

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

CONSOLIDATED STATEMENT ON COMPREHENSIVE INCOME

for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.

	Q1 (current year, period from 01.01.2011 to 31.03.2011	I. Q1 (previous year, period from 01.01.2010 to 31.03.2010
	000' PLN	000' PLN
Revenues from sale	6097	5485
Cost of sales	-3471	-3356
Gross profit (loss)	2626	2129
Distribution costs	-1548	-639
General administrative expenses	-959	-880
Gross profit (loss) from sales	119	610
Other operating revenues	134	27
Other operating costs	-27	-9
Operating profit (loss)	226	628
Other financial income	6	26
Financial costs	-75	-114
Profit (loss) before tax	157	540
Income tax	0	-127
Deferred income tax	-76	12
Net profit (loss)	81	425
Other comprehensive income	0	0
Sum of other comprehensive income	0	0
Total other comprehensive income	81	425
Earnings per share		
basic	0,04	0,21
diluted	0,04	0,21

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

CONSOLIDATED STATEMENT ON FINANCIAL CONDITION As of 31st March 2011, 31st December 2010, 31st March 2010

	31.03.2011 000' PLN	31.12.2010 000' PLN	31.03.2010 000' PLN
Non-current assets			
Intangible assets	3746	3946	33
Property, plant and equipment	4003	4052	3864
Goodwill	19	19	19
Long- term receivables	54	54	56
Investments in related entities	63	63	63
Long-term accrued and deferred assets	130	197	219
	<u>8015</u>	<u>8331</u>	<u>4254</u>
Current assets			
Inventories	28	52	53
Trade receivables and other receivables	6743	7653	4346
Cash and cash equivalents	1450	2108	3519
Short-term accrued and deferred assets	830	521	4358
	<u>9051</u>	<u>10334</u>	<u>12276</u>
Total assets	<u>17066</u>	<u>18665</u>	<u>16530</u>
Equity			
Share capital	2004	2004	2004
Share premium	0	0	0
Own shares	-21	-21	0
Retained profits, including:	7339	7258	6485
-Cumulated profits/losses from previous year	7258	5358	6060
-Net profit/loss	81	1900	425
Total equity	<u>9322</u>	<u>9241</u>	<u>8489</u>
Long-term liabilities and provisions			
Provision due to the deferred income tax	12	4	2
Provision for retirement and similar benefits	241	241	663
Other provisions	4	649	245
Long-term loans and credits	2231	2285	2462
Financial lease liabilities	742	681	353
	<u>3230</u>	<u>3860</u>	<u>3725</u>
Short-term liabilities			
Short-term loans and credits	160	158	196
Financial lease liabilities	308	279	189
Trade and other payables	2115	3092	1861
Revenues of future periods	1931	2035	2070
	<u>4514</u>	<u>5564</u>	<u>4316</u>
TOTAL LIABILITIES	<u>7744</u>	<u>9424</u>	<u>8041</u>
Total liabilities	<u>17066</u>	<u>18665</u>	<u>16530</u>

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY**

for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.

	Share capital	Own shares	Share premium	Profit distribution , dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
1st January 2011	2004	-21	0	0	7258	9241
Total other comprehensive income	0	0	0	0	81	81
Acquired treasury stocks	0	-21	0	0	0	0
Dividend	0	0	0	0	0	0
31st March 2011	2004	-21	0	0	7339	9322
1st January 2010	2004	0	0	0	6060	8064
Total other comprehensive income	0	0	0	0	425	425
31st March 2010	2004	0	0	0	6485	8489

CONSOLIDATED STATEMENT ON CASH-FLOWS

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011**for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.**

	31.03.2011 PLN'000	31.03.2010 PLN'000
Net profit (loss)	81	425
Amortization and depreciation	362	121
Interests paid	54	106
Gain (loss) on investment activity	7	0
Movements in provisions	-636	-44
Movement in inventories	24	-36
Movement in receivables	1072	-135
Movement in short-term liabilities	-924	415
Movements in accrued and deferred assets and liabilities	-105	-24
Net cash-flows from operating activities	-65	828
Net cash-flows from investment activity		
Proceeds on sale of non-current assets	54	0
Investments proceeds	8	0
Payments to acquire non-current assets	-244	-5
Investments payments	0	0
Net cash from investment activity	-182	-5
Cash-flows from financial activity		
Received loans and credits	0	0
Payments for credits and loans	-53	-61
Payments for financial lease liabilities	-81	-46
Interests	-54	-106
Net cash-flows from financial activity	-188	-213
Net increase/ (decrease) in cash and cash equivalents	-435	610
Cash and cash equivalents, beginning of period	1885	2704
Cash and cash equivalents, end of period	1450	3314

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

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 company 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 company'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 account.

