



ATM S.A. GROUP OF COMPANIES

**CONSOLIDATED QUARTERLY REPORTS FOR THE
FIRST QUARTER OF 2007**

KEY CONSOLIDATED QUARTERLY REPORT DATA

This consolidated quarterly report contains information developed pursuant to Section 86, Subsection 2 and Section 87, Subsection 1 of the Regulation of the Minister of Finance dated October 19, 2005, and includes consolidated financial statements of the ATM S.A. Group made in accordance with the International Financial Reporting Standards as approved by the European Union.

Report submission date: May 14, 2007

Key Issuer details:

Full name of the Issuer: ATM S.A.

Short name of the Issuer: ATM

Sector according to Warsaw Stock Exchange classification: Information Technology

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NIP (tax ID): 113-00-5-989

REGON (statistical ID): 012677986

Certified auditor: BDO Numerica sp. z o.o.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF THE ATM S.A. GROUP OF COMPANIES FOR THE FIRST QUARTER OF 2007

1. CONSOLIDATED PROFIT AND LOSS STATEMENT

	<u>January 1 to</u> <u>March 31, 2007</u>	<u>January 1 to</u> <u>March 31, 2007</u>	<u>January 1 to</u> <u>March 31, 2006</u>	<u>January 1 to</u> <u>March 31,</u> <u>2006</u>
Continued operations				
Sales revenue	38,732		26,213	
Selling costs	30,560		17,897	
Gross profit (loss) on sales	8,172		8,316	
Other operating revenue	85		81	
Selling costs	411		188	
General and administrative costs	10,140		7,847	
Other operating expenses	139		19	
Restructuring costs	-		-	
Profit (loss) on operating activities	-2,433		343	
Share of entities valued using the equity method in net profit	-		-	
Financial revenue	61		347	
Financial expenses	492		111	
Profit (loss) before tax	-2,864		580	
Income tax	-828		-71	
Profit (loss) on continued operations	-2,036		650	
Discontinued operations				
Profit (loss) on discontinued operations	-		-	
Net profit (loss)	-2,036		650	
Net profit (loss) for the Group's shareholders	-1,927		683	
Net profit (loss) for minority shareholders	-109		-33	
Profit (loss) per share				
From continued operations				
Ordinary	-0.56		0.21	
Diluted	-0.56		0.21	
From continued and discontinued operations				
Ordinary	-0.56		0.21	
Diluted	-0.56		0.21	

2. CONSOLIDATED BALANCE SHEET: ASSETS

	<u>End of period,</u> <u>March 31, 2007</u>	<u>End of period,</u> <u>December 31,</u> <u>2006</u>
Fixed assets		
Goodwill	10,996	10,548
Intangible assets	10,915	7,299
Tangible fixed assets	52,237	46,826
Investment in affiliates consolidated according to the equity method	36	-
Other financial assets	80	80
Deferred income tax assets	1055	514
Other fixed assets	724	729
	76,044	65,996
Current assets		
Inventory	6,345	5,446
Marketable financial assets	7,004	-
Receivables due to deliveries and services, other receivables	43,857	90,224
Income tax receivables	-	-
Other current assets	1,723	283
Cash and cash equivalents	13,755	9,515
	72,683	105,468
Fixed assets classified as disposable	-	-
Total assets	148,727	171,464

3. CONSOLIDATED BALANCE SHEET: LIABILITIES

	<u>End of period,</u> <u>March 31,</u> <u>2007</u>	<u>End of period,</u> <u>December 31,</u> <u>2006</u>
Shareholders' equity		
Share capital	25,093	24,572
Share premium reserve	12,242	4,558
Revaluation reserve	-	-
Treasury shares	-	-
Reserve capitals	23,362	23,362
Security valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	40,439	42,311
Total Group shareholders' equity	101,136	94,803
Minority share	4,979	2,663
Total shareholders' equity	106,116	97,466
Long-term liabilities		
Long-term loans and credits	-	-
Provision for deferred tax	4	-
Provisions for liabilities	7	-
Long-term liabilities due to deliveries and services, other liabilities	1,714	1,267
Other financial liabilities	7,170	6,845
	8,895	8,112
Short-term liabilities		
Bank loans and credits	6,754	6,512
Provisions for liabilities	1,144	35
Income tax liabilities	6,033	6,022
Liabilities due to deliveries and services, other liabilities	17,629	50,691
Other financial liabilities	2,176	2,626
	33,736	65,886
Liabilities related directly to fixed assets classified as disposable	-	-
Total liabilities	148,727	171,464

4. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	<u>Capital</u>	<u>Share premium</u>	<u>Reserve capital</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Minority share</u>	<u>Total shareholders' equity</u>
Data as at January 1, 2007	24,572	4,558	23,362	42,374	94,866	2,679	97,545
Increases:							
Issue of new series of shares	521	7,684			8,205		8,205
Changes to the Group's structure				(9)	(9)	2,409	2,401
Decreases:							
Current period results				1,927	1,927	109	2,036
Data as at March 31, 2007	25,093	12,242	23,362	40,438	101,135	4,979	106,115
Data as at January 1, 2006	24,064	4,558	11,050	33,348	73,020	-	73,020
Increases:							
Current period results	-	-	-	683	683	(33)	650
Changes to the Group's structure	-	-	-	-	-	606	606
Data as at March 31, 2006	24,064	4,558	11,050	34,031	73,703	573	74,276

5. CONSOLIDATED CASH FLOW STATEMENT

	<u>End of period.</u> March 31, 2007	<u>End of period.</u> March 31, 2006
Operating activities		
Profit (loss) before tax	(2,864)	579
Adjustment (items):	(6,070)	(7,435)
Amortization and depreciation	2,028	1,352
FX gains/losses	86	(160)
Interest received	-	-
Interest paid	275	430
Dividends received	-	-
Profit (loss) on investment activities	30	(49)
Change in inventory	(908)	(390)
Change in receivables	28,701	10,826
Change in liabilities and provisions	(26,226)	(14,726)
Change in other assets	(4,686)	(1,872)
Income tax paid	(5,370)	(2,846)
	<u>(8,932)</u>	<u>(6,856)</u>
Investment activities		
Expenses on tangible asset purchases	(6,807)	(1,365)
Expenses on financial asset purchases	(7,039)	(18,155)
Revenue from tangible asset sales	18,098	50,335
Revenue from financial asset sales	-	-
Interest obtained	-	95
Dividends received	-	-
FX gains/losses	27	(2)
	<u>4,279</u>	<u>30,908</u>
Financial activities		
Net proceeds from issue of shares	8151	510
Subsidies received	735	-
Proceeds from credits and loans	1,054	-
Repayment of credits and loans	-	(13,683)
Expenses due to redemption of common equity	-	-
Payment of liabilities arising from financial leases	(765)	(501)
Dividends paid	-	-
Interest paid	(275)	(525)
Other payments from profit	-	-
FX gains/losses	-	13
	<u>8,900</u>	<u>(14,186)</u>
Change in net cash and cash equivalents	<u>4,247</u>	<u>9,866</u>
Opening balance of cash	9,508	1,846
Closing balance of cash	<u>13,755</u>	<u>11,712</u>

OTHER INFORMATION

(AS REQUIRED PURSUANT TO THE REGULATION OF THE MINISTER OF FINANCE REGARDING ONGOING AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES)

SELECTED FINANCIAL DATA

	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
	PLN thou		EUR thou	
Total sales revenue	38,732	26,213	9,915	6,710
Profit (loss) on operating activities	-2,433	343	-623	88
Profit before tax	-2,864	580	-733	148
Net profit of dominant company shareholders	-1,927	683	-498	175
Net cash from operating activities	-8,932	-6,856	-2,287	-1,755
Net cash from financial activities	8,900	-14,186	2,278	-3,632
Net cash from investment activities	4,279	30,908	1,095	7,912
Increase (decrease) in cash	4,247	9,866	1,087	2,526
Fixed assets	76,044	40,381	19,652	10,436
Current assets	72,683	51,844	18,784	13,398
Total assets	148,727	92,225	38,436	23,834
Long-term liabilities	8,895	3,991	2,299	1,031
Short-term liabilities	33,736	13,958	8,718	3,607
Shareholders' equity	106,116	74,276	27,424	19,195
Initial capital*	25,093	24,064	6,485	6,219
Dominant company shareholders' equity	101,136	73,703	26,137	19,047
Number of shares	3,295,642	3,227,040	3,295,642	3,227,040
Book value per share (PLN/EUR)	30.69	22.84	7.93	5.90
Diluted book value per share (PLN/EUR)	30.69	22.84	7.93	5.90

* Shareholders' equity revaluated pursuant to IAS 29.

