

May 29, 2009

MERGER PLAN

NETIA S.A.

z

Netia UMTS Sp. z o.o.

and

Netia Spółka Akcyjna UMTS s.k.a.

THIS MERGER PLAN (the „**Merger Plan**”) has been prepared and agreed on the basis of Art. 498, Art. 499, Art. 517 and 518 of the Act dated 15 September 2000 – the Commercial Companies Code (J.L. No. 94, item 1037, as amended) (the „**CCC**”), by and between:

- (1) **NETIA S.A.** with its registered seat in Warsaw, at ul. Poleczki 13, 02-822 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000041649, with the fully paid in share capital of PLN 389,277,294, NIP 526-02-05-575, REGON 011566374 hereinafter referred to as „**Netia**”, or the „**Surviving Entity**”

and

- (2) **Netia UMTS Sp. z o.o.** with its registered seat in Warsaw, ul. Taśmowa 7A, Warszawa, entered in the register of business entities of the National Court Register maintained by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000322286, with the fully paid in share capital of PLN 5,000, NIP 5213516517, REGON 141723893 hereinafter referred to as „**SPV**”, or the „**Target Entity 1**”;

and

- (3) **NETIA SPÓŁKA AKCYJNA UMTS s.k.a** with its registered seat in Warsaw, at ul. Taśmowa 7A, 02-677 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000299667, with the fully paid in share capital of PLN 9,180,000, NIP 9512078056, REGON 015495010 hereinafter referred to as „**Netia UMTS**”, or the „**Target Entity 2**”;

Netia, SPV and Netia UMTS shall hereinafter be jointly referred as the „**Companies**”, while each of them individually as a „**Company**”.

1. TYPE, COMPANY NAME AND REGISTERED SEATS OF THE MERGING COMPANIES

1.1 The Surviving Entity

NETIA S.A. with its registered seat in Warsaw, at ul. Poleczki 13, 02-822 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000041649, with the fully paid in share capital of PLN 389,277,294, NIP 526-02-05-575, REGON 011566374.

The Shares in Netia are publicly traded on the Warsaw Stock Exchange.

1.2 The Target Entities

Netia UMTS Sp. z o.o. with its registered seat in Warsaw, ul. Taśmowa 7A, Warszawa, entered in the register of business entities of the National Court Register maintained by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000322286, with the fully paid in share capital of PLN 5,000, NIP 5213516517, REGON 141723893.

Netia holds 100 shares in the SPV and it is the sole shareholder of SPV.

NETIA SPÓŁKA AKCYJNA UMTS S.K.A. with its registered seat in Warsaw, at ul. Taśmowa 7A, 02-677 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the

National Court Register under number KRS 0000299667, with the fully paid in share capital of PLN 9,180,000, NIP 9512078056, REGON 015495010.

Netia is the sole general partner of Netia UMTS and shareholder of Netia UMTS holding 18,359 shares out of 18,360 of all the shares of that company.

SPV is a shareholder of Netia UMTS holding 1 share out of 18,360 of all the shares of that company.

