☐ - restated

POLISH FINANCIAL SUPERVISION AUTHORITY

Quarterly consolidated report for the first quarter of 2013

(quarter / year)

(according to par. 82 s. 2 and par. 83 s. 1 of the Decree of Minister of Finance dated 19 February 2009 - Journal of Laws No. 33, item 259, with amendments)
for the issuers in sectors of production, construction, trade or services

for the **first quarter** of **2013**, i.e. **from 1 January 2013 to 31 March 2013**

including condensed consolidated financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**

and condensed separate financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**

date of issuance: **23 April 2013**

TELEKOMUNIKACJA POLSKA SA
(full name of issuer)

TPSA (abbreviated name of the issuer)
Telecommunication (tel) (classification according to WSE/ sector)

00-105 (post code)
Warsaw (location)

Twarda (street)
18 (number)

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SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	1 quarter cumulative period from 01/01/2013 to 31/03/2013	1 quarter cumulative period from 01/01/2012 to 31/03/2012	1 quarter cumulative period from 01/01/2013 to 31/03/2013	1 quarter cumulative period from 01/01/2012 to 31/03/2012
condensed consolidated financial statements data				
I. Revenue	3 267 000	3 520 000	782 740	843 114
II. Operating income	241 000	404 000	57 741	96 766
III. Profit before income tax	107 000	296 000	25 636	70 898
IV. Consolidated net income	81 000	242 000	19 407	57 964
V. Net income attributable to owners of TP S.A.	81 000	242 000	19 407	57 964
VI. Earnings per share (in PLN/EUR) (basic and diluted)	0.06	0.18	0.01	0.04
VII. Weighted average number of shares (in millions) (basic and diluted)	1 312	1 323	1 312	1 323
VIII. Total comprehensive income	87 000	242 000	20 844	57 964
IX. Total comprehensive income attributable to owners of TP S.A.	87 000	242 000	20 844	57 964
X. Net cash provided by/(used in) operating activities	863 000	(1 316 000)	206 766	(315 210)
XI. Net cash used in investing activities	(660 000)	(893 000)	(158 129)	(213 892)
XII. Net cash used in financing activities	(348 000)	(23 000)	(83 377)	(5 509)
XIII. Total net change in cash and cash equivalents	(145 000)	(2 233 000)	(34 741)	(534 850)
	balance as at 31/03/2013	balance as at 31/12/2012	balance as at 31/03/2013	balance as at 31/12/2012
XIV. Total current assets	2 044 000	2 210 000	489 299	540 580
XV. Total non-current assets	21 528 000	21 953 000	5 153 445	5 369 845
XVI. Total assets	23 572 000	24 163 000	5 642 744	5 910 425
XVII. Total current liabilities	5 742 000	6 502 000	1 374 539	1 590 431
XVIII. Total non-current liabilities	4 785 000	4 703 000	1 145 449	1 150 384
XIX. Total equity	13 045 000	12 958 000	3 122 756	3 169 610
XX. Equity attributable to owners of TP S.A.	13 043 000	12 956 000	3 122 277	3 169 121
XXI. Share capital	4 007 000	4 007 000	959 209	980 138
condensed separate financial statements data				
	1 quarter cumulative period from 01/01/2013 to 31/03/2013	1 quarter cumulative period from 01/01/2012 to 31/03/2012	1 quarter cumulative period from 01/01/2013 to 31/03/2013	1 quarter cumulative period from 01/01/2012 to 31/03/2012
I. Revenue	1 786 000	1 858 000	427 907	445 030
II. Operating income	100 000	65 000	23 959	15 569
III. Profit before income tax	726 000	82 000	173 942	19 641
IV. Net income	707 000	108 000	169 390	25 868
V. Earnings per share (in PLN/EUR) (basic and diluted)	0.54	0.08	0.13	0.02
VI. Weighted average number of shares (in millions) (basic and diluted)	1 312	1 323	1 312	1 323
VII. Total comprehensive income	704 000	108 000	168 671	25 868
VIII. Net cash provided by/(used in) operating activities	924 000	(1 876 000)	221 381	(449 341)
IX. Net cash used in investing activities	(465 000)	(662 000)	(111 409)	(158 563)
X. Net cash used in/(provided by) financing activities	(570 000)	345 000	(136 566)	82 635
XI. Total net change in cash and cash equivalents	(111 000)	(2 194 000)	(26 594)	(525 509)
	balance as at 31/03/2013	balance as at 31/12/2012	balance as at 31/03/2013	balance as at 31/12/2012
XII. Total current assets	1 694 000	1 623 000	405 515	396 996
XIII. Total non-current assets	22 581 000	22 941 000	5 405 516	5 611 516
XIV. Total assets	24 275 000	24 564 000	5 811 031	6 008 512
XV. Total current liabilities	5 819 000	6 758 000	1 392 973	1 653 050
XVI. Total non-current liabilities	6 147 000	6 201 000	1 471 489	1 516 804
XVII. Total equity	12 309 000	11 605 000	2 946 569	2 838 658
XVIII. Share capital	4 007 000	4 007 000	959 209	980 138

Pursuant to Art. 87 of the Decree of the Minister of Finance of 19 February 2009 on current and periodic information to be disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state - Journal of Laws of 2009, no. 33, item 259, with amendments ("the Decree of the Minister of Finance of 19 February 2009"), the Management Board of Telekomunikacja Polska S.A. ("TP S.A.", "the Company") discloses the following information:

I. Shareholders entitled to exercise at least 5% of total voting rights at the General Meeting of TP S.A., either directly or through subsidiaries as at the date of publication of the quarterly report and changes in the ownership structure in the period since the submission of the previous annual financial report

The ownership structure of the Company's share capital, based on the information available to the Company as at 23 April 2013, i.e. the date of submission of the quarterly report for the first quarter of 2013 was the same as at 12 February 2013, i.e. the date of submission of the annual report for the 12 months ended 31 December 2012:

Shareholder	Number of shares held	Number of votes at the General Meeting of TP S.A.	Percentage of the total number of votes at the General Meeting of TP S.A.	Nominal value of shares held (in PLN)	Share in the capital
France Telecom S.A.	664,999,999	664,999,999	49.79%	1,994,999,997	49.79%
Other shareholders	647,357,480	647,357,480	48.47%	1,942,072,440	48.47%
Telekomunikacja Polska S.A. (treasury shares) (1)	23,291,542	23,291,542	1.74%	69,874,626	1.74%
TOTAL	**1,335,649,021**	**1,335,649,021**	**100.00%**	**4,006,947,063**	**100.00%**

(1) Voting rights attributable to treasury shares cannot be exercised at the General Meeting of TP S.A. On 11 April 2013, the General Meeting of TP S.A. adopted resolutions on the redemption of 23,291,542 treasury shares and on the corresponding reduction of the Company's share capital with the effective date being the date of registration by the Registry Court (expected in the second quarter of 2013).

