**LSE – Current Report (50/2011)**
**Telekomunikacja Polska S.A., (TPSA) – Warsaw, Poland**
**April 21st, 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 the 1Q 2011.

**TP Group reports results for 1Q 2011 in line with its full-year outlook and reaffirms its 2011 objectives**

## 1Q 2011 highlights

- **revenue decline contained to 3.7% year-on-year, compared to -5.1% in FY 2010**
- **mobile segment revenue up 2.2% year-on-year (+4.4% excluding SMS MTR impact)**
- **88,000 new mobile customers accelerate year-on-year growth of the base to 4.7%**
- **11,000 net additions to retail broadband base confirm a sustainable recovery**
- **stable EBITDA margin, at 36.1% versus 36.7% a year ago**
    - **cost base down 2.8%, reflecting PLN 59mn cost savings in 1Q 2011**
    - **mobile EBITDA up 4.6% year-on-year, with 28.2% margin vs. 27.6% in 1Q 2010**
- **net income at PLN 189mn, impacted by PLN 51mn of accelerated depreciation**
    - **excluding this, net income is down by PLN 45mn year-on-year**
- **despite high payments for capex, net free cash flow at PLN 0.4bn, FY target reaffirmed**
- **disposal of TP Emitel for PLN 1.7bn, at roughly 11x its EBITDA**

| **key figures** (PLN million) IFRS | **1Q2011** | **1Q2010** | **change** |
|---|---|---|---|
| revenue | 3,729 | 3,873 | -3.7% |
| fixed line segment[1] | 2,131 | 2,311 | -7.8% |
| mobile segment[1] | 1,856 | 1,816 | 2.2% |
| EBITDA | 1,345 | 1,420 | -5.3% |
| EBITDA (as a % of revenue) | 36.1% | 36.7% | -0.6 pp |
| net free cash flow | 398 | 464 | -14.2% |

**commenting on TP Group's 1Q performance, Mr. Maciej Witucki, President of the Board and Chief Executive Officer, said:**

"The first quarter of 2011 was marked by positive developments, highlighting the continued disciplined execution of our medium term action plan. Our financial performance confirms TP Group's full year objectives, as 1Q revenue evolution reflected the decrease of SMS termination rates, while EBITDA margin has stabilised above the 36% mark. We have made steady progress in the commercial field and maintained solid growth of our mobile and TV customers. In broadband, our customer base grew visibly for the third consecutive quarter and whilst this growth path does not yet fulfil our ambitions, it vindicates the price cuts we made in October 2010, by demonstrating sustainable improvement in subscriber base dynamics. Our Q2 agenda includes actions to boost broadband growth, such as new speed options of 40Mb/s and above, or the best bundled entertainment package in Poland – developed together with TVN. Finally, this quarter also marked further milestones in two of our strategic initiatives: we signed a PLN 1.7 billion preliminary sale agreement for our subsidiary, Emitel – a key element of 'focus on core business' strategy – and we obtained UOKiK's[2] consent for network sharing with Era, enabling us to turning this project into tangible benefits in the future."

[1] Segments as defined in TP Group's Consolidated Financial Statement
[2] Polish Office for Competition and Consumer Protection

**1Q 2011: financial review**

**despite the SMS MTR cut, revenue decline limited to 3.7% year-on-year vs. -5.1% in FY2010**

In line with TP Group's predictions, the estimated value of the Polish telecom market grew by 0.6% in 1Q, compared to a 1.9% year-on-year decline in FY2010. Growth of the market value was lower than dynamics observed in the previous quarter – 4Q 2010 was 1.4% up year-on-year - as it reflected a decrease in the SMS mobile termination rates – from PLN 0.15 to PLN 0.08 – that impacted the entire 1Q 2011. Total market value was driven upwards by its mobile component, which was 4.5% up since last year, with 3.8% decline of the fixed market constituting the main drag to its evolution.

TP Group revenue reflected the PLN 40mn impact of the SMS MTR cut and was 3.7% down year-on-year, as compared to -5.1% in FY 2010 – in line with Management's FY2011 revenue outlook of -2% to -4.5% revenue evolution. Similarly to market trends, TP Group's mobile segment was the main positive factor, growing by 2.2% since 1Q 2010, while the 7.8% decrease of fixed segment's top line brought Group's revenue down.