The fiscal year of the Group is the calendar year. This consolidated financial statement includes the period from 1st January 2011 to 31st March 2011. The comparable data were presented for the period from 1st January 2010 to 31st March 2010. It is the consolidated financial statement for the Q1 2011 presented in thousands of Polish zlotys.

2. Approval of the Financial Statement

This financial statement was accepted and approved to be published by the Management Board on 29th April 2011.

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 with subsequent amendments).

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

- Subsidiaries

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

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 statement of financial position at the post-revaluation amount equal to the amount generated from the measurement to the fair value, made basing on the market principles as for the end of period, less within periods between the measurement by depreciation charges. The measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as of the end of period, not less than once per fiscal year.

Other **P,P&E** including machinery, equipment, means of transport and other non-current assets are measured at the purchase prices or manufacturing costs, less the made accumulative amortization or depreciation write-offs and the impairment losses.

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

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

The non-current 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 non-current assets are classified as held-for-sale if their carrying amount will be recovered rather as a result of transaction than their further use. This condition is deemed as to be met only when the sale transaction is very likely and the assets are available to be sold in its current condition. 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 non-current assets are determined as the difference between the revenues from sale and net value of these non-current assets and are recognized in profit and loss.

Intangible assets

The intangible assets are measured at the purchase price or post-revaluation amount after revaluation of the intangible assets, less the depreciation or amortization charges and also impairment losses. The intangible assets are amortized by the straight-line method for the economic life period.

The research and development works manufactured at its own in a form of the computer programs/software within the period of incurring expenses, unless the criteria of the intangible assets specified in IAS 38 are met, are recognized as the accrued and deferred income and after completion as the intangible assets which are tested at least as of the end of period. 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 statement of financial position at the post-revaluation amount equal to the amount generated 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 measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as of the end of period, not less than once per fiscal year.

Investments

The Group includes its investments to the following categories:

- interests in the subsidiaries;
- financial assets available-for-sale;
- other financial assets.

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

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. The impairment allowances due to the interests in the subsidiaries are presented in the profit and loss statement as the revaluation of the financial assets.

Recoverable amounts of non-current assets

The PP&E, intangible assets and financial assets are verified regarding the impairment in case of events and changes which may cause this impairment. The recoverable amounts are charged into the other operating costs within the period when this impairment occurred.

Inventories

The inventories include the goods, which are measured as of the end of period at the purchase price keeping the prudence principle after reduction by the recoverable amount. The allowances are made basing on the inventories turnover rate.

Trade receivables and other receivables

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

Cash and cash equivalents

The cash in the statement includes 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 of the end of period at the reliable justified estimated value. Provisions for employee benefits include the retirement severance pays and leaves. As for the end of period the Group establishes the provisions for the current value of the retirement severance pays attributable to the employees as for 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 establishes the provisions in case when as a result of economic events there are some future obligations or of highly probability to be, which amount may be reliable estimated.

Liabilities

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

Accrued and deferred liabilities

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 accrued assets – they are costs for the reporting period and expenses to the R&D works. The Group maintains deferred expenses- they are the amount of obligations for the relevant period resulting from the allowances made in favor of the entity.

The accrued and deferred assets and liabilities include in particular the equivalents of invoiced allowances, which will 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 or decrease of the liabilities in a manner other 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 income is the income related to the operating activity of the entity. They include:

- Gain on non-current 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 income

The income due to the interests charged to contractors, recognized at the date when the contractors pays.

The income from the interests to cash on bank accounts recognized at the date when the bank accepts the account.

Business activity expenses

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

Other operating costs

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

- loss on non-current 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 in the period 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 establishes the provisions and assets due to deferred income tax because of 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.

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

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 earnings per share for the each period are calculated by dividing the earnings for the relevant period by the number of shares in the relevant reporting period. The Group does not present diluted earnings (loss) per 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 Bank of Poland.

