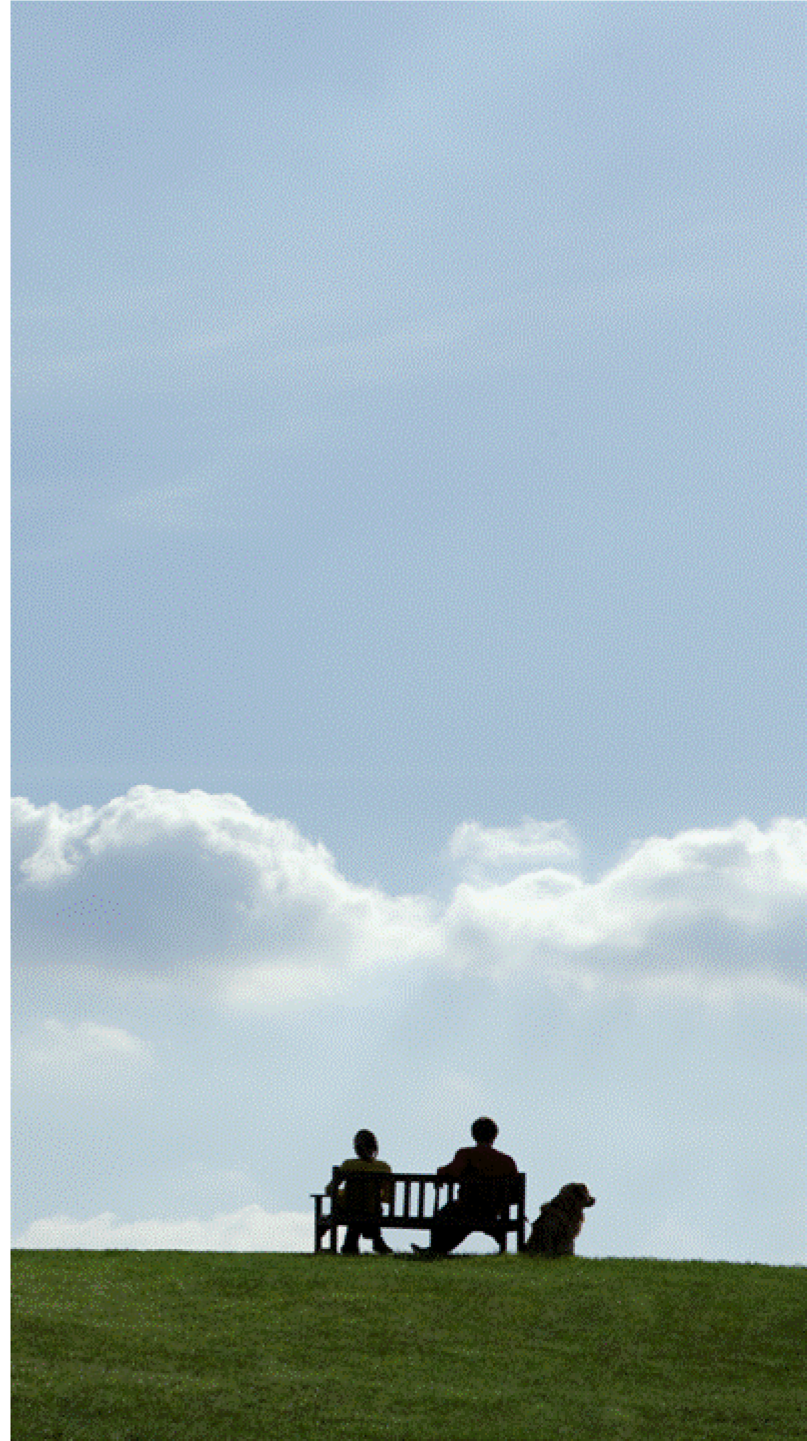
TP Group
results for 4Q and FY 2010

Warsaw
February 23rd, 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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2010 highlights

Maciej Witucki

president of the board and CEO

our action plan delivered progress in 2010

pillars of action plan

re-focus on core business

re-engage with markets

re-balance operating model

- implementation of the Regulator Arrangement enables TP to compete on even terms and focus on core business
- successful commercial developments resulted in >0.6mn mobile net adds and prepared for broadband rebound in 2011
- improving revenue trends, with decline limited to 5.1% in FY2010 and only 1.2% in 4Q
- ~0.5bn savings brought the cost base down by 3.9%* allowing the restated EBITDA margin** to reach 36.7% in 2010

2010 guidance delivered, with NFCF of PLN 2.45bn

* total cost base up to EBITDA, excluding revision of the provisions for claims and litigations, amounting to PLN 1,182 million in 2010 vs PLN 56 million in 2009

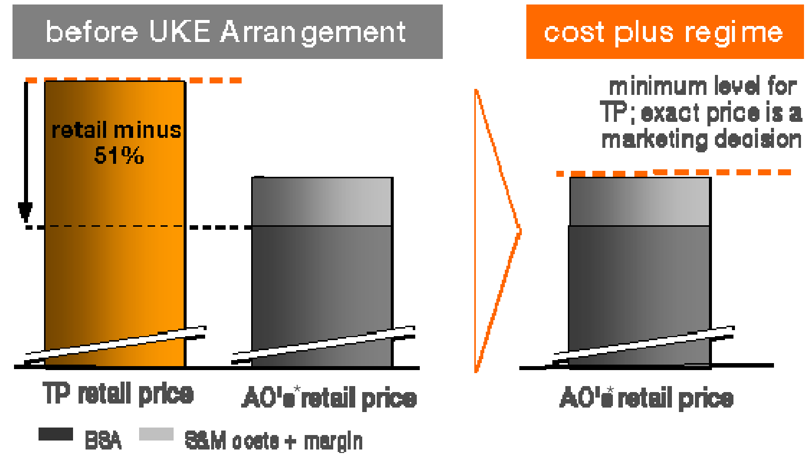
** excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

regulatory environment promotes fair competition & investments

❶ stability of the regulatory landscape

- external audits generally confirm non-discriminatory practices
- risk of functional separation has been minimised
- fixed wholesale prices are frozen for 3 years and independent from TP's retail pricing
- all BSA 2010 annexes signed with operators
- UKE proposal to cut voice MTR by only 1.57gr in July '11 in exchange for 3G investments

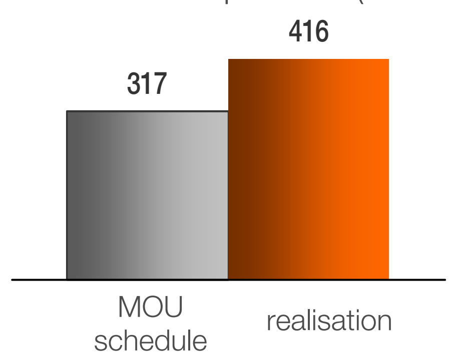
❷ cost plus: TP back in market competition



* AO – alternative telecommunication operator

❸ investments to fuel growth of the broadband market

2010 broadband production ('000 lines)

