telecommunications Public Limited Company	Amendment No.1 to the Roaming Agreement fot Public Wireless Lan Services	Amendment No.1 to the Roaming Agreement fot Public Wireless Lan Services	018026-101-00
Magyar Telekom Telecommunications Public Limited Company	Telecommunications Services Agreement – Matáv Hungarian Telecommunications Company Ltd.	Telecommunications Services Agreement – Matáv Hungarian Telecommunications Company Ltd.	0000146/2007-SMws
Makedonski Telekom AD – Skopje	Project Service Agreement – SSL Certificate Service	Project Service Agreement – SSL Certificate Service	024384-000-00
Makedonski Telekom AD – Skopje	International Roaming Agreement	International Roaming Agreement	000362-000-00
Makedonski Telekom AD Skopje	Project Service Agreement – DRSSC SSL Certification Service	Project Service Agreement – DRSSC SSL Certification Service	024383-000-00
Nexmo, Inc.	Agreement on the Provison of Wholesale SMS tranzit Services – Nexmo, Inc.	Agreement on the Provison of Wholesale SMS tranzit Services – Nexmo, Inc.	0000002/2013-SmlWh
Nexmo, Inc.	Interconnect Agreement – Nexmo	Interconnect Agreement – Nexmo	0000062/2013-SMws
Nexmo, Inc.	Interconnect Agreement – Nexmo, Inc.	Interconnect Agreement – Nexmo, Inc.	0000001/2014-SMws
OTE INTERNATIONAL SOLUTIONS S.A.	Mutual Non-Disclosure Agreemnet – OTE	Mutual Non-Disclosure Agreemnet – OTE	0000129/2007-SMws
Orange Personal Communication..Ltd.	International GSM Roaming Agreement	International GSM Roaming Agreement	000335-000-00
Slovak Telekom, a.s.	International GSM Roaming Agreement – Slovensko	International GSM Roaming Agreement – Slovensko	000178-000-00
Slovak Telekom, a.s.	Addendum No. 1 to the International Roaming Agreement – Inter Operator Discounts	Addendum No. 1 to the International Roaming Agreement – Inter Operator Discounts	000178-101-00
Slovak Telekom, a.s.	Amendment to the Addendum to the International Roaming Agreement – Inter Operator Discount	Amendment to the Addendum to the International Roaming Agreement – Inter Operator Discount	000178-101-01
Slovak Telekom, a.s.	Supplementary IOT Agreement	Supplementary IOT Agreement	000178-201-00
Slovak Telekom, a.s.	Licenční smlouva	Licence agreement	010428-000-00
Slovak Telekom, a.s.	Interconnection Agreement	Interconnection Agreement	016452-000-00
Slovak Telekom, a.s.	Roaming Agreement for Public Wireless Lan Services	Roaming Agreement for Public Wireless Lan Services	017447-000-00
Slovak Telekom, a.s.	Addendum Letter to Acquistion Due Diligence Contract – Project Poletucha	Addendum Letter to Acquistion Due Diligence Contract – Project Poletucha	022795-101-00
Slovak Telekom, a.s.	NDA – project Vltava – potential outsourcing of planning, built and maintenance	NDA – project Vltava – potential outsourcing of planning, built and maintenance	023268-000-00
Slovak Telekom, a.s.	Kupní smlouva – nábytek pro vybavení prodejen	Purchase agreement – equipment for shops	023489-000-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Slovak Telekom, a.s.	Kupní smlouva – nákup nábytku pro refreshe Partnerských prodejen T-Mobile	Purchase agreement for equipment for partner shops	023718-000-00
Slovak Telekom, a.s.	Kupní smlouva – nákup nábytku pro partnerské prodejny TMCZ	Purchase agreement for equipment for partner shops	023814-000-00
Slovak Telekom, a.s.	Kupní smlouva na použitý nábytek z SK pro PP	Purchase agreement for used equipment from SK for partner shops	024574-000-00
Slovak Telekom, a.s.	Memorandum of Understanding	Memorandum of Understanding	024591-000-00
Slovak Telekom, a. s.	Smlouva o peeringu	Peering agreement	0000079/2006-SMin
Slovak Telekom, a. s.	International Telecommunication Services Agreement	International Telecommunication Services Agreement	0000170/2006-SMnp
Slovak Telekom, a. s.	Smlouva o spolupraci při poskytování telekomunikačních služeb	Cooperation agreement for providing telecommunication services	0000035/2007-SMws
Slovak Telekom, a. s.	Agreement on Termination – Slovak Telekom	Agreement on Termination – Slovak Telekom	0000031/2010-SMws
Slovak Telekom, a. s.	Addendum no 1 _IP addresses – Agreement on Termination – Slovak Telekom	Addendum no 1 _IP addresses – Agreement on Termination – Slovak Telekom	0000031/2010-SMws
Slovak Telekom, a. s.	Smlouva o lokálním peeringu	Local peering agreement	0000049/2006-SMin
Slovak Telekom, a. s.	Interconnection Agreement between T-Mobile Slovakia and GTS NOVERA a.s.	Interconnection Agreement between T-Mobile Slovakia and GTS NOVERA a.s.	0000046/2007-SMws
SunCom Wireless Operating	International Roaming Agreement (USA)	International Roaming Agreement (USA)	019734-000-00
Telekom Albania SH.A	International Roaming Agreement – Albánie	International Roaming Agreement – Albánie	021365-000-00
Telekom Deutschland GmbH	Interconnection Agreement	Interconnection Agreement	001776-000-00
Telekom Deutschland GmbH	Dodatek č. 1 – doplnění příloh	Amendment no. 1 to the Interconnection Agreement	001776-101-00
Telekom Deutschland GmbH	Dodatek č. 2	Amendment no. 2 to the Interconnection Agreement	001776-102-00
Telekom Deutschland GmbH	Modification no. 3 of the Interconnection Agreement	Modification no. 3 of the Interconnection Agreement	001776-103-00
Telekom Deutschland GmbH	Dodatek 4 – Modification of the Interconnection Agreement	Amendment no. 4 of the Interconnection Agreement	001776-104-00
Telekom Deutschland GmbH	Dodatek č. 5 – Termination in Czech Republic	Amendment no. 5 – Termination of interconnection in the Czech Republic	001776-105-00
Telekom Deutschland GmbH	Dodatek č. 6 – Modification of th	Amendment No. 6 of the Interconnection Agreement	001776-106-00
Telekom Deutschland GmbH	Modification No. 7 of the Interconnection Agreement	Modification No. 7 of the Interconnection Agreement	001776-107-00
Telekom Deutschland GmbH	Modification No. 8 of the Interconnection Agreement	Modification No. 8 of the Interconnection Agreement	001776-108-00
Telekom Deutschland GmbH	Dodatek č. 9 – Modification of the Interconnection Agreement – nový Annex 8	Amendment No. 9 of the Interconnection Agreement – new Annex 8	001776-109-00
Telekom Deutschland GmbH	Dodatek č. 10 – Modification of the Interconnection Agreement – nový Annex 8	Amendment No. 10 of the Interconnection Agreement – new Annex 8	001776-110-00
Telekom Deutschland GmbH	Transfer Agreement	Transfer Agreement	010474-000-00
Telekom Deutschland GmbH	International GSM Roaming Agreement – Germany	International GSM Roaming Agreement – Germany	011435-000-00
Telekom Deutschland GmbH	Addendum to the International GSM Roaming Agreement (Multimedia Messaging)	Addendum to the International GSM Roaming Agreement (Multimedia Messaging)	011435-102-00
Telekom Deutschland GmbH	Supplementary Discount Ag. for Bilateral disc. on the Inter Operator Tariff (IOT)	Supplementary Discount Ag. for Bilateral disc. on the Inter Operator Tariff (IOT)	011435-201-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Telekom Deutschland GmbH	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	011435-202-00
Telekom Deutschland GmbH	Agreement of delivery of authentication	Agreement of delivery of authentication	012384-000-00
Telekom Deutschland GmbH	Agreement on the Provision of Licences (převod HLR licencí)	Agreement on the Provision of Licences (transfer of HLR licences)	012630-000-00
Telekom Deutschland GmbH	Sublicence Agreement of Cashback Software	Sublicence Agreement of Cashback Software	012763-000-00
Telekom Deutschland GmbH	Agreement on the Provision of Licences (převod VLR licencí)	Agreement on the Provision of Licences (transfer of VLR licences)	012805-000-00
Telekom Deutschland GmbH	Agreement on the Use of Common 900 Frequencies in Border Regions	Agreement on the Use of Common 900 Frequencies in Border Regions	013146-000-00
Telekom Deutschland GmbH	Domicile Agreement	Domicile Agreement	013165-000-00
Telekom Deutschland GmbH	Interconnect Software License Agreement	Interconnect Software License Agreement	013166-000-00
Telekom Deutschland GmbH	Agency Contract on Distribution of Services	Agency Contract on Distribution of Services	013479-000-00
Telekom Deutschland GmbH	Agreement on the Provision of Licences – převod HLR licencí z TMD	Agreement on the Provision of Licences – HLR licences transfer from TMD	013664-000-00
Telekom Deutschland GmbH	Transfer Agreement – TMO Welcome SMS Server (purchase)	Transfer Agreement – TMO Welcome SMS Server (purchase)	013959-000-00
Telekom Deutschland GmbH	Agreement on the Provision of Software Licenses for Operating an HLR	Agreement on the Provision of Software Licenses for Operating an HLR	014327-000-00
Telekom Deutschland GmbH	Service Agreement – TCS hosting & OLA	Service Agreement – TCS hosting & OLA	014468-000-00
Telekom Deutschland GmbH	Service Agreement Concern. the Performance of Melody Services	Service Agreement Concern. the Performance of Melody Services	014973-000-00
Telekom Deutschland GmbH	Amendment No. 1 to Service Agreement (performance of Melody Services)	Amendment No. 1 to Service Agreement (performance of Melody Services)	014973-101-00
Telekom Deutschland GmbH	Amendment 2 to Service Agreement – transfer pricing 2008	Amendment 2 to Service Agreement – transfer pricing 2008	014973-102-00
Telekom Deutschland GmbH	Service Agreement – SWS Maitenance	Service Agreement – SWS Maitenance	015684-000-00
Telekom Deutschland GmbH	Project Service Agreement for Subscription Server	Project Service Agreement for Subscription Server	016046-000-00
Telekom Deutschland GmbH	Project Service Agreement – for MMS E-Mail reply	Project Service Agreement – for MMS E-Mail reply	016132-000-00
Telekom Deutschland GmbH	Agreement for the processing of data (Federal Data Protection ACT (BDSG)	Agreement for the processing of data (Federal Data Protection ACT (BDSG)	016138-000-00
Telekom Deutschland GmbH	Sublicense Agreement for micro payment platform XTC	Sublicense Agreement for micro payment platform XTC	016434-000-00
Telekom Deutschland GmbH	International Roaming Agreement – Germany	International Roaming Agreement – Germany	016485-000-00
Telekom Deutschland GmbH	Purchase Agreement – GSM parts sale	Purchase Agreement – GSM parts sale	016586-000-00
Telekom Deutschland GmbH	Roaming Agreement for Public Wireless LAN Services (WLAN -Germany)	Roaming Agreement for Public Wireless LAN Services (WLAN -Germany)	016882-000-00
Telekom Deutschland GmbH	Project Service Agreement (Remote Device Management) Release 1A	Project Service Agreement (Remote Device Management) Release 1A	016886-000-00
Telekom Deutschland GmbH	Addendum No. 1 – Remote Device Management Release 1 A	Addendum No. 1 – Remote Device Management Release 1 A	016886-101-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
Telekom Deutschland GmbH	Purchase Agreement (prodej MSC HW – CCNC parts do TMD)	Purchase Agreement (MSC HW – CCNC parts sale for TMD)	017455-000-00
Telekom Deutschland GmbH	Sublicence Agreement for Cryptotickets-Software	Sublicence Agreement for Cryptotickets-Software	017483-000-00
Telekom Deutschland GmbH	Project Service Agreement for the Provision of MMSC – Services	Project Service Agreement for the Provision of MMSC – Services	020176-000-00
Telekom Deutschland GmbH	Supplementary Agreement No. 1 to the PSA for the Provision of MMSC Services	Supplementary Agreement No. 1 to the PSA for the Provision of MMSC Services	020176-101-00
Telekom Deutschland GmbH	Agreement on the processing of personal data on behalf of the customer	Agreement on the processing of personal data on behalf of the customer	020414-000-00
Telekom Deutschland GmbH	Project Service Agreement For the Provision of IN Systems	Project Service Agreement For the Provision of IN Systems	021153-000-00
Telekom Deutschland GmbH	Project Service Agreement For the Provision of FTE based Services	Project Service Agreement For the Provision of FTE based Services	021155-000-00
Telekom Deutschland GmbH	Project Service Agreement (operation of International Transmission Network)	Project Service Agreement (operation of International Transmission Network)	021192-000-00
Telekom Deutschland GmbH	Project Service Agreement – For the Provision of OTA Services	Project Service Agreement – For the Provision of OTA Services	021318-000-00
Telekom Deutschland GmbH	Project Service Agreement for VoMS – Voucher Management System	Project Service Agreement for VoMS – Voucher Management System	021497-000-00
Telekom Deutschland GmbH	Project Service Agreement (PSA) for For the Provision of the Next Generation Voice Mail System	Project Service Agreement (PSA) for For the Provision of the Next Generation Voice Mail System	022097-000-00
Telekom Deutschland GmbH	Service Arrangement – Telekom Deutschland Product Development	Service Arrangement – Telekom Deutschland Product Development	022888-113-00
Telekom Deutschland GmbH	Service Level Agreement (SLA) for PKI services sharing	Service Level Agreement (SLA) for PKI services sharing	023939-000-00
Telekom Deutschland GmbH	Framework agreement for providing of services with transfer pricing	Framework agreement for providing of services with transfer pricing	024410-000-00
Telekom Deutschland GmbH	Service Arrangement – SLA Outbound 2014 k Framework Agreement Outbound	Service Arrangement – SLA Outbound 2014	024410-101-00
Telekom Deutschland GmbH	Service Level Agreement (SLA) for SMS Welcome	Service Level Agreement (SLA) for SMS Welcome	024576-000-00
Telekom Deutschland GmbH	Service Level Agreement (SLA) for ngSMSC	Service Level Agreement (SLA) for ngSMSC	024846-000-00
Telekom Deutschland GmbH	International Roaming Agreement – Deutschland (DEUD1)	International Roaming Agreement – Deutschland (DEUD1)	025033-000-00
Telekom Deutschland GmbH.	Project service agreement – provisioning and operation of the Short Message Application Router (SMAR)	Project service agreement – provisioning and operation of the Short Message Application Router (SMAR)	022597-000-00
Telekom Deutschland GmbH.	Project Service Agreement (PSA)- Projekt ENDURO	Project Service Agreement (PSA)- Projekt ENDURO	023233-000-00
Telekom Deutschland GmbH.	Project Service Agreement – Operation and maintenance of Blackberry Download Server	Project Service Agreement – Operation and maintenance of Blackberry Download Server	023438-000-00
Telekom Deutschland GmbH.	Project Service Agreement (PSA) – Blackberry services	Project Service Agreement (PSA) – Blackberry services	023676-000-00
Telekom Deutschland GmbH	Letter of Intent 2013	Letter of Intent 2013	023803-000-00
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A.	Addendum to International Roaming Agreement (Romania)	Addendum to International Roaming Agreement (Romania)	014876-101-00

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TELEKOM ROMANIA (ROMTELECOM SA)	International Telecommunication Services Agreement – ROMTELECOM S.A.	International Telecommunication Services Agreement – ROMTELECOM S.A.	0000254/2007-SMws
T-Mobile Austria GmbH	International GSM Roaming Agreement – Austria	International GSM Roaming Agreement – Austria	011417-000-00
T-Mobile Austria GmbH	Supplementary Discount Agreement for Bilateral disc. on the Inter Operator Tariff(IOT)	Supplementary Discount Agreement for Bilateral disc. on the Inter Operator Tariff(IOT)	011417-201-00
T-Mobile Austria GmbH	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	Supplementary IOT Ag. for Bilateral Ag. on the Inter Operator Tariff	011417-202-00
T-Mobile Austria GmbH	Interconnection Agreement	Interconnection Agreement	013609-000-00
T-Mobile Austria GmbH	Announcement of price decrease for termination into the network of tele.ring	Announcement of price decrease for termination into the network of tele.ring	013609-501-00
T-Mobile Austria GmbH	Roaming Agreement for Public Wireless Lan Services (WLAN)	Roaming Agreement for Public Wireless LAN Services (WLAN)	016604-000-00
T-Mobile Austria GmbH	Service Level Agreement (SLA) – Alcatel SDH Equipment (ITN))	Service Level Agreement (SLA) – Alcatel SDH Equipment (ITN))	017111-000-00
T-Mobile Austria GMBH	Project Service Agreement (for operation of International Transmission Network)	Project Service Agreement (for operation of International Transmission Network)	021148-000-00
T-Mobile Austria GmbH	Test Agreement – on access to a web-based communications solution (M2M Service Portal)	Test Agreement – on access to a web-based communications solution (M2M Service Portal)	024734-000-00
T-Mobile Netherlands B.V.	International GSM Roaming Agreement	International GSM Roaming Agreement	000537-000-00
T-Mobile Netherlands B.V.	Supplementary discount agreement on Bilateral discounts on the Inter Operator tariff (IOT) for GPRS-services in International Roaming	Supplementary discount agreement on Bilateral discounts on the Inter Operator tariff (IOT) for GPRS-services in International Roaming	000537-201-00
T-Mobile Netherlands B.V.	Supplementary IOT agreement for Bilateral agreement on the Inter Operator Tariff (IOT) for GPRS Always On Services (here Blackberry) in International Roaming	Supplementary IOT agreement for Bilateral agreement on the Inter Operator Tariff (IOT) for GPRS Always On Services (here Blackberry) in International Roaming	000537-202-00
T-Mobile Netherlands B.V.	Variation Agreement of GPRS Initial Frame Indents	Variation Agreement of GPRS Initial Frame Indents	011292-201-00
T-Mobile Netherlands B.V.	Roaming Agreement for Public Wireless LAN Services	Roaming Agreement for Public Wireless LAN Services	016486-000-00
T-Mobile Netherlands B.V.	Project Service Agreement for operation of International Transmission Network	Project Service Agreement for operation of International Transmission Network	021146-000-00
T-Mobile Polska S.A.	Framework Service and Consultancy Agreement	Framework Service and Consultancy Agreement	000909-000-00
T-Mobile Polska S.A.	International GSM Roaming Agreement	International GSM Roaming Agreement	011455-000-00
T-Mobile Polska S.A.	Addendum No. 1 to International GSM Roaming Agreement	Addendum No. 1 to International GSM Roaming Agreement	011455-101-00
T-Mobile Polska S.A.	Supplementary IOT Discount Agreement for Bilateral Agreement on the Inter Operator Tariff (IOT) for GPRS Always on Services (here Blackberry) in International Roaming	Supplementary IOT Discount Agreement for Bilateral Agreement on the Inter Operator Tariff (IOT) for GPRS Always on Services (here Blackberry) in International Roaming	011455-201-00
T-Mobile Polska S.A.	Roaming Agreement for Public Wireless Lan Services	Roaming Agreement for Public Wireless LAN Services	017796-000-00
T-Mobile Polska S.A.	ONE IMS Mavenir Centralized TestBed and services – Supply LOI	ONE IMS Mavenir Centralized TestBed and services – Supply LOI	024188-000-00
T-Mobile Polska S.A.	Framework Cooperation and Service Agreement Concerning the Provision of IMS SSC	Framework Cooperation and Service Agreement Concerning the Provision of IMS SSC	025011-000-00
T-Mobile USA, Inc.	Multilateral International GSM Roaming Agreement	Multilateral International GSM Roaming Agreement	000323-000-00
T-Mobile USA, Inc.	Addendum to Multilateral International GSM/ PCS Roaming Agreement	Addendum to Multilateral International GSM/PCS Roaming Agreement	000323-101-00
T-Mobile USA, Inc.	International Roaming Agreement	International Roaming Agreement	016180-000-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
T-Mobile USA, Inc.	Roaming Agreement for Public Wirelless LAN Services	Roaming Agreement for Public Wirelless LAN Services	017191-000-00
T-Systems France S.A.S	Framework Agreement – Monet Security Services	Framework Agreement – Monet Security Services	2013/0011
T-Systems France S.A.S	Transfer of Assets Agreement	Transfer of Assets Agreement	2013/0084
T-Systems GEI GmbH	Software Maintenance Agreeement	Software Maintenance Agreeement	017408-000-00
T-Systems International GmbH	Poskytnutí licencí produktů Microsoft	Agreement on the use of a licence under the Microsoft Enterprise Agreement (MS EA) of Deutsche Telekom AG	010423-000-00
T-Systems International GmbH	Non-Disclosure Agreement on the Project „Due diligence for outsourcing TMCZ IT operations“	Non-Disclosure Agreement on the Project „Due diligence for outsourcing TMCZ IT operations“	012307-000-00
T-Systems International GmbH	Supplement No. 3 to the Project Service Agreement No. 022281-000-00 NG CRM	Supplement No. 3 to the Project Service Agreement No. 022281-000-00 NG CRM	022281-103-00
T-Systems International GmbH	Supplement No. 4 to the Project Service Agreement No. 022281-000-00 NG CRM	Supplement No. 4 to the Project Service Agreement No. 022281-000-00 NG CRM	022281-104-00
T-Systems International GmbH	Personal Data Processing Contract	Personal Data Processing Contract	022692-000-00
T-Systems International GmbH	Confidentiality Agreement	Confidentiality Agreement	023158-000-00
T-Systems International GmbH	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	Enrolment to the Frame Agreement for the supply of CCC SAP Services including SAP Licence Management Services	023213-000-00
T-Systems International GmbH	Declaration of User Accession to the Agreement on Telepresence@DTAG/SEE Services	Declaration of User Accession to the Agreement on Telepresence@DTAG/SEE Services	023403-000-00
T-Systems International GmbH	Agreement for Commissioned Data Processing – Telekom Social Network Data Process	Agreement for Commissioned Data Processing – Telekom Social Network Data Process	023492-000-00
T-Systems International GmbH	Amendment No. 1 to Agreement For Commissioned Data Processing in Telekom Social Network	Amendment No. 1 to Agreement For Commissioned Data Processing in Telekom Social Network	023492-101-00
T-Systems International GmbH	Letter of Intent 2013	Letter of Intent 2013	023803-000-00
T-Systems International GmbH	Letter of Intent for Tibco Enterprise Licence Agreement 2012 – 2015	Letter of Intent for Tibco Enterprise Licence Agreement 2012 – 2015	023824-000-00
T-Systems International GmbH	Software Licence Agreement for Tibco Enterprise Licence Agreement 2012-2015	Software Licence Agreement for Tibco Enterprise Licence Agreement 2012-2015	023921-000-00
T-Systems International GmbH	Software Delivery Agreement – subcontract for finalisation of NG CRM R1 Siebel	Software Delivery Agreement – subcontract for finalisation of NG CRM R1 Siebel	023954-000-00
T-Systems International GmbH	Supplement No. 1 to the Software Delivery Agreement	Supplement No. 1 to the Software Delivery Agreement	023954-101-00
T-Systems International GmbH	Project Service Agreement (PSA) – Provision of Services in connection with Shared Platforms and Services	Project Service Agreement (PSA) – Provision of Services in connection with Shared Platforms and Services	024100-000-00
T-Systems International GmbH	Term Sheet 2014 – International Billing & Mediation Device (iBMD)	Term Sheet 2014 – International Billing & Mediation Device (iBMD)	024100-201-00
T-Systems International GmbH	Term Sheet 2014 – Risk Management Center (RMC)	Term Sheet 2014 – Risk Management Center (RMC)	024100-202-00
T-Systems International GmbH	Term Sheet 2014 – common Business Service Interface (cBSI)	Term Sheet 2014 – common Business Service Interface (cBSI)	024100-203-00
T-Systems International GmbH	Termination notice cBSI	Termination notice cBSI	024100-203-41
T-Systems International GmbH	Term Sheet 2014 – Content Administration Portal (CAP)	Term Sheet 2014 – Content Administration Portal (CAP)	024100-204-00

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
T-Systems International GmbH	Term Sheet 2014 – Harmonized Payment Converter (HPC)	Term Sheet 2014 – Harmonized Payment Converter (HPC)	024100-205-00
T-Systems International GmbH	Term Sheets 2014 – Voucher Management System (VoMS)	Term Sheets 2014 – Voucher Management System (VoMS)	024100-206-00
T-Systems International GmbH	Term Sheet 2014 for Service Provision of international IT service cIBS	Term Sheet 2014 for Service Provision of international IT service cIBS	024100-207-00
T-Systems International GmbH	Term Sheets 2014 for Service Provision of international IT service SubSe	Term Sheets 2014 for Service Provision of international IT service SubSe	024100-208-00
T-Systems International GmbH	Term Sheets 2014 – Xaction Transaction Controller (XTC)	Term Sheets 2014 – Xaction Transaction Controller (XTC)	024100-209-00
T-Systems International GmbH	Term Sheets 2014 – SOA-Backplane (SOA-BP)	Term Sheets 2014 – SOA-Backplane (SOA-BP)	024100-210-00
T-Systems International GmbH	Term Sheets 2014 – common Wholesale Billing (cWB)	Term Sheets 2014 – common Wholesale Billing (cWB)	024100-211-00
T-Systems International GmbH	Termination of the Term Sheet regarding services for common Wholesale Billing (cWB) concluded under the Project Service Agreement No. 024100-000-00	Termination of the Term Sheet regarding services for common Wholesale Billing (cWB) concluded under the Project Service Agreement No. 024100-000-00	024100-211-41
T-Systems International GmbH	Declaration of Compliance for the Processing of Data in SharePoint for V ET	Declaration of Compliance for the Processing of Data in SharePoint for V ET	024361-000-00
T-Systems International GmbH	Adherence Agreement (to the agreement 990072-000-00)	Adherence Agreement (to the agreement 990072-000-00)	024737-000-00
T-Systems International GmbH	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	024757-000-00
T-Systems International GmbH	Adherence Agreement to the Contract 71009540 – Citrix contract 2015	Adherence Agreement to the Contract 71009540 – Citrix contract 2015	025139-000-00
T-Systems International GMbH	ICPS Individual Contract	ICPS Individual Contract	880024-000-00
T-Systems International GmbH	Framework Agreement regarding the provision of IT Services	Framework Agreement regarding the provision of IT Services	880052-000-00
T-Systems ITC Iberia S.A.U.	Service Agreement for support services regarding the provision of TC services to Gestamp Automocion S.A.	Service Agreement for support services regarding the provision of TC services to Gestamp Automocion S.A.	024939-000-00
T-Systems ITC Iberia S.A.U.	Service Agreement (Gestamp Automoción)	Service Agreement (Gestamp Automoción)	2013/0918
T-Systems Limited	Service Agreement	Service Agreement	2013/0314
T-Systems Limited	Amendment to Service Agreement Nr. 2012/0737	Amendment to Service Agreement Nr. 2012/0737	2013/0665
T-Systems Limited	Business Agreement	Business Agreement	2013/1190
T-Sytems International GmbH	Share Purchase Agreement – Angel + znalecký posudek	Share Purchase Agreement in relation to T-Systems Czech Republic a.s.	024278-000-00
T-Sytems International GmbH	Cooperation Agreement – transakce Angel	Cooperation Agreement in relation to acquisition of T-Systems Czech Republic a.s.	024279-000-00
T-Sytems International GmbH	Individual Agreement (Project Time Management System)	Individual Agreement (Project Time Management System)	2012/1359
T-Sytems International GmbH	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	2012/1549
T-Sytems International GmbH	ICPS Individual Contract	ICPS Individual Contract	2012/1553
T-Sytems International GmbH	ICPS Individual Contract	ICPS Individual Contract	2012/1554
T-Sytems International GmbH	Delivery Agreement – IT Services	Delivery Agreement – IT Services	2013/0105

