



Management Report
of the Quantum Software S.A. Capital Group for the period
between
January 1st and December 31st, 2009.

Kraków 22 March 2010

Kraków, 22 March 2010

Letter of the President of the Management Board

Dear Ladies and Gentlemen,

I am pleased to present you with the annual report of the Quantum software S.A. Group, which summarizes the Company's operations and the most important events in 2009.

Last year was particularly difficult for the world economy. In Poland, the level of investment and domestic demand decreased. As a consequence, dynamics of the GDP growth was lower, which translated into further reduction of enterprise activity. Although Poland remained a 'green island' among other European countries plunged into recession, in the case of Quantum, problems of neighbouring countries are of great significance. We implement the strategy of intensively consolidating our presence in the CEE markets, hoping for the economic recovery of the region, perhaps even this year. We think that for a software manufacturer, international footprint is a key to future development.

Another determinant of the company's last year result is a grand scale of R&D investments, which was further supported by EU grants under the Innovative Economy programme on the occasion of the company's stock exchange debut. 2010 will be the last year of this 3-year plan implementation.

We are convinced that broadening our product range and prospective markets are the most appropriate means to use financial resources. Especially now, when the situation on the labour market is not conducive to an increase of wages and salaries, which account for the majority of our costs. Poor profitability of the Company is a consequence of conscious decisions to continue implementation of long-term plans.

2009 was marked by strengthening of the Capital Group. In March 2009, Quantum software S.A. acquired – through the increase of initial capital – 50% interest in CNT Poland Consulting Sp. z o.o. As a result of the initial capital increase, the Company's business name changed to "CNT Quantum Sp. z o.o." with its registered office in Kraków. Quantum software S.A. established a subsidiary, Edisona Sp. z o.o., which will mainly focus on interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes.

In its niche, recognition of Quantum brand in several European countries is high. It is associated with high-tech computer systems, high-quality services and a professional approach to customer needs. The Qguar system is used by customers in various industries, in Western, Central and Eastern European countries. In 2009, the Company stepped up its marketing efforts, attracting new partners in Slovenia (Leoss d.o.o.), Romania (Axes Software), Bulgaria (Bissano), Lithuania (DS. Projektai) and Italy (SCAI).

Important contracts concluded in Poland in the past year include contracts with Funai Electric Polska Sp. z o.o., Klimas Wkręt-Met Sp. z o.o., Ichem Sp. z o.o or ME Logistic Sp. z o.o. The company's subsidiary, Quantum International in Kiev signed agreements with Telbi Sp. z o.o., M&S Logistic Sp. z o.o. and LAN Ukraine in Ukraine.

We had a lot of satisfaction and kudos from inclusion on the list of "Forbes Diamonds" of Forbes magazine and the prestigious award "Quality of the Year 2009". Furthermore, in the annual competition "Logistics Operator of the Year", Quantum software along with Ceramika Tubądzin were honoured with the title "Logistics Innovative Product". The award was given for implementation by Quantum at Ceramika Tubądzin of the "Wave picking" model, providing for innovative picking of merchandise.

Moreover, the Ukrainian subsidiary of Quantum software, Quantum International won the prestigious LOGISTICS AWARD UKRAINE 2009 for the best IT supplier for the logistics industry.

Taking into account newly signed contracts, long-standing cooperation and long-term agreements with a large group of existing customers (distribution centres, retail chains and manufacturers), we confidently look to the future, while working on the development of our products.

In 2010 we will continue intensive development works from 2009 related to other Company-specific solutions based on technologies of our strategic partners. Although our position in the IT market (especially in the logistics sector) is already well established, we want to deepen relationships with our existing customers by broadening our range of services. Excellent testimonials of our current customers open the doors to acquiring new markets for our products and services.

I am convinced that the hard work in recent years will contribute to the growing value of Quantum software and its market position. What strengthens my belief even more is the select team of committed and dynamic people who we as the Board have the pleasure of working with.

Yours faithfully,

Tomasz Hatala
President of the Management Board

PRINCIPLES GOVERNING PREPARATION OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE CAPITAL GROUP

These consolidated financial statements of the Quantum software S.A. Capital Group for 2009 were prepared in line with the IAS and the International Financial Reporting Standards (IFRS) approved by the European Union, including standards and interpretations published or adopted by the International Accounting Standards Board and by the IASB's Standing Interpretations Committee. The basis for preparation of these consolidated financial statements of the Quantum software S.A. Capital Group is the provision of Article 55, para. 6a of the Accounting Act.

Data included in the report was prepared in line with the principles for valuation of assets and equity and liabilities and measurement of net income specified as at the balance sheet date, in keeping with the materiality principle. The consolidated financial statements for the financial year 2009 were prepared on the assumption that the Capital Group would continue as a going concern.

The consolidated financial statements were prepared for 2009 in PLN with figures rounded off to the nearest whole thousand.

Postings follow the cost method. The undertaking made no adjustments that would have reflected the influence of inflation on individual items of the balance sheet or income statement. The company prepares the income statement classifying expenses by function. The cash flow statement uses the indirect method.

This Management Report of the Quantum software Capital Group covers the period between January 1st and December 31st, 2009.

The consolidated annual report of the Quantum Capital Group for the reporting period between 01.01.2009 and 31.12.2009 comprises:

- The Group's consolidated financial statements for the reporting period between 01.01.2009 and 31.12.2009 and as at 31.12.2009 prepared in line with the International Accounting Standards, including balance sheet, income statement, statement of changes in equity, cash flow statement and the notes;
- Comparative financials to the financial statements as at 31.12.2008 and for the period of 12 months ending on 31.12.2008;

- The Capital Group's Management Report for the period between 01.01.2009 and 31.12.2009;
- Statements of the Management Board in line with Article 91, para. 1 item 5) and 6) of the Regulation of the Minister of Finance of February 19th, 2009 on current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state.

Signatures of Members of the Management Board

Person responsible for
bookkeeping

Tomasz Hatala

Chief Accountant

Bogusław Ozóg

Monika Kuś

Marek Jędra

Tomasz Mnich

1. Basic information

The parent of the Capital Group is Quantum software S.A. with its registered office in Kraków at ul. Walerego Sławka 3A. The Company was entered into the Register of Businesses of the National Court Register (KRS) Kraków – Śródmieście, XI Economic Division on October 30th, 2002 under KRS No. 0000136768; PKD (Polish Classification of Activities) No. 72.2 “Software activities”. The Company’s business focus is development and implementation of IT systems for businesses, where optimisation of logistics is key.

Statistical identification number (REGON)

Tax ID (NIP)

National Court Register (KRS)

Initial capital fully paid up

Management Board:

President of the Management Board	Tomasz Hatala
Vice-President of the Management Board	Bogusław Ożóg
Vice-President of the Management Board	Marek Jędra
Member of the Management Board	Tomasz Mnich

Supervisory Board:

Chairman of the Supervisory Board	Leopold Kutyla
Deputy Chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Jerzy Majewski
Member of the Supervisory Board	Anna Nadolska

The consolidated financial statements were prepared on the assumption that member entities of the Quantum software S.A. Capital Group would continue as a going concern in a foreseeable future.

As at 31.12.2009, member entities of the Capital Group included the following subsidiaries of Quantum software S.A. (organisational structure of the Group):

- 1) Business name: Quantum East Sp. z o.o. – subsidiary
Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS): 0000294284
Shareholders: 66.7% of shares held by Quantum software S.A.
Founding capital fully paid up:

- 2) Business name: Quantum International Sp. z .o.o. – subsidiary
Registered office: Kiev
Address: Prospect Moskovskij
certificate No. 100107724
Shareholders: 100% of shares held by Quantum East
Founding capital fully paid up: USD 76,200

- 3) Business name: CNT Quantum Sp. z o.o. – related party
Registered office: Kraków
Address: Walerego Sławka 3a
National Court Register (KRS):
Shareholders: 50% of shares held by Quantum I - services Sp. z o.o.
Founding capital fully paid up:

- 4) Business name: Quantum I - Services Sp. z o.o. – subsidiary
Registered office: Kraków
Address: Walerego Sławka 3A
National Court Register (KRS):
Shareholders: 100% of shares held by Quantum software S.A.
Founding capital fully covered by in-kind contribution:

- 5) Business name: Edisonda Sp. z o.o. – subsidiary
Registered office: Kraków
Address: Walerego Sławka 3A
National Court Register (KRS):
Shareholders: 100% of shares held by Quantum software S.A.
Founding capital fully paid up:

2. Material events in the financial year and important events that occurred after the balance sheet date and were not included in the financial statements.

2.1. Pursuant to the strategic assumptions, expansion of the Capital Group was continued:

- a) By way of CR No. 5/2009, the Parent of the Quantum Software S.A. Capital Group announced that on March 3rd, 2009, the Issuer had acquired – through the increase of initial capital – interest in “CNT Poland Consulting Sp. z o.o.” (further the “Company”) with its registered office in Warsaw.

The agreement concerned the increase of the Company’s initial capital from PLN 70,000 to PLN 400,000 by issuing 3,300 new, indivisible and equal shares of a par value of PLN 100.00 each, i.e. by the total amount of PLN 330,000. The shares in the Company were taken hold of as follows:

- (i) Quantum software S.A. (Issuer) took hold of 2,000 shares of a par value of PLN 200,000 and covered entirely in cash of PLN 235,000, of which PLN 200,000 was allocated for the initial capital, and PLN 35,000 of share premium was paid to the Company’s supplementary capital;
- (ii) CNT International Consulting GmbH with its registered office in Vienna (Austria) took hold of 1,300 shares of a par value of PLN 130,000 and covered entirely in cash of PLN 564,000, of which PLN 130,000 was allocated for the initial capital, and PLN 434,000 of share premium was paid to the Company’s supplementary capital.

As a result of the initial capital increase, the Company’s business name changed to “CNT Quantum Sp. z o.o.” with its registered office in Kraków. The Company’s focus is the provision of SAP services in Poland and Eastern Europe. Quantum software’s partner, the CNT Group with its registered office in Vienna is a renowned provider of SAP consulting services in Austrian, German and CEE markets. As a result of the aforementioned acquisition, the Issuer now holds 50% share in the initial capital of CNT Quantum Sp. z o.o., giving the holder 50% of votes at the meeting of partners. Asset acquisitions were financed with the Issuer’s own funds.

- b) On June 8th, 2009 **Quantum I - Services Sp. z o.o. with its registered office in Kraków** was registered; Quantum software S.A. took hold of 100% of its shares (the Issuer notified of

the event in CR No. 15/2009). The Company's focus will be sales of licences, hardware and IT services that are not directly related to Quantum software S.A. own products (at the moment the Qguar series). Then, Quantum software – through the increase of the initial capital of Quantum I - Services – contributed 50% of CNT Quantum shares.

- c) On September 1st, 2009, **a subsidiary company, Edisona Sp. z o.o. with its registered office in Kraków** was registered. The Parent of the Capital Group announced the event in CR No. 20/2009. The Company's initial capital amounts to PLN 5,000.00, divided into 50 shares of a par value of PLN 100.00 each. Quantum software S.A. took hold of 100% of the initial capital and 100% of votes at the meeting of partners of Edisona Sp. z o.o. The shares were covered in cash. Edisona Sp. z o.o. was established to focus on interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes.

