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NETIA SA REPORTS 2008 FIRST QUARTER RESULTS

WARSAW, Poland – May 15, 2008 – 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 first quarter ended March 31, 2008.

1. KEY DEVELOPMENTS

1.1. Financial

- **Revenue growth from continuing activities accelerated** to 22% versus Q1 2007 and by 8% sequentially. Total revenues from continuing activities rose to PLN 228.7m (EUR 64.9m) and to PLN 237.5m (EUR 67.1m) including the wholesale activities sold to Mediatel SA during Q1 2008.
- **EBITDA** rose to PLN 33.8m (EUR 9.6m) in Q1 2008 from PLN 17.7m in the previous quarter on comparable volumes of newly acquired broadband and voice customers.
- **Management confirms its 2008 guidance** for revenues above PLN 950.0m and EBITDA of PLN 125.0m on a broadband subscriber base of over 400,000 and a voice customer base of above 580,000.
- **Netia completed the sale of its shares in P4 Sp. z o.o. ("P4") for EUR 131.8m** on April 30, 2008. This represents a 66% return on invested capital and provides the funding necessary to support Netia's broadband-driven growth strategy through to expected cash flow break-even in 2010.
- **Following the P4 disposal, Netia had pro-forma net cash** of PLN 338.2m (EUR 95.9m) and will record a pro-forma gain of approximately PLN 353.4m (EUR 100.2m) in Q2 2008.

1.2. Operational

- **Netia's broadband subscriber base** reached 256,922 at March 31, 2008, growing by 18% from 217,518 at December 31, 2007 and by 152% from 101,822 at March 31, 2007. As at May 15, 2008, Netia had over 270,000 broadband subscribers in total. The Company is targeting a total of at least 400,000 broadband customers by the end of 2008.
- Netia has clearly established itself as the **leading telco altnet provider of broadband services in Poland**. Based on published market share estimates, Netia acquired 17% of all broadband net additions during Q1 2008.
- By March 31, 2008 Netia increased its **voice service customer base** to 451,284 from 421,752 as at December 31, 2007, driven by the acquisition of an additional 33,213 WLR customers during Q1 2008.
- Netia was the first altnet to fully **unbundle the incumbent's local loop** *(LLU)*, enabling it to offer differentiated broadband services over TP's access network during 2008 and beyond. Following the soft launch in Q1 2008, on May 5, 2008 Netia began its first commercial campaign promoting the LLU-based services in selected geographical areas.

Mirosław Godlewski, Netia's President and CEO, commented: "Netia is off to an excellent start in 2008 as we continue to execute our broadband-driven growth strategy. We grew our broadband subscriber base to 257,000, representing 152% year-on-year growth, and we were once again the number one telecom altnet to TP with an estimated 17% share in broadband market net additions. Our total market share of broadband subscribers doubled during the past twelve months to 5.1% from 2.4%."

"It is pleasing to report that we also made significant progress in other strategic areas beyond broadband. After two quarters of offering WLR-based services, our voice customer base is also growing rapidly and we saw voice revenues rising sequentially as a result. Furthermore, our disposal of non-core wholesale activities during the quarter underlines our commitment to increase the profitability of our own network-based operations."

"Although we have now disposed of our stake in the mobile operator Play, that does not mean that our relationship with Play has ended. We have a profitable and growing transmission contract with Play and we will continue to work strategically together to bundle our fixed services with mobile services under the Netia brand using Play's network. With a consistent strategy and strong start to the fiscal year, we are optimistic about our ability to capitalize on the opportunities that lie ahead as we drive toward the target of one million broadband customers by the end of 2010."

Jon Eastick, Netia's CFO, commented: "Our first quarter results show that the consistent execution of our strategy is delivering accelerating revenue momentum. Q1 2008 revenues of PLN 237.5 million represent a 16% year-on-year increase, up from the 6% growth reported last quarter. Excluding the non-core activities disposed of during the quarter, year-on-year growth from continuing parts of Netia was actually 22%."

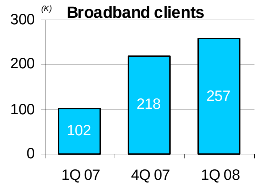
"As we predicted, our EBITDA performance has rebounded after Q4 2007 and we are on-track to meet our full year guidance on EBITDA and in all other areas. Our investment in building our brand is paying off as demonstrated by the fact that we were able to achieve similar organic growth levels in broadband and voice services as in Q4 2007 with lower advertising spend and improved residential broadband ARPUs. There was good progress in reducing broadband subscriber acquisition cost to below PLN 200 for the first time and a stable blended broadband monthly revenue per subscriber of PLN 75."

"The completion of our divestment from Play has yielded a PLN 353 million profit and brought in EUR 132 million. This cash, together with our PLN 300 million bank facility, puts Netia in the enviable position of having its expansion plans fully funded as well as providing the financial flexibility to look at new opportunities in the telecommunications sector as they arise."

"The management team is looking ahead with confidence and we are working hard to add further growth and profitability momentum to our business later in the 2008 as we roll our LLU-based services, begin the cross-selling of voice services to our Ethernet-based broadband customers, launch fixed-mobile bundles and make further Ethernet network acquisitions."

2. OPERATIONAL OVERVIEW

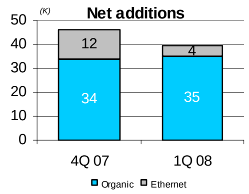
2.1. Broadband



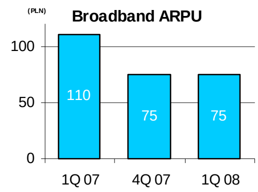
Broadband subscribers increased to 256,922 at March 31, 2008 from 217,518 at December 31, 2007 and 101,822 a year earlier. As announced in April 2007, Netia's key strategic objective is to become the market leader amongst alternative operators and reach one million broadband customers by the end of 2010. By the end of 2008, Netia aims to have more than 400,000 broadband customers. As at May 15, 2008, the broadband subscriber base exceeds 270,000 ports.

