



Quantum software S.A.

Interim consolidated financial statements of the Quantum software
Capital Group for H1 2012

Krakow, 31 August 2012

The interim statements comprise:

1. Selected financial data
2. Basic principles of preparing financial statements
3. The interim abridged consolidated financial statements.
4. The Issuer's abridged financial statements.
5. The Issuer's capital group's management report.
6. 6. The Management Board's statement on the preparation of financial statements.
7. The Management Board's statement on the entity authorised to perform the audit.

Appendixes:

1. The report of the entity authorised to audit the financial statements from the review of the Issuer's interim abridged financial statements.
2. The report of the entity authorised to audit the financial statements from the review of the interim abridged consolidated financial statements.

The selected financial data including basic items of the interim consolidated financial statements (also translated into EUR).

THE SELECTED FINANCIAL DATA including basic items of the interim consolidated financial statements.	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2012-01-01 to 2012-06-30	2011-01-01 to 2011-06-30	2012-01-01 to 2012-06-30	2011-01-01 to 2011-06-30
Net sales of products, goods and materials	9,997	9,704	2,366	2,446
Profit (loss) on operations	-902	-74	-214	-19
Gross profit (loss)	-704	115	-167	29
Net profit (loss)	-602	64	-142	16
Net cash flows from operations	-354	-864	-84	-218
Net cash flows from investments	366	-322	87	-81
Net cash flows from financial activities	-287	214	-68	54
Total net cash flows	-275	-972	-65	-245
Total assets	18,339	19,620	4,304	4,921
Liabilities and provisions for liabilities, including:	3,270	3,551	767	891
Long-term liabilities	154	187	36	47
Short-term liabilities	2,111	2,335	495	586
Equity	15,069	16,069	3,536	4,031
Share capital	740	740	174	186
Number of shares (pcs.)	1,480,757	1,480,757	1,480,757	1,480,757
Annualised earnings per ordinary share (in PLN/EUR)	-0.14	-0.70	-0.03	-0.18
Diluted annualised earnings per ordinary share (in PLN/EUR)	-0.14	-0.70	-0.03	-0.18
Book value per share (in PLN/EUR)	9.90	10.64	2.32	2.67
Diluted book value per share (in PLN/EUR)	9.90	10.64	2.32	2.67
Declared or paid dividend per share (in PLN/EUR)				

Principles applicable to translation of basic items of the interim consolidated financial statements into EUR.

Translations of selected financials into EUR in items I-VIII use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Arithmetic mean in the period from 01.01.2012 to 30.06.2012 – PLN 4.2246

Arithmetic mean in the period from 01.01.2011 to 30.06.2011 – PLN 3.9673

Translations of selected financials into EUR in items IX-XVIII use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

H1 2012 - PLN 4.2613

H1 2011 - PLN 3.9866

Average exchange rates for the Polish zloty to euro in the period covered by the statement				
Period	average rate in the period	the lowest rate in the period	the highest rate in the period	exchange rate as at the last day of the period
H1 2012	4.2246	4.1062	4.5135	4.2613
H1 2011	3.9673	3.8403	4.0800	3.9866

The selected financial data including basic items of the interim separate financial statements (also translated into EUR).

THE SELECTED FINANCIAL DATA including basic items of the interim separate financial statements.	in PLN '000		in EUR '000	
	period from	period from	period from	period from
	2012-01-01 to 2012-06-30	2011-01-01 to 2011-06-30	2012-01-01 to 2012-06-30	2011-01-01 to 2011-06-30
Net sales of products, goods and materials	8,970	8,321	2,123	2,097
Profit (loss) on operations	210	0	50	0
Gross profit (loss)	430	217	102	55
Net profit (loss)	535	218	127	55
Net cash flows from operations	727	-167	172	-42
Net cash flows from investments	-428	-583	-101	-147
Net cash flows from financial activities	-575	263	-136	66
Total net cash flows	-276	-487	-65	-123
Total assets	18,568	18,584	4,357	4,662

Liabilities and provisions for liabilities, including:	2,646	2,985	621	749
Long-term liabilities	112	53	26	13
Short-term liabilities	1,555	1,905	365	478
Equity	15,922	15,599	3,736	3,913
Share capital	740	740	174	186
Number of shares (pcs.)	1,480,757	1,480,757	1,480,757	1,480,757
Annualised earnings per ordinary share (in PLN/EUR)	0.56	-0.65	0.13	-0.16
Diluted annualised earnings per ordinary share (in PLN/EUR)	0.56	-0.65	0.13	-0.16
Book value per share (in PLN/EUR)	10.75	10.53	2.52	2.64
Declared or paid dividend per share (in PLN/EUR)	0.35			

Principles applicable to translation of basic items of the interim separate financial statements into EUR.

Translations of selected financials into EUR in items I-VIII use the arithmetic mean calculated based on the average exchange rates of the National Bank of Poland (NBP) applicable on the last day of each month in a given period:

Arithmetic mean in the period from 01.01.2012 to 30.06.2012 – PLN 4.2246

Arithmetic mean in the period from 01.01.2011 to 30.06.2011 – PLN 3.9673

Translations of selected financials into EUR in items IX-XVIII use the average exchange rate of the National Bank of Poland (NBP) applicable on the statement day.

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Period	average rate in the period	the lowest rate in the period	the highest rate in the period	exchange rate as at the last day of the period
H1 2012	4.2246	4.1062	4.5135	4.2613
H1 2011	3.9673	3.8403	4.0800	3.9866

Basic principles of preparing financial statements

These Abridged Interim Consolidated Financial Statements (the "Interim Consolidated Financial Statements") have been prepared in compliance with the International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and in compliance with applicable accounting standards pertaining to interim financial reporting as adopted by the European Union, published and effective at the time of preparing the Interim Consolidated Financial Statements.

Data included in the report was prepared in line with the principles for evaluation of assets and equity and liabilities and evaluation of net income specified as at the balance sheet date, in keeping with the materiality principle. The Abridged Interim Consolidated Financial Statements for H1 2012 were prepared on the assumption that the Capital Group would continue as a going concern.

The Abridged Interim Consolidated Financial Statements for H1 2012 have been prepared in line with the International Financial Reporting Standards approved by the European Union. These financial statements provide financial data for H1 2012 and comparable financial data for H1 2011. The opinions of entities authorised to audit financial statements have made no reservations concerning the financial statements for the current year and the statements from which the comparable data originate.

The Interim Consolidated Financial Statements for H1 2012 have been prepared in PLN with figures rounded to whole thousands.

Accounting records follow the historical cost method. The undertaking made no adjustments which would have reflected the influence of inflation on individual balance sheet or income statement items. The Company prepares the income statement using the multiple-step variant. The cash flow statement uses the indirect method.

New accounting standards and IFRIC interpretations and amendments to standards:

Amendments to IFRS which became effective as of 1 January 2012 have no impact on the current and previously presented financial results and values of consolidated equity. The Group intends to adopt the amendments to IFRS which were published but did not become effective until the publication day of these abridged interim consolidated financial statements at their effective date.

