ATM S.A. CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT FOR THE FOURTH QUARTER OF 2012

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 with regard to amendments arising from the Regulation of the Minister of Finance of 3 April 2012, and includes consolidated financial statements of the ATM S.A. capital group drawn up according to the International Financial Reporting Standards, as approved by the European Union.

Submission date: 26 February 2013

Information on the Issuer:

Full name of the Issuer: ATM S.A.
Abbreviated name of the Issuer: ATM
Sector according to the Warsaw Stock Exchange classification: information technology
Post code: 04-186
City: Warsaw
Street: Grochowska
Number: 21a
Telephone: (22) 51 56 660
Fax: (22) 51 56 600
e-mail: inwestor@atm.com.pl
website: www.atm.com.pl
NIP (Tax ID No): 113-00-59-989
REGON (Statistical ID No): 012677986

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. CAPITAL GROUP FOR THE FOURTH QUARTER OF 2012

1. CONSOLIDATED STATEMENT OF TOTAL INCOME

	For the period 01/01 – 31/12/2012	For the period 01/10 – 31/12/2012	For the period 01/01 – 31/12/2011	For the period 01/10 – 31/12/2011
Continuing operations				
Sales revenue*	182,724	45,017	177,828	73,665
Cost of sales (variable)	106,695	23,480	107,074	55,659
Sales margin**	76,029	21,537	70,754	18,006
Cost of sales (fixed)***	21,388	5,983	13,944	3,680
Gross profit (loss) on sales	54,641	15,554	56,810	14,326
Other operating revenue	1,131	105	378	83
Cost of sales		-	-	-
General and administrative costs	30,500	6,838	38,738	9,470
Other operating costs	1,780	512	1,560	594
Restructuring costs				
Operating profit (loss)	23,491	8,309	16,889	4,345
Share in the financial result of undertakings valued using the equity method	1,043	(354)	(316)	926
Financial revenues****	2,244	1,654	5,382	(1,579)
Financial expenses****	10,166	3,712	8,950	821
Profit (loss) before tax	16,611	5,896	13,007	2,871
Income tax	1,807	1,474	4,296	1,949
Net profit (loss) on continuing operations	14,804	4,422	8,711	923
Discontinued operations				
Net profit (loss) on discontinued operations	(1,005)	(753)	7,723	2,224
of which:				
referring to the separation of the organized part of the enterprise relating to integrating operations	1,100	(0)	7,851	2,255
referring to mPay International Sp. z o.o.	(2,104)	(753)	(128)	(31)
Net profit (loss)	13,799	3,669	16,434	3,146
Net profit (loss) attributable to Group's shareholders	14,275	3,777	17,497	4,464
Net profit (loss) attributable to minority shareholders	(476)	(108)	(1,063)	(1,318)
Other total income				
Share in other comprehensive income of associates				
Income tax related to other comprehensive income items				
Other comprehensive income				
Total comprehensive income	13,799	3,669	16,434	3,146
Comprehensive income attributable to Group's shareholders	14,275	3,777	17,497	4,464
Comprehensive income attributable to minority shareholders	(476)	(108)	(1,063)	(1,318)
Profit (loss) per share				
From continuing operations:				
Ordinary	0.41	0.12	0.45	0.03
Diluted	0.41	0.12	0.45	0.03
From continuing and discontinued operations:				
Ordinary	0.38	0.10	0.45	0.19
Diluted	0.38	0.10	0.45	0.19
EBITDA	44,554	13,975	36,534	9,322

Data for the period from 01/01 – 31/12/2011 has been restated in accordance with § 34 of IFRS 5.

NOTES:

*) 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 10.19 million in Q4 2012 and PLN 56.02 million in 2012, and PLN 43.18 million in Q4 2011 and PLN 60.01 million in 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 transferred general and administrative costs for 2011 to fixed costs of sales (the cost of depreciation of certain fixed assets). Therefore, the change of fixed costs against the previous year should be analysed jointly in both items (fixed costs of sales + general and administrative costs).

****) Financial revenues and expenses in 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 2011 amounted to PLN 6,731 thousand and related net profit was PLN 5,452 thousand.

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION — ASSETS

	End of the period 31/12/2012	End of the period 31/12/2011
Fixed assets		
Goodwill	128	18,579
Intangible assets	44,164	64,775
Tangible fixed assets	207,697	218,167
Investments in associates consolidated using the equity method	68,367	67,324
Other financial assets	0	80
Deferred income tax assets	0	0
Other fixed assets	179	808
	320,535	369,733
Current assets		
Inventories	1,263	15,240
Financial assets held for trading	1,855	104
Trade and other receivables	24,516	88,681
Income tax receivables	57	71
Other current assets	4,772	8,243
Other financial receivables		
Cash and cash equivalents	4,478	56,566
	36,941	168,905
Fixed assets held for sale	2,321	
Total assets	359,796	538,638

NOTES

*) The value of assets as at 31.12.2011 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 31.12.2012 represents the Issuer's assets after the division.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — LIABILITIES

	End of the period 31/12/2012	End of the period 31/12/2011
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	123,735	159,030
Revaluation reserve		
Treasury shares	(1)	
Capital reserves	52,505	40,429
Hedge valuation reserve and FX gains/losses due to consolidation		
Retained earnings	23,633	41,589
Total Group shareholders' equity	234,594	275,771
Non-controlling interests	2,238	7,319
Total shareholders' equity	236,832	283,090
Long-term liabilities		
Long-term loans and borrowings	31,376	2,103
Provisions for deferred tax	412	1,224
Provisions for liabilities		
Long-term trade and other liabilities	27,036	31,068
Other financial liabilities	19,183	28,964
	78,008	63,359
Short-term liabilities		
Bank loans and borrowings	13,852	41,338
Provisions for liabilities		
Income tax liabilities	2,025	996
Trade and other liabilities	19,436	135,056
Other financial liabilities	11,522	14,799
	46,835	192,189
Liabilities related directly to fixed assets held for sale	(1,879)	
Total liabilities	359,796	538,638

NOTES:

*) The value of liabilities as at 31.12.2011 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 31.12.2012 represents the Issuer's liabilities after the division.

3. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Share 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 2012	34,723	159,030		40,429		41,589	275,771	7,319	283,090
Increases:									
Capital increase									
Current period results						14,275	14,275	(476)	13,799
Share subscription under the stock option plan						445	445		445
Valuation of management options									
Changes to the Group's structure									
Profit distribution				16,381			16,381		16,381
Decreases:									
Purchase of treasury shares under the stock option plan			1				1		1
Purchase of shares after the control taking date									
Current period results									
Profit distribution to be allocated to reserve capital						16,381	16,381		16,381
Dividend payout									
Changes to the Group's structure (division)		35,295		4,305		16,296	55,896	4,605	60,501
As at 31 December 2012	34,723	123,735	**(1)**	52,505		23,632	234,594	2,238	236,832

	Share 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						16,323	16,323	111	16,434
Share subscription under the stock option plan			13	9			22		22
Valuation of management options						878	878		878
Changes to the Group's structure									
Profit distribution				2,122			2,122		2,122
Decreases:									
Purchase of treasury shares under the 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
Changes to the Group's structure						555	555	603	1,158
As at 31 December 2011	34,723	159,030		40,429		41,589	275,771	7,319	283,090

4. CONSOLIDATED CASH FLOW STATEMENT

	For the period 01/01 – 31/12/2012	For the period 01/01 – 31/12/2011
Operating activities		
Profit (loss) before tax	16,611	13,007
Adjustment by items:	(6,896)	31,022
Share in net loss (profit) of undertakings valued using the equity method	1,043	(316)
Depreciation and amortisation	21,063	19,645
FX gains/losses	1,418	2,731
Interest received	5	21
Interest paid	7,273	5,751
Dividends received		
(Profit) loss on investment activities	(5,552)	(5,048)
Change in inventories	390	342
Change in receivables	26,978	18,289
Change in liabilities and provisions	(54,936)	(5,695)
Change in other assets	2,454	(2,349)
Income tax paid	(2,152)	(2,245)
Other	(4,880)	(104)
	9,715	44,029
Investing activities		
Expenses on tangible fixed assets purchases	(53,891)	(66,234)
Expenses on financial assets purchases		0
Revenue from sale of tangible fixed assets	23,154	16,663
Repayments of long-term loans		0
Long-term loans granted	0	0
Revenue from sales of financial assets	0	7,200
Interest received	1	
Dividends received		
FX gains/losses	21	(68)
Other	(30)	3,739
	(30,745)	**(38,701)**
Financing activities		
Net proceeds from issue of shares and other capital contributions		0
Subsidies received	(2,239)	7,885
Proceeds from loans and borrowings	5,107	30,206
Repayment of loans and borrowings		0
Purchase of treasury shares	(1)	13
Payment of liabilities arising from finance leases	(7,351)	(13,299)
Dividends paid		(8,359)
Interest received		87
Interest paid	(7,297)	(5,774)
Other distributions		
FX gains/losses	(103)	66
Other (division adjustment)	(19,174)	145
	(31,058)	10,968
Changes in cash	**(52,089)**	16,296
Opening balance of cash	56,566	40,269
Closing balance of cash	4,478	56,566

Data for the period from 01/01 – 31/12/2011 has 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. capital group, is a joint-stock company. The Company launched its operation 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 is 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) No 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., that is also listed on the Warsaw Stock Exchange. As a result of the division, the ATM S.A. shareholders additionally received one share of ATM Systemy Informatyczne S.A. for each share of ATM S.A. The division of ATM did not result in a decrease in 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 is managed by the Management Board comprising two members. Its composition as at the date of submission of this report is as follows:

- Maciej Krzyżanowski — President of the Management Board
- Tadeusz Czichon — Vice-President of the Management Board

No changes in the composition of the Management Board took place in the fourth quarter of 2012 or after the balance sheet date.
The Company is supervised by a Supervisory Boards comprising the following five members:

- Roman Szwed — Chairman of the Supervisory Board
- Tomasz Tuchołka — Vice-Chairman of the Supervisory Board
- Grzegorz Domagała — Member of the Supervisory Board
- Sławomir Kamiński — Member of the Supervisory Board
- Mirosław Panek — Member of the Supervisory Board

No changes in the composition of the Supervisory Board took place in the fourth quarter of 2012 or after the balance sheet date.

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

The interim condensed financial statements for the fourth quarter ended 31 December 2012 were prepared in accordance with IAS 34 *Condensed 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 the accruals, which are charged to financial costs for the month in which they are actually paid. At the same time, 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 have been presented below.

As at 31 December 2012, the balance of accruals resulting from exchange rate differences on lease liabilities amounted to PLN 307,412.01. If exchange rates of JPY remain at the level from the balance sheet date, this sum would be recognized in costs for the following periods in the following amounts:

Year	**Quarter**	**Amount**
2013	1	157,569.63
	2	110,920.33
	3	38,922.05
	4	0.00
TOTAL		**307,412.01**

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 31.12.2012 resulted in an increase in the value of other current assets by the aforementioned amount of PLN 307,412.01, 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 58,408.28, the net profit was higher by PLN 249,003.72. 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 1,489,537.62.

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 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, higher by PLN 1.23 million in 2011 and higher by PLN 1.49 in 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.

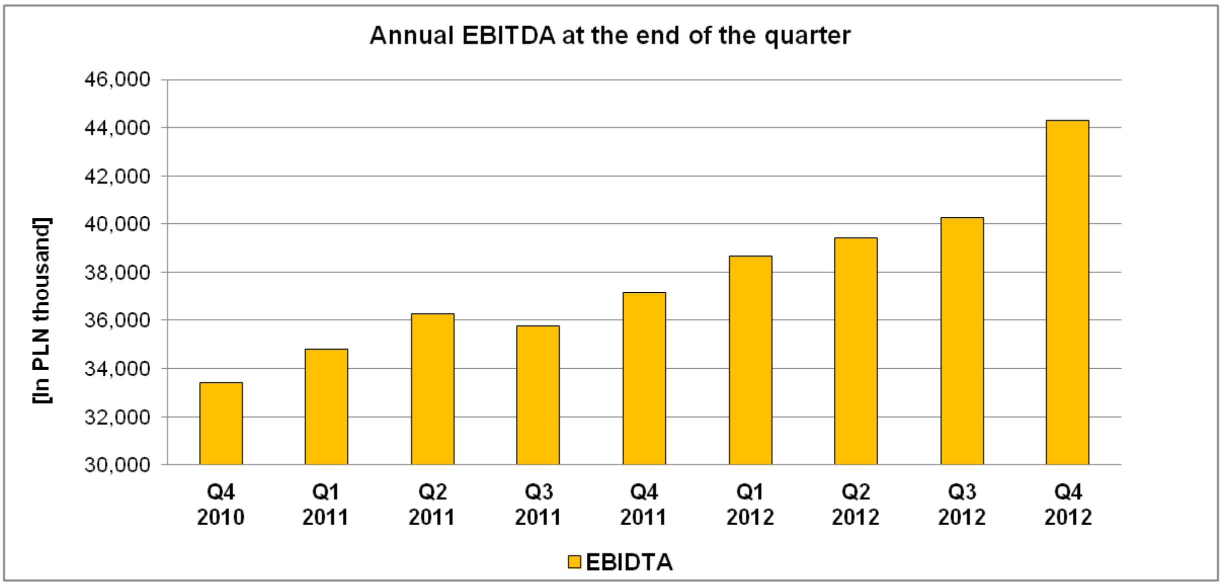
Accounting principles (policy) used for preparing the interim condensed financial statements are consistent with those used for preparing the annual consolidated financial statements of the Group for the previous year.

