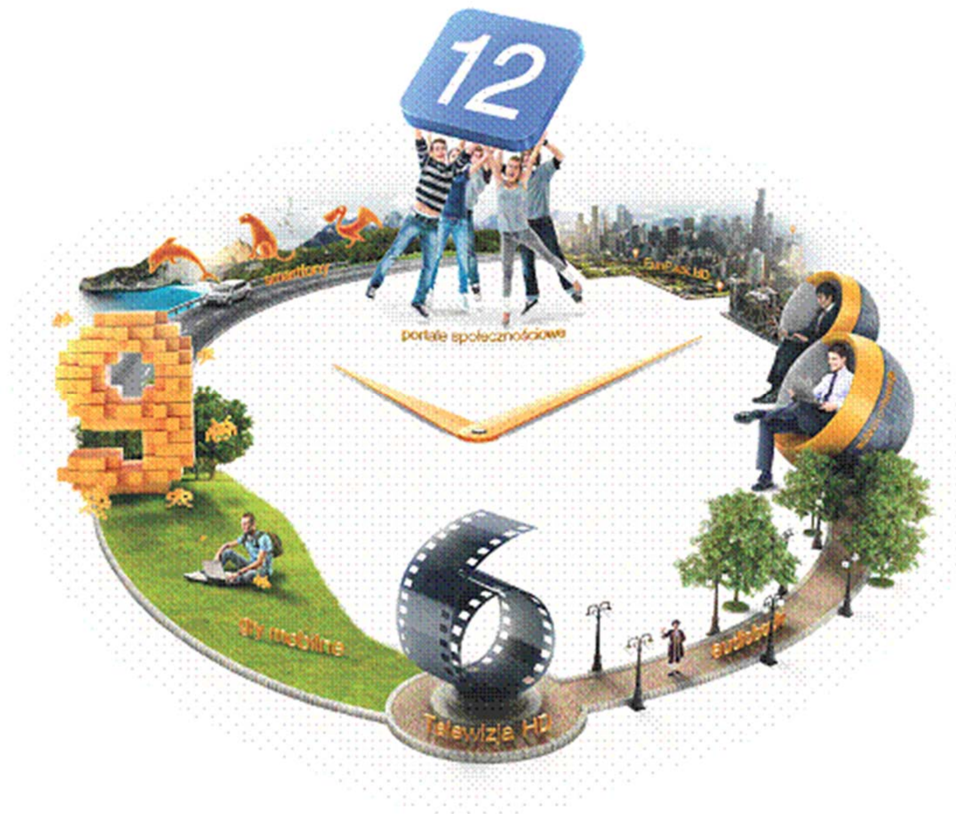
więcej z życia w Orange
przez 24 godziny



Orange Polska (TPSA) results for 1Q 2012

Warsaw
April 26th, 2012

orange

dziś zmienia się z orange

forward looking statement

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

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1

1Q highlights

Maciej Witucki
president of the board and CEO

satisfactory 1Q results and milestone commercial developments

pillars of action plan

re-focus
on core business

re-engage
with markets

re-balance
operating model

- 3P bundles welcomed by the market as demonstrated by over 100,000 customers (57,000 new customers in 1Q)
- Orange Open is our answer to rivals' price cuts: convergence, rather than pure price competition, will be our core offering this year
- rebranding to Orange will boost our marketing & facilitate convergence
- improving revenue trends; despite additional MTR cut, revenue decline is limited to 3.4% year-on-year in 1Q vs. 4% in 4Q 2011
- profitability under control: EBITDA margin at 34.8% in 1Q and will increase in Q2 and Q3
- safe balance sheet maintained despite the DPTG settlement

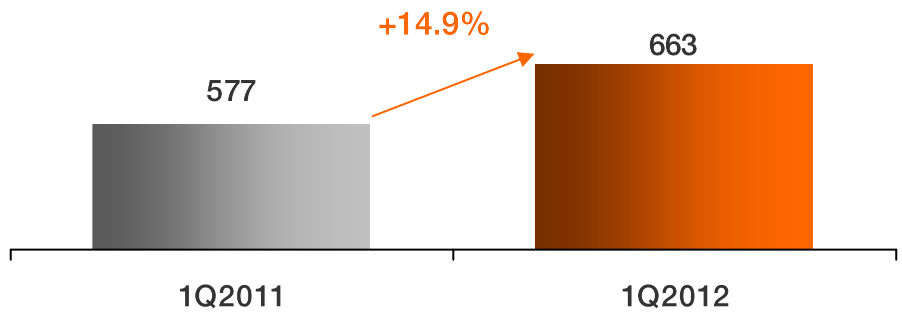
2012 outlook and guidance reiterated after 1Q results
over PLN 300mn share buy back realised to date

broadband: over 100,000 customers in the 3P bundle

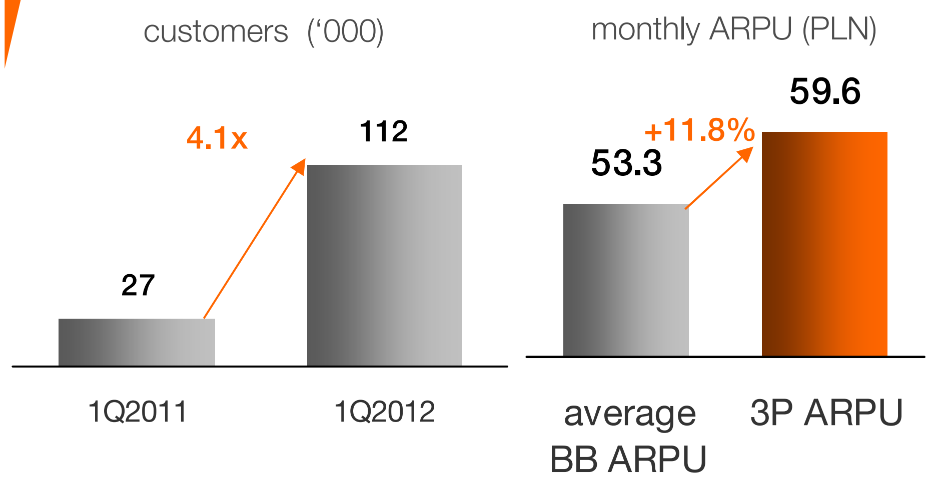
- FunPack bundles appreciated by the market, due to their simplicity and competitiveness
- bundling will loyalise both Broadband and fixed voice customers to secure future revenue flow
- over 100,000 FunPack clients by end of 1Q
- from 2Q, FunPack is now a vital part of our convergent Orange Open offer

