Annual Report 2010

Orange Slovensko, a.s.

Contents

1. we are part of a strong group

Orange – the brand of global France Telecom Group

Orange Slovensko, a.s.

Seat of the Company

Prievozská 6/A, 821 09 Bratislava, Slovak Republic

Company Identification Number

35 69 72 70

Date of Registration in Commercial Registry of the Slovak Republic

3 September 1996

Legal Form

Joint Stock Company

Entry Status in Commercial Registry

Filed in the Commercial Registry of Bratislava 1 District Court
Section Sa, File Nr. 1142/B

Company Characteristics

Orange Slovensko is an integrated telecommunications operator providing comprehensive telecommunications services – in the most advanced mobile and fixed networks it provides voice services, internet connection and television services. It has been operating commercially on the Slovak market since 1997. Currently, it is the largest mobile operator in Slovakia. In 2010, Orange Slovensko achieved revenues of 763.8 million €.

Orange Slovensko belongs to global Orange group, which is the third largest mobile operator and the second largest provider of broadband internet in Europe. Orange currently has nearly 131 million customers.

Orange, after the slip, managed to stabilize the development of revenues

In addition to the "second generation" mobile data network with nationwide coverage, Orange is the leading provider of mobile broadband internet in the largest of the 3G networks in Slovakia with unparalleled coverage for more than 3 million citizens in 135 cities and 386 adjacent municipalities. The Orange high-speed mobile data network, in HSDPA/ HSUPA standard, currently supporting data transfer speed rates up to 14.4 Mbps for download and 1.46 Mbps for data upload, is available throughout the Slovak Republic and covered by the UMTS signal. Orange Slovensko is the first telecommunications operator in Slovakia to launch the most advanced new generation of fixed line FTTH networks (Fiber To The Home - optics to the home), which currently covers more than 308 000 households in 17 Slovak cities. The quality of services at Orange Slovensko meets the criteria of ISO9001:2000, and Orange is the holder of an Environmental Management Certificate in accordance with ISO 14001:2004. In Slovakia, Orange is a leader in the field of social corporate responsibility and also, through the Orange Foundation, corporate philanthropy.

Customers

On 31 December 2010, Orange recorded nearly 2.87 million active customers in the mobile network and more than 43 000 FiberNet, FiberTV and FiberTel customers in the fixed optical network.

Shareholders

The France Telecom Group, via Atlas Services Belgium, owns 100% of the shares in Orange Slovensko.

Bodies of the Company

Board of Directors

Chairman	Brigitte Marie Bourgoin
Vice-Chairman	Ladislav Rehák
Member and Chief Executive Officer	Pavol Lančarič
Members	Dominique Garnier
	Pierre Théophile Marie Hamon
	Ivan Golian
	Corentin Maigné

Supervisory Board

Chairman	Bertrand du Boucher
Vice-Chairman	Vincent Brunet
Members	Ivan Marták
	Dana Prekopová
	Ján Kodaj
	Laurent Preel

Management

Chief Executive Officer	Pavol Lančarič
Deputy Chief Executive Officer and ITN Director	Ivan Golian
Chief Financial Officer	Corentin Maigné
Strategy and Regulatory Affairs Director	Ivan Marták
Commercial Director	Zuzana Nemečková
Communications and Brand Director	Andrea Cocherová
Human Resources Director	Andrea Kopná
Customer Service Director	Vladislav Kupka

There is a specific person behind each position

You know each of their names well because you meet them often. Please allow us to introduce you specific professional profiles and experiences of directors of the individual sections.

Pavol Lančarič

CEO

He was born in 1963, graduated from the Faculty of Commerce at the Economics University in Bratislava and received his PhD in 1991. Between 1990 and 1992, he was a member of the Advisory Committee of the Prime Minister at the Slovak Government Office. Since 1993, he has taken management positions in various multinational companies. Since 1997, he has been working at Orange Slovensko, a.s., where he started as the Commercial Director. Since 1999, he has been the CEO of Orange Slovensko, a.s., where he also serves as a Board member.

Ivan Golian

ITN Director and Deputy Chief Executive Officer

He was born in 1964. He completed university education at the Slovak Technical University in Bratislava and achieved his PhD at the Department of Applied Informatics and Automation at MTF STU. Beginning in 1993, he worked at the Department of Electronics and Automation in KIHO Gent, Belgium, and about two years later he began to work at Digital Equipment Corporation as a project manager for banking and telecommunications sector. In 1997, he joined Orange Slovensko, where he worked for more than eight years as a member of the senior management, ITN Director and Chief Operation Officer. In 2005, he became Deputy Chief Executive Officer. Beginning in 2006, he was the VUB bank´s Board member and also worked as the Director of Information Technologies and operations in there. Since January 2009, he has been the ITN Director at Orange Slovensko, and he is also the Deputy CEO and a Board member.

Corentin Maigné

Chief Financial Officer

He was born in 1971. He graduated from the Ecole Superieure de Commerce De Reims and obtained his MBA Degree at Canterbury Business School (University of Kent, Great Britain). In 1994, he started working for France Telecom and was responsible for centralization of accounting and internal control. From June 1998, he worked as the Chief Financial Officer and was in charge of purchasing, controlling and budgeting. About two years later he began to work at Orange as the International Financial Controller for Spain, Jordan and Slovakia until 2002, when he started to work as the Deputy Chief Financial Officer of Orange Dominicana. From 2006, he worked for Mobistar Group in Brussels as Controller. At Orange Slovensko, a.s., he has been working from 2008 as the Chief Financial Officer.

Ivan Marták

Strategy and Regulatory Affairs Director

He was born in 1964. He graduated in journalism from the Philosophical Faculty at Comenius University in Bratislava. He obtained technical training in telecommunications from the Slovak Technical University in Bratislava. Since 1992, he worked in the International Telecommunication Union, and in 1995, from the Canadian Institute of Telecommunications Management in Montreal. Beginning in 1993, he held various management positions at Slovenské telekomunikácie, š.p. (Slovak Telecom). Since 2001, he has been working in Orange Slovensko, a.s. as the Strategy and Regulatory Affairs Director.

Zuzana Nemečková

Commercial Director

She was born in 1970. She graduated from the Faculty of Commerce at the University of Economics. In 1993, she began working as Assistant to Director and later as a Marketing Manager at Tchibo Slovensko, s.r.o. In 1996, she became Director of Sales, Marketing and Communications with Rajo, a.s. Since 2001 she has worked at Orange Slovensko, a.s., as the Commercial Director.

Andrea Cocherová

Communications and Brand Director

She was born in 1972. She graduated from the Philosophical Faculty at Comenius University in Bratislava. Beginning in 1994, she worked as a reporter and later as the editor of the monthly - Strategy. In 1996, she took the position of Executive Director of the Advertising Council. At Orange Slovensko, a.s., she has been working since June 1997, where she first worked as Public Relations Manager and later as Communication Manager. She became Communications and Brand Director when the position was established in 2006.

Andrea Kopná

Human Resources Director

She was born in 1967. She graduated from the Economics University in Bratislava. Since 1991, she has been operating in the field of human resources management. In 1996, she took the position of Deputy Human Resources Director of Globtel GSM (later Globtel, a.s.) and of Orange Slovensko, a.s.. Since 2003, she has been working as Human Resources Director at Orange Slovensko, a.s..

Vladislav Kupka

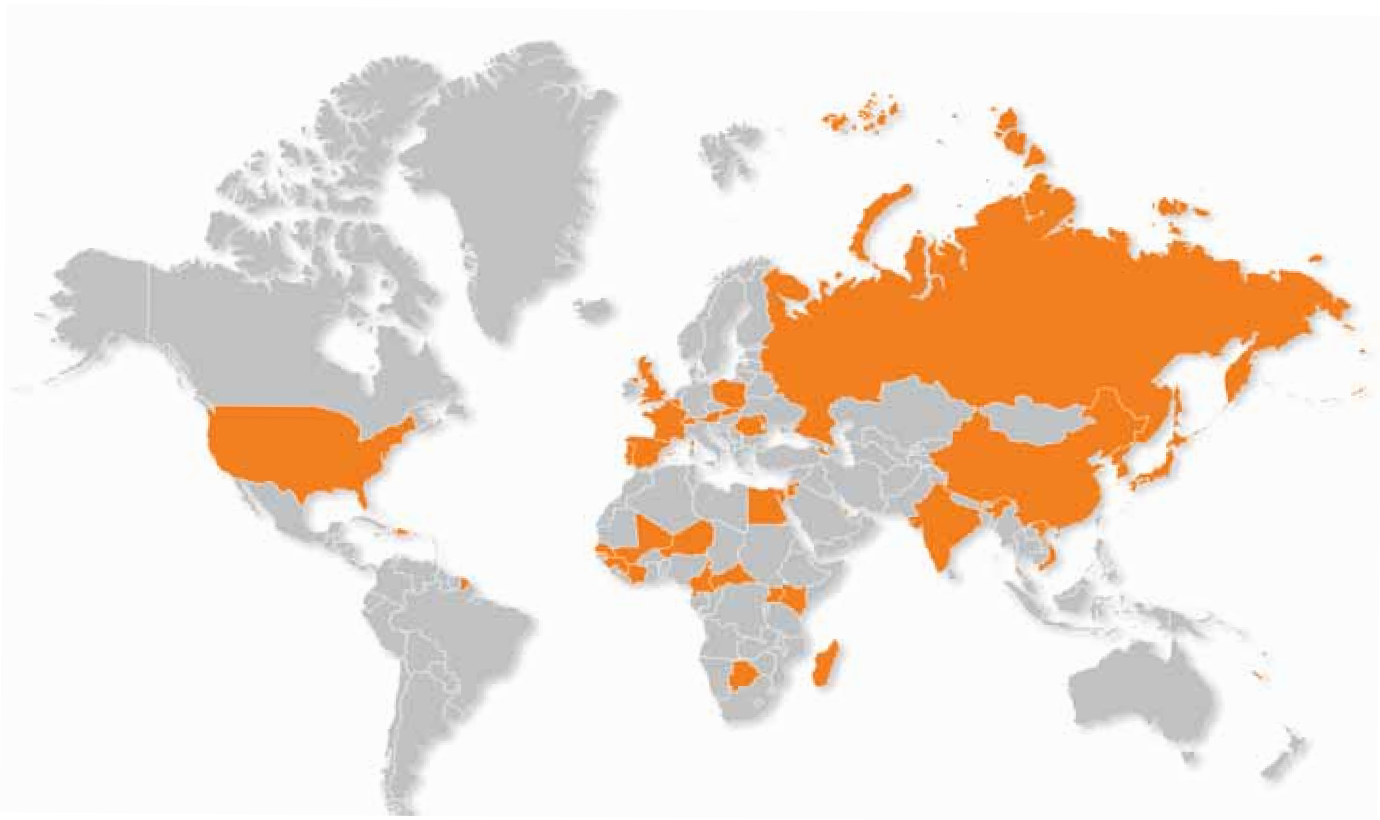
Customer Services Director

He was born in 1974. He graduated from the Philosophical Faculty at University of St. Cyril and Methodius in Trnava. In 1994, he started working in sales and since 1996, he has worked in Orange Slovensko, a.s., first as an employee of the Customer Centre, a year later he started working for the Back Office as a coach, and he worked up to the position of Residential Customers Manager. Since July 2008, he has been Client Services Director at Orange Slovensko, a.s..

France Telecom Group

France Telecom Group is of the world‘s leading telecommunications operators. By the end of 2010, the group recorded almost 210 million customers in 32 countries with 150 million of mobile customers and 13.7 million of broadband internet users. In the year 2010, the company achieved revenues of 45.5 billion €.

Business communications solutions and services are offered by a Group under Orange Business Services brand and France Telecom is thus among the world's leaders in providing telecommunications services to multinational companies. France Telecom (NYSE: FTE) is a company traded on Euronext Paris Eurolist and on New York stock-exchange. The key brand of France Telecom Group is Orange brand.



Great Britain, Poland, Slovakia, Belgium, France, Spain, Switzerland, Austria, Moldova, Romania, Russia, the United States, Caribbean, the Dominican Republic, Korea, China, Japan, Vietnam, India, Jordan, Bahrain, Guinea Bissau, Senegal, Mali, Niger, Egypt, Guinea Conakry, Ivory Coast, Cameroon, Uganda, Central Africa Republic, Kenya, Madagascar, Botswana, Mauritius, Reunion, Vanuatu, New Caledonia

Source: www.orange.com

2. we took on challenges, even of difficult conditions

Foreword from CEO

Dear Shareholders, Customers, Employees, Partners and Friends,

I am honored to share the results of our operations in 2010 with you. This year was significantly affected by EU regulation and lingering economic crisis, that also hit the Slovak telecommunications market. Fighting hard in the highly competitive market of telecommunications players was not easy for us but ended up more than positively.

Also in 2010, Orange became the most successful of the three mobile operators on the Slovak market. A total of more than 1 212 000 customers began using or renewed one of the following Orange programmes: monthly post-paid programmes, prepaid mobile plans and/or mobile internet plans. After the downturn we were able to financially stabilize while total revenues of our company after the effects of direct and indirect regulation remained about the same level than a year ago.

In 2010, Orange became again the most successful of mobile operators on the Slovak market.

Continued strong telecommunications traffic volume growth of our customers resulted in the favorable development of the financial results. Thanks to the convenient services and new products, which we introduced last year, our customers spent more time calling and using our mobile data services. Voice traffic increased by 3%, and data traffic was higher by up to 68%. The average Orange customer used 144 minutes per month for outgoing calls, which is about 6% more than in 2009. An increase in telecommunications operation was promoted by growing interest in the programmes with unlimited calls used by almost 820 000 customers by the end of year and also by growing interest in the mobile internet and internet in mobile programmes.

In addition to the stabilization of revenues, due to an active approach to efficiency growing, even in difficult economic conditions, we managed to increase profitability in 2010. EBITDA margin increased year on year by 1.4 of the percentage point. We still behave as very efficient company, which is good news not only for shareholders, but also for customers. Focusing on effectiveness produces sources for investment in expansion of our network capacity, in new services and in improving existing ones.

For an operator such as Orange, the customer will always take a first place. For this reason, a major strategic initiative last year was the Orange garancia programme (Orange guarantee).

Excluding the highest number of contracts signed, we also confirmed a stable market position measured by the market share (approximately 49.7%), by the share of total telecommunications operation (approximately 55%), as well as by total market revenues (approximately 55%). By the end of last year, we had approximately 2.87 million of active customers representing a slight decline of less than one percent, compared to 2009, while the decrease was recorded in the prepaid services' segment. The number of customers using the programmes increased by 2.9%, year-to-year. The proportion of customers using contracted services grew to 72.4% of the total customer base.

For an operator such as Orange, the customer will always take first place. Also because of this reason, a major strategic initiative of last year was the Orange garancia programme (Orange guarantee). This tool for the customer, which we introduced in the middle of last year, allows us to approach our customers individually. Thanks to the diagnostics of consumer behavior, we are able to propose the best offers at the sales points. More than five hundred thousand of our customers confirmed the positive experience with this unique approach at our sales points, by the end of last year.

In 2011, we will draw on the best that we can offer our customers and we will bring new products and services to the market; so that, with Orange; every day will be even better for our customers.

