ATM S.A. CAPITAL GROUP

CONSOLIDATED HALF-YEAR REPORT FOR THE 1ST HALF OF 2011

KEY CONSOLIDATED HALF-YEAR REPORT DATA

This consolidated Half-year report comprises information prepared in accordance with §86 section 2 and §87 section 1 of the Regulation of the Minister of Finance of 19 October 2005 and comprises the consolidated financial statements of ATM S.A. capital group, drafted as per the International Financial Reporting Standards as approved by the European Union.

The report's filing date: 31 August 2011

The Issuer's key data:

The Issuer's full name: ATM S.A.
The Issuer's abbreviated name: ATM
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Regon (Statistical Identification Number): 012677986

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS OF ATM S.A. CAPITAL GROUP FOR THE 1ST HALF OF 2011

1. CONSOLIDATED TOTAL INCOME STATEMENT

	For the period 01/01- 30/06/2011	For the period 01/01- 30/06/2010
Continuing operations		
Sales revenue	169,321	169,576
Variable costs of goods sold	104,897	112,256
Fixed costs of goods sold	13,317	14,580
Gross profit (loss) from sales	**51,106**	**42,740**
Other operating revenue	964	782
Sales expenses	314	133
Administration expenses	37,464	30,768
Other operating expenses	1,103	747
Reorganisation expenses	-	-
Profit (loss) from operating activity	**13,189**	**11,874**
Share in profit/loss of associates measured using equity method	(39)	1,892
Financial revenue	7,039	7,446
Financial expenses	7,342	7,828
Profit (loss) before tax	**12,847**	**13,384**
Income tax	2,328	2,051
Net profit (loss) from continuing operations	**10,519**	**11,333**
Discontinued operations		
Net profit (loss) from discontinued operations	115	-
Net profit (loss)	**10,634**	**11,333**
Net profit (loss) attributable to the Group's shareholders	10,334	11,074
Net profit (loss) attributable to minority shareholders	299	259
Other comprehensive income		
Share in other comprehensive income of associates	-	-
Income tax referring to other comprehensive income items	-	-
Other net comprehensive income	-	-
Total comprehensive income	**10,634**	**11,333**
Comprehensive income attributable to the Group's shareholders	10,334	11,074
Comprehensive income attributable to minority shareholders	299	259
From continuing operations:		
Basic	0.29	0.30
Diluted	0.29	0.30
From continuing and discontinued operations:		
Basic	0.29	0.30
Diluted	0.29	0.30
EBITDA	25,359	22,181

2. CONSOLIDATED OF FINANCIAL SITUATION STATEMENT – ASSETS

	End of period 30/06/2011	End of period 31/12/2010
Fixed assets		
Goodwill	18,579	18,580
Intangible assets	65,375	67,373
Property, plant and equipment	195,515	181,653
Investments in associates consolidated using the equity method	67,638	67,640
Other financial assets	80	80
Deferred income tax assets	534	1,374
Other fixed assets	2,434	2,310
	350,155	**339,010**
Current assets		
Inventories	12,731	25,997
Financial assets held for trading	101	94
Trade and other receivables	56,834	121,521
Income tax assets	443	26
Other current assets	8,310	9,948
Other financial receivables	-	-
Cash and cash equivalents	10,328	40,269
	88,747	**197,855**
Fixed assets classified as held for sale	-	-
Total assets	**438,902**	**536,865**

3. CONSOLIDATED OF FINANCIAL SITUATION STATEMENT – LIABILITIES

	End of period 30/06/2011	End of period 31/12/2010
Equity		
Share capital	34,723	34,723
Share premium	159,030	159,030
Revaluation reserve	-	-
Own shares (stocks)	-	(13)
Capital reserve	40,428	38,298
Hedging transaction valuation capital and exchange differences from consolidation	-	-
Retained earnings	31,353	35,424
Total equity attributable to Group's shareholders	**265,535**	**267,462**
Non-controlling interest	7,055	7,811
Total equity	**272,590**	**275,273**
Long-term liabilities		
Long-term borrowings and loans	1,523	1,889
Provisions for deferred tax	-	-
Provisions for liabilities	-	-
Long-term trade and other liabilities	29,471	31,436
Other financial liabilities	26,301	22,546
	57,295	**55,871**
Short-term liabilities		
Borrowings and bank loans	35,242	13,846
Provisions for liabilities	-	-
Income tax liabilities	273	2,467
Trade and other liabilities and other liabilities	49,138	173,405
Other financial liabilities	24,363	16,003
	109,016	**205,721**
Liabilities directly associated with fixed assets classified as held for sale	-	-
Total liabilities	**438,902**	**536,865**

4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Share capital	Premium share	Own shares	Capital reserve	Revaluation reserve	Retained earnings	Total equity attributable to the Group's shareholders	Non-controlling interest	Total equity
As at 1 January 2011	**34,723**	**159,030**	**(13)**	**38,298**	**-**	**35,424**	**267,462**	**7,811**	**275,273**
Increases:									
Increase in capital	-	-	-	-	-	-	-	-	-
Current period profit/(loss)	-	-	-	-	-	10,334	10,334	299	10,634
Taking up shares as part of share option plan	-	-	13	9	-	-	22	-	22
Valuation of executive share options	-	-	-	-	-	-	-	-	-
Change in the Capital Group's structure	-	-	-	-	-	76	76	(1,055)	(979)
Profit distribution	-	-	-	2,121	-	-	2,121	-	2,121
Decreases:									
Purchase of own shares as part of share option plan	-	-	-	-	-	-	-	-	-
Purchase of shares after control taking date	-	-	-	-	-	-	-	-	-
Current period profit/(loss)	-	-	-	-	-	-	-	-	-
Profit distribution to be appropriated for supplementary capital	-	-	-	-	-	2,122	2,122	-	2,122
Appropriation for dividend payout	-	-	-	-	-	12,359	12,359	-	12,359
Incentive plan financing	-	-	-	-	-	-	-	-	-
As at 30 June 2011	**34,723**	**159,030**	**-**	**40,428**	**-**	**31,353**	**265,535**	**7,055**	**272,590**

	Share capital	Premium share	Own shares	Capital reserve	Revaluation reserve	Retained earnings	Total equity attributable to the Group's shareholders	Non-controlling interest	Total equity
As at 1 January 2010	**34,723**	**159,030**	**(8)**	**30,608**	**72**	**23,392**	**247,817**	**8,218**	**256,035**
Increases:									
Increase in capital	-	-	-	-	-	-	-	-	-
Current period profit/(loss)	-	-	-	-	-	11,074	11,074	259	11,333
Taking up shares as part of share option plan	-	-	8	-	-	-	8	-	8
Valuation of executive share options	-	-	-	-	-	-	-	-	-
Change in the Capital Group's structure	-	-	-	-	-	87	87	-	87
Profit distribution	-	-	-	9,046	-	-	9,046	-	9,046
Decreases:									
Purchase of own shares as part of share option plan	-	-	2,335	-	-	-	2,335	-	2,335
Adjustment of profit/(loss) brought forward	-	-	-	-	-	-	-	180	180
Current period profit/(loss)	-	-	-	-	-	-	-	-	-
Profit distribution to be appropriated for supplementary capital	-	-	-	-	-	9,046	9,046	-	9,046
Appropriation for dividend payout	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	72	-	72	-	72
As at 30 June 2010	**34,723**	**159,030**	**(2,335)**	**39,654**	**72**	**25,507**	**256,579**	**8,297**	**264,876**

5. CONSOLIDATED CASH FLOW STATEMENT

	For the period from January 1- to June 30 2011	For the period from January 1- to June 30 2010
Operating activities		
Profit (loss) before tax	**12,847**	**13,382**
Adjustments with items:	(30,620)	291
Share of net (profit) loss of associates measured using the equity method	(39)	1,892
Depreciation and amortisation	12,170	10,307
Exchange differences	1,938	-
Interest received	15	(7,024)
Interest paid	3,229	1,511
Dividends received	-	-
(Profit) loss from investing activities	(5,443)	133
Change in inventories	12,251	(8,073)
Change in receivables	99,993	6,921
Change in liabilities and provisions	(150,019)	(7,044)
Change in other assets	(432)	6,050
Income tax paid	(3,939)	(1,811)
Other	(343)	(2,570)
	(17,773)	**13,674**
Investing activities		
Payments to acquire tangible assets	(35,238)	(18,680)
Payments to acquire financial assets	-	(27)
Proceeds from disposal of tangible fixed assets	7,052	8,099
Repayment of long-term loans granted	-	375
Long-term loans granted	-	-
Proceeds from disposal of financial assets	7,200	-
Interest received	-	-
Dividends received	-	-
Exchange differences	59	(46)
Other	(17)	(383)
	(20,944)	**(10,662)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	136	
Proceeds from loans and advances	24,509	6,440
Repayment of loans and advances	(3,480)	(872)
Purchase of own shares	13	(2,327)
Repayment of financial leasing liabilities	(8,252)	(7,221)
Dividends paid out	-	-
Interest received	-	7,070
Interest paid	(3,249)	(1,619)
Other profit-sharing payouts	-	-
Exchange differences	9	(354)
Other	(908)	1
	8,777	**1,119**
Change in cash and cash equivalents	**(29,940)**	**4,130**
Cash and cash equivalents at the beginning of period	40,269	5,961
Cash and cash equivalents at the end of period	**10,328**	**10,091**

NOTES TO ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC INFORMATION

ATM S.A. as a parent entity of the ATM S.A. capital group runs an enterprise in the form of a joint-stock company. The Company commenced its operations in 1993, as ATM Sp. z o.o. On 10 July 1997, ATM Sp. z o.o. was converted into a joint-stock company, pursuant to the notarised deed drafted on 16 May 1997 in the Notary Public Office in Raszyn (Register No 3243/97).

