

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.

Notice on pro forma comparison

All comparisons up to EBITDA unless otherwise stated are presented on the pro forma basis as presented in appendix (slide #25)

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2Q'15 highlights

Bruno Duthoit
Chief executive officer

Satisfactory 2Q financial results

2Q2015 financial results	PLN 3.01bn group revenue, -2.3% yoy	PLN 959m EBITDA, -7.8% yoy*	31.8% EBITDA margin, -1.9 pp yoy*
	PLN 85m savings +8% yoy	PLN 419m capex +6% yoy*	PLN 379m organic cash flow** +17% yoy PLN 531m in 1H** (guidance confirmed)

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* change calculated based on restated figures as presented in appendix (slide #25)

** as defined on slide #18

Commercial results improving in mobile, not yet in fixed broadband

2Q2015
commercial
performance

- +6% yoy mobile post-paid customer base, +170k net adds in 2Q
- +29% yoy mobile broadband customers, +102k net adds in 2Q
- 1,270k LTE users, +370k net adds in 2Q
- +100% yoy VHBB clients, +25k net adds in 2Q (ADSL base under pressure, with 52k net losses in 2Q)
- +50% yoy Open customers (convergence), +36k net adds in 2Q
- +6% yoy TV base, +5k net adds in 2Q

Progress in connectivity both in mobile and fixed

2Q2015
operational
development

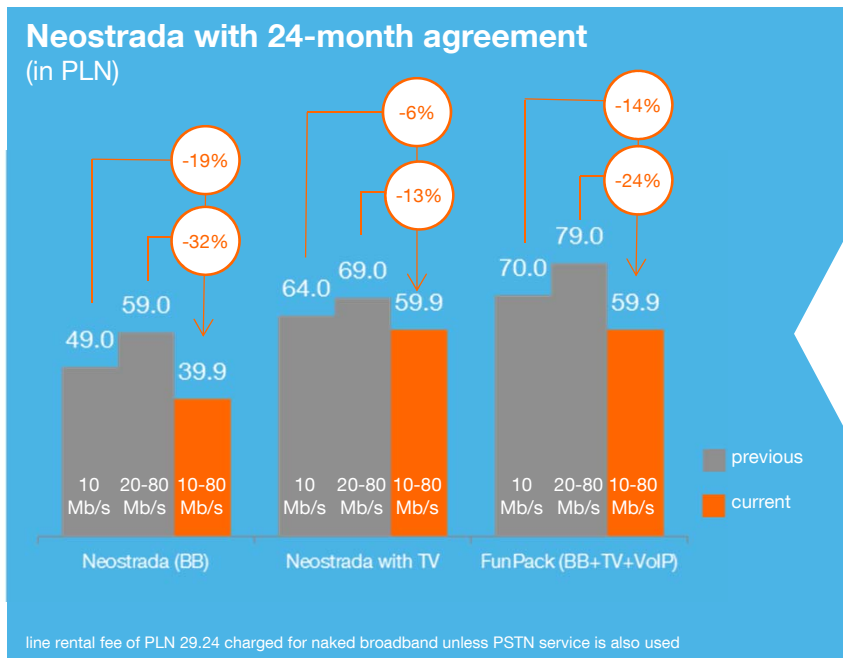
79% 4G coverage, +7 pp qoq

55% smartphone penetration in post-paid voice (vs 45% in 2Q'14)

120% yoy growth of mobile data AUPU

193k home passed in fibre technology, +87k in 2Q

Lower broadband prices now available in all areas across Poland



- price cuts made in October 2014 well received by customers
- new lower prices now available all across Poland
- volume and better structure (more TV and VoIP) should compensate for price reductions

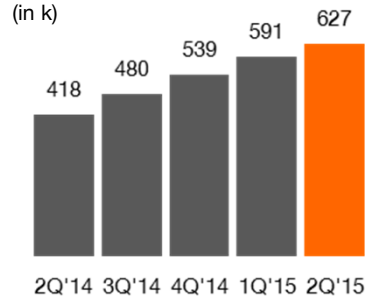
Enriched convergent packages to regain momentum

