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Contact:
Andrzej Kondracki (IR)
+48-22-352-4060
andrzej.kondracki@netia.pl
Małgorzata Babik (Media)
+48-22-352-2520
Małgorzata.babik@netia.pl
Netia
- or -
Emilia Whitbread
Taylor Rafferty, London
+44-(0)20-7614-2900
- or -
Jessica McCormick
Taylor Rafferty, New York
+1-212-889-4350

NETIA SA REPORTS 2009 FIRST QUARTER RESULTS

WARSAW, Poland – May 7, 2009 – Netia SA ("Netia" or the "Company") (WSE: NET), Poland's largest alternative provider of fixed-line telecommunications services, today announced its unaudited consolidated financial results for the first quarter ended March 31, 2009.

1. KEY HIGHLIGHTS

1.1. Financial

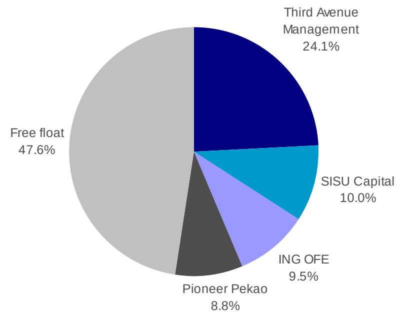
- **Revenue from continuing activities** rose to PLN 375.7m in Q1 2009, growing by 64% over Q1 2008 and by 2% versus Q4 2008.
- **EBITDA** was PLN 69.9m for Q1 2009, growing by 107% versus Q1 2008 and by 21% versus Q4 2008. Excluding initial restructuring costs of PLN 1.6m related to the implementation of a cost reduction program (the "Profit" project), Adjusted EBITDA was PLN 71.5m.
- **EBIT** loss narrowed to PLN 3.0m in Q1 2009 from PLN 29.1m in Q1 2008 and PLN 14.7m in Q4 2008. Net loss was PLN 6.4m versus net loss of PLN 55.3m for Q1 2008 and net loss of PLN 10.1m in Q4 2008.
- **Cash and cash equivalents** at March 31, 2009 totalled PLN 170.8m plus PLN 20.0m in treasury bonds (nominal value) and PLN 375.0m of available undrawn credit lines. Cash burn for Q1 2008 fell to PLN 1.9m and Netia is guiding for positive free cash flow for the full year excluding any acquisitions.
- **Netia's growth plans are fully funded**, which gives the Company flexibility in considering further acquisition opportunities in the voice and broadband segments of the Polish telecom market.
- In Q1 2009 **Netia began the implementation phase of a comprehensive cost reduction project** (the "Profit" project), aimed at eliminating PLN 100.0m in operating expenses from the cost base per year beginning in FY2010.
- **Netia confirms its guidance for 2009,** projecting 525,000 broadband subscribers, 1,150,000 voice subscribers and 300 unbundled LLU nodes in total by year end before any positive impact of expected further Ethernet acquisitions. Revenue is expected to be approximately PLN 1,520.0m, with Adjusted EBITDA (excluding one-off restructuring costs associated with the "Profit" project) of PLN 290.0m, EBITDA of PLN 265.0m and capex of PLN 260.0m.

1.2. Operational

- **Netia's broadband subscriber base** reached 441,266 at March 31, 2009, growing by 7% from 413,645 at December 31, 2008 and by 72% from 256,922 at March 31, 2008. Of the total broadband customers served at March 31, 2009, 43% received service over Netia's own local networks of copper, Fast Ethernet or WiMAX infrastructure. All subscriber additions in Q1 2009 were organic, and the Company aims to add an additional 84,000 customers through organic growth to reach at least 525,000 broadband subscribers by the end of 2009 before any further acquisitions are taken into account. This growth target factors in possible slower market growth due to the macroeconomic conditions and a steadily increasing tactical sales focus on 2play customers.
- **Netia's voice service customer base** (own network + WLR) reached 1,105,043 at March 31, 2009, increasing by 4% from 1,065,516 at December 31, 2008 and by 145% from 451,284 at March 31, 2008. Of the total voice customers served at March 31, 2009, 36% received service over Netia's own copper or WiMAX infrastructure. The Company aims to reach approximately 1,150,000 voice customers (own network + WLR + LLU) through organic growth by the end of 2009. This growth target remains unchanged despite solid sales progress in Q1 2009, reflecting the aforementioned focus on 2play customers and possible impact from the economic downturn. Although the economy has not had any material impact on Netia's performance to date, management believes it is best to take a prudent approach to performance projections at this time given the current environment.
- **Netia is the undisputed leader in the roll-out of LLU service in Poland** with 137 nodes unbundled and total coverage of approximately 1.37m lines as at March 31, 2009. By the end of Q1 2009 Netia had acquired a total of 3,764 new LLU clients organically and expects to increase that number during 2009 through both new customer connections and the migration of the existing WLR/BSA clients to LLU. The Company plans to migrate over 20,000 BSA and BSA+WLR clients to LLU during 2009. As at May 7, 2009, Netia had 4,955 LLU subscribers.

1.3. Ownership

- **Significant changes to Netia's shareholder structure.** On March 6, 2009 Novator Telecom Poland II S.a.r.l., then the largest shareholder in Netia, disposed of its 30.33% shareholding in package transactions effected on the Warsaw Stock Exchange. Shares of the Company were purchased by institutional investors, including Polish entities, such as the pension fund ING Otwarty Fundusz Emerytalny (9.49% current shareholding) and the investment/mutual fund Pioneer Pekao Investment Management SA (8.83% current shareholding). Currently, Netia's shareholder structure is as follows[1]:



- **Changes to Netia's supervisory board** were introduced at the ordinary shareholders meeting (GSM) held on April 9, 2009 subsequent to the change in shareholder structure. At present, the Company's supervisory board consists of 9 members, with 6 members appointed at the recent shareholders meeting.

[1] *Figures obtained based on legal requirements for reporting shareholding thresholds (Art. 69 of the Act on the Public Offer, Terms of Introducing Financial Instruments into an Organized System of Trade, and Public Companies dated July 29, 2005).*

Mirosław Godlewski, Netia's President and CEO, commented: "Netia is off to a very promising start in 2009, delivering strong results in the first quarter driven by the successful execution of our broadband-focused growth strategy. Revenue continued to increase, supported by our acquisition of Tele2 Polska, and we delivered a strong improvement in profitability. Revenue from continuing activities for Q1 2009 reached PLN 375.7m, up 64% year-over-year, and EBITDA reached PLN 69.9m, up over 100% year-over-year and up 21% compared to Q4 2008.

Our broadband client base grew to 441,266 customers and the number of voice clients totalled 1,105,043 including customers on our own network and those serviced via wholesale line rental. It is important to note that one-third of new additions in Q1 2009 were 2play agreements, and we will continue to focus our efforts on 2play sales, which generate higher margins than 1play products. Netia continues to make significant progress with the rollout of local loop unbundling (LLU), adding new services and expanding the LLU-based product portfolio to serve business clients in addition to the mass market. I am pleased to announce that we have completed the necessary testing to begin the migration of clients to higher-margin LLU-derived services. As of now, we expect approximately 20,000 clients to switch over from BSA and BSA+WLR during 2009, beginning from Q2, with a rapid ramp-up through 2010.

During the remainder of the year, we will continue to focus on strategic initiatives that will drive long-term growth, such as growing our higher-margin 2play customer base, further developing our LLU-based services and completing the integration of Tele2 Polska. On the cost side, we recently launched the "Profit" project, a comprehensive program aimed at lowering our annual opex base by PLN 100.0m each year beginning in 2010. We expect the Profit project to deliver near immediate results with approximately PLN 20.0m in savings in 2009. As with all cost reduction initiatives this required us to make some difficult decisions, especially with respect to headcount as we reassessed our organizational structure. We are in the process of implementing the necessary changes, and our highly dedicated and experienced team will continue to deliver top-notch customer service as we progress. Having worked with the staff as they tackled our ambitious growth objectives during the past two years, I have total confidence that they will rise to the new challenges posed by this cost reduction project, and that we will meet or exceed our savings objectives."

