



# **ATM S.A. GROUP OF COMPANIES**

**CONSOLIDATED QUARTERLY REPORT  
FOR THE THIRD QUARTER OF 2008**

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## KEY CONSOLIDATED QUARTERLY REPORT DATA

This consolidated quarterly report covers information prepared pursuant to Section 86, Subsection 2 and Section 87, Subsection 1 of the Regulation of the Minister of Finance of October 19, 2005, and includes the consolidated financial statements of ATM S.A. Group of Companies, drawn up according to the International Financial Reporting Standards as approved by the European Union.

Submission date: 07.11.08

### Key Issuer details:

Full name of the Issuer: ATM S.A.

Short name of the Issuer: ATM

Sector according to Warsaw Stock Exchange classification: IT

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NIP (tax identification number): 113-00-59-989

Regon (statistical number): 012677986

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE THIRD QUARTER OF 2008

### 1. CONSOLIDATED PROFIT AND LOSS STATEMENT

	<u>For the period</u> 01/01- 30/09/2008	<u>For the period</u> 01/07- 30/09/2008	<u>For the period</u> 01/01- 30/09/2007	<u>For the period</u> 01/07- 30/09/2007
<b>Continued operations</b>				
Sales revenue	149,739	54,947	130,625	45,689
Cost of goods sold (variable)	86,087	31,735	83,624	27,631
Cost of goods sold (fixed)	18,177	6,256	15,574	5,148
<b>Gross profit (loss) on sales</b>	<b>45,475</b>	<b>16,956</b>	<b>31,427</b>	<b>12,910</b>
Other operating revenue	555	194	242	23
Selling costs	490	(95)	2,068	1,998
General and administrative costs	45,843	15,155	28,573	9,855
Other operating expenses	296	174	943	770
Restructuring costs	-	-	-	-
<b>Operating profit (loss)</b>	<b>(599)</b>	<b>1,916</b>	<b>85</b>	<b>310</b>
Share in profit (loss) of undertakings valued using the equity method	355	(35)	146	146
Financial revenue	2,331	(2,239)	1,878	1,048
Financial expenses	1,442	593	986	356
<b>Profit (loss) before tax</b>	<b>625</b>	<b>(951)</b>	<b>1,123</b>	<b>1,148</b>
Income tax	351	510	637	528
<b>Net profit (loss) on continued operations</b>	<b>274</b>	<b>(1,461)</b>	<b>486</b>	<b>620</b>
<b>Discontinued operations</b>				
Net profit (loss) on discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>274</b>	<b>(1,461)</b>	<b>486</b>	<b>620</b>
Net profit (loss) for the Group's shareholders	1,283	(1,158)	740	761
Net profit (loss) for minority shareholders	(1,008)	(302)	(254)	(141)
<b>Profit (loss) per share *)</b>				
<b>From continued operations:</b>				
Ordinary	0.01	-0.04	-0.11	0.58
Diluted	0.01	-0.04	-0.11	0.58
<b>From continued and discontinued operations:</b>				
Ordinary	0.01	-0.04	-0.11	0.58
Diluted	0.01	-0.04	-0.11	0.58

\*) In the first quarter of 2008, a one-to-eight split of the Issuer's shares occurred. The new number of shares is 36,000,000. Data for the corresponding period were recalculated according to the number of shares before the split.

**2. CONSOLIDATED BALANCE SHEET — ASSETS**

	<u>End of period</u> <u>30/09/2008</u>	<u>End of period</u> <u>31/12/2007</u>
<b>Fixed assets</b>		
Goodwill	16,587	15,677
Intangible assets	30,618	25,712
Property, plant and equipment	127,321	86,794
Investment in associates consolidated according to the equity method	64,338	61,908
Other financial assets	80	80
Deferred income tax assets	1,336	1,256
Other fixed assets	12,700	13,963
	<u><b>252,981</b></u>	<u><b>205,390</b></u>
 <b>Current assets</b>		
Inventories	14,863	8,326
Financial assets held for trading	-	2,133
Trade and other receivables	45,699	81,231
Income tax receivables	47	38
Other current assets	2,700	2,218
Cash and cash equivalents	5,693	69,756
	<u><b>69,002</b></u>	<u><b>163,702</b></u>
 Fixed assets classified as held for sale	 -	 -
 <b>Total assets</b>	 <u><b>321,982</b></u>	 <u><b>369,092</b></u>

**3. CONSOLIDATED BALANCE SHEET — LIABILITIES**

	<u>End of period</u> <u>30/09/2008</u>	<u>End of period</u> <u>31/12/2007</u>
<b>Equity</b>		
Share capital	34,397	34,397
Share premium reserve	157,252	157,252
Revaluation reserve	-	-
Treasury shares	(4,650)	-
Capital reserves	24,160	25,073
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	17,046	34,747
<b>Total Group shareholders' equity</b>	<u><b>228,205</b></u>	<u><b>251,469</b></u>
Minority share	5,957	5,662
<b>Total shareholders' equity</b>	<u><b>234,162</b></u>	<u><b>257,131</b></u>
<b>Long-term liabilities</b>		
Long-term bank and other loans	1,846	2,283
Provisions for deferred tax	-	-
Provisions for liabilities	96	183
Long-term trade and other liabilities	3,978	3,244
Other financial liabilities	24,164	14,812
	<u><b>30,084</b></u>	<u><b>20,522</b></u>
<b>Short-term liabilities</b>		
Bank and other loans	5,550	246
Provisions for liabilities	55	544
Income tax liabilities	248	4,419
Trade and other liabilities	43,588	80,629
Other financial liabilities	8,295	5,601
	<u><b>57,736</b></u>	<u><b>91,439</b></u>
Liabilities related directly to fixed assets classified as held for sale	-	-
<b>Total liabilities</b>	<u><b>321,982</b></u>	<u><b>369,092</b></u>

