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## **NETIA REPORTS 2010 FIRST QUARTER RESULTS**

WARSAW, Poland – May 6, 2010 – Netia SA ("Netia" or the "Company") (WSE: NET), Poland's largest alternative provider of fixed-line telecommunications services, today announced its unaudited consolidated financial results for the quarter ended March 31, 2010.

### **1. KEY HIGHLIGHTS**

#### **1.1. Financial**

- > **Revenue** was PLN 387.0m in Q1 2010, up by 3% versus Q1 2009 and rose sequentially by 0.2% from PLN 386.2m in Q4 2009, supported by the continued momentum in new additions.
- > **Adjusted EBITDA** was PLN 90.8m for Q1 2010, up by 27% over Q1 2009 and by 18% over Q4 2009, with profitability gains resulting mainly from further progress in delivering group-wide cost reductions via Project Profit as well as synergies from the Tele2 Polska acquisition and sequentially lower cost of subscriber acquisitions following the record new customer intake in Q4 2009. Adjusted EBITDA margin was 23.5% versus 19.0% for Q1 2009 and 19.9% for Q4 2009.
- > **EBITDA** was PLN 93.5m for Q1 2010, up by 34% versus Q1 2009 and by 3% versus Q4 2009. Unusual items expensed were related to Project Profit with PLN 0.2m in Q1 2010 as compared to PLN 1.6m in Q1 2009 and PLN 1.5m in Q4 2009. Unusual gains reflected in EBITDA included a PLN 2.9m gain on the disposal of the second tranche of transmission equipment to P4 in Q1 2010 as compared to a positive accounting impact of PLN 15.3m from the settlement agreement with TP in Q4 2009. EBITDA margin was 24.2% in Q1 2010 as compared to 18.6% for Q1 2009 and 23.5% for Q4 2009.
- > **EBIT profit** increased to PLN 19.5m (PLN 16.8m profit when excluding one-offs) in Q1 2010 as compared to EBIT loss of PLN 3.0m (PLN 1.4m loss when excluding one-offs) in Q1 2009 and EBIT profit of PLN 15.2m (PLN 1.3m profit when excluding one-offs) in Q4 2009.
- > **Net profit** was PLN 14.3m versus net loss of PLN 6.4m for Q1 2009 and net profit of PLN 99.1m in Q4 2009. The net result in Q4 2009 was supported by the recognition of a deferred income tax asset of PLN 88.3m and PLN 15.3m from the settlement agreement with TP.
- > **Cash resources** at March 31, 2010 totalled PLN 206.3m (PLN 108.7m in cash and cash equivalents plus PLN 97.6m in treasury bills at market value), down by PLN 33.3m from December 2009. During Q1 2010 Netia paid PLN 59.6m to meet an enforceable decision of the Director of the Tax Chamber in Warsaw relating to Netia's corporate income tax ("CIT") for the year 2003, in parallel appealing against this decision to the Voivodship Administrative Court. In addition, capex related payments were PLN 56.5m for Q1 2010 as payables related to investments made in Q4 2009 were paid down. The group continues to have PLN 295.0m of undrawn credit lines at its disposal.

- > **Netia was operating free cash flow positive in Q1 2010.** Total capital investments in tangible and intangible fixed assets, excluding acquisitions of Ethernet networks, were PLN 29.0m, which given quarterly EBITDA of PLN 93.5m generated operating free cash flow of PLN 64.5m. Including the acquisitions of Ethernet networks totaling PLN 0.8m, the positive operating free cash flow was PLN 63.7m. Netia has generated PLN 130.7m of free cash flow on the above basis, excluding acquisitions, over the past 12 months.
- > **Today Netia is increasing its year-end 2010 guidance for the number of broadband subscribers** from 680,000 to 700,000, reflecting net customer additions in Q1 2010 being above management's original expectations. Other elements of the 2010 guidance and the mid term outlook remain unchanged.

## **1.2. Operational**

- > **Netia's broadband subscriber base** reached 603,367 at March 31, 2010, growing by 8% from 559,317 at December 31, 2009 and by 37% from 441,266 at March 31, 2009. Netia estimates that its total fixed broadband market share increased to 10.5% from 8.4% at March 31, 2009 while market share of fixed broadband net additions was approximately 35% in Q1 2010. Netia added 44,050 net broadband customers during Q1 2010 as compared to a record high 69,494 net additions in Q4 2009 and 27,621 net additions in Q1 2009. Growth in Q1 2010 was almost entirely organic, supported by promotional offers and creative advertising campaigns. Ethernet networks' acquisitions provided 1,287 of the quarter's net additions. For 2010, Netia is now forecasting 700,000 broadband customers with any acquisitions to come on top (guidance revised upwards by 20,000). As at May 6, 2010, Netia had over 608,000 broadband subscribers.
- > **Netia's voice subscriber base** (own network, WLR and LLU) reached 1,173,008 at March 31, 2010, increasing by 1% from 1,158,448 at December 31, 2009 and by 6% from 1,105,043 at March 31, 2009. Netia estimates that its total fixed voice market share increased to 11.8% from 10.6% over the last twelve months. Of the total voice customers served at March 31, 2010, 33% 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 307 nodes unbundled and total coverage of approximately 2.7m lines as at March 31, 2010. Netia had acquired a total of 59,505 LLU clients by the end of Q1 2010. During Q1 2010 Netia introduced certain operational improvements to the business processes supporting the migration of 2play customers onto full LLU access. As a result, the Company only migrated 1play clients during the quarter, transferring 1,052 clients. Migrations onto full LLU access restarted in mid-April 2010. As at May 6, 2010, the Company had over 62,000 LLU subscribers and 318 unbundled LLU nodes. Netia plans to unbundle over 500 nodes by the year-end 2010.
- > **A new group-wide project "Klientomania", aimed at delivering market leading customer satisfaction** as another differentiating factor for Netia on the Polish telecommunications market, was launched in March 2010. The project covers the whole life cycle of the customer's relationship with Netia and engages all functions in the Company. More information about the scope of the project to be implemented will be provided later in 2010.

**Mirosław Godlewski, Netia's President and CEO**, commented: "Netia has made a strong start to 2010, registering a highly satisfying 44 thousand broadband organic net additions, the second highest single quarter performance we have seen since we began our broadband driven growth strategy almost three years ago. Our broadband market share has advanced another 0.5 pp during the quarter to reach 10.5% of the total Polish broadband market and Netia has taken 35% of market net additions during the 12 months to March 31, 2010.

After this strong start to the year, and in anticipation of a faster growing market over the coming months, we have today increased our broadband subscriber target from 680,000 to 700,000, with Ethernet acquisitions to come on top. Moreover, following the incumbent's recent cuts to prices of higher speed services, we expect and welcome a shift in the market towards higher band-widths and hope that this will be supportive of stable broadband ARPUs for the rest of 2010. We have just introduced excellent new high speed offers of our own and I am optimistic that Netia will continue to take significant market share over the balance of the year.

Today's results show clearly the positive impact of last year's Tele2 Polska integration and Project Profit cost reductions with our first quarter net profits up to PLN 14.3m from a loss of PLN 6.4m a year ago. Netia is now well established as a profitable business and we fully expect to grow our profits over the coming quarters and years in line with our guidance.

I am pleased about the way 2010 has started and I am expecting important benefits to come from this year's major cross company project, "Klientomania", which is designed to deliver material improvements in the quality of service delivered to our customers. Moreover, we continue to monitor opportunities for a major acquisition that could provide a further step change to our scale and profitability."

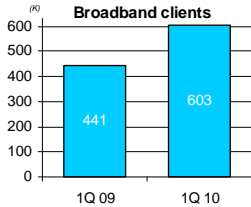
**Jon Eastick, Netia's CFO**, commented: "Netia has delivered a strong set of results for the first quarter of 2010. Revenues are up by 3% year on year at PLN 387.0m despite continued pressure on our business customer segments from the economic environment and the staged withdrawal from our transmission services contract with mobile operator P4. The growth is underpinned by an 11% year on year revenue growth rate in our residential business, which followed up Q4 2009's record broadband sales with an outstanding Q1 2010. It is particularly pleasing to report sales, distribution and administration expenses down significantly on a year ago, contributing 4 percentage points of EBITDA margin improvement, as a result of our efficiency efforts. The scale of this improvement is underpinned by the fact that advertising spending is up 25% and organic broadband net additions, and therefore acquisition costs, are up by 65% on the prior year quarter.

Q1 2010 was the fifth quarter in row where our EBITDA has exceeded capital investment to register positive operating free cash flow and we are well on track to deliver PLN 140.0m in free cash flow for 2010 as a whole, up by 111% on 2009.