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
T-Sytems International GmbH	Delivery Agreement – Global Business Continuity Manager Services	Delivery Agreement – Global Business Continuity Manager Services	2013/0111
T-Sytems International GmbH	Service Schedule (IBL Connection iDCC (One-Time Costs))	Service Schedule (IBL Connection iDCC (One-Time Costs))	2013/0140
T-Sytems International GmbH	Operational level Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ – OLA Telekom IT FB T-Europe 2013 Q1 CZ	Operational level Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ – OLA Telekom IT FB T-Europe 2013 Q1 CZ	2013/0225
T-Sytems International GmbH	Delivery Agreement – IT Services	Delivery Agreement – IT Services	2013/0234
T-Sytems International GmbH	Operational Level Agreement (OLA) to the Frame Delivery Agreement for SOC SAP TS Large Accounts	Operational Level Agreement (OLA) to the Frame Delivery Agreement for SOC SAP TS Large Accounts	2013/0238
T-Sytems International GmbH	Individual Agreement	Individual Agreement	2013/0262
T-Sytems International GmbH	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	2013/0263
T-Sytems International GmbH	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ	2013/0272
T-Sytems International GmbH	Operational Level Agreement to the Frame Delivery Agreement for GDU SAP TS MPHS	Operational Level Agreement to the Frame Delivery Agreement for GDU SAP TS MPHS	2013/0280
T-Sytems International GmbH	Delivery Agreement – IT Services	Delivery Agreement – IT Services	2013/0500
T-Sytems International GmbH	Service Agreement	Service Agreement	2013/0517
T-Sytems International GmbH	ngCRM Infrastructure Operation	ngCRM Infrastructure Operation	2013/0600
T-Sytems International GmbH	Business Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ	Business Agreement to the Frame Delivery Agreement for Telekom IT 2013 CZ	2013/0649
T-Sytems International GmbH	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	2013/0680
T-Sytems International GmbH	Operational Level Agreement (OLA) to the Frame Delivery Agreement for GDU SAP TS	Operational Level Agreement (OLA) to the Frame Delivery Agreement for GDU SAP TS	2013/0715
T-Sytems International GmbH	Operating Level Agreement (OLA) for GDU SAP TS	Operating Level Agreement (OLA) for GDU SAP TS	2013/0735
T-Sytems International GmbH	Operational Level Agreement (OLA) to the Frame Delivery Agreement for Telekom IT 2013 CZ	Operational Level Agreement (OLA) to the Frame Delivery Agreement for Telekom IT 2013 CZ	2013/0741
T-Sytems International GmbH	Amendment to Service Schedule Network FW-LB Nr. 2010/697	Amendment to Service Schedule Network FW-LB Nr. 2010/697	2013/0769
T-Sytems International GmbH	Amendment to Service Schedule Microsoft Nr. 2010/1522	Amendment to Service Schedule Microsoft Nr. 2010/1522	2013/0770
T-Sytems International GmbH	Amendment to Service Schedule Filent Nr. 2010/1524	Amendment to Service Schedule Filent Nr. 2010/1524	2013/0771
T-Sytems International GmbH	Amendment to Service Schedule SAP Nr. 2010/1270	Amendment to Service Schedule SAP Nr. 2010/1270	2013/0772
T-Sytems International GmbH	Amendment to Service Schedule ARM Nr. 2010/1364	Amendment to Service Schedule ARM Nr. 2010/1364	2013/0773
T-Sytems International GmbH	Amendment to Service Schedule Linux Waikiki Nr. 2011/1453	Amendment to Service Schedule Linux Waikiki Nr. 2011/1453	2013/0774
T-Sytems International GmbH	Amendment to Service Schedule Linux Havaii Nr. 2010/1523	Amendment to Service Schedule Linux Havaii Nr. 2010/1523	2013/0775
T-Sytems International GmbH	Amendment to Service Schedule Linux Hawaii Nr. 2010/1520	Amendment to Service Schedule Linux Hawaii Nr. 2010/1520	2013/0776

Partner	Services / goods – original version	Services / goods – translation	No. of contract of Company
T-Sytems International GmbH	Operational Level Agreement (OLA) for IT CSOAO 2013 Q3 CZ	Operational Level Agreement (OLA) for IT CSOAO 2013 Q3 CZ	2013/0852
T-Sytems International GmbH	Operational Level Agreement (OLA) for IT CSOAO 2013 Q4 CZ	Operational Level Agreement (OLA) for IT CSOAO 2013 Q4 CZ	2013/0853
T-Sytems International GmbH	Operational Level Agreement (OLA) to the Frame Delivery Agreement for Telekom IT 2013 CZ	Operational Level Agreement (OLA) to the Frame Delivery Agreement for Telekom IT 2013 CZ	2013/0882
T-Sytems International GmbH	Bietererklaerung	Bidder declaration	2013/0950
T-Sytems International GmbH	Operational Level Agreement (OLA) for GDU SAP TS	Operational Level Agreement (OLA) for GDU SAP TS	2013/0954
T-Sytems International GmbH	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013	2013/1021
T-Sytems International GmbH	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013	Operational Level Agreement to the Frame Delivery Agreement for Telekom IT 2013	2013/1070
T-Sytems International GmbH	Service Schedule „Waikikki Infrastructure“	Service Schedule „Waikikki Infrastructure“	2013/1153
T-Sytems International GmbH	Delivery agreement Telekom IT 2014 CZ pursuant to the framework agreement regarding the provision of IT Services	Delivery agreement Telekom IT 2014 CZ pursuant to the framework agreement regarding the provision of IT Services	2013/1219
T-Systems International GmbH	One Stop Shopping Agreement	One Stop Shopping Agreement	0000039/2007-SMws
T-Systems Polska Sp. z o.o.	Cooperation agreement	Cooperation agreement	0000243/2011-SMna
Zoznam Mobile, s.r.o.	Smlouva o zajištění poskytování obsahu	Content provision agreement	021136-000-00

5. OVERVIEW OF ACTIONS TAKEN DURING THE ACCOUNTING PERIOD AT THE INITIATIVE OR IN THE INTEREST OF THE CONTROLLING PARTY OR OTHER ENTITIES CONTROLLED BY THE CONTROLLING PARTY WHERE SUCH ACTIONS RELATED TO ASSETS IN EXCESS OF 10% OF THE CONTROLLED ENTITY'S EQUITY AS REPORTED IN THE 2015 FINANCIAL STATEMENTS

During the Accounting period the Company performed in the interest of the Controlling party or other entities controlled by such controlling entity below mentioned legal transactions and other measures concerning assets exceeding 10% of the Company´s equity (i.e. CZK 3,084 million):
On 1 January 2015 the Company purchased 100% share of GTS Czech s.r.o. As of the same day the Company merged with GTS Czech s.r.o. (which ceased to exist without liquidation) and all assets including rights and obligations arising from labour-law provision were transferred to the Company.
During the Accounting period the Company purchased from DTAG Group foreign currency at market value in total amount CZK 8 462 million.

6. ASSESMENT OF THE DAMAGE INCURRED BY THE COMPANY AND OF ITS SETTLEMENT

The Company did not incure any damage from the contracts that were efffective during the Accounting period between the Company and other entities parties from Group of companies, or from any other performances received or provided, which were provided in the interest or at the inititative of the other entities from the Group of companies.

7. ASSESMENT OF RELATIONSHIPS AND RISKS IN THE GROUP OF COMPANIES

7.1 ASSESMENT OF ADVANTAGES AND DISADVANTAGES ARISING FROM THE RELATIONSHIPS WITHIN THE GROUP OF COMPANIES

Mainly advantages result from the Company's participation in the Group of companies. The Group of companies is a provider of top class telecommunication services, it disposes of a strong brand and strong financial background, from which the Company benefits especially when closing deals with its suppliers. No disadvantages result from the Company's participation in the Group of companies.

7.2 NO RISKS RESULT FROM THE CONPANY'S RELATIONSHIPS WITH THE GROUP OF COMPANIES.

In Prague, 17 March 2016

Mark Klein
Chairman of the Board of Directors

In Prague, 17 March 2016

Martin Schlieker
Member of the Board of Directors

REPORT ON THE RELATIONSHIPS BETWEEN THE RELATED PARTIES

FOR THE YEAR 2015

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.

DTAG

100% T-Mobile Global Zwischenholding GmbH (Germany)

- 100,00% T-Mobile Global Holding GmbH (Germany)
  - 100,00% T-Mobile Holdings Limited (United Kingdom)
    - 100,00% One 2 One Limited (United Kingdom)
    - 100,00% T-Mobile (UK) Limited (United Kingdom)
    - 100,00% T-Mobile (UK) Retail Limited (United Kingdom)
    - 100,00% T-Mobile Ltd. (United Kingdom)
    - 100,00% One 2 One Personal Communications Ltd. (United Kingdom)
    - 100,00% T-Mobile International Limited (United Kingdom)
    - 100,00% T-Mobile No. 1 Limited (United Kingdom)
    - 100,00% T-Mobile No. 5 Limited (United Kingdom)
    - 100,00% T-Mobile UK Properties Inc. (USA)
    - 50,00% EE Limited (United Kingdom)
      - 100,00% EE Services Limited (United Kingdom)
      - 25,00% Digital Mobile Spectrum Limited (United Kingdom)
      - 100,00% EE Communications Ltd. (South Africa)
      - 100,00% Everything Everywhere Limited (United Kingdom)
      - 100,00% EE Pension Trustee Limited (United Kingdom)
      - 50,00% Mobile Broadband Network Ltd. (United Kingdom)
      - 33,33% Weve Limited (United Kingdom)
      - 100,00% EE Finance PLC (United Kingdom)
      - 100,00% Orange Personal Communications Services Ltd. (United Kingdom)
        - 100,00% EE (Group) Ltd. (United Kingdom)
          - 99,80% Orange Services India Private Ltd. (India)
        - 100,00% Orange FURBS Trustees Ltd. (United Kingdom)
        - 100,00% Orange Home UK Ltd. (United Kingdom)
        - 0,20% Orange Services India Private Ltd. (India)
      - 35,00% Midland Communications Distribution Ltd. (United Kingdom)
      - 26,00% Mainline Commuciations Group plc (United Kingdom)
  - 100,00% Deusche Telekom Holding B.V. (Netherlands)
    - 66,29% T-Mobile US, Inc. (USA)
      - 100,00% T-Mobile USA, Inc. (USA)
        - 100,00% T-Mobile USA Tower LLC (USA)
        - 100,00% SunCom Wireless Holdings Inc. (USA)
        - 100,00% T-Mobile License, LLC (USA)
        - 100,00% T-Mobile South LLC (USA)
        - 100,00% IBSV LLC(USA)
        - 100,00% T-Mobile Subsidiary IV Corporation (USA)
        - 100,00% VoiceStream Pittsburgh General Partner, Inc. (USA)

100,00% TMUS Assurance Corporation (USA)
100,00% T-Mobile PCS Holdings LLC (USA)
100,00% T-Mobile West LLC (USA)
100,00% T-Mobile Northeast LLC (USA)
100,00% T-Mobile Central LLC (USA)
100,00% Powertel/ Memphis, Inc. (USA)
100,00% VoiceStream PCS I Iowa Corporation (USA)
20,00% JVL Ventures LLC (USA)
100,00% Metro PCS California, LLC (USA)
100,00% T-Mobile Financial, LLC (USA)
100,00% Metro PCS Texas, LLC (USA)
100,00% T-Mobile Leasing, LLC (USA)
100,00% Metro PCS Networks California, LLC (USA)

100% Deutsche Telekom (UK) Limited (United Kingdom)

100,00% T-Mobile International UK Pension Trustee Limited (United Kingdom)

100% Deutsche Telekom Europe Holding GmbH (Germany)

100,00% Deutsche Telekom Europe Holding B.V. (Netherlands)
100,00% Deutsche Telekom Europe B.V. (Netherlands)
100,00% T-Mobile Netherlands Holding B.V. (Netherlands)
100,00% Tulip 2 B.V. (Netherlands)
100,00% T-Mobile Netherlands B.V. (Netherlands)
100,00% T-Mobile Netherlands Retail B.V. (Netherlands)
100,00% T-Mobile Netherlands Klantenservice B.V. (Netherlands)
100,00% T-Mobile Austria Holding GmbH (Austria)
100,00% T-Mobile Austria GmbH (Austria)
100,00% T-Mobile International Austria GmbH (Austria)
100,00% T-Infrastructur Holding GmbH (Austria)
100,00% T-Infrastructur Services GmbH (Austria)
100,00% T-Mobile Czech Republic a.s. (Czech Republic)
100,00% CE Colo Czech s.r.o. (Czech Republic)
51,00% Hrvatski Telekom d.d. (Croatia)
100,00 % Combis, usluge integracija informatickih tehnologija, d.o.o. (Croatia)
100,00 % COMBIS IT usluge d.o.o. (Serbia)
100,00 % COMBIS d.o.o. Sarajevo (Bosnia and Herzegovina)
100,00% Kabelsko distributivni sustav d.o.o. (Croatia)
100,00% Iskon Internet d.d. (Croatia)
100,00 % CA INTERNET d.d. (Croatia)
100,00 % REGICA.NET d.d. (Croatia)
39,10% Hrvatske telekomunikacije Mostar d.d. (Bosnia and Herzegovina)
30,29% Hrvatska posta d.o.o. (Bosnia and Herzegovina)
100,00% E-Tours d.o.o.
100,00% Slovak Telekom, a.s. (Slovakia)
100,00% DIGI SLOVAKIA s.r.o. (Slovakia)
100,00% Telekom Sec, s.r.o. (Slovakia)
100,00% Zoznam Mobile, s.r.o. (Slovakia)
100,00% Zoznam s.r.o. (Slovakia)
51,00% PosAm, s.r.o. (Slovakia)
59,21% Magyar Telekom Telecommunications Public Limited Company (Hungary)
100,00% Combridge SRL. (Romania)
76,53% Crnogorski Telekom A.D. (Montenegro)
100,00% GTS Hungary Távközlési Kft (Hungary)
100,00% Stonebridge A.D.(Macedonia)
51,00 % Makedonski Telekom AD Skopje (Macedonia)
99,94% Novatel Ukraine LLC. i.l.(Ukraine)
100,00% Novatel EOOD (Bulharsko)
100,00% T-Mobile Polska S.A. (Poland)
100,00% Tele Haus Polska Sp.z.o.o. (Poland)
50,00% NetWorkS! Sp.z.o.o. (Poland)

100,00% Tel-Team Inwestycje Sp.z.o.o. (Poland)
100,00% Tele Haus Krakow Sp.z.o.o. (Poland)
100,00% Consorcium 1 S.à.r.l. (GTS) (Luxemburg)
100,00% Consortium 2 S.àr.l. (Luxemburg)
100,00% GTS Central European Holdings Limited (Cyprus)
100,00% Carduelis B.V. (Netherlands)
0,54% GTS Central European Holding B.V. (Netherlands)
99,46% GTS Central European Holding B.V. (Netherlands)
100,00% GTS Ukraine L.L.C. (Ukraine)
100,00% Antel Germany GmbH (Germany)
47,44% GTS Telecom S.R.L. (Romania)
52,56% GTS Telecom S.R.L. (Romania)
100,00% GTS Poland Sp. z o.o. (Poland)
100,00% T-Mobile Service GmbH (Austria)
99,00% Deutsche Telekom Pan-Net s.r.o. (Slovakia)
99,88% Deutsche Telekom Pan-Net Greece EPE (Greece)
100,00% Deutsche Telekom Pan-Net Poland Sp. Z o.o. (Poland)
100,00% Deutsche Telekom Pan-Net Croatia d.o.o. (Croatia)
100,00% Deutsche Telekom Pan-Net Hungary Kft. (Hungary)
100% Deutsche Telekom Asia Pte Ltd (Singapore)
40% +1 Hellenic Telecommunications Organization S.A. (OTE) (Greece)
100,00% OTE International Investments Ltd. (Cyprus)
54,01% Telekom Romania Communications S.A. (Romania)
30,00% Telekom Romania Mobile Communications S.A. (Romania)
100,00% Cosmote Mobile Telecommunications S.A. (Greece)
70,00% Telekom Romania Mobile Communications S.A. (Romania)
99,757% Telekom Albania Sh.a (AMC) (Albania)
100,00% Germanos S.A. (Greece)
1,00% Cosmoholding International B.V. (Netherlands)
99,00% Cosmoholding International B.V. (Netherlands)
100,00% Cosmoholding Romania Ltd. (Cyprus)
100,00% Telemobil S.A. (Zapp) (Romania)
100,00% OTE Estate S.A. (Greece)
100,00% OTE International Solutions S.A. (Greece)
100% ClickandBuy Holding GmbH (Germany)
100,00% CBS GmbH (Germany)
100,00% ClickandBuy International Ltd. (United Kingdom)
100,00% Firstgate Holding AG (Switzerland)
99,62% ClickandBuy Services India Private Ltd. (India)
100% Deutsche Telekom Europe Beteiligungsverwaltungsgesellschaft mbH (Germany)
50% BuyIn S.A. (Belgium)
100,00% BuyIn S.A.S. (France)
100,00% BuyIn GmbH (Germany)
100% Deutsche Telekom Accounting GmbH (Germany)
99,99% Deutsche Telekom Shared Services s.r.o. (Slovakia)
100% Deutsche Telekom Business Services S.R.L. (Romania)

FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

31 December 2015

The financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	31. 12. 2015	31. 12. 2014 restated	1.1.2014 restated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	3,408	7,384	8,294
Trade and other receivables	5	5,397	4,822	5,306
Short-term bank financing	6	58	–	–
Other financial assets		8	64	91
Inventories	7	691	572	537
Prepaid expenses and other current assets		404	273	155
Advanced payment of income tax		339	290	38
Total current assets		**10,305**	**13,405**	**14,421**
NON-CURRENT ASSETS				
Intangible assets	8	8,867	7,661	5,109
Goodwill	9	1,275	131	131
Property and equipment	10	15,513	13,205	13,005
Financial investments	11	2,133	–	–
Other non-current assets		19	9	27
Other financial assets		–	–	7
Total non-current assets		**27,807**	**21,006**	**18,279**
TOTAL ASSETS		**38,112**	**34,411**	**32,700**
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	12	4,267	3,737	4,203
Short-term bank financing	6	-	2,565	760
Other financial liabilities	13	184	132	68
Provisions	14	64	17	23
Deferred income	15	639	638	881
Total current liabilities		**5,154**	**7,089**	**5,935**
NON-CURRENT LIABILITIES				
Other financial liabilities	13	1,001	851	775
Provisions	14	897	736	654
Deferred income	15	3	3	4
Deferred tax liability	16	217	85	92
Total non-current liabilities		**2,118**	**1,675**	**1,525**
TOTAL LIABILITIES		**7,272**	**8,764**	**7,460**
EQUITY				
Share capital	18	520	520	520
Share premium	18	397	3,288	5,344
Capital reserves		1	1	–
Statutory reserve fund	18	104	104	104
Retained earnings		29,818	21,734	19,272
Total equity		**30,840**	**25,647**	**25,240**
TOTAL LIABILITIES AND EQUITY		**38,112**	**34,411**	**32,700**

The notes on pages 54 to 87 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	2015	2014
Revenue	20	26,841	24,072
Other operating income	21	1,055	774
Cost of goods, raw materials and telecommunication services	22	(9,267)	(7,373)
Staff costs	23	(3,194)	(2,884)
Depreciation and amortisation	24	(4,701)	(3,448)
Other operating expenses	25	(4,763)	(4,563)
Profit from operations		**5,971**	**6,578**
Finance income	26	133	210
Finance expense	26	(199)	(198)
Profit before tax		**5,905**	**6,590**
Income tax expense	27	(1,198)	(1,265)
Net profit for the current period		**4,707**	**5,325**
Other comprehensive income		–	–
Total comprehensive income for the period		**4,707**	**5,325**

The notes on pages 54 to 87 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	Share Capital	Share Premium	Statutory Reserve Fund	Other Capital Funds	Retained Earnings	Total
Balance as at 1.1.2014		**520**	**5,344**	**104**	**–**	**19,272**	**25,240**
Total comprehensive income		**–**	**–**	**–**	**–**	**5,325**	**5,325**
Profit for the period		–	–	–	–	5,325	5,325
Transactions with shareholders		**–**	**(2,056)**	**–**	**–**	**(2,863)**	**(4,919)**
Dividends paid	28	–	–	–	–	(4,919)	(4,919)
Impact of acquisition of company under common control*		–	(2,056)	–	–	2,056	–
Creation of Other Capital Funds		**–**	**–**	**–**	**1**	**–**	**1**
Balance as at 31.12.2014		**520**	**3,288**	**104**	**1**	**21,734**	**25,647**
Total comprehensive income		**–**	**–**	**–**	**–**	**4,707**	**4,707**
Profit for the period		–	–	–	–	4,707	4,707
Transactions with shareholders		**–**	**(2,891)**	**–**	**–**	**3,377**	**486**
Impact of acquisition of company under common control*		–	(2,891)	–	–	3,377	486
Balance as at 31.12.2015		**520**	**397**	**104**	**1**	**29,818**	**30,840**

* The movement represents the impact of merger with GTS Czech s.r.o. as at 31 December 2015 (for more information please refer to the opening balances sheet issued on 18.6.2015) and T-Systems Czech Republic a.s. at 31 December 2014.

The notes on pages 54 to 87 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	2015	2014 restated
Cash flows from operating activities			
Profit before tax for the current period		5,905	6,590
Adjustments for non-cash movements:			
Depreciation and amortisation	24	4,701	3,448
Interest expense net	26	88	60
Gain on sale of fixed assets net		(227)	(14)
Other non-cash expense / (income) net		116	(71)
Cash flow from operating activities before changes in working capital		10,583	10,013
Changes in trade and other receivables		17	225
Changes in inventories		52	(35)
Changes in provisions		(35)	4
Changes in trade and other payables		115	134
Cash flow generated from operating activities		10,732	10,341
Income tax paid		(1,023)	(1,529)
Interest paid		(94)	(63)
Interest received		5	3
Net cash flow from operating activities		**9,620**	**8,752**
Cash flows from investing activities			
Purchases of property and equipment and intangible assets	8, 10	(2,829)	(5,135)
Acquisition of business *	28, 11	(4,963)	–
Capital contribution to subsidiary		(711)	–
Purchases of non-current financial assets		–	7
Proceeds from the sale of property and equipment and intangible assets		63	45
Proceeds from the sale of securities		59	422
Finance lease payments received		–	20
Net cash flow from investing activities		**(8,381)**	**(4,641)**
Cash flows from financing activities			
Issuance of short-term financing	2, 6	7,643	6,063
Repayment of short-term financing	2, 6	(11,234)	(6,039)
Repayment of short-term loan	28	(1,331)	–
Dividends paid	28	–	(4,919)
Repayments of finance lease liabilities	10	(293)	(126)
Net cash flow from financing activities		**(5,215)**	**(5,021)**
Net decrease in cash and cash equivalents		**(3,976)**	**(910)**
Cash and cash equivalents as at the beginning of the period	**4**	**7,384**	**8,294**
Cash and cash equivalents as at the end of the period	**4**	**3,408**	**7,384**

* Consideration paid for purchase of business has been reduced by cash and cash equivalents obtained.

The notes on pages 54 to 87 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1 GENERAL INFORMATION

INFORMATION ABOUT THE COMPANY

T-Mobile Czech Republic a.s. („the Company") is a Czech legal entity, joint-stock company with registered office in Prague 4, Tomíčkova 2144/1, Czech Republic, and was incorporated on 15 February 1996, reg. no 64949681. The Company operates public mobile communications network, public fixed telecommunications network and provides mobile communications services, fixed communication services and television broadcasting under conditions of Czech Telecommunication Office („CTO") certificate, No. 310/7, issued on 2 October 2015, authorizing to operate in electronic communication sector, respectively to carry out communication activities comprising provision of the public mobile networks, provision of public fixed networks and provision of electronic communications services.

On 1 January 2015 the Company acquired from another company under common control an entity GTS Czech s.r.o. (hereinafter "GTS Czech" or "the acquired company"), and at the same date GTS Czech merged with the Company. The Company prepared the opening statement of financial position and notes, including description of significant accounting policies and other declarative information as at 1 January 2015, with issued audit opinion without qualification on 18 June 2015.

INFORMATION ABOUT THE ACQUIRED COMPANY

The acquired company GTS Czech s.r.o was incorporated in the Commercial Register on 21 November 2008. The registered office of the acquired company was Přemyslovská 2845/43, 130 00 Prague 3.

The acquired company's primary business activities were the provision of telecommunication services, the establishment, installation, maintenance and service of telecommunications equipment, data processing, data services, network management and technical advisory services in the area of telecommunications.

THE COMPANY'S OWNERSHIP STRUCTURE

On 7 February 2014 a contract between CMobil B.V., the majority shareholder of the Company, and TMCZ Holdco II (Lux) S. .r.l., the minority shareholder of the Company, about purchase of minority share was signed. After the contract became legally effective CMobil B.V. became the sole shareholder of the Company. On 1 March 2015 the sole shareholder was renamed to Deutsche Telekom Europe B.V. As at 31 December 2015 and 31 December 2014, the ownership structure of the Company was as follows:

Shareholder	No. of shares (thousands)	Paid in share capital CZK million	%
Deutsche Telekom Europe B.V. (till 1 March 2015 CMobil B.V.)	520	520	100.00
Total	**520**	**520**	**100.00**

The ultimate parent company of the Company during the accounting periods ended 31 December 2015 and 31 December 2014 was Deutsche Telekom AG („DTAG") which controls Deutsche Telekom Europe B.V (former CMobil B.V.) via Deutsche Telekom Europe Holding B.V. which is controlled by Deutsche Telekom Europe Holding GmbH (former T-Mobile Global Holding Nr. 2 GmbH). Deutsche Telekom Europe B.V. is consolidated by Deutsche Telekom AG Group and its results are presented in Group consolidated financial statements on website www.telekom.de/investor-relations.

LICENCES AND TRADEMARKS

As at 31 December 2015, the Company had the right to use the following frequency bands:

- Allocation of frequency bands for the provision of public mobile network in 900 MHz and 1800 MHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for the provision of public mobile network of electronic communication in 2.1 GHz and 28 GHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for the provision of public mobile network in 800 MHz, 1800 MHz and 2600 MHz frequency bands for the period of 15 years (expires in 2029);
- Allocation of frequency bands for the provision of public mobile network in 26 GHz frequency, which expires in 2020.

The allocations of the frequency bands are referred to as "licences" in these financial statements. Licences do not fall within the scope of IFRIC 12, Service Concession Arrangements, and therefore the Company does not use concession accounting.

