



ATM S.A. GROUP OF COMPANIES

**CONSOLIDATED QUARTERLY REPORT
FOR THE FIRST QUARTER OF 2012**

KEY INFORMATION REGARDING CONSOLIDATED QUARTERLY REPORT	3
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE FIRST QUARTER OF 2012	4
1. CONSOLIDATED STATEMENT OF TOTAL INCOME	4
2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION — ASSETS	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION — LIABILITIES	6
3. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	7
4. CONSOLIDATED CASH FLOW STATEMENT	8
ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	9
1. BASIC INFORMATION	9
2. GROUNDS FOR DRAWING UP THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES (POLICIES)	9
3. SEASONALITY OF OPERATIONS	10
4. DIVIDENDS PAID AND DECLARED	11
5. SEGMENTS OF OPERATION	11
6. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER	13
7. CHANGE IN THE COMPANY STRUCTURE	14
8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS	14
9. PRESENTATION OF DISCONTINUED OPERATIONS	15
CONSOLIDATED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS	16
CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS	17
CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES	18
CONSOLIDATED CASH FLOW STATEMENT OF DISCONTINUED OPERATIONS	19
QUARTERLY FINANCIAL INFORMATION OF ATM S.A. (REQUIRED BY THE REGULATION OF THE MINISTER OF FINANCE ON THE CURRENT AND PERIODICAL INFORMATION SUBMITTED BY ISSUERS OF SECURITIES)	26
1. TOTAL INCOME STATEMENT	26
FINANCIAL SITUATION STATEMENT	27
2. STATEMENT OF CHANGES IN EQUITY	29
3. CASH FLOW STATEMENT	31
NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER OF 2012	32
1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION	32
2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS	32
3. PRESENTATION OF DISCONTINUED OPERATIONS	32
TOTAL INCOME STATEMENT OF DISCONTINUED OPERATIONS	33
FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS	34
FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES	35
OTHER INFORMATION (REQUIRED BY THE REGULATION OF THE MINISTER OF FINANCE ON THE CURRENT AND PERIODICAL INFORMATION SUBMITTED BY ISSUERS OF SECURITIES)	36

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 February 2009, 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: 15 May 2012

Information on the Issuer:

Full name of the Issuer: ATM S.A.

Short name of the Issuer: ATM

Sector according to the Warsaw Stock Exchange classification: information technology

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE FIRST QUARTER OF 2012

1. CONSOLIDATED STATEMENT OF TOTAL INCOME

	<u>For the period</u> <u>1 January–</u> <u>31 March 2012</u>	<u>For the period</u> <u>1 January–</u> <u>31 March 2011</u>
Continued operations		
Sales revenue*	56,560	32,579
Cost of sales (variable)	38,125	15,855
	<u>18,434</u>	<u>16,723</u>
Sales margin**		
Cost of sales (fixed)***	4,830	3,319
	<u>13,605</u>	<u>13,404</u>
Gross profit (loss) on sales		
Other operating revenue	784	302
Selling costs		151
General and administrative expenses***	8,007	9,046
Other operating expenses	780	453
Restructuring costs		-
	<u>5,602</u>	<u>3,937</u>
Operating profit (loss)		
Share in the financial result of undertakings valued using the equity method	1,206	271
Financial revenues****	84	6,854
Financial expenses****	1,829	3,498
	<u>5,064</u>	<u>7,564</u>
Profit (loss) before tax		
Income tax	456	1,283
	<u>4,609</u>	<u>6,281</u>
Net profit (loss) on continued operations		
Discontinued operations		
Net profit (loss) on discontinued operations	375	750
	<u>4,984</u>	<u>7,030</u>
Net profit (loss)		
Net profit (loss) for the Group's shareholders	4,678	6,999
Net profit (loss) for minority shareholders	(69)	31
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	<u>4,984</u>	<u>7,030</u>
Total income for the Group's shareholders	4,678	6,999
Total income for minority shareholders	(69)	31
Profit (loss) per share		
From continued operations:		
Ordinary	0.13	0.18
Diluted	0.13	0.18
From continued and discontinued operations:		
Ordinary	0.10	0.19
Diluted	0.10	0.19
EBITDA	10,266	8,438

NOTES:

Data for the period of 1 January–31 March 2011 have been restated in accordance with § 34 of IFRS 5

*) Sales revenue includes revenue from sales of telecommunications services provided as part of the implementation of the OST 112 contract. Since the telecommunications part of the contract is implemented by subcontractors, this part of the revenue has a negligible effect on the achieved sales margin and operating profit. This type of revenue amounted to: PLN 25,648 thousand in the first quarter of 2012 and PLN 4,146 thousand in the first quarter of 2011.

***) The issuer discloses additionally in relation to the IFRS requirements the "Sales margin" category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services). This category — according to the Issuer's Management Board — is important for the analysis of the company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which the company's activities are operationally profitable.

****) The Issuer partially reclassified general and administrative costs for 2012 to direct fixed costs of sales (the cost of depreciation of certain fixed assets). Therefore, the change of costs against the previous year should be analysed jointly in both of these items.

*****) Financial revenues and expenses in the first quarter of 2011 included the effects of a one-off event which was related to the sale of shares in inONE S.A. by the Issuer. As a result of this sale, profit on financial operations in the first quarter of 2011 amounted to PLN 5,551 thousand and related net profit was PLN 4,232 thousand.

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION — ASSETS

	<u>End of period</u> <u>31 March</u> <u>2012</u>	<u>End of period</u> <u>31 December</u> <u>2011</u>
Fixed assets		
Goodwill	131	18,579
Intangible assets	48,049	64,775
Tangible fixed assets	203,468	218,167
Investments in associates consolidated using the equity method	68,133	67,324
Other financial assets	0	80
Deferred income tax assets	0	0
Other fixed assets	417	808
	<u>320,199</u>	<u>369,733</u>
Current assets		
Inventories	1,369	15,240
Financial assets held for trading	206	104
Trade and other receivables	57,381	88,681
Income tax receivables	54	71
Other current assets	5,221	8,243
Other financial receivables	-	-
Cash and cash equivalents	29,089	56,566
	<u>93,320</u>	<u>168,905</u>
Fixed assets classified as held for sale*	135,762	-
Total assets	<u>549,281</u>	<u>538,638</u>

NOTES:

*) The value of assets as at 31 December 2011 includes values before the division of the Issuer by separation of an organized part of the enterprise relating to IT operations, including ATM subsidiaries conducting these operations. The value of assets as at 31 March 2012 represents Issuer's assets after the division, showing in one item the assets separated as classified for sale from the Issuer's perspective and still functioning in ATM Systemy Informatyczne S.A., later in the year conducting operations as an independent listed company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — LIABILITIES

	<u>End of period</u> <u>31 March</u> <u>2012</u>	<u>End of period</u> <u>31 December</u> <u>2011</u>
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	123,915	159,030
Revaluation reserve	-	-
Treasury shares	-	-
Capital reserves	36,124	40,429
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	<u>24,530</u>	<u>41,589</u>
Total Group shareholders' equity	219,293	275,771
Non-controlling shares	<u>4,123</u>	<u>7,319</u>
Total shareholders' equity	223,415	283,090
Long-term liabilities		
Long-term loans	33,740	2,103
Provisions for deferred tax	1,674	1,224
Provisions for liabilities	-	-
Long-term trade and other liabilities	30,732	31,068
Other financial liabilities	<u>32,095</u>	<u>28,964</u>
	98,242	63,359
Short-term liabilities		
Bank and other loans	16,260	41,338
Provisions for liabilities	-	-
Income tax liabilities	1,122	996
Trade and other liabilities	66,700	135,056
Other financial liabilities	<u>8,107</u>	<u>14,799</u>
	92,188	192,189
Liabilities related directly to fixed assets classified as held for sale*	<u>135,436</u>	<u>-</u>
Total liabilities	549,281	538,638

NOTES:

*) The value of liabilities as at 31 December 2011 includes values before the division of the Issuer by separation of an organized part of the enterprise relating to IT operations, including ATM subsidiaries conducting these operations. The value of liabilities as at 31 March 2012 represents Issuer's liabilities after the division, showing in one item the liabilities classified as related to assets held for sale from the Issuer's perspective and still functioning in ATM Systemy Informatyczne S.A., later in the year conducting operations as an independent listed company.

3. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Non-controlling shares</u>	<u>Total equity</u>
As at 1 January 2012	34,723	159,030	-	40,429	-	41,589	275,771	7,319	283,090
Increases:									
Current period results	-	-	-	-	-	4,678	4,678	(69)	4,609
Valuation of management options	-	-	-	-	-	139	139	-	139
Decreases:									
Changes to the Group's structure (division — disclosure of assets and liabilities classified as held for sale)	-	35,115		4,305		21,875	61,295	3,127	64,422
As at 31 March 2012	34,723	123,915	-	36,124	-	24,531	219,293	4,123	223,416

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Non-controlling shares</u>	<u>Total equity</u>
As at 1 January 2011	34,723	159,030	(13)	38,298	-	35,424	267,462	7,811	275,273
Increases:									
Current period results	-	-	-	-	-	6,999	6,999	31	7,030
Changes to the Group's structure	-		-	-	-		-	(1,327)	(1,327)
Decreases:									
									-
As at 31 March 2011	34,723	159,030	(13)	38,298	-	42,423	274,461	6,515	280,976

4. CONSOLIDATED CASH FLOW STATEMENT

	<u>For the period</u> <u>1 January–31 March</u> <u>2012</u>	<u>For the period</u> <u>1 January–31 March</u> <u>2011</u>
Operating activities		
Profit (loss) before tax	5,064	7,565
Adjustments by items:	(7,139)	(18,874)
Share in net loss (profit) of undertakings valued using the equity method	1,206	271
Amortization and depreciation	4,663	4,501
FX gains/losses	288	324
Interest received	29	7
Interest paid	1,435	1,346
Dividends received	-	-
(Profit) loss on investing activities	10	(5,463)
Movements in inventories	(51)	46
Movements in receivables	(11,360)	3,908
Movements in liabilities and provisions	(3,485)	(23,715)
Movements in other assets	2,972	(367)
Income tax paid	(1)	(555)
Other	(2,845)	823
	(2,075)	(11,309)
Investing activities		
Expenses on tangible fixed assets purchases	(16,873)	(18,438)
Expenses on financial assets purchases	-	(16)
Revenue from sale of tangible fixed assets	-	5,444
Repayments of long-term loans	-	-
Long-term loans granted	(18)	-
Revenue from sales of financial assets	8,091	-
Interest received	-	-
Dividends received	-	-
FX gains/losses	17	26
Other	-	-
	(8,783)	(12,984)
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	512	-
Proceeds from loans	9,821	12,654
Repayments of loans	-	0
Purchase of treasury shares	-	-
Payment of liabilities arising from finance leases	(2,964)	(3,971)
Dividends paid	-	-
Interest received	-	-
Interest paid	(1,463)	(1,372)
Other profit-sharing	-	-
FX gains/losses	(22)	27
Other (division adjustment)	(22,506)	(18,960)
	(16,622)	(11,623)
Movements in cash	(27,480)	(35,916)
Opening balance of cash	56,566	40,269
Closing balance of cash	29,089	4,351

Data for the period of 1 January–31 March 2011 have been restated in accordance with § 34 of IFRS 5

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 a 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 the National Court Register (KRS) number 0000034947.

On 25 April 2012, the National Court Register registered a division of the company by separation of an organized part of the enterprise relating to the IT part of the Issuer's operations and its acquisition by ATM Systemy Informatyczne S.A. As a result of the division, the ATM S.A. shareholders for each one share of ATM S.A. will additionally receive one share of ATM Systemy Informatyczne S.A. The division of ATM did not involve a decrease of the share capital.

ATM S.A. has been listed on the Warsaw Stock Exchange since 2004. According to the Warsaw Stock Exchange classification, the core business of the Group concerns the IT sector. The Company will apply for a change of the sector to which it is classified on the WSE to the "Telecommunications" sector.

2. GROUNDS FOR DRAWING UP THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES (POLICIES)

The interim condensed financial statements for the first quarter ended 31 March 2012 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 of 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 of 2008), i.e. exchange rate differences on currency lease liabilities are recognised as the Company's financial costs for a given reporting period only in the portion concerning actually paid instalments. The remaining amount of exchange rate differences is recognised in 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). The exemption from IAS 21 shall be applied by the Company also in the present financial statements and shall be applied 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 are presented below.

As at 31 March 2012, the balance of accruals resulting from exchange rate differences on lease liabilities amounted to PLN 1,267,353.03. 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
2012	2	283,852.38
	3	281,862.73
	4	276,034.37
2013	1	221,257.38
	2	152,399.21
	3	51,946.96
	4	0.00
TOTAL		1,267,353.03

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 2012 resulted in an increase in the value of other current assets by the aforementioned amount of PLN 1,267,353.03, as a result of which the gross income in the years 2008–2012 was increased by the same amount, and after deferred tax (19% of gross profit) in the amount of PLN 240,797.07, the net profit was higher by PLN 1,026,555.95. This result included the increase in net profit for the years 2008–2011 amounting to PLN 1,738,541.34 and the decrease in net profit for the current period, amounting to PLN 711,985.39.

Adopting the partial exemption from IAS 21 as at 31 December 2011 resulted in an increase in the value of other current assets by the aforementioned amount of PLN 2,146,347.34, 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 407,805.99, the net profit was higher by PLN 1,738,541.34. 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 1,234,911.66.

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 included 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, higher by PLN 1.234 million in 2011 and higher by PLN 0.71 million in the first quarter of 2012.

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, owing to the subscription nature of the contracts. This revenue is not seasonal but grows steadily from quarter to quarter. An exception to this rule are fluctuations of revenue from sales

arising from revenue for the setup of telecommunications lines as part of the implementation of the contract on operating the emergency number 112. In the first quarter of 2012, revenue in this respect amounted to PLN 25.65 million, whereas in the first quarter of 2011 it stood at PLN 4.15 million. However, this part of the revenue has no significant impact on the margin and sales profit. Revenues on that account will also occur in subsequent reporting periods.

4. DIVIDENDS PAID AND DECLARED

In connection with ATM's division into two listed companies — ATM and ATM Systemy Informatyczne — the previous dividend policy applicable in ATM S.A. was cancelled (Current Report No 25/2012). This decision is connected with investment needs of the Company related to the construction of new server rooms which will allow further dynamic growth of revenue from collocation and hosting services (data center services).