FunPack

growing TV customer base ('000)



3P services in FunPack (TV + BB+ VoIP)



mobile: focus on value customers and convergence

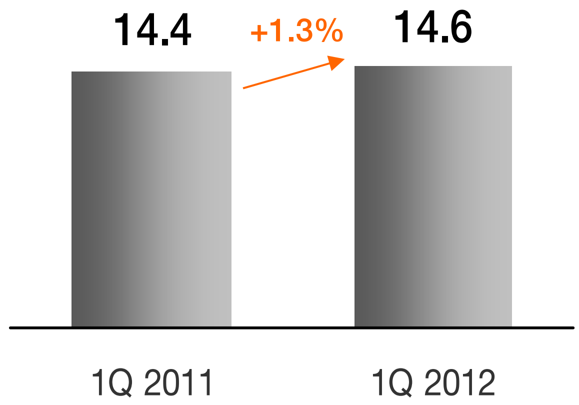
for talking

for texting

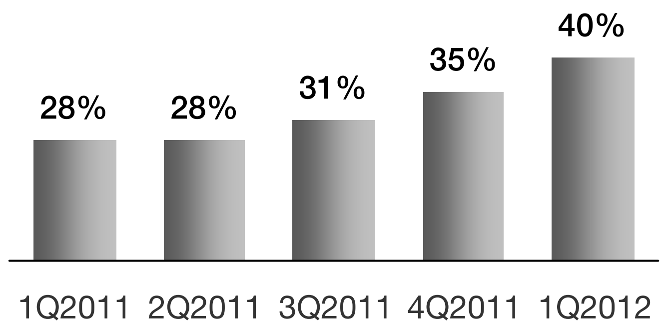
for browsing

- value market leadership strengthened in 2011
- post-paid data ARPU +20% year-on-year
- HSPA DC available for 58.4% of population
- rising smartphone penetration in customer base
- 3P Orange Combo offer: 102,000 customers, very low churn ratio and a rising global ARPU
- unlimited voice offers included in the convergent Open package

growing customer base (mn)



share of smartphones in post-paid sales*



* total smartphones in acquisition and retention in the period

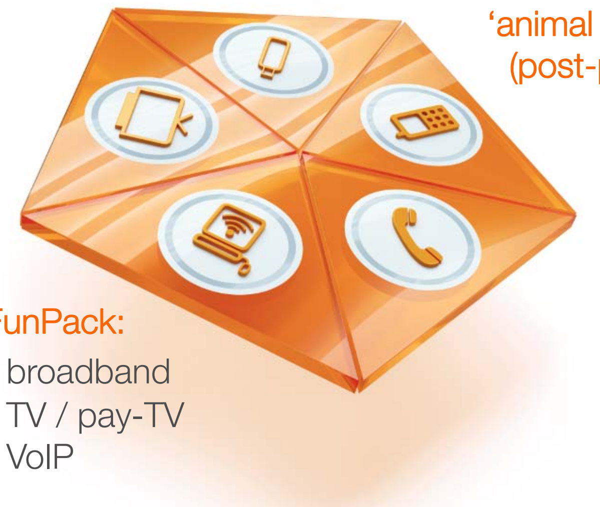
commercial strategy focused on the true fixed-mobile convergence

Orange Open is our main offer for 2012

- combines 3P fixed services offer with mobile voice and mobile data
- invoices for all services in one dispatch
- dedicated devices, smartphone and/or laptops with discount
- up to 13% discount vs. stand-alone offers, up to PLN 30 per month

mobile broadband

'animal tariffs' (post-paid)



FunPack:
- broadband
- TV / pay-TV
- VoIP

- unique solution on the Polish telco market
  - addressing customer needs
  - utilising Group's fixed and mobile assets
- our strategy is convergence and additional benefits, not simple price cuts

dedicated devices in attractive price schemes

Acer Aspire One 722

Nokia Lumia 800

Sony XperiaTM S

cost optimisation is continuously pursued and delivers effects

classical savings

process simplification

optimisation

strategic cooperation

Headcount optimisation continued
2,300 less FTEs till 2014

1.8mn e-invoices per month
up from 1.3mn monthly last year

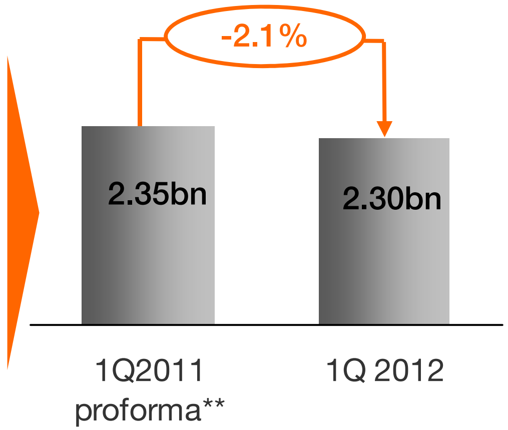
commercial cost rationalisation
through effective customer retention

network sharing project
proceeding according to the schedule

TP-TVN agreement
fully operational

cost discipline maintained
on G&A costs

total costs* (PLN bn)



*cost base up to EBITDA.
** pro-forma, adjusted for de-consolidation of Emitel and Paytel

main financials on track with the outlook for 2012

in PLN mn	1Q2011	**1Q2012**	change	key points
Revenue*	3,646	**3,521**		▪ revenue evolution improving since 4Q, despite tougher competition ▪ mobile up by 0.3% year-on-year or +2.5% excluding regulatory impact
year-on-year		-3.4%		
EBITDA*	1,301	**1,224**		▪ EBITDA margin under control ▪ cost savings bring opex down by 2.1% year-on-year
as % of revenues	35.7%	**34.8%**	-0.9pp	▪ further cost benefits expected in the future
CAPEX*	342	**413**		▪ 1Q above last year thanks to faster execution of investment projects
as % of revenues	9.4%	**11.7%**	+2.3pp	▪ Investment projects on track for the full-year target
Net Free Cash Flow	395	**252**	-36.2%	▪ full-year guidance reiterated ▪ NFCF to progressively increase in subsequent quarters

