ATM S.A. GROUP OF COMPANIES

CONSOLIDATED QUARTERLY REPORT FOR THE FIRST QUARTER OF 2011

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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 according to the International Financial Reporting Standards, as approved by the European Union.

Submission date: 13 May 2011

Information on the Issuer:

Full name of the Issuer: ATM S.A.
Short name of the Issuer: ATM
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REGON (Statistical ID No): 012677986

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE FIRST QUARTER OF 2011

1. CONSOLIDATED STATEMENT OF TOTAL INCOME

	For the period 01/01 - 31/03/2011	For the period 01/01 - 31/03/2010
Continued operations		
Sales revenue	89,579	69,133
Cost of sales (variable)	60,918	43,920
Cost of sales (fixed)	6,569	7,005
Gross profit (loss) on sales	**22,092**	**18,208**
Other operating revenues	375	451
Selling costs	151	94
General and administrative costs	17,494	14,018
Other operating expenses	453	79
Restructuring costs	-	-
Operating profit (loss)	**4,369**	**4,468**
Share in the financial result of undertakings valued using the equity method	271	936
Financial revenue	7,861	301
Financial expenses	4,324	1,675
Profit (loss) before tax	**8,177**	**4,029**
Income tax	1,338	802
Net profit (loss) on continued operations	**6,839**	**3,227**
Discontinued operations		
Net profit (loss) on discontinued operations	191	-
Net profit (loss)	**7,030**	**3,227**
Net profit (loss) for the Group's shareholders	6,999	3,231
Net profit (loss) for minority shareholders	31	(4)
Profit (loss) per share *		
From continued operations:		
Ordinary	0.19	0.00
Diluted	0.19	0.00
From continued and discontinued operations:		
Ordinary	0.19	0.00
Diluted	0.19	0.00
EBITDA	10,232	9,077

2. CONSOLIDATED FINANCIAL SITUATION STATEMENT — ASSETS

	End of period 31/03/2011	End of period 31/12/2010
Fixed assets		
Goodwill	18,579	18,580
Intangible assets	66,401	67,373
Tangible fixed assets	186,872	181,653
Investments in associates consolidated using the equity method	67,948	67,640
Other financial assets	79	80
Deferred income tax assets	1,650	1,374
Other fixed assets	3,205	2,310
	344,735	**339,010**
Current assets		
Inventories	11,438	25,997
Financial assets held for trading	99	94
Trading and other receivables	84,579	121,521
Income tax receivables	25	26
Other current assets	11,440	9,948
Other financial receivables	-	-
Cash and cash equivalents	8,330	40,269
	115,911	**197,855**
Fixed assets classified as held for sale	-	-
Total assets	**460,646**	**536,865**

3. CONSOLIDATED FINANCIAL SITUATION STATEMENT — LIABILITIES

	End of period 31/03/2011	End of period 31/12/2010
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve	-	-
Treasury shares	(13)	(13)
Capital reserves	38,298	38,298
Hedge valuation reserve and FX gains/losses due to consolidation		-
Retained earnings	42,424	35,424
Total Group shareholders' equity	**274,462**	**267,462**
Non-controlling shares	6,515	7,811
Total shareholders' equity	**280,977**	**275,273**
Long-term liabilities		
Long-term loans	1,706	1,889
Provisions for deferred tax	-	-
Provisions for liabilities	-	-
Long-term trade and other liabilities	31,107	31,436
Other financial liabilities	27,395	22,546
	60,209	**55,871**
Short-term liabilities		
Bank and other loans	36,277	13,846
Provisions for liabilities	-	-
Income tax liabilities	3,193	2,467
Trading and other liabilities	68,590	173,405
Other financial liabilities	11,400	16,003
	119,461	**205,721**
Liabilities related directly to fixed assets classified as held for sale	-	-
Total liabilities	**460,646**	**536,865**

4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Revaluation reserve	Retained earnings	Total Group shareholders' equity	Non-controlling shares	**Total equity**
As at 1 January 2011	**34,723**	**159,030**	**(13)**	**38,298**	**-**	**35,424**	**267,462**	**7,811**	**275,273**
Increases:									
Capital increase	-	-	-	-	-	-	-	-	-
Current period results	-	-	-	-	-	6,999	6,999	31	7,030
Share subscription under the stock option plan	-	-	-	-	-	-	-	-	-
Valuation of management options	-	-	-	-	-		-	-	-
Changes to the Group's structure	-	-	-	-	-	-	-	(1,327)	(1,327)
Profit distribution	-	-	-	-	-	-	-	-	-
Decreases:									
Purchase of treasury shares under stock option plan	-	-	-	-	-	-	-	-	-
Purchase of shares after the control taking date		-	-	-	-				
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-	-	-
Financing of incentive scheme	-	-		-	-	-	-	-	-
As at 31 March 2011	**34,723**	**159,030**	**(13)**	**38,298**	**-**	**42,423**	**274,461**	**6,515**	**280,976**

As at 1 January 2010	**34,723**	**159,030**	**(8)**	**30,608**	**72**	**23,392**	**247,817**	**8,218**	**256,035**
Increases:									
Capital increase	-	-	-	-	-	-	-		-
Current period results	-	-	-	-	-	3,227	3,227	(4)	3,223
Share subscription under the stock option plan	-	-		-	-	-	-	-	-
Valuation of management options	-	-	-	-	-	-	-	-	-
Changes to the Group's structure	-		-	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-	-	-	-
Decreases:									
Purchase of treasury shares under stock option plan	-	-	-	-	-	-	-	-	-
Purchase of shares after the control taking date					-	416	416	-	416
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-	-	-
Financing of incentive scheme	-	-	15	-	-	-	15	-	15
As at 31 March 2010	**34,723**	**159,030**	**(23)**	**30,608**	**72**	**26,203**	**250,613**	**8,214**	**258,827**

