TP Group
results for 1Q 2011

Warsaw
April 21st, 2011

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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1Q 2011 highlights

Maciej Witucki

president of the board and CEO

TP Group is on track to meet objectives

pillars of action plan

re-focus on core business

re-engage with markets

re-balance operating model

- improving regulatory landscape; voice MTR cut likely to be limited, 'BSA geographical gradation' project (FTTH enabler) and possible partial conversion of UMTS licences fees to capex
- strategic developments for an asset-light model; UOKiK* 'go-ahead' for network sharing and disposal of Emitel
- satisfactory commercial development resulted in ~90k mobile net adds and rebound in broadband net adds market share
- 1Q financials in line with FY outlook; revenue evolution reflecting the SMS MTR cut, whilst cost savings stabilised EBITDA >36% margin

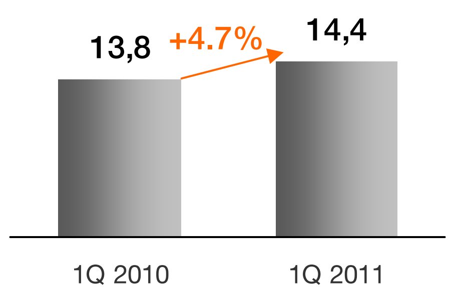
full-year 2011 outlook and guidance confirmed

* Polish Office for Competition and Consumer Protection

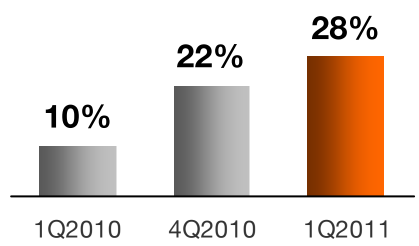
visible progress in our main lines of business

mobile

growing customer base (mn)



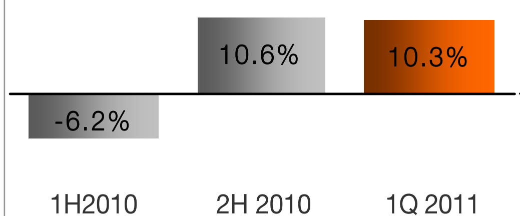
rising share of smartphones in post-paid sales*



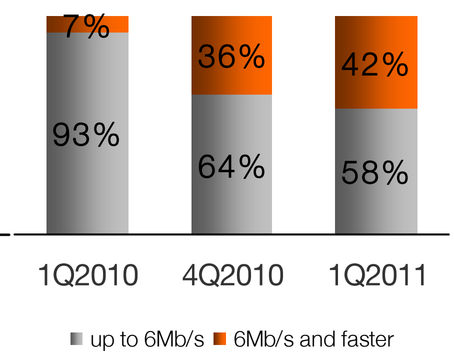
– good base growth despite short-term price pressure
– smartphones start data ARPU growth
– Orange's response to price pressure; additional benefits, not price cuts:

broadband

market share in net additions **



rising neostrada sales >6Mb/s



– visible rebound in share of net adds
– 3rd quarter of customer base growth; churn is now under control
– over 40% sales done with 6Mb/s+
– TP will enhance its offering in 2Q:
  – with 'n' television content and,
  – broadband speeds >40Mb/s

*total smartphones in acquisition and retention in the period
** including Orange based on BSA and CDMA, volume market share

1Q cost base down 2.8%, further progress expected

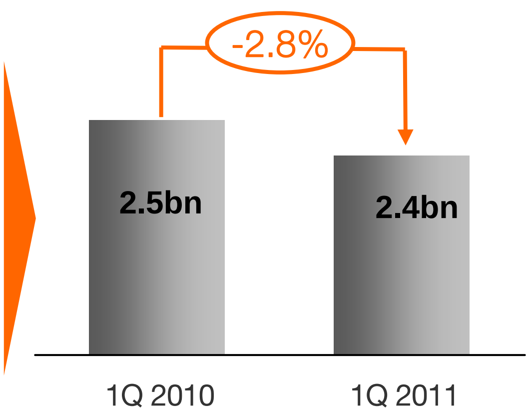
classical savings
e.g. office space optimisation

process simplification
e.g. all-electronic communication with customers and e-invoice

consolidation
e.g. customer care integration and IT vendor consolidation

strategic cooperation
e.g. co-operation with TVN

total costs* (PLN mn)



network maintenance costs
improved volume discounts

CPE refurbishment
moved in-house to increase savings

stable energy prices
renegotiation of price per KWh

~800 headcount optimisation
mostly planned for 1H

1.3mn e-invoices
to be further promoted

TP-TVN agreement
should deliver 1st savings in 2H

* total cost base up to EBITDA,

1Q financials consistent with full-year objectives

in PLN mn	1Q2010	**1Q2011**	change	key points
Revenue	3,873	**3,729**		▪ 1Q affected by SMS MTR cuts ▪ excl. MTR cut, mobile revenue up by 4.4% on a tough market, driven by good customer growth
year-on-year	-10.2%	-3.7%		
EBITDA	1,420	**1,345**		▪ resilient EBITDA margin despite higher **subscriber acquisition costs** (smartphones) ▪ cost savings bring opex down by 2.8% yoy
as % of revenues	36.7%	**36.1%**	-0.6pp	▪ further cost benefits expected in the future
CAPEX	201	**352**		▪ 1Q above last year thanks to faster execution of investment projects
as % of revenues	5.2%	**9.4%**	+4.2pp	
Net Free Cash Flow	464	**398**	-14.2%	▪ cash flow in line with our predictions ▪ FY guidance reaffirmed