#### 4. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	<u>Core capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Minority share</u>	<u>Total shareholders' equity</u>
<b>Data as at 01.01.07</b>	<b>24,572</b>	<b>4,558</b>	<b>-</b>	<b>23,362</b>	<b>40,431</b>	<b>92,923</b>	<b>2,613</b>	<b>95,535</b>
Increases:								
Issue of shares	9,674	154,893	-	-	-	164,567	-	164,567
Current period results	-	-	-	-	740	740	-	740
Shares taken up under share option plan	151	-	-	-	-	151	-	151
Valuation of management options	-	-	-	-	(11)	(11)	-	(11)
Changes to the Group's structure	-	-	-	-	-	-	2,708	2,708
Profit distribution	-	-	-	1,244	-	1,244	-	1,244
Decreases:								
Share issue costs	-	2,200	-	-	-	2,200	-	2,200
Current period results	-	-	-	-	-	-	254	254
Profit distribution to be allocated to equity	-	-	-	-	1,244	1,244	-	1,244
Dividend payout	-	-	-	-	25,929	25,929	238	26,167
<b>Data as at 30.09.07</b>	<b>34,397</b>	<b>157,251</b>	<b>-</b>	<b>24,606</b>	<b>13,987</b>	<b>230,241</b>	<b>4,829</b>	<b>235,069</b>
<b>Data as at 01.01.08</b>	<b>34,397</b>	<b>157,252</b>	<b>-</b>	<b>25,073</b>	<b>34,747</b>	<b>251,469</b>	<b>5,662</b>	<b>257,131</b>
Increases:								
Capital increase	-	-	-	-	-	-	996	996
Current period results	-	-	-	-	1,282	1,282	-	1,282
Acquisition of shares under share option plan	-	-	-	-	-	-	-	-
Valuation of management options	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	(254)	(254)	306	52
Profit distribution	-	-	-	22	(32)	10	-	(10)
Decreases:								
Purchase of treasury shares under share option plan	-	-	4,650	-	-	4,650	-	4,650
Current period results	-	-	-	-	-	-	1,008	1,008
Profit distribution to be allocated to capital reserve	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	935	18,698	19,633	-	19,633
Revaluation FX gain/loss	-	-	-	-	-	-	-	-
<b>Data as at 30.09.08</b>	<b>34,397</b>	<b>157,252</b>	<b>(4,650)</b>	<b>24,160</b>	<b>17,045</b>	<b>228,204</b>	<b>5,956</b>	<b>234,160</b>

**5. CONSOLIDATED CASH FLOW STATEMENT**

	<u>For the period</u> <u>01/01-30/09/2008</u>	<u>For the period</u> <u>01/01-30/09/2007</u>
<b>Operating activities</b>		
Profit (loss) before tax	625	1,125
Adjustment (items):	13,298	(16,732)
Share in profit (loss) of entities valued using the equity method	(335)	(146)
Amortization and depreciation	11,737	6,310
FX gains/losses	174	(18)
Interest received	39	-
Interest paid	1,190	(318)
Dividends received	-	-
Profit (loss) on investment activities	(30)	553
Movements in inventories	(6,535)	(10,630)
Movements in receivables	28,460	12,208
Movements in liabilities and provisions	(21,295)	(17,798)
Movements in other assets	3,934	(43)
Income tax paid	(4,385)	(6,117)
Other	344	(733)
	<b>13,923</b>	<b>(15,607)</b>
<b>Investment activities</b>		
Expenses on property, plant and equipment purchases	(66,236)	(32,270)
Expenses on financial asset purchases	(1,108)	(84,192)
Revenue from property, plant and equipment sale	12,758	24,972
Repayment of long-term loans granted	2,150	-
Long-term loans granted	-	-
Revenue from financial asset sale	-	210
Interest received	-	49
Dividends received	-	-
FX gains/losses	127	-
Other	(1,162)	(1,867)
	<b>(53,471)</b>	<b>(93,098)</b>
<b>Financial activities</b>		
Net proceeds from issue of shares and other capital contributions	2,237	162,518
Subsidies received	(568)	-
Proceeds from loans	4,869	6,950
Repayment of loans	(650)	(9,755)
Purchase of treasury shares	(4,650)	-
Payment of liabilities arising from finance leases	(5,277)	(3,213)
Dividends paid	(19,574)	(25,011)
Interest received	183	256
Interest paid	(1,183)	-
Other payments from profit	-	-
FX gains/losses	99	(15)
Other	-	2,393
	<b>(24,514)</b>	<b>134,123</b>
<b>Movements in cash</b>	<b>(64,062)</b>	<b>25,418</b>
Opening balance of cash	69,756	9,513
<b>Closing balance of cash</b>	<b>5,693</b>	<b>34,932</b>



# NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIC INFORMATION

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

The registered office of the Company is located in Warsaw at ul. Grochowska 21a. The Company was registered at the District Court for the Capital City of Warsaw in Warsaw, 13<sup>th</sup> Commercial Division of the National Court Register. The Company is registered under National Court Register entry No. KRS 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange. According to the Warsaw Stock Exchange classification, the core business of the Group concerns the IT sector.

## 2. GROUNDS FOR THE DRAWING UP OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES (POLICY)

The mid-year summary financial statements for the period of 3 quarters ending on September 30, 2008, were drawn up pursuant to the IAS 34 *Interim Financial Reporting*.

Accounting principles (policy) applied to drawing up the Group's mid-year summary financial statements are consistent with those applied to drawing up the Group's annual consolidated financial statements for the previous year.

## 3. SEASONALITY OF OPERATIONS

When analyzing the financial performance of ATM S.A. Group of Companies it must be kept in mind that due to the nature of its operations, the specific character of the product offer and the sector in which the companies of the Group run their activity, a major part of its sales revenue, thus most of the operating profit, is generated in the fourth quarter of the year. High seasonality of operations is related to the fact that investment projects are concluded before the end of the year due to the need to utilize the customers' investment budgets. This takes place in the case of projects related to the sale of ICT system integration solutions. It is worth pointing out that such projects are implemented by the Group's companies throughout the calendar year by preparations for project implementation, analyses, design, proposal preparation, tender participation or staff training for additional products. Supply and deployment itself – together with the possibility to recognize sales revenue as part of company performance – usually take place in the fourth quarter.

Sales revenue and sales margin – mostly coming from fixed services sales – generated by the Group of Companies in the first three quarters of the year make it possible to cover fixed costs and, possibly, to generate minor profits. Significant fourth quarter revenue generates most of the Group's annual profit.

It is worth looking at the share of overall consolidated sales revenue, operating profit and profit before tax in the previous years (data based on the quarterly report for the fourth quarter of 2007):

Year	Share of fourth quarter results in annual performance (%)		
	Sales revenue	Operating profit	Profit before tax
2007	49.8%	99.6%	95.6%
2006	41.4%	82.1%	86.5%

The Management Board of ATM S.A. sees the Group's high seasonality of operations as a negative feature and has been trying to introduce mechanisms which will reduce disproportions in sales revenues between individual quarters.

#### 4. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES AND EQUITIES

During the quarter in question there was no issue, redemption or repayment of debt securities or equities within the Group.

#### 5. DIVIDENDS PAID AND DECLARED

On June 5, 2008, the General Meeting of Shareholders of ATM S.A. decided to pay out PLN 19,440,000.00 in dividend for 2007, i.e. PLN 0.54 per share. The entire 2007 net profit, i.e. PLN 18,230,867.42, and PLN 1,209,132.58 from the capital reserve were allocated for this purpose. The dividend record date was set for September 5, 2008, and the dividend payment date was set for September 19, 2008.

By the resolution of April 24, 2008, the KLK sp. z o. o. Partners' Meeting distributed profit for 2007, distributing the amount of PLN 2,192,000.00 to the Company's shareholders. The dividend has been paid out by September 08, 08.