II. Statement of changes in ownership of TP S.A.'s shares or rights to them (options) held by Members of the Management Board and the Supervisory Board of TP S.A., according to information obtained by TP S.A., in the period since the submission of the previous annual report

As part of the Company's incentive program, members of the Management Board of the Company acquired TP S.A. registered A-series bonds with a pre-emption right attached to the Bonds to subscribe for the Company's shares with priority over existing shareholders.

The number of bonds with a pre-emption right held by members of the Management Board of the Company at the dates of submission of the quarterly report for the first quarter of 2013 and the annual report for the 12 months ended 31 December 2012 is as follows:

	23 April 2013	12 February 2013
Maciej Witucki	305,557	305,557
Vincent Lobry	-	-
Piotr Muszyński	190,896	190,896
Jacques de Galzain	-	-
Jacek Kowalski	25,241	25,241

The members of the Supervisory Board of TP S.A. do not participate in the Company's incentive program and as at 23 April 2013 and 12 February 2013 held no bond with a pre-emption right.

Maciej Witucki, President of the Management Board of TP S.A., held 4,000 TP S.A. shares as at 23 April 2013 and 12 February 2013. There was no TP S.A. share held by other members of the Management Board or the Supervisory Board of TP S.A.

III. Information on guarantees or collaterals of loans or borrowings granted by the Company or its subsidiaries to other entities or their subsidiaries, where the total amount of guarantees or collaterals account for at least 10% of the Company's equity

In the 3 months ended 31 March 2013, the Company or its subsidiaries did not grant guarantee or collateral of loan or borrowing to any entity or its subsidiary of the total value representing the equivalent of at least 10% of TP S.A.'s shareholders equity.

IV. The Management Board's comment on previously published financial forecasts

The Group does not publish financial forecasts as defined by the Decree of the Minister of Finance of 19 February 2009.

V. Factors which, in the opinion of the Group, may affect its results over at least the next quarter

Factors that, in the Management Board's opinion, have influence on the Group's operations or may have such influence in the near future are presented in Section 6 of Management Board's Report on the Activity of Telekomunikacja Polska Group in 2012. Additionally, threats and risks that may impact the Group's operational and financial performance are reviewed in detail in the Chapter IV of the above mentioned Report.

VI. Foreign exchange rates

The statement of financial position data as at 31 March 2013 and 31 December 2012 presented in the table "Selected financial data" was translated into Euro at the average exchange rate of the National Bank of Poland ("NBP") on the end of the reporting period. The income statement data, together with the statement of comprehensive income and statement of cash flows data for the 3 months ended 31 March 2013 and 2012, was translated into Euro at an exchange rate which is the arithmetical average of the average NBP rates published by the NBP on the last day of each month of 3 month periods ended 31 March 2013 and 2012.

The exchange rates used in translation of statement of financial position, income statement, statement of comprehensive income and statement of cash flows data are presented below:

	31 March 2013	31 December 2012	31 March 2012
Statement of financial position	4.1774 PLN	4.0882 PLN	Not applicable
Income statement, statement of comprehensive income, statement of cash flows	4.1738 PLN	Not applicable	4.1750

TELEKOMUNIKACJA POLSKA GROUP

CONDENSED IFRS QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2013

Contents

CONSOLIDATED INCOME STATEMENT

(in PLN millions, except for earnings per share)

	3 months ended 31 March 2013 *(unaudited)*	***3 months ended 31 March 2012*** *(see Note 2, unaudited)*
Revenue	**3,267**	**3,520**
External purchases	(1,596)	(1,731)
Labour expenses	(545)	(560)
Other operating expense	(176)	(143)
Other operating income	73	133
Gains on disposal of assets	10	8
Depreciation and amortisation	(791)	(819)
Impairment of non-current assets	(1)	(4)
Operating income	**241**	**404**
Interest income	4	10
Interest expense and other financial charges	(109)	(110)
Foreign exchange gains/(losses)	(1)	9
Discounting expense	(28)	(17)
Finance costs, net	**(134)**	**(108)**
Income tax	(26)	(54)
Consolidated net income	**81**	**242**
Net income attributable to owners of TP S.A.	81	242
Net income attributable to non-controlling interests	-	-
Earnings per share (in PLN) (basic and diluted)	**0.06**	**0.18**
Weighted average number of shares (in millions) (basic and diluted)	1,312	1,323

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)

	3 months ended 31 March 2013 *(unaudited)*	***3 months ended 31 March 2012*** *(unaudited)*
Consolidated net income	**81**	**242**
Items that may be reclassified subsequently to profit or loss		
Gains on cash flow hedges	8	-
Income tax relating to items that may be reclassified	(2)	-
Other comprehensive income, net of tax	**6**	**-**
Total comprehensive income	**87**	**242**
Total comprehensive income attributable to owners of TP S.A.	87	242
Total comprehensive income attributable to non-controlling interests	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in PLN millions)