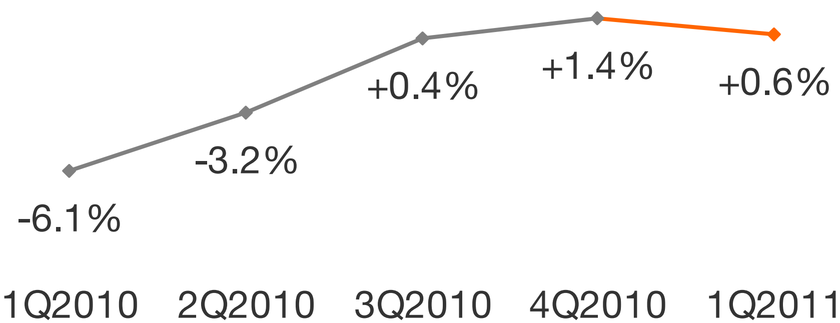
2 financial review

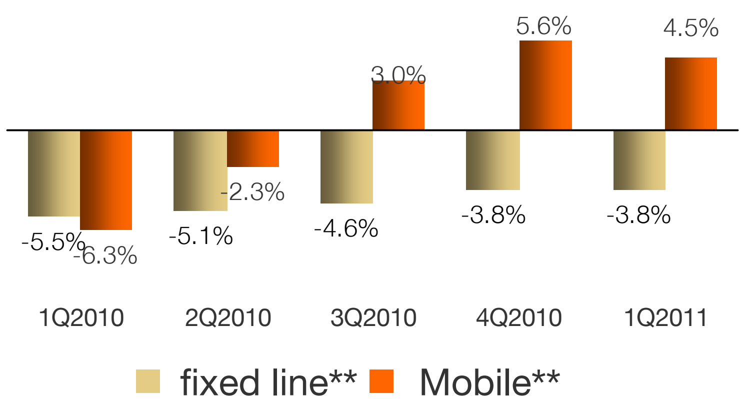
Jacques de Galzain
chief financial officer

market recovery slowed down by SMS MTR cut

market value year-on-year evolution

total telecommunication market*





*market value is an aggregate of operators' retail and wholesale telecommunication revenue, market data are Company's preliminary estimates

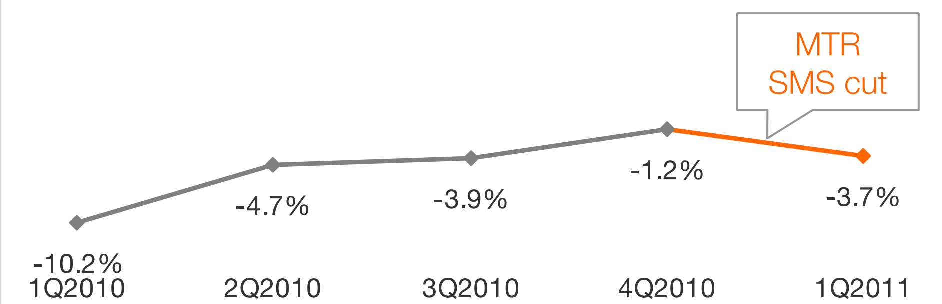
** segment value according to total operators' revenues, 1Q2011 market data are Company's preliminary estimates

insight

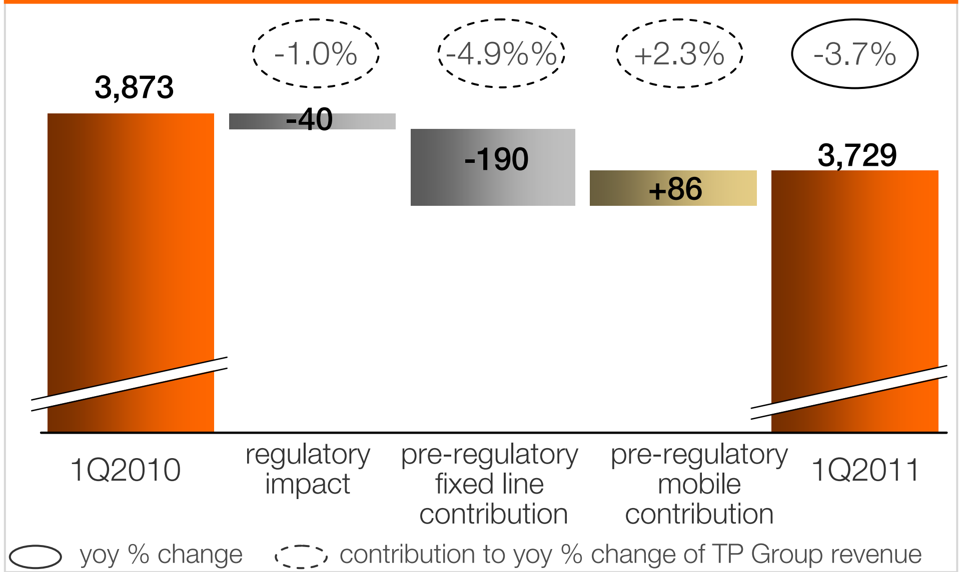
- visible impact of the SMS MTR cut on market evolution
- mobile market growth hampered by MTR, but healthy retail growth continued
  - MTR cut impacts year-on-year comparison
  - short-term price pressure
  - growing number of customers on the market
  - all players promoting smartphone usage to boost growth in data usage
- fixed market down 4%
  - continued substitution to mobile
  - broadband growth still moderate and mainly driven by CATV

resilient TP Group revenue trends, despite MTR impact

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



TP Group revenue evolution (in PLN mn)

