ATM S.A. GROUP OF COMPANIES

CONSOLIDATED HALF-YEAR REPORT AS AT JUNE 30, 2009

(in PLN '000)

CONTENTS

SELECTED FINANCIAL DATA

	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	PLN '000		EUR '000	
Total sales revenue	145,996	94,792	32,311	27,258
Operating profit (loss)	9,877	(2,515)	2,186	(724)
Profit before tax	4,817	1,576	1,066	454
Net profit of parent undertaking shareholders	4,589	2,441	1,016	702
Net cash from operating activities	21,702	2,904	4,803	835
Net cash from financial activities	(6,216)	9,276	(1,376)	2,668
Net cash from investment activities	(13,711)	(46,205)	(3,035)	(13,287)
Increase (decrease) in cash	1,775	(34,025)	393	(9,784)
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
Fixed assets	265,443	261,951	59,388	62,782
Current assets	92,345	123,622	20,661	29,629
Total assets	357,788	385,573	80,049	92,410
Long-term liabilities	27,223	30,634	6,091	7,342
Short-term liabilities	84,607	113,172	18,929	27,124
Equity	245,958	241,767	55,029	57,944
Share capital*	34,397	34,397	7,696	8,244
Parent undertaking shareholders' equity	236,459	235,697	52,904	56,490
Number of shares	36,000,000	36,000,000	36,000,000	36,000,000
Book value per share (PLN/EUR)	6.57	6.55	1.47	1.57
Diluted book value per share (PLN/EUR)	6.57	6.55	1.47	1.57

* share capital restated in accordance with IAS 29.

The above financial data as at June 30, 2009 have been converted into EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of June 30, 2009 at PLN/EUR 4.4696;
- particular items of the consolidated P&L account and consolidated cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year (between January 1 and June 30, 2009) at PLN/EUR 4.5184.

The above financial data as at June 30, 2008 have been converted into EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of June 30, 2008 at PLN/EUR 3.3542;
- particular items of the consolidated P&L account and consolidated cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year (between January 1 and June 30, 2008) at PLN/EUR 3.4776.

The above financial data as at December 31, 2008 have been converted into EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of December 31, 2008 at PLN/EUR 4.1724;

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2009

KEY CONSOLIDATED HALF-YEAR REPORT DATA

This consolidated half-year report covers information prepared pursuant to Section 86, Subsection 2 and Section 87, Subsection 1 of the Regulation of the Minister of Finance of October 19, 2005, and includes consolidated financial statements of the ATM S.A. Group of Companies made in accordance with the International Financial Reporting Standards as approved by the European Union for the period between January 1 and June 30, 2009.
Submission date: August 31, 2009

Key Issuer details:

Full name of the Issuer: ATM S.A.
Short name of the Issuer: ATM
Sector according to Warsaw Stock Exchange classification: IT
Post code: 04-186
City: Warsaw
Street name: Grochowska
Street number: 21a
Phone: (22) 51 56 660
Fax: (22) 51 56 600
e-mail: inwestor@atm.com.pl
Web site: www.atm.com.pl
NIP (tax identification number): PL 113-00-59-989
REGON (statistical ID): 012677986
Entity authorized to perform audit: Deloitte Audyt sp. z o. o.

TOTAL INCOME STATEMENT

	NOTE	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Continued operations			
Sales revenue	3	145,996	94,792
Cost of goods sold (variable)	4	91,773	54,352
Cost of goods sold (fixed)	4	12,718	11,921
Gross profit (loss) on sales		**41,505**	**28,519**
Other operating revenue	5	1,527	361
Selling costs	4	895	585
General and administrative costs	4	31,862	30,688
Other operating expenses	6	398	122
Restructuring costs		-	-
Operating profit (loss)		**9,877**	**(2,515)**
Share in the financial result of undertakings valued using the equity method		624	370
Financial revenue	7	492	4,570
Financial expenses	8	6,176	849
Profit (loss) before tax		**4,817**	**1,576**
Income tax	9	766	(159)
Net profit (loss) on continued operations		**4,051**	**1,735**
Discontinued operations			
Net profit (loss) on discontinued operations		-	-
Net profit (loss)		**4,051**	**1,735**
Other total income			
Share in other total income of associates		**-**	-
Income tax related to other total income items		**-**	-
Other total net income		**-**	**-**
Total amount of total income		**4,051**	**1,735**
Net profit (loss) for the Group's shareholders		4,589	2,441
Net profit (loss) for minority shareholders		(538)	(706)

Total sum of total income for the Group's shareholders	4,589	2,441
Minority shares	(538)	(706)
Profit (loss) per share *)		
From continued operations:		
Ordinary	0.11	0.07
Diluted	0.11	0.07
From continued and discontinued operations:		
Ordinary	0.11	0.07
Diluted	0.11	0.07

CONSOLIDATED FINANCIAL SITUATION STATEMENT – ASSETS

	NOTE	End of period June 30, 2009	End of period December 31, 2008
Fixed assets			
Goodwill	11	16,588	16,588
Intangible assets	12	35,857	31,721
Property, plant and equipment	13	139,377	137,447
Investments in associates consolidated using the equity method		65,274	64,650
Other financial assets	14	80	80
Deferred income tax assets		1598	1,635
Other fixed assets	15	6,669	9,830
		265,443	**261,951**
Current assets			
Inventories	16	12,813	14,505
Financial assets held for trading		200	
Trade and other receivables	17	61,141	94,735
Income tax receivables		447	26
Other current assets	18	12,059	10,312
Other financial receivables	18	(72)	62
Cash and cash equivalents	19	5,757	3,982
		92,345	**123,622**
Fixed assets classified as held for sale		-	-
Total assets		**357,788**	**385,573**

CONSOLIDATED FINANCIAL SITUATION STATEMENT – LIABILITIES

	NOTE	End of period June 30, 2009	End of period December 31, 2008
Equity			
Share capital	20	34,397	34,397
Supplementary capital from share premium		157,252	157,252
Revaluation reserve		-	-
Treasury shares		(2,000)	(1,984)
Capital reserves		32,303	21,320
Hedge valuation reserve and FX gains/losses due to consolidation		-	-
Retained earnings	20	14,507	24,712
Total Group shareholders' equity		**236,459**	**235,697**
Minority share	21	9,499	6,070
Total shareholders' equity		**245,958**	**241,767**
Long-term liabilities			
Long-term loans	22	3,175	3,490
Provisions for deferred tax		0	-
Provisions for liabilities	23	8	85
Long-term trade and other liabilities	24	1,705	2,904
Other financial liabilities		22,335	24,155
		27,223	**30,634**
Short-term liabilities			
Bank and other loans	22	15,292	15,648
Provisions for liabilities	23	133	766
Income tax liabilities		-	1,116
Trade and other liabilities	25	55,051	82,961
Other financial liabilities	26	14,131	12,681
		84,607	**113,172**
Liabilities related directly to fixed assets classified as held for sale		-	-
Total liabilities		**357,788**	**385,573**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Total Group shareholders' equity	Minority share	Total shareholders' equity
Data as at January 1, 2008	**34,397**	**157,252**	**-**	**25,073**	**34,747**	**251,469**	**5,662**	**257,131**
Increases:								
Issue of shares								
Capital increase	-	-	-	-	-	-	996	996
Current period results	-	-	-	-	2,441	2,441	-	2,441
Purchase of shares under share option plan								
Valuation of management options								
Changes to the Group's structure	-	7,880	-	32	(286)	7,626	169	7,795
Profit distribution								
Decreases:								
Share issue costs								
Purchase of treasury shares under share option plan	-	-	1,682	-	-	1,682	-	1,682
Current period results	-	-		-	-	-	705	705
Profit distribution to be allocated to equity								
Items transferred to reserve capital	-	-	-	-	7,880	7,880	-	7,880
Dividend payout	-	-	-	1,209	19,560	20,769	-	20,769
Data as at June 30, 2008	**34,397**	**165,132**	**(1,682)**	**23,896**	**9,462**	**231,205**	**6,122**	**237,327**

Data as at January 1, 2009	**34,397**	**157,252**	**(1,984)**	**21,320**	**24,712**	**235,697**	**6,070**	**241,767**
Increases:								
Capital increase	-	-	-	-	-	-	253	253
Current period results	-	-	-	-	4,588	4,588	-	4,588
Revaluation	-	-		(72)	-	(72)	-	(72)
Valuation of management options	-	-	-		-	-	-	-
Changes to the Group's structure	-		-			-	3,751	3,751
Profit distribution	-	-	-	11,055		11,055	404	11,459
Decreases:								
Purchase of treasury shares under share option plan	-	-	16		-	16	-	16
Adjustment concerning the result from previous years - changes in minority share					3,738	3,738		3,738
Current period results	-	-	-	-	-	-	575	575
Profit distribution to be allocated to reserve capital	-	-	-		11,055	11,055	404	11,459
Dividend payout	-	-	-			-	-	-
Financing of incentive scheme	-	-	-		-	-	-	-
Data as at June 30, 2009	**34,397**	**157,252**	**(2,000)**	**32,303**	**14,507**	**236,459**	**9,499**	**245,958**

CONSOLIDATED CASH FLOW STATEMENT

Cash flows	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Operating activities		
Profit (loss) before tax	**4,817**	**1,576**
Adjustment (items):	16,885	1,328
Share in profit (loss) of entities valued using the equity method	624	(370)
Amortization and depreciation	9,440	7,415
FX gains/losses	1,346	(1,427)
Interest received	-66	19
Interest paid	1,200	668
Dividends received	67	-
Profit (loss) on investment activities	(380)	(61)
Movements in inventories	1,634	(1,059)
Movements in receivables	27,450	38,023
Movements in liabilities and provisions	(16,285)	(43,294)
Movements in other assets	(2,890)	5,099
Income tax paid	(1,716)	(4,289)
Other	(3,539)	605
	21,702	**2,904**
Investment activities		
Expenses on property, plant and equipment purchases	(21,652)	(54,916)
Expenses on financial asset purchases	(693)	(1,108)
Revenue from property, plant and equipment sale	8,306	10,474
Repayment of long-term loans granted	448	1,825
Long-term loans granted	-	(2,634)
Revenue from financial asset sale	-	-
Interest received	-	-
FX gains/losses	(120)	153
Other		1
	(13,711)	**(46,205)**
Financial activities		
Net proceeds from issue of shares and other capital contributions	-	1,104
Subsidies received	-	242
Proceeds from loans	(1,194)	14,035
Repayment of loans	0	(303)
Purchase of treasury shares	(16)	(1,682)
Payment of liabilities arising from finance leases	(3,864)	(3,440)
Dividends paid		(233)
Interest received	1	274
Interest paid	(1,234)	(742)
FX gains/losses	48	14
Other	43	7
	(6,216)	**9,276**

Movements in cash	**1,775**	**(34,025)**
Opening balance of cash	3,982	69,756
Closing balance of cash	**5,757**	**35,731**

ADDITIONAL NOTES

NOTE 1.
BASIC INFORMATION

1. Information concerning the parent undertaking

ATM S.A. is a joint stock company. The Company launched its operations in 1993 as ATM Sp. z o. o. limited liability company. On July 10, 1997, ATM Sp. z o. o. was transformed into a joint stock company pursuant to the notarial deed drawn up at the Notarial Office in Raszyn on May 16, 1997 (Repertory No. 3243/97).

The registered office of the Company is located in Warsaw at ul. Grochowska 21 a. The Company operates from its registered office as well as through a branch in Katowice, which is not a self-contained accounting unit. The Company was registered at the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register. The Company is registered under National Court Register entry No. KRS 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange. The ownership structure as at December 31, 2008 and June 30, 2009 has been presented in Note 20.

According to the Warsaw Stock Exchange classification, the core business of the Group concerns the IT sector. The Group's core business includes ICT services combining skills and resources related to ICT systems integration and telecommunications as well as software development and deployment. The Group provides services related to the following core areas:

- telecommunications and value added services, including Internet access for telecommunications providers and corporate customers, the lease of transmission lines, telecommunications outsourcing, collocation and other value added services;
- integrated ICT infrastructure systems, including the integration of computer networks and data storage and processing systems (from April 1, 2009, operating activities in this area have been carried out by ATM Systemy Informatyczne Sp. z o.o., which is included in the Issuer's Group of Companies);
- application solutions based on proprietary and third party software;
- multimedia solutions and services including an Internet television platform incorporating video on demand services and a point of sales advertising television platform;

As at June 30, 2009, the Management Board included:

- Roman Szwed – Management Board President
- Tadeusz Czichon – Management Board Vice-President
- Maciej Krzyżanowski – Management Board Vice-President

The Supervisory Board as at June 30, 2009 included:

- Jan Wojtyński – Supervisory Board Chairman
- Tomasz Tuchołka – Supervisory Board Deputy Chairman
- Sławomir Kamiński – Supervisory Board Member
- Mirosław Panek – Supervisory Board Member
- Zbigniew Mazur – Supervisory Board Member

2. Information about undertakings included in the Group of Companies

In the first half of 2009, the following changes occurred with respect to the ATM S.A. Group of Companies:

- On February 6, 2009, ATM S.A. purchased 999 shares in rec-order sp. z o.o. from mPay International for PLN 9,227.40 and acquired new shares in rec-order sp. z o.o for PLN 15 thousand. As a result of this activity, ATM S.A. owns 1,150 shares in the aforementioned company, which amounts to 100% of shares in share capital.
- On February 2, 2009, an increase in share capital of mPay S.A. by PLN 7,200 thousand was registered. The increase in capital under authorized capital is aimed at ensuring current financing of the company’s activity concerning propagation of mobile payments system in Poland in collaboration with business partners.
- On February 11, 2009, the management board of mPay S.A. increased the Company's share capital by PLN 500,000 under authorized capital. On March 18, 2009, another increase by PLN 900,000 took place. 98% of new shares were acquired by ATM S.A., while 2% - by mPay S.A.'s Management Board President. As a result of the said increase in capital, ATM S.A. owns 54.37% of shares in the Company's share capital. The resolution on the second increase in capital was registered by the Court on April 30, 2009.
- On May 5, 2009, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register issued a decision on changing the Company's name from Centrum Innowacji ATM Sp. z o.o. to ATM Systemy Informatyczne Sp. z o.o. On May 15, 2009, an increase in share capital of ATM Systemy Informatyczne Sp. z o.o. from PLN 50,000 to PLN 1,000,000 was registered. ATM S.A. acquired 100 % of the Company's shares.
- On June 30, 2009, a resolution was adopted on increasing the share capital of Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. from PLN 50,050 to PLN 500,000 by establishing 8,999 shares at PLN 50 each and on changing the Company's name to ATM Software Sp. z o.o. Shares in the Company's increased share capital were acquired by ATM S.A., while Andrzej Molski, the former director of business solutions department in ATM, became the new Management Board President (these changes were registered by the Court on July 30, 2009).

As at June 30, 2009, the Group of Companies included the following subsidiaries apart from the Issuer:

Company name	Core business	Dependence	Stake in share capital	Share in the overall number of votes
inONE S.A.	IT services	Subsidiary	60%	60%
Iloggo Sp. z o.o.	Web services	Subsidiary	60%	60%
Cineman Sp. z o.o.	Web multimedia services	Subsidiary	51%	51%
mPay International Sp. z o.o.	Intellectual property management	Subsidiary	60%	60%
mPay S.A.	Mobile payment settlement	Subsidiary	54.37%	54.37%
rec-order Sp. z o.o.	Online sales	Subsidiary	100%	100%
KLK S.A.	Integration of ICT systems	Subsidiary	78.74%	78.74%
Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. (from July 1, 2009 ATM Software Sp. z o.o.)	Programming services / multimedia products and solutions	Subsidiary	100%	100%
Impulsy Sp. z o.o.	Software for medical services	Subsidiary	78.46%	78.47%
Sputnik Software sp. z o.o.	IT services for the public sector	Subsidiary	60%	60%
ATM Systemy Informatyczne Sp. z o.o. (until May 5, 2009 Centrum Innowacji ATM Sp. z o.o.)	Integration of ICT systems	Subsidiary	100%	100%
Linx Telecommunications B.V.	Independent telecommunications provider	Associate	21.66%	21.67%

3. Grounds for the drawing up of consolidated financial statements

The present consolidated financial statements have been drawn up in accordance with the requirements of International Financial Reporting Standards ("IFRS") as approved by the European Union, and with respect to matters not regulated in the said standards – in accordance with the requirements of the Accounting Act of September 29, 1994 (Journal of Laws [Dz.U.] No. 76/2002 item 694 as amended) and the secondary legislation issued pursuant to this Act and in accordance with the requirements stipulated in the Regulation of the Minister of Finance of February 19, 2009 regarding current and periodical information submitted by issuers of securities (Journal of Laws [Dz.U.] No. 33/2009 item 259).

As of January 1, 2005, amendments to the Accounting Act (Article 45, sections 1a through 1c of the Accounting Act) have imposed an obligation on the Group to draw up consolidated financial statements in accordance with IFRS as approved by the European Union. As at the publication date of the present consolidated financial statements, taking into account the adaptation process of IFRS by the European Union, there are no differences between the accounting principles adopted by the Group according to IFRS and IFRS as approved by the European Union.

NOTE 2. MATERIAL ACCOUNTING POLICIES

The fiscal year for the Issuer and the companies included in the Group is a calendar year.

The financial data in the consolidated financial statements have been stated in thousands of PLN unless stated with greater accuracy in specific cases. The Polish zloty (PLN) is both the functional and reporting currency for the Group.

The consolidated financial statements have been drawn up on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date on which the consolidated financial statements were drawn up, there were no circumstances indicating any threat to the Group continuing as a going concern.

1. Compliance statement

The consolidated financial statements of the ATM S.A. Group for the period ending on June 30, 2009 and comparable data for the fiscal year ending on December 31, 2008 have been drawn up in accordance with the International Financial Reporting Standards as approved by the European Union.

2. Adoption of the International Financial Reporting Standards

Standards and interpretations first applied in 2009

The following amendments to the existing standards published by the International Accounting Standards Board and approved by the EU shall come into force in 2009:

- IFRS 8 "Operating Segments" - approved by the EU on November 21, 2007 (effective in relation to annual periods starting January 1, 2009 or after this date),
- Amendments to IFRS 1 "Using IFRS for the First Time" and to IAS 27 "Consolidated and Separate Financial Statements" - Investment costs in a subsidiary, jointly controlled entity or associate, approved by the EU on January 23, 2009 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IFRS (2008) "Amendments to International Financial Reporting Standards" - amendments made under introduction of annual amendments to the Standards, published on May 22, 2008 (IAS 1, IFRS 5, IAS 8, IAS 10, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40, IAS 41), directed at resolving inconveniences and specification of terminology, approved by the EU on January 23, 2009 (the majority of amendments is effective in relation to annual periods starting January 1, 2009 or after this date),
- Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation, approved by the EU on January 21, 2009 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IAS 1 (revised) "Presentation of Financial Statements" - Revised presentation, approved by the EU on December 17, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IAS 23 (revised) "Borrowing costs" - Revised presentation, approved by the EU on December 17, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),
- Amendments to IFRS 2 "Share-based Payment" - Vesting Conditions and Cancellations, approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IFRIC 11 Interpretation "IFRS 2 - Group and Treasury Share Transactions", approved by the EU on June 1, 2007 (effective in relation to annual periods starting March 1, 2008 or after this date),

- IFRIC 13 Interpretation "Loyalty Programs" - approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IFRIC 14 Interpretation "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" - approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),

The abovementioned amendments to the standards would not have significant impact on the accounting policy of the Group of Companies if they had been applied by the Group as at the balance sheet date.

Standards and interpretations which have already been published but are not yet applicable

While approving the present financial statements, the Company did not apply the following standards, amendments and interpretations, which had already been published and approved for application within the EU but were not applicable yet:

- IFRS 3 (revised) "Business Combinations" - approved by the EU on June 3, 2009 (effective in relation to annual periods starting July 1, 2009 or after this date),
- Amendments to IAS 27 "Consolidated and Separate Financial Statements" - approved by the EU on June 3, 2009 (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRIC 12 Interpretation "Contracts for Licensed Services", approved by the EU on March 25, 2009 (effective in relation to annual periods starting March 30, 2009 or after this date),
- IFRIC 15 Interpretation "Contracts for Real Estate Construction" (effective in relation to annual periods starting January 1, 2010 or after this date),
- IFRIC 16 Interpretation "Net Foreign Investment Hedge" - approved by the EU on June 4, 2009 (effective in relation to annual periods starting June 30, 2009 or after this date),

The Entity decided not to take advantage of the possibility to adopt the abovementioned standards, amendments and interpretations at an earlier date. According to the estimates of the entity, the abovementioned standards, interpretations and amendments to these standards would not have significant impact on the financial statements if they had been applied by the entity as at the balance sheet date.

Standards and interpretations adopted by IASB but not yet approved by the EU

IFRS as approved by the EU are, at present, not substantially different from regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, amendments and interpretations, which had not yet been approved as at the date of publication of the financial statements:

- IFRS 1 (revised) "Using IFRS for the First Time" (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRS (2009) "Amendments to International Financial Reporting Standards" - amendments made under introduction of annual amendments to the Standards, published on April 16, 2009 (IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9, IFRIC 16), directed at resolving inconveniences and specification of terminology (the majority of amendments is effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 1 "Using IFRS for the First Time"- additional exemptions for entities using IFRS for the first time (effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 2 "Share-based Payment" - Group cash-settled share-based payment transactions (effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Improving Disclosures about Financial Instruments (effective in relation to annual periods starting January 1, 2009 or after this date),
- Amendments to IAS 39 "Financial instruments: recognition and valuation" - Eligible Hedge Items (effective in relation to annual periods starting July 1, 2009 or after this date),
- Amendments to IAS 39 "Reclassification of Financial Assets" and to IFRS 7 "Financial Instruments: Disclosures" - Reclassification of Financial Assets, effective date and transitional provisions (effective as of July 1, 2008),

- Amendments to IFRIC 9 "Reassessment of Embedded Derivatives" and to IAS 39 "Financial instruments: recognition and valuation" - Embedded derivatives (effective in relation to annual periods ending June 30, 2009 or after this date),
- IFRIC 17 Interpretation "Distributions of Non-cash Assets to Owners" (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRIC 18 Interpretation "Transfers of Assets from Customers" (applicable to transactions taking place after June 30, 2009).

According to the estimates of the entity, the abovementioned standards, interpretations and amendments to these standards would not have significant impact on financial statements if they had been applied by the entity as at the balance sheet date.

At the same time, besides the regulations adopted by the EU, there is also asset and liability portfolio hedge accounting, which has not been fully approved for application within the EU.

According to the estimates of the entity, asset or liability portfolio hedge accounting application according to IAS 39 — "Financial instruments: recognition and valuation" would not have significant impact on financial statements if they had been fully approved for application at the balance sheet date.

3. Management Board estimates

In drawing up the present consolidated financial statements, the Management Board of the parent undertaking relies on estimates based on certain assumptions and judgments. These estimates affect the principles adopted and the amounts of assets, liabilities, revenue and costs presented.

The estimates and related underlying assumptions are based on historical experience and the analysis of diverse factors, which are considered reasonable under the circumstances, and their results form the basis for professional judgment concerning the value of individual items they concern.

With regard to certain significant issues, the Management Board of the parent undertaking relies on opinions voiced by independent experts.

Due to the nature of estimates and the forward-looking assumptions adopted, the accounting estimates arrived at in this manner may by definition differ from actual results. The estimates and assumptions adopted are subject to ongoing verification. Any change in accounting estimates will be recognized in the period in which they are changed if they concern this period only, or in subsequent periods as well.

Estimates and assumptions involving significant risk include:

a) provisions for employee benefits

As concerns employee benefits, the Group is not party to any wage bargaining agreements or collective employment agreements. Moreover, the Group does not participate in any pension schemes managed directly by the Company or by external funds. The costs of employee benefits include salaries payable according to the terms and conditions of employment contracts concluded with individual employees and the costs of pension benefits (retirement severance pay) payable to employees pursuant to Labor Code provisions at the end of their employment period. Short-term employee benefit liabilities are valued according to general principles. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the consolidated financial statements.

b) long-term contracts

The Group determines the completion stage of long-term contracts by determining the proportion of the project costs already incurred to total estimated project costs. Due to the nature of the projects implemented and the possibility that unforeseen difficulties emerge in relation to project implementation, it may turn out that total actual project implementation costs differ from the estimates made. Changes in total project implementation cost estimates may result in the need to restate the project completion stage determined as at the balance sheet date, and thus restate the revenue recognized.

c) other

Apart from the aforementioned issues, the Group makes regular (at least annual — on the balance sheet date) estimates concerning the correct determination of life of individual fixed assets, the potential residual value of individual assets as well as receivable and inventory write-downs. These estimates are largely based on historical experience and the analysis of various factors affecting the use of assets and the possibility of taking advantage of the related economic profits.

4. Accounting principles

Consolidation - Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying the control of more than one half of the overall voting rights in their decision-making bodies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition of subsidiaries by the Group is accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is not subject to amortization, but is tested for impairment annually.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss account.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Intercompany transactions, balances and unrealized gains on transactions between Group Companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Increases in stake in a subsidiary occurring after the parent undertaking has assumed control are recognized in equity.

Goodwill impairment write-downs are recognized in the profit and loss account as other operating expenses and are not subject to reversal.

Consolidation — associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying the control of between 20% and 50% of the voting rights in decision-making bodies.

Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Intangible assets

Intangible assets include Group assets that lack physical substance, are identifiable and can be reliably valued and which will cause future economic benefits to flow to the unit.

Intangible assets are initially recognized at acquisition price or cost of production.

Intangible assets created as a result of development work are recognized in the balance sheet where the following conditions are met:

- from the technical point of view, the intangible asset can be completed so that it can be sold or used;
- it is possible to demonstrate the intention to complete the asset as well as use and sell it;
- the asset will be fit for use or sale;
- the manner in which the asset will generate future economic benefits is known;
- technical and financial resources required to complete development work and to use and sell the asset will be secured;
- it is possible to reliably determine the expenditure incurred during development work.

The expenditure incurred during research work and expenditure that does not meet the aforementioned conditions is recognized as expense in the profit and loss account on the date it is incurred, under general and administrative costs.

The Group also includes the expenditure incurred in order to obtain perpetual land usufruct rights in intangible assets. Perpetual usufruct of land is considered operating lease, and so the subject of usufruct is not included in the Group's assets. However, the expenses incurred in order to obtain such rights in the secondary market (from other undertakings) and the expenses related to the granting of such rights by competent state authorities are recognized as intangible assets and are amortized over the contractual period during which the Group can use such rights.

The rates adopted for the amortization of intangibles reflect their predicted useful life. The Group does not have intangible assets with indefinite useful life other than goodwill. Intangible assets with definite useful lives are amortized on a straight-line basis. The useful lives for individual intangible assets are as follows:

obtained perpetual usufruct rights	100 years
software licenses	2 years
development work	3-5 years
trademarks	5 years
copyrights	5 years

Intangible assets are tested for impairment where there are circumstances indicating impairment; for intangible assets in development the potential impairment is determined on every balance sheet date. The effects of intangible impairment and amortization are recognized as costs related to core operations.

On the balance sheet date, intangibles are valued at cost less amortization charges and any impairment charges.

Property, plant and equipment

Property, plant and equipment includes fixed assets and expenditure for fixed assets under construction which the unit intends to use in its activities and for administrative purposes over a period longer than one year, and which will cause future economic benefits to flow to the unit. Fixed asset expenditure includes the investment expenditure incurred as well as expenditure incurred in relation to the future supplies of machinery, equipment and services related to the construction of fixed assets (payments on account).

Fixed assets and fixed assets under construction are initially recognized at acquisition price or cost of production.

Fixed assets include important specialist replacement parts that function as elements of a fixed asset. Significant components, including intangible ones, are also recognized as separate fixed asset items.

The rates adopted for the depreciation of fixed assets, including components and specialist replacement parts, reflect their predicted period useful life. Fixed assets are depreciated on a straight-line basis. The useful lives for individual fixed asset items are as follows:

buildings and structures	from 10 to 40 years
machinery and equipment	from 4 to 10 years
means of transportation	from 5 to 7 years
other fixed assets	from 4 to 10 years

Own land is not subject to depreciation. The Group treats perpetual land usufruct rights granted as operating lease. Where such rights are purchased in the secondary market, they are recognized as intangible assets and amortized over their predicted period useful life.

Fixed assets and fixed assets under construction are tested for impairment where there are circumstances indicating impairment; for fixed assets under construction in the development stage the potential impairment is determined on every balance sheet date. The effects of impairment of fixed assets and fixed assets under construction are recognized as other operating expenses.

On the balance sheet date, fixed assets and fixed assets under construction are valued at cost less depreciation charges and any impairment charges.

Financial assets

The Group classifies financial assets to one of the following categories: financial assets at fair value through profit or loss, loans granted and own receivables, financial assets held to maturity and financial assets available for sale. The classification of individual financial asset depends on the purpose of the financial asset, the intentions of the Management Board and on whether the financial asset in question is quoted in the market. The Management Board determines the aforementioned classification on the initial recognition of a given asset and, in justified cases, performs an appropriate reclassification in subsequent periods, except for the reclassification of financial assets at fair value through profit or loss. The reclassification in and out of the financial assets at fair value through profit or loss category is prohibited.

a) Financial assets at fair value through profit or loss

   This category includes financial assets held for trading and financial assets designated on initial recognition to be measured at fair value. Financial assets are classified to this category where they are held for the purpose of selling in the short term. Financial instruments (except hedging instruments) are also classified to the held for trading financial asset category.

Financial assets at fair value through profit or loss are initially measured at fair value, and transaction costs are recognized directly in the profit and loss account. Gains and losses resulting from movements in fair value are recognized in the profit and loss account in the period in which they occurred.

b) Loans granted and own receivables

   Loans granted and own receivables are financial assets which are not financial instruments, with fixed or determinable payments, not quoted and not acquired in order to be traded.

Loans granted and own receivables are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at amortized cost using the effective interest rate method.

c) Financial assets held to maturity

   Financial assets held to maturity include financial assets with fixed or determinable payments or fixed maturity, which the Group intends and is able to hold to maturity, except for loans granted and own receivables.

   Financial assets held to maturity are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at amortized cost using the effective interest rate method.

d) Financial assets available for sale

   The Group includes among financial assets available for sale all financial assets that are not: loans granted and own receivables, financial assets held to maturity and financial assets held for trading. Assets available for sale include in particular shares in other undertakings that are not subordinates, which the Group does not intend to sell in the short term.

Financial assets available for sale are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at fair value.

Interest income related to financial assets available for sale is recognized in the profit and loss account using the effective interest rate method. Dividends related to financial assets available for sale are recognized in the profit and loss account on the date when the Group's rights to receive payment are established. All other fair value movements are recognized in equity. On the sale or expiry of these assets, the valuation effects recognized in equity are recognized in the profit and loss account.

All financial assets are removed from the balance sheet when the rights to receive benefits from a given asset expire or have been transferred and the Group has transferred virtually all benefits and risks related to the asset.

Financial assets are recognized as current assets unless their maturity exceeds 12 months from the balance sheet date; in this case, they are recognized as fixed assets.

Financial instruments and hedges

Financial instruments are recognized and measured at fair value on the balance sheet date. The methods for recognizing profit and loss related to these instruments depend on whether the instrument in question was designated as a hedge and the nature of this hedge. A given instrument may be designated as a fair value hedge, cash flow hedge or a foreign investment hedge.

The Group did not apply hedge accounting in the periods covered by consolidated financial statements.

Inventories

Inventories are assets held for sale in the ordinary course of business, assets in the production process for sale and materials and supplies that are consumed in production or during the provision of services. Inventories include materials, goods, finished products and work in process. Materials and goods are initially measured at acquisition price. On the balance sheet date, materials and goods are valued according to the prudence principle, i.e. these categories are valued at the lower of acquisition price or realizable sales value.

Finished products and work in process are initially valued at actual cost of production. On the balance sheet date, finished products and work in process are valued according to the prudence principle.

Inventories of goods, materials and finished products are subject to write-downs as per the following principles:

- goods inventories:
  - goods remaining in warehouse from 6 months to 1 year 5%
  - goods remaining in warehouse from 1 year to 2 years 10%
  - goods remaining in warehouse from 2 to 3 years 30%
  - goods remaining in warehouse from 3 to 4 years 50%
  - goods remaining in warehouse more than 5 years 100%
- materials inventories
  - the value of materials is recognized in the cost of goods sold over 5 years on a straight line basis.

Inventory accounting is based on detailed identification for items allocated to specific projects or on the FIFO method for remaining inventories; costs are recognized in the cost of goods sold. Write-downs concerning inventories resulting from prudent valuation as well as write-downs for slow-moving goods and their reversals are recognized in the cost of goods sold.

Trade and other receivables

Receivables are initially recognized at fair value. Where normal payment deadlines are applied that are accepted in practice in the market for similar transactions, fair value is deemed to be their face value arising on the date on which revenue is recognized.

On the balance sheet date, trade receivables are valued at amortized cost using the effective interest rate method, according to the prudence principle. Receivables are subject to revaluation depending on the probability of their receipt by making the following write-downs:

- from debtors put in liquidation or bankruptcy — the amount of receivables not secured;
- from debtors where a petition in bankruptcy has been dismissed — 100% of the amount of receivables;
- disputed receivables or receivables that are overdue and payment is not probable — the amount of receivables not secured;
- receivables equivalent to the amounts added back to receivables — in those amounts;
- receivables that are overdue or not overdue but it is highly probable they will not be collected — 100% of the amount of receivables.

Revaluation write-downs for receivables and their reversals are charged to other operating expenses and operating revenue, respectively. Receivables in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section.

Receivables whose maturity exceeds 12 months are recognized as "other fixed assets" in the balance sheet.

Other current and fixed assets

Other current assets include prepayments. This category includes expenses incurred which constitute deferred costs. Prepayments are initially recognized in the amount of expenses incurred. On the balance sheet date, they are valued according to the prudence principle. Prepayments are absorbed on the time basis or on the basis of the amount of service, depending on their nature. Where expenses are settled more than 12 months after the balance sheet date, part of the assets are recognized as "other fixed assets" in the balance sheet.

Cash and cash equivalents

Cash includes cash in hand and cash in bank accounts, including cash held in bank deposits. Cash equivalents include short-term, highly liquid investments, easily convertible into known amounts of cash and subject to insignificant risks of changes in value, including interest due on bank deposits. Cash and cash equivalents are valued at face value. Cash and cash equivalents in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section. For the purposes of the cash flow statement, cash and cash equivalents are defined in the same manner as for the purposes of their recognition in the balance sheet.

Bank loans

Bank loans are recognized at amortized cost using the effective interest rate method. Authorized overdrafts for which no repayment schedules have been set are an exception. For such loans, the costs related to obtaining them and other fees are charged to financial expenses during the period when they are incurred. In other cases, financial expenses, including the fees due on repayment or forgiveness and the direct costs of contracting loans, are recognized in the profit and loss account using the effective interest rate method and increase the book value of the instrument, accounting for the repayments made during the current period.

Trade and other liabilities

Liabilities are commitments to provide performance, resulting from past events, whose value has been determined in a fair manner and which will consume the Group's already existing or future assets.

Liabilities are initially recognized at fair value. Where normal payment deadlines are applied that are accepted in practice in the market for similar transactions, fair value is deemed to be their face value arising on the date on which liability is recognized. On the balance sheet date, liabilities are measured at amortized cost and recognized in the balance sheet as long- and short-term liabilities.

