



Netia SA

ING's 10th Annual EMEA Forum

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PLAYO

G GERMANOS

www.investor.netia.pl

Poland and Polish telecom market

Poland is a large scale and fast growing economy

- Population: 38 million
- Fixed-line teledensity: 29%
- GDP per capita: € 7,117; GDP growth: 5.8% ⁽¹⁾
- Inflation: 3.0%; Interest rate: 5.7% ⁽²⁾
- Migration to large cities and EU countries
- Growing middle class and elderly population
- Mass use of Internet and mobile telephony
- Fast acceptance of new technologies

Positive regulatory changes on the Polish telecom market

- Bitstream (*BSA*) with 51% discount from standard and promotional retail price
- Wholesale Line Rental (*WLR*) with 47% discount
- Local loop unbundling (*LLU*) with full access at 36 PLN / month
- Broadband opportunity driven by under penetration of households

Netia is an experienced and well positioned altnet

- First local access networks launched commercially in 1994
- 1,200 experienced staff
- 5,000 km of own fibre core network
- 4,000 km of fibre metro networks
- 394,000 ringing subscriber lines in own local access networks
- 187,000 broadband customers served over own network or the incumbent's infrastructure

(1) Source: Data for 2006, Central Statistical Office
(2) Inflation for Oct. 2007 y-o-y, Interest rate represented by 10-year government bond yield

Netia is uniquely positioned to capitalize on the broadband opportunity

Early mover	<ul style="list-style-type: none">Over 187K broadband customers makes Netia number 1 among Polish altnetsFirst mover advantage on deregulation - approx. 84% market share in bitstreamFirst local loop unbundled by Netia!
PLAY operational synergies	<ul style="list-style-type: none">Netia Broadband available through the 400 Germanos stores
National reach	<ul style="list-style-type: none">Brand name established nationallyNational marketing and distributionNational backbone network provides capacity and backhaul from interconnection pointsNational maintenance and delivery capability through Ericsson outsourcing agreement
Existing business supports growth	<ul style="list-style-type: none">Cash generative legacy businessSignificant potential for further optimisationDebt free balance sheet to finance Broadband push
Management	<ul style="list-style-type: none">Highly experienced management team with Polish telco market know-howProven M&A skillsShareholder value driven compensation plans



Netia's objectives to drive shareholder value

- Broadband leadership amongst altnets – target to acquire one million broadband customers within next three years
- Optimize strong position in Business customer segment
- Leverage PLAY investments

While

- Changing organizational culture to support value growth-focused strategy
- Focusing on a scalable investment strategy to drive value growth



Growth strategy

Increase customer value

- Increased penetration of LLU and migration of Bitstream / WLR customers
- Further acquisitions of local Ethernet networks
- Introduce and up-sell of triple-play
- Up-sell of mobile and convergent services to business customers
- Further optimization of network capacity utilization

