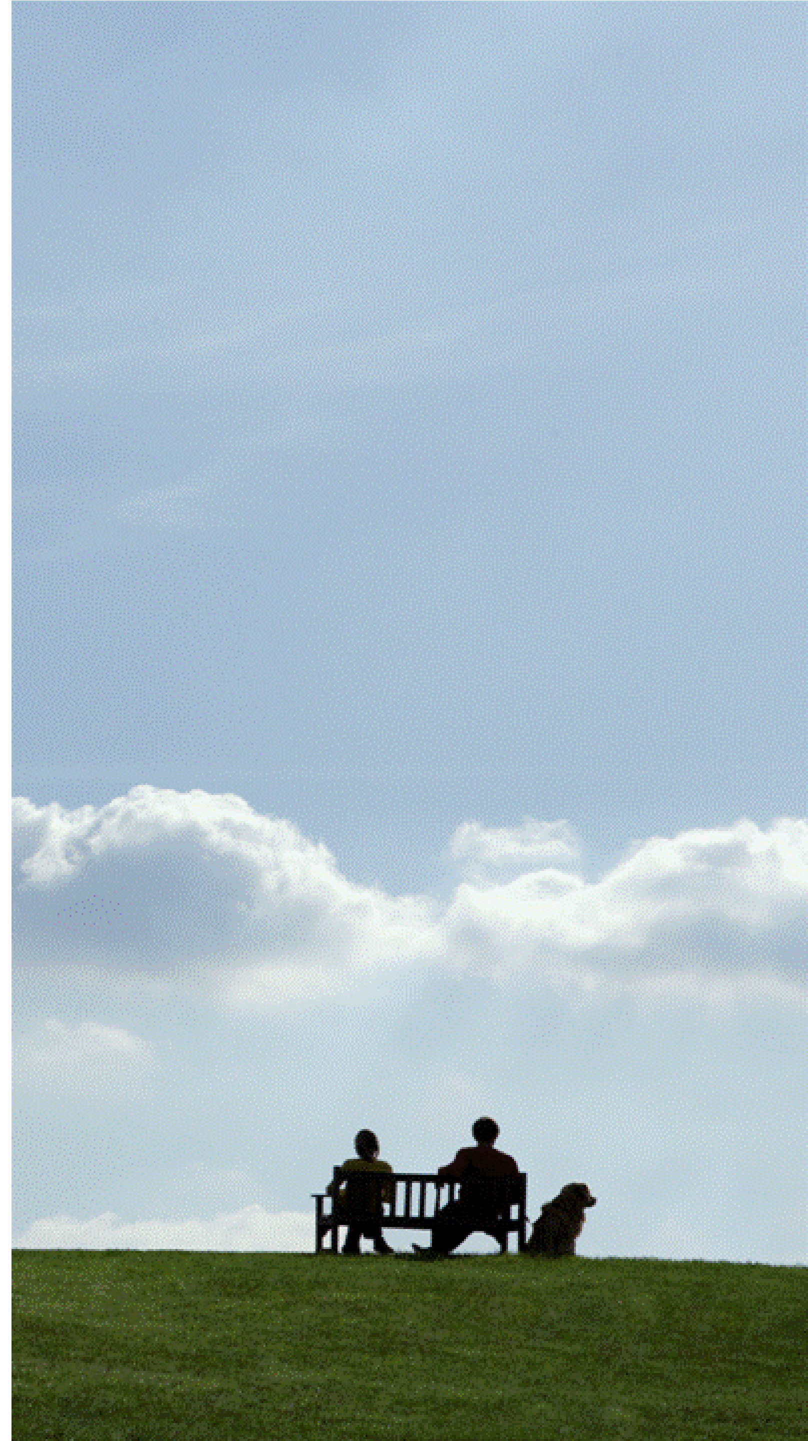
TP Group
1Q 2010 results

Warsaw
April 22nd, 2010



forward looking statement

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

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introduction

Maciej Witucki
president of the board and CEO

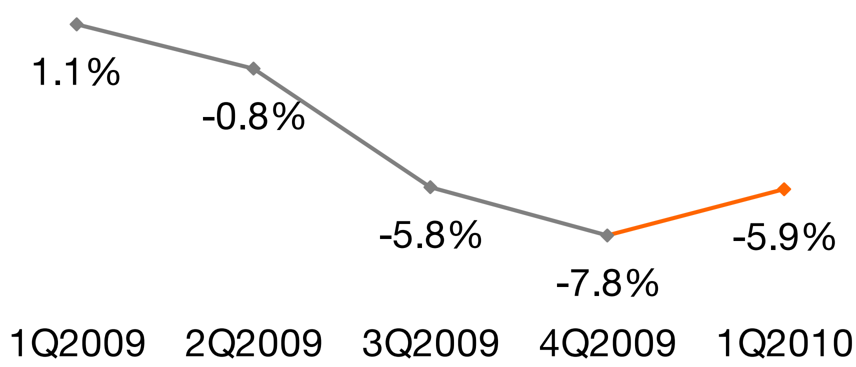
Q1 2010 in review

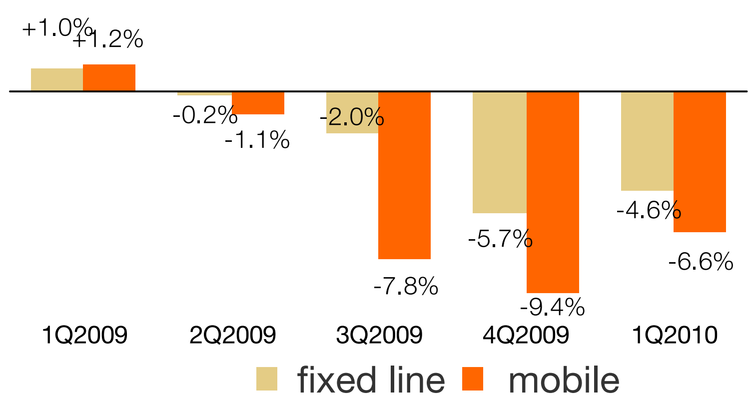
- smaller market value decline than in Q4'09; smaller MTR cut impact
- TP Group 1Q results showing progressive upturn in performance;
  - year-on-year revenue evolution at -10.2% up from -12.5% in Q4'09
  - PLN 130mn cost savings delivered to help the EBITDA margin (1Q at 36.7%)
- important progress made in the commercial activity;
  - new mobile offering
  - re-pricing of top broadband speeds
  - launch of fixed telephony under orange brand (WLL)
- new cost transformation initiatives launched
  - expected to benefit EBITDA margin in 2010
- stabile regulatory environment; execution of the Arrangement with UKE as planned and under control

market evolution better than in 4Q'09

market value year-on-year evolution*

total telecommunication market





* market value is an aggregate of operators' retail and wholesale revenue
1Q 2010 market data (excl. TPG) are preliminary estimates

insights

- 1Q'10 total telecom market decline much slower than in 4Q'09
- mobile market evolution improving vs. 3Q and 4Q of 2009
  - smaller MTR impact(1)
  - growing usage partially offsets competitive pressure on retail prices
  - visible growth of the customer bases
- fixed line supported by growth in broadband
  - broadband market growing strongly; by 7.5% year-on-year
  - fixed voice market affected by regulated F2M price cut in November '09

(1) MTR cut by 36% in March '09 and 23% in July '09

1Q as expected, showing progressive upturn in performance

in PLN mn	1Q2009	**1Q2010**	change	key points
Revenue	4,312	**3,873**	-10.2%	▪ improving trend; 1Q yoy revenue evolution better than in 4Q and 3Q of 2009 ▪ revenue evolution in line with the FY outlook ▪ growing mobile usage and customer bases fully offset retail price pressure
EBITDA	1,657	**1,420**		▪ resilient EBITDA margin despite regulatory impact and growing commercial efforts ▪ PLN 130mn cost savings delivered in 1Q
as % of revenues	38.4%	**36.7%**	-1.7pp	▪ total opex down by 7.6% yoy
CAPEX	512	**201**		▪ low in 1Q due to weather conditions not supporting civil works
as % of revenues	11.9%	**5.2%**	-6.7pp	▪ strong line production pipeline implies significant capex uptake in consecutive quarters
Net Free Cash Flow	526	**464**	-11.8%	▪ cash flow in line with our predictions ▪ yoy variance impacted by hedging of liabilities ▪ no risk to FY 2010 guidance

important progress in medium term action plan implementation

	progress to-date
re-focus on core business	▪ arrangement with UKE on track: ▪ non discrimination procedures implemented / almost all legal cases settled, ▪ broadband production in line with plans ▪ stable regulatory environment (no MTR cuts in 2010); constructive dialogue
re-engage with the markets	▪ new mobile offer launched, tailored to suit customer needs ▪ behaviour-based segmentation ▪ attractive packages for different user-profiles ▪ low-cost smartphones introduced to the Polish market ▪ TP Group is back in the market pricing in broadband ▪ new promotion with significantly reduced pricing for 6Mb/s, 10Mb/s and 20Mb/s ▪ TP can now use this pricing to boost demand for its investment program
re-balance operating model	▪ new actions implemented to secure further savings ▪ 3 key IT vendor consolidation agreements signed; further 4 in progress ▪ increased livebox and set-top box refurbishment versus equipment purchase ▪ simplified investment delivery process to save costs and increase speed

