Resolution
of the Supervisory Board
of Netia SA
dated April 26, 2010

regarding the approval of “The Report of the Supervisory Board of Netia S.A. for the financial year 2009”

The Supervisory Board of Netia S.A. (the “Company”) hereby approves “The Report of the Supervisory Board of Netia S.A. for the financial year 2009” to be presented to the Ordinary General Shareholders’ Meeting of Netia S.A.

“THE REPORT OF THE SUPERVISORY BOARD
OF
“NETIA” S.A.
FOR THE FINANCIAL YEAR 2009

I. Review and assessment of the work of the Supervisory Board

In the financial year ended December 31, 2009, the Supervisory Board maintained permanent general supervision over the business activities of Netia S.A. Pursuant to §17 of the Company’s Statutes, the Supervisory Board held its meetings on a regular basis and took care of all the issues which, according to the binding law and the Company’s Statutes, are within its competence. The Supervisory Board, within its activities, supported the Management Board in achieving the Company’s goals set for the year 2009, reviewed the Management Board’s motions regarding issues which, according to the Company’s Statutes, required a consent of the Supervisory Board, and also acquainted itself with other issues presented by the Management Board. In addition, on the grounds of § 13.2 of the Company’s Statute, as well as “Code of Best Practices for WSE Listed Companies”, the Supervisory Board gave opinions concerning the resolutions of the General Shareholders’ Meetings which were proposed by the Management Board.

With respect to its activities the Supervisory Board was guided by the Company’s interest. In case of any conflict of interest which arose or may have arisen, the members of the Supervisory Board who were addressed by such situation, neither participated in Supervisory Board discussions nor voted on the adoption of a resolution which gave rise to such conflict of interest. All persons who were members of the Supervisory Board in 2009 had an appropriate knowledge and experience necessary to hold such function.

In the financial year 2009 the Supervisory Board held 7 meetings on the following dates: March 9th, May 4th, June 9th, August 4th, October 5th, November 9th and December 17th.

Since September 23rd, 2008 when the change of § 15.1. of the Company’s Statutes was registered, the Supervisory Board may consist of up to nine members.
As on the end of 2009 financial year the Supervisory Board consists of: Benjamin Duster – Chairperson, George Karaplis – Vice-Chairperson, Stan Abbeloos, Raimondo Eggink, Nicolas Maguin, Ewa Pawluczuk, Tadeusz Radzimiński, Jerome de Vitry and Piotr Żochowski. Except for Piotr Żochowski all members of the Supervisory Board are independent members as defined in §15.3 of the Company’s Statutes. During 2009 the following changes in the composition of the Supervisory Board took place: Pantelis Tzortzakis resigned on 9 March, Constantine Gonticas and Marek Gul resigned on 26 March effective as of 9 April, Piotr Czapski and Bruce McInroy resigned on 30 March effective as of 9 April, Kazimierz Marcinkiewicz resigned on 1 April effective as of 9 April. Stan Abbeloos, Benjamin Duster, George Karaplis, Nicolas Maguin, Ewa Pawluczuk and Piotr Żochowski were appointed to the Supervisory Board on 9 April. The Chairperson and the Vice-Chairperson of the Supervisory Board are elected by the Supervisory Board from amongst the members of the Supervisory Board.

The meetings of the Supervisory Board in 2009 were held with an average attendance of eight members. Details of which Supervisory Board Members were in attendance at each Supervisory Board meeting as well as details of compensation and shareholdings of each Supervisory Board member are published on the Company’s IR website in the “Corporate governance” section.

In 2009 the Supervisory Board was performing its duties in an appropriate way, holding the meetings with a frequency sufficient to deal with all issues which were within its competencies. Both the composition of the Supervisory Board, as well as the knowledge and experience of its individual members, ensured a proper and efficient functioning of the Supervisory Board and content-related supervision over the Company’s business.

The annual report referring to the execution of the Rules of Remunerating the Supervisory Board Members is published on the Company’s IR website in the “Corporate governance” section.

II. Functioning and work of the Committees of the Supervisory Board

Two committees, with the following membership on the end of 2009, have been acting within the Supervisory Board since April 5th, 2006: Audit Committee consisting of Raimondo Eggink, the Chairperson of this Committee, Tadeusz Radzimiński and Piotr Żochowski, as well as the Nomination and Remuneration Committee consisting of Jerome de Vitry holding the position of the Chairperson, Raimondo Eggink, Ewa Pawluczuk and Piotr Żochowski.

