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NETIA REPORTS 2009 YEAR-END AND FOURTH QUARTER RESULTS

WARSAW, Poland – February 22, 2010 – Netia SA ("Netia" or the "Company") (WSE: NET), Poland's largest alternative provider of fixed-line telecommunications services, today announced its audited consolidated financial results for the year and unaudited results for the quarter ended December 31, 2009.

1. KEY HIGHLIGHTS

1.1. Financial

- **Netia delivered its 2009 guidance, reporting the following results:**

2009 Guidance	Actual Results	Revised Guidance	Original Guidance[1]
Number of broadband service clients	559,317	525,000 +	525,000
Number of voice service clients *(own network and WLR)*	1,158,448	1,165,000 +	1,150,000
Unbundled local loop (LLU) nodes	297	300	300
Revenues *(PLN m)*	1,505.9	1,495.0	1,520.0
Adjusted EBITDA[2] *(PLN m)*	303.9	300.0	260.0
EBITDA *(PLN m)*	312.8	290.0	260.0
Investment outlays (excl. M&A) *(PLN m)*	246.4	250.0	260.0

1 Guidance was updated during the course of 2009 following the announcements of Q1 2009, H1 2009 and 9M 2009 interim results and in connection with the execution of Tele2 Polska integration process coupled with the implementation of a comprehensive cost reduction program (the 'Profit' project).

2 Adjusted EBITDA excludes one-off restructuring costs related to the cost reduction program (the "Profit" project) of PLN 11.7m, a gain of PLN 5.3m on the sale of the first tranche of P4 transmission assets and the positive accounting impact from the settlement agreement with TP of PLN 15.3m.

- **Revenue from continuing activities exceeded the revised guidance,** growing by 35% versus 2008 to PLN 1,505.9m, underpinned by robust subscriber growth in the mass market segment and stabilizing ARPU. Q4 2009 revenue was up sequentially by 4% at PLN 386.2m with growth registered across all customer segments.

- **Adjusted EBITDA** was PLN 303.9m for the full year 2009, up by 78% over 2008. Adjusted EBITDA for Q4 2009 was PLN 76.7m, up by 33% compared with Q4 2008 but down by 6% over Q3 2009. Sequential profitability gains during the first three quarters of 2009 resulted mainly from steady progress in delivering group-wide cost reductions via Project Profit as well as synergies from the Tele2 Polska acquisition while a decrease between Q3 and Q4 reflects higher subscriber acquisitions costs associated with record new customer intake. Adjusted EBITDA margin was 19.9% for Q4 2009 and 20.2% for the year as a whole.

- **EBITDA came above the revised guidance** at PLN 312.8m for the full year 2009, up by 83% versus 2008, including a positive accounting impact of PLN 15.3m from settlement agreement with TP recorded in Q4 2009, one-off restructuring expenses related to Project Profit of PLN 11.7m and a gain on disposal of the first tranche of transmission equipment to P4 of PLN 5.3m**.** EBITDA for Q4 2009 was PLN 90.6m, growing by 57% over Q4 2008 and by 9% versus Q3 2009. EBITDA margin reached 20.8% for 2009 and 23.5% for Q4 2009, respectively.

- **EBIT** for the full year 2009 was PLN 14.2m (PLN 5.3m profit when excluding one-offs) as compared to EBIT loss of PLN 99.7m in 2008. EBIT profit for Q4 2009 increased to PLN 15.2m (PLN 1.3m profit when excluding restructuring costs and the positive accounting impact from the settlement agreement with TP) from PLN 7.1m (PLN 6.1m when excluding restructuring costs and the P4 transmission gain) in Q3 2009.

- **Netia recognized a deferred income tax asset** of PLN 88.3m in Q4 2009, relating mainly to tax loss carry-forwards that, in the management's opinion, can be realized through expected future taxable profits. Rapid subscriber growth, costs savings, synergies from the Tele2 Polska acquisitions, successful migration of customers to LLU and the prospect of stable regulatory access rates provide management with sufficient visibility of future profits to justify recognition of the deferred tax assets.

- **Net profit for the full year 2009** was PLN 88.7m versus net profit of PLN 230.6m for 2008. The net result in 2009 was supported by the recognition of a deferred income tax asset as mentioned above, while in the prior year Netia recorded a gain from disposal of its shares in P4 of PLN 353.4m.

- **Cash resources** at December 31, 2009 totalled PLN 239.7m (PLN 181.2m in cash and cash equivalents plus PLN 58.5m in treasury bills at market value), up by PLN 28.0m from September 2009, while Netia had PLN 295.0m of available undrawn credit lines. The cash position included PLN 21.1m received on December 31, 2009 from P4 as an advance payment for the second batch of transmission equipment to be transferred to P4 on January 1, 2010.

- **Netia was operating free cash flow positive for the full year 2009**. Total capital investments in tangible and intangible fixed assets, excluding acquisitions of Ethernet networks, were PLN 246.4m, which given annual EBITDA of PLN 312.8m generated operating free cash flow of PLN 66.4m. When acquisitions of Ethernet networks totaling PLN 15.9m are included, Netia still generated positive operating free cash flow of PLN 50.5m in 2009, a year ahead of the original mid-term guidance.

- **Dividend Policy.** Whilst Netia's broadband growth strategy is now self-financing, Netia plans to invest its available funds in further major acquisitions as well as continuing market consolidating bolt-on acquisitions in the mid term. Therefore the management is not recommending a dividend payment from 2009 profits. Management is regularly monitoring the cash position and will consider recommending a dividend at a later stage if a major acquisition proves unobtainable at a reasonable price.

- The implementation of a **comprehensive cost reduction project ("Project Profit") was successfully completed significantly ahead of management's original expectations**. As a result of accelerated implementation of the efficiency initiatives, the project delivered PLN 74.3m of gross savings during 2009 versus prior assumptions of PLN 20.0m. Moreover, anticipated savings for FY2010 relative to the Q4 2008 cost base, are estimated by the management at PLN 123.0m gross or PLN 96.0m net of other cost increases. Employment levels in the Netia group had dropped to 1,432 as of December 31, 2009 versus 1,673 on December 31, 2008. This included employment reduction by 267 FTEs executed in connection with the Profit project. The costs of these reductions were included in the financial results for 2009. As of January 31, 2010, Netia's headcount was 1,414.

- **Guidance for 2010.** Netia announced today its guidance for 2010, expecting 680,000 broadband subscribers, 1,225,000 voice subscribers and over 500 unbundled LLU nodes by year end before any positive impact of expected further Ethernet acquisitions. Revenue is forecasted at over PLN 1,550.0m, Adjusted EBITDA at over PLN 355.0m, with an Adjusted EBITDA margin at 23%, and EBITDA at over PLN 360.0m including expected profits from disposal of transmission equipment to P4. EBIT is expected at over PLN 60.0m and capital investments at PLN 220.0m. Netia expects to be net profitable throughout 2010.

  The mid term outlook for Netia remains unchanged.

1.2. Operational

- **Netia's broadband subscriber base** reached 559,317 at December 31, 2009, growing by 14% from 489,823 at September 30, 2009 and by 35% from 413,645 at December 31, 2008. Netia estimates that its total fixed broadband market share increased to 10.0% from 8.1% at December 31, 2008 while market share of fixed broadband net additions was 30% in FY2009 and 50% in Q4 2009, respectively. Netia added a record high 69,494 net broadband customers during Q4 2009. This excellent result was achieved mostly through organic growth, supported by promotional offers and creative advertising campaigns, which was further supplemented by the addition of 14,509 clients through the Ethernet networks' acquisitions. For 2010, Netia is forecasting 680,000 broadband customers with any acquisitions to come on top. As at February 22, 2010, Netia had over 582,000 broadband subscribers.
- **Netia's voice service customer base** (own network, WLR and LLU) reached 1,158,448 at December 31, 2009, increasing by 1% from 1,146,876 at September 30, 2009 and by 9% from 1,065,516 at December 31, 2008. Netia estimates that its total fixed voice market share increased to 11.5% from 10,1% at December 31, 2008. Of the total voice customers served at December 31, 2009, 39% received service over Netia's own access infrastructure. The Company aims to reach approximately 1,225,000 voice customers through organic growth by the end of 2010.
- **Netia is the undisputed leader in the roll-out of LLU service in Poland** with 297 nodes unbundled and total coverage of approximately 2.5m lines as at December 31, 2009. Sales performance continues to accelerate and Netia had acquired a total of 48,281 LLU clients by the end of 2009. Netia started migrations of 2play customers to full LLU access in November 2009 with 8,051 being successfully transferred in Q4 2009. As at February 22, 2010, the Company had over 55,000 LLU subscribers and 301 unbundled LLU nodes. Further waves of migration will begin during March and April 2010 with an ambitious plan in place to complete the LLU roll-out at over 500 nodes by the year-end 2010.

Mirosław Godlewski, Netia's President and CEO, commented: "Today we are pleased to be announcing full year 2009 results that, once again, delivered or exceeded Management's guidance to the markets. Exciting promotional offers, underpinned by innovative marketing messages, delivered record net organic additions of 54,985 in the fourth quarter and a closing Broadband subscriber base of 559k. It's good to see that, despite the continuing difficult economic climate, Netia continues to build market momentum on its way to delivering on its medium term objective of securing 1 mln Broadband Customers by 2012.

Against a back-ground of record subscriber growth, the Netia organisation has over-delivered on a number of key operational projects. The integration of the Tele2 acquisition is expected to deliver PLN 46 m of synergies in 2010, 54 % above initial targets, and today we announce that our Project Profit cost reduction project is expected to deliver PLN 123 mln of gross annualised savings for financial 2010, well above our original expectations. Moreover, 2009 saw us gain traction on our unbundled (LLU) subscriber base, ending the year with almost 50k customers connected and with migration of bitstream customers onto the cheaper and better quality unbundled solution working smoothly. Considering that these milestones have been delivered with an employee base 14% down from its peak level in Q4 2008, I'm very proud of the skill, ingenuity and commitment displayed by Netia's employees throughout 2009.