Dedicated mobile tariffs for fixed services customers

Smart Plans Open	SIM only	subsidized handset	subsidized handsets
unlimited calls and SMS	YES	YES	YES
data allowance	up to 5GB	0.1-1GB for PLN5-15	up to 5GB
EU roaming	400min, 100MB	400min	400min
subscription	PLN 59.99 PLN 29.99	PLN 69.98 PLN 39.98	PLN 89.98 PLN 59.98

- SIM only and with handsets
- Discount of PLN 30 per service (includes already PLN 10 regular Open discount)
- free subscription until the number is ported from competitors (max 6 months)
- Available also with our FTTH service

Orange Open customers (in k)



Entry barrier reduction in Orange Open

	minimum commitment eligible for Orange Open	
	previous	current
PSTN	PLN 39.0	no limit
Mobile	PLN 39.0	PLN 29.0

- aimed at increasing loyalty of PSTN customers
- possible higher upsell of mobile services to home users

Example convergent package

FunPack:	PLN 59.9*
	+
Mobile:	PLN 29.9
	-
Open discount:	PLN 25.0
	=
Total:	PLN 64.8*

* line rental fee of PLN 29.24 charged for naked broadband unless PSTN service is also used

Financial review

Maciej Nowohoński
Chief financial officer

2Q/1H financial results

in PLNm	1H'15	% yoy	2Q'15	% yoy	key points
revenues	5,943	-2.0**	3,013	-2.3	<ul style="list-style-type: none"> ▪ Commencing 2Q no longer strong yoy impact of instalment sales
excl. regulations		-1.3		-1.6	<ul style="list-style-type: none"> ▪ 2Q supported by infrastructure projects
restated EBITDA*	1,919	-3.4**	959	-7.8**	<ul style="list-style-type: none"> ▪ Higher commercial costs translate into better net adds in mobile ▪ PLN +37m positive impact of real estate disposals ▪ PLN 154m cost savings in H1, +12% yoy
% of revenues	32.3	-0.5 pp	31.8	-1.9 pp	
CAPEX	740	-3.6**	419	+6.1**	<ul style="list-style-type: none"> ▪ In line with FY outlook ▪ PLN 112m invested in fibre project in 1H (FY target of up to PLN 450m maintained)
in % of revenues	12.5	-0.2 pp	13.9	+1.1 pp	
organic cash flow***	531	+10.2	379	+16.6	<ul style="list-style-type: none"> ▪ 2Q supported by real estate disposals and lower cash capex ▪ FY guidance reaffirmed

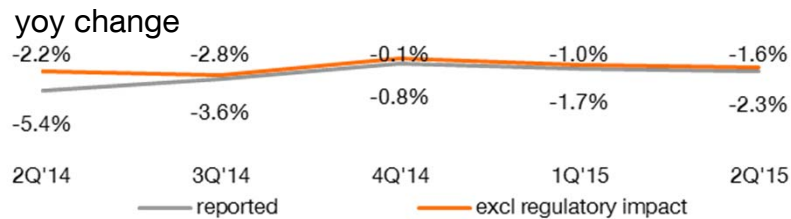
11 * restated as presented in appendix (slide #25)