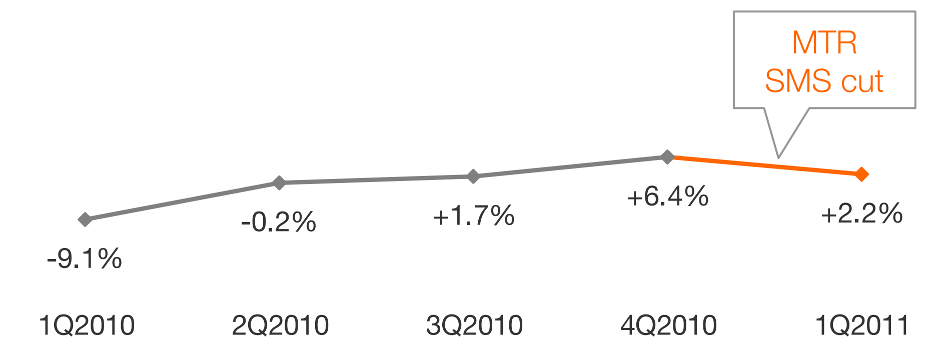


insight

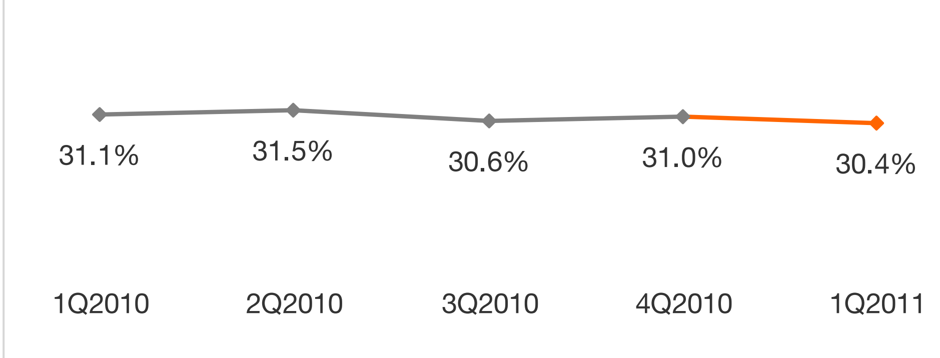
- **1Q revenue down by 3.7%, compared to -5.1% in FY 2010**
  - SMS MTR cut affecting Group revenue by PLN 40mn
- **mobile up by 4.4%, excl SMS MTR cut**
  - driven by strong growth in number of customers; +646,000 year-on-year
  - 1Q was another quarter of strong net adds
- **stable trends in fixed segment**
  - low-season in broadband
  - fixed-to-mobile substitution remains an important adverse factor

mobile segment revenue growing by 4.4% excl. SMS MTR cut

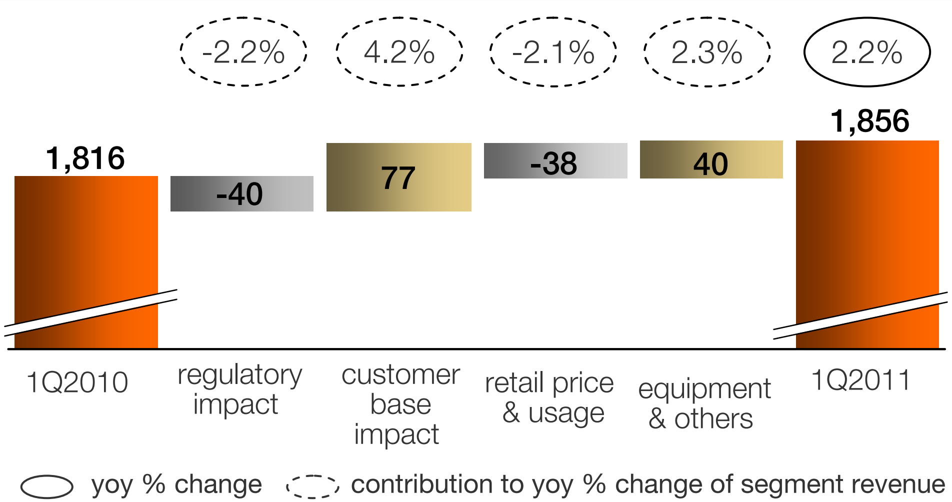
mobile segment revenue* evolution y-o-y (in%)



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



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



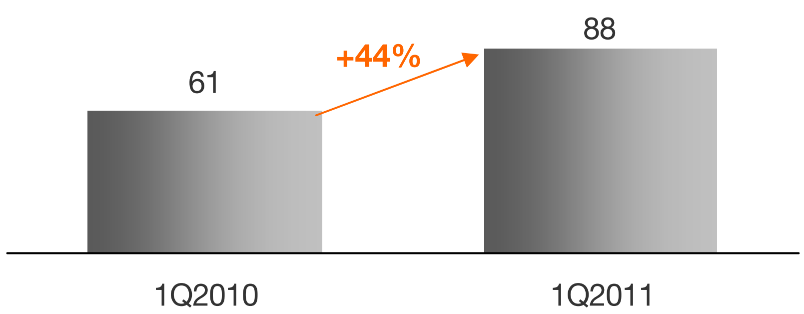
insight

- 2.2% revenue growth year-on-year:
  - due to growing customer base (+4.7% yoy)
  - despite PLN -40mn impact of the SMS MTR cut
- revenue up 4.4% yoy, excl. SMS MTR cut
- Orange maintained value market leadership
- 30% share of smartphones in post-paid sales