2.2. Commercial agreements concluded by subsidiaries:

- a) By way of CR No. 4/2009, the Management Board of Quantum software S.A. announced that on February 16th, 2009 Quantum International, the Issuer's subsidiary had concluded agreements with a manufacturer and distributor of fish products, "Telbi Sp. z o.o." with its registered office in Vasylkiv, Ukraine.

The agreements concern granting of a licence without term as well as comprehensive implementation of the system supporting logistics processes management, Qguar WMS Pro being a proprietary solution of Quantum software S.A. The Qguar system will encompass all processes at the warehouse with the total area of more than 5,000 sq m. The total value of both agreements (licence and implementation) amounts to UAH 1,059,686.05 (approx. EUR 107,324.00 or PLN 511,796.00).

- b) Moreover, the subsidiary, Quantum International signed commercial agreements with the following customers: M&S Logistic Sp. z o.o. and LAN Ukraine in Ukraine.
- c) The related party, CNT Quantum signed commercial agreements with the following customers: POLOmarket, Sarantis, Aquael, Trumpf and Aksys.
- d) The subsidiary, Edisona sourced the following customers: Archeton, Oknoplast, Znak, Making Waves and shoper.pl.

2.3. Other material events

- a) On October 9th, 2009, the Ukrainian subsidiary of Quantum software, Quantum International won the prestigious LOGISTICS AWARD UKRAINE 2009 for the best IT supplier for the logistics industry.
- b) The Company received an award “Gazeta Biznesu 2008” in the ranking of enterprises prepared by Puls Biznesu daily and Coface Poland credit bureau.
- c) The Company was also included on the list of Forbes magazine: “Forbes Diamonds”.
- d) Quantum software received a prestigious award “Quality of the Year 2009”. The “Quality of the Year” programme is co-organised by Biznes Raport (a special supplement to Gazeta Prawna daily) and the Polish Centre for Testing and Certification (PCBC).
- e) On December 4th, 2009, in the annual competition “Logistics Operator of the Year”, Quantum software along with Ceramika Tubądzin were honoured with the title “Logistics Innovative Product”. The award was given for implementation by Quantum at Ceramika Tubądzin of the “Wave picking” model, providing for innovative picking of merchandise.

3. Consolidated financial results of the Capital Group in 2009.

Consolidated financial highlights from the Capital Group’s income statement

Details	(in PLN ‘000)	(in PLN ‘000)
Net sales	20 146	18 260
Net sales of products	17 493	15 041
Net sales of goods and materials	2 653	3 218
Operating profit (EBIT)	29	948
Operating profit + amortisation/depreciation (EBITDA)	1.055	1 605
Gross profit	189	1 491
Net profit	88	1 152
Equity	17 083	16 704
Liabilities and reserves	3 627	2 117
Of which long-term liabilities	212	252

Return On Sales – ROS	0.44 %	6. 31 %
Return On Assets – ROA	0.42 %	6. 12 %
Return On Equity – ROE	0.52	6. 90
Current ratio	4.39	8.43
Quick ratio	4.39	8.18

Tabulated ratios have been calculated according to the following formulas:

- a) return on sales – net profit to sales of goods and services;
- b) return on assets – net profit to assets as at the end of the reporting period;
- c) return on equity – net profit to equity as at the end of the reporting period;
- d) current ratio – current assets to the carrying amount of short-term liabilities;
- e) quick ratio – current assets less inventories to the carrying amount of short-term liabilities.

In 2009, the Quantum Group recorded income from core activities of PLN 20,146,000 (in the previous year: PLN 18,260,000). Compared to the same period of the last year, income dynamics amounted to 110.33%. In spite of the weaker financial year, income from sales of Qguar software and services, which are the most important for the Issuer, are by approx. 16% higher than in the corresponding period of the previous year. Dynamics in this income group amounted to 116%. In 2009, sales of the Group's products and services accounted for 87% of the total sales. The remaining 13% of sales is income from sales of goods and materials. The increased total sales can be attributed to significantly higher sales of services and Qguar software, and the concurrent decrease of hardware sales, which is, however, only complementary and less important for further development. Income resulting from these two trends co-occurred with higher costs of accelerated development (in terms of product range, human potential, marketing activities and expansion of the Capital Group), which led to declining profitability.

The Capital Group closed the year with the net income of PLN 88,000.

The primary cause for lower-than-expected financial results is the economic crisis due to which the Group's potential and existing customers (businesses representing manufacturing and trading sectors) have limited the construction of large logistics centres and thus their spending on IT solutions. The specificity of the Issuer's operations consists in large individual investment contracts. In the period of protracted economic slowdown, some customers have postponed

implementation of planned works because of their worse financial condition, thereby delaying decisions on purchases of licences or services. This situation leads to ever increasing slowdown in sales of new projects. The Group's building of human potential by mid 2009 is related to the long-term development strategy of own products and attempts to conquer CEE markets. The Group has a relatively large exposure to foreign markets, particularly Ukraine, and the crisis on these markets is more severe than in Poland. Looking forward to a market revival between 2010 and 2011, the Management Board intentionally refrains from significant reductions of well-trained and experienced staff (personnel costs make an essential part of the Group's cost structure) and consistently implements its plans from 2007. The economic weakness coincided with large expenditure on development (part of which influences running costs) and a large increase in amortisation, resulting mainly from the completion of new software modules (compared to the previous year, amortisation for the Group increased by approx. 56%). The net income was further reduced by a new provision of PLN 164,000 for outstanding receivables from a Russian contractor.

4. Description of the structure of assets and equity and liabilities in the consolidated balance sheet, including in terms of the Capital Group's liquidity.

	PLN	PLN
ASSETS		
Non-current assets	7 467 724.43	5 391 005.29
Intangible assets	5 650 020.76	3 461 175.65
Property, plant and equipment	1 650 261.98	1 848 339.12
Long-term receivables	42 219. 52	42 219.52
Long-term investments	102 301. 37	1 171.00
Real estate	0.00	0.00
Long-term financial assets	102 301. 37	1 171.00
Long-term prepayments	22 920. 80	38 100.00
Deferred income tax assets	11 843.00	38 100.00
Current assets	13 242 523.56	13 430 233.32
Inventories	12 986.48	385.72
Short-term receivables	4 610 204.67	3 119 911.62
Short-term investments:	8 470 400.88	8 931 552.10
Including Short-term financial assets	8 470 400.88	8 931 552.10
Short-term prepayments	148 931.53	1 378 383.88
Total assets	<u>20 710 247. 99</u>	<u>18 821 238.61</u>
EQUITY AND LIABILITIES		
Equity	17 083 115. 81	16 703 836.39
Share capital	735 000.00	735 000.00
Contingent capital	124 951.32	21 205.00
Called up share capital (negative figure)	0.00	0.00
Own stocks (shares) (negative figure)	0.00	0.00
Legal reserve and share premium	14 651 107.08	14 395 868.37
Revaluation reserve	0.00	0.00

Other reserve capitals	989 000.00	0.00
Profit (loss) brought forward	348 478.05	294 506.92
Net profit (loss)	- 49 153.61	1 151 834.70
Liabilities and provisions for liabilities	3 627 132.18	2 117 402.22
Provisions for liabilities	257 251.72	246 454.73
Deferred income tax reserve	149 148.00	147 723.00
Provision for retirement pensions and similar benefits	108 103.72	98 731.73
Long-term liabilities	211 589.72	251 719.23
Short-term liabilities	3 014 116.60	1 594 312.79
Earmarked funds	6 794.37	15 928.53
Accruals	144 174.14	24 915.47
Negative goodwill	0.00	0.00
Other accruals	144 174.14	24 915.47
Total equity and liabilities	20 710 247.99	18 821 238.61

Among balance sheet assets, the dominant item consists of current assets. They account for approx. 64% of the balance sheet total. Within the structure of current assets, the dominant position consists of short-term investments/short-term financial assets (accounting for approx. 64% of the item total). As regards non-current assets, the largest item consisted of intangible assets (75.7%). A significant change in value between 2008 and 2009 resulted mainly from outlays on development works.

Among balance sheet equity and liabilities, the dominant item consists of equity, accounting for 84.70% of the balance sheet total. Their increase compared to 2008 results from establishment of a provision for the own share redemption programme of the Issuer and allocation of the entire profit to the legal reserve of the Parent. The share of short-term debt amounted to 14.5% at the end of 2009. The share of debt in financing of the Group's assets is within safe limits.

5. Changes in equity in terms of amounts and types

None.

6. Information on basic products

The Capital Group's business focus consists of development of support software for logistics and production processes and implementation of complete IT systems in logistics and production companies, including third-party software and hardware. The Parent, Quantum software S.A. works primarily in the niche segment, providing technically advanced, high-quality solutions for demanding customers. The Company has been operating in Poland since 1997. International experience gathered by the founders since 1991, know-how in the field of IT and logistics and a reliable team of experts have made Quantum software S.A. a leading CEE manufacturer of specialised software for warehousing and distribution.

The Group's flagship product is the Qguar system, with about 200 implementations, mainly in Poland but also in Germany, France, Great Britain, Romania, Slovakia, Czech Republic, Hungary, Ukraine and Russia. Therefore, the Issuer is one of the few Polish IT companies whose proprietary software has won international recognition. The QGUAR system is a set of modules in the SCM class software (Supply Chain Management), and in a more detailed classification, in the SCE class (Supply Chain Execution). Its functionality supports and optimizes the processes associated with warehousing logistics, distribution and production in conjunction with the processes of buying and selling. Its one-off implementation usually entails a significant organisational change in the company and requires several months of an expert team's work. The modular character of the Qguar system makes it possible to manage just the selected links in the integrated supply chain or comprehensively handle the entire logistics.

The Company's product range includes:

- Qguar Warehouse Management System Professional – Qguar WMS PRO;
- Qguar Warehouse Management System Easyway – Qguar WMS EASYWAY;
- Qguar Yard Management System;
- Qguar Manufacturing Execution System – Qguar MES;
- Qguar Transport Management System – Qguar TMS;
- Qguar Supply and Distribution System – Qguar SDS;
- Remote (Internet) system access application – Qguar 4WEB;
- management information system (business analyser);
- settlement of logistics services and data visualisation (dashboard);
- SAP Business product suite: 'All-in-One'.

Implementation of the Qguar system comprises the following stages and service types:

- design (also known as the Technical Specifications for Implementation (STW));
- configuration and customised plug-ins (optional);
- installation;
- training;
- implementation;
- post-implementation assistance;
- service.

The subsidiary, Quantum International Sp. z o.o. with its registered office in Kiev is mainly focused on sales and implementation of IT solutions offered by Quantum software S.A.

The subsidiary, Edisonda Sp. z o.o. is involved in interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes.

CNT Quantum Sp. z o.o. offers SAP ERP solutions on the Polish market. In the longer term perspective, it intends to do the same on other Eastern European markets.

Expansion into foreign markets translates into the necessity to localize the Qguar system in new language versions. At the moment, the following versions are available: Polish, English, German, French, Spanish, Hungarian, Russian and Romanian. Localization as such contributes to new developments and improvements in the existing systems too.

7. Downstream and upstream markets

Operations of the Quantum software Capital Group focus predominantly in Poland and Central and Eastern Europe. In the Ukrainian and Russian markets, there is a resilient subsidiary of the Issuer, Quantum International Sp. z o.o. z with its registered office in Kiev (Ukraine).