We anticipate accelerating new additions of voice services, that will drive acquisition costs (SAC) and we still have to incur the costs of migrating tens of thousands of bitstream customers over to LLU so, despite already reaching our 2010 target EBITDA margin of 23% in Q1 2010, we have not increased our full year EBITDA guidance of PLN 360.0m at this time."

## 2. OPERATIONAL OVERVIEW

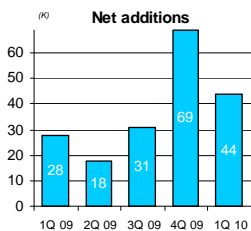
### 2.1. Broadband



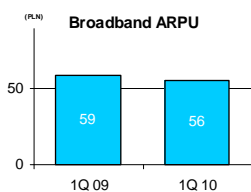
**Broadband** subscribers increased to 603,367 at March 31, 2010, up from 559,317 at December 31, 2009 and 441,266 at March 31, 2009. By the end of 2010, Netia aims to reach over 700,000 broadband subscribers through further organic growth, with potential for a higher figure pending additional Ethernet network acquisitions.

Netia provides its broadband services using the following technologies:

Number of broadband ports	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
xDSL and FastEthernet over Netia's own fixed-line network	174,874	176,769	179,733	200,060	205,045
WiMAX Internet	13,416	14,467	15,791	17,079	18,094
Bitstream access	248,455	259,626	272,419	293,782	320,470
LLU	3,764	7,324	21,281	48,117	59,505
Other	757	674	599	279	253
<b>Total</b>	<b>441,266</b>	<b>458,860</b>	<b>489,823</b>	<b>559,317</b>	<b>603,367</b>



**Broadband net additions** totalled 44,050 during Q1 2010 as compared to 69,494 during Q4 2009 and 27,621 during Q1 2009, with the majority of all additions acquired through organic growth. Additions from Ethernet network acquisitions amounted to 1,287 for Q1 2010 as compared to 14,509 for Q4 2009 and 1,457 for Q1 2009. Netia estimates that its total fixed broadband market share has increased during the past twelve months from 8.1% to approximately 10.5% and that its market share of total net additions in Q1 2010 was approximately 35.0%.



**Broadband ARPU** was PLN 56 in Q1 2010 as compared to PLN 59 in Q1 2009 and PLN 60 in Q4 2009. The first full quarter's effect of the high volumes of new additions achieved with aggressive offers since September 2009 is responsible for the ARPU decline. Broadband ARPU is expected to settle between PLN 50 and PLN 60 per month in the medium term.

**Broadband SAC** was PLN 186 in Q4 2010 as compared to PLN 184 in Q1 2009 and PLN 206 in Q4 2009. The sequential decrease in Broadband SAC was associated with improved conversion rates between sold and active products.

#### **Important developments in broadband:**

Local loop unbundling (LLU). In Q1 2010 Netia continued to extend the reach of its LLU-based services. Netia had 307 unbundled nodes at March 31, 2010 versus 297 nodes at December 31, 2009, reaching approximately 2.7 million active customer lines. As of today, Netia has 318 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 59,505 customers over LLU as at March 31, 2010 as compared to 48,117 at December 31, 2009 and 3,764 at March 31, 2009. Netia has been migrating 1play customers to the higher margin LLU services under a process which began in May 2009 and migrations of 2play customers to full LLU access started in November 2009. During Q1 2010 Netia introduced certain operational improvements to the business process supporting the migration of 2play customers onto full LLU access. As a result, the Company only migrated 1play clients during the quarter. Following the successful results of the migration tests under a performed pilot project, migrations of 2play customers

restarted in mid-April. During Q1 2010 Netia had migrated 1,052 1play clients onto LLU, increasing the total number of 1play and 2play migrations to 25,572.

Acquisitions of local Ethernet network operators. As of March 31, 2010, Ethernet networks acquired by Netia since mid-2007 provided broadband access to a total of 106,420 mostly residential customers as compared to 105,678 customers at December 31, 2009, 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 Q1 2010 Netia acquired the networks and customers of two Ethernet providers with a total of 1,287 active customers. The average price paid per customer in these asset transfers was PLN 567.

Progress on commercialization of TV services. Netia continues to work hard on various alternatives to profitably deliver quality TV content to our customers before the end of 2010.

Operational issues resulting from the Q4 2009 promotions are now resolved.

The very attractive pricing and speeds offered in last autumn's 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 in Q4 2010 and arranging additional outsourced call center consultants and technical support. As expected, Netia overcame the above problems during Q1 2010, returning to normal service levels from February 2010.

Introduction of new, higher speeds for broadband access.

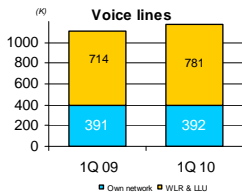
On April 19, 2010 Netia expanded its existing Internet access offering with new 10 Mb/s and 20 Mb/s speeds. The speeds are available under 24 month contracts to clients served over bitstream access, Netia's own network and unbundled local loops for the promotional gross price of PLN 69. Additionally, clients buying bundled voice and Internet services were offered a Wi-Fi router for PLN 1 and an exemption from the monthly telephony subscription fee during the first 4 months.

Other broadband transmission speeds in Netia's product portfolio remained unchanged and include 1 Mb/s or 4 Mb/s (offered over bitstream access) and 2 Mb/s or 8 Mb/s (offered over own network and LLU), priced respectively at PLN 49 and PLN 59 gross.

The introduction of new broadband speeds followed the similar changes in TP's offering, which allowed Netia to launch its own high speed broadband offer nationwide and at competitive prices based on the existing 'retail minus' framework for BSA plus LLU and Netia's own ADSL network. The Company expects faster market growth and little or no ARPU deterioration for broadband services in the residential segment as customers are expected to trade up to faster broadband speeds.

## 2.2. Voice

### 2.2.1. Own network & WLR



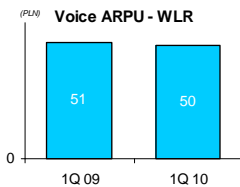
**Voice lines (own network, WLR and LLU)** totalled 1,173,008 at March 31, 2010 as compared to 1,105,043 at March 31, 2009 and 1,158,448 at December 31, 2009. By the end of 2010, Netia aims to have over 1,225,000 voice subscribers (own network + WLR + LLU), with the additional subscribers to be acquired organically.

The year-on-year increase in the number of voice lines resulted mainly from growth within WLR-based voice services.

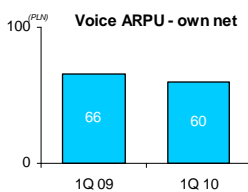
Netia is steadily growing its base of voice customers using relatively low cost VoIP technology, principally in the business segment or over LLU to residential customers. Over time, the Company expects to gradually reduce its reliance on traditional switched telephony, thereby reducing its cost base.

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

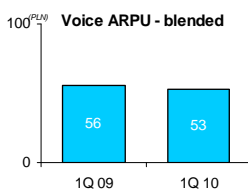
Number of voice lines	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Traditional direct voice	361,963	359,024	355,726	349,824	346,731
<i>Incl. ISDN</i>	<i>129,810</i>	<i>132,024</i>	<i>134,478</i>	<i>136,350</i>	<i>139,182</i>
<i>Incl. Legacy wireless</i>	<i>39,728</i>	<i>38,791</i>	<i>39,324</i>	<i>37,316</i>	<i>37,582</i>
Voice over IP ( <i>excl. LLU</i> )	11,421	13,546	16,618	19,734	23,848
WiMAX voice	17,330	18,349	19,758	21,526	21,699
<b>Netia network subscriber voice lines</b>	<b>390,714</b>	<b>390,919</b>	<b>392,102</b>	<b>391,084</b>	<b>392,278</b>
WLR	710,633	730,913	740,086	743,231	746,959
LLU voice over IP	3,696	6,896	14,688	24,133	33,771
<b>Total</b>	<b>1,105,043</b>	<b>1,128,728</b>	<b>1,146,876</b>	<b>1,158,448</b>	<b>1,173,008</b>



**Voice ARPU per WLR line** amounted to PLN 50 in Q1 2010 as compared to PLN 51 in Q1 2009 and PLN 51 in Q4 2009.

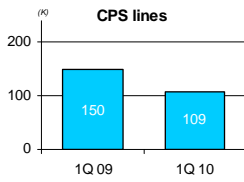


**Voice ARPU per Netia network subscriber line** amounted to PLN 60 in Q1 2010 as compared to PLN 66 in Q1 2009 and PLN 62 in Q4 2009, with the decreases reflecting overall tariff reduction trends and reduced usage.



