FOR IMMEDIATE RELEASE

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NETIA SA REPORTS 2009 FIRST HALF RESULTS

WARSAW, Poland – August 6, 2009 – 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 second quarter and six months ended June 30, 2009.

1. KEY HIGHLIGHTS

1.1. Financial

- **Revenue from continuing activities** rose to PLN 749.3m in H1 2009, growing by 59% over H1 2008. Q2 2009 revenue was at PLN 373.7m as compared to PLN 375.7m in Q1 2009. Whilst the residential segment continues to grow due to the rising subscriber base and stable ARPU performance, the economic slowdown is largely responsible for sequential revenue decline in the corporate segment whilst reduced traffic volumes and lower pricing on the P4 transmission contract caused revenue to decline sequentially in the carrier segment.

- **EBITDA** was PLN 139.3m for H1 2009 and PLN 69.4m for Q2 2009, growing by 101% versus H1 2008 and declining by 1% versus Q1 2009. Excluding one-off restructuring expenses of PLN 6.0m for H1 2009 and PLN 4.3m for Q2 2009 respectively, related to the implementation of the cost reduction program (the "Profit" project), Adjusted EBITDA was PLN 145.3m for H1 2009 and PLN 73.7m for Q2 2009, up by 110% over H1 2009 and by 3% over Q1 2009.

- **EBIT** loss narrowed to PLN 8.0m in H1 2009 from PLN 62.3m in H1 2008. EBIT loss for Q2 2009 was PLN 5.0m (PLN 0.6m when excluding restructuring costs) as compared to EBIT loss for Q1 2009 of PLN 3.0m (PLN 1.4m excluding restructuring costs).

- **Net loss** was PLN 14.6m for H1 2009 versus net profit of PLN 259.3m for H1 2008, when Netia had recorded a gain from disposal of its shares in P4 of PLN 353.4m. Net loss for Q2 2009 was PLN 8.2m (PLN 3.9m excluding restructuring costs) as compared to net loss of PLN 6.4m (PLN 4.8m excluding restructuring costs) in Q1 2009.

- **Cash and cash equivalents** at June 30, 2009 totalled PLN 113.0 plus PLN 49.9m in treasury bonds (market value) while Netia had PLN 295.0m of available undrawn credit lines.

- **Netia's growth plans are fully funded**, which gives the Company flexibility in considering further acquisition opportunities in the voice and broadband segments of the Polish telecom market. Netia amended its credit facility agreement with the bank syndicate on June 29, 2009, increasing the flexibility in the use of available undrawn funds, including the possibility to execute a share buy-back.

- **Netia was operating free cash flow positive in Q2 2009 excluding M&A activities**. Cash outflows related to payments with regard to historical acquisitions made in Q2 2009 were PLN 32.8m, including PLN 26.5m relating to Tele2 Polska to reimburse the seller for excess cash and working capital versus the amounts targeted at the acquisition date in the share purchase agreement. Total capital investments in tangible and intangible fixed assets were PLN 51.4m, which given EBITDA quarterly profit of PLN 69.4m generated OpFCF of PLN 18.0m. Netia is guiding for positive free cash flow for the full year excluding any acquisitions.

- The implementation of a **comprehensive cost reduction project** (the "Profit" project), which aims at eliminating PLN 100.0m of operating expenses annually as of FY2010 is proceeding smoothly in line with management's expectations, which assume PLN 20.0m of savings during 2009. Employment levels in the Netia group had dropped to 1,606 versus 1,673 on December 31, 2008. As of the date of this report, management estimates employment to have fallen further to 1,489.

- **Netia increased its EBITDA guidance for FY2009 to PLN 275.0m** from PLN 265.0m on August 6, 2009. In addition, the Company now projects 510,000 broadband subscribers, 1,200,000 voice subscribers and 300 unbundled LLU nodes in total by year end before any positive impact of expected further Ethernet acquisitions. Revenue is expected to be approximately PLN 1,500.0m, with Adjusted EBITDA (excluding one-off restructuring costs associated with the "Profit" project) of PLN 290.0m (maintained), EBITDA of PLN 275.0m and capex of PLN 260.0m.

1.2. Operational

- **Netia's broadband subscriber base** reached 458,860 at June 30, 2009, growing by 4% from 441,266 at March 31, 2009 and by 57% from 292,470 at June 30, 2008. Netia's total broadband market share increased to 8% from 6% at June 30, 2008 while market share of net additions was 17% in H1 2009 and 15% in Q2 2009, respectively. Lower net additions than in recent quarters reflect Netia's strong focus on 2play customers, which accounted for nearly 40% of total new additions during Q2 2009. Of the total broadband customers served at June 30, 2009, 42% received service over Netia's own local networks of copper, Fast Ethernet or WiMAX infrastructure. Virtually all subscriber additions in H1 2009 were organic and the Company aims to reach 510,000 broadband subscribers by the end of 2009 before any further acquisitions are taken into account. As at August 6, 2009, Netia had 465,905 broadband subscribers.
- **Netia's voice service customer base** (own network + WLR) reached 1,128,728 at June 30, 2009, increasing by 2% from 1,105,043 at March 31, 2009 and by 131% from 489,028 at June 30, 2008, maintaining momentum in new customer connections, particularly in WLR. Netia's total voice market share increased to 11% from 4% at June 30, 2008. Of the total voice customers served at June 30, 2009, 35% received service over Netia's own copper or WiMAX infrastructure. The Company aims to reach approximately 1,200,000 voice customers (own network + WLR + LLU) through organic growth by the end of 2009.
- **Netia is the undisputed leader in the roll-out of LLU service in Poland** with 158 nodes unbundled and total coverage of approximately 1.65m lines as at June 30, 2009. By the end of Q2 2009 Netia had acquired a total of 7,324 LLU clients. Netia has begun migration of 1play (BSA) customers to shared LLU access but has pushed back migrations of 2play customers to full LLU access until November 2009, pending implementation of technology solutions that are expected to reduce costs significantly. As at August 6, 2009, Netia had 10,368 LLU subscribers.

Mirosław Godlewski, Netia's President and CEO, commented: "Netia has made excellent progress during H1 2009 despite the increasing head-winds generated by a slowing economy. Whilst our Corporate and Wholesale segments have seen some weakness in demand and pressure on pricing during Q2 2009, our Consumer segment continues to go from strength to strength, pushing our broadband customer base up by 57% to almost 459,000 in the year to June 30, 2009. Our total broadband market share increased to 8% and is complemented by an 11% total market share in fixed-line voice services. The organization is entirely focused on delivering profitable growth with commercial offers targeted on more valuable double-play customers and all parts of the group working hard to deliver savings towards Project Profit's goal of PLN 100m in operating cost reductions for calendar 2010. Most savings from our Tele2 Polska integration efforts have now been secured and we are about to finalize that project with the migration of the Tele2 Polska customer base onto Netia's IT platforms.

Whilst closely monitoring progress, the Management is confident that the published objectives for savings from Project Profit and Tele2 Polska integration are going to be fully delivered and today Netia is upping its 2009 EBITDA guidance to PLN 275m from PLN 265m previously. At the same time, we are increasing voice customer guidance by 4% to 1,200,000 and scaling back the broadband subscriber target to 510,000 to reflect the latest run-rates and economic outlook. Revenue guidance is being set at PLN 1,500m now that P4 is buying part of the transmission network that services them during 2009, thereby lowering revenues from our P4 Transmission contract. With these mid year adjustments to guidance, we remain on track to deliver positive EBIT and net profit in the coming quarters with the outlook for a profitable and highly free cash flow generative 2010 now well within our reach.