5. CONSOLIDATED CASH FLOW STATEMENT

	For the period 01/01 - 31/03/2011	For the period 01/01 - 31/03/2010
Operating activities		
Profit (loss) before tax	**8,178**	**4,029**
Adjustment by items:	(43,329)	6,810
Share in net loss (profit) of undertakings valued using the equity method	271	936
Amortization and depreciation	5,863	4,609
FX gains/losses	310	404
Interest received	7	(8)
Interest paid	1,496	463
Dividends received	0	-
(Profit) loss on investment activities	(5,443)	(6)
Movements in inventories	13,526	(11,691)
Movements in receivables	24,369	6,589
Movements in liabilities and provisions	(80,986)	840
Movements in other assets	(2,368)	7,026
Income tax paid	(777)	(406)
Other	402	(1,945)
	(35,151)	**10,839**
Investing activities		
Expenses on tangible fixed assets purchases	(18,913)	(16,252)
Expenses on financial asset purchases	(16)	(22)
Revenue from sales of tangible fixed assets	5,456	6,965
Repayments of long-term loans	-	225
Long-term loans granted	-	-
Revenue from sales of financial assets	-	-
Interest received	-	-
Dividends received	-	-
FX gains/losses	26	1
Other		-
	(13,447)	**(9,083)**
Financing activities		
Net proceeds from issue of shares and other capital contributions		
Subsidies received		
Proceeds from loans	25,583	5,002
Repayments of loans	(3,299)	(799)
Purchase of treasury shares	-	(15)
Payment of liabilities arising from finance leases	(4,284)	(3,831)
Dividends paid	-	-
Interest received	0	15
Interest paid	(1,514)	(479)
Other profit-sharing		-
FX gains/losses	27	2
Other	146	93
	16,659	**(197)**
Movements in cash	**(31,939)**	**1,559**
Opening balance of cash	40,269	5,961
Closing balance of cash	**8,330**	**7,519**

ADDITIONAL 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 in Warsaw, 13th Commercial Division of the National Court Register. The Company is registered under National Court Register entry No KRS 0000034947.

ATM S.A. is listed on 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 first quarter ended 31 March 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 directly 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 concern well-defined future periods for which the maturity date of subsequent lease instalments falls. Costs or profit on the revaluation of lease liabilities are actually realised (they affect the Company’s finances) in the periods of lease instalments payment, 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 2008), i.e. exchange rate differences on currency lease liabilities are recognized 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 recognized in the accruals, which are charged to financial costs for 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 of 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.

As at 31 March 2011 the balance of accruals resulting from exchange rate differences on lease liabilities was PLN 2,649,172. If exchange rates of EUR and JPY remained at the level from the balance sheet day, this sum would be recognized in costs for the following periods in the following amounts:

Year	Quarter	Amount
2011	2	546,431.37
	3	533,247.33
	4	481,632.78
2012	1	195,906.11
	2	199,036.34
	3	197,656.05
	4	193,625.34
2013	1	155,887.72
	2	108,720.63
	3	37,028.84
	4	0.00
TOTAL		**2,649,172.51**

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 31 March 2011, resulted in an increase in the value of other current assets by the aforementioned amount of PLN 2,649,172, as a result of which the gross income in the years 2008–2010 was increased by the same amount, and after deferred tax (19% of gross profit) in the amount of PLN 503,342 the net profit was higher by PLN 2,145,829. This result includes the increase in net profit for the years 2008–2010 amounting to PLN 2,973,453 and the decrease in net profit for the current period amounting to PLN 827,624.

Analogically, as at 31 December 2010, adopting the aforementioned exemption resulted in an increase in the value of other current assets by the amount of PLN 3,670,930.05, as a result of which the gross income in the years 2008–2010 was increased by the same amount, and after deferred tax (19% of gross profit) in the amount of PLN 697,476.71 the net profit was higher by PLN 2,973,453.34. This result includes the increase in net profit for the years 2008–2009 amounting to PLN 3,128,609.75 and the decrease in net profit for the current period amounting to PLN 155,156.41.

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 in the years 2008–2009 was increased by the same amount, and after deferred tax (19% of gross profit) in the amount of 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.

In summary, if the aforementioned exemption from IAS 21 had not been adopted by the company, its consolidated net profit in 2008 would have been lower by PLN 5.4 million, higher by PLN 2.3 million in 2009, higher by PLN 0.15 million in 2010 and higher by PLN 0.827 million in the first quarter of 2011.

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 contracts. This revenue is not seasonal, but grows steadily from quarter to quarter. The commencement of the provision of telecommunications services for the purposes of the OST 112 contract was an exception in the fourth quarter of 2010 and it increased the sales revenue by PLN 4.16 million, but it had no significant impact on the sales profit. Revenues on that account will also occur in the following reporting periods.

Moreover, in the first quarter, ATM S.A. sold its shares in inONE S.A., which increased the result on financial operations by PLN 5.4 million. Due to the location of this transaction, the profit from this transaction was recognized in the results of telecommunications activity.

