ATM S.A.

QUARTERLY REPORT
FOR Q1 2015

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BASIC DETAILS FOR THE QUARTERLY REPORT

This quarterly report covers information prepared in accordance with Articles 86.1 and 87.1 of the Regulation of the Minister of Finance of 19 February 2009 and includes financial statements of ATM S.A. drawn up in accordance with International Financial Reporting Standards as approved by the European Union.

Report filing date: 14 May 2015

The Issuer's key details:

The Issuer's full name: ATM S.A.
The Issuer's abbreviated name: ATM
Sector according to the classification adopted by the Warsaw Stock Exchange: information technology
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SELECTED FINANCIAL DATA

	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	PLN in thousands		EUR in thousands	
Total sales revenues	32,733	43,652	7,890	10,420
Revenues from primary operating segments	30,329	29,964	7,310	7,152
Sales margin	16,639	18,060	4,011	4,311
EBITDA	8,471	10,766	2,042	2,570
Operating profit	3,077	5,678	742	1,355
Pre-tax profit	2,926	4,464	705	1,066
Net profit from continuing operations	2,486	3,722	599	888
Total income	3,294	2,450	794	585
Net cash from operations	8,242	9,534	1,987	2,276
Net cash from investments	(8,508)	(15,991)	(2,051)	(3,817)
Net cash from financial activities	(2,416)	7,091	(582)	1,694
Increase (decrease) in cash	(2,682)	634	(646)	152
	31/03/2015	**31/12/2014**	**31/03/2015**	**31/12/2014**
Fixed assets	380,091	372,772	92,955	87,458
Current assets	24,952	26,856	6,102	6,302
Total assets	405,044	399,628	99,057	93,759
Long-term liabilities	102,137	96,044	24,978	22,533
Short-term liabilities	64,927	68,898	15,878	16,165
Equity	237,980	234,686	58,200	55,061
Share capital *	34,723	34,723	8,492	8,147
Number of shares	36,343,344	36,343,344	36,343,344	36,343,344
Book value per share (in PLN/EUR)	6.55	6.46	1.60	1.52

**) Share capital revalued in accordance with MSR 29*

The above financial data for Q1 2015 and 2014 were converted to EUR according to the following principles:

- Individual assets and liabilities items were converted at the average PLN/EUR exchange rate of 4.0890 as published by the National Bank of Poland on 31 March 2015;
- Individual items of the profit and loss account and the cash flow statement were converted at the exchange rate being the arithmetic mean of mean exchange rates established by the National Bank of Poland as of the last day of each month of the financial period starting 1 January 2015 and ending 31 March 2015, amounting to PLN/EUR 4.1489, and starting 1 January 2014 and ending 31 March 2014, amounting to PLN/EUR 4.1894.

Financial data for the year 2014 were converted to EUR according to the following principles:

- Individual assets and liabilities items were converted at the average PLN/EUR exchange rate of 4.2623 as published by the National Bank of Poland on 31 December 2014.

(all amounts in PLN thousands unless specified otherwise)

A. CONDENSED FINANCIAL STATEMENTS OF ATM S.A. FOR Q1 2015

1. CONDENSED INCOME STATEMENT

	For the period 01/01-31/03/2015	For the period 01/01-31/03/2014
Continuing operations		
Sales revenues	32,733	43,652
of which: Revenues from primary operating segments	30,329	29,964
Variable costs of sales	16,094	25,592
Sales margin *	**16,639**	**18,060**
Fixed costs of sales	6,316	5,979
Gross sales profit (loss)	**10,323**	**12,081**
Other operating revenues	59	343
Overheads	7,057	6,623
Other operating costs	247	123
Operating profit (loss)	**3,077**	**5,678**
Share in financial results of units accounted for using the equity method**	921	155
Financial revenues	24	12
Financial costs	1,097	1,381
Pre-tax profit (loss)	**2,926**	**4,464**
Income tax	440	742
Profit (loss) from continuing operations	**2,486**	**3,722**
Discontinued operations		
Profit (loss) from discontinued operations	-	-
Net profit (loss)	**2,486**	**3,722**
Profit (loss) per share		
From continuing operations:		
Ordinary	0.07	0.10
Diluted	0.07	0.10
From continuing and discontinued operations:		
Ordinary	0.07	0.10
Diluted	0.07	0.10
EBITDA	**8,471**	**10,766**

(all amounts in PLN thousands unless specified otherwise)

NOTES:

*) The Issuer has presented, on broader terms than required by IFRSs, the category "Sales margin" which is the difference between the sales revenues and the variable costs of sales, i.e. costs which are directly linked to the value of revenues (own cost of goods sold, subcontractor costs in provision of services, consumption of materials and energy). In the opinion of the Management Board of the Issuer, this category is of material importance for analyzing the Company's finances, for it is correlated with the volume of sales and determines the break-even point for fixed costs, i.e. the point at which the Company's activities become operationally profitable.

**) This item shows the Issuer's share in the financial result of the affiliated entity Linx Telecommunications B.V. The share of ATM S.A. in the other changes in that company's equity is shown in the item "Share in other comprehensive income of affiliated entities" of the Condensed Statement on Total Income shown below.

2. CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	For the period 01/01-31/03/2015	For the period 01/01-31/03/2014
Net profit (loss)	**2,486**	**3,722**
Other comprehensive income not subject to reclassification to profits or losses	**808**	**(1,272)**
Results of revaluation of fixed assets	-	-
Actuarial profits or losses	-	-
Share in other comprehensive income of affiliated entities	808	(1,272)
Income tax applicable to items not subject to reclassification	-	-
Other comprehensive income not subject to reclassification to profits or losses	**-**	**-**
Revaluation of tangible fixed assets	-	-
Foreign exchange differences from translation of foreign entities	-	-
Results of revaluation of financial assets available for sale	-	-
Insurance accounting	-	-
Income tax applicable to other comprehensive income items	-	-
Total comprehensive income	**3,294**	**2,450**

(all amounts in PLN thousands unless specified otherwise)

3. CONDENSED STATEMENT OF FINANCIAL POSITION – ASSETS

	End of period 31/03/2015	End of period 31/03/2014	End of period 31/12/2014
Fixed assets			
Goodwill	-	-	-
Intangible assets	4,011	4,772	4,081
Tangible fixed assets	320,367	272,914	314,711
Investments in affiliated entities consolidated with the equity method	55,475	63,124	53,746
Investments in subsidiaries	-	-	-
Deferred income tax assets	-	-	-
Other fixed assets	237	199	234
	380,091	**341,009**	**372,772**
Current assets			
Inventories	1,188	1,377	1,352
Financial assets held for trading	172	450	206
Trade and other receivables	19,597	28,327	18,793
Income tax receivables	57	1,870	58
Other current assets	3,094	3,358	2,920
Other financial receivables	-	-	-
Cass and cash equivalents	845	1,761	3,527
	24,952	**37,143**	**26,856**
Total assets	**405,044**	**378,152**	**399,628**