At the same time, the Management Board of ATM informed that it would recommend to the ATM S.A. Ordinary General Meeting to allocate the company's total profit for 2011 to reserve capital.

5. SEGMENTS OF OPERATION

Telecommunications activity is the principal segment of the Issuer's operations characterised by stable revenues and profits in consequent reporting periods. It includes the activity of ATM S.A. and Linx Telecommunications B.V. (Linxtelecom's operating results are not consolidated). This segment is responsible for a considerable portion of the generated revenue and profit of the Group.

The second distinguished segment of the Group's operations with a minor effect on consolidated results is the provision of mobile payment services (payments made with the use of mobile phone), including the operations of a subsidiary, mPay S.A., listed on the NewConnect market.

ICT systems integration is a segment that constituted a part of the 2011 financial results. This activity was conducted by: ATM Systemy Informatyczne S.A., ATM Software Sp. z o.o., Impulsy Sp. z o.o. and Sputnik Software Sp. z o.o. Currently, this segment of operations is not present in ATM due to the separation of a part of the enterprise related to IT activities and its acquisition by ATM Systemy Informatyczne S.A. This operating segment is reported in these financial statements — from the Issuer's perspective — as discontinued operations.

Basic financial parameters of the distinguished segments are presented below:

continued operations					discontinued operations
<u>For the period</u> <u>1 January –</u> <u>31 March 2012</u>	<u>Telecommunications</u>	<u>Mobile payments</u>	<u>Consolidation eliminations</u>	<u>Total</u>	<u>ICT systems integration</u>
Fixed assets	307,932	9,210	3,057	320,199	27,535
Sales revenue	56,004	541	15	56,560	44,628
of which: revenue excluding the OST 112 contract*	30,356	541	15	30,912	36,373
Sales margin**	18,155	280		18,435	13,208
Operating profit (loss)	5,907	(366)	62	5,603	597
Profit (loss) before tax	5,387	(385)	62	5,065	473
Net profit (loss) on continued operations	4,931	(385)	62	4,609	375
EBITDA	10,221	(18)	62	10,266	1,679

continued operations					discontinued operations
<u>For the period</u> <u>1 January –</u> <u>31 March 2011</u>	<u>Telecommunications</u>	<u>Mobile payments</u>	<u>Consolidation eliminations</u>	<u>Total</u>	<u>ICT systems integration</u>
Fixed assets	288,914	10,994	(2,936)	296,972	47,763
Sales revenue	31,761	256	562	32,579	61,848
of which: revenue excluding the OST 112 contract*	27,615	256	562	28,433	33,952
Sales margin**	16,646	76	0	16,722	11,938
Operating profit (loss)	4,597	(541)	(119)	3,937	432
Profit (loss) before tax	9,886	(565)	(1,757)	7,564	613
Net profit (loss) on continued operations	8,603	(565)	(1,757)	6,281	558
EBITDA	8,707	(269)	-	8,438	1,522

NOTES:

Data for the period of 1 January–31 March 2011 have been restated in accordance with § 34 of IFRS 5

*) Sales revenue in the “Telecommunications” segment includes revenue from sales of telecommunications services provided as part of the implementation of the OST 112 contract. Since the telecommunications part of the contract is implemented by subcontractors, this part of the revenue has a negligible effect on the achieved sales margin and operating profit. This type of revenue amounted to: PLN 25,648 thousand in the first quarter of 2012 and PLN 4,146 thousand in the first quarter of 2011. For the purposes of clarity, the table above shows revenue from sales for individual segments excluding revenue achieved by the Issuer on the telecommunications part of the OST 112 contract.

**) The issuer discloses additionally in relation to the IFRS requirements the “Sales margin” category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services). This category — according to the Issuer's Management Board — is important for the analysis of the company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which the company's activities are operationally profitable.

Sales revenues broken down into geographical distribution are as follows:

	For the period 1 January– 31 March 2012	For the period 1 January– 31 March 2011
Country	54,903	31,725
Export	1,657	854
Total sales revenue	56,560	32,579

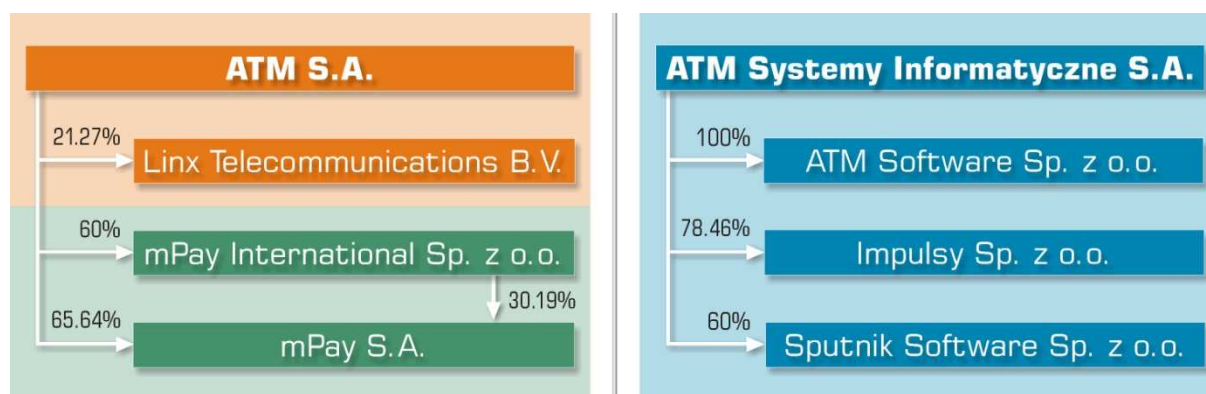
Data for the period of 1 January–31 March 2011 have been restated in accordance with § 34 of IFRS 5

6. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

On 20 April 2012, the Extraordinary General Meeting adopted a resolution approving the Issuer's division by the transfer of a portion of assets related to the Issuer's IT activities to ATM Systemy Informatyczne (ATM SI).

As a consequence of this division, ATM S.A. will continue its current activities, namely the provision of telecommunications services. Total assets and liabilities related to IT services (ICT systems integration) was transferred to ATM Systemy Informatyczne together with shares held by ATM S.A. in ATM SI and shares in other integrating companies comprising the ATM group of companies (ATM Software, Impulsy, Sputnik Software).

The structure of both companies after the division is as follows:



The division of ATM S.A. is connected with the process of introducing the ATM SI shares to trading on the regulated market operated by the Warsaw Stock Exchange (WSE) in May this year.

The division of ATM S.A. is aimed at reorganising the activity of the ATM Group of Companies in such a way that each of the two main activities are carried out by an independent company listed on the Warsaw Stock Exchange: activity related to the provision of telecommunications services by ATM S.A. and activity related to the provision of IT services by ATM Systemy Informatyczne S.A.

The division will significantly simplify the structure of the Issuer's capital group. At the same time, each of the companies will be more attractive for investment, among other things due to the fact that:

- it will carry out a homogeneous activity, subject to easier modelling, valuation, comparison with other companies, and fulfilling the shareholders' investment preferences to a greater extent,
- it will be subject directly to the disclosure obligations in relation to its shareholders,
- it will be valued by indicators adequate for its industry,
- it will be an active participant to consolidation processes on the market in its industry, both as the acquirer (strengthening of market position), and the acquiree (realisation of premiums for shareholders).

