LSE – Current Report (20/2011)
Telekomunikacja Polska S.A., (TPSA) – Warsaw, Poland
February 23rd, 2011

Pursuant to art. 56, clause 1, item 1 of the Law of July 29, 2005 on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies (Journal of Laws of 2005, No. 184, item 1539 with amendments), the Management Board of Telekomunikacja Polska S.A. ("TP S.A", "TP") hereby provides selected financial and operating data related to the activities of TP Group for 4Q and the full year 2010.

TP Group reports results for the full year 2010 above guidance

TP Group reports performance upturn in 4Q 2010

overview

- **2010 revenue decline limited to 5.1% (-8.8% in 2009), reflecting four consecutive quarters of improvement in trend**
  - **Group 4Q revenue down by 1.2% year-on-year, versus -3.9% in 3Q**
  - **4Q mobile revenue up by 6.4% year-on-year as compared to +1.7% in 3Q**
- **2010 commercial successes: 618,000 additional mobile customers and 172,000 growth in TV subscribers**
- **2010 restated[1] EBITDA margin at 36.7%, reflecting ~PLN 0.5bn cost savings**
- **2010 restated[1] net income down by 6.5% year-on-year, compared to -41.4% in 2009**
- **net free cash flow objective exceeded: PLN2.45bn**
- **cash dividend of PLN 1.5 per share proposed by management[2]**

key figures (PLN million) IFRS	**4Q 2010**	**4Q 2009**	**change**	**FY 2010**	**FY 2009**	**change**
revenue	3,957	4,005	-1.2%	15,715	16,560	-5.1%
fixed line segment	2,211	2,377	-7.0%	9,028	9,863	-8,5%
mobile segment	2,002	1,882	+6.4%	7,711	7,745	-0.4%
restated[1] EBITDA	1,380	1,461	-5.5%	5,772	6,280	-8.1%
restated[1] EBITDA (as a % of revenue)	34.9%	36.5%	-1.6pp	36.7%	37.9%	-1.2 pp
EBITDA (reported)	1,380	1,461	-5.5%	4,711	6,280	-25.0%
restated[1] net income	218	252	-13.5%	1,200	1,283	-6.5%
net free cash flow	445	1,165	-61.8%	2,454	3,233	-24.1%

commenting on TP Group's performance in 2010, Mr. Maciej Witucki, President of the Board and Chief Executive Officer, said:

"TP Group's performance in 2010 reflects the execution of our medium-term action plan, quarter after quarter. We met all of our objectives, and even exceeded our net free cash flow target. Commercial successes have enabled us to stabilise Group's revenue trends. Mobile revenue is back to visible growth levels, reflecting a significant increase of the customer base. Benefitting from the cost-plus bitstream pricing model, we have reduced our broadband pricing to competitive levels. As a result, we have returned to a growing number of broadband customers. We have also maintained a strict cost discipline to the benefit of our profitability and cash generation.

Looking ahead, we will continue our turnaround through further implementation of the medium term action plan, striving to achieve strengthened market leadership, revenue rebound and sustainable profitability. As 2011 is the next step of our strategy, we now focus on developing best-in-class customer service. I believe this will be the next differentiating factor for TP Group and I have already launched a company-wide program, called misja klient, to focus the entire staff around customer excellence."

[1] excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010
[2] subject to AGM approval

2010: financial review

2010 revenue decline limited to 5.1% in comparison to -8.8% in 2009, reflecting four quarters of improving trends

According to the Group's estimates, the value of the Polish telecom market had decreased by 2.6% in 2010, yet undergoing a visible rebound throughout the year, from a 6.8% year-on-year decline in 1Q to a +1.4% growth by quarter 4. The positive change was predominantly driven by the mobile market, which after a 7.5% year-on-year decline in 1Q evolved to a 5.1% growth in quarter 4. Strong growth in the number of customers and gradual decrease of the MTR impact on the year-on-year comparison (MTR cuts implemented in March and July 2009) were the main reasons for the mobile market rebound.

TP Group revenues had broadly followed the market trend and approached stabilisation by 4Q; 10.2% year-on-year decline reported in 1Q was gradually decreased, to reach 1.2% in quarter 4. Full year revenue had declined by 5.1%, as compared to the 8.8% decrease reported in 2009. Similarly to market trends, TP Group's mobile segment was the main driver for the improvement. It started the year with a 9.1% year-on-year decline in quarter 1 and rebounded to a 6.4% growth of the top-line in 4Q. The turnaround in mobile segment's revenue evolution was driven by a decreasing MTR impact, 4.5% growth of the customer base and a double-digit increase in usage.

