Netia SA
Poland’s Leading Altnet

December 2008

www.investor.netia.pl

netia
WOLNOŚĆ WYBORU

Some of the information contained in this material 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. For a more detailed description of these risks and factors, please see Netia's most recent financial report and press release. Netia undertakes no obligation to publicly update or revise any forward-looking statements.

Netia's investment proposition

Poland's largest altnet telco, growing y-o-y at 41% in Q3 2008 and 30% in Q3 ytd 2008 *

- Tele2 Polska acquisition completed ahead of plan on September 15, 2008
  - Price: 2.8 x expected 2008 EBITDA
  - Integration underway with PLN 30m synergies confirmed

Broadband-driven strategy aiming for 800k subscribers by 2010 and 1 million by 2012:

- Subscriber base up to 347k in Q3 2008
- 24% of net broadband additions in the Polish market in Q3 2008
- Market share up from 2.4% in Q1 2007 to 6.6% in Q3 2008
- 89% share of regulated broadband access among altnets
- Over 40% of broadband customers fully served over Netia's own network
- Leveraging competitive advantages of national backbone and residential market know-how

Attractive market growth potential and a positive regulatory environment

Largest altnet for business customers, strongly cash generative

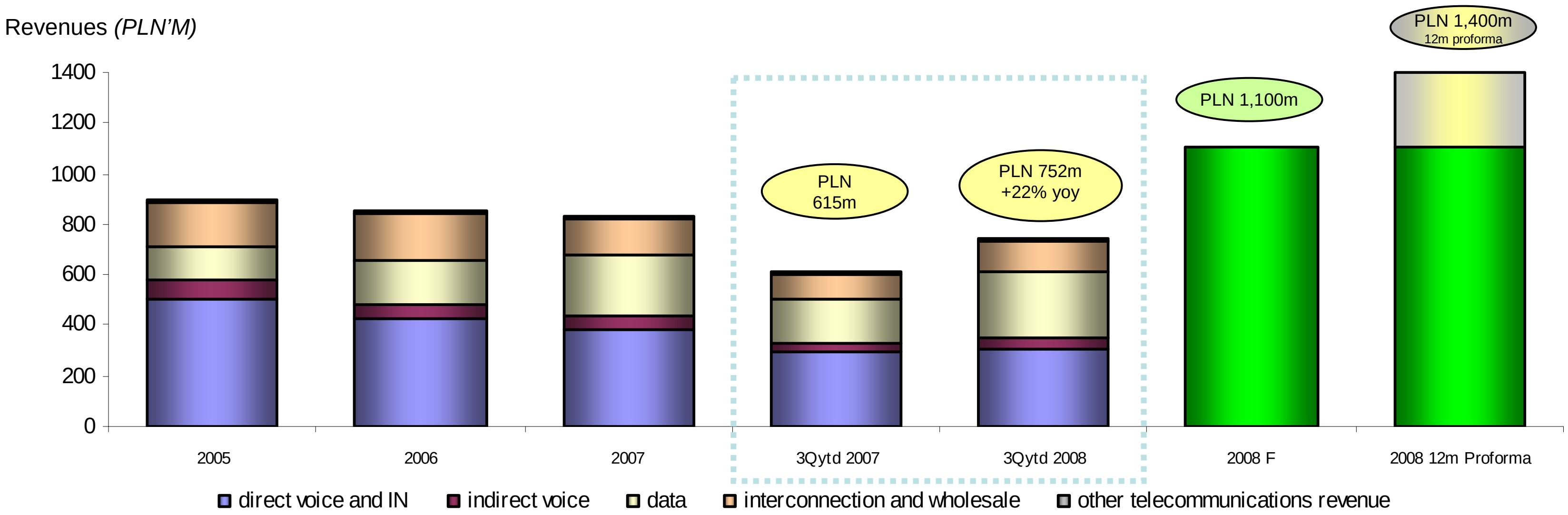
Strong balance sheet and fully funded growth strategy

Experienced management team with shareholder value driven compensation plans

* *Revenue from continuing activities*

Accelerating revenue growth

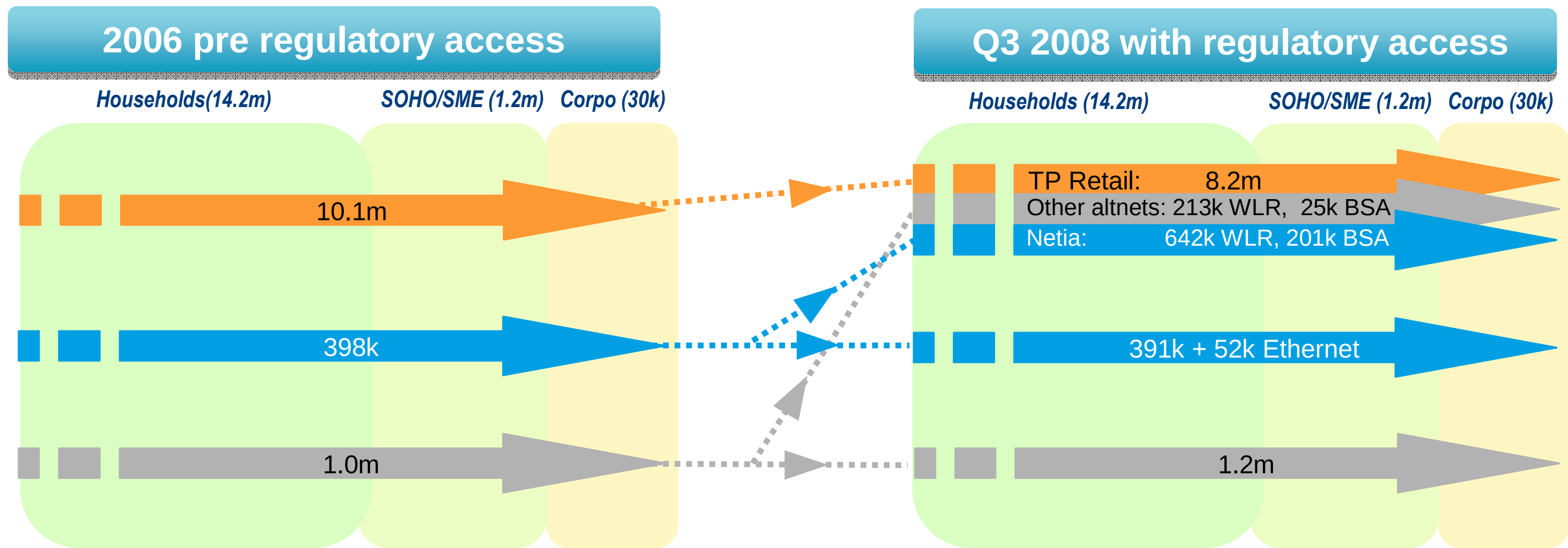
- New management team and broadband growth strategy has accelerated growth rates
- Tele2 Polska acquisition brings a further 40% revenues increase and positive incremental EBITDA



- Excluding international voice termination (IVT) activities divested in Q1 2008 and the Tele2 Polska acquisition, Netia grew y-o-y by 27% in Q3ytd 2008

Positive regulatory changes

- Positive regulatory changes allow Netia to push its offer to more than 10m household and business customers
- Netia's national backbone network & back-office, brand and business processes are now leveraged across the whole market



Netia accessible market was 398k own lines

Netia addressable market is:
- 9.0m TP lines
- 391k Netia own lines
- WiMAX national license
- Ethernet networks acquisitions (164k homes passed to date)

Subscriber lines: TP Netia Other LTOs

Source: Netia, TP

Acquisition of Tele2 Polska

completed on September 15, 2008

Transformational change to Netia's market position

- Netia becomes nearly 3 times larger by revenue than the next largest altnet
- Over 40% increase in annual revenues with positive incremental EBITDA
- Significant potential for cross-selling of broadband, VAS, and content

Attractive acquisition price

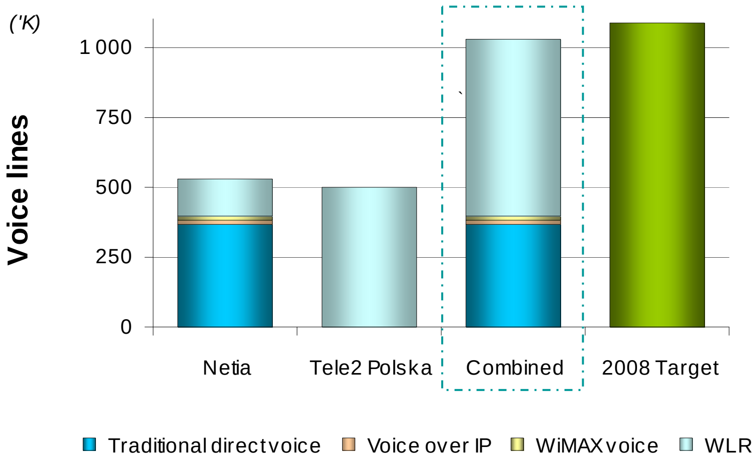
- 2.8 x Forecast EBITDA in 2008
- 156 PLN (46 EUR) per customer - comparable to fully loaded subscriber acquisition costs

Major synergies straightforward to deliver

- 20 mln PLN annual network cost savings to be achieved within 12 months
- 10 mln PLN annual marketing savings as customers move to the Netia brand (phase out of the Tele2 brand in the first 6-8 months)
- Improved margins from up to 10% of customers being switched onto Netia's fully-owned infrastructure
- Economies of scale from combined outsourcing, absorption of personnel, IT and sales cost optimization

