



Management Report
of Quantum software S.A. 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 ANNUAL FINANCIAL STATEMENTS

These annual financial statements have been prepared in line with the International Accounting Standards. All figures stem from the books or off-balance-sheet records. Methods for valuation of assets and equity and liabilities as well as measurement of profit/loss are presented in the financial statements.

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

The annual report of Quantum software S.A. for the reporting period between 01.01.2009 and 31.12.2009 comprises:

- The Issuer's 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 Issuer'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

Tomasz Hatala
Bogusław Ożóg
Marek Jędra
Tomasz Mnich

Person responsible for
bookkeeping
Chief Accountant
Monika Kuś

1. Basic information

Quantum software Spółka Akcyjna; 30-633 Kraków, ul. Walerego Sławka 3A. The Company's business focus is software consultancy. Quantum software S.A. 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".

According to the Statutes, the duration of the Company is unlimited.

Composition of the Management Board:

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

Supervisory Board:

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

As at 31.12.2009, the Company is a parent for the following entities:

1) Business name: Quantum East Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS):

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.

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. Financial performance of the Issuer in 2009

Financial highlights in the Issuer's income statement

Details	(in PLN '000)	(in PLN '000)
Net sales	16 054	17 629
Net sales of products	14 439	14 489
Net sales of goods and materials	1 615	3 140
Operating profit (EBIT)	- 461	780
Operating profit + amortisation/depreciation (EBITDA)	503	1 275
Gross profit/loss	- 203	1 320
Net profit/loss	- 230	1 044
Equity	16 365	16 491
Liabilities and reserves	2 055	1 985
Of which long-term liabilities	145	252
Return On Sales – ROS	- 1.43 %	5.92 %
Return On Assets – ROA	-1.25 %	5.65 %
Return On Equity – ROE	-1.41 %	6.33 %

Current ratio	7.02	8.90
Quick ratio	7.01	8.71

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, Quantum software S.A. recorded income from core activities of PLN 16,054,000. Compared to the same period of the last year, the Issuer recorded the decrease of income by approx. 9%. In 2009, sales of products and services accounted for 90% of the total sales, thus the Company product sales income was comparable to the last year. The remaining 10% of sales is income from sales of goods and materials. The increased share of product sales in the total sales (82% in 2008) is the result of higher sales of services and Qguar software, and the concurrent decrease of hardware sales, which is 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 creation of the Capital Group), which led to declining profitability.

The Company closed the year with the net loss of PLN 230,000.

In the context of crisis-related phenomena, the following factors are of importance for the Issuer:

- a. clear, cross-border slowdown in the logistics industry (TSL) – companies in this group (including international logistics operators) account for approx. 40% of all customers;
- b. businesses representing manufacturing and trading sectors have limited the construction of large logistics centres for which the Issuer is a software supplier (as the construction cycle of such centres is long, the impact of the global crisis on the Issuer was delayed);
- c. the Group has a relatively large exposure to foreign markets, particularly Ukraine, and the crisis on these markets is more severe than in Poland;

- d. decrease in demand resulting in increased competition and lower prices, which, in turn, lowers the margin on currently implemented contracts;
- e. in these circumstances, sourcing of contracts requires higher spending on sales and marketing (selling costs have increased by 25%);
- f. weakening sales coincided with high expenditure on development (part of which influences the running costs) and a large increase in amortisation, resulting mainly from the completion of new software modules development (compared to the previous year, amortisation increased by 50% and is higher than the net loss);
- g. The net income was further reduced by a new provision of PLN 164,000 for outstanding receivables from a Russian contractor.

3. Information of the Issuer's activities in 2009

a) Expansion of the Capital Group

- 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.

- 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.
- On September 1st, 2009, **a subsidiary company, Edisonda 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 Edisonda Sp. z o.o. The shares were covered in cash. Edisonda 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.

b) Acquiring new customers on the Polish and Ukrainian markets

Quantum software S.A. signed sales agreements with the following entities:

Ichem Sp. z o.o., Amtra Ltd, Funai Electric Polska Sp. z o.o., Leszek i Agata Sp. z o.o., Apreo Logistic S.A., ME Logistic Sp. z o.o., Klimas Wkręt-Met Sp. z o.o., the Silesian University of Technology (PŚ) and the Schools of Economics and Technology (ZSET) in Gliwice.

Quantum International signed agreements with the following customers:

Telbi Sp. z o.o., M&S Logistic Sp. z o.o. and LAN Ukraine in Ukraine.