The above financial data for the first quarters of 2007 and 2006 has been converted to EUR according to the following procedure:

- Individual asset and liability items have been converted using the average exchange rate published by the National Bank of Poland on March 31, 2007 (PLN 3.8695 to EUR 1), and on March 31, 2006 (PLN 3.9357 to EUR 1).
- Individual consolidated profit and loss statement and consolidated cash flow statement items have been converted using the arithmetic mean of average exchange rates determined by the National Bank of Poland as at the last day of each month of the fiscal periods between January 1 and March 31, 2007 (PLN 3.9063 to EUR 1) and between January 1 and March 31, 2006 (PLN 3.8456 to EUR 1).

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

During the first quarter of the year, the group's revenue increased by more than 47% year-on-year. This increase resulted primarily from the inclusion of revenues achieved by KKK (a member of the ATM group of companies since November 2006) in the Group's performance.

Sales revenue of the Group's dominant company (ATM S.A.) was similar to that of last year's first quarter (a 1% decrease) with a slightly narrower actual margin (40.4%, compared to 42.8% last year). The lack of growth in the first quarter was related to the postponement of several important contracts (announced by the Company in its press releases) to the beginning of the second quarter. A further decrease in ATM S.A.'s individual net profit on sales was caused by the inclusion of the Company's fixed costs (engineering personnel remuneration and telecommunications network depreciation) in the direct costs.

During the first quarter, the Issuer typically prepares for the execution of the ambitious growth plans throughout the year. This entails increased fixed costs (general and administrative costs), particularly the cost of remuneration (acquisition of new managers, sales staff and engineers) and depreciation (as related to the constant expansion and commissioning of new telecommunications infrastructure segments). The increase in fixed costs, combined with a gross profit on sales similar to last year's, translated into a temporary loss on operating activities. While undesirable, this is a normal occurrence due to the seasonality of the industry, where a majority of revenue and profit is obtained towards the end of the year. Still, due to the postponement of certain contracts, the second quarter will see much better net profit for the Group. The relatively poor performance in the first quarter in terms of profit on operational activities and net profit does not pose a risk to the successful execution of growth plans during 2007.

Significantly, the Group continues the extensive construction and upgrade of its valuable assets, including primarily the development of the telecommunications infrastructure (such as fiber optic networks under construction in a number of new urban areas throughout Poland). The assets under construction are considered high-value due to the quality shift which is expected to occur over the next few years, whereby basic telecommunications services will be replaced by global digital data communications with many times the transfer rates of current facilities. Other assets which involve a substantial share of technical innovation are the mobile payment (mPay) and video-on-demand/IPTV platforms being developed. These investment projects, funded from the Company's own resources due to the delay in the issue of shares, will enable a considerable increase in the Company's revenue before the end of 2007, and will provide a value in and as at themselves due to intellectual property rights.

During the first quarter of the year, ATM S.A. actively pursued an operational and capital relationship with the Dutch Linx Telecommunications, a company that provides advanced telecommunications services between Western and Eastern Europe. As a result, a share subscription agreement was signed as announced by the Issuer in its current report no. 24/2007, dated May 11, 2007. This agreement is the first important step towards establishing the Issuer as an important player on the international advanced and value-added telecommunications service market in Central and Eastern Europe. The first benefits from the implementation of this strategy are expected to become apparent before the end of the year, and over the next three years, the results should have a significant impact on the Issuer's revenue and profits. Due to progressing globalization, the relationship with Linx Telecommunication will secure the Issuer's position as a telecommunications service provider in the region. Moreover, access to other markets will be an opportunity to offer value-added telecommunications services similar to those on the domestic market.

As part of the Group's expansion, during the first quarter of this year, ATM S.A. purchased a 60% stake in Sputnik Software sp. z o.o., a software vendor supplying the government sector. Sputnik Software was established in 2000, and is perceived as a leading software provider for local government agencies which it targets with the "Nowoczesny urząd" ("Modern Administration") suite. Sputnik also has a track record of developing large, advanced IT systems, such as the nationwide system for local government agency budget management commissioned by the Ministry of Finance,

which is currently used by all such agencies in Poland. The company shows rapid growth in sales revenue and high profitability. Expanding the government portfolio is of particular importance considering the expected rapid growth in the public sector's IT system spending between 2007 and 2013, estimated in billions of PLN. By strengthening Sputnik Software sp. z o.o.'s position and enhancing its own software development capabilities, ATM plans to become a major player in this market. Complementing ATM's portfolio with applications software will allow the company to provide comprehensive services including system integration, applications, and telecommunication services. This should increase revenues considerably before the end of 2007.

