LSE – Current Report (98/2012)
Telekomunikacja Polska S.A., (TPSA) – Warsaw, Poland
July 25th, 2012

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. hereby provides selected financial and operating data related to the activities of Telekomunikacja Polska Group ("Group", "Orange Polska") for the 2Q and 1H 2012.

Orange Polska reports progressive upturn in 2Q 2012 results and reaffirms its full year guidance

2Q 2012 highlights

- **year-on-year revenue up by 0.1% excluding regulatory impact, helped by ICT activity**
    - **actual revenue decline limited to 1.1% year-on-year, a marked improvement versus -3.4% year-on-year registered in 1Q**
- **144,000 net adds in mobile bring the customer base to 1.5% growth year-on-year**
- **number of 3P bundles with VoIP reached 151,000, helping to limit fixed voice line erosion to 158,000 in 2Q**
- **EBITDA up since 1Q, at 35.3% margin (+0.5p.p. quarter-on-quarter), within the outlook**
- **solid net income at PLN 255mn, up by 5% since 1Q**
- **headcount plan started: ~400 redundancies in 1H and ~1100 departures planned for 2H**
- **full-year 2012 outlook and NFCF guidance reiterated**

key figures (PLN million) IFRS	2Q 2012	2Q 2011 proforma[1]	change	1H 2012	1H 2011 proforma[1]	change
revenue	3,669	3,711	-1.1%	7,190	7,357	-2.3%
fixed line segment[2]	2,002	2,009	-0.4%	3,929	4,046	-2.9%
mobile segment[2]	1,949	1,967	-0.9%	3,810	3,823	-0.3%
EBITDA[3]	1,295	1,369	-5.4%	2,519	2,670	-5.6%
EBITDA[3] (as a % of revenue)	35.3%	36.9%	-1.6 pp	35.0%	36.3%	-1.3 pp
net free cash flow[4] (reported)	457	514	-11.1%	709	909	-22.0%
net income	255	-232	na	497	-66	na

commenting on the Group's performance in 2Q 2012, Mr. Maciej Witucki, President of the Board and Chief Executive Officer, said:

"Results of the second quarter mark an upturn in our performance since Q1, and our achievements in the first half of the year, both commercial and financial, confirm that we are on a good path to achieve the targets set for 2012. The progress that we have made in our core business lines, especially visible in mobile and in the 3P bundles, has been coupled by additional revenue from ICT activity – a relatively new business that we shall continue to develop in the future. Simultaneously, we have risen to the challenge of providing telecom services for UEFA during the EURO 2012, which was a demanding test for our technical teams. Our profitability rebounded since Q1, and yet in H2 we shall step-up the efforts on the cost base, in order to securely reach our financial targets, while investing adequate resources into our commercial engine."

[1] adjusted for deconsolidation of Emitel and Paytel
[2] segments as defined in Group's Consolidated Financial Statement
[3] adjusted for de-consolidation of Emitel and Paytel and gain on disposal of Emitel and increase in provision for European Commission fine imposed in 2Q2011, amounting to +PLN 1.2 bn and -PLN 0.46 bn respectively,
[4] excluding €550mn payment to DPTG

Financial Review

(Unless otherwise stated, all references to 2011 hereafter are stated in pro-forma[5] 2011 financial statements)

year-on-year revenue up by 0.1% excluding regulatory impact

In line with Group's estimations, the value of the Polish telecom market increased by 0.8% in 2Q after a year-on-year rise of 0.7% in 1Q. Despite MTR cuts[6], the mobile component continued to be a major contributor to market growth, rising in 2Q by 2.7% year-on-year. It was strongly helped by growing number of customers and rising popularity of mobile data solutions. The trends in fixed market have improved considerably as it dropped in 2Q by 1.4% year-on-year, compared to -4.3% a year ago.

Group's 2Q revenue was down by 1.1% year-on-year, as compared to a -3.4% decline in 1Q. On a pre-regulatory basis, Group's 2Q revenue has grown by 0.1% since last year, helped in particular by an improving evolution of the fixed segment including PLN 80mn additional sales from ICT activity. In effect, this limited the top-line erosion to -2.3% in 1H.

EBITDA up by 5.8% quarter-on-quarter and at 35.3% margin

Group's EBITDA amounted to nearly PLN 1.3bn in 2Q. It has risen by PLN 71mn since quarter 1 to reach a 35.3% margin, as compared to 34.8% in 1Q, despite pressure on commercial costs. Nevertheless, in comparison to 2011, 2Q EBITDA was down by 5.4%, mainly due to a market-driven increase in commercial expenses, coupled by over -PLN 34mn impact of foreign exchange in the operating expenditure.

