

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

CONSOLIDATED LOSS AND PROFIT STATEMENT

for the reporting period from 1st October 2009 to 31st December 2009 and from 1st January 2009 to 31st December 2009 and the comparative periods from 2008.

| | 4Q (current year, from 01.10.2009 to 31.12.2009 | 4Q (current year, from 01.01.2009 to 31.12.2009 | 4Q (previous year, from 01.10.2009 to 31.12.2009 | 4Q (previous year, from 01.01.2009 to 31.12.2009 |
|--|--|--|---|---|
| | 000 PLN | 000 PLN | 000 PLN | 000 PLN |
| Continued activity | | | | |
| Revenues from sales | 5035 | 17549 | 5711 | 16353 |
| Own cost of sale | -2478 | -9753 | -2676 | -9265 |
| Gross profit (loss) from sales | 2557 | 7796 | 3035 | 7088 |
| Selling costs | -727 | -3080 | -779 | -2583 |
| General administrative costs | -1065 | -3617 | -1317 | -3659 |
| Other operating revenues | 51 | 159 | 59 | 132 |
| Other operating costs | -29 | -94 | -72 | -167 |
| (Profit (loss) on operating activities | 787 | 1164 | 926 | 811 |
| Other financial revenues | 278 | 323 | 1 | 6 |
| Financial costs | -75 | -299 | -97 | -316 |
| Profit (loss) before tax | 990 | 1188 | 830 | 501 |
| Income tax | -239 | -292 | -159 | -159 |
| Deferred income tax | 48 | 48 | -8 | 83 |
| Net profit (loss) from continued activity | 799 | 944 | 663 | 425 |
| Discontinued activity | - | - | - | - |
| Profit (loss) from discontinued activity | - | - | - | - |
| Net profit (loss) | 799 | 944 | 663 | 425 |
| Profit(loss) per one share | | | | |
| ordinary | 0,40 | 0,47 | 0,33 | 0,21 |
| diluted | 0,40 | 0,47 | 0,33 | 0,21 |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

CONSOLIDATED BALANCE SHEET

State as for 31st December 2009

| | As for 31.12.2009 | As for 31.12.2008 |
|---|----------------------|----------------------|
| | 000' PLN | 000' PLN |
| Fixed assets | | |
| Intangible assets | 37 | 697 |
| Goodwill from consolidation | 19 | 19 |
| Tangible fixed assets | 3735 | 3817 |
| Long-term receivables | 53 | 52 |
| Investments in related entities | 63 | 63 |
| Long-term prepayments and accrued income | 212 | 147 |
| | 4119 | 4795 |
| Current assets | | |
| Stocks | 17 | 17 |
| Trade receivables and other receivables | 4228 | 2933 |
| Pecuniary assets and equivalents | 2704 | 2158 |
| Short-term financial assets | 205 | 11 |
| Short-term prepayments and accrued income | 4389 | 4290 |
| | 11543 | 9409 |
| Total assets | 15662 | 14204 |
| | 31.12.2009 | 31.12.2008 |
| | 000 PLN | 000 PLN |
| Equity | | |
| Share capital | 2004 | 2004 |
| Reserve capital | 5150 | 4727 |
| Profit (loss) from previous years | -1 | -3 |
| Net profit from fiscal period | 944 | 425 |
| Total equity | 8097 | 7153 |
| Long-term liabilities | | |
| Other provisions | 104 | 614 |
| Provision for retirement and similar benefits | 825 | 9 |
| Provision due to the deferred income tax | 2 | 7 |
| Long-term loans and credits | 2518 | 2682 |
| Liabilities due to financial lease | 193 | 90 |
| | 3642 | 3402 |
| Short-term liabilities | | |
| Trade liabilities and other liabilities | 1455 | 1428 |
| Liabilities due to financial lease | 155 | 100 |
| Short-term loans and credits | 201 | 166 |
| Prepayments and accrued income | 2112 | 1955 |
| | 3923 | 3649 |
| Total liabilities | 7565 | 7051 |
| Total liabilities | 15662 | 14204 |

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CONSOLIDATED CHANGES IN EQUITY

for the reporting period from 1st January 2009 to 31st December 2009 and comparative period from 1st January 2008 to 31st December 2008.

