

Development Directions for the ATM S.A. Group of Companies for 2008-2009

1 Performance of the 2006-2007 Strategy

Strategy of ATM S.A. for 2006-2007 focused on extensive growth of the company's own potential and on accelerating organic growth by making large investments and undertaking innovative projects. The additional increase in growth rate resulting from the establishment a group of companies naturally complemented that strategy. With respect to sales, the strategy was based on strengthening the company's position on the market and boosting the sales of well-established products and services, but also on creating new markets with innovative products and services.

1.1 Established Products and Services

Importantly, all goals of the strategy related to the development of established products and services were achieved to the fullest extent. Our potential in that respect was also strengthened by new members of the group of companies, namely:

- KLK, an integrator focusing on the southern area of Poland, and a leading provider of uninterruptible power supply systems;
- Sputnik Software, a software manufacturer and system integrator for the government sector (local government in particular);
- ATM Services, a provider of IT outsourcing services for small and medium businesses;
- Impulsy, an experienced integrator operating in the medical sector;
- Linx Telecommunication (minority share), a telecommunications provider operating mainly in Central and Eastern Europe.

Together with other members of its group of companies, ATM S.A. entered new markets, such as the government sector (including local government), the healthcare sector and the small and medium businesses sector. The ATM group of companies intends to play an increasing role on these markets. All of the companies listed above are growing at a rate that exceeds the market average, and record increasing profits.

A decision was made to rely on strategic alliances with global technology leaders. Significant success was achieved mainly by working with the following companies:

- Cisco Systems (ATM, KLK);
- Dell (ATM Services);
- Microsoft (ATM, Sputnik Software).

A measure of our success can be the increase in turnover with Cisco Systems during fiscal year 2008, which ended on July 31 for Cisco. Year on year, the turnover increased by two and a half times!

We also continued our investment in telecommunications infrastructure by:

- establishing our own fiber optic networks in five cities (with projects underway in another two cities), whereas previously, ATM only had an extended fiber optic network in Warsaw;
- purchasing or leasing lines to build two fiber optic loops (north and south, see the map below) that connect our nodes throughout the country, with a total length of more than 2,000 kilometers (1,250 miles);
- acquiring a 2×10 Gbps connection to Frankfurt;
- upgrading our network backbone to support a bandwidth of 10 Gbps using DWDM and MPLS technology;

- investing in Linx Telecommunications to gain access to a network that extends from London to Moscow, and from Helsinki to Tbilisi.

As a result of these investments, we doubled the length of our fiber optic lines in cities, and established a long-distance network that gives us an opportunity to become a leader in Internet traffic exchange in Poland.