Interim abridged consolidated financial statements

Consolidated statement of financial position	H1 2012	31.12.2011	H1 2011
ASSETS			
I. Non-current assets	5,914	6,590	6,959
1. Intangible assets, including:	4,504	5,107	5,318
goodwill	-	-	1
2. Property, plant and equipment	1,313	1,378	1,521
3. Long term receivables, including:	62	62	59
From related entities	-	-	-
From other entities	62	62	59
4. Long-term investments	2	3	24
Real property	-	-	-
Intangible assets	-	-	-
Long-term financial assets	2	3	24
in related entities, including:	-	-	-
shares or stocks in subordinates evaluated using the equity method	-	-	-
in other entities	2	3	24
Other long-term investments	-	-	-
5. Long-term prepayments and accruals	33	40	37
Deferred income tax assets	11	6	10
Other prepayments and accruals	22	34	27
II. Current assets	12,425	13,021	12,661
1. Inventories	63	142	496
2. Short term receivables, including:	4,412	4,159	3,502
- from related entities	-	-	-
- from other entities	4,412	4,159	3,502
3. Short-term investments	7,351	8,224	8,287
Current financial assets	759	1,063	958
- in related entities	-	-	-
- in other entities	759	1,063	958
Cash and other monetary assets	6,533	7,161	7,329
Other short-term investments	59	-	-
4. Short-term prepayments and accruals	599	496	376
Total assets	18,339	19,611	19,620
EQUITY AND LIABILITIES			
I. Equity	15,069	16,274	16,069
1. Share capital	740	740	740
2. Contingent capital	128	128	123
3. Called-up share capital (negative figure)	-138	-	-
4. Own shares (negative figure)	-3	-	-

5. Supplementary capital	13,252	13,318	13,353
6. Revaluation reserve	-	-	-
7. Other reserve capital	989	989	989
8. Profit (loss) from previous years	-37	546	490
9. Net profit (loss)	-217	66	141
10. Net profit write-offs during the financial year (negative amount)	-	-	-
11. Foreign exchange losses on the translation of subordinates' statements	-35	-26	-74
12. Equity of minority shareholders	390	513	307
II. Liabilities and provisions for liabilities	3,270	3,337	3,551
1. Provisions for liabilities	265	363	272
- Deferred income tax provision	130	228	140
- Provision for pension and similar benefits	135	135	132
- long-term	131	131	129
- short-term	4	4	3
- Other provisions	-	-	-
- long-term	-	-	-
- short-term	-	-	-
2. Long-term liabilities	154	141	187
Towards related entities	-	-	-
Towards other entities	154	141	187
3. Short-term liabilities	2,111	1,882	2,335
Towards related entities	60	80	7
Towards other entities	1,925	1,741	2,217
Special purpose funds	126	61	111
4. Prepayments and accruals	740	951	757
Negative goodwill	-	-	-
Other prepayments and accruals, including:	740	951	757
- long-term	436	824	735
- short-term	304	127	22
Total equity and liabilities	18,339	19,611	19,620
Book value	14,679	15,761	15,762
Number of shares (pcs.)	1,480,757	1,480,757	1,480,757
Book value per share (in PLN)	9.91	10.64	10.64
Diluted number of shares (pcs.)	1,480,757	1,480,757	1,480,757
Diluted book value per share (in PLN)	9.91	10.64	10.64

Consolidated statement of comprehensive income	H1 2012	H1 2011
A. Net revenue from sales of products, goods and materials, including:	9,997	9,704
- from related entities	-	-
I. Net sales of products and services	8,265	8,484
II. Net revenue from sales of goods and materials	1,732	1,220
B. Costs of products, services, goods and materials sold, including:	7,230	6,616
To related entities	-	-
Cost of products sold	5,542	5,607
Value of goods and materials sold	1,688	1,009
C. Gross profit (loss) on sales (A-B)	2,767	3,088
D. Sales costs	1,887	1,139
E. General administrative expenses	1,976	2,207
F. Profit (loss) on sales (C-D-E)	-1,096	-258
G. Other operating revenue	200	279
I. Profit on disposal of non-financial non-current assets	6	-
II. Subsidies	129	122
III. Other operating revenue	65	157
H. Other operating costs	6	95
I. Loss on disposal of non-financial non-current assets	-	-
II. Revaluation of non-financial assets	-	92
III. Other operating costs	6	3
I. Profit (loss) on operations (F+G-H)	-902	-74
J. Financial revenue	323	207
I. Dividends and profit sharing, including:	-	-
- from related entities	-	-
II. Interest, including:	252	207
- from related entities	-	-
III. Profit on disposal of investments	-	-
IV. Revaluation of investments	-	-
V. Other	71	-
K. Financial costs	125	18
I. Interest, including:	47	12
- for related entities	-	-
II. Loss on disposal of investments	-	-
III. Revaluation of investments	-	-
IV. Other	78	6
L. Profit (loss) on business activities	-704	115
M. Extraordinary profit/loss	-	-

Extraordinary profits	-	-
Extraordinary losses	-	-
N. Gross profit (loss)	-704	115
O. Income tax	-102	51
I. current tax	1	54
II. Deferred tax	-103	-3
P. Other statutory reductions in profit (increases in loss)	-	-
Q. Share in net (profit) loss of subordinates evaluated using the equity method	-	-
R. Net profit (loss)	-602	64
Profit (loss) attributable to the shareholders of the parent	-126	141
Profit (loss) attributable to minority shareholders	-476	-77
Net profit (loss) (annualised)	-201	-1,038
Weighted average number of ordinary shares (pcs.)	1,480,757	1,480,757
Earnings per ordinary share (in PLN)	-0.14	-0.70
Diluted weighted average number of ordinary shares (pcs.)	1,480,757	1,480,757
Diluted earnings per ordinary share (in PLN)	-0.14	-0.70

Consolidated statement of changes in equity	H1 2012	from 01.01.2011 to 31.12.2011	H1 2011
Equity at the beginning of the period (OB)	16,274	16,028	16,028
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Equity at the beginning of the period (OB) reconciled with comparative amounts	16,274	16,028	16,028
Share capital at the beginning of the period	740	735	735
Changes in share capital	-	5	5
increases (owing to)	-	5	5
issue of shares	-	5	5
decreases (owing to)	-	-	-
redemption of shares	-	-	-
Share capital at the end of the period	740	740	740
Contingent capital at the beginning of the period	128	172	172
Changes in contingent capital	-	-44	-49
increases (owing to)	-	36	31
decreases (owing to shareholders' contributions)	-	80	80
Contingent capital at the end of the period	128	128	123
Called-up share capital at the beginning of the period	-	-	-
Changes in called-up share capital	-138	-	-

increases (owing to)	-138	-	-
decreases (owing to shareholders' contributions)	-	-	-
Called-up share capital at the end of the period	-138	-	-
Own shares at the beginning of the period	-	-	-
Changes in own shares	-3	-	-
increases (owing to)	-	-	-
decreases (owing to)	-3	-	-
Own shares at the end of the period	-3	-	-
Supplementary capital at the beginning of the period	12,840	14,410	14,340
Changes in supplementary capital	412	-1,092	-987
increases (owing to)	412	75	75
share premium	411	75	75
from distribution of profit (statutory)	-	-	-
from distribution of profit (above the statutorily required minimum amount)	1	-	-
decreases (owing to)	-	1,167	1,062
loss coverage	-	1,062	1,062
minority interest	-	105	-
Supplementary capital at the end of the period	13,252	13,318	13,353
Revaluation reserve at the beginning of the period	-	-	-
Changes in revaluation reserve	-	-	-
increases (owing to)	-	-	-
decreases (owing to)	-	-	-
sales of fixed assets	-	-	-
Revaluation reserve at the end of the period	-	-	-
Other reserve capitals at the beginning of the period	989	989	989
Changes in other reserve capitals	-	-	-
increases (owing to)	-	-	-
decreases (owing to)	-	-	-
Other reserve capitals at the end of the period	989	989	989
Profit (loss) brought forward at the beginning of the period	482	-516	-572
Profit brought forward at the beginning of the period	1,220	669	613
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Profit brought forward at the beginning of the period, reconciled with comparative amounts	1,220	669	613
increases (owing to)	-	-	-
distribution of profit brought forward	-	-	-
decreases (owing to)	519	-	-
distribution of profit brought forward	519	-	-

