

REPORT OF THE MANAGEMENT BOARD OF ATM SPÓŁKA AKCYJNA

WITH ITS REGISTERED OFFICE IN WARSAW

PROVIDING GROUNDS FOR THE DIVISION PURSUANT TO ARTICLE 529 § 1 ITEM 4

OF THE CODE OF COMMERCIAL COMPANIES

WARSAW, 28 NOVEMBER 2011

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DEFINITIONS:

“Division Issue Shares”	shall mean 31,409,479 (say: thirty-one million four hundred and nine thousand four hundred and seventy-nine) ordinary series D bearer shares in ATM SI with the nominal value of PLN 0.20 (say: twenty groszy) each, which as a result of the Division shall be allocated to shareholders of ATM;
“Division Shares”	shall mean jointly the Division Issue Shares and the Existing Division Shares, i.e. the total of 36,343,344 (say: thirty-six million three hundred and forty-three thousand three hundred and forty-four) shares in ATM SI, which as a result of the Division shall be allocated to shareholders of ATM;
“ATM” or “Divided Company”	shall mean ATM Spółka Akcyjna with its registered office in Warsaw at Grochowska 21a, 04-186 Warszawa, entered in the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000034947, Tax ID No (NIP) 113-00-59-989, Statistical No (REGON) 012677986;
“ATM SI” or “Acquiring Company”	shall mean ATM Systemy Informatyczne Spółka Akcyjna with its registered office in Warsaw at Grochowska 21a, 04-186 Warszawa, entered in the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000320991, Tax ID No (NIP) 954-23-57-358, Statistical No (REGON) 276930771;
“Reference Date”	shall mean the day indicated by the Management Boards of ATM SI and ATM, determined in accordance with the regulations of the National Depository for Securities, on which the shares in ATM recorded in securities accounts will entitle their holders to receive Division Shares;
“Spin-off Date”	shall mean the day on which the increase of the share capital of ATM SI will be entered in the National Court Register;
“WSE”	shall mean the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.);
“Existing Division Shares”	shall mean 4,933,865 (say: four million nine hundred and thirty-three thousand eight hundred and sixty-five) ordinary series A, B and C bearer shares in ATM SI with the nominal value of PLN 0.20 each, held by ATM, which as a result of the Division shall be assigned to shareholders of ATM;
“CCC”	shall mean the Act of 15 September 2000 – Code of Commercial Companies (Journal of Laws No 94, item 1037, as amended);
“KRS” (National Court Register)	shall mean the register of entrepreneurs of the National Court Register;
“Division Plan”	shall mean this division plan;
“Division”	shall mean the division of ATM by transferring a part of assets and liabilities of ATM in the form of an Organised Part of the Enterprise to the existing company ATM SI, in accordance with the provisions of the Division Plan;
“Share Exchange Ratio”	shall mean the ratio of exchanging shares in ATM for Division Shares in ATM SI, i.e. 1:1, whereby one share in ATM corresponds to one share in ATM SI and existing shareholders of ATM retain all shares in ATM held by them;
“Organised Part of the Enterprise”	shall mean the Integration Services Division, part of ATM S.A., which encompasses tangible and intangible assets and liabilities, and which is designated to fulfil specific economic tasks; it includes Existing Division Shares.

1. INTRODUCTION

This report was prepared by the Management Board of the company with the business name ATM Spółka Akcyjna with its registered office in Warsaw at Grochowska 21a, 04-186 Warszawa, entered in the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000034947, pursuant to Article 536 of the CCC, with respect to the planned division of the Divided Company by transferring a part of its assets and liabilities to ATM Systemy Informatyczne Spółka Akcyjna with its registered office in Warsaw at Grochowska 21a, 04-186 Warszawa, entered in the register of entrepreneurs of the National Court Register, kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under KRS number 0000320991.

Initially, it shall be assumed that the Acquiring Company shall have the registration part of the prospectus approved by the day of adopting a resolution on the division, whereas after the resolution on the division has been adopted, the Acquiring Company shall have the offer part and the summary of the prospectus approved, which will make it possible to introduce Division Shares to trading on the WSE directly after the Reference Day.

2. LEGAL BASIS OF THE DIVISION

- 2.1. The division of the Divided Company shall be effected by transferring a part of assets and liabilities of the Divided Company to the Acquiring Company (division by spin-off), in accordance with Article 529 § 1 item 4 of the CCC.
- 2.2. The division shall be effected in accordance with Article 542 § 4 of the CCC with the use of the Company's equity other than its share capital, i.e. without decreasing the share capital of the Divided Company, since the Divided Company has sufficient spare capital.
- 2.3. As a result of the division of the Divided Company, the share capital of the Acquiring Company shall be increased from the amount of PLN 986,773.00 (say: nine hundred and eighty-six thousand seven hundred and seventy-three zlotys) to the amount of PLN 7,268,668.80 (say: seven million two hundred and sixty-eight thousand six hundred and sixty-eight zlotys 80/100), i.e. by the amount of PLN 6,281,895.80 (say: six million two hundred and eighty-one thousand eight hundred and ninety-five zlotys 80/100) by the issue of Division Issue Shares in public offering.
- 2.4. Apart from Division Issue Shares, the Acquiring Company shall also provide shareholders of the Divided Company with 4,933,865 (say: four million nine hundred and thirty-three thousand eight hundred and sixty-five) Existing Division Shares.

