ATM S.A. GROUP OF COMPANIES

CONSOLIDATED QUARTERLY REPORT FOR THE THIRD QUARTER OF 2011

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: 14 November 2011

Information on the Issuer:

Full name of the Issuer: ATM S.A.
Short name of the Issuer: ATM
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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE THIRD QUARTER 2011

1. CONSOLIDATED STATEMENT OF TOTAL INCOME

	For the period 1 January– 30 September 2011	For the period 1 July– 30 September 2011	For the period 1 January– 30 September 2010	For the period 1 July– 30 September 2010
Continued operations				
Sales revenue	271,283	101,962	246,800	77,225
Cost of sales (variable)	172,153	67,255	155,408	43,152
Cost of sales (fixed)	20,279	6,962	22,126	7,546
Gross profit (loss) on sales	**78,851**	**27,745**	**69,266**	**26,527**
Other operating revenue	1,285	321	1,635	853
Selling costs	467	153	192	58
General and administrative costs	55,487	18,024	46,044	15,275
Other operating expenses	1,591	488	1,562	815
Restructuring costs	-	-	-	-
Operating profit (loss)	**22,591**	**9,401**	**23,105**	**11,232**
Share in the financial result of undertakings valued using the equity method	(1,241)	(1,202)	990	(902)
Financial revenues	7,919	880	8,025	579
Financial expenses	12,475	5,133	13,735	5,908
Profit (loss) before tax	**16,794**	**3,947**	**18,385**	**5,001**
Income tax	3,621	1,293	2,701	651
Net profit (loss) on continued operations	**13,173**	**2,654**	**15,682**	**4,350**
Discontinued operations				
Net profit (loss) on discontinued operations	115	-	-	-
Net profit (loss)	**13,288**	**2,654**	**15,683**	**4,350**
Net profit (loss) for the Group's shareholders	13,033	2,699	14,993	3,919
Net profit (loss) for minority shareholders	255	(45)	690	432
Other total income				
Share in other total income of associates	-	-	-	-
Income tax related to other total income items	-	-	-	-
Other total net income	-	-	-	-
Total amount of total income	**13,288**	**2,654**	**15,682**	**4,349**
Total income for the Group's shareholders	13,033	2,699	14,993	3,919
Total income for minority shareholders	255	(45)	690	431
Profit (loss) per share				
From continued operations:				
Ordinary	0.37	0.07	0.43	0.12
Diluted	0.37	0.07	0.43	0.12
From continued and discontinued operations:				
Ordinary	0.37	0.07	0.43	0.12
Diluted	0.37	0.07	0.43	0.12
EBITDA	41,481	16,122	39,370	17,189

2. CONSOLIDATED FINANCIAL SITUATION STATEMENT — ASSETS

	End of period 30 September 2011	End of period 31 December 2010
Fixed assets		
Goodwill	18,579	18,580
Intangible assets	65,790	67,373
Tangible fixed assets	209,983	181,653
Investments in associates consolidated using the equity method	66,398	67,640
Other financial assets	80	80
Deferred income tax assets	-	1,374
Other fixed assets	1,817	2,310
	362,648	**339,010**
Current assets		
Inventories	14,265	25,997
Financial assets held for trading	102	94
Trading and other receivables	65,379	121,521
Income tax receivables	341	26
Other current assets	10,731	9,948
Other financial receivables	-	-
Cash and cash equivalents	12,994	40,269
	103,811	**197,855**
Fixed assets classified as held for sale	-	-
Total assets	**466,459**	**536,865**

CONSOLIDATED FINANCIAL SITUATION STATEMENT — LIABILITIES

	End of period 30 September 2011	End of period 31 December 2010
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve	-	-
Treasury shares	-	(13)
Capital reserves	40,428	38,298
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	38,284	35,424
Total Group shareholders' equity	**272,466**	**267,462**
Non-controlling shares	7,011	7,811
Total shareholders' equity	**279,477**	**275,273**
Long-term liabilities		
Long-term loans	1,341	1,889
Provisions for deferred tax	489	-
Provisions for liabilities	-	-
Long-term trade and other liabilities	31,012	31,436
Other financial liabilities	29,752	22,546
	62,594	**55,871**
Short-term liabilities		
Bank and other loans	48,469	13,846
Provisions for liabilities	-	-
Income tax liabilities	-	2,467
Trading and other liabilities	66,633	173,405
Other financial liabilities	9,286	16,003
	124,389	**205,721**
Liabilities related directly to fixed assets classified as held for sale	-	-
Total liabilities	**466,459**	**536,865**

3. 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	-	-	-	-	-	13,033	13,033	255	13,288
Share subscription under the stock option plan	-	-	13	9	-	-	22	-	22
Valuation of management options	-	-	-	-	-	232	232	-	232
Changes to the Group's structure	-	-	-	-	-	76	76	(1,055)	(979)
Profit distribution	-	-	-	2,121	-	-	2,121	-	2,121
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	-	-	-	-	-	2,122	2,122	-	2,122
Dividend payout	-	-	-	-	-	8,359	8,359	-	8,359
Financing of incentive scheme	-	-	-	-	-	-	-	-	-
As at 30 September 2011	**34,723**	**159,030**	**-**	**40,428**	**-**	**38,284**	**272,465**	**7,011**	**279,476**