Clear number one altnet in voice services

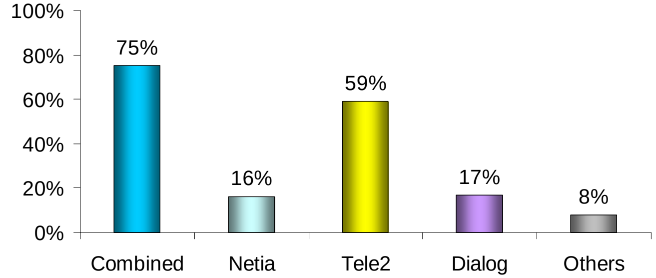
Voice customers by type of technology, Sept. 30, 2008



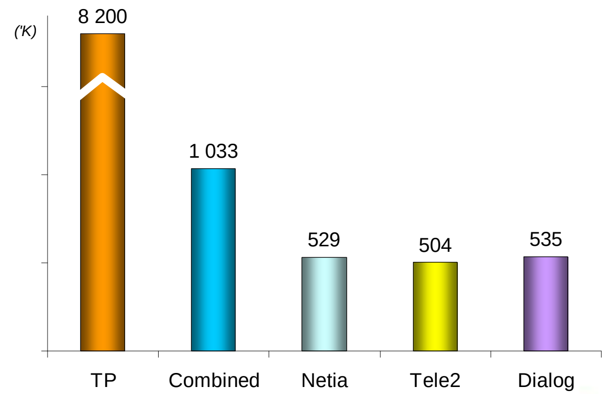
- Over 1m voice customers served at September 30, 2008, including 504k WLR customers from Tele2 Polska
- 38% of voice customers served directly over Netia's own local networks
- Netia (with Tele2 Polska) has 75% of WLR customers among altnets

Market share as at Sept. 30, 2008

WLR *(wholesale line rental)*

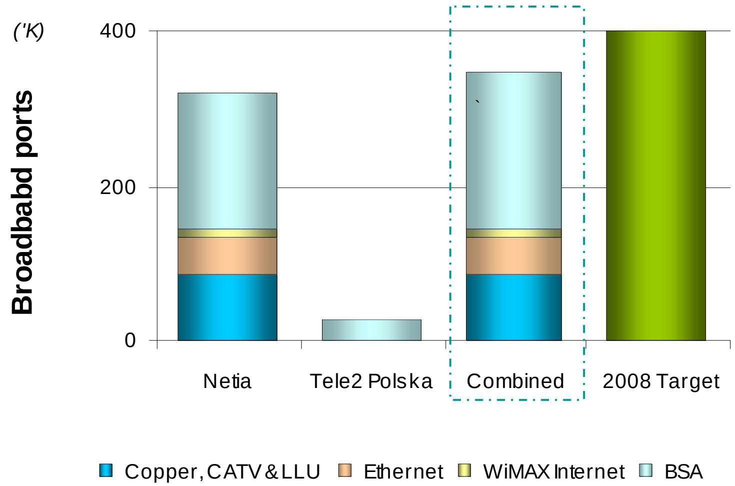


Total voice subscriber lines

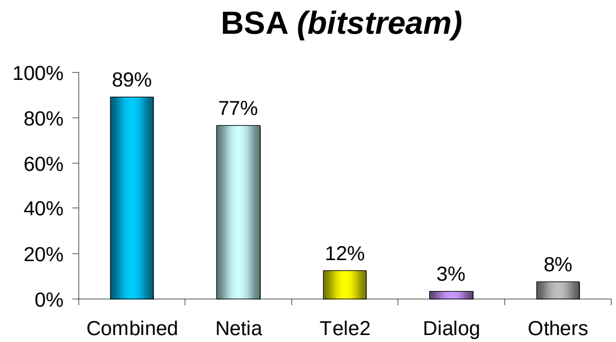


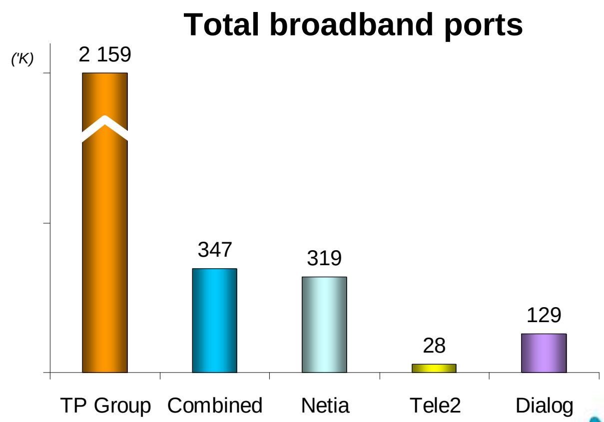
Clear number one altnet in broadband services

Broadband customers by type of technology, Sept. 30, 2008



Market share as at Sept. 30, 2008



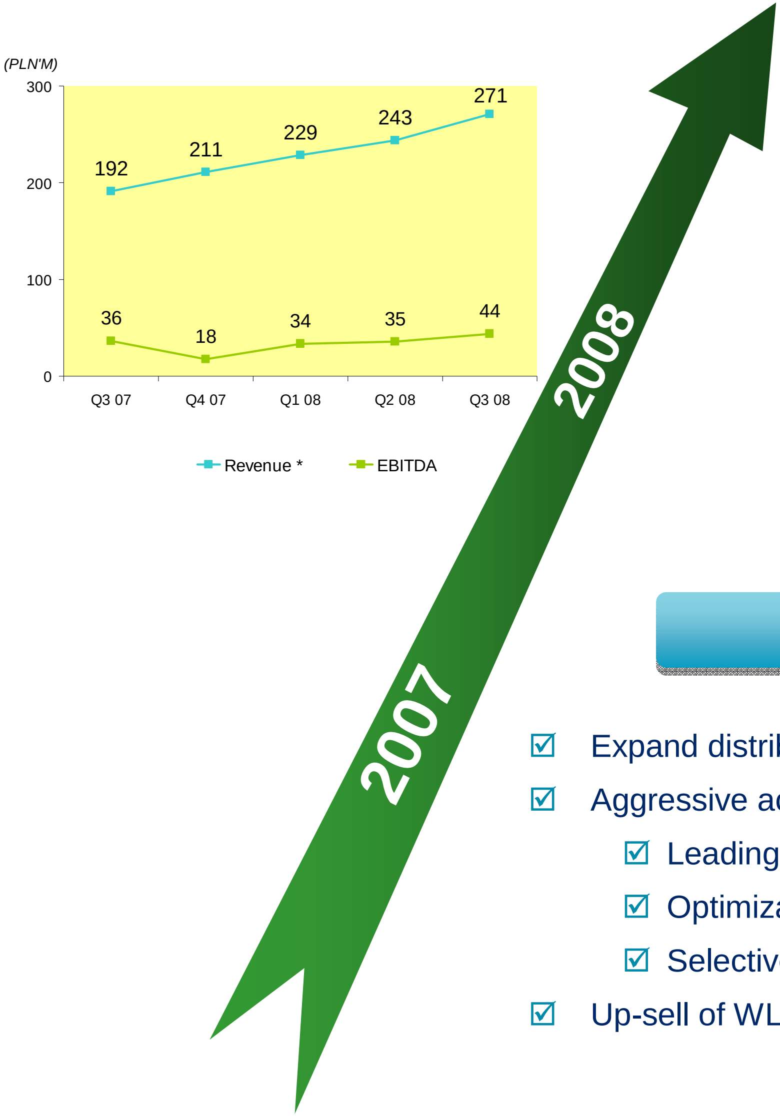


- 347k broadband customers served at September 30, 2008, including 28k customers from Tele2 Polska
- 42% of broadband customers served directly by Netia's own local networks
- Netia has 89% of BSA share amongst altnets

Netia is uniquely positioned to capitalize on the broadband opportunity

Market leader among alternative operators	▪ 347k broadband and over 1m voice customers makes Netia number 1 among Polish altnets ▪ First mover advantage in deregulation – market share in BSA 89% and WLR 75% as of Q3 2008 ▪ First in unbundling the TP local loop (125 nodes and over 1 million lines forecasted for end 2008)
National reach	▪ Brand name established nationally in consumer and business markets ▪ National distribution ▪ National backbone network provides capacity and backhaul from interconnection points ▪ National maintenance and delivery capability through Ericsson outsourcing agreement
Existing business supports growth	▪ Cash generative corporate business, offering strong margin and some growth opportunities ▪ Cost optimization underway ▪ Fully funded business plan with substantial headroom on bank facilities
Business partnerships	▪ Ongoing cooperation with „n" HDTV platform to deliver 3play in 2009 ▪ Access to 450 retail Germanos stores ▪ Netia mobile and convergent products through cooperation with Play being launched now ▪ Google hosting
Management	▪ Highly experienced management team with Polish telecom market know-how ▪ Proven M&A and regulatory skills ▪ Shareholder value driven compensation plans

Building blocks of Netia's growth strategy *(1)*



Broaden portfolio of services

- ☑ Early entry into LLU and quick roll-out in most attractive areas
- ☑ Internet VAS and content to increase ARPU and customer loyalty
- ☐ Scalable and de-risked introduction of 3play offer – bundles and IPTV through partnership with "n"
- ☑ Mobile and convergent services through partnership with Play
- ☑ Further profitable growth of Corporate and Whosale segments