| | 31.12.2009 000 PLN | 31.12.2008 000 PLN |
|---|-----------------------|-----------------------|
| Share capital | | |
| Opening balance | 2004 | 2004 |
| Closing balance | 2004 | 2004 |
| | | |
| Reserve capital | | |
| Opening balance | 4727 | 3502 |
| Loss coverage from previous years | -2 | - |
| Increases due to the profit disposal | 425 | 1225 |
| Closing balance | 5150 | 4727 |
| | | |
| Undivided result from previous years | | |
| Opening balance | -3 | 737 |
| Result disposal for the previous year | 2 | -740 |
| Closing balance | -1 | -3 |
| | | |
| Net profit | | |
| Opening balance | 425 | 485 |
| Result disposal for the previous years | 425 | 486 |
| Undivided result | 1 | 1 |
| Financial result in fiscal period | 944 | 425 |
| Closing balance | 944 | 425 |
| | | |
| Total equity | | |
| Opening balance | 7153 | 6728 |
| Closing balance | 8097 | 7153 |

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CONSOLIDATED CASH FLOW STATEMENT

for the reporting period from 1st January 2009 to 31st December 2009 and comparative period from 1st January 2008 to 31st December 2008.

| | 31.12.2009 PLN'000 | 31.12.2008 PLN'000 |
|---|-----------------------|-----------------------|
| Net profit (loss) | 944 | 425 |
| Amortization | 1202 | 2812 |
| Paid interests | 256 | 299 |
| Profit (loss) from investment activity | 5 | 20 |
| Stocks change | 301 | 395 |
| Reserve change | - | 1 |
| Receivables change | -1295 | -154 |
| Short-term liabilities change | 28 | 193 |
| Change in prepayments and accrued income | 74 | 1402 |
| Net cash-flow from operating activities | 1515 | 5393 |
| Net cash-flows from investment activity | | |
| Inflows from fixed assets | 8 | 29 |
| Investments inflows | 21 | - |
| Expenses to purchase the fixed assets | -254 | -2585 |
| Other investments outflows | -215 | - |
| Net cash-flow from the investment activity | -440 | -2556 |
| Cash-flow from financial activities | | |
| Received loans and credits | 92 | 103 |
| Payment of credits and loans | -220 | -571 |
| Liabilities due to financial lease | -144 | -195 |
| Interests | -257 | -301 |
| Other financial outflows | - | -13 |
| Net cash-flow from financial activities | -529 | -977 |
| Net increase/ (decrease) of pecuniary assets and their equivalents | 546 | 1860 |
| Opening balance of the pecuniary assets and their equivalents | 2158 | 298 |
| Closing balance of the pecuniary assets and their equivalents | 2704 | 2158 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. General information

The seat office of the 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 1st October 2009 to 31st December 2009. The comparable data was presented for the period from 1st October 2008 to 31st December 2008. It is the consolidated financial statement for the 4Q of 2009 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 26th February 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.

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Consolidation

- 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

Tangible fixed assets

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.

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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 is available in its current condition to be sold. The classification of the assets available-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 recognize in profit and loss.

Intangible assets

The intangible assets are measured pursuant to the purchase price or re-valued value 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:

- Shares in the subsidiaries;

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

The shares in the subsidiaries include the shares in the companies covered by the consolidation. The shares in the subsidiaries are measured at the purchase price adjusted by the impairment losses. The impairment losses due to the shares in the subsidiaries are presented in the profit and loss statement 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 circumstances and changes which may cause impairment. The impairment losses are charged into the other operating costs within the period when this impairment occurred.

Stocks

The stocks 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.

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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.

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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.

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

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enable to 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 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.

