Annual General Assembly

of Orange Polska S.A.

Warszawa, April 10, 2014

TRANSLATION

Attachment to the resolution no. 32/14
of Orange Polska S.A. Management Board
dated 10.03.2014

Announcement of the Management Board of Orange Polska on the Annual General Assembly

I. Date time and venue of the Annual General Assembly and detailed Agenda

The Management Board of Orange Polska Spółka Akcyjna (hereinafter referred to as Orange Polska S.A. or the Company) with its registered seat in Warsaw, entered in the companies' register maintained by the Regional Court for the Capital City of Warsaw, 12th Business Division of the National Court Register, under the number 0000010681, acting pursuant to provisions of article 399 § 1 of the Commercial Companies Code and § 12 clause 2 of the Articles of Association of Orange Polska S.A., convenes the Annual General Assembly to be held on April 10, 2014, 10:00 a.m., in Warsaw, in the premises of Orange Polska Spółka Akcyjna building at Aleje Jerozolimskie 160, building E, ground floor, the conference hall – K/CK..

Agenda:

1) Opening of the Assembly;
2) Election of the Chairman;
3) Statement that the Assembly is valid and capable to adopt resolutions;
4) Adoption of the agenda;
5) Election of the Scrutiny Commission;
6) Review of:
   a) the Management Board Report on the Orange Polska S.A. operations and the Company Financial Statements for the financial year 2013,
   b) the Management Board's motion concerning distribution of the Orange Polska S.A. profit for the financial year 2013,
   c) the Supervisory Board Report on assessment of the Management Board Report on the Orange Polska S.A. operations, the Financial Statements for the financial year 2013 and the Management Board motion on distribution of the Company's profit,
   d) the Management Board Report on the operations of the Orange Polska Group and the consolidated Financial Statements for the financial year 2013,
   e) the Supervisory Board Report on assessment of the Management Board Report on the operations of the Orange Polska Group and the consolidated Financial Statements for the financial year 2013,
   f) report on the Supervisory Board's activities and concise assessment of the Company's in 2013.
7) Review of:
   a) the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. operations and the Company Financial Statements for the financial year 2013,

b) the Management Board's motion concerning distribution of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. profit for the financial year 2013,

c) the Supervisory Board Report on assessment of the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. operations, the Financial Statements for the financial year 2013 and the Management Board motion on distribution of the Company's profit,

8) Review of:

a) the Management Board Report on the Orange Polska sp. z o.o. operations and the Company Financial Statements for the financial year 2013,

b) the Management Board's motion concerning coverage of the Orange Polska sp. z o.o loss for the financial year 2013,

c) the Supervisory Board Report on assessment of the Management Board Report on the Orange Polska sp. z o.o. operations, the Financial Statements for the financial year 2013 and the Management Board motion on coverage of the Company's loss,

9) Adoption of the following resolutions:

a) approval of the Management Board Report on the Orange Polska S.A. activity in the financial year 2013,

b) approval of the Orange Polska S.A. Financial Statements for the financial year 2013,

c) distribution of the Orange Polska S.A. profit for the financial year 2013,

d) approval of the Management Board Report on the operations of Orange Polska Group in the financial year 2013,

e) approval of the consolidated Financial Statements for the financial year 2013, and

f) granting approval of performance of their duties as members of the Orange Polska S.A. bodies in the financial year 2013,

g) approval of the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. activity in the financial year 2013,

h) approval of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o Financial Statements for the financial year 2013,

i) distribution of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o profit for the financial year 2013,

j) granting approval of performance of their duties as Management Board members of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o in the financial year 2013,

k) approval of the Management Board Report on the Orange Polska sp. z o.o. activity in the financial year 2013,

l) approval of the Orange Polska sp. z o.o. Financial Statements for the financial year 2013,

m) coverage of the Orange Polska sp. z o.o. loss for the financial year 2013,

n) granting approval of performance of their duties as Management Board members of the Orange Polska sp. z o.o. in the financial year 2013,

10) Changes in the Supervisory Board's composition,

11) Closing of the Assembly.

II. Information on participation rights in the General Assembly of Orange Polska S.A. ('GA')

1. Shareholder's right to request for certain issues to be put on the General Assembly's agenda and to table draft resolutions

    1) Pursuant to art. 401 § 1 of the Commercial Companies Code, the Shareholder or Shareholders representing at least 5% of the share capital have the right to put issues on the GA agenda. The request shall contain the following:

        a) the justification or a draft resolution on the proposed item,

        b) an updated office copy of the entries in the companies' register or any other equivalent document confirming representation to act in the petitioner's name – regards the shareholders that are legal persons or entities that have no legal personality,

        c) a document confirming ownership of such number of shares that authorises to place the request.

        The request shall be filed with the Management Board in writing at the Company's registered office at Al. Jerozolimskie 160, 02-326 Warsaw, or send it by e-mail to the address pelnomocnictwo.wza@orange.com (pdf file), at least 21 days prior to the date of the General Assembly, i.e., on March 20, 2014 at the latest.

    2) Pursuant to art. 401 § 4 of the Commercial Companies Code, the Shareholder or Shareholders representing at least 5% of the share capital and authorised to participate in the GA have the right to table draft resolutions on issues on the GA agenda or those to be put on the agenda. The drafts shall be filed with the Management Board in writing at the Company's registered office at Al. Jerozolimskie 160, 02-326 Warsaw, or send it by e-mail to the address pelnomocnictwo.wza@orange.com (pdf file), not later than 3 days prior to the GA, i.e., on April 7, 2014 at the latest. The request with the draft resolution shall be accompanied by the documents mentioned in 1b) and 1c).

    3) Pursuant to art. 401 § 5 of the Commercial Companies Code, each Shareholder authorised to participate in the GA may, during the GA, table draft resolutions on the issues that have been put on the agenda.

2. Exercise of their voting right by the proxy holder

    1) A Shareholder being natural person may participate in the GA and exercise his/her voting right in person or by a proxy holder.

        A Shareholder not being natural person may participate in the GA and exercise its voting right through a person authorised to make statements of will in its name or by a proxy holder.

    2) The proxy shall be made in writing, otherwise null and void, and it shall be appended to the GA minutes or made in electronic form. The form of the proxy authorising to exercise the voting right by a proxy holder is available at the Company's web side www.orange.pl/investors.

    3) Orange Polska S.A. shall be notified about a proxy in electronic form at least 3 days prior to the GA, i.e., on April 7, 2014 at 4 p.m. at the latest by e-mail at pelnomocnictwo.wza@orange.com by

sending a scan of proxy signed by the Shareholder or, in case of shareholders other than natural persons, by persons authorised to represent such Shareholder.

4) Orange Polska S.A. shall take relevant steps to identify the Shareholder and the proxy holder in order to verify the validity of the proxy made in electronic form. The verification may mean a feedback by e-mail or by telephone asking the Shareholder and/or the proxy holder to confirm the representation and the scope of the proxy. Orange Polska S.A. thereby represents that any failure to respond to such verification shall be treated as failure to grant proxy and shall give grounds for such proxy holder to be denied access to the GA.

5) The right to represent a Shareholder not being a natural person shall be derived from an office copy of the relevant register (placed in original or in a copy confirmed by notary) or from the proxy, to be presented when checking the attendance list. A person/persons granting proxy on behalf of the Shareholder that is not natural person shall by entered in the updated office copy of the relevant register.

6) A management board member and an employee of the Company may act as proxy holders at the General Assembly. If a management board member or a supervisory board member or an employee of the Company or a member of a subsidiary's bodies or its employee is a proxy holder at the General Assembly, the proxy may authorise to represent exclusively at a single General Assembly.

7) The proxy holder, referred to in item 6) shall notify the Shareholder about any circumstances that indicate or may indicate a conflict of interest. Further representation shall be forbidden.

8) The proxy holder, referred to in item 6) shall vote in line with the instructions received from the Shareholder.

3. The possibility and mode of participating in the General Assembly by means of electronic communication

The Company does not allow for participation in the General Assembly by means of electronic communication.

4. The method of speaking at the GA by means of electronic communication

The Company does not allow for speaking at the General Assembly by means of electronic communication.

5. The procedure for casting votes by correspondence or by electronic means

The Company does not allow for executing the voting right by correspondence or by means of electronic communication.

6. The record date

March 25, 2014 shall be the record date.

7. The right to participate in the General Assembly

1) Only the persons being Orange Polska S.A. shareholders as of the record date, i.e., March 25, 2014, shall have the right to participate in the General Meeting. Personal certificate of entitlement to attend the General Meeting is issued by the entity operating a securities account, not later than in the first business day after the day of registration, i.e. March 26, 2014.

2) The list of Shareholders authorised to participate in the General Assembly shall be made pursuant to the data received from the National Securities Depository (KDPW). It is however recommended that the Shareholders had bearer certificates of their right to participate in the General Assembly issued by the entity maintaining the securities account.

3) Shareholders shall be allowed to take part in the GA on producing their identity document, while proxy holders shall be allowed to take part in the GA on producing their identity document and the proxy made in writing or by electronic means. Representatives of legal persons or entities not having legal personality shall additionally produce updated office copies of relevant registers with persons authorised to represent the entities entered in it.

III. Access to documentation

1) Any information and documents to be presented to the General Assembly together with draft resolutions, shall be placed at the Company's web side www.orange.pl/investors beginning on the day the General Assembly has been convened.

2) Beginning on April 3, 2014, a Shareholder shall have the right to request a copy of motions on the issues on agenda.

point 6.

of the meeting agenda

<u>Review of:</u>

a) the Management Board Report on the Orange Polska S.A. operations and the Company Financial Statements for the financial year 2013,
b) the Management Board's motion concerning distribution of the Orange Polska S.A. profit for the financial year 2013,
c) the Supervisory Board Report on assessment of the Management Board Report on the Orange Polska S.A. operations, the Financial Statements for the financial year 2013 and the Management Board motion on distribution of the Company's profit,
d) the Management Board Report on the operations of the Orange Polska Group and the consolidated Financial Statements for the financial year 2013,
e) the Supervisory Board Report on assessment of the Management Board Report on the operations of the Orange Polska Group and the consolidated Financial Statements for the financial year 2013,
f) report on the Supervisory Board's activities and concise assessment of the Company's in 2013.

TRANSLATION

resolution no. 14/14

of Orange Polska S.A. Management Board

dated 11.02.2014

on approval of the Management Board's report on the activity of Orange Polska S.A. Company's in the financial year 2013 and IFRS financial statements for 2013

On the basis of art. 49 and 52 of the Accountancy Act and § 6 clause 3 item 14 of Orange Polska S.A. Management Board Regulations, constituting an attachment to the resolution No. 110/O/12 of TPSA Management Board dated 14.11.2012 (with later edited) the following resolution is hereby adopted:

§ 1

Orange Polska SA Management Board approves the Management Board report on the Orange Polska S.A. Company's activity in 2013.

§ 2

Orange Polska SA Management Board accepts the Orange Polska S.A. Company's IFRS financial statements for the financial year 2013 including:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 25 180 million (in words: PLN twenty five billion one hundred eighty million),
2) profit and loss account for 2013 showing a net profit of PLN 1 428 million (in words: PLN one billion four hundred twenty eight million),
3) change in equity for 2013 showing a increase in equity by PLN 789 million (in words: PLN seven hundred eighty nine million),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 50 million (in words: PLN fifty million),
5) notes to the financial statement.

§ 3

The reports and statements, referred to in § 1 and § 2, have been included in attachment 1.

§ 4

1. Orange Polska SA Management Board decides to move to the Annual General Meeting a motion for consideration and approval of the report and statements, referred to in § 1 and § 2.
2. Orange Polska SA Management Board decides to submit for evaluation to the Supervisory Board the report and statements, referred to in § 1 and § 2 for evaluation.
3. The draft of relevant Annual General Meeting resolutions have been included in attachments 2 and 3.

§ 5

The resolution comes into force on the day of its adoption.

the Management Board's report

on the activity of the Orange Polska S.A.
and the financial statements
for the year ended 31 December 2013

(separate document)

TRANSLATION

resolution no. 25/O/14

of Orange Polska S.A. Management Board
Adopted by correspondence

as of 05.03.2014

on the Management Board's motion on distribution of the Company's Orange Polska S.A. profit for the financial year 2013

On the basis of § 25 clause 4 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

Orange Polska S.A. Management Board adopts the following motion on distribution of the Company's Orange Polska S.A. net profit for the year 2013 of PLN 1,427,661,807.86 (in words: one billion four hundred and twenty seven million six hundred and sixty one thousand eight hundred and seven zlotys 86/100):

1) For a dividend - PLN 656,178,739.50 (in words: six hundred and fifty six million one hundred and seventy eight thousand seven hundred and thirty nine zlotys 50/100),
   The amount of dividend shall be PLN 0.50 (in words: fifty groszy) for each entitled share.
2) Supplementary capital - PLN 742,929,832.21 (in words: seven hundred and forty two million nine hundred and twenty nine thousand eight hundred and thirty two zlotys 21/100),
3) To the reserve capital - 28,553,236.15 (in words: twenty eight million five hundred and fifty three thousand two hundred and thirty six zlotys 15/100).

§ 2

1. Orange Polska S.A. Management Board decides to move to the Annual General Meeting a motion on distribution of the Company's net profit for 2013, referred to in § 1.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board a motion, referred to in § 1 for evaluation.
3. Draft of the relevant Annual General Meeting resolution has been included in attachment to the present resolution.

§ 3

The resolution comes into force on the day of its adoption.

resolution no. 11/14

of the Supervisory Board
of Orange Polska S.A.

dated 17 March 2014

on adoption of the report on evaluation of the Management Board's report on the Company's activity, the financial statements and the Management Board's motion on the distribution of the Company's profit for the financial year 2013

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Articles of Association of Orange Polska SA (hereinafter referred to as the Company), the following is resolved:

§ 1

The Supervisory Board adopts the report from results of evaluation of:

- the Management Board's report on the Company's activity in 2013,
- the Company's IFRS financial statements for the financial year 2013, and
- the Management Board's motion on distribution of the Company's profit for 2013,

included in attachment hereto, and decides to submit this report to the Annual General Assembly.

§ 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Benoit Scheen
4. Marc Ricau
5. Timothy Boatman
6. Henryka Bochniarz
7. Jean-Marie Culpin
8. Eric Debroeck
9. Mirosław Gronicki
10. Sławomir Lachowski
11. Marie-Christine Lambert
12. Pierre Louette
13. Gervais Pellissier
14. Gérard Ries
15. Wiesław Rozłucki

Attachment
to the Supervisory Board Resolution
No. 11/14 dated March 17, 2014

REPORT

of Orange Polska S.A. Supervisory Board

on evaluation of the Management Board Report on the Company's activity, the financial statements and the Management Board's motion on the distribution of the Company's profit for the financial year 2013

The Company's Supervisory Board, acting pursuant to provisions of article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association, has examined and evaluated the following documents:

a) the Management Board's report on the Company's activity in 2013;

b) the Company's IFRS financial statements for the financial year 2013 including:

   1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 25 180 million (in words: PLN twenty five billion one hundred eighty million),

   2) profit and loss account for 2013 showing a net profit of PLN 1 428 million (in words: PLN one billion four hundred twenty eight million),

   3) change in equity for 2013 showing an increase in equity by PLN 789 million (in words: PLN seven hundred eighty nine million),

   4) cash flow account showing a decrease in net cash and cash equivalents by PLN 50 million (in words: PLN fifty million),

   5) notes to the financial statement.

c) Resolution No. 14/14 of the Company's Management Board dated February 11, 2014 on approval of the Management Board's report on the Company's activity in 2013 and the IFRS financial statements for the financial year 2013;

d) Resolution No. 25/O/14 of the Company's Management Board dated March 5, 2014 on Management Board's motion on distribution of the Company's profit for 2013.

Having analysed the above mentioned documents and taking into consideration the opinion and report of an independent auditor on examination of Orange Polska S.A. financial statements for the year as at December 31, 2013, the Supervisory Board states as follows:

The Management Board report on the Company's activity and the financial statements for the financial year 2013 are in compliance with the books and documents, and remain in conformity with the factual status and mandatory legal provisions.

The Supervisory Board recommends the Annual General Assembly:

- to approve the Management Board's report on the Company's activity in 2013 and the financial statements for the financial year 2013;

- to adopt a resolution on distribution of the Company's profit for the financial year 2013 according to the motion of the Management Board included in the resolution 25/O/14;

- to grant approval of the performance by the members of the Management Board of their duties in 2013.

TRANSLATION

resolution no. 15/14

of Orange Polska SA Management Board

dated 11.02.2014

on approval of the Management Board report on the activity of Orange Polska Group in the financial year 2013 and IFRS consolidated financial statements for 2013

On the basis of art. 55 of the Accountancy Act and § 6 clause 3 item 14 of Orange Polska SA Management Board Regulations, constituting an attachment to the resolution No. 110/O/12 of TP SA Management Board dated 14.11.2012 (with later edited) the following resolution is hereby adopted:

§ 1

Orange Polska SA Management Board approves the Management Board report on the activity of Orange Polska Group in the financial year 2013.

§ 2

Orange Polska SA Management Board approves the IFRS consolidated financial statements for 2013 that include:

1) consolidated balance sheet as at 31.12.2013, showing the balance sheet total of PLN 22 802 million (in words: PLN twenty two billion eight hundred two million),

2) consolidated profit and loss account for 2013 showing consolidated a net profit after taxation of PLN 294 million (in words: PLN two hundred ninety four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 294 million (in words: PLN two hundred ninety four million),

3) changes in total consolidated equity for 2013 showing a decrease in total consolidated equity by PLN 327 million (in words: PLN three hundred twenty seven million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 327 million (in words: PLN three hundred twenty seven million),

4) consolidated cash flow statement showing a decrease in net cash and cash equivalents by PLN 208 million (in words: PLN two hundred eight million),

5) notes to consolidated financial statement.

§ 3

The reports and statements, referred to in § 1 and § 2, have been included in attachment 1.

§ 4

1. Orange Polska SA Management Board decides to move to the Annual General Meeting a motion for consideration and approval of the report and statements, referred to in § 1 and § 2.
2. Orange Polska SA Management Board decides to submit for evaluation to the Supervisory Board the report and statements, referred to in § 1 and § 2 for evaluation.
3. The drafts of relevant Annual General Meeting resolutions have been included in attachments 2 and 3.

§ 5

The resolution comes into force on the day of its adoption.

the Management Board's report

on the activity of the Orange Polska Capital Group
and the consolidated financial statements
for the year ended 31 December 2013

(separate document)

resolution no. 12/14

of the Supervisory Board
of Orange Polska S.A.

dated 17 March 2014

on adoption of the report on evaluation of the Management Board's report on the activity of Orange Polska Group and the consolidated financial statements for the financial year 2013

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Articles of Association of Orange Polska SA (hereinafter referred to as the Company), the following is resolved:

§ 1

The Supervisory Board approves the report on evaluation of the Management Board's report on the activity of Orange Polska Capital Group and IFRS consolidated financial statements for the financial year 2013, included in attachment hereto, and decides to submit this report to the Annual General Assembly.

§ 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Benoit Scheen
4. Marc Ricau
5. Timothy Boatman
6. Henryka Bochniarz
7. Jean-Marie Culpin
8. Eric Debroeck
9. Mirosław Gronicki
10. Sławomir Lachowski
11. Marie-Christine Lambert
12. Pierre Louette
13. Gervais Pellissier
14. Gérard Ries
15. Wiesław Rozłucki

Attachment
to the Supervisory Board Resolution
No. 12/13 dated March 17, 2014

REPORT

of Orange Polska SA Supervisory Board

on evaluation of the Management Board's report on the activity of Orange Polska Capital Group and the consolidated financial statements for the financial year 2013

The Company's Supervisory Board, acting pursuant to provisions of article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association, has examined and evaluated the following documents:

a) The Management Board's report on the activity of Orange Polska Capital Group in the financial year 2013;

b) The IFRS consolidated financial statements for 2013, including:

   1) consolidated balance sheet as at 31.12.2013, showing the balance sheet total of PLN 22 802 million (in words: PLN twenty two billion eight hundred two million),

   2) consolidated profit and loss account for 2013 showing consolidated a net profit after taxation of PLN 294 million (in words: PLN two hundred ninety four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 294 million (in words: PLN two hundred ninety four million),

   3) changes in total consolidated equity for 2013 showing a decrease in total consolidated equity by PLN 327 million (in words: PLN three hundred twenty seven million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 327 million (in words: PLN three hundred twenty seven million),

   4) consolidated cash flow statement showing a decrease in net cash and cash equivalents by PLN 208 million (in words: PLN two hundred eight million),

   5) notes to consolidated financial statement.

c) Resolution No. 15/14 of the Company's Management Board dated February 11, 2014 on approval of the Management Board report on the activity of Orange Polska Group in the financial year 2013 and IFRS consolidated financial statements for 2013.

Having analysed the abovementioned documents and taking into consideration the opinion and report of an independent auditor on examination of the consolidated financial statements for the year as at December 31, 2013, the Supervisory Board states as follows:

The Management Board's report on the activity of Orange Polska Capital Group in the financial year 2013 and the consolidated IFRS financial statements for the financial year 2013 are in compliance with the books and documents, and remain in conformity with the factual status and mandatory legal provisions.

The Supervisory Board recommends the Annual General Assembly to approve the Management Board's report on the activity of Orange Polska Capital Group in the financial year 2013 and the consolidated IFRS financial statements for the financial year 2013.

resolution no. 13/14

of the Supervisory Board
of Orange Polska S.A.

dated March 17, 2014

on adoption of the report on the activity of the Supervisory Board and its committees and the concise assessment of the Orange Polska Capital Group's standing in 2013, including an assessment of the internal control system and the significant risks management system

Pursuant to article 382 § 1 of the Commercial Companies Code, § 23.1.12 of the Company's Articles of Association, the following is resolved:

§ 1

The Supervisory Board adopts the Report on the activities of the Supervisory Board of Orange Polska S.A. and its committees and the concise assessment of the Orange Polska Capital Group's standing in 2013, including an assessment of the internal control system and the significant risks management system included in attachment hereto, and decides to submit it to the Annual General Assembly.

§ 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Benoit Scheen
4. Marc Ricau
5. Timothy Boatman
6. Henryka Bochniarz
7. Jean-Marie Culpin
8. Eric Debroeck
9. Mirosław Gronicki
10. Sławomir Lachowski
11. Marie-Christine Lambert
12. Pierre Louette
13. Gervais Pellissier
14. Gérard Ries
15. Wiesław Rozłucki

Attachment
to the Supervisory Board Resolution
No. 13/14 dated March 17, 2014

REPORT

on the activity of the Supervisory Board of Orange Polska S.A. and its committees and concise assessment of the Orange Polska Group's standing in 2013

I. COMPOSITION:

Supervisory Board composition as of January 1, 2013:

1. Prof. Andrzej K. Koźmiński - Chairman
2. Benoit Scheen - Deputy Chairman and Chairman of the Strategy Committee
3. Marc Ricau - Secretary
4. Timothy Boatman - Board Member and Chairman of the Audit Committee
5. Dr. Henryka Bochniarz - Board Member
6. Thierry Bonhomme - Board Member
7. Jacques Champeaux - Board Member
8. Dr. Mirosław Gronicki - Board Member
9. Sławomir Lachowski - Board Member
10. Marie-Christine Lambert - Board Member
11. Pierre Louette - Board Member
12. Gérard Ries - Board Member
13. Dr. Wiesław Rozłucki - Board Member and Chairman of the Remuneration Committee

In 2013 the following changes occurred in the composition of the Supervisory Board:

On April 11, 2013, the mandates of Mr. Thierry Bonhomme, Mr. Jacques Champeaux, Mr. Mirosław Gronicki and Mr. Marc Ricau expired.

On the same day, Mr. Eric Debroeck, Mr. Mirosław Gronicki, Mr. Gervais Pellissier and Mr. Marc Ricau were appointed by the Annual General Assembly as Members of the Supervisory Board.

On September 19, 2013, Mr. Jean-Marie-Culpin and Mr Maciej Witucki were appointed by the Extraordinary General Assembly as Members of the Supervisory Board.

Supervisory Board composition as of December 31, 2013:

1. Maciej Witucki - Chairman
2. Prof. Andrzej K. Koźmiński - Deputy Chairman
3. Benoit Scheen - Deputy Chairman and Chairman of the Strategy Committee
4. Marc Ricau - Secretary
5. Timothy Boatman - Board Member and Chairman of the Audit Committee
6. Dr. Henryka Bochniarz - Board Member
7. Jean-Marie Culpin - Board Member
8. Eric Debroeck - Board Member
9. Dr. Mirosław Gronicki - Board Member
10. Sławomir Lachowski - Board Member
11. Marie-Christine Lambert - Board Member
12. Pierre Louette - Board Member
13. Gervais Pellissier - Board Member
14. Gérard Ries - Board Member
15. Dr. Wiesław Rozłucki - Board Member and Chairman of the Remuneration Committee

At present, the Supervisory Board has six independent members, namely Messrs. Prof. Andrzej K. Koźmiński, Timothy Boatman, Dr. Henryka Bochniarz, Dr. Mirosław Gronicki, Sławomir Lachowski and Dr. Wiesław Rozłucki.

Three permanent committees operate within the Supervisory Board. Their composition was the following (as of December 31, 2013):

- **Audit Committee**: Timothy Boatman – Chairman, Marc Ricau, Sławomir Lachowski and Marie-Christine Lambert – members;
- **Remuneration Committee**: Dr. Wiesław Rozłucki – Chairman, Prof. Andrzej K. Koźmiński, Benoit Scheen and Marc Ricau – members;
- Strategy Committee: Benoit Scheen – Chairman, Dr Henryka Bochniarz, Eric Debroeck, Dr. Mirosław Gronicki, Sławomir Lachowski and Gérard Ries – members.

II. OPERATION

The Supervisory Board, acting in compliance with the provisions of the Commercial Companies Code and the Company's Articles of Association, exercised permanent supervision over the Company's operations in all fields of its activities.

