



ATM S.A. GROUP OF COMPANIES

**CONSOLIDATED QUARTERLY REPORT
FOR THE THIRD QUARTER OF 2010**

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KEY INFORMATION REGARDING CONSOLIDATED QUARTERLY REPORT

This consolidated quarterly report covers information prepared pursuant to § 86 item 2 and § 87 item 1 of the Regulation of the Minister of Finance of 19 October 2005, and includes consolidated financial statements of the ATM S.A. Group of Companies made in accordance with the International Financial Reporting Standards, as approved by the European Union.

Submission date: 15 November 2010

Information on Issuer:

Full name of the Issuer: ATM S.A.

Short name of the Issuer: ATM

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REGON (statistical ID): 012677986

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE THIRD QUARTER 2010

1. CONSOLIDATED STATEMENT OF TOTAL INCOME

	<u>For the period</u> 01/01 - 30/09/2010	<u>For the period</u> 01/07 - 30/09/2010	<u>For the period</u> 01/01 - 30/09/2009	<u>For the period</u> 01/07 - 30/09/2009
Continued operations				
Sales revenue	246,800	77,225	206,313	60,317
Cost of sales (variable)	155,408	43,152	128,145	36,372
Cost of sales (fixed)	<u>22,126</u>	<u>7,546</u>	<u>20,131</u>	<u>7,413</u>
Gross profit (loss) on sales	<u>69,266</u>	<u>26,527</u>	<u>58,037</u>	<u>16,532</u>
Other operating revenue	1,635	853	1,930	403
Selling costs	192	58	1,414	519
General and administrative costs	46,044	15,275	47,092	15,230
Other operating expenses	1,562	815	487	89
Restructuring costs				
Operating profit (loss)	<u>23,105</u>	<u>11,232</u>	<u>10,974</u>	<u>1,097</u>
Share in the financial result of undertakings valued using the equity method	990	(902)	1,134	510
Financial revenue	8,025	579	2,257	1,765
Financial expenses	13,735	5,908	7,779	1,603
Profit (loss) before tax	<u>18,385</u>	<u>5,001</u>	<u>6,586</u>	<u>1,769</u>
Income tax	<u>2,701</u>	<u>651</u>	<u>1,139</u>	<u>373</u>
Net profit (loss) on continued operations	<u>15,683</u>	<u>4,350</u>	<u>5,448</u>	<u>1,396</u>
Discontinued operations				
Net profit (loss) on discontinued operations	-	-	-	-
Net profit (loss)	<u>15,683</u>	<u>4,350</u>	<u>5,448</u>	<u>1,396</u>
Net profit (loss) for the Group's shareholders	14,993	3,919	5,945	1,356
Net profit (loss) for minority shareholders	690	432	(497)	40
Profit (loss) per share *)				
From continued operations:				
Ordinary	0.43	0.12	0.15	0.04
Diluted	0.43	0.12	0.15	0.04
From continued and discontinued operations:				
Ordinary	0.43	0.12	0.15	0.04
Diluted	0.43	0.12	0.15	0.04

2. CONSOLIDATED FINANCIAL SITUATION STATEMENT – ASSETS

	<u>End of period</u> <u>30/09/2010</u>	<u>End of period</u> <u>31/12/2009</u>
Fixed assets		
Goodwill	18,580	18,580
Intangible assets	69,935	33,480
Tangible fixed assets	169,325	147,237
Investments in associates consolidated using the equity method	67,599	66,608
Other financial assets	80	80
Deferred income tax assets	736	1,037
Other fixed assets	4,046	5,174
	<u>330,299</u>	<u>272,196</u>
Current assets		
Inventories	23,862	6,337
Financial assets held for trading		124
Trading and other receivables	53,509	67,681
Income tax receivables	31	539
Other current assets	10,130	13,881
Other financial receivables		
Cash and cash equivalents	9,249	5,961
	<u>96,780</u>	<u>94,523</u>
Fixed assets classified as held for sale	-	-
Total assets	<u>427,080</u>	<u>366,719</u>

3. CONSOLIDATED FINANCIAL SITUATION STATEMENT – LIABILITIES

	<u>End of period</u> <u>30/09/2010</u>	<u>End of period</u> <u>31/12/2009</u>
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve	-	72
Treasury shares	-	(8)
Capital reserves	37,582	30,608
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	<u>29,523</u>	<u>23,392</u>
Total Group shareholders' equity	260,859	247,817
Non-controlling shares	<u>8,728</u>	<u>8,218</u>
Total shareholders' equity	269,588	256,035
Long-term liabilities		
Long-term loans	2,072	2,620
Provisions for deferred tax	-	-
Provisions for liabilities	10	7
Long-term trade and other liabilities	33,396	2,489
Other financial liabilities	<u>26,378</u>	<u>15,746</u>
	61,856	20,862
Short-term liabilities		
Bank and other loans	15,884	7,698
Provisions for liabilities	453	308
Income tax liabilities	524	321
Trading and other liabilities	66,590	69,893
Other financial liabilities	<u>12,187</u>	<u>11,602</u>
	95,638	89,822
Liabilities related directly to fixed assets classified as held for sale	<u>-</u>	<u>-</u>
Total liabilities	427,080	366,719

4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Capital reserve Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Minority share</u>	<u>Total shareholders' equity</u>
As at 1 January 2009	34,397	157,252	(1,984)	21,320	0	24,712	235,697	6,070	241,767
Increases:									
Issue of shares	326	1,778	-	-	-	-	2,104	203	2,307
Current period results	-	-	-	-	-	5,945	5,945	-	5,945
Share subscription under the stock option plan	-	-	1,992	(1,701)	-	-	291	-	291
Valuation of management options	-	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	-	-	3,466	3,466
Profit distribution	-	-	-	11,318	-	-	11,318	-	11,318
Revaluation	-	-	-	-	65	-	65	-	65
Decreases:									
Purchase of treasury shares under stock option plan	-	-	16	-	-	-	16	-	16
Revision of previous years' results	-	-	-	-	-	-	-	-	-
Revision of previous years' results – changes in minority share	-	-	-	-	-	3,923	3,923	-	3,923
Current period results	-	-	-	-	-	-	-	497	497
Profit distribution to be allocated to reserve capital	-	-	-	-	-	11,318	11,318	-	11,318
Dividend payout	-	-	-	-	-	-	-	-	-
Financing of incentive scheme	-	-	-	-	-	-	-	-	-
As at 30 September 2009	34,723	159,030	(8)	30,937	65	15,416	240,163	9,242	249,405

