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POLISH FINANCIAL SUPERVISION AUTHORITY

Quarterly consolidated report for the first quarter of 2016

(year)

(according to par. 82 s. 2 and par. 83 s. 1 of the Decree of Minister of Finance dated 19 February 2009 - Journal of Laws No. 33, item 259, with amendments)

for the issuers in sectors of production, construction, trade or services

for the first quarter of 2016, i.e. from 1 January 2016 to 31 March 2016

including condensed consolidated financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**and condensed separate financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**date of issuance: **25 April 2016**

ORANGE POLSKA SA	
(full name of issuer)	
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(abbreviated name of the issuer)	(classification according to WSE/ sector)
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SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	1 quarter cumulative period from 01/01/2016 to 31/03/2016	1 quarter cumulative period from 01/01/2015 to 31/03/2015	1 quarter cumulative period from 01/01/2016 to 31/03/2016	1 quarter cumulative period from 01/01/2015 to 31/03/2015
condensed consolidated financial statements data				
I. Revenue	2 803 000	2 930 000	643 495	706 211
II. Operating income	215 000	246 000	49 358	59 293
III. Profit before income tax	119 000	188 000	27 319	45 313
IV. Consolidated net income	98 000	171 000	22 498	41 216
V. Net income attributable to owners of Orange Polska S.A.	98 000	171 000	22 498	41 216
VI. Earnings per share (in PLN/EUR) (basic and diluted)	0.07	0.13	0.02	0.03
VII. Weighted average number of shares (in millions) (basic and diluted)	1 312	1 312	1 312	1 312
VIII. Total comprehensive income	69 000	158 000	15 841	38 082
IX. Total comprehensive income attributable to owners of Orange Polska S.A.	69 000	158 000	15 841	38 082
X. Net cash provided by operating activities	632 000	667 000	145 091	160 766
XI. Net cash used in investing activities	(3 836 000)	(712 000)	(880 645)	(171 612)
XII. Net cash provided by/(used in) financing activities	3 235 000	(3 000)	742 671	(723)
XIII. Total net change in cash and cash equivalents	31 000	(48 000)	7 117	(11 569)
	balance as at 31/03/2016	balance as at 31/12/2015	balance as at 31/03/2016	balance as at 31/12/2015
XIV. Total current assets	2 289 000	2 330 000	536 266	546 756
XV. Total non-current assets	22 166 000	19 322 000	5 193 047	4 534 084
XVI. Total assets	24 455 000	21 652 000	5 729 313	5 080 840
XVII. Total current liabilities	4 233 000	5 185 000	991 706	1 216 708
XVIII. Total non-current liabilities	8 176 000	4 490 000	1 915 472	1 053 619
XIX. Total equity	12 046 000	11 977 000	2 822 135	2 810 513
XX. Equity attributable to owners of Orange Polska S.A.	12 044 000	11 975 000	2 821 666	2 810 043
XXI. Share capital	3 937 000	3 937 000	922 360	923 853
condensed separate financial statements data				
	1 quarter cumulative period from 01/01/2016 to 31/03/2016	1 quarter cumulative period from 01/01/2015 to 31/03/2015	1 quarter cumulative period from 01/01/2016 to 31/03/2016	1 quarter cumulative period from 01/01/2015 to 31/03/2015
I. Revenue	2 764 000	2 864 000	634 542	690 303
II. Operating income	199 000	225 000	45 685	54 231
III. Profit before income tax	136 000	213 000	31 222	51 339
IV. Net income	119 000	195 000	27 319	47 000
V. Earnings per share (in PLN/EUR) (basic and diluted)	0.09	0.15	0.02	0.04
VI. Weighted average number of shares (in millions) (basic and diluted)	1 312	1 312	1 312	1 312
VII. Total comprehensive income	90 000	182 000	20 662	43 867
VIII. Net cash provided by operating activities	644 000	716 000	147 846	172 576
IX. Net cash used in investing activities	(3 838 000)	(714 000)	(881 104)	(172 094)
X. Net cash provided by/(used in) financing activities	3 239 000	(34 000)	743 589	(8 195)
XI. Total net change in cash and cash equivalents	45 000	(32 000)	10 331	(7 713)
	balance as at 31/03/2016	balance as at 31/12/2015	balance as at 31/03/2016	balance as at 31/12/2015
XII. Total current assets	2 639 000	2 643 000	618 264	620 204
XIII. Total non-current assets	23 247 000	20 521 000	5 446 303	4 815 441
XIV. Total assets	25 886 000	23 164 000	6 064 567	5 435 645
XV. Total current liabilities	4 854 000	5 795 000	1 137 194	1 359 850
XVI. Total non-current liabilities	9 163 000	5 590 000	2 146 706	1 311 745
XVII. Total equity	11 869 000	11 779 000	2 780 667	2 764 050
XVIII. Share capital	3 937 000	3 937 000	922 360	923 853

ORANGE POLSKA GROUP

CONDENSED IFRS QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2016



April 25, 2016

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Orange Polska Group
Condensed IFRS Quarterly Consolidated Financial Statements – 31 March 2016
Translation of the financial statements originally issued in Polish

CONSOLIDATED INCOME STATEMENT

(in PLN millions, except for earnings per share)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i> <i>(see Note 2)</i>
Revenue	2,803	2,930
External purchases	(1,476)	(1,476)
Labour expense	(381)	(430)
Other operating expense	(130)	(147)
Other operating income	42	77
Gains on disposal of assets	10	5
Depreciation and amortisation	(653)	(710)
Impairment of non-current assets	-	(3)
Operating income	215	246
Interest income	5	3
Interest expense and other financial charges	(79)	(53)
Discounting expense	(22)	(8)
Finance costs, net	(96)	(58)
Income tax	(21)	(17)
Consolidated net income	98	171
Net income attributable to owners of Orange Polska S.A.	98	171
Net income attributable to non-controlling interests	-	-
Earnings per share (in PLN) (basic and diluted)	0.07	0.13
Weighted average number of shares (in millions) (basic and diluted)	1,312	1,312