2010 restated[3] EBITDA margin at 36.7%, reflecting ~PLN0.5bn cost savings

At a 36.7% margin, TP Group's restated[3] EBITDA for 2010 was down by 8.1% year-on-year, compared to a 16.5% decline in 2009. It was strongly helped by a ~PLN 0.5bn cost savings, which had offset the negative drivers of EBITDA evolution; mainly the contraction of the top-line. Contribution of the mobile segment continued to be substantial, with its full-year EBITDA up by 1.9% since 2009 and at a 29.3% margin.

2010 restated[3] net income down by 6.5% year-on-year as compared to -41.4% in 2009

TP Group's restated[3] net income stood at PLN 1.2bn in 2010 and was only PLN 83mn lower than in 2009, showing strong resilience to revenue erosion. Lower EBITDA was largely offset by an 8.6% year-on-year decline in the depreciation charge, as well as by an 8% decrease in net financial costs. As an effect, the restated[3] net margin stands at 7.6% in 2010 as compared to 7.7% in 2009.

Both EBITDA and net income have been affected in 2010 by an increase in provisions for claims and litigation, bringing the reported numbers down to PLN 4.7bn and PLN 0.1bn respectively.

net free cash flow at PLN 2.45bn, exceeding the full year guidance

TP Group's net free cash flow amounted to PLN 2.45bn in 2010, which was above the guidance objective of "at least PLN 2.3bn". In comparison to 2009, full-year net free cash flow was down by PLN 0.8bn or 24%. Net cash from operating activities (before income tax paid and working capital requirement) was down by PLN 0.6bn, mainly reflecting lower EBITDA. Lower cash flow from operating activities was coupled with a PLN 0.5bn year-on-year increase in capital expenditure, driven by the capex ramp-up for broadband investments. This was however offset by a PLN +0.4bn impact of lower working capital requirement and smaller cash outflows to fixed assets suppliers.

[3] excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

2010: mobile segment review

- **revenue down by -0.4% year-on-year, versus -10.2% in 2009, reflecting a strong rebound, visible on a quarterly basis:**
    - **4Q revenue up by 6.4% year-on-year as compared to +1.7% in 3Q**
- **2010 EBITDA up by 1.9% and at 29.3% margin, as compared to 28.6% in 2009**
- **successful marketing reflected in +618,000 customer base growth, including 191,000 in 4Q of 2010**
- **Orange achieved market leadership and outpaced main rivals in customer growth**
- **dedicated mobile broadband subscriptions up by 41% since 2009**
- **22% of post-paid sales and retentions generated by smartphone devices in 4Q**

key figures

mobile segment	4Q 2010	4Q 2009	Change	FY 2010	FY 2009	Change
Revenues (PLN million)	2,002	1,882	+6.4%	7,711	7,745	-0.4%
Number of total customers (000's)	14,332	13,714	+4.5%			
Number of post-paid customers (000's)	6,956	6,624	+5.0%			
Number of prepaid customers (000's)	7,375	7,090	+4.0%			
Number of mobile broadband access (000’s)	547	388	+41.0%			
EBITDA margin (as a % of revenue)	28.9%	30.4%	-1.5 pp	29.3%	28.6%	0.7 pp

Mobile segment revenue evolution has improved considerably throughout 2010, starting the year with a 9.1% year-on-year decline in 1Q and rebounding to a 6.4% growth in quarter 4. In effect, the full year revenue evolution was at -0.4% in 2010, which is a significant improvement to the 10.2% decline reported for 2009.

The improvement in revenue trend can be attributed to two main factors; decreasing of the adverse impact of the 2009 MTR cuts (made in March and July of 2009), as well as robust development of Orange’s customer base. The latter has grown by 618,000 throughout the year (as compared to a 469,000 decline in 2009[4]), with positive net additions in each quarter. This turnaround in customer base dynamics was possible thanks to the new, usage-segmented marketing offers, introduced by Orange in both post-paid and prepaid segments. Positive development of the customer base was coupled with over 16% growth of average usage per user, which has partially offset the impact of price reductions on the ARPU.

