



Netia SA

Poland's Leading Altnet

April 2009

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 75% in Q4 2008 and 42% in FY' 2008 *

- Tele2 Polska acquisition completed on September 15, 2008
 - Price: 2.8 x expected 2008 EBITDA of PLN 40m
 - Integration underway with over PLN 30m annual synergies confirmed

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

- Subscriber base up to 414k in Q4 2008 from 60k in Q4 2006
- 36% of net broadband additions in the Polish market in Q4 2008
- Market share up from 1.5% in Q4 2006 to 7.6% in Q4 2008
- 90% share of regulated broadband access among altnets
- Over 40% of broadband customers served end-to-end 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



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Broadband driven strategy 12-17

Attractive market growth potential 18-23

Cash generative business franchise 24-26

Strong balance sheet & fully funded 27-28

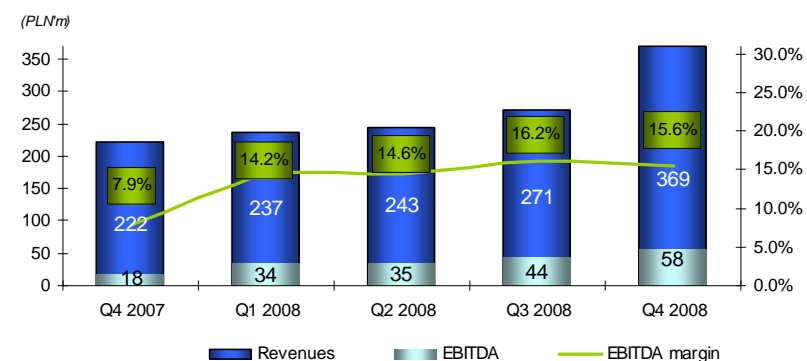
Stock option plan 29

Netia in a snap shot

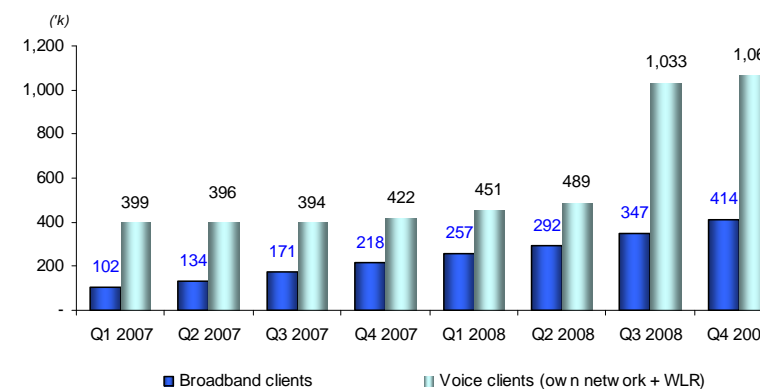
Fully funded asset base

(PLN'm)	2009 F	2008	2007	2006
Revenue	1,520	1,121	838	862
EBITDA	260	171	171	(69)
Investment outlays (excl. M&A)	260	248	244	174
Net M&A		133	37	68
Total assets		2,238	2,071	2,155
Shareholders funds		1,928	1,728	1,945
Debt outstanding		-	95	-
Other liabilities		355	248	211
Net cash		193		
Market capitalization (as of Dec. 31, 2008)		934		
Enterprise value		741		
Shares outstanding (m)		389.3		
Backbone networks (km)		5,002		
Metropolitan networks (km)		4,452		
Unbundled local loop nodes	300	133		
Broadband clients (k)	525	414		
Voice clients (own network + WLR) (k)	1,150	1,065		

Revenues and EBITDA



Broadband and Voice¹ clients



¹ Clients in own network + WLR (offered from Q4 2007)



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Netia management team



Mirosław Godlewski, *Chief Executive Officer*, 42, 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*, 42, joined Netia's management board in April 2006. Previously, he spent five years as Chief Financial Officer of the then leading Polish mobile operator PTK 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, Business Development and Technology Director, 38, 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*, 45, 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. He is also a Deputy Chairman of SOT KIGEiT (Telecommunications Operators Section of the Polish Chamber of Commerce for Electronics and Telecommunications).



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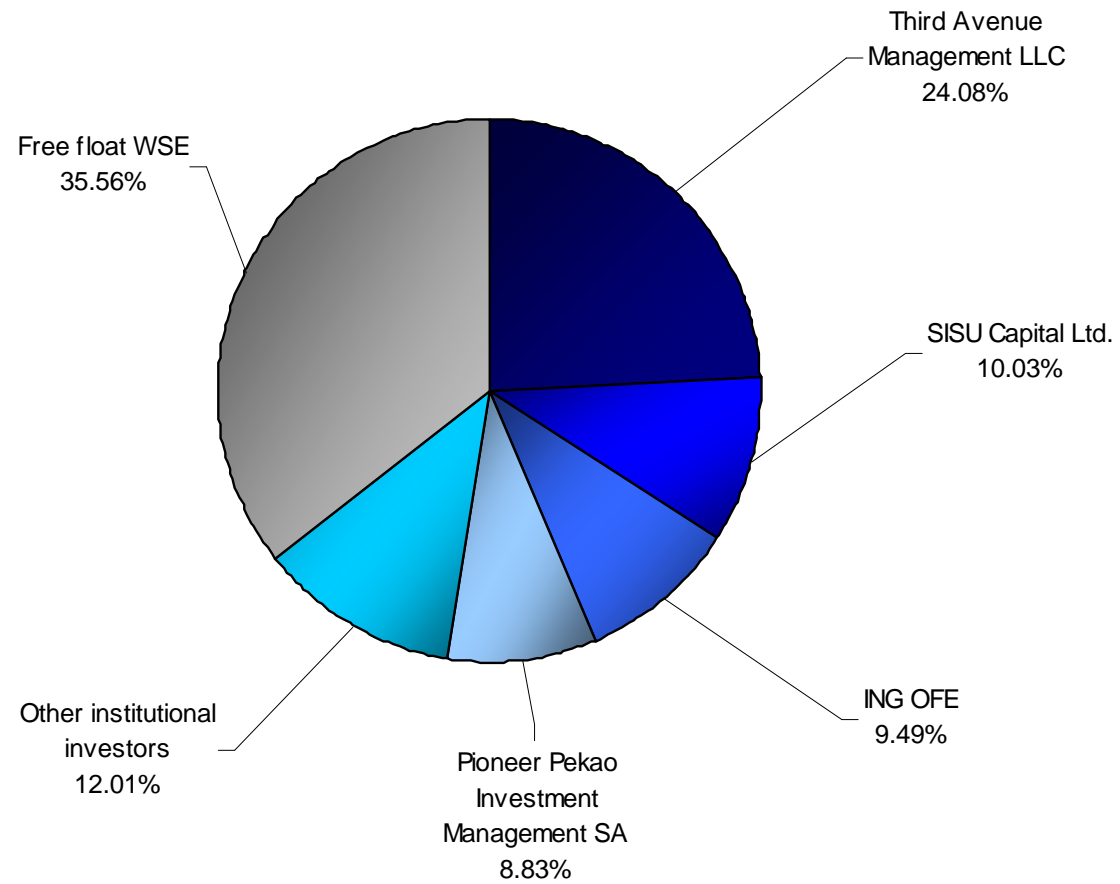
Attractive market
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Netia shareholders



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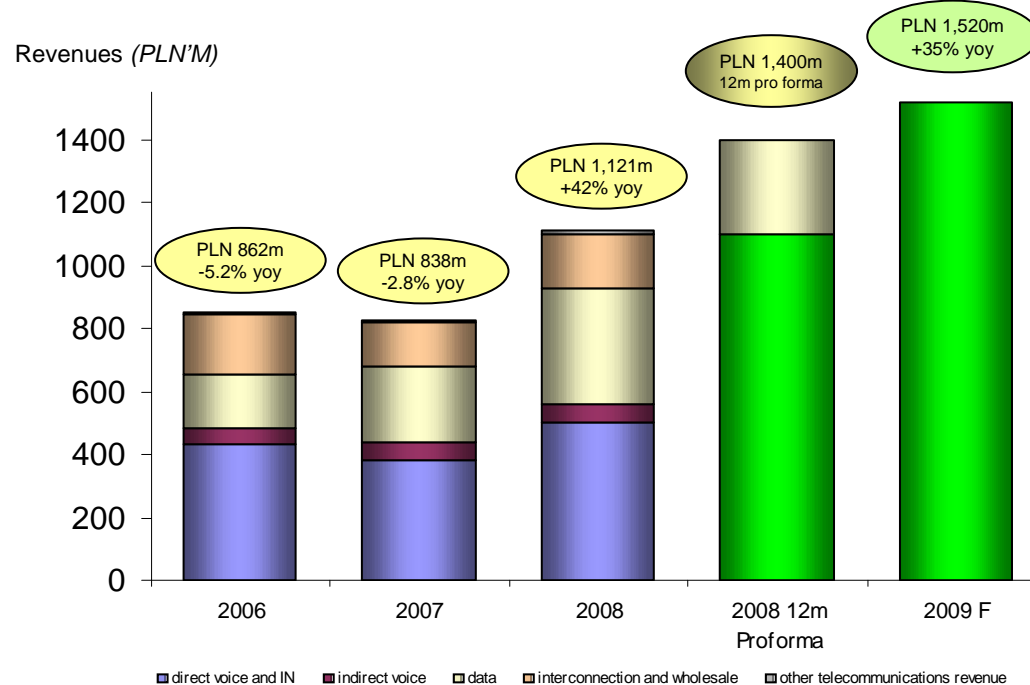
Cash generative business franchise 24-26