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Capital reserve Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Minority share</u>	<u>Total shareholders' equity</u>
As at 1 January 2010	34,723	159,030	(8)	30,608	72	23,392	247,817	8,218	256,035
Increases:									
Issue of shares	-	-	-	-	-	-	-	-	-
Current period results	-	-	-	-	-	14,993	14,993	690	15,683
Share subscription under the stock option plan	-	-	8	-	-	-	8	-	8
Valuation of management options	-	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	184	184	-	184
Profit distribution	-	-	-	9,046	-	-	9,046	-	9,046
Sale of treasury shares under the Incentive Scheme	-	-	2,335	-	-	-	2,335	-	2,335
Revaluation	-	-	-	-	-	-	-	-	-
Decreases:									
Purchase of treasury shares under stock option plan	-	-	2,335	-	-	-	2,335	-	2,335
Revision of previous years' results	-	-	-	-	-	-	-	-	-
Adjustment concerning the result from previous years - changes in minority share	-	-	-	-	-	-	-	180	180
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	9,046	9,046	-	9,046
Other	-	-	-	-	72	-	72	-	72
Financing of incentive scheme	-	-	-	2,071	-	-	2,071	-	2,071
As at 30 September 2010	34,723	159,030	-	37,582	-	29,523	260,859	8,728	269,588

5. CONSOLIDATED CASH FLOW STATEMENT

	<u>For the period 01/01 - 30/09/2010</u>	<u>For the period 01/01 - 30/09/2009</u>
Operating activities		
Profit (loss) before tax	18,385	6,586
Adjustment by items:	17,117	18,195
Share in net loss (profit) of undertakings valued using the equity method	990	1,134
Amortization and depreciation	16,267	14,469
FX gains/losses	1,628	1,943
Interest received	64	(121)
Interest paid	3,144	1,791
Dividends received		
Profit (loss) on investment activities	(71)	(506)
Movements in inventories	(16,630)	6,461
Movements in receivables	29,768	46,792
Movements in liabilities and provisions	(16,071)	(46,256)
Movements in other assets	2,208	(525)
Income tax paid	(1,868)	(2,231)
Other	(2,313)	(3,622)
	35,502	24,781
Investing activities		
Expenses on tangible fixed assets purchases	(33,387)	(27,173)
Expenses on financial asset purchases	(46)	(693)
Revenue from sale of tangible fixed assets	10,356	8,912
Repayments of long-term loans	450	
Long-term loans granted	-	-
Revenue from sale of financial assets	4	-
Interest received	-	-
Dividends received		
FX gains/losses	49	(115)
Other	(383)	12
	(22,957)	(19,058)
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	608
Subsidies received		-
Proceeds from loans	9,469	300
Repayments of loans	(2,720)	(1,018)
Purchase of treasury shares	(2,335)	1,976
Payment of liabilities arising from finance leases	(10,613)	(5,280)
Dividends paid		
Interest received		
Interest paid	(3,238)	(1,750)
Other profit-sharing	272	-
FX gains/losses	(196)	(120)
Other	103	109
	(9,258)	(5,176)
Movements in cash	3,287	549
Opening balance of cash	5,961	3,982
Closing balance of cash	9,249	4,531

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC INFORMATION

ATM S.A., being the parent company 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 10 July 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 16 May 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, 13th Commercial Division of the National Court Register. The Company is registered under National Court Register entry No KRS 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange. 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 (POLICIES)

The interim condensed financial statements for the third quarter ended 30 September 2010 were prepared in accordance with IAS 34 Interim Financial Reporting.

Pursuant to IAS 1 *Presentation of Financial Statements* § 19, the Issuer's Management Board decided that compliance with the requirement of IAS 21 *The Effects of Changes in Foreign Exchange Rates* in relation to foreign currency valuation of liabilities resulting from lease agreements would be confusing and the financial statements would fail to fulfil their purpose, specified in *The conceptual framework*. Therefore, the Company, starting from the quarterly report for the fourth quarter 2008, withdrew from full application of the said requirement and adopted a modification to it, discussed below.

Pursuant to IAS 21 § 28, exchange rate differences in the revaluation of lease liabilities, resulting from an alteration in foreign exchange rates, should be included in the financial result for the current reporting period. Because of the global financial crisis, significant and rapid fluctuations in currency exchange rates have occurred, beginning from the fourth quarter of 2008. In this situation, recognition of the valuation of currency lease liabilities in profit and loss account would result in a substantial change in the Company's profit in a given reporting period, unrelated to the factual state of the Company's business activity. Only a small portion of exchange rate differences on lease liabilities – related to instalments paid in a given reporting period – concerns the current reporting period, while the majority of these differences concerns well-defined future periods for which the maturity date of subsequent lease instalments falls. Costs or loss on the revaluation of lease liabilities shall be actually realised (it will affect the Company's finances) in future periods, taking into account the actual currency exchange rates as at the dates of lease instalments payment.

Therefore, pursuant to IAS 1 § 19, the Company adopted a partial exemption from IAS 21 (for the first time in the quarterly report for the fourth quarter of 2008), i.e. exchange rate differences on currency lease liabilities are recognised as the Company's financial costs for a given reporting period only in the portion concerning actually paid instalments. The remaining amount of exchange rate differences is recognised in the accruals, which are charged to financial costs in the month in which they are actually paid. Simultaneously, accruals shall be adjusted for subsequent exchange rate differences arising on lease liabilities (both gains and losses). This exemption from IAS 21 shall be applied by the Company also in the present financial statements and shall be applied up to the time of permanent stabilisation of currency exchange rates on the global markets, but no longer than until the third quarter 2013, when the final payments of lease instalments in foreign currencies are due.

Detailed calculations and financial implications of the adopted solution for presenting exchange rate differences on currency lease liabilities have been presented below.