- #### **c) Completed implementations** of the Qguar system for several important customers in Poland, including:

Omega Pilzno Sp. z o.o., PST OST SPED, M&M Service, Com.40 WCS, Jago S.A., Frigo IFC Unilever, Żabka Polska S.A., Roshen Confectionery, Funai Electric Polska Sp. z o.o., Apreo Logistic S.A. and Mondi Świecie S.A.

d) Other important events:

- Signing partner agreements with Leoss d. o.o. (Ljubljana, Slovenia), Axes Software (Bucharest, Romania), DS Projectai (Lithuania), SCAI (Italy) and Bissano (Bulgaria).
- The Company received an award “Gazeta Biznesu 2008” in the ranking of enterprises prepared by Puls Biznesu daily and Coface Poland credit bureau.
- The Company was also included on the list of Forbes magazine: “Forbes Diamonds”.
- 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).
- 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.
- 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.
- Change of the Issuer’s market maker. By way of Current Reports Nos. 18/2009 and 19/2009, the Management Board of Quantum software S.A. announced the change of the Issuer’s market maker to Noble Securities S.A., as of September 1st, 2009.

4. Changes in equity in terms of amounts and types

None.

5. Information on basic products

The Company'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. 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 Company'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).

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.

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.

6. Downstream and upstream markets

Operations of Quantum software S.A. focus predominantly in Poland, while export accounts for approx. 19% of sales. 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).

Product breakdown

		% share		% share
Own licences (Qguar) and services	13 758	85.70 %	13 180	74.76 %
Goods	1 615	10 %	3 140	17.81 %
Other sales	681	4.3 %	1 309	7.43 %
Total	16 054	100 %	17 629	100 %

Data in PLN '000

Sales by markets

		% share		% share
Domestic	13 058	81.34 %	14 541	82.48%
Export	2 996	18.66 %	3 088	17.52 %
Total	16 054	100 %	17 629	100 %

Data in PLN '000

Main industry targets for the Company'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 Company, featuring predominantly:

- trading and distribution businesses;
- manufacturing businesses (foodstuffs and manufactured articles);
- businesses providing logistics services.

7. Information on important events that occurred after the balance sheet date and were not included in the financial statements.

No such events occurred.

8. Major research and development achievements.

Due to the specific nature of its business, the Company 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 R&D activities have been supported by two 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.

9. Employment and productivity

As at the end of 2009, the average employment at Quantum software S.A. was 131 persons. The average gross salary amounted to PLN 6,368.00.

Employment structure

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

10. Contingent liabilities

In 2009, Quantum software S.A. had no contingent liabilities.

11. Description of significant risk factors and threats

Risk related to the macro-economic situation

The financial situation of the Issuer depends on the macro-economic situation in Poland. Direct and indirect determinants of the Company'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 of these factors as well as the direction and advancement of their development have an impact on the Issuer's planned actions. 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. Quantum software S.A., 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 Company 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 Quantum software S.A. 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 Company, differing significantly from those planned by the Management Board. The Company 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 Quantum software S.A. customers' industries will not slow down. In that case, the demand for the Company'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. Quantum software S.A. 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 of Quantum software S.A. are mostly domestic sales. However, the Company also concludes contracts with entities operating in Central, Eastern and Western Europe. Currently, approximately 19% of the Company's sales are export sales. Contracts with foreign customers are 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

Quantum software S.A. does not sell large quantities of easy-to-install computer programmes but completes 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 Quantum software S.A. However, an extensive international experience and the Company's own tried and tested standard system reduce the risk of significant errors or delays in contract implementation.

Risk related to the exchange rate

The Company's export transactions 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 the Company's ordinary business. That is why, amounts of relevant future cash flows may change due to currency fluctuations. Therefore, 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 Company 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, the financing of which was one of the objectives behind the public offering in 2007.

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	31.12.2009		31.12.2008		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	

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 guaranties.

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

In the opinion of the Management Board, the Company's financial situation is good. Financial ratios do not indicate any threats to the Company's ability to meet its obligations. The Company's primary sources of financing are equity and trade liabilities. Financial costs in 2009 amounted to PLN 189,000, and financial income in the same period was equal to PLN 447,000.

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. On October 15th, 2008 a contract was concluded for an amount of EUR 150,000 with the exercise date on 27/02/2009.

On February 27th, 2009, i.e. the contract exercise date, the Issuer recorded the loss on exercise of the derivative of PLN 50,406.01. The contract was signed strictly for past-due receivables, most of which were settled at the end of the year. Seeing the upside trend in the exchange rate, the Issuer opened deposits at the historical rate, i.e. the deposits with only a slight deviation from the contract rate. 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 Quantum software S.A. in the next year, we should include external factors that are beyond control of the Company as well as internal factors that Quantum software S.A. 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.

