



Netia 3QYTD 2007

Financial Results

Press Conference – November 14, 2007



2007 Guidance

NETIA <i>(PLN'M unless otherwise stated)</i>	3QYTD 2007 <i>Actual</i>	2007 <i>Guidance previous</i>	2007 <i>Guidance updated</i>
Broadband subscribers ('000)	171	>> 200	> 210
Voice service customers (own network + WLR)	394	> 420	415 - 420
Revenues	616	835 – 850	835 – 850
EBITDA/Adjusted EBITDA <i>including</i> BSA, WLR, LLU access start-up losses	153	160	165
Investment outlays	153	up to 275	230-240
PLAY mobile customers ('000)	435	> 750	> 750



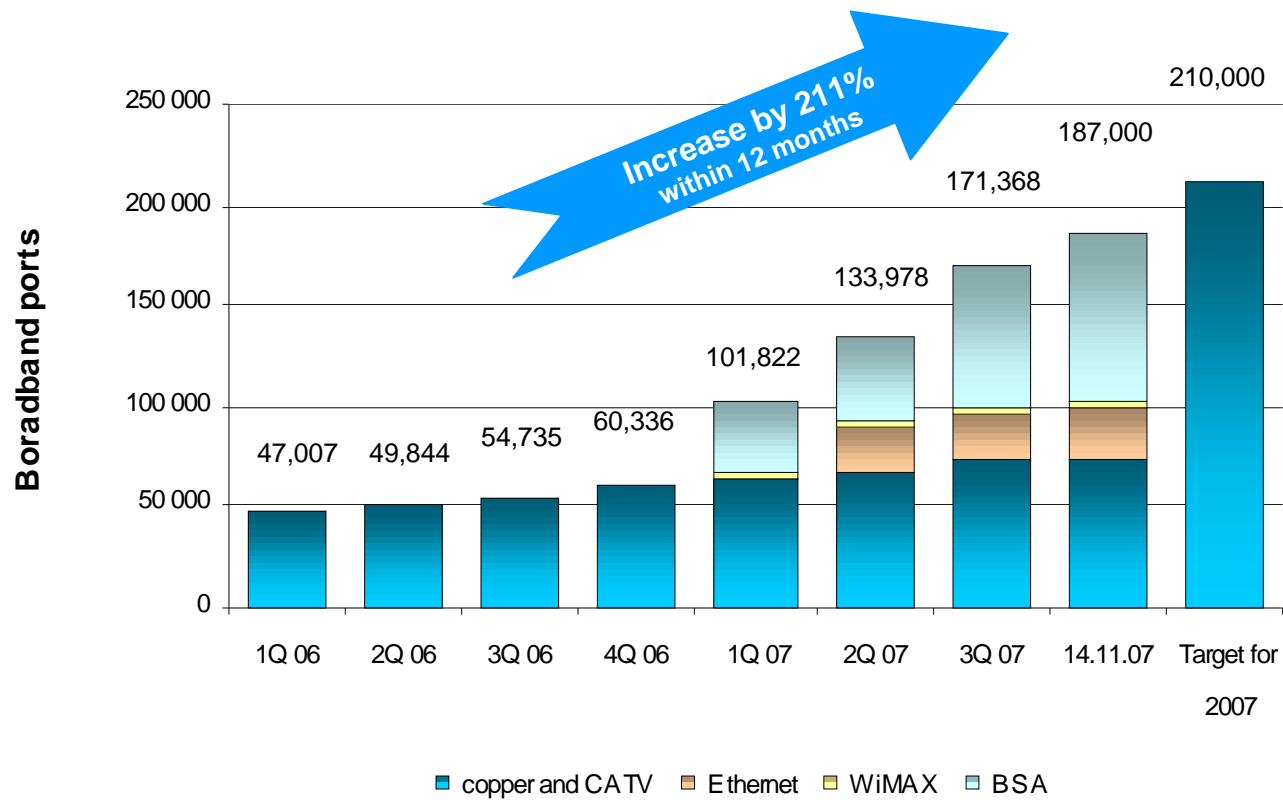


Netia's broadband customer base expands dynamically

- > During Q3 2007 Netia grew its broadband customer base by 28% to 171K:
 - 'Internet – A Year for Free' promotion
 - Promotion of bundled Internet & voice packages

