

Polkomtel Finance AB (publ)

Annual report

as at December 31, 2010

for the period from May 5 to December 31, 2010

Table of contents

1. Letter from Chairman of the Board of Directors of Polkomtel Finance AB (publ)
2. Selected financial data
3. Report on operations of Polkomtel Finance AB (publ)
4. Statement of the Board of Directors of Polkomtel Finance AB (publ)
5. An opinion of a certified auditor
6. Financial statements

Warsaw, 22 February 2011

Dear Sirs,

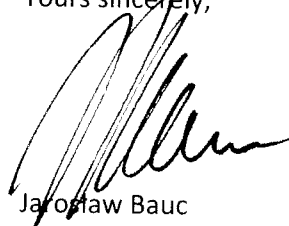
It is my pleasure to present the first Annual Report of Polkomtel Finance AB (publ) for the period from 5 May 2010 to 31 December 2010. The period was full of important developments for the Company.

On 6 September 2010 Polkomtel Finance AB (publ) issued notes of PLN 1 bn under the Company's EMTN (Euro Medium Term Notes) program having the total value of EUR 1 bn. The offer was received with enormous interest by Polish institutional investors, with reduction of subscriptions reaching 60%. It was a pioneering and at the same time the biggest transaction on the Polish market which involved issue of notes denominated in Polish zloty which have permitted for trading on the Polish market, dematerialized and then registered by the National Deposit of Securities. On 30 September 2010 the notes debuted on the Catalyst market.

The funds obtained from the issued notes were used to secure long-term financing for Polkomtel S.A.

In 2011 the Company intends to continue its existing operations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jarosław Bauc', written over a faint, illegible background.

Jarosław Bauc

Chairman of the Board of Directors

Stockholm, 22 February 2011

Selected financial data for 2010

Selected financial data including the main lines of the financial statements of Polkomtel Finance AB (publ) prepared as at 31 December 2010 and for the period from 5 May to 31 December 2010:

		as at December 31, 2010 for the period from May 5 to December 31, 2010	
		'000 PLN	'000 EUR*
1.	Interest income	18,364.4	4,555.6
2.	Interest expense	18,008.5	4,467.3
3.	Interest net	355.9	88.3
4.	Profit before taxation	205.4	51.0
5.	Net profit	155.9	38.7
6.	Total assets	1,015,941.4	256,531.4
7.	Non-current assets	997,494.4	251,873.4
8.	Current assets	18,447.0	4,658.0
9.	Shareholders' equity	359.3	90.7
10.	Non-current liabilities	997,300.9	251,824.6
11.	Current liabilities	18,281.3	4,616.1

* Average EUR/PLN rate 4.0312 for 2010 for positions 1-5 and average EUR/PLN rate 3.9603 quoted by the National Bank of Poland on 31 December 2010 for positions 6-11.

Stockholm, 22 February 2011

**Report on operations of Polkomtel Finance AB (publ) for the period from 5 May 2010 to
31 December 2010**

Establishing of the Company

Polkomtel Finance AB (publ) (hereinafter "Polkomtel Finance", "the Company"), having its registered office in Stockholm, was established on 5 May 2010. Its share capital was fully paid in and as of 31 December 2010 it amounted to SEK 500,000.00.

Scope of operations

The Company's scope of operations covers management of financial instruments as well as other financial operations, including granting of loans.

Information on assets and financial situation

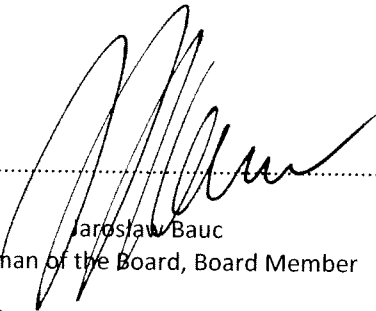
During the period the Company established the Euro Medium Term Note ("EMTN") program with an aim of issuing notes with a total value of EUR 1 bn. As part of the EMTN program, Polkomtel Finance issued notes of PLN 1 bn which are listed on the alternative trading system organized by BondSpot S.A. The notes issued under the EMTN program are guaranteed by Polkomtel S.A. (hereinafter "Polkomtel", "the Parent Company"). The funds obtained from issuing the notes were used to grant to the Parent Company a loan of PLN 1 bn.

