TP Group results for 4Q and FY 2011

Warsaw
February 14th, 2012

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.

table of contents

1

2011 highlights

Maciej Witucki
president of the board and CEO

disciplined execution of our plan delivered results in 2011

pillars of action plan

re-focus on core business

re-engage with markets

re-balance operating model

- visible commercial progress as >0.3mn mobile net adds is coupled with 60k growth in Broadband
- improving revenue trends as, despite MTR cuts, revenue decline is limited to 4.1% in 2011 vs. 5.1% in 2010
- strong profitability maintained, with EBITDA margin at 36.3%*, as cost reduction program brought cost base 3.7%* down vs. 2010
- initiatives key to TP's future include network sharing with PTC, TV cooperation with TVN and social agreement with trade unions
- DPTG dispute settled in TP's and shareholders' best interest
- PLN 800mn share buyback launched following Emitel disposal

2011 guidance delivered, with NFCF of PLN 2.4bn

* 2011 excluding gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn)

regulatory environment

2011…

- stable and predictable regulatory environment in 2011 allows to focus on core business
- MTR cuts implemented at agreed levels and MTR cut glide path for 2012 agreed upon
- cost-plus BSA method benefiting both the market and the consumers
- TP Group meeting its obligations as agreed in the MOU with UKE

…and looking ahead to 2012

- new MTR cuts, known since 2011
  - voice MTR to be cut from 15.2gr to 12.2gr on July 1st
  - SMS MTR cut from 7gr to 6gr in January and to be cut to 5gr in July
- MTR asymmetry to P4 cut to 163% in January, 147% in July and to disappear by end of 2012
- consultations for 1.800MHz spectrum tender launched
- continuation of dialogue on FTTx regulation and geographical gradation of regulations
- extended MOU timetable allows TP to focus investments on VDSL

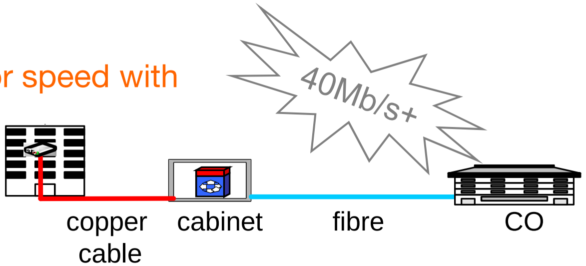
broadband trends slowly but progressively reversed

2011 action plan for broadband…

❶ leverage on the TV co-operation

☑

❷ push for speed with VDSL



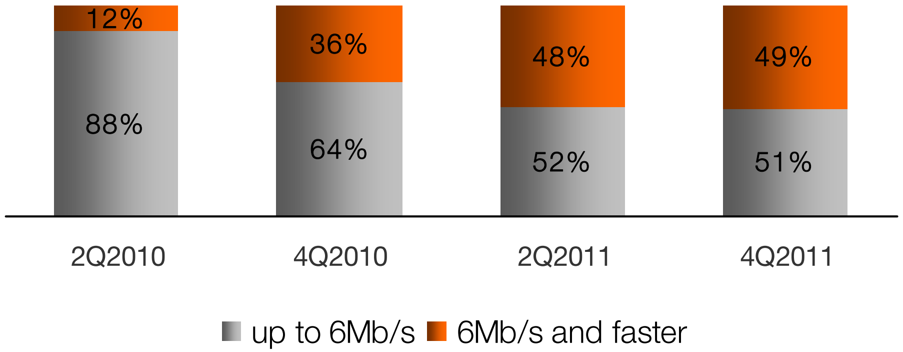
☑

❸ improve our sales processes and customer relations

☑

…brought progressive upturn

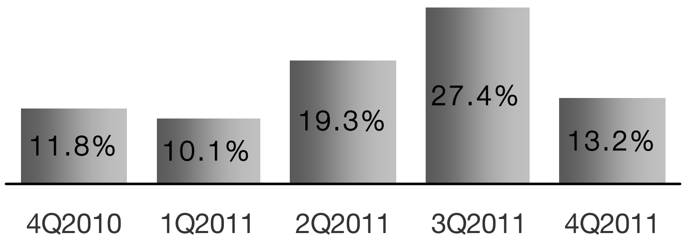
almost 50% of Neostrada sales are 6Mb/s+



annual market share in net additions* at ~17%

14.1% in H1

19.1% in H2



* including Orange based on BSA and CDMA, volume market share (source: company estimates)

mobile remains the key engine of Group's top-line

for talking

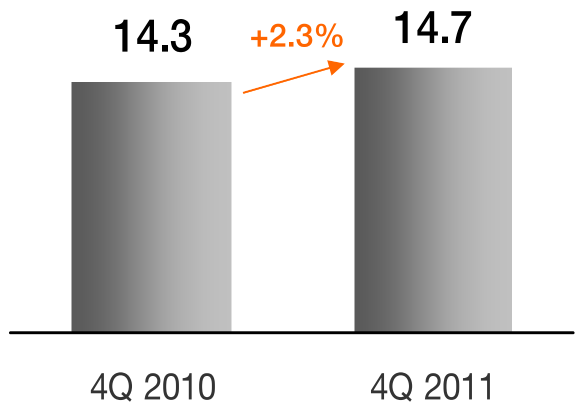
for texting

for browsing

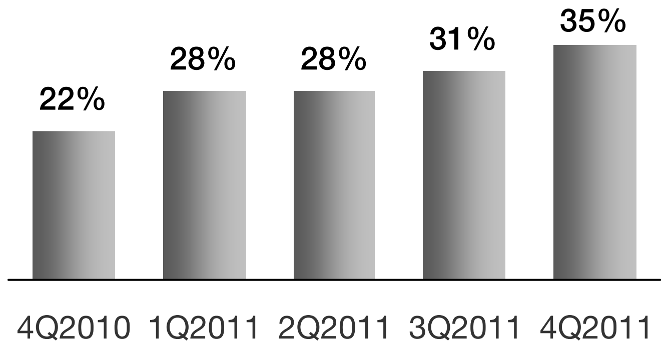
2011 achievements

- post-paid data ARPU +21% y-o-y (4Q data)
- HSPA+ DC technology launched and available for 58% of the population
- rising smartphone penetration in customer base
- 3P Orange offer launched

growing customer base ('000)



share of smartphones in post-paid sales*



* total smartphones in acquisition and retention in the period

optimisation continued with cost base 3.7% down since 2010

classical savings

- **sale of obsolete cabling**
  2,300+ tons of copper/other sold YTD
- **1.7mn e-invoices per month**
  up from 1.2mn last year

process simplification

- **2,300 less FTEs till 2014**
  agreed with trade unions

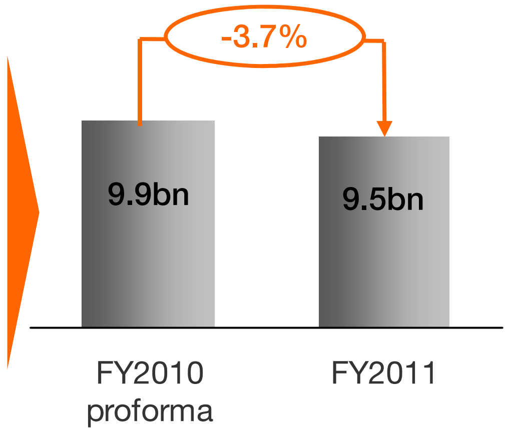
optimisation

- **set-top-box refurbishment**
- **commercial cost rationalisation**
  through effective customer retention

strategic cooperation

- **network sharing signed**
  full savings run-rate of PLN ~0.2bn p.a.
- **TP-TVN agreement**

total costs* (PLN bn)



