No.1 Altnet in Poland

March 2011

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netia
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Netia's investment proposition

Poland's largest altnet telecom

- Poland's largest altnet telecom operator with 2010 revenue of PLN 1,569m
  - Growth driven via organic subscriber gross additions and bolt-on acquisitions
  - Three times larger than nearest altnet competitors
  - 2010 Adjusted EBITDA margin at 23% with FCF margin at 10% of sales
  - Debt free with PLN 345m in cash and an additional PLN 700m available for potential acquisitions

Broadband driven growth strategy

- Broadband-driven growth strategy aiming for one million broadband subscribers by FY2012
  - Subscriber base up to 690k in Q4 2010 from 60k in Q4 2006
    - Market share up from 1.5% in Q4 2006 to 11.5% in Q4 2010[1]
  - Over 30% of net broadband additions in the Polish market during FY2010[1]
  - Dominant share of regulated broadband access among altnets (89% of combined BSA and LLU)
  - 35% of broadband customers served end-to-end over Netia's own network
  - Netia is guiding for 780-800k broadband customers by December 2011

Leveraging own network scale

- 1,231k voice subscribers at the end of Q4 2010
  - Approximately 396k voice customers served end-to-end over Netia's own network
  - More than 752k voice subscribers served via wholesale agreements with incumbent (WLR)
  - Approximately 82k voice customers served via unbundled local loops of incumbent (LLU voice over IP)
  - Up-selling broadband to existing clients (focus on 2play)
  - The Company aims to at least maintain its voice customer base through 2011
- Approximately 5.0k km of backbone network and 4.5k km of metropolitan rings underpin all operations
- Market leader in roll-out of LLU (512 nodes unbundled, 127k clients)

Competitive advantages

- 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

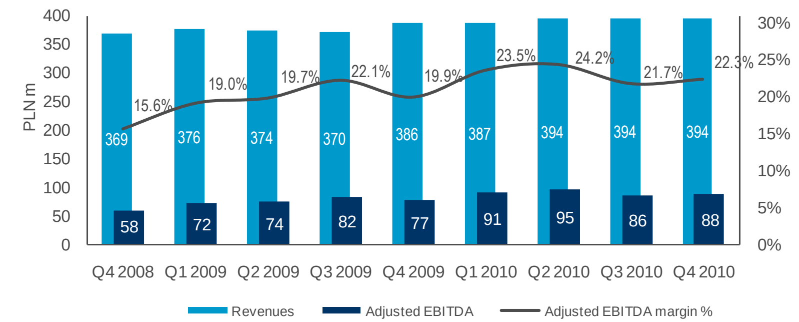
1 *Based on Netia's internal estimates of the total fixed broadband market volume*

Key financial and operational highlights

Dynamically growing business

PLN m	2006A	2007A	2008A	2009A	2010A	EUR m 2011F
Revenue	**862**	**838**	**1,121**	**1,506**	**1,569**	**406**
Growth (yoy%)	*-5.2%*	*-2.8%*	*33.8%*	*34.3%*	*4.2%*	*2.6%*
Adjusted EBITDA [1]	**221**	**171**	**171**	**304**	**359**	**102**
Margin (%)	*25.6%*	*20.4%*	*15.3%*	*20.2%*	*22.9%*	*25.2%*
EBITDA	**-69**	**171**	**171**	**313**	**586**	nd
Margin (%)	*-8.0%*	*20.4%*	*15.3%*	*20.8%*	*37.3%*	nd
Investment outlays *(excl. M&A)*	174	244	248	246	200	50
Acquisition outlays	68	37	178	16	15	nd
Total capex	242	281	426	262	215	215
Disposal proceeds	na	na	460	46	24	24

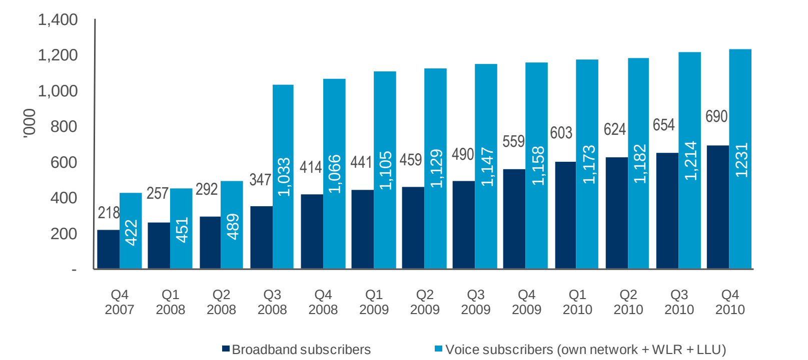
Revenues and EBITDA development



Asset backed with net cash available

PLN m	2006A	2007A	2008A	2009A	2010A	EUR m 2010A
Total assets	**2,155**	**2,071**	**2,283**	**2,341**	**2,568**	**646**
Liabilities	210	343	355	316	**271**	**68**
Shareholders funds	1,945	1,728	1,928	2,025	**2,297**	**578**
Net cash / (debt)	144	-37	193	239	**345**	**87**
Undrawn loan facilities[2]	200	208	375	295	-	-
Enterprise value					**1,730**	**435**
Market capitalization *(as of March 8, 2011)*					2,076	522
Shares outstanding *(m)*					389.4	389.4
						2011F
Backbone networks *(km)*	5,002	5,002	5,002	5,002	5,002	nd
Metropolitan networks *(km)*		4,068	4,452	4,452	4,452	nd
Unbundled local loop nodes	0	0	133	297	512	700
Broadband clients *(k)*	60	217	414	559	690	780-800
Voice clients (k)	398	391	1,065	1,158	1,231	At least maintained

Broadband and voice subscribers



1 EBITDA for 2006 adjusted for an impairment charge on non-current assets and a gain on reassessment and cancellation of El-Net's license fee liabilities. EBITDA for 2009-2010 adjusted for a gain on reversal of earlier impairment charges (in 2010 only), one-off restructuring expenses related to the cost reduction program (the "Profit" project), gains on disposal of P4 transmission assets, M&A related costs (in 2010 only) and a positive accounting impact from the settlement agreement with TP (in 2009 only)

2 Netia cancelled the PLN 295m credit facility on July 29, 2010 and signed a mandate to arrange PLN 700m of new financing to fund potential major acquisitions

Source: Company, PLN/EUR spot rate as of March 8, 2011 was 3.9756

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Netia's Vision and Mission on its strategic path towards 2020