**1Q EBITDA margin stabilised at 36.1%, reflecting PLN 59mn cost savings**

TP Group's EBITDA margin has stabilised at 36.1% in 1Q 2011, as compared to 36.7% a year ago, in line with TP Management's full year outlook of range between 36% and 37%[3]. It continued to be driven down mainly by the erosion of fixed segment's revenue, yet this was largely offset by PLN 59mn cost savings delivered in 1Q 2011.

Contribution of the mobile segment continued to be substantial, with its 1Q EBITDA up by 4.6% year-on-year - at a 28.2% margin versus 27.6% a year ago.

**excluding accelerated depreciation, net income down by 45mn year-on-year**

TP Group's net income stood at PLN 189mn in 1Q 2011, reflecting a PLN -51mn charge linked to accelerated depreciation. Excluding this item, net income amounted to PLN 240mn and was down by 45mn in comparison to 1Q of last year.

**net free cash flow at PLN 0.4bn, in line with the full year guidance**

TP Group's net free cash flow amounted to PLN 398mn 1Q 2011, compared to PLN 464mn a year ago. Despite the revenue erosion, net cash from operating activities (before income tax paid and working capital) amounted to PLN 1,241mn, similar to 1Q 2010. TP Group's cash capital expenditures[4] amounted to PLN 948mn and rose by PLN 328mn in comparison to last year, as faster capex execution – up by PLN 152mn - was coupled with payments for investments made in 4Q 2010. Higher cash capital expenditures were offset by a PLN 266mn impact of working capital requirement, as it decreased by PLN 162mn in 1Q 2011 versus a PLN 104mn rise in 2010.

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

[4] the total of capital expenditures and of the difference in capex payables

## 1Q 2011: mobile segment review

- **revenue up by 2.2% year-on-year, compared to -0.4% in FY2010**
  - **mobile up by 4.4% since last year, excluding -PLN 40mn of the SMS MTR cut**
  - **SMS MTR cut affecting revenue evolution by PLN 40mn, but neutral to EBITDA**
- **EBITDA up by 4.6% and at 28.2% margin, as compared to 27.6% a year ago**
- **customer base growing by 4.7% year-on-year, fuelled by 88,000 additions in 1Q of 2011**
- **Orange maintained market leadership, with 30.1% volume and 30.4% value market share**
- **dedicated mobile broadband subscriptions up by ~50% year-on-year**
- **28% of 1Q post-paid sales and retentions generated by smartphone devices**
  - **number of smartphones increased by 236,000 in 1Q 2011**

**key figures**

| mobile segment | 1Q2011 | 1Q2010 | change |
|---|---|---|---|
| Revenues (PLN million) | 1,856 | 1,816 | 2.2% |
| Number of total customers (000's) | 14,420 | 13,774 | 4.7% |
| Number of post-paid customers (000's) | 6,963 | 6,713 | 3.7% |
| Number of prepaid customers (000's) | 7,457 | 7,062 | 5.6% |
| Number of mobile broadband access (000's) | 599 | 400 | 49.7% |
| EBITDA margin (as a % of revenue) | 28.2% | 27.6% | 0.6 pp |

Mobile segment revenue has grown by 2.2% year-on-year, as compared to a 0.4% decline in FY2010. Pace of growth reflected the PLN -40mn impact of the decrease in SMS termination rates – down to PLN 0.08 from PLN 0.15 - implemented with effect as of January 1st . Excluding the MTR cut, revenue was up 4.4% since last year, reflecting mainly the robust growth of Orange's customer base; it was 4.7% up since 1Q of last year, with 88,000 new customers adopting Orange in 1Q of 2011. Positive development of the customer base was coupled with 8.2% growth of average usage per user (AUPU), which partially offset the impact of price-pressure on the ARPU.

1Q mobile segment EBITDA was up by 4.6% since last year and stood at a 28.2% margin, in comparison to 27.6% in 1Q 2010. EBITDA improvement was achieved as a combination of growing revenue and optimisation of non-commercial costs.