Sales figures

Product breakdown

		% share		% share
Own licences (Qguar) and services	15 314	76%	13 732	75.21%

Goods	2 653	13%	3 218	17.62%
other	2 179	11%	1 309	7.17%
Total sales	20 146	100%	18 259	100%

Data in PLN '000

Sales by markets

		% share		% share
Domestic	15 156	75.23%	14 541	79.64%
Export	4 990	24.77 %	3 718	20.36%
Total	20 146	100%	18 259	100%

Data in PLN '000

Main industry targets for the Group's products and services are:

- distribution centres handling comprehensive distribution of commercial goods, i.e. centres that control all stages in the process, both economic and logistics, from the procurement, transport to the warehouse, storage, sales to forwarding to final sales outlets and settlement of the entire process;
- warehouses providing logistics services on the outsourcing basis, and by the same token acting as external warehouses for manufacturing or trading companies, thus releasing them from merchandise management responsibilities;
- extensive forwarding and transport services;
- manufacturing companies having their own distribution systems that do not outsource logistics services but that could use the outsourced service for their macro-logistics as a whole or whose existing system could be streamlined by development of the IT base.

The aforementioned division is reflected in the current customer base of the Parent, featuring predominantly:

- trading and distribution businesses;
- manufacturing businesses (foodstuffs and manufactured articles);

- businesses providing logistics services.

8. Major research and development achievements.

Due to the specific nature of its business, the Group carries out practically ceaseless research activity in the field of IT technologies, i.e. hardware, system software, software tools and database software. The activity is aimed to identify and improve the Company's solutions and technologies to create own products. Since 2008 the Parent has been carrying out two R&D projects in the field of supply chain management, approved for EU co-financing under the Innovative Economy Operational Programme for 2007-2013, Action 1.4-4.1 "Support for R&D works" as well as practical implementation of such works. The projects will be completed by the end of 2010. Particularly innovative operations are those of EDISONDA, which carries out projects related to the communicative effectiveness of websites.

9. Employment structure at Quantum software S.A. and the Capital Group

Employment structure at Quantum software S.A.

The average employment at the Company in the year ending on December 31st, 2009 was as follows:

	The year ending on December 31 st , 2009	The year ending on December 31 st , 2008
Management Board	4	4
White collars/Administration	128	121
Blue collars	0	0
Total	132	125

Employment structure at the Capital Group

The average employment at the Group in the year ending on December 31st, 2009 was as follows:

	The year ending on December 31 st , 2009	The year ending on December 31 st , 2008
Management Board of the Parent	4	4
Management Boards of the	7	6

Group members (*)		
White collars/Administration	142	128
Blue collars	0	0
Total	153	138

(*) some members of the Management Boards of the Group are members of the Management Board of the parent

10. Contingent liabilities

In 2009, the Capital Group had no contingent liabilities.

11. Description of significant risk factors and threats

Risk related to the macro-economic situation

The financial situation of the Capital Group depends on the macro-economic situation in Poland and other Eastern European countries. Direct and indirect determinants of the Group's financial results include: dynamics of the GDP growth, inflation, monetary and fiscal policy of the state, the level of business investment, the amount of household income and consumer demand. Both the above mentioned factors as well as the direction and importance of their fluctuations have influence on tasks aimed by the Group. Slowdown in economic growth will translate into lower income of companies operating in individual regions and industries. As a result, they will reduce their capital expenditure, including on the development through improvement or purchase of computer hardware and appropriate software of the Quantum Group. The Group, as a supplier of IT systems may be smarted by lower budgets on computer implementations due to businesses' lower return on sales.

Risk related to continuation of the economic crisis.

As a result of collapse in global financial markets, which took place in 2008, a large proportion of economies of countries to which the Company sells its products, faced recession or at least a significant slowdown in the pace of economic development. This situation also applies to the domestic market. As a result of these events, we deal with the increased risk of a decline in

demand both in domestic and export markets. In the case of countries such as Ukraine or Russia, there is a risk of a deepening financial crisis, which has already translated into a decline in exports to these countries. The Group seeks to mitigate this risk by widening the product range and finding new sales channels.

Risk of slowdown in individual segments of the IT sector in Poland related to technological developments in the industry

The value of the entire IT market consists of sales of hardware, software and services. Each of these segments may develop with higher or lower dynamics. Market analyses of the hardware and IT services market point to the upward trend in this respect. As Polish businesses are characterised by low technology saturation, it provides a fertile ground for the development of companies whose business profile is similar to that of the Quantum software S.A. Group. However, it should be borne in mind that this market is very sensitive to economic fluctuations. During times of weak economic conditions, businesses put a curb on their investment, including IT expenditure. Lower demand for computer software will be tantamount to lower sales results for the Group, differing significantly from those planned by the Management Board. The Group creates and implements IT systems primarily for the logistics industry. Its customers are manufacturing and trading businesses as well as companies providing warehousing, forwarding and transportation services. The current situation in Poland, its logistically attractive location and trade with foreign countries ensure good climate for the market and create the potential for further development of logistics. Nevertheless, we cannot guarantee that the pace of development in the Group customers' industries will not slow down. In that case, the demand for the Group's products may not grow at the existing pace, and may even be reduced, which will contribute to the lower sales income. Technological developments and frequent innovations on the IT services market are inherent in this sector. The product has a short life cycle, while expenditure on its development is high. Therefore, it might happen that the expenditure on the product may not be covered by the sales proceeds. There is thus a risk that the decision to develop a specific product will be based on wrong premises and as such will not satisfy the current market needs. There is also a risk that product development (design stage), building and testing processes will take longer than expected, so by the time they are completed, the market segment will have been captured by competitors. Monitoring the market needs by the Company's own employees is to mitigate such risk. In addition, the partnership of Quantum software S.A.

with suppliers of computer hardware and software makes it possible to keep track of emerging market developments and technological innovations.

Risk of increased competition

The information technology market is undergoing dynamic development, bringing about the systematic rise in sales income for the sector businesses. Such a situation acts as a magnet for new IT service providers which – attracted by large profits – enter the market as new players. Consequently, the market of business software manufacturers is very fragmented and there are still new entities appearing, offering products that differ widely in terms of price, scope of application or technological advancement. This translates directly into the increased market competition and the Company may have to incur greater expenditure on development and advertising as well as reduce the current margin. In addition, large capacity of the Polish market and the fact that the level of computerisation is different from the average values in other European countries attract global companies providing similar services to start in Poland. The Quantum Group has no control over competitors' activities and products but is able to maintain its market position due to its experience.

Risk related to exports

Sales are mostly domestic sales. However, the Group also concludes contracts with entities operating in Central, Eastern and Western Europe. Currently, approximately 24% of the Group's sales are export sales. Contracts with foreign customers are usually denominated in EUR. If negative trends occur in the PLN/EUR exchange rate, it may adversely affect the Company's financial results. Weakening of EUR against PLN will reduce export income of Quantum software S.A., resulting in lower yields on export contracts.

Risk of currently implemented contracts

Member entities of the Group do not sell large quantities of easy-to-install computer programmes but complete relatively large individual implementation projects with a high degree of complexity, usually requiring several months of an expert team's work. The system implemented at a specific enterprise must ensure real-time control over often complex logistics processes and integrate them with operations of all business departments within the enterprise. In such circumstances, we deal with several risks: of incorrect mapping of processes and information flow in the enterprise; of protraction of planned activities and of changing the scope of work in relation to the originally agreed plan. Reducing the original amount of the contract, higher than planned costs of implementation, termination of the contract or possible customer claims for money may all adversely affect the current financial situation of the Group. However, an extensive international experience and the Parent's own tried and tested standard system reduce the risk of significant errors or delays in contract implementation.

Risk related to the exchange rate

Export transactions of the Group's member companies are made in foreign currencies (mainly EUR). Changes in currency exchange rates towards PLN may entail results being lower than expected. Currency fluctuations affect the profit/loss through:

- changes in the export sales and costs figures stated in PLN;
- realised foreign exchange rate differences that have occurred between the date of sale or purchase and the date of payment of a receivable or a liability;
- unrealised foreign exchange rate differences on valuation of settlements as at the balance sheet date.

Commercial export transactions in foreign currencies are part of ordinary business of the Group's member companies. That is why, amounts of relevant future cash flows may change due to currency fluctuations. On the other hand, available hedges for currency risk are limited due to the volatility of export markets. In particular, netting between currency income and costs has become less predictable.

12. Information on organisational or capital links of the Company with other entities

In the reporting period, Quantum software S.A. was a parent for the following entities:

Quantum East Sp. z o.o. – a subsidiary of the Group; Quantum software S.A. holds 66.7% of its shares (holding nature). Full consolidation method.

Quantum International Sp. z o.o. – a subsidiary of the Group; Quantum East Sp. z o.o. holds 100% of its shares; business focus consists of sales and implementation of Quantum software S.A. IT solutions in the Russian-speaking countries. Full consolidation method.

CNT Quantum Sp. z o.o. – a related party in the Group; Quantum software S.A. holds 50% of its shares. The company offers SAP solutions in Poland and in the Eastern European market. Full consolidation method.

Quantum I - Services Sp. z o.o. – a subsidiary of the Group; Quantum software S.A. holds 100% of its shares; business focus consists of sales of licences, hardware and IT services that are not directly related to Quantum software S.A. own products (at the moment the Qguar series). Full consolidation method.

Edisonda Sp. z o.o. – a subsidiary of the Group; Quantum software S.A. holds 100% of its shares; the company was established to focus on interaction design and research on the communicative effectiveness of websites (or other electronic media) and using the research findings for commercial purposes. Full consolidation method.

13. Information on main domestic and foreign investments of the Company (securities, financial instruments, intangible assets and real estate).

In the presented period, the Group did not invest in real estate, securities or other financial instruments other than described in other items. The increase of the balance sheet item 'intangible assets' consists mainly of outlays on development of the proprietary software suite, Qguar.

14. Information on loans taken, borrowing agreements and guarantees and sureties granted

In 2009, the following loan agreements were in place (new ones and concluded in the previous periods):

Liability*					Type of collateral
	Amount of liability	Amount of collateral	Amount of liability	Amount of collateral	
DB loan – Agreement	0.00	0.00	19 129.44	86 082.80	Court pledge by registration: 2 x SKODA FABIA and SKODA OCTAVIA
DB loan – Agreement	60 430.20	72 520.00	0.00	0.00	Court pledge by registration: OPEL, own blank bill of exchange
DB loan – Agreement	12 142.32	123 000.00	61 499.88	123 000.00	Court pledge by registration: 3 x PEUGEOT
DB loan – Agreement	8 897.20	50 000.00	22 243.00	50 000.00	Court pledge by registration: PEUGEOT 307, blank bill of exchange
DB loan – Agreement	16 643.07	80 000.00	38 833.83	80 000.00	Court pledge by registration: PEUGEOT, SKODA FABIA, blank bill of exchange
DB loan – Agreement	6 093.39	83 000.00	47 609.85	83 000.00	Court pledge by registration: 3 x PEUGEOT S 307, blank bill of exchange
DB loan – Agreement	21 485.60	47 000.00	37 599.80	47 000.00	Court pledge by registration: SEAT, own blank bill of exchange
DB loan – Agreement	54 958.86	120 000.00	91 598.10	120 000.00	Court pledge by registration: PEUGEOT, MAZDA, own blank bill of exchange
DB loan – Agreement	75 135.06	128 803.28	118 069.38	128 803.28	Court pledge by registration: 4 x SKODA OCTAVIA, own blank bill of exchange
DB loan – Agreement	44 577.45	96 500.00	63 959.01	96 500.00	Court pledge by registration: 2 x SKODA OCTAVIA, own blank bill of exchange
TOTAL	300 363.15	800 823.28	500 542.29	814 386.08	

* LONG-TERM LIABILITIES RELATIVE TO LOANS AND BORROWINGS – 2009 can be found in the notes to the financial statements, pp 50-59.