2Q net income at PLN 255mn, up by 5.4% since 1Q

TP Group net income stood at PLN 255mn for 2Q. It was up by 5.4% since 1Q, driven by a quarter-on-quarter increase in EBITDA. In comparison to the pro-forma of 2011 (excluding impact of disposal of TP Emitel and Paytel), Group's net income for 2Q was up by PLN 487mn, as last year's figure included a PLN 458mn increase in provisions for claims and litigations. The drop of EBITDA was compensated by lower depreciation charge (down by PLN 156mn year-on-year).

1H Net Free Cash Flow at PLN 0.7bn[7], full year guidance of at least PLN 2bn[8] reaffirmed

Group's 2Q Net Free Cash Flow amounted to PLN 457mn and brought the 1H result to PLN 709mn. In comparison to last year, the NFCF was down by PLN 200mn. The decrease is mainly attributable to a PLN 243mn decline in cash flow from operating activities (before income tax paid and change in working capital), coupled with a PLN 231mn higher working capital requirement, (WCR increase by PLN 181mn in 2012 versus a PLN 50mn decrease a year ago). These were partially offset by a PLN 189mn lower cash outflow for capital expenditures and PLN 85mn positive difference in tax paid.

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[5] adjusted for deconsolidation of Emitel and Paytel

[6] July 2011: voice MTR lowered from PLN 0.1677 to PLN 0.1520 and SMS MTR lowered to PLN 0.07 from PLN 0.08 and January 2012: SMS MTR lowered to PLN 0.06 from PLN 0.07

[7] NFCF for 1H2012 excluding €550mn payment to DPTG

[8] excluding €550mn payment to DPTG, exceptional items, change in consolidation scope

2Q 2012: mobile segment review

- **4.7% quarter-on-quarter growth of the top-line limits the year-on-year decrease to 0.9%**
  - **excluding regulatory impact mobile top line up by 1.5% year-on-year**
  - **retail ARPU up by 3.7% since 1Q, at PLN 32.2**
- **despite market pressure on commercial costs, EBITDA up by 5.9% quarter-on-quarter, with margin at 28.4%**
- **144,000 net adds in 2Q, bring the customer base growth to 1.5% year-on-year**
  - **postpaid back to a quarterly growth**
- **value leadership maintained : Orange market share stable at 30.2%**
- **dedicated mobile broadband subscriptions up by +31.3% year-on-year**
- **number of smartphones up by 42.7% year-on-year, reaching 2.6mn**

key figures

mobile line indicators	2Q 2012	2Q 2011	Change	1H 2012	1H 2011	Change
revenue (PLN million)	1,949	1,967	-0.9%	3,810	3,823	-0.3%
number of total customers[9] (000's)	14,757	14,535	1.5%			
number of post-paid customers (000's)	6,937	6,967	-0.4%			
number of prepaid customers (000's)	7,820	7,568	3.3%			
number of mobile broadband access (000's)	848	645	31.3%			
EBITDA margin (as a % of revenue)	28.4%	30.1%	-1.7 pp	28.3%	29.2%	-0.9 pp

Mobile segment's revenue fell by 0.9% year-on-year, mainly reflecting the PLN 47mn regulatory impact of the voice and SMS MTR cuts. Excluding this impact, 2Q mobile revenue increased by 1.5% year-on-year. The underlying growth was predominantly driven by an increase of mobile subscriber base (by 222,000 year-on-year) and resilient retail ARPU. The number of smartphones has continued to rise, reaching 2.6mn, which builds a solid base for further growth of the data ARPU. However, rising number of smartphones has put pressure on commercial costs, affecting the 2Q EBITDA margin.

2Q EBITDA stood at 28.4% margin, compared to 30.1% a year ago, reflecting mainly the pressure on commercial costs, driven both by the number of smartphones and a weaker Polish Zloty (vs 2011).