#### 6. SEGMENTS OF OPERATION

All services provided by the Group are classified as ICT services. Despite the fact that it is possible to identify different product lines with regard to sales revenue, the types of production processes and the distribution and service provision methods are closely linked and exhibit similar risks and returns on investment. Moreover, no transactions between individual product lines are conducted. As a consequence, when assessing the possibility of dividing the Group's operations into segments in a reliable manner, the Management Board decided that the Group's entire operations fall into the ICT services segment and therefore no segments have been distinguished.

Revenue from the sales of major products is as follows:

	For the period 01/01- 30/09/2008	For the period 01/07- 30/09/2008	For the period 01/01- 30/09/2007	For the period 01/07- 30/09/2007
Integrated ICT infrastructure systems	82,250	32,134	79,186	27,603
Business security solutions and services	6,358	1,732	5,485	1,515
Application solutions	6,800	2,358	5,298	2,808
Telecommunications and value-added services	51,125	17,805	38,732	13,169
Multimedia solutions and services	2,622	698	1,894	595
Other services	584	220	32	0
<b>Total sales revenue</b>	<b>149,739</b>	<b>54,947</b>	<b>130,627</b>	<b>45,690</b>

Revenue from sales divided by territory is as follows:

	For the period 01/01- 30/09/2008	For the period 01/07- 30/09/2008	For the period 01/01- 30/09/2007	For the period 01/07- 30/09/2007
Domestic	147,886	54,568	129,902	45,448
Exports	1,853	379	725	242
<b>Total sales revenue</b>	<b>149,739</b>	<b>54,947</b>	<b>130,627</b>	<b>45,690</b>

## 7. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

None.

## 8. CHANGES IN THE COMPANY STRUCTURE

Capital increase for Cineman sp. z o. o. by PLN 400,000, i.e. from PLN 600,000 to PLN 1,000,000 through the establishment of 800 shares at PLN 500 each was registered on July 30, 2008. 408 shares were taken up by ATM S.A. and 392 by Monolith Films Sp. z o. o.

During the quarter in question there were no mergers, divestments or acquisitions of business units. There was no restructuring or discontinuity of operations.

## 9. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at September 30, 2008	As at December 31, 2007
1. Contingent receivables	291	291
1.1 from other undertakings	291	291
2. Contingent liabilities	27,786	29,793
2.1 to other undertakings, including:	27,786	29,793
- guarantees and endorsements granted	7,410	10,580
- mortgage security	18,060	18,060
- pledges	2,316	1,153

Since the end of the fiscal year 2007, the following changes have occurred with respect to contingent liabilities:

- a) granted guarantees and sureties were decreased by the amount of PLN 3,170,000, which results from:
  - the expiration of bank and insurance guarantees (tender guarantees and performance bonds) at PLN 6,481,000;
  - the establishment of guarantees for tenders and contracts in the form of insurance guarantees amounting to PLN 3,311,000;
- b) pledge security increased by PLN 1,163,000;
- c) no changes occurred concerning mortgage security.

## OTHER INFORMATION

### (AS REQUIRED PURSUANT TO THE REGULATION OF THE MINISTER OF FINANCE REGARDING ONGOING AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES)

#### SELECTED FINANCIAL DATA

	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	PLN 000	PLN 000	EUR 000	EUR 000
Total sales revenue	149,739	130,625	43,723	34,093
Operating profit (loss)	(599)	85	(175)	22
Profit before tax	625	1,123	182	293
Net profit of parent undertaking shareholders	1,283	740	375	193
Net cash from operating activities	13,923	(15,607)	4,065	(4,073)
Net cash from financial activities	(24,514)	134,123	(7,158)	35,006
Net cash from investment activities	(53,471)	(93,098)	(15,613)	(24,299)
Increase (decrease) in cash	(64,062)	25,418	(18,706)	6,634
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Fixed assets	252,981	205,390	74,225	57,339
Current assets	69,002	163,702	20,245	45,701
Total assets	321,982	369,092	94,470	103,041
Long-term liabilities	30,084	20,522	8,827	5,729
Short-term liabilities	57,736	91,439	16,940	25,527
Equity	234,162	257,131	68,703	71,784
Share capital*	34,397	34,397	10,092	9,603
Parent undertaking shareholders' equity	228,205	251,469	66,956	70,203
Number of shares	36,000,000	4,500,000	36,000,000	4,500,000
Book value per share (PLN/EUR)	6.34	55.88	1.86	15.60
Diluted book value per share (PLN/EUR)	6.34	55.88	1.86	15.60

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

The above financial data for two quarters of 2008 and 2007 have been converted to EUR according to the following procedure:

- Individual asset and liability items have been converted using the average exchange rate published by the National Bank of Poland on 30.09.08 (PLN 3.4083 to EUR 1), and on 31.12.07 (PLN 3.5820 to EUR 1).
- Individual consolidated profit and loss statement and consolidated cash flow statement items have been converted using the arithmetic mean of average exchange rates determined by the National Bank of Poland as at the last day of each month of the fiscal periods between 01.01.08 and 30.09.08 (PLN 3.4247 to EUR 1) and between 01.01.07 and 30.09.07 (PLN 3.8314 to EUR 1).

**DESCRIPTION OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS OR FAILURES DURING THE REPORTING PERIOD**

The third quarter of the present year, taking into consideration that most of the annual sales revenue and almost the whole of the annual operating profit of the ATM Group of Companies are generated in the last quarter, should be considered successful and confirming the positive trends in the Group's development. Sales revenue surpassed the third quarter results of the previous year by 20.3%, and sales revenue growth for the three quarters amounted to 14.7%. ATM S.A. individual sales revenue growth was even greater (amounting to 30% and 25%, respectively).

Sales margin ("Sales revenue" less "Cost of goods sold (variable)" and "Cost of sales") growth is also positive. The sales margin of the ATM Group of Companies for the third quarter grew by 45%, and by 41% during the three quarters, amounting to a PLN 18.2 million growth compared to the previous year.

Fixed costs incurred by the ATM Group of Companies grew as well, which is undesirable ("Cost of goods sold (fixed)" plus "General and administrative costs"). Though these costs grew only by 11% in ATM S.A. compared to the third quarter of the previous year (22% on a cumulative basis for the three quarters), a 43% growth is reflected in the consolidated results (45% on a cumulative basis for the three quarters). Such a significant growth in fixed costs is generated mainly by two technological companies belonging to the Group, which have started developing their products only recently, namely mPay S.A. and mPay International Sp. z o.o. Fixed costs incurred by these companies amounted to PLN 1,839,000 in the third quarter and PLN 4,888,000 since the beginning of 2008. However, one should take into consideration that these companies have entered the market with their new product (mobile payment system) only recently, thus significant sales revenue generated from their services is to be expected later on.