The Company owns 161 registered 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by European Union ("IFRS") under the historical cost convention, with exception of derivative instruments, which are stated at fair values.
Financial amounts in these financial statements are presented, unless otherwise stated, in millions of Czech crowns (CZK million).
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

COMPARATIVES

Comparatives are presented in financial statements prepared in accordance with IFRS of T-Mobile Czech Republic a.s. Such financial statements are considered as relevant for appraisal of the changes in the Company's financial position during the annual period ended 31 December 2015.
The ownership interest in GTS Czech s.r.o. was transferred to the Company by a company that is under common control. This transaction is a business combination of entities under common control.
The rules of accounting for business combinations are specified in IFRS 3. This standard, however, does not apply to transactions between entities or businesses under common control. The Company applies the predecessor accounting method for these transactions (similar to pooling of interests).
Under this method, the acquirer takes over the measurement of subsidiary's assets and liabilities from the consolidated financial statements of the ultimate parent company, i.e. from the consolidated financial statements of Deutsche Telekom AG ("DTAG").
The ownership of GTS Czech s.r.o. was transferred to the DTAG group by a transaction of 30 May 2014 through which DTAG obtained control over the GTS Group (including GTS Czech s.r.o.) from a group of private investors. Since this was not a business combination of entities under common control, DTAG applied to this transaction the acquisition method, in accordance with IFRS 3. The assets and liabilities of GTS Group (including GTS Czech s.r.o.) were measured at fair value as of the acquisition date, and the excess of the consideration transferred over the sum of net assets measured at fair value was recognised as goodwill.
The Company has not prepared consolidated financial statements in accordance with IFRS for the year ended 31 December 2014. Nevertheless, these financial statements are based on methods that would have been used for the preparation of consolidated financial statements in accordance with IFRS as at and for the year ended 31 December 2014.
For the purposes of the consolidated financial statements, assets and liabilities of GTS Czech would have been taken over at amounts used in the consolidated financial statements of DTAG.
The legal merger with GTS Czech affected the structure of the Company's equity. The effects are presented in the Statement of changes in equity and disclose in Note 18.

CHANGE IN THE CLASSIFICATION

The Company decided to present transactions with financing arrangements on a separate financial statement line. The aim of such a change in presentation is to provide a more relevant information about the effects of both factoring and reverse factoring transactions on the Company's financial position and cash flows. As a results of the change in presentation, effective from 1 January 2015 all factoring and reverse factoring arrangements are presented on a new financial statement line "Short-term bank financing" and related cash flows are presented under cash flows from financing activities. Comparative amounts were adjusted to show over time trends of factoring arrangements in the statement of financial position and cash flow. The change in presentation does not have any impact on the total comprehensive income for the years 2014 and 2013. The impact of the change on each comparative period presented is shown below.
To improve the presentation of its financial statements, the Company decided to present employee related liabilities for untaken holiday and bonuses within Trade and other payables instead of within Current provisions financial statement line, effectively from 1 January 2015. Comparative amounts were adjusted in the statement of financial position. The change in presentation does not have any impact neither on the total comprehensive income nor cash flow for the years 2014 and 2013.

Statement of financial position as at 31 December 2014 and 1 January 2014:

CZK million	Balances before the change in presentation 31.12.2014	Change in presentation I	Change in presentation II	Balances after the change in presentation 31.12.2014
LIABILITIES AND EQUITY CURRENT LIABILITIES				
Trade and other payables	5,834	(2,565)	468	3,737
Short-term bank financing	–	2,565	–	2,565
Other financial liabilities	132	–	–	132
Provisions	485	–	(468)	17
Deferred income	638	–	–	638
Total current liabilities	**7,089**	**–**	**–**	**7,089**
TOTAL LIABILITIES AND EQUITY	**34,411**	**–**	**–**	**34,411**

CZK million	Balances before the change in presentation 1.1.2014	Change in presentation I	Change in presentation II	Balances after the change in presentation 1.1.2014
LIABILITIES AND EQUITY CURRENT LIABILITIES				
Trade and other payables	4,464	(760)	499	4,203
Short-term bank financing	–	760	–	760
Other financial liabilities	68	–	–	68
Provisions	522	–	(499)	23
Deferred income	881	–	–	881
Total current liabilities	**5,935**	**–**	**–**	**5,935**
TOTAL LIABILITIES AND EQUITY	**32,700**	**–**	**–**	**32,700**

Cash flow statement for the year ended 31 December 2014:

CZK million	Balances before the change in presentation 2014	Change in presentation Ia	Change in presentation Ib	Change in presentation II	Balance after the change in presentation 2014
Cash flows from operating activities					
Changes in trade and other receivables	75	150	–	–	225
Changes in provisions	(27)	–	–	31	4
Changes in trade and other payables	339	(934)	760	(31)	134
Cash flows from financing activities					
Issuance of short-term financing	–	6,063	–	–	6,063
Repayment of short-term financing	–	(5,279)	(760)	–	(6,039)

For comments regarding balances and movements of factoring and reverse factoring arrangements, please see Notes 2i and 6.

ADOPTION OF NEW/REVISED STANDARDS AND NEW STANDARDS (INCLUDING AMENDMENTS OF EXISTING STANDARDS) NOT YET ADOPTED BY THE COMPANY

In 2015, the Company adopted the following standards and amendments to the standards.

a) Adopted during the year:

- Improvements to 2013 International Financial Reporting Standards (issued in December 2013, endorsed by EU for annual periods on or after 1 January 2015). The amendments include changes that affect 4 standards:
  – IFRS 1, First-time Adoption of International Financial Reporting Standards
  – IFRS 3, Business Combinations
  – IFRS 13, Fair Value Measurement
  – IAS 40, Investment Property
- IFRIC 21 – Levies (issued in May 2013, endorsed by EU for annual periods beginning on or after 1 January 2015). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The interpretation defines obligating event that gives rise to a liability.

The adopted standards and amendments do not have material impact on the Company's financial statements.

b) New standards, amendments to the standards and interpretations which are not effective yet and have not been adopted:

- Amendment to IAS 19 – Defined Benefit Plans: Employee contributions (issued in November 2013, endorsed by EU for annual periods beginning on or after 1 February 2015). This amendment is not relevant to the Company.
  Improvements to 2012 International Financial Reporting Standards (issued in December 2013, endorsed by EU for annual periods beginning on or after 1 February 2015). The amendments include changes from the 2010 – 12 cycle of the annual improvements project that affect 7 standards:
  – IFRS 2, Share-based payments
  – IFRS 3, Business combinations
  – IFRS 8, Operating segments
  – IFRS 13, Fair Value Measurement
  – IAS 16, Property, Plant and Equipment
  – IAS 38, Intangible Assets: Revaluation method
  – Consequential amendments to IFRS 9, Financial Instruments; IAS 37, Provisions, contingent liabilities and contingent assets
  – IAS 39, Financial Instruments – Recognition and measurement
- Improvements to 2014 International Financial Reporting Standards (issued in September 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). These set of amendments impacts 4 standards:
  – IFRS 5, Non-current Assets Held for Sale and Discontinued Operations - changes in methods of disposal
  – IFRS 7: Financial instruments: Disclosures (with consequential amendments to IFRS 1) regarding servicing contracts
  – IAS 19, Employee benefits – concerning discount rates
  – IAS 34, Interim Financial Reporting
- Amendment to IAS 16, Property, Plant and Equipment, and IAS 38 Intangible Assets, clarifying acceptable methods of depreciation and amortisation (issued in May 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment clarified that the use of revenue based methods to calculate depreciation of an asset is not appropriate. The amendment will have no material impact on the Company's financial statements.
- Amendment to IAS 16, Property, Plant and Equipment and IAS 41 Agriculture, change in accounting of bearer plants (issued in June 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment is not relevant to the Company's financial statements.
- Amendments to IAS 27, Separate Financial Statements, (issued in August 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The Company's management is not expecting that the amendment will have a material impact on the Company's financial statements.
- Amendment to IFRS 11, Joint arrangements, Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment clarifies the accounting for acquisitions of an interest in a joint operation and correctness of such accounting. The Company's management is not expecting that the amendment will have a material impact on the Company's financial statements.
- Disclosure initiative to Amendment to IAS 1, (issued in December 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The standard was changed in order to clarify concept of materiality and explains, that reporting entity is not required to report information required by IFRS that is immaterial, even when the IFRS contains a list of specific requirements or describes them as minimum requirements. The amendment also introduces new guidance on subtotals in financial statements. The Company's management is not expecting that the amendment will have a material impact on the Company's financial statements.
- Investment Entities: Applying the consolidation exception, amendments to IFRS 10, IFRS 12 and IAS 28 (issued in December 2014, effective for annual periods beginning on or after 1 January 2016, not yet endorsed by EU). The amendment is not relevant to the Company.
- IFRS 14, Regulatory Deferral Accounts rate-categorised presentation (issued in January 2014, effective for annual periods beginning on or after 1 January 2016, not yet endorsed by EU). IFRS 14 provides an exemption for first-time adopters of IFRS. The standard is not relevant to the Company.

- IFRS 9, Financial Instruments – recognition and measurement (issued in July 2014, effective for annual periods beginning on or after 1 January 2018, not yet endorsed by EU). The new standard brings classification and measurement, impairment and hedge accounting and replaces IAS 39 which relates to classification and measurement of financial assets. IFRS 9 keeps, but simplifies measurement model and specifies three categories for financial assets measurement: measured subsequently at amortised costs, fair value through other comprehensive income and fair value through profit and loss. Classification is based on business model and nature of cash flows from the financial asset. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income. IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income. Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging. The Company is currently assessing the impact of the amendments on its financial statements.
- Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates (issued in September 2014, effective date for EU still not announced). The amendments address a conflict between the requirements of IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. The amendments are not relevant to the Company.
- IFRS 15, Revenue from Contracts with Customers (issued in May 2014, effective for annual periods beginning on or after 1 January 2018, not yet endorsed by EU). The new standard introduces, that revenues are recognised in transaction price at time, when goods or services are transferred to a customer. The standard will extend information about revenues, provide guidance for transactions not complexly solved earlier (e.g. service revenues or contract modifications) and concern transactions, where vendor provides more than one performance obligation. Adoption of the new standard will significantly affect financial statements of Company, mainly in revenues recognition over time and further in connection to capitalisation of customer acquisition costs. Revenues recognition over time and revenues classification, either for revenues from services or sale of goods, will be affected as result of new principles for transaction price allocation. The Company's activities, related processes and systems are complex and current estimation is, that the Company will need several months for new accounting principles, judgements and processes implementation according to the new standard. As a result, currently it is not possible to provide a reliable estimate of the impact of new the standard.
- IFRS 16, Leases (issued in January 2016, effective for annual periods beginning on or after 1 January 2019, not yet endorsed by EU). The new standard replaces the accounting requirements of IAS 17, Leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead introduces a single lessee accounting model. Lessee will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The entities will need to go through a major system change to comply with the new standard. Adoption of the new standard will significantly affect financial statements of the Company, mainly in recognition of the operating leases on the statement of financial position. The Company's activities, related processes and systems are complex and current estimation is, that the Company will need several months to develop new accounting principles, make judgements and implement processes according to the new standard. As a result, currently it is not possible to provide a reliable estimate of the impact of new the standard.

a) Accounting estimates

The preparation of the Company's financial statements requires the use of accounting estimates and assumptions in respect of the carrying amount of assets and liabilities not clearly evident from other sources. The estimates and relevant assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the known circumstances. The actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in these financial statements. The estimates and relevant assumptions are continually evaluated. Corrections of accounting estimates are recognised in the period in which the correction occurred (if the correction has an impact only on the current period) and in the following periods (if the correction has an impact on the current and the following period).

Between estimates belongs mainly:

- Estimate of recoverable amount of the cash-generating unit, to which goodwill is allocated for the purposes of impairment testing (see Note 9);
- Provision for doubtful debt (see Note 5).

b) Business combinations

The acquisition method of accounting is used to account for acquisition of subsidiaries. Consideration paid for acquisition of a subsidiary is equal to fair value of the assets transferred and the liabilities incurred. Consideration paid includes fair value of whatever assets and liabilities, which resulting from contingent consideration agreement.

Consideration paid includes fair value of whatever assets and liabilities, which resulting from contingent consideration agreement. Acquired identifiable assets, liabilities and contingent liabilities incurred in business combination are initially recognised at fair value at the date of acquisition. Acquisition related costs are expensed as incurred.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, the Company shall account for the incomplete items using those provisional values. During the measurement period, the Company shall recognise any adjustments to those provisional values or any additional assets and liabilities in order for the adjusted values to reflect new information obtained by the Company about facts

and circumstances that existed as at the date of acquisition and which if had been known as at the date of acquisition would have influenced values recognised. The measurement period is a period from the date of acquisition to the date when the Company obtains complete information about facts and circumstances that existed as at the date of acquisition, however, no later than one year from the acquisition date.
Business combinations under common control are accounted for using predecessor amounts approach (similar to pooling of interest). Under this method the Company does not revaluate assets and liabilities to their fair values but takes over the valuation of subsidiary's assets and liabilities from the consolidated financial statements of the ultimate parent company, i.e. from the consolidated financial statements of DTAG.

c) Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct activities of the entity. Subsidiaries are recorded at historical costs.

d) Goodwill

Goodwill arising on the acquisition of a business represents the excess of the

- Consideration transferred
- Amount of any non-controlling interest in the acquired entity and
- Acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. The Company is considered as one cash-generating unit.

e) Foreign currency translation

The functional and presentation currency is Czech crown. Foreign currency transactions are translated and recorded at the exchange rate published by the Czech National Bank as at the date of the transaction. 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 end of the reporting period. All exchange gains or losses on cash, receivables and liabilities balances are recorded in profit or loss.

f) Joint arrangements

Joint arrangements according to IFRS 11 may have either joint operation or joint venture form. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of joint arrangement.
According to participation in joint operations, the Company recognises assets controlled and liabilities incurred and its share on all jointly held assets and jointly incurred liabilities and its share on revenue and costs generated by the joint operations according to valid terms of relevant contracts.
Other information related to joint arrangements is stated in Note 10.

g) Cash and cash equivalents

Cash and cash equivalents are cash in hand, bank deposits and other highly liquid financial instruments exchangeable for a predetermined amount of cash and due date lower than 3 months from purchase date (mainly depository bill of exchange and short-term deposits).

h) Inventories

Purchased inventories are stated at the lower of acquisition cost or net realisable amount. The acquisition cost primarily includes the purchase price and other costs incurred related to delivery of inventories to the storage place. These costs include mainly customs, storage during transportation and freight. The assessment of the net realisable amount for the handsets takes into account the present value of estimated cash flows resulting from the contract with the final customer.
Provisions are recorded for obsolete, slow-moving and damaged inventories and are deducted from the related inventory balances.
All disposals of purchased inventories are valued using the weighted-average cost method.

i) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:

- Loans and receivables,
- Financial assets at fair value recorded to profit or loss.

Classification of financial assets is based on purpose of asset purchase. Management of the Company assigns financial assets classification at the time of initial record of asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that are not held by the Company for the purpose of selling them immediately or in the short-term. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are comprised in Trade and other receivables, Cash and cash equivalents and Other financial assets in the statement of financial position.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment (hereinafter referred to as "provisions"). A provision for impairment of Trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or reorganisation or default on payments are considered indicators that the receivable is impaired. Provisions are not created for receivables due from the DTAG group companies. The amount of the provision approximates the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original market discount rate used for similar receivables. The amount of loss due to impairment is recognised in profit or loss. The irrecoverable trade receivables are written off against the provision for impairment. The Company performs the receivables write off against provisions after all legal steps for enforcement were taken or after the sale of the receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

In June 2014 the Company entered into a factoring agreement with recourse with Helaba Landesbank Hessen-Thüringen Girozentrale („the Factor"). The Company recognizes the transferred assets to the extent of its continuing involvement, which is the maximum amount that the Company would be required to pay to the Factor. The Company also recognises an associated liability, measured in such a way that the net carrying amount of the transferred asset and the associated liability is equal to the fair value of the rights and obligations retained by the entity.

Financial assets at fair value through profit or loss

The Company uses currency forward contracts to hedge its estimated cash flows. Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised to the profit or loss. The information on accounting of financial derivatives and hedging operations is provided in Note 3.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements. Financial liabilities include mainly trade payables, short-term bank financing, finance lease obligations, bank overdrafts, loans from parent company DTAG and other payables.

Current trade payables and other financial liabilities, except for liabilities at fair value through profit or loss, are initially recognised at fair value and subsequently measured at the amortised cost using the effective interest method.

Supplier financing

The Company uses financial instruments and practices for optimising management of the working capital and liquidity tied up in supply chain process, i.e. reverse factoring of the Company's trade payables. These factoring transactions result in the renegotiation of the payment terms of vendor invoices and transformation of trade payables to liabilities to banks. The related trade payables are derecognized and liabilities from short-term bank financing (refer to Note 6) are recognized instead.

The overview of financial assets and liabilities according to categories is stated in Note 19.

j) Property and equipment

Property and equipment except for land are recorded at acquisition cost less accumulated depreciation and accumulated impairment losses. The acquisition cost comprises the purchase price, transportation costs, customs, installation costs, borrowing costs, estimated costs of dismantling and removing the asset and restoring the base station sites to their original condition and other relevant costs.

Depreciation is calculated using the straight-line method over the assets' estimated useful lives, as follows:

Asset category	Useful life (years)
Buildings, constructions and leasehold improvements	10 to 50 years or in accordance with the lease period
Operating equipment: Network technology equipment (GSM, UMTS)	3 to 10
Transport vehicles, hardware and office equipment	3 to 13

Land recognised at acquisition cost is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, as at each end of the reporting period.

Repair and maintenance expenditures relating to property and equipment are charged to profit or loss as incurred.

If the carrying amount of an asset is higher than its recoverable amount, the carrying amount is reduced to reflect the recoverable amount. The recoverable amount of assets is calculated as the higher of the fair value less cost to sell and value in use, which is the present value of expected future cash flows generated by the asset or the cash-generating unit.

The gain or loss arising from the liquidation, sale or disposal of an asset is determined by comparing the proceeds with the carrying amount of the asset and is recognised in profit or loss.

k) Intangible assets

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 UMTS licence is considered to be the period from when the licence is ready for 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 when the licence is ready for commercial use, through to the licence expiration date in 2024.

iii) LTE licence

The LTE licence which represents the right to provide communication services in the Czech Republic and to establish and operate LTE 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 when the licence is ready for commercial use, through to the licence expiration date in 2029.

iv) 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 useful life, which is two to six 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.

v) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 7 and 17 years.
The useful lives of customer relationships were estimated on the basis of average useful life of customers in each customer base, national customer relationship and multinational customer relationship, which is more stable compared to national one.

Development costs are generally expensed when incurred. Such costs are capitalised only when it is probable that the intangible asset under development will be successful considering its commercial and technological feasibility, and the costs can be reliably measured. Development costs are amortised using the straight-line method over the period of its expected commercial use, however not exceeding five years. The Company does not perform research activities.
If the carrying amount of the intangible asset is higher than its expected recoverable amount, the carrying amount is reduced to reflect the recoverable amount. The recoverable amount of assets is calculated as the higher of the fair value less cost to sell and value in use, which is the present value of future cash flows generated by the asset or the cash generating unit.

l) Finance leases

Leased property and equipment where the Company assumes all the substantial benefits and risks usually connected with the ownership are classified as finance leases. Property and equipment under finance leases is capitalised at lower of fair value and estimated net present value of the minimal lease payments. The corresponding current and non-current lease obligations, net of finance charges are recognised as current and non-current other financial liabilities, respectively. Finance costs are charged to profit or loss over the lease period using the effective interest method.
Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Company to lessee is classified as finance lease. The respective short term and long term lease payments, net of finance charges are recognised as current and non-current finance assets.

m) Operating leases

Payments made under operating leases are charged to profit or loss in equal instalments over the period of the lease.

n) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provisions due to the passage of time is recognised as finance cost.
The Company recognised an asset retirement obligation, which represents the costs of restoring its leased sites in accordance with the terms and conditions of the lease contracts. The estimated value of the liability is added to the carrying amount of the associated non-current tangible asset and is depreciated over the assets' useful life. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are

recognised in the value of the assets or through charges to profit or loss (finance costs). 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 profit or loss.

o) Revenue recognition

Revenue comprises primarily revenue from the provision of telecommunication network services to final customers and to other parties, revenue from the sale of goods and revenues from System Solutions (IT services). Revenue is stated net of discounts and Value Added Tax. The Company recognises the revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the revenue categories.

Revenues from voice services 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, accessories and revenues from operations of optical networks 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 Company further defers installation fees charged to customers based on service agreements. Installation fees are released to the statement of comprehensive income over the expected life of the related service agreement.

Sale of services is recognized as at the date the services are rendered and are stated net of discounts and Value Added Tax.

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

System solutions revenues represent revenues from application of information technology and telecommunications equipment to store, retrieve, transmit and manipulate data and to provide advanced solutions such as system integration, cloud applications, ICT security and desktop services management. System solutions/integration contracts are mainly short-term, billed on the basis of time and material consumed. Revenue is recognised as the services are rendered.

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

p) Cost of goods, raw materials and services

Cost of goods, raw materials and services includes costs of handsets and accessories sold, costs of leased lines, roaming costs and interconnection fees for delivering calls that terminate outside the Company's network. The costs of goods and services are charged to the period in which they are incurred.

q) Commissions to business partners

The Company provides commissions to business partners for customer acquisition or retention, or other services provided by business partner (e.g. prepaid credit recharging, up-sell of customer services). The commissions are expensed as incurred.

r) Employee benefits

Regular contributions are made by the Company to the state to fund the national pension plan that is operated on the basis of the defined contributions. Under this plan, the Company has no obligations beyond the payment of the contributions defined by the law. The Company also provides its employees with contributions for a pension contribution plan under which the Company pays to a separate entity under so-called joint plan of defined contributions. These contributions are recognised in profit or loss as incurred during the employment period.

The Company has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Company recognizes the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled transaction, the Company recognizes the expense against the provision, re-measured at each financial statement date. In case of non-cash-settled transaction, the Company recognizes the expense against the equity capital fund, re-measured at each financial statement date.

s) Income tax

Income tax expense consists of the current tax charge and the change in deferred income tax, except when the change in deferred income tax relates to the items credited or charged directly to equity, in this case the deferred income tax is also recorded in equity.

Deferred income tax is determined based on temporary differences between the carrying amount of assets and liabilities and their tax bases, using the statutory tax rates that are expected to apply when the relevant deferred income tax asset is realised or the relevant deferred income tax liability is settled. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not recognised.

Deferred income tax charged or credited to profit or loss is measured as the change in the net deferred tax asset or liability during the year except when the deferred income tax relates to temporary differences from the items credited or charged directly to equity. The principal temporary differences arise from accounting and tax depreciation of property and equipment, changes in tax non-deductible adjustments and tax non-deductible 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.

t) Capital

The Company's objective when managing capital is to safeguard the Company's ability to continue in its business in order to provide return on investment to its shareholders and benefit other stakeholders as well as to meet all relevant legal requirements. The dividend policy of the Company is aligned with this objective. Equity, represented by share capital, share premium, legal reserve fund and retained earnings, is considered by the Company as a source of financing of the Company's activities.
The Company creates other capital fund according to long term incentive program for top management based on remuneration in shares.

3 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT PRINCIPLES

The Company's activities expose it to a variety of financial risks, primarily credit risk, liquidity risk, currency risk, and interest rate risk. 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, the hedging transactions are generally entered into with institutions that meet the requirements of the Company's hedging strategy for required rating.
Financial risk management is carried out by the Company's Treasury Department under policies and directions set by the Board of Directors of the Company, except for credit risk arising from sales activities which is managed by the Credit Risk Department.

MARKET RISKS

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. In line with the hedging strategy, the Company hedges 100% of committed future foreign exchange exposures and 50 to 90% of uncommitted expected foreign exchange exposures.

Sensitivity analysis

The Company performed a sensitivity analysis for the following items of the statement of financial position denominated in EUR:

- Cash and cash equivalents;
- Trade and other receivables;
- Other financial assets;
- Trade and other payables;
- Short-term bank financing;
- Other financial liabilities.

The effects of other currency fluctuations (SDR, USD, CHF, GBP, AUD) are not deemed material to the Company's financial statements.
As at 31 December 2015, had the CZK decreased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 59 million higher. Conversely as at 31 December 2015, had the CZK increased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 59 million lower.
As at 31 December 2014, had the CZK decreased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 133 million lower. Conversely as at 31 December 2014, had the CZK increased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 133 million higher.

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. Once the current instruments matured, should the Company reinvest the free cash in equivalent financial instruments, it would be exposed to following potential effects:

Interest rate change by 100 basic points*	Profit after-tax impact in CZK million	
	31.12.2015	31.12.2014
Decrease	(1)	(1)
Increase	22	37

*Assuming all other variables holding constant.

CREDIT RISK

The counterparties for transactions of the Company's financial instruments 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. The maximum exposure to credit risk as at the end of the reporting period is represented by the carrying amounts of the financial assets in the statement of financial position.

In case of Cash and cash equivalents and Short-term bank financing concentrations of credit risk are limited as the Company places its cash with substantial credit institutions. Concentrations of credit risks relating to Trade and other receivables and Other financial assets are limited due to credit risk management tools, debt collection process and following policies and directions set in investment strategy approved by the General Meeting of the Company.

Trade and other receivables

The Company considers receivables from customers of its electronic communication services to give rise to the highest credit risk. These receivables represent approximately 80% of all trade receivables. These receivables are continually monitored and associated bad debt provisions are created taking into account the payment discipline of the customers.

The Company has changed approach to monitoring of credit risk arising from receivables from end-users. The change involves regular monitoring of payment discipline of the customers, allowing the immediate response to eventually slight deterioration in the payment discipline of the customers by adjusting activation and debt collecting process.

The credit quality of the receivables from customers of electronic communication services can be analysed by dividing these receivables into the five risk categories:

Risk category	Probability of default in payment in %*	% base**	
		2015	2014
(A) Not yet due	0 – 1,99%	84,5%	82,7%
(B) Up to one month overdue	2,00 – 21,99%	5,8%	5,5%
(C) Up to three months overdue	22,00 – 37,99%	2,7%	3,0%
(D) Up to one year overdue	38,00 – 79,99%	7,0%	8,8%
(E) Over one year overdue – in default	80,00 – 100%	–	–

* Probability of default in payment is determined by long-term payment discipline, which is continuously monitored by T-Mobile Czech Republic a.s. and is considered stable in time.
** Base is defined as nominal value of receivables, which are maximally one year overdue at balance sheet date.

The Company has implemented credit risk management tools and a debt collection process for the defined risk categories. The credit risk management tools include acceptance procedures for new post-paid customers, sending collection letters to customers with overdue payments, enforcement by law and the sale of receivables in auctions. Category (E) – in default consists of deactivated customers only.