15. Information on borrowings granted in the financial year, particularly borrowings granted to the Issuer's related parties, including their amounts, types and interest rates, currency and maturity dates as well as sureties and guaranties granted

In 2009, Quantum software S.A. (the Issuer) granted the borrowing to its subsidiary, Quantum I - Services Sp. z o.o. In October 2009, the Issuer granted the borrowing of PLN 130,000 with interest rate of 12% p.a. and the maturity on 31.10.2011 to Quantum I - Services.

Moreover, the Issuer did not conclude any material borrowing agreements and did not grant any sureties or guarantees.

16. Description of the Issuer's use of funds coming from the issue

No issues of securities took place in 2009.

17. Evaluation of financial resources management

The Group's primary sources of financing are equity and trade liabilities.

Financial costs in 2009 amounted to PLN 311, and financial income in the same period was equal to PLN 471,000.

18. Feasibility of investment plans, including capital investments compared to the funds held and taking into consideration possible changes in the structure of financing of such operations.

The Company's financial resources will be enough to complete investments as planned in 2010.

19. Evaluation of atypical factors and events affecting the profit/loss in the period.

Disclosures related to hedging instruments: Hedge accounting

In 2008, in accordance with § 88 of IAS 39, the Group applied hedge accounting principles. Application of hedge accounting principles was to reflect the economic content of the Group's operations in the Group's financial statements.

In the period of 12 months ending on December 31st, 2008, the Parent wanted to hedge against foreign exchange losses so it concluded two forward currency contracts. The first contract was concluded on 26/03/2008 for an amount of EUR 180,000 Euro and settled on 28/08/2008, with the profit of PLN 43,400.09. In 2008, the hedge could have been considered to be highly effective.

The second contract was concluded on 15/10/2008 for an amount of EUR 150,000 with the exercise date on 27/02/2009. As at 31/12/2008, the Issuer recorded the loss on valuation and exercise of the derivative of PLN 77,805. Apart from the aforementioned contracts, there are no hedging instruments or derivatives.

The settlement of derivatives described above (assuming full effectiveness of the hedge) has a neutral impact on the Group's net profit/loss because the change of the EUR exchange rate contributes respectively to the increase or decrease in sales income denominated in EUR, and the increase or decrease of financial costs/income from valuation of derivative instruments.

20. Description of external and internal factors that are important for development of the enterprise and prospects for future development, taking into account elements of market strategy

Among factors that will influence the development of the Quantum Group in the next year, we should include external factors that are beyond control of the Group's member companies as well as internal factors that the Group can actually control.

External factors include:

- economic situation, especially on financial markets;
- impact of the crisis on the economy of Poland and neighbouring countries, including Ukraine;
- companies' decisions on budgets for IT expenditure;
- availability of structural funds to Polish companies, as they will be partially allocated to the development of IT systems and R&D financing.

Internal factors include:

- prompt completion of works specified in the contracts whose implementation started in 2009 in accordance with budgeted expenditure and contractual terms;
- successful and prompt completion of development works relative to new products and services;
- effective HR policy so as to eliminate the risk of turnover by qualified and skilled employees;
- success of marketing efforts in acquiring new contracts;
- possible finalisation of negotiations concerning capital investments.

The Quantum Group is focused on the creation and implementation of IT systems for businesses that look for innovative solutions in the sphere of logistics. Treating own software as a starting point, the Group's member companies try to provide such customers with comprehensive solutions. Future plans centre around improving the Company's own product – the Qguar system – as well as extending its portfolio and scale of operations. Within such a framework, the strategy for the coming years includes a possibility of capital investments and acquisitions of other entities in the industry. The potential of acquirees combined with the Company's experience and capabilities would allow for creation of a stronger entity. All future investments will be focused around the Company's strategy.

The Quantum Capital Group founds its strategy on:

- skills required for creation and implementation of SCM (Supply Chain Management) systems, not only in the field of IT but also in logistics, automatics, merchandise identification technology and business management;
- many years of international experience in working for renowned companies in many European countries.

Strategic development scenarios:

1. Developing of the own software suite, Qguar with new SCM modules;
2. Extending the portfolio by:
 - implementations of third-party software that requires skills and experience in logistics or is complementary to the Qguar system, such as ERP solutions by SAP;
 - full range of services related to integration of logistics systems (consulting, hardware, peripherals and software in all layers);
3. Continuation of geographical expansion and strengthening the position of a leading software manufacturer for logistics in Central and Eastern Europe.

The Parent plans to achieve these objectives by organic growth, capital investments, acquisitions and mergers. Developing the Qguar suite with new modules is the most natural way for development of the entire Group's portfolio. Systematic increase in the demand for this type of software results from the following factors:

- increased requirements of the companies as regards optimisation of supply chain and reduction of logistics costs;
- increased demand for logistics services;
- rapid development of technology and falling prices of merchandise identification equipment (bar codes, RFID);
- development of mobile data processing technologies.

The Parent's experience and market position may be used to implement third-party applications, which can make a perfect supplement to the Group's own product portfolio. For many years now, Quantum software S.A. has been expanding its integration-oriented activities as regards complete systems for logistics. It is not only about implementation of the application programme as such but about issues related to:

- process design;
- data communication infrastructure;
- devices (including industrial automation);
- operating and database software.

For many companies at an early stage of development, computerization is first implemented in the accounting and only then it becomes critical for logistics. This creates development

opportunities for the Company to become a supplier of the complete ERP-class computer systems for businesses, where efficient logistics is key.

The Qguar suite is a well-established leader in the field of warehouse and distribution applications in the Polish market. Used in the countries of Eastern and Western Europe in eight language versions, it provides a good springboard for intensifying exports. Central and Eastern Europe is a promising market because of its expected rapid and stable economic growth in the longer-term perspective. Past experience shows that this market is so specific that it is possible to effectively compete there with suppliers of IT solutions from Western countries. It is important here to offer products that have been tried and tested on the international market (multilingual products) and as such are not a barrier to multinational enterprises because “multinationality” is in fact one of the fundamental characteristics of logistics processes.

21. Fulfilment of the profit forecast for 2009

In 2009, no forecasts were published by the Group.

22. Changes in the basic management principles

In 2009, there were no changes in the management principles of the Group’s enterprise.

23. Information on agreements known to the Issuer (including those concluded after the balance sheet date) that may change the proportion of interest held by the current shareholders and bondholders in the future.

- By way of CR No. 17/2009, the Issuer’s Management Board announced the amendment to the Rules and Regulations of the Managerial Stock Option Programme. On July 15th, 2009, the Supervisory Board adopted the resolution on amending the resolution of October 3rd, 2008 concerning adoption of the Rules and Regulations of the Managerial Stock Option Programme (“Rules and Regulations”) announced by the Issuer in Current Report No. 23/2008. Pursuant to Resolution No. 19 of the Ordinary General Meeting of June 17th, 2008 defining terms of acquisition of D series shares issued pursuant to item XI of the Statutes and the authorisation granted by way of Resolution No. 19 of the Ordinary General Meeting of May 18th, 2009 in order to enable sales of own shares acquired by the Company to participants in the Managerial Stock Option Programme, the

Company's Supervisory Board decided that the Programme may be implemented concurrently in two ways: by offering to Authorised Persons conclusion of Promised Agreements and acquisition of the Company's Own Shares but also by providing for a possibility for Authorised Persons to take hold of Subscription Warrants that can be converted into D Series Shares. Pursuant to the Rules and Regulations, the Supervisory Board may, upon the motion of the President of the Management Board, define the list of Authorised Persons who will be offered conclusion of Preliminary Agreements. Offering Authorised persons conclusion of Preliminary Agreements may take place at any time. The total number of the Company's shares (D Series Shares and Own Shares) that will be included in the Programme under Warrant and Preliminary Agreement frameworks remains unchanged and will not exceed 44,100. D Series Shares that are not taken hold of by Authorised Persons will be redeemed by the Company. The Supervisory Board, acting pursuant to items 4.4 and 4.5 of the Rules and Regulations adopted the resolution concerning specification of the final number of warrants under Block One (10,757) and the resolution concerning transfer of 1,000 warrants from Block One to Block Two.

- The Rules and Regulations of the own share redemption programme by the Issuer
In CR 21/2009, the Management Board of the Issuer announced detailed terms for acquisition of own shares. The "Rules and Regulations of the Own Share Redemption Programme" implemented at Quantum software S.A. is available on the Issuer's website.

To the knowledge of the Issuer's Management Board, there are no agreements other than the incentive programme and the own share redemption programme described above that might change the proportion of interest held by current shareholders in the future.

24. Information on the system of controlling employee stock plans

Item 23 of this report describes the incentive programme that will be valid between 2008 and 2010.

25. Description of the proceedings pending before court, competent arbitration authority or public administration authority.

No such events occurred.

26. Information concerning a single or multiple transactions concluded by the Issuer or its subsidiary with related parties, if the value of such transactions (total value of all transactions concluded in the period since the beginning of the financial year) exceeds the Polish zloty equivalent of EUR 500,000:

In the period in question, no agreements were concluded with related parties.

27. Changes in the composition of managing or supervisory bodies

In 2009, there were no changes in the composition of managing or supervisory bodies.

28. Remunerations, rewards and benefits under incentive or bonus schemes based on equity, paid or due to Members of the Management and Supervisory Boards and information on remunerations of Members of the Management and Supervisory Boards of Quantum software S.A. relative to positions in authorities of subsidiaries.

Remunerations of Members of the Management Board between 01.01.2009 and 31.12.2009

Full name	Total remuneration for the period in PLN
Tomasz Hatala	239.825.49 PLN
Bogusław Ozóg	145.700.00 PLN
Marek Jędra	153.700.00 PLN
Tomasz Mních	202.337.84 PLN

Remunerations of Members of the Supervisory Board between 01.01.2009 and 31.12.2009

Full name	Total remuneration for the period in PLN
Leopold Kutyla	2.000.00 PLN
Tomasz Polończyk	26.397.02 PLN
Anna Nadolska	2.000.00 PLN

Henryk Gaertner	2.000.00 PLN
Jerzy Majewski	2.000.00 PLN

29. Changes in the composition of managing or supervisory bodies during the last financial year.

In 2009, there were no changes in the composition of managing or supervisory bodies.

The composition of the Management Board in 2009 was as follows:

Tomasz Hatala – President of the Management Board

Bogusław Ożóg – Vice-President of the Management Board

Marek Jędra – Vice-President of the Management Board

Tomasz Mnich – Member of the Management Board

The composition of the Supervisory Board in 2009 was as follows:

Leopold Kutyla – Chairman of the Supervisory Board

Tomasz Polończyk – Deputy Chairman of the Supervisory Board

Anna Nadolska – Member of the Supervisory Board

Jerzy Majewski – Member of the Supervisory Board

Henryk Gaertner – Member of the Supervisory Board

30. In the case of associations of capital: total number and par value of all stocks (shares) of the Issuer and stocks and shares in the Issuer's related parties held by managers and supervisors (for each person separately).