Quantum software S.A. is a company focusing 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 Company tries 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. Future investments will be focused around the Company's strategy.

Quantum software S.A. 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 broadly defined logistics in Central and Eastern Europe.

The Company 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 Company'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 Company's experience and market position may be used to implement third-party applications, which can make a perfect supplement to the Company'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. 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 Issuer.

22. Changes in the basic management principles

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

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

No such events occurred.

24. 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, the Company did not conclude any agreements with related parties.

25. Changes in the composition of managing or supervisory bodies

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

26. Information on the conclusion by the Issuer or its subsidiary of material transactions with related parties other than arm's length transactions; amounts of such transactions and information describing their nature.

No such events occurred.

27. 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 between 01.01.2009 and 31.12.2009 in PLN
Tomasz Hatala	239,825.49 PLN
Bogusław Ożóg	145,700.00 PLN
Marek Jędra	153,700.00 PLN
Tomasz Mnich	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 between 01.01.2009 and 31.12.2009 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

28. All agreements concluded between the Issuer and managers, providing for a compensation if such persons resign or are dismissed from their position without a valid reason or if they are recalled or dismissed as a result of the Issuer's merger by acquisition

The President of the Management Board of Quantum software S.A., Mr Tomasz Hatala is the Operations Director pursuant to the agreement concluded with a managerial company, Hatala i Spółka Sp. J. The agreement provides for 6-month period of notice without additional compensation.

The Vice-President of the Management Board, Mr Marek Jędra, the Vice-President of the Management Board, Mr Bogusław Ożóg and the Member of the Management Board, Mr Tomasz Mnich are employed under contracts of employment in managerial and special positions (differing from the Labour Code regulations). Their agreements do not provide for compensations.

29. 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 of the Issuer (for each person separately):

The Company's share capital amounts to PLN 735,000 and is divided into 1,470,000 shares (750,000 registered shares of A series and 720,000 equity bearer shares of B and C series) of a par value of PLN 0.50 each. List of managers and supervisors holding shares in Quantum software S.A.

Management Board	December 31st, 2009
Tomasz Hatala	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.

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

30. 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 knowledge of the Company, as at December 31st, 2009, shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total votes at the Company's General Meeting were:

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.

31. 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 of the Company 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.

32. Information on the system of controlling employee stock plans

Item 31 of this report describes the incentive programme and amendments to the “Rules and Regulations” valid between 2008 and 2010.

33. 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.

34. 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 to the best of its knowledge the annual financial statements and comparative information were prepared in line with the applicable accounting principles and provide a true, reliable and fair view of Quantum software S.A.'s financial situation and its profit/loss, while the annual management report provides a true reflection of Quantum software S.A.'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

The Management Board of Quantum software S.A. declares that the entity authorised to audit financial statements, auditing the separate annual financial statements of the Company, 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 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%)

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	Bogusław Ożóg
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 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 Edisonda 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.

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;

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

Accounting policies used in preparation of the financial statements of Quantum software S.A. for 2009.

The separate financial statements for 2009 have been prepared in line with the International Financial Reporting Standards (IFRS) approved by the European Union and valid as at the date of preparation of the financial statements.

The Management Board approves the separate financial statements as at the day of their signature by all Members of the Management Board. The separate financial statements should be read in conjunction with the consolidated financial statements so as to get a comprehensive picture of the financial standing of

Quantum software S.A. and its profit/loss as the parent and the Capital Group. The company, as the parent, prepares consolidated financial statements for its Capital Group as at and for the period ending on December 31st, 2009 in line with the International Financial Reporting Standards (IFRS) approved by the European Union and valid as the date of preparation of the financial statements. Separate and consolidated financial statements were presented in the separate and consolidated reports and are available at www.quantum-software.com

Basic accounting policies that have guided preparation of the annual financial statements for the financial year 2009.

The Company presents the financial statements for the financial year beginning on January 1st, 2009 and ending on December 31st, 2009. The financial statements were prepared in PLN '000 on the assumption that the Company would continue as a going concern in a foreseeable future. No circumstances are known indicating the risk to a going concern.

Quantum software S.A. prepares consolidated financial statements since January 1st, 2008, starting from the half-yearly consolidated financial statements for the period between 01.01.2008 and 31.03.2008. The first consolidated annual statements were the financial statements for 2008.

These financial statements include the financials for the financial year 2009 and comparative financials for the financial year 2008.

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.

The accounting principles (policies) used in preparation of the consolidated financial statements are consistent with those used in preparation of the consolidated financial statements of the Group for the year ending on December 31st, 2008, except for application of the following amended standards and new interpretations applicable to annual periods beginning on January 1st, 2009 or after that date.