The fourth quarter saw Netia sign a settlement with TPSA that removes most litigation risks and provides clarity of regulated access rates for the next three years, giving Netia visibility of earnings and the confidence to invest in better services for our customers.

Netia now enjoys revenues in excess of PLN 1.5 bn per annum and we fully expect to deliver on our previous guidance of EBITDA margins at 23% and four quarters of operating and net profits during 2010. With cash available and the group generating free cash flow, we continue to monitor opportunities for a major acquisition in 2010 whilst operationally we will be focused on subscriber growth, the introduction of TV services and delivering the best quality customer service in the market."

Jon Eastick, Netia's CFO, commented: "Netia finished 2009 very strongly with record organic net additions of broadband subscribers, up 78% sequentially on Q3, and with all four customer segments delivering sequential revenue growth. Our various cost reduction projects have over-delivered such that we were able to expense an additional PLN 8.0m in subscriber acquisition costs in Q4 relative to Q3 and still record an adjusted EBITDA margin of 19.9% (PLN 76.7m), up 33% on the prior year quarter.

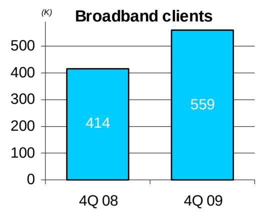
For the year as a whole, we recorded Adjusted EBITDA of PLN 303.9m, up 78% on 2008 and net operating profit, excluding exceptionals, of PLN 5.3m, up from a loss of PLN 99.7m a year earlier. Strong profitability improvement fed through into positive operating free cash flow for 2009 of PLN 66.4m and today we announced guidance for 2010 for capital expenditure to fall to 14% of sales whilst we expect EBITDA margins to rise from 21% in 2009 to 23% in 2010 as previously communicated.

Our fourth quarter settlement with TPSA allowed us to book PLN 15.3m of exceptional accounting profits on elimination of litigation and claims related risks. Moreover, the extra certainty of now having committed regulated access rates for the next three years contributed to the Netia Board's increasing confidence in the future profitability of the Netia group, enabling us to recognise deferred tax assets of PLN 88.3m and record a full year net profit for 2009 of PLN 88.7m.

With record market share, improving margins and cash flows, a strong balance sheet and a positive mid-term regulatory environment, the Netia Group has entered 2010 in excellent condition and ready to take the next steps in rolling out our broadband driven growth strategy."

2. Operational Overview

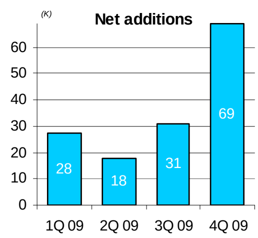
2.1. Broadband



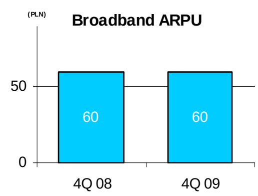
Broadband subscribers increased to 559,317 at December 31, 2009, up from 489,823 at September 30, 2009 and 413,645 at December 31, 2008, 6% above the 2009 target as a result of accelerating sales during Q3 and Q4 2009. By the end of 2010, Netia aims to reach over 680,000 broadband subscribers through further organic growth, with potential for a higher figure pending additional Ethernet network acquisitions.

Netia provides its broadband services using the following technologies:

Number of broadband ports	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
xDSL and FastEthernet over Netia's own fixed-line network	171,933	174,874	176,769	179,733	200,060
WiMAX Internet	12,110	13,416	14,467	15,791	17,079
Bitstream access	227,441	248,455	259,626	272,419	293,782
LLU	1,320	3,764	7,324	21,281	48,117
Other	841	757	674	599	279
Total	**413,645**	**441,266**	**458,860**	**489,823**	**559,317**



Broadband net additions totalled 145,672 during 2009 and 69,494 during Q4 2009, with the majority of all additions acquired through organic growth. Additions from Ethernet network acquisitions amounted to 16,925 for 2009 and 14,509 for Q4 2009. Netia estimates its Q4 2009 share of broadband net additions at 50%, a record for the Company, with record high sales levels. Netia estimates that its total fixed broadband market share has increased during the past twelve months from 8.1% to approximately 10.0% and that its market share of total net additions in 2009 was approximately 30.0%. The higher rate of net additions was achieved in parallel to a deliberate focus on 2play offers for new customers, which increased sequentially by 62% to 34,377.



Broadband ARPU was PLN 60 in Q4 2009 as compared to PLN 60 in Q4 2008 and PLN 59 in Q3 2009. Aggressive promotions in the second half of 2009 were offset by customers choosing high speed services, resulting in a stable ARPU. Minor refinements to revenue recognition accounting in Q4 2009 were responsible for the sequential ARPU increase. Broadband ARPU is expected to settle between PLN 50 and PLN 60 per month in the medium term.

Broadband SAC increased to PLN 206 in Q4 2009 from PLN 165 in Q4 2008 and from PLN 197 in Q3 2009. The year-on-year increase was driven mainly by a higher rate of bundled products (OneOffice solution for SOHO/SME clients, 2play WLR+BSA and LLU-based products) in the acquisition cost structure. 2play services are more profitable and Netia therefore offers higher sales commissions per unit. The sequential increase in SAC was associated with a growing share of LLU-based products in the acquisition cost structure and temporary delays in activating newly subscribed LLU lines following the record sales levels in Q4 2009.

Important developments in broadband:

Local loop unbundling (LLU). In Q4 2009 Netia continued to extend the reach of its LLU-based services. Netia had 297 unbundled nodes at December 31, 2009 versus its target to unbundle 300 nodes by the end of 2009, reaching approximately 2.5 million active customer lines. As of today, Netia has 301 nodes unbundled and work has begun on the final annual wave of LLU development that is expected to take the total of unbundled nodes to over 500 by the end of 2010.

Netia served 48,117 customers over LLU as at December 31, 2009 as compared to 21,281 at September 30, 2009 and 1,320 at December 31, 2008. Netia has been migrating 1play customers to the higher margin LLU services under a process which began in May 2009. Migrations of 2play customers to full LLU access started in November 2009, following implementation of technology solutions that are expected to reduce migration costs significantly. By the end of 2009 Netia had migrated 24,519 1play and 2play clients onto LLU.

Acquisitions of local Ethernet network operators. As of December 31, 2009, Ethernet networks acquired by Netia since mid-2007 provided broadband access to a total of 105,678 mostly residential customers as compared to 90,507 customers at December 31, 2008, with approximately 415,000 homes passed. The acquisition program is part of Netia's strategic objective to acquire one million broadband customers and up-sell voice services to the existing subscriber base of the acquired Ethernet providers. Netia remains fully dedicated to consolidation of the fragmented Polish Ethernet ISP market.

During 2009 Netia acquired a total of 5 Ethernet networks (including purchases of companies and asset transfers) with 16,925 active customers and 88,000 homes passed. The average price paid per customer was PLN 988.

Netia works continuously on the integration of its Ethernet acquisitions. During Q3 2009 an important milestone was achieved when all Ethernet operators were merged into a single Netia subsidiary, Internetia Sp. z o.o.

Progress on IPTV. Following delays in reaching a commercial agreement to distribute 'n's DTH offering over IPTV to Netia's broadband customers, both Netia and the TVN Group have decided to reconsider their positions in relation to the non-binding letter of intent signed in 2008.

Netia sees providing high quality TV services as part of a multi-play offering as an important element of value creation from its rapidly increasing subscriber base.

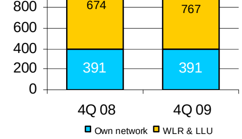
To this end, Netia is reviewing various alternatives to profitably deliver quality services in 2010. Recommencing work on a commercial arrangement with "n" is among these alternatives.

Operational issues resulting from the Q4 2009 promotions. On September 23, 2009 Netia launched a new broadband promotion campaign ('Hypnotizing Offer') offering Internet for PLN 1 monthly and Internet + telephone for PLN 2 monthly for first 6 months of a 24 month contract. The offer was addressed both to new and existing customers who extend their contracts. Over the life of the contract, the average monthly fee for a package 1 Mb/s Internet access and telephony service costs between PLN 64 and PLN 71, depending on access technology, while the average monthly fee for 8 Mb/s and telephony service was PLN 86.

The very attractive pricing and speeds offered in the promotion resulted in larger than anticipated customer demand which, combined with ongoing migration of BSA/WLR clients to LLU as well as migration of the former Tele2 Polska customers to Netia's billing and IT platforms executed in Q3 2009, resulted in temporary difficulties with respect to customer care, including service levels in Netia's call center and delays in activating the newly subscribed lines. Netia took decisive measures to correct these problems, granting PLN 2.0m of additional discounts and arranging additional outsourced call center consultants and technical support while it expects to return to usual service levels by the end of February 2010.

2.2. Voice

2.2.1. Own network & WLR



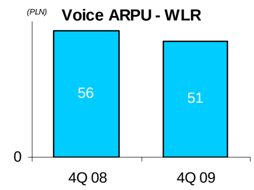
Voice lines (own network, WLR and LLU) totalled 1,158,448 at December 31, 2009 as compared to 1,065,516 at December 31, 2008 and 1,146,876 at September 30, 2009. By the end of 2010, Netia aims to have over 1,225,000 voice subscribers (own network + WLR + LLU), with the additional subscribers to be acquired organically.

The year-on-year increase in the number of voice lines resulted mainly from growth within WLR-based voice services. Netia began offering WLR during Q4 2007, selling to both voice-only customers and bitstream broadband customers as a 2play offering.

