

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser (who in the United Kingdom should be authorised under the Financial Services and Markets Act 2000).

If you have sold all or some of your holding of Ordinary Share before the Record Date, but those Ordinary Shares are included in the number set out in the Form of Election, you should consult your stockbroker or agent without delay. Your stockbroker or agent will then advise you as to what action you should take.

An application will be made for the admission of the Scrip Shares to trading on AIM and, subject as set out below, to listing and trading on the regulated market of WSE.

IMPORTANT NOTICE TO HOLDERS OF ORDINARY SHARES IN CERTIFICATED FORM

Holders of Ordinary Shares of Atlas Estates Limited in certificated form (i.e. document form), for example persons who acquired Ordinary Shares in a private transaction, should be aware that due to certain restrictions under applicable provisions of Polish law, admission to trading on the WSE will be sought only with respect to those Ordinary Shares which exist in uncertificated (book-entry) form within the meaning of the 29 July 2005 Act on Trading in Financial Instruments, as amended. Consequently, the holders of such certificated Ordinary Shares will not be able to sell their Ordinary Shares on the WSE. Holders of Ordinary Shares in certificated form should obtain legal advice regarding the resale of such Ordinary Shares in accordance with applicable laws. In view of the fact that the number of new Ordinary Shares to be admitted to trading on WSE issued to Shareholders who elect under the Scrip Dividend Offer may be lower than the total number of new Ordinary Shares issued to Shareholders who elect under the Scrip Dividend Offer, the Company shall, on a regular basis, monitor the number of the new uncertificated Ordinary Shares recorded in CREST and shall, as and when needed, submit appropriate application requesting the registration of such additional Ordinary Shares at the KDPW and for the admission and introduction thereof to trading on the WSE, so as to ensure equal treatment of the holders of uncertificated Ordinary Shares with respect to their ability to transfer the Ordinary Shares between the depositary systems of the KDPW and CREST and the ability to trade such Ordinary Shares on both WSE and AIM.

Atlas Estates Limited

(incorporated in Guernsey with registered number 44284)

Supplementary Circular satisfying the requirements for an Information Memorandum relating to proposed Scrip Dividend Offer

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on page 4 of this Circular.

Shareholders who wish to participate in the Scrip Dividend Offer should complete the Form of Election enclosed with this document and return it as soon as possible, but in any case so as to reach the Company's registrars, Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW (the "Registrars") by no later than 5 p.m. (Guernsey time) on 26 June 2008.

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MEMORANDUM

The validity of the information contained in this Circular under Polish law is 30 days from the Date of this Memorandum.

This Circular has been prepared in accordance with the requirements for a memorandum pursuant to the regulation of the Polish Minister of Finance dated 6 July 2007 on the detailed content of an information memorandum referred to in Article 39 item 1 and Article 42 item 1 of the Act on Public Offerings.

This Circular (including any published amendment from time to time) will be published on the Company's website. Any such amendments will be published on the Company's website in the form of Current Report(s) in accordance with the requirements of the Act on Public Offerings.

This Circular has been prepared in Guernsey and in Poland by the Company and contains information regarding the Scrip Dividend Offer (which is conditional upon Shareholder approval), including in particular the information about the Company and the Scrip Shares required pursuant to applicable Polish law. All information contained in this Circular is valid as at the Date of this Memorandum. Any amendment to the terms of the Scrip Dividend Offer or the contents of this Circular will be announced to Shareholders and by means of a Current Report.

TIMETABLE OF PRINCIPAL SCRIP DIVIDEND OFFER EVENTS

ACTIONS TAKE PLACE ON BOTH AIM AND WSE UNLESS OTHERWISE INDICATED

Latest date for receipt of Forms of Election	5.00 p.m. (Guernsey time) on	26 June 2008
AGM	9.30 a.m. (Guernsey time) on	27 June 2008
Announcement in London and Warsaw of results of AGM and (if relevant) the number of new Ordinary Shares to be issued pursuant to the Scrip Dividend Offer		27 June 2008
CREST member accounts credited		11 July 2008
KDPW accounts credited		11 July 2008
Dealings commence in Scrip Shares		11 July 2008
Payment of cash in respect of the Further 2007 Dividend		11 July 2008
Definitive certificates for Scrip Shares to be dispatched		11 July 2008