During H2 2009 Netia will continue to focus on expansion of our LLU network, which reached 158 ready-to-sell nodes and 1,65 million addressable lines by June 30, 2009. We intend to build on this investment with increasingly aggressive offers, an ambitious program of migrations of existing bitstream customers onto LLU services and the launch of IPTV services and a triple play offer together with "n". We are also working hard to finalize several deals to add to our Ethernet networks portfolio, although larger opportunities have been priced too high to interest Netia for the time being.

Two years into our expansion strategy, Netia has transformed into a business combining improving financial results, free cash flow and a stable liquidity position, leaving us well placed to look at possible transformational acquisitions and to consider how best to further grow value for our shareholders."

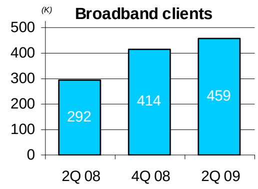
Jon Eastick, Netia's CFO, commented: "Netia has delivered a strong set of H1 2009 results, reporting continued margin improvement with Adjusted EBITDA margin of 19.0% and 19.7% in Q1 and Q2 2009, respectively. The results reflect steady progress on cost reduction from both the Tele2 Polska integration and the Project Profit cost optimization imitative. One-off costs related to Project Profit amounted to PLN 6.0m in H1 2009 and the project is proceeding on track with Netia announcing today that the restructuring costs to be born in 2009 are expected to be PLN 15m, PLN 10m less than originally planned.

Netia is being managed conservatively in the midst of the current economic uncertainty with customer acquisition efforts being focused on the most profitable multi-play and LLU offerings and a cautious commercial policy is also being followed in the Corporate and Wholesale segments of our operations. With Adjusted EBITDA of PLN 73.7m in Q2 2009 and capital investment for the same period at PLN 51.4m, Netia generated significant operating free cash flow before making M&A related payments of PLN 32.8m, mainly in respect of outstanding liabilities from the Tele2 Polska acquisition. As a result we had PLN 163.0m in cash resources and a further PLN 295.0m in undrawn credit lines at June 30, 2009, plus the prospect of increasing free cash flow generation in the quarters to come.

As a further step to improve our financial position, risk profile and strategic concentration on residential and business customers, we have recently announced that we are to sell the dedicated transmission network that we built to provide wholesale data services to P4 for a price of PLN 65.4m. P4 is buying the network in three tranches over an eleven month period and Netia already received payment for the first tranche on July 31, 2009. Netia will continue to provide a reduced scope of core network transmission services to P4, leveraging our national and metropolitan fiber networks with minimized future capital investment requirements."

2. OPERATIONAL OVERVIEW

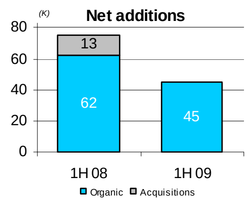
2.1. Broadband



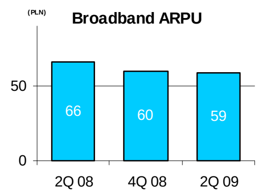
Broadband subscribers increased to 458,860 at June 30, 2009 from 441,266 at March 31, 2009 and 292,470 at June 30, 2008. By the end of 2009, Netia aims to reach approximately 510,000 broadband subscribers through further organic growth, with potential for a higher figure pending additional Ethernet network acquisitions.

Netia provides its broadband services using the following technologies:

Number of broadband ports	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
xDSL and FastEthernet over Netia's own fixed-line network	132,398	134,311	171,933	174,874	176,769
WiMAX Internet	8,444	9,970	12,110	13,416	14,467
Bitstream access	150,641	201,522	227,441	248,455	259,626
LLU	-	213	1,320	3,764	7,324
Other	987	923	841	757	674
Total	**292,470**	**346,939**	**413,645**	**441,266**	**458,860**



Broadband net additions were 45,215 during H1 2009 and 17,594 during Q2 2009, with virtually all additions acquired from organic growth. Netia estimates that its total broadband market share has increased during the past twelve months from 5.7% to 8.1% and that its market share of total net additions in H1 and Q2 2009 was 17% and 15%, respectively. The lower rate of new net additions reflects deliberate focus on 2play offers for new customers, which represented almost 40% of total new additions in Q2 2009.



Broadband ARPU was PLN 59 in Q2 2009 as compared to PLN 66 in Q2 2008 and PLN 59 in Q1 2009. The year-on-year decline in broadband ARPU reflects the growing proportion of residential customers in the customer mix. Broadband ARPU is expected to continue to trend downward as Netia continues to add residential broadband subscribers. It is expected to settle between PLN 50 and PLN 60 per month in the medium term as the business/residential mix stabilizes. Less aggressive pricing policy, particularly for 1play broadband, is reflected in the stable sequential ARPU.

Broadband (bitstream) SAC increased to PLN 189 in Q2 2009 from PLN 182 in Q2 2008 and PLN 163 in Q1 2009. The 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. The 2play services are more profitable and Netia therefore offers higher sales commissions per unit.

Important developments in broadband:

Local loop unbundling (LLU). In Q2 2009 Netia continued to extend the reach of its LLU-based services. Netia had 158 ready-to-sell unbundled nodes at June 30, 2009 and is targeting to unbundle 300 nodes by the end of 2009, reaching approximately 2.7 million customer lines.

Netia served 7,324 customers over LLU as at June 30, 2009 as compared to 3,764 at March 31, 2009 and 1,320 at December 31, 2008 and continued to observe acceleration of sales rates per operational node per month. This included 6,573 new clients and 751 clients migrated from bitstream (1play) to the higher margin LLU services under the process which begun in May 2009. Netia has pushed back migrations of 2play customers to full LLU access until November 2009, pending implementation of technology solutions that are expected to reduce migration costs significantly.

On May 19, 2009 Netia launched a TV-supported advertising campaign of its Internet services, targeted to clients served over Netia's own lines and LLU. The Company is offering 4Mb/s at promotional prices of PLN 49 and PLN 59 gross per month when bundled with telephony service for the first half of a 24 month- and 18 month contract term, respectively. In July 2009 Netia introduced a new offer with data throughput of 8Mb/s, priced competitively at PLN 79 gross per month.

Acquisitions of local Ethernet network operators. As of June 30, 2009, Ethernet networks acquired by Netia since mid-2007 provided broadband access to a total of 90,488 mostly residential customers as compared to 52,020 customers at June 30, 2008, with approximately 304,000 homes passed. As compared to Q1 2009 the customer base declined from 91,656 due to a one time clean-up of the customers' data base. The acquisition program is a 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.

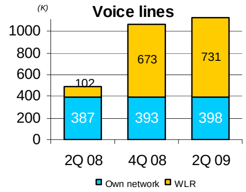
During Q2 2009 the Netia group signed conditional agreements to acquire the networks and customers from two more Ethernet operators. These operators together have 3,500 customers and 20,000 homes passed. Netia has agreed to pay an average of PLN 573 per customer transferred. These 'asset transfer' transactions are expected to close during H2 2009. Netia had already performed five similar transactions in the past, acquiring in total 3,200 customers, with 15,400 homes passed, at an average price of PLN 933 per customer transferred, including the acquisition of a network with 811 customers at a total price of PLN 0.8m conducted in Q1 2009.