2

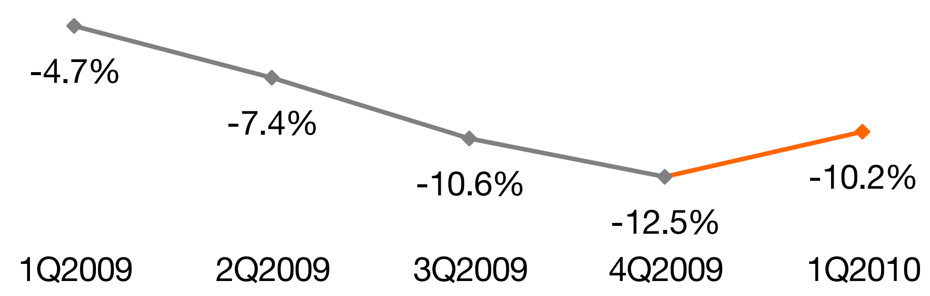
1Q 2010 financial review

Roland Dubois

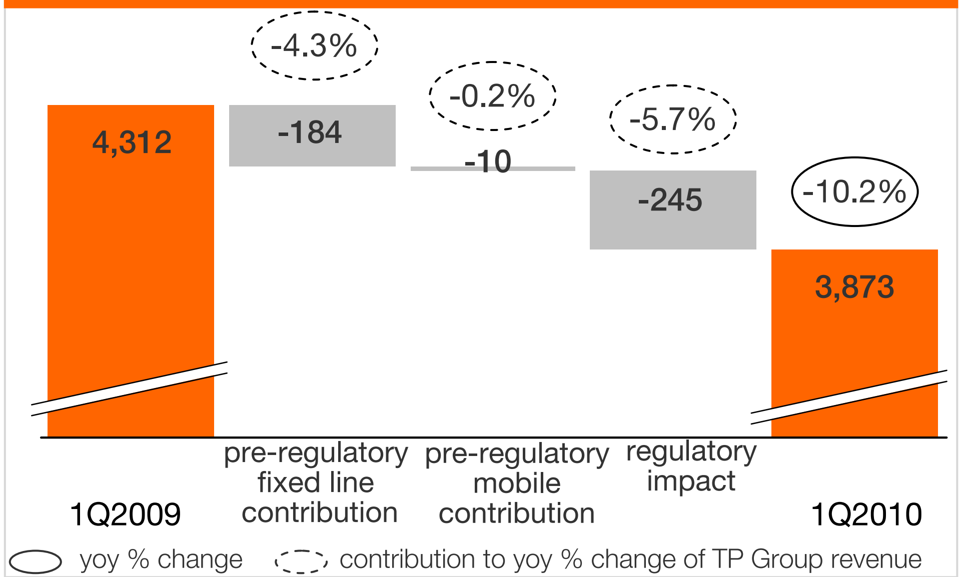
chief financial officer

1Q revenue evolution improving versus previous quarters

TP Group revenue evolution y-o-y (in %)



TP Group revenue evolution (in PLN mn)

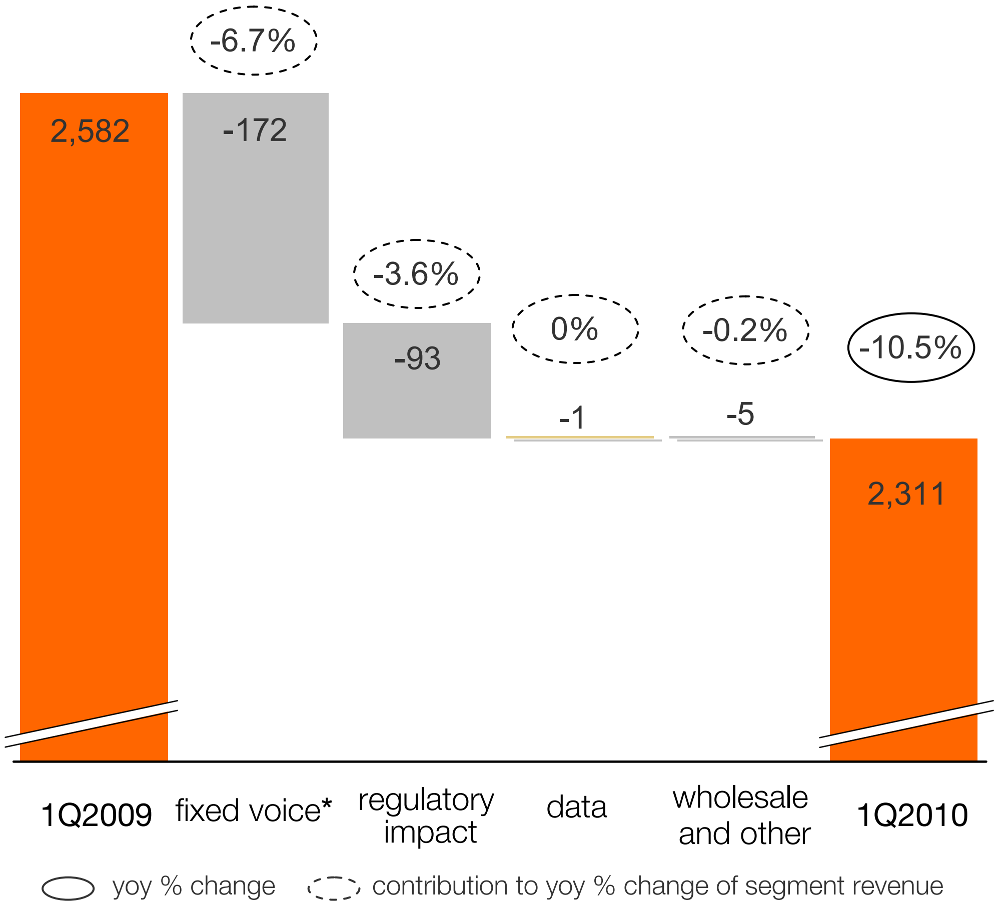


insights

- 1Q y-o-y evolution better than in 4Q'09
- fixed: improving trend in fixed voice lines
- improving mobile: strong growth of post-paid customer base and increasing usage offset the 2009 price war impact
- regulatory impact pushed revenue down by -5.7%:
  - -3.7% MTR and roaming impact in mobile
  - -1.4% due to retail F2M price cuts
  - -0.6% impact of LLU and other

fixed segment: actions launched to restore broadband growth, fixed line erosion slowly improving

fixed segment revenue evolution
(segment statutory in PLN mn)



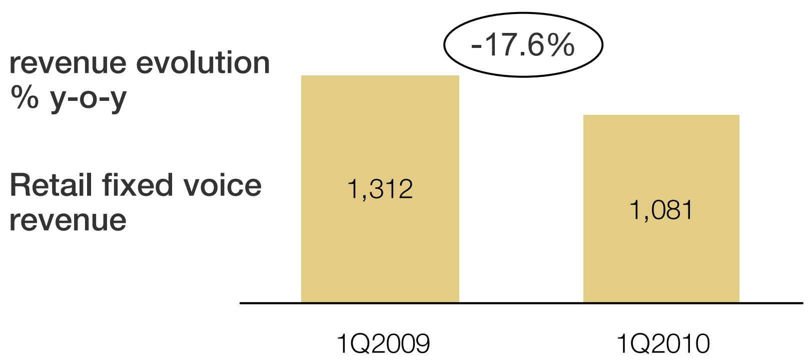
insights

- broadband customer base growing, but need new momentum
  - new price promotion launched in April
  - broadband investment program
- strong efforts to improve fixed voice trends
- 3.6% decline in fixed line revenue attributed to regulated F2M price reduction(**)

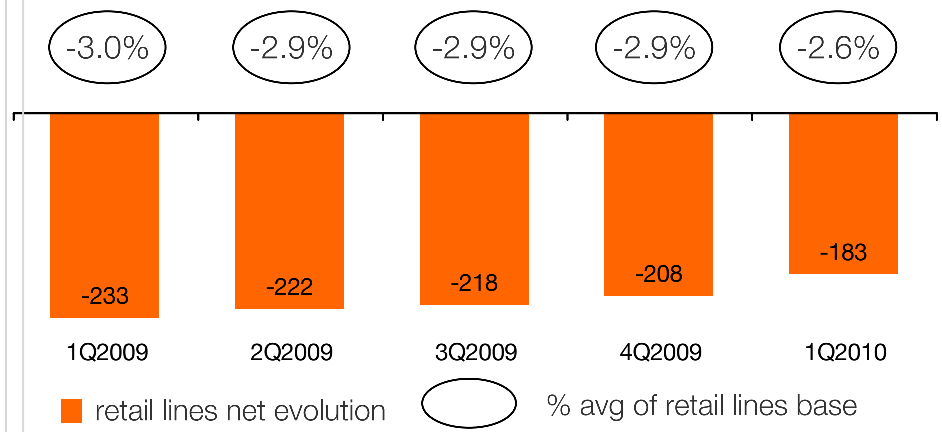
* pre-regulatory impact
** implemented in November '09

fixed voice: new tariff plans improve retail line evolution

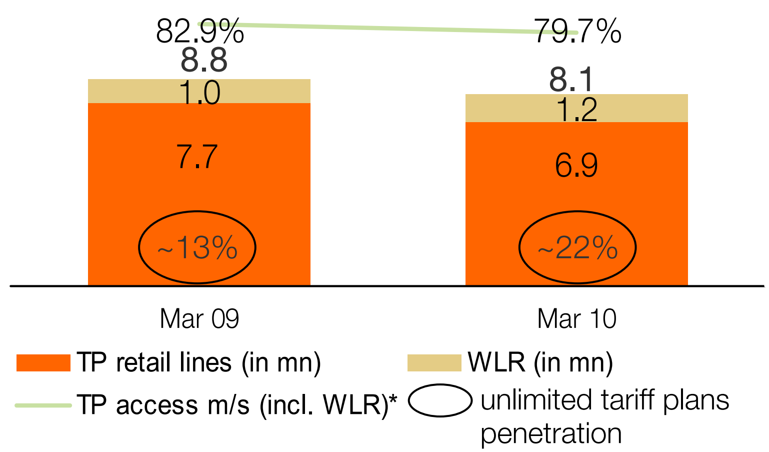
TP Group fixed voice revenue (in PLN mn)



retail lines evolution (in '000)



TP Group access lines



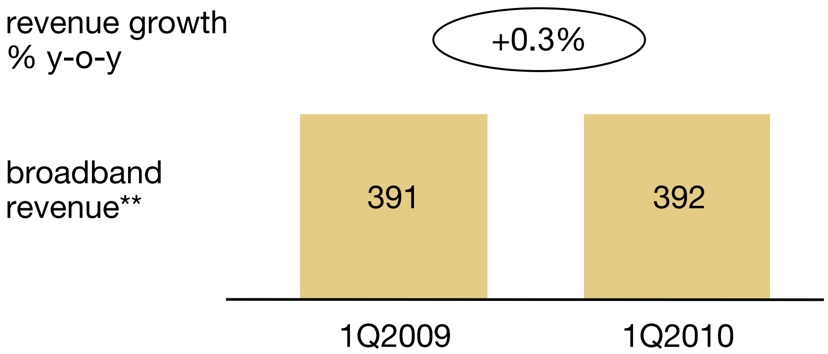
insights

- significant improvement in fixed line evolution
  - decrease limited to 2.6% of the customer base
- good growth in new, unlimited tariff plans; reaching 1.5mn; 22% of retail base
  - to increase customer loyalty and allow TP to keep its customers
- fixed voice services launched under Orange brand (WLL) to facilitate customer migration