[9] excluding NMT

2Q 2012: fixed line segment review

- **revenues up by 3.9% quarter-on quarter, limiting the year-on-year decline to only 0.4%, a marked improvement compared to -5.4% in 1Q**
- **broadband top-line growth restored by the success of the 3P bundles: revenue up by 1.9% since 1Q**
- **EBITDA margin at 37.0%, as compared to 39.2% in 2Q 2011**
- **fixed line evolution helped by VoIP in the 3P bundles: quarterly decrease of the fixed voice lines limited to 158,000 vs ~200,000 in previous 2 quarters**
  - **209,000 clients now use VoIP as their main voice line**
- **continued success of 3P bundle offer - “FunPack”: 3P services customer base has reached 151,000**
- **TV customer base up by 14.2% year-one-year, reaching 677,000 subscribers**
  - **14,000 subscribers of “n” packages added in 2Q**

Key figures

Fixed line indicators	2Q 2012	2Q 2011	Change	1H 2012	1H 2011	Change
Revenue proforma (PLN million)	2,002	2,009	-0.4%	3,929	4,046	-2.9%
Number of retail fixed lines (000’s)[10]	5,326	6,038	-11.8%			
Number of retail broadband accesses (000's)	2,344	2,311	+1.4%			
Number of TV customers (000’s)	677	592	+14.2%			
EBITDA[11] margin (as a % of revenue)	37.0%	39.2%	-2.2 pp	36.7%	38.9%	-2.2 pp

Fixed segment’s 2Q revenues decline was contained to only 0.4% year-on-year, as compared to -5.4% in 1Q. This improvement is predominantly attributable to lower fixed voice revenues erosion, as well as to PLN 80mn additional revenues from ICT services. ICT revenues include technical partnership with UEFA, as well as sales development of the Group’s ICT subsidiary. The fixed-to-mobile substitution remained the main adverse factor to the fixed segment revenues evolution, as the fixed retail lines has continued to decline. Nevertheless, its quarterly decrease was limited to 158,000 against an average decline of roughly 200,000 in the previous quarters.

Fixed line EBITDA margin stood at 37.0% as compared to 39.2% in 2Q 2011, as cost savings did not offset the effect of decrease in the top-line.

commenting on the 2Q results, Mr Jacques de Galzain, Chief Financial Officer said:
“The Group delivered a sound performance in the second quarter, in line with objectives outlined in our outlook and guidance for 2012. Our revenue trends continued to improve, reflecting solid trends in mobile and additional revenues from the ICT activity. Our profitability is also on track for the full-year objectives, and the cost optimisation initiatives, such as the network sharing project or headcount restructuring, are advancing as planned. Nevertheless, we observe growing pressure of the commercial activity on our margins. This is why we will take additional measures in H2 to step-up the efforts to control our cost base - as we remain focused as ever on efficiency. Our cash generation ability remains strong and we are on track to meet the 2012 net free cash flow target of at least 2 billion zloty”

[10] including Orange WLR, Orange WLL and VoIP first line
[11] 2011adjusted for the gain on disposal of Emitel and an increase in provision for European Commission fine imposed in Q2 2011, amounting to PLN 1.2bn and PLN 0.46bn, respectively

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.

Orange Polska 2012 H1 Results Presentation
Wednesday 25th July 2012

Venue address:
Warsaw Stock Exchange
Książęca 4
00-498 Warsaw,
Poland

Registration: 11.30 CET
Start: 12.00 CET

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

Time:
12:00 (Warsaw)
11:00 (London)
06:00 (New York)

Conference title:
Orange Polska (TP S.A) Half Year Results

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Telekomunikacja Polska Group Consolidated