- ✓ **IFRS 8 Operating Segments**, which, on its effective date replaced IAS 14 Segment Reporting. In the standard, the approach for identification and measurement of operating segments' results (in the case of segments having a reporting obligation) is consistent with the management approach.
- ✓ **IAS 1 Presentation of Financial Statements (amended in September 2007)** – the standard separates changes in equity arising from transactions with owners from other changes in equity. As a result, the statement of changes in equity includes only the details of transactions with owners, whereas all non-owner changes in equity are presented as one line item. In addition, the standard introduces a statement of comprehensive income.
- ✓ **IAS 23 Borrowing Costs**. On March 29th, 2007, the International Accounting Standards Board (IASB) published the amended version of IAS 23. It deals with accounting treatment of borrowing costs relative to assets which take a substantial period of time to get ready for its intended use or sale. In the light of amended IAS 23, in such a situation, borrowing costs are capitalised (prior to the amendment they were recognised directly in the income statement). The standard applies to annual periods beginning on January 1st, 2009. Application of the interpretation had no influence on the Group's financial situation or its profit/loss.
- ✓ **IFRS 2 Share-based payment: vesting conditions and cancellations** – the amendment provides clarification of a vesting condition and deals with recognition of cancellations of reward entitlements. Application of the interpretation had no influence on the Group's financial situation or its profit/loss as no events occurred that the interpretation refers to.

- ✓ **Amendments to IAS 32 Financial Instruments: Disclosures and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.** Amendments to IAS 32 and IAS 1 were published on February 14th, 2008 and apply to annual periods beginning on January 1st, 2009 or after that date. Amendments to IAS 32 require that some puttable financial instruments and obligations arising on liquidation are classified as equity, once they fulfil specific conditions. Amendments to IAS 1 require additional disclosures of puttable financial instruments classified as equity. Application of the amendment had no influence on the Group's financial situation or its profit/loss as the Group did not issue such instruments.
- ✓ **Amendments to of IFRS 2 Share-based Payment.** The amendment to IFRS 2 was published on January 17th, 2008 and applies to annual periods beginning on January 1st, 2009 or after that date. The amendment to the standard explains that vesting conditions include only service conditions and performance conditions. Other characteristics of the share-based payment scheme are not considered to be a vesting condition. The amended standard also explains that accounting treatment of the scheme cancellation by the undertaking or other party to the transaction should be the same.
- ✓ **IFRIC Interpretation 13 Customer Loyalty Programmes** – the interpretation requires that the customer award credits be recognised as a separately identifiable component of a sales transaction under which they have been granted. Application of the amendment had no influence on the Group's financial situation or its profit/loss as the Group did not operate a loyalty scheme.
- ✓ **Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements – Cost of an investment in a subsidiary, jointly controlled entity or associate.** Amendments to IFRS 1 and IAS 27 were published on May 22nd, 2008 and apply to annual periods beginning on January 1st, 2009 or after that date. Amendments to IFRS 1 make it possible to measure an investment in a subsidiary, jointly controlled entity or associate using a deemed cost as at the day of transition to IFRS. Amendments to IAS 27 consist in, among others, remove the definition of the “cost method” that requires division of dividends into pre-acquisition and post-acquisition dividends. Instead, separate financial statements will recognise revenue from all dividends received from a subsidiary, jointly controlled entity or associate.
- ✓ **IFRIC Interpretation 12 Service Concession Agreements** – the interpretation applies to concessionaires in service concession agreements and explains how to recognise rights and obligations under such agreements. The interpretation has no influence on the Group's financial statements as no entity in the Group is a concessionaire.
- ✓ **Amendments to IFRS 7 Financial Instruments: Disclosures** – the amended standard imposes an obligation to disclose additional information on measurement at fair value and liquidity risk. For each class of financial instruments measured at fair value, information should be disclosed on the measurement, using the fair value hierarchy that takes into account materiality of inputs for the measurement. Moreover, for fair value measurements included in Level 3 of the fair value hierarchy, reconciliation should be provided between the opening and closing balance. Moreover, all significant transfers between Level 1 and Level 2 of the fair value hierarchy should be presented. The amendments also specify the requirements concerning disclosures on liquidity risk.
- ✓ **IFRIC Interpretation 15 Agreements for the Construction of Real Estate** – it determines how and when to recognise revenue from sales of real estate and related costs, if an agreement between a developer and a buyer is concluded before construction is complete. The interpretation also provides guidance on how to determine whether an agreement

is within the scope of IAS 11 or IAS 18. Application of IFRIC 15 will have no influence on the consolidated financial statements as the Group does not conduct such operations.