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Accelerating revenue growth

- New management team and broadband growth strategy have accelerated growth rates
- Tele2 Polska acquisition brings a further 40% increase in annual revenue base and positive incremental EBITDA



- Tele2 Polska contributed revenue of PLN 129m from Sept. 15 to Dec. 31, 2008
- Excluding international voice termination (IVT) activities divested in Q1 2008 and the Tele2 Polska acquisition, Netia grew y-o-y by 26% in 2008 stand alone

netia

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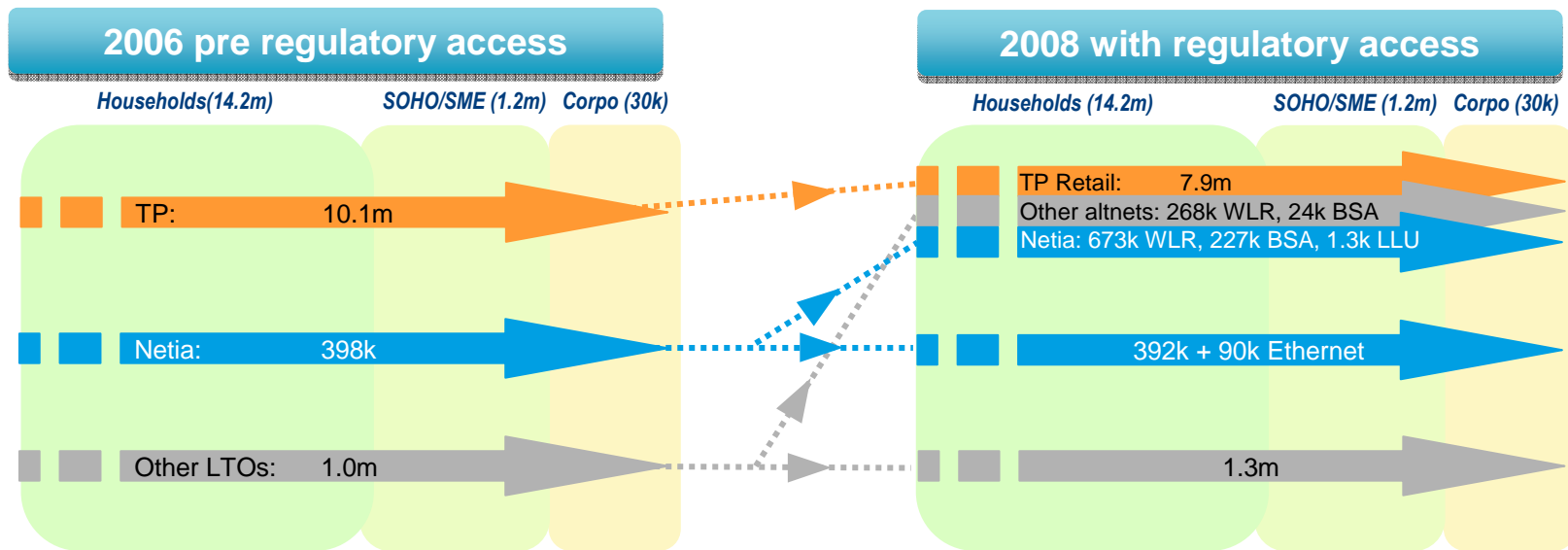
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Positive regulatory changes

- 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:

- 8.9m TP lines
- 392k Netia own lines
- WiMAX national license
- Ethernet networks acquisitions (304k homes passed to date)

Subscriber lines: ■ TP ■ Netia ■ Other LTOs

Source: Netia, TP



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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

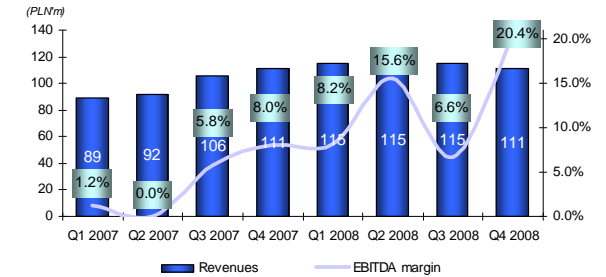
Attractive acquisition price

- EV of EUR 33.9m
- 2.8 x Forecast 2008 EBITDA of PLN 40m
- 156 PLN (37 EUR) per customer - comparable to fully loaded subscriber acquisition costs
- Annual synergies expected to be in excess of PLN 30m

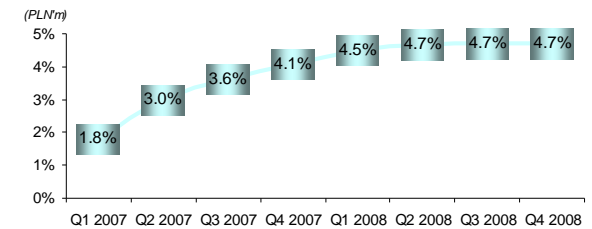
Major synergies straightforward to deliver

- 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

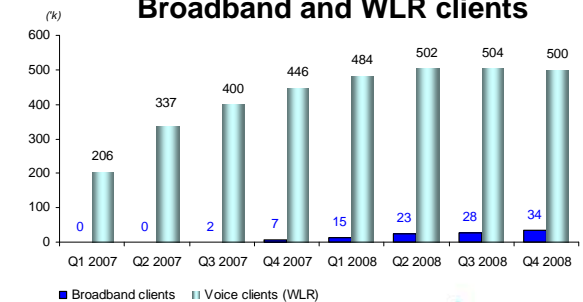
Revenues and EBITDA margin ¹



Market share in Voice ²



Broadband and WLR clients



¹ Tele2 Polska stand alone results for the periods earlier than Q4 2008

² Only WLR lines of Tele2 Polska were taken to calculation



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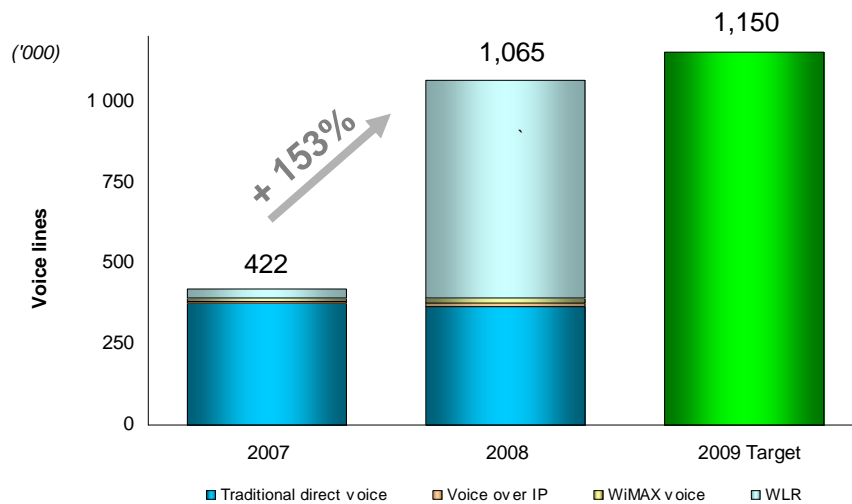
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Clear number one altnet in voice services

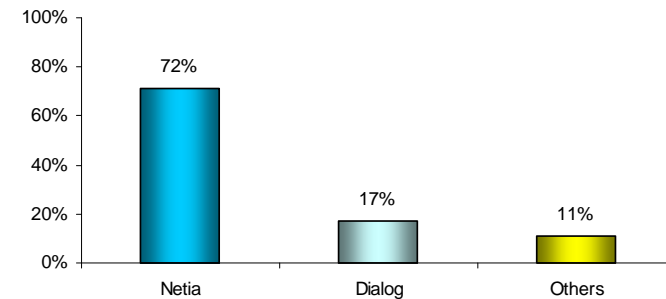
Voice customers by type of technology, Dec. 31, 2008



