

POLISH FINANCIAL SUPERVISION AUTHORITY

SA-QSr consolidated quarterly reports for the fourth quarter of 2006

(pursuant to Section 86, Subsection 2 and Section 87, Subsection 1 of the Regulation of the Minister of Finance dated October 19, 2005, Journal of Laws No. 209, Item 1744)

(for issuers of securities who engage in manufacturing, construction, commercial or service activities)

for the fourth quarter of fiscal year 2006, i.e. October 1, 2006 to December 31, 2006

ATM S.A.

(full name of the issuer)

ATM

(short name of the issuer)

04-186

(post code)

Grochowska

(street address)

+48 (22) 5156 660

(telephone)

inwestor@atm.com.pl

(e-mail)

113-00-59-989

(NIP/tax ID)

Information Technology

(sector according to Warsaw Stock Exchange classification)

Warsaw

(city)

21a

(number)

+48 (22) 5156 600

(fax)

www.atm.com.pl

(Web)

012677986

(REGON/statistical ID)

SELECTED FINANCIAL DATA

	PLN thou		EUR thou	
	4 quarters 2006 (January 1, 2006 to December 31, 2006)	4 quarters 2005 (January 1, 2005 to December 31, 2005)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
I. Net revenue on sales of products, goods and materials	148,301	119,551	38,570	29,715
II. Profit (loss) on operating activities	35,872	22,770	9,329	5,659
III. Gross profit (loss)	34,176	22,970	8,888	5,709
IV. Net profit (loss)	26,817	19,250	6,974	4,785
V. Net cash flows from operating activities	1,943	11,928	505	2,965
VI. Net cash flows from investment activities	30,666	-10,600	7,976	-2,635
VII. Net cash flows from financial activities	-25,005	-3,043	-6,503	-756
VIII. Total net cash flows	7,604	-1,715	1,978	-426
IX. Total assets	178,380	126,653	46,560	32,813
X. Liabilities and provisions for liabilities	76,186	50,840	19,886	13,172
XI. Long-term liabilities	6,740	2,562	1,759	664
XII. Short-term liabilities	59,345	43,818	15,490	11,352
XIII. Shareholders' equity	99,307	75,813	25,920	19,642
XIV. Initial capital	24,526	24,526	6,402	6,354
XV. Number of shares (units)	3,227,040	3,227,040	3,227,040	3,227,040
XVI. Profit (loss) per ordinary share (PLN/EUR)	8.31	5.97	2.17	1.55
XVII. Diluted profit (loss) per ordinary share (PLN/EUR)	8.31	5.97	2.17	1.55
XVIII. Book value per share (PLN/EUR)	30.77	23.49	8.03	6.09
XIX. Diluted book value per share (PLN/EUR)	30.77	23.49	8.03	6.09
XX. Dividend declared or paid per share (PLN/EUR)	7.60	2.15	1.98	0.56

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	PLN thou			
	Data as of December 31, 2006 (end of quarter, 2006)	Data as of September 30, 2006 (end of previous quarter, 2006)	Data as of December 31, 2005 (end of previous year, 2005)	Data as of December 31, 2005 (end of quarter, 2005)
ASSETS				
I. Fixed assets	69,352	53,920	39,837	39,837
1. Intangible assets, including:	3,834	2,135	273	273
2. Subordinated entity goodwill	11,045	321	0	0
3. Tangible fixed assets	52,952	50,601	38,302	38,302
4. Long-term receivables	288	166	339	339
4.1. From affiliates and subsidiaries	0			
4.2. From other entities	288	166	339	339
5. Long-term investments	290	516	54	54
5.1. Real estate	0			
5.2. Intangible assets	0			
5.3. Long-term financial assets	290	516	54	54
a) In affiliates and subsidiaries, including:	0	306	54	54
- Stocks or shares in subordinated entities based on the equity method	0			
- Stocks or shares in subsidiaries and joint subsidiaries not covered by consolidation	0	306	0	0
b) In other entities	290	210	0	0
5.4. Other long-term investments	0			
6. Long-term prepayments	944	502	869	869
6.1. Deferred income tax assets	712	376	580	580
6.2. Other prepayments	232	126	290	290
II. Current assets	109,028	47,257	86,816	86,816
1. Inventory	5,478	2,961	2,364	2,364
2. Short-term receivables	89,029	29,849	80,313	80,313
2.1. From affiliates and subsidiaries	26,732	0	0	0
2.2. From other entities	62,297	29,849	80,313	80,313
3. Short-term investments	9,554	9,781	1,801	1,801
3.1. Short-term financial assets	9,554	9,781	1,801	1,801
a) In affiliates and subsidiaries	0			
b) In other entities	0	5,993	0	0
c) Cash and cash equivalents	9,554	3,789	1,801	1,801
3.2. Other short-term investments	0			
4. Short-term prepayments	4,968	4,665	2,338	2,338
Total assets	178,380	101,177	126,653	126,653
LIABILITIES				
I. Shareholders' equity	99,307	76,114	75,813	75,813
1. Initial capital	24,526	24,526	24,526	24,526
2. Outstanding initial capital contributions	0			
3. Treasury shares (stocks) (negative value)	0			
4. Supplementary capital	21,133	21,221	20,987	20,987
5. Revaluation reserve	3,471	3,521	0	0
6. Other reserve capitals	23,362	23,362	11,050	11,050
7. Profit (loss) from previous years	-2	-2	0	0
8. Net profit (loss)	26,817	3,487	19,250	19,250
II. Minority capitals	2,888	885	0	0
III. Liabilities and provisions for liabilities	76,186	24,177	50,840	50,840
1. Provisions for liabilities	2,493	2,197	1,442	1,442
1.1. Provision for deferred income tax	2,250	2,197	1,442	1,442
1.2. Provision for retirement and similar benefits	0			