Jon Eastick, Netia's CFO, commented: "In Q1 2009, the business continued to progress with EBITDA up sequentially by 21% to PLN 69.9m and Adjusted EBITDA margin up from 15.6% to 19.0%. This was driven by a combination of excellent progress on delivering synergies from the integration of Tele2 Polska and the seasonal slowdown in advertising and operating expenses. We expect strong EBITDA performance later in 2009 driven by increased customer numbers, more 2play agreements, LLU-based customers and initial savings from the "Profit" project.

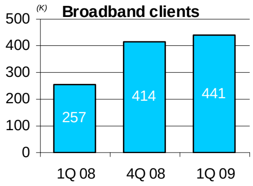
I am pleased to report that our liquidity position has gone from strength to strength. Cash and cash equivalents combined with PLN 20.0m in treasury bonds totalled PLN 190.8m in Q1 2009, for a sequential decrease in cash of only PLN 1.9m. Before net payments related to the acquisitions and disposals conducted in 2008, Netia generated free cash flow of PLN 1.7m in Q1 2009. We also have PLN 375.0m of available undrawn credit lines. As we have stated previously, we want to keep our options open for future opportunistic acquisitions or share buy-backs and we maintain ongoing discussions with our banks regarding the potential use of these funds.

As a result of our integration efforts and cost reduction program, we have recently revised our full year 2009 EBITDA guidance upward and increased our medium-term expectation for EBITDA margin for the years 2010 and 2012. Given our current rate of progress, we expect that we should come close to achieving net profit and free cash flow break-even in 2009, and should therefore have no problem delivering on both milestones in 2010.

Finally, I would like to note that the global macroeconomic downturn has thus far had no meaningful impact on Netia's operations. Netia continues to deliver solid performance, but we continue to plan and forecast conservatively should conditions deteriorate further later in the year."

2. OPERATIONAL OVERVIEW

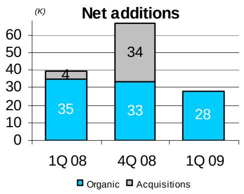
2.1. Broadband



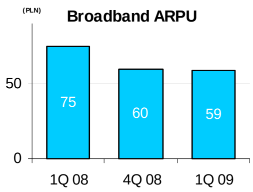
Broadband subscribers increased to 441,266 at March 31, 2009 from 413,645 at December 31, 2008 and 256,922 at March 31, 2008. By the end of 2009, Netia aims to reach approximately 525,000 broadband subscribers through further organic growth, with potential for a higher figure pending additional Ethernet network acquisitions.

Netia provides its broadband services using the following technologies:

Number of broadband ports	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
xDSL and FastEthernet over Netia's own fixed-line network	120,209	132,398	134,311	171,933	174,874
WiMAX Internet	7,192	8,444	9,970	12,110	13,416
Bitstream access	128,499	150,641	201,522	227,441	248,455
LLU	-	-	213	1,320	3,764
Other	1,022	987	923	841	757
Total	**256,922**	**292,470**	**346,939**	**413,645**	**441,266**



Broadband net additions during Q1 2009 were 27,621, with all additions acquired from organic growth. Netia estimates that its total broadband market share has increased during the past twelve months from 5.1% to 7.9% and that its market share of total net additions in Q1 2009 was 18%.



Broadband ARPU was PLN 59 in Q1 2009 as compared to PLN 69 in Q1 2008 and PLN 60 in Q4 2008. The year-on-year decline in broadband ARPU reflects the growing proportion of residential customers in the customer mix. Broadband ARPU is expected to continue to trend downward as Netia continues to add residential broadband subscribers. It is expected to settle between PLN 50 and PLN 60 per month in the medium term as the business/residential mix stabilizes.

Broadband SAC increased to PLN 199 in Q1 2009 from PLN 187 in Q1 2008 and PLN 196 in Q4 2008. The increase was driven by Tele2 Polska's acquisition cost structure. As the integration progresses, management expects the cost structure to shift more in line with Netia's and for SAC to adjust downward as a result.

Important developments in broadband:

Local loop unbundling (LLU). In Q1 2009 Netia continued to extend the reach of its LLU-based services. Netia had 137 ready-to-sell unbundled nodes at March 31, 2009 and is targeting to unbundle 300 nodes by the end of 2009, reaching approximately 2.7 million customer lines.

Netia served 3,764 customers over LLU as at March 31, 2009 as compared to 1,320 at December 31, 2008 and continued to observe acceleration of sales rates per operational node per month. In March 2009, Netia complemented its original 2play (Internet+voice) LLU-based service offering for mass market clients with a 1play offering of Internet access over shared LLU. Since May 2009, Netia has offered 2play over LLU even to currently inactive subscriber lines, where there is currently no subscription agreement signed with TP. In addition, in May 2009 Netia commercially launched LLU-based services to its corporate customers, with a similar product portfolio, "Business Solution", as over its own network.

On December 1, 2008, the Regulator announced a new Reference Unbundling Offer (RUO), which significantly reduces the amount of monthly and activation fees paid to the incumbent for LLU access and allows for the migration of clients from BSA/WLR to LLU during the term of the existing BSA/WLR contracts with the incumbent.

Netia expects to be able to migrate existing bitstream (1play) and BSA/WLR (2play) customers to its higher margin LLU services beginning in Q2 2009, following the successful completion of migration tests with TP. By the end of 2009, the Company plans to migrate more than 20,000 BSA and BSA+WLR clients to LLU.

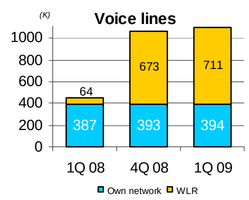
Acquisitions of local Ethernet network operators. As of March 31, 2009, Ethernet networks acquired by Netia since mid-2007 provided broadband access to a total of 91,656 mostly residential customers as compared to 43,399 customers at March 31, 2008, with approximately 304,000 homes passed. The acquisitions are part of Netia's strategic objective to acquire one million broadband customers and up-sell voice services to the existing subscriber base of the acquired Ethernet providers.

Progress on IPTV. Netia and 'n', Poland's HDTV platform from the ITI Group, are to launch a pilot project of the IPTV services in the cities of Warsaw and Wrocław in May 2009. The commercial launch, currently planned for this autumn following successful pilot results is to include the full package of platform 'n' programs, including HD channels as well as new services and functionalities offered by IPTV. The cooperation with 'n' is intended to split the costs and risks of investing in IPTV services, bring top quality content and an additional sales channel to Netia, while giving telewizja 'n' access to households who would not normally purchase a satellite-based TV service. Discussions over the commercial contract and scope of the initial rollout are ongoing.

Content streaming. In February 2009, Netia further extended its portfolio of value-added services by launching "Safe Copy" and "Backup Online" services, which allow for secure archiving of an unlimited quantity of data for residential and business customers, respectively. The archiving is performed via remote servers and archived data is accessed through the web. These services were created in cooperation with F-Secure.

2.2. Voice

2.2.1. Own network & WLR

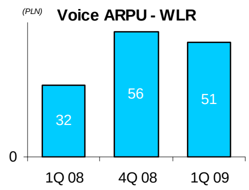


Voice lines (own network and WLR) totalled 1,105,043 at March 31, 2009 as compared to 451,294 at March 31, 2008 and 1,065,516 at December 31, 2008. By the end of 2009, Netia aims to have approximately 1,150,000 voice subscribers (own network + WLR), with the additional subscribers acquired organically.

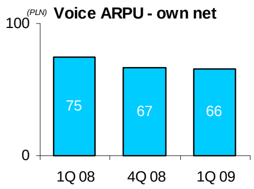
The year-on-year increase in the number of voice lines resulted mainly from growth within WLR-based voice services. Netia began offering WLR during Q4 2007, selling to both voice-only customers and bitstream broadband customers as a 2play offering. Subsequently, in September 2008 Netia acquired Tele2 Polska, thereby acquiring an additional 504,007 WLR customers. The Company intends to up-sell its broadband services to the Tele2 Polska voice customers and move several thousand of them from WLR to either Netia's own networks or to LLU, further improving gross margins on the services provided.