In 2013 the Supervisory Board fulfilled its duties resulting from the provisions of the Commercial Companies Code:

1. Evaluation of the Management Board's report on Orange Polska SA operations and the financial statements for the financial year 2012 and the Management Board's motion for distribution of the Company's profit;
2. Evaluation of the Management Board's report on Orange Polska Group's operations and the consolidated financial statements for the financial year 2012;
3. Filing with the General Assembly of the Shareholders reports presenting the results of the above mentioned evaluation.

The Supervisory Board took due care to ensure that the Management Board's reports and the financial statements were in compliance with the law.

The Supervisory Board also executed its rights and obligations arising from the Company's Articles of Association and the Best Practices for Companies listed on the Warsaw Stock Exchange, of which the following should be mentioned:

1) expressing opinions on motions addressed to the General Assembly including the motion on amendments to the Articles of Association,
2) selecting an independent auditor to audit the Company's financial statements,
3) preparing opinions on Orange Polska S.A. and Orange Polska Group budgets,
4) concise assessing of the Orange Polska Group's standing in 2012, including an assessment of the internal control system and the significant risks management system,

The Supervisory Board met 7 times in 2013. The SVB adopted 29 resolutions, of which 9 in writing (by correspondence).

The Supervisory Board used in its operations opinions of its Committees (the Audit Committee, the Remuneration Committee and the Strategy Committee), wherever applicable.

The reports of the three permanent committees of the Supervisory Board on their activities in 2013 are attached hereto.

The Supervisory Board formulated a number of recommendations, remarks and motions to the Management Board, referring to different aspects of the company's operations.

The Supervisory Board was regularly monitoring the execution of its resolutions and recommendations, analysing the information presented by the Management Board.

III. CONCISE ASSESSMENT OF ORANGE POLSKA GROUP'S STANDING IN 2013

This section contains the Supervisory Board assessment of the Orange Polska Group's performance in 2013 in accordance with the recommendation no. III. 1.1 of the Code of Best Practices for WSE Listed Companies, introduced by the Warsaw Stock Exchange. The assessment is based on the 2013 financial results of the Group (the Company and its subsidiaries) as well as on the information obtained by the Supervisory Board during conducting its statutory tasks.

Throughout 2013, the Supervisory Board focused on the following issues:

a) Group's financial results and performance in comparison to the budget;
b) Development and beginning of implementation of the medium term action plan for 2013–2016;
c) Concluding financing agreements with Orange Group;
d) Monitoring of the key programs for the Group's future, particularly the program of mobile access network sharing with T-Mobile;
e) Disposal of a subsidiary, Wirtualna Polska;
f) Merger of the main Group entities, Telekomunikacja Polska S.A. and PTK Centertel, into Orange Polska S.A.;
g) Customer satisfaction – the customer excellence programme.

The Supervisory Board, through the work of its committees and all its members (including six independent members), was actively engaged in the process of evaluation of the most important initiatives, having in mind the interest of all the Group's stakeholders, including shareholders. In addition, it maintained oversight of the Group's operational and financial goals through management reporting at its quarterly meetings and was able, through the Audit Committee, to review and challenge the control, risk management and budgeting functions performed by the Management.

Group's Operational Review

Despite intensive competitive environment, Orange Polska achieved a visible improvement in its commercial momentum in 2013. In particular, the commercial focus placed on convergence, resulted in a dynamic growth of the Orange Open product, which reached 286,000 customers, up from 33,000 at the end of 2012. Roughly 58% of these customers bought additional services when entering into Orange Open, underscoring the upsell potential of Open. Group's mobile customer base expanded by 430,000, including 310,000 customers added in post-paid. This was well supported by the Group's second mobile brand, nju.mobile, which was launched in April 2013. Its customer base reached 353,000, mostly gained from the competition. In fixed line, the Group limited the loss of its fixed voice customers to 345,000 in 2013, versus 590,000 customers lost in 2012. The customer base of fixed broadband decreased by 44,000, mainly due to services based on ADSL and CDMA, while the Group increased the number of clients using its VDSL services by 38,000. The Group continued to bundle fixed broadband with television and VoIP, and these efforts resulted in a 103,000 increase in its 3P bundles in 2013. The number of clients of Group's mobile broadband clients increased by 180,000, also due to commercial actions including subsidised equipment (netbooks, tablets).

Another major event was the merger of the Group's fixed and mobile entities, TP S.A. and PTK Centertel, into Orange Polska S.A. The process was completed on December 31, 2013. It is an important step for the Group, as it will further facilitate the implementation of the Group's convergent product strategy.

In 2013, the Group continued to implement its co-operation with T-Mobile, concerning a common use of their mobile access networks. At the end of the year, ca 8,200 sites (out of the total target of 10,000) have been modernised and put in common use. The co-operation was enlarged to the 4G LTE technology, and subsequently the Group gained access to the 1 800MHz LTE spectrum, which is owned by T-Mobile. As a result of the co-operation, the Group launched services based on 4G LTE, and enlarged its service coverage to ca. 90% of population in 3G and achieved ca. 16% coverage (in population) in 4G.

In line with its strategy of disposing of non-core assets, on October 23, 2013 the Group signed a sale agreement to dispose its wholly owned subsidiary, Wirtualna Polska, to O2 sp. z o.o., subject to an approval by the Competition Office (UOKiK). Following the approval by UOKiK, the transaction was finalised in 2014, for a total price of PLN 383 million.

On December 9, 2013 the Group reached an agreement with its trade unions, regarding a new social plan for years 2014-2015. Pursuant to this agreement, the Group will help those employees, who cannot adjust their professional profile to the changing environment, by enabling them to take advantage of a voluntary leaves program, which includes severance packages. Up to 2,950 employees will be able to leave the Group on a voluntary leaves basis in 2014-2015, including 1,530 in 2014.

Group's Financial Overview

The Group's key goals in 2013 were to:

- Effect the merger of TP S.A. and PTK Centertel Sp. z o.o.;
- Monitor business performance closely so as to be able to react quickly to unfavourable trading conditions caused by the continued volatility of the financial markets;
- Effectively promote Orange Open-like convergent services and, consequently, strengthen the leadership in value in fixed voice, mobile and broadband markets;
- Take actions to enable the Group's growth outside the telecommunication business in line with the strategic plan;
- Review outsourcing options for various activities and dispose of non-core assets to improve efficiency;
- Increase customer satisfaction and loyalty, also by implementing the customer excellence program;
- Monitor the Group's EBITDA margin;
- Optimise capital expenditure to below PLN 2 billion;
- Mitigate foreign exchange effect on commercial expenses, financial costs and capital expenditure;
- Intensify the cost base optimisation;
- Maintain financial stability, including taking advantage of Orange S.A. funding opportunities, and monitor the level and prognosis of debt ratios closely;
- Generate organic cash flow of at least PLN 0.8 billion[1]; later revised to at least PLN 1 billion;
- Develop a shareholder remuneration approach based on changing market dynamics;
- Complete the execution of the Memorandum of Understanding with the Regulator;
- Further enhance internal control and risk management measures;
- Continue with the network infrastructure and frequency sharing cooperation with T-Mobile through the NetWorkS! joint venture.

The Group achieved notable commercial successes, resulting from the implementation of its new medium term action plan for 2013-2016. Nevertheless, it continued to be significantly affected by adverse impact stemming from the cuts of the Mobile Termination Rate, which was reduced by 65% since December 31, 2012, as well as by a negative impact of price pressure in the mobile segment, which was accelerated in 2012 in anticipation of the MTR decreases, and which contributed to a decline in mobile ARPU. As a result of a combination of these factors, the Group's revenue totalled PLN 12,923 million and decreased by 8.6% over 2012. Excluding the PLN -693 million regulatory impact, which was mainly due

[1] Excluding spectrum acquisition, change in consolidation and impact of risk and litigation.
Organic cash flow = Net cash provided by operating activities – (CAPEX + CAPEX payables) + proceeds from sale of property, plant and equipment and intangible assets.

to the MTR cuts, the revenue declined by 3.7% year-on-year. The restated EBITDA margin[2] stood at 31.6%, while the organic cash flow totalled PLN 1,105 million, compared with PLN 1,593[3] million generated in 2012.

Group's net debt decreased to PLN 4,512 million at the end of 2013. The Group has a solid balance-sheet with net gearing at 26% and the net debt to EBITDA ratio at 1.1. This, coupled with an effective hedging policy, enabled the Group to maintain its solid credit rating (Baa1/BBB with a negative outlook at December 31, 2013).

In 2013, the Group paid a dividend of PLN 656 million, an equivalent of PLN 0.5 per share, payable in cash.

Conclusions and 2013 Recommendations

The Polish telecom market underwent important changes, driven by MTR cuts and price wars in the mobile post-paid market. As a result, this has forced a major adaptation at the Group, reflected in the new medium term action plan for 2013-2016. Despite these pressures, the Group delivered results within the revised guidance in 2013. The Supervisory Board believes that the Management Board will make the appropriate efforts to reach Group's 2014 objectives.

The Supervisory Board's opinion is that in 2014 the Group should focus its activities on further implementing the new medium term action plan. In order to do so, the Group needs to build a much leaner and more flexible organisation, and also to:

- Draw benefits from the merger of TP S.A. and PTK Centertel Sp. z o.o. and to put further focus on convergent product strategy and the Orange Open;
- Monitor business performance closely so as to be able to react quickly to unfavourable trading conditions caused by the continued volatility of the financial markets;
- Strengthen the leadership in value in fixed voice, mobile and broadband markets;
- Take actions to enable the Group's growth outside the telecommunication business in line with the strategic plan;
- Increase customer satisfaction and loyalty, also by further implementing the customer excellence program;
- Monitor the Group's EBITDA margin;
- Optimise capital expenditure to below PLN 1.8 billion, excluding one-off spectrum;
- Mitigate foreign exchange effect on commercial expenses, financial costs and capital expenditure;
- Intensify the cost base optimisation;
- Maintain financial stability, including taking advantage of Orange S.A. funding opportunities, and monitor the level and prognosis of debt ratios closely;
- Generate organic cash flow of at least PLN 1.1 billion[4];
- Remunerate shareholders on a reasonable level, taking into consideration the Group's financial structure and future capital requirements;
- Further enhance internal control and risk management measures;
- Continue with the network infrastructure and frequency sharing cooperation with PTC (T-Mobile brand) through the NetWorkS! joint venture;
- Pursue the rollout of 4G LTE services and make reasonable efforts to ensure access to the 4G LTE spectrum.

[2] excluding PLN 147mn restructuring costs and PLN -33mn adjustment linked to the TPSA/PTK merger (VAT and inventories).
[3] OCF for 2012 excluding EUR 550 million payment to DPTG.

[4] Excluding spectrum acquisition, and impact of risk and litigation.
Organic cash flow = Net cash provided by operating activities – (CAPEX + CAPEX payables) + proceeds from sale of property, plant and equipment and intangible assets.

IV. ASSESSMENT OF THE GROUP'S INTERNAL CONTROLS INCLUDING RISK MANAGEMENT

The Supervisory Board is responsible for reviewing the effectiveness of the Group's system of internal control and risk management designed and established by the Management Board.

This system facilitates the management of the risk of failure to achieve business objectives and provides reasonable assurance against material misstatement or loss (risk management does not mean the full elimination of risk, but provides for better risk identification and the implementation of adequate measures as needed). The relevant processes are designed to give reasonable, but cannot give absolute, assurance that the risks significant to the Group are identified and addressed.

The key elements of the system of internal control, including risk management, were presented in the Management Board's Report on the Activity of the Group for 2013, published on February 12, 2014.

In 2013, the Group again completed a comprehensive assessment of its processes of internal control over financial reporting within the framework of the Sarbanes-Oxley Program of Orange S.A. Main deficiencies both in design and in effectiveness of internal control have been identified and corrected, or appropriate action points have been launched. As a result of the assessment, the Management concluded that there were no weaknesses that would materially impact the internal controls and financial reporting at December 31, 2013. Continued efforts by the Management in this regard are also needed in 2014.

Both the internal and external auditors report to the Management Board and also to the Audit Committee on control deficiencies which they identified during their audit. Their recommendations are being implemented.

Attachment No. 1
to OPL Supervisory Board Report
on activities in 2013

Report
from the activities of
Orange Polska S.A. Supervisory Board's Audit Committee in 2013

The Audit Committee was established by virtue of the resolution of the Supervisory Board no. 324/V/2002 dated June 14, 2002 (amended i.a. by the resolution of the Supervisory Board no. 9/12 dated March 14, 2012) regarding the establishment of the Audit Committee as a consultative body acting under the Supervisory Board.

The task of the Committee is to advise the Supervisory Board on the proper implementation of budgetary and financial reporting and internal control (including risk management) principles in the Orange Polska S.A. (the "Company"), Orange Polska Group (the "Group") and to liaise with its auditors.

Composition

In 2013, the Audit Committee was composed of the following persons:

Chairman: Mr. Timothy Boatman ("Independent Director"), Chartered Accountant (British)

Members: Ms. Marie Christine Lambert
Mr. Sławomir Lachowski ("Independent Director")
Mr. Marc Ricau

The Secretary of the Committee was Mr. Jerzy Klonecki.
Mr. Jacques de Galzain, Management Board member and Chief Financial Officer and Mr. Jacek Chaber, Director of Internal Audit, attended all meetings of the Audit Committee. Other members of the Management Board, in particular the Chief Executive Officer, attended the meetings where appropriate.

Functions of the Committee

The key functions of the Audit Committee include:

1) Monitoring the integrity of the financial information provided by the Company and the Group in particular by reviewing:
    a. The relevance and consistency of the accounting methods used by the Company and the Group, including the criteria for the consolidation of the financial results;
    b. Any changes to accounting standards, policies and practices;
    c. Major areas of financial reporting subject to judgment;
    d. Significant adjustments arising from the audit;
    e. Statements on going concern;
    f. Compliance with the accounting regulations;
2) Reviewing, at least annually, the Group's system of internal control and risk management systems with a view to ensuring, to the extent possible, that the main risks (including those related to compliance with existing legislation and regulations) are properly identified, managed and disclosed;

3) Reviewing annually the Internal Audit programme, including the review of independence of the Internal Audit function and its budget, and coordination between the internal and external auditors;
4) Analyzing reports of the Group's Internal Audit and major findings of any other internal investigations and responses of the Management Board to them;
5) Making recommendations in relation to the engagement, termination, appraisal and/or remuneration (including bonuses) of the Director of the Internal Audit;
6) Reviewing and providing an opinion to the Management and/or the Supervisory Board (where applicable) on significant transactions with related parties as defined by the corporate rules;
7) Monitoring the independence and objectivity of the Company's external auditors and presentation of recommendations to the Supervisory Board with regard to selection and remuneration of the Company's auditors, with particular attention being paid to remuneration for additional services;
8) Reviewing the issues giving rise to the resignation of the external auditor;
9) Discussing with the Company's external auditors before the start of each annual audit on the nature and scope of the audit and monitoring the auditors' work;
10) Discussing with the Company's external auditors (in or without the presence of the Company Management Board) any problems or reservations, resulting from the financial statements audit;
11) Reviewing the effectiveness of the external audit process, and the responsiveness of the Management Board to recommendations made by the external auditor;
12) Considering any other matter noted by the Audit Committee or the Supervisory Board;
13) Regularly informing the Supervisory Board about all important issues within the Committee's scope of activity.
14) Providing the Supervisory Board with its annual report on the Audit Committee's activity and results.

Activity in 2013

The Audit Committee held 10 meetings in 2013, out of which 8 were regular meetings and 2 dedicated ad-hoc meetings, and in particular performed the following:

1) Reviewed the Company's and Group's published quarterly and annual financial statements, notably the relevance and consistency of the accounting methods used by the Company and the Group, particular attention was paid to those aspects where judgment is required, e.g. impairment of assets including goodwill and trade receivables, provisions for legal, tax and regulatory cases, revenue recognition and deferred tax;
2) Reviewed the Group's system of internal control and risk management as reported by the Management Board and, in particular, whether the Management Board sets the appropriate "control culture" and the way risks were identified, managed and disclosed by the Management. The Audit Committee received reports from Management on action plans in response to comments on internal controls from the internal and external auditors. The Audit Committee was briefed on the updated Internal Control Integrated Framework issued by Committee of Sponsoring Organizations of the Treadway Commission (COSO)on May 14, 2013;
3) Reviewed the annual plan of the Internal Audit, its budget and progress reports, as well as monitored the responsiveness of management to Internal Audit findings and recommendations. In addition,

the Committee met privately with the Director of the Group's Internal Audit. The Audit Committee was provided with a report regarding the renewal in 2013 of the certification of Internal Audit activities by Institut Français de l'Audit et du Contrôle Internes (IFACI). The Audit Committee reviewed also the independence of the Internal Audit;

4) Reviewed the prior year performance of the external auditor and made recommendation to the Supervisory Board on the external auditor, its remuneration and terms of engagement. In accordance with the Code of the Best Practices for companies listed on the Warsaw Stock Exchange, the Audit Committee recommended to the Supervisory Board the appointment of Deloitte Audit Sp. z o.o. to the audit of the Company and the Group for the financial year 2013 and to review half-yearly financial statements for the period of six months ended June 30, 2013. Deloitte Polska Sp. z o.o. Sp. k. (formerly Deloitte Audyt Sp. z o.o.) was first appointed as statutory auditor for the year ended December 31, 2009;

5) Kept under review the scope and the results of the external audit, independence and objectivity (including scepticism) of the auditors and reported its conclusions to the Supervisory Board. All non-audit services provided by external auditors were approved in advance by the Chairman of the Audit Committee. In addition, the Audit Committee reviewed the external auditors' proposed audit plan for the financial year 2013, including the materiality level set for audit testing, in the light of the Group's present circumstances and changes in accounting and auditing standards; monitored the Company's responsiveness to the recommendations from the external auditor made in its management letter. In addition, the Committee met privately with the lead partner of the statutory audit firm;

6) Reviewed the operations of the Group's Ethics Committee , of the Group's Compliance office, the revenue assurance, anti-fraud, hedging, insurance, cyber security (including CERT), data security, including personal data, business continuity & crisis management and disaster recovery functions managed by the Management Board; monitored results of investigations initiated by whistle-blowing;

7) Reviewed the Group's 2013 budget and addressed recommendations on it to the Supervisory Board;

8) Reviewed the 2013 shareholders' remuneration proposed by the Management;

9) Issued opinions on other matters referred to the Committee by the Supervisory Board and/or the Management Board including the merger of the Company with its subsidiary PTK-Centertel Sp. Z o.o., M&A transactions, including disposal of Wirtualna Polska SA and participation in the tender for 1800 MHz frequency reservation;

10) Received reports from the Management on the implementation of the Memorandum of Understanding with UKE signed in 2009.

The Audit Committee materially complied with the *Recommendations on the work of the Audit Committee* issued in November 2010 by the Office of the Financial Supervision Authority in Poland.

In the year under review, the Audit Committee, especially its independent members, reviewed and gave opinions to the Management Board on significant transactions with related parties as defined by the corporate rules, in particular the new financing arrangements with Orange Group (and the operation thereof), and received reports on them from the Group's Internal Audit.

Timothy Boatman
Chairman of the Audit Committee of the Supervisory Board

March 17, 2014

Attachment No. 2
to the Supervisory Board Report
on activities in 2013

REPORT

on the activity of the Remuneration Committee of the Supervisory Board of Orange Polska S.A. in 2013

The Remuneration Committee was established by virtue of the Resolution of the Supervisory Board no. 385/04 dated June 16, 2004 regarding TP S.A. Supervisory Board's Remuneration Committee establishment as consultative body acting under the Supervisory Board.

The task of the Committee is to advise the Supervisory Board and Management Board on general remuneration policy of Orange Polska Group and to make recommendations on appointments to the Management Board, performance objectives, conditions of remuneration and amounts of bonuses for the Members of the Management Board.

Composition:

In 2013, the Remuneration Committee was composed of the following persons:

Chairman:

Dr. Wiesław Rozłucki ("Independent Director")

Members:

Benoit Scheen
Andrzej K. Koźmiński ("Independent Director") – from September 19, 2013
Marc Ricau
Sławomir Lachowski ("Independent Director") – from April 11 until September 19, 2013

The Secretary of the Committee was Jacek Kowalski, Management Board Member in charge of Human Resources.

Activity in 2013:

In 2013, the Remuneration Committee held 6 meetings and in particular developed recommendations for Supervisory Board consideration focused on the following remuneration-related issues:

1. Debate on Compliance of the Management Board remuneration structure and policy with the provisions of the European Commission Recommendation.
2. Discussion and acceptance of the Remuneration Policy in Orange Polska.
3. Discussion on the bonus system for the Management Board Members: 6 months versus 12 months and recommendation for the SVB.
4. Acceptance of the draft of resolution "on obligations of a TP S.A. management Board Member serving as a supervisory board or a management board member of an entity not being a subsidiary of Orange".
5. Recommendation to the SVB regarding appointment and conditions of employment for CEO.
6. Recommendation to the SVB regarding level of variable part of remuneration of CEO.
7. Discussion on the Remuneration policy in Orange Polska in the context of the variable part of the remuneration.
8. Evaluation of MBOs of the Management Board Members for H2 2012, overview and final approval of the goals for H1 2013 and for H2 2013.

Wiesław Rozłucki

Chairman of the Remuneration Committee

March 17, 2014

Attachment No. 3
to the Supervisory Board Report
on activities in 2013

Report
from the activities of the Strategy Committee
of the Supervisory Board of Orange Polska S.A. in 2013

The Strategy Committee was established by virtue of the Resolution of the TP Supervisory Board no. 417/05 dated June 15, 2005.

The major goal for the Strategy Committee is to give necessary support and advice for the Management Board in the area of Orange Polska Group strategic plans and initiatives of strategic importance.

Strategy Committee members in 2013:

Chairman:

Benoit Scheen

Members:

Dr. Henryka Bochniarz ("Independent Director")
Jacques Champeaux – until April 11, 2013
Eric Debroeck – from April 11, 2013
Dr. Mirosław Gronicki ("Independent Director")
Sławomir Lachowski ("Independent Director") – from September 19, 2013
Gérard Ries

Permanent guests:

prof. Andrzej K. Koźmiński, Chairman of the Supervisory Board – until September 19, 2013
Maciej Witucki, Chairman of the Supervisory Board – from September 19, 2013
Timothy Boatman, Chairman of the Audit Committee

The Secretary of the Strategy Committee was Vincent Lobry, Management Board Member in charge of Value Management and Convergence.

Activities in 2013:

In 2013, the activities of the Strategy Committee concentrated on the validation and monitoring of execution of Orange Polska mid term strategy including the approach to new growth areas (eg. ICT) and new projects: Orange Finance and Orange Energy. Among subjects discussed during the Committee meetings was also Orange Polska investment strategy (with specific focus to LTE network and National Broadband Plan).

In all these areas the members of the Management Board actively participated.

There were three Strategy Committee meetings in 2013: January 24th, July 11th and October 17th.

Benoit Scheen
Chairman of the Strategy Committee

March 17, 2014

point 7.

of the meeting agenda

<u>Review of:</u>

a) the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. operations and the Company Financial Statements for the financial year 2013,

b) the Management Board's motion concerning distribution of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. profit for the financial year 2013,

c) the Supervisory Board Report on assessment of the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. operations, the Financial Statements for the financial year 2013 and the Management Board motion on distribution of the Company's profit.

TRANSLATION

resolution no. 26/O/14

of Orange Polska SA Management Board

Adopted by correspondence

dated 05.03 .2014

on approval of the Management Board's report on the activity of Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. in the financial year 2013 and IFRS financial statements for 2013

In connection with acquisition of the Company "Polska Telefonia Komórkowa – Centertel" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

Orange Polska S.A. Management Board approves the Management Board report on the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. activity in 2013.

§ 2

Orange Polska S.A. Management Board accepts the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. IFRS financial statements for the financial year 2013 including:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 6 010 million (in words: PLN six billion ten million),
2) profit and loss account for 2013 showing a net profit of PLN 363 million (in words: PLN three hundred sixty three million),
3) change in equity for 2013 showing a decrease in equity by PLN 1 022 million (in words: PLN one billion twenty two million),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 28 million (in words: PLN twenty eight million),
5) notes to the financial statement.

§ 3

The reports and statements, referred to in § 1 and § 2, have been included in attachment 1.

§ 4

1. Orange Polska S.A. Management Board decides to move to the Annual General Meeting a motion for consideration and approval of the report and statements, referred to in § 1 and § 2.
2. Orange Polska S.A. Management Board decides to submit for evaluation to the Supervisory Board the report and statements, referred to in § 1 and § 2 for evaluation.
3. The draft of relevant Annual General Meeting resolutions have been included in attachments 2 and 3.

§ 5

The resolution comes into force on the day of its adoption.

POLSKA TELEFONIA KOMÓRKOWA - CENTERTEL SP. Z O.O.

(ceased to exist on 31 December 2013 as a result of the merger with Telekomunikacja Polska S.A. and Orange Polska Sp. z o.o.)

REPORT ON THE ENTITY'S ACTIVITY FOR THE YEAR ENDED 31 DECEMBER 2013

March 5, 2014

Table of Contents

On 31 December 2013 the merger of Telekomunikacja Polska S.A. (currently Orange Polska S.A.), PTK-Centertel Sp. z o.o. („PTK Centertel", „the Company", "Orange") and Orange Polska Sp. z o.o. was registered in the Commercial Court. The merger was done by transferring all assets and liabilities of these subsidiaries to Orange Polska S.A. As a result of the merger PTK Centertel ceased to exist. As at 31 December 2013 Telekomunikacja Polska S.A., as the acquiring company, entered into all rights and obligations of the target companies, thus, the Report on the Activity of the Company was authorised by the Management Board of Orange Polska S.A.