* cost base up to EBITDA. 2011 excluding gain on Emitel disposal (PLN +1,183mn), increase in provision for EC fine (PLN -458mn), restructuring costs (PLN -172mn) and increase in DPTG provision (PLN -35mn). 2010 excluding revision of the provision for DPTG dispute (PLN -1,061mn)

all 2011 objectives successfully delivered

		outlook and guidance	results		
outlook on trends	market value and revenue	▪ affected by new MTR cuts, revenue is anticipated to decline by at least 2%* but not more than 4.5%*	14.9bn	-4.1% yoy**	☑
outlook on trends	costs and EBITDA	▪ EBITDA margin anticipated between 36%* and 37%*	36.3%***		☑
outlook on trends	capex to sales	▪ capex anticipated between 17% and 19% of revenue*, broadband investment program continued	17.5%		☑
guidance	net free cash flow	▪ net free cash flow expected of at least PLN 2.4bn*	2.4bn		☑

* excluding exceptional items, impact of claims and litigation, change in consolidation scope and unpredictable regulatory impact
** vs. pro-forma adjusted for de-consolidation of Emitel
*** excluding gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring costs (PLN -172mn) and increase in DPTG provision (PLN -35mn)

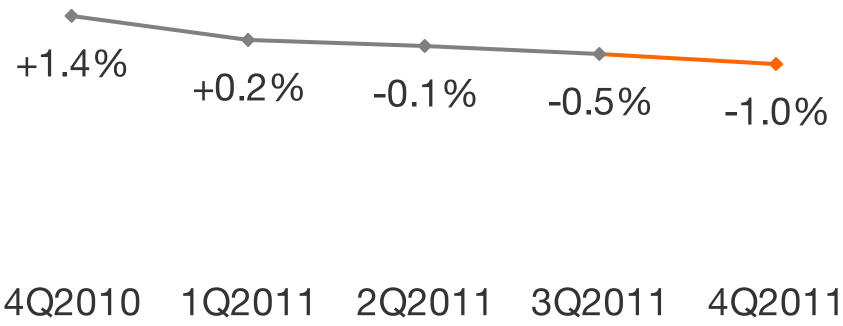
2 financial review

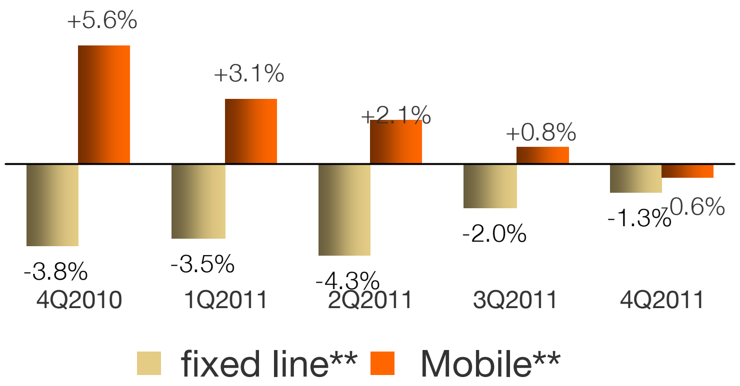
Jacques de Galzain
chief financial officer

market value almost flat in 2011, despite MTR cuts

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

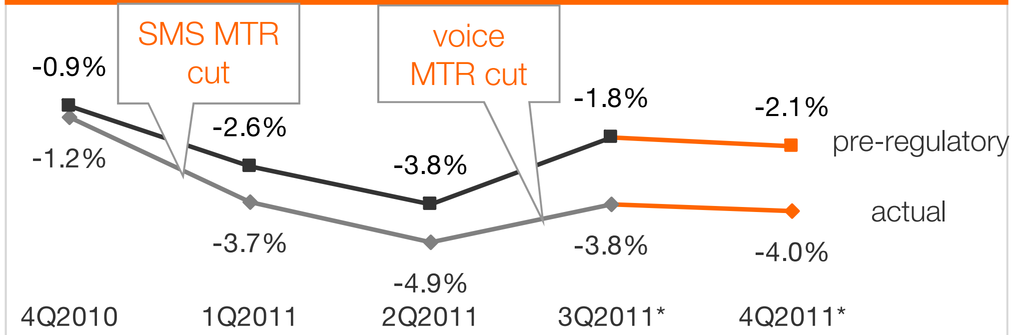
** segment value according to total operators' revenues, 4Q2011 market data are Company's preliminary estimates

insight

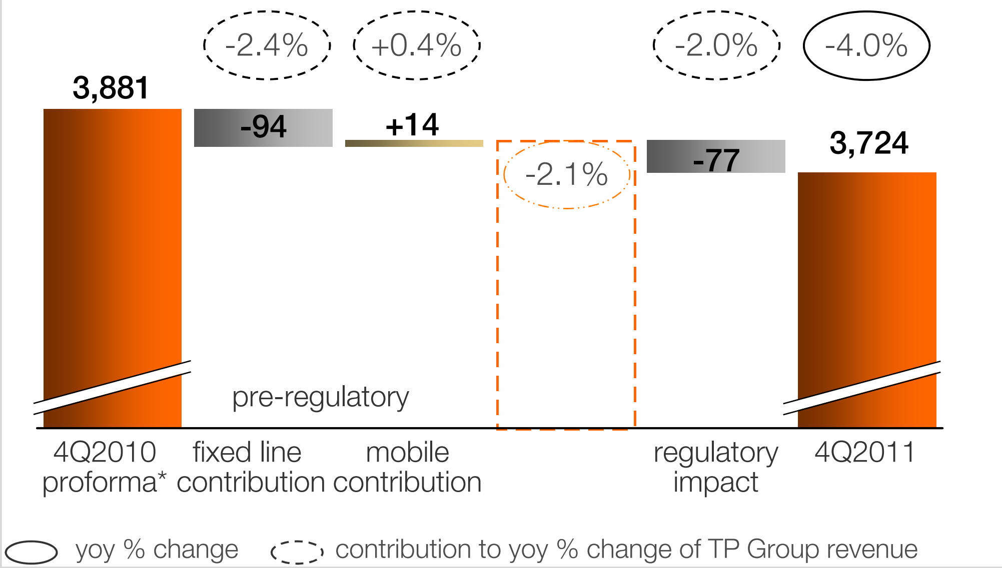
- visible impact of MTR cut on market evolution in 2H 2011
- total telecom market has decreased by -0.4% in 2011 vs. -1.9% in 2010
- mobile market fell slightly in 2H, following MTR reduction introduced on 1st July 2011
  - SMS MTR cut (Jan and July, 2011) impacted year-on-year comparison throughout 2011
  - voice MTR cut (July, 2011) impacted year-on-year comparison for 2H
- stable fixed market evolution
  - continued substitution to mobile
  - broadband market still driven by CATV

TP Group revenue decline limited to 3.9% in 2H vs. 4.3% in 1H

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



TP Group revenue evolution (in PLN mn)