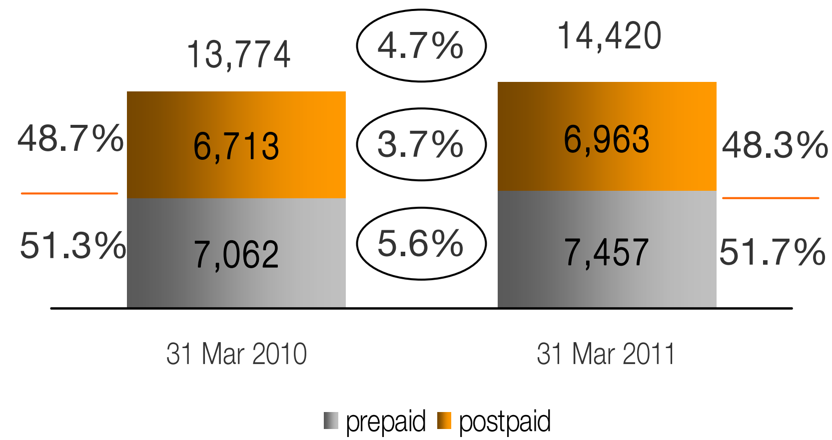
* incl. revenue from fixed services provided by PTK **company's estimation, 2010 data reviewed to up-to-date data from PLAY

mobile net additions well above 1Q 2010

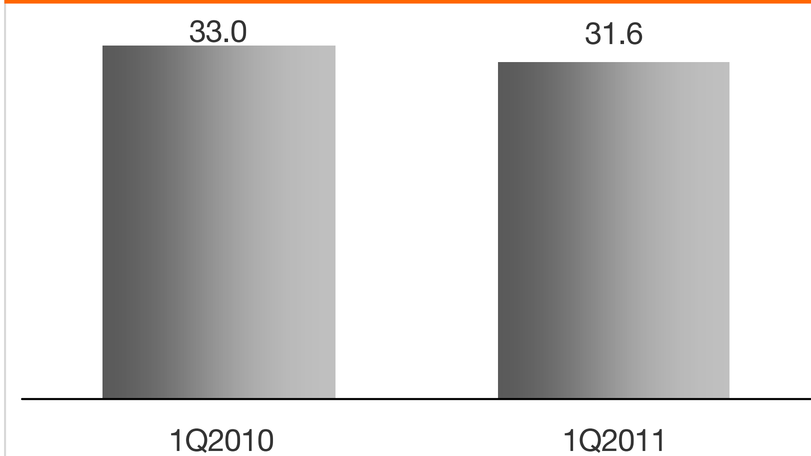
mobile net adds (in '000)



customer base evolution (in '000)



retail ARPU evolution (PLN/month)

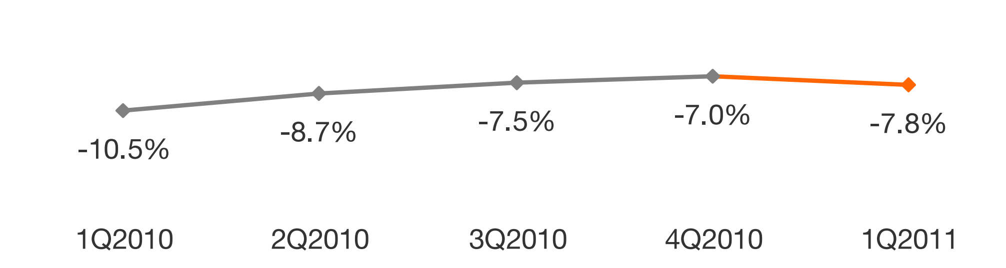


insight

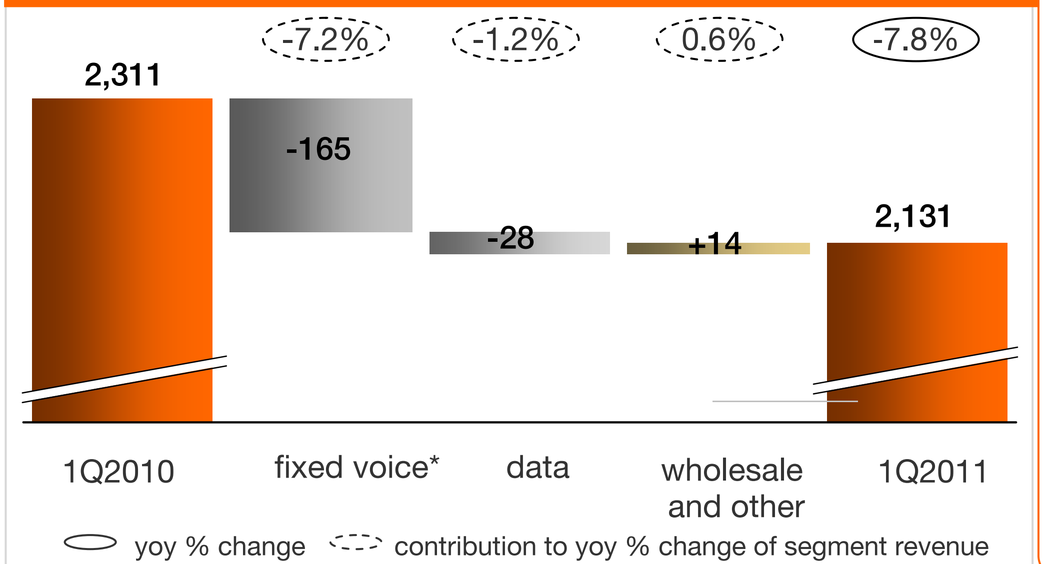
- net adds up by 44% since 1Q 2010
- customer base growth accelerated to 4.7% year-on-year
- resilient retail ARPU, despite price pressure
  - usage growing by 8.2% year-on-year
  - data ARPU up 19% since Q1 of last year

stable trends in fixed segment in a low-sales broadband season

fixed segment revenue evolution y-o-y (in%)



fixed segment revenue evolution
(segment statutory in PLN mn)