amounts in PLN millions	2011								2012	
	1Q		2Q		3Q		4Q		1Q	2Q
	as reported	pro forma*	as reported	pro forma*	as reported	pro forma*	as reported	pro forma*	as reported	as reported
profit & loss statement										
revenues										
fixed line telephony services	**1 190**	**1 190**	**1 141**	**1 141**	**1 134**	**1 134**	**1 104**	**1 104**	**1 055**	**1 027**
retail revenue (subscriptions and traffic)	915	915	858	858	836	836	810	810	765	730
wholesale revenue incl. interconnection	272	272	280	280	296	296	291	291	289	296
Payphone revenue	3	3	3	3	2	2	2	2	1	1
Other	0	0	0	0	0	0	1	1	0	0
mobile telephony services	**1 691**	**1 691**	**1 779**	**1 779**	**1 783**	**1 783**	**1 757**	**1 757**	**1 689**	**1 773**
voice traffic revenue	990	990	1 054	1 054	1 057	1 057	1 011	1 011	942	1 002
interconnection revenue	301	301	320	320	301	301	314	314	308	333
messaging services and content	369	369	376	376	389	389	404	404	407	401
Other	31	31	29	29	36	36	28	28	32	37
data services	**624**	**616**	**610**	**603**	**599**	**599**	**600**	**600**	**594**	**613**
leased lines	71	63	71	64	63	63	64	64	61	66
data transmission	165	165	158	158	158	158	161	161	157	163
dial-up	1	1	0	1	1	1	0	0	0	1
broadband, TV and VoIP revenue	387	387	381	381	377	377	375	375	376	383
radio communications	**58**	**0**	**55**	**0**	**0**	**0**	**0**	**0**	**0**	**3**
sales of goods and other	**166**	**149**	**205**	**188**	**163**	**161**	**263**	**261**	**183**	**253**
Total revenue,net	**3 729**	**3 646**	**3 790**	**3 711**	**3 679**	**3 677**	**3 724**	**3 722**	**3 521**	**3 669**
Y-o-Y growth**	**-3,7%**	**n/a**	**-4,9%**	**n/a**	**-3,8%**	**n/a**	**-4,0%**	**n/a**	**-3,4%**	**-1,1%**
** growth in revenues is calculated based on proforma figures										
labour expenses	(556)	(531)	(531)	(510)	(477)	(475)	(467)	(466)	(552)	(517)
o/w profit-sharing	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)
o/w share-based compensation	0	0	0	0	0	0	0	0	0	0
external purchases	(1 703)	(1 694)	(1 767)	(1 759)	(1 676)	(1 674)	(1 866)	(1 865)	(1 743)	(1 845)
- interconnection costs	(475)	(474)	(492)	(492)	(474)	(474)	(469)	(469)	(447)	(470)
- network and IT	(215)	(208)	(221)	(214)	(219)	(219)	(221)	(221)	(226)	(238)
- commercial expenses	(605)	(604)	(608)	(607)	(588)	(586)	(692)	(691)	(641)	(691)
- content costs	(32)	(32)	(49)	(49)	(29)	(29)	(30)	(30)	(34)	(38)
- Other external purchases	(376)	(376)	(397)	(397)	(366)	(366)	(454)	(454)	(395)	(408)
other operating incomes & expenses	(130)	(125)	(546)	(541)	(130)	(130)	(188)	(190)	(10)	(24)
- o/w dispute with DPTG							(35)	(35)		
restructuring costs	0	0	0	0	0	0	(172)	(172)	0	0
gain/loss on diposals of assets	5	5	10	10	6	6	11	11	8	12
disposal of shares			1 188			0	(5)			
EBITDA	**1 345**	**1 301**	**2 144**	**911**	**1 402**	**1 404**	**1 037**	**1 040**	**1 224**	**1 295**
% of revenues	*36,1%*	*35,7%*	*56,6%*	*24,5%*	*38,1%*	*38,2%*	*27,8%*	*27,9%*	*34,8%*	*35,3%*
restated EBITDA***	**1 345**	**1 301**	**1 414**	**1 369**	**1 402**	**1 404**	**1 249**	**1 247**	**1 224**	**1 295**
% of revenues	*36,1%*	*35,7%*	*37,3%*	*36,9%*	*38,1%*	*38,2%*	*33,5%*	*33,5%*	*34,8%*	*35,3%*
depreciation & amortisation	(978)	(964)	(989)	(989)	(900)	(900)	(836)	(836)	(817)	(833)
impairment of fixed assets			(4)	(4)	(2)	(2)	(3)	(3)	(4)	(6)
share of profit of investments accounted for using the equity method							1	1	1	1
EBIT	**367**	**337**	**1 151**	**(82)**	**500**	**502**	**199**	**202**	**404**	**457**
% of revenues	*9,8%*	*9,2%*	*30,4%*	*-2,2%*	*13,6%*	*13,7%*	*5,3%*	*5,4%*	*11,5%*	*12,5%*
financial result	**(131)**	**(131)**	**(89)**	**(89)**	**(111)**	**(111)**	**(101)**	**(101)**	**(108)**	**(127)**
- interest expenses, net	(116)	(116)	(77)	(77)	(68)	(68)	(78)	(78)	(100)	(102)
- foreign exchanges gains (losses)	5	5	7	7	(8)	(8)	3	3	9	5
- discounting expenses	(20)	(20)	(19)	(19)	(35)	(35)	(26)	(26)	(17)	(30)
income tax	(47)	(40)	(67)	(61)	(13)	(13)	260	260	(54)	(75)
consolidated net income after tax	**189**	**166**	**995**	**(232)**	**376**	**378**	**358**	**361**	**242**	**255**