Profit brought forward at the end of the period	701	669	613
Loss brought forward at the beginning of the period	738	1,185	1,185
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Loss brought forward at the beginning of the period, reconciled with comparative amounts	738	1,185	1,185
increases (owing to)	-	-	-
loss brought forward to be covered	-	-	-
decreases (owing to)	-	1,062	1,062
coverage of loss	-	1,062	1,062
Loss brought forward at the end of the period	738	123	123
Profit (loss) brought forward at the end of the period	-37	546	490
Net result	-217	66	141
net profit	554	576	290
net loss	-771	-510	-149
appropriations from profit	-	-	-
Foreign exchange gains/losses on translation of subordinates' statements	-35	-26	-74
Minority interest at the beginning of the period	513	333	315
Adjustments of fundamental errors and amendments to accounting principles	-	-	-
Adjusted minority interest at the beginning of the period	513	333	315
Changes in minority interest	-123	180	-8
Increase	601	689	103
Acquisition of shares in subsidiaries	540	673	103
Profit sharing	61	16	-
Decreases	724	509	111
Disposal of shares in subsidiaries	-	97	-
Called-up share capital	24	-	-
Adjusted percentage share in a subordinate	367	-	-
Loss sharing	333	412	111
Minority interest at the end of the period	390	513	307
Equity at the end of the period (CB)	15,069	16,274	16,069
Equity, after proposed distribution of profit (coverage of loss)	15,069	16,274	16,069

Consolidated Cash Flow Statement	H1 2012	H1 2011
Cash flows from operations		
(direct method)	-	-
Proceeds	-	-

Sales	-	-
Other proceeds from operations	-	-
Expenses	-	-
Supplies and services	-	-
Net wages and salaries	-	-
Social and health insurance and other benefits	-	-
Taxes and charges of public-legal nature	-	-
Other operating expenses	-	-
Net cash flows from operations (I-II); direct method	-	-
(indirect method)	-	-
Net profit (loss)	-602	64
Total adjustments	248	-928
Share in net (profit) loss of entities evaluated using the equity method	-	-
Amortisation and depreciation	966	739
Foreign exchange (gains) losses	15	11
Interest and profit sharing (dividend)	-213	-191
(Profit) loss on investments	48	2
Changes in provisions	-98	-9
Changes in inventories	79	-384
Changes in receivables	-618	-340
Changes in short-term liabilities, excluding loans and borrowings	348	-511
Changes in prepayments and accruals	-163	-154
Other adjustments	-116	-91
Net cash flows from operations (I+/-II); indirect method	-354	-864
Cash flows from investments	-	-
Proceeds	600	231
Disposal of intangible assets and property, plant and equipment	39	-
Disposal of investments in real property and intangible assets	-	-
From financial assets, including:	177	174
in related entities	-	-
disposal of financial assets	-	-
dividends and profit sharing	-	-
repayment of long-terms borrowings granted	-	-
interest	-	-
other proceeds from financial assets	-	-
in other entities	177	174
disposal of financial assets	-	-
dividends and profit sharing	-	-

repayment of long-terms borrowings granted	-	-
interest	177	174
other proceeds from financial assets	-	-
Other investment proceeds	384	57
Expenses	234	553
Acquisition of intangible assets, property, plant and equipment	190	111
Investments in real property and intangible assets	-	-
For financial assets, including:	-	16
in related entities	-	16
acquisition of financial assets	-	-
long-term borrowings granted	-	16
in other entities	-	-
acquisition of financial assets	-	-
long-term borrowings granted	-	-
Other investment expenses	44	426
Net cash flows from investments (I-II)	366	-322
Cash flows from financial activities	-	-
Proceeds	337	391
Net proceeds from issue of shares and other equity instruments and contributions to equity	337	-
Loans and borrowings	-	14
Issue of debt securities	-	-
Other financial proceeds	-	377
Expenses	624	177
Acquisition of own shares	-	-
Dividends and other payments to owners	529	-
Profit distribution expenses other than payments to owners	-	-
Repayment of loans and borrowings	31	99
Redemption of debt securities	-	-
Payments on account of other financial liabilities	-	-
Payments of liabilities on account of financial lease agreements	55	67
Interest	9	11
Other financial expenses	-	-
Net cash flows from financial activities (I-II)	-287	214
Total net cash flows (A.III+/-B.III+/-C.III)	-275	-972
Balance sheet change in cash, including:	-275	-972
change in cash due to foreign exchange gains/losses	-1	-
Cash at the beginning of the period	6,809	8,301
Cash at the end of the period (F+/-D), including:	6,533	7,329

of limited disposability	50	5
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Identification of operating segments in the Quantum Group

- breakdown by products

Item	Product segment				Total
	Qguar and Maintenance licences	Qguar services: Implementation, Maintenance	Goods (including foreign licences)	Other	
Sales revenue	1,957,749.44	5,795,006.61	1,732,122.00	511,984.76	9,996,862.81
Costs of principal operations	1,286,700.47	3,880,883.30	1,628,542.19	433,836.79	7,229,962.75
Costs of sales	446,866.57	1,322,740.63	0.00	116,863.20	1,886,470.40
General administrative expenses	444,845.03	1,316,756.82	98,394.34	116,334.54	1,976,330.73
Financial revenue	72,732.90	215,291.94	16,087.64	19,020.89	323,133.37
Operating revenue	145,037.42	47,560.13	3,553.92	4,201.90	200,353.37
Financial costs	28,128.70	83,261.92	6,221.73	7 3561,13	124,968.48
Operating costs	1,359.49	4,024.14	300.70	355.53	6,039.86
Result	-32,380.50	-549,808.13	18,304.59	- 139,538.64	-703,422.67

III. Abridged quarterly separate financial statements of Quantum software S.A. for H1 2012

Separate statement of financial position	H1 2012	31.12.2011	H1 2011
ASSETS			
I. Non-current assets	8,357	7,693	7,325
1. Intangible assets, including:	4,265	4,842	5,312
- goodwill	-	-	-
2. Property, plant and equipment	1,121	1,158	1,233
3. Long term receivables, including:	42	42	42
From related entities	-	-	-
From other entities	42	42	42
4. Long-term investments	2,911	1,650	730
Real property	-	-	-
Intangible assets	-	-	-

