

Court of appeals rules in JTT case

12.04.2011

Court of appeals in Wroclaw ruled on the JTT case in favor of MCI, awarding damages to MCI Management SA for the losses incurred by the company following the devaluation of held shares of JTT Computer SA, which was forced to bankruptcy as a result of faulty decisions taken by tax authorities in violation of the law. The compensation was established in the amount lower than demanded by the Company. The court's decision is final and binding, however parties are entitled to further legal proceedings.

“At this time, we do not have full knowledge as to why the court lowered the amount of damages calculated by expert witnesses. We are convinced as to the legitimacy of our expectations in the amount originally determined in the lawsuit. We are refraining from comment until we get acquainted with the justification of the sentence. We will then decide about any possible further courses of action.” said Konrad Sitnik, Vice President of MCI Management SA.

The court of appeals, reviewing the appeal filed by the treasury to the verdict of the regional court, adjudged on behalf of the Company the amount 28,904,888 PLN, plus statutory interest from 8 June 2006 until the day when the compensation is paid (on the day of the ruling, interest on the adjudged amount was (17,127,927.95 PLN). The damages awarded as compensation for the losses incurred in connection with the devaluation of shares owned by MCI Management SA in JTT Computer SA, which was driven to bankruptcy as a result of faulty decisions taken by tax authorities in violation of the law. Thus, the court ruled in favor of the company, confirming the charges set forth in the lawsuit and presented during the trial both as to the principle of the claim and the amount claimed.

The company, JTT Computer SA was one of Poland's largest distributors and manufacturers of computer equipment, employing about 80 people. The company was a principal for the capital group that included, among others, JTT Computer j.v. Sp. z o.o. and Centrum Komputerowe Adax. In 2004, the company filed for bankruptcy due to its

poor financial situation caused by the decisions of the tax authorities.