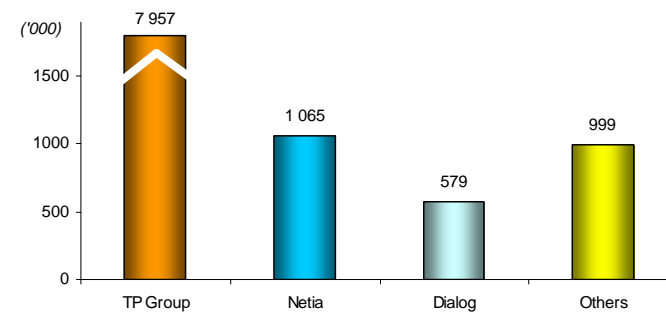
- Over 1,065k voice customers served at December 31, 2008
- Over 500k customers acquired in 2008 through Tele2 Polska acquisition
- 37% of voice customers served directly over Netia's own access networks
- Netia has 72% of WLR customers among altnets
- Netia aims at 1,150k voice customers (own network+WLR+LLU) through organic growth by the end of 2009

Market share as at Dec. 31, 2008

WLR (wholesale line rental)

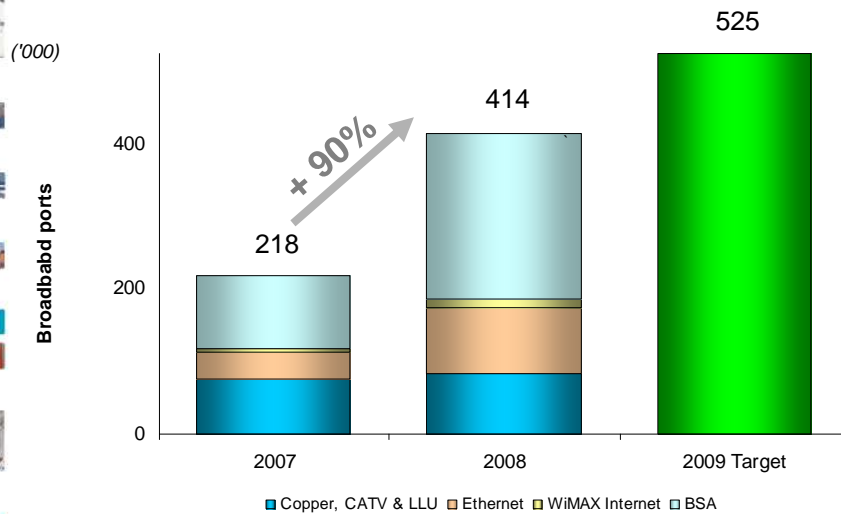


Total voice subscriber lines



Clear number one altnet in broadband services

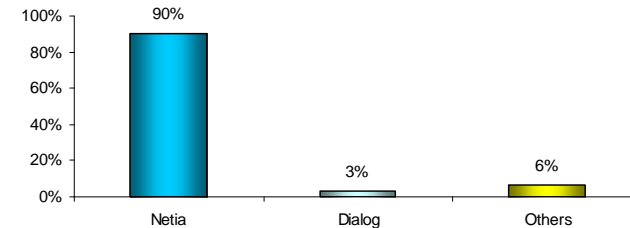
Broadband customers by type of technology, Dec. 31, 2008



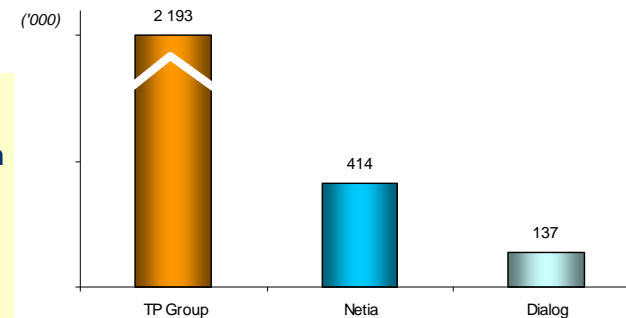
- 414k broadband customers served at December 31, 2008
- Over 28k customers acquired in 2008 through Tele2 Polska acquisition
- 46k new customers added in 2008 through Ethernet acquisitions
- 44% of broadband customers served directly by Netia's own access networks
- Netia has 90% of BSA share amongst altnets
- Netia aims at 525k broadband customers (own network+BSA+LLU) through organic growth by the end of 2009

Market share as at Dec. 31, 2008

BSA (bitstream)



Broadband ports



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Netia is uniquely positioned to capitalize on the broadband opportunity

Market leader among alternative operators

- 436k broadband and over 1m voice customers makes Netia number 1 among Polish altnets
- First mover advantage in deregulation – market share in BSA 90% and WLR 72% as of Q4 2008
- First in unbundling the TP local loop (133 nodes with 1.3m clients coverage unbundled at Dec. 31, 2008; 300 nodes and reaching 2.3m lines forecasted for end 2009)

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 500 retail Play Germanos stores
- Netia mobile and convergent products (complementary offering for business clients) launched through cooperation with Play
- Google hosting

Management

- Highly experienced management team with Polish telecom market know-how
- Proven M&A and regulatory skills
- Shareholder value driven compensation plans



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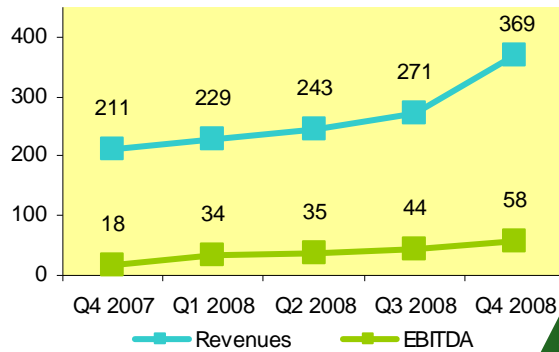
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Building blocks of Netia's growth strategy (1)

(PLN m)



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 Wholesale 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



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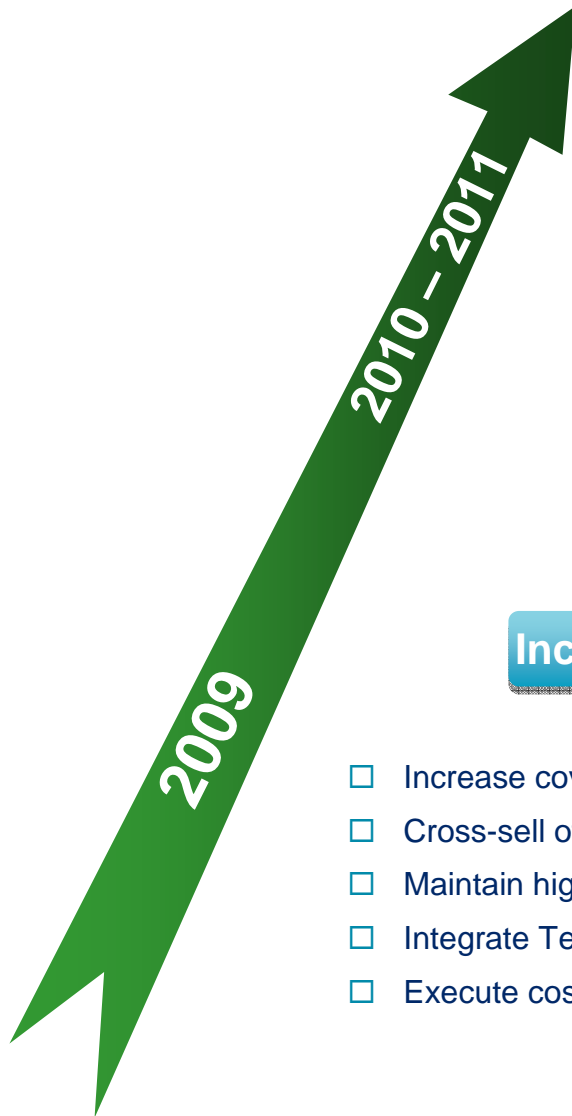
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Building blocks of Netia's growth strategy (2)



Net profits and FCF positive

- Continue cost reduction and efficiency improvement
- Focus on Infrastructure Based Access and 2 or 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

