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Telekomunikacja Polska S.A., (TPSA) – Warsaw, Poland
October 16th, 2012

Pursuant to art. 56, clause 5 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 Telekomunikacja Polska S.A. hereby provides the update of 2012 outlook on operational trends and net free cash flow guidance for Telekomunikacja Polska Group ("Group", "Orange Polska"), originally announced in a current report number 20/ 2012, dated 14 February 2012.

Orange Polska (TPSA) adjusts its outlook and guidance for FY 2012 to reflect deterioration of operating environment and reiterates confidence in long term prospects

October 16, 2012: Based on preliminary financial and operating results for 3Q 2012, the Group is adjusting its outlook and guidance for the full year 2012. The following table presents the Group's updated outlook and guidance for 2012 in comparison to the estimates published previously (current report No. 20/2012 dated February 14th, 2012):

FY2012 outlook on operational trends and guidance	previous outlook and guidance (current report No. 20/2012 dated February 14th, 2012)	New outlook and guidance
market value and revenue	▪ market value affected by MTR cuts, nearing stabilisation ▪ revenue is anticipated to decline by not more than 3%*	revenue is anticipated to decline by between -4%* and -5%*
costs and EBITDA	▪ cost optimisation continued, costs base expected to decrease yoy ▪ EBITDA margin anticipated between 35%* and 37%*	EBITDA margin anticipated between 34%* and 36%*
capex to sales	▪ capex anticipated between 15% and 17% of revenue*, broadband investment program continued	capex anticipated between 15% and 17% of revenue*

FY 2012 guidance	previous	updated
net free cash flow	net free cash flow expected of at least PLN 2bn*	net free cash flow expected between PLN 1.5bn* and PLN 1.6bn*

Unlimited voice and SMS offers launched by all mobile operators in the first two quarters of this year have significantly affected the Polish mobile market, particularly in the enterprise segment, leading, as a result, to substantial loss of revenue.

Orange Polska immediately adjusted its offer and launched a set of actions, aimed at minimising the negative impact of the new tariffs on the Average Revenue Per User (ARPU)

* excluding EUR 550mn payment to DPTG, exceptional items, and changes in consolidation scope and spectrum acquisition.

and on revenue. Nevertheless, it faced a rapid increase in the number of mobile unlimited voice and SMS customers, predominately in the enterprise segment. Additionally, the introduction of unlimited voice and SMS offers for the prepaid market segment by two mobile telecom operators earlier this month are also negatively impacting the Group's revenue outlook for 2012.

Simultaneously, the deterioration of the macroeconomic environment in Poland is weighing on working capital requirements, because of slower collection of accounts receivable and rising pressure on accounts payable. Under these circumstances, the Group will not be able to achieve its Net Free Cash Flow objective of at least PLN 2 billion* for the current financial year.

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.

* excluding EUR 550mn payment to DPTG, exceptional items, and changes in consolidation scope and spectrum acquisition.