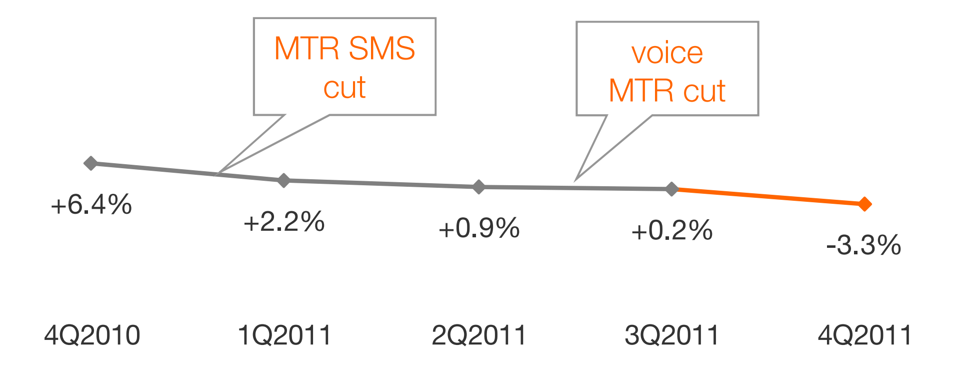
insight

- revenue down 4.0% in 4Q and 4.1% in 2011
  - excl. regulatory impact 4Q revenue fell 2.1% year-on-year,
  - comparison to 2010 affected by voice and SMS MTR cuts
- pre-regulatory mobile segment growing by 0.5% in 4Q and 3% in 2011
  - driven by growing number of customers; +326,000 year-on-year
  - retail ARPU, maintained >PLN 32
- revenue decline slowed down in fixed
  - fixed voice revenue erosion slowed down
  - broadband top-line stabilised since 3Q
  - F2M substitution is still a material factor

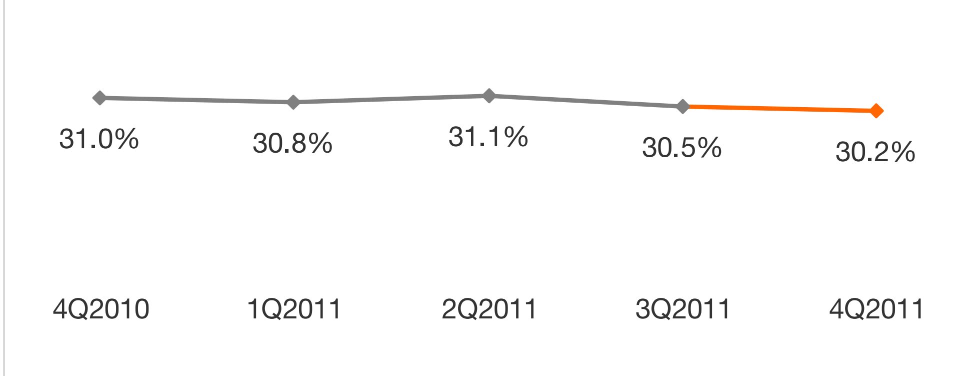
* vs. pro-forma, adjusted for de-consolidation of Emitel

4Q mobile segment revenue up by 0.5% excl. regulatory impact

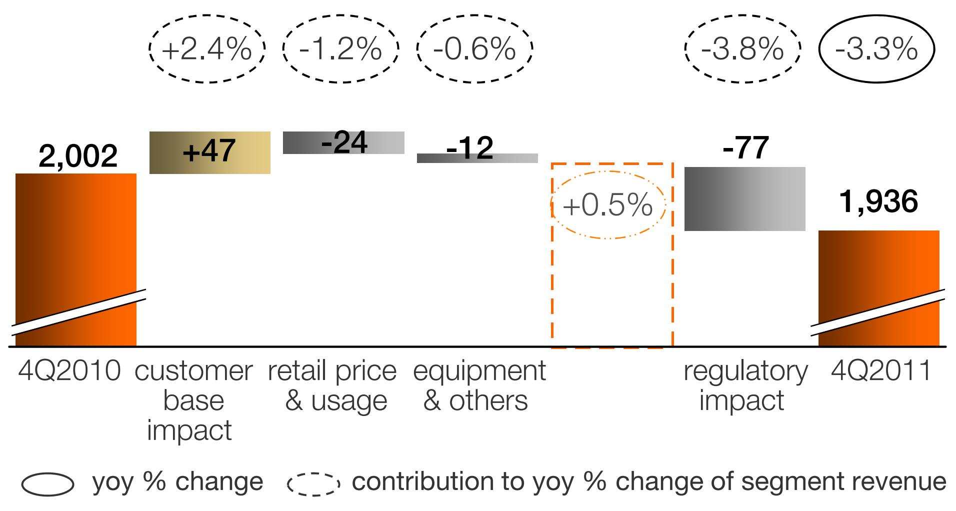
mobile segment revenue* evolution y-o-y (in%)



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



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



insight

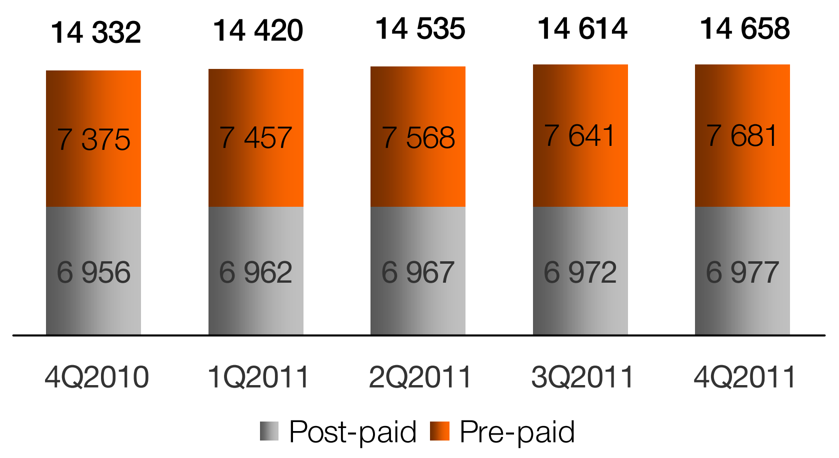
- excluding MTR cuts revenue rose by 3% in 2011 and by 0.5% in 4Q (year-on-year)
  - driven by growing customer base (+2.3% yoy)
  - due to ~21% growth of postpaid data ARPU
  - despite less equipment sales and other non-recurring revenues than a year ago
- Orange maintained stable market share and leadership in market value