In 2009 the Supervisory Board established another standing committee – Capital Investment Committee consisting of George Karaplis - the Chairperson of this Committee, Stan Abbeloos, Nicolas Maguin and Jerome de Vitry.

The Audit Committee met on a regular basis and advised the Supervisory Board on the topics of budget and financial reporting, the Company’s and its Capital Group internal audit, as well as proceeded with the overall and comprehensive review of the Company’s annual and periodic financial statements, both unconsolidated and consolidated, analyzed the Company’s external auditor’s letters to the Management Board, monitored the
integrity of the financial information provided by the Company, monitored external and internal auditors of the Company, as well as cooperated with the Company’s departments responsible for audit and checking, reviewed internal control and risk management systems. In addition, during 2009 the Audit Committee supervised the tender for the Group’s external auditor, which resulted in material reduction of the cost of these services.

The Nomination and Remuneration Committee advised the Supervisory Board on the shape of the Company’s management structure, including issues on remuneration policy and selection of personnel matching the qualifications necessary to build the Company’s success, particularly regarding the Management Board members. In this regard, the recruitment of a Chief Commercial Officer and the selection of Mr. Grzegorz Esz for this position was overseen by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee was also responsible for the review and recommendation of rules for the incentive scheme for Management Board members in compliance with the Company’s strategy and interest.

The Capital Investment Committee met to establish key drivers of capital investment spendings within the Netia group and reviewed Management’s proposals for the 2010 annual capital investment budget, recommending it to the Supervisory Board.

III. Brief Review of the Company’s Standing

Strategy

Netia’s current medium term operational strategy was announced in April 2007 and covers the period from 2007 to 2012. This strategy targets broadband leadership amongst alternative operators with a target of acquiring one million broadband subscribers and aims to take advantage of the growth opportunities offered by changes made to market regulations that enable competition for the incumbent’s retail customers via regulated network access to the incumbent’s local loop.

During 2009, the Supervisory Board was active in considering several aspects of the Company’s operational strategy and the impact of the economic and market environment upon that strategy. In particular, the Supervisory Board considered:

i) the ongoing validity of the current operational strategy and the results of the annual update of the Company’s long term business plan, concluding that the operational strategy remains valid.

ii) the impact of the worsening economic environment. In particular the Supervisory Board worked with Management to ensure cash preservation in the first months of 2009 faced with uncertainty over the depth of length of the economic downturn. As it became clear that the impact on Netia was relatively mild, the Supervisory Board supported a return to faster growth whilst remaining cash generative in the second half of the year.

iii) the Company’s options to provide video on demand and broadcast television services to its customers.
iv) the decision to sell to P4 the dedicated transmission network built to provide wholesale data services to P4 for a price of PLN 65.4m, whilst simultaneously improving the terms and conditions of supplying a reduced scope of transmission services to the mobile operator.

v) further acquisitions of ethernet operators and the post-acquisition strategy to grow the value of these networks for the Netia Group.

Having been successful in accelerating sales and having attained substantial scale through the acquisition of Tele2 Polska, during 2009 the Group undertook a comprehensive cost reduction project across all functional areas of the Company in order to boost efficiency and profitability. This project was closely monitored by the Supervisory Board and was highly successful, being a key contributor to putting Netia on a path to sustainable profitability.

Netia is firmly established on its path to delivering its 2012 medium term goals and its current operational strategy. Accordingly, the Management and Supervisory Board have started to consider possible strategic directions for the period post 2012. With a view to updating the Company’s strategy well before the current goals become outdated, various work-shops and projects have been planned for 2010.

Results

Netia’s broadband subscriber base increased by 35% from 414k to 559k subscribers with the majority of all additions acquired through organic growth. Additions from Ethernet network acquisitions amounted to 17k for 2009. As a result, Netia estimates that its total broadband market share has increased from 8.1% to 10.0% and that its market share of total net additions in 2009 was approximately 30.0% peaking in Q4 2009 at 50% of net additions. Netia is the undisputed leader in the roll-out of LLU (local loop unbundling) service in Poland with 297 nodes unbundled and total coverage of approximately 2.5m lines as at December 31, 2009. Sales performance continues to accelerate and Netia had acquired a total of 48k LLU clients by the end of 2009 versus 1k at the beginning of the year. Netia started migrations of 2play customers to full LLU access in November 2009 with 8k being successfully transferred in Q4 2009. Further waves of migration will begin during March and April 2010 with an ambitious plan in place to complete the LLU roll-out at over 500 nodes by the year-end 2010.

