



# **ATM S.A. GROUP OF COMPANIES**

**CONSOLIDATED QUARTERLY REPORT FOR  
THE FOURTH QUARTER OF 2007**

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## **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.

Submission date: February 25, 2008

### **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

Post code: 04-186

City: Warszawa

Street name: Grochowska

Street number: 21a

Phone: (22) 51 56 660

Fax: (22) 51 56 600

E-mail: [inwestor@atm.com.pl](mailto:inwestor@atm.com.pl)

Website: [www.atm.com.pl](http://www.atm.com.pl)

NIP (tax identification number): 113-00-59-989

Regon (statistical number): 012677986

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

## 1. CONSOLIDATED PROFIT AND LOSS STATEMENT

	<u>For period from January 1 to December 31, 2007</u>	<u>For period from October 1 to December 31, 2007</u>	<u>For period from January 1 to December 31, 2006</u>	<u>For period from October 1 to December 31, 2006</u>
<b>Continued operations</b>				
Sales revenue	260 090	129 464	145 726	60 282
Cost of goods sold	193 407	94 209	101 878	42 511
<b>Gross profit (loss) on sales</b>	<b>66 682</b>	<b>35 255</b>	<b>43 848</b>	<b>17 771</b>
Other operating revenue	13 481	13 239	20 780	14 893
Selling costs	1 146	427	1 163	479
General and administrative costs	42 362	12 440	31 237	11 170
Other operating expenses	13 865	12 923	431	(5 085)
Restructuring costs	-	-	-	-
<b>Operating profit (loss)</b>	<b>22 789</b>	<b>22 703</b>	<b>31 797</b>	<b>26 099</b>
Share of undertakings valued using the equity method in the financial result	216	70		-
Financial revenue	3 634	1 757	1 615	800
Financial expenses	1 347	362	549	(1 541)
	-	-	-	-
<b>Profit (loss) before tax</b>	<b>25 292</b>	<b>24 169</b>	<b>32 863</b>	<b>28 440</b>
Income tax	4 210	3 572	6 183	5 607
<b>Net profit (loss) on continued operations</b>	<b>21 082</b>	<b>20 596</b>	<b>26 680</b>	<b>22 832</b>
<b>Discontinued operations</b>				
Net profit (loss) on discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>21 082</b>	<b>20 596</b>	<b>26 680</b>	<b>22 832</b>
Net profit (loss) for the Group's shareholders	20 590	19 850	26 436	22 494
Net profit (loss) for minority shareholders	493	747	244	338
<b>Profit (loss) per share *)</b>				
<b>From continued operations:</b>				
Ordinary	5,76	4,46	8,19	6,97
Diluted	5,76	4,46	8,02	6,83
<b>From continued and discontinued operations:</b>				
Ordinary	5,76	4,46	8,19	6,97
Diluted	5,76	4,46	8,02	6,83

\*) Profit per share has been calculated per number of shares listed on the WSE as at the balance sheet date. On January 3, 2008, KDPW (the National Depository for Securities) passed a resolution on splitting Issuer's shares by ratio of 1:8. A new number of shares is 36,000,000. The share price as per the new number of shares has been quoted from January 10, 2008.

## 2. CONSOLIDATED BALANCE SHEET — ASSETS

	<u>End of period, December 31, 2007</u>	<u>End of period, December 31, 2006</u>
<b>Fixed assets</b>		
Goodwill	54 949	10 928
Intangible assets	23 241	7 354
Property, plant and equipment	86 852	46 907
Investment in affiliates consolidated according to the equity method	20 810	0
Other financial assets	80	80
Deferred income tax assets	1 154	684
Other fixed assets	13 937	12 748
	<u><b>201 024</b></u>	<u><b>78 702</b></u>
<b>Current assets</b>		
Inventories	8 320	5 437
Financial assets held for trading	2 133	0
Trade and other receivables	80 910	76 364
Income tax receivables	20	0
Other current assets	3 812	281
Cash and cash equivalents	69 769	9 508
	<u><b>164 963</b></u>	<u><b>91 590</b></u>
Fixed assets classified as held for sale	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><b>365 986</b></u>	<u><b>170 292</b></u>

### 3. CONSOLIDATED BALANCE SHEET — LIABILITIES

	<u>End of period, December 31, 2007</u>	<u>End of period, December 31, 2006</u>
<b>Equity</b>		
Share capital	34 397	24 572
Share premium reserve	157 252	4 558
Revaluation reserve	-	-
Revaluation FX gain/loss	(1 522)	-
Treasury shares	-	-
Capital reserves	24 607	23 362
Hedge valuation reserve and FX gains/losses due to consolidation	-	-
Retained earnings	34 717	40 431
<b>Total Group shareholders' equity</b>	<b>249 450</b>	<b>92 923</b>
Minority share	5 641	2 612
<b>Total shareholders' equity</b>	<b>255 091</b>	<b>95 535</b>
<b>Long-term liabilities</b>		
Long-term loans and credits	3 283	-
Provisions for deferred tax	-	-
Provisions for liabilities	132	-
Long-term trade and other liabilities	3 245	1 177
Other financial liabilities	11 657	6 927
	<b>18 316</b>	<b>8 104</b>
<b>Short-term liabilities</b>		
Bank and other loans	-	6 791
Provisions for liabilities	484	55
Income tax liabilities	4312	5 922
Trade and other liabilities	82 295	51 061
Other financial liabilities	5 488	2 824
	<b>92 579</b>	<b>66 653</b>
Liabilities related directly to fixed assets classified as held for sale	-	-
<b>Total liabilities</b>	<b>365 986</b>	<b>170 292</b>

#### 4. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	<u>Core capital</u>	<u>Share premium</u>	<u>Revaluation FX gain/loss</u>	<u>Capital reserve</u>	<u>Retained earnings</u>	<u>Total Group shareholders' equity</u>	<u>Minority share</u>	<u>Total shareholders' equity</u>
<b>As at January 1, 2006</b>	<b>24 064</b>	<b>4 558</b>	-	<b>11 050</b>	<b>33 342</b>	<b>73 014</b>	-	<b>73 014</b>
Increases:								
Current period results	-	-	-	-	26 435	26 435	244	26 679
Acquisition of shares under share option plan	508	-	-	-	-	508	-	508
Valuation of management options	-	-	-	-	21	21	-	21
Changes to the Group's structure	-	-	-	-	-	-	2 249	2 249
Profit (loss) from changes in the Group's composition	-	-	-	-	(120)	(120)	120	-
Profit distribution	-	-	-	12 312	-	12 312	-	12 312
Decreases:								
Profit distribution to be allocated to equity	-	-	-	-	12 312	12 312	-	12 312
Dividends paid out	-	-	-	-	6 938	6 938	-	6 938
<b>As at December 31, 2006</b>	<b>24 572</b>	<b>4 558</b>	-	<b>23 362</b>	<b>40 428</b>	<b>92 920</b>	<b>2 613</b>	<b>95 533</b>
<b>As at January 1, 2007</b>	<b>24 572</b>	<b>4 558</b>	-	<b>23 362</b>	<b>40 428</b>	<b>92 920</b>	<b>2 613</b>	<b>95 533</b>
Increases:								
Issue of shares	9 674	154 893	-	-	-	164 567	-	164 567
Current period results	-	-	-	-	21 474	21 474	493	21 967
Acquisition of shares under share option plan	151	-	-	-	-	151	-	151
Valuation of management options	-	-	-	-	-	-	-	-
Changes to the Group's structure	-	-	-	-	(11)	(11)	2 773	2 762
Profit distribution	-	-	-	1 245	-	1 245	-	1 245
Decreases:								
Share issue costs	-	2 200	-	-	-	2 200	-	2 200
Current period results	-	-	-	-	-	-	-	-
Profit distribution to be allocated to equity	-	-	-	-	1 245	1 245	-	1 245
Dividend payout	-	-	-	-	25 929	25 929	238	26 167
Revaluation FX gain/loss	-	-	1 522	-	-	1 522	-	1 522
<b>As at December 31, 2007</b>	<b>34 397</b>	<b>157 251</b>	<b>(1 522)</b>	<b>24 607</b>	<b>34 717</b>	<b>249 450</b>	<b>5 641</b>	<b>255 091</b>