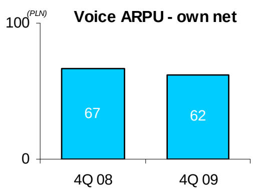
Subsequently, in September 2008 Netia acquired Tele2 Polska, thereby acquiring an additional 504,007 WLR customers and subsequently the WLR base has continued to grow since the acquisition with 70,262 WLR customers added during 2009. During 2009, Netia grew its base of voice customers using relatively low cost VoIP technology from 11,921 to 43,867, principally in the business segment or over LLU to residential customers. Over time, the Company expects to gradually reduce its reliance on traditional switched telephony, thereby reducing its cost base.

Netia provides its voice services through the following types of access:

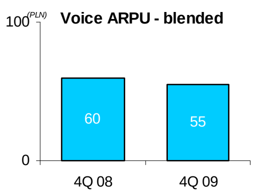
Number of voice lines	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Traditional direct voice	364,722	361,963	359,024	355,726	349,824
Incl. ISDN	*127,304*	*129,810*	*132,024*	*134,478*	*136,350*
Incl. Legacy wireless	*40,717*	*39,728*	*38,791*	*39,324*	*37,316*
Voice over IP *(excl. LLU)*	10,507	11,421	13,546	16,618	19,734
WiMAX voice	15,904	17,330	18,349	19,758	21,526
Netia network subscriber voice lines	**391,133**	**390,714**	**390,919**	**392,102**	**391,084**
WLR	672,969	710,633	730,913	740,086	743,231
LLU voice over IP	1,414	3,696	6,896	14,688	24,133
Total	**1,065,516**	**1,105,043**	**1,128,728**	**1,146,876**	**1,158,448**



Voice ARPU per WLR line amounted to PLN 51 in Q4 2009 as compared to PLN 56 in Q4 2008 and PLN 50 in Q3 2009. The year-on-year decrease in ARPU is associated with the overall tariff reduction trends in the market and successful efforts to extend contracts with former Tele2 Polska customers by updating legacy tariffs to current market levels.

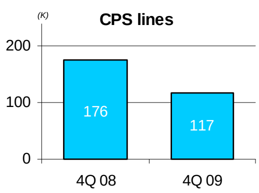


Voice ARPU per Netia network subscriber line amounted to PLN 62 in Q4 2009 as compared to PLN 67 in Q4 2008 and PLN 62 in Q3 2009, with the annual decrease reflecting overall tariff reduction trends and reduced usage, by corporate customers in particular, in light of the economic environment.

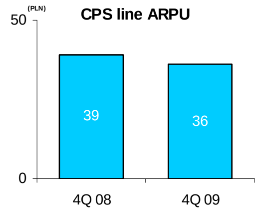


Blended voice ARPU was PLN 55 in Q4 2009 as compared to PLN 60 in Q4 2008 and PLN 54 in Q3 2009. The annual decrease reflects overall tariff reduction and lower usage trends, while the quarter-over-quarter slight increase in ARPU reflects the sequential increase in WLR ARPUs. In the medium term, Netia expects blended voice ARPU to stabilize.

2.2.2. Indirect voice



CPS lines *(carrier pre selection)* totalled 116,628 at December 31, 2009 as compared to 176,035 at December 31, 2008 and 122,501 at September 30, 2009. Netia is focused on the conversion of Tele2 Polska's CPS customers to WLR and is not actively acquiring new CPS customers.



Indirect voice ARPU per CPS line was PLN 36 in Q4 2009 as compared to PLN 39 in Q4 2008 and PLN 41 in Q3 2009. Tariff reductions, reduced call volumes and conversion of better customers to Netia's WLR or LLU offers is responsible for the year-on-year ARPU decline.

CPS clients are not counted in the total Netia voice subscriber base of 1,158,448 clients as at December 31, 2009.

2.3. Other

Headcount for the Netia group was 1,432 at December 31, 2009, compared to 1,673 at December 31, 2008 and 1,477 at September 30, 2009. During Q4 2009 Netia acquired an additional 47 employees along with the acquisitions of new Ethernet networks. Furthermore, the headcount on December 31, 2009 included 18 employees whose notice periods expired on that day. The decrease in headcount was driven by the "Profit" restructuring project implemented during 2009, which resulted in cancelling 267 job positions in total and was achieved despite the addition of employees of new Ethernet networks acquired during the comparative periods. As of January 31, 2010, Netia's headcount was 1,414.

The movement in headcount can be analyzed as follows:

	Q4 2009	FY 2009
Headcount opening balance	**1,477**	**1,673**
Ethernet networks' acquired headcount	47	47
Headcount reductions, net	(92)	(288)
Headcount closing balance	**1,432**	**1,432**

Management expects the current employment level at Netia group to remain broadly stable during 2010, subject to any new employees acquired along with Ethernet networks.

Capital investment additions

Capital investment additions *(PLN'M)*	**2009**	**2008**	*Change %*
Existing network and IT	108.6	123.9	-12%
Broadband networks	119,6	79.0	+51%
P4 transmission project	18.2	44.8	-59%
Total	**246.4**	**247.7**	**-1%**

Lower capital investments in existing network and IT reflect strict control measures with regard to investments in legacy networks and increased utilization of previously developed IT support. The increase in capital expenditures related to broadband networks was driven by the dynamic growth in the Internet customer base and the LLU roll-out. Given the completion of the P4 transmission roll-out, the amount of related investments declined with no further significant capex outlays planned in future pertaining to this project. A significant part of the foreign exchange exposure on capital investment in 2009 was hedged with forward contracts. The Company has continued its hedging policy into 2010.

3. OTHER HIGHLIGHTS

Netia completed the post acquisition integration of Tele2 Polska with migration of billing and customer care processes from Tele2 Polska's outsourced legacy systems onto Netia's systems in Q3 2009, which was the last major element of Tele2 Polska's integration into the Netia group. Annualised synergies projected to be delivered in 2010 from completed initiatives total PLN 46.2m, 54% above the original estimate of PLN 30.0m, and are made up as follows:

Original annualised savings target *(PLN'M)*	Area	% Complete	2010 savings secured *(PLN'M)*	New 2010 target *(PLN'M)*	Description
20.0	Network	85%	16.0	18.8	Leased lines cancellation, IC points rationalisation
	Billing and IT	100%	9.6	9.6	Consolidation into single platform
10.0	Marketing	100%	10.6	10.6	Brand elimination, reduced joint A&P budget
	Customer Care	100%	0.8	0.8	Consolidation into single common least cost process
	Finance processes	100%	1.3	1.3	Optimised cash collection, financial services and audit fees
	Management fees	100%	3.6	3.6	Not payable
	Migration to copper lines	10%	0.0	1.5	Pilot project completed. Full migration of approx. 8k customers planned for 2010
30.0		**TOTAL:**	**41.9**	**46.2**	

The integration project lasted one year following Tele2 Polska's acquisition in September 2008. The synergies represent approximately 11% of Tele2 Polska's stand-alone sales for 2008. In 2009 delivered synergies amounted to PLN 27.3m.

Cost saving initiatives (the "Profit" project). Following the acquisition of Tele2 Polska in September 2008 which significantly augmented the scale of the business, Netia performed a comprehensive cost review across all functional areas of the Company. Areas for operating cost optimization were indentified, with a target to reduce full year operating expenses for FY2010 and onwards by PLN 100.0m. The program included a reduction of Netia's headcount, review of control and reporting processes, increase in work effectiveness, span of control increase and contract renegotiations. After 12 months of implementation, 90% of all initiatives were already completed and another 10% are in the implementation phase. Value-wise, already implemented initiatives exceeded total savings envisaged for FY2009 and reached PLN 74.3m due to accelerated implementation and better than estimated savings from many projects. Management plans the annual savings realized via Project Profit will amount to PLN 123.0m gross in 2010, surpassing the originally targeted PLN 100.0m. After off-setting cost increases associated with unit price increases, planned pay rises or new projects, net savings anticipated for 2010 and going forward in Netia opex are at PLN 96.0m.

Netia and TP signed an agreement on rates for telecommunications access. On October 22, 2009 UKE published a non-binding settlement with TPSA that required TPSA, amongst other obligations, to enter into bi-lateral agreements with alternative operators, including Netia. In relation to that agreement it was resolved that the currently binding rates for the telecommunications access (BSA, WLR, LLU, interconnection and access to ducts) should be applied in relations between TP and respective alternative operators until December 31, 2012. On December 23, 2009 Netia and TP (the "Parties") signed a bilateral agreement that the wholesale rates for telecommunications access binding in the reference offers as at October 10, 2009 will remain in force until December 31, 2012 as follows:

- amount of WLR wholesale charge will remain unchanged for the 3 year period,
- amount of LLU wholesale charge will remain unchanged for the 3 year period,
- amount of BSA wholesale charge for broadband services delivered by Netia to existing subscribers at currently offered transmission speeds will remain at the level not higher than the amount of charged fee as agreed on October 10, 2009 for the 3 year period,
- rules for setting BSA wholesale charges for new Netia subscribers who will be taking currently offered transmission speeds, which shall be based on a 'cost plus' formula, including the margin squeeze test, are not covered by the aforementioned agreement and are currently subject to negotiations between TP, UKE and AO under to the Agreement. The charge may not be higher than the amount of BSA wholesale charge as agreed on October 10, 2009 for the 3 year period,
- rules for setting BSA wholesale charges for new Netia subscribers who will be taking newly offered transmission speeds, unavailable as at October 10, 2009, shall be based on a 'cost plus' formula, including the margin squeeze test, and are not covered by the above agreement and are currently subject to negotiations between TP, UKE and AO under to the Agreement.

Furthermore, Netia and TP obliged themselves to withdraw their law suits and terminate all court disputes, including the resignation from claims.

Due to the settlement of disputes and claims, Netia recorded a positive accounting impact of PLN 15.3m for the twelve-month period ended December 31, 2009, of which PLN 5.6m was recorded as other income, PLN 3.7m reduced network maintenance costs and PLN 6.0m reduced other expenses within "Cost of sales" category.