The Group's activity in the segment of ICT systems integration demonstrates seasonal nature of sales which is characteristic of the whole industry. In this segment, in the first three quarters, sales revenue is usually lower and it increases in the fourth quarter. Since last year, this effect has been considerably weakened because of a higher share of revenue from long-term contracts implemented during all four quarters.

Activity in the segment of mobile payments does not demonstrate any seasonality. A rapid growth of revenue from this activity is, however, expected in the nearest future due to dynamic development of mobile payments in Poland and in the world.

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. In accordance with this policy, the dividend amount paid per one share should be calculated on the basis of the average closing rate of ATM shares as at December 2010, in accordance with the rate of EURIBOR 12M for EUR, increased by 0.5%.

The Issuer's Management Board will suggest to the Company's General Meeting that part of the profit from 2010 be used for dividend payout. In accordance with the dividend policy, this should amount to PLN 0.23 per share, which amounts to the total value of dividend of PLN 8,358,969.12.

5. SEGMENTS OF OPERATION

Telecommunications activity is the first segment characterised by stable increases of revenue and profit in the consequent reporting periods. It includes 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 biggest portion of revenue. It comprises the activity carried out 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.

Finally, the third distinguished 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:

For the period 01/01 - 31/03/2011	Telecommunications	ICT systems integration	Mobile payments	Consolidation eliminations	Total
Fixed assets	288,914	47,763	10,994	(2,936)	344,735
Sales revenue	31,761	61,848	256	(4,287)	89,578
Sales margin[1)]	**16,646**	**11,938**	**76**	**-**	**28,661**
Operating profit (loss)	**4,477**	**432**	**(541)**	**-**	**4,369**
EBITDA	8,979	1,522	(269)	-	10,232

For the period 01/01 - 31/03/2010	Telecommunications	ICT systems integration	Mobile payments	Other	Total
Fixed assets	209,327	58,191	8,992	10,693	287,203
Sales revenue[2)]	24,223	44,222	567	121	69,133
Sales margin[1) 2)]	**13,768**	**11,161**	**284**	**-**	**25,213**
Operating profit (loss)	**3,591**	**1,168**	**(291)**	**-**	**4,468**
EBITDA	7,190	1,908	(21)	-	9,076

[1)] sales margin = sales revenue less variable selling costs

[2)]sales revenue and margin of telecommunications segment were transformed according to the methodology applied after the first quarter in 2010.

In the current presentation manner introduced in the second quarter of 2010, specific financial categories for operating segments constitute a sum of these categories for companies which belong to a given segment, excluding individual results of ATM S.A., which, apart from revenue from sales of telecommunications services, consist also of revenue from ICT systems integration, which were excluded from telecommunications segment and included in integration segment. Moreover, a separate column contains value of consolidation eliminations, which ensures the compliance of data presented with the consolidated financial statements of the Group.

Sales revenues broken down into geographical distribution are as follows:

	For the period 01/01 - 31/03/2011	For the period 01/01 - 31/03/2010
Country	88,671	68,128
Export	908	1,005
Total sales revenue	**89,579**	**69,133**

6. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

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

7. CHANGE IN THE COMPANY STRUCTURE

On 3 January 2011, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register registered the merger of ATM Systemy Informatyczne Sp. z o.o. and KLK S.A. As a result, an entity under the business name ATM Systemy Informatyczne Spółka Akcyjna was created, in which 100% of share capital and 100% of votes at the General Meeting are held by ATM S.A.

On 4 January 2011, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register registered the increase of share capital of mPay S.A. by PLN 1,075,000 subscribed for in full by ATM S.A.

On 31 March 2011, inONE S.A. and Web Inn S.A. belonging to Enterprise Investors, which have so far been the shareholders of the Company, concluded an agreement for transfer of a control package of shares in inONE S.A. to Web Inn. The sale of all 60% of shares in inONE held by the Issuer continues the process of organizing the organizational structure of the ATM Group of Companies started in 2009, which aims for the Company to focus on core operations, i.e. provision of telecommunications services and ICT systems integration in accordance with selected core competencies.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 31/03/2011	As at 31/12/2010
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	73,696	71,306
2.1 to other undertakings, including:	73,696	71,306
- guarantees, sureties granted	60,900	57,832
- mortgage collateral	9,595	9,595
- collateral pledge	3,201	3,879

Since the end of the fiscal year 2010, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have increased by PLN 3,068,000 due to:

- expiry of the term of bank and insurance guarantees (tender bonds, performance bonds) for the total amount of PLN 421,000;
- submitting the bank and insurance guarantees securing tenders and contracts — for the total amount of PLN 3,489,000;

b) pledge security decreased by PLN 678,000,

c) mortgage collaterals 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

	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	in PLN thousand		in EUR thousand	
Total sales revenue	89,579	69,133	22,540	17,428
Operating profit (loss)	4,369	4,468	1,099	1,126
Profit before tax	8,177	4,029	2,058	1,016
Net profit of parent undertaking shareholders	6,999	3,231	1,761	815
Net cash from operating activities	(35,151)	10,839	(8,845)	2,732
Net cash from financing activities	16,659	(197)	4,192	(50)
Net cash from investing activities	(13,447)	(9,083)	(3,383)	(2,290)
Increase (decrease) in cash	(31,939)	1,559	(8,036)	393
	31/03/2011	**31/12/2010**	**31/03/2011**	**31/12/2010**
Fixed assets	344,735	339,010	85,928	85,602
Current assets	115,911	197,855	41,223	49,960
Total assets	460,646	536,865	127,151	135,562
Long-term liabilities	60,209	55,871	15,008	14,108
Short-term liabilities	119,461	205,721	42,108	51,833
Equity	280,977	275,273	70,036	69,508
Share capital*	34,723	34,723	8,655	8,768
Parent undertaking shareholders' equity	274,462	267,462	68,412	67,536
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.55	7.36	1.88	1.86
Diluted book value per share (PLN/EUR)	7.55	7.36	1.88	1.86