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 30th September 2009 are as follows:

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| Entity's name | Seat office | Method of consolidation | Date of taking up control | Value of taking up acc. to purchase | % of shareholding and votes atGMS |
|----------------------|--------------------|--------------------------------|----------------------------------|--|--|
| 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 31.12.2009- 4.1082
- As for 31.12.2008- 4.1724

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 31.12.2009- 4.3406
- As for 31.12.2008- 3.5321

| | 31.12.2009 000' PLN | 31.12.2009 000' EUR | 31.12.2008 000' PLN | 31.12.2008 000' EUR |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Profit and loss statement | | | | |
| Net income from sale of products, goods and materials | 17549 | 4043 | 16353 | 4630 |
| Profit (loss) from sales | 7796 | 1796 | 7088 | 2007 |
| Profit (loss) from operating activities | 1164 | 268 | 811 | 230 |
| Gross profits (loss) | 1188 | 274 | 501 | 142 |

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| | | | | |
|--|--------------------|-------------------|--------------------|-------------------|
| Net profit (loss) | 944 | 217 | 425 | 120 |
| Balance sheet | | | | |
| Fixed assets | 4119 | 1002 | 4795 | 1149 |
| Current assets | 11543 | 2810 | 9409 | 2255 |
| Total assets | <u>15662</u> | <u>3812</u> | <u>14204</u> | <u>3404</u> |
| Liabilities | | | | |
| Equity | 8097 | 1971 | 7153 | 1714 |
| Liabilities and provisions for liabilities | 7565 | 1841 | 7051 | 1690 |
| Total liabilities | <u>15662</u> | <u>3812</u> | <u>14204</u> | <u>3404</u> |
| Cash-flow statement | | | | |
| Net cash-flow from operating activities | 1515 | 349 | 5387 | 1525 |
| Net cash-flow from the investment activity | -440 | -101 | -2556 | -724 |
| Net cash-flow from financial activities | -529 | -122 | -971 | -275 |
| Closing balance of cash | <u>2704</u> | <u>623</u> | <u>2158</u> | <u>611</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 revenues.

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

| | 31.12.2009 000'PLN | 31.12.2008 000'PLN |
|---------------------|-------------------------------------|-------------------------------------|
| Revenues from sales | | |
| - Country | <u>17549</u> | <u>16353</u> |
| | <u>17549</u> | <u>16353</u> |
| Selling costs | | |
| - Country | <u>-9753</u> | <u>-9265</u> |
| | <u>-9753</u> | <u>-9265</u> |
| Profit from sale | | |
| - Country | <u>7796</u> | <u>7088</u> |
| | <u>7796</u> | <u>7088</u> |

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:

31.12.2009 **31.12.2008**

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| | 000'PLN | 000'PLN |
|---|--------------|--------------|
| Revenues from sale of goods | 1607 | 2296 |
| Revenues from sale of services and products | 15942 | 14057 |
| | 17549 | 16353 |

8. Costs by category

| | 4Q (current year, from 01.10.2009 to 31.12.2009 | 4Q (current year, from 01.01.2009 to 31.12.2009 | 4Q (previous year, from 01.10.2009 to 31.12.2009 | 4Q (previous year, from 01.01.2009 to 31.12.2009 |
|---------------------------------------|--|--|---|---|
| | 000 PLN | 000 PLN | 000 PLN | 000 PLN |
| Amortization | 307 | 1202 | 309 | 2812 |
| Materials and energy consumption | 154 | 565 | 148 | 527 |
| Foreign services | 878 | 3947 | 854 | 2731 |
| Taxes and fees | 29 | 139 | 40 | 167 |
| Remunerations/payrolls | 2407 | 8068 | 2021 | 5962 |
| Social insurances and other benefits | 269 | 1348 | 323 | 1080 |
| Other costs | 159 | 272 | 109 | 219 |
| Released provisions | -292 | -292 | - | - |
| Value of goods and materials sold | 359 | 1201 | 968 | 2009 |
| Total operating activity costs | 4270 | 16450 | 4772 | 15507 |
| including | | | | |
| Own cost of sale | 2478 | 9753 | 2676 | 9265 |
| Selling costs | 727 | 3080 | 779 | 2583 |
| General administrative costs | 1065 | 3617 | 1317 | 3659 |

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.

| | 31.12.2009 000'PLN | 31.12.2008 000'PLN |
|---|-----------------------|-----------------------|
| Profit (loss) per shareholders of the Company | 944 | 425 |

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| | | |
|--|-------------|-------------|
| Average weighted number of ordinary shares (in k pcs.) | 2004 | 2004 |
| Basic profit (loss) per share (in PLN per one share) | 0,40 | 0,21 |

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

10. Fixed assets held for sale

As for 31st December 2009 the Group does not have any fixed assets held for sale.

