

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### **CONSOLIDATED STATEMENT ON COMPREHENSIVE INCOME** for the period from 1st January 2010 to 31st December 2010

	1Q (current year, from 01.10.2010 to 31.03.2010	1Q (previous year, from 01.10.2009 to 31.03.2009
	000 PLN	000 PLN
Revenues from sales	5485	4957
Own cost of sale	-3356	-2550
<b>Gross profit (loss) from sales</b>	<b>2129</b>	<b>2407</b>
Costs of sale	-639	-715
general administrative costs	-880	-888
<b>Gross profit (loss) from sales</b>	<b>610</b>	<b>804</b>
Other operating revenues	27	21
Other operating costs	-9	-15
<b>(Profit (loss) on operating activities</b>	<b>628</b>	<b>810</b>
Other financial revenues	26	16
Financial costs	-114	-86
<b>Profit (loss) before tax</b>	<b>540</b>	<b>740</b>
Income tax	-127	-182
Deferred income tax	12	45
<b>Net profit (loss)</b>	<b>425</b>	<b>603</b>
Other comprehensive income	0	0
Total other comprehensive income	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>425</b>	<b>603</b>
<b>Profit(loss) per one share</b>		
<b>basic</b>	<b>0,21</b>	<b>0,30</b>
<b>diluted</b>	<b>0,21</b>	<b>0,30</b>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**  
**CONSOLIDATED STATEMENT ON FINANCIAL CONDITION**  
**As for 31st March 2010, 31st December 2009**

	31.03.2010 000 PLN	31.12.2009 000 PLN
<b>Fixed assets</b>		
Intangible assets	33	37
Property, plant and equipment	3864	3735
Goodwill	19	19
Long- term receivables	56	53
Investments in related entities	63	63
Long-term prepayments	219	206
	<u>4254</u>	<u>4113</u>
<b>Current assets</b>		
Inventories	53	17
Trade receivables and other receivables	4346	4213
Pecuniary assets and equivalents	3519	2909
Short-term prepayments	4358	4389
	<u>12276</u>	<u>11528</u>
<b>Total assets</b>	<u>16530</u>	<u>15641</u>
<b>Equity</b>		
Share capital	2004	2004
Equity from issue of shares over the nominal value	0	0
<b>Retained profits, including:</b>	<b>6485</b>	<b>6059</b>
-Cumulated profits/losses from previous year	6060	5456
-Net profit/loss	425	603
<b>Total equity</b>	<u>8489</u>	<u>8063</u>
<b>Long-term liabilities and provisions</b>		
Provision due to the deferred income tax	2	1
Provision for retirement and similar benefits	663	663
Other provisions	245	289
Long-term loans and credits	2462	2519
Liabilities due to financial lease	353	193
	<u>3725</u>	<u>3665</u>
<b>Short-term liabilities</b>		
Short-term loans and credits	196	201
Liabilities due to financial lease	189	154
Trade liabilities and other liabilities	1861	1446
Revenues of future periods	2070	2112
	<u>4316</u>	<u>3913</u>
<b>Total liabilities</b>	<u>8041</u>	<u>7578</u>
<b>Total liabilities</b>	<u>16530</u>	<u>15641</u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### **CONSOLIDATED STATEMENT ON CHANGES IN EQUITY for the period from 1st January 2010 to 31st March 2010**

	<b>Share capital</b>	<b>Equity from issue of shares over the nominal value</b>	<b>Retained profits</b>	<b>Total equity</b>
	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 PLN</b>
<b>1<sup>st</sup> January 2010</b>	<b>2004</b>	<b>0</b>	<b>6060</b>	<b>8064</b>
Total comprehensive income	0	0	425	425
<b>31st March 2010</b>	<b>2004</b>	<b>0</b>	<b>6485</b>	<b>8489</b>
<b>1st January 2009</b>	<b>2004</b>	<b>0</b>	<b>5149</b>	<b>7153</b>
Total comprehensive income	0	0	603	603
<b>31st March 2009</b>	<b>2004</b>	<b>0</b>	<b>5752</b>	<b>7756</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### **CONSOLIDATED STATEMENT ON CASH-FLOW** for the period from 1st January 2010 to 31st March 2010

	31.03.2010 PLN'000	31.03.2009 PLN'000
<b>Net profit (loss)</b>	<b>425</b>	<b>603</b>
Amortization	121	300
Paid interests	106	86
Profit (loss) from investment activity	0	0
Provisions change	-44	2
Reserve change	-36	-76
Receivables change	-135	-277
Short-term liabilities change	415	218
Change in prepayments and accrued income	-24	91
<b>Net cash-flow from operating activities</b>	<b>828</b>	<b>947</b>
<b>Net cash-flows from investment activity</b>		
Inflows from fixed assets	0	0
Investments inflows	0	0
Expenses to purchase the fixed assets	-5	-182
Other investments outflows	0	-215
<b>Net cash-flow from the investment activity</b>	<b>-5</b>	<b>-397</b>
<b>Cash-flow from financial activities</b>		
Received loans and credits	0	98
Payment of credits and loans	-61	-49
Payments of liabilities due to financial lease	-46	-39
Interests	-106	-87
<b>Net cash-flow from financial activity</b>	<b>-213</b>	<b>-77</b>
<b>Net increase/ (decrease) of pecuniary assets and their equivalents</b>	<b>610</b>	<b>473</b>
Opening balance of the pecuniary assets and their equivalents	2704	2158
<b>Closing balance of the pecuniary assets and their equivalents</b>	<b>3314</b>	<b>2631</b>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

#### **1. General information**

Capital Group SIMPLE S.A. is located at ul. Bronisława Czecha 49/51 04-555 Warszawa. The legal form of the parent entity is Spółka Akcyjna, established as a result of transformation of the Company SIMPLE z ograniczoną odpowiedzialnością under the notary deed prepared by the Public Notary Anna Chłestowska on 6th June 1997 (Rep. A-3549/97). The Company was registered in the National Court Register by the District Court for the capital city Warsaw, XX Business Department, under KRS number 0000065743.