Netia provides its voice services through the following types of access:

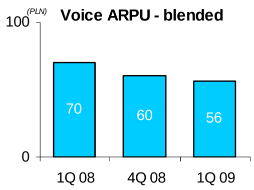
Number of voice lines	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Traditional direct voice	370,418	368,151	367,547	364,722	361,963
Incl. ISDN	*116,262*	*119,312*	*123,186*	*127,304*	*129,810*
Incl. Legacy wireless	*42,703*	*42,304*	*42,372*	*40,742*	*39,728*
Voice over IP	4,840	5,365	9,195	11,921	15,117
WiMAX voice	11,695	13,510	14,383	15,904	17,330
Netia network subscriber voice lines	**386,953**	**387,026**	**391,125**	**392,547**	**394,410**
WLR	64,341	102,002	642,081	672,969	710,633
Total	**451,294**	**489,028**	**1,033,206**	**1,065,516**	**1,105,043**



Voice ARPU per WLR line amounted to PLN 51 in Q1 2009 as compared to PLN 32 in Q1 2008 and PLN 56 in Q4 2008. The year-on-year increase in ARPU reflects the start-up nature of Netia's organic growth and the higher ARPUs generated by Tele2 Polska's more mature WLR customer base. The sequential decrease is associated with the continuation of contracts with former Tele2 Polska clients, who received promotional discounts upon extension of their contracts with Netia.

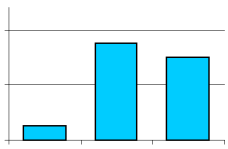


Voice ARPU per Netia network subscriber line amounted to PLN 66 in Q1 2009 as compared to PLN 75 in Q1 2008 and PLN 67 in Q4 2008, with the decrease reflecting overall tariff reduction trends.

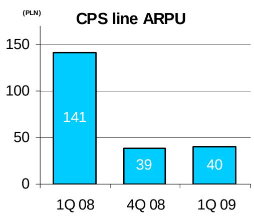


Blended voice ARPU was PLN 56 in Q1 2009 as compared to PLN 70 in Q1 2008 and PLN 60 in Q4 2008. The decrease reflects overall tariff reduction trends and the inclusion of more WLR customers into the subscriber mix. In the medium term, Netia expects blended voice ARPU to stabilize.

2.2.2. Indirect voice



CPS lines *(carrier pre selection)* totalled 150,076 at March 31, 2009 as compared to 25,518 at March 31, 2008 and 176,035 at December 31, 2008. Netia is focused on the conversion of Tele2 Polska's CPS customers to WLR and is not actively acquiring new CPS customers.



Indirect voice ARPU per CPS line was PLN 40 in Q1 2009 as compared to PLN 141 in Q1 2008 and PLN 39 in Q4 2008. The year-on-year decrease was due to the inclusion of Tele2 Polska's largely retail subscriber base into the subscriber mix. CPS clients are not accounted for in the total Netia voice subscriber base of 1,105,043 clients as at March 31, 2009.

2.3. Other

Headcount for the Netia group was 1,609 at March 31, 2009, compared to 1,467 at March 31, 2008 and 1,673 at December 31, 2008. The year-on-year increase in headcount was driven by the addition of employees of Tele2 Polska and Ethernet networks acquired during 2008. The sequential decrease in headcount is associated with the ongoing “Profit” restructuring project. During Q2 2009 Netia intends to further decrease its headcount by approximately 130 full time employees as an additional cost optimisation measure. The salary savings in respect to these job positions will be visible from Q3 2009.

The movement in headcount can be analysed as follows:

Headcount at March 31, 2008	**1,467**
Acquired headcount	
Tele2 Polska	51
Ethernet networks	68
Temporary contractors (131) converted into full-time equivalent employees	119
Organic growth, net	(96)
Headcount at March 31, 2009	**1,609**

The number of Netia’s active business clients from the SME/SOHO sector grew to 97,611 at March 31, 2009 from 85,113 at March 31, 2008 and from 97,204 at December 31, 2008. Increasing Netia’s focus on SOHO/SME customers and reducing dependence on revenue from large accounts and bespoke offerings for business customers is an important element of Netia’s strategy.

Capital investment additions.

Capital investment additions *(PLN'M)*	**1Q 2008**	**1Q 2009**	*Change %*
Existing network and IT	17.5	25.3	+ 44%
Broadband networks & P4 transmission project	17.7	44.5	+ 151%
Total	**35.2**	**69.8**	**+ 98%**

The year-on-year increase in capital investments largely results from project completion dates being deferred into 2009 as part of an effort to smooth out the annual investment cycle. The Company intends to meet its 2009 capex guidance of PLN 260.0m and has hedged the majority of its foreign exchange exposure for 2009 with forward contracts.

3. OTHER HIGHLIGHTS

Cost saving initiatives (the “Profit” project). Following the acquisition of Tele2 Polska in September 2008 which significantly augmented the scale of the business, Netia performed a comprehensive cost review across all functional areas of the Company. Areas for operating cost optimisation were indentified, with a target to reduce full year operating expenses for 2010 and onwards by PLN 100.0m. It is expected that the savings generated under this program in 2009 will amount to approximately PLN 20.0m. Already underway, the program includes a reduction of Netia’s headcount, review of control and reporting processes, increase in work effectiveness, span of control increase and contract renegotiations. One-off reorganization costs of up to PLN 25.0m associated with this project are expected to be recorded during FY 2009. The first PLN 1.6m was recorded in Q1 2009.

The savings generated by the Profit project will be in addition to the previously announced cost synergies expected from the integration of Tele2 Polska into the Netia group, estimated to yield in excess of PLN 30.0m per annum in savings.

Following the launch of this program and taking into consideration the Company’s strong profitability trends, Netia announced revised guidance for 2009 (complete details in Section 4).

Tele2 Polska merged with Netia. As part of the integration project, Tele2 Polska was merged into parent company Netia SA on February 27, 2009. This is expected to positively impact Netia Group's operations through the reduction of administrative costs and facilitate full rebranding and operational integration. Full IT integration is the last key milestone and is planned for Q3 2009.

Netia's ordinary shareholders meeting was held on April 9, 2009. Shareholders adopted resolutions including the approval of the 2008 financial statements and coverage of losses, changes to the rules regarding remuneration of the supervisory board members and changes to the composition of the supervisory board.

As a result, Netia's supervisory board is currently composed of the following 9 members: Stan Abbeloos, Ben Duster, Raimondo Eggink, George Karaplis, Nicolas Maguin, Ewa Pawluczuk, Tadeusz Radzimiński, Jerome de Vitry and Piotr Żochowski.

The newly appointed supervisory board members are well qualified executives with rich international experience and leadership in relevant areas such as telecommunications, advisory and investment banking and finance:

- Stan Abbeloos was most recently CEO of Farlep Invest, Ukraine,
- Ben Duster is an executive Managing Director at Watermark Advisors LLC, USA,
- George Karaplis was most recently CFO of Lannet Telecommunications, Greece,
- Nicolas Maguin is General Manager of the Louis Dreyfus Commodities group in Russia,
- Ewa Pawluczuk serves as deputy Director of Finance Department in the Polish Air Navigation Services Agency,
- Piotr Żochowski is currently Vice President and Chief Financial Officer at Pioneer Pekao Towarzystwo Funduszy Inwestycyjnych SA.

Full CVs detailing extensive career histories of new supervisory board members can be found on Netia's investor web site.

At the meeting held by the new board on May 4, 2009 in Warsaw, Mr. Ben Duster and Mr. George Karaplis were respectively elected Chairman and Deputy Chairman of Netia's supervisory board.

Term sheet regarding the provision of backhaul transmission services to P4's network. On March 3, 2009 Netia and P4 Sp. z o.o. ("P4") signed a non-binding term sheet in which they agreed to negotiate the terms of:

(i) an option agreement according to which Netia will grant P4 an option to purchase part of the radio transmission equipment currently used by Netia to provide services to P4. The option would cover P4's purchase of radio transmission equipment in approximately 90% of all sites used by Netia in rendering its transmission service to P4. The option may be executed solely through the purchase of all the above referenced equipment on either January 1, 2010 for PLN 65.8m, or on January 1, 2011 for PLN 44.8m, or on January 1, 2012 for PLN 37.9m.

(ii) an annex to the existing agreement providing that a) the agreement shall be concluded for an unspecified term and the termination periods for the circuits subject to the call option will be extended from 12 months to 24 months, b) P4 has the right to assign the agreement to its subsidiary, c) new unit prices for core network transmission will be applicable in the event that P4 chooses to exercise its call option on the radio transmission equipment; such core transmission circuits will be subject to 24 month termination notice with the exception of a 15% allowance for reconfiguration purposes.