## 5. CONSOLIDATED CASH FLOW STATEMENT

	<u>End of period,</u> <u>December 31,</u> <u>2007</u>	<u>End of period,</u> <u>December 31,</u> <u>2006</u>
<b>Operating activities</b>		
Profit (loss) before tax	25 292	32 863
Adjustment (items):	644	-31 305
Share of entities based on the equity method in profit (loss)	-211	0
Amortization and depreciation	9 198	6 515
FX gains/losses	-424	-638
Interest received	0	0
Interest paid	21	21
Dividends received	3	-20 745
Profit (loss) on investment activities	-2 190	0
Movements in inventories	-2 772	-16
Movements in receivables	-22 178	-27 517
Change in liabilities and provisions	18 764	11 795
Change in other assets	611	2 839
Income tax paid	-2 357	-3 895
Other	2 200	336
	<b>25 935</b>	<b>1 558</b>
<b>Investment activities</b>		
Expenses on property, plant and equipment purchases	-57 829	-21 024
Expenses on financial asset purchases	-64 216	-6 975
Revenue from property, plant and equipment sales	30 410	49 680
Revenue from financial asset sales	210	410
Interest received	223	0
Dividends received	0	0
FX gains/losses	-3	-3
Other	-1 903	0
	<b>-93 106</b>	<b>22 088</b>
<b>Financial activities</b>		
Net proceeds from issue of shares	160 218	1 004
Subsidies received	1 133	1 133
Proceeds from loans	1 492	6 755
Repayment of loans	-6 875	-15 460
Payment of liabilities arising from finance leases	-4 619	-2 206
Dividends paid	-25 599	-6 988
Interest paid	-1 178	-466
Other payments from profit	0	0
FX gains/losses	503	503
Other	3 994	-150
	<b>127 432</b>	<b>-15 875</b>
<b>Change in net cash and cash equivalents</b>	<b>60 261</b>	<b>7 773</b>
Opening balance of cash	9 508	1 734
<b>Closing balance of cash</b>	<b>69 769</b>	<b>9 508</b>



## NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIC INFORMATION

As the parent undertaking of the ATM S.A. Group of Companies, ATM S.A. is a joint stock company. The Company launched its operations in 1993 as ATM Sp. z o.o. On July 10, 1997, ATM Sp. z o.o. was transformed into a joint stock company pursuant to the notarial deed drawn up at the Notarial Office in Raszyn on May 16, 1997 (Repertory No. 3243/97).

The registered office of the Company is located in Warsaw at ul. Grochowska 21a. The Company was registered at the District Court for the Capital City of Warsaw in Warsaw, 13<sup>th</sup> Commercial Division of the National Court Register. The Company is registered under National Court Register entry No. KRS 0000034947.

ATM S.A. is listed on the Warsaw Stock Exchange. According to the Warsaw Stock Exchange classification, the core business of the Group concerns the IT sector.

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

The mid-year summary financial statements for the period of 4 months ending on 31.12.07, were drawn up pursuant to the IAS 34 *Interim Financial Reporting*.

The accounting principles (policy) applied to drawing up the Group's mid-year summary financial statements are consistent with those applied to drawing up the Group's annual financial statements for 2006.

### 3. SEASONALITY OF OPERATIONS

According to seasonality of operations, the Company earns most revenue on Q4 sales, which is caused by settlement of most contracts at the end of the year. Such phenomenon is typical for the Issuer's Group of Companies. The results of the discussed quarter confirm this phenomenon — revenue on sales in Q4 2007 accounts for 49% of total revenue earned in 2007.

### 4. THE ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES AND EQUITIES

During the quarter under analysis 1,204,358 (one million two hundred four thousand three hundred fifty eight) series H shares were issued. The issue was registered by KDWP (National Depository for Securities) on October 17, 2007.

### 5. DIVIDENDS PAID AND DECLARED

In line with the dividend policy announced by the Issuer's Management Board in the current report No. 25/2006 of June 8, 2006, the dividend for 2007 paid by the Company should be no less than PLN 19,440,000, i.e. 0.54 PLN per share. Such dividend could be paid in line with resolution of Ordinary General Meeting of Shareholders by distributing the whole net profit earned by ATM S.A. in 2007 and a portion of capital reserve created from previous years' profit to pay dividend. However, as the Company intends to make substantial investment, and the increase in initial capital considering the current share price would not be favorable for the Company shareholders, the ATM S.A. Management Board deliberates on the waiver of the whole or portion of the recommendation of payment of dividend intended for 2007 and allocation of whole or portion thereof to capital reserve. The ATM S.A. Management Board decision shall be made having analyzed the capital requirement, the possibilities to finance the investment using debt instruments, situation in the capital market and the current company proceeds in H1. Following the decision, its contents will be published immediately, as prescribed for current reports.

On September 28, 2007, ATM S.A. paid the dividend for 2006 worth PLN 7.60 per share, i.e. PLN 24,769.3 thousand, pursuant to the resolution of the General Meeting passed on June 29, 2007.

Pursuant to tax regulations, dividends that are paid out are taxed at the 19% rate.

By the resolution of June 15, 2007, the KLK sp. z o.o. Partner's Meeting distributed profit for 2006 with the amount of PLN 1,119.7 thousand for the Company's shareholders. Dividend worth PLN 1,119.7 thousand gross has been paid to shareholders on November 12, 2007; whereunder: for individual shareholders — PLN 238.0 thousand and for corporate shareholders (ATM S.A.) PLN 881.6 thousand. As at December 31, 2007, no unpaid cumulated dividends were present.