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 of the end of period the receivables and liabilities are recognized pursuant to the average exchange rate published for the relevant currency by the National Bank of Poland.

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

Lease

The P,P&E used in the financial lease agreements which transfer to the Group all benefits and risk related to possessing are recognized in the statement on financial position 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 company of the Group. Except for SIMPLE S.A. the consolidation includes subsidiaries.

The data of the subsidiaries as for 31st March 2011 are as follows:

Entity's name	Seat office	Method of consolidation	Date of taking up control	Amount of shares acc. to purchase price	% of shareholding capital and votes at GMS
SIMPLE LOCUM	Warsaw	Full	2006	2669	100%
SIMPLE CPS	Warsaw	Full	2006	30	100%

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SIMPLE S.A. holds 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 Owners. 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 Owners. 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 translated into Euro:

The selected financial data contained in this report were translated into EURO pursuant to the following principles. The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published as of the last balance day by the National Bank of Poland:

- As of 31.03.2011- 4.0119

- As of 31.12.2010- 3.9603

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

- As of 31.03.2011- 3.9742

- As of 31.03.2010- 3.9669

	31.03.2011	31.03.2011	31.03.2010	31.03.2010
	000' PLN	000' EUR	000' PLN	000' EUR
Statement on comprehensive income				
Net revenues from sale of products, goods and materials	6097	1534	5485	1383
Gross profit (loss) from sales	2626	661	2129	537
Operating profit (loss)	226	57	628	158
Gross profit (loss)	157	40	540	136
Net profit (loss)	81	20	425	107
	31.03.2011	31.03.2011	31.12.2010	31.12.2010
	000' PLN	000' EUR	000' PLN	000' EUR
Statement of financial condition				
Balance sheet				
Non-current assets	8015	1998	8331	2104
Current assets	9051	2256	10334	2610
Total assets	<u>17066</u>	<u>4254</u>	<u>18665</u>	<u>4714</u>

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Liabilities

Equity	9322	2324	9241	2334
Liabilities and provisions for liabilities	7744	1930	9424	2380
Total liabilities	<u>17066</u>	<u>4254</u>	<u>18665</u>	<u>4714</u>

	31.03.2011	31.03.2011	31.03.2010	31.03.2010
	000' PLN	000' EUR	000' PLN	000' EUR
Statement on cash-flows				
Net cash-flows from operating activities	-65	-16	828	209
Net cash from investment activity	-182	-46	-5	-1
Net cash-flows from financial activity	-188	-47	-213	-54
Cash, end of period	<u>1450</u>	<u>365</u>	<u>3314</u>	<u>835</u>

6. Geographical structure

The Capital Group conducts its business activity in the field of software and sale of hardware and also provides the related services. 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:

	31.03.2011	31.03.2010
	000' PLN	000' PLN
Revenues from sale		
- domestic	<u>6097</u>	<u>5485</u>
	6097	5485
Distribution costs		
- domestic	<u>-3471</u>	<u>-3356</u>
	-3471	-3356
Profit from sale		
- domestic	<u>2626</u>	<u>2129</u>
	2626	2129

7. Revenues from sale

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:

	31.03.2011	31.03.2010
	000' PLN	000' PLN
Revenues from sale of goods	946	1493
Revenues from sale of services and products	<u>5151</u>	<u>3992</u>
	<u>6097</u>	<u>5485</u>

8. Costs by category

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	31.03.2011 000' PLN	31.03.2010 000' PLN
Amortization of non-current assets and intangible assets	362	121
Materials and energy consumption	222	164
Outsourced services	1800	949
Taxes and fees	35	35
Remunerations/payrolls	2209	2015
Social insurances and other benefits	421	377
Other costs	105	82
Value of goods and materials sold	824	1132
Total	5978	4875
Including:		
Cost of sales	3471	3356
Distribution costs	1548	639
General administrative expenses	959	880

9. Profit/loss per one share

The basic earnings per share is calculated as the quotient of the earning attributable to the owners of the Group and the average weighted number of ordinary shares during the year.