** change calculated based on restated figures (slide #25)

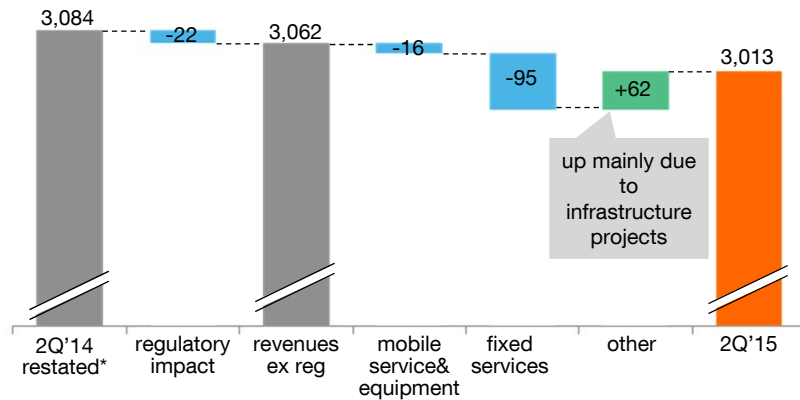
*** as defined on slide #18

Solid 2Q revenue performance

Group revenue evolution



Group revenue evolution breakdown in PLNm

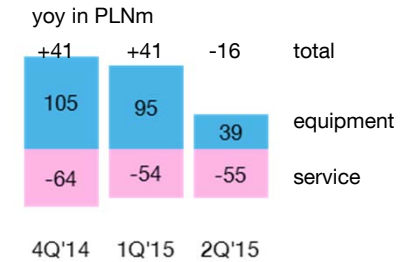


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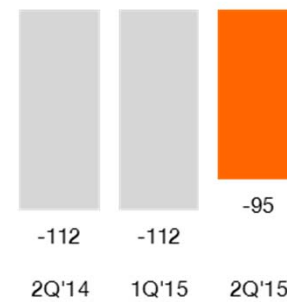
* restated as presented in appendix (slide #25)

mobile revenue, ex reg

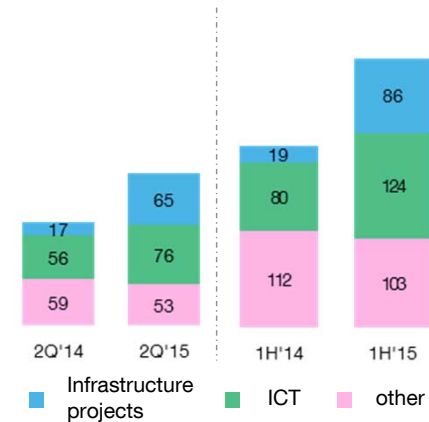
- equipment revenue growth slowed down (as expected)
- service revenue trend stable



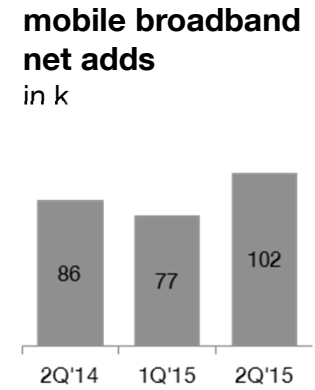
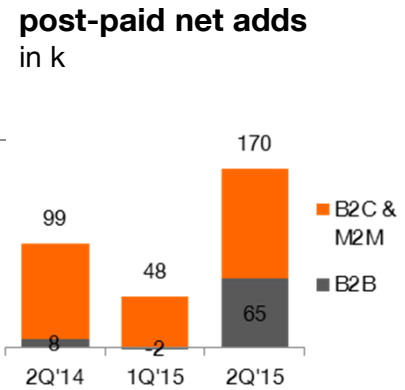
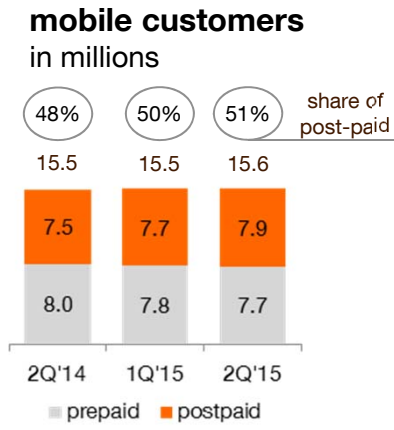
small improvement in fixed revenue, ex reg (yoy in PLNm)