The Company has also strengthened its position in the financial sector, although many of the agreements concluded need to remain confidential for formal reasons. One of the customers who agreed to have such information published is BRE Bank, which the Company has collaborated for a number of years. BRE Bank SA chose ATM S.A. as the supplier of telecommunications connections again, and the annual value of the agreement is approximately PLN 1 million.

Data Security Center solutions are also enjoying increased popularity among the Company's customers, and the Company's skills have provided tangible benefits over the last few months. The Issuer commenced the execution of a prestigious contract entered into with a financial institution, building on the relationship to date, which will bring approx. PLN 2.9 million in revenue over the next three years. Telecommunications services for the financial sector, provided over the ATMAN network, include data connections, wide area networks, Internet access, primary and backup data centers, and telecommunications outsourcing. ATMAN customers in this sector include BRE Bank, PKO BP, Centralny Dom Maklerski Pekao S.A., BPH, AIG, WARTA, Kredyt Bank, and the Warsaw Stock Exchange.

In the telecommunications sector, the Company signed a promising, high-value contract in the first quarter of the year to strengthen its partnership with Gadu-Gadu S.A. (a listed company) in the provision of telecommunications services using the ATMAN network. The contract will prolong and, importantly, significantly expand the existing cooperation in the areas of collocation, Internet access, data communications, and technical support. The open-ended contract is worth over PLN 1 million per year.

Another achievement for the Company was the conclusion of a contract for the lease of telecommunications infrastructure and provision of telecommunications services to Interoute Poland sp. z o.o., the Polish representative of one of the largest carrier networks in Europe. In the first quarter, ATM S.A. aggressively engaged in the strengthening of its position on the telecommunications carrier market, and the results of these efforts will certainly become apparent in the following quarters of this year (as can be inferred from the contracts being negotiated or signed to date). Apart from permanent agreements executed during the first quarter, the Issuer won and fulfilled a large contract for the delivery of products and services (worth in excess of PLN 5.1 million) to one telecommunications carrier alone.

The Company's new, innovative undertakings which were invested into throughout last year are already beginning to generate perceptible revenue. ATM S.A. provided a proprietary SMaCS (Service Management and Charging System) for Internet service management and settlement to one of Poland's largest ISPs for PLN 1.5 million. Using SMaCS, telecommunications providers can deploy and manage sophisticated Internet services regardless of the access connections used (xDSL, WiMAX, CATV, etc.). As a middleware application, the product ensures communications between the carrier network infrastructure and business systems (such as billing systems). SOA (Service Oriented Architecture) enables flexible business process modeling and accelerates integration with other carrier-grade systems.

Towards the end of the first quarter, working with its subsidiary Cineman sp. z o.o., ATM S.A. began the provision of a new video-on-demand service. This is the first fully commercial deployment of an innovative, proprietary technology which gives access to a diverse library of international cinema. The first contract was signed with BAIT, a carrier on whose network the service was made available. Furthermore, ATM S.A. and Cineman sp. z o.o. intend to launch the service on other carriers' networks, and more contracts are being negotiated.

An important factor to the Company's business is the ability to exploit the synergies that arise with the

steady development of the ATM group of companies. In February, an agreement was signed for the execution of a project to build an integrated WAN for organizational units of the Aleksandrów Łódzki commune, including the delivery of hardware and software. The project is a result of a tender won by a consortium consisting of Sputnik Software sp. z o.o. and KLK Technologie Informatyczne sp. z o.o. Under the project, as the consortium leader, Sputnik Software will implement electronic document workflow software (PROTON Electronic Document Workflow System) and deliver computer hardware, while KLK Technologie Informatyczne will provide power cabling design and installation services for LAN workstations at the commune office and roll-out the commune's structural WAN. This is the first major example of business synergy within the extended ATM group.