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
  - ☑ Optimization of existing WiMax investments
  - ☑ Selective acquisition of high quality Ethernet access networks
- ☑ Up-sell of WLR to Bitstream and CPS customers

** Revenues excluding IVT (international voice termination) activities disposed during Q1 2008*

Building blocks of Netia's growth strategy *(2)*

2010 – 2011

Net profits and FCF positive

- Continue cost reduction and efficiency improvement
- Focus on Infrastructure Based Access and 2/3 play customers
- Increase contribution from large broadband base by content & e-commerce services
- Consider further consolidation of the market and mobile for residential customer base

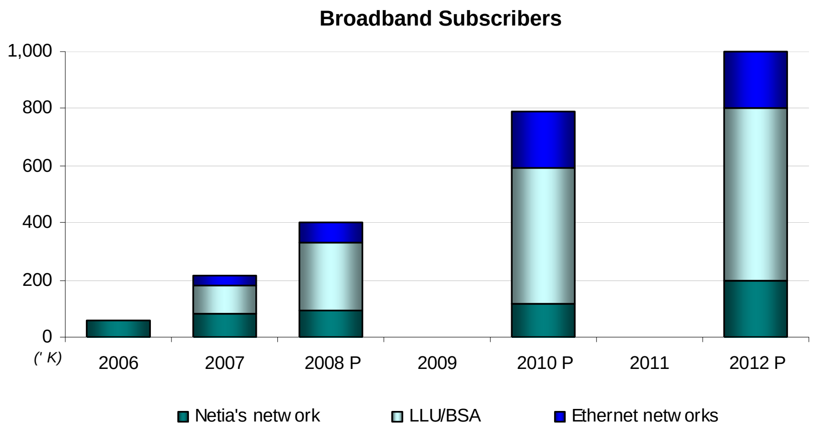
2009

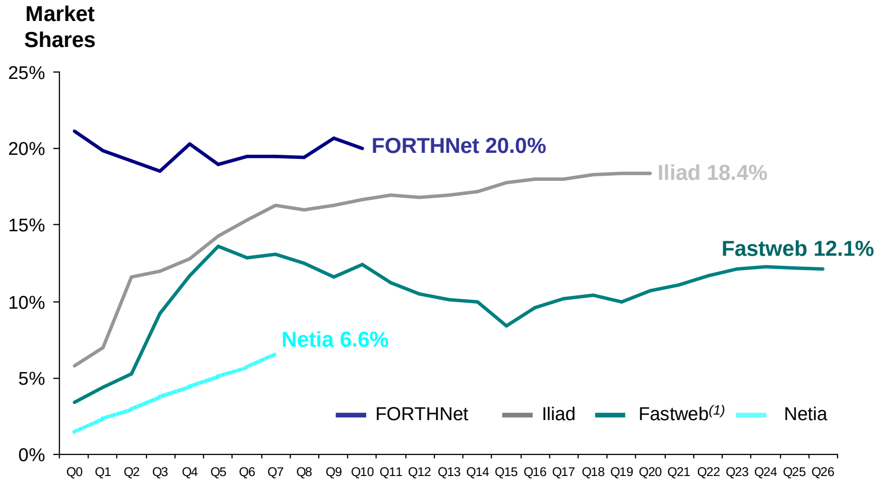
Increase customer value to drive profitability

- Increase coverage of LLU and migrate Bitstream / WLR customers onto LLU
- Cross-sell of 3play, mobile and convergent services
- Maintain high EBITDA margin from Corporate & Wholesale
- Integrate Tele2 Polska and continue acquisitions and integration of local Ethernet networks
- Execute cost reduction initiatives and increase efficiency with economies of scale

Netia's roadmap for broadband customer growth

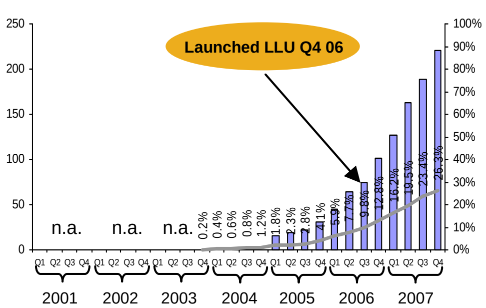
Netia - Poland



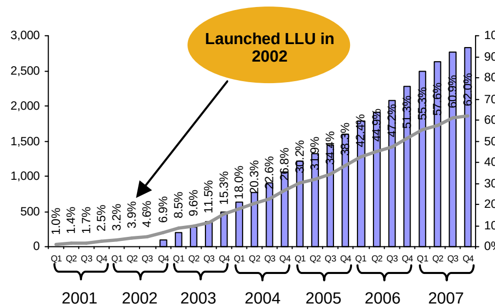


Comparable markets and altnets(2)

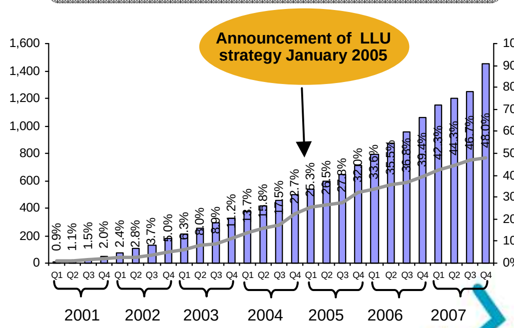
Forthnet - Greece



Iliad - France



Fastweb - Italy

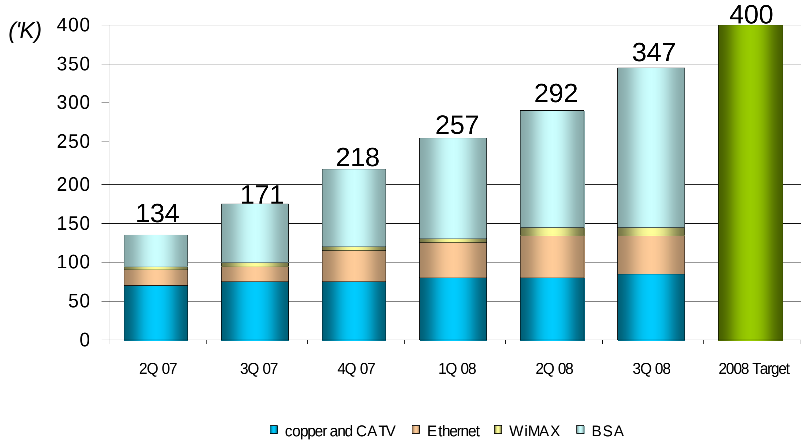


Number of Company's Subscribers ('000) BB Penetration of Households [%]

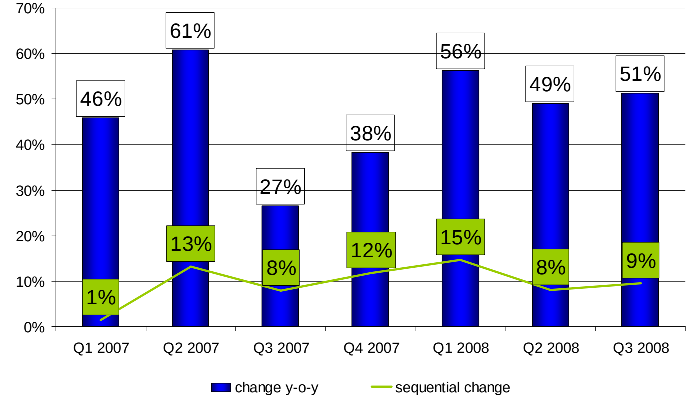
Source: Merrill Lynch Research, Informa, Company Financials
(1) Nationwide market share. Fastweb Fibre to the home network covered only ca. 4mm homes until nationwide LLU roll out commenced in January 2005
(2) Actuals through 3Q 2007; 4Q 2007 forecast per Merrill Lynch December 2007 Broadband Matrix

Netia builds momentum in its broadband expansion

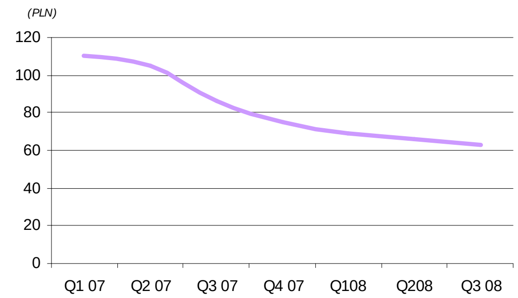
Broadband ports



Data revenue rate of change



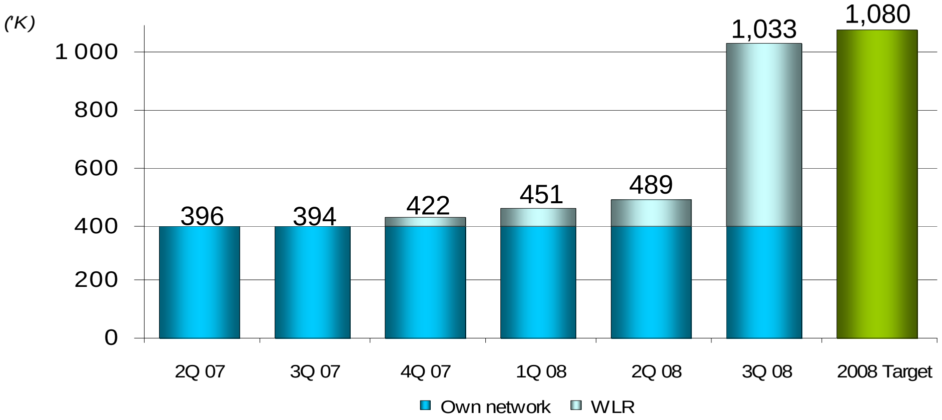
Blended Broadband ARPU



	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08
Broadband net adds (K)	41	32	37	46	39	36	31
Broadband net adds share	16%	15%	25%	21%	18%	26%	24%
Total broadband market share	2.4%	3.0%	3.8%	4.5%	5.1%	5.7%	6.6%