Recognition of expenses due to foreign exchange rate differences on lease liabilities in individual reporting periods results from the amounts and terms of lease instalments, in which they shall be paid by the Company. The calculations as at 30 September 2010 are presented in the table below:

Year	Quarter	Amount
2010	4	550,907.08
2011	1	553,114.68
	2	558,417.68
	3	560,939.10
	4	514,991.42
2012	1	210,828.45
	2	214,165.58
	3	212,676.59
	4	208,325.22
2013	1	167,548.17
	2	116,511.89
	3	39,689.89
	4	0
TOTAL		3,908,115.76

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

Adopting the partial exemption from IAS 21 as at 30 September 2010 resulted in an increase in the value of other current assets by the aforementioned amount of PLN 3,908,115.76, as a result of which the gross income was increased by the same amount, and after deferred tax (19% of profit) in PLN 742,542 the net profit was higher by PLN 3,165,573.76. This result includes the increase of net profit for 2009 amounting to PLN 3,128,609.75 and the increase of net profit in the current period amounting to PLN 36,964.01.

Analogically as at 31 December 2009 adopting the aforementioned exemption resulted in an increase in the value of other current assets by the amount of PLN 3,862,481.17, as a result of which the gross income was increased by the same amount, and after deferred tax (19% of profit) in PLN 733,871.42 the net profit was higher by PLN 3,128,609.75. This result includes the increase of net profit for 2008 amounting to PLN 5,397,821.37 and the decrease of net profit for 2009 amounting to PLN 2,269,211.62.

The Management Board acknowledges that the financial statements (including the exception from IAS 21 pursuant to IAS 1 § 19) present fairly the financial position of the Company, financial results of its operations and its cash flows.

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.

3. SEASONALITY OF OPERATIONS

Revenue from sales of telecommunications services is stable, recurrent and relatively resistant to the business cycle, mainly owing to the subscription nature of the services. This revenue is not seasonal, but grows steadily from quarter to quarter.

The activity of the Group demonstrates historically recurrent seasonal nature of sales in the ICT systems integration segment. In this segment in the first three quarters, revenue from sale is usually lower, while in the last quarter the Group's revenue from sale is considerably higher. The Issuer's Management Board strives to stabilise and increase the predictability of quarterly revenue from this segment of the activity, mainly through increasing the share in revenue from fixed and repeated contracts. Seasonality of revenue from the sale of system integration services will probably be much weaker in 2010 than in previous years, due to the stabilising nature of revenue from long-term contracts realised throughout the year.

The activity in the mobile payments segment does not demonstrate any significant seasonality. This is the area of the Group's commercial activity, conducted mainly by mPay S.A. and it records low

revenue. The pace of revenue increase in subsequent quarters of the year will depend mainly on the pace of increase in the popularity of mobile payments in Poland and on expanding the coverage and knowledge of the mPay service.

4. DIVIDENDS PAID AND DECLARED

The dividend policy, announced by the Issuer's Management Board in the current report No 25/2006 of 8 June 2006, made the dividend amount paid per share dependent on share prices in the last month of the year, after the application of EURIBOR increased by 0.5%. In the current report No 06/2010 of 14 April 2010, the Management Board contained information that, pursuant to this principle, the dividend resulting from profit distribution for 2009, allocated for shareholders, should amount to PLN 0.16 per share, i.e. PLN 5,814,935 in total. However, since the Company is expecting execution of important investment projects and the cost of acquiring funds remains high, also this year, similarly to the dividend for the year 2008, the proposal of the Management Board is to allocate the profit from 2009, in whole, to the Company's capital reserve and such resolution was adopted by the General Meeting.

5. SEGMENTS OF OPERATION

The first segment which is becoming more important and systematically increases its part in the Company's revenue and profit is the ICT activity, including the activity of ATM S.A. and Linx Telecommunications B.V. (Linxtelecom's operating results are not consolidated).

ICT systems integration is another segment responsible for the major portion of revenue, it comprises the activity carried out by: ATM Systemy Informatyczne Sp. z o.o., ATM Software Sp. z o.o., KLIK S.A., Impulsy Sp. z o.o., Sputnik Software Sp. z o.o. and inONE S.A.

Finally, the third crucial segment is mobile payment services (payments made with the use of a mobile phone), including the operations of subsidiaries: mPay S.A. and mPay International Sp. z o.o.

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

	Telecommunications	ICT systems integration	Mobile payments	Consolidation eliminations	Total
For the period					
<u>01/01 - 30/09/2010</u>					
Fixed assets	313,085	48,609	18,246	(49,641)	330,299
Sales revenue	76,065	186,949	1,486	(17,701)	246,800
Sales margin*	45,871	44,684	838	0	91,392
Operating profit (loss)	12,346	11,810	(1,110)	59	23,105
For the period					
<u>01/01 - 30/09/2009</u>					
Fixed assets	188,396	44,218	11,582	28,000	272,196
Sales revenue	67,416	133,370	518	5,009	206,313
Sales margin*	37,296	38,371	135	2,420	78,168
Operating profit (loss)	11,123	2,985	(3,729)	595	10,974

*) sales revenue less variable selling costs

Sales revenues broken down into geographical distribution are as follows:

	For the period 01/01 - 30/09/2010	For the period 01/07 - 30/09/2010	For the period 01/01 - 30/09/2009	For the period 01/07 - 30/09/2009
Country	242,909	75,406	203,640	59,681

Export	3,891	1,818	2,673	636
Total sales revenue	246,800	77,224	206,313	60,317

6. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

On 29 October 2010 Zbigniew Mazur resigned from the position of a Supervisory Board Member. The reason for this resignation was the intention of assuming the position of a management board member in another company.

There were no other significant events after the end of the quarter.

7. CHANGE IN THE COMPANY STRUCTURE

On 10 September 2010 the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register registered the increase of share capital of mPay S.A. by PLN 300,000, as a result of which the subscription of 600,000 shares by ATM S.A. was approved.

On 14 September 2010 the resolution on increasing the share capital of mPay S.A. was adopted, as a result of which ATM S.A. took up 600,000 shares for the amount of PLN 300,000.

On 14 September 2010 the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, issued a decision on closing of liquidation proceedings of Rec-Order sp. z o.o. Thus the Company was removed from the register.