	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 2010	**34,723**	**159,030**	**(8)**	**30,608**	**72**	**23,392**	**247,817**	**8,218**	**256,035**
Increases:									
Capital increase	-	-	-	-	-	-	-		-
Current period results	-	-	-	-	-	14,993	14,993	690	15,683
Share subscription under the stock option plan	-	-	8	-	-	-	8	-	8
Valuation of management options	-	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	-	184	184	-	184
Sale of treasury shares under the incentive scheme			2,335	-	-	-	2,335	-	2,335
Profit distribution	-	-	-	9,046	-	-	9,046	-	9,046
									-
Decreases:									-
Purchase of treasury shares under stock option plan	-	-	2,335	-	-	-	2,335	-	2,335
Revision of previous years' results — changes in minority share	--	-	-	-	-	-	-	180	180
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	9,046	9,046	-	9,046
Dividend payout	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	72	-	72	-	72
Financing of incentive scheme	-	-	-	2,071	-	-	2,071	-	2,071
As at 30 September 2010	**34,723**	**159,030**	**-**	**37,582**	**-**	**29,523**	**260,859**	**8,728**	**269,588**

4. CONSOLIDATED CASH FLOW STATEMENT

	For the period 1 January– 30 September 2011	For the period 1 January– 30 September 2010
Operating activities		
Profit (loss) before tax	**16,794**	**18,385**
Adjustment by items:	(13,662)	17,117
Share in net loss (profit) of undertakings valued using the equity method	(1,241)	990
Amortization and depreciation	18,891	16,267
FX gains/losses	2,581	1,628
Interest received	27	64
Interest paid	5,047	3,144
Dividends received	-	-
Profit (loss) on investment activities	(5,382)	(71)
Movements in inventories	10,685	(16,630)
Movements in receivables	54,628	29,768
Movements in liabilities and provisions	(92,423)	(16,071)
Movements in other assets	(2,669)	2,208
Income tax paid	(4,312)	(1,868)
Other	506	(2,313)
	3,132	**35,502**
Investing activities		
Expenses on tangible fixed assets purchases	(56,715)	(33,387)
Cost of financial asset sold	(469)	(46)
Revenue from sale of tangible fixed assets	9,437	10,356
Repayments of long-term loans	-	450
Long-term loans granted	-	-
Revenue from sales of financial assets	7,200	4
Interest received	-	-
Dividends received	-	-
FX gains/losses	(72)	49
Other	-	(383)
	(40,619)	**(22,957)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	1,658	
Proceeds from loans	37,744	9,469
Repayments of loans	(3,664)	(2,720)
Purchase of treasury shares	(13)	(2,335)
Payment of liabilities arising from finance leases	(11,936)	(10,613)
Dividends paid	(8,359)	-
Interest received	-	-
Interest paid	(5,091)	(3,238)
Other profit-sharing		272
FX gains/losses	(74)	(196)
Other	(51)	103
	10,214	**(9,258)**
Movements in cash	**(27,274)**	**3,287**
Opening balance of cash	40,269	5,961
Closing balance of cash	**12,994**	**9,249**

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 third quarter ended 30 September 2011 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 (it affects 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 recognised as the Company's financial costs for a given reporting period only in the portion concerning actually paid instalments. The remaining amount of exchange rate differences is recognised in the accruals, which are charged to financial costs 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 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 30 September 2011, the balance of accruals resulting from exchange rate differences on lease liabilities was PLN 2,939,607.99. If exchange rates of EUR and JPY remain at the level from the balance sheet day, this sum would be recognised in costs for the following periods in the following amounts:

Year	Quarter	Amount
2011	4	997,612.22
2012	1	351,560.10
	2	356,848.47
	3	354,334.37
	4	346,958.88
2013	1	277,517.12
	2	189,990.74
	3	64,786.08
	4	0.00
TOTAL		**2,939,607.99**

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

Adopting the partial exemption from IAS 21 as at 30 September 2011 resulted in an increase in the value of other current assets by the aforementioned amount of PLN 2,939,607.99, as a result of which the gross income in the years 2008–2011 was increased by the same amount, and after deferred tax (19% of gross profit) in the amount of PLN 558,525, the net profit was higher by PLN 2,381,082. 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 592,370.

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.

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 0.592 million in the first three quarters 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 8 million, but it had no significant impact on the sales profit. Revenues on that account will also occur in the following reporting periods.

The Group's activity in the segment of ICT systems integration demonstrates seasonal nature of sales, which is characteristic for 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 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

On 16 May 2011, the Ordinary General Meeting of the Company adopted a resolution allocating a part of profit, i.e. PLN 8,358,969.12 to the payment of dividend, corresponding to PLN 0.23 per share. The number of shares eligible for the payment of dividend is 36,343,344. The dividend date was set to 5 July 2011, and the dividend payment date — to 19 July 2011.