The basic scope of the parent entity's activity pursuant to the Classification of Polish Business Activity (PKD) is the activity in the field of software. The Company's activity belongs to IT. The Capital Group conducts its activity in the field of IT and rent of the real estate at its own.

The fiscal year of the Group is the calendar year. This consolidated financial statement includes the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010. The comparable data were presented for the period from 1st January 2009 to 31<sup>st</sup> March 2009. It is the consolidated financial statement for the 1Q of 2010 presented in thousands of Polish zlotys.

#### **2. Approval of financial statement**

This financial statement was accepted and approved to be published by the Management Board on 14<sup>th</sup> May 2010.

#### **3. Description of applied accounting principles**

Below there are presented the accounting principles applied to prepare this consolidated financial statement. These principles were applied in all presented periods.

##### **Accounting principles**

This consolidated financial statement contains information pursuant to the Ordinance of the Council of Ministers dated on 19th February 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009, No. 33 item 259).

The consolidated financial statement was prepared pursuant to the International Financial Reporting Standards (IFRS) and the interpretations related to them announced in a form of the regulations of the European Commission. The financial statement was prepared at the concern going principle by the Group SIMPLE S.A. in foreseeable future.

The capital group was established in March 2006 by the establishment of the new Company on 24th March 2006.

##### **Consolidation**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **- Subsidiaries**

The consolidated financial statement includes the statements of the subsidiaries controlled by SIMPLE S.A. The basic information on the entities covered by the consolidation is contained in the Note 4.

The subsidiaries are the entities controlled by SIMPLE S.A. The control is executed when SIMPLE S.A. holds directly or indirectly more than half of votes in the company, unless it can be proved that this shareholding constitutes the control. The control may be executed also in case of possibility to have an influence on the financial and operating policy of the company in order to achieve the benefits from its activity. The subsidiaries are consolidated from the date of taking up the control by the GROUP and are not consolidated when this control is lost.

The balances of the internal settlements between the Group's entities and all transactions concluded within the Group are excluded at preparing the consolidated financial statement. All balances and transactions between these entities for consolidation purposes were eliminated. The consolidated financial statement was prepared basing on the unified accounting principles.

The financial statement of the Group was prepared basing on the records made in the accounting books of the Group, keep in compliance with the basic accounting principles:

- reliability
- correctness
- continuity
- completeness
- comparability
- Proportionality of revenues and costs
- Constancy of accounting principles

### **Property, plant and equipment**

**Real estate** are presented in the balance sheet at the re-estimated value equal to the amount achieved from the measurement to the fair value, made basing on the market principles as for the balance day, less within periods between the measurement by depreciation charges. The valuation are made with frequency ensuring the lack of important discrepancies between the book value and fair value as for the balance day, not less than once per fiscal year.

Other tangible fixed assets including machinery, equipments, means of transport and other fixed assets are measured at the purchase prices or manufacturing costs, less the made accumulated amortization or depreciation charges and the impairment losses.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

The fixed assets are depreciated by linear method, starting on the first day when the fixed assets is ready to use using the depreciation rates following the estimated economic life of the relevant fixed asset. The final value and the life of the fixed assets is verified at the end of each fiscal year.

If the final value of the fixed asset does not exceed 10% of its final value, it is missed at making depreciation charges.

The fixed assets available-for-sale are measured at lower of two values:

- Carrying amount or fair value, less the costs related to sale.
- fair value, less the costs related to sale.

The fixed assets are classified as for-sale if they carrying amount will be recovered rather as a result of transaction than further use. This condition is deemed as to be met only when the sale transaction is likely and the assets are available in its current condition to be sold. The classification of the assets held-for-sale assumes the intention of the Management Board to finish sale transaction within a year from the classification change.

Profit and losses arisen as a result of sale, liquidation or discontinuance of use the fixed assets are determined as the difference between the revenues from sale and net value of these fixed assets and are recognized in profit and loss.

### **Intangible assets**

**The intangible assets** are measured pursuant to the purchase price or re-valued amount after revaluation of the intangible assets, less the depreciation or amortization charges and also impairment losses. The intangible assets are amortized by linear method for the economic life period.

The development and research works manufactures at its own in a form of the computer programs within the period of incurring expenses, unless the criteria of the intangible assets specified in IAS 38 are met, are recognized as the prepayments and accrued income and after completion as the intangible assets which are tested at least as for the balance day. The depreciation period of the R&D works is set basing on expected cash flows related to the sale of manufactured products.

### **Investments**

Investment real estate are presented in the balance sheet at the re-estimated value equal to the amount achieved from the measurement to its fair value, made by the expert basing on the market principles as for the specified day of the measurement, less within next periods by depreciation charges. The valuation are made with frequency ensuring the lack of important discrepancies between the book value and fair value as for the balance day, not less than once per fiscal year.

### **Investments**

The Group includes its investments to the following categories:

- interests in the subsidiaries;

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

- Financial assets available-for-sale;
- Other financial assets.

The interests in the subsidiaries include the shares in the companies covered by the consolidation. The interests in the subsidiaries are measured at the purchase price adjusted by the impairment losses. The impairment allowances due to the interests in the subsidiaries are presented in the profit and loss account as the revaluation of the financial assets.

### **Fixed assets valuation allowances**

The tangible fixed assets, intangible assets and financial assets are verified regarding the impairment in case of events and changes which may cause impairment. The impairment losses are charged into the other operating costs within the period when this impairment occurred.

### **Inventories**

The inventories include the goods, which are measured as for the balance day at the purchase price keeping the prudence principle after reduction by the valuation allowances. The allowances are made basing on the stock rotation rate.

### **Trade receivables and other receivables**

The trade receivables are recognized at the payable amount less the valuation allowances for the doubt receivables. Estimation of the allowances is made basing on collecting results, when achievement of full receivable amount is unlikely.

### **Pecuniary assets and equivalentents**

The pecuniary assets in the balance sheet include cash at hand and on bank accounts.