The Company's net profit for the period from 5 May 2010 to 31 December 2010 amounted to PLN 155.9 thousand and it mainly resulted from the difference between the cost of acquiring the funding from noteholders and the interest on the loan to Polkomtel. In 2010 Polkomtel Finance also incurred other costs, mainly the costs related to the Company's operation as well as the costs related to launch of the EMTN program and the notes issue.



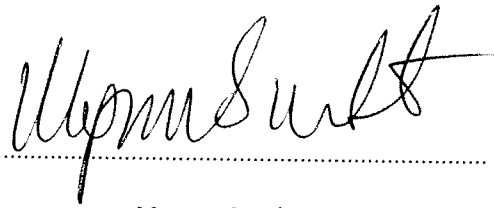
Expected financial situation in 2011

The Board of Directors of Polkomtel Finance does not expect any difficulties in fulfilling the obligations related to the issued notes since the payment terms of the loan granted to the Parent Company are linked to the payment terms of the issued notes. The financial standing of Polkomtel, who is the guarantor for the note issue, is monitored by Standard & Poor's who awarded a BBB+ investment grade to the Parent Company.



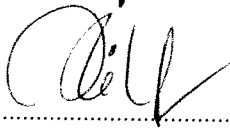
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Jaroslav Bauc
Chairman of the Board, Board Member



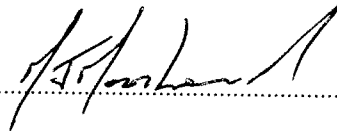
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Magnus Sundström
Managing Director, Board Member



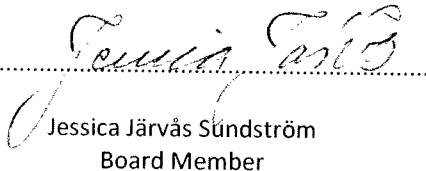
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Håkan Ambjörnsson
Board Member



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Martin Moorhouse
Board Member



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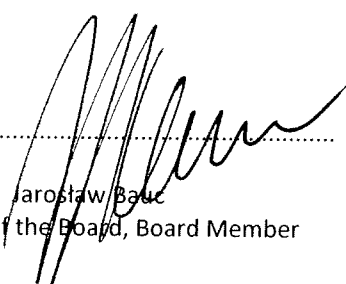
Jessica Järvås Sundström
Board Member

Stockholm, 22 February 2011

Statement of the Board of Directors of Polkomtel Finance AB (publ)

The Board of Directors of Polkomtel Finance AB (publ) (the "Company") hereby declares that to the best of their knowledge the financial statements of Polkomtel Finance AB (publ) for the period from 5 May 2010 to 31 December 2010 were prepared in compliance with the applicable accounting principles in force and that they reflect true and fair view on financial position and financial result of the Company. We confirm that the report on the Company's operations for the period from 5 May 2010 to 31 December 2010 presents true overview of business situation of the Company, including basic risks and exposures.

The Board of Directors hereby confirms that the certified auditor who audited the financial statements of Polkomtel Finance AB (publ) for the period from 5 May 2010 to 31 December 2010 was appointed in accordance with applicable legal regulations. The audit company and individual auditors who audited the financial statements fulfilled the conditions of expressing an impartial and independent opinion on the audited financial statements of Polkomtel Finance AB (publ) for the period from 5 May 2010 to 31 December 2010 according to applicable regulations and professional standards.



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Jarostaw Bauc
Chairman of the Board, Board Member



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Magnus Sundström
Managing Director, Board Member



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Håkan Ambjörnsson
Board Member



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Martin Moorhouse
Board Member



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Jessica Järvås Sundström
Board Member

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **Polkomtel Finance AB (publ)**, which comprise the statement of financial position as at **December 31, 2010**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly and **give a true and fair view of the** financial position of **Polkomtel Finance AB (publ)** as at **December 31, 2010**, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Stockholm, ^{22/2} 2011

Deloitte AB


Peter Ekberg

Authorized Public Accountant

Polkomtel Finance AB (publ)

