ATM S.A. CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE THIRD QUARTER OF 2013

TABLE OF CONTENTS

KEY INFORMATION REGARDING THE CONSOLIDATED QUARTERLY REPORT

This consolidated quarterly report covers information prepared pursuant to § 86 item 1 and § 87 item 1 of the Regulation of the Minister of Finance of 19 February 2009, and includes consolidated financial statements of the ATM S.A. Capital Group prepared in accordance with the International Financial Reporting Standards, as approved by the European Union.

Submission date: 13 November 2013

Information on the Issuer:

Full name of the Issuer: ATM S.A.
Abbreviated name of the Issuer: ATM
Sector according to the Warsaw Stock Exchange classification: information technology
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NIP (Tax ID No): 113-00-59-989
REGON (Statistical ID No): 012677986

SELECTED CONSOLIDATED FINANCIAL DATA

	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	in PLN thousand		in EUR thousand	
Total sales revenue (excluding the OST 112 contract)	95,875	90,115	22,702	21,482
Sales margin	56,428	53,337	13,362	12,715
EBITDA	33,339	30,492	7,894	7,269
Operating earnings	18,774	16,270	4,445	3,879
Profit before tax	13,734	10,750	3,252	2,563
Net profit for the year from continuing operations	13,091	10,417	3,100	2,483
Net cash from operating activities	26,488	(14,834)	6,272	(3,536)
Net cash from investing activities	(35,698)	(14,232)	(8,453)	(3,392)
Net cash from financing activities	5,542	(24,173)	1,312	(5,763)
Increase (decrease) in cash	(3,667)	(53,239)	(868)	(12,691)
	30/09/2013	31/12/2012	30/09/2013	31/12/2012
Fixed assets	331,795	321,326	78,693	78,598
Current assets	41,624	35,253	9,872	8,624
Total assets	379,522	359,168	90,013	87,855
Long-term liabilities	77,163	77,653	18,301	18,994
Short-term liabilities	64,682	47,501	15,341	11,619
Equity	236,401	231,425	56,068	56,608
Share capital*	34,723	34,723	8,235	8,493
Parent undertaking shareholders' equity	236,401	229,174	56,068	56,057
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.50	6.31	1.54	1.54

*) the share capital was restated in accordance with IAS 29

The above financial data for the third quarter of 2013 and 2012 were converted to EUR in accordance with the following principles:

- Individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 30 September 2013, at PLN/EUR 4.2163;
- Individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of the rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 30 September 2013, at PLN/EUR 4.2231 and between 1 January and 30 September 2012 at PLN/EUR 4.1948.

The financial figures for 2012 were translated into EUR in accordance with the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 December 2012 at PLN/EUR 4.0882;

(all amounts are presented in PLN thousand, unless specified otherwise)

A. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. CAPITAL GROUP FOR THE THIRD QUARTER OF 2013

1. CONDENSED CONSOLIDATED STATEMENT OF INCOME

	For the period 01/01 – 30/09/2013	For the period 01/07 – 30/09/2013	For the period 01/01 – 30/09/2012	For the period 01/07 – 30/09/2012
Continued operations				
Sales revenue*	126,115	42,063	135,957	40,329
of which: revenue excluding the "OST 112" contract	95,875	32,031	90,115	30,143
Cost of sales (variable)	69,687	23,525	82,620	22,525
Sales margin**	**56,428**	**18,538**	**53,337**	**17,804**
Cost of sales (fixed)	16,664	5,856	15,405	5,334
Gross profit (loss) on sales	**39,764**	**12,682**	**37,932**	**12,470**
Other operating revenue	395	36	877	111
Selling costs				
General and administrative costs	19,909	6,301	21,271	6,653
Other operating costs	1,477	387	1,267	208
Restructuring costs				0
Operating profit (loss)	**18,774**	**6,031**	**16,270**	**5,719**
Share in the financial result of undertakings valued using the equity method***	(841)	281	362	567
Financial revenues	592	51	577	51
Financial expenses	4,790	1,563	6,459	2,356
Profit (loss) before tax	**13,734**	**4,799**	**10,750**	**3,981**
Income tax	643	246	333	610
Net profit (loss) on continuing operations	**13,091**	**4,553**	**10,417**	**3,371**
Discontinued operations				
Net profit (loss) on discontinued operations	-1,611	-462	-1,322	-430
Net profit (loss)	**11,480**	**4,091**	**9,094**	**2,941**
Net profit (loss) attributable to the Group's shareholders	11,480	4,091	9,462	3,091
Net profit (loss) attributable to minority shareholders	-	-	(368)	(148)
Profit (loss) per share				
From continuing operations:				
Ordinary	0.36	0.13	0.29	0.10
Diluted	0.36	0.13	0.29	0.10

(all amounts are presented in PLN thousand, unless specified otherwise)

From continued and discontinued operations:				
Ordinary	0.32	0.12	0.25	0.08
Diluted	0.32	0.12	0.25	0.08
EBITDA	33,339	11,194	30,492	10,756

Data for the period of 01/01 – 30/09/2012 has been restated in accordance with § 34 of IFRS 5.

NOTES:
*) Sales revenue includes revenue from sales of telecommunications services provided as part of the implementation of the OST 112 contract. Since the telecommunications part of the contract is implemented by subcontractors, this part of the revenue has a negligible effect on the results of the Company. Revenue in this respect amounted to: PLN 10 033 thousand in the third quarter of 2013 and PLN 10 187 thousand in the third quarter of 2012 as well as PLN 30 240 thousand between the first and the third quarter of 2013 and PLN 45 843 thousand between the first and the third quarter of 2012.

**) The Issuer discloses additionally in relation to the IFRS requirements the "Sales margin" category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services, materials and energy consumption). This category — according to the Issuer's Management Board — is important for the analysis of the Company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which Company's activities are operationally profitable.

***) This item includes the Issuer's share in the financial result of an associated entity, Linx Telecommunications B.V. ATM S.A.'s share in the remaining part of changes in equity of this company is recognised as "Share in other total income of associated entities" of the Condensed Consolidated Statement of Total Income presented below.

2. CONDENSED CONSOLIDATED STATEMENT OF TOTAL INCOME

	For the period 01/01 – 30/09/2013	For the period 01/07 – 30/09/2013	For the period 01/01 – 30/09/2012	For the period 01/07 – 30/09/2012
Net profit (loss)	**11,480**	**4,091**	**9,094**	**2,941**
Other total income that will not be reclassified to profit or loss	**(1,293)**	**64**	**1,036**	**609**
Results of revaluation of fixed assets	-	-	-	-
Actuarial gains or losses	-	-	-	-
Share in other total income of associated entities	(1,293)	64	1,036	609
Income tax related to items that will not be reclassified	-	-	-	-
Other total income that cannot be reclassified to profit or loss	**-**	**-**	**-**	**-**
Revaluation of tangible fixed assets	**-**	**-**	**-**	**-**
Exchange differences on translation of foreign operations	-	-	-	-
Results of valuation of financial assets available for sale	-	-	-	-
Hedge accounting	-	-	-	-
Income tax related to other total income items				
Total revenue	**10,187**	**4,155**	**10,130**	**3,550**

Data for the period of 01/01 – 30/09/2012 has been restated in accordance with § 34 of IFRS 5.

(all amounts are presented in PLN thousand, unless specified otherwise)

3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

	End of period 30/09/2013	End of period 31/12/2012	End of period 30/09/2012
Fixed assets			
Goodwill	-	128	128
Intangible assets	5,343	44,972	44,948
Tangible fixed assets	260,007	207,697	205,845
Investments in associated entities consolidated using the equity method	66,232	68,367	68,721
Other financial assets	-	-	-
Deferred income tax assets	-	-	-
Other fixed assets	213	162	298
	331,795	**321,326**	**319,941**
Current assets			
Inventories	1,630	1,340	1,240
Financial assets held for trading	253	970	1,820
Trade and other receivables	36,017	24,297	50,132
Income tax receivables	607	57	57
Other current assets	-	4,011	5,063
Other financial receivables	2,207		
Cash and cash equivalents	911	4,578	3,358
	41,624	**35,253**	**61,670**
Fixed assets held for sale	6,104	2,589	5,709
Total assets	**379,522**	**359,168**	**387,320**

The value of assets as at 31 December 2012 and 30 September 2012 includes the relevant values from the balance sheet of mPay S.A. in individual items of the statement of financial position.
The value of assets as at 30 September 2013 includes the assets of the ATM S.A. Capital Group after the reclassification of values from the balance sheet of mPay S.A. to assets held for sale.

(all amounts are presented in PLN thousand, unless specified otherwise)

4. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES

	End of period 30/09/2013	End of period 31/12/2012	End of period 30/09/2012
Equity			
Share capital	34,723	34,723	34,723
Supplementary capital from share premium	123,735	123,735	123,734
Revaluation reserve	-	-	-
Treasury shares	-	(1)	(1)
Capital reserves	55,994	52,505	52,505
Hedge valuation reserve and FX gains/losses due to consolidation	-	-	-
Retained earnings	21,950	18,212	19,754
Total Group shareholders' equity	**236,401**	**229,174**	**230,715**
Non-controlling interests	-	2,251	2,346
Total shareholders' equity	**236,401**	**231,425**	**233,060**
Long-term liabilities			
Long-term loans and borrowings	36,054	31,376	33,686
Provisions for deferred tax	795	34	1,141
Provisions for liabilities	-	-	-
Long-term trade and other liabilities	24,730	27,036	30,111
Other financial liabilities	15,585	19,208	27,040
	77,163	**77,654**	**91,978**
Short-term liabilities			
Bank loans and borrowings	28,923	13,852	16,217
Provisions for liabilities	-	-	-
Income tax liabilities	-	2,037	312
Trade and other liabilities	28,270	20,115	34,837
Other financial liabilities	7,489	11,498	9,407
	64,682	**47,502**	**60,772**
Liabilities related directly to fixed assets classified as held for sale	1,277	2,587	1,509
Total liabilities	**379,523**	**359,168**	**387,320**

The value of liabilities as at 31 December 2012 and 30 September 2012 includes the relevant values from the balance sheet of mPay S.A. in individual items of the statement of financial position.
The value of liabilities as at 30 September 2013 includes the liabilities of the ATM S.A. Capital Group after the reclassification of values from the balance sheet of mPay S.A. to liabilities related to assets classified as held for sale.

Data as at 31 December 2012 were corrected in accordance with the description included in the “Additional notes to the condensed consolidated financial statements” in item 9 “Adjustment of errors from previous periods”.