### **Provision for retirement and similar benefits**

The Group establishes provisions for the employee benefits. The provisions are measured not less than as for the balance day at the reliable justified estimated value. Provisions for employee benefits include the retirement severance pays and leaves. As for the balance day the Group establishes the provisions for the current value of the retirement severance pays to which the employees are entitled to this date, with the division into short-term and long-term using the actuarial method. This provision charges the other operating costs. The provisions are released at the end of each reporting period by the value of performed pay-rolls corresponding to the obligations.

### **Provisions**

The Group established the provisions in case when as a result of economic events there are some or are highly probable to be the future obligations, which amount may be reliable estimated.



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Liabilities**

The liabilities are valued in the amount to be paid. The long-term financial liabilities are measured at the fair value of payments including discount.

### **Prepayments and accrued income**

In order to keep the proportionality of revenues and costs the Group makes the prepayments and accrued income which refer as to the costs as revenues.

The Group maintains the prepaid expenses – they are costs for the reporting period and expenses to the R&D works.

The Group maintains accrued expenses- it is the amount of obligations for the relevant period resulting from the allowances made in favor of the entity.

The prepayments and accrued income settlements include in particular the equivalents of invoiced allowances, which will be performed in the next periods.

### **Revenues**

#### **Revenues from sale of products, goods, materials and services**

The net revenues from sale include the economic benefits arisen in the period as a result of the business activity of the entity, at the reliable value, resulting in increase of equity by increase of the assets value or reducing the liabilities in other manner than shareholder's contribution. In particular, they are the revenues from sale of products, including services and the sale of goods and materials.

The revenues also include the due amounts for sold products and basic and auxiliary activity services and for sold materials and goods set basing on net price after adjustments by granted discounts and rebates.

The adjustments of the revenues from sale are included to the period when they were made.

#### **Other operating revenues**

The other operating revenues are the revenues related to the operating activity of the entity. They include:

- Profit from fixed assets and intangible assets
- Earning from liquidation of fixed assets
- Received compensations,
- Release of provisions which charged the operating costs at establishment
- From written off overdue and depreciated liabilities.

#### **Financial revenues**

The revenues due to the interests calculated for contractors, recognized at the payment date.

The revenues due to the interests of pecuniary assets at the bank accounts recognized at the date when the bank accepts the account.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Business activity costs**

The all costs of sale, marketing, administration and management incurred in the reporting period. Value of sold goods and materials at the purchase price in the reporting period.

### **Other operating costs**

The other operating costs are the costs related to the operating activity of the entity. They include:

- loss from fixed assets and intangible assets
- Paid penalties and compensations
- Established provisions
- Court proceeding costs

### **Financial costs**

The costs due to paid interests are charged directly to the profit and loss statement when they occurred.

### **Income tax**

The obligatory burdening of the result consists of:

- Corporate Income Tax (CIT)
- Deferred tax

The current tax burdening is calculated under the base of the financial results (the base of tax) of the relevant fiscal year. The tax profit (loss) differs from book profit (loss) because of excluding the revenues and costs which will never be a subject of taxation. The tax burdens of result are calculated basing on the basic tax rates binding in the relevant fiscal year.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Deferred income tax**

The Group makes provisions and assets due to deferred income tax because of arising the temporary differences between the assets and liabilities value presented in the books and their tax value. The assets due to deferred income tax are recognized if it is likely that the income to be taxed will be achieved which will enable to use the temporary differences. The assets due to deferred income tax are recognized also for the tax losses to be deducted in the next years, but only when it is likely that the income to be taxed will be achieved in future which will enable it use these tax losses. The Company does not establish the assets due to deferred income tax if the practicability of using them in the future is doubtful.

The liability due to deferred income tax is recognized by the liability method, due to temporary differences between the tax value of such assets and liabilities and their carrying amount presented in the financial statement. Both the amount of reserve as the assets due to deferred income tax was set considering the tax rate applicable in the period when the provision/asset is established.

### **Profit per one share**

The profit per one share for the each period is calculated by dividing the profit for the relevant period by the number of shares in the relevant reporting period. The Group does not present diluted profit(loss) per one share.

### **Transactions in foreign currencies**

The economic transactions expressed in foreign currencies causing the liabilities and receivables are recognized in the books at the average exchange rate set for the relevant currency by the National Polish Bank.

The payment transactions expressed in the foreign currencies, as for the date of being made, are recognized at the purchase or sale exchange rate used by the bank which serves the Group.

As for the balance day the receivables and liabilities are recognized pursuant to the average exchange rate published for the relevant currency by the National Polish Bank.

The exchange differences, concerning the settlements expressed in foreign currencies arisen as for the valuation date and during the payment date are classified to the financial costs or revenues.

### **Lease**

The tangible fixed assets using under the financial lease agreements which transfer to the Group all benefits and risk related to possessing are recognized in the balance sheet of the Group pursuant to the current value of minimum future lease payments. The lease fees are divided into reduction of unpaid liability balance and financial costs charged directly against the profit and loss.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **4. Composition of the Capital Group**

SIMPLE S.A. is the parent entity of the Group. Except for SIMPLE S.A. the consolidation includes subsidiaries. The data of the subsidiaries as for 31<sup>st</sup> March 2010 are as follows:

<b>Entity's name</b>	<b>Seat office</b>	<b>Method of consolidation</b>	<b>Date of taking up Control</b>	<b>Amount acc. to purchase purchase</b>	<b>% of shareholding of taking up and votes at GMS</b>
SIMPLE LOCUM	Warsaw	Full	2006	2669	100%
SIMPLE CPS	Warsaw	Full	2006	30	100%

SIMPLE S.A. holds a shares in the Company SOFTEAM SP. Z O.O. The value of the shares at the purchase price is 53 k PLN that constitutes 50,24% of the share capital of the Company and 25,18% of votes at the General Meeting of Shareholders. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

SIMPLE S.A. holds also shares in the Company SIMPLE SP. Z O.O. in Dąbrowa Górnicza. The value of the shares at the purchase price is 9,7 k PLN that constitutes 19,51% of the share capital of the Company and the same number of votes at the General Meeting of Shareholders. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