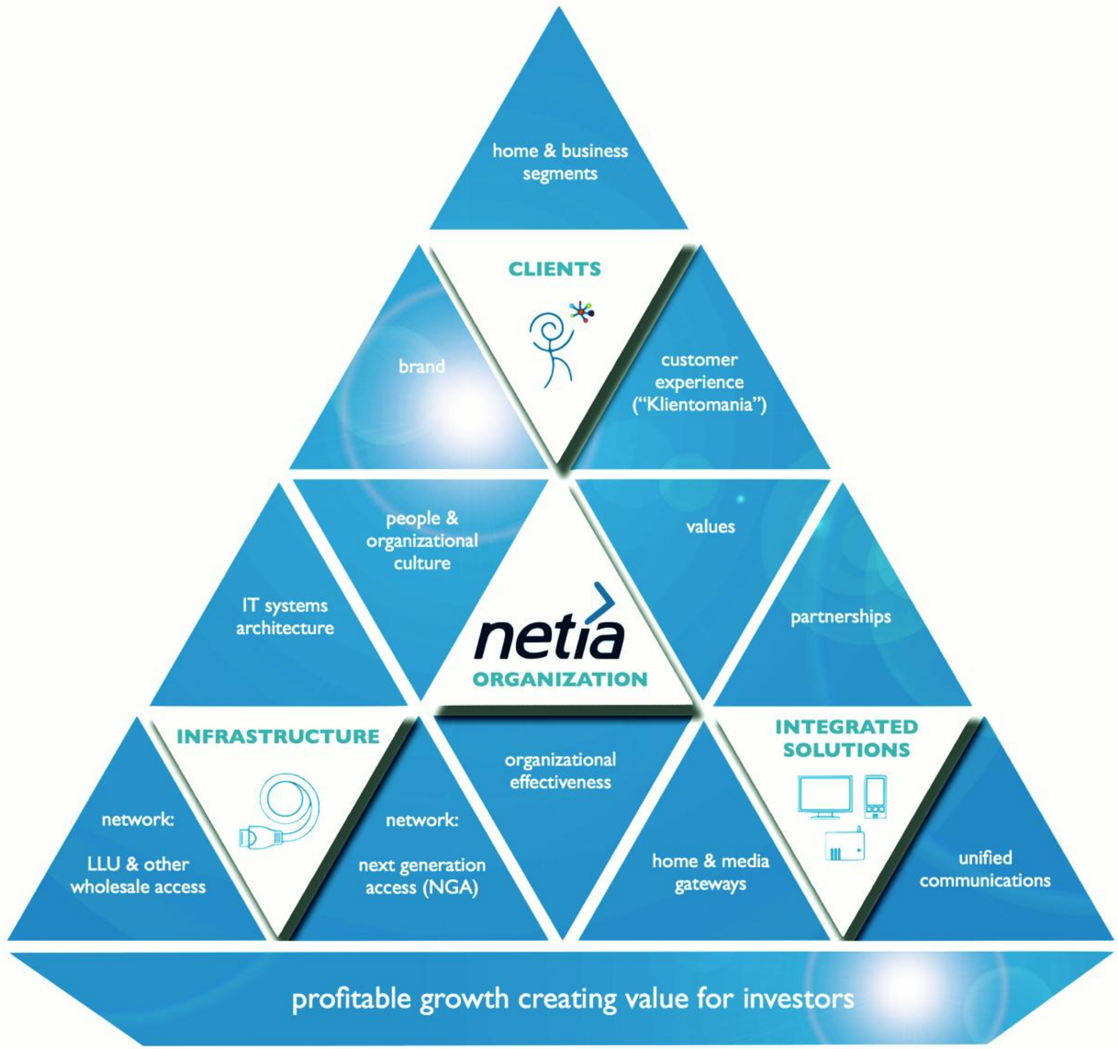
Mission

Vision

By 2020 Netia will profitably grow to be Poland's No.1 on-line gateway through:

- Delivering integrated and easy to use solutions
- Providing a superior customer experience, and
- the Drive of passionate employees inspired by our values

Focus areas for Netia's future value proposition to the market and investors



Areas of competitive advantages build out and value creation

Customers

- Excellence in processes that run through critical customer touch-points to deliver customer experience distinctly better than with the key competitors
- Streamlining customer processes to optimize operational and financial performance
- Recognized & well-perceived brand as a core asset supporting our strong market position in the Home & Business segments

Integrated solutions

- Portfolio of integrated solutions that comprehensively meets the communication & entertainment needs of our Home & Business customers
- Strong expertise to consistently design & launch customer-winning propositions
- Ability to design user-friendly & intuitive interface and deliver effortless user experience
- Strong partnerships and seamless integration of third-party products & devices within our solutions

Infrastructure

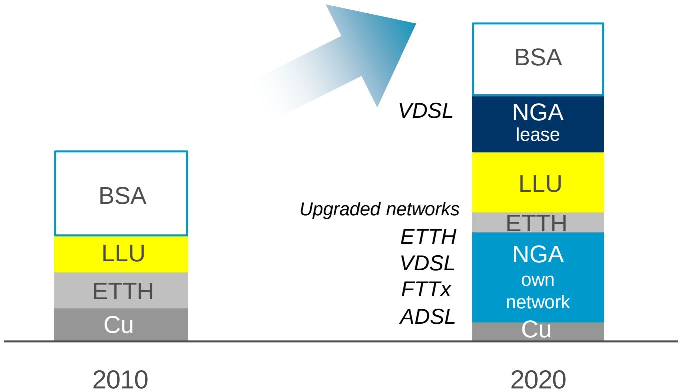
- Own access network infrastructure largely upgraded to Next Generation Access (NGA)
- Migration from regulated & wholesale access to own infrastructure once sufficient local scale had been achieved to enable value-creating own network deployment
- Optimisation of network roll-out cost and risk-sharing through co-investment & cooperative arrangements, offering wholesale services to third-parties and leveraging public & EU funds
- IT architecture supporting seamless & effective delivery of critical business processes

Organisation

- Agile, effective and flexible organization & processes
- Company values strongly reflected in employee behaviour
- Passion for exceeding customer expectations by going the extra mile
- Strong & deep employee empowerment across all organizational levels
- Senior and middle management strongly motivated by stock option plan

Netia's strategic vision for network transformation and margin expansion

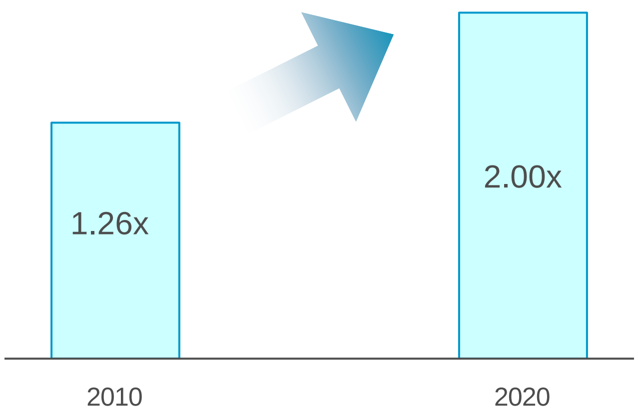
Planned evolution of Netia clients by technology



More customers on high margin own networks

- NGN and VDSL solutions will be commercially trialed before Netia commences roll-out
- Netia expects to be able to keep investment spending below 15% in relation to annual revenues even in peak roll-out years
- Network transformation is expected to take place between 2012 and 2016

RGU[1] per subscriber in Residential Segment (x)[2]



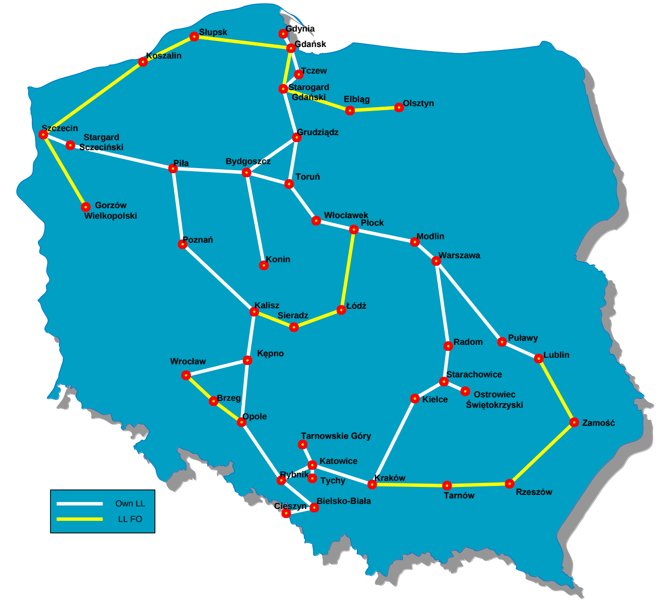
More customers taking multi-play services[1]