7. CHANGE IN THE COMPANY STRUCTURE

On 20 April 2012, the Extraordinary General Meeting adopted a resolution approving the Issuer's division by the transfer of a portion of assets related to the Issuer's IT activities to ATM Systemy Informatyczne (ATM SI). On 25 April 2012, the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, registered the resolution on the ATM division in the National Court Register, which means that the division of the Company became effective. As a result of the division, shareholders of the Issuer will be allocated shares in ATM Systemy Informatyczne S.A. The Reference Day was fixed for 21 May 2012, which means that the right to the allocation of shares in ATM Systemy Informatyczne will be determined in accordance with holding of shares as at the end of the trading session on 16 May 2012. Detailed information on the terms and timetable for the division and allocation of shares is communicated to the public in the current reports published by the Issuer.

8. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 31 March 2012	As at 31 December 2011
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	63,009	71,745
2.1 to other undertakings, of which:	63,009	71,745
- guarantees, sureties granted	21,009	33,987
- mortgage collateral	42,000	35,395
- collateral pledge		2,363

Since the end of the fiscal year 2011, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have decreased by PLN 12,978 thousand because of:

- a transfer of operations as part of the division in the amount of PLN 12,978 thousand;

b) pledge security decreased by PLN 2,363 thousand as a result of a transfer of operations as part of the division;

b) mortgage collaterals decreased by PLN 35,395 thousand as a result of a transfer of operations as part of the division and increased by PLN 42,000 thousand.

9. PRESENTATION OF DISCONTINUED OPERATIONS

As at the date of the publication of the quarterly report, the Issuer has performed a division of the Company by separating an organised part of the enterprise (OPE), consisting of assets related to IT activities, and in particular of shares in companies belonging to the ATM Group of Companies engaged in IT activity, i.e.: ATM Systemy Informatyczne, ATM Software, Impulsy and Sputnik Software, and transferring it to ATM Systemy Informatyczne. As a result of the division, the Issuer's existing shareholders will become shareholders of ATM and ATM Systemy Informatyczne, holding the same number of shares in both companies as before the division. Entry in the National Court Register was made on 25 April 2012.

In accordance with IFRS 5, the Issuer informs that as at 31 March 2012, if ATM S.A. Group of Companies had been divided as at that date, the following consolidated amounts would have been subject to the separation to ATM SI Group of Companies:

CONSOLIDATED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS

	<u>For the period</u> <u>1 January–</u> <u>31 March 2012</u>	<u>For the period</u> <u>1 January–</u> <u>31 March 2011</u>
Continued operations		
Sales revenue	44,628	57,000
Cost of sales (variable)	31,420	45,064
Sales margin	13,208	11,937
Cost of sales (fixed)	3,241	3,250
Gross profit (loss) on sales	9,967	8,688
Other operating revenue	551	73
Selling costs		
General and administrative costs	9,763	8,329
Other operating expenses	159	-
Restructuring costs		
Operating profit (loss)	597	432
Share in the financial result of undertakings valued using the equity method		-
Financial revenues	1,149	1,007
Financial expenses	1,273	826
Profit (loss) before tax	473	613
Income tax	97	55
Net profit (loss) on continued operations	375	558
Discontinued operations		
Net profit (loss) on discontinued operations		-
Net profit (loss)	375	558
Net profit (loss) for the Group's shareholders	355	499
Net profit (loss) for minority shareholders	20	59
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	375	558
Total income for the Group's shareholders	355	499
Total income for minority shareholders	20	59
Profit (loss) per share		
<i>From continued operations:</i>		
Ordinary	0.01	0.02
Diluted	0.01	0.02
<i>From continued and discontinued operations:</i>		
Ordinary	0.01	0.02
Diluted	0.01	0.02
EBITDA	1,679	1,522

CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS

	<u>End of period</u> <u>31 March 2012</u>
Fixed assets	
Goodwill	18,448
Intangible assets	10,970
Tangible fixed assets	24,494
Investments in associates consolidated using the equity method	(80)
Other financial assets	0
Deferred income tax assets	2,034
Other fixed assets	405
	56,271
Current assets	
Inventories	23,192
Financial assets held for trading	
Trade and other receivables	35,675
Income tax receivables	-
Other current assets	921
Other financial receivables	
Cash and cash equivalents	19,704
	79,492
Fixed assets classified as held for sale	0
Total assets	135,763

CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES

	<u>End of period</u> <u>31 March</u> <u>2012</u>
Equity	
Share capital	1,867
Supplementary capital from share premium	
Revaluation reserve	-
Treasury shares	-
Capital reserves	39,150
Hedge valuation reserve and FX gains/losses due to consolidation	-
Retained earnings	<u>20,457</u>
Total Group shareholders' equity	61,474
Non-controlling shares	<u>3,335</u>
Total shareholders' equity	<u>64,809</u>
Long-term liabilities	
Long-term loans	4,653
Provisions for deferred tax	491
Provisions for liabilities	-
Long-term trade and other liabilities	985
Other financial liabilities	<u>4,736</u>
	<u>10,865</u>
Short-term liabilities	
Bank and other loans	901
Provisions for liabilities	-
Income tax liabilities	1,362
Trade and other liabilities	55,223
Other financial liabilities	<u>2,602</u>
	<u>60,088</u>
Liabilities related directly to fixed assets classified as held for sale	<u>-</u>
Total liabilities	<u><u>135,762</u></u>

CONSOLIDATED CASH FLOW STATEMENT OF DISCONTINUED OPERATIONS

	<u>For the period</u> <u>1 January–31 March</u> <u>2012</u>	<u>For the period</u> <u>1 January–31 March</u> <u>2011</u>
Operating activities		
Profit (loss) before tax	473	613
Adjustments by items:	5,671	(24,455)
Share in net loss (profit) of undertakings valued using the equity method	0	0
Amortization and depreciation	1,081	1,090
FX gains/losses	379	(14)
Interest received	9	0
Interest paid	148	150
Dividends received	-	-
(Profit) loss on investing activities	(26)	19
Movements in inventories	(11,095)	13,480
Movements in receivables	45,252	20,462
Movements in liabilities and provisions	(34,140)	(57,271)
Movements in other assets	4,351	(2,002)
Income tax paid	(272)	(221)
Other	(16)	(148)
	6,143	(23,841)
Investing activities		
Expenses on tangible fixed assets purchases	(6,569)	(475)
Expenses on financial assets purchases	-	0
Revenue from sale of tangible fixed assets	163	12
Repayments of long-term loans	-	-
Long-term loans granted	-	-
Revenue from sales of financial assets	-	-
Interest received	-	-
Dividends received	-	-
FX gains/losses	5	0
Other	-	-
	(6,401)	(463)
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	-	-
Proceeds from loans	(2,550)	12,929
Repayments of loans	(230)	(3,298)
Purchase of treasury shares	-	-
Payment of liabilities arising from finance leases	(896)	(313)
Dividends paid	-	-
Interest received	-	-
Interest paid	(148)	(142)
Other profit-sharing	-	-
FX gains/losses	-	0
Other (division adjustment)	(384)	128
	892	9,304
Movements in cash	634	(15,000)
Opening balance of cash	19,071	18,980
Closing balance of cash	19,704	3,979