5. SEGMENTS OF OPERATION

Telecommunications activity is the first segment characterised by stable revenues and profits 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 1 January–30 September 2011	**Telecommunications**	**ICT systems integration**	**Mobile payments**	**Consolidation eliminations**	**Total**
Fixed assets	334,665	48,417	11,582	(32,017)	362,648
Sales revenue	102,587	177,890	1,816	(11,010)	271,283
Sales margin[1)]	**51,496**	**46,441**	**1,193**	**-**	**99,130**
Operating profit (loss)	**12,822**	**10,749**	**(1,039)**	**59**	**22,591**
EBITDA	27,267	14,347	(191)	59	41,481

For the period 1 January–30 September 2010	**Telecommunications**	**ICT systems integration**	**Mobile payments**	**Consolidation eliminations**	**Total**
Fixed assets	294,506	48,609	18,246	(31,062)	330,299
Sales revenue [2)]	76,065	186,949	1,594	(17,809)	246,800
Sales margin [1), 2)]	**45,871**	**44,684**	**838**	**-**	**91,393**
Operating profit (loss)	**12,346**	**11,810**	**(1,110)**	**59**	**23,105**
EBITDA	24,970	14,639	(296)	59	39,372

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 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 1 January–30 September 2011	**For the period 1 July–30 September 2011**	**For the period 1 January–30 September 2010**	**For the period 1 July–30 September 2010**
Country	267,158	100,753	242,909	75,406
Export	4,125	1,209	3,891	1,818
Total sales revenue	271,283	101,962	246,800	77,224

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 13 October 2011, the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Department of the National Court Register, registered the entry on the increase of the share capital of mPay S.A. by means of the issue of 4,800,000 series L ordinary bearer shares, under which ATM S.A. subscribed 3,611,527 shares at PLN 0.51 per share. Pursuant to the updated entry in the National Court Register, the share capital of mPay S.A. amounts to PLN 22,400,000.00, and ATM S.A. holds 65.64% of share capital and the same number of votes at the General Meeting.

On 26 October 2011, the Extraordinary General Meeting of ATM Systemy Informatyczne S.A. decided to change the number of shares by splitting their nominal value 1:5 and to convert the registered shares into bearer shares. The previous face value of one share: PLN 1 was set to PLN 0.2. After the above changes, the share capital of ATM Systemy Informatyczne S.A. remained unchanged, and ATM S.A. still holds 100% of share capital of ATM Systemy Informatyczne S.A. entitling to 100% of votes at the General Meeting.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	**As at 30 September 2011**	**As at 31 December 2010**
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	54,370	71,306
2.1 to other undertakings, of which:	54,366	71,306
- guarantees, sureties granted	40,258	57,832
- mortgage collateral	9,595	9,595
- collateral pledge	4,512	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 decreased by PLN 17,574 thousand because of:

- the expiry of bank and insurance guarantees (tender guarantees and performance bonds) at PLN 30,612 thousand;
- submitting the insurance guarantees securing tenders and contracts — for the total amount of PLN 13,038 thousand;

b) pledge security increased by PLN 633 thousand;

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

	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	in PLN thousand		in EUR thousand	
Total sales revenue	271,283	246,800	67,127	61,659
Operating profit (loss)	22,591	23,105	5,590	5,772
Profit before tax	16,794	18,384	4,156	4,593
Net profit of parent undertaking shareholders	13,033	14,993	3,225	3,746
Net cash from operating activities	3,132	35,502	775	8,870
Net cash from financing activities	10,214	(9,258)	2,527	(2,313)
Net cash from investing activities	(40,619)	(22,957)	(10,051)	(5,735)
Increase (decrease) in cash	(27,274)	3,287	(6,749)	821
	30 September 2011	**31 December 2010**	**30 September 2011**	**31 December 2010**
Fixed assets	362,648	339,010	82,211	85,602
Current assets	103,811	197,855	23,534	49,960
Total assets	466,459	536,865	105,744	135,562
Long-term liabilities	62,594	55,871	14,190	14,108
Short-term liabilities	124,389	205,721	28,198	51,833
Equity	279,477	275,273	63,356	69,508
Share capital*	34,723	34,723	7,872	8,768
Parent undertaking shareholders' equity	272,466	267,462	61,767	67,536
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.50	7.36	1.70	1.86
Diluted book value per share (PLN/EUR)	7.50	7.36	1.70	1.86

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

The above financial data for the third quarter 2010 and 2011 was 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 30 September 2011 at PLN/EUR 4.4112;
- individual items of the profit and loss account and the cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 30 September 2010 at PLN/EUR 4.0027 and between 1 January and 30 September 2011 at PLN/EUR 4.0413.