Ing. Pavol Lančarič, PhD.
Chief Executive Officer and Member of the Board of Directors

3. we retained the leading position on the telecommunications market in 2010

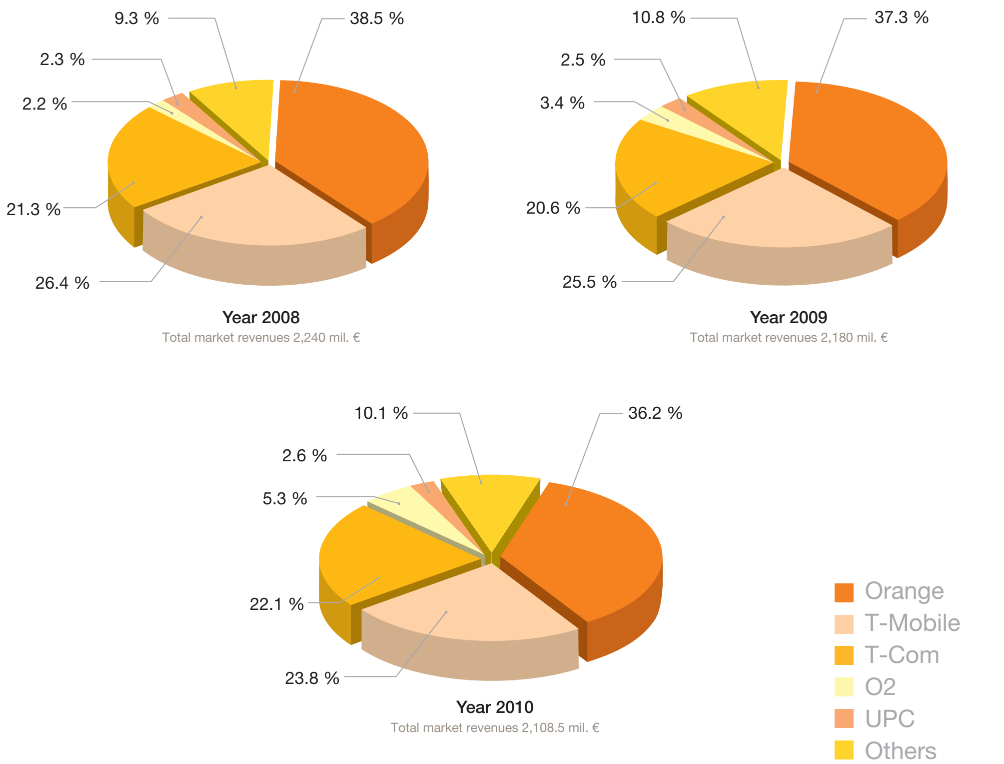
Telecommunications market in 2010

we confirmed the leading position on the telecommunications market in 2010

In 2010, the telecommunications market was stagnant, mainly due to slower recovery from the economic crisis, the consequences of which still persist. Other significant aspects of the telecommunications market decrease included a continued dip in prices due to market competition and regulation.

The combination of all these factors in 2010 resulted in a 3.3% drop in revenues in the entire telecommunications market compared to 2009.

Development of revenues on the Slovak telecommunications market

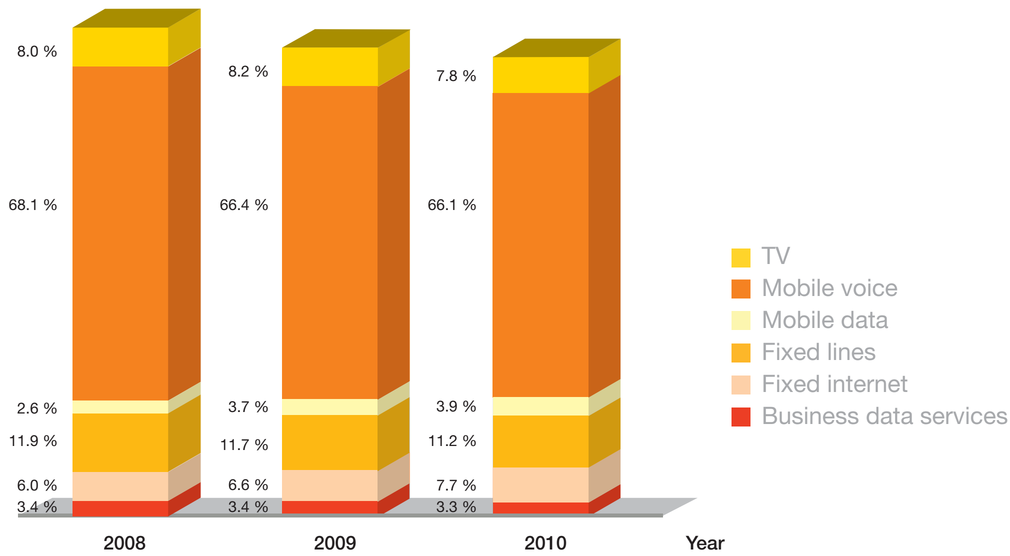


Influenced by market regulation and the economic crisis, the global telecommunications market revenues got declining trend, with year-to-year revenues decrease by 3.3%.

source: data published by operators

The decline of the whole market continued, the only growing part of the market were the data services. Revenues on the mobile data services market grew by 1.3%. The increase was recorded also on the fixed internet market. Here, the revenues had grown (+11.4%), and so did the number of customers. Regarding the mobile market, in 2010, despite the growth of mobile data service revenues, its revenues continued to decrease. Its total income fell by 4.1% caused by the drop in revenues on the market of mobile voice services, which have decreased by 4.4% year-to-year. In the telecommunications market, the decline in fixed voice services has also continued. The overall drop in revenues from fixed voice services was recorded at 5.9%.

Structure of revenues of the Slovak telecommunications market

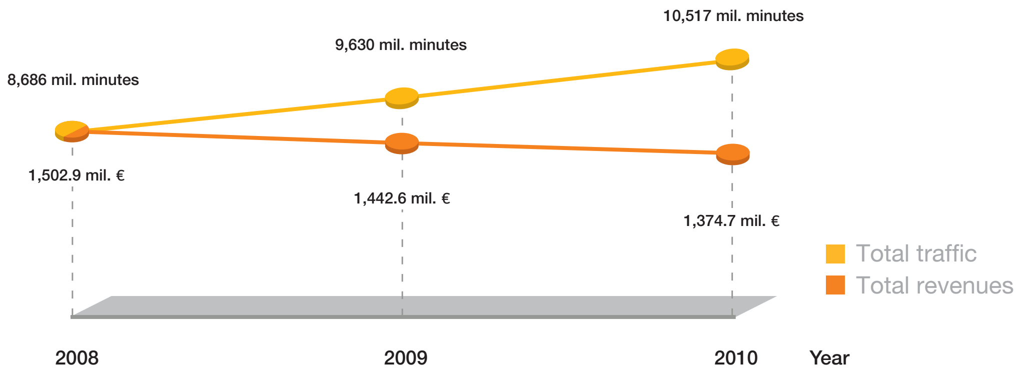


Data services revenues are, as a standard, the only growing component of the telecommunications market revenues. In 2010, they increased by 16 million € compared to 2009.

source: data published by operators

Although the overall market revenues have dropped, the operation of the market grew. Operators have managed to handle more traffic for less money, in particular with the help of costs management and efficiency increase.

Development of revenues and overall traffic on the Slovak telecommunications market

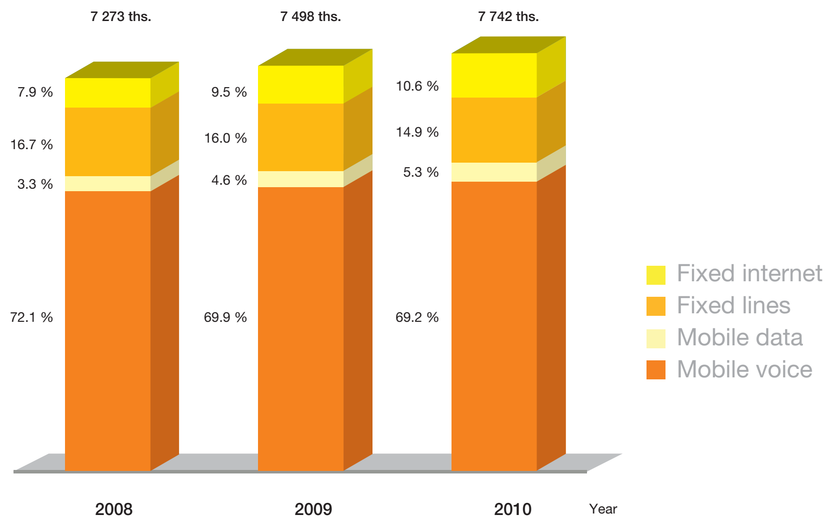


For the third year, there is an interdependent relationship, like scissors opening, between operation development and the market revenues, which means that the Slovak customers communicate more and in a more advantageous ways.

source: data published by operators

The total number of customers using telecommunications services by the end of 2010 is approaching to 8 million. The number of customers grew in three of four segments of the market, and the only decrease was recorded within the number of the customers using the fixed lines. Their number decreased by 2%. In contrast, the number of customers using fixed-line internet rose by 15%, reaching 817 thousand of customers, last year.

Development of the Slovak telecommunications market customers



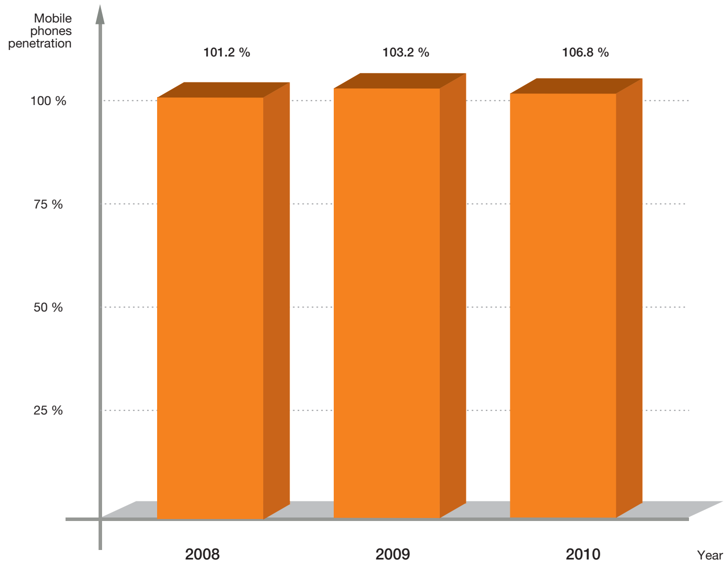
3/4 of the total number of customers are using mobile services, only 1/4 uses the fixed services.

source: data published by operators

By the end of 2010, the number of mobile users reached almost 5.7 million, while 66% were customers of postpaid programmes and the remaining 1.9 million were prepaid cards customers.

mobile phone penetration reached 106.8% by the end of the year, even despite a slight decrease in prepaid cards users. This is because a large number of customers own more than 1 SIM card. The “Market and Demand” survey from November 2010, carried out by the 2Muse Agency as assigned by Orange, provided evidence of a still growing number of customers with a second and third SIM card and showed that 93% of the population in Slovakia owns a mobile phone.

Mobile phones penetration development in Slovakia



Number of mobile phones is growing faster than the number of customers. This means that more customers use more than one SIM card.

source: data published by operators

For the upcoming period, we expect revenues in the mobile voice market to continue decreasing and the number of customers to grow slowly. An important component of the telecommunications market shall still be the mobile data market, especially broadband in mobiles. Mobile data market revenues will increase more slowly. The fixed internet market will continue to increase.

4. we can always offer what our customers need

Orange Slovensko in the telecommunications market

we can always offer what our customers need

In 2010, Orange reaffirmed its reputation as the most attractive operator, as chosen by most of the customers.

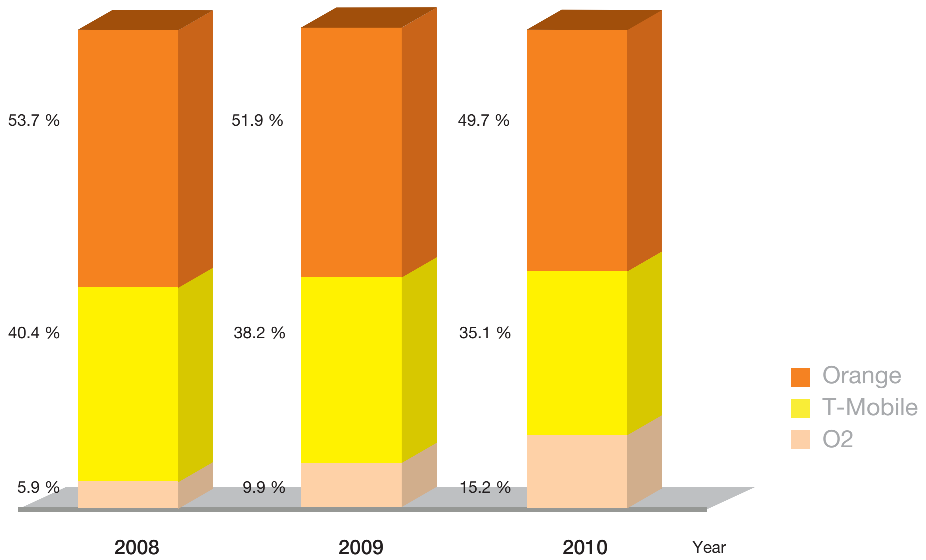
The most successful operator with financial stability

We completed last year as the most successful mobile operator in regards to the number of commercial operations. A total of more than 1.2 million customers, which is a quarter more than in 2009, decided to renew a contract for the programmes, prepaid services, mobile internet, or to sign up for Orange.

While the mobile phone is used in Slovakia by 93% of the population, according to our surveys, the penetration of mobile SIM cards reached 106.8%. This means that more and more SIM cards are used in Slovakia in various technological equipment and telemetry. At the same time, more and more Slovaks activate a second or third SIM card for the voice or data services. Under these market conditions, the total number of active customers of Orange remained stable and reached 2.87 million, which is approximately the same level as one year ago (a decrease by 0.7%). The average rate of churn of Orange customers remained among the lowest in Europe and moved to below 10%.

We have achieved this successful result despite increasing penetration in an increasingly stronger competitive environment.

Mobile operators market share development

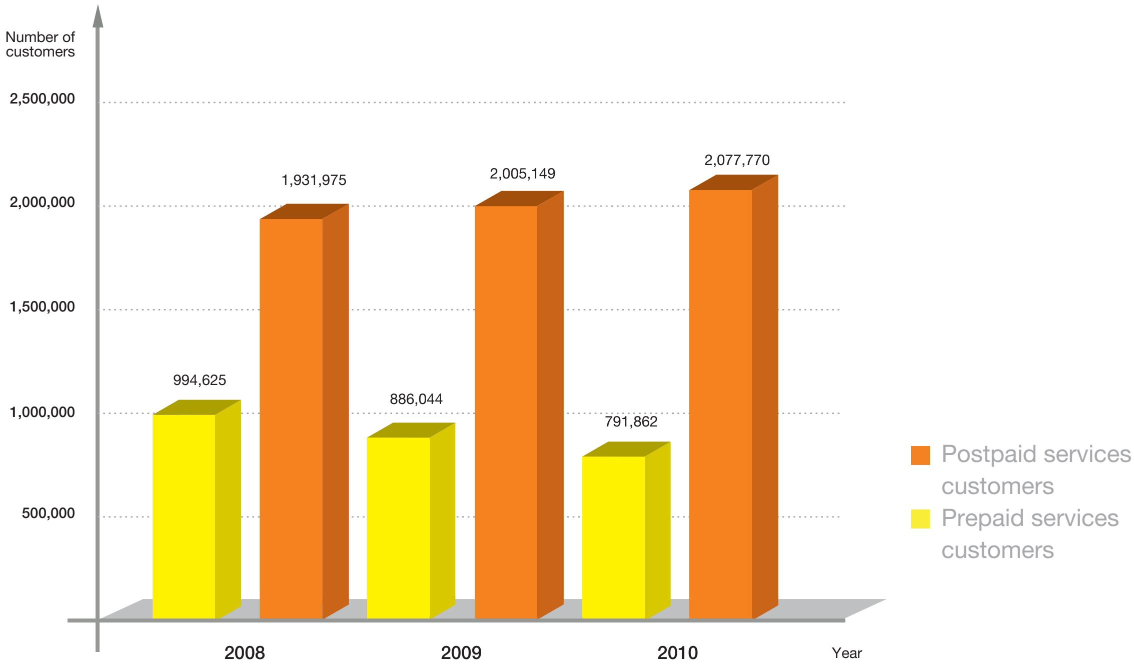


Despite aggressive competition, our customer base is stable, and Orange still maintains a stable market share of around 50%.

source: data published by operators

The share of postpaid monthly programmes users base has reached 72.4% of the total Orange customer base in the past year, and it increased year-to-year by 4 percentage points. Changes in the Orange customers' structure follow the trend of development in total telecommunications market. More and more customers prefer postpaid programme to prepaid cards. Persistent preferences of customers towards postpaid programmes show a high satisfaction of customers who confirm their confidence to Orange, as to their operator, by a contractual commitment. At the same time, the postpaid services allow them to use the voice and data services in larger volumes at more favorable prices.