- > Key drivers behind increasing momentum in organic growth
 - Netia's bitstream reach over TP network is 100% since September 2007
 - Impact of national advertising campaigns in Q1 and Q3 2007: prompted brand awareness up from 49% to 54%, spontaneous from 23% to 31% (TSN OBOP, TSN TELECOMS INDEX)
 - Improving the conversion rate of signed BSA contracts into activated services
 - Significant share of Play Germanos chain of stores in the sale of Netia services
 - Acquisition of 4 Ethernet companies adding 24 K broadband customers and further acquisitions possible this year

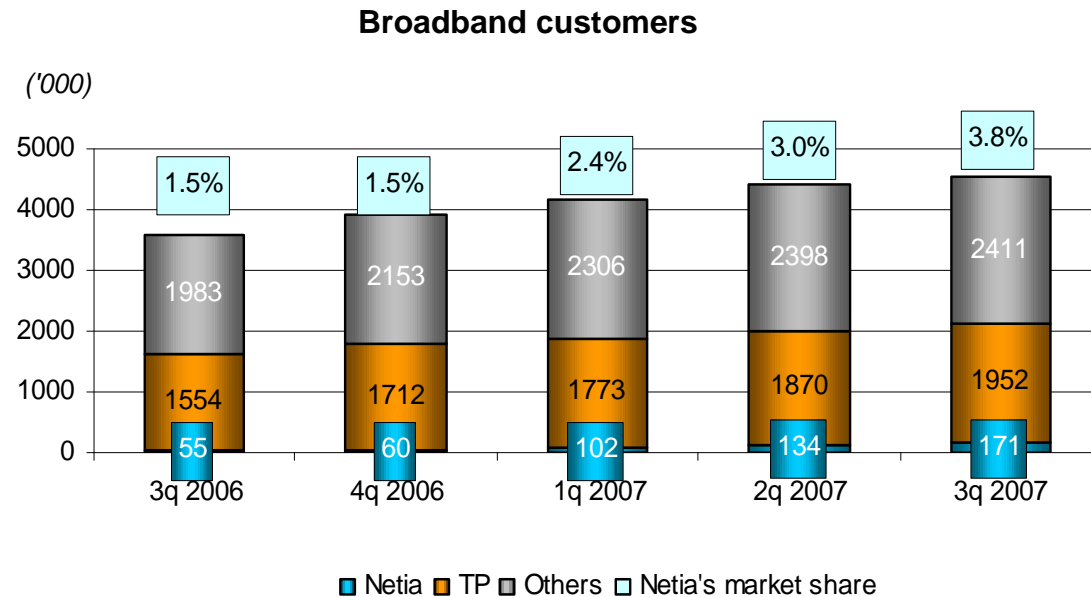
Netia builds momentum in its broadband expansion



Source: Netia, TP



... and continuously increases its share in broadband services market

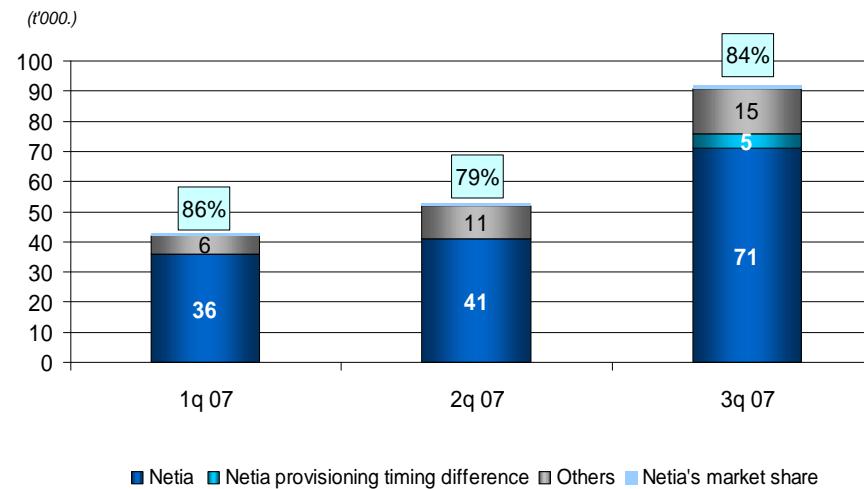


- Netia's share of broadband net adds amounted to 18% for 3QYTD 2007
- Netia's share in the total number of broadband customers increased to 3.8% in Q3 2007 from 1.5% in Q3 2006

Source: Netia, TP

Netia is the clear leader on the Polish bitstream market

Bitstream customers



- Netia serves 84% of all bitstream customers
- Significant improvement in customer care standards since the first bitstream offer launch in January 2007 (current average activation time is 20 days)
- Demand for payment from TP for contractual penalties for delays in BSA customer activation totalling PLN 4.4 mln

