Orange Polska

results for 4Q 2013 and full year 2013

Warsaw
February 12, 2014

forward looking statement

This presentation 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, American 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.

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1 highlights

Bruno Duthoit – chief executive officer
Mariusz Gaca – management board member

2013 commitments achieved

2013 Organic Cash Flow* guidance	at least PLN 1bn	✓	PLN 1,105mn generated in 2013
2013 Capex* outlook	below PLN 2bn	✓	PLN 1,916mn spent in 2013

* Organic Cash Flow guidance revised in 3Q2013, excluding spectrum acquisition made in 2013, change in consolidation scope and impact of risk and litigation

disciplined plan execution delivered progress in 2013

better commercial momentum

- convergence
  286k Open customer base
- mobile customer base
  +430k (+2.9%) since 2012, including +310k post-paid
- nju.mobile brand
  underscored by 353k clients
- fixed voice customers
  -345k in 2013, vs. -590k in 2012
- high growth of ICT activity
  +74% vs. 2012**
- more progress to be achieved in broadband

financial performance in line with objectives

- 2013 objectives delivered
- costs 4.8%* down vs. 2012
- 2013 EBITDA* defended at 31.6%
- sound balance sheet
  net debt kept to 1.1x EBITDA*
- Wirtualna Polska sale
  PLN 375mn proceeds in 2014
- agreement with unions
  -2,950 FTEs by the end of 2015

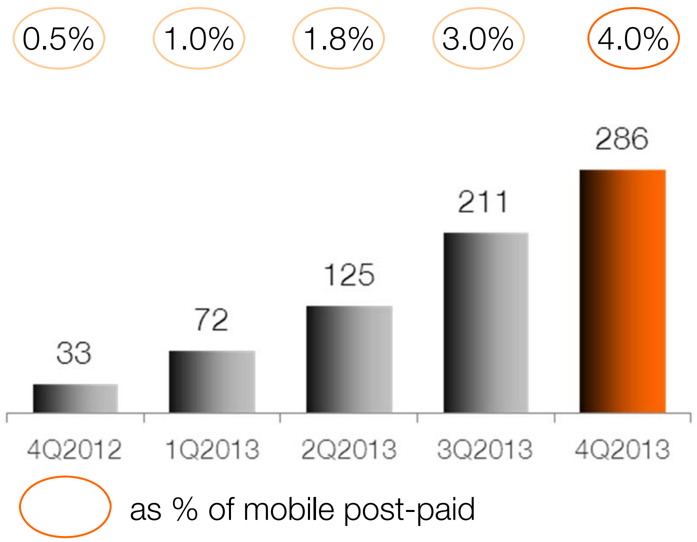
operational progress for the future

- TPSA/Centertel merged to Orange Polska
- 4G on 1,800MHz spectrum
- mobile co-operation
  ca 8,200 sites in common use
- 3G coverage at 90% of pop.
- 4G coverage at 16% of pop.

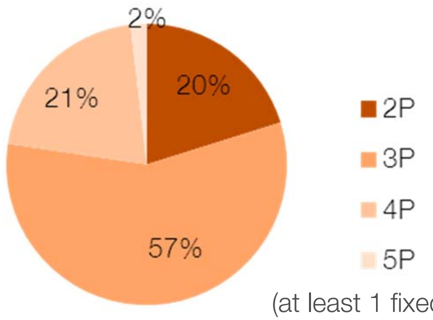
* restated for restructuring costs (PLN -147mn) and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)
** excluding UEFA EURO 2012 contract

dynamic growth of Orange Open boosts up-sell and customer loyalty

orange open customers (in ‘000)



orange open customers
by number of products

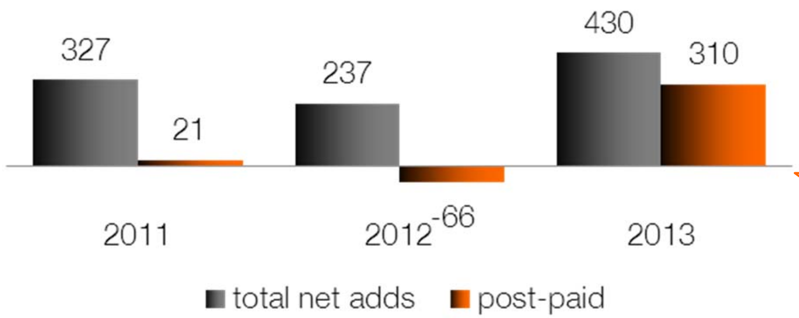


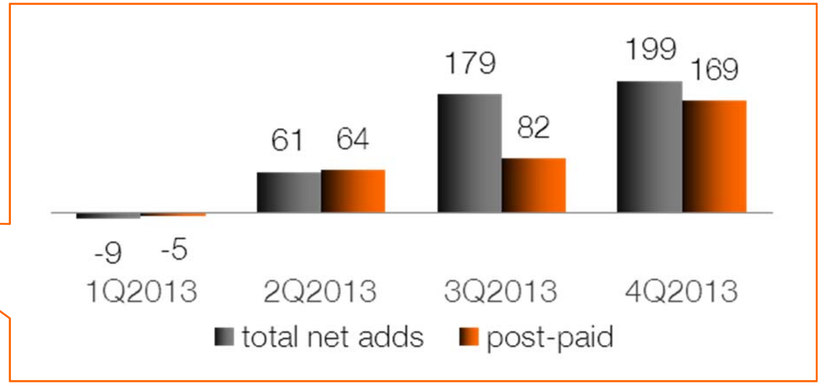
(at least 1 fixed and 1 mobile product)

- 58% of Open Customers increased number of services when entering solution
- ARPU from private customers at PLN 141 per month in 4Q
- high number of services in a bundle increases customer loyalty
- number of Orange Open customers up by x 8.7 year-on-year

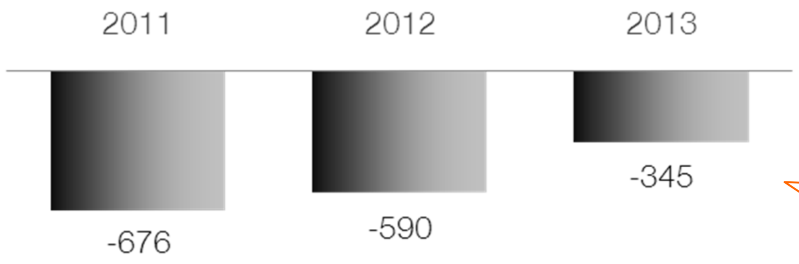
commercial momentum improving in most areas