	At 31 March 2013 *(unaudited)*	***At 31 December 2012*** *(see Note 2, audited)*
ASSETS		
Goodwill	4,025	4,016
Other intangible assets	2,946	2,967
Property, plant and equipment	13,569	13,951
Derivatives	154	127
Other financial assets	13	14
Deferred tax assets	821	878
Total non-current assets	**21,528**	**21,953**
Inventories	199	194
Trade receivables	1,301	1,413
Derivatives	8	-
Other financial assets	18	17
Other assets	134	113
Prepaid expenses	123	67
Cash and cash equivalents	261	406
Total current assets	**2,044**	**2,210**
TOTAL ASSETS	**23,572**	**24,163**
EQUITY AND LIABILITIES		
Share capital	4,007	4,007
Share premium	832	832
Treasury shares	(400)	(400)
Other reserves	(31)	(37)
Translation adjustment	(5)	(5)
Retained earnings	8,640	8,559
Equity attributable to owners of TP S.A.	**13,043**	**12,956**
Non-controlling interests	2	2
Total equity	**13,045**	**12,958**
Financial liabilities at amortised cost excluding trade payables	3,051	2,990
Derivatives	257	283
Trade payables	778	751
Employee benefits	383	375
Provisions	272	263
Other liabilities	15	15
Deferred income	29	26
Total non-current liabilities	**4,785**	**4,703**
Financial liabilities at amortised cost excluding trade payables	1,896	2,195
Derivatives	4	112
Trade payables	1,966	2,228
Employee benefits	239	213
Provisions	924	953
Income tax liabilities	43	123
Other liabilities	189	162
Deferred income	481	516
Total current liabilities	**5,742**	**6,502**
TOTAL EQUITY AND LIABILITIES	**23,572**	**24,163**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Treasury shares	Other reserves				Translation adjustment	Retained earnings	Equity attributable to owners of TP S.A.	Non-controlling interests	Total equity
				Hedging instruments	Actuarial losses on post-employment benefits	Deferred tax	Share-based payments					
Balance at 1 January 2012 *(audited)*	**4,007**	**832**	**(200)**	**10**	**(77)**	**12**	**79**	**(5)**	**9,673**	**14,331**	**3**	**14,334**
Total comprehensive income for the 3 months ended 31 March 2012	-	-	-	-	-	-	-	-	242	242	-	242
Purchase of treasury shares	-	-	(81)	-	-	-	-	-	-	(81)	-	(81)
Dividends	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2012 *(unaudited)*	**4,007**	**832**	**(281)**	**10**	**(77)**	**12**	**79**	**(5)**	**9,915**	**14,492**	**2**	**14,494**
Balance at 1 January 2013 *(audited)*	**4,007**	**832**	**(400)**	**(15)**	**(127)**	**26**	**79**	**(5)**	**8,559**	**12,956**	**2**	**12,958**
Total comprehensive income for the 3 months ended 31 March 2013	-	-	-	8	-	(2)	-	-	81	87	-	87
Balance at 31 March 2013 *(unaudited)*	**4,007**	**832**	**(400)**	**(7)**	**(127)**	**24**	**79**	**(5)**	**8,640**	**13,043**	**2**	**13,045**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in PLN millions)

	3 months ended 31 March 2013 *(unaudited)*	***3 months ended 31 March 2012*** *(see Note 2, unaudited)*
OPERATING ACTIVITIES		
Consolidated net income	81	242
Adjustments to reconcile net income to cash from operating activities		
Depreciation and amortisation	791	819
Impairment of non-current assets	1	4
Gains on disposal of assets	(10)	(8)
Change in provisions	(34)	(2,234)
Income tax	26	54
Finance costs, net	134	108
Operational foreign exchange and derivatives (gains)/losses, net	2	(9)
Change in working capital (trade)		
Increase in inventories	(5)	-
Decrease in trade receivables	99	116
Decrease in trade payables	(4)	(450)
Change in working capital (non-trade)		
Increase in prepaid expenses and other receivables	(39)	(121)
Increase in deferred income and other payables	37	103
Interest received	4	11
Interest and interest rate effect on derivatives paid, net	(110)	(77)
Exchange rate effect on derivatives, net	(21)	130
Income tax paid	(89)	(4)
Net cash provided by/(used in) operating activities	**863**	**(1,316)**
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(400)	(414)
Decrease in amounts due to fixed assets suppliers	(266)	(495)
Exchange rate effect on derivatives economically hedging capital expenditures, net	(5)	17
Proceeds from sale of property, plant and equipment and intangible assets	18	12
Decrease in receivables related to leased fixed assets	1	2
Proceeds from sale of subsidiaries, net of cash and transaction costs	-	3
Cash paid for investments in subsidiaries, net of cash acquired	(8)	-
Increase in loans and other financial assets	-	(3)
Exchange rate effect on other derivatives, net	-	(15)
Net cash used in investing activities	**(660)**	**(893)**
FINANCING ACTIVITIES		
Repayment of long-term debt	(4)	(4)
Increase/(decrease) in short-term debt	(339)	54
Purchase of treasury shares	-	(63)
Exchange rate effect on hedging instruments, net	(5)	(10)
Net cash used in financing activities	**(348)**	**(23)**
Net change in cash and cash equivalents	**(145)**	**(2,232)**
Effect of changes in exchange rates and other impacts on cash and cash equivalents	-	(1)
Cash and cash equivalents at the beginning of the period	406	2,871
Cash and cash equivalents at the end of the period	**261**	**638**

1. The Telekomunikacja Polska Group

Telekomunikacja Polska S.A. ("Telekomunikacja Polska" or "the Company" or "TP S.A."), a joint stock company, was incorporated and commenced its operations on 4 December 1991. The Telekomunikacja Polska Group ("the Group") comprises Telekomunikacja Polska and its subsidiaries.

The Group is the principal supplier of telecommunications services in Poland. Telekomunikacja Polska provides fixed-line telephony services (local, domestic and international calls), Integrated Services Digital Network ("ISDN"), fixed access to the Internet, TV and Voice over Internet Protocol ("VoIP"). Telekomunikacja Polska provides telecommunications services on the basis of entry number 1 in the register of telecommunications companies maintained by the President of Office of Electronic Communication ("UKE"). Through its subsidiary, Polska Telefonia Komórkowa-Centertel Sp. z o.o. ("PTK-Centertel"), the Group is one of Poland's major DCS 1800 and GSM 900 mobile telecommunications providers. PTK-Centertel also provides third generation UMTS services and services based on the CDMA technology. In addition, the Group provides leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, multimedia services and various Internet services.

Telekomunikacja Polska's registered office is located in Warsaw at 18 Twarda St.

Segment revenue and segment results

Until the end of 2012, the Group reported two operating segments: fixed line and mobile segment, which included entities offering predominantly telecom services based on fixed line technology and mobile technology, respectively. Increasing convergence of fixed and mobile offers, dependence of mobile network on fixed core network and a unified organisation has significantly changed the decision making process on resources allocation basing it on consolidated operating results. Convergence became the major focus of the Group as publically announced in the medium term action plan in February 2013 which included the planned formal merger of Telekomunikacja Polska S.A. (the main part of the fixed line segment before 2013) and Polska Telefonia Komórkowa-Centertel Sp. z o.o (the main part of the mobile segment before 2013). Therefore, starting from 2013, the Group reports a single reportable operating segment.