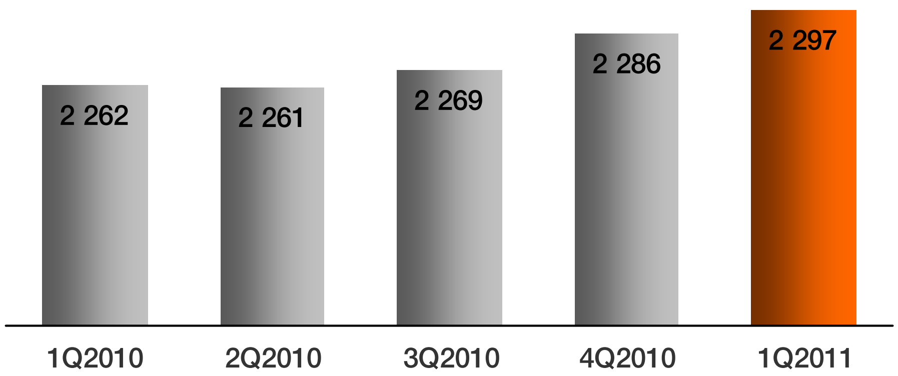
insight

- revenue trends broadly comparable with previous quarters
- broadband base up by 35k year-on-year
  - o 3rd consecutive quarter of growth
  - o 11,000 net additions in low-sales season,
  - o 40Mb/s+ speed options and 'n' content to be launched in 2Q to boost future growth
- TV base approaching 580k subscribers
  - – >25% of broadband customers

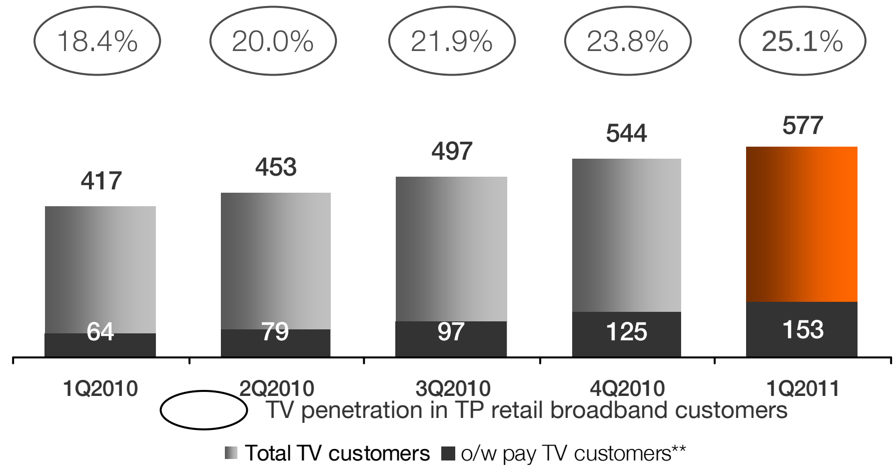
* pre-regulatory impact

broadband growth confirmed, steady progress in TV

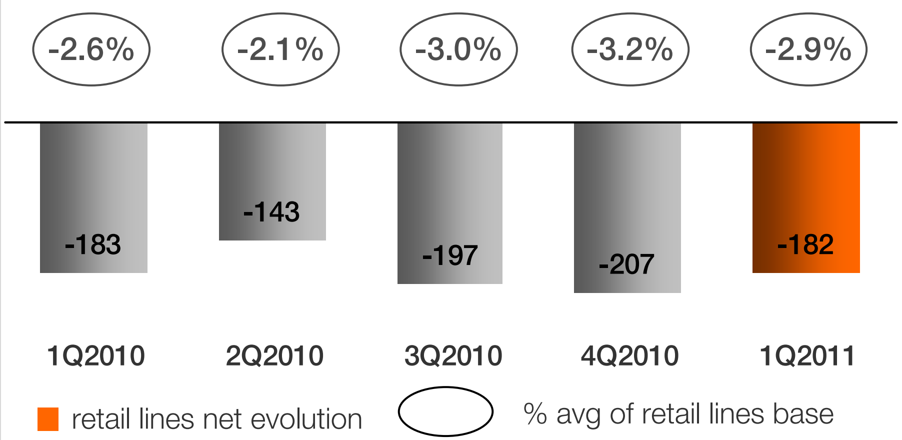
TP Group retail broadband accesses* (in '000)



TV customer base evolution (in '000)



retail lines evolution (in '000)