Source: Netia, TP



Innovative 'double play' offer

- First bundled offer on the market (voice service + Internet) „Surf and talk” launched in August 2007
- Revolutionary Christmas promotion „600PLN cash” launched on November 5 (valid through December 31, 2007)
- Number of WLR contracts signed as at November 14, 2007 exceeded 13K
- Netia expects that the total voice lines (within Netia's own network and WLR) will amount to 415 – 420 K by 2007 yearend

„600 PLN cash” promotion campaign



Benefits for Netia's customers already at the service activation

- Internet or telephone, also for TP customers
- Up to 600 PLN cash for a customer at the service activation
- 14% monthly saving compared to TP offer
- Safe Internet – highest level of customer's pc protection
- mynet.pl – personal Internet portal

Objective of the campaign:

- Fast increase in the number of customers
- Attractive offer in exchange for customers loyalty – long term agreements
- High quality services promoted (bundles, 1 Mbit/s, 2 Mbit/s)

„Surf and Talk” promotion campaign



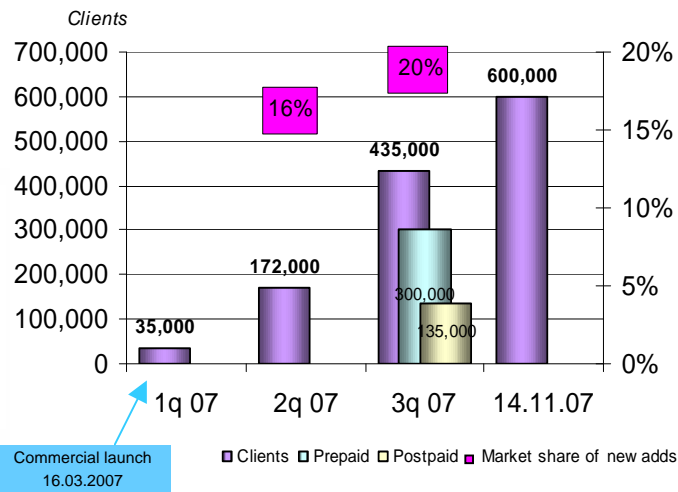


Works on local loop unbundling in line with initial schedule

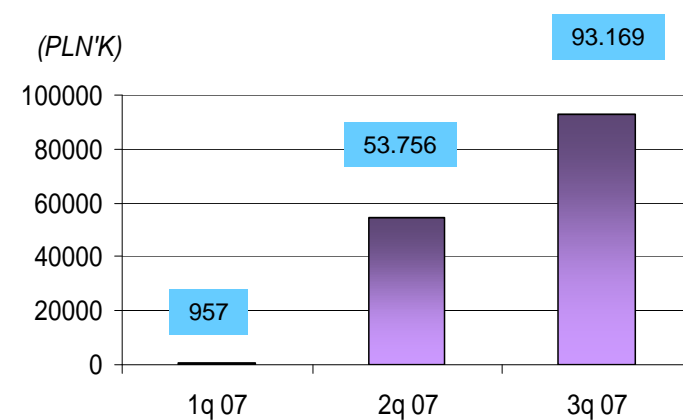
- Netia was the first Polish telnet to reach a local loop unbundling (LLU) agreement with TP
- The first node was unbundled on November 13, 2007 (Kaliska street, Warsaw) – access to 15.500 TP customers
- Selection of TP's nodes targeted by Netia for unbundling made based on geo-marketing surveys
 - Over 500 TP nodes targeted for unbundling
 - 50% coverage of TP's network
- Significant number of orders for unbundling selected nodes sent to TP
- Procurement of DSLAM equipment to be installed by Netia in TP locations ongoing
- First LLU clients will be activated in 2007, commercially the service to be launched in Q1 2008
- Future migration of BSA/WLR clients to LLU profile
 - further increase in customer value (up-selling of content and convergent products)

Faster and faster development of PLAY, first urban UMTS networks active

Customers



Revenues



- > 232 base stations operational in 6 cities at Sept. 30, 2007
- > ARPUs above market average
- > 400 postpaid points of sale and 40,000 prepaid distribution points
- > Play Germanos stores also selling Netia's residential offer

