



**Current Report (53/2015)
Orange Polska S.A., Warsaw, Poland
October 21, 2015**

Pursuant to art. 56, clause 1, item 1 of the Law of July 29, 2005 on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies (Journal of Laws of 2005, No. 184, item 1539 with amendments), the Management Board of Orange Polska S.A. hereby provides selected financial and operating data related to the activities of Orange Polska Capital Group ("Group", "Orange Polska") for 3Q and 9M 2015.

Orange Polska reports continuation of strong commercial momentum and satisfactory financial results in 3Q 2015

3Q 2015 highlights:

- **stable revenue decline at -2.4%¹ year-on-year vs. -2.3% in 2Q**
 - **regulatory impact limited to only PLN 6mn year-on-year**
 - **mobile revenues stable year-on-year benefitting from strong customer take-up, lower ARPU erosion and higher equipment sales**
- **strong commercial momentum maintained, reflecting our proactive marketing approach:**
 - **+7% year-on-year mobile post-paid customer base, +190k net adds in 3Q**
 - **+28% year-on-year mobile broadband customers, +113k net adds in 3Q**
 - **number of LTE users at 1,577k, +307k net adds in 3Q**
 - **+39% year on year convergent customers, +40k net adds in 3Q**
 - **+94% year-on-year VHBB clients, +39k net adds in 3Q, but ADSL base under pressure, with 56k net losses (partly due to migration to VHBB and LTE)**
 - **+5% year-on-year TV base, +13k net adds in 3Q**
 - **fixed voice customer base erosion limited to -76k vs -88k in 2Q**
- **EBITDA margin at 31.3% (-3.8 pp vs last year), reflecting higher costs of commercial activity**
- **year-to-date Organic Cash Flow² at PLN 833mn, full-year guidance² of around PLN 900mn confirmed**
- **To reflect financial consequences of the price to be paid for LTE spectrum and intentions to continue investments in fibre network rollout, acting in responsible manner towards investors, the management expects that it will propose a dividend per share of PLN 0.25 to be paid in 2016**

key figures (PLN million) IFRS	3Q 2015	3Q 2014	change	9M 2015	9M 2014	change
Group revenue ¹	2,971	3,045	-2.4%	8,914	9,109	-2.1%
excl. regulatory impact ¹			-2.2%			-1.6%
restated EBITDA ¹	929	1,069	-13.1%	2,848	3,056	-6.8%
restated EBITDA ¹ (as % of revenue)	31.3%	35.1%	-3.8 pp	31.9%	33.5%	-1.6 pp
net income	110	140	-21.4%	407	505	-19.4%
organic cash flow ² (guidance definition)	302	369	-18.2%	833	851	-2.1%

¹ please refer to restatement table on p. 4

² guidance definition: including cash capex for fibre access network project and excluding one-offs: acquisition of any new spectrum, potential payment of the EC fine and certain other claims and litigations

commenting on 3Q 2015 performance, Bruno Duthoit, Chief Executive Officer, said:

“Despite the fact that summer period is traditionally slower commercial season, we maintained a strong marketing focus in 3Q. It was in line with what we were flagging a quarter ago. We benefited from offers launched during 2Q and continued internal efforts to reduce churn and improve customer experience. As a result, 3Q was the best quarter this year for customer evolution in almost all service categories. In post-paid mobile net customer additions and churn ratio were the best in many years. Fixed broadband remains our top challenge but in 3Q we clearly saw the positive impact of more attractive pricing introduced in June and we managed to reduce overall customer erosion. We count on an even better 4Q after launch of nationwide communication of our fibre offer in October. Our proactive marketing approach was reflected in commercial costs and our profitability in 3Q. As we move into the fourth quarter, traditionally our peak season, we plan to remain proactive on the commercial front.

We are very pleased to be a winner of LTE spectrum auction securing two 2 blocks of 800MHz for the price below the average paid by our competitors. Auction outcome has improved competitive environment to the benefit of Orange Polska and we will be working on integrating this new spectrum into our strategy and planning. We will be actively working on the new mid-term plan that we plan to communicate to our shareholders in February 2016.”

Financial Review

revenue evolution at -2.4% year-on-year vs. -2.3% in 2Q

Consolidated revenues totalled PLN 2,971 million in 3Q, down by 2.4% year-on-year or PLN 74 million. The regulatory impact was limited to only PLN 6 million. Mobile revenues were broadly flat year-on-year benefitting from lower ARPU erosion, strong customer take-up, as well as stable growth of equipment sales. Other revenue category was higher by PLN 33 million, driven by ICT. Decline of fixed revenues (excluding regulatory impact) slightly accelerated to PLN 105 million year-on-year, due to wholesale and fixed broadband.