(all amounts are presented in PLN thousand, unless specified otherwise)

5. CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Revaluation reserve	Retained earnings	Total Group shareholders' equity	Non-controlling interests	Total equity
As at 1 January 2013	**34,723**	**123,735**	**(1)**	**52,505**	**-**	**18,212**	**229,174**	**2,251**	**231,425**
Increases:									
Current period results	-	-	-	-	-	11,480	11,480	-	11,480
Share in other total income of associated entities						(1,293)	(1,293)	-	(1,293)
Valuation of management options	-	-	-	-	-	100	100	-	100
Changes to the Group's structure	-	-	-	-	-	604	604	-	604
Profit distribution				3,489			3,489	-	3,489
Decreases:									
Share subscription under the stock option plan		-	(1)	-	-	-	(1)	-	(1)
Changes to the Capital Group's structure	-	-	-	-	-	29	29	2,251	2,280
Profit distribution						3,489	3,489		3,489
Dividend payout						3,634	3,634		3,634
As at 30 September 2013	**34,723**	**123,735**	**-**	**55,994**	**-**	**21,950**	**236,401**	**-**	**236,401**

Data as at 1 January 2013 were corrected in accordance with the description included in the "Additional notes to the condensed consolidated financial statements" in item 9 "Adjustment of errors from previous periods".

(all amounts are presented in PLN thousand, unless specified otherwise)

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Revaluation reserve	Retained earnings	Total Group shareholders' equity	Non-controlling interests	Total equity
As at 1 January 2012	**34,723**	**159,030**	**-**	**40,429**	**-**	**41,589**	**275,771**	**7,319**	**283,090**
Increases:									
Current period results	-	-	-	-	-	13,055	13,055	(463)	12,592
Share subscription under the stock option plan	-	-	-	-	-	445	445	-	445
Profit distribution	-	-	-	16,381	-	-	16,381	-	16,381
Decreases:									
Purchase of treasury shares under the stock option plan	-	-	1	-	-	-	1	-	1
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	16,381	16,381	-	16,381
Changes to the Capital Group's structure (division)	-	35,295	-	4,305	-	20,497	60,097	4,605	64,702
									-
As at 31 December 2012	**34,723**	**123,735**	**(1)**	**52,505**	**-**	**18,212**	**229,174**	**2,251**	**231,425**

Data for the period from 1 January to 31 December 2012 were corrected in accordance with the description included in the "Additional notes to the condensed consolidated financial statements" in item 9 "Adjustment of errors from previous periods".

(all amounts are presented in PLN thousand, unless specified otherwise)

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Revaluation reserve	Retained earnings	Total Group shareholders' equity	Non-controlling interests	Total equity
As at 1 January 2012	**34,723**	**159,030**	**-**	**40,429**	**-**	**41,589**	**275,771**	**7,319**	**283,090**
Current period results									
Share in other total income of associated entities	-	-	-	-	-	1,036	1,036	-	1,036
Repurchase of treasury shares	-	-	-	-	-	9,462	9,462	(368)	9,094
Share subscription under the stock option plan	-	-	-	-	-	343	343	-	343
Valuation of management options	-	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	-	-	-	-
Profit distribution	-	-	-	16,381	-	-	16,381	-	16,381
									-
Decreases:									-
									-
Purchase of treasury shares under the stock option plan	-	-	1	-	-	-	1	-	1
Purchase of shares after the control taking date		-	-	-	-		-	-	-
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	16,381	16,381	-	16,382
Dividend payout	-	-	-	-	-	-	-	-	-
Changes to the Capital Group's structure (division)	-	35,295	-	4,305	-	16,296	55,896	4,605	60,502
As at 30 September 2012	**34,723**	**123,735**	**(1)**	**52,505**	**-**	**19,753**	**230,715**	**2,345**	**233,060**

(all amounts are presented in PLN thousand, unless specified otherwise)

6. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the period 01/01 – 30/09/2013	For the period 01/01 – 30/09/2012
Operating activities		
Profit (loss) before tax	**13,734**	**10,750**
Adjustment by items:	12,754	(25,584)
Share in net loss (profit) of undertakings valued using the equity method	(841)	362
Amortisation and depreciation	14,566	14,222
FX gains/losses	223	1,139
Interest received	(4)	-
Interest paid	4,401	5,362
Dividends received	-	-
(Profit) loss on investing activities	(0)	(5,477)
Changes in inventories	(110)	242
Change in receivables	(11,929)	1,095
Movements in liabilities and provisions	7,975	(38,494)
Changes in other assets	1,426	(628)
Income tax paid	(3,497)	(1,662)
Other	545	(1,745)
	26,488	**(14,834)**
Investing activities		
Expenses on tangible fixed assets purchases	(41,619)	(24,783)
Expenses on financial asset purchases	(1,359)	-
Revenue from sale of tangible fixed assets	6,778	10,528
Repayment of long-term loans	918	-
Loans granted	(416)	-
Revenue from sales of financial assets	-	-
Interest received	-	(1)
Dividends received	-	-
FX gains/losses	(1)	24
Other	-	-
	(35,698)	**(14,232)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	1,022	(3,195)
Proceeds from loans and borrowings	19,695	9,751
Repayment of loans and borrowings	-	-
Purchase of treasury shares	-	(1)
Payment of liabilities arising from finance leases	(6,202)	(5,267)
Dividends paid	(3,634)	-
Interest received	4	-
Interest paid	(4,401)	(5,361)
Other profit-sharing	-	-
FX gains/losses	38	(104)
Other (division adjustment)	(979)	(19,996)
	5,542	**(24,173)**
	,	**,**
Movements in cash	**(3,667)**	**(53,239)**
Opening balance of cash	4,578	56,566
Closing balance of cash	**911**	**3,358**

Data for the period of 01/01 – 30/09/2012 has been restated in accordance with § 34 of IFRS 5.

(all amounts are presented in PLN thousand, unless specified otherwise)

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GROUNDS FOR DRAWING UP THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES (POLICIES)

The interim condensed financial statements for the third quarter ended 30 September 2013 were prepared in accordance with IAS 34 *Interim Financial Reporting in a condensed form* and in compliance with the relevant International Financial Reporting Standards (IFRS) applicable to interim financial reporting, approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), as approved by the European Union and applicable as at 30 September 2013.

Accounting principles (policy) used for preparing the interim condensed financial statements are consistent with those used for preparing the annual consolidated financial statements of the Group for the previous year, except for the changes to standards and new standards and interpretations approved by the European Union applicable for reporting periods beginning on or after 1 January 2013.

In 2013, the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretation Committee and approved for use in the EU, applicable in the activities conducted by the Company and binding during the reporting periods starting from 1 January 2013.

With the exception of IFRS 13 and IAS 1, the adoption of changes to standards has not resulted in changes either in the accounting policies of the Group or in the representation of data in financial statements.

The Group has additionally disclosed “Financial assets at fair value”, in accordance with the requirements of IFRS 13.

The Group changed the manner of presentation of the “Statement of total income” to a two-part version, in accordance with IAS 1, presenting the “Condensed statement of income” and “Condensed statement of total income”. Data for comparable periods were restated.

Interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and they should be read together with annual consolidated financial statements of the Group for 2012, including notes for the period of 12 months ended 31 December 2012, prepared according to IFRS, as approved by the EU.

These condensed interim consolidated financial statements were not subject to examination by an independent statutory auditor. The last consolidated financial statements audited by an independent chartered accountant were the consolidated financial statements for 2012.

These interim condensed consolidated financial statements were drawn up with the assumption of the Company continuing as a going concern in the foreseeable future. As of the date of authorisation of these interim condensed consolidated financial statements, no circumstances are found indicating a threat to the continued operations by the Group.

The duration of the Parent Company is indefinite.

These interim condensed consolidated financial statements, except for the consolidated cash flow statement, were prepared on accrual basis.

In these foregoing interim condensed consolidated financial statements, the significant assumptions made by the Management Board regarding adoption of accounting principles and main uncertainties were the same as those presented in note 2 in the Consolidated Financial Statements for the year 2012.

The functional currency of the Parent Company and presentation currency of the foregoing interim condensed consolidated financial statements is Polish zloty. The data are presented in PLN thousand in the consolidated financial statements, unless stated differently.

(all amounts are presented in PLN thousand, unless specified otherwise)

The interim condensed consolidated financial statements present the financial position of the ATM S.A. Capital Group as at 30 September 2013 and 31 December 2012, as well as results of its operations in the period of 9 and 3 months ended 30 September 2013 and 30 September 2012.

2. INVENTORIES REVALUATION WRITE-DOWNS REDUCING THE VALUE TO NET REALISABLE VALUE

By 30 September 2013, the Company made revaluation write-downs amounting to PLN 158 thousand.

3. REVALUATION WRITE-DOWNS FOR FIXED ASSETS

The Company did not make any revaluation write-downs for fixed assets by 30 September 2013.

4. MAKING, INCREASING, IMPLEMENTING AND DISSOLVING PROVISIONS

The Company did not make any provisions.

5. DEFERRED INCOME TAX ASSETS AND PROVISIONS

	Statement of financial position		Total income statement	
	End of period 30/09/2013	End of period 31/12/2012	For the period 01/01 – 30/09/2013	For the period 01/01 – 31/12/2012
Deferred tax provision				
Difference between the balance sheet and tax value of wnip-dot	-	-	-	-
Difference between the balance sheet and tax value of leased fixed assets	-	-	-	-
Difference between the balance sheet and tax value of tangible fixed assets	2,548	2,435	113	(673)
Recognized service revenue	861	-	861	(388)
Receivable compensation	-	-	-	-
Accrued interest	4	110	(106)	63
Valuation of financial instruments	-	-	-	-
Subsidies received — settlement	7	-	7	(2)
FX gains	-	-	-	-
Provisions for deferred tax acquired as a result of mergers	-	-	-	-
Gross deferred tax provision	**3,420**	**2,545**	**875**	**(1,000)**
Deferred tax assets				
Valuation of financial instruments	-	-	-	-
Difference between the balance sheet and tax value of tangible fixed assets	-	-	-	-
Deferred payment revenue	-	2	2	15
Revenue settled over time	-	-	-	-
Inventory write-downs	183	155	(28)	(6)
Receivable write-downs	127	238	111	(160)
Write-downs on financial assets	1,754	-	(1,754)	-
Provisions for service expenses	331	298	(33)	(275)
Provisions for employee benefits	-	-	-	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Negative exchange differences	-	-	-	-
Liabilities to the Social Insurance Institution (ZUS)	-	-	-	-
Liabilities to employees	-	-	-	-
Deferred income/expenses	-	181	181	(181)
Subsidies received	-	5	5	(5)
Effects of IRS valuation	230	319	89	(319)
Recognized interest	-	285	285	(285)
Tax loss for settlement	-	-	-	-
Deferred tax assets acquired through mergers	-	-	-	-
Gross deferred tax assets	**2,625**	**1,483**	**(1,142)**	**(1,216)**
Net tax assets (tax provision)	**(795)**	**(1,062)**		
Deferred income tax charge against profit			**(267)**	**(2,216)**

6. SIGNIFICANT TANGIBLE FIXED ASSET SALES AND ACQUISITIONS

The Company did not carry out any significant one-time transactions concerning fixed assets. In the period covered by the financial statements, investment expenditure totalled PLN 38,324 thousand.