### **5. Selected financial data calculated into euro:**

The selected financial data contained in this report was calculated into EURO pursuant to the following principles. The items of assets and liabilities in the balance sheet pursuant to the average exchange rate published as for the last balance day by the National Polish Bank:

- As for 31.03.2010- 3.8622
- As for 31.12.2009- 4.3406

The items of the profit and loss account and cash-flow statement pursuant to the average exchange rate calculated as the arithmetic average of the exchange rates published by the National Polish Bank as for the last day in the month of the relevant year:

- As for 31.03.2010- 3.9669
- As for 31.03.2009- 4.5994

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

	31.03.2010 000' PLN	31.03.2010 000' EUR	31.03.2009 000' PLN	31.03.2009 000' EUR
<b>Statement on comprehensive income</b>				
Net income from sale of products, goods and materials	5485	1383	4957	1078
Profit (loss) from sales	2129	537	2407	523
Profit (loss) from operating activity	627	158	810	176
Gross profits (loss)	540	136	740	161
Net profit (loss)	425	107	603	131
	31.03.2010 000' PLN	31.03.2010 000' EUR	31.12.2009 000' PLN	31.12.2009 000' EUR
<b>Statement on financial condition</b>				
<b>Balance sheet</b>				
Fixed assets	4254	1101	4113	1001
Current assets	12276	3179	11528	2806
Total assets	<u>16530</u>	<u>4280</u>	<u>15641</u>	<u>3807</u>
<b>Liabilities</b>				
Equity	8489	2198	8063	1962
Liabilities and provisions for liabilities	8041	2082	7578	1845
Total liabilities	<u>16530</u>	<u>4280</u>	<u>15641</u>	<u>3807</u>
	31.03.2010 000' PLN	31.03.2010 000' EUR	31.03.2009 000' PLN	31.03.2009 000' EUR
<b>Statement on cash-flow</b>				
Net cash-flow from operating activities	828	209	947	206
Net cash-flow from the investment activity	-5	-1	-397	-86
Net cash-flow from financial activity	-213	-54	-77	-17
<b>Closing balance of cash</b>	<u>3314</u>	<u>835</u>	<u>2631</u>	<u>572</u>

## 6. Geographical structure

The Capital Group conducts its business activity in the field of software and sale of hardware and also renders services related to it. The only geographical sector is the sale within the country which includes 100% of the Group's revenues.

The revenues from sale, costs and sale result pursuant to the geographical sectors are as follows:

	31.03.2010 000' PLN	31.03.2009 000' PLN
Revenues from sales		
- Country	<u>5485</u>	<u>4957</u>
	<b>5485</b>	<b>4957</b>
Costs of sale		
- Country	<u>-3356</u>	<u>-2550</u>
	<b>-3356</b>	<b>-2550</b>
Profit from sale		
- Country	<u>2129</u>	<u>2407</u>
	<b>2129</b>	<b>2407</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### 7. Revenues from sales

The Group distinguishes the branch sectors in the divisions into the revenues from sale of services and products and goods. The revenues from sale, costs and sale result pursuant to the branch sectors are as follows:

The revenues from sale of Group are as follows:

	31.03.2010 000'PLN	31.03.2009 000'PLN
Revenues from sale of goods	1493	684
Revenues from sale of services and products	3992	4273
	<u>5485</u>	<u>4957</u>

### 8. Costs by category

	31.03.2010 000'PLN	31.03.2009 000'PLN
Amortization of fixed assets and intangible assets	121	300
Materials and energy consumption	164	141
Outsourced services	949	977
Taxes and fees	35	30
Remunerations/payrolls	2015	1878
Social insurances and other benefits	377	340
Other costs	82	41
Value of goods and materials sold	1132	446
<b>Total</b>	<u>4875</u>	<u>4153</u>
Including:		
Own cost of sale	3356	2550
Costs of sale	639	715
general administrative costs	880	888

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **9. Profit/loss per one share**

The basic profit per share is calculated as the quotient of the profit per shareholders of the Group and the average weighted number of ordinary shares during the year.

	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>000'PLN</b>	<b>000'PLN</b>
Profit (loss) per shareholders of the Company	425	603
Average weighted number of ordinary shares (in k pcs.)	2004	2004
<b>Basic profit (loss) per share ( in PLN per one share)</b>	<b>0,21</b>	<b>0,30</b>

The Group does not present diluted profit(loss) per one share.

### **10. Fixed assets held for sale**

As for 31st March 2010 the Group does not have any fixed assets held for sale.

### **11. Deferred tax:**

As for 31st March 2010 the SIMPLE S.A. group has established provisions in the amount of 2 k because of the temporary differences between the book and tax value of assets.

### **12. Information on provisions change**

	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>000 PLN</b>	<b>000 PLN</b>
Provision for leaves	654	521
Other provisions	245	103
Assets due to the deferred income tax	2	-
Provision for retirement	9	9
Stock revaluation allowance	-	48
Receivables revaluation allowance	218	540
<b>Total</b>	<b>1128</b>	<b>1221</b>

### **13. Contingent liabilities**

As for 31st March 2010 the Group SIMPLE S.A. does not present any contingent liabilities for the court proceeding against the Group SIMPLE S.A.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **14. Credits and loans**

	<b>31.12.2009</b>	<b>31.03.2009</b>
	<b>000' PLN</b>	<b>000' PLN</b>
<b>Short-term:</b>		
Other credits	196	189
<b>Total credits and loans</b>	<b>196</b>	<b>189</b>
<b>Long-term</b>		
Long-term bank credits	2219	2265
Other credits	243	437
<b>Total credits and loans</b>	<b>2462</b>	<b>2702</b>

#### **Loans and short-term credits**

On 4th August 2006 SIMPLE S.A. concluded the Overdraft credit agreement No. 270-1/10/RB/2006 with the bank PKO BP. It is a credit in polish zlotys, renewable as the credit limit in the amount 500 k PLN. It is granted for the period from 4th August 2006 to 3rd August 2007. On 3rd August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2008. On 1<sup>st</sup> August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2009. On 3rd August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2010. The credit amount remains unchanged in the amount 500 k PLN. The collateral of this agreement are the promissory notes for the amount 500 k PLN.