2010 mobile segment EBITDA was up by 1.9% since last year and stood at a 29.3% margin, in comparison to 28.6% in 2009. Increased efficiency was achieved mainly thanks to the cost optimisation program.

[4] including the 2009 customer base rationalisation

2010: fixed segment review

- **revenue down by 8.5% since 2009, but with an improving quarterly trend**
  - **4Q down by 7.0% year-on-year as compared to -7.5% in 3Q and -8.7% in 2Q**
- **2010 cost base[5] down by 5.9%, reflecting benefits from cost optimisation program**
- **restated EBITDA margin[6] at 38.9% as compared to 41.2% in 2009**
- **broadband customer base is back to growth, with 17,000 net additions in 4Q**
  - **new, competitive pricing and broadband action plan delivering results**
- **TV customer base up by 46% since 2009 and reaching 544,000,**
  - **number of premium pay-TV subscribers tripled since 2009, to reach 125,000**

key figures

fixed segment	4Q 2010	4Q 2009	Change	FY 2010	FY 2009	Change
Revenue (PLN million)	2,211	2,377	-7.0%	9,028	9,863	-8.5%
Number of retail fixed lines (000's)[7]	6,346	7,076	-10.3%			
Number of retail broadband accesses (000's)	2,286	2,273	+0.6%			
Number of TV customers (000's)	544	372	+46.2%			
restated[6] EBITDA margin (as a % of revenue)	36.3%	37.4%	-1.1 pp	38.9%	41.2%	-2.3pp

TP Group's fixed business remains under intensive competition and fixed to mobile substitution. Nevertheless, the revenue trends have been gradually improving throughout 2010, starting from a year-on-year revenue decline of 10.5% in quarter 1 and limiting the erosion to 7% in quarter 4. Fixed segment's top-line has decreased by 8.5% since 2009, driven mainly by a structural decrease of the number of fixed line subscribers. Significant progress has been made in broadband; benefitting from the cost-plus pricing model for bitstream access, TP Group was able to significantly reduce its pricing in October 2010 and broadband pricing was moved back to within market price range. The price reduction brought concrete results, reflected in 17,000 broadband net additions in 4Q, which enabled TP Group to report a slight year-on-year growth of the number of its broadband subscribers. The TV offering has continued its growth path and was up by 46% since 2009, exceeding 544,000 by the year's end.

Fixed segment's restated[6] EBITDA margin was at 38.9% in 2010 as compared to 41.2% in 2009. The decline was predominantly caused by erosion of the top-line, offset by a 5.9% year-on-year decline of the cost base[5]. Savings were generated thanks to the Group-wide cost optimisation program, which contributed to a 7.6% year-on-year decline of IT expenses, 4.6% reduction in labour costs and a 6.1% decrease in fixed segment's interconnect fees.

[5] total costs up to EBITDA, excluding revision of the provisions for claims and litigations
[6] excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010
[7] including Orange WLR and Orange WLL

proposed 2010 shareholder remuneration

Based on the 2010 results, the Management Board will submit to shareholders' approval a shareholder remuneration of PLN 2,003 million, equivalent to PLN 1.50 per share, to be distributed in a form of an ordinary cash dividend.

outlook on operational trends and net free cash flow guidance for 2011

outlook on operational trends for 2011

- The Polish telecom market value will be affected by new MTR cuts expected in 2011. Nevertheless, due to the anticipated growth in customer volumes and usage, decline of the market value in 2011 should to be lower than the estimated -2.6% decrease in 2010. TP Group's revenue is anticipated to decrease year-on-year by at least 2%[8], but not more than to 4.5%[8].

- TP Group will continue its cost optimisation program to bring the cost base[8] down in 2011 versus 2010. In effect, the EBITDA margin is anticipated in a 36% to 37% range[8].

- In line with the Group's medium term action plan, capital expenditure[8] should represent 17% to 19% of revenue, including the broadband investment program, deployment of VDSL and HSPA DC technologies and the increase in 3G coverage discussed with the regulator.

2011 net free cash flow guidance

- 2011 net free cash flow generation is anticipated as at least PLN 2.4bn[8].

Commenting on full year results, Mr Jacques de Galzain, TP Group's Chief Financial Officer said:

"TP Group's performance has been solid throughout the year. The success of our marketing was complemented with a robust cost optimisation program, enabling us to deliver on all our 2010 objectives. Net free cash flow generation has been strong and a prudent balance sheet has been maintained, which allows us to maintain an attractive remuneration to our shareholders.