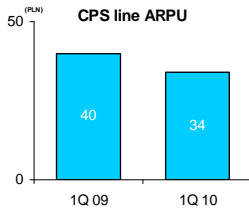
**Blended voice ARPU** was PLN 53 in Q1 2010 as compared to PLN 56 in Q1 2009 and PLN 55 in Q4 2009. In the medium term, Netia expects blended voice ARPU to stabilize.

### 2.2.2. Indirect voice



**CPS lines** (*carrier pre selection*) totalled 108,705 at March 31, 2010 as compared to 150,076 at March 31, 2009 and 116,628 at December 31, 2009. Netia is focused on the conversion of Tele2 Polska's CPS customers to WLR and is not actively acquiring new CPS customers.

CPS clients are not counted in the total Netia voice subscriber base of 1,173,008 clients as at March 31, 2010.



**Indirect voice ARPU per CPS line** was PLN 34 in Q1 2010 as compared to PLN 40 in Q1 2009 and PLN 36 in Q4 2009. Tariff reductions, reduced call volumes and conversion of higher ARPU customers to Netia's WLR or LLU offers is responsible for the year-on-year ARPU decline.

### 2.3. Other

**Headcount** for the Netia group was 1,410 at March 31, 2010, compared to 1,609 at March 31, 2009 and 1,432 at December 31, 2009. Active headcount was 1,359 at March 31, 2010 versus 1,557 at March 31, 2009 and 1,369 at December 31, 2009. The decrease in headcount was driven by the "Profit" restructuring project implemented during 2009 and was achieved despite the addition of employees of new Ethernet networks acquired during the twelve month period.

The movement in headcount can be analyzed as follows:

	Active	Total
<b>Headcount at March 31, 2009</b>	<b>1,557</b>	<b>1,609</b>
Ethernet networks' acquired headcount	45	45
Headcount reductions, net	(243)	(244)
<b>Headcount at March 31, 2010</b>	<b>1,359</b>	<b>1,410</b>

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)	1Q 2010	1Q 2009	Change %
Existing network and IT	12.5	25.3	-51%
Broadband networks	15.0	33.9	-56%
P4 transmission project	1.7	10.6	-84%
<b>Total</b>	<b>29.2</b>	<b>69.8</b>	<b>-58%</b>

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 decrease in capital expenditures related to broadband networks reflects differences in the timing of major project completions between years. 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. 2010 will witness the final phase of LLU roll-out with respect to 200 additional nodes to be unbundled country-wide.

Capex related payments were PLN 56.5m for Q1 2010 as payables related to investments made in Q4 2009 were paid down.

A significant part of the foreign exchange exposure on capital investment was hedged with forward contracts.

### **3. OTHER HIGHLIGHTS**

**Customer satisfaction initiatives (the “Klientomania” project).** Following the rapid acquisition of new customers in 2009, supported by the attractive product offering and extended service reach thanks to both Ethernet acquisitions and regulated access opportunities, Netia decided to focus its 2010 strategic initiatives on customer care quality. In March 2010 a new project “Klientomania” was launched, with a goal to increase customer satisfaction at every stage of the customer life cycle and to establish Netia as the clear market leader in this respect.

Currently in the research phase, the project is scheduled for implementation of the most important customer satisfaction initiatives during H2 2010. Certain “quick-win” initiatives are already in implementation.

The “Klientomania” project is being conducted with participation of all functions in the Company as well as the assistance of external consultants from The Boston Consulting Group.

**Status of the settlement with TP.** Following the settlement between TP and UKE on October 22, 2009 and the signing of Netia’s settlement with TP on December 23, 2009, progress has been made in implementing these agreements.

As committed in the settlement agreement, both TP and Netia have mutually withdrawn the vast majority of regulatory related court cases that were running between them.

Netia now enjoys frozen wholesale rates for WLR and LLU that should remain in place until the end of 2012. Bitstream access arrangements are currently in a transition period as the regime switches from ‘retail minus’ to ‘cost plus’ whereby ‘retail minus’ rules continue to apply.

During Q1 2010, the alternative operators have been preparing cost calculations for their bitstream operations and Netia has already submitted its costs to the regulator. These cost calculations are to be used in margin squeeze tests to be ex-ante applied to TP’s new retail offers starting from later in 2010. Should TP tariffs fail the margin squeeze test, the regulator is expected to impose ‘retail minus’ solutions to protect the altnet operators’ margins. Moreover, wholesale rates for broadband speeds that were part of TP’s retail offer at October 10, 2009, may not increase from the levels paid by altnets at that time. Accordingly, the new regime will principally apply to new services.

**Decision of the Director of the Tax Control Office.** On February 19, 2010 Netia received 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) and resulted in Netia’s liability being reduced by 40%.

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 December 31, 2003.

According to Netia, the decisions of the UKS Director and the Tax Chamber Director are in conflict with the relevant tax regulations. On March 22, 2010 the Company appealed 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. 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% per annum). Netia will undertake all possible legal steps to prove that the decision of the Tax Chamber's Director was groundless.

Netia executed the decision of the Tax Chamber Director, which was enforceable as a decision of the second instance tax authority, on February 23, 2010 using some of the Company's cash deposits. Netia is treating the overpaid tax as a receivable in its accounts rather than as an expense, due to Management's expectations, based on the expert advice received, that the amounts paid will ultimately be recovered.

**Netia's ordinary shareholders meeting** was convened for May 26, 2010. The proposed meeting agenda includes the approval of 2009 financial statements and reinvestments of profits, issuance of subscription warrants and the conditional increase of Netia's authorized share capital by 21.6m shares to provide for stock option plans for 2010-2020 for Netia's management board and key managers and for the plan for supervisory board members as defined in resolution 27 from last years Annual General Meeting, as well as related amendments of the Company's statute.

**Funding.** On March 31, 2010, Netia had PLN 108.7m in cash plus PLN 97.6m in treasury bills (market value) and PLN 295.0m of available undrawn bank facilities. 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.

**Increase of Netia's share capital.** As a result of an exercise of stock options by Netia managers (who are not management board members), which were granted under the Company's incentive program, on March 30, 2010 Netia issued, from its authorized capital, 61,059 ordinary bearer series K shares with a nominal value of PLN 1 each, which give the right to 61,059 votes at Netia's general meeting of shareholders. The newly issued shares were admitted to trading on the Warsaw Stock Exchange from April 15, 2010, following their assimilation with the remaining Netia's shares. Currently, Netia's issued and outstanding share capital is PLN 389,338,353 (389,338,353 shares issued and outstanding at PLN 1 par value per share). Under the existing stock option program, the Company may issue up to a further 13,258,206 new shares until December 20, 2012.

#### **4. REVISED GUIDANCE FOR FY2010**

Netia today increased its FY2010 broadband service clients guidance by 3% from 680,000 to 700,000, reflecting the progress made in net subscriber additions during Q1 2010. Other components of the FY2010 guidance remain unchanged versus the guidance published on February 22, 2010. In particular, EBITDA guidance was maintained as Netia expects to expense more acquisition costs relating to voice customers and the costs of migrating 2play customers onto LLU in the three quarters to come.

Full revised guidance for 2010 is set out below:

	Previous	Revised
Number of broadband service clients <i>(excl. Ethernet acquisitions)</i>	680,000	700,000
Number of voice service clients <i>(own network, WLR and LLU)</i>	1,225,000	1,225,000
Unbundled local loop (LLU) nodes	500+	500+
Revenue <i>(PLN m)</i>	1,550.0+	1,550.0+
Adjusted EBITDA <i>(PLN m)</i>	355.0+	355.0+
Adjusted EBITDA margin <i>(PLN m)</i>	23%	23%
EBITDA <i>(PLN m)</i>	360.0+	360.0+
EBIT <i>(PLN m)</i>	60.0+	60.0+
Capital investment (excl. M&A) <i>(PLN m)</i>	220.0	220.0
Capital investment to sales (%)	14%	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:

	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

## Consolidated Financial Information

Please also refer to our financial statements for the three-month period ended March 31, 2010.

### Q1 2010 vs. Q1 2009

**Revenue** rose by 3% YoY to PLN 387.0m for Q1 2010 from PLN 375.7m for Q1 2009. This growth was supported by effective execution of Netia's broadband-driven strategy and the continued good momentum in new sales and was achieved despite PLN 4.1m (33%) lower revenue from the P4 transmission project.