Long-term financial assets	2,911	1,650	730
in related entities, including:	2,909	1,647	706
- Shares in subordinates evaluated using the equity method	-	-	-
in other entities	2	3	24
Other long-term investments	-	-	-
5. Long-term prepayments and accruals	18	1	8
Deferred income tax assets	5	1	8
Other accruals	13	-	-
II. Current assets	10,211	11,208	11,259
1. Inventories	57	137	493
2. Short term receivables, including:	3,660	3,579	2,858
- from related entities	570	519	381
- from other entities	3,090	3,060	2,477
3. Short-term investments	6,259	7,237	7,637
Current financial assets	626	1,328	967
- in related entities	-	391	266
- in other entities	626	937	701
Cash and other monetary assets	5,633	5,909	6,670
Other short-term investments	-	-	-
4. Short-term prepayments and accruals	235	255	271
Total assets	18,568	18,901	18,584
EQUITY AND LIABILITIES			
I. Equity	15,922	15,906	15,599
1. Share capital	740	740	740
2. Contingent capital	129	129	123
3. Called-up share capital (negative figure)	-	-	-
4. Own shares (negative figure)	-	-	-
5. Supplementary capital	13,235	13,235	13,235
6. Revaluation reserve	-	-	-
7. Other reserve capital	989	989	989
8. Profit (loss) from previous years	294	294	294
9. Net profit (loss)	535	519	218
10. Net profit write-offs during the financial year (negative amount)	-	-	-
II. Liabilities and provisions for liabilities	2,646	2,995	2,985
1. Provisions for liabilities	242	343	270
Deferred income tax provision	107	208	138
Provision for pension and similar benefits	135	135	132
Long-term	131	131	129
Short-term	4	4	3
Other provisions	-	-	-

Long-term	-	-	-
Short-term	-	-	-
2. Long-term liabilities	112	70	53
Towards related entities	-	-	-
Towards other entities	112	70	53
3. Short-term liabilities	1,555	1,631	1,905
Towards related entities	68	52	31
Towards other entities	1,361	1,518	1,763
Special purpose funds	126	61	111
4. Prepayments and accruals	737	951	757
Negative goodwill	-	-	-
Other prepayments and accruals, including:	737	951	757
- long-term	436	824	735
- short-term	301	127	22
Total equity and liabilities	18,568	18,901	18,584
Book value	15,922	15,906	15,599
Number of shares (pcs.)	1,480,757	1,480,757	1,480,757
Book value per share (in PLN)	10.75	10.74	10.53
Diluted number of shares (pcs.)	1,480,757	1,480,757	1,480,757
Diluted book value per share (in PLN)	10.75	10.74	10.53

Separate statement of comprehensive income	H1 2012	H1 2011
A. Net revenue from sales of products, goods and materials, including:	8,970	8,321
- from related entities	185	375
I. Net sales of products and services	7,280	7,111
II. Net revenue from sales of goods and materials	1,690	1,210
B. Costs of products, services, goods and materials sold, including:	6,472	5,936
To related entities	123	260
Cost of products sold	4,818	4,935
Value of goods and materials sold	1,654	1,001
C. Gross profit (loss) on sales	2,498	2,385
D. Sales costs	1,227	1,087
E. General administrative expenses	1,196	1,485
F. Profit (loss) on sales	75	-187
G. Other operating revenue	135	279
I. Profit on disposal of non-financial non-current assets	6	-
II. Subsidies	129	122
III. Other operating revenue	-	157
H. Other operating costs	-	92
I. Loss on disposal of non-financial non-current assets	-	-
II. Revaluation of non-financial assets	-	92
III. Other operating costs	-	-
I. Profit (loss) on operations	210	-
J. Financial revenue	305	223
I. Dividends and profit sharing, including:	-	-
- from related entities	-	-
II. Interest, including:	305	198
- from related entities	74	9
III. Profit on disposal of investments	-	-
IV. Revaluation of investments	-	-
V. Other	-	25
K. Financial costs	85	6
I. Interest, including:	41	6
- for related entities	-	-
II. Loss on disposal of investments	-	-
III. Revaluation of investments	-	-
IV. Other	44	-
L. Profit (loss) on business activities	430	217

M. Extraordinary profit/loss	-	-
Extraordinary profits	-	-
Extraordinary losses	-	-
N. Gross profit (loss)	430	217
O. Income tax	-105	-1
I. current tax	-	-
II. Deferred tax	-105	-1
P. Other statutory reductions in profit (increases in loss)	-	-
Q. Share in net (profit) loss of subordinates evaluated using the equity method	-	-
R. Net profit (loss)	535	218
Net profit (loss) (annualised)	836	-958
Weighted average number of ordinary shares (pcs.)	1,480,757	1,480,757
Earnings per ordinary share (in PLN)	0.56	-0.65
Diluted weighted average number of ordinary shares (pcs.)	1,480,757	1,480,757
Diluted earnings per ordinary share (in PLN)	0.56	-0.65

Separate statement of changes in equity	H1 2012	from 01.01.2011 to 31.12.2011	H1 2011
Equity at the beginning of the period (OB)	15,906	15,350	15,350
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Equity at the beginning of the period (OB) reconciled with comparative amounts	15,906	15,350	15,350
Share capital at the beginning of the period	740	735	735
Changes in share capital	-	5	5
increases (owing to)	-	5	5
issue of shares	-	5	5
decreases (owing to)	-	-	-
redemption of shares	-	-	-
Share capital at the end of the period	740	740	740
Contingent capital at the beginning of the period	129	172	172
Changes in contingent capital	-	-43	-49
increases (owing to)	-	36	31
decreases (owing to shareholders' contributions)	-	79	80
Contingent capital at the end of the period	129	129	123
Called-up share capital at the beginning of the period	-	-	-
Changes in called-up share capital	-	-	-
increases (owing to)	-	-	-

decreases (owing to shareholders' contributions)	-	-	-
Called-up share capital at the end of the period	-	-	-
Own shares at the beginning of the period	-	-	-
Changes in own shares	-	-	-
increases (owing to)	-	-	-
decreases (owing to)	-	-	-
Own shares at the end of the period	-	-	-
Supplementary capital at the beginning of the period	13,235	14,222	14,222
Changes in supplementary capital	-	-987	-987
increases (owing to)	-	75	75
share premium	-	75	75
from distribution of profit (statutory)	-	-	-
from distribution of profit (above the statutorily required minimum amount)	-	-	-
decreases (owing to)	-	1,062	1,062
loss coverage	-	1,062	1,062
transfer to reserve capital	-	-	-
Supplementary capital at the end of the period	13,235	13,235	13,235
Revaluation reserve at the beginning of the period	-	-	-
Changes in revaluation reserve	-	-	-
increases (owing to)	-	-	-
decreases (owing to)	-	-	-
sales of fixed assets	-	-	-
Revaluation reserve at the end of the period	-	-	-
Other reserve capitals at the beginning of the period	989	989	989
Changes in other reserve capitals	-	-	-
increases (owing to)	-	-	-
capital allocated for purchasing of own shares	-	-	-
decreases (owing to)	-	-	-
Other reserve capitals at the end of the period	989	989	989
Profit (loss) brought forward at the beginning of the period	813	-768	-768
Profit brought forward at the beginning of the period	860	341	341
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Profit brought forward at the beginning of the period, reconciled with comparative amounts	860	341	341
increases (owing to)	-	-	-
distribution of profit brought forward	-	-	-
decreases (owing to)	519	-	-
distribution of profit brought forward	519	-	-