LETTER FROM THE CHAIRMAN

ATLAS ESTATES LIMITED

(incorporated under the laws of Guernsey under registered number 44284)

Directors:

Quentin Spicer (*Chairman*)
Shelagh Mason
Michael Stockwell
Helmut Tomanec

Registered Office:

BNP Paribas House
1 St Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

11 June 2008

Dear Shareholder (and, for information only, to holders of warrants)

SCRIP DIVIDEND OFFER AS ALTERNATIVE TO THE FURTHER 2007 DIVIDEND

This is the Supplementary Circular (which constitutes a memorandum under the Act on Public Offerings) as referred to in the Circular (the "**AGM Circular**") sent to you on 3 June 2008 convening the 2008 annual general meeting of Atlas Estates Limited (the "**Company**").

The purpose of this Supplementary Circular is to:

- advise Shareholders of the Reference Conversion Rate between euro and sterling as at 9 June 2008;
- advise Shareholders of the Scrip Share Price, being the price at which Scrip Shares will be issued, fully paid; and
- provide further details about the terms on which the Scrip Shares are to be offered to Shareholders.

On 3 March 2008, the Board announced that it had resolved to pay to Shareholders a second dividend of 16.68 euro cent per share for the financial year ending 31 December 2007 (the "**Further 2007 Dividend**"). Applying the Reference Conversion Rate of £0.7958 = €1 on the Reference Conversion Date of 9 June 2008 the sterling amount of the Further 2007 Dividend is 13.274 pence per share. The payment of the Further 2007 Dividend is subject to the approval of Shareholders at the 2008 annual general meeting of the Company (the "**AGM**"). The Board further announced on 16 May 2008 (subject to Shareholder approval) that it intended to offer Shareholders the option to take their dividend entitlements to the Further 2007 Dividend wholly or partly in the form of new Ordinary Shares ("**Scrip Shares**") in the Company (the "**Scrip Dividend Offer**") rather than cash. It is proposed that the Further 2007 Dividend be paid to Shareholders in cash and/or Scrip Shares be issued (by the Company acting through the Board) to Shareholders (as the case may be) on 11 July 2008.

The AGM Circular enclosed the notice convening the 2008 AGM (the "**Notice**") for 9.30 a.m. on 27 June 2008 at the Company's registered office and sets out the resolutions proposed for the AGM. If passed, resolution 6 as set out in the Notice will approve the Scrip Dividend Offer and, if passed, resolution 8 as set out in the Notice will approve the Further 2007 Dividend.

Subject to Shareholder approval, Shareholders may elect to receive all or part of their entitlement to the Further 2007 Dividend under the Scrip Dividend Offer by accepting the issue to them of Scrip Shares at a price of 224.1 pence per Scrip Share (being the average of the middle market quotations derived from the London Stock Exchange Daily Official List on the five consecutive dealing days commencing 4 June 2008) (the "**Scrip Share Price**"). Subject to Shareholder approval and acceptance of the Scrip Dividend Offer, the Board intends to allot up to 2,664,163 Scrip Shares (which would represent approximately 5.92 per cent. of the number of Ordinary Shares (excluding ordinary Shares held by the Company in treasury) in issue as at the Date of this Memorandum).

The Scrip Dividend Offer enables Shareholders to increase their holdings of Ordinary Shares in the Company without incurring dealing costs. The advantage to the Company is the benefit of retaining cash which would otherwise be paid out as dividends.

The Scrip Dividend Offer is not being underwritten and the right to subscribe for Scrip Shares is not transferable.

If the 2007 Further Dividend and the Scrip Dividend Offer is approved by Shareholders, it is expected that the maximum number of Scrip Shares to be issued pursuant to the Scrip Dividend Offer will be announced on 27 June 2008. It is expected that all Scrip Shares will be admitted to trading on AIM and all non-certificated Scrip Shares will be admitted to trading on WSE on 11 July 2008.

Please read the whole of this Circular and the Form of Election for further information on how to accept the Scrip Dividend Offer.

