

T-MOBILE
CZECH
REPUBLIC A.S.

2017

SUMMARISED
ANNUAL
REPORT

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FOREWORD

In line with our strategy of expanding our offer of converged solutions, last year we continued to strengthen and develop our mobile and fixed-line services. At the same time, we further enhanced the interconnection of T-Mobile Czech Republic a. s. and Slovak Telekom, a. s., whose competencies suitably complement one another. The year 2017 again saw a significant increase in consumption of data in all our networks, which grew by 111% as compared with the previous year. Such growth was driven mainly by data traffic in our LTE network that increased by 166%.

We continued to roll out the LTE network according to the international qualitative and security standards of Deutsche Telekom Group. At the end of the year, our fastest mobile internet technology covered nearly 99% of the population of the Czech Republic, i.e. 3,474 cities and towns. We significantly expanded our coverage with LTE Advanced (LTE-A) technology, which combines two or three bands – at the end of last year, our network included 2,206 LTE-A transmitters, which is 80% more than in the previous year. Nearly one thousand transmitters in the T-Mobile network enable a theoretical maximum download speed of 300 Mbps or higher.

We reaffirmed our role as a leading innovator among Czech operators several times – for example, we succeeded in remotely activating the first embedded SIM card (eSIM) in the course of testing, we put into operation the first microwave link with capacity of up to 10 Gbps in the Czech Republic and expanded the unique Smart Car service with a variant enabling creation of an in-car Wi-Fi network. We also strengthened our competencies in the area of the Internet of Things (IoT). The SIGFOX network, of which we are the technology partner and integrator, covered 95% of the population of the Czech Republic at the end of last year. Additionally, at the end of last year, in line with the strategy of our parent company Deutsche Telekom, we began testing another network intended for the Internet of Things, the NB-IoT network.

The most important event in the segment of residential customers in 2017 was the launch of the new generation of Mobil tariff plans in April. As compared with the previous S námi (“With Us”) generation, the new tariff plans feature significantly bigger data allowances, unlimited calls to all networks and a contribution for the purchase of a new handset. Additionally, we launched new data bundles containing bigger data allowances for the same price both for users of the new tariff plans and for users of the prepaid Twist card and Kaktus services. The introduction of EU Roaming without surcharges met with a very positive response among our customers – we were the first operator in the Czech Republic to introduce this service, as part of our Mobil plans, which resulted in, among other things, a significant increase in consumption of mobile services while roaming in the EU countries.

In April, we launched new tariff plans for business customers, which also contain larger data allowances and feature the integrated T-Mobile cloud services, MS Office and antivirus protection. We also developed a unified

offer of services that includes IT solutions, systems integration and other products that meet the needs and requirements of B2B customers. To strengthen our position in the area of ICT, we began construction of the most advanced independent data centre in the Czech Republic in May. The data centre is being built in Prague and will be opened this year.

We expect the trend from the previous years to continue in the upcoming year, i.e. further investments in the technology while maintaining the focus on the target market of potential customers.

At the end of 2017, we had approximately 6.2 million customers, which is two hundred thousand more than in the previous year. Total revenues from mobile and fixed-line services including hardware sales reached CZK 27 billion, with revenues from mobile services amounting to nearly CZK 19 billion. Revenue increased by nearly 2.2% in 2017 compared to the previous year, confirming turnaround from 2016.

The average monthly revenue from mobile services per user (ARPU) was CZK 256. The growing use of data services is mirrored in the share of non-voice services in ARPU from mobile services, which reached the level of 50%.

We very much appreciate the confidence of our customers but, at the same time, it is also a huge obligation. Therefore we will continue working to ensure that we remain the best choice for our customers in terms of the quality of services and care. I would like to extend my thanks to my colleagues and business partners for these year-long efforts. We could hardly retain our number-one position in the Czech mobile market without their dedication.

T-Mobile Czech Republic a.s. has no branch abroad.

Information on activities in environmental protection and employment, research and development activities is provided in the Board of Director’s Report on the business activities and the assets. Information on risk management is provided in the Notes to the Consolidated Financial Statements (Note 3). The Company uses selected derivative and non-derivative hedging instruments (Note 16).

No subsequent events that would have a material impact on this annual report occurred after 31 December 2017.



Milan Vašina
Chief Executive Officer, T-Mobile Czech Republic a.s.
and Slovak Telekom, a. s.



THE BOARD
OF DIRECTOR'S
REPORT
ON BUSINESS
ACTIVITIES AND
ASSETS

WE ARE SOCIALLY RESPONSIBLE

R

In 2017, we supported start-up businesses through the seventh annual **T-Mobile Takeoffs** project.

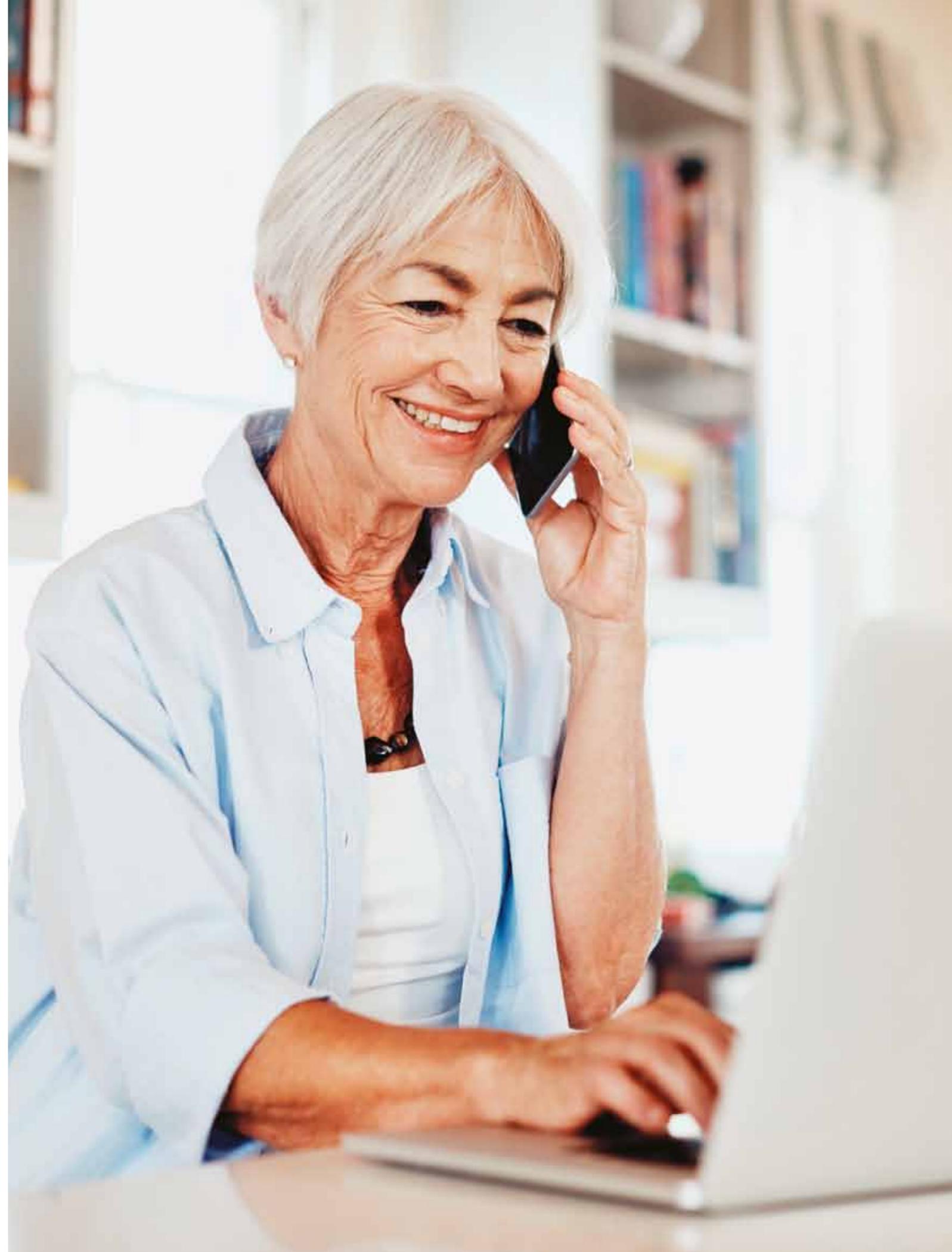
A total of CZK 3,027,565 was distributed among 37 organisations within the T-Mobile **Let's Talk to Each Other** grant programme.

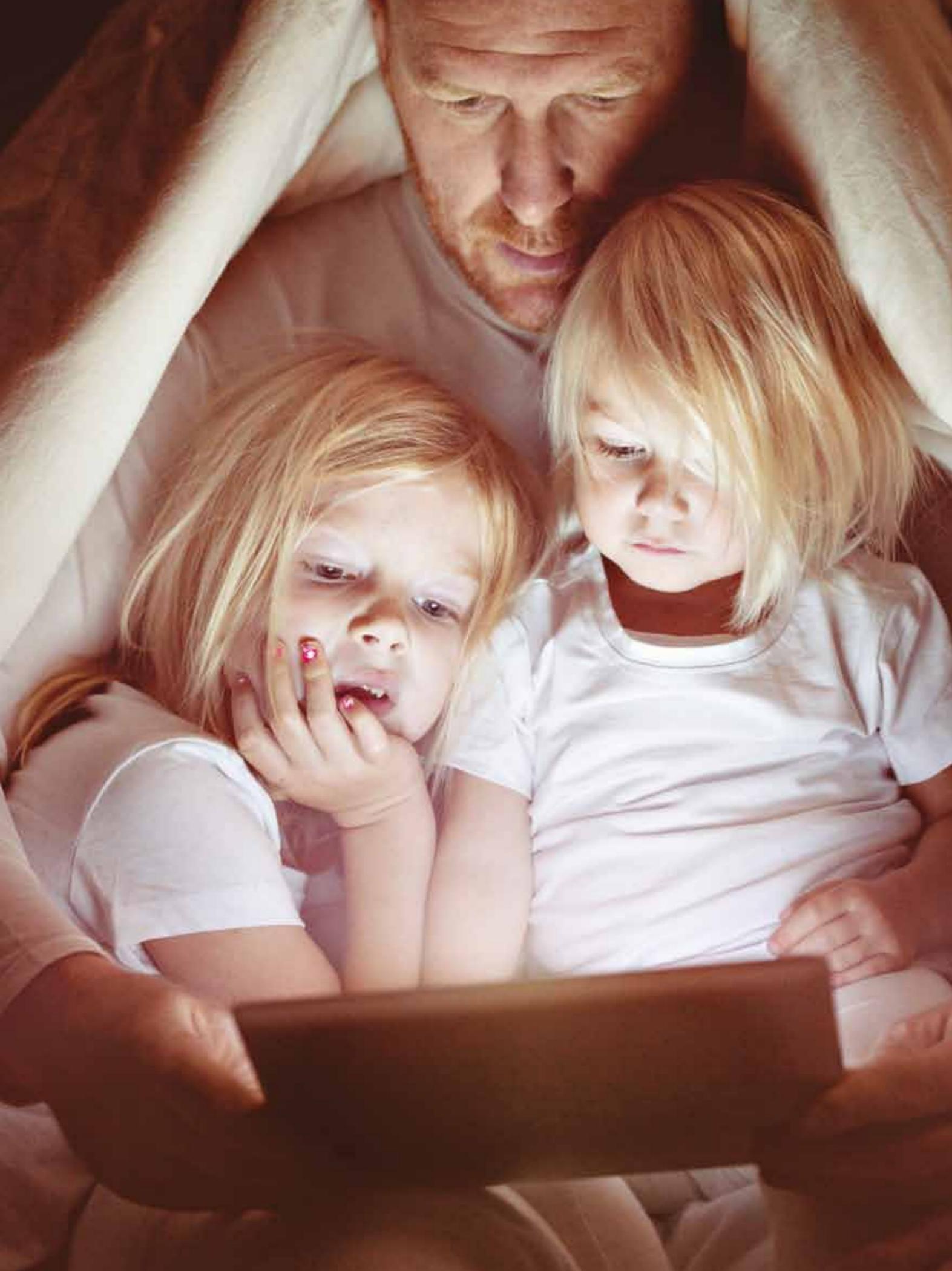
We joined **Giving Tuesday**, a global day of volunteering and philanthropy.

Responsibility towards the world around us and the society in which we live is an integral part of everything that we do. We are a founding member of the UN Global Compact national network in the Czech Republic. We adhere to the fair principles of doing business, we help beneficial applications and services to see the light of day, and support non-profit organisations, small businesses and individuals. We are involved as volunteers in a number of places across the Czech Republic, transferring our experience and knowledge and helping in emergency and crisis situations.

As in previous years, we were active in the area of social responsibility also in 2017. We organised a discussions meeting on this subject that was intended for CSR managers, business owners, executives and directors, the expert public and representatives of the non-profit sector, among other events.

The seventh edition of the T-Mobile Takeoffs (T-Mobile Rozjezdy) competition was held last year. In this project, we support owners of small start-up businesses, particularly those from groups of the population that are at risk of unemployment: parents with small 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 benefit 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 seventh edition of the Takeoffs shows that there were 443 registered projects, 40 regional winners and 77 hours of free workshops.





T-Mobile's activities in the area of corporate social responsibility can be broken down in several pillars: MLUVME SPOLU ("Let's Talk to Each Other"), POMÁHEJME SI ("Let's Help Each Other"), ROZVÍJEJME SE ("Let's Develop"), VYMYSLĚME TO ("Let's Think It Up"), ROZJEĎME TO ("Let's Start it Up") and PRO SVĚT ("For the World"). T-Mobile's 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 one-year programme, T-Mobile distributed a total of CZK 3,027,565 to support 37 selected projects.

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 fifth edition of this campaign was organised in 2017 to raise funds for people in difficult life situations who live in the vicinity of our employees. A total of CZK 1,335,394 was raised to support those in need.

The main activity within the LET'S DEVELOP pillar is the long-term educational programme called the T-Mobile Academy. In 2017, seven 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 human resources and communication on social networks. We also organised a series of workshops for the elderly people teaching them how to use smart phones.

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.

In 2017, we again took part in Giving Tuesday, a global day of volunteering and philanthropy. Our involvement in this event consisted in, for example, organising the above-mentioned Supporting Stories fundraising campaign; in addition to that, our employees contributed by volunteering hundreds of hours of their time. By selling coffee and tea at the Company's headquarters, we raised more than CZK 37,000 for an organisation that helps children and adults who have suffered burns. The sale of charitable products raised an additional sum of nearly CZK 28,000 for an organisation that supports families with children with visual and multiple disabilities.

T-Mobile's approach to environmental protection is based on the fundamental document within EMS (ISO 14001) – Environmental Policy, which was approved by the top management and is available at www.t-mobile.cz. The areas of the company's primary focus are based on important environmental aspects (EA), which were identified and are defined within the EMS that is in place at the company (the EA Register). These include power and material consumption, waste generation and emissions into the air.

Potential emergency situations affecting the environment, which may occur in T-Mobile's buildings, are identified once a year; the methods for responding to, mitigating and preventing emergency situations (emergency plans) are revised with the same frequency.

As regards environmental protection, T-Mobile cooperates with Asekol in the disposal of waste electrical and electronic equipment (EEE) and in the adherence to a collective fee system for all EEE introduced into the market. T-Mobile also cooperates with Marius Pedersen in waste disposal and environmental accident management.

T-MOBILE'S COOPERATION WITH SLOVAK TELEKOM ENTERS THE NEXT STAGE

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he combination of T-Mobile and Slovak Telekom gives us an opportunity to strengthen our position as the leading telecommunications player on the combined Czech and Slovak markets. We are taking advantage of both T-Mobile's strong position on the mobile market in the Czech Republic and Slovak Telekom's position in fixed-line services and converged telecommunications products.

Within the integration, we have focused on the following areas:

- Setup of a new governance model and a joint strategy for the Czech/Slovak organisation;
- Expansion of the portfolio of services for B2B customers active on both markets;
- Uniform approach with respect to B2C products and strategy;
- Use of Slovak Telekom's FMC solutions and services on the Czech market;
- Synergies in investment and operating costs.

In 2017, we started the Fit to Grow transformation programme based on the joint Czech-Slovak organisation, whose main objectives are to:

- Strengthen the role of T-Mobile and Slovak Telekom on the FMC market via, among other things, major investments in fibre-optic networks;
- Significantly shift both companies towards streamlining and federalisation of internal process and use of advanced technologies such as robotic automation, and continue our consolidation in the areas of technologies, IT applications, network elements, transmission networks and data centres.



A

Work at any time
and from anywhere.

Opportunity for
professional and
personal growth
for everyone.

We are preparing
students for their
future career.

As at 31 December 2017, our Company had 3,498 employees with an average age of 36.7 years, of whom 64% were men and 36% women. Thanks to new technologies and digitalisation, our employees can work from anywhere and at any time, provided that this is permitted by their job description. Approximately 46% of our employees used this possibility. In 2017, 85 employees took maternity or parental leave. We stay in touch with such employees via our online EchoFamily platform and make their return to work as easy as possible. And it is not only for this portal that we received the Family Friendly Company award from the Mother Centres Network in 2017.

We care about our employees' health; it is not without reason that we were awarded the Healthy Company title. The year 2017 was filled with activities aimed at prevention and raising awareness in the area of physical and mental health. We organised ten Health Days not only in Prague, but also in our regional offices, during which our employees attended development workshops and fitness lessons, had their blood pressure and body fat measured, and enjoyed free massages. As part of health prevention activities, in 2017 we focused on first aid. Training provided in the form of experience-based development was attended by 388 employees at 26 workshops organised in 13 locations. More than 1,100 employees continued to use the services of a private healthcare provider paid for by T-Mobile for themselves and their families. Nearly 300 of them used the opportunity to receive flu vaccinations. We applied the concept of digitalisation and use of new development tools also in the area of health, allowing our employees to use a healthy-lifestyle portal which offers them not only articles, but also a possibility of setting up a healthy menu free of charge and free exercise programmes. Overall, we registered approximately 3,000 website visits and 1,500 views of exercise and healthcare videos.

We share our expertise and know-how within the Company according to the following development ratios: 70% on the job, 20% networking/coaching/mentoring and 10% off the job. We do not keep our knowledge only to ourselves, but share it with students in order to help them to better prepare for future work challenges. We believe that it is necessary not only to have theoretical knowledge, but also an idea of how business works in reality. Therefore, within the T-Mobile Campus platform, we organise development workshops, specialised lectures, conferences and visits to our offices, and help students with writing their theses, give lectures at colleges and universities and allow secondary-school students to conduct their mandatory internships at our Company. In 2017, we also launched our first trainee programme for university students. We continue to be a member of the Alliance for Youth. Since we want our support to be tangible and not exist only on paper, we came up with the unique concept of Big Step events, which gives 20 students an opportunity to get to know four companies within two days. In 2017, we organised three such events. At the same time, we decided to give the young generation an insight into the world of new technologies and innovations. The very first T-Mobile conference intended for students, T-Day, was held at our headquarters in Prague's Roztyly district in May. The conference received a great response and university students can therefore look forward to this activity continuing in the coming years. Our endeavours in this area earned us an award in the Top Employers survey of students. In 2017, we again defended our first-place ranking in the telecommunications sector.

The importance of development is mirrored in the offer of development possibilities for our employees. In addition to individual development plans, T-Mobile provides various corporate programmes, which attracted approximately 3,380 participants in 2017. Thanks to the closer cooperation between T-Mobile Czech Republic and Slovak Telekom that started in 2016, we are succeeding in providing this offer federally, thus strengthening cross-border cooperation. The flagship of our internal development is T-University – a development platform that is available free of charge to all employees and offers different types of training, workshops and e-learning. Its purpose is voluntary development of those who want to invest time and energy in their personal development outside of work. Our employees are involved in T-University as trainers, sharing their know-how and experience with others. In addition to T-University, we also have a library available to our employees. In the case of individual or team needs, they can also use coaching, mentoring and sociomapping.

The largest part of development activities (up to 70%) consists of on-the-job learning. We therefore endeavour to motivate our employees to accept a task during which they will gain or use a new skill. Our Czech-Slovak programmes, T-Tank and W-lab, are also based on this principle. T-Tank is a talent programme that gives participants an opportunity to work on strategic issues and learn how things work within the Company, while also teaches them to think differently and present the results of their projects to management. The target group of W-lab is narrower, as it is intended for female colleagues who have potential and are interested in advancing to management positions. During the programme, they work on a project assigned by management, take part in development activities, and use coaching/mentoring and internal on-the-job development.

To reach an even broader spectrum of the female population, three years ago we set up a women's platform within which we organise different monthly workshops, business breakfasts with interesting speakers and inter-company networking events and offer participants tickets to conferences intended for women (e.g. TEDx Women Prague and Všem ženám ["For All Women"]). We thus offered a total of 190 places in development activities intended for our female colleagues in 2017.

Since we keep step with the times, we are not opposed to trying new approaches in the area of development. In 2017, we digitalised English-language training and English courses are thus now available online. Selected colleagues also had an opportunity to test the first trainings in virtual reality in 2017. We believe that these new approaches will become a natural part of everyday life over time and will bring more flexibility into our colleagues' lives, making it possible for them to learn anywhere and at any time.

We believe that technology should above all make life simple and more pleasant and that we can achieve that with "our people", who enable us, as an employer, to have a stable position on the market. What brings us together is courage to make changes, a proactive approach to customers and the fact that we have fun in working together as a team. Proof of this also is our Company parties, many of which are attended also by members of our colleagues' families. This year, we had fun together at the Children's Days, the St. Nicolas Party and sports activities in Prague and the regions.





WE ARE CONTINUOUSLY EXPANDING AND IMPROVING OUR OFFER

P

robably the most important event in the segment of residential customers in 2017 was the launch of the new generation of Mobil tariff plans in April. As compared with the previous generation, the new tariff plans feature significantly bigger data allowances, unlimited calls to all networks and a contribution for the purchase of a new handset. From their introduction, the new tariff plans also include EU Roaming without surcharges (this service was introduced to all residential and self-employed customers on 11 June) and can be combined with voice, SMS and data bundles that were also newly introduced.

In March, the xDSL connectivity available within the Pevný internet („Fixed-Line Internet“) service was complemented with LTE connectivity. The extensive coverage provided by this mobile network thus enabled us to start providing fast fixed-line internet in areas where it was not previously possible and at higher speeds (newly with the maximum download speed of 100 Mbps).

As part of our long-term support for the best applications and in cooperation with Czech Floorball, of which we are the main partner, we launched the Czech Floorball application in September. The application is available free of charge on Android and iOS devices. At the end of the year, the app had been downloaded by nearly 20,000 fans.

In 2016, we got involved in the Sea Hero project developed by our parent company, Deutsche Telekom, and introduced a mobile game of the same name. By playing the game, users provided scientists with the largest collection of data on human spatial navigation, which will significantly accelerate research and treatment of dementia. Last year, we participated in another milestone of this project with the introduction of Sea Hero VR, a virtual-reality game that will provides experts with yet more accurate data on human spatial navigation.

We introduced new tariff plans and bundles containing a bigger data allowance.

We expanded the Pevný internet service with a variant enabling access via LTE.

We launched a new version of Smart Car allowing establishment of an in-car Wi-Fi network.

Within our successful Christmas campaign, we offered customers an additional handset or other smart device free of charge with the purchase of a handset from an offer of selected devices, free unlimited internet for one day in a week, a combination of Pevný internet and T-Mobile TV with a discount and the Videotéka („Video-on-Demand“) service free of charge for two months. Everybody that handed in an old mobile phone or tablet at any T-Mobile shop from the beginning of November received a new 2600 mAh power bank as a gift.