The above financial data for the first quarter of 2010 and 2011 were converted to EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 March 2011 at PLN/EUR 4.0119;
- individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year between 1 January and 31 March 2010, at PLN/EUR 3.9669 and between 1 January and 31 March 2011 at PLN/EUR 3.9742.

The financial data for 2010 were converted to EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 December 2010 at PLN/EUR 3.9603;

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

In the first quarter of 2011, the Company earned PLN 20.4 million more of consolidated revenue from sales as compared with the first quarter of the previous year (30% growth). The sales margin also increased by PLN 3.5 million (14%).

Intensive development of the companies within the ATM Group of Companies resulted in the growth of consolidated fixed costs. Although they were lower by PLN 3.4 million from very high fixed costs of the fourth quarter of 2010, they were higher by 14% in comparison with the first quarter of 2010, which resulted in the operating result being similar to the operating result of the first quarter 2010. In the next quarters of the year, the Group expects a growth of the sales margin with simultaneous stabilisation of fixed costs, which will enable to attain considerably better operating results.

Net profit of the Group amounted to over PLN 7.0 million, but in the first quarter of this year its important component was the profit from sales of shares in inONE S.A., which amounted to gross PLN 5.4 million (before tax). After the adjustment by profit on account of this single event, net profit in the first quarter was lower by around PLN 600,000 in comparison with the corresponding period of 2010.

A substantial part of the growth of fixed costs is related to the growth of amortization. Compared with the first quarter of 2010, amortization increased by PLN 1.3 million and resulted from the Company's intensive investment activities in the expansion of telecommunications infrastructure (data centres and optical networks). In comparison with the corresponding period of the previous year, the EBITDA indicator grew by 13% to the amount of PLN 10.2 million.

I. Telecommunications and value-added services

As in February 2011, it has been 10 years since the Issuer launched the provision of telecommunications services under the ATMAN brand. During this time, the Issuer has developed from a small telecommunications operator to a colocation and hosting market leader in Poland and a leading broadband data transmission provider, having currently one of the largest optical metropolitan area networks which connect business centres in eight Polish cities.

In the first quarter of 2011, the Group earned sales revenue of PLN 31.8 million from telecommunications services (31% increase y/y), sales margin of PLN 16.6 million (21% increase y/y), operating profit of PLN 4.5 million (25% increase y/y) and EBITDA profit of PLN 9 million (25% increase y/y).

The main achievements in telecommunications activities in the first three months of 2011 include acquiring as a customer the Nasza Klasa social portal, which decided to move all its servers to the Telehouse.Poland data centre. The Issuer prepared in this facility a special, dedicated server room with full telecommunications equipment, protected by security, access-control and monitoring systems, with an area of more than 150 m2 (7.5% of the whole facility). The process of moving all resources colocated with other operators to the ATM S.A. server room by Nasza-Klasa is one of the largest migration processes implemented so far in Poland. Apart from this spectacular event, the Issuer successfully continued the sale and filling the technical areas of its data centres.

In the first quarter of 2011, the Issuer's telecommunications offer was chosen the most advantageous one in public tenders organized among others by the Ministry of Finance, Central Electoral Office, Office for Registration of Medicinal Products, Medical Devices and Biocidal Products, Joint Service Centre, Agricultural Market Agency and Agricultural Property Agency. Signed contracts for colocation, data transmission and Internet access services are of subscription nature and will be implemented in the following years.

The Issuer was also awarded an order for Internet access provision and connection to the AC-X interconnect node for the National Stadium in Warsaw. The net value of the 3-year contract amounts to PLN 483,000. Under the contract concluded with the National Sports Centre, the ATM S.A. will establish optical lines to enable simultaneous transmission of data, voice and video. The Internet lines offered by ATM S.A. will support a total bitrate of 600 Mbps, which will be possible thanks to multiple points of direct interface between the ATMAN network and networks of other providers, including three independent international lines.

In the first quarter of the year, the Issuer completed the expansion of its optical network, as a result of which it has now access points to all digital platforms in Poland: N, Cyfra+ and Cyfrowy Polsat. The modernized optical infrastructure of the ATMAN network enables distributors to directly transmit TV channels to broadcast platform operators and is alternative to the existing satellite transmission. The new transmission possibilities are already used among others by Fox and AXN.

In the last quarter, the Issuer successfully continued the construction of the first building within CI ATM, which in the third quarter will increase its resources by another 2,200 m^2 of gross technical area in the ATMAN Grochowska data centre.

II. ICT systems integration

In the first quarter of 2011, the Group earned sales revenue of PLN 61.8 million from ICT systems integration (40% increase), sales margin of PLN 11.9 million (7% increase) and operating profit of over PLN 0.4 million (59% decrease).