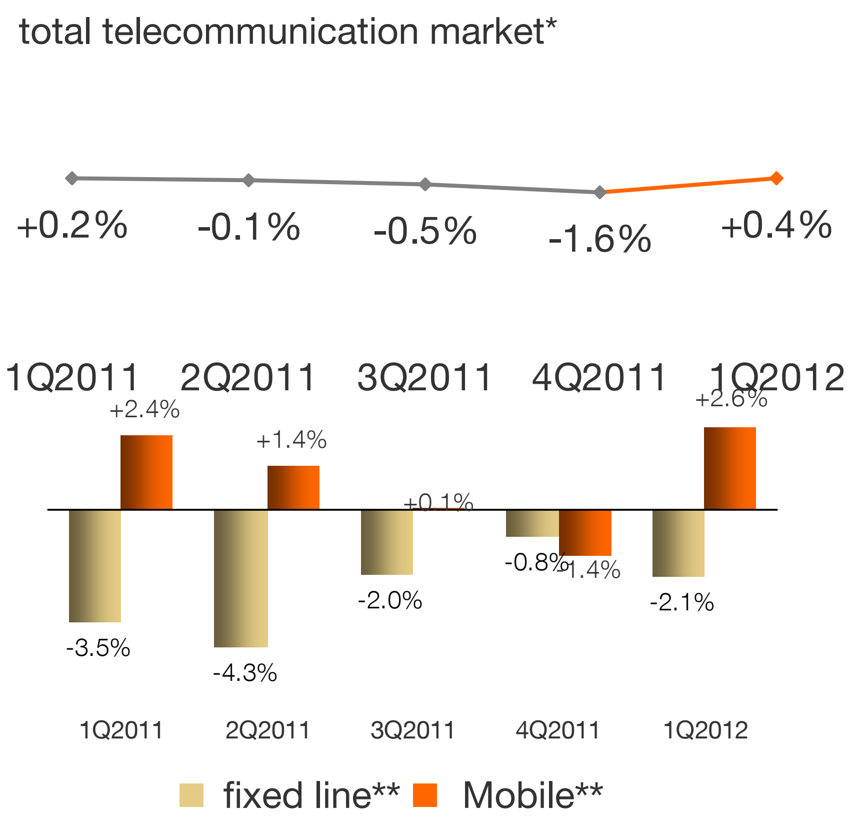
* vs. pro-forma, adjusted for de-consolidation of Emitel and Paytel

2 financial review

Jacques de Galzain
chief financial officer

market value trends stabilised, despite MTR cuts

market value year-on-year evolution



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

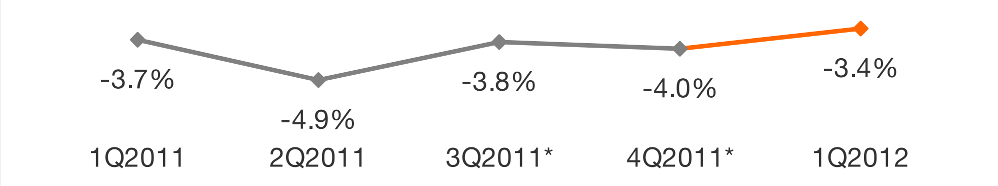
** segment value according to total operators' revenues, 1Q2012 market data are Company's preliminary estimates

insight

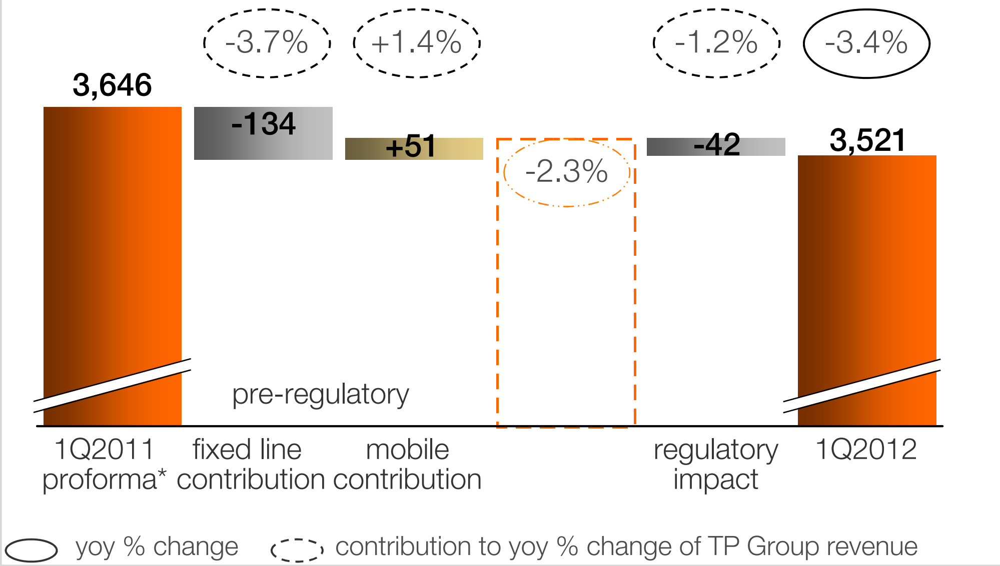
- visible impact of MTR cut on market evolution in 2H 2011
  - SMS MTR cut again, to 6gr, to be cut to 5gr from July
  - Voice MTR at 15.2gr, to be cut to 12.2 from July 1st
- total telecom market has increased by +0.4% in 1Q 2012 following the decrease in 2H 2011
- mobile market rebounded, rising by 2.6% in 1Q, driven by volume growth and data
- fixed market decreased by 2.1% in 1Q vs -3.5% a year ago
  - continued substitution to mobile
  - broadband market still driven by CATV