Progress on IPTV. Netia and 'n', Poland's HDTV platform from the ITI Group, are running a pilot project for IPTV services in the cities of Warsaw and Wrocław. The commercial launch, currently planned for this autumn following successful pilot project results, is to include the full package of platform 'n' programs, including HD channels as well as new services and functionalities offered by IPTV and will be available as 1play, 2play or 3play offerings with Netia's voice and Internet services. The cooperation with 'n' is intended to split the costs and risks of investing in IPTV services, bring top quality content and an additional sales channel to Netia, while giving telewizja 'n' access to households who would not normally purchase a satellite-based TV service.

The terms and conditions of business case were agreed and currently the parties are working on finalizing the commercial terms to facilitate roll-out of services.

2.2. Voice

2.2.1. Own network & WLR

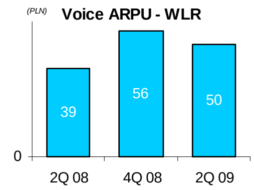


Voice lines (own network and WLR) totalled 1,128,728 at June 30, 2009 as compared to 489,028 at June 30, 2008 and 1,105,043 at March 31, 2009. By the end of 2009, Netia aims to have approximately 1,200,000 voice subscribers (own network + WLR + LLU), with the additional subscribers acquired organically.

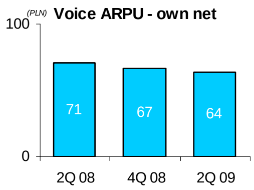
The year-on-year increase in the number of voice lines resulted mainly from growth within WLR-based voice services. Netia began offering WLR during Q4 2007, selling to both voice-only customers and bitstream broadband customers as a 2play offering. Subsequently, in September 2008 Netia acquired Tele2 Polska, thereby acquiring an additional 504,007 WLR customers. The Company has begun to up-sell its broadband services to the Tele2 Polska voice customers and intends to migrate several thousand of former Tele2 clients from WLR to either Netia's own networks or to LLU, further improving gross margins on the services provided.

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

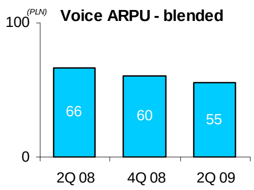
Number of voice lines	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Traditional direct voice	368,151	367,547	364,722	361,963	359,024
Incl. ISDN	*119,312*	*123,186*	*127,304*	*129,810*	*132,024*
Incl. Legacy wireless	*42,304*	*42,372*	*40,742*	*39,728*	*38,791*
Voice over IP *(excl. LLU)*	5,365	8,986	10,507	11,421	13,546
WiMAX voice	13,510	14,383	15,904	17,330	18,349
Netia network subscriber voice lines	**387,026**	**390,916**	**391,133**	**390,714**	**390,919**
WLR	102,002	642,081	672,969	710,633	730,913
LLU voice over IP	na	209	1,414	3,696	6,896
Total	**489,028**	**1,033,206**	**1,065,516**	**1,105,043**	**1,128,728**



Voice ARPU per WLR line amounted to PLN 50 in Q2 2009 as compared to PLN 39 in Q2 2008 and PLN 51 in Q1 2009. The year-on-year increase in ARPU reflects the start-up nature of Netia's organic growth and the higher ARPUs generated by Tele2 Polska's more mature WLR customer base acquired in September 2008. The decrease versus Q4 2008 is partially associated with the continuation of contracts with former Tele2 Polska clients, who received discounts upon extension of their contracts with Netia.

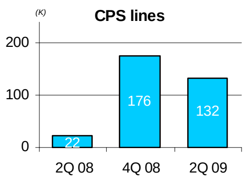


Voice ARPU per Netia network subscriber line amounted to PLN 64 in Q2 2009 as compared to PLN 72 in Q2 2008 and PLN 66 in Q1 2009, with the decrease reflecting overall tariff reduction trends and reduced usage in light of the economic environment.

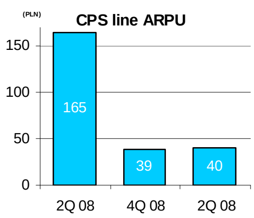


Blended voice ARPU was PLN 55 in Q2 2009 as compared to PLN 66 in Q2 2008 and PLN 56 in Q1 2009. The decrease reflects overall tariff reduction trends and the inclusion of more WLR customers into the subscriber mix. In the medium term, Netia expects blended voice ARPU to stabilize.

2.2.2. Indirect voice



CPS lines *(carrier pre selection)* totalled 132,159 at June 30, 2009 as compared to 22,139 at June 30, 2008 and 150,076 at March 31, 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 40 in Q2 2009 as compared to PLN 165 in Q2 2008 and PLN 40 in Q1 2009. The year-on-year decrease was due to the inclusion of Tele2 Polska's largely retail subscriber base into the subscriber mix. CPS clients are not counted in the total Netia voice subscriber base of 1,128,728 clients as at June 30, 2009.

2.3. Other

Headcount for the Netia group was 1,606 at June 30, 2009, compared to 1,570 at June 30, 2008 and 1,609 at March 31, 2009. The year-on-year increase in headcount was driven by the addition of employees of Tele2 Polska and Ethernet networks acquired during 2008. In connection with the ongoing “Profit” restructuring project, in Q2 2009 Netia decided to terminate contracts with 130 employees as an additional cost optimization measure. As at June 30, 2009, almost all these employees had received termination notices and following completion of relevant notice periods Netia’s headcount has fallen to approximately 1,489 at the beginning of August 2009. The salary savings in respect to the reduced job positions will be visible from Q3 2009.

The movement in headcount can be analyzed as follows:

Headcount at June 30, 2008	**1,570**
Acquired headcount	
Tele2 Polska	51
Ethernet networks	51
Headcount reductions, net	(66)
Headcount at June 30, 2009	**1,606**

Capital investment additions

Capital investment additions *(PLN'M)*	**H1 2009**	**H1 2008**	*Change %*
Existing network and IT	54.3	40.5	+34%
Broadband networks & P4 transmission project	66.9	46.8	+43%
Incl. broadband networks	*51.7*	*26.8*	*+93%*
incl. P4 transmission project	*15.2*	*20.0*	*-24%*
Total	**121.2**	**87.3**	**+39%**

The year-on-year increase in capital investments largely results from project completion dates being deferred into FY2009 as part of an effort to smooth out the annual investment cycle and the project to migrate Tele2 Polska’s operations into the Netia group’s IT systems.

As compared to H1 2008 the relatively significant increase in capital expenditures related to broadband networks was driven by dynamic growth in Internet customer base, both business and residential. Given the completion of P4 transmission roll-out in H1 2009 the amount of related investments declined with no further significant capex outlays planned in future pertaining to this project.

The Company is on track to meet its 2009 capex guidance of PLN 260.0m and has hedged a significant part of its foreign exchange exposure for 2009 with forward contracts.

3. OTHER HIGHLIGHTS

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. Now fully underway, the program includes a reduction of Netia’s headcount, review of control and reporting processes, increase in work effectiveness, span of control increase and contract renegotiations. The Profit project is proceeding smoothly, with 32% of all initiatives already completed and another 68% in the implementation phase. Value-wise, already implemented initiatives are projected to produce 60% of the total savings envisaged for FY2009 and 50% of FY2010 savings target. One-off reorganization costs of up to PLN 15.0m associated with this project are expected to be recorded during FY2009. The first PLN 6.0m of one time restructuring cost was recorded in H1 2009 pertaining mainly, but not limited to the labour downsizing process. Management is confident that the 2009 and 2010 savings objectives of the Profit project will be met or exceeded.

The savings generated by the Profit project will be in addition to the previously announced cost synergies expected from the integration of Tele2 Polska into the Netia group, estimated to yield in excess of PLN 30.0m per annum in savings.