In 2011, whilst further implementation of our action plan concentrates mostly around restoring growth and developing excellence in customer relations, we do not decrease our commitment to generate sustainable profits and cash generation. We continue the cost optimisation program and net free cash flow generation remains our ultimate target. After 1 year of implementing the medium term action plan, we can reaffirm the strategic objectives and dividend policy as presented in the plan."

[8] excluding exceptional items, impact of claims and litigation, change in consolidation scope and unpredictable regulatory impact

Forward-looking statement

This press release contains forward-looking statements, including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'pro forma' and 'intend' or future or conditional verbs such as 'will,' 'would,' or 'may.' Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

TP Group Full Year 2010 Results Presentation
Wednesday 23rd February 2011

Venue address:
Telekomunikacja Polska S.A.
ul. Twarda 18
00-105 Warsaw,
Poland

Registration: 10.30 CET
Start: 11.00 CET

The presentation will also be available via a live webcast on our website and via a live conference call:

Time:
11:00 (Warsaw)
10:00 (London)
05:00 (New York)

Conference title:
TP Group Full Year 2010 Results

Dial in numbers:
UK/Europe: +44 20 8515 2302
US: +1 480 629 9724

Toll free numbers:
UK: 0800 358 0857
US: +1 877 941 2333

The results will be available on our website (www.tp-ir.pl) on the morning of 23rd February. If you are on the TP mailing list, you should receive further notification by email as soon as they are available.