Broaden portfolio of services

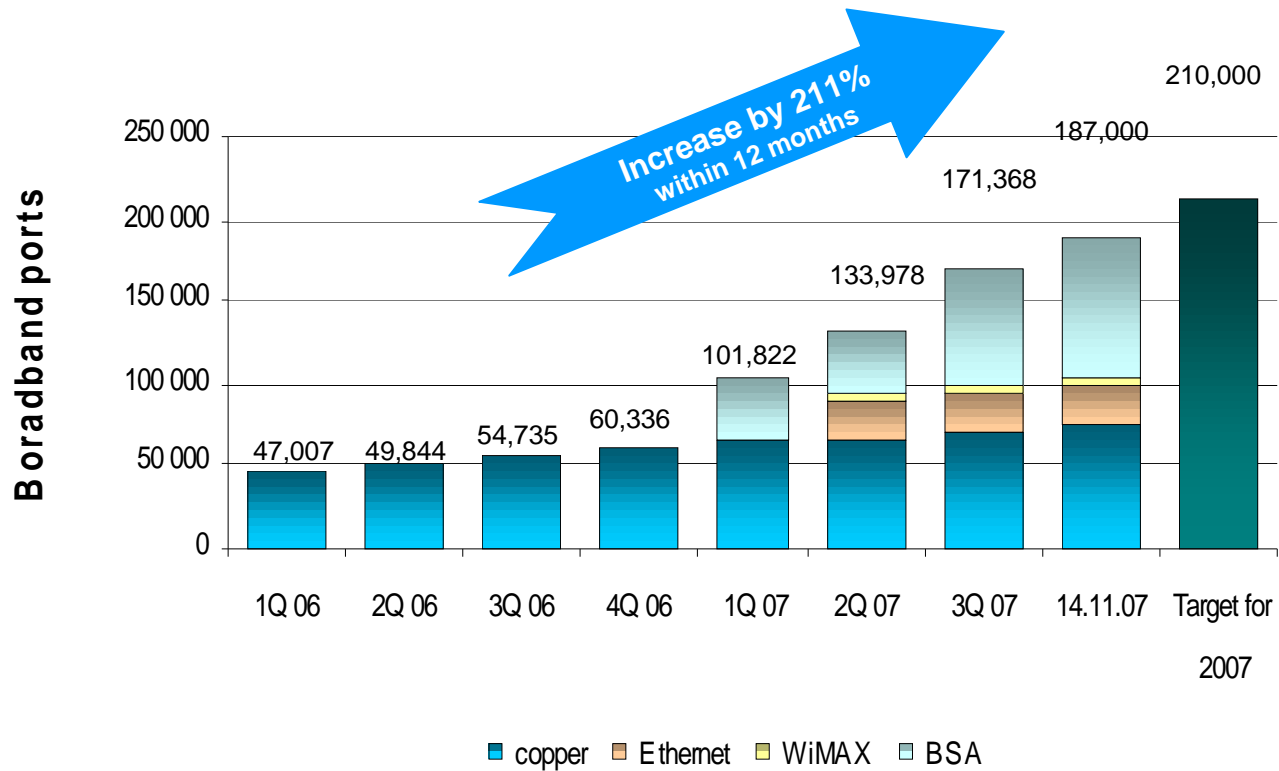
- Early entry into LLU and quick roll-out in most attractive areas
- Evaluation of market potential, technology and business model for IPTV and VoD, followed by roll-out in 2008
- Preparation, business and technology assessment and initial entry into mobile and convergent services

Increase number of customers

- Expand distribution and back-office capacity to serve Home market nationally
- Aggressive acquisition of broadband customers based on geo-marketing
 - Leading position in Bitstream
 - Better utilization of own copper
 - Optimization of existing WiMax investments
 - Selective acquisition of high quality Ethernet access networks
- Up-sell of WLR to Bitstream and CPS customers



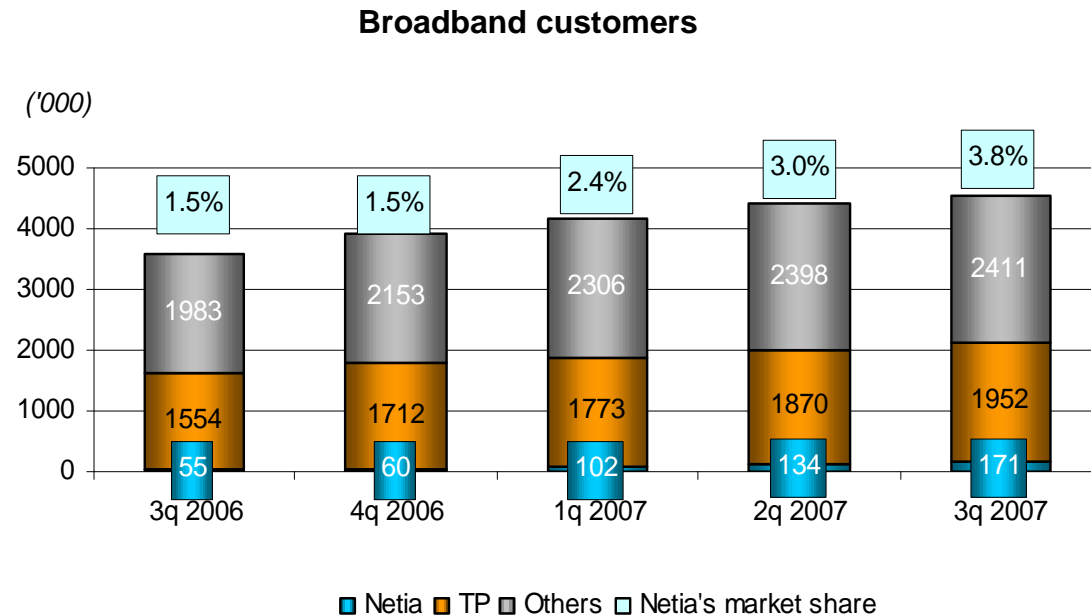
Netia builds momentum in its broadband expansion