Gross value of receivables which are past due but not individually impaired are presented in risk categories as follows:

31. 12. 2015	Risk category					Standard & Poor's Long-term rating			Not individually observed	
CZK million	A	B	C	D	E	BBB+	A- to A+	AA-		Total
Receivables from electronic communication services	2,997	–	–	–	–	–	–	–	–	2,997
Receivables from DTAG group companies	–	–	–	–	–	569	–	–	–	569
Other trade receivables	–	–	–	–	–	–	–	–	857	857
Financial receivables (gross) total	**2,997**	**–**	**–**	**–**	**–**	**569**	**–**	**–**	**857**	**4,423**

31. 12. 2014 CZK million	Risk category A	B	C	D	E	Standard & Poor's Long-term rating BBB+	A- to A+	AA-	Not individually observed	Total
Receivables from electronic communication services	2,884	–	–	–	–	–	–	–	–	2,884
Receivables from DTAG group companies	–	–	–	–	–	523	–	–	–	523
Other trade receivables	–	–	–	–	–	–	–	–	534	534
Financial receivables (gross) total	**2,884**	**–**	**–**	**–**	**–**	**523**	**–**	**–**	**534**	**3,941**

Gross value of receivables which are past due and individually impaired are presented in risk categories as follows:

31. 12. 2015 CZK million	Risk category A	B	C	D	E	Standard & Poor's Long-term rating BBB+	A- to A+	AA-	Not individually observed	Total
Receivables from electronic communication services	–	204	96	250	2,796	–	–	–	–	3,346
Other trade receivables	–	–	–	–	–	–	–	–	22	22
Financial receivables (gross) total	**–**	**204**	**96**	**250**	**2,796**	**–**	**–**	**–**	**22**	**3,368**

31. 12. 2014 CZK million	Risk category A	B	C	D	E	Standard & Poor's Long-term rating BBB+	A- to A+	AA-	Not individually observed	Total
Receivables from electronic communication services	–	193	104	306	2,838	–	–	–	–	3,441
Other trade receivables	–	–	–	–	–	–	–	–	19	19
Financial receivables (gross) total	**–**	**193**	**104**	**306**	**2,838**	**–**	**–**	**–**	**19**	**3,460**

Trade receivables from customers of electronic communication services with increased credit risk are to a certain extent secured by collateral in the form of cash deposits that are refundable after the contract termination or credited against unsettled receivables.
The trade receivables from the DTAG group do not give rise to a significant credit risk. These receivables are settled through the group inter-company clearing centre and therefore classified to category BBB+.
Other trade receivables from third parties as at 31 December 2015 are represented by receivables from dealers CZK 73 million (31 December 2014: CZK 80 million) where balances in this category exceeding a certain level are insured or secured by another instrument, such as a blank bill of exchange, roaming and interconnection receivables CZK 107 million (as at 31 December 2014: CZK 262 million) which not to give rise to significant credit risk and the Company does not monitor them individually and by receivables from business customers for other products of the Company, such as system integration, IT outsourcing, etc. of CZK 700 million (as at 31 December 2014: CZK 211 million). Credit check of business customers for other products of the Company is performed at the beginning of business cases. Receivables from business customers for other products of the Company do not give rise to significant credit risk due to characteristics of transactions and continuously credit monitoring is not necessary.

Cash and cash equivalents and other financial assets

The Company only makes short-term cash deposits (cash, depository bills of exchange, term deposits, REPO transactions). The Company deposits free cash into financial instruments such as mortgage-backed securities or financial investments in the form of loans to DTAG. 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 has a concentration of credit risk mainly towards banks regulated by Czech National Bank, see below.

31.12.2015	Standard & Poor's Long-term rating				
CZK million	BBB+	A- to A+	AA-	Not assigned	Total
Bank accounts	49	345	–	264	658
Cash equivalents	–	2,750	–	–	2,750
Short term bank financing and other financial assets	–	–	–	66	66
Total cash and cash equivalents and other financial assets exposure	**49**	**3,095**	**0**	**330**	**3,474**

31.12.2014	Standard & Poor's Long-term rating				
CZK million	BBB+	A- to A+	AA-	Not assigned	Total
Bank accounts	–	1,484	–	–	1,484
Cash equivalents	–	4,300	1,600	–	5,900
Short term bank financing and other financial assets	–	–	–	64	64
Total cash and cash equivalents and other financial assets exposure	**–**	**5,784**	**1,600**	**64**	**7,448**

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and held for sale 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 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.

The Company uses financial instruments and practices for optimising the management of the working capital and liquidity tied up in supply chain process, i.e. reverse factoring of the Company's trade payables.

The Company concluded agreements according to which the original liabilities were extinguished and replaced by the promissory notes payable to a bank in exchange for the extended payment terms. These agreements were terminated during 2015 (for more information refer to Note 2i and 6).

The residual maturities of financial liabilities are analysed in Note 12.

FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value are classified into three levels according to the method of fair value determination:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2015. The Company does not have any financial assets and liabilities that are measured at fair value at level 1 and 3.

CZK million	Level 2	
	31. 12. 2015	31. 12. 2014
Assets		
Currency forward contract with positive fair value	8	57
Total assets	**8**	**57**
Payables		
Currency forward contract with negative fair value	18	0
Total payables	**18**	**0**

The fair values of financial instruments at level 2 are based on monetary yield curves determined at the balance sheet date which are based on the market prices valid as at the end of the reporting period.
The fair values of finance lease liabilities amounted to CZK 1,454 million as at 31 December 2015 (31 December 2014: CZK 1,249 million). The carrying amount of other categories of financial assets and liabilities both at 31 December 2015 and 31 December 2014 approximate their fair values.
The classification of financial assets and liabilities into categories in accordance with IAS 39 is stated in Note 19.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES
Derivative financial instruments are initially recognised in the statement of financial position at 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 under assumptions based on market conditions existing as at statement of financial position date and other valuation techniques.
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 profit or loss.
The Company uses currency forward contracts to hedge estimated cash flows. All transactions below the equivalent of EUR 15 million (CZK 405 million), are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. In 2015 and 2014, the Company did not apply hedge accounting.

4 CASH AND CASH EQUIVALENTS

CZK million	31.12.2015	31.12.2014
Cash at banks and in hand	658	1,484
Cash equivalents	2,750	5,900
Total	**3,408**	**7,384**

Cash equivalents as at 31 December 2015 and 31 December 2014 consist mainly of bank deposits, depository bills of exchange and REPO transactions.

5 TRADE AND OTHER RECEIVABLES

CZK million	31.12.2015	31.12.2014
Trade receivables	5,984	5,593
Unbilled receivables	1,808	1,808
Less: Provision for impairment	(2,587)	(2,617)
Trade receivables (net)	**5,205**	**4,784**
Other receivables	192	36
Financial receivables total	**5,397**	**4,820**
Other receivables – nonfinancial	–	2
Total	**5,397**	**4,822**

Trade receivables comprise mainly receivables from the communication network users, receivables from other communication services providers, receivables from partners for electronic recharging of Twist pre-paid cards and receivables from independent dealers.
The book value and ageing analysis of trade receivables which are not individually impaired is as follows:

CZK million	Not yet due	Past due			Total
31. 12. 2015		up to 90 days	91–180 days	181–360 days	
Trade receivables:					
– from DTAG group	477	84	3	5	569
– from customers of electronic communication services*	2,997	–	–	–	2,997
– other trade receivables from third parties	791	66	–	–	857
Provisions:					
– for trade receivables from customers of electronic communication services*	(30)	–	–	–	(30)
– for other trade receivables from third parties	(22)	(2)	–	–	(24)
Trade receivables (net)	**4,213**	**148**	**3**	**5**	**4,369**

* Receivables and provisions from customers include balances related to active customers

CZK million	Not yet due	Past due			Total
31. 12. 2014		up to 90 days	91–180 days	181–360 days	
Trade receivables:					
– from DTAG group	453	65	3	2	523
– from customers of electronic communication services*	2,884	–	–	–	2,884
– other trade receivables from third parties	534	–	–	–	534
Provisions:					
– for trade receivables from customers of electronic communication services*	(15)	–	–	–	(15)
– for other trade receivables from third parties	(25)	–	–	–	(25)
Trade receivables (net)	**3,831**	**65**	**3**	**2**	**3,901**

* Receivables and provisions from customers include balances related to active customers

The book value and ageing analysis of receivables which are individually impaired is as follows:

CZK million		Past due					Total
31. 12. 2015	Not yet due	up to 90 days	91–180 days	181–360 days	1–2 years	2 years and more	
Trade receivables							
– from customers of electronic communication services*	–	301	91	158	304	2,492	3,346
– other trade receivables from third parties	–	–	6	3	1	12	22
Provisions:							
– for trade receivables from customers of electronic communication services*	–	(28)	(17)	(124)	(229)	(2,115)	(2,513)
– for other trade receivables from third parties	–	–	(4)	(2)	(1)	(12)	(19)
Trade receivables (net)	**–**	**273**	**76**	**35**	**75**	**377**	**836**

* Receivables and provisions from customers include balances related to active and terminated customers

CZK million 31. 12. 2014	Not yet due	Past due up to 90 days	91–180 days	181–360 days	1–2 years	2 years and more	Total
Trade receivables							
– from customers of electronic communication services*	–	296	121	185	325	2,514	3,441
– other trade receivables from third parties	–	–	2	3	6	8	19
Provisions:							
– for trade receivables from customers of electronic communication services*	–	(50)	(66)	(135)	(266)	(2,039)	(2,556)
– for other trade receivables from third parties	–	–	(1)	(3)	(6)	(11)	(21)
Trade receivables (net)	**–**	**246**	**56**	**50**	**59**	**472**	**883**

* Receivables and provisions from customers include balances related to active and terminated customers

Due dates of financial assets did not change during 2015 or 2014.
Movements of the provision for impairment of receivables can be analysed as follows:

CZK million	2015	2014
Opening balance as at 1.1.	**2,617**	**2,565**
Net increase for the year	278	335
Utilisation of provision for write-off	(308)	(283)
Closing balance as at 31.12.	**2,587**	**2,617**

The following table analyses income and expenses related to receivable write-offs:

CZK million	2015	2014
Change in provision for doubtful receivables	(103)	5
Income from receivables previously written off	(21)	(13)
Receivables written-off	308	283
Total net loss from impairment of receivables	**184**	**275**
Interest income	(18)	(11)
Income from contractual penalty fees	(233)	(288)
Total net profit from trade receivables	**(67)**	**(24)**

6 SHORT-TERM BANK FINANCING

CZK million	31.12.2015	31.12.2014 restated	1.1 2014 restated
Liabilities from supplier finance	–	(1,597)	(760)
Receivables / (liabilities) from factoring arrangement (ref to Note 2i)	58	(968)	–
Total asset / (liability)	**58**	**(2,565)**	**(760)**

7 INVENTORIES

CZK million	31.12.2015	31.12.2014
Handsets and accessories	427	352
Other inventories	264	220
Total	**691**	**572**

8 INTANGIBLE ASSETS

CZK million	Customer contracts	Software	GSM/UMTS and other licences	Other intangible fixed assets	Assets in the course of construction and advances paid	Total
Cost						
1.1.2014	**103**	**6,432**	**4,874**	**563**	**1,455**	**13,427**
Additions	–	–	–	–	3,969	3,969
Disposals	–	(287)	–	(13)	(16)	(316)
Transfers*	–	2,037	2,629	51	(4,708)	9
31.12.2014	**103**	**8,182**	**7,503**	**601**	**700**	**17,089**
GTS – opening balance 1.1.2015	2,041	132	53	23	6	2,255
Additions	–	–	–	–	1,042	1,042
Disposals	–	(41)	–	–	–	(41)
Transfers*	–	899	–	27	(926)	0
31.12.2015	**2,144**	**9,172**	**7,556**	**651**	**822**	**20,345**
Accumulated amortisation / Impairment						
1.1.2014	**103**	**5,611**	**2,277**	**327**	**–**	**8,318**
Amortisation	–	935	384	91	–	1,410
Disposals	–	(287)	–	(13)	–	(300)
31.12.2014	**103**	**6,259**	**2,661**	**405**	**–**	**9,428**
GTS – opening balance 1.1.2015	125	44	5	5	–	179
Amortisation	215	1,189	421	85	–	1,910
Disposals	–	(36)	–	(3)	–	(39)
31.12.2015	**443**	**7,456**	**3,087**	**492**	**–**	**11,478**
Net book value						
1.1.2014	**–**	**821**	**2,597**	**236**	**1,455**	**5,109**
31.12.2014	**–**	**1,923**	**4,842**	**196**	**700**	**7,661**
31.12.2015	**1,701**	**1,716**	**4,469**	**159**	**822**	**8,867**

* Transfers include transfers of intangible fixed assets in the course of construction and advances to assets in use.

SIGNIFICANT INDIVIDUAL INTANGIBLE ASSETS

Licences

The carrying values and remaining amortization periods of the licenses are listed in the table below. For further information on these assets, please see Note 1.

CZK million	31.12.2015		31.12.2014	
	Carrying amount	Remaining amortization period (years)	Carrying amount	Remaining amortization period (years)
GSM licence	369	9	411	10
UMTS licence	1,745	9	1,945	10
LTE licence	2,355	14	2,486	15
Total GSM/UMTS and other licences	**4,469**		**4,842**	

Software

The majority of software balance is made by NG CRM, a new platform for client relationship management (CRM) system. The carrying value of NG CRM as of 31 December 2015 is CZK 933 million plus CZK 335 million in section of Assets under construction (31 December 2014: CZK 1,015 million plus CZK 115 million under construction) and the remaining amortization period as of 31 December 2015 is 7 years (31 December 2014: 8 years). The platform is being implemented in stages and the last module is still under construction. The migrations to new CRM system affected a number of existing software and systems the modification of which was needed. The amount of these capital expenditures are not included in valuation of NG CRM but in valuation of existing software and systems.

9 GOODWILL

CZK million	31. 12 2015	31. 12 2014
Cost		
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	–
Total	**1,275**	**131**

Goodwill was tested for impairment as of 31 December 2015. The Company is considered as one cash-generating unit ("CGU"). The Company establishes the recoverable amount by determining the CGU's fair value less cost to sell by using valuation techniques. The fair value was determined by calculating discounted projected cash flows over the next ten years with a terminal value. Cash flows beyond the ten-year period were extrapolated using the estimated long-term growth rate stated in the table below.

The calculation of expected future cash flows is based on an estimate of service revenue, operating expenditure (direct and indirect costs) and capital expenditure for the period 2016 – 2025.

Service revenue is projected separately for each main area (mobile, fixed, IT). Mobile revenues are projected based on the estimated number of subscribers in each year and the expected average revenue per user ("ARPU") in each year. Revenues from the fixed and IT businesses are estimated based on expected sales and sales prices.

The estimated number of customers/subscribers is based on past performance and management's expectations of market development. ARPU or sales prices are based on current industry trends and take into account the competition and other market factors.

Operating expenditure is based on the current structure of the business, adjusted for expected future developments, restructurings and cost saving measures.

Capital expenditure is based on the historical experience of management and the planned development of the fixed and mobile network.

In general, the projections of the above mentioned components of expected future cash flows take into account the expected economic development, the competition and other market factors, regulation, as well as the Company's strategy.

The weighted average cost of capital ("WACC") used in the calculation to discount the cash flow projections was determined based on CAPM (capital asset pricing model) using the average betas of the peer group, a risk free rate using the Svensson methodology for Germany and adjusted for country specific risks, a debt ratio in line with the usual indebtedness of listed peer telecommunications companies and an additional debt risk premium considering average peer company specific debt risks. The estimated long-term growth rate ("LTGR") takes into account the expected economic growth of the country.

The fair value measurement is categorised within level 3 of fair value hierarchy as per IFRS 13.

The analysis performed as at 31 December 2015 confirmed that the recoverable amount of the cash generating unit exceeds its carrying amount.

The table below shows the WACC and LTGR used in the fair value calculation for the goodwill impairment tests conducted as of 31 December 2015 and as of 31 December 2014. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations.

	31.12.2015	31.12.2014
WACC		
Used in the calculation	5.58%	7.52%
If changed to	9.58%	10.52%
Impairment would be (CZK million)	–	–
LTGR		
Used in the calculation	2%	2%
If changed to	(2)%	(2)%
Impairment would be (CZK million)	–	–
Nominal expected future cash flows		
If changed by	(30)%	(30)%
Impairment would be (CZK million)	–	–

If the nominal expected future cash flows, discount rates, or long term growth rate used for impairment testing had been changed as described in the table above for the projection period, this would not have resulted in any impairment.

10 PROPERTY AND EQUIPMENT

CZK million	Buildings and land	Equipment and other fixed assets	Assets in the course of construction, advances and network spare parts	Total
Acquisition cost				
1.1.2014	**11,520**	**21,433**	**1,304**	**34,257**
Additions	120	412	1,834	2,366
Disposals	(140)	(858)	(25)	(1,023)
Transfers*	204	1,340	(1,554)	(10)
31.12.2014	**11,704**	**22,327**	**1,559**	**35,590**
GTS – opening balance 1.1.2015	35	2,165	185	2,385
Additions	270	724	2,138	3,132
Disposals	(2,288)	(1,580)	(64)	(3,932)
Transfers*	347	2,595	(2,942)	–
31.12.2015	**10,068**	**26,231**	**876**	**37,175**
Accumulated depreciation / Impairment				
1.1.2014	**6 788**	**14 462**	**2**	**21 252**
Depreciation	389	1,649	–	2,038
Disposals	(84)	(821)	–	(905)
Transfers	(87)	87	–	–
31.12.2014	**7,006**	**15,377**	**2**	**22,385**
GTS – opening balance 1.1.2015	17	300	–	317
Depreciation	655	2,136	–	2,791
Disposals	(2,285)	(1,546)	–	(3,831)
31.12.2015	**5,393**	**16,267**	**2**	**21,662**
Net book value				
1.1.2014	**4,732**	**6,971**	**1,302**	**13,005**
31.12.2014	**4,698**	**6,950**	**1,557**	**13,205**
31.12.2015	**4,676**	**9,963**	**874**	**15,513**

* Transfers include transfers of tangible fixed assets in the course of construction and advances to assets in use.

FINANCE LEASES

The Company has entered into the finance lease contracts, particularly optical fibre lease agreements. Optical fibres are taken by the Company when prepared to use. The assets under financial lease are recognized as a part of own equipment and are depreciated over their estimated useful life that is mainly over the period of 20 years. Their net book value as at 31 December 2015 was CZK 2,119 million (as at 31 December 2014: CZK 1,094 million).

Thereof the Company paid in 2013 an advance for financial lease of optical fibres amounting to CZK 643 million. As at 31 December 2015 the Company has overtaken 323 optical fibres (amounting to CZK 886 million) from planned 800, related to advance payment in 2013.

Minimum lease payments related to the concluded finance leases, the future finance charge and the present value of finance lease liabilities as at 31 December 2015 and 31 December 2014 are as follows:

CZK million	31.12.2015	31.12.2014
Up to 1 month	*20*	*15*
1 to 3 months	*39*	*30*
3 to 12 months	*177*	*135*
Up to 1 year	236	180
1 to 5 years	448	400
Over 5 years	1,088	989
Total minimum lease payments	**1,772**	**1,569**
Up to 1 year	(50)	(48)
1 to 5 years	(226)	(219)
Over 5 years	(315)	(325)
Future interest expense on finance leases	**(591)**	**(592)**
Up to 1 year	184	132
1 to 5 years	222	181
Over 5 years	773	664
Net present value of finance lease liabilities*	**1,179**	**977**

* Finance lease liabilities are included in other financial liabilities (refer to Note 13).

JOINT ARRANGEMENTS

In 2013 the Company entered into joint arrangement with company O2 Czech Republic a.s. concerning a 2G and 3G network sharing, resp. sharing of active and passive mobile network elements on a territorial basis of Czech Republic. As at 31 December 2015, 525 sites were shared on the Company side and 560 sites on O2 Czech Republic a.s. side (as at 31 December 2014: 82 sites on the Company side and 83 sites on O2 Czech Republic a.s. side).

In 2014 the Company entered into a similar joint arrangement with O2 Czech Republic a.s. concerning sharing of LTE technologies for mobile networks. The contractual arrangement involves sharing of active mobile network elements on a same territorial basis of Czech Republic as for 2G and 3G technologies sharing. As at 31 December 2015, 1,187 sites on the Company side and 1,187 sites on O2 Czech Republic a.s. side were shared (as at 31 December 2014: 374 sites on the Company side and 366 sites on O2 Czech Republic a.s. side).

Both contracts are based on balanced principles and after having considered the contractual rights and obligations, they were assessed as joint arrangements according to IFRS 11. For this classification was determining, that the major of strategic decisions were specified jointly next to signing of a contract or will be done during validity of the contract. With respect to the fact, that joint arrangement is not a part of a separate legal entity, it was concluded that it represents a joint operation.

Network sharing in context of these contracts means sharing of transmitting sites including related tangible assets used for providing of 2G and 3G, resp. LTE services. Operators keep full control over the content of provided services to its customers, acquiring and managing of customers, price policy, marketing and customer support. Both parties remain individually responsible for keeping of legal contractual obligations resulting from telecommunication licences and related laws and regulations.

Due to the different classification of active and passive mobile network elements, the Company adopted two different approaches to the assets under both network sharing agreements. Active mobile network elements were classified as individually held assets and recognized at cost, consistently with other solely owned assets by the Company. Passive mobile network elements were classified as jointly held assets, the Company recognized 50% share of the Company's share of jointly held assets subject to network sharing agreements and 50% share on joint costs and revenues resulting from the joint arrangement.

The Company considered risks resulting from joint arrangements and evaluated them as immaterial.

11 BUSINESS COMBINATIONS

In 2014 DTAG acquired GTS Group including GTS Czech and on 1 January 2015 the Company acquired the 100% share of GTS Czech from DTAG for CZK 4,210 million (all paid in cash) and merged with the entity as of the same date.
The following table summarises the assets acquired and liabilities and equity assumed of GTS Czech as at the acquisition date 1 January 2015.

Assets acquired and liabilities assumed at 1 January 2015	CZK million
Cash and cash equivalents	669
Trade and other receivables	721
Inventories	6
Prepaid expenses and other current assets	63
Intangible assets	2,059
Goodwill	1,144
Property and equipment	2,086
Other non-current assets	42
Other financial assets	12
TOTAL ASSETS	**6,802**
Trade and other payables	582
Loans and other financial liabilities	1,361
Provisions	154
Deferred income	10
TOTAL LIABILITIES	**2,107**
NET EQUITY ACQUIRED	**4,695**

On 1 January 2015 the Company also acquired 100% share in the CE Colo Czech s.r.o. for CZK 1,422 million (all paid in cash) and became its parent company. On 25 March 2015 the Board of Directors approved the increase of share capital in CE Colo Czech s.r.o. of CZK 711 million.
CE Colo Czech s.r.o. primary business activity is lease of space in data centres and real estates, flats and commercial premises.

12 TRADE AND OTHER PAYABLES

CZK million	31.12.2015	31.12.2014 restated	1.1.2014 restated
Trade payables	1,405	1,065	1,438
Operational expenditure accruals	1,754	1,521	1,736
Capital expenditure accruals	164	282	160
Total trade payables	**3,323**	**2,868**	**3,334**
Currency forward contracts with negative fair value	18	–	1
Total financial liabilities	**3,341**	**2,868**	**3,335**
Liabilities to employees	587	596	629
Other taxes and social security liabilities	270	229	182
Other payables	69	44	57
Total non-financial liabilities	**926**	**868**	**868**
Total	**4,267**	**3,737**	**4,203**

Liabilities to employees comprise liabilities from prior month salaries, liabilities from untaken holiday and bonuses amounting to CZK 445 million (as at 31 December 2014: CZK 469 million and as at 1 December 2014: CZK 499 million) which were presented within current provision in prior years.

The remaining maturities of financial liabilities (contractual undiscounted cash flows) are as follows (contractual maturities of financial lease liabilities are stated in Note 10):

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2015						
Trade payables	200	848	290	64	3	1,405
Operational expenditure accruals	418	1,162	106	68	–	1,754
Capital expenditure accruals	21	127	16	–	–	164
Total trade payables	**639**	**2,137**	**412**	**132**	**3**	**3,323**
Currency forward contracts with negative fair value	–	186	136	136	178	636
Currency forward contracts with positive fair value	–	20	19	19	579	637
Total forward contracts*	**–**	**206**	**155**	**155**	**757**	**1,273**

* Contracted nominal value. For the fair value refer to Note 17.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2014 restated						
Trade payables	261	486	227	86	5	1,065
Operational expenditure accruals	230	1,182	83	26	–	1,521
Capital expenditure accruals	18	137	124	3	–	282
Total trade payables	**509**	**1,805**	**434**	**115**	**5**	**2,868**
Currency forward contracts with negative fair value	–	150	–	–	61	211
Currency forward contracts with positive fair value	–	6,564	366	168	868	7,966
Total forward contracts*	**–**	**6,714**	**366**	**168**	**929**	**8,177**

* Contracted nominal value. For the fair value refer to Note 17.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
1.12.2014 restated						
Trade payables	198	784	329	119	8	1,438
Operational expenditure accruals	508	873	269	86	–	1,736
Capital expenditure accruals	58	72	23	7	–	160
Total trade payables	**764**	**1,729**	**621**	**212**	**8**	**3,334**
Currency forward contracts with negative fair value	–	168	–	–	21	189
Currency forward contracts with positive fair value	–	389	114	114	534	1,151
Total forward contracts*	**–**	**557**	**114**	**114**	**555**	**1,340**

* Contracted nominal value. For the fair value refer to Note 17.

13 OTHER FINANCIAL LIABILITIES

CZK million	31.12.2015	31.12.2014
Total current other financial liabilities	**184**	**132**
Non-current finance lease liabilities	995	845
Long-term advances from post-paid customers*	6	6
Total non-current other financial liabilities	**1,001**	**851**
Total	**1,185**	**983**

* Advances from post-paid customers that are refundable at the termination of the contract represent guarantee for trade receivables.

CZK million	31. 12. 2015	31. 12. 2014
Up to 1 month	*15*	*11*
1 – 3 months	*31*	*22*
3 – 12 months	*138*	*99*
Up to 1 year	184	132
1 to 5 years	227	187
Over 5 years	774	664
Total other financial liabilities	**1,185**	**983**

The total limit of bank overdrafts and flexible credit lines available to the Company as at 31 December 2015 was EUR 1 million (CZK 27 million) and CZK 1,475 million (as at and 31 December 2014: EUR 1 million or CZK 28 million, and CZK 575 million). As at 31 December 2015 and 31 December 2014, the Company did not draw any overdrafts.

14 PROVISIONS

CZK million	31.12.2015	31.12.2014	1.1.2014
Other provisions	64	17	23
Total current provisions	**64**	**17**	**23**
Asset retirement obligation	750	679	605
Other provisions	147	57	49
Total non-current provisions	**897**	**736**	**654**
Total	**961**	**753**	**677**

CZK million	Asset retirement obligation	Other provisions	Total
1.1.2014	**605**	**72**	**677**
Charge for the year (additions)	71	89	160
Unused amounts reversed	(1)	(6)	(7)
Used during the year	4	(81)	(77)
Unwinding of interest	–	–	–
31.12.2014	**679**	**74**	**753**
GTS – opening balance 1.1.2015	–	123	123
Charge for the year (additions)	80	138	218
Unused amounts reversed	(10)	(13)	(23)
Used during the year	–	(123)	(123)
Unwinding of interest	1	12	13
31.12.2015	**750**	**211**	**961**

The provision for Asset retirement obligation represents the costs of restoring leased sites in accordance with terms and conditions of the lease contracts. The provision is uncertain in both the amount and timing of future financial outflows. Realisation of provision is expected in 2029 (date of LTE licence expiration).