Netia’s voice service customer base (own network + WLR (wholesale line rental) + LLU) increased to 1,158k lines from 1,066k in 2008, or by 9%. The year-on-year increase in the number of voice lines resulted mainly from growth within WLR-based voice services. In addition, during 2009, Netia grew its base of voice customers using relatively low cost VoIP technology from 12k to 44k, principally in the business segment or over LLU to residential customers. Over time, the Company expects to gradually reduce its reliance on traditional switched telephony, thereby reducing its cost base. Netia estimates that its total fixed voice market share increased to 11.5% from 10.1% at December 31, 2008. Of the total voice customers served at December 31, 2009, 39% received service over Netia’s own access infrastructure.
A comprehensive cost reduction project (‘Project Profit’), aimed at reducing the Group’s cost base by at least PLN 100m per annum from 2010, was successfully completed significantly ahead of management’s original expectations. As a result of accelerated implementation of the efficiency initiatives, the project delivered PLN 74.3m of gross savings during 2009 versus prior assumptions of PLN 20.0m. Moreover, anticipated annual savings for FY2010 relative to the Q4 2008 cost base, are estimated by the management at PLN 123.0m. Employment levels in the Netia group dropped to 1,432 as of December 31, 2009 versus 1,673 on December 31, 2008. Allowing for 47 new employees resulting from acquisitions of Ethernet operators during 2009, gross reduction in employment was 288, including 267 FTEs reduced directly as part of the Profit project. The costs of these reductions were included in the financial results for 2009.

The Netia Group’s revenue rose by 34% from PLN 1,121.2m for 2008 to PLN 1,505.9m for 2009. Excluding revenue from the IVT (international voice termination) activities sold in Q1 2008, revenues rose by 35%. This strong growth results from Netia’s broadband-driven growth strategy and the acquisition of Tele2 Polska in September 2008.

Adjusted EBITDA was PLN 303.9m for the full year 2009, up by 78% over 2008 and exceeding original guidance by 17%. The profitability gains during 2009 resulted mainly from steady progress in delivering group-wide cost reductions via Project Profit as well as synergies from the Tele2 Polska acquisition. EBITDA was PLN 312.8m for the full year 2009, up by 83% versus 2008, including a positive accounting impact of PLN 15.3m from settlement agreement with TP recorded in Q4 2009, one-off restructuring expenses related to Project Profit of PLN 11.7m and a gain on disposal of the first tranche of transmission equipment to P4 of PLN 5.3m.

Higher EBITDA fed through to operating profitability with the Netia Group’s EBIT for the full year 2009 at PLN 14.2m as compared to EBIT loss of PLN 99.7m in 2008. Excluding net unusual gains of PLN 8.9m, EBIT for 2009 would have been PLN 5.3m versus the PLN 99.7m loss a year earlier.

Netia recognized a deferred income tax asset of PLN 88.3m in Q4 2009, relating mainly to tax loss carry-forwards that, in the management’s opinion, can be realized through expected future taxable profits. Rapid subscriber growth, costs savings, synergies from the Tele2 Polska acquisitions, successful migration of customers to LLU and the prospect of stable regulatory access rates provide management with sufficient visibility of future profits to justify recognition of the deferred tax assets.

Netia Group’s net profit for the full year 2009 was PLN 88.7m versus net profit of PLN 230.6m for 2008. The net result in 2009 was supported by the recognition of a deferred income tax asset as mentioned above, while in the prior year Netia recorded a gain from disposal of its shares in P4 of PLN 353.4m.

The Supervisory Board notes that Netia’s financial results are particularly sensitive to the results of the annual impairment test of the book value of the company’s long term assets. Whilst the 2009 impairment test had nil impact on reported net profit, relatively small changes in the company’s business prospects are likely to lead to material increases or decreases in reported net profit in the future. The Audit Committee of the Supervisory Board closely monitors the preparation and results of the impairment test and full details
of the test for 2009, together with sensitivities, are included in note 5 “Critical accounting estimates and judgments” to the financial statements for 2009.

Netia was operating free cash flow positive for the full year 2009. Total capital investments in tangible and intangible fixed assets, excluding acquisitions of Ethernet networks, were PLN 246.4m, which given annual EBITDA of PLN 312.8m generated operating free cash flow of PLN 66.4m. When acquisitions of Ethernet networks totaling PLN 15.9m are included, Netia still generated positive operating free cash flow of PLN 50.5m in 2009, a year ahead of the original mid-term guidance.