Orange customers' base structure development



More and more customers prefer the postpaid services. This allows them to use more voice and data services for better price. In addition to mobile services, Orange thrives to reach out to the household segment increasingly. Although Orange is still established primarily as a mobile operator: however, thanks to favorable conditions, we also provided fixed household lines for 30 000 customers last year.

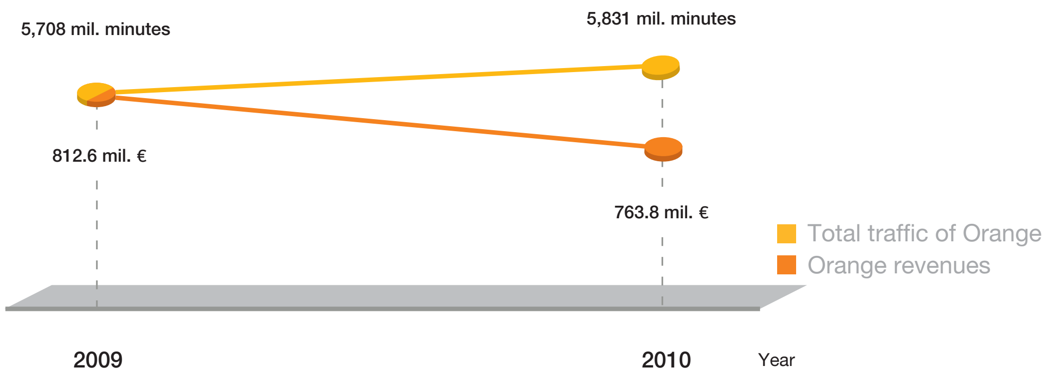
Source: internal data of Orange Slovensko, a.s.

We finished last year in a financially positive position. Orange achieved total revenues of 763.8 million €, according to definitive financial results. After the deduction of the direct and indirect impacts of price regulation, which reduced revenues by 5.8%, Orange reached total revenues close to the level of the previous year (down about 0.3%).

This means that after the slight decrease resulting from regulation, and, in particular, also the economic crisis and price competition, Orange managed to stabilize its revenues.

In addition to revenue stabilization, we managed to increase profitability well in difficult economic conditions in 2010, due to an active focus on increasing efficiency. The EBITDA margin (earnings before interest, tax and amortization) grew year-to-year by 1.4 percentage points from 43.6% to 45%. For us, long-term concentration on effectiveness is an investment in expansion of our network capacity and new services, as well as a means to improve existing networks and services. Last year alone, we invested a total of 71 million € in our networks and new technologies.

Voice traffic and Orange revenues development



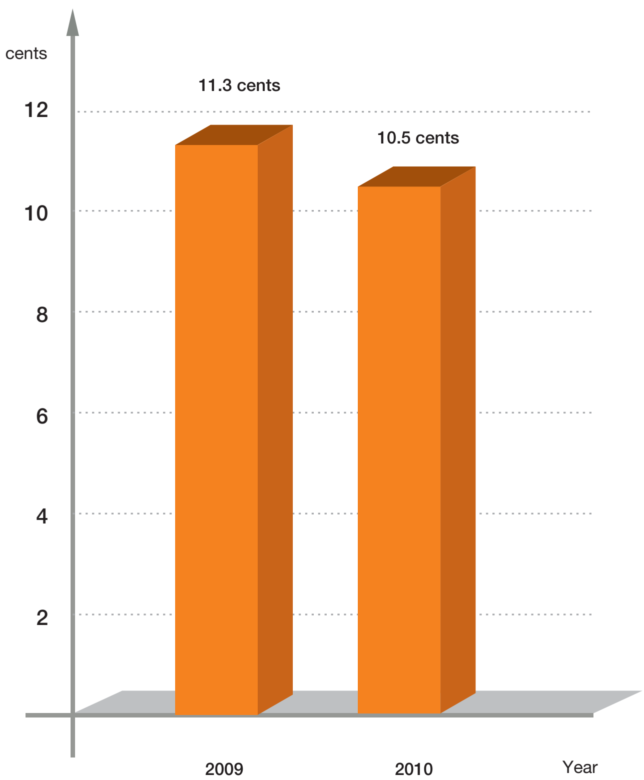
While Orange revenues have been slightly declining for long time under the influence of direct and indirect regulation, telecommunications traffic in Orange network continues to grow.

Source: internal data of Orange Slovensko, a.s.

Our customers communicate more and in more advantageous ways

A key factor that led to the stabilization of revenues in 2010 was the following strong growth of telecommunications traffic by our customers.
Thanks to the convenient services and news, which we introduced last year, our customers spent more time talking and also using our mobile data services.

Orange costumers' average price per minute development



Our customers communicated in even more favorable way in the past year. The average price per minute decreased by 7%, in 2010.

Source: internal data of Orange Slovensko, a.s.

The first important factor that affected revenues development was the continued voice traffic growth. In 2010, Orange customers spent more minutes (by 3%) than the year before. The growing interest in phone calls was a result of continuing interest of customers in programmes offering unlimited calls, which were used, at the end of the year, by nearly 820 thousand customers. The Paušál Snov programme (The Dream programme) remained the most popular, with nearly 515 thousand customers. Thanks to opportunities offering unlimited calls within the largest mobile network, Orange customers enjoy the most advantageous mobile services. The average Orange customer used 144 minutes a month for outgoing calls, which is about 6% more than in 2009. Orange customers' average price per minute, at any time to any network, including VAT and international calls, has dropped to 10.5 cents.

Thanks to the opportunities provided by unlimited calls in the largest mobile network, the Orange customers communicate more and in more favorable ways.

The year-to-year increase in Orange customers' data traffic was even more impressive. The total volume of megabytes and gigabytes transferred over one year increased by up to 68%. This development was supported by both growing customer interest in programmes offered for mobile internet and internet in the mobile, as well as the availability of our fast mobile network. By the end of last year, its coverage had reached almost 70% of the population, covering 136 cities and 389 municipalities and increasing volumes of data traffic associated with steadily increasing network speed. In 2010, Orange increased the theoretical maximum download data in its 3G network to 14.4 Mbps; Orange mobile 3G network thus confirmed its reputation as the largest, fastest and most affordable 3G network in Slovakia.

Customers appreciate the wide range of programmes and individual approach of Orange

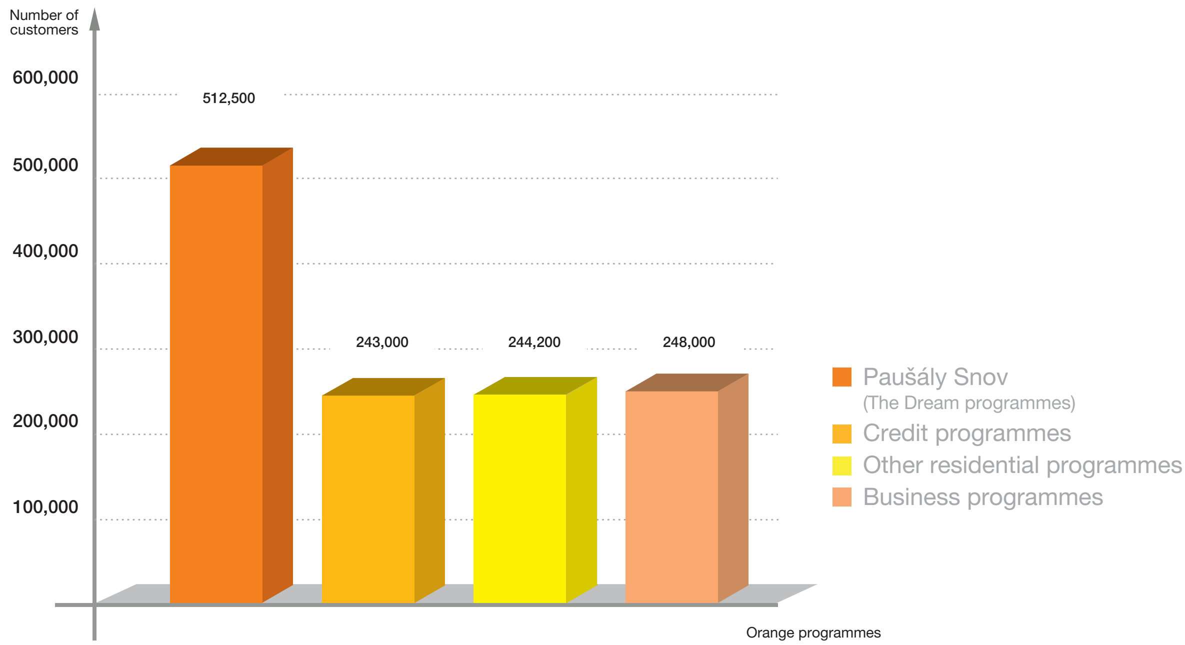
Positive results in the past year are the result of Orange's long-term strategy. Its main principles include a wide range of services for customers with the most diverse telecommunications needs combined with an individual approach. At Orange, we know that each customer is different and prefers a different combination of voice, data and supplementary services. There is not just one type of offer which would be advantageous for all customers; therefore, last year, we introduced a key strategic initiative called Orange garancia (Orange Guarantee), which has also become a key differentiator of Orange on the market.

Orange garancia (Orange guarantee) means not only changes in the process of providing services at the sales points, but also their technological innovation. We equipped our outlets with unique software that can provide detailed diagnosis of telecommunication needs of each of our customer in the moment when (s)he decides to choose one of our voice programme offers.

The software shows, in a transparent form, which programmes or combination of services from Orange are best for the customer.

Orange garancia (Orange guarantee) is one of the best examples of our individual approach, used by more than 500 000 customers last year. Our customers responded rapidly to the new programme in a positive way. Customers appreciate the „democracy“ at Orange sales points, as well as the transparency of the process. They provided positive evaluations of the fact that Orange decided to remove the barrier between salesmen and customers in the form of a monitor, by turning it into an interactive device helping customers select the most advantageous programme. The Orange garancia (Orange Guarantee) Programme thus became primarily an instrument in the hands of customers who demonstrated their appreciation with the above-average satisfaction index.

Number of Orange customers using individual programmes



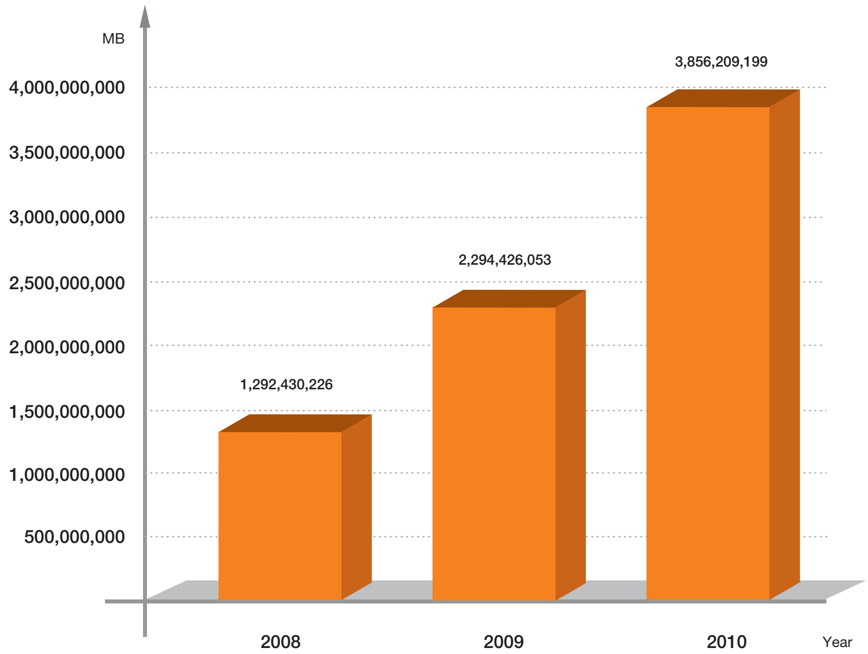
Orange customers appreciate the wide range of programmes in combination with an individual approach in outlets through the Orange garancia (Orange guarantee) programme. Contracted customers' satisfaction index has been above average for quite some time.

Source: internal data of Orange Slovensko, a.s.

Mobile data explosion

Mobile data services have been, for several years, the fastest growing component in the structure of revenues. At the same time, the number of their users is growing the fastest. In 2010, the number of customers using Orange mobile data services increased by one-fifth; futhermore, the total volume of data traffic generated by Orange customers during 2010 alone was two-thirds higher than in 2009.

Orange data traffic development



Data traffic is increasing dramatically. The year to year increase of the total number of MB transferred by our customers was almost 70%.

Source: internal data of Orange Slovensko, a.s.

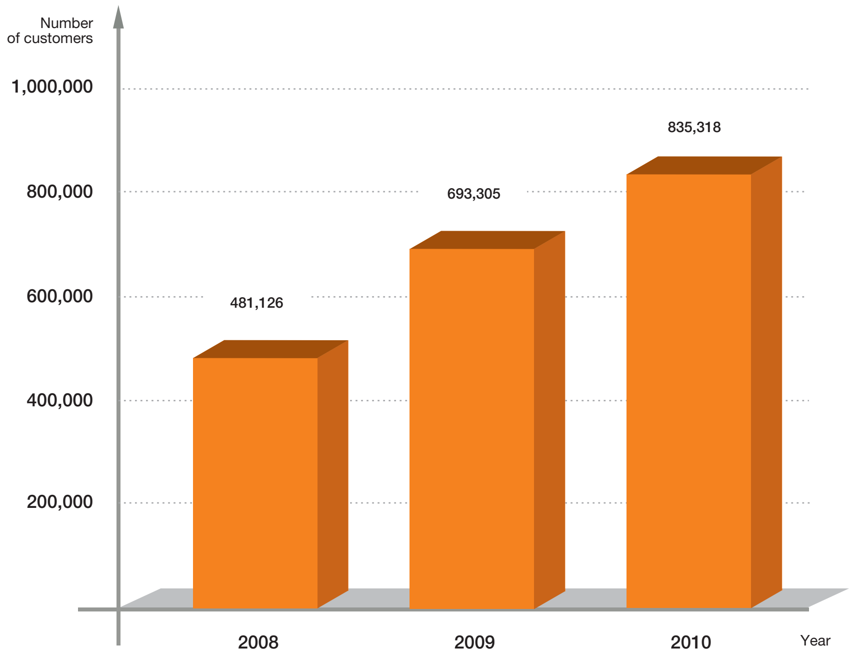
The change of the Slovak lifestyle drives the growing demand for mobile data services, as well as the increasing popularity of smart phones. Orange is trying to respond to these trends by constantly increasing availability and speed of its 3G network and by innovating the services offered.

