



ATM S.A. CAPITAL GROUP

**CONSOLIDATED SEMI-ANNUAL REPORT FOR
THE FIRST HALF OF 2013**

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KEY CONSOLIDATED SEMI-ANNUAL REPORT DATA

This consolidated semi-annual report covers the information prepared pursuant to § 86 item 1 and § 90 item 1 of the Regulation of the Minister of Finance of 19 February 2009, and includes consolidated financial statements of the ATM S.A. Capital Group prepared in accordance with the International Financial Reporting Standards, as approved by the European Union.

Submission date: 30 August 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

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NIP (Tax ID No): 113-00-59-989

REGON (Statistical ID No): 012677986

SELECTED CONSOLIDATED FINANCIAL DATA

	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	in PLN thousand		in EUR thousand	
Total sales revenue (excluding the OST 112 contract)	63,844	59,972	15,151	14,196
Sales margin	37,890	35,553	8,992	8,416
EBITDA	22,146	19,736	5,255	4,672
Operating profit	12,742	10,551	3,024	2,498
Profit before tax	8,935	6,769	2,120	1,602
Net profit from continuing operations	8,538	7,046	2,026	1,668
Net cash from operating activities	20,592	(23,414)	4,887	(5,542)
Net cash from investing activities	(26,953)	(9,463)	(6,396)	(2,239)
Net cash from financing activities	3,243	(18,007)	770	(4,262)
Increase (decrease) in cash	(3,117)	(50,884)	(740)	(12,044)
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Fixed assets	325,851	321,326	75,268	78,598
Current assets	34,540	35,253	7,978	8,624
Total assets	366,961	359,168	84,764	87,855
Long-term liabilities	74,081	77,654	17,112	18,994
Short-term liabilities	59,386	47,502	13,718	11,619
Equity	232,212	231,425	53,639	56,608
Share capital*	34,723	34,723	8,021	8,493
Parent undertaking shareholders' equity	232,212	229,174	53,639	56,057
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.25	6.42	1.44	1.57

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

The above financial data for the first half of 2013 and 2012 were converted to EUR in accordance with the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 30 June 2013 at 4.3292 PLN/EUR;
- particular items of the profit and loss account and the statement of cash flows were translated using the rate being the arithmetical mean of average rates set by the National Bank of Poland as at the last day of each month of the financial period from 1 January until 30 June 2013, amounting to 4.2140 PLN/EUR and from 1 January until 30 June 2012, amounting to 4.2246 PLN/EUR.

The financial figures for 2012 were translated into EUR in accordance with the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 December 2012 at 4.0882 PLN/EUR;

(all amounts are presented in PLN thousand, unless specified otherwise)

A. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. CAPITAL GROUP FOR THE FIRST HALF OF 2013

1. CONDENSED CONSOLIDATED STATEMENT OF INCOME

	<u>For the period</u> <u>01/01–30/06/2013</u>	<u>For the period</u> <u>01/01–30/06/2012</u>
Continuing operations		
Sales revenue*	84,052	95,628
of which: revenue excluding the "OST 112" contract	63,844	59,972
Cost of sales (variable)	<u>46,162</u>	<u>60,095</u>
Sales margin**	<u>37,890</u>	<u>35,533</u>
Cost of sales (fixed)	<u>10,808</u>	<u>10,071</u>
Gross profit (loss) on sales	<u>27,081</u>	<u>25,462</u>
Other operating revenue	359	766
Selling costs		
General and administrative costs	13,608	14,618
Other operating costs	1,090	1,059
Restructuring costs		
Operating profit (loss)	<u>12,742</u>	<u>10,551</u>
Share in the financial result of undertakings valued using the equity method***	(1,122)	(205)
Financial revenue	541	526
Financial expenses	3,227	4,103
Profit (loss) before tax	<u>8,935</u>	<u>6,769</u>
Income tax	397	(277)
Net profit (loss) on continuing operations	<u>8,538</u>	<u>7,046</u>
Discontinued operations		
Net profit (loss) on discontinued operations	<u>(1,149)</u>	<u>(892)</u>
Net profit (loss)	<u><u>7,389</u></u>	<u><u>6,153</u></u>
Net profit (loss) attributable to the Group's shareholders	7,389	6,374
Net profit (loss) attributable to minority shareholders		<u>(220)</u>
Profit (loss) per share		
From continuing operations:		
Ordinary	0.23	0.19
Diluted	0.23	0.19

(all amounts are presented in PLN thousand, unless specified otherwise)

From continuing and discontinued operations:

Ordinary	0.20	0.17
Diluted	0.20	0.17
EBITDA	22,146	19,736

Data for the period of 01/01–30/06/2012 have been restated in accordance with § 34 of IFRS 5.

NOTES:

*) Sales revenue includes revenue from sales of telecommunications services provided as part of 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 results of the Company. Revenue in this respect amounted to: PLN 20,207 thousand in the first half of 2013 and PLN 35,656 thousand in the first half of 2012.

**) 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 connected with the value of the revenue (cost of goods sold, costs of subcontractors in the implementation of services, materials and energy consumption). 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.

***) This item includes the Issuer's share in the financial result of an associated entity, Linx Telecommunications B.V. ATM S.A.'s share in the remaining part of changes in equity of this company is recognised as "Share in other total income of associated entities" of the Condensed Consolidated Statement of Total Income presented below.

2. CONDENSED CONSOLIDATED STATEMENT OF TOTAL INCOME

	<u>For the period</u> <u>01/01–30/06/2013</u>	<u>For the period</u> <u>01/01–30/06/2012</u>
Net profit (loss)	<u>7,389</u>	<u>6,153</u>
<hr/>		
Other total income that will not be reclassified to profit or loss	<u>(1,357)</u>	<u>427</u>
Results of revaluation of fixed assets	-	-
Actuarial gains or losses		
Share in other total income of associated entities	(1,357)	427
Income tax related to items that will not be reclassified	-	-
Other total income that cannot be reclassified to profit or loss	<u>-</u>	<u>-</u>
Revaluation of tangible fixed assets	-	-
Exchange differences on translation of foreign operations	-	-
Results of valuation of financial assets available for sale	-	-
Hedge accounting		
Income tax related to other total income items		
Total revenue	<u>6,032</u>	<u>6,580</u>

Data for the period of 01/01–30/06/2012 have been restated in accordance with § 34 of IFRS 5.

(all amounts are presented in PLN thousand, unless specified otherwise)

3. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

	<u>End of period</u> <u>30/06/2013</u>	<u>End of period</u> <u>31/12/2012</u>	<u>End of period</u> <u>30/06/2012</u>
Fixed assets			
Goodwill	-	128	128
Intangible assets	39,360	44,972	45,614
Tangible fixed assets	220,389	207,697	204,316
Investments in associated entities consolidated using the equity method	65,888	68,367	67,545
Other financial assets	-	-	-
Deferred income tax assets	-	-	-
Other fixed assets	214	162	297
	<u>325,851</u>	<u>321,326</u>	<u>317,900</u>
Current assets			
Inventories	1,160	1,340	1,268
Financial assets held for trading	273	970	1,819
Trade and other receivables	29,605	24,297	65,572
Income tax receivables	278	57	57
Other current assets	-	4,011	4,823
Other financial receivables	1,765		
Cash and cash equivalents	1,460	4,578	5,683
	<u>34,540</u>	<u>35,253</u>	<u>79,222</u>
Fixed assets classified as held for sale	6,570	2,589	5,709
Total assets	<u><u>366,961</u></u>	<u><u>359,168</u></u>	<u><u>402,831</u></u>

The value of assets as at 31 December 2012 and 30 June 2012 includes relevant values from the balance sheet of mPay S.A. in individual items of the statement of financial position.

The value of assets as at 30 June 2013 includes the assets of the ATM S.A. Capital Group after the reclassification of values from the balance sheet of mPay S.A. to assets held for sale.

(all amounts are presented in PLN thousand, unless specified otherwise)

4. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES

	<u>End of period 30/06/2013</u>	<u>End of period 31/12/2012</u>	<u>End of period 30/06/2012</u>
Equity			
Share capital	34,723	34,723	34,723
Supplementary capital from share premium	123,735	123,735	123,735
Revaluation reserve	-	-	-
Treasury shares	-	(1)	-
Capital reserves	55,994	52,505	52,505
Hedge valuation reserve and FX gains/losses due to consolidation	-	-	-
Retained earnings	<u>17,761</u>	<u>18,212</u>	<u>15,975</u>
Total Group shareholders' equity	232,212	229,174	226,938
Non-controlling interests	<u>-</u>	<u>2,251</u>	<u>2,494</u>
Total shareholders' equity	232,212	231,425	229,432
Long-term liabilities			
Long-term loans and borrowings	36,054	31,376	33,706
Provisions for deferred tax	768	34	955
Provisions for liabilities	-	-	-
Long-term trade and other liabilities	24,380	27,036	30,616
Other financial liabilities	<u>12,880</u>	<u>19,208</u>	<u>25,865</u>
	74,081	77,654	91,142
Short-term liabilities			
Bank loans and borrowings	18,825	13,852	16,321
Provisions for liabilities	-	-	-
Income tax liabilities	-	2,037	317
Trade and other liabilities	26,680	20,115	51,112
Other financial liabilities	<u>13,881</u>	<u>11,498</u>	<u>12,999</u>
	59,386	47,502	80,749
Liabilities related directly to fixed assets classified as held for sale	<u>1,281</u>	<u>2,587</u>	<u>1,507</u>
Total liabilities	366,961	359,168	402,831

The value of liabilities as at 31 December 2012 and 30 June 2012 includes relevant values from the balance sheet of mPay S.A. in individual items of the statement of financial position.

The value of liabilities as at 30 June 2013 includes the liabilities of the ATM S.A. Capital Group after the reclassification of values from the balance sheet of mPay S.A. to liabilities related to assets classified as held for sale.

Data as at 31 December 2012 were corrected in accordance with the description included in the "Additional notes to the condensed consolidated financial statements" in item 9 "Adjustment of errors from previous periods".