3. DESCRIPTION OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS OR FAILURES DURING THE REPORTING PERIOD, TOGETHER WITH THE LIST OF THE MOST IMPORTANT EVENTS CONCERNING THE ISSUER

Since the first quarter of 2012, a material change has occurred in the manner of presentation of financial results generated in the previous year 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. capital group (integration of ICT systems), were separated and transferred to ATM Systemy Informatyczne which is currently not related by capital with the Issuer and is developing 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. Information on discontinued operations (operating segment: ICT systems integration) is presented by the Issuer in clause 22 of the Notes to the condensed consolidated financial statements.

The Issuer may regard Q4 2012 as particularly successful. In this period, the Company has continued a constant upward movement, and achieved a sales margin of PLN 21.13 million (21% increase y/y), PLN 8.62 million of operating profit (69% increase y/y) and an EBITDA profit of PLN 13.86 million (42% increase y/y). Revenues, excluding the OST 112 contract treated separately, amounted to PLN 34.13 million in the fourth quarter of 2012 (increase by 16% y/y).

A particularly typical characteristic of the company is its gradual increase in annual EBITDA profit, as it constitutes the basis for methods of valuation based on ratios of ICT companies and data centers. The value of EBITDA profit for the last four quarters in subsequent reporting periods is presented on the following diagram:



The results for 2012 as compared with the previous year show a significant improvement of financial results in all most important items of consolidated statement of comprehensive income, as presented in the following summary:

[financial highlights*]	**2012**	**2011**	**change %**
Sales revenue (without OST 112)	126,695	117,819	+8%
- Including data center services	49,753	40,017	+24%
Sales margin	76,029	70,754	+7%
Operating profit	23,491	16,889	+39%
EBITDA	44,554	36,534	+22%
Gross profit	16,611	7,555	+120%
Net profit (*from continuing operations*)	14,804	4,479	+231%

**) Without OST 112 revenue; data for 2011 less financial gains on a single transaction associated with the sale of an associate, inONE S.A.*

Similarly to previous periods, revenue from data center services (colocation and hosting) significantly increased in the fourth quarter. This revenue amounted to PLN 13.32 million in the last quarter (increase by 23% y/y). The annualized revenue amounted to almost PLN 50 million (increase by 24% y/y), and more than 97% of this revenue was from subscription revenue. Colocation revenue constituted 40% of total telecommunications revenue, and subscription margin generated by these services constituted more than 50% of total subscription margin generated by the Issuer in 2012.

Successful end of the year with respect to sales of colocation services is the result of commercialization of further spaces in the data centers built. At the end of the year, the Issuer had 3,650 square meters net of sold space with the space of 3,423 square meters generating continuous revenue (it is invoiced), and with the remainder which shall generate additional revenue in the financial statements for the first quarter 2013. Moreover, the company has 1,250 square meters net of space available for sale in its three locations, and as result of investments being carried out, this space may be increased by additional 4,000 square meters. Based on already built data centers, the Issuer may increase EBITDA profit by additional PLN 14.4 million in future periods, and along with the implementation of the conducted investments within the CI ATM project, by additional PLN 22.8 million of EBITDA profit.

Successful sales of space in the ATMAN Data Center, and in particular the commercialization of the servers room built in over 75% until now, allowed the Issuer to invest, in the fourth quarter of 2012, in a new F4 building, which is to increase the available space by additional 1,000 square meters net. This space shall be offered by the Issuer in the second half of 2013. Commercialization of space in the Thinx Poland Data Center was also conducted in the previous year as scheduled. At the end of the year, more than 64% of this facility was rented, and the orders on new spaces of 150–250 square meters, negotiated by clients at the turn of the year, shall be concluded in the first quarter 2013.

In the second half of 2012, the Issuer was one more time recognized as the leader of the Polish data centers market. According to the Audytel S.A. research company, ATM, offering over 8,300 square meters gross in its three data centers, was the biggest provider of colocation services in 2012 and overtook, among others Telekomunikacja Polska (Orange), GTS Energis, Exatel and Netia on the Polish market.

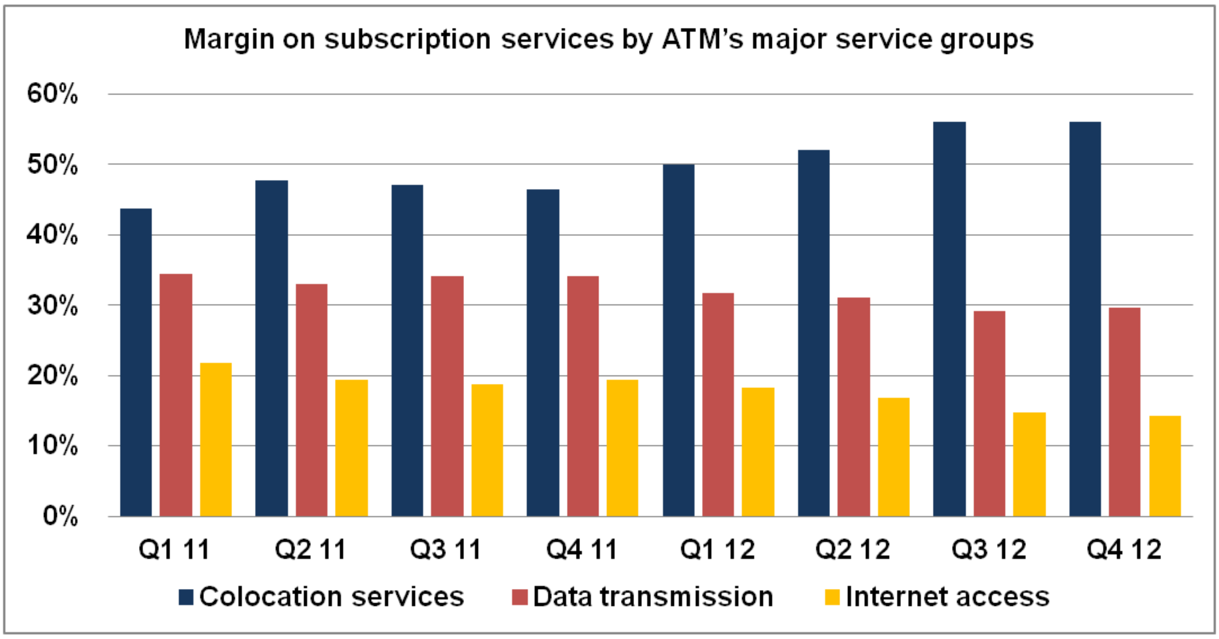
Providing data transmission services and fiber optic services is the second significant area of the telecommunications activity of the Issuer, with over 39% share in the total revenue in 2012 (excluding the revenue from the OST 112 contract). In this area, the Issuer generated PLN 48 million sales revenue and recorded a 4% increase as compared to 2011, resulting from two projects carried out for other telecommunication providers, including the purpose of implementation of LTE technologies in Poland. The fourth quarter of 2012 was particularly successful. The Issuer started the implementation of contracts worth several million PLN, which shall be carried out in the first three quarters of 2013 and provide the Company with a stable and sound basis for revenue from transmission services in subsequent quarters.