Other liabilities include accruals. Such items include liabilities due for goods or services that have been received or provided, but have not been paid for, invoiced or formally agreed with the supplier, including the amounts due to employees, e.g. for outstanding leaves or bonuses. Despite the fact that in such cases the amount or date of payment for such liabilities has to be estimated, the degree of uncertainty is usually much lower than for provisions and therefore such items are classified as liabilities.

Liabilities in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section.

Provisions

Provisions are established where the Group is under a legal or constructive obligation resulting from past events and where it is probable that the settlement of this obligation will necessitate an outflow of resources constituting economic benefits and where the amount of this obligation can be reliably estimated, but the amount of this obligation or the date when it becomes due are not certain. Where the effect of the time value of money is material, the amount of provision is determined by discounting expected cash outflows should to their present values using the discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability in question. Increases in provisions based on the discounting method over time are recognized as borrowing costs.

If the Group expects that the costs included in the provision will be reimbursed in any manner, the reimbursement is recognized as a separate asset when, and only when, it is certain that reimbursement will be received.

Provisions for specific risks are only established where the outflow of economic benefits from the unit is probable and the estimate may be conducted in a reliable manner.

As concerns employee benefits, the Group is not party to any wage bargaining agreements or collective employment agreements. Moreover, the Group does not participate in any pension schemes managed directly by the Company or by external funds. The costs of employee benefits include salaries payable according to the terms and conditions of employment contracts concluded with individual employees and the costs of pension benefits (retirement severance pay) payable to employees pursuant to Labor Code provisions at the end of their employment period. Short-term employee benefit liabilities are valued according to general principles. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the consolidated financial statements.

Incentive Scheme

On June 5, 2008, the ATM S.A. Ordinary General Meeting of Shareholders approved the Incentive Scheme Regulations for ATM S.A. Group of Companies employees. The scheme is aimed at Company employees and partners, as well as members of the Management Boards and other employees and partners of ATM S.A. Group of Companies. As part of this scheme, in 2008-2010, the Management Board will grant share purchase options to selected employees. Based on these options, the authorized persons will be able to purchase Company shares at the nominal price.

A capital reserve of PLN 13.5 million was allocated to finance the scheme.

Foreign currency transactions

Economic operations expressed in foreign currencies are recognized in financial statements as at the date on which they are conducted at the following exchange rates:

- the exchange rate actually applied on that date, resulting from the nature of the operations - for foreign exchange sale or purchase transactions and receivables or liabilities payments;
- the average exchange rate determined for the currency in question by the National Bank of Poland on the date in question unless another exchange rate was specified in the customs declaration or another document which is binding for the unit — for other operations.

Assets and liabilities items expressed in foreign currencies are valued as at the balance sheet date according to the average exchange rate for the currency in question published by the National Bank of Poland on the balance sheet date. Foreign exchange differences arising from the settlement of transactions expressed in foreign currencies as well as arising from the balance sheet valuation of assets and liabilities items expressed in foreign currencies and concerning the Group's core business (operations) are recognized as financial expenses and revenue. Foreign exchange gains and losses are offset before presentation in financial statements.

The average exchange rates used to value the foreign exchange positions held by the Group in the periods included in the present consolidated financial statements were as follows:

Currency	Average National Bank of Poland rate as at 30.06.09	Average National Bank of Poland rate as at 30.06.08	Average National Bank of Poland rate as at 31.12.2008
EUR	4.4696	3.3542	4.1724
USD	3.1733	2.1194	2.9618
100JPY	3.3219	2.0156	3.2812

Pursuant to IAS 1 *Presentation of Financial Statements* §17, the Issuer's Management Board decided that compliance with the requirement of IAS 21 *The Effects of Changes in Foreign Exchange Rates* in relation to foreign currency valuation of liabilities resulting from lease agreements would be confusing and the financial statements would fail to fulfill their purpose, specified in *The conceptual framework*. Therefore, the Group withdraws from full application of the said requirement and adopts a modification to it, discussed below.

Pursuant to IAS 21 §28, exchange rate differences in the revaluation of lease liabilities, resulting from an alteration in foreign exchange rates, should be included in the financial result for the current reporting period. Due to an atypical, sharp and - according to analysts - transitional and speculation-based increase in currency exchange rates in relation to PLN in the last quarter of 2008 and at the beginning of 2009, recognition of the valuation of currency lease liabilities in profit and loss account would result in a substantial decrease of the Company's profit, unrelated to the factual state of the Company's business activity. Only a small portion of exchange rate differences on lease liabilities related to installments paid in a given reporting period concerns the current reporting period, while the majority of these differences concerns well-defined future periods for which the maturity date of subsequent lease installments falls. This cost will be actually realized (i.e. it shall be charged from the company) in future periods, provided that currency exchange rates in relation to PLN do not decrease in the meantime.

Therefore, pursuant to IAS 1 §17, the Group adopted a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting periods only in the portion concerning actually paid installments. The remaining amount of exchange rate differences was recognized in the accruals, which shall be recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for exchange rate differences on lease liabilities (both gains and losses), arising in future periods. This exemption from IAS 21 shall be applied by the Group until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 26: Other financial liabilities.

Leases

A lease is classified as a finance lease if agreement terms and conditions transfer substantially all potential risks and benefits resulting from the use of the lease object to the lessee. All other leases are classified as operating leases.

Assets used pursuant to finance lease agreements are treated as Group assets and are valued at the lower of the fair value of the asset at the acquisition date and the present value of the minimum lease payments. The liability arising to the lessor is presented in the balance sheet under other financial liabilities. Lease payment is apportioned between the interest and the principal so that the interest rate on the liability outstanding remains constant. Interest expenses are recognized as financial expenses in the profit and loss account.

Operating lease payments are recognized as an expense in the profit and loss account over the lease term on a straight-line basis. The benefits received and outstanding as an incentive to conclude an operating lease agreement are recognized in the profit and loss account over the lease term on a straight-line basis.

Impairment

At each balance sheet date, the Group reviews the balance sheet value of fixed assets to look for any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount is estimated in order to determine the potential write-down. Where the asset does not generate cash flows that are largely independent of the cash flows from other assets, the analysis is conducted for the group of cash flow generating assets to which the asset in question belongs. The recoverable amount is determined as the higher of the following two values: the fair value less costs to sell or the value in use, which corresponds to the present value of estimated future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset (if any).

Where the recoverable amount is lower than the net book value of the asset or group of assets, the book value is reduced to match the recoverable amount. The resulting loss is charged to expense in the period during which impairment occurred.

Goodwill and intangibles in the development stage are tested for impairment annually.

Where impairment is reversed, the net value of an asset is increased to match the new estimated recoverable amount, which cannot be higher, however, than the net value of this asset that would have been determined if the impairment had not been recognized in previous periods. Impairment reversal is recognized as adjustment to expenses in the period during which reasons for impairment ceased to exist. Impairment loss for goodwill cannot be reversed.

Revenue

Sales revenue is recognized at the fair value of the consideration received or due and represents amounts due for products, goods and services provided under ordinary business activities, after deducting rebates, VAT and other sales-related taxes.

Revenue from sales with deferred payment is recognized after deducting discount.

Sales of products and goods are recognized when goods have been delivered and the significant risk related to delivery has been transferred to the buyer.

Revenue from the services provided is recognized based on the stage of completion. Where the result of the service cannot be determined reliably, the revenue arising from it is only recognized to the extent of the expenses incurred which the Group expects to recover. Where the sale price of the service in question includes the identifiable value of maintenance services that will be provided in the future, the amount corresponding to this part of revenue is deferred and recognized in the profit and loss account in the periods when the services in question are provided.

Interest income is recognized on a cumulative basis relative to the principal amount outstanding using the effective interest rate method.

Dividend income is recognized when the shareholders' right to receive payment is established.

Borrowing costs

Borrowing costs until the end of 2008 were recognized as financial expenses on the date they are incurred. The Company did not capitalize borrowing costs related to assets.

Due to the amendment to IAS 23, from January 1, 2009, the Company had capitalized the costs pursuant to IAS 23. No costs fulfilling capitalization criteria as specified in IAS 23 occurred in 2009.

Taxation

Mandatory charges on the financial result include current tax (CIT) and deferred tax.

Current tax expense is calculated on the basis of the taxable profit (tax base) for a given fiscal year. Tax profit (loss) differs from accounting net profit (loss) due to the exclusion of non-taxable revenue and costs that are not tax-deductible as well as cost and revenue items that will never be subject to tax. Tax expense is calculated based on the tax rates applicable to the fiscal year in question.

Deferred tax is calculated using the balance method as the tax to be paid or returned in the future based on the differences between the balance sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base.

The deferred tax provision is established for all positive temporary differences subject to taxation, while a deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses or tax credits can be utilized by the Group. The deferred tax asset or deferred tax provision is not recognized where the temporary difference arises from the initial recognition of goodwill or from the initial recognition of another asset or liability in a transaction that does not affect either the taxable or the accounting profit.

The value of deferred tax assets is subject to analysis on every balance sheet date. Where the expected future taxable profit is not sufficient to realize the asset or part thereof, it is written down.

Deferred tax is calculated using the tax rates that will be applicable at the time when the asset is realized or the liability becomes due. Deferred tax is recognized in the profit and loss account, except for cases where it is related to items recognized directly in equity. In this case, the deferred tax is also charged or credited directly to equity. On the balance sheet, income tax assets and liabilities are offset to the extent the liability is payable to the same tax office.

The Group of Companies offsets the deferred tax assets and provisions and presents the result of such offsets in the balance sheet assets or liabilities, respectively.

NOTE 3. REVENUE FROM SALES

Main products

ATM S.A. Group of Companies provides ICT services related to the following areas:

- telecommunications and value-added services;
- integrated ICT infrastructure systems;
- application solutions;
- multimedia solutions and services,

- other services (which cannot be categorized according to the above classification, e.g. financial services provided by mPay S.A.).

Within the listed types of products, the Issuer's Group's individual companies exhibit increasing specialization, offering the products described below.

ATM S.A. - the parent company - offers the following products:

ATMAN — telecommunications and value-added services

Next generation telecommunications services provided by ATM S.A. include:

- **Internet access services.** The configuration and supervision of broadband Internet lines for telecommunications providers, Internet and Application Service Providers and corporate customers. The services offered ensure very high data transmission rates and reliability. Within the framework of Internet access services, traffic interchange between the providers and recipients of information and digital Web content takes place. The Company operates interconnect nodes in Warsaw and Frankfurt, as well as its own, distributed system of wholesale traffic exchange (AC-X)
- **Digital line lease services.** These are data transmission services provided in the entire territory of Poland, with very high transmission quality parameters. In Warsaw and six other agglomerations, broadband data transmission services are provided with no bandwidth limitations via the Company's own fiber optic network. The company maintains points of interconnection with networks belonging to major intercity and international data carriers. In collaboration with its associate - Linx - the Company offers transmission to CEE countries.
- **Telecommunications outsourcing.** The design and configuration of complete telecommunications and IT networks based on the Company's own lines as well as lines leased from other providers. This also includes operational support for the customer's entire ICT infrastructure or part thereof (including hardware support) pursuant to service level agreements (*SLA*). Telecommunications outsourcing services are provided, among other things, through 24-hour Network Management Center monitoring of the customer's ICT infrastructure.
- **Collocation and hosting.** The Issuer owns and, due to increasing demand, is continually developing properly equipped and protected rooms where it provides collocation (i.e. renting space for hardware together with uninterruptible power supply and communications networks connection) and hosting services (i.e. renting the Company's own servers, e.g. for the provision of Web services). Basing on a capital investment in an international telecommunications provider - Linx Telecommunications, as well as cooperation with this provider, ATM also offers collocation and hosting services in Moscow, Tallinn, and soon also in Saint Petersburg.
- **Data Protection Center.** The Company has created an environment consisting of separate rooms, appropriate technical infrastructure and procedures. This is offered under the common Data Protection Center (Centrum Ochrony Danych) brand. Data Security Center services consist in the rental of backup *front office* and *back office* environments. Having signed the relevant agreement, the customer (e.g. bank) may resume their business at the Data Protection Center within guaranteed, short time. In this way, the customer is able to continue the operation of key services that was interrupted at their main office due to sudden, unforeseen events (an extensive failure, vandalism or an act of terror). The Company also provides outsourcing services related to the operation of technical information protection systems (including the ongoing updating of software and protection rules as well as responding to incidents).

Next generation telecommunications services are often offered in conjunction with ICT systems integration services, in particular in connection with the development of network management systems, traffic billing, ensuring the security of transmitted data, the development of applications supporting business operations by means of a network and telecommunications infrastructure, carried out by the Issuer basing on cooperation with the companies belonging to the Group.

Application solutions

ATM S.A. develops integrated application solutions based on proprietary and third party software. In the field of solutions basing on third party software, the Company implements IT systems from other producers, according to the customers' demand. The Issuer's most outstanding partner in this area is Microsoft, which lists the Issuer as its Gold Certified Partner.

The Company successfully develops applications based on proprietary software, which are gaining recognition on the market. These include the following application systems:

- **Atmosfera.** ATM's original application platform, serving Rapid Application Development (*RAD*). The platform is widely-applicable, e.g. to transactional database systems, workflow management systems, Service Desk systems or CRM (*Customer Relationship Management*). Atmosfera has already served as the basis for several systems intended for specific use. Each function applied to these solutions reflects the experience of thousands of users. The best-known application is Atmosfera Service Desk, which manages maintenance services. Atmosfera Service Desk is the only Polish ITSM (IT Service Management) system which has been awarded the highly valued PinkVerify certificate by a Canadian company, Pink Elephant. The certificate confirms the solution's compliance with ITIL guidelines.
- **SMaCS** (*Service Management and Charging System*) is a provider services management and settlement system for IP networks. This original solution of the Issuer is aimed at service providers offering Web services in access networks of diverse types (e.g. wireless, CATV, DSL). This system ensures revenue from digital data transmission services (file download, video-on-demand and other value-added services) delivered to subscribers by telecommunications providers, including traditional telephone network, cable TV network and cell phone network operators. The solution guarantees that the services can only be used by authorized users and that each user is billed according to the rules set by the provider. Similarly to Atmosfera, SMaCS is a convenient application development platform adjusted to the needs of different providers. Since April 1, 2009, marketing, sales, implementation and technical support for this application has been provided by ATM Systemy Informatyczne Sp. z o.o., which is a member of the Group.

Multimedia solutions and services

As a result of several years of research and development work, the Company has designed and is developing proprietary technology platforms used for the provision of various multimedia services. Currently, the Company offers the following services:

- **ATM InternetTV.** The service is based on the multi-engine ATM InteractiveTV platform which was awarded the 2008 Złota Antena (Golden Antenna) award by the "Świat Telekomunikacji" monthly and includes a set of tools enabling efficient implementation of innovative multimedia undertakings. The platform supports the entire process of publishing multimedia on the Internet - uploading, transcoding, content description, as well as sales and generating viewing rate reports. This applies to both VOD (*video on demand*) content, as well as live broadcasts. The platform's most crucial features include:
  - the subsystem for storing large quantities of multimedia data together with descriptions offering presentation and search capabilities;
  - the subsystem for adapting content format to transmission system requirements (encoding translation, protection of licensing rights);
  - the subsystem for managing the offer for subscribers, in particular the presentation of the content offered for download and service packages;
  - the transmission management subsystem and the content billing subsystem enabling various billing schemes — flat rate, for service usage time, for data volume downloaded, for playing a specific movie, etc.
- **ATM IndoorTV.** The service involves development and support of an end-to-end POS TV (*Point Of Sales Television*) system. The service was awarded the 2006 Złota Antena (Golden Antenna) award by the "Świat Telekomunikacji" monthly.

ATM S.A. offers the aforementioned platform both to digital multimedia content (e.g. movies or music) providers and to operators of subscriber communications networks.

The Company offers to deliver and integrate a fully functional multimedia content distribution system for the customer's sole use as well as to make its proprietary technology platform available. The functionality of the solution delivered may be tailored to specific requirements and ATM S.A. also offers to integrate the solution with the customer's other systems. Customers may also use multimedia content distribution related services provided by the Company using platforms developed for their own needs. The services may concern the full scope of technical distribution support (e.g. the comprehensive provision of video on demand services) or just the scope selected by the customer — e.g. only data format translation or the collection and provision of encoded material.

Integrated ICT infrastructure systems

These services include:

- **Transmission networks.** The Company provides comprehensive services, including the auditing of existing customer infrastructure, the analysis of current and projected transmission requirements, planning network functionality and performance as well as designing, developing and deploying corporate and provider networks. Integration projects often involve the development of data transmission security systems and ICT resource management systems.

- **Computer systems integration.** These services involve the design, hardware and software development and deployment of computer systems, including end-to-end data center development. The services include the integration of all required infrastructure components, from power supply systems and transmission cabling through physical security (fire extinguishers, access control, alarms, video surveillance) systems to servers, data storage, operating systems and utilities software. We are particularly skilled in building supercomputer systems based on latest parallel processing architectures: clusters and grids.

Since April 1, 2009, marketing, sales, implementation and technical support for this integrated ICT infrastructure systems has been provided by ATM Systemy Informatyczne Sp. z o.o., which is a member of the Group.

The companies belonging to ATM S.A. Group of Companies offer the following products:

The following Companies provide highly specified ICT services or services dedicated to a particular market. Such strategy increases the competitiveness of the offer of the Group. In particular:

- KLK S.A. implements integrated ICT infrastructure systems, with particular focus on safe power supply systems and complex equipment of facilities with advanced infrastructure;
- Sputnik Software Sp. z o.o. designs software targeted mainly at public administration units, in particular at local government administration units;
- inOne S.A. (formerly ATM Services Sp. z o.o.) provides IT outsourcing services for small and medium enterprises;
- Linx Telecommunication BV offers telecommunications solutions (wholesale data transmission and data center services), mainly in CEE countries, in particular in Russia.
- Impulsy Sp. z o.o. offers advanced IT systems and solutions for the healthcare sector;
- mPay S.A. implements a universal mobile payment system - the company is an authorized acquirer, providing financial services which are unique in this field in Poland.
- iloggo Sp. z o.o. runs a Web 2.0 community Web service, facilitating the use of tabs linking to frequently viewed Web sites;
- Cineman Sp. z o.o. offers VOD services for the providers of subscriber networks and Web cinema services;
- Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. develops software in the field of multimedia services and offers research and development work services.

Industry segments

The report for the first quarter of 2009 concerned the first period in which the Group distinguished three operating segments in its activity.

ICT systems integration is the segment responsible for the major portion of revenue. It comprises the activity carried out by the Integration Services Department and Business Solutions Department within ATM S.A., as well as the activity of the following companies belonging to the Group: KLK S.A., Impulsy sp. z o.o., Sputnik Software sp. z o.o., inONE S.A. and Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. It should also be noted that since April 1, 2009, operations in the field of ICT systems integration, carried out by the Integration Services Department, have been transferred from ATM S.A. to ATM Systemy Informatyczne sp. z o.o.

Another segment, which is becoming increasingly important and is expanding its share in the Group's revenue and income, is telecommunications activity, including the activities of the Telecommunications Services Department within ATM S.A. and of Linx Telecommunications B.V., a European telecommunications provider.

Finally, the third most distinguished segment is mobile payment services, including the activities of subsidiaries: mPay S.A. and mPay International sp. z o.o.

The basic financial parameters of the distinguished segments are presented below:

	Telecommunications	**Integration of ICT systems**	**Mobile payments**	**Other (undistributed)**	**Total**
For the period January 1 - June 30, 2009					
Fixed assets	179,912	59,849	11,292	14,390	265,443
Sales revenue	45,016	100,422	242	315	145,996
Sales margin*	24,896	28,662	193	472	54,223
Operating profit (loss)	8,423	3,223	-2,267	498	9,877
For the period January 1 - June 30, 2008					
Fixed assets	161,459	52,350	8,853	22,852	245,513
Sales revenue	32,456	61,546	59	730	94,792
Sales margin*	17,448	22,223	53	716	40,440
Operating profit (loss)	2,318	-1,458	-2,982	-393	-2,515

* Sales revenue less variable selling costs

Revenue from the sales of major products is as follows:

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Revenue from sales of products	77,679	60,454
Revenue from sales of goods and materials	68,317	34,338
Total sales revenue	**145,996**	**94,792**
of which:		
- to related undertakings:	143	3 184

Geographical activity segments as at June 30, 2008 and 2009:

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Domestic sales	143,959	94,082
Export	2,037	710
Total sales revenue	**145,996**	**94,792**

NOTE 4.OPERATING EXPENSES

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008

Cost of goods sold (fixed)	12,718	11,921
Cost of goods sold (variable)	91,773	54,352
Selling costs	895	585
General and administrative costs	31,862	30,688
Total costs related to core operations	**137,248**	**97,546**
of which:		
Amortization and depreciation	7,314	7,308
Consumption of materials and energy	21,286	15,699
Outsourcing	47,562	24,081
Taxes and other charges	1,211	1,169
Salaries	20,726	19,634
Employee benefits	4,191	4,310
Other	(385)	(1,040)
Value of goods and materials sold	33,697	28,093
	135,602	**99,254**
change in stock position	1,646	(1,708)
	137,248	**97,546**

The depreciation of property, plant and equipment is based on the principles described in Note 2. Write-downs concerning inventories are determined based on the principles described in Note 2. Inventory write-downs are reversed when inventories to which the write-down relates are sold or the circumstances due to which the write-down was made no longer continue. The cost of inventory write-downs as well as their reversal is recognized in the profit and loss account as part of the cost of goods sold.

Employee costs

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Salary from employment contracts	20,411	18,494
Salary from fixed amount contracts	315	1,140
Social insurance costs	3,466	3,112
Costs of retirement benefits	0	
Other benefits after the employment period	0	-
Charges to Enterprise Social Benefit Fund	68	201
Other employee benefits	657	997
	24,917	23,944

Salaries

Salary costs include salaries payable according to the terms and conditions of employment contracts concluded with individual employees. Salary costs also include bonuses, paid leave and share-based payment.

Employee benefits

Social insurance costs for group undertakings include pension, disability and accident insurance benefits as well as contributions to the Guaranteed Benefit Fund (Fundusz Gwarantowanych Świadczeń) and Labor

Fund (Fundusz Pracy). In 2009 and 2008, those contributions amounted to 17.77% of the contribution calculation base determined pursuant to applicable laws.

Pension benefit costs include retirement severance paid to employees pursuant to the Labor Code. Group units are not parties to any pension schemes or collective employment agreements that would entail other regulations in this regard. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits have not been recognized in the consolidated financial statements. In 2009, the Group of Companies allocated PLN 9 thousand for retirement indemnities.

Some of the Group units situated in Poland are under the obligation to establish the Enterprise Social Benefit Fund (Zakładowy Fundusz Świadczeń Socjalnych, ZFŚS). Charges to this fund are recognized as Group operating expenses and the money allocated to the fund has to be blocked in a separate bank account. In the financial statements, fund assets and liabilities are presented in net terms. Due to the nature of the fund's operations, the fund's assets equal its liabilities.

Other employee benefits include training in order to enhance employee skills, health care and other benefits stipulated in the Labor Code.

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Costs included directly in costs related to core operations	-	-
Amortization costs related to deferred development work costs	2,167	1,033
	2,167	**1,033**

Development work costs are recognized as intangible assets after the conditions described in Note 2 have been met and according to the principles described in Note 2. The amortization of capitalized development work costs is charged to general and administrative costs. Costs incurred in the research work stage and expenditure that does not meet the conditions required in order to be recognized as assets are directly charged to the Group's operating expenses as general and administrative costs.

NOTE 5. OTHER REVENUE

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Profit from the sale of fixed assets	531	69
Reversal of receivable write-downs	54	13
Reversal of inventories revaluation write-downs	-	
Damages received	145	69
Write-downs on overdue liabilities	-	
Subsidies received	154	108
Other	643	102
	1,527	**361**

Revenue and profit that are not directly related to the Group's operations are classified as other operating revenue. This category includes the subsidies received, profit from the sale of property, plant and equipment, the damages received as reimbursement of court fees, overpaid tax liabilities (except for corporate income tax) and damages received for losses to insured Company property.

Other operating revenue also includes reversals of receivable and inventory write-downs as well as write-downs related to property, plant and equipment impairment. Other operating revenue includes revenue from the sale of subsidiaries.

NOTE 6. OTHER COSTS

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Loss from the sale and liquidation of fixed assets	1	
Receivable write-downs	92	42
Inventories revaluation write-downs	-	
Impairment write-downs	-	
Donations given	101	8
Fines and penalties paid	-	1
Accident repair costs	40	15
Other	164	56
	398	**122**

Costs and losses related to the Group's operations, but not directly related to main types of operating expenses, are classified as other operating expenses. This category includes losses on the sale of property, plant and equipment, donations (both in cash and in kind) to other entities, including public benefit entities, costs of litigations and the costs related to receivable write-downs and impairment write-downs.

NOTE 7.FINANCIAL REVENUE

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Dividends received	-	-
Interest on bank deposits	35	890
Interest on overdue payments	359	483
Interest on securities	-	
Interest on loans	1	
FX gains	-	3,059
Other	97	138
	492	**4,570**

Revenue from dividends received as well as interest on deposits and investments in various financial instruments are classified as financial revenue. Financial activities also include foreign exchange gains.

NOTE 8.FINANCIAL EXPENSES

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Interest on bank loans	580	67
Interest on loans	104	
Budget interest	3	4
Interest on overdue payments	24	4
FX losses	4,410	
Finance lease costs	741	666
Other	314	108
	6,176	**849**

Borrowing costs, interest payable under finance lease agreements to which the Group is a party and FX losses are classified as financial expenses.

The terms and conditions pursuant to which the Group has used external sources of funding (bank loans) have been presented in Note 22.

NOTE 9. INCOME TAX

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Statutory tax rate	19%	19%
Current income tax		
Current tax expense	709	134
Adjustments concerning previous years	-	-
	709	**134**
Deferred income tax		
Related to the origination and reversal of temporary differences	57	(293)
Related to change in the tax rate	-	-
	57	**(293)**
Tax expense shown in the profit and loss account	**766**	**(159)**

Current tax expense is calculated on the basis of the tax regulations applicable. Pursuant to these regulations, tax profit (loss) is distinguished from accounting net profit (loss) due to the exclusion of non-taxable revenue and costs that are not tax-deductible as well as cost and revenue items that will never be subject to tax. Tax expense is calculated based on the tax rates applicable to the fiscal year in question. Since 2004, the rate applicable pursuant to amended regulations has amounted to 19%. Current regulations do not provide for any differences in tax rates during future periods.

With respect to income tax, the Group is subject to general regulations. The Group does not have a tax group status and does not operate in a Special Economic Zone, which would cause the principles for determining tax expense to differ from general regulations in this respect. Both the tax and balance sheet years coincide with calendar years.

Differences between the nominal and effective tax rates are as follows:

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Gross pre-tax earnings	4,817	1,576
Statutory tax rate	19%	19%
Tax at the statutory rate	915	299
Tax impact of income not recognized as income according to tax regulations	-166	-578
Tax impact of income not recognized as income according to accounting regulations	12	285
Tax impact of expenses not recognized as expenses according to tax regulations	785	869
Tax impact of expenses not recognized as expenses according to accounting regulations	-818	-1,437
Tax impact of tax losses incurred during the period	38	402
		0
Tax at the effective rate	**766**	**-159**
	16%	-10%

Due to temporary differences between the tax base and the profit (loss) shown in the financial statements, deferred tax is established. The deferred income tax as at December 31, 2008 and June 30, 2009 results from the items shown in the table below.

	Financial situation statement		Total income statement	
	End of period June 30, 2009	End of period December 31, 2008	For the period January 1 - June 30, 2009	End of period December 31, 2008
Deferred tax provision				
Difference between the balance sheet and tax value of intangible assets	10	-	10	-
Difference between the balance sheet and tax value of leased fixed assets	3	-	3	-
Difference between the balance sheet and tax value of property, plant and equipment	2,814	2,112	702	1,234
Recognized service revenue	135	10	125	(766)
Damages receivable	-	-	-	(2)
Interest accrued	21	28	(7)	13
Valuation of financial instruments	-	14	(14)	14
Foreign exchange gains	8	-	8	(4)
Provisions for deferred tax acquired as a result of business combination	-	-	-	-
Gross deferred tax provision	**2,991**	**2,164**	**827**	**489**

	Financial situation statement		Total income statement	
	End of period June 30, 2009	End of period December 31, 2008	For the period January 1 - June 30, 2009	End of period December 31, 2008
Deferred tax assets				
Valuation of financial instruments	18	-	(18)	-
Difference between the balance sheet and tax value of property, plant and equipment	5	1	(4)	(1)
Deferred payment revenue	188	255	67	249
Revenue calculated in time	18	1	(17)	(1)
Inventory write-downs	490	392	(98)	(125)
Receivable write-downs	89	95	6	15
Written-off financial assets under litigation	55	55	-	-
Provisions for service expenses	1,134	137	(997)	108
Provisions for employee benefits	12	99	88	(99)
Foreign exchange losses	-	72	72	(72)
Liabilities due to Social Insurance Institution	4		(4)	
Liabilities due to employees	22	110	88	(45)
Accruals	1	589	588	414
Subsidies received	85	26	(59)	(15)
Valuation effects of forward contract - hedge accounting	3		(3)	
Recognized interest	2	-	(2)	-
Tax losses to be deducted	2,463	1,967	-494	(1,296)
Deferred tax assets acquired as a result of business combination	-	-		-
Gross deferred tax assets	**4,589**	**3,799**	**(770)**	**(868)**
Net tax assets (tax provision)	**1,598**	**1,635**		
Deferred income tax charge on profit			**57**	**(379)**

Deferred tax was established for all positive and negative temporary differences, including tax losses present as at June 30, 2009 at all companies of the Group.

NOTE 10. EARNINGS PER SHARE AND DIVIDENDS

Earnings per share

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Weighted average number of shares	36,000,000	36,000,000
Net profit for 6 months (PLN thousands)	4,589	2,441
Net earnings per share (PLN)	0.13	0.07

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary Group shareholders by the weighted average number of ordinary shares issued that are outstanding during the fiscal year.

Parent undertaking shares are ordinary shares and no preference is attached to them concerning either voting rights or dividend payouts.

Dividends paid and declared

In Current Report No 25/2006 of June 8, 2006, ATM S.A. Management Board announced a dividend policy, according to which it annually recommends a dividend payment at the Company's General Meeting, in the amount dependent on quotation of shares in the last month of a given year, upon the application of EURIBOR rate plus 0.5%. The Company's current financial situation enables the implementation of the said dividend policy, also in relation to revenue achieved by ATM S.A. in 2008. However, due to the situation in financial markets, which is characterized by impediments and high cost of acquiring funds, accompanied by the Company's need for financial resources necessary in order to carry out current investments, the General Meeting decided on allocating the entire revenue of the Company for 2008 to reserve capital, in accordance with the Company's Management Board's recommendation. The Management Board believes that if the situation in financial markets will return to normal, next year's General Meeting should consider adopting a resolution on allocating funds from reserve capital to payment of overdue dividend for 2008.

NOTE 11.GOODWILL

The goodwill recorded in the consolidated financial statements concerns the acquisition of the following undertakings:

	End of period June 30, 2009	End of period December 31, 2008
mPay Group	131	131
Iloggo Sp. z o.o.	54	54
KLK Sp. z o.o.	10,743	10,743
Sputnik Software sp. z o.o.	3,078	3,078
Impulsy Sp. z o.o.	2,582	2,582
	16,588	**16,588**

The entire goodwill arises from consolidation of undertakings in which the Issuer purchased shares in years 2006-2009.

NOTE 12. INTANGIBLE ASSETS

Intangible assets structure

	For the period January 1 - June 30, 2009	End of period December 31, 2008
Goodwill		
Costs of completed development works	23,904	19,373
Concessions and licenses	2,398	7,472
Perpetual usufruct rights	307	308
Other intangible assets	9,248	4,568

	35,857	**31,721**
of which:		
Intangible assets used under finance lease agreements	-	-

Development work is recognized as an asset and amortized based on the principles described in Note 2.

As at June 30, 2009, development work includes the following projects developed in-house:

PC TV Platform under the ATM InternetTV

An in-house project developed by the Company since 2005 — the development of an Internet TV technology platform to be used for broadcasting live TV programs and the distribution of content in the video on demand and *download* modes. The signal from the platform developed is to be received by PCs. The platform has been implemented in order to provide commercial services both by the Issuer itself and in collaboration with its subsidiary Cineman Sp. z o. o. — the implementation of the video on demand mode was completed in the first quarter of 2007.

The next stage was the incorporation of a live program distribution mode to the ATM InternetTV and enhancement of the system with services for mobile telephony providers. In 2008, Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o company, which is fully owned by ATM S.A., started its business activity. It took over the team responsible for ATM InteractiveTV project and continues developing this technology.

POS TV Platform under the ATM IndoorTV

From August 2005 to May 2006, the Company developed an in-house project called the SSM (*Spread Screens Manager*). Under this project, an ATM IndoorTV technology platform was developed for the remote management of point-of-sales advertising content broadcasting (POS-TV — *Point of Sales Television*). ATM S.A. installs terminals (computers with LCD screens and wireless links) at locations agreed with the customer, e.g. near checkout counters at stores or at travel agencies. Subsequently, the Issuer receives video content as well as other information from the customer and agrees the broadcasting scenarios. The content is distributed to terminals via a mobile communications network (GPRS/EDGE/UMTS) or via Internet connections. The terminals are controlled and the proper execution of scenarios is supervised in the same manner. It is a comprehensive service covering the lease of terminals (screens), communications network operation and access to the SSM platform. The last several quarters saw technological integration of the SSM solution into the ATM InternetTV service platform.

Atmeus

Within the framework of another in-house project that was underway from June to December 2005, ATM S.A. developed the Atmosfera BCP, later renamed to ATM BCP. The current version is sold and implemented under a new brand name, Atmeus. The functionality of the product is gradually extended depending on the customers' needs. The product addresses *Business Continuity Planning* by supporting threat analysis and the development, updating and implementation of contingency plans. It meets the demand of the banking sector, assisting banks in satisfying the requirements of banking supervision recommendations related to the so-called New Capital Accord (Basel II).

Remote archive

From June 2007 onwards, Polish law makes it possible to maintain patients' files in electronic format only, provided that certain standards, inter alia concerning security, are met. The Issuer's long-standing experience in the development of ICT solutions leveraging state-of-the-art security technologies and systems contributed to the establishment of a modern remote medical archive and the marketing of this solution in the Polish medical market.

The remote medical archive enables the secure storage of medical images together with associated patient details and examination reports as well as remote access to the data. It will also provide statistics and search tools. The data are secure, electronic storage is cheaper and virtually instant access is possible. The unique advantage of this system is the possibility of remote access to examination data by authorized parties using any computer. The remote archive system is to enable easy migration, eventually becoming a module of the Electronic Medical File. Apart from disk storage, indexing systems are used that can store any data structures and communicate with other systems via software interfaces. This means that any establishment using the archive will be able to extend its system in any manner, using fully electronic patient files.

Voice over IP

In order to complement its existing range of services on offer, the Issuer introduced Internet telephony services: ATMAN Business.Voice and ATMAN IP.Voice. These are targeted at business customers as well as partners who wish to provide services to their customers. ATMAN Voice services consist in enabling voice calls based on the VoIP (*Voice over IP*) technology.

This enables voice traffic to be integrated with data transmission services by developing a single universal network that can carry any kind of traffic. The services offer traditional telephone functionality as well as the convenient management of the customer's phone account via a webpage and many additional functions such as conference calls, call forwarding, IVR, etc. The solution offered by the Issuer enables customers to reduce ICT service expenses, particularly those related to phone calls, and ensures the seamless transition from traditional phone services towards an entirely IP-based network.