In November, we launched a new version of Smart Car, a unique product introduced two years ago, which enables creation of an in-car Wi-Fi network by means of a new OBD device. Customers can choose between two tariff plans that include a 5GB or 20GB data allowance and enable internet access for up to five mobile devices at a time.

Our strategy for 2018 is a convergence of mobile and fixed-line services. In borders of it we launched Magenta 1, a new service that offers benefits to customers who combine mobile and/or fixed-line services under one contract, on February 2018.

WE LOVE COMMUNICATION

C

We again received a number of awards in 2017.

We are the operator with one of the largest numbers of fans on Facebook.

We actively developed our communication on other social networks.

Cooperation with the great actor Ivan Trojan on our marketing communication continued for the fourth year. Viewers could first see him as a pilot in the Stellar Presents Christmas campaign, in which he transformed from an airline captain into an astronaut and headed off into space. The popularity of this campaign is evidenced by, for example, the viewership of the Stellar Presents video, which got 2,130,000 views on YouTube.

For the fourth consecutive year, we won the Superbrands award within the worldwide programme of the same name involving independent brand valuation. We received a total of three awards for the Klinika inovativní péče („Innovative Care Clinic“) spot: the Prima Zlatá pecka („Golden Stone“) award, Czech Creative Awards and the Zlaté pero („Golden Pen“) award. We also received the Most Trusted Brand award in the Telecommunications Services category (within an independent survey conducted among consumers).

Of no less importance, we won the Czech PR Award (together with our PR agency AC&C Public Relations) for the book entitled 2036 and the related exhibition at the National Technical Museum, the Fénix Content Marketing award for 2036 and the Grand Prix 2017 award in the category of Workplace as the Best Internal Communication Tool.

Our Facebook profile has one of the largest communities of fans among Czech operators, as we had more than 205,000 followers at the end of the year. Our content is popular also on other social networks: we had nearly 120,000 followers on YouTube and more than 8,000h on Instagram.





WE CAN BE SEEN AND HEARD AND WE BRING NEW PROJECTS AND INNOVATIONS TO BUSINESS CUSTOMERS

W

We launched
a new website for
business customers.

We started 2017 with a redesign of the website for business customers, simplifying and modifying it so that smaller customers without advanced IT skills can also understand our products. The website newly features references and a blog. Thanks to this change, the number of users visiting our website grew significantly, as did the number of leads as compared with the same period of 2016.

We attended
interesting conferences,
fairs and seminars.

At the beginning of the year, we also took part in the second wave of Electronic Sales Register implementation targeted at small shops and establishments. We supported sales through a communication campaign on the website and direct e-mails sent to customers from the VSE segment. In addition to connectivity, in the second wave we also offered customers such products as Kalkulačka („Calculator“), Terminál („Terminal“), Tiskárna („Printer“), Tablet and Kasa („Cash Register“).

We introduced new
tariff plans for business
customers and were
involved in the second
wave of Electronic
Sales Register
implementation.

In the first half of the year, we prepared new tariff plans for business customers. Named similarly to clothing sizes, thus ranging from XS to XXL, the new plans are linked with the T-Mobile cloud services. Together with a tariff plan, customers received data backup, antivirus protection and an MS Office 365 service bundle. We supported the new tariff plans with an on-line campaign that reached more than 1.7 million users.

Last year was successful also for the ICT unit, which managed to move T-Mobile more into the smart city area. We became a supplier of technologies for the OAKS project, the most advanced smart city in the Czech Republic. The smart city is being built in Nebřenice near Prague and its future residents can look forward to various functionalities, from heating regulation in individual rooms to a security system. All data will be saved in the cloud and the users will be able to set up the functions automatically based on their daily routine. The whole system is accessible by means of a uniform portal that will be fully available to the homeowners.

In May, we initiated support for the most advanced neutral data centre, DC7, which is being built in Prague and will open its doors this year. The necessity of constructing the centre is due to growing customer demand. The communication channels used to raise the awareness of the new DC7 included mainly the blog and social networks.

In June, we became Gold partners of IDC DIGITAL BUSINESS FORUM 2017, at which Petr Jeřábek, B2B Marketing Director, gave a presentation on digitalisation of companies.

T-Mobile has long offered more than just tariff plans to B2B customers. However, sometimes customers themselves do not know what is best for their business and it is quite logical that they are not well versed in the specialist terminology, so they speak the language with which they are familiar. Their manner of speaking was thus the foundation of our B2B campaign, which was aimed at presenting our services and strengthening our position as a guide to the digital world. The campaign was launched in September and was an immediate success, ranking first in the professional journal Marketing & Media.

Throughout the year, we organised customer events and took part in trade fairs. Worth mentioning is our participation in two thematically focused trade fairs in autumn: FOR GASTRO & HOTEL and CZECH BUS, where we presented our advanced Wi-Fi solution. Our stalls at both fairs were designed according to the theme, providing a place at which our experts and sales representatives could meet with both existing and prospective customers. Our participation in the FOR GASTRO & HOTEL fair was also supported by two presentations given by our experts on the particular topic.

We closed 2017 by preparing, in partnership with FORBES, a special site dedicated to digitalisation of companies. We opted for a playful concept that presents the individual departments within the Company by means of a floorplan with rooms from a bird's-eye perspective. After opening a particular room, customers find information on how the particular department can be digitalised. The main purpose of the dedicated website is to inform customers about the possibilities of digitalisation that will boost their company's flexibility, save time and money and enhance their competitiveness on the market.

We laid the cornerstone for a new data centre.

We launched a communication campaign aimed at digitalisation of business customers.

We became a supplier for the OAKS smart city in Nebřenice.



THE BEST FOR OUR CUSTOMERS

We launched new data bundles for the prepaid Twist and Kaktus services featuring bigger data allowances.

We continued to improve T-Mobile TV, for example by extending the time-shifting period.

We introduced the StreamOn bundle for unlimited music listening and video viewing.



In June, we modified the offer of data bundles for users of the prepaid Twist card, who can now choose from three one-month bundles offering up to four times more data for the same price as compared with the previous variants. We did not forget about the customers of our Kaktus brand, for whom we launched a new offer of data bundles with bigger data allowances in July. With every activated bundle, they also receive an extra 50% portion of data to be used on the social networks Facebook, Instagram, Snapchat and Twitter.

We also improved our T-Mobile TV service by extending the time-shifting period from two to three days and adding a number of new channels, including those in HD quality. Furthermore, a dozen of the most popular channels are now broadcast using the new HEVC (H.365) codec, which will be the future standard, as it offers a better and clearer picture while consuming less data.

We continued our partnership with the Czech Olympic Committee, the Czech national football team, Czech Floorball, the rock band Kryštof and the Rock for People music festival. With the first of the partners mentioned above, we organised the third edition of the T-Mobile Olympic Run, within which more than 76,000 runners took part in runs organised across the Czech Republic – whether as part of an official competition in Gold, Silver and Bronze cities, in school runs or as part of individual challenges within a running application.

Since the middle of November 2017, our customers have been able to enjoy unlimited music and videos in supported mobile applications without using up any of the data limit, thanks to the new StreamOn bundle. The bundle enables streaming of music and video content by means of supported applications and was designed primarily for use on mobile telephones.

KAKTUS

The Kaktus brand achieved good results in 2017. As in the previous year, its revenues increased by nearly one-third and the customer base grew by 10%. During its four years on the market, Kaktus has built a clear profile by which it differentiates itself from other virtual operators. In comparison with competing brands, Kaktus is a relevant brand for young people, as it is often associated with such terms as fun, shared experience, freedom, creativity and being laid-back. Kaktus's brand awareness is the third highest on the market among virtual operators, behind only SAZKA mobile and Tesco Mobile.





WE ARE IMPROVING COVERAGE, INCREASING SPEEDS AND INTRODUCING NEW TECHNOLOGIES



In 2017, we continued to expand and improve the LTE network. At the end of last year, our fastest mobile internet technology covered 98.8% of the population of the Czech Republic, i.e. 3,474 cities and towns (which is an increase by 12% as compared with the previous year). Combined coverage with the 3G and LTE networks reached 99.10% of the population.

Installation of the Single RAN concept in the part of the mobile network managed by us was completed in 2017, which helped simplify its architecture. The concept also facilitated the rollout of LTE using the 2100 MHz band also in areas covered with the 3G network. A total of 2,024 LTE transmitters using the 2100 MHz band were put into operation at the end of 2017.

We also continued to expand our coverage with LTE Advanced (LTE-A) technology, which combines two or three bands by means of the carrier aggregation function. At the end of last year, our network included 2,206 LTE-A transmitters (1,709 combining two bands and 497 combining three bands), which is 80% more than in the previous year. LTE-A technology is now installed on 37% of our LTE transmitters, more or less in the entire western part of the Czech Republic and in Brno and the Pardubice, Olomouc and Ostrava districts.

With respect to maximum download speeds, at the end of 2017 our network included a total of 823 transmitters supporting speeds of up to 300 Mbps, 124 transmitters supporting speeds of up to 375 Mbps and 14 transmitters supporting speeds of up to 450 Mbps.

We continued to steadily reaffirm our role as a leading innovator among Czech operators. In connection with preparations for the introduction of embedded SIM cards (eSIMs), we continued in testing a complete system based on the GSMA standard, within which we succeeded in remotely activating the first eSIM in January 2017. Additionally, in cooperation with Ericsson, we put into operation the first microwave link with capacity of up to 10 Gbps in the Czech Republic – this step is connected with preparations for the future launch of the 5G network, whose deployment will be facilitated by links having such capacity.

In cooperation with our partner, SimpleCell Networks, we continued in covering the Czech Republic with the SIGFOX network for the Internet of Things. At the end of last year, this network covered 95% of the population and 92% of the territory of the Czech Republic. At the same time, we decided to further strengthen our competencies in the area of the Internet of Things and, in line with the strategy of our parent company, we launched pilot operation of the NB-IoT network in the vicinity of our headquarters in Prague's Rožtyly district at the end of last year.

The Company also cooperates with technological universities in areas of research and development. For example in cooperation with the Department of Hydraulics and Hydrology of the Faculty of Civil Engineering at the Czech Technical University in Prague, T-Mobile has been participating in a project involving measurement of rainfall by means of microwave links used to connect transmitters in a mobile network.

In the upcoming years, we plan to invest in the construction of optical networks and preparations to launch the 5G mobile network.

In Prague, 22 March 2018



Daria Dodonová
Vice-Chairman of the Board of Directors

We achieved coverage of 99% of the Czech Republic's population with the LTE network.

We installed 981 new LTE-A transmitters.

A total of 961 transmitters enabled a theoretical maximum download speed of 300 Mbps or higher.



Mardia Niehaus
Member of the Board of Directors



A photograph of a man and a woman in a kitchen. The woman, on the left, is wearing a red long-sleeved shirt and has her hair in a ponytail. The man, on the right, is wearing a dark green sweater and light-colored pants. They are both looking towards each other and smiling. The kitchen has a white wall, a stainless steel countertop, and a silver pendant light hanging above. There are various kitchen items on the counter, including bottles of oil and spices, and a black kettle on the stove. A shelf with jars and a mortar and pestle is visible in the background.

REPORT ON RELATIONS

OF THE COMPANY T-MOBILE
CZECH REPUBLIC A.S. PURSUANT
TO SECTION 82 OF THE CORPORATIONS
ACT FOR THE ACCOUNTING PERIOD
OF THE CALENDAR YEAR 2017

The Board of Directors of T-Mobile Czech Republic a.s., having its registered office at Tomičkova 2144/1, 148 00 Praha 4, company registration number 649 49 681, which is registered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 3787 (in this Report also the "Company" or "TMCZ"), has prepared the following Report on Relationships pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the "Corporations Act"), for the accounting period of the calendar year 2017 ("the Relevant Period").

1. RELATIONSHIPS STRUCTURE

According to the available information of the Board of Directors of the Company acting with due managerial care, for the whole of the relevant period, the Company formed a part of the concern in which the controlling party is Deutsche Telekom AG ("DTAG") ("the Concern"). Information on the entities forming part of the Concern is stated as at 31 December 2017 according to the information available to the statutory body 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 Relevant period, as well as some entities which stand in the structure of the Concern either above or below the aforementioned entities. The structure of relations within the Concern is graphically illustrated in the Annex No. 1.

CONTROLLING PARTY

Deutsche Telekom AG, with its registered office at Friedrich-Ebert-Allee 140, Bonn, Nordrhein-Westfalen, 53113 Germany (in this Report also the "Controlling party") indirectly controls the Company through Deutsche Telekom Europe B.V. (the Netherlands) which was the sole shareholder of the Company in the Relevant period.

2. ROLE OF THE COMPANY IN THE CONCERN

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. In the long term the Company focuses on the quality of provided services. Since its establishment the Company emphasizes the excellent customer care and fair approach to business partners, employees and environment.

3. METHODS AND MEANS OF CONTROL

The Controlling party indirectly controls the Company through Deutsche Telekom Europe B.V., which was the sole shareholder of the Company in the Relevant period. The control of the Company occurs in particular through the decisions of the sole shareholder 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 power of the Company while taking into account the DTAG group's global policy.

4. MUTUAL CONTRACTS WITHIN THE CONCERN

4.1 CONTRACTS ENTERED INTO BETWEEN THE COMPANY AND THE CONTROLLING PARTY THAT WERE EFFECTIVE AND VALID IN THE RELEVANT PERIOD.

4.1.1. CONTRACTS ENTERED INTO IN 2017:

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Deutsche Telekom AG	Annex - Service Arrangement - HR Global Competence Centre 2017	Annex - Service Arrangement - HR Global Competence Centre 2017	022888-129-00
Deutsche Telekom AG	Annex - Service Arrangement Board Area Europe TMCZ EUHQ 2017	Annex - Service Arrangement Board Area Europe TMCZ EUHQ 2017	022888-130-00
Deutsche Telekom AG	Deutsche Telekom HR Suite - Performance Management - Modified Agreement on the Annex of Data Fields concerning the Individual Agreement on the Processing of Personal Data.	Deutsche Telekom HR Suite - Performance Management - Modified Agreement on the Annex of Data Fields concerning the Individual Agreement on the Processing of Personal Data.	026070-202-00
Deutsche Telekom AG	Agreement concerning the implementation of IFRS 16 Leases standard (NDA)	Agreement concerning the implementation of IFRS 16 Leases standard (NDA)	026830-000-00
Deutsche Telekom AG	Agreement for Internal Payment Services	Agreement for Internal Payment Services	026832-000-00
Deutsche Telekom AG	Global Master Agreement for Wholesale Voice Services	Global Master Agreement for Wholesale Voice Services	027071-000-00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data – Deutsche Telekom HR Suite – Performance Management.	Individual Agreement on the commissioned processing of personal data – Deutsche Telekom HR Suite – Performance Management.	027168-000-00
Deutsche Telekom AG	Agreement - Provision of DTAG shares to directors and employees of GC	Agreement - Provision of DTAG shares to directors and employees of GC	027270-000-00
Deutsche Telekom AG	Agreement on commissioned data processing - Baseline Agreement	Agreement on commissioned data processing - Baseline Agreement	027354-000-00
Deutsche Telekom AG	Agreement on discounts for inter-operator tariffs - Roaming IntraDT Discount 201	Agreement on discounts for inter-operator tariffs - Roaming IntraDT Discount 201	027416-000-00
Deutsche Telekom AG	Agreement on Commissioned Data Processing - project IFRS 16-leases	Agreement on Commissioned Data Processing - project IFRS 16-leases	027553-000-00
Deutsche Telekom AG, Deutsche Telekom Services Europe GmbH	Affirmation Issued for T-Mobile Czech Republic a.s.	Affirmation Issued for T-Mobile Czech Republic a.s.	027582-000-00

4.1.2. CONTRACTS THAT WERE EFFECTIVE IN 2017:

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Deutsche Telekom AG	Amendment No. 11 to Agreement on Global Roaming eXchange (GRX)	Amendment No. 11 to Agreement on Global Roaming eXchange (GRX)	010109-111-00
Deutsche Telekom AG	Amendment No. 12 - GRX Services	Amendment No. 12 - GRX Services	010109-112-00
Deutsche Telekom AG	Annex 2 - Service Agreement - SLA Inbound 2016 TMCZ Service Provider TDG Service	Annex 2 - Service Agreement - SLA Inbound 2016 TMCZ Service Provider TDG Service	013243-116-00
Deutsche Telekom AG	Service Arrangement 2016 -X-Charges TMCZ Inbound under the Framework Cooperation	Service Arrangement 2016 -X-Charges TMCZ Inbound under the Framework Cooperation	013243-117-00
Deutsche Telekom AG	Amendment No. 2 to the Agreement on Commercial Roaming Broker Services	Amendment No. 2 to the Agreement on Commercial Roaming Broker Services	022191-102-00
Deutsche Telekom AG	Amendment No. 1 to Management Agreement for International MNC Services	Amendment No. 1 to Management Agreement for International MNC Services	022522-101-00
Deutsche Telekom AG	Annex - Service Arrangement T-Systems/Telekom IT/EU Solution 2013	Annex - Service Arrangement T-Systems/Telekom IT/EU Solution 2013	022888-109-00
Deutsche Telekom AG	Service Arrangement - Musketeer Program	Service Arrangement - Musketeer Program	022888-120-00
Deutsche Telekom AG	Service Arrangement (Outbound cross charges)	Service Arrangement (Outbound cross charges)	022888-121-00
Deutsche Telekom AG	Annex - Service Arrangement - Product Roadmap 2016	Annex - Service Arrangement - Product Roadmap 2016	022888-122-00
Deutsche Telekom AG	Service Arrangement 2015 - Group Technology (Outbound cross charges)	Service Arrangement 2015 - Group Technology (Outbound cross charges)	022888-123-00

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Deutsche Telekom AG	Annex to the Framework Cooperation and Service Agreement (Procurement 2016)	Annex to the Framework Cooperation and Service Agreement (Procurement 2016)	022888-124-00
Deutsche Telekom AG	Service Arrangement 2016 - Group Innovation (GI) Connected Devices (GI-COD) Services	Service Arrangement 2016 - Group Innovation (GI) Connected Devices (GI-COD) Services	022888-125-00
Deutsche Telekom AG	Annex - Service agreement for TMCZ Outbound x-charges Com.roaming,shops,EWC,ICCA	Annex - Service agreement for TMCZ Outbound x-charges Com.roaming,shops,EWC,ICCA	022888-126-00
Deutsche Telekom AG	Annex - Service Arrangement - Centralized Capacity Planning Service	Annex - Service Arrangement - Centralized Capacity Planning Service	022888-127-00
Deutsche Telekom AG	Term Sheet 2016 - Regarding services for Telepresence	Term Sheet 2016 - Regarding services for Telepresence	023403-201-00
Deutsche Telekom AG	Supplementary Agreement to the Project Service Agreement to the Provision of Next Generation Voice Mail System	Supplementary Agreement to the Project Service Agreement to the Provision of Next Generation Voice Mail System	024075-000-00
Deutsche Telekom AG	Annex to the Agreement Project Service Agreement	Annex to the Agreement Project Service Agreement	024100-101-00
Deutsche Telekom AG	IFRS Project Term Sheet 2016 - IFRS15 Central Engine (RevenueRecognition)	IFRS Project Term Sheet 2016 - IFRS15 Central Engine (RevenueRecognition)	024100-212-00
Deutsche Telekom AG	Sideletter to iPhone Contract of Adherence to the iPhone Agreement between Apple	Sideletter to iPhone Contract of Adherence to the iPhone Agreement between Apple	024364-201-00
Deutsche Telekom AG	Service Arrangement - SLA Outbound Services 2016, TMCZ Service Receiver, TD Services	Service Arrangement - SLA Outbound Services 2016, TMCZ Service Receiver, TD Services	024410-103-00
Deutsche Telekom AG	Service Level Agreement (SLA) - Handset Capability Server (HCS)	Service Level Agreement (SLA) - Handset Capability Server (HCS)	024410-104-00
Deutsche Telekom AG	Non-Disclosure Agreement - NDA - pro DTAG Group Procurement (souvisí s CDP)	Non-Disclosure Agreement - NDA - pro DTAG Group Procurement (related to CDP)	025336-000-00
Deutsche Telekom AG	Software Cost Allocation Agreement - PR0028752 - TIBCO ELA (2012 and thereafter)	Software Cost Allocation Agreement - PR0028752 - TIBCO ELA (2012 and thereafter)	026063-000-00
Deutsche Telekom AG	Modified Agreement - Annex of Data Fields (Ind. Agreement - pers. data - Perform	Modified Agreement - Annex of Data Fields (Ind. Agreement - pers. data - Perform	026070-201-00
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	Service Agreement DT MNC	Service Agreement DT MNC	026192-000-00
Deutsche Telekom AG	Service Agreement - Amendment No. 1	Service Agreement - Amendment No. 1	026192-101-00
Deutsche Telekom AG	iCN DTAG Security Agreement Corporate Network (SACoN)	iCN DTAG Security Agreement Corporate Network (SACoN)	026365-000-00
Deutsche Telekom AG	Agreement for Commissioned Data Processing (Application SPPM (ICTO 12147) with its portfolios PFM-Tool and PFM@IT)	Agreement for Commissioned Data Processing (Application SPPM (ICTO 12147) with its portfolios PFM-Tool and PFM@IT)	026387-000-00
Deutsche Telekom AG	Agreement on Regional ACGC Services - projekt EAN	Agreement on Regional ACGC Services - projekt EAN	026469-000-00
Deutsche Telekom AG	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	026562-000-00
Deutsche Telekom AG	Agreement on Discounts for Inter-Operator Tariffs	Agreement on Discounts for Inter-Operator Tariffs	026609-000-00
Deutsche Telekom AG	Prolongation Agreement Infrastructure Services for T-Mobile CZ	Prolongation Agreement Infrastructure Services for T-Mobile CZ	880052-103-00
Deutsche Telekom AG	Individual Agreement on the commissioned processing of personal data within the EU/EEA	Individual Agreement on the commissioned processing of personal data within the EU/EEA	880080-202-00
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
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	Sublicence agreement (rebranding)	Sublicence agreement (rebranding)	010091-000-00
Deutsche Telekom AG	Amendment No. 1 to the partial contract	Amendment No. 1 to the partial contract	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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Deutsche Telekom AG	Amendment No. 9 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	Amendment No. 9 to Agreement on Global Roaming eXchange (GRX) (No. T-Systems 2002/622)	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	Agreement - agreement on telecommunication network's interconnection	Agreement - agreement on telecommunication network's interconnection	010246-000-00
Deutsche Telekom AG	UMTS Frame Agreement	UMTS Frame Agreement	010322-000-00
Deutsche Telekom AG	Amendment No. 5 - roaming signalling	Amendment No. 5 - roaming signalling	010340-105-00
Deutsche Telekom AG	Amendment 6 - Agreement on application of Agreement on Signalling-for-International-Roaming (SPR Services)	Amendment 6 - Agreement on application of Agreement on Signalling-for-International-Roaming (SPR Services)	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	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	Framework agreement - 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	Framework Cooperation and Service Agreement- Outbound Direct Charging	Framework Cooperation and Service Agreement- Outbound Direct Charging	010563-000-00
Deutsche Telekom AG	Service Arrangement - ERP & Corporate Systems	Service Arrangement - ERP & Corporate Systems	010563-201-00
Deutsche Telekom AG	Framework Cooperation and Service Agreement- Outbound	Framework Cooperation and Service 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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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 (consent to access to the TMCZ database)	Declaration of consent (consent to access to the TMCZ database)	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 - TMO warranty for Siemens AG	Agreement - TMO warranty 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	Amendment No. 1 - Letter of Variation(t-zones)	Amendment No. 1 - Letter of Variation(t-zones)	012876-101-00
Deutsche Telekom AG	Letter of Variation – Addendum No. 2 to T-Zones Agreement - discount for r. 2006	Letter of Variation – Addendum No. 2 to T-Zones Agreement - discount for r. 2006	012876-102-00
Deutsche Telekom AG	Addendum No. 3 to T-Zones Agreement - contract update	Addendum No. 3 to T-Zones Agreement - contract update	012876-103-00
Deutsche Telekom AG	Letter of Variation - Addendum No. 4 T-Zones agreement	Letter of Variation - Addendum No. 4 T-Zones agreement	012876-104-00
Deutsche Telekom AG	Agreement - suretyship (Bürgschaft) Nortel GPRS	Agreement - suretyship (Guarantee) 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 (update of the Annex 2 - Service Arrangement 2005)	Inbound (update of the Annex 2 - Service Arrangement 2005)	013243-101-00
Deutsche Telekom AG	Inbound (amendment of the Annex 2 - Service Arrangement 2006)	Inbound (amendment of the 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	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 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	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 (amendment of the Annex 2 - Service Arrangement 2005)	Outbound (amendment of the Annex 2 - Service Arrangement 2005)	013244-102-00
Deutsche Telekom AG	Outbound (amendment of the Annex 2 - Service Arrangement pro rok 2006)	Outbound (amendment of the Annex 2 - Service Arrangement pro rok 2006)	013244-103-00