* pro forma accounts adjusted for de-consolidation of Emitel and Paytel, disposed on 22/06/2011 and 27/01/2012, respectively.
*** 4Q 2011 excluding PLN -172mn restructurinprovision, PLN -35mn increase in DPTG provision, PLN -5mn additional costs on Emitel disposal; 2011 additionally excluding PLN 1.2bn gain on Emitel disposal and a PLN -0.46bn provision for EC fine (both recognised in 2Q)

Key operational performance indicators for Group

Fixed Voice	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2012 1Q	2012 2Q
customer base						
Main lines (thousands)						
POTS	*5 163*	*5 007*	*4 849*	*4 638*	*4 365*	*4 158*
ISDN	*856*	*840*	*821*	*807*	*780*	*762*
WLR PTK	*111*	*117*	*120*	*124*	*127*	*128*
WLL PTK	34	*40*	*47*	*54*	61	*69*
VoIP first line	30	*34*	*39*	*71*	152	*209*
Total retail main lines	***6 194***	***6 038***	***5 875***	***5 694***	***5 484***	***5 326***
WLR (external to Group)	*1 373*	*1 396*	*1 419*	*1 470*	*1 512*	*1 539*
ARPU per month						
Retail fixed voice ARPU from POTS/ISDN (in PLN)	48,8	47,3	47,3	47,5	46,8	46,6
fixed voice market						
Fixed voice penetration (in households)[1]	52,7%	52,0%	51,5%	51,1%	49,8%	49,2%
Local access market in Poland-estimated (in million)	9,7	9,6	9,5	9,5	9,3	9,3
Fixed voice market share (%)[1]						
Group retail local access[1,2]	*63,8%*	*62,9%*	*61,6%*	*60,0%*	*58,7%*	*57,6%*
Value market share[1]	*67,9%*	*66,7%*	*66,6%*	*65,9%*	*64,7%*	*64,0%*

[1] Company's estimation

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

Fixed Broadband and TV	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2012 1Q	2012 2Q
customer base						
Broadband access lines (thousands)						
ADSL[3] & SDI	2 143	2 148	2 157	2 157	2 151	2 146
VDSL			1	6	11	16
CDMA	154	163	174	183	186	182
Group retail broadband - total	**2 297**	**2 311**	**2 332**	**2 346**	**2 348**	**2 344**
Bitstream access (external to TP Group)	*375*	*373*	*366*	*366*	*367*	*367*
LLU	*149*	*162*	*178*	*186*	*186*	*184*
TV client base						
IPTV	113	111	109	110	113	114
DTH (TV over Satellite)	464	482	506	527	550	562
TV client base (thousands)	**577**	**592**	**615**	**636**	**663**	**677**
o/w customers with pay TV packages[4]	153	154	143	139	142	144
-o/w 'n' packages			7	24	43	57
3P services (TV+BB+VoIP)	**27**	**29**	**32**	**55**	**112**	**151**
ARPU per month						
Group ARPU - Broadband, TV & VoIP (in PLN)	56,3	55,1	54,1	53,4	53,3	54,5
broadband market[5]						
B2C Broadband penetration (in households)[5]	44,2%	44,6%	44,8%	45,3%	45,6%	45,8%
Total broadband market customers - estimated (in '000)[5]	6 606	6 681	6 757	6 879	6 950	7 001
Group net adds market share[5]	10,1%	19,3%	27,4%	11,6%	2,6%	-7,5%
Group volume market share (in %)[5]	34,8%	34,6%	34,5%	34,1%	33,8%	33,5%
Group value market share (in %)[5]	42,5%	41,2%	40,7%	40,0%	39,5%	39,6%