The Issuer further strengthens its position on the market of professional carrier services and specializes in providing data transmission and high speed Internet access services which are necessary for the implementation and popularization of LTE technology. ATMAN has one of the largest metropolitan fiber optic networks in Poland, also in cities where the development of own fiber optics networks for the purposes of creating an LTE network would be very time consuming and expensive.

In the third sector of activity, i.e. Internet access services, the Issuer, similarly to other telecommunication providers, shows drops in revenue. Annualized revenue from Internet access services has dropped by 7%, and the company generated PLN 21 million revenue in 2012. The last quarter of the year was considerably difficult in this respect, due to the fact that ATM generated only PLN 4.85 million of revenue from Internet access services, which is 15% less than in the respective period in 2011. Such low results in this sales area result from a decrease in unit prices on wholesale Internet access market, which still is not offset by the increase in volume of sales. We can expect continuation of this unfavourable trend in 2013, however, this category of services is decreasingly significant in the Issuer's operations, and its share in the total telecommunication revenue amounted only to 17% in 2012.

In 2012, the number of the Issuer's clients increased by over 23%, exceeding the number of 1,200 active companies and institutions to whom the Issuer provides telecommunication services. Particularly noteworthy is the strengthening of the position of the leading telecommunications services provider for the telecommunications sector as well as for the financial and insurance sector which currently correspond to, respectively, 47% and 22% of revenue of ATM S.A.

To summarize, the Company shows a dynamic increase in revenue from data center services (colocation services) and stability (with a small downward trend) of revenue from services associated with data transmission and Internet access. Therefore, the dynamics of Company's increase in revenue, margin and profits is still lower than expected from the company specializing in data center services. Nevertheless, the 2012 results are better than ever, and the whole year should be regarded as particularly successful. In future periods, the dynamics of financial ratios shall be still trending upward due to the gradual increase in the interest of revenue and margin from colocation services in overall Company's revenue, as presented in the chart below.



In the segment of mobile payments, the Group conducts its operations through mPay S.A., which allows making payments via mobile phones, being a pioneer in the implementation of such solutions in Poland.

Conclusion of cooperation agreement with Polska Telefonia Cyfrowa S.A., T-mobile and Heyah operator, in November 2012, with regard to providing mobile payment services by mPay to the operator's subscribers and providing the users with access to mPay mobile payment system services through PTC mobile network. This way, mPay is offered by all four biggest mobile networks in Poland.

In 2012, mPay S.A. achieved financial results similar to those in 2011: sales revenue of PLN 2.5 million, sales margin of PLN 1.5 million, operating loss of PLN 1.4 million, lower by PLN 0.37 million, and EBITDA profit of PLN 0.2 million.

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

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

5. SEASONALITY OF OPERATIONS

Revenue from sales of telecommunications services is stable, recurrent and relatively resistant to the business cycle, owing to the predominant subscription nature of the contracts. This revenue is not seasonal but grows steadily from quarter to quarter. The only exception is sales revenue fluctuations, arising from the delivery of telecommunications lines within the OST 112 project. In the fourth quarter of 2012, revenue in this respect amounted to PLN 10,186 thousand, whereas in the fourth quarter of 2011, it amounted to PLN 43,178 thousand. However, this part of revenue has no significant impact on the margin and sales profit. Revenues on that account will also occur in subsequent reporting periods.

6. INVENTORIES REVALUATION WRITE-DOWNS REDUCING THE VALUE TO NET REALIZABLE VALUE

By 31 December 2012, the Company made inventories revaluation write-off amounting to PLN 262 thousand.

7. REVALUATION WRITE-DOWNS FOR FIXED ASSETS

In the second quarter of 2012, the Company made a revaluation write-down for its interest in mPay International Sp. z o.o. in bankruptcy liquidation amounting to PLN 5,552 thousand. Since 2009, mPay International has not carried out its operating activities, its bankruptcy was due to the fact the company did not have an opportunity to cooperate with its partner. Its liquidation shall simplify the capital structure of the mPay Group and shall not affect the operations of mPay S.A.

8. MAKING, INCREASING, IMPLEMENTING AND DISSOLVING PROVISIONS

The Company did not make any provisions.

9. DEFERRED INCOME TAX ASSETS AND PROVISIONS

	Statement of the financial position		Total income statement	
	End of the period 31/12/2012	End of the period 31/12/2011	For the period 01/01–31/12/2012	For the period 01/01–31/12/2011
Deferred tax provision				
Difference between the balance sheet and tax value of wnip-dot	-	-	-	-
Difference between the balance sheet and tax value of leased fixed assets	-	-	-	-
Difference between the balance sheet and tax value of tangible fixed assets	2,435	3,108	(673)	(87)
Recognized service revenue		388	(388)	388
Receivable compensation				
Accrued interest	110	47	63	
Valuation of financial instruments				
Subsidies received — settlement		2	(2)	2
FX gains				
Provisions for deferred tax acquired as a result of business entities merger				
Gross deferred tax provision	2,545	3,545	**(1,000)**	303
Deferred tax assets				
Valuation of financial instruments				
Difference between the balance sheet and tax value of tangible fixed assets				
Deferred payment revenue	2	17	15	39
Revenue settled over time				
Inventory write-downs	155	149	(6)	
Receivable write-downs	95	78	(17)	1
Write-downs on financial assets				
Provisions for service expenses	381	23	(358)	246
Provisions for employee benefits				
Negative exchange differences				
Liabilities to the Social Insurance Institution (ZUS)				
Liabilities to employees				
Deferred income/expenses	181		(181)	
Subsidies received	5		(5)	9
Valuation effects of forward contract — hedge accounting				
Recognized interest	285		(285)	
Tax loss for settlement				271
Deferred tax assets acquired as a result of business combination				
Gross deferred tax assets	1,104	267	**(837)**	566
Net tax assets (tax provision)	**(1,441)**	**(3,278)**		
Deferred income tax charge against profit			**(1,837)**	869

10. SIGNIFICANT TANGIBLE FIXED ASSET SALES AND ACQUISITIONS

The Company did not carry out any significant transactions concerning fixed assets in the fourth quarter of 2012.

11. SIGNIFICANT LIABILITIES FOR ACQUISITION OF TANGIBLE FIXED ASSETS

In fourth quarter 2012, there were no significant liabilities for acquisition of tangible fixed assets.

12. SIGNIFICANT SETTLEMENTS ARISING FROM COURT CASES

There were no significant settlements arising from court cases.

13. ADJUSTMENT OF ERRORS FROM PREVIOUS PERIODS

The company did not make any adjustments of errors from previous periods.