1. Summarised Financial Statements

in PLN millions	For 12 months ended 31.12.2013	31.12.2012	Change
Income Statement			
Revenue	6,621	7,469	-11.4%
EBITDA	1,351	2,107	-35.9%
EBITDA margin	*20.4%*	*28.2%*	*-7.8 p.p.*
Operating income	482	1,119	-56.9%
Operating margin	*7.3%*	*15.0%*	*-7.7 p.p.*
Net income	363	1,188	-69.4%
Statement of Cash Flows			
Net cash provided by operating activities	1,333	2,014	-33.8%
Net cash used in investing activities, including	(305)	(773)	-60.5%
Purchase of property, plant and equipment and intangible assets	(1,040)	(773)	34.5%
Net cash used in financing activities	(1,056)	(1,372)	-23.0%
Net change in cash and cash equivalents	(28)	(131)	78.6%

in PLN millions	As of 31.12.2013	31.12.2012	Change
Statement of Financial Position			
Cash and cash equivalents	110	138	-20.3%
Intangible assets	1,694	1,454	16.5%
Property, plant and equipment	2,513	2,590	-3.0%
Total assets	6,010	6,544	-8.2%
Total liabilities, current and non-current	3,119	2,631	18.5%
Total equity	2,891	3,913	-26.1%

1.1. Comments to the Income Statement Items

The revenue of Polska Telefonia Komórkowa - Centertel Sp. z o.o. amounted to PLN 6,621 million in 2013 and was lower by PLN 848 million or 11.4% as compared to 2012.

Operating income before depreciation and amortisation expense (EBITDA) amounted to PLN 1,351 million in 2013 and was PLN 756 million lower than in 2012.

Operating income (EBIT) amounted to PLN 482 million in 2013 and was PLN 637 million lower than in 2012.

In particular as compared to 2012, in 2013:

- Voice traffic revenue decreased by PLN 403 million, due to price pressure;
- Wholesale revenue (including interconnect) decreased by PLN 488 million, mainly due to a decrease of the Mobile Termination Rates;
- Data, messaging, content and M2M (machine-to-machine) revenue increased by PLN 118 million, driven up by a growing demand for these services;
- Fixed broadband revenue decreased by PLN 31 million;
- Interconnect expenses decreased by PLN 300 million, mainly due to a decrease of the Mobile Termination Rates;
- Commercial expenses increased by PLN 96 million;
- Network and IT expenses increased by PLN 39 million;
- Other operating income decreased by PLN 34 million;
- Depreciation and amortisation decreased by PLN 119 million.

Net finance costs amounted to PLN 42 million in 2013. Net finance result was PLN 92 million lower than in 2012, which resulted mainly from a decrease in interest income of PLN 24 million, a decrease in foreign exchange gains of PLN 25 million and an increase in discounting expense of PLN 43 million.

Net income of PTK Centertel amounted to PLN 363 million in 2013 which is a decrease of PLN 825 million as compared to 2012.

1.2. Comments to the Cash Flow Statement Items

Net cash provided by operating activities totalled PLN 1,333 million in 2013 and was lower by PLN 681 million year-on-year. The decrease was mainly due to the decrease of EBITDA.

Net cash used in investing activities amounted to PLN 305 million in 2013 and was lower by PLN 468 million as compared to 2012, which was mainly due to PLN 604 million higher cash net inflows from other financial assets.

Net cash used in financing activities amounted to PLN 1,056 million in 2013 and was lower by PLN 316 million compared to 2012.

1.2.1. Capital Expenditures (CAPEX)

PTK Centertel's capital expenditures in 2013 amounted to PLN 1,040 million and were by PLN 267 million higher than in 2012.

The Company invested mainly in the following areas:

- mobile access network consolidation, jointly with T-Mobile, facilitating the management and expansion of Orange and T-Mobile networks infrastructure in order to expand the range and capacity of GSM/UMTS services, enhance their quality and adapt the mobile access network to the 4G technology requirements;
- indefeasible right to use the 1800 MHz spectrum owned by T-Mobile for a period of 14.5 years, in order to render 4G mobile services;
- further development of the mobile transport and core network in order to handle the growing volume of data transmission and ensure the service quality expected by customers;
- completing and strengthening of the mobile access network in the areas not covered by the mobile access network consolidation project (in strategic or under invested regions);
- investment projects related to the portfolio development, sales and customer service processes as well as the modernisation and enhancement of the IT technical infrastructure;
- development of a sales portal for mobile services offered under a new brand nju.mobile.

1.3. Comments to the Statement of Financial Position Items

As at 31 December 2013, total equity amounted to PLN 2,891 million and was lower by PLN 1,022 million than one year before. The change is attributable mainly to net income of PLN 363 million and payment of dividends, including advances on dividends, of PLN 1,385 million.

Property, plant, equipment and intangible assets increased by PLN 163 million year-on-year, mainly as a result of capital expenditures that were higher by PLN 171 million than depreciation charge.

Total assets decreased by PLN 534 million in the reported period. The change resulted mainly from a decrease of PLN 579 million in other financial assets.

Total non-current and current liabilities increased by PLN 488 million to PLN 3,119 million as at 31 December 2013. The primary factors that contributed to the change included an increase of PLN 307 million in other liabilities and an increase of PLN 216 million in trade payables.

1.4. Subsequent Events

There was no significant event after the end of the reporting period.

1.5. Objectives and Principles of Financial Risk Management

The objectives and principles of PTK Centertel financial risk management have been described in Note 16 to IFRS Financial Statements for the year ended 31 December 2013.

2. Agreement with the Licensed Auditor

On November 8, 2013 PTK Centertel Sp. z o.o. concluded the agreement with an entity licensed to audit financial statements for auditing its financial statements for the year ended 31 December 2013.

Pursuant to this agreement, Deloitte Polska Sp. z o.o. Sp. k. has performed:

- the audit of the IFRS Financial Statements of the Company for the year ended 31 December 2013; and
- agreed procedures concerning audit of the IFRS Financial Statements of the Company in 2013.

The aggregate remuneration for auditing the IFRS Financial Statements for the year ended 31 December 2013 and other services rendered by Deloitte Polska Sp. z o.o. Sp. k. for 2013 amounted to PLN 1,440 thousand. The same remuneration was paid for 2012.

3. Market and Services

3.1. Market and Competition

The mobile voice market is in a saturation phase in terms of the number of users. The number of active mobile SIM cards increased by 4.1% from December 31, 2012, driving the mobile penetration rate (among population) to 147% at the end of December 2013.

The three leading operators continued to lose volume market share to P4 and minor operators. Between December 31, 2012 and December 31, 2013, their total volume market share decreased from 83% to 80%.

PTK Centertel's market share was estimated at 27.3% by volume at the end of December 2013 and 28.0% by value in 2013.

Due to growing differences in methodology, such as different definitions of an active pre-paid SIM card or different rules of recognising revenue and costs for instalment sales of terminals, positioning of various operators against one another is becoming increasingly unreliable.

3.2. Voice Services

Mobile voice services: key performance indicators

PLN '000, unless indicated otherwise	31.12.2013	31.12.2012	Change
Total mobile customers (SIM), of which	15,325	14,895	2.9%
post-paid	7,221	6,911	4.5%
pre-paid	8,104	7,984	1.5%
SRC[1] (post-paid), PLN	403.9	405.1	-0.3%
SAC[2] (post-paid), PLN	516.4	543.4	-5.0%
Monthly blended ARPU[3], PLN	34.5	39.2	-12.0%
post-paid	59.9	65.8	-9.0%
pre-paid	13.9	16.8	-17.3%

[1] SRC - Subscriber Retention Cost
[2] SAC - Subscriber Acquisition Cost
[3] ARPU - Average Revenue per User

As at the end of 2013, Orange had 15.3 million mobile customers, which is an increase of 430 thousand or + 2.9% year-on-year. The increase since 2012 consisted of 120 thousand pre-paid customers, but more importantly it included a 310 thousand expansion of the post-paid customer base, which grew by +4.5% year-on-year. Growth of the customer base is a positive sign, especially in the context of very aggressive competition; e.g. P4 (the Play network operator) changed its offer four times in 2013. Orange's progress in the mobile market was helped by the success of its second mobile brand, nju.mobile. Its take-up had exceeded 353 thousand (including 75 thousand in post-paid) since its launch in April 2013.

Blended ARPU amounted to PLN 34.5 in 2013 and was 12.0% lower than in 2012. The decline can be attributed mainly to regulatory voice and SMS MTR cuts as well as market price pressure, fuelled by the MTR reductions and aggressive offers of competitors.

The most important initiatives in 2013 included:

Development of the *Orange Open* convergent offer, combining mobile and fixed line products and addressing the client's need to use a number of different communication services, such as mobile and fixed line telephony, mobile and fixed broadband access and TV. The offer was expanded to enable bundling of only fixed and mobile voice services in order to sell *Orange Open* to customers who do not have and do not wish to have a fixed broadband in their households. In addition, *Orange Open Family* offer was launched, which provides discounts on purchases of subsequent mobile voice or broadband products by the same household.

Launch of a new mobile brand, nju.mobile

The nju.mobile portfolio consists of a single post-paid tariff without subsidised handsets and with an innovative charging mechanism, as well as of a single pre-paid tariff based on a simple price list. Its key differentiators include low prices, no limits for calls and SMSs, cost control, transparency and simplicity of the offer ('no catch'), as well as an option to discontinue the service quickly, even in post-paid. The nju.mobile sales are carried out via the Internet only.

- In the post-paid offer, there is no subscription fee or services embedded in the subscription. The services are charged according to the price list (PLN 0.19 per minute, PLN 0.09 per SMS, PLN 0.19 per MMS and PLN 0.19 per Mb of data transfer) until the maximum amounts are reached. Hence, nju.mobile post-paid users know that the bill will never exceed the set maximum amount: PLN 29 (incl. VAT) for domestic calls, PLN 9 (incl. VAT) for SMSs/MMSs and PLN 19 (incl. VAT) for mobile broadband access. At the end of 2013 an additional promotion was introduced for customers interested only in calls to mobile networks with limit of the maximum payment of PLN 19. Another innovative solution is that a nju.mobile agreement is valid for 30 days only and then automatically renewed. Thus, it can be terminated at any time, effective at the end of the next settlement period, without any penalty fees.
- In pre-paid offer, nju.mobile offers equal prices of calls and SMSs to all networks, and prices of broadband access the same as in the post-paid offer. All that is needed to start is to purchase a starter for PLN 5 or PLN 20, or transfer a number to nju.mobile. Nju.mobile pre-paid users can choose from among eight recharge amounts. Depending on the recharge amount, the validity of the account may be extended for over a year. For heavy users, nju.mobile pre-paid offers 'To Everyone' service. If activated for PLN 6, it offers unlimited calls and SMSs to all networks for subsequent 62 days as well as mobile Internet access (up to 100 MB at full transfer rate) at a price of PLN 2 per day. For customers interested only in calls to mobile phones analogous offer is available with a lower daily limit of PLN 0.99. This service can be activated repeatedly, without limitations.

Pre-paid Offer

Free calls to a chosen number for an indefinite period of time, that is as long as the customer uses Orange pre-paid services, was the flagship product in 2013. Owing to the indefinite validity aspect, similar offers of the competitors are no match to this offer in terms of attractiveness.

3.3. Data Services

2013 saw a high share of *Orange Free Set* (subsidised tablets, netbooks or notebooks) in the sales structure; it accounted for approximately 50% of the total sales of mobile broadband services.

In addition, the *Orange Free without Terminal: Twice as Much Benefits for the Customer* offer was launched in two options:

- Two-fold higher pool of GB in case of 12-month or 16-month loyalty agreement;
- Two-fold lower monthly fee in case of 24-month loyalty agreement.

The second half of 2013 saw the launch of an innovative offer combining the advantages of mobile broadband and home wireless Internet access, *Orange Free Net*, which replaced the former *Orange Freedom Pro* service. *Orange Free Net* subscribers are offered a common data package, which they can use also on their smartphones or other mobile devices on Orange post-paid tariff plans. A new feature of *Orange Free Net* is larger GB packages in different tariff plans: up to 35 GB in case of *Orange Free Net* for PLN 89.90; these packages can be used on any mobile devices assigned to the given subscriber account. The low-end option is just PLN 9.90 per month (in the offer without a modem). The new mobile broadband portfolio includes 3G, CDMA and LTE modems and routers as well as tablets. The *Orange Free Net* offer is available to both new and existing mobile broadband customers. It is also offered to customers renewing their *Orange Freedom Pro* agreements.

In 2013, *Smart Plan Multi* was particularly popular, generating growth in both new additions and retention. The plan offers a data transmission package in addition to minutes and SMSs, which is included in the subscription fee. Customers of the *Hello Smart Plan* and *Mix Smart Plan* are protected against unexpectedly high charges for Internet access via smartphones through a fair usage policy, as the data transfer is charged at PLN 3 for up to 1 MB, PLN 10 for up to 300 MB and PLN 20 for up to 1 GB, while further data transmission is free, though the speed is reduced – to 16 kb/s.

Launch of a new service, *Orange Cloud:* Since October 2013, each user of the orange.pl portal has had access to cloud storage free of charge. *Orange Cloud* offers storage, synchronisation, contact data backup as well as sharing and management of various data (pictures, films, music, documents). The files stored in the *Orange Cloud* are available to any type of equipment connected to the Internet. Owing to automatic data synchronisation, any photo taken with a phone is instantly saved in the Cloud. Post-paid customers (using post-paid or mix data tariffs) get 5 GB of free disk space plus free data transfer to and from the Cloud, while other orange.pl users (including pre-paid customers) get 1 GB of free disk space. Additional disk space is billable.

In 2013, the mobile service portfolio addressed to business customers was expanded to include a number of new services and attractive promotional offers.

- The *Super Signal* service was launched in February. This solution provides for good coverage indoors and is dedicated to customers who experience problems with coverage e.g. in a company's headquarters or branches.
- The *Smartphones for PLN 0 for Starters* promotion was launched in September. In this offer, customers could receive a smartphone at no initial cost, as the relevant monthly instalments were to be charged in phone bills only after January 1, 2014.
- A new service in the business portfolio is *Cloud for Business*, which was introduced in November. It is a platform with business applications which support and facilitate running a business. Customers can access the applications they choose via any computer, tablet or smartphone connected to the Internet. The applications operate on-line, which means that customers do not need to install them on their computers or download any upgrade packs.

4. Material Events that Had or May Have Influence on Operations

4.1. Merger of PTK Centertel, Telekomunikacja Polska S.A. and Orange Polska Sp. z o.o.

On December 31, 2013, the District Court for the Capital City of Warsaw, XII Commercial Department of the National Court Register, registered the merger of Telekomunikacja Polska S.A. (as the acquiring company), with Polska Telefonia Komórkowa – Centertel Sp. z o.o. and Orange Polska Sp. z o.o. (as the target companies).

The Court also registered a change of the name from Telekomunikacja Polska S.A. to Orange Polska S.A.

The merger has been effected pursuant to Article 492(1.1) of the Commercial Companies Code by transferring all assets and liabilities of PTK Centertel Sp. z o.o. and Orange Polska Sp. z o.o. to Telekomunikacja Polska S.A., the sole shareholder of the target companies.

The merger aims at integrating the main strengths of Orange Polska S.A. within a single entity. In particular, the merger will contribute to:

- Strengthening the leadership position in core markets by leveraging on convergence;

- Development of the infrastructure required to offer convergent technical solutions to customers and support the expected considerable growth of data traffic;
- Further unification of customer care in coherence with the convergent service portfolio;
- Cost savings, through increase of operational efficiency and simplification and integration of processes of the merged entity.

4.2. Other Material Events that Had or May Have Influence on Operations

Presented below are the key events that had influence on the Company's operations or may have influence on operations of Orange Polska S.A. in the near future. Apart from this section, the threats and risks that may impact the operational and financial performance of Orange Polska S.A. are also reviewed in the Chapter II, point 5 of the Management Board's Report on the Activity of the Orange Polska Group, which is available on www.orange-ir.pl.

4.2.1. Regulatory Obligations

PTK Centertel was an operator that had a significant market power in the market for call termination on PTK Centertel's mobile network. The key regulatory obligations imposed on PTK Centertel in connection with its position were the non-discrimination obligation, the transparency obligation to disclose and publish information on matters related to providing telecommunication access, the obligation to provide telecommunication access and the obligation to charge rates for call termination on PTK Centertel's network according to the time schedule set in the SMP decision of December 14, 2012 (i.e. PLN 0.0826 / minute in the first half of 2013 and PLN 0.0429 / minute from July 1, 2013). Moreover, as a result of SMP decisions issued for other mobile operators, the asymmetry of mobile termination rates has been abolished and MTR rates charged by different operators are symmetrical as from January 1, 2013.

On December 31, 2012, PTK Centertel appealed from the UKE's decision. However, owing to the immediate enforceability of the decision, PTK Centertel performs the obligations imposed thereon. The appeal proceedings are pending.

On December 14, 2010, the President of UKE designated PTK Centertel as an operator that had a significant market power in the market for SMS termination on PTK Centertel's mobile network. The most important regulatory obligation is to provide SMS termination services based on costs. PTK Centertel has appealed from the decision. In its ruling of December 3, 2012, the Court of Competition and Consumer Protection ("SOKiK") rejected PTK Centertel's appeal. On December 27, 2012, PTK Centertel appealed against the ruling. On October 10, 2013, the Court of Appeal rejected PTK Centertel's appeal. The ruling is final and binding.

4.2.2. Agreement on the Reciprocal Use of Network Infrastructure and Radio Frequencies

The Company has continued its technical co-operation with T-Mobile Polska S.A. ("T-Mobile") based on:

- agreement on reciprocal use of radio access networks ("RAN Agreement") signed in July 2011; and
- joint operation NetWorkS! Sp. z o.o., in which Orange and T-Mobile hold a 50% interest each and which conducts management, planning, operations, development and maintenance of their access networks.

All the works related to the number of base stations on the shared networks scheduled for 2013 were completed. Currently, almost 8,200 sites transmit the signal of both operators. As a result, Orange customers in the areas where the project has been completed may now use a network which has over 60% more sites than before the project.

In August 2013, as part of the co-operation, Orange launched UMTS data transmission services in the 900 MHz band (over bandwidth of 4.2 MHz, which consists of Orange's and T-Mobile's channels). The 3G data services using this frequency have already been implemented in 32 zones (out of 51 intended) and cover almost 60% of the country.

All these efforts resulted in a very significant increase in service availability, particularly the availability of modern mobile data transmission services. As of December 31, 2013, the coverage for these services was as follows:

- population:
  - 90.2% outdoors (up 27.7 p.p. since the start of the project);
  - 78.1% indoors (up 32.1 p.p.);
- territory:
  - 70.8% outdoors (up 58.6 p.p. since the start of the project);
  - 45.8% indoors (up 42.6 p.p.).

By mid-2014, the full implementation of the agreement between Orange and T-Mobile will result in a total of c.a. 10,000 base stations transmitting the signal for both operators.

In September 2013, the RAN Agreement was extended to include sharing of radio access networks based on the 4G (LTE) technology. Under the agreement, the parties shall invest in the LTE network development and Orange has acquired the right to use T-Mobile's frequencies (together with

T-Mobile) in the 1800 MHz band, particularly bandwidth of 10 MHz allocated to T-Mobile by the President of UKE on June 14, 2013, for a consideration payable over 15 years.

Extending the co-operation enabled PTK Centertel to launch LTE services to its customers. By the year-end, such services were provided via 870 base stations, which provided coverage of 16% of Poland's population.

PTK Centertel's co-operation with T-Mobile is all the time limited to technical aspects and, in particular, both operators continue to compete on wholesale and retail telecommunication markets.

4.2.3. Development of Infrastructure-based Operators in the Mobile Market

The mobile operator P4 continued rapid growth of its customer base and market position in 2013. In an increasingly saturated mobile market, P4's main objective has been to win customers from other operators. As a result of aggressive marketing and pricing policy, P4 has become the leader in the mobile number portability.

4.2.4. Development of the 4G Technology and Participation in a Bidding Procedure for Frequencies

Since 2011, commercial 4G services based on 1800 MHz frequencies have been provided by Cyfrowy Polsat and Polkomtel.

In February 2013, UKE completed a bidding procedure, assigning five blocks in the 1800 MHz band for a period of 15 years. The frequencies are intended mainly for urban areas. The bids submitted by P4 (3 bids) and T-Mobile (2 bids) scored highest.

In June 2013, the President of UKE issued the relevant decisions assigning frequencies from the 1729.9 – 1754.9 MHz and 1824.9 – 1849.9 MHz range to P4 and T-Mobile. Each reservation is 5 MHz wide and to be used for provision of mobile or fixed telecommunication services nationwide in a period ending on December 31, 2027.

P4 and T-Mobile were obliged to start using the frequencies within 12 months after the delivery of the allotment decisions and pay fees declared in the bidding procedure (P4 – PLN 498 million; T-Mobile – PLN 453.5 million), to the State Treasury within 14 days after the delivery of the allotment decisions.

Pursuant to an annex to the RAN Agreement, referred to in section 4.2.2 above, Orange has gained an opportunity to provide data services in the LTE technology, using the 1800 MHz band. In September, Orange launched LTE services reaching 16% population coverage as of end 2013. At present intensive rollout of LTE technology is being conducted.

Similar services, due to reciprocal use of network, are provided by T-Mobile. Play launched LTE services in November 2013 (in a limited geographical area). Thus, all infrastructure-based operators in Poland now offer access to 4G services to their retail customers.

Frequencies from the 800 MHz and 2600 MHz bands, intended for the further development of coverage and capacity of the 4G network, will be allocated through an auction process in 2014.

4.2.5. Mobile Virtual Network Operators (MVNOs)

First mobile virtual network operators debuted in 2007 and their main competitive advantage has been low price of services. The MVNO market is evolving towards increased presence of international brands aimed at providing services to specific groups of customers (e.g. travelling business customers) among which they have been successful in other markets as well as emphasising the operator's unique features (e.g. full flexibility of rates or free data transfer) in order to build customer awareness in the very competitive mobile market. Upon the introduction of unlimited offers in the pre-paid segment by infrastructure-based operators, it is more difficult for virtual operators to compete exclusively on price.

According to Orange's estimates, about twenty virtual operators operated in the market as at the end of 2013 and their aggregate market share in mobile market was approximately 2%.

4.2.6. Nju.mobile

Nju.mobile aims to adapt Orange's marketing activity to the current market environment and maintain its leadership position. Nju.mobile is offered separately from the Orange brand. It is a price attractive alternative to all leading brands.

The main goal for the introduction of the new brand and its offer was to attract a new group of customers, who are not interested in the current services offered by Orange brand. The target group for nju.mobile consists of customers, who are predominantly attracted by low prices and lack of obligations (e.g. long-term agreement or spending commitment). These are predominantly customers with low brand attachment or clients seeking for new brands. The nju.mobile brand, with independent communication based on innovative, very simple concepts can reach these price sensitive customers (for offer characteristics please see section 3.2 above).

Nju.mobile can also contribute to cost optimisation. The nju.mobile post-paid offer is available exclusively on-line and is sold in the SIM-only option (i.e. without subsidised handsets). Hence, it does not involve a large portion of the traditional subscriber acquisition/retention costs - handset subsidy cost and sales commission. Moreover, nju.mobile encourages customers to use on-line customer service and account management options (self-care); customer care is not provided in Orange shops and the customer service help line is a paid service.

4.2.7. New Brands in the Mobile Market

Six new virtual operators launched their services in 2013:

- Telestrada launched the White Mobile offer of mobile services. It operates as an MVNO using Polkomtel's infrastructure. The accounts can be charged using Plus network scratch cards;
- Klucz Telekom is an MVNO hosted on Polkomtel's network; its target group is immigrant communities as well as frequently travelling businessmen, students and tourists from Ukraine, Belarus, Russia and other CIS countries;
- Truphone is an international operator with a dedicated business offer based on the 'Truphone Zone' free of roaming fees. In Poland, this MVNO uses P4's network;
- Lebara Mobile is an international operator offering pre-paid services and cheap domestic and international calls; it is hosted on Polkomtel's network;
- Vectone Mobile is an international virtual operator using T-Mobile Polska's network in the full MVNO scheme. The operator's offer is focused on cheap domestic and international calls;
- Mobile Vikings is a virtual operator present in Belgium and the Netherlands; in Poland, it uses P4's network and its pre-paid offer is addressed to selected customers; the operator focuses on flexibility and large bonuses, such as free data transfer;

Multimedia Polska, MVNO controlled by a CATV operator, launched commercial services based on Polkomtel's network in 2014.

4.2.8. Infrastructure Development

In September 2013, broadband access based on the IPv6 protocol for the 2G, 3G and LTE technologies was launched commercially in the mobile network.

As a result of efforts to maintain the stability of its CDMA network, as of the end of 2013 Orange continued to provide the CDMA service with the maximum capacity of the Evdo Rev. B Phase I standard network, while offering Orange customers the maximum speed of 9.3 Mb/s from each of 802 CDMA sites (2,379 sectors). In the on going process of consolidation of the mobile network, developed jointly with T-Mobile, a total of 305 out of 363 clusters, covering 80.1% of Poland's territory, were consolidated by the end of 2013. As a result, the UMTS/HSPA co-used networks covered approximately 90.24% of Poland's population as of the end of 2013. The development of the LTE network in the 1800 MHz band began in the second half of 2013. By the end of 2013, its coverage has reached 16.03% of Poland's population.

In addition, further 1,874 fibre-optic leased lines within Orange Polska Group (for PTK Centertel) and 128 lines for T-Mobile were provided in 2013 for connecting the stations of the commonly used mobile access network. In 2013, packet data transmission was provided for the purpose of the LTE service with respect to 847 base stations nationwide.

4.2.9. Litigation and Claims

Please see Note 21 to IFRS Financial Statements for the year ended 31 December 2013 for detailed information about material litigation and claims against PTK Centertel.

5. Outlook for the Development

Market outlook, strengths and medium term action plan of Orange Polska S.A. are reviewed in the Chapter II, point 6 of the Management Board's Report on the Activity of the Orange Polska Group, which is available on www.orange-ir.pl.

6. Employment

As of December 31, 2013, PTK Centertel employed 2,065 people, which is a decrease of 4.6% compared to the end of 2012.