* incl. revenue from fixed services provided by PTK

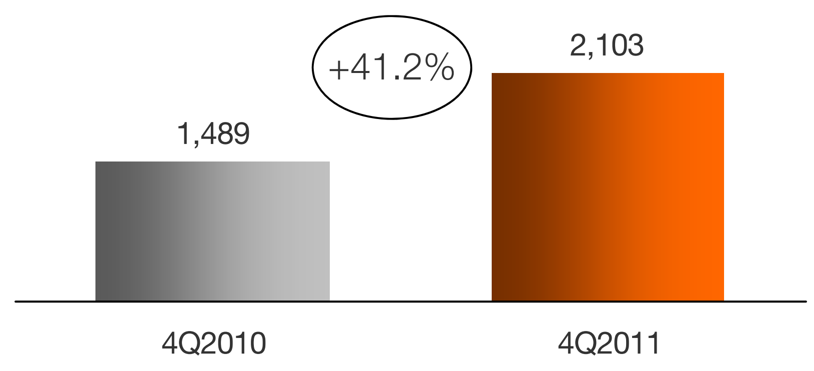
**company's estimation, 2010 estimates reviewed to up-to-date data from PLAY

growth of mobile customer base, which exceeds 14.6mn

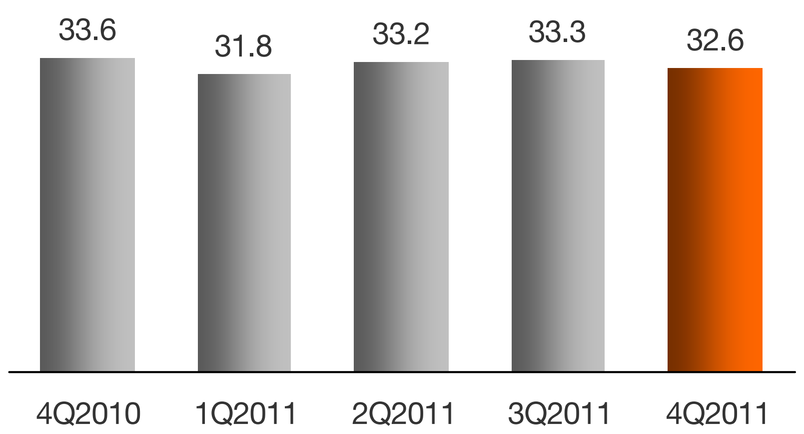
customer base evolution (in '000)



number of smartphones (in '000)



retail ARPU evolution (PLN/month)

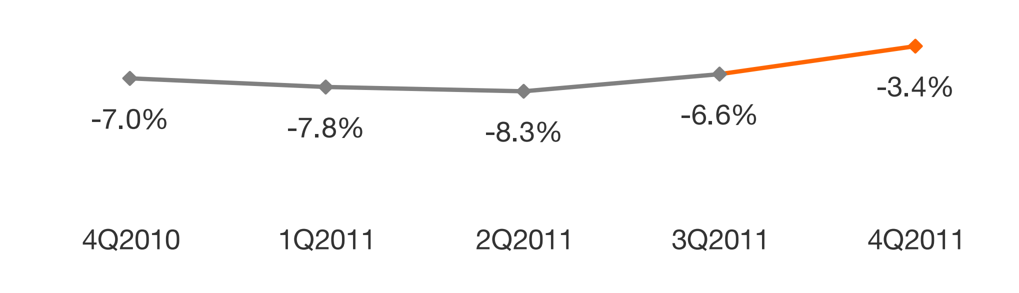


insight

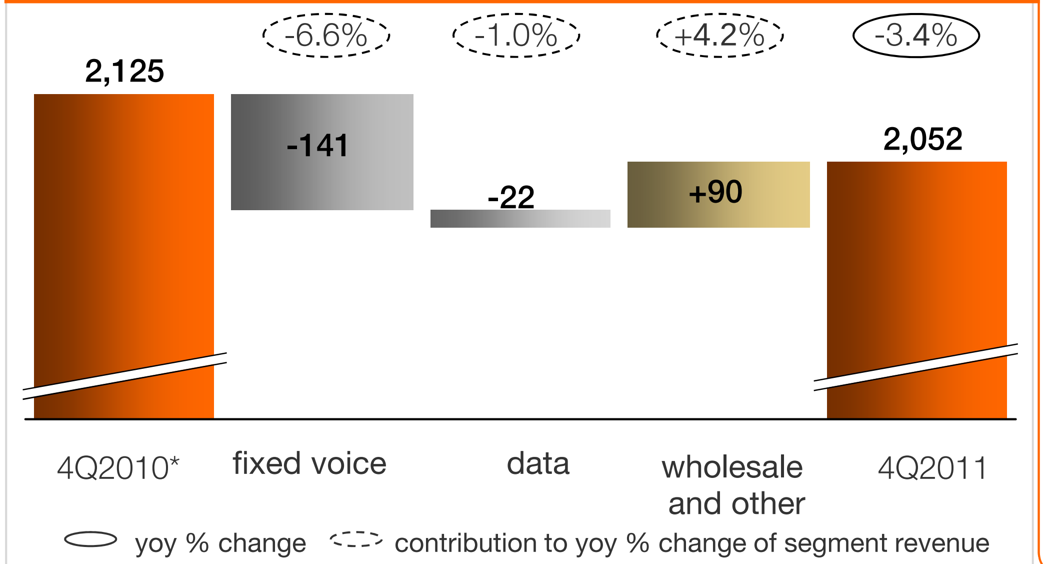
- customer base continues to grow at 2.3% year-on-year, despite competitive environment
- retail ARPU resilient to price pressure
  - 20.8% growth of data ARPU in post-paid, driven by increasing number of smartphones
- share of smartphones rose to 35% of post-paid sales and retentions

4Q fixed segment trends helped by international traffic and ICT

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



fixed segment revenue evolution
(segment statutory in PLN mn)



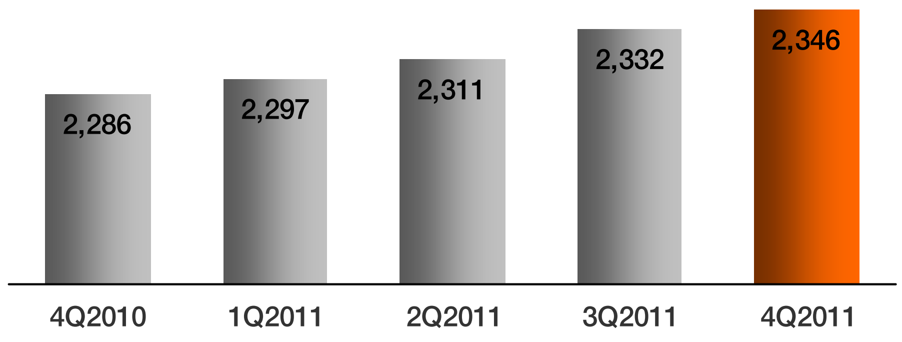
insight

- revenue trends improving, with 2H at -5.0% year-on-year vs. -8.1% in 1H
- 4Q top-line decline limited to 3.4%, helped by wholesale and ICT:
  - wholesale growth driven by backhaul for mobile segment and international transit
  - PLN 65mn revenues from ICT related projects
- broadband revenue stabilised since 3Q, with broadband base +60k year-on-year
- TV base reached 636k subscribers
  - over 27% of broadband customers also have the TV offer