(all amounts are presented in PLN thousand, unless specified otherwise)

5. CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	<u>Share 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 interests</u>	<u>Total equity</u>
As at 1 January 2013	34,723	123,735	(1)	52,505	-	18,212	229,174	2,251	231,425
Increases:									
Current period results	-	-	-	-	-	7,389	7,389	-	7,389
Share in other total income of associated entities						(1,357)	(1,357)	-	(1,357)
Valuation of management options	-	-	-	-	-	66	66	-	66
Changes to the Capital Group's structure	-	-	-	-	-	604	604	-	604
Profit distribution				3,489			3,489	-	3,489
Decreases:									
Share subscription under the stock option plan		-	(1)	-	-		(1)	-	(1)
Changes to the Capital Group's structure	-	-	-	-	-	29	29	2,251	2,280
Profit distribution						3,489	3,489		3,489
Dividend payout						3,634	3,634		3,634
As at 30 June 2013	34,723	123,735	-	55,994	-	17,761	232,212	-	232,212

Data as at 1 January 2013 were corrected in accordance with the description included in the "Additional notes to the condensed consolidated financial statements" in item 9 "Adjustment of errors from previous periods".

(all amounts are presented in PLN thousand, unless specified otherwise)

	Share capital	Supplementary capital from share premium	Treasury shares	Capital reserve	Revaluation reserve	Retained earnings	Total Group shareholders' equity	Non-controlling interests	Total equity
As at 1 January 2012	34,723	159,030	-	40,429	-	41,589	275,771	7,319	283,090
Increases:									
Current period results	-	-	-	-	-	13,055	13,055	(463)	12,592
Share subscription under the stock option plan	-	-	-	-	-	445	445	-	445
Profit distribution	-	-	-	16,381	-	-	16,381	-	16,381
Decreases:									
Purchase of treasury shares under the stock option plan	-	-	1	-	-	-	1	-	1
Current period results	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	16,381	16,381	-	16,381
Changes to the Capital Group's structure (division)	-	35,295	-	4,305	-	20,497	60,097	4,605	64,702
									-
As at 31 December 2012	34,723	123,735	(1)	52,505	-	18,212	229,174	2,251	231,425

Data for the period from 1 January to 31 December 2012 were corrected in accordance with the description included in the "Additional notes to the condensed consolidated financial statements" in item 9 "Adjustment of errors from previous periods".

(all amounts are presented in PLN thousand, unless specified otherwise)

	<u>Share 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 interests</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:									
Capital increase	-	-	-	-	-	-	-	-	-
Current period results	-	-	-	-	-	6,374	6,374	(220)	6,153
Share in other total income of associated entities	-	-	-	-	-	427	427	-	427
Share subscription under the stock option plan	-	-	-	-	-	-	-	-	-
Valuation of management options	-	-	-	-	-	139	139	-	139
Changes to the Capital Group's structure	-	-	-	-	-	-	-	-	-
Profit distribution	-	-	-	16,381	-	-	16,381	-	16,381
Decreases:									
Purchase of treasury shares under the stock option plan	-	-	-	-	-	-	-	-	-
Purchase of shares after the control taking date	-	-	-	-	-	-	-	-	-
Profit distribution to be allocated to reserve capital	-	-	-	-	-	16,381	16,381	-	16,381
Dividend payout	-	-	-	-	-	-	-	-	-
Changes to the Capital Group's structure (division)	-	35,295	-	4,305	-	16,172	55,772	4,605	60,377
									-
As at 30 June 2012	34,723	123,735	-	52,505	-	15,976	226,939	2,494	229,432

(all amounts are presented in PLN thousand, unless specified otherwise)

6. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<u>For the period</u> 01/01–30/06/2013	<u>For the period</u> 01/01–30/06/2012
Operating activities		
Profit (loss) before tax	8,935	6,769
Adjustment by items:	11,657	(30,183)
Share in net loss (profit) of undertakings valued using the equity method	(1,122)	(205)
Amortisation and depreciation	9,403	9,185
FX gains/losses	227	752
Interest received	(2)	-
Interest paid	2,958	3,452
Dividends received	-	-
(Profit) loss on investing activities	-	(5,491)
Movements in inventories	(89)	108
Movements in receivables	(5,037)	(14,202)
Movements in liabilities and provisions	2,338	(21,682)
Movements in other assets	2,803	(157)
Income tax paid	(2,949)	(1,206)
Other	3,126	(737)
	<u>20,592</u>	<u>(23,414)</u>
Investing activities		
Expenses on tangible fixed assets purchases	(29,273)	(18,646)
Expenses on financial assets purchases	(1,352)	-
Revenue from sale of tangible fixed assets	3,892	9,325
Repayments of long-term loans	-	-
Loans granted	(196)	(142)
Revenue from sale of financial assets	-	-
Interest received	-	1
Dividends received	-	-
FX gains/losses	(24)	(1)
Other	-	-
	<u>(26,953)</u>	<u>(9,463)</u>
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	671	(2,822)
Proceeds from loans and borrowings	9,597	9,855
Repayment of loans and borrowings	-	-
Purchase of treasury shares	1	(1)
Payment of liabilities arising from finance leases	(3,148)	(2,008)
Dividends paid	-	-
Interest received	-	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Interest paid	(2,958)	(3,451)
Other profit-sharing	-	-
FX gains/losses	60	(8)
Other (division adjustment)	<u>(979)</u>	<u>(19,572)</u>
	<u>3,243</u>	<u>(18,007)</u>
Movements in cash	<u>(3,117)</u>	<u>(50,884)</u>
Opening balance of cash	<u>4,578</u>	<u>56,566</u>
Closing balance of cash	<u>1,460</u>	<u>5,682</u>

Data for the period of 01/01–30/06/2012 have been restated in accordance with § 34 of IFRS 5.

(all amounts are presented in PLN thousand, unless specified otherwise)

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The interim condensed financial statements for the first half year ended 30 June 2013 were prepared in accordance with IAS 34 *Interim Financial Reporting in a condensed form* and in compliance with the relevant International Financial Reporting Standards (IFRS) applicable to interim financial reporting, approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), as approved by the European Union and applicable as at 30 June 2013.

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, except for the changes to standards and new standards and interpretations approved by the European Union applicable for reporting periods beginning on or after 1 January 2013.

In 2013, the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretation Committee and approved for use in the EU, applicable in the activities conducted by the Company and binding during the reporting periods starting from 1 January 2013.

With the exception of IFRS 13 and IAS 1, the adoption of changes to the standards has not resulted in changes either in the accounting policies of the Group or in the representation of data in financial statements.

The Group has additionally disclosed "Financial instruments at fair value", in accordance with the requirements of IFRS 13.

The Group changed the manner of presentation of the "Statement of total income" to a two-part version, in accordance with IAS 1, presenting the "Condensed statement of income" and "Condensed statement of total income". Data for comparable periods were restated.

Interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and they should be read together with annual consolidated financial statements of the Group for 2012, including notes for the period of 12 months ended 31 December 2012, prepared according to IFRS, as approved by the EU.

These condensed interim consolidated financial statements were not subject to examination by an independent statutory auditor. The last consolidated financial statements examined by an independent statutory auditor were the consolidated financial statements for 2012.

These condensed interim consolidated financial statements were subject to review by a statutory auditor. The report on this review is published together with these financial statements.

These interim condensed consolidated financial statements were drawn up with the assumption of the Company continuing as a going concern in the foreseeable future. As of the date of authorisation of these interim condensed consolidated financial statements, no circumstances are found indicating a threat to the continuing operations of the Group. At the same time, it is noted that shares of the subsidiary, mPay S.A, are intended for sale, and consequently, in the near future this part of activities will not be continued by the ATM Group, which was taken into account in these statements by presenting the operations of mPay S.A. as discontinued operations. The Management Board of ATM informs also that the accumulated loss of mPay S.A. for the last eight years exceeds 1/3 of its share capital. Therefore, in accordance with the obligation imposed by Article 397 of the CCC, the Ordinary General Meeting of mPay S.A. adopted a resolution on the continuation of the company's operations due to the fact that the remaining equity, in the amount of over PLN 6.5 million, enables the continuation of operations by mPay S.A. Additionally, ATM S.A. declared in relation to mPay S.A. that by the end of 2013 it is ready to provide financial support to mPay S.A. if such support is necessary. This fact does not affect ATM's decision to sell all shares held in mPay S.A. and, consequently, to present the operations of mPay S.A. as discontinued operations from the point of view of the ATM Capital Group.

(all amounts are presented in PLN thousand, unless specified otherwise)

The duration of the Parent Company is indefinite.

These interim condensed consolidated financial statements, except for the consolidated cash flow statement, were prepared on accrual basis.

In these foregoing interim condensed consolidated financial statements, the significant assumptions made by the Management Board regarding adoption of accounting principles and main uncertainties were the same as those presented in note 2 in the Consolidated Financial Statements for the year 2012.

The functional currency of the Parent Company and presentation currency of the foregoing interim condensed consolidated financial statements is the Polish zloty. The data are presented in PLN thousand in the consolidated financial statements, unless stated differently.

Interim condensed consolidated financial statements contain data for the period from 1 January 2013 to 30 June 2013. Comparative data are presented as at 31 December 2012 for interim condensed consolidated statement of financial position, for the period from 1 January 2012 to 30 June 2012, for interim condensed consolidated statement of income, interim condensed consolidated statement of total income, interim condensed consolidated cash flow statement, and interim condensed statement of changes in consolidated equity.

2. INVENTORIES REVALUATION WRITE-DOWNS REDUCING THE VALUE TO NET REALISABLE VALUE

By 30 June 2013, the Company made inventories revaluation write-downs amounting to PLN 83 thousand.

3. REVALUATION WRITE-DOWNS FOR FIXED ASSETS

In the first half of 2013, the Company did not make any revaluation write-downs for fixed assets.

4. MAKING, INCREASING, IMPLEMENTING AND DISSOLVING PROVISIONS

The Company did not make any provisions.