Regulatory Issues

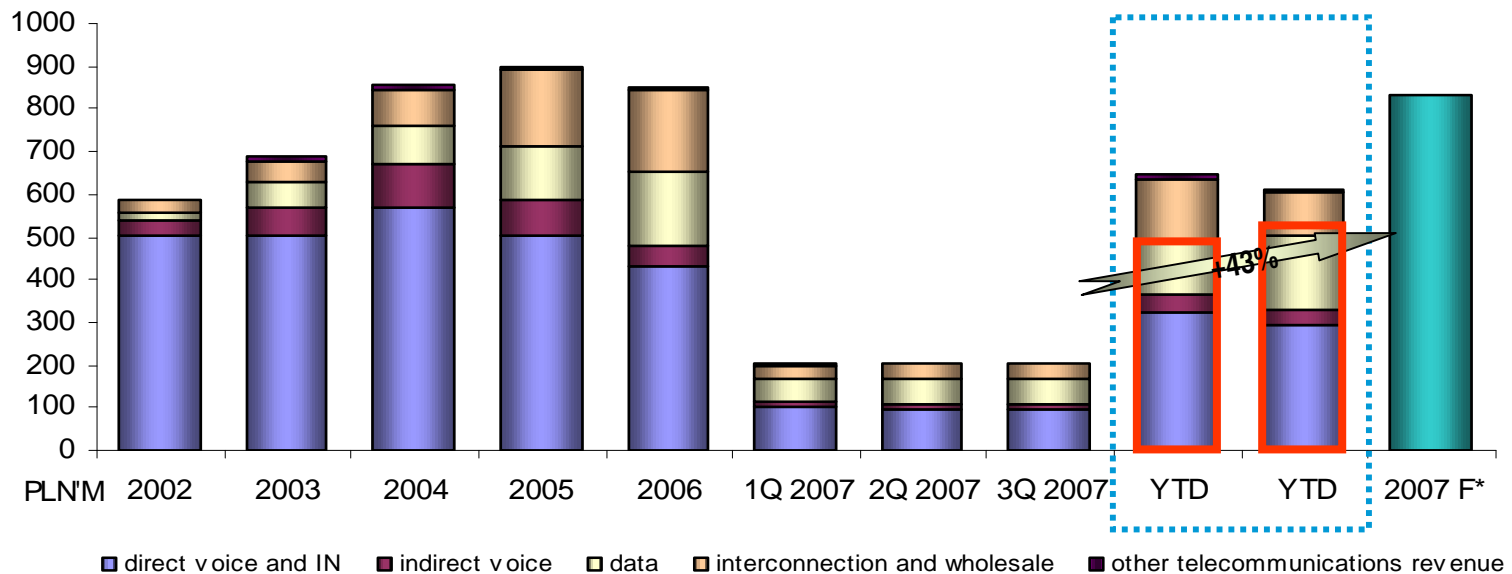
- New interconnect agreement with TP effective as of September 30, 2007 will allow for higher profitability than budgeted (asymmetric rates)
- Fee to TP for BSA services with 51% discount from TP's standard and promotional retail price
- Rejection by UKE of the results of TP cost calculation – maintaining rates of framework offers

Targets completion

(from the press conference presenting Q2 results 2007 dated August 13, 2007)

Target	Current status
Services based on WLR and bundles of voice and Internet services for TP customers	<ul style="list-style-type: none">✓ Launched on August 20, 2007✓ Revolutionary Christmas promotion offered as of November 5 (valid through the end of the year)
Change of settlement principles with TP as of September 2007 will increase profitability – asymmetric interconnect rates	<ul style="list-style-type: none">✓ Under execution
At least 2 broadband services promotion campaigns till the end of the year	<ul style="list-style-type: none">✓ „Surf and talk” promotion campaign (20.08-05.11.07)✓ „600 PLN cash” promotion campaign (05.11-31.12.07)
Unbundling first nodes of local loop till the end of 2007	<ul style="list-style-type: none">✓ Pilot project under execution✓ Commercial launch planned for Q1 2008

Top-line development by product



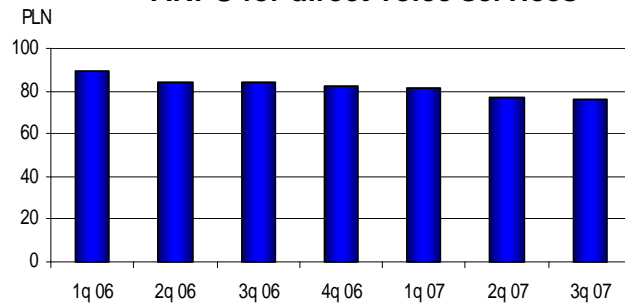
- > Data revenues for 3QYTD 2007 grew to PLN 172.2m for a 43% year-on-year increase and an 8% sequential increase, more than offsetting the decline in voice revenues
- > Data, direct voice and indirect voice combined revenues for 3QYTD 2007 grew by 4% over the comparable period of 2006 to PLN 496.2m
- > Overall revenue performance negatively impacted by declining wholesale and interconnection revenues (revenues for 3QYTD 2007 decreased by 6% year-on-year to PLN 615.7m)
- > Continued expansion of the broadband base, the addition of WLR services and commencement of meaningful revenues from P4 transmission services contract are expected to accelerate Netia's revenue growth over coming quarters