Despite the significant burden on this year's operating profit caused by the introduction of mobile payment services to the market, ATM Group of Companies generated operating profit amounting to PLN 1,910,000 in the third quarter, which is a substantial improvement compared to the previous year giving only PLN 310,000.

Polish currency depreciation on the FX market impaired the results of the third quarter. The debt of the ATM Group of Companies is insignificant, but mostly denominated in Euro, which caused a negative balance of financial revenue and costs at the end of the quarter (loss of PLN 1.6 million). This is mostly a result of debt liabilities revaluation, which amounted to a PLN 1,574,000 loss for ATM S.A.

Due to the losses in financial operations mentioned above, though ATM S.A. generated an individual net profit of PLN 3,451,000 (which is significant compared to PLN 326,000 in the previous year), the consolidated profit amounted only to PLN 274,000, which is slightly lower than in the previous year (PLN 486,000).

However, it is obvious that both results have no significant importance for the annual results as a vast majority of the operating profits is generated in the last three months of the year both by ATM S.A. and ATM Group of Companies. One should remember that as much as 49.8% of consolidated sales revenue in 2007 was generated in the fourth quarter (41.4% in 2006), which gave over PLN 24 million of consolidated gross profit in that quarter alone.

According to ATM S.A. Management Board, good results are expected for the fourth quarter 2008, which will generate satisfying annual results.

Apart from positive financial results of ATM S.A. and its Group of Companies, important goals connected with enhancing the Group's competitiveness and building stable basis for their future business activity have been achieved.

During the last quarter ATM S.A. strengthened its position in the financial industry. It acquired new integration orders and signed new multi-year communications contracts. The company is to deliver data transmission links aimed at streamlining business operations to several banks and insurance companies. It shall also provide collocation services for these customers in its ATMAN Data Center. It will also provide one of its customers with a virtual private network connecting all of its Polish offices and with a Disaster Recovery Center. Another financial sector customer is to be provided with a redundant local network and Storage Area Network connection based on the existing infrastructure via Gigabit Ethernet and fiber optic cables, providing a high throughput of a few dozen Gbps. The availability of the ATMAN advanced fiber optic network infrastructure is a significant advantage of ATM when it comes to attracting new customers. Taking into consideration that financial institutions have high requirements, the fact that the Company receives new orders from this sector and expands the range of its services is a good forecast for its future operations.

The third quarter was also successful in terms of proprietary software sale which is characterized by the possibility of generating relatively high margins. Atmosfera software is attracting increasing numbers of customers. Presently, they can be counted in dozens. In the quarter under discussion ATM S.A. and ATM Services Sp.z o.o. began the implementation process of the Atmosfera Service Desk for Synthos S.A, among others. As one of the largest companies of the Polish chemical industry, Synthos S.A. will use this solution to manage IT service orders and monitor SLA agreements signed with external suppliers. The solution will also enable the company to check resource load and make decisions concerning possible changes in their allocation. The contract includes licenses for 1,500 end-users and after-sales services. The SMaCs (Service Management and Charging System) application, in turn, has won another significant user from the communications industry - Polska Telefonía Cyfrowa Sp. z o.o.

Sales based on solutions provided by the main technological partner of the group, Cisco Systems, were also successful in the third quarter. The Company received orders for Cisco solutions and hardware delivery from various carriers, including a large order for USD 4.2 million.

A few minor contracts were signed on the public procurement market. The contract concluded with Archiwum Akt Nowych for data center and local network development, valued at PLN 1 million, might be mentioned as the most interesting undertaking in this area. Archiwum Akt Nowych investments are implemented as part of securing the governmental Narodowe Archiwum Cyfrowe (National Digital Archive) project. Technologies related to data storage and all kinds of multimedia archives are one of the main components of ATM S.A. innovative solutions in the area of multimedia content archiving and distribution.

The most important marketing event for ATM S.A. during the period under discussion was its participation in the largest European TV broadcasters fair IBC 2008 in Amsterdam. ATM S.A. was one of the two Polish companies present at the fair this year and its solutions were highly appreciated by many visitors. ATM BankingTV and ATM InternetTV solutions were presented together with the regional multimedia content distribution network based on the ATMAN network infrastructure.

Among the companies belonging to the ATM S.A. Group, KLK was especially successful in the third quarter, generating a 50% increase in gross sales profit and profit before tax compared with the previous year.

One of the prestigious projects implemented by KLK was the installation of structural cabling together with a dedicated electric power installation comprising over 1,000 signal lines and implemented in office spaces and factory buildings of the TRW Automotive factory in Częstochowa. KLK and ATM also received an order valued at over PLN 4 million from Kompania Węglowa S.A. It involves the implementation of an innovative carrier-class IP-technology communications system based on Cisco Systems solutions. The company also won a tender for equipping one of the largest Polish food companies with a low-voltage systems and ICT infrastructure.

#### **DESCRIPTION OF FACTORS AND EXTRAORDINARY EVENTS WHICH HAVE SIGNIFICANT IMPACT ON NET PROFIT**

An important factor which affected the third quarter financial results was the zloty depreciation against other world currencies leading to financial loss related to the revaluation of Euro-denominated leasing liabilities. The Company evaluates this negative impact as temporary, expecting the opposite effect when the Polish currency regains its strong position.

mPay group results have a temporary negative impact on the Group's operating profit. A project aimed at introducing general mobile phone payment services based on the existing patents, proprietary billing platform and the billing agent status is currently being implemented by these companies. The implementation of these services has taken longer than expected, which has a negative impact on the consolidated financial results of the Group due to increased costs accompanied by no significant sales revenue (at this stage).

#### **ORGANIZATIONAL DESCRIPTION OF THE ISSUER'S GROUP OF COMPANIES WITH AN INDICATION OF UNDERTAKINGS SUBJECT TO CONSOLIDATION**