14. CHANGES OF ECONOMIC SITUATION, AS WELL AS BUSINESS ENVIRONMENT, WHICH SIGNIFICANTLY INFLUENCE THE ENTITY'S FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

There were no changes in economic situation that could have had a significant influence on the financial assets and liabilities fair value.

15. BANK LOANS AND LEASE LIABILITIES

Bank loans include:

1. investment loan for the period of 5 years (2012–2017), secured by mortgage on real estate, where the Issuer develops data centers,
2. overdraft facility, which revolves annually, with a total limit up to PLN 35.0 million, used as at the balance-sheet date up to the amount of PLN 11.3 million.

Other financial liabilities include finance lease agreement of the net total value of liabilities amounting to PLN 30.7 million as at the balance sheet date. The lease agreements are concluded in order to refinance investment expenditures, and they are usually entered into for the period of 5 years. Liabilities arising from lease agreements are at a stable level due to the fact that expired agreements are substituted with new agreements.

The detailed list of bank loans is presented in note 22 to the consolidated annual financial statements of the Issuer.

16. FAILURE TO PAY OFF A LOAN OR BORROWING

There was no breach of bank loan or borrowing contract, and there was no failure to pay off any loan or borrowing.

17. FINANCIAL ASSETS AT FAIR VALUE

There were not changes in the manner and methods of determining fair value of financial instruments.

18. CHANGES IN THE CLASSIFICATION OF FINANCIAL ASSETS DUE TO A CHANGE OF THEIR PURPOSE OR USE

There were no changes in the classification of financial assets due to a change of their purpose or use.

19. ISSUE, REDEMPTION AND REPAYMENT OF NON-SHARE SECURITIES AND EQUITIES

The Company did not make the aforementioned transactions.

20. DIVIDENDS PAID AND DECLARED

In connection with the division of ATM 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 data center buildings which will allow further dynamic growth of revenue from colocation and hosting services (data center services).

The ATM S.A. Ordinary General Meeting of Shareholders adopted a resolution on allocating the company's full profit for 2011 to reserve capital.

21. SEGMENTS OF OPERATION

Telecommunications activity is the principal segment of the Issuer's operations characterized 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 the companies belonging at that time to the ATM capital group, i.e. 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:

Continuing operations					Discontinued operations
For the period 01/01 – 31/12/2012	**Telecommunications**	**Mobile payments**	**Consolidating exclusions**	**Total**	**mPay International**
Fixed assets	325,855	5,559	4,214	335,629	2,569
Sales revenue*	180,271	2,540	(86)	182,725	0
of which: revenue excluding the OST 112 contract	124,241	2,540	(86)	126,695	0
Sales margin**	74,467	1,522	40	76,029	0
Operating profit (loss)	24,827	**(1,398)**	62	23,491	(1,872)
Profit (loss) before tax	17,938	(1,386)	59	16,611	(6,592)
Net profit (loss) on continuing operations	15,088	**(1,386)**	1,102	14,803	(6,994)
EBITDA	44,293	200	62	44,554	(1,872)

Continuing operations					Discontinued operations
For the period 01/01 – 31/12/2011	**Telecommunications**	**Mobile payments**	**Consolidating exclusions**	**Total**	**mPay International**
Fixed assets	338,747	7,185		345,932	8,996
Sales revenue*	175,198	2,568	62	177,828	0
of which: revenue excluding the OST 112 contract	115,189	2,568	62	117,879	0
Sales margin**	68,997	1,717	40	70,754	0
Operating profit (loss)	18,600	**(1,772)**	62	16,890	**(26)**
Profit (loss) before tax	16,486	(1,858)	(1,622)	13,006	**(125)**
Net profit (loss) on continuing operations	13,427	**(3,095)**	(1,622)	8,710	**(128)**
EBITDA	37,084	(611)	61	36,534	(26)

Data for the period from 01/01 – 31/12/2011 has been restated in accordance with § 34 of IFRS 5.

NOTES:

*) 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 10.19 million in Q4 2012 and PLN 56.02 million in 2012, and PLN 43.18 million in Q4 2011 and PLN 60.01 million in 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.

Sales revenues broken down into geographical distribution are as follows:

	For the period 01/01 – 31/12/2012	For the period 01/10 – 31/12/2012	For the period 01/01 – 31/12/2011	For the period 01/10 – 31/12/2011
Country	178,126	43,975	173,890	72,513
Export	4,598	1,042	3,938	1,152
Total sales revenue	182,724	45,017	177,828	73,665

Data for the period from 01/01 – 31/12/2011 has been restated in accordance with § 34 of IFRS 5.

22. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

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

23. CHANGE IN THE COMPANY STRUCTURE

There were no significant changes in the company structure in Q4 2012.

24. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	End of the period 31/12/2012	End of the period 31/12/2011
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	49,423	71,745
2.1 to other undertakings, of which:	49,423	71,745
- guarantees, sureties granted	7,423	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 26,564 thousand as a result of transfer of operations as part of the division for the amount of PLN 12,978 thousand and expiry for the amount of PLN 13,586 thousand

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

b) Mortgage collaterals decreased by PLN 35,395 thousand as a result of transfer of operations as part of the division and increased by PLN 42,000 thousand as a result of conversion of authorized overdrafts into investment loans

22. PRESENTATION OF DISCONTINUED OPERATIONS

As at the date of publication of the semi-annual report, the Issuer has performed a division of the Company by separating an organized part of the enterprise (OPE), consisting mainly of assets related to IT activities, including shares in companies belonging to the ATM capital group 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, as at the day of the division, became shareholders of ATM and ATM Systemy Informatyczne, holding the same number of shares in both companies as before the division. Entry about the division in the National Court Register was made on 25 April 2012.

Consolidated result from discontinued operations, calculated from 1 January 2012 to 30 April 2012, amounted to PLN 1,100 thousand.

In addition, the results from operations and assets and liabilities of the bankrupt company mPay International Sp. z o.o. were presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 31 December 2012, if mPay International had been liquidated as of that date, the following amounts would have been subject to discontinuance:

CONSOLIDATED TOTAL INCOME STATEMENT OF DISCONTINUED OPERATIONS

	For the period 01/01 – 31/12/2012
Continuing operations	
Sales revenue	
Cost of sales (variable)	
Sales margin	
Cost of sales (fixed)	
Gross profit (loss) on sales	
Other operating revenue	
Cost of sales	
General and administrative costs	40
Other operating costs	1,832
Restructuring costs	
Operating profit (loss)	**(1,872)**
Share in the financial result of undertakings valued using the equity method	
Financial revenue	
Financial costs	4,720
Profit (loss) before tax	**(6,592)**
Income tax	402
Net profit (loss) on continuing operations	**(6,994)**
Discontinued operations	
Net profit (loss) on discontinued operations	4,889
Net profit (loss)	**(2,105)**

CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS

	End of the period 31/12/2012
Fixed assets	
Goodwill	
Intangible assets	
Tangible fixed assets	
Investments in associates consolidated using the equity method	
Other financial assets	2,569
Deferred income tax assets	
Other fixed assets	
	2,569
Current assets	
Inventories	
Financial assets held for trading	
Trade and other receivables	6
Income tax receivables	
Other current assets	2
Other financial receivables	
Cash and cash equivalents	12
	20
Fixed assets held for sale	
Total assets	2,589

CONSOLIDATED FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES

	End of the period 31/12/2012
Equity	
Share capital	9,250
Supplementary capital from share premium	
Revaluation reserve	
Treasury shares	
Capital reserves	
Hedge valuation reserve and FX gains/losses due to consolidation	
Retained earnings	(9,513)
Total equity attributable to Group's shareholders	**(263)**
Non-controlling interests	
Total equity	**(263)**
Long-term liabilities	
Long-term loans and borrowings	
Provisions for deferred tax	
Provisions for liabilities	
Long-term trade and other liabilities	
Other financial liabilities	2,852
	2,852
Short-term liabilities	
Bank loans and borrowings	
Provisions for liabilities	
Income tax liabilities	
Trade and other liabilities	
Other financial liabilities	
	0
Liabilities related directly to fixed assets held for sale	
Total liabilities	2,590

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

	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	in PLN thousand		in EUR thousand	
Total sales revenue	182,724	177,828	43,781	42,952
Operating profit (loss)	23,491	16,889	5,628	4,079
Profit before tax	16,611	13,007	3,980	3,142
Net profit of parent undertaking shareholders	14,275	16,434	3,420	3,969
Net cash from operating activities	(9,690)	4,558	(2,322)	1,101
Net cash from financing activities	(23,380)	5,400	(5,602)	1,304
Net cash from investing activities	(14,242)	(34,361)	(3,412)	(8,298)
Increase (decrease) in cash	(47,312)	(24,403)	(11,336)	(5,893)
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Fixed assets	320,535	369,733	78,405	83,711
Current assets	36,941	168,905	9,036	38,242
Total assets	359,797	538,638	88,009	121,952
Long-term liabilities	78,008	63,358	19,081	14,345
Short-term liabilities	46,835	192,188	11,456	43,513
Equity	236,832	283,090	57,931	64,094
Share capital*	34,723	34,723	8,494	7,862
Parent undertaking shareholders' equity	234,594	275,771	57,383	62,437
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.45	7.59	1.58	1.72
Diluted book value per share (PLN/EUR)	6.45	7.59	1.58	1.72

The above financial data for the fourth quarter of 2012 and 2011 were converted to EUR according to the following principles:

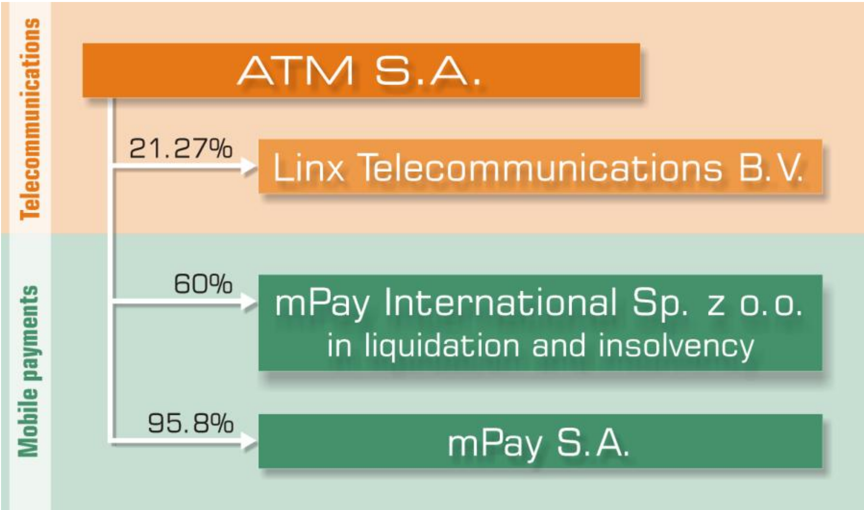
- Individual items of assets and liabilities were calculated with the average FX rate of the National Bank of Poland as of 31 December 2012 at PLN/EUR 4.0882 and as of 31 December 2011 at PLN/EUR 4.4168
- Individual items of the profit and loss account and the cash flow statement were calculated with 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 31 December 2012 at PLN/EUR 4.1736 and between 1 January and 31 December 2011 at PLN/EUR 4.1401

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

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

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

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



All of the aforementioned companies were subject to consolidation. Linx Telecommunications B.V.'s operating results were 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 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 ANNUAL GENERAL MEETING AS AT THE DATE OF SUBMISSION OF THE 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 ANNUAL GENERAL MEETING AS WELL STATING CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT STAKES OF ISSUER'S SHARES IN THE PERIOD SINCE 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	Interest in share capital	Number of votes at the General Meeting	Share in the overall number of votes
ATP Invest Sp. z o.o. S.K.A.*	9,036,756	24.86%	9,036,756	24.86%
ING OFE**	3,535,569	9.73%	3,535,569	9.73%
Polsat OFE**	2,817,842	7.75%	2,817,842	7.75%
Piotr Puteczny***	2,243,066	6.17%	2,243,066	6.17%
Altus TFI****	1,828,065	5.03%	1,828,065	5.0%

**) An entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*

***) The data concerning POLSAT OFE and ING OFE refer to the number of shares owned by these shareholders as at 31 December 2012 based on the "Annual asset structure"*

****) Jointly with his spouse*

*****) In accordance with the notification of 17 December 2012*

Shareholder	Number of shares in accordance with the previous interim report	Number of shares in accordance with the current interim report	Change in the number of shares and number of votes
ATP Invest Sp. z o.o. S.K.A.*	7,919,856	9,036,756	1,116,900
ING OFE**	3,443,794	3,535,569	91,775
Polsat OFE**	3,579,097	2,817,842	761,255
Roman Szwed with Spinoza Investments Sp. o.o. S.K.A.	2,388,769	1,207,627	1,181,142
Piotr Puteczny***	2,021,328	2,243,066	221,738
Altus TFI****	no data available	1,828,065	no data available

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

**) An entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*

***) The data concerning Polsat OFE and ING OFE refer to the number of shares owned by these shareholders as at 31 December 2012 based on the "Annual asset structure"*

****) Jointly with his spouse*

*****) In accordance with the notification of 17 December 2012*

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 PERIODICAL 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:

Name and surname	As at 12 November 2012	Increases	Decreases	As at 26 February 2013
ATP Invest Sp. z o.o. S.K.A.*	7,919,856	1,116,900		9,036,756
Roman Szwed with Spinoza Investments Sp. o.o. S.K.A.	2,388,769		1,181,142	1,207,627
Maciej Krzyżanowski	58,608			58,608
Anna Bugajska	59,000		2,000	57,000