At the end of last year, more than 800 thousand customers used Orange mobile data services, and the number continues to grow. The growing number of people for whom a mobile connection is indispensable when on the road are also increasingly allowing these mobile connections to take over as their main household connection. This trend is not accidental and is related both to the availability of 3G network, which Orange constantly expands, and to the steady increase of its speed. Last year, we increased the maximum potential speed of our Orange 3G network to 14.4 Mbps.

The speed of mobile internet services from Orange not only competes with the most common forms of household connections, but often exceeds them.

Apparently, this is also why the Internet na doma programme (Internet at home) became the fastest growing group of mobile internet services in 2010 the fastest growing service ever was the internet in mobile service with Orange World programme, which is associated with a dramatic increase in the share of smart phones in the structure of used and also sold mobile devices.

Development of mobile data Orange customers' base



Traditionally, the fastest growing part of our customer base and of revenues has been data.

Source: internal data of Orange Slovensko, a.s.

Individualized approach to internet selection

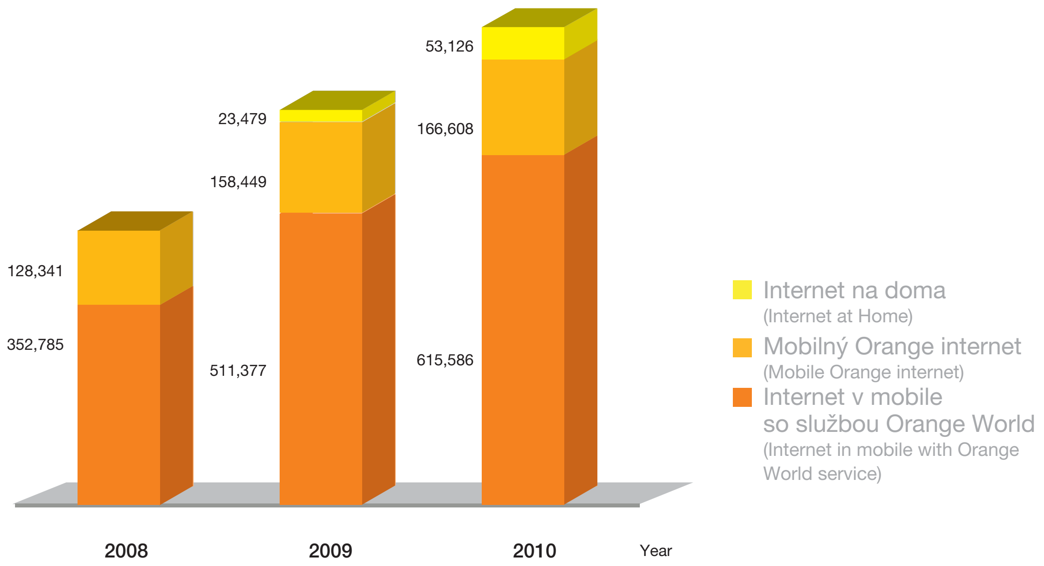
Orange is currently one of the key players on the internet market. The total number of internet services customers reached 882 692 last year. Out of this, mobile internet connections were 835 thousand, fixed connections from Orange with Fibernet service were used by 47 thousand customers, which is about 28% more than for the same period a year ago.

Orientation to data offers is often more difficult for the customer than voice programmes; therefore, we try not to sell only megabytes to our customers. Last year, we decided to respond to the diverse needs of our customers not only by redesigning and mobile internet offers, but also by introducing an individual approach on offer of internet services for Orange customers.

In the past year, the first major change in the internet connection area was the introduction of a new mobile internet offer from Orange. Under this offer, customers not only select the size of a data package which suits them best, but also combine it with their preferred connection speed. At the same time, they can adjust the package and complete it with a number of additional services, depending on whether they use mobile internet at home or when traveling, or they can choose from several time zones of unlimited surfing to their needs. The principal innovation in the Slovak market was the introduction of data-unlimited mobile internet programmes to the Orange services menu.

First of all we strive to first understand the needs of our customers and offer them a combination of data services and options best suited to them.

Development of structure of Orange mobile data services used



Interest in Internet in mobile is growing mainly due to the increasing use of smart phones. There is a growing interest in the mobile internet as the main household connection.

Source: internal data of Orange Slovensko, a.s.

Orange is trying to respond to the growing demand for data services not only by the offering services and investments in networks, but also by offering the most advanced mobile equipment at bargain prices. Last year, almost half of the devices sold by Orange were smart phones. In addition to laptop-internet service combination offers, we launched a number of interesting new products and were the first operator to introduce the Tablet Samsung Galaxy Tab and later Huawei S7. We thus responded to the world’s trends and the growing popularity of these devices among the users. This is also why we have, as a leader in providing the data services and first on the market, included these devices in our offer.

Reliable partner even behind the borders

Orange is a stable and reliable partner for its customers, not only at home but also when traveling abroad. Wherever they are, the neighboring countries, the European Union, or favorite holiday destinations, Orange customers can choose from a wide advantageous offer of roaming packages and still communicate better. We bring advantageous solutions to our customers who have their loved ones abroad.

Last year, the total volume of international calls has increased, year on year, by 8.4% and we decided to respond to this trend with new, more advantageous offers.

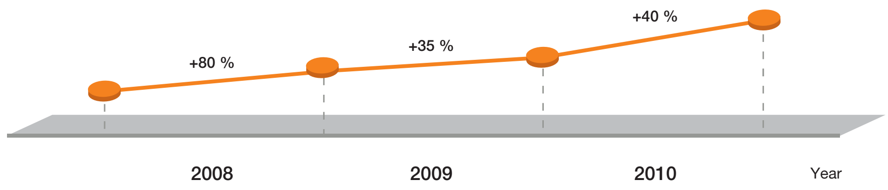
With the new Haló svet service (Hello world), we gave customers the opportunity to call anywhere in the world, for the unbeatable price of 12 cents per minute. The relevance of this service is demonstrated by the fact that in only the first month after its launch, up to10 thousand of our customers activated it.

With regard to mobile data services, more and more of our customers also want to use their smart phones and laptops with internet connections abroad. The total volume of roaming data traffic generated by Orange customers has increased, year to year, by about 40%. Despite continuing high costs of data roaming, we have brought several significant new products and thus introduced roaming packages Ahoj Rakúsko Data (Hi Austria Data), Ahoj Česko Data (Hi Czech Republic Data), Ahoj Maďarsko Data (Hi Hungary Data), Ahoj Data 2 MB (Hi Data 2MB).

One of our priorities is to offer competitive prices of calls in to the whole world.

Thanks to the new offers, the average price per megabyte of roaming data decreased for our customers by 46 to 98% depending on the services used and on the destination, and achieved the unparalleled price of 9 cents per MB.

Development of data roaming traffic



We support data roaming programmes, which allow our customers still cheaply to transmit data abroad, by the use of mobile data services in roaming.

Source: internal data of Orange Slovensko, a.s.

New brand of mobile communications in Orange network

The launch of Orange new brand of mobile communications for young people, the FunFón (Fun Phone), became one of the most important events in the Slovak mobile telecommunications market last year.

The joint project of Orange and Fun rádio decided to reach the youth segment of the market with an attractive proposition in combination with a non-traditional operator approach and entertainment. FunFón (Fun Phone) brought attractive call prices starting at 6 cents per minute, SMS to all networks for 6 cents but even more fun with unlimited internet in mobile, unique content of Fun rádio and amazing phones. Customers can enjoy new brand of mobile phoning as the prepaid service as well as the postpaid programme. In three months from the launch of this brand, supported awarness within the target group reached 76% and the FunFón (Fun Phone) brand began to successfully build its first preferences among customers in the target group of young people.

Top customer care

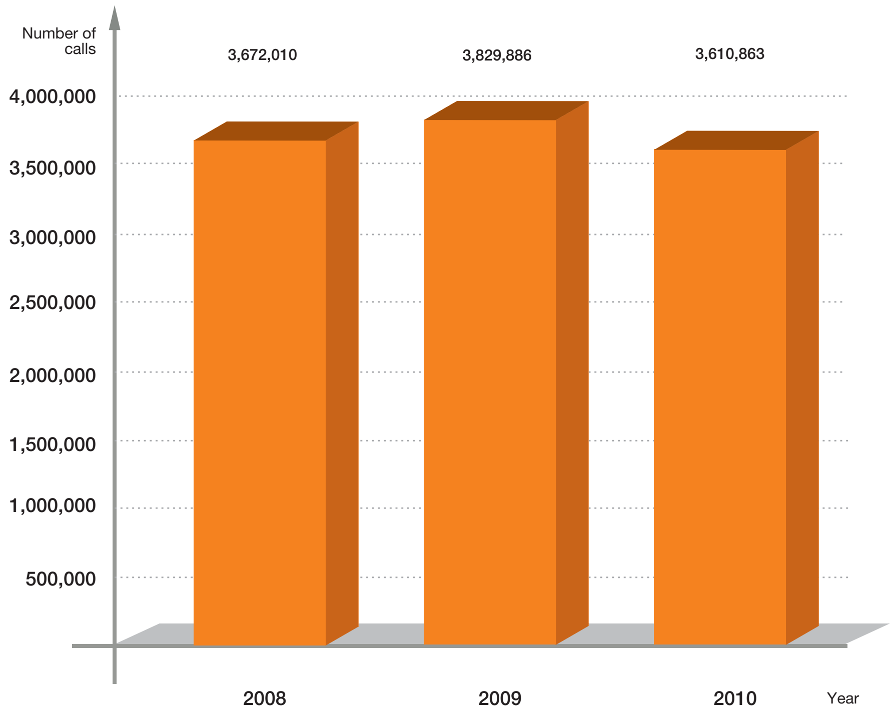
Orange Garancia (Orange Guarantee) programme has become a fundamental innovation in the Slovak telecommunications market and its objective was to increase convenience for the customers in the Orange points of sales. This successful programme is just one of the new products introduced by Orange in the field of Customer care last year.

We are daily aware of our responsibility towards our customers.

We are the essential partner of 3 million Slovaks, 24 hours a day, 7 days. We are aware of this great responsibility; therefore, our main priorities include not only innovation, improving services and investments in the network, but especially superior customer service. We strive to achieve the high quality standard to which our customers are accustomed in all contact channels, especially when making calls to our customer hotline, or when contacting us directly at our point of sales, website or, of course, the online Orange e-shop.

Last year, via our customer hotline, operators handled approximately 3.6 million calls with our customers. Despite this enormous number, we still managed to maintain the high standards to which are our customers accustommed. Up to three quaters of our customers' calls were answered within 20 seconds.

Total number of calls to Zákaznícka linka 905 (Customer Line)

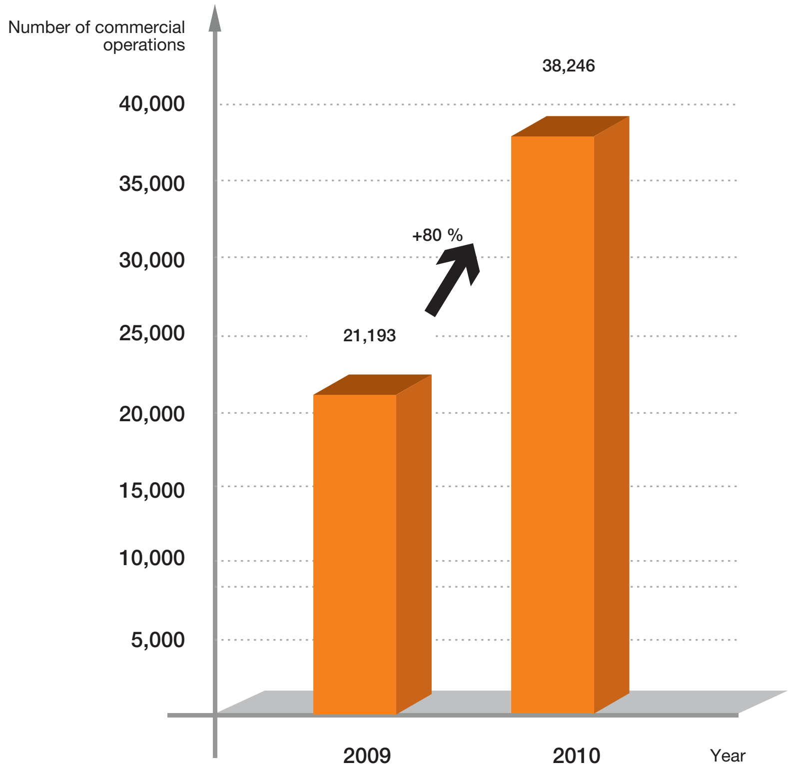


Each year, operators of our customer service line solve customers' issues by handling millions of calls, and 74% of these lasted less than 20 seconds in the past year.

Source: internal data of Orange Slovensko, a.s.

Through the Orange e-shop, we provide our customers with the superior care, by which we save their time and increase their comfort. The number of transactions made through online shop is growing every year. In 2010, it was used by up to 38 246 customers, which is about 80% more than a year ago. Customers, in addition to optimizing the purchase process, appreciated the opportunity to obtain further discounts on a wide range of phones, one monthly fee for free, and the possibility to return the ordered products within 7 days.

Development of number of transactions in Orange e-shop since 2009



Customers increasingly value the opportunity to purchase from the comfort of home via the e-shop. Compared with 2009, more than 17 053 customers took the opportunity to purchase and obtain supporting benefits.

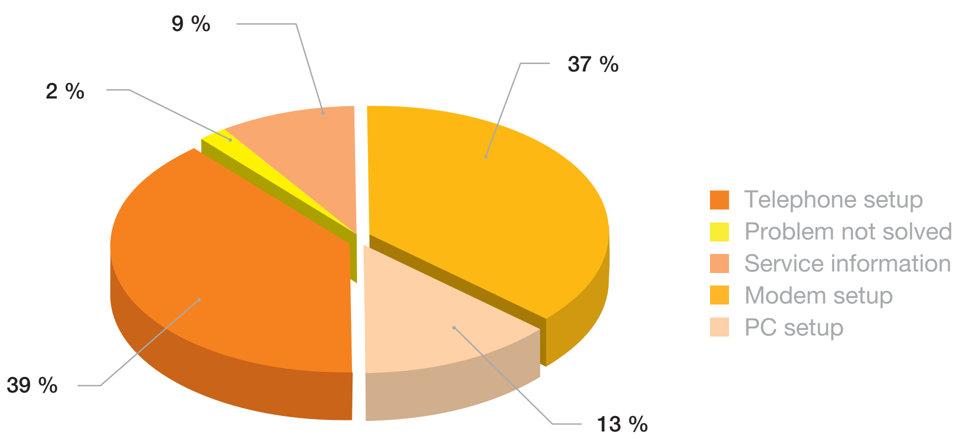
Source: internal data of Orange Slovensko, a.s.

Expert linka 14 905 (Expert Assistance Line)

Orange expanded its voice and data service offer and also continued becoming more and more complex in mobile devices offer. It naturally relates to growing demands and requests from customers who want the most from their phones and other devices, or, if necessary, consult their modem or computer settings.