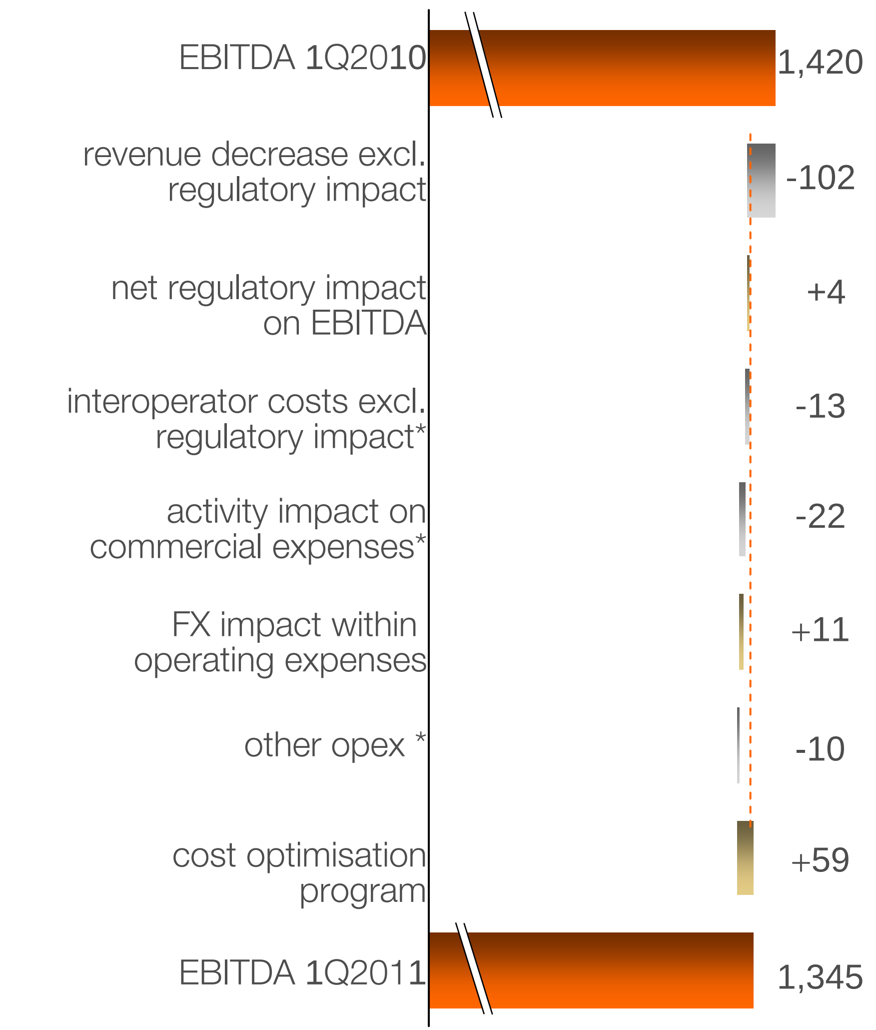
insight

- broadband growth confirmed with +11k in a low-sales season
  - net adds market share >10%
  - customer base up 36,000 since the inflection point
- TV base exceeded 25% penetration in broadband, growing customer loyalty
  - strong pay-TV growth maintained, +140% since 1Q2010
- fixed line decrease well below 200,000

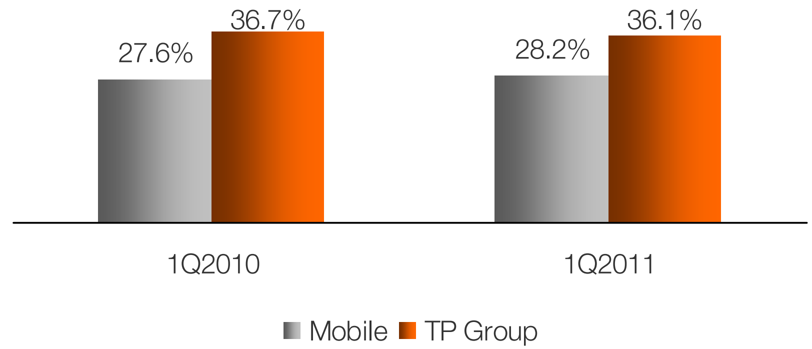
*Including CDMA and Orange Freedom
** includes TP's M-, L – packages, Orange Sport and HBO

EBITDA margin as expected, thanks to higher margin in mobile

TP Group EBITDA evolution (in PLN mn)



EBITDA margin (in %)