(all amounts in PLN thousands unless specified otherwise)

4. CONDENSED STATEMENT OF FINANCIAL POSITION – LIABILITIES

	End of period 31/03/2015	End of period 31/03/2014	End of period 31/12/2014
Equity			
Share capital	34,723	34,723	34,723
Supplementary capital from sales of shares above face value	123,735	123,735	123,735
Revaluation reserve	-	-	-
Own shares	-	-	-
Reserve capital	55,504	55,994	55,504
Capital from valuation of hedge transactions and foreign exchange differences from consolidation	-	-	-
Retained earnings	24,017	24,111	20,724
Total equity	**237,980**	**238,564**	**234,686**
Long-term liabilities			
Long-term loans	67,185	32,099	65,972
Deferred tax provision	1,693	2,204	1,252
Provisions for liabilities	-	-	-
Long-term trade liabilities and other liabilities	17,536	22,528	17,536
Other financial liabilities	15,723	16,291	11,284
	102,137	**73,122**	**96,044**
Short-term liabilities			
Bank loans and credits	47,546	39,946	48,545
Provisions for liabilities	-	-	-
Income tax liabilities	-	-	709
Trade liabilities and other liabilities	11,688	21,047	12,398
Other financial liabilities	5,693	5,474	7,246
	64,927	**66,467**	**68,898**
Total liabilities	**405,044**	**378,152**	**399,628**

(all amounts in PLN thousands unless specified otherwise)

5. CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Own shares	Reserve capital	Retained earnings	Equity
As of 1 January 2015	**34,723**	**123,735**	**0**	**55,504**	**20,724**	**234,686**
Increases:						
Current period result	-	-	-	-	2,486	2,486
Share in other comprehensive income of affiliated entities	-	-	-	-	808	808
Repurchase of shares	-	-	-	-	-	-
Distribution of profit	-	-	-	-	-	-
Decreases:						
Distribution of profit to be allocated to equity	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
As of 31 March 2015	**34,723**	**123,735**	**0**	**55,504**	**24,017**	**237,980**

(all amounts in PLN thousands unless specified otherwise)

	Share capital	Share premium	Own shares	Reserve capital	Retained earnings	Equity
As of 1 January 2014	**34,723**	**123,735**	**0**	**55,994**	**21,652**	**236,104**
Increases:						
Current period result	-	-	-	-	3,722	3,722
Share in other comprehensive income of affiliated entities	-	-	-	-	(1,272)	(1,272)
Repurchase of shares	-	-	-	-	-	-
Distribution of profit	-	-	-	-	-	-
Acquisition of shares as part of options plan	-	-	-	-	9	9
Decreases:						
Distribution of profit to be allocated to equity	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
As of 31 march 2014	**34,723**	**123,735**	**0**	**55,994**	**24,111**	**238,564**

(all amounts in PLN thousands unless specified otherwise)

	Share capital	Share premium	Own shares	Reserve capital	Retained earnings	Equity
As of 1 January 2014	**34 723**	**123 735**	**0**	**55 994**	**21 652**	**236 104**
Increases:						
Current period result	-	-	-	-	8 068	8 068
Share in other comprehensive income of affiliated entities	-	-	-	-	(5 163)	(5 163)
Repurchase of shares	-	-	-	-	-	-
Distribution of profit	-	-	-	-	-	-
Acquisition of shares as part of options plan	-	-	-	-	38	38
Decreases:						
Distribution of profit to be allocated to equity	-	-	-	-	-	-
Dividend paid	-	-	-	489	3 872	4 361
As of 31 December 2014	**34,723**	**123,735**	**0**	**55,504**	**20,724**	**234,686**

(All amounts in PLN thousands unless specified otherwise)

6. CONDENSED CASH FLOW STATEMENT

	For the period 01/01-31/03/2015	For the period 01/01-31/03/2014
Operations		
Pre-tax profit (loss)	**2,926**	**4,464**
Adjustments by items:	5,316	5,070
Share in financial results of units accounted for using the equity method	(921)	(155)
Amortization and depreciation	5,394	5,089
Foreign exchange differences	25	7
Interests received	(1)	(1)
Interests paid	997	1,300
Dividends received	-	-
(Profits) losses on investment activities	51	52
Change in inventories	202	(25)
Change in receivables	469	973
Change in liabilities and provisions	366	(2,949)
Change in other assets	(172)	982
Income tax paid	(709)	122
Other	(385)	(325)
	8,242	**9,534**
Investment activities		
Expenses on purchase of tangible fixed assets	(12,094)	(17,054)
Expenses on purchase of financial assets	-	-
Revenues from sale of tangible fixed assets	3,573	1,060
Repayment of long-term loans granted	34	4
Loans granted	-	-
Revenues from sale of financial assets	-	-
Interests received	-	-
Dividends received	-	-
Foreign exchange differences	(21)	(1)
Other	-	-
	(8,508)	**(15,991)**
Financial activities		
Net proceeds from issue of shares and other capital contributions	-	-
Subsidies received	-	212
Proceeds from loans	3,331	12,152
Repayment of loans	(3,117)	(1,750)
Acquisition of own shares	-	1
Payment of liabilities arising from financial lease	(1,630)	(2,219)
Dividends paid	-	-
Interests received	1	1
Interests paid	(997)	(1,300)
Other profit sharing	-	-
Foreign exchange differences	(4)	(6)
Other (division adjustment)	-	-
	(2,416)	**7,090**
Change in cash	**(2,682)**	**634**
Opening balance of cash	3,527	1,129
Closing balance of cash	**845**	**1,761**

ADDITIONAL EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

The interim condensed financial statements for the first quarter of 2015 ending 31 March 2015 were prepared in accordance with IAS 34 *Interim Financial Reporting* in condensed form and in compliance with relevant International Financial Reporting Standards (IFRS) applicable to interim financial reporting, approved by the International Accounting Standards Board (IASB) and the Standing Interpretations Committee (SIC), as approved by the European Union and applicable on 31 March 2015.

Accounting principles (policy) employed to draw up the interim condensed financial statements are consistent with principles employed to draw up the Company's annual financial statements for the previous year, except for the changes in standards and new standards and interpretations approved by the European Union and applicable to reporting periods starting on or after 1 January 2015.