## 6. SEGMENTS OF OPERATIONS

All services provided by the Group are classified as ICT services. Despite the fact that it is possible to identify different product lines with regard to sales revenue, the types of production processes and the distribution and service provision methods are closely linked and exhibit similar risks and returns on investment. Moreover, no transactions between individual product lines are conducted. As a consequence, when assessing the possibility of dividing the Group's operations into segments in a reliable manner, the Management Board decided that the Group's entire operations fall into the ICT services segment and therefore no segments have been distinguished. Revenue from the sales of major products are as follows:

	For period from January 1 to December 31, 2007	For period from October 1 to December 31, 2007	For period from January 1 to December 31, 2006	For period from October 1 to December 31, 2006
Telecommunications and value-added services	67 049	29 759	51 924	17 160
Integrated ICT infrastructure systems	146 822	65 877	78 265	36 519
Business security solutions and services	32 442	26 891	9 743	2 703
Application solutions	10 543	6 111	4 514	3 925
Multimedia solutions and services	3 097	783	1 280	-27
Other services	137	44	0	2
<b>Total sales revenue</b>	<b>260 090</b>	<b>129 464</b>	<b>145 726</b>	<b>60 282</b>

Revenue from sales divided by territory is as follows:

	For period from January 1 to December 31, 2007	For period from October 1 to December 31, 2007	For period from January 1 to December 31, 2006	For period from October 1 to December 31, 2006
Domestic	256 418	127 280	145 122	60 032
Exports	3 672	2 184	604	250
<b>Total sales revenue</b>	<b>260 090</b>	<b>129 464</b>	<b>145 726</b>	<b>60 282</b>

## 7. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

Pursuant to the current report No. 1/2008 of January 4, 2008, on January 10, 2008 ATM S.A. shares listed on the WSE were split 1:8. This increased the number of shares from 4.5 million to 36 million. The price of shares has decreased correspondingly at session opening on January 10, by dividing the price gained by ATM S.A. shares at session closing on January 9, by 8 and rounding the price to full grosz.

## 8. CHANGES TO THE COMPANY'S STRUCTURE

During the quarter in question, the parent undertaking, ATM S.A., established Centrum Badawczo Rozwojowe ATM-Lab sp. z o.o. (ATM-Lab Research & Development Center) with its registered office in Warsaw. The center was established in view of a growing number of research and development projects, including project co-

financed with the EU funds, implemented by the company. CBR ATM-Lab Sp. z o.o. launched its operations in October 2007.

In addition, on October 27, ATM S.A. purchased 72 % of shares in Impulsy sp. z o.o., a company with its registered office in Warsaw, operating in a fast growing medical services market. The purchase of Impulsy is another step in the strategy implemented by ATM targeting the medical services market.

During the quarter in question there were no mergers, divestment or acquisitions of business units. There was no restructuring or discontinuity of operations.

## **9. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

<b>Off-balance sheet items</b>	<b>Data as at</b>	<b>Data as at</b>
	<b>31/12/2007</b>	<b>31/12/2006</b>
1. Contingent receivables	291	291
1.1 from other entities	291	291
2. Contingent liabilities	29 793	10 450
2.1 to other entities, including:	29 793	10 450
- guarantees and sureties granted	10 580	7 135
- mortgage security:	18 060	2 162
- pledges	1 153	1 153

Since the end of the fiscal year 2006 there have been the following changes in contingent liabilities:

- a) granted guarantees and sureties were increased by the amount of PLN 3,445 thousand which results from:
  - the expiration of bank guarantees (tender guarantees and performance bonds) at PLN 4,132 thousand,
  - the establishment of performance bonds for tenders and contracts in the form of bank guarantees at PLN 7,577 thousand;
- b) mortgage securities increased by PLN 15,898 thousand which results from:
  - loan repayment and expiration of security in the amount of PLN 427 thousand,
  - increase in credit and security by the amount of PLN 6,610 thousand,
  - contracting a mortgage and establishing a security in the amount of PLN 9,760 thousand.

Pledges and contingent liabilities did not change.

## 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

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	PLN thou		EUR thou	
Total sales revenue	260 090	145 726	68 865	37 374
Operating profit	22 789	31 797	6 034	8 155
Profit before tax	25 292	32 863	6 697	8 428
Net profit of parent undertaking shareholders	20 590	26 436	5 452	6 780
Net cash from operating activities	25 935	1 558	6 865	400
Net cash from financial activities	127 432	(15 875)	33 741	(4 071)
Net cash from investment activities	(93 106)	22 088	(24 652)	5 665
Increase (decrease) in cash	60 261	7 773	15 954	1 994
Fixed assets	201 024	78 702	56 120	20 542
Current assets	164 963	91 590	46 053	23 906
Total assets	365 986	170 292	102 174	44 449
Long-term liabilities	18 316	8 104	5 113	2 115
Short-term liabilities	92 579	66 653	25 845	17 397
Equity	255 091	95 535	71 215	24 936
Share capital*	34 397	24 572	9 603	6 414
Parent undertaking shareholders' equity	249 450	92 923	69 640	24 254
Number of shares	4 500 000	3 227 040	4 500 000	3 227 040
Book value per share (PLN/EUR)	55,43	28,79	15,48	7,52
Diluted book value per share (PLN/EUR)	55,43	30,62	15,48	8,00

\* Shareholders' equity revaluated pursuant to IAS 29.

The above financial data for the third quarter of 2007 and 2006 have 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 December 31, 2007 (PLN 3.5820 to EUR 1), and on December 31, 2006 (PLN 3.8312 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 December 31, 2007 (PLN 3.7768 to EUR 1) and between January 1 and December 31, 2006 (PLN 3.8991 to EUR 1).

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

Q4 of the past year saw finalizing the commenced commercial projects and projects implemented before and contracting new sales to successive quarters. The IT industry shows a clear seasonality, which makes Q4 the best opportunity for sales revenue and winning new orders and customers. This follows from the increased orders and completing pending implementations as well as final settlements with customers. This was also the case with ATM S.A. in Q4 2007. The quarter has shown record gains — half of total year's revenue (over PLN 100 million), which accounts for 138 % increase against the so far the best Q4 2006. Also, the consolidated sales revenue increased in Q4 by 115 % against the corresponding period last year.

For the entire Group of Companies, during 2007 the sales revenue has increased by 78 % as compared to 2006 and net sales profit by 102 % (from PLN 11,448 thousand to PLN 23,174 thousand). As ATM S.A. earned extra revenue from sale of some of its assets in 2006, which was not the case in 2007, the consolidated gross profit decreased by 23 % and net profit by 21 %. The reasons for not achieving the assumed profit from asset sales have been shown in the current Report No. 76/2007 of December 18, 2006, and were related to the necessity to postponing mPay S.A. public offering.

The company consolidated balance sheet structure changed, compared to last year. Balance sheet total increased by 115 % and as at the balance sheet date was PLN 365,985 thousand, *inter alia*, due to shares purchased in Sputnik Software Sp. z o.o., Impulsy Sp. z o.o. and Linx Telecommunications B.V.

Key highlights for consolidated results:

- Net return on sales (net profit for parent undertaking shareholders / total sales revenue) 7.92 %
- Return on assets (net profit for parent undertaking shareholders / total assets): 5.63 %,
- Return on equity (net profit for parent undertaking shareholders / average capital during the period): 11.74 %,
- Current ratio (current assets / short-term liabilities and provisions): 1.78

During the period in question, the Company completed several important transactions: the subject matter of public procurement worth PLN 30.7 million gross was the delivery of equipment to Armed Forces Procurement Department of the Polish Ministry of National Defense (the Company noted this fact in the current report No. 68/2007). Also, during Q4 the IP MPLS network for Polska Telefonia Cyfrowa was expanded, worth ca. PLN 14 million (total sales to PTC in 2007 was PLN 22.9 million). The sales of fiber optic lines in five cities for PBT Have generated PLN 11 million (total sales incl. maintenance will come to PLN 12.1 million, cf. current report No. 77/2007). The Company also continues to expand the UPC architecture, which in Q4 generated PLN 3 million (total PLN 17.7 million in 2007), and network backbone for Polkomtel worth PLN 5.4 million (total PLN 7.2 million in 2007).