The Company's registered office is in Warsaw, in ul. Grochowska 21 a. The Company's registration body is the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Section of the National Court Register. The Company is entered under number KRS 0000034947.

ATM S.A. is an entity listed on the Warsaw Stock Exchange. The Group's core business, as per the Warsaw Stock Exchange's classification, belongs to the sector of "IT".

2. BASIS FOR DRAFTING THE CONSOLIDATED FINANCIAL STATEMENTS AND THE ACCOUNTING STANDARDS (POLICY)

The interim abbreviated financial statements for the period of the first year-half ended 30 June 2011 were drafted in accordance with IAS 34 *Interim abbreviated financial reporting* and in accordance with the relevant International Financial Reporting Standards (IFRS), applicable to interim financial reporting, accepted by the International Accounting Standards Board (IASB) and the Interpretations Committee (IC), as approved by the European Union and effective as at 30 June 2011.

According to IAS 1 *Presentation of Financial Statements* §19, the Issuer's Management Board decided that the application of IAS 21 *The Effects of Changes in Foreign Exchange Rates* in respect of the measurement of liabilities under foreign exchange denominated leasing agreements would be misleading and the financial statements would not meet their objective defined in the Conceptual Assumptions. Therefore, the Company abandoned, commencing from the quarterly statements for Q4 2008, the full application of that requirement and introduced the modification thereof, as further discussed below.

According to IAS 21 §28, the exchange differences from revaluation of leasing liabilities as a result of changes in foreign exchange rates should be recognised in profit or loss of the current reporting period. In view of the world financial crisis, since Q4 2008 large and sudden fluctuations of foreign exchange rates were noted. In such a situation, recognising the measurements of foreign currency denominated leasing liabilities directly in profit or loss would cause substantial changes in the Company's profit during a given reporting period, not reflecting the actual picture of the Company's business operations. Only an insignificant portion of exchange differences from leasing liabilities – the portion relating to instalments repaid during a given reporting period – refers to the current reporting period, while most of refer to well-defined future periods during which the subsequent leasing instalments will fall due. The expense or profit from revaluation of leasing liabilities is actually realised (affects the Company's finance) during the periods when the leasing instalments fall due, taking into account the actual currency exchange rates as at the due date of leasing instalments.

Therefore, under IAS 1 §19, the Company applied (for the first time in the quarterly statements for Q4 2008) a partial deviation from IAS 21, namely the exchange differences on currency leasing liabilities were recognised in the Company's financial expenses for a given reporting period only in that portion which referred to instalments having been actually repaid. The remaining value of exchange differences is recognised in accrued expenses charged to financial expenses of that month in which they are actually paid. Moreover, accrued expenses are modified to reflect subsequent exchange differences arising on leasing liabilities (both positive and negative). The deviation from IAS 21 is applied by the Company also in these financial statements and will be continually applied until the exchange rates have permanently stabilized on world markets, not longer than until Q3 2013 when the last foreign currency denominated leasing instalments will fall due.

For detailed calculations and financial consequences of the solution applied for presentation of exchange differences on currency denominated leasing liabilities see below.

As at 30.06.2011, the balance of accrued expenses from exchange differences on leasing liabilities was PLN 2,185,362.94. If the exchange rates of EUR and JPY remained at the level of the balance sheet date, this amount would be recognised in expenses of future periods as follows:

Year	Quarter	Amount
2011	3	559,743.71
	4	499,991.61
2012	1	202,788.54
	2	206,014.19
	3	204,583.77
	4	200,405.17
2013	1	161,265.71
	2	112,314.08
	3	38,256.16
	4	0.00
TOTAL		**2,185,362.94**

The Issuer will consistently present accrued expenses arising from an increase or decrease in the value of leasing instalments to be repaid in future periods.

The application of a partial deviation from IAS 21 as at 30.06.2011 resulted in an increase in value of other current assets by the abovementioned amount of PLN 2,185,362.94, thus the gross profit in the years 2008–2011 increased by the same amount which after deduction of deferred tax (19% of gross profit) amounting to PLN 415,218.78 generated the net profit higher by PLN 1,770,143.22 PLN. That result comprised an increase in the net profit in the years 2008–2010 amounting to PLN 2,973,453 and a decrease in the net profit of the current period amounting to PLN 1,203,309.78.

Similarly, as at 31.12.2010 the application of the deviation resulted in an increase in the value of other current assets by the amount of PLN 3,670,930.05, thus the gross profit in the years 2008–2010 increased by the same amount, which after deduction of deferred tax (19% of gross profit) amounting to PLN 697,476.71 generated the net profit higher by 2,973,453.34 PLN. That result comprised an increase in the net profit in the years 2008–2009 amounting to PLN 3,128,609.75 and a decrease in the net profit of the current period amounting to PLN 155,156.41.

Similarly, as at 31.12.2009 the application of the abovementioned deviation resulted in an increase in the value of other current assets by the amount of PLN 3,862,481.17, thus the gross profit in the years 2008–2009 increased by the same amount which after deduction of deferred tax (19% of gross profit) amounting to PLN 733,871.42 generated the net profit higher by PLN 3,128,609.75. That result comprised an increase in the net profit in the year 2008 amounting to 5,397,821.37 PLN and a decrease in the net profit of 2009 amounting to PLN 2,269,211.62.

Summing up, if the abovementioned deviation from IAS 21 were not be applied by the Company, the Company's consolidated net profit in the year 2008 would have been lower by PLN 5.4 million, in the year 2009 it would be higher by PLN 2.3 million, in the year 2010 it would be higher by PLN 0.15 million and in the first half of 2011 it would be higher by PLN 1.203 million.

The Management Board acknowledge that the financial statements (including the applied deviation from IAS 21 under IAS 1 §19) present fairly the Company's financial position, the financial results of business operations and cash flows.

The accounting standards (policy) applied in order to draft the interim abbreviated financial statements are consistent with those applied in order to draft the Group's annual consolidated financial statements for the past year.

The interim abbreviated consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read together with the Group's annual consolidated financial statements for 2010, including notes, for the period of 12 months ended 31 December 2010, drafted as per IFRS as approved by the EU.

These abbreviated interim consolidated financial statements have not been audited by an independent chartered accountant. The last consolidated financial statements audited by an independent chartered accountant were the consolidated financial statements for 2010.

These abbreviated interim consolidated financial statements were subject to review. The review report is published together with these statements.

3. SEASONALITY OF OPERATIONS

The revenue from sales of telecommunications services, in view of the subscription-related nature of agreements, is stable, recurring and is not subject to any perceptible economic cycles. The said revenue is not characterised by seasonality, but rather by a stable growth quarter over quarter. An exception to that rule was the launch in Q4 2010 of telecommunication services for the needs of the contract for construction, implementation and maintenance of Ogólnopolska Sieć Teleinformatyczna (Polish ITC Network) for the needs of emergency number 112 (OST 112), which increased the revenue from sales in the first year-half by PLN 8.75 million, but did not materially affect the sales profit. Revenue of that kind will also appear in the following reporting periods.

Furthermore, in the first year-half the shares held by ATM S.A. in inONE S.A. were sold, which increased the result from financing operations by PLN 5.4 million. In view of the transaction's location, profit from that transaction was classified as results on telecommunications activity.

However, the Group's activity in the segment of information and communication technology systems integration is characterised by sales seasonality which is specific for the whole sector. In this segment the sales revenue is usually much lower during the first three quarters of the year, and an increase is noted in the fourth quarter. Since last year, this effect has been considerably reduced owing to a bigger share of revenue from long-term contracts, realised during all quarters of the year. The seasonality of this segment also has a significant impact on the changes in amounts of liabilities and receivables at the end of the annual period compared with interim periods. A similar phenomenon was noted at the end of 2010, where the figures of liabilities and receivables were much higher than as at 30.06.2011.

Activity in the segment of mobile payments does not demonstrate any seasonality. However, a fast growth of revenue from that activity is expected in the future due to the dynamic growth of the mobile payments market, both in Poland and worldwide.

4. DIVIDENDS PAID OUT AND DECLARED

On 16.05.2011, the Company's Ordinary Shareholders Meeting passed a resolution concerning the distribution of a portion of the 2010 profit, i.e. an amount of PLN 8,358,969.12 for dividend or PLN 0.23 per one share. The number of shares authorised for dividend was 36,343,344. The dividend day was scheduled for 5.07.2011 and the dividend payout date for 19.07.2011.