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Deutsche Telekom AG	Outbound Service Arrangement 2007	Outbound Service Arrangement 2007	013244-104-00
Deutsche Telekom AG	Service Arrangement 2008 (Outbound) - Change of the contract attachment No. 2	Service Arrangement 2008 (Outbound) – amendment of the Annex 2	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	Amendment No. 1 - new version of Appendix 1 (distribution of discounts)	Amendment No. 1 - new version of Appendix 1 (distribution of discounts)	014585-101-00
Deutsche Telekom AG	Suretyship Agreement (Nortel)	Suretyship Agreement (Nortel)	015123-000-00
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 (project Munice 2)	Deed of Adherence (project Munice 2)	017569-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - exchange ZigBee info on SIM card	Non disclosure Agreement (NDA) - exchange ZigBee info 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-accession of TMCZ to the Global Framework Ag. (GFA) 990030-000-00	Deed of Adherence-accession of TMCZ to the Global Framework Ag. (GFA) 990030-000-00	018945-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA)- Project 2G Modernization	Non disclosure Agreement (NDA)- Project 2G Modernization	018965-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - Project 2G Modernization	Non disclosure Agreement (NDA) - Project 2G Modernization	019043-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - Project 2G Modernization	Non disclosure Agreement (NDA) - Project 2G Modernization	019044-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - Project 2G Modernization	Non disclosure Agreement (NDA) - Project 2G Modernization	019045-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - Project 2G Modernization	Non disclosure Agreement (NDA) - Project 2G Modernization	019046-000-00
Deutsche Telekom AG	Non disclosure Agreement (NDA) - Project 2G Modernization	Non disclosure Agreement (NDA) - 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 – international traffic - settlement	Settlement Agreement – international traffic - settlement	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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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
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 confidentiality clause	Agreement on processing of data and information with confidentiality 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 Sublicence Agreement	Supplementary Agreement to the Sublicence 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
Deutsche Telekom AG	Service Arrangement - Cross Charging 2013	Service Arrangement - Cross Charging 2013	022888-106-00
Deutsche Telekom AG	Annex Service Arrangement - P&I Payment Products	Annex Service Arrangement - P&I Payment Products	022888-112-00
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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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	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	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 (accession to the 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 - Intragroup 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	CDP Individual Agreement on commissioned processing of personal data GPBI (BDSG)	CDP Individual Agreement 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	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 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
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	Annex - Service Arrangement - Compensation in the area of M2M for 2015	Annex - Service Arrangement - Compensation in the area of M2M for 2015	024334-102-00
Deutsche Telekom AG	Main Contract on IP Transit	Main Contract on IP Transit	024335-000-00
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	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	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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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	Service Arrangement - SLA Outbound Services 2015	Service Arrangement - SLA Outbound Services 2015	024410-102-00
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	M-Wall & Shop Window Digit (POS presentation) Agreement	M-Wall & Shop Window Digit (POS presentation) Agreement	024975-000-00
Deutsche Telekom AG	Global Strategic Retail Partnership - Marketing Funds Agreement	Global Strategic Retail Partnership - Marketing Funds Agreement	025120-000-00
Deutsche Telekom AG	Letter of Intent	Letter of Intent	025121-000-00
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 - pro DTAG Group Procurement (related to CDP)	025336-000-00
Deutsche Telekom AG	Bilateral SMS + Transit Contract	Bilateral SMS + Transit Contract	025440-000-00
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	Supplementary Agreement - MNC Services	Supplementary Agreement - MNC Services	025558-000-00
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	Cooperation Agreement (CRM an bundling of all related information at ICSS CRM system)	Cooperation Agreement (CRM an bundling of all related information at ICSS CRM system)	025746-000-00
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	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 Level Agreement (SLA) - T-Parking: UQBATE - Funding transfer	Service Level Agreement (SLA) - T-Parking: UQBATE - Funding transfer	026079-000-00
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	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

4.2 CONTRACTS ENTERED INTO BETWEEN THE COMPANY AND THE OTHER PARTIES CONTROLLED BY THE CONTROLLING PARTY.

4.2.1 CONTRACTS ENTERED INTO IN 2017:

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
BUYIN S.A.	Agreement on termination of the service agreement	Agreement on termination of the service agreement	024643-401-00
CE Colo Czech s.r.o.	Pojistná smlouva č. 2733002546 - odpovědnostní	Insurance Contract No. 2733002546 - Responsibility	026947-000-00
Deutsche Telekom (UK) Limited	Amendment Letter to Engagement Form (Czech Republic) - Fortumo	Amendment Letter to Engagement Form (Czech Republic) - Fortumo	020475-110-01
Deutsche Telekom Europe Holding GmbH	Pan-Net MiFID Recorder Customer Facing Service Arrangement	Pan-Net MiFID Recorder Customer Facing Service Arrangement	026623-201-00
Deutsche Telekom IT GmbH	Project Term Sheet (2017) - charging (Transfer pricing) in the area of Content Administration Platform, Common Interconnection Billing System, international Billing Mediation Device, Risk Management Center, Trinity, SOA Black Plane.	Project Term Sheet (2017) - charging (Transfer pricing) in the area of Content Administration Platform, Common Interconnection Billing System, international Billing Mediation Device, Risk Management Center, Trinity, SOA Black Plane.	024100-213-00
Deutsche Telekom IT GmbH	Project Term Sheet (2017) - charging (Transfer pricing) in the area of Telepresence iCN Service Management.	Project Term Sheet (2017) - charging (Transfer pricing) in the area of Telepresence iCN Service Management.	024100-214-00
Deutsche Telekom IT GmbH	Project Term Sheet 2017- Services for International Network Services (INS)	Project Term Sheet 2017- Services for International Network Services (INS)	024100-215-00
Deutsche Telekom IT GmbH	Agreement about International Internal Services - Umbrella	Agreement about International Internal Services - Umbrella	025954-201-00
Deutsche Telekom IT GmbH	International Master Agreement on Intercompany Provision of Products and Service	International Master Agreement on Intercompany Provision of Products and Service	026977-000-00
Deutsche Telekom IT GmbH	Supplemental Agreement - TIKS 2010 Certification Service	Supplemental Agreement - TIKS 2010 Certification Service	026977-201-00
Deutsche Telekom IT GmbH	Framework Agreement on commissioned processing of personal data	Framework Agreement on commissioned processing of personal data	026982-000-00
Deutsche Telekom IT GmbH	Agreement for Commissioned Data Processing	Agreement for Commissioned Data Processing	027043-000-00
Deutsche Telekom Pan-Net Czech Republic s.r.o.	Smlouva o podnájmu/Sublease Agreement - kancelář č. 3307	Sublease Agreement - office No. 3307	027477-000-00
Deutsche Telekom Pan-Net s.r.o.	Smlouva o nájmu dopravního prostředku-AUDI, obch.zn.: 6 ALLROAD QUATTRO, id.č./V	Vehicle lease agreement-AUDI, trade: 6 ALLROAD QUATTRO, id No./v	026892-000-00
Deutsche Telekom Pan-Net s.r.o.	Smlouva o nájmu dopravního prostředku-AUDI, obch.zn.: A6 AVANT, id.č./VIN: WAUZZ	Vehicle lease agreement-AUDI, business: A6 AVANT, id / VIN: WAUZZ	026899-000-00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement	Frame Service Agreement	026784-000-00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement with TMCZ Annex 1 Service Arrangement for corporate governance services	Frame Service Agreement with TMCZ Annex 1 Service Arrangement for corporate governance services	026784-201-00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Frame Service Agreement with Annex 2 - Recruitment Services, Consultancy in the area of HR	Frame Service Agreement with Annex 2 - Recruitment Services, Consultancy in the area of HR	026784-202-00
Deutsche Telekom Services Europe Czech Republic s.r.o.	Agreement on commissioned processing of personal data	Agreement on commissioned processing of personal data	026996-000-00
Deutsche Telekom Services Europe Slovakia s.r.o.	Amendment No. 4 to the Business Management Contract on Provision of Services	Amendment No. 4 to the Business Management Contract on Provision of Services	024259-104-00
Deutsche Telekom Services Europe Slovakia s.r.o.	Amendment No. 5 to the Business Management Contract on Provision of Services	Amendment No. 5 to the Business Management Contract on Provision of Services	024259-105-00
GTS Telecom S.R.L.	Addendum No. 1 - Anti-DDoS Protection Service	Addendum No. 1 - Anti-DDoS Protection Service	026040-101-00

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
Hrvatski Telekom d.d., Deutsche Telekom Pan-Net s.r.o., Telekom Albania Sh.A., T-Mobile Polska, T-Mobile Netherlands, Deutsche Telekom AG, Cosmote Mobile Telecommunications, Crnogorski Telekom A.D., Hellenic Telecommunication, Magyar Telekom, Slovak Telekom a.s., Makedonski Telekom, Telekom Romania Communications, Telekom Romania Mobile, T-Mobile Austria	Cooperation Agreement – Exchange of information	Cooperation Agreement – Exchange of information	026289-000-00
Magyar Telekom Telecommunications Public Limited Company	Agreement for the TWAMP Measurement System TRIAL	Agreement for the TWAMP Measurement System TRIAL	027258-000-00
Magyar Telekom Telecommunications Public Limited Company	Order to International Telecommunication Service Master Agreement (Scania)	Order to International Telecommunication Service Master Agreement (Scania)	660077-201-00
Magyar Telekom Telecommunications Public Limited Company	Order (Hopi Hungária, Direct Parcel, CETELEM, Accenture	Order (Hopi Hungária, Direct Parcel, CETELEM, Accenture	660077-202-00
Magyar Telekom Telecommunications Public Limited Company	Order (DHL) to International Telecommunication Service Master Agreement	Order (DHL) to International Telecommunication Service Master Agreement	660077-203-00
Magyar Telekom Telecommunications Public Limited Company	Order – transfer of circuits from GTS HU to Magyar Telekom - SAMSUNG	Order – transfer of circuits from GTS HU to Magyar Telekom - SAMSUNG	660077-204-00
PosAm, spol. s r.o.	Rámcová smlouva B2B ICT	Framework agreement B2B ICT	027500-000-00
Slovak Telekom, a.s.	Dodatek č. 1 ke Smlouvě o zpracování osobních údajů	Amendment No. 1 to the Personal Data Processing Agreement	026198-101-00
Slovak Telekom, a.s.	Framework Cooperation and Service Agreement	Framework Cooperation and Service Agreement	027009-000-00
Slovak Telekom, a.s.	Service Arrangement - Service Monitoring Center (SMC) Services	Service Arrangement - Service Monitoring Center (SMC) Services	027009-201-00
Slovak Telekom, a.s.	Service Arrangement - Service Monitoring Center (SMC) Services - TMCZ reciever	Service Arrangement - Service Monitoring Center (SMC) Services - TMCZ reciever	027009-202-00
Slovak Telekom, a.s.	Smlouva o zachování důvěrnosti informací (NDA)	Non Disclosure Agreement (NDA)	027014-000-00
Slovak Telekom, a.s.	Dohoda o zachování důvěrnosti informací - NDA	Non Disclosure Agreement - NDA	027068-000-00
Slovak Telekom, a.s.	Smlouva o zpracování dat	Data Processing Agreement	027177-000-00
Slovak Telekom, a.s.	Nájemní smlouva - zmluva o nájme/podnájme motorových vozidiel	Lease agreement - Lease / rental agreement for motor vehicles	027204-000-00
Slovak Telekom, a.s.	Nájemní smlouva - zmluva o prenájme technického vybavenia a príslušenstva	Lease agreement - lease of technical equipment and accessories	027210-000-00
Slovak Telekom, a.s., UNIQA pojišťovna, a.s.	Smlouva o zpracování dat	Data Processing Agreement	027506-000-00
Telekom Deutschland GmbH	Annex Service Agreement - SLA Inbound 2017 TMCZ Service Provider TDG Service Rec	Annex Service Agreement - SLA Inbound 2017 TMCZ Service Provider TDG Service Rec	013243-118-00
T-Mobile (UK) Limited	Project Term Sheet	Project Term Sheet	019833-000-00
T-Mobile Austria GmbH	Service Level Agreement (SLA) - M2M Cross Border	Service Level Agreement (SLA) - M2M Cross Border	026948-000-00
T-Mobile Polska S.A.	Service Arrangement - professional services for integration of SBC Huawei	Service Arrangement - professional services for integration of SBC Huawei	025011-202-00
T-Mobile Polska S.A.	Agreement on Commissioned Data Processing - annex to Service Arrangement Trinity	Agreement on Commissioned Data Processing - annex to Service Arrangement Trinity	027341-000-00
T-Systems International GmbH	Service Agreement - TESTA NG	Service Agreement - TESTA NG	026717-000-00
T-Systems International GmbH	Agreement about International Internal Services - Umbrella	Agreement about International Internal Services - Umbrella	026800-000-00
T-Systems International GmbH	Agreement about International Internal Services - Umbrella - AD/AM/AO Business I	Agreement about International Internal Services - Umbrella - AD/AM/AO Business I	026801-000-00
T-Systems International GmbH	Individual Agreement on Commissioned Data Processing	Individual Agreement on Commissioned Data Processing	026827-000-00
T-Systems International GmbH	Service Agreement	Service Agreement	027237-000-00
T-Systems International GmbH	Service Agreement	Service Agreement	027469-000-00

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
T-Systems International GmbH	Amendment No. 4 - Prolongation Agreement „Infrastructure Services for T-Mobile CZ“	Amendment No. 4 - Prolongation Agreement "Infrastructure Services for T-Mobile CZ"	880052-104-00
T-Systems Slovakia s.r.o.	Service Agreement	Service Agreement	027336-000-00
Zoznam, s.r.o.	Smlouva o zachování důvěrnosti informací - NDA	Non disclosure agreement - NDA	027266-000-00

4.2.2. CONTRACTS THAT WERE EFFECTIVE IN 2017:

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
A1 Telekom Austria AG, O2 Czech Republic a.s.	NDA for RF data exchange with A1 Telekom Austria for LTE cell frontier co-ordination	NDA for RF data exchange with A1 Telekom Austria for LTE cell frontier co-ordination	025645-000-00
Actelis Networks Israel Ltd.	MUTUAL NON-DISCLOSURE AGREEMENT	MUTUAL NON-DISCLOSURE AGREEMENT	0000015/2008-SMfd
Antel Germany GmbH	General terms and conditions_VIX	General terms and conditions_VIX	0000002/2010-SmNAD
Antel Germany GmbH	LOAN FACILITY AGREEMENT	LOAN FACILITY AGREEMENT	0000009/2005-SMfd
Antel Germany GmbH	Purchase of materials	Purchase of materials	0000013/2011-SMfd
BUYIN SA	Amendment No. 1 to Participation Agreement - Joint Venture	Amendment No. 1 to Participation Agreement - Joint Venture	023174-101-00
BUYIN SA	Service Agreement x-charging	Service Agreement x-charging	024643-000-00
CARDUELIS B.V.	Carduelis B.V. - smlouva o převodu práv a povinností	Carduelis B.V. – Agreement on the trasfer of duties and responsibilities	0000045/2005-SMws
CARDUELIS B.V.	Individual Service Agreement	Individual Service Agreement	0000065/2007-SMws
CE Colo Czech s.r.o.	Kupní smlouva na vozidlo Škoda	Purchase agreement for Škoda vehicle	0000001/2013-SMfa
CE Colo Czech s.r.o.	Kupní smlouva na vozidlo	Purchase agreement for the vehicle	0000002/2013-SMfa
CE Colo Czech s.r.o.	Kupní smlouva Volkswagen Passat Variant	Purchase agreement Volkswagen Passat Variant	0000008/2012-SMfa
CE Colo Czech s.r.o.	Dodatek č.6 - Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Supplement No. 6 - Housing Service Agreement No. C-TH / 144/08 / S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.7 - Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Annex 7 – Housing Service Agreement No. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.8 - Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Supplement No. 8 - Housing Service Agreement No. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.9 - Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Supplement No. 9 - Housing Service Agreement No. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Dodatek č.10 - Smlouva o poskytování housingových služeb č. C-TH/144/08/S	Supplement No. 10 - Housing Service Agreement No. C-TH/144/08/S	0000463/2008-SMna
CE Colo Czech s.r.o.	Smlouva o kontaktních osobách pro veškeré transakce a úkony a uspořádání	Contact person contract for all transactions and operations and arrangements	025159-000-00
CE Colo Czech s.r.o.	Smlouva o poskytování pracovní lékařských služeb a nadstandardní zdravotní péče	Contract on provision of occupational health services and above-standard health care	025210-000-00
CE Colo Czech s.r.o.	Smlouva o postoupení práv a povinností ze smluv RWE	Contract for assignment of rights and obligations under RWE contracts	025324-000-00
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	Agreement on processing of personal data	025383-000-00
CE Colo Czech s.r.o.	Smlouva o zvláštním běžném účtu	Special current account contract	025452-000-00
CE Colo Czech s.r.o.	Rámcová smlouva o koupi, prodeji a užití poukázek (mezi CE Colo a Endered)	Framework agreement on the purchase, sale and use of vouchers (between CE Colo and Endered)	025830-000-00
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
CE Colo Czech s.r.o., GTS Central European Holding B.V., Carduelis B.V.	First Amendment Agreement to Share Purchase Agreement - Neptune	First Amendment Agreement to Share Purchase Agreement - Neptune	025202-101-00
COSMOTE Mobile Telecommunications S.A.	Confidentiality and Privacy Agreement	Confidentiality and Privacy Agreement	024265-000-00
COSMOTE Mobile Telecommunications S.A.	Confidentiality and Privacy Agreement DRSSC/Cosmote - Penetračního Testování COS	Confidentiality and Privacy Agreement DRSSC/Cosmote - Penetration Testing COS	024541-000-00

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COSMOTE Mobile Telecommunications S.A.	International Telecommunication Services Agreement	International Telecommunication Services Agreement	0000192/2007-SMws
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
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
DeTeFleetServices GmbH	Master Leasing Agreement - Rental of Vehicles	Master Leasing Agreement - rental of vehicles	026671-000-00
DeTeFleetServices GmbH	Leasing contract - Operating Lease	Leasing contract - operational leasing	026697-000-00
DeTeFleetServices GmbH	Leasing contract/Leasingová zmluva - Kovář Stanislav	Leasing contract/Leasing Contract - Kovář Stanislav	026744-000-00
Deutsche Telekom (UK) Limited	Content Reseller Agreement	Content Reseller Agreement	001406-000-00
Deutsche Telekom (UK) Limited	Amendment to the Contract No. 6 - MTV Engagement Form	Engagement Form no. 6 - MTV	001406-106-00
Deutsche Telekom (UK) Limited	Amendment to the Contract No. 7 - Universal Content	Engagement Form no. 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 - Amendment to the Contract No. 13 - CONTENT	Engagement Form – Annex No. 13 - 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 (Amendment to the Contract No. 22)	Engagement Form - Sony Content (Annex No. 22)	001406-122-00
Deutsche Telekom (UK) Limited	Amendment to the Contract No. 23 - Fox Studios Content - MMS content	Engagement Form no. 23 - Fox Studios Content - MMS content	001406-123-00
Deutsche Telekom (UK) Limited	Amendment to the Contract No. 24 - Disney Content - MMS content	Engagement Form no. 24 - Disney Content - MMS content	001406-124-00
Deutsche Telekom (UK) Limited	Amendment to the Contract No. 25 - Java od spol. Turner - CONTENT	Engagement Form 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	Engagement Form no. 28 - Warner Music Content	Engagement Form no. 28 - Warner Music Content	001406-128-00
Deutsche Telekom (UK) Limited	Engagement Form no. 29 - iFone Content	Engagement Form no. 29- iFone Content	001406-129-00
Deutsche Telekom (UK) Limited	Engagement Form no. 30 - Arvato Content	Engagement Form no. 30 - Arvato Content	001406-130-00
Deutsche Telekom (UK) Limited	Engagement Form no. 31 - Blue Sphere Content	Engagement Form no. 31 - Blue Sphere Content	001406-131-00
Deutsche Telekom (UK) Limited	Engagement Form no. 32 - mForma Content	Engagement Form no. 32- mForma Content	001406-132-00
Deutsche Telekom (UK) Limited	Engagement Form no. 33 - Jamdat Content	Engagement Form no. 33 - Jamdat Content	001406-133-00
Deutsche Telekom (UK) Limited	Engagement Form no. 34 - Gameloft Content	Engagement Form no. 34 - Gameloft Content	001406-134-00
Deutsche Telekom (UK) Limited	Engagement Form no. 35 - Living Mobile Content	Engagement Form no. 35 - Living Mobile Content	001406-135-00
Deutsche Telekom (UK) Limited	Engagement Form no. 36 - Mobile Scope Content	Engagement Form no. 36 - Mobile Scope Content	001406-136-00