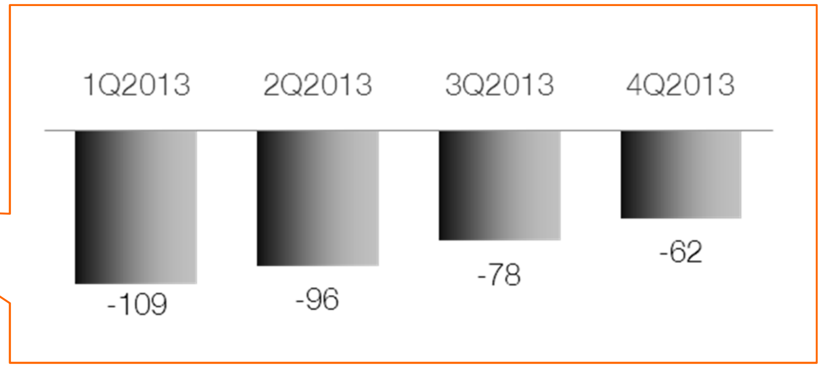
mobile clients net adds (in '000)





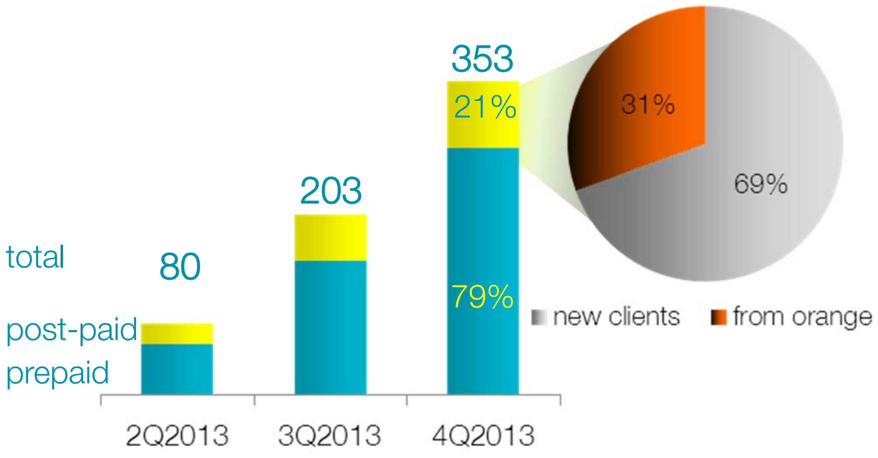
fixed voice clients net decrease (in '000)



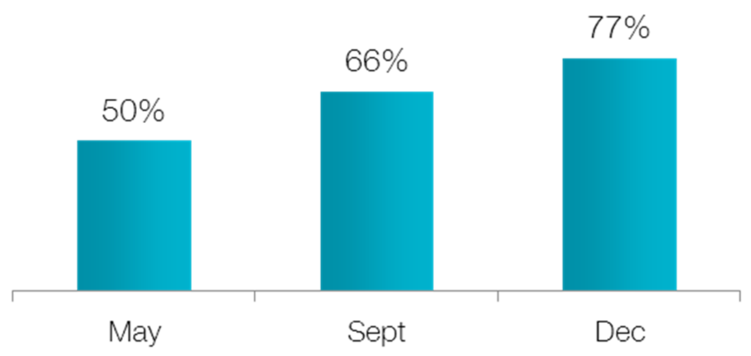


nju.mobile on a high growth path

nju.mobile customers (in '000)



nju.mobile brand awareness in 2013



source: a survey by MillwardBrown for Orange Polska

insight

- 75k post-paid clients
- > 2/3 post-paid clients new to Orange
- customer acquisition and retention costs lower than in standard offers:
  - there is no handset subsidies
  - sales and customer care are made online

PLN 200mn annual cost savings run rate due to new workforce optimisation plan for 2014-2015

positive social climate

- unions agreed to voluntary leaves program
- severance packages for departing employees
- outplacement support for departing employees
- employee satisfaction rising for the last three years (independent surveys)

2,950FTEs less by the end of 2015

- up to 2,950 employees to take advantage of voluntary departures
  - 1,530 FTEs in 2014
- +2.5% salary rises per year agreed for 2014 and 2015

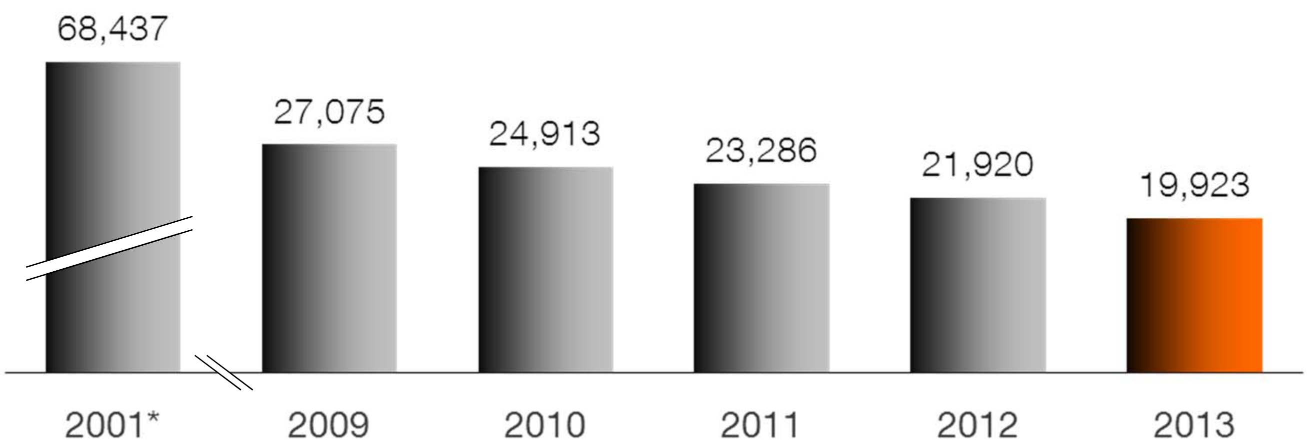
positive financial impact

- PLN 135mn* provision accrued in 4Q 2013
- PLN 200mn yearly cost savings run-rate fully reached once the program is completed (gradual build-up in 2014-2015)