Just for them, in 2010, we brought another novelty among telecommunications operators – our Expert linka 14 905 (Expert Assistance Line). This way, we provide technical support and configuration of mobile devices as well as assistance with services setup. Service can be used not only by Orange customers, but all those interested for such assistance. Orange helped more than 36 thousand customers via the helpline, with their computer setup, modem or phone configuration. Also, this high number of customers is the evidence of the fact that there was a good reason for the introduction of such a service.

Structure of calls to the Expert linka 14 905 (Expert Assistance Line) in 2010



More than a third of callers to the Expert linka had questions regarding the phone set up.

Source: internal data of Orange Slovensko, a.s.

Basis of quality services is a quality network

Quality customer care, as well as wide range of products and services could not, quite naturally, exist without a quality network; therefore, in 2010, we invested in our network total of 71 million €, which was by 9% more than in 2009.

Orange is a leader in availability, speed and quality of mobile data services, as well as in use of the most advanced optics technology for fixed-line household connection (FTTH). During the past year we have managed to increase the maximum potential download speed in the 3G network to 14.4 Mbps throughout the territory covered by the 3G network. We continued to broaden our coverage via the Orange 3G network as well as the FTTH optical network.

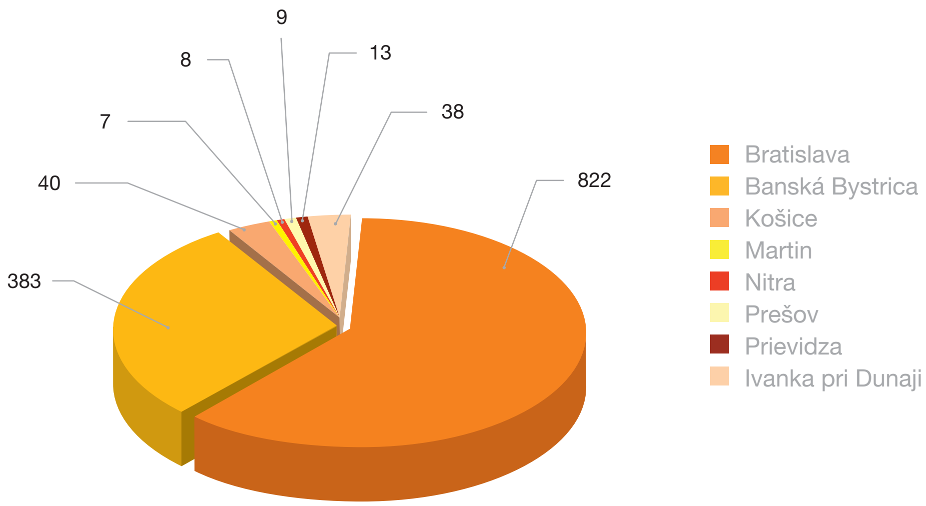
We are pleased that our customers are increasingly satisfied in all spheres of data services.

Customers show their appreciation for our technological efforts with their loyalty, and their growing satisfaction and increasing demands are demonstrated by the volume of data traffic generation. We then directed our investment primarily to building up the capacity of our data networks so we are able, now and also in the future, to meet the growing demands of our customers. In addition to measures that were taken initially and were recognized immediately, Orange has also invested in increasing the capacity of their transport networks to be able to meet customers‘ growing needs for volume and speed of data transmissions. MS project (IP Multimedia Subsystems) has become another important area of investment, which covers a summary of standards and technologies that enable the transmission of multimedia telecommunications services through the IP protocol. With this project, we decided to respond to the trend of growing customer demands to share, upload and download large data content, regardless, no mater which the network they are connected to. The second reason is the optimization and a simple approach to services. IMS application process is a step to start up completely new possibilities, that has not been explored yet. Thanks to this we will be able to operate convergent services available to all customers.

It is mainly the employees behind the achievements of our company

Although we are a technological company, our most valuable asset is the people – Orange employees. On 31 December 2010, Orange Slovensko had 1 320 employees, out of which 32% were women and 68% men. In terms of completed education, the structure is evenly divided between the secondary school educated and university educated employees.

Regional demographics of Orange Slovensko employees on 31 December 2010



After moving the Customer service and Information Technology and Network departments, we encouraged employment in the region of Banská Bystrica. Almost 1/3 of all Orange employees work in Banská Bystrica office, and thus we became one of the largest employers in this region.

Source: internal data of Orange Slovensko, a.s.

Even in times of recession, we do not stop investing in our employees

In addition to meeting the legislative requirements, such as training related to „safety at work“, our company also supports many professional training courses, language courses, so-called soft skills trainings and development of managerial skills. In 2010, 1 352 Orange employees attended at least one training, with the workforce receiving a collective 53 839 hours. Despite the decreasing revenues, Orange did not stop investing in their employees and the total spent on trainings and professional development remained at the previous year' s level of more than 770 thousand €.

We are aware of that it is only through satisfied, motivated and loyal employees that we can maintain or enhance the current standard in the quality of services for our customers.

Views of our employees are our major source of information in our work, and we are open to them. This is confirmed by the employment survey, carried out by Hewitt Associates. Analysis of its results in the past year significantly affected the overall strategy of our company's human resources.
In response to a survey and to the workshops conducted, Orange began with the application of the findings into practice. Number of activities has been launched, such as an internal space for employees' ideas on products, services or an overall improvement in the society, we have created a space for discussion on various topics or issues facing the company management, company policies, processes and so on.

In addition to above-standard pay, we offer our employees and their families many other benefits.

Our extraordinary interest in the care of our employees is also presented via a rich social program, in which we invested 540 thousand € in 2010.
During 2010, the employees had an opportunity to use a wide range of benefits: wellness stays, preventive health checks in a private health center, flu vaccina-

tion, contributions to the cost of their children's summer camps, seasonal benefits (a ski trip, vouchers to the water park), passes to a massage, a Christmas gift, tickets to cultural events, contributions to supplementary pension insurance, extended annual leave for holiday or compensation for lost wages because of inability to work.

5. we are not indifferent to the world around us

Corporate social responsibility

we are not indifferent to world around us

Corporate social responsibility is an integral part of our business, and we do everything we can to promote and demonstrate it for long time and effectively in all sectors, in which we operate.

The main goal toward which our activities are directed is to support those areas that are dependent on the aid of the stronger ones. Whether these are activities aimed at helping disadvantaged groups, at promoting education, environmental protection or are part of our number of grant programmes, Orange strives to always achieve its activities with maximum commitment.

We are helping together

Philanthropy and charity are naturally the traditional area of socially responsible behavior in our society. We successfully cover all activities of this kind, primarily through the Orange Foundation, which belongs to, according to recent polls, one of the most trusted foundations in Slovakia.

In our society, philantrophy and charity is a huge moral obligation, and that is the reason why we try to provide the assistance as transparent as possible.

When implementing philanthropic activities, we once again focused on grant programmes, long-term partnerships with non-governmental/not-for-profit organizations (NGOs/NPOs) and mobile fundraisers. The common goal of all these activities is to assist in those areas of society, which depend on the help of others. In 2010, the Orange Foundation redistributed the financial support of total of 1 033 264 €.

Overall, we have carried out 10 grant programmes, in which we supported 679 projects totaling 652 200 €. We also supported additional 30 projects outside grant programmes and 246 individuals received support through the Orange Foundation from the Fund for underprivileged, socially disenfranchised, weak and sick.

In the past year, we continued to develop cooperation with our long-term partners from NGOs and, thus, supported different target groups. Overall, we thus allocated 143 955 €. In 2010, an equally important area our philanthropic activities were also our mobile fundraisers through which we have been helping for the tenth year and thus contributed to the development of individual donations. In 2010, we organized 26 fundraisers together with our long-term partners and 34 fundraisers through the DMS system. In total, we collected 1 000 725 €.

Since the year 2010 was marked by natural disasters, and the floods hit Slovakia as well, the need for help was all the greater and more urgent.

Orange Foundation allocated 35 thousand € to help areas affected by natural disasters. Another 50 thousand € was divided amongst specific targeted group of people, via newly established Crisis Fund. Orange, in cooperation with partners, organised a mobile fundraiser, through which we managed to collect 270 thousand € and donated to people who found themselves in the immediate need as a result of the natural disaster. Orange's hundreds of employees got involved and donated funds to this cause via a deduction from their wages in total of 6 654 € and also collected clothes and appliances.

Environment

Environmental protection is another area of corporate social responsibility in our society. We strive to systematically reduce adverse impacts of all our activities over the long-term, which have, or may have, an impact on the environment. As one of the first companies in Slovakia, we have implemented a system of environmental management certified according to ISO 14 001. In 2010, we demonstrated our commitment to nature, earning again the certificate which proves that Orange created conditions and processes that allow us to manage our environmental impacts.

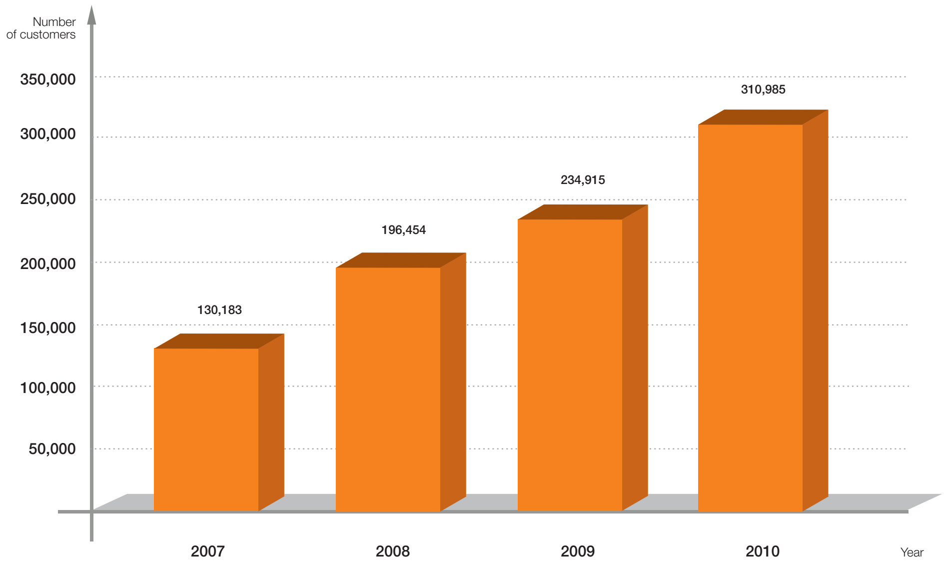
We are not indifferent to the impact of our work on the environment; therefore, we also try to carry out positive changes in this field.

Our main objective was to reduce electricity consumption, to collect the WEEE, separation and recycling, and computerization. 2010, with the exchange of used CRT monitors for friendly LCD screens, we managed to consume up to 44% less electricity per piece, compared to the previous year.

In 2010, we also strove to increase the amount of collected broken mobile phones, batteries and devices in Orange shops. Through both collection and take-back systems, we collected approximately 3 792 pieces of mobile phones with a total weight of 551.35 kg, which is almost 60% more than a year ago. Orange ecologically destroys these devices, so its customer does not need to take care of it himself.

Within the elimination of „paper“ communication, one of our efforts is to promote electronic invoicing instead of paper invoicing. A continuously increasing number of users of electronic invoices is undoubtedly a positive impact not only on quality on service provided, but also on the efficient use of natural resources - saving paper. Our joint efforts resulted in increasing the number of customers subscribing to electronic invoicing by 32%, year on year, compared to 2009.

Development of the number of Orange users of electronic invoices



Also, thanks to a project Zeleň pre mesto (Green in the City), the number of customers who activated electronic invoicing increased.

Source: internal data of Orange Slovensko, a.s.

As we also pass the requirements for socially responsible behavior on to our suppliers, we put emphasis on their environmental approach and the implementation of legislative requirements for carrying out activities with an environmental impact.

We also strive to save paper internally. An important step in 2010 was the replacement of office printers for so-called „print centers“. This solution, together with auto-duplex printing, enabled us not only to reduce the total number of printers, but also, in particular, the monthly consumption of paper was down 20% from the original 630 thousand pages.

Changes in the sales process and the computerization of some customer's forms and documents saved almost half a million more pieces of paper in comparison with 2009. Additional thousands of pages were saved as a result of the replacement of internal documentation by electronic ones, such as the introduction of electronic approval of applications.

The programme “Environmental management of suppliers” enables us to manage our indirect impacts on the environment. In 2010, we realized the project Zeleň pre mesto (Green in the City), which was aimed at promoting customers in environmental initiatives with the result of planting of greenery in the winning cities in addition to achieving this objective. Each of the winning six cities, in which residents carried out the most ecological activities in Orange stores, obtained 3 300 € for planting new greenery in their city. Together, we devoted 19 800 € for new greenery.

We are responsible towards customers

In 2009, we decided to employ a new method of improving our services and increasing customers’ satisfaction.

In order to increase the level of customer care and satisfaction, we set up The Institute of Telecommunications Ombudsman. Orange customers can turn to this Institute anytime they are not happy with the result of the course and result of their claim, even then when the claim was processed in accordance with Orange claim regulations. For the whole year of 2010, the Telecommunications Ombudsman‘s office was contacted by total of 359 people. Out of these, nearly 80% of complaints were unsubstantiated. A total of 178 requests complied with the statute and came through to the Ombudsman telecom table within the past year. In 14 cases, the Ombudsman decided that the complaint justified, and a further 67 cases which had some merit and to which the Ombudsman recommended considering. Orange respected the decisions and suggestions. Orange recognised not only the decisions about justified cases, but also followed the recommendations in light of the social situation of the customer and other serious objective reasons.

We are constantly aware of and fulfill our responsibility towards our customers; therefore, we keep maintaining our high quality of services and care about compliance with their rights.

The safe use of communications technologies is, for Orange, among the most important areas where we, as a company interested, can help. Not just the education of children and young people, but also teachers and parents in this area is a good way to achieve this goal. In the area of protecting children from inappropriate and illegal content, we conduct several activities, which cover a wide range of this issue.

In 2010, amidst great acclaim and success, we continued to implement the project of direct learning for children in schools conducted through our own network of psychologists. Through this project eight trained psychologists interact with pupils of primary schools and secondary schools in regards to the prevention of various forms of traps to which children and youth may be subjected via electronic communications. They are visiting all regions of Slovakia and explain in a fun-form to pupils how to cope with different risk situations, that they may encounter when surfing the internet, using a mobile phone or watching television. So far, we have, in this way, had the opportunity to directly train more than 7 000 children.

6. our results move us forward

Financial Statement for 2010

Orange Slovensko, a.s.

Independent Auditor's Report and Separate Financial Statements

(prepared in accordance with International Financial Reporting Standards as adopted by the EU)

Year ended 31 December 2010

Company identification number: 35 69 72 70

Tax identification number: SK2020310578

Independent Auditor's Report

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
Fax: +421 2 582 49 222
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered at the Municipal
Court in Bratislava I
Section Sro, File 4444/B
Id. Nr.: 31 343 414
VAT Id. Nr.: SK2020325516

Orange Slovensko, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Partners and the Executives of Orange Slovensko, a.s.:

We have audited the accompanying financial statements of Orange Slovensko, a.s. (hereinafter also the "Company"), which comprise the separate statement of financial position as at 31 December 2010, and the separate 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.