In 2014, 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 to the activities conducted by the Company and binding in reporting periods starting on 1 January 2015. Adoption of these standards and interpretations did not entail any material changes in the Company's accounting policy or presentation of data in the financial statements.

The interim financial statements do not include all information and disclosures that are obligatory in annual financial statements, and they should be read jointly with the Company's annual financial statements for the year 2014 which includes notes regarding the period of 12 months ending 31 December 2014 and was prepared in accordance with the IFRSs approved by the EU.

These interim condensed financial statements have not been subject to an audit by an independent statutory auditor. The last financial statements audited by an independent statutory auditor were the financial statements for the year 2014.

These interim condensed financial statements have been drawn up on the assumption that the Company will continue its business operations in the foreseeable future. As of the date of authorization of these interim condensed financial statements no circumstances have been found to exist that would indicate a threat to the Company's continued operations.

The duration of the Company is indefinite.

These interim condensed financial statements, except for the cash flow statement, have been drawn up on accrual basis.

Significant assumptions made by the Management Board in these interim condensed financial statements regarding the accounting principles followed by the Company and the main sources of estimation of uncertainty were the same as described in Note 2 of the annual financial statements for the year 2014.

The Polish zloty (PLN) is the functional currency of the Issuer and the presentation currency of these interim condensed financial statements. Data presented in these financial statements are rounded to thousands of PLN unless otherwise stated in specific cases.

The interim condensed financial statements present the financial situation of ATM S.A. as of 31 March 2015, 31 March 2014 and 31 December 2014, and its financial result in the period of three months ending 31 March 2015 and 31 March 2014.

2. Operating segments

One can distinguish the following segments of operations the Issuer's business that include key categories of its services:

- Segment of Data Center Services, which includes colocation services and other services related to data center infrastructure (such as e.g. leasing of dedicated servers and *cloud computing*). If data transmission/Internet access services are provided by the Issuer in addition to the colocation services, then the related revenues and costs are also categorized in the data center services (through intracompany sales);

- Segment of Telecommunications Services, which includes broadband data transmission, leasing of telecommunications links, Internet access and voice services (ISDN and VoIP).

The column "Other" shows revenues generated outside the primary segments of operations, including sales of administration services. In 2014, this category included inter alia revenues from the OST112 contract. The category includes revenues that have minor (and decreasing) impact on the overall margin and that do not materially increase the Company's fixed costs.

The column "Exclusions" includes intracompany sales of services between the primary segments of operations.

Allocation of fixed assets is based on identification of their actual purpose. Assets that are co-utilized by both segments have been allocated indicatively. The value of the Issuer's shareholdings in affiliated entities is shown in the column "Other".

Variable costs of sales, costs of amortization/depreciation and payroll costs in organizational units responsible for the provision of specific services are allocated to relevant segments through direct allocation. Other operating costs are allocated to appropriate segments proportionally to the related revenues or payroll costs.

(all amounts in PLN thousands unless specified otherwise)

The Company's performance by segments of operations in Q1 2015:

	Segment of Data Center Services	Segment of Telecommunications Services	Other	Exclusions	Total
Fixed assets	**154,174**	**168,243**	**57,674**	**-**	**380,091**
Sales revenues	16,753	15,231	2,403	(1,655)	32,733
Variable costs of sales	5,522	9,966	2,261	(1,655)	16,094
Sales margin	11,232	5,265	142	-	16,639
Fixed costs	5,891	7,080	402	-	13,374
of which: amortization and depreciation	*2,615*	*2,383*	*397*	-	*5,394*
Other net operating revenues and costs	(72)	(117)	-	-	(188)
Operating profit (loss)	**5,269**	**(1,932)**	**(260)**		**3,077**
EBITDA	**7,883**	**451**	**137**	**-**	**8,471**
Net financial revenues and costs					(151)
Pre-tax profit (loss)					**2,926**
Income tax					440
Net profit (loss)					**2,486**

The Company's performance by segments of operations in Q1 2014 (data converted for the purpose of comparability):

	Segment of Data Center Services	Segment of Telecommunications Services	Other	Exclusions	Total
Fixed assets	**118,820**	**156,321**	**65,867**	**-**	**341,009**
Sales revenues	15,311	16,267	13,688	(1,614)	43,652
Variable costs of sales	4,865	9,583	12,758	(1,614)	25,592
Sales margin	10,446	6,684	930	-	18,060
Fixed costs	5,457	6,983	162	-	12,602
of which: Amortization and depreciation	*2,488*	*2,442*	*158*	-	*5,088*
Other net operating revenues and costs	77	143	-	-	220
Operating profit (loss)	**5,065**	**(155)**	**769**	**-**	**5,678**
EBITDA	**7,553**	**2,286**	**927**	**-**	**10,766**
Net financial revenues and costs					(1,214)
Pre-tax profit (loss)					**4,464**
Income tax					742
Net profit (loss)					**3,722**

(all amounts in PLN thousands unless specified otherwise)

Sales revenues by geographical regions are as follows:

	For the period 01/01-31/03/2015	For the period 01/01-31/03/2014
Country	29,473	40,957
Export	3,259	2,695
Total sales revenues	**32,733**	**43,652**

In the above table, the term "Export" means only revenues from sales to customers registered abroad. This category does not include revenues from sales to foreign customers through entities with a registered office in Poland.

3. IMPAIRMENTS OF INVENTORIES TO NET REALIZABLE VALUE

By 31 march 2015, the Company made impairments of inventories in the total amount of PLN 96,000.

4. IMPAIRMENTS OF FIXED ASSETS

By 31 March 2015, the Company did not make any impairments of fixed assets.

5. ESTABLISHMENT, INCREASE, UTILIZATION AND DISSOLUTION OF PROVISIONS

The Company did not establish any provisions.