5. DEFERRED INCOME TAX ASSETS AND PROVISIONS

	Statement of financial position		Statement of income	
	End of period 30/06/2013	End of period 31/12/2012	For the period 01/01– 30/06/2013	For the period 01/01– 31/12/2012
Deferred tax provision				
Difference between the balance sheet and tax value of intangible assets	-	-	-	-
Difference between the balance sheet and tax value of leased fixed assets	-	-	-	-
Difference between the balance sheet and tax value of tangible fixed assets	2,474	2,435	39	(673)
Recognised service revenue	605	-	605	(388)
Receivable compensation	-	-	-	-
Accrued interest	6	110	(104)	63
Valuation of financial instruments	-	-	-	-
Subsidies received — settlement	10	-	10	(2)
FX gains	-	-	-	-
Provisions for deferred tax acquired as a result of mergers	-	-	-	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Gross deferred tax provision	3,095	2,545	550	(1,000)
Deferred tax assets				
Valuation of financial instruments	-	-	-	-
Difference between the balance sheet and tax value of tangible fixed assets	-	-	-	-
Deferred payment revenue	1	2	1	15
Revenue settled over time	-	-	-	-
Inventory write-downs	177	155	(22)	(6)
Receivable write-downs	130	238	108	(160)
Write-downs on financial assets	1,183	-	(1,183)	-
Provisions for service expenses	492	298	(194)	(275)
Provisions for employee benefits	-	-	-	-
FX losses	-	-	-	-
Liabilities to the Social Insurance Institution (ZUS)	-	-	-	-
Liabilities to employees	-	-	-	-
Deferred income/expenses	-	181	181	(181)
Subsidies received	-	5	5	(5)
Effects of IRS valuation	276	319	43	(319)
Recognised interest	68	285	217	(285)
Tax loss for settlement	-	-	-	-
Deferred tax assets acquired through mergers	-	-	-	-
Gross deferred tax assets	2,327	1,483	(844)	(1,216)
Net tax assets (tax provision)	(768)	(1,062)		
Deferred income tax charge against profit			(294)	(2,216)

6. SIGNIFICANT TANGIBLE FIXED ASSET SALES AND ACQUISITIONS

The Company did not carry out any one-time transaction concerning fixed assets. In the period covered by the financial statements, investment expenditure totalled PLN 20,513 thousand.

7. SIGNIFICANT LIABILITIES FOR ACQUISITION OF TANGIBLE FIXED ASSETS

There were no significant liabilities for tangible fixed assets purchases.

8. SIGNIFICANT SETTLEMENTS ARISING FROM COURT CASES

There were no significant settlements arising from court cases.

9. ADJUSTMENT OF ERRORS FROM PREVIOUS PERIODS

The entity adjusted a prior year error resulting from an omission in the recognition of a consolidation adjustment. In the "Consolidated statement of financial position" for 2012, the entity recognised an adjustment of accumulated previous years' losses from discontinued operations in the amount of PLN 4,200 thousand in the "Liabilities related directly to fixed assets classified as held for sale" item instead of "Retained earnings".

As a result of a retrospective restatement of data, the following items have changed:

(all amounts are presented in PLN thousand, unless specified otherwise)

	<u>End of period</u> <u>31/12/2012</u> <u>before the</u> <u>adjustment</u>	<u>End of period</u> <u>31/12/2012</u> <u>after the</u> <u>adjustment</u>
Equity		
Retained earnings	<u>22,412</u>	<u>18,212</u>
Total Group shareholders' equity	233,374	229,174
Total shareholders' equity	<u>235,625</u>	<u>231,425</u>
Liabilities related directly to fixed assets classified as held for sale	<u>(1,613)</u>	<u>2,587</u>
Total liabilities	<u>359,168</u>	<u>359,168</u>

The adjustment did not affect the value of "Total liabilities" and did not apply to the result of the current period.

10. CHANGES OF ECONOMIC SITUATION, AS WELL AS BUSINESS ENVIRONMENT, WHICH SIGNIFICANTLY INFLUENCE THE PARENT 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.

11. BANK LOANS AND LEASE LIABILITIES

Bank loans include:

1. investment loan for the period of 5 years (2012–2017) of PLN 32.69 million, secured by mortgage on real estate, where the Issuer develops data centres,
2. investment loan for the period of 5 years (2013–2019) of PLN 3.88 million, secured by pledge on capital expenditure,
3. 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 12.42.

The loans include a liability towards a financial institution issued to refinance capital expenditure to be repaid between 2013 and 2016 with a value of PLN 5.88 million as at 30 June 2013.

Other financial liabilities include finance lease agreement of the net total value of liabilities amounting to PLN 23.12 million as at the balance-sheet date. The lease agreements are concluded in order to refinance investment expenditure, 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.

12. FAILURE TO PAY OFF A LOAN OR A BORROWING

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

(all amounts are presented in PLN thousand, unless specified otherwise)

13. FINANCIAL INSTRUMENTS AT FAIR VALUE

As at 30 June 2013, the Group held financial instruments carried at fair value in the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 — other techniques for which all inputs which have a significant effect on the recognised fair value are observable, either directly or indirectly

Level 3 — techniques which use inputs that have a significant effect on the recognised fair value that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement considering factors specific to the asset or liability.

FINANCIAL INSTRUMENTS	30/06/2013		31/12/2012	
	carrying amount before write-down	fair value	carrying amount before write-down	fair value
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held to maturity	-	-	-	-
Financial assets available for sale (at fair value)	-	-	-	-
Loans granted and own receivables	-	-	-	-
Financial liabilities at fair value through profit or loss	1,678	1,322	-	1,678
Other financial liabilities	-	-	-	-

FAIR VALUE HIERARCHY

Financial liabilities at fair value through profit or loss	fair value hierarchy level	30/06/2013
Derivative financial instruments — IRS contract hedging the interest rate risk in respect of the investment loan	level 2	1,322
Total		1,322

The valuation of the IRS contract hedging the interest rate risk in respect of the investment loan was made based on information obtained from Bank Zachodni WBK S.A. (prepared using parameters that were considered optimum by the Bank).

During the period ended 30 June 2013 there were no transfers between Level 1 and Level 2 of the fair value hierarchy and no instrument was transferred to/from Level 3 of the fair value hierarchy.

(all amounts are presented in PLN thousand, unless specified otherwise)

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

As a result of a decision made by the Management Board of ATM S.A. to classify the shares in mPay S.A. held by the Issuer as held for sale, the Entity reclassified the financial asset constituting shares in a subsidiary, mPay S.A., to an asset held for sale. As a result, the Entity valued the asset to fair value, based on the share price quoted on the NewConnect market on 28 June 2013, in the amount of PLN 9,873 thousand, recognising that the write-down is an impairment of the asset (the value of impairment write-down was PLN 6,225 thousand).

15. SEASONALITY OF OPERATIONS

Revenue from sales 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. A periodic rise in revenue may be due to a greater share of revenue from sources other than subscription services relating to providing the clients with new telecommunications lines and colocation space. Such an increase in revenue occurred in the fourth quarter of 2012.

The irregular volatility in revenue was also due to the delivery of telecommunications lines within the OST 112 project. In the first half of 2013, revenue in this respect amounted to PLN 20,207 thousand, whereas in the first half of 2012 it amounted to PLN 35,656. However, this part of revenue has no significant impact on the margin and sales profit. Corresponding revenue will be generated in the remaining quarters of the current year, in amounts similar to that of the first quarter of 2013 (approx. PLN 10,000 thousand quarterly).

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

The Company did not make the aforementioned transactions.

17. DIVIDENDS PAID AND DECLARED

On 12 June 2013, the Ordinary General Meeting of the Company adopted a resolution allocating a part of profit, i.e. PLN 3,634,334.40 to the payment of dividend, corresponding to PLN 0.10 per share. The number of shares eligible for the payment of dividend is 36,343,344. The dividend date was set at 19 June 2013, and the dividend payment date — at 3 July 2013.

In Current Report No 25/2012 of 25 April 2012, the Management Board of ATM announced the suspension of payment of dividends by the Company due to the planned extensive investments concerning the expansion of data centres until 2015. However, because of the Company's very good financial standing, the Management Board is of the opinion that the Company is now able to pay a small dividend, without limiting its ambitious investment plans.

18. CHANGES IN THE COMPANY STRUCTURE

On 25 January 2013, ATM S.A. acquired from the receiver of mPay International Sp. z o.o. 13,522,700 bearer shares of mPay S.A. Thus, ATM S.A. increased its interest in the share capital of mPay S.A. from 65.6% to 95.8%, and the 42,927,227 mPay S.A. shares currently owned by ATM S.A. also give right to 42,927,227 votes at the General Meeting of mPay S.A. (constituting 95.8% of the total number of votes at the General Meeting of mPay S.A.).

*(all amounts are presented in PLN thousand, unless specified otherwise)***19. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Off-balance sheet items	End of period 30/06/2013	End of period 31/12/2012
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	58,831	49,423
2.1 to other undertakings, of which:	58,831	49,423
- guarantees, sureties granted	6,651	7,423
- mortgage collateral	42,000	42,000
- collateral pledge	10,180	-

Since the end of the fiscal year 2012, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have decreased by PLN 773 thousand because of:

- expiry of guarantees of PLN 1,270 thousand
- granting of guarantees of PLN 497 thousand

b) security in the form of mortgage has remained unchanged

c) security in the form of pledge has increased by PLN 10,180 thousand

20. SIGNIFICANT EVENTS AFTER THE END OF THE HALF OF THE YEAR

There were no significant events after the end of the half of the year.

21. SEGMENTS OF OPERATION

As a consequence of the decision of the Issuer's Management Board described above to sell the shares in mPay S.A. and present the results of this company in the consolidated statements as "discontinued operations", the only segment of operations of the ATM S.A. Capital Group is the activity within the telecommunications area. This activity, pursued by ATM S.A. and an associated company, Linx Telecommunications B.V., is characterised by steadily and regularly increasing revenue and profits in subsequent reporting periods.

Apart from the aforementioned mobile payments segment, ICT systems integration is a segment which constituted a part of the financial results for the first half of 2012. 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 at ATM due to the separation of a part of the enterprise related to integrating activities and its acquisition by ATM Systemy Informatyczne S.A. (currently: Atende S.A.). This operating segment is reported in these financial statements — from the Issuer's perspective — as discontinued operations.