The financial data for 2010 was 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

The third quarter is usually characterised by lower financial results. Nevertheless, sales revenues in that quarter were at a record level of PLN 101.9 million. This result is 32% higher than the revenue in the third quarter of 2010 and is also an all-time record among all third-quarter periods, lower only than the result of the fourth quarter of 2010. The sales margin was also high (third result in the history) with 2% increase compared to the same period of the previous year. However, the operating profit was worse than previous year — 16% lower than the record result reported in the third quarter last year. Still, it was the third highest result in the history of the company. The Group's net profit generated in the third quarter is definitely unsatisfactory, being 39% lower than in 2010 and amounting to only PLN 2.65 million.

Cumulatively, after the three quarters, the results have improved, however the Group failed to exceed the very good result of 2010. In the first nine months of 2011, the Group earned sales revenue of PLN 271.3 million (10% increase), sales margin of PLN 99.1 million (8% increase) and operating profit of over PLN 22.6 million (2% decrease). The consolidated net profit was PLN 13.3 million (15% decrease).

Although the operating results are similar to the results of the previous year, the Management Board of the Issuer is not entirely satisfied with them. The significant increase in sales margin (by PLN 7.7 million or 8%) coincided with the increase in fixed costs (by PLN 7.8 million, or 12%) and financial costs (by PLN 1.1 million PLN, or by 23%). The Management Board will seek to reduce fixed costs within ATM Group of Companies without limiting the margin growth potential. The results of these activities are visible in the last quarter in which fixed costs decreased by 6% compared to the previous quarter. In comparison with the third quarter last year these costs were higher by 10%, however this increase was materially affected by 16% increase in depreciation, reflecting the intensive investment activity of the Issuer.

I. Telecommunications and value-added services

In the third quarter of 2011, the Group earned sales revenue of PLN 37.8 million from telecommunications services (44% increase y/y), sales margin of PLN 17.8 million (5% increase y/y), operating profit of PLN 4.7 million (20% decrease y/y) and EBITDA profit of PLN 9.9 million (5% decrease y/y). After three quarters of 2011 the Group achieved cumulatively in this segment sales revenue of PLN 102.6 million (35% increase y/y), operating profit of PLN 12.8 million (4% increase y/y) and EBITDA profit of PLN 27.3 million (9% increase y/y).

The third quarter brought record results regarding the sale of collocation and hosting services, which, similarly to previous periods, were the main driving force behind the Issuer's growth in the area of telecommunications services. The Issuer achieved 53% increase in sales revenue within this field and recorded 36% increase in the number of its data centre customers, as compared to the corresponding period of 2010. Share of the revenue from colocation and hosting services in total telecommunications revenue of the Issuer (without revenue from OST 112) is continually increasing, amounting to 37% at the end of the third quarter (in the third quarter 2010: 25%, in the third quarter 2009: 11%), as is currently the largest source of telecommunications revenue.

A successful sale of previously built colocation area allows the Issuer to systematically commission new area in its two main centres. Therefore, in the third quarter, the Issuer commissioned two new server rooms in Telehouse.Poland to the customers, and the occupancy rate of the object increased at the end of the quarter to 56%.

In the last quarter, the Issuer completed, as planned, the construction of the first server facility building (F3) within the ATM Innovation Centre, which has increased its resources by another 2,200 m2 of gross technical area in the ATMAN Grochowska Data Centre. F3 server facility building is currently one of the most modern of such facilities in Poland, designed in accordance with the international Tier III DC standards. The project efficiently uses the Direct Free Cooling technology — the most environmentally friendly system using, in favourable conditions, the method of blowing air directly from outside, and the ice water based Dynamic Free Cooling system — aiming to optimise the electricity consumption, which translates directly into the reduction of energy costs for the Issuer and for its customers.

According to the report of an international research company, Tier1 Research, published in the third quarter of 2011, the Issuer, providing telecommunications services under the brands ATMAN and Telehouse.Poland, is currently the biggest provider of colocation services in Poland. ATM S.A., with its

20% share of the Polish data centre market, has overtaken, among others, GTS Energis/CE Colo (17%) and Telekomunikacja Polska S.A. (17%), which took the second and third position in the ranking, accordingly.

In Tier1 Research's opinion, the Polish market (in particular Warsaw) is the largest in CEE with almost 24,000 square metres of colocation area in data centres, that is 24% of the total area available in this part of the Europe. The annual average growth rate of this market is 15–20% over the next few years. A constant growth in broadband Internet access and in the demand for outsourcing are considered to be material factors affecting the growth of data centre market in Poland. An important aspect improving the attractiveness of the Polish market, in addition to the availability of high quality colocation areas, is its competitive price — very often lower by 30–40% compared to the mature Western markets.

The Issuer has been successfully executing sale in other areas of telecommunications activity, that is providing data transmission and fibre-optic services (13% increase in revenue y/y) but has also noticed the drop in unit prices of Internet access services provided to companies and institutions (13% decrease in revenue y/y).

In the third quarter of the year, several new clients from the financial sector have started their cooperation with the Issuer. These companies were, among others: ING Securities S.A., Noble Securities S.A., X-Trade Brokers Dom Maklerski S.A. and Getin Noble Bank S.A. The Issuer, in order to expand the cooperation between ATM Group of Companies and TVN, has launched the Internet access services for this customer in the Gigabit Ethernet standard, using 10 Gbps links and established optical lines between TVN's headquarters and ATMAN Data Centre in Warsaw, which will provide colocation services for TVN.