* net of restructuring provision and change in jubilee and post-retirement provisions

track record of workforce optimisation in a positive social climate

employment evolution (in FTE)



- social plan of 3.2k voluntary departures in 2012-2013 executed

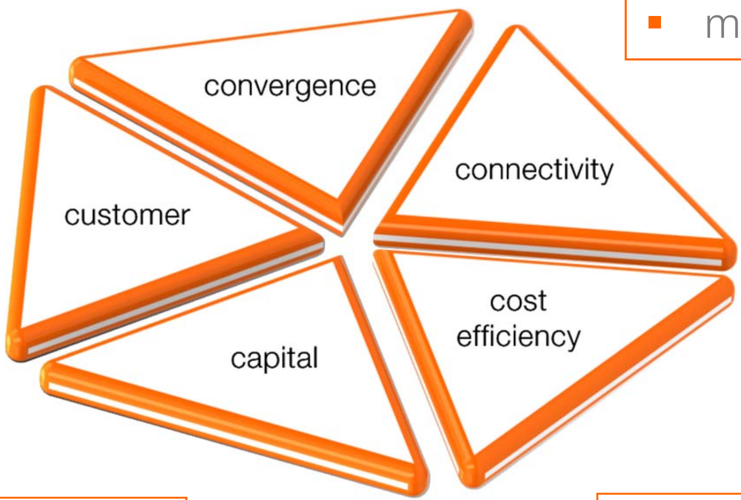
* Full time positions

we are on track in most areas of our medium term plan

- convergent Orange Open
- ICT revenues growth

- best convergent network
- VHBB
- mobile data monetization

- leadership in value market share
- customer centricity



- network investments
- sound balance sheet
- employee engagement

- value management to monitor SAC/SRC
- more efficient sales network
- efficiency & profitability

2 financial review

Jacques de Galzain
chief financial officer

orange™

key financials in line with objectives

in PLN mn	4Q 2013	% y-o-y	FY 2013	% y-o-y	key points
revenues	3,157	-9.3%	12,923	-8.6%	+430k mobile customers
excl. regulations		-3.8%		-3.7%	PLN -693mn regulatory impact
restated EBITDA* **	864	-14.2%	4,084	-15.9%	opex down by 4.8%*** y-o-y
% of revenues	27.4%	-1.5pp.	31.6%	-2.7pp.	high SAC in 4Q due to success in customer acquisition
CAPEX*	626	-38.8%	1,916	-17.9%	capex optimised and FY outlook reached
in % of revenues	19.8%	-9.6pp.	14.8%	-1.7pp.	
organic cash flow	272	-49.0%	1,105	-30.6%**	FY guidance delivered

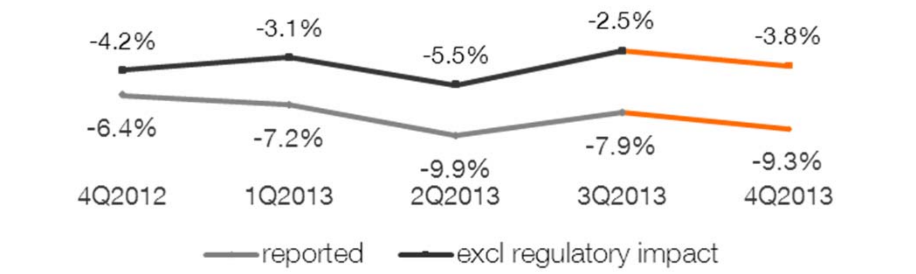
* excluding spectrum acquisition

** 2012 adjusted for the payment to DPTG of PLN 2,449mn

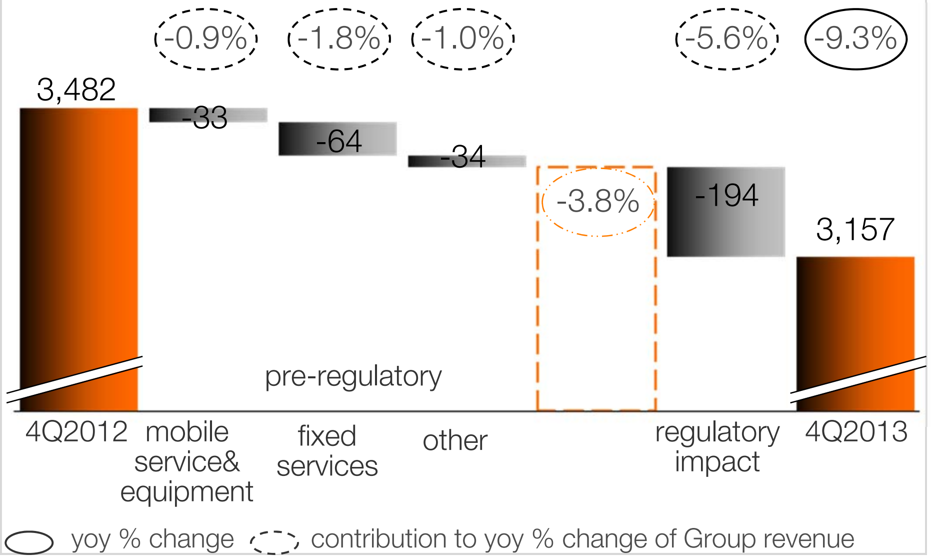
*** restated for restructuring costs (PLN -147mn) and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)

Group's revenue trend still affected by regulatory

Group revenue evolution (year-on-year)



Group revenue evolution (in PLN mn)