Diagram showing the ATMAN network

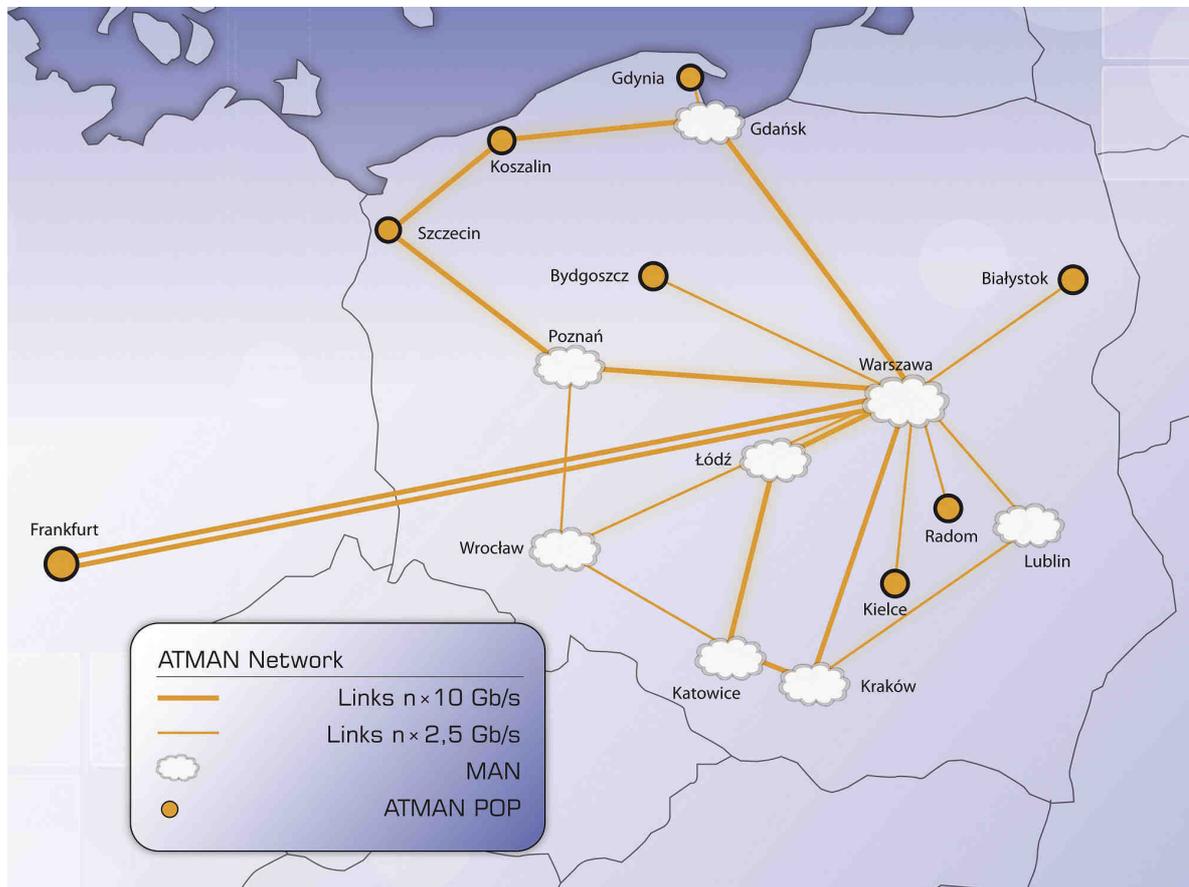
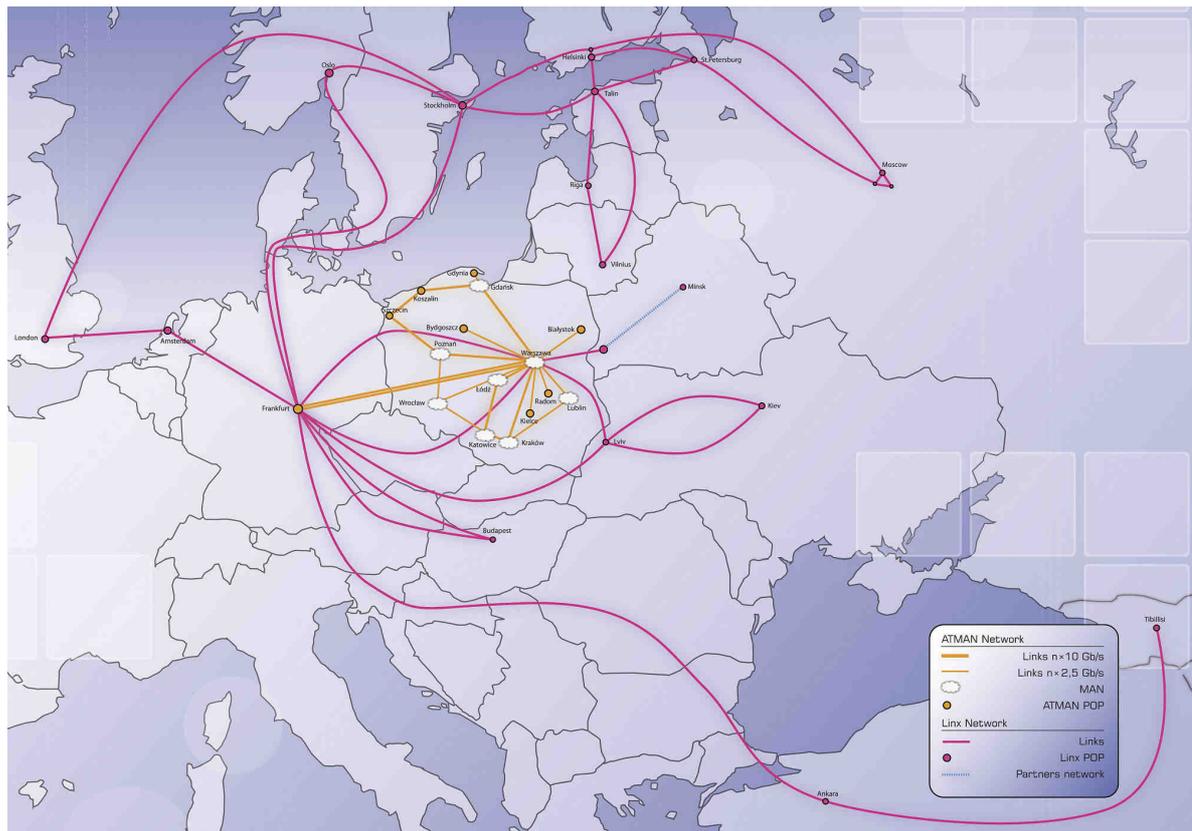