	PLN thou			
	Data as of December 31, 2006 (end of quarter, 2006)	Data as of September 30, 2006 (end of previous quarter, 2006)	Data as of December 31, 2005 (end of previous year, 2005)	Data as of December 31, 2005 (end of quarter, 2005)
a) Long-term	0			
b) Short-term	0			
1.3. Other provisions	243			
a) Long-term	169			
b) Short-term	74			
2. Long-term liabilities	6,740	7,281	2,562	2,562
2.1. To affiliates and subsidiaries	0	1	1	
2.2. To other entities	6,740	7,281	2,562	2,562
3. Short-term liabilities	59,345	14,196	43,818	43,818
3.1. To affiliates and subsidiaries	41	105	162	162
3.2. To other entities	59,143	13,936	43,469	43,469
3.3. Special funds	161	154	187	187
4. Accruals	7,607	503	3,019	3,019
4.1. Other accruals	7,607	503	3,019	3,019
a) Long-term	1,098	17	50	50
b) Short-term	6,509	486	2,969	2,969
Total liabilities	178,380	101,177	126,653	126,653
Book value	99,307	76,114	75,813	75,813
Number of shares (units)	3,227,040	3,227,040	3,227,040	3,227,040
Book value per share (PLN)	30.77	23.59	23.49	23.49
Diluted shares (units)	3,227,040	3,227,040	3,227,040	3,227,040
Diluted book value per share (PLN)	30.77	23.59	23.49	23.49

OFF-BALANCE-SHEET ITEMS

	PLN thou			
	Data as of December 31, 2006 (end of quarter, 2006)	Data as of September 30, 2006 (end of previous quarter, 2006)	Data as of December 31, 2005 (end of previous year, 2005)	Data as of December 31, 2005 (end of quarter, 2005)
1. Contingent receivables	291	291	291	291
1.1. From other entities	291	291	291	291
- Compensation	291	291	291	291
2. Contingent liabilities		5,830	28,268	28,268
2.1. To other entities	10,660	5,830	28,268	28,268
- Guarantees and sureties	7,345	5,830	4,718	4,718
- Mortgages	2,162	0	23,550	23,550
- Pledges	1,153			
Total off-balance-sheet items	10,951	6,121	28,559	28,559

CONSOLIDATED PROFIT AND LOSS STATEMENT

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (October 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
I. Net revenue on sales of products, goods and materials, including:	63,009	148,301	38,281	119,551
- From affiliates and subsidiaries	-9	13	10	38
1. Net revenue on sales of products	34,165	82,090	18,557	67,970
2. Net revenue on sales of goods and materials	28,843	66,211	19,724	51,580
II. Cost of products, goods and materials sold, including:	43,964	102,959	28,048	85,894
- To affiliates and subsidiaries	-2	7	4	13
1. Manufacturing costs of products sold	25,324	55,680	12,325	44,754
2. Value of goods and materials sold	18,640	47,279	15,723	41,141
III. Gross profit (loss) on sales	19,044	45,342	10,233	33,656
IV. Selling costs	479	1,163	118	380
V. General and administrative costs	8,160	28,306	6,299	26,415
VI. Profit (loss) on sales	10,406	15,873	3,815	6,861
VII. Other operating revenue	21,179	26,853	16,519	17,059
1. Proceeds from disposal of non-financial fixed assets	19,745	19,825	15,919	15,926
2. Subsidies	175	175	0	0

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (October 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
3. Other operating revenue	1,260	6,853	600	1,133
VIII. Other operating expenses	1,339	6,855	743	1,151
1. Loss on disposal of non-financial fixed assets	0	0		
2. Revaluation of non-financial fixed assets	132	244	186	186
3. Other operating expenses	1,207	6,611	558	965
IX. Profit (loss) on operating activities	30,246	35,872	19,610	22,770
X. Financial revenue	671	1,351	313	1,101
1. Interest, including:	80	666	37	310
2. Other	592	685	276	791
XI. Financial expenses	958	3,048	292	901
1. Interest, including:	62	109	202	687
2. Other	896	2,938	90	214
XII. Profit (loss) on business activities	29,959	34,176	19,631	22,970
XIII. Gross profit (loss)	29,959	34,176	19,631	22,970
XIV. Income tax	6,273	7,049	3,211	3,720
a) Current	6,434	7,078	2,945	2,929
b) Deferred	-162	-29	266	791
XV. Minority profit (loss)	347	309		
XVI. Net profit (loss)	23,339	26,817	16,421	19,250
Net profit (loss), annualized	26,817	26,817	19,250	19,250
Weighted average of ordinary shares (units)	3,227,040	3,227,040	3,227,040	3,227,040
Profit (loss) per ordinary share (PLN)	8.31	8.31	20.35	5.97
Weighted average of diluted ordinary shares (units)	3,227,040	3,227,040	3,227,040	3,227,040
Diluted profit (loss) per ordinary share (PLN)	8.31	8.31	20.35	5.97