Statutory Body's Responsibility for the Financial Statements

The Company's statutory body is 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 statutory body 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the statutory body, 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, in all material respects, the financial position of Orange Slovensko, a.s. as of 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Bratislava 22 March 2011

Deloitte Audit s.r.o.
Licence SKAu No. 014

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/sk/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

Member of Deloitte Touche Tohmatsu

Separate Statement of Financial Position at 31 December 2010

In thousands of EUR	Note	31 December 2010	31 December 2009
Assets			
Non-current assets			
Property, plant and equipment	4	382,380	422,714
Intangible assets	5	78,098	74,682
Investments in unconsolidated subsidiaries	6	106	106
Non-current receivables		1,611	1,618
Other non-current assets		252	242
		462,447	**499,362**
Current assets			
Inventories	8	15,425	14,475
Trade and other receivables	9	60,977	64,062
Other assets		3,648	2,650
Current income tax receivable		13,354	19,807
Current financial assets	10	1,758	–
Cash and cash equivalents	11	9,153	5,799
		104,315	**106,793**
Total assets		**566,762**	**606,155**
Equity And Liabilities			
Equity	12		
Share capital		39,222	39,222
Reserves		15,260	15,260
Retained earnings		130,172	129,413
Profit for the year		186,202	199,759
		370,856	**383,654**
Non-current liabilities			
Non-current provisions	13	39,505	27,611
Deferred tax liabilities	7	8,680	16,075
		48,185	**43,686**
Current liabilities			
Current financial liabilities	10	–	20,420
Trade payables and other liabilities	14	120,417	131,725
Current provisions		1	1
Deferred income	15	27,303	26,669
		147,721	**178,815**
Total equity and liabilities		**566,762**	**606,155**

Separate Statement of Comprehensive Income for the Year Ended 31 December 2010

In thousands of EUR	Note	2010	2009
Revenues	16	**764,135**	**812,666**
External purchases	17	(333,514)	(368,230)
Other operating expenses, net	18	(32,299)	(35,118)
Wages and contributions	19	(54,016)	(55,032)
Amortisation and depreciation expense		(111,529)	(106,564)
Operating profit		**232,777**	**247,722**
Interest income and related revenue		159	191
Interest expense		(13)	(255)
Other finance (expenses) / income		(49)	39
Profit before tax		**232,874**	**247,697**
Income tax	20	(46,672)	(47,938)
Profit for the year		**186,202**	**199,759**
Other comprehensive income		-	-
Total comprehensive income for the year		**186,202**	**199,759**
Total comprehensive income attributable to:			
Owners of the Company		186,202	199,759

Separate Statement of Changes in Equity for the Year Ended 31 December 2010

In thousands of EUR	Note	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2009		39,227	15,260	328,408	382,895
Dividends paid		–	–	(199,000)	(199,000)
Euroconversion		(5)	–	5	–
Total comprehensive income for the year		–	–	199,759	199,759
Balance as at 31 December 2009		39,222	15,260	329,172	383,654
Dividends paid	12	–	–	(199,000)	(199,000)
Total comprehensive income for the year		–	–	186,202	186,202
Balance as at 31 December 2010		39,222	15,260	316,374	370,856

Separate Statement of Cash Flow for the Year Ended 31 December 2010

In thousands of EUR	Note	2010	2009
Profit for the year		**186,202**	**199,759**
Taxes		46,672	47,938
Interest income		(159)	(191)
Interest expense		13	255
Depreciation and amortisation of tangible and intangible assets		111,529	106,564
Other		11,047	10,097
Profit from operating activities before changes in working capital		355,304	364,422
(Increase) in trade and other receivables (including accruals/deferrals of assets)		(1,642)	(3,621)
(Increase)/Decrease in inventory		(950)	3,759
(Decrease)/Increase in trade liabilities (including accruals/deferrals of liabilities)		(10,730)	7,501
Cash generated from operations		341,982	372,061
Interest received		159	191
Interest paid		(13)	(255)
Income tax paid		(47,615)	(80,253)
Cash flows from operating activities		**294,513**	**291,744**
INVESTING ACTIVITY			
Purchase of property, plant and equipment		(70,583)	(78,232)
Proceeds from sale of non-current assets		595	1,285
Decrease / (Increase) in short term lending		(1,751)	240
Net cash outflow from investing activities		**(71,739)**	**(76,707)**
FINANCING ACTIVITY			
(Decrease)/(Increase) in current financial assets / liabilities	10	(20,420)	20,420
Decrease in short term bank loans		–	(59,749)
Dividends paid	12	(199,000)	(199,000)
Net cash outflow from financing activities		**(219,420)**	**(238,329)**
Net increase /(decrease) in cash and cash equivalents		**3,354**	**(23,292)**
Cash and cash equivalents at the beginning of year		**5,799**	**29,091**
Cash and cash equivalents at the end of year	11	**9,153**	**5,799**

Notes to the Separate Financial Statements for the Year Ended 31 December 2010

1. General Information

Orange Slovensko, a.s. (hereinafter also the "Company") is a joint stock company established on 29 July 1996 and incorporated on 3 September 1996 with its registered office at Prievozská 6/A, 821 09 Bratislava, Slovak Republic. In August 2008 Atlas Services Belgium, S.A. acquired all shares held by Wirefree Services Nederland B.V., which had been the major shareholder since November 2005 when it acquired all the shares held by minority shareholders and became the 100% shareholder of Orange Slovensko, a.s. The Company's principal activity is the establishment and operation of public mobile telecommunication networks at assigned frequencies as well as the operation of fiber optic cable networks.

Approval of the 2009 Financial Statements

On 28 April 2010 the General Meeting approved the Company's 2009 financial statements (Notary Deed No. N 308/2010, Nz 14636/2010, NCR1s 14895/2010).

Members of the Company's Bodies

Body	Function	Name
Board of Directors	Chairman	Brigitte Bourgoin
	Deputy Chairman	Ladislav Rehák
	Member and Chief Executive Officer	Pavol Lančarič
	Member (until 19 June 2010)	Antonio Anguita
	Member (since 6 October 2010)	Pierre Hamon
	Member	Dominique Garnier
	Member and ITN Director/CEO deputy	Ivan Golian
	Member and Chief Financial Officer	Corentin Maigné
Supervisory Board	Chairman	Bertand du Boucher
	Member	Vincent Brunet
	Member (until 28 April 2010)	Aude Dubrulle
	Member	Ján Kodaj
	Member	Ivan Marták
	Member	Dana Prekopová
	Member (since 28 April 2010)	Laurent Preel
Executives	Chief Executive Officer	Pavol Lančarič
	Chief Financial Officer	Corentin Maigné
	Communication and Brand Director	Andrea Cocherová
	ITN Director/CEO deputy	Ivan Golian
	Human Resources Director	Andrea Kopná
	Customer Services Director	Vladislav Kupka
	Strategy and Regulatory Affairs Director	Ivan Marták
	Commercial Director	Zuzana Nemečková

Employees

	31 December 2010	31 December 2009
Number of employees	1,320	1,334
Of which: managers	126	127

2. Adoption of New and Revised Standards

In the current year, International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB have not issued any new or revised standards and interpretation that could be relevant to the Company's operations for accounting periods beginning on 1 January 2010.

(a) Standards and interpretations effective in 2010 but not relevant to the Company's operation

The following standards, amendments, and interpretations are mandatory for accounting period beginning on or after 1 January, 2010 but are not relevant to the Company's operation:

- IFRS 1 (Amendments), 'First-Time Adoption of IFRS - Additional Exemptions for First-Time Adopters' (effective for annual periods beginning on or after 1 January 2010). Provides additional exemptions from the full retrospective application of IFRS for the measurement of oil and gas assets and leases;

- IFRS 2 (Amendments) 'Group Cash-Settled Share-Based Payment Arrangements' (effective 1 January 2010). For group reporting and consolidated financial statements, clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2;

- IFRS 3 (Revised) 'Business Combinations' (effective 1 July 2009). Continues to apply the acquisition method to business combinations, with some significant changes, eg all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement;

- IAS 27 (Amendments) 'Consolidated and Separate Financial Statements' (effective 1 July 2009). Requires the effects of all transactions with non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses;

- IAS 39 (Amendments) 'Financial Instruments: Recognition and Measurement – Eligible Hedged Items' (effective 1 July 2009). Provides clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options;

- IFRIC 17 'Distribution of Non-cash Assets to Owners' (effective for annual periods beginning on or after 1 July 2009). Provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends;

- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (effective 1 July 2010). Addresses only the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability. It does not address the accounting by the creditor (lender).

(b) Standards, interpretations and amendments to the existing standards and interpretations in issue but not yet effective

Certain new standards, amendments and interpretations to the existing standards have been issued that are mandatory for the Company's accounting period beginning on or after 1 January 2011 or later periods:

- IFRS 1 (Amendments), 'Limited Exemptions from Comparative IFRS 7 Disclosures for First-Time Adopters' (effective for annual periods beginning on or after 1 July 2010). Can provide relief to first time adopters, by reducing the cost and resources required to provide certain comparative disclosures;

- IFRS 7 (Amendments) 'Disclosures – Transfers of Financial Assets' (effective 1 July 2011). Increases the disclosure requirements for transactions involving transfers of financial assets;

- IFRS 9 (Amendments) 'Financial instruments' (effective 1 January 2013). Introduces new requirements for the classification and measurement of financial liabilities and for derecognition;

- IAS 24 (Revision) 'Related Party Disclosures' (effective 1 January 2011). Modifies the definition of a related party and simplifies disclosures for government-related entities;

- IAS 32 (Amendments) 'Financial Instruments: Presentation – Classification of rights Issues' (effective 1 February 2010). Will provide relief to entities that issue rights (fixed in a currency other than their functional currency), by treating the rights as derivatives with fair value changes recorded in profit or loss;

- IFRIC 14 (Amendments) 'Prepayments of a Minimum Funding Required' (effective 1 January 2011). Without these amendments, in some circumstances entities are not permitted to recognise as assets some voluntary prepayments for minimum funding contributions. The amendments must be applied retrospectively to the earliest comparative period presented.

Management of the Company anticipates that all of the above amended standards and interpretations will be adopted in the Company's financial statements when they are endorsed for use in the EU and that the adoption of the standards and interpretations will have no material impact on the Company's financial statements in the period of initial application.

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB, except for the following standards and amendments to the existing standards and interpretations, which were not endorsed for use as at 31 December 2010.

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013).

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

- 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).

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

- 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).

The Company anticipates that adopting these standards and amendments to the existing standards and interpretations will have no material impact on the Company's financial statements in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated. Based on the Company's estimates, applying hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements, if applied as at the reporting date.

3. Significant Accounting Policies

(a) Statement of Compliance

The separate financial statements have been prepared in accordance with IFRS as adopted by the EU and on the going concern assumption. IFRS as adopted by the EU do not currently differ from IFRS as issued by the IASB, except for certain standards and interpretations which have not been endorsed by the EU as described above.

(b) Legal Framework for Preparing the Financial Statements

These financial statements are the Company's separate financial statements prepared under Act on Accounting No. 431/2002 Coll. on Accounting, as amended. The financial statements were prepared for the reporting period from 1 January 2010 to 31 December 2010 in accordance with IFRS as adopted by the EU. The Company elected to use the exemption from consolidation in accordance with the 7th Directive of the EU as well as with IAS 27.10 and not to present consolidated financial statements, which is also incorporated into Act on Accounting No. 431/2002 Coll. on Accounting, as amended. These financial statements are intended for general use and information; they are not intended for the purpose of any specific user or for the consideration of any specific transaction. Accordingly, users should not rely exclusively on these financial statements when making decisions.

Orange SA (France), the Company's ultimate parent company, prepares consolidated financial statements in accordance with IFRS as adopted by the EU for a group of companies, which also includes Orange Slovensko a.s.

The consolidated financial statements of Orange SA are available at its registered office at 6 Place d'Alleray, 75015 Paris, France.

(c) Basis of Preparation

The financial statements are presented in euros, rounded to the nearest thousand. They are prepared on the historical cost basis (certain financial instruments were revalued to fair value) and on the going concern assumption. Principal accounting policies are included in the paragraphs below.

(d) Foreign Currency

Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rate of day prior to the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate valid on the balance sheet date. The exchange rate differences upon translation are charged to the result for the period. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euros at the foreign exchange rates valid on the dates the fair value is determined.

(e) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Company operates in the Slovak Republic, which is deemed to be one geographical segment. The Company predominantly operates in the mobile telecommunication segment. In September 2007, however, the Company launched a fixed telecommunication (fiber optic cable) network. As at 31 December 2010, the fixed telecommunication segment was immaterial to show it as a separate segment.

(f) Property, Plant and Equipment

Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if applicable. Cost consists of the price at which the asset has been acquired plus the cost related to the acquisition (installation and commissioning, transport, assembling cost etc). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate (where relevant) of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Items of property, plant and equipment are accounted for on a component-by-component basis at a level that allows for the depreciation of each component over its expected useful life and allows proper accounting of asset disposal and withdrawal.

Leased Assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Machinery, equipment, motor vehicles, furniture and fixtures acquired by way of finance lease are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation (see below) and impairment losses. Currently, no asset is classified as a leased asset.

Subsequent Expenditure

The Company recognises in the carrying amount of an item of property, plant and equipment the additional costs or cost of replacing part of such item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised as an expense when incurred.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each category of an item of property, plant and equipment. Land is not depreciated. Depreciation commences when the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

	2010	2009
Radio Access Network	5 to 20 years	5 to 20 years
Transmission	5 to 30 years	5 to 30 years
Switching	5 to 10 years	5 to 10 years
Data Network	5 years	5 years
Dedicated Platforms	5 years	5 years
Other Network	5 to 10 years	5 to 10 years
IT Non-Network Hardware & Infrastructure	3 to 5 years	3 to 5 years
Buildings	10 to 30 years	10 to 30 years
Other Non-Network Equipment	3 to 10 years	3 to 10 years
Local Loop	10 to 30 years	10 to 30 years

The useful lives of certain categories of property, plant and equipment are reassessed annually by France Telecom Group, which results in changes to the useful lives of certain assets. These changes are recorded as changes in the accounting estimates on a prospective basis.

At the Company level, the revision of an individual asset's useful life is performed when indicators of an earlier end of life exist.

(g) Intangible Assets

Intangible assets acquired separately by the Company are stated at cost less accumulated amortisation and impairment losses if applicable. Intangible assets mainly comprise software and licenses for operating the telecommunication network.

Subsequent Expenditures

Subsequent expenditures on capitalised intangible assets are capitalised only when they increase the future economic benefits embodied in the specific assets to which they relate. All other expenditures are expensed as incurred.

Amortisation

Intangible assets are amortised from the date they are available for use, using the straight-line method over the following estimated useful lives:

	2010	2009
Software	3 to 10 years	3 to 10 years
Licenses	10 to 16 years	10 to 16 years

The useful lives of certain categories of intangible assets are reassessed annually by France Telecom Group, which results in changes to the useful lives of certain assets. These changes are recorded as changes in accounting estimates on a prospective basis.

At the Company level the revision of an individual asset's useful life is performed when indicators of an earlier end of life exist.

(h) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

The recoverable amount of other assets is the greater of their net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(i) Investments in Subsidiaries

Investments in subsidiaries represent the investments in wholly-owned subsidiaries: Orange CorpSec, spol. s r.o. with the seat on Prievozská 6/A, 821 09 Bratislava, Slovakia and Nadácia Orange ("the Foundation"), having the seat on Prievozská 6/A, 821 09 Bratislava. The Company's investments have been accounted for at cost.

(j) Inventories

Inventories are stated at the lower of cost and the net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete the sale and selling expenses.

The cost is based on the weighted average principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Trade Receivables

Trade receivables are recognised initially at fair value (original invoice amount), less provisions for any impairment of receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables (see Note 9).

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balances with banks, and highly liquid investments with insignificant risk of changes in value and original maturities of three months or less at the date of acquisition.

(m) Financial Assets

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. As at 31 December 2010, the Company holds only financial assets categorised as 'loans and receivables'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(n) Financial Liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised costs using the effective interest rate method, with interest recognised on an effective yield basis.