The biggest integration contract implemented in the first quarter of 2011 was the continued development of the Nation-Wide ICT Network for the purposes of operating the emergency number 112 (OST 112). This project, implemented by ATM Systemy Informatyczne S.A. (ATM SI) in the area of integration, is planned for the years 2010–2011 and is proceeding in accordance with the assumptions and approved schedule. Considering the long term of the contract and even engagement of company's resources in its implementation during the following quarters, the sales margin on this contract in the financial statements is evenly recognized during the whole period of its implementation. With effective implementation of this big and difficult undertaking, ATM proves its ability to implement similar projects: with high degree of technical, logistics and financial complexity.

In the first quarter of 2011, ATM SI was also successfully developing the sales of its services on the energy market. A consortium consisting of ATM SI, ATM S.A., ATM Software S.A. and Innovation Technology Group SA signed a contract for deployment and integration of an application system for Energa-Operator S.A., one of the largest electric energy distributors in Poland. The application system is aimed to handle processes related to managing, collecting, and distributing data from meters in the customer's power grid. It is a so-called Smart Metering system, the implementation of which becomes necessary in Poland and other European countries due to the need of reducing energy consumption. The scope of the investment in the following ten years related to the necessity of implementing these systems in Poland is estimated at several billion zlotys. The invitation to tender of Energa-Operator is a pilot deployment of the system in Poland. The ATM consortium was awarded with this first public offer and the net value of the contract amounts to over PLN 15 million. Another important contract in the energy sector is a contract concluded with Polskie Górnictwo Naftowe i Gazownictwo SA (PGNiG) for the provision and implementation of a server for the virtualized SAP environment, currently being integrated with the existing hardware and software infrastructure. The net value of the contract is PLN 1.38 million.

Apart from the implementation of contracts in the energy sector, in the first quarter of 2011, ATM SI consistently increased the sales of its integration services on the key market for ICT operators. Among others, for one of mobile telephony operators it completed another stage of a backbone network (IP RAN) construction valued at around PLN 2 million net and a project of MPLS network construction valued at around PLN 1 million. ATM SI signed also a contract for the supply, implementation and service of main components of a mobile distribution network (GGSN) valued at around PLN 2 million. Another contract worth mentioning is a contract for maintenance of Cisco Systems network hardware and software for Warsaw Stock Exchange valued at USD 250,000 net.

In the first quarter of 2011, ATM SI launched an HP Blade System Matrix platform for cloud computing services. At the same time, the Company worked on the expansion of its outsourcing services offer. The Company also signed the Microsoft Services Provider License Agreement, under which it will provide outsourcing services using software from Microsoft. The new agreement supplements the ATM SI offer of IT infrastructure outsourcing services delivered under the Cloud Computing model (Infrastructure as a Service), by adding the popular system platform and server software supporting enterprise operations.

In the first quarter of 2011, ATM SI was consistently strengthening the cooperation with its business partners. The Company renewed its partnership with VMware, a leading producer of virtualization software for operating environment. With the status of Enterprise Solution Provider, the Company is entitled to sell and implement Enterprise solutions. The Company also signed a contract with Cryptzone Group, a provider of IT security systems specializing in DLP (Data Leak Prevention) systems. Another contract was concluded with Arrow ECS Sp. z o.o., a specialized distributor of IT products offering corporate solutions and services in data storage, network security and software infrastructure, as well as with 4Sync Solutions Sp. z o.o., a leading provider of solutions for managing IT services security in global networks.

In the first quarter of 2011, a consortium consisting of Poznań-based Sputnik Software and Sygnity S.A. signed a contract with the Ministry of Finance for maintenance services of the BeSTi@ and SJO BeSTi@ systems, integrating local government budgeting works. Services provided under the contract include software modifications, technical assistance and user support in software installation, configuration and current operation for the period of 3 years. Within software application used by all local government entities in Poland (3,000 locations), regional chambers of accounts and the Ministry of Finance, a unique means of two-way electronic communication for the purposes of budgetary planning and reporting was initiated. Sputnik Software is a co-developer of both systems. The net value of this contract is PLN 4.25 million.

In the first quarter of 2011, Impulsy Sp. z o.o. considerably extended its order portfolio in the medical sector. The Independent Public Complexes of Health Care Facilities from the following sites became the Company's customers: Przasnysz, Bełżyce, Szczebrzeszyn and Opole Lubelskie, and The Nicolas Copernicus State Hospital in Koszalin. Informatization projects implemented in these facilities include the flagship project of Impulsy, Medicus On-Line, which enables electronic patient appointment scheduling, efficient management of complex hospitals and clinics as well as automatic report generation for all National Health Fund branches. Moreover, in three of the abovementioned facilities, Impulsy will digitalise diagnostic X-ray rooms, striving for the quality improvement of X-ray examinations, introduction of modern archiving methods and reduction of operating costs. Implementation of all projects is planned to be completed by the end of 2011. The net value of the signed contracts exceeded PLN 8 million.

ATM Software, a company specializing in multimedia broadcasting in telecommunications networks, successfully fulfilled numerous contracts and orders in the first quarter of 2011, including multimedia broadcasting for the IPLA portal (Redefine Sp. z o.o.), Totalizator Sportowy, the Chancellery of the President of the Republic of Poland, sessions of the Sejm and committees of the Sejm from the Chancellery of the Sejm, trainings for Wydawnictwa Szkolne i Pedagogiczne S.A. and others. ATM Software implemented also its ATM InternetTV platform in the Central Statistical Office, a video portal for Puls Biznesu and a multiroomPC solution for subscribers of the cable TV operator Vectra S.A. The total net value of contracts concluded by this company in the first quarter of 2011 exceeded PLN 0.5 million.