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (January 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
I. Opening balance of shareholders' equity	76,709	75,813	56,563	56,563
I.a. Opening balance of shareholders' equity after reconciliation with comparable data	76,709	75,813	56,563	56,563
1. Opening balance of initial capital	24,526	24,526	24,526	24,526
1.1. Closing balance of initial capital	24,526	24,526	24,526	24,526
2. Opening balance of supplementary capital	21,221	20,987	20,987	20,987
a) Increases (due to)	61	295		
- Items carried forward from revaluation reserve due to fixed asset sale or disposal	61	295		
b) Decreases (due to)	150	150		
- Expenses related to the issue of a new series of shares	150	150		
2.1. Closing balance of supplementary capital	21,132	21,132	20,987	20,987
3. Opening balance of revaluation reserve	3,521	0		
a) Increases (due to)		3,710		
b) Decreases (due to)	50	239		
- Disposal of fixed assets	50	239		
3.1. Closing balance of revaluation reserve	3,471	3,471		
4. Opening balance of other reserve capitals	23,362	11,050	3,315	3,315
4.1. Changes in other reserve capitals		12,312	7,736	7,736
a) Increases (due to)		12,312	7,736	7,736
- Profit distribution (above the statutory minimum)		12,312	7,736	7,736
4.2. Closing balance of other reserve capitals	23,362	23,362	11,050	11,050
5. Opening balance of profit (loss) from previous years	4,080	19,250	17,736	7,736
5.1. Opening balance of profit from previous years			7,736	7,736

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (January 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
5.2. Opening balance of profit from previous years after reconciliation with comparable data			7,736	7,736
a) Decreases (due to)		19,252	7,736	7,736
- Items transferred to reserve capital		12,312	7,736	7,736
- Dividend payout		6,938		
- Profit adjustment		2		
5.3. Closing balance of profit from previous years	4,080	-2		
5.4. Closing balance of profit (loss) from previous years	4,080	-2		
6. Net result	22,088	26,170	19,250	19,250
a) Net profit	22,088	26,170	19,250	19,250
II. Closing balance of shareholders' equity	98,658	98,658	75,813	75,813
III. Shareholders' equity including proposed profit distribution (loss coverage)	74,133	74,133	68,875	68,875

CONSOLIDATED CASH FLOW STATEMENT

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (October 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
A. Cash flows from operating activities				
I. Net profit (loss)	23,339	26,817	16,421	19,250
II. Total adjustments	-19,256	-24,874	-12,603	-7,322
1. Minority profit (loss)	347	309		
2. Depreciation or amortization, including:	1,863	6,068	1,782	6,280
3. FX gains (losses)	-386	-638	-361	-1,193
4. Interest and profit sharing (dividend)	874	2,503	274	720
5. Profit (loss) on investment activities	-19,734	-19,924	-15,918	-15,907
6. Change in provisions	-18	971	169	681
7. Change in inventory	570	-28	1,415	1,694
8. Change in receivables	-38,799	-29,159	-21,921	-11,592
9. Change in short-term liabilities excluding credits and loans	31,094	14,877	19,797	13,278
10. Change in prepayments and accruals	5,099	312	2,162	-1,282
11. Other adjustments	-166	-166	0	0
III. Net cash flows from operating activities (I+/-II), indirect method	4,083	1,943	3,818	11,928
B. Cash flows from investment activities				
I. Proceeds	8,648	50,094	1,094	5,150
1. Disposal of intangible assets and tangible fixed assets	2,432	49,680	1,094	1,598
2. Disposal of investments in real property and intangible assets	0	0		
3. From financial assets, including:	6,015	410	0	3,537
a) In affiliates and subsidiaries	0	0		
- Sales of financial assets	0	0		
- Dividends and profit sharing	0	0		
- Repayment of long-term loans granted	0	0		
- Interest	0	0		
- Other proceeds from financial assets	0	0		
b) In other entities	6,015	410	0	3,537
- Sales of financial assets	5,993	0	0	3,408
- Dividends and profit sharing	0	0		
- Repayment of long-term loans granted	0	0		
- Interest	22	410	0	129
- Other proceeds from financial assets	0	0		
4. Other investment proceeds	201	4	0	16
II. Expenses	5,302	19,428	5,567	15,750
1. Purchase of intangible assets and tangible fixed assets	5,301	19,211	5,563	15,724
2. Investments in real property and intangible assets	0	0		

	PLN thou			
	Q4, 2006 (October 1, 2006 to December 31, 2006)	4 quarters 2006 (January 1, 2006 to December 31, 2006)	Q4, 2005 (October 1, 2005 to December 31, 2005)	4 quarters 2005 (January 1, 2005 to December 31, 2005)
3. For financial assets, including:	0	210	0	0
a) In affiliates and subsidiaries	0	0		
- Purchase of financial assets	0	0		
- Long-term loans granted	0	0		
b) In other entities	0	210	0	0
- Purchase of financial assets	0	210	0	0
- Long-term loans granted	0	0		
4. Other investment expenses	1	7	4	26
III. Net cash flows from investment activities (I-II)	3,346	30,666	-4,473	-10,600
C. Cash flows from financial activities				
I. Proceeds	1,455	2,722	102	1,069
1. Net proceeds from the draw up of shares and other capital instruments and from capital contributions	199	1,004	0	0
2. Credits and loans	0	0	0	625
3. Issue of debt securities	0	0		
4. Other financial proceeds	1,256	1,718	102	444
II. Expenses	3,153	27,728	1,188	4,112
1. Purchase of treasury shares	0	0		
2. Dividends and other payments to shareholders	50	6,988		
3. Profit distribution expenses other than payments to shareholders	0	0		
4. Repayment of credits and loans	1,515	15,460	625	2,180
5. Redemption of debt securities	0	0		
6. Other financial expenses	0	0		
7. Payment of liabilities arising from financial leases	543	2,100	284	1,008
8. Interest	895	2,948	274	848
9. Other financial expenses	150	232	6	75
III. Net cash flows from financial activities (I-II)	-1,698	-25,005	-1,086	-3,043
D. Net cash flows, total (A.III+/-B.III+/-C.III)	5,731	7,601	-1,741	-1,715
E. Change in net cash and cash equivalents, including:	5,731	7,607	-1,741	-1,715
F. Opening balance of cash	3,823	1,947	3,543	3,516
G. Closing balance of cash (F+/-D), including:	9,554	9,548	1,801	1,801
- Restricted cash	49	49	95	95