5. BUSINESS OPERATION SEGMENTS

The first segment characterised by a stable growth in revenue and profits in the following reporting periods is the activity in the telecommunications area that ATM S.A. and Linx Telecommunications B.V. belong to (the operating results of Linxtelecom are not consolidated).

The second segment responsible for the biggest portion of revenue is the integration of information and communication systems, comprising the activity pursued in 2011 by: ATM Systemy Informatyczne S.A., ATM Software Sp. z o.o., Impulsy Sp. z o.o. and Sputnik Software Sp. z o.o.

The third distinguished operation segment is the provision of mobile payment services (payments with the use of mobile phone), comprising the activity pursued by subsidiaries, mPay S.A. and mPay International Sp. z o.o.

The key financial parameters of distinguished operating segments are presented in the table below:

For the period 01/01-30/06/2011	**Telecommunica-tions**	**Integration of information and communication systems**	**Mobile payments**	**Consolidation exclusions**	**Total**
Fixed assets	320,570	46,890	10,901	(28,207)	350,155
Sales revenue	64,821	109,725	1,244	(6,470)	169,321
Sales margin [1]	**33,726**	**29,781**	**857**	**-**	**64,364**
Profit (loss) from operating activity	8,082	5,602	(553)	59	13,189
EBITDA	17,382	7,922	(3)	59	25,359

For the period 01/01-30/06/2010	**Telecommunica-tions**	**Integration of information and communication systems**	**Mobile payments**	**Consolidation exclusions**	**Total**
Fixed assets [2]	290,509	48,738	11,555	(24,997)	325,805
Sales revenue	49,332	129,263	1,078	(10,098)	169,575
Sales margin [1]	**28,919**	**27,847**	**554**	**-**	**57,320**
Profit (loss) from operating activity	6,404	6,065	(654)	59	11,874
EBITDA	14,517	7,717	(112)	59	22,181

[1] sales margin = sales revenue minus direct variable costs of sale

[2] fixed assets of the telecommunications segment were converted as per the methodology adopted after Q2 2010

According to the current presentation method, introduced as at Q2 2010, specific financial categories for operating segments represent the sum of those categories for companies belonging to the segment, excluding stand-alone revenue of ATM S.A. which comprises, apart from the revenue from sales of telecommunications services, also the revenue from integration of information and communication systems, excluded from the telecommunications segment and included in the integration segment. Moreover, the values of consolidation exclusions are presented in a separate column, thus ensuring that data presented are consistent with the Group’s consolidated statements.

The sales revenue per geographical areas is as follows:

	For the period 01/01-30/06/2011	**For the period 01/01-30/06/2010**
Domestic	166,405	167,503
Exports	2,916	2,073
Total sales revenue	**169,321**	**169,576**

6. MATERIAL EVENTS AFTER THE YEAR-HALF END

No material events occurred after the year-half end.

7. CHANGE IN THE STRUCTURE OF THE BUSINESS ENTITY

In the first half of 2011, the following changes occurred in the Capital Group of ATM S.A.

On 3.01.20110, the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Section of KRS, recorded the merger of ATM Systemy Informatyczne Sp. z o.o. with KLK S.A. resulting in the establishment of a company named ATM Systemy Informatyczne Spółka Akcyjna, with ATM S.A. holding 100% of the share capital and 100% votes at the General Meeting.

On 4.01.2011, the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Section of KRS, recorded the increase in share capital of mPay S.A. by PLN 1,075,000, wholly taken up by ATM S.A.

On 31.03.2011, the shareholders of inONE S.A. and Web Inn S.A. owned by Enterprise Investors signed the agreement for transfer to Web Inn of the ownership of controlling interest in inONE S.A. The sale by the Issuer of all 60% shares held in inONE is the continuation of the process of streamlining of the ATM capital group's organisational structure commenced in 2009 in order for the Group to focus on its core business, i.e. provision of telecommunications services and integration of information and communication systems according to selected key competencies.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance-sheet items	As at 30/06/2011	As at 31/12/2010
1. Contingent receivables		
1.1 from other entities		
2. Contingent liabilities	59,738	71,306
2.1 to other entities, of which:	59,738	71,306
- guarantees and sureties granted	45,631	57,832
- security in the form of mortgage	9,595	9,595
- security in the form of pledge	4,511	3,879

Since the end of the financial year 2010, the following changes in contingent liabilities occurred:

a) guarantees and sureties granted have decreased by PLN 12,201 thousand, resulting from:

- expiry of the effective term of bank and insurance guarantees (tender and performance bonds) for the amount of PLN 23,020 thousand;
- establishment of tender bonds and contracts in the form of bank and insurance guarantees – for the amount of PLN 10,819 thousand.;

b) security in the form of pledge has increased by PLN 632 thousand;

c) security in the form of mortgage has remained unchanged.

REPORT OF THE MANAGEMENT BOARD OF OPERATIONS OF ATM S.A. CAPITAL GROUP FOR THE 1ST HALF OF 2011

(OTHER INFORMATION REQUIRED UNDER THE REGULATION OF THE MINISTER OF FINANCE CONCERNING CURRENT AND PERIODICAL INFORMATION DISCLOSED BY ISSUERS OF SECURITIES)

PRESENTED PERIODS

The interim abbreviated consolidated financial statements contain data for the period from 1 January 2011 until 30 June 2011. Comparative data are presented as at 31 December 2010 for the interim abbreviated consolidated statement of financial position, for the period from 1 January 2010 until 30 June 2010 for the interim abbreviated consolidated statement of comprehensive income, the interim abbreviated consolidated statement of cash flows and the interim abbreviated statement of changes in consolidated equity.

SELECTED FINANCIAL FIGURES

	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	000' PLN		000' EUR	
Total sales revenue	169,321	169,576	42,679	42,350
Profit (loss) from operating activity	13,189	11,874	3,325	2,965
Profit before tax	12,847	13,384	3,238	3,342
Net profit of parent company's shareholders	10,334	11,333	2,605	2,830
Net cash from operating activity	(17,773)	13,674	(4,480)	3,415
Net cash from financing activity	8,777	1,119	2,212	279
Net cash from investing activity	(20,944)	(10,662)	(5,279)	(2,663)
Increase (decrease) in cash	(29,940)	4,130	(7,547)	1,031
	30/06/2011	**31/12/2010**	**30/06/2011**	**31/12/2010**
Fixed assets	350,155	339,010	87,833	85,602
Current assets	88,747	197,855	22,261	49,960
Total assets	438,902	536,865	110,094	135,562
Long-term liabilities	57,295	55,871	14,372	14,108
Short-term liabilities	109,016	205,721	27,346	51,833
Equity	272,590	275,273	68,377	69,508
Share capital*	34,723	34,723	8,710	8,768
Equity of parent company's shareholders	265,535	267,462	66,607	67,536
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.31	7.36	1.83	1.86
Diluted book value per share (PLN/EUR)	7.31	7.36	1.83	1.86

* the share capital was recalculated according to IAS 29

The abovementioned financial figures for the first half of 2010 and 2011 were translated into EUR in accordance with the following rules:

- particular items of assets and liabilities were translated using the average rate published by the National Bank of Poland as at 30 June 2011, amounting to 3.9866 PLN/EUR;
- particular items of the profit and loss account and the statement of cash flows were translated using the rate being the arithmetical mean of average rates set by the National Bank of Poland as at the last day of each month of the financial period from 1 January until 30 June 2010, amounting to 4.0042 PLN/EUR and from 1 January until 30 June 2011, amounting to 3.9673 PLN/EUR.

The financial figures for 2010 were translated into EUR in accordance with the following rules:

- particular items of assets and liabilities were translated using the average rate published by the National Bank of Poland as at 31 December 2010, amounting to 3.9603 PLN/EUR.

DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER DURING THE PERIOD THE STATEMENTS REFER TO

In the first half of 2011, the Group recorded sales revenue close to that in a similar period of the last year in the amount of PLN 169.32 million, achieving in that period a substantially higher (38%) sales profitability (sales margin/sales revenue), thus in the first half of 2011 the ATM Capital Group earned PLN 64.36 million worth of sales margin (an increase by 12% y/y) and PLN 13.18 million worth of operating profit (an increase by 11% y/y).

The recent intensive development of the Group's companies caused in the first half of 2011 an increase in fixed costs (administration expenses + sales expenses + fixed sales expenses) by 12%. The fixed costs increased mostly as a result of growing depreciation (by 18%) following the Issuer's intensive investments in development of the telecommunications infrastructure (data centres and fibre-optic lines). On a year on year basis, EBITDA rose by 14% to PLN 25.3 million.

Another important factor increasing fixed costs is a substantial expansion of competencies of the ATM Capital Group's integration companies. Those companies make preparations for offering their services on new markets and in respect of innovative technologies. In particular, the energy market is a new market with a huge growth potential for which innovative solutions are prepared, namely software for energy distribution metering (*Smart Metering*). In co-operation with the world market leaders (HP and Microsoft companies), ATM Systemy Informatyczne launched the first infrastructure of that size in Poland to provide services in the Cloud Computing system. It is worth noting that IT services provided in the *Cloud Computing* system belong to the fastest growing sector in the most mature world economies.