Atmosfera Service Desk

Since 2000, the Issuer has steadily developed the Atmosfera business process support system. The system enables the streamlined organization and enhancement of user support processes as well as the implementation of the service-oriented approach in the IT industry. In December 2006, the Atmosfera Service Desk v. 5.0 system was certified by the Canadian Pink Elephant company as ITIL compliant in the Service Support area as the only Polish solution to date. ITIL, which stands for *IT Infrastructure Library*, is the most important IT service provision methodology. This certification allows the Issuer to effectively compete with global suppliers for major deployment projects concerning such systems.

The Atmosfera system operates, inter alia, at such companies as Polska Telefonia Cyfrowa sp. z o. o. (the operator of Era and Heyah mobile networks), Agora SA, PLL LOT SA, Netia SA, Telewizja Polska SA and P4 Sp. z o. o. (the operator of the Play mobile network). The overwhelming majority of system users upgrade it regularly, including subsequent organization processes in its scope.

mPay mobile payments system

ATM S.A. has formed a consortium with its subsidiary mPay S.A. and is among the companies working on the "mPay mobile payments system" research and development project, which has received financing under the Improvement of the Competitiveness of Enterprises Sectoral Operational Program 1.4.1. Within the framework of the project, scenarios were developed with regard to the handling of various types of payment acceptors, methods for detecting fraud attempts and protecting against them are being perfected, and the user interface is being designed.

The share of development work underway in overall capitalized cost of development work is presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
Impulsy software	1,633	579
Sputnik software		830
ATM Services software	242	4
PC-TV platform		3,118
mPay platform	2,391	2,220
Atmosfera platform		624
SMaCS Platform		323
Network monitoring		178
	4,266	**7,856**

The costs of the aforementioned projects were tested for impairment on December 31, 2008. No impairment concerning these expenditures was identified as per the procedures followed.

Concessions and licenses concern primarily licenses for computer systems and software tools used in the Group's operations.

As at June 30, 2009, there were no impairment write-downs concerning intangibles.

Changes in the net amount of intangibles are presented in the following tables.

Movements in the amount of intangible assets during the period from January 1 to June 30, 2009

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
Gross value					
Data as at January 1, 2009	**22,374**	**7,318**	**324**	**8,552**	**38,568**
Increases:					
- acquisition	1,236	306	-	2,779	4,321
- developed in-house	886	-	-	-	886
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale	-	-	-	139	139
- liquidation	-	-	-	6	6
- transfers	211	-	-	-	211
Data as at June 30, 2009	**24,285**	**7,624**	**324**	**11,186**	**43,419**
Write-offs					
Data as at January 1, 2009	**2,767**	**4,593**	**13**	**1,115**	**8,487**
Increases:					
- depreciation	1,881	633	4	822	3,341
- impairment	-	-	-	-	-
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale and liquidation	-	-	-	-	-
Data as at June 30, 2009	**4,648**	**5,226**	**17**	**1,937**	**11,828**
Net as at January 1, 2009	19,607	2,726	311	7,438	30,081
Net as at June 30, 2009	**19,637**	**2,398**	**307**	**9,249**	**31,591**

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
Gross value					
Data as at January 1, 2008	**8,404**	**11,288**	**321**	**1,210**	**21,223**
Increases:					
- acquisition	1,948	796	-	2,519	5,263
- developed in-house	7,625	-	-	2,857	10,482
- acquired as a result of business combination	-	-	-	-	-
Decreases:	-		-		
- sale	-	12	-	1,107	1,119
- liquidation	-	14	-	18	32

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
- transfers	418	-	-	-	418
Data as at December 31, 2008	**17,559**	**12,058**	**321**	**5,461**	**35,399**
Write-offs					
Data as at January 1, 2008	**719**	**2,396**	**4**	**248**	**3,368**
Increases:			-		
- depreciation	2,054	2,215	9	760	5,038
- impairment	-	-	-	-	-
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale and liquidation	-	25	-	116	141
Data as at December 31, 2008	**2,773**	**4,586**	**13**	**893**	**8,265**
Net as at January 1, 2008	7,685	8,892	316	962	17,855
Net as at December 31, 2008	**14,786**	**7,472**	**308**	**4,568**	**27,134**

NOTE 13.FIXED ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Fixed assets		
Land	341	341
Buildings and structures	77,831	71,238
Machinery and equipment	34,117	36,645
Means of transportation	6,166	6,287
Other	181	211
Fixed assets under construction	20,741	22,725
Advances for fixed assets under construction		-
	139,377	**137,447**
of which:		
Fixed assets used under finance lease agreements	30,368	28,541

The Group has no liabilities to the State Treasury arising from the transfer of ownership title to real estate.

Finance lease liabilities are recognized in the balance sheet as other financial liabilities and divided into short- and long-term liabilities. Detailed information on material finance lease agreements has been included in Note 26. In 2009, the Group sold machinery and equipment to BRE Leasing under a sale and- lease-back agreement. This lease agreement was classified as finance lease.

In 2005, the Group sold a property situated at Grochowska 21 a to Fortis Lease Sp. z o. o. under a sale-and-lease-back agreement. This lease agreement was classified as operating lease. Detailed information on operating lease agreements has been disclosed in Note 27.

As at June 30, 2009, there were no impairment write-downs concerning fixed assets.

Changes in the amount of fixed assets are presented in the following tables.

Movements in the amount of fixed assets from January 1 to June 30, 2009

	Land	Buildings and structures	Machinery and equipment	Means of transportation	Other	Total
Gross value						
Data as at January 1, 2009	**341**	**78,564**	**54,627**	**9,120**	**395**	**143,047**
Increases:						
- acquisition	**-**	**8,188**	**1,485**	**441**	**2**	**10,116**
- acquisition as a result of business combination	**-**	**-**	**-**	**-**	**-**	**-**
- other (including finance lease)	**-**	**-**	**3,441**	**153**	**4**	**3,598**
Decreases:						
- sale	**-**	**-**	**4,013**	**56**	**12**	**4,081**
- liquidation	**-**	**-**	**76**	**-**	**-**	**76**
- finance lease expiry	**-**	**-**	**-**	**48**	**-**	**48**
- donations	**-**	**-**	**-**	**-**	**-**	**-**
- other	**-**	**-**	**-**	**-**	**-**	**-**
Data as at June 30, 2009	**341**	**86,752**	**55,464**	**9,610**	**389**	**152,556**
Write-offs						
Data as at January 1, 2009	**-**	**7,326**	**17,981**	**2,832**	**184**	**28,323**
Increases:	-					
- depreciation	**-**	1,596	3,824	648	26	6,094
- impairment	**-**	-	14	-	-	14
- acquisition as a result of business combination	**-**	-	-	-	-	-
Decreases:						
- sale and liquidation	**-**	-	471	36	2	509
- donations	**-**	-	-	-	-	-
- other	**-**	-	-	-	-	-
Data as at June 30, 2009	**-**	**8,920**	**21,348**	**3,444**	**208**	**33,920**
Net as at January 1, 2009	341	71,238	36,646	6,287	211	114,723
Net as at June 30, 2009	**341**	**77,831**	**34,117**	**6,166**	**181**	**118,636**

Movements in the amount of fixed assets from January 1 to December 31, 2008

	Land	Buildings and structures	Machinery and equipment	Means of transportation	Other	Total
Gross value						
Data as at January 1, 2008	**341**	**45,996**	**37, 043**	**7,612**	**253**	**91,245**
Increases:						
- acquisition	-	32,568	6,449	285	67	39,369
- acquisition as a result of business combination	-	-	-	-	-	-
- other (including finance lease)	-	-	11,880	1,739	97	13,716
Decreases:						
- sale	-	-	564	384	-	948
- liquidation	-	-	143	-	22	165
- finance lease expiry	-	-	33	127	-	160
- donations	-	-	-	-	-	-
- other	-	-	6	5	-	11
Data as at December 31, 2008	**341**	**78,564**	**54,626**	**9,119**	**395**	**143,045**
Write-offs						
Data as at January 1, 2008	**-**	**4,797**	**11,101**	**1,925**	**113**	**17,936**
Increases:						
- depreciation	-	2,530	7,291	1,313	92	11,226
- impairment	-	-	-	-	-	-
- acquisition as a result of business combination	-	-	-	-	-	-
Decreases:			-			
- sale and liquidation	-	1	411	406	21	839
- donations	-	-	-	-	-	-
- other	-	-	-	-	-	-
Data as at December 31, 2008	**-**	**7,326**	**17,981**	**2,832**	**184**	**28,323**
Net as at January 1, 2008	341	41,199	25,942	5,687	140	73,309
Net as at December 31, 2008	**341**	**71,238**	**36,645**	**6,287**	**211**	**114,722**

NOTE 14. OTHER FINANCIAL ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Shares in other undertakings	80	80
(-) impairment write-downs	-	
	80	**80**

Other financial assets include shares in Górnośląskie Towarzystwo Lotnicze in Katowice, giving a stake of 0.053% in the equity of KLK.

NOTE 15. OTHER FIXED ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Guarantee deposits	195	84
Trade receivables	6,777	10,244
Prepaid maintenance costs	169	202
Unearned financial income from installment sales	(472)	(700)
	6,669	**9,830**
of which payable within:		
from 1 to 2 years	3,843	4,953
from 3 to 5 years	2,826	4,847
more than 5 years	0	30

Guarantee deposits include amounts retained by the Group's customers in relation to the services and goods delivered. In most cases, such deposits are retained for periods ranging from 1 to 5 years. Guarantee deposits are not indexed. Trade receivables include the part of trade receivables which the Group will receive at a date later than 12 months from the balance sheet date.

The receivables recorded as at December 31, 2008 and June 30, 2009 have payment dates of up to 2013. They are the result of deferred payment sales whose value has been measured at fair value and is equivalent to the present value of the payment. The installments receivable have been discounted using 12M WIBOR and the market margin based on the parent undertaking's lending margin. Interest is recognized as financial revenue for relevant periods using the effective interest rate method.

Deferred payment sales (deferred beyond the normal terms and conditions applied by the Group) concern incidental sales transactions. The Group has no policy concerning significantly longer payment terms or installment sale procedures.

Prepaid maintenance costs are prepayments related to maintenance services provided during subsequent periods whose contractual term is longer than 12 months from the balance sheet date.

NOTE 16. INVENTORIES

	End of period June 30, 2009	End of period December 31, 2008
Materials	2,634	3,034
Work in process	3,454	2,368
Finished products	-	-
Goods	8,284	10,283
Receivable write-downs	(1,559)	(1,180)
	12,813	**14,505**

Inventories are valued based on the principles described in Note 2. The effects of establishing and reversing write-downs are charged to the cost of goods sold as the cost of stocks that have been used up.

Group inventories serve as collateral for the loans extended to the Group. The amount of inventories constituting collateral under the ownership transfer agreement is presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
Transfer of ownership of inventories	-	-
Pledge on inventories	1,153	1,153
	1,153	**1,153**

NOTE 17. TRADE AND OTHER RECEIVABLES

	End of period June 30, 2009	End of period December 31, 2008
Trade receivables from related undertakings	134	138
Trade receivables from other undertakings	60,379	93,565
Tax receivables	911	1,697
Payments on account	251	124
Other receivables	314	212
Receivables under litigation	240	212
Unearned financial income from installment sales	(517)	(642)
Receivable write-downs	(571)	(571)
	61,141	**94,735**

Trade terms applicable to related undertakings have been presented in Note 30. Trade receivables do not bear interest and they are usually payable within 14 to 35 days. Receivables under litigation are written off in full.

The fair value of trade and other receivables does not differ significantly from their book values recorded in the balance sheet.

Analysis of the ageing structure of trade receivables for which no revaluation write-downs were recorded

	End of period June 30, 2009	End of period December 31, 2008
current, of which:	54,254	82,850
from related undertakings	30	139
from other undertakings	54,725	82,711
overdue, of which:	6,125	10,853
from related undertakings	104	0
under 180	49	0
180 – 360	7	0
above 360	48	0
from other undertakings	5,654	10,853
under 180	2,832	10,333
180 – 360	226	198
above 360	0	322
	60,513	**93,703**

Analysis of changes in write-downs for receivables

	End of period June 30, 2009	End of period December 31, 2008
Opening balance	571	664
Increases, of which:	92	
- Establishment	92	158
Decreases, of which:	92	
- Dissolution	32	16
- Utilization	60	235
Closing balance		
	571	**571**

Analysis of the ageing structure of receivables under litigation

	End of period June 30, 2009	End of period December 31, 2008
from other undertakings	240	212
above 360	205	152
above 720	35	60
	240	**212**

NOTE 18. OTHER CURRENT ASSETS and OTHER FINANCIAL RECEIVABLES

	End of period June 30, 2009	End of period December 31, 2008
Services of subcontractors related to future revenues	795	
Financial leasing interest	36	
Prepaid maintenance costs	721	1,280
Unrealized exchange differences on lease agreements	6,239	6,665
Prepaid subscriptions, rents, insurance etc.	343	2,227
Recognized sales revenue	3,767	-
Other	158	140
	12,059	**10,312**

Other current assets include expenses related to deferred costs. In particular, these are prepaid service fees. These assets are charged to operating expenses on the time basis or on the basis of the amount of service, depending on their nature.

As it was stated in "Accounting principles - Foreign Currency Transactions", pursuant to IAS 1 §17, the Group adopted - analogically to the statements for 2008 - a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting periods only in the portion concerning actually paid installments. The remaining amount of exchange rate differences is recognized in the accruals, which are recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for exchange rate differences arising on lease liabilities (both gains and losses). This exemption from IAS 21 shall be applied by the Group until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 26: Other financial liabilities.

Other financial receivables

	End of period June 30, 2009	End of period December 31, 2008
Valuation of forward transactions open at the end of the period	(72)	62
	(72)	**62**

As at the balance sheet date, i.e. June 30, 2009, the Group had the following forward transactions open:

- Trade date: May 5, 2009; settlement date: July 6, 2009; value: USD 49,500 in BRE Bank SA
- Trade date: May 11, 2009; settlement date: July 20, 2009; value: USD 188,300 in BRE Bank SA
- Trade date: May 11, 2009; settlement date: July 13, 2009; value: USD 14,000 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: July 20, 2009; value: USD 30,800 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: August 3, 2009; value: USD 44,200 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: July 27, 2009; value: USD 82,740 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: August 3, 2009; value: USD 13,700 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: July 27, 2009; value: USD 91,200 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: July 20, 2009; value: USD 580,000 in BRE Bank SA
- Trade date: May 27, 2009; settlement date: August 10, 2009; value: USD 34,100 in BRE Bank SA

- Trade date: June 18, 2009; settlement date: July 13, 2009; value: USD 24,550 in BRE Bank SA
- Trade date: June 26, 2009; settlement date: August 24, 2009; value: USD 25,500 in BRE Bank SA
- Trade date: June 26, 2009; settlement date: August 31, 2009; value: USD 68,700 in BRE Bank SA
- Trade date: June 29, 2009; settlement date: July 27, 2009; value: USD 60,450 in BRE Bank SA
- Trade date: June 29, 2009; settlement date: August 10, 2009; value: USD 40,400 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: August 24, 2009; value: USD 304,462 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: August 3, 2009; value: USD 59,231 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: September 9, 2009; value: USD 59,891 in BRE Bank SA
- Trade date: June 1, 2009; settlement date: August 10, 2009; value: USD 15,000 in Fortis Bank
- Trade date: June 1, 2009; settlement date: August 17, 2009; value: USD 10,200 in Fortis Bank

The Company decided upon concluding the abovementioned agreements in the core course of its operations, in order to fulfill its trade liabilities. The valuation of the contracts listed above has caused a decrease in the Company's financial result by PLN 72 thousand.

NOTE 19. CASH AND CASH EQUIVALENTS

	End of period June 30, 2009	End of period December 31, 2008
Cash in hand	68	79
Cash in bank	4,280	2,355
Short-term deposits	1,409	1,548
	5,757	**3,982**

Cash in the bank bears interest at floating interest rates, which depend on the interest rate on overnight bank deposits. Short-term deposits have various maturities ranging from overnight to three months depending on current demand for cash and bear interest according to the interest rates agreed.

The fair value of cash and cash equivalents equals their balance sheet value.

NOTE 20. EQUITY

Core capital

	End of period June 30, 2009	End of period December 31, 2008
Registered share capital	34,200	34,200
Hyperinflationary adjustment	197	197
	34,397	**34,397**

Registered share capital includes:

Series	Number of shares	Face value	Registration date	Dividend registration rights	Paid for by	Share type
A	36,000,000	34,200,000	December 5, 2007	*)	Cash	Ordinary
	Face value per share (PLN):			0.95		

*) all shares have equal rights to dividends

Application of IAS 29 "Financial Reporting in Hyperinflationary Economies"

Pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies", ATM S.A. introduced a hyperinflationary adjustment of share capital based on monthly consumer price indices, amounting to PLN 197,000. The entire share premium account was accrued after the hyperinflationary period, and therefore the hyperinflationary adjustment was not applied to this component of equity.

Incentive Scheme

Pursuant to Resolution No. 11/2008 of the Ordinary General Meeting of Company Shareholders of June 5, 2008, an Incentive Scheme for ATM S.A. Group of Companies employees was approved for the years 2008-2010. This resolution allowed also for the purchase by the Company of no more than 1,500,000 treasury shares needed in connection to the Scheme in the years 2008-2010, for an amount not exceeding PLN 13.5 million.

The Scheme is aimed at Company employees and partners, members of Management Boards and other ATM S.A. Group of Companies employees and partners.

Incentive Scheme participants have the right to purchase shares at face value from the Company (share purchase options).

The list of persons authorized to buy shares for each of the three periods is prepared by the ATM S.A. Management Board and approved by the Supervisory Board.

As at June 30, 2009, the Company owns 314,778 treasury shares at the value of PLN 1,999,938.03. These shares are held by the Company pursuant to the guidelines concerning the implementation of the Company's Incentive Scheme.

In 2008, 439,800 share purchase options were granted under the Incentive Scheme. In subsequent stages the number of share purchase options may not exceed:

- in 2009: 500,000 share purchase options,
- in 2010: 560,200 share purchase options.

Unused options of a given period may be subsequently used in the remaining periods. In justified cases the number of options determined for a given period may be increased by no more than 15%, with the reservation that the total option limit may not exceed 1,500,000.

Based on the determined share purchase options, shares can be purchased by Incentive Scheme participants pursuant to an agreement concluded with the Company, which includes the following provisions:

- purchased shares shall be transferred to the investment account of the authorized person carried by the brokerage house indicated by the Company;
- the authorized person shall conclude an agreement with the brokerage house, according to which 80% of the purchased shares will be blocked (not available for sale or security);
- the purchased shares will be unblocked in the amount of 20% each year, starting from the date of their transfer to the investment account of the authorized person.

The Company has the right to repurchase and the authorized person has the obligation of selling shares blocked on investment account of the authorized person at face value if:

1) an employment contract concluded between the Group and the Incentive Scheme participant or any other agreement pursuant to which the participant provides services or works for one of the companies of the Group is terminated or expires for any reason;
2) the participant seriously infringes his contractual obligations agreed upon in an employment contract or other civil law agreement pursuant to which the participant provides services or works for one of the companies of the Group;
3) the participant runs competitive activity with regard to the Company or one of the companies of the Group without a written consent of the ATM S.A. Management Board;
4) a legally valid prohibition to perform his/her works in the bodies of the companies or an interdiction of business activity is imposed on the participant;
5) the participant is sentenced for any of the offences mentioned in Art. 585-592 and 594 of the Code of Commercial Companies and Partnerships, offences listed in part X of the law on financial instruments trading of July 29, 2005 (Journal of Laws 2005, No. 183, item 1538), economic offences listed in Art. 296-306 of the Penal Code or any other offence whose committing is directly linked to the performance of his/her obligations as member of the management board of a capital company.

The number of share purchase options shall be applied to Company shares whose face value is PLN 0.95. In the case of a split of Company shares, these amounts will be increased in the same proportion as the mentioned split.

Ownership structure

Shareholder	Number of shares	Stake in share capital	Number of votes at the General Meeting	Share in the overall number of votes
Tadeusz Czichon	5,956,887	16.55%	5,956,887	16.55%
Roman Szwed	3,663,073	10.18%	3,663,073	10.18%
POLSAT OFE *)	3,597,172	9.99%	3,597,172	9.99%
ING Nationale-Nederlanden Polska OFE *)	3,493,844	9.71%	3,493,844	9.71%
AIG TFI **)	1,860,624	5.17%	1,860,624	5.17%
PKO TFI ***)	1,813,435	5.04%	1,813,435	5.04%

The above figures reflect share ownership of natural persons as of April 30, 2009.
*) The data concerning POLSAT OFE and ING-Nationale Nederlanden Polska OFE refer to the number of shares owned by these shareholders on December 31, 2008 based on the "Annual asset structure".
**) The figures concerning AIG TFI (AIG Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of July 13, 2007, and the number of series H shares allotted on August 9, 2007.
***) The figures concerning Millennium TFI (Millennium Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of February 3, 2009.
The Company has no information from other Shareholders regarding any changes to share ownership after the indicated dates.

Capital reserves

The Company establishes a capital reserve pursuant to its articles of association. Company profit, which may be distributed in subsequent periods or allocated to exceptional losses or other expenses, may be allocated to the capital reserve.

Retained earnings

	End of period June 30, 2009	End of period December 31, 2008
Retained earnings brought forward, of which:	9,918	
Statutory supplementary capital	8,789	11,911
Profit distribution (above the statutory amount)	1,129	-
IFRS implementation profits (losses)	-	2,969
Management option scheme profits (losses)	-	
Current period profit (loss)	4,589	9,832
	14,507	**24,712**

Retained earnings brought forward include the entire profit retained by the Company pursuant to the shareholders' decision as well as the effects of IFRS implementation.

Pursuant to Article 396 (1) of the Code of Commercial Partnerships and Companies, supplementary capital should be established in order to cover losses. At least 8% of the profit for the fiscal year is allocated to the supplementary capital until it reaches at least one third of the share capital. This portion of supplementary capital (retained earnings) cannot be distributed among Shareholders.

NOTE 21. MINORITY CAPITAL

	End of period June 30, 2009	End of period December 31, 2008
KLK S.A. (formerly KLK Sp. z o.o.)	2,496	3,076
mPay Group of Companies (formerly ATM Mobile)	4,592	822
Sputnik Software sp. z o.o.	1,296	1,027
inONE S.A. (formerly ATM Services Sp. z o.o.)	595	544
Impulsy Sp. z o.o.	331	331
Cineman Sp. z o.o.	135	220
iloggo Sp. z o.o.	54	50
	9,499	**6,070**

NOTE 22. BANK LOANS

	End of period June 30, 2009	End of period December 31, 2008
Bank loans	18,467	19,138
Other loans	-	
	18,467	**19,138**
of which:		
Long-term portion	*3,175*	*3,490*
Bank loans	3,175	**3,490**
Loans from shareholders	-	**-**
Short-term portion	*15,292*	*15,648*
Bank loans	*15,292*	15,648
Loans from shareholders	-	-
Bank loans and other loans due:		
within one year	15,292	15,648
from 1 to 2 years	632	632
from 3 to 5 years	1,896	1,895
more than 5 years	648	963
	18,467	**19,138**

The parent undertaking uses BRE Bank SA credit facilities up to PLN 10 million and Fortis Bank Polska S.A. credit facilities up to PLN 10 million. The Company may use this form of credit as authorized overdrafts. KLK SA uses BRE Bank SA Katowice branch credit facilities up to PLN 5.7 million. The Company may use this form of credit as authorized overdrafts.

Currency composition of loans

	End of period June 30, 2009	End of period December 31, 2008
PLN loans	18,467	19,138
EUR loans	-	
	18,467	**19,138**

Average loan interest rates

	End of period June 30, 2009	End of period December 31, 2008
Interest rate on loans contracted by Group undertakings:		
Authorized overdrafts	5.35%	6.72%
PLN loans	6.94%	7.09%

Detailed information on the debt related to these loans has been presented in tables below.

Specification of liabilities arising from bank loans as at June 30, 2009

	Base loan value			Short-term portion		Long-term portion				
Lender	Loan amount in '000 PLN	Loan amount	Currency	Loan amount in PLN	Loan amount	Loan amount in PLN	Loan amount	Interest rate	Repayment date	Security
Fortis Bank Polska SA (authorized overdraft)	10,000	-	-	7,708	-	-	-	WIB0R 1M plus bank margin	19.08.2009	- blank promissory note; - statement of submission for enforcement proceedings
BRE Bank SA (authorized overdraft)	10,000	-	-	6,252	-	-	-	WIBOR ON plus bank margin	28.08.2009	- blank promissory note with promissory note declaration;
BRE Bank SA Katowice branch (mortgage loan)	8,000	-	-	421	-	3,175	-	WIBOR 1M plus bank margin (+1.4 pt.)	24.06.2022	1/ Mortgage amounting to PLN 8,000,000 and capped mortgage of up to PLN 1,760,000, 2/ blank promissory note, 3/ assignment of policy receivables
BRE Bank SA Katowice branch (authorized overdraft)	5,700			0		0		WIBOR ON plus bank margin (+1.0 pt.)	16.03.2010	1/ consolidated capped mortgage of up to PLN 8,300,000, 2/ registered pledge on inventories, 3/ blank promissory note, 4/ assignment of insurance policy receivables
BRE Bank SA Poznań branch (authorized overdraft)	511			511				variable interest rates equal to WIBOR for O/N deposits plus 3 percentage points on margin	05.07.2009	- blank promissory note; - statement of submission for enforcement proceedings
Handelsbank AB S.A. Poznań branch (authorized overdraft)	400			400				variable interest rates - sum of the Bank's rate WCF3M=1.9% of margin	03.11.2009	- blank promissory note; - statement of submission for enforcement proceedings
	34,611	**-**		**15,292**	**-**	**3,175**	**-**			

NOTE 23. PROVISIONS FOR LIABILITIES

	End of period June 30, 2009	End of period December 31, 2008
Provision for warranty repairs	-	-
Provisions for maintenance costs	72	304
Provisions for bank guarantee costs	54	-
Provisions for pension benefits	6	7
Bonus provisions	9	514
General risk provisions	-	6
Provisions for balance sheet audit	-	20
	141	**851**
of which:		
Long-term portion		
Provisions for maintenance costs	-	85
Provisions for bank guarantee costs	2	-
Provisions for pension benefits	6	-
Provisions for expenses	-	-
	8	85
Short-term portion	-	
Provisions for maintenance costs	72	226
Bonus provisions	9	26
Provisions for bank guarantee costs	52	-
Provisions for pension benefits	-	514
	133	766

NOTE 24.LONG-TERM TRADE LIABILITIES AND OTHER LIABILITIES

	End of period June 30, 2009	End of period December 31, 2008
Trade liabilities to related undertakings		-
Trade liabilities to other undertakings	-	6
Deferred payment sales interest	-	-
Prepaid unperformed services and maintenance costs	639	-
Subsidies for fixed asset financing	1,064	2,895
Other	2	3
	1,705	**2,904**
of which payable within:		
from 1 to 2 years	337	500
from 3 to 5 years	990	1,497
more than 5 years	378	907
	1,705	2,904

The subsidies received for fixed asset financing concern the extension and upgrade of telecommunications infrastructure and the Collocation Center in Warsaw.

NOTE 25. SHORT-TERM TRADE LIABILITIES AND OTHER LIABILITIES

	End of period June 30, 2009	End of period December 31, 2008
Trade liabilities to related undertakings	137	3
Trade liabilities to other undertakings	30,255	66,535
Liabilities arising from taxes and social insurance	5,994	11,905
Advances received	62	34
Payroll liabilities	147	493
Other liabilities and accruals, of which:	9,182	3,991
Share purchase liabilities	-	-
liabilities arising from bonuses	-	-
liabilities arising from outstanding leaves	285	285
settlements related to uninvoiced expenses	4,166	2,099
subsidies	1,441	761
deferred income	162	306
other liabilities	3,220	541
	55,051	**82,961**

Trade liabilities do not bear interest and they are usually payable within 7 to 90 days.

In 2008 and 2009, the Company did not rely on a small group of suppliers. Only one supplier— Cisco Systems — exceeded a 10% threshold of overall purchases (its share of the Group's overall purchases in 2008 amounted to 36.7%, and in 2009 it was 36.0%). Considering the stable position of Cisco as a global leader in the IT technology market, and considering the highly successful progress in cooperation, also supported by certification requirements, this reliance is not considered to pose a significant risk of supplier concentration. As at December 31, 2008, liabilities to this supplier came to PLN 26,698,000; as at June 30, 2009, they were PLN 15,671,000.

NOTE 26. OTHER FINANCIAL LIABILITIES

Other financial liabilities include liabilities arising from finance lease agreements and agreements for financing receivables. Detailed information on these liabilities has been presented below.

	End of period June 30, 2009	End of period December 31, 2008
Liabilities arising from dividend payouts	-	-
Liabilities arising from finance leases	29,957	30,116
Liabilities arising from financing of receivables (factoring)	6,373	6,720
Forward agreement liabilities	-	-
Other	136	-
	36,466	**36,836**
Value of liabilities arising from finance leases due within:		
- one year	11,081	10,352
- two to five years	21,311	21,984
- more than 5 years	-	-
	32,392	32,336
Future interest expenses (-)	(2,435)	(2,220)
	-	
Present value of future liabilities	29,957	30,116
of which:		
Amounts due within the next 12 months (included in short-term liabilities)	9,993	9,238
Amounts due after more than 12 months within:	20,182	20,878
- two to five years	20,182	20,878
- more than 5 years	-	-
number of lease agreements	143	171

Finance lease agreements concern machinery and equipment, means of transportation and software licenses constituting intangible assets.

The agreements provide neither for contingent rents nor any subleases. Most agreements include a clause concerning the purchase option at a contractual price lower than the fair value of the leased asset. The agreements do not involve any constraints for the lessee apart from the payment of liabilities arising from lease installments and the general terms and conditions concerning the proper use of leased assets.

The lease agreements were concluded for periods ranging from 36 to 72 months and are denominated in EUR, JPY or in PLN. Conclusion of agreements denominated in foreign currencies was due to considerably lower interest rates and, so it appeared at the time, stable and strong position of PLN in relation to other currencies in a mid-term perspective. As a result of lower interest rates and appreciation of PLN in the period from 2004 to 2008, the Company was paying lower lease installments than in the case of lease agreements denominated in PLN.

Rapid depreciation of PLN taking place since August 2008 resulted in considerable increase in the amount of ATM S.A.'s lease agreement liability denominated in foreign currencies after translation into PLN. Although this increase does not translate substantially into the Company's expenses due to current lease installments, the total outstanding amount until 2013 will be considerably higher unless the situation in the foreign exchange market changes. The fact that the market value of the leased assets, which are imported parts of equipment, increases simultaneously with the increase in foreign currency exchange rates does not improve the situation in any significant manner.

In order to demonstrate the impact of expenses due to revaluating lease liabilities on the Company’s operations, ATM S.A. Management Board decided, pursuant to IAS 1 §17, on adopting a partial exemption from IAS 21, in the manner described in chapter 2: "Grounds for the drawing up of financial statements and accounting principles (policies)".

In the first half of 2009, the Company recognized PLN 1,273,000 due to foreign exchange rate differences on finance lease agreements in its financial costs.

Recognition of a portion of expenses due to foreign exchange rate differences on finance lease agreements in accruals required calculating what portion of these differences falls on individual quarterly periods during which the parent undertaking will pay lease installments. Expenses falling on individual future periods have been determined pro rata to the value of paid lease installments and are as follows:

Year	Quarter	Amount
2009	3	549,083.17
	4	550,182.64
2010	1	544,446.83
	2	534,735.89
	3	535,521.58
	4	540,296.82
2011	1	541,342.19
	2	529,437.62
	3	496,306.30
	4	437,647.54
2012	1	176,310.93
	2	179,169.47
	3	177,931.91
	4	174,322.28
2013	1	140,575.87
	2	98,489.59
	3	33,534.50
	4	0.00
Total		**6,239,335.13**

The Issuer shall consequently present accruals resulting from an increase or decrease in the value of lease installments which are due in future periods.

	End of period June 30, 2009	End of period December 31, 2008
Amount of liabilities arising from receivables financing due within:		
- one year	4,098	3,443
- two to five years	2,275	3,277
- more than 5 years	-	-
	6,373	**6,720**

The receivables financing agreement was concluded with Fortis Bank Polska S.A. and concerns the financing of receivables arising from installment sale.

NOTE 27. OPERATING LEASES

Operating lease liabilities — Group as lessor

With regard to operating leases, the Group is party to no material agreements as a lessor. Lease agreements include mainly agreements concerning the lease of office space to other undertakings.

These are both definite and indefinite term agreements. Every agreement includes a clause enabling each party to terminate it with a contractual period of notice not exceeding three months. The Group does not include any clauses concerning contingent rents or the possibility of concluding sublease agreements in such agreements. The agreements concluded by the Group do not include any obligation to conclude a new agreement for a similar period and equivalent asset where the original agreement is terminated. In some cases, the agreements provide for the lessee's obligation to submit a deposit, but these payments are treated as returnable deposits and are not subject to indexation.

Due to the nature of the agreements concluded, the Group — insofar as it is the lessor with regard to operating lease — is not party to any irrevocable agreements.

Operating lease liabilities — Group as lessee

In the period covered by the financial statements, the Group as the lessee was party to operating lease agreements concerning property leases.

Due to the nature of the agreements concluded, the Group — insofar as it is the lessee with regard to operating lease — is not party to any irrevocable agreements.

Property leases include the Telecommunications Center ATMAN-Grochowska, situated in Warsaw at Grochowska 21a. Pursuant to the agreement concluded on December 21, 2005 and the annex to the agreement of March 7, 2006, ATM S.A. sold a property, which included the right of perpetual usufruct of land and buildings constructed on this land, to Fortis Lease Polska Sp. z o. o., and subsequently concluded an operating lease agreement concerning this property. Lease payments are denominated in EUR and divided into 180 monthly installments (15 years). The last installment will be payable on January 21, 2021. The total amount of payments during the agreement term will be EUR 9,872,000.

The fair value of the leased asset after the expiration of the agreement has been determined to be EUR 5,573,000, of which perpetual usufruct of land EUR 1,613,000 and the value of buildings EUR 3,961,000.

Pursuant to the agreement, after the expiry of the primary term of the lease agreement the lessee or an undertaking indicated by the lessee may purchase the leased asset for the price equal to the aforementioned final fair value determined. Where this option is not taken advantage of, the lessee will pay to the lessor a handling fee amounting to 7% of the original value of the leased asset, which original value was determined to be EUR 10,660,000.

Pursuant to the agreement, the lessee does not have the right to terminate it, except in circumstances where a change concerning lease installments or changes in the lessee's ownership structure cause the agreement to cease to be cost effective. In such cases, the lessee will additionally have the right to demand that a purchase agreement be concluded concerning the lease asset, for a price equal to the sum of the portion of the installments outstanding until the end of the lease period and the final value.

The expenses related to minimum lease payments for property leases during individual periods were PLN 2,916,000 in 2008 and PLN 1,371,000 in 2009, respectively.

Minimum lease payments for property lease were as follows:

	End of period June 30, 2009	End of period December 31, 2008
1 year or less	2,940	2,744
from 1 to 5 years	11,759	10,977
more than 5 years	19,354	19,439
	34,053	**33,160**

NOTE 28. BUSINESS COMBINATIONS

As stated in Note 1, item 2, in the first half of 2009 the Issuer purchased shares in the following undertakings:

On February 6, 2009, ATM S.A. purchased 999 shares in rec-order sp. z o.o. from mPay International for PLN 9,227.40 and acquired new shares in rec-order sp. z o.o for PLN 15 thousand. As a result of this activity, ATM S.A. owns 1,150 shares in the aforementioned company, which amounts to 100% of shares in share capital.