- ✓ **IFRIC Interpretation 16 Hedges of a Net Investment in a Foreign Operation** – the interpretation includes guidelines on accounting treatment of hedges of a net investment in foreign operations, in particular the guidelines on: identification of foreign currency risks that qualify as a hedged risk in the hedge of a net investment; where, within a capital group, hedging instruments can be held, and how the undertaking should determine the amount of foreign exchange gain or loss concerning both the net investment and the hedging instrument that is to be reclassified from equity to the income statement upon sales of a foreign operation. Application of IFRIC 16 will not influence consolidated financial statements as the Group does not hedge a net investment in a foreign operation.
- ✓ **IFRIC Interpretation 18 Transfers of Assets from Customers** – the interpretation includes guidelines on recognition of assets from a customer to be used in services provided to such customer. The interpretation applies to transactions that took place on July 1st, 2009 or after that date. Application of IFRIC 18 will not influence consolidated financial statements, as the Group did not receive any assets from customers or cash for construction of such assets.
- ✓ **Amendments to IFRIC Interpretation 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement**: Embedded derivatives – the amendment introduces the requirement of assessment whether an embedded derivative must be recognised separately upon reclassification of a hybrid financial instrument from financial assets measured at fair value through profit or loss. The assessment is based on the conditions applicable on the later of two dates: when an entity became a party to the contract for the first time or when the change occurred in the terms of the contract that significantly modified the cash flows under the contract. At the moment, IAS 39 requires that in the situation where an embedded derivative cannot be reliably measured, the entire hybrid instrument should be classified among financial instruments measured at fair value through profit or loss. Application of the amendment will not influence consolidated financial statements as the Group did not effect any reclassifications from financial assets measured at fair value through profit or loss and it does not have any hybrid financial instruments for which reliable measurement of an embedded derivative would not be possible.

New accounting standards and IFRIC Interpretations and amendments to the standards:

- ✓ IFRS 3 Business Combinations (amended in January 2008) – applicable to annual periods beginning on July 1st, 2009 or after that date;
- ✓ IAS 27 Consolidated and Separate Financial Statements (amended in January 2008) – applicable to annual periods beginning on July 1st, 2009 or after that date;
- ✓ Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible hedged items (amendments published in July 2008) – applicable to annual periods beginning on July 1st, 2009 or after that date; Restated IFRS 1 First-time Adoption of International Financial Reporting Standards (amended in November 2008) – applicable to annual periods beginning on July 1st, 2009 or after that date;
- ✓ IFRIC Interpretation 17 Distribution of Non-cash Assets to Owners – applicable to annual periods beginning on July 1st, 2009 or after that date;
- ✓ Amendments resulting from the review of IFRS (published in April 2009) – some amendments apply to annual periods beginning on July 1st, 2009 and some apply to annual periods beginning on January 1st, 2010; the amendments not approved by the EU until the day of approval of these financial statements.
- ✓ Amendments to IFRS 2 Share-based Payment: group share-based payment transactions settled in cash (amended in June 2009) – applicable to annual periods beginning on January 1st, 2010 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
- ✓ Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards: additional exemptions for first-time adopters – applicable to annual periods beginning on January

- 1st, 2010 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
- ✓ Amendments to IAS 32 Financial Instruments: Presentation: Classification of rights issues – applicable to annual periods beginning on February 1st, 2010 or after that date;
 - ✓ IAS 24 Related Party Disclosures (amended in November 2009) – applicable to annual periods beginning on January 1st, 2011 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
 - ✓ IFRS 9 Financial Instruments – applicable to annual periods beginning on January 1st, 2013 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
 - ✓ Amendments to IFRIC 14 and IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: advance payments and minimum funding requirements – applicable to annual periods beginning on January 1st, 2011 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
 - ✓ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments – applicable to annual periods beginning on July 1st, 2010 or after that date; the amendments not approved by the EU until the day of approval of these financial statements;
 - ✓ Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards: limited exemption from presentation of comparative information required under IFRS 7 for first-time adopters – applicable to annual periods beginning on July 1st, 2010 or after that date; the amendments not approved by the EU until the day of approval of these financial statements.