Group's revenue dynamics improving, driven by retail mobile

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



Group revenue evolution (in PLN mn)



insight

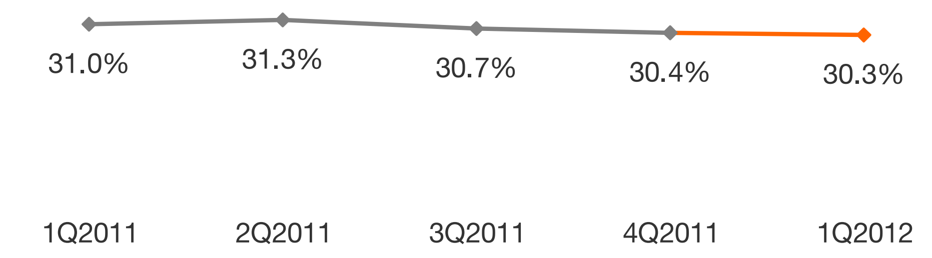
- revenue down 3.4% in 1Q vs. 4% in 4Q 2011
  - excl. regulatory impact revenue fell 2.3% year-on-year
  - year-on-year comparison affected by both voice and SMS MTR cuts
- pre-regulations mobile segment contributing +1.4% to Group's sales
  - driven by growing number of customers; +193,000 year-on-year
  - retail ARPU, maintained >PLN 31.1
- revenue decline slowed down in fixed
  - broadband top-line up since 4Q
  - F2M substitution is still a material factor

* vs. pro-forma, adjusted for de-consolidation of Emitel and Paytel

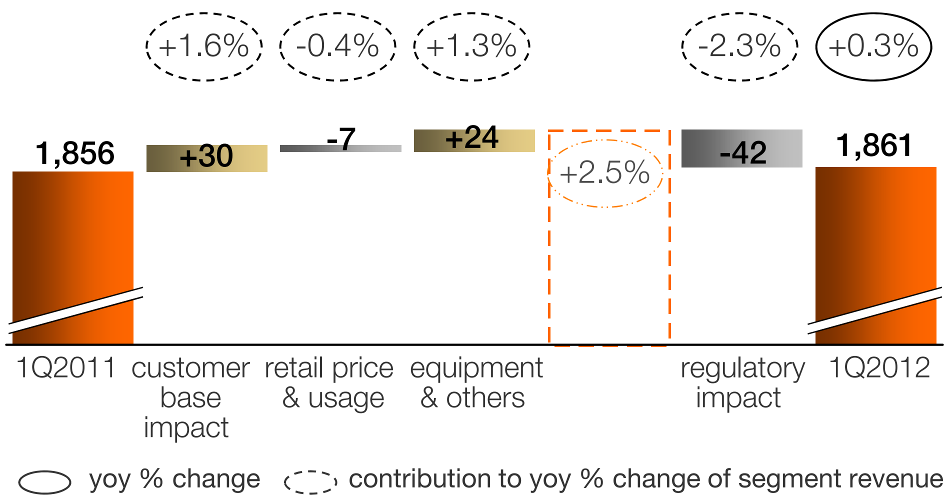
mobile segment's revenue up by 2.5% excl. regulatory impact

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)



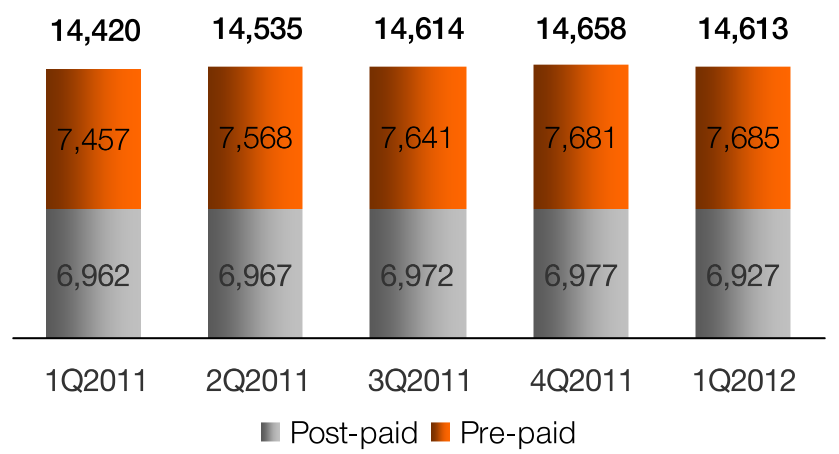
insight

- excluding MTR cuts 1Q revenue rose by 2.5% year-on-year
  - driven by growing customer base up +1.3% yoy
  - due to 20% growth of postpaid data ARPU, which had offset price pressure
  - thanks to more revenues from equipment sales
- Orange maintained leadership in market value

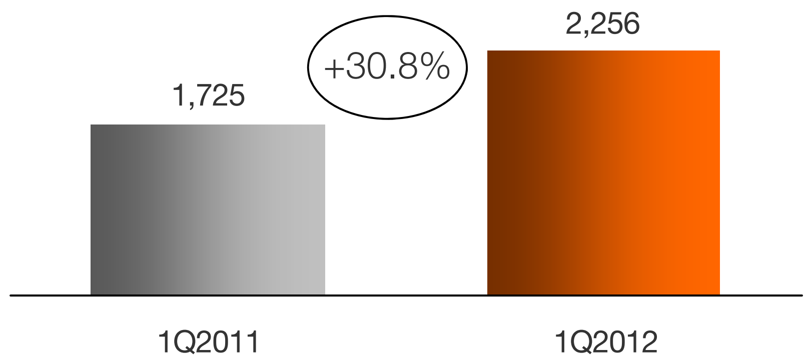
* incl. revenue from fixed services provided by PTK **company's estimation, 2011 estimates reviewed to up-to-date data from PLAY