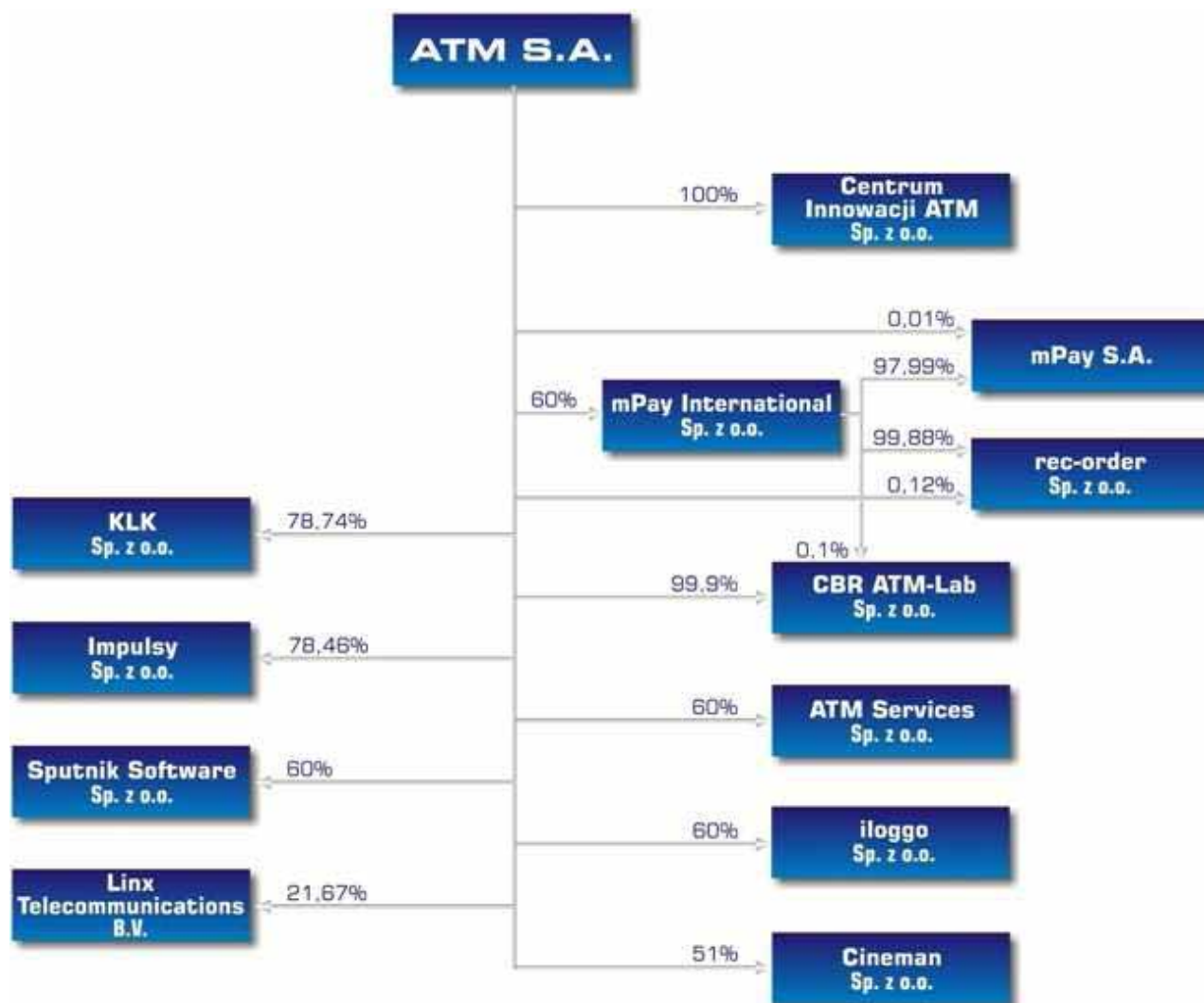
As at the preparation date of this report, ATM S.A. holds stakes in the following companies:

- m-Pay International Sp. z o. o.: 11,100 shares with a total value of PLN 5,550,000, i.e. 60% of the initial capital and 60% of votes at the Company's Partners' Meeting;
- iloggo Sp. z o. o.: 300 shares with a total value of PLN 300,000, i.e. 60% of the initial capital and 60% of votes at the Company's Partners' Meeting;
- mPay S.A.: 1,000 shares with a total value of PLN 500, i.e. 0.0001% of share capital and 0.0001% of votes at the Company's General Meeting (the remaining shares were taken up by m-Pay International Sp. z o. o.);
- rec-order Sp. z o. o.: 1 share with a value of PLN 100, i.e. 0.125% of the initial capital and 0.125% of votes at the Company's Partners' Meeting (the remaining shares were assumed by m-Pay International sp. z o.o.);
- ATM Services Sp. z o.o.: 480 shares with a total value of PLN 300,000, i.e. 60% of the initial capital and 60% of votes at the Company's Partners' Meeting;
- Cineman sp. z o. o.: 1,020 shares with a total value of PLN 510,000, i.e. 51% of share capital and 51% of votes at the Company's Partners' Meeting;
- KLK Sp. z o. o.: 400 shares with a total face value of PLN 240,000, i.e. 78.74% of share capital and 78.74% of votes at the Company's Partners' Meeting;
- Sputnik Software sp. z o. o.: 600 shares with a total value of PLN 3,000,000, i.e. 60% of the initial capital and 60% of votes at the Company's Partners' Meeting;

- Linx Telecommunications B.V.: 2,754,612 shares with a total value of EUR 27,546.12, i.e. 21.67% of share capital and 21.67% of votes at the Company's Partners' Meeting;
- Centrum Badawczo Rozwojowe ATM-Lab Sp. z o. o.: 1,000 shares with a total value of PLN 50,000, i.e. 99.9% of the initial capital and 99.9% of votes at the Company's Partners' Meeting (the remaining shares were assumed by mPay International Sp. z o.o.);
- Impulsy Sp. z o. o.: 51 shares with a total value of PLN 102,000, i.e. 78.47% of the initial capital and 78.47% of votes at the Company's Partners' Meeting;
- Centrum Innowacji ATM Sp. z o. o.: 1,000 shares with a total value of PLN 50,000, i.e. 100% of the initial capital.



The diagram below shows the structure of the ATM S.A. Group of Companies.



As at September 30, 2008, all companies were subject to consolidation except Centrum Innowacji ATM Sp. z o. o., which was registered on March 26, 2008, and did not launch operating activities by the end of the quarter.

#### **THE MANAGEMENT BOARD'S POSITION ON THE POSSIBILITY OF OBTAINING THE PREVIOUSLY PUBLISHED FORECAST RESULTS FOR A PARTICULAR YEAR, TAKING INTO ACCOUNT THE RESULTS SHOWN IN THE QUARTERLY REPORT COMPARED TO FORECAST RESULTS**

The Company did not publish its forecasts for 2008. However, the Management Board states that the Company is growing successfully, in line with 2008 budget as well as expectations and roadmaps for the subsequent years. Compared with budget estimates for 2008 made for ATM S.A., after the first three quarters sales revenue exceeded the forecasts by 0.6% and the net profit is higher by PLN 3.4 million.

**SHAREHOLDERS WHO HAVE AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE ISSUER'S ANNUAL GENERAL MEETING (EITHER DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES) AS AT THE QUARTERLY REPORT'S SUBMISSION DATE; NUMBER OF SHARES HELD BY THESE PARTIES, THE PERCENTAGE STAKE IN THE INITIAL CAPITAL, THE RESULTING NUMBER OF VOTES AND SHARE IN THE OVERALL NUMBER OF VOTES AT THE ANNUAL GENERAL MEETING; CHANGES TO THE OWNERSHIP STRUCTURE OF SIGNIFICANT STAKES IN THE ISSUER'S COMPANY SINCE THE SUBMISSION OF THE LAST QUARTERLY REPORT**

According to Current Report No. 1/2008 of January 4, 2008, on January 10, 2008 a one-to-eight split of the Issuer's shares took place. This increased the number of shares from 4.5 million to 36 million. The face value per share amounted to PLN 0.95.

