

POLKOMTEL S.A. CAPITAL GROUP

ABRIDGED VERSION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR 2010 WITH INDEPENDENT AUDITOR'S REPORT

- Auditor's report on the abridged version of the Consolidated Financial Statements
- Consolidated statement of financial position prepared as of 30 June 2010
- Consolidated statement of comprehensive income for the first half-year 2010
- Statement of changes in consolidated shareholders' equity for the first half-year 2010
- Consolidated statement of cash flow for the first half-year 2010

INDEPENDENT AUDITORS' REPORT TO THE SUPERVISORY BOARD AND SHAREHOLDERS OF POLKOMTEL S.A.

We have audited the accompanying consolidated financial statements of Polkomtel S.A. Capital Group with registered office in Warsaw, which comprise the consolidated statement of financial position as at 30 June 2010 and the consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity and consolidated statement of cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards as approved by the European Union. On 17 August 2010 we issued an unqualified opinion on full consolidated financial statements.

The Management Board of the Holding Company is responsible for the preparation of the accompanying abridged consolidated financial statements. Our task is to ensure the compatibility of the abridged consolidated financial statements with the full consolidated financial statement.

In our opinion, the accompanying abridged consolidated financial statements comply in all material respects, with the full consolidated financial statements from which it was derived. Full version of the consolidated financial statements, which was the subject of our audit, summarizes significant accounting policies and other explanatory notes, which were not presented in the accompanying abridged consolidated financial statements.



.....
Maria Rzepnikowska
Key certified auditor
conducting the audit
No. 3499



Piotr Sokołowski

.....
Wiceprezes Zarządu
Biegły rewident
persons representing the entity
nr ewid. 9752

DELOITTE AUDYT Sp. z o.o.
Al. Jana Pawła II 19, 00-854 Warszawa
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NIF 527-020-07-86; REGON 010076870

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Entity entitled to audit
Financial statements entered under
Number 73 on the list kept by the
National Council of Certified Auditors

Warsaw, 17th August 2010

THE POLKOMTEL S.A. GROUP

Abridged version of Consolidated Financial Statements

International Financial Reporting Standards

as at June 30, 2010 and December 31, 2009

for the six months period ended June 30, 2010 and June 30, 2009

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six month periods ended June 30, 2010 and June 30, 2009

	for the six months period ended June 30, 2010	for the six months period ended June 30, 2009
	<i>in PLN million</i>	<i>in PLN million</i>
Continuing operations		
Revenue	3,766.1	3,962.3
Other operating income	145.8	132.0
	3,911.9	4,094.3
Operating expenses		
Costs of goods sold	(522.7)	(581.7)
Amortisation and Depreciation	(672.7)	(642.3)
Materials and energy	(47.6)	(44.7)
Interconnect charges	(718.1)	(842.0)
External services	(578.4)	(587.8)
Employee benefits	(238.0)	(216.1)
Taxes and charges	(49.3)	(51.4)
Marketing costs and other overheads	(119.2)	(128.8)
Other operating expenses	(139.3)	(145.5)
	(3,085.3)	(3,240.3)
Operating profit	826.6	854.0
Financial income	42.7	64.4
Financial expense	(109.7)	(179.5)
Share of profits of associates	1.0	-
Profit before taxation	760.6	738.9
Income tax expenses	(149.6)	(146.1)
Net profit for the period	611.0	592.8
Other comprehensive income	-	-
Total comprehensive income for the period	611.0	592.8
EARNINGS PER SHARE		
Basic	29.8	28.9
Diluted	29.8	28.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30, 2010 and December 31, 2009

	as at June 30, 2010	as at December 31 2009
ASSETS	<i>in PLN million</i>	<i>in PLN million</i>
<i>Non-current assets</i>		
Property, plant and equipment	4,505.0	4,880.8
Goodwill	15.5	15.5
Intangible assets	2,039.3	2,148.4
Investments in associates	29.0	17.2
	6,588.8	7,061.9
<i>Current assets</i>		
Inventories	123.7	131.9
Trade and other receivables	1,052.0	1,192.3
Cash and cash equivalents	21.0	23.9
Financial assets and derivative instruments	25.8	14.5
Assets classified as held for sale	24.2	-
	1,246.7	1,362.6
TOTAL ASSETS	7,835.5	8,424.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont.)

as at June 30, 2010 and December 31, 2009

	as at June 30, 2010	as at December 31 2009
EQUITY AND LIABILITIES	<i>in PLN million</i>	<i>in PLN million</i>
<i>Shareholders' equity</i>		
Share capital	2,050.0	2,050.0
Retained earnings	1,662.7	1,150.3
	3,712.7	3,200.3
<i>Non-current liabilities</i>		
Long-term financial liabilities	884.0	855.2
Retirement benefit obligation	6.0	5.3
Deferred tax liability	65.1	38.5
Liabilities and provision for liabilities	47.0	41.4
	1,002.1	940.4
<i>Current liabilities</i>		
Trade and other payables	517.3	589.4
Corporate income tax liabilities	23.9	8.7
Financial liabilities	1,307.8	2,257.0
Derivative instrument liabilities	20.7	38.2
Provisions for liabilities	248.0	227.2
Accrued expenses	468.6	610.3
Deferred revenues	534.4	553.0
	3,120.7	4,283.8
TOTAL EQUITY AND LIABILITIES	7,835.5	8,424.5