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

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	in PLN thousand		in EUR thousand	
Total sales revenue	56,560	32,579	13,547	8,198
Operating profit (loss)	5,602	3,937	1,342	991
Profit before tax	5,064	7,564	1,213	1,903
Net profit of parent undertaking shareholders	4,678	6,999	1,120	1,761
Net cash from operating activities	(2,075)	(11,309)	(497)	(2,846)
Net cash from financing activities	(16,622)	(11,623)	(3,981)	(2,925)
Net cash from investing activities	(8,783)	(12,984)	(2,104)	(3,266)
Increase (decrease) in cash	(27,480)	(35,916)	(6,582)	(9,036)
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Fixed assets	320,199	369,733	76,941	83,711
Current assets	93,320	168,905	22,424	38,242
Total assets	549,281	538,638	131,988	121,952
Long-term liabilities	98,242	63,358	23,607	14,345
Short-term liabilities	92,188	192,188	22,152	43,513
Equity	223,415	283,090	53,685	64,094
Share capital*	34,723	34,723	8,344	7,862
Parent undertaking shareholders' equity	219,293	275,771	52,694	62,437
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.03	7.59	1.45	1.86
Diluted book value per share (PLN/EUR)	6.03	7.59	1.45	1.86

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

The above financial data for the first quarter of 2012 and 2011 were converted to EUR in accordance with the following principles:

- individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 31 March 2012, at PLN/EUR 4.1616 and as of 31 December 2011, at PLN/EUR 4.4168;
- individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of the rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 31 March 2012, at PLN/EUR 4.1750 and between 1 January and 31 March 2011 at PLN/EUR 3.9742.

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

Since the first quarter of 2012 a material change has occurred in the manner of presentation of financial results generated by the Issuer and its capital group. In connection with the decision of the Extraordinary General Meeting of ATM S.A. of 20 April 2012, the IT activities of ATM S.A. and thus one of the existing operating segments of the ATM S.A. Group of Companies, were separated and transferred to ATM Systemy Informatyczne which is currently not related by capital with the Issuer and will develop this area of operations independently. The above changes affect significantly the presentation of this year's results of ATM because the IT activities conducted in the previous years by ATM Systemy Informatyczne, ATM Software, Impulsy and Sputnik Software are presented in the results as discontinued operations. The information on discontinued operations (operating segment: ICT systems integration) is presented by the Issuer in clause 9 of the notes to the condensed consolidated financial statements.

I. Telecommunications and value-added services

In the first quarter of 2012, the Group earned sales revenue of PLN 56 million from telecommunications services (76% increase y/y), sales margin of PLN 18.15 million (9% increase y/y) and as much as PLN 5.9 million of operating profit (28% increase y/y) and EBITDA profit of PLN 10.2 million (17% increase y/y).

The consolidated net profit which amounted to more than PLN 4.9 million in the first quarter of 2012 was materially affected by the share in the financial result of undertakings valued using the equity method (profit of PLN 1.2 million), resulting from 21.27% share of the Issuer in Linx Telecommunications B.V. Operating results of this company (including net profit) are not consolidated and ATM S.A. in the consolidated financial statements presents the share in the change in total capital of Linx Telecommunications converted into PLN (from EUR), which may also demonstrate a certain volatility in individual quarters of the year.

In discussing financial results, a one-off event in the first quarter of 2011 should be also remembered, i.e. the sale of 60% of shares in inONE. This transaction brought an additional net profit of PLN 4.23 million which increased the result of the previous year.

The first three months of 2012 in the telecommunications operations can be considered by ATM S.A. as very successful. In particular, a 32% increase of operating profit and the quarterly EBITDA profit of more than PLN 10.5 million generated by the Issuer (increase by 22% y/y), is pleasing. Owing to the constant, subscription nature of revenue from telecommunications services, the results of the first quarter multiplied by four set the backlog for the entire 2012. The Company also successfully manages to maintain a high 60% profitability of sales margin (excluding revenue from telecommunications services provided under the OST 112 contract).

At the beginning of 2012, ATM entered an another stage of the implementation of the second part of the OST 112 contract, consisting in the provision of telecommunications services as part of the Nation-Wide ICT Network for the purposes of operating the emergency number 112. In contrast to the integration part of that contract (implemented by ATM Systemy Informatyczne), the telecommunications part since the fourth quarter of 2010 has been implemented by two national operators subcontracted by ATM, which also does not generate a significant additional margin despite a considerable revenue realised by the Company in each quarter of the year, therefore, for the purposes of the analysis of the operating activities, this contract is excluded from the calculations. It is also worth emphasizing that the implementation of the OST 112 network was successfully completed in the first quarter of 2012. This network was designed and constructed by a team of ATM S.A. specialists based on data transmission lines of Telekomunikacja Polska S.A. and Exatel S.A. As far as the telecommunications part is concerned, the contract consisted in constructing and commissioning for use first-class data transmission lines with different bandwidth parameters and classes of services and in configuring them in a uniform transmission network structure.

Sales of data center services (collocation and hosting), offered under the brands of ATMAN and Thinx Poland, were the main driver of growth in the telecommunications business for yet another quarter. In this area, over the last three years ATM increased revenue from sales more than threefold and currently it serves over 400 customers in its data centers. Quarterly revenue in this respect exceeded PLN 11 million. Currently, this revenue accounts for nearly 40% of total revenues from the sales of telecommunications services (excluding revenue from the OST 112 contract), constituting the main source of the Company's revenue and its share in revenue is steadily growing.

The market position and the current structure of ATM telecommunications revenue not only confirms the leading position of data centers on the Polish market, but also puts the Company in the position of one of the largest telecommunications operators in Central and Eastern Europe whose main source of revenue is the provision of collocation services. ATM is currently the only entity of this type listed on the stock exchange in this part of Europe.

In discussing telecommunications results, very good sales of telecommunications services to the financial sector should be emphasized. In the first quarter of 2012, they increased by over 38% and currently it is the second largest area of sales of the Issuer's services after the telecommunications operators sector.

The provision of data transmission services and fiber optic services is the second area of the telecommunications activity of ATM, with over 34% share in the telecommunications revenue. In this area, the Company recorded a more than 12% growth of revenue from sales, resulting both from contracts implemented for other telecommunications operators, and from an increase in sales of data transmission services to the business sector. An important driver of growth in this area are ATM infrastructure resources: one of the most developed metropolitan fiber networks in 8 major Polish cities, as well as a broadband optical transmission network in the inter-town relations.

In the third sector of telecommunications activity, Internet access services, the Issuer has been observing a halt in the slowdown that started at the beginning of 2010. Although, on an annual basis, the revenue decreased by 4% in the first quarter of 2012 as compared to the first quarter of 2011, the results on the sales of Internet access services has been demonstrating a slight upward trend for the third quarter in a row.

II. Mobile payments

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

In the first quarter of 2012, mPay S.A. strived to implement its development strategy based on the sale of integration services in the mobile payment area. During the analysed quarter, this Company continued the cooperation as part of the MasterCard Mobile initiative. The goal of the initiative is to create a pan-European mobile payment acceptance platform, for payments made using mobile phone directly from the user's MasterCard/Maestro payment card. mPay is also expanding the mobile payment acceptance network by new cities. In the first quarter of 2012, payments for parking were launched in Wałbrzych, Ostrołęka and in car parks managed by EuroPark.