The first quarter of 2011 was a period of the merger of the two largest integration companies from the ATM Group (namely ATM Systemy Informatyczne and KLK). Pursuant to the resolution on the merger adopted on 27 December 2010 by the General Meeting of KLK and the General Meeting of Shareholders of ATM Systemy Informatyczne, since the beginning of 2011, the company has been operating under the following business name: ATM Systemy Informatyczne S.A. The merger process runs successfully, in accordance with the previously adopted schedule. The Company managed to continue providing services at an appropriate level and implement strategic business plans, looking for the most beneficial development opportunities on the ICT integration market.

III. Mobile payments

mPay S.A. operates in the segment of mobile payments. Jointly with its partners among mobile telephony providers and financial institutions, the company undertakes activities aimed at popularizing mobile payments in Poland. mPay S.A. is a pioneer in this type of solutions in Poland, however, this does not yet grant operating profitability.

In view of dynamic changes on the market of mobile payments and investors' growing interest in mPay S.A., the Issuer is planning to list it on WSE NewConnect market in the nearest future, which should stimulate further dynamic growth of the company. However, in a short period of time, the Company will be incurring a little higher operating costs due to the costs of IPO and necessary adjustment and certification of mPay settlement system within the framework of new initiatives. As a result, the operating loss of mPay per year will be similar to the loss in the previous year, but the effects if this should ensure that the company holds an important position in the dynamically growing market of mobile payments in Poland.

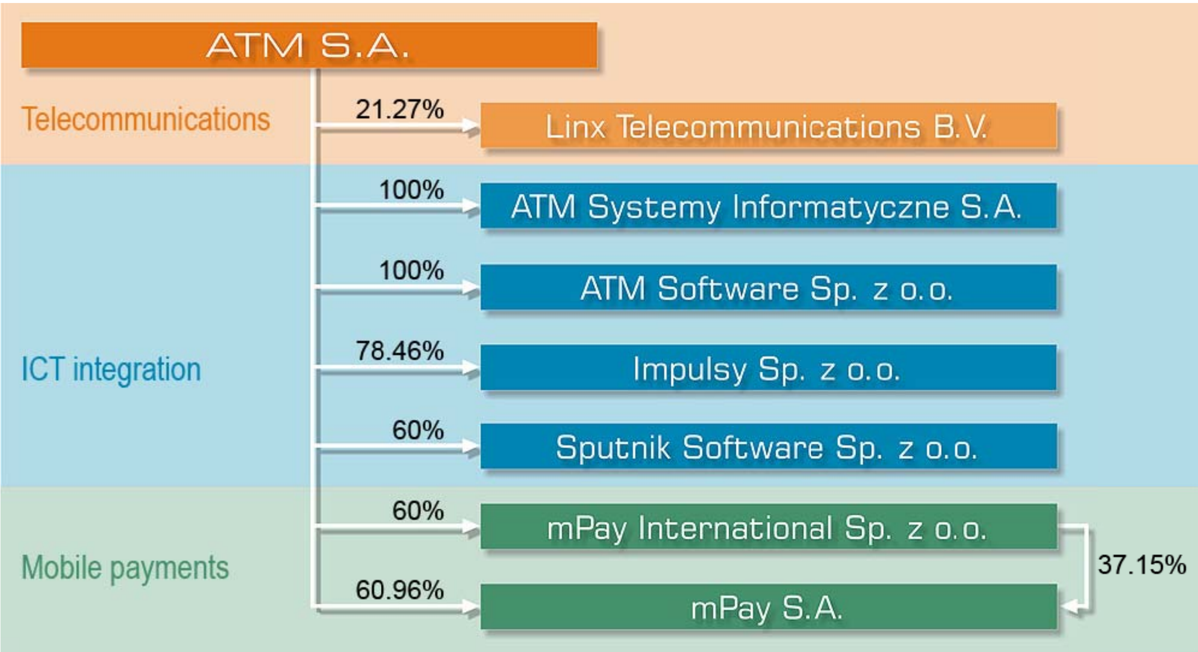
Therefore, the situation of mPay at the beginning of 2011 seems particularly positive, since the interest of the market, mobile telephony operators and financial institutions in solutions enabling mobile payments is growing.

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

The important component of the consolidated profit in the first quarter of 2011 was the profit from sales of shares in inONE S.A. which brought a profit from financial operations of PLN 5.443 million. This was a single transaction and thus, may be treated as an atypical event.

DESCRIPTION OF THE ORGANIZATION 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:



All of the aforementioned subsidiaries were subject to consolidation. Linxtelecom's operating results are not consolidated at the operating level.

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 2011 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:

Shareholder	Number of shares held	Stake in share capital	Number of votes at the Annual General Meeting	Share in the overall number of votes
Tadeusz Czichon	5,956,887	16.39%	5,956,887	16.39%
ING OFE	3,517,923	9.68%	3,517,923	9.68%
Polsat OFE	3,346,343	9.21%	3,346,343	9.21%
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 owned by these shareholders as at 31 December 2010 based on the "*Annual asset structure*".