**Distributable net profit**

Whilst the Netia Group recorded a net profit after tax of PLN 88.7 m for 2009, the parent company Netia SA itself recorded a net income of PLN 236.9 m. The major reason for the higher profitability at the parent company level was the 2009 merger of Netia Spółka Akcyjna UMTS (a limited joint stock partnership) into Netia SA. This merger resulted in the profits recognized by the Netia Group in 2008 from the disposal of its shares in P4 being moved up from the subsidiary to the parent company level.

**Funding and risk management**

On December 31, 2009, Netia had PLN 181.2m in cash plus PLN 58.5m in treasury bills (market value) and PLN 295.0m of available undrawn bank facilities. Management considers these cash resources more than sufficient to finance Netia’s broadband-driven growth strategy, including the program of Ethernet acquisitions, and gives the Company flexibility to consider further market consolidating acquisitions.

The Supervisory Board is supportive of Management maintaining financial flexibility to ensure that Netia can respond to acquisition opportunities or market stresses that may result from the continuing difficult economic climate. During the first half of 2009, the Supervisory Board placed significant emphasis on the preservation of cash resources and liquidity whilst the extent of the economic downturn and its effect on Netia remained unclear.

The Supervisory Board’s Audit Committee has monitored and supported Management’s implementation of its foreign currency hedging strategy. Up to 50% of foreign currency exposures in capital investments and operating expenses for rolling 12 month periods have been dynamically hedged using forward contracts since the beginning of 2009 when the zloty began to devalue rapidly. Whilst this policy is currently showing mark-to-market and realized losses, it achieves its prime objective of reducing cash-flow volatility from changes in exchanges rates.

Whilst Netia’s broadband growth strategy is now self-financing, Netia plans to invest its available funds in further major acquisitions as well as continuing market consolidating bolt-on acquisitions in the mid term. Therefore the management did not recommend a dividend payment from 2009 profits. Management is regularly monitoring the cash
position and will consider recommending a dividend at a later stage if a major acquisition proves unobtainable at a reasonable price.

**Key developments**

Major developments at the Netia Group during 2009 included the following:

*Integration of Tele2 Polska*

The post acquisition integration of Tele2 Polska into the Netia Group was completed in Q3 2009. Annualized synergies projected to be delivered in 2010 from completed initiatives total PLN 46.2m, 54% above the original estimate of PLN 30.0m.

The integration project lasted one year following Tele2 Polska’s acquisition in September 2008. The synergies represent approximately 11% of Tele2 Polska’s stand-alone sales for 2008. In 2009 delivered synergies amounted to PLN 27.3m.

*Cost savings 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 optimization were indentified, with a target to reduce full year operating expenses for FY2010 and onwards by PLN 100.0m. The program included a reduction of Netia’s headcount, review of control and reporting processes, increase in work effectiveness, span of control increase and contract renegotiations. After 12 months of implementation, 90% of all initiatives were already completed and another 10% are in the implementation phase. Value-wise, already implemented initiatives exceeded total savings envisaged for FY2009 and reached PLN 74.3m due to accelerated implementation and better than estimated savings from many projects. Management plans the annual savings realized via Project Profit will amount to PLN 123.0m gross in 2010, surpassing the originally targeted PLN 100.0m. After off-setting cost increases associated with unit price increases, planned pay rises or new projects, net savings anticipated for 2010 and going forward in Netia opex are at PLN 96.0m.

*Sale of dedicated transmission network to P4*

In July 2009 Netia signed an agreement with P4 to sell the dedicated transmission network built to provide wholesale data services to P4 for a price of PLN 65.4m. The agreement is in line with Netia's strategy of focusing its investment on residential and business customers rather than on large wholesale projects. The revenues and EBITDA from the reduced scope of services provided by the Company to P4 are expected to be approximately 30% of earlier levels whilst Netia expects to fully recover its original investment in the P4 transmission project.
Settlement with Telekomunikacja Polska SA (TP)

In October 2009 Netia signed a settlement with TP on rates for telecommunications access that removes most litigation risks and provides clarity of regulated access rates for the next three years, giving Netia visibility of earnings and the confidence to invest in better services for customers. The settlement allowed the Company to book PLN 15.3m of exceptional accounting profits on elimination of litigation and claims related risks. Moreover, the extra certainty of now having committed regulated access rates for the next three years contributed to the Management’s increasing confidence in the future profitability of the Netia group, enabling the Company to recognize deferred tax assets of PLN 88.3m and record a full year net profit for 2009 of PLN 88.7m.