**) An entity controlled by Tadeusz Czichon, Vice-President of the Management Board of ATM S.A.*

PURCHASE OF TREASURY SHARES

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

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

According to the information published in previous interim reports, the Issuer was a party to the arbitration proceedings under which the plaintiff, Henryk Kułakowski, a minority shareholder in mPay International Sp. z o.o., based his claims for damages in the amount of PLN 20 million for an alleged breach by ATM S.A. of investment agreement dated 2 February 2006. According to the Plaintiff, such a breach involved dismissal of the Plaintiff from the position of President of the Management Board of mPay S.A. and recapitalization of mPay S.A. by ATM as a result of taking up new issues of mPay S.A. shares. In the opinion of the Issuer, the investment agreement was effectively terminated by ATM S.A. on 10 December 2008, and there was no causal link between the alleged damage suffered by Henryk Kułakowski and the operations of ATM. The Court of Arbitration, in its decision of 13 December 2012, dismissed the complaint of Henryk Kułakowski in its entirety due to lack of grounds for claim, and thus agreed with Issuer's statements.

Furthermore, 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 THE 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 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 FULFILL 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 NEXT 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 is expected to increase, which gives opportunities for a stable growth of this segment of activity. Extremely good highlights concern the increase in demand for colocation services (data center services) due to the changes in technology of using software and the fact that outsourcing of ICT resources gains an increasing popularity among companies. Therefore, the Issuer shall continue to make necessary investments by preparing new modules of the Thinx Poland Data Center (formerly Telehouse.Poland) for sale and constructing new facilities under the ATM Innovation Center 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 fibre-optic networks, will grow owing to two factors: construction of a 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.

More information on the current market situation of the Issuer and its position on the market and further prospects for growth shall be made available in the "ATM S.A. Strategy for 2013–2014" which shall be published by 6 March 2013 at the Issuer's website (www.atm.com.pl) in Investor tab -> Company info -> Development Direction.

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 01/01 – 31/12/2012	For the period 01/10 – 31/12/2012	For the period 01/01 – 31/12/2011	For the period 01/10 – 31/12/2011
Continuing operations				
Sales revenue*	180,271	44,314	175,198	72,611
of which: revenue excluding the OST 112 contract	124,241	34,126	115,189	29,432
Cost of sales (variable)	105,804	23,184	106,201	55,110
Sales margin**	74,467	21,130	68,997	17,501
Cost of sales (fixed)***	21,388	5,983	13,944	3,680
Gross profit (loss) on sales	53,079	15,147	55,053	13,821
Other operating revenue	858	43	69	20
Cost of sales				
General and administrative costs	27,331	6,060	35,251	8,439
Other operating costs	1,778	511	1,271	305
Restructuring costs				
Operating profit (loss)	24,827	8,618	18,600	5,097
Share in the financial result of undertakings valued using the equity method				
Financial revenues****	2,223	1,646	7,087	65
Financial expenses****	10,155	3,699	8,885	2,387
Profit (loss) before tax	16,895	6,565	16,802	2,775
Income tax	1,807	1,474	3,059	712
Net profit (loss) on continuing operations	15,088	5,091	13,743	2,063
Discontinued operations				
Net profit (loss) on discontinued operations	(6,719)	(754)	2,638	(645)
Including the cost related to the revaluation write-down for shares in mPay International Sp. z o.o.				
Net profit (loss)	8,369	4,337	16,381	1,418
Other total income				
Share in other comprehensive income of associates				
Income tax related to other comprehensive income items				
Other comprehensive income				
Ordinary				
Total comprehensive income	8,369	4,337	16,381	1,418
Profit (loss) per share				
From continuing operations:				
Ordinary	0.42	0.14	0.38	0.06
Diluted	0.42	0.14	0.38	0.06
From continuing and discontinued operations:				
Ordinary	0.42	0.14	0.38	0.06
Diluted	0.42	0.14	0.38	0.06
EBITDA	44,293	13,863	37,084	9,759

Data for the period from 01/01 – 31/12/2011 has been restated in accordance with § 34 of IFRS 5.

NOTES:

*) 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 10.19 million in Q4 2012 and PLN 56.02 million in 2012, and PLN 43.18 million in Q4 2011 and PLN 60.01 million in 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 transferred general and administrative costs for 2011 to fixed costs of sales (the cost of depreciation of certain fixed assets). Therefore, the change of fixed costs against the previous year should be analysed jointly in both items (fixed costs of sales + general and administrative costs).

****) Financial revenues and expenses in 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 2011 amounted to PLN 6,731 thousand and related net profit was PLN 5,452 thousand.

STATEMENT OF FINANCIAL SITUATION

	End of the period 31/12/2012	End of the period 31/12/2011
Fixed assets		
Goodwill		
Intangible assets	39,760	46,229
Tangible fixed assets	207,728	198,232
Investments in associates consolidated using the equity method	63,487	63,487
Investments in subsidiaries	14,739	49,184
Deferred income tax assets		
Other fixed assets	141	380
	325,855	357,512
Current assets		
Inventories	1,330	1,100
Financial assets held for trading	1,723	1,546
Trade and other receivables	24,174	22,567
Income tax receivables	57	58
Other current assets	3,925	5,171
Other financial receivables		
Cash and cash equivalents	3,600	36,229
	34,810	66,671
Fixed assets held for sale		
Total assets	360,665	424,183

	End of the period 31/12/2012	End of the period 31/12/2011
Equity		
Share capital	34,723	34,723
Supplementary capital from share premium	123,735	159,030
Revaluation reserve		
Treasury shares	(1)	
Capital reserves	52,505	36,124
Hedge valuation reserve and FX gains/losses due to consolidation		
Retained earnings	25,261	32,829
Total equity	236,223	262,706
Long-term liabilities		
Long-term loans and borrowings	31,430	
Provisions for deferred tax	1,440	3,278
Provisions for liabilities		
Long-term trade and other liabilities	27,036	30,220
Other financial liabilities	19,150	24,774
	79,056	58,272
Short-term liabilities		
Bank loans and borrowings	13,852	40,206
Provisions for liabilities		
Income tax liabilities	2,025	533
Trade and other liabilities	17,987	51,287
Other financial liabilities	11,522	11,179
	45,386	103,205
Liabilities related directly to fixed assets held for sale		
Total liabilities	360,665	424,183

2. STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Retained earnings	Equity
As at 1 January 2012	34,723	159,030	0	36,124	32,829	262,706
Increases:						
Current period results					8,369	8,369
Repurchase of treasury shares			(1)			
Profit distribution				16,381		16,381
Share subscription under the stock option plan					445	445
Decreases:						
Division eliminations		35,295				35,295
Profit distribution to be allocated to equity					16,381	16,381
Dividend payout						
Financing of Incentive Scheme						
As at 31 December 2012	34,723	123,735	**(1)**	52,505	25,262	236,225