	31.03.2011 000' PLN	31.03.2010 000' PLN
Profit (loss) per shareholders of the Company	81	425
Average weighted number of ordinary shares (in k pcs)	2004	2004
Basic earnings (loss) per share (in PLN per one share)	0,04	0,21

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

10. Non-current assets held for sale

As for 31st March 2011 the Group does not have any non-current assets held for sale.

11. Deferred tax

As of 31st March 201, the Group has established provisions for the deferred tax in the amount of 12 k because of the temporary differences between the book and tax value of assets.

12. Information on movements in provisions

	31.03.2011 000' PLN	31.03.2010 000' PLN
Provision for leaves	204	654

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Other provisions	4	245
due to the deferred income tax	12	2
Provision for retirement	37	9
Inventories revaluation allowance	0	0
Receivables revaluation allowance	218	218
Total	475	1128

13. Contingent liabilities

As of 31st March 2011 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

	31.12.2011	31.03.2010
	000' PLN	000' PLN
Short-term		
Other credits	160	196
Total credits and loans	160	196

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 was 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 extension 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 extension 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. -//RB/ of 4th August on extension of the agreement for the next year from 4th August to 3rd August .

On 29th July 2010 the Annex No. 4 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 2011. 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 of the end of the period, the Company did not use the credit line.

On 11th October 2010 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/038/10/Z/VK for the amount 400 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 12th October 2010 to 6th October 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

On 30th December 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount 300 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from 30th December 2010 to 29th December 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

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The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As of the end of period the amount of credit within the term of payment to twelve months is 160 k PLN.

	31.12.2011	31.03.2010
	000' PLN	000' PLN
Long-term		
Long-term bank credits	2168	2219
Other credits	63	243
Total credits and loans	<u>2231</u>	<u>2462</u>

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,
- Collateral 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),
- 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. 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).

As of the end of period the amount of unpaid credit is 2168 k PLN.

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As of the end of the period, the amount of credit within the term of payment over twelve months is 63 k PLN.

15. Operating lease and rent agreements

Under the rent agreement, the Company SIMPLE S.A. uses the copy 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.

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

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.

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.

Comment of the Management Board to the financial results of SIMPLE Group for the Q1 2010

In the first quarter of 2011, SIMPLE S.A. as the parent entity of the Group, continued the basic business activity in the field of production, sale, implementation, service of the systems supporting the management and the suppliers of the hardware, system software and services in this field.

The business activity of the Company was managed by the Management Board composed of: Bogusław Mitura- President of the Management Board, Przemysław Gnitecki- Vice President of the Management Board, Michał Siedlecki- Vice President of the Management Board.

In Q1 2011, the Group SIMPLE S.A. achieved the revenues from sales amounted to 6,097 k PLN. The revenues were higher by 11.2% than in the comparable period of the previous year.

The profit from the operating activity for the Group in Q1 amounted to 226 k PLN and the gross profit amounted to 157 k PLN. In both cases the decrease in comparison to the Q1 2010 appeared.

The sale in Q1 2011 shows the maintenance of the positive trends in the positive areas of the Groups business activity. The own software sale amount increased by 68%. The sale of the services related to the own software increased by 19%. The sale of the hardware decrease by circa 80% in comparison to Q1 2010, that follows the one-off big sale of the hardware in Q1 2010.

In Q1 2010 the sale costs increased and they amounted to 1548 k PLN in comparison to 639 k PLN in Q1 2010. This increase was a result of the purchase of the software and services of the entities (consortium members) with which the Company jointly performs the big contracts.

The increase of the costs appeared also in the amortization and depreciation category. It is caused by the amortization of the performed project SIMPLE.SCM. This project is amortized since 2010 in the amount 66 k PLN per month.

The achieved results in Q1 2011 are similar to the Management Board expectations. The Management Board included in its estimations also the repeating trend of the sale dynamic in the first quarter, in particular in January. It also occurred in this year.

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

The increase of the sale resulted mainly from the organic development of SIMPLE S.A., including but not limited to, by restructuring the sale process and sale through the central, branch offices and partners.

The increase of the revenues from services will be kept for the longer period because SIMPLE S.A. performs the bigger (of several millions) projects lasting several months. Moreover, the big sale dynamic of the own software in the first quarter causes the increase of the revenues from the services in the next periods.