On 22nd October 2009 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/024/09/Z/VK for the amount 600 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 23rd October 2009 to 7th October 2010. The collateral for this Agreement is a blank promissory note.

SIMPLE S.A. presents the credits granted by Volskwagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for balance day the amount of credit within the term of payment to twelve months is 196 k PLN.

#### **Long-term credits**



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

The credit agreement of 7th April 2006 concluded with BPH S.A. by SIMPLE LOCUM SP. Z O.O., the collateral of which, pursuant to the § 7 of the agreement, is:

- Ordinary mortgage in the amount 2,350,000.00 PLN securing the payment of the credit capital,
- Bail mortgage to the amount 1,750,000.00 PLN securing the interests payment and other bank receivables following the Agreement,
- Receivables assignment from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- In blank promissory note issued by the Borrower paid to the credit amount with the promissory note declaration (acc. to App. No. 3 to the agreement),
- The deposit in the amount 44,444 PLN set under the principles specified in the deposit agreement (acc. to App. No. 4 to the agreement),
- Declaration of the Borrower to be a subject of execution regarding the obligations following the Agreement (acc. to App. No. 2 to the agreement),
- Assignment of receivables from the current and future rent agreement of the areas located in the Real Estate (acc. to App. No. 6 to the agreement),
- Assignment of receivables from the bank account agreement kept on behalf of the Borrower (acc. to App. No. 7 to the agreement),
- Registered pledge (acc. to App. No. 8 to the agreement).

The state of credit to be paid as for the balance day is 2219 k PLN.

SIMPLE S.A. presents the credits granted by Volkswagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for balance day the amount of credit within the term of payment over twelve months is 243 k PLN.

## **15. Operating lease and rent agreements**

Under the rent agreement the Company SIMPLE S.A. uses the xerocopy machine. The Company bears the monthly charges for the operation and service. In case of making copies in the amount exceeding the fixed charge the Company shall bear the additional costs pursuant to the price list from agreement.

On 29th March 2006 in Warsaw the lease agreement for the usable premises between SIMPLE S.A. and SIMPLE LOCUM SP. Z O .O. The subject of agreement is leasing of the premises with the area 1087 sqm with the office equipment. This Agreement is concluded on non specified period of time. Monthly rent rate is 20 k PLN.

## **16. The adjustments in the financial statement and comparable data resulting from the reservations in the opinions for the previous years.**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

Any adjustments, resulting from the reservations in the opinions of the bodies authorized to audit financial statements, were made in the financial statements.

### **17. Comments to the results of Group SIMPLE S.A.**

#### **Description of material achievements or failures of the Issuer in 4Q of 2009.**

In 1Q 2010 the Group SIMPLE S.A. continued the business activity of the same nature as in the previous years.

The business activity of SIMPLE S.A. in 1Q 2010 was managed by the Management Board composed of:

- Paweł Zdunek- the President
- Przemysław Gnitecki- the Vice President
- Michał Siedlecki-Vice President of the Management Board,

The first quarter of 2010 presented the next increase of the sale dynamics in comparison to the comparable period of previous year. The amount of sale in the first quarter was 5,485 k PLN that constitutes the increase by over 75% in comparison to the first quarter of 2009. It is a good result whereas the 1Q of 2009 was one of the best in the Group's history. The increase of revenue in comparison to 2009 result mainly from beginning on some bigger projects.

In the first quarter the Group SIMPLE S.A. started realization of quite large contracts which will be invoiced in the further months of 2010. Despite of the decrease of net profit in comparison to 1Q 2009 we can see the potential of profit improvement for next quarters of 2010. The decrease of the net profit in 1Q 2010 results from the depression in the crisis market in 2009.

In 1Q 2010 the commercial negotiations related to the interest in SIMPLE.BUD with which we have a high hope for next quarters of 2010 were carried out.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **18. Information on seasonality or periodicity of the Group SIMPLE S.A. business activity.**

Comparing the result for the period from 01.10.2010 to 31.03.2010 with the result for the period from 1.03.2009 to 31.03.2009, the result of sale for 1Q 2010 was 2129 k PLN and was lower than the result for 1Q 2009 by 278 k PLN. The reason was the increase of the revenues from sales by 528 k PLN and at the same the increase of the own sale costs by 806 k PLN. The result of the Group for the period from 01.01.2010 to 31.03.2010 indicates the profit in the amount 425 k PLN in comparison to the profit 603 k PLN for the comparable period in 2009. Comparing the result by increase for 1Q 2010 it was worse by 178 k PLN in comparison to 2009.

### **19. Information on issue, buy-out and paying the debt securities and capital securities**

In 1Q 2010 the any issuance, buy-out or payment of the debt securities and capital securities did not happen.

### **20. Information on paid out or declared dividend in total and in calculation per one share with the division into ordinary and preference shares.**

In 1Q 2010 the Group did not take any decisions concerning the paid (or declared) dividends.

### **21. Events after the balance date affecting the future results of the Group SIMPLE S.A.**

In the Management Board's opinion there are not other unexpected events which will affect the future results.

### **22. The Management position on previously published forecasts.**

The Management of SIMPLE S.A. has not published any forecasts on financial result of the Group.

### **23. The biggest Shareholders, structure and changes of shareholding**

The shareholders holding at least 5% of general number of votes at the General Meeting of SIMPLE S.A. As for the date of this report, pursuant to the information held by the Management Board.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

The biggest Shareholders, structure and changes of shareholding

<b>Item</b>	<b>Imię i nazwisko</b>	<b>Liczba akcji</b>	<b>Udział w kapitale zakładowym (%)</b>	<b>Liczba głosów</b>	<b>Udział głosów na Walnym Zgromadzeniu (%)</b>
1	Bogusław Mitura	310.679	15,50	690.679	25,03
5	Cron Sp. z o.o.	558.088	27,85	597.288	21,64

Zestawienie zmian w stanie posiadania akcji Spółki dominującej oraz uprawnień do nich (opcji) przez osoby nadzorujące.