Segment performance is evaluated mainly based on consolidated revenue, consolidated EBITDA, consolidated net income, consolidated capital expenditures, consolidated organic cash flows, consolidated net financial debt / EBITDA ratio and consolidated net gearing ratio.

Basic financial data of the operating segment is presented below:

(in PLN millions)	***3 months ended 31 March 2013***	***3 months ended 31 March 2012***
Revenue	3,267	3,520
EBITDA [1]	1,033	1,227
Net income	81	242
Organic cash flows [2]	210	253 [3]
Capital expenditures	400	414
	At 31 March 2013	***At 31 December 2012***
Net gearing ratio [4]	26.8%	28.0%
Net financial debt / EBITDA [5] ratio	1.0	1.0

[1] Operating income before depreciation and amortisation expense and impairment of non-current assets.
[2] Net cash provided by operating activities decreased by payments to fixed assets suppliers (after net exchange rate effect on derivatives economically hedging capital expenditures) and increased by proceeds from sale of fixed assets.
[3] Excludes the effect of the settlement agreement with DPTG resulting in a payment of EUR 550 million (PLN 2,449 million).
[4] Net financial debt / (net financial debt + equity). Net financial debt corresponds to the total gross financial debt, after net derivative instruments classified at fair value through profit or loss, cash flow hedges and fair value hedges, less cash and cash equivalents, marketable securities and including the impact of the effective portion of cash flow hedges.
[5] Cumulative EBITDA for last four quarters.

2. Statement of compliance and basis for preparation

Basis for preparation

These unaudited Condensed Quarterly Consolidated Financial Statements of the Group (the "Quarterly Consolidated Financial Statements") are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Quarterly Consolidated Financial Statements (see also Note 3).

These Quarterly Consolidated Financial Statements should be read in conjunction with the audited Telekomunikacja Polska Group IFRS Consolidated Financial Statements and the notes thereto ("IFRS Consolidated Financial Statements") for the year ended 31 December 2012.

The Quarterly Consolidated Financial Statements include the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

These Quarterly Consolidated Financial Statements are prepared in millions of Polish zloty ("PLN") and were authorised for issuance by the Management Board on 22 April 2013.

Adoption of standards in 2013

The following standards endorsed by the European Union were adopted by the Group as at 1 January 2013:

- IFRS 10 "Consolidated Financial Statements". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 11 "Joint Arrangements". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 12 "Disclosure of Interests in Other Entities". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 13 "Fair Value Measurement". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2013.

Except for IFRS 11, the adoption of the standards presented above did not result in any significant changes to the Group's accounting policies and to the presentation of the financial statements.

Adoption of IFRS 11 resulted in a change in accounting treatment of the 50% interest in NetWorkS! Sp. z o.o. which previously was accounted for using the equity method in accordance with IAS 31 "Interests in Joint Ventures". Joint arrangement which is structured through NetWorkS! Sp. z o.o. was classified as a joint operation under IFRS 11 and, in relation to its interest in NetWorkS! Sp. z o.o., the Group recognised its assets, liabilities, revenue and expenses, including its respective shares in the above – which insignificantly affected comparative amounts presented in these financial statements.

Standards issued but not yet adopted

Management has not opted for early and full application of the following standard (in the process of being endorsed by the European Union):

- IFRS 9 "Financial Instruments" applicable for financial years beginning on or after 1 January 2015. This standard has not been endorsed by the European Union.

Management is currently analysing the practical consequences of this new standard and the effect of its application on the financial statements.

Cash generating units

Until the end of 2012, assets comprising the fixed network and the mobile network were treated as separate Cash Generating Units ("CGU"). The medium term action plan covering years 2013 – 2015 was announced on 12 February 2013 by the Management Board. According to this plan, assets of fixed and mobile networks are treated as one group of assets as they will generate largely dependent cash inflows. As a result, starting from 2013 the Group identifies two CGUs: telecom operator and internet portal (the same CGU as in 2012).

3. Statement of accounting policies

Except of the changes described in Note 2 the accounting policies and methods of computation used in the preparation of the Quarterly Consolidated Financial Statements are consistent with those described in the audited IFRS Consolidated Financial Statements for the year ended 31 December 2012 (see Notes 2 and 31 to IFRS Consolidated Financial Statements for the year ended 31 December 2012).

4. Explanatory comments about the seasonality or cyclicality of interim Group operations

The Group's activities are not subject to any significant seasonality or cyclical trends of operations.

5. Changes in scope of consolidation

The list of entities included in the Quarterly Consolidated Financial Statements as at and for the 3 months ended 31 March 2013 is presented in the Note 1.2 to the IFRS Consolidated Financial Statements for the year ended 31 December 2012.

Additionally, on 15 March 2013 the Group purchased a 100% shareholding in Datacom System S.A. – a provider of integrated IT services. The purchase price amounted to PLN 13 million, of which PLN 11 million was paid and PLN 2 million will be paid after one year. As a result of the transaction the Group recognised goodwill in the amount of PLN 9 million, as well as PLN 1 million of the acquiree's non-current assets, PLN 6 million of the acquiree's current assets and PLN 3 million of the acquiree's current liabilities which represent carrying amounts of each of those classes determined immediately before the combination.

6. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

Apart from the major litigation and claims described in Note 9, operational activities of the Group are subject to legal and administrative regulations and the Group is a party to a number of legal proceedings and commercial contracts related to its operational activities. As at 31 March 2013, the Management of the Group performed an assessment of risks of on-going and potential proceedings. As a result, the Group recognised provisions for known and quantifiable risks related to these proceedings, which represent the Group's best estimate of the amounts which are more likely than not to be paid. The actual amount of a penalty or a claim, if any, is dependent on a number of future events, the outcome of which is uncertain, and as a consequence, the amount of the provision may change at a future date. As a rule, the provisions are not disclosed on a case-by-case basis, as, in the opinion of the Management, such disclosure could prejudice the outcome of the pending cases.

The amount of cash flows from operating activities for the 3 months ended 31 March 2012 includes the effect of the settlement agreement with DPTG resulting in a payment of EUR 550 million (PLN 2,449 million).