In connection with the conversion of perpetual usufruct of land into the ownership of land (according to the request submitted by the Company to the Office for the Capital City of Warsaw), a reclassification was carried out of PLN 33,784 thousand between “Intangible assets” and “Tangible fixed assets” in the “Statement of financial position”.

7. SIGNIFICANT LIABILITIES FOR ACQUISITION OF TANGIBLE FIXED ASSETS

There were no significant liabilities for tangible fixed assets purchases.

8. SIGNIFICANT SETTLEMENTS ARISING FROM COURT CASES

There were no significant settlements arising from court cases.

9. ADJUSTMENT OF ERRORS FROM PREVIOUS PERIODS

The entity adjusted a prior year error resulting from an omission in the recognition of a consolidation adjustment. In the “Consolidated statement of financial position” for 2012, the entity recognised an adjustment of accumulated previous years' losses from discontinued operations in the amount of PLN 4,200 thousand in the item “Liabilities related directly to fixed assets classified as held for sale” instead of “Retained earnings”.

As a result of a retrospective restatement of data the following items have changed:

	End of period 31/12/2012 before the adjustment	End of period 31/12/2012 after the adjustment
Equity		
Retained earnings	22,412	18,212

(all amounts are presented in PLN thousand, unless specified otherwise)

Total Group shareholders' equity	**233,374**	**229,174**
Total shareholders' equity	**235,625**	**231,425**
Liabilities related directly to fixed assets classified as held for sale	(1,613)	2,587
Total liabilities	**359,168**	**359,168**

The adjustment did not affect the value of "Total liabilities" and did not apply to the result of the current period.

10. Changes of economic situation, as well as business environment, which significantly influence the parent entity's financial assets and liabilities fair value

There were no changes in economic situation that could have had a significant influence on the financial assets and liabilities fair value.

11. Bank loans and lease liabilities

Bank loans include:

1. Investment loan for the period of 5 years (2012–2017) of PLN 32,060 million, secured by mortgage on real estate, where the Issuer develops data centers,
2. Investment loan for the period of 5 years (2013–2019) of PLN 3,662 million, secured by pledge on capital expenditure,
3. overdraft facility, which revolves annually, with a total limit of up to PLN 35.0 million, used as at the balance-sheet date up to the amount of PLN 23 885.

The loans include a liability towards a financial institution issued to refinance capital expenditures to be repaid between 2013 and 2016 with a value of PLN 5,369 million as at 30 September 2013.

Other financial liabilities include finance lease agreement of the net total value of liabilities amounting to PLN 23,069 million as at the balance sheet date. The lease agreements are concluded in order to refinance investment expenditures, and they are usually entered into for the period of 5 years. Liabilities arising from lease agreements are at a stable level due to the fact that expired agreements are substituted with new agreements.

12. Failure to pay off a loan or a borrowing

There was no breach of bank loan or borrowing contract, and there was no failure to pay off the loan or borrowing.

13. Financial assets at fair value

As at 30 September 2013, the Group held financial instruments carried at fair value in the statement of financial position. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities
Level 2 — other techniques for which all inputs which have a significant effect on the recognised fair value are included, either directly or indirectly

(all amounts are presented in PLN thousand, unless specified otherwise)

Level 3 — techniques which use inputs that have a significant effect on the recognised fair value that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

	30/09/2013		31/12/2012	
FINANCIAL INSTRUMENTS	**carrying value**	**fair value**	**carrying value**	**fair value**
Financial assets at fair value through profit or loss;	-	-	-	-
Financial assets held to maturity	-	-	-	-
Financial assets available for sale (at fair value)	-	-	-	-
Loans granted and own receivables	-	-	-	-
Financial liabilities at fair value through profit or loss	1,678	1,207	-	1,678
Other financial liabilities	-	-	-	-

FAIR VALUE HIERARCHY

Financial liabilities at fair value through profit or loss	**fair value hierarchy level**	**30.09.2013**
Derivative financial instruments — IRS contract hedging the interest rate risk in respect of the investment loan	level 2	1,207
Total		1,207

The valuation of the IRS contract hedging the interest rate risk in respect of the investment loan was made based on information obtained from Bank Zachodni WBK S.A. (prepared using parameters that were considered optimal by the Bank).

During the period ended 30 September 2013, no transfers took place between Level 1 and Level 2 of the fair value hierarchy and no instruments were transferred to/from Level 3 of the fair value hierarchy.

14. CHANGES IN THE CLASSIFICATION OF FINANCIAL ASSETS DUE TO A CHANGE OF THEIR PURPOSE OR USE

As a result of a decision made by the Management Board of ATM S.A. to classify the shares in mPay S.A. held by the Issuer as held for sale, the Entity reclassified the financial asset constituting shares in a subsidiary, mPay S.A., to an asset held for sale. As a result, the Entity valued the asset to fair value, based on the share price quoted on the NewConnect market on 30 September 2013, in the amount of PLN 6,868 thousand, recognising that the write-down is an impairment of the asset (the value of impairment write-down was PLN 9,230 thousand).

(all amounts are presented in PLN thousand, unless specified otherwise)

15. SEASONALITY OF OPERATIONS

Revenue from sales is stable, recurrent and relatively resistant to the business cycle, owing to the predominant subscription nature of the contracts. This revenue is not seasonal but grows steadily from quarter to quarter. A periodic rise in revenues may be due to a greater share of revenue from sources other than subscription services relating to providing the clients with new telecommunications lines and collocation space. Such an increase in revenue occurred in the fourth quarter of 2012.

The irregular volatility in revenue also occurred in the first quarter of 2012, due to the delivery of telecommunications lines within the OST 112 project. Between the first and the third quarter of 2013, revenue in this respect amounted to PLN 30,240 thousand, whereas between the first and the third quarter of 2012 it amounted to PLN 45,843. However, this part of revenue has no significant impact on the margin and sales profit.

16. ISSUE, REDEMPTION AND REPAYMENT OF NON-SHARE SECURITIES AND EQUITIES

The Company did not make the aforementioned transactions.

17. DIVIDENDS PAID AND DECLARED

On 12 June 2013, the Ordinary General Meeting of the Company adopted a resolution allocating a part of profit, i.e. PLN 3,634,334.40 to the payment of dividend, corresponding to PLN 0.10 per share. The number of shares eligible for the payment of dividend is 36,343,344. The dividend date was set at 19 June 2013, and the dividend payment date — at 3 July 2013.

In the Current Report No 25/2012 of 25 April 2012, the Management Board of ATM announced the suspension of payment of dividends by the Company due to the planned extensive investments concerning the expansion of data centres until 2015. However, because of the Company’s very good financial standing, the Management Board is of the opinion that the Company is now able to pay a small dividend, without limiting the ambitious investment plans.

18. CHANGES IN THE COMPANY STRUCTURE

On 3 September 2013, the District Court for Warszawa Praga – Północ in Warsaw, 9th Commercial Division, issued a decision on the closure of bankruptcy proceedings as regards mPay International Sp. z o.o. with its registered office in Warsaw. According to justifications of the aforementioned Court, in the course of bankruptcy proceedings, the entire bankruptcy estate was identified and liquidated Bankruptcy of mPay International does not have any impact on the functioning of mPay S.A.

19. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	End of period 30/09/2013	End of period 31/12/2012
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	58,747	49,423
2.1 to other undertakings, of which:	58,747	49,423
- guarantees, sureties granted	6,567	7,423
- mortgage collateral	42,000	42,000
- collateral pledge	10,180	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Since the end of the fiscal year 2012, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have decreased by PLN 856 thousand because of:

- expiry of guarantees of PLN 1,353 thousand
- granting of guarantees of PLN 497 thousand

b) security in the form of mortgage has remained unchanged

c) security in the form of pledge has increased by PLN 10,180 thousand

20. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

At the end of the third quarter of 2013, as at 11 June 2013, agreements were signed with investors on the sale of all mPay S.A. shares held by the Issuer. Information on the Issuer's intention to sell the shares of mPay S.A. was included in the previous periodic reports. The agreement ends the process of seeking a buyer for these shares.

Conclusion of the transaction as a result of signed agreements is expected during the few days following the publication of these financial statements. If transactions under the terms of these agreements will be implemented, the estimated loss on the sale of mPay S.A. shares, which will be reflected in the Issuer's financial statements for the fourth quarter of this year, will amount to approx. PLN 5.0 million at the individual level, and to approx. PLN 3.4 million at the consolidated level.

Upon the conclusion of this transaction, the Issuer will eventually quit business activities related to mobile payments, which were carried out in the ATM Capital Group since 2006 by mPay International Sp. z o.o. and mPay S.A. — the subsidiaries of the Issuer.

21. SEGMENTS OF OPERATION

As a consequence of the decision of the Issuer's Management Board described above to sell the shares in mPay S.A. and present the results of this company in the consolidated statements as "discontinued operations", the only segment of operations of the ATM S.A. Capital Group is the activity within the telecommunications area. This activity, pursued by ATM S.A. and an associated company, Linx Telecommunications B.V., is characterised by steadily and regularly increasing revenue and profits in subsequent reporting periods.