Netia does not currently expect that the execution of legally binding agreements in line with this term sheet will have a material impact on the Company's guidance for 2009 or for the medium term. However, negotiations have since been reopened by both sides and the terms of the financial deal, should there be one, may differ significantly from those detailed above.

In the meantime, Netia and P4 continue to cooperate as normal and the existing contract is profitable and cash generative for Netia.

Funding. At March 31, 2009, Netia had PLN 170.8m in cash, PLN 20.0m in treasury bonds (nominal value) and PLN 375.0m of available undrawn bank facilities. Management now considers these cash balances more than sufficient to finance its broadband-driven growth strategy through to free cash flow break-even. Accordingly, Management is engaged in continuing discussions with its bank syndicate to increase flexibility in the use of the undrawn facility to allow for larger acquisitions and/or share buy-backs. Management is considering its options as negotiations continue.

Mirosław Godlewski, Netia's CEO, was appointed to the management board of the Polish Association of Stock Exchange Issuers (SEG), effective March 25, 2009. SEG was founded in 1993 and offers assistance and consultation to its member companies as to legal requirements, market regulations and investor relations. Currently, there are 212 member companies in the organization, comprising companies listed on the Warsaw Stock Exchange and an alternative market NewConnect, that jointly represent nearly 80% of the total market capitalization of domestic issuers.

4. Guidance for 2009 and Medium-Term Outlook for 2010-2012
Cost saving initiatives

Netia announced revised guidance for FY2009 on April 6, 2009. Adjusted EBITDA (excluding the one-off restructuring cost related to the "Profit" project) has been revised from PLN 260.0m to PLN 290.0m. This revision was made following continued strong progress toward profitability in Q1 2009 and based on the anticipated PLN 20.0m savings as a result of the "Profit" project.

One-off reorganization costs associated with the "Profit" project during FY2009 are expected to total up to PLN 25.0m. Accordingly, EBITDA for FY2009, net of reorganization expenses, is forecast at PLN 265.0m.

2009 Guidance	Previous	Revised
Number of broadband service clients	525,000	525,000
Number of voice service clients *(own network and WLR)*	1,150,000	1,150,000
Unbundled local loop (LLU) nodes	300	300
Revenue *(PLN m)*	1,520.0	1,520.0
Adjusted EBITDA *(excl. restructuring cost of PLN 25.0m) (PLN m)*	260.0	290.0
EBITDA *(incl. restructuring cost of PLN 25 m) (PLN m)*	260.0	265.0
Investment outlays (excl. M&A) *(PLN m)*	260.0	260.0

The previous 2009 guidance was announced on February 10, 2009.

Subscriber guidance does not include potential Ethernet network acquisitions which remain important to Netia's strategy but are difficult to forecast in terms of timing and scale.

The implementation of a cost reduction project during FY2009 had been factored into earlier medium-term guidance. However, the "Profit" project under implementation is more ambitious than provisionally planned by approximately PLN 40.0m on an annualized basis. As a result, Netia has raised its medium-term EBITDA margin guidance for FY2010 and FY2012 by 3 percentage points to 23% and 28%, respectively.

The medium-term outlook for Netia Group in comparison to the guidance published previously is as follows:

Medium-term outlook for 2010 - 2012	Previous	Revised
Revenue growth (CAGR)	5% - 10%	5% - 10%
EBITDA margin in 2010 *(%)* EBITDA margin in 2010 *(%)*	20% 25%	23% 28%
Net profit by	2010	2010
Free cash flow positive by	2010	2010
Capex to sales down to 15% by	2011	2011
1 million broadband subscribers	2012	2012

Consolidated Financial Information

Please note that a new reporting format, aligned with internal management reporting has been implemented as of January 1, 2009. Presentations of revenue and expenses have been reclassified in order to better reflect the specifics of the operations, but without any impact on already reported total revenue, EBITDA, EBIT and net results. As a result, certain revenue or cost items for the comparative periods may vary from data as reported previously.
Furthermore, in the interim condensed consolidated financial statements for the three-month period ended March 31, 2009, Netia now presents the revenue and net results information by reportable operating segments (Home, SOHO/SME, Corporate and Carriers).

Similar comparable data in relation to revenue and EBIT per operating segment for each quarter of 2008 will be available on Netia's investor website shortly.

Please also see our interim condensed consolidated financial statements for the three-month period ended March 31, 2009.

Q1 2009 vs. Q1 2008

Revenue rose by 58% to PLN 375.7m for Q1 2009 from PLN 237.5m for Q1 2008. Excluding revenue from the IVT *(international voice termination)* activities sold in Q1 2008, revenue rose by 64% from PLN 228.7 in Q1 2008 to PLN 375.7m as a result of Netia's broadband-driven growth strategy, supported by the acquisition of Tele2 Polska in September 2008.

Telecommunication revenue, excluding IVT, increased by 65% to PLN 374.4m from PLN 226.6m in Q1 2008. Data revenue increased to PLN 122.0m, up by 51% from PLN 80.8m in Q1 2008, 33 percentage points are attributable to broadband-related organic growth, 8 percentage points to acquisitions of Ethernet operators and 10 percentage points to data transmission connections sold to P4. Revenue from direct voice services increased by 99% to PLN 183.9m from PLN 92.4m for Q1 2008, driven by Netia's rapid organic addition of WLR voice customers and the acquisition of Tele2 Polska.

The overall revenue increase was also supported by higher interconnection revenues (an increase of 52% or PLN 7.3m), driven mostly by transit traffic carried to mobile networks.

Wholesale revenue from continuing activities rose by 8% from PLN 19.1m to PLN 20.6m. The IVT activities excluded from the above figures, disposed of by Netia during Q1 2008, amounted to PLN 8.8m in Q1 2008 prior to disposal.

Cost of sales increased by 39% to PLN 251.8m from PLN 181.8m for Q1 2008 and represented 67% of total revenue in Q1 2009 as compared to 77% in Q1 2008.

Network operations and maintenance costs increased by 116% to PLN 117.5m for Q1 2009 from PLN 54.5m in Q1 2008. This increase was driven by the costs of bitstream and WLR wholesale access, the new Ethernet networks and additional leased lines to large business customers.

Interconnection charges increased by 10% to PLN 56.0m in Q1 2009 as compared to PLN 50.8m for Q1 2008. The increase was mainly a result of the consolidation of Tele2 Polska's interconnection costs as of September 15, 2008, offset partly by the introduction of lower MTR (mobile termination rates) from Q1 2009 and Netia's shift to greater reliance on flat rate agreements for domestic fixed-line traffic.

Depreciation and amortization related to cost of sales increased by 9% to PLN 59.8m from PLN 54.7m in Q1 2008. This was mainly due to accelerating depreciation of certain narrowband radio equipment, resulting from the changes in frequencies allocation as imposed by the regulator and the expiration of the existing frequency permits in 2009.

Gross profit for Q1 2009 was PLN 123.8m as compared to PLN 55.7m for Q1 2008, an increase of 122%. Gross profit margin increased to 33.0% from 23.4% for the prior year quarter.

Selling and distribution costs increased by 47% to PLN 84.1m from PLN 57.0m for Q1 2008 and represented 22% of total revenue as compared to 24% in Q1 2008. The inclusion of expenditures related to Tele2 Polska customer operations was the main driver of this increase.

Billing, mailing and logistics costs increased by 210% to PLN 14.2m from PLN 4.6m in Q1 2008, mainly due to the increase in the size of the customer base. Tele2 Polska's outsourced cost of billing, included in this category, is expected to be eliminated during 2009 once Tele2 Polska customers are migrated to Netia's systems in H2 2009.

Third party commissions paid for the acquisition of new customers were up by 66% to PLN 13.2m from PLN 7.9m, related to the intensified acquisition of new subscribers and relatively higher SAC at Tele2 Polska. In the course of 2009 Tele2 Polska SAC levels should come into line with Netia's as business platforms are integrated.

Outsourced customer service costs increased by 358% to PLN 8.5m from PLN 1.8m in Q1 2008, driven by the addition of Tele2 Polska's outsourcing costs.

Advertising and promotion expenditures were down by 34% to PLN 9.0m from PLN 13.5m in Q1 2008, reflecting less intensive campaigns and cost optimization initiatives, including elimination of all ATL spending in theTele2 Polska brand.