## 1Q 2011: fixed segment review

- **revenue down by 7.8% year-on-year, compared to –8.5% in FY2010**
- **1Q cost base[5] down by 5.9% year-on-year, reflecting benefits from cost optimisation**
- **EBITDA margin at 38.5%, stable compared to 38.9% in FY 2010**
- **broadband rebound confirmed with 11,000 net additions in 1Q 2011**
  - **customer base up 35,000 since last year, driven by 2010 tariff restructuring**
- **TV customer base up by 38% year-on-year and reaching 577,000,**
  - **number of premium pay-TV subscribers reached 153,000**

**key figures**

| fixed segment | 1Q2011 | 1Q2010 | Change |
|---|---|---|---|
| Revenue (PLN million) | 2,131 | 2,311 | -7.8% |
| Number of retail fixed lines (000's)[6] | 6,164 | 6,893 | -10.6% |
| Number of retail broadband accesses (000's) | 2,297 | 2,262 | 1.5% |
| Number of TV customers (000's) | 577 | 417 | 38.3% |
| EBITDA margin (as a % of revenue) | 38.5% | 39.8% | -1.3 pp |

TP Group's fixed business remains under intensive pressure from competition and fixed to mobile substitution. Nevertheless, revenue trends have been gradually improving, with top line declining by 7.8% in 1Q 2011, in comparison to -8.5% reported for FY2010. The decrease has been mainly driven by a structural decline in the number of fixed line subscribers, while progress has been made in broadband; following price adjustments made in 2010, TP Group has been able to report three consecutive quarters of customer base growth, with 1Q 2011 as no exception – retail broadband customer base grew by 11,000 in the period. The TV offering continued to show good momentum and was up by 38% year-on-year, exceeding 577,000.

Fixed segment's EBITDA margin was at 38.5% in 1Q 2011 as compared to 39.8% a year ago. The decline was predominantly caused by erosion of the top-line, offset by a 5.9% decline of the cost base[5].

**commenting on 1Q results, Mr Jacques de Galzain, TP Group's Chief Financial Officer said:**

"TP Group's results for the first quarter are in line with our full-year outlook and guidance. Revenue number reflects impact of the SMS MTR decrease, albeit the revenue evolution is much better than the double-digit decline reported a year ago. Mobile segment's revenue has continued its growth path, supported by robust development of Orange's customer base. We stand firm in our commitment to cash generation and ensuring sustainable profits, and it is visible in our results, as the cost optimisation program helped to bring the cost base 2.8% down since last year and we stabilised the EBITDA margin within the range of our outlook. We stay focused on cutting costs and improving efficiency, increasing flexibility needed for our commercial actions and boosting margins. Net free cash flow generation remains our ultimate target and following first quarter's results, in which period our cash flow inevitably had to absorb outflows from capital expenditure incurred in Q4, we can reaffirm our full year cash flow commitments."

[5] total costs up to EBITDA
[6] including Orange WLR and Orange WLL

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.

## Telekomunikacja Polska's Management Board are pleased to invite you to the Company 's Q1 results presentation for 2011

**TP Group 2011 Q1 Results Presentation**
**Thursday 21 April 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 Q1 Results

**Dial in numbers:**
UK/Europe: +44-207-190-1530
US: +1-480-629-9774

**Toll free numbers:**
UK: 0800-358-5256
US: +1-800-762-8795

The results will be available on our website (www.tp-ir.pl) on the morning of 21st April. If you are on the TP mailing list, you should receive further notification by email as soon as they are available.

If you wish to attend this event in person, please reply to Susan Peterssen by 20th April:
Phone: +44 (0) 20 7462 4382
Email: tpsa@imagination.com