7. Redemption of treasury shares

On 11 April 2013, the General Meeting of TP S.A. adopted resolutions on the redemption of 23,291,542 own shares acquired by the Company in 2012 and 2011 for a total consideration of PLN 400 million and on the reduction of the Company's share capital from PLN 4,007 million to PLN 3,937 million with the effective date being the date of registration by the Registry Court (expected in the second quarter of 2013).

8. Dividends

On 11 April 2013, the General Meeting of TP S.A. adopted a resolution on the payment of an ordinary dividend of PLN 0.50 per share from the 2012 profit. Total dividend, amounting to PLN 656 million, will be paid on 11 July 2013.

9. Changes in major litigation and claims, contingent liabilities and contingent assets since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 28.c-d to the IFRS Consolidated Financial Statements for the year ended 31 December 2012 or describes major matters that occurred after 31 December 2012.

a. Proceedings by UKE and UOKiK

Proceedings by UKE related to broadband access
With respect to the appeal proceedings concerning the annulled PLN 339 million fine, on 6 March 2013, the Supreme Court refused to examine the cassation appeal lodged by UKE. That decision ended the appeal procedure on the fine imposed by UKE on TP S.A. in 2007.
With respect to in the appeal proceedings concerning the annulled PLN 100 million fine, there were no developments after UKE lodged an appeal in cassation to the Supreme Court against the verdict of the Court of Appeal of 4 July 2012.

Proceedings by UOKiK related to IP traffic
After subsequent stages of the appeal procedure, the Court of Appeal, on 9 April 2013, dismissed both appeals filed by UOKiK and TP S.A. against the verdict of SOKiK of 11 April 2011 reducing the fine imposed on the Company from PLN 75 million to PLN 38 million. The verdict of SOKiK lowering the fine is binding. UOKiK and TP S.A. can lodge a cassation appeal to the Supreme Court against the decision of the Court of Appeal of 9 April 2013.

Proceedings by UOKiK related to retail prices of calls to Play
On 18 March 2013, UOKiK commenced competition proceedings against PTK-Centertel, Polkomtel S.A. and Polska Telefonia Cyfrowa S.A. claiming that they abused collective dominant position in the domestic retail market of mobile telephony. UOKiK alleges that the retail prices of calls made by individual users from the network of each of the three operators to the network of P4 sp. z o.o. (Play) were relatively higher than the prices for such calls to the networks of the three operators and determined without sufficient consideration of the differentiation of the asymmetric wholesale termination rates determined by UKE. In the view of UOKiK, the applied prices could result in restricting the development of competition on the retail domestic mobile telephony market.
PTK-Centertel has not yet obtained access to the documents on the basis of which UOKiK commenced the proceedings.

According to the Act on Competition and Consumer Protection, in case of non-compliance with its regulations, the President of the UOKiK is empowered to impose on an entity penalties of up to a maximum amount of EUR 50 million for refusal to provide requested information or also up to a maximum amount of 10% of an entity's prior year's revenue for a breach of the law.

b. Proceedings by the European Commission related to broadband access

The written stage of the appeal procedure before the General Court is ongoing. TP S.A. has not yet been notified on any scheduled hearing date.

The Management assesses the matters related to the European Commission decision on a regular basis taking into account their developments.

c. Proceedings by the tax authorities

The Fiscal Audit Office has recently completed a control relating to TP S.A.'s year 2009 and, on 16 April 2013, issued a protocol. A protocol does not end the audit proceedings and does not decide on the obligations of the Company. The protocol raises certain questions as regards tax settlements made. The Company must respond to this by April 30, 2013.

10. Related party transactions

As at 31 March 2013, France Telecom S.A. owned 49.79% of shares of the Company and had the power to appoint the majority of TP S.A.'s Supervisory Board members. The Supervisory Board appoints and dismisses members of the Management Board. The shareholding of France Telecom S.A. will increase to 50.67% upon registration of the redemption of own shares by the Registry Court (see Note 7).

The Group's income earned from the France Telecom Group comprises mainly interconnect, research and development services, data transmission and reimbursement of rebranding expenditures in 2012. The purchases from the France Telecom Group comprise mainly costs of interconnect and leased lines, network services, IT services, consulting services and brand fees.

(in PLN millions)	*3 months ended 31 March 2013*	*3 months ended 31 March 2012*
Sales of goods, services and other income from:	**43**	**84**
France Telecom S.A. (parent)	28	29
France Telecom (group excluding parent)	15	55
Purchases of goods (including inventories, tangible and intangible assets) and services from:	**83**	**82**
France Telecom S.A. (parent)	25	36
France Telecom (group excluding parent)	58	46
- including Orange Brand Services Limited (brand licence agreement)	*41*	*26*
Financial expense:	**-**	**1**
France Telecom S.A. (parent)	-	1

(in PLN millions)	*At 31 March 2013*	*At 31 December 2012*
Receivables from:	**67**	**82**
France Telecom S.A. (parent)	33	47
France Telecom (group excluding parent)	34	35
Payables to:	**121**	**116**
France Telecom S.A. (parent)	56	49
France Telecom (group excluding parent)	65	67

Compensation (remuneration, bonuses and termination indemnities, including compensation under a competition prohibition clause - cash, benefits in kind or any other benefits) paid in accordance with contractual commitments to TP S.A.'s Management Board and Supervisory Board members during the 3 months ended 31 March 2013 and 2012 amounted to PLN 3 million and PLN 3.5 million, including PLN 0.7 million and PLN 1.4 million accrued in previous periods, respectively. During the 3 months ended 31 March 2013 and 2012, the amount of accrued cost of compensation for the Company's Management Board amounted to PLN 0.9 million and PLN 0.9 million.

11. Subsequent events

On 17 April 2013, TP S.A. and Atlas Services Belgium S.A., a subsidiary of France Telecom S.A., concluded a Revolving Credit Facility Agreement for up to EUR 250 million (available in EUR and PLN) and a Credit Facility Agreement for up to EUR 400 million. The repayment date of both agreements is 31 March 2016. Additionally, TP S.A. concluded a Cash Management Treasury Agreement with France Telecom S.A. enabling the Group to deposit its cash surpluses on France Telecom S.A. account and giving an access to back-up liquidity funding with headroom up to PLN 1.75 billion. TP S.A. concluded also an agreement with France Telecom S.A. concerning derivative transactions to hedge exposure to foreign currency risk related to the financing provided in EUR. Financial terms of the above agreements are based on market conditions.