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Deutsche Telekom (UK) Limited	Engagement Form no. 37 - Sumea Content	Engagement Form no. 37 - Sumea Content	001406-137-00
Deutsche Telekom (UK) Limited	Engagement Form no. 38 - HandyGames Content	Engagement Form no. 38 - HandyGames Content	001406-138-00
Deutsche Telekom (UK) Limited	Engagement Form no. 39 - Digital Bridges Content	Engagement Form no. 39 - 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
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	Engagement Form no. 53 (video download - Mobix Content)	Engagement Form no. 53 (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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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	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	Cross Charging Services Agreement	Cross Charging Services Agreement	020909-000-00
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 Business Services	Frame Agreement for Commissioned Data Processing - project ARAMIS	Frame Agreement for Commissioned 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	Framework Agreement DTBS Shared Services Centrum for HR processes in Bucharest	Framework Agreement DTBS Shared Services Centrum for HR processes in Bucharest	025175-000-00
Deutsche Telekom Business Services	Service Arrangement for the Delivery of Inquiry Management Services	Service Arrangement for the Delivery of Inquiry Management Services	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
Deutsche Telekom Europe B.V.	Pan-Net Master Frame Agreement TMCZ	Pan-Net Master Frame Agreement TMCZ	026623-000-00
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 Europe Holding B.V	Pan-Net mVAS Framework Agreement	Pan-Net mVAS Framework Agreement	025941-000-00
Deutsche Telekom Pan-Net Czech Repu	Pan-Net Service Agreement	Pan-Net Service Agreement	026481-000-00
Deutsche Telekom Pan-Net Czech Repu	Annex 2 to Pan-Net - Service Arrangement Concerning the Provision of Financial Services	Annex 2 to Pan-Net - Service Arrangement Concerning the Provision of Financial Services	026481-201-00
Deutsche Telekom Pan-Net s.r.o	Service Agreement - DRSSC Services for Pan-Net	Service Agreement - DRSSC Services for Pan-Net	026754-000-00
Deutsche Telekom Pan-Net s.r.o.	Confirmation of Request for Transfer of Legacy Internet Resources - DTPanNET SK	Confirmation of Request for Transfer of Legacy Internet Resources - DTPanNET SK	026491-000-00
Deutsche Telekom Shared Services s.r.o.	Amendment No. 3 - úprava rozsahu a ceny nákupních služeb pro rok 2016	Amendment No. 3 - amendment of scope and price of procurement services for 2016	024259-103-00
Deutsche Telekom Shared Services s.r.o.	Amendment No. 2 - změny ceny	Amendment No. 2 - price amendment	024259-102-00
Deutsche Telekom Shared Services s.r.o.	Agreement for Commissioned Data Processing - SAP access	Agreement for Commissioned Data Processing - SAP access	024430-000-00
Deutsche Telekom Shared Services s.r.o.	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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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 – sale of service cards SAU	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.	International Roaming Agreement.	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 Arrangement - RCTIO Framework Cooperation and Service Agreement	Service Arrangement - RCTIO Framework Cooperation and Service Agreement	025427-201-00
GTS Hungary Távközlési Kft.	Agreement - PwC service fee	Agreement - PwC service fee	026656-000-00
GTS Hungary Távközlési Kft.	International Telecommunication Service	International Telecommunication Service	0000007/2010-SMws
GTS Hungary Távközlési Kft.	Contract of subdelivery	Contract of subdelivery	0000019/2008-SmCSC
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.	Agreement IFS ISCS 04 2008	Agreement IFS ISCS 04 2008	0000059/2011-SMws
GTS Hungary Távközlési Kft.	Service Agreement for GTS NET a.s and GTS Magyarország Távközlési Kft.	Service Agreement for GTS NET a.s and GTS Magyarország Távközlési Kft.	0000063/2007-SMws
GTS Hungary Távközlési Kft.	Amendment Nr.1 to the Service Agreement for GTS NET a.s and GTS Magyarország Távközlési Kft.	Amendment Nr.1 to the Service Agreement for GTS NET a.s and GTS Magyarország Távközlési Kft.	0000063/2007-SMws
GTS Hungary Távközlési Kft.	RCTIO Framework Cooperation and Service Agreement	RCTIO Framework Cooperation and Service Agreement	025427-000-00
GTS Hungary Távközlési Kft., GTS Poland sp. z o.o., GTS Telecom S.R.L.	Cooperation Agreement	Cooperation Agreement	025746-000-00
GTS Novera a.s.	Smlouva č. GTS - 01 o poskytování telekomunikačních služeb	Contract No. GTS - 01 on the provision of telecommunication services	0000004/2003-CS
GTS Novera a.s.	Smlouva o lokálním peeringu	Local peering agreement	0000015/2006-SMIn
GTS Novera a.s.	Dodatek smlouvy o poskytování telekomunikačních služeb	Supplement to the contract for the provision of telecommunication services	0000019/2005-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.	Agreement on the assignment of rights and obligations	Agreement on the assignment of rights and obligations	0000056/2014-SMna
GTS Poland Sp. z o.o.	Shared Cost and Free Pricelist	Shared Cost and Free Pricelist	0000060/2011-SMws

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GTS Poland Sp. z o.o.	Reciprocal Telecommunications Services Agreement	Reciprocal Telecommunications Services Agreement	0000064/2007-SMws
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	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 Telecom SRL	Service Arrangement - Intercompany IT services recharging	Service Arrangement - Intercompany IT services recharging	025471-201-00
GTS Telecom SRL	Intercompany Master Service Agreement	Intercompany Master Service Agreement	026040-000-00
GTS Telecom SRL	RCTIO Framework Cooperation and Service Agreement	RCTIO Framework Cooperation and Service Agreement	025471-000-00
GTS Telecom SRL	AGREEMENT between GTS Czech and GTS Telecom	AGREEMENT between GTS Czech and GTS Telecom	0000001/2013-SMfd
GTS Telecom SRL	International Telecommunication Service	International Telecommunication Service	0000008/2010-SMws
GTS Telecom SRL	Contract of subdelivery	Contract of subdelivery	0000020/2008-SmCSC
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
Hrvatski Telekom d.d.	Non-Disclosure Statement	Non-Disclosure Statement	024770-000-00
Hrvatski Telekom d.d.	Service Agreement No. ICT-03/2015	Service Agreement No. ICT-03/2015	025538-000-00
HT - Hrvatski Telekom d.d.	Agreement on interconnection of telecommunication networks	Agreement on interconnection of telecommunication networks	0000031/2008-SMws
HT - Hrvatski Telekom d.d.	Confidentiality Agreement	Confidentiality Agreement	0000288/2007-SMws
Iskon Internet d.d.	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	AGREEMENT ON THE ASSIGNMENT OF RIGHTS AND OBLIGATIONS	0000163/2011-SMna
Magyar Telekom Plc, GTS Hungary Ltd.	Intercompany Master Service Agreement	Intercompany Master Service Agreement	026196-000-00
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
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	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	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
MAGYARCOM SZOLGÁLTATÓ KOMMUNIKÁCIÓS	Service Agreement - purchase of support services for ICSS customers	Service Agreement - purchase of support services for ICSS customers	026177-000-00

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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
Motionlogic GmbH	Cooperation Agreement	Cooperation Agreement	025515-000-00
Nexmo, Inc.	Interconnect Agreement - Nexmo, Inc.	Interconnect Agreement - Nexmo, Inc.	0000001/2014-SMws
Nexmo, Inc.	Agreement on the Provision of Wholesale SMS tranzit Services - Nexmo, Inc.	Agreement on the Provision of Wholesale SMS tranzit Services - Nexmo, Inc.	0000002/2013-SmlWh
Nexmo, Inc.	Interconnect Agreement - Nexmo	Interconnect Agreement - Nexmo	0000062/2013-SMws
Orange Personal Communication..Ltd.	International GSM Roaming Agreement	International GSM Roaming Agreement	000335-000-00
OTE INTERNATIONAL SOLUTIONS S.A.	Mutual Non-Disclosure Agreeemnet - OTE	Mutual Non-Disclosure Agreeemnet - OTE	0000129/2007-SMws
PosAm, spol. s r.o.	Smlouva o zachování důvěrnosti informací (NDA)	Non disclosure agreement informací (NDA)	026689-000-00
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 spolupraci při poskytování telekomunikačních služeb	Contract for cooperation in the provision of telecommunication services	0000035/2007-SMws
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
Slovak Telekom, a. s.	Smlouva o lokálním peeringu	Local peering agreement	0000049/2006-SMIn
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.	Framework hiring out of labour agreement	Framework hiring out of labour agreement	026183-000-00
Slovak Telekom, a.s.	Dohoda o ochraně důvěrných informací - NDA	Non disclosure agreement informací (NDA)	026197-000-00
Slovak Telekom, a.s.	Smlouva o zpracování osobních údajů	Agreement on processing of personal data	026198-000-00
Slovak Telekom, a.s.	Framework hiring out of labour agreement	Framework hiring out of labour agreement	026475-000-00
Slovak Telekom, a.s.	Kupní smlouva - prodej vozidla do ST 2AR 8700	Purchase agreement - sale of vehicle to ST 2AR 8700	026494-000-00
Slovak Telekom, a.s.	Kupní smlouva - odprodej vozidla do ST 3AM 0522	Purchase agreement - sale of vehicle to ST 3AM 0522	026495-000-00
Slovak Telekom, a.s.	International GSM Roaming Agreement - Slovensko	International GSM Roaming Agreement - Slovakia	000178-000-00
Slovak Telekom, a.s.	Supplementary IOT Agreement	Supplementary IOT Agreement	000178-201-00
Slovak Telekom, a.s.	Licenční smlouva	License 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 Acquisition Due Diligence Contract - Project Poletucha	Addendum Letter to Acquisition 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 - Furniture for shop equipment	023489-000-00
Slovak Telekom, a.s.	Kupní smlouva - nákup nábytku pro refreše Partnerských prodejen T-Mobile	Purchase agreement - purchase of furniture for the refreshing of T-Mobile Partner stores	023718-000-00
Slovak Telekom, a.s.	Kupní smlouva - nákup nábytku pro partnerské prodejny TMCZ	Purchase agreement - purchase of furniture for TMCZ partner stores	023814-000-00
Slovak Telekom, a.s.	Kupní smlouva na použitý nábytek z SK pro PP	Purchase agreement for used furniture from SK for PP	024574-000-00
Slovak Telekom, a.s.	Memorandum of Understanding	Memorandum of Understanding	024591-000-00
Slovak Telekom, a.s.	International Roaming Agreement	International Roaming Agreement	026001-000-00
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 - Albania	021365-000-00
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 GmbH	Interconnection Agreement	Interconnection Agreement	001776-000-00
Telekom Deutschland GmbH	Amendment No. 1 - Adding Attachments	Amendment No. 1 - Adding Attachments	001776-101-00

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Telekom Deutschland GmbH	Modification of the Interconnection Agreement	Modification of 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	Modification No. 4 - Modification of the Interconnection Agreement	Modification No. 4 - Modification of the Interconnection Agreement	001776-104-00
Telekom Deutschland GmbH	Modification No. 5 - Termination in Czech Republic	Modification No. 5 - Termination in Czech Republic	001776-105-00
Telekom Deutschland GmbH	Modification No. 6 of the Interconnection Agreement	Modification 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	Modification No. 9 - Modification of the Interconnection Agreement - new Annex 8	Modification No. 9 - Modification of the Interconnection Agreement - new Annex 8	001776-109-00
Telekom Deutschland GmbH	Modification No. 10 - Modification of the Interconnection Agreement - new Annex 8	Modification No. 10 - Modification 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
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 licenci)	Agreement on the Provision of Licences (transfer of HLR license)	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 licenci)	Agreement on the Provision of Licences (transfer of VLR license)	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 licenci z TMD	Agreement on the Provision of Licences - transfer of HLR license 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

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Telekom Deutschland GmbH	Addendum No. 1 - Remote Device Management Release 1 A	Addendum No. 1 - Remote Device Management Release 1 A	016886-101-00
Telekom Deutschland GmbH	Purchase Agreement (prodej MSC HW - CCNC parts do TMD)	Purchase Agreement (prodej MSC HW - CCNC parts do 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	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 to Framework Agreement Outbound	Service Arrangement - SLA Outbound 2014 to Framework Agreement Outbound	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	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	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
TELEKOM ROMANIA (ROMTELECOM SA)	International Telecommunication Services Agreement - ROMTELECOM S.A.	International Telecommunication Services Agreement - ROMTELECOM S.A.	0000254/2007-SMws
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A.	Addendum to International Roaming Agreement (Romania)	Addendum to International Roaming Agreement (Romania)	014876-101-00
T-Mobile Austria GmbH	Project specific offer - Bellpro - M2M servisní platforma	Project specific offer - Bellpro - M2M servise platform	025577-201-00
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

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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	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 HotSpot GmbH	Amendment No. 1 „LH INFLIGHT“ „ROAMING AGREEMENT FOR PUBLIC WIRELESS LAN SERVICES“	Amendment No. 1 „LH INFLIGHT“ „ROAMING AGREEMENT FOR PUBLIC WIRELESS LAN SERVICES“	022303-101-00
T-Mobile HotSpot GmbH	Amendment No. 2 - Extension of Inflight WiFi coverage for other airlines	Amendment No. 2 - Extension of Inflight WiFi coverage for other airlines	022303-102-00
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 Netherlands B.V.	International Roaming Agreement	International Roaming Agreement	025209-000-00
T-Mobile Polska S.A.	Accession Deed to the International Telecommunication Services Master Agreement (No. exGTS 0000016/2)	Accession Deed to the International Telecommunication Services Master Agreement (No. exGTS 0000016/2)	025716-000-00
T-Mobile Polska S.A.	Frame contract for Security services delivery from DRSSC to TMPL	Frame contract for Security services delivery from DRSSC to TMPL	026487-000-00
T-Mobile Polska S.A.	Service arrangement for Security services delivery from DRSSC to TMPL	Service arrangement for Security services delivery from DRSSC to TMPL	026487-201-00
T-Mobile Polska S.A.	Frame contract for Security services delivery from TMPL to DRSSC	Frame contract for Security services delivery from TMPL to DRSSC	026488-000-00
T-Mobile Polska S.A.	Service arrangement for Security services delivery from TMPL to DRSSC	Service arrangement for Security services delivery from TMPL to DRSSC	026488-201-00
T-Mobile Polska S.A.	Service Arrangement -in Connection with an International IMS Service Centre-Voic	Service Arrangement -in Connection with an International IMS Service Centre-Voic	025011-201-00
T-Mobile Polska S.A.	Appendix No. 1 - Service Arrangement - TMCZ provider - IT services recharging	Appendix No. 1 - Service Arrangement - TMCZ provider - IT services recharging	025182-201-00
T-Mobile Polska S.A.	Service Agreement -TMPL Provider-Intercompany IT services recharging	Service Agreement -TMPL Provider-Intercompany IT services recharging	025182-202-00
T-Mobile Polska S.A.	Agreement on the provision of rental vehicles - pronájem vozidla	Agreement on the provision of rental vehicles - rent of vehicle	025880-000-00
T-Mobile Polska S.A.	Telecommunications Services Agreement No. TA18119	Telecommunications Services Agreement No. TA18119	026242-000-00
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

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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 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 - regional agreement on resale of HW between contries in the region	Framework Purchase Contract - regional agreement on resale of HW between contries in the region	025678-000-00
T-Mobile Polska S.A.	Intercompany Master Service Agreement	Intercompany Master Service Agreement	025785-000-00
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
T-Mobile USA, Inc.	Roaming Agreement for Public Wireless LAN Services	Roaming Agreement for Public Wireless LAN Services	017191-000-00
T-Systems Belgium NV	Reciprocal Confidentiality Agreement - NDA	Reciprocal Confidentiality Agreement - NDA	026688-000-00
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 France SAS	Agreement Concerning the Transfer of Assets	Agreement Concerning the Transfer of Assets	026303-000-00
T-Systems France SAS	Internal Service Agreement - Managed Connectivity (MC) Services for Société Génée	Internal Service Agreement - Managed Connectivity (MC) Services for Société Génée	026332-000-00
T-Systems GEI GmbH	Software Maintenance Agreement	Software Maintenance Agreement	017408-000-00
T-Systems Hungary	Project Service Agreement - Provision of Services in Connection with Communication	Project Service Agreement - Provision of Services in Connection with Communication	025780-000-00
T-Systems International GmbH	Agreement Concerning the Transfer of Assets	Agreement Concerning the Transfer of Assets	026718-000-00
T-Systems International GmbH	Service Agreement for Program Management services for program Sonar	Service Agreement for Program Management services for program Sonar	880052-201-00
T-Systems International GmbH	One Stop Shopping Agreement	One Stop Shopping Agreement	0000039/2007-SMws
T-Systems International GmbH	Licensing of Microsoft products	Licensing of Microsoft products	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 - EU Prio products implementation	Letter of Intent 2013 - EU Prio products implementation	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 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

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T-Systems International GmbH	Term Sheet 2014 - Content Administration Portal (CAP)	Term Sheet 2014 - Content Administration Portal (CAP)	024100-204-00
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	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	Sublicensing and Crosscharging Agreement - Aspera license	Sublicensing and Crosscharging Agreement - Aspera license	025060-000-00
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	Frame Agreement for Commissioned Data Processing	Frame Agreement for Commissioned Data Processing	025166-000-00
T-Systems International GmbH	Amendment No. 1 to Frame Agreement for Commissioned Data Processing	Amendment No. 1 to Frame Agreement for Commissioned 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
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 International GmbH	Prolongation Agreement Infrastructure Services	Prolongation Agreement Infrastructure Services	880052-102-00
T-Systems International GmbH	Service Agreement about International Internal Services - Service Delivery Platform	Service Agreement about International Internal Services - Service Delivery Platform	025692-000-00
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	Agreement Concerning The Transfer of Assets (contract on the transfer of assets)	Agreement Concerning The Transfer of Assets (contract on the transfer of assets)	025388-000-00
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-Systems Magyarország ZRt	Term Sheet - Seamless Communication Platform Hungary (SCPH) - SCPWebex	Term Sheet - Seamless Communication Platform Hungary (SCPH) - SCPWebex	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 Polska Sp. z o.o.	Cooperation agreement	Cooperation agreement	0000243/2011-SMna
T-Sytems International GmbH	Share Purchase Agreement - Angel + expert opinion	Share Purchase Agreement - Angel + expert opinion	024278-000-00
T-Sytems International GmbH	Cooperation Agreement - transakce Angel	Cooperation Agreement - transaction Angel	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
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

Partner	Services / goods - original version	Services / goods - translation	No. of contract of the Company
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 Filet Nr. 2010/1524	Amendment to Service Schedule Filet 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 Hawaii Nr. 2010/1523	Amendment to Service Schedule Linux Hawaii 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
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	Bietererklärung	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 "Waikiki Infrastructure"	Service Schedule "Waikiki 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
Zoznam Mobile, s.r.o.	Smlouva o zajištění poskytování obsahu	Content provision agreement	021136-000-00

5. LEGAL ACTS MADE AT THE INSTIGATION OF OR IN THE INTEREST OF THE CONTROLLING PARTY OR OTHER PARTIES CONTROLLED BY THE CONTROLLING PARTY

During the Relevant period the Company made the following legal acts in the interest, or at the instigation of, the Controlling party or other parties controlled by the Controlling party, which would involve assets exceeding in value CZK 3,052 million, which represents 10% of the Company's equity reported in the latest Financial Statements as at 31 December 2017:

6. ASSESMENT OF A DETRIMENT AND ITS COMPENSATION

No detriment occurred to the Company on the bases of the agreements entered into in the Relevant period between the Company and other entities from the Concern, other acts which were implemented in the interest, or at the instigation of, of such entities by the Company in the Relevant period.

7. EVALUATION OF RELATIONS AND RISKS WITHIN THE CONCERN

7.1 EVALUATION OF ADVANTAGES AND DISADVANTAGES OF RELATIONS WITHIN THE CONCERN

In particular the following advantages arise from the participation within the Concern to the Company. The Concern 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 have arisen to the Company from the participation within the Concern.

7.2 NO RISKS HAVE ARISEN TO THE COMPANY FROM THE RELATIONS WITHIN THE CONCERN

In Prague, 22 March 2018

In Prague, 22 March 2018



Daria Dodonová
Vice-Chairman of the Board of Directors



Mardia Niehaus
Member of the Board of Directors

ANNEX NO. 1 TO REPORT ON THE RELATIONSHIPS BETWEEN THE RELATED PARTIES FOR THE YEAR 2017

THE STRUCTURE OF RELATIONS WITHIN THE CONCERN

The overview contains the entities controlled by DTAG with which TMCZ had business relations during the Relevant period, as well as some entities which stand, in the structure of the Concern 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)
- 12,00% BT Group plc (United Kingdom)
- 100,00% Deutsche Telekom Holding B.V. (Netherlands)
- 65,48% 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% TMUS Assurance Corporation (USA)
 - 100,00% T-Mobile PCS Holdings LLC (USA)
 - 100,00% T-Mobile West LLC (USA)
 - 100,00% Metro PCS Texas, 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)
 - 100,00% Metro PCS California, LLC (USA)
 - 100,00% Firefly Subsidiary, Inc. (USA)
 - 100,00% T-Mobile Financial, LLC (USA)
 - 100,00% T-Mobile Leasing, LLC (USA)
 - 100,00% Metro PCS Networks California, LLC (USA)
 - 5,95% 3G Americas, LLC (USA)
 - 10,00% North American Portability Management 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%	T-Mobile Netherlands Finance 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 Thuis 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-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.o.o. (Croatia)
100,00%	REGICA.NET d.o.o. (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. (Croatia)
100,00%	M-Tele d.o.o. (Croatia)
76,53%	Crnogorski Telekom A.D. Podgorica (Montenegro)
17,41%	OT-Optima Telekom d.d. (Croatia)
100,00%	OT-Optima Telekom d.o.o. (Slovenia)
100,00%	Optima Telekom za upravljanje nekretninama i savjetovanje d.o.o. (Croatia)
100,00%	Optima direct d.o.o. (Croatia)
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 Nyrt. (Hungary)
100,00%	Combridge SRL. (Romania)
100,00%	Stonebridge Communications A.D.(Macedonia)
51,00%	Makedonski Telekom AD Skopje (Macedonia)
100,00%	T-Systems Magyarország Zrt (Hungary)
100,00%	Novatel EOOD (Bulgaria)
100,00%	T-Mobile Polska S.A. (Poland)
100,00%	Tele Haus Polska Sp.z.o.o. (Poland)
50,00%	NetWorkSI Sp.z.o.o. (Poland)
100,00%	Tel-Team Inwestycje Sp.z.o.o. (Poland)
100,00%	T-Systems Polska Sp. z o.o. (Poland)
100,00%	Consortium 1 S.à.r.l. (GTS) (Luxembourg)
100,00%	Consortium 2 S.à.r.l. (Luxembourg)
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%	SPV HOLDINGS Sp. Z o.o. (Poland)
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)
100,00%	Deutsche Telekom Pan-Net Czech Republic s.r.o. (Czech Republic)
100,00%	Deutsche Telekom Pan-Net Albania Sh.p.k. (Albania)
100,00%	Deutsche Telekom Pan-Net GmbH (Austria)
100,00%	Deutsche Telekom Pan-Net Macedonia DOOEL Skopje (Macedonia)
100,00%	Deutsche Telekom Pan-Net Montenegro d.o.o. (Montenegro)
100,00%	Deutsche Telekom Pan-Net Romania S.R.L. (Romania)

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%	OTE Estate S.A. (Greece)
100,00%	OTE International Solutions S.A. (OTE Globe) (Greece)

100% Deutsche Telekom Europe Beteiligungsverwaltungsgesellschaft mbH (Germany)

1,00%	Deutsche Telekom Pan-Net s.r.o. (Slovakia)
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50% BuyIn S.A. (Belgium)

100,00%	BuyIn S.A.S. (France)
100,00%	BuyIn GmbH (Germany)

100% T-Systems International GmbH (Germany)

100,00%	T-Systems Beteiligungsverwaltungsgesellschaft mbH (Germany)
0,01%	Deutsche Telekom Shared Services s.r.o. (Slovakia)

100% Deutsche Telekom Services Europe GmbH (Germany)

99,99%	Deutsche Telekom Shared Services s.r.o. (Slovakia)
100,00%	Deutsche Telekom Services Europe Czech Republic s.r.o. (Czech Republic)
96,67%	Deutsche Telekom Services Europe Romania S.R.L. (Romania)

3,33% Deutsche Telekom Services Europe Romania S.R.L. (Romania)

SEPARATE FINANCIAL STATEMENTS

IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS

31 DECEMBER 2017



STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2017

CZK million	Note	31.12.2017	31.12.2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,254	3,934
Trade and other receivables	5	5,724	5,476
Inventories	6	731	673
Prepaid expenses and other current assets		389	369
Advanced payment of income tax		69	182
Total current assets		12,167	10,634
NON-CURRENT ASSETS			
Intangible assets	7	8,255	8,827
Goodwill	8	1,275	1,275
Property and equipment	9	15,655	15,822
Investment in subsidiary	10	2,133	2,133
Prepaid expenses and other non-current assets		239	17
Total non-current assets		27,557	28,074
TOTAL ASSETS		39,724	38,708
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	11	5,625	4,562
Other financial liabilities	12	219	201
Provisions	13	397	39
Deferred revenue	14	238	649
Total current liabilities		6,479	5,451
NON-CURRENT LIABILITIES			
Other financial liabilities	12	1,269	1,063
Provisions	13	887	894
Deferred revenue	14	3	3
Deferred tax liability	15	563	442
Total non-current liabilities		2,722	2,402
TOTAL LIABILITIES		9,201	7,853
EQUITY			
Share capital	17	520	520
Share premium	17	397	397
Capital funds	17	105	106
Retained earnings		29,501	29,832
Total equity		30,523	30,855
TOTAL LIABILITIES AND EQUITY		39,724	38,708

The notes on pages 58 to 107 form an integral part of these financial statements.