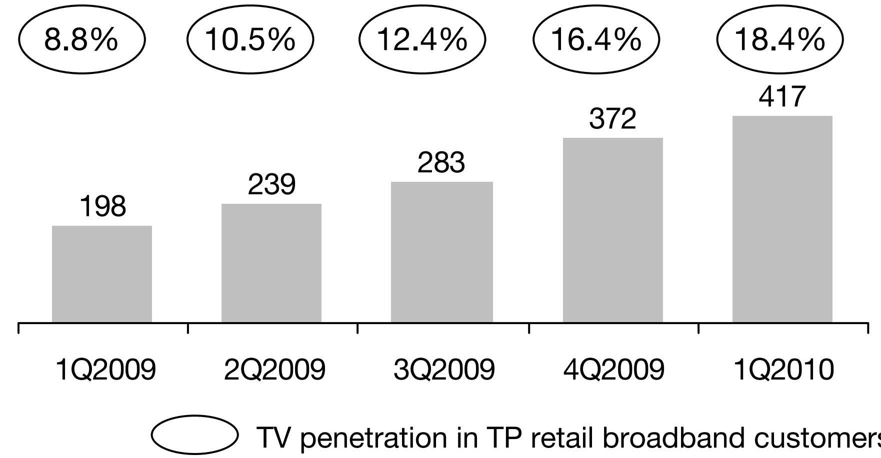
* company estimates

fixed broadband: TP launched new actions to restore growth, continued increase of the TV base

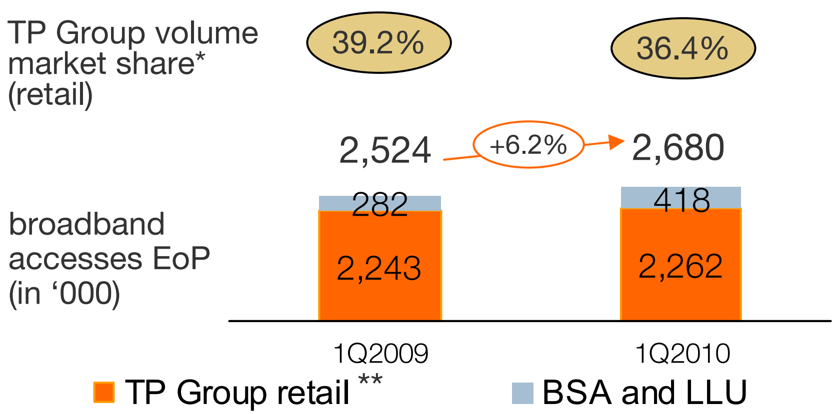
TP Group broadband revenue (in PLN mn)



TV customer base evolution (in '000)



TP Group broadband accesses



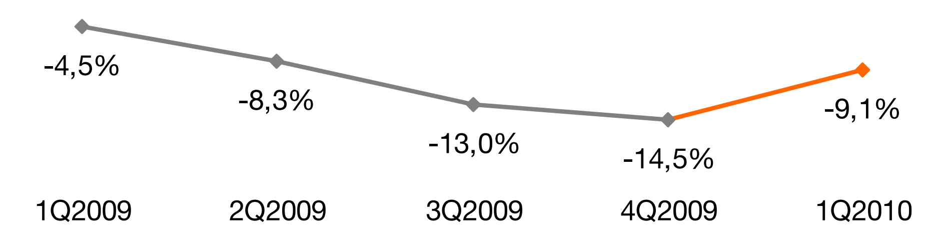
insights

- TP price competiveness restored for top speeds
- focus on value maintained
  - TP customers migrate to higher bandwidths
  - TV penetration at 18% of retail broadband customers; TV base doubled y-o-y;
  - pay TV customer base starting to be visible; this will help ARPU in the future
- broadband investment program will further support customer base development

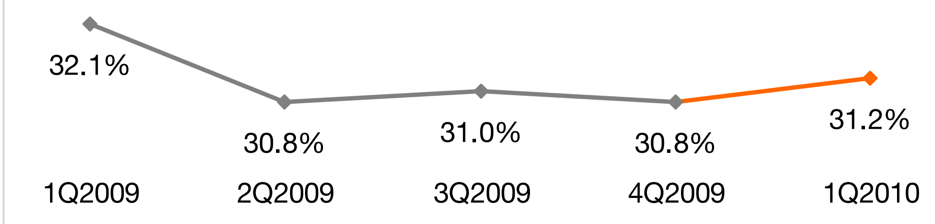
* company estimates ** incl. revenue from Orange

mobile segment: revenue evolution improving vs. past trends

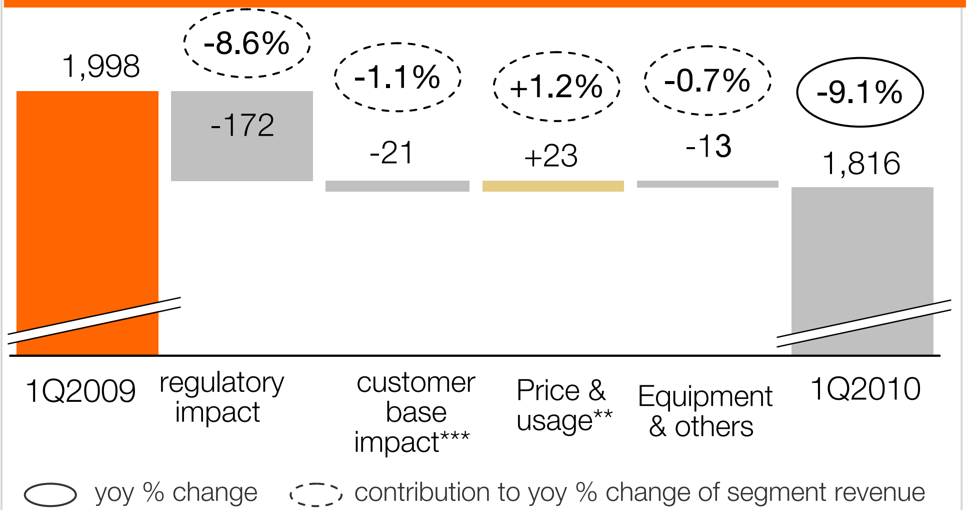
mobile segment revenue* evolution y-o-y (in%)



Orange value market share evolution y-o-y (in%) ****



mobile segment revenue* evolution
(segment statutory in PLN mn)



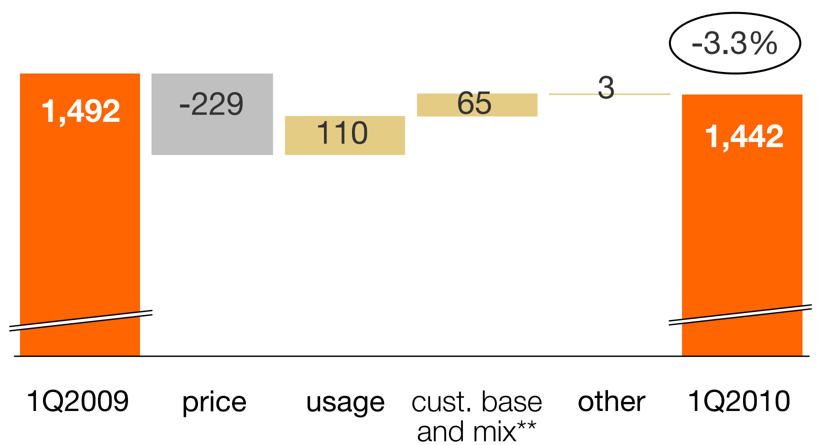
insights

- mobile segment revenue almost flat excl. regulatory:
  - post-paid customer base up by 6.4%
  - growing usage: blended AUPU up 16.5%
  - fixed services contribution: PLN 33mn
  - resilient retail ARPU despite price pressure
- regulatory impact (MTR and roaming cuts) still push mobile revenue down by 8.6% yoy
- new post-paid plans and a WLL offer launched to improve revenue generation

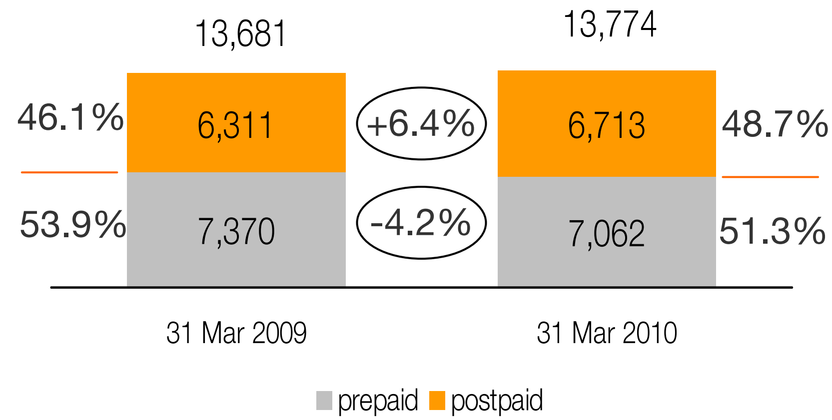
* incl. revenue from Orange Freedom ** retail price and usage impact *** effect of total customer base ****company's estimation

retail mobile; growing customer base and resilient ARPU

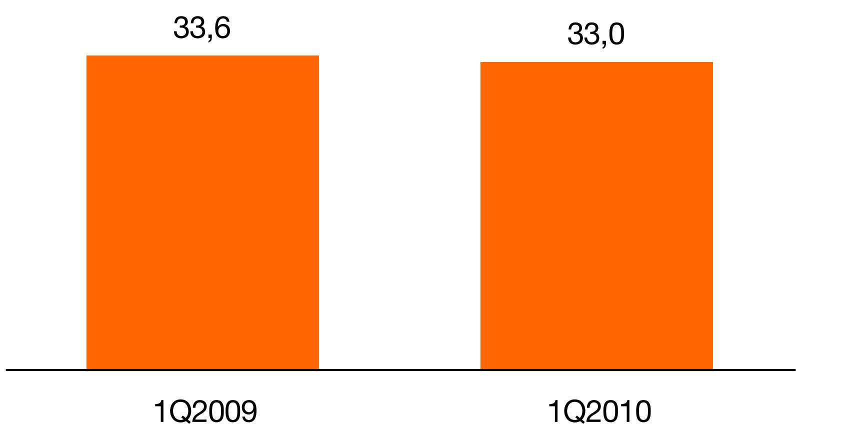
retail (outgoing) revenue* evolution (in PLN mn)



customer base evolution (in '000)