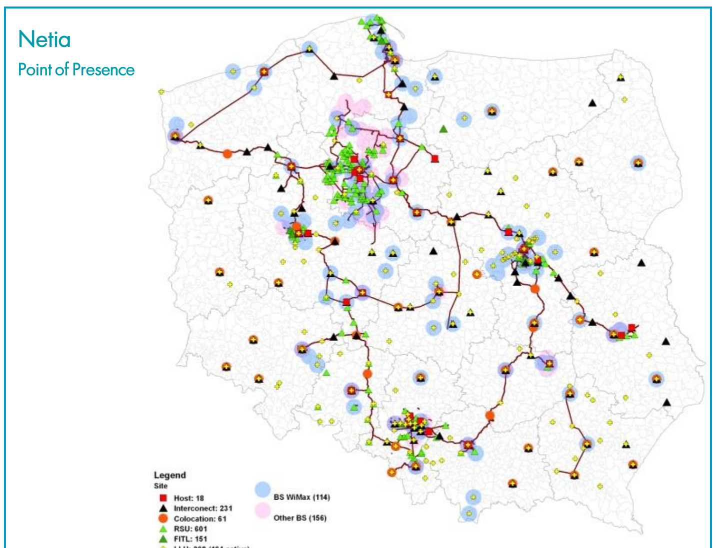
- RGUs will be driven by further progress on double-play services and introduction of TV services in 2011
  - TV pilot introduced already in Q4 2010 in select regions

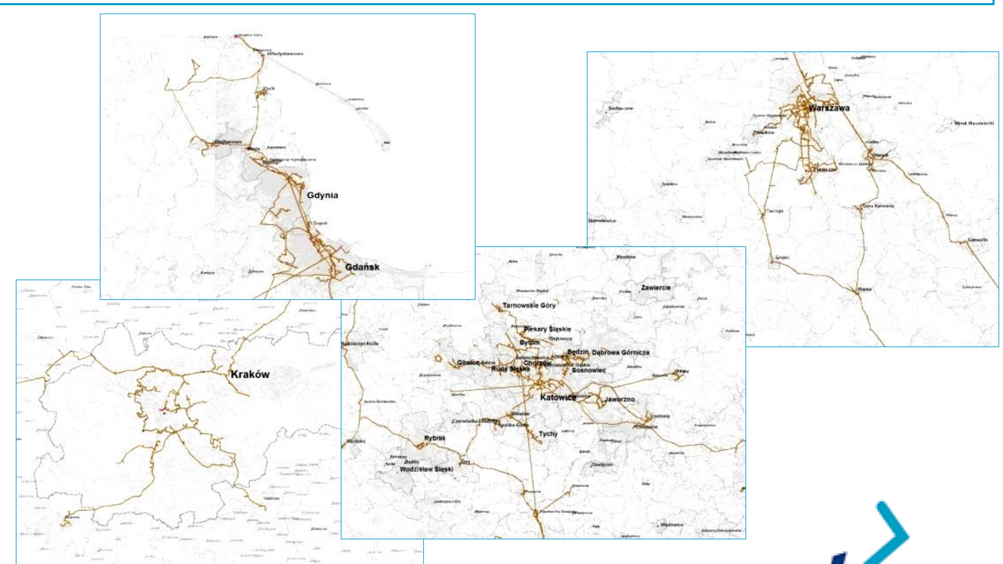
1 Revenue Generating Unit
2 1Including IPTV impact

Netia's own network coverage

- Backbone fiber network of approximately 5,000km
- Metro fiber network of approximately 4,450km
  - Own duct pipe of approximately 3,200km
  - Typical capacity 72j
  - Metropolitan fiber infrastructure in 44 biggest cities of Poland
- Over 40 C/DWDM sites in all major cities
- Alcatel based SDH network (1500+ SDH sites with STM -16 and STM -64)
- Two independent networks carrying all packet traffic
  - Carrier Ethernet and Metro Ethernet for L2 services
    - 30 Ethernet nodes with 10Gb uplink
    - 150 Ethernet nodes with 1Gb uplink
    - 550+ ADSL nodes with 1Gb uplink
  - IP core network for other services
    - 15 Core IP nodes with 10Gb uplink
    - 4 POI with International IP Transit Providers
- 5 Collocation Centers (Tier III class)
- International point of interconnect in Cieszyn (route to Prague and Frankfurt)
- One homogenous management system with end-to-end provisioning capabilities







Source: Company

Positive regulatory changes

Market status prior to introduction of regulated access in 2006

- Altnets competed with the incumbent in select country concession areas over their own local networks, target addressable market was limited to their own network coverage (Netia's accessible market was 398k lines), nationwide competition only for call-by-call services

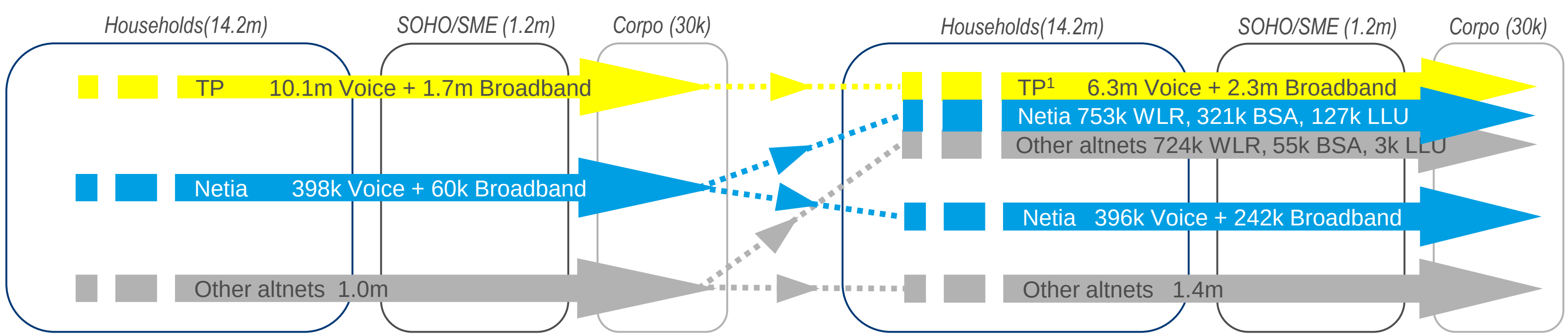
Market status post WLR/BSA regulated access introduction in 2007

- Regulated access over incumbent's network allows altnets to resell voice, broadband services and subscriptions based on wholesale (WLR/BSA) agreements with the incumbent (TP)
- New regulatory regime allows Netia to reach out to more than 10m residential and business customers connected to TP's local networks
- Netia's national backbone network & back-office, brand and business processes are now leveraged across the entire addressable market nationwide

Market status post LLU regulated access implementation in 2007

- LLU legislation in place since 2003 in Poland, but effective unbundling process possible as of 2007, LLU tariffs significantly reduced as of 2009 improve attractiveness of LLU customers to altnets
- Incumbent's network comprises ~5k nodes with average ~2k lines per node (totalling ~10m lines)
- Netia becomes the only truly successful altnet in Poland with 512 nodes unbundled by the end of Q4 2010, targeting 700 nodes unbundled by 2011 year end