	Share 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					16,381	16,381
Valuation of management options					878	878
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					13	13
As at 31 December 2011	34,723	159,030	0	36,124	32,829	262,706

3. CASH FLOW STATEMENT

	For the period 01/01 – 31/12/2012	For the period 01/01 – 31/12/2011
Operating activities		
Profit (loss) before tax	16,895	16,802
Adjustment by items:	(10,788)	28,449
Depreciation and amortisation	19,465	18,484
FX gains/losses	1,418	2,731
Interest received		
Interest paid	7,293	5,751
Dividends received		
(Profit) loss on investment activities	(5,552)	(6,731)
Change in inventories	343	325
Change in receivables	26,693	18,754
Change in liabilities and provisions	(55,217)	(5,699)
Change in other assets	(593)	(2,579)
Income tax paid	(2,152)	(2,245)
Other	(2,486)	(342)
	6,107	45,251
Investing activities		
Expenses on tangible fixed assets purchases	(50,016)	(65,532)
Expenses on financial assets purchases		(2,567)
Revenue from sale of tangible fixed assets	23,135	16,662
Repayments of long-term loans		527
Loans granted		(167)
Revenue from sales of financial assets		7,200
Interest received	1	(469)
Dividends received		4,000
FX gains/losses	21	(68)
Other		
	(26,859)	**(40,414)**
Financing activities		
Net proceeds from issue of shares and other capital contributions	(0)	0
Subsidies received	(2,239)	7,885
Proceeds from loans and borrowings	5,076	30,206
Repayment of loans and borrowings		
Purchase of treasury shares	1	13
Payment of liabilities arising from finance leases	(7,321)	(13,267)
Dividends paid		(8,359)
Interest received		86
Interest paid	(7,291)	(5,751)
Other distributions		
FX gains/losses	(103)	66
Other (division adjustment)		
	(11,877)	10,879
Changes in cash	**(32,629)**	15,716
Opening balance of cash	36,229	20,513
Closing balance of cash	3,600	36,229

NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER OF 2012

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 01/01 – 31/12/2012	For the period 01/10 – 31/12/2012	For the period 01/01 – 31/12/2011	For the period 01/10 – 31/12/2011
Country	175,673	43,272	101,126	36,316
Export	4,598	1,042	3,938	1,152
Total sales revenue	180,271	44,314	175,198	72,611

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	End of the period 31/12/2012	End of the period 31/12/2011
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	49,423	28,246
2.1 to other undertakings, of which:	49,423	28,246
- guarantees, sureties granted	7,423	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 20,823 thousand, resulting from:
   - transfer of operations as part of the division in the amount of PLN 7,237 thousand;
   - expiry of guarantees of PLN 13,586 thousand

b) mortgage collaterals increased by PLN 42,000 thousand as a result of conversion of authorized overdrafts into investment loans.

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 organized part of the enterprise (OPE), consisting of assets related to IT activities, and including shares in companies belonging to the ATM capital group 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 became 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.

Result from discontinued operations calculated for the period 01.01–30.04.2012 amounted to PLN 414 thousand.

In addition, the results and assets and liabilities of the bankrupt company mPay International Sp. z o.o. were presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 31 December 2012, if mPay International had been liquidated as of that date, the following amounts would have been subject to discontinuance:

TOTAL INCOME STATEMENT OF DISCONTINUED OPERATIONS

	For the period 01/01 – 31/12/2012
Continuing operations	
Sales revenue	
Gross profit (loss) on sales	-
Other operating revenue	
Operating profit (loss)	
Share in the financial result of undertakings valued using the equity method	
Financial revenue	
Financial costs	6,305
Profit (loss) before tax	**(6,305)**
Income tax	
Net profit (loss) on continuing operations	**(6,305)**
Discontinued operations	
Net profit (loss) on discontinued operations	
Net profit (loss)	**(6,305)**

FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — ASSETS

	End of the period 31/12/2012
Fixed assets	
Goodwill	
Intangible assets	
Tangible fixed assets	
Investments in associates consolidated using the equity method	
Investments in subsidiaries	
Deferred income tax assets	
Other fixed assets	
Current assets	
Inventories	
Financial assets held for trading	
Trade and other receivables	
Income tax receivables	
Other current assets	
Other financial receivables	
Cash and cash equivalents	
Fixed assets held for sale	
Total assets	

FINANCIAL SITUATION STATEMENT OF DISCONTINUED OPERATIONS — LIABILITIES

	End of the period 31/12/2012
Equity	
Share capital	
Supplementary capital from share premium	
Revaluation reserve	
Treasury shares	
Capital reserves	
Hedge valuation reserve and FX gains/losses due to consolidation	
Retained earnings	
Total equity	
Long-term liabilities	
Long-term loans and borrowings	
Provisions for deferred tax	
Provisions for liabilities	
Long-term trade and other liabilities	
Other financial liabilities	
Short-term liabilities	
Bank loans and borrowings	
Provisions for liabilities	
Income tax liabilities	
Trade and other liabilities	
Other financial liabilities	
Liabilities related directly to fixed assets held for sale	
Total liabilities	

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

	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	in PLN thousand		in EUR thousand	
Total sales revenue	180,271	175,198	43,193	42,317
Operating profit (loss)	24,827	18,600	5,949	4,493
Profit before tax	16,895	16,802	4,048	4,058
Net profit	8,369	16,381	2,005	3,957
Net cash from operating activities	6,107	45,251	1,463	10,930
Net cash from investing activities	(26,859)	(40,414)	(6,435)	(9,762)
Net cash from financing activities	(11,877)	10,879	(2,846)	2,628
Increase (decrease) in cash	(32,629)	15,716	(7,818)	3,796
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
Fixed assets	325,855	357,512	79,706	80,944
Current assets	34,810	66,671	8,515	15,095
Total assets	360,665	424,183	88,221	96,039
Long-term liabilities	79,056	58,272	19,338	13,193
Short-term liabilities	45,386	103,205	11,102	23,366
Equity	236,223	262,706	57,782	59,479
Share capital*	34,723	34,723	8,494	7,862
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.50	7.23	1.59	1.64
Diluted book value per share (PLN/EUR)	6.50	7.23	1.59	1.64

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

The above financial data for the fourth quarter of 2012 and 2011 were converted to EUR according to the following principles:

- Individual items of assets and liabilities were calculated with the average FX rate of the National Bank of Poland as of 31 December 2012 at PLN/EUR 4.0882 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 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 31 December 2012 at PLN/EUR 4.1736 and between 1 January and 31 December 2011 at PLN/EUR 4.1401.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Name and surname	Position/function	Date	Signature
Maciej Krzyżanowski	President of the Management Board	26 February 2013	....
Tadeusz Czichon	Vice-President of the Management Board	26 February 2013	....

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS:

King Bogucka	Chief Accountant	26 February 2013	....