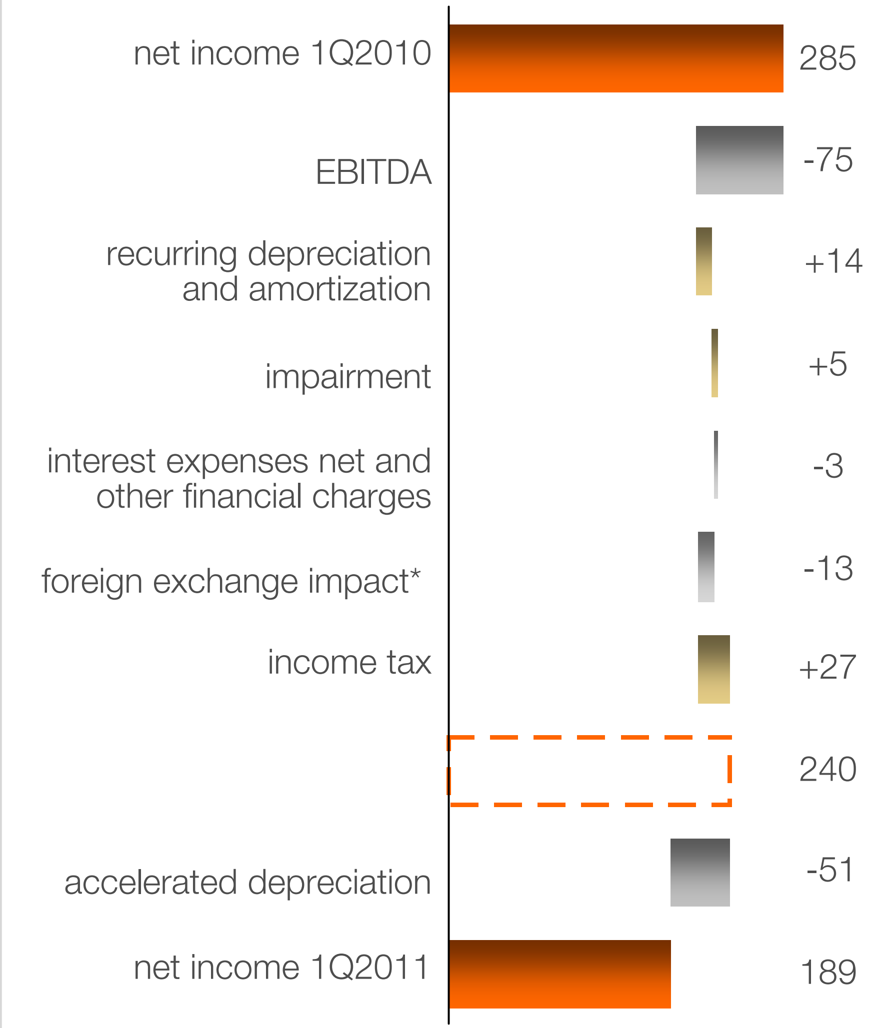
insight

- Group EBITDA margin above 36% mark
- Mobile margin growth of 0.6pp, despite smartphones' pressure on commercial costs
- fixed revenue is the main drag on EBITDA
- growth of customer base and usage drives interconnect up
- as expected, no regulatory impact on EBITDA
- PLN 59mn cost savings drive total cost base down by 2.8% since last year

* excluding FX impact and effect of cost transformation program

net income down by PLN45mn, excl. accelerated depreciation

TP Group net income evolution (in PLN mn)



insight

- 2011 net income affected by PLN 51mn accelerated depreciation linked to mobile network swap
- PLN -13mn FX impact* on a volatile PLN market throughout 1Q
- income tax down PLN 27mn, with effective tax rate of 20.0%

* including discounting expenses

net free cash flow in line with full-year target

in million PLN	1Q2010	1Q2011	Change
net cash flow from operating activities before income tax paid and change in working capital	1,255	1,241	-1.1%
o/w exchange rate effect on derivatives paid, net	*-55*	*-43*	*n/a*
change in working capital	-104	162	n/a
CAPEX*	-200	-352	+76.0%
CAPEX payables	-420	-596	+41.9%
income tax paid	-67	-57	-14.9%
net free cash flow (after tax paid)	**464**	**398**	**-14.2%**
as % of revenues	*12.0%*	*10.7%*	*-1.3 ppts*
sales of assets	12	5	-58.3%
other investing activities	-13	-3	-76.9%
FCF before financing	**463**	**400**	**-13.6%**

insight

- excl. working capital and tax, cash from operations on par versus last year
- capex outflows up by PLN 328mn (capex and payables) since 1Q 2010
  - more payments for capex from 4Q 2010
  - faster capex execution in 1Q 2011
- full year target reaffirmed for NFCF

* excluding capex financed by lease

3 conclusions

Maciej Witucki

president of the board and CEO

conclusions

- 1Q marked by positive developments
  - positive commercial progress on a tough market,
  - financials in line with full year objectives
  - ‘green light’ for network sharing,
  - sale of Emitel,

- proactive approach to market and results
  - Orange’s response launched to counter competition in mobile market
  - ‘fix-the-fixed’ program launched; new fixed voice tariffs to limit churn,
  - cost savings will accelerate to make room for commercial costs and boost EBITDA

- our agenda for 2Q:
  - deploying key elements to accelerate Broadband growth
    - launch of speed options >40Mb/s (VDSL)
    - launch of TV bundle with ‘n’ platform, to accompany new speeds
  - agreement on details of the network sharing with Era
  - closing the Emitel transaction

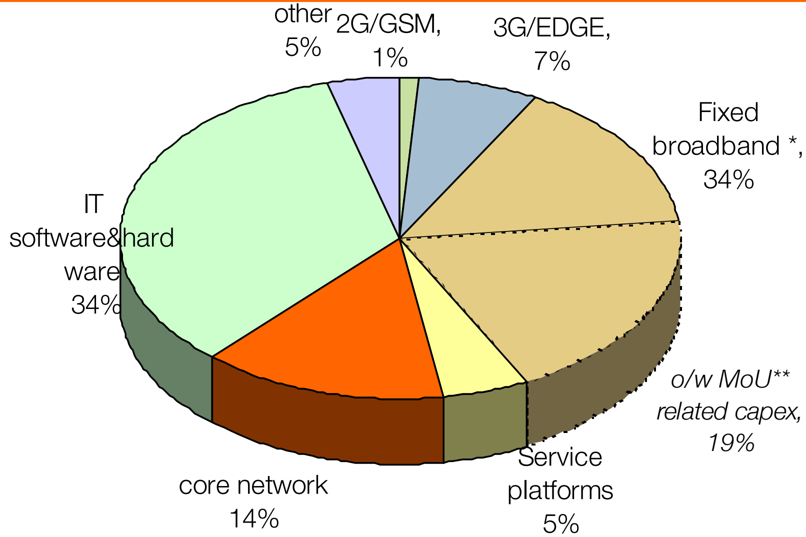
4 Q&A session

5 appendices

orange™

capex up 75% year-on-year

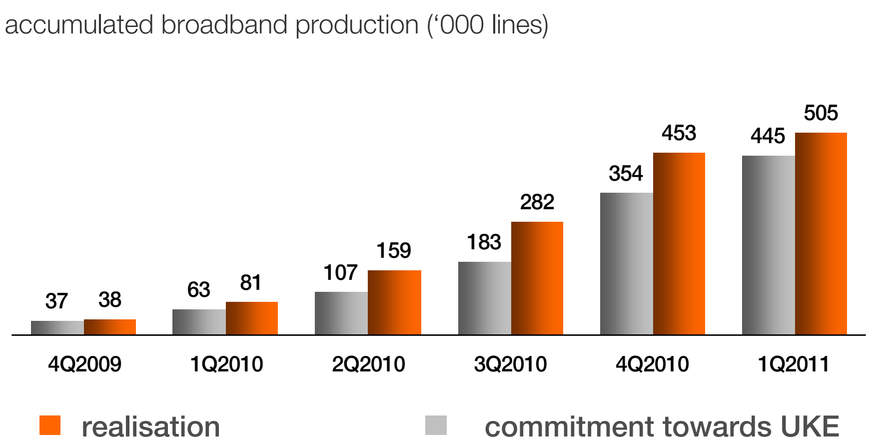
TP Group key investment areas in 1Q2011 (in %)