Total number of mobile customers has increased more than 100,000 due to another robust quarter in post-paid and contained losses in pre-paid base. Our commercial efforts resulted in 190,000 net post-paid customer additions and similarly to Q2 were well balanced between business, consumer and machine-to-machine. In effect the growth rate in the number of mobile post-paid customers accelerated to +7.4% year-on-year, versus 5.9% in 2Q and 5.0% in 1Q. Our anti-churn actions drove post-paid quarterly churn ratio to 3.0%, the lowest level in many years. Quarterly take-up of mobile broadband customers (113,000 net additions in 3Q) was the highest ever. Number of customers using our LTE network has reached 1,577,000. Penetration of smartphones in post-paid voice increased to 58% from 48% a year ago.

Evolution of mobile blended ARPU has significantly improved. Its decline was contained to only 2.5% year-on-year vs 4.7% a quarter ago. The key driver was retail ARPU which was down only 6% year-on-year vs 9% in Q2. Data ARPU was up 16% year-on-year, and its contribution to total ARPU increased to 21% from 18% a year ago. Growth of data usage per customer was well above 100% and even accelerated versus Q2.

The number of our convergent customers has expanded by 39% year on year (40,000 net additions in 3Q) and stood at 667,000 at the end of 3Q. Total number of services used by convergent customers approached 2.7 million, which implies an average of 4.1 services per customer.

Our fixed broadband started to benefit from recent commercial actions. Net customer additions in high speed internet (39,000) were the highest ever. As a result, VHBB customer base reached 271,000 and stood at 13% of all fixed broadband customers (excluding CDMA). Total fixed retail broadband base continued to be affected by mobile broadband substitution, albeit its decline was limited to 28,000 vs 39,000 in 2Q 2015. Fixed broadband ARPU was slightly lower vs 2Q as it started to reflect lower prices.

The fixed voice lines erosion was slightly better quarter-on-quarter at 76,000 versus a loss of 88,000 in 2Q 2015. Good momentum was maintained in our TV services, with 13,000 net adds in the quarter delivering growth of 5% year-on-year.

KPI ('000)	3Q 2015	3Q 2014	change
convergent customers	667	480	+38.9%
3P customers (BB, TV and VoIP)	478	402	+18.9%
number of mobile customers	15,693	15,591	+0.7%
post-paid	8,087	7,533	+7.4%
pre-paid	7,606	8,058	-5.6%
fixed voice lines (retail)	4,271	4,579	-6.7%
fixed broadband accesses (retail)	2,131	2,269	-6.1%
mobile broadband accesses	1,813	1,413	+28.3%
number of TV customers	774	735	+5.3%

EBITDA margin at 31.3%, reflecting proactive marketing approach

EBITDA for 3Q 2015 amounted to PLN 929 million and was lower by 140 million versus prior year. EBITDA margin stood at 31.3% and was down by 3.8 pp year-on-year. The EBITDA decline resulted mainly from lower revenues, continued growth of interconnect costs, higher costs of ICT activity (in line with revenues) and our investment in customer acquisition. Direct commercial expenses were up PLN 44 million year-on-year as a result of higher number of sales acts which fuelled strong customer acquisitions in mobile post-paid. EBITDA was supported by PLN 74 million costs saving delivered by our cost optimization program.

3Q net income at PLN 110 million

Orange Polska's bottom line for 3Q 2015 stood at PLN 110 million versus PLN 140 million in 3Q 2014. This drop reflected lower EBITDA which was partially offset by lower depreciation (down by PLN 43 million year-on-year), lower net financial costs (PLN 9 million below last year) and lower income tax was (down by 26 million year-on-year) due to high effective tax rate in 3Q 2014.