Depreciation and amortization related to selling and distribution was up by 66% to PLN 8.8m from PLN 5.3m in Q1 2008, mostly due to amortization of Tele2 Polska's customer base.

Salaries and benefits costs related to selling and distribution increased by 12% to PLN 24.1m from PLN 21.4m in Q1 2008 in connection with addition of new staff and salary increases. This item included PLN 0.7m of termination benefits recorded in Q1 2009 in connection with the Profit project.

General and administration costs increased by 35% to PLN 46.6m from PLN 34.5m for Q1 2008 and represented 12% of total revenue as compared to 15% in Q1 2008. The cost increase was driven by the addition of Tele2 Polska's expenses and its integration into the Netia group.

Salaries and benefits costs related to general and administration increased by 20% to PLN 23.3m from PLN 19.4m in Q1 2008 in connection with addition of new staff and salary increases. This item included PLN 0.9m of termination benefits recorded in Q1 2009 in connection with the Profit project.

Office and car maintenance costs increased by 120% to PLN 5.2m from PLN 2.4m in Q1 2009, mainly due to the recognition in Q1 2009 of an estimated loss on a rental contract for the former Tele2 Polska's head office, which Netia intends to sublease, and the cost of leasing Netia's new head office.

Electronic data processing costs related to general and administration were up by 143% to PLN 4.6m from PLN 1.9m in Q1 2008 in connection with the ongoing migration to Netia's systems of Tele2 Polska's outsourced billing system.

Other income was PLN 2.9m as compared to PLN 2.4m in Q1 2009.

Other gains/(losses), net were PLN 0.9m as compared to PLN 4.5m in Q1 2008 when Netia recorded a gain of PLN 5.1m on the disposal of certain assets related to the Company's IVT activities.

Adjusted EBITDA increased by 112% to PLN 71.5m from PLN 33.8m for Q1 2008. After deducting severance costs of PLN 1.6m, EBITDA was PLN 69.9m Adjusted EBITDA margin increased to 19.0% and EBITDA margin increased to 18.6% as compared to EBITDA margin of 14.2% in Q1 2008.

Depreciation and amortization increased by 16% to PLN 73.0m as compared to PLN 62.9m for Q1 2008 as a result of Netia accelerating the depreciation schedule of the retiring narrowband radio equipment and the amortization of Tele2 Polska's customer base, as described above.

Operating loss (EBIT) was PLN 3.0m as compared to operating loss of PLN 29.1m for Q1 2008.

Net finance cost was PLN 3.9m as compared to net finance cost of PLN 1.7m in Q1 2008 and was related mainly to foreign exchange losses.

Net loss was PLN 6.4m as compared to net loss of PLN 55.3m for Q1 2008.

Capex (cash used for the purchase of fixed assets and computer software) increased by 7% to PLN 74.8m for Q1 2009 from PLN 70.1m for Q1 2008.

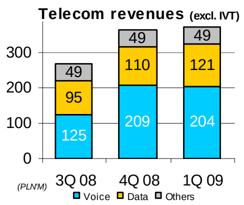
Other significant cash outflow items during Q1 2009 included payments of PLN 7.0m made in connection with the acquisitions executed in 2008 and PLN 19.8m paid for the purchase of the short-dated treasury bonds. As a result, net cash used in investing activities amounted to PLN 99.2m in Q1 2009 as compared to PLN 81.8m in Q1 2008.

Cash and cash equivalents at March 31, 2009 were PLN 170.8m as compared to PLN 74.2m a year earlier. In addition, Netia held treasury bonds at a nominal value of PLN 20.0m at March 31, 2009.

Netia was debt free at March 31, 2009, with a PLN 375.0m credit facility available until June 30, 2011 to finance Netia's future investment requirements. At the end of Q1 2008, Netia had had drawn PLN 180.0m from a PLN 300.0m facility.

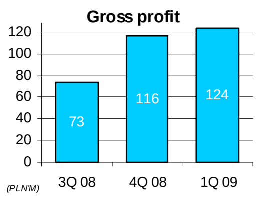
Q1 2009 vs. Q4 2008

Revenue was up sequentially by 2% to PLN 375.7m in Q1 2009 from PLN 369.0m in Q4 2008.



Telecommunication revenue increased by 2% to PLN 374.4m from PLN 367.4m in Q4 2008. Data revenue increased sequentially by 11% to PLN 122.0m in Q1 2009 from PLN 110.1m in Q4 2008. Voice revenue decreased sequentially by 2% to PLN 203.8 from PLN 208.6m, mainly in connection with the prolongation of contracts with former Tele2 Polska voice clients, who obtained promotional discounts upon extension of their contracts with Netia.

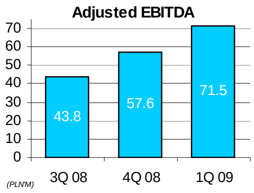
Cost of sales remained essentially flat at PLN 251.9m as compared to PLN 252.7m in Q4 2008 and represented 67% of total revenue in Q1 2009 as compared to 68% in Q4 2008. The increase in network operations and maintenance, resulting mainly from the higher outsourcing costs in connection with the increased scale of Netia's operations, was offset by a decrease in other cost categories, including lower interconnection cost due to a reduction of termination rates for fixed to mobile traffic.



Gross profit improved sequentially by 6% from PLN 116.3m in Q4 2008 to PLN 123.8m in Q1 2009, with gross profit margin rising to 33.0% from 31.5%.

Selling and distribution costs decreased by 9% to PLN 84.1m from PLN 92.3m in Q4 2008, representing 22% of total revenue in Q1 2009 as compared to 25% in Q4 2008. The change was driven mainly by a reduction in advertising and promotion expenses. The Tele2 Polska brand disappeared from ATL media in Q1 2009 whilst less intensive campaigning and efficiency initiatives contributed to the lower cost. This was partly offset by an increase in cost of salaries and benefits, which included PLN 0.7m of termination benefits paid in connection with the cost optimization "Profit" program.

General and administrative expenses increased by 4% to PLN 46.6m as compared to PLN 44.6m in Q4 2008 and represented 12% of total revenue in both periods. The increase was mainly due to higher cost of salaries and benefits, which included PLN 0.9m of termination benefits and a PLN 2.2m increase in non-cash cost of stock options.



Adjusted EBITDA increased by 24% to PLN 71.5m from PLN 57.6m for Q4 2008. After deducting severance costs of PLN 1.6m, EBITDA was PLN 69.9m. Adjusted EBITDA margin increased to 19.0% and EBITDA margin increased to 18.6% as compared to EBITDA margin of 15.6% in the prior quarter.

Operating loss (EBIT) narrowed to PLN 3.0m as compared to operating loss of PLN 14.7m in Q4 2008.

Net financial costs totalled PLN 3.9m versus net financial income of PLN 3.9m in the previous quarter. This significant swing in net financial costs was driven by exchange losses recognised on the unhedged portion of foreign currency denominated liabilities, principally on amounts still owed to the previous owners of Tele2 Polska. During Q1 2009, Netia has actively used forward exchange contracts to hedge its future cash flow exposure for both operating expenses and capital investments. Decisions to reduce the level of hedging that subsequently proved premature contributed to the loss, as did reduced valuations of marketable securities and options received as part of the 2008 divestment of the IVT business.

Net loss of PLN 6.4m was recorded in Q1 2009 as compared to net loss of 10.1m in Q4 2008.