## TP Group Consolidated

| amounts in PLN millions | 2010 1Q | 2010 2Q | 2010 3Q | 2010 4Q | 2011 1Q |
|---|---|---|---|---|---|
| **profit & loss statement** | | | | | |
| **revenues** | | | | | |
| **fixed line telephony services** | **1,350** | **1,315** | **1,251** | **1,241** | **1,190** |
| retail revenue (subscriptions and traffic) | 1,077 | 1,029 | 979 | 948 | 915 |
| wholesale revenue incl. interconnection | 269 | 283 | 267 | 290 | 272 |
| Payphone revenue | 4 | 3 | 5 | 2 | 3 |
| Other | 0 | 0 | 0 | 1 | 0 |
| **mobile telephony services** | **1,678** | **1,787** | **1,785** | **1,815** | **1,691** |
| voice traffic revenue | 998 | 1,079 | 1,073 | 1,043 | 990 |
| interconnection revenue | 312 | 349 | 345 | 355 | 301 |
| messaging services and content | 358 | 345 | 356 | 377 | 369 |
| Other | 10 | 14 | 11 | 40 | 31 |
| **data services** | **639** | **636** | **623** | **619** | **612** |
| leased lines | 73 | 74 | 71 | 73 | 71 |
| data transmission | 172 | 176 | 164 | 165 | 165 |
| dial-up | 2 | 1 | 1 | 1 | 1 |
| broadband and TV revenue | 392 | 385 | 387 | 380 | 375 |
| radio communications | 52 | 52 | 54 | 57 | 58 |
| sales of goods and other | 154 | 197 | 185 | 225 | 178 |
| **Total revenue,net** | **3,873** | **3,987** | **3,898** | **3,957** | **3,729** |
| | | | | | |
| labour expenses | (592) | (566) | (522) | (538) | (556) |
| o/w profit-sharing | (4) | (4) | (4) | (4) | (3) |
| o/w share-based compensation | (2) | (2) | (2) | 2 | 0 |
| external purchases | (1,738) | (1,786) | (1,754) | (1,896) | (1,703) |
| - interconnection costs | (506) | (538) | (545) | (550) | (475) |
| - network and IT | (231) | (232) | (213) | (229) | (215) |
| - commercial expenses | (602) | (615) | (600) | (692) | (605) |
| - content costs | (25) | (31) | (27) | (42) | (32) |
| - Other external purchases | (374) | (370) | (369) | (383) | (376) |
| other operating incomes & expenses | (132) | (168) | (1,203) | (134) | (130) |
| - FX impact | (2) | (4) | (2) | 0 | (5) |
| - Dispute with DPTG | | | (1,061) | | |
| - provisions for claims and litigation | (4) | (23) | 7 | (101) | (3) |
| - other operating expenses, net | (126) | (142) | (147) | (33) | (122) |
| restructuring costs | 0 | 0 | 0 | (34) | 0 |
| gain/loss on diposals of assets | 9 | 5 | 20 | 25 | 5 |
| **EBITDA** | **1,420** | **1,472** | **439** | **1,380** | **1,345** |
| *% of revenues* | *36.7%* | *36.9%* | *11.3%* | *34.9%* | *36.1%* |
| **restated* EBITDA** | **1,420** | **1,472** | **1,500** | **1,380** | **1,345** |
| *% of revenues* | *36.7%* | *36.9%* | *38.5%* | *34.9%* | *36.1%* |
| depreciation & amortisation | (941) | (965) | (941) | (945) | (978) |
| impairment of fixed assets | (5) | 0 | (1) | (5) | |
| **EBIT** | **474** | **507** | **(503)** | **430** | **367** |
| *% of revenues* | *12.2%* | *12.7%* | *-12.9%* | *10.9%* | *9.8%* |
| **financial result** | **(115)** | **(98)** | **(128)** | **(118)** | **(131)** |
| - interest expenses, net | (113) | (66) | (117) | (103) | (116) |
| - foreign exchanges gains (losses) | 15 | (4) | 5 | 7 | 5 |
| - discounting expenses | (17) | (28) | (16) | (22) | (20) |
| income tax | (74) | (84) | (89) | (94) | (47) |
| **consolidated net income after tax** | **285** | **325** | **(720)** | **218** | **189** |