7. Branches

As of December 31, 2013, PTK Centertel had no branches.

8. Environmental and Other Key Risk Factors

Environmental risks and other key risk factors affecting the activities are described in the Chapter IV of the Management Board's Report on the Activity of the Orange Polska Group, which is available on www.orange-ir.pl.

Glossary of Telecom Terms

ARPU	- Average Revenues per User
CDMA	- Code Division Multiple Access, second generation wireless mobile network used also as a wireless local loop for locations where cable access is not economically justified
LTE	- Long Term Evolution, standard of data transmission on mobile networks
MTR	- Mobile Termination Rates
MVNO	- Mobile Virtual Network Operator
M2M	- Machine to Machine, telemetry
RAN agreement	- Agreement on reciprocal use of radio access networks
SAC	- Subscriber Acquisition Cost
SMP	- Significant Market Power
SRC	- Subscriber Retention Cost
UKE	- Urząd Komunikacji Elektronicznej (Office of Electronic Communications)
UOKiK	- Urząd Ochrony Konkurencji i Konsumentów (Office for Competition and Consumer Protection)

POLSKA TELEFONIA KOMÓRKOWA – CENTERTEL SP. Z O.O.
(ceased to exist on 31 December 2013 as a result of the merger with Telekomunikacja Polska S.A. and Orange Polska Sp. z o.o.)

IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

March 5, 2014

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Equity

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INCOME STATEMENT

(in PLN millions)	*Note*	*12 months ended*	
		31 December 2013	*31 December 2012*
		(audited)	*(see Note 2, audited)*
Revenue	3	6 621	7 469
External purchases	4.1	(4 835)	(5 007)
Labour expense	4.2	(221)	(220)
Other operating expense	4.3	(390)	(345)
Other operating income	4.3	176	210
Depreciation and amortisation	6,7	(869)	(988)
Operating income		482	1 119
Interest income	12	25	49
Foreign exchange gains	12	-	25
Discounting expense	12	(67)	(24)
Finance income/(costs), net		(42)	50
Income tax	18	(77)	19
Net income		363	1 188

STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)	*12 months ended*	
	31 December 2013	*31 December 2012*
	(audited)	*(see Note 2, audited)*
Net income	363	1 188
Other comprehensive income, net of tax	-	-
Total comprehensive income	363	1 188

STATEMENT OF FINANCIAL POSITION

(in PLN millions)	*Note*	*At 31 December 2013* *(audited)*	*At 31 December 2012* *(see Note 2, audited)*
ASSETS			
Intangible assets	6	1 694	1 454
Property, plant and equipment	7	2 513	2 590
Deferred tax assets	18	290	341
Total non-current assets		4 497	4 385
Inventories		124	103
Trade receivables	8	795	882
Other financial assets	13	345	924
Other assets		35	29
Prepaid expenses	8	104	83
Cash and cash equivalents	14	110	138
Total current assets		1 513	2 159
TOTAL ASSETS		6 010	6 544
EQUITY AND LIABILITIES			
Share capital	19.1	2 691	2 691
Other reserves		12	12
Retained earnings		188	1 210
Total equity		2 891	3 913
Trade payables	10.1	921	751
Employee benefits	11	7	6
Provisions	9	120	120
Total non-current liabilities		1 048	877
Trade payables	10.1	1 197	1 151
Other financial liabilities at amortised cost		-	6
Employee benefits	11	23	27
Provisions	9	55	58
Other liabilities	10.2	395	88
Deferred income	10.3	401	424
Total current liabilities		2 071	1 754
TOTAL EQUITY AND LIABILITIES		6 010	6 544

STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Other reserves			Retained earnings [1]	Total equity
		Actuarial gains on post-employment benefits	Deferred tax	Share-based payments		
Balance at 1 January 2012 (audited)	2 691	4	(1)	9	1 400	4 103
Total comprehensive income for the 12 months ended 31 December 2012	-	-	-	-	1 188	1 188
Dividends including advances on dividends	-	-	-	-	(1 378)	(1 378)
Balance at 31 December 2012 (see Note 2, audited)	2 691	4	(1)	9	1 210	3 913
Balance at 1 January 2013 (see Note 2, audited)	2 691	4	(1)	9	1 210	3 913
Total comprehensive income for the 12 months ended 31 December 2013	-	-	-	-	363	363
Dividends including advances on dividends	-	-	-	-	(1 385)	(1 385)
Balance at 31 December 2013 (audited)	2 691	4	(1)	9	188	2 891

[1] See Note 19.2

STATEMENT OF CASH FLOWS

(in PLN millions)	*Note*	*12 months ended 31 December 2013 (audited)*	*31 December 2012 (see Note 2, audited)*
OPERATING ACTIVITIES			
Net income		363	1 188
Adjustments to reconcile net income to cash from operating activities			
Depreciation and amortisation	6,7	869	988
Finance costs/(income), net		42	(50)
Income tax	18	77	(19)
Change in provisions and allowances		7	(29)
Operational foreign exchange (gains)/losses, net		6	(16)
Change in working capital (trade)			
(Increase)/decrease in inventories, gross		(21)	58
(Increase)/decrease in trade receivables, gross		62	(29)
Increase/(decrease) in trade payables		34	(236)
Change in working capital (non-trade)			
(Increase)/decrease in prepaid expenses and other receivables		(18)	133
Increase/(decrease) in deferred income and other payables		(36)	11
Interest received		26	50
Interest paid		(38)	(31)
Income tax paid		(40)	(4)
Net cash provided by operating activities		1 333	2 014
INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	7	(1 040)	(773)
Increase in amounts due to fixed assets suppliers		155	23
Proceeds from sale of property, plant and equipment and intangible assets		1	2
(Increase)/decrease in other financial assets	13.1	579	(25)
Net cash used in investing activities		(305)	(773)
FINANCING ACTIVITIES			
Increase/(decrease) in other financial liabilities		(6)	6
Dividends paid	19.2	(1 050)	(1 378)
Net cash used in financing activities		(1 056)	(1 372)
Net change in cash and cash equivalents		(28)	(131)
Effect of changes in exchange rates and other impacts on cash and cash equivalents		-	25
Cash and cash equivalents at the beginning of the period		138	244
Cash and cash equivalents at the end of the period		110	138

1. Corporate information

1.1. Cease of existence of PTK Centertel Sp. z o.o.

On 31 December 2013 the merger of Telekomunikacja Polska S.A. (currently Orange Polska S.A.), PTK-Centertel Sp. z o.o. ("PTK Centertel", "the Company") and Orange Polska Sp. z o.o. was registered in the Commercial Court. The merger was effected by transferring all assets and liabilities of these subsidiaries to Orange Polska S.A. As a result of the merger the Company ceased to exist.

1.2. Polska Telefonia Komórkowa – Centertel Sp. z o.o.

Polska Telefonia Komórkowa - Centertel Sp. z o.o. was incorporated and commenced its operations on 22 October 1991.

The Company was registered in the National Court Register kept by the District Court, XII Business Division of the National Court Register, under number KRS 0000006107.

The Company was providing mobile telecommunications services based on the CDMA 450, GSM 900/1800, UMTS 900/2100 and LTE 1800 technologies. In addition, the Company was providing data transmission, was selling telecommunications equipment, was providing fixed-line telephony services, multimedia services, various internet services and other telecommunications value added services. PTK Centertel was providing telecommunications services on the basis of entry number 2 in the register of telecommunications companies maintained by the President of Office of Electronic Communication ("UKE").

On 31 December 2013 PTK Centertel's registered office was located in Warsaw at 10a Skierniewicka St.

The Company's operations were subject to the supervision of UKE, the national regulatory authority for the telecommunications market. Under the Telecommunication Act, UKE can impose certain obligations on telecommunications companies that have a significant market power on the relevant market. PTK Centertel was deemed to have a significant market power on certain relevant markets.

1.3. The Management Board and the Supervisory Board of the Company

The Management Board of the Company on 31 December 2013 was as follows:

Mariusz Gaca – President of the Management Board,
Maciej Nowohoński – Board Member in charge of Finance.

No changes occurred in the Management Board of the Company in the year ended 31 December 2013.

According to the Company's Articles of Association, the Supervisory Board was not appointed.

2. Statement of compliance and basis for preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use by the European Union. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Comparative amounts for the year ended 31 December 2012 have been compiled using the same basis of preparation.

The Financial Statements have been prepared under the historical cost convention.

The Financial Statements have been prepared on the going concern basis because after the merger the activity of the Company is continued by Orange Polska S.A.

The Company have used the exemption from presenting consolidated financial statements in accordance with IFRS 10.4(a). Orange Polska S.A., with its headquarters located in Poland, was the parent company and has prepared IFRS Consolidated Financial Statements of Orange Polska Group ("the Group") which are available on www.orange-ir.pl.

These Financial Statements are prepared in millions of Polish złoty ("PLN") and, as a result of the merger, were authorised by the Management Board of Orange Polska S.A. on 5 March 2014.

The principles applied to prepare financial data relating to the year ended 31 December 2013 are described in Note 24 and are based on:
- all standards and interpretations endorsed by the European Union and applicable to the reporting period beginning 1 January 2013;
- IFRSs and related interpretations adopted for use by the European Union whose application will be compulsory for periods beginning after 1 January 2013 but for which the Company has opted for earlier application;
- accounting positions adopted by the Company in accordance with paragraphs 10 to 12 of International Accounting Standard ("IAS") 8 (Use of judgements).

Changes in presentation of financial statements – adoption of IFRS 11

Adoption of IFRS 11 "Joint Arrangements" resulted in a change in accounting treatment of the 50% interest in NetWorkS! Sp. z o.o., which previously was recognised as interests in joint ventures. The joint arrangement which is structured through NetWorkS! Sp. z o.o. was classified as a joint operation under IFRS 11 and, in relation to its interest in NetWorkS! Sp. z o.o., the Company recognised its assets, liabilities, revenue, expenses and its share in joint items.

Changes in presentation of the statement of cash flows

The Company changed the presentation of an allowance for certain trade receivables and inventories. As a result, comparative amounts presented as a change in provisions and allowances in the statement of cash flows were adjusted with the counterpart in lines presenting increase/decrease of trade receivables (see Note 8) and inventories, gross.

Changes in the accounting policies and presentation affected the financial statements as follows:

(in PLN millions)	*Data previously reported (audited)*	*Impact of changes in the accounting policies*	*Data currently reported (audited)*
	12 months ended 31 December 2012		
Income statement			
External purchases	(5 052)	45	(5 007)
Labour expense	(188)	(32)	(220)
Other operating income	211	(1)	210
Depreciation and amortisation	(982)	(6)	(988)
Operating income	**1 113**	**6**	**1 119**
Income tax	20	(1)	19
Net income	**1 183**	**5**	**1 188**

(in PLN millions)	*Data previously reported* *(audited)*	*Impact of changes in the accounting policies and presentation*	*Data currently reported* *(audited)*
		At 31 December 2012	
Statement of financial position			
ASSETS			
Intangible assets	1 446	8	1 454
Property, plant and equipment	2 574	16	2 590
Interests in joint ventures and investments in subsidiaries and associates	15	(15)	-
Deferred tax assets	337	4	341
Total non-current assets	4 372	13	4 385
Trade receivables	877	5	882
Other assets	27	2	29
Cash and cash equivalents	123	15	138
Total current assets	2 137	22	2 159
Total assets	6 509	35	6 544
EQUITY AND LIABILITIES			
Retained earnings	1 203	7	1 210
Total equity	3 906	7	3 913
Trade payables	-	751	751
UMTS licence payable	751	(751)	-
Employee benefits	5	1	6
Total non-current liabilities	876	1	877
Trade payables	1 080	71	1 151
UMTS licence payable	59	(59)	-
Other financial liabilities at amortised cost	-	6	6
Employee benefits	20	7	27
Income tax liabilities	39	(39)	-
Other liabilities	47	41	88
Total current liabilities	1 727	27	1 754
Total equity and liabilities	6 509	35	6 544

(in PLN millions)	*Data previously reported (audited)*	*Impact of changes in the accounting policies and presentation*	*Data currently reported (audited)*
	12 months ended 31 December 2012		
Statement of cash flows			
Net income	1 183	5	1 188
Depreciation and amortisation	982	6	988
Income tax	(20)	1	(19)
Change in provisions and allowances	(25)	(4)	(29)
(Increase)/decrease in inventories, gross	44	14	58
(Increase)/decrease in trade receivables, gross	(18)	(11)	(29)
Increase/(decrease) in trade payables	(242)	6	(236)
(Increase)/decrease in prepaid expenses and other receivables	135	(2)	133
Increase/(decrease) in deferred income and other payables	9	2	11
Interest received	49	1	50
Income tax paid	(1)	(3)	(4)
Net cash provided by operating activities	1 999	15	2 014
Purchases of property, plant and equipment and intangible assets	(762)	(11)	(773)
Increase in amounts due to fixed assets suppliers	28	(5)	23
Net cash used in investing activities	(757)	(16)	(773)
Increase/(decrease) in other financial liabilities	-	6	6
Net cash used in financing activities	(1 378)	6	(1 372)
Net change in cash and cash equivalents	(136)	5	(131)
Cash and cash equivalents at the beginning of the period	234	10	244
Cash and cash equivalents at the end of the period	123	15	138

3. Revenue

The Company introduced a new revenue analysis in 2013:

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Mobile services	6 166	6 939
Voice traffic revenue	3 554	3 957
Data, messaging, content and M2M (machine-to-machine)	1 808	1 690
Wholesale revenue (including interconnect)	804	1 292
Mobile equipment sales	148	143
Fixed services	206	241
Fixed narrowband	72	78
Fixed broadband	126	157
Wholesale revenue (including interconnect)	8	6
Other revenue	101	146
Total revenue	6 621	7 469

Revenue was generated mainly in the territory of Poland. Approximately 0.5% and 0.6% of the total revenue for the 12 months ended 31 December 2013 and 2012, respectively, was earned from entities which are not domiciled in Poland, mostly from interconnect services.

4. Operating expense and income

4.1 External purchases

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Commercial expenses	(2 345)	(2 249)
- cost of handsets and other equipment sold	*(1 446)*	*(1 355)*
- commissions, advertising, sponsoring costs and other	*(899)*	*(894)*
Interconnect expenses	(1 570)	(1 870)
Network and IT expenses	(240)	(201)
Other external purchases	(680)	(687)
Total external purchases	(4 835)	(5 007)

Other external purchases include mainly customer support and management services, postage costs, costs of content, rental costs, real estate operating and maintenance costs and subcontracting fees.

4.2 Labour expense

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Average number of employees (full time equivalent)	2 079	2 137 [1]
Wages and salaries	(222)	(220)
Social security and other charges	(36)	(36)
Capitalised personnel costs	45	41
Other employee benefits	(8)	(5)
Total labour expense	(221)	(220)

[1] Includes the impact of adoption of IRFS 11 (see Note 2).

4.3 Other operating expense and income

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Trade and other receivables impaired or sold, net	(148)	(144)
Taxes other than income tax	(77)	(77)
Orange brand fee [1]	(102)	(111)
Operating foreign exchange losses, net	(6)	-
Other expense and changes in provisions, net	(57)	(13)
Total other operating expense	(390)	(345)
Recoveries on customer bad debts	71	110
Income from shared resources	69	43
Late payment interest on trade receivables	10	11
Operating foreign exchange gains, net	-	16
Other income	26	30
Total other operating income	176	210

[1] See Note 22

Income from shared resources includes income from intragroup sale of goods or services that reflect either shared resources or an internal organisation of an administrative process (mainly IT and distribution fees).

5. Impairment

Most of the Company's individual assets did not generate cash flow independently from other assets due to the nature of the Company's activities. The entire mobile network was treated as a separate Cash Generating Unit.

The Company considered certain indicators, including market liberalisation and other regulatory and economic changes in the Polish telecommunications market, in assessing whether there was any indication that an asset could be impaired. As at 31 December 2013 the Company did not perform impairment test of the mobile network as there was no indication of an impairment loss.

As at 31 December 2012 the Company performed impairment test of the mobile network. No impairment loss was recognised in 2012 as a result of this test.

The following key assumptions were used to determine the value in use of the mobile network:
- value of the market, penetration rate, market share and the level of the competition, decisions of the regulator in terms of pricing, accessibility of services, the level of commercial expenses required to replace products and keep up with existing competitors or new market entrants, the impact of changes in net revenue on direct costs and
- the level of investment spending, which could be affected by the roll-out of necessary new technologies or regulatory decisions concerning telecommunications licences' allocation.

The amounts assigned to each of these parameters reflected past experience adjusted for expected changes over the timeframe of the business plan, but could also be affected by unforeseeable changes in the political, economic or legal framework.
Discount rate used to determine values in use was based on weighted average cost of capital and reflected market assessment of the time value of money and the risks specific to the Cash Generating Unit's activities. Growth rate to perpetuity reflected Management's assessment of cash flows evolution after the fourth year.

CGU At 31 December 2012	*Mobile network*
Basis of recoverable amount	Value in use
Source used	Business plan
	4 years cash flow projections
Growth rate to perpetuity	1%
Post-tax discount rate	9.9%
Pre-tax discount rate [1]	11.8%

[1] Pre-tax discount rate is calculated as a post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows.

Sensitivity of recoverable amounts

The value in use of the mobile network as at 31 December 2012 was significantly higher than its carrying value. The following changes in key assumptions would bring the value in use of the mobile network to the level of its carrying value:
- a 28% fall in projected cash flows after fourth year or
- a 3.1 p.p. decrease of growth rate to perpetuity or
- a 2.6 p.p. increase of post-tax discount rate.

As the cash flows projected into perpetuity represented a significant portion of the value in use, the Company considered them to be a key assumption. Due to the link between cash flows from operations and investment capacity, the Company retained a net cash flows sensitivity. Discount rate used to determine value in use as at 31 December 2012 included 1 p.p. to reflect market and business risk.

6. Intangible assets

(in PLN millions)	*At 31 December 2013*		
	Cost	*Accumulated amortisation*	*Net*
Telecommunications licences	2 609	(1 477)	1 132
Software	1 757	(1 225)	532
Other intangibles	48	(18)	30
Total intangible assets	4 414	(2 720)	1 694

(in PLN millions)	*At 31 December 2012*			*At 1 January 2012*
	Cost	*Accumulated amortisation*	*Net*	*Net*
Telecommunications licences	2 345	(1 349)	996	1 133
Software	1 310	(884)	426	387
Other intangibles	41	(9)	32	29
Total intangible assets	3 696	(2 242)	1 454	1 549

Details of the telecommunications licences are as follows:

(in PLN millions)			*Net book value*	
	Acquisition date	*Licence term*	*At 31 December 2013*	*At 31 December 2012*
GSM 1800 licence	1997	2027	-	-
GSM/UMTS 900 licence	1999	2014 [1]	14	40
UMTS 2100 licence	2000	2023	860	956
UMTS 900 licence [2]	2013	2018	35	-
LTE 1800 licence [2]	2013	2028	223	-
Total telecommunications licences			1 132	996

[1] PTK Centertel has applied for extension of the licence term for another period of 15 years.

[2] Licences held under agreement with T-Mobile Polska S.A.

Movements in the net book value of intangible assets were as follows:

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Opening balance net of accumulated amortisation	1 454	1 549
Acquisitions of intangible assets	444	227
Amortisation	(265)	(253)
Reclassifications and other, net	61	(69)
Closing balance	1 694	1 454

7. Property, plant and equipment

(in PLN millions)	*At 31 December 2013*		
	Cost	*Accumulated depreciation*	*Net*
Land and buildings	181	(130)	51
Network	10 275	(7 909)	2 366
Other IT equipment	382	(302)	80
Other	73	(57)	16
Total property, plant and equipment	10 911	(8 398)	2 513

(in PLN millions)	*At 31 December 2012*			*At 1 January 2012*
	Cost	*Accumulated depreciation*	*Net*	*Net*
Land and buildings	188	(37)	151	152
Network	10 310	(8 144)	2 166	2 380
Other IT equipment	725	(469)	256	169
Other	87	(70)	17	13
Total property, plant and equipment	11 310	(8 720)	2 590	2 714

Movements in the net book value of property, plant and equipment were as follows:

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Opening balance net of accumulated depreciation	2 590	2 714
Acquisitions of property, plant and equipment	596	546
Disposals and liquidations	(2)	(9)
Depreciation	(604)	(735)
Dismantling costs, reclassifications and other, net	(67)	74
Closing balance	2 513	2 590

8. Trade receivables and prepaid expenses

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Trade receivables, net	795	882
Non-activated mobile terminals in the external dealership network	75	73
Other prepaid expenses	29	10
Total prepaid expenses	104	83

The Company considered there was no concentration of credit risk with respect to trade receivables due to its large and diverse customer base consisting of individual and business customers. The Company's maximum exposure to credit risk at the reporting date was represented by the carrying amounts of receivables recognised in the statement of financial position.

Movement in the impairment of trade receivables in the 12 months ended 31 December 2013 and 2012 is presented below. The Company changed the presentation of the difference between the nominal and fair value of certain trade receivables on initial recognition, therefore comparative amounts were amended (see Note 2).

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Beginning of period	78	85
Impairment losses, net	89	65
Impaired receivables sold or written-off	(63)	(72)
End of period	104	78

The analysis of the age of net trade receivables that were collectively analysed for impairment is as follows:

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Neither impaired nor past due	375	373
Past due less than 180 days	156	199
Past due between 180 and 360 days	17	23
Past due more than 360 days	5	11
Total trade receivables collectively analysed for impairment	553	606
Trade receivables individually analysed for impairment [1]	242	276
Total trade receivables, net	795	882

[1] Mainly includes receivables from related parties (see Note 22) and telecommunications companies.

9. Provisions

Movements of provisions for the 12 months ended 31 December 2013 were as follows:

(in PLN millions)	*Provisions for claims and litigation, risks and other charges*	*Dismantling provisions*	*Total provisions*
At 1 January 2013	44	134	178
Increases	17	3	20
Reversals (utilisations)	(11)	(18)	(29)
Discounting effect	-	6	6
At 31 December 2013	50	125	175
Current	50	5	55
Non-current	-	120	120

Movements of provisions for the 12 months ended 31 December 2012 were as follows:

(in PLN millions)	*Provisions for claims and litigation, risks and other charges*	*Dismantling provisions*	*Total provisions*
At 1 January 2012	42	125	167
Increases	3	9	12
Reversals (utilisations)	(1)	(6)	(7)
Discounting effect	-	6	6
At 31 December 2012	44	134	178
Current	44	14	58
Non-current	-	120	120

Dismantling provisions

The dismantling provisions relates to dismantling or removal of items of property, plant and equipment (mainly items of mobile access network) and restoring the site on which they are located. Based on environmental regulations in Poland, items of property, plant and equipment which may contain hazardous materials should be dismantled and utilised by the end of their useful lives by entities licensed by the State for this purpose.

The amount of dismantling provision was based on the estimated number of items that should be utilised/sites to be restored, time to their liquidation/restoration, current utilisation/restoration cost (obtained through a tender process) and inflation.

The discount rate used to calculate the present value of dismantling provisions amounted to 4.59% as at 31 December 2013 and 5.08% as at 31 December 2012.

10. Trade payables, other liabilities and deferred income

10.1. Trade payables

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Trade payables	805	772
Fixed assets payables	250	320
Telecommunications licence payables	1 063	810
Total trade payables	**2 118**	**1 902**
Current	1 197	1 151
Non-current [1]	921	751

[1] Includes telecommunications licence payables only.

10.2. Other liabilities

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Dividend payable	335	-
VAT payable	1	44
Other [1]	59	44
Total other liabilities	**395**	**88**
Current	395	88
Non-current	-	-

[1] Mainly includes settlements with related party.

10.3. Deferred income

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Subscription (including unused minutes in subscription system)	199	228
Unused minutes in the pre-paid system	183	183
Other	19	13
Total deferred income	**401**	**424**
Current	401	424
Non-current	-	-

11. Employee benefits

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Salaries, other employee-related payables and payroll taxes due	23	27
Jubilee awards	4	3
Retirement bonuses	3	3
Total employee benefits	**30**	**33**
Current	23	27
Non-current	7	6

Certain employees and retirees of the Company were entitled to long-term employee benefits in accordance with the Company's remuneration policy (see Note 24.19). These benefits were not funded. The Company did not operate any defined benefit pension plan.

The changes in the present and carrying value of obligations related to long-term employee benefits for the 12 months ended 31 December 2013 and 2012 are detailed in the table below:

(in PLN millions)	*12 months ended 31 December 2013*			*12 months ended 31 December 2012*		
	Jubilee awards	*Retirement bonuses*	*Total*	*Jubilee awards*	*Retirement bonuses*	*Total*
Present/carrying value of obligation at the beginning of the period	**3**	**3**	**6**	**3**	**1**	**4**
Current service cost [1]	-	-	-	-	2	2
Actuarial losses	1 [1]	-	1	-	-	-
Present/carrying value of obligation at the end of the period	**4**	**3**	**7**	**3**	**3**	**6**

[1] Recognised under labour expense in the income statement.

The valuation of obligations as at 31 December 2013 and 2012 was performed using the following assumptions:

	At 31 December 2013	*At 31 December 2012*
Discount rate	4.5%	4.0%
Wage increase rate	2.5%	3.0%

Weighted average duration of obligations related to long-term employee benefits was 10 years as at 31 December 2013.

12. Financial income and expense

(in PLN millions)	*12 months ended 31 December 2013*						
	Finance income/(costs), net				*Operating income*		
	Interest Income	*Foreign exchange gains*	*Discounting expense*	*Finance income/ (costs), net*	*Interest income*	*Foreign exchange losses*	*Impairment losses*
Loans and receivables	25	-	-	25	10 [1]	-	(89) [2]
- *including cash and cash equivalents*	2	-	-	2	-	-	-
Liabilities at amortized cost	-	-	(59)	(59)	-	(6)	-
Non-financial items [3]	-	-	(8)	(8)	-	-	-
Total	25	-	(67)	(42)	10	(6)	(89)

[1] Includes late payment interests on trade receivables.