On February 2, 2009, an increase in share capital of mPay S.A. by PLN 7,200 thousand was registered. The increase in capital under authorized capital is aimed at ensuring current financing of the company's activity concerning propagation of mobile payments system in Poland in collaboration with business partners.

On February 11, 2009, the management board of mPay S.A. increased the Company's share capital by PLN 500,000 under authorized capital. On March 18, 2009, another increase by PLN 900,000 took place. 98% of new shares were acquired by ATM S.A., while 2% - by mPay S.A.'s Management Board President. As a result of the said increase in capital, ATM S.A. owns 54.37% of shares in the Company's share capital. The resolution on the second increase in capital was registered by the Court on April 30, 2009.

Until June 30, 2009, ATM SA paid PLN 1,025,000 on account of a capital increase of mPay SA. The increase shall be registered not later than on October 31, 2009, after the full payment is made.

On May 5, 2009, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register issued a decision on changing the Company's name from Centrum Innowacji ATM Sp. z o.o. to ATM Systemy Informatyczne Sp. z o.o. On May 15, 2009, an increase in share capital of ATM Systemy Informatyczne Sp. z o.o. from PLN 50,000 to PLN 1,000,000 was registered. ATM S.A. acquired 100 % of the Company's shares.

On June 30, 2009, a resolution was adopted on increasing the share capital of Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. from PLN 50,050 to PLN 500,000 by establishing 8,999 shares at PLN 50 each. Shares in the Company's increased share capital were acquired by ATM S.A. (the changes were registered by the Court on July 30, 2009).

No business combination took place during the period covered by this report.

NOTE 29.CONTINGENT RECEIVABLES AND LIABILITIES

Contingent receivables

	End of period June 30, 2009	End of period December 31, 2008
Financial receivables under litigation	291	291
	291	**291**

As at June 30, 2009, contingent receivables included financial assets under litigation, i.e. receivables arising from the redemption of commercial bills. These receivables are subject to a damages action. In the view of the Company, ATM S.A. was misled by BWE S.A. as to the actual standing of the commercial bill issuer — the DANMAG S.A. company from Zielona Góra. Due to its poor standing, DANMAG S.A. was unable to redeem the commercial bills it had issued. In September 2007, the District Court awarded ATM S.A. with PLN 300,000 plus interest. The enforcement officer secured the total amount awarded by the Court. BWE appealed against this decision. As at June 30, 2009, the case remained undecided. The Company estimates that the decision of the District Court will be maintained.

Contingent liabilities

	End of period June 30, 2009	End of period December 31, 2008
To related undertakings:	1,000	**1,965**
To other undertakings:	28,064	**27,698**
1. Bank guarantees received:		-
- performance bonds and tender bonds	4,160	3,822
2. Mortgage security:		-
- bank loan security	18,060	18,060
3. Promissory notes:		
- endorsements concerning agreements related to EU project financing	3,146	2,500
- bank loan security	1,545	2,163
4. Pledges:		
- bank loan security	1,153	1,153
	29,064	**29,663**

NOTE 30.INFORMATION CONCERNING RELATED UNDERTAKINGS

Related undertaking details

The Group's related undertakings include:

1. **Undertakings in which the Group holds an equity stake**

The group holds an equity stake in Górnośląskie Towarzystwo Lotnicze in Katowice (0.053%). During the periods covered by the consolidated financial statements, the Group did not conclude any transactions with this undertaking.

2. **Undertakings related to the Group of Companies**

Apart from the undertakings in which the Group holds an equity stake, the undertakings related to the Group include those related through the Management Board members of the parent undertaking. These undertakings include:

- A.Chalimoniuk i Wspólnicy, ATM S.J. — related through Mr. Tadeusz Czichon, who is one of the four partners in this undertaking, while also being the Vice-President of the Management Board of the parent undertaking (ATM S.A.) and being among the shareholders who hold more than 5% of shares in ATM S.A. (Note 20);
- ATM PP sp. z o. o. — related through Mr. Tadeusz Czichon, who is the President of the Management Board of this undertaking and at the same time is its shareholder, holding around 25% of shares.

Sales to and purchases from related undertakings are made at normal arm's length prices. Outstanding liabilities and receivables at the end of the fiscal year are not secured and are settled in cash. Receivables from related undertakings are not covered by any guarantees, extended or received.

During the periods covered by this historical consolidated financial information, the scope of mutual transactions with related undertakings included:

- trade transactions including the purchase and sale of goods, materials and services;
- transactions related to the lease of telecommunications infrastructure.
- loans granted.

The parent undertaking did not carry out any transactions on conditions different from market conditions with related undertakings or other related persons in the fiscal year.

The amount and scope of trade transactions has been presented in the table below:

	PLN '000			
Item	Receivables	Liabilities	Revenue	Purchases
ATM PP Sp. z o.o.	42	137	78	873
A. Chalimoniuk i Wspólnicy, ATM S.J.	22			404
Linx Telecommunication B.V.	70		65	
Total	**134**	**137**	**143**	**1,277**

During the periods covered by the consolidated financial statements, transactions with related undertakings involved no write-downs concerning receivables from those undertakings and no receivables were written off.

3. Directing and supervisory body members and their close family members

Other Group related entities include members of Parent Undertaking directing and supervisory bodies (including management) and persons who are their close family members (i.e. partner and children, the partner's children and persons dependent on the member or his or her partner) as well as other businesses in which members of the parent undertaking Management Board perform management duties or are shareholders.

Senior management remuneration

Management remuneration includes the remuneration of the Management Board, Supervisory Board and Directors of the Parent Undertaking. The remuneration paid to these persons, divided into main benefit types, has been presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
Short-term employee benefits	1,506	3,409
Benefits after the employment period	-	-
Severance pay	-	-
	1,506	**3,409**

The short-term employee benefits referred to above concern:

	End of period June 30, 2009	End of period December 31, 2008
Management Board	450	900
Supervisory Board	123	246
Directors and managers	933	2,263
	1,506	**3,409**

Apart from the abovementioned remuneration, directors and managers are covered by the Incentive Scheme (Note 20). No loans, guarantees or sureties were granted to the aforementioned persons, members of the Management Board or Supervisory Board in the periods covered by the present financial statements.

Contracts with parent undertaking Management Board members include non-competition clauses which hold for three months after they leave their posts. Under this provision, the parent undertaking is obliged to pay a compensation amounting to three monthly salaries. Twice that amount is to be repaid if the non-competition clause is breached.

NOTE 31. FINANCIAL INSTRUMENTS

1. Capital risk management

The Group manages its capital in order to ensure that its undertakings will be able to continue as going concerns, while at the same time maximizing their profitability by optimizing their debt-to-equity ratios.

The Group regularly reviews its capital structure. Such reviews involve the analysis of cost of equity and the risk related to its individual categories. Based on the analyses, appropriate measures are planned in order for the Group to maintain a proper capital structure. The most important factors subject to analysis are:

- bank loans — disclosed in Note 22;
- cash and cash equivalents — disclosed in Note 19;
- equity, including shares issued, capital reserves and retained earnings — disclosed in Notes 20 and 10.

The dividend policy is among the risk management measures. According to this policy, investors should receive an annual dividend of not less than interest on bank deposits. The Company intends to pay an annual dividend in the amount of not less than the EURIBOR rate for annual deposits on the last day of the fiscal year, additionally increased by 0.5%, and multiplied by the Company's listed value in the last month of the year. Dividend is payable to shareholders who have already entrusted the Company with their money. On the other hand, offers to take up shares while increasing the Company's capital will be extended to new investors or existing investors who plan to extend their capital involvement in the Company.

2. Financial risk management objectives

Principal financial instruments used by the Group include bank loans (Note 22), finance lease agreements (Note 26), as well as cash and deposits (Note 19). The main purposes of these instruments include raising funds for Group operations, liquidity risk management and short-term investment of surplus liquid funds. The Group also uses other financial instruments, including trade receivables and liabilities (Notes 17, 24 and 25), which, however, are directly related to its operations.

The main risks arising from the Group's financial instruments include credit risk and liquidity risk as well as interest rate risk and foreign exchange risk. Exposure to these risks and their causes have been presented in the items below.

The Group has no assets or liabilities measured at fair value, held for trading, embedded or derivative financial instruments. The Group does not use hedge accounting, and during the period covered by the financial statements it neither extended loans (apart from subsidiary loans) nor was party to financial guarantee contracts.

During 2008 and 2009:

- no financial instruments were reclassified between categories within the meaning of IAS 39;
- the Group did not dispose of its financial assets in a manner that would prevent their removal from the balance sheet despite their transfer to a third party;
- the Group received no financial or non-financial assets within the framework of enforcement proceedings concerning security for its financial assets.

3. Material accounting policies

A detailed description of material accounting policies and methods used, including the criteria for recognition, basis for valuation and policies concerning the recognition of revenue and costs with regard to individual financial asset, financial liability and capital instrument categories has been presented in Note 2 to the financial statements.

4. Financial instrument categories and classes

Financial assets and liabilities broken down into categories (as per IAS 39) were as follows:

	End of period June 30, 2009	End of period December 31, 2008
Financial assets		
At fair value through profit or loss	-	-
Derivatives in hedging relationships	-	-
Investments held to maturity	-	-
Own receivables (including cash and cash equivalents)	73,046	106,671
Financial assets available for sale	80	80
Financial liabilities		
At fair value through profit or loss	-	-
Derivatives in hedging relationships	-	-
Financial liabilities	109,983	134,944
Financial guarantee contracts	-	-

Taking into account the nature and specific features of the financial instrument categories presented above, the following classes of instruments have been distinguished within individual groups:

With regard to the own receivables category

	End of period June 30, 2009	End of period December 31, 2008
Receivables from related undertakings (Note 17)	133	138
Short-term receivables from other undertakings (Note 17)	60,379	92,923
Long-term receivables from other undertakings (Note 15)	6,777	9,628
Cash and cash equivalents (Note 19)	5,757	3,982
Total	**73,046**	**106,671**

With regard to the financial liabilities category

	End of period June 30, 2009	End of period December 31, 2008
Liabilities arising from loans (Note 22)	18,466	19,138

Liabilities to related undertakings (Note 25)	137	3
Short-term liabilities to other undertakings (Note 25)	54,914	78,967
Long-term liabilities to other undertakings (Note 24)	-	-
Liabilities arising from finance leases (Note 26)	29,957	30,116
Other financial liabilities (Note 26)	6,509	6,720
Total	**109,983**	**134,944**

With regard to the Financial assets available for sale category, the Group holds shares in other undertakings amounting to PLN 80,000 (Note 14), including 0.053% of shares in Górnośląskie Towarzystwo Lotnicze in Katowice. This is not a listed undertaking.

5. Fair value of financial instruments

According to the estimates of the Management Board of the parent undertaking, the values of individual financial instrument classes listed above do not differ significantly from their fair values; for shares in Górnośląskie Towarzystwo Lotnicze in Katowice, no reliable method exists for estimating their fair value.

6. Credit risk

Credit risk is the risk of a counterparty defaulting on its obligations, thus exposing the Group to financial losses. The Group operates a policy of concluding transactions exclusively with counterparties whose creditworthiness has been verified; when required, appropriate security is obtained in order to mitigate the risk of financial losses caused by a breach of contractual terms. The Group's exposure to the risk related to the counterparties' credit ratings is subject to ongoing monitoring and the aggregated value of transactions concluded is divided among approved counterparties. Credit risk control is enabled by limits, which are verified and approved annually by the Management Boards of Group companies.

The Group is not exposed to significant credit risk related to a single counterparty or a group of similar counterparties. There is no risk concentration linked to the existence of a single purchaser or a group of related purchasers from whom the Group would obtain revenue in excess of 10% of the total revenue amount, either.

The Group mitigates credit risk by concluding transactions only with creditworthy undertakings. Before cooperation is initiated, internal preliminary verification procedures are followed. Moreover, since receivable amounts are monitored on an ongoing basis, the Company's exposure to the risk of receivables becoming uncollectible is insignificant.

As concerns the Company's financial assets, including cash, deposits and investments in assets available for sale, the Company's risk is directly related to the other party's inability to pay, and the maximum exposure to this risk equals the balance sheet value of the instrument in question.

As at June 30, 2009, financial asset impairment write-downs came to PLN 571,000; as at December 31, 2008, they were PLN 571,000. These write-downs concern own receivables from other undertakings, of which PLN 240,000 are receivables currently under litigation, and PLN 359,000 are receivables which will likely prove uncollectible according to the Group's estimates.

As at June 30, 2009 and December 31, 2008, no financial asset items were present whose repayment terms had been renegotiated.

No significant security has been established for the benefit of the Group arising from the financial assets held by the Group.

7. Foreign exchange risk

As far as foreign exchange risk is concerned, the Group is exposed to it through sale or purchase transactions concluded in currencies other than the Group's functional currency.

The Group has concluded forward hedging transactions. Information concerning all open forward transactions as at June 30, 2009 has been disclosed in Note 18.

As it was stated in "Accounting principles - Foreign Currency Transactions", pursuant to IAS 1 §17, the Group adopted a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting period only in the portion concerning actually paid installments. The remaining amount of exchange rate differences was recognized in the accruals, which shall be recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for exchange rate differences on lease liabilities (both gains and losses), arising in future periods. This exemption from IAS 21 shall be applied by the Group until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 26: Other financial liabilities.

The carrying amount of the Company's assets and liabilities in foreign currencies as at the balance sheet date concerns trade receivables and liabilities and lease agreement liabilities. These amounts are as follows:

	Trade liabilities		**Lease liabilities**		**Trade receivables**	
	30/06/2009	**31/12/2008**	**30/06/2009**	**31/12/2008**	**30/06/2009**	**31/12/2008**
Currency - EUR	981	5,691	7,481	6,092	10	306
Currency - USD	17,211	26,879	0	-	349	296
Currency - JPY	0	-	15,404	17,466	0	-
Currency - PLN	12,201	33,968	7,072	6,558	66,930	102,645
Total	**30,392**	**66,538**	**29,957**	**30,116**	**67,289**	**103,247**

When applying an exemption from IAS 21 regarding the valuation of lease liabilities.

If the exchange rate in relation to the exchange rate from the balance sheet valuation for EUR, USD and JPY had increased by 10%, with all other variables remaining at a constant level, the Group's net result for the six-month period ended June 30, 2009 would have been PLN 1,783,000 lower, of which PLN 97,000 would be due to financial assets and liabilities denominated in EUR and PLN 1,686,000 - due to financial assets and liabilities denominated in USD.

When retaining full compliance with IAS 21.

If the exchange rate in relation to the exchange rate from the balance sheet valuation for EUR, USD and JPY had increased by 10%, with all other variables remaining at a constant level, the Group's net result for the six-month period ended June 30, 2009 would have been PLN 4,072,000 lower, of which PLN 845,000 would be due to financial assets and liabilities denominated in EUR and PLN 1,686,000 - due to financial assets and liabilities denominated in USD and 1,540,000 due to liabilities denominated in JPY.

The above estimation of the impact of foreign exchange risk on the financial result was calculated basing on symmetrical method, which assumes that increase and decrease in foreign exchange rates results in identical closing amounts. As a consequence, the decrease in exchange rates of the abovementioned currencies by 10% would cause respective increase of net financial result by amount mentioned above.

8. Liquidity risk

The Group has developed an appropriate liquidity risk management system for the purposes of managing short-, medium- and long-term funds of the Group and in order to satisfy liquidity management requirements. The Group manages its liquidity risk by maintaining an appropriate amount of capital reserves, by taking advantage of banking services offered and using reserve credit facilities, by monitoring forecasted and actual cash flows on an ongoing basis and by analyzing the maturity profiles of its financial assets and liabilities.

The Group mitigates credit risk by concluding transactions only with creditworthy undertakings. Before cooperation is initiated, internal preliminary verification procedures are followed. Moreover, since receivable amounts are monitored on an ongoing basis, the Group's exposure to the risk of receivables becoming uncollectible is insignificant. As concerns the Group's other financial assets, including cash, deposits and investments in assets available for sale, the Group's risk is directly related to the other party's inability to pay, and the maximum exposure to this risk equals the balance sheet value of the instrument in question.

The fair value of individual financial instruments did not significantly differ from their book values recorded in the financial statements as at subsequent balance sheet dates.

NOTE 32. EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the assumptions presented in the report on the activities in 2008, ATM S.A. Management Board endeavors to adjust the organizational structure of the Group of Companies to the possibility of responding fast to the ongoing changes and direct the activities of the Group so that in spite of the current situation in the markets where the Group is present, generation of certain and regular profits is maximized. As a part of these activities, on July 1, 2009 subsequent areas of ATM S.A.'s operating activities to date were transferred to its subsidiaries:

- application solutions - to inOne S.A.
- multimedia solutions and services - to ATM Software Sp. z o.o.

On June 30, 2009, a resolution was adopted on increasing the share capital of Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. from PLN 50,050 to PLN 500,000 by establishing 8,999 shares at PLN 50 each and on changing the Company's name to ATM Software Sp. z o.o. Shares in the Company's increased share capital were acquired by ATM S.A., while Andrzej Molski, the former director of business solutions department in ATM, became the new Management Board President (these changes were registered by the Court on July 30, 2009).

On July 31, 2009, ATM S.A. purchased 56,700 shares of its subsidiary, KLK S.A., increasing its share in this company to 89.37%.

NOTE 33.DIFFERENCES IN COMPARISON TO PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS

No significant events pertaining to previous years occurred that would have to be included in half-year consolidated financial statements for the fiscal year 2009. The comparable data included in 2009 statements do not differ from the data included in published 2008 statements.

NOTE 34. AVERAGE EMPLOYMENT INFORMATION

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Manual workers	24	22
Non-manual workers	437	438
Total employment	461	460

MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF ATM S.A. GROUP OF COMPANIES FOR THE FIRST HALF OF 2009

1. Review of key economic and financial parameters

In the first half of 2009, the Group generated consolidated sales revenue in the amount of PLN 146 million and sales margin (revenue less variable costs of sold goods) in the amount of PLN 54.2 million. This translates into an increase by 54% and 34%, respectively, in relation to the analogical period of 2008. Maintaining fixed costs at a stable level in the second quarter of the year enabled generating profit on operating activity in the whole initial six-month period of 2009 in the amount of PLN 9.9 million, as compared to the loss of PLN 2.5 million during the first six months of the previous year. This result for the first half of year is so far the best in the history of the Group's activity. The area of activity which was particularly important to the Group's financial results was telecommunications. This sector of activity generated PLN 8.4 million of operation income, which amounted to 85% of total operating income of the group during that period. As previously predicted by the Issuer's Management Board, the financial results for the second quarter of 2009 (both separate and consolidated) were not charged with material financial costs as it was the case during the first three months of the year, when the company suffered heavy financial losses due to closing of foreign exchange positions related to the payment for goods supplied at the end of 2008. Exceptionally good operating results in both first and second quarter of the year allowed the Group to generate as much as PLN 4.1 million net profit during the whole first half of 2009. At the same time, this parameter registered YoY increase by 134% (in the first half of 2008 it amounted to PLN 1.7 million net profit).

The item requiring particular attention is individual result of ATM S.A. The first half of 2009 saw the commencement of transferring operating activities in the area of integrating ICT infrastructure systems from ATM S.A. to ATM Systemy Informatyczne Sp. z o.o. (until May 5, 2009 - Centrum Innowacji ATM Sp. z o.o.), a company owned exclusively by the Issuer. Therefore, results on integration activities generated in the second quarter of 2009 are not recognized in the Issuer's currently published individual results. Consolidated results of ATM S.A. and ATM SI Sp. z o.o., allowing for a comparison of these results with a relevant period of the previous year, are presented in the table below.

	ATM S.A. (according to total income statement) 30.06.2009	ATM Systemy Informatyczne Sp. z o.o.* 30.06.2009	Consolidated total income statement** 30.06.2009	ATM S.A. (according to total income statement) 30.06.2008
Sales revenue	79,493	24,956	103,406	72,722
Cost of goods sold (variable)	44,657	18,815	62,429	44,527
Cost of goods sold (fixed)	7,337	0	7,337	7,399
Gross profit (loss) on sales	27,499	6,141	33,640	20,796
Other operating revenue	610	-	610	251
General and administrative costs	17,499	3,608	21,107	21,791
Other operating expenses	190	-	190	74
Operating profit (loss)	10,420	2,533	12,953	(818)
Financial revenue	516	-	516	5,292
Financial expenses	5,363	-	5,363	625
Net financial activity	(4,847)	-	(4,847)	4,667
Profit (loss) before tax	5,573	2,533	8,106	3,850
Income tax	848	505	1,352	237
Net profit (loss) on continued operations	4,725	2,028	6,753	3,613

	ATM S.A. (according to total income statement) 30.06.2009	ATM Systemy Informatyczne Sp. z o.o.* 30.06.2009	Consolidated total income statement** 30.06.2009	ATM S.A. (according to total income statement) 30.06.2008
Net profit (loss)	4,725	2,028	6,753	3,613
Other total net income	-	-	-	-
Total amount of total income	4,725	2,028	6,753	3,613

*based on ATM Systemy Informatyczne financial statements for 6 months of 2009, not subject to review by a statutory auditor

**consolidation of statements of ATM S.A.'s total income from ATM Systemy Informatyczne Sp. z o.o has been carried out, excluding mutual transactions

Basing on the results of the parent undertaking, taking into consideration the portion of the activity continued by ATM SI Sp. z o.o., the Issuer generated revenue in the amount of PLN 103.4 million and PLN 6.8 million of net income in the first half of 2009, which corresponds to 42% increase in revenue and 89% increase in net profit, respectively (as compared to analogical period of 2008). The parameter which is particularly noteworthy is the operating profit of less than PLN 13 million, as compared to the loss of about PLN 800,000 in the previous year. The results of the parent undertaking in the first half of the year are very good despite substantial financial losses in the first quarter of 2009, discussed in the first part of the present statements.

Not all companies in ATM Group had equally good results. To a certain extent, problems associated with deteriorating situation in ICT investments impacted KLK S.A. in the first half of 2009. The company was, in the first months of the year, additionally burdened with exchange rate differences due to payments for the delivery of goods at the end of 2008. The company's situation improved in the second quarter of the year - KLK S.A. generated a slight operating profit and eventually decreased the net loss to PLN 1.8 million in the first half of 2009. According to the information received from this company, the decrease in sales should be short-lived and the company is forecasting an improvement in its result in the subsequent quarters of the year.

The company which suffers foreseeable losses due to its stage of development is mPay S.A. In the first half of the year, it decreased the Group's consolidated result with a net loss in the amount of PLN 1.9 million. In spite of strengthening its position in the market, the Company failed to achieve the expected increase in revenue. It should be emphasized that since the Company is participating in the most promising undertaking related to mobile payments in the Polish market - the test of mobile payments, coordinated by MasterCard and carried out by all mobile telephony providers, a number of banks and several interested companies and institutions - subsequent months will be decisive when it comes to popularizing mobile payments, which will allow for better estimation of the impact of this change on the Company's future revenue. At the same time, the Issuer does not exclude the possibility of acquiring a financial or strategic investor who would actively participate in co-financing of mPay S.A.'s current activities, which would hasten the achievement of positive financial result as well as expand the scale of the Company's business.

Good financial results achieved by the Group in the first half of the year took place in the first part of the year, which is traditionally considerably worse, and in adverse economic conditions, bearing the traits of a slowdown or crisis. These results were achieved basing on the development of the group's core operating activities, resulting from well thought-out and effective investments in the previous years, which indicate that the positive tendency will continue in subsequent quarters of the year.

2. Events with significant impact on the undertaking's activities which occurred in the first half of the fiscal year and also afterwards, until the date on which financial statements were approved.

Telecommunications and value-added services

In the first half of 2009, the results of both the parent undertaking and the entire Group became increasingly dependent on the sales of telecommunications services under the brand name ATMAN. These services are currently the most profitable, stable and predictable source of revenue. In the telecommunications segment, the Group generated sales revenue of PLN 45 million and operating profit of PLN 8.4 million in the first half of the year. This translates to 39% increase in revenue and 263% increase in operating profit as compared to analogical period of 2008. The margin on sales (revenue less variable selling costs) achieved in the first half of the year was equally impressive, amounting to PLN 24.9 million, which translates to 43% increase as compared to the first half of 2008.

According to the Issuer's Management Board, such a good result is possible thanks to the policy of investing in the development of fiber optic networks and collocation centers, implemented in the last years.

In the first half of 2009, the Issuer increased the area dedicated to collocation services in its data center by over 25%. The available net collocation area in ATMAN-Grochowska Data Center itself currently amounts to about 1,500m^2 net. The constantly expanded telecommunications infrastructure provides the basis for services which enjoy growing popularity among ATM S.A. customers, even in the times of deteriorating economic situation. The Issuer is expanding the scope and maintaining high quality of its services, which meets the customers' acceptance, a proof for that being the extension of existing agreements with customers. Basing only on three major agreements expanding the scope extending the scope of services, which were concluded in the first quarter of 2009, in the perspective of 3 years ATM S.A. will achieve additional revenue in total amount of over PLN 6 million. The second quarter brought record results regarding the increase in the value of subscription contracts. The increase amounted to more than PLN 800,000 from quarter to quarter.

The Issuer's material achievements during the first six months of activity in the telecommunications segment include systematic expansion of the portfolio of customers. Due to the regular nature of income in this field, this achievement has great impact on the Company's stable financial position in the following periods. It should also be noted that contracts are concluded with more and more demanding, large customers. The list of customers served to date, such as: Onet.pl, Interia.pl, Gazeta.pl, o2.pl; Gadu-Gadu, TVP (including itvp.pl portal), was expanded in the first quarter of 2009 by, inter alia: the largest community portal in Poland - Nasza-Klasa.pl (ATM S.A. provides this portal with collocation and transmission services and lease of optical fiber wires), HBO television and Cenega Poland. In the second quarter of the year, ATM S.A.'s clients who started or expanded their cooperation with the Company for subsequent years included: AIG Bank Polska, Murator publishing company, Polsat Media, Energa Koszalin, LG Electronics, Damian Medical Center, Warsaw School of Social Sciences and Humanities and Chancellery of the Prime Minister.

Integration of ICT systems

In spite of the fact that historically, the first months of the year are characterized by lower sales revenue from integration services, the expected sales plans in this sectors have been successfully implemented. This means the financial results for the first half of 2009 were substantially better than the results for the analogical period of 2008. The Issuer's original solutions, utilizing the *know-how* regarding business applications, proved in particular immune to the business cycle.

As a part of organizational clear-up of the Group of Companies, the operating activities in the field of system integration from the second quarter of 2009 was transferred in whole from the parent undertaking to ATM Systemy Informatyczne Sp. z o.o. Due to the fact that shares in ATM Systemy Informatyczne Sp. z o.o. are exclusively owned by ATM S.A., this change did not affect the consolidated result, although it naturally changed individual results. This change should increase the efficiency of both companies, since it allows for better focusing and adjustment of each company to the activities carried out by them.

In the segment of ICT systems integration, the Group achieved, in the first half of 2009, sales revenue of PLN 98.6 million and over PLN 27.4 million of sales margin, which translated to the increase of these parameters by 65% and 35%, respectively, as compared to analogical period of the previous year.

In the first half of 2009, the Issuer provided, among others, network solutions to two telecommunications providers, for a total amount of about PLN 16.2 million. Both providers are involved in investments in the development of modern web services infrastructure. The executed contracts result from earlier established cooperation, under which ATM implemented management systems for IP network services. These systems are based on ATM's original software and Cisco Systems network technology. They are an important web service sales assisting tool for the providers. Thanks to the Issuer's previous investments in innovative products, adjusted to the customers' specific business needs, the demand for the Group's products is maintained in spite of development limitations caused by the economic slowdown.

Significant contracts concluded in the first half of 2009 also include the contract between the Issuer and BRE Bank Hipoteczny S.A., concerning the original Atmeus solution, which serves for managing and updating Business Continuity Planning. This system allows for fulfilling one of the basic requirements regarding safety policy in financial enterprises - mitigation of risk. Financial sector institutions are obliged to minimize operating risk according to the provisions of the so-called New Capital Accord ("Basel II"), specified by the Basel Committee on Banking Supervision.

In the first half of the year, ATM Systemy Informatyczne Sp. z o.o. entered into a cooperation agreement with the Polish Bank Association (ZBP), concluded as a part of Banking Technology Forum. The agreement involves the creation of a working group dedicated to issues concerning operating continuity of financial institutions.

Another noteworthy contract in this field was signed by the Issuer in July 2009 with CenterNet S.A. and covered the development of a Cisco Systems products-based backbone IP network for the provider's own needs. The core of the IP network was constructed using 10 GB/s links. Other implemented products included provider class redundant Internet routers. The node was fully secured using break-in detection systems and firewalls. The Issuer also provided CenterNet S.A. with network infrastructure and security managing software. The customer, under the implemented project, also utilizes net collocation area in ATMAN Data Center.

During the period discussed, ATM Systemy Informatyczne Sp. z o.o. completed contracts amounting to PLN 10 million in the CATV providers market. The contracts covered the provision of Microsens and Cisco network devices, as well as of integration services. The beneficiaries of ATM SI services in the past quarter included Multimedia Polska, UPC and Toya, as well as a number of minor CATV providers.

The Group's activities within the integration field also included the activities of a subsidiary - KLK S.A., covering ICT systems integration, specialized in the design and implementation of technical infrastructure of facilities. The second quarter of the year saw the commencement of implementation of a prestigious contract by KLK S.A., concerning the development of a modern, top-technology server room for an international group which is one of the leading undertakings in the financial sector. The contracts of total gross value of the exceeding PLN 13 million cover project works, implementation works and later technical service of the Data Center facility.

The ICT systems integration segment also includes the activities of the Issuer's Business Solutions Department regarding the offer of products and multimedia solutions. An outstanding contract in this field was a three-year agreement with Redefine sp. z o.o. (Polsat Group), concluded in the first quarter of the year. The Issuer, as the provider of video signal distribution services (ATM CDN and ATM Storage services), is responsible for the distribution of VoD signal and live video signal to approximately 1.2 million of users of an interactive entertainment platform - IPLA.TV. Currently, ATMAN supports up to 10 thousand of simultaneous and independent high-quality TV signal streams; the traffic among domestic servers continually reaches up to 3 GB/s.

The Issuer also entered into an agreement with P4 sp. z o.o., the provider of Play network, concerning the implementation of MobileStreaming platform, which enables the use of the multimedia service "Oglądaj" ("Watch"), available on wap.playmobile.pl. portal. The platform offers a complete set of features which allow for: archiving VoD content, VoD content management, almost-on-demand and live transmission and adequate transmission of such content to mobile phones. The MobileStreaming platform, implemented in Play network, provides support for automatic adjustment of the picture quality to the end devices, adjustment of the picture to the network conditions, as well as full integration with the provider's external systems, including billing and content management platform for the launched multimedia service.

In the first half of 2009, the Issuer's original software was also used by Totalizator Sportowy. The company launched the distribution of high-quality live content, displayed in 80 lottery offices and on Web sites: www.torsluzewiec.pl and www.lotto.pl. The service, implemented by ATM S.A. on the basis of ATM InternetTV and ATM Screens platforms, will enable the customers of Totalizator Sportowy to view live transmissions of races at Służewiec horse-racing track.

Under a different contract, ATM S.A. launched live Internet transmission of TV Biznes show, using Flash/H.264 standard. High-quality television is available for free to Internet users on www.tvbiznes.pl Web site, regardless of the used hardware platform. ATM S.A. developed a solution which is also fully functional in the scope of compression, distribution and publication of video content produced by TV Biznes.

In the period covered by the report, the activities in the scope of multimedia services and solutions were carried out by the Issuer; since July 1, 2009, however, they have been the responsibility of the subsidiary ATM Software (formerly CBR ATM-Lab Sp. z o.o), which is owned exclusively by the Issuer. The purpose of this change, similarly to separating the integration segment from the parent undertaking, is to order the Group of Companies to increase its operating efficiency. It does not, however, have immediate impact of the Group's consolidated results.

Mobile payments

mPay S.A. is a company in the ATM S.A. Group which developed the innovative mobile payments system. The system enables completion and settlement of transactions carried out using mobile phones. Pursuant to the decision of the President of the National Bank of Poland, the Company was the first undertaking in Poland to have achieved the status of mobile payments authorized acquirer.

Since the beginning of the year, mPay S.A. has been extremely successful: the quantities of products offered by the Company are systematically increasing while the Company's position in the market is becoming stronger. Unfortunately, the Company is still incapable of increasing its sales volume to the level allowing for certain estimation of its profitability period. The Company decreases the Group's consolidated result. Due to the Company's activities, however, as well as its visible achievements (described below), the existing situation may hopefully change in the second half of the year.

In the period of the last six months, mPay launched an alternative communication channel - the so-called voice channel. This service is already available within all mobile networks and does not require installing any additional applications. In order to use the mPay payment system, the user only needs to activate and replenish their mPay account. The user can then make payments for selected goods and services using the voice channel (in all networks) or text channel (Plus and Play). The text channel is undoubtedly more convenient to use and, hopefully, it will become available within mPay system in networks of all providers.

It should be noted that the mPay system is continually developed and acquiring new large business partners. The payment system in tolled parking zones where city residents can make payments using their mobile phones, available to date in Warsaw, Łódź, Ostrów Wielkopolski and Tarnów, was in the second quarter of the year expanded onto Kraków and Bydgoszcz.

mPay S.A. also participates in the largest ongoing pilot project concerning mobile payments with the use of mobile phones in Poland. This initiative is led by MasterCard and supported by four mobile telephony providers, banks and other partners. The chief aim of the project is to create a universal, common model of payments, which will allow the customers of mobile providers and banks to carry out mobile payments using telephones. It is the first initiative of this sort in Poland to unite such a wide variety of companies in order to popularize mobile payments. mPay benefits from this project by having the opportunity to test the use of funds at payment card accounts as the source of cash for mobile payments in the settlement model proposed by MasterCard, providers and banks.

Other material events within ATM Group of Companies

The description of the Group's achievements would not be complete without mentioning the award given to Impulsy, a company belonging to the Issuer's Group, during the international EuroCertificate 2008 competition. The jury rewarded the company with a EuroCertificate award in the category of Product Quality Certificate, for producing the Medicus On-Line system. Medicus On-Line is a complex IT system for managing hospitals, public and private clinics, as well as settlements with the National Health Fund. It connects the administrative and medical segment with the analytical laboratory and imaging diagnostics.

Also in the first quarter of 2009, Linx Telecommunications B.V., a company within the ATM S.A. Group signed an agreement and commenced an investment in a new, innovative data center in Saint Petersburg, on the area of 5,000 m^2. It is the first initiative of this type in this part of Russia which is compliant with strictest technical and safety requirements and equipped with well-prepared power resource base. Linx Telecommunications B.V. is planning on systematic expansion of the offered net collocation area to 12,000 m^2. The investment will be completed in the second quarter of the current year and constitutes the next step in implementing the strategy of connecting crucial data centers located in the Russian Federation and CEE, using international telecommunications infrastructure. The investment is a response to the forecasts concerning dynamically increasing demand for collocation and hosting services.