Profit brought forward at the end of the period	341	341	341
Loss brought forward at the beginning of the period	47	1,109	1,109
amendments to adopted accounting principles (policy)	-	-	-
adjustments of fundamental errors	-	-	-
Loss brought forward at the beginning of the period, reconciled with comparative amounts	47	1,109	1,109
increases (owing to)	-	-	-
loss brought forward to be covered	-	-	-
decreases (owing to)	-	1,062	1,062
Coverage of loss	-	1,062	1,062
Loss brought forward at the end of the period	47	47	47
Profit (loss) brought forward at the end of the period	294	294	294
Net profit/loss	535	519	218
net profit	535	519	218
net loss	-	-	-
appropriations from profit	-	-	-
Equity at the end of the period (CB)	15,922	15,906	15,599
Equity, after proposed distribution of profit (coverage of loss)	15,922	15,906	15,599

Separate cash flow statement	H1 2012	H1 2011
Cash flows from operations	-	-
(direct method)	-	-
Proceeds	-	-
Sales	-	-
Other proceeds from operations	-	-
Expenses	-	-
Supplies and services	-	-
Net wages and salaries	-	-
Social and health insurance and other benefits	-	-
Taxes and charges of public-legal nature	-	-
Other operating expenses	-	-
Net cash flows from operations (I-II); direct method	-	-
(indirect method)	-	-
Net profit (loss)	535	218
Total adjustments	192	-385
Share in net (profit) loss of entities evaluated using the equity method	-	-
Amortisation and depreciation	896	693
Foreign exchange (gains) losses	1	-
Interest and profit sharing (dividend)	-272	-192

(Profit) loss on investments	-6	2
Changes in provisions	-101	-7
Changes in inventories	80	-386
Changes in receivables	-81	38
Changes in short-term liabilities, excluding loans and borrowings	-109	-360
Changes in prepayments and accruals	-216	-82
Other adjustments	-	-91
Net cash flows from operations (I+/-II); indirect method	727	-167
Cash flows from investments	-	-
Proceeds	586	220
Disposal of intangible assets and property, plant and equipment	38	-
Disposal of investments in real property and intangible assets	-	-
From financial assets, including:	164	163
in related entities	-	-
disposal of financial assets	-	-
dividends and profit sharing	-	-
repayment of long-terms borrowings granted	-	-
interest	-	-
other proceeds from financial assets	-	-
in other entities	164	163
disposal of financial assets	-	-
dividends and profit sharing	-	-
repayment of long-terms borrowings granted	-	-
interest	164	163
other proceeds from financial assets	-	-
Other investment proceeds	384	57
Expenses	1,014	803
Acquisition of intangible assets, property, plant and equipment	172	96
Investments in real property and intangible assets	-	-
For financial assets, including:	798	16
in related entities	798	-
acquisition of financial assets	540	-
long-term borrowings granted	258	-
in other entities	-	16
acquisition of financial assets	-	-
long-term borrowings granted	-	16
Other investment expenses	44	691
Net cash flows from investments (I-II)	-428	-583
Cash flows from financial activities	-	-
Proceeds	-	377
Net proceeds from issue of shares and other equity instruments and contributions to equity	-	-
Loans and borrowings	-	-
Issue of debt securities	-	-
Other financial proceeds	-	377
Expenses	575	114

Acquisition of own shares	-	-
Dividends and other payments to owners	510	-
Profit distribution expenses other than payments to owners	-	-
Repayment of loans and borrowings	31	85
Redemption of debt securities	-	-
Payments on account of other financial liabilities	-	-
Payments of liabilities on account of financial lease agreements	29	23
Interest	5	6
Other financial expenses	-	-
Net cash flows from financial activities (I-II)	-575	263
Total net cash flows (A.III+/-B.III+/-C.III)	-276	-487
Balance sheet change in cash, including:	-276	-487
change in cash due to foreign exchange gains/losses	-1	-
Cash at the beginning of the period	5,909	7,157
Cash at the end of the period (F+/-D), including:	5,633	6,670
of limited disposability	50	5

Identification of operating segments

- breakdown by products

Item	Product segment				Total
	Qguar and Maintenance licences	Qguar services: Implementation, Maintenance	Goods (including foreign licences)	Other	
Sales revenue	1,782,191.31	5,447,145.73	1,689,705.92	50,396.68	8,969,439.64
Costs of principal operations	1,190,710.33	3,686,535.01	1,594,661.66	123.67	6,472,030.67
Costs of sales	300,283.64	917,796.38	0.00	8,491.40	1,226,571.42
General administrative expenses	276,690.18	845,684.60	65,582.89	7,824.23	1,195,781.90
Financial revenue	92,175.57	271,728.33	21,848.05	2,606.53	398,358.48
Operating revenue	137,849.26	27,138.85	2,104.62	251.09	167,343.82
Financial costs	41,201.25	125,928.81	9,765.79	1,165.09	178,060.93
Operating costs	7,622.15	23,296.57	1,806.65	215.54	32,940.90
Result	195,708.59	156,771.55	41,841.60	35,434.38	429,756.12

THE ISSUER'S CAPITAL GROUP'S MANAGEMENT REPORT**1) Basic information**

The parent of the Capital Group is Quantum software S.A. with registered office in Kraków at ul. Walerego Sławka 3A. The Company was entered into the Register of Entrepreneurs of the National Court Register Kraków – Śródmieście, 11th Commercial Division on 30 October 2002 under No. KRS 0000136768; Polish Classification of Activities (PKD) no. 72.21 z. "Software activities". The Company's business focus is development and implementation of IT systems for businesses, where optimisation of logistics is key.

Statistical identification number (REGON):	351243328
Tax identification number (NIP):	677-17-53-870
National Court Register (KRS):	0000136768
Share capital paid in full	PLN 740,378.00

Management Board:

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

Supervisory Board:

Chairman of the Supervisory Board	Leopold Kutyla
Deputy Chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Andrzej Ruciński
Member of the Supervisory Board	Piotr Nadolski

New members of the Supervisory replacing Mr Jerzy Majewski i Ms Anna Nadolska appointed by the General Meeting on 17 May 2012 are Mr Andrzej Ruciński and Mr Piotr Nadolski.

The interim financial statements were prepared on the assumption that entities within the Quantum software S.A. Capital Group will continue as a going concern in the foreseeable future.

2) Organisational structure of the Group as at 30.06.2012 – details of subsidiaries and related entities:**1. Company's business name: Quantum East Sp. z o.o. – subsidiary**

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000294284

Shareholders: 63.74% of shares held by Quantum software S.A.

Share capital paid in full: PLN 282,500.00

2. Company's business name: Quantum International Sp. z o.o. – subsidiary in Ukraine

Registered office: Kiev

Address: Prospect Moskovskij

certificate No. 100107724

Shareholders: 100% of shares held by Quantum East

Share capital paid in full: USD 76,200.00

3. Company's business name: Quantum International Sp. z o.o. – subsidiary in Russia

Registered office: Moscow

Address: Letnikovskaja 10 building 11

certificate No. 1117746038035

Shareholders: 99% of shares held by Quantum East

Share capital: RUB 1,200,000.00 partially paid

4. Company's business name: CNT Quantum Sp. z o.o. – related entity in liquidation

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

Shareholders: 48.72% of shares held by Quantum I - Services Sp. z o.o.