Funding. **Amendment to credit facility agreement**. On June 30, 2009, Netia had PLN 113.0m in cash, PLN 49.9m in treasury bonds (market value) and PLN 295.0m of available undrawn bank facilities. Management considers these cash sources more than sufficient to finance Netia's broadband-driven growth strategy, including the program of Ethernet acquisitions.

On June 29, 2009, Netia restructured its original credit facility with Rabobank Polska SA dating back from May 2007 by reducing the facility amount to PLN 295.0m from PLN 375.0m. In addition, the bank syndicate granted its consent to:

(i) dispose Netia's former head office and transmission equipment used by Netia to provide backhaul services to P4 Sp. z o.o. ("P4") whereby the first PLN 80.0m of proceeds may be retained by the Company without making mandatory facility repayments, and

(ii) perform a share buy-back for a total consideration of up to PLN 100.0m (up to PLN 50.0m may be utilized in each of 2009 and 2010).

These changes increase Netia's flexibility in the use of the undrawn facility, allowing for both pursuing non-Ethernet acquisition opportunities, should such occur, as well as allowing for share buy-backs. However, management has no plans to propose a share buy-back at this time.

The agreement for the sale of transmission equipment to P4.

On July 24, 2009 Netia and P4 concluded an agreement for the sale of the major part of the radio transmission equipment currently used by Netia to provide transmission services to P4 along with an annex to the existing service provision agreement (for details please refer to Netia's current report No. 37/2009 date July 24, 2009). Key terms of these agreements are as follows:

(i) the total price for the transmission equipment is PLN 65.4m, payable in cash, of which: PLN 22.8m is payable by P4 on the date of purchase of the first batch (August 1, 2009); PLN 21.1m is payable on the date of purchase of the second batch (January 1, 2010); and PLN 21.4m is payable on the date of purchase of the third batch (July 1, 2010),

(ii) the service provision agreement was concluded for an unspecified term and will expire upon the lapse of the termination period of the last of the circuits through which Netia provides transmission services to P4,

(iii) the termination period relating to the transmission services provided through the circuits to be sold to P4 and through the hub circuits was extended from 12 to 24 months, except for 15% of such circuits intended for reconfiguration, for which the termination period is 12 months,

(iv) up to the date of sale of particular batches of the transmission equipment, P4 cannot terminate the transmission services provided through the circuits covered by a particular batch, except for 15% of the circuits as referred to item (ii) above,

(v) New unit prices for the main network transmission have been introduced,

(vi) P4 has the right to assign all rights and obligations under the agreement to its subsidiary.

On July 24, 2009 P4 had transferred the existing service agreement and the agreement for sale of the radio transmission equipment to its subsidiary 3 GNS spółka z ograniczoną odpowiedzialnością sp.k.

These changes are in line with Netia's strategy of focusing its investment on residential and business customers rather than on large wholesale projects. The revenues and EBITDA from the reduced scope of services provided by the Company to P4 are expected to be approximately 30% of current levels whilst Netia expects to fully recover its original investment in the P4 transmission project.

On July 31, 2009, Netia received from P4 the payment for the first tranche of radio transmission equipment.

Mr. Grzegorz Esz will join Netia as a member of the Management Board and Chief Commercial Director responsible for sales and marketing, effective October 1, 2009. Mr. Esz is a well qualified executive with rich experience in marketing and sales management developed in leading telecommunications companies such as MTS, the largest mobile operator in Russia, and Polska Telefonia Cyfrowa Sp. z o.o. (PTC), one of the largest mobile operators in Poland. Most recently Mr. Esz was Vice President of Polskie Przedsiębiorstwo Wydawnictw Kartograficznych SA (PPWK), a company publicly listed on the Warsaw Stock Exchange.

4. REVISED GUIDANCE FOR FY2009

On August 6, 2009 Netia increased its EBITDA guidance for FY2009 by 4% to PLN 275.0m with Adjusted EBITDA guidance remaining unchanged at PLN 290.0m.

Having taken note of the more difficult trading conditions in H1 2009, the impact of the sale of the transmission network to P4 and the smooth implementation of the Profit project, Management is today announcing modified guidance for 2009.

Netia now expects for 2009 full year lower revenue, lower end-of-year broadband subscriber base, higher end-of-year voice subscriber base and improved margins relative to previous guidance (see Netia's current reports No. 28/2009 dated April 6, 2009 and No. 40/2009 dated August 6, 2009).

Full revised guidance for 2009 is set out below:

	Previous	Updated
Number of broadband service clients *(excl. Ethernet acquisitions)*	525,000	510,000
Number of voice service clients *(own network and WLR)*	1,150,000	1,200,000
Unbundled local loop (LLU) nodes	300	300
Revenue *(PLN m)*	1,520.0	1,500.0
Adjusted EBITDA [1] *(PLN m)*	290.0	290.0
EBITDA *(PLN m)*	265.0	275.0
Investment outlays (excl. M&A) *(PLN m)*	260.0	260.0

[1] *Adjusted EBITDA excludes one-off restructuring costs related to the cost reduction program (the "Profit" project) of PLN 15m*

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.

The mid term outlook 2009 – 2012 for Netia remains unchanged.

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 interim consolidated financial statements for the six-month period ended June 30, 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 interim condensed consolidated financial statements for the six-month period ended June 30, 2009.

H1 2009 vs. H1 2008

Revenue rose by 56% to PLN 749.3m for H1 2009 from PLN 480.9m for H1 2008. Excluding revenue from the IVT *(international voice termination)* activities sold in Q1 2008, revenue rose by 59%. 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 60% to PLN 746.8m from PLN 468.0m in H1 2008. Data revenue increased to PLN 251.2m, up by 49% from PLN 168.1m in H1 2008, 32 percentage points being attributable to broadband-related organic growth, 8 percentage points to acquisitions of Ethernet operators and 9 percentage points to data transmission connections sold to P4. Revenue from direct voice services increased by 98% to PLN 368.1m from PLN 186.2m for H1 2008, driven by Netia's rapid organic addition 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 50% or PLN 12.3m), associated with the acquisition of Tele2 Polska's CPS client base, and wholesale services (an increase of 16% or PLN 5.5m). Interconnection revenue decreased between the comparable periods by 5% or PLN 2.1m, 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 36% to PLN 509.1m from PLN 373.3m for H1 2008 and represented 68% of total revenue in H1 2009 as compared to 77% in H1 2008.

Network operations and maintenance costs increased by 107% to PLN 239.7m for H1 2009 from PLN 115.9m in H1 2008. This increase was driven by the costs of bitstream and WLR wholesale access, including Tele2 Polska's operations, the new Ethernet networks and additional leased lines to large business customers and an overall increase in the scale of Netia operations.

Depreciation and amortization related to cost of sales increased by 7% to PLN 123.4m from PLN 115.2m in H1 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 increased by 4% to PLN 107.5m in H1 2009 as compared to PLN 102.8m for H1 2008. The increase was mainly a result of the consolidation of Tele2 Polska's interconnection costs as of September 15, 2008, largely off-set by the introduction of lower MTR (mobile termination rates) from Q1 2009 and Netia's shift to greater reliance on flat rate agreements for domestic fixed-line traffic.

Salaries and benefits related to cost of sales (not including the restructuring costs) increased by 18% to PLN 11.8m from PLN 10.0m in H1 2008 reflecting overall increase in scale of Netia operations.

Restructuring costs related to cost of sales were PLN 1.7m, and represented employment termination benefits recorded in Q2 2009 in connection with the headcount reduction executed under the “Profit” project.