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

	Continued operations			**Discontinued operations**
For the period 01/01 – 30/09/2013	Telecommunications	Consolidating exclusions	Total	mPay S.A.
Fixed assets	329,050	2,745	331,795	5,270
Sales revenue	126,115	-	126,115	1,399
of which: revenue excluding the "OST 112" contract	95,875	-	95,875	1,399
Sales margin*	**56,428**	-	**56,428**	**750**
Operating profit (loss)	**18,538**	**236**	**18,774**	**-1,493**
Profit (loss) before tax	13,499	236	13,734	**-1,486**
Net profit (loss) on continuing operations	**12,856**	**236**	**13,091**	-1,486
EBITDA	33,103	236	33,339	(390)

(all amounts are presented in PLN thousand, unless specified otherwise)

Continued operations				Discontinued operations	
For the period 01/01 – 30/09/2012	**Telecommunications**	**Consolidating exclusions**	**Total**	**mPay S.A.**	**mPay International**
Fixed assets	309,745	10,196	319,941	5,982	5,709
Sales revenue	135,957	(0)	135,957	1,836	-
of which: revenue excluding the OST 112 contract	90,115	0	90,115	1,836	-
Sales margin*	**53,337**	**(0)**	**53,337**	1,115	-
Operating profit (loss)	**16,208**	**62**	**16,270**	(1,088)	(1,843)
Profit (loss) before tax	10,691	59	10,750	(1,071)	(6,563)
Net profit (loss) on continuing operations	**10,358**	**59**	10,417	(1,071)	(6,965)
EBITDA	30,430	62	30,492	87	(1,843)

Data for the period of 01/01 – 30/09/2012 has been restated in accordance with § 34 of IFRS 5.

NOTES:

*) The Issuer discloses additionally in relation to the IFRS requirements the "Sales margin" category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services, materials and energy consumption). This category — according to the Issuer's Management Board — is important for the analysis of the Company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which Company's activities are operationally profitable.

Sales revenues broken down into geographical distribution are as follows:

	For the period 01/01 – 30/09/2013	**For the period 01/07 – 30/09/2013**	**For the period 01/01 – 30/09/2012**	**For the period 01/07 – 30/09/2012**
Country	122,714	40,904	132,401	39,177
Export	3,401	1,159	3,556	1,152
Total sales revenue	**126,115**	**42,063**	**135,957**	**40,329**

The criterion used for the above data on the geographical structure of revenue to classify a given service as "exports" is only the registered address of the client's head office. The Issuer's business practice often shows a situation in which the actual recipient of the service is an entity registered outside Poland, but the agreement is formally signed on its behalf by a company having its registered seat in Poland.

22. PRESENTATION OF DISCONTINUED OPERATIONS

The Issuer presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

In addition, the loss of PLN 186 thousand resulting from the final settlement of the accepted claims of ATM S.A. in the bankruptcy proceedings of mPay International Sp. z o.o. was presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 30 September 2013, if mPay International had been sold as of that date, the following amounts would have been subject to discontinuance:

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF INCOME OF DISCONTINUED OPERATIONS

	For the period 01/01 – 30/09/2013
Continued operations	1,399
Sales revenue	649
Cost of sales (variable)	
Sales margin	**750**
Cost of sales (fixed)	0
Gross profit (loss) on sales	**750**
Other operating revenue	237
Selling costs	
General and administrative costs	2,480
Other operating costs	
Restructuring costs	
Operating profit (loss)	**-1,493**
	0
Share in the financial result of undertakings valued using the equity method	
Financial revenues	12
Financial expenses	5
Profit (loss) before tax	**-1,486**
	0
Income tax	0
Net profit (loss) on continuing operations	
Discontinued operations	
Net profit (loss) on discontinued operations	
	-
Net profit (loss)	**-1,486**
Net profit (loss) attributable to the Group's shareholders	-1,425
Net profit (loss) attributable to minority shareholders	-62

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS

	For the period 01/01 – 30/09/2013
Net profit (loss)	**(1 486)**
Other total income that will not be reclassified to profit or loss	**-**
Results of revaluation of fixed assets	-
Actuarial gains or losses	-
Share in other total income of associated entities	-
Income tax related to items that will not be reclassified	-
Other total income that cannot be reclassified to profit or loss	**-**
Revaluation of tangible fixed assets	-
Exchange differences on translation of foreign operations	-
Results of valuation of financial assets available for sale	-
Hedge accounting	
Income tax related to other total income items	
Total revenue	**(1,486)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — ASSETS

	End of period 30/09/2013
Fixed assets	
Goodwill	-
Intangible assets	4,137
Tangible fixed assets	75
Investments in associated entities consolidated using the equity method	-
Other financial assets	0
Deferred income tax assets	1,025
Other fixed assets	33
	5,270
Current assets	
Inventories	8
Financial assets held for trading	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Trade and other receivables	133
Income tax receivables	-
Other current assets	126
Other financial receivables	-
Cash and cash equivalents	494
	761
Fixed assets held for sale	-
Total assets	**6,031**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — LIABILITIES

	End of period 31/03/2013
Equity	
Share capital	6,720
Supplementary capital from share premium	-
Revaluation reserve	-
Treasury shares	-
Capital reserves	-
Hedge valuation reserve and FX gains/losses due to consolidation	-
Retained earnings	-1,681
Total Group shareholders' equity	**5,039**
Non-controlling interests	-
Total shareholders' equity	**5,039**
Long-term liabilities	
Long-term loans and borrowings	-
Provisions for deferred tax	-
Provisions for liabilities	-
Long-term trade and other liabilities	-
Other financial liabilities	33
	33
Short-term liabilities	
Bank and other loans	-
Provisions for liabilities	-
Income tax liabilities	-
Trade and other liabilities	959
Other financial liabilities	-
	959
Liabilities related directly to fixed assets classified as held for sale	-
Total liabilities	**6,031**

(all amounts are presented in PLN thousand, unless specified otherwise)

B. OTHER INFORMATION REGARDING THE CONSOLIDATED QUARTERLY REPORT

(REQUIRED BY THE REGULATION OF THE MINISTER OF FINANCE ON THE CURRENT AND PERIODICAL INFORMATION SUBMITTED BY ISSUERS OF SECURITIES)

1. INFORMATION ABOUT THE CAPITAL GROUP

DETAILS OF THE PARENT ENTITY

ATM S.A., being the parent company of the ATM S.A. Capital Group, is a joint-stock company. The Company launched its operation in 1994 as ATM Sp. z o.o. (limited liability company). On 10 July 1997, ATM Sp. z o.o. was transformed into a joint-stock company pursuant to a notarial deed drawn up in the Notarial Office in Raszyn on 16 May 1997 (Repertory No 3243/97).

The registered office of the Company is located in Warsaw at ul. Grochowska 21a. The Company is 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 the National Court Register (KRS) No 0000034947.

On 25 April 2012, the National Court Register registered a division of the Company by separation of an organised part of the enterprise relating to the integrating part of the Issuer's operations (provision of ICT systems) and its acquisition by ATM Systemy Informatyczne S.A. (currently: Atende S.A.), which is also listed on the Warsaw Stock Exchange. As a result of the division, ATM S.A. shareholders additionally received one share of ATM Systemy Informatyczne S.A. for each share of ATM S.A. The division of ATM did not result in a decrease in the share capital.

ATM S.A. has been listed on the Warsaw Stock Exchange since 2004. According to the Warsaw Stock Exchange classification, the core business of the Issuer concerns the IT sector.

The Company is managed by the Management Board comprising two members. Its composition as at the date of submission of this report is as follows:

- Maciej Krzyżanowski — President of the Management Board
- Tadeusz Czichon — Vice-President of the Management Board

In the period from early 2013 to the date of these financial statements, no changes occurred in the composition of the Management Board.

Currently, the Company is supervised by a Supervisory Board comprising the following five members:

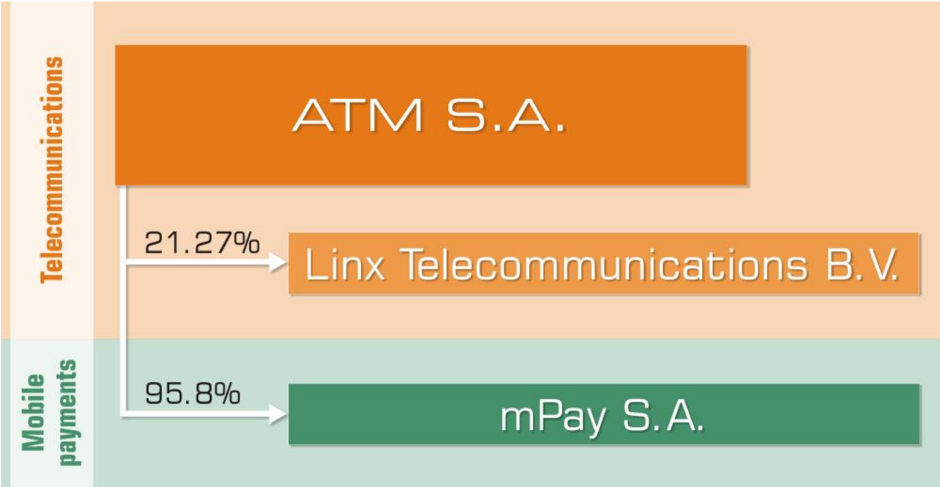
- Sławomir Kamiński — Chairman of the Supervisory Board
- Tomasz Tuchołka — Vice-Chairman of the Supervisory Board
- Grzegorz Domagała — Member of the Supervisory Board
- Mirosław Panek — Member of the Supervisory Board
- Marcin Wysocki — Member of the Supervisory Board

On 8 March 2013, Roman Szwed resigned from serving on the Company's Supervisory Board, and on 8 April 2013, the Extraordinary General Meeting of the Company's Shareholders appointed Marcin Wysocki to the Supervisory Board.

(all amounts are presented in PLN thousand, unless specified otherwise)

DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP WITH THE LIST OF CONSOLIDATED COMPANIES

As at 30 September 2013, the ATM S.A. Capital Group included the following entities:



The results of Linx Telecommunications B.V., as an associated company, are not consolidated at the operating level — the consolidation is carried out using the equity method.

The results of mPay S.A. are presented — as of the report for the first half of 2013 — as a discontinued activity, due to the decision taken by Issuer's Management Board that the shares held by ATM in mPay S.A. should be sold and that the ATM S.A. Capital Group would definitely withdraw from operations in the area of mobile payments.

On 3 September 2013, bankruptcy proceedings regarding mPay International Sp. z o.o. in which ATM held 60% stake came to an end — the Issuer announced the fact in the current report no. 30/2013. The company did not conduct any operating activities, and its shares in mPay S.A. were acquired by the Issuer. Since 2012, the company has been recognised in the financial statements of ATM as discontinued operations.