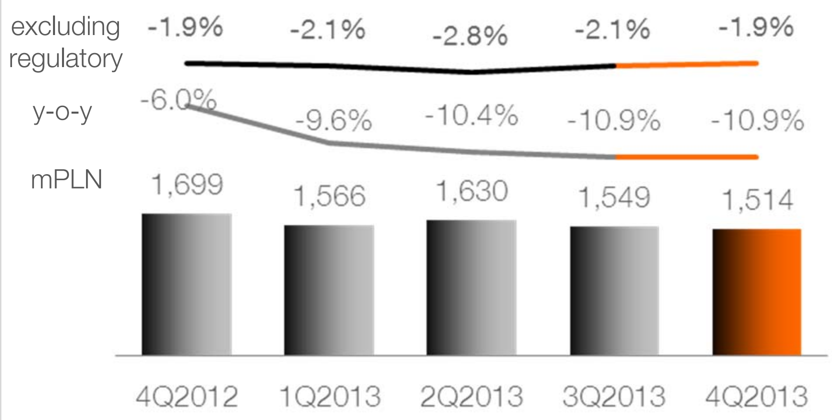
insight

- reported 4Q revenue driven down by -5.6% impact of regulations:
  - PLN -164mn due to MTR cuts
  - PLN -30mn due to EU roaming rate cut and others (inc. F2M)
- 4Q mobile services revenue PLN -33mn year-on-year excl. regulatory:
  - customer base +2.9% year-on-year,
  - retail ARPU -7.0% year-on-year
- fixed service revenues decline (excl. regulatory) limited in 4Q to PLN -64mn year-on-year due to :
  - PLN +15mn (+3.7%) growth in broadband revenue
  - PLN +25mn (x2.7) growth in ICT services revenue

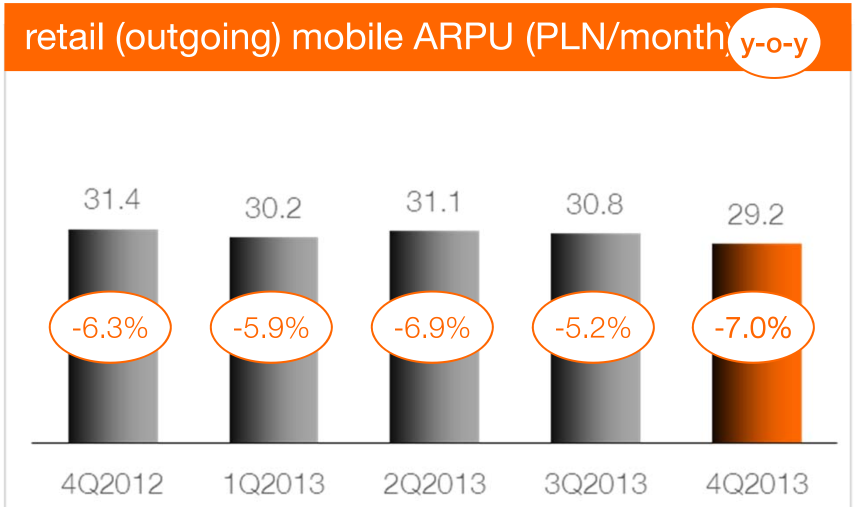
record mobile customer additions in 4Q support future revenue recovery

mobile customer base (in '000)

mobile revenue evolution



retail (outgoing) mobile ARPU (PLN/month)

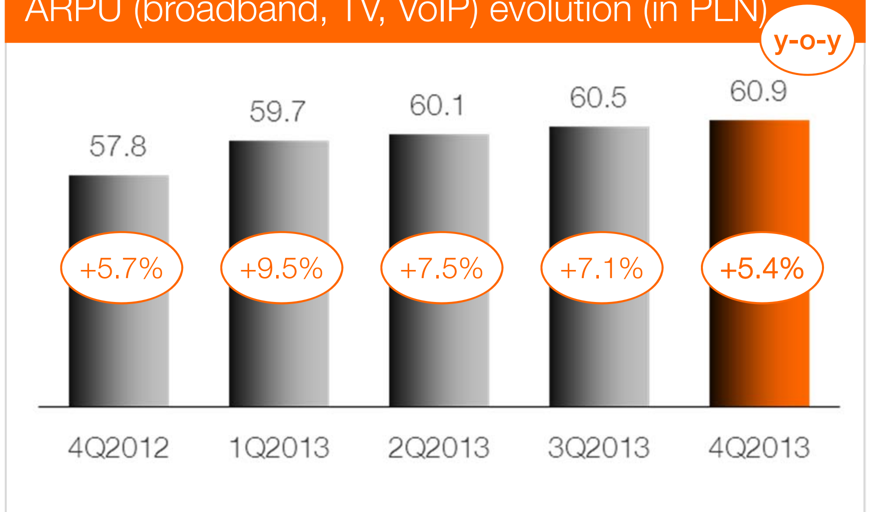


insight

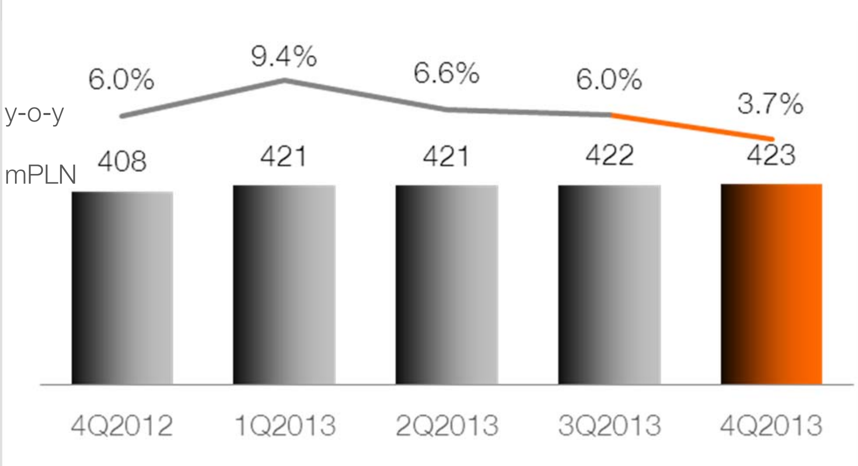
- 4Q customer net additions at +169k in post-paid - the highest result since 2009
- number of mobile customers up by 430k or (+2.9% year-on-year), including 310k post-paid
- post-paid data ARPU + 33% up year-on-year, driven by over 3,804mn smartphones
- mobile broadband accesses +18.3% year-on-year