QUARTERLY FINANCIAL INFORMATION

BALANCE SHEET

	PLN thou			
	Data as of December 31, 2006 (end of quarter, 2006)	Data as of September 30, 2006 (end of previous quarter, 2006)	Data as of December 31, 2005 (end of previous year, 2005)	Data as of December 31, 2005 (end of quarter, 2005)
ASSETS				
I. Fixed assets	73,506	54,330	39,837	39,837
1. Intangible assets, including:	2,038	757	273	273
2. Tangible fixed assets	50,449	50,584	38,302	38,302
3. Long-term receivables	166	166	339	339
3.1. From affiliates and subsidiaries	0			
3.2. From other entities	166	166	339	339
4. Long-term investments	20,031	2,320	54	54
4.1. Long-term financial assets	20,031	2,320	54	54
a) In affiliates and subsidiaries, including:	19,821	2,110	54	54
- Stocks or shares in subordinated entities based on the equity method	19,821			
b) In other entities	210	210	1	1
5. Long-term prepayments	823	502	869	869

The change to fixed asset write-downs results from the decrease in the write-off due to the sale or disposal of fixed assets.

Other information pursuant to Section 91, Subsection 4 of the Regulation

1. Description of the Issuer's significant achievements or failures during the reporting period

As expected, the Company recorded its best results of the year during the fourth quarter. In line with the nature of the market (as observed during the preceding years as well), the last quarter sees a considerable increase in revenue on sales of information and communications technology services (approximately 32% of the annual revenue), which is related to the closure of the customers' investment budgets. Similarly to the previous year, it was in the last quarter of 2006 that profit from the sales of certain assets generated by the Company was obtained, as announced earlier (the transaction is described in Section 2 of this document).

Interestingly, despite the relatively small increase in sales revenue (7% year-on-year), there was a considerable rise in gross profit on sales (27%) and profit from sales (109%). This proves that the growth of the information and communications technology market still has little impact on ATM S.A.'s revenue (as there is no significant growth in ICT investment from medium and large corporations and budgetary units), and that despite the 'difficult' market, profitability has been on the increase due to the growing share of added value in the services sold.

A summary of key profit and loss statement items for ATM S.A.'s individual statements is shown in the table below.

	Q4 2005	Q4 2006	Growth	2005	2006	Growth
Sales revenue	38,281	42,134	10%	119,551	127,765	7%
Gross profit on sales	10,233	16,215	58%	33,656	42,756	27%
Overheads	6,418	8,012	25%	26,795	28,442	6%
Profit on sales	3,815	8,203	115%	6,861	14,314	109%
Other operating revenue	15,776	19,802	26%	15,909	19,961	25%
Operating earnings	19,591	28,005	43%	22,770	34,275	51%
Financial expenses	-40	277		-200	1,688	
GROSS PROFIT	19,631	27,728	41%	22,970	32,587	42%
Income tax	3,210	5,640	76%	3,720	6,417	73%
NET PROFIT	16,421	22,088	35%	19,250	26,170	36%

At the consolidated level, the Company's net profit was significantly impacted by the performance of KLK Technologie Informatyczne, with respect to which results were consolidated for the last two months of the year. As a result, the sales revenue increased by PLN 20,919,000, and net profit rose by PLN 2,007,000.

Other ATM subsidiaries being members of the ATM group were established during the year, and therefore did not have a noticeable impact on ATM group's performance. For the entire 2006, these subsidiaries provided a total sales revenue of just PLN 214,000, and a gross profit on sales of PLN 197,000 (in real terms, only ATM Services and Cineman recorded any revenue at all). With the overall cost of all these companies at approximately PLN 900,000, this means a loss of PLN 700,000. Such an outcome was expected as these companies are growing rapidly, and are developing new products, which precludes profits at this stage. The projects allocated to these companies are progressing successfully, with a particularly favorable outlook for mPay, Cineman and ATM Services.

The table below shows a summary of ATM S.A.'s annual performance at a consolidated level compared to the preceding year.

	2005	2006	Growth
Sales revenue	119,551	148,301	24%
Gross profit on sales	33,656	45,342	35%
Overheads	26,795	29,469	10%
Profit on sales	6,861	15,873	131%
Other operating revenue	15,908	19,999	26%
Operating earnings	22,770	35,872	58%
Financial expenses	-200	1,688	
GROSS PROFIT	22,970	34,176	49%
Income tax	3,720	7,049	89%
Minority profit	0	309	
NET PROFIT	19,250	26,817	39%