Telecommunication revenue increased by 3% YoY to PLN 385.7m in Q1 2010 from PLN 374.4m in Q1 2009. Data revenue increased to PLN 142.8m, up by 17% YoY from PLN 122.0m in Q1 2009, 20 percentage points being attributable to broadband-related organic growth, 1 percentage point to acquisitions of Ethernet operators while data transmission connections for P4 accounted for a decrease of 3 percentage points. Revenue from direct voice services grew by 1% YoY and amounted to PLN 186.6m and PLN 184.0m for Q1 2010 and Q1 2009, respectively, supported by Netia's organic additions of WLR voice customers.

The overall revenue level was supported by growth in wholesale services with an increase of 13% YoY or PLN 2.6m. The gradual run-down in indirect voice customers produced a revenue decrease of 41% YoY or PLN 8.2m.

Interconnection revenue decreased between the comparable periods by 24% YoY or PLN 5.1m, mostly as a result of lower volumes of transit traffic.

**Cost of sales** increased by 3% YoY to PLN 260.2m from PLN 251.8m for Q1 2009 and represented 67% of total revenue for both Q1 2010 and Q1 2009.

Network operations and maintenance costs increased by 11% YoY to PLN 130.4m for Q1 2010 from PLN 117.5m for Q1 2009. This rise was driven by the costs of rapidly expanding bitstream, WLR and LLU access customer bases which increased by a combined 18%.

Interconnection charges decreased by 13% YoY to PLN 48.9m in Q1 2010 as compared to PLN 56.0m for Q1 2009. This was mainly a result of the introduction of lower MTR (mobile termination rates) in 2009 and lower transit and wholesale termination volumes.

Costs of goods sold increased by 65% YoY to PLN 4.0m from PLN 2.4m in Q1 2009, driven by higher broadband gross additions and sales of mobile devices sold to new mobile data and mobile voice customers.

Depreciation and amortization related to cost of sales was up by 2% YoY to PLN 61.3m from PLN 59.8m in Q1 2009.

Salaries and benefits related to cost of sales (excluding restructuring costs) decreased by 19% YoY to PLN 5.1m from PLN 6.3m in Q1 2009 reflecting the reduced employment level following the "Profit" project.

**Gross profit** for Q1 2010 was PLN 126.7m as compared to PLN 123.8m for Q1 2009. Gross profit margin was 33.0% for Q1 2010 and Q1 2009. Lower ARPUs and higher volumes of lower margin regulated access customers in the subscriber mix plus higher costs associated with activation of a much higher volume of new broadband customers in Q1 2010 offset cost savings at the gross margin level.

**Selling and distribution costs** decreased by 7% YoY to PLN 78.0m in Q1 2010 from PLN 84.1m for Q1 2009 and represented 20% of total revenue as compared to 22% in Q1 2009. This improvement fully reflects the positive impact of Tele2 Polska related synergies and the "Profit" Project on the structure of selling and distribution costs as both advertising spending and broadband additions were higher in 2010 whilst total selling and distribution cost fell.

Billing, mailing and logistics costs decreased significantly by 35% YoY to PLN 9.2m from PLN 14.2m in Q1 2009, mainly due to eliminating from Q4 2009 Tele2 Polska's cost of

outsourced billing, following the completed migration of Tele2 Polska customers onto Netia's systems in Q3 2009.

Third party commissions paid for the acquisition of new customers were down by 16% YoY to PLN 11.1m from PLN 13.2m in Q1 2009, reflecting changes in the commission systems for third parties reselling Netia services and in particular the shift of legacy Tele2 Polska distribution channels onto the Netia commission system and practices.

Advertising and promotion expenditure was up by 25% YoY to PLN 11.2m from PLN 9.0m in Q1 2009. The increase was due to the launch of ATL campaigns promoting new offers in Q1 2010 and an unusually low spend level in Q1 2009. Spending is expected to be broadly flat on 2009 levels for the year as a whole.

Salaries and benefits costs related to selling and distribution (excluding the restructuring costs) decreased by 5% YoY to PLN 22.1m from PLN 23.3m in Q1 2009 due to staff reductions from the "Profit" project.

Outsourced customer service costs fell by 3% YoY to PLN 8.2m from PLN 8.5m in Q1 2009 despite the higher customer volumes.

Depreciation and amortization related to selling and distribution was down by 10% YoY to PLN 8.0m from PLN 8.8m in Q1 2009, mostly due to the completed amortization of the Tele2 Polska trade mark in Q1 2009.

Restructuring costs related to selling and distribution were PLN 0.1m that is down by 89% as the majority of costs attributable to the "Profit" Project were incurred in 2009.

**General and administration costs** decreased by 21% YoY to PLN 36.9m from PLN 46.6m for Q1 2009 and represented 10% of total revenue as compared to 12% in Q1 2009, reflecting expenditure reductions following the "Project" Profit.

Salaries and benefits costs related to general administration (excluding the restructuring costs) decreased by 13% YoY to PLN 19.4m from PLN 22.4m in Q1 2009, reflecting the headcount decrease.

Electronic data processing costs related to general administration were down by 46% YoY to PLN 2.5m from PLN 4.6m in Q1 2009 as the prior year quarter included costs of preparing for the migration of the Tele2 Polska's outsourced billing system to Netia's own platform in Q3 2009.

Office and car maintenance costs decreased by 36% YoY to PLN 3.3m from PLN 5.2m in Q1 2009, mainly due to the recognition in Q1 2009 of the estimated loss on a rental contract for the former Tele2 Polska's head office, which Netia subleased and the "Profit" Project related cost reductions.

Restructuring costs related to general administration were PLN 0.1m compared to PLN 0.9m in Q1 2009 as the vast majority of costs in connection with the "Profit" project were incurred in 2009.

**Other income** was PLN 4.9m as compared to PLN 2.9m in Q1 2009, and included the net result from the final settlement with Tele2 Sverige of PLN 1.5m.

**Other gains, net** were PLN 2.8m as compared to PLN 0.9m in Q1 2009. This included a gain of PLN 2.9m on disposal of the second of three tranches of radio transmission equipment to P4.

**Adjusted EBITDA** increased by 27% YoY to PLN 90.8m from PLN 71.5m for Q1 2009. Including restructuring expenses related to "Profit" Project executed during 2009, which amounted to PLN 0.2 in Q1 2010 and the PLN 2.9m gain on the disposal of the second tranche of transmission equipment to P4, **EBITDA** was PLN 93.5m, 34% up on Q1 2009. Adjusted EBITDA margin increased to 23.5% and EBITDA margin increased to 24.2% as compared to EBITDA margin of 18.6% in Q1 2009.

**Depreciation and amortization** remained almost stable YoY and amounted to PLN 74.0m as compared to PLN 73.0m in Q1 2009.

**Operating profit (EBIT)** was PLN 19.5m as compared to an operating loss of PLN 3.0m for Q1 2009, reflecting increased scale, synergies realized on the Tele2 Polska acquisition, the "Profit" Project savings, and falling interconnection costs as a percentage of revenue partly offset by falling voice ARPU. Excluding restructuring expenses related to "Profit" Project of PLN 0.2m in Q1 2010 and the PLN 2.9m gain on

the disposal of the second tranche of transmission equipment to P4, EBIT for Q1 2010 would have been PLN 16.8m.

**Net finance cost** was PLN 2.1m as compared to PLN 3.9m in Q1 2009.

**Income tax charge**, which was mainly related to deferred taxes, of PLN 3.1m was recorded in Q1 2010 following the recognition of the deferred income tax assets in Q4 2009.

**Net profit** was PLN 14.3m versus net loss of PLN 6.4m for Q1 2009.

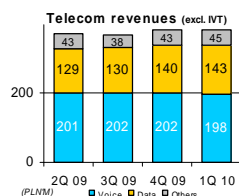
**Capital investment for the purchase of fixed assets and computer software)** decreased by 23% to PLN 56.6m for Q1 2010 from PLN 74.0m for Q1 2009. The year-on-year decrease in capital investments largely results from major projects completion in 2009 and no significant one-time outlays for WiMax and P4 transmission projects in Q1 2010. As in previous years, Q1 saw significant cash consumption from reducing fixed asset investment related payables generated by the fourth quarter annual peak in investment spending.

**Other significant cash items** during the first quarter of 2010 were PLN 38.5m outflow related to the purchases of short-dated treasury bills and a PLN 59.6m outflow to meet the claim of an enforceable decision of the Director of the Tax Chamber in Warsaw relating to Netia's corporate income tax ("CIT") due for the year 2003.

**Cash and cash equivalents** at March 31, 2010 totalled PLN 206.3m (PLN 108.7m in cash and cash equivalents plus PLN 97.6m in treasury bills at market value), down by PLN 33.3m from December 2009, while Netia had PLN 295.0m of available undrawn credit lines.

