

Polkomtel Finance AB (publ)

Annual report

as of and for the year ended December 31, 2011

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Warsaw, March 9, 2012

Selected financial data for 2011

Selected financial data including the main lines of the financial statements of Polkomtel Finance AB (publ) prepared as of and for the year ended December 31, 2011:

	year ended December 31, 2011		period from May 5 to December 31, 2010	
	'000 PLN	'000 EUR*	'000 PLN	'000 EUR**
1. <i>Interest income</i>	62,478.9	15,091.1	18,364.4	4,556.4
2. <i>Interest expense</i>	-61,482.9	-14,850.5	-18,008.5	-4,468.1
3. <i>Interest net</i>	996.0	240.6	355.9	88.3
4. <i>Profit before taxation</i>	642.7	155.2	205.4	51.0
5. <i>Net profit</i>	485.1	117.2	155.9	38.7

* Average EUR/PLN rate 4.1401 for 2011

** Average EUR/PLN rate 4.0305 for the period from May 5 to December 31, 2010

	as of December 31, 2011		as of December 31, 2010	
	'000 PLN	'000 EUR***	'000 PLN	'000 EUR****
1. <i>Total assets</i>	1,019,168.0	230,748.1	1,015,941.4	256,531.4
2. <i>Non-current assets</i>	952,751.2	215,710.7	957,937.2	241,885.0
3. <i>Current assets</i>	66,416.8	15,037.3	58,004.2	14,646.4
4. <i>Shareholder's equity</i>	844.4	191.2	359.3	90.7
5. <i>Non-current liabilities</i>	953,451.8	215,869.4	959,231.3	242,211.8
6. <i>Current liabilities</i>	64,871.9	14,687.5	56,350.8	14,228.9

*** Average EUR/PLN rate 4.4168 quoted by the National Bank of Poland as of December 31, 2011

**** Average EUR/PLN rate 3.9603 quoted by the National Bank of Poland as of December 31, 2010

Warsaw, March 9, 2012

Report on operations of Polkomtel Finance AB (publ) for the year ended December 31, 2011

Basic information about the Company

Polkomtel Finance AB (publ) (hereinafter "Polkomtel Finance", "the Company"), having its registered office in Stockholm, was established on May 5, 2010. Its share capital was fully paid in and as of December 31, 2011 it amounted to SEK 500 thousand.

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

The composition of the Board of Directors as of December 31, 2011 was the following:

- 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.

In 2010 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 issue of the notes were used to grant to the Parent Company a loan of PLN 1 bn.

Information on assets and financial situation

In March 2011 Polkomtel Finance received from the Parent Company the payment of interest on loan of PLN 28,600 thousand and paid interest on notes of PLN 28,270 thousand.

In September 2011 Polkomtel Finance received from the Parent Company the payment of interest on loan of PLN 31,150 thousand and paid interest on notes of PLN 30,650 thousand.

The Company's net profit for the year ended December 31, 2011 amounted to PLN 485 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 the reporting period Polkomtel Finance also incurred other costs, mainly general administrative costs.

On June 30, 2011 Spartan Capital Holdings Sp. z o.o. (hereinafter "Spartan") entered into an acquisition agreement to purchase 100% of the shares of Polkomtel. The acquisition was completed

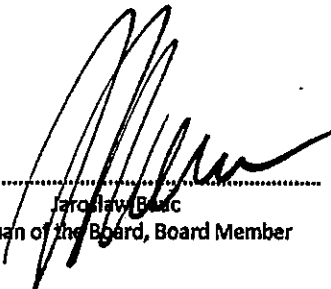
on November 9, 2011. As a part of the above transaction Spartan launched a tender offer for notes issued by Polkomtel Finance and as a result, as a parent entity of Polkomtel (and also indirectly as a parent entity of the Company), purchased all of the notes.

On December 21, 2011 the Parent Company accessed the Senior Facilities Agreement. In connection thereto, a financial and registered pledge was established on shares of Polkomtel Finance AB.

Expected financial situation in 2012

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.

In February 2012 the Company's Board of Directors resolved to repurchase, in one or several tranches, all of the notes issued by Polkomtel Finance by the end of 2012 (provided that the loan is repaid by Polkomtel) and withdraw the notes acquired by the Company from the Catalyst.