FINANCIAL HIGHLIGHTS	in PLN	'000	in EUR	'000
Net sales of products, goods and materials	16 054	17 629	3 699	4 991
Profit (loss) on operating activities	- 461	780	- 106	221
Gross profit (loss)	- 203	1 320	- 47	374
Net profit (loss)	- 230	1 045	- 53	296
Net cash flows from operating activities	645	261	149	74
Net cash flows from investing activities	- 2 159	- 2 349	- 497	- 665
Net cash flows from financing activities	- 152	206	- 35	58
Total net cash flows	- 1 666	- 1 882	- 384	- 533
Total assets	18 420	18 476	4 484	4 428
Liabilities and provisions for liabilities	2 055	1 985	500	476
Long-term liabilities	145	252	35	60
Short-term liabilities	1 514	1 462	369	350
Equity	16 365	16 491	3 983	3 952
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)	- 0.16	0.71	- 0.04	0.20
Diluted earnings per share (in PLN/EUR)	- 0.16	0.71	- 0.04	0.20
Book value per share (in PLN/EUR)	11.13	11.22	2.71	2.69
Diluted book value per share (in PLN/EUR)	11.13	11.22	2.71	2.69
Declared or paid dividend per share (in PLN/EUR)				

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

BALANCE SHEET		
	in PLN	'000
	2009	2008
ASSETS		
Non-current assets	7 799.00	5 458.00
Intangible assets, including:	4 368.00	3 455.00
goodwill	-	-
Property, plant and equipment	1 434.00	1 742.00
Long-term receivables	42.00	42.00
From related parties	-	-
From other undertakings	42.00	42.00
Long-term investments	1 943.00	181.00
Real estate	-	-
Intangible assets	-	-
Long-term financial assets	1 943.00	181.00
in related parties, including:	1 943.00	180.00
shares or stocks in subordinates accounted for using the equity method	-	-
in other undertakings	-	1.00
Other long-term investments	-	-
Long-term prepayments	12.00	38.00
Deferred income tax assets	11.00	38.00
Other prepayments	1.00	-
Current assets	10 621.00	13 018.00
Inventories	5.00	-
Short-term receivables	3 626.00	3 113.00
From related parties	389.00	150.00
From other undertakings	3 237.00	2 963.00
Short-term investments	6 852.00	8 526.00
Short-term financial assets	27.00	33.00
in related parties	-	-
in other undertakings	27.00	33.00
cash and cash equivalents	6 825.00	8 493.00
Other short-term investments	-	-
Short-term prepayments	138.00	1 379.00
Total assets	18 420.00	18 476.00
Equity		
Equity	16 365.00	16 491.00
Share capital	735.00	735.00
Contingent capital	125.00	21.00
Called up share capital (negative figure)	-	-
Own stocks (shares) (negative figure)	-	-
Legal reserve and share premium	14 452.00	14 396.00
Revaluation reserve	-	-
Other reserve capitals	989.00	-
Profit (loss) brought forward	294.00	294.00
Net profit (loss)	- 230.00	1 045.00
Charges against net profit during the financial year (negative figure)	-	-
Liabilities and provisions for liabilities	2 055.00	1 985.00
Provisions for liabilities	256.00	246.00
Deferred income tax reserve	148.00	148.00

Provision for retirement pensions and similar benefits	108.00	98.00
long-term	105.00	96.00
short-term	3.00	2.00
Other reserves	-	-
long-term	-	-
short-term	-	-
Long-term liabilities	145.00	252.00
Towards related parties	-	-
Towards other undertakings	145.00	252.00
Short-term liabilities	1 514.00	1 462.00
Towards related parties	1.00	-
Towards other undertakings	1 507.00	1 446.00
Earmarked funds	6.00	16.00
Accruals	140.00	25.00
Negative goodwill	-	-
Other accruals	140.00	25.00
long-term	116.00	-
short-term	24.00	25.00
Total equity and liabilities	18 420.00	18 476.00
Book value	16 365.00	16 491.00
Number of shares	1 470 000.00	1 470 000.00
Book value per share (in PLN)	11.13	11.22
Diluted number of shares	1 470 000.00	1 470 000.00
Diluted book value per share (in PLN)	11.13	11.22

INCOME STATEMENT		
	in PLN	'000
Net sales of products, goods and materials, including:	16 054.00	17 629.00
from related parties	1 017.00	182.00
Net sales of products	14 439.00	14 489.00
Net sales of goods and materials	1 615.00	3 140.00
Costs of products, goods and materials sold, including:	11 604.00	11 361.00
to related parties		
Cost of products sold	10 136.00	8 765.00
Value of goods and materials sold	1 468.00	2 596.00
Gross profit (loss) on sales	4 450.00	6 268.00
Selling costs	1 863.00	1 489.00
General administrative expenses	2 941.00	4 010.00
Profit (loss) on sales	- 354.00	769.00
Other operating income	579.00	35.00
Profit on sales of non-financial non-current assets		
Grants	507.00	
Other operating income	72.00	35.00
Other operating costs	686.00	24.00
Loss on sales of non-financial non-current assets	517.00	1.00
Revaluation of non-financial assets	165.00	
Other operating costs	4.00	23.00
Profit (loss) on operating activities	- 461.00	780.00
Financial income	447.00	652.00