Netia provides its broadband services using the following technologies:

Number of broadband ports	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
xDSL and FastEthernet over Netia's own fixed-line network	120,209	111,223	94,621	88,468	62,528
WiMAX Internet	7,192	5,861	4,658	3,516	2,192
Bitstream access	128,499	99,346	70,945	40,770	35,836
Others	1,022	1,088	1,144	1,224	1,266
Total	**256,922**	**217,518**	**171,368**	**133,978**	**101,822**



Broadband net additions during Q1 2008 comprised 35,037 from organic growth and 4,367 from the acquisition of an Ethernet operator. Organic additions were up 4% versus Q4 2007 and this was achieved with lower advertising spending and a less aggressive promotional offer than in Q4 2007.



Broadband ARPU was PLN 75 (EUR 21) in Q1 2008 as compared to PLN 110 in Q1 2007 and PLN 75 in Q4 2007. 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.

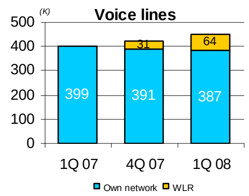
Important developments in broadband:

Local loop unbundling (LLU). Netia connected its first clients through an unbundled TP switch under a pilot project in Warsaw during December 2007, and the soft launch of LLU-based services was made in Q1 2008. On May 5, 2008 Netia began a promotion campaign targeted to approximately 170,000 customers who are connected to the nodes unbundled thus far. In the future, Netia intends to further increase customer value by migrating its bitstream access and WLR clients to LLU where nodes are available. This will enable Netia to up-sell both content and convergent products, as well as voice services to these customers. The number of unbundled nodes was 10 at March 31, 2008 and reached 17 by May 15, 2008. The rate of nodes unbundling is expected to accelerate later in 2008, and Netia is targeting to unbundle in excess of 100 nodes by the year-end, reaching around 1 million customer lines.

Acquisitions of local Ethernet network operators. In Q1 2008 Netia continued to consolidate local Ethernet networks into its business with the purchase of Przedsiębiorstwo Informatyczne Punkt Sp. z o.o. ("Punkt"), with 4,367 customers operating in the town of Opole in the Southern Poland, for PLN 5.1m (EUR 1.4m). Including this transaction, the Ethernet networks acquired by Netia provided broadband access to a total of 43,399 mostly residential customers at March 31, 2008, with approximately 136,000 households passed. The acquisitions are part of Netia's strategic objective to acquire one million broadband customers. For 2008, Netia estimates that the total M&A investment in Ethernet networks may reach up to PLN 40.0m (EUR 11.3m). Punkt was consolidated into Netia's financial results from February 29, 2008.

<u>*Content streaming.*</u> During Q2 2008 Netia enriched its broadband offering, adding the first elements of an extensive multimedia content package that is currently under preparation. From April 2008, Netia offered, in association with Polsat TV station, an access to an Internet platform containing high quality materials concerning the UEFA European Football Championship Euro 2008. From May 2008, Netia clients can use Internet cinema and video on demand services offered by iplex.pl.

<u>*2.2. Voice (own network + WLR)*</u>



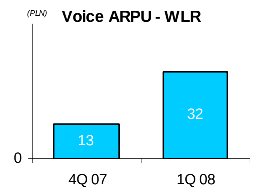
Voice lines (own network and WLR *(wholesale line rental)***)** totaled 451,284 at March 31, 2008 as compared to 398,949 at March 31, 2007 and 421,752 at December 31, 2007.

The sequential increase in number of voice lines resulted from the growth within <u>WLR-based voice services,</u> sold to both voice-only customers and bitstream broadband customers as a double play offering. Netia began offering WLR during Q4 2007 and the number of WLR active lines reached 64,341 at March 31, 2008 as compared to 31,128 WLR clients at December 31, 2007. Management expects that in the next several quarters it will continue to dynamically expand its base of voice clients thanks to newly connected WLR voice customers and thereby stabilize voice revenues.

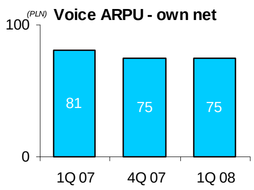
<u>Netia network subscriber voice lines</u> (net of voluntary churn and disconnections) were 386,953 at March 31, 2008 as compared to 398,949 at March 31, 2007 and 390,624 at December 31, 2007. The decline in the direct voice subscriber base reflects the deactivation of certain legacy narrowband radio voice customers (operating in 2.4 GHz band) who chose not to switch to Netia's WiMAX services where minimum monthly charges are higher. These legacy radio technologies must be disconnected by all operators in Poland during 2007 and 2008 due to changes in frequency allocations imposed by the regulator. As the higher ARPU clients are switching to WiMAX, Management does not expect a material negative impact on revenues or EBITDA from this migration process.

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

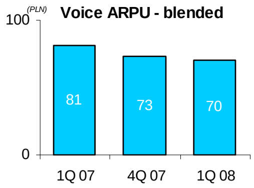
Number of voice lines	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Traditional direct voice	370,418	377,104	383,652	389,584	395,418
Incl. ISDN	*116,262*	*113,704*	*111,962*	*110,352*	*106,800*
Incl. Legacy wireless	*42,703*	*44,755*	*48,680*	*52,820*	*57,745*
Voice over IP	4,840	2,495	2,169	1,340	1,120
WiMAX voice	11,695	11,025	8,646	5,539	2,411
WLR	64,341	31,128	n/a	n/a	n/a
Total	**451,294**	**421,752**	**394,440**	**396,463**	**398,949**



Voice ARPU per WLR line amounted to PLN 32 (EUR 9) in Q1 2008 as compared to PLN 13 in Q4 2007 and is expected to continue to increase strongly in the coming quarters.



Voice ARPU per Netia network subscriber line amounted to PLN 75 (EUR 21) in Q1 2008 as compared to PLN 81 in Q1 2007 and PLN 75 in Q4 2007.