(all amounts are presented in PLN thousand, unless specified otherwise)

The basic financial parameters of the distinguished operating segments are presented below:

Continuing operations				Discontinued operations
<u>For the period</u> <u>01/01–30/06/2013</u>	<u>Telecommunications</u>	<u>Consolidating</u> <u>exclusions</u>	<u>Total</u>	<u>mPay S.A.</u>
Fixed assets	323,449	2,401	325,851	5,549
Sales revenue	84,052	-	84,052	1,065
of which: revenue excluding the "OST 112" contract	63,844	-	63,844	1,065
Sales margin*	37,890	-	37,890	630
Operating profit (loss)	12,507	236	12,742	(1,005)
Profit (loss) before tax	8,699	236	8,935	(1,005)
Net profit (loss) on continuing operations	8,302	236	8,538	(1,005)
EBITDA	21,910	236	22,146	(182)

Continuing operations				Discontinued operations		
<u>For the period</u> <u>01/01- 30/06/2012</u>	<u>Telecommunications</u>	<u>Consolidating</u> <u>exclusions</u>	<u>Total</u>	<u>mPay S.A.</u>	<u>ICT systems integration</u>	<u>mPay International</u>
Fixed assets	308,416	3,536	311,952	6,608	44,860	5,709
Sales revenue	95,663	(34)	95,629	1,276	55,573	-
of which: revenue excluding the OST 112 contract	60,007	(34)	59,972	565	-	-
Sales margin*	35,493	40	35,533	541	18,448	-
Operating profit (loss)	10,490	62	10,551	(652)	2,040	(1,843)
Profit (loss) before tax	6,488	281	6,769	(641)	1,681	(3,197)
Net profit (loss) on continuing operations	6,765	281	7,046	(641)	1,568	(3,599)
EBITDA	19,675	61	19,736	59	3,375	(1,843)

Data for the period of 1/01–30/06/2012 have been restated in accordance with § 34 of IFRS 5.

NOTES:

*) 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, materials and energy consumption). This category —

(all amounts are presented in PLN thousand, unless specified otherwise)

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 revenue broken down into geographical distribution is as follows:

	For the period 01/01–30/06/2013	For the period 01/01- 30/06/2012
Country	81,809	93,081
Export	2,242	2,547
Total sales revenue	84,052	95,628

The criterion used for the above data on the geographical structure of revenue to classify a given service as “exports” is only the registered address of the client's head office. The Issuer's business practice often shows a situation in which the actual recipient of the service is an entity registered outside Poland, but the agreement is formally signed on its behalf by a company having its registered seat in Poland.

22. PRESENTATION OF DISCONTINUED OPERATIONS

As at the publication date of the present semi-annual report, the Issuer presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

In addition, the loss of PLN 186 thousand resulting from the final settlement of the accepted claims of ATM S.A. in the bankruptcy proceedings of mPay International Sp. z o.o. was presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 30 June 2013, if mPay S.A. had been sold as of that date, the following amounts would have been subject to discontinuance:

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF INCOME OF DISCONTINUED OPERATIONS

	<u>For the period</u> <u>01/01–30/06/2013</u>
Continuing operations	
Sales revenue	1,065
Cost of sales (variable)	435
	<hr/>
Sales margin	630
Cost of sales (fixed)	0
	<hr/>
Gross profit (loss) on sales	630
	<hr/>
Other operating revenue	234
Selling costs	
General and administrative costs	1,877
Other operating costs	0
Restructuring costs	
	<hr/>
Operating profit (loss)	(1,013)
	<hr/>
Share in the financial result of undertakings valued using the equity method	0
Financial revenue	11
Financial expenses	3
	<hr/>
Profit (loss) before tax	(1,005)
	<hr/>
Income tax	0
	<hr/>
Net profit (loss) on continuing operations	(1,005)
	<hr/>
Discontinued operations	
Net profit (loss) on discontinued operations	-
	<hr/>
Net profit (loss)	(1,005)
	<hr/>
Net profit (loss) attributable to the Group's shareholders	(963)
	<hr/>
Net profit (loss) attributable to minority shareholders	(42)
	<hr/>

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS

Other total income that will not be reclassified to profit or loss	(1,005)
Results of revaluation of fixed assets	-
Actuarial gains or losses	
Share in other total income of associated entities	-
Income tax related to items that will not be reclassified	-
Other total income that cannot be reclassified to profit or loss	-
Revaluation of tangible fixed assets	-
Exchange differences on translation of foreign operations	-
Results of valuation of financial assets available for sale	-
Hedge accounting	
Income tax related to other total income items	
Total revenue	(1,005)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — ASSETS

	<u>End of period</u> <u>30/06/2013</u>
Fixed assets	
Goodwill	-
Intangible assets	4,409
Tangible fixed assets	83
Investments in associated entities consolidated using the equity method	-
Other financial assets	0
Deferred income tax assets	1,025
Other fixed assets	33
	5,550
Current assets	
Inventories	9
Financial assets held for trading	-
Trade and other receivables	482
Income tax receivables	-
Other current assets	16
Other financial receivables	-
Cash and cash equivalents	513
	1,020

(all amounts are presented in PLN thousand, unless specified otherwise)

Fixed assets classified as held for sale	-
Total assets	6,570

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — LIABILITIES

	<u>End of period 30/06/2013</u>
Equity	
Share capital	22,400
Supplementary capital from share premium	-
Revaluation reserve	-
Treasury shares	-
Capital reserves	-
Hedge valuation reserve and FX gains/losses due to consolidation	-
Retained earnings	<u>(16,880)</u>
Total Group shareholders' equity	5,520
Non-controlling interests	-
Total shareholders' equity	5,520
Long-term liabilities	
Long-term loans and borrowings	-
Provisions for deferred tax	-
Provisions for liabilities	-
Long-term trade and other liabilities	-
Other financial liabilities	<u>33</u>
	33
Short-term liabilities	
Bank loans and borrowings	-
Provisions for liabilities	-
Income tax liabilities	-
Trade and other liabilities	1,017
Other financial liabilities	<u>-</u>
	1,017
Liabilities related directly to fixed assets classified as held for sale	<u>-</u>
Total liabilities	6,570

(all amounts are presented in PLN thousand, unless specified otherwise)

B. MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF ATM S.A. CAPITAL GROUP FOR THE FIRST HALF OF 2013

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

1. INFORMATION ABOUT THE CAPITAL GROUP

DETAILS OF THE PARENT ENTITY

ATM S.A., being the parent company of the ATM S.A. Capital Group, is a joint-stock company. The Company launched its operations in 1994 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 in 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 organised part of the enterprise relating to the integrating part of the Issuer's operations (provision of ICT systems) and its acquisition by ATM Systemy Informatyczne S.A. (currently: Atende S.A.), which is also listed on the Warsaw Stock Exchange. As a result of the division, 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 Issuer 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 first half of 2013 and after the balance sheet date.

Currently, the Company is supervised by the Supervisory Board comprising the following five members:

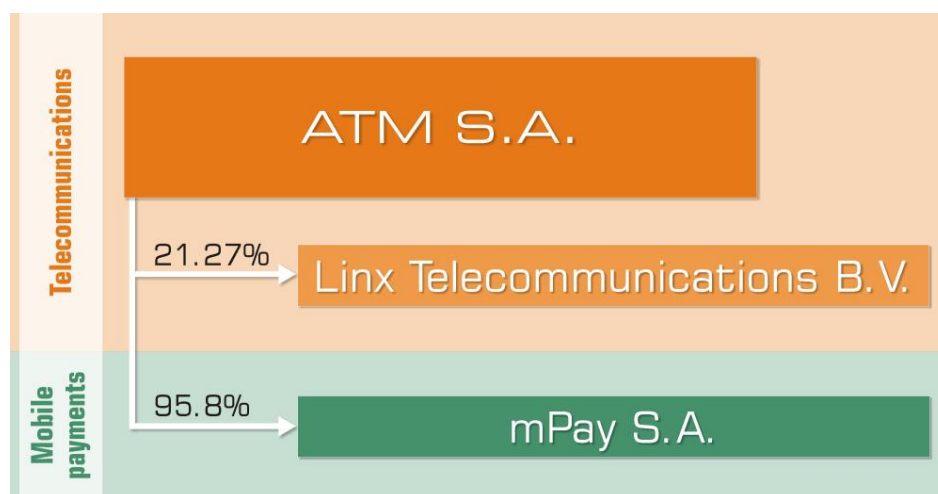
- Sławomir Kamiński — Chairman of the Supervisory Board,
- Tomasz Tuchołka — Vice-Chairman of the Supervisory Board,
- Grzegorz Domagała — Member of the Supervisory Board,
- Mirosław Panek — Member of the Supervisory Board,
- Marcin Wysocki — Member of the Supervisory Board.

On 8 March 2013, Roman Szwed resigned from serving on the Company's Supervisory Board, and on 8 April 2013, the Extraordinary General Meeting of the Company's Shareholders appointed Marcin Wysocki to the Supervisory Board.

(all amounts are presented in PLN thousand, unless specified otherwise)

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

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



The results of Linx Telecommunications B.V., as an associated company, are not consolidated at the operating level — the consolidation is carried out using the equity method.

The results of mPay S.A. are presented — as of the current reporting period — as discontinued operations, due to the decision taken by Issuer's Management Board that the shares held by ATM in mPay S.A. should be sold and that the ATM S.A. Capital Group would definitely withdraw from operations in the area of mobile payments.

The mPay International Sp. z o.o. company, in which ATM holds a 60% stake, is currently undergoing the final stages of bankruptcy liquidation. The company did not conduct any operating activities, and its shares in mPay S.A. were acquired by the Issuer. In the near future, the company is expected to be stricken off the Court Register. Since 2012, the company has been recognised in the financial statements of ATM as discontinued operations.

INFORMATION ON SHAREHOLDERS HAVING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE PARENT ENTITY'S GENERAL MEETING AS OF THE DATE OF SUBMISSION OF THE SEMI-ANNUAL 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.*	9,099,654	25.04%	9,099,654	25.04%
ING OFE **	3,535,569	9.73%	3,535,569	9.73%
PKO BP Bankowy OFE ***	2,766,704	7.61%	2,766,704	7.61%
Piotr Putechny****	2,243,066	6.17%	2,243,066	6.17%
Altus TFI*****	1,828,065	5.03%	1,828,065	5.03%

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

**) number of shares as at 30 December 2012 based on the "Annual asset structure"

***) number of shares pursuant to a notification received on 23 July 2013

(all amounts are presented in PLN thousand, unless specified otherwise)

****) jointly with his spouse

*****) number of shares pursuant to a notification received on 17 December 2012

Shareholder	Number of shares according to the previous quarterly report	Number of shares according to the current semi-annual report	Change in the number of shares and number of votes
ATP Invest Sp. z o.o. S.K.A.*	9,047,924	9,099,654	51,730
ING OFE**	3,535,569	3,535,569	0
POLSAT OFE***	2,817,842	0	-2,817,84242
PKO BP Bankowy OFE***	no data	2,766,704	no data
Piotr Puteczny****	2,243,066	2,243,066	0
Altus TFI*****	1,828,065	1,828,065	0

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.