Financial Statements

International Financial Reporting Standards

as at December 31, 2010

for the period from May 5 to December 31, 2010

STATEMENT OF COMPREHENSIVE INCOME

for the period from May 5 to December 31, 2010

for the period from May 5
to December 31
2010

	Notes	in PLN thousand
Continuing operations		
Interest income on the loan to the Parent Company		18 364,4
Interest expenses on notes		(18 008,5)
Interest net		355,9
Operating expenses	4	(232,5)
Operating profit		123,4
Financial income	5	81,9
Profit before taxation		205,4
Income tax expense	6	(49,4)
Net profit for the period		155,9
Other comprehensive income		-
Total comprehensive income for the period		155,9

The notes to the financial statements are an integral part of this Statement of Comprehensive Income

STATEMENT OF FINANCIAL POSITION

as at December 31, 2010

		as at December 31 2010
ASSETS	Notes	<i>in PLN thousand</i>
<hr/>		
<i>Non-current financial assets</i>		
Loan to the Parent Company	7	997 494,4
		<hr/> 997 494,4
<i>Current assets</i>		
Accounts receivable	8	43,8
Loan to the Parent Company	7	18 270,0
Cash and cash equivalents	7, 9	133,1
		<hr/> 18 447,0
TOTAL ASSETS		<hr/> 1 015 941,4 <hr/>

The notes to the financial statements are an integral part of this Statement of Financial Position

STATEMENT OF FINANCIAL POSITION (cont.)

as at December 31, 2010

		as at December 31 2010
<hr/>		
SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	<i>in PLN thousand</i>
<hr/>		
<i>Shareholders' equity</i>		
Share capital	10	203,4
Retained earnings	11	155,9
		<hr/> 359,3 <hr/>
<i>Non-current liabilities</i>		
Floating rate notes	7	997 288,5
Deferred tax liability	6	12,4
		<hr/> 997 300,9 <hr/>
<i>Current liabilities</i>		
Corporate income tax liabilities	6	37,1
Floating rate notes	7	18 120,0
Accrued expenses	12	124,2
		<hr/> 18 281,3 <hr/>
TOTAL EQUITY AND LIABILITIES		<hr/> 1 015 941,4 <hr/>

The notes to the financial statements are an integral part of this Statement of Financial Position

STATEMENT OF CASH FLOW
for the period from May 5 to December 31, 2010

for the period from May 5
to December 31
2010

in PLN thousand

Operating activities	
Profit before taxation:	205,4
Cash flows from operating activities before movements in working capital	205,4
Increase / decrease in:	
Loan to the Parent Company	(1 015 764,4)
Floating rate notes	1 015 408,5
Accounts receivable	(43,8)
Accrued expenses	124,2
Cash flows from operating activities	(70,2)
Net cash flows from operating activities	(70,2)
Investing activities	
Investing activities	-
Net cash flows used in investing activities	-
Financing activities	
Proceeds from:	
Issue of shares	203,4
Net cash flows from financing activities	203,4
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	133,1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-
including effect of foreign exchange rate changes	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	133,1

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the period from May 5 to December 31, 2010

	<i>in PLN thousand</i>		
	Share Capital	Retained earnings	TOTAL
Balance as at May 5, 2010	203,4	-	-
Issue of shares	-	-	-
Total comprehensive income for the period	-	155,9	155,9
Balance as at December 31, 2010	203,4	155,9	359,3



NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

1. General information

Polkomtel Finance AB (publ) ("Polkomtel Finance" or the "Company") was established as a public limited liability company under Swedish law, for and indefinite time. The Company's registered office is located in Stockholm. The Company was registered in the Swedish Companies Registration Office under number 556807-4594 on May 5, 2010.

The scope of business of Polkomtel Finance AB (publ) according to the Company's Articles of Association is to directly or indirectly own, manage and trade in financial instruments and engage in other financing activities that do not require a permit including granting of loans and carry out any other business incidental or related to the foregoing activities.

On May 12, 2010 Polkomtel Finance established the Euro Medium Term Note Programme (the "Programme") for the issuance of up to EUR 1,000,000,000 in aggregate principal amount of notes guaranteed by its parent company, Polkomtel S.A. (the "Parent Company"). The notes under the Programme may be issued in series and each series may comprise one or more tranches of notes.

On September 6, 2010 Polkomtel Finance issued the first tranche of notes with aggregated nominal value of PLN 1,000,000,000 guaranteed by the Parent Company and due in 2015. On that day the Company signed a 5-year loan agreement of PLN 1,000,000,000 with the Parent Company. The loan was financed by the first tranche of notes issued under the Programme.