The most important events of the last quarter include the expansion of the ATM group of companies to include the Katowice-based KLK Technologie Informatyczne sp. z o.o. As a result of the transaction, ATM acquired 78.74% of shares in KLK, with the remaining 21.26% shares retained by the existing shareholders, who remained on the company's management board. KTK Technologie Informatyczne is an IT service provider, and one of the first IT system integrators to operate in Poland. The company specializes in consulting, design, implementation and maintenance services covering advanced power supply systems, communications networks and computing systems. In 2006, it recorded PLN 48 million in sales revenue and nearly PLN 3 million in net profit. ATM S.A. announced details of the transaction in its current reports no. 44/2006 and no. 46/2006. A complete description of the group's structure is provided in the "Other information" section of this report. The end of the fourth quarter of 2006 also provides an opportunity to emphasize that ATM made the right investment decision. In the last two months of the year, KLK generated nearly PLN 21 million in revenue, and net profit exceeded PLN 2 million. Collaboration at the operational level was quickly established within the ATM group of companies, and a major part of the ATM Katowice branch will soon be incorporated into KLK. At the request of ATM Services, the KLK team performed a power supply audit for one of the company's customers, and close cooperation to support another key account in the power industry was established (with KLK providing IT equipment and ATM providing networking hardware and services). Also, deliveries of power supply systems for ATM SA investment projects began (to be completed in Q1 2007), and KLK became IBM's partner of the year in terms of maintenance package sales in 2006.

As far as investment projects are concerned, ATM S.A. commenced the upgrade of its telecommunications network and the implementation of 10 Gigabit Ethernet technology. The purpose of these activities is to ensure the ability to handle the rapid increase in Internet traffic, and to adapt the network to the requirements of emerging technologies, such as video-on-demand, 'triple play' services, IPTV and High Definition TV (HDTV).

The results for the fourth quarter of 2006 indicate that ATM is steadily strengthening its position on the telco market, with revenue from this segment making up nearly 50% of the overall sales revenue.

Revenue from projects based on the technology provided by ATM's key partner, Cisco Systems, increased by 32% in comparison to the 4th quarter of 2005. This is due to the extension of the partnership to include new business areas, and the partners' increasing involvement in joint sales efforts.

ATM has also remained a leader in the sales of high-performance computing systems (supercomputers) to Polish academic institutions, with a total revenue from this line of business reaching PLN 5.75 million in the fourth quarter.

Important commercial wins include an order from TVP S.A. for the delivery of Internet connections (through a consortium with Crowley Data Poland). The transaction involves the provision of Internet access at 30 Mbps (upgradeable to 100 Mbps). Also, Internet coverage of local government elections provided good commercial exposure to the Company. Working as a consortium with ATM S.A., eo Networks won the tender for online visualization of election results. In a joint effort, the two companies and the National Electoral Office (Krajowe Biuro Wyborcze) established a reliable system allowing the public to access voting results in real time at the referendum.pkw.gov.pl website.

Another important project, and one that requires superior skills, is the comprehensive integration initiative for PTC Sp. z o.o. launched at the beginning of the fourth quarter. The operator of the Era and Heyah mobile networks entrusted ATM with the implementation of MPLS technology using Cisco Systems equipment. As part of the project, ATM S.A. developed technical assumptions, delivered and implemented hardware, supported the migration of services to the new network, and provided post-implementation consultancy and training courses. With the deployment of MPLS, Era will obtain a universal, super-fast data communications network (up to 10 Gbps) with QoS support for use with both current and future mobile communications systems.

The performance of ATM S.A.'s subsidiaries has also been good, with Cineman sp. z o.o. winning a strategic customer: Telekomunikacja Polska S.A. Acquiring a customer with such an extensive end-user base at an early stage of operations is a spectacular success, and a confirmation that ATM S.A. adopted the right strategy in order to establish a complex portfolio of digital video, information and entertainment content distribution with its partners, proven providers of high-quality content. Cineman's goal is to offer services both to telecommunications providers (including mobile operators in the future) and the general public (using the Internet).

During the last quarter, another subsidiary, iloggo sp. z o.o., launched its website to the market. Being part of the emerging Web 2.0 movement, the site provides a tool for convenient management links to favorite websites from any computer on the network, and facilitates the establishment of Internet user communities focusing on common areas of interest. iloggo complements ATM S.A.'s Internet service portfolio and operates in a manner consistent with the Company's strategy aiming at B2B customer support. The site's operational model fits into the strategy employed by ATMAN, a carrier business owned by ATM S.A. With such services as AC-X, ATMAN lifts bandwidth limits, encouraging customers to generate IP traffic both within and outside their local networks. Moreover, considering the fact that iloggo is a sorting website that does not aggregate information content, its operating costs are also low. An additional reduction in costs is possible by using ATMAN's telecommunications infrastructure, which means that iloggo's operations may become profitable in the near future.

Following the successful completion of technology testing, mPay S.A., a company specializing in the marketing of mobile payment systems, focused on the drafting and submission of an application to the National Bank of Poland for the status of a billing agent. This involved the adaptation of both the company's technology infrastructure and organizational structure to the requirements of the act on electronic payment instruments. It warrants mentioning that on January 26, 2007, with the decision of the President of the National Bank of Poland, mPay S.A. became the first company in Poland to obtain a license to run a mobile payment authorization and settlement system (i.e. the status of a billing agent for mobile payments).

The last quarter of 2006 also brought a prestigious distinction and a number of awards for ATM S.A. In November, in collaboration with the Polish Confederation of Private Employers Lewiatan, *Manager Magazin* rewarded top-level executives for outstanding performance and tangible, measurable achievements in the management of their companies. One of the winners was Roman Szwed, ATM S.A.'s President. The idea of the event was to reward managers whose companies recorded the greatest increase in value during the period in question, measured in terms of return on investment into shares. Also, increases in revenue and profit provided a supplementary factor.

For the fourth time now, *Puls Biznesu* developed a ranking of listed companies, and published the results on the last day of 2006. According to *Puls Biznesu* journalists and analysts, ATM S.A. was the company of 2006.