You will find enclosed with this Circular a Form of Election. If you wish to take up the Scrip Dividend Offer you are invited to complete and return the Form of Election as soon as possible in accordance with the written instructions. The Form of Election should be lodged with Computershare Investor Services (CI) Limited, P.O. Box 83, Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW so as to be **RECEIVED NOT LATER THAN 5 P.M. (GUERNSEY TIME) ON THURSDAY 26 JUNE 2008** using the enclosed envelope (UK reply paid).

The Scrip Dividend Offer represents an opportunity for Shareholders to increase their investment in the Company and the Directors are unanimously of the opinion that it is in the best interests of Shareholders as a whole. The Directors encourage Shareholders to elect to receive their entitlement to the Further 2007 Dividend in Scrip Shares.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Quentin Spicer', followed by a period.

Quentin Spicer
Chairman

GENERAL INFORMATION

1. THE ISSUER

Name	Atlas Estates Limited
Legal Form	company limited by shares
Registered Office and Correspondence Address	BNP Paribas House 1 St Julian's Avenue St. Peter Port Guernsey GY1 1WA
Jurisdiction of Incorporation	Guernsey
Telephone	+44 (0)1481 750 850
Fax	+44 (0)1481 731 799
E-mail	info@atlasestatesltd.com
Home page	www.atlasestates.com
Place of Registration	Guernsey
Registration Number	44284

2. DOCUMENTS ON DISPLAY

Copies of the following documents will be available at the registered office of the Company at BNP Paribas House, 1 St Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA and at the registered office of Atlas Management Company (Poland) Sp. z o.o. at Jana Pawła II 23, Warsaw 00-854, Poland, during normal business hours from the date immediately following the AGM to the date which is 30 days from the date of admission of the Scrip Shares to trading on AIM and listing of the uncertificated Scrip Shares on the WSE:

- a copy of the Company's certificate of incorporation;
- the Company's memorandum of association and the Articles (which are also currently available on the Company's website www.atlasestates.com);
- this Circular which set forth terms and conditions of the Scrip Dividend Offer;
- a blank Form of Election;
- a copy of the resolution of the Board granting authorisation for the Company (following Shareholder approvals) to enter into the required agreement regarding registration of the uncertificated Scrip Shares with the KDPW; and
- a copy of the resolution of the Board to allot (following Shareholder approvals) up to 2,664,163 Scrip Shares.

The Company is incorporated in and functioning in accordance with the provisions of Guernsey law, consequently some of the documents referred in the applicable Polish law will not apply to the Scrip Dividend Offer. The Scrip Dividend Offer is being made to Shareholders at the Record Date in proportion to their respective holdings. The Company will seek shareholders approval for the issuance of the Ordinary Shares at below NAV per Ordinary Share at the AGM convened for 27 June 2008.

3. TERMS OF THE OFFER

Holders of Ordinary Shares on the register of members of the Company at the close of business (Guernsey time) on 6 June 2008 (the "Record Date") may elect to receive one Scrip Share for every 16.883 Ordinary Shares registered in their name on that date in place of the cash dividend of 13.274 pence per Ordinary Share (being the sterling equivalent of the 16.68 euro cents per Ordinary Share Further 2007 Dividend at the Reference Conversion Rate). The Scrip Dividend Offer is being made to Shareholders at the Record Date in proportion to their respective holdings. The election may be made in respect of all or part of a Shareholder's holding of Ordinary Shares. The right to elect is not transferable. Shareholders may only elect to receive Scrip Shares in lieu of cash if the amount of the Further 2007 Dividend payable to such Shareholder exceeds the Scrip Share Price. Any instruction given by a Shareholder in a Form of Election is irrevocable.

Scrip Shares will, on allotment, be credited as fully paid and will therefore rank for future dividends and in all other respects *pari passu* with the existing issued Ordinary Shares, subject to the memorandum and articles of association of the Company. Scrip Shares do not entitle the holder to receive any dividends declared for the year ended 31 December 2007 but do entitle the holder to receive all dividends declared in respect of periods from 1 January 2008 (but, for the avoidance of doubt, excluding the Further 2007 Dividend) which, if declared, will be in euro.