2006 pre regulatory access	Q4 2010 with regulatory access



Netia addressable market today is:

- 7.3m TP lines
- 396k Netia own lines (550k lines of installed capacity)
- WiMax national license
- Ethernet networks acquisitions (499k homes passed to date)

1 TP lines in retail (excluding wholesale to altnets) Source: Company, TP, UKE, press releases

Regulatory conditions in Poland

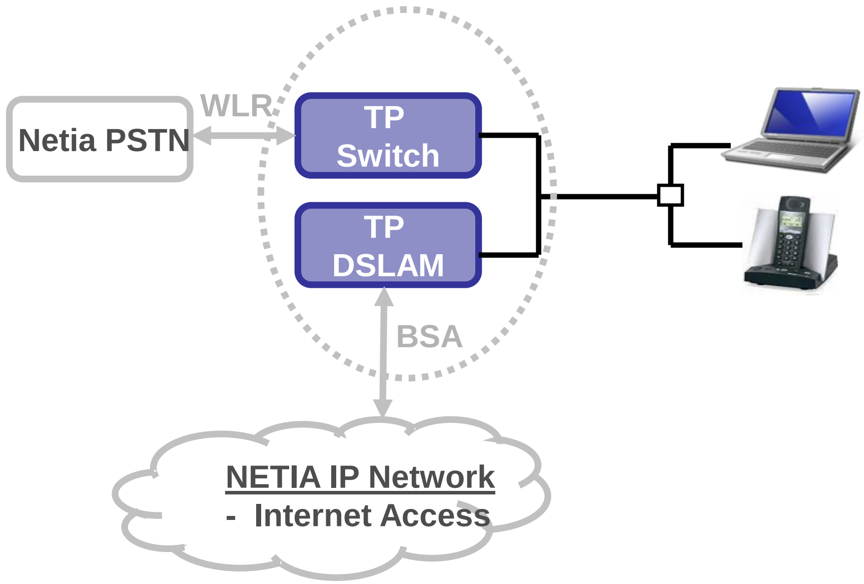
	Monthly fees						
Full LLU costs (Internet + voice)	PLN 22	Fee frozen until Q4 2012					
Shared LLU costs [2] (Internet)	PLN 5.81	Fee frozen until Q4 2012					
Voice wholesale cost (WLR)	PLN 20	Fee frozen until Q4 2012					
Internet wholesale cost (BSA)	'Cost plus' formula subject to margin squeeze test	0.5 Mb/s	1 Mb/s	2 Mb/s	6 Mb/s	10 Mb/s	20 Mb/s
		PLN 19.05[1]	PLN 21.22[1]	PLN 25.66[1]	PLN 26.76[1]	PLN 29.73[1]	PLN 32.70[1]

Source: Company

1 The amount of a wholesale charge can be lower but cannot be increased by the end of 2012

2 A client should have an active voice service or pay a line maintenance fee of PLN 30 gross

Wholesale model works successfully



Business Model (2play)

- TP offers Voice & 2 Mb/s Internet for ~76 PLN[1]
- Netia bills voice and Internet for **~ 72 PLN**[1]
- Netia pays to TP ~26 PLN for Internet and 20 PLN for WLR
- **TOTAL cost ~ 46 PLN**
- Gross margin 36%
- Netia does not invest in DSLAM
- Netia can only resell services offered by TP i.e. bandwidths

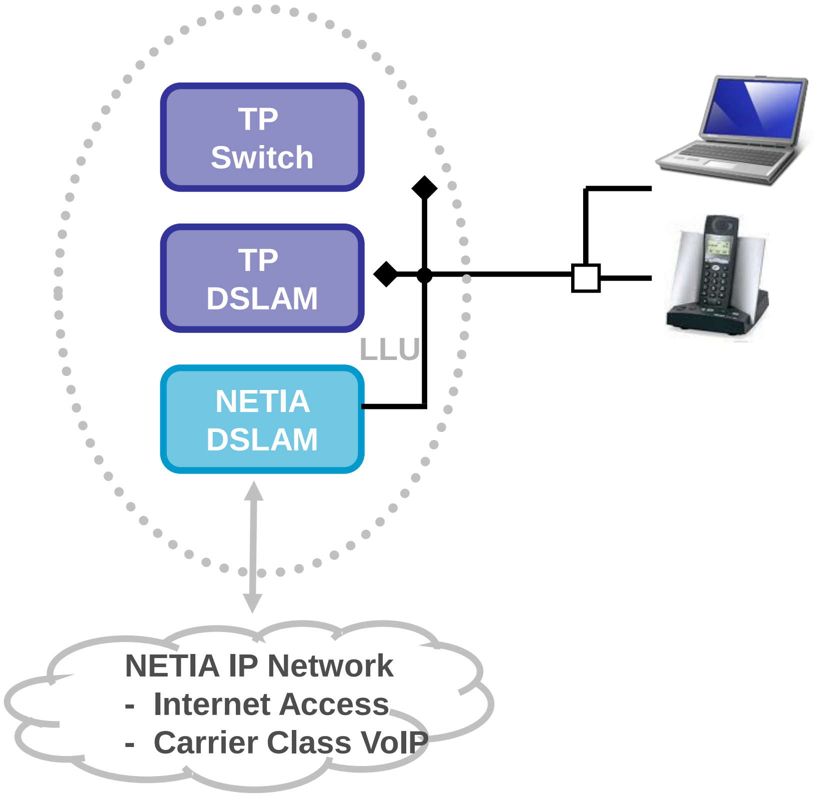
Wholesale Strategy

- Single play customers represent a base for cross selling
- Migration of 1play (BSA) customers to higher margin LLU services (shared LLU) began in Q2 2009
- Migration of 2play customers to full LLU access from November 2009
- 64k clients migrated in total by the end of 2010

Source: Company

1 An effective net price when signing a 24 month contract, Voice charges as per tariff plans doMowy 60 (TP) and Evenings & Weekends (Netia) (VAT at 22%)

LLU model offers broader opportunities



Business Model (2play)

- Netia bills Double Play Revenues for voice and 4Mb/s Internet service at **~ 61 PLN**[1]
- Netia pays TP **22 PLN** monthly line rental fee
- Gross margin 64%
- Netia has to invest in its own DSLAM (~ 200K PLN / node)
- NETIA controls services delivered over DSLAM
  - Speeds
  - Value Added Services like IPTV, VOD, PVR

LLU roll-out

- Target to unbundle 5.0m TP lines with 700 DSLAM in 2008-2011
  - Attractive operating leverage on unbundling ~10% of incumbent's infrastructure accessed ~50% of the total addressable market[2]
- 512 nodes unbundled as at December 31, 2010