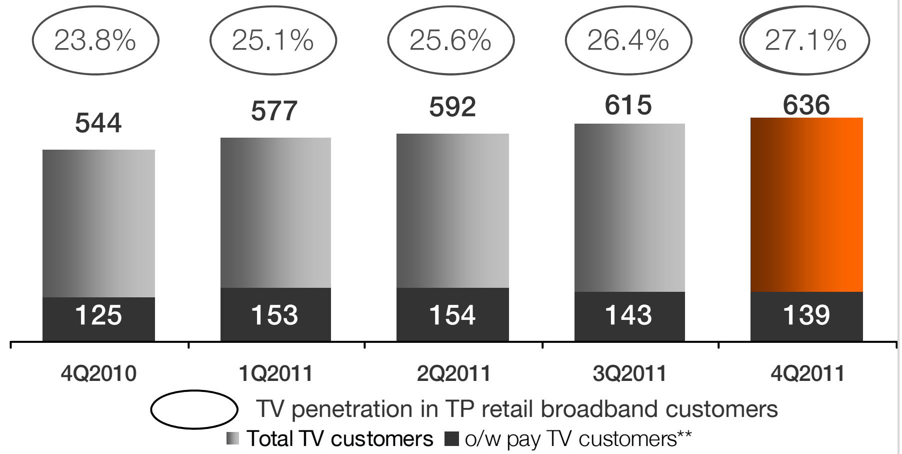
* pro-forma, adjusted for the deconsolidation of Emitel

growth of the broadband base present throughout 2011

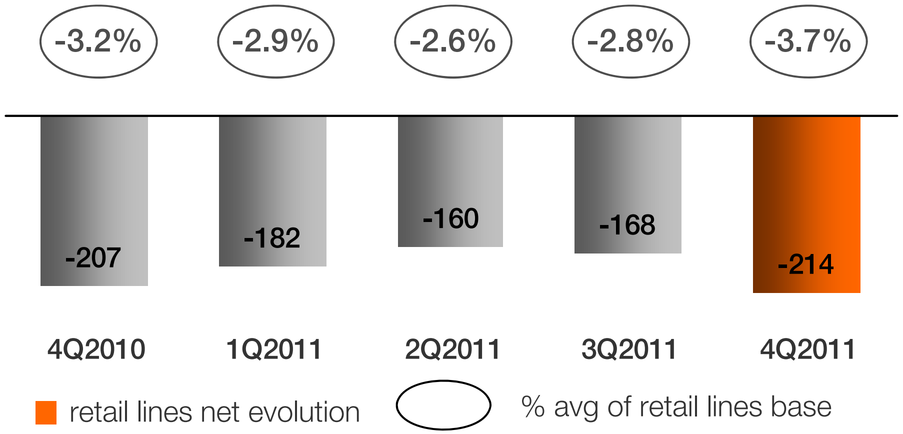
TP Group retail broadband accesses* (in '000)



TV customer base evolution (in '000)



retail lines evolution (in '000)



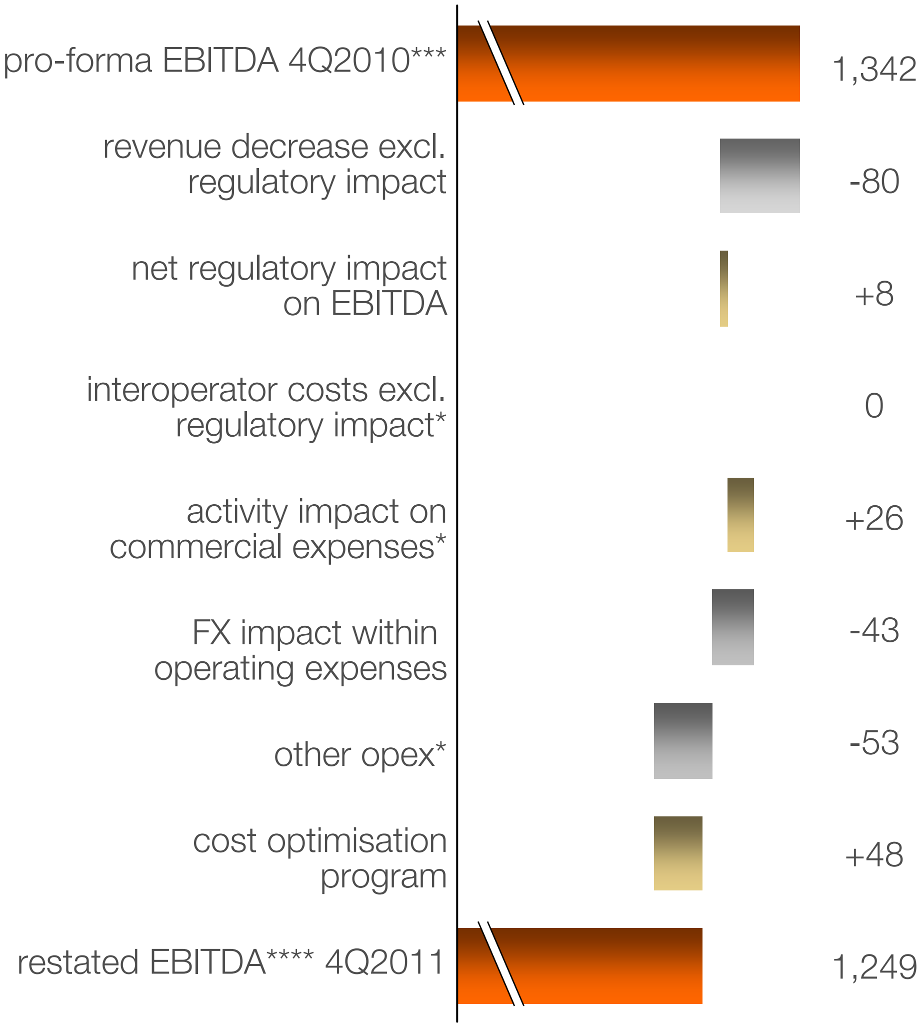
insight

- broadband growth continued: with 2011 at +2.6% or +60k year-on-year
  - full year net adds market share at 16.8%
- TV base exceeded 600,000 customers
- fixed line decrease contained to 11.4% in 2011

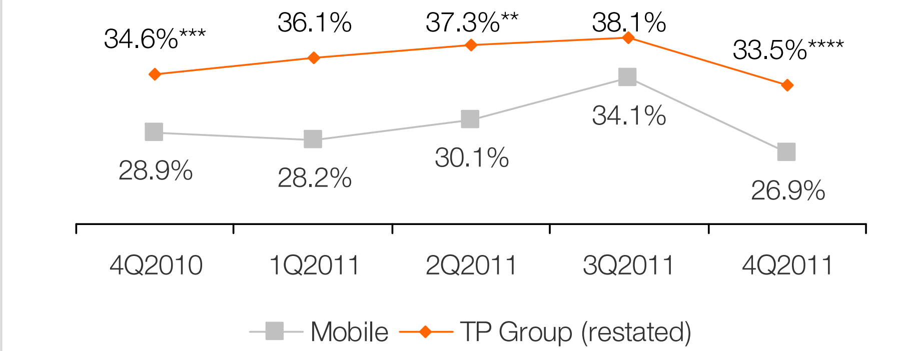
*Including CDMA and Orange Freedom
** includes TP's M-, L – packages, Orange Sport, HBO and 'n' customers

seasonally lower 4Q EBITDA margin impacted by FX

TP Group EBITDA evolution (in PLN mn)



EBITDA margin (in %)