Diagram showing the combined ATMAN and Linx networks



1.2 Innovative Products and Services

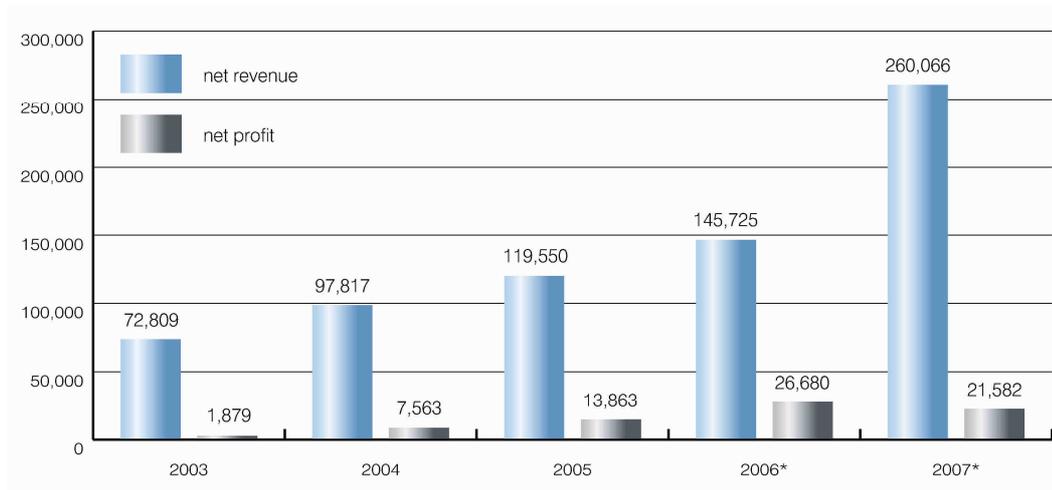
According to the strategy announced for 2006-2007, in order to provide an opportunity for an even faster medium-term growth, we launched our corporate venturing program: an initiative to invest in companies striving to develop highly innovative products and services which had not been provided before, and for which new markets needed to be created in many cases. An inherent feature of this area of business is an increased risk level. Some of the projects have showed the first signs of success on the market. However, it has to be admitted that with a majority of them, difficulties have been encountered, inhibiting rapid growth and market acceptance, and resulting in delays against the original plans. However, these projects are being run in a manner that does not place a significant burden on the Group's balance sheet, and this approach has proven successful for all projects except the mobile payment initiative, which needs to be discussed separately.

The mobile payment project is being implemented by two members of the group of companies: mPay International Sp. z o.o and mPay S.A. The mPay system has been deployed commercially, and has been in operation throughout Poland for more than a year. Implementations include car parking payments in Warsaw. The solution used, pending patents in 58 countries, has won acclaim for its technology both in Poland and internationally, which is reflected in the awards and acknowledgements it has received. The system is under extensive development, and work is underway to translate the success of the technology into commercial success. The companies are currently in the process of enlisting a strategic investor who is likely to assist in the transformation and ensure funding for the next stage of development.