INFORMATION ON SHAREHOLDERS HAVING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE PARENT ENTITY'S GENERAL MEETING AS OF THE DATE OF SUBMISSION OF THE QUARTERLY REPORT AND INDICATION OF CHANGES IN THE OWNERSHIP STRUCTURE OF LARGE BLOCKS OF SHARES OF THE ISSUER IN THE PERIOD FROM THE SUBMISSION OF THE PREVIOUS PERIODIC REPORT

The table below presents data on shareholders holding at least 5% of the total number of shares at the general meeting of the Issuer:

Shareholder	Number of shares held	Interest in share capital	Number of votes at the General Meeting	Share in the overall number of votes
ATP Invest Sp. z o.o. S.K.A.*	9,109,654	25.07%	9,109,654	25.07%
ING OFE **	3,535,569	9.73%	3,535,569	9.73%
PKO BP Bankowy OFE ***	2,766,704	7.61%	2,766,704	7.61%
Piotr Puteczny****	2,243,066	6.17%	2,243,066	6.17%
Altus TFI*****	1,828,065	5.03%	1,828,065	5.03%

(all amounts are presented in PLN thousand, unless specified otherwise)

**) an entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*
***) number of shares as at 30 December 2012 based on the "Annual asset structure"*
****) number of shares pursuant to a notification received on 23 July 2013*
***** jointly with his spouse*
******) number of shares pursuant to a notification received on 17 December 2012*

Shareholder	Number of shares in accordance with the previous interim report	Number of shares in accordance with the current interim report	Change in the number of shares and number of votes
ATP Invest Sp. z o.o. S.K.A.*	9,099,654	9,109,654	10,000
ING OFE**	3,535,569	3,535,569	0
PKO BP Bankowy OFE***	2,766,704	2,766,704	0
Piotr Puteczny****	2,243,066	2,243,066	0
Altus TFI*****	1,828,065	1,828,065	0

The number of shares is equal to the number of votes at the General Meeting.

**) an entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*
***) number of shares as at 30 December 2012 based on the "Annual asset structure"*
****) on 19 July 2013, the liquidation of POLSAT OFE was completed and its assets were taken over by PKO BP Bankowy OFE (of which the Issuer informed in Current Report no 27/2013)*
***** jointly with his spouse*
******) number of shares pursuant to a notification received on 17 December 2012*

SUMMARY OF CHANGES IN THE NUMBER OF PARENT ENTITY'S SHARES OR STOCK OPTIONS HELD BY THE PARENT ENTITY'S MANAGERS AND SUPERVISORS, IN ACCORDANCE WITH THE INFORMATION AVAILABLE TO THE PARENT ENTITY, SINCE THE SUBMISSION OF THE PREVIOUS PERIODIC REPORT

A summary of changes in the ownership of Issuer's shares by the Issuer's managers and supervisors since the submission of the previous periodic report is presented in the table below:

Name and surname	As at 30 August 2013	Increases	Decreases	As at 13 November 2013
ATP Invest Sp. z o.o. S.K.A.*	9,099,654	10,000		9,109,654
Maciej Krzyżanowski	58,608			58,608
Anna Bugajska	56,000			56,000

**) an entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*

PURCHASE OF TREASURY SHARES

The Issuer did not purchase treasury shares in the reporting period.

(all amounts are presented in PLN thousand, unless specified otherwise)

2. DESCRIPTION OF THE CAPITAL GROUP'S ACHIEVEMENTS AND DEVELOPMENT PROSPECTS

DESCRIPTION OF THE CAPITAL GROUP'S SIGNIFICANT ACHIEVEMENTS OR FAILURES DURING THE REPORTING PERIOD

Financial and operational results

In the third quarter of 2013, the Issuer recorded a slightly lower growth rate compared to that achieved in the first half of this year. However, despite the high base (good results in the same period of 2012), all major items of the statement of total income were significantly improved compared to the third quarter of 2012. As a result, growth dynamics of basic results achieved by the Company in the period from the beginning of the year (compared to the period between the first and the third quarter of 2012) should be assessed as satisfactory. Such a situation was largely influenced by continuous rapid growth in revenues from collocation activities which particularly included subscription revenue. Throughout the Issuer's activity, subscription revenue accounted for 90% of all revenues in the period from the first to the third quarter of 2013. Thorough discussion of the impact of different product categories on the results of ATM is available in the next section of this chapter.

Apart from the sales revenue under the OST 112 contract (PLN 30.2 million between the first and the third quarter of 2013 compared to PLN 45.8 million between the first and the third quarter of 2012 without significant impact on ATM's profit), the Company has earned a revenue of approx. PLN 95.9 million (+6.5% increase y/y) and a sales margin of PLN 56.4 million (+6% increase y/y) cumulatively after three quarters of the current year.

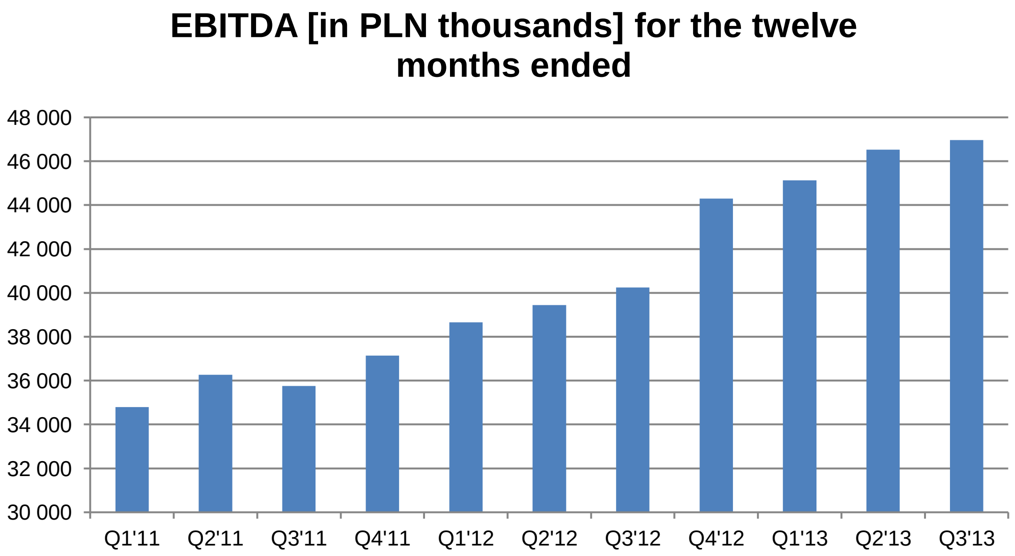
Fixed costs (sum of items: fixed cost of sales and administrative costs) in the first three quarters of this year were maintained at a similar level y/y, thus increasing EBIT and EBITDA by 15% y/y and 9.5% y/y respectively.

Lower by 9% y/y loss on financial operations eventually caused – on a consolidated basis — that in the first three quarters of 2013, ATM recorded gross profit of PLN 13.7 million (+28% y/y) and net profit on ongoing operations in the amount of PLN 13.1 million (+26% y/y).

The above figures include the change in the classification of results of mPay S.A. made by the Issuer's Management Board as of the previous reporting period. mPay S.A.'s operations are currently disclosed under "discontinued operations" — see note "Presentation of discontinued operations" above. As a consequence, all continuing operations are carried out only by the parent company of the Capital Group, and therefore most items in the consolidated statement of total income (to the item "Operating profit") are similar to the corresponding items in the separate statement of total income of the Issuer. The presentation of results of mPay S.A. as a discontinued operation is connected with the decision taken by Issuer's Management Board that the shares held by ATM in mPay S.A. should be sold and that the ATM S.A. Capital Group would definitely withdraw from operations in the area of mobile payments.

It is worth noting that the Issuer marks systematic and consistent increase in total sales revenue (excluding revenue under the OST 112 contract), calculated cumulatively for the last four quarters. By maintaining stable, high levels of profitability, growing revenues translate into increases in other categories of results achieved by ATM. The following graph illustrates annual EBITDA achieved by the Company during the four quarters:

(all amounts are presented in PLN thousand, unless specified otherwise)



Results in the individual product categories

The Issuer generates sales revenue in the three main categories of services:

- Data center services (collocation) — provided in respect of appropriately equipped space and ICT equipment owned by the customer (e.g. servers) together with guaranteed power supply and the necessary telecommunication connections. In addition, this category includes revenue from the lease of dedicated servers.
- Data transmission and fiber optic services — provided on the basis of the available fiber optic broadband data transmission services and leased telecommunication lines.
- Internet access services — mass access to the Internet for telecommunications providers, Internet and Application Service Providers (ISP/ASP) and corporate customers.

The largest growth in the third quarter of 2013 was recorded for revenue from data center services, which increased by 20.5% y/y. This caused exceeding the amount of PLN 15 million of quarterly revenue. Higher growth rate than in the previous quarters of this year was mainly due to above-average pace of commercialization of collocation space in the second quarter of this year, the effects of which — in the form of recorded sales of services — became fully visible in the third quarter of this year. The amount quoted above of approx. PLN 15 million was composed of subscription revenue in more than 98%, which accounted for over 62.5% share of the sales margin from collocation services in the Company's total subscription margin (compared to 56% in the third quarter of 2012, excluding revenues from OST 112 contracts). Cumulatively, after the three quarters of 2013, ATM S.A. generated revenue from data center services of more than PLN 42.5 million, thereby realizing almost 86% of revenues from collocation services realized in the whole 2012. For many quarters, the Issuer maintains a very stable structure of public sector collocation services — approx. 60% of revenue from data center services is still jointly generated by entities from the telecommunications and financial sector. Revenue from the lease of dedicated servers offered under the brand ATMAN EcoSerwer is also very important. This group of revenues continues to increase its share in the total revenues of the Issuer.

Revenue from the sales of data transmission in the third quarter of this year decreased by 4% y/y (to PLN 11.1 million), which is mainly due to a delay in the substantial revenues from a large contract based on fiber optic infrastructure of the Issuer (as a result of delays in approvals of works on the part of the customer). ATM is intensively working on signing the following major contracts based on owned telecommunications assets. Cumulatively, in the period from the first to the third quarter of 2013, the Company generated revenues from data transmission 8% higher than those achieved in the same period of 2012, amounting to more than PLN 35.5 million.

In terms of the Internet access, the Issuer, in accordance with market trends, notes further declines in revenues. In the third quarter of this year, these revenues amounted to PLN 4.5 million (decrease by approx. 10% y/y) – it should be noted here that the rate of decreases is slower from quarter to quarter (-4% for Q4/Q3 2012 to -1% for Q3/Q2 2013). Reasons for this positive phenomenon should be seen in the consistently increasing interest in the ATM offer of smaller entities, which enable more effective mitigation of the negative effect of termination of contracts with larger customers. The share of margin on sales of the Internet access services in the total subscription margin of the Company reached only 12% in the third quarter of 2013 (compared to 15% in the corresponding period of 2012). In the case of the Internet access services, over 99% of revenues are subscription revenue.