The Group's net profit amounted to more than PLN 10.57 million and was lower by PLN 0.75 million than in the year 2010. The profit size was affected by developments outside the operating activity: in the first half of the last year by financial revenue arising from the current measurement of foreign currency denominated liabilities (settled in Q3 2010), and in the first half of 2011 by the profit from sales of inONE S.A. shares.

Telecommunication and value-added services

The Group may rate the results of the first half of 2011 in the segment of telecommunications services as very good. The Group generated sales revenue of PLN 64.82 million (an increase by 31% y/y), the sales margin of PLN 33.73 million (an increase by 17% y/y), the operating profit of PLN 8.1 million (an increase by 26% y/y) and EBITDA profit of PLN 17.4 million (an increase by 20% y/y).

Similarly to the previous periods, the revenue from colocation and hosting services is the main driving force behind the Issuer's growth in the area of telecommunications services. A record was set in Q2 where in colocation services an increase in the number of clients by 27% and an increase by more than 40% in generated revenue were noted year on year. The group of more than 350 clients using space in the Issuer's data centres was joint in that period inter alia by Medicover Sp. z o.o., the Katowice Town Hall, Web Inn S.A., e-Kiosk S.A., Emitel Sp. z o.o. and one of international financial institutions that chose to locate its server room in the facilities of Telehouse.Poland.

One of the most important achievements in the first year-half in the telecommunications activity was undoubtedly the acquisition as a client of the largest social network in Poland, Nasza Klasa, which chose to transfer all servers to Telehouse.Poland. The Issuer prepared in those facilities a special dedicated server room for the client with telecommunications infrastructure, safeguarded by security, access control and monitoring systems, of the area of more than 150 m^2 (7.5% of all premises).

It is worth noting that all colocation agreements are long-term ones and the revenue is based on subscription payments. The effective realisation of the investment policy in the area of data centres should enable the Issuer to generate higher revenue and profits in the future.

One of significant occurrences positively affecting the Group's future operations is the launch in Saint Petersburg by Linx Telecommunications B.V. of one of the largest and most technologically advanced data centres in Russia. Those facilities of the technical area of 12,000 m^2 offer more than 8,000 m^2 of area adapted to provide colocation and hosting services and 4,000 m^2 of office area for the purposes of Business Continuity Planning processes for the clients of Linxdatacenter. Negotiations are currently in progress with telecommunications operators from Russia and Western Europe interested in colocation of their information and communication equipment in that data centre being one of the most advanced centres.

Currently, the total technical area in 6 data centres of the ATM capital group (Warszawa, Katowice, Moscow, Tallinn, Saint Petersburg) amounts to more than 23,000 m^2 with guaranteed redundant power supply with available power 50 MW. It is the largest in that part of Europe offer of modern colocation and hosting services, both for local and international companies from telecommunications, financial and media sectors.

Another area of equal importance for the Group's operations in telecommunications services includes data transmission and fibre-optic services. The Issuer has fibre-optic metropolitan networks in numerous cities in Poland and is one of the largest providers of services rendered on the basis of fibre-optic networks. Demand for those services steadily grows, inter alia owing to the development of 4^{th} generation technologies (LTE) and the first implementations of that technology by mobile telephony operators. In the first year-half, contracts were successfully delivered in that area, namely the partners were provided with access to the fibre-optic infrastructure of the value in excess of PLN 4 million. In the following quarters of the year, the continued realisation of the contracts is planned.

With regard to the telecommunications infrastructure investment policy, the Issuer successfully finalised in the past months the construction of the first building as part of ATM Innovation Centre, which will increase its resources in Q3 by another 2,200 m^2 of gross technical area at the ATMAN Grochowska Data Centre.

Integration of information and communication systems

In the segment of integration services, in the first year-half of 2011 the Capital Group recorded satisfactory financial results. The sales revenue stood at PLN 109.73 million and was lower by PLN 19.54 million than the record figure of the first half of 2010. However, the sales margin increased by 7% to the level of PLN 29.78 million, and the operating profit was PLN 5.6 million (an insignificant decrease by PLN 460 thousand y/y).

One of the most important achievements in the first half of 2011 was the successful continuation of the largest contract in the history of the Issuer's business operations for construction, implementation and maintenance of Ogólnopolska Sieć Teleinformatyczna (Polish ITC Network) for the needs of emergency number 112 (OST 112). This project, realised in the integration area by ATM Systemy Informatyczne S.A. (ATM SI), proceeds according to assumptions and the agreed time schedule for commissioning subsequent phases of works.

In the first half of 2011, ATM SI achieved a great success on the energy market. The consortium composed of ATM SI, ATM S.A., ATM Software S.A. and Innovation Technology Group S.A. signed the contract for implementation and integration of the Application System for one of the biggest distributors of electricity in Poland – Energa-Operator S.A. The Application System is designed to support processes connected with management, obtaining and disclosing metering data from metering equipment working in the client's energy network. It is the so-called Smart Metering system whose implementation in Poland and in all other European countries becomes a necessity considering the need to save energy. The tender announced by Energa-Operator is the first pilot implementation in Poland. The agreement's value exceeds PLN 15 million. The following contracts in the energy sector are the ones signed with Polskie Górnictwo Naftowe i Gazownictwo SA (PGNiG), Data Processing Centre of Górnośląska Spółka Gazownictwa and Tauron Polska Energia S.A.

Apart from realisation of contracts in the energy sector, in the first half of 2011 ATM SI consistently developed the sales of its integration services on the market of telecommunications operators being the key market for the company, in most cases in close co-operation with Cisco Systems, the company's largest technological partner. The Company finalised the following phase of network construction of the value of approx. PLN 4 million and the project for construction of MPLS network of the value of approx. PLN 1 million for one of the mobile telephony operators. ATM SI also signed an agreement for delivery, implementation and maintenance of key elements of mobile production network (GGSN) for the amount of approx. PLN 2 million.

One should also mention the agreement for delivery of hardware, licence and network software of Cisco Systems for Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) for the amount of more than PLN 5 million. The Company also signed the contract with ArcelorMittal Shared Service Centre Europe Sp. z o.o. for the expansion of the IT system for more than PLN 1.2 million net.

In the first half of 2011, ATM SI was also successfully developing the sale of its services relating to the server room construction and equipment. In the last year-half, ATM SI signed the agreement for construction and equipment of data centres for two large media companies. The first agreement was signed as part of continued co-operation. The scope of current works comprises the construction of the server room facilities and delivery, assembly and start-up of technical infrastructure systems. The second agreement pertains to additional deliveries of technical infrastructure to the data centre realised earlier by ATM SI. The total value of both contracts exceeds PLN 13.3 million. The Company also continued the realisation of earlier contracts for data centre infrastructure, it expanded inter alia the Telehouse.Poland colocation centre with new functional modules.

In the first half of 2011, ATM SI launched the platform for provision of *Cloud Computing* services, based on an HP solution – Blade System Matrix. Parallelly, works were carried out in order to broaden the Company's offer in respect of outsourcing services. The Company also signed the Microsoft Services Provider License Agreement, allowing to provide outsourcing services with the use of Microsoft software. That agreement supplements the ATM SI's offer for IT infrastructure outsourcing services using the *Cloud Computing* model (*Infrastructure as a Service*) with a popular system platform and server software supporting the operations of enterprises.

ATM SI consistently strengthens its co-operation with leading technology providers. In the past year-half the Company renewed the partnership with VMware – a leading manufacturer of software for virtualisation of the operating environment. The status of Enterprise Solution Provider authorises the Company to sell and implement Enterprise class solutions. The Company also signed the agreement with Cryptzone Group – a manufacturer specialising in DLP (*Data Leak Prevention*) class systems who delivers IT security systems. Other agreements include the one signed with Arrow ECS Sp. z o.o., a specialist distributor of IT products offering corporate class solutions and services in the area of data storage, network security and programme infrastructure and the agreement with 4Sync Solutions Sp. z o.o., a leading provider of solutions for management of the security of IT services provided in global networks. ATM SI also strengthened its partnership with Oracle, the leader among vendors of relational databases and business applications. The Company signed the agreement for the Oracle Partner Network (OPN) programme and the agreement authorising to sell the full offer of products, services and technological solutions of that manufacturer.

The first year-half 2011 was very successful for Sputnik Software, a company being a member of the Issuer's capital group. As part of a consortium with Sygnity S.A., the company signed the contract with the Ministry of Finance for provision of maintenance services for two IT systems, BeSTi@ and SJO BeSTi@, integrating works relating to the processing of the local government budget. The services will be provided for the period of three years. In applications used by all local government units in Poland (3,000 locations), regional clearing chambers and the Ministry of Finance, a unique mechanism was launched for two-way electronic communication with regard to budget planning and reporting. Sputnik Software is the co-author of both systems. The agreement's value is PLN 4.25 million. The company also signed the agreement for "Delivery of the ticket system and the sales support system with processing of cashless payments" at the PGE Arena stadium in Gdańsk. The value of the agreement signed with the general contractor – HYDROBUDOWA Polska S.A. and ALPINE Construction Polska Sp. z o.o. is PLN 6 million. Sputnik Software also realised the contract for "Delivery of smart cards, software and smart card readers for organisational units of National Forests". The contract's value is PLN 3.1 million. Furthermore, the company signed three contracts for delivery and implementation of a complete platform for public e-services, including delivery of hardware, to communes of Pułtusk, Wiskitki and Żarnów, where the first two contracts were delivered as part of a consortium with Betacom S.A. Those agreements totalled PLN 1.8 million net.