6. DEFERRED INCOME TAX PROVISIONS AND ASSETS

	Statement of financial position		**Statement of comprehensive income**	
	End of period 31/03/2015	End of period 31/12/2014	For the period 01/01-31/03/2015	For the period 01/01-31/12/2014
Deferred income tax provision				
Difference between the balance sheet value and tax value of tangible fixed assets	4,494	4,166	328	1,490
Accrued revenues from services	-	52	(52)	(349)
Receivable property compensation	-	-	-	-
Interests accrued	6	6	-	1
Valuation of financial instruments	-	-	-	-
Subsidies received – settlement	-	-	-	(4)
Foreign exchange gains	-	-	-	-
Deferred tax provision acquired as part of mergers	-	-	-	-
Gross deferred tax provision	**4,500**	**4,224**	**276**	**1,138**
Deferred tax assets				
Valuation of financial instruments	-	-	-	-
Difference between the balance sheet value and tax value of tangible fixed assets	-	-	-	-
Revenues with deferred payment	-	-	-	-
Deferred income	-	-	-	-

(all amounts in PLN thousands unless specified otherwise)

Inventory impairments	158	150	(8)	8
Write-downs on receivables	151	126	(25)	1
Write-downs on financial assets	1,851	1,851	-	(1,851)
Provisions for service costs	102	185	83	105
Provisions for employee benefits	-	-	-	-
Foreign exchange losses	-	-	-	-
Liabilities towards Social Insurance Institution (ZUS)	-	-	-	-
Liabilities towards employees	-	-	-	-
Accruals/deferred income	-	-	-	-
Subsidies received	-	-	-	-
Effects of IRS valuation	259	281	22	(43)
Accrued interests	11	11	-	-
Deductible tax losses	275	367	92	367
Deferred tax assets acquired as part of mergers	-	-	-	-
Gross deferred tax assets	**2,807**	**2,971**	**164**	**(1,413)**
Net tax assets (tax provision)	**(1,693)**	**(1,253)**		
Deferred income tax charge against profit			**440**	**(275)**

7. Material purchases and sales of tangible fixed assets

The Company did not make any material one-off transactions involving fixed assets. Throughout the period covered by this report, capital expenditure amounted to a total of PLN 10.9 million.

8. Material liabilities due to purchase of tangible fixed assets

There were no material liabilities due to purchase of tangible fixed assets.

9. Material settlements under court proceedings

There were no material settlements under court proceedings.

10. Corrections of errors from previous periods

The entity did not make any corrections of errors from previous periods.

11. Changes in economic situation and business conditions that have material impact on the fair value of the entity's financial assets and liabilities

There were no changes in economic situation that would have material impact on the fair value of the entity's financial assets and liabilities.

12. Bank loans and leasing liabilities

Bank loans include:

1. 5 year investment loan (2012–2017) of PLN 25.39 million, secured by mortgage on real property where the Issuer develops data centers,
2. 5 year investment loan (2014–2019) of PLN 28.20 million, secured by mortgage on real property where the Issuer develops data centers,

3. 5 year investment loan (2014–2019) of PLN 17.10 million, secured by mortgage on real property where the Issuer develops data centers,
4. 5 year investment loan (2013–2019) of PLN 5.70 million, secured by pledge on capital expenditure,
5. overdraft facilities with a total limit of PLN 40.0 million, with PLN 36.30 million used as of the balance-sheet date; in general, revolved annually.

Loans include a liability towards a financial institution granted for refinancing of capital expenditures, with repayment scheduled for the years 2013–2016 and in the amount of PLN 2.01 million as of 31.03.2015.

Other financial liabilities include financial leasing agreements with total liabilities amounting to PLN 21.41 million as of the balance-sheet date. The leasing agreements are signed for refinancing of investment purchases, usually for 5 years. Liabilities arising from these agreements remain at a stable level, for expiring agreements are replaced with newly signed ones.

13. FAILURE TO REPAY A LOAN

There was no default on any loan agreements or a failure to repay a loan.

14. FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE

As of 31.03.2015, the Company held financial instruments shown in their fair value in the statement of financial position. The Company employs the following hierarchy to show fair value of financial instruments by valuation method:

Tier 1 – (unadjusted) prices quoted on active markets for identical assets and liabilities
Tier 2 – other methods for which all inputs which have a significant effect on the shown fair value are included either directly or indirectly
Tier 3 – methods which use inputs that have a significant effect on the shown fair value that are not based on observable market data

The tier in the fair value hierarchy to which a specific fair value measurement is categorized is determined on the lowest tier input that is significant for the fair value measurement. 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 input data that requires material adjustments based on non-observable inputs, that level is Tier 3 measurement. Assessing the significance of specific input data for the fair value measurement in its entirety requires consideration of factors that are unique to that given asset or liability.

(all amounts in PLN thousands unless specified otherwise)

FINANCIAL INSTRUMENTS	31/03/2015		31/12/2014	
	carrying value	fair value	carrying value	fair value
Financial assets are valued at their fair value through profit or loss	-	-	-	-
Financial assets held until maturity	-	-	-	-
Financial assets available for sale (valued at their fair value)	-	-	-	-
Loans granted and own receivables	-	-	-	-
Financial liabilities valued at their fair value through profit or loss	1,364	1,364	1,478	1,478
Other financial liabilities	-	-	-	-

FAIR VALUE HIERARCHY

Financial liabilities valued at their fair value through profit or loss	Fair value hierarchy tier	31/03/2015
Derivative financial instruments – option spread hedging the interest rate risk in respect of an investment loan	Tier 3	135
Derivative financial instruments – IRS contract hedging the interest rate risk in respect of an investment loan	Tier 2	1,229
Total		1,364

The valuation of the option spread hedging the interest rate risk in respect of the investment loan was based on information obtained from Bank Zachodni WBK S.A. (which was prepared with the use of parameters the Bank considered optimal).

The valuation of the IRS hedging the interest rate risk in respect of the investment loan was based on information obtained from Bank Zachodni WBK S.A. (which was prepared with the use of parameters the Bank considered optimal)

In the period ending 31.03.2015 there were no movements between Tier 1 and Tier 2 of the fair value hierarchy, nor was any instrument moved to/from Tier 3 of the fair value hierarchy.

15. CHANGES IN CLASSIFICATION OF FINANCIAL ASSETS DUE TO A CHANGE IN PURPOSE OR USE THEREOF

The Company did not reclassify any of its assets during the period covered by the report.

16. SEASONALITY OF OPERATIONS

Since contracts signed by the Company are predominantly subscription based, are stable, recurrent and not visibly dependent on business cycles. The revenues are not seasonal. Some periodic rises may be due to increased share of non-subscription services involving provision of new telecommunications links and colocation space. Such rise in revenues occurred in the last quarters of 2012-2014.

(all amounts in PLN thousands unless specified otherwise)

17. ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

The Company did not make any of the aforementioned transaction.

18. DIVIDENDS PAID OUT AND DECLARED

On 16 April 2015, the Management Board of ATM S.A. adopted a resolution to recommend to the General Meeting a payout of a dividend for the year 2014 in the amount of PLN 0.20 per share, or PLN 7,268,668.80 in total. Since the Company must incur significant capital expenditures by mid-2015 and plans to achieve significant positive cash flows after completion of the investment in the second half of the year, the Issuer's Management Board recommended that the General Assembly should pay out the dividend in two installments:

- First installment of PLN 0.05 per share on 30 July 2015,
- Second installment of PLN 0.15 per share on 15 December 2015.