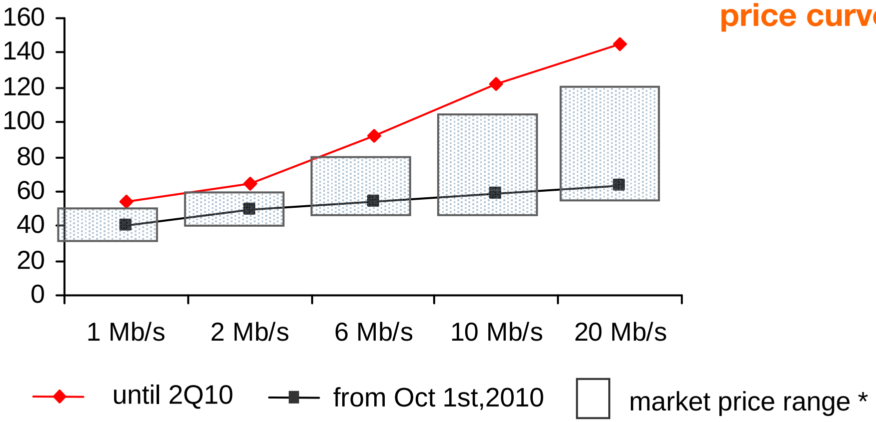


- PLN 663 mn capex spent on the broadband investment program in 2010
- 416,000 broadband lines built/modernised in 2010, out of the three year commitment of 1.2mn

broadband: fundamentals fixed in 2010, time for growth in 2011

with fundamentals fixed in 2010…

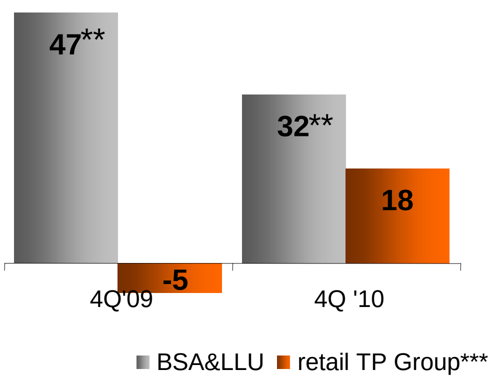
TP retail broadband price (PLN)



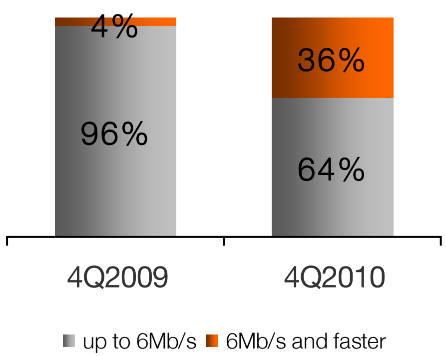
competitive & flatter price curve…

…is already bearing fruit

net additions



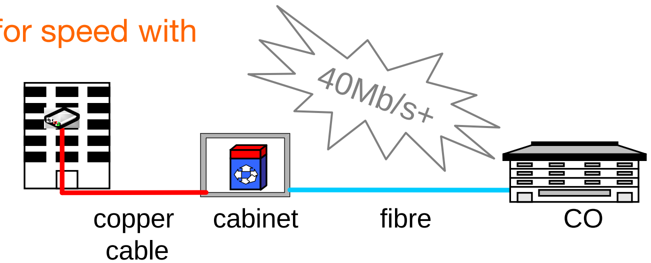
neostrada sales per speed



2011 will generate growth

❶ leverage on the TV co-operation

❷ push for speed with VDSL



❸ master our sales processes and customer relations

* comparison to competitors in the following speed range: 6Mb/s to 5-8Mb/s range, 10Mb/s to 10-15Mb/s range and 20 Mb/s to 16-25Mb/s range

** excluding Orange products sold based on BSA

*** including Orange based on BSA and CDMA

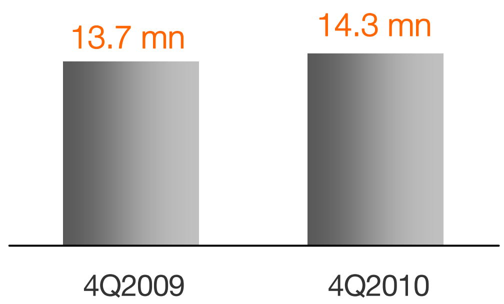
mobile: growth restored in 2010, smartphone uptake is ahead

for talking

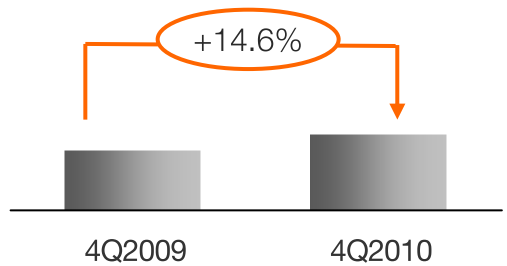
for texting

for browsing

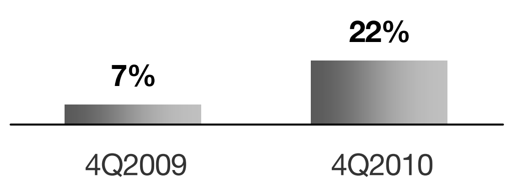
growing customer base ('000)



customer commitment *



share of smartphones in post-paid sales**



insight

- successful 2010:
  - customer base growth in a tough market
  - revenue growth restored
  - growing customer commitment
  - early signs of smartphone take-up
- smartphones in focus for 2011
  - potential to increase smartphone penetration in customer base
  - android-based smartphones are expected to be the next growth factor for mobile in Poland

* average customer commitment to minimum monthly invoice in PLN over the contract duration

** total smartphones in acquisition and retention in the period

cost optimisation delivered PLN ~0.5bn savings in 2010

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

PLN 481 million savings
compared to 2009

14% less vehicles
in TP car fleet

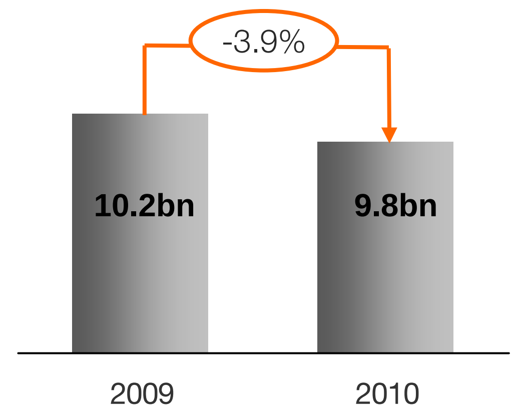
44.000 m² less office space
since 2009

~2 000 less FTEs
thanks to process optimisation

1.2 million e-invoices monthly
up from 0.4milion in 2009

5 strategic IT vendors
versus 88 in 2009**

total costs* (PLN mn)



* total cost base up to EBITDA, excluding revision of the provisions for claims and litigations, amounting to PLN 1,182 million in 2010 vs PLN 56 million in 2009
** IT consolidation will be completed with the choice of the vendor for ‘Corporate functions’ domain

all 2010 objectives successfully delivered

		outlook and guidance	results		
outlook on trends	market value and revenue	▪ 'revenue erosion expected at upper-range single digit figure, but smaller than in 2009' [-8.8%]	15.7bn	-5.1% yoy	✓
outlook on trends	costs and EBITDA	▪ 'EBITDA margin is anticipated to decline by a low single digit figure*'	36.7%**	-1.2 p.p.** yoy	✓
outlook on trends	capex to sales	▪ 'capex to sales ratio is anticipated in the range of 16%-18%'	17.3%		✓
guidance	net free cash flow	▪ **'at least PLN 2.3 bn** (excluding exceptional items and unpredicted regulatory impact)'	2.45bn		✓