Gross profit for H1 2009 was PLN 240.3m as compared to PLN 107.6m for H1 2008, an increase of 123%. Gross profit margin increased to 32.1% from 22.4% for the prior year period.

Selling and distribution costs increased by 44% to PLN 169.4m from PLN 117.6m for H1 2008 and represented 23% of total revenue as compared to 24% in H1 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 216% to PLN 28.0m from PLN 8.9m in H1 2008, mainly due to the increase in the size of the customer base. Tele2 Polska’s outsourced cost of billing, included in this category, is expected to be eliminated once Tele2 Polska customers are migrated to Netia’s systems in H2 2009.

Outsourced customer service costs increased by 254% to PLN 14.3m from PLN 4.0m in H1 2008, driven by the addition of Tele2 Polska’s mainly outsourced customer care operations.

Third party commissions paid for the acquisition of new customers were up by 42% to PLN 22.6m from PLN 15.9m, reflecting higher gross additions, higher commissions paid on 2play contracts and increased reliance on door-to-door sales.

Depreciation and amortization related to selling and distribution was up by 49% to PLN 16.2m from PLN 10.9m in H1 2008, mostly due to amortization of the customer bases of acquired companies, particularly Tele2 Polska and AirBites.

Salaries and benefits costs related to selling and distribution (not including the restructuring costs) increased by 6% to PLN 45.3m from PLN 42.9m in H1 2008 in connection with addition of new staff and salary increases.

Restructuring costs related to selling and distribution were PLN 1.8m, representing termination benefits recorded in H1 2009 in connection with the “Profit” project.

Advertising and promotion expenditures were up by only 3% to PLN 29.6m from PLN 28.7m in H1 2008, despite the acquisition of Tele2 Polska. This reflects the significant synergy from elimination of the entire ATL spending supporting theTele2 Polska brand.

General and administration costs increased by 31% to PLN 88.2m from PLN 67.2m for H1 2008 and represented 12% of total revenue as compared to 14% in H1 2008. The cost increase was driven by the addition of Tele2 Polska’s expenses and increasing use of leased assets by the Netia group.

Office and car maintenance costs increased by 126% to PLN 10.0m from PLN 4.4m in H1 2009, mainly due to the cost of leasing Netia’s new head office and the recognition in Q1 2009 of an estimated loss on a rental contract for the former Tele2 Polska’s headoffice, which Netia intends to sublease.

Electronic data processing costs related to general administration were up by 109% to PLN 8.5m from PLN 4.1m in H1 2008 in connection with the ongoing migration to Netia’s systems of Tele2 Polska’s outsourced billing system.

Restructuring costs related to general and administration were PLN 2.4m, of which PLN 2.2m represented termination benefits recorded in H1 2009 in connection with the “Profit” project.

Other income was PLN 6.1m as compared to PLN 3.6m in H1 2009.

Other gains, net were PLN 3.4m as compared to PLN 11.4m in H1 2008, when Netia recorded a gain of PLN 5.1m on the disposal of certain assets related to the Company’s IVT activities.

Adjusted EBITDA increased by 110% to PLN 145.3m from PLN 69.2m for H1 2008. After deducting severance costs of PLN 6.0m, EBITDA was PLN 139.3m Adjusted EBITDA margin increased to 19.4% and EBITDA margin increased to 18.6% as compared to EBITDA margin of 14.4% in H1 2008.

Depreciation and amortization increased by 12% to PLN 147.3m as compared to PLN 131.5m for H1 2008 as a result of Netia accelerating the depreciation schedule of the retiring narrowband radio equipment, higher base of fixed assets and the amortization of Tele2 Polska's customer base, as described above.

Operating loss (EBIT) was PLN 8.0m as compared to operating loss of PLN 62.3m for H1 2008, reflecting increased scale, synergies realized on the Tele2 Polska acquisition and falling interconnection costs as a percentage of revenue.

Net finance cost was PLN 7.1m as compared to net finance cost of PLN 7.3m in H1 2008 and was related mainly to foreign exchange losses.

Net loss was PLN 14.6m as compared to a profit of PLN 259.3m for H1 2008. Profit for H1 2008 included a gain from disposal of Netia's shares in P4 of PLN 353.4m. Excluding this gain, loss recorded for H1 2008 was PLN 94.1m.

Capital investment (cash used for the purchase of fixed assets and computer software) increased by 21% to PLN 141.5m for H1 2009 from PLN 117.3m for H1 2008.

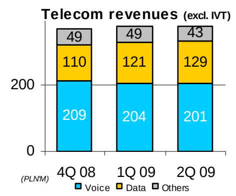
Other significant cash outflow items during H1 2009 included PLN 49.5m paid for the purchase of the short-dated treasury bonds and payments of PLN 39.7m made in connection with the acquisitions executed in 2008. In particular, this included PLN 26.5m relating to Tele2 Polska to reimburse the seller for excess cash and working capital versus the amounts targeted at the acquisition date in the share purchase agreement. As a result, net cash used in investing activities amounted to PLN 226.4m in H1 2009 as compared to PLN 326.3m provided in H1 2008, when Netia recorded PLN 453.8m of proceeds from the disposal of its P4 shares.

Cash and cash equivalents at June 30, 2009 were PLN 113.0m as compared to PLN 324.0m a year earlier. In addition, Netia held treasury bonds at a market value of PLN 49.9m at June 30, 2009.

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

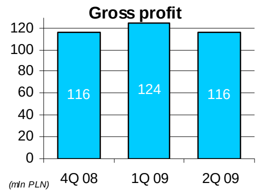
Q2 2009 vs. Q1 2009

Revenue was PLN 373.7m in Q2 2009 as compared to PLN 375.7m in Q1 2009.



Telecommunication revenue fell slightly between the consecutive quarters to PLN 372.4m in Q2 2009 versus PLN 374.4m in Q1 2009. Data revenue increased sequentially by 6% to PLN 129.2m in Q2 2009 from PLN 122.0m in Q1 2009. Voice revenue decreased sequentially by 1% to PLN 201.1 from PLN 203.8m, as a result of lower indirect voice revenue associated with decreased traffic volumes. Whilst the residential segment grew sequentially by PLN 2.8m due to subscriber growth and stable ARPUs, the economic situation put ARPUs under pressure in the business segments with revenue slightly declining by PLN 0.5m sequentially. Lower interconnection revenue and discounts granted to P4 on the transmission contract caused the wholesale segment to decrease by PLN 4.3m.

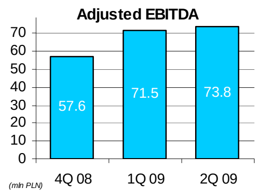
Cost of sales increased by 2% to PLN 257.3m from PLN 251.8m in Q1 2009 and represented 69% of total revenue in Q2 2009 as compared to 67% in Q1 2009. The increase in network operations and maintenance resulted mainly from the higher outsourcing costs in relation to increased scale of Netia's operations while higher depreciation and amortization charges were recorded due to recording depreciation on newly commissioned assets. This was partly offset by a decrease in interconnection cost associated with lower volumes of transit traffic and greater reliance on flat rate agreements for domestic traffic. In addition, in Q2 2009 Netia recorded the restructuring costs related to the "Profit" program of PLN 1.7m.



Gross profit decreased sequentially by 6% to PLN 116.4m in Q2 2009 from PLN 123.8m in Q1 2009, with gross profit margin decreasing to 31.2% from 33.0%.