15 DEFERRED INCOME

CZK million	31.12.2015	31.12.2014
Deferred revenue related to unused prepaid airtime of prepaid and credit tariff subscribers	483	510
T–Mobile Bonus (IFRIC 13)	60	57
Other	96	71
Total current	**639**	**638**
Total non-current	**3**	**3**

16 DEFERRED INCOME TAX LIABILITY

Net deferred income tax liability is calculated as follows:

CZK million	31.12.2015	31.12.2014
Accelerated tax depreciation	(2,740)	(1,727)
Tax depreciation of receivables	36	(58)
Liabilities to employees	404	408
Provisions	952	751
Other differences	209	178
Basis for deferred income tax calculation	**(1,139)**	**(448)**
Net deferred income tax liability	**(217)**	**(85)**

CZK million	31.12.2015	31.12.2014
Deferred income tax liabilities:		
– deferred income tax liability to be recovered after more than 12 months	(767)	(528)
– deferred income tax liability to be recovered after less than 12 months	–	(11)
Total deferred income tax liabilities	**(767)**	**(539)**
Deferred income tax assets:		
– deferred income tax asset to be recovered after more than 12 months	365	315
– deferred income tax asset to be recovered within 12 months	185	139
Total deferred income tax assets	**550**	**454**
Net deferred income tax liability	**(217)**	**(85)**

The net deferred income tax liability as at 31 December 2015 and 31 December 2014 was calculated using the corporate income tax rates, shown in the table below, depending on the period when the temporary differences are expected to reverse.

Period	Corporate income tax rate	
	2015	2014
2015 and onwards	19%	19%

The movement in deferred income tax during the year is as follows:

Deferred income tax liabilities CZK million	Tax provision for receivables	Accelerated tax depreciation	Total
1.1.2014	**(52)**	**(477)**	**(529)**
Debited to profit or loss for the current period	41	(51)	(10)
31.12.2014	**(11)**	**(528)**	**(539)**
GTS – opening balance 1.1.2015	–	(7)	(7)
Debited to profit or loss for the current period	11	(232)	(221)
31.12.2015	**–**	**(767)**	**(767)**

Deferred income tax assets CZK million	Tax provision for receivables	Provisions	Accelerated accounting depreciation	Other	Total
1.1.2014	**–**	**204**	**204**	**29**	**437**
Credited / (debited) to profit for the current period	–	16	(4)	5	17
31.12.2014	**–**	**220**	**200**	**34**	**454**
GTS – opening balance 1.1.2015	–	27	5	8	40
Credited / (debited) to profit for the current period	7	10	40	(1)	56
31.12.2015	**7**	**257**	**245**	**41**	**550**

17 DERIVATIVE FINANCIAL INSTRUMENTS

FORWARD CONTRACTS

As at the end of 2015, the Company had open currency forward contracts with a total nominal value of CZK 1,273 million (as at 31 December 2014: CZK 8,177 million). These transactions focus on managing currency risks associated with the settlement of the Company's future liabilities resulting from the customer-supplier relations and denominated in EUR and USD. All currency forward contracts as at 31 December 2015 were initiated during 2015 with maturity by the end of 2016. During 2015, currency forward contracts in the total nominal value of CZK 9,415 million were settled (in 2014: CZK 2,447 million).

Open currency forward contracts (CZK million)	31.12.2015	31.12.2014
Open currency forward contracts hedging other foreign currency liabilities:		
Positive fair value	8	57
Negative fair value	(18)	–
Total	**(10)**	**57**

18 EQUITY

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. As at 31 December 2015 and 31 December 2014, the registered capital was represented by 520 thousand shares. All shares have equal voting rights.

The Company's shareholders have their rights and obligations. The fundamental obligation of the shareholders is the capital contribution obligation. The shareholders' rights include in particular:

- Right to a profit share;
- Voting right;
- Right to request and receive explanations at General Meetings on matters which concern the Company or parties controlled by the Company or which are relevant to the exercise of shareholders' rights;

- Right to make proposals and counter-proposals on matters on the agenda of a General Meeting;
- Rights of qualified shareholders, in particular the right to ask the Board of Directors to convene a General Meeting and the Supervisory Board to review the exercise of the powers of the Board of Directors;
- Right to file a shareholders' action against a member of the Board of Directors or the Supervisory Board, the right to seek payment of the issue price by a shareholder who is in delay with payment thereof;
- Right to request a compulsory devolution of participatory securities.

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 Ministry of Industry and Trade), CMobil B.V. and ČESKÉ RADIOKOMUNIKACE a.s.*, dated 25 March 1996.
As at 1 January 2015, merger between the Company and GTS Czech s.r.o. took place. The acquisition price of GTS Czech investment of CZK 4,210 million, a share capital of CZK 1,300 million and statutory reserve fund of CZK 19 million were booked towards Share premium of the Company. Share premium as at 1 January 2015 amounted to CZK 397 million and retained earnings to CZK 25,110 million.
The statutory reserve fund comprises fund that the Company is required to retain according to its Statutes. Use of the statutory reserve fund is limited by Statutes of the Company. The statutory reserve fund may not be distributed to the shareholders.
In 2015, the Company did not pay any dividends (in 2014: dividends of CZK 4,919 million) (refer to Note 28). The dividend per share paid out in 2014 amounted to CZK 9,457.

19 ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

Financial assets and liabilities by category** (CZK million)	Category per IAS 39	31.12.2015 Carrying amount	31.12.2014 Restated Carrying amount	1.1.2014 Restated Carrying amount
Assets				
Cash and cash equivalents, of which:		**3,408**	**7,384**	**8,294**
Cash	Loans and receivables	658	1,484	711
Term deposits	Loans and receivables	2,750	5,900	7,583
Trade and other receivables* **	**Loans and receivables**	**5,397**	**4,820**	**4,969**
Short-term bank financing	**Loans and receivables**	**58**	**–**	**–**
Other financial assets, of which:		**8**	**64**	**91**
Currency forward contracts with positive fair value	At fair value through profit or loss (for trading)	8	57	71
Receivables from finance lease	Financial receivables at amortized costs	–	7	20
Liabilities				
Current trade and other payables*, of which:**		**3,341**	**2,868**	**3,335**
Trade payables	Financial liabilities at amortised cost	3,323	2,868	3,334
Currency forward contracts with negative fair value	At fair value through profit or loss (for trading)	18	–	1
Short-term bank financing, of which		**–**	**2,565**	**760**
Liabilities from supplier financing	Financial liabilities at amortised cost	–	1,597	760
Liabilities from factoring	Financial liabilities at amortised cost	–	968	–
Current other financial liabilities, of which:		**184**	**132**	**68**
Liabilities from finance lease	Financial liabilities at amortised cost	184	132	68
Non-current other financial liabilities, of which:		**1,001**	**851**	**775**
Deposits received	Financial liabilities at amortised cost	6	6	6
Finance lease liabilities	Financial liabilities at amortised cost	995	845	769

Financial assets except for trade and other receivables stated in Note 5 are neither past due nor impaired.

* nowadays TMCZ Holdco II (Lux) S.à.r.l. (in the past CESKE RADIOKOMUNIKACE S.à.r.l.)
** Financial assets and liabilities are categorized according to risk rate and in the level of detail required by the Company for management purposes.
*** Excluding non-financial assets / liabilities (refer to Notes 5 and 12)

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are set off and the net amount is presented in the statement of financial position, when there is a legally enforceable right of offsetting recognized amounts and an intention to settle the respective asset and liability in net amount exists.
Majority of the offsetting is realized within trade receivables and trade payables from interconnection and roaming.
The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2015:

31.12.2015 CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	5,455	–	5,455	89	5,366
Trade payables	(3,323)	–	(3,323)	(113)	(3,210)

The following table presents trade receivables and trade payables which were subject to offsettingas at 31 December 2014:

31.12.2014 restated CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	4,822	–	4,822	35	4,787
Trade payables	(2,868)	–	(2,868)	(95)	(2,773)

The following table presents trade receivables and trade payables which were subject to offsetting as at 1 December 2014:

1.1.2014 restated CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	5,306	–	5,306	210	5,096
Trade payables	(3,335)	–	(3,335)	(220)	(3,115)

20 REVENUES

For management purposes, the revenues can be split into the following categories, distinguishable by nature of product or business and by type of products or services.

Sales based on activities CZK million	2015	2014
Sales of goods	2,366	2,513
Sales of mobile telecommunication services	17,872	18,454
Sales of fix telecommunication services	5,218	2,089
Sales of IT services	1,385	1,016
Total revenue	**26,841**	**24,072**

21 OTHER OPERATING INCOME

CZK million	2015	2014
Gain from disposals of fixed assets	253	27
Release of provisions	13	9
Income from recharged services within DTAG Group	529	460
Rent	70	65
Fines and penalties	14	29
Income from promotion	94	89
Other operating income	82	95
Total	**1,055**	**774**

22 COST OF GOODS, RAW MATERIALS AND TELECOMMUNICATION SERVICES

CZK million	2015	2014
Costs of goods and raw materials	2,440	2,514
Costs of telecommunication services	5,666	3,907
IT services	15	–
Maintenance of telecommunication network	531	460
Other	615	492
Total	**9,267**	**7,373**

Increase in category Costs of telecommunication services is mainly affected by merger with GTS Czech These costs are related primarily to leased lines, interconnection, transit and international wholesale business.

23 EMPLOYEE BENEFITS

CZK million	2015	2014
Salary costs	2,396	2,170
Social security costs – obligatory and supplementary pension insurance	514	459
Social security costs – other	284	254
Board remuneration	–	1
Total	**3,194**	**2,884**
Average number of employees	**3,427**	**3,168**

The number of employees is based on the average recalculated number of annual full-time employees. The Company has been providing its employees with a contribution to supplementary pension insurance. In 2015, the total contribution provided was CZK 26 million (in 2014: CZK 21 million).

24 DEPRECIATION AND AMORTISATION

CZK million	2015	2014
Amortisation of licences	421	384
Amortisation of other intangible fixed assets	1,490	1,026
Depreciation of tangible fixed assets	2,790	2,038
Total	**4,701**	**3,448**

25 OTHER OPERATING EXPENSES

CZK million	2015	2014
Costs of external marketing services	604	643
Commissions to business partners	723	667
Net loss from impairment of receivables and receivables write off	148	193
Rental and operating leases	1,115	974
Expenses from cross charges of services shared in DTAG Group	336	324
Repair and maintenance (except telecommunication network)	713	626
Licence fees	370	303
Other operating expenses related to employees	161	137
Legal, consulting and auditing fees	112	154
Office supplies, postage, bank charges	192	310
Consumption of electricity, water and gas, cleaning, security	119	112
Other	170	120
Total	**4,763**	**4,563**

26 FINANCE INCOME AND COSTS

CZK million	2015	2014
Interest income	1	2
of which:		
– from loans and receivables	*1*	*2*
Foreign exchange gains	83	161
of which:		
– from financial assets and liabilities at fair value through profit or loss	*21*	*74*
Other finance income	49	47
Total finance income	**133**	**210**
Interest expenses	(89)	(63)
of which:		
– from financial liabilities at amortised costs	*(89)*	*(63)*
Foreign exchange losses	(97)	(102)
of which:		
– from financial assets and liabilities at fair value through profit or loss	*(35)*	*(1)*
Other finance costs	(13)	(33)
Total finance costs	**(199)**	**(198)**
Net finance (expense) / income	**(66)**	**12**

27 INCOME TAX

The income tax expense consists of the following:

CZK million	2015	2014
Current income tax	(1,033)	(1,272)
Deferred income tax (refer to Note 16)	(165)	7
Income tax expense	**(1,198)**	**(1,265)**

The charge for the year was calculated as follows:

CZK million	2015	2014
Profit before tax	5,904	6,590
Tax by applying the statutory tax rate*	(1,122)	(1,252)
Impact of:		
Non-tax deductible expenses	(76)	(143)
Non-taxable revenues	51	60
Additional decrease/(increase) of tax related to prior periods	17	30
Other	(68)	40
Income tax expense	**(1,198)**	**(1,265)**

* Income tax rate of 19% was applied in 2015 and 2014 respectively, based on the effective Income Tax Act.

28 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are considered to be the parent company and other companies within DTAG group ("other related party"), members of statutory and supervisory bodies, executive managers and parties close to them. DTAG group represents all companies controlled by DTAG.
The following transactions are related to the shareholders, subsidiaries and other related parties.
The Company is controlled by the entities as described in Note 1.

TRANSACTIONS WITH SHAREHOLDERS (DIRECT, INDIRECT AND ULTIMATE PARENT COMPANIES):

CZK million	2015	2014
Roaming, interconnection and related purchased services	202	152
Other purchased goods and services	44	83
Interest expense on the loan provided to GTS Czech	22	–
Repayment of loan provided to GTS Czech	1,331	–
Expenses from recharging of services	207	184
Purchases of foreign currencies at market values	8,465	1,719
Acquisition of subsidiaries (See Note 11)	5,632	–
Total purchases	**15,903**	**2,138**
Roaming, interconnection and related sold services	321	81
Income from recharging of services and using common platforms	185	165
Other income	–	1
Total sales	**506**	**247**

On 17 November 2014 the Board of Directors approved the acquisition of 100 % share of GTS Czech s.r.o. and CE Colo Czech s.r.o. from Deutsche Telecom AG with the effective date of 1 January 2015 for CZK 5,632 million. The purchase price was fully paid during 2015.
On 31 May 2014 GTS Czech s.r.o entered into two loan agreements with Deutsche Telecom AG. Due to the merger with GTS Czech (see Note 1) these loans were assumed by the Company on 1 January 2015 and repaid by the Company on 29 May 2015.

Outstanding balances arising from sales/purchases of goods and services from shareholders:

CZK million	31.12.2015	31.12.2014
Receivables from roaming, interconnection and related sold services	586	421
Receivables from derivatives (fair value)	4	52
Total receivables	**590**	**473**
Payables from roaming, interconnection and related purchased services	432	513
Liabilities from derivatives (fair value)	13	–
Total payables and liabilitites	**445**	**513**

In 2015 and 2014 the Company did not have any transaction related to its parent company Deutsche Telekom Europe B.V. (former CMobil B.V.).

TRANSACTIONS WITH THE SUBSIDIARY:

CZK million	2015
Roaming, interconnection and related purchased services	4
Other purchased goods and services	41
Contribution to share capital	711
Total purchases	**756**
Roaming, interconnection and related sold services	3
Total sales	**3**

On 25 March 2015 the Board of Directors approved the increase of share capital in CE Colo Czech s.r.o. of CZK 711 million. This additional capital contribution was used by CE Colo Czech s.r.o. solely for the repayment of loans from Deutsche Telecom AG.
Outstanding balances arising from sales/purchases of goods and services from the subsidiary:

CZK million	31.12.2015
Payables from other services and discounts	6
Total payables	**6**

TRANSACTIONS WITH OTHER RELATED PARTIES WITHIN THE DTAG GROUP:

CZK million	2015	2014
Roaming, interconnection and related purchased services	328	173
Other purchased goods and services	198	161
Expenses from re-invoicing of services	129	140
Total purchases	**655**	**474**
Roaming, interconnection and related sold services	442	336
Income from re-invoicing of services and using common platforms	248	272
IT services and related services	–	88
Other income	–	1
Total sales	**690**	**697**

Outstanding balances arising from sales/purchases of goods and services from other related parties within the DTAG group:

CZK million	31.12.2015	31.12.2014
Receivables from roaming, interconnection and related sold services	22	22
Receivables and prepayments from other services and discounts	158	112
Total receivables	**180**	**134**
Payables from roaming, interconnection and related purchased services	86	64
Payables from other services and discounts	113	161
Total payables	**199**	**225**

Short-term employee benefits

CZK million	2015		2014	
	Average number of employees	Amount	Average number of employees	Amount
Executive management	38	164	37	168
Board of Directors	3	–	5	1
Supervisory Board	4	–	5	–
Total	**45**	**164**	**47**	**169**

Executive management includes executive directors and other directors of the Company.
Short-term employee benefits include salaries, bonuses, personal holidays, health care, business cars used for personal purpose and other short-term employee benefits including social, health and supplementary pension insurance paid by employer.
The Company's contributions to pension insurance amounted in 2015 to CZK 28 million (in 2014: CZK 26 million).
Contributions for management to supplementary pension fund amounted in 2015 to CZK 1 million (in 2014: CZK 2 million).

POST-EMPLOYMENT BENEFITS

As at 31 December 2015, the Company provided post-employment benefits in the form of a motivation bonus scheme to members of management. Subject to certain conditions being met, the eligible persons are entitled to receive a payout bonus derived from their salary level. In 2015, the Company did not pay out any bonus (in 2014: CZK 5 million) in relation to the above-mentioned scheme.

TERMINATION BENEFITS

In 2015, the Company provided severance pay to management in the amount of CZK 2 million (2014: nil).

REMUNERATION OF EXECUTIVE MANAGEMENT

Variable II

In 2010 the Company launched a cash-based long-term incentive plan without any link to DTAG´s shares or development of the share price for its executive management, with a new package being launched each year, and with each tranche lasting for 4 years. At the beginning of the plan each participant had an offered bonus. This bonus was paid out at the end of the plan, depending on the achievement of four non-share price-based targets at the DTAG level, which are additive, equally weighted and targeted in the corridor between 0% and 150%. In line with the IAS 19 recognition and measurement criteria, the liability recognised is measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision is remeasured at the end of each reporting period according to best estimate of the achievement of the targeted KPIs defined at the beginning of the bonus program. Changes in the value of the provision are reflected in profit or loss.
As at 31 December 2015, the Company recognised a total provision of CZK 48 million (as at 31 December 2014: CZK 37 million) related to the bonus scheme tied to KPIs set at the DTAG level. In 2015 the Company paid out a bonus of CZK 9 million (2014: CZK 7 million) under this scheme.

LTI (Long-Term Incentive Plan)

In 2015 the Company launched a new long-term cash-settled plan linked to the development of DTAG's share price, therefore classified as a cash-settled plan under IFRS 2. It is a four-year revolving plan that is re-awarded each year. Participants receive virtual shares – phantom shares – depending on individual performance; the number of phantom shares is determined by the target achievement of KPIs. The number of phantom shares is remeasured each reporting period based on the current DTAG´s share price and the best estimate of the target achievement of the underlying KPIs. The liability recognised is measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision is remeasured at the end of each reporting period against profit or loss.
As at 31 December 2015 the Company recognised a total provision of CZK 9 million related to the LTI scheme. No bonus was paid out in 2015 under this scheme.

SMP (Share Matching Plan)

In 2015 the Company launched a new share matching plan, where participants can voluntarily invest in DTAG shares. The plan is settled in real shares at the end of the term when DTAG provides participants with additional matching shares. The plan is classified as an equity-settled plan under IFRS 2.

The Matching Shares are recognized at grant date at fair value. As the plan is classified as equity-settled this value will not be remeasured over the term of the plan. The fair value equals to the share price of DTAG shares at a grant date less expected dividends of the next four years. The provision is recognised against equity, i. e. Other capital funds.

As at 31 December 2015 the Company recognised a total provision of CZK 0,5 million.

DIVIDENDS

Based on the resolution of the sole shareholder from 26 May 2015, the Company retained the whole profit and distributed no dividend in 2015.

During 2014, the Company distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,919 million.

29 CONTINGENT LIABILITIES

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 is not aware of any circumstances which may in the future give rise to a potential material liability in this respect.

30 COMMITMENTS

The Company’s future capital commitments to major technology and services suppliers from concluded agreements as at 31 December 2015 and 31 December 2014 are as follows:

CZK million	31.12.2015	31.12.2014
Up to 1 year	2,311	2,213
1–3 years	403	1,216
3–5 years	122	44
Over 5 years	281	354
Total	**3,117**	**3,827**

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:

CZK million	31.12.2015	31.12.2014
Up to 1 year	798	516
1–3 years	736	523
3–5 years	541	508
Over 5 years	833	964
Total	**2,908**	**2,511**

The majority of lease agreements are renewable at market prices after termination of the operating lease.

31 SUBSEQUENT EVENTS

There are no significant subsequent events as of the date of approval of these financial statements.

32 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company for issuance on 17 March 2016. These financial statements can be amended on request and approval of the Annual Shareholders Meeting.

Mark Klein	**Martin Schlieker**
Chairman of the Board of Directors	Member of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

31 December 2015

Note
The consolidated financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	31.12.2015	31.12.2014 restated	1.1.2014 restated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	3,567	7,384	8,294
Trade and other receivables	5	5,417	4,822	5,306
Short-term bank financing	6	58	–	–
Other financial assets		8	64	91
Inventories	7	691	572	537
Prepaid expenses and other current assets		402	273	155
Advanced payment of income tax		339	290	38
Total current assets		**10,482**	**13,405**	**14,421**
NON-CURRENT ASSETS				
Intangible assets	8	9,128	7,661	5,109
Goodwill	9	1,375	131	131
Property and equipment	10	15,992	13,205	13,005
Other non-current assets		19	9	27
Other financial assets		–	–	7
Total non-current assets		**26,514**	**21,006**	**18,279**
TOTAL ASSETS		**36,996**	**34,411**	**32,700**
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	12	4,287	3,737	4,203
Short-term bank financing	6	–	2,565	760
Other financial liabilities	13	184	132	68
Provisions	14	64	17	23
Income tax liability		13	–	–
Deferred income	15	639	638	881
Total current liabilities		**5,187**	**7,089**	**5,935**
NON-CURRENT LIABILITIES				
Other financial liabilities	13	1,001	851	775
Provisions	14	897	736	654
Deferred income	15	3	3	4
Deferred tax liability	16	304	85	92
Total non-current liabilities		**2,205**	**1,675**	**1,525**
TOTAL LIABILITIES		**7,392**	**8,764**	**7,460**
EQUITY				
Share capital	18	520	520	520
Share premium	18	397	3,288	5,344
Capital reserves		1	1	–
Statutory reserve fund	18	104	104	104
Retained earnings		28,582	21,734	19,272
Total equity		**29,604**	**25,647**	**25,240**
TOTAL LIABILITIES AND EQUITY		**36,996**	**34,411**	**32,700**

The notes on pages 93 to 128 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	2015	2014
Revenue	20	27,076	24,072
Other operating income	21	1,055	774
Cost of goods, raw materials and telecommunication services	22	(9,309)	(7,373)
Staff costs	23	(3,212)	(2,884)
Depreciation and amortisation	24	(4,783)	(3,448)
Other operating expenses	25	(4,743)	(4,563)
Profit from operations		**6,084**	**6,578**
Finance income	26	133	210
Finance expense	26	(211)	(198)
Profit before tax		**6,006**	**6,590**
Income tax expense	27	(1,217)	(1,265)
Net profit for the current period		**4,789**	**5,325**
Other comprehensive income		–	–
Total comprehensive income for the period		**4,789**	**5,325**

The notes on pages 93 to 128 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	Share Capital	Share Premium	Statutory Reserve Fund	Other Capital Funds	Retained Earnings	Total
Balance as at 1.1.2014		**520**	**5,344**	**104**	**–**	**19,272**	**25,240**
Total comprehensive income		**–**	**–**	**–**	**–**	**5,325**	**5,325**
Profit for the period		–	–	–	–	5,325	5,325
Transactions with shareholders		**–**	**(2,056)**	**–**	**–**	**(2,863)**	**(4,919)**
Dividends paid	28	–	–	–	–	(4,919)	(4,919)
Impact of acquisition of company under common control*		–	(2,056)	–	–	2,056	–
Creation of Other Capital Funds		**–**	**–**	**–**	**1**	**–**	**1**
Balance as at 31.12.2014		**520**	**3,288**	**104**	**1**	**21,734**	**25,647**
Total comprehensive income		**–**	**–**	**–**	**–**	**4,789**	**4,789**
Profit for the period		–	–	–	–	4,789	4,789
Transactions with shareholders		**–**	**(2,891)**	**–**	**–**	**2,059**	**(832)**
Impact of acquisition of company under common control*		–	(2,891)	–	–	2,059	(832)
Balance as at 31.12.2015		**520**	**397**	**104**	**1**	**28,582**	**29,604**

* The movement represents the impact of merger with GTS Czech s.r.o. (for more information please refer to the opening balances sheet issued on 18.6.2015) and the impact of acquisition of CE Colo Czech s.r.o. as at 31 December 2015 and merger with T-Systems Czech Republic a.s. at 31 December 2014.

The notes on pages 93 to 128 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2015

CZK million	Notes	2015	2014 restated
Cash flows from operating activities			
Profit before tax for the current period		6,005	6,590
Adjustments for non-cash movements:			
Depreciation and amortisation	24	4,783	3,448
Interest expense net	26	99	60
Gain on sale of fixed assets		(227)	(14)
Other non-cash expense / (income) net		125	(71)
Cash flow from operating activities before changes in working capital		10,785	10,013
Changes in trade and other receivables		19	225
Changes in inventories		52	(35)
Changes in provisions		(34)	4
Changes in trade and other payables		113	134
Cash flow generated from operating activities		10,936	10,341
Income tax paid		(1,047)	(1,529)
Interest paid		(108)	(63)
Interest received		6	3
Net cash flow from operating activities		**9,787**	**8,752**
Cash flows from investing activities			
Purchases of property and equipment and intangible assets	8, 10	(2,863)	(5,135)
Acquisition of business*	28	(4,937)	–
Purchases of non-current financial assets		0	7
Proceeds from the sale of property and equipment and intangible assets		65	45
Proceeds from the sale of securities		59	422
Finance lease payments received		0	20
Net cash flow from investing activities		**(7,677)**	**(4,641)**
Cash flows from financing activities			
Issuance of short-term financing	2,6	7,643	6,063
Repayment of short-term financing	2,6	(11,234)	(6,039)
Repayment of short-term loan	28	(2,042)	0
Dividends paid	28	0	(4,919)
Repayments of finance lease liabilities	10	(293)	(126)
Net cash flow from financing activities		**(5,927)**	**(5,021)**
Net decrease in cash and cash equivalents		**(3,817)**	**(910)**
Cash and cash equivalents as at the beginning of the period	**4**	**7,384**	**8,294**
Cash and cash equivalents as at the end of the period	**4**	**3,567**	**7,384**

* Consideration paid for purchase of business has been reduced by cash and cash equivalents obtained.

The notes on pages 93 to 128 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

INFORMATION ABOUT THE GROUP AND THE COMPANY

The group T-Mobile Czech Republic a.s. ("the Group") consists of T-Mobile Czech Republic a.s. ("the Company") with registered office in Prague 4, Tomíčkova 2144/1, and its subsidiary CE Colo Czech s.r.o. with registered office in Prague 10, Nad Elektrárnou 1428/47 ("the Subsidiary" or "CE Colo Czech").

The Group operates public mobile communications network, public fixed telecommunications network and provides mobile communications services, fixed communication services and television broadcasting under conditions of Czech Telecommunication Office („CTO") certificate, No. 310/7, issued on 2 October 2015, authorizing to operate in electronic communication sector, respectively to carry out communication activities comprising provision of the public mobile networks, provision of public fixed networks and provision of electronic communications services. Further it provides system integration services, computer and desktop services including rental, servicing, consulting, data centres services, the establishment, installation, maintenance and service of telecommunications equipment, data processing, data services, network management and technical advisory services in the area of telecommunications.

On 1 January 2015 the Company acquired from another company under common control an entity GTS Czech s.r.o. (hereinafter "GTS Czech"), and at the same date GTS Czech merged with the Company. The Company prepared the opening statement of financial position and notes, including description of significant accounting policies and other declarative information as at 1 January 2015, with issued audit opinion without qualification on 18 June 2015.