The Scrip Dividend Offer is subject to (i) the passing of Resolution 6 set out in the Notice approving the Scrip Dividend Offer and the passing of Resolution 8 set out in the Notice authorising payment by the Company of the Further 2007 Dividend (both set out in the Company's 2008 notice of AGM); and (ii) the admission of the Scrip Shares to trading on AIM and WSE (the admission of all Scrip Shares in dematerialised form to listing and trading on the regulated market of WSE).

In the event that no elections for the Scrip Dividend Offer are received the total cash dividend payable in respect of the Further 2007 Dividend will be €7,502,343.74.

4. BASIS OF ALLOTMENT

Calculating how many Scrip Shares you may elect to receive in lieu of cash

STEP 1: Calculate the sterling amount of the Further 2007 Dividend payable to you

The amount of the Further 2007 Dividend payable to you is calculated by multiplying 13.274 pence (being the equivalent of 16.68 euro cents at the Reference Conversion Rate) by the number of Ordinary Shares held by you on the Record Date (as shown in Box A on the Form of Election).

STEP 2: Calculate your Maximum Scrip Entitlement, being the maximum number of Scrip Shares you may elect to receive in lieu of cash

The maximum number of Scrip Shares you may elect to receive in lieu of cash is calculated by dividing the aggregate sterling amount of the Further 2007 Dividend payable to you as calculated in STEP 1 by 224.1 pence (the Scrip Share Price) rounded down to the nearest whole number of Ordinary Shares. An explanation of the treatment of fractional entitlements is set out at paragraph 5 below.

For example, if you held 10,000 Ordinary Shares you would be entitled to a maximum of 592 Scrip Shares, being the rounded down whole number of new Ordinary Shares calculated as follows:

$$\frac{10,000 \text{ (Ordinary Shares held)} \times 13.274 \text{ pence (Further 2007 Dividend)}}{224.1 \text{ pence (Scrip Share Price)}}$$

The entitlement of 1 Scrip Share for every 16.883 Ordinary Shares registered in a Shareholder's name at the Record Date has been calculated on the basis of a dividend of 13.274 pence per Ordinary Share (equivalent of 16.68 euro cents per Ordinary Share at the Reference Conversion Rate) and the Scrip Share Price of 224.1 pence. The Scrip Share Price is the average of the middle market quotations derived from the London Stock Exchange Daily Official List on the five consecutive dealing days commencing the day when the Ordinary Shares were first quoted "ex" the Further 2007 Dividend (i.e., 4, 5, 6, 9 and 10 June 2008).

5. FRACTIONAL ENTITLEMENTS

It is only possible for the Company to issue to Shareholders whole Ordinary Shares and therefore no fractions of Scrip Shares will be allotted. To the extent that a Shareholder would otherwise receive a fractional entitlement, the Shareholder's entitlement will be rounded down to the nearest whole number. All cash balances arising from fractional entitlements will be paid to the Shareholder in cash by cheque on 11 July 2008.

6. HOW TO MAKE AN ELECTION

Completing the Form of Election

TO ELECT TO RECEIVE SCRIP SHARES INSTEAD OF CASH IN RESPECT OF ALL OR PART OF YOUR DIVIDEND

Place an 'X' in the appropriate part of BOX B on the Form of Election

AND, IF YOU WISH TO MAKE A PARTIAL ELECTION,

Complete BOX C by specifying the number of Scrip Shares you wish to receive

To receive your entire dividend in cash (in euro or, if you have already so elected, in sterling) no action is required.

Shareholders who wish to participate in the Scrip Dividend Offer must complete the Form of Election and return it to Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW (the "Registrars") to be received by no later than 5 p.m. (Guernsey time) on Thursday 26 June 2008.

If no valid Form of Election is received by the Company, duly completed in accordance with this paragraph 6 you will not be able to participate in the Scrip Dividend Offer in respect of those Ordinary Shares.

7. OVERSEAS SHAREHOLDERS

It is the responsibility of any Shareholder outside the United Kingdom, Guernsey or Poland wishing to elect to receive Scrip Shares, to ensure that an election to receive such shares can be validly made without any further obligation on the Company and to be satisfied as to full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in such territory.