11. Deferred tax

As for 31st December 2009 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

| | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------|-------------|
| | 000 PLN | 000 PLN |
| Provision for leaves | 816 | 521 |
| Other provisions | 104 | 93 |
| due to the deferred income tax | 2 | 7 |
| Provision for retirement | 9 | 9 |
| Stock revaluation allowance | - | 48 |
| Receivables revaluation allowance | 218 | 540 |
| Total | 1149 | 1218 |

13. Contigent liabilities

As for 31st December 2009 the Group SIMPLE S.A. does not present any contingent liabilities for the court proceeding against the Group SIMPLE S.A.

14. Credits and loans

| | 31.12.2009 | 31.12.2008 |
|--------------------------------|------------|------------|
| | 000' PLN | 000' PLN |
| short-term | | |
| Other credits | 201 | 166 |
| Total credits and loans | 201 | 166 |

long-term

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| | | |
|--------------------------------|-------------|-------------|
| Short-term bank credits | 2232 | 2273 |
| Other credits | 286 | 409 |
| Total credits and loans | 2518 | 2682 |

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 1st 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. As for 31st December 2009 the Company has not used the credit.

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. As for 31st December 2009 the Company has not used the credit.

SIMPLE S.A. presents the credits granted by Volkswagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for 30th September 2009 the amount of credit within the term of payment over twelve months is 201 k PLN.

Long-term credits

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),

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-The deposit in the amount 47,444 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. 5 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 the credit to be paid as for 31st December 2009 is 2232 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 30st December 2009 the amount of credit within the term of payment over twelve months is 286 k PLN.

15. Operating lease and rent agreements

Under the rent agreement the Company SIMPLE S.A. uses the xerocopy machine. The rent agreement was concluded for the period 40 months. 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.

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

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.

Comments to the achieved results of Group SIMPLE S.A.

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

In 4Q 2009 the Group SIMPLE S.A. continued the business activity of the same nature as in the previous years.

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The business activity of SIMPLE S.A. in 4Q 2009 was managed by the Management Board composed of:

- Paweł Zdunek- the President
- Przemysław Gnitecki- the Vice President

The effect of the fourth quarter was a little weaker than in the previous years. It results from the fact that more and more institutions and commercial companies are supported by the union funds at purchasing the software. It results that in more part of cases there is no will and compulsion to spend the money before the end of the year. The institutions and companies have specified schedule in the applications for bailout and they perform the project according to it. The December 2009 was exceptional (much better in regard to sales than the December 2008), which caused. that finally 4Q was closed with the result almost 140 k better than 4Q 2008. There is a visible growth over 20% of the sales dynamic.

The factor positively affecting the result of 4Q is the successfully sale of SIMPLE.BI products and first orders related to the integration services (software/application integration).

Because of the quite good previous quarter and good 4Q, the annual result looks very good. Pursuant to the data above the Simple Company should achieve almost 950 k of net profit for 2009 and that means more 100% increase in comparison to 2008.

Description of factors and events in particular of non typical nature significantly influencing the financial results.

In 4Q 2009 the material event affecting the achieved financial results was release of the provision for Carey Agri International Company in the amount of 256 k and the received receivables interests in the amount 258 k PLN that jointly affected the result in the amount of 514 k PLN.

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

Comparing the result for the period from 01.10.2009 to 31.12.2009 with the result for the period from 1.10.2008 to 31.12.2008, the result of sale for 4Q 2009 was 2557 k PLN and was lower than the result for 4Q 2008 by 478 k PLN. The reason was the decrease of the revenues from sales by 676 k PLN and decrease of the own sale costs by 198 k PLN. The net financial result for 4Q 2009 indicates the profit in the amount 799 k PLN and was better by 136 k PLN in comparison to 4Q 2008. The result of the Group for the period from 01.01.2009 to 31.12.2009 indicates the profit in the amount 944 k PLN in comparison to the profit 425 k PLN for the comparable period in 2008. Comparing the result by increase for 4 quarters the 2009 was better by 519 k PLN in comparison to 2008. The main factor affecting the result was released provision for Carey Agri International in the amount of 256 k PLN and influence of the receivables interest in the amount 258 k PLN.