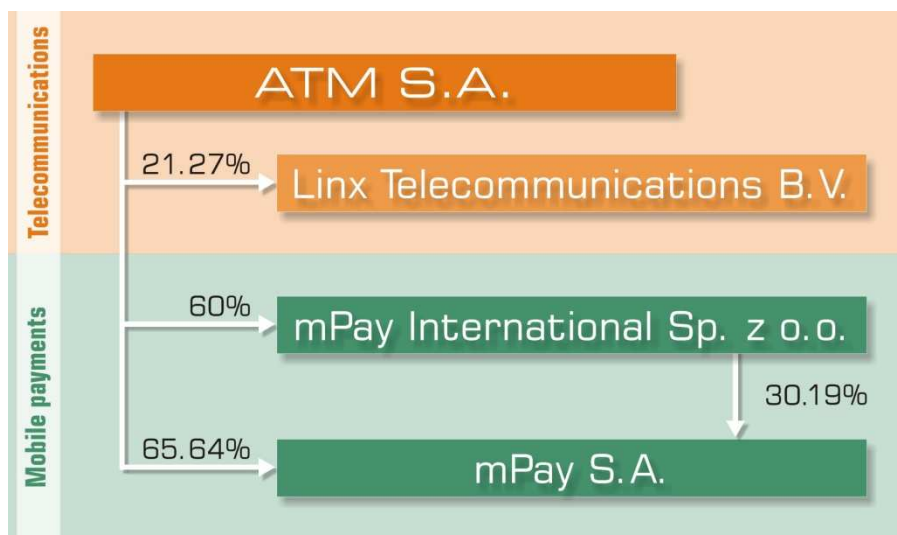
In the first quarter of 2012, in the mobile payments segment the Group earned a sales revenue of PLN 0.54 million (111% increase y/y), and recorded a slightly lower loss at the operating level of PLN 0.37 million and only PLN 17 thousand loss at the EBITDA level as compared with the relevant period of 2011.

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

No atypical factors or events occurred in the first quarter of 2012 that might materially affect financial results achieved by the Group, apart from changes resulting from the division of the Issuer.

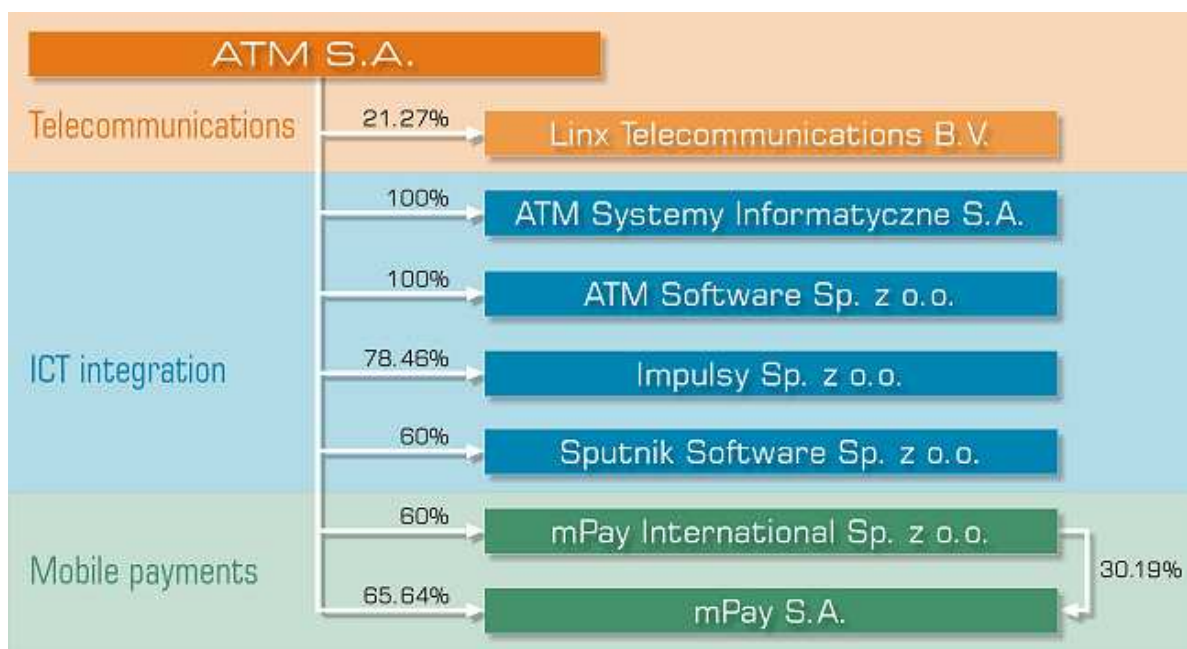
DESCRIPTION OF THE ORGANIZATION OF THE ISSUER'S GROUP OF COMPANIES, WITH THE LIST OF CONSOLIDATED COMPANIES

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.

The structure of the Issuer's group of companies in 2011 (prior to the division) was as follows:



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 2012 forecasts public.

INFORMATION ON SHAREHOLDERS, HAVING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE ISSUER'S 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 THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING AS WELL AS STATING CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT STAKES OF ISSUER'S SHARES IN THE PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT

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

Shareholder	Number of shares held	Stake in share capital	Number of votes at the General Meeting	Share in the overall number of votes
Tadeusz Czichon	5,956,887	16.39%	5,956,887	16.39%
Polsat OFE*	3,579,097	9.85%	3,579,097	9.85%
ING OFE*	3,443,794	9.48%	3,443,794	9.48%
Roman Szwed	3,287,993	9.05%	3,287,993	9.05%
Piotr Puteczny**	1,861,263	5.12%	1,861,263	5.12%

**) data concerning POLSAT OFE and ING OFE refers to the number of shares owned by these shareholders as at 31 December 2011 based on the "Annual asset structure".*

****) 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	3,579,097	232,754
ING OFE*	3,517,923	3,443,794	-74,129
Roman Szwed	3,287,993	3,287,993	0
ING TFI**	1,868,360	no data	no data
Piotr Puteczny***	1,861,263	1,861,263	0

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

**) data concerning POLSAT OFE and ING OFE refers to the number of shares owned by these shareholders as at 31 December 2011 based on the "Annual asset structure".*

****) the 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 14 November 2011	Increases	Decreases	As at 15 May 2012
Tadeusz Czichon	5,956,887	-	-	5,956,887
Maciej Krzyżanowski	55,408	-	-	55,408
Anna Bugajska	59,000	-	-	59,000

PURCHASE OF TREASURY SHARES

The Issuer did not purchase treasury shares in the reported period.

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 THE 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, FINANCIAL RESULT 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 a high potential to increase revenue and generate profits, owing to its good investment policy. The demand for broadband data transmission and data center 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 the Thinx Poland (formerly: Telehouse.Poland) data center for sale and executing new objects within the ATM Innovation Center construction project. 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.

QUARTERLY FINANCIAL INFORMATION OF ATM S.A.