3Q organic cash flow³ of PLN 302 million brings the total for 9M to PLN 833 million; full year guidance confirmed

Organic cash flow amounted to PLN 302 million in 3Q 2015, compared to PLN 369 million a year ago. The key reason for year-on-year lower cash generation was net cash from operating activities (before income tax paid and change in working capital) which was down by PLN 78 million mainly as a result of lower EBITDA.

commenting on 3Q 2015 results, Maciej Nowohoński, Chief Financial Officer said:

"We delivered satisfactory financial results for 3Q. Top-line was supported by better evolution of mobile services (as a result of strong post-paid customer growth and better ARPU trend) and good performance of ICT. As we were flagging a quarter ago, commercial investments for the future weighed on quarterly EBITDA margin. After 9 months of 2015 our organic cash flow is already close to the full-year guidance. In Q4 we expect to continue proactive marketing approach and intensive capex deployment for the fibre. Price to be paid for LTE spectrum has significant implications to the business and financial situation of Orange Polska. Including payment for spectrum, we expect net debt-to-EBITDA ratio at the end of 2015 to be at around 1.9-2.0x, above our self-imposed target of 1.5x. Over the coming months we will work on the incorporation of LTE spectrum and the fibre investments into our mid-term plan. We will work also on the structure of our balance sheet, deleveraging opportunities and options regarding efficiency improvement. These elements will be announced in February 2016. We know how important dividend is for our shareholders. Therefore acting in responsible and transparent manner towards investors, the management expects that it will propose a dividend per share of PLN 0.25 to be paid in 2016."

³ guidance definition: including cash capex for fibre access network project and excluding one-offs: acquisition of any new spectrum, potential payment of the EC fine and certain other claims and litigations

Restatements to financial data

<i>in PLNm</i>	3Q'14	3Q'15	9M'14	9M'15
revenue	3,046	2,971	9,125	8,914
-revenue of Wirtualna Polska and Contact Center	-1	-	-16	-
restated revenue	3,045	2,971	9,109	8,914
EBITDA	1,040	929	3,178	2,847
-gain on disposal of Wirtualna Polska	-	-	-191	-
-EBITDA of Wirtualna Polska and Contact Center	-	-	-4	-
-the impact of certain claims and litigations	29	-	73	-
-employment termination expenses	-	-	-	1
restated EBITDA	1,069	929	3,056	2,848
capital expenditures	395	398	1,531	1,138
-acquisition of telecommunications licences	-9	-	-377	-
capital expenditures (outlook definition)	386	398	1,154	1,138

Forward-looking statement

This press release 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 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.

Orange Polska Q3 2015 Results Presentation Thursday 22nd October 2015

Venue address:
Orange Polska
Aleje Jerozolimskie 160,
02-326 Warsaw,
Poland

Start: 11.00 CET

The presentation will also be available via [a live webcast](#) on our website and via a live conference call:

Time:
11:00 (Warsaw)
10:00 (London)
05:00 (New York)

Conference title:
Orange Polska Q3 2015 Results Conference Call

Conference code:
4863281

Dial in numbers:
UK/Europe: [+44-20-3140-8286](#)
US: [+1-646-254-3361](#)

Toll free numbers:
UK: 0800-279-4841
US: [+1-877-280-1254](#)

The results will be available on our website (www.orange.pl/investors) on 21st October after market close. If you are on the Orange Polska mailing list, you will receive further notification by email as soon as they are available.