Impulsy, a company being also a member of the Issuer's capital group, specialising in software for the medical sector, considerably increased its portfolio of contracts in the first half of 2011. The group of the company's clients was joint by Independent Public Clusters of Healthcare Units in: Przasnysz, Bełżyce, Szczebrzeszyn, Opole Lubelskie and Świdnik, and the Provincial Hospital named after M. Kopernik in Koszalin. Computerisation projects realised in those units comprise the implementation of the flagship product offered by Impulsy – the Medicus On-Line system – allowing inter alia for keeping electronic records of patients, efficient management of extensive structures of the hospital or clinic and automated generation of reports for all NFZ branches. Furthermore, in four of the abovementioned units Impulsy will also digitalise the X-ray diagnostic imaging room. The completion of all contracts is scheduled for the end of 2011. The value of the agreements is nearly PLN 9.5 million. In the first half of 2011, Impulsy Sp. z o.o. also signed, as part of a consortium with Innovation Technology Group S.A., the agreement for purchase and implementation of the eZOZ system, including CPWI, at the County Hospital and Out-patient Clinic in Mińsk Mazowiecki and the agreement for development of e-services and implementation of an integrated IT management system with the Independent Public Healthcare Cluster in Morąg. The value of those contracts is PLN 3.7 million.

ATM Software specialising in the development of multimedia related software may count the first half of 2011 as a very successful one. In the area of internet television, the company provided services of multimedia contents distribution, among others to the IPLA service (Redefine Sp. z o.o. from the Polsat group), Totalizator Sportowy, Multimedia Polska cable television, the Chancellery of the President of the Republic of Poland, the Sejm of the Republic of Poland, the Chancellery of the Senate, the Chief Police Headquarters, Wydawnictwa Szkolne i Pedagogiczne S.A., etc. The company also implemented the internet television service www.mmtv.pl for Multimedia Polska, the video portal for the Puls Biznesu daily and the multiroomPC solution for subscribers of Vectra S.A. cable television. Furthermore, the company established co-operation with TVN television providing services for new multimedia services (e.g. tvnmeteo.pl) and signed the agreement for provision of services for the needs of a new TVN Player service. ATM Software is also the contractor of software in the contract realised together with ATM SI, ATM and ITG for Energa Operator S.A. relating to the development of software for *Smart Metering* systems.

The reporting period also witnessed major organisational and optimisation changes in the capital group. During the first six months of 2011, its two largest integration companies were merging (i.e. ATM Systemy Informatyczne and KLK) and their operations were stabilising. The merger process started on 27 December 2010 by passing resolutions concerning the merger by the General Meeting of KLK and the General Meeting of ATM Systemy Informatyczne. Since the beginning of this year, the Company has operated under the corporate name of ATM Systemy Informatyczne S.A. The merger process goes smoothly. In consequence of that process the market potential of the consolidated company will be bigger owing to the growth of financial strength and revenue-cost and organisational synergy. Both companies had strong market positions and their consolidation made those even stronger.

Mobile payments

The Group runs operating activity in this segment through mPay S.A., which promotes the system of payments via mobile phones, being a pioneer of such solutions in Poland. In the first half of 2011, the Group recorded in the mobile payments segment a growth in revenue by more than 15% and a growth in margin by as much as 55% year on year. The revenue amounted to PLN 1.24 million which, combined with an effective reduction of fixed costs, considerably improved the Company's result, reducing the loss from operating activity to PLN 0.55 million. The Q2 results are particularly good where mPay managed for the first time ever to generate PLN 1 million in quarterly revenue and record only PLN 2.5 thousand in operating loss.

The strengthening of mPay's position on the mobile payments market is confirmed by the establishment of a closer co-operation with MasterCard. Since mid-July, both companies made mobile payments available to millions of MasterCard payment cards in Poland. This solution, an innovation on a European scale, allows the user to get direct access to his or her funds while effecting payments with the use of a mobile phone without the need to earlier transfer the funds to the electronic purse account.

One of the most important events in the history of mPay S.A. is the planned debut of the company on the NewConnect market. In July 2011, the company finalised the private placement of L class shares.

The company managed to raise more than PLN 2.4 million from the market. Twenty three investors took up 4.8 million shares valued at PLN 0.51, and the company's debut on the NewConnect market is scheduled for September. The main objectives of the new issue included, among other things, raising funds for development within the current business model, participation in the Pay With Your Mobile Phone initiative, construction of the new user interface and launching marketing activities with the aim of promoting the mPay payment system.

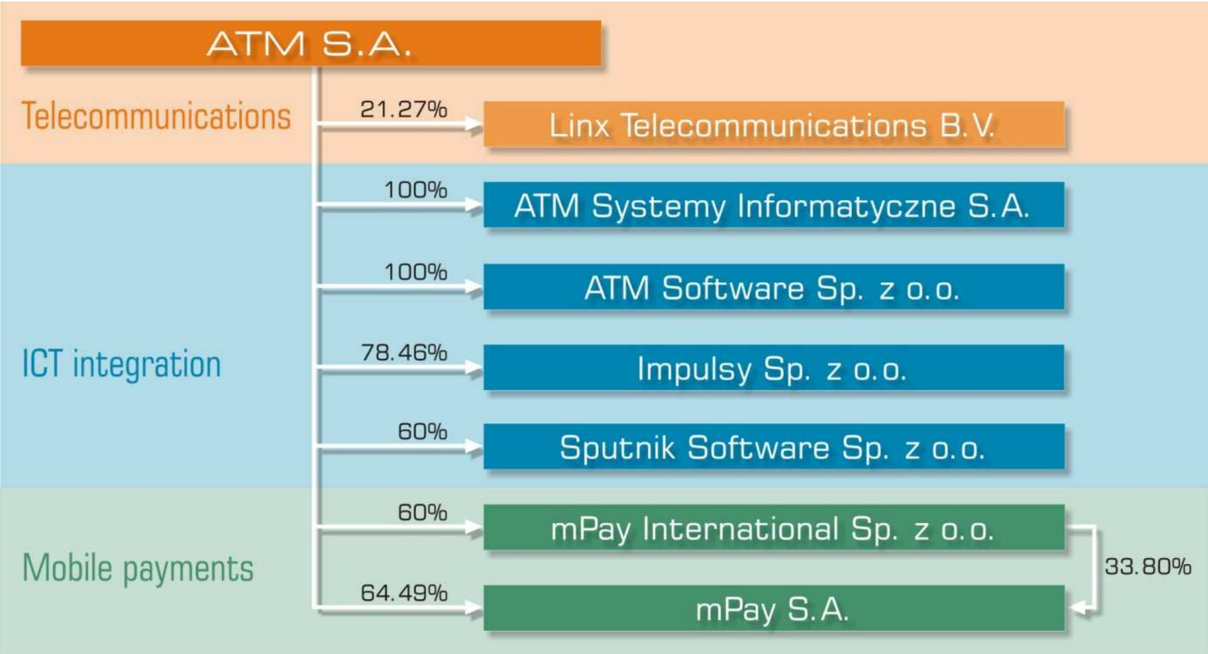
DESCRIPTION OF UNCHARACTERISTIC FACTORS AND OCCURRENCES HAVING A MATERIAL EFFECT ON FINANCIAL RESULTS

Profit from the sale of shares of inONE S.A. was an important component of the consolidated result in the first half of 2011. It generated PLN 7.2 million in revenue reported under item "Financial revenue" and PLN 5.517 million in profit (before tax) from financing operations attributable to the Group's shareholders. This transaction was of a one-off nature and, therefore, may be treated as an uncharacteristic occurrence.

DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP, INCLUDING THE ENTITIES BEING SUBJECT TO CONSOLIDATION

ATM S.A., as the Group's parent company, focuses on telecommunications services and value-added services accompanying telecommunications. The services of IT systems integration for various market segments are currently offered by other Capital Group's companies.

As at the date of the report's publication, the structure of the Issuer's Capital Group was as follows:



All abovementioned companies were subject to consolidation. Operating results of Linx Telecommunications are not consolidated at the operating level.