Summary information on shareholders holding at least 5% of the overall number of shares at the Issuer's General Meeting is provided in the table below.

Name and surname or company name	Shares held	Stake in share capital	Number of votes at the GMS	Share in the overall number of votes
Tadeusz Czichon	5,918,820	16.44%	5,918,820	16.44%
Roman Szwed	3,635,984	10.10%	3,635,984	10.10%
POLSAT OFE *)	3,580,920	9.95%	3,580,920	9.95%
ING Nationale-Nederlanden Polska OFE *)	3,505,144	9.74%	3,505,144	9.74%
AIG TFI **)	1,860,624	5.17%	1,860,624	5.17%
Millennium TFI ***)	1,822,912	5.06%	1,822,912	5.06%

The figures above concern shares held by individuals as at October 14, 2008. \*) The figures concerning POLSAT OFE (POLSAT Open-Ended Pension Fund) and ING Nationale-Nederlanden Polska OFE (ING Nationale-Nederlanden Poland Open-Ended Pension Fund) refer to the numbers of shares held by these shareholders as at December 31, 2007 (according to the *Annual Asset Structure*). \*\*) The figures concerning AIG TFI (AIG Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of July 13, 2007, and the number of series H shares allotted on August 9, 2007. \*\*\*) The figures concerning Millennium TFI (Millennium Fund Management Company) refer to the number of shares held by this shareholder as notified in the notice of April 29, 2008. The Company has received no information concerning any changes in their share ownership after those dates.

Furthermore, the Company's Management Board has not received any other notifications concerning the crossing of the 5% threshold by shareholders who purchase shares on the stock market.

Since the submission of the previous quarterly report, the following changes concerning the ownership of major stakes have taken place:

Name and surname or company name	Number of shares according to the previous quarterly report	Number of shares according to the current quarterly report	Change in the number of shares and votes
Tadeusz Czichon	5,904,000	5,918,820	14,820
Roman Szwed	3,635,984	3,635,984	0
POLSAT PTE	3,580,920	3,580,920	0
ING Nationale-Nederlanden Polska OFE	3,505,144	3,505,144	0
AIG TFI	1,860,624	1,860,624	0
Millennium TFI	1,822,912	1,822,912	0

**SUMMARY OF CHANGES IN THE OWNERSHIP OF THE ISSUER'S SHARES OR STOCK OPTIONS BY THE ISSUER'S MANAGERS AND SUPERVISORS ACCORDING TO THE INFORMATION AVAILABLE TO THE ISSUER FOR THE PERIOD SINCE THE SUBMISSION OF THE LAST QUARTERLY REPORT**

A summary of changes in the ownership of the Issuer's shares by the Issuer's managers and supervisors since the submission of the previous quarterly report is provided in the table below.

Full name	Number of shares according to the previous quarterly report	Number of shares according to the current quarterly report	Change in the number of shares and votes
Tadeusz Czichon	5,904,000	5,918,820	14,820
Roman Szwed	3,635,984	3,635,984	0
Dariusz Kielkowski	800,800	800,800	0
Anna Bugajska	45,040	45,040	0
Tomasz Tuchołka	9,925	9,925	0

**PURCHASE OF TRASURY SHARES**

Pursuant to the resolution of June 5, 2008, the Ordinary General Meeting of Shareholders expressed consent to the Issuer's purchase of treasury shares which will be offered to employees of companies included in the ATM S.A. Group of Companies according to Incentive Scheme Rules (according to Current Report No. 22/2008) of June 5, 2008.

Summarizing the information included in current reports until the date of publication of the present report, the Issuer purchased 738,418 treasury shares, which amount to 2.05% of ATM S.A. share capital. 439,800 out of them were offered for purchase to the employees of the Issuer's Group of Companies as part of the tranche available for 2008.

**PROCEEDINGS BEFORE COURTS, ARBITRATION PANELS OR PUBLIC AUTHORITIES**

No proceedings are pending before courts, arbitration panels or public authorities regarding the Issuer's liabilities or claims (or any liabilities or claims of the Issuer's subsidiaries) valued at 10% of the Issuer's shareholders' equity or more.

**INFORMATION REGARDING THE CONCLUSION OF ONE OR MORE TRANSACTIONS BY THE ISSUER OR ANY OF THE ISSUER'S SUBSIDIARIES WITH RELATED UNDERTAKINGS WHICH ARE NOT TYPICAL OR ROUTINE TRANSACTIONS**

During the reporting period, neither the Issuer nor any of the Issuer's subsidiaries concluded transactions with related undertakings which were not typical or routine transactions concluded in the course of daily operations.

**INFORMATION REGARDING CREDIT/LOAN SECURITIES OR GUARANTEES MADE BY THE ISSUER OR ANY OF THE ISSUER'S SUBSIDIARIES**

During the reporting period, no loan endorsements 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 shareholders' equity.

**OTHER INFORMATION CONSIDERED BY THE ISSUER AS IMPORTANT IN THE EVALUATION OF THE ISSUER'S PERSONNEL, ASSET OR FINANCIAL POSITION, NET PROFIT, OR CHANGES TO SUCH ITEMS; INFORMATION RELEVANT TO THE ASSESSMENT OF THE ISSUER'S ABILITY TO FULFILL OBLIGATIONS**

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

**FACTORS WHICH, IN THE ISSUER'S OPINION, WILL AFFECT ITS PERFORMANCE DURING AT LEAST THE FOLLOWING QUARTER**

In the next quarter the results of the Company (annual results in particular) will depend on the ability to conclude contracts related to ICT systems integration before the end of the year and according to the principles observed during the previous years. So far there have been no indications of any potential change to that pattern.

Next year Issuer's results will depend on the economic situation of Poland and its influence on the companies' investment budgets, especially in the ICT sector. Any potential downturn might cause a drop in the Issuer's integration services sales revenue. On the other hand, possible economic slowdown and the need to optimize costs with our customers may cause a growth in demand for communications outsourcing services. For this reason it is difficult to specifically determine the impact of a potential economic downturn on the Issuer's sales revenue.

It is worth mentioning that a large part of revenue, currently covering about 70% of fixed costs, is generated by long-term contracts. The risk that such revenue might drop is relatively small. Revenue from this type of services (communications, collocation, outsourcing, Internet services etc.) grow quarter by quarter by more than PLN 1 million, which leads to growing revenue predictability and provides additional protection against the impact of potential downturn. ATM S.A. Management Board together with the management boards of other companies of the Group will be carefully monitoring the changing market situation in order to react promptly to economic changes concerning the products and services on offer.