Under the Capital Group SIMPLE, the subsidiaries recorded the insignificant losses in the first quarter 2011. SIMPLE LOCUM Sp. z o.o. recorded the loss in the amount 13.5 k PLN and SIMPLE CPS Sp. z o.o. the loss in the amount 2.4 k PLN.

The Management Board decided to analyze this situation and considers the incorporation of the subsidiaries into the SIMPLE S.A.

The most important goals of the Management for the second quarter of 2011 will be the following issues:

- Further dynamic increase of sale and result of the Company,
- Acquisition of the control block (51% of shares) from Highcom owners under the investment agreement,
- Increase of the sale related to the investment activities (Cron, Highcom),
- Preparation to the issuance of the Company's shares to be acquired,
- Performance of the technological changes and SIMPLE.ERP system development,
- Further improvement of the budgeting system and cost optimization.

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

Comparing the result for the period from 01.01.2011 to 31.03.2011 with the result for the period from 1.01.2010 to 31.03.2010, the result of sale for the first quarter 2011 was 2 626 k PLN and was higher than the result for the first quarter of 2010 by 497 k PLN. The reason was the increase of the revenues from sales by 612 k PLN and at the same the increase of the own sale costs by 115 k PLN. The result of the Group for the period from 01.01.2011 to 31.03.2011 indicates the profit in the amount 81 k PLN in comparison to the profit 425 k PLN for the comparable period in 2010. Comparing the result in Q1 2011, it was worse by 344 k PLN in comparison to 2010. The reason was the significant increase of the cost of sale by 909 k PLN in comparison to the first quarter of 2010.

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

In Q1 2011, any issuance, buy-out or payment of the debt securities and capital securities did not happen.

In 2001 the Company SIMPLE S.A. purchased the treasury stocks. The buy-out was made within 10th June 2010 to 30th June 2010. The purchased stocks in this period were as follows:

Treasury stocks of the Company - 2755 pieces

Nominal value of share - 1 PLN.

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Average purchase price was 7.69 PLN.

Total nominal value of purchased stocks – 2 755 PLN

Total purchase price – 21,197.22

The purchased stocks constitute 0.14 % of the share capital of the Company and carry 2755 votes at the General Meeting that constitutes 0.10 % of total number of votes at the General Meeting.

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 Q1 2011 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 any 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 Owners, structure and changes of shareholding

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

The biggest Owners, structure and changes of shareholding

Item	Name	Number of shares	Interest in the share capital (%)	Number of votes	Interests of votes at the General Meeting (%)
1	Bogusław Mitura	316 693	15,80	696 693	25,24
5	Cron Sp. z o.o.	558 088	27,85	597 288	21,64

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

Item	Name	Number of shares as of 21.03.2011	Number of shares as of 29.04.2011
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

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

Item	Name	Number of	Number of
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EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

		shares as of 21.03.2011	shares as of 29.04.2011
1	Bogusław Mitura	316 693	316 693
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 company 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 acquisition of 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 acquired 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 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, 20th 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. Cieplaka 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 26th January 2010 the Supervisory Board appointed Mr. Michał Siedlecki to hold a position of Vice President of the Management Board.

On 20th July 2010 the Supervisory Board appointed Mr. Bogusław Mitura to hold a position of 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:

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 Adamczyk	Member of the Supervisory Board
Jacek Kuroś	Member of the Supervisory Board
Management Board	
Bogusław Mitura	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

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

Management Board	
Regina Kuliś	President of the Management Board

On 17th June 2010 the General Meeting after Mr. Dariusz Kacperczyk resigned from the position of the President of the Management Board appointed Mrs. Regina Kuliś to this position.

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

Management Board	
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EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Regina Kuliś

President of the Management Board

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

As of 31st March 2011 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

In the period from 1st January 2011 to 31st March 2011 SIMPLE S.A. has concluded with the Group's entities the following standard trade transactions. Sale of goods, services to the related entities is carried out under the basic price list. The purchases of goods were carried out basing on market prices less rebates due to volume. Within the reporting period SIMPLE S.A. as the Parent Entity did not enter into any other transactions which would differ from the typical transactions concluded between the Capital Group's entities under the market conditions. The transactions were carried out basing on market prices less rebates due to volume.