For more information on TP go to www.tp-ir.pl

TP Group Consolidated

amounts in PLN millions	2009				2010				2009	2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY	FY
profit & loss statement										
revenues										
fixed line telephony services	**1 601**	**1 490**	**1 423**	**1 394**	**1 350**	**1 315**	**1 251**	**1 241**	**5 908**	**5 157**
retail revenue (subscriptions and traffic)	1 306	1 203	1 168	1 123	1 077	1 029	979	948	**4 800**	**4 033**
wholesale revenue incl. interconnection	289	278	248	266	269	283	267	290	**1 081**	**1 109**
Payphone revenue	6	8	7	5	4	3	5	2	**26**	**14**
Other	0	1	0	0	0	0	0	1	**1**	**1**
mobile telephony services	**1 844**	**1 815**	**1 786**	**1 743**	**1 678**	**1 787**	**1 785**	**1 815**	**7 188**	**7 065**
voice traffic revenue	1 048	1 080	1 089	1 054	998	1 079	1 073	1 043	**4 271**	**4 193**
interconnection revenue	425	364	319	315	312	349	345	355	**1 423**	**1 361**
messaging services and content	351	358	368	360	358	345	356	377	**1 437**	**1 436**
Other	20	13	10	14	10	14	11	40	**57**	**75**
data services	**645**	**656**	**645**	**645**	**639**	**636**	**623**	**619**	**2 591**	**2 517**
leased lines	84	76	79	74	73	74	71	73	**313**	**291**
data transmission	165	179	169	173	172	176	164	165	**686**	**677**
dial-up	5	3	3	3	2	1	1	1	**14**	**5**
broadband and TV revenue	391	398	394	395	392	385	387	380	**1 578**	**1 544**
radio communications	54	53	53	53	52	52	54	57	**213**	**215**
sales of goods and other	168	171	151	170	154	197	185	225	**660**	**761**
Total revenue,net	**4 312**	**4 185**	**4 058**	**4 005**	**3 873**	**3 987**	**3 898**	**3 957**	**16 560**	**15 715**
labour expenses	(611)	(592)	(560)	(589)	(592)	(566)	(522)	(538)	**(2 352)**	**(2 218)**
o/w profit-sharing	(5)	(4)	(5)	(4)	(4)	(4)	(4)	(4)	(18)	(16)
o/w share-based compensation	(6)	(9)	(8)	(20)	(2)	(2)	(2)	2	(43)	(4)
external purchases	(1 948)	(1 886)	(1 752)	(1 852)	(1 738)	(1 786)	(1 754)	(1 896)	**(7 438)**	**(7 174)**
- interconnection costs	(647)	(576)	(491)	(465)	(506)	(538)	(545)	(550)	(2 179)	(2 139)
- network and IT	(244)	(251)	(235)	(244)	(231)	(232)	(213)	(229)	(974)	(905)
- commercial expenses	(614)	(639)	(594)	(696)	(602)	(615)	(600)	(692)	(2 543)	(2 509)
- content costs	(43)	(41)	(41)	(28)	(25)	(31)	(27)	(42)	(153)	(125)
- Other external purchases	(400)	(379)	(391)	(419)	(374)	(370)	(369)	(383)	(1 589)	(1 496)
other operating incomes & expenses	(110)	(150)	(145)	(97)	(132)	(168)	(1 203)	(134)	**(502)**	**(1 637)**
- FX impact	5	0	1	0	(2)	(4)	(2)	0	6	(8)
- Dispute with DPTG							(1 061)		0	(1 061)
- provisions for claims and litigation	0	(36)	(15)	(5)	(4)	(23)	7	(101)	(56)	(121)
- other operating expenses, net	(115)	(114)	(131)	(92)	(126)	(142)	(147)	(33)	(452)	(448)
restructuring costs	1	(1)	0	(23)	0	0	0	(34)	**(23)**	**(34)**
gain/loss on diposals of assets	13	1	4	17	9	5	20	25	**35**	**59**
EBITDA	**1 657**	**1 557**	**1 605**	**1 461**	**1 420**	**1 472**	**439**	**1 380**	**6 280**	**4 711**
% of revenues	*38,4%*	*37,2%*	*39,6%*	*36,5%*	*36,7%*	*36,9%*	*11,3%*	*34,9%*	*37,9%*	*30,0%*
restated* EBITDA	**1 657**	**1 557**	**1 605**	**1 461**	**1 420**	**1 472**	**1 500**	**1 380**	**6 280**	**5 772**
% of revenues	*38,4%*	*37,2%*	*39,6%*	*36,5%*	*36,7%*	*36,9%*	*38,5%*	*34,9%*	*37,9%*	*36,7%*
depreciation & amortisation	(1 060)	(1 053)	(1 048)	(989)	(941)	(965)	(941)	(945)	**(4 150)**	**(3 792)**
impairment of fixed assets	13	(3)	(28)	(15)	(5)	0	(1)	(5)	**(33)**	**(11)**
EBIT	**610**	**501**	**529**	**457**	**474**	**507**	**(503)**	**430**	**2 097**	**908**
% of revenues	*14,1%*	*12,0%*	*13,0%*	*11,4%*	*12,2%*	*12,7%*	*-12,9%*	*10,9%*	*12,7%*	*5,8%*
financial result	**(199)**	**(65)**	**(108)**	**(127)**	**(115)**	**(98)**	**(128)**	**(118)**	**(499)**	**(459)**
- interest expenses, net	(94)	(51)	(101)	(117)	(113)	(66)	(117)	(103)	(363)	(399)
- foreign exchanges gains (losses)	(40)	(3)	5	8	15	(4)	5	7	(30)	23
- discounting expenses	(65)	(11)	(12)	(18)	(17)	(28)	(16)	(22)	(106)	(83)
income tax	(83)	(60)	(94)	(78)	(74)	(84)	(89)	(94)	(315)	(341)
consolidated net income after tax	**328**	**376**	**327**	**252**	**285**	**325**	**(720)**	**218**	**1 283**	**108**

* excluding the PLN 1.1bn impact of revision of the provision for the DPTG dispute, recorded in 3Q2010

Key operational performance indicators for TP Group

Fixed Voice	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
customer base								
Main lines (thousands)								
POTS	*6 691*	*6 481*	*6 274*	*6 068*	*5 895*	*5 742*	*5 536*	*5 331*
ISDN 2B+D	*754*	*734*	*712*	*701*	682	665	646	629
ISDN 30B+D	*276*	*271*	*269*	*264*	264	265	266	258
WLR PTK	*3,3*	*16,7*	*30*	*44*	*50*	*67*	*84*	*100*
WLL PTK					2	*12*	*20*	*26*
Total retail main lines	***7 724***	***7 503***	***7 285***	***7 076***	***6 893***	***6 750***	***6 553***	***6 346***
WLR	*1 023*	*1 102*	*1 167*	*1 211*	*1 246*	*1 279*	*1 315*	*1 351*
ARPU per month								
Fixed voice ARPU (in PLN)	55,2	52,5	52,6	52,0	50,9	49,9	49,0	49,1
fixed voice market								
Fixed vioce penetration (in households)[3]	59,4%	58,8%	57,9%	57,3%	56,7%	56,2%	55,5%	54,6%
Local access market in Poland-estimated (in million)	10,6	10,5	10,3	10,3	10,3	10,2	10,1	10,0
Fixed voice market share (%)								
Volume								
Overall Traffic M/S[2]:	*77,4%*	*76,4%*	*76,1%*	*75,6%*	*75,3%*	*74,6%*	*73,5%*	*71,6%*
TP Group retail local access[3]	*73,2%*	*71,4%*	*70,0%*	*68,4%*	*67,2%*	*66,2%*	*64,8%*	*63,7%*
Value market share[3]	*73,1%*	*71,8%*	*71,5%*	*70,9%*	*70,5%*	*70,1%*	*69,2%*	*68,8%*