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



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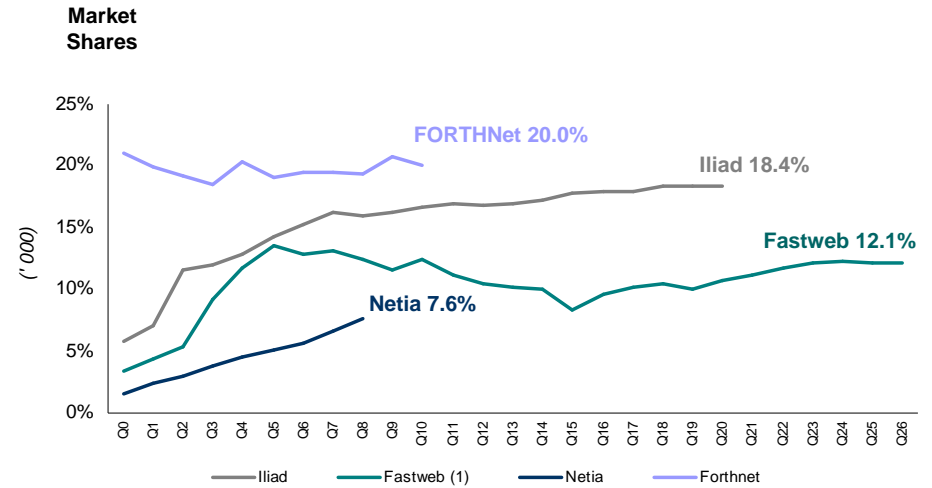
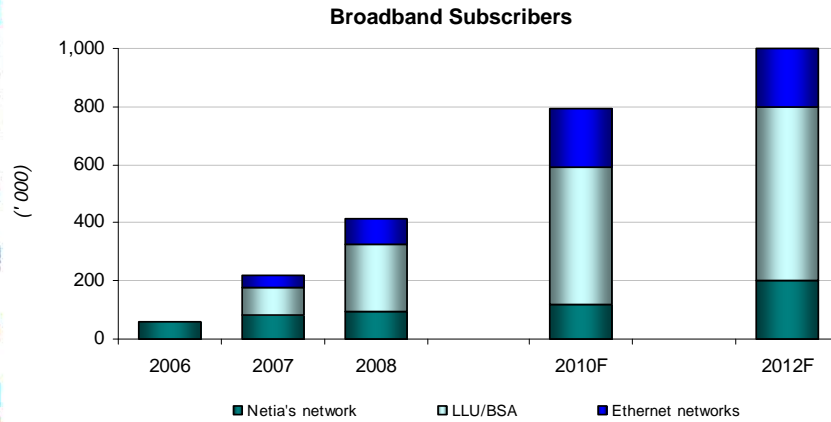
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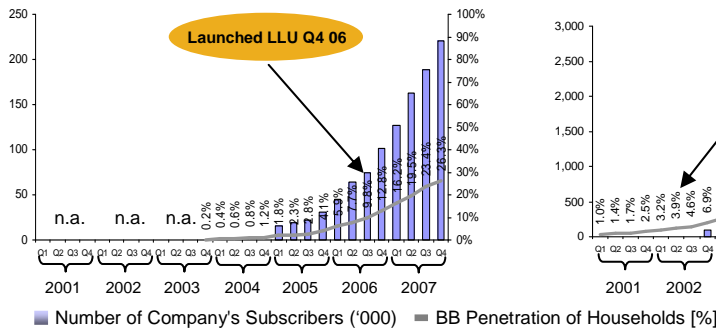
Netia's roadmap for broadband customer growth

Netia - Poland

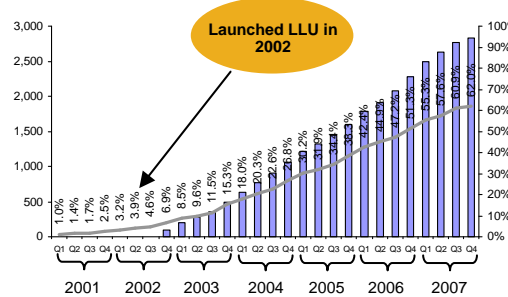


Comparable markets and altnets⁽²⁾

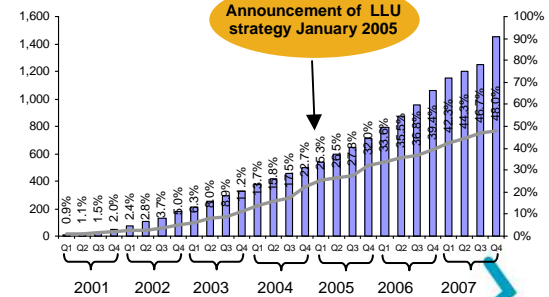
Forthnet - Greece



Iliad - France



Fastweb - Italy



Source: Merrill Lynch Research, Informa, Company Financials

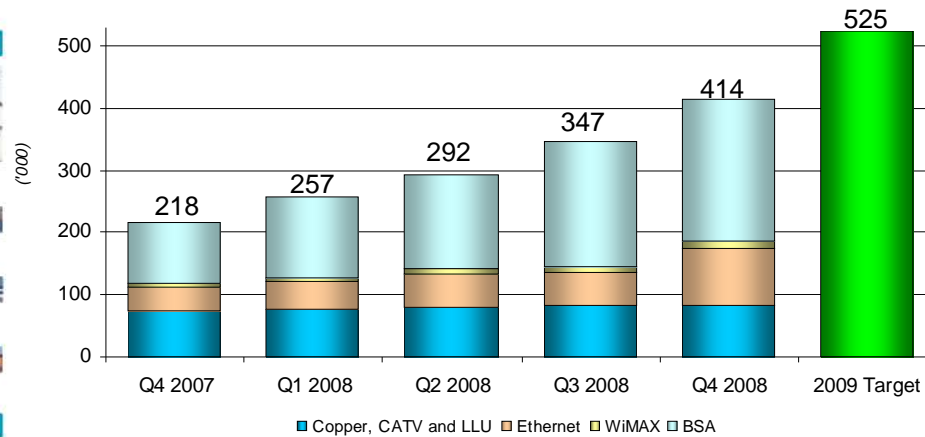
(1) Nationwide market share. Fastweb Fibre to the home network covered only ca. 4mm homes until nationwide LLU roll out commenced in January 2005

(2) Actuals through 3Q 2007; 4Q 2007 forecast per Merrill Lynch December 2007 Broadband Matrix

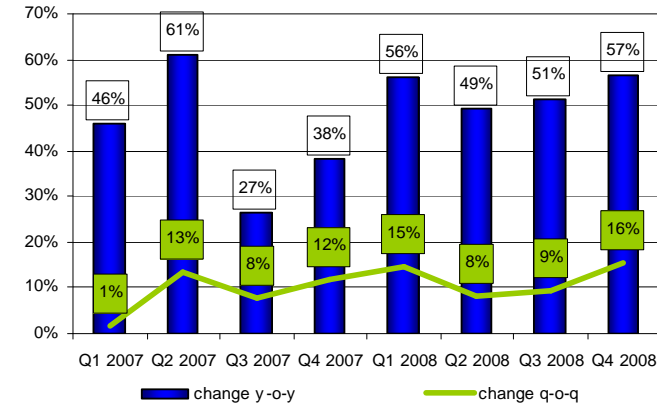


Netia builds momentum in its broadband expansion

Broadband ports

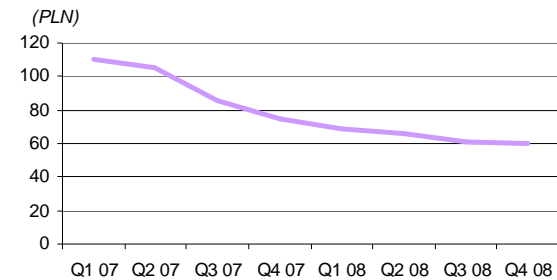


Data revenue rate of change



	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08
Broadband net adds (k)	41	32	37	46	39	36	54	67
Broadband net adds share	16%	15%	25%	21%	18%	26%	42%	36%
Total broadband market share (customers)	2.4%	3.0%	3.8%	4.5%	5.1%	5.7%	6.6%	7.6%

Blended Broadband ARPU

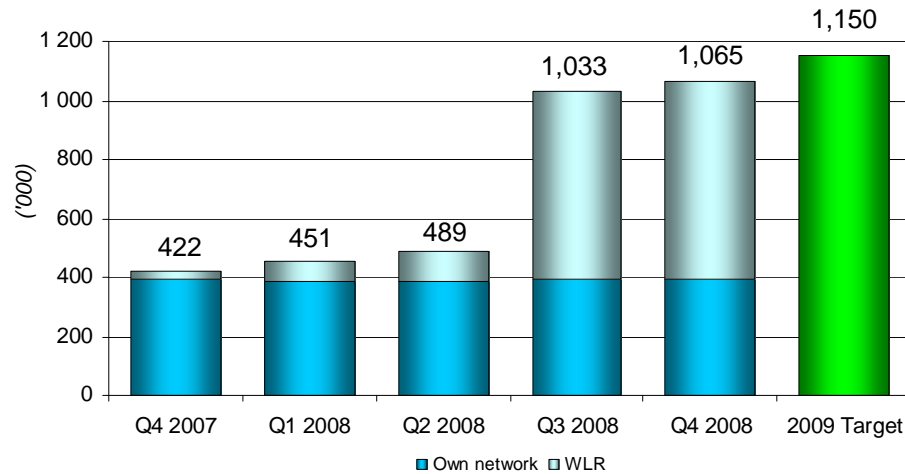


Source: Netia, TP, Netia historic figures include acquisitions

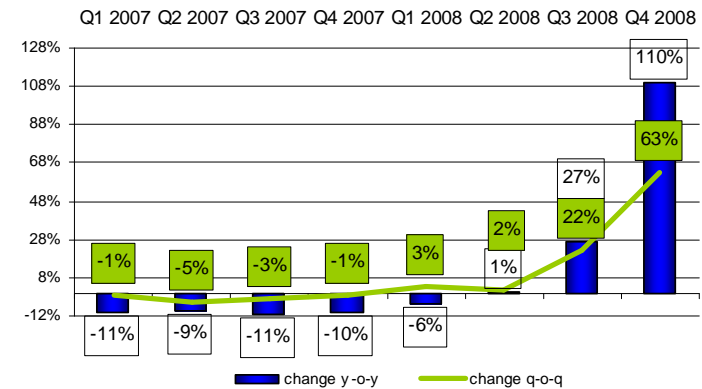


Broadband marketing & distribution also supports sales of voice via WLR (wholesale line rental)