Key Figures

PLN'000	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Revenues from continuing activities	228,696	243,483	271,159	369,056	375,665
Revenues from IVT activities	8,744	-	-	-	-
Total revenues	237,470	243,483	271,159	369,056	375,665
y-o-y % change	*16.2%*	*18.4%*	*31.9%*	*65.9%*	*58.2%*
Adjusted EBITDA	33,800	35,436	43,829	57,576	71,530
Margin %	*14.2%*	*14.6%*	*16.2%*	*15.6%*	*19.0%*
y-o-y change %	*(38.1%)*	*(43.1%)*	*21.2%*	*225.7%*	*111.6%*
EBITDA	33,800	35,436	43,829	57,576	69,911
Margin %	*14.2%*	*14.6%*	*16.2%*	*15.6%*	*18.6%*
EBIT	(29,079)	(33,230)	(22,714)	(14,683)	(3,051)
Margin %	*(12.2%)*	*(13.6%)*	*(8.4%)*	*(4.0%)*	*(0.8%)*
Profit/(Loss) of the Netia Group *(consolidated)*	(55,294)	314,581	(18,586)	(10,096)	(6,401)
Margin %	*(23.3%)*	*129.2%*	*(6.9%)*	*(2.7%)*	*(1.7%)*
Adjusted profit/(loss) of the Netia Group (consolidated) [2]	(55,294)	(38,846)	(18,540)	(10,096)	(6,401)
Margin %	*(23.3%)*	*(16.0%)*	*(6.8%)*	*(2.7%)*	*(1.7%)*
Profit/(Loss) of Netia SA *(stand alone)*[3]	(28,569)	(37,105)	(22,438)	(85,073)	(32,707)
Cash and cash equivalents	74,242	324,017	232,736	192,685	170,796
Treasury bonds (nominal value)	-	-	-	-	20,000
Debt	179,478	-	-	-	-
Capex related payments	70,134	47,167	70,060	71,259	74,766
Investments in tangible and intangible fixed assets	35,205	52,103	66,245	93,872	69,784

EUR '000 [1]	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Revenues from continuing activities	48,645	51,791	57,677	78,501	79,907
Revenues from IVT activities	1,860	-	-	-	-
Revenues	50,512	51,791	57,677	78,501	79,907
y-o-y % change	*16.2%*	*18.4%*	*31.9%*	*65.9%*	*58.2%*
Adjusted EBITDA	7,190	7,537	9,323	12,247	15,215
Margin %	*14.2%*	*14.6%*	*16.2%*	*15.6%*	*19.0%*
y-o-y change %	*(38.1%)*	*(43.1%)*	*21.2%*	*225.7%*	*111.6%*
EBITDA	7,190	7,537	9,323	12,247	14,871
Margin %	*14.2%*	*14.6%*	*16.2%*	*15.6%*	*18.6%*
EBIT	(6,185)	(7,068)	(4,831)	(3,123)	(649)
Margin %	*(12.2%)*	*(13.6%)*	*(8.4%)*	*(4.0%)*	*(0.8%)*
Profit/(Loss) of the Netia Group *(consolidated)*	(11,761)	66,914	(3,953)	(2,147)	(1,362)
Margin %	*(23.3%)*	*129.2%*	*(6.9%)*	*(2.7%)*	*(1.7%)*
Adjusted profit/(loss) of the Netia Group (consolidated) [2]	(11,761)	(8,263)	(3,944)	(2,147)	(1,362)
Margin %	*(23.3%)*	*(16.0%)*	*(6.8%)*	*(2.7%)*	*(1.7%)*
Profit/(Loss) of Netia SA *(stand alone)* [3]	(6,077)	(7,892)	(4,773)	(18,096)	(6,957)
Cash and cash equivalents	15,792	68,921	49,505	40,985	36,330
Treasury bonds (nominal value)	-	-	-	-	4,254
Debt	38,176	-	-	-	-
Capex related payments	14,918	10,033	14,902	15,157	15,903
Investments in tangible and intangible fixed assets	7,488	11,083	14,091	19,967	14,844

1 The EUR amounts shown in this table and in the entire document have been translated using an exchange rate of PLN 4.7013 = EUR 1.00, the average rate announced by the National Bank of Poland on March 31, 2009. These figures are included for the convenience of the reader only.

2 Net result for FY 2008, Q2 and Q3 2008 excluding the impact of the gain from the disposal of P4 shares.

3 The profit of Netia SA (stand alone) is being used for purpose of calculation of the amounts available for potential cash distribution to shareholders through dividends or share buy-backs. The stand alone loss of Netia SA for 2008 does not include Tele2 Polska's result as this entity was merged into Netia SA in Q1 2009.

Key Operational Indicators

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Broadband data					
Total number of broadband ports (cumulative)	256,922	292,470	346,939	413,645	441,266
xDSL and FastEthernet over Netia's own fixe-line network	*120,209*	*132,398*	*134,311*	*171,933*	*174,874*
WiMAX Internet ports	*7,192*	*8,444*	*9,970*	*12,110*	*13,416*
Others	*1,022*	*987*	*1,136*	*841*	*757*
Netia network broadband ports	128,423	141,829	145,417	184,884	189,047
Bitstream access ports	*128,499*	*150,641*	*201,522*	*227,441*	*248,455*
LLU access ports	-	-	*213*	*1,320*	*3,764*
Total net additions	39,404	35,548	54,469	66,706	27,621
Monthly Broadband APRU (PLN)	69	66	61	60	59
Monthly Bitstream SAC (PLN)........	187	182	164	196	199
Subscriber data					
(own network and WLR)					
Subscriber lines (cumulative)	451,294	489,028	1,033,206	1,065,516	1,105,043
Traditional direct voice........	*370,418*	*368,151*	*367,547*	*364,722*	*361,963*
incl. ISDN equivalent of lines	*116,262*	*119,312*	*123,186*	*127,304*	*129,810*
incl. legacy wireless	*42,703*	*42,304*	*42,372*	*40,717*	*39,728*
Voice over IP........	*4,840*	*5,365*	*9,195*	*11,921*	*15,117*
WiMAX voice	*11,695*	*13,510*	*14,383*	*15,904*	*17,330*
Netia network subscriber voice lines	386,953	387,026	391,125	392,547	394,410
WLR	*64,341*	*102,002*	*642,081*	*672,969*	*710,633*
Total net additions	29,532	37,734	544,178	32,310	39,527
Business mix of total subscriber lines (cumulative)	45.2%	44.6%	22.7%	22.9%	22.6%
Monthly Voice ARPU in own network (PLN)	75	72	71	67	66
Monthly Voice ARPU for WLR (PLN)	32	39	46	56	51
Monthly Voice ARPU blended (PLN)	70	66	63	60	56
Indirect voice data					
CPS lines (cumulative)	25,518	22,129	204,066	176,035	150,076
Monthly Voice ARPU for CPS	141	165	125	39	40
Network data					
Backbone (km)	5,002	5,002	5,002	5,002	5,002
Other					
Headcount........	1,467	1,570	1,635	1,673	1,609

(Tables to Follow)

Income Statement (PLN in thousands unless otherwise stated)