* excluding exceptional items and unpredicted regulatory impact

**excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

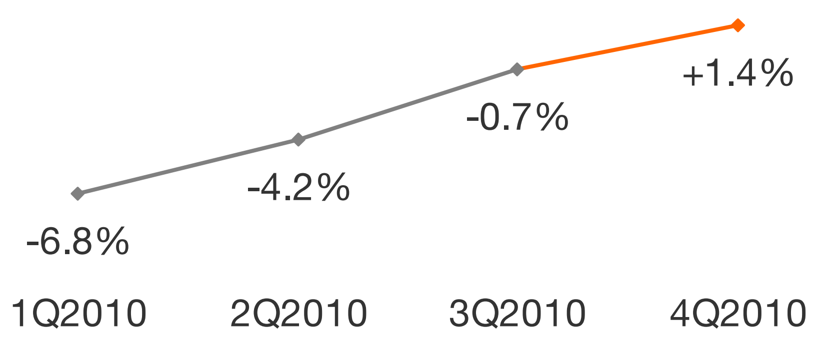
2 financial review

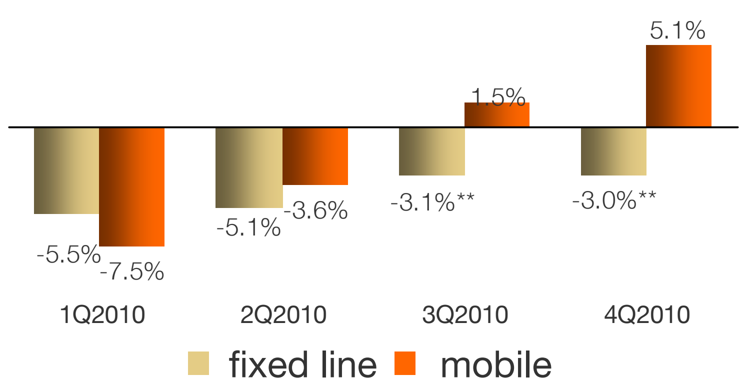
Jacques de Galzain
chief financial officer

market evolution progressively improved throughout 2010

market value year-on-year evolution

total telecommunication market*





*market value is an aggregate of operators' retail and wholesale telecommunication revenue, 2010 market data are Company's preliminary estimates

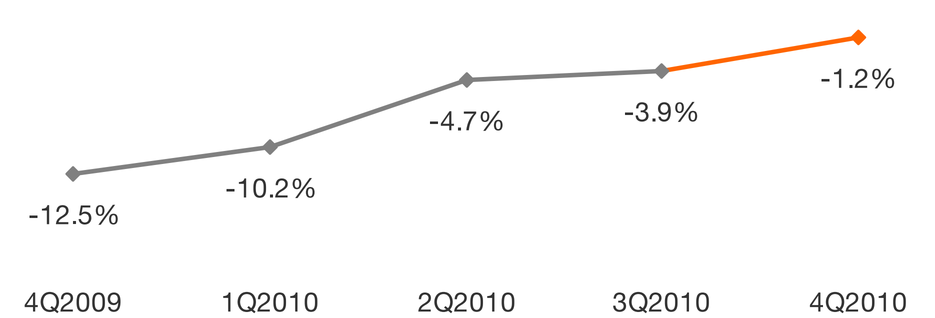
** segment value according to total operators' revenues, 2010 market data are Company's preliminary estimates

insight

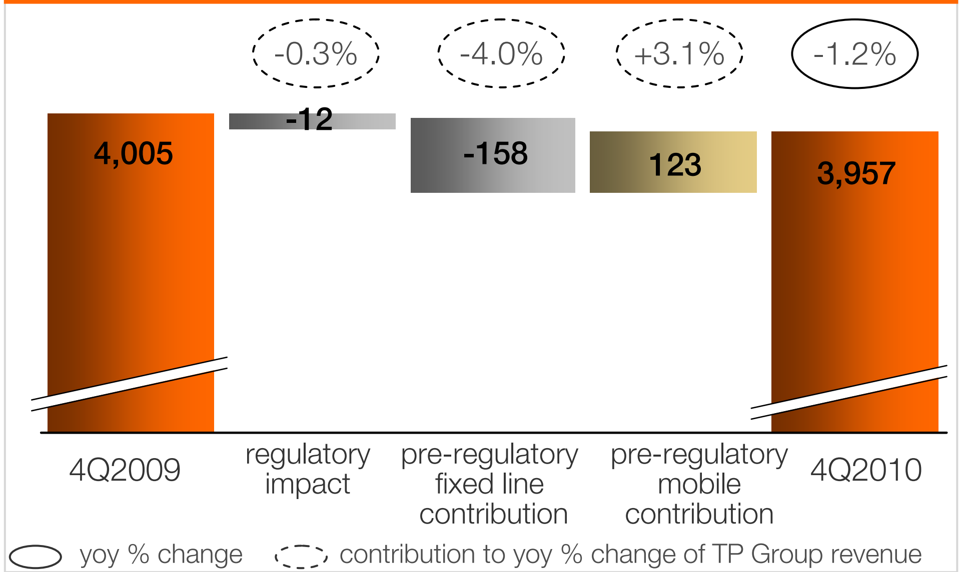
- **4Q growth in Polish telecom market,** driven by mobile segment
- total telecom market has decreased by -2.6% in 2010 versus -3.1% in 2009
- **mobile market back to growth** in 2H
  - MTR cuts do not impact the year-on-year comparison since 3Q
  - growing number of customers
  - encouraging usage growth, offsetting price pressure
- fixed market decline gradually slowed down
  - progress supported by broadband
  - 4Q comparison less affected by F2M price cuts (implemented in November 2009) than previous quarters

revenue trends approaching stabilisation

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



TP Group revenue evolution (in PLN mn)

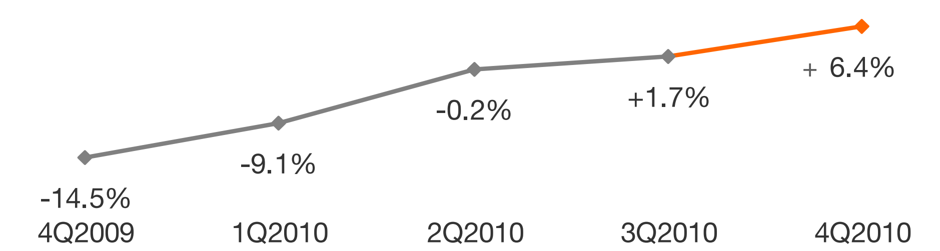


insight

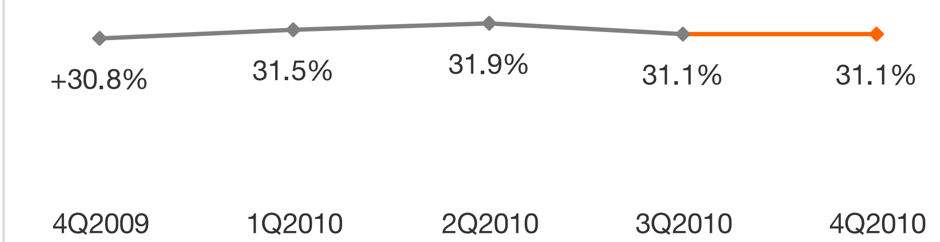
- 2010 revenue down by 5.1% as compared to -8.8% in 2009
- improvement in revenue momentum maintained, mainly thanks to mobile
  - with 4Q at -1.2% year-on-year, FY decline is limited to 5.1% (2H down by 2.6%)
- mobile revenue growth driven by another quarter of strong net adds
- stable pre-regulatory trends in fixed:
  - broadband revenue trend is anticipated to improve going forward
- regulatory impact immaterial for 4Q trends

mobile segment: strong growth in 4Q

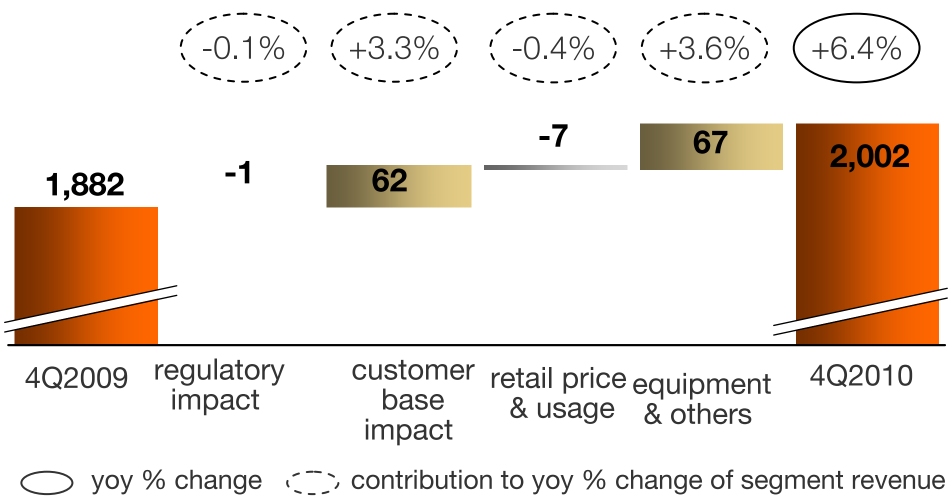
mobile segment revenue* evolution y-o-y (in%)