Voice lines

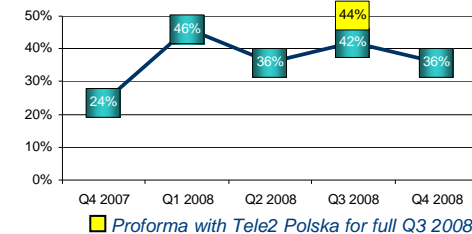


Voice revenue rate of change

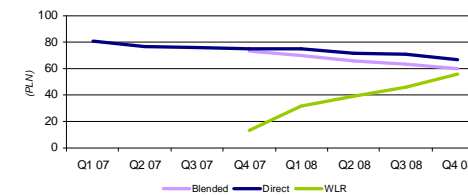


- Total voice lines (within Netia's own network and WLR) reached 1,065k at Q4 2008
- Additional voice service sales to come from LLU and Ethernet 2play customers
- Cross-sale of voice and Internet service reduces average costs to serve and increases margins

WLR net adds share



Voice ARPU



	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08
Voice net adds (k)	(4)	(2)	(2)	27	30	38	544	32
Total voice market share	3.5%	3.5%	3.6%	3.9%	4.2%	4.5%	9.7%	10.1%

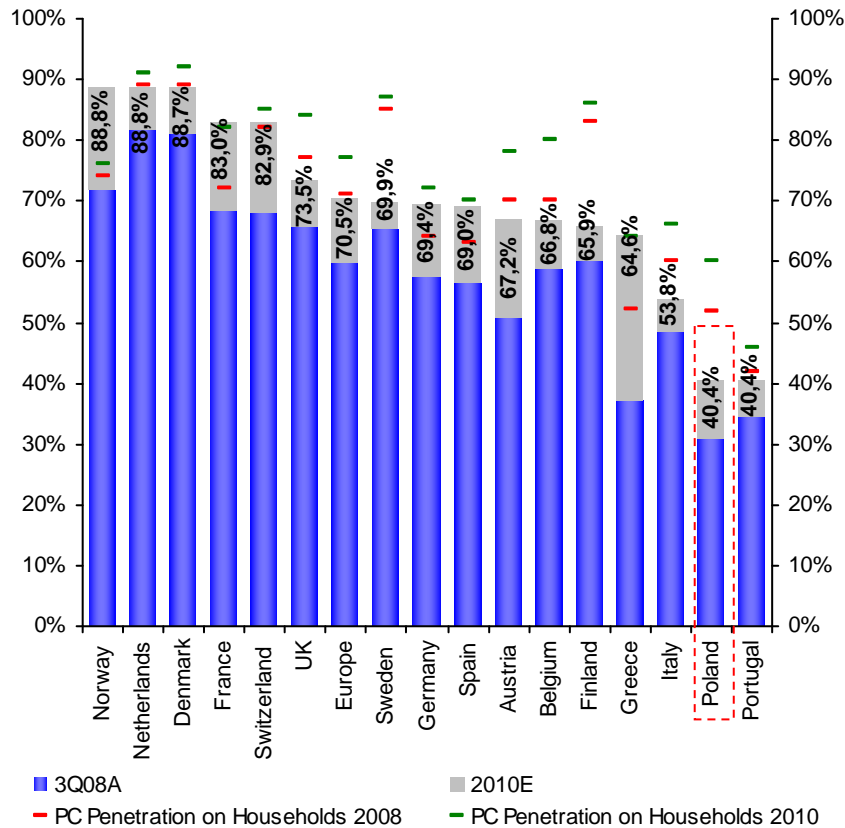
Source: Netia, TP, Netia historic figures to Q2 2008 exclude Tele2 Polska



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Polish broadband market upside

Broadband penetration (1)



Source: Merrill Lynch Broadband Matrix except Poland, Netia estimates

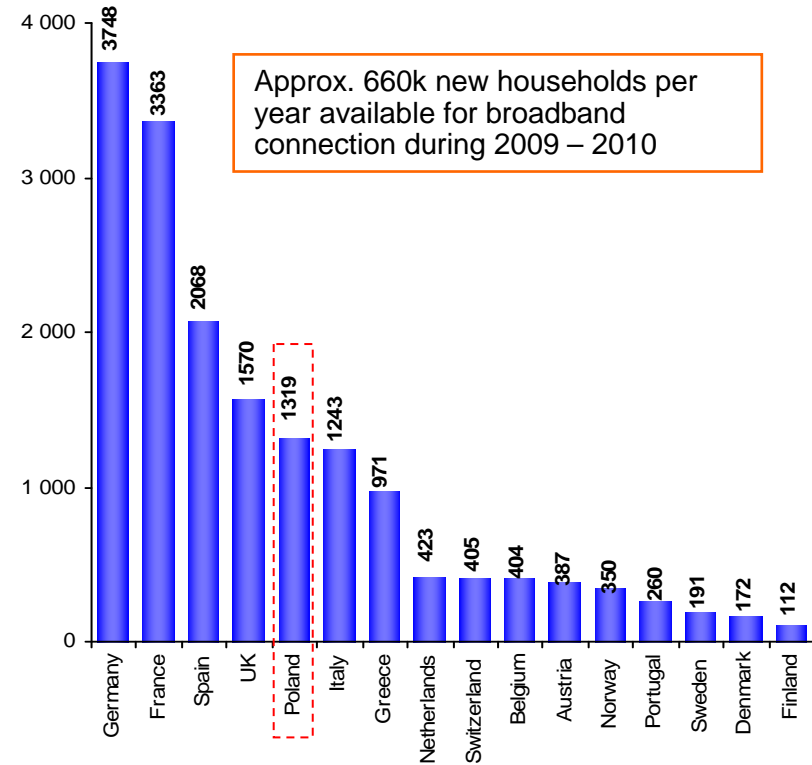
Note: Western European Countries forecasts for 2008E and 2010E as of Q3 08 per Merrill Lynch Broadband Matrix Q4 2008;

Poland forecasts and estimates as of Q3 08 by Netia

(1) Always excludes Ethernet Networks

(2) Represents Households with Broadband Penetration in 2010E minus Households with Broadband Penetration in 2008E

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



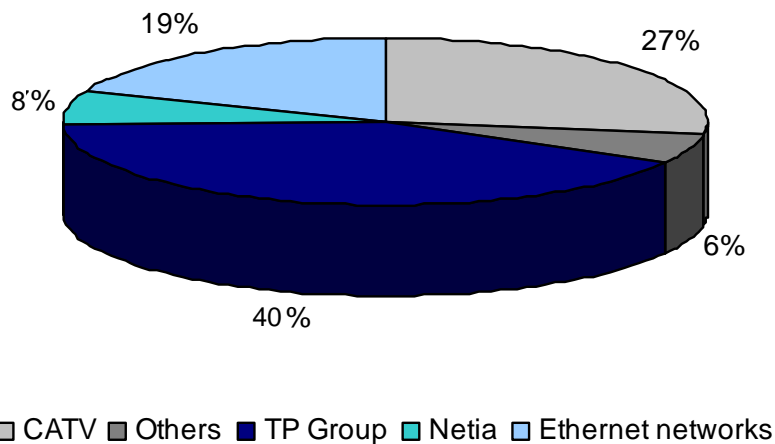
Approx. 660k new households per year available for broadband connection during 2009 – 2010



Broadband market is fragmented

Broadband subscribers – Q4 2008 ¹

Total 5.4m



Source: Netia, PMR

¹ According to TP data, total number of broadband subs as of December 31, 2008 was 5.54m

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



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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	1,100	47,826

Note: Acquisition price per subscriber in historical transactions depicted above includes net cash of the target as of the acquisition date

1 Simple averages

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 27% of 304k

Acquisitions completed in Q4 2008:

Acquisition (town)	Price/sub (PLN)	No. of subs.
16. Seal-Net (Kluczbork)	800	937
17. Netster (Łomża)	649	1,068
18. Ticom (Tarnowskie Góry)	700	819
19. Air Bites (14 cities)	850	24,486
20. Easy Com (Góra)	929	6,261
Average:¹	785	33,571
Organic growth		9,110
Total at Dec. 31, 2008		90,507