[3] includes PTK based on BSA

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

[5] company's estimation

Mobile Segment	2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q
customer base						
Mobile customer base (thousands)						
Post-paid	6 962	6 967	6 972	6 977	6 927	6 937
Pre-paid	7 457	7 568	7 641	7 681	7 685	7 820
Total[1]	**14 419**	**14 535**	**14 613**	**14 658**	**14 612**	**14 757**
MVNOs customers	73	78	83	87	88	87
Dedicated mobile broadband subscription client base (thousands)[2]	599	645	691	741	800	848
Number of smartphones (thousands)	1 725	1 804	1 881	2 103	2 256	2 574
ARPU						
Monthly mobile customer ARPU in quarter (PLN)						
post-paid	62,7	66,1	65,3	64,5	62,0	64,8
pre-paid	17,5	18,0	18,1	18,0	16,8	17,9
Blended	39,4	41,1	40,7	40,1	38,3	40,0
Retail ARPU (PLN)	31,8	33,2	33,3	32,6	31,1	32,2
Wholesale ARPU (PLN)	7,5	8,0	7,3	7,5	7,2	7,8
Voice ARPU (PLN)						
post-paid	47,5	50,4	49,5	47,7	45,2	47,9
pre-paid	12,1	13,1	13,0	12,7	12,4	13,7
Blended	29,2	31,0	30,4	29,4	27,7	29,5
Data ARPU (PLN)						
post-paid	5,5	5,7	6,1	6,3	6,6	6,3
pre-paid	0,4	0,4	0,4	0,5	0,6	0,5
Blended	2,9	2,9	3,2	3,2	3,4	3,2
SMS&MMS and other ARPU (PLN)						
post-paid	9,7	10,0	9,7	10,5	10,2	10,6
pre-paid	5,0	4,6	4,7	4,8	3,8	3,7
Blended	7,3	7,2	7,1	7,5	7,2	7,4
volumes & churn						
AUPU (in minutes)						
post-paid	229,0	236,3	236,6	235,9	236,5	239,6
pre-paid	92,6	96,7	97,5	93,7	92,3	95,8
Blended	158,6	163,9	164,0	161,4	160,8	163,7
Quarterly mobile customer churn rate (%)						
post-paid	3,8	3,4	3,5	4,0	3,9	3,4
pre-paid	14,3	15,8	17,2	16,1	16,7	16,8
subsidies						
SAC (PLN)						
post-paid	562,1	559,3	577,2	565,4	627,2	544,0
pre-paid	8,5	9,2	8,5	10,4	9,0	7,6
Blended	140,2	124,9	114,4	134,1	132,5	107,3
SRC (PLN)	563,7	542,1	555,6	591,4	628,8	651,2
network coverage						
Group 2G coverage in % of population:	99,6%	99,6%	99,6%	99,6%	99,6%	99,6%
Group 3G coverage in % of population:	60,9%	61,9%	61,9%	62,4%	62,6%	62,7%
Mobile market						
Market penetration rate for mobile network services	125,8%	127,1%	129,3%	132,7%	134,1%	136,2%
Group mobile market share in volume	30,1%	30,0%	29,7%	29,0%	28,6%	28,5%
Group mobile market share in value[3]	31,0%	31,3%	30,7%	30,4%	30,2%	30,2%

[1] excluding NMT
[2] includes Business Everywhere and Orange Free
[3] company's estimation

Employment structure of Group as reported *Full time positions (end of period)*	2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q
TP SA	15 210	15 020	14 886	14 854	14 885	14 698
Other (incl Orange Customer Service)	7 732	6 741*	6 628	6 673	6 540	6 405
Total fixed line	**22 941**	**21 761**	**21 514**	**21 527**	**21 425**	**21 103**
PTK Centertel	2 157	2 122	1 743**	1 743	1 750	1 745
Other	420	456	477	534	542	563
Total mobile segment	**2 577**	**2 578**	**2 220**	**2 278**	**2 292**	**2 308**
Group	**25 519**	**24 339**	**23 734**	**23 805**	**23 716**	**23 411**

*excluding Emitel's headcount amounting to 941 employees

** excluding 344 employees transferred to NetWorkS! JV

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
BSA – Bit Stream Access
DTH – Direct To Home
EBITDA – operating income + depreciation and amortization + impairment of goodwill + impairment of non-current assets
ICT – Information and Communication Technologies
IPTV – TV over Internet Protocol
LLU – Local Loop Unbundling
LTE – Long Term Evolution *(3GPP 4G technology)*
MTR – Mobile Termination Rates
MVNO – Mobile Virtual Network Operator
Net FCF – Net Free Cash Flow = Net cash provided by Operating Activities – (CAPEX + CAPEX payables)
Net gearing – net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)
POTS – Plain Old Telephone Service
SAC – Subscribers Acquisition Cost
SRC – Subscribers Retention Cost
VDSL – Very High Speed Digital Subscriber Line
VoIP – Voice over Internet Protocol
WLR – Wholesale Line Rental
WLL – Wireless Local Loop - a term for the use of a wireless communications, the "first mile"