TELEKOMUNIKACJA POLSKA S.A.

CONDENSED IFRS QUARTERLY SEPARATE FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2013

Contents

INCOME STATEMENT

(in PLN millions, except for earnings per share)

	3 months ended 31 March 2013 (unaudited)	*3 months ended 31 March 2012 (unaudited)*
Revenue	**1,786**	**1,858**
External purchases	(796)	(935)
Labour expenses	(367)	(374)
Other operating expense	(76)	(55)
Other operating income	97	132
Gains on disposal of assets	10	8
Depreciation and amortisation	(553)	(565)
Impairment of non-current assets	(1)	(4)
Operating income	**100**	**65**
Dividend income	732	187
Interest income	65	79
Interest expense and other financial charges	(183)	(197)
Foreign exchange gains/(losses)	22	(41)
Discounting expense	(10)	(11)
Finance income, net	**626**	**17**
Income tax	(19)	26
Net income	**707**	**108**
Earnings per share (in PLN) (basic and diluted)	**0.54**	**0.08**
Weighted average number of shares (in millions) (basic and diluted)	1,312	1,323

STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)

	3 months ended 31 March 2013 (unaudited)	*3 months ended 31 March 2012 (unaudited)*
Net income	**707**	**108**
Items that may be reclassified subsequently to profit or loss		
Losses on cash flow hedges	(4)	-
Income tax relating to items that may be reclassified	1	-
Other comprehensive loss, net of tax	**(3)**	**-**
Total comprehensive income	**704**	**108**

STATEMENT OF FINANCIAL POSITION

(in PLN millions)

	At 31 March 2013 *(unaudited)*	***At 31 December 2012*** *(audited)*
ASSETS		
Intangible assets	1,464	1,499
Property, plant and equipment	11,020	11,275
Investments in subsidiaries	7,209	7,196
Loans and receivables excluding trade receivables	2,409	2,501
Derivatives	154	127
Deferred tax assets	325	343
Total non-current assets	**22,581**	**22,941**
Inventories	48	55
Trade receivables	762	745
Loans and receivables excluding trade receivables	388	380
Derivatives	8	-
Other assets	325	207
Prepaid expenses	51	13
Cash and cash equivalents	112	223
Total current assets	**1,694**	**1,623**
TOTAL ASSETS	**24,275**	**24,564**
EQUITY AND LIABILITIES		
Share capital	4,007	4,007
Share premium	832	832
Treasury shares	(400)	(400)
Other reserves	(46)	(43)
Retained earnings	7,916	7,209
Total equity	**12,309**	**11,605**
Financial liabilities at amortised cost excluding trade payables	5,384	5,418
Derivatives	257	283
Employee benefits	320	316
Provisions	142	143
Other liabilities	15	15
Deferred income	29	26
Total non-current liabilities	**6,147**	**6,201**
Financial liabilities at amortised cost excluding trade payables	3,438	3,951
Derivatives	4	112
Trade payables	1,124	1,388
Employee benefits	152	139
Provisions	833	890
Income tax liability	14	67
Other liabilities	174	119
Deferred income	80	92
Total current liabilities	**5,819**	**6,758**
TOTAL EQUITY AND LIABILITIES	**24,275**	**24,564**

STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Treasury shares	Other reserves				Retained earnings	Total
				Hedging instruments	Actuarial losses on post-employment benefits	Deferred tax	Share-based payments		
Balance at 1 January 2012 *(audited)*	**4,007**	**832**	**(200)**	**11**	**(87)**	**14**	**68**	**7,994**	**12,639**
Total comprehensive income for the 3 months ended 31 March 2012	-	-	-	-	-	-	-	108	108
Purchase of treasury shares	-	-	(81)	-	-	-	-	-	(81)
Balance at 31 March 2012 *(unaudited)*	**4,007**	**832**	**(281)**	**11**	**(87)**	**14**	**68**	**8,102**	**12,666**
Balance at 1 January 2013 *(audited)*	**4,007**	**832**	**(400)**	**(7)**	**(129)**	**25**	**68**	**7,209**	**11,605**
Total comprehensive income for the 3 months ended 31 March 2013	-	-	-	(4)	-	1	-	707	704
Balance at 31 March 2013 *(unaudited)*	**4,007**	**832**	**(400)**	**(11)**	**(129)**	**26**	**68**	**7,916**	**12,309**

STATEMENT OF CASH FLOWS

(in PLN millions)

	3 months ended 31 March 2013 (unaudited)	*3 months ended 31 March 2012 (unaudited)*
OPERATING ACTIVITIES		
Net income	707	108
Adjustments to reconcile net income to cash from operating activities		
Depreciation and amortisation	553	565
Impairment of non-current assets	1	4
Gains on disposal of assets	(10)	(8)
Change in provisions	(69)	(2,209)
Income tax	19	(26)
Finance income, net	(626)	(20)
Operational foreign exchange and derivatives (gains)/losses, net	1	(9)
Change in working capital (trade)		
Decrease/(increase) in inventories	7	(8)
Decrease/(increase) in trade receivables	(23)	39
Decrease in trade payables	(86)	(358)
Change in working capital (non-trade)		
Increase in prepaid expenses and other receivables	(8)	(69)
Increase in deferred income and other payables	35	81
Dividends received	570	-
Interest received	5	10
Interest and interest rates effect on derivatives paid, net	(122)	(107)
Exchange rate effect on derivatives, net	(21)	131
Income tax paid	(9)	-
Net cash provided by/(used in) operating activities	**924**	**(1,876)**
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(287)	(293)
Decrease in amounts due to fixed assets suppliers	(178)	(391)
Exchange rate effect on derivatives economically hedging capital expenditures, net	-	(2)
Proceeds from sale of property, plant and equipment and intangible assets	19	11
Decrease in receivables related to leased fixed assets	1	2
Proceeds from sale of subsidiaries	-	1
Cash paid for investments in subsidiaries	(11)	-
Increase in loans and other financial assets	-	(1)
Exchange rate effect on other derivatives, net	(9)	11
Net cash used in investing activities	**(465)**	**(662)**
FINANCING ACTIVITIES		
Repayment of long-term debt	(5)	(4)
Increase/(decrease) in short-term debt	(560)	422
Purchase of treasury shares	-	(63)
Exchange rate effect on hedging instruments, net	(5)	(10)
Net cash used in/(provided by) financing activities	**(570)**	**345**
Net change in cash and cash equivalents	**(111)**	**(2,193)**
Effect of changes in exchange rates and other impacts on cash and cash equivalents	-	(1)
Cash and cash equivalents at the beginning of the period	223	2,584
Cash and cash equivalents at the end of the period	**112**	**390**

1. Telekomunikacja Polska S.A.

Telekomunikacja Polska S.A. ("Telekomunikacja Polska" or "the Company" or "TP S.A."), a joint stock company, was incorporated and commenced its operations on 4 December 1991.