2. MERGER STRUCTURE

- 2.1 Netia and SPV will merge in accordance with Art. 492, § 1.1 of the CCC, Art. 515, § 1 of the CCC and 516, § 6 of the CCC, i.e. through a transfer of all the assets of the SPV to Netia without an increase of the share capital of Netia and without exchange of shares in SPV for shares in Netia („**Merger 1**”).
- 2.2 Pursuant to Art. 515, § 1 of the CCC the Merger 1 will be conducted without an increase of the share capital of Netia. Pursuant to Art. 516, § 6 of the CCC, this Merger Plan omits the information referred to in Art. 499, § 1.2-1.4 of the CCC.
- 2.3 Netia and Netia UMTS will merge in accordance with Art. 492, § 1.1 of the CCC and Art. 517, and the following of the CCC, i.e. through a transfer of all the assets of Netia UMTS to Netia without an increase of the share capital of Netia and without exchange of shares in Netia UMTS for shares in Netia („**Merger 2**”, and jointly with Merger 1, the „**Merger**”).
- 2.4 Netia, as the sole general partner of Netia UMTS and holder of 18,359 shares in Netia UMTS will not receive any shares in the Surviving Entity (Netia) and will not receive any additional payments.
- 2.5 SPV, as the holder of 1 share in Netia UMTS will not receive the shares in the Surviving Entity (Netia) and will not receive any additional payments.
- 2.6 Merger 2 will be conducted without any share capital increase in Netia and without any allocation of shares in Netia to the shareholders of Netia UMTS due to the fact that in result of Merger 1 the SPV will be dissolved and Netia will become the sole entity authorised to subscribe for shares in the increased share capital of the Surviving Entity, that is in its own share capital. In light of the above, in accordance with Art. 514 of the CCC Netia will not subscribe for its own shares in result of Merger 2 in exchange for the shares in Netia UMTS.
- 2.7 Since Netia will not issue any new shares in relation to Merger 2, there is no need to designate the number and value of shares in the Surviving Entity allocated to the shareholders of Netia UMTS or the date as of which such shares would entitle their holders to participate in the profits of the Surviving Entity.
- 2.8 In result of the Merger the SPV and Netia UMTS will be dissolved without liquidation proceedings.
- 2.9 The Merger will be done on the basis of a resolution of the meeting of shareholders of the SPV (Art. 506 of the CCC), a resolution of the general meeting of shareholders of Netia (Art. 506 and Art. 522 of the CCC), a resolution of the general meeting of shareholders of Netia UMTS (Art. 522 of the CCC) and consent of the general partner of Netia UMTS (Art. 522 of the CCC). The draft resolutions concerning the Merger are attached as Schedules No. 1, 2 and 3 to the Merger Plan.
- 2.10 No amendments in the statute of Netia are anticipated in relation to the Merger.

3. RIGHTS GRANTED BY THE SURVIVING ENTITY TO THE SHAREHOLDERS OF THE TARGET ENTITIES OR ANY OTHER PERSONS HOLDING SPECIAL RIGHTS IN THE TARGET ENTITIES

No grant of special rights to the shareholders of the SPV, the shareholders and the general partner of Netia UMTS or any other persons holding any special rights in the Target Entity 1 and Target Entity 2 is intended in relation to the Merger.

4. SPECIAL BENEFITS FOR MEMBERS OF THE AUTHORITIES OF THE MERGING COMPANIES OR OTHER PERSONS PARTICIPATING IN THE MERGER

No grant of special benefits for members of authorities of the merging Companies or other persons participating in the Merger is intended in relation to the Merger.

The Merger Plan has been adopted by the resolutions of the Management Boards of Netia and the SPV dated may 29, 2009 and by the general partner of Netia UMTS. On the same date the Merger Plan was signed by the Companies.

SCHEDULES

In accordance with Art. 499, § 2 of the CCC and 518, § 2 of the CCC, the following documents constitute schedules to this Merger Plan:

1. Draft resolution of the meeting of shareholders of Netia UMTS Sp. z o.o. regarding the Merger („**Schedule No. 1**”).
2. Draft resolution of the meeting of shareholders of Netia S.A. regarding the Merger („**Schedule No. 2**”).
3. Draft resolution of the meeting of shareholders of Netia Spółka Akcyjna UMTS s. k. a. and consent of the general partner of Netia UMTS regarding the Merger („**Schedule No. 3**”).
4. Establishment of the value of the assets of Netia UMTS Sp. z o.o. as at 30 April 2009 („**Schedule No. 4**”).
5. Establishment of the value of the assets of Netia Spółka Akcyjna UMTS s. k. a. as at 30 April 2009 („**Schedule No. 5**”).
6. Representation containing the accounting statement of Netia S.A. s as at 30 April 2009 („**Schedule No. 6**”).
7. Representation containing the accounting statement of Netia UMTS Sp. z o.o. as at 30 April 2009 („**Schedule No. 7**”).
8. Representation containing the accounting statement of Netia Spółka Akcyjna UMTS s. k. a. as at 30 April 2009 („**Schedule No. 8**”).