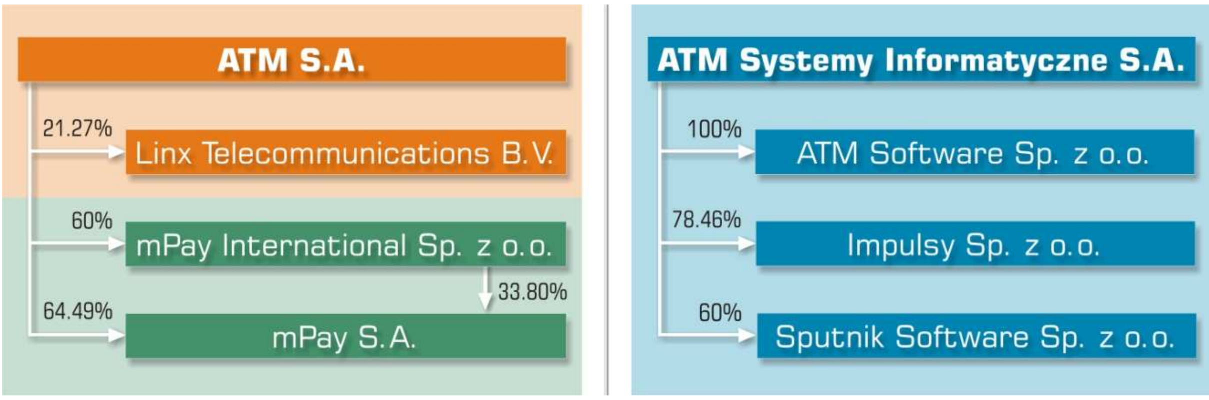
The Issuer's Split-up Plan

On 29.06.2011, the Issuer's Supervisory Board passed the resolution approving the plan of changes in the ATM S.A. capital group, presented by the Issuer's Management Board, connected with the Issuers' split-up by demerging an organised part of the undertaking from ATM S.A. in the form of the Issuer's Integration Services Division and transferring the same to ATM Systemy Informatyczne S.A. (hereinafter referred to as "ATM SI") under Article 529 §1 item 4 of the Commercial Companies Code.

In consequence of the planned split-up, ATM S.A. will continue its current activity, i.e. the provision of telecommunications services. All assets and liabilities relating to integration services will be transferred to ATM SI, together with the shares in ATM SI held by ATM S.A. and shares in other integration companies being members of the ATM group capital.

As a result of the split-up, all existing shareholders of ATM S.A. will receive all newly issued shares in ATM SI, however the number of ATM SI shares taken up each shareholder will be the same as the number of shares held by the shareholder in ATM S.A. The sum of the price of one ATM SI share and one ATM S.A. share after the split-up will equal the price of one ATM S.A. share before the split-up. The proportion of the price of ATM SI shares and the price of ATM S.A. shares after the split-up will be determined on the basis of valuation of the remaining and demerged parts of the Issuer's business which will be confirmed by the expert opinion made in accordance with Article 538 of the Commercial Companies Code. All new issue shares in ATM SI will be granted through the National Depository of Securities (KDPW) to all shareholders of ATM S.A.

The structure of both companies after the split-up will be as follows:



The split-up of ATM S.A. will be combined with the initial public offering of ATM SI shares on the regulated market organised by the Warsaw Stock Exchange.

The planned split-up of ATM S.A. aims at reorganising the operation of the ATM group capital in such a way that each of the two core businesses will be run by an independent company listed on the Warsaw Stock Exchange: the business in the area of telecommunications services by ATM S.A., and the business in the area of integration of information and communication systems by ATM Systemy Informatyczne S.A.

Owing to the planned split-up, the structure of the Issuer's group capital will be considerably simplified. At the same time, each of the companies will be a more attractive investment target, inter alia in view of the fact that:

- it will run a homogeneous business which is easier to model, measure, compare with other companies, suiting better the investment preferences of shareholders,
- it will be subject to information duties directly vis-à-vis its shareholders,
- it will be able to be valuated per the indices adequate for its sector,
- it will be able to more actively participate in the market consolidation processes in its sector, both as an acquiring party (strengthening of the market position), and a party being acquired (realisation of the premium for shareholders).

The procedure of the split-up of ATM S.A. will last several months and its finalisation is expected at the end of Q1 2012.

The split-up will be made subject to acceptance by the shareholders of ATM, which will be finally expressed in voting at the General Meeting of ATM S.A. on resolutions approving the split-up. An indispensable condition to be met in order to proceed with the split-up will be inter alia the approval by the Polish Financial Supervision Authority of the prospectus of ATM SI for the issue of shares linked with the split-up.

MANAGEMENT POSITION ON THE POSSIBILITY OF REALISING EARLIER THE PUBLISHED FORECASTS FOR RESULTS IN A GIVEN YEAR, IN THE LIGHT OF RESULTS PRESENTED IN THE HALF-YEAR REPORT VIS-À-VIS THE FORECASTS

The Company did not publish any forecasts for 2011.

DISCLOSING THE SHAREHOLDERS HOLDING, EITHER DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, MINIMUM 5% OF THE OVERALL NUMBER OF VOTES AT THE ISSUER'S GENERAL MEETING AS AT THE DATE OF FILING OF THE HALF-YEAR REPORT AND DISCLOSING THE NUMBER OF SHARES HELD BY THOSE ENTITIES, THEIR PERCENTAGE INTEREST IN THE SHARE CAPITAL, THE NUMBER OF VOTES ATTRIBUTABLE TO THOSE SHARES AND THEIR PERCENTAGE SHARE IN THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING AND DISCLOSING THE CHANGES IN THE OWNERSHIP STRUCTURE OF MAJOR SHAREHOLDINGS OF THE ISSUER DURING THE PERIOD SINCE THE FILING OF THE PREVIOUS QUARTERLY REPORT

The data of shareholders holding minimum 5% of the overall number of shares at the Issuer's General Meeting are presented in the table below:

Name and surname or the company name	Number of shares held	Interest in the share capital	Number of votes at the General Meeting	Share in the overall number of votes
Tadeusz Czichon	5,956,887	16.39%	5,956,887	16.39%
Polsat OFE	3,346,343	9.21%	3,346,343	9.21%
ING OFE	3,517,923	9.68%	3,517,923	9.68%
Roman Szwed	3,287,993	9.05%	3,287,993	9.05%
ING TFI*	1,868,360	5.14%	1,868,360	5.14%
Piotr Puteczny**	1,817,500	5.00%	1,817,500	5.00%

The data concerning Polsat OFE and ING OFE refer to the number of shares held by those shareholders on 31 December 2010 on the basis of the *"Annual structure of assets"*.

* the number of shares as at 20.12.2010 on the basis of RB 31/2010

** with his wife

Shareholder	**Number of shares as per the previous quarterly report**	**Number of shares as per the current Half-year report**	**Changes in the number of shares and votes**
Tadeusz Czichon	5,956,887	5,956,887	0
Polsat OFE	3,346,343	3,346,343	0
ING OFE	3,517,923	3,517,923	0
Roman Szwed	3,287,993	3,287,993	0
ING TFI*	1,868,360	1,868,360	0
Piotr Puteczny**	1,817,500	1,817,500	0

The number of shares is identical to the number of votes at the General Meeting

The data concerning Polsat OFE and ING OFE refer to the number of shares held by those shareholders on 31 December 2010 on the basis of the *"Annual structure of assets"*.

* the number of shares as at 20.12.2010 on the basis of RB 31/2010

** with his wife

DISCLOSING THE CHANGES IN ISSUER'S SHAREHOLDINGS OR RIGHTS THEREIN (OPTIONS) BY PERSONS MANAGING AND SUPERVISING THE ISSUER, ACCORDING TO INFORMATION IN THE POSSESSION OF THE ISSUER, DURING THE PERIOD SINCE THE FILING OF THE PREVIOUS QUARTERLY REPORT

The changes in the Issuer's shareholdings by the persons managing and supervising the Issuer during the period from the filing of the previous quarterly report are presented in the table below:

Name and surname	As at 13 May 2011	Increases	Decreases	As at 31 August 2011
Tadeusz Czichon	5,956,887	-	-	5,956,887
Roman Szwed	3,287,993	-	-	3,287,993
Maciej Krzyżanowski	55,408	-	-	55,408
Anna Bugajska	55,400	5,000	1,400	59,000

REPURCHASE OF OWN SHARES

On 6.07.2011, the Issuer was notified by Beskidzki Dom Maklerski S.A. of the transfer during the period 8.06-30.06.2011 of 23,260 shares in ATM S.A. from the Company's account to brokerage accounts of indicated employees of ATM S.A. and its subsidiaries in connection with the brokerage services provided by BDM S.A. for the Incentive Programme for employees of the Capital Group of ATM S.A. The sale of own shares constitutes the implementation of the provisions of §4 section 4 of the Incentive Programme Regulations for employees of the Capital Group of ATM S.A.

The average share's unit sales price was PLN 0.95. The total par value of the sold shares was PLN 22,097. The sold shareholding represents 0.064% of the share capital and authorises to 22,097 votes (0.064%) at the Company's General Meeting.

At the same time, Beskidzki Dom Maklerski S.A. informed the Issuer of the transfer on 13 June 2011 to the investment account owned by the Company of 10,000 shares in ATM S.A. from brokerage accounts of indicated employees of ATM S.A. in connection with the brokerage services provided by BDM S.A. for the Incentive Programme for employees of the Capital Group of ATM S.A. Own shares were repurchased as a result of the exercising by ATM S.A. of its right to repurchase the Company's shares on cessation of the eligible person's employment.