<b>L.p.</b>	<b>Imię i nazwisko</b>	<b>Liczba akcji na 30.04.2010r.</b>	<b>Liczba akcji na 14.05.2010r.</b>
1	Elżbieta Zybert	0	0
2	Józef Taran	0	0
3	Andrzej Bogucki	0	0
4	Marta Joanna Mitura	0	0
5	Jacek Kuroś	0	0

Zestawienie zmian w stanie posiadania akcji Spółki dominującej oraz uprawnień do nich (opcji) przez osoby zarządzające.

<b>L.p.</b>	<b>Name</b>	<b>Number of shares as for 30.04.2009</b>	<b>Number of shares as for 14.05.2010</b>
1	Paweł Zdunek	0	0
2	Przemysław Gnitecki	0	0
3	Michał Siedlecki	80.000	80.000

### **24. Information on related entities and on capital group**

SIMPLE S.A. is the parent entity of the Group. The capital group includes the following subsidiaries:

1. SIMPLE LOCUM SP. Z O.O. seated in Warsaw, at ul. Bronisława Czecha 49/51. SIMPLE S.A. company on 24th March 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new company under the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by taking up the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The value of taken up shares is 2,669 k PLN. It has 100% of votes at the General Meeting.

2. SIMPLE CPS SP. Z O.O. seated in Warsaw at ul. Bronisława Czecha 49/51. The Company's activity started under the name SIMPLE INVEST SP. Z O.O. established on 25th October 1999 under the notary deed (Rep A No. 5653/99) in the Public Notary's Office in Warsaw in the presence of the Public Notary Anna Chelstowska. On 1st August 2002 the name of the company was changed into INVEST SL SP. Z O.O. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On 15th June 2004 the name of the company was changed into SIMPLE CPS SP. Z O.O. under the notary deed (Rep A No. 7373/2004) in the Public Notary's

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of taken up shares is 30 k PLN. It has 100% of votes at the General Meeting.

-Related but not included to the consolidation:

1. SOFTEAM SP. Z O.O. seated in Warsaw, at ul. Łopuszańska 53, registered on 5th June 2001 in the District Court for the capital city Warsaw in Warsaw, XX Business Department of the National Court Register, under KRS number 0000013271. On 29.06.2005 the name of the company was changed from SIMPLE EXPERNET SP. Z O.O. into present SOFTEAM SP. Z O.O. The value of taken up shares pursuant to the purchase price is 53 k PLN, that constitutes 50.24% of the share capital.

2. SIMPLE SP. Z O.O. seated in Dąbrowa Górnicza at ul. Ciepłaka 19, registered on 24th December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Business Department of the National Court Register. The date of first registration was 31st May 1991 under the number RHB 6610. The value of taken up shares is 9.7 k PLN. It has 19.51% of votes at the General Meeting.

## **25. Information on changes in the Supervisory Board and Management Board of SIMPLE S.A.**

On 30th January 2009 the Supervisory Board recalled Mr. Michał Siedlecki from holding a position of President of the Management Board and giving him the position of Vice President of the Management Board.

At the same meeting the Supervisory Board recalled Mr. Dariusz Kacperczyk from holding a position of a Vice President of the Management Board of SIMPLE S.A. on 30th January 2009.

At the same time the Supervisory Board appointed Mr. Paweł Zdunek to a position of the President of the Management Board on 30th January 2009.

On 15th July 2009 the Supervisory Board recalled Mr. Michał Siedlecki from holding a position of Vice President of the Management Board.

At the same time the Supervisory Board appointed Mr. Przemysław Gnitecki to a position of the President of the Management Board on 17th July 2009.

**As for 31st December 2009 the composition of the Supervisory Board and the Management Board of SIMPLE S.A. was as follows:**

### **Supervisory Board**

Elżbieta Zybert

Chairman of the Supervisory Board

Józef Taran

Deputy Chairman of the Supervisory Board

Andrzej Bogucki

Secretary of the Supervisory Board

Marta Joanna Mitura

Member of the Supervisory Board

Jacek Kuroś

Member of the Supervisory Board

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Management Board**

Paweł Zdunek	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board

**As for the date of reporting the composition of the Supervisory Board and the Management Board of SIMPLE S.A. is as follows:**

On 26th January 2010 the Supervisory Board appointed Mr. Michał Siedlecki to hold a position of Vice President of the Management Board.

### **Supervisory Board**

Elżbieta Zybert	Chairman of the Supervisory Board
Józef Taran	Deputy Chairman of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Marta Joanna Mitura	Member of the Supervisory Board
Jacek Kuroś	Member of the Supervisory Board

### **Management Board**

Paweł Zdunek	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

**As for 31st December 2009 the Management Board of SIMPLE LOCUM Sp. z o.o. was as follows:**

### **Management Board**

Regina Kuliś	President of the Management Board
--------------	-----------------------------------

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

As for the report date the composition of the SIMPLE CPS Sp. z o.o. was as follows:

<b>Management Board</b>	
Regina Kuliś	President of the Management Board

As for 31st December 2009 the Management Board of SIMPLE CPS Sp. z o.o. was as follows:

<b>Management Board</b>	
Dariusz Kacperczyk	President of the Management Board

As for the report date the composition of the SIMPLE CPS Sp. z o.o. was as follows:

<b>Management Board</b>	
Dariusz Kacperczyk	President of the Management Board

### **26. Indication of the proceedings against the Group SIMPLE S.A.**

As for 31st March 2010 any proceedings concerning the receivables or liabilities of the company, which total amount would constitute at least 10% of the equity of the Group, are not initialed or carried out.

### **27. Transactions with related entities**

Within the period from 1<sup>st</sup> January 2009 to 31<sup>st</sup> December 2009 neither SIMPLE S.A. or its related entities did not entered into the transactions with related entities which jointly or separately will be important and would be concluded under the conditions other than market.