Retail ARPU evolution (PLN/month)



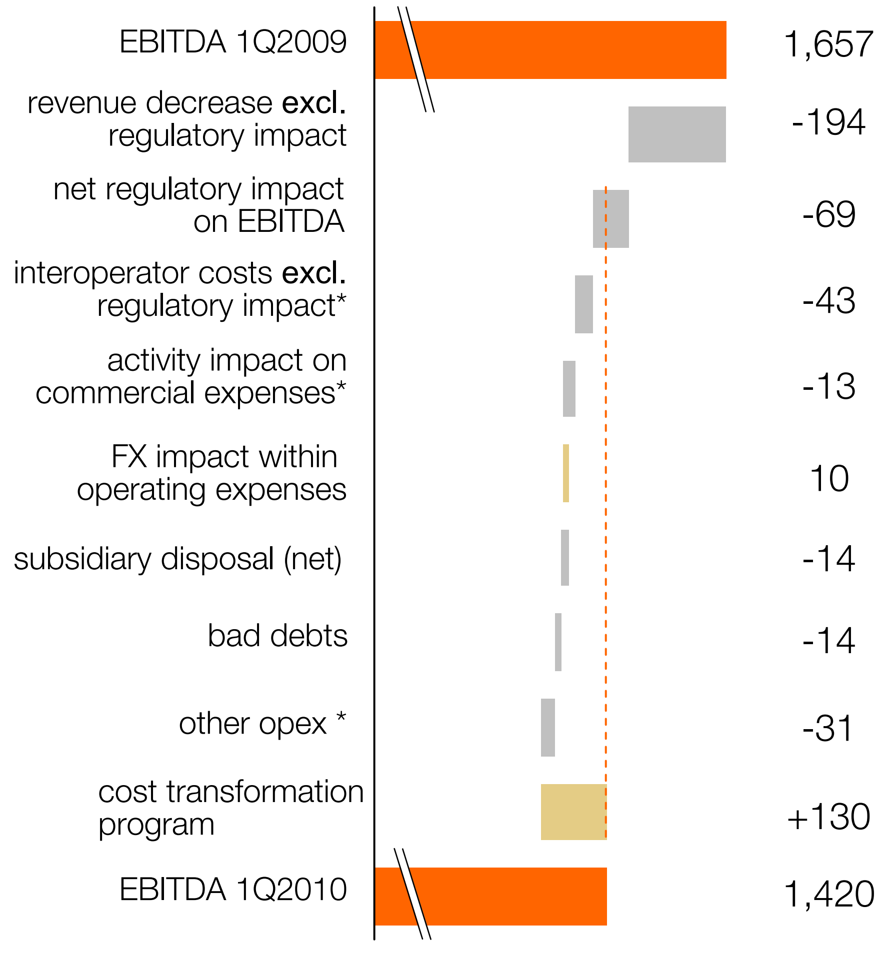
insights

- healthy post-paid customer base growth at +6.4% and reaching 48.7% of total customer base
- retail ARPU resilient despite 2009 price war
- AUPU growing by 16.5% year-on-year
- mobile broadband base up by 8.6% year-on-year
- new post-paid offer designed to boost customer base growth and data ARPU

* incl. revenue from Orange Freedom
** prepaid and post-paid

EBITDA: PLN 130mn cost savings, opex down 7.6% yoy

TP Group EBITDA evolution (in PLN mn)



* excluding FX impact and effect of cost optimisation program

insights

- regulatory impact includes MTR and F2M cuts
- interconnect costs driven up by growing customer base and usage
- commercial costs up due to post-paid growth
- asset disposal was a small gain in 2009
- slight rise in energy costs
- strong impact of cost transformation:
  - continuation of savings in G&A, IT and property coupled by 1st effects of process simplification
  - new initiatives implemented
- savings have offset the rise of other costs and partially of the regulatory EBITDA impact
- total opex decreasing by 7.6% year-on-year

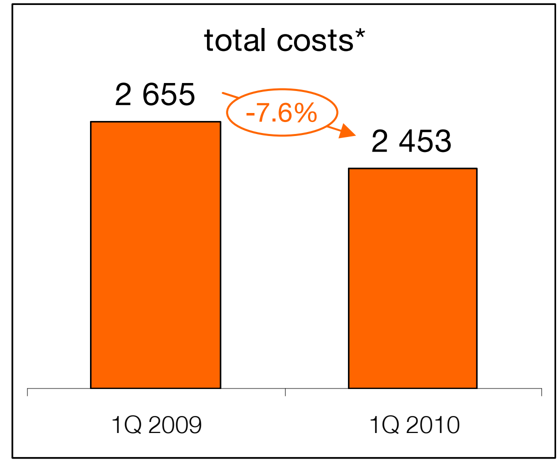
medium term action plan progress; new transformation initiatives to support EBITDA

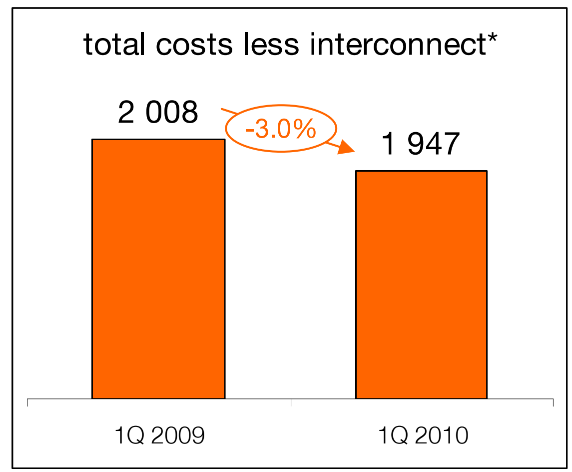
2009 initiatives continued to contribute

- car fleet optimisation; initial car fleet reduction followed by a downgrade of further 20% cars to lower class.
- more efficient office space usage linked with real estate disposal
- labour savings in 1Q thanks to process simplification
- other, more classical savings

new initiatives, including

- IT vendor consolidation; 3 contracts signed, further 4 to be finalised in 2Q
- network investment process simplification, to generate savings and to increase speed
  – elimination of non-critical activities,
  – end-2-end process responsibility
- set-top boxes and livebox cost optimisation:
  – increase of refurbishment vs. new purchases
- optimisation of receivables collection process





* total costs up to EBITDA level

net free cash flow in line with FY 2010 outlook

in million PLN	1Q2009	1Q2010	var. comp basis
net cash flow from operating activities before income tax paid and change in working capital	1,698	1,255 (1)	-26.1%
o/w exchange rate effect on derivatives paid, net	*171*	*-55*	*n/a*
change in working capital	-201	-104	-48.3%
CAPEX*	-512	-200 (2)	-60.9%
CAPEX payables	-372	-420	12.9%
income tax paid	-87	-67	-23.0%
net free cash flow after tax paid	526	464 (3)	-11.8%
as % of revenues	*12.2%*	*12.0%*	-0.2 pp
sales of assets	3	12	n/a
proceeds from sale of subsidiaries, net of cash	16	-	n/a
other investing activities	25	-13	n/a
FCF before financing	570	463	-18.8%

1 lower EBITDA and negative impact of exchange derivatives

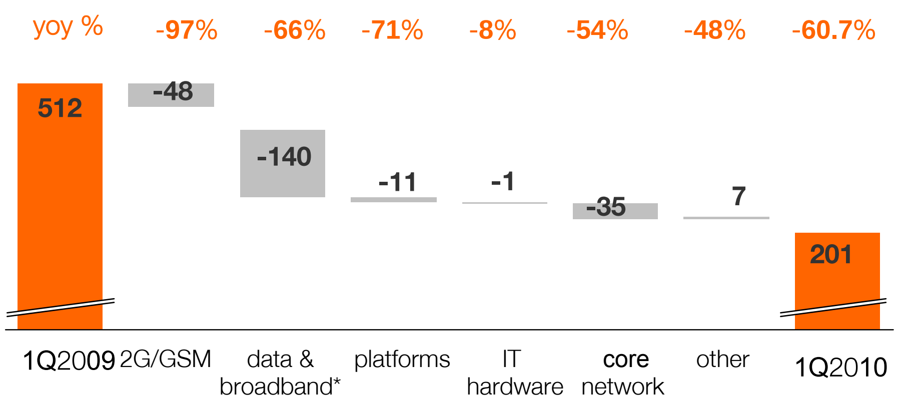
2 capex will accelerate in the next quarters

3 no risk to FY 2010cash flow guidance

* excluding capex financed by lease

capex expected to rise in consecutive quarters

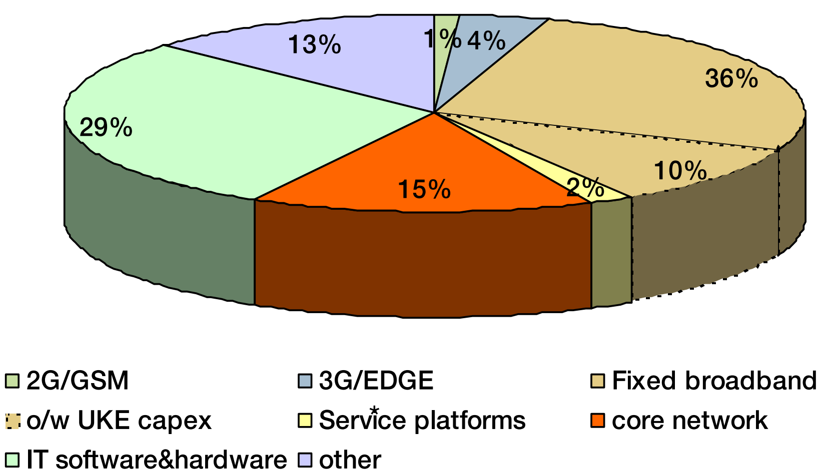
TP Group capital expenditure evolution (in PLN mn)