The Base Prospectus for the Programme was approved by the Luxembourg Commission de Surveillance du Secteur Financier. The notes issued by the Company are listed on the alternative trading market administered by BondSpot S.A. and they are registered in uncertificated and dematerialised book entry form with the Polish National Depository for Securities.

As at the date of the financial statements, the composition of the Company's Board of Directors is as follows:

- Magnus Sundström, Managing Director, Board Member;
- Jarosław Bauc, Chairman of the Board, Board Member;
- Håkan Ambjörnsson, Board Member;
- Jessica Järvås Sundström, Board Member;
- Martin Moorhouse, Board Member.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

1. General information (cont.)**Statement of compliance**

The separate financial statements have been prepared in accordance with all International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Statutory financial statements

The Company prepares its statutory financial statements under the Swedish Annual Accounts act and Swedish accounting principles in SEK. Note 13 presents reconciliation of the amounts presented in the statutory financial statements to those presented in financial statements prepared under IFRS.

These financial statements are the first financial statements prepared and therefore no comparable data is presented.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

2. Adoption of new and revised International Financial Reporting Standards

The financial information presented and drawn from the standards and accounting principles are applicable to annual periods beginning on 1 January 2010.

Standards and Interpretations issued and adopted by the EU but not yet effective:

Amendments to IAS 24 "Related Party Disclosures" - Simplifying the disclosure requirements for government-related entities and clarifying the definition of a related party (effective for annual periods beginning on or after 1 January 2011),

Amendments to IAS 32 "Financial Instruments: Presentation" – Accounting for rights issues (effective for annual periods beginning on or after 1 February 2010),

Amendments to IFRS 1 "First-time Adoption of IFRS"- Limited Exemption from Comparative IFRS 7 Disclosures for First time Adopters, adopted by the EU on 30 June 2010 (effective for annual periods beginning on or after 1 July 2010).

Amendments to IFRIC 14 "IAS 19 — The Limit on a defined benefit Asset, Minimum Funding Requirements and their Interaction" - Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011),

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010).

Standards and Interpretations issued by IASB but not yet adopted by the EU:

IFRS 9 "Financial Instruments" effective for annual periods beginning on or after 1 January 2013,

Amendments to IFRS 1 "First-time Adoption of IFRS"- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 1 July 2011),

Amendments to IFRS 7 "Financial Instruments: Disclosures"- Transfers of Financial Assets (effective for annual periods beginning on or after 1 July 2011),

Amendments to IAS 12 "Income Taxes" - Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012),

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

2. Adoption of new and revised International Financial Reporting Standards (cont.)

Amendments to various standards and interpretations "Improvements to IFRSs (2010)" resulting from the annual improvement project of IFRS published on 6 May 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily with a view to removing inconsistencies and clarifying wording (most amendments are to be applied for annual periods beginning on or after 1 January 2011).

The Company's Board of Directors has analyzed the foregoing standards and interpretations. These regulations do not have a significant impact on the Company's financial position.



NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

3. Significant accounting policies**Functional currency**

However under IFRS Polish Zloty (PLN) is the functional currency for Polkomtel Finance and the financial statements of the Company prepared under IFRS are prepared in PLN, Swedish Krona (SEK) is the reporting currency of the Company for statutory purposes.

Basis of financial statements preparation

The financial statements have been prepared on the assumption that the Company will continue to operate as a going concern for the foreseeable future.

Accounting policy and changes in accounting policy

The accounting principles have been consistently applied by the Company.

In the opinion of the Board of Directors there are no components of the Company, which can be defined as a separate operating segment, except for the operating segment understood as the whole Company.

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at exchange rates prevailing on the dates of the transactions. At the balance sheet date monetary items denominated in foreign currencies are translated into PLN at the rate prevailing at the reporting date. Exchange differences arising on the settlement of monetary items and on the translation of monetary items, in accordance with IAS 21, are included in statement of comprehensive income for the period.

Revenue and expense recognition

Interest income is recognized using the effective interest rate method.

Interest expense is recognized using the effective interest rate method.

Taxation

The Company accounts for income taxes under IAS 12. Income tax expense includes the tax currently payable and deferred tax.