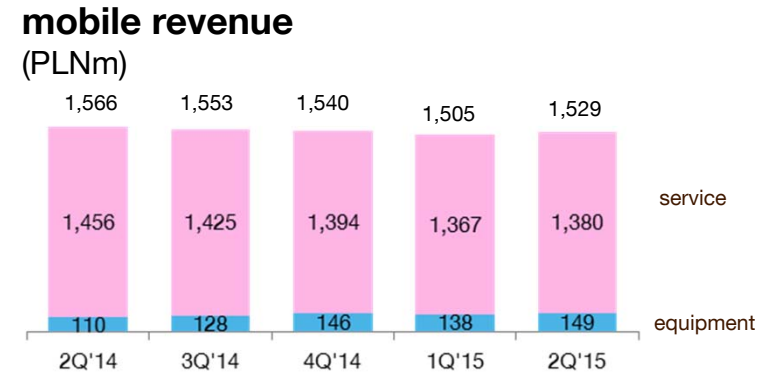
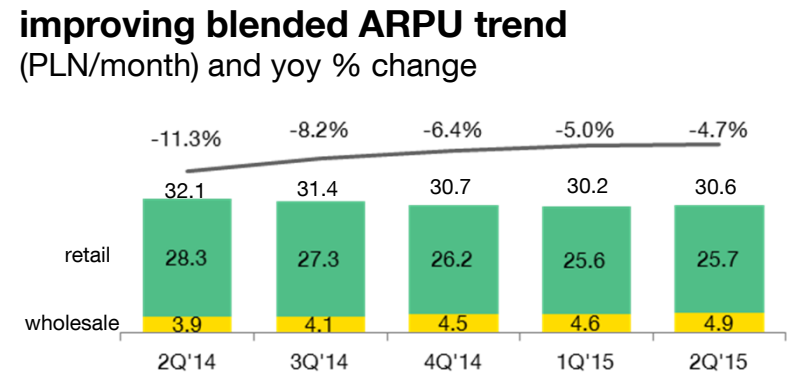
other revenue driven by ICT and infrastructure projects (in PLNm)



Improved commercial performance in mobile post-paid



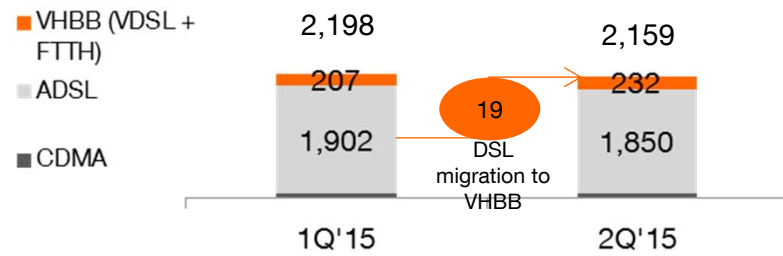
- Balanced structure of post-paid net adds between B2B, B2C and M2M
- Blended ARPU continues to benefit from incoming traffic and strong performance of pre-paid
- Messaging revenues under pressure due to unlimited packages



ADSL base continues to suffer in regulated zones, new commercial offensive launched end of June

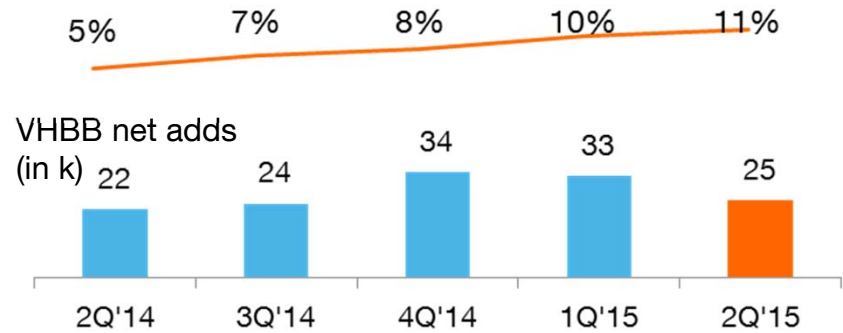
retail broadband accesses

(in k)