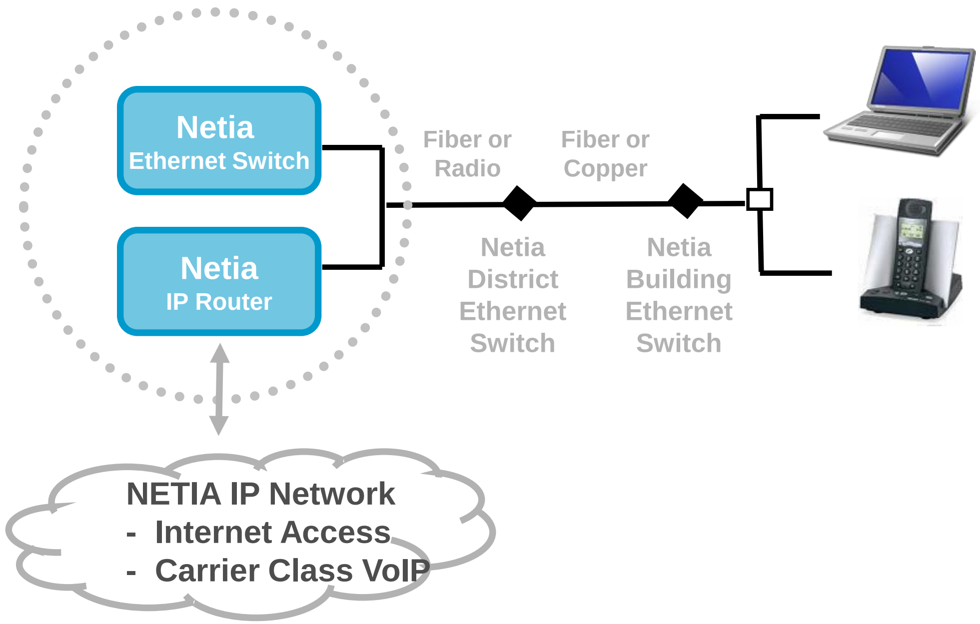
- Migration of wholesale customers from Q2 2009 (1play) and Q4 2009 (2play); 64k clients migrated by the end of 2010
- At the end of 2010 Netia served 127k LLU clients (an average of 248 clients / node)

Source: Company

1 An effective net price when signing a 24 month contract, Voice charges as per the Evenings & Weekends tariff plan (VAT at 22%)

2 Netia targets selectively nodes with 10k+ lines per node (average no. of lines per node in PL is ~2k)

Consolidation opportunities in Ethernets



Business Model

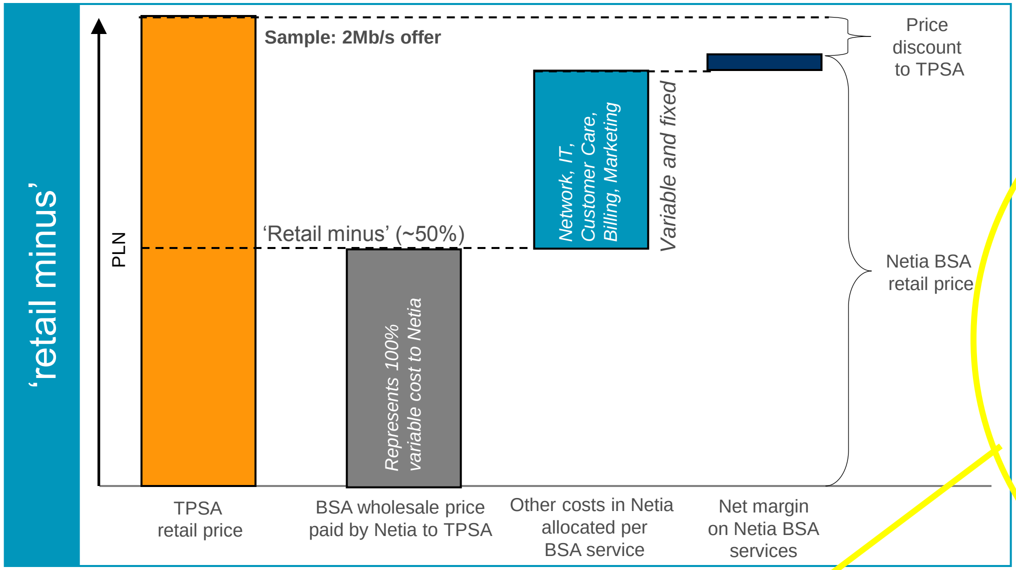
- Netia controls all elements of access network = no „last mile” access fees to third parties
- Average Internet ARPU at ~ 43 PLN
- Potential for ARPU increase when introducing VoIP services
- Synergies from the acquired Ethernet networks (scale, infrastructure, organization) leading to the improvement of results after acquisition
- Fast client service – Internet activation and maintenance
- Gross profit margin of ~ 70%

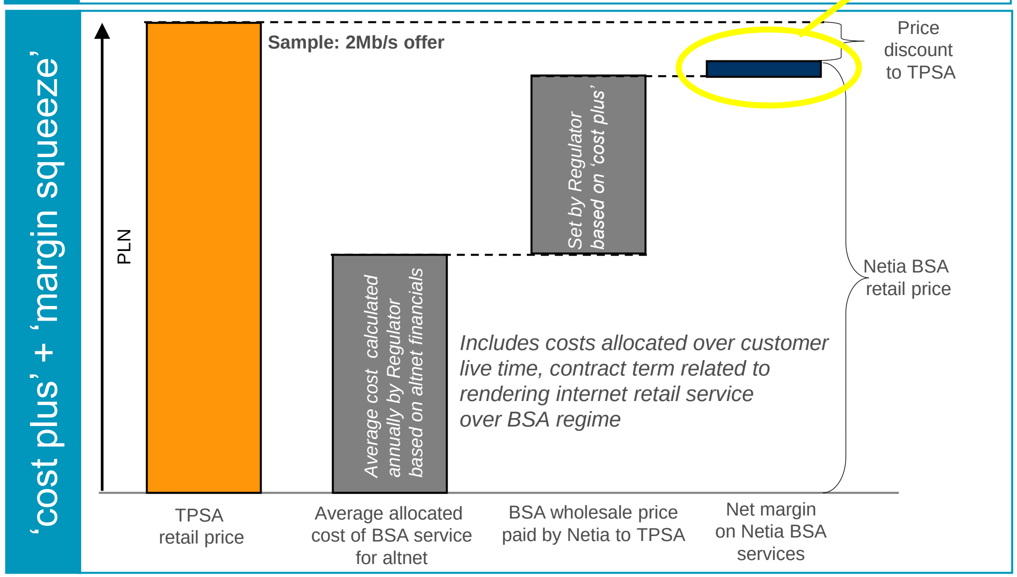
Ethernet Strategy

- 1play Internet access customers represent base for voice up-selling (convergence to 2play)
- Organic growth through increased penetration of acquired homes passed (approximately 415k)
- Investment dedicated to services upgrade and coverage expansion
  - At present Netia’s standard offer over ETTH building’s last mile is Internet access of up to 4Mbps & VoIP while technology usually allows access speeds of up to 100 Mb/s within the ETTH access network
  - Provisioning of IPTV and higher speed Internet usually requires an upgrade of capacity between the ETTH access network and Netia’s backbone network
- Target of 200k Ethernet subscribers by 2012 (organic and acquisitions)

Source: Company

Margin squeeze test - shift from 'retail minus' to 'cost plus'





Source: Company

'margin squeeze test'