***) number of shares as at 30 December 2012 based on the "Annual asset structure"

****) on 19 July 2013, the liquidation of POLSAT OFE was completed and its assets were taken over by PKO BP Bankowy OFE (of which the Issuer informed in Current Report No 27/2013)

*****) jointly with his spouse

*****) number of shares pursuant to a notification received on 17 December 2012

SUMMARY OF CHANGES IN THE NUMBER OF PARENT ENTITY'S SHARES OR STOCK OPTIONS HELD BY THE PARENT ENTITY'S MANAGERS AND SUPERVISORS, IN ACCORDANCE WITH THE INFORMATION AVAILABLE TO THE PARENT ENTITY, 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:

First name and surname	As at 15/05/2013	Increases	Decreases	As at 30/08/2013
ATP Invest Sp. z o.o. S.K.A.*	9,047,924	51,730		9,099,654
Maciej Krzyżanowski	58,608			58,608
Anna Bugajska	56,000		1,000	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.

(all amounts are presented in PLN thousand, unless specified otherwise)

2. DESCRIPTION OF THE CAPITAL GROUP'S ACHIEVEMENTS, RISK FACTORS AND DEVELOPMENT PROSPECTS

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

The first half of 2013 was certainly successful for the ATM S.A. Capital Group. After a satisfactory first quarter of 2013, during which the results of the corresponding period of the previous year were improved, the results of the subsequent 3 months were significantly better than those generated in the second quarter of 2012. This was primarily due to a further increase of subscription revenue resulting from providing the clients with new telecommunications lines and new colocation space.

Apart from the sales revenue under the OST 112 contract (PLN 20.2 million in the first half of 2013 as compared to PLN 35.5 million in the first half of 2012 without significant impact on ATM's profit), the Company has earned a sales revenue of approx. PLN 64 million during the first 6 months of 2013 (6.5% increase y/y) and a sales margin of PLN 37.9 million (6.6% increase y/y). Consistently maintained cost discipline was reflected in the stable level of fixed costs (decrease by approx. 1% y/y) which — due to higher turnover enhanced by operating leverage — resulted in a significant increase in EBIT (up to PLN 12.7 million; increase by 21% y/y) and EBITDA (up to PLN 22.1 million; increase by 12.2% y/y). As a result of, among other things, beneficial changes in interest rates, the financial costs were significantly reduced (decline by 21.4% y/y). On the other hand, the share in losses of an associated company, Linx Telecommunications B.V., amounting to PLN 1.1 million, had a negative impact on the ATM S.A. Group's gross profit. Losses incurred by Linx Telecommunications were caused by high one-time costs connected with changes in the management board of that company in the first half of 2013.

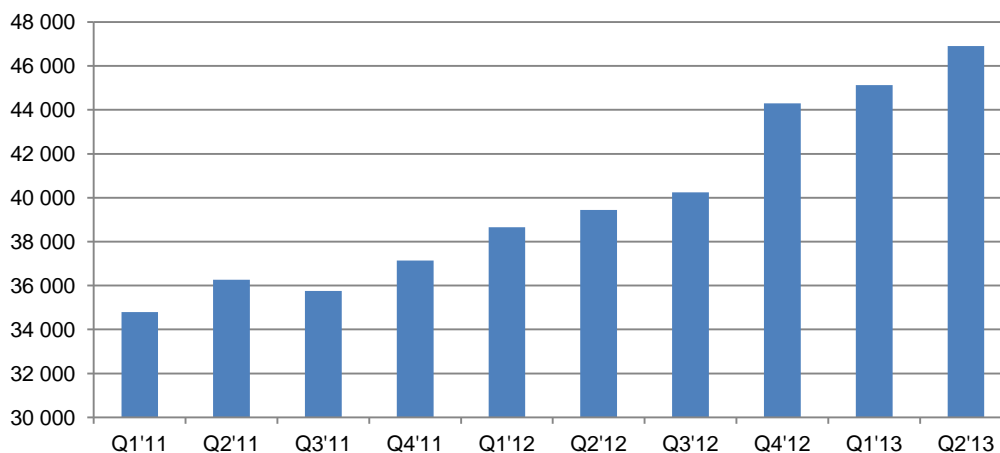
As a result, in the past six months the ATM S.A. Group generated gross profit of PLN 8.9 million (increase by 32% y/y) and net profit from continuing operations of PLN 8.5 million.

The above figures include the change in the classification of results of mPay S.A. made by the Issuer's Management Board at the beginning of the current reporting period. mPay S.A.'s operations are currently disclosed under "discontinued operations" — see the "Presentation of discontinued operations" note above. As a consequence, all continuing operations are carried out only by the parent company of the Capital Group, and therefore most items in the consolidated profit and loss account (to the item "Operating profit") are similar to relevant items in the separate profit and loss account of the Issuer. The presentation of results of mPay S.A. as discontinued operations is connected with the decision taken by Issuer's Management Board that the shares held by ATM in mPay S.A. should be sold and that the ATM S.A. Capital Group would definitely withdraw from operations in the area of mobile payments.

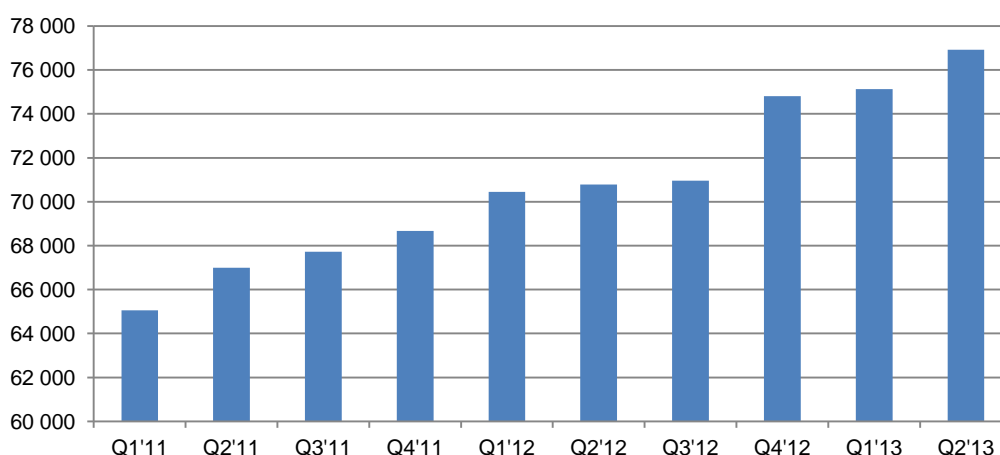
It is worth noting that the Issuer records systematic and consistent improvement of the basic performance of the Company, such as sales revenue, excluding revenue under the OST 112 contract, sales margin, operating profit, EBITDA, gross profit and net profit from continuing operations calculated for the period of the last 4 quarters. For example, graphs of annual EBITDA and sales margin achieved by the Company in the course of 4 quarters ending at the end of a given reporting period are as follows:

(all amounts are presented in PLN thousand, unless specified otherwise)

EBITDA for the twelve months ended [in PLN thousand]



Total contribution for the twelve months ended [in PLN thousand]



The sale of services of data centres (colocation and hosting) had the biggest impact on the increase of the Issuer's revenue in the discussed period. Revenue from these services increased almost by 16% in the first half of 2013, as compared to the corresponding period in 2012, and achieved the level of over PLN 27.5 million. Q2 2013 was particularly successful, as in this period the Company's income from colocation services exceeded PLN 14 million for the first time in the Company's history (PLN 14.3 million, almost a 20% increase y/y). It is worth noting here that over 96% of this amount is attributable to subscription revenue. The share of the margin on sales of colocation services in total subscription revenue of the Company has been growing steadily and in the first half of the current year it achieved 59.5%, as compared to 52% in the same period of 2012 (excluding revenue under the OST 112 contract). The sector structure of sales remained relatively stable — approx. 60% of revenue from the sales of colocation services is still attributable jointly to recipients from the telecommunications and financial sectors.

In accordance with a report prepared by a research and consulting company, PMR, dated March 2013, the Issuer remains the undisputed leader of the Polish market of data processing centres — it owns approx. 12% of the total volume of server space in the country (both net and gross). It is worth noting that the estimated rate of growth of the total value of the colocation services market in Poland in 2013 is, according to the authors of the report, approx. 17%, hence the aforementioned colocation

(all amounts are presented in PLN thousand, unless specified otherwise)

revenue growth recorded by ATM in the second quarter of the current year proves a slightly faster growth in this area recorded by the Company than by the market.

Financial results achieved in the area of activity considered second most important in the Issuer's structure of revenue – namely, data transmission services – have also grown considerably. In the first six months of 2013, revenue from this segment reached PLN 24.5 million (more than a 14% increase y/y).

As regards revenue from the sales of internet access services, the Issuer, similarly to other telecommunication operators, has been recording decreased revenue. In the second quarter of this year, this revenue amounted to PLN 4.6 million (2% decrease q/q) whereas in the entire first half of 2013: PLN 9.3 million. Luckily, this type of revenue has a smaller impact on growth in the remaining areas of activity, since the share of margin on sales of the internet access services in the total subscription margin of the Company reached only 13% in the first six months of 2013 (vs. 17% in the corresponding period of 2012).

In the past six months, positive effects of the separation of integrating operations in the form of an independent company were noticeable, as the Issuer's offer was gaining on popularity among a number of IT integrators. This interest resulted in new contracts — for example with ITelo, EmiD and a leading Polish developer and distributor of video games. Also IT companies which had already been ATM's clients, i.e. Infovide-Matrix, e-Point and Netwise, decided to extend the scope of colocation services.

Excellent matching of ATM's infrastructure and offer to the telecommunication needs of healthcare industry companies was appreciated in the past six months by further entities in this sector — such as Promedica Care Sp. z o.o. and Centrum Medyczne ENEL-MED.