The sale of ATM S.A. proprietary software named ATMOSFERA, which supports IT processes and maintenance services at the company, continues. The Company continues to develop the product and expand it with new modules and functionalities. The past quarter has shown successive tangible effects. The system was deployed, *inter alia*, at the head office of Bank Ochrony Środowiska in Warsaw and its 106 field offices, and is used by almost 1,700 employees. The successful sales and noticeable demand for the product induced the Company to start cooperation with B3System S.A., which as of October 2008 **probably an error in the Polish version—BTInfo** became a partner in sales, configuration and implementation of this solution.

ATM also executed contracts with ABN Amro bank for lease of fiber optic cable infrastructure (worth ca. PLN 1.5 million) and SPI International Polska, cinema, TV and DVD film distributor, for establishing TV transmission lines. These are the examples of good cooperation with the financial and media sectors, which is growing fast both in terms of customers won and revenue growth.

The members of the ATM S.A. Group of Companies were no less successful in their commercial efforts. KLK Sp. z o.o. was awarded a contract (worth PLN 6.6 million gross) whereunder it delivers to the Police Headquarters one of the largest projects for guaranteed power supply systems in Poland. The consortium of ATM S.A. and ATM Services spółka z o.o. signed an agreement with ZEORK S.A. (Zakłady Energetyczne Okręgu Radomsko-Kieleckiego) for deployment of an e-mail system. In addition, ATM Services notified of having gained the VMware Enterprise Partner status, which makes it more competitive in the market. Sputnik Software Sp. z o.o. was awarded a contract in tender in Żabia Wola (the Mazovian province) by delivering its proprietary software to another commune incl. accompanying infrastructure.

Despite generally unfavorable situation in the capital market, also shown in the sharp fall in ATM S.A. listings at the WSE, the business rating of the company continues to be favorable. This is expressed in successive awards granted by independent business circles and the opinion of the media. In October ATM S.A. was recognized as one of the fastest developing companies from the list of 2000 Polish enterprises in the ranking of „Rzeczpospolita” daily and awarded the “Dobra firma” title, and a month later, the ATM S.A. president, Roman Szwed, became one of the finalists of the prestigious international competition of the fifth Polish edition of Przedsiębiorca Roku by Ernst & Young. However, for the Company the most vital are product awards, which endorse high quality and innovativeness. The past quarter has seen one such award to Remote Medical Archive

— ATM and ENEL-MED Medical Center solution, granted by the “Computerworld” weekly in 4th Forum on broadband services.

The success of Warsaw University team supported by ATM S.A. which has again won Academic Championship of Poland in Team Programming and became Central European champion in November is also worth noting.

Some other Q4 important event worth noting is welcoming by the ATM Group of Impulsy, of which ATM S.A. informed in a current report No. 64/2007. This investment is related to the implementation of the company’s strategy aiming at expanding the ATM S.A. Group of Companies’ offer into new market sectors that show certain potential and is yet another stage of creating a complete IT service offer for the medical sector. The history of Impulsy covers over a dozen years of medical IT market presence in Poland, incl. cooperation in sales and implementation of solutions developed by IBM, Spin and ABG-Spin. The company provides IT services to a few dozen hospitals and outpatient clinics across Poland. By joining the ATM Group of Companies, the company has brought experience in this area.

The ATM yet another success is the permit to expand the Łódź Special Economic Zone with the Grochowska complex, where ATM S.A. runs its operations (current report No. 69/2007). The permit was granted at the initiative of ATM to create conditions favorable for an Innovation Center based in Warsaw, which would gather companies that deal in modern ICT technologies in one place in Warsaw. The planned investment value was PLN 380 million over 10 years and it will be implemented by a company especially created for this purpose and mostly financed with debt instruments. The investment completion will allow for gathering in the Łódź Special Economic Zone the companies dealing in advanced IT technologies, with which ATM can start significant and long-term cooperation in ICT.

The investment activity in ATMAN and implementation of projects improving service quality was run in Q4 according to the assumptions. In October, further nodes were launched: in Koszalin and Frankfurt. In November, ATM was granted a certificate issued by BSI (British Standards Institution), certifying that ATMAN collocation and administration services provided comply with the SoA Declaration of Use, third edition, and the company operates based on the Information Security Management System compliant with ISO/IEC 27001:2005. This certificate endorses ATM’s credibility as a vendor providing services mostly to financial institutions, particularly sensitive to their data security.

In 2007, ATM S.A. completed a successive stage of investment in construction and upgrade of its fiber optic infrastructure. The total length of fiber optic routes, which as at the end of 2006 was 279 kilometers, was in 2007 increased by 54 % with 151 kilometers of extra routes. The length of fiber optic cable pairs in these routes, being a basis for ATM S.A. to provide ICT services, increased then by as much as 76 %.

## **DESCRIPTION OF FACTORS AND EXTRAORDINARY EVENTS WHICH HAVE SIGNIFICANT IMPACT ON PERFORMANCE**

During the fourth quarter of 2007, no factors or extraordinary events occurred which had significant impact on performance.

## **ORGANIZATIONAL DESCRIPTION OF THE ISSUER’S GROUP OF COMPANIES WITH AN INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION**