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



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



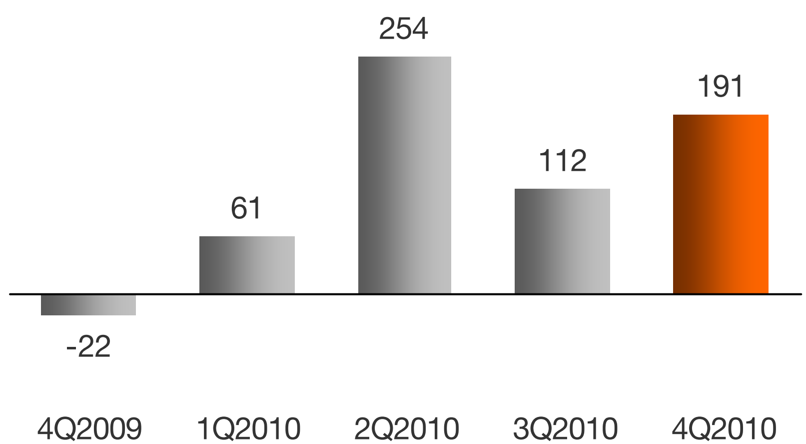
insight

- 4Q revenue growing by 6.4% year-on-year, due to:
  - comparable MTR situation (throughout 2H)
  - strong growth of the customer base
  - ARPU resilience to price pressure, due to growing usage
- with market share at 31.1%, Orange has maintained its market leadership
- smartphone growth is expected to be a growth engine in 2011

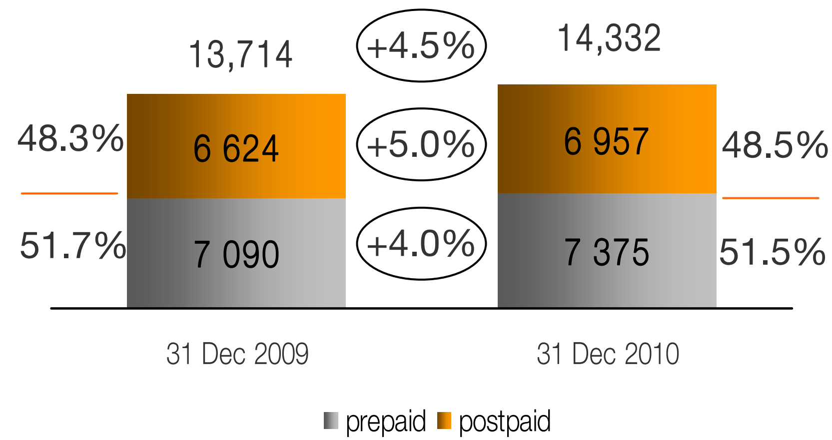
* incl. revenue from fixed services provided by PTK **company's estimation

customer base grew by 0.6mn in 2010, outpacing main rivals

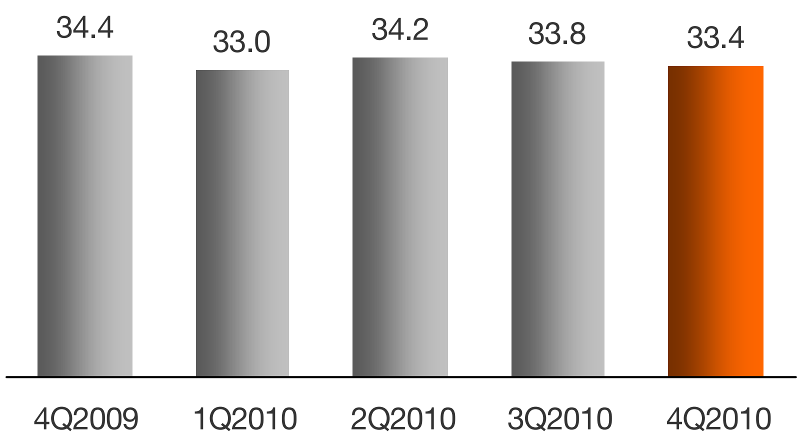
mobile net adds (in ‘000)



customer base evolution (in ‘000)



retail ARPU evolution (PLN/month)

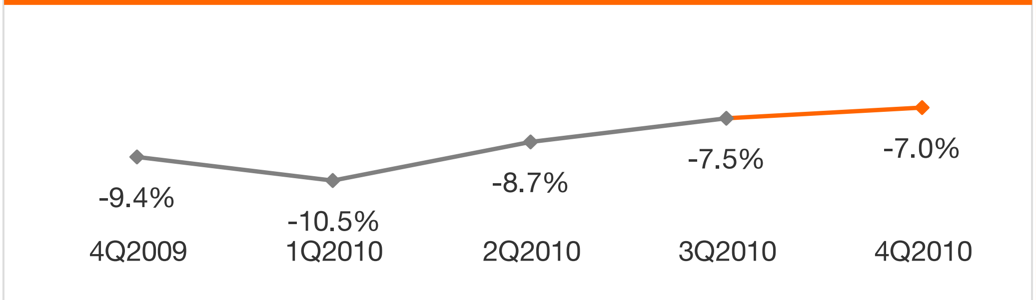


insight

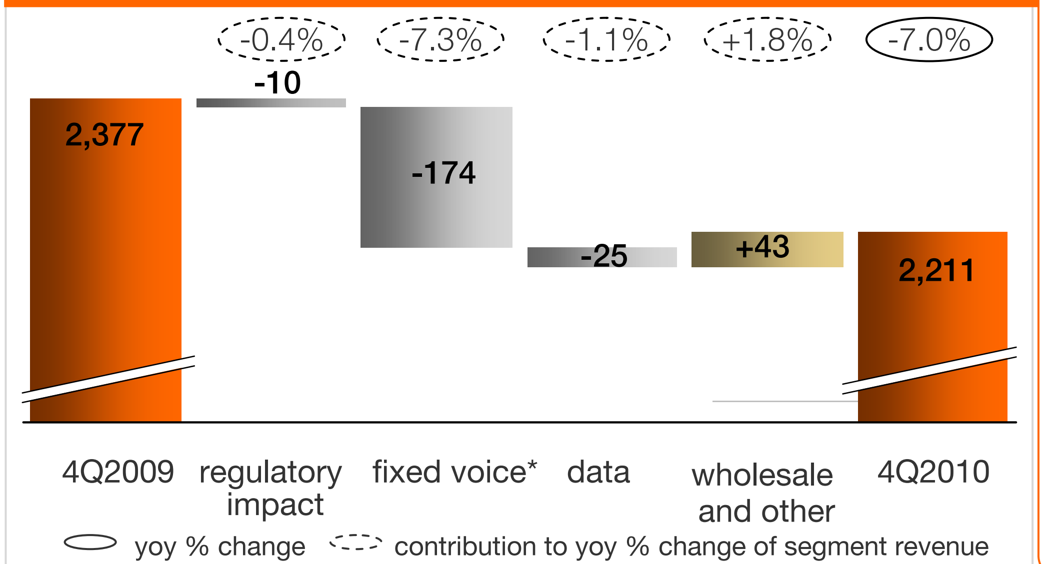
- customer base is up by 4.5%, outperforming the remaining two large rivals
- increase thanks to healthy growth both in post-paid and prepaid
  - both sub-segments adopted usage-based approach
- stable retail ARPU, despite price pressure,
  - thanks to growth of usage (+16% year-on-year in 4Q)

gradual upturn in fixed segment

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



fixed segment revenue evolution
(segment statutory in PLN mn)