II. ICT systems integration

In the third quarter of 2011, the Group earned sales revenue of PLN 68.2 million from ICT systems integration (18% increase), sales margin of PLN 16.7 million (1% decrease) and operating profit of over PLN 5.1 million (10% decrease).

The biggest integration contract implemented in the third 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, it has a very positive impact on the stability of revenue both of the company, as well as of the entire Group and also helps to resist the economic slump.

ATM SI successfully obtains and implements also other projects in the public sector. It the third quarter of 2011, the company concluded two contracts with the Institute of Bioorganic Chemistry of Polish Academy of Sciences and with Poznań Supercomputing and Networking Centre. The first contract was concluded as a result of an unlimited tender won by ATM SI, concerning a successive delivery, over a period of one year, of infrastructure elements of a computing cluster with GPGPU modules. The latter of the contracts concerns the delivery of SMP Altix UV computing system with software and a cooling system, and also the installation and launching of the delivered elements. The total net value of two signed contracts exceeded PLN 8 million. For ATM Systemy Informatyczne S.A., the signed contracts are a continuation of a long tradition of providing high performance computers for scientific circles. The ordered computing system will be the largest cluster solution based on GPGPU units and one of the biggest in Europe.

Apart from realising contracts in the public sector, in the third quarter of 2011, ATM SI increased the sales of its integration services on the key market for ICT operators. The company has concluded a contract with one of the leading mobile telephony operators for the implementation of data transmission management system based on the original ATM SI — SMaCS (Service Management and Charging System) application — intended for a management of services in IP networks. The total net value of the contracts is PLN 2 million.

In the third quarter of 2011, ATM SI was also successfully carrying out the sales of its services on the energy market. Within ATM Consortium (ATM SI, ATM Software, ITG S.A.), the Company continues to implement and integrate the AMI (Advance Metering Infrastructure) application system for Energa-Operator S.A., one of the largest electric energy distributors in Poland. It is the so-called Smart Metering system. The system is aimed to handle processes related to managing, collecting, and distributing data from meters in the Energa-Operator's power grid. It is the first and the only project concerning the implementation of such system on such a large scale announced in Poland, bringing many challenges but also placing the Company in a unique position for offering computer systems to be used in the energy sector. The Company has also concluded three contracts with Tauron Group. The first one is for the delivery of ICT equipment based on the equipment of Cisco and for the provision of technical assistance services for Tauron Polska Energia S.A.. The second one is for the modernisation of LAN network in Łaziska Power Station, also using Cisco equipment, for Tauron Wytwarzanie S.A. The total value of the two contracts is PLN 2.6 million.

In the last quarter, the Company has also concluded, among others, a contract with one of the major banks operating in Poland for the construction of a data centre. The contracted works include the delivery of materials and equipment and provision of adaptation, as well as assembly and installation services. The net value of the concluded contract is PLN 2.2 million. ATM SI also continued the implementation of previous contracts concerning the infrastructure of data centres, which includes the extension of Telehouse.Poland colocation centre with new functional modules. The net value of the contract exceeded PLN 1 million.

In the third quarter of 2011, ATM SI was consistently strengthening the cooperation with its business partners. The Company concluded an agreement with, among others, Alstor — a leading distributor of IT solutions having in its portfolio the products of reputable and globally recognised manufacturers, including: Bakbone, Commvault, Emerson, Fujitsu, Hitachi, Tandberg Data and Toshiba.

In the third quarter of 2011, Poznań-based Sputnik Software, a member of the capital group, concluded a contract for the delivery and installation of software and equipment supporting the internal communication IT tools and for the implementation of an optimal procedure model for the City of Kędzierzyn-Koźle. The company was also executing numerous smaller contracts and orders.

ATM Software, specialising in the development of multimedia related software, successfully fulfilled numerous contracts and orders in the third quarter of 2011. The company continued the cooperation with both Polsat television and TVN television. For the needs of TVN, the company provided services for the needs of a new TVN Player service (streaming, archiving and encryption) and carried out additional application orders for this station. For Polsat television (precisely, for Redefine Sp. z o.o. from the Polsat group), the Company provided services of multimedia contents distribution. The Company also provided technological solutions and services of multimedia contents distribution to Totalizator Sportowy and cable television stations. In the third quarter of 2011, ATM Software also concluded new contracts with, among others, the Chancellery of the Sejm of the Republic of Poland (broadcasting of sessions of the Sejm and committees of the Sejm) and expanded the contract with Multimedia Polska S.A. (broadcasting server software).

III. Mobile payments

The Group participates in this segment owing to the activity of mPay which allows making payments via mobile phones, being a pioneer in the implementation of this type of solutions in Poland.

In the third quarter of 2011, the Group earned in the mobile payments segment sales revenue of PLN 0.57 million (11% increase y/y), sales margin of PLN 0.34 million (18% increase y/y), and recorded a loss at the operating level close to the one recorded in the same period of 2010, that is PLN 0.49 million.