Receipt of a Form of Election will not constitute an invitation to make such an election in those jurisdictions in which it would be illegal to extend such an invitation and, in such circumstances, a Form of Election is sent for information only.

8. IF YOU HAVE RECENTLY BOUGHT ORDINARY SHARES

If you have bought Ordinary Shares before the Record Date, but this has not been recorded on the register and you wish to elect to receive Scrip Shares instead of a cash dividend, you should consult your stockbroker or agent without delay.

9. IF YOU HAVE RECENTLY SOLD ORDINARY SHARES

If you have sold all or some of your holding of Ordinary Share before the Record Date, but those Ordinary Shares are included in the number set out in the Form of Election, you should consult your stockbroker or agent without delay. Your stockbroker or agent will then advise you as to what action you should take.

10. IF YOU HAVE MORE THAN ONE REGISTERED HOLDING

If your Ordinary Shares are recorded in the register of members in more than one account, you will receive more than one Form of Election. Separate Forms of Election must be completed in respect of each account if you wish to opt for Scrip Shares instead of cash. Please note that, for future reference, you may request the Company's registrar to consolidate your holdings.

11. DELIVERY AND LISTING OF SCRIP SHARES

Application will be made for admission of the Scrip Shares to trading on AIM. Upon the allotment of Scrip Shares by the Board, application will also be made for admission of the Scrip Shares in dematerialised form to trading and listing on the WSE. Prior to the application for the admission of the Scrip Shares to trading on the WSE, the Scrip Shares will be registered in Poland at the depository maintained by the KDPW through the clearing system of Euroclear Bank which acts as an intermediary between Euroclear and the system of the KDPW (upon a motion for registration of the Scrip Shares in the KDPW). Admission to listing and dealings in the Scrip Shares are expected to begin on 11 July 2008 on AIM and the WSE. When allotted the Scrip Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares and will rank for all future dividends (except in respect of rights to receive dividends declared for the year ended 31 December 2007) and any other distributions declared, made or paid on the Ordinary Shares. The attention of all Shareholders holding Ordinary Shares in certificated form is drawn to the notice set out on the front of this document.

12. ADDITIONAL INFORMATION

It is necessary for this Circular to be prepared and issued to Shareholders containing certain prescribed information in order to satisfy the requirements for a memorandum pursuant to Article 39 item 1 of the Act on Public Offerings by reason of the offering by the Company of new Ordinary Shares to Shareholders in satisfaction of the Further 2007 Dividend and the application admission of such new Ordinary Shares to trading on AIM and to listing and trading on WSE.

The Scrip Dividend Offer is conditional upon Shareholder approvals and therefore the exact number of the Scrip Shares in respect of which valid Forms of Elections are received will only be publicly disclosed following the passing of the required resolutions at the 2008 AGM which is scheduled for 27 June 2008. The Company will announce the results of the 2008 AGM in the usual way and in the form of a Current Report.

The Company is not financing the issue of the Scrip Shares in any way.

13. TAX

A summary of the tax consequences for a Shareholder making an election to receive the Further 2007 Dividend payable to them in Scrip Shares instead of in cash was provided in the AGM Circular and is replicated below.

This summary general information only, the tax implications for making an election may vary depending on your personal circumstances. Accordingly, the Board recommend that Shareholders seek their own personal financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial advisor (who in the United Kingdom should be authorised under the Financial Services and Markets Act 2000).

The tax consequences for a Shareholder making an election to receive Scrip Shares instead of the Further 2007 Dividend will depend on the personal circumstances of that Shareholder. Your Directors have been advised that, under current UK and Polish legislation and published local taxation practice, the tax consequences for Shareholders resident in those countries for tax purposes will be broadly as outlined below. Shareholders should seek tax advice for their specific circumstances.

This summary of the tax treatment is neither exhaustive nor does it consider the position of any Shareholder who for tax purposes is treated as not resident in the United Kingdom or Poland. It is based on UK and Polish revenue law and published practice in effect as at the date of this document, which may be subject to change, including with retrospective effect. If unsure about the effect on their tax position, or if shares are held on a register (including the branch registers) located in a country different from their country of residence for tax purposes, UK Shareholders should consult their authorised investment adviser and Polish Shareholders should consult an appropriate professional adviser.