4Q fixed broadband revenues +3.7% year on year

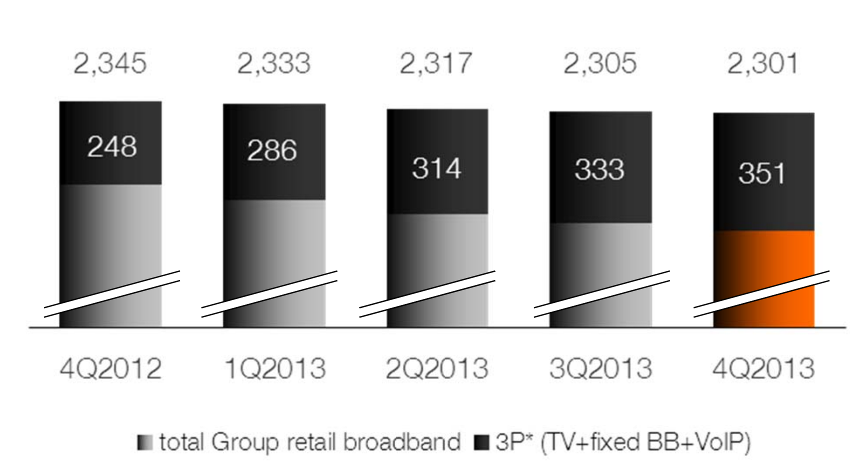
ARPU (broadband, TV, VoIP) evolution (in PLN)



fixed broadband, TV and VoIP revenue evolution



retail broadband accesses (in '000)



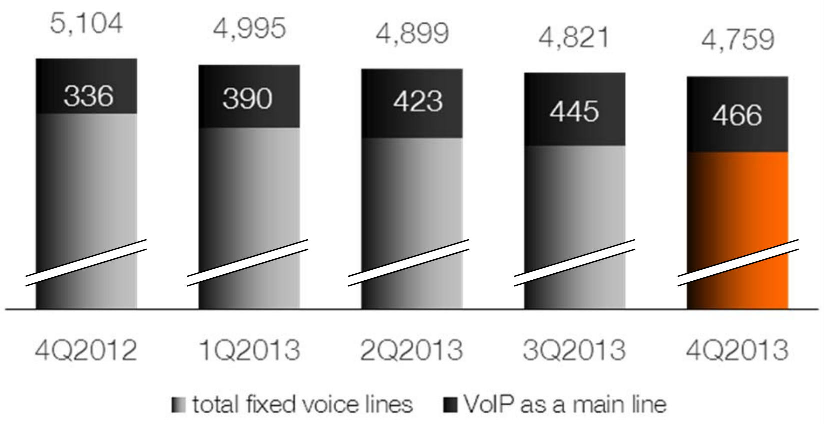
insight

- 4Q revenues up by PLN 15mn year-on-year
- continued upsell of TV and VoIP bundles
- customer base nearly flat since 3Q due to churn of CDMA and legacy products
- 15,000 VDSL clients added in 4Q

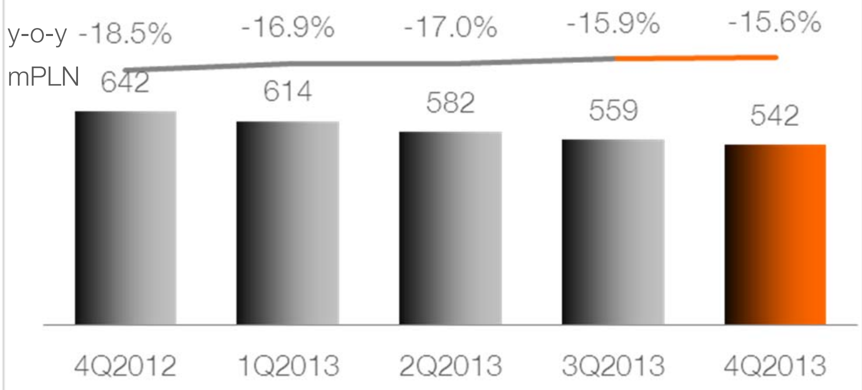
* including TV + fixed BB + VoIP customers who are in Orange Open

fixed voice dynamics improving gradually

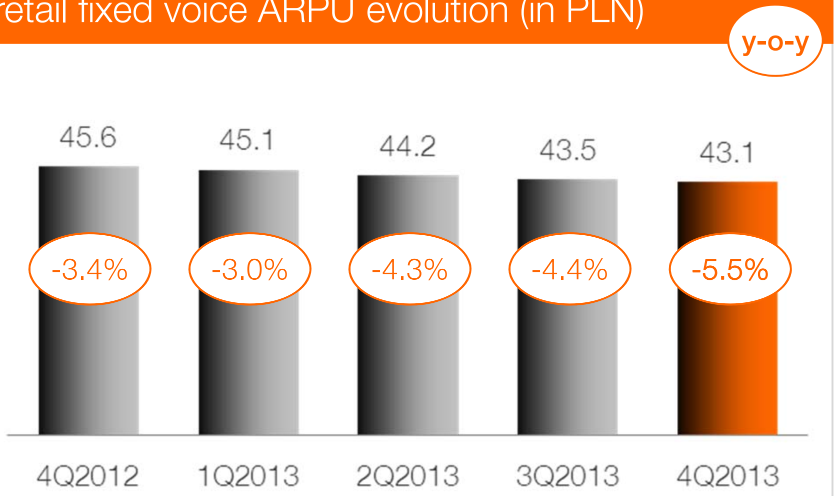
retail fixed voice lines evolution (in '000)



fixed voice revenue evolution



retail fixed voice ARPU evolution (in PLN)