* number of shares as at 20 December 2010 based on the Current report No 31/2010

** jointly with his spouse

Shareholder	Number of shares according to the previous quarterly report	Number of shares according to the current quarterly report	Change in the number of shares and number of 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 equal to the number of votes at the General Meeting

The data concerning POLSAT OFE and ING OFE refer to the number of shares owned by these shareholders as at 31 December 2010 based on the "*Annual asset structure*".

* number of shares as at 20 December 2010 based on the Current report No 31/2010

** jointly with his spouse

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 25 February 2011	Increases	Decreases	As at 13 May 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	-	-	55,400

PURCHASE OF TREASURY SHARES

The Issuer did not purchase treasury shares in the period to which this financial statement refers.

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 CONCERNING 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, neither individually nor 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 data transmission and data centres services increases fast, which demonstrates the guarantee of a stable growth of this segment of activity. Therefore, the Issuer continues its investments by preparing further modules of Telehouse.Poland data centre for sale and executing a project of construction of ATM Innovation Centre. The implementation of these investments shall bring a notable result in the increase of revenue and profits in the next financial periods.

It is also expected that the demand for high bandwidth networks, in particular optical networks, will grow owing to two factors: construction of the next generation LTE (Long Term Evolution) network by mobile providers and ubiquitous video transmission in telecommunications services. Certainly, it will have a positive impact on increased sales of services based on the existing optical infrastructure, which is becoming indispensable for telecommunications providers in the provision of the services mentioned.

Integration services are more exposed to economic phenomena and 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 quarters. In 2011, owing to public tenders awarded, the biggest of which is OST 112, integration companies concluded significant contracts implemented throughout several consecutive quarters, which increases the stability of sales revenue and profits achieved.

Awarding the ATM consortium with the offer of Energa-Operator SA for deployment and integration of the remote metering system may be considered the first successful step towards the strategy of providing the energy industry with ICT systems. It is the first that large project of this type in Poland. It is said that in the nearest future investments of the energy industry in ICT systems will reach billions of zlotys. ATM Group, which is already competent in this field and further develops its competencies implementing the first remote metering system in Poland, has an opportunity to play an important role on this emerging market, comparable in terms of size only with the telecommunications market.

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 01/01–31/03/2011	For the period 01/01–31/03/2010
Continued operations		
Sales revenue	32,323	30,677
Cost of sales (variable)	15,677	16,601
Cost of sales (fixed)	3,402	3,165
Gross profit (loss) on sales	**13,245**	**10,912**
Other operating revenues	52	110
Selling costs	-	-
General and administrative costs	8,535	7,262
Other operating expenses	285	45
Restructuring costs	-	-
Operating profit (loss)	**4,477**	**3,715**
Share in the financial result of undertakings valued using the equity method	-	-
Financial revenue	6,852	173
Financial expenses	1,714	1,375
	-	-
Profit (loss) before tax	**9,615**	**2,513**
Income tax	1,283	145
Net profit (loss) on continued operations	**8,332**	**2,368**
Discontinued operations		
Net profit (loss) on discontinued operations	-	-
Net profit (loss)	**8,332**	**2,368**
Profit (loss) per share *		
From continued operations:		
Ordinary	0.23	0.07
Diluted	0.23	0.07
From continued and discontinued operations:		
Ordinary	0.23	0.07
Diluted	0.23	0.07
EBITDA	8,979	7,314

* the individual data of ATM S.A. were adjusted by the reduction in revenues and sales costs (variable) by PLN 33,110,000 resulting from recharging the integration activity between ATM S.A. and ATM SI S.A.

2. FINANCIAL SITUATION STATEMENT

	End of period 31/03/2011	End of period 31/12/2010
Fixed assets		
Goodwill		
Intangible assets	47,862	48,565
Tangible fixed assets	171,524	165,082
Investments in associates consolidated using the equity method	63,487	63,487
Other financial assets	47,293	46,973
Deferred income tax assets	-	-
Other fixed assets	1,925	1,924
	332,091	**326,031**
Current assets		
Inventories	1,147	1,127
Financial assets held for trading	1,828	1,906
Trading and other receivables	71,112	67,821
Income tax receivables	25	25
Other current assets	3,430	4,133
Other financial receivables	-	-
Cash and cash equivalents	3,466	20,513
	81,008	**95,525**
Fixed assets classified as held for sale	-	-
Total assets	**413,099**	**421,556**

	End of period 31/03/2011	End of period 31/12/2010
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve	-	-
Treasury shares	(13)	(13)
Capital reserves	35,969	35,969
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	32,623	24,088
Total equity	**262,334**	**253,797**
Long-term liabilities		
Long-term loans	-	-
Provisions for deferred tax	2,577	2,409
Provisions for liabilities	-	-
Long-term trade and other liabilities	29,912	29,912
Other financial liabilities	24,584	20,176
	57,073	**52,497**
Short-term liabilities		
Bank and other loans	22,617	10,000
Provisions for liabilities	-	-
Income tax liabilities	1,115	555
Trading and other liabilities	60,215	91,131
Other financial liabilities	9,745	13,576
	93,692	**115,262**
Liabilities related directly to fixed assets classified as held for sale	-	-
Total liabilities	**413,099**	**421,556**