Also, as is the case every year, *Puls Biznesu* asked 25 stock exchange analysts to identify companies worth investing into in 2007, with 42 businesses listed in the prestigious "Long-Term Buys" category. ATM ranked high in the second group, among the six most promising companies.

2. Description of factors and extraordinary events which have significant impact on performance

A transaction was completed during the fourth quarter of 2006 which had considerable impact on the performance, as part of the Warsaw telecommunications infrastructure was sold under a sale-and-lease-back agreement. The Company announced the transaction in its current report no. 54/2006. A specific part of the ATMAN telecommunications infrastructure located in Warsaw was sold, constituting 11.8% of the entire fiber optic infrastructure in terms of fiber length. The Company retained the ability to use this part of the infrastructure in the future by signing an agreement with the purchaser with an option to buy back at a price specified in advance after four years. With this deal, the Company achieved PLN 21.9 million in sales revenue qualified as other operating revenue (PLN 19.7 million gross, PLN 15,9 million net, respectively).

The transaction allowed the Company to achieve additional profit commensurate with the effort involved in the development of an advanced telecommunications infrastructure, and to unfreeze the resources invested while retaining the ability to use the assets without limitations in future operations.

Importantly, ATM S.A. is still expanding the fiber optic infrastructure it operates, constantly increasing the scope of communications services provided.

3. Explanations regarding the seasonality or cyclicity of the Issuer's operations during the period in question

Consistent with the Management Board's expectations, during the quarter in question, the sales revenue was higher than the annual average sales. Revenue on sales of services obtained in the fourth quarter of the calendar year reached 32% of the annual average, and it is the sales in this period that have the greatest impact on the Company's annual profits.

4. Information regarding the issue, redemption and repayment of debt securities and equities

During the quarter in question, the Issuer did not issue, redeem or repay any debt securities or equities. Also, the Issuer is preparing for the issue of G and H-series shares in March 2007. The registration and offering document has been submitted to the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), and the Issuer is awaiting approval.

5. Information regarding the dividend paid (or declared)

In June 2006, the ATM S.A. Management Board announced a new dividend policy. Investors will receive an annual dividend of not less than interest on bank deposits. This means that the company will pay dividend in the amount of not less than the EURIBOR rate for annual deposits on the last day of the fiscal year, increased by 0.5%, and multiplied by the Company's listed value in the last month of the year. Thus, investing into ATM shares will become even more profitable than many other investment activities. The new dividend policy will operate independently of the Company's demand for capital required to sustain a high grow rate in the future and to finance long-term investments and acquisitions. Dividend is payable to shareholders who have already entrusted the Company with their money. Offers to purchase shares while increasing the Company's equity will be extended to new investors or existing investors who plan to extend their capital involvement in the Company for future profits. The ATM S.A. Management Board has pledged to run the Company's enterprise in such a manner as to ensure that the profit achieved allows the execution of the above dividend policy at the end of each fiscal year, and has put forward an appropriate recommendation for the distribution of profit at the Company's Annual General Meeting.

Pursuant to the above policy, the ATM S.A. Management Board will submit recommendations to

the Annual General Meeting according to the information included in current report no. 2/2007 to pay dividend for 2006 in the amount of PLN 7.60 per share.

6. Events which occurred after the summary quarterly statements' submission date and had not been included in the statement, and which may have significant impact on the Issuer's future performance

After the summary quarterly statements' submission date, no events occurred which had not been included in the statements, and which may have significant impact on the Issuer's future net profit.

7. Information regarding changes to contingent liabilities or contingent assets which have occurred since the end of the last fiscal year

Off-balance-sheet items presented in Section 5 of the summary financial statements show the following changes to the contingent liabilities compared to December 31, 2005:

1. an increase in "contingent liabilities to other entities due to guarantees and sureties" by PLN 2,317,000, resulting from:
 - the establishment of performance bonds for tenders and contracts in the form of bank guarantees at PLN 3,195,000;
 - the expiration of bank guarantees (tender guarantees and performance bonds) at PLN 878,000;
2. a decrease in "contingent liabilities to other entities due to mortgage" by PLN 23,550,000, resulting from:
 - repayment of loans to BRE Bank;
 - termination of mortgage security for the Bank Millennium S.A. stand-by credit facility.

Contingent receivables have not changed since the end of 2005.

Other information pursuant to Section 91, Subsection 6 of the Regulation

1. Selected financial data, including key summary financial statement items (as of the end of the fourth quarter of 2006)

SELECTED FINANCIAL DATA		PLN thou	EUR thou
I.	Net revenue on sales of products, goods and materials	148,301	38,570
II.	Profit (loss) on operating activities	35,872	9,329
III.	Gross profit (loss)	34,176	8,888
IV.	Net profit (loss)	26,817	6,974
V.	Net cash flows from operating activities	1,943	505
VI.	Net cash flows from investment activities	30,666	7,976
VII.	Net cash flows from financial activities	-25,005	-6,503
VIII.	Total net cash flows	7,604	1,978
IX.	Total assets	178,380	46,560
X.	Liabilities and provisions for liabilities	76,186	19,886
XI.	Long-term liabilities	6,740	1,759
XII.	Short-term liabilities	59,345	15,490
XIII.	Shareholders' equity	99,307	25,920
XIV.	Initial capital	24,526	6,402
XV.	Number of shares	3,227,040	3,227,040
XVI.	Profit (loss) per ordinary share (PLN/EUR)	8.31	2.17
XVII.	Diluted profit (loss) per ordinary share (PLN/EUR)	8.31	2.17
XVIII.	Book value per share (PLN/EUR)	30.77	8.03
XIX.	Diluted book value per share (PLN/EUR)	30.77	8.03
XX.	Dividend declared or paid per share (PLN/EUR)	7.60	1.98