The share capital of the parent, Quantum software S.A. amounts to PLN 735,000 and is divided into 1,470,000 shares (750,000 registered multiple-vote shares and 720,000 equity bearer shares) of a par value of PLN 0.50 each.

The initial capital of the subsidiary, Quantum East Sp. z o.o. amounts to PLN 270,000 and is divided into 5,400 shares of a par value of PLN 50.00 each, of which Quantum software holds 3,601 to the total amount of PLN 180,050.

As at 31.12.2009, the initial capital of the subsidiary, Quantum International Sp. z o.o. amounted to USD 76,200. Quantum East holds 100% of its shares.

The initial capital of the subsidiary, Edisona Sp. z o.o. amounts to PLN 88,800.00 and is divided into 888 shares of a par value of PLN 100.00 each. Quantum software S.A. took hold of 100% of the initial capital and 100% of votes at the meeting of partners.

The initial capital of the subsidiary, Quantum I - Services Sp. z o.o. amounts to PLN 1,500,000.00 and is divided into 1,500 shares of a par value of PLN 1,000.00 each. Quantum software holds 100% of its shares.

The initial capital of the related party, CNT Quantum Sp. z o.o. amounts to PLN 400,000.00 and is divided into 4,000 shares of a par value of PLN 100.00 each. Quantum I - services holds 50% of its shares.

Shares of Quantum software S.A. held by the Issuer's managers and supervisors as at 31.12.2009

Management Board	December 31st, 2009
Tomasz Hatała	36 200
Bogusław Ożóg	24 603
Marek Jędra	8 200
Tomasz Mnich	3 400
Supervisory Board	December 31st, 2009
Tomasz Polończyk	8 200

Also, the persons listed above and Mr Henryk Gaertner (Member of the Supervisory Board) hold shares in the Company's parent as described in item 27.

To the knowledge of the Management Board of the Parent, no managers or supervisors hold shares in the subsidiaries of Quantum software S.A.

31. Shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the Issuer's general meeting, including the number of shares held by such entities, their percentage share in the share capital, the number of resulting votes and their percentage share in the total votes at the general meeting.

To the Company's knowledge, as at December 31st, 2009, a dominant shareholder in the company is Quantum Assets sp. z o.o. with its registered office in Kraków, holding 675,421 registered multiple-vote shares of A series and 222,979 equity bearer shares of B series, accounting in total for 61.12% of its share capital and giving the holder 1,573,821 votes at the general meeting of the company, i.e. 70.89% of the total votes.

32. Agreements with an entity authorised to audit financial statements

On April 9th, 2009, the Supervisory Board of Quantum software S.A. selected "Audyt i Księgowość" Barbara Słonecka as the authorised entity for audit of annual financial statements and review of half-yearly financial statements of Quantum software S.A. and the Quantum software S.A. Capital Group.

On May 18th, 2009, the Company and "Audyt i Księgowość" Barbara Słonecka with its registered office in Sosnowiec, ul. Jana Kiepury 15/7 concluded an agreement on the review of the half-yearly financial statements for the period between 01.01.2009 and 30.06.2009 and the audit of the financial statements for the period between 01.01.2009 and 31.12.2009.

For the aforementioned services, the auditor will receive the total net remuneration of PLN 15,000.

33. Information on observance of corporate governance rules

There is a separate document on the subject prepared by the company and published in the annual report.

Kraków, 22 March 2010

Members of the Management Board

Tomasz Hatala

Bogusław Ożóg

Marek Jędra

Tomasz Mnich

STATEMENT

The Management Board of Quantum software S.A. declares that the entity authorised to audit financial statements, auditing the consolidated annual financial statements of the Group, has been selected in line with the law, and that the entity and its auditors responsible for the audit met the criteria necessary to provide the unbiased and impartial opinion, in line with the applicable provisions of the national law.

Kraków, 22 March 2010

Tomasz Hatala	President of the Management Board
Bogusław Ożóg	Vice-President of the Management Board
Marek Jędra	Vice-President of the Management Board
Tomasz Mnich	Member of the Management Board

STATEMENT

The Management Board of Quantum software S.A. declares that to the best of its knowledge the consolidated annual financial statements and comparative information were prepared in line with the applicable accounting principles and provide a true, reliable and fair view of the Quantum software S.A. Capital Group's financial situation and its profit/loss, while the annual management report of the Capital Group provides a true reflection of the Quantum software Capital Group's achievements and development, including major threats and risks.

Kraków, 22 March 2010

Tomasz Hatala	President of the Management Board
Bogusław Ożóg	Vice-President of the Management Board
Marek Jędra	Vice-President of the Management Board
Tomasz Mnich	Member of the Management Board

Statement on compliance with the rules of corporate governance by Quantum software S.A. in 2009

I. Indication of a set of corporate governance rules adopted by Quantum software S.A.

Quantum software S.A. voluntarily adopted the use of “The Best Practices of WSE Listed Companies” adopted by the Board of the Warsaw Stock Exchange by way of Resolution No. 12/1170/2007 of July 4th, 2007. Full text of the document can be found on the WSE’s website at <http://www.corp-gov.gpw.pl/>.

II. The extent to which Quantum software S.A. has departed from the aforementioned provisions, indication of these provisions and reasons for the departure.

According to the statement of January 2nd, 2008, published in Current Report No. 1/2008, in 2009, the Company did not apply, in whole or in part, the following rules of corporate governance:

Rule II Section 1.6 stating that the company should publish, on its corporate website, annual reports on the Supervisory Board’s activity, taking account of the work of its committees. As there are no committees within the Issuer’s Supervisory Board, it is not possible to take account of their work in the reports on the Supervisory Board’s activity.

Rule III section 7, provides that the Supervisory Board should establish at least an audit committee (...). The Issuer’s Supervisory Board is composed of the minimum number of members required by law. Given the size of the company’s activities, the Issuer takes the view that in the case of the Supervisory Board composed of just five members, establishment of the audit committee is not justified. In the opinion of the Issuer, the Supervisory Board in its basic composition is able to correctly fulfil obligations related to the audit of the Company’s affairs.

Rule III section 8, states that Annex I to the Commission Recommendation on the role of non-executive directors should apply to the tasks and the operation of the committees of the Supervisory Board (...). This rule does not apply because there are no committees operating within the Supervisory Board.

III. Description of basic characteristics of the Company's internal control and risk management systems in relation to the process of preparing financial statements and consolidated financial statements.

The process of preparing financial information for statutory reporting is automated and based on the consolidated financial and bookkeeping system – Quantum. Preparation of data in source systems is subject to formal operational and acceptance procedures, which define the responsibilities of individuals. The Management Board and top executives oversee various business areas, processes and products. The key people are responsible for creation, implementation, operation and monitoring of the effective and efficient internal control system as well as identification and control of risk. In addition, financial statements are subject to formal review and approval by the supervisory body, i.e. the Supervisory Board.

In the opinion of the Supervisory Board, the internal control system is adapted to the level and profile of risk involved in the Company's operations. At the same time the management of risk significant for Quantum operations is carried out in an adequate and effective manner.

IV. Shareholders who, directly or indirectly, hold substantial stakes of shares, number of shares held by such entities, their percentage share in the share capital, number of votes attached to such shares and their percentage share in the total votes at the general meeting.

As at the day of publication of this annual report, the list of shareholders holding at least 5% of the total votes at the General Meeting is as follows:

A dominant shareholder in the company is Quantum Assets sp. z o.o. with its registered office in Kraków, holding 675,421 registered multiple-vote shares of A series and 222,979

equity bearer shares of B series, accounting in total for 61.12% of its share capital and giving the holder 1,573,821 votes at the general meeting of the company, i.e. 70.89% of the total votes. Among shareholders of Quantum Assets Sp. z o.o. there are managers of Quantum software S.A.

V. Holders of any securities granting special control rights and description of such rights.

The Company holds multiple-vote registered shares of A series that are not admitted to the regulated market. The privilege under A series registered shares consists in attachment of two votes at the General Meeting of Shareholders to one share. B and C series shares are equity bearer shares and restrictions apply to their disposal.

Holders of A series registered shares granting special control rights over the Company as at the day of publication of the annual report:

Shareholder	Number of A series shares and their structure	Number of votes at the General Meeting of Shareholders under A series shares and structure of such votes
“Quantum Assets” Sp. z o.o.	675 421 (90.06%)	1 350 842 (90.06%)
Tomasz Hatala	28 181 (3.75%)	56 362 (3.75%)
Bogusław Ożóg	19 150 (2.56%)	38 300 (2.56%)
Marek Jędra	6 384 (0.85%)	12 768 (0.85%)
Robert Dykacz	11 832 (1.58%)	23 664 (1.58%)
Tomasz Mnich	2 648 (0.35%)	5 296 (0.35%)
Tomasz Polończyk	6 384 (0.85%)	12 768 (0.85%)

Total number of A series shares and votes attached to such shares	750 000 (100%)	1 500 000 (100%)
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VI. All restrictions regarding the right to vote, such as restricted right to vote by holders of a given part or number of votes, temporary restrictions on the right to vote or provisions under which, in cooperation with the company, capital rights linked to securities are separated from holding of securities.

The Issuer did not issue any shares with such restrictions.

VII. All restrictions on the transfer of title to the Issuer's securities.

The Issuer did not issue any shares with restrictions on transfer.

VIII. Description of rules applicable to amendments to the Issuer's Statutes

Any amendment to the Statutes requires a resolution of the General Meeting adopted by a majority of $\frac{3}{4}$ of votes.

IX. Description of rules governing appointments and dismissals of managers and their rights, in particular, the right to decide on the issue or purchase of shares

The President of the Management Board and other Members of the Management Board are appointed and dismissed by the Supervisory Board for the period of three years. The Management Board is composed of 1 to 5 Members, and the actual number is determined by the Supervisory Board. Members of the Management Board are appointed for a joint term of office. Mandates of Members of the Management Board expire on the day when the General Meeting is held. The condition is the approval of the financial statements for the last full financial year when the Member sat on the Management Board. The Management Board

manages the Company and represents it in courts and elsewhere. Making declarations of will on behalf of the Company requires joint action of two Members of the Management Board. Powers of the Management Board include all issues that are not reserved for the General Meeting or the Supervisory Board.

Decisions of the Management Board are in the form of resolutions adopted by an absolute majority of votes. Resolutions of the Management Board are adopted by open ballot. The rules of procedure of the Management Board defining, in particular, the type of issues that require its resolution will be defined by the Rules and Regulations adopted by the Supervisory Board. The Management Board prepares and keeps the records of the Company's organisational activities, in particular:

- carries out all activities related to registration stemming from applicable laws;
- publishes announcements required by law and the Company's Statutes in a manner specified therein;
- convenes General Meetings of Shareholders and keeps the records related to their convening and course;
- keeps the shareholders' register;
- maintains the minutes of the Supervisory Board;
- provides the Supervisory Board and the General Meeting of Shareholders with exhaustive explanations concerning the Company;
- prepares the Management Report for the previous financial year;
- prepares a proposal for the distribution of profit or coverage of loss for a given financial year;
- establishes and announces the dividend payment day;
- keeps the Rules and Regulations of the Management Board and other rules and regulations.