Source: Netia, TP, Netia historic figures to Q2 2008 excludeTele2 Polska

Broadband marketing & distribution also supports sales of voice via WLR *(wholesale line rental)*

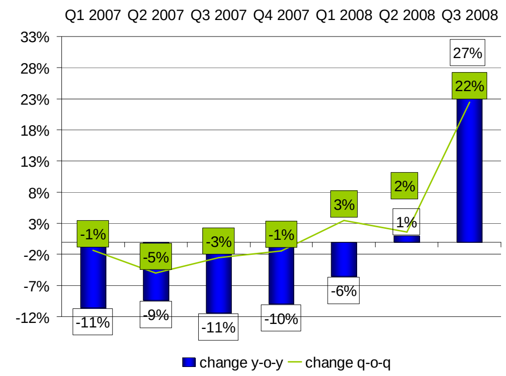


- Total voice lines (within Netia's own network and WLR) reached 1,033k at Q3 2008
- Additional voice service sales to come from LLU and Ethernet 2play customers
- Cross-sale of voice and Internet service reduces average costs to serve and increases margins

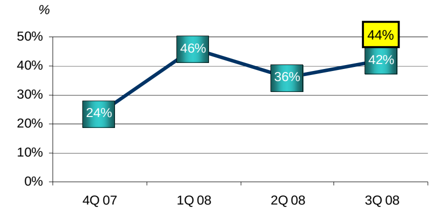
	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08
Total voice market share	3.5%	3.5%	3.6%	3.9%	4.2%	4.5%	9.7%

Source: Netia, TP, Netia historic figures to Q2 2008 excludeTele2 Polska

Voice revenue rate of change

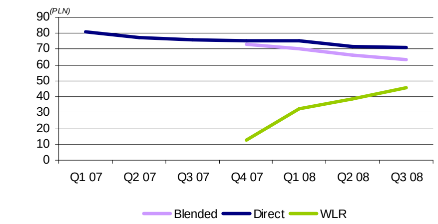


WLR net adds share



Proforma with Tele2 Polska

Voice ARPU



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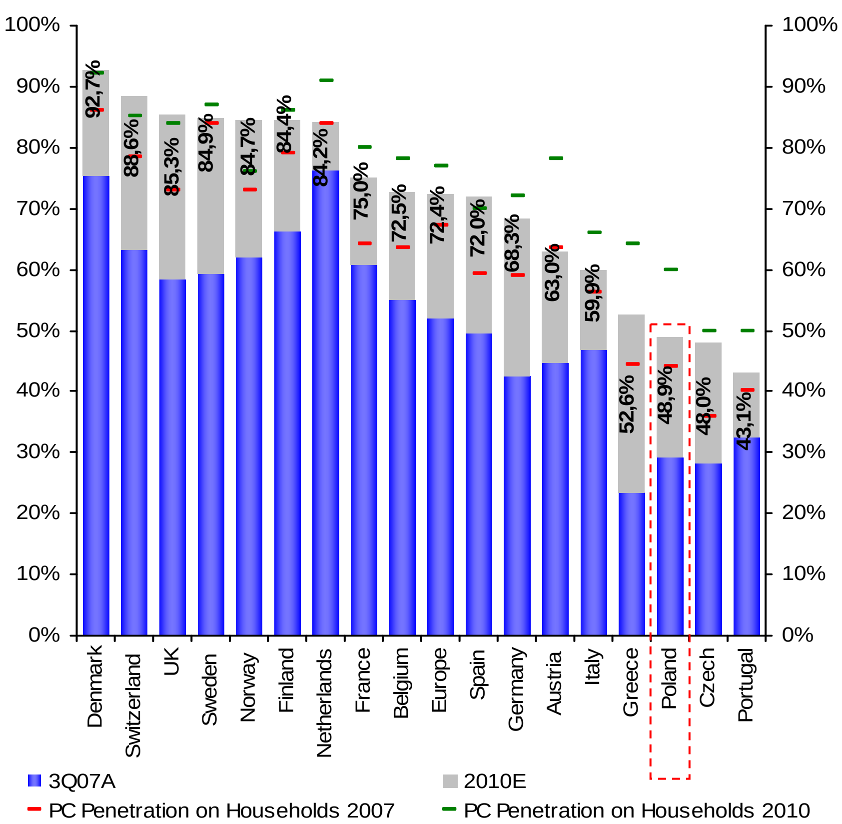
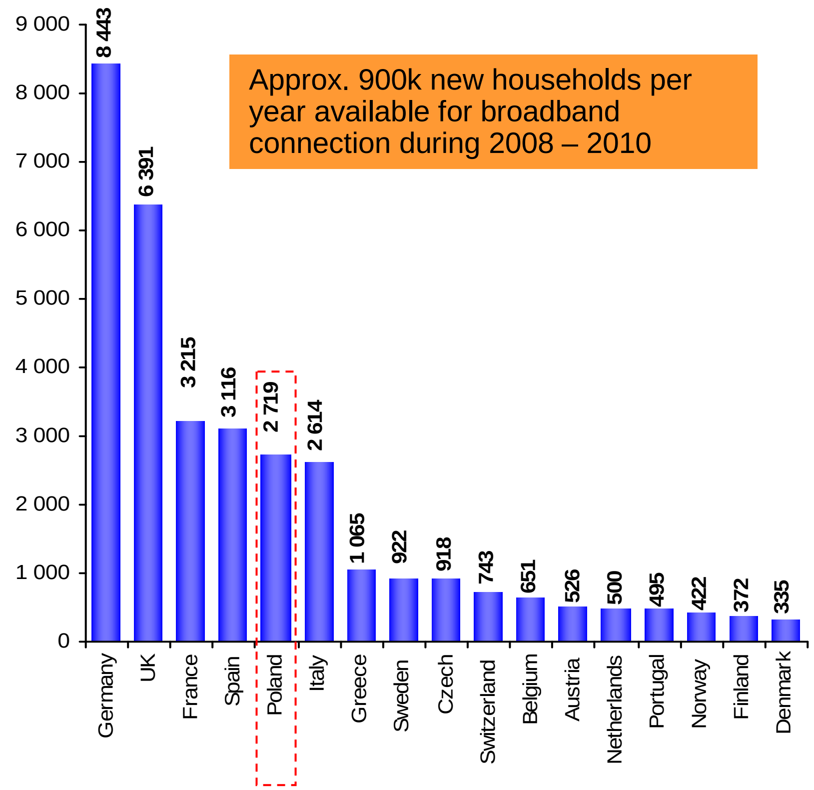
Polish broadband market upside

Broadband penetration (1)



2010E BB penetration upside (households) (1)(2)

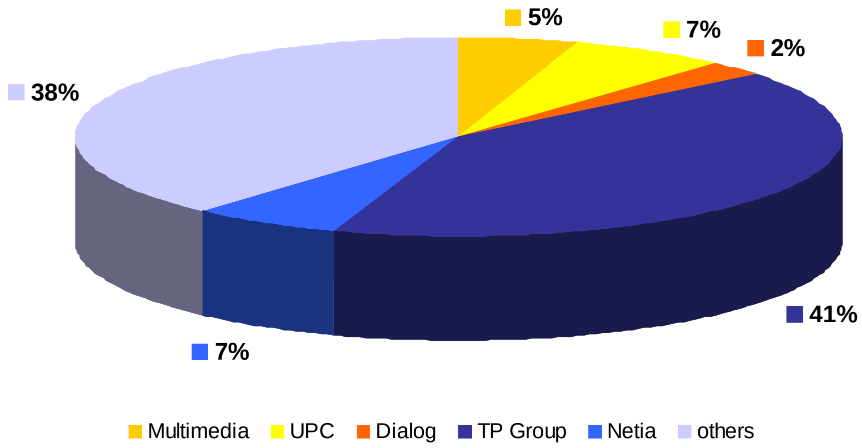


Source: Merrill Lynch Broadband Matrix, Merrill Lynch CE3 Matrix
Note: Western European Countries forecasts for 2007E and 2010E as of Q3 07; Poland and Czech Republic forecasts estimated as of Q3 06
(1) Always excludes Ethernet Networks
(2) Represents Households with Broadband Penetration in 2010E minus Households with Broadband Penetration in 2007E

Broadband market is fragmented

Broadband subscribers – Q3 2008

Total 5.3m



Source: Netia, PMR

Growth opportunity for Netia

- Netia Copper/ Fibre Network
  - Continue to expand penetration of ADSL to existing 200k residential customer lines and 170k business customer lines
- TP – Regulatory Access
  - Bitstream Internet Access
  - Upsell voice – VoIP and wholesale line rental (WLR)
  - Migrate to LLU
  - Up-sell IPTV and cross-sell mobile services
- Ethernet Networks
  - Bolt-on acquisitions
  - High capacity local networks
  - Upsell VoIP and upgrade for IPTV
  - Integrate
- Cable TV
  - Netia 3-play has opportunity to compete with multi-play offers