Share capital paid in full: PLN 210,400.00

5. Company's business name: Quantum I - Services Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000331050

Shareholders: 100% of shares held by Quantum software S.A.

Initial capital fully covered by an in-kind contribution: PLN 1,500,000.00

6. Company's business name: Edisona Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000335987

Shareholders: 74% of shares held by Quantum software S.A.

Share capital paid in full: PLN 120,000.00

7. Company's business name: Quantum Mobile Solutions Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

Shareholders: 75% of shares held by Quantum I - Services Sp. z o.o.

Share capital paid in full: PLN 6,000.00

8. Company's business name: Mobeelizer Sp. z o.o. – subsidiary

Registered office: Kraków

Address: Walerego Sławka 3a

National Court Register (KRS): 0000297249

Shareholders: 51.28% of shares held by Quantum Mobile Solutios Sp. z o.o.

Initial capital paid in full: PLN 1,092,000.00

9. Company's business name: Quantum Mobs system S.L. – subsidiary

Registered Office: Madrid

Address: Camino de lo Cortao 13, SS de los Reyes, CP 28703, Madrid

Register no.: B86345105

Shareholders: 86% of shares held by Quantum software S.A.

Share capital paid in full: EUR 3,100.00

10. Company's business name: Quantum Brasiel Engenharia Em Software Ltda-ME. – subsidiary

Registered Office: Brasilia/DF

Address: Condomínio Jardim Botânico, Etapa 01, quadra 02. Rua 01 lote 112 – loja 12, Lago Sul - Brasilia - DF - CEP 71.680-362

Register No.: 11.795.637/0001-38 and NIRE No. 53201627870

Shareholders: 85% of shares held by Quantum software S.A.

Share capital paid in full: BRL 200,000.00

The Issuer is involved in sales of computer software and hardware and renders related services.

Product structure of the Quantum Group

	01.01 - 30.06.2012	% share	01.01 - 30.06.2011	% share
Qguar licences and services	7,752	77.6%	7,762	80 %
Goods	1,732	17.3%	1,220	12.6 %
Other sales	512	5.1%	722	7.4
Total	9,997	100%	9,704	100 %

Data in PLN '000

Sales by markets

	01.01 - 30.06.2012	% share	01.01 - 30.06.2011	% share
Domestic	8,061	79.4%	7,702	79.4 %
Export	1,936	20.6%	2,002	20.6 %
Total	9,997	100%	9,704	100 %

Data in PLN '000

3) Description of the Capital Group's organisation with identification of consolidated entities and changes in the Group's structure (if any).
The Group comprises the following entities:

Quantum software S.A. – the parent entity in the Group - involved in the development and implementation of IT systems;

Quantum East Sp. z o.o. – a subsidiary of the Group; 63.74% of its shares are held by Quantum software S.A. (holding nature). Full consolidation method.

Quantum International Sp. z o.o. (Ukraine) – a subsidiary of the Group; 100% of its shares are held by Quantum software S.A. - business focus consists in sales and implementation of Quantum software S.A.'s IT solutions in the Russian-speaking countries. Full consolidation method.

Quantum International Sp. z o.o. (Russia) – a subsidiary of the Group; 99% of its shares are held by Quantum software S.A. - the Company was established to focus on sales and implementation of IT solutions offered by Quantum software S.A. in Russia.

CNT Quantum Sp. z o.o. – a related party of the Group; 48.72% of its shares are held by Quantum software S.A. 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; 100% of its shares are held by Quantum software S.A. - business focus consists in sales of licences, hardware and IT services that are not directly related to Quantum software S.A.'s own products (at the moment the Qguar series). Full consolidation method.

Edisonda Sp. z o.o. – a subsidiary of the Group; 74% of its shares are held by Quantum software S.A.; 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.

Quantum Mobile Solutions Sp. z o.o. – a subsidiary of the Group; 75% of its shares are held by Quantum I-Services Sp. z o.o. - business focus of the company consists in development and sales of IT solutions for mobile devices.

Quantum Mobeelizer Sp. z o.o. – a subsidiary of the Group; 51.28% of its shares are held by Quantum Mobile Solutions Sp.z o.o. The company was established in order to offer software solutions for mobile devices with particular focus on the system platform universality. Full consolidation method.

Quantum Mobs Systems S.L. – a subsidiary of the Group; 86% of its shares are held by Quantum software S.A. The purpose of the company is to introduce the Quantum offer on the Spanish market and the markets of Spanish speaking countries in Latin America. Full consolidation method.

Quantum Brasil Engenharia em Software Ltda- ME. – a subsidiary of the Group; 85% of its shares are held by Quantum software S.A. The purpose of the company is to introduce the Quantum offer in the Federative Republic of Brazil.

4) Effects of changes in the business unit's structure, including those resulting from business mergers, acquisitions or disposal of entities in the Issuer's Capital Group, long-term investments, de-mergers, restructuring and discontinuation:

In Q4 2011 the process of liquidation of the subsidiary CNT Quantum began and it continues until this day.

5) Assessment of the Capital Group's basic economic and financial items

In H1 2012 the Capital Group obtained a sales revenue of PLN 9,997 thousand, whereas in the comparable period in the preceding year - PLN 9,704 thousand. The total sales growth rate was 103%.

Sales of products and services relating to own software (the Qguar package) constituted over 77% of total sales in H1 2012. While the sales of licences and services relating to own software (the Qguar system) made by the Issuer increased by 3.7%, the entire Group's revenue amounted to PLN 7,752 thousand, which constitutes a slight drop of ca. 0.1% against PLN 7,762 thousand obtained in H1 2011. This resulted from substantially lower sales on the Ukrainian market.

The Issuer itself earned a net profit of PLN 535 thousand, while the entire Capital Group incurred a net loss of PLN 602 thousand in H1 2012.

The Group's loss is a consequence of investments in Spain and Latin America which began in Q1 2012 and of continued activities on the Russian market. Similarly, the initial phase of the mobile technologies project carried out by Mobeelizer also influences the result.

The Issuer maintains a stable structure of financing current activities which is principally based on financing by means of equity and current trade liabilities.

The current financing structure will not cause any risk of losing or upsetting liquidity.

6) Description of the Issuer's significant achievements and failures in the period covered by the report, together with a list of the most important related events:

- **Acquiring new customers in Poland and abroad:**

The Issuer managed to acquire new customers in Poland - Marmorin Sp. z o.o., Zakłady tłuszczowe „Kruszwica” S.A– and abroad - Czechpak Manufacturing, a Czech food producer.

The Quantum International subsidiary in Ukraine managed to sign two contracts on the Byelorussian market with a logistics operator L-BIT and a furniture manufacturer Anreks.

The Edisona subsidiary acquired a few new customers, among others in the financial sector ING Bank Śląski, PBS Bank and a British-American company PMR which provides consulting services on the CEE market.

- **New launches** of the Qguar system to the following current customers:

GTX Hanex Plastic Sp. z o.o., Pacaro Export Import S.r.l.