[2] Includes impairment losses on trade receivables.

[3] Includes discounting expense related to employee benefits and provisions for dismantling.

(in PLN millions)	*12 months ended 31 December 2012*						
	Finance income/(costs), net				*Operating income*		
	Interest Income	*Foreign exchange gains*	*Discounting expense*	*Finance income/ (costs), net*	*Interest income/ (expense)*	*Foreign exchange gains*	*Impairment losses*
Loans and receivables	49	25	-	74	11 [1]	-	(65) [2]
- *including cash and cash equivalents*	3	25	-	28	-	-	-
Liabilities at amortized cost	-	-	(17)	(17)	(1)	16	-
Non-financial items [3]	-	-	(7)	(7)	-	-	-
Total	49	25	(24)	50	10	16	(65)

[1] Includes late payment interests on trade receivables.

[2] Includes impairment losses on trade receivables.

[3] Includes discounting expense related to employee benefits and provisions for dismantling.

13. Financial assets

13.1. Loans and receivables excluding trade receivables

As at 31 December 2013 and 2012, the Company held short-term debt securities issued by Orange Polska S.A. under Bonds Issue Program of Orange Polska S.A. These securities were denominated in PLN and had maturity period of three months from the issuance date. As at 31 December 2013 and 2012, the carrying amount of these short-term debt securities amounted to PLN 345 million and PLN 924 million, respectively.

The Company's maximum exposure to credit risk was represented by the carrying amounts of loans and receivables.

13.2. Investments in subsidiaries

On 4 June 2012 the Extraordinary Meeting of Shareholders adopted a resolution on the approval for the acquisition of shares in Ramsat S.A. in exchange for the contribution in kind. As at 31 December 2013 the Company held a 74.34% interest in Ramsat S.A. of the value of PLN 43 thousand.

Additionally, as at 31 December 2013 and 2012 the Company had a joint operation, NetWorkS! Sp. z o.o., in which the Company and T-Mobile Polska S.A. held a 50% interest each. NetWorkS! Sp. z o.o., located in Warsaw, conducts networks management, development and maintenance following the agreement on reciprocal use of mobile access networks between PTK Centertel and T-Mobile Polska S.A. This agreement was signed in 2011 for 15 years with an option to extend it and was classified as joint operation for accounting purpose.

14. Cash and cash equivalents

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Current bank accounts and overnight deposits	110	138
Total cash and cash equivalents	110	138

The Company's cash surplus was invested into short-term highly-liquid financial instruments - bank deposits. The term of the investments depended on the immediate cash requirements of the Company. The instruments earned interest which depended on the current money market rates and the term of investment.

As at 31 December 2013 cash and cash equivalents included an equivalent of PLN 6 million denominated in foreign currencies (the same amount as at 31 December 2012).

The Company's maximum exposure to credit risk at the reporting date was represented by carrying amounts of cash and cash equivalents. The Company deposited its cash and cash equivalents with leading financial institutions with investment grade. Limits to monitor the level of exposure on the financial counterparties were applied on the Group level. In case the counterparty's financial soundness was deteriorating the Group applied the appropriate measures mitigating the default risk.

15. Fair value of financial instruments

As at 31 December 2013 and 2012, the carrying amount of cash and cash equivalents, current trade receivables and current trade payables, current loans and receivables and current other financial liabilities at amortised cost approximated their fair value due to relatively short term maturity of those instruments or cash nature.

A comparison of carrying amounts and fair values of those Company's financial instruments, for which the estimated fair value differed from the book value, is presented below.

(in PLN millions)		*At 31 December 2013*		*At 31 December 2012*	
	Note	*Carrying amount*	*Estimated fair value Level 2*[1]	*Carrying amount*	*Estimated fair value Level 2*[1]
Telecommunications licence payables	10.1	1 063	1 106	810	957

[1] Level 2: Fair value measurement based on inputs other than unadjusted quoted prices in active markets for identical assets or liabilities, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

The fair value of financial instruments was calculated by discounting expected future cash flows at the prevailing zero-coupon rates for a given currency. A theoretical zero-coupon curve was derived from SWAP rate curve adjusted by the appropriate credit spread. Fair value was translated to PLN at the National Bank of Poland period-end average exchange rate.

16. Objectives and policies of financial risk management

16.1. Principles of financial risk management

The Company was exposed to financial risk in relation to its operating, investing and financing activities. That exposure could be principally classified as market risk (encompassing currency risk and interest rate risk), liquidity risk and credit risk.

The Financial Risk Management Policy has been determined on the Group level. The principles of the Group Financial Risk Management Policy have been described in Note 24.1 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

16.2. Currency risk

The Company was exposed to foreign exchange risk arising from financial assets and liabilities denominated in foreign currencies, particularly UMTS licence payable denominated in EUR.

The currency risk management policy has been determined on the Group level. Detailed principles of the Group's hedging policy have been described in Note 24.3 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

The Company's major exposure to foreign exchange risk and potential foreign exchange gains/(losses) on this exposure resulting from a hypothetical 10% depreciation/appreciation of the PLN against EUR are presented in the following table.

	Exposure impacting income statement	
	At 31 December 2013	*At 31 December 2012*
UMTS licence payable (EUR)	255	270
Equivalent in PLN	1 057	1 102
10% depreciation of PLN	(106)	(110)
10% appreciation of PLN	106	110

The information on the hedge ratio and effective exposure after hedging on the Group level has been described in Note 24.3 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

16.3. Interest rate risk

The interest rate risk is a risk that the fair value or future cash flows of the financial instrument will change due to interest rates changes. The Company had interest bearing financial assets consisting mainly of short-term bonds purchased from the parent company (Orange Polska S.A.) and bank deposits.

The interest rate risk management policy has been determined on the Group level. Detailed principles of the Group's interest rate hedging policy have been described in Note 24.4 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

As at 31 December 2013 and 2012, the Company was not significantly exposed to interest rate risk.

16.4. Liquidity risk

The liquidity risk is a risk of encountering difficulties in meeting obligations associated with financial liabilities. The Company's liquidity risk management involved forecasting future cash flows, analysing the level of liquid assets in relation to cash flows and maintaining a diverse range of funding sources. As at 31 December 2013, the Company had unused credit facilities amounting to PLN 20 million (the same amount as at 31 December 2012).

In order to increase efficiency, the liquidity management process was optimised through a centralised treasury function of the parent company (Orange Polska S.A.), as liquid asset surpluses generated by the Company were invested and managed by the central treasury. The Company's cash surplus was also invested into short-term highly-liquid financial instruments - bank deposits.

The maturity analysis for the contractual undiscounted cash flows resulting from the Company's financial liabilities as at 31 December 2013 and 2012 is presented below:

At 31 December 2013:

(in PLN millions)			*Undiscounted contractual cash flows*							
				Non-current						
	Note	*Carrying amount*	*Within 1 year*	*1-2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*More than 5 years*	*Total non-current*	*Total*
Trade payables (excl. telecommunications licence payables)	10.1	1 055	1 055	-	-	-	-	-	-	1 055
Telecommunications licence payables	10.1	1 063	148	148	148	148	147	690	1 281	1 429
Total financial liabilities		2 118	1 203	148	148	148	147	690	1 281	2 484

At 31 December 2012:

(in PLN millions)			*Undiscounted contractual cash flows*							
				Non-current						
	Note	*Carrying amount*	*Within 1 year*	*1-2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*More than 5 years*	*Total non-current*	*Total*
Trade payables (excl. telecommunications licence payables)	10.1	1 092	1 092	-	-	-	-	-	-	1 092
Telecommunications licence payables	10.1	810	61	114	114	114	114	585	1 041	1 102
Total financial liabilities		1 902	1 153	114	114	114	114	585	1 041	2 194

16.5. Credit risk

The Company's credit risk management objective was defined as supporting business growth while minimizing financial risks by ensuring that customers and partners were always in a position to pay amounts due to the Company.

The credit risk policy has been determined on the Group level. Detailed principles of the Group's credit risk policy have been described in Note 24.6 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

There was no significant concentration of credit risk within the Company.

Further information on credit risk is discussed in Notes 8, 13.1 and 14.

17. Management of capital

The capital management policy has been determined on the Group level. Detailed principles of the Group's capital management policy have been described in Note 25 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

18. Income tax

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Current income tax	(26)	(71)
Deferred tax	(51)	90
Total income tax	(77)	19

The reconciliation between the income tax expense and the theoretical tax calculated based on the Polish statutory tax rate is as follows:

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Net income before tax	440	1 169
Statutory tax rate	19%	19%
Theoretical tax	(84)	(222)
Effect of participation in the Tax Capital Group	17	241
Tax relief on new technologies	1	5
Expense not deductible for tax purposes, net	(11)	(5)
Total income tax	(77)	19

Expenses not deductible for tax purposes consist of cost items, which, under Polish tax law, are specifically determined as non-deductible.

During the 12 months ended 31 December 2013 and 2012 the Company was a member of the Tax Capital Group.

Deferred tax

(in PLN millions)	*Statement of financial position*		*Income statement*	
	At 31 December 2013	*At 31 December 2012*	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Property, plant and equipment and intangible assets	122	195	(73)	113
Impairment of financial assets	67	38	29	(2)
Finance costs (income)/expense, net	6	5	1	(7)
Accrued (income)/expense, net	18	21	(3)	(10)
Employee benefits plans	1	1	-	1
Deferred income	76	81	(5)	(5)
Deferred tax assets, net	290	341	-	-
Total deferred tax	-	-	(51)	90

19. Equity

19.1. Share capital

As at 31 December 2013 and 2012, the Company's share capital amounted to PLN 2,691 million and was divided into 31,800 shares of the nominal value of PLN 84,607 each. As at 31 December 2013 and 2012, Orange Polska S.A. owned 100% of shares of the Company.

19.2. Dividends

On 22 March 2013, the General Shareholders' Meeting of PTK adopted a resolution on the payment of an ordinary dividend amounting to PLN 616 million. The dividend was paid in two instalments: PLN 116 million was paid on 28 November 2012 (on 26 November 2012 the Management Board of the Company adopted the resolution on payment of advance on dividend) and PLN 500 million was paid on 28 March 2013.

In the year ended 31 December 2013 the Management Board of the Company adopted the following resolutions on payment of advances on dividends:

- on 26 June 2013 resolution on payment of advance on dividend amounting to PLN 200 million, the advance was paid on 28 June 2013,
- on 30 September 2013 resolution on payment of advance on dividend amounting to PLN 350 million, the advance was paid on 11 October 2013,
- on 24 December 2013 resolution on payment of advance on dividend amounting to PLN 335 million, as a result of the merger an obligation to pay the advance on dividend extinguished on 31 December 2013.

Retained earnings available for dividend payments amounted to PLN 168 million as at 31 December 2013. The remaining balance of PLN 20 million is unavailable for dividend payments due to restrictions of the Polish commercial law.

As at 31 December 2013, as a result of the merger (see Note 1.1), the retained earnings of the Company were transferred to retained earnings of Orange Polska S.A. On 5 March 2014 the Management Board of Orange Polska S.A. proposed to allocate the net profit for 2013 as follows: PLN 202 million to dividend and PLN 161 million to reserve capital and to distribute as dividend PLN 683 million of reserve capital. The dividends were paid as advances as described above.

20. Unrecognised contractual obligations

Management considered that, to the best of its knowledge, there were no existing unrecognised contractual obligations as at 31 December 2013 and 2012, other than those described below, likely to have a material impact on the current or future financial position of the Company.

20.1. Commitments related to operating leases

When considering the Company as a lessee, operating lease commitments mainly related to the lease of buildings and land. Lease costs recognised in the income statement for the years ended 31 December 2013 and 2012 amounted to PLN 243 million and PLN 244 million, respectively. Majority of the agreements were denominated in PLN.

Future minimum lease payments under non-cancellable operating leases, as at 31 December 2013 and 2012, were as follows:

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Within one year	102	118
After one year but not more than five years	129	163
More than five years	46	38
Total minimum future lease payments	277	319
Present value of minimum future lease payments	250	294

When considering the Company as a lessor, future minimum lease payments under non-cancellable operating leases as at 31 December 2013 and 2012 amounted to PLN 29 million and PLN 34 million, respectively.

20.2. Investment commitments

Investment commitments contracted for at the end of the reporting period but not recognised in the financial statements were as follows:

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Property, plant and equipment	156	94
Intangibles	56	21
Total	212	115
Amounts contracted to be payable within 12 months after the end of reporting period	212	114

Investment commitments represent mainly purchases of telecommunications network equipment, IT systems and other software.

21. Litigation and claims (including contingent liabilities)

a) Tax contingent liability

Tax settlements, together with other areas of legal compliance (e.g. customs or foreign exchange law) are subject to review and investigation by a number of authorities, which are entitled to impose fines, penalties and interest charges. Value added tax, corporate income tax, personal income tax and other taxes or social security regulations are subject to frequent changes which often leads to the lack of system stability. Frequent contradictions in legal interpretations both within government bodies and between companies and government bodies create uncertainties and conflicts.

Tax authorities may examine accounting records up to five years after the end of the year in which the tax becomes due. Consequently, the Company may be subject to additional tax liabilities, which may arise as a result of additional tax audits.

b) Proceedings by UKE and UOKiK

According to the Telecommunications Act, the President of UKE may impose on a telecommunications operator a penalty of up to a maximum amount of 3% of the operator's prior year's revenue, if the operator does not fulfil certain requirements of the Telecommunications Act. According to the Act on Competition and Consumer Protection, in case of non-compliance with its regulations, the President of the Office of Competition and Consumer Protection

("UOKiK") is empowered to impose on an entity penalties of up to a maximum amount of EUR 50 million for refusal to provide requested information or up to a maximum amount of 10% of an entity's prior year's revenue for a breach of the law.

Proceedings by UOKiK related to retail prices of calls to Play

On 18 March 2013, UOKiK commenced competition proceedings against PTK Centertel, Polkomtel Sp. z o.o. and T-Mobile Polska S.A. claiming that they abused collective dominant position in the domestic retail market of mobile telephony. UOKiK alleges that the retail prices of calls made by individual users from the network of each of the three operators to the network of P4 Sp. z o.o. (Play) were relatively higher than the prices for such calls to the networks of the three operators and determined without sufficient consideration of the differentiation of the asymmetric wholesale termination rates determined by UKE. In the view of UOKiK, the applied prices could result in restricting the development of competition on the retail domestic mobile telephony market.

PTK Centertel on request of UOKiK provided detailed data relating to its offers and retail prices. UOKiK informed the Company that it intends to conclude the proceedings by 10 March 2014. Apart from the UOKiK proceedings, in 2012 P4 has raised claims relating to the retail mobile prices.
In the opinion of the Management, PTK Centertel has not performed activities that would restrict competition and, in the period covered by the proceedings, the level of the competition on the retail domestic mobile telephony market had been constantly increasing.

Proceedings by UOKiK related to tenders for mobile services

On 20 December 2013, UOKiK commenced competition proceedings against PTK Centertel and two other offerers in tenders for mobile services of data transmission conducted in 2012. UOKiK's proceedings relate to the assertion that the offerers agreed the terms of offers they made.
The Management Board of PTK Centertel notes that they did not agree the terms of offers with the other companies.

As at 31 December 2013 and 2012, the Company recognised provisions for known and quantifiable risk related to proceedings against the Company initiated by UKE and UOKiK, which represented the Company's best estimate of the amounts, which were more likely than not to be paid. The actual amounts of penalties, if any, were dependent on a number of future events the outcome of which was uncertain, and, as a consequence, the amount of the provision may change at a future date. Information regarding the amount of the provisions has not been separately disclosed, as in the opinion of the Company's Management such disclosure could prejudice the outcome of the pending cases.

c) Magna Polonia S.A. claim towards PTK Centertel, T-Mobile Polska, Polkomtel and P4

PTK Centertel received two summonses to conciliation court hearings on the motion of Magna Polonia S.A.: for the hearing at Warsaw Commercial Court on 11 December 2013 and for the hearing at Warsaw Civil Court on 18 December 2013. Magna Polonia S.A. is the former owner of Info TV FM Sp. z o.o., a telecommunications operator that offered provision of wholesale services of mobile television DVB-H to PTK Centertel, T-Mobile Polska S.A., Polkomtel Sp. z o.o. and P4 Sp. z o.o.. None of them decided to introduce mobile television services to its customers.
Magna Polonia demanded that PTK Centertel, T-Mobile Polska S.A., Polkomtel Sp. z o.o. and P4 Sp. z o.o. pay jointly and severally PLN 618 million to it in connection with the unlawful act allegedly committed by those companies in the form of restricting competition. Magna Polonia asserts that its claim results from lost profits of Magna because DVB-H television was not launched (including lower value of its shares in Info TV FM) and costs of financing Info TV FM.
The Management Board of PTK Centertel did not agree on common actions with the other companies aimed at restricting the introduction of DVB-H service based on the offer of Info TV FM Sp. z o.o. It decided not to introduce mobile television services due to the market situation and for commercial reasons.

On 11 December 2013, at the session held at Warsaw Commercial Court the parties did not reach an agreement. The hearing scheduled for 18 December 2013 at Warsaw Civil Court was cancelled on the motion of Magna Polonia.

In the PTK Centertel Management's opinion, Magna Polonia's motion did not constitute any reasonable grounds on which to assess whether or not Magna Polonia suffered any damage.

d) Other contingent liabilities and provisions

Apart from the above mentioned, operational activities of the Company were subject to legal, social and administrative regulations and the Company was a party to a number of legal proceedings and commercial contracts related to its operational activities. Some regulatory decisions can be detrimental to the Company and court verdicts within appeal proceedings against such decisions can have potential negative consequences for the Company. The Company monitored the risks on a regular basis and the Management believed that adequate provisions had been recorded for known and quantifiable risks.

22. Related party transactions

22.1. Management Board compensation

Management Board compensation was as follows:

(in PLN thousands)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Short-term benefits excluding employer social security payments [1]	1 357	1 354
Total	1 357	1 354

[1] Gross salaries, bonuses and non-monetary benefits.

In the years ended 31 December 2013 and 2012, accrued cost of bonuses for the Management Board amounted to PLN 0.36 million and PLN 0.37 million, respectively.

In the years ended 31 December 2013 and 2012, the Company did not enter into any significant transactions with members of the Management Board or their spouses, relatives up to second degree, individuals who are guardians or wards of the above persons or other persons with whom they have personal connections and did not grant them any loans, advances or guarantees.

In the years ended 31 December 2013 and 2012, the Company did not enter into any significant transactions with companies which were controlled or jointly controlled by the members of the Management Board or their spouses, relatives up to second degree, individuals who are guardians or wards of the above persons or other persons with whom they have personal connections.

22.2. Related party transactions

As at 31 December 2013 and 2012, Orange Polska S.A. owned 100% of shares of the Company. Orange Polska S.A. had the power to appoint members of the Management Board. The parent company of Orange Polska S.A. is Orange S.A. (previously France Telecom S.A.).

The Company's income earned from related parties comprises mainly interconnect and telecommunications services. The purchases from related parties mainly comprise costs of interconnect, leased lines, selling fees, customer support, consulting services and brand fees.

(in PLN millions)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Sales of goods and services:	239	296
Orange Polska S.A. (parent)	198	250
Orange S.A.	11	8
PTK Centertel's subsidiary	16	11
Orange Group and Orange Polska Group	14	27
Purchases of goods (including inventories, tangible and intangible assets) and services:	1 654	1 486
Orange Polska S.A. (parent)	1 152	997
Orange S.A.	30	22
PTK Centertel's subsidiary	79	41
Orange Group and Orange Polska Group	393	426
Financial income:	23	46
Orange Polska S.A. (parent)	23	46
Dividends paid:	1 050	1 378
Orange Polska S.A. (parent)	1 050	1 378

(in PLN millions)	*At 31 December 2013*	*At 31 December 2012*
Receivables:	151	136
Orange Polska S.A. (parent)	113	99
Orange S.A.	14	6
PTK Centertel's subsidiary	10	10
Orange Group and Orange Polska Group	14	21
Financial receivables:	345	924
Orange Polska S.A. (parent)	345	924
Payables:	649	319
Orange Polska S.A. (parent)	516	176
Orange S.A.	18	13
PTK Centertel's subsidiary	29	24
Orange Group and Orange Polska Group	86	106
Prepaid expenses:	46	29
Orange Polska S.A. (parent)	38	22
PTK Centertel's subsidiary	8	7

In April 2005, PTK Centertel and Orange Brand Services Limited (UK) (hereinafter referred to as "OBSL") concluded a licence agreement under which PTK Centertel acquired rights to operate under the Orange brand. The brand licence agreement provides that OBSL receives a fee of 1.6% of operating revenue for full use of the Orange brand as well as access to the Orange roaming and interconnection arrangements, technology, advanced mobile handsets and consultancy services. The agreement was concluded for 10 years with the possibility of renewal.

Additionally, when considering the Company as a lessee, future minimum lease payments under non-cancellable operating leases concluded with Orange Polska S.A. amounted to PLN 3 million and PLN 33 million as at 31 December 2013 and 2012, respectively. As at 31 December 2013 and 2012, the Company was not a lessee in contracts mentioned above concluded with other Group companies.

23. Subsequent events

There was no significant event after the end of reporting period.

24. Significant accounting policies

In addition to the statement of compliance included in Note 2, this note describes the accounting principles applied to prepare the Financial Statements for the year ended 31 December 2013.

24.1. Use of estimates

In preparing the Company's accounts, the Company's management was required to make estimates, insofar as many elements included in the financial statements could not be measured with precision. Management reviewed these estimates if the circumstances on which they were based evolved, or in the light of new information or experience. Consequently, estimates made as at 31 December 2013 may be subsequently changed. The main estimates made are described in the following notes:

Note		*Type of information disclosed*
5, 24.14	Impairment of cash generating units and individual tangible and intangible assets	Key assumptions used to determine recoverable amounts: impairment indicators, models, discount rates, growth rates.
24.15	Impairment of loans and receivables	Methodology used to determine recoverable amounts.
18, 24.17	Income tax	Assumptions used for recognition of deferred tax assets.
11, 24.19	Employee benefits	Discount rates, salary increases.
9, 21, 24.18	Provisions	Provisions for termination benefits and restructurings: discount rates and other assumptions. The assumptions underlying the measurement of provisions for claims and litigation.
24.12, 24.13	Useful lives of tangible and intangible assets	The useful lives and the method of depreciation and amortisation.
9, 24.13, 24.18	Dismantling costs	The assumptions underlying the measurement of provision for the estimated costs for dismantling and removing the asset and restoring the site on which it is located.
3, 24.9	Revenue	Allocation of revenue between each separable component of a packaged offer based on its relative fair value. Straight-line recognition of revenue relating to service access fees. Reporting revenue on a net versus gross basis (analysis of Company's involvement acting as principal versus agent).
24.16	Allowance for slow moving and obsolete inventories	Methodology used to determine net realisable value of inventories.

24.2. Use of judgements

Where a specific transaction is not dealt with in any standard or interpretation, management used its judgement in developing and applying an accounting policy that has resulted in information that is relevant and reliable, in that the financial statements:

- represent faithfully the Company's financial position, financial performance and cash flows,
- reflect the economic substance of transactions,
- are neutral,
- are prudent and
- are complete in all material respects.

24.3. Application of new standards and interpretations

Adoption of standards in 2013

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

- IFRS 10 "Consolidated Financial Statements". This standard deals with the consolidation of subsidiaries and structured entities, and redefines control which is the basis of consolidation. Adoption of IFRS 10 did not impact these financial statements.

- IFRS 11 "Joint Arrangements". This standard deals with the accounting for joint arrangements. The definition of joint control is based on the existence of an arrangement and the unanimous consent of the parties which share the control. There are two types of joint arrangements:
    - joint ventures: the joint venturer has rights to the net assets of the entity to be accounted for using the equity method, and
    - joint operations: the parties to joint operations have direct rights to the assets and direct obligations for the liabilities of the entities which should be accounted for as arising from the arrangement.

  Adoption of IFRS 11 changed the accounting treatment of the 50% interest in NetWorkS! Sp. z o.o. (see Note 2.)

- IFRS 12 "Disclosure of Interests in Other Entities". This standard combined disclosure requirements for all forms of interests in other entities and unconsolidated structured entities. The implementation of this standard did not substantially change the disclosures provided by the Company.

- IFRS 13 "Fair value measurement". IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurement. It:
    - defines fair value;
    - sets out a framework for measuring fair value; and
    - requires disclosures about fair value measurements, including the fair value hierarchy already set out in IFRS 7.

  Adoption of IFRS 13 did not have significant impact on these financial statements.

Standards and interpretations issued but not yet adopted

Management did not opted for early and full application of the following standard and interpretation:

- IFRS 9 "Financial Instruments". The standard is the first part of the three-part project that will supersede IAS 39 "Financial Instruments: Recognition and Measurement". This first part deals with the classification and the measurement of financial instruments. The effects of its application cannot be analysed separately from the two other parts not yet published and which should retrospectively address the impairment methodology for financial assets and hedge accounting.
  This standard has not been endorsed by the European Union.

- IFRIC 21 "Levies". This interpretation provides guidance on when to recognise a liability for a levy imposed by a government. IFRIC 21 is applicable for financial years beginning on or after 1 January 2014. This interpretation has not been endorsed by the European Union. Its application would not have a significant impact on financial statements.

24.4. Accounting positions adopted by the Company in accordance with paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The accounting position described below is not specifically (or is only partially) dealt with by any IFRS standards or interpretations endorsed by the European Union. The Company adopted accounting policies which it believed best reflected the substance of the transactions concerned.

Multiple-elements arrangements

When accounting for multiple-elements arrangements (bundled offers) the Company adopted the provisions of Generally Accepted Accounting Principles in the United States, Accounting Standards Codification 605-25 „Revenue Recognition – Multiple Element Agreements" (see Note 24.9 *Separable components of packaged and bundled offers*).