Extending Netia's broadband infrastructure with Ethernet acquisitions

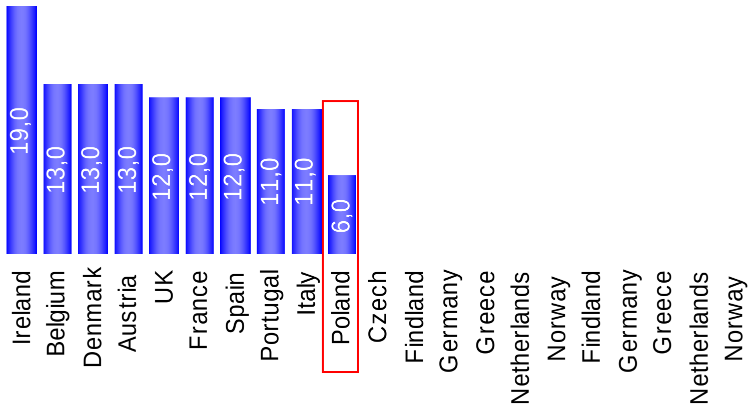
Acquisition (town)	*Price/sub (PLN)*	*No. of subs.*
1. Lanet *(Wrocław)*	1,225	8,233
2. Komnet *(Wrocław)*	1,298	7,254
3. Magma *(Wrocław)*	1,255	6,328
4. Akron *(Wrocław)*	695	1,151
5. Netis *(Jastrzębie)*	908	4,447
6. 3VNet *(Brzeg)*	593	665
7. Zielona Burza *(Trzebnica)*	761	598
8. Inet *(Brzeg)*	757	1,257
9. Verizone *(Wrocław)*	659	1,040
10. Ozimek Net *(Ozimek)*	500	513
11. Ikatel *(Wrocław)*	930	572
12. Interbit *(Tczew)*	1,059	3,246
13. Punkt *(Opole)*	1,174	4,367
14. Cybertech *(Białystok)*	1,124	3,535
15. Connect *(Białystok)*	973	4,630
Average:	*1,100*	47,826
Organic growth		4,424
Total at Sept. 30, 2008		**52,250**

Ethernet game plan:

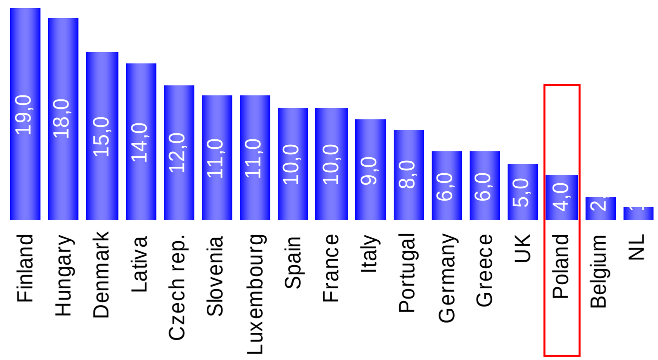
- Integrate onto Netia platforms and supply connectivity over Netia core network
- Upsell Netia voice and content services
- Increase penetration of households passed – currently 32% of 164k

Regulatory conditions in the EU context

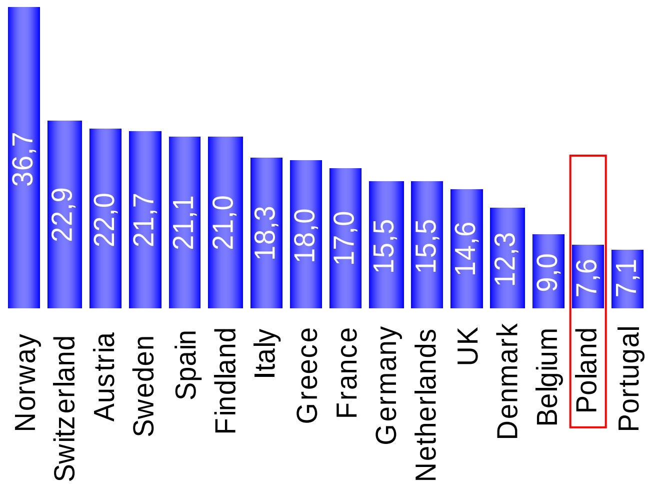
Fixed subscription resale (WLR) cost



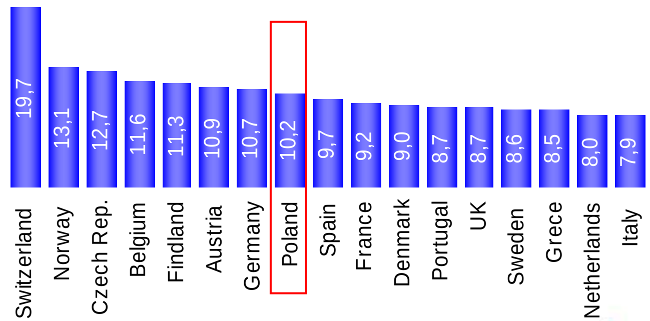
Shared LLU costs (monthly fees)



Bitstream wholesale prices

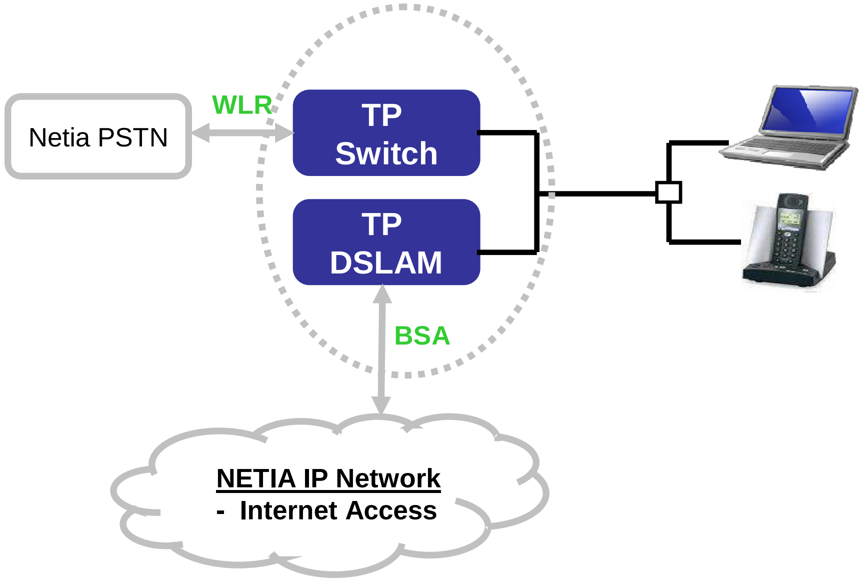


Full LLU costs (monthly fees)



Source: Netia research
All prices in EUR

Wholesale service over TP's network



TP offers Voice & Internet for 110 PLN

Netia bills voice and Internet for ~ 90 PLN

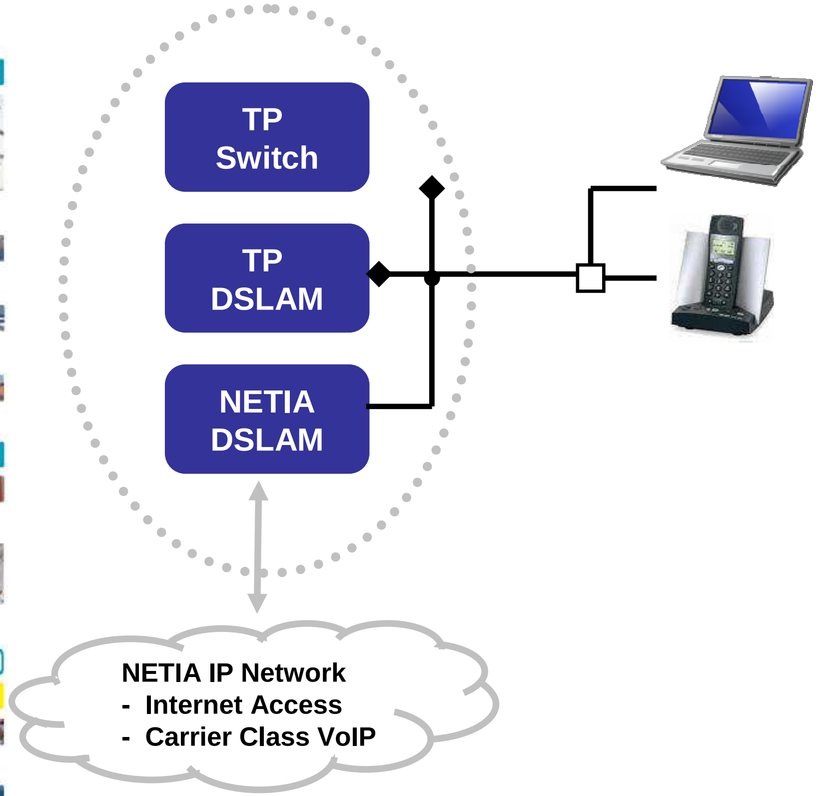
Netia pays 49% of TP retail to TP for Internet and 47% of monthly fee for WLR
TOTAL ~ 49 PLN

Wholesale strategy:

- Single play customers represent a base for cross selling
- Migration to LLU expected to be possible from 2009