growth in smartphones and data arpu reflect our focus on value

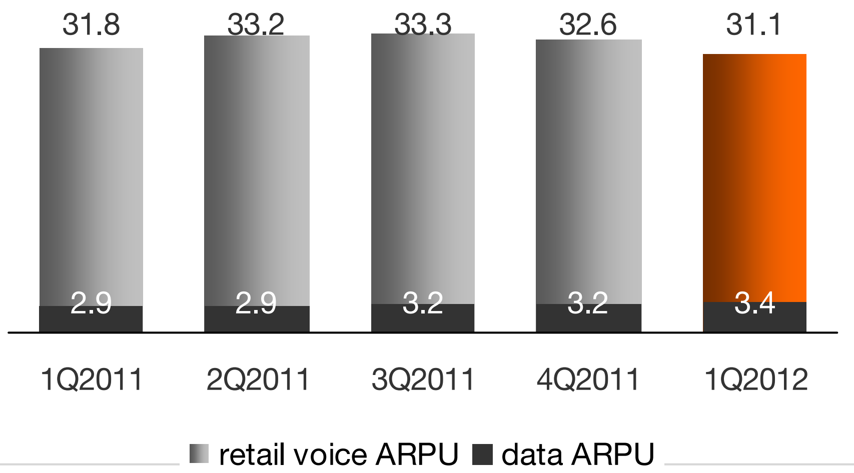
customer base evolution (in ‘000)



number of smartphones (in ‘000)



retail ARPU evolution (PLN/month)

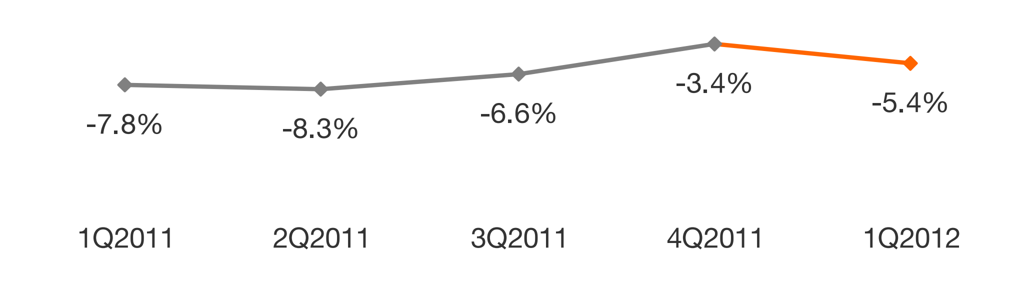


insight

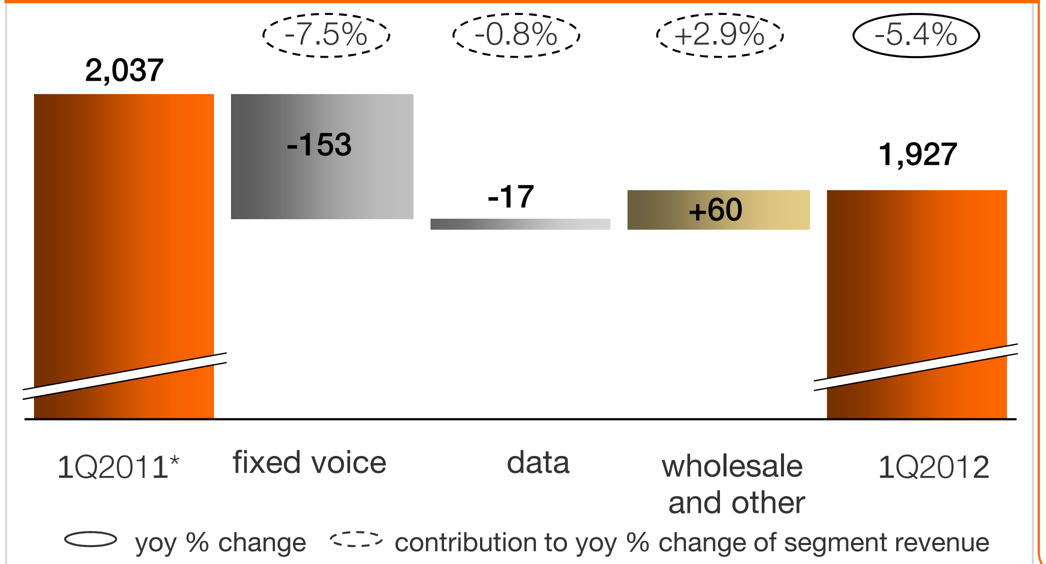
- customer base grows at 1.3% year-on-year
  - despite intensifying price competition and focus on volumes by our rivals
- retail ARPU resilient to price pressure
  - 20% growth of data ARPU in post-paid, driven by increasing number of smartphones
- share of smartphones rose to 40% of post-paid sales and retentions

stable trends in fixed segment helped by wholesale and ICT

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



fixed segment revenue evolution
(segment statutory in PLN mn)



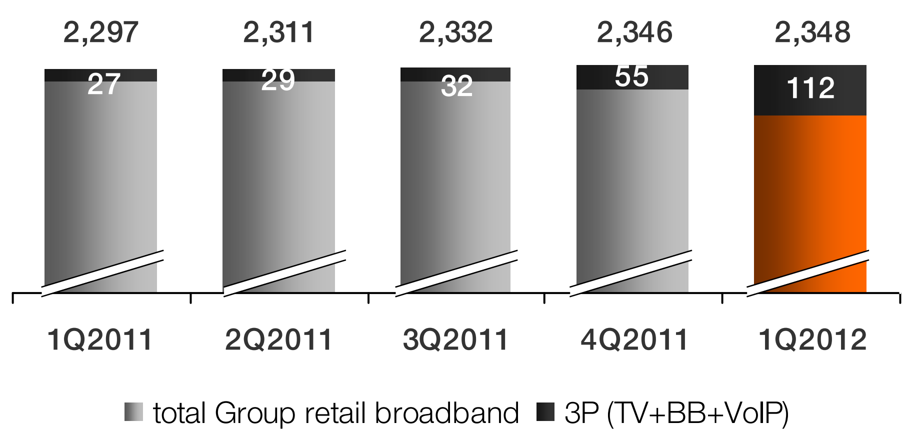
insight

- revenue trends improving, at -5.4% year-on-year vs. -7.8% a year ago
- fixed voice revenue decrease stabilised and will migrate to data – through VoIP offer
- broadband revenue back to growth, up by 0.3% since 4Q 2011
  - 3P offers will boost this revenue line, as it includes VoIP
  - Open offer will facilitate Broadband upsell
- TV base reached 663k subscribers
  - over 28% of broadband customers also have the TV offer