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

In 4Q 2009 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.

Pursuant to the art. 395 art. 2 par. 2 of the Commercial Companies Code and § 6 sec. 5 par. c of the Articles of Association the General Meeting of SIMPLE S.A. by the Resolution No. 6 of the Ordinary General Meeting of SIMPLE S.A. of 30th June 2009 stated to forward the Company's profit for the current year from 1st January 2008 to the 31st December 2008 in the amount 423,903.89 PLN to the supplementary capital of the Company.

Pursuant to the art. 395 and. 2 par. 1 of the Commercial Companies Code and § 6 sec. 5 par. a of the Articles of Association the General Meeting of SIMPLE S.A. by the Resolution No. 5 of the Ordinary General Meeting of SIMPLE S.A. of 30th June 2009 approved the financial statement for 2008.

Pursuant to the art. 231 and. 2 par. 2 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. by the Resolution No. 5 of the General Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. of 30th June 2009 stated to forward the Company's profit for the current year from 1st January 2008 to the 31st December 2008 in the amount 2,556.41 PLN to the supplementary capital.

Pursuant to the art. 231 and. 2 par. 2 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. by the Resolution No. 6 of the General Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. of 30th June 2009 decided to cover the loss of the Company from previous years in the amount 3,347 using the supplementary capital.

Pursuant to the art. 395 and. 2 par. 1 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. by the Resolution No. 4 of the General Meeting of Shareholders of SIMPLE LOCUM SP. Z O.O. of 30th June 2009 approved the financial statement for 2008.

Pursuant to the art. 231 and. 2 par. 1 of the Commercial Companies Code the Meeting of Shareholders of SIMPLE CPS SP. Z O.O. by the Resolution No. 4 of the General Meeting of Shareholders of SIMPLE CPS SP. Z O.O. of 30th June 2009 approved the financial statement for 2008.

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

There are other unexpected events which will affect the future results.

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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.

| Item | Name | Number of shares | Share in the share capital (%) | Number of votes | Share of votes at the General Meeting (%) |
|------|-----------------|------------------|--------------------------------|-----------------|---|
| 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 |

Changes in shareholder structure and preferences (options) of the members of the Supervisory Board.

| Item | Name | Number of shares as for 12.11.2009 | Number of shares as for 26.02.2010 |
|------|---------------------|------------------------------------|------------------------------------|
| 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 |

Changes in shareholder structure and preferences (options) of the members of the Management Board.

| Item | Name | Number of shares as for 12.11.2009 | Number of shares as for 26.02.2010 |
|------|---------------------|------------------------------------|------------------------------------|
| 1 | Paweł Zdunek | 0 | 0 |
| 2 | Przemysław Gnitecki | 0 | 0 |

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.

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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 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. Cielaka 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.

The composition of the Supervisory Board and Management Board of SIMPLE S.A.

The General Meeting of Shareholders of SIMPLE S.A. on 9th September 2008 appointed new composition of the Supervisory Board of SIMPLE S.A. but the composition of the Management Board has remained unchanged.

As for 31st December 2008 the composition of the Supervisory Board and the Management Board of SIMPLE S.A. is as follows:

Supervisory Board

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| | |
|---------------------|--|
| 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

| | |
|--------------------|--|
| Michał Siedlecki | President of the Board |
| Dariusz Kacperczyk | Vice President of the Management Board |

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 Vice President of the Management Board on 15th July 2009.

As for 31st December 2009 the composition of the Supervisory Board and the Management Board of SIMPLE S.A. is 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 |

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Management Board

| | |
|---------------------|--|
| Paweł Zdunek | President of the 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 holding a position of Vice President of the Management Board. As a result of this change the composition of the Management Board is extended to three persons.

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 Board |
| Przemysław Gnitecki | Vice President of the Management Board |
| Michał Siedlecki | Vice President of the Management Board |

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

As for 31st December 2009 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.

Before the district court in Białystok the proceeding from the claim of Kalter Spółka z o.o. against Simple S.A. is in progress. Because of the proposal to reach the compromise, which was proposed by the proxy the first hearing set for 05.02.2010 was cancelled. At present the proxies of both Parties try to agree the conditions for the compromise which will be concluded in the court. One of the conditions is that the Kalter Company will pay the due amount in favor of Simple S.A. in the amount of 25 k PLN.