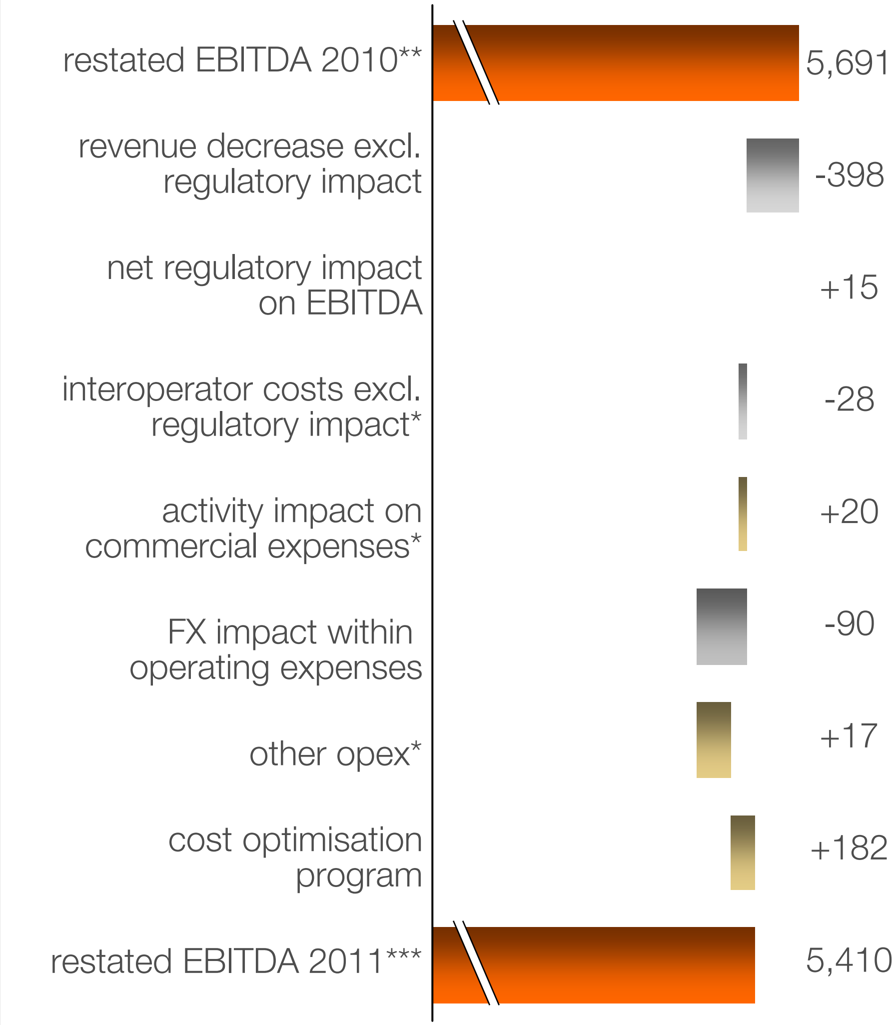
insight

- Group's EBITDA margin at 33.5% in 4Q and 35.8% in 2H
- excluding FX impact, 4Q restated EBITDA would have stood at 34.7% margin
- 4Q cost base down by ca. 2.5% since last year, despite PLN 43mn adverse FX impact
- other opex increasing by PLN 53mn mostly due to legal fees in 4Q 2011
- cost optimisation continued, with additional PLN 48mn year-on-year savings in 4Q

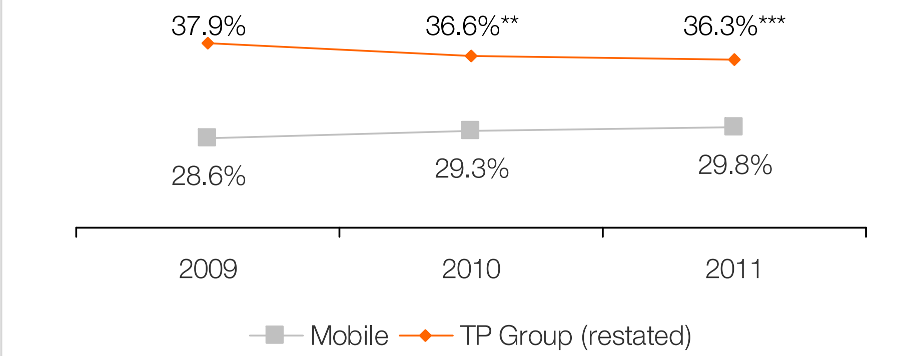
* excluding FX impact and effect of cost transformation program
** excluding gain on disposal of Emitel (PLN +1,188) and increase in provision for European Commission fine imposed (PLN -458mn)
*** 2010 pro-forma adjusted for the deconsolidation of Emitel
**** excluding add. costs on Emitel disposal (PLN -5mn), restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn)

solid 2011 EBITDA margin, stable since last year

TP Group EBITDA evolution (in PLN mn)



EBITDA margin (in %)



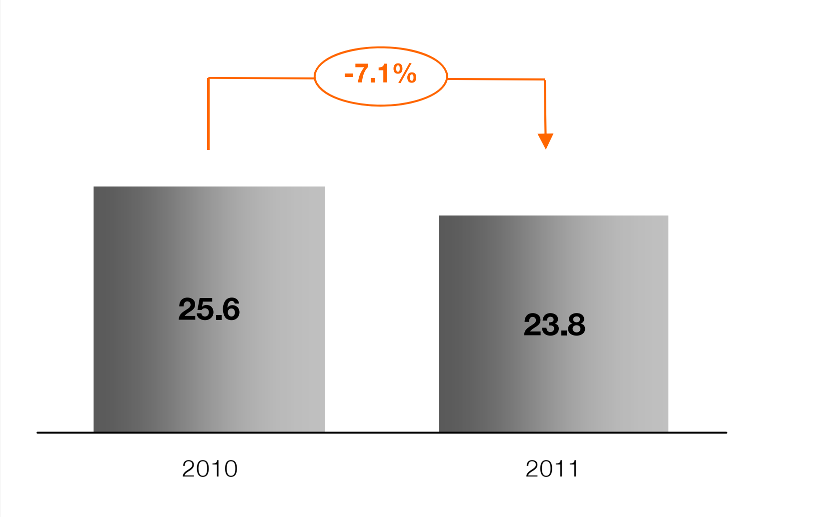
insight

- EBITDA margin at 36.3% in 2011 as compared to 36.6% in 2010
- excluding FX impact, Group's EBITDA would have stood at 36.9% margin
- solid contribution from the mobile, with EBITDA up by 1.7% and at 29.8% margin
- EBITDA driven down mostly by fixed revenue
- -PLN 90mn FX impact due to weak zloty
- cost base 3.7% down also due to PLN 182mn savings delivered by optimisation program

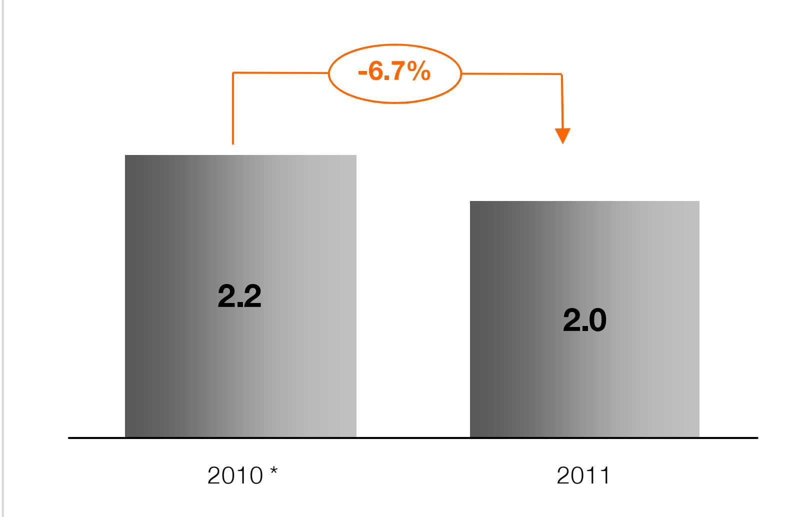
* excluding FX impact and effect of cost transformation program
** 2010 pro-forma and excluding impact of DPTG provision revision (PLN -1,061mn)
*** excluding gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring costs (PLN -172mn) and increase in DPTG provision (PLN -35mn)

labour costs optimisation to be continued in 2012 and 2013

TP Group employment (FTE '000 end of period)