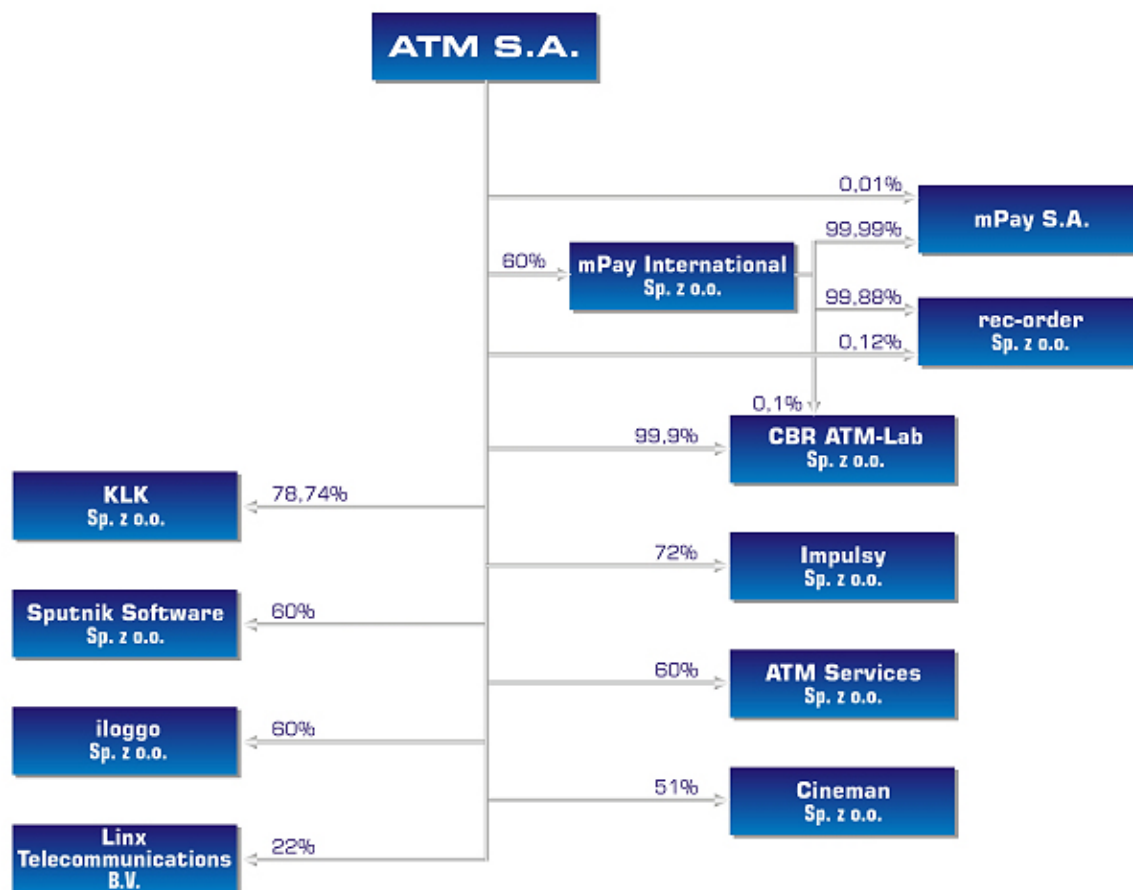
As of the publication date of this report, ATM S.A. holds stakes in the following companies:

- m-Pay International Sp. z o.o. (formerly ATM-Mobile Sp. z o.o.): 8,700 shares with a total value of PLN 4,350 thousand, 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 m-Pay International 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 m-Pay International 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 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;
- Linx Telecommunications B.V.: 2,750,000 shares with a total value of EUR 27,500,000, i.e. 21.79% of the initial capital and 21.79% of votes at the Company's Partners' Meeting;
- Centrum Badawczo Rozwojowe ATM-Lab Sp. z o.o.: 1,000 shares with a value of PLN 50, i.e. 99.9% of the initial capital and 99.9% of votes at the Company's Partners' Meeting (the remaining shares were assumed by mPay International Sp. z o.o.);
- Impulsy Sp. z o.o.: 36 shares with a total value of PLN 72,000, i.e. 72% of the initial capital and 72% of votes at the Company's Partners' Meeting;

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



As at December 31, 2007, all the companies were consolidated.

**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 consolidated financial forecast for 2007 in the prospectus of June 29, 2007. The forecast assumes, *inter alia*, that the Company will earn consolidated profit from sale of selected assets in the

amount of no less than PLN 20 million gross. Such profit was forecast from sale of mPay S.A. shares by mPay International in public offering, which was planned for the end of 2007. Unfortunately, in view of the necessity to postpone the offering, this portion of profit was not realized.

In addition to the a/m adjustment, the forecast under the prospectus mostly corresponds to the results published in these statements. Sales revenue, net profit and operating profit (after adjustment) differ by +0.9%, -2.6% and -1.0%, respectively, from the forecast data. Net profit which is by 36.7% less than the forecast, taking into account the adjustment for non-performed transaction, is by 23.3% more than the forecast.

As far as the ATM S.A. consolidated estimates for 2007 published in the current report No. 5/2008 of January 20, 2008 are concerned, the results shown herein are close to the estimates. Sales revenue was less by PLN 565 thousand, and net profit by 1,061 thousand more than the estimates.

**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**

Pursuant to the current report No. 1/2008 of January 4, 2008, on January 10, 2008 ATM S.A. shares listed on the WSE were split 1:8. This increased the number of shares from 4.5 million to 36 million. The face value of 1 share was PLN 0.95.

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

Full name	Shares held	Share of initial capital	Number of votes at the AGM	Share in the overall number of votes
Tadeusz Czichon	5 904 000	16,40%	5 904 000	16,40%
Roman Szwed	3 635 984	10,10%	3 635 984	10,10%
ING Nationale-Nederlanden Polska OFE	3 200 000	8,89%	3 200 000	8,89%
POLSAT PTE	2 362 264	6,56%	2 362 264	6,56%
PKO TFI	1 917 896	5,33%	1 917 896	5,33%
AIG TFI	1 860 624	5,17%	1 860 624	5,17%

The details listed above present the shares ownership by individuals as at February 25, 2008. The ING Nationale-Nederlanden Polska OFE (ING Nationale-Nederlanden Poland Open Pension Fund) data present the number of shares held by this entity as at October 31, 2007 (according to the submitted Certificate of Deposit during the Extraordinary General Meeting). Details related to POLSAT PTE present the number of shares held by this entity as at August 9, 2007 (according to the data as of the dividend date, and the number of series H shares allotted as at August 9, 2007). Details related to AIG TFI present the number of shares held by this entity, as notified in the notice of July 13, 2007, and the number of series H shares allotted as at August 9, 2007. Details related to PKO TFI present the number of shares held by this entity as notified in the notice of January 17, 2008. The Company has no information whatsoever relating to possible changes in its share ownership after those dates.

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	Number of shares according to the last quarterly reports	Number of shares after split on January 10, 2008	Number of shares according to the current quarterly reports	Change in the number of shares and votes
Tadeusz Czichon	736 000	5 888 000	5 904 000	16 000
Roman Szwed	454 498	3 635 984	3 635 984	0
ING Nationale-Nederlanden Polska OFE	400 000	3 200 000	3 200 000	0
POLSAT PTE	295 283	2 362 264	2 362 264	0
AIG TFI	232 578	1 860 624	1 860 624	0

**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	Number of shares according to the last quarterly reports	Number of shares after split on January 10, 2008	Number of shares according to the current quarterly reports	Change in the number of shares and votes
Tadeusz Czichon	736 000	5 888 000	5 904 000	16 000

**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 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 AFFILIATED COMPANIES**

During the reporting period, neither the Issuer nor any of the Issuer's subsidiaries completed transactions with affiliated 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, 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.

**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 funds 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 funds 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 Web service markets, and the positioning of the solutions developed by the Issuer's group of companies on these markets.