INFORMATION ABOUT GTS CZECH

The acquired company GTS Czech s.r.o was incorporated in the Commercial Register on 21 November 2008. The registered office of GTS Czech was Přemyslovská 2845/43, 130 00 Prague 3 and its primary business activities were the provision of telecommunication services, the establishment, installation, maintenance and service of telecommunications equipment, data processing, data services, network management and technical advisory services in the area of telecommunications.

THE GROUP'S OWNERSHIP STRUCTURE

On 7 February 2014 a contract between CMobil B.V., the majority shareholder of the Group, and TMCZ Holdco II (Lux) S.à.r.l., the minority shareholder of the Group, about purchase of minority share was signed. After the contract became legally effective CMobil B.V. became the sole shareholder of the Group. On 1 March 2015 the sole shareholder was renamed to Deutsche Telekom Europe B.V. As at 31 December 2015 and 31 December 2014, the ownership structure of the Group was as follows:

Shareholder	No. of shares CZK thousands	Paid in share capital CZK million	%
Deutsche Telekom Europe B.V. (till 1 March 2015 CMobil B.V.)	520	520	100.00
Total	**520**	**520**	**100.00**

The ultimate parent company of the Group during the accounting periods ended 31 December 2015 and 31 December 2014 was Deutsche Telekom AG („DTAG") which controls Deutsche Telekom Europe B.V (former CMobil B.V.) via Deutsche Telekom Europe Holding B.V. which is controlled by Deutsche Telekom Europe Holding GmbH (former T-Mobile Global Holding Nr. 2 GmbH). Deutsche Telekom Europe B.V. is consolidated by Deutsche Telekom AG Group and its results are presented in Group consolidated financial statements on website www.telekom.de/investor-relations.

LICENCES AND TRADEMARKS

As at 31 December 2015, the Group had the right to use the following frequency bands:

- Allocation of frequency bands for the provision of public mobile network in 900 MHz and 1800 MHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for the provision of public mobile network of electronic communication in 2.1 GHz and 28 GHz frequency bands for the period of 20 years (expires in 2024);
- Allocation of frequency bands for the provision of public mobile network in 800 MHz, 1800 MHz and 2600 MHz frequency bands for the period of 15 years (expires in 2029);
- Allocation of frequency bands for the provision of public mobile network in 26 GHz frequency, which expires in 2020.

The allocations of the frequency bands are referred to as "licences" in these financial statements. Licences do not fall within the scope of IFRIC 12, Service Concession Arrangements, and therefore the Group does not use concession accounting.

The Group owns 168 registered trademarks registered in the Industrial Property Office Register of the Czech Republic.
Based on a sub-licence agreement between the Group and Deutsche Telekom AG (legal successor of T-Mobile International AG), the Group is also entitled to use relevant trademarks registered by DTAG in the Czech Republic.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by European Union ("IFRS") under the historical cost convention, with exception of derivative instruments, which are stated at fair values.
Financial amounts in these financial statements are presented, unless otherwise stated, in millions of Czech crowns (CZK million).
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

COMPARATIVES

Comparatives are presented in financial statements prepared in accordance with IFRS of T-Mobile Czech Republic a.s. Such financial statements are considered as relevant for appraisal of the changes in the Group's financial position during the annual period ended 31 December 2015.
The ownership interest in GTS Czech and CE Colo Czech was transferred to the Company by a company that is under common control. This transaction is a business combination of entities under common control.
The rules of accounting for business combinations are specified in IFRS 3. This standard, however, does not apply to transactions between entities or businesses under common control. The Group applies the predecessor accounting method for these transactions (similar to pooling of interests).
Under this method, the acquirer takes over the measurement of subsidiary's assets and liabilities from the consolidated financial statements of the ultimate parent company, i.e. from the consolidated financial statements of Deutsche Telekom AG ("DTAG").
The ownership of GTS Czech and CE Colo Czech was transferred to the DTAG group by a transaction of 30 May 2014 through which DTAG obtained control over the GTS Group (including GTS Czech and CE Colo Czech) from a group of private investors. Since this was not a business combination of entities under common control, DTAG applied to this transaction the acquisition method, in accordance with IFRS 3. The assets and liabilities of GTS Group (including GTS Czech and CE Colo Czech) were measured at fair value as of the acquisition date, and the excess of the consideration transferred over the sum of net assets measured at fair value was recognised as goodwill.
The Group has not prepared consolidated financial statements in accordance with IFRS for the year ended 31 December 2014. Nevertheless, these financial statements are based on methods that would have been used for the preparation of consolidated financial statements in accordance with IFRS as at and for the year ended 31 December 2014.
For the purposes of the consolidated financial statements, assets and liabilities of GTS Czech and CE Colo Czech would have been taken over at amounts used in the consolidated financial statements of DTAG.
The legal merger with GTS Czech affected the structure of the Group's equity. The effects are presented in the Statement of changes in equity and disclose in Note 18.

CHANGE IN THE CLASSIFICATION

The Group decided to present transactions with financing arrangements on a separate financial statement line. The aim of such a change in presentation is to provide a more relevant information about the effects of both factoring and reverse factoring transactions on the Group's financial position and cash flows.
As a results of the change in presentation, effective from 1 January 2015 all factoring and reverse factoring arrangements are presented on a new financial statement line "Short-term bank financing" and related cash flows are presented under cash-flows from financing activities. Comparative amounts were adjusted to show over time trends of factoring arrangements in the statement of financial position and cash flow. The change in presentation does not have any impact on the total comprehensive income for the years 2014 and 2013. The impact of the change on each comparative period presented is shown below.
To improve the presentation of its financial statements, the Group decided to present employee related liabilities for untaken holiday and bonuses within Trade and other payables instead of within Current provisions financial statement line, effectively from 1 January 2015. Comparative amounts were adjusted in the statement of financial position. The change in presentation does not have any impact neither on the total comprehensive income nor cash flow for the years 2014 and 2013.

Statement of financial position as at 31 December 2014 and 1 January 2014:

CZK million	Balances before the change in presentation 31.12.2014	Change in presentation I	Change in presentation II	Balances after the change in presentation 31.12.2014
LIABILITIES AND EQUITY CURRENT LIABILITIES				
Trade and other payables	5,834	(2,565)	468	3,737
Short-term bank financing	–	2,565	–	2,565
Other financial liabilities	132	–	–	132
Provisions	485	–	(468)	17
Deferred income	638	–	–	638
Total current liabilities	**7,089**	**–**	**–**	**7,089**
TOTAL LIABILITIES AND EQUITY	**34,411**	**–**	**–**	**34,411**

CZK million	Balances before the change in presentation 1.1.2014	Change in presentation I	Change in presentation II	Balances after the change in presentation 1.1.2014
LIABILITIES AND EQUITY CURRENT LIABILITIES				
Trade and other payables	4,464	(760)	499	4,203
Short-term bank financing	–	760	–	760
Other financial liabilities	68	–	–	68
Provisions	522	–	(499)	23
Deferred income	881	–	–	881
Total current liabilities	**5,935**	**–**	**–**	**5,935**
TOTAL LIABILITIES AND EQUITY	**32,700**	**–**	**–**	**32,700**

Cash flow statement for the year ended 31 December 2014:

CZK million	Balances before the change in presentation 2014	Change in presentation Ia	Change in presentation Ib	Change in presentation II	Balance after the change in presentation 2014
Cash flows from operating activities					
Changes in trade and other receivables	75	150	–	–	225
Changes in provisions	(27)	–	–	31	4
Changes in trade and other payables	339	(934)	760	(31)	134
Cash flows from financing activities					
Issuance of short-term financing	0	6,063	–	–	6,063
Repayment of short-term financing	0	(5,279)	(760)	–	(6,039)

For comments regarding balances and movements of factoring and reverse factoring arrangements, please see Notes 2i and 6.

ADOPTION OF NEW/REVISED STANDARDS AND NEW STANDARDS (INCLUDING AMENDMENTS OF EXISTING STANDARDS) NOT YET ADOPTED BY THE GROUP

In 2015, the Group adopted the following standards and amendments to the standards.

a) Adopted during the year:

- Improvements to 2013 International Financial Reporting Standards (issued in December 2013, endorsed by EU for annual periods on or after 1 January 2015). The amendments include changes that affect 4 standards:
  – IFRS 1, First-time Adoption of International Financial Reporting Standards
  – IFRS 3, Business Combinations
  – IFRS 13, Fair Value Measurement
  – IAS 40, Investment Property
- IFRIC 21 – Levies (issued in May 2013, endorsed by EU for annual periods beginning on or after 1 January 2015). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The interpretation defines obligating event that gives rise to a liability.

The adopted standards and amendments do not have material impact on the Group's consolidated financial statements.

b) New standards, amendments to the standards and interpretations which are not effective yet and have not been adopted:

- Amendment to IAS 19 – Defined Benefit Plans: Employee contributions (issued in November 2013, endorsed by EU for annual periods beginning on or after 1 February 2015). This amendment is not relevant to the Group.
- Improvements to 2012 International Financial Reporting Standards (issued in December 2013, endorsed by EU for annual periods beginning on or after 1 February 2015). The amendments include changes from the 2010 – 12 cycle of the annual improvements project that affect 7 standards:
  – IFRS 2, Share-based payments
  – IFRS 3, Business combinations
  – IFRS 8, Operating segments
  – IFRS 13, Fair Value Measurement
  – IAS 16, Property, Plant and Equipment
  – IAS 38, Intangible Assets: Revaluation method
  – Consequential amendments to IFRS 9, Financial Instruments; IAS 37, Provisions, contingent liabilities and contingent assets
  – IAS 39, Financial Instruments – Recognition and measurement
- Improvements to 2014 International Financial Reporting Standards (issued in September 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). These set of amendments impacts 4 standards:
  – IIFRS 5, Non-current Assets Held for Sale and Discontinued Operations - changes in methods of disposal
  – IIFRS 7: Financial instruments: Disclosures (with consequential amendments to IFRS 1) regarding servicing contracts
  – IIAS 19, Employee benefits – concerning discount rates
  – IIAS 34, Interim Financial Reporting
- Amendment to IAS 16, Property, Plant and Equipment, and IAS 38 Intangible Assets, clarifying acceptable methods of depreciation and amortisation (issued in May 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment clarified that the use of revenue based methods to calculate depreciation of an asset is not appropriate. The amendment will have no material impact on the Group's consolidated financial statements.
- Amendment to IAS 16, Property, Plant and Equipment and IAS 41 Agriculture, change in accounting of bearer plants (issued in June 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment is not relevant to the Group's consolidated financial statements.
- Amendment to IFRS 11, Joint arrangements, Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The amendment clarifies the accounting for acquisitions of an interest in a joint operation and correctness of such accounting. The Group's management is not expecting that the amendment will have a material impact on the Group's consolidated financial statements.
- Disclosure initiative to Amendment to IAS 1, (issued in December 2014, endorsed by EU for annual periods beginning on or after 1 January 2016). The standard was changed in order to clarify concept of materiality and explains, that reporting entity is not required to report information required by IFRS that is immaterial, even when the IFRS contains a list of specific requirements or describes them as minimum requirements. The amendment also introduces new guidance on subtotals in financial statements. The Group's management is not expecting that the amendment will have a material impact on the Group's consolidated financial statements.
- Investment Entities: Applying the consolidation exception, amendments to IFRS 10, IFRS 12 and IAS 28 (issued in December 2014, effective for annual periods beginning on or after 1 January 2016, not yet endorsed by EU). The amendment is not relevant to the Group.
- IFRS 14, Regulatory Deferral Accounts rate-categorised presentation (issued in January 2014, effective for annual periods beginning on or after 1 January 2016, not yet endorsed by EU). IFRS 14 provides an exemption for first-time adopters of IFRS. The standard is not relevant to the Group.

- IFRS 9, Financial Instruments - recognition and measurement (issued in July 2014, effective for annual periods beginning on or after 1 January 2018, not yet endorsed by EU). The new standard brings classification and measurement, impairment and hedge accounting and replaces IAS 39 which relates to classification and measurement of financial assets. IFRS 9 keeps, but simplifies measurement model and specifies three categories for financial assets measurement: measured subsequently at amortised costs, fair value through other comprehensive income and fair value through profit and loss. Classification is based on business model and nature of cash flows from the financial asset. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income. IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income. Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging. The Group is currently assessing the impact of the amendments on its consolidated financial statements.
- Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates (issued in September 2014, effective date for EU still not announced). The amendments address a conflict between the requirements of IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. The amendments are not relevant to the Group.
- IFRS 15, Revenue from Contracts with Customers (issued in May 2014, effective for annual periods beginning on or after 1 January 2018, not yet endorsed by EU). The new standard introduces, that revenues are recognised in transaction price at time, when goods or services are transferred to a customer. The standard will extend information about revenues, provide guidance for transactions not complexly solved earlier (e.g. service revenues or contract modifications) and concern transactions, where vendor provides more than one performance obligation. Adoption of the new standard will significantly affect financial statements of Group, mainly in revenues recognition over time and further in connection to capitalisation of customer acquisition costs. Revenues recognition over time and revenues classification, either for revenues from services or sale of goods, will be affected as result of new principles for transaction price allocation. The Group's activities, related processes and systems are complex and current estimation is, that the Group will need several months for new accounting principles, judgements and processes implementation according to the new standard. As a result, currently it is not possible to provide a reliable estimate of the impact of new the standard.
- IFRS 16, Leases (issued in January 2016, effective for annual periods beginning on or after 1 January 2019, not yet endorsed by EU). The new standard replaces the accounting requirements of IAS 17, Leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead introduces a single lessee accounting model. Lessee will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The entities will need to go through a major system change to comply with the new standard. Adoption of the new standard will significantly affect consolidated financial statements of the Group, mainly in recognition of the operating leases on the statement of financial position. The Group's activities, related processes and systems are complex and current estimation is, that the Group will need several months to develop new accounting principles, make judgements and implement processes according to the new standard. As a result, currently it is not possible to provide a reliable estimate of the impact of new the standard.

a) Accounting estimates

The preparation of the Group's financial statements requires the use of accounting estimates and assumptions in respect of the carrying amount of assets and liabilities not clearly evident from other sources. The estimates and relevant assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the known circumstances. The actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in these financial statements. The estimates and relevant assumptions are continually evaluated. Corrections of accounting estimates are recognised in the period in which the correction occurred (if the correction has an impact only on the current period) and in the following periods (if the correction has an impact on the current and the following period).

Between estimates belongs mainly:

- estimate of recoverable amount of the cash-generating unit, to which goodwill is allocated for the purposes of impairment testing (see Note 9),
- provision for doubtful debt (see Note 5).

b) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

Due to the fact that the Group's business combinations are combinations under common control, the Group does not use the acquisition method for the purposes of recording the merge and the consolidation. The purchase price of the Subsidiary has been determined based on prediction of the future discounted cash-flow.

Consolidated financial statements have been prepared using the predecessor accounting method (similar to pooling of interests), when the acquirer takes over the measurement of subsidiary's assets and liabilities (where fair values were determined at the DTAG level including related GW) from the consolidated financial statements of the ultimate parent company (see Note 2 Comparatives).

Consolidation difference which represents difference between the purchase price of the Subsidiary and the net book value of its assets and liabilities as at the acquisition date has been recorded as a change of the Group's equity.

c) Business combinations

The acquisition method of accounting is used to account for acquisition of subsidiaries. Consideration paid for acquisition of a subsidiary is equal to fair value of the assets transferred and the liabilities incurred. Consideration paid includes fair value of whatever assets and liabilities, which resulting from contingent consideration agreement. Acquired identifiable assets, liabilities and contingent liabilities incurred in business combination are initially recognised at fair value at the date of acquisition. Acquisition related costs are expensed as incurred.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, the Group shall account for the incomplete items using those provisional values. During the measurement period, the Group shall recognise any adjustments to those provisional values or any additional assets and liabilities in order for the adjusted values to reflect new information obtained by the Group about facts and circumstances that existed as at the date of acquisition and which if had been known as at the date of acquisition would have influenced values recognised.

The measurement period is a period from the date of acquisition to the date when the Group obtains complete information about facts and circumstances that existed as at the date of acquisition, however, no later than one year from the acquisition date.

Business combinations under common control are accounted for using predecessor amounts approach. Under this method the Group does not revaluate assets and liabilities to their fair values but takes over the valuation of subsidiary's assets and liabilities from the consolidated financial statements of the ultimate parent company, i.e. from the consolidated financial statements of DTAG.

d) Goodwill

Goodwill arising on the acquisition of a business represents the excess of the

- Consideration transferred
- Amount of any non-controlling interest in the acquired entity and
- Acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. The Group is considered as one cash-generating unit.

e) Foreign currency translation

The functional and presentation currency is Czech crown. Foreign currency transactions are translated and recorded at the exchange rate published by the Czech National Bank as at the date of the transaction. 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 end of the reporting period. All exchange gains or losses on cash, receivables and liabilities balances are recorded in profit or loss.

f) Joint arrangements

Joint arrangements according to IFRS 11 may have either joint operation or joint venture form. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of joint arrangement.

According to participation in joint operations, the Group recognises assets controlled and liabilities incurred and its share on all jointly held assets and jointly incurred liabilities and its share on revenue and costs generated by the joint operations according to valid terms of relevant contracts.

Other information related to joint arrangements is stated in Note 10.

g) Cash and cash equivalents

Cash and cash equivalents are cash in hand, bank deposits and other highly liquid financial instruments exchangeable for a predetermined amount of cash and due date lower than 3 months from purchase date (mainly depository bill of exchange and short-term deposits).

h) Inventories

Purchased inventories are stated at the lower of acquisition cost or net realisable amount. The acquisition cost primarily includes the purchase price and other costs incurred related to delivery of inventories to the storage place. These costs include mainly customs, storage during transportation and freight. The assessment of the net realisable amount for the handsets takes into account the present value of estimated cash flows resulting from the contract with the final customer.
Provisions are recorded for obsolete, slow-moving and damaged inventories and are deducted from the related inventory balances.
All disposals of purchased inventories are valued using the weighted-average cost method.

i) Financial instruments

Financial assets

The Group classifies its financial assets in the following categories:

- Loans and receivables,
- Financial assets at fair value recorded to profit or loss.

Classification of financial assets is based on purpose of asset purchase. Management of the Group assigns financial assets classification at the time of initial record of asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that are not held by the Group for the purpose of selling them immediately or in the short-term. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are comprised in Trade and other receivables, Cash and cash equivalents and Other financial assets in the statement of financial position.
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment (hereinafter referred to as "provisions"). A provision for impairment of Trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or reorganisation or default on payments are considered indicators that the receivable is impaired. Provisions are not created for receivables due from the DTAG group companies. The amount of the provision approximates the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original market discount rate used for similar receivables. The amount of loss due to impairment is recognised in profit or loss. The irrecoverable trade receivables are written off against the provision for impairment. The Group performs the receivables write off against provisions after all legal steps for enforcement were taken or after the sale of the receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.
In June 2014 the Group entered into a factoring agreement with recourse with Helaba Landesbank Hessen-Thüringen Girozentrale („the Factor"). The Group recognizes the transferred assets to the extent of its continuing involvement, which is the maximum amount that the Group would be required to pay to the Factor. The Group also recognises an associated liability, measured in such a way that the net carrying amount of the transferred asset and the associated liability is equal to the fair value of the rights and obligations retained by the entity.

Financial assets at fair value through profit or loss

The Group uses currency forward contracts to hedge its estimated cash flows. Financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Unrealised gains and losses arising from revaluation of financial assets to the fair value as well as realised gains and losses are recognised to the profit or loss. The information on accounting of financial derivatives and hedging operations is provided in Note 3.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements. Financial liabilities include mainly trade payables, short-term bank financing, finance lease obligations, bank overdrafts, loans from parent company DTAG and other payables.
Current trade payables and other financial liabilities, except for liabilities at fair value through profit or loss, are initially recognised at fair value and subsequently measured at the amortised cost using the effective interest method.

Supplier financing

The Group uses financial instruments and practices for optimising management of the working capital and liquidity tied up in supply chain process, i.e. reverse factoring of the Group's trade payables. These factoring transactions result in the renegotiation of the payment terms of vendor invoices and transformation of trade payables to liabilities to banks. The related trade payables are derecognized and liabilities from short-term bank financing (refer to Note 6) are recognized instead.
The overview of financial assets and liabilities according to categories is stated in Note 19.

j) Property and equipment

Property and equipment except for land are recorded at acquisition cost less accumulated depreciation and accumulated impairment losses. The acquisition cost comprises the purchase price, transportation costs, customs, installation costs, borrowing costs, estimated costs of dismantling and removing the asset and restoring the base station sites to their original condition and other relevant costs.
Depreciation is calculated using the straight-line method over the assets' estimated useful lives, as follows:

Asset category	Useful life (years)
Buildings, constructions and leasehold improvements	10 to 50 years or in accordance with the lease period
Operating equipment: Network technology equipment (GSM, UMTS)	3 to 10
Transport vehicles, hardware and office equipment	3 to 13

Land recognised at acquisition cost is not depreciated.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, as at each end of the reporting period.
Repair and maintenance expenditures relating to property and equipment are charged to profit or loss as incurred.
If the carrying amount of an asset is higher than its recoverable amount, the carrying amount is reduced to reflect the recoverable amount. The recoverable amount of assets is calculated as the higher of the fair value less cost to sell and value in use, which is the present value of expected future cash flows generated by the asset or the cash-generating unit.
The gain or loss arising from the liquidation, sale or disposal of an asset is determined by comparing the proceeds with the carrying amount of the asset and is recognised in profit or loss.

k) Intangible assets

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 UMTS licence is considered to be the period from when the licence is ready for 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 when the licence is ready for commercial use, through to the licence expiration date in 2024.

iii) LTE licence

The LTE licence which represents the right to provide communication services in the Czech Republic and to establish and operate LTE 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 when the licence is ready for commercial use, through to the licence expiration date in 2029.

iv) 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 useful life, which is two to six 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.

v) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 7 and 17 years.
The useful lives of customer relationships were estimated on the basis of average useful life of customers in each customer base, national customer relationship and multinational customer relationship, which is more stable compared to national one.

Development costs are generally expensed when incurred. Such costs are capitalised only when it is probable that the intangible asset under development will be successful considering its commercial and technological feasibility, and the costs can be reliably measured. Development costs are amortised using the straight-line method over the period of its expected commercial use, however not exceeding five years. The Group does not perform research activities.

If the carrying amount of the intangible asset is higher than its expected recoverable amount, the carrying amount is reduced to reflect the recoverable amount. The recoverable amount of assets is calculated as the higher of the fair value less cost to sell and value in use, which is the present value of future cash flows generated by the asset or the cash generating unit.

l) Finance leases

Leased property and equipment where the Group assumes all the substantial benefits and risks usually connected with the ownership are classified as finance leases. Property and equipment under finance leases is capitalised at lower of fair value and estimated net present value of the minimal lease payments. The corresponding current and non-current lease obligations, net of finance charges are recognised as current and non-current other financial liabilities, respectively. Finance costs are charged to profit or loss over the lease period using the effective interest method.
Leased out property and equipment where all the substantial benefits and risks usually connected with the ownership were transferred from the Group to lessee is classified as finance lease. The respective short term and long term lease payments, net of finance charges are recognised as current and non-current finance assets.

m) Operating leases

Payments made under operating leases are charged to profit or loss in equal instalments over the period of the lease.

n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provisions due to the passage of time is recognised as finance cost.
The Group recognised an asset retirement obligation, which represents the costs of restoring its leased sites in accordance with the terms and conditions of the lease contracts. The estimated value of the liability is added to the carrying amount of the associated non-current tangible asset and is depreciated over the assets' useful life. The value of the liability is recalculated to its present value as at the end of the reporting period and changes in the liability are recognised in the value of the assets or through charges to profit or loss (finance costs). 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 profit or loss.

o) Revenue recognition

Revenue comprises primarily revenue from the provision of telecommunication network services to final customers and to other parties, revenue from the sale of goods and revenues from System Solutions (IT services). Revenue is stated net of discounts and Value Added Tax. The Group recognises the revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the revenue categories.
Revenues from voice services 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, accessories and revenues from operations of optical networks 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 Group further defers installation fees charged to customers based on service agreements. Installation fees are released to the statement of comprehensive income over the expected life of the related service agreement.
Sale of services is recognized as at the date the services are rendered and are stated net of discounts and Value Added Tax.
Revenues from the sale of goods are recognised at the time of the customer's or independent dealer's purchase.
System solutions revenues represent revenues from application of information technology and telecommunications equipment to store, retrieve, transmit and manipulate data and to provide advanced solutions such as system integration, cloud applications, ICT security and desktop services management. System solutions/integration contracts are mainly short-term, billed on the basis of time and material consumed. Revenue is recognised as the services are rendered.
Interest income is recorded on an accrual and deferral basis using the effective interest method.

p) Cost of goods, raw materials and services

Cost of goods, raw materials and services includes costs of handsets and accessories sold, costs of leased lines, roaming costs and interconnection fees for delivering calls that terminate outside the Group's network. The costs of goods and services are charged to the period in which they are incurred.

q) Commissions to business partners

The Group provides commissions to business partners for customer acquisition or retention, or other services provided by business partner (e.g. prepaid credit recharging, up-sell of customer services). The commissions are expensed as incurred.

r) Employee benefits

Regular contributions are made by the Group to the state to fund the national pension plan that is operated on the basis of the defined contributions. Under this plan, the Group has no obligations beyond the payment of the contributions defined by the law. The Group also provides its employees with contributions for a pension contribution plan under which the Group pays to a separate entity under so-called joint plan of defined contributions. These contributions are recognised in profit or loss as incurred during the employment period.

The Group has entered into several incentive programs, both share-based and non-share based and cash and non-cash settled managed by DTAG. The Group recognizes the costs of services received from its members of executive management in a share-based and non-share-based payment transaction when services are received. If these services are received in a cash-settled transaction, the Group recognizes the expense against the provision, re-measured at each financial statement date. In case of non-cash-settled transaction, the Group recognizes the expense against the equity capital fund, re-measured at each financial statement date.

s) Income tax

Income tax expense consists of the current tax charge and the change in deferred income tax, except when the change in deferred income tax relates to the items credited or charged directly to equity, in this case the deferred income tax is also recorded in equity.

Deferred income tax is determined based on temporary differences between the carrying amount of assets and liabilities and their tax bases, using the statutory tax rates that are expected to apply when the relevant deferred income tax asset is realised or the relevant deferred income tax liability is settled. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not recognised.

Deferred income tax charged or credited to profit or loss is measured as the change in the net deferred tax asset or liability during the year except when the deferred income tax relates to temporary differences from the items credited or charged directly to equity. The principal temporary differences arise from accounting and tax depreciation of property and equipment, changes in tax non-deductible adjustments and tax non-deductible 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.

t) Capital

The Group's objective when managing capital is to safeguard the Group's ability to continue in its business in order to provide return on investment to its shareholders and benefit other stakeholders as well as to meet all relevant legal requirements. The dividend policy of the Group is aligned with this objective. Equity, represented by share capital, share premium, legal reserve fund and retained earnings, is considered by the Group as a source of financing of the Group's activities. The Group creates other capital fund according to long term incentive program for top management based on remuneration in shares.