- **Netia does not invest in DSLAM**
- **Netia can only resell services offered by TP, i.e. bandwidths**

Local loop unbundling



Netia bills
Double Play Revenues
~ 90 PLN

Netia pays TP
36 PLN monthly
line rental fee

Netia has to invest in
its own DSLAM
~ 200K PLN / node

NETIA controls services
delivered over DSLAM
- speeds
- Value Added Services like IPTV, VOD

LLU roll-out:

- Target to unbundle 5m TP lines with 500 DSLAM in 2008-2010
- Targeting 125 nodes unbundled by 2008 year-end
- 76 nodes unbundled as at Sept. 30, 2008

Expected developments:

- Migration of wholesale customers expected to be possible from H1 2009
- Monthly line rental fee expected to drop from PLN 36 in H2 2008
- Shared LLU at PLN 13 when customer keeps TP phone service

Business customers generate strong EBITDA and positive cash flow

Corporate market segment

- Increased focus on high IRR project
- Targeting stable revenues
- Tight cost control and focus on reduction of capex/sales to improve FCF
- Mobile and convergent offers using Netia service provider

SME/SOHO market segment

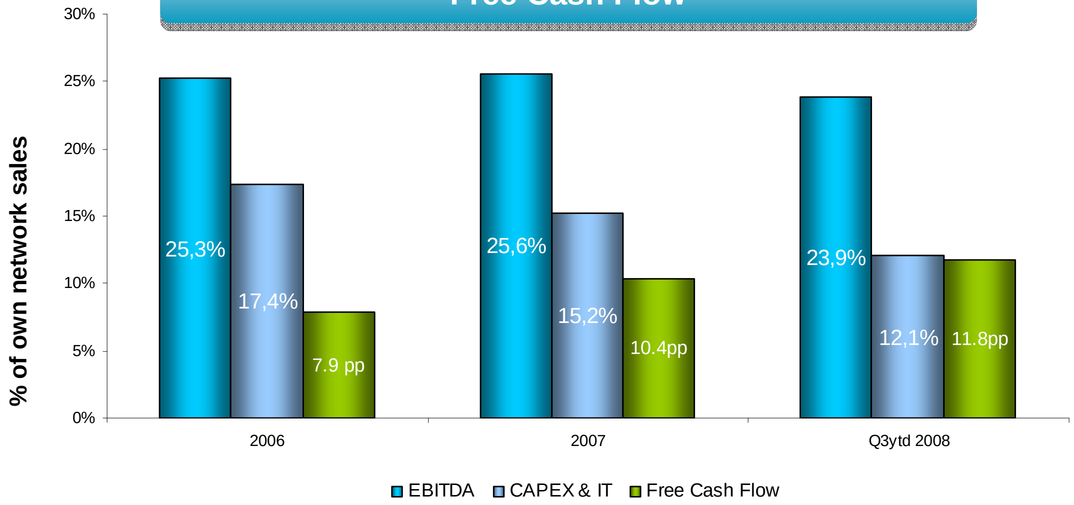
- Rapid increase in number of SOHO/SME clients – 22% up to 96K in 3Qytd 2008
- OneOffice as primary simplified and standardized offer to SME/SOHO clients
- Mobile and convergent offers using Netia service provider
- Leverage expanded reach of regulated access

Wholesale/Carriers market segment

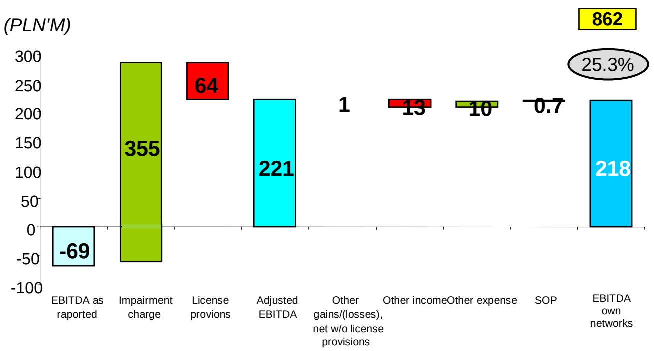
- Opportunistic approach to increase utilization of assets and capacity
- P4 transmission project
- High EBITDA and low capex projects

Improving cash flows from Netia's own networks

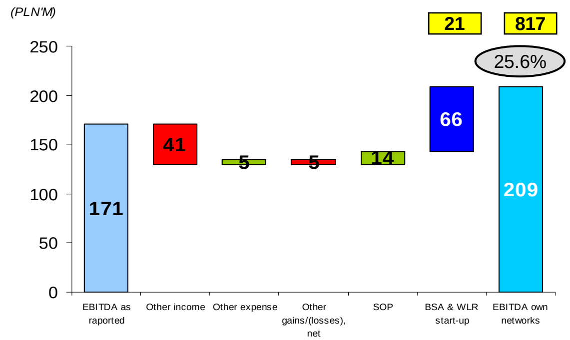
Free Cash Flow



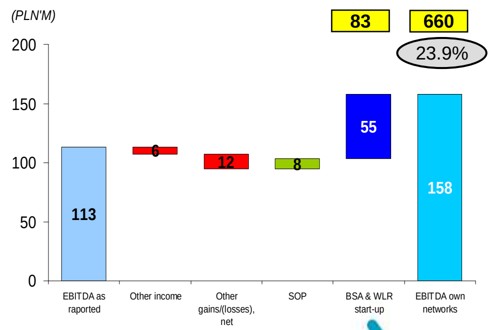
EBITDA 2006



EBITDA 2007



EBITDA 3Qytd 2008



Revenue EBITDA margin

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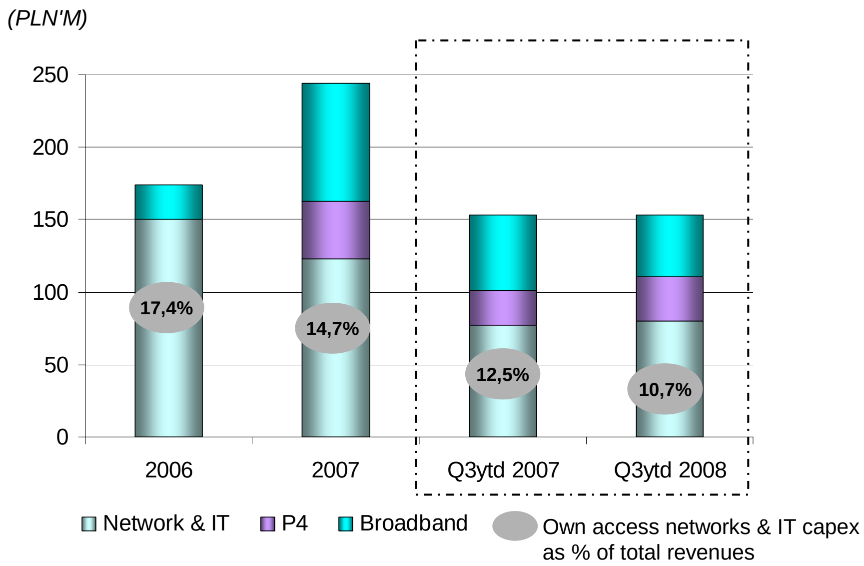
Netia continues to invest in future growth



- Spending switched towards broadband following new strategy introduction
- Maintenance capex for Netia's own network and IT increased y-o-y by 4% in 3Qytd 2008, driven by higher IT spending in support of new services
- The y-o-y reduction in broadband spending in 3Qytd 2008 reflects lower spending on WiMAX and increasing utilisation of capacity previously rolled-out to carry data traffic

Netia is fully funded to grow through 2010

Rate of cash burn or return to FCF positive depends on growth decisions

PLN 'M	3Qytd 2008	2007	2006
Telecom licenses, net	115	129	147
WiMAX licenses, net	14	15	16
P4 investment	-	150	141
PP&E, gross	4,032	4,028	3,896
PP&E, net	1,376	1,409	1,458
Other non-current assets	289	132	85
Cash	233	58	144
Other current assets	233	178	164
Total assets	2,260	2,071	2,155
Current liabilities (excl. debt)	296	234	192
Debt	-	95	-
Other non-current liabilities	27	14	19
Shareholders funds	1,937	1,728	1,945
Debt funding undrawn	**375**	**205**	**200**

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Medium-term outlook

Update as at October 14, 2008

	Previous	New
Revenue growth (CAGR)	15% - 20%	5% - 10%
EBITDA margins		
at 20%	2011	2010
at 25%	---	2012
Net profit by	2011	2010
Free cash flow positive by	2010	2010
Capex to sales down to 15% by	---	2011
1 million broadband subscribers	2010	2012

- Netia is accelerating its net profitability objective by one year to 2010
- Netia is increasing its long-term EBITDA margin objective to 25%

Netia management team

Mirosław Godlewski, *Chief Executive Officer*, 41, joined Netia in February 2007. Previously he served as President and CEO in Opoczno SA (2006) and Dec Sp. z o.o., a subsidiary of GATX, (2003-2005). Earlier, he worked at Pepsi-Cola General Bottlers Poland Sp. z o.o. as General Manager (2000-2003) and Sales Director (1999-2000); at PepsiCo Trading Sp. z o.o. (1993-1999) and at Polskie Biuro Badań Marketingowych Sp. z o.o. as Retail Audit Manager (1991-1993).
Mr. Godlewski graduated from the Warsaw Technical University with a M. Sc. in Industrial Management. He also holds an MBA from Ashridge Management College, Great Britain. Active member of Young Presidents Organisation.