DISCLOSING PENDING PROCEEDINGS BEFORE THE COURT, THE BODY RELEVANT FOR ARBITRATION PROCEEDINGS OR THE PUBLIC ADMINISTRATION BODY

There are no pending proceedings before any court, any body relevant for arbitration proceedings or any public administration body concerning the liabilities or receivables of the Issuer or its subsidiary whose value would represent at least 10% of the Issuer's equity.

INFORMATION ON CONCLUDING BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED COMPANIES IF, EITHER INDIVIDUALLY OR JOINTLY, THOSE ARE MATERIAL AND WERE CONCLUDED ON TERMS AND CONDITIONS OTHER THAN AN ARM'S LENGTH BASIS

During the period covered by this report, either the Issuer or its subsidiary did not conclude any transactions with related companies, either individually or jointly, which would be material and concluded on terms and conditions other than an arm's length basis.

INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY OF LOAN OR ADVANCE SURETY OR GRANTING OF GUARANTEE IF THE TOTAL VALUE OF EXISTING SURETIES OR GUARANTEES REPRESENTS AT LEAST 10% OF THE ISSUER'S EQUITY

During the period covered by this report, either the Issuer or its subsidiary did not grant any loan or advance surety and did not grant any guarantee to any entity of a total value exceeding 10% of the Issuer's equity.

OTHER INFORMATION WHICH, IN THE OPINION OF THE ISSUER, IS IMPORTANT FOR ASSESSMENT OF ITS POSITION IN TERMS OF STAFF, ASSETS AND FINANCIAL STANDING, FINANCIAL RESULT AND THEIR CHANGES AND INFORMATION WHICH IS MATERIAL FOR ASSESSMENT OF THE ISSUER'S ABILITY TO MEET ITS OBLIGATIONS

The Company's position in terms of staff, assets and financial standing is stable. No factors are known which might adversely affect the Issuer's ability to meet its obligations.

DISCLOSING FACTORS WHICH, IN THE OPINION OF THE ISSUER, WILL AFFECT THE ISSUER'S RESULTS IN THE PERSPECTIVE OF AT LEAST THE FOLLOWING QUARTER

In the area of telecommunications services, the Company still has a large potential for increasing the revenue and generating profits in view of the right investment policy. The demand for broadband data transmission services and for data centre services is rapidly growing, which provides a guarantee for the stable growth of that business segment. Therefore, the Issuer continues its investments by preparing for sale the subsequent modules of Telehouse.Poland data centre and implementing the project for construction of the ATM Innovation Centre. The realisation of those investments will translate into a growth in revenue and profits in the following reporting periods.

One may also expect a substantial growth in demand for large capacity networks, especially fibre-optic networks in view of two factors: construction of new generation networks in the LTE standard (Long Term Evolution) by mobile operators and omnipresent video transmission in telecommunications services. It will undoubtedly have a positive impact on bigger sales of services based on own fibre-optic infrastructure which becomes indispensable for the provision of the abovementioned services by telecommunications operators.

Integration services are exposed to a bigger extent to economic fluctuations and therefore it is more difficult to predict the developments in that segment. All the more valuable is having contracts covering the period of the following several quarters. In 2011, owing to the tenders they won, the biggest one being OST 112, the integration companies signed major contracts to be realised during the following several quarters, which improves the stability of sales revenue and profits earned.

The winning by the ATM consortium of the contract in the tender announced by Energa-Operator S.A. for implementation and integration of the smart metering system may be regarded as the first successful step in the direction of the strategy for delivering ICT systems to the energy sector. It is the first project of that scale announced in Poland. In the following years the energy sector's investments in ICT systems are expected to reach a PLN multibillion level. The ATM group, already having the competencies and expanding those competencies by implementation of the first "smart metering" project in Poland has a chance to play a far more important role on that new market of a scale and size comparable only with the telecommunications market.

RISK FACTORS

Risk associated with the economic situation in Poland and worldwide

The Issuer's business in the segment of telecommunications services is rather not sensitive to short-term economic fluctuations, but the economic decline, if any, may have a discernible impact on the IT systems integration. The economic decline may translate into a smaller number of contracts, however having long-term agreements for implementation of information and communication projects may be a good method for becoming independent of that phenomenon.

Risk associated with research & development works and investments

As part of the reorganisation carried out in the years 2009 and 2010, according to the strategy pursued, the Issuer decided on withdrawing from those business areas which did not produce expected results or were not compliant with the directions of the Group's development. Therefore, the Issuer considerably reduced the involvement in innovative projects burdened with the costs of research & development works. The Issuer carried out research & development works only insofar as those translate directly into a greater competitiveness of the products and services offered.

It is also worth noting that the new investment project linked with the construction of ATM Innovation Centre is not burdened with risks connected with research & development works and investments. The works conducted as part of that Project, aimed inter alia at implementing systems facilitating electricity savings, will directly contribute to the reduction of the Centre's maintenance costs.

Risk associated with human resources

The Issuer's business activity is successfully pursued by highly qualified staff. The Issuer's success and competitive advantage are also affected by the management staff. The staff attrition – both experts and management staff due to a situation beyond the Issuer's control – may pose a risk of deterioration of the quality of services and solutions offered and e.g. delays in projects implemented for clients. Negative consequences may result from illegal actions of employees, if any (e.g.: damages caused to third parties, disloyalty manifesting itself in starting competitive activities or disclosing information representing company and professional secrets).

The Company's experience to date suggests that the Issuer's position in terms of staff is stable; the employees and managers are committed to the development of their companies.

MANAGEMENT BOARD STATEMENT

Under the Regulation of the Minister of Finance of 19 February 2009 concerning current and periodical information disclosed by issuers of securities, the Company's Management Board represent that to their best knowledge these interim abbreviated consolidated financial statements and comparative data were drafted in accordance with the accounting standards binding on the Company and reflect truly, fairly and clearly the Company's assets and financing standing as well as its financial result.

These interim abbreviated consolidated financial statements were drafted with the use of accounting standards, according to the International Financial Standards as approved by the European Union and insofar as required by the Regulation of the Minister of Finance of 19 February 2009 concerning current and periodical information disclosed by issuers of securities (Journal of Laws No 33, item 259, as amended). The statements comprise the period from 1 January until 30 June 2011.

The Management Board represent that an entity authorised to audit and review financial statements, reviewing the interim consolidated financial statements, was selected in accordance with the law and that the aforesaid entity and chartered accountants making the aforesaid review met the conditions required for issuing an impartial and independent report on review, according to applicable national laws. According to the corporate governance rules adopted by the Management Board, the chartered accountant was selected by the Company's Supervisory Board by resolution No 1 of 29 June 2011. The Supervisory Board made the aforesaid choice with the view of guaranteeing full independence and objectivity of the choice itself and the realisation of tasks by the chartered accountant.

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

ABBREVIATED FINANCIAL STATEMENTS OF ATM S.A. FOR THE FIRST HALF OF 2011

(OTHER INFORMATION REQUIRED UNDER THE REGULATION OF THE MINISTER OF FINANCE CONCERNING CURRENT AND PERIODICAL INFORMATION DISCLOSED BY ISSUERS OF SECURITIES)

1. STATEMENT OF COMPREHENSIVE INCOME

	For the period 01/01-30/06/2011	For the period 01/01-30/06/2010
Continuing operations	-	-
Sales revenue	65,763	58,123
Variable costs of goods sold	32,038	29,204
Fixed costs of goods sold	6,781	6,887
Gross profit (loss) from sales	**26,945**	**22,032**
Other operating revenue	41	241
Sales expenses	-	-
Administration expenses	18,246	15,229
Other operating expenses	659	641
Reorganisation expenses	-	-
Profit (loss) from operating activity	**8,082**	**6,403**
Share in profit/loss of associates measured using equity method	-	-
Financial revenue	6,946	316
Financial expenses	4,097	2,430
Profit (loss) before tax	**10,931**	**4,289**
Income tax	1,778	394
Net profit (loss) from continuing operations	**9,153**	**3,895**
Discontinued operations	-	-
Net profit (loss) from discontinued operations	-	-
Net profit (loss)	**9,153**	**3,895**
Other comprehensive income		
Share in other comprehensive income of associates	-	-
Income tax referring to other comprehensive income items	-	-
Other net comprehensive income	-	-
Total comprehensive income	**9,153**	**3,895**
From continuing operations:		
Profit (loss) per one share*		
Basic	0.25	0.11
Diluted	0.25	0.11
From continuing and discontinued operations:		
Basic	0.25	0.11
Diluted	0.25	0.11
EBITDA	17,381	14,516

* stand-alone data of ATM S.A. were adjusted by decreasing the revenue and variable sales expenses by the amount of PLN 42,332 thousand resulting from recharging of integration activity between ATM S.A. and ATM SI S.A.