As at the Spin-off Date, the Divided Company ceases to be a shareholder of the Acquiring Company and shareholders of the Divided Company shall become shareholders of the Acquiring Company.
- 2.5. Since the Divided Company holds Existing Division Shares constituting a part of the Organised Part of the Enterprise which is to be transferred to ATM SI, the division will have significant consequences, which will occur on the Spin-off Date, since, pursuant to Article 531 § 1 of the CCC, the Acquiring Company will acquire all rights and obligations of the Divided Company with respect to the Organised Part of the Enterprise. The Management Board of the Divided Company suggests that Existing Division Shares be allocated to shareholders of ATM together with Division Issue Shares.
- 2.6. Pursuant to Article 541 of the CCC, the Division requires resolutions of Extraordinary General Meetings of Shareholders of ATM and ATM SI.

3. ECONOMIC BASIS OF THE DIVISION

The ATM Capital Group's activities focus on two main areas: provision of telecommunications services and ICT systems integration. Those areas develop independently and their reactions to the economic situation are different. Competences of the system integration division are currently fulfilled by a number of direct subsidiaries of ATM. Spinning off the division of integration services provided by several entities from the ATM Capital Group and partially by ATM, and subordinating them to ATM SI only aims at creating an independent capital group which builds its own business identity. Creating a capital group of subsidiaries of ATM SI with coherent market objectives in a separate holding structure will make it possible to increase the effectiveness of the management of that capital group, increase the efficiency of the managing personnel focused on building the value of the integration group, and to centralize employees' knowledge and competences, which will result in a stronger competitive position of ATM SI.

Creating a separate ATM SI integration group will make it possible to establish one of the largest ICT system integrators in Poland that could build its own brand associated with system integration.

Spinning off the integration division will allow ATM SI to pursue a coherent information and investment policy. ATM SI will gain direct access to the capital of investors who are interested in such investments. This will enable the company to achieve quicker organic development and to strengthen its market position by acquisition of entities from the same sector.

The strategy of ATM consists in achieving the highest possible valuation of the Company's shares for its shareholders. A consequence of the previous holding structure was the necessity to carry out consolidated calculations relating to mutual settlements between companies belonging to the ATM Group.

Due to the fact that it is planned to introduce shares in ATM SI to trading on the Main Market of the Warsaw Stock Exchange, the structure of organised entities in the field of integration activities will be more transparent to potential investors.

At the same time, the part of economic activities remaining with ATM will have a homogeneous and transparent structure relating to the provision of telecommunications services, including especially data centre services (colocation and hosting services). This will allow ATM SI to pursue a coherent information and investment policy. ATM will gain better access to the capital of investors who are interested in investments in telecommunications companies specialised in the provision of data centre services. This will enable the company to achieve quicker organic development and to strengthen its market position by acquisition of entities from the same sector.

4. SHARE EXCHANGE RATIO

4.1. Division Shares shall be allocated to all existing shareholders of the Divided Company according to the Share Exchange Ratio. Each shareholder of the Divided Company shall receive Division Shares according to the 1:1 ratio, i.e. for 1 (one) share in the Divided Company, s/he will receive 1 (one) share in the Acquiring Company whilst retaining one share in the Divided Company.

4.2. Shareholders of the Divided Company shall receive the total of 36,343,344 (say: thirty-six million three hundred and forty-three thousand three hundred and forty-four) Division Shares, i.e.:

- a) 1,524,000 (say: one million five hundred and twenty-four thousand) ordinary series A bearer shares with the nominal value of PLN 0.20 (say: twenty groszy) each,
- b) 1,143,000 (say: one million one hundred and forty-three thousand) ordinary series B bearer shares with the nominal value of PLN 0.20 (say: twenty groszy) each,

- c) 2,266,865 (say: two million two hundred and sixty-six thousand eight hundred and sixty-five) ordinary series C bearer shares with the nominal value of PLN 0.20 (say: twenty groszy) each,
- d) 31,409,479 (say: thirty-one million four hundred and nine thousand four hundred and seventy-nine) ordinary series D bearer shares with the nominal value of PLN 0.20 (say: twenty groszy) each (Division Issue Shares).

Series A, B and C shares constitute Existing Division Shares.

4.3. Since the Share Exchange Ratio is 1:1, there is no necessity of making extra contributions in cash.

5. PRINCIPLES OF ALLOCATING SHARES IN THE ACQUIRING COMPANY

5.1. Division Issue Shares and Existing Division Shares shall be allocated to shareholders of the Divided Company through the National Depository for Securities, according to the shareholding in ATM as at the Reference Day. Persons in whose securities accounts as at the Reference Day shares in the Divided Company are recorded shall be entitled to Division Shares. The Management Board of the Acquiring Company and the Management Board of the Divided Company shall be entitled to indicate the Reference Date to the National Depository for Securities.

5.2. As a result of the Division, shareholders of the Divided Company shall become holders of Division Shares. As at the Spin-off Date, shareholders of the Divided Company entitled as at the Reference Day shall become shareholders of the Acquiring Company by force of law, without the necessity of subscribing or paying for Division Shares.

6. SHAREHOLDING STRUCTURE OF THE DIVIDED COMPANY AND THE ACQUIRING COMPANY AFTER THE DIVISION

The shareholding structure of the Divided Company and the Acquiring Company after the Division shall be the same and be as follows (state as at the day of preparing this report):

Shareholder's name	Number of shares	Number of votes	% of votes
Total	36,343,344	36,343,344	100.00
Tadeusz Czichon	5,956,887	5,956,887	16.39
ING OFE	3,517,923	3,517,923	9.68
Polsat OFE	3,346,343	3,346,343	9.21
Roman Szwed	3,287,993	3,287,993	9.05
ING TFI	1,868,360	1,868,360	5.14
Piotr Puteczny with wife	1,861,263	1,861,263	5.12

For ATM:

Roman Szwed — President of the Management Board

Tadeusz Czichon — Vice-President of the Management Board

Maciej Krzyżanowski — Vice-President of the Management Board