19. CHANGES IN THE ENTITY'S STRUCTURE

There were no changes in the Issuer's structure.

20. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Off-balance-sheet items	**End of period 31/03/2015**	**End of period 31/12/2014**
1. Contingent receivables		
1.1 from other entities		
2. Contingent liabilities	43,238	43,238
2.1 to other entities, including:	43,238	43,238
- guarantees and sureties granted	2,942	2,942
- mortgage collateral	31,600	31,600
- collateral pledge	8,696	8,696

No changes in the contingent liabilities occurred after the end of the fiscal year 2014.

21. MATERIAL EVENTS AFTER THE END OF THE QUARTER

The have been no material events after the end of the quarter.

B. OTHER INFORMATION TO THE QUARTERLY REPORT

(REQUIRED UNDER REGULATION OF THE MINISTER OF FINANCE CURRENT AND PERIODIC INFORMATION SUBMITTED BY ISSUERS OF SHARES)

1. INFORMATION ON THE ISSUER

KEY DETAILS OF THE ISSUER

ATM S.A. is a joint stock company. It started its operations in 1994 as ATM Sp. z o.o. On 10 July 1997, ATM Sp. z o.o. was transformed into a joint stock company pursuant to a notarial deed drawn up a Notarial Office in Raszyn on 16 May 1997 (Repertory no. 3243/97).

The registered office of the Company is located in Warsaw at Grochowska 21a. The Company operates from its registered office and through its branch office in Katowice, which is not a self-contained accounting unit. The Company is registered at the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Department of the National Court Register, under KRS number 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange (WSE). According to the WSE classification, the Company's core business falls within the sector "Information Technology". In the period covered by this report, ATM S.A. provided data center and *data transmission services to corporate customers*.

The Company is managed by the Management Board which as of the date of filing of this report included the following persons:

- Tadeusz Czichon – President of the Management Board,
- Jacek Krupa – Vice President of the Management Board.

There were no changes in the composition of the Management Board in the period between the beginning of 2015 and the date of this report.

The Company is supervised by the Supervisory Board composed of the following five persons:

- Mirosław Panek – Chairman of the Supervisory Board,
- Tomasz Tuchołka – Deputy Chairman of the Supervisory Board,
- Grzegorz Domagała – Member of the Supervisory Board,
- Sławomir Kamiński – Member of the Supervisory Board,
- Jacek Osowski – Member of the Supervisory Board.

There were no changes in the composition of the Supervisory Board in the period between the beginning of 2015 and the date of this report.

DESCRIPTION OF THE ORGANIZATIONAL STRUCTURE OF THE ISSUER'S CAPITAL GROUP, INCLUDING UNITS SUBJECT TO CONSOLIDATION

At present, ATM S.A. does not have any subsidiary entities – and thus it does not form a capital group.

As of the publication date of this report, the Issuer held shares representing 21.02% of the share capital of the company Linx Telecommunications B.V. (an investment made in 2007). The results of that entity, as an associated entity, are not consolidated at the operating level but settled in accordance with the equity method. The Company recognizes its share in the results of its associated entity in its own results, while other comprehensive income of the associated entity are included in the Company's other comprehensive incomes. The value of the acquisition price is adjusted to reflect changes in the Company's share in net assets of the associated entity after the acquisition date. On completion of an impairment test in Q4 2014, an impairment loss of PLN 4.9 million was recognized with respect to the goodwill of Linx.

(all amounts in PLN thousands unless specified otherwise)

SPECIFICATION OF SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY, THROUGH SUBSIDIARIES, AT LEAST 5% OF TOTAL NUMBER OF VOTES AT THE ISSUER'S GENERAL MEETING AS OF THE DATE OF FILING OF THE QUARTERLY REPORT, AND SPECIFICATION OF CHANGES IN THE STRUCTURE OF OWNERSHIP OF MAJOR SHAREHOLDINGS IN THE ISSUER SINCE FILING OF THE PREVIOUS QUARTERLY REPORT

Shareholder	Number of shares held	Share in share capital	Number of votes at GM	Share in total number of votes
ATP Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych *	9,119,040	25.09%	9,119,040	25.09%
ING PTE **	7,160,120	19.70%	7,160,120	19.70%
Aviva OFE **	3,278,807	9.02%	3,278,807	9.02%
Altus TFI ***	2,352,906	6.47%	2,352,906	6.47%
Piotr Puteczny ****	2,243,066	6.17%	2,243,066	6.17%
PKO BP Bankowy OFE *****	1,914,556	5.27%	1,914,556	5.27%

**) Majority of certificates of ATP FIZ AN are held by Tadeusz Czichon, President of the Management Board of ATM S.A.*
***) Number of shares as of 31.12.2014, on the basis of "Annual Structure of Assets"*
****) Number of shares as of 17.07.2014, on the basis of a notification*
*****) Together with his wife*
******) Number of shares as of 07.05.2015, on the basis of a notification*

Shareholder	Number of Shares shown in the previous quarterly report	Number of Shares shown in this quarterly report	Change in the number of shares and votes
ATP Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	9,119,040 *	9,119,040	0
ING PTE	7,163,003 **	7,160,120	- 2,883
Aviva OFE	2,915,951 ***	3,278,807	362,856
Altus TFI	2,352,906 ****	2,352,906	0
Piotr Puteczny	2,243,066 *****	2,243,066	0
PKO BP Bankowy OFE	n/a	1,914,556	n/a

**) Majority of certificates of ATP FIZ AN are held by Tadeusz Czichon, President of the Management Board of ATM S.A.*
***) Number of shares as of 18.07.2014, on the basis of a notification*
****) Number of shares as of 15.07.2014, on the basis of a notification*
*****) Number of shares as of 17.07.2014, on the basis of a notification*
******) Together with his wife*

Number of Shares corresponds to the number votes at the GM.

(all amounts in PLN thousands unless specified otherwise)

SPECIFICATION OF CHANGES IN SHAREHOLDINGS IN THE ISSUER OR RIGHTS THERETO (OPTIONS) HELD BY PERSONS MANAGING OR SUPERVISING THE ISSUER, ACCORDING TO INFORMATION HELD BY THE ISSUER, SINCE FILING OF THE PREVIOUS QUARTERLY REPORT

First and last name	As of 13 November 2014	Increases	Decreases	As of 14 May 2015
ATP Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych *	9,119,040			9,119,040
Jacek Krupa	21,600	100		21,700
Anna Bugajska	55,000			55,000

**) Majority of certificates of ATP FIZ AN are held by Tadeusz Czichon, President of the Management Board of ATM S.A.*

ACQUISITION OF OWN SHARES

The Issuer did not purchase its own shares in the reporting period.