Selling and distribution costs increased by 1% to PLN 85.3m from PLN 84.1m in Q1 2009, representing 23% of total revenue in Q2 2009 as compared to 22% in Q1 2009. The change was driven by an increase in advertising and promotion expenses associated with more intensive campaigning, which off-set a reduction across most of other cost categories. Netia ran an extensive brand campaign during much of the quarter, emphasizing national reach, ease of use and offer flexibility of its broadband services. The restructuring cost related to termination benefits paid in connection with the cost optimization "Profit" program increased sequentially by PLN 0.3m to PLN 1.1m.

General and administrative expenses decreased by 11% to PLN 41.6m as compared to PLN 46.6m in Q1 2009 and represented 11% of total revenue in Q2 2009 as compared to 12% in Q1 2009. The restructuring cost recorded in connection with the "Profit" program increased by PLN 0.7m during the quarter to PLN 1.6m.



EBITDA was PLN 69.4m as compared to PLN 69.9m in Q1 2009. After deducting severance costs of PLN 4.3m related to project "Profit", Adjusted EBITDA was PLN 73.7m in Q2 2009 as compared to PLN 71.5m in Q1 2009 and adjusted EBITDA margin increased to 19.7% from 19.0% in Q1 2009. EBITDA margin remained at 18.6% in both Q2 and Q1 2009.

Operating loss (EBIT) was PLN 5.0m as compared to operating loss of PLN 3.0m in Q1 2009. Excluding restructuring costs related to the Profit project, operating loss was PLN 0.6m in Q2 2009 as compared to PLN 1.4m in Q1 2009.

Net financial costs totalled PLN 3.2m versus PLN 3.9m in the previous quarter and were related mainly to foreign exchange losses.

Net loss of PLN 8.2m was recorded in Q2 2009 as compared to net loss of PLN 6.4m in Q1 2009.

Key Figures

PLN'000	H1 2008	H1 2009	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Revenues from continuing activities	472,179	749,344	243,483	271,159	369,056	375,665	373,679
Revenues from IVT activities	8,744	-	-	-	-	-	-
Total revenues	480,953	749,344	243,483	271,159	369,056	375,665	373,679
y-o-y % change	*17.3%*	*55.8%*	*18.4%*	*31.9%*	*65.9%*	*58.2%*	*53.5%*
Adjusted EBITDA	69,236	145,282	35,436	43,829	57,576	71,530	73,752
Margin %	*14.4%*	*19.4%*	*14.6%*	*16.2%*	*15.6%*	*19.0%*	*19.7%*
y-o-y change %	*(40.7%)*	*109.8%*	*(43.1%)*	*21.2%*	*225.7%*	*111.6%*	*108.1%*
EBITDA	69,236	139,315	35,436	43,829	57,576	69,911	69,404
Margin %	*14.4%*	*18.6%*	*14.6%*	*16.2%*	*15.6%*	*18.6%*	*18.6%*
EBIT	(62,309)	(8,035)	(33,230)	(22,714)	(14,683)	(3,051)	(4,984)
Margin %	*(12.2%)*	*(12.2%)*	*(13.6%)*	*(8.4%)*	*(4.0%)*	*(0.8%)*	*(1.3%)*
Profit/(Loss) of the Netia Group *(consolidated)*	259,287	(14,651)	314,581	(18,586)	(10,096)	(6,401)	(8,250)
Margin %	*(23.3%)*	*(23.3%)*	*129.2%*	*(6.9%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*
Adjusted profit/(loss) of the Netia Group (consolidated) [1]	(94,140)	(14,651)	(38,846)	(18,540)	(10,096)	(6,401)	(8,250)
Margin %	*(19.6%)*	*(2.0%)*	*(16.0%)*	*(6.8%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*
Profit/(Loss) of Netia SA *(stand alone)* [2]	(65,674)	(28,574)	(37,105)	(22,438)	(85,073)	(32,708)	4,133
Cash and cash equivalents	324,017	112,975	324,017	232,736	192,685	170,796	112,975
Treasury bonds (market value)	-	49,911	-	-	-	19,775	49,911
Debt	-	-	-	-	-	-	-
Capex related payments	117,301	141,549	47,167	70,060	71,259	74,766	66,783
Investments in tangible and intangible fixed assets	87,308	121,220	52,103	66,245	94,110	69,784	51,436

EUR '000 [3]	H1 2008	H1 2009	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Revenues from continuing activities	105,642	167,653	54,475	60,667	82,570	79,907	83,605
Revenues from IVT activities	1,956	-	-	-	-	-	-
Revenues	107,605	167,653	54,475	60,667	82,570	79,907	83,605
y-o-y % change	*17.3%*	*55.8%*	*18.4%*	*31.9%*	*65.9%*	*58.2%*	*53.5%*
Adjusted EBITDA	15,490	32,504	7,928	9,806	12,882	15,215	16,501
Margin %	*14.4%*	*19.4%*	*14.6%*	*16.2%*	*15.6%*	*19.0%*	*19.7%*
y-o-y change %	*(40.7%)*	*109.8%*	*(43.1%)*	*21.2%*	*225.7%*	*111.6%*	*108.1%*
EBITDA	15,490	31,169	7,928	9,806	12,882	14,871	15,528
Margin %	*14.4%*	*18.6%*	*14.6%*	*16.2%*	*15.6%*	*18.6%*	*18.6%*
EBIT	(13,941)	(1,798)	(7,435)	(5,082)	(3,285)	(649)	(1,115)
Margin %	*(12.2%)*	*(12.2%)*	*(13.6%)*	*(8.4%)*	*(4.0%)*	*(0.8%)*	*(1.3%)*
Profit/(Loss) of the Netia Group *(consolidated)*	58,011	(3,278)	70,382	(4,158)	(2,259)	(1,362)	(1,846)
Margin %	*(23.3%)*	*(23.3%)*	*129.2%*	*(6.9%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*
Adjusted profit/(loss) of the Netia Group (consolidated) [2]	(21,062)	(3,278)	(8,691)	(4,148)	(2,259)	(1,362)	(1,846)
Margin %	*(19.6%)*	*(2.0%)*	*(16.0%)*	*(6.8%)*	*(2.7%)*	*(1.7%)*	*(2.2%)*
Profit/(Loss) of Netia SA *(stand alone)* [3]	(14,693)	(6,393)	(8,302)	(5,020)	(19,034)	(6,957)	925
Cash and cash equivalents	72,494	25,276	72,494	52,071	43,110	36,330	25,276
Treasury bonds (market value)	-	11,167	-	-	-	4,424	11,167
Debt	-	-	-	-	-	-	-
Capex related payments	26,244	31,669	10,553	15,675	15,943	15,903	14,942
Investments in tangible and intangible fixed assets	19,534	27,121	11,657	14,821	21,056	14,907	11,508

1 Net result for FY 2008, Q2 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 4.4696 = EUR 1.00, the average rate announced by the National Bank of Poland on June 30, 2009. These figures are included for the convenience of the reader only.