Jon Eastick, *Chief Financial Officer*, 41, joined Netia's management board in April 2006. Previously, he spent five years as Chief Financial Officer of a leading Polish mobile operator PTC Sp. z o. o. Earlier, he worked at Lucent Technologies Poland SA as Country CFO (1998-2001); at PTK Centertel Sp. z o. o. as Strategy and Financial Planning Manager (1995-1998); and at Arthur Andersen, working in London and later in Warsaw (1989-1995).He graduated from the London School of Economics and is a UK Qualified Chartered Accountant.

Piotr Nesterowicz, *Strategy and Business Development Director,* 37, joined Netia in September 2008. Previously he was Managing Director of Tele2 Polska Sp. z o.o. (from 2004). From 1995 to 2004 he worked at McKinsey & Company as a Business Analyst and Associate, an Engagement Manager and an Associate Principal (Junior Partner). At that time, he was consulting to a number of domestic and foreign companies mostly from the telecommunications, power and banking sectors. He started his carrier in 1994 in Procter & Gamble. Mr. Nesterowicz has a M.A. degree in Management and a Ph.D. degree in Management and Organization from the Academy of Economics, Wrocław, Poland.

Tom Ruhan, *Chief Legal Officer*, 44, was appointed to Netia's management board in April 2006. He has been the Chief Legal Officer of Netia since March 2003. Prior to his employment with Netia, he worked at Wardyński & Partners for 12 years in various positions, being Of Counsel immediately before moving to Netia. During his 12 years there Mr. Ruhan advised on a number of privatisations including, amongst others, Telekomunikacja Polska SA and also worked on the financial restructuring of Netia. He graduated in law from the University of Warwick, UK. Mr. Ruhan is a member of the Board of Directors of the European Competitive Telecommunications Association (ECTA)(www.ectaportal.com), effective January 1, 2009.

Status from December 15, 2008

Netia's stock option plan for management and key employees

Participants \ Strike price	PLN 3.50	PLN 5.50	PLN 7.00	PLN 8.25	Other	
Members of the Management Board	8,333,500	13,200,000	9,900,000	9,900,000	271,814	**41,605,314**
Employees * and former MB members	-	5,379,000	4,037,000	300,000	432,059	**10,148,059**
Total	**8,333,500**	**18,579,000**	**13,937,000**	**10,200,000**	**703,873**	**51,753,373**

Exercise date:	until December 20, 2012
Maximum number of shares issuable under the SOP:	18,373,785
of which number of shares already issued:	*5,054,520*

Where options are exercised at a market price above the relevant strike price, the participant receives a number of shares equivalent to the value of the difference.

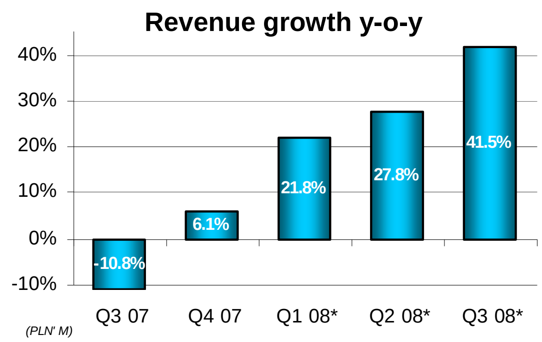
** Management Board have discretion to issue up to 5 million of PLN 3.50 options and 4.3 million of higher priced options to senior management*

2008 Performance

Update as of Q3 2008

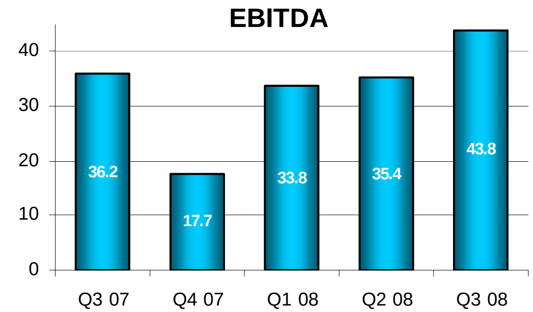
Key achievements

- Tele2 Polska acquisition completed on September 15, 2008
  - Price: 2.8 x expected 2008 EBITDA
  - Integration underway with PLN 30.0m synergies confirmed



- Netia delivering strong growth y-o-y:

Q3 ytd 2008:	+30.4%*	Q3 2008:	+41.5%*
Q3 ytd 2007:	-5.6%		
Q3 ytd 2006:	-4.8%		



- EBITDA growing strongly:

Q3 2008:	PLN 43.8m
Q2 2008:	PLN 35.4m
Q1 2008:	PLN 33.8m
Q4 2007:	PLN 17.7m

- Share of broadband net additions at 24% (proforma including Tele2 Polska) versus 26% in Q2 2008 despite price competition from TP Group
- Netia mobile services launched in Q3 2008 and IPTV project with n under development for launch in 2009
- Netia's core growth strategy is fully funded
- Recently increased guidance for 2008 reconfirmed

** Revenue from continuing activities*

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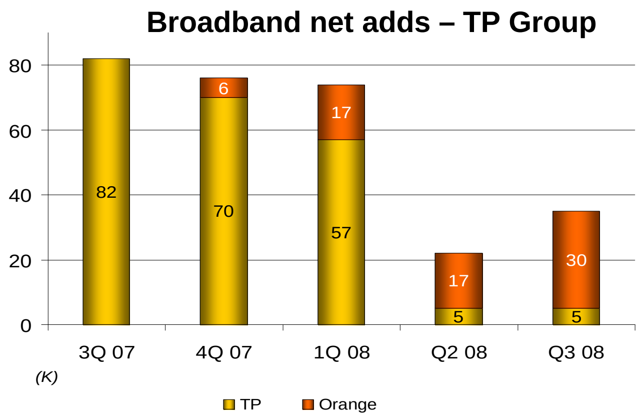
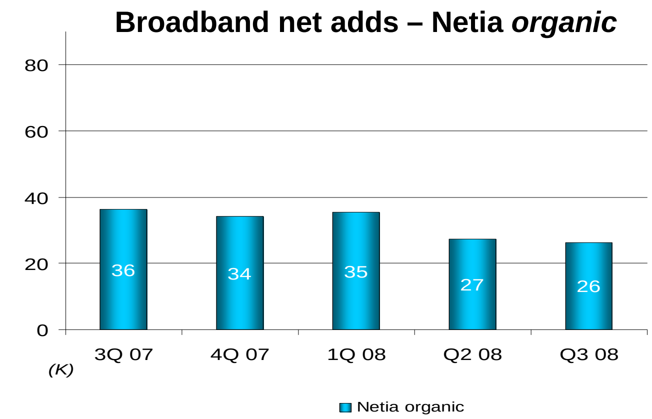
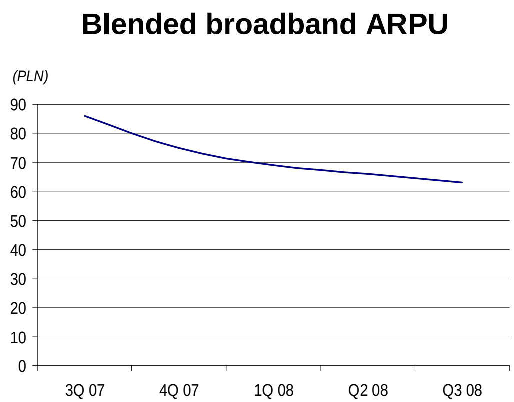
Netia continues to be TP Group's toughest competitor in broadband …