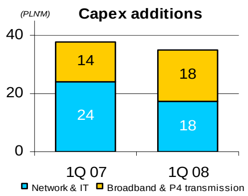


Blended voice ARPU decreased by 13% to PLN 70 (EUR 20) in Q1 2008 from PLN 81 in Q1 2007 and by 4% from PLN 73 in Q4 2007. The decrease reflects continued overall tariff reduction trends and the sequential introduction to the voice ARPU definition of WLR customers.

2.3. Other

Headcount for the Netia group was 1,487 at March 31, 2008, compared to 1,110 at March 31, 2007 and 1,281 at December 31, 2007. The sequential increase in headcount was driven by the conversion of civil temporary contractors into employees, mostly within the customer care area. Included within the total headcount are 97 employees of the thirteen Ethernet companies acquired to date in connection with Netia's broadband-focused strategy.

The number of Netia's active business clients from the SME/SOHO sector grew by 8% to 85,113 at March 31, 2007 from 78,820 at December 31, 2007. Increasing Netia's focus on SOHO/SME customers and reducing dependence on revenues from large accounts and bespoke offerings for business customers is an important element of Netia's strategy.



Capital investment additions decreased by 7% from PLN 37.7m in Q1 2007 to PLN 35.2m (EUR 10.0m) in Q1 2008. Expenditures related to the existing network and information technology fell versus the prior year quarter by 27% from PLN 23.9m in Q1 2007 to PLN 17.5m (EUR 5.0m) in Q1 2008. Expenditures on broadband networks and the transmission project for P4 increased to a total of PLN 17.7m (EUR 5.0m) in Q1 2008 from PLN 13.7m in Q1 2007. Cash paid out for capital investments in Q1 2008 was PLN 70.1m (EUR 19.9m), reflecting payments for investments made in the previous quarter.

3. OTHER HIGHLIGHTS

Netia's investment in P4. During January 2008 Netia paid the final EUR 2.0m of its equity investment commitment to P4, bringing the total invested to EUR 79.5m between 2005 and 2008. Following the annex to the P4 shareholders agreement signed on February 1, 2008, Netia agreed to allow its partners to increase P4's equity to fund ongoing operational requirements. As a result Netia's interest in P4 fell to 22.7% by February 21, 2008 (see below).

During Q1 2008, P4's revenue climbed sequentially by 29% to PLN 152.0m (EUR 43.1m) and the loss fell sequentially to PLN 174.0m (EUR 49.4m). Netia recorded its equity adjusted share of P4's loss, up to the date of obtaining the consent to sign the sale contract (i.e., February 21, 2008), which amounted to PLN 22.6m (EUR 6.4m).

Sale of Netia's minority stake in P4 for EUR 131.8m. On February 22, 2008 Netia concluded a binding agreement with Novator and Tollerton to sell all its shares in P4. The transaction closed on April 30, 2008 and Netia received EUR 131.8m from Novator and Tollerton, Netia's partners in the P4 project. Other agreed terms of the sale transaction included, among others, the additional price payable to Netia in case of future change of control of P4 during 12 months after signing, and amendments to the trade contracts between the Company and P4 to reflect the fact that following the transaction Netia will no longer be a shareholder of P4. Furthermore, Novator and Tollerton have committed to hold Netia harmless from its guarantee obligations towards P4's banker, China Development Bank ("CDB"), from closing until CDB formally transfers these obligations to the buyers.

Despite the sale of its stake in P4, Netia expects to continue to leverage its position as a founding shareholder to continue a close business partnership with P4. This partnership includes: (i) full implementation of the pre-existing mobile service provider agreement that enables Netia to sell convergent fixed and mobile offers under its own brand, (ii) provision of backhaul transmission services to P4's network, and (iii) continued use of the Play Germanos distribution chain for Netia's services.

Netia realized a 66% return on its equity investments in P4 (representing an annualized IRR of 26%) and obtained the funding it expects to be sufficient to fund its broadband expansion strategy through to cash flow break-even.

The transaction is expected to result in recording a gain of PLN 353.4m (EUR 100.2m) in the "other gains/(losses), net" line of Netia's income statement in Q2 2008.

Netia diversifying into mobile services. The launch of Play (Play is the brand developed by P4) allows Netia to achieve a primary strategic objective of providing its customers with bundles of fixed-mobile products and services. Under this plan, Netia will become a mobile service provider, selling P4's mobile services under its own brand and introducing convergent fixed-mobile products together with Play. A long-term service provisioning contract on both initiatives was signed by Netia and P4 on December 7, 2007 and came into effect during January 2008. The commercial launch of bundled services by Netia is planned for H2 2008.

Disposal of non-core assets. An important component of Netia's strategy is improving the cash flow and profitability of its business customer segment. In line with this objective, Netia's subsidiary Premium Internet SA disposed of its activities related to wholesale international voice termination *(IVT).* The related customer relationships, employees and switching equipment were acquired by Mediatel SA on March 19, 2008 for PLN 13.6m (EUR 3.9m). Netia retained the Premium Internet SA legal entity and its interconnection infrastructure, used for the provision of WLR and indirect access voice services to Netia's retail customers as well as for IVT. The IVT market has been intensely competitive and the decline in Netia's wholesale revenues during 2007 was largely driven by IVT revenues falling to PLN 57.1m (EUR 16.2m) in 2007 from PLN 82.0m in 2006.

Netia's ordinary shareholders meeting held on May 7, 2008 adopted resolutions concerning, among others, the approval of 2007 financial statements and coverage of losses, merger of Netia with it's wholly-owned subsidiary Świat Internet SA and changes to the composition of the supervisory board. Currently, Netia's supervisory board consists of the following 7 members: Constantine Gonticas, Raimondo Eggink, Marek Gul, Bruce McInroy, Tadeusz Radzimiński, Pantelis Tzortzakis and Jerome de Vitry. Mr. Marek Gul is the Head of Credit Suisse Poland and Mr. Jerome de Vitry was most recently the President and CEO of Completel Europe NV.