Issues of new shares

Pursuant to Article XIII of the Statutes, the Company's share capital may be increased by issues of new shares. The Company's Statutes authorises the Management Board to determine the issue price. Shares in new issues may be registered or bearer shares and may be covered in cash or in kind. Shares are indivisible. The Management Board is authorised to issue shares as multiple-share certificates. Shares will bear the Company's stamp and the Management Board's signature. The Management Board's signature may be reproduced in facsimile. If a right originates to co-ownership of shares, co-owners exercise their rights through one of them or their duly authorised joint representative.

X. Rules of procedure of the General Meeting and its major powers and description of shareholder's rights and how they are exercised, in particular, the principles stemming from the Rules and Regulations of the General Meeting (if adopted) insofar as relevant information cannot be inferred directly from law.

The General Meeting of the Company acts pursuant to the applicable legal regulations, including the changes introduced by the Act of December 5th, 2008 amending the Code of Commercial Companies, and the Act on trade in financial instruments (J. of Laws 09.13.69), effective since 3.08.2009. The Company is going to adjust the provisions of the Rules and Regulations of the General Meeting to the amended version of the Code of Commercial Companies.

The Ordinary General Meeting is convened by the Management Board and held by June 30th of each calendar year. The Extraordinary General Meeting is convened by the Management Board upon its own initiative or upon a motion of the Supervisory Board or shareholders representing at least 1/10 of the share capital. General Meetings are held either in Kraków or in Warsaw. Information on convening of the General Meeting of Shareholders is published as a current report and as a message on the Company's website. The notice should be made at least twenty-six days before the date of the General Meeting. The notice on the general meeting of a public company should include at least the information specified in Article 402² of the Code of Commercial Companies.

The following issues require a resolution of the General Meeting:

1. review and approval of financial statements and Management Reports for the previous year;
2. determining wage regulations for Members of the Supervisory Board;
3. approval of the Rules and Regulations of the General Meeting and the Supervisory Board;
4. appointment of liquidators (if any);
5. exclusion of profit, in whole or in part, from distribution (if any);
6. appointment and dismissal of the Supervisory Board.

The General Meeting of Shareholders adopts resolutions on issues reserved to its authority, in particular, by the provisions of the Code of Commercial Companies, Rules and Regulations of the General Meeting of Shareholders and the Statutes. Unless it is specified otherwise in the Code of Commercial Companies and the Statutes, resolutions are adopted by a simple majority of votes. Pursuant to the Statutes, a resolution on abandonment of discussion of any item in the agenda upon a motion of shareholders is adopted by the General Meeting of Shareholders by a 75% majority of votes and following the consent of all the shareholders present who have submitted such motion. Resolutions of the General Meeting of Shareholders are minuted by a civil law notary. Resolutions of the General Meeting of Shareholders may be appealed against in court in the procedure and on the conditions specified in the Code of Commercial Companies.

Shareholders may participate in the General Meeting and exercise their voting rights under registered shares in person or through attorneys. A power of attorney to participate in the Meeting and exercise a voting right on behalf of a Company shareholder should be granted in writing, or otherwise remains null and void. Each registered share of A series gives the holder two votes at the General Meeting, whereas each B and C series share being equity bearer share gives their holder one vote at the General Meeting.

At least one week before the General Meeting, shareholders of the Company should submit to the Company their registered deposit certificates issued by the entity that keeps the securities account, stating that the shares will not be released before closing of the General Meeting's session.

Each shareholder has the right to demand copies of motions regarding issues included in the agenda of the upcoming General Meeting. Such request should be submitted to the Management Board. Copies of motions should be given not later than a week before the General Meeting.

As soon as the Chairman of the General Meeting is elected, the attendance list should be compiled, specifying the names of participants in the General Meeting, their shareholdings and votes attached thereto. The Chairman is obliged to sign the list and make it available for inspection during the General Meeting's session. Pursuant to Article 410 § 2, upon a motion of shareholders holding 1/10 of the share capital represented at the General Meeting, the attendance list should be verified by a specifically appointed committee.

Pursuant to the Company's Statutes, shareholders are entitled to their share in the annual profit allocated for distribution by the General Meeting of Shareholders. The Management Board is authorised to pay an advance to shareholders in respect of a future dividend at the end of the financial year, provided that the Company disposes of sufficient funds. Payment of such advance requires the consent of the Supervisory Board.

XI Composition of managing and supervisory authorities of the Company and their committees, changes in their composition in the last financial year and description of their rules of procedure.

As at 31.12.2009, the composition of the Management Board was as follows:

President of the Management Board	Tomasz Hatala
Vice-President of the Management Board	Boguslaw Ozóg
Vice-President of the Management Board	Marek Jędra

Member of the Management Board

Tomasz Mnich

Detailed tasks of the Company's Management Board are defined in the Rules and Regulations of the Management Board adopted by the Management Board and approved by the Supervisory Board.

Rules of procedure of the Management Board

The President of the Management Board and other Members of the Management Board are appointed and dismissed by the Supervisory Board for the period of three years. The Management Board is composed of 1 to 5 Members, and the actual number is determined by the Supervisory Board.

Members of the Management Board are appointed for a joint term of office. Mandates of Members of the Management Board expire on the day when the General Meeting is held. The condition is the approval of the financial statements for the last full financial year when the Member sat on the Management Board.

The Management Board manages the Company and represents it in courts and elsewhere. Making declarations of will on behalf of the Company requires joint action of two Members of the Management Board.

Powers of the Management Board include all issues that are not reserved for the General Meeting or the Supervisory Board.

Decisions of the Management Board are in the form of resolutions adopted by an absolute majority of votes. Resolutions of the Management Board are adopted by open ballot. The rules of procedure of the Management Board defining, in particular, the type of issues that require its resolution will be defined by the Rules and Regulations adopted by the Supervisory Board. The Management Board prepares and keeps the records of the Company's organisational activities, in particular:

- carries out all activities related to registration stemming from applicable laws;
- publishes announcements required by law and the Company's Statutes in a manner specified therein;

- convenes General Meetings of Shareholders and keeps the records related to their convening and course;
- keeps the shareholders' register;
- maintains the minutes of the Supervisory Board;
- provides the Supervisory Board and the General Meeting of Shareholders with exhaustive explanations concerning the Company;
- prepares the Management Report for the previous financial year;
- prepares a proposal for the distribution of profit or coverage of loss for a given financial year;
- establishes and announces the dividend payment day;
- keeps the Rules and Regulations of the Management Board and other rules and regulations.

As at 31.12.2009, the composition of the Supervisory Board was as follows:

Chairman of the Supervisory Board	Leopold Kutyla
Deputy Chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Jerzy Majewski
Member of the Supervisory Board	Anna Nadolska

Rules of procedure of the Supervisory Board

The Supervisory Board acts based on the Rules and Regulations of the Supervisory Board of Quantum software S.A. and the Statutes of the Company. The Supervisory Board comprises five to nine Members elected by the General Meeting. The Supervisory Board is appointed for a 3-year term of office. If a mandate of the Chairman or Member of the Supervisory Board expires before the expiry of the term of office, a new Chairman or Member of the Board is elected for their position only until the expiry of the term of the remaining Members of the Supervisory Board. At least two Members of the Supervisory Board should meet the independence criterion.

Powers of the Supervisory Board include:

- evaluation of annual financial statements and the Management Report as well as proposals concerning the distribution of profit or coverage of loss;
- submission to the General Meeting of a written report on the result of the activities referred to in item 1 above;
- authorisation of purchase and sales of real estate, perpetual usufruct or interest in real estate;
- authorisation of acquisition of shares or stocks in other enterprises, acquisitions and establishment of other business entities;
- allowing Members of the Management Board to take up competitive businesses or participate in a competitive company as a partner or a member of authorities;
- reviewing other issues submitted by the General Meeting;
- granting approval for the Management Board's appointment of commercial representation;
- selection, upon a motion of the Management Board, of an auditor to audit the Company's annual financial statements.

Meetings of the Board are convened by the Chairman on his/her own initiative or upon a motion of another Member of the Supervisory Board or upon a motion of the Management Board. The Supervisory Board adopts resolutions by an absolute majority of votes. No resolutions can be adopted by the Supervisory Board on issues that are not included in the agenda, unless all Members of the Supervisory Board are present and provided that none of them raises an objection. Members of the Supervisory Board may participate in adopting of the Supervisory Board's resolutions by written ballot, acting through another Member of the Supervisory Board. Casting written votes cannot be applied to the issues that have been introduced to the agenda during the meeting of the Supervisory Board. Resolutions of the Supervisory Board may also be adopted without holding of a meeting, by written procedure or using means of direct remote communication. A resolution is valid, provided that the content of the draft resolution has been communicated to all Members of the Supervisory Board. The Supervisory Board of Quantum software S.A. comprises five Members only and,

therefore, it has not established any committees. The Supervisory Board takes on the role of committees.

Kraków, 22.03.2010

Tomasz Hatala	President of the Management Board
Bogusław Ożóg	Vice-President of the Management Board
Marek Jędra	Vice-President of the Management Board
Tomasz Mnich	Member of the Management Board

**Report of the Supervisory Board of Quantum software S.A.
for the financial year 2009 with evaluation of the Supervisory Board's activities**

I.

The composition of the Supervisory Board in the financial year 2009 was as follows:

1. Leopold Kutyla – Chairman of the Supervisory Board
2. Tomasz Polończyk – Deputy Chairman of the Supervisory Board
3. Henryk Gaertner – Member of the Supervisory Board
4. Jerzy Majewski – Member of the Supervisory Board
5. Anna Nadolska – Member of the Supervisory Board

II.

Rules and manner of procedure of the Supervisory Board of Quantum software S.A.

are governed by the applicable legal regulations on public associations of capital and:

- Statutes of Quantum software S.A.
- Rules and Regulations of the Supervisory Board of Quantum software S.A.
- Rules of corporate governance.

In 2009 the Supervisory Board of Quantum software S.A. in Kraków held two meetings (on April 9th and October 2nd) at the company's registered office and three votes (on February 27th, March 19th and July 13th) were held through the post. The meetings were attended by

individual Members of the Supervisory Board; the average turnout at the meeting was 4 (four) out of 5 (five) Members of the Board.

The Supervisory Board exercised continuous supervision over the Company's operations. Supervision and control activities included in particular:

- monitoring, analysis and evaluation of the Company's financial situation;
- analysis of interim financial statements;
- getting acquainted with interim information from the Management Board on the current and planned operations of the Company;
- formal and legal issues related to the Supervisory Board's activities.

As part of its activities, the Supervisory Board adopted the following resolutions:

- on evaluation of the Management Report and the financial statements for the financial year 2008;
- giving positive opinion on allocation of the entire 2008 profit to the legal reserve of the Company;
- on appointment of an entity authorised to review and audit the financial statements of the Company as at June 30th, 2009 and December 31st, 2009;
- giving positive opinion on the Company's financial performance after two quarters of 2009.

By way of voting through the post, the Supervisory Board decided on the following:

- acquisition and taking hold of shares in the initial capital of the company operating under the business name of "CNT Poland Consulting" spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw. Implementation of the resolution involved the authorisation of the Management Board to conclude all factual and legal transactions necessary to achieve the objective stated in the preceding sentence.
- on establishment of the company to operate under the business name of "Quantum I - Services" spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw. The initial capital of the company is to be covered by the contribution of the organised part of the enterprise, namely the SAP Department. Implementation of the resolution involved the authorisation of the Management Board to conclude all

factual and legal transactions necessary to achieve the objective stated in the preceding sentence.