Source: Netia, TP



... and continuously increases its share in broadband services market

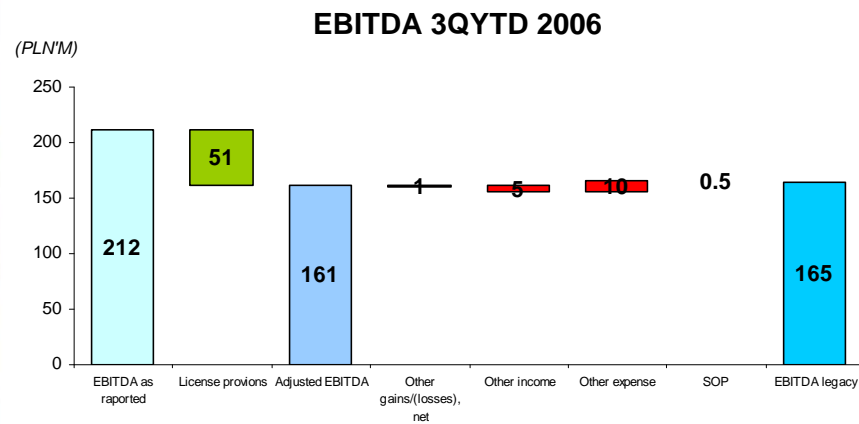
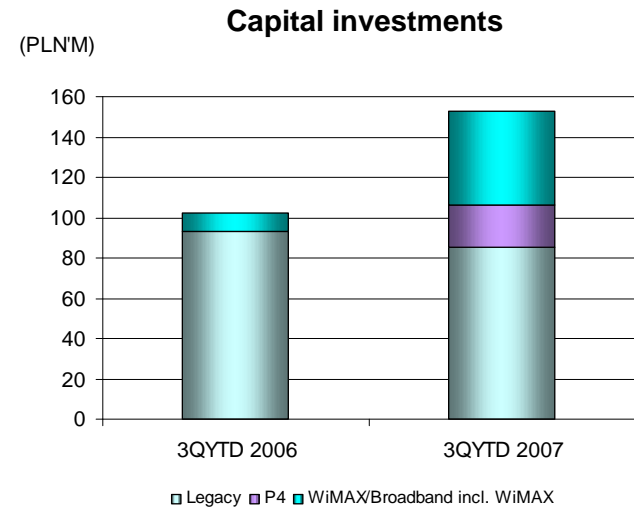
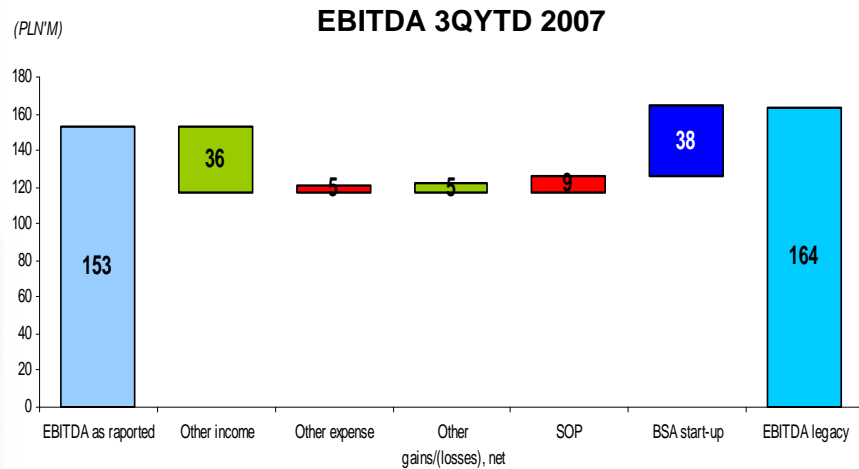