United Kingdom

A. UK resident individuals (other than trustees)

Where an individual elects to take Scrip Shares, the shares allotted do not attract an income charge for UK income tax purposes.

For the purposes of an individual's capital gains tax liability, the Scrip Shares will be treated as forming part of his existing pool of shares. There is no base cost attached to the new shares and they are treated as being received on the date of the original shares' acquisition.

B. UK resident trustees

The provisions regarding the taxation of scrip dividends apply equally to trustees as they apply to UK resident individuals. Therefore, trustees will also be treated as having received no income on the allocation of Scrip Shares. The exact taxation of the dividend received by the trustees will depend on the type of trust. If in any doubt, the Shareholder should consult their professional tax advisers immediately.

The capital gains tax treatment in respect of scrip dividends for trusts is also the same as it is for individuals on the basis that the Scrip Shares form part of the existing holding and there is no base cost attached to the allotted shares.

C. UK resident corporate Shareholders

The issue of the Scrip Dividend Offer will not be treated as franked investment income in the hands of a UK resident corporate Shareholder. The Scrip Dividend Offer is effectively capital and will not be subject to corporation tax at the time of issue.

For capital gains tax purposes, however, there will be no addition to the base cost of the aggregate holding.

D. UK resident exempt funds

The tax credit on the Further 2007 Dividend is notional only and it is therefore not possible to claim a repayment of the tax credit.

Poland

A. Polish resident individuals

From a Polish Personal Income Tax ("**PIT**") perspective, dividends, being regarded revenue from participation in profits of legal persons, are classified as capital gains.

PIT law does not contain any specific regulations regarding non-cash dividend distribution. Thus, the Scrip Dividend Offer (which results in the increase of the existing Shareholder's participation in the Company) funded by capitalization of reserves is treated as another type of income from participation in legal persons' profits. Consequently, the rules of taxation applicable to the Further 2007 Dividend payable in cash, as well as dividend distributed under the Scrip Dividend Offer, are the same.

Dividends distributed by the Company to a Polish individual Shareholder will not be added to his worldwide income taxable according to a progressive scale. Capital gains are a separate source of income of a Polish individual and are taxed at the flat rate of 19 per cent.. No corresponding base tax cost will be deducted from the dividend income.

Double taxation can be avoided by an application of the ordinary tax credit. Consequently, the individual Shareholder receiving the Further 2007 Dividend will have a right to deduct the tax previously withheld at source by the Company in respect of this dividend. However, such deduction cannot exceed the amount of tax calculated at 19 per cent..

The amount of tax payable in respect of the Further 2007 Dividend in Poland, as well as the amount of tax withheld abroad should be disclosed in the Shareholder's regular annual income tax filings.

Since Poland has not concluded Double Tax Treaty with Guernsey, no further tax preferences would be available. Similarly, no reliefs as a result of EU Directives apply.

B. Polish resident corporate Shareholders

From a Polish Corporate Income Tax ("**CIT**") perspective, dividends are regarded as revenue from participation in profits of legal persons.

CIT law does not contain any specific provisions governing non-cash dividend distributions. Thus, the Scrip Dividend Offer (which results in the increase of the existing Shareholder's participation in the Company) funded by capitalization of reserves is treated as another type of income from participation in legal persons' profits. Consequently, the rules of taxation applicable to the Further 2007 Dividend payable in cash, as well as dividend distributed under the Scrip Dividend Offer, are the same.

The Further 2007 Dividend distributed to a Polish corporate Shareholder from the Company will be taxed at the standard CIT rate of 19 per cent.. The amount of the dividend will not constitute a separate source of income, but should be added to the Shareholder's worldwide income taxable as regular business income. No corresponding base tax cost will be deducted from the dividend.

Double taxation can be avoided by an application of the ordinary tax credit. Consequently, the Shareholder receiving the Further 2007 Dividend will be entitled to deduct the tax previously withheld at source by the Company in respect of this dividend. However, such deduction will be limited to the amount of tax calculated on the worldwide taxable income attributed to the Further 2007 Dividend.