.....
Jaroslav Bunc
Chairman of the Board, Board Member



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Magnus Sundström
Managing Director, Board Member



.....
Håkan Ambjörnsson
Board Member



.....
Martin Moorhouse
Board Member



.....
Jessica Järvås Sundström
Board Member

Warsaw, March 9, 2012


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) as of and for the year ended December 31, 2011 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 2011 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) as of and for the year ended December 31, 2011 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) as of and for the year ended December 31, 2011 according to applicable regulations and professional standards.



.....
Jakob W. Öster
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



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, 2011 and the statement of comprehensive income and statement of cash flows for the year ended, and a summary of significant policies and other explanatory information.

Responsibilities of the Board of Directors and the Managing Director for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the EU and for such internal control as the Board of Directors and the Managing Director determine 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, 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.

Opinions

In our opinion, the financial statements present fairly, in all material respects, the financial position of Polkomtel Finance AB as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard, as adopted by the EU.

Other matters

The financial statements for year 2010 were audited by another auditor who, in his audit report dated 22 February 2011, expressed an unmodified opinion on those financial statements.

Stockholm March 9, 2012

KPMG AB


Magnus Jacobsson

Authorized Public Accountant

Polkomtel Finance AB (publ)

Financial Statements

as of and for the year ended December 31, 2011

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2011

		year ended December 31, 2011	period from May 5 to December 31, 2010
	Notes	in PLN	in PLN
Continuing operations			
Interest income on the loan to the Parent Company	9	62 478 863,73	18 364 436,77
Interest expenses on notes	9	(61 482 877,65)	(18 008 526,25)
Interest net		995 986,08	355 910,52
Operating expenses	5	(353 699,16)	(232 495,35)
Operating profit		642 286,92	123 415,17
Financial income	6	8 997,52	81 942,06
Financial expense	7	(8 568,47)	-
Profit before taxation		642 715,97	205 357,23
Income tax expense	8	(157 588,00)	(49 433,00)
Net profit for the period		485 127,97	155 924,23
Other comprehensive income		-	-
Total comprehensive income for the period		485 127,97	155 924,23

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
as of December 31, 2011

ASSETS	Notes	December 31, 2011 <i>in PLN</i>	December 31, 2010 <i>in PLN</i>
<i>Non-current financial assets</i>			
Loan to the Parent Company	9	952 751 184,66	957 937 238,43
		952 751 184,66	957 937 238,43
<i>Current assets</i>			
Accounts receivable	10	49 355,00	43 843,00
Loan to the Parent Company	9	65 742 115,84	57 827 198,34
Cash and cash equivalents	9, 11	625 374,56	133 125,71
		66 416 845,40	58 004 167,05
TOTAL ASSETS		1 019 168 030,06	1 015 941 405,48

The accompanying notes are an integral part of these financial statements

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STATEMENT OF FINANCIAL POSITION (cont.)

as of December 31, 2011

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	December 31, 2011 in PLN	December 31, 2010 in PLN
<i>Shareholders' equity</i>			
Share capital	12	203 350,00	203 350,00
Retained earnings	13	641 052,20	155 924,23
		844 402,20	359 274,23
<i>Non-current liabilities</i>			
Floating rate notes	9,17	953 398 519,44	959 218 936,32
Deferred tax liability	8	53 251,00	12 358,00
		953 451 770,44	959 231 294,32
<i>Current liabilities</i>			
Corporate income tax liabilities		159 753,96	37 075,00
Floating rate notes	9,17	64 572 884,46	56 189 589,93
Other current payables	14	139 219,00	124 172,00
		64 871 857,42	56 350 836,93
TOTAL EQUITY AND LIABILITIES		1 019 168 030,06	1 015 941 405,48

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOW

for the year ended December 31, 2011

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Operating activities		
Profit before taxation:	642 715,97	205 357,23
Cash flows from operating activities before movements in working capital	642 715,97	205 357,23
Increase / decrease in:		
Loan to the Parent Company	(2 728 863,73)	(1 015 764 437,0)
Floating rate notes	2 562 877,65	1 015 408 526,0
Accounts receivable	(5 512,00)	(43 843,0)
Accounts payable	15 047,00	124 172,5
Cash flows from operating activities	486 264,89	(70 224,29)
Net cash flows from operating activities	486 264,89	(70 224,29)
Investing activities		
Investing activities	-	-
Net cash flows used in investing activities	-	-
Financing activities		
Proceeds from:		
Issue of shares	-	203 350,0
Net cash flows from financing activities	-	203 350,00
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	486 264,89	133 125,71
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	133 125,71	-
including effect of foreign exchange rate changes on tax liabilities	5 984,00	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	625 374,60	133 125,71