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27. Transactions with related entities

In the period from 1st January 2009 to 31st December 2009 nor SIMPLE S.A. or its related entities did not enter into transactions which amount exceeded 500 k Euro and which differed from the typical transactions concluded between the entities of the Capital Group under market conditions.

The turnover with the subsidiaries was as follows:

- sale 0 k PLN.
- Purchase 252 k PLN,

The turnover with the related entities was as follows:

- sale 2313 k PLN.
- Purchase 88 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 Company'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 will have been 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.

As the risk factor the Management Board SIMPLE S.A. recognizes the recession factor in national economy. To achieve the funding of the investments project is difficult for the companies. Postponed decisions of the companies from 3 and 4Q 2008 on using the union funds converge with the economic crisis and slow down. The weak forecasts of government on growth of GDP not always corresponding with the forecasts of the financial institutions, which sometimes forecast the change of GDP by the negative value, limit the will to investment.

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As the opportunity the Board recognized the forecasts of IT sector for enterprises, despite of large decrease in comparison to forecasts from previous years. These estimations may be optimistic, but the suppliers of IT solutions supporting the management should expect the interest of clients in the products facilitating the control of finances, their liquidity, planning, budgeting and steering the processes etc.

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 includes 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 4Q 2009

30. Individual financial statement

PROFIT AND LOSS ACCOUNT

for the reporting period from 1st October 2009 to 31st December 2009 and from 1st January 2009 to 31st December 2009 and the comparative periods from 2008.

| | 4Q (current year, from 01.10.2009) to 31.12.2009 | 4Q (current year, from 01.01.2009 to 31.12.2009 | 4Q (previous year, from 01.10.2008 to 31.12.2008 | 4Q (previous year, from 01.01.2008 to 31.12.2008 |
|--|---|--|---|---|
| | 000 PLN | 000 PLN | 000 PLN | 000 PLN |
| Continued activity | | | | |
| Revenues from sales | 5035 | 17549 | 5711 | 16353 |
| Own cost of sale | -2478 | -9753 | -2768 | -9357 |
| Gross profit (loss) from sales | 2557 | 7796 | 2943 | 6996 |
| Selling costs | -702 | -3002 | -807 | -2533 |
| General administrative costs | -1095 | -3738 | -1206 | -3639 |
| Other operating revenues | 51 | 158 | 58 | 131 |
| Other operating costs | -29 | -93 | -71 | -162 |
| (Profit (loss) on operating activities) | 782 | 1121 | 917 | 793 |
| Other financial revenues | 277 | 317 | 2 | 5 |
| Financial costs | -70 | -264 | -92 | -299 |
| Profit (loss) before tax | 989 | 1174 | 827 | 499 |
| Income tax | -238 | -289 | -158 | -158 |
| Deferred income tax | 48 | 48 | -8 | 83 |
| Net profit (loss) from continued activity | 799 | 933 | 661 | 424 |
| Discontinued activity | - | - | - | - |
| Profit (loss) from discontinued activity | - | - | - | - |
| Net profit (loss) | 799 | 933 | 661 | 424 |
| Profit(loss) per one share | | | | |
| ordinary | 0,40 | 0,47 | 0,33 | 0,21 |
| diluted | 0,40 | 0,47 | 0,33 | 0,21 |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