Key Operational Indicators

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Broadband data						
Total number of broadband ports (cumulative)	256,922	292,470	346,939	413,645	441,266	*458,860*
xDSL and FastEthernet over Netia's own fixed-line network	*120,209*	*132,398*	*134,311*	*171,933*	*174,874*	*176,769*
WiMAX Internet ports	*7,192*	*8,444*	*9,970*	*12,110*	*13,416*	*14,467*
Others	*1,022*	*987*	*923*	*841*	*757*	*674*
Netia network broadband ports	128,423	141,829	145,204	184,884	189,047	191,910
Bitstream access ports	*128,499*	*150,641*	*201,522*	*227,441*	*248,455*	*259,626*
LLU access ports	-	-	*213*	*1,320*	*3,764*	*7,324*
Total net additions	39,404	35,548	54,469	66,706	27,621	17,594
Monthly Broadband APRU (PLN)	69	66	61	60	59	59
Monthly Bitstream SAC (PLN)	187	182	164	196	163	189
Subscriber data						
(own network and WLR)						
Subscriber lines (cumulative)	451,294	489,028	1,033,206	1,065,516	1,105,043	1,128,728
Traditional direct voice	*370,418*	*368,151*	*367,547*	*364,722*	*361,963*	*359,024*
incl. ISDN equivalent of lines	*116,262*	*119,312*	*123,186*	*127,304*	*129,810*	*132,002*
incl. legacy wireless	*42,703*	*42,304*	*42,372*	*40,717*	*39,728*	*38,791*
Voice over IP (excl. LLU)	*4,840*	*5,365*	*8,986*	*10,507*	*11,421*	*13,546*
WiMAX voice	*11,695*	*13,510*	*14,383*	*15,904*	*17,330*	*18,349*
Netia network subscriber voice lines	386,953	387,026	390,916	391,133	390,714	390,919
WLR	*64,341*	*102,002*	*642,081*	*672,969*	*710,633*	*730,913*
LLU voice over IP	*na*	*na*	*209*	*1,414*	*3,696*	*6,896*
Total net additions	29,532	37,734	544,178	32,310	39,527	23,685
Business mix of total subscriber lines (cumulative)	45.2%	44.6%	22.7%	22.9%	22.6%	22.6%
Monthly Voice ARPU in own network (PLN)	75	72	71	67	66	64
Monthly Voice ARPU for WLR (PLN)	32	39	46	56	51	50
Monthly Voice ARPU blended (PLN)	70	66	63	60	56	55
Indirect voice data						
CPS lines (cumulative)	25,518	22,129	204,066	176,035	150,076	132,159
Monthly Voice ARPU for CPS	141	165	125	39	40	40
Other						
Headcount	1,467	1,570	1,635	1,673	1,609	1,606

(Tables to Follow)

Income Statement (PLN in thousands unless otherwise stated)

Time periods:	**H1 2008**	**H1 2009**	**Q1 2009**	**Q2 2009**
Telecommunications revenue	*unaudited*	*unaudited*	*unaudited*	*unaudited*
Direct Voice	186,160	368,072	183,944	184,128
Incl. monthly fees	*67,366*	*221,099*	*108,376*	*112,723*
Incl. calling charges	*118,313*	*146,731*	*75,467*	*71,264*
Indirect Voice	24,487	36,816	19,842	16,974
Data	168,093	251,207	122,028	129,179
Interconnection revenues	40,062	37,937	21,326	16,611
Wholesale services	35,694	41,217	20,593	20,624
Other telecommunications revenues	13,537	11,588	6,654	4,934
Total telecommunications revenue	**468,033**	**746,837**	**374,387**	**372,450**
Radio communications revenue	4,146	2,507	1,278	1,229
Revenue from continuing activities	**472,179**	**749,344**	**375,665**	**373,679**
Revenues from IVT activities	8,774	-	-	-
Total revenue	**480,953**	**749,344**	**375,665**	**373,679**
Cost of sales	(373,351)	(509,081)	(251,818)	(257,263)
Interconnection charges	*(102,837)*	*(107,474)*	*(55,968)*	*(51,506)*
Network operations and maintenance	*(115,920)*	*(239,672)*	*(117,482)*	*(122,190)*
Costs of goods sold	*(4,070)*	*(5,638)*	*(2,436)*	*(3,202)*
Depreciation and amortization	*(115,220)*	*(123,431)*	*(59,836)*	*(63,595)*
Salaries and benefits	*(9,961)*	*(11,801)*	*(6,323)*	*(5,478)*
Restructuring (Project Profit)	*-*	*(1,712)*	*-*	*(1,712)*
Taxes, frequency fees and other expenses	*(25,343)*	*(19,353)*	*(9,773)*	*(9,580)*
Gross profit	**107,602**	**240,263**	**123,847**	**116,416**
Margin (%)	***22.0%***	***32.1%***	***33.0%***	***31.2%***
Selling and distribution costs	(117,617)	(169,420)	(84,104)	(85,316)
Advertising and promotion	*(28,712)*	*(29,620)*	*(8,988)*	*(20,632)*
Third party commissions	*(15,943)*	*(22,633)*	*(13,233)*	*(9,400)*
Billing, mailing and logistics	*(8,872)*	*(28,017)*	*(14,219)*	*(13,798)*
Outsourced customer service	*(4,048)*	*(14,324)*	*(8,508)*	*(5,816)*
Impairment of receivables	*(1,574)*	*(3,483)*	*(2,066)*	*(1,417)*
Depreciation and amortization	*(10,892)*	*(16,223)*	*(8,846)*	*(7,377)*
Salaries and benefits	*(42,865)*	*(45,342)*	*(23,329)*	*(22,013)*
Restructuring (Project Profit)	*-*	*(1,806)*	*(737)*	*(1,069)*
Other costs	*(4,711)*	*(7,972)*	*(4,178)*	*(3,794)*
General and administration costs	(67,218)	(88,173)	(46,585)	(41,588)
Professional services	*(3,854)*	*(5,210)*	*(2,486)*	*(2,724)*
Electronic data processing	*(4,087)*	*(8,529)*	*(4,607)*	*(3,922)*
Office and car maintenance	*(4,446)*	*(10,034)*	*(5,222)*	*(4,812)*
Depreciation and amortization	*(5,433)*	*(7,696)*	*(4,280)*	*(3,416)*
Salaries and benefits	*(38,618)*	*(40,760)*	*(22,396)*	*(18,364)*
Restructuring (Project Profit)	*-*	*(2,449)*	*(882)*	*(1,567)*
Other costs	*(10,780)*	*(13,495)*	*(6,712)*	*(6,783)*
Other income	3,570	6,062	2,943	3,119
Other expense	(51)	(200)	(100)	(100)
Other gains/ (losses), net	11,405	3,433	948	2,485
EBIT	**(62,309)**	**(8,035)**	**(3,051)**	**(4,984)**
Margin (%)	***(13 %)***	***(1.1%)***	***(0.8%)***	***(1.3%)***
Finance income	4,718	3,834	2,104	1,730
Finance cost	(12,041)	(10,922)	(5,987)	(4,935)
Gain on sale of investment in P4	353,427	-	-	-
Share of losses of associates	(22,625)	-	-	-
Profit / (Loss) before tax	**261,170**	**(15,123)**	**(6,934)**	**(8,189)**
Tax benefit / (charge)	(1,883)	472	533	(61)
Profit / (Loss)	**259,287**	**(14,651)**	**(6,401)**	**(8,250)**
Cash flow hedges	(476)	(3,627)	3,139	(6,271)
Income tax relating to components of other comprehensive income	-	(67)	(562)	-
Other comprehensive Income / (Loss)	**-**	**(3,694)**	**2,577**	**(6,271)**
Total comprehensive Income / (Loss)	**258,811**	**(18,345)**	**(3,824)**	**(14,521)**
Attributable to:				
Equity holders of the Company	258,811	(18,345)	(3,824)	(14,521)
Minority interest	-	-	-	-

EBITDA Reconciliation to Loss

(PLN in thousands unless otherwise stated)