**ATM S.A. QUARTERLY FINANCIAL INFORMATION**  
**(AS REQUIRED PURSUAT TO THE REGULATION OF THE MINISTER OF FINANCE**  
**REGARDING ONGOING AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF**  
**SECURITIES)**

**1. BALANCE SHEET**

<b>BALANCE SHEET</b>	<b>Data as at December 31, 2007, end of quarter (current year)</b>	<b>Data as of September 30, 2007 end of the previous quarter</b>	<b>Data as at December 31, 2006, end of the previous year</b>	<b>Data as at December 31, 2006, end of quarter (preceding year)</b>
<b>Assets</b>				
<b>I. Fixed assets</b>	<b>188 266</b>	<b>158 619</b>	<b>73 654</b>	<b>73 654</b>
1. Intangible assets, including:	11 807	6 283	2 038	2 038
- goodwill	0	0	0	0
2. Property, plant and equipment	84 722	63 583	50 449	50 449
3. Long-term receivables	26	19	166	166
3.1. From related undertakings	0	0	0	0
3.2. From other undertakings	26	19	166	166
4. Long-term investments	90 176	87 398	20 182	20 182
4.1. Real estate	0	0	0	0
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	90 176	87 398	20 182	20 182
a) in affiliates and subsidiaries, including:	90 176	87 398	19 972	19 972
- stocks or shares in subordinated entities based on the equity method	63 391	63 391	0	0
b) in other entities	0	0	210	210
4.4. Other long-term investments	0	0	0	0
5. Long-term prepayments	1 534	1 336	820	820
5.1. Deferred income tax assets	1 409	1 151	588	588
5.2. Other prepayments	126	185	231	231
<b>II. Current assets</b>	<b>156 491</b>	<b>120 018</b>	<b>81 169</b>	<b>81 169</b>
1. Inventories	6 390	11 982	2 975	2 975
2. Short-term receivables	74 925	45 300	69 299	69 299
2.1. From related undertakings	5 129	6 030	27 019	27 019
2.2. From other undertakings	69 796	39 270	42 279	42 279
3. Short-term investments	64 931	51 563	4 350	4 350
3.1. Short-term financial assets	64 931	51 563	4 350	4 350
a) in affiliates and subsidiaries	2 033	2 012	0	0
b) in other entities	0	17 827	0	0
c) cash and cash equivalents	62 898	31 724	4 350	4 350
3.2. Other short-term investments	0	0	0	0
4. Short-term accruals and deferred income	10 246	11 173	4 546	4 546
<b>Total assets</b>	<b>344 757</b>	<b>278 637</b>	<b>154 823</b>	<b>154 823</b>

BALANCE SHEET (cont.)	Data as at December 31, 2007, end of quarter (current year)	Data as of September 30, 2007 end of the previous quarter	Data as at December 31, 2006, end of the previous year	Data as at December 31, 2006, end of quarter (preceding year)
<b>Liabilities</b>				
<b>I. Equity</b>	<b>254 403</b>	<b>79 823</b>	<b>98 780</b>	<b>98 780</b>
1. Share capital	34 200	25 047	24 526	24 526
2. Outstanding initial capital contributions	0	0	0	0
3. Treasury shares (stocks) (negative value)	0	0	0	0
4. Supplementary capital	173 680	26 267	20 837	20 837
5. Revaluation reserve	0	0	0	0
6. Other reserve capitals	24 607	24 607	23 362	23 362
8. Profit (loss) from previous years	3 801	3 795	3 764	3 764
9. Net profit (loss)	18 114	107	26 291	26 291
10. Write-offs from net profit during the fiscal year (negative value)	0	0	0	0
<b>II. Liabilities and provisions for liabilities</b>	<b>90 354</b>	<b>198 814</b>	<b>56 044</b>	<b>56 044</b>
1. Provisions for liabilities	3 491	3 124	2 377	2 377
1.1. Provisions for deferred income tax	3 491	3 124	2 377	2 377
1.2. Provision for retirement and similar benefits	0	0	0	0
a) long-term	0	0	0	0
b) short-term	0	0	0	0
1.3. Other provisions	0	0	0	0
a) long-term	0	0	0	0
b) short-term	0	0	0	0
2. Long-term liabilities	13 192	10 312	6 740	6 740
2.1. To related undertakings	0	0	0	0
2.2. To other undertakings	13 192	10 312	6 740	6 740
3. Short-term liabilities	63 241	180 110	42 800	42 800
3.1. To related undertakings	1 317	694	47	47
3.2. To other undertakings	61 828	179 300	42 602	42 602
3.3. Special funds	96	116	151	151
4. Accruals	10 430	5 268	4 126	4 126
4.1. Negative goodwill	0	0	0	0
4.2. Other accruals	10 430	5 268	4 126	4 126
a) long-term	3 227	1 467	957	957
b) short-term	7 204	3 801	3 169	3 169
<b>Total liabilities</b>	<b>344 757</b>	<b>278 637</b>	<b>154 823</b>	<b>154 823</b>
<b>Book value</b>	<b>254 403</b>	<b>79 823</b>	<b>98 780</b>	<b>98 780</b>
Number of shares	4 500 000	3 295 642	3 227 040	3 227 040
Book value per share (PLN)	56.53	24,22	30,61	30,61
Diluted shares	4 500 000	4 500 000	3 227 040	3 227 040
Diluted book value per share (PLN)	56.53	52,03	30,61	30,61

## 2. OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET ITEMS	Data as at December 31, 2007, end of quarter (current year)	Data as of September 30, 2007 end of the previous quarter	Data as at December 31, 2006, end of the previous year	Data as at December 31, 2006, end of quarter (preceding year)
1. Contingent receivables	291	291	291	291
1.1. From other undertakings	291	291	291	291
- compensation	291	291	291	291
2. Contingent liabilities	9 804	6 407	7 035	7 035
2.1 To other entities from	9 804	6 407	7 035	7 035
- guarantees and endorsements	9 804	6 407	7 035	7 035
<b>Total off-balance sheet items</b>	<b>10 095</b>	<b>6 698</b>	<b>7 326</b>	<b>7 326</b>

## 3. PROFIT AND LOSS STATEMENT

PROFIT AND LOSS STATEMENT	4 <sup>th</sup> quarter (current year) October 1, 2007 to December 31, 2007	4 quarters (current year) January 1, 2007 to December 31, 2007	4 <sup>th</sup> quarter (current year) October 1, 2006 to December 31, 2006	4 quarters (current year) January 1, 2006 to December 31, 2006
<b>I. Net revenue on sales of finished products, goods and materials, including:</b>	<b>100 240</b>	<b>190 858</b>	<b>42 134</b>	<b>127 765</b>
- from related undertakings	1 214	4 860	247	614
1. Net revenue on sales of products	23 336	78 728	17 535	65 798
2. Net revenue on sales of goods and materials	76 904	112 129	24 599	61 966
<b>II. Cost of products, goods and materials sold, of which:</b>	<b>70 229</b>	<b>134 796</b>	<b>25 635</b>	<b>85 009</b>
- to affiliates and subsidiaries	640	2 774	0	9
1. Manufacturing costs of products sold	22 791	57 938	11 198	41 933
2. Value of goods and materials sold	47 438	76 858	14 437	43 076
<b>III. Gross profit (loss) on sales (I-II)</b>	<b>30 011</b>	<b>56 062</b>	<b>16 499</b>	<b>42 756</b>
IV. Selling costs	306	862	479	1 163
V. General and administrative costs	9 927	36 046	10 167	29 629
<b>VI. Profit (loss) on sales (III-IV-V)</b>	<b>19 777</b>	<b>19 154</b>	<b>5 853</b>	<b>11 964</b>
VII. Other operating revenue	4 125	12 902	21 124	26 798
1. Profit on sale of non-financial fixed assets	0	0	19 744	19 824
2. Subsidies	-248	314	166	166
3. Other operating revenue	4 373	12 588	1 215	6 808
VIII. Other operating expenses	4 669	12 916	1 322	6 838
1. Loss on sale of non-financial fixed assets	108	131	0	0
2. Revaluation of non-financial assets	116	120	128	240
3. Other operating expenses	4 445	12 664	1 194	6 598
<b>IX. Profit (loss) on operating activities (VI+VII-VIII)</b>	<b>19 233</b>	<b>19 139</b>	<b>25 654</b>	<b>31 924</b>
X. Financial revenue	2 425	3 659	654	1 332
1. Dividends and profit sharing, including:	882	882	0	0
- from related undertakings	882	882	0	0
2. Interest, including:	719	1 510	73	658