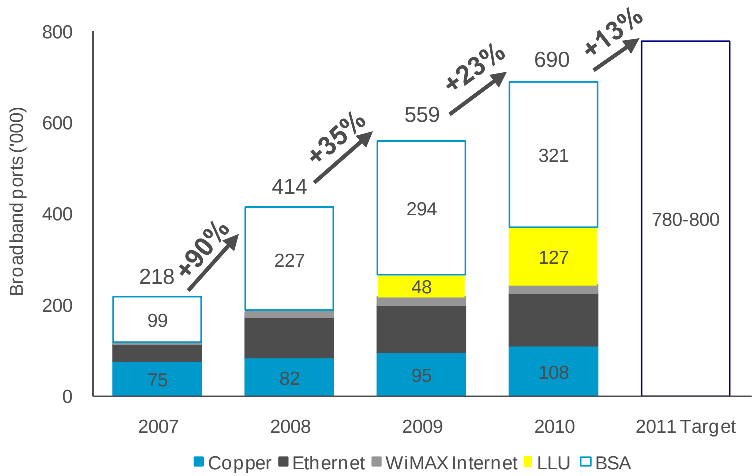
- Based on the cost allocation for rendering broadband service on BSA regime by altnets, the Regulator sets the average cost base used in the 'margin squeeze test' in order to determine whether competitors have room to provide broadband services profitably
- Margin squeeze test is performed prior to introduction of any new offer on the market commercially.
- If margin squeeze test is passed, it means that after recognition of average cost base on BSA for altnets and including a wholesale tariff on BSA to TPSA, Netia is able to compete profitably with TPSA
- If margin squeeze test is not passed then a 'retail minus' regime is reemployed to determine wholesale tariff on BSA from altnets to TPSA
- Margin squeeze test should protect altnets from unfair competition and potential monopolistic practices

Key conclusions

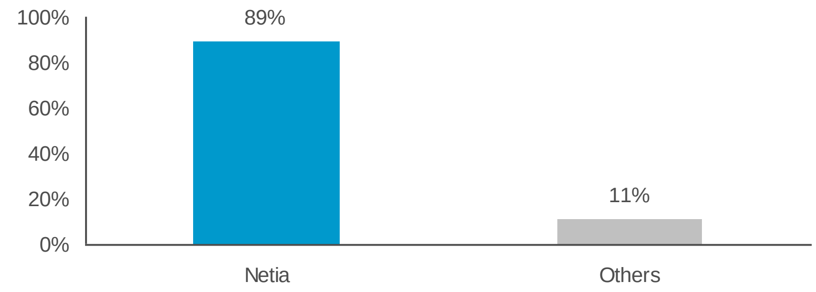
- Incumbent has little room to increase wholesale fees as most service speeds were already capped for 2010 – 2012
- Margin-squeeze test should protect Netia's profit margin on BSA services
- Netia was surprised that TP's new prices for lowest transmission speeds passed the margin squeeze test. At present, the test procedure is temporarily suspended and the Regulator has started consultations with TP and the altnets in order to improve the transparency of the test procedure going forward

No.1 altnet in broadband services in Poland

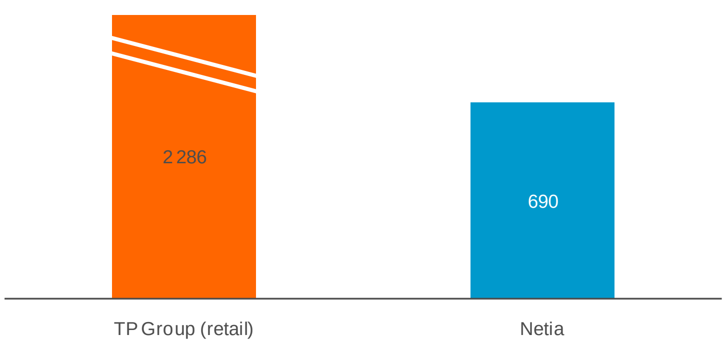
Broadband services by type of technology as of Q4 2010



Altnets' market shares in regulated access (BSA & LLU) as of Q4 2010



Broadband ports as of Q4 2010

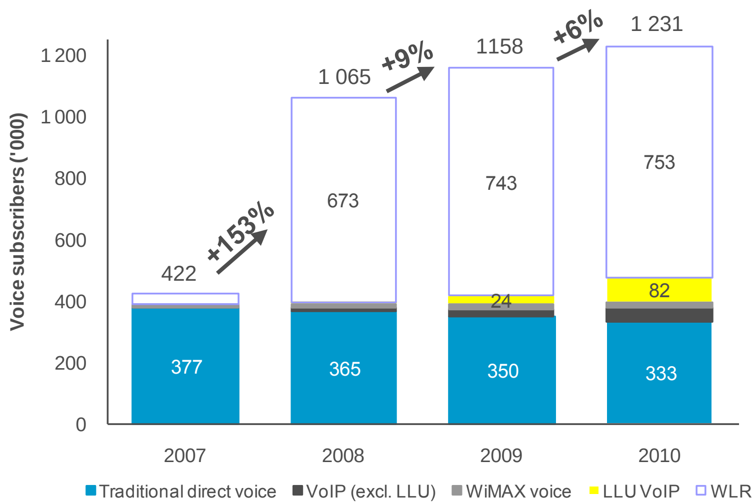


- 690k broadband customers served at December 31, 2010
- Netia's market share in broadband grew from 2.4% in Q1 2007 to 11.5% in Q4 2010
- Netia's market share in broadband net adds in 2010 was over 30%
- 35% of broadband customers served directly by Netia's own access networks
- Netia aims at 780k-800k broadband customers through organic growth by the end of 2011, excluding potential further Ethernet acquisitions

Source: Company, public information

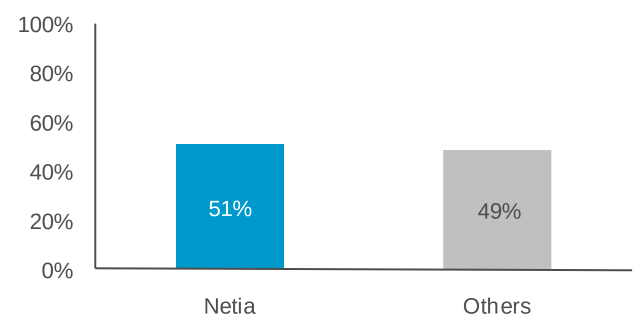
No.1 altnet in voice services in Poland

Voice customers by type of technology as of Q4 2010

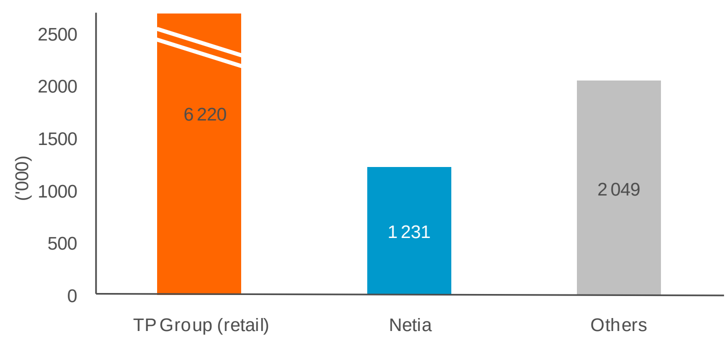


- 1,231k voice customers served at December 31, 2010
- Over 500k customers acquired in 2008 through Tele2 Polska transaction
- 32% of voice customers served directly over Netia's own access network
- Netia has 51% of WLR customers among altnets
- Netia aims to at least maintain its voice customer base through 2010
- Voice market share estimated at 13.1%