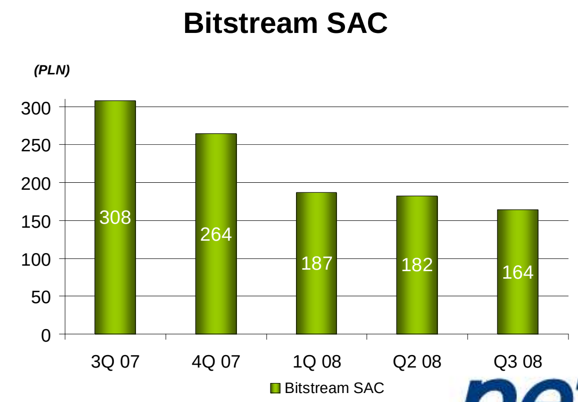


Source:TP

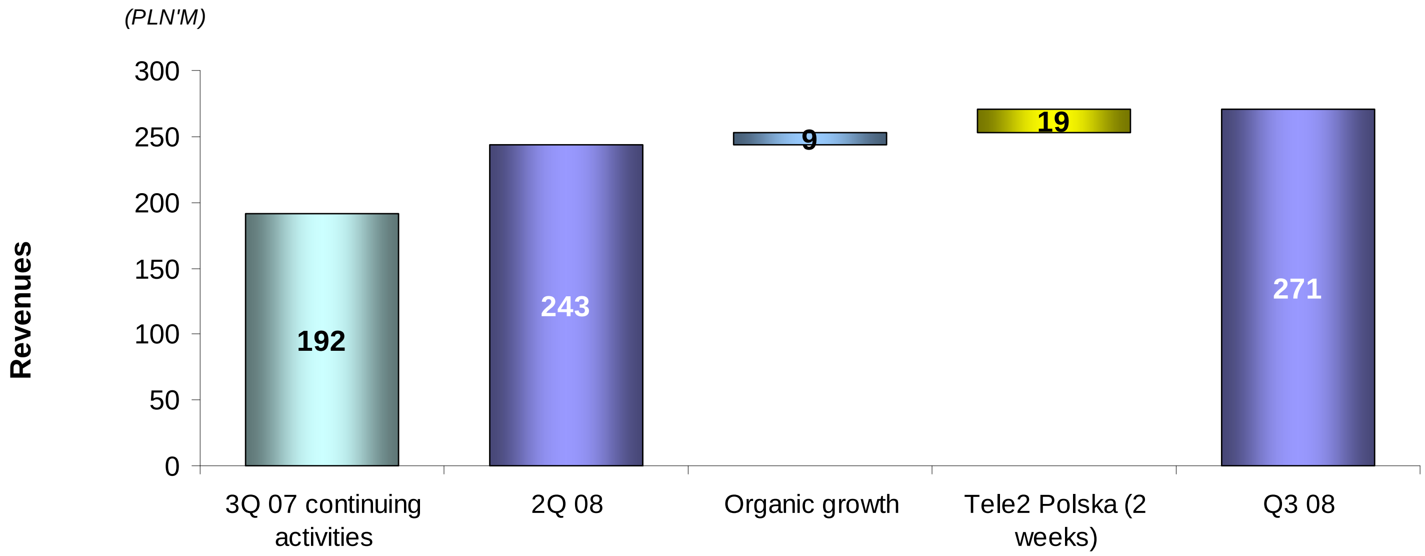


… while stabilising broadband ARPUs and reducing subscriber acquisition costs





Netia's broadband-driven strategy paying off with accelerating revenue growth



- Revenue from continuing operations for 9 months of 2008 was PLN 743.4m, up by 30% y-o-y
- Data revenues for Q3 2008 growing by 9% sequentially and 51% y-o-y
- Voice revenues in Q3 2008 grew by 21% y-o-y due to WLR growth and Tele2 Polska acquisition
- Tele2 Polska contributed 2 weeks revenue of PLN 18.5m to Q3 2008

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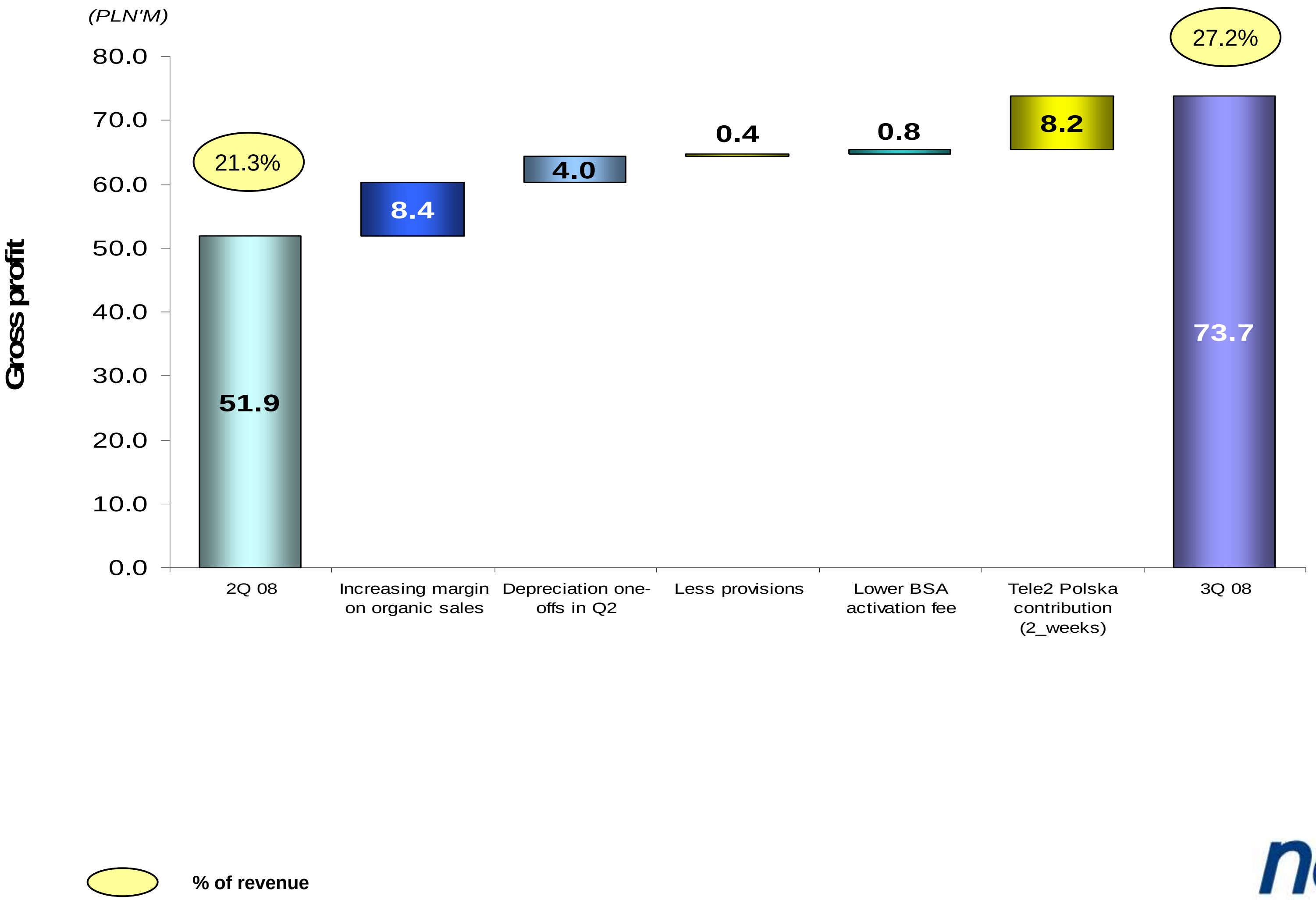
Sequential EBITDA improvement by 24% driven by higher gross profit



Financial performance

Tele2 Polska acquisition was completed on 15 September 2008

(PLN' 000)	2008			2007			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Revenues from continuing activities	271,159	243,483	228,696	211,055	191,569	190,505	187,755
Revenues	271,159	243,483	237,470	222,494	205,559	205,580	204,392
Gross profit	73,720	51,926	55,676	53,412	46,115	51,595	49,351
EBITDA	43,829	35,436	33,800	17,677	36,160	62,236	54,609
Margin	*16.2%*	*14.6%*	*14.2%*	*7.9%*	*17.6%*	*30.3%*	*26.7%*
EBIT	(22,714)	(33,230)	(29,079)	(44,967)	(35,714)	(8,249)	(14,910)
Share of P4 start-up losses	--	--	(22,625)	(52,892)	(43,733)	(42,994)	(25,618)
Profit on sale of P4	(46)	353.427	--	--	--	--	--
PAT	(18,586)	314,581	(55,294)	(99,902)	(80,543)	(51,010)	(37,802)
Total assets	2,260,204	2,169,214	2,062,256	2,070,651	2,016,734	2,092,063	2,093,132
Net (debt)/cash	232,736	324,017	(105,264)	(37,300)	43,416	98,861	152,129
Available credit lines *	375,000	375,000	120,000	205,000	295,000	295,000	100,000

* *Including PLN 100m available at the Company's option*

Financial performance of Tele2 Polska

Prior to the acquisition by Netia

(PLN' 000)	2008		2007			
	2Q	1Q	4Q	3Q	2Q	1Q
Revenues from continuing activities	115,385	114,989	111,208	105,606	92,074	88,769
Revenues	115,385	114,989	111,208	105,606	92,074	88,769
Gross profit	46,958	44,511	48,723	44,703	39,530	38,817
EBITDA	18,052	9,478	8,901	6,170	22	1,061
Margin	*15.6%*	*8.2%*	*8.0%*	*5.8%*	*0.0%*	*1.2%*
EBIT	15,892	7,022	7,644	4,994	(1,039)	(273)
PAT	15,754	1,941	2,676	369	(5,181)	(4,479)
Total assets	84,598	148,133	139,232	152,455	137,588	137,412
Net assets	36,691	(297,135)	(299,076)	(276,208)	(276,576)	(271,394)
Net (debt)/cash	20,971	(299,110)	(309,898)	(312,557)	(327,799)	(328,283)

Updated guidance reconfirmed

Amounts in PLN'M unless otherwise stated

	2008 New Netia *with Tele2 Polska* *from Sept. 15, 2008*	2009 Outlook
Broadband subscribers *('000)*	> 400	
Voice service customers *(own network + WLR) ('000)*	> 1,080	
Unbundled local loop *(LLU) nodes (pcs)*	125	
Revenues	1,100	1,500
EBITDA	145	225
Capital investment	240	280
Acquisitions of Ethernet operators	30	75

Guidance as published on October 14, 2008

Summary

- **Broadband strategy driving revenue and profit improvements**
- **Q4 2008 focus on broadband targets, LLU performance and Tele2 Polska integration**
- **New outlook for 2009:**
  - PLN 1.5 billion revenue
  - 55% EBITDA increase to PLN 225m
  - Netia to be net profitable in 2010
- **Netia is fully funded**
  - flexibility to consider acquisition opportunities
  - exploring options to accelerate remitting cash to shareholders

Thank you for your attention