The Management Board estimates that thanks to previous investments in telecommunications infrastructure and innovative products, the Issuer has maintained the demand for its services in spite of development limitations caused by the economic slowdown. This tendency will hopefully be sustained. In summary, the Groups achievements in the first half of 2009 allow to classify the period in question as very successful. With respect to the sales revenue and net profit achieved, these six months were definitely the best in the long history of the Company's activity.

3. Selected financial data

	30/06/2009	**30/06/2008**	**30/06/2009**	**30/06/2008**
	PLN '000		**EUR '000**	

Total sales revenue	145,996	94,792	32,311	27,258
Operating profit (loss)	9,877	(2,515)	2,186	(724)
Profit before tax	4,817	1,576	1,066	454
Net profit of parent undertaking shareholders	4,589	2,441	1,016	702
Net cash from operating activities	21,702	2,904	4,803	835
Net cash from financial activities	(6,216)	9,276	(1,376)	2,668
Net cash from investment activities	(13,711)	(46,205)	(3,035)	(13,287)
Increase (decrease) in cash	1,775	(34,025)	393	(9,784)
	30/06/2009	**31/12/2008**	**30/06/2009**	**31/12/2008**
Fixed assets	265,443	261,951	59,388	62,782
Current assets	92,345	123,622	20,661	29,629
Total assets	357,788	385,573	80,049	92,410
Long-term liabilities	27,223	30,634	6,091	7,342
Short-term liabilities	84,607	113,172	18,929	27,124
Equity	245,958	241,767	55,029	57,944
Share capital*	34,397	34,397	7,696	8,244
Parent undertaking shareholders' equity	236,459	235,697	52,904	56,490
Number of shares	36,000,000	36,000,000	36,000,000	36,000,000
Book value per share (PLN/EUR)	6.57	6.55	1.47	1.57
Diluted book value per share (PLN/EUR)	6.57	6.55	1.47	1.57

4. Other information substantial for the assessment of the situation of ATM S.A. Group of Companies

The Issuer's main strategic aim is stable development of the parent undertaking, resulting in the increase of its goodwill. The strategy adopted in order to implement this aim covers the development of the areas of activity which:

- exhibit the biggest growth potential,
- generate stable revenue and profits,
- are the least prone to external economic factors.

The scope of activities which guarantees the most stable growth and increase in goodwill is the provision of telecommunications services and value-added services (collocation, data protection). Starting in the third quarter of 2009, the parent undertaking's operations will concern exclusively this field of activities. Telecommunications services are, to a similar extent as in the case of the Issuer, the field of activities for Linx Telecommunications B.V., a company where the Issuer is a minority shareholder.

The activities of the Issuer's Group of Companies include three other areas:

- integration of ICT systems: ATM Systemy Informatyczne Sp. z o.o., KLK S.A. and inOne S.A.;
- application software development and implementation: ATM Software Sp. z o.o., Sputnik Software Sp. z o.o., Impulsy Sp. z o.o.;
- development of innovative products and services: mPay S.A., mPay International Sp. z o.o, Cineman Sp. z o.o., iloggo Sp. z o.o.

Different types of activities being carried out by separate companies is a strategy based on the following premises:

- it allows for organizational adjustments of the Company to its activities, which increases operating efficiency,
- it allows for active participation (also with regard to equity) of the first owners or authors of a given product or business,
- it allows the involvement in capital relations with other undertakings.

One of the components of the Issuer's strategy is to manage the assets in the form of shares in the subsidiaries in such a way that the goodwill of each company is maximized and cooperation with regard to offered goods and services of all ATM companies is ensured. The Issuer intends to dedicate particular attention to the development of those areas of activity in its subsidiaries which lead to foreseeable income and stable growth and, in particular, may contribute to the increase in sales of basic services offered by the Issuer, i.e. telecommunications services.

With regard to the companies involved in the development of innovative products and services, the Issuer's strategy assumes two scenarios:

- inclusion of the developed products and services into the Group's portfolio of standard services,
- sale of shares and reinvestment of acquired funds in activity which is the most beneficial from the point of view of the Group's further development.

5. Factors which will influence the results of ATM S.A. Group of Companies in the perspective of the following quarter

In the perspective of the upcoming quarter, the Group's results will be significantly affected by the stable position in the market and considerable share of permanent contracts in total revenue, which will allow the realization of the Group's assumptions in the current financial and economic situation.

With regard to telecommunications services, ATM S.A. has completed significant investments in telecommunications infrastructure and is characterized by enormous potential to increase revenue and generate profits. The last quarter of 2008 and the first half of 2009 both confirm the existence of such potential. The demand for broadband transmission, collocation and data centers appears to sustain, or even increase, in spite of the indications of crisis. This fact demonstrates that stable growth of this segment of activity is certain.

Integration services are more exposed to economic phenomena and therefore it is more difficult to predict the behavior of this segment in relation to the risk of economic recession in Poland. Investments in innovative products and services, which became the basis of the Group's standard offer, were one of the factors thanks to which the first half of the year was very successful when it comes to integration services (taking into consideration the seasonal character of integration services and increase in occurrences related to the deteriorating economic situation). It should be stressed that the Group is currently actively participating in numerous tenders related to the development of vast ICT systems and provision of telecommunications services. Taking into consideration the Group's experience and position, it may become the beneficiary of these projects. Such tenders are traditionally decided upon in the second half of a given year; therefore, the following six months should be even more successful for the Group and bring even better results than the first half of the year. Although there is, certainly, a possibility of unexpected occurrences associated with the increase in the economic crisis, it appears that these occurrences will not have material impact on the Group's results in the upcoming periods.

Another factor crucial for the Issuer's results will be the effectiveness of managing and utilizing EU funds allocated to the financing of economic undertakings in Poland. This effectiveness will impact the possibility of completing large investments by Polish companies, scientific units and central and local administrative institutions, for which the Issuer has prepared an attractive offer. The abovementioned funds may also be utilized by the Company to finance its own investments in the development of telecommunications infrastructure and to finance the ongoing research and implementation works, which will diminish the costs incurred by the Issuer due to these undertakings. The Issuer is participating in a number of activities which may bring considerable benefits with regard to the use of EU funds.

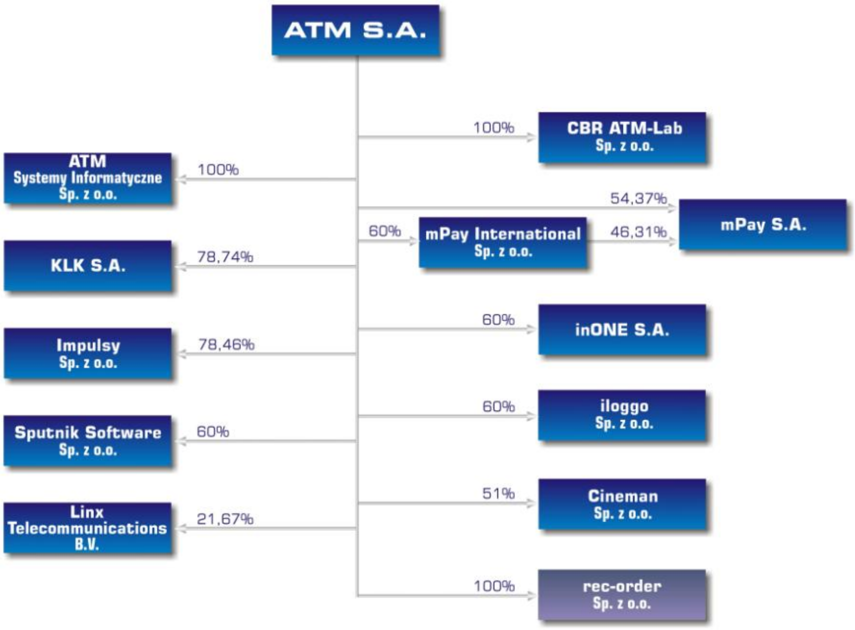
The success in introducing new, completely innovative solutions and products to the market will have enormous influence of the Company's future results. The pace at which mobile payments market is created will be of particular significance. The apparent increase of interest in mobile payments as one of the basic new services in the area of mobile telephony, in particular - the test of popularization of mobile payments, carried out by MasterCard, allows for positive forecast regarding the Issuer's subsidiaries' chances of achieving success also in these fields of activity.

6. The opinion of ATM S.A. Management Board regarding the possibility of fulfilling the previously published forecasts of results for a given year

The Company did not make 2009 forecasts public. Nevertheless, the Issuer's Management Board estimates the results for the first half of 2009 to be very good. The only factor which causes the Management Board to refrain from making a prediction in which the current year is the most favorable, in the course of last several years, with regard to revenue and profits generated, is the fear of unexpected occurrences which may accompany the economic slowdown and current macroeconomic situation.

7. Organizational structure of ATM S.A. Group of Companies

As at June 30, 2009, the Issuer's Group of Companies included the following companies:



8. Changes in the structure of ATM S.A. Group of Companies

The first half of 2009 saw the commencement of transferring operating activities in the area of integrated ICT infrastructure systems from ATM S.A. to ATM Systemy Informatyczne Sp. z o.o. (until May 5, 2009 - Centrum Innowacji ATM Sp. z o.o.). On May 5, 2009, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register issued a decision on changing the Company's name from Centrum Innowacji ATM Sp. z o.o. to ATM Systemy Informatyczne Sp. z o.o. On May 15, 2009, an increase in share capital of ATM Systemy Informatyczne Sp. z o.o. from PLN 50,000 to PLN 1,000,000 was registered. ATM S.A. acquired 100 % of the Company's shares.

The continuation of this process and fulfillment of assumptions presented in the Report from the Issuer's activity for 2008 are actions basing on which subsequent fields of ATM SA's activities to date were transferred to its subsidiaries on July 1, 2009:

- Atmosfera application solutions - to inOne S.A.
- multimedia solutions and services - to ATM Software Sp. z o.o. On June 30, 2009, a resolution was adopted on increasing the share capital of Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. from PLN 50,050 to PLN 500,000 by establishing 8,999 shares at PLN 50 each and on changing the Company's name to ATM Software Sp. z o.o. Shares in the Company's increased share capital were acquired by ATM S.A., while Andrzej Molski, the former director of

business solutions department in ATM, became the new Management Board President. These changes were registered by the Court on July 30, 2009.

Pursuant to the assumptions, the Issuer's Management Board endeavors to adjust the organizational structure of the Group of Companies to the possibility of responding fast to the ongoing changes and direct the activities of the Group so that generation of certain and regular profits is maximized.

Other changes which occurred in the first half of 2009 in the ATM S.A. Group of Companies:

- On February 6, 2009, ATM S.A. purchased 999 shares in rec-order sp. z o.o. from mPay International for PLN 9,227.40 and acquired new shares in rec-order sp. z o.o for PLN 15 thousand. As a result of this activity, ATM S.A. owns 1,150 shares in the aforementioned company, which amounts to 100% of shares in share capital.
- On February 2, 2009, an increase in share capital of mPay S.A. by PLN 7,200 thousand was registered. The increase in capital under authorized capital is aimed at ensuring current financing of the company’s activity concerning propagation of mobile payments system in Poland in collaboration with business partners.
- On February 11, 2009, the management board of mPay S.A. increased the company's share capital by PLN 500,000 under authorized capital. On March 18, 2009, another increase by PLN 900,000 took place. 98% of new shares were acquired by ATM S.A., while 2% - by mPay S.A.'s Management Board President. As a result of the said increase in capital, ATM S.A. owns 54.37% of shares in the Company's share capital. The resolution on the second increase in capital was registered by the Court on April 30, 2009.

As at June 30, 2009, the Group of Companies included the following subsidiaries apart from the Issuer:

Company name	**Core business**	**Dependence**	**Stake in share capital**	**Share in the overall number of votes**
inONE S.A.	IT services	Subsidiary	60%	60%
Iloggo Sp. z o.o.	Web services	Subsidiary	60%	60%
Cineman Sp. z o.o.	Web multimedia services	Subsidiary	51%	51%
mPay International Sp. z o.o.	Intellectual property management	Subsidiary	60%	60%
mPay S.A.	Mobile payment settlement	Subsidiary	54.37%	54.37%
rec-order Sp. z o.o.	Suspended operations	Subsidiary	100%	100%
KLK S.A.	Integration of ICT systems	Subsidiary	78.74%	78.74%
Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o. (from July 1, 2009 ATM Software Sp. z o.o.)	Programming services / multimedia products and solutions	Subsidiary	100%	100%
Impulsy Sp. z o.o.	Software for medical services	Subsidiary	78.46%	78.47%
Sputnik Software sp. z o.o.	IT services for the public sector	Subsidiary	60%	60%
ATM Systemy Informatyczne Sp. z o.o.	Integration of ICT systems	Subsidiary	100%	100%
Linx Telecommunications B.V.	Independent telecommunications provider	Associate	21.66%	21.67%

Prior to the date of delivery of the report for the first half of 2009, the following additional changes have taken place:

- On July 31, 2009, ATM S.A. purchased 56,700 shares of its subsidiary, KLK S.A., increasing its share in this company to 89.37%.

9. Shareholders with at least 5% of total number of votes in the Ordinary General Meeting of ATM S.A. Shareholders as at the report delivery date

As at August 31, 2009, the following shareholders held over 5% of total number of votes in the Issuer's OGM:

Name and surname or company name	Number of shares	Stake in share capital	Number of votes at the General Meeting	Share in the overall number of votes
Tadeusz Czichon	5,956,887	16.55%	5,956,887	16.55%
Roman Szwed	3,663,073	10.18%	3,663,073	10.18%
POLSAT OFE *)	3,597,172	9.99%	3,597,172	9.99%
ING Nationale-Nederlanden Polska OFE *)	3,493,844	9.71%	3,493,844	9.71%
AIG TFI **)	1,860,624	5.17%	1,860,624	5.17%
PKO TFI ***)	1,813,435	5.04%	1,813,435	5.04%

The above figures reflect share ownership of natural persons as of April 30, 2009.
*) The data concerning POLSAT OFE and ING-Nationale Nederlanden Polska OFE refer to the number of shares owned by these shareholders on December 31, 2008 based on the "Annual asset structure".
**) The figures concerning AIG TFI (AIG Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of July 13, 2007, and the number of series H shares allotted on August 9, 2007.
***) The figures concerning Millennium TFI (Millennium Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of February 3, 2009. The Company has no information from other Shareholders regarding any changes to share ownership after the indicated dates.

10. Change in the number of held shares or rights to shares by the management and administrative staff of ATM S.A.

Name and surname	Data as at May 12, 2009	Increases	Decreases	Data as at August 31, 2009
Tadeusz Czichon	5,948,712	8,175	-	5,956,887
Roman Szwed	3,663,073	-	-	3,663,073
Maciej Krzyżanowski				55,408
Dariusz Kiełkowski	800,800	-	-	800,800

Anna Bugajska	54,440	-	4,940	49,500
Tomasz Tuchołka	9,925		9,000	925

11. Information concerning substantial legal proceedings related to ATM S.A. or companies in ATM S.A. Group of Companies

Currently, neither the Issuer nor any of the companies within the Issuer's Group is a party in any proceedings in which the value of the dispute exceeds 10% of the Issuer's equity.

12. Information concerning transactions concluded between ATM S.A. or its subsidiaries and related undertakings on non-market conditions

During the period covered by the present report, there were no substantial transactions concluded between the Issuer or its subsidiaries and related undertakings on non-market conditions.

Related undertakings are specified in detail in Note 30 to the Consolidated financial statements.

13. Information concerning loan sureties or guarantees granted by ATM S.A. or a company within ATM S.A. Group of Companies

Neither ATM S.A. nor any of its subsidiaries granted any loan sureties or guarantees to another undertaking, the value of which exceeded at least 10% of ATM S.A.'s equity.

14. Risk factors

Risk related to economic situation in Poland and in the world

The demand for ICT systems integration services, provided by companies from the Issuer's group, is related to domestic economic situation. The current collapse in international financial markets translates directly onto the economy. This situation may result in decreased growth dynamics, decrease or suspension in investments, which in turn may decrease the number of contracts in the area of ICT systems integration services. These factors may have negative impact on the Issuer's activities and financial results achieved in this field. However, it should be noted that according to the Management Board, the abovementioned negative factors will not affect the fast-growing demand for telecommunications services provided by the Issuer. The possible decrease in sales of integration services for the telecommunications sector, in which the Issuer holds dominant share in the income structure, should not prove significant, either. In summary, it appears that in spite of the economic crisis, consolidated revenue of the companies within the Group will continue to grow.

Risk related to conduction of works and R&D investments

Some degree of risk is associated with the Issuer's investments in start-up companies. The ATM S.A. *corporate venturing* program assumed increased risk. It should be emphasized that the Issuer is currently focusing on utilizing innovative services to generate sales and is estimating the purposefulness of further development of those products and services which did not achieve the predicted position in the market in expected period of time. The ATM S.A. Management Board has taken all reasonable measures to mitigate the risk of unnecessary investments. Investment processes and the progress of development work at subsidiaries are being closely monitored. The technical tests of pilot implementations and initial sales have confirmed the feasibility of the services and the possibility of achieving the intended technical parameters.

The gravest risk with respect to the scale of the undertaking is related to the success in popularizing the system of mobile payments in Poland, provided by mPay S.A. The said project was not completed by expected deadline and its costs exceeded its estimated costs. Due to the above, last fall saw the change of the management board of the company and change in the strategy of popularizing mobile payments. The company abandoned the intention to independently develop a network of payment acceptors and acquire customers (system users), and instead focused on development of a market via close cooperation with business partners in present in the market. mPay S.A. ceased to be an end client-hunting undertaking and turned into an entity offering a technological platform to its business partners, enabling them to increase market penetration, the attractiveness of their offer and profits. The first positive effects of this strategy can already be observed. The Issuer's Management Board is monitoring the company's development, which currently allows for cautious optimism.

Risk related to human resources

The Issuer's operations are successfully carried out by highly qualified staff. Another factor influencing the Company's success and competitiveness is constituted by managers. The loss of employees - experts and members of management staff alike - caused by a situation independent from the Issuer, may bring the risk of decreasing the quality of offered services and solutions and, for instance, delays in projects implemented for the customers. Possible illegal activities of employees (e.g. causing harm to third parties, disloyal behavior exhibited in, among others, undertaking competitive activity and disclosure of professional secrets) could also have negative repercussions.

As the Company's experiences to date show, the situation concerning staff in companies within the Group is stable, the employees and managers are engaged in the development of their companies and fluctuations in employment remain at a low level.

MANAGEMENT BOARD STATEMENT

The ATM S.A. Management Board declares that according to its best knowledge, the half-year consolidated financial statements and comparable data have been drawn up in accordance with applicable accounting principles and they give a correct, true and fair view of the asset and financial situation of the Issuer's group of companies and its financial performance and that the report on the activities of the Issuer's group of companies gives a true picture of the development, achievements and standing of the Issuer's group of companies, including most important risks and threats.

Management Board President	Management Board Vice-President	Management Board Vice-President
Roman Szwed	Tadeusz Czichon	Maciej Krzyżanowski

MANAGEMENT BOARD STATEMENT

The ATM S.A. Management Board declares that according to its best knowledge, the entity authorized to audit the financial statements, which audited the half-year consolidated financial statements, was selected pursuant to applicable laws, and that this entity as well as the statutory auditors who audited these statements fulfilled the conditions for expressing an impartial and independent opinion about the audit pursuant to applicable Polish laws.

Management Board President	Management Board Vice-President	Management Board Vice-President
Roman Szwed	Tadeusz Czichon	Maciej Krzyżanowski

ATM S.A. FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1 UNTIL JUNE 30, 2009

SELECTED FINANCIAL DATA

	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	PLN '000		EUR '000	
Total sales revenue	79,493	72,722	17,593	20,912
Operating profit (loss)	10,420	(818)	2,306	(235)
Profit (loss) before tax	5,573	3,850	1,233	1,107
Net profit (loss)	4,725	3,613	1,046	1,039
Net cash from operating activities	13,570	9,571	3,001	2,752
Net cash from financial activities	(372)	3,572	(82)	1,027
Net cash from investment activities	(13,636)	(41,327)	(3,016)	(11,884)
Increase (decrease) in cash	(437)	(28,184)	(97)	(8,104)
Fixed assets	254,730	232,981	56,992	69,459
Current assets	66,169	73,405	14,804	21,887
Total assets	320,899	306,386	71,796	91,347
Long-term liabilities	22,092	22,868	4,943	6,818
Short-term liabilities	60,554	53,290	13,548	15,888
Equity	238,253	230,228	53,305	68,639
Share capital*	34,397	34,397	7,696	10,255
Number of shares	36,000,000	36,000,000	36,000,000	36,000,000
Book value per share (PLN/EUR)	6.62	6.40	1.48	1.91

** Share capital restated in accordance with IAS 29.*

The above financial data as at June 30, 2009 have been converted into EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of June 30, 2009 at PLN/EUR 4.4696;
- particular items of the P&L account and the cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year (between January 1 and June 30, 2009) at PLN/EUR 4.5184.

The above financial data as at June 30, 2008 have been converted into EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of June 30, 2008 at PLN/EUR 3.3542;
- particular items of the P&L account and the cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year (between January 1 and June 30, 2008) at PLN/EUR 3.4776.

TOTAL INCOME STATEMENT

	NOTE	End of period June 30, 2009	End of period June 30, 2008
Continued operations			
Sales revenue	3	79,493	72,722
Cost of goods sold (variable)	4	44,657	44,527
Cost of goods sold (fixed)	4	7,337	7,399
Gross profit (loss) on sales		**27,499**	**20,796**
Other operating revenue	5	610	251
General and administrative costs	4	17,499	21,791
Other operating expenses	6	190	74
Restructuring costs		-	-
Operating profit (loss)		**10,420**	**(818)**
Financial revenue	7	516	5,292
Financial expenses	8	5,363	625
Net financial activity		**(4,847)**	**4,667**
Share in the financial result of undertakings valued using the equity method		**-**	**-**
Profit (loss) before tax		5,573	3,850
Income tax	9	848	237
Net profit (loss) on continued operations		**4,725**	**3,613**
Discontinued operations			
Net profit (loss) on discontinued operations		**-**	**-**
Net profit (loss)		**4,725**	**3,613**
Other total income			
Share in other total income of associates		-	-
Income tax related to other total income items		-	-
Other total net income		**-**	-
Total amount of total income		**4,725**	**3,613**
Profit (loss) per share			
From continued operations:			
Ordinary		0.13	0.10
Diluted		0.13	0.10
From continued and discontinued operations*:*			
Ordinary		0.13	0.10
Diluted		0.13	0.10

FINANCIAL SITUATION STATEMENT - ASSETS

	NOTES	End of period June 30, 2009	End of period December 31, 2008
Fixed assets			
Goodwill		-	-
Intangible assets	11	18,858	19,200
Property, plant and equipment	12	126,490	125,562
Investments in associates valuated by equity method	13	63,487	63,487
Other financial assets	13	39,611	35,869
Deferred income tax assets	9	0	-
Other fixed assets	14	6,284	7,898
		254,730	**252,016**
Current assets			
Inventories	15	8,010	10,341
Financial assets held for trading	13	1,347	1,795
Trade and other receivables	16	47,466	60,126
Income tax receivables		111	26
Other current assets	17	7,521	8,153
Other financial receivables	17	(72)	62
Cash and cash equivalents	18	1,786	2,223
		66,169	**82,726**
Fixed assets classified as held for sale		-	-
Total assets		**320,899**	**334,742**

FINANCIAL SITUATION STATEMENT - LIABILITIES

	NOTES	End of period June 30, 2009	End of period December 31, 2008
Equity			
Share capital	19	34,397	34,397
Share premium account		157,252	157,252
Revaluation reserve		-	-
Treasury shares		(2,000)	(1,984)
Capital reserves		31,284	20,831
Hedge valuation reserve and FX gains/losses due to consolidation		-	-
Retained earnings	19	17,320	23,047
		238,253	**233,543**
Long-term liabilities			
Bank and other loans	20	-	-
Provisions for deferred tax	9	1,163	513
Provisions for liabilities		-	-
Trade and other liabilities	22	1,058	2,890
Other financial liabilities	24	19,871	21,592
		22,092	**24,995**
Short-term liabilities			
Bank and other loans	20	13,959	10,227
Trade and other liabilities	23	33,375	54,027
Income tax liabilities		-	244
Provisions for liabilities		-	-
Other financial liabilities	24	13,220	11,706
		60,554	**76,204**
Liabilities related directly to fixed assets classified as held for sale		-	-
Total liabilities		**320,899**	**334,742**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Total shareholders' equity
Data as at January 1, 2008	**34,397**	**157,252**	**-**	**24,607**	**31,481**	**247,737**
Increases:						
Current period results	-	-	-	-	3,613	3,613
Decreases:						
Profit distribution to be allocated to equity	-	-	-	-	18,232	18,232
Dividend payout	-	-	-	1,208	-	1,208
Purchase of treasury shares			1,682			1,682
Data as at June 30, 2008	**34,397**	**157,252**	**(1,682)**	**23,398**	**16,862**	**230,228**

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Total shareholders' equity
Data as at January 1, 2009	**34,397**	**157,252**	**(1,984)**	**20,831**	**23,047**	**233,543**
Increases:						
Current period results	-	-	-	-	4,725	4,725
Profit distribution to be allocated to equity				10,452		10,452
Decreases:						
Profit distribution to be allocated to equity	-	-	-	-	10,452	10,452
Purchase of treasury shares	-	-	16	-	-	16
Data as at June 30, 2009	**34,397**	**157,252**	**(2,000)**	**31,284**	**17,320**	**238,253**

CASH FLOW STATEMENT

	End of period June 30, 2009	End of period June 30, 2008
Operating activities		
Profit (loss) before tax	5,573	3,850
Adjustment (items):	7,988	5,722
Amortization and depreciation	7,603	6,304
FX gains/losses	1,345	(1,427)
Interest received	(136)	(84)
Interest paid	1,050	588
Dividends received	-	(863)
Profit (loss) on investment activities	(410)	(51)
Movements in inventories	2,331	(178)
Movements in receivables	13,236	33,759
Movements in liabilities and provisions	(14,559)	(34,210)
Movements in other assets	185	5,308
Income tax paid	(522)	(3,266)
Other	(2,126)	(158)
	13,570	**9,571**
Investment activities		
Expenses on property, plant and equipment purchases	(18,235)	(49,183)
Expenses on financial asset purchases	(3,743)	(3,464)
Loans granted	(90)	(2,634)
Revenue from property, plant and equipment sale	8,053	10,463
Revenue from financial asset sale	-	-
Loan repayment	500	2,475
Interest received		-
Dividends received		863
FX gains/losses	(121)	153
	(13,636)	**(41,327)**
Financial activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	-	242
Proceeds from loans	3,732	8,840
Repayment of loans	-	(303)
Purchase of treasury shares	(16)	(1,682)
Payment of liabilities arising from finance leases	(3,260)	(3,036)
Dividends paid		-
Interest received	78	84
Interest paid	(1,050)	(588)
FX gains/losses	48	14
Other	97	-
	(372)	**3,572**
Movements in cash	**(437)**	**(28,184)**
Opening balance of cash	2,223	62,873
Closing balance of cash	**1,786**	**34,689**

ADDITIONAL NOTES

NOTE 1.
BASIC INFORMATION

1. Information about the company

ATM S.A. is a joint stock company. The Company launched its operations in 1993 as ATM Sp. z o. o. limited liability company. On July 10, 1997, ATM Sp. z o. o. was transformed into a joint stock company pursuant to the notarial deed drawn up at the Notarial Office in Raszyn on May 16, 1997 (Repertory No. 3243/97).

The registered office of the Company is located in Warsaw at Grochowska 21 a. The Company operates from its registered office as well as through a branch in Katowice, which is not a self-contained accounting unit. The Company was registered at the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register. The Company is registered under National Court Register entry No. KRS 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange. The ownership structure as at June 30, 2009 and December 31, 2008 has been presented in Note 19.

According to the Warsaw Stock Exchange classification, the core business of the Company concerns the IT sector. The Company's core business includes ICT services combining skills and resources related to telecommunications, ICT systems integration, as well as software development and deployment. In the period covered by the present financial statements, ATM S.A. provided services in the following fields:

- telecommunications and value added services, including Internet access for telecommunications providers and corporate customers, the lease of transmission lines, telecommunications outsourcing, collocation and other value added services;
- integrated ICT infrastructure systems, including the integration of computer networks and data storage and processing systems (from April 1, 2009, operating activities in this area are carried out by ATM Systemy Informatyczne Sp. z o.o., which is included in the Issuer's Group of Companies);
- application solutions based on proprietary and third party software;
- multimedia solutions and services including an interactive television platform incorporating video on demand services and a point of sales advertising television platform;

As at June 30, 2009, the Management Board included:

- Roman Szwed – Management Board President
- Tadeusz Czichon – Management Board Vice-President
- Maciej Krzyżanowski – Management Board Vice-President

The Supervisory Board as at June 30, 2009 included:

- Jan Wojtyński – Supervisory Board Chairman
- Tomasz Tuchołka – Supervisory Board Deputy Chairman
- Sławomir Kamiński – Supervisory Board Member
- Mirosław Panek – Supervisory Board Member
- Zbigniew Mazur – Supervisory Board Member

2. Grounds for the drawing up of financial statements

The present financial statements have been drawn up in accordance with the requirements of International Financial Reporting Standards ("IFRS") as approved by the European Union, and with respect to matters not regulated in the said standards in accordance with the requirements of the Accounting Act of September 29, 1994 (Journal of Laws [Dz.U.] No. 76/2002 item 694 as amended) and the secondary legislation issued pursuant to this Act and in accordance with the requirements stipulated in the Regulation of the Minister of Finance of February 19, 2009 regarding current and periodical information submitted by issuers of securities (Journal of Laws [Dz.U.] No. 33/2009 item 259).

NOTE 2.
MATERIAL ACCOUNTING POLICIES

The fiscal year shall be a calendar year.

The financial data have been stated in thousands of PLN unless stated with greater accuracy in specific cases. The Polish zloty (PLN) is both the functional and reporting currency.

Financial statements have been drawn up on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date on which the financial statements were drawn up, there were no circumstances indicating any threat to the Company continuing as a going concern.

1. Compliance statement

The financial statements of the ATM S.A. Group for the period ending on June 30, 2009 and comparable data for the fiscal year ending on December 31, 2008 have been drawn up in accordance with International Financial Reporting Standards as approved by the European Union.

2. Adoption of International Financial Reporting Standards

Standards and interpretations first applied in 2009

The following amendments to the existing standards published by the International Accounting Standards Board and approved by the EU shall come into force in 2009:

- IFRS 8 "Operating Segments" - approved by the EU on November 21, 2007 (effective in relation to annual periods starting January 1, 2009 or after this date),

- Amendments to IFRS 1 "Using IFRS for the First Time" and to IAS 27 "Consolidated and Separate Financial Statements" **-** Investment costs in a subsidiary, jointly controlled entity or associate, approved by the EU on January 23, 2009 (effective in relation to annual periods starting January 1, 2009 or after this date),

- IFRS (2008) "Amendments to International Financial Reporting Standards" - amendments made under introduction of annual amendments to the Standards, published on May 22, 2008 (IAS 1, IFRS 5, IAS 8, IAS 10, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40, IAS 41), directed at resolving inconveniences and specification of terminology, approved by the EU on January 23, 2009 (the majority of amendments is effective in relation to annual periods starting January 1, 2009 or after this date),

- Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation, approved by the EU on January 21, 2009 (effective in relation to annual periods starting January 1, 2009 or after this date),

- IAS 1 (revised) "Presentation of Financial Statements" - Revised presentation, approved by the EU on December 17, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),

- IAS 23 (revised) "Borrowing costs" - Revised presentation, approved by the EU on December 10, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),

- Amendments to IFRS 2 "Share-based Payment" - Vesting Conditions and Cancellations, approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),

- IFRIC 11 Interpretation "IFRS 2 - Group and Treasury Share Transactions"**,** approved by the EU on June 1, 2007 (effective in relation to annual periods starting March 1, 2008 or after this date),

- IFRIC 13 Interpretation "Loyalty Programs" - approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),
- IFRIC 14 Interpretation "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" - approved by the EU on December 16, 2008 (effective in relation to annual periods starting January 1, 2009 or after this date),

The abovementioned amendments to the standards would not have significant impact on the accounting policy of the undertaking if they had been applied by the undertaking as at the balance sheet date.

Standards and interpretations which have already been published but are not yet applicable

While approving the present financial statements, the Company did not apply the following standards, amendments and interpretations, which had already been published and approved for application within the EU but were not applicable yet:

- IFRS 3 (revised) "Business Combinations" - approved by the EU on June 3, 2009 (effective in relation to annual periods starting July 1, 2009 or after this date),
- Amendments to IAS 27 "Consolidated and Separate Financial Statements" - approved by the EU on June 3, 2009 (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRIC 12 Interpretation "Contracts for Licensed Services", approved by the EU on March 25, 2009 (effective in relation to annual periods starting March 30, 2009 or after this date),
- IFRIC 15 Interpretation "Contracts for Real Estate Construction" (effective in relation to annual periods starting January 1, 2010 or after this date),
- IFRIC 16 Interpretation "Net Foreign Investment Hedge" - approved by the EU on June 4, 2009 (effective in relation to annual periods starting June 30, 2009 or after this date),

The Entity decided not to take advantage of the possibility to adopt the abovementioned standards, amendments and interpretations at an earlier date. According to the estimates of the entity, the abovementioned standards, interpretations and amendments to these standards would not have significant impact on financial statements if they had been applied by the entity as at the balance sheet date.

Standards and interpretations adopted by IASB but not yet approved by the EU

IFRS as approved by the EU are, at present, not substantially different from regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, amendments and interpretations, which had not yet been approved as at the date of publication of the financial statements:

- IFRS 1 (revised) "Using IFRS for the First Time" (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRS (2009) "Amendments to International Financial Reporting Standards" - amendments made under introduction of annual amendments to the Standards, published on April 16, 2009 (IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9, IFRIC 16), directed at resolving inconveniences and specification of terminology (the majority of amendments is effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 1 "Using IFRS for the First Time" - additional exemptions for entities using IFRS for the first time (effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 2 "Share-based Payment" - Group cash-settled share-based payment transactions (effective in relation to annual periods starting January 1, 2010 or after this date),
- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Improving Disclosures about Financial Instruments (effective in relation to annual periods starting January 1, 2009 or after this date),

- Amendments to IAS 39 "Financial instruments: recognition and valuation" - Eligible Hedge Items (effective in relation to annual periods starting July 1, 2009 or after this date),
- Amendments to IAS 39 "Reclassification of Financial Assets" and to IFRS 7 "Financial Instruments: Disclosures" - Reclassification of Financial Assets, effective date and transitional provisions (effective as of July 1, 2008),
- Amendments to IFRIC 9 "Reassessment of Embedded Derivatives" and to IAS 39 "Financial instruments: recognition and valuation" - Embedded derivatives (effective in relation to annual periods ending June 30, 2009 or after this date),
- IFRIC 17 Interpretation "Distributions of Non-cash Assets to Owners" (effective in relation to annual periods starting July 1, 2009 or after this date),
- IFRIC 18 Interpretation "Transfers of Assets from Customers" (applicable to transactions taking place after June 30, 2009).

According to the estimates of the entity, the abovementioned standards, interpretations and amendments to these standards would not have significant impact on financial statements if they had been applied by the entity as at the balance sheet date.
At the same time, besides the regulations adopted by the EU, there is also asset and liability portfolio hedge accounting, which has not been fully approved for application within the EU.

According to the estimates of the entity, asset or liability portfolio hedge accounting application according to IAS 39 — "Financial instruments: recognition and valuation" would not have significant impact on financial statements if they had been fully approved for application at the balance sheet date.