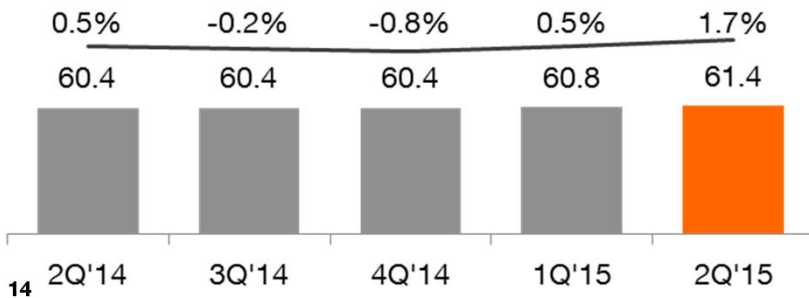
VHBB (VDSL+FTTH) customers

VHBB customers as % of FBB ex CDMA



ARPU (broadband, TV, VoIP) evolution

in PLN/month and yoy % change



- Focus on marketing of new unified broadband prices will address pressure on ADSL in regulated zones
- Continuation of migration of ADSL customers to VHBB
- ARPU benefits from shift to higher packages

Increased customer churn in fixed voice

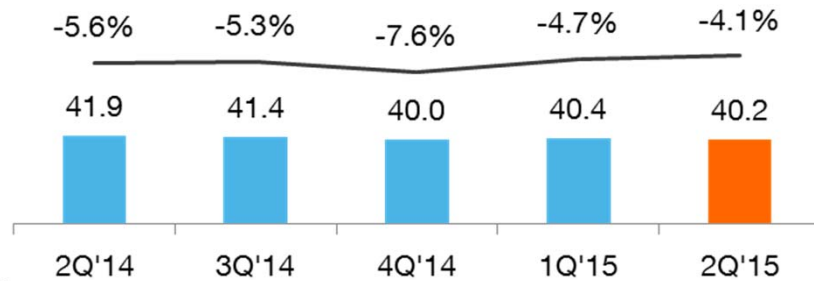
retail fixed voice lines evolution

in k



retail fixed voice ARPU* evolution

in PLN/month and yoy % change

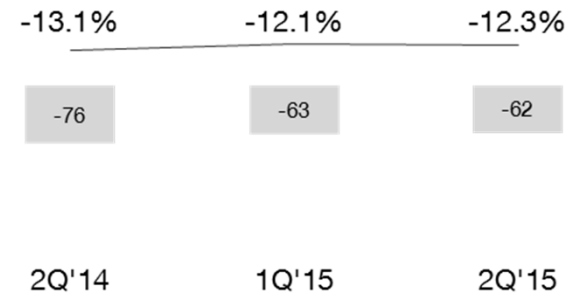


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* excluding VoIP revenues which are included in broadband revenues