The Company is the principal supplier of telecommunications services in Poland. Telekomunikacja Polska provides fixed-line telephony services (local, domestic and international calls), Integrated Services Digital Network ("ISDN"), fixed access to the Internet, TV and Voice over Internet Protocol ("VoIP"). In addition, the Company provides leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, multimedia services and various Internet services. Telekomunikacja Polska provides telecommunications services on the basis of entry number 1 in the register of telecommunications companies maintained by the President of Office of Electronic Communication ("UKE").

Telekomunikacja Polska's registered office is located in Warsaw at 18 Twarda St.

2. Statement of compliance and basis for preparation

<u>Basis for preparation</u>

These unaudited Condensed Quarterly Separate Financial Statements (the "Quarterly Separate Financial Statements") are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Quarterly Separate Financial Statements (see also Note 3).

These Quarterly Separate Financial Statements should be read in conjunction with the audited Telekomunikacja Polska S.A. IFRS Separate Financial Statements and the notes thereto ("IFRS Separate Financial Statements") for the year ended 31 December 2012.

The Quarterly Separate Financial Statements include the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

These Quarterly Financial Statements are prepared in millions of Polish zloty ("PLN") and were authorised for issuance by the Management Board on 22 April 2013.

<u>Adoption of standards in 2013</u>

The following standards endorsed by the European Union were adopted by the Company as at 1 January 2013:

- IFRS 10 "Consolidated Financial Statements". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 11 "Joint Arrangements". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 12 "Disclosure of Interests in Other Entities". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2014, with early application permitted;
- IFRS 13 "Fair Value Measurement". This standard has been endorsed by the European Union and it is applicable for financial years beginning on or after 1 January 2013.

Adoption of the standards presented above did not result in any significant changes to the Company's accounting policies and to the presentation of the financial statements.

Standards issued but not yet adopted

Management has not opted for early and full application of the following standard (in the process of being endorsed by the European Union):

- IFRS 9 "Financial Instruments" applicable for financial years beginning on or after 1 January 2015. This standard has not been endorsed by the European Union.

Management is currently analysing the practical consequences of this new standard and the effect of its application on the financial statements.

3. Statement of accounting policies

The accounting policies and methods of computation used in the preparation of the Quarterly Separate Financial Statements are consistent with those described in the audited IFRS Separate Financial Statements for the year ended 31 December 2012 (see Notes 2 and 28 to IFRS Separate Financial Statements for the year ended 31 December 2012).

4. Explanatory comments about the seasonality or cyclicality of interim operations

The Company's activities are not subject to any significant seasonality or cyclical trends of operations.

5. Acquisitions of investments in subsidiaries

The list of subsidiaries of the Company as at and for the 3 months ended 31 March 2013 is presented in the Note 16.1 to the IFRS Separate Financial Statements for the year ended 31 December 2012.

Additionally, on 15 March 2013 the Company purchased a 100% shareholding in Datacom System S.A. – a provider of integrated IT services. The purchase price amounted to PLN 13 million, of which PLN 11 million was paid and PLN 2 million will be paid after one year.

6. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

Apart from the major litigation and claims described in Note 9, operational activities of the Company are subject to legal and administrative regulations and the Company is a party to a number of legal proceedings and commercial contracts related to its operational activities. As at 31 March 2013, the Management of the Company performed an assessment of risks of on-going and potential proceedings. As a result, the Company recognised provisions for known and quantifiable risks related to these proceedings, which represent the Company's best estimate of the amounts which are more likely than not to be paid. The actual amount of a penalty or a claim, if any, is dependent on a number of future events, the outcome of which is uncertain, and as a consequence, the amount of the provision may change at a future date. As a rule, the provisions are not disclosed on a case-by-case basis, as, in the opinion of the Management, such disclosure could prejudice the outcome of the pending cases.

The amount of cash flows from operating activities for the 3 months ended 31 March 2012 includes the effect of the settlement agreement with DPTG resulting in a payment of EUR 550 million (PLN 2,449 million).

7. Redemption of treasury shares and issuance of TP S.A. short term bonds

Redemption of treasury shares

On 11 April 2013, the General Meeting of TP S.A. adopted resolutions on the redemption of 23,291,542 own shares acquired by the Company in 2012 and 2011 for a total consideration of PLN 400 million and on the reduction of the Company's share capital from PLN 4,007 million to PLN 3,937 million with the effective date being the date of registration by the Registry Court (expected in the second quarter of 2013).

Issuance of TP S.A. short term bonds under Bond Issuance Programme

In the 3 months ended 31 March 2013, TP S.A. issued and redeemed short-term bonds to its subsidiaries under the TP S.A. Bond Issuance Programme of 15 July 2002. The bonds are denominated in PLN and have been offered by private placement, exclusively within the territory of the Republic of Poland. The bonds have been issued as non-material unsecured bearer discount bonds (zero-coupon bonds). The bonds are redeemed at their par value. TP S.A. does not anticipate introducing the bonds into public trading.

In the 3 months ended 31 March 2013, the net cash flows on the bonds amounted to PLN (235) million. As a result of the issues and redemptions, the aggregate par value of the outstanding bonds issued under the programme amounted to PLN 1,178 million as at 31 March 2013.

8. Dividends

On 11 April 2013, the General Meeting of TP S.A. adopted a resolution on the payment of an ordinary dividend of PLN 0.50 per share from the 2012 profit. Total dividend, amounting to PLN 656 million, will be paid on 11 July 2013.