Highlights

This year, the Issuer significantly expanded cooperation with representatives of the following sectors:

- IT integrators

  The Company continues to vigorously develop cooperation with IT integrators, deriving sizeable benefits from the transfer of integrator services to an independent entity in 2012. In line with the current market trends, the transfer of systems and applications to cloud computing generates an increased demand for data centres, as well as for highly available, high-speed transmission lines. For the system and application integrators who provide services in cloud computing, and for other companies operating on the IT market, IT ATM – as an experienced operator with a vast own ICT infrastructure – is an attractive business partner. This year, ATM's offer dedicated to integrators was embraced by numerous Polish IT companies, which is confirmed by new contracts concluded with the existing customers, such as: 4sync Solutions, S&T Services Polska, Software Mind and Altacom. Additional services have also been ordered by entities operating on the European market, NextiraOne Polska and Capgemini Polska. ATM's new customers include: MCX Serwis, the French Wister and the Polish branch of Affecto, an integrator focused on the northern European market.

- Private medical institutions

  Excellent matching of ATM's infrastructure and offer to the telecommunication needs of healthcare industry companies was appreciated this year by further entities in this sector, such as Promedica Care Sp. z o.o. and Centrum Medyczne ENEL-MED.

- Financial and insurance institutions

  High level of safety of the systems at ATM's collocation facilities was also appreciated by the financial and insurance industry — the most demanding industry when it comes to reliability and security of data centre services. For many years now, the Company has been recommended by major banks and financial institutions. This year, the group was also joined by ICP Polska — Europe's largest consumer payments acceptance network and the Polish branch of a French provider of financial services to retail chains. The financial clients who have extended the collocation and broadband services provided to them by the Issuer included also X-Trade Brokers and Open Finance TFI, as well as companies from the major banking groups operating in Poland.

The concluded contracts are mostly long-term contracts, which guarantees stable revenues for the Issuer in subsequent periods.

An important event in the third quarter of 2013 was the beginning of ATM cooperation with one of the leading Russian core network operators — RETN. The companies are collaborating in the field of commercial collocation services, data transmission and exchange of IP traffic. In addition, RETN provided to ATM direct connection to the largest traffic exchange node in Moscow and launched a new, inter-operator network in the Thinx Poland Data Center in Warsaw owned by the Issuer. Operations described above constitute another step of the Company in the direction of business development in Eastern Europe. The agreement with RETN enhanced ATM's prospects in respect of the acquisition of new customers in the Russian market and providing them with first-class collocation services through the Issuer's three modern data centres in Poland, as well as services in the ATMAN fibre-optic network, which includes metropolitan networks in eight major Polish cities. The cooperation is also beneficial for the Company's customers from Western Europe, as they will gain even better communication with the East.

Earlier, in the report for the first half of 2013, ATM announced the signing of a partnership agreement on the services of ATMAN EcoSerwer with Host Park Group — an Ukrainian provider of collocation and hosting services.

The Issuer observes a growing interest in its services from customers domiciled outside of Poland, which particularly applies to the offer of data centers. The Issuer records a steady increase in the number of foreign requests for proposals, resulting both from the ATM's advantage over foreign competitors in terms of service price/quality relation, as well as from the increasing scale of marketing activities aimed at foreign markets.

Evidence of the recognition of the quality of ATM solutions with regard to data centers was the nomination for the "Best Data Center" award in the third quarter of 2013 in the competition Capacity Global Carrier Award 2013 organized by the British Capacity Magazine. The competition involves the largest global players in the telecommunications market, and this year's nominees include: Deutsche Telekom, Level 3, Colt or Interoute. Assessment of applications is performed by an international jury composed of analysts and experts in the telecommunications market, who verify the accuracy of data and the accuracy and relevance of arguments contained in the applications. Announcement of winners of the competition and award ceremony will be held during the official ceremony organized on 19 November 2013.

DESCRIPTION OF ATYPICAL FACTORS AND EVENTS WHICH MATERIALLY AFFECT FINANCIAL RESULTS ACHIEVED

An important atypical factor affecting the financial results generated in the three quarters of 2013 is the decision of the Issuer's Management Board, discussed above, to classify the shares in mPay S.A. held by ATM as shares held for sale and, as a consequence, present the results of mPay S.A. as discontinued operations.

As a result, at the consolidated level, the Capital Group presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

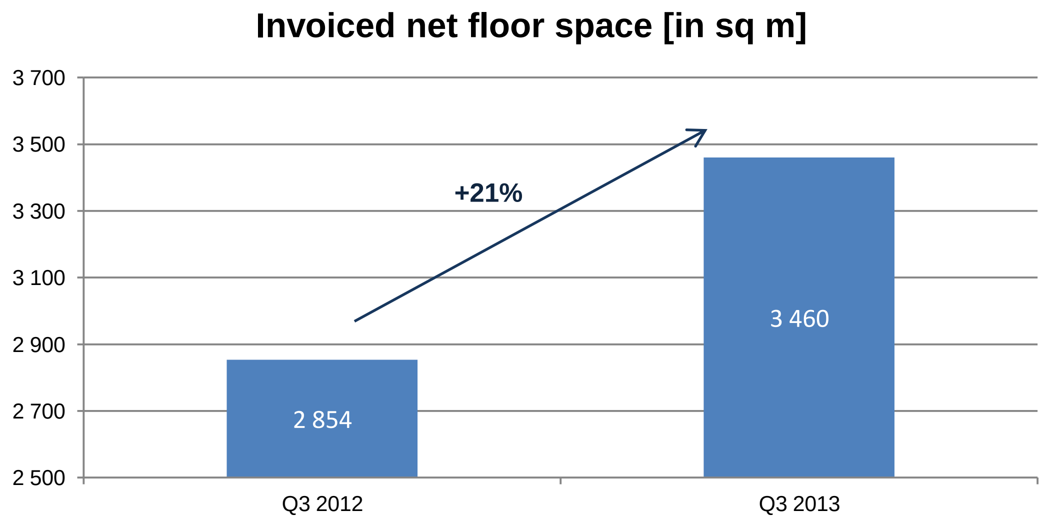
At the individual level — ATM made a revaluation write-down for shares in mPay S.A. to the fair value. The amount of the write-down (PLN 9 230 thousand) was presented in item "net loss on discontinued operations" in the separate profit and loss account of the Company.

INFORMATION ON FACTORS WHICH, IN THE CAPITAL GROUP'S OPINION, WILL AFFECT ITS PERFORMANCE DURING AT LEAST THE NEXT QUARTER

ATM still has high potential to increase revenue and generate profits, owing to its good investment policy. The demand for broadband data transmission and data centers services increases fast, which demonstrates the guarantee of a stable growth of this segment of activity. Therefore the Issuer continues its investments by preparing further modules of Thinx Poland data centre for sale and executing a project of construction of ATM Innovation Center. The implementation of these investments shall bring a notable result in the increase of revenue and profits in the next financial periods.

As at the end of the third quarter of 2013, the Company had approx. 5 300 m^2 of net collocation space — of which approx. 3 460 m^2 generated revenue.

The chart below presents the annual growth of invoiced collocation space as at the end of the third quarter of 2013:



In terms of the conducted investments, ATM plans to put into operation new buildings within ATMAN Data Center and Thinx Poland with total net area of 4,200 m^2 which, together with the currently available space, sums up to 6,000 m^2 of potential collocation space that will generate revenue for the Company in the future.

According to the Issuer's estimates, the sale of the aforementioned space (under construction or planned) should translate into additional PLN 40 million of annual EBITDA, while filling the entire currently available space — should increase annual EBITDA by approx. PLN 15 million.

When making decisions on schedules and staging subsequent investments, ATM is primarily focused on filling the existing server rooms and the observed and projected demand for collocation services. Therefore, the period within which profits can be increased by the above amounts will depend on market developments and growth in demand for collocation services in Poland and abroad.

The main factors that - in the opinion of the Issuer - should stimulate the demand for collocation services in the next few years include:

- systematic increase in the role of information technologies in the operation of enterprises and institutions (higher demand for computing power and storage space which in turn will result in a higher number of devices that will need space in data centres),
- increased willingness to place own data processing equipment at specialised providers of data centre services, rather than building own server objects (cost — economies of scale, quality and reliability of services — know-how),
- increasingly important role of services based on the universality of broadband data transmission and Internet access and, consequently, transfer of part of data processing to companies offering cloud computing which will also operate based on the infrastructure offered by specialised data center providers.
- tangible benefits of locating own equipment in close proximity of equipment and connection lines of business partners and customers – such possibilities are offered only by data centers, concentrating wide range of stakeholders from different sectors,
- dynamic development of the market of financial services, in which e-commerce and the need to handle large volumes of transactions per unit of time are becoming more and more important (which in turn increases the need for the use of advanced data exchange solutions offered by data centers),
- increased demand for energy and proper cooling from the modern equipment currently installed in data centers — the miniaturization of IT generates a demand for energy/cooling which cannot be provided by older data centers (which contributes to the demand for new collocation space).

In terms of an increase in the sale of data transmission services, it is expected that the demand for high bandwidth networks, in particular optical networks, will grow owing to the following factors:

- construction of the next generation LTE (Long Term Evolution) network by mobile providers,
- ubiquitous video transmission and other popular services using broadband connectivity (VoIP, social media, online games),
- cloud computing services mentioned above.

It is expected to have a positive impact on increased sales of services based on the existing optical infrastructure owned by the Issuer which is becoming indispensable for telecommunications providers in the provision of mentioned services.

The main factor that may affect future results of the Issuer is risks associated with the emergence of significant competition. In the ICT sector, the risk associated with the emergence of new competitors is high, mainly due to the attractiveness of the data centre market in Poland and Europe (dynamic growth). The possible emergence of new major competitors (in particular international entities), in the future, may have a negative impact on the Company's financial results. Possible consolidation processes in the domestic market may also result in the decline in growth of the Company's financial parameters – this equally applies to the possible consolidation of supply and demand side of the market.

POSITION OF THE MANAGEMENT BOARD REGARDING THE VIABILITY OF ACHIEVING PREVIOUSLY PUBLISHED FORECAST RESULTS FOR A PARTICULAR YEAR, TAKING INTO ACCOUNT THE RESULTS PRESENTED IN THE QUARTERLY REPORT VERSUS PROJECTED RESULTS

The Company did not publish any forecasts for 2013.