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

1. TOTAL INCOME STATEMENT

	For the period 1 January–31 March 2012	For the period 1 January–31 March 2011
Continued operations		
Sales revenue*	56,004	31,761
Cost of sales (variable)	<u>37,889</u>	<u>15,387</u>
Sales margin**	<u>18,115</u>	<u>16,374</u>
Cost of sales (fixed)***	<u>4,830</u>	<u>3,402</u>
Gross profit (loss) on sales	<u>13,285</u>	<u>12,973</u>
Other operating revenue	716	52
Selling costs	-	-
General and administrative costs***	7,317	8,143
Other operating expenses	778	285
Restructuring costs	<u>-</u>	<u>-</u>
Operating profit (loss)	<u>5,907</u>	<u>4,597</u>
Share in the financial result of undertakings valued using the equity method	-	-
Financial revenues***	91	6,852
Financial expenses****	<u>1,817</u>	<u>1,701</u>
Profit (loss) before tax	<u>4,181</u>	<u>9,748</u>
Income tax	<u>456</u>	<u>1,283</u>
Net profit (loss) on continued operations	<u>3,725</u>	<u>8,465</u>
Discontinued operations	-	-
Net profit (loss) on discontinued operations	(49)	(133)
Net profit (loss)	<u><u>3,676</u></u>	<u><u>8,332</u></u>
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	<u><u>3,676</u></u>	<u><u>8,332</u></u>
Profit (loss) per share		
From continued operations:		
Ordinary	0.10	0.23
Diluted	0.10	0.23
From continued and discontinued operations:		
Ordinary	0.10	0.23
Diluted	0.10	0.23
EBITDA	10,221	8,707

NOTES:

Data for the period of 1 January–31 March 2011 have been restated in accordance with § 34 of IFRS 5

*) Sales revenue includes revenue from sales of telecommunications services provided as part of the implementation of the OST 112 contract. Since the telecommunications part of the contract is implemented by subcontractors, this part of the revenue has a negligible effect on the achieved sales margin and operating profit. This type of revenue amounted to: PLN 25,648 thousand in the first quarter of 2012 and PLN 4,146 thousand in the first quarter of 2011.

**) The issuer discloses additionally in relation to the IFRS requirements the "Sales margin" category which represents the difference of sales revenue and variable costs of sales, i.e. those that are directly related to the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services). This category — according to the Issuer's Management Board — is important for the analysis of the company's finances as it is correlated with the value of sales and determines a break-even point for fixed costs, i.e. a point at which company's activities are operationally profitable.

***) The Issuer partially reclassified general and administrative costs for 2012 to direct fixed costs of sales (the cost of depreciation of certain fixed assets). Therefore, the change of costs against the previous year should be analysed jointly in both of these items.

****) Financial revenues and expenses in the first quarter of 2011 included the effects of a one-off event which was related to the sale of shares in inONE S.A. by the Issuer. As a result of this sale, profit on financial operations in the first quarter of 2011 amounted to PLN 6,731 thousand and related net profit was PLN 5,452 thousand.

FINANCIAL SITUATION STATEMENT

	<u>End of period</u> 31 March 2012	<u>End of period</u> 31 December 2011
Fixed assets		
Goodwill		
Intangible assets	40,595	46,229
Tangible fixed assets	203,471	198,232
Investments in associates consolidated using the equity method	63,487	63,487
Investments in subsidiaries	20,290	49,184
Deferred income tax assets	-	-
Other fixed assets	379	380
	<u>328,222</u>	<u>357,512</u>
Current assets		
Inventories	1,360	1,100
Financial assets held for trading	1,564	1,546
Trade and other receivables	57,015	22,567
Income tax receivables	54	58
Other current assets	4,975	5,171
Other financial receivables		
Cash and cash equivalents	27,861	36,229
	<u>92,830</u>	<u>66,671</u>
Fixed assets classified as held for sale*	38,774	-
	<u>459,826</u>	<u>424,183</u>
Total assets		

NOTES:

*) The value of assets as at 31 December 2011 includes values before the division of the Issuer by separation of an organized part of the enterprise relating to IT operations, including ATM subsidiaries conducting these operations. The value of assets as at 31 March 2012 represents the Issuer's assets after the division, showing in one item the assets separated as classified for sale from the Issuer's perspective and still functioning in ATM Systemy Informatyczne S.A., later in the year conducting operations as an independent listed company.

	<u>End of period</u> <u>31 March 2012</u>	<u>End of period</u> <u>31 December 2011</u>
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	123,915	159,030
Revaluation reserve		-
Treasury shares		-
Capital reserves	36,124	36,124
Hedge valuation reserve and FX gains/losses due to consolidation		-
Retained earnings	<u>36,644</u>	<u>32,829</u>
Total equity	<u>231,406</u>	<u>262,706</u>
Long-term liabilities		
Long-term loans	33,740	-
Provisions for deferred tax	3,140	3,278
Provisions for liabilities		-
Long-term trade and other liabilities	30,732	30,220
Other financial liabilities	<u>32,040</u>	<u>24,774</u>
	<u>99,652</u>	<u>58,272</u>
Short-term liabilities		
Bank and other loans	16,260	40,206
Provisions for liabilities	-	-
Income tax liabilities	1,122	533
Trade and other liabilities	64,457	51,287
Other financial liabilities	<u>8,107</u>	<u>11,179</u>
	<u>89,945</u>	<u>103,205</u>
Liabilities related directly to fixed assets classified as held for sale	<u>38,823</u>	<u>-</u>
Total liabilities	<u>459,826</u>	<u>424,183</u>

NOTES:

*) The value of liabilities as at 31 December 2011 includes values before the division of the Issuer by separation of an organized part of the enterprise relating to IT operations, including ATM subsidiaries conducting these operations. The value of liabilities as at 31 March 2012 represents the Issuer's liabilities after the division, showing in one item the liabilities classified as related to assets held for sale from the Issuer's perspective and still functioning in ATM Systemy Informatyczne S.A., later in the year conducting operations as an independent listed company.

2. STATEMENT OF CHANGES IN EQUITY

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Equity</u>
As at 1 January 2012	34,723	159,030	0	36,124	32,829	262,706
Increases:						
Current period results	-	-	-	-	3,676	3,676
	-	-	-	-	139	139
Profit distribution	-	-	-	-	-	-
Share subscription under the stock option plan	-	-	-	-	-	-
Decreases:						
Division eliminations	-	35,115	-	-	-	35,115
Profit distribution to be allocated to equity	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-
Financing of Incentive Scheme	-	-	-	-	-	-
As at 31 March 2012	34,723	123,915	0	36,124	36,644	231,406

	<u>Core capital</u>	<u>Supplementary capital from share premium</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Equity</u>
As at 1 January 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	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-
As at 31 March 2011	34,723	159,030	(13)	35,969	32,624	262,333