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STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

CZK million	Note	2017	2016
Revenue	19	26,799	26,227
Other operating income	20	1,482	1,188
Cost of goods, raw materials and telecommunication services	21	(9,171)	(8,711)
Employee benefits	22	(3,469)	(3,111)
Depreciation and amortisation	23	(4,611)	(4,727)
Other operating expenses	24	(5,459)	(4,863)
Profit from operations		5,571	6,003
Finance income	25	128	86
Finance expense	25	(215)	(110)
Profit before tax		5,484	5,979
Income tax expense	26	(1,095)	(1,259)
Net profit for the current period		4,389	4,720
Other comprehensive income		-	-
Total comprehensive income for the period		4,389	4,720

The notes on pages 58 to 107 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

CZK million	Note	Share Capital	Share Premium	Capital Funds	Retained Earnings	Total
Balance as at 1.1.2016		520	397	105	29,818	30,840
Total comprehensive income		-	-	-	4,720	4,720
Profit for the period		-	-	-	4,720	4,720
Transactions with shareholders		-	-	-	(4,706)	(4,706)
Dividends paid	27	-	-	-	(4,706)	(4,706)
Executive management share schemes		-	-	1	-	1
Balance as at 31.12.2016		520	397	106	29,832	30,855
Total comprehensive income		-	-	-	4,389	4,389
Profit for the period		-	-	-	4,389	4,389
Transactions with shareholders		-	-	-	(4,720)	(4,720)
Dividends paid	27	-	-	-	(4,720)	(4,720)
Executive management share schemes		-	-	(1)	-	(1)
Balance as at 31.12.2017		520	397	105	29,501	30,523

The notes on pages 58 to 107 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

CZK million	Note	2017	2016
Cash flows from operating activities			
Profit before tax for the current period		5,484	5,979
Adjustments for non-cash movements:			
Depreciation and amortisation	23	4,611	4,727
Interest expense net	25	67	67
Gain on sale of fixed assets net		(139)	(201)
Changes in provisions		344	(109)
Other non-cash income		(17)	(5)
Cash flow from operating activities before changes in working capital		10,350	10,458
Changes in trade and other receivables		(555)	28
Changes in inventories		(58)	15
Changes in trade and other payables		460	269
Cash flow generated from operating activities		10,197	10,770
Income tax paid		(861)	(876)
Interest paid		(69)	(68)
Interest received		3	1
Dividends received		250	-
Net cash flow from operating activities		9,520	9,827
Cash flows from investing activities			
Purchases of property and equipment and intangible assets	7, 9	(3,161)	(4,305)
Proceeds from the sale of property and equipment and intangible assets		103	70
(Losses)/proceeds from the sale of securities		(44)	(13)
Intercompany loan issued		(128)	-
Net cash flow from investing activities		(3,230)	(4,248)
Cash flows from financing activities			
Issuance of loan		140	125
Issuance of bank overdraft		19	120
Repayment of short-term financing	2	(34)	(6)
Repayment of loan		(140)	(125)
Repayment of bank overdraft		(19)	(120)
Dividends paid	27	(4,720)	(4,706)
Payments of finance lease liabilities	9	(216)	(341)
Net cash flow from financing activities		(4,970)	(5,053)
Net increase in cash and cash equivalents		1,320	526
Cash and cash equivalents as at the beginning of the period	4	3,934	3,408
Cash and cash equivalents as at the end of the period	4	5,254	3,934

The notes on pages 58 to 107 form an integral part of these financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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, Tomičkova 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 IPTV 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.

THE COMPANY'S OWNERSHIP STRUCTURE

As at 31 December 2017 and 31 December 2016, 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.	520	520	100
Total	520	520	100

The ultimate parent company of the Company during the accounting periods ended 31 December 2017 and 31 December 2016 was Deutsche Telekom AG ("DTAG") which controls Deutsche Telekom Europe B.V. (former CMobil B.V.), the direct parent of the Company. 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 2017, 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;
- Allocation of frequency band for the provision of public communications network in 2600 MHz frequency band for the period of 13 years (expires in 2029).

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 115 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 separate financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards as endorsed by European Union ("IFRS") under the historical cost convention, with the exception of derivative instruments, which are stated at fair values. These financial statements relate to consolidated financial statements of T-Mobile Czech Republic a.s. and its subsidiary CE Colo Czech s.r.o. (together the "Group") for the year ended 31 December 2017. These separate financial statement should be read in conjunction with the consolidated financial statements to obtain a complete understanding of the Group's results and financial position.

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.

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

In 2017, the Company adopted the following standards and amendments to the standards.

A) ADOPTED DURING THE YEAR:

- Amendment to IAS 12, Income Taxes, clarifying the recognition of deferred tax assets for unrealised losses (issued in January 2016, effective for annual periods beginning on or after 1 January 2017). In this amendment, the IASB has clarified the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base.
- Amendment to IAS 7, Statement of Cash Flows (issued in January 2016, effective for annual periods beginning on or after 1 January 2017). The amendment is intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The amendment requires disclosure of a reconciliation of movements in liabilities arising from financing activities.
- Amendment to IFRS 12, Disclosure of Interests in Other Entities, clarifies that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarized financial information. The amendment refers to Annual Improvements 2014-2016 cycle (issued in December 2016, effective for annual periods beginning on or after 1 January 2017).

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 ENDORSED BY EU WHICH ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

- IFRS 9, Financial Instruments (as revised in July 2014, effective for annual periods beginning on or after 1 January 2018) includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model and substantially-reformed approach to hedge accounting.
 - Classification and Measurement: Classification determines how financial assets and liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces an approach for the classification of financial assets, which is driven by cash characteristics and the business model in which an asset is held.

As a result of the analysis of financial assets conducted by the Company, there is no change in classification of the instruments with adoption of IFRS 9, and therefore no impact on the retained earnings.

Instruments classified as Loans and Receivables under IAS 39 will be classified as Amortised cost under IFRS 9. Based on the management intention of the Company, the business model for all debt instruments is to hold the financial asset and collect contractual cash flows as opposed to realising its fair value change from sale prior to its contractual maturity. Occasional sales occur only for overdue receivables for which recovery of the claim by dedicated external agencies is unsuccessful. These sales do not contradict the objective of the business model. Concerning contractual cash flow characteristics, we have not identified any feature that would be inconsistent with SPPI criterion, therefore all debt instruments in the Company qualify for amortised cost measurement. Derivatives remain measured at fair value through profit or loss.
 - Impairment: Standard introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the Standard requires entities to account for expected credit losses rather than only incurred credit losses as is the case under IAS 39. Based on the assessment undertaken, the Company expects an increase in the loss allowance for trade receivables held at amortised costs by approximately CZK 36 million. The deferred tax liability will decrease by CZK 7 million as a consequence and the net impact on retained earnings will be CZK 29 million.

Impact from application of an impairment model to contract assets under IFRS 15 Revenue from Contracts with Customers will not be material.
- Hedge accounting: IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. The Company does not use hedge accounting, and there is no intention to use it in the nearest future.

The Company will apply the standard on 1 January 2018. The cumulative effect arising from the transition will be recognised as an adjustment to the opening balance of equity in the year of initial application. Prior-year comparatives will not be restated; instead, the Company will provide an explanation of the reasons for the changes in items in the statement of financial position and the income statement for the current period as a result of applying IFRS 9 for the first time.

- IFRS 15, Revenue from Contracts with Customers (issued in May 2014, effective for annual periods beginning on or after 1 January 2018). The new standard will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard has a material effect on the presentation of Company's results of operations and financial position. Depending on the business model applied, the new provisions address the following issues in particular:
 - In the case of multiple-element arrangements (e.g., mobile contract plus handset) with subsidized products delivered in advance, a larger portion of the total remuneration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. At the same time, this leads to higher revenue from the sale of goods and merchandise and to lower revenue from the provision of services. The scope of the changes resulting from the initial application of IFRS 15 that are described above therefore largely depends on the business models used by the Company.
 - Future capitalization and allocation of the expenses for sales commissions (customer acquisition costs) is made over the estimated customer retention period. This leads to an increase in total assets on initial application due to the capitalization of costs to obtain a contract.
 - Deferral, i.e., later recognition of revenue is made in cases where „material rights“ are granted, such as offering additional discounts for future purchases of further products.
 - For the purposes of determining whether the Company sells products itself (principal = gross revenue) or arranges for another party to sell them (agent = net revenue), it is unlikely there will be any material changes.

The Company estimates that Contract asset will have to be recognized in the amount approximately CZK 540 million, Contract cost asset in the amount approximately CZK 685 million and Contract liability in the amount approximately CZK 41 million on 1 January 2018. Deferred income will decrease by CZK 65 million and Tax liability will increase by CZK 237 million. Net impact to retained earnings will be approximately CZK 1,012 million on 1 January 2018. Additionally Deferred revenues of CZK 115 million and Advance payments received of CZK 390 million which comprise mainly unused customer prepaid airtime will be reclassified to Contract liability as at 1 January 2018.

The Company will utilize the option for simplified initial application, i.e. contracts that are not completed by January 1, 2018 will be accounted for as if they had been recognized in accordance with IFRS 15 from the very beginning. The cumulative effect arising from the transition will be recognized as an adjustment to the opening balance of equity in the year of initial application. Prior-year comparatives will not be restated; instead, the Company will provide an explanation of the reasons for the changes in items in the statement of financial position and the income statement for the current period as a result of applying IFRS 15 for the first time.

- Amendments to IFRS 15, Revenue from Contracts with Customers (issued in April 2016 and effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.
- IFRS 16, Leases (issued in January 2016, effective for annual periods beginning on or after 1 January 2019). The new standard will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

The standard has a material effect on the presentation of Company's results of operations and financial position. Depending on the business model applied, the new provisions address the following issues in particular:

 - Whereas previously there was a requirement to disclose payment obligations for operating leases in the notes to the financial statements (see Note 29), from now on, the resulting rights and obligations must be recognized as rights of use and lease liabilities in the statement of financial position.
 - The Company anticipates a significant increase in total assets on the first-time adoption on account of the increase in lease liabilities as well as a similarly high increase in non-current assets due to the right-of-use assets to be capitalized. The increase in lease liabilities leads to a corresponding increase in net debt.
 - Going forward, depreciation charges and interest expense will be reported in the income statement instead of lease expense. This will give rise to a significant improvement in EBITDA and to a similar increase in the net cash from operating activities reported in the statement of cash flows.
 - For the Company as a lessor, the new definition of a lease may affect the number of items to be accounted for as leases.
 - The overall effects will be analysed as part of a centrally driven project for implementing IFRS 16, though a reliable estimate of the quantitative effects is not possible until the project has been completed, for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options.

The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption, the cumulative effect of initially applying IFRS 16 will be presented as an adjustment to opening retained earnings.

- Amendments to IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions (issued in July 2016, effective for annual periods beginning on or after 1 January 2018) clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.
- IFRIC 22, Foreign Currency Transactions and Advance Consideration (issued in December 2016, effective for annual periods beginning on or after 1 January 2018). The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

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 8);
- Provision for doubtful debt (see Note 5);
- Useful lives of customer relationships and other intangible assets (see Note 7),
- Fair values of jointly held tangible assets subject to network sharing agreement (see Note 9).

B) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for acquisition of subsidiaries from parties that are not under common control.

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 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 revalue 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 less cumulative impairment loss.

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 9.

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. 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.

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.

The overview of financial assets and liabilities according to categories is stated in Note 18.

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 direct 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 8 years.

The useful lives of customer relationships were estimated on the basis of average useful life of customers in each customer base, local customer relationship and multinational customer relationship. The appropriateness of the amortisation period is reviewed annually. Any change in the expected useful life of the asset shall be accounted for prospectively as a change in the accounting estimate.

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 is 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 underlying asset is derecognised and 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 other significant revenue streams.

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.

The Company offers certain multiple-element arrangements where the customer can purchase hardware together with servicing agreement. The amount of revenue allocated to each element is based upon the relative fair values of the various elements. The fair values of each element are determined based on the current market price of each of the elements when sold separately. The revenue relating to the hardware is recognised when risks and rewards of the hardware are transferred to the customer which occurs on delivery. Revenue relating to the service element is recognised on a straight-line basis over the service period.

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 share-based payment transaction, the Company recognizes the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Company recognizes the expense against the equity capital fund, measured at fair value at the grant 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 2017, had the CZK depreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 30 million lower. Conversely as at 31 December 2017, had the CZK appreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 30 million higher.

As at 31 December 2016, had the CZK depreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 36 million lower. Conversely as at 31 December 2016, had the CZK appreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 36 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	
	31.12.2017	31.12.2016
Decrease	(38)	(28)
Increase	38	28

*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.

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 a number of 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 monitoring of credit risk arising from receivables from end-users is based on monitoring of payment discipline of the customers and its development in time, 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**	
		2017	2016
(A) Not yet due	0–1.99%	86.1%	84.3%
(B) Up to one month overdue	2.00–21.99%	5.3%	6.9%
(C) Up to three months overdue	22.00–37.99%	2.9%	2.6%
(D) Up to one year overdue	38.00–79.99%	5.7%	6.2%
(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 neither past due nor impaired are presented in risk categories as follows:

31. 12. 2017	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from DTAG group companies	-	-	-	-	-	455	-	-	-	455
Other receivables	26	-	-	-	-	128	-	-	-	154
Trade and other receivables (gross) total	26	-	-	-	-	583	-	-	-	609

31. 12. 2016	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from DTAG group companies	-	-	-	-	-	562	-	-	-	562
Other receivables	22	-	-	-	-	-	-	-	-	22
Trade and other receivables (gross) total	22	-	-	-	-	562	-	-	-	584

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

31. 12. 2017	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from electronic communication services	3,204	198	106	213	2,788	-	-	-	-	6,509
Receivables from DTAG group companies	-	-	-	-	-	123	-	-	-	123
Other trade receivables	-	-	-	-	-	-	-	-	1,122	1,122
Trade and other receivables (gross) total	3,204	198	106	213	2,788	123	-	-	1,122	7,754

31. 12. 2016	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from electronic communication services	3,084	254	93	226	2,807	-	-	-	-	6,565
Other trade receivables	-	-	-	-	-	-	-	-	946	946
Trade and other receivables (gross) total	3,084	254	93	226	2,807	-	-	-	946	7,410

The gross carrying amount of trade and other receivables, reflecting the maximum exposure to credit risk, as at 31 December 2017 was CZK 8,363 million (31 December 2016: CZK 7,994 million).

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 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 2017 are represented by receivables from dealers CZK 15 million (31 December 2016: CZK 30 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 141 million (as at 31 December 2016: CZK 94 million) which do not 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 966 million (as at 31 December 2016: CZK 822 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.

31.12.2017 CZK million	Standard & Poor's Long-term rating				Total
	BBB- to BBB+	A- to A+	AA-	Not assigned	
Cash in hand	-	-	-	18	18
Bank accounts	16	652	-	3	671
Cash equivalents	-	4,565	-	-	4,565
Total cash and cash equivalents and other financial assets exposure	16	5,217	-	21	5,254

31.12.2016 CZK million	Standard & Poor's Long-term rating				Total
	BBB- to BBB+	A- to A+	AA-	Not assigned	
Cash in hand	-	-	-	14	14
Bank accounts	45	343	-	32	420
Cash equivalents	-	3,500	-	-	3,500
Short term bank financing and other financial assets	-	-	-	101	101
Total cash and cash equivalents and other financial assets exposure	45	3,843	-	147	4,035

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 residual maturities of financial liabilities are analysed in Note 11.

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 2017. 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. 2017	31. 12. 2016
Assets		
Currency forward contract with positive fair value	-	8
Total assets	-	8
Payables		
Currency forward contract with negative fair value	21	1
Total payables	21	1

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 1,659 million as at 31 December 2017 (31 December 2016: CZK 1,512 million). The carrying amount of other categories of financial assets and liabilities both at 31 December 2017 and 31 December 2016 approximate their fair values.

The classification of financial assets and liabilities into categories in accordance with IAS 39 is stated in Note 18.

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 383 million), are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. In 2017 and 2016, the Company did not apply hedge accounting.

4 CASH AND CASH EQUIVALENTS

CZK million	31. 12. 2017	31. 12. 2016
Cash at banks and in hand	689	434
Cash equivalents	4,565	3,500
Total	5,254	3,934

Cash equivalents as at 31 December 2017 and 31 December 2016 consist mainly of bank deposits, depository bills of exchange and REPO transactions.

5 TRADE AND OTHER RECEIVABLES

CZK million	31. 12. 2017	31. 12. 2016
Trade receivables	5,807	5,575
Unbilled receivables	2,402	2,397
Less: Provision for impairment	(2,639)	(2,619)
Trade receivables (net)	5,570	5,353
Currency forward contracts with positive fair value	-	8
Other receivables	26	22
Intercompany loan	128	-
Short-term bank financing	-	93
Total	5,724	5,476

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

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

31. 12. 2017	Not yet due	Past due					Total
		up to 90 days	91-180 days	181-360 days	1-2 years	2 years and more	
CZK million							
Trade receivables							
- from customers of electronic communication services*	3,204	304	83	131	212	2,575	6,509
- other trade receivables from third parties	983	-	18	5	4	7	1,017
Provisions:							
- for trade receivables from customers of electronic communication services*	(99)	(33)	(40)	(87)	(162)	(2,174)	(2,595)
- for other trade receivables from third parties	(24)	-	(4)	(5)	(4)	(7)	(44)
Trade and other receivables (net)	4,064	271	57	44	50	401	4,887

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

31. 12. 2016	Not yet due	Past due					Total
		up to 90 days	91-180 days	181-360 days	1-2 years	2 years and more	
CZK million							
Trade receivables							
- from customers of electronic communication services*	3,084	347	84	142	232	2,575	6,464
- other trade receivables from third parties	896	-	2	4	4	12	918
Provisions:							
- trade receivables from customers of electronic communication services*	(116)	(34)	(38)	(81)	(172)	(2,133)	(2,574)
- for other trade receivables from third parties	(23)	-	(2)	(4)	(4)	(12)	(45)
Trade and other receivables (net)	3,841	313	46	61	60	442	4,763

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

The Company does not have significant trade and other receivables which are individually impaired.

The book value and ageing analysis of receivables which are not impaired is as follows:

31. 12. 2017	Not yet due	Past due			Total
		up to 90 days	91-180 days	181-360 days	
CZK million					
Trade receivables:					
- from DTAG group	455	112	9	2	578
- other trade receivables from third parties		105	-	-	105
Other receivables:					
- from DTAG group	128	-	-	-	128
- other receivables from third parties	26	-	-	-	26
Trade and other receivables (net)	609	217	9	2	837

31. 12. 2016	Not yet due	Past due			Total
		up to 90 days	91-180 days	181-360 days	
CZK million					
Trade receivables:					
- from DTAG group	562	-	-	-	562
- other trade receivables from third parties		28	-	-	28
Other receivables:					
- other receivables from third parties	22	-	-	-	22
Trade and other receivables (net)	584	28	-	-	612

Due dates of financial assets did not change during 2017 or 2016.

Movements of the provision for impairment of receivables can be analysed as follows:

CZK million	2017	2016
Opening balance as at 1.1.	2,619	2,587
Net increase for the year	204	177
Utilisation of provision for write-off	(184)	(145)
Closing balance as at 31.12.	2,639	2,619

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

CZK million	2017	2016
Change in provision for doubtful receivables	20	111
Income from receivables previously written off	(13)	(17)
Receivables written-off	184	145
Total net loss from impairment of receivables	191	239
Interest income	(22)	(21)
Income from contractual penalty fees	(202)	(207)
Total net (profit)/loss from trade receivables	(33)	11

6 INVENTORIES

CZK million	31. 12. 2017	31. 12. 2016
Handsets and accessories	565	441
Other inventories	166	232
Total	731	673

7 INTANGIBLE ASSETS

CZK million	Customer relationships	Software	GSM/UMTS/ LTE licences	Other intangible fixed assets	Assets in the course of construction and advances paid	Total
Cost						
1.1.2016	2,144	9,172	7,556	651	822	20,345
Additions	-	-	-	-	1,850	1,850
Disposals	-	(96)	-	(3)	-	(99)
Transfers*	-	1,021	-	86	(1,107)	-
31.12.2016	2,144	10,097	7,556	734	1,565	22,096
Additions	-	-	-	58	1,122	1,180
Disposals	-	(159)	-	-	-	(159)
Transfers*	-	956	-	-	(956)	-
31.12.2017	2,144	10,894	7,556	792	1,731	23,117
Accumulated amortisation/Impairment						
1.1.2016	443	7,456	3,087	492	-	11,478
Amortisation	371	1,017	421	83	-	1,892
Disposals	-	(98)	-	(3)	-	(101)
31.12.2016	814	8,375	3,508	572	-	13,269
Amortisation	275	1,034	421	22	-	1,752
Disposals	-	(159)	-	-	-	(159)
31.12.2017	1,089	9,250	3,929	594	-	14,862
Net book value						
1.1.2016	1,701	1,716	4,469	159	822	8,867
31.12.2016	1,330	1,722	4,048	162	1,565	8,827
31.12.2017	1,055	1,644	3,627	198	1,731	8,255

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

The additions of intangible fixed assets in 2017 comprise mainly new software, particularly One.ERP system (new enterprise information system) and NG CRM as described below.

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	31.12.2017		31.12.2016	
	Carrying amount	Remaining amortization period (years)	Carrying amount	Remaining amortization period (years)
GSM licence	285	7	326	8
UMTS licence	1,346	7	1,546	8
LTE licence	1,996	12	2,176	13
Total GSM/UMTS/LTE licences	3,627		4,048	

During 2016 the Company purchased a right to use frequency band for the provision of public communications network in 2600 MHz for the period of 13 years for total consideration in the amount of CZK 730 million. As at 31 December 2017 the right to use frequency band is presented as asset in the course of construction. The right to use frequency band is not ready to use yet as the Company is waiting for Individual right authorization. Without this authorization the broadcasting cannot be provided to customers.