* Guidance for 2007: PLN835-850 mln

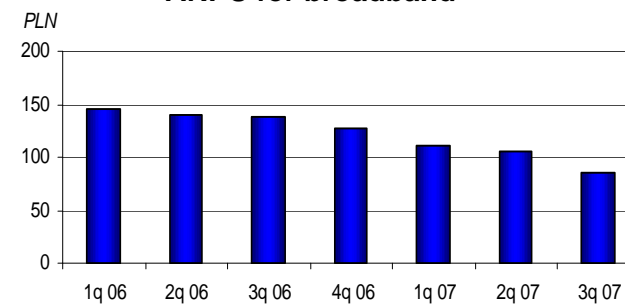


Key Performance Indicators compliant to guidelines

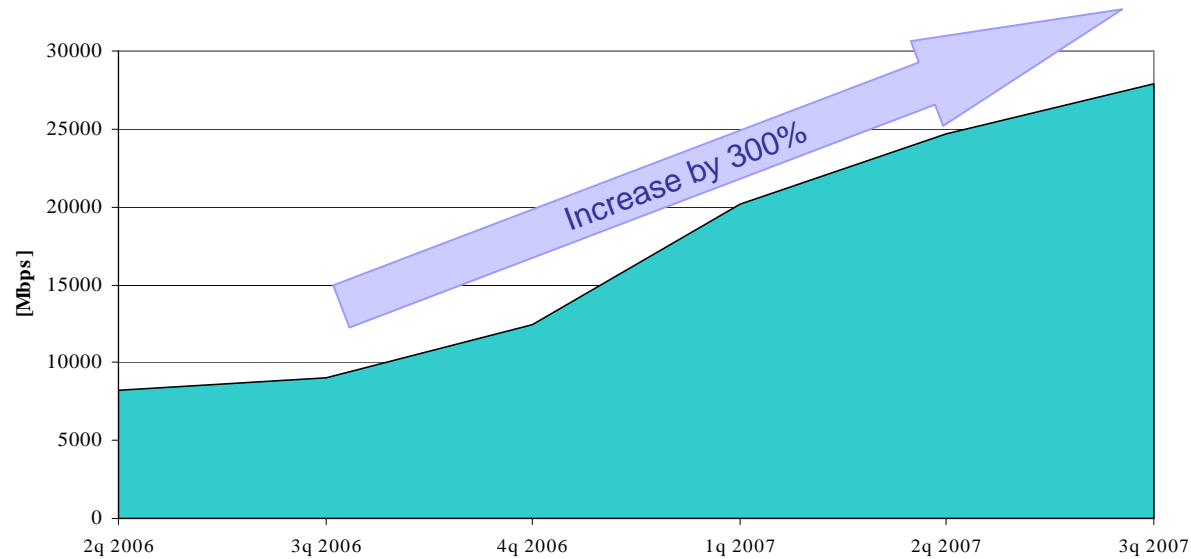
ARPU for direct voice services



ARPU for broadband



Increase of IP traffic in Netia's backbone network



Financial Performance

Stabilised revenues

(PLN'M)