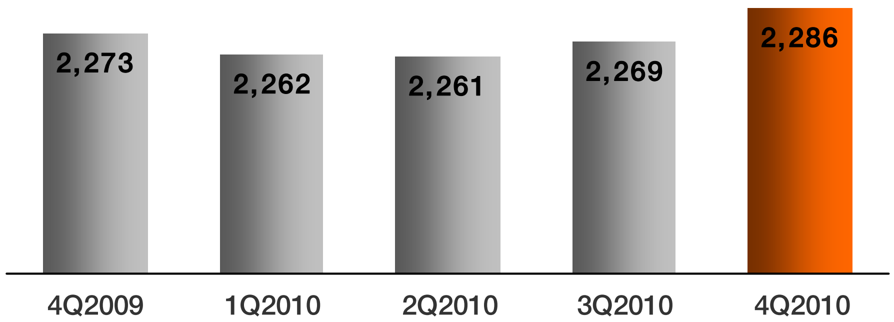
insight

- revenue trends improving for third consecutive quarter
  - further upturn possible when broadband growth becomes more material
- broadband performance recovering
  - visible customer base growth in 4Q confirms gradual turnaround
  - action plan in place to return to sustainable growth in 2011
- TV base has exceeded 0.5mn, reaching almost 24% broadband penetration
- growth in „wholesale and other" mostly due to WLR, BSA and LLU

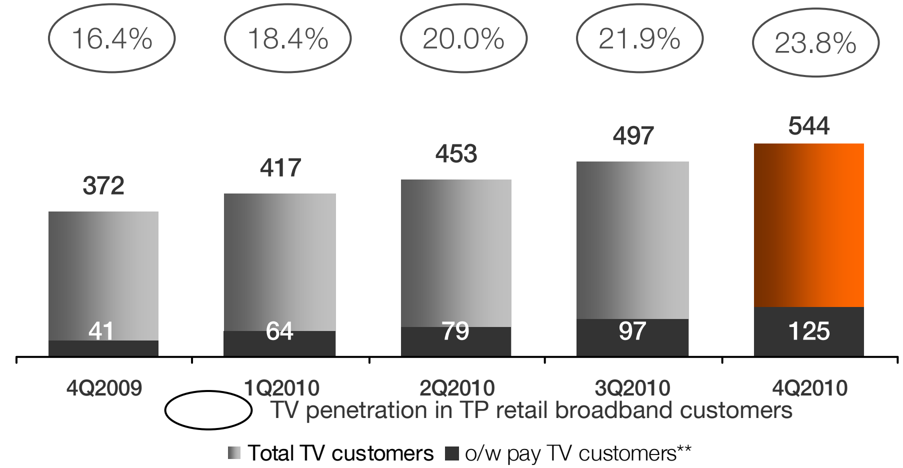
* pre-regulatory impact

subscriber trends: inflection point visible in broadband

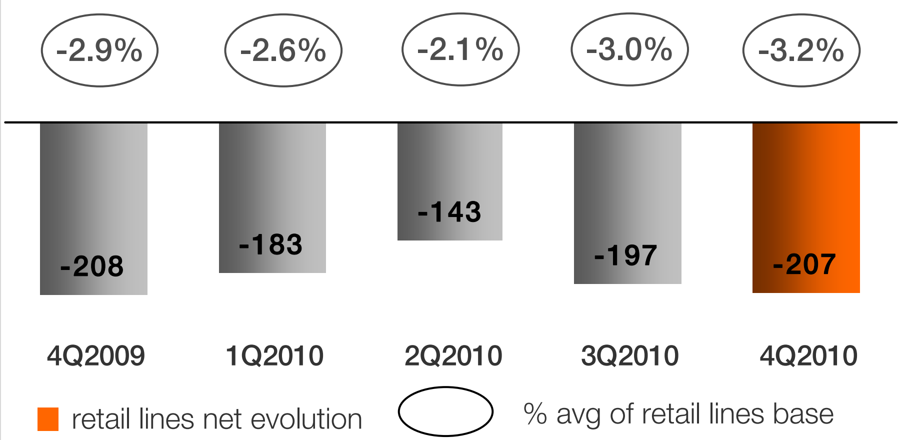
TP Group retail broadband accesses* (in ‘000)



TV customer base evolution (in ‘000)



retail lines evolution (in ‘000)



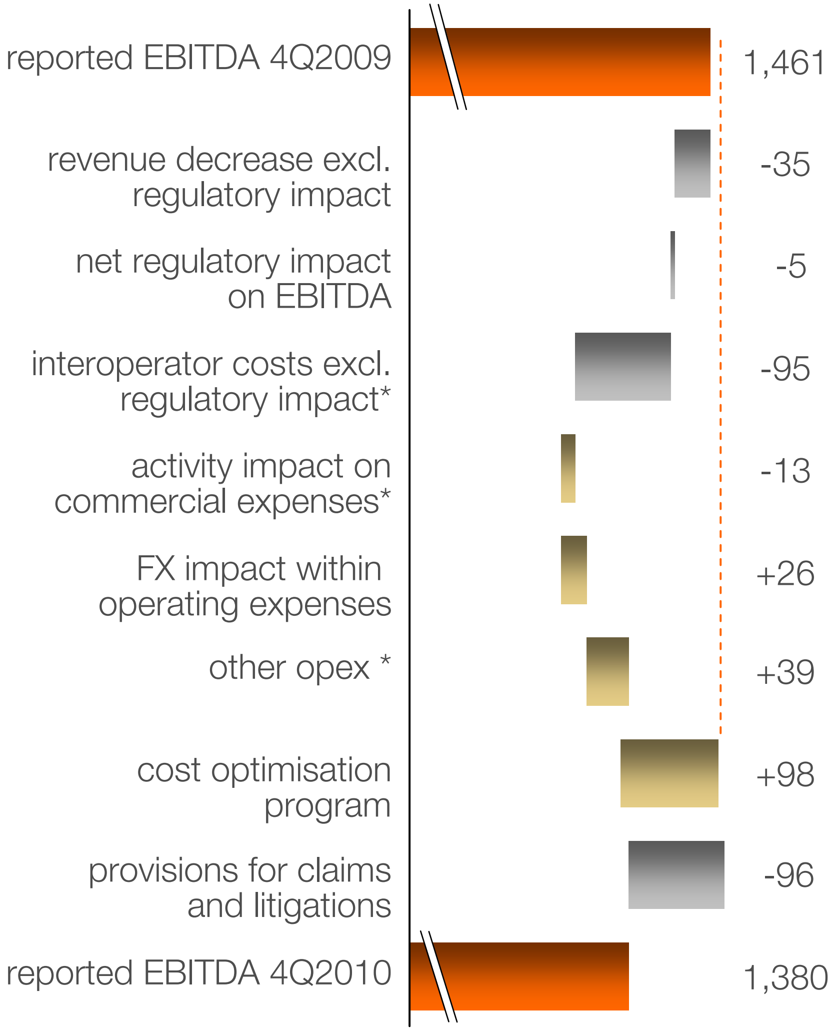
insight

- visible growth of broadband customer base
  - friendly-user-tests validate possibility to boost growth by implementing VDSL (40Mb/s and faster)
- TV base approaching 25% penetration in broadband, increasing customer loyalty
  - good growth of pay-TV base, expected to accelerate through co-operation with TVN
- FY fixed lines -730k, versus -924k in 2009
  - broadband growth and controlled VoIP migration should further limit the losses in 2011