**Netia was debt free** at March 31, 2010, with a PLN 295.0m credit facility available until June 30, 2011 to finance Netia's future investment requirements.

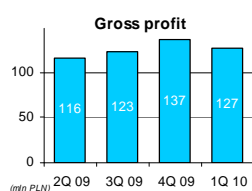
## Q1 2010 vs. Q4 2009



**Revenue** rose slightly quarter on quarter and amounted to PLN 387.0m in Q1 2010 as compared to PLN 386.2m in Q4 2009.

**Telecommunication revenue** QoQ was PLN 385.7m in Q1 2010 and PLN 384.9m in Q4 2009. Data revenue slightly increased by 2% to PLN 142.8m in Q1 2010 versus PLN 139.7m in Q4 2009. Data revenues rose despite a further PLN 1.8m or 22% sequential reduction in revenue from the P4 transmission project after the second of three tranches of equipment was transferred on January 1, 2010. Voice revenue decreased sequentially by 2% to PLN 198.2m in Q1 2010 from PLN 202.4m, mainly due to decreased traffic volumes. Relatively higher transit traffic volumes in Q1 2010 compared to Q4 2009 resulted in wholesale and interconnection revenue increasing by PLN 2.1m or 6% driven by several opportunistic deals in the carriers segment.

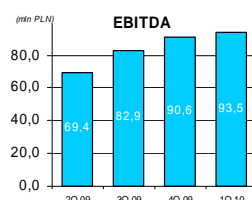
**Cost of sales** increased by 4% QoQ to PLN 260.2m from PLN 249.5m in Q4 2009 and represented 67% of total revenue in Q1 2010 as compared to 65% in Q4 2009. The increase resulted mainly from higher cost of network maintenance driven by the costs of rapidly expanding Bitstream, WLR and LLU access customers. In addition, "Taxes, frequencies and other expenses" category grew to PLN 10.5m in Q1 2010 versus PLN 4.0m in Q4 2009 when it included a credit of PLN 6.0m related to the TP settlement. The above increases were offset by decreased cost of goods sold which dropped by 43% QoQ or PLN 4.0m due to reduced customer migrations from BSA to LLU and somewhat slower broadband additions and lower costs of modems, and lower depreciation and amortization costs.



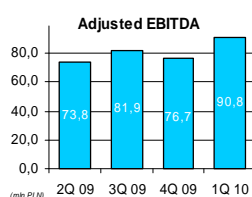
**Gross profit** was PLN 126.8m in Q1 2010 as compared to PLN 136.8m in Q4 2009, with gross profit margin decreasing from 35.4% to 32.8%. Excluding the effect of TP settlement concluded in Q4 2009 of PLN 9.7m the gross profit for Q4 2009 would have been PLN 127.1m.

**Selling and distribution costs** decreased QoQ by 8% from PLN 77.9m in Q1 2010 as compared to PLN 84.8m in Q4 2009 and represented 20% of total revenue in Q1 2010 as compared to 22% in Q4 2009. The decrease was mainly supported by lower advertising and promotion expenses compared to intensified advertising campaigns in Q4 2009 and significantly lower third party commissions reflecting changes in the commission systems for third parties reselling Netia services and lower sales volumes. Cost of salaries and benefits increased by 11% or PLN 2.1m due to higher provisions for commissions payments.

**General and administrative expenses** decreased by 16% to PLN 36.9m in Q1 2010 from PLN 44.0m in Q4 2009, and represented 10% and 11% of total revenue in Q1 2010 and Q4 2009, respectively. This drop is attributable mainly to reduction of restructuring costs of the "Profit" Project, which were incurred already in 2009, lower costs of electronic data processing and lower salaries and benefits.



**EBITDA** was PLN 93.5m as compared to PLN 90.6m in Q4 2009. Excluding restructuring expenses related to Project Profit executed during 2009, which amounted to PLN 0.2m in Q1 2010 and a PLN 2.9m gain on the disposal of the second tranche of transmission equipment to P4, **Adjusted EBITDA** was PLN 90.8m in Q1 2010 as compared to PLN 76.7m in Q4 2009 and Adjusted EBITDA margin increased to 23.5% from 19.9% in Q4 2009. EBITDA margin was 24.2% versus 23.5% in Q4 2009.



**Operating profit (EBIT)** was PLN 19.5m as compared to operating profit of PLN 15.2m in Q4 2009. Excluding the positive impact of one-offs, operating profit was PLN 16.8m in Q1 2010 as compared to PLN 1.3m in Q4 2009.

**Income tax charge** of PLN 3.1m was recorded in Q1 2010 following the recognition of the deferred income tax assets of PLN 88.3m in Q4 2009.

**Net profit** of PLN 14.3m was recorded in Q1 2010 as compared to net profit of PLN 99.1m in Q4 2009. The net result in Q4 2009 was supported by the recognition of a deferred income tax asset of PLN 88.3m and PLN 15.3m recorded on the settlement agreement with TP.

## Key Figures

PLN'000	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Revenues .....	375,665	373,679	370,281	386,246	386,979
<i>y-o-y % change</i> .....	58.2%	53.5%	36.6%	4.7%	3.0%
Adjusted EBITDA .....	71,530	73,752	81,907	76,729	90,799
<i>Margin %</i> .....	19.0%	19.7%	22.1%	19.9%	23.5%
<i>y-o-y change %</i> .....	111.6%	108.1%	86.9%	33.3%	57.7%
EBITDA .....	69,911	69,404	82,893	90,594	93,526
<i>Margin %</i> .....	18.6%	18.6%	22.4%	23.5%	24.2%
EBIT .....	(3,051)	(4,984)	7,061	15,210	19,554
<i>Margin %</i> .....	(0.8%)	(1.3%)	1.9%	3.9%	5.1%
Profit/(Loss) of the Netia Group ( <i>consolidated</i> ) .....	(6,401)	(8,250)	4,228	99,088	14,344
<i>Margin %</i> .....	(1.7%)	(2.2%)	1.1%	25.7%	3.7%
Profit/(Loss) of the Netia Group ( <i>consolidated</i> ) .....	(6,401)	(8,250)	4,228	99,088	14,344
<i>Margin %</i> .....	(1.7%)	(2.2%)	1.1%	25.7%	3.7%
Profit/(Loss) of Netia SA ( <i>stand alone</i> ) <sup>1</sup> .....	(32,708)	4,134	10,286	255,091	14,228
Cash and cash equivalents .....	170,796	112,975	163,338	181,203	108,703
Treasury bills (market value) .....	19,775	49,911	48,303	58,489	97,636
Debt .....	-	-	-	-	-
Capex related payments .....	74,766	66,783	50,174	46,858	56,565
Investments in tangible and intangible fixed assets .....	69,784	51,436	49,098	76,105	29,029
EUR '000 <sup>2</sup>	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Revenues .....	79,907	96,753	87,690	94,018	100,197
<i>y-o-y % change</i> .....	58.2%	53.5%	36.6%	4.7%	3.0%
Adjusted EBITDA .....	15,215	19,096	19,397	18,677	23,510
<i>Margin %</i> .....	19.0%	19.7%	22.1%	19.9%	23.5%
<i>y-o-y change %</i> .....	111.6%	108.1%	86.9%	33.3%	57.7%
EBITDA .....	14,871	17,970	19,631	22,052	24,216
<i>Margin %</i> .....	18.6%	18.6%	22.4%	23.5%	24.2%
EBIT .....	(649)	(1,290)	1,672	3,702	5,063
<i>Margin %</i> .....	(0.8%)	(1.3%)	1.9%	3.9%	5.1%
Profit/(Loss) of the Netia Group ( <i>consolidated</i> ) .....	(1,362)	(2,136)	1,001	24,120	3,714
<i>Margin %</i> .....	(1.7%)	(2.2%)	1.1%	25.7%	3.7%
Profit/(Loss) of the Netia Group ( <i>consolidated</i> ) .....	(1,362)	(2,136)	1,001	24,120	3,714
<i>Margin %</i> .....	(1.7%)	(2.2%)	1.1%	25.7%	3.7%
Profit/(Loss) of Netia SA ( <i>stand alone</i> ) <sup>2</sup> .....	(6,957)	1,070	2,436	62,093	3,684
Cash and cash equivalents .....	36,330	29,251	38,682	44,108	28,145
Treasury bills (market value) .....	4,254	12,923	11,439	14,237	25,280
Debt .....	-	-	-	-	-
Capex related payments .....	15,903	17,291	11,882	11,406	14,646
Investments in tangible and intangible fixed assets .....	14,907	13,318	11,627	18,525	7,516

<sup>1</sup> 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.