Time periods:	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Telecommunications revenue	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*
Direct Voice	92,362	93,798	113,147	188,302	183,944
Indirect Voice	12,731	11,756	11,984	20,338	19,842
Data	80,839	87,254	95,307	110,133	122,028
Interconnection revenues	14,004	26,058	25,552	23,561	21,326
Wholesale services	19,100	16,594	17,820	18,391	20,593
Other telecommunications revenues	7,584	5,953	5,411	6,653	6,654
Total telecommunications revenue	**226,620**	**241,413**	**269,221**	**367,378**	**374,387**
Radio communications revenue	2,076	2,070	1,938	1,678	1,278
Revenue from continuing activities	**228,696**	**243,483**	**271,159**	**369,056**	**375,665**
Revenues from IVT activities	8,774	-	-	-	-
Total revenue	**237,470**	**243,483**	**271,159**	**369,056**	**375,665**
Cost of sales	(181,794)	(191,557)	(197,439)	(252,723)	(251,818)
Interconnection charges	*(50,836)*	*(52,001)*	*(56,887)*	*(58,775)*	*(55,968)*
Network operations and maintenance	*(54,462)*	*(61,458)*	*(65,676)*	*(112,629)*	*(117,482)*
Costs of goods sold	*(2,394)*	*(1,676)*	*(1,580)*	*(3,131)*	*(2,436)*
Depreciation and amortization	*(54,754)*	*(60,466)*	*(57,934)*	*(60,251)*	*(59,836)*
Salaries and benefits	*(4,906)*	*(5,055)*	*(4,581)*	*(5,026)*	*(6,323)*
Taxes, frequency fees and other expenses	(14,442)	*(10,901)*	*(10,781)*	*(12,911)*	(9,773)
Gross profit	**55,676**	**51,926**	**73,720**	**116,333**	**123,847**
Margin (%)	***23.4%***	***21.3%***	***27.2%***	***31.5%***	***33.0%***
Selling and distribution costs	(57,054)	(60,563)	(65,279)	(92,289)	(84,104)
Advertising and promotion	*(13,530)*	*(15,182)*	*(14,153)*	*(17,570)*	*(8,988)*
Third party commissions	*(7,958)*	*(7,985)*	*(9,132)*	*(11,117)*	*(13,233)*
Billing, mailing and logistics	*(4,588)*	*(4,284)*	*(6,590)*	*(13,497)*	*(14,219)*
Outsourced customer service	*(1,859)*	*(2,189)*	*(4,093)*	*(12,099)*	*(8,508)*
Impairment of receivables	*(531)*	*(1,043)*	*(1,104)*	*(1,940)*	*(2,066)*
Depreciation and amortization	*(5,329)*	*(5,563)*	*(5,132)*	*(8,472)*	*(8,846)*
Salaries and benefits	*(21,386)*	*(21,479)*	*(19,167)*	*(21,729)*	*(24,066)*
Other costs	*(1,873)*	*(2,838)*	*(5,908)*	*(5,865)*	*(4,178)*
General and administration costs	(34,557)	(32,661)	(34,432)	(44,620)	(46,585)
Professional services	*(2,548)*	*(1,306)*	*(2,214)*	*(2,386)*	*(2,486)*
Electronic data processing	*(1,899)*	*(2,188)*	*(2,262)*	*(3,041)*	*(4,607)*
Office and car maintenance	*(2,371)*	*(2,075)*	*(4,187)*	*(3,697)*	*(5,222)*
Depreciation and amortization	*(2,796)*	*(2,637)*	*(3,477)*	*(3,536)*	*(4,280)*
Salaries and benefits	*(19,422)*	*(19,196)*	*(16,373)*	*(19,220)*	*(23,278)*
Other costs	*(5,521)*	*(5,259)*	*(5,919)*	*(12,740)*	*(6,712)*
Other income	2,363	1,207	2,520	5,509	2,943
Other expense	(20)	(31)	(22)	(374)	(100)
Other gains/ (losses), net	4,513	6,892	779	758	948
EBIT	**(29,079)**	**(33,230)**	**(22,714)**	**(14,683)**	**(3,051)**
Margin (%)	***(12.2%)***	***(13.6%)***	***(8.4%)***	***(4.0%)***	***(0.8%)***
Finance income	633	4,085	3,696	2,275	2,104
Finance cost	(2,334)	(9,707)	592	1,590	(5,987)
Gain on sale of investment in P4	-	353,427	(46)	-	-
Share of losses of associates	(22,625)	-	-	-	-
Profit / (Loss) before tax	**(53,405)**	**314,575**	**(18,472)**	**(10,818)**	**(6,934)**
Tax benefit / (charge)	(1,889)	6	(114)	722	533
Profit / (Loss)	**(55,294)**	**314,581**	**(18,586)**	**(10,096)**	**(6,401)**
Cash flow hedges	-	-	(284)	-	3,139
Income tax relating to components of other comprehensive income	-	-	-	-	(562)
Other comprehensive Income / (Loss)	-	-	**(284)**	-	**2,577**
Total comprehensive Income / (Loss)	**(55,294)**	**314,581**	**(18,870)**	**(10,096)**	**(3,824)**
Attributable to:					
Equity holders of the Company	(55,294)	314,581	(18,870)	(10,096)	(3,824)
Minority interest	-	-	-	-	-

EBITDA Reconciliation to Loss

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008 *unaudited*	Q2 2008 *unaudited*	Q3 2008 *unaudited*	Q4 2008 *unaudited*	Q1 2009 *unaudited*
Operating loss	**(29,079)**	**(33,230)**	**(22,714)**	**(14,683)**	**(3,051)**
Add back:					
Depreciation and amortization	62,879	68,666	66,543	72,259	72,962
EBITDA	**33,800**	**35,436**	**43,829**	**57,576**	**69,911**
Add back:					
Project Profit restructuring costs	-	-	-	-	1,619
Adjusted EBITDA	**33,800**	**35,436**	**43,829**	**57,576**	**71,530**
Margin (%)	***14.2%***	***14.6%***	***16.2%***	***15.6%***	***19.0%***

Note to Other Income

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008 *unaudited*	Q2 2008 *unaudited*	Q3 2008 *unaudited*	Q4 2008 *unaudited*	Q1 2009 *unaudited*
Reminder fees and penalties	-	-	1,539	2,352	2,279
Forgiveness of liabilities	-	-	-	210	149
Sale of services to P4	407	255	181	61	-
Financial guarantee contract relating to P4	435	-	-	-	-
Reversal of impairment charges and provisions	184	-	-	1,000	-
Other operating income	1,337	952	800	1,886	515
Total	**2,363**	**1,207**	**2,520**	**5,509**	**2,943**

Note to Other Expense

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008 *unaudited*	Q2 2008 *unaudited*	Q3 2008 *unaudited*	Q4 2008 *unaudited*	Q1 2009 *unaudited*
Impairment charges for specific individual assets	(20)	(31)	(22)	(374)	(100)
Total	**(20)**	**(31)**	**(22)**	**(374)**	**(100)**

Note to Other Gains / (losses), net

(PLN in thousands unless otherwise stated)

Time periods:	Q1 2008 *unaudited*	Q2 2008 *unaudited*	Q3 2008 *unaudited*	Q4 2008 *unaudited*	Q1 2009 *unaudited*
Gain on sale of impaired receivables	-	701	499	4	350
Gain on disposal of fixed assets	(220)	6,434	134	98	10
Gain on disposal of a group of assets comprising Premium Internet's IVT activities	5,093	-	-	-	-
Gain on sale of investments	-	-	-	9	-
Net foreign exchange gains / (losses)	(360)	(243)	146	647	588
Total	**4,513**	**6,892**	**779**	**758**	**948**

Balance Sheet (PLN in thousands unless otherwise stated)

Time Periods	December 31, 2008 *audited*	March 31, 2009 *unaudited*
Property, plant and equipment, net	1,415,994	1,424,295
Intangible assets	411,298	399,492
Investment property	36,133	35,995
Deferred income tax assets	564	138
Available for sale financial assets	10	10
Long-term receivables	6,623	6,623
Prepaid expenses and accrued income	16,867	14,787
Total non-current assets	**1,887,489**	**1,881,340**
Inventories	5,060	4,885
Trade and other receivables	169,627	154,613
Current income tax receivables	201	275
Prepaid expenses and accrued income	18,294	20,407
Derivative financial instruments	-	4,228
Financial assets at fair value through profit and loss	5,905	5,001
Held to maturity investments	-	19,775
Restricted cash	2,712	2,634
Cash and cash equivalents	192,685	170,796
	394,484	**382,614**
Non-current assets classified as held for sale	513	513
Total current assets	**394,997**	**383,127**
TOTAL ASSETS	**2,282,486**	**2,264,467**
Share capital	389,277	389,277
Share premium	1,556,489	1,556,489
Retained earnings	(41,245)	(47,646)
Other components of equity	23,960	29,779
TOTAL EQUITY	**1,928,481**	**1,927,899**
Provisions	7,537	8,005
Deferred income	7,779	7,656
Deferred income tax liabilities	9,121	8,421
Other long-term liabilities	2,898	9,740
Total non-current liabilities	**27,335**	**33,822**
Trade and other payables	296,390	267,050
Derivative financial instruments	-	3,673
Financial liabilities at fair value through profit and loss	304	164
Current income tax liabilities	53	29
Provisions	7,545	7,327
Deferred income	22,378	24,503
Total current liabilities	**326,670**	**302,746**
Total liabilities	**354,005**	**336,578**
TOTAL EQUITY AND LIABILITIES	**2,282,486**	**2,264,467**

Cash Flow Statement (PLN in thousands unless otherwise stated)