2. DESCRIPTION OF THE ISSUER'S ACCOMPLISHMENTS AND GROWTH PERSPECTIVES

DESCRIPTION OF THE ISSUER'S MATERIAL ACCOMPLISHMENTS OR FAILURES IN THE PERIOD COVERED BY THE REPORT

Financial and operational results

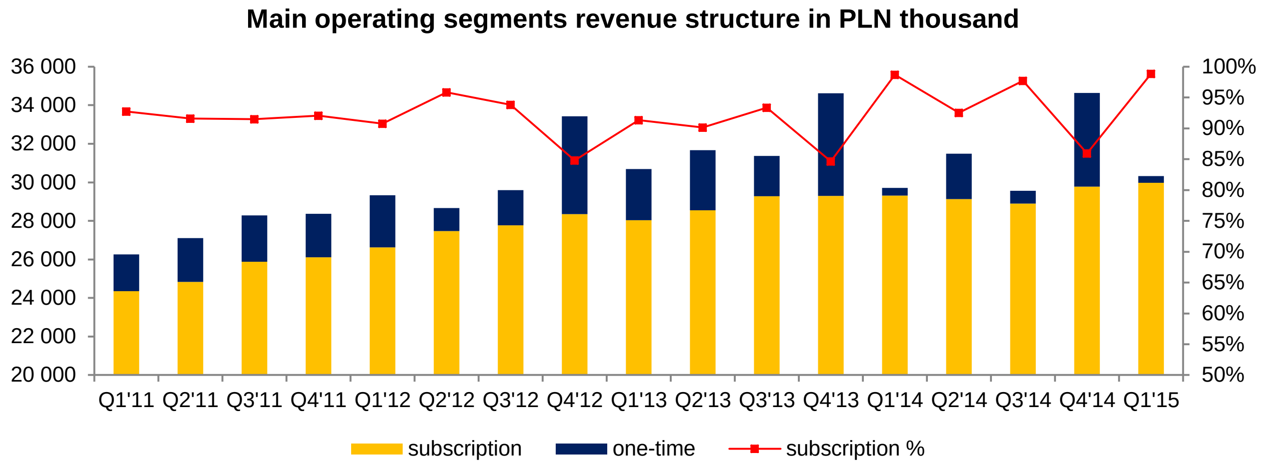
Compared with the corresponding period of the previous year, the Company recorded a decrease in revenues from the Telecommunications Services Segment in the first quarter of 2015 with an increase in revenues from the Data Center Services Segment. As a result, the Company's overall Q1 result is not satisfactory. The decrease in revenues from telecommunications services are a cumulative effect of previous decreases in revenues from that segment in 2014. The situation comes as a result of decreasing prices of data transmission and Internet access services which are not adequately balanced by the volume of sold services. In addition, it was made worse by the completion of the OST112 contract, which had brought a positive margin in the first half of 2015.

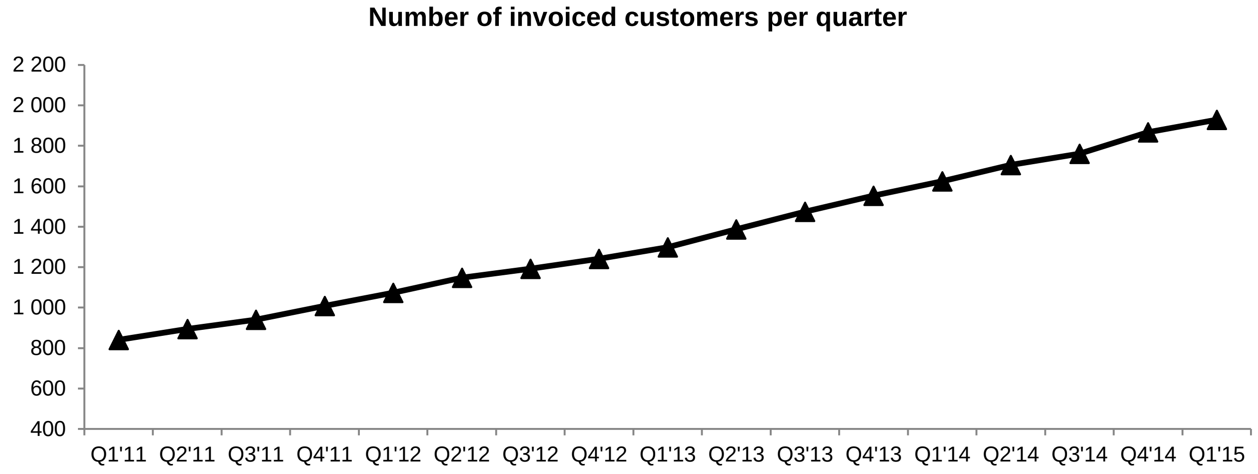
On a positive note, the aforementioned negative trend was stopped in Q1 2015 when revenues from subscription-based telecommunications services reached a level comparable to Q4 2014. Compared to Q4 2014, the Company's total revenues from subscription-based services increased by slightly less than 0.5%.

The poor performance in the first three quarters of 2014 brought about some major changes in the manner in which the Company is operating, particularly in sales and marketing. Major changes have taken place in the structure of the product offering since the start of 2015 – new services have been introduced that represent an added value both for the telecommunications and data center services. However, these developments will bring effects only in the second half of 2015. The Q1 result is approximately in line with the budget assumptions for the year 2015.

The share of subscription-based revenues in the Issuer's total sales once more exceeded 90% in the last quarter, with the number of customers reaching nearly 2,000:

(all amounts in PLN thousands unless specified otherwise)





The financial results in Q1 2015 were positively influenced by the results of the company Linx Telecommunications B.V., which improved its result on financial operations by PLN 0.9 million and total income by PLN 0.8 million. The price reduction of the shareholding in that company at the end of 2014 might have been premature, but final conclusions should be drawn only at the end of 2015.