High level of safety of the systems at ATM's colocation facilities was also appreciated by the financial and insurance industry — the most demanding industry when it comes to reliability and security of data centre services. For many years now, the Company has been recommended by major banks and financial institutions. Recently, it was also recommended by ICP Polska — Europe's largest consumer payments acceptance network and the Polish branch of a French provider of financial services to retail chains. Financial clients who have extended the colocation and broadband services provided to them by the Issuer included also X-Trade Brokers and Open Finance TFI, as well as companies from the major banking groups operating in Poland.

Most of the signed contracts are long-term or have been concluded for an indefinite term, which guarantees stable revenue for the Issuer in subsequent periods.

A significant event during the past six months was the signing of a partnership agreement for the services of ATMAN EcoSerwer with Host Park Group — a Ukrainian provider of colocation and hosting services. Both partners consider the signing of the partnership agreement the beginning of effective cooperation which in the foreseeable future may include also other ATM's services provided under the brands of ATMAN and Thinx Poland, e.g. colocation. The Company has already developed good partnership relations with a number of Western European and global operators in the area of web services and data transmission. The partnership with Host Park Group can be considered the first step towards gaining business partners also beyond the eastern border of Poland.

The Issuer observes a growing interest in its services from clients domiciled outside Poland. This applies, in particular, to the data centre offer. The Issuer records a steady increase in the number of foreign requests for proposals, resulting both from ATM's advantage over foreign competitors in terms of service price/quality relation, as well as from the increasing scale of marketing activities aimed at foreign markets. It should be noted that the criterion used for the data on the geographical structure of revenue, presented while discussing segments of operations (note 21 above), to classify a given service as "exports" is only the registered address of the client's head office. The Issuer's business practice often shows a situation in which the actual recipient of the service is an entity registered outside Poland, but the agreement is formally signed on its behalf by a company having its registered seat in Poland.

The above-described strong foundations and growth potential of the Company have been appreciated by investors — since the division of the Company¹ (i.e. since 17 May 2012, when the division

1) 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, were separated and transferred to ATM Systemy Informatyczne (currently: Atende) which is currently not related by capital with the Issuer and is developing this area of operations independently.

(all amounts are presented in PLN thousand, unless specified otherwise)

adjustment of ATM S.A.'s shares took place) until the end of the second quarter of 2013, the stock market valuation of the Company increased by 108% (from PLN 5.67/share to PLN 11.79/share at the close of business on 28 June 2013). It is worth mentioning that in the same period, the sWIG80 index to which the Company belongs, increased "only" by 27.6%, while the performance of industry indices WIG-IT and WIG-telecom was even weaker (increase by 9.7% and drop by 41.5%, respectively).

No less important from the point of view of the Company's Shareholders is the level of another parameter describing the behaviour of stock exchange quotations of ATM S.A. — the risk measured by standard deviation. Also in this respect, the Company performs much better than the market — the relative profit ratio for the period between the division of the Company and end of second quarter of 2013 places the Issuer in the first place among all participant of the WIG-IT index (value of the ratio for the Company is 0.29, while the average value for all index participants is 0.04).²

The above data demonstrate the confidence that investors have been consistently bestowing upon the Company, ensuring the Management Board about the validity of the strategy leading to the implementation of the general objective which is to systematically increase the value of the Company.

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

An important atypical factor affecting the results generated in the first six months of 2013 is the decision of the Issuer's Management Board, discussed above, to classify the shares in mPay S.A. held by ATM as shares held for sale and, as a consequence, present the results of mPay S.A. as discontinued operations.

As a result, at the consolidated level, the ATM S.A. Capital Group presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

At the individual level — ATM made a revaluation write-down for shares in mPay S.A. to the fair value. The amount of the write-down (PLN 6,225 thousand) was presented in the "net loss on discontinued operations" item in the separate profit and loss account of the Company.

RISK FACTORS

Risks related to the economic situation in Poland and in the world

The Issuer's operations are not sensitive to changes in economic conditions.

Risks associated with the implementation of R&D works and investments

As part of organisational changes introduced in 2009 and 2010, following the implemented strategy, the Issuer decided to abandon these fields of activity which did not bring the expected results and did not comply with the Group's lines of development. As a result, the Issuer has significantly reduced the Group's involvement in innovative projects associated with costs of research and implementation works. The Issuer conducts R&D works insofar as they directly translate into greater competitiveness of the products and services it offers.

It is worth emphasising that the new investment project connected with the construction of the ATM Innovation Center does not involve any risks related to conducting R&D works and investments. Works which are conducted within this Project, among others aimed at implementing energy-efficient systems, directly contribute to the reduction of the Center's maintenance costs.

Risk related to human resources

The Issuer's operations are successfully carried out by highly qualified staff. Another factor influencing the Company's success and competitiveness is the management. The loss of employees – experts

² Source: own calculations of the Issuer. The relative profit ratio has been used (rate of return/standard deviation), because it enables ranking the instruments even in the case of negative rates of return (as opposed to the classical coefficient of variance which is the opposite). The calculations were made using the average logarithmic rate of return and standard deviation of weekly logarithmic rates of return for the period from 17 May 2012 to 28 June 2013.

(all amounts are presented in PLN thousand, unless specified otherwise)

and members of management staff alike – caused by a situation independent from the Issuer, may bring the risk of decreasing the quality of offered services and solutions and, for instance, delays in projects implemented for the clients. Possible illegal activities of employees (e.g. causing harm to third parties, disloyal behaviour exhibited in, among others, undertaking competitive activity and disclosure of business and professional secrets) could also have negative repercussions.

The Company's experience shows that the situation concerning staff in companies within the Group is stable, the employees and managers are engaged in the development of the Company.

Risk related to forecasts and planning

Risk related to forecasts and planning involves the danger that the forecasts underlying the investment decisions on the data centre market fail to materialise as a result of changes in the economic or technological environment (e.g. the emergence of new technologies). Forecasts for the planned investments might be wrong, despite using legitimate assumptions in the forecasting process.

Risk connected with strong competition

In the ICT sector, the risk associated with the emergence of new competitors is high, mainly due to the attractiveness of the data centre market in Poland and Europe (dynamic growth). The possible emergence of new major competitors (in particular international entities), in the future, may have a negative impact on the Company's financial results. Possible consolidation processes in the domestic market may also result in the decline in growth of the Company's financial parameters.

Risk of permanent impairment losses on the undertakings included in the Issuer's Capital Group

In the case of failure of the business idea of the company in which the Issuer has invested funds, in particular in the case of a worse-than-expected pace of commercialisation of services by this company, impairment of its value and losses incurred by the Issuer on investment up to the amount of the funds invested in such a company are to be expected.

INFORMATION ON FACTORS WHICH, IN THE CAPITAL GROUP'S OPINION, WILL AFFECT ITS PERFORMANCE DURING AT LEAST THE NEXT QUARTER

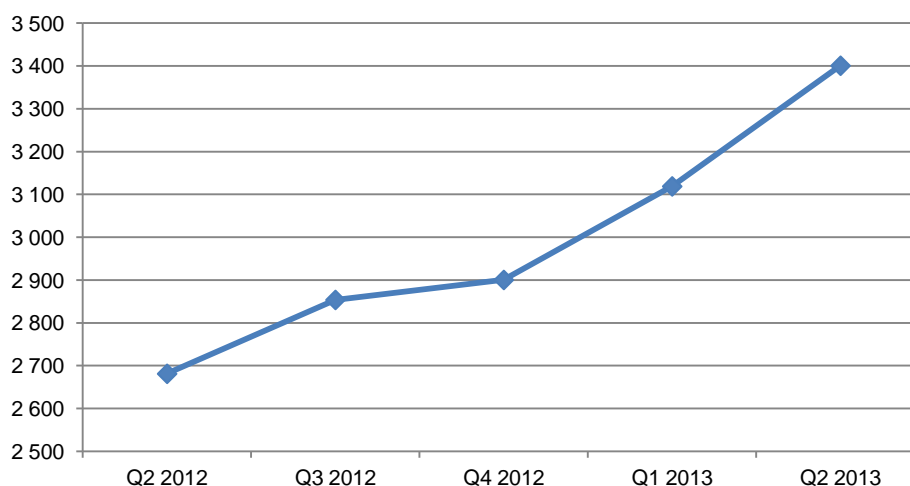
ATM still has a high potential to increase revenue and generate profits, owing to its sound investment policy. The demand for broadband data transmission and data centre services increases fast, which demonstrates the guarantee of a stable growth of this segment of activity. Therefore the Issuer continues its investments by preparing further modules of the Thinx Poland data centre for sale and executing a project of construction of ATM Innovation Center. The implementation of these investments shall bring a notable result in the increase of revenue and profits in the next financial periods.

As at the end of the second quarter of 2013, the Company had approx. 5,300 m² of net colocation space — of which approx. 3,400 m² generated revenue (starting from this report, the method of calculating available space and sold space has been modified).

The following diagram presents figures concerning the size of the invoiced colocation space as at the end of subsequent quarters:

(all amounts are presented in PLN thousand, unless specified otherwise)

Invoiced net floor space [in sq m]



In terms of the conducted investments, ATM plans to put into operation new buildings within ATMAN Data Center and Thinx Poland with total net area of 4,200 m² which, together with the currently available space, sums up to 6,000 m² of potential colocation space that will generate revenue for the Company in the future.

According to the Issuer's estimates, the sale of the aforementioned space (under construction or planned) should translate into an additional PLN 40 million of annual EBITDA, while filling the entire space currently available for sale should increase annual EBITDA by approx. PLN 15 million.

When making decisions on schedules and staging subsequent investments, ATM is primarily focused on filling the existing server rooms and the observed and projected demand for colocation services. Therefore, the period within which profits can be increased by the above amounts will depend on market developments and growth in demand for colocation services in Poland and abroad.

The main factors that — in the opinion of the Issuer — should stimulate the demand for colocation services in the next few years include:

- systematic increase in the role of information technologies in the operation of enterprises and institutions (higher demand for computing power and data storage space which in turn will result in a higher number of devices that will need space in data centres),
- increased willingness to place own data processing equipment at specialised providers of data centre services, rather than building own server objects (cost — economies of scale, quality and reliability of services — know-how),
- increasingly important role of services based on the universality of broadband data transmission and internet access and, consequently, transfer of a part of data processing to companies offering cloud computing which will also operate based on the infrastructure offered by specialised data centre providers.