Objectives and Guidance

The Company’s key tactical operational objectives for 2010 are:

- Broadband growth strategy driving profit improvements and FCF generation
- Focus on further progress on 2play sales and LLU migration
- LLU roll-out completion
- Focus on accelerating improvements in profitability leveraging on effective execution of major cost efficiency initiatives
- Further consolidation of local Ethernet operators
- Strong focus on customer care and quality of delivered services under new ‘Customer First’ (‘Klientomania’) project
- Progress towards triple play services including TV services

Financial and operational guidance for 2010 is as follows:

- Number of broadband service clients (excl. Ethernet acquisitions) 680 k
- Number of voice service clients (own network, WLR and LLU) 1,225 k
- Unbundled local loop (LLU) nodes 500+
- Revenue (PLN m) 1,550+
- Adjusted EBITDA (PLN m) 355+
- Adjusted EBITDA margin 23%
- EBITDA (PLN m) 360+
- EBIT (PLN m) 60+
- Capital investment (excl. M&A) (PLN m) 220
- Capital investment to sales (%) 14%

Subscriber guidance excludes potential for further Ethernet network acquisitions which remain important to Netia’s strategy but are difficult to forecast in time and amount. In addition, Netia forecasts to be net profitable for the full year 2010.
Netia’s Management have announced the medium term outlook as set out below:

- Revenue growth (CAGR) total 3%- 5%
- Revenue growth (CAGR) in retail market segments 5% - 10%
- EBITDA margin in 2010 (%) 23%
- EBITDA margin in 2012 (%) 28%
- Net profit by 2010
- Capex to sales down to 15% by 2010
- 1 million broadband subscribers 2012

The previously published objective of free cash-flow positive results by 2010 was achieved a year earlier than planned. Netia expects to grow its free cash-flows year on year from hereon as it continues to implement its broadband driven growth strategy.

**Share price performance**

During 2009, the Company’s share price increased by 98.4% whilst the WIG index increased by 46.9%. Furthermore, since announcement of the New Netia Strategy in April 2007, the Netia Group has outperformed the WIG index by 51 percentage points.

**Conclusion**

According to the assessment of the Supervisory Board, Netia is now solidly on the path to net profitability and market shares between 12% and 18% percent in all key market segments by 2012. The Netia Group has the funding it needs to deliver its current strategic objectives and is well positioned to exploit any further market consolidation opportunities that may appear. Almost three times larger than the next largest fixed altnet operator and the only altnet operating nationally in all segments and with a leading position in regulated access services, Netia is positioned to continue growing profitability and thereby increase its market value for its shareholders.

**IV. Internal audit and risk management system**

The Supervisory Board continuously monitors the business environment and the management of the Group by the Management Board. The Supervisory Board is directly involved in all decisions of strategic importance to the Company. In order to perform its tasks more effectively, the Supervisory Board has established the Audit Committee, the Nominations and Remuneration Committee and, from 2009, the Capital Investment Committee.

The duties of the Audit Committee include advising the Supervisory Board on issues of proper implementation of the budget and financial reporting standards and internal audit of the Company and the Netia Group, overall review of annual and interim financial statements, both standalone and consolidated, analysis of the Management letters submitted by the Company’s auditors, monitoring of financial information presented by the Company, cooperation with the statutory auditors, internal auditors as well as other
units of the Company responsible for controlling, audit, internal control review and risk management.

The duties of the Nominations and Remuneration Committee is to support the Company’s achievement of its strategic objectives by presenting the Supervisory Board with opinions and motions related to the shaping of the management structure, including on organization solutions, the remuneration system and selection of personnel having the qualifications required to ensure success of the Company.

The duties of the Capital Investment Committee include advising the Supervisory Board on the annual capital investment budget, monitoring investment drivers and expenditure control processes, investment strategies and reviewing capital investment performance against budget.

The Management Board generally meets on a weekly basis and closely monitors operational performance of the business and implementation of key projects. Expenditure and investment decisions and products offerings above pre-set thresholds are all taken at Management Board level. Operational authority is delegated to managers on the basis of financial procedures and all authority to represent the company externally is managed by powers of attorney and centrally controlled.