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 2017 is CZK 1,051 million plus CZK 27 million in section of Assets under construction (31 December 2016: CZK 1,071 million plus CZK 86 million under construction) and the remaining amortization period as of 31 December 2017 is 5 years (31 December 2016: 6 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 which needed to be modified. The amount of these capital expenditures is not included in the carrying amount of NG CRM but in the carrying amount of existing software and systems.

CUSTOMER RELATIONSHIPS

The balance consists mainly of customer relationships acquired in a business combination with GTS Czech s.r.o.

The net book value of local customer relationship as of 31 December 2017 is CZK 549 million (as of 31 December 2016: CZK 710 million) and the remaining amortization period as of 31 December 2017 is 4 years (31 December 2016: 5 years). The net book value of multinational customer relationship as of 31 December 2017 is CZK 505 million (as of 31 December 2016: 620 million) and the remaining amortization period as of 31 December 2017 is 5 years (31 December 2016: 6 years). Based on review of useful life performed as at 31 December 2016, amortisation period of multinational customer relationship was shortened from 17 to 8 years.

The table below shows the churn rate used in useful life calculation as of 31 December 2017 and as of 31 December 2016. The table also includes an analysis that shows how net book value would be affected if the sensitive parameter in the calculation was changed.

	31.12.2017	31.12.2016
Churn rate – Local customer relationship		
Used in the calculation of useful life	14.29%	14.29%
If increased by 20%, i.e. to	17.14%	17.14%
Change in the net book value (CZK million)	(96)	(69)
Churn rate – Multinational customer relationship		
Used in the calculation of useful life	12.03%	12.03%
If increased by 20%, i.e. to	14.43%	14.43%
Change in the net book value (CZK million)	(59)	(42)

8 GOODWILL

CZK million	31. 12. 2017	31. 12. 2016
Cost		
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	1,144
Total	1,275	1,275

Goodwill was tested for impairment as of 31 December 2017. 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 2018 – 2027.

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 2017 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 2017 and as of 31 December 2016. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations.

	31.12.2017	31.12.2016
WACC		
Used in the calculation	6.37%	5.33%
If changed to	10.37%	9.33%
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.

9 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				
1.1.2016	10,068	26,231	876	37,175
Additions	817	894	2,286	3,997
Disposals	(2,516)	(2,579)	(66)	(5,161)
Transfers*	218	2,022	(2,240)	-
31.12.2016	8,587	26,568	856	36,011
Additions	351	708	1,971	3,030
Disposals	(1,372)	(3,524)	(43)	(4,939)
Transfers*	908	926	(1,834)	-
31.12.2017	8,474	24,678	950	34,102
Accumulated depreciation/Impairment				
1.1.2016	5,393	16,267	2	21,662
Depreciation	574	2,261	-	2,835
Disposals	(1,877)	(2,431)	-	(4,308)
31.12.2016	4,090	16,097	2	20,189
Depreciation	862	1,997	-	2,859
Disposals	(1,135)	(3,465)	(1)	(4,601)
31.12.2017	3,817	14,629	1	18,447
Net book value				
1.1.2016	4,675	9,964	874	15,513
31.12.2016	4,497	10,471	854	15,822
31.12.2017	4,657	10,049	949	15,655

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

The additions of tangible fixed assets in 2017 comprise mainly the network technology, optical fibres and the new data centre building on finance lease.

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 2017 was CZK 2,588 million (as at 31 December 2016: CZK 2,382 million). 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 2017 and 31 December 2016 are as follows:

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 month	18	21
1 to 3 months	53	62
3 to 12 months	143	167
Up to 1 year	214	250
1 to 5 years	526	458
Over 5 years	1,297	1,099
Total minimum lease payments	2,037	1,807
Up to 1 year	(56)	(49)
1 to 5 years	(249)	(221)
Over 5 years	(310)	(279)
Future interest expense on finance leases	(615)	(549)
Up to 1 year	159	201
1 to 5 years	277	237
Over 5 years	986	820
Net present value of finance lease liabilities*	1,422	1,258

* Finance lease liabilities are included in other financial liabilities (refer to Note 12).

JOINT ARRANGEMENTS

In 2013 the Company entered into joint arrangement with company Česká telekomunikační infrastruktura a.s. concerning a 2G and 3G network sharing, i.e. sharing of active and passive mobile network elements on a territorial basis of Czech Republic. As at 31 December 2017, 2,380 sites were shared on the Company side and 2,408 sites on Česká telekomunikační infrastruktura a.s. side (as at 31 December 2016: 1,523 sites on the Company side and 1,555 sites on Česká telekomunikační infrastruktura a.s. side).

In 2014 the Company entered into a similar joint arrangement with Česká telekomunikační infrastruktura a.s. concerning sharing of LTE technologies for mobile networks. The contractual arrangement involves sharing of active mobile network elements on the same territorial basis of Czech Republic as for 2G and 3G technologies sharing. As at 31 December 2017, 2,372 sites on the Company side and 2,367 sites on Česká telekomunikační infrastruktura a.s. side were shared (as at 31 December 2016: 1,917 sites on the Company side and 1,913 sites on Česká telekomunikační infrastruktura 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. The arrangement is a joint operation, because it does not involve a separate legal entity comprising the activities performed under the arrangement.

Network sharing in the context of these contracts means sharing of transmitting sites including related tangible assets used for providing of 2G and 3G as well as 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 recognizes 50% share of such assets subject to the network sharing agreements and 50% share on joint expenses and revenues resulting from the joint arrangement. The total profit or loss impact is immaterial.

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

10 INVESTMENT IN SUBSIDIARY

On 1 January 2015 the Company acquired 100% share in 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.

11 TRADE AND OTHER PAYABLES

CZK million	31.12.2017	31.12.2016
Trade payables	1,584	1,486
Operational expenditure accruals	2,425	1,916
Capital expenditure accruals	343	242
Total trade payables	4,352	3,644
Currency forward contracts with negative fair value	21	1
Total financial liabilities	4,373	3,645
Liabilities to employees	610	554
Other taxes and social security liabilities	256	275
Other payables	386	88
Total non-financial liabilities	1,252	917
Total	5,625	4,562

Other payables comprise mainly unused prepaid airtime from 2017 when the Company changed the accounting treatment of unused prepaid airtime from deferred revenue to prepayments (see Note 14).

The remaining maturities of financial liabilities (contractual undiscounted cash flows) are as follows (contractual maturities of financial lease liabilities are stated in Note 9):

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31. 12. 2017						
Trade payables	217	990	347	30	-	1,584
Operational expenditure accruals	679	1,502	150	94	-	2,425
Capital expenditure accruals	10	281	42	10	-	343
Total trade payables	906	2,773	539	134	-	4,352
Currency forward contracts with negative fair value	-	246	204	217	544	1,211
Total forward contracts*	-	246	204	217	544	1,211

* Contracted nominal value. Under the contracts the company will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31. 12. 2016						
Trade payables	220	793	358	102	13	1,486
Operational expenditure accruals	374	1,407	80	55	-	1,916
Capital expenditure accruals	44	179	6	13	-	242
Total trade payables	638	2,379	444	170	13	3,644
Currency forward contracts with negative fair value	-	122	122	-	413	657
Currency forward contracts with positive fair value	-	17	17	157	439	630
Total forward contracts*	-	139	139	157	852	1,287

* Contracted nominal value. Under the contracts the company will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

12 OTHER FINANCIAL LIABILITIES

CZK million	31. 12. 2017	31. 12. 2016
Current finance lease liabilities	159	201
Other interest bearing liabilities**	60	-
Total current other financial liabilities	219	201
Non-current finance lease liabilities	1,263	1,057
Long-term advances from post-paid customers*	6	6
Total non-current other financial liabilities	1,269	1,063
Total	1,488	1,264

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

** Liabilities from capitalized media content rights

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 month	18	17
1 – 3 months	37	34
3 – 12 months	164	150
Up to 1 year	219	201
1 to 5 years	283	242
Over 5 years	986	821
Total other financial liabilities	1,488	1,264

The reconciliation of cash used in financing activities is as follows:

CZK million	Financial lease liabilities	Other interest bearing liabilities	Loans and bank overdraft	Total
1.1.2016	1,179	-	-	1,179
Additions	420	-	245	665
Cash used in financing activities	(341)	-	(245)	(586)
31.12.2016	1,258	-	-	1,258
Additions	380	94	159	633
Cash used in financing activities	(216)	(34)	(159)	(409)
31.12.2017	1,422	60	-	1,482

The total limit of bank overdrafts and flexible credit lines available to the Company as at 31 December 2017 was EUR 1 million (CZK 26 million) and CZK 1,175 million (as at and 31 December 2016: EUR 1 million or CZK 27 million, and CZK 1,475 million). As at 31 December 2017 and 31 December 2016, the Company did not draw any overdrafts.

13 PROVISIONS

CZK million	31. 12. 2017	31. 12. 2016
Other provisions	397	39
Total current provisions	397	39
Asset retirement obligation	772	771
Other provisions	115	123
Total non-current provisions	887	894
Total	1,284	933

CZK million	Asset retirement obligation	Other provisions	Total
1.1.2016	750	211	961
Charge for the year (additions)	53	51	104
Unused amounts reversed	(38)	(82)	(120)
Used during the year	-	(22)	(22)
Unwinding of interest	6	4	10
31.12.2016	771	162	933
Charge for the year (additions)	64	461	525
Used amounts reversed	(33)	(97)	(130)
Unused during the year	(30)	(17)	(47)
Unwinding of interest	-	3	3
31.12.2017	772	512	1,284

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).

Other provisions comprise mainly provisions for litigations, onerous rent contracts and executive management incentive plans obligations.

14 DEFERRED REVENUE

CZK million	31. 12. 2017	31. 12. 2016
Deferred revenue related to unused prepaid airtime of prepaid and credit tariff subscribers	108	502
T-Mobile Bonus (IFRIC 13)	66	59
Other	64	88
Total current	238	649
Total non-current	3	3

The unused prepaid airtime accounting treatment has changed in 2017 due to change in value added tax law. In prior years the unused prepaid airtime has been disclosed as deferred revenue. From 2017 the newly purchased prepaid airtime has been disclosed as prepayments under Other payables (see Note 11).

15 DEFERRED TAX LIABILITY

CZK million	31. 12. 2017	31. 12. 2016
Accelerated tax depreciation	(4,318)	(3,687)
Tax depreciation of receivables	(67)	(70)
Liabilities to employees	414	385
Provisions	915	929
Other differences	92	117
Basis for deferred income tax calculation	(2,964)	(2,326)
Net deferred income tax liability	(563)	(442)

CZK million	31. 12. 2017	31. 12. 2016
Deferred income tax liabilities:		
- deferred income tax liability to be recovered after more than 12 months	(1,121)	(960)
- deferred income tax liability to be recovered after less than 12 months	(13)	(13)
Total deferred income tax liabilities	(1,134)	(973)
Deferred income tax assets:		
- deferred income tax asset to be recovered after more than 12 months	429	378
- deferred income tax asset to be recovered within 12 months	142	153
Total deferred income tax assets	571	531
Net deferred income tax liability	(563)	(442)

The net deferred income tax liability as at 31 December 2017 and 31 December 2016 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	
	2017	2016
2017 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	Celkem
1.1.2016	-	(767)	(767)
Profit or (loss) for the current period	(13)	(193)	(206)
31.12.2016	(13)	(960)	(973)
Profit or (loss) for the current period	-	(161)	(161)
31.12.2017	(13)	(1,121)	(1,134)

Deferred income tax assets	Tax provision for receivables	Provisions	Accelerated accounting depreciation	Other	Total
CZK million					
1.1.2016	7	257	245	41	550
Profit or (loss) for the current period	(7)	(7)	14	(19)	(19)
31.12.2016	-	250	259	22	531
Profit or (loss) for the current period	-	2	43	(5)	40
31.12.2017	-	252	302	17	571

16 DERIVATIVE FINANCIAL INSTRUMENTS

FORWARD CONTRACTS

As at the end of 2017, the Company had open currency forward contracts with a total nominal value of CZK 1,211 million (as at 31 December 2016: CZK 1,287 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 2017 were initiated during 2017 with maturity by the end of 2018. During 2017, currency forward contracts in the total nominal value of CZK 2,555 million were settled (in 2016: CZK 2,657 million).

Open currency forward contracts (CZK million)	31.12.2017	31.12.2016
Open currency forward contracts hedging other foreign currency liabilities:		
Positive fair value (Note 5)	-	8
Negative fair value (Note 11)	(21)	(1)
Total	(21)	7

17 EQUITY

The Company's shares have 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 2017 and 31 December 2016, the registered capital was represented by 520 thousand shares. All shares have equal voting rights.

The shareholders' rights include in particular:

- Right to a profit share;
- Right to a residual interest on liquidation;
- 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 Capital Funds comprises statutory reserve 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 2017, the Company paid dividends amounted to CZK 4,720 million (in 2016: dividends of CZK 4,706 million) (refer to Note 27). The dividend per share paid out in 2017 amounted to CZK 9,078 (in 2016: CZK 9,051).

18 ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

Financial assets and liabilities by category* CZK million	Category per IAS 39	31. 12. 2017 Carrying amount	31. 12. 2016 Carrying amount
Assets			
Cash and cash equivalents, of which:		5,254	3,934
Cash	Loans and receivables	689	434
Term deposits	Loans and receivables	4,565	3,500
Trade and other receivables**, of which:		5,724	5,383
Trade and other receivables	Loans and receivables	5,596	5,375
Currency forward contracts with positive fair value	At fair value through profit or loss (for trading)	-	8
Intercompany loan	Loans and receivables	128	-
Short-term bank financing	Loans and receivables	-	93
Liabilities			
Current trade and other payables**, of which:		4,373	3,645
Trade payables	Financial liabilities at amortised cost	4,352	3,644
Currency forward contracts with negative fair value	At fair value through profit or loss (for trading)	21	1
Current other financial liabilities, of which:		219	201
Liabilities from finance lease	Financial liabilities at amortised cost	159	201
Other interest-bearing financial liabilities	Financial liabilities at amortised cost	60	-
Non-current other financial liabilities, of which:		1,269	1,063
Deposits received	Financial liabilities at amortised cost	6	6
Finance lease liabilities	Financial liabilities at amortised cost	1,263	1,057

* 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 11)

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.

The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2017:

31.12.2017	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
CZK million					
Trade and other receivables	5,596	-	5,596	36	5,560
Trade payables	(4,352)	-	(4,352)	(36)	(4,316)

The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2016:

31.12.2016	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
CZK million					
Trade and other receivables	5,383	-	5,383	21	5,362
Trade payables	(3,644)	-	(3,644)	(21)	(3,623)

19 REVENUES

For management purposes, 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	2017	2016
Sales of goods	2,159	2,155
Sales of mobile telecommunication services	18,298	17,849
Sales of fix telecommunication services	4,897	4,949
Sales of IT services	1,445	1,274
Total revenue	26,799	26,227

20 OTHER OPERATING INCOME

CZK million	2017	2016
Gain from disposals of fixed assets	139	230
Release of provisions	50	25
Income from recharged services within DTAG group	819	708
Rent	67	58
Fines and penalties	3	4
Income from promotion	113	93
Other operating income	41	70
Dividend income	250	-
Total	1,482	1,188

21 COST OF GOODS, RAW MATERIALS AND TELECOMMUNICATION SERVICES

CZK million	2017	2016
Costs of goods and raw materials	2,420	2,195
Costs of telecommunication services	5,501	5,253
Maintenance of telecommunication network	534	564
Energy consumption – telecommunication network	401	450
Other	315	249
Total	9,171	8,711

22 EMPLOYEE BENEFITS

CZK million	2017	2016
Salary costs	2,609	2,335
Social security costs – obligatory and supplementary pension insurance	553	500
Social security costs – other	307	276
Total	3,469	3,111
Average number of employees	3,414	3,271

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 2017, the total contribution provided was CZK 26 million (in 2016: CZK 24 million).

23 DEPRECIATION AND AMORTISATION

CZK million	2017	2016
Amortisation of licences	421	421
Amortisation of other intangible fixed assets	1,331	1,471
Depreciation of tangible fixed assets	2,859	2,835
Total	4,611	4,727

24 OTHER OPERATING EXPENSES

CZK million	2017	2016
Costs of external marketing services	602	664
Commissions to business partners	843	738
Net loss from impairment of receivables and receivables write off	191	239
Rental and operating leases	1,044	1,134
Expenses from cross charges of services shared in DTAG Group	502	375
Repair and maintenance (except telecommunication network)	654	644
Licence fees	355	370
Other operating expenses related to employees	152	182
Legal, consulting and auditing fees	332	189
Office supplies, postage, bank charges	128	30
Consumption of electricity, water and gas, cleaning, security	99	109
Other	557	189
Total	5,459	4,863

25 FINANCE INCOME AND COSTS

CZK million	2017	2016
Interest income	2	1
of which:		
– from loans and receivables	2	1
Foreign exchange gains	82	30
of which:		
– from financial assets and liabilities at fair value through profit or loss	2	7
Other finance income	44	55
Total finance income	128	86
Interest expenses	(69)	(68)
of which:		
– from financial liabilities at amortised costs	(69)	(68)
Foreign exchange losses	(143)	(31)
of which:		
– from financial assets and liabilities at fair value through profit or loss	(71)	(3)
Other finance costs	(3)	(11)
Total finance costs	(215)	(110)
Net finance expense	(87)	(24)

26 INCOME TAX

The income tax expense consists of the following:

CZK million	2017	2016
Current income tax	(974)	(1,033)
Deferred income tax (refer to Note 15)	(121)	(226)
Income tax expense	(1,095)	(1,259)

The charge for the year was calculated as follows:

CZK million	2017	2016
Profit before tax	5,484	5,979
Tax by applying the statutory tax rate*	(1,042)	(1,136)
Impact of:		
Non-tax deductible expenses	(82)	(75)
Non-taxable revenues	2	40
Additional decrease/(increase) of tax related to prior periods	(3)	(31)
Other	30	(57)
Income tax expense	(1,095)	(1,259)

* Income tax rate of 19% was applied in 2017 and 2016 respectively, based on the effective Income Tax Act.

27 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	2017	2016
Roaming, interconnection and related purchased services	217	173
Other purchased goods and services	47	87
Expenses from recharging of services	203	184
Purchases of foreign currencies at market values*	1,254	1,335
Total purchases	1,721	1,779
Roaming, interconnection and related sold services	473	250
Income from recharging of services and using common platforms	216	228
Total sales	689	478

* The purchases of foreign currencies comprise mainly forwards and swaps. The price is set at the best level of all market offers.

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

CZK million	31.12.2017	31.12.2016
Receivables from roaming, interconnection and related sold services	275	304
Receivables from derivatives (fair value)	-	3
Intercompany loan provided	128	-
Total receivables	403	307
Payables from roaming, interconnection and related purchased services	534	540
Liabilities from derivatives (fair value)	7	1
Total payables and liabilities	541	541

In 2017 and 2016 the Company did not have any transactions related to its parent company Deutsche Telekom Europe B.V. (former CMobil B.V.).

TRANSACTIONS WITH THE SUBSIDIARY:

CZK million	2017	2016
Roaming, interconnection and related purchased services	3	4
Other purchased goods and services	42	41
Total purchases	45	45
Roaming, interconnection and related sold services	4	3
Total sales	4	3

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

CZK million	31.12.2017	31.12.2016
Payables from other services and discounts	5	4
Total payables	5	4

TRANSACTIONS WITH OTHER RELATED PARTIES WITHIN THE DTAG GROUP:

CZK million	2017	2016
Roaming, interconnection and related purchased services	464	344
Other purchased goods and services	232	160
Expenses from re-invoicing of services	296	189
Total purchases	992	693
Roaming, interconnection and related sold services	491	458
Income from re-invoicing of services and using common platforms	523	379
Other income	2	4
Total sales	1,016	841

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

CZK million	31.12.2017	31.12.2016
Receivables from roaming, interconnection and related sold services	28	31
Receivables and prepayments from other services and discounts	275	240
Total receivables	303	271
Payables from roaming, interconnection and related purchased services	78	62
Payables from other services and discounts	281	179
Total payables	359	241

SHORT-TERM COMPENSATION TO KEY MANAGEMENT PERSONNEL

CZK million	2017		2016	
	Average number of employees	Amount	Average number of employees	Amount
Executive management	26	137	31	149
Board of Directors	3	-	3	-
Supervisory Board	4	-	4	-
Total	33	137	38	149

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 the employer.

The Company's contributions to pension insurance amounted in 2017 to CZK 23 million (in 2016: CZK 26 million).

Contributions for management to supplementary pension fund amounted in 2017 to CZK 1 million (in 2016: CZK 2 million).

POST-EMPLOYMENT AND TERMINATION BENEFITS PROVIDED TO MANAGEMENT MEMBERS

CZK million	2017	2016
Motivation bonus scheme paid*	2	2
Severance pay	3	5

* The Company provides post-employment benefits in the form of a motivation bonus scheme to members of its management. Subject to certain conditions being met, the eligible persons are entitled to receive a pay-out bonus derived from their salary level.

INCENTIVE PLANS FOR EXECUTIVE MANAGEMENT

The Company offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision as at 31 December 2017 and 31 December 2016 has been recognised as follows (in million CZK):

Incentive plan	Type of settlement	31.12.2017	31.12.2016
Variable II	Cash-settled	18	29
LTI (Long-Term Incentive Plan)	Cash-settled	29	15
SMP (Share Matching Plan)	Equity-settled	1	2

DIVIDENDS

Based on the resolution of the sole shareholder from 4 April 2017, the Company distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,720 million.

Based on the resolution of the sole shareholder from 2 May 2016, the Company distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,706 million.

In 2017, the Company received the dividend from its subsidiary at amount of CZK 250 million. The Company received no dividend in 2016.

28 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.

29 COMMITMENTS

The Company's future capital commitments to major technology and services suppliers from concluded agreements as at 31 December 2017 and 31 December 2016 are as follows:

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 year	1,864	1,770
1 - 3 years	816	349
3 - 5 years	180	113
Over 5 years	213	232
Total	3,073	2,464

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. 2017	31. 12. 2016
Up to 1 year	651	816
1 - 3 years	517	680
3 - 5 years	382	544
Over 5 years	1,417	496
Total	2,967	2,536

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

30 SUBSEQUENT EVENTS

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

31 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company for issuance on 22 March 2018. These financial statements can be amended on request and approval of the Annual Shareholders Meeting.