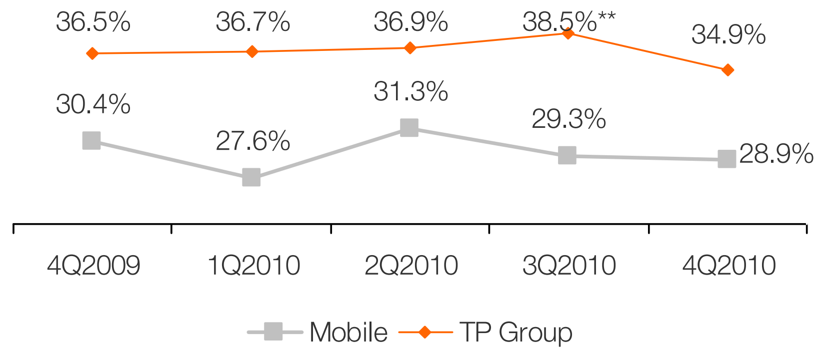
*Including CDMA and Orange Freedom
** includes TP’s M-, L – packages, Orange Sport and HBO

solid underlying EBITDA in 4Q despite high sales season

TP Group EBITDA evolution (in PLN mn)



EBITDA margin (in %)



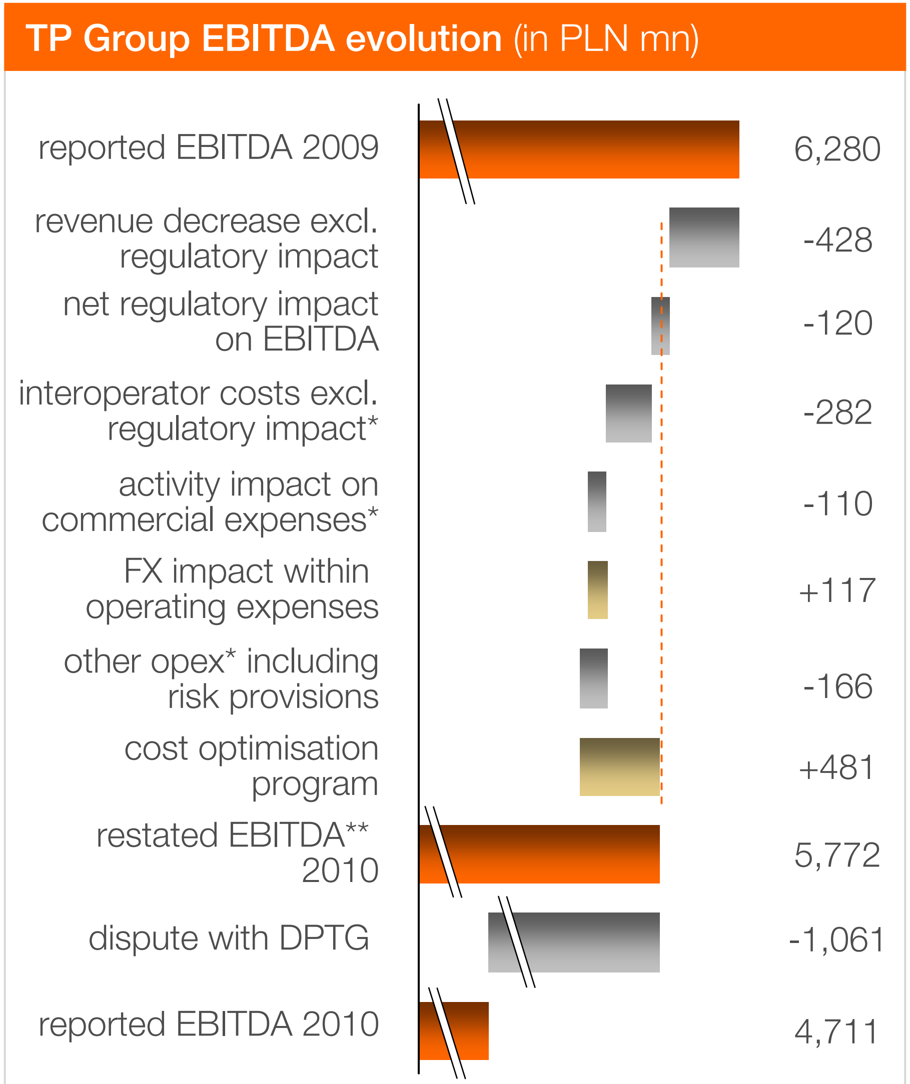
insight

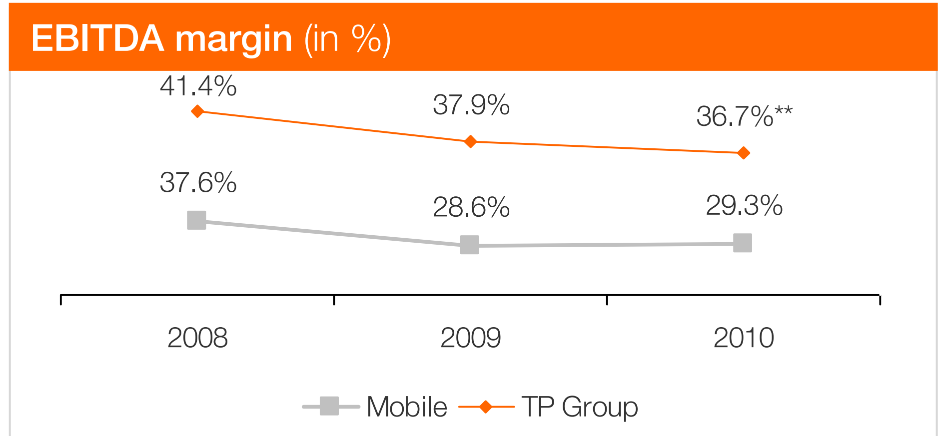
- EBITDA margin at 34.9% in 4Q, bringing 2H margin** to 36.7%
- 4Q EBITDA affected by PLN 0.1bn provisions for claims and litigation
- excluding risk provisions, 4Q EBITDA was up by 1% year-on-year
- limited FX and regulatory impact on 4Q
- interconnect and commercial costs driven up by strong growth in mobile customer base
- cost optimisation delivered PLN 0.1bn savings in 4Q, totalling PLN 0.5bn in 2010

* excluding FX impact and effect of cost transformation program

** excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

2010 EBITDA** margin at 36.7% helped by PLN 0.5bn savings





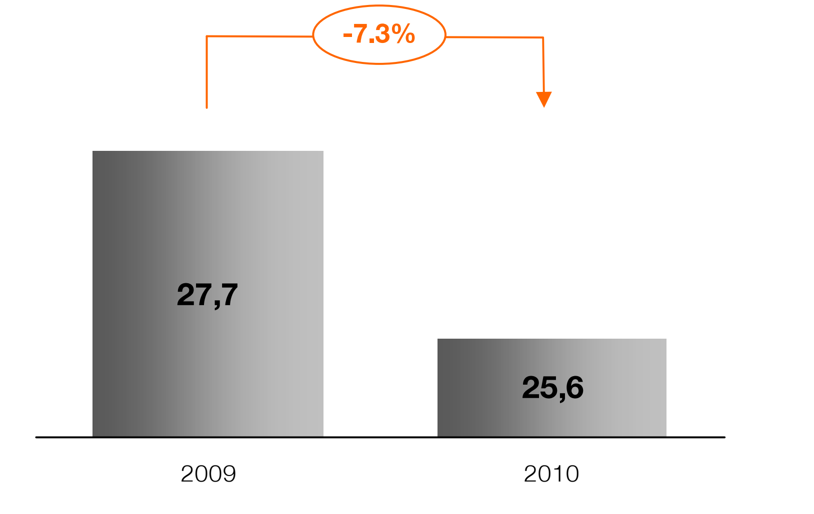
insight

- FY restated** EBITDA margin at 36.7%
  – mobile margin up by 0.7p.p. since 2009
- cost base*** down by 3.9% year-on-year, thanks to PLN 0.5bn savings
- regulatory impact affecting EBITDA in 1H, FX impact limited by use of hedging
- interconnect and commercial costs rising to support growth in mobile customers & usage
- 2010 reported EBITDA affected by -PLN 1.1bn provision increase for the dispute with DPTG