9. Changes in major litigation and claims, contingent liabilities and contingent assets since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 25.c-d to the IFRS Separate Financial Statements for the year ended 31 December 2012 or describes major matters that occurred after 31 December 2012.

a. Proceedings by UKE and UOKiK

Proceedings by UKE related to broadband access
With respect to the appeal proceedings concerning the annulled PLN 339 million fine, on 6 March 2013, the Supreme Court refused to examine the cassation appeal lodged by UKE. That decision ended the appeal procedure on the fine imposed by UKE on TP S.A. in 2007.
With respect to in the appeal proceedings concerning the annulled PLN 100 million fine, there were no developments after UKE lodged an appeal in cassation to the Supreme Court against the verdict of the Court of Appeal of 4 July 2012.

Proceedings by UOKiK related to IP traffic
After subsequent stages of the appeal procedure, the Court of Appeal, on 9 April 2013, dismissed both appeals filed by UOKiK and TP S.A. against the verdict of SOKiK of 11 April 2011 reducing the fine imposed on the Company from PLN 75 million to PLN 38 million. The verdict of SOKiK lowering the fine is binding. UOKiK and TP S.A. can lodge a cassation appeal to the Supreme Court against the decision of the Court of Appeal of 9 April 2013.

b. Proceedings by the European Commission related to broadband access

The written stage of the appeal procedure before the General Court is ongoing. TP S.A. has not yet been notified on any scheduled hearing date.

The Management assesses the matters related to the European Commission decision on a regular basis taking into account their developments.

c. Proceedings by the tax authorities

The Fiscal Audit Office has recently completed a control relating to TP S.A.'s year 2009 and, on 16 April 2013, issued a protocol. A protocol does not end the audit proceedings and does not decide on the obligations of the Company. The protocol raises certain questions as regards tax settlements made. The Company must respond to this by April 30, 2013.

d. Guarantees

As at 31 March 2013 and 31 December 2012, total guarantees granted by Telekomunikacja Polska S.A. to purchasers of debt securities denominated in EUR and issued by a subsidiary amounted to PLN 3,075 million and PLN 2,967 million, respectively.

10. Related party transactions

As at 31 March 2013, France Telecom S.A. owned 49.79% of shares of the Company and had the power to appoint the majority of TP S.A.'s Supervisory Board members. The Supervisory Board appoints and dismisses members of the Management Board. The shareholding of France Telecom S.A. will increase to 50.67% upon registration of the redemption of own shares by the Registry Court (see Note 7).

TP S.A.'s income earned from its subsidiaries comprises mainly leased lines and interconnect, data transmission, property rental and related fees and fees for distribution of products through its own sales network. The purchases from the subsidiaries comprise mainly customer support and management services, selling fees, costs of interconnect, leased lines, network services, consulting services and property rental and related fees. Costs incurred by the Company in transactions with its subsidiaries also comprise donations to Fundacja Orange.

Income earned from the France Telecom Group comprises mainly research and development services, interconnect, data transmission and reimbursement of rebranding expenditures in 2012. The purchases from the France Telecom Group comprise mainly costs of leased lines, interconnect, network services, IT services, consulting services and brand fees.

TP S.A.'s financial income earned from its subsidiaries comprises dividends, interest on bonds issued by subsidiaries and interest on loans granted to subsidiaries. Financial costs incurred by TP S.A. in transactions with related parties mainly comprise interest on bonds issued to the subsidiaries, interest on loans from the subsidiaries. The Company's financial receivables from its related parties mainly comprise bonds issued by subsidiaries, unpaid dividends from and loans granted to the subsidiaries, together with accrued interests. Financial payables to related parties comprise bonds issued to the subsidiaries and loans from the subsidiaries, together with accrued interests.

(in PLN millions)	*3 months ended 31 March 2013*	*3 months ended 31 March 2012*
Sales of goods, services and other income from:	**359**	**333**
TP Group (subsidiaries)	318	254
France Telecom Group	41	79
- France Telecom S.A. (parent)	27	27
- France Telecom (group excluding parent)	14	52
Purchases of goods (including inventories, tangible and intangible assets) and services from:	**328**	**366**
TP Group (subsidiaries)	281	321
France Telecom Group	47	45
- France Telecom S.A. (parent)	18	30
- France Telecom (group excluding parent)	29	15
- including Orange Brand Services Limited (brand licence agreement)	*16*	-
Financial income:	**795**	**257**
TP Group (subsidiaries)	795	257
Financial expense:	**120**	**125**
TP Group (subsidiaries)	120	124
France Telecom S.A. (parent)	-	1

(in PLN millions)	*At 31 March 2013*	*At 31 December 2012*
Receivables from:	**322**	**298**
TP Group (subsidiaries)	278	241
France Telecom Group	44	57
- France Telecom S.A. (parent)	29	41
- France Telecom (group excluding parent)	15	16
Financial receivables from:	**2,937**	**2,920**
TP Group (subsidiaries)	2,937	2,920
Payables to:	**294**	**335**
TP Group (subsidiaries)	226	268
France Telecom Group	68	67
- France Telecom S.A. (parent)	37	36
- France Telecom (group excluding parent)	31	31
Financial payables to:	**6,969**	**7,169**
TP Group (subsidiaries)	6,969	7,169

Compensation (remuneration, bonuses and termination indemnities, including compensation under a competition prohibition clause - cash, benefits in kind or any other benefits) paid in accordance with contractual commitments to TP S.A.'s Management Board and Supervisory Board members during the 3 months ended 31 March 2013 and 2012 amounted to PLN 3 million and PLN 3.5 million, including PLN 0.7 million and PLN 1.4 million accrued in previous periods, respectively. During the 3 months ended 31 March 2013 and 2012, the amount of accrued cost of compensation for the Company's Management Board amounted to PLN 0.9 million and PLN 0.9 million.

11. Subsequent events

On 17 April 2013, TP S.A. and Atlas Services Belgium S.A., a subsidiary of France Telecom S.A., concluded a Revolving Credit Facility Agreement for up to EUR 250 million (available in EUR and PLN) and a Credit Facility Agreement for up to EUR 400 million. The repayment date of both agreements is 31 March 2016. Additionally, TP S.A. concluded a Cash Management Treasury Agreement with France Telecom S.A. enabling the Company to deposit its cash surpluses on France Telecom S.A. account and giving an access to back-up liquidity funding with headroom up to PLN 1.75 billion. TP S.A. concluded also an agreement with France Telecom S.A. concerning derivative transactions to hedge exposure to foreign currency risk related to the financing provided in EUR. Financial terms of the above agreements are based on market conditions.