Daria Dodonová
Vice-Chairman of the Board of Directors



Mardia Niehaus
Member of the Board of Directors



CONSOLIDATED FINANCIAL STATEMENTS

IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
31 DECEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2017

CZK million	Notes	31.12.2017	31.12.2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,457	4,232
Trade and other receivables	5	5,739	5,495
Inventories	6	731	673
Prepaid expenses and other current assets		389	367
Advanced payment of income tax		65	172
Total current assets		12,381	10,939
NON-CURRENT ASSETS			
Intangible assets	7	8,420	9,040
Goodwill	8	1,375	1,375
Property and equipment	9	16,117	16,294
Prepaid expenses and other non-current assets		239	16
Total non-current assets		26,151	26,725
TOTAL ASSETS		38,532	37,664
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	10	5,635	4,570
Other financial liabilities	11	219	201
Provisions	12	397	39
Deferred revenue	13	240	652
Total current liabilities		6,491	5,462
NON-CURRENT LIABILITIES			
Other financial liabilities	11	1,269	1,063
Provisions	12	887	894
Deferred revenue	13	3	3
Deferred tax liability	14	635	524
Total non-current liabilities		2,794	2,484
TOTAL LIABILITIES		9,285	7,946
EQUITY			
Share capital	16	520	520
Share premium	16	397	397
Capital Funds	16	105	106
Retained earnings		28,225	28,695
Total equity		29,247	29,718
TOTAL LIABILITIES AND EQUITY		38,532	37,664

The notes on pages 114 to 163 form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

CZK million	Notes	2017	2016
Revenue	18	27,053	26,472
Other operating income	19	1,232	1,188
Cost of goods, raw materials and telecommunication services	20	(9,196)	(8,744)
Employee benefits	21	(3,487)	(3,129)
Depreciation and amortisation	22	(4,696)	(4,813)
Other operating expenses	23	(5,445)	(4,843)
Profit from operations		5,461	6,131
Finance income	24	129	86
Finance expense	24	(220)	(110)
Profit before tax		5,370	6,107
Income tax expense	25	(1,120)	(1,288)
Net profit for the current period		4,250	4,819
Other comprehensive income		-	-
Total comprehensive income for the period		4,250	4,819

The notes on pages 114 to 163 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

CZK million	Notes	Share Capital	Share Premium	Capital Funds	Retained Earnings	Total
Balance as at 1.1.2016		520	397	105	28,582	29,604
Total comprehensive income	-	-	-	-	4,819	4,819
Profit for the period	-	-	-	-	4,819	4,819
Transactions with shareholders	-	-	-	-	(4,706)	(4,706)
Dividends paid	26	-	-	-	(4,706)	(4,706)
Executive management share schemes	-	-	-	1	-	1
Balance as at 31.12.2016		520	397	106	28,695	29,718
Total comprehensive income	-	-	-	-	4,250	4,250
Profit for the period	-	-	-	-	4,250	4,250
Transactions with shareholders	-	-	-	-	(4,720)	(4,720)
Dividends paid	26	-	-	-	(4,720)	(4,720)
Executive management share schemes	-	-	-	(1)	-	(1)
Balance as at 31.12.2017		520	397	105	28,225	29,247

The notes on pages 114 to 163 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

CZK million	Notes	2017	2016
Cash flows from operating activities			
Profit before tax for the current period		5,370	6,107
Adjustments for non-cash movements:			
Depreciation and amortisation	22	4,696	4,813
Interest expense net	24	67	67
Gain on sale of fixed assets net		(139)	(197)
Changes in provisions		344	(109)
Other non-cash expense / (income) net		244	(4)
Cash flow from operating activities before changes in working capital		10,582	10,786
Changes in trade and other receivables		(553)	28
Changes in inventories		(58)	15
Changes in trade and other payables		459	255
Cash flow generated from operating activities		10,419	10,975
Income tax paid		(903)	(912)
Interest paid		(69)	(68)
Interest received		3	1
Net cash flow from operating activities		9,461	9,996
Cash flows from investing activities			
Purchases of property and equipment and intangible assets	7,9	(3,198)	(4,331)
Proceeds from the sale of property and equipment and intangible assets		104	66
Proceeds from the sale of securities		(44)	(13)
Issuance of intercompany loan		(128)	-
Net cash flow from investing activities		(3,266)	(4,278)
Cash flows from financing activities			
Issuance of loan		140	125
Issuance of bank overdraft		19	120
Repayment of short-term financing	2	(34)	(6)
Repayment of loan		(140)	(125)
Repayment of bank overdraft		(19)	(120)
Dividends paid	26	(4,720)	(4,706)
Payments of finance lease liabilities	9	(216)	(341)
Net cash flow from financing activities		(4,970)	(5,053)
Net increase in cash and cash equivalents		1,225	665
Cash and cash equivalents as at the beginning of the period	4	4,232	3,567
Cash and cash equivalents as at the end of the period	4	5,457	4,232

The notes on pages 114 to 163 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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 IPTV 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.

THE GROUP'S OWNERSHIP STRUCTURE

As at 31 December 2017 and 31 December 2016, the ownership structure of the Group was as follows:

Shareholder	No. of shares thousands	Paid in share capital	
		CZK million	%
Deutsche Telekom Europe B.V.	520	520	100
Total	520	520	100

The ultimate parent company of the Group during the accounting periods ended 31 December 2017 and 31 December 2016 was Deutsche Telekom AG ("DTAG") which controls Deutsche Telekom Europe B.V. (former CMobil B.V.), the direct parent of the Group. 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 2017, 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;
- Allocation of frequency band for the provision of public mobile network in 2600 MHz frequency band for the period of 13 years (expires in 2029).

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 115 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 consolidated financial statements ("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.

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

In 2017, the Group adopted the following standards and amendments to the standards.

A) ADOPTED DURING THE YEAR:

- Amendment to IAS 12, Income Taxes, clarifying the recognition of deferred tax assets for unrealised losses (issued in January 2016, effective for annual periods beginning on or after 1 January 2017). In this amendment, the IASB has clarified the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base.
- Amendment to IAS 7, Statement of Cash Flows (issued in January 2016, effective for annual periods beginning on or after 1 January 2017). The amendment is intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The amendment requires disclosure of a reconciliation of movements in liabilities arising from financing activities.
- Amendment to IFRS 12, Disclosure of Interests in Other Entities, clarifies that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarized financial information. The amendment refers to Annual Improvements 2014-2016 cycle (issued in December 2016, effective for annual periods beginning on or after 1 January 2017).

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

B) NEW STANDARDS, AMENDMENTS TO THE STANDARDS AND INTERPRETATIONS ENDORSED BY EU WHICH ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

- IFRS 9, Financial Instruments (as revised in July 2014, effective for annual periods beginning on or after 1 January 2018) includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model and substantially-reformed approach to hedge accounting.
 - Classification and Measurement: Classification determines how financial assets and liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces an approach for the classification of financial assets, which is driven by cash characteristics and the business model in which an asset is held. As a result of the analysis of financial assets conducted by the Group, there is no change in classification of the instruments with adoption of IFRS 9, and therefore no impact on the retained earnings. Instruments classified as Loans and Receivables under IAS 39 will be classified at Amortised cost under IFRS 9. Based on the management intention of the Group, the business model for all debt instruments is to hold the financial asset and collect contractual cash flows as opposed to realising its fair value change from sale prior to its contractual maturity. Occasional sales occur only for overdue receivables for which recovery of the claim by dedicated external agencies is unsuccessful. These sales do not contradict the objective of the business model. Concerning contractual cash flow characteristics, we have not identified any feature that would be inconsistent with SPPI criterion, therefore all debt instruments in the Group qualify for amortised cost measurement. Derivatives remain measured at fair value through profit or loss.
 - Impairment: Standard introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the Standard requires entities to account for expected credit losses rather than only incurred credit losses as is the case under IAS 39. Based on the assessment undertaken, the Group expects an increase in the loss allowance for trade receivables held at amortised costs by approximately CZK 36 million. The deferred tax liability will decrease by CZK 7 million as a consequence and the net impact on retained earnings will be CZK 29 million. Impact from application of an impairment model to contract assets under IFRS 15 Revenue from Contracts with Customers will not be material.
 - Hedge accounting: IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. The Group does not use hedge accounting, and there is no intention to use it in the nearest future.

The Group will apply the standard on 1 January 2018. The cumulative effect arising from the transition will be recognised as an adjustment to the opening balance of equity in the year of initial application. Prior-year comparatives will not be restated; instead, the Group will provide an explanation of the reasons for the changes in items in the statement of financial position and the income statement for the current period as a result of applying IFRS 9 for the first time.

- IFRS 15, Revenue from Contracts with Customers (issued in May 2014, effective for annual periods beginning on or after 1 January 2018). The new standard will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard has a material effect on the presentation of Group's results of operations and financial position. Depending on the business model applied, the new provisions address the following issues in particular:
 - In the case of multiple-element arrangements (e.g., mobile contract plus handset) with subsidized products delivered in advance, a larger portion of the total remuneration is attributable to the component delivered in advance (mobile handset), requiring earlier recognition of revenue. This leads to the recognition of what is known as a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. At the same time, this leads to higher revenue from the sale of goods and merchandise and to lower revenue from the provision of services. The scope of the changes resulting from the initial application of IFRS 15 that are described above therefore largely depends on the business models used by the Group.
 - Future capitalization and allocation of the expenses for sales commissions (customer acquisition costs) is made over the estimated customer retention period. This leads to an increase in total assets on initial application due to the capitalization of costs to obtain a contract.
 - Deferral, i.e., later recognition of revenue is made in cases where „material rights“ are granted, such as offering additional discounts for future purchases of further products.
 - For the purposes of determining whether the Group sells products itself (principal = gross revenue) or arranges for another party to sell them (agent = net revenue), it is unlikely there will be any material changes.

The Group estimates that Contract asset will have to be recognized in the amount approximately CZK 540 million, Contract cost asset in the amount approximately CZK 685 million and Contract liability in the amount approximately CZK 41 million on 1 January 2018. Deferred income will decrease by CZK 65 million and Tax liability will increase by CZK 237 million. Net impact to retained earnings will be approximately CZK 1,012 million on 1 January 2018. Additionally Deferred revenues of CZK 115 million and Advance payments received of CZK 390 million which comprise mainly unused customer prepaid airtime will be reclassified to Contract liability as at 1 January 2018.

The Group will utilize the option for simplified initial application, i.e. contracts that are not completed by January 1, 2018 will be accounted for as if they had been recognized in accordance with IFRS 15 from the very beginning. The cumulative effect arising from the transition will be recognized as an adjustment to the opening balance of equity in the year of initial application. Prior-year comparatives will not be restated; instead, the Group will provide an explanation of the reasons for the changes in items in the statement of financial position and the income statement for the current period as a result of applying IFRS 15 for the first time.

- Amendments to IFRS 15, Revenue from Contracts with Customers (issued in April 2016 and effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.
- IFRS 16, Leases (issued in January 2016, effective for annual periods beginning on or after 1 January 2019). The new standard will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The standard has a material effect on the presentation of Group's results of operations and financial position. Depending on the business model applied, the new provisions address the following issues in particular:
 - Whereas previously there was a requirement to disclose payment obligations for operating leases in the notes to the financial statements (see Note 28), from now on, the resulting rights and obligations must be recognized as rights of use and lease liabilities in the statement of financial position.
 - The Group anticipates a significant increase in total assets on the first-time adoption on account of the increase in lease liabilities as well as a similarly high increase in non-current assets due to the right-of-use assets to be capitalized. The increase in lease liabilities leads to a corresponding increase in net debt.
 - Going forward, depreciation charges and interest expense will be reported in the income statement instead of lease expense. This will give rise to a significant improvement in EBITDA and to a similar increase in the net cash from operating activities reported in the statement of cash flows.
 - For the Group as a lessor, the new definition of a lease may affect the number of items to be accounted for as leases.
 - The overall effects will be analysed as part of a centrally driven project for implementing IFRS 16, though a reliable estimate of the quantitative effects is not possible until the project has been completed, for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options.

- The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption, the cumulative effect of initially applying IFRS 16 will be presented as an adjustment to opening retained earnings.
- Amendments to IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions (issued in July 2016, effective for annual periods beginning on or after 1 January 2018) clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.
- IFRIC 22, Foreign Currency Transactions and Advance Consideration (issued in December 2016, effective for annual periods beginning on or after 1 January 2018). The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

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 8);
- Provision for doubtful debt (see Note 5);
- Useful lives of customer relationships and other intangible assets (see Note 7);
- Fair values of jointly held tangible assets subject to network sharing agreement (see Note 9).

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.

Due to the fact that the Group's business combinations were combinations under common control, the Group did not use the acquisition method for the purpose of recording the acquisitions. The purchase price of the Subsidiary has been determined based on prediction of the future discounted cash-flow. The acquisitions under common control were recorded using the predecessor accounting method (similar to pooling of interests), when the acquirer takes over the measurement of subsidiary's assets and liabilities (including related goodwill) from the consolidated financial statements of the ultimate parent company.

The 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 from parties that are not under common control.

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 (similar to pooling of interest). Under this method the Group does not revalue assets and liabilities to their fair values but takes over the valuation of subsidiary's assets and liabilities including related goodwill 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 9.

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. 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.

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.

The overview of financial assets and liabilities according to categories is stated in Note 17.

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 direct 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 8 years.

The useful lives of customer relationships were estimated on the basis of average useful life of customers in each customer base, local customer relationship and multinational customer relationship. The appropriateness of the amortisation period is reviewed annually. Any change in the expected useful life of the asset shall be accounted for prospectively as a change in accounting estimate.

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 underlying asset is derecognised and 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 other significant revenue streams.

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.

The Group offers certain multiple-element arrangements where the customer can purchase hardware together with servicing agreement. The amount of revenue allocated to each element is based upon the relative fair values of the various elements. The fair values of each element are determined based on the current market price of each of the elements when sold separately. The revenue relating to the hardware is recognised when risks and rewards of the hardware are transferred to the customer which occurs on delivery. Revenue relating to the service element is recognised on a straight-line basis over the service period.

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 share-based payment transaction, the Group recognizes the expense against the provision, re-measured at each reporting date. In case of equity-settled share-based payment transaction, the Group recognizes the expense against the equity capital fund, measured at fair value at the grant 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 2017, had the CZK depreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 30 million lower. Conversely as at 31 December 2017, had the CZK appreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 30 million higher.

As at 31 December 2016, had the CZK depreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 41 million lower. Conversely as at 31 December 2016, had the CZK appreciated by 10% against the EUR with all other variables holding constant, profit after-tax for the year would have been CZK 41 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	
	31.12.2017	31.12.2016
Decrease	(38)	(28)
Increase	38	28

* 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.

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 a number of 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 monitoring of credit risk arising from receivables from end-users is based on monitoring of payment discipline of the customers and its development in time, 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**	
		2017	2016
(A) Not yet due	0 – 1.99%	86.1%	84.3%
(B) Up to one month overdue	2.00 – 21.99%	5.3%	6.9%
(C) Up to three months overdue	22.00 – 37.99%	2.9%	2.6%
(D) Up to one year overdue	38.00 – 79.99%	5.7%	6.2%
(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 neither past due nor impaired are presented in risk categories as follows:

31. 12. 2017	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from DTAG group companies	-	-	-	-	-	455	-	-	-	455
Other receivables	26	-	-	-	-	128	-	-	-	154
Trade and other receivables (gross) total	26	-	-	-	-	583	-	-	-	609

31. 12. 2016	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from DTAG group companies	-	-	-	-	-	562	-	-	-	562
Other trade receivables	22	-	-	-	-	-	-	-	-	22
Trade and other receivables (gross) total	22	-	-	-	-	562	-	-	-	584

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

31. 12. 2017	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from electronic communication services	3,218	198	107	214	2,790	-	-	-	-	6,527
Receivables from DTAG	-	-	-	-	-	123	-	-	-	123
Other trade receivables	-	-	-	-	-	-	-	-	1,122	1,122
Trade and other receivables (gross) total	3,218	198	107	214	2,790	123	-	-	1,122	7,772

31. 12. 2016	Risk category						Standard & Poor's Long-term rating		Not individually assessed	Total
	A	B	C	D	E	BBB+	A- to A+	AA-		
Receivables from electronic communication services	3,099	261	93	226	2,807	-	-	-	-	6,486
Other trade receivables	-	-	-	-	-	-	-	-	946	946
Trade and other receivables (gross) total	3,099	261	93	226	2,807	-	-	-	946	7,432

The gross carrying amount of trade and other receivables, reflecting the maximum exposure to credit risk, as at 31 December 2017 was CZK 8,381 million (31 December 2016: CZK 8,016 million).

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 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 2017 are represented by receivables from dealers CZK 15 million (31 December 2016: CZK 30 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 141 million (as at 31 December 2016: CZK 94 million) which do not 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 966 million (as at 31 December 2016: CZK 822 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.

31.12.2017 CZK million	Standard & Poor's Long-term rating			Not assigned	Total
	BBB- až BBB+	A- to A+	AA-		
Cash in hand	-	-	-	18	18
Bank accounts	16	854	-	4	874
Cash equivalents	-	4,565	-	-	4,565
Total cash and cash equivalents and other financial assets exposure	16	5,419	-	22	5,457

31.12.2016 CZK million	Standard & Poor's Long-term rating			Not assigned	Total
	BBB- až BBB+	A- to A+	AA-		
Cash in hand	-	-	-	14	14
Bank accounts	145	491	-	82	718
Cash equivalents	-	3,500	-	-	3,500
Short term bank financing and other financial assets	-	-	-	101	101
Total cash and cash equivalents and other financial assets exposure	145	3,991	-	197	4,333

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 residual maturities of financial liabilities are analysed in Note 10.

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 2017. 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. 2017	31. 12. 2016
Assets		
Currency forward contract with positive fair value	-	8
Total assets	-	8
Payables		
Currency forward contract with negative fair value	21	1
Total payables	21	1

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 1,659 million as at 31 December 2017 (31 December 2016: CZK 1,512 million). The carrying amount of other categories of financial assets and liabilities both at 31 December 2017 and 31 December 2016 approximate their fair values.

The classification of financial assets and liabilities into categories in accordance with IAS 39 is stated in Note 17.

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 383 million), are recognised as held for trading derivatives with changes in fair value being reflected in profit or loss. In 2017 and 2016, the Group did not apply hedge accounting.

4 CASH AND CASH EQUIVALENTS

CZK million	31. 12. 2017	31. 12. 2016
Cash at banks and in hand	892	732
Cash equivalents	4,565	3,500
Total	5,457	4,232

Cash equivalents as at 31 December 2017 and 31 December 2016 consist mainly of bank deposits, depository bills of exchange and REPO transactions.

5 TRADE AND OTHER RECEIVABLES

CZK million	31. 12. 2017	31. 12. 2016
Trade receivables	5,820	5,591
Unbilled receivables	2,407	2,403
Less: Provision for impairment	(2,642)	(2,622)
Trade receivables (net)	5,585	5,372
Currency forward contracts with positive fair value	-	8
Other receivables	26	22
Intercompany loan	128	-
Short-term bank financing	-	93
Total	5,739	5,495

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

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

31. 12. 2017	Not yet due	Past due					Total
		up to 90 days	91-180 days	181-360 days	1-2 years	2 years and more	
CZK million							
Trade receivables							
- from customers of electronic communication services*	3,218	305	83	131	212	2,578	6,527
- other trade receivables from third parties	983	-	18	5	4	7	1,017
Provisions:							
- for trade receivables from customers of electronic communication services*	(99)	(33)	(40)	(87)	(162)	(2,177)	(2,598)
- for other trade receivables from third parties	(24)	-	(4)	(5)	(4)	(7)	(44)
Trade and other receivables (net)	4,078	272	57	44	50	401	4,902

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

31. 12. 2016	Not yet due	Past due					Total
		up to 90 days	91-180 days	181-360 days	1-2 years	2 years and more	
CZK million							
Trade receivables							
- from customers of electronic communication services*	3,099	349	84	142	233	2,579	6,486
- other trade receivables from third parties	896	-	2	4	4	12	918
Provisions:							
- for trade receivables from customers of electronic communication services*	(116)	(34)	(38)	(81)	(173)	(2,135)	(2,577)
- for other trade receivables from third parties	(23)	-	(2)	(4)	(4)	(12)	(45)
Trade and other receivables (net)	3,856	315	46	61	60	444	4,782

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

The Group does not have significant trade and other receivables which are individually impaired.

The book value and ageing analysis of receivables which are not impaired is as follows:

31. 12. 2017	Not yet due	Past due			Total
		up to 90 days	91-180 days	181-360 days	
CZK million					
Trade receivables:					
- from DTAG group	455	112	9	2	578
- other trade receivables from third parties		105	-	-	105
Other receivables:					
- from DTAG group	128	-	-	-	128
- other receivables from third parties	26	-	-	-	26
Trade and other receivables (net)	609	217	9	2	837

The book value and ageing analysis of receivables which are not impaired (continued)

31. 12. 2016	Not yet due	Past due			Total
		up to 90 days	91-180 days	181-360 days	
CZK million					
Trade receivables:					
- from DTAG group	562	-	-	-	562
- other trade receivables from third parties		28	-	-	924
Other receivables:					
- other receivables from third parties	22	-	-	-	22
Trade and other receivables (net)	584	28	-	-	612

Due dates of financial assets did not change during 2017 or 2016.

Movements of the provision for impairment of receivables can be analysed as follows:

CZK million	2017	2016
Opening balance as at 1.1.	2,622	2,589
Net increase for the year	204	178
Utilisation of provision for write-off	(184)	(145)
Closing balance as at 31.12.	2,642	2,622

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

CZK million	2017	2016
Change in provision for doubtful receivables	20	111
Income from receivables previously written off	(13)	(17)
Receivables written-off	184	145
Total net loss from impairment of receivables	191	239
Interest income	(22)	(21)
Income from contractual penalty fees	(202)	(207)
Total net (profit)/loss from trade receivables	(33)	11

6 INVENTORIES

mil. Kč	31. 12. 2017	31. 12. 2016
Handsets and accessories	565	441
Other inventories	166	232
Total	731	673

7 INTANGIBLE ASSETS

CZK million	Customer relationships	Software	GSM/UMTS/LTE licences	Other intangible fixed assets	Assets in the course of construction and advances paid	Total
Cost						
1.1.2016	2,480	9,175	7,556	651	822	20,684
Additions	-	-	-	-	1,851	1,851
Disposals	-	(97)	-	(3)	-	(100)
Transfers*	-	1,023	-	86	(1,109)	-
31.12.2016	2,480	10,101	7,556	734	1,564	22,435
Additions	-	-	-	59	1,122	1,182
Disposals	-	(159)	-	-	-	(159)
Transfers*	-	957	-	-	(957)	-
31.12.2017	2,480	10,899	7,556	793	1,729	23,457
Accumulated amortisation/Impairment						
1.1.2016	519	7,458	3,087	492	-	11,556
Amortisation	419	1,017	421	83	-	1,940
Disposals	-	(98)	-	(3)	-	(101)
31.12.2016	938	8,377	3,508	572	-	13,395
Amortisation	323	1,035	421	22	-	1,801
Disposals	-	(159)	-	-	-	(159)
31.12.2017	1,261	9,253	3,929	594	-	15,037
Net book value						
1.1.2016	1,961	1,717	4,469	159	822	9,128
31.12.2016	1,542	1,724	4,048	162	1,564	9,040
31.12.2017	1,219	1,646	3,627	199	1,729	8,420

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

The additions of intangible fixed assets in 2017 comprise mainly new software, particularly One.ERP system (new enterprise information system) and NG CRM as described below.

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	31.12.2017		31.12.2016	
	Carrying amount	Remaining amortization period (years)	Carrying amount	Remaining amortization period (years)
GSM licence	285	7	326	8
UMTS licence	1,346	7	1,546	8
LTE licence	1,996	12	2,176	13
Total GSM/UMTS/LTE licences	3,627		4,048	

During 2016 the Group purchased right to use frequency band for the provision of public communications network in 2600 MHz for the period of 13 years for total consideration in the amount of CZK 730 million. As at 31 December 2017 the right to use frequency band is presented as asset in the course of construction. The right to use frequency band is not ready to use yet as the Group is waiting for the Individual right authorization. Without this authorization the broadcasting cannot be provided to customers.

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 2017 is CZK 1,051 million plus CZK 27 million in section of Assets under construction (31 December 2016: CZK 1,071 million plus CZK 86 million under construction) and the remaining amortization period as of 31 December 2017 is 5 years (31 December 2016: 6 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 the carrying amount of NG CRM but in the carrying value of existing software and systems.