<sup>2</sup> The EUR amounts shown in this table and in the entire document have been translated using an exchange rate of PLN 3.8622 = EUR 1.00, the average rate announced by the National Bank of Poland on March 31, 2010. These figures are included for the convenience of the reader only.

## Key Operational Indicators

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
<b>Broadband data services</b>					
Netia infrastructure-based services .....	189,047	191,910	196,123	217,418	223,392
<i>Own fixed-line networks</i> .....	174,874	176,769	179,733	200,060	205,045
<i>WiMAX</i> .....	13,416	14,467	15,791	17,079	18,094
<i>Others</i> .....	757	674	599	279	253
Bitstream access.....	248,455	259,626	272,419	293,782	320,470
LLU .....	3,764	7,324	21,281	48,117	59,505
<b>Total broadband data services (end of period) .....</b>	<b>441,266</b>	<b>458,860</b>	<b>489,823</b>	<b>559,317</b>	<b>603,367</b>
<b>Voice services (excl. CPS)</b>					
Netia network subscriber voice services .....	390,714	390,919	392,102	391,084	392,278
<i>Traditional direct voice</i> .....	361,963	359,024	355,726	349,824	346,731
<i>incl. ISDN equivalent of lines</i> .....	129,810	132,002	134,478	136,350	139,182
<i>incl. legacy wireless</i> .....	39,728	38,791	39,324	37,316	37,582
<i>Voice over IP (excl. LLU)</i> .....	11,421	13,546	16,618	19,734	23,848
<i>WiMAX voice</i> .....	17,330	18,349	19,758	21,526	21,699
WLR .....	710,633	730,913	740,086	743,231	746,959
LLU voice over IP .....	3,696	6,896	14,688	24,133	33,771
<b>Total voice services (cumulative) .....</b>	<b>1,105,043</b>	<b>1,128,728</b>	<b>1,146,876</b>	<b>1,158,448</b>	<b>1,173,008</b>
<b>Total Broadband and Voice services (end of period) .....</b>					
Corporate segment .....	143,621	147,385	151,993	157,280	161,981
Carrier segment .....	5,243	5,124	5,020	2,711	2,566
Residential segment .....	1,224,394	1,257,681	1,293,243	1,362,318	1,401,749
<i>Share of services sold as multiplays</i> .....	15%	17%	19%	21%	24%
SOHO/SME segment .....	173,051	177,398	186,443	195,456	210,079
<i>Share of services sold as multiplays</i> .....	28%	30%	31%	36%	39%
<b>Other</b>					
Total net additions in Broadband data services .....	27,621	17,594	30,963	69,494	44,050
Monthly Broadband APRU (PLN) .....	59	59	59	60	56
Monthly Broadband SAC (PLN) .....	184	194	197	206	186
Total net additions in Voice services .....	39,527	23,685	18,148	11,572	14,560
Business mix of total subscriber lines (cumulative) .....	22.6%	22.6%	25.1%	25.3%	26.1%
Monthly Voice ARPU in own network (PLN) .....	66	64	62	62	60
Monthly Voice ARPU for WLR (PLN) .....	51	50	50	51	50
Monthly Voice ARPU blended (PLN) .....	56	55	54	55	53
CPS lines (cumulative) .....	150,076	132,159	122,501	116,628	108,705
Monthly Voice ARPU for CPS .....	40	40	41	36	34
Headcount.....	1,609	1,606	1,477	1,432	1,410
Active headcount.....	1,557	1,504	1,413	1,369	1,359

(Tables to Follow)



**Income Statement** (PLN in thousands unless otherwise stated)

<b>Time periods:</b>	<b>Q1 2009</b>	<b>Q2 2009</b>	<b>Q3 2009</b>	<b>Q4 2009</b>	<b>Q1 2010</b>
Telecommunications revenue	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Direct Voice .....	183,944	184,128	185,948	189,375	186,581
<i>Incl. monthly fees .....</i>	<i>108,376</i>	<i>112,723</i>	<i>118,131</i>	<i>118,293</i>	<i>118,007</i>
<i>Incl. calling charges .....</i>	<i>75,467</i>	<i>71,264</i>	<i>67,770</i>	<i>71,040</i>	<i>68,456</i>
Indirect Voice .....	19,842	16,974	15,777	13,061	11,632
Data .....	122,028	129,179	129,557	139,696	142,811
Interconnection revenues .....	21,326	16,611	13,719	15,261	16,191
Wholesale services .....	20,593	20,624	18,375	22,000	23,217
Other telecommunications revenues .....	6,654	4,934	5,413	5,488	5,275
<b>Total telecommunications revenue .....</b>	<b>374,387</b>	<b>372,450</b>	<b>368,789</b>	<b>384,881</b>	<b>385,707</b>
Radio communications revenue .....	1,278	1,229	1,492	1,365	1,272
<b>Total revenue .....</b>	<b>375,665</b>	<b>373,679</b>	<b>370,281</b>	<b>386,246</b>	<b>386,979</b>
Cost of sales .....	(251,818)	(257,263)	(246,981)	(249,456)	(260,224)
<i>Interconnection charges .....</i>	<i>(55,968)</i>	<i>(51,506)</i>	<i>(42,178)</i>	<i>(47,066)</i>	<i>(48,880)</i>
<i>Network operations and maintenance .....</i>	<i>(117,482)</i>	<i>(122,190)</i>	<i>(121,369)</i>	<i>(122,928)</i>	<i>(130,367)</i>
<i>Costs of goods sold .....</i>	<i>(2,436)</i>	<i>(3,202)</i>	<i>(4,460)</i>	<i>(7,043)</i>	<i>(4,027)</i>
<i>Depreciation and amortization .....</i>	<i>(59,836)</i>	<i>(63,595)</i>	<i>(64,155)</i>	<i>(63,781)</i>	<i>(61,313)</i>
<i>Salaries and benefits .....</i>	<i>(6,323)</i>	<i>(5,478)</i>	<i>(4,986)</i>	<i>(4,739)</i>	<i>(5,123)</i>
<i>Restructuring (Project Profit) .....</i>	<i>-</i>	<i>(1,712)</i>	<i>(725)</i>	<i>69</i>	<i>-</i>
<i>Taxes, frequency fees and other expenses .....</i>	<i>(9,773)</i>	<i>(9,580)</i>	<i>(9,108)</i>	<i>(3,968)</i>	<i>(10,514)</i>
<b>Gross profit .....</b>	<b>123,847</b>	<b>116,416</b>	<b>123,300</b>	<b>136,790</b>	<b>126,755</b>
<b>Margin (%) .....</b>	<b>33.0%</b>	<b>31.2%</b>	<b>33.3%</b>	<b>35.4%</b>	<b>32.8%</b>
Selling and distribution costs .....	(84,104)	(85,316)	(84,227)	(84,799)	(77,936)
<i>Advertising and promotion .....</i>	<i>(8,988)</i>	<i>(20,632)</i>	<i>(15,061)</i>	<i>(16,457)</i>	<i>(11,258)</i>
<i>Third party commissions .....</i>	<i>(13,233)</i>	<i>(9,400)</i>	<i>(10,563)</i>	<i>(15,051)</i>	<i>(11,089)</i>
<i>Billing, mailing and logistics .....</i>	<i>(14,219)</i>	<i>(13,798)</i>	<i>(13,207)</i>	<i>(8,498)</i>	<i>(9,227)</i>
<i>Outsourced customer service .....</i>	<i>(8,508)</i>	<i>(5,816)</i>	<i>(6,693)</i>	<i>(8,521)</i>	<i>(8,253)</i>
<i>Impairment of receivables .....</i>	<i>(2,066)</i>	<i>(1,417)</i>	<i>(2,736)</i>	<i>(2,367)</i>	<i>(2,668)</i>
<i>Depreciation and amortization .....</i>	<i>(8,846)</i>	<i>(7,377)</i>	<i>(7,242)</i>	<i>(7,265)</i>	<i>(7,986)</i>
<i>Salaries and benefits .....</i>	<i>(23,329)</i>	<i>(22,013)</i>	<i>(21,576)</i>	<i>(19,938)</i>	<i>(22,059)</i>
<i>Restructuring (Project Profit) .....</i>	<i>(737)</i>	<i>(1,069)</i>	<i>(1,517)</i>	<i>(82)</i>	<i>(84)</i>
<i>Other costs .....</i>	<i>(4,178)</i>	<i>(3,794)</i>	<i>(5,632)</i>	<i>(6,620)</i>	<i>(5,312)</i>
General and administration costs .....	(46,585)	(41,588)	(41,314)	(43,971)	(36,949)
<i>Professional services .....</i>	<i>(2,486)</i>	<i>(2,724)</i>	<i>(2,910)</i>	<i>(2,558)</i>	<i>(1,933)</i>
<i>Electronic data processing .....</i>	<i>(4,607)</i>	<i>(3,922)</i>	<i>(3,887)</i>	<i>(3,889)</i>	<i>(2,481)</i>
<i>Office and car maintenance .....</i>	<i>(5,222)</i>	<i>(4,812)</i>	<i>(5,327)</i>	<i>(3,426)</i>	<i>(3,327)</i>
<i>Depreciation and amortization .....</i>	<i>(4,280)</i>	<i>(3,416)</i>	<i>(4,435)</i>	<i>(4,338)</i>	<i>(4,673)</i>
<i>Salaries and benefits .....</i>	<i>(22,396)</i>	<i>(18,364)</i>	<i>(17,463)</i>	<i>(20,718)</i>	<i>(19,389)</i>
<i>Restructuring (Project Profit) .....</i>	<i>(882)</i>	<i>(1,567)</i>	<i>(2,070)</i>	<i>(1,448)</i>	<i>(54)</i>
<i>Other costs .....</i>	<i>(6,712)</i>	<i>(6,783)</i>	<i>(5,222)</i>	<i>(7,594)</i>	<i>(5,092)</i>
Other income .....	2,943	3,119	3,090	8,738	4,913
Other expense .....	(100)	(100)	(100)	(1,768)	-
Other gains/ (losses), net .....	948	2,485	6,312	220	2,771
<b>EBIT .....</b>	<b>(3,051)</b>	<b>(4,984)</b>	<b>7,061</b>	<b>15,210</b>	<b>19,554</b>
<b>Margin (%) .....</b>	<b>-0.8%</b>	<b>-1.3%</b>	<b>1.9%</b>	<b>3.9%</b>	<b>5.1%</b>
Finance income .....	2,104	1,730	1,462	2,268	2,763
Finance cost .....	(5,987)	(4,935)	(4,334)	(5,451)	(4,892)
<b>Profit before tax .....</b>	<b>(6,934)</b>	<b>(8,189)</b>	<b>4,189</b>	<b>12,027</b>	<b>17,425</b>
Tax benefit / (charge) .....	533	(61)	39	87,061	(3,081)
<b>Profit .....</b>	<b>(6,401)</b>	<b>(8,250)</b>	<b>4,228</b>	<b>99,088</b>	<b>14,344</b>