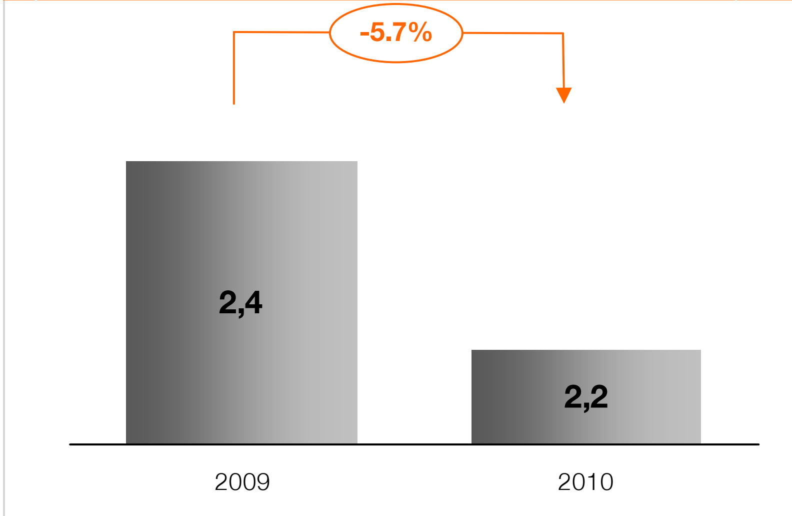
* excl. FX impact and effect of cost optimisation program ** excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010
*** cost base up to EBITDA, excluding revision of the provisions for claims and litigations; PLN 1,182mn in 2010 vs PLN 56mn in 2009

headcount and labour costs significantly reduced

TP Group employment (FTE '000 end of period)



TP Group labour expenses (PLN bn)



insight

- headcount decreased by ~2,000 FTEs in 2010
- ~5.7% savings in labour costs achieved
- all functions contributing to headcount reduction

stability of the restated* net income

in million PLN	2009	2010	change
EBITDA (restated)*	6,280	5,772	-8.1%
EBITDA reported	6,280	4,711	-25.0%
depreciation and amortization	*-4,150*	*-3,792*	*-8.6%*
impairment of non-current assets	*-33*	*-11*	*-66.7%*
operating income	2,097	908	-56.7%
net financial costs	*-499*	*-459*	*-8.0%*
of which foreign exchange gains / (losses)	-30	23	N/A
income taxes	*-315*	*-341*	*+8.3%*
net income (restated)*	1,283	1,200	-6.5%
net income (reported)	1,283	108	-91.6%
# of shares (weighted average, in millions)	*1,336*	*1,336*	-
EPS (restated)* (in PLN per share, basic & diluted)	0.96	0.90	*-6.3%*

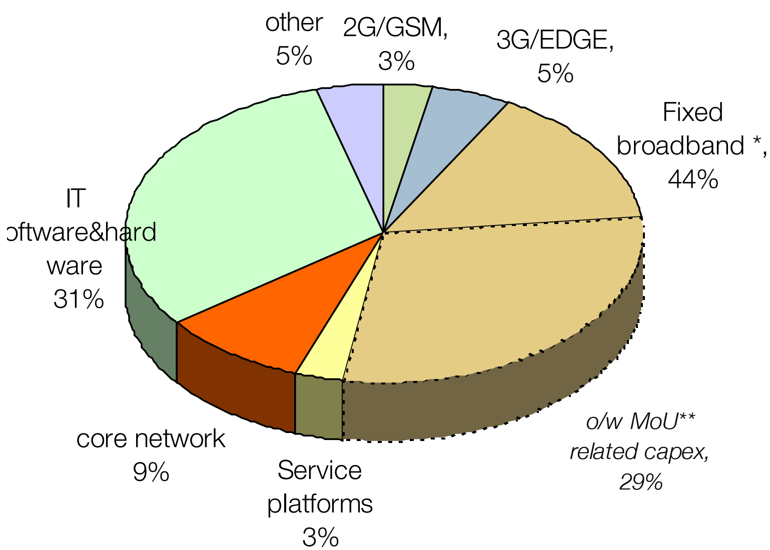
insight

- reported net income affected by PLN 1.1bn increase of provision for DPTG dispute
- EBITDA variance partially offset by gradually declining depreciation
- FX drove net financial costs down vs '09
- high effective tax rate due to non-tax deductible expenses incurred

* excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

capex: 2010 objectives delivered

TP Group key investment areas in 2010 (in %)

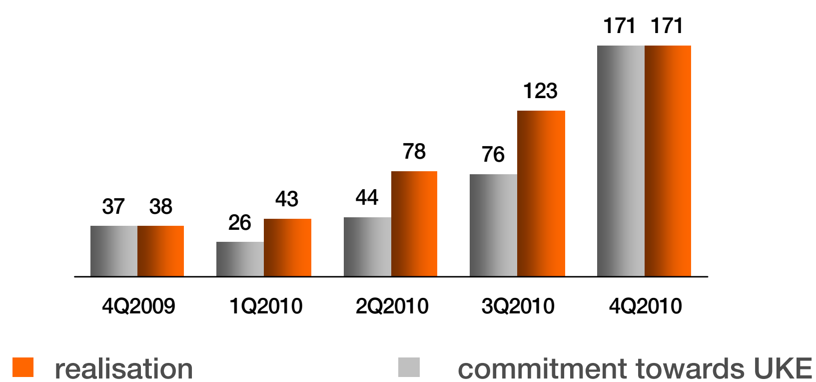


insight

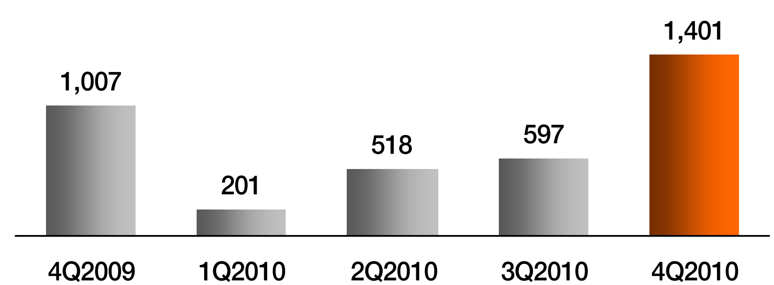
- capex ramp-up as planned in 4Q, bringing FY capex to 17.3% of revenue vs 13.3% in 2009
- over 40% of capex dedicated to broadband
- IT investments represent roughly 1/3 of total capex, supporting customer care and service delivery
- capex for backhaul and 2G/3G (~17% of total) includes capacity upgrades and HSPA2+ investments in southern Poland

UKE arrangement

broadband production ('000 lines)



TP Group capital expenditure evolution (in PLN mn)



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

2010 objective delivered: net free cash flow at PLN 2.4bn

in million PLN	2009	2010	Change
net cash flow from operating activities before income tax paid and change in working capital	5,878	5,251	-10.7%
o/w exchange rate effect on derivatives paid, net	*125*	*-50*	*n/a*
change in working capital	-35	-384	10x
CAPEX*	-2,185	-2,713	+24.2%
CAPEX payables	-123	637	n/a
income tax paid	-302	-337	+11.6%
net free cash flow (after tax paid)	**3,233**	**2,454**	**-24.1%**
as % of revenues	*19.5%*	*15.6%*	*-3.9pp*
sales of assets	33	85	1.6x
proceeds from sale of subsidiaries, net of cash	16	-	n/a
other investing activities	-22	-24	9.1%
FCF before financing	**3,260**	**2,515**	**-22.9%**