Schedule No. 1
Draft resolution of the Meeting of Shareholders of Netia UMTS Sp. z o.o. regarding the Merger

RESOLUTION NO. [●]
OF THE SOLE SHAREHOLDER OF
Netia UMTS SP. Z O.O. WITH ITS REGISTERED SEAT IN WARSAW

dated [●] 2009

regarding merger of Netia UMTS Sp. z o.o., Netia spółka Akcyjna UMTS s.k.a
with Netia S.A.

§ 1

1. Acting pursuant to Art. 506 of the Commercial Companies Code (the „CCC”) in connection with Art. 156 of the CCC and in connection with Art. 227 of the CCC, Netia S.A. with its registered seat in Warsaw, entered in the register of business entities under number KRS 0000041649 („Netia”), as the sole shareholder of Netia UMTS Sp. z o.o. with its registered seat in Warsaw entered in the register of business entities under number KRS 0000322286 („SPV”), hereby resolves to merge the SPV, as the target entity, with Netia, as the surviving entity, within the take over by Netia of the SPV and Netia Spółka Akcyjna UMTS s.k.a. („Netia UMTS”).
2. The merger will be done in accordance with Art. 492, § 1.1 of the CCC, Art. 515, § 1 of the CCC, Art. 516, § 6 of the CCC and Art. 517 and the following of the CCC, by transfer of all the assets of the SPV and Netia UMTS to Netia (merger by acquisition), without an increase of the share capital of Netia (the „Merger”).
3. In accordance with Art. 506, § 4 of the CCC, the Merger Plan concerning the merger of Netia with the SPV and with Netia UMTS, announced in *Monitor Sądowy i Gospodarczy* No. [●] dated [●] under item [●] (the „Merger Plan”) is hereby approved. The Merger Plan is attached as Schedule No. 1 to this Resolution.
4. Whereas the statute of Netia has not been amended in result of the Merger, consent is granted for the statute of Netia as worded on the date of this resolution. The statute is attached as Schedule No. 2 to this resolution.

§ 2

The Management Board of Netia is authorised to take any and all actions necessary to perform this Resolution.

§ 3

The resolution shall come into force on the date of adoption.

Schedule No. 2
Draft resolution of the General Meeting of Netia S.A. regarding the Merger

RESOLUTION NO. [●]
OF THE GENERAL MEETING
OF NETIA S.A. WITH ITS REGISTERED SEAT IN WARSAW

dated [●] 2009

regarding merger of Netia UMTS Sp. z o.o., Netia spółka Akcyjna UMTS s.k.a
with Netia S.A.

§ 1

1. Acting pursuant to Art. 506 and Art. 522 of the Commercial Companies Code (the „CCC”) the General Meeting of Netia S.A. with its registered seat in Warsaw („Netia”), hereby resolves to merge Netia UMTS Sp. z o.o. (the „SPV”) and Netia spółka akcyjna UMTS s.k.a („Netia UMTS”), as the target entities, with Netia, as the surviving entity.
2. The merger will be done in accordance with Art. 492, § 1.1 of the CCC, Art. 515, § 1 of the CCC, Art. 516, § 6 of the CCC and Art. 517 and the following of the CCC, by transfer of all the assets of the SPV and Netia UMTS to Netia (merger by acquisition), without an increase of the share capital of Netia (the „Merger”).
3. In accordance with Art. 506, § 4 and 522, § 5 of the CCC, the Merger Plan concerning the merger of Netia with the SPV and with Netia UMTS, announced in *Monitor Sądowy i Gospodarczy* No. [●] dated [●] under item [●] (the „Merger Plan”) is hereby approved. The Merger Plan is attached as Schedule No. 1 to this Resolution.
4. The statute of Netia has not been amended in result of the Merger.