On 12 October 2010, ATM S.A. acquired 8.70% of shares of KLK S.A. As a result of this transaction, ATM S.A. currently holds 100% of the capital entitling to 100% of votes at the General Meeting.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 30/09/2010	As at 31/12/2009
1. Contingent receivables	0	0
1.1 from other undertakings	0	0
2. Contingent liabilities	65,260	23,455
2.1 to other undertakings, including:	65,260	23,452
- guarantees, sureties granted	51,036	6,464
- mortgage collateral	9,595	11,545
- collateral pledge	4,629	5,443

Since the end of the fiscal year 2009, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have increased by PLN 44,572 thousand due to:

- the expiry of bank and insurance guarantees (tender guarantees and performance bonds) at PLN 1,560 thousand;
- submitting the bank and insurance guarantees securing tenders and contracts - for the total amount of PLN 46,131 thousand;

b) pledge security decreased by PLN 815 thousand,

c) mortgage security decreased by PLN 1,950 thousand.

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

	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	in PLN thousand		in EUR thousand	
Total sales revenue	246,800	206,313	61,659	46,897
Operating profit (loss)	23,105	10,974	5,772	2,494
Profit before tax	18,384	6,586	4,593	1,497
Net profit of parent undertaking shareholders	14,993	5,945	3,746	1,351
Net cash from operating activities	35,502	24,781	8,870	5,633
Net cash from financing activities	(9,258)	(5,175)	(2,313)	(1,176)
Net cash from investing activities	(22,957)	(19,057)	(5,735)	(4,332)
Increase (decrease) in cash	3,287	549	821	125
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Fixed assets	330,299	272,196	82,844	66,257
Current assets	96,780	94,523	24,274	23,008
Total assets	427,080	366,719	107,118	89,265
Long-term liabilities	61,855	20,862	15,514	5,078
Short-term liabilities	95,637	89,822	23,987	21,864
Equity	269,588	256,035	67,617	62,323
Share capital*	34,723	34,723	8,709	8,452
Parent undertaking shareholders' equity	260,859	247,817	65,427	60,323
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.18	6.82	1.80	1.66
Diluted book value per share (PLN/EUR)	7.18	6.82	1.80	1.66

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

The above financial data for the third quarter 2010 and 2009 was converted to EUR according to 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 2010, at PLN/EUR 3.987 and as of 31 December 2009, at PLN\EUR 4.1082;
- individual items of the profit and loss account and the cash flow statement were calculated with the rate being arithmetic mean of 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 2010 at PLN/EUR 4.0027 and between 1 January and 30 September 2009 at PLN/EUR 4.3993.

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

The Management Board considers the Group's financial results for the third quarter of 2010 to be very good, and believes that the plans for 2010 are implemented satisfactorily. In the third quarter the Group achieved consolidated revenue from sales of PLN 77.22 million, operating profit of PLN 11.23 million and net profit at above PLN 4.35 million. This translates to 28% increase in revenue, 924% increase in operating profit and 212% increase in net profit, as compared to the same period of 2009.

For the Group it was another good quarter in a row this year, since cumulatively after three quarters it achieved consolidated revenue of PLN 246.8 million, operating profit of PLN 23.11 million and more than PLN 15.68 million of net profit. This translates to 20% increase in revenue, 111% increase in operating profit and 188% increase in net profit, as compared to the same period of 2009.

Telecommunications and value-added services

In the third quarter of 2010, the Group earned more than PLN 26.7 million from ICT services sale (19% increase as compared to the same period of 2009) and had PLN 16.9 million of sales margin (37% increase). The profit from operating activity of PLN 5.9 million shows a 120% increase in the third quarter as compared to the corresponding period in the previous year. It is worth noticing that the third quarter of this year is the first period fully comparable with the corresponding quarter of the previous year, as since 1 July 2009 there has been a complete separation of telecommunications and integration operations within the Issuer's Group of Companies.

Cumulatively after three quarters of 2010 revenue from sales increased by 12.8%, sales margin by 23.0% and operating profit by 11.0%. The telecommunications segment achieved slightly more than 50% of the margin and operating profit of the whole Group of Companies.

Among the special achievements of the Issuer in the third quarter of 2010, one should mention the successfully installation of new clients in the Telehouse.Poland data centre, launched at the beginning of the year. In the third quarter alone two clients from the financial-insurance industry and one of the biggest Web services in Poland specialising in providing net games servers – Shooters.pl transferred their ITC resources to this modern facility.

As at the date of publication of the report the Issuer had signed contracts with clients concerning the commissioning of the complete first stage of the Telehouse.Poland investment and successfully prepares new server rooms for further clients. They shall be commissioned in the fourth quarter of this year.

In the third quarter ATMAN, an ITC operator owned by the Issuer, signed further contracts with companies from the financial-insurance industry to the total value of PLN 3 million, to be realised within three years. The Issuer's investments in the development and modernisation of its own telecommunication infrastructure and in the construction of modern data centres results in a stable increase in the number of clients as well as in the revenue from telecommunications subscription agreements. A dozen new institutions from the financial industry became the Issuer's clients, for whom ATMAN provides server collocation services, internet access and data transmission. It is worth mentioning the following clients: Allianz Bank Polska S.A., Raiffeisen-Leasing Polska S.A., Warszawska Gielda Towarowa S.A., Credit Agricole Corporate and Investment Bank S.A., AIG Bank Polska S.A., AXA Polska S.A. and GMAC Bank Polska S.A. a member of Noble Bank group.

Currently the Issuer has three data centres (2 in Warsaw and 1 in Katowice) of total area of 5,800 square meters, which can hold 60,000 servers. The ATMAN nationwide data transmission network includes 8 metropolitan optic networks in the largest cities of Poland, 4,500 kilometres of intercity lines and 4,400 kilometres of international lines.

ICT systems integration

In the third quarter of 2010, the Group earned more than PLN 57.7 million from ICT systems integration (75% increase as compared to the same period of 2009) and had PLN 16.8 million of sales margin (74% increase). Operating profit of PLN 5.7 million as compared to PLN 0.24 million in a corresponding period in 2009, is a significant achievement. Cumulatively since the beginning of 2010 the Group has generated sales revenue of PLN 186.9 million, sales margin of PLN 44.7 million and operating profit of PLN 11.8 million.

The biggest contract implemented in the area of integration in the third quarter was the development of the Nation-Wide ICT Network for the purposes of operating the emergency number 112 (OST 112). This project, planned for the years 2010-2011, is currently implemented by ATM Systemy Informatyczne Sp. z o.o. (ATM SI) and is proceeding in accordance with the assumptions and approved schedule for commissioning consecutive work stages. ATM SI successfully obtains and implements also other projects in the public sector. In the third quarter of 2010 the company concluded two contracts with research centres in Poland. The first contract was concluded with the Institute of Bioorganic Chemistry of the Polish Academy of Sciences (Poznań Supercomputing and Networking Center), under which ATM SI shall deliver ITC systems for around PLN 4 million. The second contract was concluded with the AGH University of Science and Technology in Krakow (Academic Computer Centre CYFRONET AGH), it included the delivery of disk array elements together with the required infrastructure, valued at PLN 1.38 million.