NOTES TO THE FINANCIAL STATEMENTS
as at December 31, 2010
and for the period from May 5 to December 31, 2010

3. Significant accounting policies (cont.)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the statement of comprehensive income because it excludes incomes or expenses that are taxable or deductible in other tax years and it further excludes items which, as a rule, are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

In the statement of financial position the Company presents the income tax after offsetting the respective amounts against the liabilities payable to the same tax office.

The deferred tax liability represents the tax portion of the appropriation to the tax equalization reserve made under Swedish statutory rules.

Financial assets and financial liabilities

Financial assets include loans, trade and other receivables as well as cash and cash equivalent.

Financial assets are originally valued at their fair value. Following their original recognition they are then recognized at the amortized cost with the use of the effective interest rate. Cash and cash equivalents include cash in hand, cash at bank and short-term deposits with due dates not exceeding three months. In case of objective reasons to believe that loss of value has occurred, the value of a financial assets' component is reduced by an impairment.

Financial liabilities include notes and trade and other payables.

Financial liabilities are originally valued at their fair value less transaction cost. Then they are valued at the cost amortized using the effective interest rate.



NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

and for the period from May 5 to December 31, 2010

3. Significant accounting policies (cont.)

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Share capital

Share capital is presented in nominal value of the registered shares.



NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

4 . Operating expensesfor the period from May 5
to December 31
2010*in PLN thousand*

Management fees	97,2
Bank fees	2,0
Legal fees	7,0
Fees to authorities	22,4
Expenses recharged to the Parent Company	750,7
Other	103,8
Recharges to the Parent Company	(750,7)
Total other operating expenses	232,5

5 . Financial incomefor the period from May 5
to December 31
2010*in PLN thousand*

Other interest income	73,2
Exchange rate gains, net	8,7
Total financial income	81,9

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

6 . Income tax expense

for the period from May 5
to December 31
2010*in PLN thousand*

Current income tax expense	37.1
Deferred income tax expense	12.4

Income tax expense for the period	49.4
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Effective tax rate

for the period from May 5
to December 31
2010*in PLN thousand*

Profit before taxation	205.4
Tax at the domestic income tax rate of 26,3%	(54,0)

Exchange rate difference	4,6
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Corporate income tax expenses recognised in profit	(49,4)
Effective tax rate	-24%

Deferred tax provision:

Deferred tax liability	12,4
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Total net deferred tax provision	12,4
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Deferred tax provision at as December 31, 2010	12,4
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NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

7 . Financial assets and liabilities

*Disclosures under IFRS 7*Fair values

The fair values of the non-current loan and the non-current borrowing have been estimated by applying the interest rate for WIBOR 6M as at December 31, 2010 (4.16%) to the models used by the Company to determine the effective interest rates of the respective loan and borrowing. The corresponding interest at the inceptions of the loan and borrowing as at September 6, 2010 was 4.00%. The fair values of short term financial assets and liabilities are estimated by their respective book values.

Market risk

The floating rate loan to the Parent Company which is the major asset of the Company is also financed with the floating rate notes. Furthermore, both loan and notes are denominated in PLN. Therefore the Company is not exposed to any material market risk.

Liquidity risk

Payment terms of loan to the Parent Company and notes are similar therefore the Company is not exposed to any difficulties in meeting obligations associated with financial liabilities.

Credit and counterparty risk

Polkomtel S.A. is the sole Company's borrower and it is also the guarantor of any commitments resulting from issued notes. The financial situation of Polkomtel S.A. is monitored by Standard & Poor's that assessed its rating as investment grade BBB+ therefore the Company's exposure to credit risk is estimated as low.

The following tables present valuation, interest expenses and income, foreign exchange gains and losses on each category of financial assets and liabilities.

Valuation of financial assets and financial liabilities

as at December 31, 2010		
in PLN thousand		
Non-current financial assets	book value	fair value
Loan to the Parent Company (non-current)	997 494,4	997 483,4
Total	997 494,4	997 483,4

as at December 31, 2010		
in PLN thousand		
Current financial assets	book value	fair value
Loan to the Parent Company (current)	18 270,0	18 270,0
Total	18 270,0	18 270,0

Carrying amount of current financial assets is approximation of their fair value due to its short-term maturity.

as at December 31, 2010		
in PLN thousand		
Non-current financial liabilities	book value	fair value
Financial liabilities at amortized cost:		
Floating rate notes (non-current)	997 288,5	997 287,2
Total	997 288,5	997 287,2

as at December 31, 2010		
in PLN thousand		
Current financial liabilities	book value	fair value
Financial liabilities at amortized cost:		
Floating rate notes (current)	18 120,0	18 120,0
Total	18 120,0	18 120,0

Book value and fair value of current financial liabilities are approximate due to a close maturity date.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

7 . Financial assets and liabilities (cont.)