Since Poland has not concluded Double Tax Treaty with Guernsey, no further tax preferences would be available. Similarly, no reliefs as a result of EU Directives apply.

C. Polish resident exempt funds

Investment Funds established under the Polish Act on Investment Funds (the "**Investment Fund**") are exempt from CIT. Therefore, any dividend distributed by the Company to such vehicle would not be subject to income tax in Poland at the level of the Investment Fund. However, due to lack of taxable income, any tax withheld at source in respect of the Further 2007 Dividend (regardless of whether in cash or in the form of new Ordinary Shares in the Company) will not be recovered by the Investment Fund.

COMPARISON OF DIVIDEND PROPOSALS AND TAXATION TREATMENT

The general tax implications set out below are based on the tax legislation at 4 June 2008.

Shareholders are advised to consult their own professional adviser in regard to their specific personal circumstances.

TAXATION – UNITED KINGDOM		
	Further 2007 Dividend (in cash)	Scrip Dividend Offer
Individuals	<p>Assessable for income tax.</p> <p>Under proposals detailed in Finance Bill 2008, cash dividends paid after 5 April 2008 on minority shareholdings in an overseas company (less than 10 per cent.) are subject to income tax on the cash dividend grossed up by 11.1 per cent. to reflect a notional tax credit of 10 per cent. This tax credit is deemed to cover the basic rate liability. It is not repayable.</p> <p>Higher rate tax payers are subject to tax on the gross dividend at 32.5 per cent. less the 10 per cent. tax credit.</p> <p>Cash dividends paid on shareholdings of 10 per cent. or more do not carry an entitlement to a notional tax credit.</p> <p>Cash dividends paid on shareholdings of 10 per cent. or more do not carry an entitlement to a notional tax credit.</p>	<p>Not assessable for income tax.</p> <p>Shares in an overseas company allotted to UK shareholders are not treated as taxable income for UK tax purposes.</p> <p>The shares allotted carry no base cost for capital gains tax purposes and are treated as being acquired on the same day as the original shares to which the allotted shares relate.</p>
Corporate Shareholders	<p>Not taxable if the shares are held on capital account. Taxable if the shares are held on trading account.</p>	<p>Not taxable upon issue of Scrip Shares. No addition to base cost of aggregate holding.</p>
Exempt funds	<p>Not taxable.</p> <p>No refund of tax credit available.</p>	<p>Not taxable.</p>

TAXATION – POLAND

	Further 2007 Dividend (in cash)	Scrip Dividend Offer
Individuals	<p>Taxable revenue regarded as income from participation in profits of legal persons. No base tax cost can be deducted.</p> <p>Separate source of income (capital gains) taxed at the flat rate of 19 per cent.</p> <p>Ordinary tax credit for tax withheld abroad available.</p> <p>No Treaty or EU preferences available.</p>	Identical.
Corporate Shareholders	<p>Taxable revenue regarded as income from participation in profits of legal persons. No base tax cost can be deducted.</p> <p>Should be cumulated with worldwide income and taxed at 19 per cent.</p> <p>Ordinary tax credit for tax withheld abroad available.</p> <p>No Treaty or EU preferences available.</p>	Identical.
Exempt funds	<p>Not taxable.</p> <p>No refund of tax credit available.</p>	Identical.