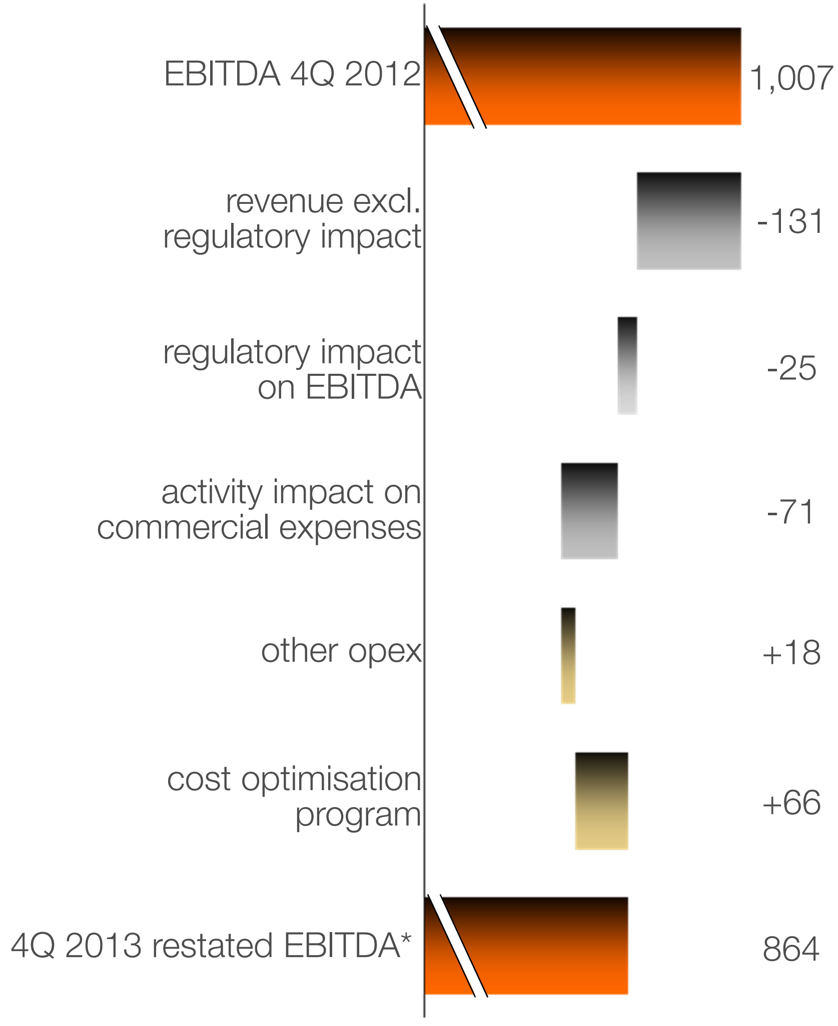
insight

- slower decline of fixed voice revenues, driven by improving customer base dynamics
- customer erosion progressively limited, due to:
  - competitive POTS offers (e.g. unlimited)
  - upsell of VoIP to broadband in the bundled offer (466,000 VoIP lines)
  - fixed voice included within Orange Open

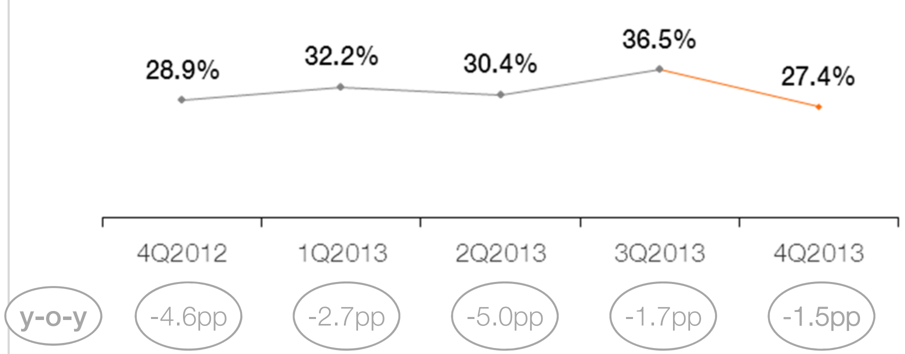
* excluding VoIP revenues which are included in broadband revenues

4Q EBITDA reflects investment in customer acquisitions

Group EBITDA evolution (in PLN mn)



Group restated EBITDA margin (in %)*



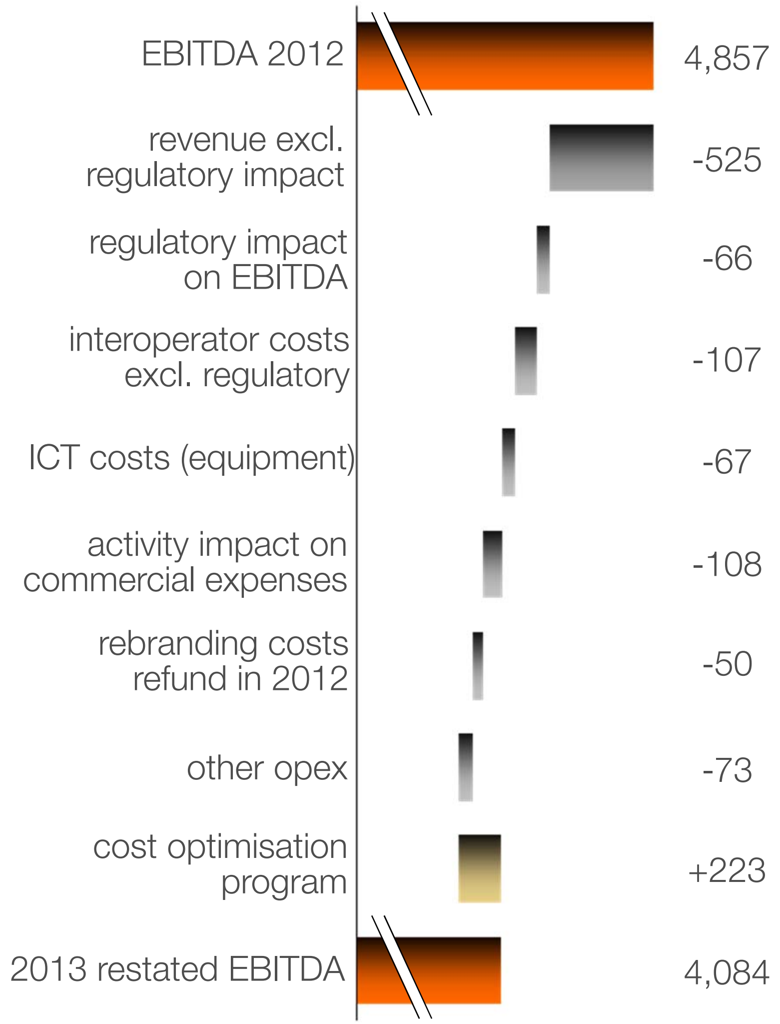
insight

- 4Q EBITDA margin reflects investment in record high customer acquisitions in mobile
  - +169k mobile post-paid net additions vs. +17k a year ago
  - 4Q commercial costs PLN 71mn above last year
- regulatory impact due to price cuts in F2M and EU roaming
- other opex decrease mainly due to risk provisions in 4Q2012