Tom Ruhan, Netia's management board member and ECTA (European Competitive Telecommunications Association) management board member, **was appointed the Deputy Chairman of ECTA and the Chairman of Public Policy Committee** on January 5, 2010. The Committee is responsible for ECTA's relations with various institutions including the European Parliament or European Commission.

ECTA associates European telecommunications alternative operators, internet providers and suppliers of services and equipment for the telecommunications sector. The Association aims at the creation of regulatory conditions allowing all suppliers to compete on equal basis, which results in increased investment and greater access to innovative services for Europeans. ECTA represents the sector of modern communication technologies to governments and regulatory authorities and is a forum of experience exchange for the Association's members.

Netia Group recognized a deferred income tax asset of PLN 88.3m in Q4 2009, following the Management's assessment of the recoverability of tax loss carry-forwards and timing differences against future taxable profits. This assessment was based on the budget for 2010 and Netia's business plan for years 2010-2014. Rapid subscriber growth, costs savings, synergies from the Tele2 Polska acquisitions, successful migration of customers to LLU and the prospect of stable regulatory access rates provide management with sufficient visibility of future profits to justify recognition of the deferred tax assets.

Decision of the Director of the Tax Control Office. On February 16, 2010 Netia was informed of the issuing of a decision of the Director of the Tax Chamber in Warsaw ("Tax Chamber Director") according to which the Company's corporate income tax ("CIT") due for the year 2003 was set at PLN 34.2m plus penalty interest of approximately PLN 25.3m. The decision closes proceedings related to Netia's appeal of a decision of the Director of the Tax Control Office in Warsaw ("UKS Director") according to which Netia's corporate income tax ("CIT") due for the year 2003 was set at PLN 58.7m plus penalty interest amounting to PLN 41.3m (see current report no. 42/2009 dated August 17, 2009 and 4/2010 dated February 17, 2010).

The decision of the Tax Chamber Director was issued despite the legal arguments presented by the Company, which claimed that the conclusions delivered by the Tax Control Office were incorrect and groundless. According to the Tax Chamber Director and the UKS Director, Netia understated its taxable income by PLN 247.5m by excluding from its revenues the accrued and not received interest from loans granted by Netia in earlier years to subsidiaries which subsequently merged with Netia on 31 December 2003.

According to Netia, the decisions of the UKS Director and the Tax Chamber Director are in conflict with the relevant tax regulations. The Company intends to appeal to the Voivodship Administrative Court against the decision issued by the Tax Chamber Director.

Netia has received opinions from several independent tax and legal advisors, as well as tax law experts, which conclude that the claims of the Directors of the Tax Control Office and the Tax Chamber have no legal grounds. Accordingly, the Company does not intend to treat tax arrears and interest reported in the tax decision as an expense. The said amounts will instead be treated by Netia as receivables from the tax authorities. Should the decision of the Voivodship Administrative Court be positive for the Company, the amount of unduly paid tax plus interest will be treated as an overpayment and must be returned by the tax authorities together with interest (currently the interest rate on tax liabilities amounts to 10%). Netia will undertake all possible legal steps to prove that the decision of the Tax Chamber's Director was groundless.

Netia will execute the decision of the Tax Chamber Director, which was enforceable as a decision of the second instance tax authority, using some of the Company's cash deposits and government bills that together total in excess of PLN 200.0m. Even after settling the decision of the tax authorities, Netia will remain debt free and continue to generate positive free cash flow.

Funding. On December 31, 2009, Netia had PLN 181.2m in cash plus PLN 58.5m in treasury bills (market value) and PLN 295.0m of available undrawn bank facilities. The cash position included PLN 21.1m (net of VAT) received on December 31, 2009 from P4 as an advance prepayment for the second batch of transmission equipment due on January 1, 2010 under the agreement signed on July 24, 2009. Management considers these cash resources more than sufficient to finance Netia's broadband-driven growth strategy, including the program of Ethernet acquisitions, and gives the Company flexibility to consider further market consolidating acquisitions.

4. GUIDANCE FOR FY2010 AND MEDIUM TERM OUTLOOK

Netia today sets out its guidance for FY2010:

	Actual 2009	Guidance 2010
Number of broadband service clients *(excl. Ethernet acquisitions)*	559,317	680,000
Number of voice service clients *(own network, WLR and LLU)*	1,158,448	1,225,000
Unbundled local loop (LLU) nodes	297	500+
Revenue *(PLN m)*	1,505.9	1,550.0+
Adjusted EBITDA *(PLN m)*	303.9	355.0+
Adjusted EBITDA margin *(PLN m)*	20%	23%
EBITDA *(PLN m)*	312.8	360.0+
EBIT *(PLN m)*	14.2	60.0+
Capital investment (excl. M&A) *(PLN m)*	246.4	220.0
Capital investment to sales *(%)*	16%	14%

Subscriber guidance excludes potential for further Ethernet network acquisitions which remain important to Netia's strategy but are difficult to forecast in time and amount.

In addition, Netia forecasts to be net profitable for the full year 2010.

The medium term outlook for Netia remains unchanged as set out below:

	Mid term outlook
Revenue growth (CAGR) total	3% - 5%
Revenue growth (CAGR) in retail market segments	5% - 10%
EBITDA margin in 2010 (%)	23%
EBITDA margin in 2012 (%)	28%
Net profit by	2010
Capex to sales down to 15% by	2010
1 million broadband subscribers	2012

The previously published objective of free cash-flow positive results by 2010 was achieved a year earlier than planned. Netia expects to grow its free-cash flows year on year from hereon as it continues to implement its broadband driven growth strategy.

Consolidated Financial Information

Please note that a new reporting format, aligned with internal management reporting, has been implemented as of January 1, 2009. Presentations of revenue and expenses have been reclassified in order to better reflect the specifics of the operations, but without any impact on already reported total revenue, EBITDA, EBIT and net results. As a result, certain revenue or cost items for the comparative periods may vary from data as reported previously.
Furthermore, in the financial statements for the year ended December 31, 2009, Netia now presents the revenue and net results information by reportable operating segments (Home, SOHO/SME, Corporate and Carriers).

Please also refer to our financial statements for year ended December 31, 2009.

2009 vs. 2008

Revenue rose by 34% YoY to PLN 1,505.9m for 2009 from PLN 1,121.2m for 2008. Excluding revenue from the IVT *(international voice termination)* activities sold in Q1 2008, revenue rose by 35% year over year. This strong growth results from Netia's broadband-driven growth strategy and the acquisition of Tele2 Polska in September 2008.

Telecommunication revenue, excluding IVT, increased by 35% YoY to PLN 1,500.5m from PLN 1,104.6m in 2008. Data revenue increased to PLN 520.5m, up by 39% YoY from PLN 373.5m in 2008, 28 percentage points being attributable to broadband-related organic growth, 6 percentage points to acquisitions of Ethernet operators and 5 percentage points to data transmission connections for P4. Revenue from direct voice services increased by 52% YoY to PLN 743.4m from PLN 487.6m for 2008, driven by Netia's organic additions of WLR voice customers and the acquisition of Tele2 Polska.

The overall revenue increase was also supported by higher revenue in indirect voice (an increase of 16% YoY or PLN 8.8m), associated with the acquisition of Tele2 Polska's CPS client base, and wholesale services (an increase of 13% YoY or PLN 9.7m). Interconnection revenue decreased between the comparable periods by 25% YoY or PLN 22.3m, mostly as a result of lower volumes of transit traffic.

The IVT activities excluded from the above figures, disposed of by Netia during Q1 2008, amounted to PLN 8.8m in Q1 2008 prior to disposal.

Cost of sales increased by 22% YoY to PLN 1,005.5m from PLN 823.5m for 2008 and represented 67% of total revenue as compared to 73% for 2008. Due to the settlement of disputes and claims with TP, in Q4 2009 Netia recorded an accounting profit which, among others, reduced the cost of sales by PLN 9.7m, of which PLN 3.7m reduced network maintenance costs and PLN 6.0m reduced other expenses. Excluding the above positive accounting impact, the cost of sales increased by 23% YoY to PLN 1,015.2m and represented 68% of total revenue. The margin improvement reflects increased scale, better interconnection rates and cost reduction initiatives.

Network operations and maintenance costs increased by 64% YoY to PLN 484.0m for 2009 (by 66% YoY to PLN 487.7m when excluding the PLN 3.7m of positive accounting impact from settlement agreement with TP) from PLN 294.2m for the prior year. This increase was driven by the costs of rapidly expanding bitstream and WLR wholesale access customer base, including Tele2 Polska's operations as well as the LLU roll-out and new Ethernet networks.

Depreciation and amortization related to cost of sales increased by 8% YoY to PLN 251.4m from PLN 233.4m in 2008. This was mainly due to accelerating depreciation of certain narrowband radio equipment, resulting from the changes in frequencies allocation as imposed by the regulator and the expiration of the existing frequency permits in 2009, and new depreciation charges for assets brought into use during the period.

Interconnection charges decreased by 10% YoY to PLN 196.7m in 2009 as compared to PLN 218.5m for the 2008. This was mainly a result of the introduction of lower MTR (mobile termination rates) in 2009, lower transit and wholesale termination volumes and Netia's shift to greater reliance on flat rate agreements for domestic fixed-line traffic.

Costs of goods sold increased by 95% YoY to PLN 17.1m from PLN 8.8m in 2008, driven by the increased number of modems sold to new broadband customers and higher exchange rates increasing the Polish zloty unit cost.

Salaries and benefits related to cost of sales (excluding restructuring costs) increased by 10% YoY to PLN 21.5m from PLN 19.6m in 2008 reflecting the changes in the allocation of certain salaries costs between the cost of sales and selling and distribution cost.

Restructuring costs related to cost of sales were PLN 2.4m, and represented employment termination benefits recorded in connection with the headcount reduction executed under the “Profit” project.