24.5. Options available under IFRSs and used by the Company

Certain IFRSs offer alternative methods of measuring and recognising assets and liabilities. In this respect, the Company chose:

Standards		*Option used*
IAS 2	Inventories	Recognition of inventories at their original cost determined by the weighted average unit cost method.
IAS 16	Property, plant and equipment	Property, plant and equipment were measured at cost less any accumulated depreciation and any accumulated impairment losses.
IAS 27	Separate financial statements	Investments in subsidiaries were accounted at cost.
IAS 38	Intangible assets	Intangible assets were measured at cost less any accumulated depreciation and any accumulated impairment losses.

24.6. Presentation of the financial statements

Presentation of the statement of the financial position

In accordance with IAS 1 "Presentation of financial statements", assets and liabilities are presented in the statement of the financial position as current and non-current.

Presentation of the income statement

As allowed by IAS 1 "Presentation of financial statements", expenses are presented by nature in the income statement.

24.7. Investments in joint arrangements

A joint arrangement is either a joint venture or a joint operation. The Company was involved in a joint operation. The Company recognised in relation to its interests in a joint operation its assets, liabilities, revenue and expenses, including its respective shares in the above.

24.8. Effect of changes in foreign exchange rates

The functional currency of the Company was the Polish złoty.

Transactions in foreign currencies

Transactions in foreign currencies were converted into Polish złoty at the spot exchange rate prevailing as at the transaction date. Monetary assets and liabilities which were denominated in foreign currencies were re-measured at the end of reporting period using the period-end exchange rate quoted by National Bank of Poland ("NBP") and the resulting translation differences were recorded in the income statement:

- in other operating income and expense for commercial transactions,
- in financial income or finance costs for financial transactions.

24.9. Revenue

Revenue from the Company's activities was recognised and is presented in accordance with IAS 18 "Revenue". Revenue comprises the fair value of the consideration received or receivable for the sale of services and goods in the ordinary course of the Company's activities. Revenue was recorded net of value-added tax and discounts.

Separable components of packaged and bundled offers

For the sale of multiple products or services, the Company evaluated all deliverables in the arrangement to determine whether they represented separate units of accounting. A delivered item was considered a separate unit of accounting if (i) it had value to the customer on a standalone basis and (ii) there was objective and reliable evidence of the fair value of the undelivered item(s). The total fixed or determinable amount of the arrangement was allocated to the separate units of accounting based on its relative fair value. However, when an amount allocated to a delivered item was contingent upon the delivery of additional items or meeting specified performance conditions, the amount allocated to that delivered item was limited to the non contingent amount. This case arises in the mobile business for sales of bundled offers including a handset and a telecommunications service contract. The handset is considered to have value on a standalone basis to the customer, and there is objective and reliable evidence of fair value for the telecommunications service to be delivered. As the amount allocable to the handset generally exceeded the amount received from the customer at the date the handset is delivered, revenue recognised for the handset sale was generally limited to the amount of the arrangement that was not contingent upon the rendering of telecommunication services, i.e. the amount paid by the customer for the handset.

For offers that could not be separated into identifiable components, revenue was recognized in full over the life of the contract. The main example is connection to the service: this does not represent a separately identifiable transaction from the subscription and communications, and therefore, in case of SIM-only offers, connection fees were recognised over the average expected life of the contractual relationship.

Equipment sales

Revenue from equipment sales was recognised when the significant risks and rewards of ownership were transferred to the buyer (see also paragraph "Separable components of packaged and bundled offers").

When equipment - associated to the subscription of telecommunication services - was sold by a third-party retailer who purchased it from the Company, the related revenue was recognised when the equipment was sold to the end-customer.

Equipment leases

Equipment lease revenue was recognised on a straight-line basis over the life of the lease agreement, except in the case of finance leases which were accounted for as sales on credit.

Revenues from the sale or supply of content

The accounting for revenue from the sale or supply of content depends on the analysis of the facts and circumstances surrounding these transactions. To determine if the revenue must be recognised on a gross or a net basis, an analysis was performed using the following criteria:
– if the Company had the primary responsibility for providing services desired by the customer;
– if the Company had inventory risk (the Company purchased content in advance);
– if the Company had discretion in establishing prices directly or indirectly, such as by providing additional services;
– if the Company had credit risk.

Service revenue

Revenue from subscription for tariff plan was recognised in the period it pertained to or in the periods of use (traffic) of the subscription, depending on the construction of the given offer.
Revenue from use (traffic) beyond subscription, when the amount subscribed was exceeded or the traffic was different from that subscribed, was recognised in the period of use.
Revenue from activation of tariff plans was recognised proportionally over the average period of remaining of a subscriber in the network, unless the offer allowed a client to use the activation fee paid for traffic on precisely defined terms.

Revenue from activation of individual services was recognised in the period of service activation, such as an approach applied to the type of fee resulted from service use principles (a client might have resigned from a service at any time without bearing financial consequences and remaining the subscriber in the network).
Revenue from telecom services was recognised at the moment of service performance, with revenue from sales of cards in the pre-paid system deferred and recognised as revenue upon the use or expiration of the telephone code.
Revenue from unused funds was recognised in the period in which, according to the offer, the funds were lost.

Promotional offers

For certain commercial offers where customers did not pay for service over a certain period in exchange for signing up for a fixed period (time-based incentives), the total revenue generated under the contract was spread over the fixed, non-cancellable period.

Loyalty programs

Loyalty programs consisted of granting future benefits to customers (such as call credit and product discounts) in exchange for present and past use of the service or purchase of goods.

Points awarded to customers were treated as a separable component to be delivered out of the transaction that triggered the acquisition of the points. Part of the invoiced revenue was allocated to these points based on their fair value taking into account an estimated utilisation rate, and deferred.

If the Company supplied the awards itself, revenue allocated to the points was recognised in the income statement when points had been redeemed and the Company had fulfilled its obligations to supply awards. The amount of revenue recognised was based on the number of award credits that had been redeemed in exchange for awards, relative to the total number expected to be redeemed. When a third party was supplying the awards and the Company was collecting the consideration on behalf of a third party, revenue was measured as a net amount retained on the Company's own account and was recognised when the third party had become obliged to supply the awards and had been entitled to receive consideration for doing so.

Loyalty program that existed in the Company was without a contract renewal obligation.

Barter transactions

When goods or services were exchanged for goods or services which were of a similar nature and value, the exchange was not regarded as a transaction which generates revenue. When goods were sold or services were rendered in exchange for dissimilar goods or services, the revenue was measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received could not be measured reliably, the revenue was measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred. The revenue from barter transactions involving advertising was measured in accordance with Interpretation 31 of the Standing Interpretations Committee "Revenue – Barter Transactions Involving Advertising Services".

24.10. Subscriber acquisition costs, advertising and related costs

Subscriber acquisition and retention costs were recognised as an expense for the period in which they were incurred. Advertising, promotion, sponsoring, communication and brand marketing costs were also expensed as incurred.

24.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset were capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

24.12. Intangible assets

Intangible assets, consisting mainly of telecommunications licences and software, were initially stated at acquisition or production cost comprising its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of preparing the assets for their intended use and, if applicable, attributable borrowing costs.

Internally developed trademarks and subscriber bases were not recognised as intangible assets.

Telecommunications licences

Expenditures regarding telecommunications licences were amortised on a straight-line basis over the reservation period from the date when the network was technically ready and the service could be marketed.

Software

Software was amortised on a straight-line basis over the expected life, not exceeding five years.

Useful lives of intangible assets were reviewed annually and were adjusted if current estimated useful lives were different from previous estimates. These changes in accounting estimates were recognised prospectively.

24.13. Property, plant and equipment

The cost of tangible assets corresponded to their purchase or production cost or price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, as well as including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and, if applicable, attributable borrowing costs.
It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, representing the obligation incurred by the Company.

The cost of networks includes design and construction costs, as well as capacity improvement costs. The total cost of an asset was allocated among its different components and each component was accounted for separately when the components had different useful lives or when the pattern in which their future economic benefits were expected to be consumed by the entity varied. Depreciation was established for each component accordingly.

Maintenance and repair costs (day to day costs of servicing) were expensed as incurred.

Derecognition

An item of property, plant and equipment was derecognised on its disposal or when no future economic benefits were expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment was recognised in operating income and equalled the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Depreciation

Items of property, plant and equipment were depreciated to write off their cost, less any estimated residual value on a basis that reflected the pattern in which their future economic benefits were expected to be consumed.

Therefore, the straight-line basis was usually applied over the following estimated useful lives:

Buildings	10 - 30 years
Network	3 - 30 years
Other IT equipment	3 - 5 years
Other	2 - 10 years

Land was not depreciated. Perpetual usufruct rights were amortised over the period for which the right had been granted, not exceeding 99 years.

These useful lives were reviewed annually and were adjusted if current estimated useful lives were different from previous estimates. These changes in accounting estimates were recognised prospectively.

24.14. Impairment of non-current assets

Recoverable amount of an asset was estimated whenever there was an indication that the asset might have been impaired and an impairment loss was recognised whenever the carrying amount of an asset exceeded its recoverable amount. Where possible, the recoverable amount was estimated for individual assets. The recoverable amount of such assets was determined at their fair value less cost to sell or their value in use. If it was not possible to estimate the recoverable amount of the individual asset, the Company identified the cash-generating unit ("CGU") to which the asset belonged.

Given the nature of its assets and operations, most of the Company's individual assets did not generate cash flow independently from other assets.

The recoverable amount of an asset was generally determined by reference to its value in use, corresponding to the future economic benefits expected to be derived from the use of the asset and its subsequent disposal, if any. It was assessed by the discounted cash flow method, based on management's best estimate of the set of economic conditions that would exist over the remaining useful life of the asset and the asset's expected conditions of use.

The impairment loss recognised equalled the difference between net book value and recoverable amount.

24.15. Financial assets and liabilities

Financial assets include loans and receivables.

Financial liabilities include trade payables and fixed assets payables (including telecommunications licence payables).

Except for investments in subsidiaries which were accounted for at cost as allowed in IAS 27 " Separate Financial Statements", financial assets and liabilities were recognised and measured in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

A regular way purchase or sale of financial assets was recognised using settlement date accounting.

Management determined the classification of financial assets and liabilities at initial recognition.

Recognition and measurement of financial assets

When financial assets were recognised initially, they were measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include trade receivables, cash and cash equivalents and other loans and receivables. They are carried in the statement of financial position under: "Other financial assets", "Trade receivables" and "Cash and cash equivalents".

Cash and cash equivalent consist of cash in bank and highly-liquid instruments that are readily convertible into known amounts of cash and are subject to insignificant changes in value.

Loans and receivables were recognised initially at fair value plus directly attributable transaction costs and were subsequently measured at amortised cost using the effective interest method.

At the end of reporting period, the Company assessed whether there was any objective evidence that loans or receivables were impaired. If any such evidence existed, the asset's recoverable amount was calculated. If the recoverable amount was less than the asset's book value, an impairment loss was recognised in the income statement.

Trade receivables that were homogenous and shared similar credit risk characteristics were tested for impairment collectively. When estimating the expected credit risk the Company used historical data as a measure for a decrease in the estimated future cash flows from the group of assets since the initial recognition. In calculating the recoverable amount of receivables that were individually material and not homogenous, significant financial difficulties of the debtor or probability that the debtor would enter bankruptcy or financial reorganisation were taken into account.

Recognition and measurement of financial liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost include borrowings, trade payables and fixed assets payables, including telecommunications licence payables and are carried in the statement of financial position under "Trade payables" and "Other financial liabilities at amortised cost".

Borrowings and other financial liabilities were initially recognised at fair value and were subsequently measured at amortised cost using the effective interest method.

24.16. Inventories

Inventories were stated at the lower of cost and net realizable value, except for mobile handsets or other terminals sold in promotional offers. Inventories sold in promotional offers were stated at the lower of cost or probable net realisable value, taking into account future revenue expected from subscriptions. The Company provided for slow-moving or obsolete inventories based on inventory turnover ratios and current marketing plans.

Cost corresponded to purchase or production cost determined by the weighted average cost method. Net realizable value was the estimated selling price in the ordinary course of business, less selling expenses.

24.17. Income tax

The tax expense comprises current and deferred tax.

Current tax

The current income tax charge was determined in accordance with the relevant tax law regulations in respect of the taxable profit. Income tax payable represented the amount payable to the tax authorities at the end of reporting period.

Deferred taxes

Deferred taxes were recognised for all temporary differences, as well as for unused tax losses. Deferred tax assets were recognised only when their recovery was considered probable. At the end of reporting period unrecognised deferred tax assets were re-assessed. A previously unrecognised deferred tax asset was recognised to the extent that it had become probable that future taxable profit would allow the deferred tax asset to be recovered.

Deferred tax was not accounted for if it arose from the initial recognition of an asset or liability in a transaction that was not a business combination and at the time of the transaction, affected neither accounting nor taxable profit nor loss.

Deferred tax assets and liabilities were not discounted. Deferred income tax was calculated using the enacted or substantially enacted tax rates at the end of reporting period.

24.18. Provisions

A provision was recognised when the Company had a present obligation towards a third party, which amount could be reliably estimated and it was probable that an outflow of resources embodying economic benefits would be required to settle the obligation. The obligation might be legal, regulatory or contractual or it might represent a constructive obligation deriving from the Company's actions.

The estimate of the amount of the provision corresponded to the expenditure likely to be incurred by the Company to settle its obligation. If a reliable estimate could not be made of the amount of the obligation, no provision was recorded and the obligation was deemed to be a "contingent liability".
Contingent liabilities – corresponding to (i) possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control, or (ii) to present obligations arising from past events that for which it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability – were not recognised but disclosed where appropriate in the notes to the Financial Statements.

Provisions for dismantling and restoring sites

The Company was required to dismantle equipment and restore sites. In accordance with paragraphs 36 and 37 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the provision was based on the best estimate of the amount required to settle the obligation. It was discounted by applying a discount rate that reflected the passage of time and the risk specific to the liability. The amount of the provision was revised periodically and adjusted where appropriate, with a corresponding entry to the asset to which it related.

24.19. Pensions and other employee benefits

Certain employees of the Company were entitled to jubilee awards and retirement bonuses. Jubilee awards were paid to employees upon completion of a certain number of years of service whereas retirement bonuses represented one-off payments paid upon retirement in accordance with the Company's remuneration policies. Both items varied according to the employee's average remuneration and length of service. Jubilee awards and retirement bonuses were not funded. The Company was also obliged to provide certain post-employment benefits to some of its retired employees.

The cost of providing benefits mentioned above was determined separately for each plan using the projected unit credit actuarial valuation method. This method saw each period of service as giving rise to an additional unit of benefit entitlement and measured each unit separately to build up the final obligation which was then discounted. The calculation was based on demographic assumptions concerning retirement age, rates of future salary increases, staff turnover rates, and financial assumptions concerning future interest rates (to determine the discount rate) and inflation.

Actuarial gains and losses on jubilee awards plans were recognised as income or expense when they occurred. Actuarial gains and losses on post-employment benefits were recognised immediately in their total amount in the other comprehensive income. The present value of the defined benefit obligations was verified at least annually by an independent actuary. Demographic and attrition profiles were based on historical data.

Benefits falling due more than 12 months after the end of reporting period were discounted using a discount rate determined by reference to market yields on Polish government bonds.

24.20. Share-based payments

The parent Company – Orange Polska S.A. operated an equity-settled, share-based compensation plan under which employees rendered services to the Company as consideration for equity instruments of Orange Polska S.A. The fair value of the employee services received in exchange for the grant of the equity instruments was recognised as an expense, with a corresponding increase in equity, over the period in which the service conditions were fulfilled (vesting period).

Orange S.A. operated its own equity-settled, share-based compensation plan under which employees of the Company rendered services to the Company as consideration for equity instruments of Orange S.A. In accordance with IFRS 2 "Share-based Payment", the fair value of the employee services received in exchange for the grant of the equity instruments of Orange S.A. was recognised in these Financial Statements as an expense with a corresponding increase in equity, over the period in which the service conditions are fulfilled (vesting period).

The fair value of the employee services received was measured by reference to the fair value of the equity instruments at the grant date.
Vesting conditions, other than market conditions, were taken into account by adjusting the number of equity instruments included in the measurement of the transaction so that, ultimately, the expense recognised for services received was based on the number of equity instruments that were expected to vest.

TRANSLATION

resolution no. 27/O/14

of Orange Polska S.A. Management Board
Adopted by correspondence

as of 05.03.2014

on the Management Board's motion on distribution of the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. profit for the financial year 2013

In connection with the acquisition of the Company "Polska Telefonia Komórkowa – Centertel" sp. z o.o in accordance with art. 492 § 1 point 1 and art. 494 § 1 of the code of commercial companies and on the basis of § 25 clause 4 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

1. Orange Polska S.A. Management Board adopts the following motion on distribution of the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o net profit for the year 2013 of PLN 363,434,469.07 (in words: three hundred and sixty three million four hundred and thirty four thousand four hundred and sixty nine zlotys 07/100):
    1) For a dividend – PLN 202,395,567.00 (in words: two hundred and two million three hundred and ninety five thousand five hundred and sixty seven zlotys 00/100),
    2) To the reserve capital – PLN 161,038,902.07 (in words: one hundred and sixty one million thirty eight thousand nine hundred and two zlotys 07/100).
2. The amount of the dividend referred to in clause 1 point 1) will be increased by the amount of PLN 682,604,433.00 (in words: six hundred and eighty two million six hundred and four thousand four hundred thirty three zlotys 00/100) from reserve capital.

§ 2

The full amount of the dividend referred to § 1 clause 1 point 1) and clause. 2 in the total amount of PLN 885,000,000.00 (in words: eight hundred and eighty five million zlotys 00/100) has been paid sole shareholder Orange Polska S.A. as an advance on the anticipated dividends for the year 2013 on the basis of resolutions No. 33/13 of 26 June 2013, No 47/13 of 30 September 2013 and No 59/13 of 24 December 2013 Management Board of the „Polska Telefonia Komórkowa – Centertel" sp. z o.o.

§ 3

Transferred to the reserve capital amount of PLN 161,038,902.07 (in words: one hundred and sixty one million thirty eight thousand nine hundred and two zlotys 07/100), referred to in § 1 clause. 1 point 2) may be allocated to the payment of dividend.

§ 4

1. Orange Polska S.A. Management Board decides to move to the Annual General Meeting a motion on distribution of the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. net profit for 2013, referred to in § 1.

2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board a motion, referred to in § 1 for evaluation.

3. Draft of the relevant Annual General Meeting resolution has been included in attachment to the present resolution.

§ 5

The resolution comes into force on the day of its adoption.

resolution no. 14/14

of the Supervisory Board
of Orange Polska S.A.

dated 17 March 2014

on adoption of the report on evaluation of the Management Board's report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity, the financial statements and the Management Board's motion on the distribution of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. profit for the financial year 2013

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association and due to the acquisition in accordance with article 492 § 1 item 1 and article 494 § 1 of the Commercial Companies Code of Polska Telefonia Komórkowa – Centertel Sp. z o.o. the following is resolved:

§ 1

The Supervisory Board adopts the report from results of evaluation of:

- the Management Board's report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity in 2013,
- the Polska Telefonia Komórkowa – Centertel Sp. z o.o. IFRS financial statements for the financial year 2013, and
- the Management Board's motion on distribution of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. profit for 2013,

included in attachment hereto, and decides to submit this report to the Annual General Assembly.

§ 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Benoit Scheen
4. Marc Ricau
5. Timothy Boatman
6. Henryka Bochniarz
7. Jean-Marie Culpin
8. Eric Debroeck
9. Mirosław Gronicki
10. Sławomir Lachowski
11. Marie-Christine Lambert
12. Pierre Louette
13. Gervais Pellissier
14. Gérard Ries
15. Wiesław Rozłucki

Attachment
to the Supervisory Board Resolution
No. 14/14 dated March 17, 2014

REPORT

of Orange Polska S.A. Supervisory Board

on evaluation of the Management Board Report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity, the financial statements and the Management Board's motion on the distribution of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. profit for the financial year 2013

The Orange Polska S.A. Supervisory Board, acting pursuant to provisions of article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association, due to the acquisition in accordance with article 492 § 1 item 1 and article 494 § 1 of the Commercial Companies Code of Polska Telefonia Komórkowa – Centertel Sp. z o.o. has examined and evaluated the following documents:

a) the Management Board's report on Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity in 2013;

b) the Polska Telefonia Komórkowa – Centertel Sp. z o.o. IFRS financial statements for the financial year 2013 including:

   1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 6 010 million (in words: PLN six billion ten million),

   2) profit and loss account for 2013 showing a net profit of PLN 363 million (in words: PLN three hundred sixty three million),

   3) change in equity for 2013 showing a decrease in equity by PLN 1 022 million (in words: PLN one billion twenty two million),

   4) cash flow account showing a decrease in net cash and cash equivalents by PLN 28 million (in words: PLN twenty eight million),

   5) notes to the financial statement.

c) Resolution No. 26/O/14 of the Management Board dated March 5, 2014 on approval of the Management Board's report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity in 2013 and the IFRS financial statements for the financial year 2013;

d) Resolution No. 27/O/14 of the Management Board dated March 5, 2014 on Management Board's motion on distribution of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. profit for 2013.

Having analysed the above mentioned documents, and taking into consideration the opinion and report of an independent auditor on examination of Polska Telefonia Komórkowa – Centertel Sp. z o.o. financial statement for the year as at December 31, 2013, the Supervisory Board states as follows:

The Management Board report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity and the financial statements for the financial year 2013 are in compliance with books and documents, and remain in conformity with the factual status and mandatory legal provisions.

The Supervisory Board recommends the Annual General Assembly:

– to approve the Management Board's report on the Polska Telefonia Komórkowa – Centertel Sp. z o.o. activity in 2013 and the financial statements for the financial year 2013;

- to adopt a resolution on distribution of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. profit for the financial year 2013 according to the motion of the Management Board included in the resolution No. 27/O/14;
- to grant approval of the performance by the members of the Polska Telefonia Komórkowa – Centertel Sp. z o.o. Management Board of their duties in 2013.

point 8.

of the meeting agenda

Review of:

a) the Management Board Report on the Orange Polska sp. z o.o. operations and the Company Financial Statements for the financial year 2013,

b) the Management Board's motion concerning coverage of the Orange Polska sp. z o.o. loss for the financial year 2013,

c) the Supervisory Board Report on assessment of the Management Board Report on the Orange Polska sp. z o.o. operations, the Financial Statements for the financial year 2013 and the Management Board motion on coverage of the Company's loss.

TRANSLATION

resolution no. 28/O/14

Of Orange Polska SA Management Board
Adopted by correspondence

dated 05.03.2014

on approval of the Management Board's report on the activity of Company's "Orange Polska" sp. z o.o. in the financial year 2013 and IFRS financial statements for 2013

In connection with acquisition of the Company "Orange Polska" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

Orange Polska S.A. Management Board approves the Management Board report on the Company's "Orange Polska" sp. z o.o. activity in 2013.

§ 2

Orange Polska S.A. Management Board accepts the Company's "Orange Polska" sp. z o.o. IFRS financial statements for the financial year 2013 including:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 102 k (in words: PLN one hundred two thousand),
2) profit and loss account for 2013 showing a net loss of PLN 61 k (in words: PLN sixty one thousand),
3) change in equity for 2013 showing a decrease in equity by PLN 362 k (in words: PLN three hundred sixty two thousand),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 383 k (in words: PLN three hundred eighty three thousand),
5) notes to the financial statement.

§ 3

The reports and statements, referred to in § 1 and § 2, have been included in attachment 1.

§ 4

1. Orange Polska S.A. Management Board decides to move to the Annual General Meeting a motion for consideration and approval of the report and statements, referred to in § 1 and § 2.
2. Orange Polska S.A. Management Board decides to submit for evaluation to the Supervisory Board the report and statements, referred to in § 1 and § 2 for evaluation.
3. The draft of relevant Annual General Meeting resolutions have been included in attachments 2 and 3.

§ 5

The resolution comes into force on the day of its adoption.

Orange Polska Sp. z o.o.

(ceased to exist on 31 December 2013 as a result of the merger with Telekomunikacja Polska S.A. and Polska Telefonia Komórkowa – Centertel Sp. z o.o.)

REPORT ON THE ENTITY'S ACTIVITY FOR THE YEAR ENDED 31 DECEMBER 2013

March 5, 2014

On 31 December 2013 the merger of Telekomunikacja Polska S.A. (currently Orange Polska S.A.), Orange Polska Sp. z o.o. ("the Company") and PTK-Centertel Sp. z o.o. was registered in the Commercial Court. The merger was done by transferring all assets and liabilities of these subsidiaries to Orange Polska S.A. As a result of the merger Orange Polska Sp. z o.o. ceased to exist. As at 31 December 2013 Telekomunikacja Polska S.A., as the acquiring company, entered into all rights and obligations of the target companies, thus, the Report on the Activity of the Company was authorised by the Management Board of Orange Polska S.A.

1. Corporate information

Name : Orange Polska Sp. z o.o.

Address of the Company on 31 December 2013: 00-105 Warszawa ul. Twarda 18, lok. 25.42

The Management Board of the Company

On 31 December 2013 Jacques de Galzain was the only Board Member of the Management Board of the Company.
No Changes occurred in the Management Board of the Company in the year ended 31 December 2013.

Changes in share capital

No changes occurred in the share capital in 2013.
On 31 December 2013 and before the merger the share capital amounted to PLN 5,000.00.

Owner

On 31 December 2013 Orange Polska S.A. owned 100% of the share capital of Orange Polska Sp. z o.o.

2. Significant events affecting the Company's operations

On 31 December 2013, the Company ceased to exist.

3. Financial situation of the Company

The financial income amounted of PLN 6 thousand in 2013.

External purchases incurred in 2013 included mainly rental costs of office space, accounting and financial audit services.

The Company achieved a loss of PLN 61 thousand in 2013.

4. Information on financial instruments

On 31 December 2013 and 2012 the Company did not have any financial instruments.

ORANGE POLSKA SP. Z O.O.
(ceased to exist on 31 December 2013 as a result of the merger with Telekomunikacja Polska S.A. and PTK-Centertel Sp. z o.o.)

IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

March 5, 2014

INCOME STATEMENT

(in PLN thousands) — *12 months ended*

	Note	*31 December 2013*	*31 December 2012*
External purchases and taxes and fees	4	(65)	(74)
Operating loss		(65)	(74)
Interest income		6	640
Finance income, net		6	640
Income tax	6	(2)	(107)
Net income		**(61)**	**459**

STATEMENT OF COMPREHENSIVE INCOME

(in PLN thousands) — *12 months ended*

	Note	*31 December 2013*	*31 December 2012*
Net income		(61)	459
Other comprehensive income/(loss), net of tax		0	0
Total comprehensive income		(61)	459

STATEMENT OF FINANCIAL POSITION

(in PLN thousands)

	Note	*At 31 December 2013*	*At 31 December 2012*
ASSETS			
Deferred tax assets		0	2
Total non-current assets		0	2
Income tax asset		0	5
Other assets	8	44	28
Cash and cash equivalents	9	58	441
Total current assets		102	474
TOTAL ASSETS		102	476
EQUITY AND LIABILITIES			
Share capital		5	5
Other reserves		158	0
Retained earnings		(61)	459
Total equity		102	464
Trade payables		0	12
Total current liabilities		0	12
TOTAL EQUITY AND LIABILITIES		102	476

STATEMENT OF CHANGES IN EQUITY

(in PLN thousands)

	Share capital	Supplementary capital	Retained earnings	Total
Balance at 1 January 2013	**5**	**0**	**459**	**464**
Total comprehensive income for the 12 months ended 31 December 2013			(61)	(61)
Supplementary capital		158	(158)	0
Dividends			(301)	(301)
Balance at 31 December 2013	**5**	**158**	**(61)**	**102**

(in PLN thousands)

	Share capital	Retained earnings	Total
Balance at 1 January 2012	**5**	**29,305**	**29,310**
Total comprehensive income for the 12 months ended 31 December 2012		459	459
Dividends		(29,305)	(29,305)
Balance at 31 December 2012	**5**	**459**	**464**

STATEMENT OF CASH FLOWS

(in PLN thousands)		*12 months ended*	
	Note	*31 December 2013*	*31 December 2012*
OPERATING ACTIVITIES			
Net income		(61)	459
Income tax	6	2	107
Finance income, net		(6)	(640)
Increase/(decrease) in trade payables		(12)	4
Decrease in other assets	8	(16)	(16)
Interest received		6	640
Income tax paid		5	116
Net cash provided by operating activities		**(82)**	**670**
INVESTING ACTIVITIES			
(Increase) / decrease in loans and receivables[1)]		0	28,493
Net cash used in investing activities		**0**	**28,493**
FINANCING ACTIVITIES			
Dividends paid		(301)	(29,305)
Net cash used in financing activities		**(301)**	**(29,305)**
Effect of changes in cash and cash equivalents, net		(383)	(142)
Cash and cash equivalents at the beginning of the period		441	583
Cash and cash equivalents at the end of the period		**58**	**441**

[(1)] Mainly bonds from Orange Polska S.A.

1. Corporate information

1.1. Cease of existence of Orange Polska Sp. z o.o.

On 31 December 2013 the merger of Telekomunikacja Polska S.A. (currently Orange Polska S.A.), Orange Polska Sp. z o.o. and PTK-Centertel Sp. z o.o. was registered in the Commercial Court. The merger was effected by transferring all assets and liabilities of these subsidiaries to Orange Polska S.A. As a result of the merger Orange Polska Sp. z o.o. ceased to exist.

1.2. Orange Polska Sp. z o.o.

Orange Polska Sp. z o.o. ("the Company") was established on 4 February 2011.

The Company was registered in the National Court Register kept by the District Court, XII Business Division of the National Court Register, under number KRS 0000380943.

On 31 December 2013 the Company's registered office was located in Warsaw at 18 Twarda St.

On 9 January 2013 the name of the Company was changed from Bilbo Sp. z o.o. to Orange Polska Sp. z o.o. The change was registered in the National Court Register on 23 January 2013.

The scope of the Company's business covers financial holdings activity.

1.3. The Management Board of the Company

On 31 December 2013 Jacques de Galzain was the only Board Member of the Management Board of the Company.

2. Statement of compliance and basis for preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use by the European Union. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These Financial Statements are prepared in thousands of Polish zloty ("PLN") and, as a result of the merger, were authorised by the Management Board of Orange Polska S.A. on 5 March 2014.

The Polish zloty is the functional and reporting currency of the Company.

These Financial Statements have been prepared under the historical cost convention.

The principles applied to prepare financial data relating to the year ended 31 December 2013 are described in Note 3 and are based on:

- all standards and interpretations endorsed by the European Union and applicable to the reporting period beginning 1 January 2013 or earlier,
- IFRSs and related interpretations adopted for use by the European Union whose application will be compulsory for periods beginning after 1 January 2013 but for which the Company has opted for earlier application,
- accounting positions adopted by the Company in accordance with paragraphs 10 to 12 of IAS 8 (Use of judgements).

2.1. Use of estimates

In preparing the Company's accounts, the Company's management is required to make estimates. Management reviews these estimates if the circumstances on which they were based evolve, or in the light of new information or experience. Consequently, estimates made as at 31 December 2013 may be subsequently changed. The main estimates made are described in the following notes:

Note		Type of information disclosed
3.3.2 and 6	Income tax	Assumptions used for recognition of deferred tax assets.

2.2. Use of judgments

Where a specific transaction is not dealt with in any standard or interpretation, management uses its judgment in developing and applying an accounting policy that results in information that is relevant and reliable, in that the financial statements:

- represent faithfully the Company's financial position, financial performance and cash flows,
- reflect the economic substance of transactions,
- are neutral,
- are prudent and
- are complete in all material respects.

3. Significant accounting policies

This note describes the accounting principles applied to prepare the Financial Statements for the year ended 31 December 2013.

3.1. Application of new standards, amendments and interpretations

The following standards or amendments to standards and interpretations endorsed by the European Union were adopted by the Company as at 1 January 2013:

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

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

3.2. Standards and interpretations issued but not adopted

Standards and interpretations issued but not adopted

Management did not opted for early and full application of the following standard and interpretation:

- IFRS 9 "Financial Instruments". This standard has not been endorsed by the European Union;
- IFRIC 21 "Levies". This interpretation has not been endorsed by the European Union.

Due to the merger of the companies described in Note 1.1. the Management Board did not consider the consequences and impact of the application of these new standards and interpretations on the financial statements

3.3. Presentation of the financial statements

Presentation of the statement of financial position

In accordance with IAS 1 "Presentation of financial statements", assets and liabilities are presented in the statement of financial position as current and non-current.

Presentation of the income statement

As allowed by IAS 1 "Presentation of financial statements" expenses are presented by nature in the income statement.

3.3.1 Financial assets and liabilities

Financial assets are classified as loans and receivables.

Financial assets and liabilities are recognised and measured in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

Recognition and measurement of financial assets

When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include cash and cash equivalents. They are carried in the statement of financial position under "Cash and cash equivalents".

Cash and cash equivalents consist of cash in bank and on hand as well as other highly-liquid instruments that are readily convertible into known amounts of cash and are subject to insignificant changes in value.

Recognition and measurement of financial liabilities

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include trade payables and are carried in the statement of financial position under "Trade payables".

3.3.2 Income tax

The tax expense comprises current and deferred tax.

Current tax

The current income tax charge was determined in accordance with the relevant tax law regulations in respect of the taxable profit. Income tax payable represented the amount payable to the tax authorities at the end of reporting period.

Deferred tax

The deferred tax is recognized in the financial statements for all temporary differences between the carrying amount of assets and liabilities and their tax value and tax losses carried forward.

4. External purchase and taxes and fees

	12 months ended	
(in PLN thousands)	*31 December 2013*	*31 December 2012*
Property rental	(21)	(21)
Accounting services	(42)	(42)
Audit	0	(10)
Court and notary fees	(2)	(1)
Total external purchases and taxes and fees	**(65)**	**(74)**

5. Finance income

The finance income for the 12 months ended 31 December 2013 and 2012 includes interest income from cash and cash equivalents.

6. Income tax

	12 months ended	
(in PLN thousands)	*31 December 2013*	*31 December 2012*
Current income tax	0	(111)
Deferred tax	(2)	4
Total income tax	**(2)**	**(107)**

The reconciliation between the income tax expense and the theoretical tax calculated based on the Polish statutory tax rate is as follows:

	12 months ended	
(in PLN thousands)	*31 December 2013*	*31 December 2012*
Net income before tax	(59)	566
Statutory tax rate	19%	19%
Theoretical tax	11	(108)
Change in unrecognised deferred tax asset	(13)	1
Total income tax	**(2)**	**(107)**

Expenses not deductible for tax purposes consist of cost items, which, under Polish tax law, are specifically determined as non-deductible.

Deferred tax

(in PLN thousands)	*Statement of financial position*		*Income statement*	
	At 31 December 2013	***At 31 December 2012***	***12 months ended 31 December 2013***	***12 months ended 31 December 2012***
Accrued income	0	0	0	3
Accrued expense	0	2	(2)	1
Deferred tax asset, net	0	2	0	0
Total deferred tax			(2)	4

Unrecognized deferred tax asset relates to tax losses, which could not be utilized for tax purposes. As at 31 December 2013 deductible temporary differences, for which no deferred tax asset was recognised, amounted to PLN 67 thousand.

7. Fair value of financial instruments

As at 31 December 2013 and 2012, the carrying amount of cash and cash equivalents and trade payables approximates their fair value due to relatively short term maturity of those instruments or cash nature.

8. Other assets

As at 31 December 2013 and 2012 other current assets were as follows:

(in PLN thousands)	***At 31 December 2013***	***At 31 December 2012***
VAT receivable	44	28
Total other assets	44	28

9. Cash and cash equivalents

The Company's cash and cash equivalents were as follows:

(in PLN thousands)	***At 31 December 2013***	***At 31 December 2012***
Current bank accounts and overnight deposits	58	441
Total cash and cash equivalents [1]	58	441

[1] Classified as loans and receivables in accordance with IAS 39.

The bank deposits earned interest which depended on the current money market rates and the term of investment.

10. Objectives and policies of financial risk management

The Company is not exposed to currency, interest rate or credit risk.

The liquidity risk is a risk of encountering difficulties in meeting obligations associated with financial liabilities.

In order to increase efficiency, the liquidity management process is optimised through a centralised treasury function of the parent company (Orange Polska S.A.), as liquid asset surpluses generated by the Company are invested and managed by the central treasury. The Company's cash surplus is invested into short-term highly-liquid financial instruments e.g. bank deposits. Source of funding for the Company in the event of a shortage of liquidity are the loans granted by the parent company or bank loans.

11. Management of capital

Capital management strategy is developed at the Group level. Capital management policy is described in the Note 25 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2013.

12. Equity

On 1 January 2013 the share capital of the Company amounted to PLN 5 thousand and was divided in 100 fully paid shares of the nominal value of PLN 50 each. As at 31 December 2013 and 2012, Orange Polska S.A. owned 100% of shares of the Company.

13. Unrecognised contractual obligations

According to the best knowledge of the Management Board, as of 31 December 2013 there were no unrecognised contractual obligations that could significantly influence the current or future financial position of the Company.

14. Management Board and Supervisory Board compensation

In the years ended 31 December 2013 and 2012, Orange Sp. z o.o. did not enter into any significant transactions with members of the Management Board or their spouses, relatives up to second degree, individuals who are guardians or wards of the above persons or other persons with whom they have personal connections and did not grant them any loans, advances or guarantees.

In the years ended 31 December 2013 and 2012, Orange Sp. z o.o did not enter into any significant transactions with companies which were controlled or jointly controlled by the members of the Management Board or their spouses, relatives up to second degree, individuals who are guardians or wards of the above persons or other persons with whom they have personal connections.

15. Related party

As at 31 December 2013 and 2012, Orange Polska S.A. owned 100% of shares of the Company. Orange Polska S.A. had the power to appoint members of the Management Board. The parent company of Orange Polska S.A. is Orange S.A. (previously France Telecom S.A.).

(in PLN thousands)	*12 months ended 31 December 2013*	*12 months ended 31 December 2012*
Purchases of services from:	63	63
- Orange Polska S.A. (parent)	63	63
Financial income:	0	625
- Orange Polska S.A. (parent)	0	625

(in PLN thousands)	*As at 31 December 2013*	*As at 31 December 2012*
Payables to:	0	8
- Orange Polska S.A. (parent)	0	8

16. Subsequent events

There was no significant event after the balance sheet date.

POLSKA TELEFONIA KOMÓRKOWA – CENTERTEL SP. Z O.O. WARSAW, SKIERNIEWICKA 10A

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2013

WITH AUDITOR'S OPINION AND AUDIT REPORT

TABLE OF CONTENTS

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of Orange Polska S.A. – regarding financial statements of Polska Telefonia Komórkowa - Centertel Sp. z o.o. by the December 31, 2013.

We have audited the attached financial statements of Polska Telefonia Komórkowa - Centertel Sp. z o.o. ("PTK Centertel", "the Company"), operating until 31 December 2013, with its registered office in Warsaw, at Skierniewicka 10a, which comprise statement of financial positions prepared as of 31 December 2013, income statement and statement of comprehensive income, statement of changes in equity, statement of cash flows for the financial year from 1 January 2013 to 31 December 2013 and notes comprising a summary of significant accounting policies and other explanatory information.

On 31 December 2013 a merger of PTK Centertel Sp. z o.o. with Telekomunikacja Polska S.A. and Orange Polska Sp. z o.o. was registered (after the merger Telekomunikacja Polska S.A. changed its name to Orange Poland S.A.), as a result of which on 31 December 2013 Polska Telefonia Komórkowa – Centertel, as an acquired entity, was deregistered from the National Court Register (KRS).

Preparation of financial statements and a report on the activities in line with the law is the responsibility of the Management Board of Orange Polska S.A.

The Management Board of Orange Polska S.A. and members of its Supervisory Board are obliged to ensure that the financial statements and the report on the activity meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330, as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the financial statements with the accounting principles (policy) adopted by the Company, express an opinion whether the financial statements give a true and fair view of the financial and economic position as well as the financial result of the Company and an opinion on the correctness of the underlying accounting records.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act, with the exception of Article 64 due to the fact that after the merger Polska Telefonia Komórkowa Centertel is no longer obliged to audit its financial statements as of 31 December 2013,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland, and,
- International Standards on Auditing.

We have planned and performed our audit of the financial statements in such a way as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) and material estimates applied by the Company, verification – largely on a test basis – of the accounting evidence and records supporting the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the audited financial statements in all material respects:

- give a true and fair view of the information material to evaluation the economic and financial position of the Company as of 31 December 2013 as well as its profit in the financial year from 1 January 2013 to 31 December 2013,
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act, secondary legislation to the Act and based on properly kept accounting records,
- comply with the provisions of law and the articles of association of the Company which affect the contents of the financial statements.

The Report on the activities of the Company for the financial year 2013 is complete within the meaning of Article 49.2 of the Accounting Act and consistent with underlying information disclosed in the audited financial statements.

Piotr Sokołowski
Key Certified Auditor
conducting the audit
No. 9752

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Piotr Sokołowski – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 5 March 2014

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF POLSKA TELEFONIA KOMÓRKOWA - CENTERTEL SP. Z O.O. FOR THE FINANCIAL YEAR 2013

I. GENERAL INFORMATION

1. Details of the audited Company

The Company operated till 31 December 2013 under the business name Polska Telefonia Komórkowa – Centertel Sp. z o.o. The Company's registered office was located in Warsaw, at Skierniewicka 10a.

On 31 December 2013 a merger of PTK Centertel Sp. z o.o. with Telekomunikacja Polska S.A. and Orange Polska Sp. z o.o. was registered (after the merger Telekomunikacja Polska S.A. changed its name to Orange Poland S.A.), as a result of which on 31 December 2013 Polska Telefonia Komórkowa – Centertel, as an acquired entity, was deregistered from the National Court Register (KRS).

The Company operated as a limited liability company established by a notary deed on 22 October 1991 before Maria Ogrodzińska-Zalewska, Notary Public in Warsaw (Repertory A No. IV-13714/91). On 5 April 2001 the Company was recorded in the Commercial Register kept by the District Court, in Warsaw, XII Business-Registry Division in Warsaw, section B, under number 0000006107. Until 31 December 2013, the Company was recorded in the Register of Entrepreneurs kept by the District Court in Warsaw, XII Business-Registry Division in Warsaw, under KRS number 0000006107.

The Company's tax identification number NIP assigned by Tax Office Warszawa-Wola on 18 June 1993 was 527-02-06-872.

The REGON number assigned by the Statistical Office on 7 June 1995 was: 010541739.

The Company operated based on the provisions of the Code of Commercial Companies.

In the audited period, the Company conducted the following business activities:
- mobile telecommunication,
- data transmission,
- retail sale of telecommunication equipment,
- fixed line telephony, multimedia services, internet services,
- other telecommunication services.

As of 31 December 2013, the Company's share capital amounted to PLN 2,691 milion and was divided into 31,800 ordinary shares with a face value of PLN 84,606.98 each.

As of 31 December 2013 the Company's only shareholder was Orange Polska S.A. (formely: Telekomunikacja Polska S.A.) with 100 % of shares.

During the audited period the shareholding structure of the Company's share capital did not undergo any changes.

During the financial year no changes in the Company's share capital took place.

As of 31 December 2013 the Company's equity amounted to PLN 2,891 million.

The Company's financial year was the calendar year.

On December 31, 2013 the composition of the Company's Management Board was as follows:
- Mariusz Gaca – President of the Management Board,
- Maciej Nowohoński – Board Member, Chief Financial Officer.

In audited period no changes took place in the composition of Management Board.

2. Information about the financial statements for the prior financial year

The activities of the Company in 2012 resulted in a net profit of PLN 1,183 million. The financial statements of the Company for 2012 were audited by a certified auditor. The audit was performed by authorized entity Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. On 8 February 2013 the certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting which approved the financial statements for the 2012 financial year was held on 22 March 2013. The General Shareholders' Meeting decided on the following distribution of the net profit for 2012:

- dividends to shareholders – PLN 500 million,
- reserve capital – PLN 683 million.

In accordance with applicable laws, the financial statements for the 2012 financial year were submitted to the National Court Register (KRS) on 18 April 2013.

Additionaly the resolution on 22 March 2013 confirm dividend paid from retain earnings in the amount of 116 million. The amount was paid as advance for dividend based on Management Board resolution dated 26 November 2012.

3. Details of the authorized entity and the key certified auditor acting on its behalf

The audit of the financial statements was performed based on the agreement of 8 November 2013 concluded between Polska Telefonia Komórkowa - Centertel Sp. z o.o. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the financial statements was conducted under the supervision of Piotr Sokołowski, key certified auditor (No. 9752) from 2 to 20 December 2013 and from 2 January to 10 February 2014 as well as outside the Company's premises until the date of this opinion.

The entity authorized to audit the financial statements was appointed by the resolution of the only Shareholder without Shareholders' Meeting of 27 September 2013.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and Piotr Sokołowski, key certified auditor, confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009, No. 77, item 649, as amended) to express an unbiased and independent opinion on the financial statements of Polska Telefonia Komórkowa – Centertel Sp. z o.o.

4. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations, were provided to the authorized entity and the key certified auditor, as confirmed e.g. in the written representation of the Management Board of Orange Polska S.A. of 5 March 2014.

II. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY

Presented below are the main items from the income statement as well as financial ratios describing the financial performance of the Company and its economic and financial position compared to the previous year.

Main items from the income statement (in million PLN)	2013	2012*
Revenue	6,621	7,469
Operating expenses, net	(6,139)	(6,350)
Result on financial activity	(42)	50
Income tax	(77)	19
Net profit	363	1,188

Profitability ratios	2013	2012
– gross profit margin Operating income *100% / Revenue	7%	15%
– net profit margin Net income *100% / Revenue	5%	16%
– net return on equity Net income *100% / Total equity	13%	30%

Effectiveness ratios	2013	2012
– assets turnover ratio Revenue / Total assets	1,10	1,14
– receivables turnover in days (Trade receivables, net year end + Trade receivables, net opening balance)/2*365 / Revenue	46	42
– liabilities turnover in days (Short term trade payables year end + Short term trade payables opening balance)/2*365 / (External purchases + Other operating expense)	55	60
– inventory turnover in days Average level of inventories*365 / Cost of sales	29	34

Liquidity/Net working capital	2013	2012
– debt ratio (Total current and non-current liabilities) *100% / Total assets	52%	40%
– equity to assets ratio Total equity *100% / Total assets	48%	60%
– net working capital Current assets - Current liabilities	(558)	405
– current ratio Current assets / Current liabilities	0,73	1,23
– quick ratio (Current assets - Inventories, net) / Current liabilities	0,67	1,17

*As the result of IFRS 11 adoption the Company changed accounting treatment of interest in NetWorks! Sp. z o.o. which previously was recognised as interest in joint venture and currently as a joint operation. Further details the Company describes in Note 2 in the financial statement.

An analysis of the above figures and ratios indicated the following trends in 2013:

- decrease of gross profit margin and net return on equity,
- decrease of assets turnover ratio,
- increase of receivables turnover ratio, with a decrease of liabilities turnover ratio,
- decrease of inventory turnover ratio,
- increase of debt ratio.

III. DETAILED INFORMATION

1. Evaluation of the accounting system

The Company had valid documentation describing the accounting principles (policy) applied, including in particular: definition of the financial year and reporting periods thereof, methods of measuring assets and liabilities and determining the financial result, method of keeping the accounting records and the system of data and file protection. The documentation of the accounting policy was developed in line with the Accounting Act and in respect to the measurement of assets and liabilities plus equity as well as evaluation of presentation of the financial statements – in line with IFRS in the form adopted by the European Union. On January 24, 2012 the Management Board issued resolution no. 2/2012 which approved for use from January 1, 2012 updated accounting policy including "Documentation of Accounting policy", "List of accounts used in IFS" and "Accounting system Documentation". Principal methods of measuring assets, liabilities and the financial result were presented in the explanatory notes.

Accounting principles selected at the Company's discretion pursuant to IFRS have been selected in a manner that correctly reflects specifics of its business operations, its financial standing and performance. The accounting principles have been applied in a continuous manner and did not change compared to those applied to the accounting records and financial statements in the preceding financial year.

The Company used IFS computerized accounting system to record all business transactions, except for settlements of telecommunication services with customers and SAP system for handling human resources and payroll. Settlements of telecommunication services with customers were performed using Kondor billing system (post-paid customers) and IN platform (prepaid customers). In Kondor receivables analysis from telecommunication services was conducted. The IFS system is password-protected against unauthorized access and has functional access controls. The description of the IT system complies with the requirements of Article 10.1.3c of the Accounting Act.

Starting from 1 March 2010 the Company's books were provided by the Orange Polska S.A. (formely: Telekomunikacja Polska S.A.) Shared Service Centre in Lublin.

The opening balance resulting from the approved financial statements for the prior financial year has been properly introduced into the accounting records of the audited period.

In the audited documentation of business transactions, accounting records and the relationships between accounting entries, documents and financial statements complied with the requirements of section 2 of the Accounting Act.

The accounting records and evidence, the documentation of the accounting system and the approved financial statements of the Company are stored in compliance with section 8 of the Accounting Act.

The Company performed a physical count of assets and liabilities within the scope, timing and frequency required by the Accounting Act. Identified differences have been recorded and settled in the accounting records for the audited period.

2. Information about the audited financial statements

The audited financial statements were prepared as of 31 December 2013 and include:

- statement of financial position prepared as of 31 December 2013, with total assets and liabilities plus equity of PLN 6,010 million,
- income statement for the period from 1 January 2013 to 31 December 2013, with a net profit of PLN 363 million,
- statement of comprehensive income for the period from 1 January 2013 to 31 December 2013 with a total comprehensive income of PLN 363 million,
- statement of changes in equity for the period from 1 January 2013 to 31 December 2013, disclosing a decrease in equity of PLN 1,022 million,
- statement of cash flows for the period from 1 January 2013 to 31 December 2013, showing a cash outflow of PLN 28 million,
- notes, comprising a summary of significant accounting policies and other explanatory information.

The structure of assets and liabilities plus equity as well as items affecting the profit or loss has been presented in the financial statements.

3. Information about selected material items of the financial statements

Property, plant and equipment

The notes correctly describe changes in fixed assets and disclose any impairment on such assets.

Structure of receivables

Ageing of trade receivables has been correctly presented in the respective explanatory note to the statement of financial position. The audited sample did not include past-due or redeemed receivables.

Liabilities

Ageing and types of liabilities have been correctly presented in the respective explanatory note to the statement of financial position.

Key items of the Company's liabilities include:

- telecommunications licence payables in the amount of PLN 1,063 million,
- trade payables in the amount of PLN 1,055 million.

The audited sample did not include past-due or redeemed liabilities.

Prepayments, accruals and provisions for liabilities

The explanatory notes to prepayments, accruals and provisions for liabilities correctly present the structure of the items. Deferred expenses and income have been correctly classified with respect to the audited financial year. Provisions for liabilities have been determined at reliably estimated amounts. The items have been recognized completely and correctly in all material respects in relation to the financial statements as a whole.

4. Completeness and correctness of drawing up notes and explanations and the report on the activities of the Company

The Company confirmed the validity of the going concern basis in preparation of the financial statements, because after merger the Company will continue to operate under the name Orange Polska S.A. The explanatory notes give a correct and complete description of measurement principles regarding assets, liabilities, profit or loss and principles of preparation of the financial statements.

The explanatory notes fully describe the reporting items and present the remaining data required by the IFRS in a clear manner.

The financial statements have been supplemented with the Report on the entity's activity of the Company in the 2013 financial year. The report contains all information required under Article 49.2 of the Accounting Act. We have audited the report with respect to the disclosed information derived directly from the audited financial statements.

IV. CLOSING COMMENTS

Management Board's Representation

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a representation letter from the Company's Management Board, in which the Board stated that the Company complied with the laws in force.