The Management Board provides written principles for overall risk management, as well as written policies covering specific areas, such as use of derivative financial instruments, credit risk and pricing risk. The financial risks associated with the use of financial instruments as discussed in Note 4 “Financial risk management” of the consolidated financial statements as at and for the year ended December 31, 2009, are managed by our Treasury unit under policies approved by the Management and Supervisory Boards. These policies are established to identify and analyze the financial risks faced by the Netia Group, to set appropriate risk limits and controls, and to monitor adherence to those limits. The Risk Management Committee approves hedging transactions that are subsequently concluded by the Treasury division in close co-operation with other finance and operating divisions/departments of the Company. The Audit Committee of the Supervisory Board receives regular reports about decisions made and hedging transactions concluded. The hedging activities are designed always to reduce the Company’s exposure to earnings volatility through changes in exchange rates, i.e. the Company does not speculate.

The Internal Audit function plays an important role in assessing the quality and effectiveness of the Netia Group’s internal risk management and control system. The Internal Audit division conducted both systematic and ad hoc financial, IT and operational audits of certain divisions/departments within the Company according to the audit plan assigned for 2009. The internal audit findings are discussed with applicable management personnel and every quarter the main findings are reported to the Management Board and the Audit Committee.

The Management Board is responsible for establishing and maintaining adequate internal control over financial reporting. Therefore the Netia Group has implemented controls to assure that financial reporting is reliable. Those controls are tested and assessed on effectiveness by internal audit, finance department managers and external auditors. For
further information see “Report relating to Netia S.A.’s compliance with the corporate governance rules in 2009” filed together with our annual report.

After evaluating the effectiveness of the Company’s disclosure controls and procedures as of December 31, 2009, the Supervisory Board concluded that those disclosure controls and procedures were effective and that the Netia Group’s risk management system ensured that business risks and opportunities were identified at an early stage and that the Netia Group was in a position to deal with them actively and effectively and the Supervisory Board did not identify any significant deficiencies or material weaknesses in the Company’s internal controls requiring corrective actions.

V. Evaluation of the financial reports

The Supervisory Board of Netia S.A., after examining the following documents:

1. the report of the Management Board of Netia S.A. on the activities of the Company and of the Netia Capital Group in the financial year ending December 31, 2009, and

2. the Company’s financial statements 2009, which consist of:
   a) the statement of financial position with total assets of PLN 2,326,132 thousand (two billion, three hundred and twenty six million, one hundred and thirty two thousand);
   b) the income statement showing a net profit of PLN 236,803 thousand (two hundred and thirty six million, eight hundred and three thousand);
   c) the statement of comprehensive income showing total comprehensive income of PLN 234,866 thousand (two hundred and thirty four million, eight hundred and sixty six thousand);
   d) statement of changes in equity representing an increase of PLN 244,823 thousand (two hundred and forty four million, eight hundred and twenty three thousand),
   e) statement of cash flows representing a net increase of cash and cash equivalents of PLN 10,732 thousand (ten million, seven hundred and thirty two thousand),
   f) notes to the financial statements concerning the adopted accounting policies, and other disclosures; and

3. the Netia Group’s consolidated financial statements for 2009, which consist of:
   a) the consolidated statement of financial position with total assets of PLN 2,340,676 thousand (two billion, three hundred and forty million, six hundred and seventy six thousand),
   b) the consolidated income statement representing a net profit of PLN 88,665 thousand (eighty eight million, six hundred and sixty five thousand),
   c) the consolidated statement of comprehensive income showing total comprehensive income of PLN 87,012 thousand (eighty seven million and twelve thousand);
d) the consolidated statement of changes in equity representing an increase of PLN 96,970 thousand (ninety six million, nine hundred and seventy thousand);

e) consolidated statement of cash flows representing a net decrease of cash and cash equivalents of PLN 10,235 thousand (ten million, two hundred and thirty five thousand), and

f) notes to the consolidated financial statements concerning the adopted accounting policies, and other disclosures.

4. the opinions and reports of Ernst&Young Audit Sp. z o.o. auditor of the above financial statements,

hereby resolves that on the basis of information reviewed by the Supervisory Board,
the documents shown above have been prepared in conformity with the books and documents of Netia S.A. and the companies of the Netia Group and that they conform with the actual state of affairs. The Supervisory Board has also examined and given its positive opinion to the Management Board’s proposal for the reinvestment of the profits for 2009.
The Supervisory Board hereby recommends to the Ordinary General Shareholder’s Meeting to acknowledge the fulfillment of their duties to all persons who were members of the Management Board of the Company in 2009.”