* 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 | 2010 1Q | 2010 2Q | 2010 3Q | 2010 4Q | 2011 1Q |
|---|---|---|---|---|---|
| **customer base** | | | | | |
| **Main lines (thousands)** | | | | | |
| *POTS* | *5,895* | *5,742* | *5,536* | *5,331* | *5,163* |
| *ISDN 2B+D* | 682 | *665* | *646* | *629* | 601 |
| *ISDN 30B+D* | 264 | *265* | *266* | *258* | 255 |
| *WLR PTK* | 50 | *67* | *84* | *100* | *111* |
| *WLL PTK* | 2 | *12* | *20* | *26* | 34 |
| ***Total retail main lines*** | ***6,893*** | ***6,750*** | ***6,553*** | ***6,346*** | ***6,164*** |
| *WLR* | *1,246* | *1,279* | *1,315* | *1,351* | *1,373* |
| **ARPU per month** | | | | | |
| Fixed voice ARPU (in PLN) | 50.9 | 49.9 | 49.0 | 49.1 | 48.8 |
| **fixed voice market** | | | | | |
| Fixed vioce penetration (in households)[1] | 56.7% | 56.2% | 55.5% | 54.4% | 53.7% |
| **Local access market in Poland-estimated (in million)** | 10.3 | 10.2 | 10.1 | 10.0 | 9.9 |
| **Fixed voice market share (%)[1]** | | | | | |
| Volume | | | | | |
| Overall Traffic M/S[2]: | *75.3%* | *74.6%* | *73.5%* | *73.3%* | *72.5%* |
| TP Group retail local access[3] | *67.2%* | *66.2%* | *64.8%* | *63.5%* | *62.5%* |
| Value market share | *70.5%* | *70.1%* | *69.2%* | *68.8%* | *67.9%* |

[1] Company's estimation

[2] Traffic market share measured at the end of each quarter based on TP network in Mass and Business SegmentLocal access without Wholesale Line Rental but with Orange WLR part

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

| Fixed Broadband and TV | 2010 1Q | 2010 2Q | 2010 3Q | 2010 4Q | 2011 1Q |
|---|---|---|---|---|---|
| **customer base** | | | | | |
| **Broadband access lines (thousands)** | | | | | |
| TP (ADSL & SDI) | 2,040 | 2,022 | 2,004 | 1,994 | 1,988 |
| Orange - based on CDMA | 88 | 101 | 121 | 141 | 154 |
| Orange - based on BSA | 134 | 138 | 144 | 151 | 155 |
| **TP Group retail broadband - total** | **2,262** | **2,261** | **2,269** | **2,286** | **2,297** |
| *Bitstream access* | *356* | *370* | *371* | *376* | *375* |
| *LLU* | *62* | *76* | *102* | *130* | *149* |
| **TV client base** | | | | | |
| IPTV | 111 | 113 | 114 | 115 | 113 |
| DTH (TV over Satellite) | 306 | 340 | 383 | 428 | 464 |
| **TV client base (thousands)** | **417** | **453** | **497** | **544** | **577** |
| o/w customers with pay TV packages[3] | 64 | 79 | 97 | 125 | 153 |
| VoIP client base (thousands) | 123 | 143 | 140 | 137 | 137 |
| Livebox client base (thousands) | 727 | 741 | 760 | 778 | 785 |
| **ARPU per month** | | | | | |
| TP Group ARPU - Broadband & TV (in PLN) | 57.7 | 56.6 | 56.9 | 55.8 | 54.6 |
| **broadband market[5]** | | | | | |
| B2C Broadband penetration (in households) | 42.1% | 42.4% | 42.8% | 43.7% | 44.2% |
| Total broadband market customers - estimated (in '000) | 6,190 | 6,267 | 6,356 | 6,505 | 6,605 |
| TP Group gross adds market share | 33.5% | 30.2% | 31.4% | 31.6% | 32.5% |
| TP Group net adds market share | -9.9% | -0.7% | 8.7% | 11.8% | 10.3% |
| TP Group volume market share (in %) | 36.5% | 36.1% | 35.7% | 35.2% | 34.8% |
| TP Group value market share (in %) | 46.6% | 45.4% | 44.8% | 43.9% | 42.6% |