3 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT PRINCIPLES

The Group's activities expose it to a variety of financial risks, primarily credit risk, liquidity risk, currency risk, and interest rate risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets. The Group seeks to minimise potentially adverse effects on the Group's financial performance through its operating and financial procedures. Based on its risk assessment, the Group 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, the hedging transactions are generally entered into with institutions that meet the requirements of the Group's hedging strategy for required rating.

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

MARKET RISKS

a) Currency risk

The Group 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 Group uses financial instruments, primarily currency forward contracts, in its management of the currency risk associated with its foreign currency denominated sales and purchases. In line with the hedging strategy, the Group hedges 100% of committed future foreign exchange exposures and 50 to 90% of uncommitted expected foreign exchange exposures.

Sensitivity analysis

The Group performed a sensitivity analysis for the following items of the statement of financial position denominated in EUR:

- Cash and cash equivalents;
- Trade and other receivables;
- Other financial assets;
- Trade and other payables;
- Short-term bank financing;
- Other financial liabilities.

The effects of other currency fluctuations (SDR, USD, CHF, GBP, AUD) are not deemed material to the Group's financial statements.
As at 31 December 2015, had the CZK decreased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 62 million higher. Conversely as at 31 December 2015, had the CZK increased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 62 million lower.
As at 31 December 2014, had the CZK decreased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 133 million lower. Conversely as at 31 December 2014, had the CZK increased by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 133 million higher.

b) Interest rate risk

The Group 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 Group does not actively manage the interest rate risk. Once the current instruments matured, should the Group reinvest the free cash in equivalent financial instruments, it would be exposed to following potential effects:

Interest rate change by 100 basic points*	Profit after-tax impact in CZK million	
	31.12.2015	31.12.2014
Decrease	(1)	(1)
Increase	23	37

* Assuming all other variables holding constant

CREDIT RISK

The counterparties for transactions of the Group's financial instruments 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 Group. The Group 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 Group 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. The maximum exposure to credit risk as at the end of the reporting period is represented by the carrying amounts of the financial assets in the statement of financial position.
In case of Cash and cash equivalents and Short-term bank financing concentrations of credit risk are limited as the Group places its cash with substantial credit institutions. Concentrations of credit risks relating to Trade and other receivables and Other financial assets are limited due to credit risk management tools, debt collection process and following policies and directions set in investment strategy approved by the General Meeting of the Group.

Trade and other receivables

The Group considers receivables from customers of its electronic communication services to give rise to the highest credit risk. These receivables represent approximately 80% of all trade receivables. These receivables are continually monitored and associated bad debt provisions are created taking into account the payment discipline of the customers.
The Group has changed approach to monitoring of credit risk arising from receivables from end-users. The change involves regular monitoring of payment discipline of the customers, allowing the immediate response to eventually slight deterioration in the payment discipline of the customers by adjusting activation and debt collecting process.
The credit quality of the receivables from customers of electronic communication services can be analysed by dividing these receivables into the five risk categories:

Risk category	Probability of default in payment in %**	% base***	
		2015	2014
(A) Not yet due	0 – 1,99%	84,5%	82,7%
(B) Up to one month overdue	2,00 – 21,99%	5,8%	5,5%
(C) Up to three months overdue	22,00 – 37,99%	2,7%	3,0%
(D) Up to one year overdue	38,00 – 79,99%	7,0%	8,8%
(E) Over one year overdue – in default	80 – 100%	–	–

** Probability of default in payment is determined by long-term payment discipline, which is continuously monitored by T-Mobile Czech Republic a.s. and is considered stable in time.
*** Base is defined as nominal value of receivables, which are maximally one year overdue at balance sheet date.

The Group has implemented credit risk management tools and a debt collection process for the defined risk categories. The credit risk management tools include acceptance procedures for new post-paid customers, sending collection letters to customers with overdue payments, enforcement by law and the sale of receivables in auctions. Category (E) - in default consists of deactivated customers only.

Gross value of receivables which are past due but not individually impaired are presented in risk categories as follows:

31. 12. 2015	Risk category					Standard & Poor's Long-term rating			Not individually observed	
CZK million	A	B	C	D	E	BBB+	A- to A+	AA-		Total
Receivables from electronic communication services	2,997	–	–	–	–	–	–	–	–	2,997
Receivables from DTAG group companies	–	–	–	–	–	569	–	–	–	569
Other trade receivables	–	–	–	–	–	–	–	–	870	870
Financial receivables (gross) total	**2,997**	**–**	**–**	**–**	**–**	**569**	**–**	**–**	**870**	**4,436**

31. 12. 2014	Risk category					Standard & Poor's Long-term rating			Not individually observed	
CZK million	A	B	C	D	E	BBB+	A- to A+	AA-		Total
Receivables from electronic communication services	2,884	–	–	–	–	–	–	–	–	2,884
Receivables from DTAG group companies	–	–	–	–	–	523	–	–	–	523
Other trade receivables	–	–	–	–	–	–	–	–	534	534
Financial receivables (gross) total	**2,884**	**–**	**–**	**–**	**–**	**523**	**–**	**–**	**534**	**3,941**

Gross value of receivables which are past due and individually impaired are presented in risk categories as follows:

31. 12. 2015	Risk category					Standard & Poor's Long-term rating			Not individually observed	
CZK million	A	B	C	D	E	BBB+	A- to A+	AA-		Total
Receivables from electronic communication services	–	204	96	250	2,796	–	–	–	–	3,346
Other trade receivables	–	–	–	–	–	–	–	–	32	32
Financial receivables (gross) total	**–**	**204**	**96**	**250**	**2,796**	**–**	**–**	**–**	**32**	**3,378**

31. 12. 2014	Risk category					Standard & Poor's Long-term rating			Not individually observed	
CZK million	A	B	C	D	E	BBB+	A- to A+	AA-		Total
Receivables from electronic communication services	–	193	104	306	2,838	–	–	–	–	3,441
Other trade receivables	–	–	–	–	–	–	–	–	19	19
Financial receivables (gross) total	**–**	**193**	**104**	**306**	**2,838**	**–**	**–**	**–**	**19**	**3,460**

Trade receivables from customers of electronic communication services with increased credit risk are to a certain extent secured by collateral in the form of cash deposits that are refundable after the contract termination or credited against unsettled receivables.
The trade receivables from the DTAG group do not give rise to a significant credit risk. These receivables are settled through the group inter-Group clearing centre and therefore classified to category BBB+.
Other trade receivables from third parties as at 31 December 2015 are represented by receivables from dealers CZK 73 million (31 December 2014: CZK 80 million) where balances in this category exceeding a certain level are insured or secured by another instrument, such as a blank bill of exchange, roaming and interconnection receivables CZK 107 million (as at 31 December 2014: CZK 262 million) which not to give rise to significant credit risk and the Group does not monitor them individually and by receivables from business customers for other products of the Group, such as system integration, IT outsourcing, etc., of CZK 722 million (as at 31 December 2014: CZK 211 million). Credit check of business customers for other products of the Group is performed at the beginning of business cases. Receivables from business customers for other products of the Group do not give rise to significant credit risk due to characteristics of transactions and continuously credit monitoring is not necessary.

Cash and cash equivalents and other financial assets

The Group only makes short-term cash deposits (cash, depository bills of exchange, term deposits, REPO transactions). The Group deposits free cash into financial instruments such as mortgage-backed securities or financial investments in the form of loans to DTAG. The counterparties for financial transactions of the Group'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 Group.
The Group 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 Group has a concentration of credit risk mainly towards banks regulated by Czech National Bank, see below.

31.12.2015	Standard & Poor's Long-term rating				
CZK million	BBB+	A- to A+	AA-	Not assigned	Total
Bank accounts	49	345	–	323	717
Cash equivalents	–	2,850	–	–	2,850
Short term bank financing and other financial assets	–	–	–	66	66
Total cash and cash equivalents and other financial assets exposure	**49**	**3,195**	**0**	**389**	**3,633**

31.12.2014	Standard & Poor's Long-term rating				
CZK million	BBB+	A- to A+	AA-	Not assigned	Total
Bank accounts	–	1,484	–	–	1,484
Cash equivalents	–	4,300	1,600	–	5,900
Short term bank financing and other financial assets	–	–	–	64	64
Total cash and cash equivalents and other financial assets exposure	**–**	**5,784**	**1,600**	**64**	**7,448**

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and held for sale 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 Group maintains a liquidity reserve in the form of a bank overdraft and flexible credit line to support its ability to meet its liabilities and to provide financial flexibility. Historically, the Group generated sufficient cash to ensure its solvency and financial flexibility. The Group does not consider itself significantly exposed to liquidity risk.

The Group uses financial instruments and practices for optimising the management of the working capital and liquidity tied up in supply chain process, i.e. reverse factoring of the Group's trade payables.

The Group concluded agreements according to which the original liabilities were extinguished and replaced by the promissory notes payable to bank in exchange for extended payment terms. These agreements were terminated during 2015 (for more information refer to Note 2i and 6).

The residual maturities of financial liabilities are analysed in Note 12.

FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value are classified into three levels according to the method of fair value determination:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015. The Group does not have any financial assets and liabilities that are measured at fair value at level 1 and 3.

CZK million	Level 2	
	31. 12. 2015	31. 12. 2014
Assets		
Currency forward contract with positive fair value	8	57
Total assets	**8**	**57**
Payables		
Currency forward contract with negative fair value	18	0
Total payables	**18**	**0**

The fair values of financial instruments at level 2 are based on monetary yield curves determined at the balance sheet date which are based on the market prices valid as at the end of the reporting period.

The fair values of finance lease liabilities amounted to CZK 1,454 million as at 31 December 2015 (31 December 2014: CZK 1,249 million). The carrying amount of other categories of financial assets and liabilities both at 31 December 2015 and 31 December 2014 approximate their fair values.

The classification of financial assets and liabilities into categories in accordance with IAS 39 is stated in Note 19.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are initially recognised in the statement of financial position at fair value. In assessing the fair value of derivatives, the Group uses a variety of methods including techniques such as the present value of estimated future cash flows under assumptions based on market conditions existing as at statement of financial position date and other valuation techniques.

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 profit or loss.

The Group uses currency forward contracts to hedge estimated cash flows. All transactions below the equivalent of EUR 15 million (CZK 405 million), are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. In 2015 and 2014, the Group did not apply hedge accounting.

4 CASH AND CASH EQUIVALENTS

CZK million	31.12.2015	31.12.2014
Cash at banks and in hand	717	1,484
Cash equivalents	2,850	5,900
Total	**3,567**	**7,384**

Cash equivalents as at 31 December 2015 and 31 December 2014 consist mainly of bank deposits, depository bills of exchange and REPO transactions.

5 TRADE AND OTHER RECEIVABLES

CZK million	31.12.2015	31.12.2014
Trade receivables	6,004	5,593
Unbilled receivables	1,810	1,808
Less: Provision for impairment	(2,589)	(2,617)
Trade receivables (net)	**5,225**	**4,784**
Other receivables	192	36
Financial receivables total	**5,417**	**4,820**
Other receivables – nonfinancial	–	2
Total	**5,417**	**4,822**

Trade receivables comprise mainly receivables from the communication network users, receivables from other communication services providers, receivables from partners for electronic recharging of Twist pre-paid cards and receivables from independent dealers.
The book value and ageing analysis of trade receivables which are not individually impaired is as follows:

CZK million	Not yet due	Past due			Total
31. 12. 2015		up to 90 days	91–180 days	181–360 days	
Trade receivables:					
– from DTAG group	477	84	3	5	569
– from customers of electronic communication services*	2,997	–	–	–	2,997
– other trade receivables from third parties	803	66	–	–	869
Provisions:					
– for trade receivables from customers of electronic communication services*	(30)	–	–	–	(30)
– for other trade receivables from third parties	(22)	(2)	–	–	(24)
Trade receivables (net)	**4,225**	**148**	**3**	**5**	**4,381**

* Receivables and provisions from customers include balances related to active customers

CZK million	Not yet due	Past due			Total
31. 12. 2014		up to 90 days	91–180 days	181–360 days	
Trade receivables:					
– from DTAG group	453	65	3	2	523
– from customers of electronic communication services*	2,884	–	–		2,884
– other trade receivables from third parties	534	–	–	–	534
Provisions:					
– for trade receivables from customers of electronic communication services*	(15)	–	–	–	(15)
– for other trade receivables from third parties	(25)	–	–	–	(25)
Trade receivables (net)	**3,831**	**65**	**3**	**2**	**3,901**

* Receivables and provisions from customers include balances related to active customers

The book value and ageing analysis of receivables which are individually impaired is as follows:

CZK million	Not yet due	Past due					Total
31. 12. 2015		up to 90 days	91–180 days	181–360 days	1–2 years	2 years and more	
Trade receivables							
– from customers of electronic communication services*	–	301	91	158	304	2,492	3,346
– other trade receivables from third parties	–	8	6	3	1	14	32
Provisions:							
– for trade receivables from customers of electronic communication services*	–	(28)	(17)	(124)	(229)	(2,117)	(2,515)
– for other trade receivables from third parties	–	–	(4)	(2)	(1)	(12)	(19)
Trade receivables (net)	**–**	**281**	**76**	**35**	**75**	**377**	**844**

* Receivables and provisions from customers include balances related to active and terminated customers

CZK million	Not yet due	Past due				Total	Celkem
31. 12. 2014		up to 90 days	91–180 days	181–360 days	1–2 years	2 years and more	
Trade receivables							
– from customers of electronic communication services*	–	296	121	185	325	2,514	3,441
– other trade receivables from third parties	–	–	2	3	6	8	19
Provisions:							
– for trade receivables from customers of electronic communication services*	–	(50)	(66)	(135)	(266)	(2,039)	(2,556)
– for other trade receivables from third parties	–	–	(1)	(3)	(6)	(11)	(21)
Trade receivables (net)	**–**	**246**	**56**	**50**	**59**	**472**	**883**

* Receivables and provisions from customers include balances related to active and terminated customers

Due dates of financial assets did not change during 2015 or 2014.
Movements of the provision for impairment of receivables can be analysed as follows:

CZK million	2015	2014
Opening balance as at 1.1.	**2,617**	**2,565**
CE Colo Czech opening balance as at 1.1.	2	–
Net increase for the year	278	335
Utilisation of provision for write-off	(308)	(283)
Closing balance as at 31.12.	**2,589**	**2,617**

The following table analyses income and expenses related to receivable write-offs:

CZK million	2015	2014
Change in provision for doubtful receivables	(102)	5
Income from receivables previously written off	(21)	(13)
Receivables written-off	308	283
Total net loss from impairment of receivables	**185**	**275**
Interest income	(18)	(11)
Income from contractual penalty fees	(233)	(288)
Total net profit from trade receivables	**(66)**	**(24)**

6 SHORT-TERM BANK FINANCING

CZK million	31.12.2015	31.12.2014 restated	1.1 2014 restated
Liabilities from supplier finance	–	(1,597)	(760)
Receivables / (liabilities) from factoring arrangement (ref to Note 2i)	58	(968)	–
Total asset / (liability)	**58**	**(2,565)**	**(760)**

7 INVENTORIES

CZK million	31.12.2015	31.12.2014
Handsets and accessories	427	352
Other inventories	264	220
Total	**691**	**572**

8 INTANGIBLE ASSETS

CZK million	Customer contracts	Software	GSM/UMTS and other licences	Other intangible fixed assets	Assets in the course of construction and advances paid	Total
Cost						
1.1.2014	**103**	**6,432**	**4,874**	**563**	**1,455**	**13,427**
Additions	-	-	-	-	3,969	3,969
Disposals	-	(287)	-	(13)	(16)	(316)
Transfers*	-	2,037	2,629	51	(4,708)	9
31.12.2014	**103**	**8,182**	**7,503**	**601**	**700**	**17,089**
GTS Czech – opening balance 1.1.2015	2,041	132	53	23	6	2,255
CE Colo Czech – opening balance 1.1.2015	336	3	-	-	-	339
Additions	-	-	-	-	1,042	1,042
Disposals	-	(41)	-	-	0	(41)
Transfers*	-	899	-	27	(926)	0
31.12.2015	**2,480**	**9,175**	**7,556**	**651**	**822**	**20,684**
Accumulated amortisation / Impairment						
1.1.2014	**103**	**5,611**	**2,277**	**327**	**-**	**8,318**
Amortisation	-	935	384	91	-	1,410
Disposals	-	(287)	-	(13)	-	(300)
31.12.2014	**103**	**6,259**	**2,661**	**405**	**-**	**9,428**
GTS Czech – opening balance 1.1.2015	125	44	5	5	-	179
CE Colo Czech – opening balance 1.1.2015	28	1	-	-	-	29
Amortisation	263	1,190	421	85	-	1,959
Disposals	-	(36)	-	(3)	-	(39)
31.12.2015	**519**	**7,458**	**3,087**	**492**	**0**	**11,556**
Net book value						
1.1.2014	**-**	**821**	**2,597**	**236**	**1,455**	**5,109**
31.12.2014	**-**	**1,923**	**4,842**	**196**	**700**	**7,661**
31.12.2015	**1,961**	**1,717**	**4,469**	**159**	**822**	**9,128**

* Transfers include transfers of intangible fixed assets in the course of construction and advances to assets in use.

SIGNIFICANT INDIVIDUAL INTANGIBLE ASSETS

Licences

The carrying values and remaining amortization periods of the licenses are listed in the table below. For further information on these assets, please see Note 1.

CZK million	31.12.2015		31.12.2014	
	Carrying amount	Remaining amortization period (years)	Carrying amount	Remaining amortization period (years)
GSM licence	369	9	411	10
UMTS licence	1,745	9	1,945	10
LTE licence	2,355	14	2,486	15
Total GSM/UMTS and other licences	4,469		4,842	

Software

The majority of software balance is made by NG CRM, a new platform for client relationship management (CRM) system. The carrying value of NG CRM as of 31.12.2015 is CZK 933 million plus CZK 335 million in section of Assets under construction (31.12.2014: CZK 1,015 million plus CZK 115 million under construction) and the remaining amortization period as of 31.12.2015 is 7 years (31.12.2014: 8 years). The platform is being implemented in stages and the last module is still under construction. The migrations to new CRM system affected a number of existing software and systems the modification of which was needed. The amount of these capital expenditures are not included in valuation of NG CRM but in valuation of existing software and systems.

9 GOODWILL

CZK million	31. 12 2015	31. 12 2014
Cost		
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	–
CE Colo Czech s.r.o.	100	–
Total	1,375	131

Goodwill was tested for impairment as of 31 December 2015. The Group is considered as one cash-generating unit ("CGU"). The Group establishes the recoverable amount by determining the CGU's fair value less cost to sell by using valuation techniques. The fair value was determined by calculating discounted projected cash flows over the next ten years with a terminal value. Cash flows beyond the ten-year period were extrapolated using the estimated long-term growth rate stated in the table below.

The calculation of expected future cash flows is based on an estimate of service revenue, operating expenditure (direct and indirect costs) and capital expenditure for the period 2016 – 2025.

Service revenue is projected separately for each main area (mobile, fixed, IT). Mobile revenues are projected based on the estimated number of subscribers in each year and the expected average revenue per user ("ARPU") in each year. Revenues from the fixed and IT businesses are estimated based on expected sales and sales prices. The estimated number of customers/subscribers is based on past performance and management's expectations of market development. ARPU or sales prices are based on current industry trends and take into account the competition and other market factors.

Operating expenditure is based on the current structure of the business, adjusted for expected future developments, restructurings and cost saving measures.

Capital expenditure is based on the historical experience of management and the planned development of the fixed and mobile network.

In general, the projections of the above mentioned components of expected future cash flows take into account the expected economic development, the competition and other market factors, regulation, as well as the Group's strategy.

The weighted average cost of capital ("WACC") used in the calculation to discount the cash flow projections was determined based on CAPM (Capital Asset Pricing Model) using the average betas of the peer group, a risk free rate using the Svensson methodology for Germany and adjusted for country specific risks, a debt ratio in line with the usual indebtedness of listed peer telecommunications companies and an additional debt risk premium considering average peer Group specific debt risks. The estimated long-term growth rate ("LTGR") takes into account the expected economic growth of the country.
The fair value measurement is categorised within level 3 of fair value hierarchy as per IFRS 13.
The analysis performed as at 31 December 2015 confirmed that the recoverable amount of the cash generating unit exceeds its carrying amount.
The table below shows the WACC and LTGR used in the fair value calculation for the goodwill impairment tests conducted as of 31 December 2015 and as of 31 December 2014. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations.

	31.12.2015	31.12.2014
WACC		
Used in the calculation	5.58%	7.52%
If changed to	9.58%	10.52%
Impairment would be (CZK million)	–	–
LTGR		
Used in the calculation	2%	2%
If changed to	(2)%	(2)%
Impairment would be (CZK million)	–	–
Nominal expected future cash flows		
If changed by	(30)%	(30)%
Impairment would be (CZK million)	–	–

If the nominal expected future cash flows, discount rates, or long term growth rate used for impairment testing had been changed as described in the table above for the projection period, this would not have resulted in any impairment.

10 PROPERTY AND EQUIPMENT

CZK million	Buildings and land	Equipment and other fixed assets	Assets in the course of construction, advances and network spare parts	Total
Acquisition cost				
1.1.2014	**11,520**	**21,433**	**1,304**	**34,257**
Additions	120	412	1,834	2,366
Disposals	(140)	(858)	(25)	(1,023)
Transfers*	204	1,340	(1,554)	(10)
31.12.2014	**11,704**	**22,327**	**1,559**	**35,590**
GTS Czech– opening balance 1.1.2015	35	2,165	185	2,385
CE Colo Czech– opening balance 1.1.2015	348	143	6	497
Additions	270	725	2,171	3,166
Disposals	(2,288)	(1,584)	(64)	(3,936)
Transfers*	349	2,608	(2,957)	0
31.12.2015	**10,418**	**26,384**	**900**	**37,702**
Accumulated depreciation / Impairment				
1.1.2014	**6 788**	**14 462**	**2**	**21 252**
Depreciation	389	1,649	–	2,038
Disposals	(84)	(821)	–	(905)
Transfers	(87)	87	–	–
31.12.2014	**7,006**	**15,377**	**2**	**22,385**
GTS Czech – opening balance 1.1.2015	17	300	–	317
CE Colo Czech– opening balance 1.1.2015	7	11	–	18
Depreciation	667	2,157	–	2,824
Disposals	(2,285)	(1,549)	–	(3,834)
31.12.2015	**5,412**	**16,296**	**2**	**21,710**
Net book value				
1.1.2014	**4,732**	**6,971**	**1,302**	**13,005**
31.12.2014	**4,698**	**6,950**	**1,557**	**13,205**
31.12.2015	**5,006**	**10,088**	**898**	**15,992**

* Transfers include transfers of tangible fixed assets in the course of construction and advances to assets in use.

FINANCE LEASES

The Group has entered into the finance lease contracts, particularly optical fibre lease agreements. Optical fibres are taken by the Group when prepared to use. The assets under financial lease are recognized as a part of own equipment and are depreciated over their estimated useful life that is mainly over the period of 20 years. Their net book value as at 31 December 2015 was CZK 2,119 million (as at 31 December 2014: CZK 1,094 million).

Thereof the Group paid in 2013 an advance for financial lease of optical fibres amounting to CZK 643 million. As at 31 December 2015 the Group has overtaken 323 optical fibres (amounting to CZK 886 million) from planned 800, related to advance payment in 2013.

Minimum lease payments related to the concluded finance leases, the future finance charge and the present value of finance lease liabilities as at 31 December 2015 and 31 December 2014 are as follows:

CZK million	31.12.2015	31.12.2014
Up to 1 month	*20*	*15*
1 to 3 months	*39*	*30*
3 to 12 months	*177*	*135*
Up to 1 year	236	180
1 to 5 years	448	400
Over 5 years	1,088	989
Total minimum lease payments	**1,772**	**1,569**
Up to 1 year	(50)	(48)
1 to 5 years	(226)	(219)
Over 5 years	(315)	(325)
Future interest expense on finance leases	**(591)**	**(592)**
Up to 1 year	184	132
1 to 5 years	222	181
Over 5 years	773	664
Net present value of finance lease liabilities*	**1,179**	**977**

* Finance lease liabilities are included in other financial liabilities (refer to Note 13).

JOINT ARRANGEMENTS

In 2013 the Group entered into joint arrangement with company O2 Czech Republic a.s. concerning a 2G and 3G network sharing, resp. sharing of active and passive mobile network elements on a territorial basis of Czech Republic. As at 31 December 2015, 525 sites were shared on the Group side and 560 sites on O2 Czech Republic a.s. side (as at 31 December 2014: 82 sites on the Group side and 83 sites on O2 Czech Republic a.s. side).

In 2014 the Group entered into a similar joint arrangement with O2 Czech Republic a.s. concerning sharing of LTE technologies for mobile networks. The contractual arrangement involves sharing of active mobile network elements on a same territorial basis of Czech Republic as for 2G and 3G technologies sharing. As at 31 December 2015, 1,187 sites on the Group side and 1,187 sites on O2 Czech Republic a.s. side were shared (as at 31 December 2014: 374 sites on the Group side and 366 sites on O2 Czech Republic a.s. side).

Both contracts are based on balanced principles and after having considered the contractual rights and obligations, they were assessed as joint arrangements according to IFRS 11. For this classification was determining, that the major of strategic decisions were specified jointly next to signing of a contract or will be done during validity of the contract. With respect to the fact, that joint arrangement is not a part of a separate legal entity, it was concluded that it represents a joint operation.

Network sharing in context of these contracts means sharing of transmitting sites including related tangible assets used for providing of 2G and 3G, resp. LTE services. Operators keep full control over the content of provided services to its customers, acquiring and managing of customers, price policy, marketing and customer support. Both parties remain individually responsible for keeping of legal contractual obligations resulting from telecommunication licences and related laws and regulations.

Due to the different classification of active and passive mobile network elements, the Group adopted two different approaches to the assets under both network sharing agreements. Active mobile network elements were classified as individually held assets and recognized at cost, consistently with other solely owned assets by the Group. Passive mobile network elements were classified as jointly held assets, the Group recognized 50% share of the Group's share of jointly held assets subject to network sharing agreements and 50% share on joint costs and revenues resulting from the joint arrangement.

The Group considered risks resulting from joint arrangements and evaluated them as immaterial.

11 BUSINESS COMBINATIONS

In 2014 DTAG acquired GTS Group including GTS Czech and CE Colo Czech.
On 1 January 2015 the Company acquired the 100% share of GTS Czech from DTAG for CZK 4,210 million (all paid in cash) and merged with the entity as of the same date.
The following table summarises the assets acquired and liabilities and equity assumed of GTS Czech as at the acquisition date 1 January 2015.

Assets acquired and liabilities assumed at 1 January 2015	CZK million
Cash and cash equivalents	669
Trade and other receivables	721
Inventories	6
Prepaid expenses and other current assets	63
Intangible assets	2,059
Goodwill	1,144
Property and equipment	2,086
Other non-current assets	42
Other financial assets	12
TOTAL ASSETS	**6,802**
Trade and other payables	582
Loans	1,361
Provisions	154
Deferred income	10
TOTAL LIABILITIES	**2,107**
NET EQUITY ACQUIRED	**4,695**

On 1 January 2015 the Company acquired 100% share in the CE Colo Czech s.r.o. for CZK 1,422 million (all paid in cash).
CE Colo Czech s.r.o. primary business activity is lease of space in data centres and real estates, flats and commercial spaces.
The following table summarises the assets acquired and liabilities and equity assumed of CE Colo Czech as at the acquisition date 1 January 2015 at values taken over from the consolidated financial statements of DTAG.