Items of income, expense, gains or losses

	for the period from May 5 to December 31, 2010	
	<i>in PLN thousand</i>	<i>in PLN thousand</i>
	interest income	interest expenses
Loans and receivables	18 364,4	
Financial liabilities measured at amortised cost		18 008,5
Total	18 364,4	18 008,5

Foreign exchange gains and losses from receivables, cash, payables and others

	for the period from May 5 to December 31, 2010	
	<i>in PLN thousand</i>	
Foreign currency gains		8,7
Foreign currency losses		-

Maturity periods

	Carrying amount as at December 31, 2010 <i>in PLN thousand</i>	Contractual undiscounted cash-flows*		
		<i>in PLN thousand</i>		
Financial assets		up to 12 months	over 1 year to 3 years	over 3 years to 5 years
Loan to the Parent Company	1 015 764,4	58 000,0	116 160,0	1 096 930,0
Total financial assets	1 015 764,4	58 000,0	116 160,0	1 096 930,0

	Carrying amount as at December 31, 2010 <i>in PLN thousand</i>	Contractual undiscounted cash-flows*		
		<i>in PLN thousand</i>		
Financial liabilities		up to 12 months	over 1 year to 3 years	over 3 years to 5 years
Floating rate notes	1 015 408,5	57 000,0	114 150,0	1 095 880,0
Total financial liabilities	1 015 408,5	57 000,0	114 150,0	1 095 880,0

Loan to the Parent Company and floating rate notes are denominated in PLN.

* Contractual undiscounted cash-flows are determined by reference to the WIBOR 6M rate as of September 6, 2010.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

8 . Current accounts receivable

	as at December 31 2010
	<i>in PLN thousand</i>
Accrued income and prepaid expenses	43,8
Total trade and other current receivables	43,8

9 . Cash and cash equivalents

	as at December 31 2010
	<i>in PLN thousand</i>
Cash at bank	133,1
Total cash and cash equivalents	133,1

The carrying amount of these assets approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

10 . Share capital

	as at December 31 2010
	<i>in PLN thousand</i>
Authorised:	
500 000 ordinary shares of par value SEK 1 each	
Issued and fully paid:	
at the beginning of the reporting period	
issued for cash	203,4
at the end of the reporting period	203,4

The Company has one class of ordinary shares. At the end of the reporting period, the share capital, according to the entry in the Swedish Companies Registration Office, included 500,000 ordinary shares of nominal value of 1.00 SEK per each share.

Ownership structure

	as at December 31 2010
	<i>% of total shares</i>
Shareholders:	
Polkomtel S.A.	100,0
Total %	100,0

11 . Retained earnings

	as at December 31 2010
	<i>in PLN thousand</i>
Net profit	155,9
Total	155,9

12 . Current accounts payable

	as at December 31 2010
	<i>in PLN thousand</i>
Corporate income tax liabilities	37,1
Accrued expenses	124,2
Audit fee	124,2
Total accounts payables	161,3

The carrying amounts of these financial instruments approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

13 . Reconciliation between items in statutory financial statements prepared in SEK and financial statements prepared under IFRS in PLN

Item	Statutory financial statements as at 31.12.2010	Financial statements prepared under IFRS as at 31.12.2010	
	in SEK thousand	Exchange rate	in PLN thousand
Net profit for the period	235,3	-	155,9
Loan to the Parent Company (non-current)	2 259 330,6	0,4415	997 494,4
Loan to the Parent Company (current)	41 381,7	0,4415	18 270,0
Cash and cash equivalents	301,5	0,4415	133,1
Share capital	500,0	0,4067	203,4
Floating rate notes (non-current)	2 258 864,2	0,4415	997 288,5
Corporate income tax liabilities	84,0	-	49,4
Floating rate notes (current)	41 041,9	0,4415	18 120,0
Accrued expenses	281,3	0,4415	124,2

14 . Related party transaction

Related entities include the shareholder, Polkomtel S.A., and other companies from the Polkomtel S.A. Group. In the Board of Directors' opinion all transactions with related entities were conducted at arm's length.