- allocating the amount (summary budget) of PLN 110,700 (in words: one hundred and ten thousand and seven hundred zloty) for bonuses for Members of the Management Board.
- amendment to the Rules and Regulations of the Managerial Stock Option Programme; determination of the list of persons entitled to Block Two, and the contents of the Programme accession agreement.
- establishing the company to operate under the business name of Edisona Sp. z o.o.

The Issuer's Supervisory Board is composed of the minimum number of members required by law. There are no committees within the Supervisory Board, including the audit committee. The Supervisory Board in its basic composition is able to correctly fulfil obligations relating to audit of the Company's affairs.

Pursuant to Article 382 para. 3 of the Code of Commercial Companies, the Supervisory Board has evaluated the following:

1. Financial statements of the Company for 2009;
2. Management Report for the period between 01.01.2009 and 31.12.2009.

With a view to the foregoing, the Supervisory Board requests that the Ordinary General Meeting of Quantum software S.A. adopt:

1. Management Report for the period between 01.01.2009 and 31.12.2009;
2. Financial statements of the Company for 2009.

III.

Evaluation of activities of the Supervisory Board of Quantum software S.A. and of the internal control system and the systems for management of risk significant for the Company.

The Supervisory Board gave a positive opinion on its own activities in terms of correct operation of the internal control system and the system for management of risk significant for the Company. In the opinion of the Supervisory Board, both of them ensured correctness of financials included in the interim statements and reports. In the opinion of

the Supervisory Board, the internal control system is adapted to the level and profile of risk involved in the Company's operations. At the same time the management of risk significant for Quantum operations is carried out in an adequate and effective manner.

The process of preparing financial information for statutory reporting is automated and based on the consolidated financial and bookkeeping system – Quantum. Preparation of data in source systems is subject to formal operational and acceptance procedures, which define the responsibilities of individuals. The Management Board and top executives oversee various business areas, processes and products. The key people are responsible for creation, implementation, operation and monitoring of the effective and efficient internal control system as well as identification and control of risk. In addition, financial statements are subject to formal review and approval by the supervisory body, i.e. the Supervisory Board.

These statements were approved by the Supervisory Board by way of a resolution on March 15th, 2010.

Leopold Kutyla
Chairman of the Supervisory Board

FINANCIAL HIGHLIGHTS	in PLN '000		in EUR '000	
Net sales of products, goods and materials	20 146	18 260	4 641	5 170
Profit (loss) on operating activities	28	948	6	268
Gross profit (loss)	189	1 491	44	422
Net profit (loss)	88	1 152	20	326
Net cash flows from operating activities	1 030	554	237	157
Net cash flows from investing activities	- 1 568	- 2 325	- 361	- 658
Net cash flows from financing activities	107	294	25	83
Total net cash flows	- 431	- 1 477	- 99	- 418
Total assets	20 710	18 821	5 041	4 511
Liabilities and provisions for liabilities	3 627	2 117	883	507
Long-term liabilities	212	252	52	60
Short-term liabilities	3 014	1 594	734	382
Equity	17 083	16 704	4 158	4 003
Share capital	735	735	179	176
Number of shares	1 470 000	1 470 000	1 470 000	1 470 000
Earnings per share (in PLN/EUR)	0.06	0.78	0.01	0.22
Diluted earnings per share (in PLN/EUR)	0.06	0.78	0.01	0.22
Book value per share (in PLN/EUR)	11.62	11.36	2.83	2.72
Diluted book value per share (in PLN/EUR)	11.62	11.36	2.83	2.72

Declared or paid dividend per share (in PLN/EUR)	-	-	-	-
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Average PLN/EUR exchange rates in the period included in the financial statements

Period	Average exchange rate in the period	Lowest exchange rate in the period	Highest exchange rate in the period	Exchange rate as at the last day of the period
2009	4.3406	3.9170	4.8999	4.1082
2008	3.5321	3.2026	4.1848	4.1724

Identification of operating segments

- breakdown by product

Item	Product segment				Total
	Licences	Services: Implementation, Service	Goods	Other	
Sales income	2 513 987.46	13 071 536.36	2 652 905.78	1 907 903.77	20 146 333.37
Costs of core operating activities	2 340 803.18	8 361 189.13	2 552 603.79	966 799.87	14 221 395.97
MP and ME	277 146.16	1 441 027.91	0.00	210 330.48	1 928 504.55
Total costs	534 657.40	2 779 963.61	141 050.40	405 759.73	3 861 431.14
Financial income	65 205.66	339 038.33	17 202.20	49 485.58	470 931.76
Operating income	517 585.33	52 415.84	2 659.49	7 650.54	580 311.20
Financial costs	43 007.19	223 616.87	11 345.92	32 638.82	310 608.79
Operating costs	95 085.87	494 401.22	25 085.04	72 162.13	686 734.26
Profit/loss (net income)	-193 921.35	162 791.79	-57 317.68	277 348.86	188 901.62

- breakdown by territory

Territorial structure	Amount	% share
Poland	15 155 982.85	75.23 %
Germany	1 019 508.98	5.06 %
Ukraine	2 675 126.77	13.28 %
Other	1 295 714.77	6.43 %
TOTAL	20 146 333.37	100.00%

BALANCE SHEET

ASSETS	31.12.2008	31.12.2009
A. Non-current assets	5 391 005.29	7 467 724.43
I. Intangible assets	3 461 175.65	5 650 020.76
1. Development costs	1 677 585.74	842 061.28
2. Goodwill	0.00	719.21
3. Other intangible assets	111 039.60	1 389 979.11
4. Intangible assets under construction	1 672 550.31	3 417 261.16
II. Property, plant and equipment	1 848 339.12	1 650 261.98
1. Fixed assets	1 848 339.12	1 650 261.98
a) land (including the right of perpetual usufruct)	0.00	0.00
b) buildings, premises and civil engineering structures	28 246.05	23 608.29
c) plant and machinery	799 290.74	655 346.18
d) means of transportation	1 013 779.06	963 763.65
e) other fixed assets	7 023.27	7 543.86
2. Construction-in-progress	0.00	0.00
3. Advances on construction-in-progress	0.00	0.00
III. Long-term receivables	42 219.52	42 219.52
1. From related parties	0.00	0.00
2. From other undertakings	42 219.52	42 219.52
IV. Long-term investments	1 171.00	102 301.37
1. Real estate	0.00	0.00
2. Intangible assets	0.00	0.00
3. Long-term financial assets	1 171.00	102 301.37
a) in related parties	0.00	0.00
- shares or stocks	0.00	0.00
- other securities	0.00	0.00
- borrowings granted	0.00	0.00
- other long-term financial assets	0.00	0.00
b) in other undertakings	1 171.00	102 301.37
- shares or stocks	0.00	0.00
- other securities	0.00	0.00
- borrowings granted	1 171.00	102 301.37
- other long-term financial assets	0.00	0.00
4. Other long-term investments	0.00	0.00
V. Long-term prepayments	38 100.00	22 920.80
1. Deferred income tax assets	38 100.00	11 843.00
2. Other prepayments	0.00	11 077.80
B. Current assets	13 430 233.32	13 242 523.56
I. Inventories	385.72	12 986.48
1. Materials	102.58	0.00
2. Semi-finished products and work-in-progress	0.00	0.00
3. Finished products	0.00	0.00
4. Goods	283.14	12 986.48
5. Advances on supplies	0.00	0.00
II. Short-term receivables	3 119 911.62	4 610 204.67
1. Receivables from related parties	0.00	0.00
a) trade receivables with a maturity of:	0.00	0.00
- up to 12 months	0.00	0.00
- over 12 months	0.00	0.00
b) other	0.00	0.00
2. Receivables from other undertakings	3 119 911.62	4 610 204.67
a) trade receivables with a maturity of:	3 007 004.92	4 298 315.65

- up to 12 months	3 007 004.92	4 298 315.65
- over 12 months	0.00	0.00
b) relative to taxes, subsidies, customs duties and social insurance	26 366.86	67 779.78
c) other	86 539.84	244 109.24
d) under litigation	0.00	0.00
III. Short-term investments	8 931 552.10	8 470 400.88
1. Short-term financial assets	8 931 552.10	8 470 400.88
a) in related parties	0.00	0.00
- shares or stocks	0.00	0.00
- other securities	0.00	0.00
- borrowings granted	0.00	0.00
- other short-term financial assets	0.00	0.00
b) in other undertakings	33 239.89	26 433.33
- shares or stocks	0.00	0.00
- other securities	0.00	0.00
- borrowings granted	33 239.89	26 433.33
- other short-term financial assets	0.00	0.00
c) cash and cash equivalents	8 898 312.21	8 443 967.55
- cash in hand and at bank	513 934.35	1 166 772.00
- other cash	8 384 377.86	7 277 195.55
- other cash equivalents	0.00	0.00
2. Other short-term investments	0.00	0.00
IV. Short-term prepayments	1 378 383.88	148 931.53
Total assets	18 821 238.61	20 710 247.99

EQUITY AND LIABILITIES	31.12.2008	31.12.2009
A. Equity (own fund)	16 703 836.39	17 083 115.81
I. Share capital (fund)	735 000.00	735 000.00
II. Contingent capital	21 205.00	124 951.32
III. Called-up share capital (negative figure)	0.00	0.00
IV. Own shares (stocks) (negative figure)	0.00	0.00
V. Legal reserve and share premium	14 395 868.37	14 651 107.08
VI. Revaluation reserve (fund)	0.00	0.00
VII. Other reserve capitals (funds)	0.00	989 000.00
VIII. Profit (loss) brought forward	294 506.92	348 478.05
IX. Net profit (loss)	1 151 834.70	-49 153.61
X. Charges against net profit during the year (negative figure)	0.00	0.00
B. Differences relating to the translation of financial statements	15 471.40	-51 495.77
C. Minority interest	89 950.00	335 228.74
D. Liabilities and provisions for liabilities	2 117 402.22	3 627 132.18
I. Provisions for liabilities	246 454.73	257 251.72
1. Deferred income tax reserve	147 723.00	149 148.00
2. Provision for retirement pensions and similar benefits	98 731.73	108 103.72
- long-term	96 523.86	105 470.06
- short-term	2 207.87	2 633.66
3. Other reserves	0.00	0.00
- long-term	0.00	0.00
- short-term	0.00	0.00
II. Long-term liabilities	251 719.23	211 589.72

1. Towards related parties	0.00	0.00
2. Towards other undertakings	251 719.23	211 589.72
a) loans and borrowings	251 719.23	121 372.91
b) relative to issue of debt securities	0.00	0.00
c) other financial liabilities	0.00	90 216.81
d) other	0.00	0.00
III. Short-term liabilities	1 594 312.79	3 014 116.60
1. Towards related parties	0.00	0.00
a) trade liabilities with a maturity of:	0.00	0.00
- up to 12 months	0.00	0.00
- over 12 months	0.00	0.00
b) other	0.00	0.00
2. Towards other undertakings	1 578 384.26	3 007 322.23
a) loans and borrowings	248 823.06	178 990.24
b) relative to issue of debt securities	0.00	0.00
c) other financial liabilities	77 805.00	50 202.00
d) trade liabilities with a maturity of:	687 705.36	2 035 512.23
- up to 12 months	687 705.36	2 035 512.23
- over 12 months	0.00	0.00
e) advances received for supplies	0.00	0.00
f) bills of exchange issued	0.00	0.00
g) relative to taxes, customs duties, insurance and other benefits	518 459.15	716 618.40
h) relative to wages and salaries	19 011.66	0.00
i) other	26 580.03	25 999.36
3. Earmarked funds	15 928.53	6 794.37
IV. Accruals	24 915.47	144 174.14
1. Negative goodwill	0.00	0.00
2. Other accruals	24 915.47	144 174.14
- long-term	0.00	115 756.38
- short-term	24 915.47	28 417.76
Total equity and liabilities	18 821 238.61	20 710 247.99