Apart from realising contracts in the public sector, in the third quarter of 2010 ATM SI increased the sales of its integration services on the key market for ICT operators. As a result of the concluded contracts, integration services were sold to two mobile telephony operators. The first contract includes delivery, installation, implementation and service support for one of the main production systems of the operator. The value of the contract is USD 2.9 million. The total value of contracts concluded in the third quarter with another operator, regarding the maintenance of production network, amounts to PLN 3.8 million.

ATM SI successfully implemented a project on the energy market, within the area of continuity management, regarding the development and construction of Business Impact Analysis for the leader of LPG in Poland – GASPOL S.A.

The merger of the two largest integration companies, namely ATM Systemy Informatyczne and KLK, shall be a significant event for the Group. The process accelerated significantly in the third quarter of this year: The Issuer currently owns the two companies in 100%, and one person is the President of the Management Board of the two companies, being responsible for the effectiveness of the merger process. In the third quarter of this year the effects of the intensified operational cooperation between these entities was seen, where ATM SI in consortium with KLK (and the Issuer) concluded an agreement for the supply of IT hardware and software to the Katowice City Hall, valued at PLN 2.5 million.

In the third quarter of 2010 KLK concluded an agreement regarding the development of IT infrastructure with machine manufacturer FAMUR S.A. in Katowice. The value of the contract exceeded PLN 1 million. Another contract concluded by KLK regarded the modernisation of the guaranteed power supply system for a Data Center facility for a client from the banking sector. The value of the contract is PLN 2 million. In the third quarter KLK also extended the contract with the Vattenfall company, regarding supply of Cisco devices and maintenance services within the area of Poland. The contract was extended for the next 2 years, which ensures continuity and further development of the cooperation between KLK and Vattenfall. In summary of the KLK company's achievements, it is important to emphasise that the third quarter was successful, and it seems that the company, despite the significantly weaker first quarter, shall close the year with a positive result.

When discussing the achievements of smaller companies from the ATM group of companies, it is worth mentioning another good quarter for Sputnik Software from Poznań. In the past quarter the company concluded a contract for the implementation and maintenance of application register system with the Ministry of Culture and National Heritage, valued at PLN 240 thousand. Moreover, Sputnik Software concluded an agreement regarding the supply of equipment, network modernisation and implementation of electronic document transmission system with an electronic inbox for the local administrative unit in Strzelce Opolskie (Starostwo Powiatowe) and the Town Hall in Ogrodzieniec. The total value of the two contracts is PLN 1.6 million. From the beginning of the year, these and other contracts allowed the company to generate operating profit of PLN 2.3 million (net profit of PLN 1.9 million).

The original product of Impulsy company – Medicus On-Line system – intended for a comprehensive management of medical facilities, guarantees effective settlements with NFZ and is gaining popularity. In the third quarter of this year Impulsy obtained, among others, a contract for the installation of this solution in a day hospital constructed at SPZLO Warsaw-Ursynów.

In the third quarter of 2010 the inONE company successfully continued servicing outsourcing contracts for current clients and increased sales with customers using the applications offered by inONE. In total the revenue from these two areas amounts to over PLN 1.5 million.

In the third quarter of 2010 the ATM Software company concluded new contracts, the value of which exceeded PLN 1 million. The largest contract is related to the construction of a multimedia portal for a telecommunications operator, enabling individual customers to watch films and television channels in PC environment.

Apart from that, two further implementations of ATM Webcast solution took place. One for a public institution and one for IDG Poland S.A. printing house. It is worth noticing the commercial launch of the first CatchupTV solution in Poland, based on the original elements of ATM InternetTV platform, for one of the telecommunications operators. Thanks to this solution, customers of a television service of the operator have access to the materials from TVP1 and TVP2 programming, up to one week back, in the form of VOD programs.

Mobile payments

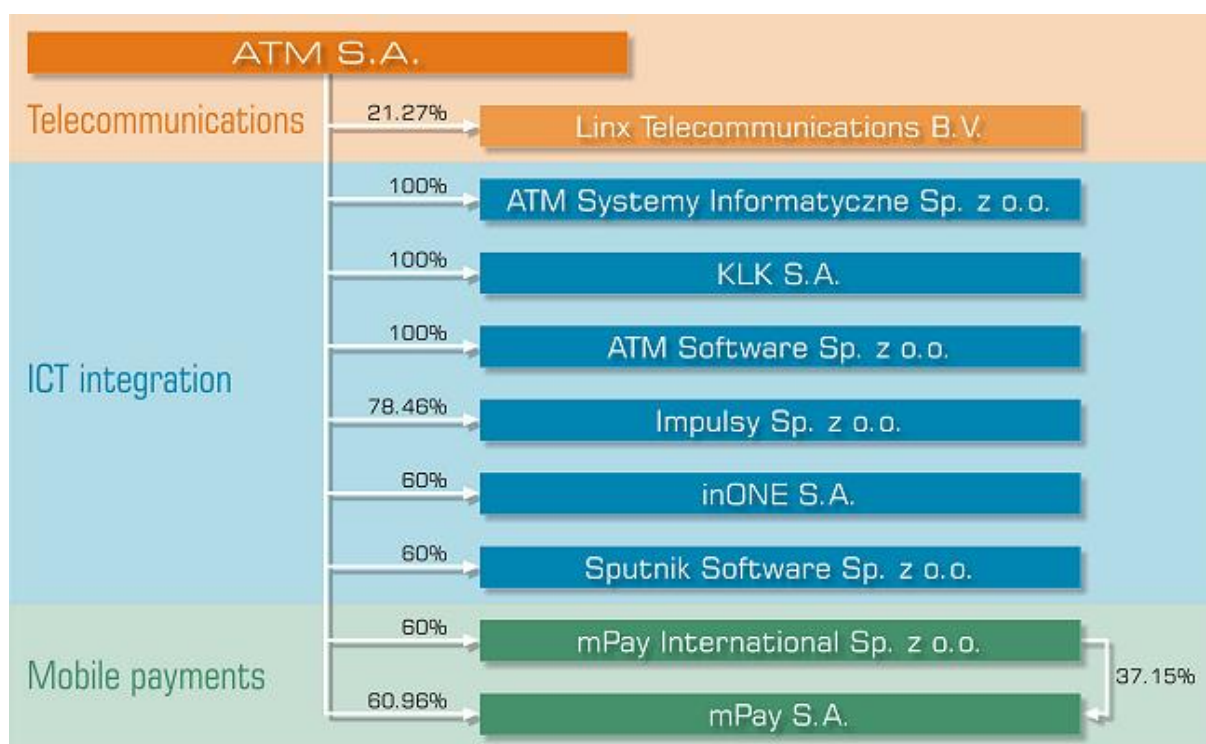
The group participates in this segment through the activity of mPay which allows making payments via mobile phones, being a pioneer in the implementation of this type of solutions in Poland. With mobile payments, in the third quarter of 2010, the Group earned PLN 408 thousand sales revenue and had less than PLN 456 thousand operating loss (and a similar net loss). Cumulatively, after the three quarters the group had profit of PLN 1.5 million and sales margin of PLN 0.8 million in the segment of mobile payments. In comparison to an analogical period, the group achieved a 187% increase of profit, more than 512% increase of sales margin and significantly decreased the operating loss from PLN 3.7 million to PLN 1.1 million.