### EBITDA Reconciliation to Loss

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2009 <i>unaudited</i>	Q2 2009 <i>unaudited</i>	Q3 2009 <i>unaudited</i>	Q4 2009 <i>unaudited</i>	Q1 2010 <i>unaudited</i>
<b>Operating Profit / (Loss)</b> .....	<b>(3,051)</b>	<b>(4,984)</b>	<b>7,061</b>	<b>15,210</b>	<b>19,554</b>
Add back:					
Depreciation and amortization .....	72,962	74,388	75,832	75,384	73,972
<b>EBITDA</b> .....	<b>69,911</b>	<b>69,404</b>	<b>82,893</b>	<b>90,594</b>	<b>93,526</b>
Add back:					
Project Profit restructuring costs .....	1,619	4,348	4,312	1,461	138
Less:					
Gain on disposal of transmission equipment to P4 .....	-	-	(5,298)	-	(2,865)
Positive accounting impact from the settlement agreement with TP .....	-	-	-	(15,326)	-
<b>Adjusted EBITDA</b> .....	<b>71,530</b>	<b>73,752</b>	<b>81,907</b>	<b>76,729</b>	<b>90,799</b>
<b>Margin (%)</b> .....	<b>19.0%</b>	<b>19.7%</b>	<b>22.1%</b>	<b>19.9%</b>	<b>23.5%</b>

### Note to Other Income

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2009 <i>unaudited</i>	Q2 2009 <i>unaudited</i>	Q3 2009 <i>unaudited</i>	Q4 2009 <i>unaudited</i>	Q1 2010 <i>unaudited</i>
Reminder fees and penalties .....	2,279	1,857	1,764	305	1,889
Settlement agreement with TP .....	-	-	-	5,630	-
Settlement with Tele2 Sverige.....	-	-	-	-	1,461
Forgiveness of liabilities .....	149	-	37	193	-
Receivables recovered .....	-	-	-	329	-
Reversal of provisions .....	-	597	-	102	693
Other operating income .....	515	665	1,289	2,179	870
<b>Total</b> .....	<b>2,943</b>	<b>3,119</b>	<b>3,090</b>	<b>8,738</b>	<b>4,913</b>

### Note to Other Expense

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2009 <i>unaudited</i>	Q2 2009 <i>unaudited</i>	Q3 2009 <i>unaudited</i>	Q4 2009 <i>unaudited</i>	Q1 2010 <i>unaudited</i>
Impairment charges for specific individual assets .....	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(1,768)</b>	-

### Note to Other Gains / (losses), net

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2009 <i>unaudited</i>	Q2 2009 <i>unaudited</i>	Q3 2009 <i>unaudited</i>	Q4 2009 <i>unaudited</i>	Q1 2010 <i>unaudited</i>
Gain on sale of impaired receivables .....	350	337	262	283	-
Gain on disposal of fixed assets .....	10	1,512	6,191	123	3,283
Net foreign exchange gains / (losses) .....	588	636	(141)	(186)	(512)
<b>Total</b> .....	<b>948</b>	<b>2,485</b>	<b>6,312</b>	<b>220</b>	<b>2,771</b>

### Total comprehensive income

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2009 <i>unaudited</i>	Q2 2009 <i>unaudited</i>	Q3 2009 <i>unaudited</i>	Q4 2009 <i>unaudited</i>	Q1 2010 <i>unaudited</i>
<b>Profit</b> .....	<b>(6,401)</b>	<b>8,250</b>	<b>4,228</b>	<b>99,088</b>	<b>14,344</b>
Cash flow hedges .....	3,139	(6,766)	(1,042)	2,562	(451)
Income tax relating to components of other comprehensive income .....	(562)	495	63	458	(25)
<b>Other comprehensive Income / (Loss)</b> .....	<b>2,577</b>	<b>(6,271)</b>	<b>(979)</b>	<b>3,020</b>	<b>(476)</b>
<b>Total comprehensive Income / (Loss)</b> .....	<b>(3,824)</b>	<b>(14,521)</b>	<b>3,249</b>	<b>102,108</b>	<b>13,868</b>
<i>Attributable to:</i>					
Equity holders of the Company .....	(3,824)	(14,521)	3,249	102,108	13,868
Minority interest .....	-	-	-	-	-