Gross profit for 2009 was PLN 500.3m as compared to PLN 297.6m for 2008, an increase of 68% YoY. Gross profit margin increased to 33.2% from 26.5% for the prior year.

Selling and distribution costs increased by 23% YoY to PLN 338.4m from PLN 275.2m for last year and represented 22% of total revenue as compared to 25% in 2008. The inclusion of expenditures related to Tele2 Polska customer operations was the main driver of this increase.

Billing, mailing and logistics costs increased by 72% YoY to PLN 49.7m from PLN 29,0m in 2008, mainly due to the increase in the size of the customer base. Tele2 Polska’s cost of outsourced billing, included in this category, were eliminated from Q4 2009 following the completed migration of Tele2 Polska customers to Netia’s systems in Q3 2009.

Third party commissions paid for the acquisition of new customers were up by 33% YoY to PLN 48.2m from PLN 36.2m, reflecting higher gross additions, higher commissions paid on 2play contracts and increased reliance on door-to-door sales in support of LLU and WLR products.

Outsourced customer service costs increased by 46% YoY to PLN 29.5m from PLN 20.2m in 2008, driven by the addition of Tele2 Polska’s mainly outsourced customer care operations.

Depreciation and amortization related to selling and distribution was up by 25% YoY to PLN 30.7m from PLN 24.5m in 2008, mostly due to the amortization of the customer bases of newly acquired companies, particularly Tele2 Polska and Internetia (previously AirBites).

Salaries and benefits costs related to selling and distribution (not including the restructuring costs) increased by 4% YoY to PLN 86.9m from PLN 83.8m.

Restructuring costs related to selling and distribution were PLN 3.4m, representing termination benefits recorded in 2009 in connection with the “Profit” project.

Advertising and promotion expenditures were up by only 1% YoY to PLN 61.1m from PLN 60.4m in 2008, despite the acquisition of Tele2 Polska. This reflects the significant synergy from elimination of the entire ATL spending previously supporting the withdrawn Tele2 Polska brand.

General and administration costs increased by 19% YoY to PLN 173.5m from PLN 146.3m for 2008 and represented 12% of total revenue as compared to 13% in 2008, reflecting the increased scale of Netia operations. The cost increase was driven by the addition of Tele2 Polska’s expenses and increasing use of leased assets by the Netia group.

Electronic data processing costs related to general administration were up by 74% YoY to PLN 16.3m from PLN 9.4m in 2008 in connection with the cost related to migrating the Tele2 Polska’s outsourced billing system to Netia’s own platform.

Office and car maintenance costs increased by 52% YoY to PLN 18.8m from PLN 12.3m in 2008, mainly due to the cost of leasing Netia’s new head office and recognition of an estimated loss on a rental contract for the former Tele2 Polska’s head office, which Netia now subleases.

Salaries and benefits costs related to general administration (not including the restructuring costs) increased by 6% YoY to PLN 78.9m from PLN 74.2m in 2008, reflecting headcount growth and pay rises from 2008 offset by the first savings from the Profit project.

Restructuring costs related to general administration were PLN 6.0m, of which PLN 5.4m represented termination benefits recorded in connection with the “Profit” project.

Other income was PLN 17.9m as compared to PLN 11.6m in 2008, and included PLN 5.6m related to the settlement agreement with TP associated with the agreement on rates for telecommunications access reached on December 23, 2009.

Other gains, net were PLN 10.0m as compared to PLN 12.9m in 2008. This included a gain of PLN 5.3m on disposal of the first of three tranches of radio transmission equipment to P4 and a gain of PLN 2.5m on property and other fixed assets sales while in the prior year period Netia recorded a gain of PLN 5.1m on the disposal of certain assets related to the Company’s IVT activities and a gain of PLN 6.2m on property sales.

Adjusted EBITDA increased by 78% YoY to PLN 303.9m from PLN 170.6m for 2008. Including restructuring costs of PLN 11.7m, the P4 transmission gain of PLN 5.3m and a positive accounting impact from the settlement agreement with TP of PLN 15.3m, **EBITDA** was PLN 312.8m. Adjusted EBITDA margin increased to 20.2% and EBITDA margin increased to 20.8% as compared to EBITDA margin of 15.2% in 2008.

Depreciation and amortization increased by 10% YoY to PLN 298.6m as compared to PLN 270.3m as a result of Netia accelerating the depreciation schedule of the retiring narrowband radio equipment, higher base of fixed assets and the amortization of acquired customer bases.

Operating profit (EBIT) was PLN 14.2m as compared to an operating loss of PLN 99.7m for 2008, reflecting increased scale, synergies realized on the Tele2 Polska acquisition, ‘Profit’ project savings and falling interconnection costs as a percentage of revenue. Excluding net unusual gains of PLN 8.9m (comprising a gain of PLN 5.3m recorded in Q3 2009 on sale of the first tranche of radio transmission equipment to P4, a positive accounting impact of PLN 15.3m from settlement agreement with TP reached in Q4 2009 and restructuring costs of PLN 11.7m), EBIT for 2009 would have been PLN 5.3m.

Net finance cost was PLN 13.1m as compared to net finance income of PLN 0.8m in 2008 and was related mainly to foreign exchange losses and losses on foreign exchange hedging contracts.

Income tax benefit of PLN 87.6m was recorded in 2009 following the recognition of the deferred income tax assets of PLN 88.3m in Q4 2009.

Net profit was PLN 88.7m as compared to a profit of PLN 230.6m for 2008. Profit for the prior year period included a gain from disposal of Netia’s shares in P4 of PLN 353.4m.

Capital investment (cash used for the purchase of fixed assets and computer software) decreased by 8% to PLN 237.7m for 2009 from PLN 258.6m for 2008.

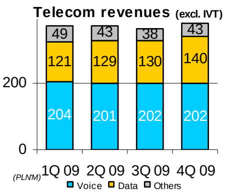
Other significant cash items during 2009 were (i) PLN 57.0m outflow related to the purchases of short-dated treasury bills, (ii) payments of PLN 45.0m made in connection with acquisitions executed in 2008, including PLN 26.5m paid to Tele2 AB to reimburse the seller for excess cash and working capital outstanding in Tele2 Polska versus the amounts targeted at the acquisition date in the share purchase agreement and paid in Q2 2009, (iii) PLN 12.8m of purchase consideration for the Ethernet companies acquired in 2009, (iv) PLN 2.9m paid for assets acquired from Ethernet companies, and (v) proceeds from sale of fixed assets to P4 (representing the first two tranches of transmission equipment under the sale transaction) of PLN 43.9m.

Cash and cash equivalents at December 31, 2009 were PLN 181.2m as compared to PLN 192.7m a year earlier. In addition, Netia held treasury bills at a market value of PLN 58.5m at December 31, 2009. Cash position included PLN 21.1m received on December 31, 2009 from P4 as an advance prepayment for the second batch of transmission equipment due on January 1, 2010 under the agreement signed with P4 on July 24, 2009.

Netia was debt free at December 31, 2009, with a PLN 295.0m credit facility available until June 30, 2011 to finance Netia’s future investment requirements.

Q4 2009 vs. Q3 2009

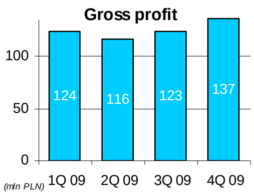
Revenue increased by 4% to PLN 386.2m in Q4 2009 as compared to PLN 370.3m in Q3 2009.



Telecommunication revenue increased between the consecutive quarters by 4% to PLN 384.9m in Q4 2009 versus PLN 368.8m in Q3 2009. Data revenue increased by 8% to PLN 139.7m in Q4 2009 versus PLN 129.6m in Q3 2009. Voice revenue increased sequentially by 0.4% to PLN 202.4m from PLN 201.7m, supported by higher direct voice revenue due to the addition of new 2play customers, which offset lower indirect voice revenue associated with decreased traffic volumes. Relatively higher transit traffic volumes in Q4 compared to Q3 resulted in wholesale and interconnection revenue increase by PLN 5.2m driven by several opportunistic deals in the carriers segment.

The residential segment grew sequentially by PLN 10.6m or 5% due to strong subscriber growth and stable ARPUs. The business segments returned to growth with SOHO/SME increasing by PLN 0.9m or 2% in, Corporate increasing by PLN 1.4m or 2% in and Carrier by PLN 3.3m or 8%.

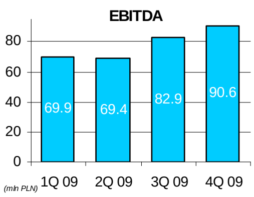
Cost of sales increased by 1% QoQ to PLN 249.4m from PLN 247.0m in Q3 2009 and represented 65% of total revenue in Q4 2009 as compared to 67% in Q3 2009. Excluding the positive accounting impact from the settlement agreement with TP, the cost of sales increased by 5% QoQ to PLN 259.1m and represented 68% of total revenue in Q4 2009. The increase resulted mainly from higher cost of modems sold and service activation and migration charges following the record sales levels in Q4 2009 as well as higher interconnection cost associated with relatively higher volumes of transit traffic. Project Profit contributed to falling payroll and network maintenance expenses between the quarters.



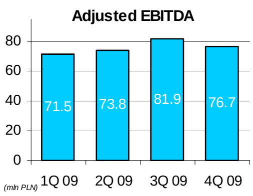
Gross profit was PLN 136.8m in Q4 2009 as compared to PLN 123.3m in Q3 2009, with gross profit margin increasing to 35.4% from 33.3%.

Selling and distribution costs remained stable QoQ at PLN 84.8m in Q4 2009 as compared to PLN 84.2m in Q3 2009 and represented 22% of total revenue in Q4 2009 as compared to 23% in Q3 2009. Increased cost of third party commissions, outsourced customer service and advertising and promotion expenses, which were associated with the more intensive advertising in Q4 2009 and increased sales levels, were offset by lower cost of billing, mailing and logistics and lower restructuring costs following the completion of the migration of Tele2 Polska customers onto Netia's billing and IT platforms and the implementation of the "Profit" project, respectively.