3. CASH FLOW STATEMENT

	<u>For the period</u> <u>1 January–31 March</u> <u>2012</u>	<u>For the period</u> <u>1 January–31 March</u> <u>2011</u>
Operating activities		
Profit (loss) before tax	4,181	9,615
Adjustments by items:	(10,199)	(20,084)
Amortization and depreciation	4,315	4,110
FX gains/losses	288	324
Interest received	(0)	(18)
Interest paid	1,435	1,346
Dividends received	-	-
(Profit) loss on investing activities	10	(6,648)
Movements in inventories	(21)	65
Movements in receivables	(11,715)	3,909
Movements in liabilities and provisions	(3,521)	(23,259)
Movements in other assets	(683)	(127)
Income tax paid	(1)	(555)
Other	(306)	376
	(6,018)	(10,469)
Investing activities		
Expenses on tangible fixed assets purchases	(13,001)	(18,432)
Expenses on financial assets purchases	-	(789)
Revenue from sale of tangible fixed assets	0	5,443
Repayments of long-term loans	-	525
Loans granted	(18)	(750)
Revenue from sales of financial assets	8,091	-
Interest received	(1)	-
Dividends received	-	-
FX gains/losses	17	26
Other	-	-
	(4,912)	(13,978)
Financing activities		
Net proceeds from issue of shares and other capital contributions	0	-
Subsidies received	512	-
Proceeds from loans	9,794	12,617
Repayments of loans	-	-
Purchase of treasury shares	-	-
Payment of liabilities arising from finance leases	(2,956)	(3,968)
Dividends paid	-	-
Interest received	0	70
Interest paid	(1,434)	(1,346)
Other profit-sharing	-	-
FX gains/losses	(22)	27
Other (division adjustment)	(3,334)	-
	2,562	7,400
Movements in cash	(8,368)	(17,047)
Opening balance of cash	36,229	20,513
Closing balance of cash	27,861	3,466

NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER OF 2012

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 1 January–31 March 2012	For the period 1 January–31 March 2011
Country	54,347	30,907
Export	1,657	854
Total sales revenue	56,004	31,761

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	As at 31 March 2012	As at 31 December 2011
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	63,009	28,246
2.1 to other undertakings, of which:	63,009	28,246
- guarantees, sureties granted	21,009	28,246
- mortgage collateral	42,000	-
- collateral pledge	-	-

Since the end of the fiscal year 2011, the following changes have occurred with respect to contingent liabilities:

- a) guarantees and sureties granted have decreased by PLN 7,237 thousand because of:
 - a transfer of operations as part of the division in the amount of PLN 7,237 thousand;
- b) mortgage collaterals have increased by PLN 42,000 thousand.

3. PRESENTATION OF DISCONTINUED OPERATIONS

As at the date of the publication of the quarterly report, the Issuer has performed a division of the Company by separating an organised part of the enterprise (OPE), consisting of assets related to IT activities, and in particular of shares in companies belonging to the ATM Group of Companies engaged in IT activity, i.e.: ATM Systemy Informatyczne, ATM Software, Impulsy and Sputnik Software, and transferring it to ATM Systemy Informatyczne. As a result of the division, the Issuer's existing shareholders will become shareholders of ATM and ATM Systemy Informatyczne, holding the same number of shares in both companies as before the division. The registration in the National Court Register was effected on 25 April 2012.

In accordance with IFRS 5, the Issuer informs that as at 31 March 2012, if the company had been divided as of that date, the following amounts would have been subject to the transfer to ATM SI as a result of the separation:

TOTAL INCOME STATEMENT OF DISCONTINUED OPERATIONS

	<u>For the period</u> <u>1 January–</u> <u>31 March 2012</u>	<u>For the period</u> <u>1 January–</u> <u>31 March 2011</u>
Continued operations		
Sales revenue	590	562
Cost of sales (variable)	<u>228</u>	<u>290</u>
Sales margin	<u>361</u>	<u>272</u>
Cost of sales (fixed)	-	-
Gross profit (loss) on sales	<u>361</u>	<u>272</u>
Other operating revenue	-	-
Selling costs	-	-
General and administrative costs	398	392
Other operating expenses	-	-
Restructuring costs	-	-
Operating profit (loss)	<u>(37)</u>	<u>(120)</u>
Share in the financial result of undertakings valued using the equity method	-	-
Financial revenues	-	-
Financial expenses	13	13
Profit (loss) before tax	<u>(49)</u>	<u>(133)</u>
Income tax	-	-
Net profit (loss) on continued operations	<u>(49)</u>	<u>(133)</u>
Discontinued operations	-	-
Net profit (loss) on discontinued operations	-	-
Net profit (loss)	<u>(49)</u>	<u>(133)</u>
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	<u>(49)</u>	<u>(133)</u>
Profit (loss) per share		
From continued operations:		
Ordinary	(0.0013)	0.23
Diluted	(0.0013)	0.23
From continued and discontinued operations:		
Ordinary	(0.0013)	0.23
Diluted	(0.0013)	0.23
EBITDA	340	272

FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS

	<u>End of period</u> <u>31 March</u> <u>2012</u>
Fixed assets	
Goodwill	-
Intangible assets	5,246
Tangible fixed assets	1,177
Investments in associates consolidated using the equity method	28,962
Investments in subsidiaries	-
Deferred income tax assets	-
Other fixed assets	-
	35,385
 Current assets	
Inventories	-
Financial assets held for trading	-
Trade and other receivables	55
Income tax receivables	-
Other current assets	-
Other financial receivables	-
Cash and cash equivalents	3,334
	3,389
Fixed assets classified as held for sale	-
	38,774
Total assets	38,774

FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES

	<u>End of period</u> <u>31 March</u> <u>2012</u>
Equity	
Share capital	-
Supplementary capital from share premium	35,115
Revaluation reserve	-
Treasury shares	-
Capital reserves	-
Hedge valuation reserve and FX gains/losses due to consolidation	
Retained earnings	(49)
Total equity	<u>35,066</u>
Long-term liabilities	
Long-term loans	-
Provisions for deferred tax	-
Provisions for liabilities	-
Long-term trade and other liabilities	-
Other financial liabilities	-
	<u>0</u>
Short-term liabilities	
Bank and other loans	-
Provisions for liabilities	-
Income tax liabilities	-
Trade and other liabilities	3,389
Other financial liabilities	319
	<u>3,708</u>
Liabilities related directly to fixed assets classified as held for sale	-
Total liabilities	<u><u>38,774</u></u>

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

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	in PLN thousand		in EUR thousand	
Total sales revenue	56,004	31,761	13,414	7,992
Operating profit (loss)	5,907	4,597	1,415	1,157
Profit before tax	4,181	9,748	1,001	2,453
Net profit	3,676	8,332	880	2,096
Net cash from operating activities	(6,018)	(10,728)	(1,441)	(2,699)
Net cash from investing activities	(4,912)	(13,978)	(1,177)	(3,517)
Net cash from financing activities	2,562	7,400	614	1,862
Increase (decrease) in cash	(8,368)	(17,306)	(2,004)	(4,354)
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Fixed assets	328,222	357,512	78,869	80,944
Current assets	92,830	66,671	22,306	15,095
Total assets	459,826	424,183	110,493	96,039
Long-term liabilities	99,652	58,272	23,946	13,193
Short-term liabilities	89,945	103,205	21,613	23,366
Equity	231,406	262,706	55,605	59,479
Share capital*	34,723	34,723	8,344	7,862
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.37	7.23	1.53	1.64
Diluted book value per share (PLN/EUR)	6.37	7.23	1.53	1.64

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

The above financial data for the first quarter of 2012 and 2011 were converted to EUR in accordance with the following principles:

- individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 31 March 2012, at PLN/EUR 4.1616 and as of 31 December 2011, at PLN/EUR 4.4168;
- individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of the rates of the National Bank of Poland as at the last day of each month of the fiscal year between 1 January and 31 March 2012, at PLN/EUR 4.1750 and between 1 January and 31 March 2011 at PLN/EUR 3.9742.