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i>
Consolidated net income	98	171
Items that will not be reclassified to profit or loss		
Actuarial gains on post-employment benefits	3	-
Income tax relating to items not to be reclassified	(1)	-
Items that may be reclassified subsequently to profit or loss		
Losses on cash flow hedges	(39)	(16)
Income tax relating to items that may be reclassified	8	3
Other comprehensive loss, net of tax	(29)	(13)
Total comprehensive income	69	158
Total comprehensive income attributable to owners of Orange Polska S.A.	69	158
Total comprehensive income attributable to non-controlling interests	-	-

Orange Polska Group
Condensed IFRS Quarterly Consolidated Financial Statements – 31 March 2016
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in PLN millions)</i>	<i>At 31 March 2016</i>	<i>At 31 December 2015</i>
ASSETS		
Goodwill	3,940	3,940
Other intangible assets	6,102	3,010
Property, plant and equipment	10,815	11,025
Trade receivables	227	210
Derivatives	70	89
Other assets	56	57
Deferred tax assets	956	991
Total non-current assets	22,166	19,322
Inventories	245	228
Trade receivables	1,503	1,591
Derivatives	-	33
Income tax assets	38	2
Other assets	78	126
Prepaid expenses	128	84
Cash and cash equivalents	297	266
Total current assets	2,289	2,330
TOTAL ASSETS	24,455	21,652
EQUITY AND LIABILITIES		
Share capital	3,937	3,937
Share premium	832	832
Other reserves	(132)	(103)
Retained earnings	7,407	7,309
Equity attributable to owners of Orange Polska S.A.	12,044	11,975
Non-controlling interests	2	2
Total equity	12,046	11,977
Trade payables	771	767
Loans from related party	6,586	2,849
Other financial liabilities at amortised cost	78	81
Derivatives	166	125
Employee benefits	153	251
Provisions	345	358
Deferred income	77	59
Total non-current liabilities	8,176	4,490
Trade payables	1,689	2,130
Loans from related party	766	1,273
Other financial liabilities at amortised cost	40	45
Derivatives	37	9
Employee benefits	205	188
Provisions	810	803
Income tax liabilities	24	60
Other liabilities	187	191
Deferred income	475	486
Total current liabilities	4,233	5,185
TOTAL EQUITY AND LIABILITIES	24,455	21,652

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Other reserves				Retained earnings	Equity attributable to owners of OPL S.A.	Non-controlling interests	Total equity
			Losses on cash flow hedges	Actuarial losses on post-employment benefits	Deferred tax	Share-based payments				
Balance at 1 January 2016	3,937	832	(83)	(43)	23	-	7,309	11,975	2	11,977
Total comprehensive income for the 3 months ended 31 March 2016	-	-	(39)	3	7	-	98	69	-	69
Balance at 31 March 2016	3,937	832	(122)	(40)	30	-	7,407	12,044	2	12,046
Balance at 1 January 2015	3,937	832	(106)	(137)	45	79	7,746	12,396	2	12,398
Total comprehensive income for the 3 months ended 31 March 2015	-	-	(16)	-	3	-	171	158	-	158
Balance at 31 March 2015	3,937	832	(122)	(137)	48	79	7,917	12,554	2	12,556

CONSOLIDATED STATEMENT OF CASH FLOWS

(in PLN millions)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i>
OPERATING ACTIVITIES		
Consolidated net income	98	171
<i>Adjustments to reconcile net income to cash from operating activities</i>		
Gains on disposal of assets	(10)	(5)
Depreciation and amortisation	653	710
Impairment of non-current assets	-	3
Finance costs, net	96	58
Income tax	21	17
Change in provisions and allowances	(129)	(90)
Operational foreign exchange and derivatives (gains)/losses, net	2	(1)
<i>Change in working capital</i>		
(Increase)/decrease in inventories, gross	(15)	1
(Increase)/decrease in trade receivables, gross	86	(27)
Decrease in trade payables	(92)	(156)
Increase in prepaid expenses and other receivables	(16)	(59)
Increase in deferred income and other payables	20	120
Interest received	5	4
Interest paid and interest rate effect paid on derivatives, net	(45)	(28)
Exchange rate effect received on derivatives, net	11	-
Income tax paid	(53)	(51)
Net cash provided by operating activities	632	667
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(3,545)	(321)
Decrease in amounts due to fixed assets suppliers	(330)	(216)
Deposit paid in the auction for telecommunications licences	-	(200)
Exchange rate effect received on derivatives economically hedging capital expenditures, net	12	7
Proceeds from sale of property, plant and equipment and intangible assets	25	15
Finance lease repaid by a lessee	2	3
Net cash used in investing activities	(3,836)	(712)
FINANCING ACTIVITIES		
Issuance of long-term debt	2,701	-
Repayment of long-term debt	(1,200)	(5)
Increase/(decrease) in short-term debt	1,717	(1)
Exchange rate effect received on derivatives hedging debt, net	17	3
Net cash provided by/(used in) financing activities	3,235	(3)
Net change in cash and cash equivalents	31	(48)
Cash and cash equivalents at the beginning of the period	266	248
Cash and cash equivalents at the end of the period	297	200

Notes to the Condensed Quarterly Consolidated Financial Statements

1. The Orange Polska Group

Orange Polska S.A. (“Orange Polska” or “the Company” or “OPL S.A.”), a joint stock company, was incorporated and commenced its operations on 4 December 1991. The Orange Polska Group (“the Group”) comprises Orange Polska and its subsidiaries. Orange Polska shares are listed on the Warsaw Stock Exchange.

The Group is the principal provider of telecommunications services in Poland. The Group provides mobile and fixed telecommunications services, including calls, messaging, content, access to the Internet and TV. In addition, the Group provides ICT (Information and Communications Technology) services, leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, constructs telecommunications infrastructure, sells electrical energy and financial services.

Orange Polska’s registered office is located in Warsaw at 160 Aleje Jerozolimskie St.

The list of entities included in the Condensed IFRS Quarterly Consolidated Financial Statements of the Group (the “Condensed Quarterly Consolidated Financial Statements”) as at and for the 3 months ended 31 March 2016 is presented in Note 1.2 to the Orange Polska Group IFRS Consolidated Financial Statements and the notes thereto (“IFRS Consolidated Financial Statements”) for the year ended 31 December 2015.