General and administrative expenses increased by 6% to PLN 44.0m from PLN 41.3m in Q3 2009, and represented 11% of total revenue in both Q4 and Q3 2009. Savings from the Profit project were offset by seasonal increases in discretionary project spending, cost of new provisions related to the future exercise of the stock options and increased bonus provisions.



EBITDA was PLN 90.6m as compared to PLN 82.9m in Q3 2009. After deducting the positive accounting profit related to the settlement agreement with TP of PLN 15.3m and restructuring costs of PLN 1.5m related to project "Profit", **Adjusted EBITDA** was PLN 76.7m in Q4 2009 as compared to PLN 81.9m in Q3 2009 and Adjusted EBITDA margin decreased to 19.9% from 22.1% in Q3 2009. The decline was mainly driven by a 34% increase in cost of subscriber acquisitions and customer care issues. EBITDA margin was 23.5% versus 22.4% in Q3 2009.



Operating profit (EBIT) was PLN 15.2m as compared to operating profit of PLN 7.1m in Q3 2009. Excluding the positive accounting profit from the settlement agreement with TP and restructuring costs related to the Profit project, operating profit was PLN 1.3m in Q4 2009 as compared to PLN 6.1m in Q3 2009.

Income tax benefit of PLN 87.1m was recorded in Q4 2009 following the recognition of the deferred income tax assets.

Net profit of PLN 99.1m was recorded in Q4 2009 as compared to net profit of PLN 3.2m in Q3 2009.

Key Figures

PLN'000	2008	2009	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Revenues from continuing activities	1,112,394	1,505,871	369,056	375,665	373,679	370,281	386,246
Revenues from IVT activities	8,744	-	-	-	-	-	-
Total revenues	1,121,168	1,505,871	369,056	375,665	373,679	370,281	386,246
y-o-y % change	*82.1%*	*34.3%*	*65.9%*	*58.2%*	*53.5%*	*36.6%*	*4.7%*
Adjusted EBITDA	170,641	303,918	57,576	71,530	73,752	81,907	76,729
Margin %	*15.2%*	*20.2%*	*15.6%*	*19.0%*	*19.7%*	*22.1%*	*19.9%*
y-o-y change %	*11.5%*	*78.1%*	*225.7%*	*111.6%*	*108.1%*	*86.9%*	*33.3%*
EBITDA	170,641	312,802	57,576	69,911	69,404	82,893	90,594
Margin %	*15.2%*	*20.8%*	*15.6%*	*18.6%*	*18.6%*	*22.4%*	*23.5%*
EBIT	(99,706)	14,236	(14,683)	(3,051)	(4,984)	7,061	15,210
Margin %	*(8.9%)*	*0.9%*	*(4.0%)*	*(0.8%)*	*(1.3%)*	*1.9%*	*3.9%*
Profit/(Loss) of the Netia Group *(consolidated)*	230,605	88,665	(10,096)	(6,401)	(8,250)	4,228	99,088
Margin %	*(23.3%)*	*(23.3%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*	*1.1%*	*25.7%*
Adjusted profit/(loss) of the Netia Group (consolidated) [1]	(122,776)	88,665	(10,096)	(6,401)	(8,250)	4,228	99,088
Margin %	*(11.0%)*	*5.9%*	*(2.7%)*	*(1.7%)*	*(2.2%)*	*1.1%*	*25.7%*
Profit/(Loss) of Netia SA *(stand alone)* [2]	(173,185)	236,803	(85,073)	(32,708)	4,134	10,286	255,091
Cash and cash equivalents	192,685	181,203	192,685	170,796	112,975	163,338	181,203
Treasury bills (market value)	-	58,489	-	19,775	49,911	48,303	58,489
Debt	-	-	-	-	-	-	-
Capex related payments	258,620	238,581	71,259	74,766	66,783	50,174	46,858
Investments in tangible and intangible fixed assets	247,663	246,423	94,110	69,784	51,436	49,098	76,105

EUR '000 [3]	2008	2009	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Revenues from continuing activities	270,774	366,553	89,834	79,907	90,959	87,690	94,018
Revenues from IVT activities	2,128	-	-	-	-	-	-
Revenues	272,910	366,553	89,834	79,907	90,959	87,690	94,018
y-o-y % change	*82.1%*	*34.3%*	*65.9%*	*58.2%*	*53.5%*	*36.6%*	*4.7%*
Adjusted EBITDA	41,537	73,978	14,015	15,215	17,952	19,397	18,677
Margin %	*15.2%*	*20.2%*	*15.6%*	*19.0%*	*19.7%*	*22.1%*	*19.9%*
y-o-y change %	*11.5%*	*78.1%*	*225.7%*	*111.6%*	*108.1%*	*86.9%*	*33.3%*
EBITDA	41,537	76,141	14,015	14,871	16,894	19,631	22,052
Margin %	*15.2%*	*20.8%*	*15.6%*	*18.6%*	*18.6%*	*22.4%*	*23.5%*
EBIT	(24,270)	3,465	(3,574)	(649)	(1,213)	1,672	3,702
Margin %	*(8.9%)*	*0.9%*	*(4.0%)*	*(0.8%)*	*(1.3%)*	*1.9%*	*3.9%*
Profit/(Loss) of the Netia Group *(consolidated)*	56,133	21,582	(2,458)	(1,362)	(2,008)	1,001	24,120
Margin %	*(23.3%)*	*(23.3%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*	*1.1%*	*25.7%*
Adjusted profit/(loss) of the Netia Group (consolidated) [2]	(29,886)	21,582	(2,458)	(1,362)	(2,008)	1,001	24,120
Margin %	*(11.0%)*	*5.9%*	*(2.7%)*	*(1.7%)*	*(2.2%)*	*1.1%*	*25.7%*
Profit/(Loss) of Netia SA *(stand alone)* [3]	(42,156)	57,642	(20,708)	(6,957)	1,006	2,436	62,093
Cash and cash equivalents	46,903	44,108	46,903	36,330	27,500	38,682	44,108
Treasury bills (market value)	-	14,237	-	4,254	12,149	11,439	14,237
Debt	-	-	-	-	-	-	-
Capex related payments	62,952	58,074	17,346	15,903	16,256	11,882	11,406
Investments in tangible and intangible fixed assets	60,285	59,983	22,908	14,907	12,520	11,627	18,525

[1] Net result for FY 2008 and Q3 2008 excluding the impact of the gain from the disposal of P4 shares.

[2] The profit of Netia SA (stand alone) is being used for purpose of calculation of the amounts available for potential cash distribution to shareholders through dividends or share buy-backs. The stand alone loss of Netia SA for 2008 does not include Tele2 Polska's result as this entity was merged into Netia SA in Q1 2009.

[3] The EUR amounts shown in this table and in the entire document have been translated using an exchange rate of PLN 4.1082 = EUR 1.00, the average rate announced by the National Bank of Poland on December 31, 2009. These figures are included for the convenience of the reader only.

Key Operational Indicators

	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Broadband data					
Total number of broadband ports (cumulative)	413,645	441,266	*458,860*	*489,823*	*559,317*
xDSL and FastEthernet over Netia's own fixed-line network	*171,933*	*174,874*	*176,769*	*179,733*	*200,060*
WiMAX Internet ports	*12,110*	*13,416*	*14,467*	*15,791*	*17,079*
Others	*841*	*757*	*674*	*599*	*279*
Netia network broadband ports	184,884	189,047	191,910	196,123	217,418
Bitstream access ports	*227,441*	*248,455*	*259,626*	*272,419*	*293,782*
LLU access ports	*1,320*	*3,764*	*7,324*	*21,281*	*48,117*
Total net additions	66,706	27,621	17,594	30,963	69,494
Monthly Broadband APRU (PLN)	60	59	59	59	60
Monthly Broadband SAC (PLN)	165	184	194	197	206
Subscriber data					
(own network and WLR)					
Subscriber lines (cumulative)	1,065,516	1,105,043	1,128,728	1,146,876	1,158,448
Traditional direct voice	*364,722*	*361,963*	*359,024*	*355,726*	*349,824*
incl. ISDN equivalent of lines	*127,304*	*129,810*	*132,002*	*134,478*	*136,350*
incl. legacy wireless	*40,717*	*39,728*	*38,791*	*39,324*	*37,316*
Voice over IP (excl. LLU)	*10,507*	*11,421*	*13,546*	*16,618*	*19,734*
WiMAX voice	*15,904*	*17,330*	*18,349*	*19,758*	*21,526*
Netia network subscriber voice lines	391,133	390,714	390,919	392,102	391,084
WLR	*672,969*	*710,633*	*730,913*	*740,086*	*743,231*
LLU voice over IP	*1,414*	*3,696*	*6,896*	*14,688*	*24,133*
Total net additions	32,310	39,527	23,685	18,148	11,572
Business mix of total subscriber lines (cumulative)	22.9%	22.6%	22.6%	25.1%	25.3%
Monthly Voice ARPU in own network (PLN)	67	66	64	62	62
Monthly Voice ARPU for WLR (PLN)	56	51	50	50	51
Monthly Voice ARPU blended (PLN)	60	56	55	54	55
Indirect voice data					
CPS lines (cumulative)	176,035	150,076	132,159	122,501	116,628
Monthly Voice ARPU for CPS	39	40	40	41	36
Other					
Headcount	1,673	1,609	1,606	1,477	1,432

(Tables to Follow)

Income Statement (PLN in thousands unless otherwise stated)