3. Management Board estimates

In drawing up the present financial statements, the Management Board relies on estimates based on certain assumptions and judgments. These estimates affect the principles adopted and the amounts of assets, liabilities, revenue and costs presented.

The estimates and related underlying assumptions are based on historical experience and the analysis of diverse factors, which are considered reasonable under the circumstances and their results form the basis for professional judgment concerning the value of individual items they concern.

With regard to certain significant issues, the Management Board relies on opinions voiced by independent experts.

Due to the nature of estimates and the forward-looking assumptions adopted, the accounting estimates arrived at in this manner may by definition differ from actual results. The estimates and assumptions adopted are subject to ongoing verification. Any change in accounting estimates will be recognized in the period in which they are changed if they concern this period only, or in subsequent periods as well.

Estimates and assumptions involving significant risk include:

a) provisions for employee benefits

As concerns employee benefits, the Company is not party to any wage bargaining agreements or collective employment agreements. Moreover, the Company does not participate in any pension schemes managed directly by the Company or by external funds. The costs of employee benefits include salaries payable according to the terms and conditions of employment contracts concluded with individual employees and the costs of pension benefits (retirement severance pay) payable to employees pursuant to Labor Code provisions at the end of their employment period. Short-term employee benefit liabilities are valued according to general principles. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the financial statements.

b) long-term contracts

The Company determines the completion stage of long-term contracts by determining the proportion of the project costs already incurred to total estimated project costs. Due to the nature of the projects implemented and the possibility that unforeseen difficulties emerge in relation to project implementation, it may turn out that total actual project implementation costs differ from the estimates made. Changes in total project implementation cost estimates may result in the need to restate the project completion stage determined as at the balance sheet date, and thus restate the revenue recognized.

c) other

Apart from the aforementioned issues, the Company makes regular (at least annual — on the balance sheet date) estimates concerning the correct determination of life of individual fixed assets, the potential residual value of individual assets as well as receivable and inventory write-downs. These estimates are largely based on historical experience and the analysis of various factors affecting the use of assets and the possibility of taking advantage of the related economic profits.

4. Accounting principles

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying the control of more than one half of the overall voting rights in their decision-making bodies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying the control of between 20% and 50% of the voting rights in decision-making bodies.

Intangible assets

Intangible assets include assets that lack physical substance, are identifiable and can be reliably valued and which will cause future economic benefits to flow to the unit.

Intangible assets are initially recognized at acquisition price or cost of production.

Intangible assets created as a result of development work are recognized in the balance sheet where the following conditions are met:

- from the technical point of view, the intangible asset can be completed so that it can be sold or used;
- it is possible to demonstrate the intention to complete the asset as well as use and sell it;
- the asset will be fit for use or sale;
- the manner in which the asset will generate future economic benefits is known;
- technical and financial resources required to complete development work and to use and sell the asset will be secured;
- it is possible to reliably determine the expenditure incurred during development work.

The expenditure incurred during research work and expenditure that does not meet the aforementioned conditions is recognized as expense in the profit and loss account on the date it is incurred, under general and administrative costs.

Expenditure incurred in order to obtain perpetual land usufruct rights is also included in intangible assets. Perpetual usufruct of land is considered operating lease, and so the subject of usufruct is not included in the assets. However, the expenses incurred in order to obtain such rights in the secondary market (from other undertakings) and the expenses related to the granting of such rights by competent state authorities are recognized as intangible assets and are amortized over the contractual period during which the entity can use such rights.

The rates adopted for the amortization of intangibles reflect their predicted useful life. The Company does not have intangible assets with indefinite useful life. Intangible assets with definite useful lives are amortized on a straight-line basis. The useful lives for individual intangible assets are as follows:

obtained perpetual usufruct rights	100 years
software licenses	2 years

development work	3-5 years
trademarks	5 years
copyrights	5 years

Intangible assets are tested for impairment where there are circumstances indicating impairment; for intangible assets in development the potential impairment is determined on every balance sheet date. The effects of intangible impairment and amortization are recognized as costs related to core operations.

On the balance sheet date, intangibles are valued at cost less amortization charges and any impairment charges.

Property, plant and equipment

Property, plant and equipment includes fixed assets and expenditure for fixed assets under construction which the unit intends to use in its activities and for administrative purposes over a period longer than one year, and which will cause future economic benefits to flow to the unit. Fixed asset expenditure includes the investment expenditure incurred as well as expenditure incurred in relation to the future supplies of machinery, equipment and services related to the construction of fixed assets (payments on account).

Fixed assets and fixed assets under construction are initially recognized at acquisition price or cost of production.

Fixed assets include important specialist replacement parts that function as elements of a fixed asset. Significant components, including intangible ones, are also recognized as separate fixed asset items.

The rates adopted for the depreciation of fixed assets, including components and specialist replacement parts, reflect their predicted period useful life. Fixed assets are depreciated on a straight-line basis. The useful lives for individual fixed asset items are as follows:

buildings and structures	from 10 to 40 years
machinery and equipment	from 4 to 10 years
means of transportation	from 5 to 7 years
other fixed assets	from 4 to 10 years

Own land is not subject to depreciation. The Company treats perpetual land usufruct rights granted as operating lease. Where such rights are purchased in the secondary market, they are recognized as intangible assets and amortized over their predicted period useful life.

Fixed assets and fixed assets under construction are tested for impairment where there are circumstances indicating impairment; for fixed assets under construction in the development stage the potential impairment is determined on every balance sheet date. The effects of impairment of fixed assets and fixed assets under construction are recognized as other operating expenses.

On the balance sheet date, fixed assets and fixed assets under construction are valued at cost less depreciation charges and any impairment charges.

Financial assets

The Company classifies financial assets to one of the following categories: financial assets at fair value through profit or loss, loans granted and own receivables, financial assets held to maturity and financial assets available for sale. The classification of individual financial asset depends on the purpose of the financial asset, the intentions of the Management Board and on whether the financial asset in question is quoted in the market. The Management Board determines the aforementioned classification on the initial recognition of a given asset and, in justified cases, performs an appropriate reclassification in subsequent periods, except for the reclassification of financial assets at fair value through profit or loss. The reclassification in and out of the financial assets at fair value through profit or loss category is prohibited.

a) Financial assets at fair value through profit or loss

This category includes financial assets held for trading and financial assets designated on initial recognition to be measured at fair value. Financial assets are classified to this category where they are held for the purpose of selling in the short term. Financial instruments (except hedging instruments) are also classified to the held for trading financial asset category.

Financial assets at fair value through profit or loss are initially measured at fair value, and transaction costs are recognized directly in the profit and loss account. Gains and losses resulting from movements in fair value are recognized in the profit and loss account in the period in which they occurred.

b) Loans granted and own receivables

Loans granted and own receivables are financial assets which are not financial instruments, with fixed or determinable payments, not quoted and not acquired in order to be traded.

Loans granted and own receivables are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at amortized cost using the effective interest rate method.

c) Financial assets held to maturity

Financial assets held to maturity include financial assets with fixed or determinable payments or fixed maturity, which the Group intends and is able to hold to maturity, except for loans granted and own receivables.

Financial assets held to maturity are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at amortized cost using the effective interest rate method.

d) Financial assets available for sale

The Company includes among financial assets available for sale all financial assets that are not: loans granted and own receivables, financial assets held to maturity and financial assets held for trading. Assets available for sale include in particular shares in other undertakings that are not subordinates, which the Company does not intend to sell in the short term.

Financial assets available for sale are initially measured at fair value together with transaction costs, unless these are immaterial. On the balance sheet date, this category is measured at fair value.

Interest income related to financial assets available for sale is recognized in the profit and loss account using the effective interest rate method. Dividends related to financial assets available for sale are recognized in the profit and loss account on the date when Company rights to receive payment are established. All other fair value movements are recognized in equity. On the sale or expiry of these assets, the valuation effects recognized in equity are recognized in the profit and loss account.

All financial assets are removed from the balance sheet when the rights to receive benefits from a given asset expire or have been transferred and the Company has transferred virtually all benefits and risks related to the asset.

Financial assets are recognized as current assets unless their maturity exceeds 12 months from the balance sheet date; in this case, they are recognized as fixed assets.

Financial instruments and hedges

Financial instruments are recognized and measured at fair value on the balance sheet date. The methods for recognizing profit and loss related to these instruments depend on whether the instrument in question was designated as a hedge and the nature of this hedge. A given instrument may be designated as a fair value hedge, cash flow hedge or a foreign investment hedge.

The Company did not apply hedge accounting in the periods covered by the financial statements.

Inventories

Inventories are assets held for sale in the ordinary course of business, assets in the production process for sale and materials and supplies that are consumed in production or during the provision of services. Inventories include materials, goods, finished products and work in process. Materials and goods are initially measured at acquisition price. On the balance sheet date, materials and goods are valued according to the prudence principle, i.e. these categories are valued at the lower of acquisition price or realizable sales value.

Finished products and work in process are initially valued at actual cost of production. On the balance sheet date, finished products and work in process are valued according to the prudence principle.

Inventories of goods, materials and finished products are subject to write-downs as per the following principles:

- goods inventories:
  - goods remaining in warehouse from 6 months to 1 year 5%
  - goods remaining in warehouse from 1 year to 2 years 10%
  - goods remaining in warehouse from 2 to 3 years 30%
  - goods remaining in warehouse from 3 to 4 years 50%
  - goods remaining in warehouse more than 5 years 100%
- materials inventories
  - the value of materials is recognized in the cost of goods sold over 5 years on a straight line basis.

Inventory accounting is based on detailed identification for items allocated to specific projects or on the FIFO method for remaining inventories; costs are recognized in the cost of goods sold. Write-downs concerning inventories resulting from prudent valuation as well as write-downs for slow-moving goods and their reversals are recognized in the cost of goods sold.

Trade and other receivables

Receivables are initially recognized at fair value. Where normal payment deadlines are applied that are accepted in practice in the market for similar transactions, fair value is deemed to be their face value arising on the date on which revenue is recognized.

On the balance sheet date, trade receivables are valued at amortized cost using the effective interest rate method, according to the prudence principle. Receivables are subject to revaluation depending on the probability of their receipt by making the following write-downs:

- from debtors put in liquidation or bankruptcy — the amount of receivables not secured;
- from debtors where a petition in bankruptcy has been dismissed — 100% of the amount of receivables;
- disputed receivables or receivables that are overdue and payment is not probable — the amount of receivables not secured;
- receivables equivalent to the amounts added back to receivables — in those amounts;
- receivables that are overdue or not overdue but it is highly probable they will not be collected — 100% of the amount of receivables.

Revaluation write-downs for receivables and their reversals are charged to other operating expenses and operating revenue, respectively. Receivables in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section.

Receivables whose maturity exceeds 12 months are recognized as "other fixed assets" in the balance sheet.

Other current and fixed assets

Other current assets include prepayments. This category includes expenses incurred which constitute deferred costs. Prepayments are initially recognized in the amount of expenses incurred. On the balance sheet date, they are valued according to the prudence principle. Prepayments are absorbed on the time basis or on the basis of the amount of service, depending on their nature. Where expenses are settled more than 12 months after the balance sheet date, part of the assets are recognized as "other fixed assets" in the balance sheet.

Cash and cash equivalents

Cash includes cash in hand and cash in bank accounts, including cash held in bank deposits. Cash equivalents include short-term, highly liquid investments, easily convertible into known amounts of cash and subject to insignificant risks of changes in value, including interest due on bank deposits. Cash and cash equivalents are valued at face value. Cash and cash equivalents in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section. For the purposes of the cash flow statement, cash and cash equivalents are defined in the same manner as for the purposes of their recognition in the balance sheet.

Bank loans

Bank loans are recognized at amortized cost using the effective interest rate method. Authorized overdrafts for which no repayment schedules have been set are an exception. For such loans, the costs related to obtaining them and other fees are charged to financial expenses during the period when they are incurred. In other cases, financial expenses, including the fees due on repayment or forgiveness and the direct costs of contracting loans, are recognized in the profit and loss account using the effective interest rate method and increase the book value of the instrument, accounting for the repayments made during the current period.

Trade and other liabilities

Liabilities are commitments to provide performance, resulting from past events, whose value has been determined in a fair manner and which will consume the Company's already existing or future assets.

Liabilities are initially recognized at fair value. Where normal payment deadlines are applied that are accepted in practice in the market for similar transactions, fair value is deemed to be their face value arising on the date on which liability is recognized. On the balance sheet date, liabilities are measured at amortized cost and recognized in the balance sheet as long- and short-term liabilities.

Other liabilities include accruals. Such items include liabilities due for goods or services that have been received or provided, but have not been paid for, invoiced or formally agreed with the supplier, including the amounts due to employees, e.g. for outstanding leaves or bonuses. Despite the fact that in such cases the amount or date of payment for such liabilities has to be estimated, the degree of uncertainty is usually much lower than for provisions and therefore such items are classified as liabilities.

Liabilities in foreign currencies are recognized in books and valued on the balance sheet date according to the principles described in the "Foreign Currency Transactions" section.

Provisions

Provisions are established where the Company is under a legal or constructive obligation resulting from past events and where it is probable that the settlement of this obligation will necessitate an outflow of resources constituting economic benefits and where the amount of this obligation can be reliably estimated, but the amount of this obligation or the date when it becomes due are not certain. Where the effect of the time value of money is material, the amount of provision is determined by discounting expected cash outflows should to their present values using the discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability in question. Increases in provisions based on the discounting method over time are recognized as borrowing costs.

If the Company expects that the costs included in the provision will be reimbursed in any manner, the reimbursement is recognized as a separate asset when, and only when, it is certain that reimbursement will be received.

Provisions for specific risks are only established where the outflow of economic benefits from the unit is probable and the estimate may be conducted in a reliable manner.

As concerns employee benefits, the Company is not a party to any wage bargaining agreements or collective employment agreements. Moreover, the Company does not participate in any pension schemes managed directly by the Company or by external funds. The costs of employee benefits include salaries payable according to the terms and conditions of employment contracts concluded with individual employees and the costs of pension benefits (retirement severance pay) payable to employees pursuant to Labor Code provisions at the end of their employment period. Short-term employee benefit liabilities are valued according to general principles. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the financial statements.

Incentive Scheme

On June 5, 2008, the ATM S.A. Ordinary General Meeting of Shareholders approved the Incentive Scheme Regulations for ATM S.A. Group of Companies employees. The scheme is aimed at Company employees and partners, as well as members of the Management Boards and other employees and partners of ATM S.A. Group of Companies. As part of this scheme, in 2008-2010, the Management Board will grant share purchase options to selected employees. Based on these options, the authorized persons will be able to purchase Company shares at the nominal price.

A capital reserve of PLN 13.5 million was allocated to finance the program.

Foreign currency transactions

Economic operations expressed in foreign currencies are recognized in financial statements as at the date on which they are conducted at the following exchange rates:

- the exchange rate actually applied on that date, resulting from the nature of the operations - for foreign exchange sale or purchase transactions and receivables or liabilities payments;
- the average exchange rate determined for the currency in question by the National Bank of Poland on the date in question unless another exchange rate was specified in the customs declaration or another document which is binding for the unit — for other operations.

Assets and liabilities items expressed in foreign currencies are valued as at the balance sheet date according to the average exchange rate for the currency in question published by the National Bank of Poland for the balance sheet date. Foreign exchange differences arising from the settlement of transactions expressed in foreign currencies as well as arising from the balance sheet valuation of assets and liabilities items expressed in foreign currencies and concerning the Company's core business (operations) are recognized as financial expenses and revenue. Foreign exchange gains and losses are offset before presentation in financial statements.

The average exchange rates used to value the foreign exchange positions held by the Company in the periods included in the present financial statements were as follows:

Currency	Average National Bank of Poland rate as at 30.06.09	Average National Bank of Poland rate as at 30.06.08	Average National Bank of Poland rate as at 31.12.2008
EUR	4.4696	3.3542	4.1724
USD	3.1733	2.1194	2.9618
100JPY	3.3219	2.0156	3.2812

Pursuant to IAS 1 *Presentation of Financial Statements* §17, the Issuer's Management Board decided that compliance with the requirement of IAS 21 *The Effects of Changes in Foreign Exchange Rates* in relation to foreign currency valuation of liabilities resulting from lease agreements would be confusing and the financial statements would fail to fulfill their purpose, specified in *The conceptual framework*. Therefore, the Company withdrew from full application of the said requirement and adopted a modification to it, discussed below.

Pursuant to IAS 21 §28, exchange rate differences in the revaluation of lease liabilities, resulting from an alteration in foreign exchange rates, should be included in the financial result for the current reporting period. Due to an atypical, sharp and - according to analysts - transitional and speculation-based increase in currency exchange rates in relation to PLN in the last quarter of 2008 and at the beginning of 2009, recognition of the valuation of currency lease liabilities in profit and loss account would result in a substantial decrease of the Company's profit, unrelated to the factual state of the Company's business activity. Only a small portion of exchange rate differences on lease liabilities related to installments paid in a given reporting period concerns the current reporting period, while the majority of these differences concerns well-defined future periods for which the maturity date of subsequent lease installments falls. This cost will be actually realized (i.e. it shall be charged from the company) in future periods, provided that currency exchange rates in relation to PLN do not decrease in the meantime.

Therefore, pursuant to IAS 1 §17, the Company - continuing the principle introduced in the statements for 2008 - adopted a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting period only in the portion concerning actually paid installments. The remaining amount of exchange rate differences is recognized in the accruals, which are recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for subsequent exchange rate differences arising on lease liabilities (both gains and losses). This exemption from IAS 21 shall be applied by the Company until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 24: Other financial liabilities.

Leases

A lease is classified as a finance lease if agreement terms and conditions transfer substantially all potential risks and benefits resulting from the use of the lease object to the lessee. All other leases are classified as operating leases.

Assets used pursuant to finance lease agreements are treated as Company assets and are valued at the lower of the fair value of the asset at the acquisition date and the present value of the minimum lease payments. The liability arising to the lessor is presented in the balance sheet under other financial liabilities. Lease payment is apportioned between the interest and the principal so that the interest rate on the liability outstanding remains constant. Interest expenses are recognized as financial expenses in the profit and loss account.

Operating lease payments are recognized as an expense in the profit and loss account over the lease term on a straight-line basis. The benefits received and outstanding as an incentive to conclude an operating lease agreement are recognized in the profit and loss account over the lease term on a straight-line basis.

Impairment

At each balance sheet date, the Company reviews the balance sheet value of fixed assets to look for any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount is estimated in order to determine the potential write-down. Where the asset does not generate cash flows that are largely independent of the cash flows from other assets, the analysis is conducted for the group of cash flow generating assets to which the asset in question belongs. The recoverable amount is determined as the higher of the following two values: the fair value less costs to sell or the value in use, which corresponds to the present value of estimated future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset (if any).

Where the recoverable amount is lower than the net book value of the asset or group of assets, the book value is reduced to match the recoverable amount. The resulting loss is charged to expense in the period during which impairment occurred.

Goodwill and intangibles in the development stage are tested for impairment annually.

Where impairment is reversed, the net value of an asset is increased to match the new estimated recoverable amount, which cannot be higher, however, than the net value of this asset that would have been determined if the impairment had not been recognized in previous periods. Impairment reversal is recognized as adjustment to expenses in the period during which reasons for impairment ceased to exist. Impairment loss for goodwill cannot be reversed.

Revenue

Sales revenue is recognized at the fair value of the consideration received or due and represents amounts due for products, goods and services provided under ordinary business activities, after deducting rebates, VAT and other sales-related taxes.

Revenue from sales with deferred payment is recognized after deducting discount.

Sales of products and goods are recognized when goods have been delivered and the significant risk related to delivery has been transferred to the buyer.

Revenue from the services provided is recognized based on the stage of completion. Where the result of the service cannot be determined reliably, the revenue arising from it is only recognized to the extent of the expenses incurred which the Company expects to recover. Where the sale price of the service in question includes the identifiable value of maintenance services that will be provided in the future, the amount corresponding to this part of revenue is deferred and recognized in the profit and loss account in the periods when the services in question are provided.

Interest income is recognized on a cumulative basis relative to the principal amount outstanding using the effective interest rate method.

Dividend income is recognized when the shareholders' right to receive payment is established.

Borrowing costs

Borrowing costs until the end of 2008 were recognized as financial expenses on the date they are incurred. The Company did not capitalize borrowing costs related to assets.

Due to the amendment to IAS 23, from January 1, 2009, the Company had capitalized the costs pursuant to IAS 23. No costs fulfilling capitalization criteria as specified in IAS 23 occurred in 2009.

Taxation

Mandatory charges on the financial result include current tax (CIT) and deferred tax.

Current tax expense is calculated on the basis of the taxable profit (tax base) for a given fiscal year. Tax profit (loss) differs from accounting net profit (loss) due to the exclusion of non-taxable revenue and costs that are not tax-deductible as well as cost and revenue items that will never be subject to tax. Tax expense is calculated based on the tax rates applicable to the fiscal year in question.

Deferred tax is calculated using the balance method as the tax to be paid or returned in the future based on the differences between the balance sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base.

The deferred tax provision is established for all positive temporary differences subject to taxation, while a deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses or tax credits can be utilized by the Company. The deferred tax asset or deferred tax provision is not recognized where the temporary difference arises from the initial recognition of goodwill or from the initial recognition of another asset or liability in a transaction that does not affect either the taxable or the accounting profit.

The value of deferred tax assets is subject to analysis on every balance sheet date. Where the expected future taxable profit is not sufficient to realize the asset or part thereof, it is written down.

Deferred tax is calculated using the tax rates that will be applicable at the time when the asset is realized or the liability becomes due. Deferred tax is recognized in the profit and loss account, except for cases where it is related to items recognized directly in equity. In this case, the deferred tax is also charged or credited directly to equity. On the balance sheet, income tax assets and liabilities are offset to the extent the liability is payable to the same tax office.

The Company offsets the deferred tax assets and provisions and presents the result of such offsets in the balance sheet assets or liabilities, respectively.

NOTE 3.
REVENUE FROM SALES

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Revenue from sales of products	59,472	40,828
Revenue from sales of goods and materials	20,021	31,894
Total sales revenue	**79,493**	**72,722**
of which:		
- to related undertakings:	4,981	3,184

Values resulting from reinvoicing of integrational activities between ATM SA and ATM SI (amounting to PLN 42,485,000) were not included in the revenue.

Main products

ATM S.A. provides ICT services related to the following areas:

- telecommunications and value-added services;
- integrated ICT infrastructure systems
- application solutions;
- multimedia solutions and services.

Within the areas listed, the Company offers the products described below.

ATMAN — telecommunications and value-added services

Next generation telecommunications services provided by ATM S.A. include:

- **Internet access services.** The configuration and supervision of broadband Internet lines for telecommunications providers, Internet and Application Service Providers and corporate customers. The services offered ensure very high data transmission rates and reliability. Within the framework of Internet access services, traffic interchange between the providers and recipients of information and digital Web content takes place. The Company operates interconnect nodes in Warsaw and Frankfurt, as well as its own, distributed system of wholesale traffic exchange (AC-X)
- **Digital line lease services.** These are data transmission services provided in the entire territory of Poland, with very high transmission quality parameters. In Warsaw and six other agglomerations, broadband data transmission services are provided with no bandwidth limitations via the Company's own fiber optic network. The company maintains points of interconnection with networks belonging to major intercity and international data carriers. In collaboration with its associate - Linx Telecommunications - the Company offers transmission to CEE countries.
- **Telecommunications outsourcing.** The design and configuration of complete telecommunications and IT networks based on the Company's own lines as well as lines leased from other providers. This also includes operational support for the customer's entire ICT infrastructure of part thereof (including hardware support) pursuant to service level agreements. (*SLA*). Telecommunications outsourcing services are provided, among other things, through 24-hour Network Management Center monitoring of the customer's ICT infrastructure.
- **Collocation and hosting.** The Issuer owns and, due to increasing demand, is continually developing properly equipped and protected rooms where it provides collocation (i.e. renting space for hardware together with uninterruptible power supply and communications networks connection) and hosting services (i.e. renting the Company's own servers, e.g. for the provision of Web services). Basing on a capital investment in an international telecommunications provider - Linx Telecommunications, ATM also offers collocation and hosting services in Moscow, Tallinn, and soon also in Saint Petersburg.
- **Data Protection Center.** The Company has created an environment consisting of separate rooms, appropriate technical infrastructure and procedures. This is offered under the common Data Protection Center (Centrum Ochrony Danych) brand. Data Security Center services consist in the rental of backup *front office* and *back office* environments. Having signed the relevant agreement, the customer (e.g. bank) may resume their business at the Data Protection Center within guaranteed, short time. In this way, the customer is able to continue the operation of key services that was interrupted at their main office due to sudden, unforeseen events (an extensive failure, vandalism or an act of terror). The Company also provides outsourcing services related to the operation of technical information protection systems (including the ongoing updating of software and protection rules as well as responding to incidents).

Next generation telecommunications services are often offered in conjunction with ICT systems integration services, in particular in connection with the development of network management systems, traffic billing, ensuring the security of transmitted data, the development of applications supporting business operations by means of a network and telecommunications infrastructure, carried out by the Issuer basing on cooperation with the companies belonging to the Group.

Integrated ICT infrastructure systems

ATM S.A. develops integrated information and communication technology (*ICT*) infrastructure systems including:

- **Transmission networks.** The Company provides comprehensive services including the auditing of existing customer infrastructure, the analysis of current and projected transmission requirements, planning network functionality and performance as well as designing, developing and deploying corporate and carrier networks. Integration projects often involve the development of data transmission security systems and ICT resource management systems.
- **Computer systems integration.** These services involve the design, hardware and software development and deployment of computer systems, including end-to-end data center development. The services include the integration of all required infrastructure components, from power supply systems and transmission cabling through physical security (fire extinguishers,

access control, alarms, video surveillance) systems to servers, data storage, operating systems and utilities software. We are particularly skilled in building supercomputer systems based on latest parallel processing architectures: clusters and grids.

Since April 1, 2009, operating activities in the area of integrated ICT infrastructure systems have been carried out by ATM Systemy Informatyczne Sp. z o.o., which is included in the Issuer's Group of Companies.

Note 28 contains consolidated total income statement of ATM S.A. and ATM Systemy Informatyczne Sp. z o.o., which allows for a comparison of income realized in the first half of the previous year and the income realized currently by the Issuer and ATM Systemy Informatyczne Sp. z o.o.

Application solutions

ATM S.A. develops integrated application solutions based on proprietary and third party software. In the field of solutions basing on third party software, the Company implements IT systems from other producers, according to the customers' demand. The Issuer's most outstanding partner in this area is Microsoft, which lists the Company as its Gold Certified Partner.

The Company successfully develops applications based on proprietary software, which are gaining recognition on the market. These include the following application systems:

- **Atmosfera.** ATM's original application platform, serving Rapid Application Development (*RAD*). The platform is widely-applicable, e.g. to transactional database systems, workflow management systems, Service Desk systems or CRM (*Customer Relationship Management*). Atmosfera has already served as the basis for several systems intended for specific use. Each function applied to these solutions reflects the experience of thousands of users. The best-known application is Atmosfera Service Desk, which manages maintenance services. Atmosfera Service Desk is the only Polish ITSM (IT Service Management) system which has been awarded the highly valued PinkVerify certificate by a Canadian company, Pink Elephant. The certificate confirms the solution's compliance with ITIL guidelines.
- **SMaCS** (*Service Management and Charging System*) is a provider services management and settlement system for IP networks. This original solution of the Issuer is aimed at service providers offering web services in access networks of diverse types (e.g. wireless, CATV, DSL). This system ensures revenue from digital data transmission services (file download, video on demand and other value-added services) delivered to subscribers by telecommunications providers, including traditional telephone network, cable TV network and cell phone network operators. The solution guarantees that the services can only be used by authorized users and that each user is billed according to the rules set by the provider. Similarly to Atmosfera, SMaCS is a convenient application development platform adjusted to the needs of different providers. Since April 1, 2009, operating activities related to SMaCS have been carried out by ATM Systemy Informatyczne Sp. z o.o., which is included in the Issuer's Group of Companies.

Multimedia solutions and services

As a result of several years of research and development work, the Company has designed and is developing proprietary technology platforms used for the provision of various multimedia services. Currently, the Company offers the following services:

- **ATM InternetTV.** The service is based on the multi-engine ATM InteractiveTV platform which was awarded the 2008 Złota Antena (Golden Antenna) by the "Świat Telekomunikacji" monthly and includes a set of tools enabling efficient implementation of innovative multimedia undertakings. The platform supports the entire process of publishing media on the Internet - uploading, transcoding, content description, as well as sales and generating viewing rate reports. This applies to both VOD (*video on demand*) content, as well as live broadcasts. The platform's most crucial features include:
    - the subsystem for storing large quantities of multimedia data together with descriptions offering presentation and search capabilities;
    - the subsystem for adapting content format to transmission system requirements (encoding translation, protection of licensing rights);
    - the subsystem for managing the offer for subscribers, in particular the presentation of the content offered for download and service packages;
    - the transmission management subsystem and the content billing subsystem enabling various billing schemes — flat rate, for service usage time, for data volume downloaded, for playing a specific movie, etc.

- **ATM IndoorTV.** The service involves development and support of an end-to-end POS TV (*Point Of Sales Television*) system. The service was awarded the 2006 Złota Antena (Golden Antenna) by the "Świat Telekomunikacji" monthly.

ATM S.A. offers the aforementioned platform both to digital multimedia content (e.g. movies or music) providers and to operators of subscriber communications networks.

The Company offers to deliver and integrate a fully functional multimedia content distribution system for the customer's sole use as well as to make its proprietary technology platform available. The functionality of the solution delivered may be tailored to specific requirements and ATM S.A. also offers to integrate the solution with the customer's other systems. Customers may also use multimedia content distribution related services provided by the Company using platforms developed for their own needs. The services may concern the full scope of technical distribution support (e.g. the comprehensive provision of video on demand services) or just the scope selected by the customer — e.g. only data format translation or the collection and provision of encoded material.

Revenue from the sales of major products is as follows:

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Telecommunications	42,900	26,522
Integration of IT systems	36,593	46,200
Total sales revenue	**79,493**	**72,722**

Operating segments

Pursuant to IFRS 8.4, the entity presents data concerning its operating segments in the consolidated statements.

Geographical operation segments as at June 30, 2009 and 2008

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Domestic sales	77,456	71,248
Exports	2,037	1,474
Total sales revenue	**79,493**	**72,722**

NOTE 4.
OPERATING EXPENSES

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Cost of goods sold (variable)	44,657	51,926
Cost of goods sold (fixed)	7,337	
General and administrative costs	17,499	21,791
Total costs related to core operations	**69,493**	**73,717**
of which:		
Amortization and depreciation	5,476	6,253
Consumption of materials and energy	3,442	2,385
Outsourcing	31,075	24,890
Salaries	10,782	12,213
Employee benefits	2,133	2,574
Taxes and other charges	852	683
Other	(1,387)	(1,303)
Value of goods and materials sold	17,120	26,022
	69,493	**73,717**

Values resulting from reinvoicing of integrational activities between ATM SA and ATM SI (amounting to PLN 42,485,000) were not included in the expenses.

Note 28 contains consolidated total income statement of ATM S.A. and ATM Systemy Informatyczne Sp. z o.o., which allows for a comparison of expenses realized in the first half of the previous year and the expenses realized currently by the Issuer and ATM Systemy Informatyczne Sp. z o.o.

The depreciation of property, plant and equipment is based on the principles described in Note 2. Write-downs concerning inventories are determined based on the principles described in Note 2. Inventory write-downs are reversed when inventories to which the write-down relates are sold or the circumstances due to which the write-down was made no longer continue. The cost of inventory write-downs as well as their reversal are recognized in the profit and loss account as part of the cost of goods sold.

Employee costs

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Salaries	10,782	12,213
Social insurance costs	1,792	1,934
Costs of retirement benefits	-	-
Other benefits after the employment period	-	-
Charges to Enterprise Social Benefit Fund	39	50
Other employee benefits	302	590
	12,915	**14,787**

Salaries

Salary costs include salaries payable according to the terms and conditions of employment contracts concluded with individual employees. Salary costs also include bonuses, paid leave and share-based payment.

Employee benefits

Social insurance costs for group undertakings include pension, disability and accident insurance benefits as well as contributions to the Guaranteed Benefit Fund (Fundusz Gwarantowanych Świadczeń) and Labor Fund (Fundusz Pracy). In 2009 and 2008, those contributions amounted to 17.77% of the contribution calculation base determined pursuant to applicable laws.

Pension benefit costs include retirement severance paid to employees pursuant to the Labor Code. ATM S.A. is not party to any pension schemes or collective employment agreements that would entail other regulations in this regard. Long-term benefits are estimated using actuarial methods. Due to the immaterial nature of these provisions, based on the materiality principle included in the International Financial Reporting Standards Conceptual Framework, the provisions for long-term benefits at the end of the employment period have not been recognized in the financial statements. In 2009, the Company allocated PLN 9 thousand for retirement indemnities.

ATM S.A. is under the obligation to establish the Enterprise Social Benefit Fund (ESBF). Charges to this fund are recognized as Company operating expenses and the money allocated to the fund has to be blocked in a separate bank account. In the financial statements, fund assets and liabilities are presented in net terms. Due to the nature of the fund's operations, the fund's assets equal its liabilities. The amounts of funds in the Enterprise Social Benefit Fund as at June 30, 2009 and December 31, 2008 were PLN 112,000 and PLN 111,000, respectively.

Other employee benefits include training in order to enhance employee skills, health care and other benefits stipulated in the Labor Code.

Costs of research and development

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Costs included directly in costs related to core operations	-	-
Amortization costs related to deferred development work costs	1,689	794
	1,689	**794**

Development work costs are recognized as intangible assets after the conditions described in Note 2 have been met and according to the principles described in Note 2. The amortization of capitalized development work costs is charged to general and administrative costs. Costs incurred in the research work stage and expenditure that does not meet the conditions required in order to be recognized as assets are directly charged to Company operating expenses as general and administrative costs.

NOTE 5.
OTHER REVENUE

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Profit from the sale of fixed assets	417	59
Reversal of receivable write-downs	51	13
Damages received	70	36

Subsidies received	-	108
Other	72	35
	610	**251**

Revenue and profit that are not directly related to Company operations are classified as other operating revenue. This category includes the subsidies received, profit from the sale of property, plant and equipment, the damages received as reimbursement of court fees, overpaid tax liabilities (except for corporate income tax) and damages received for losses to insured Company property.

Other operating revenue also includes reversals of receivable and inventory write-downs as well as write-downs related to property, plant and equipment impairment. Other operating revenue includes revenue from the sale of subsidiaries.

NOTE 6.
OTHER COSTS

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Receivable write-downs	40	42
Donations given	101	5
Other	49	27
	190	**74**

Costs and losses related to Company operations, but not directly related to main types of operating expenses, are classified as other operating expenses. This category includes losses on the sale of property, plant and equipment, donations (both in cash and in kind) to other entities, including public benefit entities, costs of litigations and the costs related to receivable write-downs and impairment write-downs.

NOTE 7.
FINANCIAL REVENUE

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Dividends received	-	863
Interest on bank deposits	22	842
Interest on deferred and overdue payments	358	480
Interest on securities	-	-
Interest on loans	41	-
FX gains	-	3,023
Other	95	84
	516	**5,292**

Revenue from dividends received as well as interest on deposits and investments in various financial instruments are classified as financial revenue. Financial operations also include foreign exchange gains.