PROFIT AND LOSS STATEMENT	4 <sup>th</sup> quarter (current year) October 1, 2007 to December 31, 2007	4 quarters (current year) January 1, 2007 to December 31, 2007	4 <sup>th</sup> quarter (current year) October 1, 2006 to December 31, 2006	4 quarters (current year) January 1, 2006 to December 31, 2006
- from related undertakings	55	68	0	0
3. Proceeds from disposal of investments	0	0	0	0
4. Revaluation of investments	0	0	0	0
5. Other	824	1 267	581	674
XI. Financial expenses	257	1 076	-1 572	518
1. Interest, including:	1	258	50	98
- affiliates and subsidiaries	0	0	0	0
2. Loss from disposal of investments	0	0	0	0
3. Revaluation of investments	0	0	0	0
4. Other	256	818	-1 622	420
<b>XIII. Profit (loss) on business activities(IX+X-XI)</b>	<b>21 401</b>	<b>21 723</b>	<b>27 880</b>	<b>32 738</b>
XIV. Result on extraordinary events (XIV.1. – XIV.2.)	0	0	0	0
1. Extraordinary gains	0	0	0	0
2. Extraordinary losses	0	0	0	0
<b>XVII. Gross profit (loss) (XIII+/-XIV)</b>	<b>21 401</b>	<b>21 723</b>	<b>27 880</b>	<b>32 738</b>
XVIII. Income tax	3 393	3 608	5 670	6 447
a) current	3 277	3 277	5 690	6 334
b) deferred	116	331	-20	113
XIX. Other obligatory reductions in profit (increases in loss)	0	0	0	0
XX. Share of entities based on the equity method in profit (loss)	0	0	0	0
<b>XXII. Net profit (loss) (XVII-XVIII-XIX+/-XX)</b>	<b>18 008</b>	<b>18 114</b>	<b>22 209</b>	<b>26 291</b>
Net profit (loss), annualized	18 114	18 114	26 291	26 291
Weighted average number of ordinary shares	4 447 637	3 574 919	3 227 040	3 227 040
Profit (loss) per ordinary share (PLN)	4,07	5,07	8,15	8,15
Weighted average of diluted ordinary shares	4 447 637	3 574 919	3 295 642	3 295 642
Diluted profit (loss) per ordinary share (PLN)	4,07	5,07	7,98	7,98

#### 4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	4 <sup>th</sup> quarter 2007 from October 1, 2007 to December 31, 2007	4 quarters from January 1, 2007 to 31.12.07	2006 from January 1, 2006 to December 31, 2006	4 quarters 2007 from January 1, 2006 to December 31, 2006
I Opening balance of shareholders' equity	79 823	98 780	75 813	75 813
I.a. Opening balance of shareholders' equity after adjustments	79 823	98 780	75 813	75 813
1 Opening balance of core capital	25 047	24 526	24 526	24 526
1.1 Changes in core capital	9 153	9 674	0	0
a Increases (due to)	9 153	9 674	0	0
- issue of shares	9 153	9 674	0	0
1.2 Closing balance of core capital	34 200	34 200	24 526	24 526

		4 <sup>th</sup> quarter 2007 from October 1, 2007 to December 31, 2007	4 quarters from January 1, 2007 to 31.12.07	2006 from January 1, 2006 to December 31, 2006	4 quarters 2007 from January 1, 2006 to December 31, 2006
<b>2</b>	<b>Opening balance of supplementary capital</b>	<b>26 267</b>	<b>20 837</b>	<b>20 987</b>	<b>20 987</b>
2.1	Changes in supplementary capital	147 413	152 843	0	0
a	Increases (due to)	147 413	155 097	0	0
-	share premium	147 413	155 097	0	0
b	Decreases (due to)	0	2 254	150	150
-	Issue of new series of shares	0	2 254	150	150
<b>2.2</b>	<b>Closing balance of supplementary capital</b>	<b>173 680</b>	<b>173 680</b>	<b>20 837</b>	<b>20 837</b>
<b>4</b>	<b>Opening balance of other reserve capital</b>	<b>24 607</b>	<b>23 362</b>	<b>11 050</b>	<b>11 050</b>
4.1	Changes in other reserve capital	0	1 244	12 312	12 312
a	Increases (due to)	0	1 244	12 312	12 312
-	Profit distribution	0	1 244	12 312	12 312
<b>4.2</b>	<b>Closing balance of other reserve capital</b>	<b>24 607</b>	<b>24 607</b>	<b>23 362</b>	<b>23 362</b>
<b>5</b>	<b>Opening balance of profit (loss) from previous years</b>	<b>3 902</b>	<b>30 055</b>	<b>19 250</b>	<b>19 250</b>
5.1	Opening balance of profit from previous years	3 902	30 055	19 250	19 250
-	corrections of fundamental errors	0	0	3 710	3 710
5.2	Opening balance of profit from previous years after adjustments	3 902	30 055	22 960	22 960
a	Increases (due to)	6	36	56	56
-	distribution of profit from previous years	6	36	56	56
b	Decreases (due to)	0	26 290	19 252	19 252
	Dividend payout	0	25 046	6 938	6 938
	Items transferred to reserve capital	0	1 244	12 312	12 312
	Income tax adjustments	0	0	2	2
5.3	Closing balance of profit from previous years	0	0	3 764	3 764
<b>5.4</b>	<b>Closing balance of profit (loss) from previous years</b>	<b>3 908</b>	<b>3 801</b>	<b>3 764</b>	<b>3 764</b>
<b>6</b>	<b>Net result</b>	<b>18 008</b>	<b>18 114</b>	<b>26 291</b>	<b>26 291</b>
a	Net profit	18 008	18 114	26 291	26 291
b	Net loss	0	0	0	0
<b>II</b>	<b>Closing balance of equity</b>	<b>254 403</b>	<b>254 403</b>	<b>98 780</b>	<b>98 780</b>
<b>III</b>	<b>Equity after adjustments for the proposed distribution of profit (coverage of loss)</b>	<b>254 403</b>	<b>254 403</b>	<b>73 733</b>	<b>73 733</b>