Data Center Services Segment

The Data Center Services Segment saw a 10% increase in revenues compared with Q1 2014 (to over PLN 16.7 million). Quarter-to-quarter, the revenues remained at a similar level, which came as a result of the lack of invoiceable colocation space in Q4 2014. The Issuer's Management Board attributes this situation primarily to the insufficiently effective marketing and product policy in 2014, which was compounded by a slightly slower growth observed in the entire domestic colocation market. A firm acceleration of commercialization of own colocation space will remain the strategic goal of the Issuer for the coming quarters. It will be possible through, among others:

- Expansion of the offer to include products that are more complex that the “clean” colocation,
- Expansion of the list of products offered through automatic sales (through the Internet),
- Reaching data transmission customers with data center services and XaaS (X-as-a-service) products,
- Bringing the offer to foreign markets,
- Increased demand for large colocation contracts on the part of domestic customers (also as a result of the increasing trend to outsource IT).

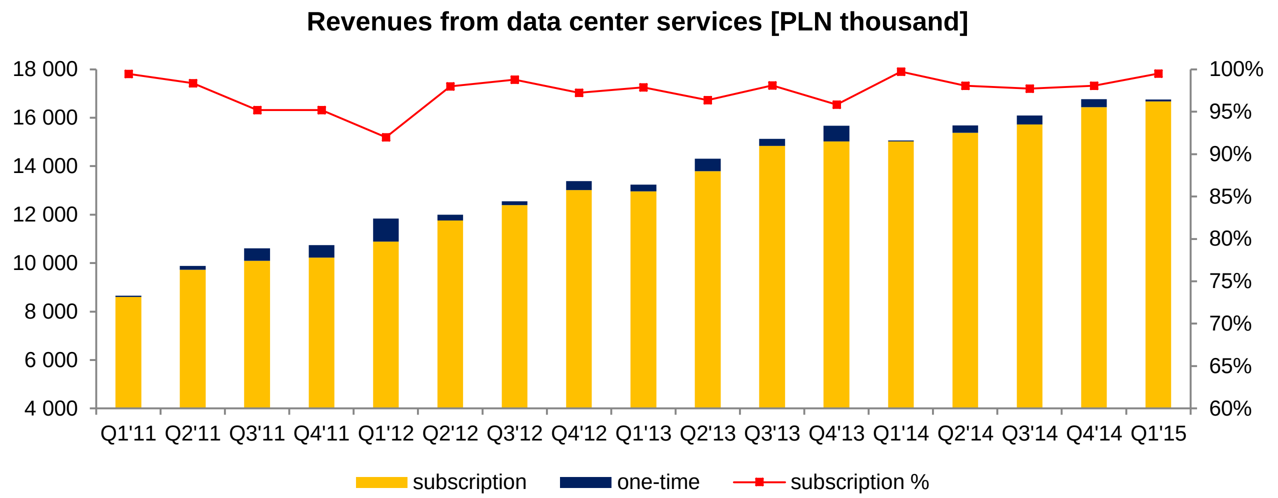
More information about ATM's 2015–2017 strategy and strategic goals established by the Management Board can be found in materials published by the Issuer on its website.

The number of customers in all data centers increased by more than 28% y-t-y and exceeded 1,000 (with the stable industry structure). The sales margin in this segment of operations accounted for some 70% of the total margin generated by ATM in Q1 of this year. The invoiceable space did not change significantly at the end of the quarter compared with the previous quarter and amounted to approximately 3,600 m^2.

The date of publication of this report saw commissioning of a building designed for providing services complementary to colocation services (backup office and colo.office services). The new services already have their first customers. The last building (F5) planned as part of the ATM Innovation Center project is also being built according to schedule. It will be commissioned in around mid-2015.

As every year, last quarter the research company PMR published its quarterly report on the current situation and perspectives of Poland's data center market. In the report, ATM was again listed as the leader of that market in terms of gross colocation space on offer (with the share in the market of more than 12%). It is worth noting that another PMR report published this year – on the data center market in the Central and Eastern Europe – listed the Issuer as the third player in this region of Europe (also in terms of gross space on offer).

The Issuer's quarterly results in the last 4 years in the Segment of Data Center Services are shown in the Figure below:



Segment of Telecommunications Services

The increase in quarterly subscription-based revenues from the Telecommunications Services Segment for the second quarter running can be seen as a positive development. Unfortunately, the increase was only slight, while the profitability of those services, the key factor for the Issuer's results, remains under a strong market pressure. This is mainly due to the following factors:

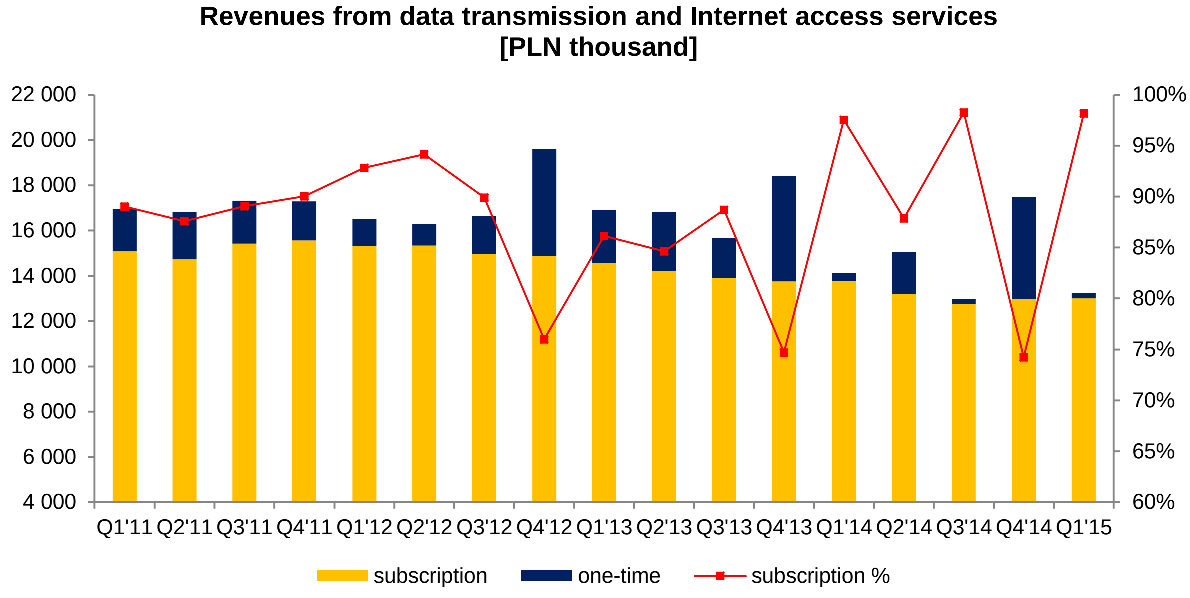
- A market-wide downward trend in unit prices, both in the market for data transmission/leasing of fiber optic links and the market for wholesale Internet access,
- Insufficient flexibility of the operating costs related to the maintenance of the Issuer's network, in particular the so-called fixed network costs.