Piotr Sokołowski
Key Certified Auditor
conducting the audit
No. 9752

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Piotr Sokołowski – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 5 March 2014

TRANSLATION

resolution no. 29/O/14

of Orange Polska S.A. Management Board

Adopted by correspondence

as of 05.03.2014

on the Management Board's motion on coverage of the Company's "Orange Polska" sp. z o.o. loss for the financial year 2013

In connection with the acquisition of the Company "Orange Polska" sp. z o.o. (KRS 0000380943) in accordance with art. 492 § 1 point 1 and art. 494 § 1 of the code of commercial companies and on the basis of § 25 clause 4 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

Orange Polska S.A. Management Board adopts the following motion on coverage of the Company's "Orange Polska" sp. z o.o. (KRS 0000380943) net loss for the year 2013 of PLN 61,081.27 (in words: six hundred and one thousand and eighty one zlotys 27/100) from Orange Polska S.A. supplementary capital.

§ 2

1. Orange Polska S.A. Management Board decides to move to the Annual General Meeting a motion on distribution of the Company's "Orange Polska" sp. z o.o.net loss for 2013, referred to in § 1.
2. Orange Polska S.A. Management Board decides to submit to the Supervisory Board a motion, referred to in § 1 for evaluation.
3. Draft of the relevant Annual General Meeting resolution has been included in attachment to the present resolution.

§ 3

The resolution comes into force on the day of its adoption.

resolution no. 15/14

of the Supervisory Board
of Orange Polska S.A.

dated 17 March 2014

on adoption of the report on evaluation of the Management Board's report on the Orange Polska Sp. z o.o. activity, the financial statements and the Management Board's motion on coverage of the Orange Polska Sp. z o.o. loss for the financial year 2013.

Pursuant to article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Articles of Association of Orange Polska SA, and due to the acquisition in accordance with article 492 § 1 item 1 and article 494 § 1 of the Commercial Companies Code of Orange Polska Sp. z o.o. the following is resolved:

§ 1

The Supervisory Board adopts the report from results of evaluation of:

- the Management Board's report on the Orange Polska Sp. z o.o. activity in 2013,
- the Orange Polska Sp. z o.o. IFRS financial statements for the financial year 2013, and
- the Management Board's motion on coverage of the Orange Polska Sp. z o.o. loss for 2013,

included in attachment hereto, and decides to submit this report to the Annual General Assembly.

§ 2

The resolution shall enter into force upon adoption.

1. Maciej Witucki
2. Andrzej K. Koźmiński
3. Benoit Scheen
4. Marc Ricau
5. Timothy Boatman
6. Henryka Bochniarz
7. Jean-Marie Culpin
8. Eric Debroeck
9. Mirosław Gronicki
10. Sławomir Lachowski
11. Marie-Christine Lambert
12. Pierre Louette
13. Gervais Pellissier
14. Gérard Ries
15. Wiesław Rozłucki

Attachment
to the Supervisory Board Resolution
No. 15/14 dated March 17, 2014

REPORT

of Orange Polska S.A. Supervisory Board

on evaluation of the Management Board Report on the Orange Polska Sp. z o.o. activity, the financial statements and the Management Board's motion on coverage of the Orange Polska Sp. z o.o. loss for the financial year 2013

The Orange Polska S.A. Supervisory Board, acting pursuant to provisions of article 382 § 3 of the Commercial Companies Code and § 23.2.1-3 of the Company's Articles of Association and due to the acquisition in accordance with article 492 § 1 item 1 and article 494 § 1 of the Commercial Companies Code of Orange Polska Sp. z o.o. has examined and evaluated the following documents:

a) the Management Board's report on the Orange Polska Sp. z o.o. activity in 2013;

b) the Orange Polska Sp. z o.o IFRS financial statements for the financial year 2013 including:

   1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 102 k (in words: PLN one hundred two thousand),

   2) profit and loss account for 2013 showing a net loss of PLN 61 k (in words: PLN sixty one thousand),

   3) change in equity for 2013 showing a decrease in equity by PLN 362 k (in words: PLN three hundred sixty two thousand),

   4) cash flow account showing a decrease in net cash and cash equivalents by PLN 383 k (in words: PLN three hundred eighty three thousand),

   5) notes to the financial statement.

c) Resolution No. 28/O/14 of the Management Board dated March 5, 2014 on approval of the Management Board's report on the Orange Polska Sp. z o.o. activity in 2013 and the IFRS financial statements for the financial year 2013;

d) Resolution No. 29/O/14 of the Management Board dated March 5, 2014 on Management Board's motion on coverage of the Orange Polska Sp. z o.o loss for 2013.

Having analysed the above mentioned documents, the Supervisory Board states as follows:

The Management Board report on the Orange Polska Sp. z o.o. activity and the financial statements for the financial year 2013 are in compliance with books and documents, and remain in conformity with the factual status and mandatory legal provisions.

The Supervisory Board recommends the Annual General Assembly:

- to approve the Management Board's report on the Orange Polska Sp. z o.o. activity in 2013 and the financial statements for the financial year 2013;

- to adopt a resolution on coverage of the Orange Polska Sp. z o.o. loss for the financial year 2013 according to the motion of the Management Board included in the resolution No. 29/O/14 of the Orange Polska S.A. Management Board;

- to grant approval of the performance by the member of the Orange Polska Sp. z o.o. Management Board of their duties in 2013.

point 9.

of the meeting agenda

<u>Adoption of the following resolutions:</u>

a) approval of the Management Board Report on the Orange Polska S.A. activity in the financial year 2013,
b) approval of the Orange Polska S.A. Financial Statements for the financial year 2013,
c) distribution of the Orange Polska S.A. profit for the financial year 2013,
d) approval of the Management Board Report on the operations of Orange Polska Group in the financial year 2013,
e) approval of the consolidated Financial Statements for the financial year 2013, and
f) granting approval of performance of their duties as members of the Orange Polska S.A. bodies in the financial year 2013,
g) approval of the Management Board Report on the "Polska Telefonia Komórkowa – Centertel" sp. z o.o. activity in the financial year 2013,
h) approval of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o Financial Statements for the financial year 2013,
i) distribution of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o profit for the financial year 2013,
j) granting approval of performance of their duties as Management Board members of the "Polska Telefonia Komórkowa – Centertel" sp. z o.o in the financial year 2013,
k) approval of the Management Board Report on the Orange Polska sp. z o.o. activity in the financial year 2013,
l) approval of the Orange Polska sp. z o.o. Financial Statements for the financial year 2013,
m) coverage of the Orange Polska sp. z o.o. loss for the financial year 2013,
n) granting approval of performance of their duties as Management Board members of the Orange Polska sp. z o.o. in the financial year 2013.

Attachment no. 2 to the resolution no. 14/14
of Orange Polska S.A. Management Board
dated 11.02.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....
on approval of the Management Board's report on the Orange Polska S.A. Company's activity in 2013

On the basis of art. 53 of the Accountancy Act and art. 393 item 1 and art. 395 § 2 item 1 of the Commercial Companies Code and § 13 item 1 of Orange Polska SA Articles of Association, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Management Board's report on the Orange Polska S.A. Company's activity in 2013.

§ 2

The resolution comes into force on the day of its adoption.

Attachment no. 3 to the resolution no. 14/14
of Orange Polska S.A. Management Board
dated 11.02.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....

on approval of the Orange Polska S.A. Company's IFRS financial statements for 2013

On the basis of art. 53 clause 1 of the Accountancy Act and art. 393 item 1, art. 395 § 2 item 1 of the Commercial Companies Code and § 13 item 1 of Orange Polska SA Articles of Association, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Orange Polska S.A. Company's IFRS financial statements for 2013 that include:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 25 180 million (in words: PLN twenty five billion one hundred eighty million),
2) profit and loss account for 2013 showing a net profit of PLN 1 428 million (in words: PLN one billion four hundred twenty eight million),
3) change in equity for 2013 showing a increase in equity by PLN 789 million (in words: PLN seven hundred eighty nine million),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 50 million (in words: PLN fifty million),
5) notes to the financial statement.

§ 2

The resolution comes into force on the day of its adoption.

Attachment to the resolution no. 25/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no...

of the Annual General Meeting
of Orange Polska S.A.

dated

on distribution of the Company's Orange Polska SA profit for the financial year 2013

On the basis of art 395 § 2 item 2 of the Commercial Companies Code and § 13 clause 2 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

The net profit for the year 2013 of PLN 1,427,661,807.86 (in words: one billion four hundred and twenty seven million six hundred and sixty one thousand eight hundred and seven zlotys 86/100) shall be distributed in the following way:

1) for a dividend – PLN 656,178,739.50 (in words: six hundred and fifty six million one hundred and seventy eight thousand seven hundred and thirty nine zlotys 50/100),
   The amount of dividend shall be PLN 0.50 (in words: fifty groszy) for each entitled share.
2) Supplementary capital - PLN 742,929,832.21 (in words: seven hundred and forty two million nine hundred and twenty nine thousand eight hundred and thirty two zlotys 21/100),
3) to the reserve capital – PLN 28,553,236.15 (in words: twenty eight million five hundred and fifty three thousand two hundred and thirty six zlotys 15/100).

§ 2

Persons being the Company's shareholders on 26.06.2014 (the Dividend Day) shall be entitled to the dividend.

§ 3

The dividend shall be paid on 10.07.2014.

§ 4

The resolution comes into force on the day of its adoption.

Attachment no. 2 to the resolution no. 15/14
of Orange Polska S.A. Management Board
dated 11.02.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....

on approval of the Management Board report on the activity of Orange Polska Group in the financial year 2013

On the basis of art. 63c clause 4 of the Accountancy Act and art. 395 § 5 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Management Board report on the activity of Orange Polska Group in the financial year 2013.

§ 2

The resolution comes into force on the day of its adoption.

Attachment no. 3 to the resolution no. 15/14
of Orange Polska S.A. Management Board
dated 11.02.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....

on approval of the IFRS consolidated financial statements for 2013

On the basis of art. 63c clause 4 of the Accountancy Act and art. 395 § 5 of the Commercial Companies Code the following resolution is hereby adopted:

§ 1

The General Meeting approves the IFRS consolidated financial statements for 2013, that include:

1) consolidated balance sheet as at 31.12.2013, showing the balance sheet total of PLN 22 802 million (in words: PLN twenty two billion eight hundred two million),

2) consolidated profit and loss account for 2013 showing consolidated a net profit after taxation of PLN 294 million (in words: PLN two hundred ninety four million), including a net profit attributable to equity holders of Orange Polska S.A. of PLN 294 million (in words: PLN two hundred ninety four million),

3) changes in total consolidated equity for 2013 showing a decrease in total consolidated equity by PLN 327 million (in words: PLN three hundred twenty seven million), including a decrease of equity attributable to equity holders of Orange Polska S.A. by PLN 327 million (in words: PLN three hundred twenty seven million),

4) consolidated cash flow statement showing a decrease in net cash and cash equivalents by PLN 208 million (in words: PLN two hundred eight million),

5) notes to consolidated financial statement.

§ 2

The resolution comes into force on the day of its adoption.

List of persons performing the functions of Orange Polska S.A. Management Board's Members in the financial year of 2013

1.	Maciej Witucki	- President	(until September 19, 2013)
2.	Bruno Duthoit	- President	(since September 19, 2013)
3.	Vincent Lobry	- Vice President	
4.	Piotr Muszyński	- Vice President	
5.	Jacques de Galzain	- Member	
6.	Jacek Kowalski	- Member	

List of persons performing the functions of Orange Polska S.A. Supervisory Board's Members in the financial year of 2013

1.	Maciej Witucki	- Chairman	(since September 19, 2013)
2.	Andrzej K. Koźmiński	- Chairman / Deputy Chairman	
3.	Benoit Scheen	- Deputy Chairman	
4.	Marc Ricau	- Secretary	
5.	Timothy Boatman	- Member	
6.	Henryka Bochniarz	- Member	
7.	Thierry Bonhomme	- Member	(until April 11, 2013)
8.	Jacques Champeaux	- Member	(until April 11, 2013)
9.	Jean-Marie Culpin	- Member	(since September 19, 2013)
10.	Eric Debroeck	- Member	(since April 11, 2013)
11.	Mirosław Gronicki	- Member	
12.	Sławomir Lachowski	- Member	
13.	Marie-Christine Lambert	- Member	
14.	Pierre Louette	- Member	
15.	Gervais Pellissier	- Member	(since April 11, 2013)
16.	Gérard Ries	- Member	
17.	Wiesław Rozłucki	- Member	

resolution no. ...

of the Annual General Assembly
of Orange Polska SA

dated April 10, 2014

on granting approval of the performance of duties of the Orange Polska S.A. Management Board President/Member

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

§ 1

The approval of the performance by Mr. .... of his duties as the President / a Member of the Orange Polska S.A. Management Board in financial year 2013 is granted.

§ 2

The resolution enters into force upon adoption.

- DRAFT -

resolution no. ...

of the Annual General Assembly
of Orange Polska SA

dated April 10, 2014

on granting approval of the performance of duties of the Supervisory Board member

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

§ 1

The approval of the performance by Mr/s. .... of his/her duties as a member of the Orange Polska S.A. Supervisory Board in financial year 2013 is granted.

§ 2

The resolution enters into force upon adoption.

Attachment no. 2 to the resolution no. 26/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no. ...

of the Annual General Meeting of Orange Polska S.A.

dated ....
on approval of the Management Board's report on the Company's "Polska Telefonia Komórkowa –Centertel" sp. z o.o. activity in 2013

On the basis of art. 53 of the Accountancy Act in connection with acquisition of the Company "Polska Telefonia Komórkowa – Centertel" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Management Board's report on the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. activity in 2013.

§ 2

The resolution comes into force on the day of its adoption.

Attachment no. 3 to the resolution no. 26/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....

on approval of the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. IFRS financial statements for 2013

On the basis of art. 53 of the Accountancy Act in connection with acquisition of the Company "Polska Telefonia Komórkowa – Centertel" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. IFRS financial statements for 2013 that include:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN 6 010 million (in words: PLN six billion ten million),
2) profit and loss account for 2013 showing a net profit of PLN 363 million (in words: PLN three hundred sixty three million),
3) change in equity for 2013 showing a decrease in equity by PLN 1 022 million (in words: PLN one billion twenty two million),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 28 million (in words: PLN twenty eight million),
5) notes to the financial statement.

§ 2

The resolution comes into force on the day of its adoption.

Attachment to the resolution no. 27/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no...

of the Annual General Meeting
of Orange Polska S.A.

dated

on distribution of the Company's "Polska Telefonia Komórkowa – Centertel" sp. z o.o. profit for the financial year 2013

In connection with the acquisition of the Company "Polska Telefonia Komórkowa – Centertel" sp. z.o.o in accordance with art. 492 § 1 point 1 and art. 494 § 1 of the code of commercial companies and on the basis of § 13 clause 2 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

1. The net profit for the year 2013 of PLN 363,434,469.07 (in words: three hundred and sixty three million four hundred and thirty four thousand four hundred and sixty nine zlotys 07/100) shall be distributed in the following way:

   1) For a dividend – PLN 202,395,567.00 (in words: two hundred and two million three hundred and ninety five thousand five hundred and sixty seven zlotys 00/100),

   2) To the reserve capital – PLN 161,038,902.07 (in words: one hundred and sixty one million thirty eight thousand nine hundred and two zlotys 07/100).

2. The amount of the dividend referred to in clause 1 point 1) will be increased by the amount of PLN 682,604,433.00 (in words: six hundred and eighty two million six hundred and four thousand four hundred thirty three zlotys 00/100) from reserve capital.

§ 2

The full amount of the dividend referred to § 1 clause 1 point 1) and clause. 2 in the total amount of PLN 885,000,000.00 (in words: eight hundred and eighty five million zlotys 00/100) has been paid sole shareholder Orange Polska S.A. as an advance on the anticipated dividends for the year 2013 on the basis of resolutions No. 33/13 of 26 June 2013, No 47/13 of 30 September 2013 and No 59/13 of 24 December 2013 Management Board of the „Polska Telefonia Komórkowa – Centertel" sp. z o.o.

§ 3

Transferred to the reserve capital amount of PLN 161,038,902.07 (in words: one hundred and sixty one million thirty eight thousand nine hundred and two zlotys 07/100), referred to in § 1 clause. 1 point 2) may be allocated to the payment of dividend.

§ 4

The resolution comes into force on the day of its adoption.

List of persons performing the functions of Polska Telefonia Komórkowa Centertel Sp. z o.o. Management Board's Members in the financial year of 2013

1. Mariusz Gaca - President
2. Maciej Nowohoński - Member

- DRAFT -

resolution no. ...

of the Annual General Assembly
of Orange Polska SA

dated April 10, 2014

on granting approval of the performance of duties of the PTK Centertel Sp. o.o. Management Board President/Member

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

§ 1

The approval of the performance by Mr. .... of his duties as the President / a Member of the Polska Telefonia Komórkowa Centertel Sp. o.o. Management Board in financial year 2013 is granted.

§ 2

The resolution enters into force upon adoption.

Attachment no. 2 to the resolution no. 28/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....
on approval of the Management Board's report on the Company's "Orange Polska" sp. z o.o. activity in 2013

On the basis of art. 53 of the Accountancy Act in connection with acquisition of the Company "Orange Polska" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Management Board's report on the Company's "Orange Polska" sp. z o.o. activity in 2013.

§ 2

The resolution comes into force on the day of its adoption.

Attachment no. 3 to the resolution no. 28/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no. ...

of the Annual General Meeting
of Orange Polska S.A.

dated ....

on approval of the Company's "Orange Polska" sp. z o.o. IFRS financial statements for 2013

On the basis of art. 53 of the Accountancy Act in connection with acquisition of the Company "Orange Polska" sp. z o.o. in accordance with art. 492 § 1 item 1 and art. 494 § 1 of the Commercial Companies Code, the following resolution is hereby adopted:

§ 1

The General Meeting approves the Company's "Orange Polska" sp. z o.o. IFRS financial statements for 2013 that include:

1) balance sheet as at 31.12.2013, with the balance sheet total of PLN) 102 k (in words: PLN one hundred two thousand),
2) profit and loss account for 2013 showing a net loss of PLN 61 k (in words: PLN sixty one thousand),
3) change in equity for 2013 showing a decrease in equity by PLN 362 k (in words: PLN three hundred sixty two thousand),
4) cash flow account showing a decrease in net cash and cash equivalents by PLN 383 k (in words: PLN three hundred eighty three thousand),
5) notes to the financial statement.

§ 2

The resolution comes into force on the day of its adoption.

Attachment to the resolution no. 29/O/14
of Orange Polska S.A. Management Board
dated 05.03.2014

resolution no…

of the Annual General Meeting
of Orange Polska S.A.

dated

on coverage of the Company's "Orange Polska" sp. z o.o. loss for the financial year 2013

In connection with the acquisition of the company "Orange Polska" sp. z o.o. (KRS 0000380943) in accordance with art. 492 § 1 point 1 and art. 494 § 1 of the code of commercial companies and on the basis of § 13 clause 2 of Orange Polska S.A. Articles of Association the following resolution is hereby adopted:

§ 1

The net loss of the Company's "Orange Polska" sp. z o.o. (KRS 0000380943) for the year 2013 of PLN 61,081.27 (in words: sixty one thousand and eighty one zlotys 27/100) will be covered from Orange Polska S.A. supplementary capital.

§ 2

The resolution comes into force on the day of its adoption.

List of persons performing the functions of Orange Polska Sp. z o.o. Management Board's Members in the financial year of 2013

1. Jacques de Galzain - Member

- DRAFT -

resolution no. ...

of the Annual General Assembly
of Orange Polska SA

dated April 10, 2014

on granting approval of the performance of duties of the Orange Polska Sp. o.o. Management Board Member

Pursuant to article 393 point 1 and article 395 § 2 point 3 of the Commercial Companies Code and § 13.3 of the Company's Articles of Association, the following is resolved:

§ 1

The approval of the performance by Mr. .... of his duties as the a Member of the Orange Polska Sp. o.o. Management Board in financial year 2013 is granted.

§ 2

The resolution enters into force upon adoption.

point 10.

of the meeting agenda

Changes in the Supervisory Board's composition.

Warsaw and London Stock Exchanges
Report 2-2014 EBI
Orange Polska S.A.
Warsaw 3 April 2014

Candidates to the Supervisory Board of Orange Polska S.A.

Due to the fact that four Orange Polska S.A. Supervisory Board members' mandates would expire at the Annual General Assembly of Orange Polska S.A. scheduled for April 10, 2014, Orange SA informed Orange Polska S.A. that it intends to propose the following persons as candidates for Orange Polska S.A. Supervisory Board Members at the Assembly:

- New members proposed:
  - Mr Russ Houlden (an independent candidate),
  - Ms Valérie Thérond.
- Current members proposed for new terms:
  - Mr Gérard Ries,
  - Mr Benoit Scheen.

At this occasion, the Chairman of the Supervisory Board, Mr Maciej Witucki, and the President of the Management Board, Mr Bruno Duthoit, expressed their gratitude for Mr Timothy Boatman's three terms of a total of nine years as the Chairman of the Audit Committee of the Supervisory Board. "Mr Boatman's contribution to the works of the Supervisory Board, and more broadly, to the operations of all the company in line with the highest standards of corporate governance, was immense throughout all those years and we are extremely grateful," stated Mr Witucki. "Mr Boatman will stay with the company for at least one more year as an advisor to the Management, as we appreciate his expertise and professionalism and would like to continue to benefit from this cooperation," added Mr Duthoit.

Resumes

Russ Houlden
Russ Houlden, born in 1959, has a first class honours degree from Warwick Business School and has completed executive programmes at INSEAD, Stanford and London Business School. He is a Fellow of the Chartered Institute of Management Accountants, a Chartered Global Management Accountant, a Fellow of the Association of Corporate Treasurers and was recognised as Best PLC Finance Director in the NW Finance Director Awards.
From 1980 to 1991 he progressed through a variety of financial roles in ICI and Spicer & Oppenheim (now part of Deloitte) covering audit, management consultancy, financial accounting, cost accounting, management accounting, controlling, corporate reporting, treasury management and corporate finance. From 1991 to 2002 he was Finance Director of ICI Japan (based in Tokyo), ICI Polyurethanes (based in Brussels) and BT Networks & Information Services and BT Wholesale (based in London). From 2002 to date he has been Finance Director of Lovells (a leading international law firm, now Hogan Lovells), and Chief Financial Officer of Telecom New Zealand (listed on the NZX, ASX and NYSE) and United Utilities (listed on the FTSE).
Apart from his executive roles he has been a member of the Advisory Board of Warwick Business School, a member of the Ecosystem Markets Task Force reporting to the UK government and is currently a Main Committee member and Chairman of the Financial Reporting Committee of the 100 Group which represents the FTSE100 to the International Accounting Standards Board, Financial Reporting Council and other regulatory bodies.
The activities of Russ Houlden outside Orange Polska S.A. do not conflict with his function at Orange Polska S.A.

Valérie Thérond

Valérie Thérond, born in 1965, has been the Deputy General Secretary at Orange S.A. since 2013 and with the company since 2009. In her role as the Deputy General Secretary she is responsible for sourcing & supply chain and for the coordination of the operational efficiency program (Chrysalid) at the Orange Group level, both of which responsibilities she has been assuming since April 2012. She is also responsible for overhead management and supervises real estate and insurance. Prior to these functions, she was the Group Chief Accounting Officer. Before joining Orange in 2009 she worked in positions of increasing responsibility and scope (also internationally, including several years in London and Hong Kong) for Andersen Consulting, Bull and Thomson, most notably in the domains of finance, sourcing, process reengineering and internal audit. She is a graduate of the Ecole Supérieure de Commerce de Paris (ESCP Europe) where she specialised in corporate finance. The activities of Ms Valérie Thérond outside Orange Polska S.A. do not conflict with her function at Orange Polska S.A.

Gérard Ries

Gérard Ries, born in 1954, is a graduate from Ecole Polytechnique Paris and holds a MBA from Institut Supérieur des Affaires (Jouy en Josas) and Keio Business School (Tokyo). He started his career with the U.S. Group Dresser Industries Inc. where he held various financial and controlling positions for 12 years.

Currently Mr. Ries is Senior Vice President International Operations of Orange SA., with a corporate general overview over all the activities of the Group worldwide. In this capacity, he was appointed member of the Board in several international fixed-line, mobile and internet subsidiaries/minority stakes of Orange SA.

Before joining the Company in October 2010, Gérard Ries acted as Senior Vice President at FCC (a Spanish Construction Group based in Madrid) for 4 years, responsible for the strategy and development. His previous experience also includes 15 years with the French Group Vivendi (1991-2005), of which 6 years (2000-2005) serving as Senior Vice President Development Telecom.

The activities of Mr. Gérard Ries outside of Orange Polska S.A. do not conflict with his function at Orange Polska.

Benoit Scheen

Benoit Scheen, born in 1966, a Belgian national, is responsible for Europe as Executive Vice-President of Orange Group. He joined the Group in November 2005 and is responsible since September 2011 for the Group's operations in Armenia, Belgium, Dominican Republic, Luxembourg, Moldova, Poland, Romania, Slovakia and Spain. Prior to that he was Chief Executive Officer of Mobistar in Belgium from 2008 to 2011, and he also held a number of executive management positions with IBM, Compaq and HP.

He attended the University of Namur and holds a Master's degree in Computer Science as well as a Bachelor's degree in Economics and Social Science.

The activities of Mr. Benoit Scheen outside of Orange Polska S.A. do not conflict with his function at Orange Polska S.A.

- *DRAFT* -

resolution no. ...

of the Annual General Assembly
of Orange Polska SA

dated April 10, 2014
on appointment/removal of a Supervisory Board member

Pursuant to article 385 of the Commercial Companies Code and § 13.9 of the Company's Articles of Association, the following is resolved:

§ 1

Mr/s. .... is appointed/removed to/from the Orange Polska S.A. Supervisory Board.

§ 2

The resolution enters into force upon adoption.