POLKOMTEL FINANCE AB (publ)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 2011

	<i>in PLN</i>	
	Share Capital	Retained earnings
		TOTAL
Balance as of May 5, 2010		
Issue of shares	203 350,00	203 350,00
Total comprehensive income for the period		155 924,23
Balance as of December 31, 2010	203 350,00	359 274,23
Balance as of January 1, 2011	203 350,00	359 274,23
Total comprehensive income for the period		485 127,97
Balance as of December 31, 2011	203 350,00	844 402,20

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

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 November 9, 2011 Spartan Capital Holdings Sp. z o.o. acquired 100% shares of Polkomtel S.A. and was register in the Polkomtel S.A. share register as the sole shareholder.

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.

In November 2011 the above notes were acquired by Spartan Capital Holdings Sp. z o.o.

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 of 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.

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NOTES TO THE FINANCIAL STATEMENTS
as of and for the year ended December 31, 2011

Statutory financial statements

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

2. Basis of 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.

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU IFRS") and other applicable regulations.

These financial statements were approved by the Company's Board of Directors on March 9, 2012.

(b) Functional currency

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

3. Issued International Financial Reporting Standards and Interpretations whose application is not mandatory

The EU IFRS include all International Accounting Standards, International Financial Reporting Standards and Interpretations, save for the Standards and Interpretations which have not yet been endorsed by the European Union or which have already been endorsed by the EU but are not yet effective.

In preparing these financial statements, the Company did not early adopt any new Standards which have already been published and adopted by the European Union and which should be applied for periods beginning on or after January 1, 2012.

New International Financial Reporting Standards and Interpretations yet to be adopted by the EU:

- Amendments to IFRS 1 *First-time Adoption of IFRS - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (effective for periods beginning on or after July 1, 2011),
- Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* (effective for periods beginning on or after July 1, 2012),

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

- Amendments to IFRS 7 *Financial Instruments: Disclosures - Transfers of Financial Assets* (effective for periods beginning on or after July 1, 2011),
- Amendments to IFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (effective for periods beginning on or after January 1, 2013),
- IFRS 9 *Financial Instruments* (effective for periods beginning on or after January 1, 2015. Earlier application is permitted),
- Additions to IFRS 9 *Financial Instruments* (2010) (effective for annual periods beginning on or after January 1, 2015. Earlier application is permitted),
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* (effective for periods beginning on or after January 1, 2015),
- IFRS 10 *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013; to be applied retrospectively when there is a change in the control conclusion. Earlier application is permitted if IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) are also applied earlier),
- IFRS 11 *Joint Arrangements* (effective for annual periods beginning on or after January 1, 2013; to be applied retrospectively subject to transitional provisions. Earlier application is permitted if IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011) are also applied earlier),
- Amendments to IAS 12 *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (effective for periods beginning on or after January 1, 2012). Earlier application is permitted.
- IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013; to be applied retrospectively. Earlier application is permitted),
- IFRS 13 *Fair Value Measurement* (Effective prospectively for annual periods beginning on or after January 1, 2013. Earlier application is permitted),
- amended IAS 19 *Employee Benefits* (effective for annual periods beginning on or after January 1, 2013),
- IAS 27 (2011) *Separate Financial Statements* (Effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted if IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011) are also applied earlier),
- IAS 28 (2011) *Investments in Associates and Joint Ventures* (Amendments effective for annual periods beginning on or after January 1, 2013; to be applied retrospectively. Earlier application is permitted if IFRS 10, IFRS 11, IFRS 12 and IAS 27 (2011) are also applied earlier),
- Amendments to IAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (effective for periods beginning on or after January 1, 2014),
- IFRIC Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine* (effective for periods beginning on or after January 1, 2013).

The Company's Board of Directors is analyzing the expected impact of these standards and interpretations, however currently does not believe the adoption of these regulations would have a significant impact on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

4. Significant accounting policies

The accounting policies have been consistently applied by the Company.

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.

(a) Foreign currencies

Transactions in foreign currencies are translated to PLN at exchange rates effective at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to PLN at the average National Bank of Poland exchange rates at that date.

(b) Revenue and expense recognition

Interest income is recognized using the effective interest rate method.