Note: Acquisition price per subscriber in recent transactions depicted above does not include net cash of the target as of the acquisition date



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Regulatory conditions in Poland

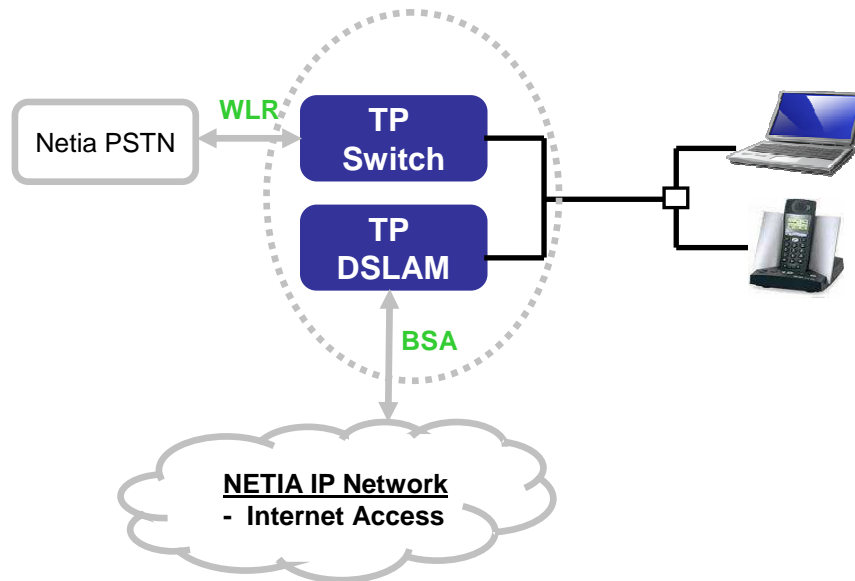
Fixed subscription resale (WLR) cost	PLN 20 ('Retail minus' formula)
Bitstream wholesale prices	PLN 24-26 ('Retail minus' formula)
Full LLU costs (monthly fees)	PLN 22
Shared LLU costs (monthly fees)	PLN 5.81

Source: Netia

On December 1, 2008, the Polish Regulator introduced a new Reference Unbundling Offer which reduced the fees for LLU monthly access from PLN 36 to PLN 22 (ful LLU) and from PLN 13 to PLN 5.81 (shared LLU)



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 higher margin LLU services expected at the turn of Q2 and Q3 2009 (migration tests underway)
- Netia plans to migrate more than 20k BSA and WLR clients to LLU by the end of 2009

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



Netia – Poland's
largest altnet telco
3-11

Broadband driven
strategy
12-17

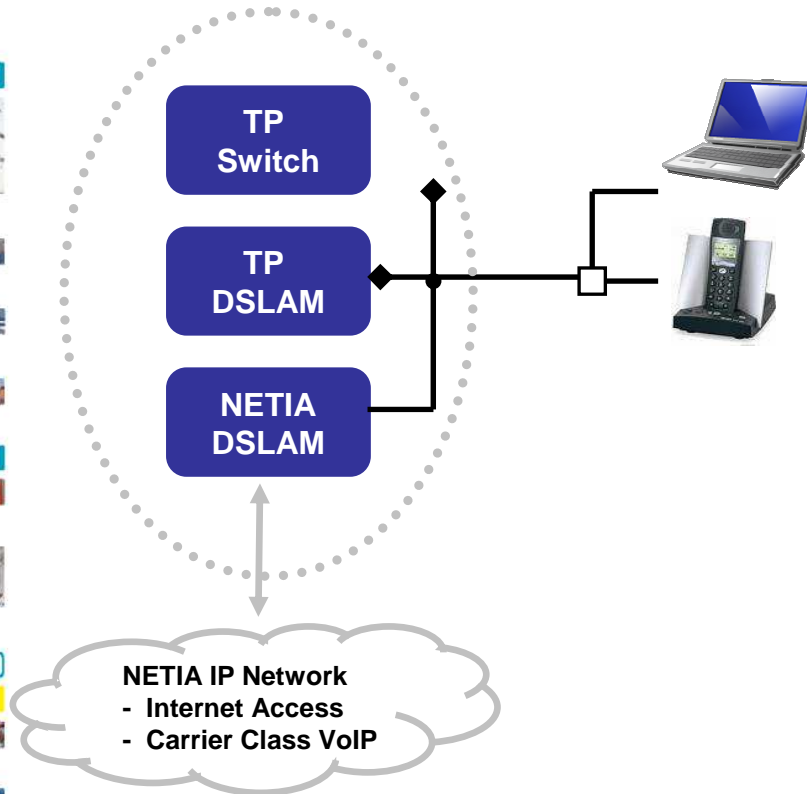
Attractive market
growth potential
18-23

Cash generative
business franchise
24-26

Strong balance sheet
& fully funded
27-28

Stock option plan
29

Local loop unbundling



Netia bills Double Play Revenues ~ 90 PLN

Netia pays TP 22 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 300 nodes unbundled by 2009 year-end
- 135 nodes unbundled as at Feb. 24, 2009
- 2.5k double play LLU clients acquired organically at Feb. 24, 2009

- Migration of wholesale customers planned at the turn of Q2 and Q3 2009
- Monthly line rental fee for full LLU reduced in December 2008 from PLN 36 to PLN 22
- Monthly fee for shared LLU at PLN 5.81 when customer keeps TP phone service
- One-time LLU installation fee at PLN 55.51



Business customers generate strong EBITDA and positive cash flow

Corporate market segment

- Increased focus on high IRR projects
- 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 – 23% up y-o-y to 97k in Q4 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



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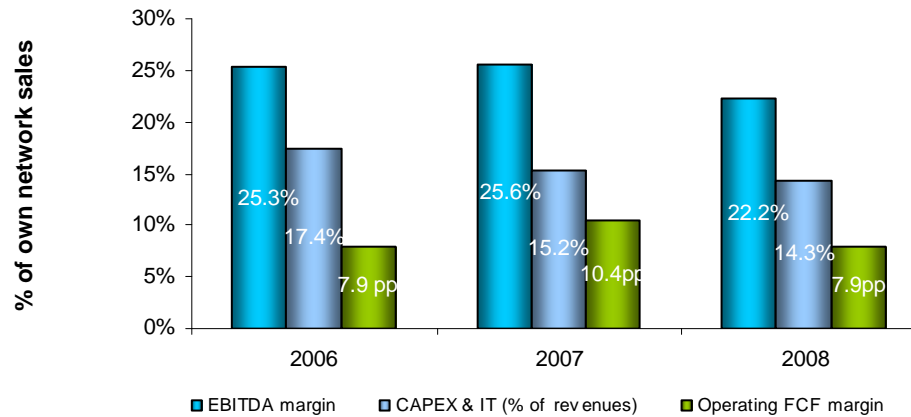
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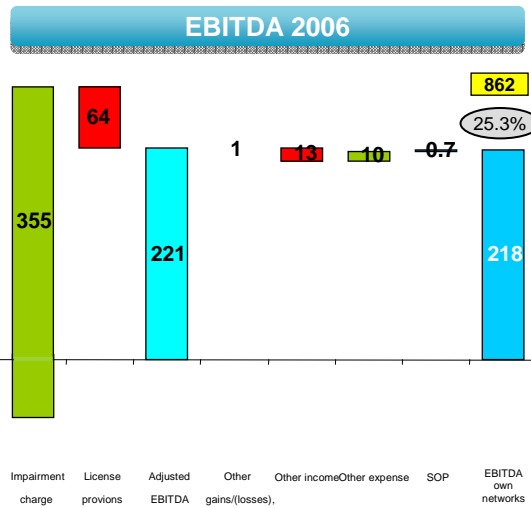
Strong cash flows from Netia's own networks

Free Cash Flow

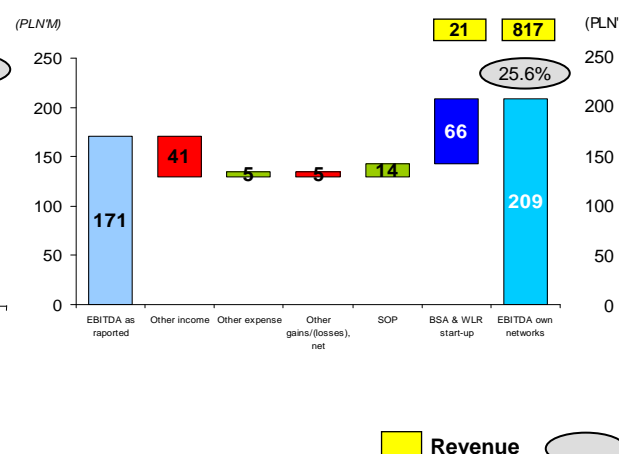


(PLN'M)