§ 2

The Management Board of Netia is authorised to take any and all actions necessary to perform this Resolution.

§ 3

The resolution shall come into force on the date of adoption.

Schedule No. 3
Draft resolution of the Meeting of Shareholders of Netia spółka akcyjna UMTS s.k.a
regarding the Merger

RESOLUTION NO. [●]
OF THE GENERAL MEETING
OF NETIA SPÓŁKA AKCYJNA UMTS S.K.A WITH ITS REGISTERED SEAT IN WARSAW

dated [●] 2009

regarding merger of Netia UMTS Sp. z o.o., Netia spółka Akcyjna UMTS s.k.a
with Netia S.A.

§ 1

1. Acting pursuant to Art. 522 of the Commercial Companies Code (the „CCC”) the General Meeting of Netia spółka akcyjna UMTS s.k.a with its registered seat in Warsaw („Netia UMTS”), hereby resolves to merge Netia UMTS, as the target entity, with Netia S.A. („Netia”), as the surviving entity, within the take over by Netia of Netia UMTS Sp. z o.o. (the „SPV”) and Netia UMTS.
2. The merger will be done in accordance with Art. 492, § 1.1 of the CCC, Art. 515, § 1 of the CCC, Art. 516, § 6 of the CCC and Art. 517 and the following of the CCC, by transfer of all the assets of the SPV and Netia UMTS to Netia (merger by acquisition), without an increase of the share capital of Netia (the „Merger”).
3. In accordance with Art. 522, § 5 of the CCC, the Merger Plan concerning the merger of Netia with the SPV and with Netia UMTS, announced in *Monitor Sądowy i Gospodarczy* No. [●] dated [●] under item [●] (the „Merger Plan”) is hereby approved. The Merger Plan is attached as Schedule No. 1 to this Resolution.
4. Whereas the statute of Netia has not been amended in result of the Merger, consent is granted for the statute of Netia as worded on the date of this resolution. The statute is attached as Schedule No. 2 to this resolution.

§ 2

The Management Board of Netia is authorised to take any and all actions necessary to perform this Resolution.

§ 3

The resolution shall come into force on the date of adoption.

§ 4

Netia, as the sole general partner of Netia UMTS, hereby consents to:

1. The adoption by the general meeting of Netia UMTS of the resolution regarding the merger of Netia UMTS Sp. z o.o. (the „SPV”), Netia UMTS with Netia (the „Resolution”).
2. The Merger Plan concerning the merger of Netia with the SPV and with Netia UMTS, announced in *Monitor Sądowy i Gospodarczy* No. [●] dated [●] under item [●] (the „Merger Plan”) is hereby approved. The Merger Plan is attached as Schedule No. 1 to this Resolution.

3. Whereas the statute of Netia has not been amended in result of the Merger, consent is granted for the statute of Netia as worded on the date of this resolution. The statute is attached as Schedule No. 2 to this resolution.

Schedule No. 4

Establishment of the value of assets of Netia UMTS Sp. z o.o. as at 30 April 2009

The Management Board of Netia UMTS Sp. z o.o. with its registered seat in Warsaw, at ul. Taśmowa 7A, Warszawa entered in the register of business entities by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000322286, with the fully paid in share capital of PLN 5,000, NIP 521-35-16-517, REGON 141723893 (hereinafter the „**Company**”) represents that the valuation of assets of the Company for the purposes of the merger of the Company and Netia Spółka Akcyjna UMTS s.k.a. (the target companies) with Netia S.A. (the surviving entity), made as at 30 April 2009, is evidenced by the following calculation.

Netia UMTS Sp. z o.o.