Recharges

for the period from May 5
to December 31
2010

in PLN thousand

Polkomtel S.A.	750,7
Total	750,7

Interest income

as at
December 31
2010

in PLN thousand

Polkomtel S.A.	18 364,4
Total	18 364,4

Employment

The Company is managed by the Board of Directors. At the reporting date the Board of Directors consisted of five members who do not receive any remuneration. The Company has no employees.

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

15 . Transactions between Polkomtel Finance AB (publ) and Polkomtel S.A. shareholders who hold at least 5% stake in Polkomtel S.A.

There were no transactions between Polkomtel Finance AB (publ) and Polkomtel S.A. shareholders who hold at least 5% stake in Polkomtel S.A.

16 . Events after the end of the reporting period

There were no events after the end of the reporting period.

17 . Approval of the financial statements

On February 22, 2011 the Company's Board of Directors approved these financial statements.

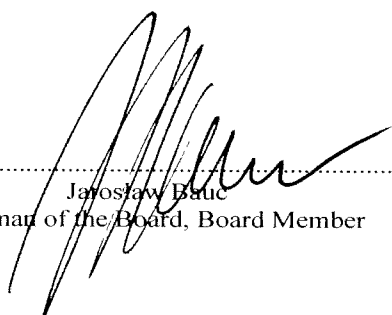


THE FINANCIAL STATEMENTS

as at December 31, 2010

for the period from May 5 to December 31, 2010

Signatures of Members of the Board of Directors



.....
Jaroslaw Bauc
Chairman of the Board, Board Member



.....
Magnus Sundström
Managing Director, Board Member



.....
Håkan Ambjörnsson
Board Member



.....
Martin Moorhouse
Board Member



.....
Jessica Järvås Sundström
Board Member



AUDIT REPORT

To the annual meeting of the shareholders of Polkomtel Finance AB (publ)

Corporate identity number 556807-4594

We have audited the annual accounts, the accounting records and the administration of the board of directors and the managing director of Polkomtel Finance AB (publ) for the financial year 2010-05-05-2010-12-31. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 22/2 2011
Deloitte AB

(signature on original document)

Peter Ekberg
Authorized Public Accountant

Polkomtel Finance AB (publ)

Annual report 2010

for the period May 5, 2010 -- December 31, 2010

(CID 556807-4594)

Management report

The Company is a newly formed wholly owned subsidiary of Polkomtel S.A. with its seat in Warsaw, Poland and was registered on May 5, 2010 by the Companies office.

Business

The business of the Company is to own, manage and trade in financial instruments and engage in other financing activities that do not require a permit including granting of loans and carry out any other business incidental or related to the foregoing activities.

The financial year

The Company with its parent company as guarantor have during 2010 established a Euro Medium Term Note Programme for the issuance of notes up to € 1 000 000 000. As part of this programme, a tranche of Floating Rate NDS Notes with a nominal value of PLN 1 000 000 000 was issued in September 2010. The interest on the notes is paid semiannually and the whole loan is repayable in 2015. The funds have been lent to the parent company on basically the same terms as the terms of the Floating Rate NDS Notes but with an interest margin.

Expected future development

The activities during 2011 will be unchanged compared to 2010.

Corporate governance report

All financial reports that are prepared by the Company are checked for accuracy by the parent company.

Public reports - Statutory annual report and reports according to IFRS - are in addition audited by the elected auditors. In view of the limited activities and low number of transactions the Board of Directors considers the control system described above to be appropriate.

See note 4 for information regarding the Company's sole shareholder.

Proposal for appropriation of retained earnings

The following profit is to be appropriated by the Annual General Meeting of Shareholders:

Retained earnings	SEK	<u>235 321</u>
		235 321

The Board of Directors proposes that the earnings are appropriated as follows

Carried forward	SEK	<u>235 321</u>
		235 321

For further information please refer to the accompanying profit and loss statement, balance sheet and notes.