2. Organizational description of the Issuer's group of companies with an indication of entities subject to consolidation

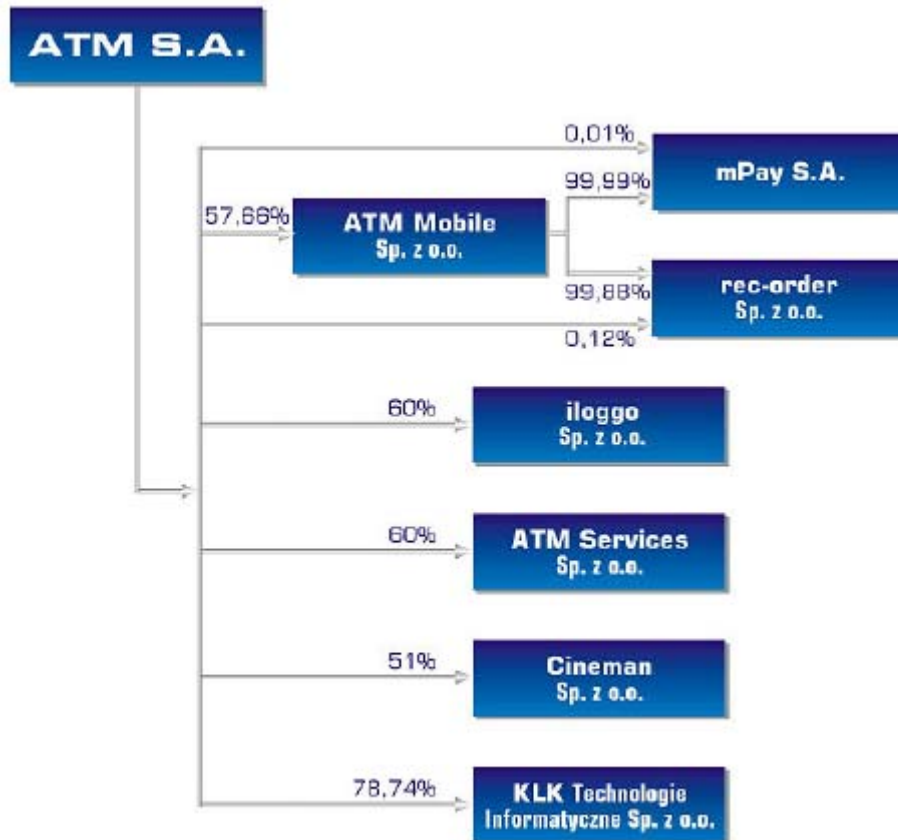
During the fourth quarter of 2006, ATM S.A. acquired 78.74% of shares in KLK Systemy Informatyczne sp. z o.o. Also, on November 2, 2006, it assumed 241 new shares in ATM Services sp. z o.o., and on November 13, 2006, it assumed 5,200 new shares in ATM Mobile sp. z o.o.

As of the publication date of this report, ATM S.A. holds stakes in the following companies:

- ATM Mobile sp. z o.o.: 5,800 shares with a total value of PLN 2,900,000, i.e. 57.66% of the initial capital and 57.66% of votes at the company's Partners' Meeting;
- iloggo sp. z o.o.: 300 shares with a total value of PLN 300,000, i.e. 60% of the initial capital and 60% of votes at the company's Partners' Meeting;
- mPay S.A.: 1 share with a value of PLN 500, i.e. 0.05% of the initial capital and 0.05% of votes at the company's Annual General Meeting (the remaining shares were assumed by ATM Mobile sp. z o.o.);
- rec-order sp. z o.o.: 1 share with a value of PLN 100, i.e. 0.125% of the initial capital and 0.125% of votes at the company's Partners' Meeting (the remaining shares were assumed by ATM Mobile sp. z o.o.);

- ATM Services sp. z o.o.: 480 shares with a total value of PLN 300,000, i.e. 60% of the initial capital and 60% of votes at the company's Partners' Meeting;
- Cineman sp. z o.o.: 612 shares with a total value of PLN 306,000, i.e. 51% of the initial capital and 51% of votes at the company's Partners' Meeting;
- KLK Systemy Informatyczne sp. z o.o.: 400 shares with a total nominal value of PLN 240,000, i.e. 78.74% of the initial capital and 78.74% of votes at the company's Partners' Meeting.

The diagram below shows the structure of the ATM S.A. group of companies.



Statements from all subsidiaries are subject to consolidation with ATM S.A. statements for 2006.

3. Results of changes to the Company's structure, including changes resulting from mergers, acquisitions or divestment of business units in the group of companies, long-term investments, division, restructuring and termination of business

During the period covered by these statements, no significant changes to the Issuer's parent company occurred, including changes resulting from mergers, acquisitions or divestment of business units in the group of companies, long-term investments, division, restructuring and termination of business.

According to the description provided in Section 2 above, the Issuer's subsidiaries perform independent operations. Within the Issuer's organizational structure, controlling teams have been established to work with subsidiaries in the development of new services, coordination of collaboration between subsidiaries and the Issuer, and supervision of the correct development of individual businesses.

4. The Management Board's position on the possibility of obtaining the previously published forecast results for a particular year at an earlier date, taking into account the results shown in the quarterly reports compared to forecast results

The Company published its estimated consolidated results for 2006 in current report no. 9/2007, dated February 14, 2007. The results provided in this report have fallen short of the estimates; the differences range from 0.4% for sales revenue to 3.6% for net profit. Net profit is lower by PLN 987,000, and the difference results from the necessity to include costs which were not known at the time when estimated results were generated, and from the exclusions at the consolidation level.