The turnover with the subsidiaries was as follows:

- sale 0 k PLN.
- Purchase 63 k PLN,

The turnover with the related entities was as follows:

- sale 752 k PLN.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

- Purchase 10 k PLN,

### **28. Information on credit, loan or warranty's guarantees granted by the Group**

In the reporting period the Group did not grant any credit, loan or warranty's guarantee, which would constitute 10% of the Group's equity.

### **29. Specification of the factors which in the issuer's assessment will affect the achieved results in the prospection of at least the next quarter.**

The Management Board of SIMPLE S.A. informs that as of 27th April 2007 the agreement with the Ministry of Science and Higher Education on funding the project "IT system for SME to achieve the fixed economic position basing on participation in supply chain" implementing the Sectoral Operational Programme: Enterprise competitiveness growth, years 2004-2006, Priority 1. Development of enterprise and innovativeness by strengthening the business environment, Action 1.4 Strengthening the cooperation between the research and development sphere and economy, was concluded.

The project covered by funds was implemented since May 2007 to October 2008. The total expenditures for this Project are 4,516,421.05 PLN (say: four millions five hundred sixteen thousands four hundred twenty one zlotys and five), including the qualified expenses in the amount of 4,160,010.95 PLN (say: four millions one hundred sixty thousands and ten zlotys and ninety five). SIMPLE S.A. after meeting the conditions following the Agreement will receive the funding in the amount 2,433,684.80 (two millions four hundred thirty three thousands six hundred eighty four zlotys and eighty).

This project was completed and settled in 2008. At present the implementation of SIMPLE.SCM is in progress as well as the realization of expected results, products and interactions. The application documents assumed that in 2009 SIMPLE S.A. would produce fifteen installations of product for clients.

In the next quarters the Group should have still good financial liquidity. The Group has the sufficient funds to conduct the business activity.

In the Board assessment the presented report include the basic information which are necessary and material for the assessment of the financial and economical situation of the Group. The Board states that now there are any threats for the performance of the liabilities.



## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### 30. Individual financial statement

#### INDIVIDUAL STATEMENT ON COMPREHENSIVE INCOME for the period from 1st January 2010 to 31st March 2010

	1Q (current year, from 01.10.2010 to 31.03.2010	1Q (previous year, from 01.10.2009 to 31.03.2009
	000 PLN	000 PLN
Revenues from sales	5485	4957
Own cost of sale	-3356	-2550
<b>Gross profit (loss) from sales</b>	<b>2129</b>	<b>2407</b>
Costs of sale	-620	-698
general administrative costs	-910	-918
<b>Gross profit (loss) from sales</b>	<b>599</b>	<b>791</b>
Other operating revenues	27	20
Other operating costs	-10	-14
<b>(Profit (loss) on operating activities</b>	<b>616</b>	<b>797</b>
Other financial revenues	26	12
Financial costs	-108	-71
<b>Profit (loss) before tax</b>	<b>534</b>	<b>738</b>
Income tax	-125	-181
Deferred income tax	12	45
<b>Net profit (loss)</b>	<b>421</b>	<b>602</b>
Other comprehensive income	0	0
Total other comprehensive income	0	0
<b>Total comprehensive income</b>	<b>421</b>	<b>602</b>
<b>Profit(loss) per one share</b>		
<b>basic</b>	<b>0,21</b>	<b>0,30</b>
<b>diluted</b>	<b>0,21</b>	<b>0,30</b>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**  
**INDIVIDUAL STATEMENT ON FINANCIAL CONDITION**  
**As for 31st March 2010, 31st December 2009**

	31.03.2010 000 PLN	31.12.2009 000 PLN
<b>Fixed assets</b>		
Intangible assets	32	35
Property, plant and equipment	1335	1188
Long- term receivables	6	3
Investments in subsidiaries	2685	2685
Investments in related entities	63	63
Long-term prepayments	219	206
	<u>4340</u>	<u>4180</u>
<b>Current assets</b>		
Inventories	53	17
Trade receivables and other receivables	4342	4210
Pecuniary assets and equivalents	3096	2519
Short-term prepayments	4338	4386
	<u>11829</u>	<u>11132</u>
<b>Total assets</b>	<u>16169</u>	<u>15312</u>
<b>Equity</b>		
Share capital	2004	2004
Equity from issue of shares over the nominal value	0	0
<b>Retained profits, including:</b>	<b>6373</b>	<b>5952</b>
-Cumulated profits/losses from previous year	5952	5350
-Net profit/loss	421	602
<b>Total equity</b>	<u>8377</u>	<u>7956</u>
<b>Long-term liabilities and provisions</b>		
Provision due to the deferred income tax	2	1
Provision for retirement and similar benefits	663	663
Other provisions	245	289
Long-term loans and credits	2170	2238
Liabilities due to financial lease	340	177
	<u>3420</u>	<u>3368</u>
<b>Short-term liabilities</b>		
Short-term loans and credits	290	295
Liabilities due to financial lease	176	142
Trade liabilities and other liabilities	1836	1439
Revenues of future periods	2070	2112
	<u>4372</u>	<u>3988</u>
<b>Total liabilities</b>	<u>7792</u>	<u>7356</u>
<b>Total liabilities</b>	<u>16169</u>	<u>15312</u>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**  
**INDIVIDUAL STATEMENT ON CHANGES IN EQUITY**  
for the period from 1st January 2010 to 31st March 2010

	Share capital	Equity from issue of shares over the nominal value	Retained profits	Total equity
	000 PLN	000 PLN	000 PLN	000 PLN
<b>1st January 2010</b>	2004	0	5952	7956
Total comprehensive income	0	0	421	421
<b>31st March 2010</b>	<u>2004</u>	<u>0</u>	<u>6373</u>	<u>8377</u>
<b>1st January 2009</b>	2004	0	5053	7057
Total comprehensive income	0	0	602	602
<b>31st March 2009</b>	<u>2004</u>	<u>0</u>	<u>5655</u>	<u>7659</u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### **INDIVIDUAL STATEMENT ON CASH-FLOW** for the period from 1st January 2010 to 31st March 2010