The turnover with the subsidiaries was as follows:

- sale 64 k PLN.
- Purchase 65 k PLN,

The turnover with the related entities was as follows:

- sale 694 k PLN.
- Purchase 87 k PLN,

28. Information on credit, loan or 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.

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 Q1 2011

30. Information on changes in contingent liabilities or contingent assets, which occurred from the end of the last fiscal year.

The Simple Group does not present the changes of the contingent liabilities and the assets in the current period from 1st January 2011 to 31st March 2011 and did not presented them at the end of 2010.

31. Separate financial statement

SEPARATE STATEMENT ON COMPREHENSIVE INCOME

for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.

	1Q (current year, period from 01.01.2011 to 31.03.2011	1Q (previous year, the period from 01.01.2010 to 31.03.2011
	000' PLN	000' PLN
Revenues from sale	6097	5485
Cost of sales	-3501	-3356
Gross profit (loss)	2596	2129
Distribution costs	-1528	-620
General administrative expenses	-946	-910
Gross profit (loss) from sales	122	599
Other operating revenues	134	27
Other operating costs	-27	-10
Operating profit (loss)	229	616
Other financial income	6	26
Financial costs	-70	-108
Profit (loss) before tax	165	534

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Income tax	0	-125
Deferred income tax	-76	12
Net profit (loss)	89	421
Other comprehensive income	0	0
Sum of other comprehensive income	0	0
Total other comprehensive income	89	421

Earnings per share

basic	0,04	0,21
diluted	0,04	0,21

SEPARATE STATEMENT ON FINANCIAL CONDITION**As of 31st March 2011, 31st December 2010, 31st March 2010**

	31.03.2011 000' PLN	31.12.2010 000' PLN	31.03.2010 000' PLN
Non-current assets			
Intangible assets	3745	3945	32
Property, plant and equipment	1542	1571	1335
Long- term receivables	2	2	6
Investments in subsidiaries	2685	2685	2685
Investments in related entities	63	63	63
Long-term accrued and deferred assets	130	197	219
	8167	8463	4340
Current assets			
Inventories	28	52	53
Trade receivables and other receivables	6763	7637	4342
Cash and cash equivalents	1069	1794	3096
Short-term accrued and deferred assets	806	518	4338
	8666	10001	11829
Total assets	16833	18464	16169
Equity			
Share capital	2004	2004	2004
Share premium	0	0	0
Own shares	-21	-21	0
Retained profits, including:	7398	7309	6373
-Cumulated profits/losses from previous year	7309	5251	5952
-Net profit/loss	89	2058	421

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Total equity	9381	9292	8377
Long-term liabilities and provisions			
Provision due to the deferred income tax	12	4	2
Provision for retirement and similar benefits	241	241	663
Other provisions	4	649	245
Long-term loans and credits	1896	1960	2170
Financial lease liabilities	742	681	340
	2895	3535	3420
Short-term liabilities			
Loans from subsidiaries and affiliates	94	94	94
Short-term bank credits	160	158	196
Financial lease liabilities	295	263	176
Trade and other payables	2077	3087	1836
Revenues of future periods	1931	2035	2070
	4557	5637	4372
TOTAL LIABILITIES	7452	9172	7792
Total liabilities	16833	18464	16169

SEPARATE STATEMENT ON CHANGES IN EQUITY

for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.

	Share capital	Own shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
1st January 2011	2004	-21	0	0	7309	9292
Total other comprehensive income	0	0	0	0	89	89
Acquired treasury stocks	0	-21	0	0	0	0
Dividend	0	0	0	0	0	0
31st March 2011	2004	-21	0	0	7398	9381

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

1st January 2010	<u>2004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5952</u>	<u>7956</u>
Total other comprehensive income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>421</u>	<u>421</u>
31st March 2010	<u>2004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6373</u>	<u>8377</u>

SEPARATE STATEMENT ON CASH-FLOW

for the reporting period from 1st January 2011 to 31st March 2011 and comparative period from 1st January 2010 to 31st March 2010.