WLR[1] market shares as of Q4 2010



Total voice subscriber lines as of Q4 2010



Source: Company, public information 1 Wholesale line rental

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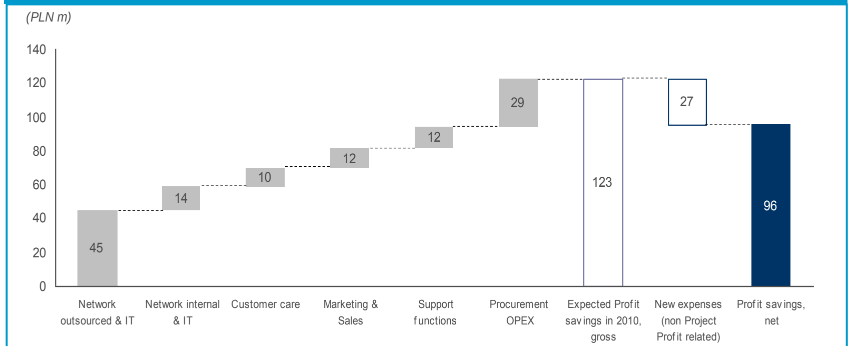
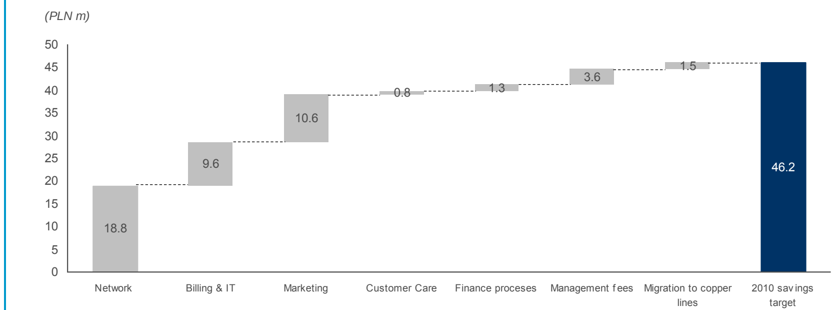
Major initiatives driving margins in 2010

Project Profit



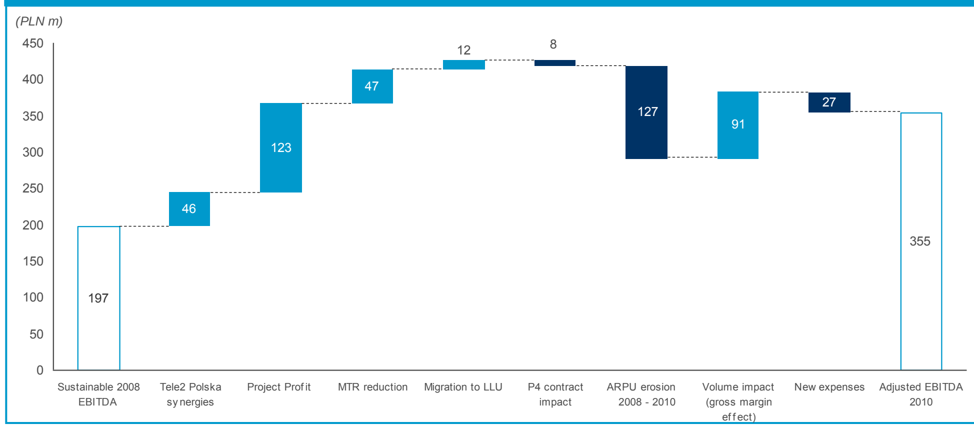
- Savings delivered by the 'Proft' project in 2009 amounted to PLN 74m gross; savings expected from 2010 and onwards at PLN 123m gross
- Netia headcount dropped from 1,673 at Dec. 31, 2008 to 1,414 at Jan. 31, 2010

Tele2 Polska integration synergies



- Savings delivered by the post acquisition integration of Tele2 Polska amounted to PLN 27m in 2009
- Savings in 2010 total PLN 46m

EBITDA Bridge – accelerated improvement in profitability during 2008 - 2010



- EBITDA growth in FY2010 driven mainly by Netia's efficiency initiatives – 'Profit' project and Tele2 Polska synergies – as well as increased scale of operations
- Additionally, positive impact from regulatory changes – introduction of lower mobile termination rates (MTR) – as well as migration from BSA to LLU from FY2009
- EBITDA margin increased by approximately 7 percentage points from 16% in FY2008 (annualized Q4 08) to 23% in FY2010

Source: Company

Balanced growth should drive future improvements

2010-2012	
Revenue growth (CAGR) – overall	3% - 5%
Revenue growth (CAGR) – retail segment[1]	5% - 10%
EBITDA margins	
at 23%	2010
at 28%	2012
Increasing net operating profit trend	2010 - 2012
Increasing free cash flow trend	2009 - 2012
Capex to sales down to 15% by	2010
1 million broadband subscribers	2012

- Ethernet acquisitions are included in the 1 million broadband subscribers mid term target

Beyond 2012

Blended[2] fixed line market share to grow from 11.5% to at least 15%

Expected **revenue growth** above 2% pa delivers increasing value share

EBITDA margins in 26% - 28% range throughout

Capex to sales ratio to stay below 15% during network upgrade (2011 – 2013) and falling to 10% - 12% thereafter (2014 – 2020)

OpFCF margin to sales continuously above 10%

- All guidance excludes impact of potential transformational M&A

[1] *Retail segment means Home, SOHO/SME, Corpo*
[2] *Average of the Fixed Voice and Fixed Broadband market shares in the Polish Fixed Telecom market*

Source: Company Note: Mid term outlook (2010-2012) and Long term outlook (beyond 2012) as published on November 5, 2009 and January 13, 20011, respectively, and maintained on February 22, 2011

Spare cash will be utilised

M&A Funding

- While major M&A consolidation opportunities remain feasible:
  - Netia will try to maintain a PLN 300m cash 'acquisition fund'
  - Standby financing relationships (current mandate PLN 700m)
- As key targets are EBITDA positive businesses, additional funding to acquire multiple targets should be available
- Netia will continue to buy ETTH operators from its own cash-flow generation
- Netia will opportunistically target other bolt-on acquisitions that fit within Strategy 2020
- Management views expansion through M&A as the optimal way to increase leverage to 1x-2x EBITDA for the long-term

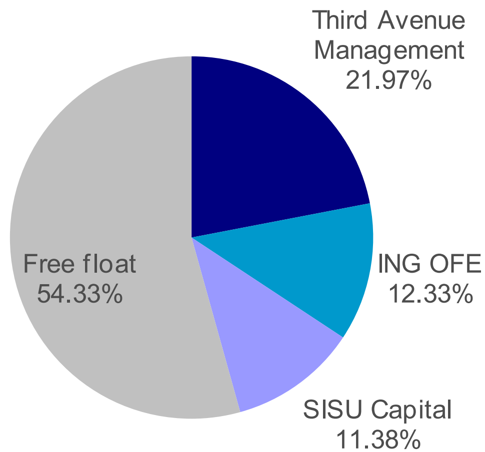
Distribution policy

- Management intends to propose returning surplus funds above the PLN 300m 'acquisition fund' to shareholders through buy-backs and/or dividends
- Should circumstances lead Management to conclude that transformational market consolidating opportunities are no longer feasible, then Management will propose the return of the PLN 300m 'acquisition fund' to shareholders