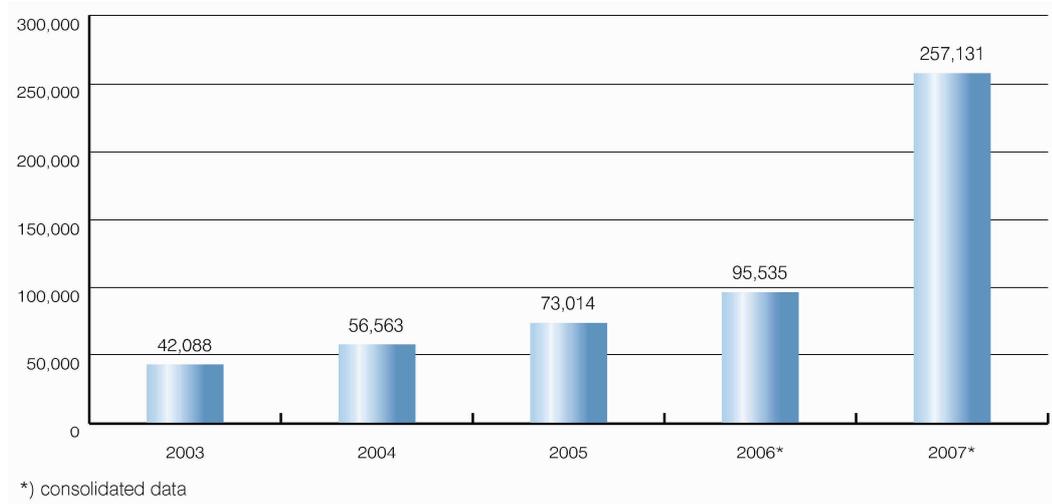
1.3 Evaluation of the 2006-2007 Strategy In Terms of the Group's Performance

The combination of rapid growth in traditional areas of operations and a safe approach to investment in new products has resulted in a steady growth of the Group's assets and profits, as shown in the charts below. We have been able to achieve an increase in revenue and assets that is unprecedented in ATM's history.

ATM S.A. group revenue and profit between 2003 and 2007 in thousands of PLN



ATM S.A. group's equity between 2003 and 2007 in thousands of PLN



2 Development Directions for 2008-2009

2.1 Focus on Increasing Efficiency and Making Investments That Are Independent of the Overall Economic Situation

The period of increased investment in new, innovative projects and stakes in other companies is over. While not ruling out certain financially compelling innovative projects and acquisitions of companies that match the profile of the ATM group of companies, the current strategy focuses on taking advantage of the existing resources and commercializing the products and services that have already been developed. The overriding goal becomes a further improvement in the operating efficiency of both ATM S.A. and the entire group of companies.

The Management Board's intent is to:

- focus investment activity on those areas of operations that guarantee maximum profitability;
- make changes to the internal organization that will strengthen the focus on top-performing products;
- stimulate collaboration within the Group to maximize the synergy resulting from joint business initiatives;
- invest in the infrastructure required for the provision of services which are the least susceptible to economic fluctuations (i.e. fiber-optic infrastructure and data centers).

2.2 Strengthening Market Position and Increasing the Predictability of Revenues and Profits

The ATM S.A. Management Board retains its focus on the development and provision of telecommunications services and other related services with a high added value. Telecommunications services provided on the basis of a robust and unique infrastructure consisting of fiber-optic lines and data centers help achieve predictable revenues and profits combined with a high growth rate, ensuring an indisputable competitive advantage. Such services include, without limitation, collocation and hosting.

With respect to information and communications technology (ICT) system integration, we will continue to increase the sales of the most profitable solutions, with particular emphasis on services that add value to telecommunications.

Another priority for growth is the development of proprietary software for business and government customers. The provisions of services related to business applications that are critical to our customers' operations help significantly strengthen the Group's foothold on the market, stabilize revenue, and improve margins.

The software products provided and developed by the Group include:

- Atmosfera (ATM), a family of business process support systems;
- ATM InteractiveTV (ATM), a storage and networked distribution system for multimedia content;
- ATM BCP (ATM), a system that supports the development and maintenance of business continuity plans;
- ATM SMaCS (ATM), an IP network service management and billing system;
- Proton (Sputnik Software), an online document workflow system;
- Nowoczesny Urząd (Sputnik Software), a package that supports the operations of local government offices;
- Medicus On-line (Impulsy), a medical service management system for hospitals and clinics (both private and public) that follows the latest trends in application development.