The last quarter brought the Company new certificates and validated its superior skills; it also proved successful for the Company's innovative products and solutions. At the beginning of the year, the last stage of audit regarding ATM S.A.'s Atmosfera Service Desk v5.0 software was completed, making Atmosfera a member of the select group of solutions with the PinkVerify™ Service Support certificate. PinkVerify™ is the only widely-recognized certificate that confirms compliance of ITSM tools with ITIL, placing ATM S.A. among such top players as CA, BMC Software (owner of the Remedy brand), Oracle, HP, Siebel, PeopleSoft, and FrontRange. The certificate, the first one to be obtained by a Central and Eastern European company, ensures compliance with global standards, and at the same time, due to extensive customizability, allows customization in line with the unique nature of process workflows within any given organization. The solution is also an attractive proposition for medium enterprises that require a standards-based tool with proven functionality. Last year alone, Atmosfera brought several million PLN in revenue, and since its market launch, the system has already been implemented at a large number of demanding customers, such as PTC (Era, Heyah), PLL Lot, Agora, Getronics, two other leading telecommunication operators, and a large media company.

During the period in question, having fulfilled all the prerequisites, ATM S.A. became a Microsoft Gold Certified Partner. The status of a Gold Certified Partner is granted in recognition of the highest level of skills and knowledge with respect to Microsoft technologies. It provides an opportunity to establish a close partnership with Microsoft, and to obtain special access to resources and technical support. Certified Partners also enjoy priority exposure in product catalogs published by Microsoft.

It is also important to mention the success of products marketed by subsidiaries in the first quarter.

At the beginning of the year, an iloggo sp. z o.o. product made it onto one of the major international lists of Web 2.0 sites (<http://go2web20.net/>), accompanied by a favorable article (<http://go2web2.blogspot.com/2006/12/iloggo-create-your-own-grid-from-your.html>). This was the first presentation of iloggo at this level to users outside Poland, who are typically exposed to local sites such as Digg or del.icio.us.

The mobile payment presentation made by mPay S.A. during the 3GSM Congress in Barcelona was also a spectacular success. The 3GSM Congress is the most important annual meeting of mobile communications professionals, and sets market trends for the years to come. In Barcelona, mPay showcased a universal mobile payment system supporting fast and secure transactions using mobile phones. Congress attendees had the opportunity to test the actual, operational service at the company's booth. The demonstration included end-to-end solutions developed with partners, such as mobile transactions using vending machines (with BKTel, Germany), cash registers (with Novitus), POS card terminals (with Optimum) and catering systems (with Softech Bis). The visitors particularly appreciated the versatility and simplicity of the solution which allows processing any type of transaction, as well as the short payment processing times. mPay proved an interesting proposition to companies from all parts of the world, and in particular to mobile telephony providers from developing countries, where payment instruments are underdeveloped and rapidly evolving mobile telecommunications networks that offer mobile payment methods are a compelling and valuable alternative. The huge interest and the number contacts made are a good indicator that mPay may become widespread both in and outside Poland in the near future.

In addition to the marketing success, mPay made a huge step towards the commercial launch of mobile payment services in the last quarter by obtaining the status of a billing agent. With the decision of the President of the National Bank of Poland, the company was authorized to maintain a mobile payment authorization and settlement system. As a result, mPay S.A. became the first company in Poland with the status of a mobile payment billing agent, allowing it to provide and develop such

services on the domestic market. The status of a mobile payment billing agent allows mPay S.A. not only to develop the services it offers directly, but also brings it significantly closer to the provision of value-added telecommunications services as part of ATM's innovative projects. One of them is Cineman sp. z o.o.'s video-on-demand (VoD) operation, where the convenience afforded by mobile payments can add a new dimension to the services offered.

Important Company events also include the 13th edition of the *Gazeta Giełdy Parkiet* "Bull and Bear" ranking, in which ATM S.A. was recognized as a "company with the highest governance standards." Additionally, Roman Szwed, ATM S.A.' President, received the "Złota Antena" ("Gold Antenna") award from *Świat Telekomunikacji* as Manager of the Year during the last quarter. Both the financial markets and independent analysts appreciate the President's contribution to increasing the company's value, revenue and profits, and emphasize that these stem primarily from effective corporate management.