In terms of an increase in the sale of transmission services, it is expected that the demand for high bandwidth networks, in particular optical networks, will grow owing to the following factors: construction of the next generation LTE (Long Term Evolution) network by mobile providers, ubiquitous video transmission in telecommunications services and cloud computing services, mentioned above. 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.

(all amounts are presented in PLN thousand, unless specified otherwise)

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 SEMI-ANNUAL REPORT VERSUS PROJECTED RESULTS

The Company did not publish any forecasts for 2013.

3. OTHER INFORMATION

INFORMATION CONCERNING CONCLUSION BY THE PARENT ENTITY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED UNDERTAKINGS IF INDIVIDUALLY OR JOINTLY THEY ARE MATERIAL AND WERE CONCLUDED ON CONDITIONS OTHER THAN MARKET CONDITIONS

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 concluded on conditions other than market conditions.

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

There are no proceedings before the court, arbitration body 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 ON GRANTING BY THE PARENT ENTITY OR PARENT ENTITY'S SUBSIDIARY OF 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 PARENT ENTITY'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 CAPITAL GROUP AS IMPORTANT IN THE ASSESSMENT OF ITS PERSONNEL, ASSET AND FINANCIAL STANDING, FINANCIAL RESULT AND CHANGES TO SUCH ITEMS; INFORMATION RELEVANT TO THE ASSESSMENT OF THE CAPITAL GROUP'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.

SELECTED INDIVIDUAL FINANCIAL DATA

	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	in PLN thousand		in EUR thousand	
Total sales revenue (excluding the OST 112 contract)	63,844	60,007	15,151	14,204
Sales margin	37,890	35,494	8,992	8,402
EBITDA	21,910	19,675	5,199	4,657
Operating profit	12,507	10,490	2,968	2,483
Profit before tax	9,821	6,915	2,331	1,637
Net profit from continuing operations	9,424	7,192	2,236	1,702
Net cash from operating activities	20,593	(23,523)	4,887	(5,568)
Net cash from investing activities	(26,953)	(9,463)	(6,396)	(2,240)
Net cash from financing activities	4,223	1,565	1,002	370
Increase (decrease) in cash	(2,137)	(31,421)	(507)	(7,438)
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Fixed assets	323,449	325,839	74,713	79,702
Current assets	34,540	34,072	7,978	8,334
Total assets	367,863	359,911	84,973	88,037
Long-term liabilities	74,081	78,703	17,112	19,251
Short-term liabilities	59,386	46,230	13,718	11,308
Equity	234,395	234,978	54,143	57,477
Share capital*	34,723	34,723	8,021	8,493
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (PLN/EUR)	6.45	6.47	1.49	1.58

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

The above financial data for the first half of 2013 and 2012 were converted to EUR in accordance with the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 30 June 2013 at 4.3292 PLN/EUR;
- particular items of the profit and loss account and the statement of cash flows were translated using the rate being the arithmetical mean of average rates set by the National Bank of Poland as at the last day of each month of the financial period from 1 January until 30 June 2013, amounting to 4.2140 PLN/EUR and from 1 January until 30 June 2012, amounting to 4.2246 PLN/EUR.

The financial figures for 2012 were translated into EUR in accordance with the following principles:

- particular items of assets and liabilities were calculated with average FX rate of the National Bank of Poland as of 31 December 2012 at 4.0882 PLN/EUR.

(all amounts are presented in PLN thousand, unless specified otherwise)

C. CONDENSED FINANCIAL STATEMENTS OF ATM S.A. FOR THE FIRST HALF OF 2013

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

1. CONDENSED STATEMENT OF INCOME

	For the period 01/01– 30/06/2013	For the period 01/01– 30/06/2012
Continuing operations		
Sales revenue*	84,052	95,663
of which: revenue excluding the "OST 112" contract	63,844	60,007
Cost of sales (variable)	<u>46,162</u>	<u>60,169</u>
Sales margin**	<u>37,890</u>	<u>35,494</u>
Cost of sales (fixed)	<u>10,808</u>	<u>10,071</u>
Gross profit (loss) on sales	<u>27,081</u>	<u>25,423</u>
Other operating revenue	124	766
Selling costs	-	-
General and administrative costs	13,608	14,640
Other operating costs	1,090	1,059
Restructuring costs	<u>-</u>	<u>-</u>
Operating profit (loss)	<u>12,507</u>	<u>10,490</u>
Share in the financial result of undertakings valued using the equity method	-	-
Financial revenue	541	543
Financial expenses	3,227	4,118
	<u>-</u>	<u>-</u>
Profit (loss) before tax	<u>9,821</u>	<u>6,915</u>
Income tax	<u>397</u>	<u>(277)</u>
Net profit (loss) on continuing operations	<u>9,424</u>	<u>7,192</u>
	<u>-</u>	<u>-</u>
Net profit (loss) on discontinued operations	(6,440)	(5,965)
Including the cost related to the revaluation write-down for shares in mPay S.A.	<u>(6,225)</u>	<u>-</u>
Net profit (loss)	<u>2,984</u>	<u>1,227</u>
Profit (loss) per share		

(all amounts are presented in PLN thousand, unless specified otherwise)

From continuing operations:

Ordinary	0.26	0.20
Diluted	0.26	0.20

From continuing and discontinued operations:

Ordinary	0.08	0.03
Diluted	0.08	0.03

EBITDA	21,910	19,675
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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 results of the Company. Revenue in this respect amounted to: PLN 20,207 thousand in the first half of 2013 and PLN 35,656 thousand in the first half of 2012.

**) 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, materials and energy consumption). 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.

2. CONDENSED STATEMENT OF TOTAL INCOME

	For the period <u>01/01–30/06/2013</u>	For the period <u>01/01–30/06/2012</u>
Net profit (loss)	<u>2,984</u>	<u>1,227</u>
Other total income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>
Results of revaluation of fixed assets	-	-
Actuarial gains or losses		
Share in other total income of associated entities	-	-
Income tax related to items that will not be reclassified	<u>-</u>	<u>-</u>
Other total income that cannot be reclassified to profit or loss	<u>-</u>	<u>-</u>
Revaluation of tangible fixed assets	-	-
Exchange differences on translation of foreign operations	-	-
Results of valuation of financial assets available for sale	-	-
Hedge accounting		
Income tax related to other total income items	<u>-</u>	<u>-</u>
Total revenue	2,984	1,227

(all amounts are presented in PLN thousand, unless specified otherwise)

3. CONDENSED STATEMENT OF FINANCIAL POSITION

	<u>End of period</u> <u>30/06/2013</u>	<u>End of period</u> <u>31/12/2012</u>	<u>End of period</u> <u>30/06/2012</u>
Fixed assets			
Goodwill			
Intangible assets	39,360	39,760	40,341
Tangible fixed assets	220,389	207,728	204,329
Investments in associated entities consolidated using the equity method	63,487	63,487	63,487
Investments in subsidiaries	-	14,739	14,739
Deferred income tax assets	-	-	-
Other fixed assets	214	125	259
	<u>323,449</u>	<u>325,839</u>	<u>323,155</u>
Current assets			
Inventories	1,160	1,330	1,266
Financial assets held for trading	273	970	1,687
Trade and other receivables	29,605	24,174	64,950
Income tax receivables	278	57	57
Other current assets	1,765	3,942	4,383
Other financial receivables			
Cash and cash equivalents	1,460	3,599	4,810
	<u>34,540</u>	<u>34,072</u>	<u>77,153</u>
Fixed assets classified as held for sale	<u>9,873</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>367,863</u></u>	<u><u>359,911</u></u>	<u><u>400,308</u></u>

(all amounts are presented in PLN thousand, unless specified otherwise)

	<u>End of period</u> <u>30/06/2013</u>	<u>End of period</u> <u>31/12/2012</u>	<u>End of period</u> <u>30/06/2012</u>
Equity			
Share capital	34,723	34,723	34,723
Supplementary capital from share premium	123,735	123,735	123,735
Revaluation reserve			
Treasury shares	-	(1)	-
Capital reserves	55,994	52,505	52,505
Hedge valuation reserve and FX gains/losses due to consolidation			
Retained earnings	<u>19,943</u>	<u>24,016</u>	<u>17,907</u>
Total equity	<u>234,395</u>	<u>234,978</u>	<u>228,870</u>
Long-term liabilities			
Long-term loans and borrowings	36,054	31,430	33,740
Provisions for deferred tax	768	1,062	2,011
Provisions for liabilities			
Long-term trade and other liabilities	24,380	27,036	30,616
Other financial liabilities	<u>12,880</u>	<u>19,174</u>	<u>25,810</u>
	<u>74,081</u>	<u>78,703</u>	<u>92,177</u>
Short-term liabilities			
Bank loans and borrowings	18,825	13,852	16,321
Provisions for liabilities	-	-	-
Income tax liabilities	-	2,037	317
Trade and other liabilities	26,680	18,844	49,808
Other financial liabilities	<u>13,881</u>	<u>11,497</u>	<u>12,817</u>
	<u>59,386</u>	<u>46,230</u>	<u>79,262</u>
Liabilities related directly to fixed assets classified as held for sale	-	-	-
Total liabilities	<u>367,863</u>	<u>359,911</u>	<u>400,308</u>

(all amounts are presented in PLN thousand, unless specified otherwise)

4. CONDENSED STATEMENT OF CHANGES IN EQUITY

	<u>Share 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 2013	34,723	123,735	(1)	52,505	24,016	234,978
Increases:						
Current period results	-	-	-	-	2,984	2,984
Repurchase of treasury shares	-	-	-	-	-	-
Profit distribution	-	-	-	3,489	-	3,489
Share subscription under the stock option plan	-	-	1	-	66	67
Decreases:						
division eliminations	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	3,489	3,489
Dividend payout	-	-	-	-	3,634	3,634
Financing of Incentive Scheme	-	-	-	-	-	-
As at 30 June 2013	34,723	123,735	0	55,994	19,943	234,395

(all amounts are presented in PLN thousand, unless specified otherwise)

	<u>Share 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	-	-	-	-	7,123	7,123
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	24,016	234,978

(all amounts are presented in PLN thousand, unless specified otherwise)

	<u>Share 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	-	-	-	-	1,226	1,226
Profit distribution	-	-	-	16,381	-	16,381
Share subscription under the stock option plan	-	-	-	-	233	233
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 30 June 2012	34,723	123,735	0	52,505	17,907	228,870