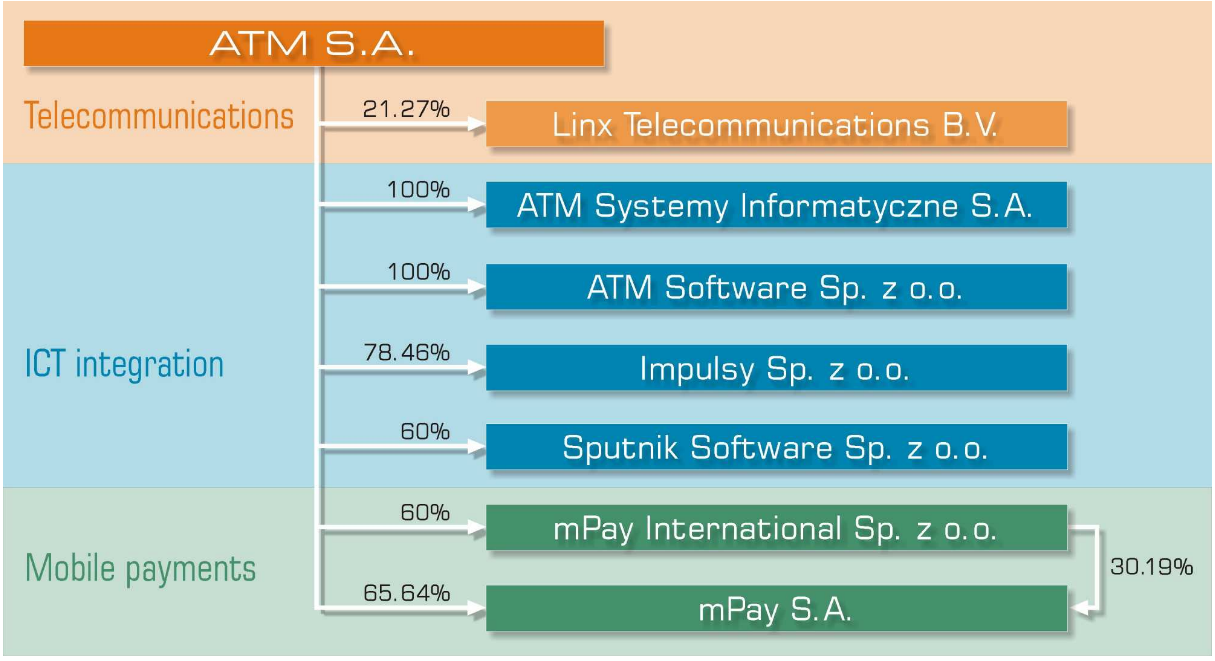
One of the most important events in the third quarter was the preparation for the debut of the company on the NewConnect market. In July 2011, the Company finalised the private placement of L class shares. As a result, the equity of the Company was increased by PLN 2.4 million. The shares were made available for purchase to the general public on the NewConnect market on 24 October 2011. The Company will publish the report of the third quarter 2011 on 14 November 2011.

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

No atypical factors or events occurred in the third quarter of 2011 that might materially affect financial results achieved by the Group.

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. Linx Telecommunications B.V.'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**	1,861,263	5.12%	1,861,263	5.12%

The data concerning POLSAT OFE and ING OFE refers 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	1,861,263	43,763

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

The data concerning POLSAT OFE and ING OFE refers 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 31 August 2011	Increases	Decreases	As at 14 November 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	59,000	-	-	59,000

PURCHASE OF TREASURY SHARES

On 7 July 2011, Beskidzki Dom Maklerski S.A. informed the Issuer about the transfer of 10,000 shares of ATM S.A. on 13 June 2011 to the investment account owned by the Issuer, from broker accounts of indicated employees of ATM S.A., in relation to the broker service of the Incentive Scheme provided by BDM S.A. to the employees of ATM S.A. Group of Companies. The repurchase of treasury shares was a result of realisation of ATM S.A.'s right to repurchase the Company's shares in the case of termination of an authorised person's employment.

The average unit purchase price of shares was PLN 0.95. The total face value of shares purchased was PLN 9,500. The purchased holding constitutes 0.00028% of the share capital and gives 10,000 votes (0.00028%) at the General Meeting.

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

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

INFORMATION 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 will continue the required investments by preparing further modules of Telehouse.Poland data centre for sale and executing new objects within a project of construction of ATM Innovation Centre, in the case there is relevant demand of the market. 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 therefore it is more difficult to predict the behaviour of this segment. In 2011, owing to public tenders awarded, the biggest of which is OST 112, integration companies concluded significant contracts to be implemented by the end of this year, which increases the stability of sales revenue and profits achieved.

Awarding the ATM consortium with the offer of Energa-Operator S.A. 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 a 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.