NOTE 8.
FINANCIAL EXPENSES

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Interest on bank loans	510	43
Interest on overdue payments	22	-
FX losses	3,939	-
Bank fees	84	33
Finance lease costs	578	545
Other	230	4
	5,363	**625**

Borrowing costs, interest payable under finance lease agreements to which the Company is a party and FX losses are classified as financial expenses.

The terms and conditions pursuant to which the Company has used external sources of funding (bank loans) have been presented in Note 20.

NOTE 9.
INCOME TAX

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Statutory tax rate	19%	19%
Current income tax		
Current tax expense	198	-
Adjustments concerning previous years	-	-
	198	-
Deferred income tax		
Related to the origination and reversal of temporary differences	650	237
Related to change in the tax rate	-	-
	650	**237**
Tax expense shown in total income statement	848	**237**

Current tax expense is calculated on the basis of the tax regulations applicable. Pursuant to these regulations, tax profit (loss) is distinguished from accounting net profit (loss) due to the exclusion of non-taxable revenue and costs that are not tax-deductible as well as cost and revenue items that will never be subject to tax. Tax expense is calculated based on the tax rates applicable to the fiscal year in question. Since 2004, the rate applicable pursuant to amended regulations has amounted to 19%. Current regulations do not provide for any differences in tax rates during future periods.

With respect to income tax, the Company is subject to general regulations. As at June 30, 2009, the Company did not operate in a Special Economic Zone, which would cause the principles for determining tax expense to differ from general regulations in this respect. Both the tax and balance sheet years coincide with calendar years.

Differences between the nominal and effective tax rates are as follows:

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Gross pre-tax earnings	5,573	3,850
Statutory tax rate	19%	19%
Tax at the statutory rate	1,059	**731**
Tax impact of income not recognized as income according to tax regulations	(48)	(508)
Tax impact of income not recognized as income according to accounting regulations	12	121
Tax impact of expenses not recognized as expenses according to tax regulations	639	744
Tax impact of expenses not recognized as expenses according to accounting regulations	(814)	(1,250)
Tax impact of tax losses incurred during the period	-	398
Tax at the effective rate	**848**	**237**
Effective tax rate	**15%**	**6%**

Due to temporary differences between the tax base and the profit (loss) shown in the financial statements, deferred tax is established. The deferred income tax as at December 31, 2008 and June 30, 2009 results from the items shown in the table below.

	Financial situation statement		Total income statement	
	End of period June 30, 2009	End of period December 31, 2008	For the period January 1 - June 30, 2009	For the period January 1 - December 31, 2008
Deferred tax provision				
Difference between the balance sheet and tax value of fixed assets	2,532	1,859	673	1,161
Recognized service revenue	22	10	12	(766)
Interest accrued	21	28	(7)	13
Foreign exchange gains	-	-	(12)	-
Valuation of financial instruments	-	12	-	12
Gross deferred tax provision	**2,575**	**1,909**	**606**	**420**
Deferred tax assets				
Deferred payment revenue	188	255	67	170
Inventory write-downs	318	292	(26)	(102)
Receivable write-downs	80	91	11	19
Written-off financial assets under litigation	55	55	-	-
Provisions for expenses	670	677	7	359
Subsidies received	87	26	(61)	(15)
Valuation of financial instruments	14	-	(14)	-
Tax losses to be deducted		-	-	-
Gross deferred tax assets	**1,412**	**1,396**	**(16)**	**431**
Net tax assets (tax provision)	**(1,163)**	**(513)**		
Deferred income tax charge on profit			**650**	**851**

NOTE 10.
EARNINGS PER SHARE AND DIVIDENDS

Earnings per share

	For the period January 1 - June 30, 2009	For the period January 1 - June 30, 2008
Weighted average number of shares	36,000,000	36,000,000
Net profit for 6 months (PLN '000)	4,725	3,613
Net earnings per share (PLN)	0.13	0.10
Diluted net earnings per share (PLN)	0.13	0.10

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary Company shareholders by the weighted average number of ordinary shares issued that are outstanding during the fiscal year.

ATM S.A. shares are ordinary shares and no preference is attached to them concerning either voting rights or dividend payouts.

Dividends paid and declared

In Current Report No 25/2006 of June 8, 2006, ATM S.A. Management Board announced a dividend policy, according to which it annually recommends a dividend payment at the Company's General Meeting, in the amount dependent on quotation of shares in the last month of a given year, upon the application of EURIBOR rate plus 0.5%. The Company's current financial situation enables the implementation of the said dividend policy, also in relation to revenue achieved by ATM S.A. in 2008. However, due to the current situation in financial markets, which is characterized by impediments and high cost of acquiring funds, accompanied by the Company's need for financial resources necessary in order to carry out current investments, the General Meeting decided on allocating the entire revenue of the Company for 2008 to reserve capital, in accordance with the Company's Management Board's recommendation. The Management Board believes that if the situation in financial markets will return to normal, next year's General Meeting should consider adopting a resolution on allocating funds from reserve capital to payment of overdue dividend for 2008.

NOTE 11.
INTANGIBLE ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Costs of development	16,680	16,492
Concessions and licenses	2,123	2,653
Perpetual usufruct rights	-	-
Other intangible assets	55	55
	18,858	19,200
of which:		
Intangible assets used under finance lease agreements	78	104

Development work is recognized as an asset and amortized based on the principles described in Note 2.

As at June 30, 2009, development work includes the following projects developed in-house:

PC TV Platform under the ATM InternetTV

An in-house project developed by the Company since 2005 — the development of an Internet TV technology platform to be used for broadcasting live TV programs and the distribution of content in the video on demand and *download* modes. The signal from the platform developed is to be received by PCs. The platform has been implemented in order to provide commercial services both by the Issuer itself and in collaboration with its subsidiary Cineman Sp. z o. o. — the implementation of the video on demand mode was completed in the first quarter of 2007.

The next stage was the incorporation of a live program distribution mode to the ATM InternetTV and enhancement of the system with services for mobile telephony providers. In 2008, Centrum Badawczo-Rozwojowe ATM-Lab Sp. z o.o company, which is fully owned by ATM S.A., started its business activity. It took over the team responsible for ATM InteractiveTV project and continues developing this technology.

POS TV Platform under the ATM IndoorTV

From August 2005 to May 2006, the Company developed an in-house project called the SSM (*Spread Screens Manager*). Under this project, an ATM IndoorTV technology platform was developed for the remote management of point-of-sales advertising content broadcasting (POS-TV — *Point of Sales Television*). ATM S.A. installs terminals (computers with LCD screens and wireless links) at locations agreed with the customer, e.g. near checkout counters at stores or at travel agencies. Subsequently, the Issuer receives video content as well as other information from the customer and agrees the broadcasting scenarios. The content is distributed to terminals via a mobile communications network (GPRS/EDGE/UMTS) or via Internet connections. The terminals are controlled and the proper execution of scenarios is supervised in the same manner. It is a comprehensive service covering the lease of terminals (screens), communications network operation and access to the SSM platform. The last several quarters saw technological integration of the SSM solution into the ATM InternetTV service platform.

Atmeus

Within the framework of another in-house project that was underway from June to December 2005, ATM S.A. developed the Atmosfera BCP, later renamed to ATM BCP. The current version is sold and implemented under a new brand name, Atmeus. The functionality of the product is gradually extended depending on the customers' needs. The product addresses *business continuity planning* by supporting threat analysis and the development, updating and implementation of contingency plans. It meets the demand of the banking sector, assisting banks in satisfying the requirements of banking supervision recommendations related to the so-called New Capital Accord (Basel II).

Remote archive

From June 2007 onwards, Polish law makes it possible to maintain patients' files in electronic format only, provided that certain standards, inter alia concerning security, are met. The Issuer's long-standing experience in the development of ICT solutions leveraging state-of-the-art security technologies and systems contributed to the establishment of a modern remote medical archive and the marketing of this solution in the Polish medical market.

The remote medical archive enables the secure storage of medical images together with associated patient details and examination reports as well as remote access to the data. It will also provide statistics and search tools. The data are secure, electronic storage is cheaper and virtually instant access is possible. The unique advantage of this system is the possibility of remote access to examination data by authorized parties using any computer. The remote archive system is to enable easy migration, eventually becoming a module of the Electronic Medical File. Apart from disk storage, indexing systems are used that can store any data structures and communicate with other systems via software interfaces. This means that any establishment using the archive will be able to extend its system in any manner, using fully electronic patient files.

Voice over IP

In order to complement its existing range of services on offer, the Issuer introduced Internet telephony services: ATMAN Business.Voice and ATMAN IP.Voice. These are targeted at business customers as well as partners who wish to provide services to their customers. ATMAN Voice services consist in enabling voice calls based on the VoIP (*Voice over IP*) technology.

This enables voice traffic to be integrated with data transmission services by developing a single universal network that can carry any kind of traffic. The services offer traditional telephone functionality as well as the convenient management of the customer's phone account via a webpage and many additional functions such as conference calls, call forwarding, IVR, etc. The solution offered by the Issuer enables customers to reduce ICT service expenses, particularly those related to phone calls, and ensures the seamless transition from traditional phone services towards an entirely IP-based network.

Atmosfera Service Desk

Since 2000, the Issuer has steadily developed the Atmosfera business process support system. The system enables the streamlined organization and enhancement of user support processes as well as the implementation of the service-oriented approach in the IT industry. In December 2006, the Atmosfera Service Desk v. 5.0 system was certified by the Canadian Pink Elephant company as ITIL compliant in the Service Support area as the only Polish solution to date. ITIL, which stands for *IT Infrastructure Library*, is the most important IT service provision methodology. This certification allows the Issuer to effectively compete with global suppliers for major deployment projects concerning such systems.

The Atmosfera system operates, inter alia, at such companies as Polska Telefonia Cyfrowa sp. z o. o. (the provider of Era and Heyah mobile networks), Agora SA, PLL LOT SA, Netia SA, Telewizja Polska SA and P4 Sp. z o. o. (the provider of the Play mobile network). The overwhelming majority of system users upgrade it regularly, including subsequent organization processes in its scope.

mPay mobile payments system

ATM S.A. has formed a consortium with its subsidiary mPay S.A. and is among the companies working on the "mPay mobile payments system" research and development project, which has received financing under the Improvement of the Competitiveness of Enterprises Sectoral Operational Program 1.4.1. Within the framework of the project, scenarios were developed with regard to the handling of various types of payment acceptors, methods for detecting fraud attempts and protecting against them are being perfected, and the user interface is being designed.

The share of development work underway in overall capitalized cost of development work is presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
BCP platform	-	33
Atmosfera	-	-
Atmosfera Partner Channel	-	-
	0	33

The costs of the aforementioned projects were tested for impairment as at the balance sheet date. No impairment concerning these expenditures was identified as per the procedures followed.

Concessions and licenses concern primarily licenses for computer systems and software tools used in the Group's operations.

As at June 30, 2009, there were no impairment write-downs concerning intangibles.

Changes in the net amount of intangibles are presented in the following tables.

Movements in the amount of intangible assets during the period from January 1 to June 30, 2009

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
Gross value					
Data as at January 1, 2009	**18,681**	**7,182**	**-**	**55**	**25,918**
Increases:					
- acquisition	991	63	-	-	1,054

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
- developed in-house	886	-	-	-	886
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale	-	-	-	-	-
- liquidation	-	-	-	-	-
Data as at June 30, 2009	**20,558**	**7,245**	**-**	**55**	**27,858**
Write-offs					
Data as at January 1, 2009	**2,189**	**4,529**	**-**	**-**	**6,718**
Increases:					
- depreciation	1,689	593	-	-	2,282
- impairment	-	-	-	-	-
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale and liquidation	-	-	-	-	-
Data as at June 30, 2009	**3,878**	**5,122**	**-**	**-**	**9,000**
Net as at June 30, 2009	**16,680**	**2,123**		**55**	**18,858**

Movements in the amount of intangible assets during the period from January 1 to December 31, 2008

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
Gross value					
Data as at January 1, 2008	**13,045**	**6,430**	**-**	**-**	**19,475**
Increases:					
- acquisition	686	778	-	55	1,519
- developed in-house	4,950	-	-	-	4,950
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale	-	12	-	-	12
- liquidation	-	14	-	-	14
Data as at December 31, 2008	**18,681**	**7,182**	**-**	**55**	**25,918**
Write-offs					
Data as at January 1, 2008	**530**	**2,359**	**-**	**-**	**2,889**
Increases:					
- depreciation	1,659	2,195	-	-	3,854
- impairment	-	-	-	-	-
- acquired as a result of business combination	-	-	-	-	-
Decreases:					
- sale and liquidation	-	25	-	-	25

	Costs of completed development works	Concessions and licenses	Perpetual usufruct rights	Other intangible assets	Total
Data as at December 31, 2008	**2,189**	**4,529**	**-**	**-**	**6,718**
Net as at December 31, 2008	**16,492**	**2,653**	**-**	**55**	**19,200**

NOTE 12.
FIXED ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Fixed assets		
Land	-	-
Buildings and structures	75,965	69,346
Machinery and equipment	32,145	34,533
Means of transportation	4,110	4,090
Other	90	107
Fixed assets under construction	14,180	17,486
Advances for fixed assets under construction		
	126,490	**125,562**
of which:		
Fixed assets used under finance lease agreements	25,756	25,720

The Company has no liabilities to the State Treasury arising from the transfer of ownership title to real estate.

The Company uses fixed assets under finance lease agreements. The agreements concern:

- machinery and equipment with a value of PLN 22,839,000;
- means of transportation with a value of PLN 2,917,000.

Finance lease liabilities are recognized in the balance sheet as other financial liabilities and divided into short- and long-term liabilities. Detailed information on material finance lease agreements has been included in Note 24.

In 2005, the Group sold a property situated at Grochowska 21 a to Fortis Lease Sp. z o. o. under a sale-and-lease-back agreement. This lease agreement was classified as operating lease. Detailed information on operating lease agreements has been disclosed in Note 25.

As at June 30, 2009, there were no impairment write-downs concerning fixed assets.

Changes in the amount of fixed assets are presented in the following tables.

Movements in the amount of fixed assets from January 1 to June 30, 2009

	Land	Buildings and structures	Machinery and equipment	Means of transportation	Other	Total
Gross value						
Data as at January 1, 2009	**-**	**76,564**	**51,666**	**5,827**	**156**	**134,213**
Increases:						
- acquisition	-	8,188	1,343	236	-	9,767
- financial leasing	-	-	3,321	117	-	3,438
- other	-	-	-	-	-	
Decreases:						
- sale	-	-	4,013	56	12	4,081
- liquidation	-	-	72	-	-	72
- other						
Data as at June 30, 2009	**-**	**84,752**	**52,245**	**6,124**	**144**	**143,265**
Write-offs						
Data as at January 1, 2009	-	**7,218**	**17,133**	**1,737**	**49**	**26,137**
Increases:						
- depreciation	-	1,569	3,432	313	6	5,321
- impairment	-	-	4	-	-	4
Decreases:						
- sale and liquidation			469	36	1	506
- other						
Data as at June 30, 2009		**8,787**	**20,100**	**2,014**	**54**	**30,955**
Net as at June 30, 2009		**75,965**	**32,145**	**4,110**	**90**	**112,310**

Movements in the amount of fixed assets from January 1 to December 31, 2008

	Land	Buildings and structures	Machinery and equipment	Means of transportation	Other	Total
Gross value						
Data as at January 1, 2008	**-**	**44,001**	**35,355**	**5,171**	**144**	**84,670**
Increases:						
- acquisition	-	32,563	5,976	3	12	38,554
- financial leasing		-	10,920	1,020	-	11,940
- other	-	-	-	-	-	
Decreases:						
- sale	-	-	558	367	-	925
- liquidation	-	-	27	-	-	27
- other	-	-	-	-	-	
Data as at December 31, 2008	**-**	**76,564**	**51,666**	**5,827**	**156**	**134,213**
Write-offs						
Data as at January 1, 2008	**-**	**4,740**	**10,791**	**1,373**	**34**	**16,938**
Increases:						
- depreciation	-	2,479	6,644	633	15	9,771
- impairment	-	-	-	-	-	-
Decreases:						
- sale and liquidation	-	1	302	269	-	572
- other	-	-	-	-	-	
Data as at December 31, 2008	**-**	**7,218**	**17,133**	**1,737**	**49**	**26,137**
Net as at December 31, 2008	**-**	**69,346**	**34,533**	**4,090**	**107**	**108,076**

NOTE 13.
Financial assets

SHARES IN SUBORDINATED UDERTAKINGS

Item	name	registered office	subject of enterprise	type of relationship	consolidation method	consolidation date	value of shares at acquisition price	total value of adjustment	share value	stake in share capital	share in the overall number of votes	consolidation type indicator
1.	inOne SA	Łódź ul. Łąkowa 29	IT services	subsidiary	Full consolidation method	23.04.2001	304	-	304	60.00	60.00	-
2.	mPay International Sp. z o.o.	Warszawa ul. Grochowska 21a	Intellectual property management	subsidiary	Full consolidation method	02.02.2006	5,551	-	5,551	60.00	60.00	
3.	mPay S.A.	Warszawa ul. Grochowska 21a	mobile payment settlement	subsidiary	Full consolidation method	02.02.2006	9,434	-	9,434	54.37	54.37	
4.	Rec-order Sp. z o.o.	Warszawa ul. Grochowska 21a	online sales	subsidiary	Full consolidation method	02.02.2006	24	-	24	100	100	
5.	Iloggo Sp. z o.o.	Warszawa ul. Grochowska 21a	web services	subsidiary	Full consolidation method	13.02.2006	300	-	300	60.00	60.00	-
6.	Cineman Sp. z o.o.	Warszawa ul. Grochowska 21a	web multimedia services	subsidiary	Full consolidation method	21.08.2006	510	-	510	51.00	51.00	-
7.	KLK SA	Katowice, ul. Pod Młynem 1c	integration of ICT systems	subsidiary	Full consolidation method	31.10.2006	15,110	-	15,110	78.74	78.74	-
8.	Sputnik Software sp. z o.o.	Poznań, ul. Kordeckiego 30b	software development	subsidiary	Full consolidation method	27.03.2007	3,536	-	3,536	60.00	60.00	-
9.	Centrum Badawczo-Rozwojowe ATM LAB Sp. z o.o.	Warszawa ul. Grochowska 21a	ICT research and development work	subsidiary	Full consolidation method	13.08.2007	50	-	50	100.00	100.00	

10.	Impulsy Sp. z o.o.	02-117 Warszawa ul. Racławicka 127	Integration of ICT systems	subsidiary	Full consolidation method	29.10.2007	3,792	-	3,792	78.47	78.47	
11.	ATM Systemy Informatyczne Sp. z o.o.	Warszawa ul. Grochowska 21a		subsidiary	Full consolidation method	6.03.2008	1,000	-	1,000	100	100	
	OTHER FINANCIAL ASSETS						**39,611**	**-**	**39,611**	**X**	**X**	**X**
12.	Linx Telecommunications	Hullenbergweg 375 1101 CR Amsterdam, The Netherlands	telecommunicationss services	associate	Equity method	21.08.2007	63,487	-	63,487	21.67	21.67	
	Investments in associates valuated by equity method						**63,487**	**-**	**63,487**	**X**	**X**	**X**
	Total	X	X	X	X	X	**103,099**	**-**	**103,099**	X	X	X

	ATM Services Sp. z o.o.	mPay International Sp. z o.o.	mPay S.A.	Rec-order Sp. z o.o.	Iloggo Sp. z o.o.	Cineman Sp. z o.o.	KLK SA	Sputnik Software sp. z o.o.	CBR ATM-LAB Sp. z o.o.	Impulsy Sp. z o.o.	ATM Systemy Informatyczne Sp. Z o.o.	Linx Telecommunications
I. Entity equity, of which:	1,487	7,140	8,714	26	133	274	10,424	3,179	76	1,528	3,027	139,031
1. share capital	500	9,250	16,525	115	500	1,000	533	250	50	130	1,000	572
2. due payments to share capital	-	-	-	-	-	-	-	-	-	-	-	-
3. supplementary capital	659	-	-	-	-	-	11,311	2,255	-	1,401	-	242,596
4. other equity, of which:	328	(2,110)	(7,811)	(89)	(367)	(726)	(1,420)	674	26	(3)	2,027	(104,137)
- profit (loss) from previous years	202	(1,912)	(5,896)	(86)	(378)	(552)	428	-	25	(4)	-	(104,575)
- net profit (loss)	126	(199)	(1,915)	(3)	11	(174)	(1,848)	674	1	1	2,027	438
II. Liabilities and liability reserves, of which:	2,563	1,970	1,877	-	30	425	23,343	3,282	489	1,390	15,487	*
1. long-term liabilities	342	-	110	-	-	-	5,044	1,152	-	-	62	*
2. short-term liabilities	2,221	1,970	1,767	-	30	425	18,299	2,130	489	1,390	15,425	*
III. Receivables, including:	1,709	76	2,601	4	19	462	10,580	1,511	531	166	18,276	*
1. long-term receivables	-	-	2,397	-	-	-	301	19	-	-	60	*
2. short-term receivables	1,709	76	204	4	19	462	10,279	1,492	531	166	18,217	*
IV. Total assets	4,050	9,110	10,590	26	163	698	33,767	6,462	565	2,918	18,514	*
V. Sales revenue	6,059	-	269	-	20	471	33,194	3,211	1,809	1,679	24,956	*
VI. Entity share value not paid by the Issuer	-	-	-	-	-	-	-	-	-	-	-	*
VII. Dividends received or due by the entity for the last fiscal year	-	-	-	-	-	-	-	-	-	-	-	*

* No data available

Financial assets held for trading

	End of period June 30, 2009	End of period December 31, 2008
Loans granted to associates	1,257	1,795
Loans granted to other entities	90	-
	1,347	**1,795**

The Company granted interest-bearing loans to two associates and one employee, at rates comparable to average interest rates of commercial loans. Additional information concerning these loans has been presented in Note 26.

NOTE 14.
OTHER FIXED ASSETS

	End of period June 30, 2009	End of period December 31, 2008
Guarantee deposits	30	30
Trade receivables	6,693	8,557
Prepaid maintenance costs	33	11
Unearned financial income from installment sales	(472)	(700)
	6,284	**7,898**
of which payable within:		
from 1 to 2 years	3,457	3,740
from 3 to 5 years	2,827	4,828
more than 5 years	0	30

Guarantee deposits include amounts retained by the customers in relation to the services and goods delivered. In most cases, such deposits are retained for periods ranging from 1 to 5 years. Guarantee deposits are not indexed. Trade receivables include the part of trade receivables which the Company will receive at a date later than 12 months from the balance sheet date.

The receivables recorded as at December 31, 2008 and June 30, 2009 have payment dates of up to 2013. They are the result of deferred payment sales whose value has been measured at fair value and is equivalent to the present value of the payment. The installments receivable have been discounted using 12M WIBOR rate and the market margin based on the Issuer's lending margin. Interest is recognized as financial revenue for relevant periods using the effective interest rate method.

Deferred payment sales (deferred beyond the normal terms and conditions applied by the Company) concern incidental sales transactions. The Company has no policy concerning significantly longer payment terms or installment sale procedures.

Prepaid maintenance costs are prepayments related to maintenance services provided during subsequent periods whose contractual term is longer than 12 months from the balance sheet date.

NOTE 15.
INVENTORIES

	End of period June 30, 2009	End of period December 31, 2008
Materials	850	987
Work in process	-	-
Goods	7,815	10,009
Receivable write-downs	(655)	(655)
	8,010	**10,341**

Inventories are valued based on the principles described in Note 2. The effects of establishing and reversing write-downs are charged to the cost of goods sold as the cost of stocks that have been used up.

NOTE 16.
TRADE AND OTHER RECEIVABLES

	End of period June 30, 2009	End of period December 31, 2008
Trade receivables from related undertakings	1,658	943
Trade receivables from other undertakings	46,084	59,587
Tax receivables	313	246
Payments on account	7	79
Other receivables	192	180
Receivables under litigation	161	212
Unearned financial income from installment sales	(517)	(642)
Receivable write-downs	(432)	(479)
	47,466	**60,126**

Trade terms applicable to related undertakings have been presented in Note 26. Trade receivables do not bear interest and they are usually payable within 14 to 35 days. Receivables under litigation are written off in full.

The fair value of trade and other receivables does not differ significantly from their book values recorded in the balance sheet.

Analysis of the ageing structure of trade receivables for which no revaluation write-downs were recorded

	End of period June 30, 2009	End of period December 31, 2008
current, of which:	44,298	52,621
from related undertakings	1,555	576
from other undertakings	42,743	52,045
overdue, of which:	3,173	
from related undertakings	103	367
under 180	49	315
180 – 360	7	34
above 360	48	18
from other undertakings	3,070	7,542
under 180	2,962	7,121
180 – 360	100	115
above 360	8	306
	47,471	**60,530**

Analysis of changes in write-downs for receivables

	End of period June 30, 2009	End of period December 31, 2008
Opening balance	**479**	**578**
Increases, of which:	45	139
- Establishment	45	139
Decreases, of which:	92	238
- Dissolution	24	16
- Utilization	68	222
Closing balance	**432**	**479**

Analysis of the ageing structure of receivables under litigation

	End of period June 30, 2009	End of period December 31, 2008
from other undertakings	161	212
above 360	126	152
above 720	35	60
	161	**212**

NOTE 17.
OTHER CURRENT ASSETS and OTHER FINANCIAL RECEIVABLES

Other current assets	End of period June 30, 2009	End of period December 31, 2008
Prepaid maintenance costs	464	1,139
Unrealized exchange differences on lease agreements	6,239	6,664
Prepaid subscriptions, rents, insurance	21	349

Services of subcontractors related to future revenues	796	-
Other	1	1
	7,521	**8,153**

Other current assets include expenses related to deferred costs. In particular, these are prepaid service fees. These assets are charged to operating expenses on the time basis, revenue basis or on the basis of the amount of service, depending on their nature.

As it was stated in "Accounting principles - Foreign Currency Transactions", pursuant to IAS 1 §17, the Company adopted - analogically to the statements for 2008 - a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting periods only in the portion concerning actually paid installments. The remaining amount of exchange rate differences is recognized in the accruals, which are recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for exchange rate differences arising on lease liabilities (both gains and losses). This exemption from IAS 21 shall be applied by the Company until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 24: Other financial liabilities.

Other financial receivables	End of period June 30, 2009	End of period December 31, 2008
Valuation of forward transactions open at the end of the period	(72)	62
	(72)	**62**

As at the balance sheet date, i.e. June 30, 2009, the Group had the following forward transactions open:

- Trade date: May 5, 2009; settlement date: July 6, 2009; value: USD 49,500 in BRE Bank SA
- Trade date: May 11, 2009; settlement date: July 20, 2009; value: USD 188,300 in BRE Bank SA
- Trade date: May 11, 2009; settlement date: July 13, 2009; value: USD 14,000 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: July 20, 2009; value: USD 30,800 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: August 3, 2009; value: USD 44,200 in BRE Bank SA
- Trade date: May 12, 2009; settlement date: July 27, 2009; value: USD 82,740 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: August 3, 2009; value: USD 13,700 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: July 27, 2009; value: USD 91,200 in BRE Bank SA
- Trade date: May 19, 2009; settlement date: July 20, 2009; value: USD 580,000 in BRE Bank SA
- Trade date: May 27, 2009; settlement date: August 10, 2009; value: USD 34,100 in BRE Bank SA
- Trade date: June 18, 2009; settlement date: July 13, 2009; value: USD 24,550 in BRE Bank SA
- Trade date: June 26, 2009; settlement date: August 24, 2009; value: USD 25,500 in BRE Bank SA
- Trade date: June 26, 2009; settlement date: August 31, 2009; value: USD 68,700 in BRE Bank SA
- Trade date: June 29, 2009; settlement date: July 27, 2009; value: USD 60,450 in BRE Bank SA
- Trade date: June 29, 2009; settlement date: August 10, 2009; value: USD 40,400 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: August 24, 2009; value: USD 304,462 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: August 3, 2009; value: USD 59,231 in BRE Bank SA
- Trade date: June 30, 2009; settlement date: September 9, 2009; value: USD 59,891 in BRE Bank SA
- Trade date: June 1, 2009; settlement date: August 10, 2009; value: USD 15,000 in Fortis Bank
- Trade date: June 1, 2009; settlement date: August 17, 2009; value: USD 10,200 in Fortis Bank

The Company decided upon concluding the abovementioned agreements in the core course of its operations, in order to fulfill its trade liabilities. The valuation of the contracts listed above has caused a decrease in the Company's financial result by PLN 72 thousand.

NOTE 18.
CASH AND CASH EQUIVALENTS

	End of period June 30, 2009	End of period December 31, 2008
Cash in hand	9	24
Cash in bank	1,097	888
Short-term deposits	680	1,311
	1,786	**2,223**

Cash in the bank bears interest at floating interest rates, which depend on the interest rate on overnight bank deposits. Short-term deposits have various maturities ranging from overnight to three months depending on current demand for cash and bear interest according to the interest rates agreed.

The fair value of cash and cash equivalents equals their balance sheet value.

NOTE 19.
EQUITY

Core capital

	End of period June 30, 2009	End of period December 31, 2008
Registered share capital	34,200	34,200
Hyperinflationary adjustment	197	197
	34,397	**34,397**

Registered share capital includes:

Series	Number of shares	Face value	Registration date	Dividend registration rights	Paid for by	Share type
A	36,000,000	34,200,000	5.12.2007	*)	Cash	Ordinary
	Face value per share (PLN):			0.95		

*) all shares have equal rights to dividends

Application of IAS 29 "Financial Reporting in Hyperinflationary Economies"

Pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies", ATM S.A. introduced a hyperinflationary adjustment of share capital based on monthly consumer price indices, amounting to PLN 197,000. The entire share premium account was accrued after the hyperinflationary period, and therefore the hyperinflationary adjustment was not applied to this component of equity.

Incentive Scheme

Pursuant to Resolution No. 11/2008 of the Ordinary General Meeting of Company Shareholders of June 5, 2008, an Incentive Scheme for ATM S.A. Group of Companies employees was approved for the years 2008-2010. This resolution allowed also for the purchase by the Company of no more than 1,500,000 treasury shares needed in connection to the Scheme in the years 2008-2010, for an amount not exceeding PLN 13.5 million.

The Scheme is aimed at Company employees and partners, members of Management Boards and other ATM S.A. Group of Companies employees and partners.

Incentive Scheme participants have the right to purchase shares at face value from the Company (share purchase options).

The list of persons authorized to buy shares for each of the three periods is prepared by the ATM S.A. Management Board and approved by the Supervisory Board.

As at June 30, 2009, the Company owns 314,778 treasury shares at the value of PLN 1,999,938.03. These shares are held by the Company pursuant to the guidelines concerning the implementation of the Company's Incentive Scheme.
In 2008, 439,800 share purchase options were granted under the Incentive Scheme. In subsequent stages the number of share purchase options may not exceed:

- in 2009: 500,000 share purchase options,
- in 2010: 560,200 share purchase options.

Unused options of a given period may be subsequently used in the remaining periods. In justified cases the number of options determined for a given period may be increased by no more than 15%, with the reservation that the total option limit may not exceed 1,500,000.
Based on the determined share purchase options, shares can be purchased by Incentive Scheme participants pursuant to an agreement concluded with the Company, which includes the following provisions:

- purchased shares shall be transferred to the investment account of the authorized person carried by the brokerage house indicated by the Company;
- the authorized person shall conclude an agreement with the brokerage house, according to which 80% of the purchased shares will be blocked (not available for sale or security);
- the purchased shares will be unblocked in the amount of 20% each year, starting from the date of their transfer to the investment account of the authorized person.

The Company has the right to repurchase and the authorized person has the obligation of selling shares blocked on investment account of the authorized person at face value if:

6) an employment contract concluded between the Group and the Incentive Scheme participant or any other agreement pursuant to which the participant provides services or works for one of the companies of the Group is terminated or expires for any reason;
7) the participant seriously infringes his contractual obligations agreed upon in an employment contract or other civil law agreement pursuant to which the participant provides services or works for one of the companies of the Group;
8) the participant runs competitive activity with regard to the Company or one of the companies of the Group without a written consent of the ATM S.A. Management Board;
9) a legally valid prohibition to perform his/her works in the bodies of the companies or an interdiction of business activity is imposed on the participant;
10) the participant is sentenced for any of the offences mentioned in Art. 585-592 and 594 of the Code of Commercial Companies and Partnerships, offences listed in part X of the law on financial instruments trading of July 29, 2005 (Journal of Laws 2005, No. 183, item 1538), economic offences listed in Art. 296-306 of the Penal Code or any other offence whose committing is directly linked to the performance of his/her obligations as member of the management board of a capital company.

The number of share purchase options shall be applied to Company shares whose face value is PLN 0.95. In the case of a split of Company shares, these amounts will be increased in the same proportion as the mentioned split.

Ownership structure

The ownership structure of ATM S.A. share capital as at June 30, 2009 was as follows:

Shareholder	Number of shares 30/06/2009	%	Number of shares 31/12/2008	%
Tadeusz Czichon – Management Board Vice-President	5,956,887	16.55%	5,948,712	16.52%
Roman Szwed – Management Board President	3,663,073	10.18%	3,663,073	10.18%
POLSAT OFE	3,597,172	9.99%	3,597,172	9.99%
ING OFE	3,493,844	9.71%	3,493,844	9.71%

AIG TFI	1,860,624	5.17%	1,860,624	5.17%
PKO TFI	1,813,435	5.04%	1,813,435	5.04%
Other shareholders	15,614,965	43.36%	15,623,140	43.39%
	36,000,000	100.00%	36,000,000	100.00%

The above figures reflect share ownership of natural persons as the issuance date.

The data concerning POLSAT OFE and ING OFE refer to the number of shares owned by these shareholders on December 31, 2008 based on the "Annual asset structure". The figures concerning AIG TFI (AIG Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of July 13, 2007, and the number of series H shares allotted on August 9, 2007. The data concerning PKO TFI have been taken from a notice, received by the Company from the Shareholder on January 30, 2009. The Company has no information from other Shareholders regarding any changes to share ownership after the indicated dates.

Furthermore, the Company's Management Board has not received any other notifications concerning the crossing of the 5% threshold by shareholders who purchase shares on the stock market.

Capital reserves

The Company establishes a capital reserve pursuant to its articles of association. Company profit, which may be distributed in subsequent periods or allocated to exceptional losses or other expenses, may be allocated to the capital reserve.

Retained earnings

	End of period June 30, 2009	End of period December 31, 2008
Retained earnings brought forward, of which:		
Statutory supplementary capital	11,466	11,466
Profit distribution (above the statutory amount)	1,129	1,129
Current period profit (loss)	4,725	10,452
	17,320	23,047

Retained earnings brought forward include the entire profit retained by the Company pursuant to the shareholders' decision as well as the effects of IFRS implementation.

Pursuant to Article 396 (1) of the Code of Commercial Partnerships and Companies, supplementary capital should be established in order to cover losses. At least 8% of the profit for the fiscal year is allocated to the supplementary capital until it reaches at least one third of the share capital. This portion of supplementary capital (retained earnings) cannot be distributed among Shareholders.

NOTE 20.
BANK LOANS

	End of period June 30, 2009	End of period December 31, 2008
Bank loans	13,959	10,227
Other loans	-	-
	13,959	10,227

ATM S.A. uses BRE Bank SA credit facilities up to PLN 10 million and Fortis Bank Polska S.A. credit facilities up to PLN 10 million. The Company may use this form of credit as authorized overdrafts.