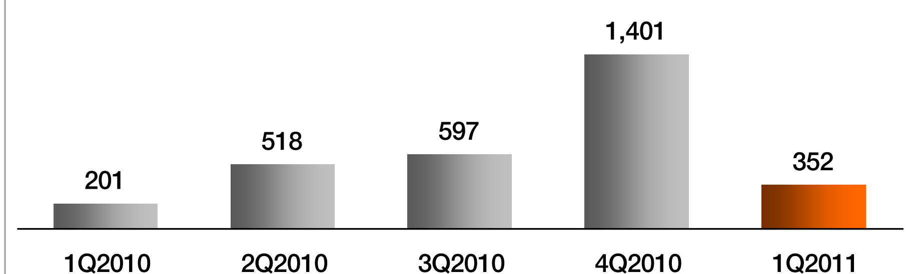
insight

- capex up year-on-year thanks to faster execution of investment projects
- over 34% capex dedicated to fixed broadband
- commitments towards Regulator realised with a ~60,000 lines safety buffer

UKE arrangement



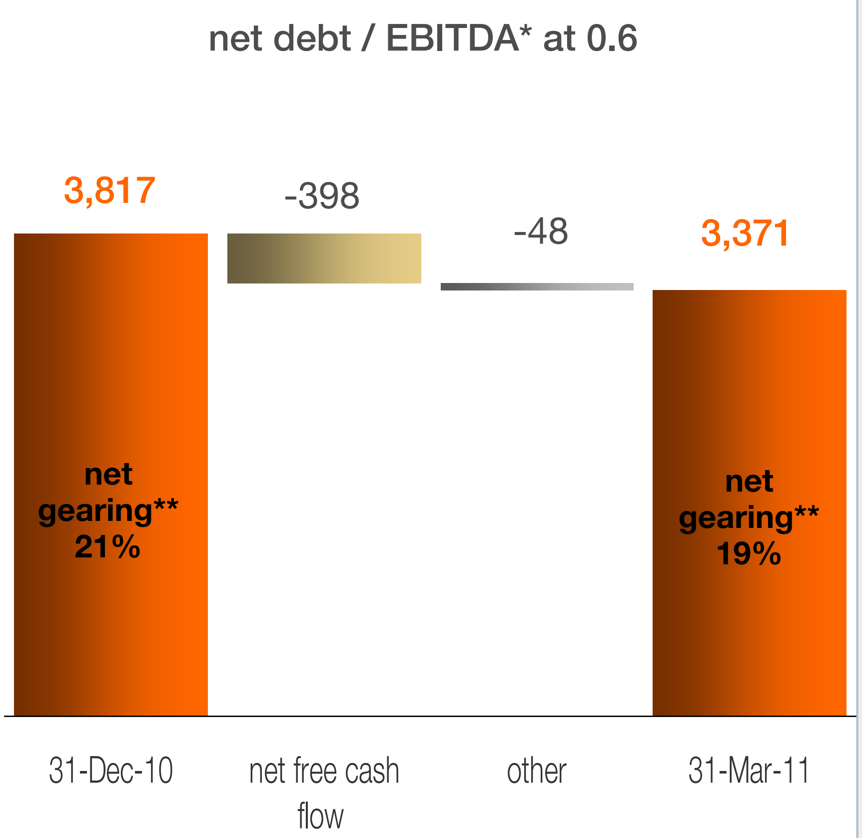
TP Group capital expenditure evolution (in PLN mn)



*including capex for customer premises equipment ** MoU - Memorandum of Understanding signed with UKE

strong balance sheet maintained

net debt evolution (in PLN mn)



insight

- available liquidity position:
  - cash & equivalents at PLN 2.8 bn
  - unused credit lines at PLN 2.0 bn
- back-up facility at PLN 1.6 bn
- effective hedging policy
- solid credit rating
  - A3 / BBB+ with stable outlook
- PLN 2bn dividend to be paid on July 7th, 2011
- net debt reduced by PLN 0.45 bn since 2010

*annualized EBITDA, excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010
** net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)

appendices

I. glossary

glossary (1/3)

ARPL	Average Revenue per Line
ARPU	Average Revenue per User
AUPU	Average Usage per User
BSA	Bit Stream Agreement
CATV	Cable Television
Catch-up	A type of VoD where broadcasters make programming available for streaming
CPE	Customer-premises equipment
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
FTE	Full time equivalent
FTTH	Fiber To The Home

glossary (2/3)

HFC	Hybrid Fibre Coax
HSDPA	High Speed Downlink Packet Access
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)
Net gearing	net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)

glossary (3/3)

NGA	Next Generation Access
NGN	Next Generation Network
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
UKE	Office of Electronic Communications - Regulator
VAS	Value Added Services
VDSL	Very High Speed Digital Subscriber Line
VoIP	Voice over Internet Protocol
WLL	Wireless Local Loop - a term for the use of a wireless communications, the "first mile"
WLR	Wholesale Line Rental