Segment (Group) revenue and results

The Group reports a single operating segment. Segment performance is evaluated by the Management Board mainly based on consolidated revenue, consolidated EBITDA, consolidated net income, consolidated organic cash flows, consolidated capital expenditures, consolidated net gearing ratio and consolidated net financial debt / EBITDA ratio based on cumulative EBITDA for the last four quarters. EBITDA corresponds to operating income before depreciation and amortisation expense and impairment of non-current assets. Organic cash flows correspond to net cash provided by operating activities decreased by purchases of property, plant and equipment and intangible assets, changes in amounts due to fixed assets suppliers, impact of net exchange rate effect paid/received on derivatives economically hedging capital expenditures and increased by proceeds from sale of fixed assets. Net gearing ratio is the share of net financial debt in the sum of net financial debt and equity.

To enhance the performance evaluation, where it is materially important for trends analysis, these financial data can be restated to exclude mainly the impact of significant exceptional transactions or other events not related to business as usual activities and changes in scope of consolidation, as displayed in the table below.

Basic financial data of the operating segment is presented below:

<i>(in PLN millions)</i>	<i>3 months ended</i> <u>31 March 2016</u>	<i>3 months ended</i> <u>31 March 2015</u>
Restated revenue	2,803	2,925
Restated EBITDA	868	960
Net income as per consolidated income statement	98	171
Restated organic cash flows	(58)	152
Restated capital expenditures	377	321
	<i>At 31 March</i> <u>2016</u>	<i>At 31 December</i> <u>2015</u>
Net gearing ratio	37%	25%
Net financial debt / restated EBITDA ratio	2.1	1.1

Restatements made to financial data of the operating segment are presented below:

<i>(in PLN millions)</i>	<i>3 months ended</i> <u>31 March 2016</u>	<i>3 months ended</i> <u>31 March 2015</u>
Revenue	2,803	2,930
- restatement for data of Contact Center Sp. z o.o. ⁽¹⁾	-	(5)
Restated revenue	2,803	2,925
EBITDA	868	959
- restatement for employment termination expense	-	1
Restated EBITDA	868	960
Organic cash flows	(3,206)	(48)
- restatement for payments for acquisition of telecommunications licences (see Note 5)	3,148	200
Restated organic cash flows	(58)	152
Capital expenditures	3,545	321
- restatement for expenditures on acquisition of telecommunications licences (see Note 5)	(3,168)	-
Restated capital expenditures	377	321

⁽¹⁾ Restated revenue and restated EBITDA for the 3 months ended 31 March 2015 do not include data of Contact Center Sp. z o.o. (a subsidiary disposed of in August 2015). The impact on restated EBITDA is below PLN 0.5 million.

2. Statement of compliance and basis of preparation

Basis of preparation

These unaudited Condensed Quarterly Consolidated Financial Statements are prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting (“IAS 34”) and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Condensed Quarterly Consolidated Financial Statements (see also Note 3).

These Condensed Quarterly Consolidated Financial Statements should be read in conjunction with the audited IFRS Consolidated Financial Statements for the year ended 31 December 2015.

The Condensed Quarterly Consolidated Financial Statements include the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

These Condensed Quarterly Consolidated Financial Statements are prepared in millions of Polish zloty (“PLN”) and were authorised for issuance by the Management Board on 25 April 2016.

Changes to standards and interpretations in 2016

There were no new standards or interpretations issues from the date when the IFRS Consolidated Financial Statements for the year ended 31 December 2015 were issued.

Changes in presentation of the income statement

From the fourth quarter of 2015, the Group reassesses the recoverable amount of trade and other receivables at their disposal date and presents gain on disposal on a net basis. As a result, the comparative amounts of other operating expense and income for the 3 months ended 31 March 2015 were decreased by PLN 38 million without impact on the consolidated net income.

3. Statement of accounting policies

The accounting policies and methods of computation used in the preparation of the Condensed Quarterly Consolidated Financial Statements are materially consistent with those described in Notes 2 and 31 to the audited IFRS Consolidated Financial Statements for the year ended 31 December 2015.

4. Explanatory comments about the seasonality or cyclicity of interim Group operations

The Group’s activities are not subject to any significant seasonality or cyclical trends of operations.

5. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

In the first quarter of 2016, the Group signed with Trade Unions agreements that amended the value of retirement bonuses and jubilee awards paid to employees. Employees are no longer entitled to retirement bonuses higher than those set out in the Polish labour law if the retirement takes place after 31 December 2017. The agreements reduce also an average value of a jubilee award paid to employees upon completion of a certain number of years of service – for payments due after 2020. As a result, a credit of PLN 94 million was recognised in labour expense in the first quarter of 2016 with a corresponding release of the liabilities relating to long-term employee benefits.

On 25 January 2016, the Group received decisions in which the President of UKE granted Orange Polska the frequencies in the 800 MHz and 2600 MHz bands for a total amount of PLN 3,168 million declared in the auction. On the basis of these decisions, Orange Polska received the licenses for two blocks of 2x5 MHz each in the 800 MHz band and licenses for three blocks of 2x5 MHz each in the 2600 MHz band. The licenses are valid for 15 years from the date of receipt of the decisions. In February 2016, Orange Polska paid the whole amount less PLN 20 million of deposit paid in 2014 before the auction.

The amortisation of the above-mentioned frequencies began on 1 March 2016 and the amortisation charge amounted to PLN 18 million in the 3 months ended 31 March 2016.

Additionally, the amount of cash flows from investing activities for the 3 months ended 31 March 2015 includes PLN 200 million of the deposit paid in the course of the above-mentioned auction.

From 2016, the Group extended the estimated useful lives for certain network assets which decreased the depreciation expense by PLN 83 million in the 3 months ended 31 March 2016. The Group completed the analysis of the change in the estimated useful lives for these assets and related depreciation expense in 2016 is expected to be lower by approximately PLN 300 million than in 2015.

6. Changes in loans from related party

On 3 February 2016, the Group and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a Loan Agreement for PLN 2,700 million with repayment date in 2021. On 31 March 2016, the Group repaid EUR 280 million of the Credit Facility Agreement signed with Atlas Services Belgium S.A. Additionally, in the 3 months ended 31 March 2016, the net cash flows from issuance and repayments of the Revolving Credit Facility from Atlas Services Belgium S.A. amounted to PLN 1,720 million.