The Company has not announced forecasts for the subsequent years. However, the Management Board would like to state that the Company is growing successfully, and in line with expectations and roadmaps covering the next few years.

5. Shareholders who have at least 5% of the overall number of votes at the Issuer's Annual General Meeting (either directly or indirectly through subsidiaries) as of the quarterly report submission date; number of shares held by these parties, the percentage stake in the initial capital, the resulting number of votes and share in the overall number of votes at the Annual General Meeting; changes to the ownership structure of significant stakes in the Issuer's company since the submission of the last quarterly reports

A summary of information on shareholders with at least 5% of the overall number of votes at the Issuer's Annual General Meeting is provided in the table below.

Full name or company name	Shares held	Share of initial capital	Number of votes at the AGM	Share in the overall number of votes
Tadeusz Czichon	720,600	22.33%	720,600	22.33%
Roman Szwed	452,225	14.01%	452,225	14.01%
POLSAT PTE	253,822	7.87%	253,822	7.87%
Piotr Puteczny	208,000	6.45%	208,000	6.45%

The above figures reflect share ownership as of November 13, 2006. Figures related to POLSAT OFE refer to the number of shares held by the shareholder on July 14, 2006. The Company has no information regarding any changes to share ownership after that date.

Furthermore, the Company's Management Board has not received any other notifications that the 5% threshold has been crossed by shareholders purchasing shares on the stock market.

Since the submission of the last quarterly reports, the following changes to the ownership structure of major stakes have taken place:

Full name or company name	Number of shares according to the last quarterly reports	Number of shares according to the current quarterly reports	Change in the number of shares and votes
Tadeusz Czichon	720,200	720,600	400

6. Summary of changes in the ownership of the Issuer's shares or stock options by the Issuer's managers and supervisors according to the information available to the Issuer for the period since the submission of the last quarterly reports

A summary of changes in the ownership of the Issuer's shares by the Issuer's managers and supervisors since the submission of the last quarterly reports is provided in the table below.

Full name	Role in the Company	Number of shares according to the last quarterly reports	Number of shares according to the current quarterly reports	Change in the number of shares and votes
Tadeusz Czichon	Vice-President of the Management Board	720,200	720,600	400
Anna Bugajska	Proxy	5,300	5,130	-170

No changes to the ownership of the Issuer's stock options have occurred.

7. Proceedings before courts, arbitration panels or public authorities

No proceedings are pending before courts, arbitration panels or public authorities regarding the Issuer's liabilities or claims (or any liabilities or claims of the Issuer's subsidiaries) valued at 10% of the Issuer's shareholders' equity or more.

8. Information regarding the completion of one or more transactions by the Issuer or any of the Issuer's subsidiaries with related companies

During the reporting period, neither the Issuer nor any of the Issuer's subsidiaries completed transactions with related companies valued at more than the PLN equivalent of EUR 500,000.

9. Information regarding credit/loan securities or guarantees made by the Issuer or any of the Issuer's subsidiaries

During the reporting period, no credit or loan securities or guarantees were made by the Issuer or any of the Issuer's subsidiaries to any party in excess of 10% of the Issuer's shareholders' equity.

10. Other information considered by the Issuer as important in the evaluation of the Issuer's personnel, asset or financial position, performance, or changes to such items; information relevant to the assessment of the Issuer's ability to fulfill obligations

The Company has a stable personnel, asset and financial position. There are no known premises to question the Issuer's ability to fulfill obligations.

11. Factors which, in the Issuer's opinion, will affect its performance within at least the following quarter

During the next year, the Company's performance will be affected by Poland's political and economic stability. A large number of tenders are pending for the construction of extensive information and communications technology systems and the provision of ICT services, and the Company may actively participate in these projects. The smooth resolution of such tenders and the commencement date of deliveries will affect the Issuer's revenue significantly.

Another factor relevant to the Issuer's performance will be the efficiency in the utilization of European Union resources for the financing of business activities in Poland. This will have significant impact on the ability of domestic companies, research facilities and central/local government agencies (for which the Issuer may develop compelling offerings) to complete large investment projects. These resources may also be used by the Company to subsidy its own

investments into the construction and upgrade of the telecommunications infrastructure, and to support research and development activities, which will translate into a reduction in the Issuer's own expenses for such purposes.

2006 saw certain desirable trends related to the replacement of technical infrastructures by mobile communications providers, resulting from the development of supporting technologies in relation to the growing adoption of UMTS-based services. The implementation of new broadband mobile communications, delayed by many years, is becoming a reality, and the Company provides a wide range of solutions in that area which can be used to boost sales to mobile carriers.

The Company's future performance will also be significantly affected by the accuracy of decisions made with respect to the marketing of new solutions and products, many of which are innovative, or even revolutionary. A widespread adoption by the market and/or industry partners may result in an above-average growth in the Company's profit. A good example is the mobile payment system which allows the universal implementation of convenient, secure payments made using mobile phones. If the project run by mPay S.A. (ATM's subsidiary) is successful, the proposed method of payment may even become a worldwide standard (with all the related benefits).

SIGNATURES OF THE COMPANY'S AUTHORIZED REPRESENTATIVES			
Date	Full name	Role/Position	Signature
2007-02-26	Roman Szwed	President of the Management Board	
2007-02-26	Tadeusz Czichon	Member of the Management Board	