Interest expense is recognized using the effective interest rate method.

(c) Income tax

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

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.

(d) Financial assets and financial liabilities

Financial assets include loans, 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 at hand, cash in 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 is reduced by an impairment.

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

Financial liabilities include notes and other payables.

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

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.

(e) Share capital

Share capital is presented at the total nominal value of the registered shares of the Company.

(f) Determination of fair values

Fair value of loan to the Parent Company and notes is calculated based on the present value of future principal and interest cash flows, discounted at the WIBOR 6M interest rate plus margin at the reporting date.

For other receivables and other payables the Company considers their carrying amounts to be the best estimation of their fair values, due to the short-term nature and high liquidity of these instruments.

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

5 . Operating expenses

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Audit fees	(127 969,00)	(124 172,00)
Management fees	(211 087,50)	(97 178,83)
Bank fees	(3 890,64)	(2 033,27)
Expenses recharged to the Parent Company	(264 214,39)	(750 686,03)
Other	(10 752,02)	(2 099,28)
Recharges to the Parent Company	264 214,39	750 686,03
Total other operating expenses	(353 699,16)	(232 495,35)

6 . Financial income

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Other interest income	8 997,52	73 233,75
Exchange rate gains, net	-	8 708,31
Total financial income	8 997,52	81 942,06

7 . Financial expenses

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Other interest expense	(18,04)	-
Exchange rate losses, net	(8 550,43)	-
Total financial expense	(8 568,47)	-

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

8 . Income tax expense

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Current income tax expense	118 187,00	37 075,00
Deferred income tax expense	39 401,00	12 358,00
Income tax expense for the period	157 588,00	49 433,00

Effective tax rate

	year ended December 31, 2011	period from May 5 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Profit before taxation	642 715,93	205 357,23
Tax at the domestic income tax rate of 26,3%	169 034,29	54 008,95
Exchange rate difference	-11 446,29	(4 575,95)
Corporate income tax expenses recognised in profit	157 588,00	49 433,00
Effective tax rate	25%	24%

Deferred tax provision:	53 251,00	12 358,00
Deferred tax liability		
Total net deferred tax provision	53 251,00	12 358,00

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

9. Financial assets and liabilities

Disclosures under IFRS 7

Fair values

The fair values of the loan and the borrowing have been estimated by applying the interest rate for WIBOR 6M as of December 31, 2011 (5.00%) plus respective margin 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 of September 1, 2011 was 4.85%.

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 the loan to the Parent Company and the 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 good therefore the credit risk is estimated as low.

	December 31, 2011		December 31, 2010	
	in PLN		in PLN	
Non-current financial assets	book value	fair value	book value	fair value
Loan to the Parent Company (non-current)	952 751 184,66	951 967 627,31	957 937 238,43	956 087 391,00
Total	952 751 184,66	951 967 627,31	957 937 238,43	956 087 391,00
	December 31, 2011		December 31, 2010	
	in PLN		in PLN	
Current financial assets	book value	fair value	book value	fair value
Cash and cash equivalents	625 374,56	625 374,56	133 125,71	133 125,71
Loan to the Parent Company (current)	65 742 115,84	66 890 155,15	57 827 198,34	60 175 973,64
Total	66 367 490,40	67 515 529,71	57 960 324,05	60 309 099,35
	December 31, 2011		December 31, 2010	
	in PLN		in PLN	
Non-current financial liabilities	book value	fair value	book value	fair value
Financial liabilities at amortized cost:				
Floating rate notes (non-current)	953 398 519,44	952 615 886,90	959 218 936,32	957 016 779,18
Total	953 398 519,44	952 615 886,90	959 218 936,32	957 016 779,18
	December 31, 2011		December 31, 2010	
	in PLN		in PLN	
Current financial liabilities	book value	fair value	book value	fair value
Financial liabilities at amortized cost:				
Floating rate notes (current)	64 572 884,46	65 718 789,10	56 189 589,93	59 041 146,84
Total	64 572 884,46	65 718 789,10	56 189 589,93	59 041 146,84

The Company changed presentation of non-current and current assets concerning loan to the Parent Company and non-current and current liabilities concerning floating rate notes in comparative period.