At the turn of 2011 and 2012, the Company will cease to generate sales revenue related to the implementation of integration part of the OST 112 project. Unfortunately, no decisions regarding the appointment of a contractor for large infrastructure projects announced or carried out in the public sector have been made in the current year. This creates a risk that the drop in revenues resulting from the completion of the OST 112 project will not be offset by revenue from other contract of similar scale. ATM SI company seeks to generate revenue from smaller contracts balancing the expected drop in revenue from OST112.

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 1 January– 30 September 2011	For the period 1 July– 30 September 2011	For the period 1 January– 30 September 2010	For the period 1 July– 30 September 2010
Continued operations				
Sales revenue	103,911	38,148	84,626	26,503
Cost of sales (variable)	52,475	20,437	38,755	9,551
Cost of sales (fixed)	10,264	3,483	10,433	3,546
Gross profit (loss) on sales	**41,173**	**14,228**	**35,437**	**13,405**
Other operating revenue	49	8	289	48
Selling costs	-	-	-	-
General and administrative costs	27,434	9,188	22,675	7,446
Other operating expenses	966	307	705	64
Restructuring costs	-	-	-	-
Operating profit (loss)	**12,822**	**4,741**	**12,346**	**5,943**
Share in the financial result of undertakings valued using the equity method	-	-	-	-
Financial revenues	11,022	4,075	447	131
Financial expenses	6,533	2,436	4,756	2,326
			-	-
Profit (loss) before tax	**17,311**	**6,380**	**8,037**	**3,748**
Income tax	2,347	570	495	101
Net profit (loss) on continued operations	**14,964**	**5,811**	**7,543**	**3,648**
Discontinued operations	-	-	-	-
Net profit (loss) on discontinued operations	-	-	-	-
Net profit (loss)	**14,964**	**5,811**	**7,543**	**3,648**
Other total income				
Share in other total income of associates	-	-	-	-
Income tax related to other total income items	-	-	-	-
Other total net income	-	-	-	-
Total amount of total income	**14,964**	**5,811**	**7,543**	**3,648**
Profit (loss) per share *)				
From continued operations:				
Ordinary	0.41	0.16	0.21	0.10
Diluted	0.42	0.16	0.21	0.10
From continued and discontinued operations:				
Ordinary	0.42	0.16	0.21	0.10
Diluted	0.42	0.16	0.21	0.10
EBITDA	27,267	9,886	24,971	10,455

*) the individual data of ATM S.A. was adjusted by the reduction in revenues and sales costs (variable) by PLN 55,768 thousand resulting from recharging the integration activity between ATM S.A. and ATM SI S.A.

2. FINANCIAL SITUATION STATEMENT

	End of period 30 September 2011	End of period 31 December 2010
Fixed assets		
Goodwill		
Intangible assets	46,615	48,565
Tangible fixed assets	192,964	165,082
Investments in associates consolidated using the equity method	63,487	63,487
Investments in subsidiaries	49,168	46,973
Deferred income tax assets	-	-
Other fixed assets	1,010	1,924
	353,244	**326,031**
Current assets		
Inventories	1,080	1,127
Financial assets held for trading	1,526	1,906
Trading and other receivables	22,143	67,821
Income tax receivables	57	25
Other current assets	3,980	4,133
Other financial receivables		-
Cash and cash equivalents	2,269	20,513
	31,055	**95,525**
Fixed assets classified as held for sale	-	-
Total assets	**384,300**	**421,556**

	End of period 30 September 2011	End of period 31 December 2010
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	159,030	159,030
Revaluation reserve	-	-
Treasury shares	-	(13)
Capital reserves	36,124	35,969
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	31,192	24,088
Total equity	**261,070**	**253,797**
Long-term liabilities		
Long-term loans	-	-
Provisions for deferred tax	3,374	2,409
Provisions for liabilities	-	-
Long-term trade and other liabilities	29,814	29,912
Other financial liabilities	24,523	20,176
	57,711	**52,497**
Short-term liabilities		
Bank and other loans	47,180	10,000
Provisions for liabilities	-	-
Income tax liabilities	-	555
Trading and other liabilities	10,873	91,131
Other financial liabilities	7,466	13,576
	65,519	**115,262**
Liabilities related directly to fixed assets classified as held for sale	-	-
Total liabilities	**384,300**	**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:						
Current period results	-	-	-	-	14,964	14,964
Valuation of management options	-	-	-	-	653	653
Profit distribution	-	-	-	146	-	146
Share subscription under the stock option plan	-	-	13	9	-	22
Decreases:						
Profit distribution to be allocated to equity	-	-	-	-	146	146
Dividend payout	-	-	-	-	8,359	8,359
Financing of Incentive Scheme	-	-	-	-	8	8
As at 30 September 2011	**34,723**	**159,030**	**0**	**36,124**	**31,192**	**261,069**