Orange Polska Group Consolidated

amounts in PLN millions	2014				2015					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
profit & loss statement	as reported	pro forma*	as reported	as reported	pro forma*	as reported	pro forma*	as reported	as reported	as reported
revenues										
Mobile services	1,438	1,438	1,456	1,425	1,425	1,394	1,394	1,367	1,380	1,384
voice traffic revenue	804	804	799	752	752	709	709	689	682	669
data, messaging, content and M2M	461	461	475	484	484	483	483	470	475	490
wholesale	173	173	182	189	189	202	202	208	223	225
Mobile equipment sales	43	43	110	128	128	146	146	138	149	171
Fixed services	1,420	1,420	1,386	1,373	1,372	1,341	1,336	1,306	1,290	1,263
fixed narrowband	521	521	506	491	491	465	465	458	444	431
fixed broadband, TV and VoIP	420	420	416	415	415	412	412	410	404	396
enterprise solutions & networks	237	237	231	230	229	235	230	221	237	234
wholesale	242	242	233	237	237	229	229	217	205	202
Other revenue	94	79	132	120	120	206	206	119	194	153
Total revenues	2,995	2,980	3,084	3,046	3,045	3,087	3,082	2,930	3,013	2,971
year-on-year**	-7.9%	n/a	-5.4%	-3.6%	n/a	-0.8%	n/a	-1.7%	-2.3%	-2.4%
labour expenses	(522)	(516)	(453)	(446)	(445)	(453)	(450)	(430)	(457)	(430)
external purchases	(1,452)	(1,447)	(1,495)	(1,441)	(1,441)	(1,725)	(1,727)	(1,476)	(1,562)	(1,524)
- interconnection costs	(280)	(280)	(297)	(322)	(322)	(332)	(332)	(321)	(333)	(342)
- network and IT	(192)	(192)	(207)	(186)	(186)	(203)	(203)	(176)	(181)	(180)
- commercial expenses	(605)	(602)	(610)	(561)	(563)	(769)	(769)	(643)	(662)	(638)
- other external purchases	(375)	(373)	(381)	(372)	(370)	(421)	(423)	(336)	(386)	(364)
other operating incomes & expenses	(79)	(79)	(148)	(125)	(125)	(53)	(50)	(70)	(78)	(98)
employment termination expenses	0	0	0	0	0	8	8	0	0	0
gain/loss on disposal of assets	9	9	8	6	6	34	34	5	43	10
gain on disposal of Wirtualna Polska	191									
Reported EBITDA	1,142	947	996	1,040	1,040	898	897	959	959	929
% of revenues	38.1%	31.8%	32.3%	34.1%	34.2%	29.1%	29.1%	32.7%	31.8%	31.3%
- employment termination expenses						(8)	(8)	1		
- gain on disposal of Wirtualna Polska	(191)									
- impact of certain claims and litigation			44	29	29	(29)	(29)			
Restated EBITDA	951	947	1,040	1,069	1,069	861	860	960	959	929
% of revenues	31.8%	31.8%	33.7%	35.1%	35.1%	27.9%	27.9%	32.8%	31.8%	31.3%
depreciation & amortisation	(750)	(750)	(794)	(759)	(759)	(770)	(769)	(710)	(733)	(716)
impairment of fixed assets	(1)	(1)	(2)	(4)	(4)	(10)	(10)	(3)	6	(1)
EBIT	391	196	200	277	277	118	118	246	232	212
% of revenues	13.1%	6.6%	6.5%	9.1%	9.1%	3.8%	3.8%	8.4%	7.7%	7.1%
financial result	(119)	(119)	(118)	(85)	(85)	(83)	(83)	(58)	(76)	(76)
income tax	(1)	(1)	12	(52)	(52)	(5)	(5)	(17)	(30)	(26)
Consolidated net income after tax	271	76	94	140	140	30	30	171	126	110
<p>* pro forma adjusted for deconsolidation of Wirtualna Polska in 1Q'14 and Contact Center in 3Q'14 and 4Q'14 ** change is calculated based on pro forma figures</p>										

Orange Polska Group key performance indicators

Key operational performance indicators for Group								
customer base (in thousands)	2013	2014				2015		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Convergent customers	286	352	418	480	539	591	627	667
Fixed telephony accesses								
POTS, ISDN & WLL	4,275	4,203	4,133	4,061	3,974	3,880	3,780	3,681
VoIP first line	466	482	500	518	538	555	567	590
Total retail main lines	4,741	4,685	4,633	4,579	4,512	4,435	4,347	4,271
Fixed broadband access								
ADSL	2,076	2,051	2,031	2,006	1,959	1,902	1,850	1,794
VHBB (VDSL+FTTH)	71	94	116	140	174	207	232	271
CDMA	154	140	134	123	108	89	77	66
Retail broadband - total	2,301	2,285	2,281	2,269	2,241	2,198	2,159	2,131
TV client base								
IPTV	121	123	129	135	143	150	156	169
DTH (TV over Satellite)	586	585	591	600	605	606	605	605
TV client base - total	707	708	720	735	748	756	761	774
-o/w 'nc+' packages	116	124	132	141	150	158	158	164
3P services (TV+BB+VoIP)	351	364	383	402	423	441	455	478
Mobile accesses								
Post-paid	7,221	7,360	7,459	7,533	7,679	7,727	7,897	8,087
-o/w B2B	2,420	2,456	2,464	2,468	2,498	2,496	2,561	2,601
Pre-paid	8,104	8,035	8,002	8,058	7,950	7,791	7,690	7,606
Total¹	15,325	15,395	15,461	15,591	15,629	15,518	15,587	15,693
- of which dedicated mobile broadband client base	1,165	1,233	1,319	1,413	1,521	1,598	1,700	1,813
Wholesale customers								
WLR	1,301	1,237	1,176	1,111	1,046	991	933	887
Bitstream access	330	322	311	295	280	263	261	254
LLU	172	169	165	159	152	146	141	136
¹ all SIM cards, including voice, M2M, data								
quarterly ARPU in PLN per month	2013	2014				2015		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Retail fixed voice ARPU	43.3	42.4	41.9	41.4	40.0	40.4	40.2	40.0
Broadband ARPU (Broadband, TV & VoIP)	60.9	60.5	60.4	60.4	60.4	60.8	61.4	61.2
Mobile ARPU								
post-paid	57.2	55.6	55.6	53.3	51.4	50.5	50.0	49.1
-o/w B2B	69.7	68.0	65.7	61.2	57.2	57.1	55.0	53.9
pre-paid	13.0	11.9	12.2	12.7	12.8	12.1	12.9	13.2
Blended	32.8	31.8	32.1	31.4	30.7	30.2	30.6	30.6
retail ARPU (PLN)	29.2	28.2	28.3	27.3	26.2	25.6	25.7	25.6
wholesale ARPU (PLN)	3.6	3.6	3.9	4.1	4.5	4.6	4.9	5.0
voice ARPU (PLN)								
post-paid	36.4	35.3	35.0	32.7	30.7	30.0	29.3	28.0
pre-paid	8.7	8.0	8.0	8.1	8.0	7.8	8.4	8.8
blended	21.1	20.4	20.4	19.5	18.5	18.3	18.4	18.1
data ARPU (PLN)								
post-paid	9.3	9.9	9.9	10.4	10.4	10.7	11.2	12.1
pre-paid	0.7	0.7	0.9	1.6	1.5	1.0	1.3	1.3
blended	4.5	4.8	5.0	5.6	5.6	5.6	6.0	6.5
SMS&MMS and other ARPU (PLN)								
post-paid	11.5	10.5	10.8	10.2	10.3	9.8	9.5	9.0
pre-paid	3.6	3.3	3.3	3.1	3.4	3.2	3.2	3.1
blended	7.1	6.5	6.8	6.4	6.6	6.3	6.2	6.0