These products were predominantly acquired or developed in 2006 and 2007, but we intend to continue developing them and use them as a basis for the Group's portfolio.

2.3 Continued Investment in Telecommunications Infrastructure

In order to increase the revenue from highly profitable telecommunications services, the Management Board intends to continue investing in the development of valuable assets used for the provision of such services, including:

- fiber-optic networks (mainly metropolitan networks);
- state-of-the-art, high-performance transmission infrastructure;
- data centers;
- technology platforms to support value-added services, e.g. networked multimedia content distribution.

2.4 Research and Development; Implementing New Products

The ATM group of companies holds the intellectual property rights to ten patent applications resulting from activities pursued by ATM and its subsidiaries. Currently, the company is shifting the focus of its research and design resources from seeking innovative solutions to enhancing and commercializing existing products and services. The implementation of some of these products has already resulted in significant revenue and profits. ATM S.A.'s goal is to achieve the same performance from a majority of its innovative projects. In order to intensify the effort, a special company has been established, Centrum Badawczo-Rozwojowe ATM-Lab, which will pursue most of the research and design activities.

A similar strategy applies to other members of the group of companies that market innovative products and services, with full focus on commercialization.

2.5 ATM Innovation Center: Combining Core Business and Innovation

As part of this long-term investment program, our main objective is to establish the basis for the further development of the company's operations related to highly profitable ICT services by:

- building state-of-the-art data centers with a floor space of up to 10,000 sq. m (107,000 sq. ft) and high-technology office buildings with a floor space of up to 30,000 sq. m (320,000 sq. ft);
- continuing to upgrade the telecommunications infrastructure to provide superior communications support for companies operating at the Center;
- continuing the corporate venturing scheme in order to attract the most innovative companies and initiatives to the Center, where they will receive appropriate infrastructure and business support (including capital and assets, organizational, legal and financial know-how, engineering resources and technology assets);
- providing good financial conditions for the companies operating at the Innovation Center by obtaining tax exemptions (pursuant to the regulation of the Council of Ministers of November 2007, the premises of the Innovation Center have been included in the Łódź Special Economic Zone as the Grochowska Complex of the Warsaw Subzone).

The ATM Innovation Center is a place where services which are critical to the company's development will be provided, such as collocation, hosting, primary and backup data centers, business continuity centers, and rental of IT-enabled office space to selected technology companies.

We intend to focus our intellectual and executive resources at a single location to achieve synergy and boost creativity.

The ATM Innovation Center will be built in a number of stages. Initially, in 2009, we expect to launch a server facility of 2,000 sq. m (22,000 sq. ft), which will help us increase our current revenue from this category of telecommunications services threefold.

3 Summary and Message from the Management Board

The ATM group of companies has assets with a great value, such as:

- thriving and profitable companies;
- efficient telecommunications infrastructure (optic fibers and server facilities);
- enormous potential in innovative projects;
- the capability to increase the most profitable and stable portion of its operations (namely the services currently provided at the Grochowska ATMAN Telecommunications Center, to be performed at the ATM Innovation Center) multiple times.

At the same time, we regret to say that ATM's current stock exchange value is much lower than the actual market value of the Company's assets, even taking into consideration only those assets that are easy to value, such as fiber-optic lines, telecommunications installations and fully-equipped server facilities. At the same time, the Company's debt is negligible, and its operations provide both the Company and shareholders with significant profits. With rapidly increasing revenue, the Company has generated PLN 62.1 million in net profit and paid PLN 51.4 million in dividend to its shareholders during the last three years.

In 2006 and 2007, we laid foundation for a company that is a technology leader and has a substantial market potential. The Management Board's goal is to utilize that potential for a further increase in revenue and profits. Even a temporary downturn on the financial markets or the information and communications technology market may only slow the process down; it cannot be stopped.

The Company's past performance has validated the existing development directions, therefore the Management Board expects further adherence to the strategy that is innovative in terms of the products and services provided and very conservative in terms of financial policy, focusing on steady growth and high operational profitability. A part of our strategy is also to share a large part of profits with our shareholders, who are unable to reap the benefits of increasing share prices, mainly due to the overall market condition which is beyond the Management Board's control.