(all amounts are presented in PLN thousand, unless specified otherwise)

5. CONDENSED CASH FLOW STATEMENT

	<u>For the period 01/01– 30/06/2013</u>	<u>For the period 01/01– 30/06/2012</u>
Operating activities		
Profit (loss) before tax	9,821	6,915
Adjustment by items:	10,772	(30,438)
Amortisation and depreciation	9,403	9,185
FX gains/losses	227	752
Interest received	(2)	-
Interest paid	2,958	3,452
Dividends received	-	-
(Profit) loss on investing activities	-	(5,491)
Movements in inventories	(89)	108
Movements in receivables	(5,518)	(14,202)
Movements in liabilities and provisions	4,641	(21,682)
Movements in other assets	2,855	(157)
Income tax paid	(2,949)	(1,206)
Other	(754)	(1,197)
	20,593	(23,523)
Investing activities		
Expenses on tangible fixed assets purchases	(29,273)	(18,646)
Expenses on financial assets purchases	(1,352)	-
Revenue from sale of tangible fixed assets	3,892	9,325
Repayments of long-term loans		
Loans granted	(196)	(142)
Revenue from sale of financial assets	-	-
Interest received	-	1
Dividends received	-	-
FX gains/losses	(24)	(1)
Other	-	-
	(26,953)	(9,463)
Financing activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	671	(2,822)
Proceeds from loans and borrowings	9,597	9,855
Repayment of loans and borrowings	-	-
Purchase of treasury shares	-	(1)
Payment of liabilities arising from finance leases	(3,148)	(2,008)
Dividends paid	-	-
Interest received	2	-
Interest paid	(2,958)	(3,451)
Other profit-sharing	-	-
FX gains/losses	60	(8)
Other (division adjustment)	-	-
	4,223	1,565
Movements in cash	(2,137)	(31,421)
Opening balance of cash	3,599	36,229
Closing balance of cash	1,460	4,810

(all amounts are presented in PLN thousand, unless specified otherwise)

ADDITIONAL NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. SALES REVENUE BROKEN DOWN INTO GEOGRAPHICAL DISTRIBUTION

Sales revenue broken down into geographical distribution is as follows:

	For the period 01/01–30/06/2013	For the period 01/01- 30/06/2012
Country	81,809	93,116
Export	2,242	2,547
Total sales revenue	84,052	95,663

The criterion used for the above data on the geographical structure of revenue to classify a given service as “exports” is only the registered address of the client’s head office. The Issuer’s business practice often shows a situation in which the actual recipient of the service is an entity registered outside Poland, but the agreement is formally signed on its behalf by a company having its registered seat in Poland.

2. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance sheet items	End of period 30/06/2013	End of period 31/12/2012
1. Contingent receivables		
1.1 from other undertakings		
2. Contingent liabilities	58,831	49,423
2.1 to other undertakings, of which:	58,831	49,423
- guarantees, sureties granted	6,651	7,423
- mortgage collateral	42,000	42,000
- collateral pledge	10,180	-

Since the end of the fiscal year 2012, the following changes have occurred with respect to contingent liabilities:

a) guarantees and sureties granted have decreased by PLN 773 thousand because of:

- expiry of guarantees of PLN 1,270 thousand
- granting of guarantees of PLN 497 thousand

b) security in the form of mortgage has remained unchanged

c) security in the form of pledge has increased by PLN 10,180 thousand

3. FINANCIAL INSTRUMENTS AT FAIR VALUE

As at 30 June 2013, the Company held financial instruments carried at fair value in the statement of financial position. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities

(all amounts are presented in PLN thousand, unless specified otherwise)

Level 2 — other techniques for which all inputs which have a significant effect on the recognised fair value are observable, either directly or indirectly

Level 3 — techniques which use inputs that have a significant effect on the recognised fair value that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement considering factors specific to the asset or liability.

FINANCIAL INSTRUMENTS	30/06/2013		31/12/2012	
	carrying amount before write-down	fair value	carrying amount before write-down	fair value
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held to maturity	-	-	-	-
Financial assets held for sale (at fair value)	16,098	9,873	-	-
Loans granted and own receivables	-	-	-	-
Financial liabilities at fair value through profit or loss	1,678	1,322	-	1,678
Other financial liabilities	-	-	-	-

FAIR VALUE HIERARCHY

Financial assets held for sale	fair value hierarchy level	30/06/2013
Shares of listed companies — shares of mPay S.A.	level 1	9,873
Total		9,873

The entity valued the asset to fair value, based on the share price quoted on the NewConnect market amounting to PLN 0.23 per share on 28 June 2013. This resulted in the fair value of shares held amounting to PLN 9,873 thousand and the write-down of PLN 6,225 thousand was recognised by the entity as an impairment of the asset.

Financial liabilities at fair value through profit or loss	fair value hierarchy level	30/06/2013
Derivative financial instruments — IRS contract hedging the interest rate risk in respect of the investment loan	level 2	1,322
Total		1,322

(all amounts are presented in PLN thousand, unless specified otherwise)

The valuation of the IRS contract hedging the interest rate risk in respect of the investment loan was made based on information obtained from Bank Zachodni WBK S.A. (prepared using parameters that were considered optimum by the Bank).

During the period ended 30 June 2013 there were no transfers between Level 1 and Level 2 of the fair value hierarchy and no instrument was transferred to/from Level 3 of the fair value hierarchy.

4. PRESENTATION OF DISCONTINUED OPERATIONS

As at the publication date of the present semi-annual report, the Issuer presented the results from operations, as well as assets and liabilities of the subsidiary held for sale, mPay S.A., as discontinued operations.

In addition, the loss of PLN 215 thousand resulting from the final settlement of the accepted claims of ATM S.A. in the bankruptcy proceedings of mPay International Sp. z o.o. was presented as discontinued operations.

In accordance with IFRS 5, the Issuer informs that as at 30 June 2013, if mPay S.A had been sold as of that date, the following amounts would have been subject to discontinuance:

CONDENSED STATEMENT OF INCOME OF DISCONTINUED OPERATIONS

	<u>For the period</u> <u>01/01–</u> <u>30/06/2013</u>
Continuing operations	-
Sales revenue	-
of which: revenue excluding the "OST 112" contract	-
Cost of sales (variable)	-
Sales margin	-
Cost of sales (fixed)	-
Gross profit (loss) on sales	-
Other operating revenue	-
Selling costs	-
General and administrative costs	-
Other operating costs	-
Restructuring costs	-
Operating profit (loss)	-
Share in the financial result of undertakings valued using the equity method	-
Financial revenue	-
Financial expenses	-
Profit (loss) before tax	-
Income tax	-
Net profit (loss) on continuing operations	-
Net profit (loss) on discontinued operations	(6,225)
Net profit (loss)	(6,225)

(all amounts are presented in PLN thousand, unless specified otherwise)

CONDENSED STATEMENT OF TOTAL INCOME OF DISCONTINUED OPERATIONS

	<u>For the period</u> 01/01– 30/06/2013
Net profit (loss)	(6,225)
Other total income that will not be reclassified to profit or loss	-
Results of revaluation of fixed assets	-
Actuarial gains or losses	-
Share in other total income of associated entities	-
Income tax related to items that will not be reclassified	-
Other total income that cannot be reclassified to profit or loss	-
Revaluation of tangible fixed assets	-
Exchange differences on translation of foreign operations	-
Results of valuation of financial assets available for sale	-
Hedge accounting	-
Income tax related to other total income items	-
Total revenue	(6,225)

CONDENSED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — ASSETS

	<u>End of period</u> 30/06/2012
Fixed assets	
Goodwill	-
Intangible assets	-
Fixed tangible assets	-
Investments in associated entities 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	-
	-

(all amounts are presented in PLN thousand, unless specified otherwise)

Fixed assets classified as held for sale	9,873
	<hr/>
Total assets	9,873

CONDENSED STATEMENT OF FINANCIAL POSITION OF DISCONTINUED OPERATIONS — LIABILITIES

	<u>End of period</u> <u>30/06/2013</u>
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	9,873
Total equity	9,873
Long-term liabilities	
Long-term loans and borrowings	-
Provisions for deferred tax	-
Provisions for liabilities	
Long-term trade and other liabilities	-
Other financial liabilities	-
	<hr/>
	<hr/>
Short-term liabilities	
Bank loans and borrowings	-
Provisions for liabilities	-
Income tax liabilities	-
Trading and other liabilities	-
Other financial liabilities	-
	<hr/>
	<hr/>
Liabilities related directly to fixed assets classified as held for sale	-
Total liabilities	9,873

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Name and surname	Position/function	Date	Signature
Maciej Krzyżanowski	President of the Management Board	30 August 2013
Tadeusz Czichon	Vice-President of the Management Board	30 August 2013

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS:

Kinga Bogucka	Chief Accountant	30 August 2013
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STATEMENT OF THE MANAGEMENT BOARD

Under the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information submitted by the issuers of securities, the Management Board of ATM S.A. declares that, to its best knowledge, these interim condensed consolidated financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and they give a correct, true and fair view of the asset and financial situation of the ATM S.A. Capital Group and its financial performance.

Moreover, the Management Board represents that the report on operations of the ATM S.A. Capital Group presents a true view of the Group's development, achievements and standing, including a description of the basic threats and risk.

These interim condensed consolidated financial statements have been drawn up in accordance with the accounting principles compliant with International Financial Reporting Standards ("IFRS") as approved by the European Union and to the extent required by the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information submitted by the issuers of securities (Journal of Laws No 33, item 259, as amended). The statements cover the period from 1 January until 30 June 2013.

The Management Board declares that the entity authorised to audit and review the financial statements, which reviewed the interim consolidated financial statements, was selected pursuant to applicable laws, and that this entity as well as the statutory auditors who reviewed these statements fulfilled the conditions for issuing an impartial and independent review report, pursuant to applicable Polish laws. In accordance with the corporate governance rules adopted by the Management Board, the statutory auditor was selected by the Supervisory Board of the Company on 25 June 2013. The Supervisory Board made the above-mentioned selection, taking into consideration ensuring the complete independence and objectivity for the said selection and the tasks performance by the statutory auditor.

President of the Management Board

Vice-President of the Management Board

Maciej Krzyżanowski

Tadeusz Czichon