Source: Company

Netia shareholders and share price performance

Shareholder structure

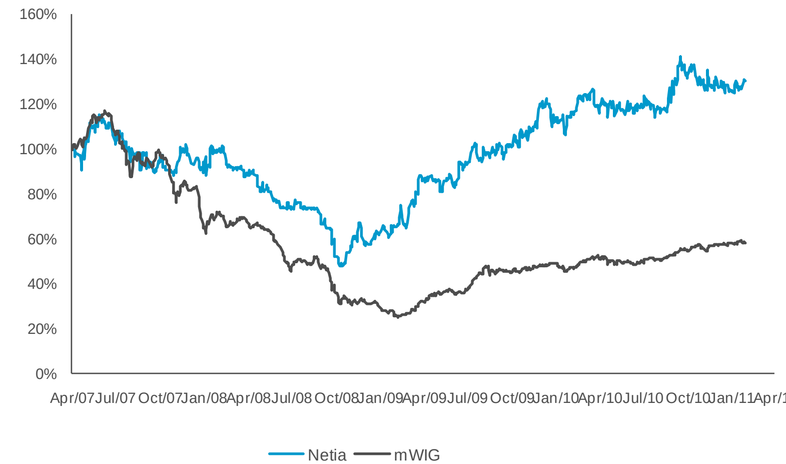


As of March 1, 2011

Shareholder	Number of shares (m)	% Capital	% Votes
Third Avenue Management	85.6	21.97%	21.97%
ING OFE	48.0	12.33%	12.33%
SISU Capital	44.3	11.38%	11.38%
Free float	211.5	54.32%	54.32%
Total	**389.5**	**100.0%**	**100.0%**

Source: Company

Share price performance since launch of broadband driven growth strategy (April 2007)



	PLN m	EUR m
Enterprise value (as of March 8, 2011)	**1,730.3**	**435.2**
Market capitalisation (as of March 8, 2011)	2,075.5	522.1
Bank debt outstanding (as of Dec. 31, 2010)	0.03	0.0
Cash (as of Dec. 31, 2010)	345.2	86.8
Shares outstanding (m)	389.4	389.3
Share price (as of March 8, 2011)	5.33	1.34
Daily volume average (k shares) (as of March 8, 2011 YTD)	510	510
PLN/EUR spot rate as of March 8, 2011	*3.9756*	*nm*

Source: Company

Management team

Mirosław Godlewski, *Chief Executive Officer*, 44, 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 and Chapter Chair of its Polish chapter. Member of the supervisory board of SEG (the Polish Association of Stock Exchange Issuers).

Jon Eastick, *Chief Financial Officer*, 44, joined Netia's management board in April 2006. Previously, he spent five years as Chief Financial Officer of the then 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.

Grzegorz Esz, *Chief Marketing Officer*, 38, joined Netia's management board in October 2009. Previously he was Vice President of Polskie Przedsiębiorstwo Wydawnictw Kartograficznych SA (PPWK) (2007-2009). Mr. Esz has rich experience in marketing and sales management developed in leading telecommunications companies such as MTS, the largest mobile operator in Russia (2006-2007), and Polska Telefonia Cyfrowa Sp. z o.o. (PTC), one of the largest mobile operators in Poland (1997-2005). During his term at PTC he served at various managerial positions and was responsible for, among others, developing the concept and full commercial launch of a new pre-paid service under the HEYAH brand. He graduated with distinctions in Marketing and Management from the Warsaw University of Technology. He also holds an Executive MBA diploma from the London Business School in London.

Piotr Nesterowicz, *Business Development and Technology Director*, 40, 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 career 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*, 47, 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 Chairman of the Board of Directors of the European Competitive Telecommunications Association (ECTA)(www.ectaportal.com). He is also a Deputy Chairman of SOT KIGEiT (Telecommunications Operators Section of the Polish Chamber of Commerce for Electronics and Telecommunications) for a second term of office and is a member of the Arbitration Committee (Komisja Rozjemcza) of KIGEiT.

Key managers highly incentivised

New stock option plan for 2011 - 2020[1]

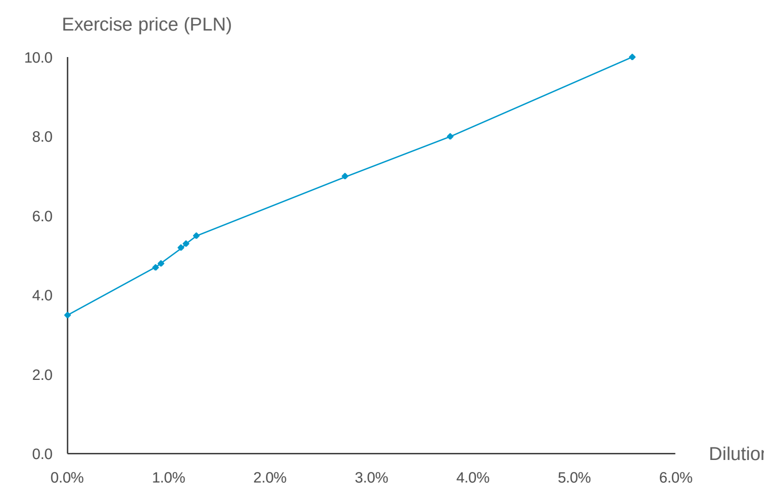
- The highest number of options which can be granted: 27,253,674
  - The highest grant per annum: 3,893,382
  - *out of which the options which can be granted to the Management Board : 1,946,691*
- The highest number of shares which may be issued under the new stock option plan: 13,626,837
- Options may be exercised within the defined open periods and not earlier that three years from the grant date and not later than on May 26, 2020
- As well as three years' service, options vesting is dependent on delivering business goals set by the Supervisory Board
- On February 25, 2010 the Management Board were jointly granted 1,725,000 options at the strike price of PLN 5.23 and the earliest vesting date of February 25, 2014
- Netia's Supervisory Board authorized the Management Board to grant stock options to 65 employees for 2011 in the total amount of 2,144,000, which are likely to be awarded in the near future

Earlier stock option plan expires in December 2012[2]

Options (m) / Strike price:	PLN 3.50[3]	PLN 5.50	PLN 7.00	PLN 8.25	Other	
Participants:						**Total**
Members of the Management Board	10.0m	12.2m	9.2m	9.1m	0.3m	**40.8m**
Employees[4] and former MB members	3.4m	4.8m	3.6m	0.3m	0.4m	**12.5m**
Total	**13.4m**	**17.0m**	**12.7m**	**9.4m**	**0.7m**	**53.2m**

- Exercise date: until December 20, 2012
- Number of shares issued until December 31, 2010: 5,236,455
- 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.

Potential dilution impact under both stock option plans



Source: Company

1 New stock option plan was adopted by Netia's supervisory board on February 25, 2011
2 Status as at December 31, 2010
3 Strike price is pegged to the market price of Netia shares at the date of entering the scheme, however it cannot be lower than PLN 3.50
4 Management Board have discretion to issue up to 0.6 million of PLN 3.50 options and 2.8 million of other options to senior management

Summary

- **Netia is Poland's largest altnet telecom operator delivering strong EBITDA growth**
- **Broadband-driven growth strategy aiming for one million broadband subscribers by FY2012**
  - Subscriber base up to 690k in Q4 2010 from 60k in Q4 2006
  - Market share up to 11.5% in Q4 2010 from 1.5% in Q4 2006
  - Growth driven via organic subscriber gross adds and bolt-on acquisitions
- **Own network infrastructure underpins all operations**
  - Approximately 5.0k km of backbone network and 4.5k km of metropolitan rings
  - Over 1.2 million voice subscribers at the end of Q4 2010
    - Approximately 400k voice subs served end-to-end over Netia's own network
    - More than 752k voice subs served via wholesale agreements with incumbent (WLR)
  - Market leader in roll-out of LLU with migrations of wholesale customers to LLU underway
- **Competitive advantages stimulate continuous growth of Netia operations in Poland**
  - 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
  - Ready for market consolidating acquisition opportunities
  - Experienced management team with shareholder value driven compensation plans

Source: Company

Disclaimer

Some of the information included 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.