- **Completion of launches** of the Qguar system to significant domestic and foreign customers, such as:

GTX Hanex Plastic Sp. z o.o., Żabka Polska S.A. and Zakłady Produkcji Spożywczej Jamar Szczepaniak Sp.j, Saint Gobain Construction Sp.z o.o., Indykpol S.A., Pekaes S.A., Pacaro Export Import S.r.l.

- **Other important events:**

Quantum regularly organises or co-organises industry debates in the field of logistics.

- On 13 April in Łódź the seminar opening the third cycle of logistics meetings organised by Quantum software and the Eurologistics Publishing House took place. The key topic of the meeting was "Logistics between processes", there were over 120 participants.

- Over 150 supply chain managers participated in the 7th Logistics Practitioners' Forum organised by the Eurologistics Publishing House and Quantum software which took place in the Magellan Conference Centre in Bronisławów. This time, the TSL industry managers discussed planning opportunities in the times of crisis, considered how the art of creative combining of experience with global trends may become an opportunity for logistics in difficult times.

7) Executive Options Programme and Own shares buy-up programme

The EO Programme was launched by the Issuer in 2008 and was described in detail in preceding reports, it is directed to executives in the Company and its subsidiaries and associates ("Eligible Persons").

On 17 May 2012, the General Meeting authorised the Company's Supervisory Board to amend the Executive Options Regulations by extending the duration of the EO Programme

until 2013 without increasing the number of subscription warrants and shares offered to its participants.

Regulations of the Own shares buy-up programme carried out by the Issuer

The Issuer's Management Board announced in CR 21/2009 information regarding detailed conditions of purchasing own shares. The contents of the "Regulations of the Own shares buy-up programme" carried out in Quantum software S.A. is available at the Issuer's website. On 29 April 2010, the Issuer's Management Board adopted a resolution amending the "Regulations of the Own shares buy-up programme" carried out in Quantum software S.A. (CR 11/2010). As at the periodical report's publication date, the total number of shares held by the Issuer is 8,028, which constitutes 0.542% of the share capital and 0.360% of votes at the General Meeting.

8) Description of significant risk factors and threats

Risk related to the macroeconomic situation

The Capital Group's financial situation depends on the macroeconomic situation in Poland as well as in other countries, mainly in Central Europe. The achieved result directly and indirectly depend on, among others: the GDP growth dynamics, inflation, monetary and tax policy of a country, level of business investments, level of household income and consumer demand. All the aforesaid factors as well as the direct and level of changes influence the fulfillment of tasks assumed by the Group. Slowdown in the economic growth will mean lower revenue of companies operating in particular regions and industries. Consequently, they will decrease their investment expenditure, including development through improvement or purchase of computer hardware and appropriate software. The Quantum Group, as IT systems provider may directly experience the consequences of decreased budgets allocated by companies on computerisation due to lower return on sales.

Risk related to continued economic crisis

Due to the downturn on global financial markets which occurred in 2008 a large number of economies of countries to which the Company sells its products faced recession or at least significant slowdown in economic growth. 2012 saw the worsening of the Euro zone crisis. This situation also refers to the domestic market, especially in the face of the symptoms of economic slowdown which became visible in 2012. These events resulted in increasing the risk of dropping demand both on the domestic and on export markets. In the case of countries such as Ukraine, there is a threat of aggravating the financial crisis which has already translated into a drop in export to that country. The Group strives to decrease this risk by extending its product offer and seeking new sales channels.

Risk of slowdown in the growth of particular segments in the IT sector in Poland related to technological changes in the industry

The value of the entire IT market is made of hardware, software and services. Each of these segments may develop faster or slower. Analysis pertaining to the IT hardware and services market indicate growth trends. The small saturation of Polish companies with modern technologies creates a fertile ground for the development of companies whose activities' focus is similar to that of the Quantum software S.A. Group. However, it is worth remembering that this market is very sensitive to economic conjuncture fluctuations. During economic downturn companies restrict their investment policies, including IT expenditure.

Decreased demand for computer software will entail the Group's obtaining lower sales results, substantially different from the Management Board's forecasts. The Group creates and implements IT systems mainly in the area of logistics. Their main recipients are production companies and companies offering storage, forwarding and transport services. The current situation in Poland, its attractive logistic location, trade exchange with other countries ensure good market conjuncture and provide a potential for further growth. Nevertheless, it is impossible to guarantee that the growth rate of the industries in which the Group's customers operate will not decrease. In such a case, the demand for products may stop growing or even decrease, which may entail decreasing the level of obtained sales revenue. Technological changes and frequent launches of new IT services are closely related with this sector. Products' lifecycles are short while expenditure on their development high. Consequently, the incurred expenditure may not be covered by sales revenue. Therefore, there is a risk that a decision to develop a particular product will be based on incorrect premises which do not satisfy current market needs and a risk that the period of creating a product, i.e. the stage of software designing and building as well as the test phase, may be longer than expected and the given market segment will already have been conquered by competitors. Market needs monitoring conducted by own employees is aimed at limiting that risk. In addition, the cooperation between Quantum software S.A. and computer hardware and software suppliers allows for ongoing monitoring of technological changes and innovations on the market.

Increase of competition growth

The IT market is currently in the phase of dynamic growth. Such a situation attracts new providers of IT services thus increasing the number of entities operating on the market. New entities offer products diversified in terms of price, functionality or advancement. This directly results in exacerbated competitiveness on the market and may entail the Company's necessity to incur greater development and advertising expenditure and a need to decrease the current level of profit margin. Furthermore, large capacity of the Polish market and the fact that the level of informatisation is far from average European levels results in many global companies rendering similar services being interested in conducting business in Poland. The Quantum Group has no influence on competitors' activities and products, however, it has a possibility to maintain its market position owing to its experience.

Export risk

The sales are conducted mainly in Poland. Nonetheless, the Group also enters into contracts with entities operating in Central, Eastern and Western Europe. Also, intensive promotion activities have been undertaken in order to sell the Issuer's solutions in Latin America. Currently, 20% of the Group's sales revenue is obtained abroad. The value of contracts with foreign clients is usually expressed in euro or in USD.

Foreign exchange risk

The Group's entities conclude export transactions in foreign currencies (mainly in euro). Changing foreign exchange rates against PLN may result in obtaining lower than expected results. Foreign exchange rates' fluctuations influence the financial result through:

- changes in the value of export sales and costs expressed in PLN,
- realised foreign exchange differences occurring between the date of sales or purchase and the date of payment receivables or liabilities,

- not realised foreign exchange differences from clearing evaluation as at the balance sheet day.

Trade transactions in foreign currencies on account of export are part of the Group's companies normal course of operations. Consequently, future cash flows on this account are exposed to changes in value due to foreign exchange fluctuations and the available possibilities of securing foreign exchange risk are limited due to uncertainty on export markets. In particular, the level of compensation between foreign currency revenue and costs is difficult to predict.

Risk of performed contracts

The Group's companies do not sell large number of easily installed programmes but they carry out large individual implementation projects of high level of complexity which usually require a few months' work of a team of specialists. A system which is implemented in a particular company must overlook very complex logistic processes and integrate them with all departments' operations in real time. Such circumstance result in a risk of faulty reproduction of processes and information flow in a company, a risk of extending the duration of planned tasks, a risk of changes in the scope of works compared to the initially agreed plan. Decrease in the contract value, higher costs of contract performance compared to the expectations, contract termination or potential financial claims from the customer have detrimental impact on the Group's current financial condition. The performance of foreign contracts incurs an additional risk of communication and logistics obstacles regarding the implemented solutions which are atypical for the local market. The fact that the Group's Parent Entity has a large, international experience and its own, standard and proven system reduces the risk of significant errors or delays on contract performance.