Dividends and profit sharing, including:		
from related parties		
Interest, including:	369.00	539.00
from related parties	3.00	
Profit on sales of investments		43.00
Revaluation of investments	78.00	
Other		70.00
Financial costs	189.00	112.00
Interest, including:	28.00	34.00
for related parties		
Loss on sales of investments	51.00	
Revaluation of investments		78.00
Other	110.00	
Profit (loss) on economic activities	- 203.00	1 320.00
Extraordinary profit/loss	-	-
Extraordinary gains		
Extraordinary losses		
Gross profit (loss)	- 203.00	1 320.00
Income tax	27.00	275.00
current tax		167.00
deferred tax	27.00	108.00
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)	- 230.00	1 045.00
Net profit (loss) (annualised)	- 230.00	1 045.00
Weighted average of equity shares	1 470 000.00	1 470 000.00
Earnings per share (in PLN)	- 0.16	0.71
Diluted weighted average of equity shares	1 470 000.00	1 470 000.00
Diluted earnings per share (in PLN)	- 0.16	0.71

STATEMENT OF CHANGES IN EQUITY

	in PLN	'000
Equity at the beginning of period (OB)	16 491.00	15 423.00
changes in accepted accounting principles (policy)		
adjustments for fundamental errors		
Equity at the beginning of period (OB) reconciled with comparative amounts	16 491.00	15 423.00
Share capital at the beginning of the period	735.00	735.00
Movements in share capital		
increases (relative to)		
issue of stocks (shares)		
decreases (relative to)		
redemption of stocks (shares)		

Share capital at the end of the period	735.00	735.00
Contingent capital at the beginning of the period	21.00	-
Movements in contingent capital	104.00	21.00
increases (relative to)	104.00	21.00
	104.00	21.00
decreases (relative to shareholders' contributions)	-	-
Contingent capital at the end of the period	125.00	21.00
Called-up share capital at the beginning of the period		-
Movements in called-up share capital		
increases (relative to)		
decreases (relative to shareholders' contributions)		
Called-up share capital at the end of the period		-
Own stocks (shares) at the beginning of the period		
Movements in own stocks (shares)		
increases (relative to)		
decreases (relative to)		
Own stocks (shares) at the end of the period		-
Legal reserve and share premium at the beginning of the period	14 396.00	12 750.00
Movements in legal reserve and share premium	56.00	1 646.00
increases (relative to)	1 045.00	1 646.00
share premium		
from distribution of profit (statutory)		
from distribution of profit (above statutorily required minimum amount)	1 045.00	1 646.00
decreases (relative to)	989.00	
coverage of loss		
transfer to reserve capital	989.00	
Legal reserve and share premium at the end of the period	14 452.00	14 396.00
Revaluation reserve at the beginning of the period		
Movements in revaluation reserve		
increases (relative to)		
decreases (relative to)		
sales of fixed assets		
Revaluation reserve at the end of the period		

		-
Other reserve capitals at the beginning of the period	-	
Movements in other reserve capitals	989.00	
increases (relative to)	989.00	
capital allocated for purchasing of own stocks	989.00	
decreases (relative to)		
Other reserve capitals at the end of the period	989.00	-
Profit (loss) brought forward at the beginning of the period	1 339.00	1 940.00
Profit brought forward at the beginning of the period	1 386.00	1 987.00
changes in accepted accounting principles (policy)		
adjustments for fundamental errors		
Profit brought forward at the beginning of the period, reconciled with comparative amounts	1 386.00	1 987.00
increases (relative to)		
distribution of profit brought forward		
decreases (relative to)	1 045.00	1 646.00
	1 045.00	1 646.00
Profit brought forward at the end of the period	341.00	341.00
Loss brought forward at the beginning of the period	47.00	-47.00
changes in accepted accounting principles (policy)		
adjustments for fundamental errors		
Loss brought forward at the beginning of the period, reconciled with comparative amounts	47.00	-47.00
increases (relative to)		
loss brought forward to be covered		
decreases (relative to)		
Loss brought forward at the end of the period	- 47.00	- 47.00
Profit (loss) brought forward at the end of the period	294.00	294.00
Net profit/loss	- 230.00	1 045.00
net profit	230.00	1 045.00
net loss		
appropriations from profit		
Equity at the end of the period (CB)	16 365.00	16 491.00
Equity, after proposed distribution of profit (coverage of loss)	16 365.00	16 491.00