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

9 . Financial assets and liabilities (cont.)

	for the year ended December 31, 2011		for the period from May 5, 2010 to December 31, 2010	
	<i>in PLN</i>	<i>in PLN</i>	<i>in PLN</i>	<i>in PLN</i>
	financial gains / income	financial loss / costs	financial gains / income	financial loss / costs
Loans and receivables	62 478 863,73		18 364 436,77	
Financial liabilities measured at amortised cost		61 482 877,65		18 008 526,25
Total	62 478 863,73	61 482 877,65	18 364 436,77	18 008 526,25

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

	for the year ended December 31, 2011	for the period from May 5, 2010 to December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Foreign currency gains (net)		8 708,31
Foreign currency losses (net)	-8 550,43	

Maturity analysis

	Carrying amount as of December 31, 2011 <i>in PLN</i>	Contractual undiscounted cash-flows*		
		<i>in PLN</i>		
Financial assets		up to 1 year	from 1 year to 3 years	from 3 years to 5 years
Loan to the Parent Company	1 018 493 300,50	66 680 000,00	133 000 000,00	1 044 640 000,00
Total financial assets	1 018 493 300,50	66 680 000,00	133 000 000,00	1 044 640 000,00

	Carrying amount as of December 31, 2011 <i>in PLN</i>	Contractual undiscounted cash-flows*		
		<i>in PLN</i>		
Financial liabilities		up to 1 year	from 1 year to 3 years	from 3 years to 5 years
Floating rate notes	1 017 971 403,90	65 680 000,00	131 000 000,00	1 044 680 000,00
Total financial liabilities	1 017 971 403,90	65 680 000,00	131 000 000,00	1 044 680 000,00

* Contractual undiscounted cash-flows are determined by reference to the WIBOR 6M rate plus respective margin as of September 1, 2011.

The notes were issued by Polkomtel Finance AB (publ) in September 2010. The interest on notes and loan is payable every six months. The principal due date is on September 6, 2015.

During the reporting period Polkomtel Finance AB (publ) received from the Parent Company payments of interest on loan of PLN 28.600 thousand in March 2011 and PLN 31.150 thousand in September 2011 and paid interest on notes of PLN 28.270 thousand in March 2011 and PLN 30.650 thousand in September 2011.

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

9a - Financial instruments and risk management

Accounting classifications and fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	December 31, 2011	Designated at fair value	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total carrying amount	Fair value
Assets								
Trade and other receivables	-	-	-	49 355,00	-	-	49 355,00	49 355,00
Cash and cash equivalents	-	-	-	625 374,56	-	-	625 374,56	625 374,56
Loan to the Parent Company	-	-	-	1 018 493 300,50	-	-	1 018 493 300,50	1 018 857 782,46
Derivative financial instruments	-	-	-	-	-	-	-	-
Liabilities								
Notes payable	-	-	-	-	-	1 017 971 403,90	1 017 971 403,90	1 018 334 676,00
Trade and other payables	-	-	-	-	-	139 219,00	139 219,00	139 219,00
Derivative financial instruments	-	-	-	-	-	-	-	-
	-	-	-	1 019 168 030,06	-	1 018 110 622,90	2 037 278 652,97	2 038 006 407,02

	December 31, 2010	Designated at fair value	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total carrying amount	Fair value
Assets								
Trade and other receivables	-	-	-	43 843,0	-	-	43 843,0	43 843,0
Cash and cash equivalents	-	-	-	133 125,7	-	-	133 125,7	133 125,7
Loan to the Parent Company	-	-	-	1 015 764 436,8	-	-	1 015 764 436,8	1 016 263 364,6
Derivative financial instruments	-	-	-	-	-	-	-	-
Liabilities								
Notes payable	-	-	-	-	-	1 015 408 526,3	1 015 408 526,3	1 016 057 926,0
Trade and other payables	-	-	-	-	-	124 172,0	124 172,0	124 172,0
Derivative financial instruments	-	-	-	-	-	-	-	-
	-	-	-	1 015 941 405,5	-	1 015 532 698,3	2 031 474 103,7	2 032 622 431,4

NOTES TO THE FINANCIAL STATEMENTS
as of and for the year ended December 31, 2011

10 . Current accounts receivable

	December 31, 2011	December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Accrued income and prepaid expenses	49 355,00	43 843,00
Total trade and other current receivables	49 355,00	43 843,00

11 . Cash and cash equivalents

	December 31, 2011	December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Cash in bank	625 374,56	133 125,71
Total cash and cash equivalents	625 374,56	133 125,71

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

12 . Share capital

	December 31, 2011	December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Authorised:		
500 000 ordinary shares of par value SEK 1 each	203 350,00	203 350,00
at the end of the reporting period	203 350,00	203 350,00

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

	December 31, 2011	December 31, 2011
	<i>% of total shares</i>	<i>number of shares</i>
Shareholders:		
Polkomtel S.A.	100,00%	500 000
Total	100%	500 000

On November 9, 2011 Spartan Capital Holdings Sp. z o.o. acquired 100% of Polkomtel S.A. shares and was registered in Polkomtel S.A. share register as the sole shareholder.