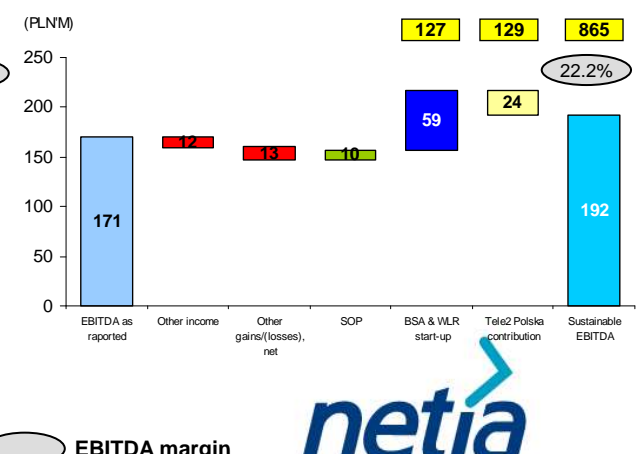
300
250
200
150
100
50
0
-50
-100



EBITDA 2007



EBITDA 2008



Revenue EBITDA margin



Netia – Poland's largest altnet telco 3-11

Broadband driven strategy 12-17

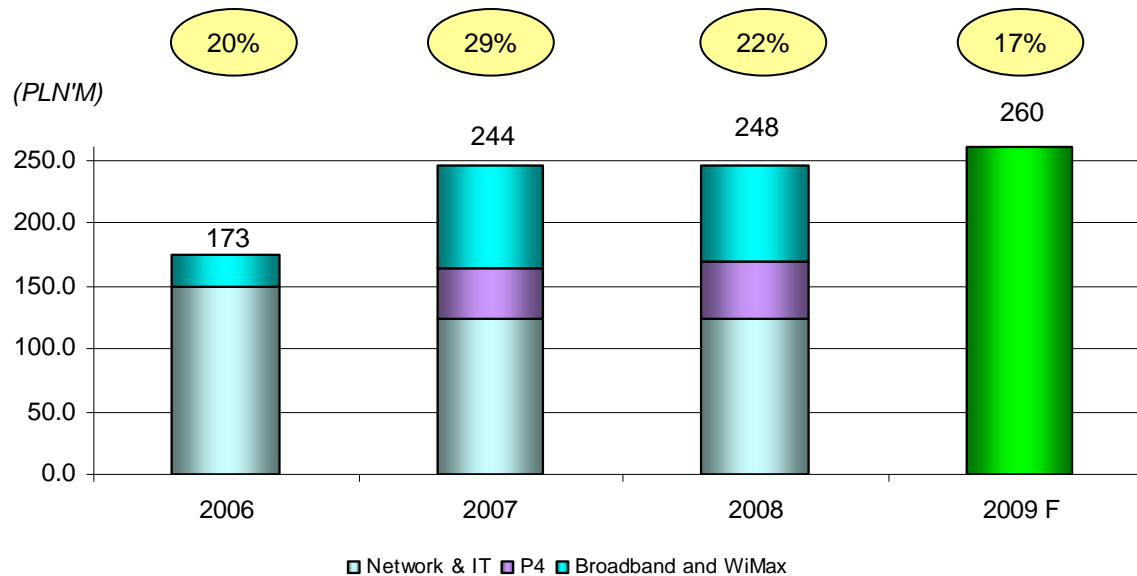
Attractive market growth potential 18-23

Cash generative business franchise 24-26

Strong balance sheet & fully funded 27-28

Stock option plan 29

Netia continues to invest now for future growth



- Capital investment spending overall was broadly flat in 2008 versus 2007
- Higher IT spending in support of new services has resulted in stable overall spending on the existing network and IT
- The stable broadband spending reflects lower spending on WiMAX and increasing utilization of previously rolled out capacity to carry data traffic, offset by the first year of LLU roll-out
- P4 project roll-out is nearing completion

● % of Revenue



Netia is fully funded to grow through 2010

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

PLN 'M	2008	2007	2006
Telecom licenses, net	110	129	147
WiMAX licenses, net	14	15	16
P4 investment	-	150	141
PP&E, gross	4,123	4,028	3,896
PP&E, net	1,416	1,409	1,458
Other non-current assets	348	132	85
Cash	193	58	144
Other current assets	202	178	164
Total assets	<u>2,283</u>	<u>2,071</u>	<u>2,155</u>
Current liabilities (excl. debt)	328	234	192
Debt	-	95	-
Other non-current liabilities	27	14	19
Shareholders funds	<u>1,928</u>	<u>1,728</u>	<u>1,945</u>
Debt funding undrawn	375	205	200



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Medium term outlook

25% EBITDA margin is the key target

2010 - 2012

Revenue growth (CAGR)

5% - 10%

EBITDA margins

at 20%

2010

at 25%

2012

Net profit by

2010

Free cash flow positive by

2010

Capex to sales down to 15% by

2011

1 million broadband subscribers

2012

Guidance as published on February 10, 2009



Netia's stock option plan for management and key employees

Strike price	PLN 3.50	PLN 5.50	PLN 7.00	PLN 8.25	Other	
Participants						
Members of the Management Board	8,333,500	11,200,000	8,400,000	8,400,000	271,814	36,605,314
Employees * and former MB members	3,284,750	5,439,000	4,207,000	300,000	432,059	13,662,809
Total	11,618,250	16,639,000	12,607,000	8,700,000	703,873	50,268,123

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 1.6 million of PLN 3.50 options and 3.6 million of higher priced options to senior management*

Update as of Q4 2008





2008 Performance

Update as of Q4 2008



Key achievements in FY2008

■ Netia delivering strong revenue and EBITDA growth

- 34% increase in full year 2008 versus 2007 revenue base
- 75% increase in Q4 revenue base y-o-y
- 225% increase in Q4 EBITDA y-o-y

■ Tele2 Polska acquisition completed in September 2008

- Price: 2.8x original estimated 2008 EBITDA of PLN 40m
- Significant increase in scale of operations
- Integration in full swing with over PLN 30.0m expected synergies

■ Netia leads LLU roll out in Poland

- 133 nodes unbundled at December 31, 2008
- Increasing pace of new sales of 2play services
- Potential to up-sell services to single play BSA/WLR customers (to be subsequently migrated to higher-margin LLU)
- LLU migration tests with TP underway (plan to migrate over 20,000 BSA clients in 2009)

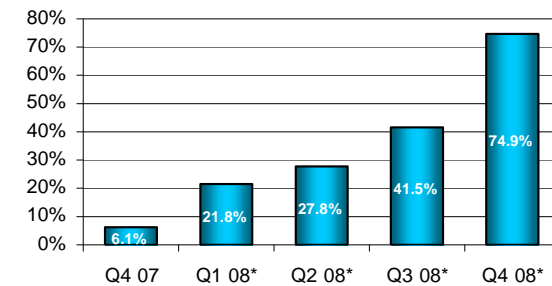
■ Netia's core growth strategy fully funded

- Disposal of P4 and focus on broadband-driven strategy
- Rapidly falling cash burn (FCF break-even expected in 2010)
- Seeking flexibility for larger acquisitions or share buy-backs