3. STATEMENT OF CHANGES IN EQUITY

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Equity
As at 1 January 2011	**34,723**	**159,030**	**(13)**	**35,969**	**24,088**	**253,797**
Increases:						
Issue of shares	-	-	-	-	-	-
Current period results	-	-	-	-	8,332	8,332
Share subscription under the stock option plan	-	-	-	-	-	-
Valuation of management options	-	-	-	-	204	204
Profit distribution	-	-	-	-	-	-
Sale of treasury shares under the Incentive Scheme	-	-	-	-	-	-
Decreases:						
Share issue costs	-	-	-	-	-	-
Current period results	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	-	-
Revision of previous years' results	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-
As at 31 March 2011	**34,723**	**159,030**	**(13)**	**35,969**	**32,624**	**262,333**
As at 1 January 2010	**34,723**	**159,030**	**(8)**	**29,584**	**21,883**	**245,212**
Increases:						
Issue of shares	-	-	-	-	-	-
Current period results	-	-	-	-	2,368	2,368

Share subscription under the stock option plan	-	-	-	-	-	-
Valuation of the incentive scheme	-	-	-	-	-	-
Profit distribution	-	-	-	-	-	-
Sale of treasury shares under the Incentive Scheme	-	-	-	-	-	-
Decreases:						
Share issue costs	-	-	-	-	-	-
Current period results	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	-	-
Revision of previous years' results	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	15	-	-	15
Purchase of treasury shares	-	-	-	-	-	-
As at 31 March 2010	**34,723**	**159,030**	**(23)**	**29,584**	**24,251**	**247,564**

4. CASH FLOW STATEMENT

	For the period 01/01–31/03/2011	For the period 01/01–31/03/2010
Operating activities		
Profit (loss) before tax	**9,615**	**2,513**
Adjustment by items:	(20,084)	7,273
Amortization and depreciation	4,502	3,599
FX gains/losses	324	411
Interest received	(18)	(45)
Interest paid	1,346	369
Dividends received	-	-
(Profit) loss on investment activities	(6,648)	1
Movements in inventories	65	617
Movements in receivables	3,909	(5,911)
Movements in liabilities and provisions	(23,259)	7,707
Movements in other assets	(127)	624
Income tax paid	(555)	-
Other	376	(99)
	(10,469)	**9,786**
Investing activities		
Expenses on tangible fixed assets purchases	(18,432)	(14,357)
Expenses on financial asset purchases	(789)	(915)
Revenue from sales of tangible fixed assets	5,443	6,940
Repayments of long-term loans	525	225
Loans granted	(750)	-
Revenue from sales of financial assets	-	-
Interest received	-	-
Dividends received	-	-
FX gains/losses	26	1
Other		-
	(13,978)	**(8,106)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	
Subsidies received		
Proceeds from loans	12,617	4,643
Repayments of loans		
Purchase of treasury shares		(15)
Payment of liabilities arising from finance leases	(3,968)	(3,457)
Dividends paid		-
Interest received	70	5
Interest paid	(1,346)	(369)
Other profit-sharing		-
FX gains/losses	27	2
Other	-	8
	7,400	**818**
Movements in cash	**(17,047)**	**2,497**
Opening balance of cash	20,513	2,381
Closing balance of cash	**3,466**	**20,513**

ADDITIONAL NOTES TO QUARTERLY REPORT FOR THE FOURTH QUARTER 2010

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 01/01–31/03/2011	For the period 01/01–31/03/2010
Country	31,469	30,019
Export	854	658
Total sales revenue	**32,323**	**30,677**

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 31/03/2011	As at 31/12/2010
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	51,172	49,293
2.1 to other undertakings, including:	51,172	49,293
- guarantees, sureties granted	51,172	49,293
- mortgage collateral	0	0
- collateral pledge	0	0

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

a) guarantees and sureties granted have increased by PLN 1,878,000 due to:

- term expiry of bank and insurance guarantees (tender bonds, performance bonds) for the total amount of PLN 273,000;
- submitting the bank and insurance guarantees securing tenders and contracts — for the total amount of PLN 2,152,000;

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

	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	in PLN thousand		in EUR thousand	
Total sales revenue	32,323	30,677	8,133	7,733
Operating profit (loss)	4,477	3,715	1,127	937
Profit before tax	9,615	2,513	2,419	633
Net profit	8,332	2,368	2,096	597
Net cash from operating activities	(18,124)	9,786	(4,560)	2,467
Net cash from investing activities	(6,476)	(8,106)	(1,629)	(2,044)
Net cash from financing activities	7,553	818	1,900	206
Increase (decrease) in cash	(17,047)	2,497	(4,289)	630
	31/03/2011	**31/12/2010**	**31/03/2011**	**31/12/2010**
Fixed assets	332,091	326,031	82,776	82,325
Current assets	81,008	95,525	20,192	24,121
Total assets	413,099	421,556	102,968	106,445
Long-term liabilities	57,073	52,497	14,226	13,256
Short-term liabilities	93,692	115,262	23,354	29,104
Equity	262,334	253,797	65,389	64,085
Share capital*	34,723	34,723	8,655	8,768
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.22	6.98	1.80	1.76
Diluted book value per share (PLN/EUR)	7.22	6.98	1.80	1.76

The share capital was restated in accordance with IAS 29.

The above financial data for the first quarter of 2010 and 2011 were converted to EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 March 2011 at PLN/EUR 4.0119;
- individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of rates of the National Bank of Poland at the last day of each month of the fiscal year between 1 January and 31 March 2010, at PLN/EUR 3.9669 and between 1 January and 31 March 2011 at PLN/EUR 3.9742.

The financial data for 2010 were converted to EUR according to the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 December 2010 at PLN/EUR 3.9603;