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the six month periods ended June 30, 2010 and June 30, 2009

	<i>in PLN million</i>		
	Share Capital	Retained earnings	TOTAL
Balance as at December 31, 2008	2,050.0	1,885.6	3,935.6
Total comprehensive income for the period		592.8	592.8
Dividends paid in 2009		(312.4)	(312.4)
Dividends to be paid in 2009		(937.9)	(937.9)
Balance as at June 30, 2009	2,050.0	1,228.1	3,278.1
Balance as at December 31, 2009	2,050.0	1,150.3	3,200.3
Total comprehensive income for the period	-	611.0	611.0
Dividends paid in 2010		(98.6)	(98.6)
Balance as at June 30, 2010	2,050.0	1,662.7	3,712.7

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CONSOLIDATED STATEMENT OF CASH FLOW

for the six month periods ended June 30, 2010 and June 30, 2009

	for the six months period ended June 30, 2010	for the six months period ended June 30, 2009
	<i>in PLN million</i>	<i>in PLN million</i>
Operating activities		
Profit before taxation:	760.6	738.9
Adjustments for items:		
Share of profits of associates	(1.0)	-
Financial costs	63.3	58.0
Income tax expense	(131.6)	(216.6)
Depreciation and amortisation	668.7	639.2
Impairment loss	18.6	3.1
Profit / Loss on sale of fixed assets	(2.3)	1.9
Investments loss	(16.2)	43.8
Cash flows from operating activities before movements in working capital	1,360.1	1,268.3
Increase / decrease in:		
Inventories	(11.6)	86.7
Accounts receivable	103.3	139.2
Accounts payable	133.3	(54.3)
Accrued expenses	(119.2)	(30.8)
Deferred revenues	(18.8)	(18.9)
Provisions	57.1	69.8
Cash flows from operating activities	1,504.2	1,460.0
Interest paid	(0.1)	(0.1)
Interest received	0.8	0.7
Net cash flows from operating activities	1,504.9	1,460.6

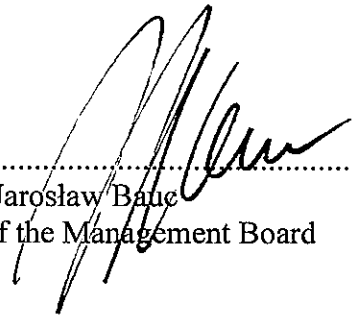
CONSOLIDATED STATEMENT OF CASH FLOW (cont.)

for the six month periods ended June 30, 2010 and June 30, 2009

	for the six months period ended June 30, 2010	for the six months period ended June 30, 2009
	<i>in PLN million</i>	<i>in PLN million</i>
Investing activities		
Proceeds on disposal of property, plant and equipment	3.1	2.3
Purchase of property, plant and equipment and intangibles	(385.0)	(677.7)
Dividends and shares in profits	2.0	2.2
Other investing activities	(27.1)	33.7
Net cash outflow on acquisition of subsidiaries	-	-
Net cash flows used in investing activities	(407.0)	(639.5)
Financing activities		
Dividends paid	(108.3)	(304.2)
Repayments of borrowings:		
bank loans and overdrafts	(1,580.0)	(900.0)
bonds and commercial papers	(571.0)	-
interest	(36.0)	(35.7)
Proceeds from:		
bank loans and overdrafts	703.2	322.1
bonds and commercial papers	491.2	90.7
interest	0.1	0.5
issue of shares		
Net cash flows from financing activities	(1,100.8)	(826.6)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	(2.9)	(5.5)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	23.9	23.9
including effect of foreign exchange rate changes	0.0	(0.0)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21.0	18.4

ABRIDGED VERSION OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at June 30, 2010 and December 31, 2009
and for the six month periods ended June 30, 2010 and June 30, 2009


Signatures of Management Board Members



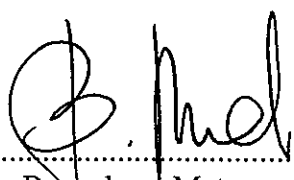
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Jarosław Bauc
President of the Management Board



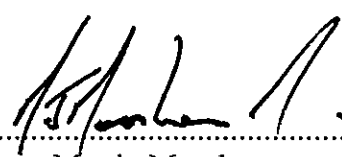
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Krzysztof Kilian
Vice President of the Management Board



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Wojciech Dylewski
Management Board Member



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Bogusława Matuszewska
Management Board Member



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Martin Moorhouse
Management Board Member