(o) Borrowing Cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred. As the Company does not have any loans dedicated to investment activities, there are no borrowing costs eligible for capitalisation.

(p) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company records a provision for universal services, a provision for asset retirement, a provision for retirement benefit cost and a provision for lease exit (see Note 13).

(q) Trade and Other Payables

Trade and other payables are stated at cost.

(r) Revenues

The Company provides mobile and fiber optic communication services to individuals and commercial and non-commercial organisations. The Company generates revenue primarily by providing digital wireless services for voice and data as well as value-added services, text and multimedia messaging. To a lesser extent, Orange Slovensko a.s. generates revenue from the sale of wireless handsets, including laptops and tablet computers.

The Company recognises mobile usage and roaming service revenues based upon minutes of traffic processed or contracted fee schedules when the service is rendered. Revenues due from foreign carriers for international roaming calls are included in revenues in the period in which the call occurs.

Certain prepaid usage services are billed in advance resulting in deferred income. Related revenues are recognised based on the usage or the expiry of the prepaid vouchers.

Discounts and incentives are accounted for as a reduction in revenues when granted.

The Company enters into multiple element arrangements which include the sale of handsets, activation fees and service contracts to customers through Company owned stores and Orange branded shops. These transactions include the sale of a mobile handset, the up-front charge of non-refundable activation fees to connect the customer to the service, and subsequently monthly fees and airtime fees charged during the contract period. The Company recognises revenue from the sale of handsets upon delivery to the customer. The corresponding cost of sales is charged to expense when sales are recognised, which results in a net loss on the sale of the handset. Activation fees charged to the customer are recognised as revenue when the activation is made and the related cost is expensed. Current services fees are recorded as revenue from service when performed.

Other service revenues are recognised when delivered and accepted by customers and when services are provided in accordance with contract terms.

Revenue and related expenses associated with the wholesale of wireless handsets to distributors are recognised when the products are delivered and accepted; as such, sales transactions are separate and distinct from the sale of wireless services to customers.

The Company does not provide its customers any customer loyalty programs.

(s) Expenses

Operating Lease Payments

For operating leases, the lease payments are expensed on a straight-line basis over the lease period.

(t) Taxation

Income tax expenses for the year comprise current and deferred tax.

Current Income Tax

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised

(u) Share Based Payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date (see Note 21). The Company accounts for the rights to the parent company's (France Telecom's) equity instruments granted by the parent company to the employees of the Company, as equity-settled transactions in accordance with IFRS 2, and recognises a payroll-related expense and corresponding increase in equity as a contribution from the parent company. In accordance with IFRS 2 "Share-based Payment", the fair value of stock options, employee share issues (concerning the shares of France Telecom) is determined on the grant date. For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

(v) Employee Benefits

Long-Term Service Benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefits that employees have earned in return for their service in the prior periods. The obligation is calculated using actuarial methods and discounted to its present value using a risk free interest rate.

4. Property, Plant and Equipment

In thousands of EUR	Land and Buildings	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	ARO *)	Under Construction	Total
Cost							
At 1 January 2009	4,414	993,772	8,744	28,642	18,465	36,523	1,090,560
Additions		–	–	–	–	43,540	43,540
Disposals	(360)	(7,981)	(2,253)	(1,720)	(12,729)	(203)	(25,246)
Transfer	518	40,009	1,578	6,760	–	(48,865)	–
At 31 December 2009	4,572	1,025,800	8,069	33,682	5,736	30,995	1,108,854
At 1 January 2010	4,572	1,025,800	8,069	33,682	5,736	30,995	1,108,854
Additions	–	–	–	–	5,019	52,623	57,642
Disposals	(984)	(24,798)	(2,615)	(4,426)	–	–	(32,823)
Transfer	534	49,265	2,869	1,358	–	(54,026)	–
At 31 December 2010	4,122	1,050,267	8,323	30,614	10,755	29,592	1,133,673
Accumulated depreciation							
At 1 January 2009	1,959	590,711	4,274	18,582	1,654	709	617,889
Charge for the year	405	86,192	1,603	3,734	–	–	91,934
Disposals	(20)	(18,791)	(1,750)	(1,682)	(731)	(709)	(23,683)
At 31 December 2009	2,344	658,112	4,127	20,634	923	–	686,140
At 1 January 2010	2,344	658,112	4,127	20,634	923	–	686,140
Charge for the year	1,139	90,356	1,526	4,064	406	–	97,491
Disposals	(960)	(25,673)	(2,122)	(3,583)	–	–	(32,338)
At 31 December 2010	2,523	722,795	3,531	21,115	1,329	–	751,293
Carrying amount							
At 1 January 2009	2,455	403,061	4,470	10,060	16,811	35,814	472,671
At 31 December 2009	2,228	367,688	3,942	13,048	4,813	30,995	422,714
At 1 January 2010	2,228	367,688	3,942	13,048	4,813	30,995	422,714
At 31 December 2010	1,599	327,472	4,792	9,499	9,426	29,592	382,380

*) Asset Retirement Obligation (ARO)

At 31 December 2010, none of the properties were pledged to secure bank loans.

In 2010, the transfers from assets under construction to property, plant and equipment mainly comprised investments to upgrade the existing network, particularly the increase in 2G/3G Mobile RAN (Radio Access Network) equipment & releases, IP routers equipment & releases, mobile RAN infrastructure, and IT infrastructure.

During 2010 the Company reassessed the useful lives for some of the equipment and accelerated depreciation on them. The total impact of the accelerated depreciation of these items in 2010 depreciation expense is € 9.9 million and relates mainly to replacing an old obsolete Core technology and 2G RAN Swap to Multimode.

5. Intangible Assets

In thousands of EUR	Software	GSM Licenses	UMTS License	Other Intangible Assets	Under Construction	Total
Cost						
At 1 January 2009	100,133	22,764	49,834	1,806	7,881	182,418
Additions	–	–	–	–	11,949	11,949
Disposals	(2,904)	–	–	–	(1)	(2,905)
Transfer	8,008	–	–	–	(8,008)	–
At 31 December 2009	105,237	22,764	49,834	1,806	11,821	191,462
At 1 January 2010	105,237	22,764	49,834	1,806	11,821	191,462
Additions	–	–	–	–	18,006	18,006
Disposals	(4,203)	–	–	–	(365)	(4,568)
Transfer	8,203	–	–	–	(8,203)	–
At 31 December 2010	109,237	22,764	49,834	1,806	21,259	204,900
Accumulated amortisation						
At 1 January 2009	78,534	18,123	8,390	8	–	105,055
Charge for the year	9,717	1,761	3,051	101	–	14,630
Disposals	(2,905)	–	–		–	(2,905)
At 31 December 2009	85,346	19,884	11,441	109	–	116,780
At 1 January 2010	85,346	19,884	11,441	109	–	116,780
Charge for the year	9,494	1,762	3,051	137	–	14,444
Disposals	(4,422)	–	–		–	(4,422)
At 31 December 2010	90,418	21,646	14,492	246	–	126,802
Carrying amount						
At 1 January 2009	21,599	4,641	41,444	1,798	7,881	77,363
At 31 December 2009	19,891	2,880	38,393	1,697	11,821	74,682
At 1 January 2010	19,891	2,880	38,393	1,697	11,821	74,682
At 31 December 2010	18,819	1,118	35,342	1,560	21,259	78,098

In 2010, the additions to software mainly comprise the purchase of new software and platforms relating to the new billing system included within the "under construction" category, which will be put into service in the future.

6. Investment in Subsidiaries

Investments in subsidiaries at a cost of € 100 thousand represent an investment in the wholly-owned subsidiary Orange CorpSec, spol. s r.o. The subsidiary was registered in the Commercial Register on 1 February 2005. The table below summarises the subsidiary's financial information:

In thousands of EUR	Assets	Liabilities	Equity	Revenues	Profit/loss for the Period
At 31 December 2010	750	234	516	1,080	67
At 31 December 2009	663	214	449	990	39

In 2010 the Company recognised an investment in Nadácia Orange (hereinafter also the "Foundation") at a cost of € 6 thousand, which is considered immaterial for the purpose of these financial statements.

7. Deferred Tax Assets and Liabilities

The movement on the deferred tax account is as follows:

In thousands of EUR	31 December 2010	31 December 2009
At beginning of period – net deferred tax liability	16,075	20,062
Income statement	(7,395)	(3,987)
At end of period – net deferred tax liability	8,680	16,075

Deferred tax assets and deferred tax liabilities are attributable to the items detailed in the table below:

In thousands of EUR	31 December 2010			31 December 2009		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	–	18,764	(18,764)	–	23,686	(23,686)
Inventories	184	–	184	110	–	110
Receivables	3,121	–	3,121	2,677	–	2,677
Other (primary provision for Universal Service, see Note 13)	6,779	–	6,779	4,824	–	4,824
Net deferred tax	10,084	18,764	(8,680)	7,611	23,686	(16,075)

Deferred tax assets and liabilities were offset on the grounds that the Company has the legally enforceable right to offset their current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

8. Inventories

In thousands of EUR	31 December 2010	31 December 2009
Raw materials and consumables	1,130	1,013
Merchandise	15,617	14,041
Provision for slow moving merchandise	(1,322)	(579)
	15,425	14,475

Previously recognised provisions for slow moving merchandise were released for assets that were sold or donated.

At 31 December 2010, no inventories were pledged to secure bank loans.

9. Trade and Other Receivables

In thousands of EUR	31 December 2010	31 December 2009
Accounts receivable	103,329	103,029
Allowance for doubtful debts and receivables	(42,352)	(38,967)
	60,977	64,062

At 31 December 2010, no trade receivables were pledged to secure bank loans. The trade receivables are decreased by the allowance for receivables expected to be irrecoverable.

Allowances for doubtful debts are currently determined according to two methods:

- Statistical method for the retail market based on the past record of payment default by individuals and companies
- Individual method based on an examination of specific overdue items for the wholesale market (roaming, interconnect).

Aging of past due but not impaired trade and other receivables

In thousands of EUR	31 December 2010	31 December 2009
Total receivable	60,977	64,062
Of which: not due	52,191	51,263
past due not impaired	8,786	12,799
Less than 180 days	8,554	12,410
Between 180 days and 360 days	232	390
More than 360 days	–	–

Movements in the allowance for doubtful debts

In thousands of EUR	31 December 2010	31 December 2009
Balance at beginning of the year	38,967	34,311
Charged against bad debt provision	3,551	5,028
(Released) against bad debt provision	(166)	(372)
Balance at the end of the year	42,352	38,967

Aging of impaired trade and other receivables

In thousands of EUR	31 December 2010	31 December 2009
Total impaired	42,352	38,967
Of which:		
Less than 180 days	3,570	3,464
Between 180 days and 360 days	4,419	3,950
More than 360 days	34,363	31,553

10. Current Financial Assets / Liabilities

The balance of € 1,758 thousand (2009: € 20,420 thousand liability) represents the receivable on the cash pooling account within FT group. On 15 March 2006, the Company signed a Centralised Treasury Management Agreement with France Telecom S.A (FT). This agreement centralises and organises the cash management by FT of the Company's available funds. France Telecom opened an account in euros with Bank Mendes Gans, which is part of the ING Group (BMG) dedicated to Orange Slovensko. In 2008, by France Telecom's decision, the bank account was changed from BMG to BNP Paribas. The balance outstanding at any time on the bank account represents the cumulative cash-pool deposits (balance as at 31 December 2010) or overdraft (balance as at 31 December 2009) of the Company with FT.

Cash balances are not subject to any foreign exchange risk as they are denominated in local currency. The balances bear interest rate calculated as EONIA (EONIA: Euro Overnight Index Average). Interest is accounted for on a monthly basis and capitalised on the Company's current account. In the event of an overdraft, the interest is paid on a monthly basis and is calculated as EONIA plus the fixed rate of interest. The interest rate was 0.817% as at 31 December 2010 (0.81% as at 31 December 2009).

11. Cash and Cash Equivalents

In thousands of EUR	31 December 2010	31 December 2009
Cash on hand and cash equivalents	688	330
Bank balances and deposits	8,465	5,469
Cash and cash equivalents in the balance sheet	9,153	5,799

€ 365 thousand is pledged to the customs office and € 3.3 thousand is pledged to Tatra banka as a security deposit.

The Company's cash balance includes deposits held in interest bearing accounts with maturity less than three months, current accounts and cash on hand.

12. Equity

Share capital

At 31 December 2010 the authorised share capital comprised 1,181,755 ordinary shares (2009: 1,181,755), with a nominal value of € 33.19 each, 1 ordinary share (2009: 1) with a nominal value of € 13.78, and 1 ordinary share (2009: 1) with a nominal value of € 0.66.

Reserves

Reserves of € 15,260 thousand (2009: € 15,260 thousand) relate to the Legal Reserve Fund, which is not available for distribution and should be used to cover future losses arising from business activities, if any.

Dividends

As at the preparation date of these financial statements the Board of Directors made no decision regarding the amount of dividends to be paid from the 2010 profit.

In April 2010, the shareholders approved a dividend payment of € 199 million related to 2009 profits at their annual general meeting. The amount of € 100 million was paid in June 2010 and € 99 million was paid in October 2010.

13. Non-Current Provisions

In thousands of EUR	Retire-ment Benefit Cost	Provision for Asset Retirement	Provision for Universal Services	Provision for Lease Exit	Other	Total
Balance at 31 December 2009	200	6,118	21,286	–	7	27,611
Provisions made during the year	55	5,055	5,830	955		11,895
Provisions used during the year	–	–	–	–	–	–
Provisions reversed during the year	–	–	–	–	(1)	(1)
Balance at 31 December 2010	255	11,173	27,116	955	6	39,505

Provisions for retirement benefit costs represent payments of a one-month salary (average of the last quarterly income), which is to be paid only in the case of retirement according to Slovak law. During 2010, € 0 thousand (2009: € 2 thousand) was paid in relation to such obligation.

A provision for asset retirement obligation was recorded in the amount of € 11,173 thousand, using the following assumptions based on an expert's study: average costs of site demolition of € 8 thousand, an average site usage of 132 years with an average useful life of equipment of 10 years, discount rate of 3.75%, inflation rate of 3.00% and number of sites of 2,112 (2009: € 6,118 thousand, 132 years, 5.00%, 3.00%, and 2,045 sites, respectively). The increase of the provision was caused predominantly by a decrease in the discount rate from 5.00% to 3.75% in 2010. The Company shows the amount of € 9,426 thousand in the asset side of the balance sheet (Note 4).

An additional provision for universal services of € 5,830 thousand was recorded in 2010 (2009: € 5,831 thousand), and the total balance of the provision recognised at 31 December 2010 amounts to € 27,116 thousand. The provision represents management's best estimate of the amount of obligation to Slovak Telecom ("ST") for the universal services provided from January 2005. Under the currently valid Telecommunications Act, the Company is required to contribute towards the costs associated with the provision of so-called "universal service" mandated by the Act and currently provided by Slovak Telecom (see more in Note 27).

A provision for a lease exit was created in 2010 as the Company decided to relocate to new premises. Under the lease contract of the current premises, at the end of the term of lease the Company is obliged to vacate and return the leased premises to the standard state and condition in which they were at the time of the takeover, taking into account usual wear and tear. Following the announcement of the relocation plan, the Company recognised a provision of € 955 thousand for expected restructuring costs. Estimated costs were based on the official tables of standardised construction costs. The relocation will be completed in 2012.