[1] Traffic market share measured at the end of each quarter based on TP network in Mass and Business Segment

[2] Local access without Wholesale Line Rental but with Orange WLR part

[3] company's estimation

Fixed Broadband and TV	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
customer base								
Broadband access lines (thousands)								
TP (ADSL & SDI)	2 116	2 117	2 102	2 072	2 040	2 022	2 004	1 994
Orange - based on CDMA	16	34	53	72	88	101	121	141
Orange - based on BSA	111	117	123	129	134	138	144	151
TP Group retail broadband - total	**2 243**	**2 268**	**2 278**	**2 273**	**2 262**	**2 261**	**2 269**	**2 286**
Bitstream access	*277*	*295*	*309*	*327*	*356*	*370*	*371*	*376*
LLU	*4*	*8*	*24*	*52*	*62*	*76*	*102*	*130*
TV client base								
IPTV	86	95	107	109	111	113	114	115
DTH (TV over Satellite)	112	144	176	263	306	340	383	428
TV client base (thousands)	**198**	**239**	**283**	**372**	**417**	**453**	**497**	**544**
o/w customers with pay TV packages[4]	6	10	16	41	64	79	97	125
VoIP client base (thousands)	162	156	150	140	123	143	140	137
Livebox client base (thousands)	582	614	645	702	727	741	760	778
ARPU per month								
TP Ggroup ARPU - Broadband & TV (in PLN)	58,7	58,8	58,0	57,7	57,7	56,6	56,9	55,8
broadband market[5]								
B2C Broadband penetration (in households)	39,7%	40,2%	40,7%	41,5%	42,1%	42,4%	42,8%	43,6%
Total broadband market customers - estimated (in '000)	5 717	5 821	5 922	6 079	6 190	6 267	6 356	6 501
TP Group gross adds market share	36,8%	35,4%	34,2%	30,5%	33,5%	30,2%	31,4%	33,0%
TP Group net adds market share	32,1%	25,0%	9,8%	-3,4%	-9,9%	-0,7%	8,7%	12,1%
TP Group volume market share (in %)	39,2%	39,0%	38,5%	37,4%	36,5%	36,1%	35,7%	35,2%
TP Group value market share (in %)	49,5%	49,5%	48,8%	47,5%	46,6%	45,4%	44,8%	43,6%