**Balance Sheet** (PLN in thousands unless otherwise stated)

<b>Time Periods</b>	<b>March 31, 09</b> <i>unaudited</i>	<b>June 30, 09</b> <i>unaudited</i>	<b>Sept. 30, 09</b> <i>unaudited</i>	<b>Dec. 31, 09</b> <i>audited</i>	<b>March 31, 10</b> <i>unaudited</i>
Property, plant and equipment, net .....	1,424,295	1,411,882	1,375,168	1,384,714	1,335,542
Intangible assets .....	400,674	390,114	382,053	388,557	374,420
Investment property .....	35,995	35,784	35,608	35,574	35,538
Deferred income tax assets .....	138	233	67	79,400	76,379
Available for sale financial assets .....	10	10	10	10	10
Long-term receivables .....	6,623	6,623	6,623	676	217
Prepaid expenses and accrued income .....	14,787	12,323	6,931	8,830	7,721
<b>Total non-current assets .....</b>	<b>1,882,522</b>	<b>1,856,969</b>	<b>1,806,460</b>	<b>1,897,761</b>	<b>1,829,827</b>
Inventories.....	4,885	3,372	5,571	3,143	4,446
Trade and other receivables .....	153,650	160,033	161,029	173,606	162,965
Current income tax receivables .....	275	96	119	59	59,645
Prepaid expenses and accrued income .....	20,407	22,303	21,671	20,228	32,888
Derivative financial instruments .....	4,228	3,042	3,876	110	63
Financial assets at fair value through profit and loss .....	5,001	5,086	5,590	3,660	-
Held to maturity investments .....	19,775	49,911	48,303	58,489	97,636
Restricted cash .....	2,634	2,626	2,330	2,330	2,330
Cash and cash equivalents .....	170,796	112,975	163,338	181,203	108,703
	<b>381,651</b>	<b>359,444</b>	<b>411,827</b>	<b>442,828</b>	<b>468,676</b>
Non-current assets classified as held for sale .....	513	118	-	87	-
<b>Total current assets .....</b>	<b>382,164</b>	<b>359,562</b>	<b>411,827</b>	<b>442,915</b>	<b>468,676</b>
<b>TOTAL ASSETS .....</b>	<b>2,264,686</b>	<b>2,216,531</b>	<b>2,218,287</b>	<b>2,340,676</b>	<b>2,298,503</b>
Share capital .....	389,277	389,277	389,277	389,277	389,338
Share premium .....	1,556,489	1,356,652	1,356,652	1,356,652	1,356,666
Retained earnings .....	(47,646)	143,941	148,169	247,258	261,602
Other components of equity .....	29,779	25,557	26,774	32,264	34,894
<b>TOTAL EQUITY .....</b>	<b>1,927,899</b>	<b>1,915,427</b>	<b>1,920,872</b>	<b>2,025,451</b>	<b>2,042,500</b>
Provisions .....	8,005	7,964	8,126	1,401	1,319
Deferred income .....	7,656	7,534	7,411	7,289	7,275
Deferred income tax liabilities .....	8,421	7,870	7,372	-	-
Other long-term liabilities.....	9,740	8,455	7,235	5,895	5,367
<b>Total non-current liabilities .....</b>	<b>33,822</b>	<b>31,823</b>	<b>30,144</b>	<b>14,585</b>	<b>13,961</b>
Trade and other payables .....	268,469	229,476	216,833	255,788	196,361
Derivative financial instruments.....	3,673	6,038	9,803	4,423	4,453
Borrowings .....	-	-	-	347	-
Other financial liabilities.....	164	176	271	80	-
Current income tax liabilities .....	29	1	1	1	1
Provisions.....	6,127	5,771	9,197	4,888	4,012
Deferred income .....	24,503	27,819	31,166	35,113	37,215
<b>Total current liabilities .....</b>	<b>302,965</b>	<b>269,281</b>	<b>267,271</b>	<b>300,640</b>	<b>242,042</b>
<b>Total liabilities .....</b>	<b>336,787</b>	<b>301,104</b>	<b>297,415</b>	<b>315,225</b>	<b>256,003</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>2,264,686</b>	<b>2,216,531</b>	<b>2,218,287</b>	<b>2,340,676</b>	<b>2,298,503</b>

**Cash Flow Statement** (PLN in thousands unless otherwise stated)

<b>Time periods:</b>	<b>Q1 2009</b> <i>unaudited</i>	<b>Q2 2009</b> <i>unaudited</i>	<b>Q3 2009</b> <i>unaudited</i>	<b>Q4 2009</b> <i>unaudited</i>	<b>Q1 2010</b> <i>unaudited</i>
<b>Profit / (Loss)</b> .....	<b>(6,401)</b>	<b>(8,250)</b>	<b>4,228</b>	<b>99,088</b>	<b>14,134</b>
Depreciation and amortization .....	72,962	74,388	75,832	75,384	73,972
Impairment charges for specific individual assets .....	100	100	100	1,768	-
Share of losses of former associates .....	-	-	-	-	-
Deferred income tax charge / (benefit) .....	(835)	(151)	(270)	(87,047)	2,996
Interest expense and fees charged on bank loans and transaction costs write-off .....	-	1,744	1,444	1,332	2,838
Other interest charged .....	855	287	(173)	(539)	(530)
Interest accrued on loans granted .....	(3)	(1)	(23)	22	-
Share-based compensation .....	3,242	2,133	2,313	2,644	3,327
Fair value (gains)/losses on financial assets/liabilities... Fair value (gains) losses on derivative financial instruments .....	765	(73)	(409)	888	(697)
Foreign exchange (gains) / losses .....	1,954	(2,085)	2,719	2,430	368
Gain on disposal of fixed assets .....	1,793	4,022	489	945	1,172
Gain on sale of investments .....	56	(1,390)	(6,178)	143	(3,196)
Changes in working capital .....	-	-	-	(148)	881
Overpaid tax .....	2,581	7,177	2,248	(34,081)	(14,315)
<b>Net cash provided by operating activities</b> .....	<b>77,069</b>	<b>77,901</b>	<b>82,320</b>	<b>62,829</b>	<b>21,574</b>
Purchase of fixed assets and computer software .....	(73,959)	(66,783)	(50,174)	(46,858)	(56,565)
Purchase of operational networks .....	(807)	-	-	(2,043)	(818)
Proceeds from sale of non-core assets .....	181	2,010	24,508	22,148	1,540
Proceeds from sale of group of assets .....	2,000	-	-	-	-
Purchase of subsidiaries, net of received cash .....	(6,963)	(32,761)	(5,285)	(12,753)	-
Purchase of treasury bills /notes, net .....	(19,762)	(29,729)	2,027	(9,591)	(38,487)
Sale of investments .....	-	-	-	999	3,395
Loan and interest repayments .....	69	70	92	47	-
<b>Net cash used in investing activities</b> .....	<b>(99,241)</b>	<b>(127,193)</b>	<b>(28,832)</b>	<b>(48,051)</b>	<b>(90,935)</b>
Finance lease payments .....	(484)	(788)	(865)	(1,255)	(1,414)
Loan repayments .....	-	-	-	-	(347)
Payments of fees relating to bank loans .....	(808)	(779)	(1 499)	(559)	(552)
<b>Net cash used in financing activities</b> .....	<b>(1,292)</b>	<b>(1,567)</b>	<b>(2,364)</b>	<b>(1,814)</b>	<b>(2,313)</b>
<b>Net change in cash and cash equivalents</b> .....	<b>(23,464)</b>	<b>(50,859)</b>	<b>51,124</b>	<b>12,964</b>	<b>(71,674)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b> .....	<b>1,575</b>	<b>(6,962)</b>	<b>(761)</b>	<b>4,901</b>	<b>(826)</b>
Cash and cash equivalents at the beginning of the period .....	192,685	170,796	112,975	163,338	181,203
<b>Cash and cash equivalents at the end of the period</b> .....	<b>170,796</b>	<b>112,975</b>	<b>163,338</b>	<b>181,203</b>	<b>108,703</b>

## Definitions

<b>Active headcount</b>	– Full-time employment equivalent with regard to employees who are not during maternity leaves, non-paid leaves nor long-term sick leaves (above 33 days during calendar year), who are not at military service or who were relieved from the obligation to perform work
<b>Backbone</b>	– a telecommunications network designed to carry the telecommunications traffic between the main junctions of the network;
<b>Bitstream access</b>	– 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.
<b>Broadband SAC</b>	– 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;
<b>Broadband ARPU</b>	– 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.
<b>Broadband port</b>	– a broadband port which is active at the end of a given period;
<b>Cash</b>	– cash and cash equivalents at the end of period;
<b>Cost of network operations and maintenance</b>	– cost of rentals of lines and telecommunications equipment, as well as maintenance, services and related expenses necessary to operate our network;
<b>Data revenues</b>	– 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 bitstream and WiMAX types of access) and IP Transit;
<b>Direct voice revenues</b>	– 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);
<b>DSLAM</b>	– 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.
<b>EBITDA / Adjusted EBITDA</b>	– 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;

- |   |  |
|---|--|
| <b>Headcount</b>                                  | – full time employment equivalents;  |
| <b>Indirect voice revenues</b>                    | – 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;  |
| <b>Interconnection charges</b>                    | – payments made by Netia to other operators for origination, termination or transfer of traffic using other operators' networks;   |
| <b>Interconnection revenues</b>                   | – 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;   |
| <b>Local Loop Unbundling (LLU)</b>                | – 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 altnet can offer an unrestricted range of services and pays TPSA space rental and monthly fees per customer line used. |
| <b>Professional services</b>                      | – costs of legal, financial and other services (excluding insurance and taxes and fees, which are presented separately) provided to Netia by third parties;  |
| <b>Other telecommunications services revenues</b> | – 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;  |
| <b>Radiocommunications revenue</b>                | – revenues from radio-trunking services provided by Netia's subsidiary, UNI-Net Sp. z o.o.;  |
| <b>Subscriber line</b>                            | – 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 May 6, 2010 at 09:00 AM (UK) / 10:00 AM (Continent) / 04:00 AM (Eastern).

Dial in numbers:  
(UK) +44 20 3003 2666  
(US) +1 212 999 6659

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](http://www.investor.netia.pl))

For further information, please contact Anna Kuchnio at +48 22 352 2061, email: [anna\\_kuchnio@netia.pl](mailto:anna_kuchnio@netia.pl) or Aneta Lipiec at +48 22 352 2525, e-mail: [aneta\\_lipiec@netia.pl](mailto: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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