BALANCE SHEET

As for 31st December 2009, 31st December 2008

| | As for 31.12.2009 | As for 31.12.2008 |
|---|----------------------|----------------------|
| | 000 PLN | 000 PLN |
| Fixed assets | | |
| Intangible assets | 35 | 695 |
| Tangible fixed assets | 1188 | 1224 |
| Long-term receivables | 3 | 3 |
| Investments in subsidiaries | 2685 | 2685 |
| Investments in related entities | 63 | 63 |
| Long-term prepayments and accrued income | 212 | 147 |
| | 4186 | 4817 |
| Current assets | | |
| Stocks | 17 | 17 |
| Trade receivables and other receivables | 4225 | 2929 |
| Pecuniary assets and equivalents | 2314 | 1876 |
| Short-term financial assets | 205 | 11 |
| Short-term prepayments and accrued income | 4386 | 4288 |
| | 11147 | 9121 |
| Total assets | 15333 | 13938 |
| | 31.12.2009 | 31.12.2008 |
| | 000 PLN | 000 PLN |
| Equity | | |
| Share capital | 2004 | 2004 |
| Reserve capital | 5053 | 4629 |
| Net profit from fiscal period | 933 | 424 |
| Total equity | 7990 | 7057 |
| Long-term liabilities | | |
| Other provisions | 104 | 614 |
| Provision for retirement and similar benefits | 825 | 9 |
| Provision due to the deferred income tax | 2 | 7 |
| Long-term loans and credits | 2237 | 2454 |
| Liabilities due to financial lease | 177 | 72 |
| | 3345 | 3156 |
| Short-term liabilities | | |
| Trade liabilities and other liabilities | 1449 | 1420 |
| Liabilities due to financial lease | 142 | 90 |
| Short-term loans and credits | 201 | 166 |
| Loans from subsidiaries | 94 | 94 |
| Prepayments and accrued income | 2112 | 1955 |
| | 3998 | 3725 |
| Total liabilities | 7343 | 6881 |
| Total liabilities | 15333 | 13938 |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

CHANGES IN EQUITY

for the reporting period from 1st January 2009 to 31st December 2009 and comparative period from 1st January 2008 to 31st December 2008.

| | 31.12.2009 000 PLN | 31.12.2008 000 PLN |
|---|-----------------------|-----------------------|
| Share capital | | |
| Opening balance | 2004 | 2004 |
| Closing balance | <u>2004</u> | <u>2004</u> |
| Reserve capital | | |
| Opening balance | 4629 | 3433 |
| Increases due to the profit disposal | 424 | 1196 |
| Closing balance | <u>5053</u> | <u>4629</u> |
| Undivided result from previous years | | |
| Opening balance | - | 740 |
| Result disposal for the previous year | - | 740 |
| Closing balance | <u>-</u> | <u>-</u> |
| Net profit | | |
| Opening balance | 424 | 456 |
| Result disposal for the previous years | -424 | 456 |
| Financial result in fiscal period | 933 | 424 |
| Closing balance | <u>933</u> | <u>424</u> |
| Total equity | | |
| Opening balance | 7057 | 6633 |
| Closing balance | <u>7990</u> | <u>7057</u> |

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CASH-FLOW STATEMENT

for the reporting period from 1st January 2009 to 31st December 2009 and comparative period from 1st January 2008 to 31st December 2008.

| | 31.12.2009 PLN'000 | 31.12.2008 PLN'000 |
|---|-----------------------|-----------------------|
| Net profit (loss) | 933 | 424 |
| Amortization | 1128 | 2736 |
| Paid interests | 222 | 283 |
| Profit (loss) from investment activity | 5 | 20 |
| Stocks change | 301 | 395 |
| Reserve change | - | 1 |
| Receivables change | -1295 | -179 |
| Short-term liabilities change | 29 | 214 |
| Change in prepayments and accrued income | 74 | 1404 |
| Net cash-flow from operating activities | 1397 | 5298 |
| Net cash-flows from investment activity | | |
| Inflows from fixed assets | 8 | 29 |
| Investments inflows | 21 | - |
| Expenses to purchase the fixed assets | -240 | -2534 |
| Other investments outflows | -215 | - |
| Net cash-flow from the investment activity | -426 | -2505 |
| Cash-flow from financial activities | | |
| Received loans and credits | 92 | 103 |
| Payment of credits and loans | -273 | -634 |
| Liabilities due to financial lease | -130 | -180 |
| Interests | -221 | -283 |
| Other financial outflows | - | -13 |
| Net cash-flow from financial activities | -532 | -1007 |
| Net increase/ (decrease) of pecuniary assets and their equivalents | 439 | 1786 |
| Opening balance of the pecuniary assets and their equivalents | 1875 | 90 |
| Closing balance of the pecuniary assets and their equivalents | 2314 | 1876 |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

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 31.12.2009- 4.1082
- As for 31.12.2008- 4.1724