TP Group labour expenses (PLN bn)



insight

- 1,831 FTE reduction since 2010 includes -941FTEs in relation to Emitel disposal and 344 FTEs transferred to Networks!
- headcount optimisation will be continued with 2,300 FTEs to take part in a voluntary leaves program in 2012-2013
  - PLN 172mn restructuring provision has been booked in 4Q accounts in relation to headcount restructuring
  - once completed, the program will generate annual savings of over PLN 200mn

* 2010 pro-forma adjusted for de-consolidation of Emitel

net result at a solid PLN 1.9bn with EPS at 1.44

in million PLN	FY2010***	FY2011	4Q2010***	4Q2011
EBITDA (restated)**	5,691	5,410	1,342	1,249
EBITDA	4,630	5,928	1,342	1,037
depreciation and amortization	*-3,770*	*-3,703*	*-936*	*-836* 1
impairment of non-current assets	*-11*	*-9*	*-5*	*-3*
share of profit of investments accounted for using the equity method		*1*		*1*
operating income	849	2,217	401	199
*net financial costs**	*-465*	*-432*	*-121*	*-101* 2
of which foreign exchange gains / (losses)	24	7	7	3
income taxes	*-331*	*133* 4	*-89*	*260* 3
net income	53	1,918	191	358
net income (restated)**	1,143	1,019	191	297
# of shares (weighted average, in millions)	*1,336*	*1,334*	*1,336*	*1,330*
EPS (in PLN per share, basic & diluted)	0.04	1.44	*0.14*	*0.27*

1. depreciation less impacted by accelerated charges
2. lower financial costs due to €300mn bond repayment and impact of derivatives valuation
3. tax asset recognition on DPTG
4. includes tax relief for 2006-2010, tax asset on DPTG settlement, no tax on Emitel disposal

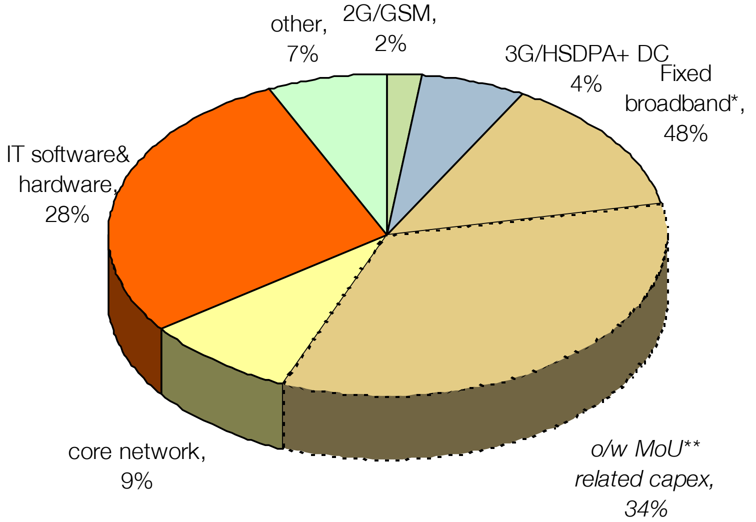
* including discounting expenses

** excluding Emitel disposal (PLN +1,188mn), provision for EC fine (PLN -458mn) booked in 2Q 2011, restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn) and add. costs on Emitel disposal (PLN -5mn) booked in 4Q 2011. FY 2010 excluding -PLN 1.061 mn revision of provision for DPTG dispute. Additionally, net income excluding deferred tax impact on DPTG (PLN +240mn) and restructuring provision (PLN +33) booked in 4Q2011 and technology tax relief for 2006-2010 (PLN+108mn) recognized in 3Q 2011.

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

capex at PLN 2.6bn or 17.5% of sales

TP Group key investment areas in 2011 (in %)

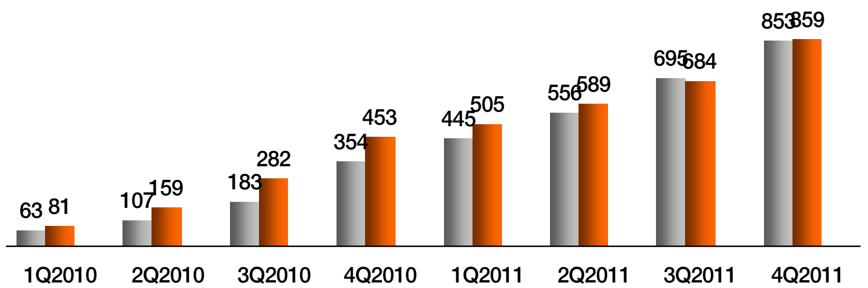


insight

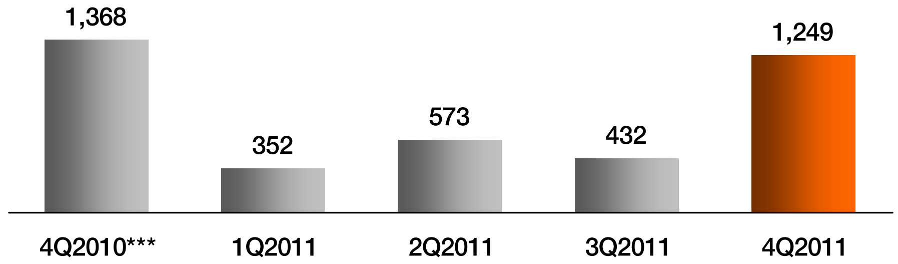
- Broadband represents the main category of spend, with 48% share in total
  - capex resulted from MOU with UKE amounted to PLN 0.9bn in 2011
  - total capex spent on the MOU to-date amounts to PLN 1.7bn
- 859k Broadband lines have been delivered to-date (101% of MOU target).
- HSPA DC coverage reached 58% population

UKE 'Memorandum of Understanding
(investment declaration)

accumulated 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 *** adjusted for the de-consolidation of Emitel

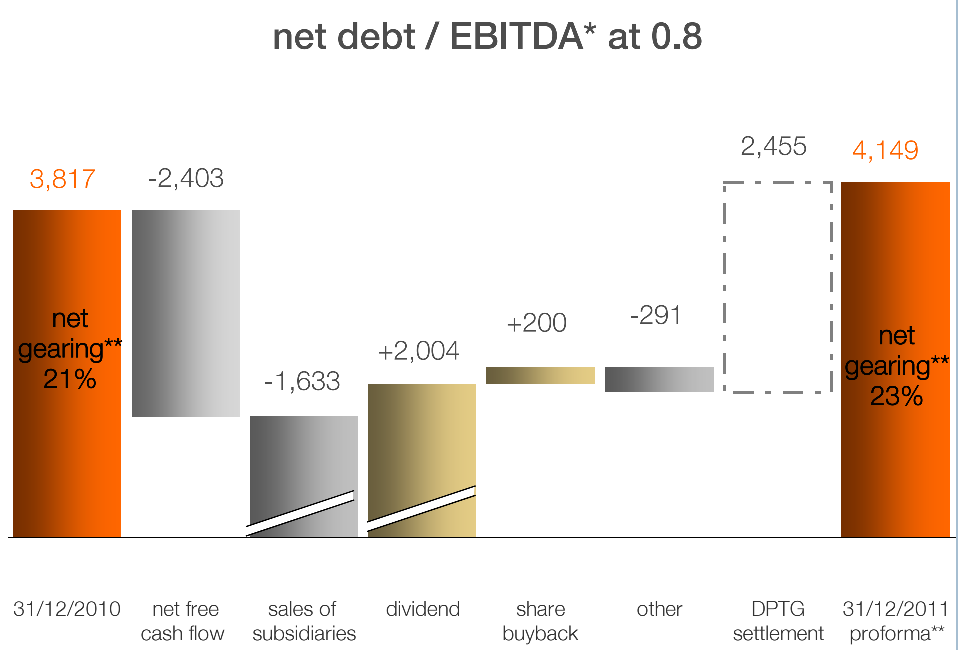
2011 objective delivered: net free cash flow at PLN 2.4bn