Risk related to investment expenditure

Having obtaining funds from IPO and EU subsidies, the Company carries out an intensive investment programme with respect to expansion of own software package, offer extension using other companies' products and conquering new markets. This creates opportunities of more dynamic growth but also the risk of failure to obtain a satisfactory return on the invested capital.

9) Description of factors and events, especially atypical factors and events, having a substantial impact on the financial result achieved:

Such events did not occur.

10) Notes on the seasonality or cyclicity of the Issuer's business in the presented period:

Influence of seasonality on the Issuer's and the Group's performance remains as slight as in the previous periods.

11) Information on the issue, redemption and repayment of debt and equity securities:

In H1 Quantum software S.A. and its subsidiaries did not perform any issue of shares, did neither redeem nor repaid debt or equity securities.

12) Information on the dividend paid or declared, in total and per share, broken down by equity and preference shares:

- On 15 March 2012, the Company's Supervisory Board, operating under the Company's Articles of Association, adopted resolution no. 1/2012 and recommended the allocation of the net profit for 2011 of PLN 519,013.38 to dividend payment.

- on 17 May 2012, the General Meeting adopted resolution no. 6 on dividend payment. The total amount allocated for dividend payment was PLN 518,264.95, i.e. PLN 0.35 per share. The dividend payment day was set on 25 June 2012 and on this day the dividend was paid to shareholders.

13) Events after the day as at which the abridged quarterly financial statements were prepared, not included in these statements which could have a significant influence on the Issuer's future financial performance

On 27 July 2012, Registro de Comercio de Santiago registered under no. 6959/4912/2012 the company QMobs Systems Chile S.A. with registered office in Santiago de Chile. This is subsidiary of Quantum Mobs System in which the Issuer hold 86% of shares.

The company's share capital is CLP 31,000,000, which divides into 31,000 shares. The Issuer's subsidiary, Quantum Mobs Systems S.L., holds 30,996,900 shares (99.99%). The capital paid so far is CLP 5,800,000. The remainder of the declared capital is to be covered within 3 years of the company's registration. The purpose of QMobs Systems S.A. is to introduce the Quantum offer on the Chilean market and the markets of Spanish speaking countries in Latin America.

14) Information concerning changes in contingent liabilities or contingent assets which occurred since the end of the previous financial year.

In period described here, there were no significant events resulting in the changes in contingent liabilities or contingent assets.

15) Position of the Management Board on the feasibility of performance forecasts published before for the year in the light of performance presented in the quarterly report compared to the forecasted performance:

The Company did not publish any performance forecasts for the year.

16) Shareholders holding, directly or indirectly, through their subsidiaries, at least 5% of total votes at the Issuer's general meeting as at the quarterly report submission date, 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 and specification of changes in the ownership structure of substantial stakes of the Issuer's shares in the period following the publication of the previous quarterly report:

To the Company's knowledge, as at 31 August 2012 (the interim report publication date), the company's dominant shareholder is Quantum Assets sp. z o.o. with registered office in

Kraków, holding 675,421 registered multiple-vote A series shares and 222,979 ordinary bearer B series shares, accounting in total for 60.67% of its share capital and giving the holder 1,573,821 votes at the general meeting of the company, i.e. 70.55% of the total votes.

17) The Issuer's shares or rights thereto held by the Issuer's managers and supervisors as at the interim report submission date plus changes in their ownership, in the period following the publication of the previous report, for each person separately:

The Management Board (as at 31 August 2012)

Tomasz Hatala	36,200
Bogusław Ożóg	24,603
Marek Jędra	8,200
Tomasz Mnich	3,400

Members of the Supervisory Board holding Company's shares (as at 31 August 2012)

Tomasz Polończyk	8,200
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18) Identification of the proceedings pending before a court, a competent arbitration authority or a public administration authority, including the information on:

In the reporting period, neither the Company nor its subsidiaries or related entities instituted or were a party to any proceedings before a court or a public administration authority concerning claims whose total amount would exceed 10% of equity.

19) Information on the conclusion by the Issuer or its subsidiary of one or more material transactions with related entities, if they are material (separately and jointly) and if they were not arm's length transactions:

In the period in question, the Company did not conclude any such agreements with related entities.

20) Information on granting by the Issuer or its subsidiary of sureties for loans or borrowings or guarantees – jointly to a single entity or its subsidiary, if the total amount of the existing sureties or guarantees is an equivalent of at least 10% of the Issuer's equity:

In the described period, neither the Company nor its subsidiaries granted such sureties or guarantees whose amount would exceed 10% of the Issuer's equity.

21) Other information that, in the Issuer's opinion, is significant in order to evaluate its human resources, assets, financial position, financial performance and changes thereof as well as any information considered significant in order to evaluate the Issuer's capacity to meet its obligations:

At the beginning of 2012, the Management Board analysed the funds allocation in particular departments. The analysis resulted in a modernisation of the hereto structure. This influenced certain changes in allocation manufacture and sales costs as well as general administrative expenses.

Apart from this factor there was no information significant for evaluation of the Company's human resources, assets, financial position, financial performance and the capacity to meet its obligations.

22) Factors which, in the Issuer's opinion, will influence its performance at least in the subsequent quarter:

Factors which influence the Quantum software S.A. Capital Group's development in the subsequent quarter include factors independent of the Company itself as well as internal factors which depend on Quantum software S.A. and entities composing the Capital Group.

External factors include:

- the economic situation after the slowdown in recent years,
- long-term consequences of the financial crisis in the Ukraine,
- impact of the Euro zone crisis on the economy in Poland and its neighbours,
- extended decision-making processes in entities concerning IT expenses,
- risk related to significant fluctuations of the PLN exchange rate against euro,
- competitors' activities.

Internal factors which influence the Capital Group's development include:

- prompt completion of works specified in the contracts whose implementation started in previous quarters in accordance with budgeted expenditure and contractual terms;
- successful and timely completion of development works with respect 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.

Management Board:

Kraków, 31 August 2012

Tomasz Hatala

Bogusław Ożóg

Marek Jędra

Tomasz Mních

Statement of the Management Board concerning the preparation of the financial statements

The Management Board of Quantum software S.A. declares that, to the best of their knowledge, the Interim Abridged Consolidated Financial Statements and comparative data were prepared in compliance with the accounting principles in force and that they present a true, accurate and fair view of the Quantum software S.A. Capital Group's economic and financial standing and its financial result and that the Interim Management Report presents a true overview of development and achievements of the Quantum software S.A. Capital Group and its situation, including basic risks and exposures.

Kraków, 31 August 2012

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

The Management Board's statement on the entity authorised to perform the audit.

The Management Board of Quantum software S.A. declares that the entity authorised to audit financial statements which audited the interim consolidated financial statements was selected in compliance with legal regulations and that the said entity and certified auditors auditing the statements complied with the conditions pertaining to impartial and independent audit report in compliance with applicable domestic legislation.

Kraków, 31 August 2012

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