CASH FLOW STATEMENT		
	in PLN	'000
Cash flows from operating activities		
(direct method)		-
Inflows		-
Sales		-
Other operating inflows		-
Expenditure		-
Supplies and services		-
Net wages and salaries		-
Social and health insurance and other benefits		-
Taxes and charges of public law character		-
Other operating expenditure		-
Net cash flows from operating activities (I-II); direct method		-
(indirect method)		
Net profit (loss)	- 230.00	1 045.00
Total adjustments	875.00	- 784.00
Share in net (profit) loss of undertakings that are accounted for using the equity method	-	
Amortisation and depreciation	963.00	637.00
Foreign exchange (gains) losses	2.00	- 43.00
Interest and profit sharing (dividends)	- 341.00	- 505.00
(Profit) loss on investing activities	- 804.00	36.00
Movements in reserves	9.00	145.00
Movements in inventories	- 5.00	265.00
Movements in receivables	- 513.00	- 423.00
Movements in short-term liabilities, apart from loans and borrowings	182.00	- 228.00
Movements in prepayments and accruals	1 382.00	- 668.00
Other adjustments		
Net cash flows from operating activities (I+/-II); direct method	645.00	261.00
Cash flows from investing activities		
Inflows	470.00	608.00
Sales of intangible assets and property, plant and equipment	56.00	27.00
Sales of investments in real estate and intangible assets	-	
From financial assets, including:	301.00	471.00
in related parties	-	-
sales of financial assets		
dividends and profit sharing		
repayment of long-terms borrowings granted		
interest		
other inflows from financial assets		
in other undertakings	301.00	471.00
sales of financial assets		43.00
dividends and profit sharing		
repayment of long-terms borrowings granted		60.00
interest	301.00	368.00
other inflows from financial assets		
Other investment inflows	113.00	110.00
Expenditure	2 629.00	2 957.00

Acquisition of intangible assets and property, plant and equipment	2 117.00	2 742.00
Investments in real estate and intangible assets		
On financial assets, including:	512.00	215.00
in related parties	469.00	180.00
acquisition of financial assets	469.00	180.00
long-term borrowings granted		
in other undertakings	43.00	35.00
acquisition of financial assets		
long-term borrowings granted	43.00	35.00
Other investment expenditure		
Net cash flows from investing activities (I-II)	- 2 159.00	- 2 349.00
Cash flows from financing activities		
Inflows	281.00	525.00
Net inflows from issue of stocks (shares) and other equity instruments and contributions to equity		
Loans and borrowings	73.00	423.00
Issue of debt securities		
Other financial inflows	208.00	102.00
Expenditure	433.00	319.00
Acquisition of own stocks (shares)		
Dividends and other payments to owners		
Expenditure against distribution of profit, other than payments to owners		
Repayment of loans and borrowings	273.00	285.00
Redemption of debt securities		
	54.00	
	22.00	34.00
	84.00	
	- 152.00	206.00
	- 1 666.00	- 1 882.00
	- 1 668.00	- 1 839.00
	- 2.00	43.00
	8 493.00	10 332.00
	6 825.00	8 493.00
	13.00	17.00

Identification of operating segments

- breakdown by product

Item	Product segment				Total
	Licences	Services: Implementation, Service	Goods	Other	
Sales income	2 111 356.07	11 938 714.21	1 615 349.88	388 953.34	16 054 373.50
Costs of core operating activities	2 340 803.18	7 631 587.24	1 468 630.81	163 328.33	11 604 349.56
Selling costs	272 343.63	1 539 973.67	0.00	50 171.06	1 862 488.35

Total costs	418 380.14	2 365 740.68	80 023.25	77 073.86	2 941 217.93
Financial income	147 459.94	833 815.82	28 204.55	27 165.02	1 036 645.33
Operating income	525 589.27	102 261.08	3 459.07	3 331.58	634 641.00
Financial costs	110 745.22	626 211.53	21 182.15	20 401.45	778 540.35
Operating costs	105 537.80	596 766.03	20 186.13	19 442.14	741 932.10
Profit/loss (net income)	-463 404.69	114 511.96	56 991.15	89 033.11	-202 868.46

- breakdown by type of activity

Type of activity	Amount	% share
sales of services	12 327 667.55	76.79%
sales of licences	2 111 356.07	13.15%
sales of goods	1 615 349.88	10.06%
TOTAL	16 054 373.50	100.00%

- breakdown by territory

Territorial structure	Amount	% share
Poland	13 058 419.51	81.34%
Germany	1 019 508.98	6.35%
Ukraine	680 730.24	4.24%
Other	1 295 714.77	8.07%
TOTAL	16 054 373.50	100.00%