- Netia's share of broadband net adds amounted to 18% for 3QYTD 2007
- Netia's share in bitstream market amounted to 84% for 3QYTD 2007
- Netia's share in the total number of broadband customers increased to 3.8% in Q3 2007 from 1.5% in Q3 2006

Source: Netia, TP



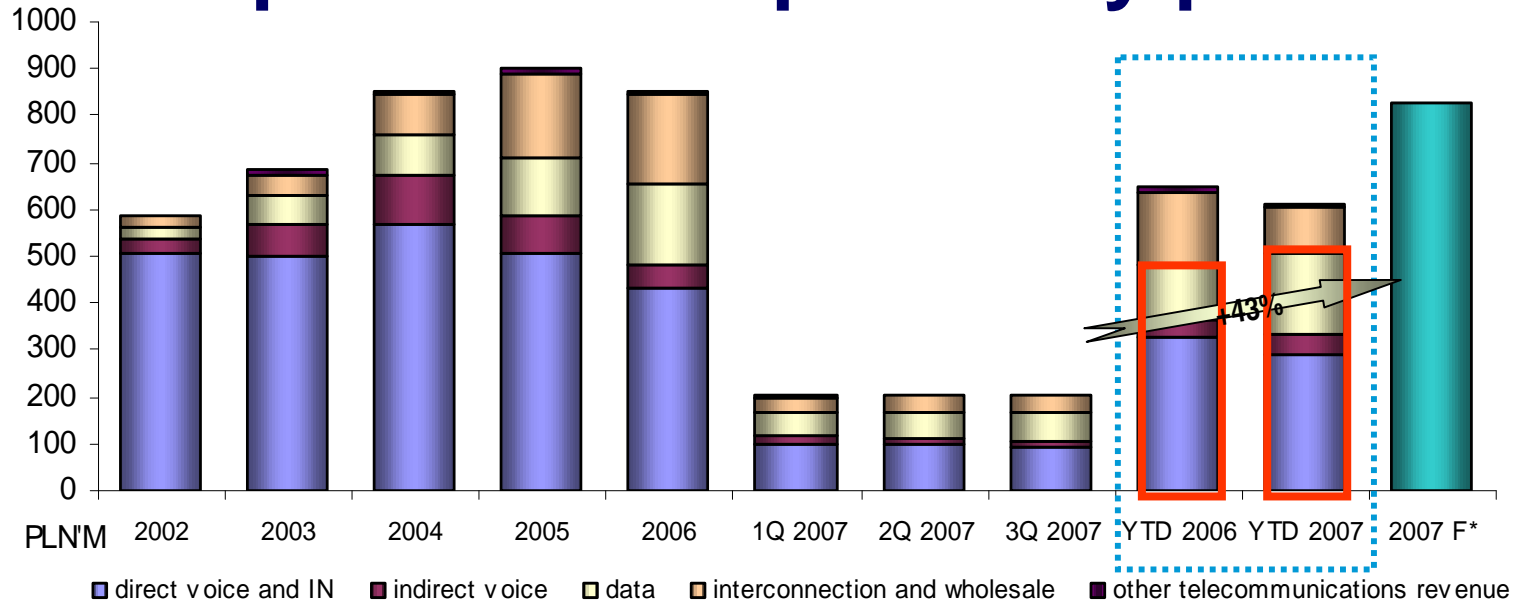
Stable cash flows from legacy products and services