On December 21, 2011 the Parent Company accessed the Senior Facilities Agreement. In connection thereto, a financial and registered pledge was established on shares of Polkomtel Finance AB (publ).

13 . Retained earnings

	December 31, 2011	December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Net profit for the period	485 127,97	155 924,23
Prior year result	155 924,23	-
Total	641 052,20	155 924,23

14 . Current accounts payable

	December 31, 2011	December 31, 2010
	<i>in PLN</i>	<i>in PLN</i>
Other current payables	139 219,0	124 172,00
Total accounts payables	139 219,0	124 172,00

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NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

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

Item	Statutory financial statements as of 31.12.2011	Financial statements prepared under IFRS as of 31.12.2011	
	in SEK	Exchange rate	in PLN
Loan to the Parent Company (non-current)	1 924 749 868,00	0,4950	952 751 134,66
Loan to the Parent Company (current)	132 812 355,20	0,4950	65 742 115,84
Cash and cash equivalents	1 263 382,53	0,4950	625 374,56
Share capital	500 000,00	0,4067	203 350,00
Floating rate notes (non-current)	1 926 057 615,00	0,4950	953 398 519,44
Floating rate notes (current)	130 450 271,60	0,4950	64 572 884,46
Accrued expenses	281 250	0,4950	139 219,00

16 . Related party transactions

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	
	year ended December 31, 2011	period from May 5 to December 31, 2010
	in PLN	in PLN
Polkomtel S.A.	264 214,40	750 686,03
Total	264 214,40	750 686,03

	Interest income on loan to the Parent Company	
	year ended December 31, 2011	period from May 5 to December 31, 2010
	in PLN	in PLN
Polkomtel S.A.	62 478 863,73	18 364 436,77
Total	62 478 863,73	18 364 436,77

NOTES TO THE FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

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

In November 2011 Spartan Capital Holdings Sp. z o.o., the sole shareholder of Polkomtel S.A., acquired 100% of the notes issued by Polkomtel Finance AB (publ).

18 . Employment

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

19 . Events after the end of the reporting period

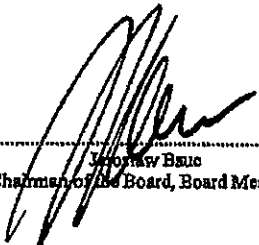
In February 2012 the Company's Board of Directors resolved to repurchase, in one or several tranches, all of the notes issued by Polkomtel Finance by the end of 2012 (provided that the loan is repaid by Polkomtel S.A.) and withdraw the notes acquired by the Company from the Catalyst.

FOLKOMTEL FINANCE AB (publ)

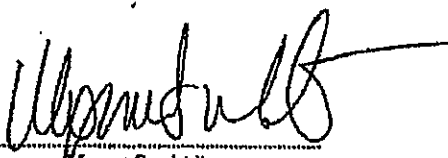
FINANCIAL STATEMENTS

as of and for the year ended December 31, 2011

Signatures of Members of the Board of Directors



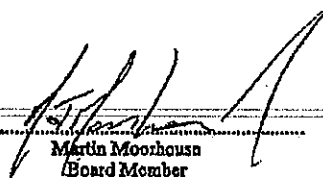
Jeppe Ny Bævre
Chairman of the Board, Board Member



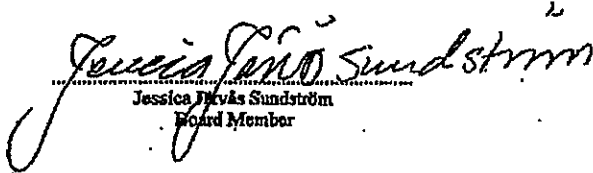
Magnus Sundström
Managing Director, Board Member



Håkan Ambjörnsson
Board Member



Martin Moorhous
Board Member



Jessica Järvis Sundström
Board Member