■ Recently further increased guidance for FY2009

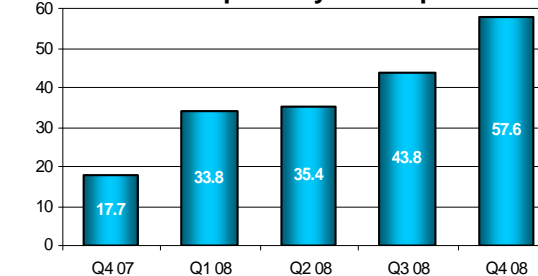
* Revenue from continuing activities

Revenue growth y-o-y



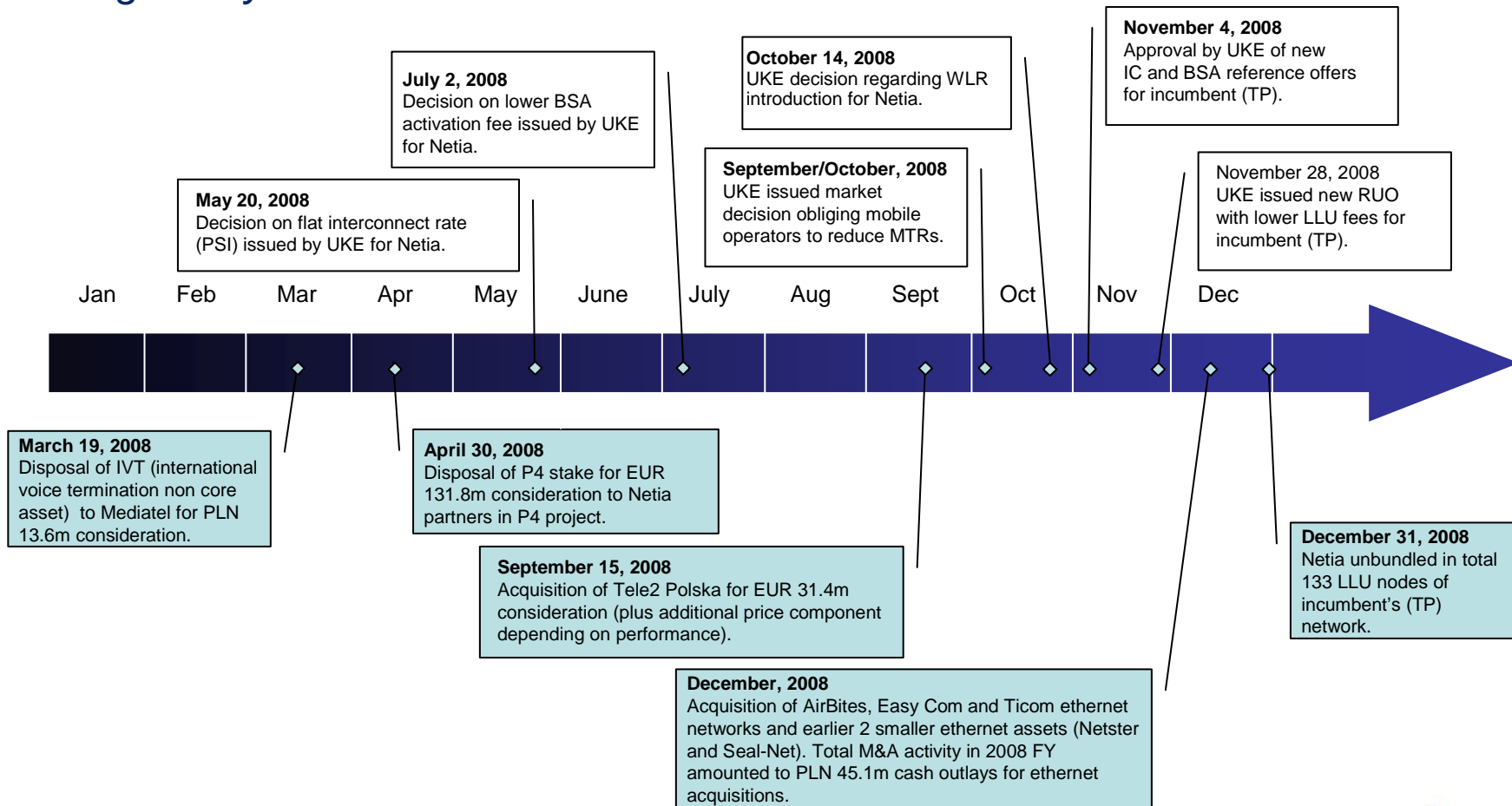
(PLN M)

EBITDA quarterly development



Key events for Netia in FY2008

Regulatory environment

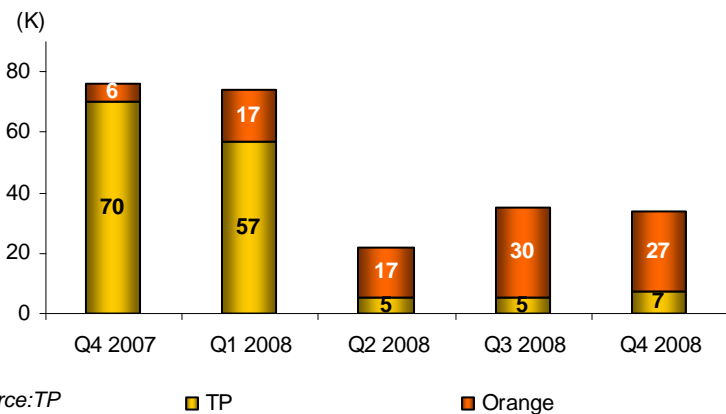


Netia key milestones

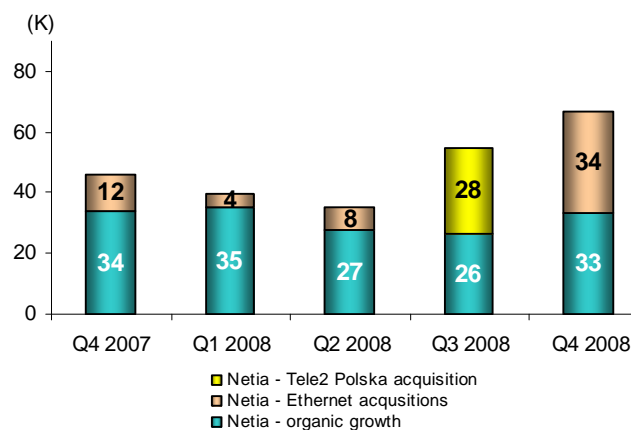


Netia continues to be TP Group's toughest competitor in broadband

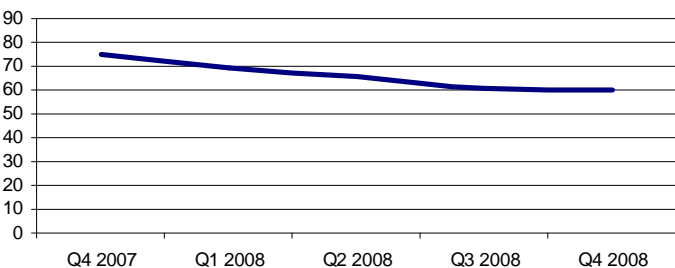
Broadband net adds – TP Group



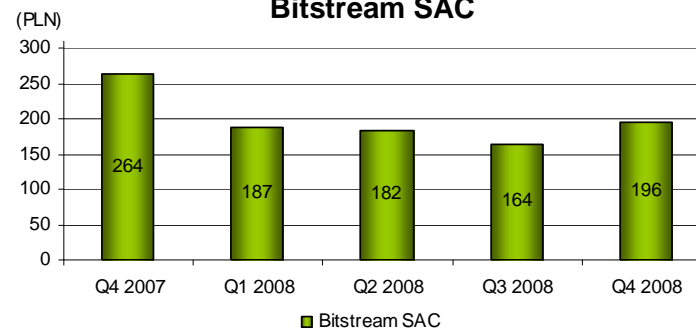
Broadband net adds – Netia



Blended broadband ARPU



Bitstream SAC



Financial performance

Tele2 Polska acquisition was completed on 15 September 2008

(PLN' 000)

	2008				2008	2007	2006
	4Q	3Q	2Q	1Q			
Revenues from continuing activities	369,056	271,159	243,483	228,696	1,112,394	780,884	nm
<i>y-o-y % change</i>	79.4%	41.5%	27.8%	21.8%	42.5%	na	nm
Revenues	369,056	271,159	243,483	237,470	1,121,168	838,025	862,057
Gross profit	116,333	73,720	51,926	55,676	297,655	200,473	232,182
EBITDA / Adjusted EBITDA ¹	57,576	43,829	35,436	33,800	170,641	170,682	221,284 ¹
<i>Margin</i>	15.6%	16.2%	14.6%	14.2%	15.2%	20.4%	25.7%
<i>y-o-y % change</i>	225.7%	21.2%	(43.1%)	(38.1%)	0.0%	(22.9%)	(34.7)
EBIT	(14,683)	(22,714)	(33,230)	(29,079)	(99,706)	(103,840)	(341,384)
Share of P4 start-up losses	--	--	--	(22,625)	(22,625)	(165,237)	(30,724)
Profit on sale of P4	--	(46)	353,427	--	353,381	--	--
PAT	(10,096)	(18,586)	314,581	(55,294)	230,605	(268,881)	(378,355)
Total assets	2,283,479	2,260,204	2,169,214	2,062,256	2,283,479	2,070,651	2,155,359
Net (debt)/cash	192,685	232,736	324,017	(105,264)	192,685	(37,300)	143,586
Available credit lines	375,000	375,000 ²	375,000 ²	120,000	375,000	205,000	200,000

¹ EBITDA for 2006 excluding the impact of an impairment charge on non-current assets and cancellation of EI-Net's license fee liabilities

² Including PLN 100m available at the Company's option



New 2009 guidance reflects attained scale and focus on profitability

	New	Previous
Broadband subscribers ('000)	525	--
Voice service customers (own network + WLR) ('000)	1,150	--
Unbundled local loop (LLU) nodes	300	--
Revenues (PLN'm)	1,520	1,500
EBITDA (PLN'm)	260	225
Capital investment (excl. M&A) (PLN'm)	260	280





Summary

- **Broadband strategy driving revenue and profit improvements**
- **2009 focus on driving double play services, LLU roll-out, Tele2 Polska integration and cost reductions**
- **New outlook for 2009:**
 - Revenue exceeding PLN 1.5 billion
 - EBITDA increase by 52% to PLN 260m
 - 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