stable revenue trend

yoy change in PLNm and %

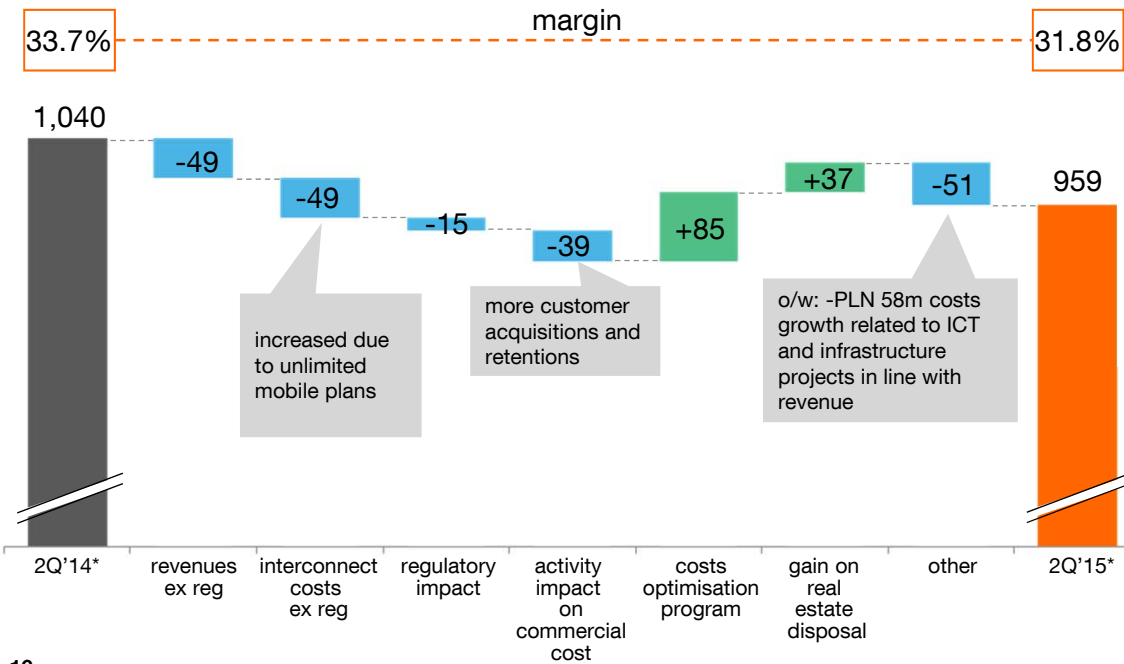


- customer losses in B2C affected by higher competition and outflow in ADSL base
- stable churn in B2B
- new initiatives in convergence will help to improve loyalty from landline customers

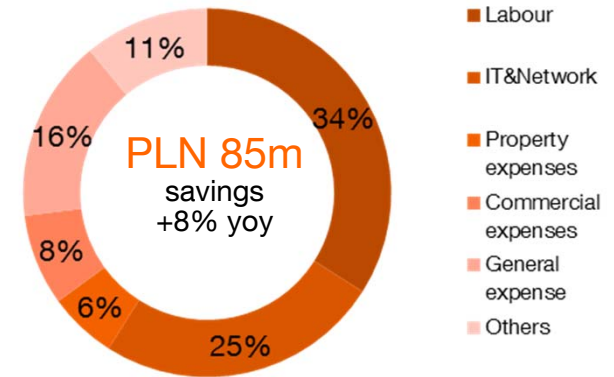
2Q EBITDA supported by cost savings and real estate disposals

Group restated EBITDA* evolution

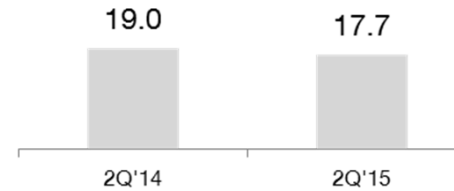
yoy change in PLNm



split of cost savings



employment down 6.5% yoy
(in kFTE end of period)



* restated as presented in appendix (slide #25)

Net income benefited from lower financial costs and depreciation

in PLNm	1H'14	1H'15	2Q'14	2Q'15	change
reported EBITDA	2,138	1,918	996	959	-37
depreciation and amortization	-1,544	-1,443	-794	-733	+61
impairment of non-current assets	-3	3	-2	6	+8
reported operating income	591	478	200	232	+32
net financial costs	-237	-134	-118	-76	+42
income tax	11	-47	12	-30	-42
reported net income	365	297	94	126	+32

Net financial costs benefited from debt refinancing made in May 2014

2014 positive income tax due to recognition of accruals for tax refunds and tax relief on new technologies

Full-year cash flow guidance of around PLN 0.9bn** confirmed

in PLNm	1H'14	1H'15	change	2Q'14	2Q'15	change
net cash flow from operating activities before income tax paid and change in working capital	1,618	1,623	+5	787	784	-3
change in working capital	-136	-247	-111	-79	-126	-47
CAPEX*	-1,133***	-735	+398	-762***	-421	+341
change in CAPEX payables	137***	-180	-317	331***	36	-295
LTE auction deposits	-	-428	-428	-	-228	-228
income tax received/(paid)	-38	-18	+20	28	33	+5
sales of assets	34	88	+54	20	73	+53
reported organic cash flow	482	103	-379	325	151	-174
LTE auction deposits	-	428	+428	-	228	+228
organic cash flow (guidance definition)**	482	531	+49	325	379	+54