4. GUIDANCE FOR 2008

	2008 *Guidance*
Number of broadband service clients	> 400,000
Number of voice service clients *(own network and WLR)*	> 580,000
Unbundled local loop (LLU) nodes	100
Revenues *(PLN m)*	> 950.0
EBITDA/Adjusted EBITDA *(PLN m)*	125.0
Of which regulatory start-up losses for the development of the regulatory access methods (i.e., bitstream access, local loop unbundling, wholesale line rental) and reaching 400,000 broadband subscribers	*80.0*
Investment outlays (excl. M&A) *(PLN m)*	280.0
M&A investment in Ethernet networks*(PLN m)*	40.0

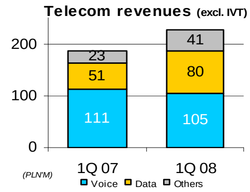
Netia management reconfirms its guidance for 2008. Guidance for revenues is being maintained at above PLN 950.0m despite the sale of Premium Internet SA's IVT activities during Q1 2008. IVT contributed PLN 57.1m of Netia's revenues in 2007. This reflects management's confidence in Netia's increasing growth momentum.

Consolidated Financial Information

Please also see our interim condensed consolidated financial statements for the three-month period ended March 31, 2008.

Q1 2008 vs. Q1 2007

Revenue rose by 16% from PLN 204.4m for Q1 2007 to PLN 237.5m (EUR 67.4m) in Q1 2008. Excluding revenues from the IVT activities sold in Q1 2008, revenues rose by 22% to PLN 228.7m (EUR 64.9m) from PLN 187.8m in Q1 2007.



Total telecommunications revenues, excluding IVT, increased by 22% to PLN 226.6m (EUR 64.3m) from PLN 185.9m in Q1 2007. Data revenues increased to PLN 80.3m (EUR 22.8m) in Q1 2008, up by 56% from PLN 51.4m in Q1 2007, with 48 percentage points from organic growth and 9 percentage points from acquisitions of Ethernet operators. Revenues from direct voice services decreased by 6% to PLN 92.1m (EUR 26.1m) from PLN 97.5m for Q1 2007, mainly reflecting the overall tariff reduction trend in this product segment. The rapid addition of WLR voice customers is helping to slow the overall decline in voice revenues, and management plans to stabilize voice revenue during the course of 2008.

The overall revenue increase was also supported by higher interconnection revenues (an increase of 184% or PLN 9.1m (EUR 2.6m)), driven mostly by the introduction of new interconnection agreement with TP from Q4 2007. Wholesale revenues from continuing activities rose from PLN 12.7m to PLN 19.1m (EUR 5.4m) and were boosted by PLN 4.3m (EUR 1.2m) of revenue from the P4 transmission contract.

The IVT activities excluded from the above analysis, sold during Q1 2008, declined from PLN 16.6m to PLN 8.8m (EUR 2.5m) between Q1 2007 and Q1 2008.

Cost of sales increased by 17% to PLN 181.8m (EUR 51.6m) from PLN 155.0m for Q1 2007 and represented 77% of total revenues in Q1 2008 as compared to 76% in Q1 2007.

Interconnection charges increased by 34% to PLN 52.6m (EUR 14.9m) for Q1 2008 as compared to PLN 39.3m for Q1 2007 mainly as a result of the introduction of the new interconnect regime with TP as of Q4 2007.

Network operations and maintenance costs increased by 34% to PLN 50.2m (EUR 14.2m) in Q1 2008 from PLN 37.5m in Q1 2007. This increase was driven by the costs of leased lines to large business customers, bitstream and WLR wholesale access, the new Ethernet networks and the WiMAX network rollout.

Depreciation charges for fixed assets related to cost of sales decreased by 13% to PLN 48.5m (EUR 13.8m) from PLN 55.5m in Q1 2007 as a result of Netia completing the accelerated depreciation of the legacy narrowband radio equipment that is in the process of being retired.

Other costs increased by 35% to PLN 16.9m (EUR 4.8m) in Q1 2008 from PLN 12.6m in Q1 2007, including a PLN 5.0m increase in provisions.

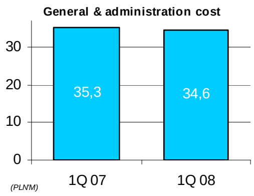
Gross margin for Q1 2008 was PLN 55.7m (EUR 15.8m) as compared to PLN 49.4m for Q1 2007. Gross profit margin decreased to 23.4% from 24.1% for Q1 2007. The lower gross margin reflects the increasing importance of lower margin data and regulated access services in the sales mix and the new RIO interconnection regime.

Selling and distribution costs increased by 50% to PLN 57.1m (EUR 16.2m) from PLN 38.0m for Q1 2007 and represented 24% of total revenues as compared to 18% in Q1 2007. Expenditures associated with the acquisition of new broadband customers are the main driver behind the increased spending.

Advertising and promotion expenditures were up by 284% to PLN 13.5m (EUR 3.8m) from PLN 3.5m in Q1 2007 when Netia's bitstream offer to mass market clients was just getting underway.

Salaries and benefits costs related to selling and distribution increased by 36% to PLN 21.4m (EUR 6.1m) in Q1 2008 from PLN 15.7m in Q1 2007 in connection with addition of new staff and salary increases.

Other services costs increased by 24% to PLN 11.3m (EUR 3.2m) from PLN 9.0m in Q1 2007, mainly as a result of the third-party commissions paid for the acquisition of new customers and costs of outsourced call center support.



General and administration costs decreased by 2% to PLN 34.6m (EUR 9.8m) from PLN 35.3m for Q1 2007 and represented 15% of total revenues as compared to 17% in Q1 2007. Most categories of general and administrative expenses were reduced year over year, reflecting the success of our cost saving initiatives. Furthermore, non-cash costs of stock options recorded in administration expenses increased from PLN 0.9m to PLN 4.3m (EUR 1.2m). Excluding these stock option costs, general and administration costs fell by 12%.