Assets acquired and liabilities assumed at 1 January 2015	CZK million
Cash and cash equivalents	26
Trade and other receivables	27
Prepaid expenses and other current assets	1
Intangible assets	310
Goodwill	100
Property and equipment	479
TOTAL ASSETS	**943**
Trade and other payables	126
Other financial liabilities	714
TOTAL LIABILITIES	**840**
NET EQUITY ACQUIRED	**103**

The consolidation difference represents the excess of consideration paid for the CE Colo Czech over the net book value of its assets and liabilities as at the acquisition date. The value of net assets represents fair value of net assets at the date, when DTAG obtained control over GTS Group (including Ce Colo Czech) in 2014, adjusted for movements during the 7 months period until Ce Colo Czech was acquired by the Company. The consolidation difference has been recorded as a decrease of the Group's equity.

Consolidation difference as at 1.1.2015	CZK million
Consideration paid	1,422
Net assets acquired	(103)
Consolidation difference	**1,319**

12 TRADE AND OTHER PAYABLES

CZK million	31.12.2015	31.12.2014 restated	1.1.2014 restated
Trade payables	1,400	1,065	1,438
Operational expenditure accruals	1,759	1,521	1,736
Capital expenditure accruals	179	282	160
Total trade payables	**3,338**	**2,868**	**3,334**
Currency forward contracts with negative fair value	18	–	1
Total financial liabilities	**3,356**	**2,868**	**3,335**
Liabilities to employees	590	596	629
Other taxes and social security liabilities	272	229	182
Other payables	69	44	57
Total non-financial liabilities	**931**	**868**	**868**
Total	**4,287**	**3,737**	**4,203**

Liabilities to employees comprise liabilities from prior month salaries, liabilities from untaken holiday and bonuses amounting to CZK 448 million (as at 31 December 2014: CZK 469 million and as at 1 December 2014: CZK 499 million) which were presented within current provision in prior years.
The remaining maturities of financial liabilities (contractual undiscounted cash flows) are as follows (contractual maturities of financial lease liabilities are stated in Note 10):

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2015						
Trade payables	200	843	290	64	3	1,400
Operational expenditure accruals	418	1,167	106	68	–	1,759
Capital expenditure accruals	21	142	16	–	–	179
Total trade payables	**639**	**2,152**	**412**	**132**	**3**	**3,338**
Currency forward contracts with negative fair value	–	186	136	136	178	636
Currency forward contracts with positive fair value	–	20	19	19	579	637
Total forward contracts*	**–**	**206**	**155**	**155**	**757**	**1,273**

* Contracted nominal value. For the fair value refer to Note 17.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2014 restated						
Trade payables	261	486	227	86	5	1,065
Operational expenditure accruals	230	1,182	83	26	–	1,521
Capital expenditure accruals	18	137	124	3	–	282
Total trade payables	**509**	**1,805**	**434**	**115**	**5**	**2,868**
Currency forward contracts with negative fair value	–	150	–	–	61	211
Currency forward contracts with positive fair value	–	6,564	366	168	868	7,966
Total forward contracts*	**–**	**6,714**	**366**	**168**	**929**	**8,177**

* Contracted nominal value. For the fair value refer to Note 17.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
1.1.2014 restated						
Trade payables	198	784	329	119	8	1,438
Operational expenditure accruals	508	873	269	86	–	1,736
Capital expenditure accruals	58	72	23	7	–	160
Total trade payables	**764**	**1,729**	**621**	**212**	**8**	**3,334**
Currency forward contracts with negative fair value	–	168	–	–	21	189
Currency forward contractswith positive fair value	–	389	114	114	534	1,151
Total forward contracts*	**–**	**557**	**114**	**114**	**555**	**1,340**

* Contracted nominal value. For the fair value refer to Note 17.

13 OTHER FINANCIAL LIABILITIES

CZK million	31.12.2015	31.12.2014
Total current other financial liabilities	**184**	**132**
Non-current finance lease liabilities	995	845
Long-term advances from post-paid customers*	6	6
Total non-current other financial liabilities	**1,001**	**851**
Total	**1,185**	**983**

* Advances from post-paid customers that are refundable at the termination of the contract represent guarantee for trade receivables.

CZK million	31. 12. 2015	31. 12. 2014
Up to 1 month	*15*	*11*
1 – 3 months	*31*	*22*
3 – 12 months	*138*	*99*
Up to 1 year	184	132
1 to 5 years	227	187
Over 5 years	774	664
Total other financial liabilities	**1,185**	**983**

The total limit of bank overdrafts and flexible credit lines available to the Group as at 31 December 2015 was EUR 1 million (CZK 27 million) and CZK 1,475 million (as at and 31 December 2014 EUR 1 million or CZK 28 million and CZK 575 million). As at 31 December 2015 and 31 December 2014, the Group did not draw any overdrafts.

14 PROVISIONS

CZK million	31.12.2015	31.12.2014	1.1.2014
Other provisions	64	17	23
Total current provisions	**64**	**17**	**23**
Asset retirement obligation	750	679	605
Other provisions	147	57	49
Total non-current provisions	**897**	**736**	**654**
Total	**961**	**753**	**677**

CZK million	Asset retirement obligation	Other provisions	Total
1.1.2014	**605**	**72**	**677**
Charge for the year (additions)	71	89	160
Unused amounts reversed	(1)	(6)	(7)
Used during the year	4	(81)	(77)
31.12.2014	**679**	**74**	**753**
GTS – opening balance 1.1.2015	–	123	123
Charge for the year (additions)	80	138	218
Unused amounts reversed	(10)	(13)	(23)
Used during the year	–	(123)	(123)
Unwinding of interest	1	12	13
31.12.2015	**750**	**211**	**961**

The provision for Asset retirement obligation represents the costs of restoring leased sites in accordance with terms and conditions of the lease contracts. The provision is uncertain in both the amount and timing of future financial outflows. Realisation of provision is expected in 2029 (date of LTE licence expiration).

15 DEFERRED INCOME

CZK million	31.12.2015	31.12.2014
Deferred revenue related to unused prepaid airtime of prepaid and credit tariff subscribers	483	510
T–Mobile Bonus (IFRIC 13)	60	57
Other	96	71
Total current	**639**	**638**
Total non-current	**3**	**3**

16 DEFERRED INCOME TAX LIABILITY

Net deferred income tax liability is calculated as follows:

CZK million	31.12.2015	31.12.2014
Accelerated tax depreciation	(3,199)	(1,727)
Tax depreciation of receivables	38	(58)
Liabilities to employees	404	408
Provisions	952	751
Other differences	207	178
Basis for deferred income tax calculation	**(1,598)**	**(448)**
Net deferred income tax liability	**(304)**	**(85)**

CZK million	31.12.2015	31.12.2014
Deferred income tax liabilities:		
- deferred income tax liability to be recovered after more than 12 months	(855)	(528)
- deferred income tax liability to be recovered after less than 12 months	0	(11)
Total deferred income tax liabilities	**(855)**	**(539)**
Deferred income tax assets:		
- deferred income tax asset to be recovered after more than 12 months	365	315
- deferred income tax asset to be recovered within 12 months	186	139
Total deferred income tax assets	**551**	**454**
Net deferred income tax liability	**(304)**	**(85)**

The net deferred income tax liability as at 31 December 2015 and 31 December 2014 was calculated using the corporate income tax rates, shown in the table below, depending on the period when the temporary differences are expected to reverse.

	Corporate income tax rate	
Period	**2015**	**2014**
2015 and onwards	19%	19%

The movement in deferred income tax during the year is as follows:

Deferred income tax liabilities CZK million	Tax provision for receivables	Accelerated tax depreciation	Total
1.1.2014	**(52)**	**(477)**	**(529)**
Debited to profit or loss for the current period	41	(51)	(10)
31.12.2014	**(11)**	**(528)**	**(539)**
GTS Czech– opening balance 1.1.2015	–	(7)	(7)
CE Colo Czech – opening balance 1.1.2015	–	(97)	(97)
Debited to profit or loss for the current period	11	(223)	(212)
31.12.2015	**–**	**(855)**	**(855)**

Deferred income tax assets CZK million	Tax provision for receivables	Provisions	Accelerated accounting depreciation	Other	Total
1.1.2014	**–**	**204**	**204**	**29**	**437**
Credited / (debited) to profit for the current period	–	16	(4)	5	17
31.12.2014	**–**	**220**	**200**	**34**	**454**
GTS Czech – opening balance 1.1.2015	–	27	5	8	40
Credited / (debited) to profit for the current period	8	10	40	(1)	57
31.12.2015	**8**	**257**	**245**	**41**	**551**

17 DERIVATIVE FINANCIAL INSTRUMENTS

FORWARD CONTRACTS

As at the end of 2015, the Group had open currency forward contracts with a total nominal value of CZK 1,273 million (as at 31 December 2014: CZK 8,177 million). These transactions focus on managing currency risks associated with the settlement of the Group's future liabilities resulting from the customer-supplier relations and denominated in EUR and USD. All currency forward contracts as at 31 December 2015 were initiated during 2015 with maturity by the end of 2016. During 2015, currency forward contracts in the total nominal value of CZK 9,415 million were settled (in 2014: CZK 2,447 million).

Open currency forward contracts (CZK million)	31.12.2015	31.12.2014
Open currency forward contracts hedging other foreign currency liabilities:		
Positive fair value	8	57
Negative fair value	(18)	–
Total	**(10)**	**57**

18 EQUITY

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. As at 31 December 2015 and 31 December 2014, the registered capital was represented by 520 thousand shares. All shares have equal voting rights.
The Group's shareholders have their rights and obligations. The fundamental obligation of the shareholders is the capital contribution obligation. The shareholders' rights include in particular:

- Right to a profit share;
- Voting right;
- Right to request and receive explanations at General Meetings on matters which concern the Group or parties controlled by the Group or which are relevant to the exercise of shareholders' rights;
- Right to make proposals and counter-proposals on matters on the agenda of a General Meeting;
- Rights of qualified shareholders, in particular the right to ask the Board of Directors to convene a General Meeting and the Supervisory Board to review the exercise of the powers of the Board of Directors;
- Right to file a shareholders' action against a member of the Board of Directors or the Supervisory Board, the right to seek payment of the issue price by a shareholder who is in delay with payment thereof;
- Right to request a compulsory devolution of participatory securities.

The share premium of CZK 5,344 million was settled by the Group'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 Ministry of Industry and Trade), CMobil B.V. and ČESKÉ RADIOKOMUNIKACE a.s., dated 25 March 1996.
As at 1 January 2015, merger between the Company and GTS Czech s.r.o. took place. The acquisition price of GTS Czech investment of CZK 4,210 million, a share capital of CZK 1,300 million and statutory reserve fund of CZK 19 million were booked towards Share premium of the Company. Share premium as at 1 January 2015 amounted to CZK 397 million and retained earnings to CZK 25,110 million.

* nowadays TMCZ Holdco II (Lux) S.à.r.l. (in the past CESKE RADIOKOMUNIKACE S.à.r.l.)

The statutory reserve fund comprises fund that the Company is required to retain according to its Statutes. Use of the statutory reserve fund is limited by Statutes of the Company. The statutory reserve fund may not be distributed to the shareholders.
In 2015, the Group did not pay any dividends (in 2014: dividends of CZK 4,919 million) (refer to Note 28). The dividend per share paid out in 2014 amounted to CZK 9,457.

19 ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

Financial assets and liabilities by category* (CZK million)	Category per IAS 39	31.12.2015 Carrying amount	31.12.2014 Restated Carrying amount	1.1.2014 Restated Carrying amount
Assets				
Cash and cash equivalents, of which:		**3,567**	**7,384**	**8,294**
Cash	Loans and receivables	717	1,484	711
Term deposits	Loans and receivables	2,850	5,900	7,583
Trade and other receivables**	**Loans and receivables**	**5,417**	**4,820**	**4,969**
Short-term bank financing	**Loans and receivables**	**58**	**–**	**–**
Other financial assets, of which:		**8**	**64**	**91**
Currency forward contracts with positive fair value	At fair value through profit or loss (for trading)	8	57	71
Receivables from finance lease	Financial receivables at amortized costs	–	7	20
Liabilities				
Current trade and other payables, of which:		**3,356**	**2,868**	**3,335**
Trade payables	Financial liabilities at amortised cost	3,338	2,868	3,334
Currency forward contracts with negative fair value	At fair value through profit or loss (for trading)	18	–	1
Short-term bank financing, of which		**–**	**2,565**	**760**
Liabilities from supplier financing	Financial liabilities at amortised cost	–	1,597	760
Liabilities from factoring	Financial liabilities at amortised cost	–	968	–
Current other financial liabilities, of which:		**184**	**132**	**68**
Liabilities from finance lease	Financial liabilities at amortised cost	184	132	68
Non-current other financial liabilities, of which:		**1,001**	**851**	**775**
Deposits received	Financial liabilities at amortised cost	6	6	6
Finance lease liabilities	Financial liabilities at amortised cost	995	845	769

* Financial assets and liabilities are categorized according to risk rate and in the level of detail required by the Group for management purposes.
** Excluding non-financial assets/liabilities (refer to Notes 5 and 12)

Financial assets except for trade and other receivables stated in Note 5 are neither past due nor impaired.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are set off and the net amount is presented in the statement of financial position, when there is a legally enforceable right of offsetting recognized amounts and an intention to settle the respective asset and liability in net amount exists.
Majority of the offsetting is realized within trade receivables and trade payables from interconnection and roaming.
The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2015:

31.12.2015 CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	5,455	–	5,455	89	5,366
Trade payables	(3,323)	–	(3,323)	(113)	(3,210)

The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2014:

31.12.2014 restated CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	4,822	–	4,822	35	4,787
Trade payables	(2,868)	–	(2,868)	(95)	(2,773)

The following table presents trade receivables and trade payables which were subject to offsetting as at 1 December 2014:

1.1.2014 restated CZK million	Gross amounts offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position	Net amount of exposure
Trade and other receivables	5,306	–	5,306	210	5,096
Trade payables	(3,335)	–	(3,335)	(220)	(3,115)

20 REVENUES

For management purposes, the revenues can be split into the following categories, distinguishable by nature of product or business and by type of products or services.

Sales based on activities CZK million	2015	2014
Sales of goods	2,366	2,513
Sales of mobile telecommunication services	17,872	18,454
Sales of fix telecommunication services	5,453	2,089
Sales of IT services	1,385	1,016
Total revenue	**27,076**	**24,072**

21 OTHER OPERATING INCOME

CZK million	2015	2014
Gain from disposals of fixed assets	253	27
Release of provisions	13	9
Income from recharged services within DTAG Group	529	460
Rent	70	65
Fines and penalties	14	29
Income from promotion	94	89
Other operating income	82	95
Total	**1,055**	**774**

22 COST OF GOODS, RAW MATERIALS AND TELECOMMUNICATION SERVICES

CZK million	2015	2014
Costs of goods and raw materials	2,441	2,514
Costs of telecommunication services	5,662	3,907
IT services	15	–
Maintenance of telecommunication network	539	460
Other	652	492
Total	**9,309**	**7,373**

Increase in category Costs of telecommunication services is mainly affected by merger with GTS Czech. These costs are related primarily to leased lines, interconnection, transit and international wholesale business.

23 EMPLOYEE BENEFITS

CZK million	2015	2014
Salary costs	2,407	2,170
Social security costs – obligatory and supplementary pension insurance	517	459
Social security costs – other	285	254
Board remuneration	3	1
Total	**3,212**	**2,884**
Average number of employees	**3,442**	**3,168**

The number of employees is based on the average recalculated number of annual full-time employees. The Group has been providing its employees with a contribution to supplementary pension insurance. In 2015, the total contribution provided was CZK 26 million (in 2014: CZK 21 million).

24 DEPRECIATION AND AMORTISATION

CZK million	2015	2014
Amortisation of licences	421	384
Amortisation of other intangible fixed assets	1,539	1,026
Depreciation of tangible fixed assets	2,823	2,038
Total	**4,783**	**3,448**

25 OTHER OPERATING EXPENSES

CZK million	2015	2014
Costs of external marketing services	604	643
Commissions to business partners	723	667
Net loss from impairment of receivables and receivables write off	149	193
Rental and operating leases	1,088	974
Expenses from cross charges of services shared in DTAG Group	336	324
Repair and maintenance (except telecommunication network)	713	626
Licence fees	370	303
Other operating expenses related to employees	162	137
Legal, consulting and auditing fees	113	154
Office supplies, postage, bank charges	192	310
Consumption of electricity, water and gas, cleaning, security	119	112
Other	174	120
Total	**4,743**	**4,563**

26 FINANCE INCOME AND COSTS

CZK million	2015	2014
Interest income	1	2
of which:		
– from loans and receivables	*1*	*2*
Foreign exchange gains	83	161
of which:		
– from financial assets and liabilities at fair value through profit or loss	*21*	*74*
Other finance income	49	47
Total finance income	**133**	**210**
Interest expenses	(101)	(63)
of which:		
– from financial liabilities at amortised costs	*(101)*	*(63)*
Foreign exchange losses	(97)	(102)
of which:		
– from financial assets and liabilities at fair value through profit or loss	*(35)*	*(1)*
Other finance costs	(13)	(33)
Total finance costs	**(211)**	**(198)**
Net finance income	**(78)**	**12**

27 INCOME TAX

The income tax expense consists of the following:

CZK million	2015	2014
Current income tax	(1,062)	(1,272)
Deferred income tax (refer to Note 16)	(155)	7
Income tax expense	**(1,217)**	**(1,265)**

The charge for the year was calculated as follows:

CZK million	2015	2014
Profit before tax	6,006	6,590
Tax by applying the statutory tax rate*	(1,141)	(1,252)
Impact of:		
Non-tax deductible expenses	(84)	(143)
Non-taxable revenues	51	60
Additional decrease/(increase) of tax related to prior periods	16	30
Other	(59)	40
Income tax expense	**(1,217)**	**(1,265)**

* Income tax rate of 19% was applied in 2015 and 2014 respectively, based on the effective Income Tax Act.

28 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are considered to be the parent company and other companies within DTAG group ("other related party"), members of statutory and supervisory bodies, executive managers and parties close to them. DTAG group represents all companies controlled by DTAG.
The following transactions are related to the shareholders, subsidiaries and other related parties.
The Group is controlled by the entities as described in Note 1.

TRANSACTIONS WITH SHAREHOLDERS (DIRECT, INDIRECT AND ULTIMATE PARENT COMPANIES):

CZK million	2015	2014
Roaming, interconnection and related purchased services	202	152
Other purchased goods and services	44	83
Interest expense on loans provided to the Group	29	–
Repayment of loans provided to the Group	2,042	–
Expenses from re-invoicing of services	207	184
Purchases of foreign currency at market value	8,465	1,719
Purchase of subsidiaries (See Note 11)	5,632	–
Total purchases	**16,621**	**2,138**
Roaming, interconnection and related sold services	321	81
Income from re-invoicing of services and using common platforms	185	165
Other income	–	1
Total sales	**506**	**247**

On 17 November 2014 the Board of Directors approved the acquisition of 100 % share of GTS Czech s.r.o. and CE Colo Czech s.r.o. from Deutsche Telekom AG with the effective date of 1 January 2015 for CZK 5,632 million. The purchase price was fully paid during 2015.
On 31 May 2014 GTS Czech entered into two loan agreements with DTAG. Due to the merger with GTS Czech (see Note 1) these loans were assumed by the Group on 1 January 2015 and repaid by the Group on 29 May 2015.
On the same date CE Colo Czech entered into another two loan agreements with DTAG. These loans were repaid by CE Colo Czech on 29 May 2015.
Outstanding balances arising from sales/purchases of goods and services from shareholders:

CZK million	31.12.2015	31.12.2014
Receivables from roaming, interconnection and related sold services	586	421
Receivables from derivatives (fair value)	4	52
Total receivables	**590**	**473**
Payables from roaming, interconnection and related purchased services	432	513
Liabilities from derivatives (fair value)	13	–
Total payables	**445**	**513**

In 2015 and 2014 the Group did not have any transaction related to its parent company Deutsche Telekom Europe B.V. (former CMobil B.V.).

TRANSACTIONS WITH OTHER RELATED PARTIES WITHIN THE DTAG GROUP:

CZK million	2015	2014
Roaming, interconnection and related purchased services	328	173
Other purchased goods and services	198	161
Expenses from re-invoicing of services	129	140
Total purchases	**655**	**474**
Roaming, interconnection and related sold services	442	336
Income from re-invoicing of services and using common platforms	248	272
IT services and related services	1	88
Other income	–	1
Total sales	**691**	**697**

Outstanding balances arising from sales/purchases of goods and services from other related parties within the DTAG group:

CZK million	31.12.2015	31.12.2014
Receivables from roaming, interconnection and related sold services	22	22
Receivables and prepayments from other services and discounts	158	112
Total receivables	**180**	**134**
Payables from roaming, interconnection and related purchased services	86	64
Payables from other services and discounts	113	161
Total payables	**199**	**225**

Short-term employee benefits

CZK million	2015 Average number of employees	2015 Amount	2014 Average number of employees	2014 Amount
Executive management	40	171	37	168
Board of Directors	4	3	5	1
Supervisory Board	4	–	5	–
Total	**48**	**174**	**47**	**169**

Executive management includes executive directors and other directors of the Group.
Short-term employee benefits include salaries, bonuses, personal holidays, health care, business cars used for personal purpose and other short-term employee benefits including social, health and supplementary pension insurance paid by employer.
The Group's contributions to pension insurance amounted in 2015 to CZK 29 million (in 2014: CZK 26 million).
Contributions for management to supplementary pension fund amounted in 2015 to CZK 1 million (in 2014: CZK 2 million).

POST-EMPLOYMENT BENEFITS

As at 31 December 2015, the Group provided post-employment benefits in the form of a motivation bonus scheme to members of management. Subject to certain conditions being met, the eligible persons are entitled to receive a payout bonus derived from their salary level. In 2015, the Group did not pay out any bonus (in 2014: CZK 5 million) in relation to the above-mentioned scheme.

TERMINATION BENEFITS

In 2015, the Group provided severance pay to management in the amount of CZK 2 million (2014: nil).

REMUNERATION OF EXECUTIVE MANAGEMENT

Variable II

In 2010 the Group launched a cash-based long-term incentive plan without any link to DTAG's shares or development of the share price for its executive management, with a new package being launched each year, and with each tranche lasting for 4 years. At the beginning of the plan each participant had an offered bonus. This bonus was paid out at the end of the plan, depending on the achievement of four non-share price-based targets at the DTAG level, which are additive, equally weighted and targeted in the corridor between 0% and 150%. In line with the IAS 19 recognition and measurement criteria, the liability recognised is measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision is remeasured at the end of each reporting period according to best estimate of the achievement of the targeted KPIs defined at the beginning of the bonus program. Changes in the value of the provision are reflected in profit or loss.
As at 31 December 2015, the Group recognised a total provision of CZK 48 million (as at 31 December 2014: CZK 37 million) related to the bonus scheme tied to KPIs set at the DTAG level. In 2015 the Group paid out a bonus of CZK 9 million (2014: CZK 7 million) under this scheme.

LTI (Long-Term Incentive Plan)

In 2015 the Group launched a new long-term cash-settled plan linked to the development of DTAG´s share price, therefore classified as a cash-settled plan under IFRS 2. It is a four-year revolving plan that is re-awarded each year. Participants receive virtual shares – phantom shares – depending on individual performance; the number of phantom shares is determined by the target achievement of KPIs. The number of phantom shares is remeasured each reporting period based on the current DTAG´s share price and the best estimate of the target achievement of the underlying KPIs. The liability recognised is measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision is remeasured at the end of each reporting period against profit or loss.
As at 31 December 2015 the Group recognised a total provision of CZK 9 million related to the LTI scheme. No bonus was paid out in 2015 under this scheme.

SMP (Share Matching Plan)

In 2015 the Group launched a new share matching plan, where participants can voluntarily invest in DTAG shares. The plan is settled in real shares at the end of the term when DTAG provides participants with additional matching shares. The plan is classified as an equity-settled plan under IFRS 2.
The Matching Shares are recognized at grant date at fair value. As the plan is classified as equity-settled this value will not be remeasured over the term of the plan. The fair value equals to the share price of DTAG shares at a grant date less expected dividends of the next four years. The provision is recognised against equity, i. e. Other capital funds.
As at 31 December 2015 the Group recognised a total provision of CZK 0,5 million.

DIVIDENDS

Based on the resolution of the sole shareholder from 26 May 2015, the Group retained the whole profit and distributed no dividend in 2015.
During 2014, the Group distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,919 million.

29 CONTINGENT LIABILITIES

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 Group's management is not aware of any circumstances which may in the future give rise to a potential material liability in this respect.

30 COMMITMENTS

The Group's future capital commitments to major technology and services suppliers from concluded agreements as at 31 December 2015 and 31 December 2014 are as follows:

CZK million	31.12.2015	31.12.2014
Up to 1 year	2,331	2,213
1 - 3 years	403	1,216
3 - 5 years	122	44
Over 5 years	281	354
Total	**3,137**	**3,827**

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:

CZK million	31.12.2015	31.12.2014
Up to 1 year	798	516
1 - 3 years	736	523
3 - 5 years	541	508
Over 5 years	833	964
Total	**2,908**	**2,511**

The majority of lease agreements are renewable at market prices after termination of the operating lease.

31 SUBSEQUENT EVENTS

There are no significant subsequent events as of the date of approval of these financial statements.

32 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Groups for issuance on 17 March 2016. These financial statements can be amended on request and approval of the Annual Shareholders Meeting.

Mark Klein
Chairman of the Board of Directors

Martin Schlieker
Member of the Board of Directors

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Independent auditor's report

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

Auditor's Report on Financial Statements

We have audited the accompanying financial statements of T-Mobile Czech Republic a.s., identification number 64949681, with registered office at Tomíčkova 2144/1, Praha 4 ("the Company"), which comprise the statement of financial position as at 31 December 2015, the statements of comprehensive income, changes in equity and cash flows for the year 2015 and notes, including a summary of significant accounting policies and other explanatory information ("the financial statements").

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), and for such internal control as the Board of Directors 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 about 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 2015, its financial performance and its cash flows for the year 2015 in accordance with IFRS.

Auditor's Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Company and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year 2015 and notes, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Evidence No 021.

pwc

Shareholder of T-Mobile Czech Republic a.s.
Independent auditor's report

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the consolidated 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 Group'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 consolidated 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, its financial performance and its cash flows for the year 2015 in accordance with IFRS.

Other information

The other information comprises the information included in the summarised annual report, but does not include the financial statements, consolidated financial statements ("the financial statements of the Group") and our auditor's report thereon. Management is responsible for the other information.

Our opinions on the financial statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is not materially inconsistent with the financial statements of the Group or our knowledge about the Group obtained in the course of the audit of these financial statements, whether the annual report was prepared in compliance with legal requirements, and whether the other information does not appear to be otherwise materially misstated. If, based on the work we have performed, we conclude that the aforementioned requirements of the other information are not met, we are obliged to report that fact herein.

We have nothing to report in this regard.

17 March 2016

PricewaterhouseCoopers Audit, s.r.o.

represented by

Uwe Schwalm
Partner

Petra Bočáková
Statutory Auditor, Evidence No. 2253

Note

The financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.