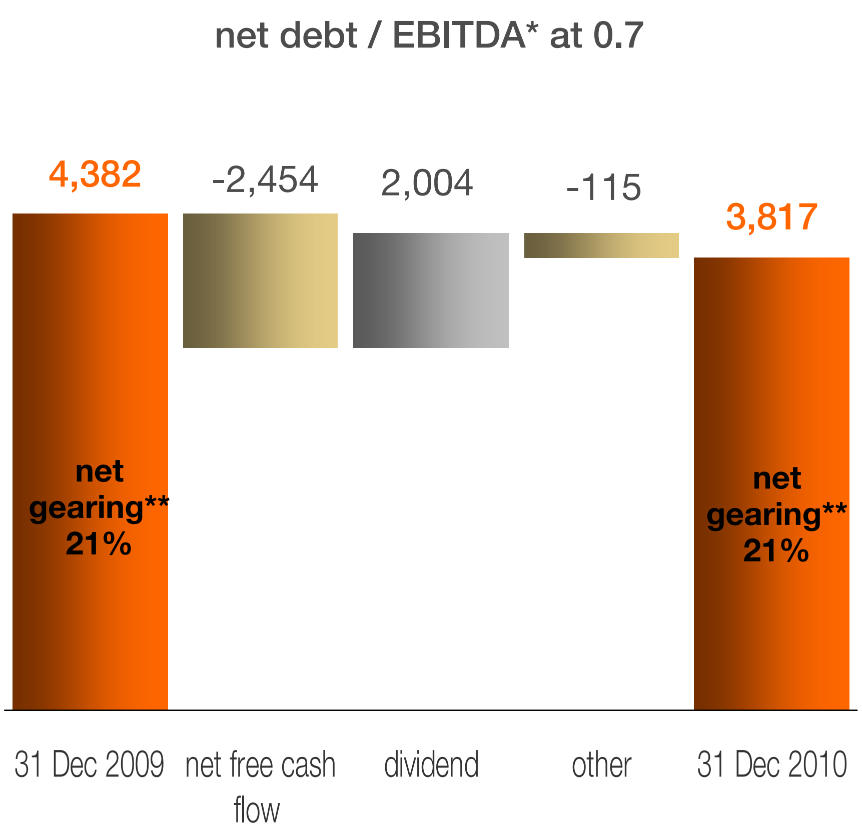
insight

- full year NFCF objectives delivered
- CF from operations driven down by lower EBITDA and -175mn impact of FX on derivatives
- capex up by ~PLN0.5bn, in line with outlook
- Impacts of EBITDA and capex partially offset by lower WCR and higher capex payables

* excluding capex financed by lease

net debt reduced by PLN 0.5bn

net debt evolution (in PLN mn)



insight

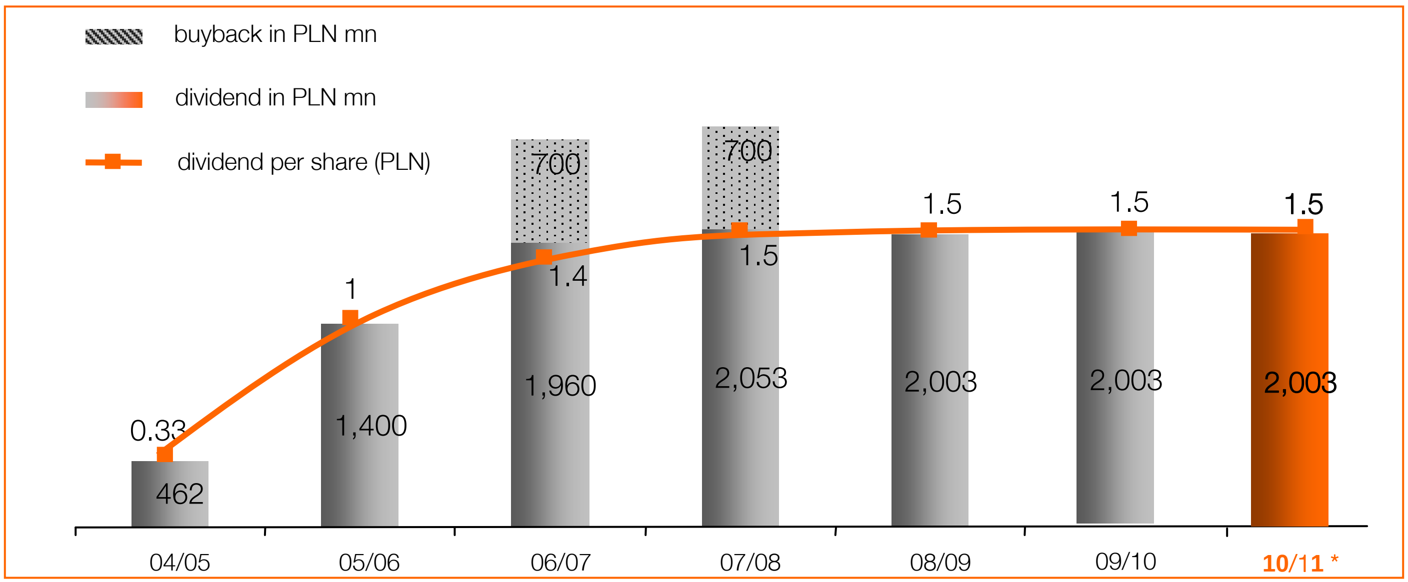
- available liquidity position:
  - – cash & equivalents at PLN 2.4 bn
  - – unused credit lines at PLN 2.0 bn
- back-up facility at PLN 1.6 bn
- effective hedging policy
- solid credit rating
  - – A3 / BBB+ with stable outlook
- PLN 2bn dividend paid on July 1st, 2010
- net debt reduced by PLN 0.5bn since 2009

*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)

dividend per share maintained at PLN1.5 in 2010

PLN 2,003 million* in ordinary dividend – equivalent to PLN 1.50* per share

- ordinary dividend per share (DPS) at PLN 1.50* will be proposed to the AGM
- attractive remuneration, yielding ~9% returns**
- as of today, no reason to change PLN 1.5 DPS level disclosed in the medium term plan



*subject to Shareholders' approval

** based on TP's share price as of 22 Feb 2010

3 outlook & conclusions

Maciej Witucki

president of the board and CEO

outlook and guidance: rebound anticipated in 2011

		FY 2010	FY 2011
outlook on trends	market and revenue evolution (yoy)	▪ market: -2.6% ▪ revenue:-5.1%	▪ market value affected by MTR cuts, but slower decline expected vs. '10 ▪ affected by new MTR cuts, revenue is anticipated to decline by at least 2%* but not more than 4.5%*
	EBITDA margin	36.7%**	▪ cost optimisation continued, costs base* expected to decrease yoy ▪ EBITDA margin anticipated between 36%* and 37%*
	capex to sales	17.3%	▪ capex anticipated between 17% and 19% of revenue*, broadband investment program continued
guidance	net free cash flow	PLN 2.45bn	▪ net free cash flow expected of at least PLN 2.4bn*

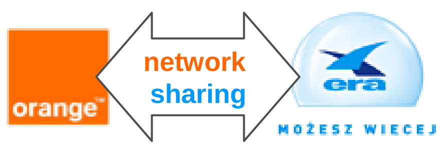
* excluding exceptional items, impact of claims and litigation, change in consolidation scope and unpredictable regulatory impact

** excluding the PLN 1.1bn revision of the provision for the DPTG dispute, recorded in 3Q2010

conclusions

- 2010 was a milestone on our way to a turnaround; we regained momentum in mobile, revamped broadband. Our cost savings stabilised profitability and cash generation

- within next 12 months, our turnaround should deliver: market leadership, revenue growth perspectives, sustainable profitability and cash generation:
  - we will strengthen our leadership in mobile and we expect growth in broadband,
  - efforts on the cost side will be continued to secure the financial results
  - customer excellence program launched to:
    - focus the entire Group around customer excellence,
    - match our offers with best-in-class customer service,
    - make customer care our differentiating factor from competition
  - implementation of key strategic initiatives started in 2010



4 Q&A session

5 appendices

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