Other income was PLN 2.4m (EUR 0.7m) as compared to PLN 11.0m in Q1 2007. Other income recorded for Q1 2007 included PLN 9.1m related to the Company's settlement of interconnection disputes with TP.

Other gains/(losses), net were PLN 4.5m (EUR 1.3m) as compared to PLN 2.7m in Q1 2007 and included a gain of PLN 5.1m (EUR 1.4m) recorded on disposal of certain assets of Premium Internet SA comprising its IVT activities.

Operating costs related to Netia's bitstream access and WLR projects, net of revenues, amounted to PLN 22.2m (EUR 6.3m) in Q1 2008, out of which PLN 11.9m (EUR 4.2m) were attributable to the cost of subscribers' acquisition and a further PLN 10.3m (EUR 2.9um) in incremental costs of bitstream wholesale access, IP transit, advertising and customer care.

EBITDA was PLN 33.8m (EUR 9.6m) for Q1 2008 as compared PLN 54.6m for Q1 2007. EBITDA margin was 14.1% as compared to 26.3% for Q1 2007.

Depreciation and amortization decreased by 10% to PLN 62.9m (EUR 17.8m) as compared to PLN 69.5m for Q1 2007 as a result of Netia completing the accelerated depreciation of the retiring legacy narrowband radio equipment.

Operating loss (EBIT) was PLN 29.1m (EUR 8.2) as compared to operating loss of PLN 14.9m for Q1 2007, driven by the costs of the broadband and WLR expansion and lower one-off gains than in the prior year quarter.

Net finance loss was PLN 1.7m (EUR 0.5m) as compared to net finance income of PLN 1.8m in Q1 2007 and was related mainly to interest from the credit facility. Net financial income recorded in the prior year quarter was related mainly to interest earned on cash.

Share of losses of associates was PLN 22.6m (EUR 6.4m) as compared to PLN 25.6m in Q1 2007 and was related to Netia's equity participation in the P4 mobile venture, which was 30% until May 2007, 23.4% until February 5, 2008 and 22.7% thereafter. In accordance with accounting rules, once the consent from the supervisory board to sell Netia's P4 shares was obtained on February 21, 2008, the Company ceased to consolidate its share of P4 loss from that moment forward. Expenditures on subscriber acquisition costs, advertising and promotion, and national roaming expenses were the main drivers of P4's start-up loss for the period. P4's total loss rose from PLN 85.4m in Q1 2007 to PLN 174.0m in Q1 2008.

Loss was PLN 55.3m (EUR 15.7m) as compared to loss of PLN 37.8m for Q1 2007. The change in the net result was mainly due to increased selling and distribution costs associated with the aggressive expansion of Netia's broadband and WLR customer bases and lower one-off gains.

Net cash used for the purchase of fixed assets and computer software increased by 13% to PLN 70.1m (EUR 19.9m) for Q1 2008 from PLN 61.9m for Q1 2007. Investments in Netia's existing network and IT combined were down by 27% in comparison to Q1 2007 while investment in broadband and the P4 transmission projects grew by 29% to PLN 17.7m (EUR 5.0m) from PLN 13.7m in Q1 2007.

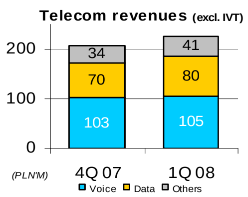
Other significant cash outflow / inflow items during Q1 2008 included Netia's equity contribution to the PLAY mobile venture of PLN 8.1m (EUR 2.3m), PLN 7.8m (EUR 2.2m) of the purchase consideration for the acquisition of the Ethernet network operators, and PLN 4.0m (EUR 1.1m) received on the sale of certain assets of Premium Internet SA related to its international voice termination (IVT) business. As a result, net cash used in investing activities amounted to PLN 81.8m (EUR 23.2m) for Q1 2008 as compared to PLN 76.5m for Q1 2007.

Cash and cash equivalents at March 31, 2008 were PLN 74.2m (EUR 21.0m).

Debt at March 31, 2008 was PLN 180.0m (EUR 51.1m), with an additional PLN 120.0m (EUR 34.0m) credit facility available to finance Netia's future investment requirements.

Q1 2008 vs. Q4 2007

Revenues were sequentially up by 7% to PLN 237.5m (EUR 67.4m) in Q1 2008 from PLN 222.5m in Q4 2007. Excluding revenues from IVT activities sold to Mediatel SA in Q1 2008, revenue growth was up sequentially by 8%.



Total telecommunications revenues, excluding IVT, increased by 8% to PLN 226.6m (EUR 64.3m) from PLN 209.1m in Q4 2007. Data revenues increased sequentially by 15% to PLN 80.3m (EUR 22.8m) in Q1 2008 from PLN 70.0m in Q4 2007, supported by bitstream revenue growth to PLN 14.0m (EUR 4.0m) from PLN 10.8m in Q4 2007. The growth in data revenues was coupled by an increase in revenues from voice (direct & indirect) services, which amounted to PLN 104.8m (EUR 29.7m) as compared to PLN 103.2m in Q4 2007 - data and voice revenues combined were up by 7% to PLN 185.1m (EUR 52.5m) in Q1 2008 from PLN 173.3m in Q4 2007. Revenue growth in Q1 2008 was also supported by an increase in wholesale revenues from continuing activities to PLN 19.1m (EUR 5.4m), up from PLN 14.5m in Q4 2007.

Cost of sales increased by 8% to PLN 181.7m (EUR 51.6m) from PLN 169.1m in Q4 2007 and represented 77% of total revenues in Q1 2008 as compared to 76% in Q4 2007.

Interconnection charges increased by 15% to PLN 52.6m (EUR 14.9m) in Q1 2008 from PLN 45.7m in Q4 2007.