As at 31 March 2016, the total outstanding balance of loans from the related party amounted to PLN 7,352 million, including accrued interest and arrangement fees. The weighted average effective interest rate on loans from the related party amounted to 1.91% before swaps and 3.30% after swaps as at 31 March 2016.

The Group has entered into new derivative transactions under the agreement with Orange S.A. hedging interest rate risk on the related party financing provided in PLN. The nominal amount of cross currency interest rate swaps and interest rate swaps outstanding under the agreement as at 31 March 2016 was EUR 670 million and PLN 4,750 million, respectively, with a total negative fair value amounting to PLN 96 million.

7. Fair value of financial instruments

Derivative instruments are the Group's financial assets and liabilities which are measured subsequent to their initial recognition at fair value. The fair value of derivatives is determined as described in Note 21 to the IFRS Consolidated Financial Statements for the year ended 31 December 2015. Significant inputs to the valuation technique used by the Group to measure the fair value of derivatives are classified to Level 2 of the fair value hierarchy described in Note 22.1.

The carrying amount of the Group's financial instruments approximates their fair value, except for telecommunications licence payables for which as at 31 March 2016 and 31 December 2015 the estimated fair value exceeded the carrying amount by approximately PLN 180 million.

8. Dividend

On 12 April 2016, the General Meeting of Orange Polska S.A. adopted a resolution on the payment of an ordinary dividend of PLN 0.25 per share from the 2015 profit and retained earnings from previous years. The total dividend, amounting to PLN 328 million, will be paid on 7 July 2016.

9. Changes in major litigation and claims, contingent liabilities and contingent assets since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 28 to the IFRS Consolidated Financial Statements for the year ended 31 December 2015 or describes major matters that occurred after 31 December 2015.

a. Proceedings by UOKiK

Proceedings by UOKiK related to retail prices of calls to Play

UOKiK informed the Company that it had further prolonged the proceedings. The indicated date of prolongation is 14 May 2016.

Proceedings by UOKiK related to tenders for mobile services

UOKiK informed the Company that it had further prolonged the proceedings. The indicated date of prolongation is 22 June 2016.

b. Proceedings by the European Commission related to broadband access

On 27 February 2016, Orange Polska appealed the verdict of the General Court of 17 December 2015 to the Court of Justice.

c. Other contingent liabilities and provisions

Apart from the above mentioned, operational activities of the Group are subject to legal, social and administrative regulations and the Group is a party to a number of legal proceedings and commercial contracts related to its operational activities. Some regulatory decisions can be detrimental to the Group and court verdicts within appeal proceedings against such decisions can have negative consequences for the Group. The Group monitors the risks on a regular basis and the Management believes that adequate provisions have been recorded for known and quantifiable risks.

10. Related party transactions

As at 31 March 2016, Orange S.A. owned 50.67% of shares of the Company and had the power to appoint the majority of OPL S.A.'s Supervisory Board Members. The Supervisory Board appoints and dismisses Members of the Management Board.

The Group's income earned from the Orange Group comprises mainly interconnect, research and development services and data transmission. The purchases from the Orange Group comprise mainly costs of interconnect, data transmission, IT services, consulting services and brand fees.

Financial receivables, payables, finance costs, net and other comprehensive (loss)/income concerning transactions with the Orange Group relate mainly to loan agreements concluded with Atlas Services Belgium S.A. and agreement with Orange S.A. concerning derivative transactions to hedge exposure to foreign currency risk and interest rate risk related to the abovementioned loan agreements. Cash and cash equivalents deposited with Orange S.A. relate to the Cash Management Treasury Agreement.

Orange Polska Group

Condensed IFRS Quarterly Consolidated Financial Statements – 31 March 2016

Translation of the financial statements originally issued in Polish

<i>(in PLN millions)</i>	<i>3 months ended 31 March 2016</i>	<i>3 months ended 31 March 2015</i>
Sales of goods and services and other income:	46	49
Orange S.A. (parent)	26	27
Orange Group (excluding parent)	20	22
Purchases of goods (including inventories, tangible and intangible assets) and services:	(64)	(66)
Orange S.A. (parent)	(19)	(21)
Orange Group (excluding parent)	(45)	(45)
- including Orange Brand Services Limited (brand licence agreement)	(34)	(33)
Finance costs, net:	(70)	(44)
Orange S.A. (parent)	(44)	(155)
Orange Group (excluding parent)	(26)	111
Other comprehensive (loss)/income:	(26)	1
Orange S.A. (parent)	(26)	1

<i>(in PLN millions)</i>	<i>At 31 March 2016</i>	<i>At 31 December 2015</i>
Receivables:	32	44
Orange S.A. (parent)	22	29
Orange Group (excluding parent)	10	15
Payables:	70	81
Orange S.A. (parent)	21	32
Orange Group (excluding parent)	49	49
Financial receivables:	70	110
Orange S.A. (parent)	70	110
Cash and cash equivalents deposited with:	175	87
Orange S.A. (parent)	175	87
Financial payables:	7,518	4,250
Orange S.A. (parent)	166	128
Orange Group (excluding parent)	7,352	4,122

Compensation (remuneration, bonuses, post-employment and other long-term benefits and termination indemnities – cash and non-monetary benefits) paid in accordance with contractual commitments by OPL S.A. and its subsidiaries to OPL S.A.'s Management Board and Supervisory Board Members during the 3 months ended 31 March 2016 and 2015 amounted to PLN 5.2 million and PLN 3.7 million, including PLN 1.8 million and PLN 1.3 million accrued in previous periods, respectively. During the 3 months ended 31 March 2016 and 2015, the amount of accrued cost of compensation for the Company's Management Board amounted to PLN 1.1 million and PLN 0.8 million, respectively.

On 3 February 2016, prof. Andrzej K. Koźmiński submitted his resignation as the Deputy Chairman and Member of the Supervisory Board of OPL S.A. with effect on 12 April 2016.

On 4 February 2016, Mr Bruno Duthoit submitted his resignation as the President and Member of the Management Board of OPL S.A. with effect on 30 April 2016. On the same day, the Supervisory Board of OPL S.A. appointed Mr Jean-François Fallacher as the President of the Management Board of OPL S.A. with effect on 1 May 2016.