Currency composition of loans

	End of period June 30, 2009	End of period December 31, 2008

PLN loans	13,959	10,227
EUR loans		-
	13,959	10,227

Average loan interest rates

	End of period June 30, 2009	End of period December 31, 2008
Authorized overdrafts	4.87%	6.91%
PLN loans	-	-
EUR bank loans	-	-

Detailed information on the debt related to these loans has been presented in tables below.

Specification of liabilities arising from bank loans as at June 30, 2009

	Base loan value			Short-term portion		Long-term portion				
Lender	Loan amount in '000 PLN	Loan amount	Currency	Loan amount in PLN	Loan amount	Loan amount in PLN	Loan amount	Interest rate	Repayment date	Security
Fortis Bank Polska SA (authorized overdraft)	10,000	-	-	7,707	-	-	-	WIB0R 1M plus bank margin	19.08.2009	- blank promissory note; - statement of submission for enforcement proceedings
BRE Bank SA (authorized overdraft)	10,000	-	-	6,252	-	-	-	WIBOR ON plus bank margin	28.08.2009	- blank promissory note with promissory note declaration;
	20,000	**-**		**13,959**	**-**	**-**	**-**			

NOTE 21.
PROVISIONS FOR LIABILITIES

As at June 30, 2009 and December 31, 2008, the Company does not have any provisions for liabilities.

NOTE 22.
LONG-TERM TRADE LIABILITIES AND OTHER LIABILITIES

	End of period June 30, 2009	End of period December 31, 2008
Trade liabilities to related undertakings	-	-
Trade liabilities to other undertakings	-	-
Subsidies for fixed asset financing	1,056	2,887
Other	2	3
	1,058	**2,890**
of which payable within:		
from 1 to 2 years	270	496
from 3 to 5 years	410	1,487
more than 5 years	378	907

The subsidies received for fixed asset financing concern the extension and upgrade of telecommunications infrastructure and the Collocation Center in Warsaw.

NOTE 23.
SHORT-TERM TRADE LIABILITIES AND OTHER LIABILITIES

	End of period June 30, 2009	End of period December 31, 2008
Trade liabilities to related undertakings	5,478	4,699
Trade liabilities to other undertakings	20,323	38,841
Liabilities arising from taxes and social insurance	4,938	6,770
Advances received	-	-
Payroll liabilities	4	411
Other liabilities and accruals, of which:	2,632	3,306
- liabilities arising from outstanding leaves	285	285
- settlements related to uninvoiced expenses	1,786	1,891
- subsidies	466	761
- deferred income	78	306
- other liabilities	17	63
	33,375	**54,027**

Trade liabilities do not bear interest and they are usually payable within 7 to 90 days.

In 2008 and 2009, the Company did not rely on a small group of suppliers. Only one supplier— Cisco Systems — exceeded a 10% threshold of overall purchases (its share of the Group's overall purchases in 2008 amounted to 36.7%, and in 2009 it was 36.0%). Considering the stable position of Cisco as a global leader in the IT technology market, and considering the highly successful progress in cooperation, also supported by certification requirements, this reliance is not considered to pose a significant risk of supplier concentration. As at December 31, 2008, liabilities to this supplier came to PLN 26,698,000; as at June 30, 2009, they were PLN 15,671,000.

NOTE 24.
OTHER FINANCIAL LIABILITIES

Other financial liabilities include liabilities arising from finance lease agreements and agreements for financing receivables. Detailed information on these liabilities has been presented below.

	End of period June 30, 2009	End of period December 31, 2008
Long-term lease liabilities	17,596	18,315
Long-term liabilities arising from financing of receivables	2,275	3,277
Total long-term liabilities	**19,871**	**21,592**
Short-term lease liabilities	9,122	8,263
Short-term liabilities arising from financing of receivables	4,098	3,443
Total short-term liabilities	**13,220**	**11,706**
Total financial liabilities	**33,091**	**33,298**

	End of period June 30, 2009	End of period December 31, 2008
Value of liabilities arising from finance leases due within:		
- one year	10,182	9,216
- two to five years	18,726	19,364
- more than 5 years		-
	28,908	**28,580**
Future interest expenses (-)	(2,190)	(2,002)
Present value of future liabilities	**26,718**	**26,578**
of which:		
Amounts due within the next 12 months (included in short-term liabilities)	9,122	8,263
Amounts due after more than 12 months within:	17,596	18,315
- two to five years	17,596	18,315
- more than 5 years	-	-

Finance lease agreements concern machinery and equipment, means of transportation and software licenses constituting intangible assets. As at June 30, 2009, the Company was party to 92 agreements, under which it leased fixed assets with a total net value of PLN 25,756,000 as at that date.

As at December 31, 2008, the Issuer was party to 98 agreements, under which it leased fixed assets with a total net value of PLN 25,720,000 as at that date.

The agreements provide neither for contingent rents nor any subleases. Most agreements include a clause concerning the purchase option at a contractual price lower than the fair value of the leased asset. The agreements do not involve any constraints for the lessee apart from the payment of liabilities arising from lease installments and the general terms and conditions concerning the proper use of leased assets.

The lease agreements were concluded for periods ranging from 36 to 72 months and are denominated in EUR, JPY or in PLN. Conclusion of agreements denominated in foreign currencies was due to considerably lower interest rates and, so it appeared at the time, stable and strong position of PLN in relation to other currencies in a mid-term perspective. As a result of lower interest rates and appreciation of PLN in the period from 2004 to 2008, the Company was paying lower lease installments than in the case of lease agreements denominated in PLN.

Rapid depreciation of PLN taking place since August 2008 resulted in considerable increase in the amount of ATM S.A.'s lease agreement liabilities denominated in foreign currencies after translation into PLN. Although this increase does not translate substantially into the Company's expenses due to current lease installments, the total outstanding amount until 2013 will be considerably higher unless the situation in the foreign exchange market changes. The fact that the market value of the leased assets, which are imported parts of equipment, increases simultaneously with the increase in foreign currency exchange rates does not improve the situation in any significant manner.

In order to demonstrate the impact of expenses due to revaluating lease liabilities on the Company's operations, ATM S.A. Management Board decided, pursuant to IAS 1 §17, on adopting a partial exemption from IAS 21, in the manner described in chapter 2: "Grounds for the drawing up of financial statements and accounting principles (policies)".

In the first half of 2009, the Company recognized PLN 1,273,092.14 due to foreign exchange rate differences on finance lease agreements in its financial costs.

Recognition of a portion of expenses due to foreign exchange rate differences on finance lease agreements in accruals required calculating what portion of these differences falls on individual quarterly periods during which the Company will pay lease installments. Expenses falling on individual future periods have been determined pro rata to the value of paid lease installments and are as follows:

Year	Quarter	Amount
2009	3	549,083.17
	4	550,182.64
2 010	1	544,446.83
	2	534,735.89
	3	535,521.58
	4	540,296.82
2 011	1	541,342.19
	2	529,437.62
	3	496,306.30
	4	437,647.54
2 012	1	176,310.93
	2	179,169.47
	3	177,931.91
	4	174,322.28
2 013	1	140,575.87
	2	98,489.59
	3	33,534.50
	4	0.00
Total		**6,239,335.13**

	End of period June 30, 2009	End of period December 31, 2008
Amount of liabilities arising from receivables financing due within:		
- one year	4,098	3,443
- two to five years	2,275	3,277
- more than 5 years	-	-
	6,373	**6,720**

The receivables financing agreement was concluded with Fortis Bank Polska S.A. and concerns the financing of receivables arising from installment sale.

NOTE 25.
OPERATING LEASES

Operating lease liabilities — ATM S.A. as lessor

With regard to operating leases, the Company is party to no material agreements as a lessor. Lease agreements include mainly agreements concerning the lease of office space to other undertakings.

These are both definite and indefinite term agreements. Every agreement includes a clause enabling each party to terminate it with a contractual period of notice not exceeding three months. The Company does not include any clauses concerning contingent rents or the possibility of concluding sublease agreements in such agreements. The agreements concluded by the Company do not include any obligation to conclude a new agreement for a similar period and equivalent asset where the original agreement is terminated. In some cases, the agreements provide for the lessee's obligation to submit a deposit, but these payments are treated as returnable deposits and are not subject to indexation.

Due to the nature of the agreements concluded, the Company — insofar as it is the lessor with regard to operating lease — is not party to any irrevocable agreements.

Operating lease liabilities — ATM S.A. as lessee

In the period covered by the financial statements, the Company as the lessee was party to operating lease agreements concerning property leases.

Due to the nature of the agreements concluded, the Company — insofar as it is the lessee with regard to operating lease — is not party to any irrevocable agreements.

Property leases include the Telecommunications Center ATMAN-Grochowska, situated in Warsaw at Grochowska 21a. Pursuant to the agreement concluded on December 21, 2005 and the annex to the agreement of March 7, 2006, ATM S.A. sold a property, which included the right of perpetual usufruct of land and buildings constructed on this land, to Fortis Lease Polska Sp. z o. o., and subsequently concluded an operating lease agreement concerning this property. Lease payments are denominated in EUR and divided into 180 monthly installments (15 years). The last installment will be payable on January 21, 2021. The total amount of payments during the agreement term will be EUR 9,872,000.

The fair value of the leased asset after the expiration of the agreement has been determined to be EUR 5,573,000, of which perpetual usufruct of land EUR 1,613,000 and the value of buildings EUR 3,961,000.

Pursuant to the agreement, after the expiry of the primary term of the lease agreement the lessee or an undertaking indicated by the lessee may purchase the leased asset for the price equal to the aforementioned final fair value determined. Where this option is not taken advantage of, the lessee will pay to the lessor a handling fee amounting to 7% of the original value of the leased asset, which original value was determined to be EUR 10,660,000.

Pursuant to the agreement, the lessee does not have the right to terminate it, except in circumstances where a change concerning lease installments or changes in the lessee's ownership structure cause the agreement to cease to be cost effective. In such cases, the lessee will additionally have the right to demand that a purchase agreement be concluded concerning the lease asset, for a price equal to the sum of the portion of the installments outstanding until the end of the lease period and the final value.

The expenses related to minimum lease payments for property leases during individual periods were PLN 2,916,000 in 2008 and PLN 1,371,000 in 2009, respectively.

Minimum lease payments for property lease were as follows:

	End of period June 30, 2009	End of period December 31, 2008
1 year or less	2,940	2,744
from 1 to 5 years	11,759	10,977
more than 5 years	19,354	19,439
	34,053	**33,160**

CONTINGENT RECEIVABLES AND LIABILITIES

Contingent receivables

	End of period June 30, 2009	End of period December 31, 2008
Financial receivables under litigation	291	291
	291	**291**

As at June 30, 2009, contingent receivables included financial assets under litigation, i.e. receivables arising from the redemption of commercial bills. These receivables are subject to a damages action. In the view of the Company, ATM S.A. was misled by BWE S.A. as to the actual standing of the commercial bill issuer — the DANMAG S.A. company from Zielona Góra. Due to its poor standing, DANMAG S.A. was unable to redeem the commercial bills it had issued. In September 2007, the District Court awarded ATM S.A. with PLN 300,000 plus interest. The enforcement officer secured the total amount awarded by the Court. BWE appealed against this decision. As at June 30, 2009, the case remained undecided. The Company estimates that the decision of the District Court will be maintained.

Contingent liabilities

	End of period June 30, 2009	End of period December 31, 2008
To related undertakings:	**-**	**-**
To other undertakings:		
1. Bank guarantees received:		
- performance bonds and tender bonds	2,677	2,454
2. Promissory notes:		
- endorsements concerning agreements related to EU project financing	2,500	2,500
	5,177	**4,954**

As at June 30, 2009, tender bonds and performance bonds included guarantees extended by BRE Bank SA amounting to PLN 1,181,000, by Bank Millennium S.A. amounting to PLN 1,087,000, and by DnB NORD Polska S.A. amounting to PLN 409,000.

In 2006 and 2007 ATM S.A. received subsidies from the Polish Entrepreneurship Development Agency in order to finance the development and modernization of its telecommunications infrastructure and the development of its Collocation Center. Two promissory notes for the amount of PLN 1,250,000 each are to guarantee the repayment of financial means in the case of failure to fulfill the liabilities resultant from the co-financing agreement.

NOTE 26.
INFORMATION CONCERNING RELATED UNDERTAKINGS

Related undertaking details

1. Undertakings related to the Company

Apart from the undertakings in which ATM S.A. holds an equity stake, the undertakings related to the Company include those related through the Management Board members of the parent undertaking. These undertakings include:

- A. Chalimoniuk i Wspólnicy, ATM S.J. — related through Mr. Tadeusz Czichon, who is one of the four partners in this undertaking, while also being the Vice-President of the Management Board of the parent undertaking (ATM S.A.) and being among the shareholders who hold more than 5% of shares in ATM S.A. (Note 19);

- ATM PP sp. z o. o. — related through Mr. Tadeusz Czichon, who is the President of the Management Board of this undertaking and at the same time is its shareholder, holding around 25% of shares.

Sales to and purchases from related undertakings are made at normal arm's length prices. Outstanding liabilities and receivables at the end of the fiscal year are not secured and are settled in cash. Receivables from related undertakings are not covered by any guarantees, extended or received.

During the periods covered by this financial information, the scope of mutual transactions with related undertakings included:

- trade transactions including the purchase and sale of goods, materials and services;
- transactions related to the lease of telecommunications infrastructure.
- loans granted.

The Company did not carry out any transactions on conditions different from market conditions with related undertakings or other related persons in the fiscal year.

The amount and scope of trade transactions has been presented in the table below:

Related undertaking	Year	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings	Liabilities to related undertakings
ATM Systemy Informatyczne	2009	1,314	3,165	0	4,932
inONE S.A. (formerly ATM Services Sp. z o.o.)	2009	663	262	-1	43
	2008	1,286	1,397	97	84
mPay International Sp. z o.o.	2009	17	0	69	0
	2008	562	0	73	0
Iloggo Sp. z o.o.	2009	1	12	22	0
	2008	4	22	20	0
mPay S.A.	2009	277	1	23	0
	2008	511	256	18	311
Rec-order Sp. z o.o.	2009	2	0	0	0
	2008	10	0	12	1
Cineman Sp. z o.o.	2009	58	13	12	0
	2008	101	5	21	0
KLK S.A.	2009	1,479	1,316	1,272	76
	2008	8,306	6,600	18	3,584
ATM PP Sp. z o.o.	2009	78	873	1	0
	2008	126	21,702	3	43
A. Chalimoniuk i Wspólnicy, ATM S.J.	2009	0	404	0	24
	2008	1	859	0	24
Sputnik Software sp. z o. o.	2009	0	0	0	0
	2008	10	19	0	0
CBR ATM Lab sp. z o. o.	2009	1,016	817	126	290
	2008	1,543	2,532	615	652
Impulsy Sp. z o.o.	2009	11	0	2	0
	2008	41	0	30	0
Linx Telecommunication B.V.	2009	65	0	132	113
	2008	354	59	72	0
Total	**2009**	**4,981**	**6,863**	**1,658**	**5,478**
	2008	**12,855**	**33,451**	**943**	**4,699**

During the periods covered by the financial statements, transactions with related undertakings involved no write-downs concerning receivables from those undertakings and no receivables were written off.

Loans granted to related undertakings are presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
mPay International Sp. z o.o.	1,143	1,116
Sputnik Software sp. z o.o.	114	612
mPay S.A.	0	67
	1,257	**1,795**

2. Directing and supervisory body members and their close family members

Other Company related entities include members of directing and supervisory bodies (including management) and persons who are their close family members (i.e. partner and children, the partner's children and persons dependent on the member or his or her partner) as well as other businesses in which members of the parent undertaking Management Board perform management duties or are shareholders.

Senior management remuneration

Management remuneration includes the remuneration of the Management Board, Supervisory Board and Directors of the Parent Undertaking. The remuneration paid to these persons, divided into main benefit types, has been presented in the table below:

	End of period June 30, 2009	End of period December 31, 2008
Short-term employee benefits	1,506	3,409
Benefits after the employment period	-	-
Severance pay	-	-
	1,506	**3,409**

The short-term employee benefits referred to above concern:

	End of period June 30, 2009	End of period December 31, 2008
Management Board	450	900
Supervisory Board	123	246
Directors and managers	933	2,263
	1,506	**3,409**

Apart from the abovementioned remuneration, directors and managers are covered by the Incentive Scheme (Note 19). No loans, guarantees or sureties were granted to the aforementioned persons, members of the Management Board or Supervisory Board in the periods covered by the present financial statements.

Contracts with the Management Board members include non-competition clauses which hold for three months after they leave their posts. Under this provision, the parent undertaking is obliged to pay a compensation amounting to three monthly salaries. Twice that amount is to be repaid if the non-competition clause is breached.

NOTE 27.
FINANCIAL INSTRUMENTS

1. Capital risk management

The Company manages its capital in order to ensure that it will be able to continue as going concerns, while at the same time maximizing their profitability by optimizing their debt-to-equity ratios.

The Company regularly reviews its capital structure. Such reviews involve the analysis of cost of equity and the risk related to its individual categories. The most important factors subject to analysis are:

- bank loans — disclosed in Note 20;
- cash and cash equivalents — disclosed in Note 18;
- equity, including shares issued, capital reserves and retained earnings — disclosed in Notes 19 and 10.

The dividend policy is among the risk management measures. According to this policy, investors should receive an annual dividend of not less than interest on bank deposits. The Company intends to pay an annual dividend in the amount of not less than the EURIBOR rate for annual deposits on the last day of the fiscal year, additionally increased by 0.5%, and multiplied by the Company's listed value in the last month of the year. Dividend is payable to shareholders who have already entrusted the Company with their money. On the other hand, offers to take up shares while increasing the Company's capital will be extended to new investors or existing investors who plan to extend their capital involvement in the Company.

2. Financial risk management objectives

Principal financial instruments used by the Company include bank loans (Note 20), finance lease agreements (Note 24), as well as cash and deposits (Note 18). The main purposes of these instruments include raising funds for Company operations, liquidity risk management and short-term investment of surplus liquid funds. The Company also uses other financial instruments, including trade receivables and liabilities (Notes 14, 16, 22 and 23), which, however, are directly related to its operations.

The main risks arising from the Company's financial instruments include credit risk and liquidity risk as well as interest rate risk and foreign exchange risk. Exposure to these risks and their causes have been presented in the items below.

The Company has no assets or liabilities measured at fair value, held for trading, embedded or derivative financial instruments. The Company does not use hedge accounting, and during the period covered by the financial statements it neither extended loans (apart from subsidiary loans) nor was party to financial guarantee contracts.

During 2008 and 2009:

- no financial instruments were reclassified between categories within the meaning of IAS 39;
- the Company did not dispose of its financial assets in a manner that would prevent their removal from the balance sheet despite their transfer to a third party;
- the Company received no financial or non-financial assets within the framework of enforcement proceedings concerning security for its financial assets.

3. Material accounting policies

A detailed description of material accounting policies and methods used, including the criteria for recognition, basis for valuation and policies concerning the recognition of revenue and costs with regard to individual financial asset, financial liability and capital instrument categories has been presented in Note 2 to the financial statements.

4. Financial instrument categories and classes

Financial assets and liabilities broken down into categories (as per IAS 39) were as follows:

	End of period June 30, 2009	End of period December 31, 2008
Financial assets		
At fair value through profit or loss		-
Derivatives in hedging relationships		-
Investments held to maturity		-
Own receivables (including cash and cash equivalents)	56,537	71,855
Financial assets available for sale		-
Financial liabilities		
At fair value through profit or loss		-
Derivatives in hedging relationships		-
Financial liabilities	78,851	97,836
Financial guarantee contracts		-

Taking into account the nature and specific features of the financial instrument categories presented above, the following classes of instruments have been distinguished within individual groups:

With regard to the own receivables category

	End of period June 30, 2009	End of period December 31, 2008
Receivables from related undertakings (Note 16)	1,658	943
Short-term receivables from other undertakings (Note 16)	45,567	58,945
Long-term receivables from other undertakings (Note 14)	6,251	7,887
Other financial Receivables (Note 17)	(72)	62
Financial assets held for trading (Note 13) - loans granted	1,347	1,795
Cash and cash equivalents (Note 18)	1,786	2,223
Total	**56,537**	**71,855**

With regard to the financial liabilities category

	End of period June 30, 2009	End of period December 31, 2008
Long-term liabilities (Note 22)	1,058	3,590
Liabilities arising from loans (Note 20)	13,959	10,227
Liabilities to related undertakings (Note 23)	5,478	4,699
Short-term liabilities to other undertakings (Note 23)	25,265	46,022
Liabilities arising from finance leases (Note 24)	26,718	26,578
Other financial liabilities (Note 24)	6,373	6,720
Total	**78,852**	**97,836**

5. Fair value of financial instruments

According to the estimates of the Management Board, the values of individual financial instrument classes listed above do not differ significantly from their fair values.

6. Credit risk

Credit risk is the risk of a counterparty defaulting on its obligations, thus exposing the Company to financial losses. The Company operates a policy of concluding transactions exclusively with counterparties whose creditworthiness has been verified; when required, appropriate security is obtained in order to mitigate the risk of financial losses caused by a breach of contractual terms. Company exposure to the risk related to the counterparties' credit ratings is subject to ongoing monitoring and the aggregated value of transactions concluded is divided among approved counterparties. Credit risk control is enabled by limits, which are verified and approved annually by the Management Board.

The Company is not exposed to significant credit risk related to a single counterparty or a group of similar counterparties. There is no risk concentration linked to the existence of a single purchaser or a group of related purchasers from whom the Company would obtain revenue in excess of 10% of the total revenue amount, either.

The Company mitigates credit risk by concluding transactions only with creditworthy undertakings. Before cooperation is initiated, internal preliminary verification procedures are followed. Moreover, since receivable amounts are monitored on an ongoing basis, the Company's exposure to the risk of receivables becoming uncollectible is insignificant.

As concerns the Company's financial assets, including cash, deposits and investments in assets available for sale, the Company's risk is directly related to the other party's inability to pay, and the maximum exposure to this risk equals the balance sheet value of the instrument in question.

As at June 30, 2009, financial asset impairment write-downs came to PLN 432,000; as at December 31, 2008, they were PLN 479,000. These write-downs concern own receivables from other undertakings, of which PLN 161,000 are receivables currently under litigation, and PLN 271,000 are receivables which will likely prove uncollectible according to Company estimates.

As at June 30, 2009 and December 31, 2008, no financial asset items were present whose repayment terms had been renegotiated.

No significant security has been established for the benefit of the Company arising from the financial assets held by the Company.

7. Foreign exchange risk

As far as foreign exchange risk is concerned, the Company is exposed to it through sale or purchase transactions concluded in currencies other than the Company's functional currency.

The Company has concluded forward hedging transactions. Information concerning all open forward transactions as at June 30, 2009 has been disclosed in Note 17.

As it was stated in "Accounting principles - Foreign Currency Transactions", pursuant to IAS 1 §17, the Company adopted a partial exemption from IAS 21 in the present financial statements, i.e. exchange rate differences on currency lease liabilities were recognized as the Company's financial costs for a given reporting periods only in the portion concerning actually paid installments. The remaining amount of exchange rate differences was recognized in the accruals, which shall be recognized in financial costs for individual quarterly periods of lease installments repayment. Simultaneously, accruals shall be adjusted for exchange rate differences on lease liabilities (both gains and losses), arising in future periods. This exemption from IAS 21 shall be applied by the Company until currency exchange rates stabilize at the level reflecting the real purchase value of PLN.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented in Note 24: Other financial liabilities.

The carrying amount of the Company's assets and liabilities in foreign currencies as at the balance sheet date concerns trade receivables and liabilities and lease agreement liabilities. These amounts are as follows:

	Trade liabilities		**Lease liabilities**		**Trade receivables**	
	30/06/2009	**31/12/2008**	**30/06/2009**	**31/12/2008**	**30/06/2009**	**31/12/2008**
Currency - EUR	378	363	7,481	6,092	-	228
Currency - USD	16,025	26,873	-	-	-	261
Currency - JPY	-	-	15,404	17,466	-	-

Currency - PLN	9,398	16,304	3,833	3,020	47,224	67,898
Total	**25,801**	**43,540**	**26,718**	**26,578**	**47,224**	**68,387**

When applying an exemption from IAS 21 regarding the valuation of lease liabilities.

If the exchange rate in relation to the exchange rate from the balance sheet valuation for EUR, USD and JPY had increased by 10%, with all other variables remaining at a constant level, ATM S.A.'s net result for the six-month period ended June 30, 2009 would have been PLN 1,641,000 lower, of which PLN 38,000 would be due to financial assets and liabilities denominated in EUR and PLN 1,603,000 - due to financial assets and liabilities denominated in USD.

When retaining full compliance with IAS 21.

If the exchange rate in relation to the exchange rate from the balance sheet valuation for EUR, USD and JPY had increased by 10%, with all other variables remaining at a constant level, the ATM S.A.'s net result for the six-month period ended June 30, 2009 would have been PLN 3,929,000 lower, of which PLN 786,000 would be due to financial assets and liabilities denominated in EUR and PLN 1,603 - due to financial assets and liabilities denominated in USD and 1,540,000 due to liabilities denominated in JPY.

The above estimation of the impact of foreign exchange risk on the financial result was calculated basing on symmetrical method, which assumes that increase and decrease in foreign exchange rates results in identical closing amounts. As a consequence, the decrease in exchange rates of the abovementioned currencies by 10% would cause respective increase of net financial result by amount mentioned above.

8. Liquidity risk

The Company has developed an appropriate liquidity risk management system for the purposes of managing short-, medium- and long-term funds of the Company and in order to satisfy liquidity management requirements. The Company manages its liquidity risk by maintaining an appropriate amount of capital reserves, by taking advantage of banking services offered and using reserve credit facilities, by monitoring forecasted and actual cash flows on an ongoing basis and by analyzing the maturity profiles of its financial assets and liabilities.

The Company mitigates credit risk by concluding transactions only with creditworthy undertakings. Before cooperation is initiated, internal preliminary verification procedures are followed. Moreover, since receivable amounts are monitored on an ongoing basis, the Company's exposure to the risk of receivables becoming uncollectible is insignificant. As concerns the Company's other financial assets, including cash, deposits and investments in assets available for sale, the Company's risk is directly related to the other party's inability to pay, and the maximum exposure to this risk equals the balance sheet value of the instrument in question.

The fair value of individual financial instruments did not significantly differ from their book values recorded in the financial statements as at subsequent balance sheet dates.

NOTE 28.
SIGNIFICANT EVENTS IN THE REPORTING PERIOD

The first half of 2009 saw the commencement of transferring operating activities in the area of integrated ICT infrastructure systems from ATM S.A. to ATM Systemy Informatyczne Sp. z o.o. (until May 5, 2009 - Centrum Innowacji ATM Sp. z o.o.), a company owned exclusively by the Issuer. The impact of the abovementioned changes on total income statement of ATM S.A. is presented in the table below.

	ATM S.A. (according to total income statement) 30.06.2009	ATM Systemy Informatyczne Sp. z o.o.* 30.06.2009	Consolidated total income statement** 30.06.2009	ATM S.A. (according to total income statement) 30.06.2008
Sales revenue	79,493	24,956	103,406	72,722
Cost of goods sold (variable)	44,657	18,815	62,429	44,527
Cost of goods sold (fixed)	7,337	0	7,337	7,399

Gross profit (loss) on sales	**27,499**	**6,141**	33,640	**20,796**
Other operating revenue	610	-	610	251
General and administrative costs	17,499	3,608	21,107	21,791
Other operating expenses	190	-	190	74
Operating profit (loss)	**10,420**	**2,533**	12,953	**(818)**
Financial revenue	516	-	516	5,292
Financial expenses	5,363	-	5,363	625
Net financial activity	**(4,847)**	-	(4,847)	**4,667**
Profit (loss) before tax	5,573	2,533	8,106	3,850
Income tax	848	505	1,352	237
Net profit (loss) on continued operations	**4,725**	**2,028**	6,753	**3,613**
Net profit (loss)	**4,725**	**2,028**	6,753	**3,613**
Other total net income	**-**	**-**	-	**-**
Total amount of total income	**4,725**	**2,028**	6,753	**3,613**

*based on ATM Systemy Informatyczne financial statements for 6 months of 2008, not subject to review by a statutory auditor

**consolidation of statements of ATM S.A.'s total income from ATM Systemy Informatyczne Sp. z o.o has been carried out, excluding mutual transactions

NOTE 29.
EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the assumptions presented in the report on the activities in 2008, ATM S.A. Management Board endeavors to adjust the organizational structure of the Group of Companies to the possibility of responding fast to the ongoing changes and direct the activities of the Group so that in spite of the current situation in the markets, generation of certain and regular profits is maximized. As a part of these activities, on July 1, 2009 subsequent areas of ATM S.A.'s activities to date were transferred to its subsidiaries:

- Atmosfera application solutions - to inOne S.A.
- multimedia solutions and services - to ATM Software Sp. z o.o. (formerly Centrum Badawczo-Rozwojowe ATM LAB Sp. z o.o.)

On July 31, ATM S.A. purchased 56,700 shares of its subsidiary, KLK S.A., increasing its share in this company to 89.37%.

SIGNATURES OF MANAGEMENT BOARD MEMBERS:

Name and surname	**Position/title**	**Date**	**Signature**
Roman Szwed	Management Board President	....	....
Tadeusz Czichon	Management Board Vice-President	....	....
Maciej Krzyżanowski	Management Board Vice-President	....	....

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS:

Marzena Kuśnierz	Chief Accountant	....	....

INDEPENDENT STATUTORY AUDITOR REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1, 2009 TO JUNE 30, 2009

To the Shareholders and the Supervisory Board of ATM S.A.

We have reviewed the consolidated financial statements of ATM S.A. Group of Companies, whose parent undertaking is ATM S.A. seated in Warsaw, at Grochowska 21A, which includes:

- consolidated financial situation statement prepared as at June 30, 2009, which states the amount of PLN 357,788,000, as concerns assets and liabilities;
- consolidated total income statement for the period from January 1, 2009 until June 30, 2009, indicating net profits in the amount of PLN 4,051,000 and total income in the amount of PLN 4,051,000;
- statement of changes in consolidated shareholders' equity for the period between January 1, 2009 and June 30, 2009, with a decrease in equity in the amount of PLN 4,191,000;
- consolidated cash flow statement which shows an increase in cash in the period between January 1, 2009 and June 30, 2009 of PLN 1,775,000;
- additional information, including information concerning the adopted accounting policy and explanatory notes.

The Management Board of the parent undertaking of the ATM S.A. Group of Companies is responsible for the reliability, accuracy and clarity of the information provided in the consolidated financial statements. Our task was to review this consolidated financial statements.

The review was conducted according to the Polish law, as well as to the statutory audit standards issued by the National Council of Statutory Auditors. These standards require that we conduct the review in such a way that would give us moderate certainty that the consolidated financial statements do not have significant inconsistencies. The review was conducted in the process of consolidated financial statements data analysis, consolidation documents inspection and by using information obtained from the Management Board and the staff responsible for parent undertaking finances and accountancy. The scope and the methodology of the consolidated financial statements review are substantially different than in the case of a study. The aim of the review is not to express an opinion on the accuracy, reliability and clarity of a consolidated financial statement. For this reason, we have not issued such an opinion.

Similarly to 2008, in the first half of 2009 an exemption from IAS 21 "The Effects of Changes in Foreign Exchange Rates" was adopted regarding the valuation of liabilities due to lease agreements, concluded in foreign currencies. The exemption involved the exchange rate differences from the balance sheet valuation being recognized in the accruals and presented in "Other current assets" in the financial situation statement. We believe that the Group of Companies should recognize exchange rate losses from balance sheet valuation of lease agreement liabilities in financial expenses or revenue for the relevant period. If the Group had recognized exchange rate differences in the manner presented, the value of other current assets as at June 30, 2009 would have been lower by PLN 6,239,000, deferred tax assets would have been higher by PLN 1,185,000, retained profit would have been lower by PLN 5,398,000 and the net result as at June 30, 2009 would have been higher by PLN 344,000.

Apart from the effects resulting from the exemption from IAS 21 "The Effects of Changes in Foreign Exchange Rate" described above, the review did not reveal any need for other substantial changes in the attached consolidated financial statements in order to make it reliably and clearly state the asset and financial situation of ATM S.A. Group of Companies as at June 30, 2009, as well as its financial performance for the period between January 1, 2009 and June 30, 2009, according to the International Financial Reporting Standards as approved by the European Union.

....
Radosław Kuboszek
Statutory Auditor
No. 90029

....
persons representing the entity

....
Entity authorized to perform audit
of the financial statements, entered
in the list of authorized entities
maintained by the National Council
of Statutory Auditors under No. 73

WARSAW, AUGUST 27, 2009

INDEPENDENT STATUTORY AUDITOR REPORT ON THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1, 2009 TO JUNE 30, 2009

To the Shareholders and the Supervisory Board of ATM S.A.

We have reviewed the attached half-year financial statements of ATM S.A. seated in Warsaw, at Grochowska 21A, which include:

- consolidated financial situation statement prepared as at June 30, 2009, which states the amount of PLN 320,899,000, as concerns assets and liabilities;
- consolidated total income statement for the period from January 1, 2009 until June 30, 2009, indicating net profits in the amount of PLN 4,725,000 and total income in the amount of PLN 4,725,000;
- statement of changes in consolidated shareholders' equity for the period between January 1, 2009 and June 30, 2009, with a decrease in equity in the amount of PLN 4,710,000;
- consolidated cash flow statement which shows a decrease in cash in the period between January 1, 2009 and June 30, 2009 of PLN 437,000;
- additional information, including information concerning the adopted accounting policy and explanatory notes.

ATM S.A. Management Board is responsible for the reliability, accuracy and clarity of the information provided in the financial statements. Our task was to review these financial statements.

The review was conducted according to the Polish law, as well as to the statutory audit standards issued by the National Council of Statutory Auditors. These standards require that we conduct the review in such a way that would give us moderate certainty that the financial statements do not have significant inconsistencies. The review was conducted in the process of financial statements data analysis, account books audit and use of information obtained from the management and the staff responsible for Company finances and accountancy. The scope and the methodology of the financial statements review are substantially different from the scope and methodology of a study aimed at expressing an opinion on the financial statements. For this reason, we will not issue such an opinion.

Similarly to 2008, in the first half of 2009 an exemption from IAS 21 "The Effects of Changes in Foreign Exchange Rates" was adopted regarding the valuation of liabilities due to lease agreements, concluded in foreign currencies. The exemption involved the exchange rate differences from the balance sheet valuation being recognized in the accruals and presented in "Other current assets" in the financial situation statement. We believe that the Company should recognize exchange rate losses from balance sheet valuation of lease agreement liabilities in financial expenses or revenue for the relevant period. If the Company had recognized exchange rate differences in the manner presented, the value of other current assets as at June 30, 2009 would have been lower by PLN 6,239,000, deferred tax assets would have been higher by PLN 1,185,000, retained profit would have been lower by PLN 5,398,000 and the net result as at June 30, 2009 would have been higher by PLN 344,000.

Apart from the effects resulting from the exemption from IAS 21 "The Effects of Changes in Foreign Exchange Rate" described above, the review did not reveal any need for other changes in the attached half-year financial statements in order to make it reliably and clearly state the asset and financial situation of ATM S.A. as at June 30, 2009, as well as its financial performance for the period between January 1, 2009 and June 30, 2009, according to the International Financial Reporting Standards as approved by the European Union and applicable to half-year financial reporting.

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Radosław Kuboszek
Statutory Auditor
No. 90029

....
persons representing the entity

....
Entity authorized to perform audit
of the financial statements, entered
in the list of authorized entities
maintained by the National Council
of Statutory Auditors under No. 73

WARSAW, AUGUST 27, 2009