- > EBITDA from legacy products and services stable
- > Capex investment on legacy services falling year-to-date



Top-line development by product



- Data revenues for 3QYTD 2007 grew to PLN 172.2m for a 43% year-on-year increase and an 8% sequential increase, more than offsetting the decline in voice revenues
- Data, direct voice and indirect voice combined revenues for 3QYTD 2007 grew by 4% over the comparable period of 2006 to PLN 496.2m
- Overall revenue performance negatively impacted by declining wholesale and interconnection revenues (revenues for 3QYTD 2007 decreased by 6% year-on-year to PLN 615.5m)
- Continued expansion of the broadband base, the addition of WLR services and commencement of meaningful revenues from P4 transmission services contract are expected to accelerate Netia's revenue growth over coming quarters

* Guidance for 2007: PLN835-850 mln

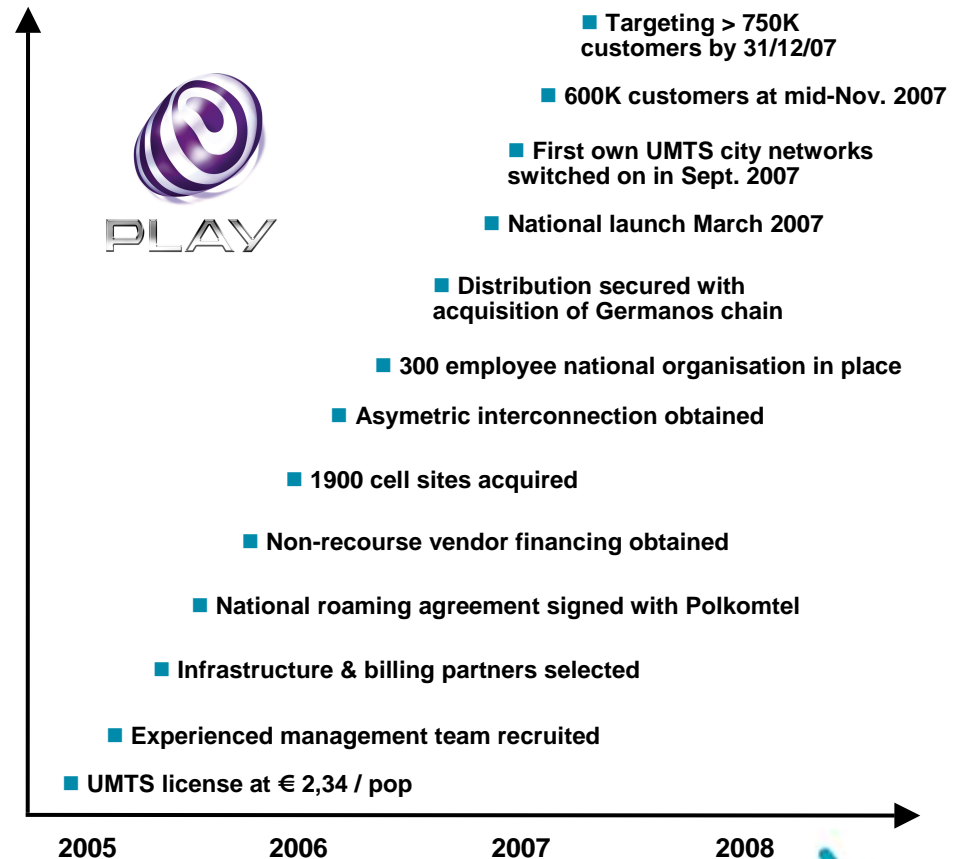


PLAY: Derisked and ready to build value

Drive value creation at Poland's 4th mobile operator

- Approaching 600K customers
- 232 Node Bs in operation in 6 cities at Sept. 2007
- Revenues for 3Q YTD 2007 were PLN 147.9m (approx. 1% market share)
- Initial above-market-average ARPUs indicate offer is reaching target segments of young, internet savvy customers
- Distribution capacity building from May 1 through Germanos stores
 - 400 postpaid outlets
 - 40 000 + prepaid outlets
- Brand successfully established as recognisable and different from the crowd
- Good results from initial customer satisfaction and loyalty surveys
- Switching traffic away from the national roaming partner expected to improve margins