18 * including exchange rate effect on derivatives economically hedging capital expenditures, net

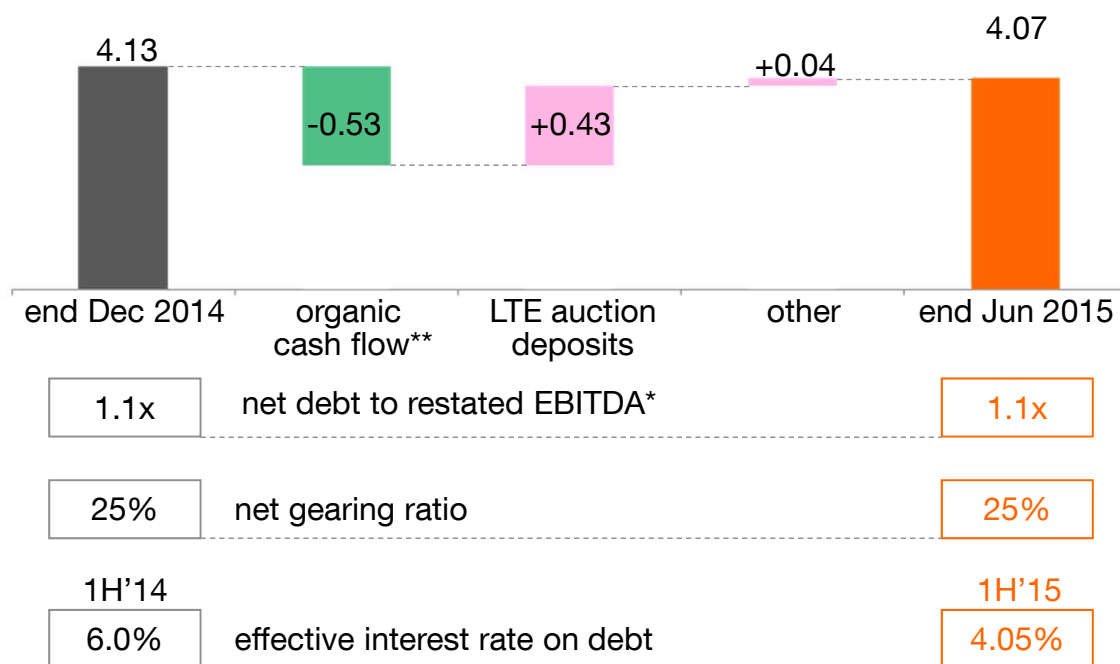
** including cash capex for fibre access network project and excluding one-offs: acquisition of any new spectrum, potential payment of the EC fine and certain other claims and litigations

*** includes 900MHz spectrum renewal fee of PLN358 million which was paid in July

Financial leverage at stable low level

net debt evolution

change in PLN bn



available liquidity end of June 2015:

- PLN 0.5bn cash
- PLN 1.6bn unused credit lines
- PLN 1.8bn back-up lines

PLN 656m of dividend was paid in cash on July 9, 2015

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* restated as presented in appendix (slide #25)

** as defined on slide #18

Conclusions

Bruno Duthoit
Chief executive officer

Key takeaways from 1H2015

- **Market environment remains very competitive** both in mobile and fixed
 - our commercial momentum in mobile improved in 2Q after weak 1Q
- **We are on track to deliver on our full year organic cash flow guidance**
- **Factors influencing our financial capacity:**
 - Spectrum auction still ongoing
 - EC fine – the hearing took place in June but the verdict is not likely to be announced in 2015
- **Our 2H agenda** is marked by:
 - Continuation of proactive marketing approach: particular focus on net additions in mobile, Orange Open and fixed broadband
 - Execution of our fibre rollout plan (targets on number of households and capex maintained)
 - Rigorous cost control