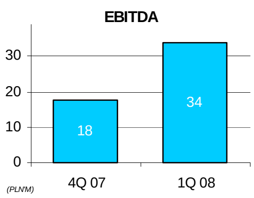
Other costs increased by 22% to PLN 16.9m (EUR 4.8m) from PLN 13.8m in Q4 2007 mainly due to an increase in provisions.

Selling and distribution costs decreased by 13% to PLN 57.1m (EUR 16.2m) from PLN 65.4m in Q4 2007 and represented 24% of total revenues in Q1 2008 as compared to 29% in Q4 2007.

Advertising and promotion costs decreased by 26% to PLN 13.5m (EUR 3.8m) as compared to PLN 18.2m in Q4 2007, due to lower media spending.

Salaries and benefits related to selling and distribution decreased by 12% to PLN 21.4m (EUR 6.1m) from PLN 24.2m in Q4 2007 due to lower commission payments.

General and administrative expenses decreased by 9% to PLN 34.6m (EUR 9.8m) as compared to PLN 37.9m in Q4 2007 and represented 15% of total revenues as compared to 17% in Q4 2007. The reduction reflects ongoing cost control activities and a certain seasonality in implementation of discretionary projects.



EBITDA increased by 91% to PLN 33.8m (EUR 9.6m) from PLN 17.7m in Q4 2007. EBITDA margin was 14.2% in Q1 2008 as compared to 7.9% in Q4 2007. The improvement was mostly due to higher revenues, lower commercial and administrative expenditures and a gain on disposal of certain assets of Premium Internet SA.

Loss of PLN 55.3m (EUR 15.7m) was recorded in Q1 2008 as compared to a loss of PLN 99.5m in Q4 2007, with an improvement partly attributable to Netia's higher EBITDA. In addition, Netia's share of recorded P4's losses decreased sequentially by 57% or PLN 30.3m (EUR 8.6m) to PLN 22.6m (EUR 6.4m) due to the decision to sell the investment.

Key Figures

PLN'000	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Revenues from continuing activities	228,696	211,055	191,569	190,505	187,755
Revenues from IVT activities	8,774	11,439	13,990	15,075	16,637
Total revenues	237,470	222,494	205,559	205,580	204,392
y-o-y % change	*16.2%*	*6.1%*	*(10.8%)*	*1.1%*	*(6.4%)*
EBITDA	33,800	17,677	36,160	62,236	54,609
Margin %	*14.2%*	*7.9%*	*17.6%*	*30.3%*	*26.7%*
y-o-y change %	*(38.1%)*	*(70.8%)*	*(33.0%)*	*29.6%*	*(7.1%)*
EBIT	(29,079)	(44,967)	(35,714)	(8,249)	(14,910)
Margin %	*(12.2%)*	*(20.2%)*	*(17.4%)*	*(4.0%)*	*(7.3%)*
Profit/(Loss) of the Netia Group *(consolidated)*	(55,294)	(99,526)	(80,543)	(51,010)	(37,802)
Margin %	*(23.3%)*	*(44.7%)*	*(39.2%)*	*(24.8%)*	*(18.5%)*
Profit/(Loss) of Netia SA *(stand alone)^*	(28,569)	(36,798)	(30,768)	(2,131)	(3,520)
Cash and cash equivalents	74,242	57,700	48,416	103,954	152,129
Debt	179,478	94,741	-	4,059	-
Capex related payments	70,134	57,806	67,415	48,255	61,906
Investments in tangible and intangible fixed assets	35,205	91,013	64,049	51,687	37,655

EUR '000 *	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Revenues from continuing activities	64,864	59,860	54,333	54,032	53,252
Revenues from IVT activities	2,480	3,244	3,968	4,276	4,719
Revenues	67,352	63,105	58,301	54,591	54,276
y-o-y % change	*16.2%*	*6.1%*	*(10.8%)*	*1.1%*	*(6.4%)*
EBITDA	9,586	5,014	10,256	16,527	14,501
Margin %	*14.2%*	*7.9%*	*17.6%*	*30.3%*	*26.7%*
y-o-y change %	*(38.1%)*	*(70.8%)*	*(33.0%)*	*29.6%*	*(7.1%)*
EBIT	(8,247)	(12,754)	(10,129)	(2,191)	(3,959)
Margin %	*(12.2%)*	*(20.2%)*	*(17.4%)*	*(4.0%)*	*(7.3%)*
Profit/(Loss) of the Netia Group *(consolidated)*	(15,683)	(28,228)	(22,844)	(13,546)	(10,038)
Margin %	*(23.3%)*	*(44.7%)*	*(39.2%)*	*(24.8%)*	*(18.5%)*
Profit/(Loss) of Netia SA *(stand alone)^*	(8,103)	(10,437)	(8,727)	(566)	(935)
Cash and cash equivalents	16,365	29,484	43,147	27,605	40,398
Debt	50,904	26,871	-	1,151	-
Capex related payments	19,892	16,395	19,120	12,814	16,439
Investments in tangible and intangible fixed assets	9,134	18,166	14,660	13,725	9,999

* The EUR amounts shown in this table and in the entire document have been translated using an exchange rate of PLN 3.5258 = EUR 1.00, the average rate announced by the National Bank of Poland at March 31, 2008. These figures are included for the convenience of the reader only.

^ 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.