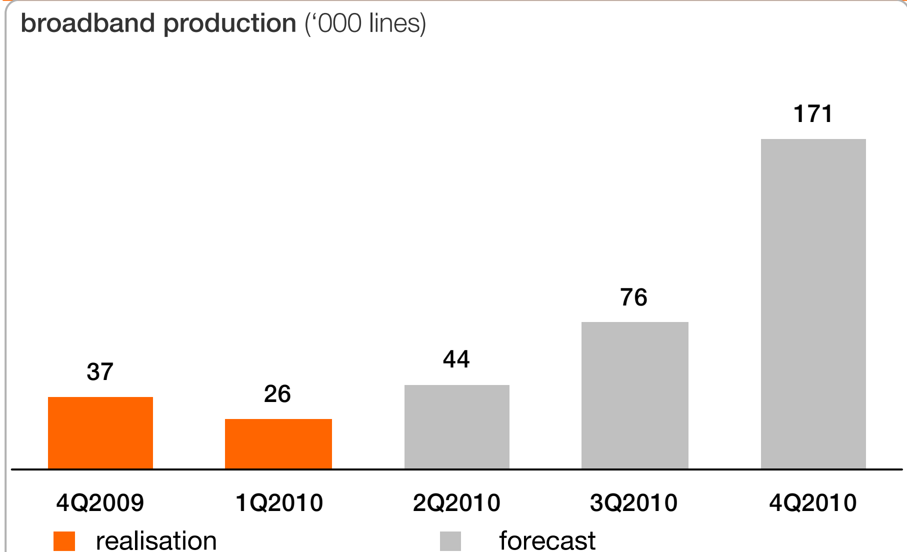
insights

- Q1 2010 capex execution affected by adverse weather conditions till early March
- broadband/data* represents the largest area of investment (36% of 1Q2010 Capex)
- capex resulted from UKE arrangement amounted to PLN 20 mn
- capex expected to rise in consecutive quarters as line production is planned to triple by 3Q

TP Group key investment areas in 1Q 2010 (in PLN mn)



UKE arrangement



* including capex for customer premises equipment

3 action plan implementation

- new mobile offer
- new broadband pricing

Mariusz Gaca
chief commercial officer

new philosophy in mobile

- first segmented mobile offer on Polish market, inspired by Orange best practices in other countries
- offer simplicity that meets specific customer needs
- plans tailored to promote customer value and mobile data usage

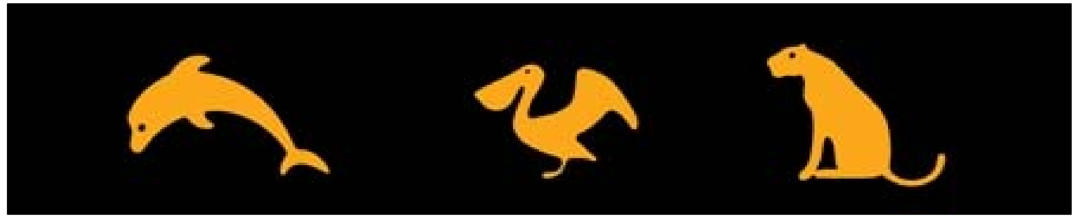
rationale

- need for distinction and improved perception of Orange offer
- a way to change of price perception
- more engaging, targeted communication
- attractive but value oriented proposal to defend ARPU
- intuitive segmentation that allows customers to navigate different offer types more easily

offer description

- clear segmentation – to avoid overlapping between segments
- symbols, features and tone of voice to address segment needs/sweet spots
- ”flagship component” in each offer to make it attractive while preserving healthy margins on other billable items
- targeted & surprising communication
- higher commitments to secure the revenue stream, focus on up-market commitments

new mobile offer launched on April 21st



segment	Dolphin	Pelican	Panther
key theme	feel free to talk	text to many	be up to date
number of plans	6 (PLN 25 to PLN 99)	4 (PLN 29 to PLN 79)	4 (PLN 59 to PLN 199)
flagship component	Friends & Family (free minutes1 to Orange and fixed)	free SMS bundles** and access to community services	1GB data package ***
handset examples	to talk  Nokia 6303i for 1 PLN****	to write  Samsung S5602 for 1 PLN****	to surf  Nokia 5230 for 1 PLN*****

* 1.200 min for a chosen number (1 to 5 free numbers, depending on the tariff plan) ** from 100 to 5 000 free SMS *** excluding cheapest option
*** in PLN 59 commitment ***** in PLN 99 commitment

market context for the broadband re-pricing

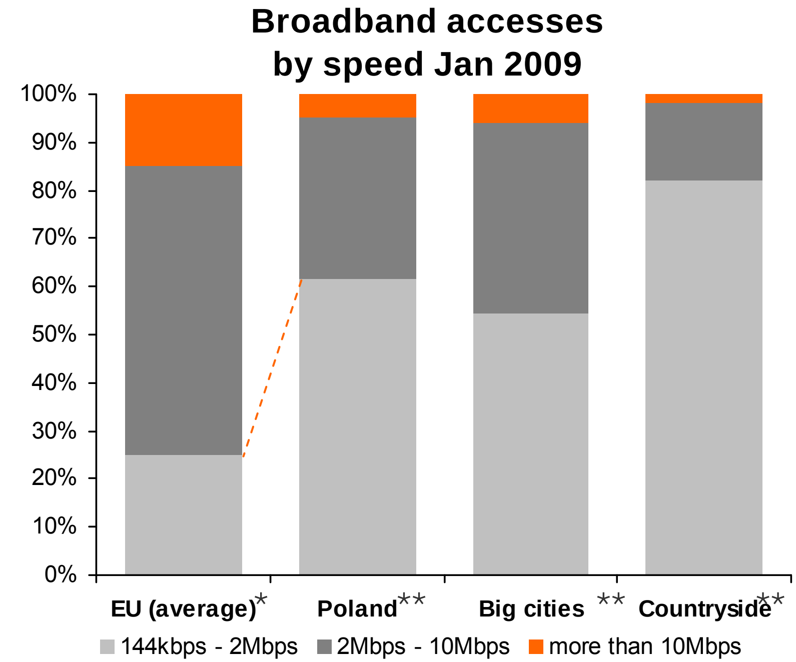
insight

- significant gap between Poland and average EU country in term of internet speed,
- customers underlined speed as a main factor in broadband offer selection
- highest demand for top-speed internet is in the biggest cities.
- today CATV operators are the main high-speed internet providers

- TP is set to exploit this opportunity twofold:
  - reducing top-speed prices to competitive levels
  - expanding geographical coverage and high-speed availability in existing network, through its broadband investment program (1.2mn lines)

internet access speed breakdown

- 75% broadband customers in UE > 2Mb/s
- 62% broadband customers in Poland =< 2Mb/s



* source: EU 14 Implementation Report

** source: GfK Polonia, research DELTA Dec. 2009

new broadband promotion brings TP back to market pricing

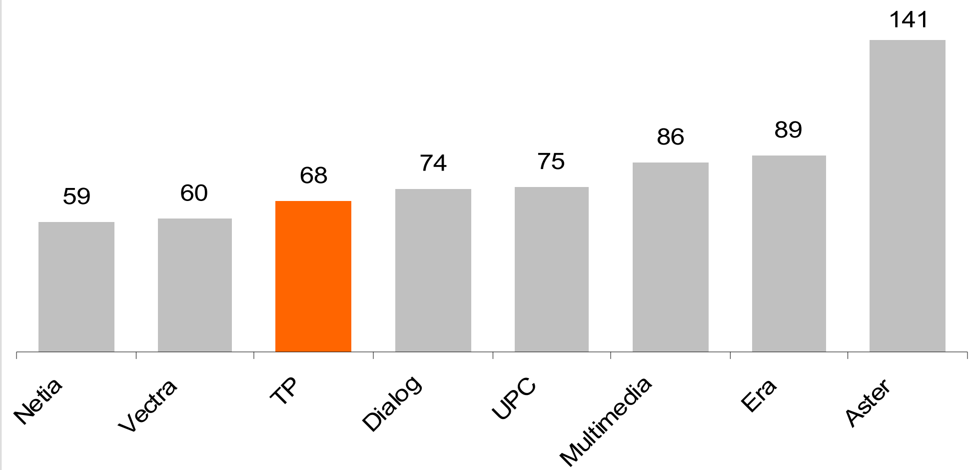
Speed	monthly fee*	discount*
6 Mb/s	~~92.40~~ 67.68	- 27 %
10 Mb/s	~~122.40~~ 75.18	- 39 %
20 Mb/s	~~144.9~~ 82.68	- 43 %

* average fees for 24 months contact, (first 6 months for PLN 1)

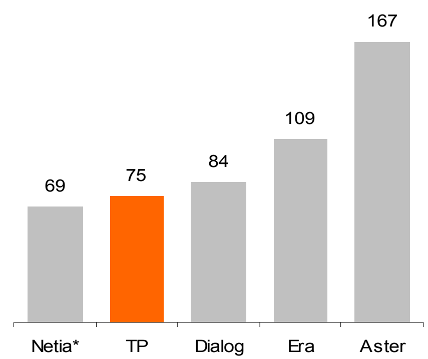
insight

- goal is to be within market pricing, not necessarily the price leader
- competitive prices for highest speeds 6, 10 and 20 Mb/s
- today >90% of TP clients are 2MB/s or lower
  - ARPU shouldn't be impacted as existing customers will migrate to higher speeds