On 7 April 2016, Mr Gérard Ries submitted his resignation as the Member of the Supervisory Board of OPL S.A. with effect on the same day.

On 12 April 2016, the General Meeting of OPL S.A. appointed prof. Michał Kleiber as the Member of the Supervisory Board of OPL S.A.

11. Subsequent events

There was no significant event after the end of the reporting period.

ORANGE POLSKA S.A.

**CONDENSED IFRS QUARTERLY SEPARATE FINANCIAL
STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2016**



April 25, 2016

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INCOME STATEMENT

(in PLN millions, except for earnings per share)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i> <i>(see Note 2)</i>
Revenue	2,764	2,864
External purchases	(1,531)	(1,520)
Labour expense	(308)	(343)
Other operating expense	(136)	(154)
Other operating income	53	85
Gains on disposal of assets	10	5
Depreciation and amortisation	(653)	(709)
Impairment of non-current assets	-	(3)
Operating income	199	225
Dividend income	32	45
Interest income	41	50
Interest expense and other financial charges	(114)	(99)
Discounting expense	(22)	(8)
Finance costs, net	(63)	(12)
Income tax	(17)	(18)
Net income	119	195
Earnings per share (in PLN) (basic and diluted)	0.09	0.15
Weighted average number of shares (in millions) (basic and diluted)	1,312	1,312

STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i>
Net income	119	195
Items that will not be reclassified to profit or loss		
Actuarial gains on post-employment benefits	3	-
Income tax relating to items not to be reclassified	(1)	-
Items that may be reclassified subsequently to profit or loss		
Losses on cash flow hedges	(39)	(16)
Income tax relating to items that may be reclassified	8	3
Other comprehensive loss, net of tax	(29)	(13)
Total comprehensive income	90	182

STATEMENT OF FINANCIAL POSITION

(in PLN millions)

	<i>At 31 March 2016</i>	<i>At 31 December 2015</i>
ASSETS		
Goodwill	3,909	3,909
Other intangible assets	6,100	3,008
Property, plant and equipment	10,874	11,082
Investments in subsidiaries	244	244
Trade receivables	227	210
Loans and receivables excluding trade receivables	1,079	1,207
Derivatives	70	89
Other assets	55	56
Deferred tax assets	689	716
Total non-current assets	23,247	20,521
Inventories	226	209
Trade receivables	1,448	1,506
Loans and receivables excluding trade receivables	493	480
Derivatives	-	33
Income tax assets	34	-
Other assets	54	122
Prepaid expenses	121	75
Cash and cash equivalents	263	218
Total current assets	2,639	2,643
TOTAL ASSETS	25,886	23,164
EQUITY AND LIABILITIES		
Share capital	3,937	3,937
Share premium	832	832
Other reserves	(132)	(103)
Retained earnings	7,232	7,113
Total equity	11,869	11,779
Trade payables	771	767
Financial liabilities at amortised cost excluding trade payables	7,697	4,087
Derivatives	166	125
Employee benefits	127	214
Provisions	337	347
Deferred income	65	50
Total non-current liabilities	9,163	5,590
Trade payables	1,686	2,135
Financial liabilities at amortised cost excluding trade payables	1,523	2,020
Derivatives	37	9
Employee benefits	175	161
Provisions	771	764
Income tax liabilities	22	43
Other liabilities	160	181
Deferred income	480	482
Total current liabilities	4,854	5,795
TOTAL EQUITY AND LIABILITIES	25,886	23,164

STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Other reserves				Retained earnings	Total equity
			Losses on cash flow hedges	Actuarial losses on post-employment benefits	Deferred tax	Share-based payments		
Balance at 1 January 2016	3,937	832	(83)	(45)	25	-	7,113	11,779
Total comprehensive income for the 3 months ended 31 March 2016	-	-	(39)	3	7	-	119	90
Balance at 31 March 2016	3,937	832	(122)	(42)	32	-	7,232	11,869
Balance at 1 January 2015	3,937	832	(106)	(136)	46	76	7,550	12,199
Total comprehensive income for the 3 months ended 31 March 2015	-	-	(16)	-	3	-	195	182
Balance at 31 March 2015	3,937	832	(122)	(136)	49	76	7,745	12,381

STATEMENT OF CASH FLOWS

(in PLN millions)

	<i>3 months ended</i>	
	<i>31 March 2016</i>	<i>31 March 2015</i>
OPERATING ACTIVITIES		
Net income	119	195
<i>Adjustments to reconcile net income to cash from operating activities</i>		
Gains on disposal of assets	(10)	(5)
Depreciation and amortisation	653	709
Impairment of non-current assets	-	3
Finance costs, net	63	12
Income tax	17	18
Change in provisions and allowances	(117)	(90)
Operational foreign exchange and derivatives (gains)/losses, net	2	(1)
<i>Change in working capital</i>		
(Increase)/decrease in inventories, gross	(15)	10
(Increase)/decrease in trade receivables, gross	57	(25)
Decrease in trade payables	(96)	(151)
Increase in prepaid expenses and other receivables	(8)	(55)
Increase in deferred income and other payables	3	112
Dividends received	32	45
Interest received	6	5
Interest paid and interest rate effect paid on derivatives, net	(46)	(29)
Exchange rate effect received on derivatives, net	11	-
Income tax paid	(27)	(37)
Net cash provided by operating activities	644	716
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(3,548)	(325)
Decrease in amounts due to fixed assets suppliers	(332)	(213)
Deposit paid in the auction for telecommunications licences	-	(200)
Exchange rate effect received on derivatives economically hedging capital expenditures, net	12	7
Proceeds from sale of property, plant and equipment and intangible assets	25	12
Finance lease repaid by a lessee	2	3
Decrease in loans and other financial assets	3	2
Net cash used in investing activities	(3,838)	(714)
FINANCING ACTIVITIES		
Issuance of long-term debt	2,701	-
Repayment of long-term debt	(1,200)	(5)
Increase/(decrease) in short-term debt	1,721	(32)
Exchange rate effect received on derivatives hedging debt, net	17	3
Net cash provided by/(used in) financing activities	3,239	(34)
Net change in cash and cash equivalents	45	(32)
Cash and cash equivalents at the beginning of the period	218	205
Cash and cash equivalents at the end of the period	263	173

Notes to the Condensed Quarterly Separate Financial Statements

1. Orange Polska S.A.

Orange Polska S.A. (“Orange Polska” or “the Company” or “OPL S.A.”), a joint stock company, was incorporated and commenced its operations on 4 December 1991. Orange Polska shares are listed on the Warsaw Stock Exchange.