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

In the period concerned, no atypical factors and events occurred.

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

As at the date of publication of this report, ATM S.A. Group of Companies included the following entities:



As at the day of publication of this report, all of the aforementioned subsidiaries were subject to consolidation.

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 make the 2010 forecasts public.

INFORMATION ON SHAREHOLDERS HAVING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE ISSUER'S ANNUAL GENERAL MEETING AS OF THE DATE OF SUBMISSION OF A QUARTERLY REPORT, STATING THE NUMBER OF SHARES HELD BY THOSE COMPANIES, THEIR PERCENTAGE STAKE IN THE SHARE CAPITAL, THE RESULTING NUMBER OF VOTES AND PERCENTAGE SHARE IN OVERALL NUMBER OF VOTES AT THE ANNUAL GENERAL MEETING AS WELL STATING CHANGES

IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT STAKES OF ISSUER'S SHARES IN THE PERIOD SINCE SUBMISSION OF PREVIOUS QUARTERLY REPORT

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

<u>Shareholder</u>	<u>Number of shares</u>	<u>% share in the overall number of votes</u>
Tadeusz Czichon	5,956,887	16.39%
Polsat OFE	3,603,624	9.92%
ING OFE	3,470,517	9.55%
Roman Szwed	3,287,993	9.05%
Piotr Puteczny*	1,817,500	5.00%

*) jointly with his spouse

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

The data concerning Polsat OFE and ING OFE refer to the number of shares owned by these shareholders as at 31 December 2009 based on the "Annual asset structure".

SUMMARY OF CHANGES IN THE NUMBER OF ISSUER'S SHARES OR STOCK OPTIONS HELD BY THE ISSUER'S MANAGERS AND SUPERVISORS, IN ACCORDANCE WITH THE INFORMATION AVAILABLE TO THE ISSUER, SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY 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 quarterly report is presented in the table below:

Forename and surname	As at 31 August 2010	Increases	Decreases	As at 15 November 2010
Tadeusz Czichon	5,956,887	-	-	5,956,887
Roman Szwed	3,387,993	-	-	3,287,993
Maciej Krzyżanowski	55,408	-	-	55,408
Anna Bugajska	50,389	7,611	-	58,000

Tomasz Tuchołka	925	-	-	925
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PURCHASE OF TREASURY SHARES

Pursuant to the resolution of 5 June 2008, the Ordinary General Meeting of Shareholders approved a purchase by the Issuer of treasury shares which will be offered for sale to employees of companies from the ATM S.A. Group of Companies, in accordance with the Rules of the Incentive Scheme (as per the current report No 22/2008 of 5 June 2008).

In the period from 23 April to 27 September 2010 the Issuer sold to its employees and employees of its subsidiaries 286,820 shares of ATM S.A., thus fulfilling the provisions of the Rules of the Incentive Scheme for the employees of ATM S.A. Group of Companies, approved by the General Meeting of the Company on 5 June 2008. Pursuant to § 3 item 11 of the Rules, these shares shall be blocked to the amount of 4/5 of shares granted. The shares shall be unblocked in the amount of 20% each year, starting from the date of their transfer to the accounts of employees. The average unit sale price of shares was PLN 0.95. The total face value of shares sold was PLN 272,479. The sold holding constitutes 0.79% of the share capital and gives 286,820 votes (0.79%) at the General Meeting.

At the same time, on 13 October 2010 Beskidzki Dom Maklerski S.A. informed the Issuer about the transfer of 13,260 shares of ATM S.A. on 12 October 2010 to the investment account owned by the Issuer, from broker accounts of indicated employees of ATM S.A., in relation to the broker service of the Incentive Scheme provided by BDM S.A. to the employees of ATM S.A. Group of Companies. The repurchase of treasury shares was a result of realisation of the Issuer's right to repurchase treasury shares in the case of termination of an authorised person's employment.

The average unit purchase price of shares was PLN 0.95. The total face value of shares purchased was PLN 12,597. The purchased holding constitutes 0.036% of the share capital and gives 13,260 votes (0.036%) at the General Meeting.

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

There are no proceedings before the court, arbitration panel 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 CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS 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, both individually or jointly, which were not typical or routine transactions concluded in the course of daily operations.

INFORMATION ON GRANTING BY THE ISSUER OR ISSUER'S SUBSIDIARY 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 ISSUER'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 shareholders' equity.

OTHER INFORMATION CONSIDERED BY THE ISSUER AS IMPORTANT IN THE ASSESSMENT OF THE ISSUER'S PERSONNEL, ASSET AND FINANCIAL STANDING, NET PROFIT AND CHANGES TO SUCH ITEMS; INFORMATION RELEVANT TO THE ASSESSMENT OF THE ISSUER'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.

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

With regard to telecommunications services, the Company still has high potential to increase revenue and generate profits, owing to its good investment policy. The demand for broadband transmission, collocation and data centres 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 Telehouse.Poland data centre for sale and executing a project of construction of CI ATM. The implementation of these investments shall bring a notable result in the increase of revenue and profits in the next financial periods.