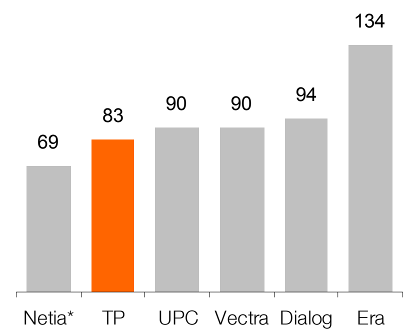
average price comparison; 6-8 Mb/s range (in PLN)



10-15 Mb/s (in PLN)



16-25 Mb/s (in PLN)



* Offer available on LLU only

4 conclusion

Maciej Witucki
president of the board and CEO

Q1 takeaways

- **no surprises in 1Q; slight progressive upturn in our performance**
  - revenue trends anticipated to slightly improve in 2Q
- **new mobile offer is a key milestone for this market's development**
- **broadband re-pricing is an important 1st step**
  - now TP needs to follow-up with investment program and cost+ possibilities
- **cost transformation on track**
  - 1Q savings as planned
  - new initiatives launched, to further defend EBITDA

5 Q&A session

6 appendices

appendices

I. **glossary**

II. regulatory update

III. financials

glossary (1/3)

ARPL	Average Revenue per Line
ARPU	Average Revenue per User
AUPU	Average Usage per User
CATV	Cable Television
Catch-up	A type of VoD where broadcasters make programming available for streaming
CPS/CS	Carriers Pre-Selection/ Carriers Selection
DLD	Domestic Long Distance Calls
DSLAM	Digital Subscriber Line Access Multiplexer
DTH	Direct To Home
DVB-T	Digital Video Broadcasting - Terrestrial
DVB-H	Digital Video Broadcast - Handheld
EBITDA	Operating income + depreciation and amortization + impairment of goodwill + impairment of non-current assets
F2M	Fixed to Mobile Calls
FTTH	Fiber To The Home
HFC	Hybrid Fibre Coax
HSDPA	High Speed Downlink Packet Access

glossary (2/2)

HSPA	High Speed Packet Access
ICT	Information and Communication Technologies
ILD	International Calls
IP TV	TV over Internet Protocol
IVR	Interactive Voice Response
LC	Local Calls
Liquidity Ratio	Cash and unused credit lines divided by debt to be repaid in the next 18 months
LLU	Local Loop Unbundling
LTE	Long Term Evolution *(3GPP 4G technology)*
LTO	Local Telecommunication Operator
MoU wth UKE	Memorandum of Understanding signed with UKE
MTR	Mobile Termination Rates
MVNO	Mobile Virtual Network Operator
Net FCF	Net Free Cash Flow = Net cash provided by Operating Activities – (CAPEX + CAPEX payables)
NGA	Next Generation Access
NGN	Next Generation Network

glossary (2/3)

POS	Point-Of-Sale
POTS	Plain Old Telephone Service
PVR	Personal Video Recorder
RIO	Reference Interconnection Offer
RLLO	Reference Leased Line Offer
RUO	Reference Unbundling Offer
SAC	Subscriber Acquisition Costs
SDI	Permanent (Rapid) Access to Internet
SMP	Significant Market Power
USO	Universal Service Offer
VAS	Value Added Services
VDSL	Very High Speed Digital Subscriber Line
VoIP	Voice over Internet Protocol
WLR	Wholesale Line Rental

appendices

1.1. regulatory update

memorandum of understanding between TP and UKE

	done / launched	status	expected 2010
Memorandum of understanding between TP and UKE	▪ The memorandum of understanding signed between TP and UKE should assure legal and regulatory stabilization of telecom market and will decrease regulatory risk related to telecom activity of operators. Implementation of the statements by TP should ensure that functional separation will not be imposed on TP. ▪ The main consequences of the Memorandum are as followed: – Maintenance of wholesale prices on unchanged level until 31.12.2012 provided TP's offers meet Margin Squeeze and Price Squeeze tests. – Realization of investment policy for next three years - TP will Invest in fixed broadband access infrastructure to provide at least 1,2 million new broadband lines. – Implementation of mechanisms of equal treatment rules and operational changes in scope of cooperation with alternative operators. –Withdrawal of administrative proceedings against UKE's decision on Reference Offers and decisions changing agreements with Alternative Operators.	▪ On 22/10 the memorandum between TP and UKE has been concluded. ▪ TP is implementing the resolutions specified in Memorandum of Understanding - the schedule of implementation of resolutions is a part of Memorandum. ▪ Withdrawing of legal case - TP agreed to gradually withdraw claims and legal proceedings against certain UKE decisions related to WLR, FR, BSA wholesale discount, fees adjustment to RO, appeals against reference offers: BSA, LLU, RIO, ROI, RLLO.	▪ Further implementation of the MoU

1.2. regulatory update

wholesale market (1)

	done / launched	status	expected 2010
leased lines	▪ On 31/12 UKE issued decision introducing new RLLO (Reference Leased Lines Offer) based on two SMP decisions on market 13 (termination segment of leased lines) and market 14 (trunk segment of leased lines) Reference offer includes: – Obligation to provide digital leased lines (from 64 Kbit/s to 10 Gbit/s), – obligation to provide analogue leased lines that is not in the line with SMP decisions, – Time To Market process (implementation of wholesale regulated equivalent of retail offer), – Rules of MS/PS test, – Condition of collocation for leased lines, – Level of prices is in the line with TP motion but UKE introduced rebates depends on volume, period of contract and length of leased lines. It means that TP will offer leased lines below costs.	▪ On 18/01 TP appealed to UKE for reconsideration of the decision. The main complaints were the following: disagreements between the offer and the framework agreement, obligation to provide analogue leased lines, the price list for the service of the leased lines (the price for analogue leased lines is not based on the incurred costs, price decrease by discounts.	▪ UKE decision regarding TP motion
one offer	▪ On 1/03 UKE issued decision obliging TP to to prepare a draft One Reference Offer including the area of 3 current offers: RIO+BSA+LLU ▪ On 15 /03 TP submitted to UKE a motion for reconsideration of the decision. TP's argumentation for appeal: – new classes of traffic in ATM network ((VBRnrt, VBRrt, CBR) – no technical possibilities to implement in TP network without investing in ATM network, – MS/MP test applicable to all regulated services – not only to BSA – implementing TTM wholesale process to reference offer causes permanent regulation of retail services	▪ On 31/03 TP submitted to UKE project of one offer.	▪ UKE decision regarding TP motion. ▪ Decision regarding TP's project

1.3. regulatory update
wholesale market (2)

	done / launched	status	expected 2010
bitstream access	▪ On 11/01 UKE issued decision replacing BSA agreement between TP and Telekomunikacja Kolejowa.	▪ TP did not appeal	
	▪ On 29/03 UKE issued decision on the Długie Rozmowy motion replacing BSA agreement between TP and DR. Decision regulate cooperation between both operators in fully scope of providing BSA services in line with BSA Offer.	▪ Decision is the result of failure negotiations between TP and DR conducted as an effect of the TP-UKE agreement.	
MTR	▪ On 8/03 SOKiK overruled UKE decision that sets MTR in 2009 (MTR II decision). SOKiK explained that decisions that are based on art. 40 par. 4 Telco Law impose regulatory obligations (i.e. set the level of mobile termination rate in each individual network) and this is why shall be notified to EC and consultated with the market.	▪ Ruling is not binding however may affect other PTK court cases especially decisions that replaced IC agreements (courts may decide to sustain proceedings till the current ruling is binding). UKE will probably appeal against the ruling.	▪ UKE's appeal
	▪ On 11/01 UKE issued decision that replaced IC agreement between PTK and Mediatel. UKE set current rates for PTK i.e. 16,77 gr/min.	▪ PTK appealed against the decision to the Antitrust Court as it is based on MTR III decision that according to PTK was issued with infringement of law.	▪ The Antitrust Court verdict

1.4. regulatory update

interconnect agreements

	done / launched	status	expected 2010
interconnect agreements	On 14/01 SOKiK reversed UKE decision regarding provision of directory service for Sferia. The Court decided that if in the general decision obliging TP to OBN/OSA are two models of financing (free of charge and for a fee), in the individual decision should be the same.	UKE's appeal is expected	
	On 3/03 the Appeal Court reversed unfavourable for TP verdict of SOKiK regarding provisions of OBN/OSA services for NASK.	Now the case will be reconsidered by SOKiK	SOKiK verdict
	On 24/03 The Appeal Court rejected TP's appeal against UKE decisions regarding provisions of OBN/OSA services for ETC and Elart. The court stated that UKE is authorised to choose in individual decision non-payable version of OA obligation to hand over TP the data.	Cassation claims are being considered.	
	On 25/03 SOKiK changed UKE decision regarding provisions of OBN/OSA services for Tellekomunikacja Kolejowa in scope of payable/non-payable data handing over. Verdict is favourable for TP.	UKE's appeal is expected	
	On 11/01 UKE issued decision changing agreement between TP and Exatel in scope of collocation.	TP did not appeal against the decision, because the agreement between TP and Exatel was signed	
	On 26/02 UKE issued decision in scope of access to TP's IN (Intelligent Network) from the mobile network of Cyfrowy Polsat (700 - 704 numbers, 0 400).	TP did not appeal	
	On 26/02 UKE issued decision changing IC agreement between TP and ASTER in the scope of imposing FTR asymmetry.	TP appealed to the SOKiK.	
	On 25/03 UKE issued decision refusing to regulate inter-network line bundles between TP and Cyfrowy Polsat. The proceeding was conducted on TP's motion.	Appeal is being considered	

1.5. regulatory update

analyses of relevant markets

relevant markets	done / launched	status	expected 2010
	Market of IP transit and interconnection ▪ In November 2009, UKE launched market analysis consultation on IP interconnection and transit while this market is outside the scope of ex ante regulation. UKE proposes to designate TP as SMP and to impose on it the following set of remedies: access based on justified grounds, non discrimination, publication of the relevant technical information, accounting separation.	▪ On 5/01 EC has voiced its serious doubts regarding UKE's draft decisions ▪ On 5/03 EC ruled that UKE must withdraw its plans to regulate the markets for Internet traffic exchange services. The Commission decided that UKE has failed to show that competitive conditions in Poland require the regulation TP of these markets.	▪ UKE decisions
	Market 14/2003 ▪ On 22/01 UKE issued the decision regarding market for 145 relation of trunk segment of leased lines. During the first round of leased lines market analysis UKE considered such relations as competitive part of the market. According to UKE a separate decision is needed.	▪ At this stage of the case, there is no need to appeal the decision. However after that decision UKE is going to issue the decision fixing the time of removing obligations, which in TP's opinion, were removed in the decision ending the first round of the relevant market analysis. Such decision may require the appeal.	▪ UKE decision
relevant markets	**Market 15/2003** ▪ On 16/02 PTK received from UKE a questionnaire in terms of analysis of access to mobile network, especially for MVNOs.	▪ There is a risk that analysis of market 15 will be conducted by UKE one more time and that UKE will impose regulatory remedies on this market.	▪ UKE decision
	Market 18/2003 ▪ On 1/03 UKE published on the website project of decision on the market 18 for TP Emitel. The project changes obligations for TPE – TPE is obliged to calculate cost of services on the basis of borne costs and present the calculation to UKE, but the obligation of accounting separation was annulled.	▪ The proceeding is pending	▪ UKE decision
	Market 1/2003 ▪ On 10/03 SOKiK announced the verdict concerning market 1/2003 (access to the public telephone network at a fixed location for residential customers). SOKiK rejected TP appeal.	▪ TP is waiting for written justification of the verdict.	

