

Krakow, April 15, 2009

Ladies and Gentlemen,

let me present to you Quantum Software S.A.'s annual report, containing the summary of the company's operations as well as major events taking place in the year 2008.

The preceding year was difficult for economies throughout the world. The crisis, which originated in the USA, has had impact on many European countries, too. Despite the fact that the situation of Poland is relatively good, different areas of our economy show signs of weakening, too. However, Information Technologies industry, in which Quantum operates, is touched by market fluctuations to relatively lesser degree.

The year 2008 was the year of important changes for our Company. Quantum implemented the newly adopted development strategy through establishing the Group of Companies, which is currently composed of Quantum East Sp. z o. o. and Quantum International Sp. z o. o. with its seat in Kiev. On 15<sup>th</sup> February 2008, Quantum software took over 66.7% of Quantum East's shares, thus becoming indirectly a shareholder of Quantum International (Quantum East holds 100% shares), whose activity is based on sale and deployment of software solutions offered by Quantum Software S. A. in Ukraine and in Russian-speaking countries. After three quarters of its operation, the company generated profits and won a number of key accounts, including: "Zhitomirskiy Maslozavod" S. A.; Versen Plus" Sp. z o. o., Prommash Brovary and two companies belonging to Carlsberg Group. The company's plans for growth are ambitious and the Ukrainian market, despite its current fall-out, is promising in sectors to which the company addresses its offer.

An important accomplishment of the previous year was winning first customers in the difficult yet massive Russian market.

Quantum brand in its market niche is well recognized in several countries of Europe. It is associated with technologically advanced software systems, high quality of services and professional approach to customer needs. Qguar system serves customers from various sectors of industry, both in Western Europe and Central Eastern Europe. In the year 2008, the Company intensified its marketing campaigns, winning new partners in Hungary (Ident Kit) as well as Slovakia and Czech Republic (Bartech).

Major contracts won in the past year in Poland include contracts concluded with Strauss Cafe Poland Sp. z o. o., Big Star Ltd. Sp. z o. o., Mondi Świecie SA and Żabka Polska S. A..

Quantum software, as one of very few companies in Poland, obtained the grant in pilot competition under the Innovative Economy Operational Programme - Activity 1.4-4.1, Support for research and development works and implementation of the results of such works. At the moment, we are implementing two projects: "Research into new software products in the scope of ecological logistics" and "Computer system for optimization of production in integrated supply chain." The maximum amount of grant is approx. PLN 2 million.

In 2008, Quantum software S.A.'s income from primary activity amounted PLN 17,629 thousand and at the Group level PLN 18,260 thousand. As compared to the same period of the year before the previous year, growth of income in the Group was 108.3 %. The sales of goods and services in the year 2008 made 82% of total sales. The dynamics of this group of sales was 121% for the dominating Company and 125.8% for the Group. The increase in income on sales is the result of increase in the sales of Qguar services and software, with simultaneous drop in sales of computer hardware, which however is supplementary and of lower importance for the further growth. The level of income resulting from these two trends was accompanied by increased costs, being the consequence of accelerated development (offer of products, human resources potential, marketing actions, establishment of the Group of Companies), which resulted in reduced profitability.

The Company closed the year with net result of PLN 1 044 thousand, whilst the Group of Companies recorded the net result of PLN 1 152.

Taking into account newly signed contracts, years-long cooperation and long-term contracts with a large group of existing customers (distribution centres, chains of stores and manufacturers) we are tranquil about the future, at the same time working on the development of the products we offer.

In the year 2009, we will carry out intensive developmental works related to even more authoring solutions based on technologies of our strategic partners. Although our position in the IT market (especially in the logistics sector) is already steady, we want to strengthen our relationship with the existing clients, through offering them wider scope of services. Excellent references provided by our existing customers open the way for us to win new markets for our products and services.

I am convinced that painstaking work of the recent years, combined with funds obtained from public market in the year 2007, as well as the grant from the European Union, will let us build value of Quantum software and its position in the market. Above all this, I am firm in this conviction thanks to the choice team of involved and dynamic people, with whom we, the Management Board, have the pleasure to work.

With kindest regards,

Tomasz Hatala

President of the Management Board