Orange Polska is the principal provider of telecommunications services in Poland. The Company provides mobile and fixed telecommunications services, including calls, messaging, content, access to the Internet and TV. In addition, Orange Polska provides ICT (Information and Communications Technology) services, leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, sells electrical energy and financial services.

Orange Polska’s registered office is located in Warsaw at 160 Aleje Jerozolimskie St.

2. Statement of compliance and basis of preparation

Basis of preparation

These unaudited Condensed IFRS Quarterly Separate Financial Statements for the 3 months ended 31 March 2016 (the “Condensed Quarterly Separate Financial Statements”) are prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting (“IAS 34”) and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Condensed Quarterly Separate Financial Statements (see also Note 3).

These Condensed Quarterly Separate Financial Statements should be read in conjunction with the audited Orange Polska S.A. IFRS Separate Financial Statements and the notes thereto (“IFRS Separate Financial Statements”) for the year ended 31 December 2015.

The Condensed Quarterly Separate Financial Statements include the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

These Condensed Quarterly Separate Financial Statements are prepared in millions of Polish zloty (“PLN”) and were authorised for issuance by the Management Board on 25 April 2016.

Changes to standards and interpretations in 2016

There were no new standards or interpretations issues from the date when the IFRS Separate Financial Statements for the year ended 31 December 2015 were issued.

Changes in presentation of the income statement

From the fourth quarter of 2015, the Company reassesses the recoverable amount of trade and other receivables at their disposal date and presents gain on disposal on a net basis. As a result, the comparative amounts of other operating expense and income for the 3 months ended 31 March 2015 were decreased by PLN 38 million without impact on the net income.

3. Statement of accounting policies

The accounting policies and methods of computation used in the preparation of the Condensed Quarterly Separate Financial Statements are materially consistent with those described in Notes 2 and 30 to the audited IFRS Separate Financial Statements for the year ended 31 December 2015.

4. Explanatory comments about the seasonality or cyclicity of interim operations

The Company's activities are not subject to any significant seasonality or cyclical trends of operations.

5. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

On 21 January 2016, Orange Polska signed with Trade Unions an agreement that amended the value of retirement bonuses and jubilee awards paid to employees. Employees are no longer entitled to retirement bonuses higher than those set out in the Polish labour law if the retirement takes place after 31 December 2017. The agreement reduces also an average value of a jubilee award paid to employees upon completion of a certain number of years of service – for payments due after 2020. As a result, a credit of PLN 81 million was recognised in labour expense in the first quarter of 2016 with a corresponding release of the liabilities relating to long-term employee benefits.

On 25 January 2016, the Company received decisions in which the President of UKE granted Orange Polska the frequencies in the 800 MHz and 2600 MHz bands for a total amount of PLN 3,168 million declared in the auction. On the basis of these decisions, Orange Polska received the licenses for two blocks of 2x5 MHz each in the 800 MHz band and licenses for three blocks of 2x5 MHz each in the 2600 MHz band. The licenses are valid for 15 years from the date of receipt of the decisions. In February 2016, Orange Polska paid the whole amount less PLN 20 million of deposit paid in 2014 before the auction.

The amortisation of the above-mentioned frequencies began on 1 March 2016 and the amortisation charge amounted to PLN 18 million in the 3 months ended 31 March 2016.

Additionally, the amount of cash flows from investing activities for the 3 months ended 31 March 2015 includes PLN 200 million of the deposit paid in the course of the above-mentioned auction.

From 2016, the Company extended the estimated useful lives for certain network assets which decreased the depreciation expense by PLN 83 million in the 3 months ended 31 March 2016. The Company completed the analysis of the change in the estimated useful lives for these assets and related depreciation expense in 2016 is expected to be lower by approximately PLN 300 million than in 2015.

6. Changes in financial liabilities at amortised cost excluding trade payables

On 3 February 2016, the Company and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a Loan Agreement for PLN 2,700 million with repayment date in 2021. On 31 March 2016, Orange Polska S.A. repaid EUR 280 million of the Credit Facility Agreement signed with Atlas Services Belgium S.A. Additionally, in the 3 months ended 31 March 2016, the net cash flows from issuance and repayments of the Revolving Credit Facility from Atlas Services Belgium S.A. amounted to PLN 1,720 million.

As at 31 March 2016, the total outstanding balance of loans from the related party amounted to PLN 7,352 million, including accrued interest and arrangement fees. The weighted average effective interest rate on loans from the related party amounted to 1.91% before swaps and 3.30% after swaps as at 31 March 2016.

Orange Polska S.A. has entered into new derivative transactions under the agreement with Orange S.A. hedging interest rate risk on the related party financing provided in PLN. The nominal amount of cross currency interest rate swaps and interest rate swaps outstanding under the agreement as at 31 March 2016 was EUR 670 million and PLN 4,750 million, respectively, with a total negative fair value amounting to PLN 96 million.

In the 3 months ended 31 March 2016, the Company issued and redeemed short-term bonds under the Orange Polska S.A. Bond Issuance Programme of 15 July 2002. The bonds are denominated in PLN and are offered by private placement to the Orange Polska Group's entities, exclusively within the territory of the Republic of Poland. The bonds are redeemed at their par value. As at 31 March 2016 and 31 December 2015 the aggregate par value of the outstanding bonds issued under the programme amounted to approximately PLN 240 million.

7. Fair value of financial instruments

Derivative instruments are the Company's financial assets and liabilities which are measured subsequent to their initial recognition at fair value. The fair value of derivatives is determined as described in Note 20 to the IFRS Separate Financial Statements for the year ended 31 December 2015. Significant inputs to the valuation technique used by the Company to measure the fair value of derivatives are classified to Level 2 of the fair value hierarchy described in Note 21.1.