DESCRIPTION OF FACTORS AND EXTRAORDINARY EVENTS WHICH HAVE SIGNIFICANT IMPACT ON NET PROFIT

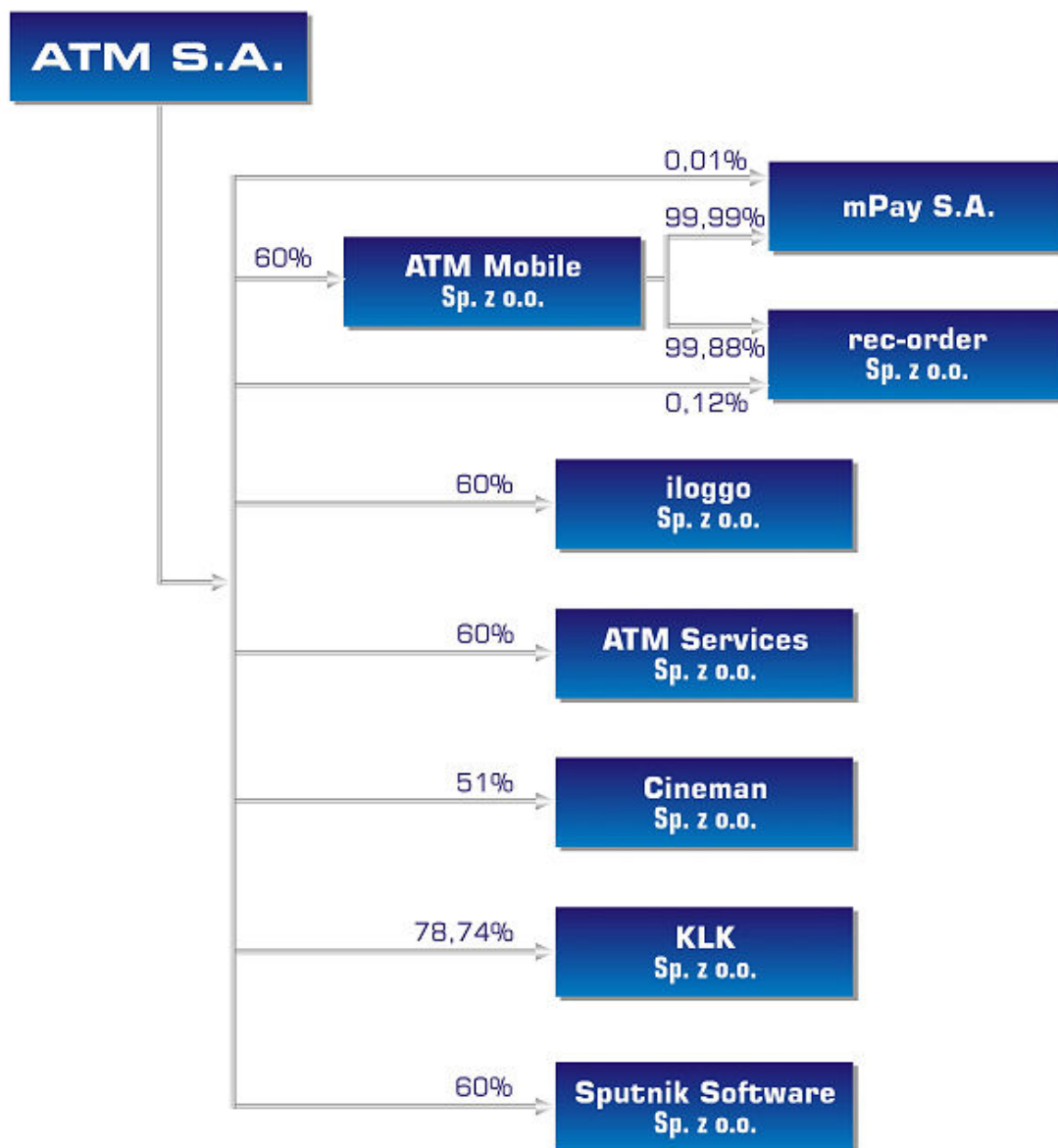
During the first quarter of 2007, no factors or extraordinary events occurred which had significant impact on net profit.

ORGANIZATIONAL DESCRIPTION OF THE ISSUER'S GROUP OF COMPANIES WITH AN INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION

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

- ATM Mobile sp. z o.o.: 8700 shares with a total value of PLN 4,350,000, i.e. 60% of the initial capital and 60% 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. 0.01% of the initial capital and 0.01% 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 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;
- Sputnik Software sp. z o.o.: 600 shares with a total value of PLN 3,000,000, i.e. 60% of the initial capital and 60% 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 2007.