Time periods:	H1 2008 *unaudited*	H1 2009 *unaudited*	Q1 2009 *unaudited*	Q2 2009 *unaudited*
Operating loss	**(62,309)**	**(8,035)**	**(3,051)**	**(4,984)**
Add back:				
Depreciation and amortization	131,545	147,350	72,962	74,388
EBITDA	**69,236**	**139,315**	**69,911**	**69,404**
Add back:				
Project Profit restructuring costs	-	5,967	1,619	4,348
Adjusted EBITDA	**69,236**	**145,282**	**71,530**	**73,752**
Margin (%)	***14.4%***	***19.4%***	***19.0%***	***19.7%***

Note to Other Income

(PLN in thousands unless otherwise stated)

Time periods:	H1 2008 *unaudited*	H1 2009 *unaudited*	Q1 2009 *unaudited*	Q2 2009 *unaudited*
Reminder fees and penalties	-	4,136	2,279	1,857
Forgiveness of liabilities	-	149	149	-
Sale of services to P4	662	-	-	-
Financial guarantee contract relating to P4	435	-	-	-
Fair value adjustments on other receivables and reversal of provisions	184	597	-	597
Other operating income	2,289	1,180	515	1,665
Total	**3,570**	**6,062**	**2,943**	**3,119**

Note to Other Expense

(PLN in thousands unless otherwise stated)

Time periods:	H1 2008 *unaudited*	H1 2009 *unaudited*	Q1 2009 *unaudited*	Q2 2009 *unaudited*
Impairment charges for specific individual assets	(51)	(200)	(100)	(100)
Total	**(51)**	**(200)**	**(100)**	**(100)**

Note to Other Gains / (losses), net

(PLN in thousands unless otherwise stated)

Time periods:	H1 2008 *unaudited*	H1 2009 *unaudited*	Q1 2009 *unaudited*	Q2 2009 *unaudited*
Gain on sale of impaired receivables	701	687	350	337
Gain on disposal of fixed assets	6,214	1,522	10	1,512
Gain on disposal of a group of assets comprising Premium Internet's IVT activities	5,093	-	-	-
Net foreign exchange gains / (losses)	(603)	1,224	588	636
Total	**11,405**	**3,433**	**948**	**2,485**

Balance Sheet (PLN in thousands unless otherwise stated)

Time Periods	December 31, 2008 *audited*	March 31, 2009 *unaudited*	June 30, 2009 *unaudited*
Property, plant and equipment, net	1,415,994	1,424,295	1,411,882
Intangible assets	412,554	399,492	390,187
Investment property	36,133	35,995	35,784
Deferred income tax assets	564	138	233
Available for sale financial assets	10	10	10
Long-term receivables	6,623	6,623	6,623
Prepaid expenses and accrued income	16,867	14,787	12,323
Total non-current assets	**1,888,745**	**1,881,340**	**1,857,042**
Inventories	5,060	4,885	3,372
Trade and other receivables	168,352	154,613	159,721
Current income tax receivables	201	275	96
Prepaid expenses and accrued income	18,294	20,407	22,303
Derivative financial instruments	-	4,228	3,042
Financial assets at fair value through profit and loss	5,905	5,001	5,086
Held to maturity investments	-	19,775	49,911
Restricted cash	2,712	2,634	2,626
Cash and cash equivalents	192,685	170,796	112,975
	393,209	**382,614**	**359,132**
Non-current assets classified as held for sale	513	513	118
Total current assets	**393,722**	**383,127**	**359,250**
TOTAL ASSETS	**2,282,467**	**2,264,467**	**2,216,292**
Share capital	389,277	389,277	389,277
Share premium	1,556,489	1,556,489	1,356,652
Retained earnings	(41,245)	(47,646)	143,941
Other components of equity	23,960	29,779	25,557
TOTAL EQUITY	**1,928,481**	**1,927,899**	**1,915,427**
Provisions	7,537	8,005	7,964
Deferred income	7,779	7,656	7,534
Deferred income tax liabilities	9,121	8,421	7,870
Other long-term liabilities	2,898	9,740	8,455
Total non-current liabilities	**27,335**	**33,822**	**31,823**
Trade and other payables	297,571	267,050	229,237
Derivative financial instruments	-	3,673	6,038
Financial liabilities at fair value through profit and loss	304	164	176
Current income tax liabilities	53	29	1
Provisions	6,345	7,327	5,771
Deferred income	22,378	24,503	27,819
Total current liabilities	**326,651**	**302,746**	**269,042**
Total liabilities	**353,986**	**336,578**	**300,865**
TOTAL EQUITY AND LIABILITIES	**2,282,467**	**2,264,467**	**2,216,292**

Cash Flow Statement (PLN in thousands unless otherwise stated)

Time periods:	H1 2008 *unaudited*	H1 2009 *unaudited*	Q1 2009 *unaudited*	Q2 2009 *unaudited*
Profit / (Loss)	**259,287**	**(14,651)**	**(6,401)**	**(8,250)**
Depreciation and amortization	131,545	147,350	72,962	74,388
Impairment charges for specific individual assets	51	200	100	100
Share of losses of former associates	22,625	-	-	-
Deferred income tax charge / (benefit)	1,626	(986)	(835)	(151)
Interest expense charged on bank loans and transaction costs write-off	7,040	1,744	-	1,744
Other interest charged	197	1,142	855	287
Financial guarantee contract	(435)	-	-	-
Interest accrued on loans granted	(14)	(4)	(3)	(1)
Share-based compensation	7,223	5,375	3,242	2,133
Fair value (gains)/losses on financial assets/liabilities	(297)	692	765	(73)
Fair value (gains)losses on derivative financial instruments	-	(131)	1,954	(2,085)
Foreign exchange (gains) / losses	3,663	5,815	1,793	4,022
Gain on disposal of fixed assets	(5,990)	(1,334)	56	(1,390)
Gain on sale of a former associate (P4)	(353,427)	-	-	-
Gain on disposal of group of assets	(5,093)	-	-	-
Changes in working capital	(21,704)	8,171	1,773	6,398
Net cash provided by operating activities	**46,297**	**153,383**	**76,261**	**77,122**
Purchase of fixed assets and computer software	(117,301)	(140,742)	(73,959)	(66,783)
Purchase of operational networks	-	(807)	(807)	-
Proceeds from sale of non-core assets	7,687	2,191	181	2,010
Proceeds from sale of group of assets	6,000	2,000	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	(16,070)	(39,724)	(6,963)	(32,761)
Purchase of treasury bonds	-	(49,491)	(19,762)	(29,729)
Loan and interest repayments	323	139	69	70
Net cash (used in)/provided by investing activities	**326,285**	**(226,434)**	**(99,241)**	**(127,193)**
Finance lease payments	(1,191)	(1,272)	(484)	(788)
Proceeds from borrowings	85,000	-	-	-
Loan repayments	(180,006)	-	-	-
Interest repayments	(5,814)	-	-	-
Net cash (used in)/provided by financing activities	**(102,011)**	**(1,272)**	**(484)**	**(788)**
Net change in cash and cash equivalents	**270,571**	**(74,323)**	**(23,464)**	**(50,859)**
Effect of exchange rate change on cash and cash equivalents	(4,251)	(5,387)	1,575	(6,962)
Cash and cash equivalents at the beginning of the period	57,697	192,685	192,685	170,796
Cash and cash equivalents at the end of the period	**324,017**	**112,975**	**170,796**	**112,975**

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.
Bitstream SAC	–	a cost per unit related to the acquisition of new customers through a bitstream access, including a one-time payment to TP (the incumbent), the third-party 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) 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 August 6, 2009 at 09:00 AM (UK) / 10:00 AM (Continent) / 04:00 AM (Eastern).

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Replay number:
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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)

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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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