The Issuer's Group of Companies is still waiting for major ICT tenders, which must be opened and conducted as part of the central and local government's IT implementation roadmap, and in which the companies of the Group will be actively engaged. The smooth resolution of such tenders and the commencement date for deliveries will have a significant influence on the Issuer's revenue in the next year.

Another factor relevant to Issuer performance will be the efficiency in the utilization of European Union funds for business projects in Poland. This will have significant impact on the ability of domestic companies, research facilities and central/local government agencies (for which the Issuer may develop attractive offerings) to complete large investment projects. These resources may also be used by the Company to fund its own investments in the construction and upgrade of communications infrastructure, and to support research and development activities, which will translate into a reduction of the Issuer's own expenses for such purposes.

The accuracy of decisions taken while introducing new products and solutions to the market will also affect the Company results. Widespread adoption of these products and solutions by the market and/or industry partners may result in an above-average growth in Company profit. What will be particularly important is the development rate of the mobile payment and "video-on-demand" Web service markets, as well as the positioning of solutions developed by the Issuer's Group of Companies on these markets.

# ATM S.A. QUARTERLY FINANCIAL INFORMATION

(AS REQUIRED PURSUANT TO THE REGULATION OF THE MINISTER OF FINANCE REGARDING ONGOING AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES)

## 1. PROFIT AND LOSS ACCOUNT

	<u>For the period</u> 01/01- 30/09/2008	<u>For the period</u> 01/07- 30/09/2008	<u>For the period</u> 01/01- 30/09/2007	<u>For the period</u> 01/07- 30/09/2007
<b>Continued operations</b>				
Sales revenue	112,976	40,254	90,448	31,007
Cost of goods sold (variable)	69,287	24,760	53,110	16,088
Cost of goods sold (fixed)	9,291	1,892	10,863	4,189
<b>Gross profit (loss) on sales</b>	<b>34,397</b>	<b>13,601</b>	<b>26,474</b>	<b>10,729</b>
Other operating revenue	389	138	105	(35)
Selling costs	-	-	1,905	1,905
General and administrative costs	33,643	11,852	24,454	8,146
Other operating expenses	210	136	593	560
Restructuring costs	-	-	-	-
<b>Operating profit (loss)</b>	<b>933</b>	<b>1,751</b>	<b>(372)</b>	<b>84</b>
Share in profit (loss) of undertakings valued using the equity method	-	-	-	-
Financial revenue	4,143	(1,150)	1,842	1,032
Financial expenses	1,058	433	819	288
<b>Profit (loss) before tax</b>	<b>4,018</b>	<b>168</b>	<b>651</b>	<b>828</b>
Income tax	567	330	325	286
<b>Net profit (loss) on continued operations</b>	<b>3,451</b>	<b>(162)</b>	<b>326</b>	<b>542</b>
Discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>3,451</b>	<b>(162)</b>	<b>326</b>	<b>542</b>
<b>From continued operations:</b>				
Ordinary	0.10	0.10	-0.50	0.38
Diluted	0.10	0.10	-0.50	0.38
<b>From continued and discontinued operations:</b>				
Ordinary	0.10	0.10	-0.50	0.38
Diluted	0.10	0.10	-0.50	0.38

\*) In the first quarter of 2008, a one-to-eight split of the Issuer's shares occurred. The new number of shares is 36,000,000. Data for the corresponding period were recalculated according to the number of shares before the split.

**2. BALANCE SHEET**

	<u>End of period</u> <u>30/09/2008</u>	<u>End of period</u> <u>31/12/2007</u>
<b>Fixed assets</b>		
Goodwill	-	-
Intangible assets	18,341	16,586
Property, plant and equipment	115,829	77,734
Investment in associates consolidated according to the equity method	63,487	63,391
Other financial assets	29,754	26,785
Deferred income tax assets	-	339
Other fixed assets	12,197	13,685
	<u>239,608</u>	<u>198,520</u>
<b>Current assets</b>		
Inventories	10,018	6,325
Financial assets held for trading	5,570	2,033
Trade and other receivables	33,058	63,567
Income tax receivables	31	36
Other current assets	1,377	1,364
Cash and cash equivalents	4,311	62,873
	<u>54,364</u>	<u>136,198</u>
Fixed assets classified as held for sale	-	-
<b>Total assets</b>	<u>293,972</u>	<u>334,718</u>

	<u>End of period</u> <u>30/09/2008</u>	<u>End of period</u> <u>31/12/2007</u>
<b>Equity</b>		
Share capital	34,397	34,397
Share premium reserve	157,252	157,252
Revaluation reserve	-	-
Treasury shares	(4,650)	-
Capital reserves	23,672	24,607
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	16,700	31,481
<b>Total shareholders' equity</b>	<b><u>227,371</u></b>	<b><u>247,737</u></b>
<b>Long-term liabilities</b>		
Long-term bank and other loans	-	-
Provisions for deferred tax	229	-
Provisions for liabilities	-	-
Long-term trade and other liabilities	3,962	3,226
Other financial liabilities	21,902	13,078
	<b><u>26,093</u></b>	<b><u>16,304</u></b>
<b>Short-term liabilities</b>		
Bank and other loans	-	-
Provisions for liabilities	-	-
Income tax liabilities	-	3,271
Trade and other liabilities	32,964	62,495
Other financial liabilities	7,544	4,911
	<b><u>40,508</u></b>	<b><u>70,677</u></b>
Liabilities related directly to fixed assets classified as held for sale	-	-
<b>Total liabilities</b>	<b><u>293,972</u></b>	<b><u>334,718</u></b>

**3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	<u>Core capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Total shareholders' equity</u>
<b>Data as at 01.01.07</b>	<b>24,572</b>	<b>4,558</b>	<b>-</b>	<b>23,362</b>	<b>39,281</b>	<b>91,773</b>
Increases:						
Issue of shares	9,674	154,893	-	-	-	164,567
Current period results	-	-	-	-	327	327
Shares taken up under share option plan	151	-	-	-	-	151
Valuation of management options	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	-
Profit distribution	-	-	-	1,244	-	1,244
Decreases:						
Share issue costs	-	2,200	-	-	-	2,200
Current period results	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	1,244	1,244
Dividend payout	-	-	-	-	25,047	25,047
<b>Data as at 30.09.07</b>	<b>34,397</b>	<b>157,251</b>	<b>-</b>	<b>24,606</b>	<b>13,317</b>	<b>229,571</b>
<b>Data as at 01.01.08</b>	<b>34,397</b>	<b>157,252</b>	<b>-</b>	<b>24,606</b>	<b>31,482</b>	<b>247,737</b>
Increases:						
Capital increase	-	-	-	-	-	-
Current period results	-	-	-	-	3,451	3,451
Acquisition of shares under share option plan	-	-	-	-	-	-
Valuation of management options	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-
Decreases:						
Purchase of treasury shares under share option plan	-	-	-	-	-	4,650
Current period results	-	-	4,650	-	-	-
Profit distribution to be allocated to capital reserve	-	-	-	-	18,232	18,232
Dividend payout	-	-	-	935	-	935
Revaluation FX gain/loss	-	-	-	-	-	-
<b>Data as at 30.09.08</b>	<b>34,397</b>	<b>157,252</b>	<b>(4,650)</b>	<b>23,671</b>	<b>16,701</b>	<b>227,371</b>