* restated for restructuring costs, (PLN -129mn) mainly including restructuring provision (PLN -167mn) and actuarial adjustment to long term employee benefits, and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)

2013 EBITDA margin* defended at 31.6%

Group EBITDA evolution (in PLN mn)



insight

- regulatory impact due to price cuts in F2M and EU roaming
- interconnect (excl. MTR impact) driven up by mobile plans with unlimited usage
- PLN 216mn ICT costs supports PLN 265mn ICT revenue
- higher investment in customer acquisitions in mobile post-paid
  - +310k post-paid subscribers in 2013 vs. -66k in 2012 and +21k in 2011
- other opex includes costs of infrastructure projects for the Polish regions
- PLN 223mn cost optimisation effect vs. 2012 includes PLN 147 mn from workforce optimisation.

* restated for restructuring costs, (PLN -147mn) mainly including restructuring provision booked in 2013 (PLN -186mn) and actuarial adjustment to long term employee benefits, and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)

net income at PLN 294mn

in million PLN	4Q2013	4Q2012	2013	2012
EBITDA incl. restructuring costs	702 1	1,007	3,904 1	4,857
depreciation and amortization	*-758* 2	-813	*-3,107* 2	*-3,267*
impairment of non-current assets	*-5*	-5	*-9*	*-16*
operating income	-61	189	788	1,574
net financial costs	*-118* 3	-175	*-478*	*-556*
of which foreign exchange gains / (losses)	0	6	-2	28
income tax	*77*	37	*-16*	*-163*
net income	-102 1	51	294 1	855
EPS (PLN)			0.22	0.65

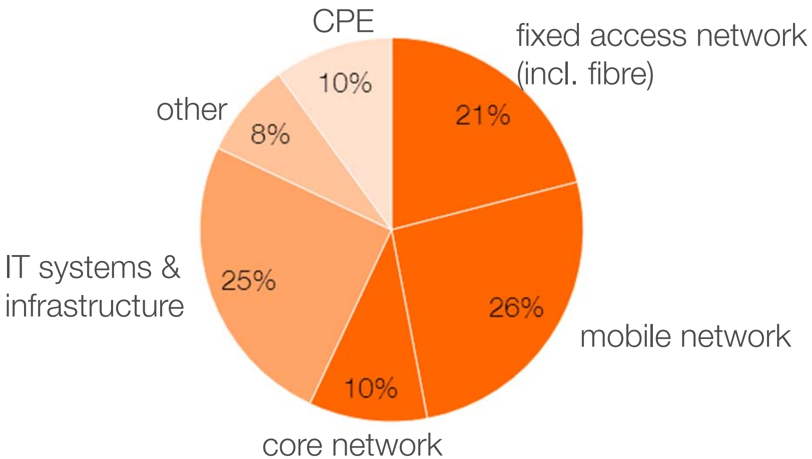
1 4Q including PLN -129mn (PLN -147mn in FY) related to restructuring and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)

2 underlying trend of declining depreciation

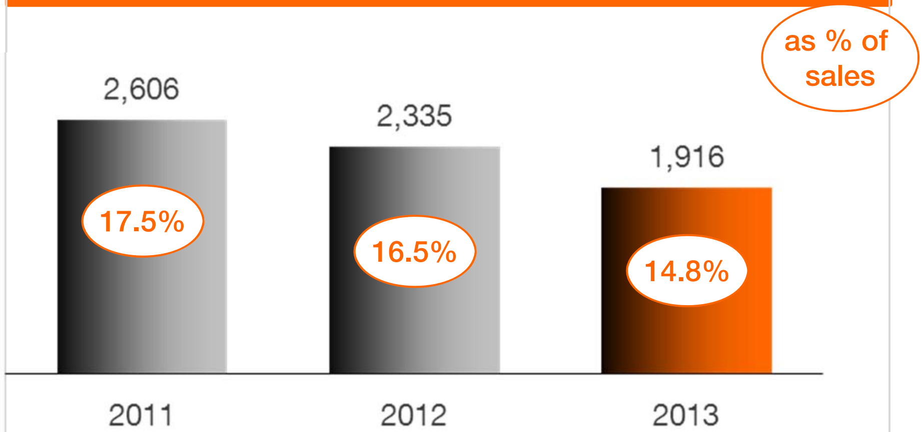
3 financial costs down due to lower interest rates

capital expenditure* optimisation achieved

2013 key investment areas* (in %)



capital expenditure* evolution (in PLN mn)



* excluding spectrum acquisition made in 2013

insight

- 57% of the full-year capex* has been spent on network investments
- 26% of capex* spent on mobile network, due to RAN co-use program
- intangible asset recognised in 3Q in relation to 1,800MHz spectrum – the contract is payable over 14.5 years