Time periods:	**2008**	**2009**	**Q3 2009**	**Q4 2009**
Telecommunications revenue	*audited*	*audited*	*unaudited*	*unaudited*
Direct Voice	487,609	743,395	185,948	189,375
Incl. monthly fees	*226,436*	*457,523*	*118,131*	*118,293*
Incl. calling charges	*260,345*	*285,541*	*67,770*	*71,040*
Indirect Voice	56,809	65,654	15,777	13,061
Data	373,533	520,460	129,557	139,696
Interconnection revenues	89,175	66,917	13,719	15,261
Wholesale services	71,905	81,592	18,375	22,000
Other telecommunications revenues	25,601	22,489	5,413	5,488
Total telecommunications revenue	**1,104,632**	**1,500,507**	**368,789**	**384,881**
Radio communications revenue	7,762	5,364	1,492	1,365
Revenue from continuing activities	**1,112,394**	**1,505,871**	**370,281**	**386,246**
Revenues from IVT activities	8,774	-	-	-
Total revenue	**1,121,168**	**1,505,871**	**370,281**	**386,246**
Cost of sales	(823,513)	(1,005,518)	(246,981)	(249,456)
Interconnection charges	(218,499)	(196,718)	(42,178)	(47,066)
Network operations and maintenance	(294,225)	(483,969)	(121,369)	(122,928)
Costs of goods sold	(8,781)	(17,141)	(4,460)	(7,043)
Depreciation and amortization	(233,405)	(251,367)	(64,155)	(63,781)
Salaries and benefits	(19,568)	(21,526)	(4,986)	(4,739)
Restructuring (Project Profit)	-	(2,368)	(725)	69
Taxes, frequency fees and other expenses	(49,035)	(32,429)	(9,108)	(3,968)
Gross profit	**297,655**	**500,353**	**123,300**	**136,790**
Margin (%)	***26.5%***	***33.2%***	***33.3%***	***35.4%***
Selling and distribution costs	(275,185)	(338,446)	(84,227)	(84,799)
Advertising and promotion	(60,435)	(61,138)	(15,061)	(16,457)
Third party commissions	(36,192)	(48,247)	(10,563)	(15,051)
Billing, mailing and logistics	(28,959)	(49,722)	(13,207)	(8,498)
Outsourced customer service	(20,240)	(29,538)	(6,693)	(8,521)
Impairment of receivables	(4,618)	(8,586)	(2,736)	(2,367)
Depreciation and amortization	(24,496)	(30,730)	(7,242)	(7,265)
Salaries and benefits	(83,761)	(86,856)	(21,576)	(19,938)
Restructuring (Project Profit)	-	(3,405)	(1,517)	(82)
Other costs	(16,484)	(20,224)	(5,632)	(6,620)
General and administration costs	(146,270)	(173,458)	(41,314)	(43,971)
Professional services	(8,454)	(10,678)	(2,910)	(2,558)
Electronic data processing	(9,390)	(16,305)	(3,887)	(3,889)
Office and car maintenance	(12,330)	(18,787)	(5,327)	(3,426)
Depreciation and amortization	(12,446)	(16,469)	(4,435)	(4,338)
Salaries and benefits	(74,211)	(78,941)	(17,463)	(20,718)
Restructuring (Project Profit)	-	(5,967)	(2,070)	(1,448)
Other costs	(29,439)	(26,311)	(5,222)	(7,594)
Other income	11,599	17,890	3,090	8,738
Other expense	(447)	(2,068)	(100)	(1,768)
Other gains/ (losses), net	12,942	9,965	6,312	220
EBIT	**(99,706)**	**14,236**	**7,061**	**15,210**
Margin (%)	***(8.9%)***	***0.9%***	***1.9%***	***3.9%***
Finance income	10,689	7,564	1,462	2,268
Finance cost	(9,859)	(20,707)	(4,334)	(5,451)
Gain on sale of investment in P4	353,381	-	-	-
Share of losses of former associates	(22,625)	-	-	-
Profit before tax	**231,880**	**1,093**	**4,189**	**12,027**
Tax benefit / (charge)	(1,275)	87,572	39	87,061
Profit	**230,605**	**88,665**	**4,228**	**99,088**

EBITDA Reconciliation to Loss

(PLN in thousands unless otherwise stated)

Time periods:	2008 *audited*	2009 *audited*	Q3 2009 *unaudited*	Q4 2009 *unaudited*
Operating Profit / (Loss)	**(99,706)**	**14,236**	**7,061**	**15,210**
Add back:				
Depreciation and amortization	270,347	298,566	75,832	75,384
EBITDA	**170,641**	**312,802**	**82,893**	**90,594**
Add back:				
Project Profit restructuring costs	-	11,740	4,312	1,461
Less:				
Gain on disposal of transmission equipment to P4	-	(5,298)	(5,298)	-
Positive accounting impact from the settlement agreement with TP	-	(15,326)	-	(15,326)
Adjusted EBITDA	**170,641**	**303,918**	**81,907**	**76,729**
Margin (%)	***15.2%***	***20.2%***	***22.1%***	***19.9%***

Note to Other Income

(PLN in thousands unless otherwise stated)

Time periods:	2008 *audited*	2009 *audited*	Q3 2009 *unaudited*	Q4 2009 *unaudited*
Reminder fees and penalties	5,210	6,205	1,764	305
Settlement agreement with TP	-	5,630	-	5,630
Forgiveness of liabilities	210	379	37	193
Receivables recovered	-	329	-	329
Sale of services to P4	904	-	-	-
Financial guarantee contract relating to P4	435	-	-	-
Fair value adjustments on other receivables and reversal of provisions	1,000	699	-	102
Other operating income	3,840	4,648	1,289	2,179
Total	**11,599**	**17,890**	**3,090**	**8,738**

Note to Other Expense

(PLN in thousands unless otherwise stated)

Time periods:	2008 *audited*	2009 *audited*	Q3 2009 *unaudited*	Q4 2009 *unaudited*
Impairment charges for specific individual assets	**(447)**	**(2,068)**	**(100)**	**(1,768)**

Note to Other Gains / (losses), net

(PLN in thousands unless otherwise stated)

Time periods:	2008 *audited*	2009 *audited*	Q3 2009 *unaudited*	Q4 2009 *unaudited*
Gain on sale of impaired receivables	1,204	1,232	262	283
Gain on disposal of fixed assets	6,446	7,835	6,191	123
Gain on disposal of a group of assets comprising Premium Internet's IVT activities	5,093	-	-	-
Gain on sale of investments	9	-	-	-
Net foreign exchange gains / (losses)	190	898	(141)	(186)
Total	**12,942**	**9,965**	**6,312**	**220**

Total comprehensive Income

(PLN in thousands unless otherwise stated)

Time periods:	2008 *audited*	2009 *audited*	Q3 2009 *unaudited*	Q4 2009 *unaudited*
Profit	**230,605**	**88,665**	**4,228**	**99,088**
Cash flow hedges	(284)	(2,107)	(1,042)	2,562
Income tax relating to components of other comprehensive income	-	454	63	458
Other comprehensive Income / (Loss)	**(284)**	**(1,653)**	**(979)**	**3,020**
Total comprehensive Income / (Loss)	**230,321**	**87,012**	**3,249**	**102,108**
Attributable to:				
Equity holders of the Company	230,321	87,012	3,249	102,108
Minority interest	-	-	-	-

Balance Sheet (PLN in thousands unless otherwise stated)

Time Periods	Dec. 31, 08 *audited*	March 31, 09 *unaudited*	June 30, 09 *unaudited*	Sept. 30, 09 *unaudited*	Dec. 31, 09 *audited*
Property, plant and equipment, net	1,415,994	1,424,295	1,411,882	1,375,168	1,384,714
Intangible assets	412,480	400,674	390,114	382,053	388,557
Investment property	36,133	35,995	35,784	35,608	35,574
Deferred income tax assets	564	138	233	67	79,400
Available for sale financial assets	10	10	10	10	10
Long-term receivables	6,623	6,623	6,623	6,623	676
Prepaid expenses and accrued income	16,867	14,787	12,323	6,931	8,830
Total non-current assets	**1,888,671**	**1,882,522**	**1,856,969**	**1,806,460**	**1,897,761**
Inventories	5,060	4,885	3,372	5,571	3,143
Trade and other receivables	168,664	153,650	160,033	161,029	173,606
Current income tax receivables	201	275	96	119	59
Prepaid expenses and accrued income	18,294	20,407	22,303	21,671	20,228
Derivative financial instruments	-	4,228	3,042	3,876	110
Financial assets at fair value through profit and loss	5,905	5,001	5,086	5,590	3,660
Held to maturity investments	-	19,775	49,911	48,303	58,489
Restricted cash	2,712	2,634	2,626	2,330	2,330
Cash and cash equivalents	192,685	170,796	112,975	163,338	181,203
	393,521	**381,651**	**399,444**	**411,827**	**442,828**
Non-current assets classified as held for sale	513	513	118	-	87
Total current assets	**394,034**	**382,164**	**399,562**	**411,827**	**442,915**
TOTAL ASSETS	**2,282,705**	**2,264,686**	**2,216,531**	**2,218,287**	**2,340,676**
Share capital	389,277	389,277	389,277	389,277	389,277
Share premium	1,556,489	1,556,489	1,356,652	1,356,652	1,356,652
Retained earnings	(41,245)	(47,646)	143,941	148,169	247,258
Other components of equity	23,960	29,779	25,557	26,774	32,264
TOTAL EQUITY	**1,928,481**	**1,927,899**	**1,915,427**	**1,920,872**	**2,025,451**
Provisions	7,537	8,005	7,964	8,126	1,401
Deferred income	7,779	7,656	7,534	7,411	7,289
Deferred income tax liabilities	9,121	8,421	7,870	7,372	-
Other long-term liabilities	2,898	9,740	8,455	7,235	5,895
Total non-current liabilities	**27,335**	**33,822**	**31,823**	**30,144**	**14,585**
Trade and other payables	297,809	268,469	229,476	216,833	255,788
Derivative financial instruments	-	3,673	6,038	9,803	4,423
Borrowings	-	-	-	-	347
Other financial liabilities	304	164	176	271	80
Current income tax liabilities	53	29	1	1	1
Provisions	6,345	6,127	5,771	9,197	4,888
Deferred income	22,378	24,503	27,819	31,166	35,113
Total current liabilities	**326,889**	**302,965**	**269,281**	**267,271**	**300,640**
Total liabilities	**354,224**	**336,787**	**301,104**	**297,415**	**315,225**
TOTAL EQUITY AND LIABILITIES	**2,282,705**	**2,264,686**	**2,216,531**	**2,218,287**	**2,340,676**