DEFINITIONS

<i>"Act on Public Offerings"</i>	the Polish Act of 29 July 2005 on public offerings, conditions governing the introduction of financial instruments to organised trading and public companies, as amended;
<i>"AIM"</i>	AIM, a market operated by the London Stock Exchange;
<i>"Annual General Meeting" or "AGM"</i>	the annual general meeting of the Company to be held at the Company's registered office at 9.30 a.m. (Guernsey time) on Friday 27 June 2008 (or such later time or date to which it may be adjourned) pursuant to the notice of AGM;
<i>"AGM Circular"</i>	the circular sent to Shareholders dated 3 June 2008;
<i>"Articles"</i>	the articles of association of the Company, adopted by written resolution on 24 February 2006 and as further amended by special resolutions passed on the 16 November 2006 and 13 December 2007;
<i>"Board"</i>	the board of directors of the Company;
<i>the "Company"</i>	Atlas Estates Limited (a company incorporated in Guernsey with company number 44284);
<i>"Circular"</i>	this document which incorporates the requirements for a memorandum in respect of the Scrip Dividend Offer pursuant to the regulation of the Polish Minister of Finance dated 6 July 2007 on the detailed content of an information memorandum referred to in Article 39 item 1 and Article 42 item 1 of the Act on Public Offerings;
<i>"CREST"</i>	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in such Regulations);
<i>"Current Report"</i>	a current report provided to a Polish regulatory information service by the Company as an issuer of securities in the form determined pursuant to the provisions issued on the basis of Article 60 item 2 of the Act on Public Offerings;
<i>"Date of this Memorandum"</i>	the date of issue of this Circular, being 11 June 2008;
<i>the "Directors"</i>	the directors of the Company;
<i>"Euroclear"</i>	Euroclear UK and Ireland Limited (a company incorporated in England and Wales with company number 02878738);
<i>"Form of Election"</i>	the form of election for the Scrip Dividend Offer which accompanies this Circular;
<i>"Further 2007 Dividend"</i>	the second dividend for 2007 of 16.68 euro cents per Ordinary Share (being equivalent to 13.274 pence per Ordinary Share at the Reference Conversion Rate) declared on 29 February 2008 in respect of the financial year ended 31 December 2007 and to be paid on 11 July 2008;
<i>"Group"</i>	the Company and its subsidiaries;
<i>"KDPW"</i>	Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository

	of Securities) with its registered seat in Warsaw, Poland;
<i>"London Stock Exchange" or "LSE"</i>	London Stock Exchange plc;
<i>"Maximum Scrip Entitlement"</i>	the maximum whole number of Ordinary Shares a Shareholder may receive as a result of a valid election to accept the Scrip Dividend Offer (fractional entitlements being rounded down);
<i>"NAV"</i>	net asset value;
<i>"NAV per Ordinary Share"</i>	the Group's total assets minus its total liabilities (as determined by the Directors) divided by the number of the Ordinary Shares in issue at the relevant date assuming the exercise immediately prior to that date of all outstanding warrants (in determining NAV the value of the Group's property interests are taken to be as set out in the most recent reported Valuation adjusted for the Group's percentage interest in those properties and all shares held in treasury are ignored);
<i>"Notice"</i>	the notice of the AGM set out in the AGM Circular;
<i>"Ordinary Shares"</i>	ordinary shares of €0.01 each in the capital of the Company having the rights, and being subject to the restrictions, set out in the Articles;
<i>"Poland"</i>	the Republic of Poland;
<i>"Record Date"</i>	the record date for the Further 2007 Dividend and Scrip Dividend Offer being the close of business (Guernsey time) on Friday 6 June 2008;
<i>"Reference Conversion Date"</i>	9 June 2008;
<i>"Reference Conversion Rate"</i>	£0.7958 = €1, being the reference conversion rate between euro and sterling as stated on Datastream on the Reference Conversion Date;
<i>"Scrip Dividend Offer"</i>	the offer by way of scrip dividend of Scrip Shares to those Shareholders on the Record Date who do not wish to take the Further 2007 Dividend in cash;
<i>"Scrip Shares"</i>	up to 2,664,163 new Ordinary Shares to be issued fully paid pursuant to the Scrip Dividend Offer;
<i>"Scrip Share Price"</i>	224.1 pence per new Ordinary Share, being the average of the middle market quotations derived from the London Stock Exchange Daily Official List on the five consecutive dealing days commencing the day when the shares are first quoted "ex" the Further 2007 Dividend (4 June 2008);
<i>"Shareholders"</i>	holders of Ordinary Shares in the capital of the Company;
<i>"UK"</i>	the United Kingdom of Great Britain and Northern Ireland;
<i>"Valuation"</i>	the valuation of the Group's property interests carried out by an independent valuer; and
<i>"WSE"</i>	the Warsaw Stock Exchange.