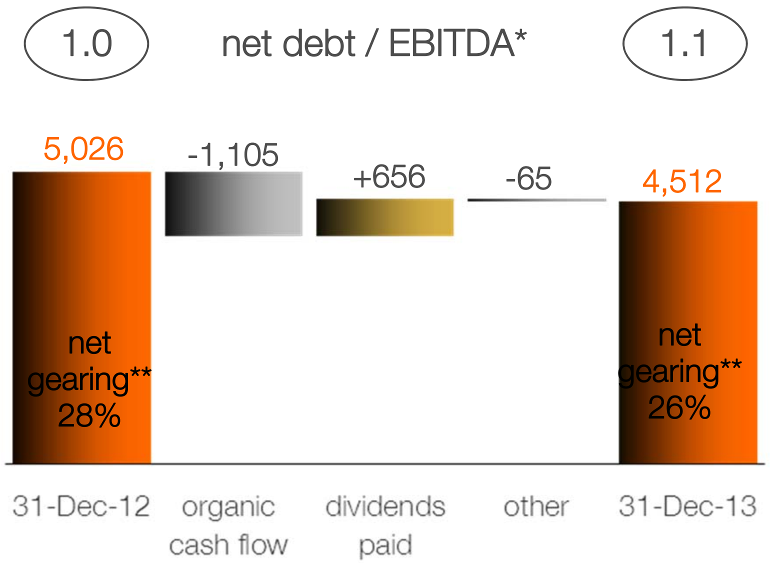
Organic Cash Flow guidance* delivered

in million PLN	4Q2012	4Q2013	change	2012 excl. DPTG***	2013	change
cash from operating activities before income tax paid and change in working capital	941	771	-170	4.464	3,343	-1,121
change in working capital	205	76	-129	-88	54	+142
CAPEX**	-1,033	-637	+396	-2,330	****-2,180	+150
CAPEX payables	438	82	-356	-464	****-74	+390
income tax paid	-35	-35	0	-48	-105	-57
sales of assets	17	15	-2	59	67	+8
organic cash flow	**533**	**272**	**-261**	**1,593**	**1,105**	**-488**
as % of revenues	*15.3%*	*8.6%*	*-6.7 pp.*	*11.3%*	*8.6%*	*-2.7 pp.*

* guidance revised up in 3Q 2013
** excluding capex financed by lease and including exchange rate effect on derivatives economically hedging capital expenditures, net
*** €-550mn (PLN -2,449mn)
**** including spectrum acquisition made in 2013 which increases capex and decreases cash outflow for capex payables

net debt decreased by PLN 0.5bn

net debt evolution (in PLN mn)



insight

- available liquidity, also thanks to financing from Orange Group :
  - cash & equivalents at PLN 0.2bn
  - unused credit lines at PLN 0.8bn
  - unused back-up lines up to PLN 1.75bn
- opportunity in 2014 to reduce the effective interests costs
  - EUR 700mn Notes to be refinanced in 2Q 2014
  - 6% coupon before hedging, as Notes were issued in 2009
- credit ratings at Baa1 / BBB with negative outlook

*2013 EBITDA restated for restructuring costs (PLN -147mn) and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories)
** net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)

3 conclusion

Bruno Duthoit

chief executive officer

focus for 2014

improve customer experience

- growth customer trust
  customer excellence with a high priority
- best mobile network
  co-used network project completed
- improve service delivery
- optimise Points-of-Sale

fight to increase value market shares

- convergence
  a flagship commercial offer
- nju.mobile
  for price conscious segment
- mobile broadband
  on 3G/LTE
- broadband recovery
  using VDSL / selectively FTTH
- ICT and M2M growth
  to support B2B activity

grow efficiency to recover the EBITDA margin

- labour agreement execution helped by process automation
- call centre consolidation
- commercial costs optimisation
- rigorous control of G&A costs

key trends anticipated for 2014

	2013	2014 expectations
top-line evolution	PLN 12.9 bn -8.6% y-o-y	revenue decline should considerably slow down in 2H 2014*, 1H still affected by MTR cuts from 2013
cost base (up to EBITDA)	4.8% down y-o-y***	costs down vs. 2013**, due to further opex transformation to support the EBITDA margin**
capital expenses	PLN 1.9bn 14.8% of revenue	below PLN 1.8bn, excluding one-off spectrum costs: - renewal of existing 3G spectrum, at ca. PLN 340mn - acquisition of new spectrum

* vs. pro-forma of 2013 (excluding change in consolidation scope due to disposals)

** excluding any impact of risk and litigation

*** restated for restructuring costs (PLN -147mn) and PLN -33mn adjustment linked to TPSA/PTK merger (VAT and inventories

commitment for 2014

2013 Organic
Cash Flow at
PLN 1.1bn

2014 OCF at least stable versus 2013

excluding one-offs:

- renewal of existing spectrum, at ca. PLN -0.3 bn
- acquisition of any new spectrum
- potential payment of the EC fine, up to €127 mn, or other claims and litigations

shareholders' remuneration maintained since 2013

cash dividend

to be paid in 2014*

PLN 0.5 per share

* Management's proposal, to be approved by the Annual General Meeting of Shareholders

4 Q&A session

glossary (1/3)

4G	fourth generation of mobile technology, sometimes called LTE or Long Term Evolution
ARPL	Average Revenue per Line
ARPU	Average Revenue per User
AUPU	Average Usage per User
BSA	Bit Stream Access
CATV	Cable Television
Catch-up	A type of VoD where broadcasters make programming available for streaming
CPE	Customer-premises equipment
DSLAM	Digital Subscriber Line Access Multiplexer
DTH	Direct To Home
DVB-T	Digital Video Broadcasting - Terrestrial
DVB-H	Digital Video Broadcast - Handheld
EBITDA	Operating income + depreciation and amortization + impairment of goodwill + impairment of non-current assets
F2M	Fixed to Mobile Calls
FTE	Full time equivalent
FTTH	Fiber To The Home

glossary (2/3)

HSPA	High Speed Packet Access
HSPA DC	High Speed Packet Access Dual Carrier
ICT	Information and Communication Technologies
IP TV	TV over Internet Protocol
IVR	Interactive Voice Response
Liquidity Ratio	Cash and unused credit lines divided by debt to be repaid in the next 18 months
LLU	Local Loop Unbundling
LTE	Long Term Evolution *(4G)*
LTO	Local Telecommunication Operator
MoU wth UKE	Memorandum of Understanding signed with UKE
MTR	Mobile Termination Rates
MVNO	Mobile Virtual Network Operator
Net gearing	net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)
NGA	Next Generation Access
NGN	Next Generation Network

glossary (3/3)

Organic Cash Flow	Organic Cash Flow = Net cash provided by Operating Activities – (CAPEX + CAPEX payables) + proceeds from sale of assets
POS	Point-Of-Sale
POTS	Plain Old Telephone Service
PVR	Personal Video Recorder
RAN	Radio Access Network
RIO	Reference Interconnection Offer
RLLO	Reference Leased Line Offer
SAC	Subscriber Acquisition Costs
SARC	Subscription Acquisition and Retention Costs
SMP	Significant Market Power
USO	Universal Service Offer
UKE	Office of Electronic Communications - Regulator
VAS	Value Added Services
VoIP	Voice over Internet Protocol
WLL	Wireless Local Loop - a term for the use of a wireless communications, the "first mile"
WLR	Wholesale Line Rental