other mobile operating statistics	2013	2014				2015		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
MVNOs customers (thousands)	62	59	32	31	22	11	8	8
Number of smartphones (thousands)	3,804	3,920	4,044	4,284	4,581	4,768	4,965	5,256
volumes & churn								
AUPU (in minutes)								
post-paid	295.6	305.9	320.2	326.1	334.3	335.6	345.0	341.3
pre-paid	90.8	90.5	93.5	96.3	97.4	100.0	106.0	107.8
Blended	182.7	187.1	197.6	202.3	207.3	210.9	220.1	221.1
Quarterly mobile customer churn rate (%)								
post-paid	3.4	3.4	3.3	3.4	3.5	3.7	3.2	3.0
pre-paid	14.8	14.9	14.9	16.4	16.8	16.7	16.1	17.0
subsidies								
SAC post-paid (PLN)	521.6	441.4	366.4	340.0	368.0	375.1	320.8	306.8
SRC post-paid (PLN)	420.4	321.8	240.0	247.8	297.3	292.3	259.0	214.6
network coverage								
4G coverage in % of population	16.0%	28.7%	51.7%	58.7%	60.9%	72.0%	78.8%	79.0%
3G coverage in % of population	90.2%	90.9%	97.2%	99.2%	99.4%	99.4%	99.4%	99.6%
Employment structure of Group as reported								
Active full time equivalents (end of period)								
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	reported	reported	reported	reported	reported			
Orange Polska	19,922	19,224	18,594	18,207	18,047	17,887	17,393	16,871
50% of Networks	397	396	396	395	395	369	354	356
Total	20,319	19,620	18,990	18,602	18,442	18,256	17,747	17,227

Terms used:

Monthly Mobile ARPU - ARPU are calculated by dividing the Group revenues from mobile customers (outgoing and incoming) voice and non voice services, including one-time connection and termination fee, visitors roaming, excluding "machine to machine", by the average number of customers, excluding "machine to machine".

Monthly Broadband ARPU - (xDSL, FTTH, TV, and VoIP): ARPU of broadband services are calculated by dividing the monthly revenues from customers' broadband services by the average number of accesses.

Subscriber Acquisition Cost (SAC) - Customer acquisition costs divided by the number of gross customers added during the respective period. Customer acquisition costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.

Subscriber Retention Cost (SRC) - Customer retention costs divided by the number of customers retained during the respective period. Customer retention costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.

Churn rate - The number of customers who disconnect from a network in a given period divided by the weighted average number of customers in the same period

ICT – Information and Communication Technology