The carrying amount of the Company's financial instruments approximates their fair value, except for telecommunications licence payables, loans from subsidiaries and bonds issued by subsidiaries. As at 31 March 2016 and 31 December 2015 the estimated fair value of telecommunications licence payables exceeded their carrying amount by approximately PLN 180 million, and the estimated fair value of loans from subsidiaries and bonds issued by subsidiaries exceeded their carrying amounts by approximately PLN 160 million and PLN 190 million, respectively.

8. Dividend

On 12 April 2016, the General Meeting of Orange Polska S.A. adopted a resolution on the payment of an ordinary dividend of PLN 0.25 per share from the 2015 profit and retained earnings from previous years. The total dividend, amounting to PLN 328 million, will be paid on 7 July 2016.

9. Changes in major litigation and claims, contingent liabilities and contingent assets since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 27 to the IFRS Separate Financial Statements for the year ended 31 December 2015 or describes major matters that occurred after 31 December 2015.

a. Proceedings by UOKiK

Proceedings by UOKiK related to retail prices of calls to Play

UOKiK informed the Company that it had further prolonged the proceedings. The indicated date of prolongation is 14 May 2016.

Proceedings by UOKiK related to tenders for mobile services

UOKiK informed the Company that it had further prolonged the proceedings. The indicated date of prolongation is 22 June 2016.

- b. Proceedings by the European Commission related to broadband access

On 27 February 2016, Orange Polska appealed the verdict of the General Court of 17 December 2015 to the Court of Justice.

- c. Other contingent liabilities and provisions

Apart from the above mentioned, operational activities of the Company are subject to legal, social and administrative regulations and the Company is a party to a number of legal proceedings and commercial contracts related to its operational activities. Some regulatory decisions can be detrimental to the Company and court verdicts within appeal proceedings against such decisions can have negative consequences for the Company. The Company monitors the risks on a regular basis and the Management believes that adequate provisions have been recorded for known and quantifiable risks.

10. Related party transactions

As at 31 March 2016, Orange S.A. owned 50.67% of shares of the Company and had the power to appoint the majority of OPL S.A.'s Supervisory Board Members. The Supervisory Board appoints and dismisses Members of the Management Board.

OPL S.A.'s income earned from its subsidiaries comprises mainly property rental and related fees, telecommunications equipment sales and IT services. The purchases from the subsidiaries comprise mainly customer support and management services, selling fees, network services and property maintenance. Costs incurred by the Company in transactions with its subsidiaries also comprise donations to Fundacja Orange.

Income earned from the Orange Group comprises mainly interconnect, research and development services and data transmission. The purchases from the Orange Group comprise mainly costs of interconnect, data transmission, IT services, consulting services and brand fees.

OPL S.A.'s financial income earned from its subsidiaries comprises mainly dividends from the subsidiaries and interest on bonds issued by the subsidiaries. Financial costs incurred by OPL S.A. in transactions with the subsidiaries comprise interest on loans from the subsidiaries and interest on bonds issued to the subsidiaries. The Company's financial receivables from its subsidiaries comprise mainly bonds issued by the subsidiaries, together with accrued interest. Financial payables to the subsidiaries comprise loans from the subsidiaries, together with accrued interest, and bonds issued to the subsidiaries.

Financial receivables, payables, financial expense and other comprehensive (loss)/income concerning transactions with the Orange Group relate to loan agreements concluded with Atlas Services Belgium S.A. and agreement with Orange S.A. concerning derivative transactions to hedge exposure to foreign currency risk and interest rate risk related to the abovementioned loan agreements. Financial income from Orange S.A. and cash and cash equivalents deposited with Orange S.A. relate to the Cash Management Treasury Agreement.

<i>(in PLN millions)</i>	<i>3 months ended</i> <i>31 March 2016</i>	<i>3 months ended</i> <i>31 March 2015</i>
Sales of goods and services and other income:	100	94
Orange Polska Group (subsidiaries)	54	45
Orange Group	46	49
- Orange S.A. (parent)	26	27
- Orange Group (excluding parent)	20	22
Purchases of goods (including inventories, tangible and intangible assets) and services:	(286)	(302)
Orange Polska Group (subsidiaries)	(222)	(236)
Orange Group	(64)	(66)
- Orange S.A. (parent)	(19)	(21)
- Orange Group (excluding parent)	(45)	(45)
- including Orange Brand Services Limited (brand licence agreement)	(34)	(33)
Financial income:	69	92
Orange Polska Group (subsidiaries)	69	91
Orange S.A. (parent)	-	1
Financial expense, net:	(106)	(91)
Orange Polska Group (subsidiaries)	(36)	(46)
Orange Group	(70)	(45)
- Orange S.A. (parent)	(44)	(156)
- Orange Group (excluding parent)	(26)	111
Other comprehensive (loss)/income:	(26)	1
Orange S.A. (parent)	(26)	1

<i>(in PLN millions)</i>	<i>At 31 March</i> <i>2016</i>	<i>At 31 December</i> <i>2015</i>
Receivables:	88	126
Orange Polska Group (subsidiaries)	56	82
Orange Group	32	44
- Orange S.A. (parent)	22	29
- Orange Group (excluding parent)	10	15
Payables:	272	365
Orange Polska Group (subsidiaries)	202	284
Orange Group	70	81
- Orange S.A. (parent)	21	32
- Orange Group (excluding parent)	49	49
Financial receivables:	1,642	1,797
Orange Polska Group (subsidiaries)	1,572	1,687
Orange S.A. (parent)	70	110
Cash and cash equivalents deposited with:	174	86
Orange S.A. (parent)	174	86
Financial payables:	9,276	6,120
Orange Polska Group (subsidiaries)	1,758	1,870
Orange Group	7,518	4,250
- Orange S.A. (parent)	166	128
- Orange Group (excluding parent)	7,352	4,122

Compensation (remuneration, bonuses, post-employment and other long-term benefits and termination indemnities – cash and non-monetary benefits) paid in accordance with contractual commitments by OPL S.A. and its subsidiaries to OPL S.A.'s Management Board and Supervisory Board Members during the 3 months ended 31 March 2016 and 2015 amounted to PLN 5.2 million and PLN 3.7 million, including PLN 1.8 million and PLN 1.3 million accrued in previous periods, respectively. During the 3 months ended 31 March 2016 and 2015, the amount of accrued cost of compensation for the Company's Management Board amounted to PLN 1.1 million and PLN 0.8 million, respectively.