Establishment of the value of assets of the company made for the purposes of the merger as at 30 April 2009, in accordance with Art. 499, § 2.3 of the Commercial Companies Code

(PLN'000)

ASSETS

Cash and cash equivalents	5
Total assets	5

LIABILITIES

Trade and other payables.....	(3)
Total liabilities	(3)
NET ASSETS	2

Schedule No. 5
Establishment of the value of assets of Netia spółka akcyjna UMTS s.k.a as at 30 April 2009

The Management Board of Netia S.A., the sole general partner of Netia Spółka Akcyjna UMTS s.k.a. with its registered seat in Warsaw, at ul. Taśmowa 7A, 02-677 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000299667, with the fully paid in share capital of PLN 9,180,000, NIP 951-20-78-056, REGON 015495010 (hereinafter the „**Company**”) represents on behalf of the Company that the valuation of assets of the Company for the purposes of the merger of the Company and Netia UMTS sp. z o.o. (the target companies) with Netia S.A. (the surviving entity), made as at 30 April 2009, is evidenced by the following calculation.

Netia UMTS Sp. komandytowo - akcyjna

Establishment of the value of assets of the company made for the purposes of the merger as at 30 April 2009, in accordance with Art. 499, § 2.3 of the Commercial Companies Code

(PLN'000)

ASSETS

Investments in subsidiaries	7
Bonds.....	282,939
Trade and other receivables.....	14
Prepaid expenses	1
Cash and cash equivalents	121
Total assets	283,082

LIABILITIES

Trade and other payables.....	(4,163)
Total liabilities	(4,163)
NET ASSETS	278,919

Schedule No. 6
Representation containing the accounting statement of Netia S.A. as at 30 April 2009

The Management Board of Netia S.A. with its registered seat in Warsaw, at ul. Poleczki 13, 02-822 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000041649, with the fully paid in share capital of PLN 389,277,294, NIP 526-02-05-575, REGON 011566374, declares that the accounting statement of Netia S.A. as at the date referred to in Art. 499, §2.4 of the Commercial Companies Code, i.e. 30 April 2009, is presented in the balance sheet of Netia S.A. attached to this representation

Netia S.A.

Accounting statement made for the purposes of the merger as at 30 April 2009 in accordance with Art. 499 §2.4 of the Commercial Companies Code

	April 30, 2009	December 31, 2008 (restated) *
	(PLN'000)	(PLN'000)
ASSETS		
Non-current assets		
Property, plant and equipment, net.....	1,387,619	1,385,156
Intangible assets	323,544	339,301
Investment property.....	35,924	36,132
Investments in subsidiaries	185,906	185,960
Deferred income tax assets.....	-	389
Other receivables	6,623	6,623
Available for sale financial assets.....	10	10
Prepaid expenses and accrued income.....	14,186	16,863
Total non-current assets.....	1,953,812	1,970,434
Current assets		
Inventories	3,273	3,866
Trade and other receivables.....	196,615	212,901
Prepaid expenses and accrued income.....	22,777	18,042
Derivative financial instruments.....	106	-

Financial assets at fair value through profit and loss.....	5,401	5,905
Held to maturity investments	49,566	-
Restricted cash	2,610	2,699
Cash and cash equivalents	125,852	168,784
	406,200	412,197
Assets classified as held for sale.....	118	513
Total current assets	406,318	412,710
Total assets	2,360,130	2,383,144

EQUITY AND LIABILITIES

EQUITY

Share capital	389,277	389,277
Supplementary capital.....	1,356,652	1,556,489
Retained earnings	(20,685)	(194,019)
Other components of equity	27,231	24,244
Total equity	1,752,475	1,775,991

LIABILITIES

Non-current liabilities

Borrowings	282,306	267,689
Provisions	7,991	7,537
Deferred income.....	7,615	7,779
Deferred income tax liabilities.....	5,341	6,080
Other long term liabilities.....	9,030	2,627
Total non-current liabilities	312,283	291,712

Current liabilities

Trade and other payables.....	260,501	285,796
Derivative financial instruments	4,230	-
Borrowings	283	269
Other financial liabilities.....	228	304
Provisions	6,577	7,104
Deferred income.....	23,553	21,968
Total current liabilities	295,372	315,441

Total liabilities	607,655	607,153
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Total equity and liabilities	2,360,130	2,383,144
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* The comparative data of Netia S.A. for 2008 has been transformed in relation with its merger with its subsidiary, Tele2 Polska Sp. z o.o. on 27 February 2009.