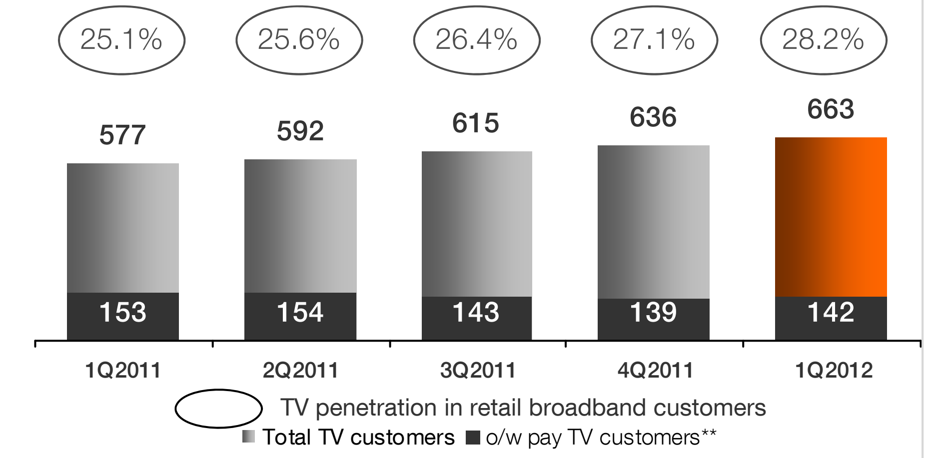
* pro-forma, adjusted for the deconsolidation of Emitel and Paytel

positive impact of VoIP implementation into the 3P bundle

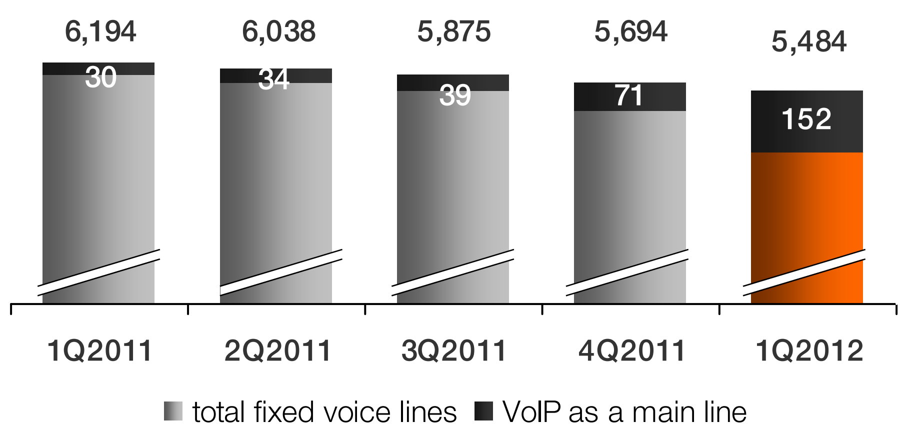
Group retail broadband accesses* (in '000)



TV customer base evolution (in '000)



retail voice subscribers evolution (in '000)



insight

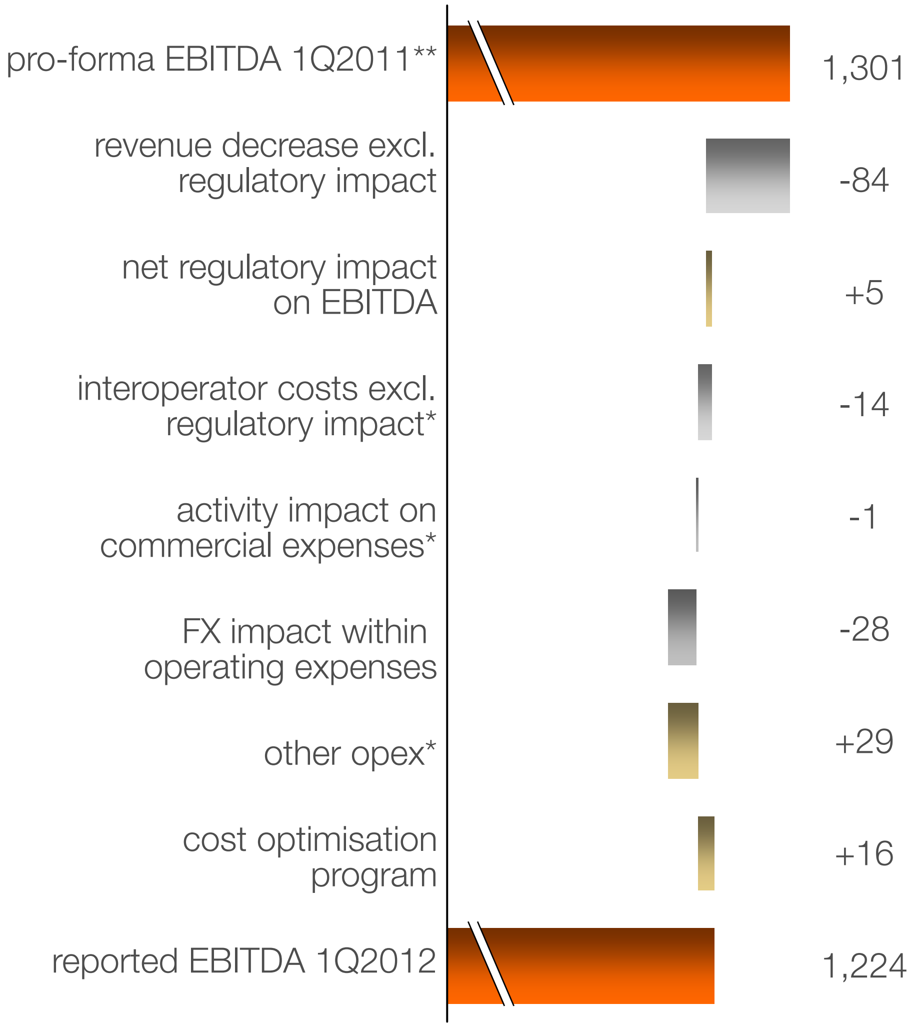
- broadband growth continued: with 1Q2012 at +2.2% or +51k year-on-year
- 3P bundle appreciated by the market
  - 3P is key to slow down the revenue decrease in fixed voice, as it includes VoIP
- TV base exceeded 660,000 customers and pay-TV is back to growth due to the 'n' offer