INCOME STATEMENT		
	in '000	
	2008	2009
Net sales of products, goods and materials, including: from related parties	18 260.00	20 146.00
Net sales of products	15 041.00	17 493.00
Net sales of goods and materials	3 219.00	2 653.00
Costs of products, goods and materials sold, including: to related parties	11 541.00	14 221.00
Cost of products sold	8 881.00	11 669.00
Value of goods and materials sold	2 660.00	2 552.00
Gross profit (loss) on sales	6 719.00	5 925.00
Selling costs	1 613.00	1 929.00
General administrative expenses	4 169.00	3 861.00
Profit (loss) on sales	937.00	135.00
Other operating income	35.00	580.00
Profit on sales of non-financial non-current assets		
Grants		507.00
Other operating income	35.00	73.00
Other operating costs	24.00	687.00
Loss on sales of non-financial non-current assets	1.00	518.00
Revaluation of non-financial assets		165.00
Other operating costs	23.00	4.00
Profit (loss) on operating activities	948.00	28.00
Financial income	659.00	471.00
Dividends and profit sharing, including: from related parties		
Interest, including: from related parties	541.00	393.00
Profit on sales of investments	43.00	
Revaluation of investments		78.00
Other		

	75.00	
Financial costs	116.00	310.00
Interest, including: for related parties	38.00	76.00
Loss on sales of investments		50.00
Revaluation of investments	78.00	
Other		184.00
Profit (loss) on economic activities	1 491.00	189.00
Extraordinary profit/loss	-	-
Extraordinary gains		
Extraordinary losses		
Gross profit (loss)	1 491.00	189.00
Income tax	339.00	101.00
current tax	231.00	58.00
deferred tax	108.00	43.00
Other obligatory charges on profit (increases of loss)		
Share in net profit (loss) of subordinates that are accounted for using the equity method		
Net profit (loss)	1 152.00	88.00
Profit attributable to shareholders of the parent	1 117.00	- 49.00
Profit attributable to minority shareholders	35.00	137.00
Net profit (loss) (annualised)	1 117.00	- 49.00
Weighted average of equity shares	1 470 000.00	1 470 000.00
Earnings per share (in PLN)	0.76	- 0.03
Diluted weighted average of equity shares	1 470 000.00	1 470 000.00
Diluted earnings per share (in PLN)	0.76	- 0.03

CONSOLIDATED CASH FLOW STATEMENT	31.12.2008	31.12.2009
A. Cash flows from operating activities		
I. Net profit (loss)	1 151 834.70	88 392.94
II. Total adjustments	-597 602.21	941 271.19
1. Amortisation and depreciation	657 187.16	1 029 830.19
2. Foreign exchange gains (losses)	-43 133.95	-10 627.90

3. Interest and profit sharing (dividends)	-507 728.63	-425 838.72
4. Profit (loss) on investing activities	35 549.48	-828 404.98
5. Movements in reserves	145 249.66	10 796.99
6. Movements in inventories	264 797.99	-13 302.38
7. Movements in receivables	-463 499.83	-1 550 743.60
8. Movements in short-term liabilities, apart from loans and borrowings	-18 434.82	1 347 806.87
9. Movements in prepayments and accruals	-667 589.27	1 379 991.66
10. Other adjustments	0.00	1 763.06
III. Net cash flows from operating activities (I±II)	554 232.49	1 029 664.13
B. Cash flows from investing activities		
I. Inflows	607 959.38	747 002.78
1. Sales of intangible assets and property, plant and equipment	26 974.76	55 498.17
2. Sales of investments in real estate and intangible assets	0.00	0.00
3. From financial assets, including:	470 888.78	578 312.89
a) in related parties	0.00	0.00
b) in other undertakings	470 888.78	578 312.89
- sales of financial assets	43 400.09	0.00
- dividends and profit sharing	0.00	0.00
- repayment of long-terms borrowings granted	59 289.98	268 188.18
- interest	368 198.71	310 124.71
- other inflows from financial assets	0.00	0.00
4. Other investment inflows	110 095.84	113 191.72
II. Expenditure	2 933 062.68	2 315 193.66
1. Acquisition of intangible assets and property, plant and equipment	2 898 466.27	2 171 790.85
2. Investments in real estate and intangible assets	0.00	0.00
3. On financial assets, including:	34 596.41	143 402.81
a) in related parties	0.00	0.00
b) in other undertakings	34 596.41	143 402.81
- acquisition of financial assets	0.00	0.00
- long-term borrowings granted	34 596.41	143 402.81
4. Other investment expenditure	0.00	0.00
III. Net cash flows from investing activities (I-II)	-2 325 103.30	-1 568 190.88
C. Cash flows from financing activities		
I. Inflows	617 225.90	860 422.33
1. Net inflows from issue of shares (stocks) and other equity instruments and contributions to equity	89 950.00	564 000.00
2. Loans and borrowings	422 682.30	72 516.39
3. Issue of debt securities	0.00	0.00
4. Other financial inflows	104 593.60	223 905.94
II. Expenditure	322 865.32	752 920.77
1. Acquisition of own shares (stocks)	0.00	0.00
2. Dividends and other payments to owners	0.00	0.00
3. Expenditure against distribution of profit, other than payments to owners	0.00	0.00
4. Repayment of loans and borrowings	284 565.26	543 325.34
5. Redemption of debt securities	0.00	0.00
6. Relative to other financial liabilities	0.00	54 182.96
7. Payments of liabilities under finance lease agreements	4 721.00	45 877.24
8. Interest	33 579.06	25 532.79
9. Other financial expenditure	0.00	84 002.44
III. Net cash flows from financing activities (I-II)	294 360.58	107 501.56

D. Total net cash flows (A.III±B.III±C.III)	-1 476 510.23	-431 025.19
E. Balance sheet movement of cash, including	-1 433 290.09	-433 019.04
- movement in cash due to foreign exchange gains/losses	43 220.15	-1 993.85
F. Cash at the beginning of the period	10 331 602.29	8 876 986.59
G. Cash at the end of the period (F±D), including	8 898 312.21	8 443 967.55
- of limited disposability	16 958.53	12 546.11

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	31.12.2008	31.12.2009
I. Equity (own fund) at the beginning of the period (OB)	15 422 590.29	16 703 836.39
- adjustments for fundamental errors		
I.a. Equity (own fund) at the beginning of the period (OB), after adjustments	15 422 590.29	16 703 836.39
1. Share capital (fund) at the beginning of the period	735 000.00	735 000.00
1. 1. Changes in share capital (fund)	0.00	0.00
a) increases (relative to)	0.00	0.00
- issue of shares (stocks)	0.00	0.00
b) decreases (relative to)	0.00	0.00
- redemption of shares (stocks)	0.00	0.00
1. 2. Share capital (fund) at the end of the period	735 000.00	735 000.00
2. Contingent capital	0.00	21 205.00
2. 1. Movements in contingent capital	21 205.00	103 746.32
a) increases (relative to)	21 205.00	103 746.32
contingent increase of the capital – managerial stock options	21 205.00	103 746.32
b) decreases (relative to)	0.00	0.00
...		
2. 2. Contingent capital at the end of the period	21 205.00	124 951.32
3. Called-up share capital at the beginning of the period	0.00	0.00
3. 1. Changes in called-up share capital	0.00	0.00
a) increases (relative to)	0.00	0.00
b) decreases (relative to)	0.00	0.00
3. 2. Called-up share capital at the end of the period	0.00	0.00
4. Own shares (stocks) at the beginning of the period		
a) increases	0.00	0.00
b) decreases	0.00	0.00
4. 1. Own shares (stocks) at the end of the period	0.00	0.00
5. Legal reserve and share premium at the beginning of the period	12 750 016.65	14 395 868.37
5. 1. Changes in legal reserve and share premium	1 645 851.72	255 238.71
a) increases (relative to)	1 645 851.72	1 244 238.71
- share premium	0.00	199 500.00
- from distribution of profit (statutory)	0.00	0.00
- from distribution of profit (above statutorily required minimum amount)	1 645 851.72	1 044 738.71
b) decreases (relative to)	0.00	989 000.00
- coverage of loss	0.00	0.00

#NAZWA?		989 000.00
5. 2. Legal reserve and share premium at the end of the period	14 395 868.37	14 651 107.08
6. Revaluation reserve at the beginning of the period		
6. 1. Changes in revaluation reserve	0.00	0.00
a) increases (relative to)	0.00	0.00
b) decreases (relative to)	0.00	0.00
- sales of fixed assets	0.00	0.00
6. 2. Revaluation reserve at the end of the period	0.00	0.00
7. Other reserve capitals (funds) at the beginning of the period		0.00
7. 1. Changes in other reserve capitals (funds)	0.00	989 000.00
a) increases (relative to)	0.00	989 000.00
#NAZWA?		989 000.00
b) decreases (relative to)	0.00	0.00
7. 2. Other reserve capitals (funds) at the end of the period	0.00	989 000.00
8. Profit (loss) brought forward at the beginning of the period	1 940 358.64	1 393 216.76
8. 1. Profit brought forward at the beginning of the period	1 987 151.51	1 443 650.14
- adjustments for fundamental errors	0.00	0.00
8. 2. Profit brought forward at the beginning of the period, after adjustments	1 987 151.51	1 443 650.14
a) increases (relative to)	0.00	0.00
- distribution of profit brought forward	0.00	0.00
b) decreases (relative to)	1 645 851.72	1 044 738.71
- distribution of profit brought forward	1 645 851.72	1 044 738.71
8. 3. Profit brought forward at the end of the period	341 299.79	398 911.43
8. 4. Loss brought forward at the beginning of the period	46 792.87	50 433.38
- adjustments for fundamental errors	0.00	0.00
8. 5. Loss brought forward at the beginning of the period, after adjustments	46 792.87	50 433.38
a) increases (relative to)	0.00	0.00
- loss brought forward to be covered	0.00	0.00
b) decreases (relative to)	0.00	0.00
8. 6. Loss brought forward at the end of the period	46 792.87	50 433.38
8. 7. Profit (loss) brought forward at the end of the period	294 506.92	348 478.05
9. Net profit/loss	1 151 834.70	-49 153.61
a) net profit	1 151 834.70	0.00
b) net loss	0.00	-49 153.61
c) appropriations from profit	0.00	0.00
10. Differences relating to the translation of financial statements	15 471.40	-51 495.77
11. Minority interest	89 950.00	335 228.74
II. Equity (own fund) at the end of the period (CB)	16 703 836.39	17 083 115.81
III. Equity (own fund), after proposed distribution of profit (coverage of loss)	16 703 836.39	17 083 115.81