1.6. regulatory update

other issues (1)

	done / launched	status	expected 2010
cost calculation	▪ On 28/01 UKE issued decision accepting instruction of accounting separation for 2009 and cost calculation descriptions for 2011. UKE implemented the same approach as in the year 2009 (pure LRIC, no regulatory and common costs). Audit of cost calculation in 2010 may confirm very low costs of services due to the cost calculation descriptions accepted by UKE. ▪ On 30/03 WSA rejected TP`s claim against UKE decision of acceptation of the descriptions of cost calculation for 2010 and accounting separation for 2008.	▪ On 11/02 TP submitted to UKE motion to reconsideration the decision ▪ After TP is delivered complete judgement of the court sentence, the decision regarding submitting the cassation claim will be taken.	▪ UKE's decision
wholesale prices	▪ On 18/03 The European Commission has decided to send a formal request for information to Poland concerning its implementation of EU telecoms rules. In particular, the Commission is concerned that Poland may have failed to correctly implement into national law EU rules on the setting of prices for wholesale telecom services. This has created legal uncertainty and could be discriminatory for telecoms companies.	▪ An amendment to the Polish Telecommunications Act of 24 April 2009 (art. 39. and 40.) gives UKE broad discretion to set the level of prices for wholesale telecommunications services by applying its own methodology, which can include comparison with other comparable markets. This methodology can be applied independently of an imposed cost-orientation, a mandated cost accounting system currently in place and the positive verification of compliance by a qualified independent body	▪ Poland's answer
separating neostrada and POTS	▪ On 11/03 the ECJ verdict regarding the UKE decision obliging TP to separate neostarda and POTS was issued. The proceeding has been started on NSA prejudicial question. NSA asked ECJ if the Polish Telecommunication Act, which provides the prohibition of bundling of telecommunication services addressed to all operators regardless of its markets position, is consistent with the European Law.	▪ ECJ ruled that UKE decision in the date of issuance was in line with the European Law. ECJ added that since 2007 new regulation is in force, which precludes national legislation imposing a general prohibition of combined offers.	▪ The verdict doesn't have the impact on neostrada fines cases, but gives the clear interpretation of legal bases of providing package services.

1.7. regulatory update

other issues (2)

	done / launched	status	expected 2010
EC proceedings	▪ In September 2008, the European Commission conducted an inspection at the premises of TP S.A. and PTK-Centertel Sp. z o.o. The aim of the inspection was to gather evidence of a possible breach by TP S.A. of competition rules on the broadband Internet market. The Company has challenged, before the European Court of First Instance, the decision of the European Commission that was the basis for its inspection. ▪ On 17 April 2009, the European Commission notified TP S.A. of initiation of proceedings on the supposed refusal to provide services and non-price discrimination on the Polish wholesale market of broadband access to the Internet. On 27 April 2009, the European Commission published a memo confirming that the opening of the proceedings did not in itself imply that the European Commission had proof of infringements by Telekomunikacja Polska.	▪ On 1 March 2010, TP S.A. received a Statement of Objections from the European Commission regarding an alleged abuse of dominant position, by refusing to supply access to its wholesale broadband services.	▪ The date of response to the Statement of Objections is 4 May 2010. Issuing of a Statement of Objections does not prejudge the final outcome of the procedure. At this stage of the proceedings, it is not feasible to foresee the consequences of such proceedings.

1.8. regulatory update

fines imposed on TP and its subsidiaries (1)

	done / launched	status	expected 2010
main penalties	▪ 100,000,000 PLN penalty imposed on TP by UKE on 25th September 2006 for establishing the price of neostrada services not in line with the cost. On 22 May 2007, the Court invalidated the fine on procedural grounds. On 28 June 2007, UKE appealed this verdict. On 10 April 2008, the Appeal Court revoked the judgment of SOKiK and remanded the case back to reconsideration by SOKiK.	▪ On 2 June 2009, SOKiK suspended the proceeding until the end of the proceeding against Poland in the European Court of Justice, the result of which may, in SOKiK opinion, impact the proceeding suspended by SOKiK.	
	▪ 339,000,000 PLN penalty imposed on TP by UKE on 21st February 2007 for introduction of new price list for neostrada tp services without UKE acceptance.	▪ SOKiK has suspended the proceeding until the end of the European Commission proceeding against Poland in the European Court of Justice and the end of another proceeding before the European Court of Justice, initiated by the Polish Supreme Administrative CourtOn 11 March 2010 the European Court of Justice issued the verdict in the latter proceeding stating that the said provision of the Polish Telecommunication Act in the date of issuance of UKE decision was in line with the European law. However, on 12 December 2007 the Unfair Commercial Practices Directive was issued which made the provision contradictory to the European law. This verdict does not have impact on appeal proceedings against UKE's fine of PLN 339 million. It is anticipated that SOKiK will suspend the proceeding until the end of the European Commission proceeding against Poland in the European Court of Justice	
	▪ 75,000,000 PLN penalty imposed on TP by UOKiK on 20th December 2007 for degradation of IP traffic.	▪ First hearing took place on 15th December 2009.	▪ The matter is currently being investigated by SOKiK.

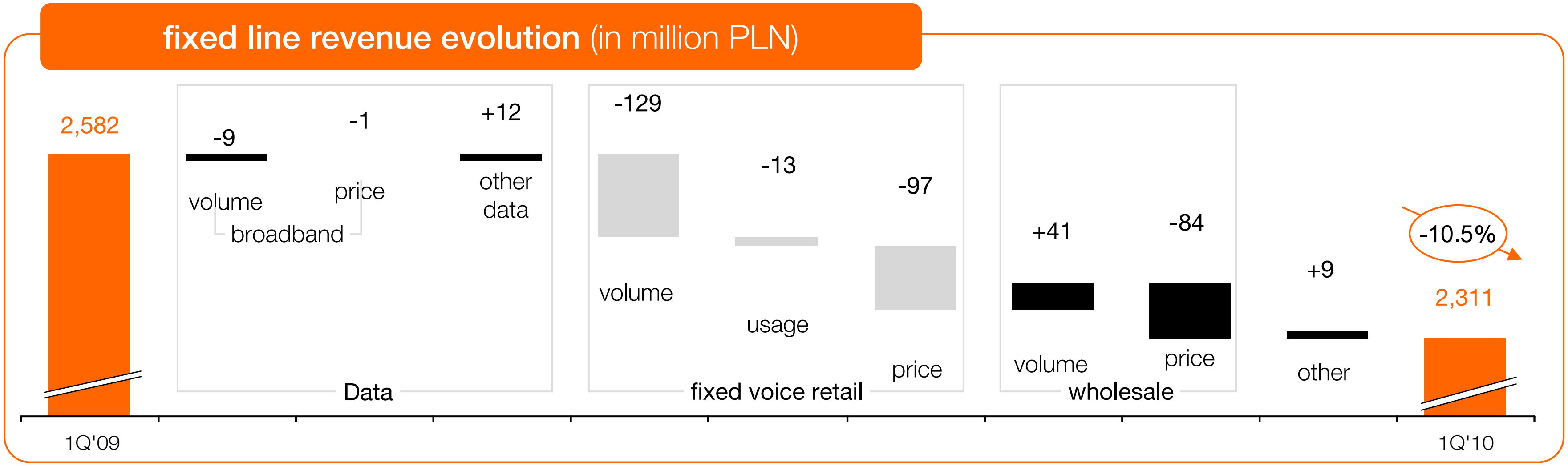
1.8. regulatory update

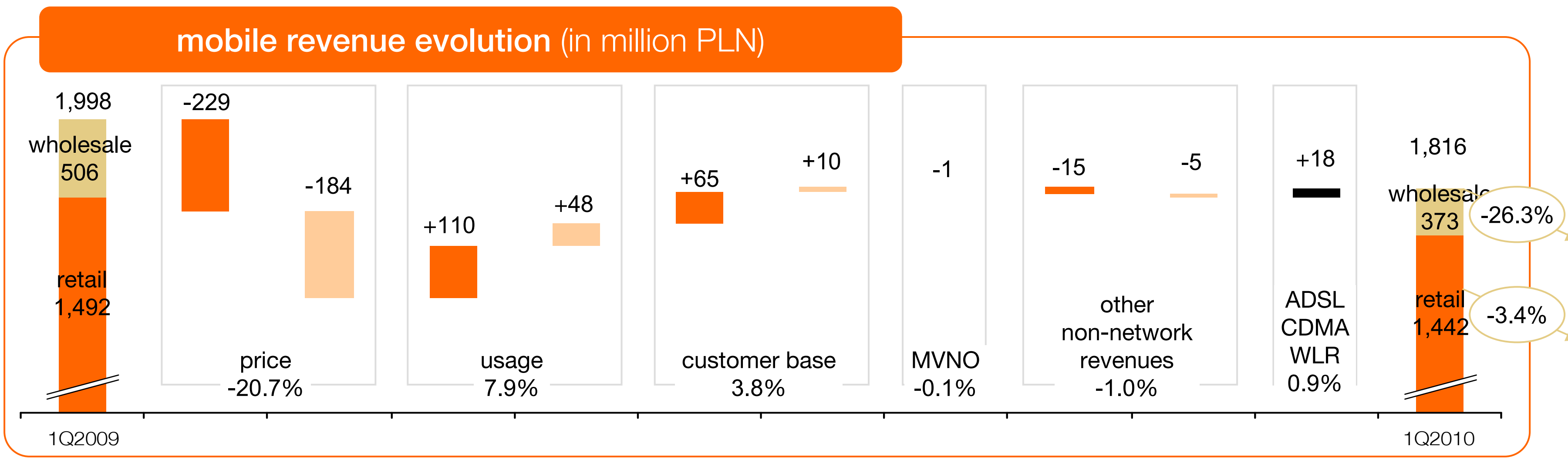
fines imposed on TP and its subsidiaries (2)