2. STATEMENT OF FINANCIAL POSITION

	End of period 30/06/2011	End of period 31/12/2010
Fixed assets		
Goodwill		
Intangible assets	47,102	48,565
Property, plant and equipment	180,205	165,082
Investments in associates consolidated using the equity method	63,487	63,487
Investments in subsidiaries	47,309	46,973
Deferred income tax assets	-	-
Other fixed assets	1,046	1,924
	339,149	**326,031**
Current assets		
Inventories	1,339	1,127
Financial assets held for trading	2,352	1,906
Trade and other receivables	25,013	67,821
Income tax assets	57	25
Other current assets	3,453	4,133
Other financial receivables		-
Cash and cash equivalents	2,502	20,513
	34,717	**95,525**
Fixed assets classified as held for sale	-	-
Total assets	**373,866**	**421,556**

	End of period 30/06/2011	End of period 31/12/2010
Equity		
Share capital	34,723	34,723
Share premium	159,030	159,030
Revaluation reserve	-	-
Own shares (stocks)	-	-13
Capital reserve	36,124	35,969
Hedging transaction valuation capital and exchange differences from consolidation	-	-
Retained earnings	25,157	24,088
Total equity	**255,035**	**253,797**
Long-term liabilities		
Long-term borrowings and loans	-	-
Provisions for deferred tax	2,981	2,409
Provisions for liabilities	-	-
Long-term trade and other liabilities	28,267	29,912
Other financial liabilities	23,769	20,176
	55,017	**52,497**
Short-term liabilities		
Borrowings and bank loans	27,856	10,000
Provisions for liabilities		-
Income tax liabilities	88	555
Trade and other liabilities and other liabilities	17,436	91,131
Other financial liabilities	18,433	13,576
	63,814	**115,262**
Liabilities directly associated with fixed assets classified as held for sale	-	-
Total liabilities	**373,866**	**421,556**

3. STATEMENT OF CHANGES IN EQUITY

	Share capital	Premium share	Own shares	Capital reserve	Retained earnings	Equity
As at 1 January 2011	**34,723**	**159,030**	**-13**	**35,969**	**24,088**	**253,797**
Increases:						
Current period profit/(loss)	-	-	-	-	9,153	9,153
Valuation of executive share options	-	-	-	-	429	429
Profit distribution	-	-		146	-	146
Taking up shares as part of share option plan	-	-	13	9	-	22
Decreases:						
Profit distribution to be appropriated for equity	-	-	-	-	146	146
Dividend payout	-	-	-	-	8,359	8,359
Incentive plan financing	-	-	-	-	8	8
As at 30 June 2011	**34,723**	**159,030**	**0**	**36,124**	**25,157**	**255,034**

	Share capital	Premium share	Own shares	Capital reserve	Retained earnings	Equity
As at 1 January 2010	**34,723**	**159,030**	**-8**	**29,584**	**21,883**	**245,212**
Increases:						
Current period profit/(loss)	-	-	-	-	3,895	3,895
Taking up shares as part of share option plan	-	-	8	-	-	8
Incentive plan valuation	-	-	-	-	456	457
Profit distribution to be appropriated for equity	-	-	-	7,741	-	7,742
Decreases:						
Profit distribution to be appropriated for equity	-	-	-	-	7,741	7,742
Repurchase of own shares	-	-	2,335	-	-	2,335
As at 30 June 2010	**34,723**	**159,030**	**(2,335)**	**37,325**	**18,493**	**247,236**

4. CASH FLOW STATEMENT

	For the period 01/01-30/06/2011	For the period 01/01-30/06/2010
Operating activities		
Profit (loss) before tax	**10,931**	**4,289**
Adjustments with items:	(15,490)	7,238
Depreciation and amortisation	9,300	8,113
Exchange differences	1,007	1,244
Interest received	(42)	(75)
Interest paid	2,890	1,312
Dividends received	-	-
(Profit) loss from investing activities	(6,499)	98
Change in inventories	(34)	735
Change in receivables	45,955	3,394
Change in liabilities and provisions	(65,290)	(7,686)
Change in other assets	(821)	(67)
Income tax paid	(1,704)	-
Other	(252)	170
	(4,559)	**11,527**
Investing activities		
Payments to acquire tangible assets	(33,690)	(14,158)
Payments to acquire financial assets	(725)	(1,069)
Proceeds from disposal of tangible fixed assets	6,851	8,071
Repayment of long-term loans granted	-	375
Long-term loans granted	(1,000)	-
Proceeds from disposal of financial assets	7,200	-
Interest received	-	-
Dividends received	-	-
Exchange differences	61	
Other	-	(46)
	(21,302)	**(6,827)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	136	-
Proceeds from loans and advances	17,856	5,920
Repayment of loans and advances	-	-
Purchase of own shares	13	(2,327)
Repayment of financial leasing liabilities	(7,344)	(6,449)
Dividends paid out	-	-
Interest received	70	8
Interest paid	(2,890)	(1,312)
Other profit-sharing payouts	-	-
Exchange differences	9	(354)
Other	-	8
	7,850	**(4,507)**
Change in cash and cash equivalents	**(18,011)**	**194**
Cash and cash equivalents at the beginning of period	20,513	2,381
Cash and cash equivalents at the end of period	**2,502**	**2,575**

NOTES TO HALF-YEAR REPORT FOR THE FIRST HALF OF 2011

1. SALES REVENUE PER GEOGRAPHICAL AREAS

The sales revenue per geographical areas is as follows:

	For the period 01/01-30/06/2011	**For the period 01/01-30/06/2010**
Domestic	63,931	56,742
Exports	1,832	1,381
Total sales revenue	**65,763**	**58,123**

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance-sheet items	**As at 30/06/2011**	**As at 31/12/2010**
1. Contingent receivables		
1.1 from other entities		
2. Contingent liabilities	31,800	49,293
2.1 to other entities, of which:	31,800	49,293
- guarantees and sureties granted	31,800	49,293
- security in the form of mortgage		0
- security in the form of pledge		0

Since the end of the financial year 2010, the following changes in contingent liabilities occurred:

a) guarantees and sureties granted have decreased by PLN 17,493 thousand, resulting from:

- expiry of the effective term of bank and insurance guarantees (tender and performance bonds) for the amount of PLN 21,624 thousand;
- establishment of tender bonds and contracts in the form of bank and insurance guarantees – for the amount of PLN 4,132 thousand;

b) security in the form of mortgage and pledge has remained unchanged.

OTHER INFORMATION

(REQUIRED UNDER THE REGULATION OF THE MINISTER OF FINANCE CONCERNING CURRENT AND PERIODICAL INFORMATION DISCLOSED BY ISSUERS OF SECURITIES)

SELECTED FINANCIAL FIGURES

	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	000' PLN		000' EUR	
Total sales revenue	65,763	58,123	16,576	14,516
Profit (loss) from operating activity	8,082	6,403	2,037	1,599
Profit before tax	10,931	4,289	2,755	1,071
Net profit	9,153	3,895	2,307	973
Net cash from operating activity	(4,559)	11,527	(1,149)	2,879
Net cash from financing activity	(21,302)	(6,827)	(5,369)	(1,705)
Net cash from investing activity	7,850	(4,507)	1,979	(1,126)
Increase (decrease) in cash	(18,011)	194	(4,540)	48
	30/06/2011	**31/12/2010**	**30/06/2011**	**31/12/2010**
Fixed assets	339,149	326,031	85,072	82,325
Current assets	34,717	95,525	8,708	24,121
Total assets	373,866	421,556	93,781	106,445
Long-term liabilities	55,017	52,497	13,801	13,256
Short-term liabilities	63,814	115,262	16,007	29,104
Equity	255,035	253,797	63,973	64,085
Share capital*	34,723	34,723	8,710	8,768
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.02	6.98	1.76	1.76
Diluted book value per share (PLN/EUR)	7.02	6.98	1.76	1.76

* the share capital was recalculated according to IAS 29

The abovementioned financial figures for the first half of 2010 and 2011 were translated into EUR in accordance with the following rules:

- particular items of assets and liabilities were translated using the average rate published by the National Bank of Poland as at 30 June 2011, amounting to 3.9866 PLN/EUR;
- particular items of the profit and loss account and the statement of cash flows were translated using the rate being the arithmetical mean of average rates set by the National Bank of Poland as at the last day of each month of the financial period from 1 January until 30 June 2010, amounting to 4.0042 PLN/EUR and from 1 January until 30 June 2011, amounting to 3.9673 PLN/EUR.

The financial figures for 2010 were translated into EUR in accordance with the following rules:

- particular items of assets and liabilities were translated using the average rate published by the National Bank of Poland as at 31 December 2010, amounting to 3.9603 PLN/EUR.

SIGNATURES OF MANAGEMENT BOARD MEMBERS:

Name and surname	Title/function	Date	Signature
Roman Szwed	Management Board President	31 August 2011	....
Tadeusz Czichon	Management Board Vice-President	31 August 2011	....
Maciej Krzyżanowski	Management Board Vice-President	31 August 2011	....

SIGNATURE OF THE PERSON WHO WAS ENTRUSTED WITH THE BOOKS OF ACCOUNT:

Kinga Bogucka	Chief Accountant	31 August 2011	....