*Including CDMA and Orange Freedom

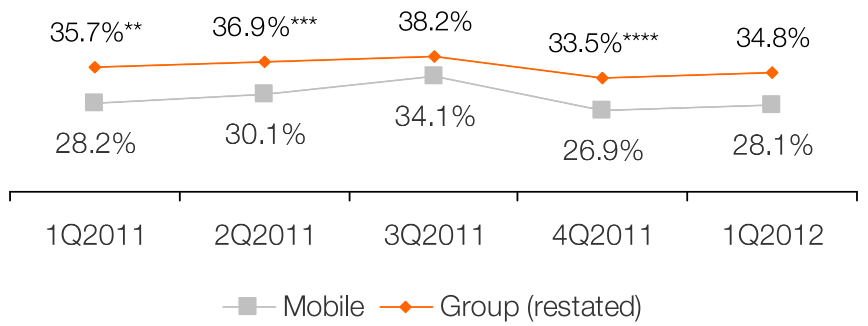
** includes TP's M-, L – packages, Orange Sport, HBO and 'n' packages

EBITDA well under control and on track to reach 2012 target

Group EBITDA evolution (in PLN mn)



EBITDA margin (in %)



insight

- Group's EBITDA margin at 34.8% in 1Q
  - excluding FX impact, 1Q EBITDA would have stood at 35.6% margin
- 1Q cost base down by ca. 2.1% since last year, despite PLN 28mn adverse FX impact
- cost optimisation continued, with additional year-on-year savings

* excluding FX impact and effect of cost transformation program
** 2011 pro-forma adjusted for the deconsolidation of Emitel and Paytel
*** pro-forma adjusted for the deconsolidation of Emitel and Paytel, excluding gain on disposal of Emitel (PLN +1,188) and increase in provision for European Commission fine imposed (PLN -458mn)
****pro-forma adjusted for the deconsolidation of Emitel and Paytel, excluding add. costs on Emitel disposal (PLN -5mn), restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn)

solid net income benefitted from less depreciation

in million PLN	1Q2011**	1Q2012
EBITDA	1,301	1,224
depreciation and amortization	*-963*	*-817* 1
impairment of non-current assets	-	*-4*
share of profit of investments accounted for using the equity method	-	*1*
operating income	337	404
*net financial costs**	*-131*	*-108* 2
of which foreign exchange gains / (losses)	5	9
income taxes	*-40*	*-54* 3
net income	166	242
# of shares (weighted average, in millions)	*1,336*	*1,323*
EPS (in PLN per share, basic & diluted)	*0.12*	*0.18*

1 underlying decrease and less accelerated depreciation

2 financial costs down year-on-year due to lower gross debt

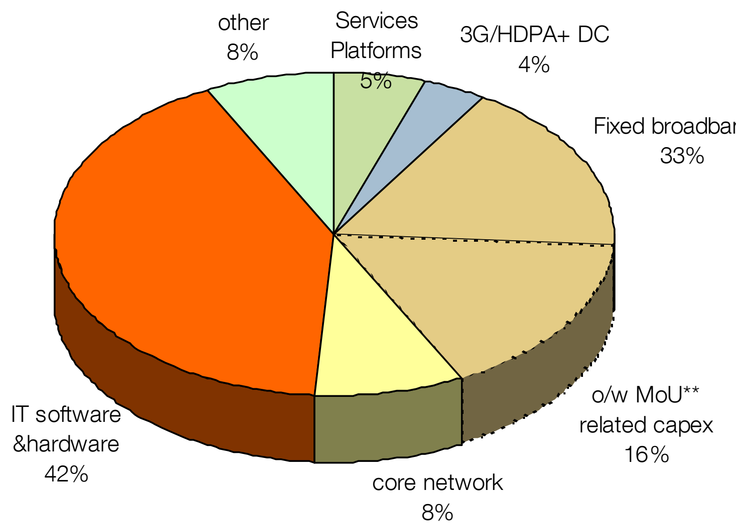
3 effective tax rate at 18.2% close to nominal tax rate of 19%

* including discounting expenses

** pro-forma, adjusted for de-consolidation of Emitel

1Q capex at PLN 413 mn or 11.7% of sales

Group key investment areas in 1Q2012 (in %)