(all amounts are presented in PLN thousand, unless specified otherwise)

3. OTHER INFORMATION

INFORMATION CONCERNING CONCLUSION BY THE PARENT ENTITY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED UNDERTAKINGS IF INDIVIDUALLY OR JOINTLY THEY ARE MATERIAL AND WERE CONCLUDED ON CONDITIONS OTHER THAN MARKET CONDITIONS

During the reporting period, neither the Issuer nor any of the Issuer's subsidiaries concluded transactions with related undertakings, neither individually nor jointly, which were concluded on conditions other than market conditions.

INFORMATION ON PENDING PROCEEDINGS BEFORE COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION BODY

There are no proceedings before the court, arbitration body or a public administration body concerning liabilities or receivables of the Issuer or its subsidiary the value of which would constitute at least 10% of the Issuer's equity.

INFORMATION ON GRANTING BY THE PARENT ENTITY OR PARENT ENTITY'S SUBSIDIARY OF A LOAN OR BORROWING SURETY OR A GUARANTEE, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS EQUAL TO AT LEAST 10% OF THE PARENT ENTITY'S SHAREHOLDERS' EQUITY

During the reporting period, no loan or borrowing sureties or guarantees were extended by the Issuer or any of the Issuer's subsidiaries to any party that would in total exceed 10% of the Issuer's equity.

OTHER INFORMATION CONSIDERED BY THE CAPITAL GROUP AS IMPORTANT IN THE ASSESSMENT OF ITS PERSONNEL, ASSET AND FINANCIAL STANDING, FINANCIAL RESULT AND CHANGES TO SUCH ITEMS; INFORMATION RELEVANT TO THE ASSESSMENT OF THE CAPITAL GROUP'S ABILITY TO FULFIL OBLIGATIONS.

The Company has a stable personnel, asset and financial position. There are no known factors that could adversely affect the Issuer's ability to meet its obligations.

SELECTED INDIVIDUAL FINANCIAL DATA

	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	in PLN thousand		in EUR thousand	
Total sales revenue (excluding the OST 112 contract)	95,875	90,115	22,702	21,482
Sales margin	56,428	53,337	13,362	12,715
EBITDA	33,103	30,430	7,839	7,254
Operating earnings	18,538	16,208	4,390	3,864
Profit before tax	14,340	10,329	3,396	2,462
Net profit for the year from continuing operations	13,697	9,996	3,243	2,383
Net cash from operating activities	26,488	(15,256)	6,272	(3,637)
Net cash from investing activities	(35,698)	(14,232)	(8,453)	(3,393)
Net cash from financing activities	6,521	(4,177)	1,544	(995)
Increase (decrease) in cash	(2,689)	(33,665)	(637)	(8,024)
	30/09/2013	31/12/2012	30/09/2013	31/12/2012
Fixed assets	329,050	325,839	78,042	79,702
Current assets	41,624	34,072	9,872	8,335
Total assets	377,542	359,911	89,543	88,037
Long-term liabilities	77,163	78,703	18,301	19,251
Short-term liabilities	64,682	46,230	15,341	11,308
Equity	235,697	234,978	55,901	57,477
Share capital*	34,723	34,723	8,235	8,493
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.49	6.47	1.54	1.58

*) The share capital was restated in accordance with IAS 29

The above financial data for the third quarter of 2013 and 2012 were converted to EUR in accordance with the following principles:

- Individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 30 September 2013, at PLN/EUR 4.2163;
- Individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of the rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 30 September 2013, at PLN/EUR 4.2231 and between 1 January and 30 September 2012 at PLN/EUR 4.1948.

The financial figures for 2012 were translated into EUR in accordance with the following principles:

- Individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 31 December 2012 at PLN/EUR 4.0882;

(all amounts are presented in PLN thousand, unless specified otherwise)

C. QUARTERLY FINANCIAL INFORMATION OF ATM S.A. FOR THE THIRD QUARTER OF 2013

(OTHER INFORMATION REQUIRED BY REGULATION OF THE MINISTER OF FINANCE ON THE CURRENT AND PERIODICAL INFORMATION SUBMITTED BY THE ISSUERS OF SECURITIES)

1. CONDENSED STATEMENT OF INCOME

	For the period 01/01 – 30/09/2013	For the period 01/07 – 30/09/2013	For the period 01/01 – 30/09/2012	For the period 01/07 – 30/09/2012
Continued operations				
Sales revenue*	126,115	42,063	135,957	40,294
of which: revenue excluding the "OST 112" contract	95,875	32,031	90,115	30,108
Cost of sales (variable)	69,687	23,525	82,620	22,451
Sales margin**	**56,428**	**18,538**	**53,337**	**17,843**
Cost of sales (fixed)	16,664	5,856	15,405	5,334
Gross profit (loss) on sales	**39,764**	**12,682**	**37,932**	**12,509**
Other operating revenue	160	36	815	49
Selling costs				
General and administrative costs	19,909	6,301	21,271	6,631
Other operating costs	1,477	387	1,267	208
Restructuring costs				
Operating profit (loss)	**18,538**	**6,030**	**16,208**	**5,719**
Share in the financial result of undertakings valued using the equity method	-	-	-	-
Financial revenues	592	51	577	34
Financial expenses	4,790	1,563	6,456	2,338
Profit (loss) before tax	**14,340**	**4,518**	**10,329**	**3,415**
Income tax	643	246	333	610
Net profit (loss) on continuing operations	**13,697**	**4,272**	**9,996**	**2,805**
Discontinued operations				
Net profit (loss) on discontinued operations	(9,445)	(3,005)	(5,965)	-
Including the cost related to the revaluation write-down for shares in mPay S.A.	(9,230)	(3,005)		
Net profit (loss)	**4,252**	**1,267**	**4,031**	**2,805**
Profit (loss) per share				
From continuing operations:				
Ordinary	0.38	0.12	0.28	0.08
Diluted	0.38	0.12	0.28	0.08

(all amounts are presented in PLN thousand, unless specified otherwise)

From continuing and discontinued operations:				
Ordinary	0.12	0.03	0.11	0.08
Diluted	0.12	0.03	0.11	0.08
EBITDA	33,103	11,193	30,430	10,755

NOTES:
*) Sales revenue includes revenue from sales of telecommunications services provided as part of the implementation of the OST 112 contract. Since the telecommunications part of the contract is implemented by subcontractors, this part of the revenue has a negligible effect on the results of the Company. Revenue in this respect amounted to: PLN 10 033 thousand in the third quarter of 2013 and PLN 10 187 thousand in the third quarter of 2012 as well as PLN 30 240 thousand between the first and the third quarter of 2013 and PLN 45 843 thousand between the first and the third quarter of 2012.

**) The Issuer additionally discloses, in relation to the IFRS requirements, the "Sales margin" category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services, materials and energy consumption). This category — according to the Issuer's Management Board — is important for the analysis of the Company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which Company's activities are operationally profitable.

2. CONDENSED STATEMENT OF TOTAL INCOME

	For the period 01/01 – 30/09/2013	For the period 01/07 – 30/09/2013	For the period 01/01 – 30/09/2012	For the period 01/07 – 30/09/2012
Net profit (loss)	**4,252**	**1,267**	**4,031**	**2,805**
Other total income that will not be reclassified to profit or loss	**-**	**-**	**-**	**-**
Results of revaluation of fixed assets	-			
Actuarial gains or losses	-	-	-	-
Share in other total income of associated entities	-	-	-	-
Income tax related to items that will not be reclassified	-	-	-	-
Other total income that cannot be reclassified to profit or loss	**-**	**-**		
Revaluation of tangible fixed assets	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-
Results of valuation of financial assets available for sale	-	-	-	-
Hedge accounting	-	-	-	-
Income tax related to other total income items	-	-	-	-
Total revenue	**4,252**	**1,267**	**4,031**	**2,805**

(all amounts are presented in PLN thousand, unless specified otherwise)

3. CONDENSED STATEMENT OF FINANCIAL POSITION

	End of period 30/09/2013	End of period 31/12/2012	End of period 30/09/2012
Fixed assets			
Goodwill			
Intangible assets	5,343	39,760	40,129
Tangible fixed assets	260,007	207,728	205,869
Investments in associated entities consolidated using the equity method	63,487	63,487	63,487
Investments in subsidiaries	-	14,739	14,739
Deferred income tax assets	-	-	-
Other fixed assets	213	125	261
	329,050	**325,839**	**324,484**
Current assets			
Inventories	1,630	1,330	1,242
Financial assets held for trading	253	970	1,689
Trade and other receivables	36,017	24,174	49,652
Income tax receivables	607	57	57
Other current assets	2,207	3,942	4,435
Other financial receivables			
Cash and cash equivalents	911	3,599	2,564
	41,624	**34,072**	**59,639**
Fixed assets held for sale	6,868	-	-
Total assets	**377,542**	**359,911**	**384,123**

(all amounts are presented in PLN thousand, unless specified otherwise)

	End of period 30/09/2013	End of period 31/12/2012	End of period 30/09/2012
Equity			
Share capital	34,723	34,723	34,723
Supplementary capital from share premium	123,735	123,735	123,735
Revaluation reserve			
Treasury shares	-	(1)	(1)
Capital reserves	55,994	52,505	52,505
Hedge valuation reserve and FX gains/losses due to consolidation			
Retained earnings	21,245	24,016	20,821
Total equity	**235,697**	**234,978**	**231,783**
Long-term liabilities			
Long-term loans and borrowings	36,054	31,430	33,740
Provisions for deferred tax	795	1,062	2,169
Provisions for liabilities			
Long-term trade and other liabilities	24,730	27,036	30,111
Other financial liabilities	15,585	19,174	26,985
	77,163	**78,703**	**93,005**
Short-term liabilities			
Bank loans and borrowings	28,923	13,852	16,217
Provisions for liabilities	-	-	-
Income tax liabilities	-	2,037	312
Trade and other liabilities	28,270	18,844	33,400
Other financial liabilities	7,489	11,497	9,407
	64,682	**46,230**	**59,335**
Liabilities related directly to fixed assets classified as held for sale	-	-	-
Total liabilities	**377,542**	**359,911**	**384,123**

(all amounts are presented in PLN thousand, unless specified otherwise)

4. CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Equity
As at 1 January 2013	**34,723**	**123,735**	**(1)**	**52,505**	**24,016**	**234,978**
Increases:						
Current period results	-	-	-	-	4,252	4,252
Profit distribution	-	-	-	-	-	-
Profit distribution	-	-	-	3,489	-	3,489
Share subscription under the stock option plan	-	-	1	-	100	101
Decreases:						
Division eliminations	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	3,489	3,489
Dividend payout	-	-	-	-	3,634	3,634
Financing of Incentive Scheme	-	-	-	-	-	-
As at 30 September 2013	**34,723**	**123,735**	**0**	**55,994**	**21,245**	**235,697**