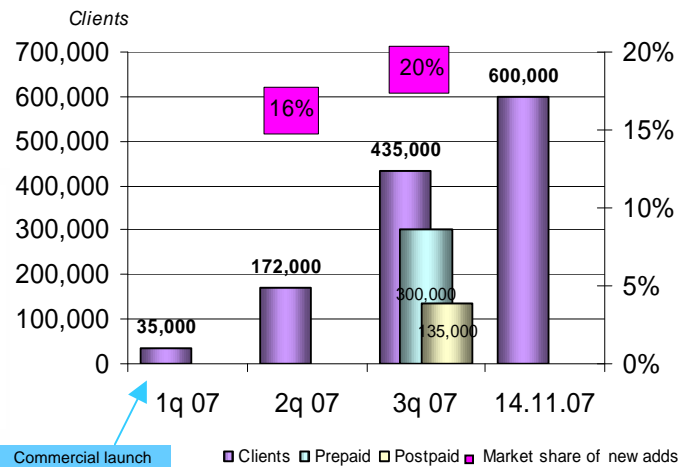
Equity value



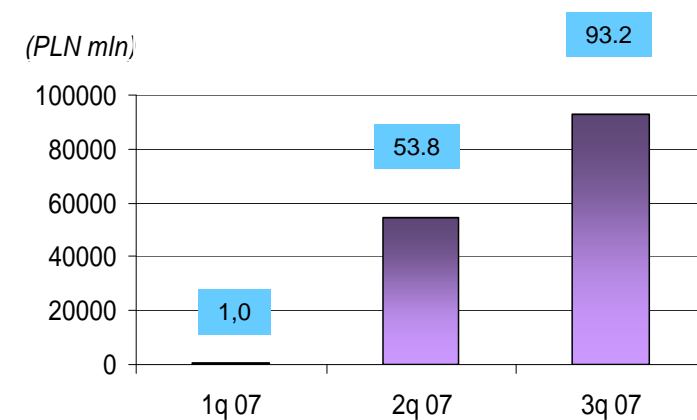
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Faster and faster development of PLAY, first urban UMTS networks active

Customers



Revenues



- 232 base stations operational in 6 cities at Sept. 30, 2007
- ARPUs above market average
- 400 postpaid points of sale and 40,000 prepaid distribution points
- Play Germanos stores also selling Netia's residential offer
- Synergies with Netia underway, including:
 - Reselling of mobile products for business customers under Netia brand ready for mid-2008
 - Backhaul solutions for Play's network in development (5 year contract ramping up to PLN 50 mln annual revenue; Capital investment to PLN 100 mln in 2007 – 2008)



2007 Guidance

NETIA (PLN'M unless otherwise stated)	3QYTD 2007 Actual	2007 Guidance previous	2007 Guidance updated
Broadband subscribers ('000)	171	>> 200	> 210
Voice service customers (own network + WLR)	394	> 420	415 - 420
Revenues	616	835 – 850	835 – 850
EBITDA/Adjusted EBITDA	153	160	165
<i>including</i>			
BSA, WLR, LLU access start-up losses	38	60	60
Investment outlays	153	up to 275	230-240
PLAY mobile customers ('000)	435	> 750	> 750



Summary

- Attractive growth of the **Home market** and regulated access offers new opportunities to leverage Netia's existing core competencies and assets

through

- Rapid acquisition of broadband customers and further increase in customer value by migration from bitstream to LLU and up-sell of content and convergent services will be the main source of growth
- Customer-centric organization will support Netia's growth strategy
- Netia will optimize its strong position in the **Business market** by focusing on the most attractive segments and minimizing cash-out
- A close partnership with PLAY will allow Netia to offer **mobile and convergent products** and achieve economies of scale in distribution and back-office
- Three years of investment in broadband should lead to strong EBITDA growth by 2009 and positive cash flow by 2010





Thank you for your attention