Key Operational Indicators

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Broadband data					
Total number of broadband ports (cumulative)~	256,922	217,518	171,368	133,987	101,822
xDSL and FastEthernet over Netia's own fixe-line network	*120,209*	*111,223*	*94,621*	*88,468*	*62,528*
bitstream access ports	*128,499*	*99,346*	*70,945*	*40,770*	*35,836*
WiMAX Internet ports	*7,192*	*5,861*	*4,658*	*3,516*	*2,192*
Others	*1,022*	*1,088*	*1,144*	*1,224*	*1,266*
Total net additions	39,404	46,150	37,390	32,156	41,456
Monthly Broadband APRU (PLN)	75	75	86	105	110
Monthly Bitstream SAC (PLN)	187	264	308	434	207
Subscriber data *(own network and WLR)*					
Subscriber lines (cumulative)	451,294	421,752	394,440	396,463	398,949
Traditional direct voice	*370,418*	*377,104*	*383,652*	*389,584*	*395,418*
incl. ISDN equivalent of lines	*116,262*	*113,704*	*111,962*	*110,352*	*106,800*
Voice over IP	*4,840*	*2,495*	*2,169*	*1,340*	*1,120*
WiMAX voice	*11,695*	*11,025*	*8,646*	*5,539*	*2,411*
WLR	*64,341*	*31,128*	*n/a*	*n/a*	*n/a*
Total net additions	29,532	27,312	(2,023)	(2,486)	673
Business mix of total subscriber lines (cumulative)	45.2%	42.0%	40.9%	39.6%	38.5%
Monthly Voice ARPU in own network (PLN) ^	75	75	76	77	81
Monthly Voice ARPU for WLR (PLN) ^	32	13	n/a	n/a	n/a
Monthly Voice ARPU blended (PLN) ^	70	73	n/a	n/a	n/a
Network data					
Backbone (km)	5,002	5,002	5,002	5,002	5,002
Number of connected lines (cumulative)	539,942	536,432	533,372	531,062	529,472
Other					
Headcount	1,487	1,281	1,237	1,227	1,110

^ Monthly ARPUs presented in this report are given for a relevant three-month period.

~ Data for Q2 2007 and onwards includes the effect of the Pro Futuro acquisition.

(Tables to Follow)

Income Statement *(unaudited)*

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008	Q1 2007	Q4 2007
Telecommunications revenue			
Direct Voice	92,112	97,511	89,036
monthly charges	31,970	30,914	30,075
calling charges	60,142	66,597	58,961
– *local calls*	14,545	18,692	15,332
– *domestic long-distance calls*	8,831	11,188	8,811
– *international long-distance calls*	6,926	6,795	6,709
– *fixed-to-mobile calls*	23,756	25,738	23,988
– *other*	6,084	4,184	4,121
Indirect Voice	12,731	13,592	14,213
Data	80,261	51,346	70,028
Interconnection revenues	14,004	4,931	13,711
Wholesale services	19,100	12,684	14,544
Intelligent network services	4,424	3,780	3,571
Other telecommunications revenues	3,310	2,007	2,542
Total telecommunications services revenues	**225,942**	**185,851**	**207,645**
Sales of goods	678	98	1,500
Total telecommunications revenue	**226,620**	**185,949**	**209,145**
Radio communications revenue	2,076	1,806	1,910
Revenues from continuing activities	**228,696**	**187,755**	**211,055**
Revenues from IVT activities	8,774	16,637	11,439
Total revenues	**237,470**	**204,392**	**222,494**
Cost of sales	(181,794)	(155,041)	(169,082)
Interconnection charges	(52,646)	(39,340)	(45,705)
Network operations and maintenance	(50,181)	(37,475)	(51,234)
Costs of goods sold	(2,394)	(1,714)	(2,245)
Depreciation of fixed assets	(48,526)	(55,534)	(48,062)
Amortization of intangible assets	(6,228)	(5,728)	(6,017)
Salaries and benefits	(4,906)	(2,677)	(1,970)
Other costs	(16,913)	(12,573)	(13,849)
Gross profit	**55,676**	**49,351**	**53,412**
Margin (%)	***23.4%***	***24.1%***	***24.0%***
Selling and distribution costs	(57,055)	(37,957)	(65,355)
Advertising and promotion	(13,527)	(3,519)	(18,249)
Mailing services	(3,048)	(2,414)	(3,065)
Information technology services	(1,540)	(1,147)	(1,314)
Other services	(11,338)	(8,979)	(12,196)
Impairment of receivables	(531)	(16)	149
Depreciation of fixed assets	(950)	(1,202)	(1,021)
Amortization of intangible assets	(4,379)	(4,331)	(4,594)
Salaries and benefits	(21,386)	(15,735)	(24,230)
Other costs	(356)	(614)	(835)
General and administration costs	(34,556)	(35,298)	(37,925)
Professional services	(2,548)	(2,987)	(2,793)
Information technology services	(1,908)	(1,777)	(2,173)
Office and car maintenance	(1,686)	(1,789)	(1,685)
Insurance	(438)	(1,004)	(580)
Other services	(3,235)	(2,890)	(4,748)
Depreciation of fixed assets	(1,071)	(1,277)	(1,149)
Amortization of intangible assets	(1,725)	(1,447)	(1,801)
Salaries and benefits	(19,422)	(19,700)	(19,767)
Other costs	(2,523)	(2,427)	(3,229)
Other income	2,363	11,047	4,998
Other expense	(20)	(4,764)	(304)
Other gains/ (losses), net	4,513	2,711	207
EBIT	**(29,079)**	**(14,910)**	**(44,967)**
Margin (%)	***(12.2%)***	***(7.3%)***	***(20.2%)***
Finance income	633	1,816	645
Finance cost	(2,334)	(28)	(1,414)
Share of losses of associates	(22,625)	(25,618)	(52,892)
Loss before tax	**(53,405)**	**(38,740)**	**(98,628)**
Tax charge	(1,889)	938	(898)
Loss	**(55,294)**	**(37,802)**	**(99,526)**
Attributable to:			
Equity holders of the Company	(55,294)	(37,855)	(99,902)
Minority interest	(55,294)	(37,802)	(99,526)
Margin (%)	***(23.3%)***	***(18.5%)***	***(44.7%)***
Earnings per share for loss attributable to equity holders (not in thousands)	(0.10)	(0.14)	(0.26)
Diluted earnings per share for loss attributable to equity holders (not in thous.)	(0.10)	(0.14)	(0.26)

EBITDA Reconciliation to Operating Profit / (Loss) *(unaudited)*

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008	Q1 2007	Q4 2007
Operating loss	**(29,079)**	**(14,910)**	**(44,967)**
Add back:			
Depreciation of fixed assets	50,547	58,013	50,232
Amortization of intangible assets	12,332	11,506	12,412
EBITDA	**33,800**	**54,609**	**17,677**
Margin (%)	***14.2%***	***26.7%***	***7.9%***