Integration services are more exposed to economic phenomena and therefore it is more difficult to predict the behaviour of this segment. Therefore, it is so important to have orders to be fulfilled over the next couple of years. In 2010, owing to won public tenders, the biggest of which is OST 112, the Group can boast a significant number of contracts realised throughout several consecutive quarters, which increases the stability of sales revenue and profits achieved.

QUARTERLY FINANCIAL INFORMATION OF ATM S.A.

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

1. TOTAL INCOME STATEMENT

	For the period 01/01 - 30/09/2010	For the period 01/07 - 30/09/2010	For the period 01/01 - 30/09/2009	For the period 01/07 - 30/09/2009
Continued operations				
Sales revenue	84,626	26,503	108,384	28,891
Cost of sales (variable)	38,755	9,551	59,394	14,737
Cost of sales (fixed)	10,433	3,546	10,645	3,308
Gross profit (loss) on sales	35,437	13,405	38,345	10,846
Other operating revenue	289	48	754	144
Selling costs				
General and administrative costs	22,675	7,446	25,835	8,336
Other operating expenses	705	64	187	(3)
Restructuring costs				
Operating profit (loss)	12,346	5,943	13,078	2,658
Share in the financial result of undertakings valued using the equity method				
Financial revenue	447	131	1,611	1,095
Financial expenses	4,756	2,326	6,823	1,460
Profit (loss) before tax	8,037	3,748	7,867	2,294
Income tax	495	101	1,116	268
Net profit (loss) on continued operations	7,543	3,648	6,751	2,026
Discontinued operations				
Net profit (loss) on discontinued operations				
Net profit (loss)	7,543	3,648	6,751	2,026
Profit (loss) per share *)				
From continued operations:				
Ordinary	0.21	0.10	0.19	0.06
Diluted	0.21	0.10	0.19	0.06
From continued and discontinued operations:				
Ordinary	0.21	0.10	0.19	0.06
Diluted	0.21	0.10	0.19	0.06

*) the individual data of ATM S.A. were adjusted by the reduction in revenues and sales costs (variable) by PLN 102,601 thousand resulting from recharging the integration activity between ATM S.A. and ATM SI Sp. z o.o.

The stand-alone results of ATM S.A. in 2010 are not comparable with the previous year, since in the first quarter of 2009 ATM S.A. operated also in the segments of system integration. This operation from the beginning of the second quarter of 2009 was continued by ATM SI Sp. z o.o. In order to obtain comparability of results achieved from these two types of operation, the following summary has been drawn up.

Total income statement – comparison of results from 2010 and 2009

The table below presents the comparison of consolidated results of ATM S.A. and ATM Systemy Informatyczne Sp. z o.o. achieved in the first three quarters of 2010, as compared to the analogous period in the previous year.

	ATM S.A. (according to total income statement) <u>For the period 01/01 - 30/09/2010</u>	ATM Systemy Informatyczne Sp. z o.o.* <u>For the period 01/01 - 30/09/2010</u>	Consolidated financial statements of total income** <u>For the period 01/01 - 30/09/2010</u>	Consolidated financial statements of total income <u>For the period 01/01 - 30/09/2009</u>
Sales revenue	84,626	108,352	185,762	151,063
Cost of sales (variable)	38,755	85,644	117,183	92,930
Cost of sales (fixed)	10,433	4,054	14,487	12,337
Gross profit (loss) on sales	35,437	18,654	54,092	45,796
Other operating revenue	289	170	459	755
General and administrative costs	22,675	9,634	32,309	31,402
Other operating expenses	705	36	742	187
Operating profit (loss)	12,346	9,154	21,500	14,963
Financial revenue	447	7,450	7,896	2,287
Financial expenses	4,756	8,256	13,012	6,826
Net financial activity	(4,309)	(807)	(5,116)	(4,538)
Profit (loss) before tax	8,037	8,347	16,384	10,424
Income tax	495	1,686	2,181	1,116
Net profit (loss) on continued operations	7,543	6,661	14,203	8,813
Net profit (loss)	7,543	6,661	14,203	8,813
Other total net income	-	-	-	-
Total amount of total income	7,543	6,661	14,203	8,813

*) on the basis of financial statement of ATM Systemy Informatyczne for the third quarter of 2010

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

2. FINANCIAL SITUATION STATEMENT

	<u>End of period 30/09/2010</u>	<u>End of period 31/12/2009</u>
Fixed assets		
Goodwill		
Intangible assets	49,493	16,424
Tangible fixed assets	153,373	133,860
Investments in associates consolidated using the equity method	63,487	63,487
Other financial assets	43,876	42,418
Deferred income tax assets	-	
Other fixed assets	2,857	4,594
	<u>313,085</u>	<u>260,783</u>
Current assets		
Inventories	1,153	1,531
Financial assets held for trading	2,454	2,817
Trading and other receivables	28,904	45,804
Income tax receivables	31	308
Other current assets	4,407	5,092
Other financial receivables		
Cash and cash equivalents	5,603	2,381
	<u>42,551</u>	<u>57,933</u>
Fixed assets classified as held for sale	<u>-</u>	<u>-</u>
Total assets	<u><u>355,637</u></u>	<u><u>318,716</u></u>

	<u>End of period 30/09/2010</u>	<u>End of period 31/12/2009</u>
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve		
Treasury shares		-8
Capital reserves	35,254	29,584
Hedge valuation reserve and FX gains/losses due to consolidation		
Retained earnings	<u>22,140</u>	<u>21,883</u>
Total shareholders' equity	<u>251,148</u>	<u>245,212</u>
Long-term liabilities		
Long-term loans		
Provisions for deferred tax	2,369	1,874
Provisions for liabilities		
Long-term trade and other liabilities	31,465	378
Other financial liabilities	<u>23,688</u>	<u>14,287</u>
	<u>57,522</u>	<u>16,539</u>
Short-term liabilities		
Bank and other loans	8,421	3,136
Provisions for liabilities		
Income tax liabilities		
Trading and other liabilities	27,583	43,357
Other financial liabilities	<u>10,963</u>	<u>10,472</u>
	<u>46,968</u>	<u>56,965</u>
Liabilities related directly to fixed assets classified as held for sale	<u>-</u>	<u>-</u>
Total liabilities	<u>355,638</u>	<u>318,716</u>