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 31.12.2009- 4.3406
- As for 31.12.2008- 3.5321

| | 31.12.2009 000' PLN | 31.12.2009 000' EUR | 31.12.2008 000' PLN | 31.12.2008 000' EUR |
|---|------------------------|------------------------|------------------------|------------------------|
| Profit and loss statement | | | | |
| Net income from sale of products, goods and materials | 17549 | 40343 | 16353 | 4630 |
| Profit (loss) from sales | 7796 | 1796 | 6996 | 1981 |
| Profit (loss) from operating activities | 1121 | 258 | 793 | 225 |
| Gross profits (loss) | 1175 | 271 | 499 | 141 |
| Net profit (loss) | 933 | 215 | 424 | 120 |
| Balance sheet | | | | |
| Fixed assets | 4186 | 1019 | 4817 | 1154 |
| Current assets | 11147 | 2713 | 9121 | 2186 |
| Total assets | <u>15333</u> | <u>3732</u> | <u>13938</u> | <u>3340</u> |
| Liabilities | | | | |
| Equity | 7990 | 1945 | 7057 | 1691 |
| Liabilities and provisions for liabilities | 7343 | 1787 | 6881 | 1649 |
| Total liabilities | <u>15333</u> | <u>3732</u> | <u>13938</u> | <u>3341</u> |
| Cash-flow statement | | | | |
| Net cash-flow from operating activities | 1397 | 322 | 5292 | 1498 |
| Net cash-flow from the investment activity | -426 | -98 | -2505 | -709 |
| Net cash-flow from financial activities | -532 | -123 | -1001 | -283 |
| Closing balance of cash | <u>2314</u> | <u>533</u> | <u>1876</u> | <u>531</u> |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

Costs by category

| | 4Q (current year, from 01.10.2009 to 31.12.2009 | 4Q (current year, from 01.01.2009 to 31.12.2009 | 4Q (previous year, from 01.10.2008 to 31.12.2008 | 4Q (previous year, from 01.01.2008 to 31.12.2008 |
|---------------------------------------|--|--|---|---|
| | 000 PLN | 000 PLN | 000 PLN | 000 PLN |
| Amortization | 288 | 1128 | 290 | 2736 |
| Materials and energy consumption | 153 | 562 | 147 | 509 |
| Foreign services | 932 | 4184 | 915 | 2976 |
| Taxes and fees | 23 | 114 | 33 | 142 |
| Remunerations/payrolls | 2387 | 7985 | 1999 | 5867 |
| Social insurances and other benefits | 267 | 1340 | 320 | 1071 |
| Other costs | 158 | 271 | 109 | 219 |
| Released provisions | -292 | -292 | - | - |
| Value of goods and materials sold | 359 | 1201 | 968 | 2009 |
| Total operating activity costs | 4275 | 16493 | 4781 | 15529 |
| including | | | | |
| Own cost of sale | 2478 | 9753 | 2768 | 9357 |
| Selling costs | 702 | 3002 | 807 | 2533 |
| General administrative costs | 1095 | 3738 | 1206 | 3639 |

Credits and loans

| | 31.12.2009 000' PLN | 31.12.2008 000' PLN |
|--------------------------------|------------------------|------------------------|
| short-term | | |
| Other credits | 201 | 166 |
| Short-term loans | 94 | 94 |
| Total credits and loans | 295 | 260 |

long-term

| | | |
|--------------------------------|-------------|-------------|
| Long-term loans | 1950 | 2045 |
| Other credits | 287 | 409 |
| Total credits and loans | 2237 | 2454 |

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 4Q 2009

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 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. As for 31st December 2009 the Company has not used the credit.

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. As for 31st December 2009 the Company has not used the credit.

SIMPLE S.A. presents the credits granted by Volkswagen Leasing Polska S.A., which were indented to purchase the fixed assets. As for 30st December 2009 the amount of credit within the term of payment to twelve months is 201 k PLN.

As for 31st December 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 31st December 2009 SIMPLE S.A. presents the long-term loan from SIMPLE LOCUM Sp. z o.o. in the amount 1950 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 31st December 2009 the amount of credit within the term of payment over twelve months is 287 k PLN.