CUSTOMER RELATIONSHIPS

The balance consists mainly of customer relationships acquired in a business combination with GTS Czech s.r.o. and CE Colo Czech s.r.o. The net book value of T-Mobile local customer relationship as of 31 December 2017 is CZK 549 million (31 December 2016: CZK 710 million) and the remaining amortization period as of 31 December 2017 is 4 years (31 December 2016: 5 years). The net book value of T-Mobile multinational customer relationship as of 31 December 2017 is CZK 505 million (31 December 2016: CZK 620 million) and the remaining amortization period as of 31 December 2017 is 5 years (31 December 2016: 6 years). Based on review of useful life performed as at 31 December 2016, amortisation period of multinational customer relationship was shortened from 17 to 8 years.

The net book value of CE Colo customer relationship as of 31 December 2017 is CZK 165 million (31 December 2016: CZK 212 million) and the remaining amortization period as of 31 December 2017 is 4 years (31 December 2016: 5 years).

The table below shows the churn rate used in useful life calculation as of 31 December 2017 and as of 31 December 2016. The table also includes an analysis that shows how would be net book value affected if the sensitive parameter in the calculation is changed.

	31.12.2017	31.12.2016
Churn rate – Local customer relationship		
Used in the calculation of useful life	14.29%	14.29%
If increased by 20%, i.e. to	17.14%	17.14%
Change in the net book value (CZK million)	(96)	(69)
Churn rate – Multinational customer relationship		
Used in the calculation of useful life	12.03%	12.03%
If increased by 20%, i.e. to	14.43%	14.43%
Change in the net book value (CZK million)	(59)	(42)
Churn rate – CE Colo customer relationship		
Used in the calculation of useful life	14.29%	14.29%
If increased by 20%, i.e. to	17.14%	17.14%
Change in the net book value (CZK million)	(29)	(21)

8 GOODWILL

CZK million	31. 12 2017	31. 12 2016
Cost		
T-Systems Czech Republic, a.s.	131	131
GTS Czech s.r.o.	1,144	1,144
CE Colo Czech s.r.o.	100	100
Total	1,375	1,375

Goodwill was tested for impairment as of 31 December 2017. 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 2018 – 2027.

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 2017 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 2017 and as of 31 December 2016. The table also includes an analysis that shows how much impairment would have been recognized if we changed the sensitive parameters in the calculations.

	31.12.2017	31.12.2016
WACC		
Used in the calculation	6.37%	5.33%
If changed to	10.37%	9.33%
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.

9 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				
1.1.2016	10,418	26,384	900	37,702
Additions	817	893	2,314	4,024
Disposals	(2,516)	(2,583)	(67)	(5,166)
Transfers*	223	2,058	(2,281)	-
31.12.2016	8,942	26,752	866	36,560
Additions	351	715	1,980	3,046
Disposals	(1,372)	(3,528)	(33)	(4,933)
Transfers*	923	935	(1,858)	-
31.12.2017	8,844	24,874	955	34,673
Accumulated depreciation/Impairment				
1.1.2016	5,412	16,296	2	21,710
Depreciation	585	2,288	-	2,873
Disposals	(1,879)	(2,438)	-	(4,317)
31.12.2016	4,118	16,146	2	20,266
Depreciation	873	2,022	-	2,895
Disposals	(1,135)	(3,469)	(1)	(4,605)
31.12.2017	3,856	14,699	1	18,556
Net book value				
1.1.2016	5,006	10,088	898	15,992
31.12.2016	4,824	10,606	864	16,294
31.12.2017	4,975	10,188	954	16,117

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

The additions of tangible fixed assets in 2017 comprise mainly the network technology, optical fibres and the new data centre building on finance lease.

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 2017 was CZK 2,588 million (as at 31 December 2016: CZK 2,382 million).

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 2017 and 31 December 2016 are as follows:

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 month	18	21
1 to 3 months	53	62
3 to 12 months	143	167
Up to 1 year	214	250
1 to 5 years	526	458
Over 5 years	1,297	1,099
Total minimum lease payments	2,037	1,807
Up to 1 year	(56)	(49)
1 to 5 years	(249)	(221)
Over 5 years	(310)	(279)
Future interest expense on finance leases	(615)	(549)
Up to 1 year	159	201
1 to 5 years	277	237
Over 5 years	986	820
Net present value of finance lease liabilities*	1,422	1,258

* Finance lease liabilities are included in other financial liabilities (refer to Note 11).

JOINT ARRANGEMENTS

In 2013 the Group entered into joint arrangement with the company Česká telekomunikační infrastruktura a.s. concerning a 2G and 3G network sharing, i.e. sharing of active and passive mobile network elements on a territorial basis of Czech Republic. As at 31 December 2017, 2,380 sites were shared on the Group side and 2,408 sites on Česká telekomunikační infrastruktura a.s. side (as at 31 December 2016: 1,523 sites on the Group side and 1,555 sites on Česká telekomunikační infrastruktura a.s. side).

In 2014 the Group entered into a similar joint arrangement with Česká telekomunikační infrastruktura a.s. concerning sharing of LTE technologies for mobile networks. The contractual arrangement involves sharing of active mobile network elements on the same territorial basis of Czech Republic as for 2G and 3G technologies sharing. As at 31 December 2017, 2,372 sites on the Group side and 2,367 sites on Česká telekomunikační infrastruktura a.s. side were shared (as at 31 December 2016: 1,917 sites on the Group side and 1,913 sites on Česká telekomunikační infrastruktura 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. The arrangement is a joint operation, because it does not involve a separate legal entity comprising the activities performed under the arrangement.

Network sharing in the context of these contracts means sharing of transmitting sites including related tangible assets used for providing of 2G and 3G as well as 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 recognizes 50% share of such assets subject to the network sharing agreements and 50% share on joint expenses and revenues resulting from the joint arrangement. The total profit or loss impact is immaterial.

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

10 TRADE AND OTHER PAYABLES

CZK million	31.12.2017	31.12.2016
Trade payables	1,581	1,486
Operational expenditure accruals	2,427	1,918
Capital expenditure accruals	349	242
Total trade payables	4,357	3,646
Currency forward contracts with negative fair value	21	1
Total financial liabilities	4,378	3,647
Liabilities to employees	614	558
Other taxes and social security liabilities	257	277
Other payables	386	88
Total non-financial liabilities	1,257	923
Total	5,635	4,570

Other payables comprise mainly unused prepaid airtime from 2017 when the Group changed the accounting treatment of unused prepaid airtime from deferred revenue to prepayments (see Note 13).

The remaining maturities of financial liabilities (contractual undiscounted cash flows) are as follows (contractual maturities of financial lease liabilities are stated in Note 9):

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2017						
Trade payables	216	989	346	30	-	1,581
Operational expenditure accruals	680	1,503	150	94	-	2,427
Capital expenditure accruals	11	284	43	11	-	349
Total trade payables	907	2,776	539	135	-	4,357
Currency forward contracts with negative fair value	-	246	204	217	544	1,211
Total forward contracts*	-	246	204	217	544	1,211

* Contracted nominal value. Under the contracts the Group will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

CZK million	On demand	Up to 30 days	31–60 days	61–90 days	Over 90 days	Total
31.12.2016						
Trade payables	220	793	358	102	13	1,486
Operational expenditure accruals	376	1,407	80	55	-	1,918
Capital expenditure accruals	44	179	6	13	-	242
Total trade payables	640	2,379	444	170	13	3,646
Currency forward contracts with negative fair value	-	122	122	-	413	657
Currency forward contracts with positive fair value	-	17	17	157	439	630
Total forward contracts*	-	139	139	157	852	1,287

* Contracted nominal value. Under the contracts the Group will pay the nominal amounts in CZK and receive amounts in foreign currencies stated based on the agreed forward exchange rates.

11 OTHER FINANCIAL LIABILITIES

CZK million	31. 12. 2017	31. 12. 2016
Current finance lease liabilities	159	201
Other interest bearing liabilities**	60	-
Total current other financial liabilities	219	201
Non-current finance lease liabilities	1,263	1,057
Long-term advances from post-paid customers*	6	6
Total non-current other financial liabilities	1,269	1,063
Total	1,488	1,264

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

** Liabilities from capitalized media content rights

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 month	18	17
1 – 3 months	37	34
3 – 12 months	164	150
Up to 1 year	219	201
1 to 5 years	283	242
Over 5 years	986	821
Total other financial liabilities	1,488	1,264

The reconciliation of cash used in financing activities is as follows:

CZK million	Financial lease liabilities	Other interest bearing liabilities	Loans and bank overdraft	Total
1.1.2016	1,179	-	-	1,179
Additions	420	-	245	665
Cash used in financing activities	(341)	-	(245)	(586)
31.12.2016	1,258	-	-	1,258
Additions	380	94	159	633
Cash used in financing activities	(216)	(34)	(159)	(409)
31.12.2017	1,422	60	-	1,482

The total limit of bank overdrafts and flexible credit lines available to the Group as at 31 December 2017 was EUR 1 million (CZK 26 million) and CZK 1,175 million (as at 31 December 2016 EUR 1 million or CZK 25 million and CZK 1,475 million). As at 31 December 2017 and 31 December 2016, the Group did not draw any overdrafts.

12 PROVISIONS

CZK million	31. 12. 2017	31. 12. 2016
Other provisions	397	39
Total current provisions	397	39
Asset retirement obligation	772	771
Other provisions	115	123
Total non-current provisions	887	894
Total	1,284	933

CZK million	Asset retirement obligation	Other provisions	Total
1.1.2016	750	211	961
Charge for the year (additions)	53	51	104
Used amounts reserved	(38)	(82)	(120)
Unused during the year	-	(22)	(22)
Unwinding of interest	6	4	10
31.12.2016	771	162	933
Charge for the year (additions)	64	464	528
Used amounts reversed	(33)	(100)	(133)
Unused during the year	(30)	(17)	(47)
Unwinding of interest	-	3	3
31.12.2017	772	512	1,284

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).

Other provisions comprise mainly provisions for litigations, onerous rent contracts reserve and executive management incentive plans obligations.

13 DEFERRED REVENUE

CZK million	31. 12. 2017	31. 12. 2016
Deferred revenue related to unused prepaid airtime of prepaid and credit tariff subscribers	108	502
T-Mobile Bonus (IFRIC 13)	66	59
Other	66	91
Total current	240	652
Total non-current	3	3

The unused prepaid airtime accounting treatment has changed in 2017 due to change in value added tax law. In prior years the unused prepaid airtime has been disclosed as deferred revenue. From 2017 the newly purchased prepaid airtime has been disclosed as prepayments under Other payables (see Note 10).

14 DEFERRED TAX LIABILITY

Net deferred income tax liability is calculated as follows:

CZK million	31. 12. 2017	31. 12. 2016
Accelerated tax depreciation	(4,699)	(4,120)
Tax depreciation of receivables	(65)	(68)
Liabilities to employees	414	381
Provisions	917	933
Other differences	92	117
Basis for deferred income tax calculation	(3,341)	(2,757)
Net deferred income tax liability	(635)	(524)

CZK million	31. 12. 2017	31. 12. 2016
Deferred income tax liabilities:		
- deferred income tax liability to be recovered after more than 12 months	(1,194)	(1,042)
- deferred income tax liability to be recovered after less than 12 months	(13)	(13)
Total deferred income tax liabilities	(1,207)	(1,055)
Deferred income tax assets:		
- deferred income tax asset to be recovered after more than 12 months	429	378
- deferred income tax asset to be recovered within 12 months	143	153
Total deferred income tax assets	572	531
Net deferred income tax liability	(635)	(524)

The net deferred income tax liability as at 31 December 2017 and 31 December 2016 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	
	2017	2016
2017 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
1.1.2016	-	(855)	(855)
Profit or (loss) for the current period	(13)	(187)	(200)
31.12.2016	(13)	(1,042)	(1,055)
Profit or (loss) for the current period	-	(152)	(152)
31.12.2017	(13)	(1,194)	(1,207)

Deferred income tax assets CZK million	Tax provision for receivables	Provisions	Accelerated accounting depreciation	Other	Total
1.1.2016	8	257	245	41	551
Profit or (loss) for the current period	(8)	(7)	14	(19)	(20)
31.12.2016	-	250	259	22	531
Profit or (loss) for the current period	-	3	42	(4)	41
31.12.2017	-	253	301	18	572

15 DERIVATIVE FINANCIAL INSTRUMENTS

FORWARD CONTRACTS

As at the end of 2017, the Group had open currency forward contracts with a total nominal value of CZK 1,211 million (as at 31 December 2016: CZK 1,287 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 2017 were initiated during 2017 with maturity by the end of 2018. During 2017, currency forward contracts in the total nominal value of CZK 2,555 million were settled (in 2016: CZK 2,657 million).

Open currency forward contracts CZK million	31. 12. 2017	31. 12. 2016
Open currency forward contracts hedging other foreign currency liabilities:		
Positive fair value (Note 5)	-	8
Negative fair value (Note 10)	(21)	(1)
Total	(21)	7

16 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 2017 and 31 December 2016, the registered capital was represented by 520 thousand shares. All shares have equal voting rights.

The shareholders' rights include in particular:

- Right to a profit share;
- Right to a residual interest on liquidation;
- 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 Capital Funds comprises statutory reserve 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 2017, the Group paid dividends amounted to CZK 4,720 million (in 2016: CZK 4,706 million) (refer to Note 26). The dividend per share paid out in 2017 amounted to CZK 9,078 (in 2016: CZK 9,051).

17 ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

Financial assets and liabilities by category* CZK million	Category per IAS 39	31. 12. 2017 Carrying amount	31. 12. 2016 Carrying amount
Assets			
Cash and cash equivalents, of which:		5,457	4,232
Cash	Loans and receivables	892	732
Term deposits	Loans and receivables	4,565	3,500
Trade and other receivables**, of which		5,739	5,402
Trade and other receivables	Loans and receivables	5,611	5,394
Currency forward contracts with positive fair value	At fair value through profit or loss (for trading)	-	8
Intercompany loan	Loans and receivables	128	-
Short-term bank financing	Loans and receivables	-	93
Liabilities			
Current trade and other payables**, of which:		4,378	3,647
Trade payables	Financial liabilities at amortised cost	4,357	3,646
Currency forward contracts with negative fair value	At fair value through profit or loss (for trading)	21	1
Current other financial liabilities, of which:		219	201
Liabilities from finance lease	Financial liabilities at amortised cost	159	201
Other interest-bearing financial liabilities	Financial liabilities at amortised cost	60	-
Non-current other financial liabilities, of which:		1,269	1,063
Deposits received	Financial liabilities at amortised cost	6	6
Finance lease liabilities	Financial liabilities at amortised cost	1,263	1,057

* 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 10)

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.

The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2017:

31.12.2017	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
CZK million					
Trade and other receivables	5,739	-	5,739	36	5,703
Trade payables	(4,357)	-	(4,357)	(36)	(4,393)

The following table presents trade receivables and trade payables which were subject to offsetting as at 31 December 2016:

31.12.2016	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
CZK million					
Trade and other receivables	5,402	-	5,402	21	5,381
Trade payables	(3,646)	-	(3,646)	(21)	(3,625)

18 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	2017	2016
Sales of goods	2,159	2,135
Sales of mobile telecommunication services	18,297	17,849
Sales of fix telecommunication services	5,153	5,214
Sales of IT services	1,444	1,274
Total revenue	27,053	26,472

19 OTHER OPERATING INCOME

CZK million	2017	2016
Gain from disposals of fixed assets	139	230
Release of provisions	50	25
Income from recharged services within DTAG group	818	708
Rent	67	58
Fines and penalties	4	4
Income from promotion	113	93
Other operating income	41	70
Total	1,232	1,188

20 COST OF GOODS, RAW MATERIALS AND TELECOMMUNICATION SERVICES

CZK million	2017	2016
Costs of goods and raw materials	2,421	2,196
Costs of telecommunication services	5,496	5,248
Maintenance of telecommunication network	540	573
Energy consumption – telecommunication network	424	478
Other	315	249
Total	9,196	8,744

21 EMPLOYEE BENEFITS

CZK million	2017	2016
Salary costs	2,620	2,346
Social security costs – obligatory and supplementary pension insurance	556	502
Social security costs – other	308	278
Board remuneration	3	3
Total	3,487	3,129
Average number of employees	3,429	3,286

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 2017, the total contribution provided was CZK 26 million (in 2016: CZK 24 million).

22 DEPRECIATION AND AMORTISATION

CZK million	2017	2016
Amortisation of licences	421	421
Amortisation of other intangible fixed assets	1,380	1,519
Depreciation of tangible fixed assets	2,895	2,873
Total	4,696	4,813

23 OTHER OPERATING EXPENSES

CZK million	2017	2016
Costs of external marketing services	602	664
Commissions to business partners	843	738
Net loss from impairment of receivables and receivables write off	191	238
Rental and operating leases	1,013	1,105
Expenses from cross charges of services shared in DTAG Group	502	375
Repair and maintenance (except telecommunication network)	661	644
Licence fees	355	370
Other operating expenses related to employees	153	183
Legal, consulting and auditing fees	333	190
Office supplies, postage, bank charges	128	30
Consumption of electricity, water and gas, cleaning, security	100	109
Other	564	197
Total	5,445	4,843

24 FINANCE INCOME AND COSTS

CZK million	2017	2016
Interest income	2	1
of which:		
- from loans and receivables	2	1
Foreign exchange gains	82	31
of which:		
- from financial assets and liabilities at fair value through profit or loss	2	7
Other finance income	45	54
Total finance income	129	86
Interest expenses	(69)	(68)
of which:		
- from financial liabilities at amortised costs	(69)	(68)
Foreign exchange losses	(148)	(31)
of which:		
- from financial assets and liabilities at fair value through profit or loss	(71)	(3)
Other finance costs	(3)	(11)
Total finance costs	(220)	(110)
Net finance expense	(91)	(24)

25 INCOME TAX

The income tax expense consists of the following:

CZK million	2017	2016
Current income tax	(1,009)	(1,068)
Deferred income tax (refer to Note 14)	(111)	(220)
Income tax expense	(1,120)	(1,288)

The charge for the year was calculated as follows:

CZK million	2017	2016
Profit before tax	5,370	6,107
Tax by applying the statutory tax rate*	(1,020)	(1,160)
Impact of:		
Non-tax deductible expenses	(82)	(82)
Non-taxable revenues	2	40
Additional decrease/(increase) of tax related to prior periods	(3)	(32)
Other	(17)	(54)
Income tax expense	(1,120)	(1,288)

* Income tax rate of 19% was applied in 2017 and 2016 respectively, based on the effective Income Tax Act.

26 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	2017	2016
Roaming, interconnection and related purchased services	217	173
Other purchased goods and services	47	87
Expenses from re-invoicing of services	203	184
Purchases of foreign currency at market value*	1,254	1,335
Total purchases	1,721	1,779
Roaming, interconnection and related sold services	473	250
Income from re-invoicing of services and using common platforms	216	228
Total sales	689	478

* The purchases of foreign currencies comprise mainly forwards and swaps. The price is set at the best level of all market offers.

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

CZK million	31.12.2017	31.12.2016
Receivables from roaming, interconnection and related sold services	275	304
Receivables from derivatives (fair value)	-	3
Intercompany loan provided	128	-
Total receivables	403	307
Payables from roaming, interconnection and related purchased services	534	540
Liabilities from derivatives (fair value)	7	1
Total payables	541	541

In 2017 and 2016 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	2017	2016
Roaming, interconnection and related purchased services	464	344
Other purchased goods and services	232	160
Expenses from re-invoicing of services	296	189
Total purchases	992	693
Roaming, interconnection and related sold services	491	458
Income from re-invoicing of services and using common platforms	523	379
IT services and related services	-	1
Other income	2	4
Total sales	1,016	842

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

CZK million	31.12.2017	31.12.2016
Receivables from roaming, interconnection and related sold services	28	31
Receivables and prepayments from other services and discounts	275	240
Total receivables	303	271
Payables from roaming, interconnection and related purchased services	78	62
Payables from other services and discounts	281	179
Total payables	359	241

SHORT-TERM COMPENSATION TO KEY MANAGEMENT PERSONNEL

CZK million	2017		2016	
	Average number of employees	Amount	Average number of employees	Amount
Executive management	28	143	33	159
Board of Directors	3	-	3	-
Supervisory Board	4	-	4	-
Total	35	143	40	159

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 2017 to CZK 23 million (in 2016: CZK 26 million).

Contributions for management to supplementary pension fund amounted in 2017 to CZK 1 million (in 2016: CZK 2 million).

Post-employment and termination benefits provided to management members

CZK million	2017	2016
Motivation bonus scheme paid*	2	2
Severance pay	3	5

* The Group provides post-employment benefits in the form of a motivation bonus scheme to members of its management. Subject to certain conditions being met, the eligible persons are entitled to receive a pay-out bonus derived from their salary level.

INCENTIVE PLANS FOR EXECUTIVE MANAGEMENT

The Group offers several long-term incentive plans to its executive management members with a new package being launched each year and with each tranche lasting for 4 years. A total provision of CZK million has been recognised:

Incentive plan	Type of settlement	31.12.2017	31.12.2016
Variable II	Cash-settled	18	29
LTI (Long-Term Incentive Plan)	Cash-settled	29	15
SMP (Share Matching Plan)	Equity-settled	1	2

DIVIDENDS

Based on the resolution of the sole shareholder from 4 April 2017, the Group distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,720 million.

Based on the resolution of the sole shareholder from 2 May 2016, the Group distributed the profit to the sole shareholder as a dividend in the aggregate amount of CZK 4,706 million.

27 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.

28 COMMITMENTS

The Group's future capital commitments to major technology and services suppliers from concluded agreements as at 31 December 2017 and 31 December 2016 are as follows:

CZK million	31. 12. 2017	31. 12. 2016
Up to 1 year	1,864	1,770
1 - 3 years	816	349
3 - 5 years	180	113
Over 5 years	213	232
Total	3,073	2,464

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. 2017	31. 12. 2016
Up to 1 year	651	816
1 - 3 years	517	680
3 - 5 years	382	544
Over 5 years	1,417	496
Total	2,967	2,536

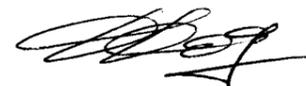
The majority of lease agreements are renewable at market prices after termination of the operating lease.

29 SUBSEQUENT EVENTS

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

30 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Group for issuance on 22 March 2018. These financial statements can be amended on request and approval of the Annual Shareholders Meeting.



Daria Dodonová
Vice-Chairman of the Board of Directors



Mardia Niehaus
Member of the Board of Directors



INDEPENDENT
AUDITOR'S
REPORT



Independent auditor's report

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

Opinion

We have audited:

- the consolidated financial statements of T-Mobile Czech Republic a.s., with its registered office at Tomíčková 2144/1, Praha 4 ("the Company") and its subsidiary (together "the Group") prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, which include significant accounting policies and other explanatory information, and
- the separate financial statements of the Company prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise statement of financial position as at 31 December 2017, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the separate financial statements, which include significant accounting policies and other explanatory information.

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and
- the separate financial statements give a true and fair view of the financial position of the Company standing alone as at 31 December 2017, of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The consolidated and separate financial statements are further referred to together as financial statements.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.



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Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Group and the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group and the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 and the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors, Supervisory Board and Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

22 March 2018

represented by

Tomáš Bašta
partner

Petra Bočáková
Statutory Auditor, Evidence No. 2253

Note

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