3. STATEMENT OF CHANGES IN EQUITY

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Equity</u>
As at 1 January 2009	34,397	157,252	(1,984)	20,831	23,047	233,543
Increases:						
Issue of shares	326	1,778	-	-	-	2,104
Current period results	-	-	-	-	6,751	6,751
Share subscription under the stock option plan	-	-	1,992	(1,701)	-	291
Valuation of the incentive scheme	-	-	-	-	-	-
Profit distribution	-	-	-	10,452	-	10,452
Decreases:						
Share issue costs	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	10,452	10,452
Dividends paid out	-	-	-	-	-	-
Current period results	-	-	-	-	-	-
Purchase of treasury shares	-	-	16	-	-	16
As at 30 September 2009	34,723	159,030	(8)	29,582	19,346	242,673
As at 1 January 2010	34,723	159,030	(8)	29,584	21,883	245,212
Increases:						
Issue of shares	-	-	-	-	-	-
Current period results	-	-	-	-	7,543	7,543
Share subscription under the stock option plan	-	-	8	-	-	8
Valuation of management options	-	-	-	-	457	457
Profit distribution	-	-	-	7,742	-	7,742
Sale of treasury shares under the Incentive Scheme	-	-	2,335	-	-	2,335
Decreases:						
Share issue costs	-	-	-	-	-	-
Current period results	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	7,742	7,742
Revision of previous years' results	-	-	-	-	-	-
Dividends paid out	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	-	2,071	-	2,071
Purchase of treasury shares	-	-	2,335	-	-	2,335
As at 30 September 2010	34,723	159,030	-	35,254	22,140	251,148

4. CASH FLOW STATEMENT

	<u>For the period 01/01</u> <u>- 30/09/2010</u>	<u>For the period 01/01</u> <u>- 30/09/2009</u>
<i>Operating activities</i>		
Profit (loss) before tax	8,037	7,867
Adjustment by items:	23,964	18,170
Amortization and depreciation	12,624	11,624
FX gains/losses	1,846	1,943
Interest received	(104)	(232)
Interest paid	2,671	1,466
Dividends received	0	(180)
Profit (loss) on investment activities	186	(499)
Movements in inventories	658	8,695
Movements in receivables	19,567	25,769
Movements in liabilities and provisions	(14,576)	(28,677)
Movements in other assets	742	1,130
Income tax paid	278	(522)
Other	72	(2,347)
	32,001	26,037
<i>Investing activities</i>		
Expenses on tangible fixed assets purchases	(29,053)	(22,115)
Expenses on financial asset purchases	(1,369)	(7,040)
Revenue from sale of tangible fixed assets	10,327	8,656
Repayments of long-term loans	450	600
Long-term loans granted		(790)
Revenue from sale of financial assets	4	
Interest received		
Dividends received		180
FX gains/losses	46	(115)
Other		
	(19,595)	(20,624)
<i>Financing activities</i>		
Net proceeds from issue of shares and other capital contributions		404
Subsidies received		
Proceeds from loans	5,286	
Repayments of loans		(1,018)
Purchase of treasury shares	(2,335)	(16)
Sale of treasury shares under the incentive scheme	272	1,992
Payment of liabilities arising from finance leases	(9,342)	(4,275)
Dividends paid		
Interest received	8	93
Interest paid	(2,671)	(1,466)
Other profit-sharing		
FX gains/losses	(410)	(120)
Other	8	175
	(9,184)	(4,233)
Movements in cash	3,222	1,181
Opening balance of cash	2,381	2,223
Closing balance of cash	5,603	3,404

NOTES TO QUARTERLY REPORT FOR THE THIRD QUARTER OF 2010

1. SALES REVENUES BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenues broken down into geographical distribution are as follows:

	For the period 01/01 - 30/09/2010	For the period 01/07 - 30/09/2010	For the period 01/01 - 30/09/2009	For the period 01/07 - 30/09/2009
Country	82,232	25,490	105,711	28,255
Export	2,393	1,012	2,673	636
Total sales revenue	84,626	26,503	108,384	28,891

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 30/09/2010	As at 31/12/2009
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	48,408	5,645
2.1 to other undertakings, including:	48,408	5,645
- guarantees, sureties granted	48,408	5,645
- mortgage collateral		0
- collateral pledge		0

Since the end of the accounting year 2009, the following changes in contingent liabilities have occurred:

- a) guarantees and sureties granted have increased by PLN 42,762 thousand due to:
- term expiry of bank and insurance guarantees (tender bonds, performance bonds) for the total amount of PLN 1,076 thousand;
 - submitting the bank and insurance guarantees securing tenders and contracts - for the total amount of PLN 43,838 thousand;
- b) mortgage collaterals and collateral pledges remain unchanged.

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

	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	in PLN thousand		in EUR thousand	
Total sales revenue	84,626	108,384	21,142	24,637
Operating profit (loss)	12,346	13,078	3,084	2,973
Profit before tax	8,037	7,867	2,008	1,788
Net profit	7,543	6,751	1,884	1,535
Net cash from operating activities	32,001	26,037	7,995	5,918
Net cash from investing activities	(19,595)	(20,624)	(4,896)	(4,688)
Net cash from financing activities	(9,184)	(4,231)	(2,294)	(962)
Increase (decrease) in cash	3,222	1,182	805	269
	30/09/2010	31/12/2009	30/09/2010	31/12/2009
Fixed assets	313,085	260,783	78,527	63,479
Current assets	42,551	57,933	10,673	14,102
Total assets	355,637	318,716	89,199	77,580
Long-term liabilities	57,522	16,539	14,427	4,026
Short-term liabilities	46,968	56,965	11,780	13,866
Equity	251,148	245,212	62,992	59,689
Share capital*	34,723	34,723	8,709	8,452
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.91	6.75	1.73	1.64
Diluted book value per share (PLN/EUR)	6.91	6.75	1.73	1.64

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

The above financial data for the third quarter 2010 and 2009 was converted to EUR according to 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 2010, at PLN/EUR 3.987 and as of 31 December 2009, at PLN/EUR 4.1082;
- individual items of the profit and loss account and the cash flow statement were calculated with the rate being arithmetic mean of 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 2010 at PLN/EUR 4.0027 and between 1 January and 30 September 2009 at PLN/EUR 4.3993.