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

[5] company's estimation

| Mobile Segment | 2010 1Q | 2010 2Q | 2010 3Q | 2010 4Q | 2011 1Q |
|---|---|---|---|---|---|
| **customer base** | | | | | |
| **Mobile customer base (thousands)** | | | | | |
| Post-paid | 6,712 | 6,791 | 6,828 | 6,956 | 6,962 |
| Pre-paid | 7,062 | 7,238 | 7,312 | 7,375 | 7,457 |
| NMT | 1 | 1 | 1 | 1 | 1 |
| **Total** | **13,774** | **14,029** | **14,141** | **14,332** | **14,420** |
| MVNOs customers | 54 | 56 | 52 | 70 | 73 |
| Dedicated mobile broadband subscription client base (thousands)[1] | 400 | 433 | 478 | 547 | 599 |
| Number of smartphones (thousands) | 1,214 | 1,299 | 1,408 | 1,489 | 1,725 |
| **ARPU** | | | | | |
| **Monthly mobile customer ARPU in quarter (PLN)** | | | | | |
| post-paid | 64.5 | 69.0 | 66.9 | 67.2 | 62.7 |
| pre-paid | 19.2 | 19.7 | 20.3 | 19.4 | 17.5 |
| Blended | 41.2 | 43.6 | 42.8 | 42.5 | 39.4 |
| Retail ARPU (PLN) | 33.0 | 34.2 | 33.8 | 33.4 | 31.6 |
| Wholesale ARPU (PLN) | 8.2 | 9.0 | 8.8 | 8.9 | 7.5 |
| **Voice ARPU (PLN)** | | | | | |
| post-paid | 48.8 | 53.0 | 51.3 | 50.3 | 47.5 |
| pre-paid | 12.8 | 13.5 | 14.0 | 13.1 | 12.1 |
| Blended | 30.3 | 32.7 | 32.0 | 31.1 | 29.2 |
| **Data ARPU (PLN)** | | | | | |
| post-paid | 4.5 | 4.4 | 4.7 | 5.2 | 5.5 |
| pre-paid | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Blended | 2.4 | 2.3 | 2.5 | 2.7 | 2.9 |
| **SMS&MMS and other ARPU (PLN)** | | | | | |
| post-paid | 11.3 | 11.6 | 10.8 | 11.8 | 9.7 |
| pre-paid | 6.1 | 5.9 | 5.9 | 5.9 | 5.0 |
| Blended | 8.6 | 8.6 | 8.3 | 8.7 | 7.3 |
| **volumes & churn** | | | | | |
| **AUPU (in minutes)** | | | | | |
| post-paid | 219.2 | 229.0 | 229.3 | 235.2 | 229.0 |
| pre-paid | 78.0 | 98.4 | 99.2 | 99.4 | 92.6 |
| Blended | 146.6 | 161.8 | 162.1 | 165.1 | 158.6 |
| **Mobile customer churn rate (%)** | | | | | |
| post-paid | 3.1 | 2.8 | 3.6 | 3.1 | 3.8 |
| pre-paid | 15.1 | 13.7 | 16.2 | 16.1 | 14.3 |
| **subsidies** | | | | | |
| **SAC (PLN)** | | | | | |
| post-paid | 485.2 | 486.6 | 533.7 | 536.4 | 562.1 |
| pre-paid[2] | 9.8 | 10.5 | 9.4 | 9.8 | 8.5 |
| Blended[2] | 133.5 | 121.2 | 128.5 | 143.6 | 140.2 |
| **SRC (PLN)** | 531.0 | 535.8 | 537.7 | 554.0 | 563.7 |
| **network coverage** | | | | | |
| Orange 2G coverage in % of population: | 99.5% | 99.6% | 99.6% | 99.6% | 99.6% |
| Orange 3G coverage in % of population: | 55.4% | 56.0% | 56.3% | 58.5% | 60.9% |
| **Mobile market** | | | | | |
| Market penetration rate for mobile network services | 118.5% | 119.8% | 121.4% | 124.3% | 125.7% |
| Orange mobile market share in volume | 30.5% | 30.7% | 30.5% | 30.2% | 30.1% |
| Orange mobile market share in value[3] | 31.1% | 31.5% | 30.6% | 31.0% | 30.4% |

[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] company's estimation

| Employment structure of TP Group<br>*Full time positions (end of period)* | 2010 | | | | 2011 |
|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q |
| TP SA | 20,466 | 19,594 | 19,090 | 15,286 | 15,210 |
| Other (incl Orange Customer Service) | 2,582 | 2,634 | 2,669 | 7,783 | 7,732 |
| **Total fixed line** | **23,048** | **22,228** | **21,759** | **23,069** | **22,941** |
| PTK Centertel | 3,652 | 3,659 | 3,653 | 2,161 | 2,157 |
| Other | 388 | 398 | 397 | 406 | 420 |
| **Total mobile segment** | **4,040** | **4,057** | **4,050** | **2,567** | **2,577** |
| **TP Group** | **27,089** | **26,285** | **25,809** | **25,636** | **25,519** |

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"