	31.03.2010 PLN'000	31.03.2009 PLN'000
<b>Net profit (loss)</b>	<b>421</b>	<b>602</b>
Amortization	102	281
Paid interests	100	71
Profit (loss) from investment activity	0	0
Provisions change	-44	2
Reserve change	-36	-76
Receivables change	-135	-277
Short-term liabilities change	396	200
Change in prepayments and accrued income	-7	110
<b>Net cash-flow from operating activities</b>	<b>797</b>	<b>913</b>
<b>Net cash-flows from investment activity</b>		
Inflows from fixed assets	0	0
Investments inflows	0	0
Expenses to purchase the fixed assets	-5	-176
Other investments outflows	0	-215
<b>Net cash-flow from the investment activity</b>	<b>-5</b>	<b>-391</b>
<b>Cash-flow from financial activities</b>		
Received loans and credits	0	98
Payment of credits and loans	-72	-64
Payments of liabilities due to financial lease	-43	-35
Interests	-100	-71
<b>Net cash-flow from financial activity</b>	<b>-215</b>	<b>-72</b>
<b>Net increase/ (decrease) of pecuniary assets and their equivalents</b>	<b>577</b>	<b>450</b>
Opening balance of the pecuniary assets and their equivalents	2314	1875
<b>Closing balance of the pecuniary assets and their equivalents</b>	<b>2891</b>	<b>2325</b>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Selected financial data calculated into euro:**

The selected financial data contained in this report was calculated into EURO pursuant to the following principles. The items of assets and liabilities in the balance sheet pursuant to the average exchange rate published as for the last balance day by the National Polish Bank:

- As for 31.03.2010- 3.8622

- As for 31.12.2009- 4.1082

The items of the profit and loss account and cash-flow statement pursuant to the average exchange rate calculated as the arithmetic average of the exchange rates published by the National Polish Bank as for the last day in the month of the relevant year:

- As for 31.03.2010- 3.9669

- As for 31.03.2009- 4.5994

	<b>31.03.2010</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2009</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement on comprehensive income</b>				
Net income from sale of products, goods and materials	5485	1383	4957	1078
Profit (loss) from sales	2129	537	2407	523
Profit (loss) from operating activity	616	155	797	173
Gross profits (loss)	534	135	738	160
Net profit (loss)	421	106	602	131
	<b>31.03.2010</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>31.12.2009</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement on financial condition</b>				
<b>Balance sheet</b>				
Fixed assets	4340	1124	4180	1017
Current assets	11829	3063	11132	2710
Total assets	<u>16169</u>	<u>4187</u>	<u>15312</u>	<u>3727</u>
<b>Liabilities</b>				
Equity	8377	2169	7956	1937
Liabilities and provisions for liabilities	7792	2018	7356	1791
Total liabilities	<u>16169</u>	<u>4187</u>	<u>15312</u>	<u>3727</u>
	<b>31.03.2010</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2009</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement on cash-flow</b>				
Net cash-flow from operating activities	797	201	913	199
Net cash-flow from the investment activity	-5	-1	-391	-85
Net cash-flow from financial activity	-215	-54	-72	-16
<b>Closing balance of cash</b>	<u><b>2891</b></u>	<u><b>729</b></u>	<u><b>2352</b></u>	<u><b>511</b></u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010

### Costs by category

	31.03.2010 000'PLN	31.03.2009 000'PLN
Amortization of fixed assets and intangible assets	102	281
Materials and energy consumption	164	141
Outsourced services	1010	1040
Taxes and fees	28	24
Remunerations/payrolls	1994	1856
Social insurances and other benefits	375	338
Other costs	81	41
Value of goods and materials sold	1132	445
<b>Total</b>	<b>4886</b>	<b>4166</b>
Including:		
Own cost of sale	3356	2550
Costs of sale	620	698
general administrative costs	910	918

### Credits and loans

	31.03.2010 000' PLN	31.03.2009 000' PLN
<b>Short-term:</b>		
Other credits	196	189
Short-term loans	94	94
<b>Total credits and loans</b>	<b>290</b>	<b>283</b>

### Long-term

Long-term loans	1927	2021
Other credits	243	437
<b>Total credits and loans</b>	<b>2170</b>	<b>2458</b>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 1Q 2010**

### **Loans and short-term credits**

On 4th August 2006 SIMPLE S.A. concluded the Overdraft credit agreement No. 270-1/10/RB/2006 with the bank PKO BP. It is a credit in Polish zlotys, renewable as the credit limit in the amount 500 k PLN. It is granted for the period from 4th August 2006 to 3rd August 2007. On 3rd August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2008. On 3rd August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2009. On 1<sup>st</sup> August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2010. The credit amount remains unchanged in the amount 500 k PLN. The collateral of this agreement are the promissory notes for the amount 500 k PLN.

On 22nd October 2009 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/024/09/Z/VK for the amount 600 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 23rd October 2009 to 7th October 2010. The collateral for this Agreement is a blank promissory note.

SIMPLE S.A. presents the credits granted by Volkswagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for balance day the amount of credit within the term of payment to twelve months is 196 k PLN.

As for the balance day SIMPLE S.A. presents the short-term loan from SIMPLE LOCUM Sp. z o.o. in the amount 94 k PLN. It is the amount payable within 12 months from the balance day.

As for the balance day SIMPLE S.A. presents the short-term loan from SIMPLE LOCUM Sp. z o.o. in the amount 1927 k PLN. It is the amount payable within the period longer than one year. The Agreement was concluded on 28th April 2009 for the period of 300 months. On 30th September 2007 the annex to the loan agreement between SIMPLE S.A. and subsidiary SIMPLE LOCUM SP. Z O .O. of 28th April on the terms and condition of loan payment was concluded. The loan is paid in quarter intervals in installments 23,500 k PLN each. The interest of the loan is the sum of WIBOR rate for 3 month periods and margin 2.20% per year.

SIMPLE S.A. presents the credits granted by Volkswagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for balance day the amount of credit within the term of payment over twelve months is 243 k PLN.