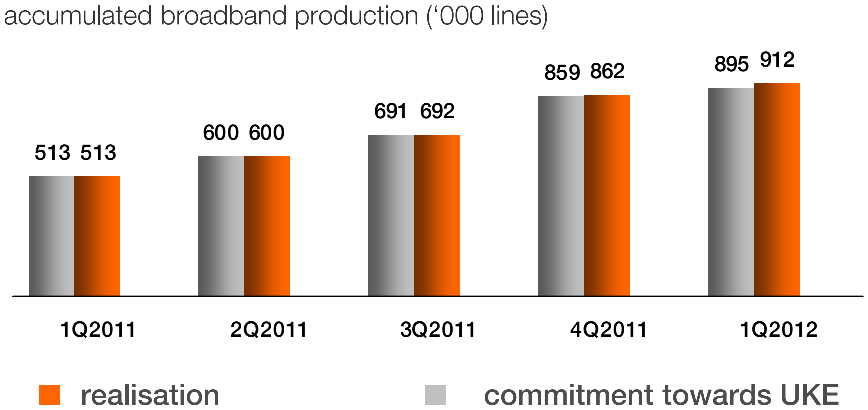


insight

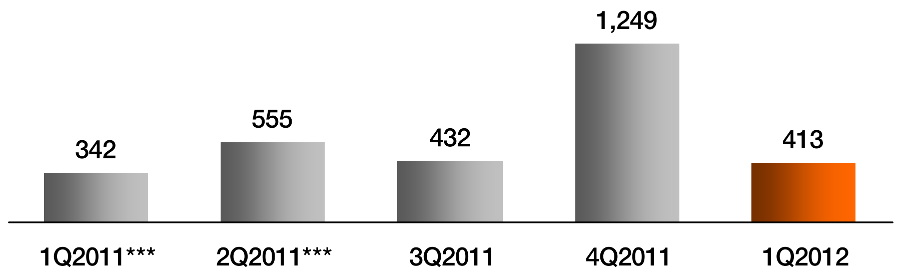
- Broadband represents one of the main category of spend, with 33% share in total
  - capex resulted from MoU with UKE amounted to PLN 68 mn in 1Q2012
  - total capex spent on the MoU to-date amounts to PLN 1.8bn
- 912k Broadband lines have been delivered to-date (102% of MoU target).
- HSPA DC coverage is at 58.4% population and VDSL is now available for 1M customers

UKE 'Memorandum of Understanding

(investment declaration)



Group capital expenditure evolution (in PLN mn)



*including capex for customer premises equipment ** MoU - Memorandum of Understanding signed with UKE *** adjusted for the deconsolidation of Emitel

net free cash flow on track to achieve the PLN 2bn+ target

in million PLN	1Q2011 reported	1Q2012 reported excluding DPTG***	change
net cash flow from operating activities before income tax paid and change in working capital	1,241	1,205	-2.9%
o/w exchange rate effect on derivatives paid, net	*-43*	*130*	*n/a*
change in working capital	162	-69	n/a
CAPEX*	-356	-396	11.2%
o/w Emitel contribution	*-10*	*-*	*n/a*
CAPEX payables**	-595	-484	-18.7%
income tax paid	-57	-4	-93.0%
net free cash flow after tax paid	395	252	-36.2%
as % of revenues	*10.8%*	*7.2%*	*-3.6ppts*
sales of assets	5	12	140.0%
Decrease/(increase) in receivables related to leased fixed assets	-1	-2	+100.0%
organic cash flow	399	262	-34.3%

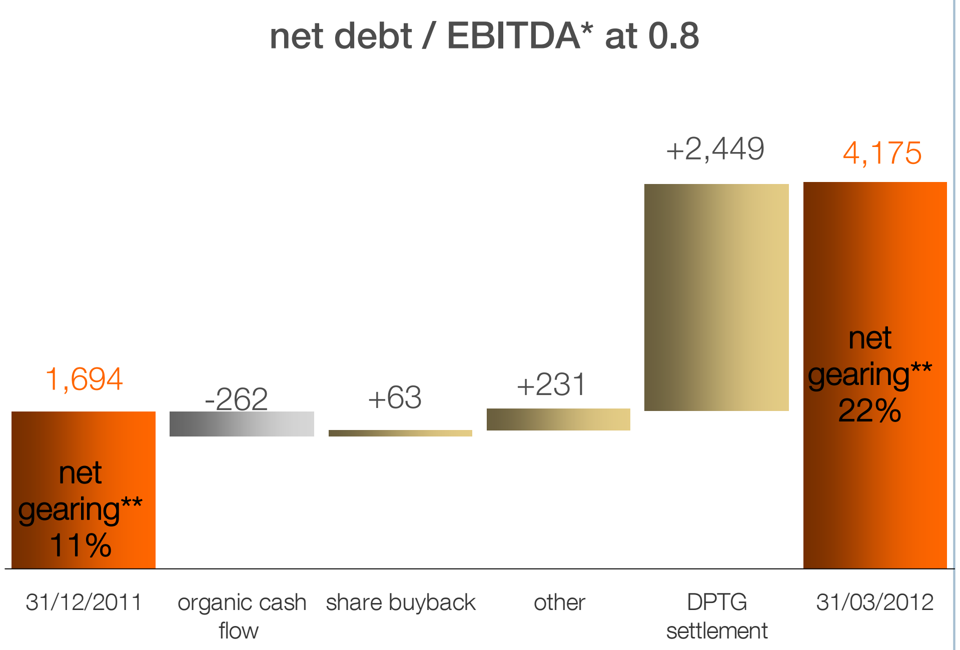
insight

- cash flow from operating activities -2.9% down year-on-year due to lower EBITDA
- increased working capital requirement linked with purchases timing in 4Q 2011
- cash capex down by 7.4%
- FY net free cash flow guidance confirmed at PLN 2bn+

* excluding capex financed by lease and including exchange rate effect on derivatives economically hedging capital expenditures, net
** including decrease/(increase) in receivables related to leased fixed assets
*** According to the settlement signed Jan. 12, 2012, TP S.A. paid DPTG a total of €550mn (PLN 2,449mn o/w change in provisions PLN -2,167mn and change in working capital PLN -282mn)

safe balance sheet maintained, with sufficient liquidity position

net debt evolution (in PLN mn)



insight

- available liquidity position as of Mar 31:
  - cash & equivalents at PLN 0.6 bn
  - unused credit lines at PLN 2.1 bn
- back-up facility at PLN 1.7 bn
- effective hedging policy
- solid credit rating maintained
  - A3 / BBB+ with stable outlook

* annualised restated EBITDA, adjusted for deconsilidation of Emitel and Paytel, gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn)

** net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity). 2011 pro-forma, including the €550mn settlement with DPTG

3 conclusion

Maciej Witucki
president of the board and CEO

conclusion for 1Q

- stable financial results
  - revenue trend is improving thanks to mobile
  - EBITDA margin is under control due to the cost optimisation program
  - net free cash flow is on track to achieve the full-year target

- steady commercial performance, despite competitive market
  - value approach in mobile to defend against volume driven price pressure
  - 3P including VoIP bundles appreciated by the market

- rebranding to Orange and turn to convergence
  - Orange Open package – 1st fully fledged convergent offer for the Polish consumer
  - rebranding to boost perception, extend positive image of Orange and facilitate the 4P package
  - UEFA European Championship; additional revenue and a perfect launch platform for the new marketing approach

5 Q&A session

orange™

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
HSPA DC	High Speed Packet Access Dual Carrier
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