On 3 February 2016, prof. Andrzej K. Koźmiński submitted his resignation as the Deputy Chairman and Member of the Supervisory Board of OPL S.A. with effect on 12 April 2016.

On 4 February 2016, Mr Bruno Duthoit submitted his resignation as the President and Member of the Management Board of OPL S.A. with effect on 30 April 2016. On the same day, the Supervisory Board of OPL S.A. appointed Mr Jean-François Fallacher as the President of the Management Board of OPL S.A. with effect on 1 May 2016.

On 7 April 2016, Mr Gérard Ries submitted his resignation as the Member of the Supervisory Board of OPL S.A. with effect on the same day.

On 12 April 2016, the General Meeting of OPL S.A. appointed prof. Michał Kleiber as the Member of the Supervisory Board of OPL S.A.

11. Subsequent events

There was no significant event after the end of the reporting period.

Pursuant to Art. 87 of the Decree of the Minister of Finance of 19 February 2009 on current and periodic information to be disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state - Journal of Laws of 2009, no. 33, item 259, with amendments ("the Decree of the Minister of Finance of 19 February 2009"), the Management Board of Orange Polska S.A. ("OPL S.A.", "the Company") discloses the following information:

I. Shareholders entitled to exercise at least 5% of total voting rights at the General Meeting of OPL S.A., either directly or through subsidiaries, as at the date of publication of the quarterly report and changes in the ownership structure in the period since the submission of the previous annual report

The ownership structure of the Company's share capital, based on the information available to the Company as at 25 April 2016, i.e. the date of submission of the quarterly report for the 3 months ended 31 March 2016 was the same as at 15 February 2016, i.e. the date of submission of the annual report for the 12 months ended 31 December 2015:

Shareholder	Number of shares held	Number of votes at the General Meeting of OPL S.A.	Percentage of the total number of votes at the General Meeting of OPL S.A.	Nominal value of shares held (in PLN)	Share in the capital
Orange S.A.	664,999,999	664,999,999	50.67%	1,994,999,997	50.67%
Other shareholders	647,357,480	647,357,480	49.33%	1,942,072,440	49.33%
TOTAL	1,312,357,479	1,312,357,479	100.00%	3,937,072,437	100.00%

II. Statement of changes in ownership of OPL S.A.'s shares or rights to them (options) held by Members of the Management Board and the Supervisory Board of OPL S.A., according to information obtained by OPL S.A., in the period since the submission of the previous annual report

As part of the Company's incentive program, Members of the Management Board of the Company acquired OPL S.A. registered A-series bonds with a pre-emption right attached to the bonds to subscribe for the Company's shares with priority over existing shareholders.

The number of bonds with a pre-emption right held by Members of the Management Board of the Company at the dates of submission of the quarterly report for the 3 months ended 31 March 2016 and the annual report for the 12 months ended 31 December 2015 is as follows:

	25 April 2016	15 February 2016
Bruno Duthoit	-	-
Mariusz Gaca	68,839	68,839
Piotr Muszyński	190,896	190,896
Jolanta Dudek	13,768	13,768
Jacek Kowalski	25,241	25,241
Bożena Leśniewska	27,536	27,536
Maciej Nowohoński	36,715	36,715
Michał Paschalis-Jakubowicz	-	-

Mr Maciej Witucki, the Chairman of the Supervisory Board of OPL S.A., held 305,557 bonds with a pre-emption right as at 25 April 2016 and 15 February 2016. Other Members of the Supervisory Board of OPL S.A. do not participate in the Company's incentive program and as at 25 April 2016 and 15 February 2016 held no bond with a pre-emption right.

Mr Maciej Witucki, the Chairman of the Supervisory Board of OPL S.A., held 4,000 OPL S.A. shares as at 25 April 2016 and 15 February 2016. There was no OPL S.A. share held by other members of the Management Board or the Supervisory Board of OPL S.A.

III. Information on guarantees or collaterals of loans or borrowings granted by the Company or its subsidiaries to other entities or their subsidiaries, where the total amount of guarantees or collaterals account for at least 10% of the Company's equity

In the 3 months ended 31 March 2016, neither the Company nor its subsidiaries granted guarantees or collateral of loans or borrowings to any entity or its subsidiary with a total value representing the equivalent of at least 10% of OPL S.A.'s shareholders equity.

IV. The Management Board's comment on previously published financial forecasts

As published on 15 February 2016 in the current report 13/2016, the Group forecasts the restated EBITDA for 2016 to be in the range of PLN 3.15 - 3.30 billion and net financial debt to restated EBITDA ratio is expected to be not higher than 2.2 during 2016. The Management Board of Orange Polska S.A. confirms the above-mentioned forecast based on analysis of financial results for the first quarter of 2016.

V. Factors which, in the opinion of the Group, may affect its results over at least the next quarter

Factors that, in the Management Board's opinion, have influence on the Group's operations or may have such influence in the near future are presented in Section 4 of Management Board's Report on the Activity of Orange Polska Group in 2015 as well as in the current report 15/2016 published on 22 February 2016. Additionally, threats and risks that may impact the Group's operational and financial performance are reviewed in detail in the Chapter IV of the above mentioned Report.

VI. Foreign exchange rates

The statement of financial position data as at 31 March 2016 and 31 December 2015 presented in the table "Selected financial data" was translated into Euro at the average exchange rate of the National Bank of Poland ("NBP") at the end of the reporting period. The income statement data, together with the statement of comprehensive income and statement of cash flows data for the 3 months ended 31 March 2016 and 2015, was translated into Euro at an exchange rate which is the arithmetical average of the average NBP rates published by the NBP on the last day of each month of the 3 month periods ended 31 March 2016 and 2015.

The exchange rates used in the translation of the statement of financial position, income statement, statement of comprehensive income and statement of cash flows data are presented below:

	31 March 2016	31 December 2015	31 March 2015
Statement of financial position	4.2684 PLN	4.2615 PLN	Not applicable
Income statement, statement of comprehensive income, statement of cash flows	4.3559 PLN	Not applicable	4.1489 PLN