Profit and loss statement

Amounts in SEK	Note	2010-05-05-- 2010-12-31
Interest income from parent company		41 666 437
Interest expense		-40 860 299
Income from parent company - recharged expenses		1 762 570
Other expenses	1	<u>-2 292 005</u>
Income before financial items		276 703
Other interest income		172 981
Exchange gains/losses net		-23 958
Income before appropriations		425 726
Appr. to profit equalization reserve		-106 431
Income before taxes		319 295
Current taxes		-83 974
Net income		235 321

Balance sheet

Amounts in SEK	Note	31/12/2010
Assets		
<i>Financial long term assets</i>		
Loan to the parent company	2	2 259 330 548
<i>Current assets</i>		
Accrued interest income, parent company		41 381 653
Prepaid expenses		99 306
Bank funds		301 532
Total assets		2 301 113 039



Balance sheet

Amounts in SEK	Note	31/12/2010
Liabilities and equity		
Equity		
<i>Restricted equity</i>	3,4	
Share capital (500 000 shares with quote value SEK 1)		500 000
<i>Retained earnings</i>		
Losses carried forward		0
Current profit		<u>235 321</u>
		235 321
Total equity		735 321
Untaxed reserves		
Profit equalization reserve		106 431
Liabilities		
<i>Long term borrowings</i>		
Floating rate notes	5	2 258 864 160
<i>Short term liabilities</i>		
Tax liability		83 974
Accrued expenses		281 250
Accrued interest expenses		<u>41 041 903</u>
		41 407 127
Total liabilities		2 300 271 287
Total liabilities and equity		2 301 113 039
Pledged assets		2 265 005 663
Commitments		None

Statement of cash flow

Amounts in SEK	2010
Operating activities	
Payments from parent company - recharged expenses	1 753 675
Interest on bank account	172 981
Payments to suppliers	<u>-2 100 475</u>
Cash flow from operating activities	-173 819
Investment activities	
Loan to parent company	-2 316 740 772
Financing activities	
Issue of shares	500 000
Loan -floating rate notes	2 316 740 772
Net increase in cash	326 181
Cash at the beginning of the period	0
Effect on foreign exchange in cash	-24 649
Cash at the end of the period	301 532



Comments and notes

Assets and liabilities are valued at cost and nominal value respectively if nothing else is stated. Assets and liabilities denominated in foreign currencies are translated at current rate. The annual report has been prepared in accordance with the Annual Accounts Act and the recommendations of the Accounting Standards Board. The long-term loan and long-term borrowings are valued using the effective interest rate method. This means that the difference between discounted value (book value) and nominal value is amortized over the term of the loan and borrowing respectively. These amortizations are included in the interest income and interest expense that consequently shows the effective interest on the respective loan/borrowing.

Note 1 Other expenses

Other expenses include audit fee amounting to SEK 281 250.

Note 2 Master loan to parent company

The whole loan is due for payment in September 2015.

The nominal value of the Master Loan is PLN 1 000 000 000 (SEK 2 265 005 663).

Note 3 Equity

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Current earnings</i>	<i>Total equity</i>
Opening balance	0	0	0	0
Issue of share capital	500 000	0	0	500 000
Current profit	0	0	235 321	235 321
Total	500 000	0	235 321	735 321

Note 4 Parent company

The Company is a part of the Polkomtel S.A. Group.

Note 5 Floating rate NDS Notes

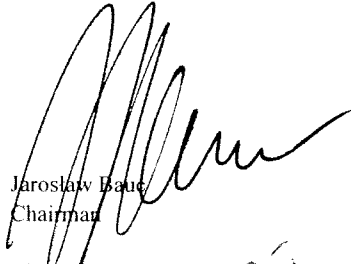
The whole borrowing is due for payment in September 2015.

The nominal value of the Floating Rate Notes is PLN 1 000 000 000 (SEK 2 265 005 663).

Stockholm *February 22 2011*

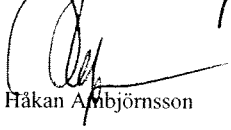


Magnus Sundström
Managing Director

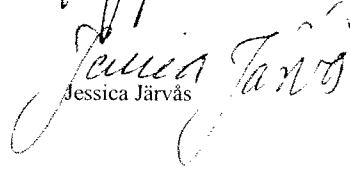



Jaroslaw Bauc
Chairman

Martin Moorhouse



Håkan Ambjörnsson



Jessica Järvås

Our audit report was issued 2011-*02-22*
Deloitte AB

Peter Ekberg
Authorized auditor