## 5. CASH FLOW STATEMENT

CASH FLOW STATEMENT		4 <sup>th</sup> quarter 2007 from October 1, 2007 to December 31, 2007	4 quarters 2007 from January 1, 2007 to December 31, 2007	4 <sup>th</sup> quarter 2006 from October 1, 2006 to December 31, 2006	4 quarters 2006 from January 1, 2006 to December 31, 2006
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>I</b>	<b>Net profit (loss)</b>	<b>18 008</b>	<b>18 114</b>	<b>22 209</b>	<b>26 291</b>
<b>II</b>	<b>Total adjustments</b>	<b>15 837</b>	<b>-767</b>	<b>-23 171</b>	<b>-26 787</b>
1	Amortization and depreciation	2 591	8 526	1 747	5 952
2	FX gains (losses)	-406	-424	-386	-638
3	Interest and profit sharing (dividends)	-891	-226	864	2 493
4	Profit (loss) on investment activities	120	193	-19 749	-19 939
5	Movements in provisions	373	1 151	-868	121
6	Movements in inventories	5 593	-3 414	-57	-612
7	Movements in receivables	-30 129	-22 616	-26 379	-15 740
8	Movements in short-term liabilities excluding loans	34 256	18 774	20 532	4 070
9	Movements in prepayments and accruals	4 082	-2 417	1 290	-2 329
10	Other adjustments	247	-314	-166	-166
<b>III</b>	<b>Net cash flows from operating activities</b>	<b>33 845</b>	<b>17 347</b>	<b>-961</b>	<b>-495</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
<b>I</b>	<b>Proceeds</b>	<b>23 769</b>	<b>31 236</b>	<b>8 447</b>	<b>48 780</b>
1	Sale of intangible assets and property, plant and equipment	4 815	29 698	2 431	48 366
2	From financial assets, of which:	18 882	1 315	6 015	410
a	affiliates and subsidiaries	882	882	0	0
-	dividends and profit sharing	882	882	0	0
b	other entities	18 000	433	6 015	410
-	Sales of financial assets	17 827	210	5 993	0
-	Interest	173	223	22	410
3	Other investment inflows	72	223	1	4
<b>II</b>	<b>Outflows</b>	<b>25 978</b>	<b>118 005</b>	<b>12 924</b>	<b>28 333</b>
1	Purchase of intangible assets and property, plant and equipment	23 176	45 759	3 467	16 404
2	For financial assets, including:	2 779	70 205	9 656	11 922
a	affiliates and subsidiaries	2 779	70 205	9 656	11 712
-	purchase of financial assets	2 779	70 205	9 656	11 712
b	other entities	0	0	0	210
-	purchase of financial assets	0	0	0	210
3	Other investment outflows	23	2 041	-199	7
<b>III</b>	<b>Net cash flows from investment activities (I-II)</b>	<b>-2 209</b>	<b>-86 769</b>	<b>-4 477</b>	<b>20 447</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>				
<b>I</b>	<b>Proceeds</b>	<b>1 644</b>	<b>169 360</b>	<b>8 010</b>	<b>8 472</b>
1	Net inflows from the issue of shares and other capital instruments and from capital contributions	0	162 518	0	0
2	Loans	0	4 100	6 755	6 755
3	Other financial inflows	1 644	2 742	1 255	1 718
<b>II</b>	<b>Outflows</b>	<b>2 105</b>	<b>41 390</b>	<b>1 563</b>	<b>25 875</b>
1	Dividends and other payments to shareholders	278	25 047	0	6 938
2	Repayment of loans	0	10 854	0	13 683
3	Payment of liabilities arising from finance leases	1 537	4 455	527	2 084
4	Interest	219	946	886	2 938
5	Other financial outflows	71	87	150	232
<b>III</b>	<b>Net cash flows from financial activities (I-II)</b>	<b>-461</b>	<b>127 970</b>	<b>6 447</b>	<b>-17 403</b>



CASH FLOW STATEMENT		4 <sup>th</sup> quarter 2007 from October 1, 2007 to December 31, 2007	4 quarters 2007 from January 1, 2007 to December 31, 2007	4 <sup>th</sup> quarter 2006 from October 1, 2006 to December 31, 2006	4 quarters 2006 from January 1, 2006 to December 31, 2006
<b>D</b>	<b>NET CASH FLOWS, TOTAL (A+B+C)</b>	31 175	58 549	1 009	2 548
<b>E</b>	<b>Change in net cash and cash equivalents</b>	31 175	58 549	1 009	2 548
<b>F</b>	<b>OPENING BALANCE OF CASH</b>	31 724	4 350	3 341	1 801
<b>G</b>	<b>CLOSING BALANCE OF CASH (D+F), including</b>	62 898	62 898	4 350	4 350
-	Restricted cash	12	12	43	43

## NOTES TO THE QUARTELY REPORTS FOR THE FOURTH QUARTER OF 2007 (PURSUANT TO SECTION 87, SUBSECTION 1 OF THE REGULATION)

The ATM S.A. financial statements for the fourth quarter of fiscal year 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:

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	Data as at	Change in
	31.12.2007	30.09.2007	4 <sup>th</sup> quarter 2007
Changes in provisions:			
- provisions for future expenses	4 019	723	3 296

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 fourth quarter of 2007 not invoiced by suppliers (PLN 3,371 thousand);
- the release of a provision for reliably assessed cost of goods, materials and services with respect to previous periods incurred in the fourth quarter of 2007 (negative PLN 74 thousand).

### 2. INFORMATION REGARDING DEFERRED INCOME TAX PROVISION AND ASSETS

ITEMS	Data as at	Data as at	Change in
	31.12.2007	30.09.2007	4 <sup>th</sup> quarter 2007
Provision for deferred income tax	3 491	3 124	367
Deferred income tax assets	1 409	1 151	258

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

- the increase in the positive temporary difference between the balance sheet value and tax value of fixed assets (PLN 292,000);
- the increase in the positive temporary difference between the balance sheet value and tax value of cash (PLN 14,000);
- the increase in a positive temporary difference between the balance sheet value and tax value of work in progress (PLN 126,000).
- the decrease in a positive temporary difference between the balance sheet value and tax value of revenue prepayments (negative PLN 64,000).

The change in deferred income tax assets results from:

- the increase in negative temporary differences between the balance sheet value and tax value of accruals of cost (PLN 247,000);
- the increase in negative temporary differences between the balance sheet value and tax value of receivables (PLN 22,000);
- the decrease in negative temporary differences between the balance sheet value and tax value of goods and materials (negative PLN 5,000);

- the increase in negative temporary differences between the balance sheet value and tax value of fixed asset subsidies (PLN 5,000);
- the decrease in negative temporary differences between the balance sheet value and tax value of liabilities due to social security contributions (negative PLN 12,000).

### **3. INFORMATION REGARDING ASSET WRITE-DOWNS**

<b>ITEMS</b>	<b>Data as at</b>	<b>Data as at</b>	<b>Change in 4<sup>th</sup> quarter 2007</b>
	<b>31.12.2007</b>	<b>30.09.2007</b>	
Revaluation of receivables	616	502	114
Revaluation of goods	386	444	-58

The change in receivable write-downs results from

- the release of a write-down due to the partial repayment of receivables (negative PLN 12,000)
- establishment of provisions for doubtful receivables (PLN 126,000)

The change to goods write-downs results from:

- goods revaluation (PLN 195,000)
- settlement of revaluation from previous years caused by sale or liquidation of goods (negative PLN 253,000)