[4] includes TP's M-, L – packages, Orange Sport and HBO

[5] company's estimation

Mobile Segment	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
customer base								
Mobile customer base (thousands)								
Post-paid	6 310	6 449	6 507	6 623	6 712	6 791	6 828	6 956
Pre-paid	7 370	7 318	7 228	7 090	7 062	7 238	7 312	7 375
NMT	1	1	1	1	1	1	1	1
Total	**13 681**	**13 768**	**13 736**	**13 714**	**13 774**	**14 029**	**14 141**	**14 332**
MVNOs customers	41	48	48	51	54	56	52	70
Dedicated mobile broadband subscription client base (thousands)[1]	368	378	375	388	400	433	478	547
Number of smartphones (thousands)	919	1 007	1 076	1 143	1 214	1 299	1 408	1 489
ARPU								
Monthly mobile customer ARPU in quarter (PLN)								
post-paid	75,1	72,9	69,4	67,6	64,5	69,0	66,9	67,2
pre-paid	20,2	20.5	20,9	19,9	19,2	19,7	20,3	19,4
Blended	44,8	44,9	43,8	42,7	41,2	43,6	42,8	42,5
Retail ARPU (PLN)	33,6	35,1	35,4	34,4	33,0	34,2	33,8	33,4
Wholesale ARPU (PLN)	11,2	9,8	8,4	8,3	8,2	9,0	8,8	8,9
Voice ARPU (PLN)								
post-paid	58.4	56.4	52,9	51,2	48,8	53,0	51,3	50,3
pre-paid	14.5	14.1	14,4	13,3	12,8	13,5	14,0	13,1
Blended	34.2	33.8	32,6	31,4	30,3	32,7	32,0	31,1
Data ARPU (PLN)								
post-paid	4,7	4,5	4,5	4,5	4,5	4,4	4,7	5,2
pre-paid	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,4
Blended	2,3	2,3	2,3	2,3	2,4	2,3	2,5	2,7
SMS&MMS and other ARPU (PLN)								
post-paid	12,0	12,0	12,0	11,9	11,3	11,6	10,8	11,8
pre-paid	5,4	6,0	6,2	6,3	6,1	5,9	5,9	5,9
Blended	8,4	8,8	9,0	9,0	8,6	8,6	8,3	8,7
volumes & churn								
AUPU (in minutes)								
post-paid	206,5	215.2	215,3	220,1	219,2	229,0	229,3	235,2
pre-paid	60.3	65.6	71,3	70,7	78,0	98,4	99,2	99,4
Blended	125,8	135.3	139,2	141,9	146,6	161,8	162,1	165,1
Mobile customer churn rate (%)								
post-paid	2.8	2.6	3,1	3,3	3,1	2,8	3,6	3,1
pre-paid	20.7	14.2	17,7	16,6	15,1	13,7	16,2	16,1
subsidies								
SAC (PLN)								
post-paid[2]	512,8	524,9	488,6	489,9	485,2	486,6	533,7	536,4
pre-paid[2]	12,1	12,1	7,8	10,6	9,8	10,5	9,4	9,8
Blended[2]	136,3	131,9	118,2	138,4	133,5	121,2	128,5	143,6
SRC (PLN)	605,9	646,9	580,4	594,3	531,0	535,8	537,7	554,0
network coverage								
Orange 2G coverage in % of population:	99.5%	99.5%	99.5%	99.5%	99.5%	99,6%	99,6%	99,6%
Orange 3G coverage in % of population:	52.9%	54.4%	54,9%	55,3%	55,4%	56,0%	56,3%	58,5%
Mobile market								
Market penetration rate for mobile network services	115.2%	116,4%	116,7%	117,8%	118,5%	119,8%	121,4%	123,7%
Orange mobile market share in volume	31,1%	31,0%	30,8%	30,5%	30,6%	30,7%	30,5%	30,4%
Orange mobile market share in value[3]	32,1%	30,8%	31,0%	30,8%	31,5%	31,9%	31,1%	31,1%

[1] includes Business Everywhere and Orange Free

[2] data has been changed back from Q1 2009 due to correction on provision expense from SAC to prepay voucher commisions

[3] 2010 data are company's estimation

Employment structure of TP Group *Full time positions (end of period)*	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
TP SA	23 152	22 534	22 136	21 089	20 466	19 594	19 090	15 286
Other (incl Orange Customer Service)	2 772	2 419	2 393	2 520	2 582	2 634	2 669	7 783
Total fixed line	**25 924**	**24 953**	**24 529**	**23 609**	**23 048**	**22 228**	**21 759**	**23 069**
PTK Centertel	3 559	3 645	3 638	3 672	3 652	3 659	3 653	2 161
Other		358	359	385	388	398	397	406
Total mobile segment	**3 559**	**4 003**	**3 997**	**4 057**	**4 040**	**4 057**	**4 050**	**2 567**
TP Group	**29 483**	**28 955**	**28 525**	**27 667**	**27 089**	**26 285**	**25 809**	**25 636**

Terms used:

Churn rate – The number of customers who disconnect from a network in a given period. divided by the weighted average number of customers in the same period
ARPU – Average Revenue Per User
AUPU – Average Minutes of use Per User
LLU - Local Loop Unbundling
MTR - Mobile Termination Rates
SAC – Subscribers Acquisition Cost
SRC - Subscribers Retention Cost
WLR – Wholesale Line Rental
WLL - Wireless Local Loop - a term for the use of a wireless communications, the "first mile"