Cash Flow Statement (PLN in thousands unless otherwise stated)

Time periods:	**2008** *audited*	**2009** *audited*	**Q3 2009** *unaudited*	**Q4 2009** *unaudited*
Profit / (Loss)	**230,605**	**88,665**	**4,228**	**99,088**
Depreciation and amortization	270,347	298,566	75,832	75,384
Impairment charges for specific individual assets	447	2,068	100	1,768
Share of losses of former associates	22,625	-	-	-
Deferred income tax charge / (benefit)	846	(88,303)	(270)	(87,047)
Interest expense and fees charged on bank loans and transaction costs write-off	7,667	4,520	1,444	1,332
Other interest charged	928	430	(173)	(539)
Financial guarantee contract	(435)	-	-	-
Interest accrued on loans granted	(24)	(5)	(23)	22
Share-based compensation	9,568	10,332	2,313	2,644
Fair value (gains)/losses on financial assets/liabilities	(167)	1,171	(409)	888
Fair value (gains)losses on derivative financial instruments	-	5,018	2,719	2,430
Foreign exchange (gains) / losses	(315)	7,249	489	945
Gain on disposal of fixed assets	(5,748)	(7,369)	(6,178)	143
Gain on sale of a former associate (P4)	(353,390)	-	-	-
Gain on disposal of group of assets	(5,093)	-	-	-
Gain on sale of investments		(148)		(148)
Changes in working capital	(7,067)	(22,075)	749	(30,995)
Net cash provided by operating activities	**170,794**	**300,119**	**80,821**	**65,915**
Purchase of fixed assets and computer software	(257,053)	(237,774)	(50,174)	(46,858)
Purchase of operational networks	(1,567)	(2,850)	-	(2,043)
Proceeds from sale of non-core assets	8,851	48,847	24,508	22,148
Proceeds from sale of group of assets	6,000	2,000	-	-
Investment in former associate	(8,124)	-		
Proceeds from sale of Netia's investment in P4	453,770	-	-	-
Purchase of subsidiaries, net of received cash	(132,976)	(57,762)	(5,285)	(12,753)
Purchase of treasury bills /notes, net	-	(57,055)	2,027	(9,591)
Sale of investments	25	999	-	999
Loan and interest repayments	462	278	92	47
Net cash (used in)/provided by investing activities	**69,388**	**(303,317)**	**(28,832)**	**(48,051)**
Finance lease payments	(2,150)	(3,392)	(865)	(1,255)
Proceeds from borrowings	110,000	-	-	-
Loan repayments	(205,502)	-	-	-
Interest repayments	(5,980)	-	-	-
Payments of fees relating to bank loans	(4,484)	(3,645)	-	(3,645)
Net cash (used in)/provided by financing activities	**(108,116)**	**(7,037)**	**(865)**	**(4,900)**
Net change in cash and cash equivalents	**132,066**	**(10,235)**	**51,124**	**12,964**
Effect of exchange rate change on cash and cash equivalents	2,922	(1,247)	(761)	4,901
Cash and cash equivalents at the beginning of the period	57,697	192,685	112,975	163,338
Cash and cash equivalents at the end of the period	**192,685**	**181,203**	**163,338**	**181,203**

Definitions

Backbone	–	a telecommunications network designed to carry the telecommunications traffic between the main junctions of the network;
Bitstream access	–	a type of regulatory broadband access enabling provision of broadband service by an altnet to customers connected by a copper line owned by TPSA. The altnet connects to the TPSA data network and may only offer services identical to those of TPSA, paying TPSA on a retail minus basis for use of the TPSA network.
Broadband SAC	–	a cost per unit related to the acquisition of new customers through broadband access (i.e., Bitstream, LLU, WiMAX, xDSL), including a one-time payment to TP (the incumbent), sales commissions, postal services and the cost of modems sold;
Broadband ARPU	–	average monthly revenue per broadband port during the period; Broadband ARPU is obtained by dividing the amount of monthly revenues from data services related to provisioning fixed Internet access by the average number of broadband ports, in each case for the referenced three-month period; Where significant promotional discounts are given at the beginning of contracts, revenues are averaged over the life of the contract.
Broadband port	–	a broadband port which is active at the end of a given period;
Cash	–	cash and cash equivalents at the end of period;
Cost of network operations and maintenance	–	cost of rentals of lines and telecommunications equipment, as well as maintenance, services and related expenses necessary to operate our network;
Data revenues	–	revenues from provisioning Frame Relay (including IP VPN-virtual private network services), lease of lines (including leased lines for carriers), Internet fixed-access services (provided, among others, through bitsteam and WiMAX types of access) and IP Transit;
Direct voice revenues	–	telecommunications revenues from voice services offered by Netia to its subscribers (through various types of access, including, among others, WiMAX). Direct voice services include the following traffic fractions: local calls, domestic long-distance (DLD) calls, international long distance (ILD) calls, fixed-to-mobile calls and other services (incl. Internet dial-in, emergency calls and 0-80x/0-70x -type calls originated by Netia's subscribers);
DSLAM	–	Technical infrastructure that splits data from voice traffic over a copper line and is deployed in the local network of a telecommunications operator to provide ADSL services to customers connected to a given local network node.
EBITDA / Adjusted EBITDA	–	to supplement the reporting of our consolidated financial information under IFRS, we will continue to present certain financial measures, including EBITDA. We define EBITDA as profit/(loss) as measured by IFRS, adjusted for depreciation and amortization, financial income and expense, income taxes and results of investments in associates. EBITDA has been further adjusted for one-off restructuring expenses related to the cost reduction program (the "Profit" project), a gain on disposal of the transmission equipment to P4 and a positive accounting impact from the settlement agreement with TP and is therefore defined as Adjusted EBITDA. We believe EBITDA and related

		measures of cash flow from operating activities serve as useful supplementary financial indicators in measuring the operating performance of telecommunication companies. EBITDA is not an IFRS measure and should not be considered as an alternative to IFRS measures of profit/(loss) or as an indicator of operating performance or as a measure of cash flows from operations under IFRS or as an indicator of liquidity. The presentation of EBITDA, however, enables investors to focus on period-over-period operating performance, without the impact of non-operational or non-recurring items. It is also among the primary indicators we use in planning and operating the business. You should note that EBITDA is not a uniform or standardized measure and the calculation of EBITDA, accordingly, may vary significantly from company to company, and by itself provides no grounds for comparison with other companies;
Headcount	–	full time employment equivalents;
Indirect voice revenues	–	telecommunications revenues from the services offered through Netia's prefix (1055) or Tele2 Polska's prefix (1061) to customers being subscribers of other operators. Indirect access services include the following traffic fractions: domestic long-distance (DLD) calls, international long distance (ILD) calls and fixed-to-mobile calls;
Interconnection charges	–	payments made by Netia to other operators for origination, termination or transfer of traffic using other operators' networks;
Interconnection revenues	–	payments made by other operators to Netia for origination, termination or transfer of traffic using Netia's network, netted against the cost of traffic termination;
Local Loop Unbundling (LLU)	–	A type of regulatory broadband access enabling provision of broadband service by an altnet to customers connected by a copper line owned by TPSA. The altnet installs DSLAM equipment at a TPSA local network node and connects it to its own backbone network. The altnet may offer broadband and voice service to any customer connected by TPSA copper line to the given node. The alnet can offer an unrestricted range of services and pays TPSA space rental and monthly fees per customer line used.
Professional services	–	costs of legal, financial and other services (excluding insurance and taxes and fees, which are presented separately) provided to Netia by third parties;
Other telecommunications services revenues	–	revenues from provisioning Internet dial-in services for Netia's indirect customers (based on a call-back principle and an access number (0-20)); revenues from provisioning free-phone, split-charge and premium rate services (i.e., 0-800, 0-801 and 0-70x type services), netted against the cost of revenue sharing; as well as other non-core revenues;
Radiocommunications revenue	–	revenues from radio-trunking services provided by Netia's subsidiary, UNI-Net Sp. z o.o.;
Subscriber line	–	a connected line which became activated and generated revenue at the end of the period;

Voice ARPU	–	average monthly revenue per direct voice line during the period; ARPU is obtained by dividing the amount of monthly revenues from direct voice services (excluding installation fees) by the average number of subscriber lines, in each case for the referenced three-month period;
Wholesale Line Rental (WLR)	–	A type of regulatory voice access enabling provision of voice service by an altnet to customers connected by a copper line owned by TPSA. The altnet connects to the TPSA voice network and charges the customer for both line rental and calls made. TPSA receives a payment for line rental plus call origination fees and keeps all interconnection revenues from incoming calls.
Wholesale services	–	revenues from providing commercial network services such as voice termination, incoming Voice over Internet Protocol (VoIP), telehousing and collocation as well as backbone-based services.

Netia management will hold a conference call to review the results on February 22, 2010 at 09:00 AM (UK) / 10:00 AM (Continent) / 04:00 AM (Eastern).

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Replay number:
(UK) +44 20 8196 1998
Passcode: 4053886#

A link to an audio recording of the conference call for replay on a later date will be posted on Netia's investor website (www.investor.netia.pl)

For further information, please contact Anna Kuchnio at +48 22 352 2061, email: anna_kuchnio@netia.pl or Aneta Lipiec at +48 22 352 2525, e-mail: aneta_lipiec@netia.pl.

Some of the information contained in this news release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Netia undertakes no obligation to publicly update or revise any forward-looking statements.

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