	done / launched	status	expected 2010
development in other penalties exceeding PLN 1 mln	▪ On 9 April 2010 the Court of Appeal dismissed TP's appeal and sustained SOKiK's dismissal of previous appeal. TP appealed against UKE's decision from 2007 imposing 33,000,000 PLN fine for failing to execute UKE decision of 5 October 2006 a obligating TP to draft an amendment of Reference Unbundling Offer from 9 August 2005, and failing to execute UKE decision of 3 April 2007, which overruled and changed the part of RUO decision.	▪ The verdict is in force and TP is obliged to pay the fine.	▪ TP will apply to the Appeals Court for written reasoning of the verdict.

appendices

revenue evolution by segment

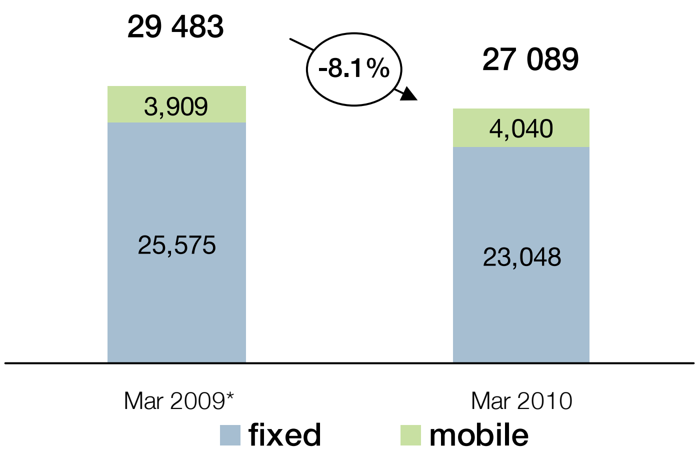




TP Group headcount and labour costs evolution

employment structure of TP Group

in FTEs

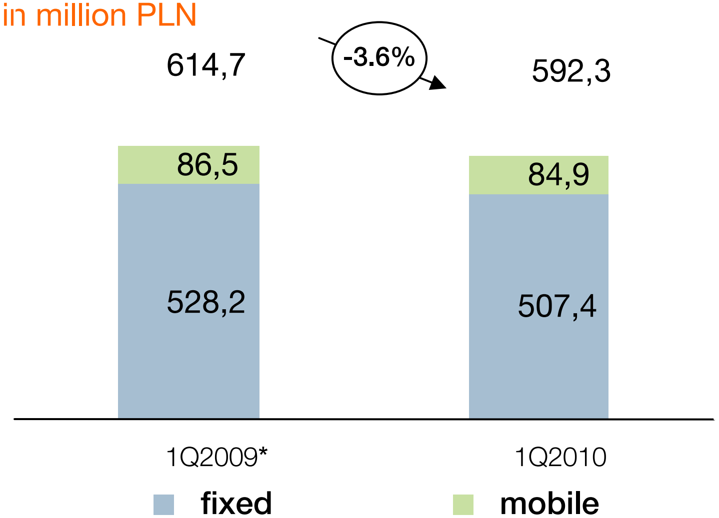


- TP Group headcount decreased in all functions:
  - network & IT by -7.6%,
  - support functions by -13.4%
  - customer functions by -6.7%

*Proforma (including Ramsat & Prado and excluding TP Med)

Labour costs

in million PLN



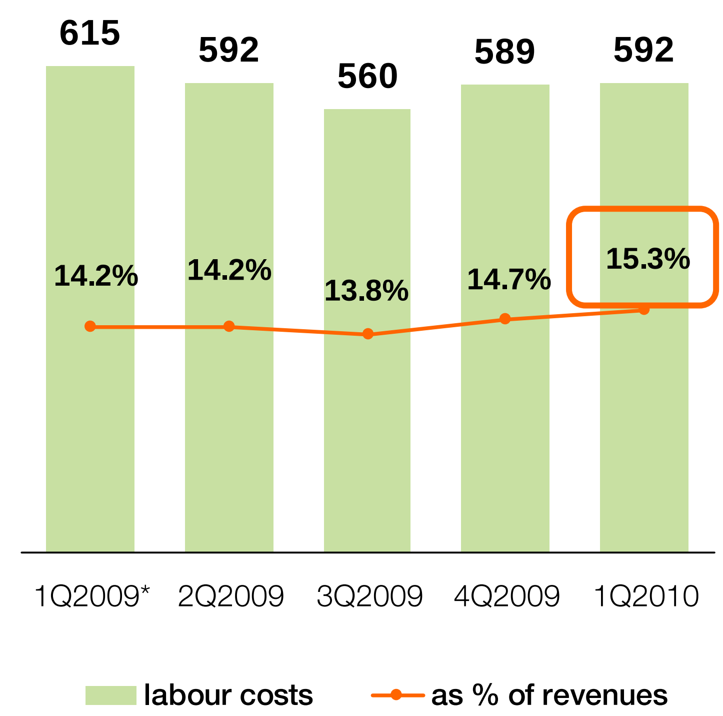
- social agreement in TP:
  - 2007: 2,350 employees
  - 2008: 2,342 employees
  - 2009: 2,440 employees
  - 1Q2010: 268 employees
- Based on the agreement concluded in December 2009 with the Trade Unions, up to 1,980 employees will leave the Company in 2010.

TP Group: Labour

labour, YoY growth

	1Q2009	2Q2009	3Q2009	4Q2009	1Q2010
reported YoY growth*	+1.8%	-2.9%	-1.1%	+3.5%	-3.6%
adjusted YoY growth**	+1.8%	1.0%	-2,9%	-1.7%	-3.6%
comparable basis YoY growth***	+2.1%	-1.8%	-3,0%	-0.5%	-3.7%

Labour costs

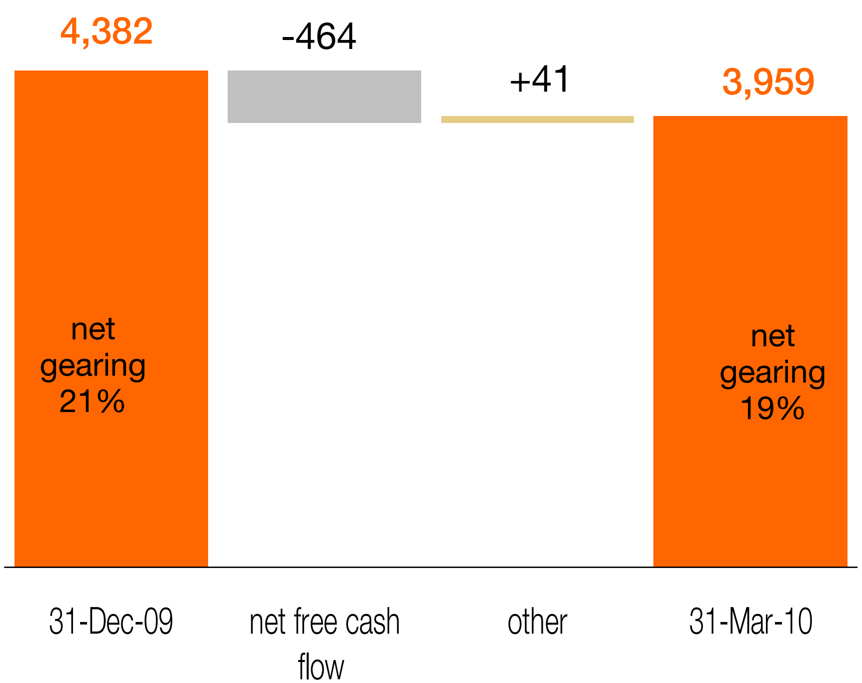


* 1Q 2009 – proforma 09 (without TP Med, with Ramsat)
2008 – proforma, without Ditel and TP Med only for 1Q, included Ramsat & Prado (for 2H)
** Adjusted YoY- labour costs restated for important one-offs concerns actuarial provisions.
*** Comparable basis YoY growth = labour costs restated for one-offs and holiday pay provision effect.

strong balance sheet

net debt evolution (in PLN mn)

net debt / EBITDA at 0.7



insights

- available liquidity position:
  - cash and equivalents at PLN 2.7 bn
  - unused credit lines at PLN 3.5 bn
  - back-up facility at PLN 1.6 bn
- improved structure of gross debt
  - maturity extended from 2.4 years to 3.1
- effective hedging policy
- solid credit rating
  - A3 / BBB+ with stable outlook

net income helped by lower deprecation and smaller financial costs

in million PLN	1Q2009	1Q2010	var. comp basis
EBITDA	1,657	1,420	-14.3%
depreciation and amortization	*-1,060*	*-941*	*-11.2%*
impairment of non-current assets	*13*	*-5*	*n/a*
operating income	610	474	*-21.5%*
net financial costs	*-199*	*-115*	1 *-42.2%*
of which foreign exchange gains / (losses)	-40	-15	n/a
income taxes	*-83*	*-74*	3 *-10.8%*
net income	328	285	*-13.1%*
# of shares (weighted average, in millions)	*1,336*	*1,336*	
EPS (in PLN per share, basic & diluted)	0.25	0.21	*-12.0%*

1 lower financial costs due to smaller debt

2 lower pre-tax profit