The above data has not been reviewed by a statutory auditor.

Schedule No. 7
Representation containing the accounting statement of Netia UMTS Sp. z o.o. as at 30 April 2009

The Management Board of Netia UMTS Sp. z o.o. with its registered seat in Warsaw, at ul. Taśmowa 7A, Warszawa entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000322286, with the fully paid in share capital of PLN 5,000, NIP 521-35-16-517, REGON 141723893, declares that the accounting statement of Netia UMTS Sp. z o.o. as at the date referred to in Art. 499, §2.4 of the Commercial Companies Code, i.e. 30 April 2009, is presented in the balance sheet of Netia UMTS Sp. z o.o. attached to this representation.

Netia UMTS Sp. z o.o.

Accounting statement made for the purposes of the merger as at 30 April 2009 in accordance with Art. 499 §2.4 of the Commercial Companies Code

	April 30,	December 31,
	2009	2008
	(PLN'000)	(PLN'000)
ASSETS		
Current assets		
Cash and cash equivalents	5	-
Total current assets	5	-
Total assets	5	-
EQUITY AND LIABILITIES		
EQUITY		
Share capital	5	-
Retained earnings	(3)	-
Total equity	2	-
LIABILITIES		
Current liabilities		
Trade and other payables.....	3	-
Total current liabilities	3	-
Total equity and liabilities	5	-

The above data has not been reviewed by a statutory auditor.

Schedule No. 8
Representation containing the accounting statement of Netia spółka akcyjna UMTS s.k.a
as at 30 April 2009

The Management Board of Netia S.A., the sole general partner of Netia Spółka Akcyjna UMTS s.k.a. with its registered seat in Warsaw, at ul. Taśmowa 7A, 02-677 Warszawa, entered in the register of business entities by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000299667, with the fully paid in share capital of PLN 9,180,000, NIP 951-20-78-056, REGON 015495010, declares on behalf of Netia Spółka Akcyjna UMTS s.k.a. that the accounting statement of Netia Spółka Akcyjna UMTS s.k.a. as at the date referred to in Art. 499, §2.4 of the Commercial Companies Code, i.e. 30 April 2009, is presented in the balance sheet of Netia Spółka Akcyjna UMTS s.k.a. attached to this representation.

Netia UMTS Sp. komandytowo – akcyjna

Accounting statement made for the purposes of the merger as at 30 April 2009 in accordance with Art. 499 §2.4 of the Commercial Companies Code.

	April 30, 2009	December 31, 2008
	(PLN'000)	(PLN'000)
ASSETS		
Non-current assets		
Investments in subsidiaries	7	-
Bonds.....	282,560	268,022
Total non-current assets.....	282,567	268,022
Current assets		
Bonds.....	379	176
Trade and other receivables.....	14	14
Prepaid expenses	1	1
Cash and cash equivalents	121	119
Total current assets	515	310
Total assets	283,082	268,332
 EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,180	9,180
Supplementary capital.....	102,570	102,570

Retained earnings	167,169	152,432
	<hr/>	<hr/>
Total equity	278,919	264,182
	<hr/>	<hr/>
LIABILITIES		
Current liabilities		
Trade and other payables.....	4,163	4,150
Total current liabilities	4,163	4,150
	<hr/>	<hr/>
Total equity and liabilities.....	283,082	268,332
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The above data has not been reviewed by a statutory auditor.