**4. CASH FLOW STATEMENT**

	<u>For the period</u> <u>01/01-30/09/2008</u>	<u>For the period</u> <u>01/01-30/09/2007</u>
<b>Operating activities</b>		
Profit (loss) before tax	4,018	652
Adjustment (items):	16,914	(12,486)
Amortization and depreciation	9,902	5,619
FX gains/losses	174	(18)
Interest received	(165)	-
Interest paid	1,003	(437)
Dividends received	(1,726)	-
Profit (loss) on investment activities	(24)	497
Movements in inventories	(3,693)	(9,007)
Movements in receivables	29,335	3,657
Movements in liabilities and provisions	(19,060)	(10,389)
Movements in other assets	4,847	3,523
Income tax paid	(3,266)	(5,369)
Other	(413)	(561)
	<b>20,932</b>	<b>(11,834)</b>
<b>Investment activities</b>		
Expenses on property, plant and equipment purchases	(58,868)	(28,333)
Expenses on financial asset purchases	(3,464)	(84,653)
Revenue from property, plant and equipment sale	12,702	24,883
Repayment of long-term loans granted	2,400	-
Long-term loans granted	(5,530)	(600)
Revenue from financial asset sale	-	210
Interest received	-	49
Dividends received	1,726	-
FX gains/losses	127	-
Other	-	(1,867)
	<b>(50,908)</b>	<b>(90,310)</b>
<b>Financial activities</b>		
Net proceeds from issue of shares and other capital contributions	273	162,518
Subsidies received	392	-
Proceeds from loans	-	3,000
Repayment of loans	-	(9,755)
Purchase of treasury shares	(4,650)	-
Payment of liabilities arising from finance leases	(4,747)	(2,918)
Dividends paid	(19,108)	(24,769)
Interest received	157	375
Interest paid	(1,003)	-
Other payments from profit	-	-
FX gains/losses	99	-
Other	-	1,083
	<b>(28,587)</b>	<b>129,534</b>
<b>Movements in cash</b>	<b>(58,562)</b>	<b>27,390</b>
Opening balance of cash	62,873	4,310
<b>Closing balance of cash</b>	<b>4,311</b>	<b>31,700</b>

## NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER OF 2008

### 1. SEGMENTS OF OPERATION

Revenue from major products sales is as follows:

	For the period 01/01- 30/09/2008	For the period 01/07- 30/09/2008	For the period 01/01- 30/09/2007	For the period 01/07- 30/09/2007
Integrated ICT infrastructure systems	50,689	18,987	40,983	13,842
Business security solutions and services	5,703	1,500	5,755	1,785
Application solutions	3,709	1,466	3,083	1,614
Telecommunications and value-added services	51,511	18,191	38,732	13,169
Multimedia solutions and services	1,361	108	1,861	595
Other services	3	2	35	3
<b>Total sales revenue</b>	<b>112,976</b>	<b>40,254</b>	<b>90,449</b>	<b>31,008</b>

Revenue on sales by territory is as follows:

	For the period 01/01- 30/09/2008	For the period 01/07- 30/09/2008	For the period 01/01- 30/09/2007	For the period 01/07- 30/09/2007
Domestic	111,123	39,875	90,449	31,008
Exports	1,853	379	725	242
<b>Total sales revenue</b>	<b>112,976</b>	<b>40,254</b>	<b>91,174</b>	<b>31,250</b>

### 2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at September 30, 2008	As at December 31, 2007
1. Contingent receivables	291	291
1.1 from other undertakings	291	291
2. Contingent liabilities	6,382	9,804
2.1 to other undertakings, including:	6,382	9,804
- guarantees and endorsements granted	6,382	9,804
- mortgage security	0	0
- pledges	0	0

Since the end of the fiscal year 2007, the following changes have occurred with respect to contingent liabilities:

- a) granted guarantees and sureties were decreased by the amount of PLN 3,422,000, which results from:
- the expiration of bank and insurance guarantees (tender guarantees and performance bonds) at PLN 5,687,000;
  - the establishment of performance bonds for tenders and contracts in the form of insurance guarantees at PLN 2,265,000;
- b) mortgages and pledges have not changed.

**OTHER INFORMATION**

**(AS REQUIRED PURSUANT TO THE REGULATION OF THE MINISTER OF FINANCE REGARDING ONGOING AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES)**

**SELECTED FINANCIAL DATA**

	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	PLN '000	PLN '000	EUR '000	EUR '000
Total sales revenue	112,976	90,448	32,988	23,607
Operating profit (loss)	933	(372)	273	(97)
Profit before tax	4,018	651	1,173	170
Net profit of parent undertaking shareholders	3,451	326	1,008	85
Net cash from operating activities	20,932	(11,834)	6,112	(3,089)
Net cash from financial activities	(50,908)	(90,310)	(14,865)	(23,571)
Net cash from investment activities	(28,587)	129,534	(8,347)	33,808
Increase (decrease) in cash	(58,562)	27,390	(17,100)	7,149
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Fixed assets	239,608	198,520	70,301	55,422
Current assets	54,364	136,198	15,951	38,023
Total assets	293,972	334,718	86,252	93,444
Long-term liabilities	26,093	16,304	7,656	4,552
Short-term liabilities	40,508	70,677	11,885	19,731
Equity	227,371	247,737	66,711	69,162
Share capital*	34,397	34,397	10,092	9,603
Number of shares	36,000,000	4,500,000	36,000,000	4,500,000
Book value per share (PLN/EUR)	6.32	55.05	1.85	15.37
Diluted book value per share (PLN/EUR)	6.32	55.05	1.85	15.37

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

The above financial data for two quarters of 2008 and 2007 have been converted to EUR according to the following procedure:

- Individual asset and liability items have been converted using the average exchange rate published by the National Bank of Poland on September 30, 2008 (PLN 3.4083 to EUR 1), and on December 31, 2007 (PLN 3.5820 to EUR 1).
- Individual consolidated profit and loss statement and consolidated cash flow statement items have been converted using the arithmetic mean of average exchange rates determined by the National Bank of Poland as at the last day of each month of the fiscal periods between January 01, 2008 and September 30, 2008 (PLN 3.4247 to EUR 1) and between January 01, 2007 and September 30, 2007 (PLN 3.8314 to EUR 1).