	Core capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Total equity
As at 1 January 2010	**34,723**	**159,030**	**(8)**	**29,584**	**21,883**	**245,212**
Increases:						
Current period results	0	-	-	-	7,543	7,543
Share subscription under the stock option plan	0	-	8	-	-	8
Valuation of the incentive scheme	0	-	-	-	457	457
Profit distribution to be allocated to equity	0	-	-	7,742	-	7,742
Sale of treasury shares under the incentive scheme			2,335	-	-	2,335
Decreases:						0
Profit distribution to be allocated to equity	0	-	-	-	7,742	7,742
Financing of Incentive Scheme		-	-	2,071	-	2,071
Purchase of treasury shares	0	-	2,335	-	-	2,335
As at 30 September 2010	**34,723**	**159,030**	**0**	**35,254**	**22,140**	**251,148**

4. CASH FLOW STATEMENT

	For the period 1 January– 30 September 2011	For the period 1 January– 30 September 2010
Operating activities		
Profit (loss) before tax	**17,311**	**8,037**
Adjustment by items:	(16,145)	23,964
Amortization and depreciation	14,444	12,624
FX gains/losses	1,753	1,846
Interest received	(65)	(104)
Interest paid	4,517	2,671
Dividends received	(4,000)	-
Profit (loss) on investment activities	(6,362)	186
Movements in inventories	230	658
Movements in receivables	33,341	19,567
Movements in liabilities and provisions	(57,235)	(14,576)
Movements in other assets	(594)	742
Income tax paid	(1,969)	278
Other	(205)	72
	1,166	**32,001**
Investing activities		
Expenses on tangible fixed assets purchases	(53,962)	(29,053)
Expenses on financial asset purchases	(2,567)	(1,369)
Revenue from sale of tangible fixed assets	9,112	10,327
Repayments of long-term loans	1,525	450
Loans granted	-	-
Revenue from sales of financial assets	7,200	4
Cost of incomes from financial asset	(469)	-
Dividends received	4,000	-
FX gains/losses	(72)	46
Other		
	(35,233)	**(19,595)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	1,658	-
Proceeds from loans	37,180	5,286
Repayments of loans	-	-
Purchase of treasury shares	(13)	(2,335)
Sale of treasury shares under the incentive scheme	-	272
Payment of liabilities arising from finance leases	(10,139)	(9,342)
Dividends paid	(8,359)	-
Interest received	86	8
Interest paid	(4,517)	(2,671)
Other profit-sharing	-	-
FX gains/losses	(74)	(410)
Other	-	8
	15,823	**(9,184)**
Movements in cash	**(18,244)**	**3,222**
Opening balance of cash	20,513	2,381
Closing balance of cash	**2,269**	**5,603**

NOTES TO QUARTERLY REPORT FOR THE THIRD QUARTER OF 2011

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 1 January– 30 September 2011	For the period 1 July– 30 September 2011	For the period 1 January– 30 September 2010	For the period 1 July– 30 September 2010
Country	101,126	36,316	82,232	25,490
Export	2,786	1,832	2,393	1,012
Total sales revenue	**103,911**	**38,148**	**84,626**	**26,503**

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 30 September 2011	As at 31 December 2010
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	28,548	49,293
2.1 to other undertakings, of which:	28,548	49,293
- guarantees, sureties granted	28,548	49,293
- mortgage collateral	-	-
- collateral pledge	-	-

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

a) guarantees and sureties granted have decreased by PLN 20,745 thousand because of:

- the expiry of bank and insurance guarantees (tender guarantees and performance bonds) at PLN 25,236 thousand;
- submitting the insurance guarantees securing tenders and contracts — for the total amount of PLN 4,491 thousand;

b) mortgage collaterals and collateral pledges remain unchanged.

OTHER INFORMATION

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

SELECTED FINANCIAL DATA

	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	in PLN thousand		in EUR thousand	
Total sales revenue	103,911	84,626	25,712	21,142
Operating profit (loss)	12,822	12,346	3,173	3,084
Profit before tax	17,311	8,037	4,284	2,008
Net profit	14,964	7,543	3,703	1,884
Net cash from operating activities	1,166	32,001	289	7,995
Net cash from investing activities	(35,233)	(19,595)	(8,718)	(4,895)
Net cash from financing activities	15,823	(9,184)	3,915	(2,294)
Increase (decrease) in cash	(18,244)	3,222	(4,514)	805
	30 September 2011	**31 December 2010**	**30 September 2011**	**31 December 2010**
Fixed assets	353,244	326,031	80,079	82,325
Current assets	31,055	95,525	7,040	24,121
Total assets	384,300	421,556	87,119	106,445
Long-term liabilities	57,711	52,497	13,083	13,256
Short-term liabilities	65,519	115,262	14,853	29,104
Equity	261,070	253,797	59,183	64,085
Share capital*	34,723	34,723	7,872	8,768
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	7.18	6.98	1.63	1.76
Diluted book value per share (PLN/EUR)	7.18	6.98	1.63	1.76

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

The above financial data for the third quarter 2010 and 2011 was 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 30 September 2011 at PLN/EUR 4.4112;
- individual items of the profit and loss account and the cash flow statement were calculated with the rate being arithmetic mean of rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 30 September 2010 at PLN/EUR 4.0027 and between 1 January and 30 September 2011 at PLN/EUR 4.0413.

The financial data for 2010 was 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;