Time periods:	Q1 2008 *unaudited*	Q2 2008 *unaudited*	Q3 2008 *unaudited*	Q4 2008 *unaudited*	Q1 2009 *unaudited*
Profit / (Loss)	**(55,294)**	**314,581**	**(18,586)**	**(10,096)**	**(6,401)**
Depreciation and amortization	62,879	68,666	66,543	72,259	72,962
Impairment charges for specific individual assets	20	31	22	374	100
Share of losses of former associates	22,625	-	-	-	-
Deferred income tax charge / (benefit)	1,762	(136)	(5)	(775)	(835)
Interest expense charged on bank loans	2,132	4,908	-	627	-
Other interest charged	96	101	104	628	855
Financial guarantee contract	(435)	-	-	-	-
Interest accrued on loans granted	(8)	(6)	(6)	(4)	(3)
Share-based compensation	4,624	2,599	1,089	1,256	3,242
Fair value (gains)/losses on financial assets/liabilities	(78)	(219)	(84)	214	765
Fair value (gains)losses on derivative financial instruments	-	-	-	-	1,954
Foreign exchange (gains) / losses	(91)	3,754	(1,023)	(2,956)	1,793
Gain on disposal of fixed assets	400	(6,390)	-	242	56
Gain on sale of a former associate (P4)	-	(353,427)	46	(9)	-
Gain on disposal of group of assets	(5,093)	-	-	-	-
Changes in working capital	(18,195)	(3,509)	12,087	(1,934)	1,773
Net cash provided by operating activities	**15,344**	**30,953**	**60,187**	**59,826**	**76,261**
Purchase of fixed assets and computer software	(70,134)	(47,167)	(70,060)	(71,259)	(74,766)
Proceeds from sale of non-core assets	28	7,659	555	609	181
Proceeds from sale of group of assets	4,000	2,000	-	-	2,000
Investment in former associate	(8,124)	-	-	-	-
Proceeds from sale of Netia's investment in P4	-	453,770	-	-	-
Purchase of subsidiaries, net of received cash	(7,848)	(8,222)	(82,638)	(34,268)	(6,963)
Sale of investments	-	-	-	25	-
Purchase of treasury bonds	-	-	-	-	(19,762)
Loan and interest repayments	253	70	69	70	69
Net cash (used in)/provided by investing activities	**(81,825)**	**408,110**	**(152,074)**	**(104,823)**	**(99,241)**
Finance lease payments	(475)	(716)	(532)	(427)	(484)
Proceeds from borrowings	85,000	-	-	25,000	-
Loan repayments	-	(180,006)	(190)	(25,306)	-
Interest repayments	(1,585)	(4,229)	-	(166)	-
Net cash (used in)/provided by financing activities	**82,940**	**(184,951)**	**(722)**	**(899)**	**(484)**
Net change in cash and cash equivalents	**16,459**	**254,112**	**(92,609)**	**(45,896)**	**(23,464)**
Effect of exchange rate change on cash and cash equivalents	86	(4,337)	1,328	5,845	1,575
Cash and cash equivalents at the beginning of the period	57,697	74,242	324,017	232,736	192,685
Cash and cash equivalents at the end of the period	**74,242**	**324,017**	**232,736**	**192,685**	**170,796**

Definitions

Backbone	–	a telecommunications network designed to carry the telecommunications traffic between the main junctions of the network;
Bitstream access	–	A type of regulatory broadband access enabling provision of broadband service by an altnet to customers connected by a copper line owned by TPSA. The altnet connects to the TPSA data network and may only offer services identical to those of TPSA, paying TPSA on a retail minus basis for use of the TPSA network.
Bitstream SAC	–	a cost per unit related to the acquisition of new customers through a bitstream access, including a one-time payment to TP (the incumbent), the third-party commissions, postal services and the cost of modems sold;
Broadband ARPU	–	average monthly revenue per broadband port during the period; Broadband ARPU is obtained by dividing the amount of monthly revenues from data services related to provisioning fixed Internet access by the average number of broadband ports, in each case for the referenced three-month period; Where significant promotional discounts are given at the beginning of contracts, revenues are averaged over the life of the contract.
Broadband port	–	a broadband port which is active at the end of a given period;
Cash	–	cash and cash equivalents at the end of period;
Cost of network operations and maintenance	–	cost of rentals of lines and telecommunications equipment, as well as maintenance, services and related expenses necessary to operate our network;
Data revenues	–	revenues from provisioning Frame Relay (including IP VPN- virtual private network services), lease of lines (including leased lines for carriers), Internet fixed-access services (provided, among others, through bitsteam and WiMAX types of access) and IP Transit;
Direct voice revenues	–	telecommunications revenues from voice services offered by Netia to its subscribers (through various types of access, including, among others, WiMAX). Direct voice services include the following traffic fractions: local calls, domestic long-distance (DLD) calls, international long distance (ILD) calls, fixed-to-mobile calls and other services (incl. Internet dial-in, emergency calls and 0-80x/0-70x -type calls originated by Netia's subscribers);
DSLAM	–	Technical infrastructure that splits data from voice traffic over a copper line and is deployed in the local network of a telecommunications operator to provide ADSL services to customers connected to a given local network node.
EBITDA / Adjusted EBITDA	–	to supplement the reporting of our consolidated financial information under IFRS, we will continue to present certain financial measures, including EBITDA. We define EBITDA as profit/(loss) as measured by IFRS, adjusted for depreciation and amortization, financial income and expense, income taxes and results of investments in associates. EBITDA has been further adjusted for one-off restructuring expenses related to the cost reduction program (the "Profit" project) and is therefore defined as Adjusted EBITDA. We believe EBITDA and related measures of cash flow from operating activities serve as useful supplementary financial indicators in measuring the operating performance of telecommunication companies. EBITDA is not

an IFRS measure and should not be considered as an alternative to IFRS measures of profit/(loss) or as an indicator of operating performance or as a measure of cash flows from operations under IFRS or as an indicator of liquidity. The presentation of EBITDA, however, enables investors to focus on period-over-period operating performance, without the impact of non-operational or non-recurring items. It is also among the primary indicators we use in planning and operating the business. You should note that EBITDA is not a uniform or standardized measure and the calculation of EBITDA, accordingly, may vary significantly from company to company, and by itself provides no grounds for comparison with other companies;

Headcount – full time employment equivalents;

Indirect voice revenues – telecommunications revenues from the services offered through Netia's prefix (1055) or Tele2 Polska's prefix (1061) to customers being subscribers of other operators. Indirect access services include the following traffic fractions: domestic long-distance (DLD) calls, international long distance (ILD) calls and fixed-to-mobile calls;

Interconnection charges – payments made by Netia to other operators for origination, termination or transfer of traffic using other operators' networks;

Interconnection revenues – payments made by other operators to Netia for origination, termination or transfer of traffic using Netia's network, netted against the cost of traffic termination;

Local Loop Unbundling (LLU) – A type of regulatory broadband access enabling provision of broadband service by an altnet to customers connected by a copper line owned by TPSA. The altnet installs DSLAM equipment at a TPSA local network node and connects it to its own backbone network. The altnet may offer broadband and voice service to any customer connected by TPSA copper line to the given node. The alnet can offer an unrestricted range of services and pays TPSA space rental and monthly fees per customer line used.

Professional services – costs of legal, financial and other services (excluding insurance and taxes and fees, which are presented separately) provided to Netia by third parties;

Other telecommunications services revenues – revenues from provisioning Internet dial-in services for Netia's indirect customers (based on a call-back principle and an access number (0-20)); revenues from provisioning free-phone, split-charge and premium rate services (i.e., 0-800, 0-801 and 0-70x type services), netted against the cost of revenue sharing; as well as other non-core revenues;

Radiocommunications revenue – revenues from radio-trunking services provided by Netia's subsidiary, UNI-Net Sp. z o.o.;

Subscriber line – a connected line which became activated and generated revenue at the end of the period;

Voice ARPU – average monthly revenue per direct voice line during the period; ARPU is obtained by dividing the amount of monthly revenues from direct voice services (excluding installation fees) by the average number of subscriber lines, in each case for the referenced three-month period;

Wholesale Line Rental (WLR) – A type of regulatory voice access enabling provision of voice service by an altnet to customers connected by a copper line owned by TPSA. The altnet connects to the TPSA voice network and charges the customer for both line rental and calls made. TPSA receives a payment for line rental plus call origination fees and keeps all interconnection revenues from incoming calls.

Wholesale services – revenues from providing commercial network services such as voice termination, incoming Voice over Internet Protocol (VoIP), telehousing and collocation as well as backbone-based services.

Netia management will hold a conference call to review the results on May 7, 2009 at 08:00 AM (UK) / 9:00 AM (Continent) / 03:00 AM (Eastern). To register for the call and obtain dial in numbers please contact Emilia Whitbread at Taylor Rafferty London on +44 (0) 20 7614 2900 or Jessica McCormick at Taylor Rafferty New York on +1 212 889 4350.

Some of the information contained in this news release 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. Netia undertakes no obligation to publicly update or revise any forward-looking statements.

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