	31.03.2011 PLN'000	31.03.2010 PLN'000
Net profit (loss)	89	421
Amortization and depreciation	342	102
Interests paid	49	100
Gain (loss) on investment activity	7	0
Movements in provisions	-637	-44
Movement in inventories	24	-36
Movement in receivables	1090	-135
Movement in short-term liabilities	-1010	396
Movements in accrued and deferred assets and liabilities	-84	-7
Net cash-flows from operating activities	-130	797
Net cash-flows from investment activity		
Proceeds on sale of non-current assets	54	0
Investments proceeds	8	0
Payments to acquire non-current assets	-244	-5
Investments payments	0	0
Net cash from investment activity	-182	-5
Cash-flows from financial activity		
Received loans and credits	0	0
Payments for credits and loans	-63	-72

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Payments for financial lease liabilities	-78	-43
Interests	-49	-100
Net cash-flows from financial activity	-190	-215
Net increase/ (decrease) in cash and cash equivalents	-502	577
Cash and cash equivalents, beginning of period	1571	2314
Cash and cash equivalents, end of period	1069	2891

Selected financial data translated into Euro:

The selected financial data contained in this report were translated into EURO pursuant to the following principles. The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published as of the last balance day by the National Bank of Poland:

- as of 31.03.2011- 4.0119
- As of 31.12.2010- 3.9603

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

- As of 31.03.2011- 3.9742
- as of 31.03.2010- 3.9669

	31.03.2011	31.03.2011	31.03.2010	31.03.2010
	000' PLN	000' EUR	000' PLN	000' EUR
Statement on comprehensive income				
Net revenues from sale of products, goods and materials	6097	1534	5485	1383
Gross profit (loss) from sales	2596	653	2129	537
Operating profit (loss)	229	58	616	155
Gross profit (loss)	165	42	534	135
Net profit (loss)	89	22	421	106
	31.03.2011	31.03.2011	31.12.2010	31.12.2010
	000' PLN	000' EUR	000' PLN	000' EUR

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Statement of financial condition

Balance sheet

Non-current assets	8167	2036	8463	2137
Current assets	8666	2160	10001	2525
Total assets	<u>16833</u>	<u>4196</u>	<u>18464</u>	<u>4662</u>

Liabilities

Equity	9381	2338	9292	2346
Liabilities and provisions for liabilities	7452	1858	9172	2316
Total liabilities	<u>16833</u>	<u>4196</u>	<u>18464</u>	<u>4662</u>

	31.03.2011	31.03.2011	31.03.2010	31.03.2010
	000' PLN	000' EUR	000' PLN	000' EUR

Statement on cash-flows

Net cash-flows from operating activities	-130	-33	797	201
Net cash from investment activity	-182	-46	-5	-1
Net cash-flows from financial activity	-190	-48	-215	-54
Cash, end of period	<u>1069</u>	<u>269</u>	<u>2891</u>	<u>729</u>

Costs by category

	31.03.2011	31.03.2010
	000' PLN	000' PLN
Amortization of non-current assets and intangible assets	342	102
Materials and energy consumption	220	164
Outsourced services	1854	1010
Taxes and fees	28	28
Remunerations/payrolls	2184	1994
Social insurances and other benefits	418	375
Other costs	105	81
Value of goods and materials sold	824	1132
Total	<u>5975</u>	<u>4886</u>
Including:		
Cost of sales	3501	3356
Distribution costs	1528	620
General administrative expenses	946	910

Credits and loans

	31.03.2011	31.03.2010
	000' PLN	000' PLN
Short-term		
Other credits	160	196
Short-term loans	94	94

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

Total credits and loans

254290

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 was 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 extension 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 extension 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. On 29th July 2010 the Annex No. 4 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 2011. 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 of the end of the period, the Company did not use the credit line.

On 11th October 2010 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/038/10/Z/VK for the amount 400 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 12th October 2010 to 6th October 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

On 30th December 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount 300 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from 30th December 2010 to 29th December 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As of the end of period the amount of credit within the term of payment to twelve months is 160 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 end of the period.

	31.03.2011	31.03.2010
	000' PLN	000' PLN
Long-term		
Long-term loans	1833	2021
Other credits	63	437
Total credits and loans	<u>1896</u>	<u>2458</u>

EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q1 2011

As for the balance day SIMPLE S.A. presents the short-term loan from SIMPLE LOCUM Sp. z o.o. in the amount 1833 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 months periods and margin 2.20% per year. As for the end of period, the interests from loan installment were calculated and paid as well as from the remained unpaid loan.

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As of the end of the period, the amount of credit within the term of payment over twelve months is 63 k PLN.