in million PLN	FY2010 reported	FY2011 reported	change
net cash flow from operating activities before income tax paid and change in working capital	5,251	5,004	-4.7%
o/w exchange rate effect on derivatives paid, net	*-50*	*72*	*n/a*
change in working capital	-384	353	n/a
CAPEX*	-2,732	-2,598	-4.9%
o/w Emitel contribution	*-73*	*-28*	*-60.0%*
CAPEX payables**	642	-168	n/a
income tax paid	-337	-188	-44.2%
net free cash flow after tax paid	2,440	2,403	-1.5%
as % of revenues	*15.5%*	*16.1%*	*-0.6ppts*
sales of assets	85	55	-35.3%
proceeds from sale of subsidiaries, net of cash	-	1,633	n/a
other investing activities	-10	-12	20.0%
FCF before financing	2,515	4,079	62.2%

* 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

strong balance sheet, with pro-forma net gearing at 23%

net debt evolution (in PLN mn)



insight

- available liquidity position as of Dec 31:
  – cash & equivalents at PLN 2.9 bn
  – unused credit lines at PLN 2.0 bn
- back-up facility at PLN 1.8 bn
- pro-forma net gearing, including DPTG settlement, at 23%
- effective hedging policy
- solid credit rating
  – A3 / BBB+ with stable outlook

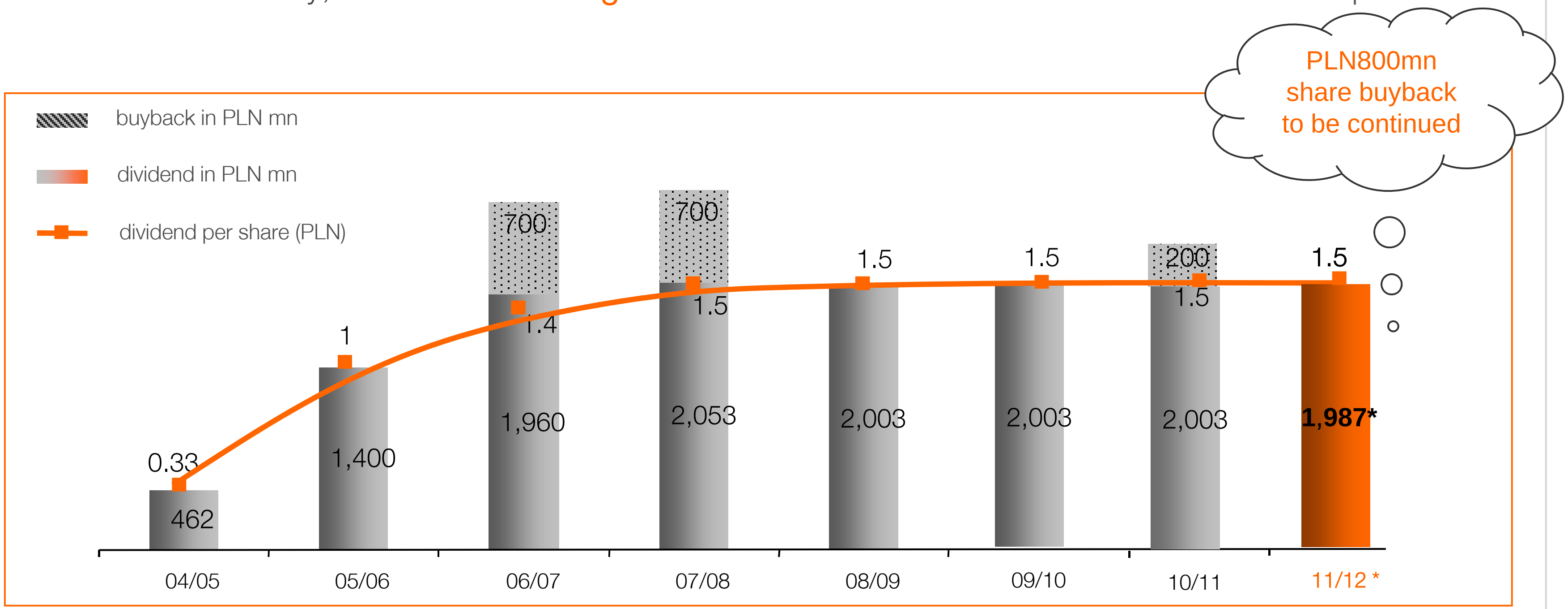
* restated EBITDA, adjusted for gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring provision (PLN -172mn) and increase in DPTG provision (PLN -35mn)

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

dividend per share maintained at PLN1.5 in 2011

PLN 1,987 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, total dividend based on number of shares in circulation as of Dec 31, 2011

** based on TP's share price as of 13 Feb 2012

3 outlook & conclusion

Maciej Witucki
president of the board and CEO

outlook and guidance for 2012

		FY 2011	FY 2012
outlook on trends	market and revenue evolution (yoy)	▪ market: -0.5% ▪ revenue:-4.1%*	▪ market value affected by MTR cuts, nearing stabilisation ▪ revenue is anticipated to decline by not more than 3%**
	EBITDA margin	36.3%*	▪ cost optimisation continued, costs base* expected to decrease yoy ▪ EBITDA margin anticipated between 35%** and 37%**
	capex to sales	17.5%	▪ capex anticipated between 15% and 17% of revenue**, broadband investment program continued
guidance	net free cash flow	PLN 2.4bn	▪ net free cash flow expected of at least PLN 2bn**

* vs. pro-forma for 2010. EBITDA excluding gain on Emitel disposal (PLN +1,183mn), provision for EC fine (PLN -458mn), restructuring costs (PLN -172mn) and increase in DPTG provision (PLN -35mn)

** excluding €550mn payment to DPTG, exceptional items, change in consolidation scope

conclusion

- disciplined execution of our action plan brought important progress in 2011
  - progress in financials, as improvement in revenue trend was coupled with stable EBITDA margin
  - milestones in strategic projects for the future of TP Group
  - risk reduction through a resolution of the key legal dispute
  - sale of a non-core asset that allowed an increase in shareholder remuneration

- within 2012 we will continue implementing our plan in its last year
  - we will maintain leadership in mobile and make every effort to bring the restored growth in broadband to higher levels
  - revenue decline should be slowed down and rigorous cost control will be continued to secure financial performance
  - we will leverage on Orange sponsoring of the EURO 2012 to enhance brand perception
  - customer excellence program will deliver more convergent offers, faster service implementation and better customer care to make it our differentiating factor

5 Q&A session

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