Note to Other Income *(unaudited)*

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008	Q1 2007	Q4 2007
Forgiveness of liabilities	-	-	516
Sale of services to P4	407	560	1,267
Settlement of disputes with TP	-	9,139	-
Fair value adjustments on other receivables	184	-	-
Financial guarantee contract	435	798	1,175
Reversal of impairment charges	-	-	509
Other operating income	1,337	550	1,531
Total	**2,363**	**11,047**	**4,998**

Note to Other Expense *(unaudited)*

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008	Q1 2007	Q4 2007
Impairment charges for specific individual assets	(20)	-	(304)
Transaction tax on contribution in-kind to subsidiary company	-	(4,764)	-
Total	**(20)**	**(4,764)**	**(304)**

Balance Sheet

(PLN in thousands unless otherwise stated)

Time Periods	March 31, 2008 *unaudited*	December 31, 2007 *audited*
Property, plant and equipment, net	1,380,363	1,408,597
Intangible assets	267,933	267,946
Investments in associates	-	150,435
Deferred income tax assets	311	2,162
Available for sale financial assets	10	10
Long-term receivables	188	250
Other financial assets	1,476	-
Prepaid expenses	6,682	5,667
Total non-current assets	**1,656,963**	**1,835,067**
Inventories	1,835	2,903
Trade and other receivables	124,307	127,339
Current income tax receivables	-	22
Prepaid expenses and accrued income	17,008	10,899
Cash and cash equivalents	74,242	57,700
	217,392	**198,863**
Non-current assets classified as held for sale	187,901	36,721
Total current assets	**405,293**	**235,584**
TOTAL ASSETS	**2,062,256**	**2,070,651**
Share capital	389,277	389,277
Share premium	1,641,398	1,641,398
Other supplementary capital	49,632	40,102
Other reserves	18,875	14,251
Retained earnings	(412,054)	(356,759)
TOTAL EQUITY	**1,687,128**	**1,728,269**
Borrowings	150,283	87,344
Provisions	73	97
Deferred income	8,265	8,567
Deferred income tax liabilities	2,089	1,954
Other financial liabilities	363	-
Other long-term liabilities	3,090	3,454
Total non-current liabilities	**164,163**	**101,416**
Trade and other payables	163,961	219,486
Borrowings	29,195	7,397
Current income tax liabilities	1	154
Provisions	331	562
Financial guarantee contract	-	435
Deferred income	13,402	12,932
Liabilities directly associated with assets held for sale	4,075	
Total current liabilities	**210,965**	**240,966**
Total liabilities	**375,128**	**342,382**
TOTAL EQUITY AND LIABILITIES	**2,062,256**	**2,070,651**

Cash Flow Statement *(unaudited)*

(PLN in thousands unless otherwise stated)

Time periods:	**Q1 2008**	**Q1 2007**	**Q4 2007**
Loss	**(55,294)**	**(37,802)**	**(99,526)**
Depreciation and amortization	62,879	69,519	62,644
Impairment charges for specific individual assets	20	-	304
Share of losses of associates	22,625	25,618	52,892
Deferred income tax charge / (benefit)	1,762	(1,044)	665
Interest expense accrued on bank loans	2,132	-	702
Other interest accrued	96	-	184
Financial guarantee contract	(435)	(798)	(1,175)
Interest accrued on loans granted	(8)	(13)	(9)
Share-based compensation	4,624	911	4,759
Fair value gains/(losses) on financial assets/liabilities	106	(21)	-
Fair value adjustments on other receivables	(184)	-	-
Foreign exchange losses	(91)	(302)	527
Gain on disposal of group of assets	(5,093)	-	-
Loss on disposal of fixed assets	400	57	805
Decrease of purchase consideration	-	(1,940)	-
Changes in working capital	(18,195)	30,602	8,399
Net cash provided by operating activities	**15,344**	**84,787**	**31,171**
Purchase of fixed assets and computer software	(70,134)	(61,906)	(57,806)
Proceeds from sale of fixed assets	28	1,120	1,289
Investment in associate	(8,124)	(29,907)	(35,583)
Purchase of subsidiaries, net of received cash	(7,848)	(700)	(18,006)
Proceeds from sale of group of assets	4,000	-	-
Sale of financial assets at fair value through profit and loss	-	14,777	-
Loan repayments	209	69	70
Interest repayments	44	-	-
Net cash used in investing activities	**(81,825)**	**(76,547)**	**(110,036)**
Finance lease payments	(475)	-	(342)
Proceeds from borrowings	85,000	-	90,000
Interest repayments	(1,585)	-	(477)
Net cash provided by financing activities	**82,940**	**-**	**89,181**
Net change in cash and cash equivalents	**16,459**	**8,240**	**9,807**
Effect of exchange rate change on cash and cash equivalents	86	303	(526)
Cash and cash equivalents at the beginning of the period	57,697	143,586	48,416
Cash and cash equivalents at the end of the period	**74,242**	**152,129**	**57,697**

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;
Connected line	–	a telecommunications line which was constructed, tested and connected to Netia's network/switching node and is ready for activation after signing an agreement for providing telecommunications services;
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 share of losses of associates. EBITDA has been further adjusted for an impairment charge on non-current assets attributable to Netia's telecommunications segment, recorded

upon performance of an impairment test, and a gain recorded upon reassessment of carrying value of El-Net's license fee liabilities 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) 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;
Intelligent network services	–	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;
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)), 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 May 15, at 09:00 AM (UK) / 10:00 AM (Continent) / 04:00 AM (Eastern). To register for the call and obtain dial in numbers please contact Emilia Whitbread at Taylor Rafferty London on +44 (0) 20 7614 2900 or Reema Parikh at Taylor Rafferty New York on +1 212 889 4350.

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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