Added to the above circumstances should be the ever weakening willingness of operators to purchase optic fibers – it is becoming increasingly preferred to lease in long-term, which prevents the seller from realizing any major revenue/profit at the transaction date.

In the coming quarters, the Issuer will be striving to modernize and expand its offer in this segment, which, when coupled with the expected increase in the service volume and customer base, should translate into stabilization of the margin at the very least. The customer base in both service categories in this segment – data transmission and Internet access – grew dynamically in the last quarter (more than 20% y-t-y).

Summary of quarterly revenues from sales data transmission and Internet access services is shown below:

(all amounts in PLN thousands unless specified otherwise)



DESCRIPTION OF NON-STANDARD FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULTS ACHIEVED

There were no non-standard factors or events which might materially affect the financial results.

SPECIFICATION OF FACTORS THAT IN THE ISSUER'S OPINION WILL HAVE IMPACT ON ITS RESULTS OVER AT LEAST THE NEXT QUARTER

One of the most important external factors that determines the Issuer's business growth is a constant increase in demand for transmission, processing and archiving of information, which creates conditions for constant increase in demand for the services provided by the Issuer in the area of data transmission to businesses and institutions, as well as data center (colocation) services.

The main factors that – in the Issuer's opinion – should stimulate the demand for its services in the coming years include:

- Digitization of businesses – a growing demand for data computing power and data storage space (also in relation to the so-called “Big Data”),
- Advances in telecommunications – the new generation network (LTE), a dynamically growing number of mobile devices used to send increasing amounts of data (content delivery),
- Increasing popularity of services that generate large volumes of data, such as video transmission, social media, online games, e-commerce,
- Tangible benefits of locating own equipment in close proximity of the equipment and links operated by business partners and customers – such possibilities are offered only by data centers which concentrate wide range of stakeholders from different sectors,
- Dynamic development of the market for financial services, in which e-commerce and the need to handle large volumes of transactions per time unit are becoming increasingly important,
- progressive digitalization of the public sector (e.g. health care),
- IT outsourcing – a growing trend to place own data processing equipment at the premises of specialized providers of data center services, rather than building own server facilities (costs – economies of scale, quality and reliability of services – know-how),
- Cloud computing – transfer of a part of data processing to companies that offer cloud computing and also base their operations on the infrastructure offered by specialized data center providers.

In view of the above, the Issuer implements the adopted strategy and continues investments by preparing further modules of the ATMAN Data Center and Thinx Poland for sale and by finalizing its ATM Innovation Center project. Completion of these investments and the high pace of sales will permit strengthening ATM's leading position on the domestic data center market and bring a notable increase in revenues and profits in the coming financial periods.

In terms of investments in progress, ATM is planning to commission further buildings as part of the ATMAN Data Center and Thinx Poland with a total net area of around 3,000 m^2, which, together with the currently available space, gives more than 5,500 m^2 of potential colocation space that will generate revenues for the company in the future.

According to the Issuer's estimates, commercialization of the aforementioned space should translate into some PLN 50-55 million of additional annual EBITDA, which would mean over a two-fold growth in the Issuer's EBITDA today. However, when the profit can start growing significantly will heavily depend on market developments and growth in the demand for colocation services in Poland and worldwide.

The risk related to the demand for the Issuer's services is the main factor that may have a negative impact on the Issuer's results in the future. All factors known by the Company, including those referred to above, indicate that the domestic data center market has not entered into the phase of its most dynamic growth yet. This seems to be confirmed when Poland's market is compared to the scale and maturity of data center service markets in West Europe or the USA – the significant differences in this area are likely decrease fast in the coming years.

Due to the current geopolitical environment, an additional risk factor in the context of the Issuer's total income over the coming quarters (through the impact on the results of the associated company Linx Telecommunications B.V.) will be the potential impact of any worsening of the business environment in Russia, including further devaluation of the Ruble against the Euro.

THE MANAGEMENT BOARD'S OPINION ON THE POTENTIAL TO MEET EARLIER PERFORMANCE FORECASTS FOR THE CURRENT YEAR IN THE LIGHT OF HOW THE RESULTS PRESENTED IN THE QUARTERLY REPORT COMPARE TO THE FORECASTS

The Company did not publish any forecasts for the year 2015.

3. OTHER INFORMATION

INFORMATION ON TRANSACTION OR TRANSACTIONS MADE BY THE ISSUER OR ITS SUBSIDIARY WITH AFFILIATED ENTITIES IF SUCH TRANSACTION OR TRANSACTIONS ARE INDIVIDUALLY OR AS A WHOLE MATERIAL AND WERE MADE ON TERMS AND CONDITIONS OTHER THAN MARKET TERMS AND CONDITIONS

During the period covered by this report, the Issuer did not make any material transactions with affiliated entities which, either individually or jointly, were concluded on terms and conditions other that market terms and conditions.

SPECIFICATION OF PROCEEDINGS PENDING BEFORE COURTS, COMPETENT ARBITRATION AUTHORITIES OR PUBLIC ADMINISTRATION AUTHORITIES

There are no proceedings before courts, competent arbitration authorities or public administration bodies concerning liabilities or receivable of the Issuer that would amount to at least 10% of the Issuer's equity.

(all amounts in PLN thousands unless specified otherwise)

INFORMATION ON LOAN OR CREDIT SURETIES OR GUARANTEES GRANTED BY THE ISSUER OR ITS SUBSIDIARY IF THE EXISTING SURETIES OR GUARANTEES TOTAL AT LEAST 10% OF THE ISSUER'S EQUITY

During the period covered by this report, the Issuer did not grant any loan sureties of guarantees that would total in excess of 10% of the Issuer's equity.

OTHER INFORMATION DEEMED BY THE ISSUER TO BE IMPORTANT FOR THE ASSESSMENT OF THE ISSUER'S HUMAN RESOURCES, PROPERTY OR FINANCIAL SITUATION OR FINANCIAL RESULT AND CHANGES THEREIN, AND INFORMATION THAT IS IMPORTANT FOR ASSESSING THE ISSUER'S ABILITY TO MEET ITS 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.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

First name and last name	Position/function	Date	Signature
Tadeusz Czichon	President of the Management Board	14 May 2015	....
Jacek Krupa	Vice President of the Board	14 May 2015	....

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING BOOKS:

Kinga Bogucka	Chief Accountant	14 May 2015	....