(all amounts are presented in PLN thousand, unless specified otherwise)

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Equity
As at 1 January 2012	**34,723**	**159,030**	**0**	**36,124**	**32,829**	**262,706**
Increases:						
Current period results	-	-	-	-	7,123	7,123
Repurchase of treasury shares	-	-	(1)	-		
Profit distribution	-	-	-	16,381	-	16,381
Share subscription under the stock option plan	-	-	-	-	445	445
Decreases:						
Division eliminations	-	35,295	-	-		35,295
Profit distribution to be allocated to equity	-	-	-	-	16,381	16,381
Dividend payout	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	-	-	-	-
As at 31 December 2012	**34,723**	**123,735**	**(1)**	**52,505**	**24,016**	**234,978**

(all amounts are presented in PLN thousand, unless specified otherwise)

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Equity
As at 1 January 2012	**34,723**	**159,030**	**0**	**36,124**	**32,829**	**262,706**
Increases:						
Current period results	-	-	-	-	4,031	4,031
Repurchase of treasury shares	-	-	(1)	-		
Profit distribution	-	-	-	16,381	-	16,381
Share subscription under the stock option plan	-	-	-	-	343	343
Decreases:						
Division eliminations	-	35,295	-	-		35,295
Profit distribution to be allocated to equity	-	-	-	-	16,381	16,381
Dividend payout	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	-	-	-	-
As at 30 September 2012	**34,723**	**123,735**	**(1)**	**52,505**	**20,822**	**231,785**

(all amounts are presented in PLN thousand, unless specified otherwise)

5. CONDENSED CASH FLOW STATEMENT

	For the period 01/01 – 30/09/2013	For the period 01/01 – 30/09/2012
Operating activities		
Profit (loss) before tax	**14,340**	**10,329**
Adjustment by items:	12,148	(25,585)
Amortisation and depreciation	14,566	14,222
FX gains/losses	223	1,139
Interest received	(4)	-
Interest paid	4,401	5,362
Dividends received	-	-
(Profit) loss on investing activities	(0)	(5,477)
Changes in inventories	(110)	242
Change in receivables	(11,929)	1,095
Movements in liabilities and provisions	7,975	(38,494)
Changes in other assets	1,426	(628)
Income tax paid	(3,497)	(1,662)
Other	(902)	(1,383)
	26,488	**(15,256)**
Investing activities		
Expenses on tangible fixed assets purchases	(41,619)	(24,783)
Expenses on financial asset purchases	(1,359)	
Revenue from sale of tangible fixed assets	6,778	10,528
Repayment of long-term loans	918	
Loans granted	(416)	-
Revenue from sales of financial assets	-	
Interest received	-	(1)
Dividends received	-	
FX gains/losses	(1)	24
Other	-	
	(35,698)	**(14,232)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	1,022	(3,195)
Proceeds from loans and borrowings	19,695	9,751
Repayment of loans and borrowings	-	-
Purchase of treasury shares	-	(1)
Payment of liabilities arising from finance leases	(6,202)	(5,267)
Dividends paid	(3,634)	-
Interest received	4	-
Interest paid	(4,401)	(5,361)
Other profit-sharing	-	-
FX gains/losses	38	(104)
Other (division adjustment)	-	
	6,521	**(4,177)**
	,	,
Movements in cash	**(2,689)**	**(33,665)**
Opening balance of cash	3,599	36,229
Closing balance of cash	**911**	**2,564**

(all amounts are presented in PLN thousand, unless specified otherwise)

ADDITIONAL NOTES TO THE QUARTERLY FINANCIAL INFORMATION

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 01/01 – 30/09/2013	**For the period 01/07 – 30/09/2013**	**For the period 01/01 – 30/09/2012**	**For the period 01/07 – 30/09/2012**
Country	122,714	40,905	132,402	39,286
Export	3,401	1,159	3,556	1,009
Total sales revenue	**126,115**	**42,063**	**135,957**	**40,294**

The criterion used for the above data on the geographical structure of revenue to classify a given service as "exports" is only the registered address of the client's head office. The Issuer's business practice often shows a situation in which the actual recipient of the service is an entity registered outside Poland, but the agreement is formally signed on its behalf by a company having its registered seat in Poland.

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	**End of period 30/09/2013**	**End of period 31/12/2012**
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	58,747	49,423
2.1 to other undertakings, of which:	58,747	49,423
- guarantees, sureties granted	6,567	7,423
- mortgage collateral	42,000	42,000
- collateral pledge	10,180	-

Since the end of the fiscal year 2012, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have decreased by PLN 856 thousand because of:

- expiry of guarantees of PLN 1,353 thousand
- granting of guarantees of PLN 497 thousand

b) security in the form of mortgage has remained unchanged

c) security in the form of pledge has increased by PLN 10,180 thousand

(all amounts are presented in PLN thousand, unless specified otherwise)

3. FINANCIAL ASSETS AT FAIR VALUE

As at 30 September 2013, the Company held financial instruments carried at fair value in the statement of financial position. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities
Level 2 — other techniques for which all inputs which have a significant effect on the recognised fair value are included, either directly or indirectly
Level 3 — techniques which use inputs that have a significant effect on the recognised fair value that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

	30/09/2013		31/12/2012	
FINANCIAL INSTRUMENTS	**carrying value**	**fair value**	**carrying value**	**fair value**
Financial assets at fair value through profit or loss;	-	-	-	-
Financial assets held to maturity	-	-	-	-
Financial assets available for sale (at fair value)	16,098	6,868	-	-
Loans granted and own receivables	-	-	-	-
Financial liabilities at fair value through profit or loss	1,678	1,207	-	1,678
Other financial liabilities	-	-	-	-

FAIR VALUE HIERARCHY

Financial assets available for sale	fair value hierarchy level	30/09/2013
Shares of listed companies — shares of mPay S.A.	level 1	6,868
Total		6,868

The entity valued the asset to fair value, based on the share price quoted on the NewConnect market amounting to PLN 0.16 per share on 30 September 2013. This resulted in the fair value of shares held amounting to PLN 6 868 thousand and the write-down of PLN 9 230 thousand was recognised by the entity as an impairment of the asset.

Financial liabilities at fair value through profit or loss	fair value hierarchy level	30/09/2013
Derivative financial instruments — IRS contract hedging the interest rate risk in respect of the investment loan	level 2	1,207
Total		1,207

(all amounts are presented in PLN thousand, unless specified otherwise)

The valuation of the IRS contract hedging the interest rate risk in respect of the investment loan was made based on information obtained from Bank Zachodni WBK S.A. (prepared using parameters that were considered optimal by the Bank).

During the period ended 30 September 2013 there were no transfers between Level 1 and Level 2 of the fair value hierarchy and no instrument was transferred to/from Level 3 of the fair value hierarchy.

4. PRESENTATION OF DISCONTINUED OPERATIONS

The Issuer presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

In addition, the loss of PLN 215 thousand resulting from the final settlement of the accepted claims of ATM S.A. in the bankruptcy proceedings of mPay International Sp. z o.o. was presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 30 September 2013, if mPay International had been sold as of that date, the following amounts would have been subject to discontinuance:

CONDENSED STATEMENT OF INCOME OF DISCONTINUED OPERATIONS

	For the period 01/01 – 30/09/2013
Continued operations	
Sales revenue*	
of which: revenue excluding the “OST 112” contract	
Cost of sales (variable)	
Sales margin**	-
Cost of sales (fixed)	
Gross profit (loss) on sales	-
Other operating revenue	
Cost of sales	
General and administrative costs	
Other operating costs	
Restructuring costs	
Operating profit (loss)	-
Share in the financial result of undertakings valued using the equity method***	-
Financial revenues	
Financial costs	
Profit (loss) before tax	-
Income tax	
Net profit (loss) on continuing operations	-
Discontinued operations	
Net profit (loss) on discontinued operations	(9,445)
Including the cost related to the revaluation write-down for shares in mPay S.A.	(9,230)
Net profit (loss)	**(9,445)**

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS

	For the period 01/01 – 30/09/2013
Net profit (loss)	**(9 445)**
Other total income that will not be reclassified to profit or loss	**-**
Results of revaluation of fixed assets	**-**
Actuarial gains or losses	**-**
Share in other total income of associated entities	**-**
Income tax related to items that will not be reclassified	**-**
Other total income that cannot be reclassified to profit or loss	**-**
Revaluation of tangible fixed assets	**-**
Exchange differences on translation of foreign operations	**-**
Results of valuation of financial assets available for sale	**-**
Hedge accounting	**-**
Income tax related to other total income items	**-**
Total revenue	**(9,445)**

CONDENSED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — ASSETS

	End of period 30/06/2012
Fixed assets	
Goodwill	-
Intangible assets	-
Fixed tangible assets	-
Investments in associated entities consolidated using the equity method	-
Investments in subsidiaries	-
Deferred income tax assets	-
Other fixed assets	-

(all amounts are presented in PLN thousand, unless specified otherwise)

	-
Current assets	
Inventories	-
Financial assets held for trading	-
Trade and other receivables	-
Income tax receivables	-
Other current assets	-
Other financial receivables	
Cash and cash equivalents	-
	-
Fixed assets held for sale	6,868
Total assets	**6,868**

CONDENSED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — LIABILITIES

	End of period 30/09/2013
Equity	
Share capital	-
Supplementary capital from share premium	-
Revaluation reserve	
Treasury shares	-
Capital reserves	-
Hedge valuation reserve and FX gains/losses due to consolidation	
Retained earnings	6,868
Total equity	**6,868**
Long-term liabilities	
Long-term loans and borrowings	-
Provisions for deferred tax	-
Provisions for liabilities	
Long-term trade and other liabilities	-
Other financial liabilities	-
	-
Short-term liabilities	
Bank and other loans	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Provisions for liabilities	-
Income tax liabilities	-
Trading and other liabilities	-
Other financial liabilities	-
	-
Liabilities related directly to fixed assets classified as held for sale	-
Total liabilities	**6,868**

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Name and surname	Position/function	Date	Signature
Maciej Krzyżanowski	President of the Management Board	13 November 2013	....
Tadeusz Czichon	Vice-President of the Management Board	13 November 2013	....

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS:

Kinga Bogucka	Chief Accountant	13 November 2013	....