2015 guidance confirmed

		FY outlook and guidance reminder	1H status	comments
outlook on trends	top-line evolution	revenues and EBITDA likely to be under pressure mainly due to repricing in B2B segment, only partially offset by cost reduction initiatives	revenues -2.0%	<ul style="list-style-type: none"> Tough outlook for B2B continues FBB and fixed voice under pressure 2H no longer supported by infrastructure projects and equipment sales commercial costs to weigh on EBITDA in 2H
	cost base (up to EBITDA)		opex* -1.3%	
	capital expenses	including fibre access network project, capex is anticipated below PLN 2bn (excluding new spectrum) – we plan to invest up to PLN 450m in fibre rollout in 2015	Capex*** PLN 740m -3.6% yoy	<ul style="list-style-type: none"> On track with full-year outlook Much higher pace of fibre rollout in 2H
guidance	Organic Cash Flow	2015 OCF around PLN 900m (including cash capex for fibre access network project) excluding one-offs: - acquisition of any new spectrum - potential payment of the EC fine - certain claims and litigation	organic cash flow PLN 531m** +10.2% yoy	<ul style="list-style-type: none"> FY guidance confirmed lower yoy in 2H due to pressure on EBITDA and fibre capex

22 * OPEX = revenue - restated EBITDA as presented in appendix (slide #25)

** restated as presented on slide #18

*** restated as presented in appendix (slide #25)

Q&A

Appendix

Restatements to financial data

<i>in PLNm</i>	2Q'14	2Q'15	1H'14	1H'15
revenue	3,084	3,013	6,079	5,943
-revenue of Wirtualna Polska	-	-	-15	-
restated revenue	3,084	3,013	6,064	5,943
EBITDA	996	959	2,138	1,918
-gain on disposal of Wirtualna Polska	-	-	-191	-
-EBITDA of Wirtualna Polska	-	-	-4	-
-the impact of certain claims and litigations	44	-	44	-
-employment termination expenses	-	-	-	1
restated EBITDA	1,040	959	1,987	1,919
capital expenditures	762	419	1,136	740
-acquisition of telecommunications licences	-367	-	-368	-
capital expenditures (outlook definition)	395	419	768	740

Glossary (1/4)

4G	fourth generation of mobile technology, sometimes called LTE (Long Term Evolution)
ARPU	Average Revenue per User
AUPU	Average Usage per User
BSA	Bit Stream Access
CATV	Cable Television
CDMA	Code Division Multiple Access, second generation wireless mobile network used also as a wireless local loop for locations where cable access is not economically justified
data user	a customer who used mobile data transmission in a given month
EBITDA	Operating income + depreciation and amortization + impairment of goodwill + impairment of non-current assets
F2M	Fixed to Mobile Calls
FBB	Fixed Broadband

Glossary (2/4)

Fibre access network project	rollout of fixed broadband access network based on fibre technology which provides the end user with speed of above 100Mbps
FTE	Full time equivalent
FTTH	Fibre To The Home
ICT	Information and Communication Technologies
IP TV	TV over Internet Protocol
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, standard of data transmission on mobile networks (4G)
LTE user	a customer who used LTE service at least once in a given month
M2M	Machine to Machine, telemetry
MTR	Mobile Termination Rates

Glossary (3/4)

MVNO	Mobile Virtual Network Operator
Net Gearing	net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)
Organic Cash Flow	Organic Cash Flow = Net cash provided by Operating Activities – (CAPEX + CAPEX payables) + proceeds from sale of assets
Neotrada	Fixed broadband access service
POS	Point-Of-Sale
POTS	Plain Old Telephone Service
RAN agreement	agreement on reciprocal use of radio access networks
RGU	Revenue Generating Unit
SAC	Subscriber Acquisition Costs
SIMO	mobile SIM only offers without devices
SRC	Subscription Retention Costs
UKE	Office of Electronic Communications - Regulator

Glossary (4/4)

UOKiK	Office for Competition and Consumer Protection
VDSL	Very-high-bit-rate Digital Subscriber Line
VHBB	Very high speed broadband above 30Mbps
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