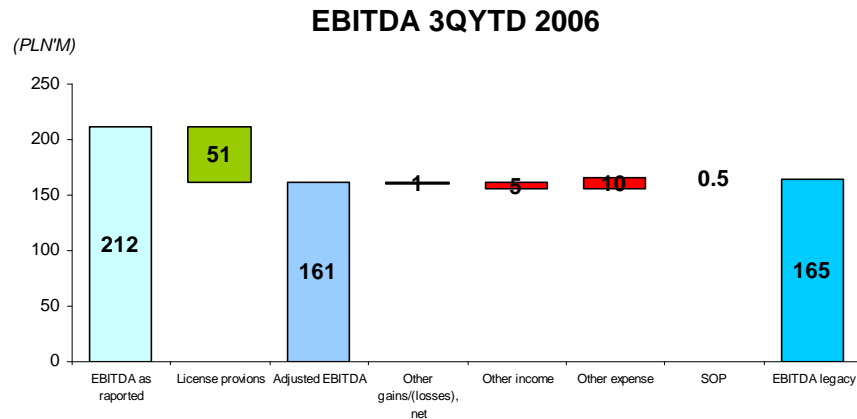
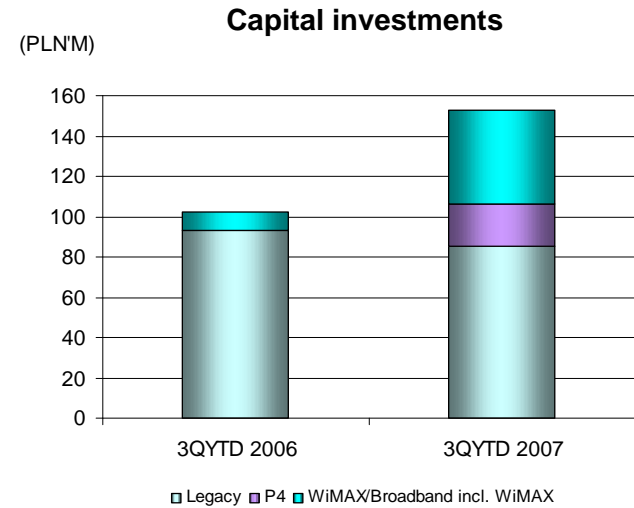
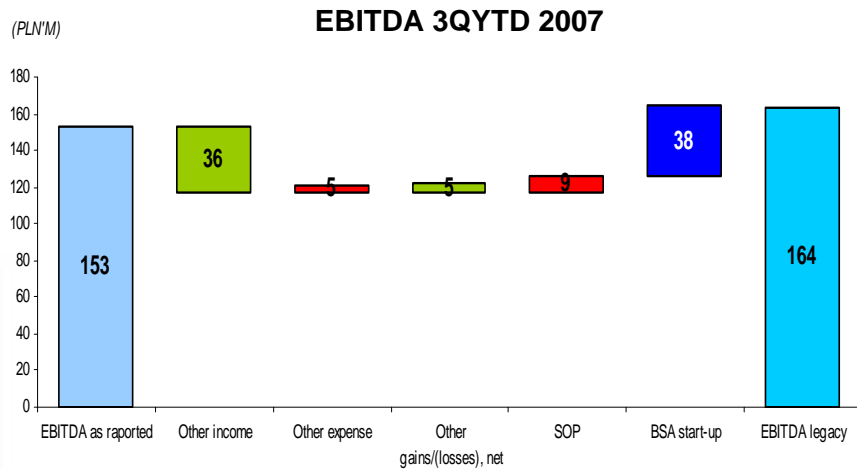
	2007			2006			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Revenues	205,559	205,580	204,392	209.718	230.537	203.422	218.380
% change (y-o-y)	(10.8%)	1.1%	(6.4%)	(11.7%)	(0.1%)	(9.2%)	0.8%
EBITDA / Adjusted EBITDA* Margin	36,160 17.6%	62,236 30.3%	54,609 26.7%	60,552* 28.9%*	53,994* 23.4%*	48,009* 23.6%*	58,759 26.9%
EBIT/Pro Forma EBIT*	(35,714)	(8,249)	(14,910)	(9,827)*	(15,583)*	(19,928)*	(5,843)
Share of P4 start-up losses	(43,733)	(42,994)	(25,618)	(15,735)	(7,262)	(4,650)	(3,007)
PAT/Pro Forma PAT *	(80,543)	(51,010)	(37,802)	(31,494)*	(22,919)*	(23,101)*	(10,638)
Total assets	2,016,734	2,092,063	2,093,132	2,155,359	2,528,943	2,527,046	2,588,619
Net cash	43,416	98,861	152,129	143,586	107,783	136,008	228,957
Available credit lines	295,000	295,000	100,000	200,000	--	--	--



Capital investments 2007 vs 2006

<i>PLN'M</i>	3Q YTD 2006	3Q YTD 2007	2006	2007 <i>guidance</i>
Existing network and IT	93	85	150	125-130
P4 Transmission	-	21	-	35
Broadband	9	47	24	70-75
- <i>Including WiMax</i>	9	22	21	27
Total	102	153	174	230-240

Stable cash flows from legacy products and services



- > EBITDA from legacy products and services stable
- > Capex investment on legacy services falling year-to-date



Thank you for attention