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 has not announced forecasts for 2007. 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.

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 AT THE QUARTERLY REPORTS' 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	21.87%	720,600	21.87%
Roman Szwed	452,225	13.72%	452,225	13.72%
POLSAT PTE	253,822	7.70%	253,822	7.70%
Piotr Puteczny	208,000	6.31%	208,000	6.31%

The above figures reflect share ownership as at May 14, 2007. 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, no changes to the ownership structure of major stakes have taken place.

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

Since the since the submission of the last quarterly reports, no changes in the ownership of the Issuer's shares by the Issuer's managers and supervisors have occurred.

Furthermore, no changes to the ownership of the Issuer's stock options have occurred.

PROCEEDINGS BEFORE COURTS, ARBITRATION PANELS OR PUBLIC AUTHORITIES

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

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.

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.

OTHER INFORMATION CONSIDERED BY THE ISSUER AS IMPORTANT IN THE EVALUATION OF THE ISSUER'S PERSONNEL, ASSET OR FINANCIAL POSITION, NET PROFIT, 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.

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 subsidize 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.

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 particularly important issue will be the development rate of the mobile payment and video-on-demand service markets, and the positioning of the solutions developed by the Issuer's group of companies on these markets.

NOTES TO THE QUARTERLY REPORTS FOR THE FIRST QUARTER OF 2007

(PURSUANT TO SECTION 87, SUBSECTION 1 OF THE REGULATION)

The ATM S.A. financial statements for the first quarter of fiscal 2007 have been drawn up pursuant to the Accounting Act of September 29, 1994 (consolidated text: Journal of Laws 2002, No. 76, Item 694) and the Polish Accounting Standards (#1, Cash Flow Statement, and #2, Income Tax).

The principles applied in making the reports are the same as those that applied with respect to the last annual financial statements and comparable data covered by these statements.

1. INFORMATION REGARDING ADJUSTMENTS FOR PROVISIONS

ITEMS	Data as at March 31, 2007	Data as at December 31, 2006	Change in Q1 2007
Changes in provisions:			
• Provision for future expenses	1,044	2,193	-1,149

Changes in provisions for future expenses result from:

- the establishment of a provision for reliably assessed cost of goods, materials and services with respect to the first quarter of 2007 not invoiced by suppliers (PLN 121,000);
- the release of a provision for reliably assessed cost of goods, materials and services with respect to previous periods incurred in the first quarter of 2007 (negative PLN 1,270,000).

2. INFORMATION REGARDING DEFERRED INCOME TAX PROVISION AND ASSETS

ITEMS	Data as at March 31, 2007	Data as at December 31, 2006	Change in Q1 2007
Provision for deferred income tax	2,347	2,377	-30
Deferred income tax assets	1,462	588	874

The reduction of the provision for deferred income tax results from:

- the decrease in the positive temporary difference between the balance sheet value and tax value of fixed assets (negative PLN 149,000);
- the disappearance of temporary differences between the balance sheet value and tax value of foreign currency settlements due to the change in the method of calculating FX gains/losses for tax purposes (negative PLN 3,000);
- the occurrence of a positive temporary difference between the balance sheet value and tax value of accruals due to costs (PLN 74,000);
- the occurrence of a positive temporary difference between the balance sheet value and tax value of work in progress (PLN 48,000).

The increase in deferred income tax assets results from:

- the decrease in negative temporary differences between the balance sheet value and tax

value of accruals due to costs (negative PLN 51,000);

- the increase in negative temporary differences between the balance sheet value and tax value of materials (PLN 20,000);
- the decrease in the positive temporary difference between the balance sheet value and tax value of prepayments due to revenue from fixed asset subsidies (negative PLN 1,000);
- the disappearance of temporary differences between the balance sheet value and tax value of foreign currency settlements due to the change in the method of calculating FX gains/losses for tax purposes (negative PLN 2,000);
- the increase in negative temporary differences between the balance sheet value and tax value of liabilities due to social security premiums (PLN 36,000);
- the occurrence of a negative temporary difference due to tax loss (PLN 872,000).

3. INFORMATION REGARDING ASSET WRITE-DOWNS

ITEMS	Data as at March 31, 2007	Data as at December 31, 2006	Change in Q1 2007
Revaluation of receivables	529	538	-9

The change in receivable write-downs results from the release of a write-down due to the partial repayment of receivables (negative PLN 9,000).