14. Trade Payables and Other Liabilities

In thousands of EUR	31 December 2010	31 December 2009
Trade payables	39,921	50,336
Accrued liabilities	61,900	62,535
Tax liabilities (VAT)	6,186	7,108
Liabilities to employees	11,858	11,374
Other current liabilities	552	372
Total	120,417	131,725

Account payables are classified as current liabilities if the payment is due within one year or less. Trade payables are non-interest bearing and the average credit period on purchases is one month.

Payables within and after maturity

31 December 2010

In thousands of EUR	within maturity period	within 360 days overdue	more than 360 days overdue	Total
Trade payables	38,835	1,081	5	39,921
Accrued liabilities	61,900			61,900
Tax liabilities (VAT)	6,186			6,186
Liabilities to employees	11,858			11,858
Other current liabilities	552			552
Total	119,331	1,081	5	120,417

31 December 2009

In thousands of EUR	within maturity period	within 360 days overdue	more than 360 days overdue	Total
Trade payables	48,916	1,251	169	50,336
Accrued liabilities	62,535			62,535
Tax liabilities (VAT)	7,108			7,108
Liabilities to employees	11,374			11,374
Other current liabilities	372			372
Total	130,305	1,251	169	131,725

15. Deferred Income

In thousands of EUR	31 December 2010	31 December 2009
Prepaid phone cards (Prima cards)	5,601	6,676
Post paid customers	21,546	19,755
Other	156	238
Total	27,303	26,669

16. Revenues

Revenues are presented in the table below:

In thousands of EUR	2010	2009
Revenues from services	741,553	790,455
Sale of equipment	22,582	22,211
Total Revenues	764,135	812,666

17. External Purchases

External purchases are presented in the table below:

In thousands of EUR	2010	2009
Purchased goods and services	186,000	201,793
Service fees and interoperator costs	109,942	131,204
Costs associated with non-current assets	14,253	14,096
Other	23,319	21,137
Total external purchases	333,514	368,230

18. Other Operating Expenses, Net

In thousands of EUR	2010	2009
Brand royalty and management fees	19,007	22,461
Bad debt provision	5,696	6,760
FX differences net	343	91
Other operating expenses	14,449	12,865
Other operating income	(7,196)	(7,059)
Total other operating expenses, net	32,299	35,118

Included in Other operating expenses in 2010 is the creation of a provision for universal services in the amount of € 5,830 thousand (2009: € 5,831 thousand) (see Note 13).

19. Wages and Contributions

In thousands of EUR	2010	2009
Wages and salaries	31,315	30,805
Bonuses and holiday payroll provision	8,875	9,531
Social contribution	10,932	10,631
Other	2,894	4,065
Total wages and contributions	54,016	55,032

20. Income Tax

Reconciliation of the effective tax rate is shown in the table below:

In thousands of EUR	2010	2009
Income tax payable from operating activities	54,066	51,925
Deferred income tax from operating activities	(7,394)	(3,987)
Total income tax	46,672	47,938

In thousands of EUR	2010	2009
Profit before tax	232,874	247,697
Income tax at the rate of 19%	44,246	47,062
Income tax in respect of prior year	1,058	494
Impact of adjusting items: permanent differences and other differences	1,368	382
Total income tax	46,672	47,938

21. Share Based Compensation

Under share based compensation, the Company reports:

Employee Stock Option Plan

Under the employee stock option plan, executive directors and senior managers were granted the option to purchase ordinary shares of FT and exercise them at any time from the date of vesting to the date of expiry, which was 31 December 2008. The estimated fair value of unexercised options amounted to € 152 thousand as at 31 December 2010 (2009: € 152 thousand).

Employee Share Offers

Following the sale of a portion of France Telecom's capital by the French state, shares were offered to the Group's current employees. FT sees employee shareholding as a way to motivate and reward employees on the Company's performance. The estimated fair value of shares subscribed by employees amounted to € 326 thousand as at 31 December 2010 (2009: € 326 thousand).

Cash Incentive Plan

At the beginning of 2008, France Telecom Group issued a Free Share Award and Cash Incentive plans with the underlying shares of France Telecom SA. The beneficiaries were the employees of its foreign subsidiaries. In some countries, the Free Share Award Plan was replaced by a Cash Incentive Plan, granted by the local Boards. In a Cash Incentive Plan, employees did not receive FT shares but a cash amount which corresponds to the FT share price at the vesting date. The plan took effect at the beginning of 2010, with the condition being the Company's financial performance – the Company had to generate planned organic cash flow in 2007 and 2008. The value of the Cash Incentive Plan amounted to € 0 as at 31 December 2010 (2009: € 900 thousand). The program was ended in February 2010.

22. Financial Instruments

Risk Management Policies

The Company's activities expose it to a variety of financial risks, including mainly credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and the economic environment and seeks to minimise potential adverse effects on its financial performance.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders and benefits to other stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents, cash pooling (Note 10) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 12.

The Company's Treasury department reviews the capital structure regularly. Based on the review and the General Meeting's approval, the Company balances its overall capital structure through the payment of dividends, the issue of new debt, or the redemption of existing debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans (as shown in the separate balance sheet) less cash and cash equivalents.

The gearing ratios at 31 December 2010 and 2009 were as follows:

In thousands of EUR	31 December 2010	31 December 2009
Cash and cash equivalents	(9,153)	(5,799)
Financial (assets)/liabilities	(1,758)	20,420
Net debt	(10,911)	14,621
Equity	370,856	383,654
Net debt to equity	0%	4%

Main Categories of Financial Instruments

In thousands of EUR	31 December 2010	31 December 2009
Financial assets		
Cash and cash equivalents	9,153	5,799
Current financial assets	1,758	–
Investment in subsidiary	106	106
Financial liabilities		
Current financial liabilities	–	20,420

Financial Risk Management

The Company's activities expose it to financial risks in foreign currency exchange rates and interest rates. The Company does not use any official statistical methods for measuring market risk exposures; however, management's assessments of the Company's exposure to those risks are described below:

Foreign Exchange Risk

In the past, the Company faced foreign exchange rate risks as its revenues were denominated in Slovak crowns, while a significant portion of capital and operational expenditures were denominated in other currencies, mainly in euros. The Company's exposure to changes in the euro exchange rate was ended effective on 1 January 2009 when the euro became the official currency of the Slovak Republic. From 1 January 2009, the Slovak Republic became a member of the euro zone, and the official conversion rate was stated at 30.126 SKK/EUR. From that date the Company has mainly exposure to the US dollar, which represents a minor risk in respect of the US dollar's position to the total amount of liabilities/assets, and therefore no sensitivity analysis was performed. The Company ensures that its net exposure is maintained at an acceptable level by buying or selling US dollars and other foreign currencies at spot rates when it is necessary to address short-term imbalances.

The carrying amounts of the Company's foreign currency denominated assets and liabilities at the reporting date are as follows:

In thousands of EUR	Liabilities		Assets	
	2010	2009	2010	2009
Currency USD	2,222	1,500	78	81

Interest Rate Risk

The Company's exposure to interest risk is limited as it does not hold significant amounts of interest-bearing financial assets and liabilities. As a result, the Company's income and operating cash flows are affected only marginally by changes in market interest rates.

As at 31 December 2010 the Company's exposure to interest rate risk is zero as it does not hold any borrowings. Owing to the character of the financial assets, the Company does not assume any risk relating to interest rate movements.

Credit Risk

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers served by the Company.

In addition, should a customer fail to pay any due payment for services, the Company will limit that customer's outgoing calls and, thereafter, the provision of services will be disconnected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling 12-month forecasts of the Company's liquidity reserve (comprises loan facility and cash and cash equivalents) on the basis of expected cash flows.

The Group's Treasury department exercises the policy of cash pooling of the Company's available funds to maximise economic returns and to manage the cash optimisation and centralisation under the best financial conditions for most of the affiliated companies (see Note 10).

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities without accrued liabilities where the maturity is unknown. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes the principal and interest cash flows if applicable.

2010

In thousands of EUR	Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1-5 years	5+ years
Non-interest bearing	–	39,410	19,107	992		–
Financial guarantee contracts	–	–	–	–	3	365
Variable interest rate instruments	–	–	–	–	–	–
Total		39,410	19,107	992	3	365

2009

In thousands of EUR	Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1-5 years	5+ years
Non-interest bearing	–	49,168	20,022	–	–	–
Financial guarantee contracts	–	–	–	–	3	365
Variable interest rate instruments	0.75%	20,420	–	–	–	–
Total		69,588	20,022	–	3	365

The following tables detail the Company's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2010

In thousands of EUR	Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1-5 years	5+ years
Non-interest bearing	–	60,207	770	–		–
Cas and cash equivalents	0.503%	9,153	–	–	–	–
Variable interest rate instruments	0.817%	1,758	–	–	–	–
Total		71,118	770	–	–	–

2009

In thousands of EUR	Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1-5 years	5+ years
Non-interest bearing	–	63,503	559	–	–	–
Cas and cash equivalents	0.748%	5,799	–	–	–	–
Variable interest rate instruments	–	–	–	–	–	–
Total		69,302	559	–	–	–

23. Related Party Transactions

The immediate parent company and the ultimate controlling party of the Company are Atlas Services Belgium, S.A., (from August 2008, up to July: Wirefree Services Nederland B.V.) and France Telecom SA (incorporated in France), respectively. Transactions with related parties have been conducted under standard business conditions. Receivables, liabilities, purchases and sales with related parties are summarised in the following tables:

In thousands of EUR	31 December 2010	31 December 2009
Trade accounts receivable - current		
France Telecom SA	1,395	1,666
France Telecom SA – cash pool account	1,758	–
Equant	1,565	1,313
PTK Centertel	100	101
Orange Romania	39	156
Orange France SA	35	31
Orange CorpSec	23	35
Mobistar	9	13
Other	170	39
	5,094	3,354

In thousands of EUR	31 December 2010	31 December 2009
Liabilities - current and Unbilled supplies		
France Telecom SA	8,508	13,111
France Telecom SA – cash pool account	–	20,420
Orange Brand Services	2,693	2,928
Orange SA – Corp. UK France	–	265
Orange Romania	–	81
Orange CorpSec	90	82
Other	103	129
	11,394	37,016

In thousands of EUR	2010	2009
Purchases		
France Telecom SA	10,367	17,380
Orange Brand Services	11,538	12,492
Orange Romania	369	553
Orange CorpSec spol. s r.o.	1,080	984
Orange France SA (ex FTM SA)	408	377
OCH (ex OCSA)	286	265
Polish Telecom	312	199
PTK Centertel	265	173
Mobistar	106	127
Other	48	1,085
	24,779	33,635

In thousands of EUR	2010	2009
Sales		
France Telecom SA	9,696	12,339
Equant	5,028	4,024
PTK Centertel	604	673
Orange France SA (ex FTM SA)	215	256
Orange Romania	180	309
Polish Telecom	495	523
Orange CorpSec spol. s r.o.	134	133
OCH (ex OCSA)	125	148
Mobistar	57	136
Other	174	520
	16,708	19,061

The following related party transactions are applicable for the Company:

- Management fees, brand fees – transactions mainly with Orange Brand Services and France Telecom SA (ultimate parent company),
- Intra-group international telecom services – mobile and other telecom services with other group companies; and
- Shared products – mobile and other telecom services with other group companies.

24. Information on Income and Emoluments of Members of the Statutory Bodies, Supervisory Bodies, and Other Bodies of The Accounting Entity

Income and emoluments of the Company's members of the statutory body, supervisory body and other bodies are summarised in the following table:

In thousands of EUR	2010	2009
Statutory body	48	48
Supervisory body	88	88
Total	136	136

25. Operating Leasing

Leases as Lessee

The Company is committed under operating leases to terms ranging from 1 to 15 years, which relate primarily to office, retail space, technological premises, and land and rooftops for base stations. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

In thousands of EUR	31 December 2010	31 December 2009
Less than one year	5,733	5,190
Between one and five years	3,166	4,630
After five years	691	856
	9,590	10,676

Total expenses for rent represent € 13 million (2009: € 12 million) and primarily represent office, retail space, technological premises and land and rooftops for base stations and other equipment.

The Company maintains evidence of assets under lease contracts.

26. Commitments and Contingencies

Litigation

The Company is not involved in any legal proceedings outside of the normal course of business. Management does not believe that the resolution of the Company's legal proceedings will have a material adverse effect on its financial position, the result of the operations, or cash flows.

Commitments

The Company has CAPEX commitments in the total amount of € 14,893 thousand, of which € 3,464 thousand relates to an intangible investment and € 9,525 thousand relates to an investment in network assets, and the remaining commitments relate to investments in other long-life assets. The Company also has commitments related to the purchase of handsets in the total amount of € 26,822 thousand.

Legal Commitments

The Company gave guarantees to third parties in amount of € 368 thousand.

Loan Commitments

On 8 December 2006 the Company signed a Revolving Credit Facility Agreement with three Slovak banks. The revolving credit facility is in the aggregate amount of up to € 199,164 thousand and the final maturity date was five years after the date of the agreement. As of 31 December 2010 the Company did not utilise the credit line (2009: € 0).

27. Critical Accounting Estimates, Judgements and Key Sources of Estimation Uncertainity

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimated Useful Lives of Property, Plant and Equipment and Intangible Assets

Useful lives, which are described in Note 3 (f) and (g), are determined based on the Company's best estimate of the useful lives of long-term assets.

Estimated Asset Retirement Obligation

The Company recorded an asset retirement obligation for the retirement and decommissioning of base stations. Orange Slovensko, a.s. places base stations on land, rooftops and other premises under various types of rental contracts. In estimating the fair value of the asset retirement obligation for the base stations, the Company made a range of assumptions such as the cost of removing network equipment and remediating the sites and time of site usage.

Lease Exit Costs

The Company recorded a leased exit obligation for the restructuring cost related to returning the actual leased premises to the standard state and conditions in which they were at the time of takeover. The Company plans to move to new building premises in 2012; the estimated costs for returning the old premises to the initial standards are based on the official tables of standardised constructing costs.

Provision for Universal Service Costs

Under the currently valid Telecommunications Act, the Company is required to contribute towards the costs associated with the provision of so-called “universal service” mandated by the Act and currently provided by Slovak Telekom. Slovak Telekom (incumbent operator) is claiming the total net universal service costs from all telecom operators arising from January 2005. The Telecommunications Office of the Slovak Republic reserves the right to review the calculation methodology that the incumbent operator would deploy to identify the relevant net cost components as well as the telecommunication operators’ market share. The timing and amount of the claim to contribute towards the net costs of the universal service that the incumbent operator are entitled to impose on the Company are largely contingent upon the results of the Telecommunications Office’s resolution. Moreover, Slovak law includes the possibility for the regulator to have an independent verification of the amounts claimed.

The final amount in respect of the universal service costs to the incumbent operator is uncertain. The Company’s management, however, believes that the provision for the universal services created as at 31 December 2010 represents the best estimate of the obligation in relation to reimbursing the cost of universal service to Slovak Telecom.

Financial Crisis and Economic Recession

The Company’s management is monitoring the impact of the financial crisis and the economic recession on the Company’s business activities. Management believes that the financial crisis and recession has had no significant impact on the Company’s business activities owing to the nature of the Company’s activities, the large number of customers comprising its customer base, and the limited level of risk associated with using external sources of financing.

28. Subsequent Events

No events with a material impact on the true and fair presentation of facts presented in these financial statements occurred after 31 December 2010 up to the preparation date of these financial statements.

29. Approval of Financial Statements

The financial statements were approved by the Board of Directors and authorised for issue on 22 March 2011.

Pavol Lančarič
Chief Executive Officer

Corentin Maigné
Chief Financial Officer

Orange Slovensko, a.s.
Prievozská 6/A
821 09 Bratislava
Slovak Republic

www.orange.sk