

# Polish Financial Supervisory Authority

## Quarterly report SA-Q

4	2010
Quarter	Year

(in accordance with par. 82 section 1 (1) of the Regulation of the Minister of Finance of 19th February 2009, Journal of Laws No 33, item 259)

(for issuers of securities whose business activity embraces manufacture, construction, trade and services)

For the Fourth quarter of the financial year 2010, that is for the period from 01.10.2010 to 31.12.2010

publishing date: 14.02.2011

TALEX SA (Full name of the issuer)		
TALEX (Abbreviated name of the issuer)		Informatyka (inf) (sector in accordance with classification of Warsaw Stock Exchange)
61-619 (postal code)	Poznań (city)	
Karpia (street)		27 d (number)
061 827 55 00 (phone no)	061 827 55 99 (fax)	
biuro@talex.pl (e-mail)	www.talex.com.pl (www)	
782-00-21-045 (taxpayer registration number)	004772751 (Company registration number)	

## SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA	PLN in thds		EUR in thds	
	4 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 31.12.2009	4 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 31.12.2009
I. Net revenues from sales of products, goods and materials	105,836	61,903	26,456	14,261
II. Profit (loss) from operation activities	2,529	-3,210	632	-739
III. Gross profit (loss)	2,529	-2,682	632	-618
IV. Net profit (loss)	2,244	-2,780	561	-640
V. Net cash flows from operating	2,955	-2,011	738	-463

TALEX S.A. declares that corporate documents and financial reports are published in English for information purposes only. TALEX S.A. is not liable for the accuracy of the translation of the original documents in Polish. The original versions of those documents are available at the management board office in Poznan, Karpia Street 27d

activities				
VI. Net cash flows from investment activities	-2,274	-1,097	-568	-253
VII. Net cash flows from financial activities	1,207	-3,815	302	-879
VIII. Total net cash flows	1,888	-6,923	472	-1,595
IX. Total assets	64,967	53,909	16,405	13,123
X. Liabilities and provisions for liabilities	21,084	12,207	5,324	2,987
XI. Long-term liabilities	982	759	248	185
XII. Short-term liabilities	17,338	10,985	4,378	2,674
XIII. Shareholder's equity	43,883	41,639	11,081	10,136
XIV. Share capital	3,000	3,000	758	730
XV. Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
XVI. Profit (loss) per one common share (PLN/EUR)	0.75	-0.93	0.19	-0.21
Diluted profit (loss) per one common share (PLN/EUR)				
XVII. Book value per share (PLN/EUR)	14.63	13.88	3.69	3.38
Diluted book value per share (PLN/EUR)				
XVIII. Declared or paid dividend per share (PLN/EUR)	0.50	0.00	0.13	0.00

## ABBREVIATED BALANCE REPORT

### BALANCE SHEET

BALANCE SHEET	PLN in thds			
	As of 31.12.2010 end of quarter / 2010	As of 30.09.2010 end of previous quarter / 2010	As of 31.12.2009 end of previous year / 2009	As of 30.09.2009 end of quarter / 2009
<b>ASSETS</b>				
I. Fixed assets	26,135	26,521	21,645	21,252
1. Intangible assets including:	541	343	80	49
- Goodwill				
2. Tangible fixed assets	25,032	25,768	21,180	20,969
3. Long-term receivables	217	216	120	158
3.1. From other entities	217	216	120	158
4. Long-term prepayments and accrued income	345	194	265	76
4.1. Deferred tax assets	191	66	107	67
4.2. Other prepayments	154	128	158	9
II. Current assets	38,832	23,977	32,264	25,093
1. Inventories	1,860	5,992	2,150	3,464
2. Short-term receivables	16,873	7,618	8,628	6,110
2.1. From other entities	16,873	7,618	8,628	6,110
3. Short-term investments	19,438	9,909	21,098	15,358
3.1. Short-term financial assets	19,438	9,909	21,098	15,358

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a) In other entities			3,548	2,910
b) Monetary assets and cash equivalents	19,438	9,909	17,550	12,448
4. Short-term prepayments and accrued income	661	458	388	161
Total assets	64,967	50,498	53,909	46,345
<b>LIABILITIES</b>				
I. Equity	43,883	40,035	41,639	41,225
1. Share capital	3,000	3,000	3,000	3,000
2. Reserve capital	38,639	38,638	41,419	41,419
3. Net Profit (loss)	2,244	-1,603	-2,780	-3,194
II. Liabilities and provisions for liabilities	21,084	10,463	12,270	5,120
1. Provisions for liabilities	824	355	395	274
1.1. Deferred income tax provision	1		17	13
1.2. Provision for retirement benefits and related obligations	310	301	293	261
a) Long-term	310	301	293	261
1.3. Other long-term provisions	513	54	85	
a) Short-term	513	54	85	
2. Long-term liabilities	982	1,186	759	577
2.1. To other entities	982	1,186	759	577
3. Short term liabilities	17,338	8,888	10,985	4,151
3.1 To other entities	17,338	8,888	10,985	4,151
4. Prepayments and accrued income	1,940	34	131	118
4.1. Other long-term prepayments and accrued income	1,940	34	131	118
a) Long-term	1,355			
b) Short-term	585	34	131	118
Total liabilities	64,967	50,498	53,909	46,345
Book value	43,883	40,035	41,639	41,225
Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
Book value per share (PLN)	14.63	13.34	13.88	13.74

Note! In case of reports for the first quarter of the financial year, only the first column (data for the end of the first quarter of the current financial year), the third column (data for the end of the previous financial year) and the fourth column (data for the end of the first quarter of the previous financial year) should be filled in.

## OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET ITEMS	PLN in thds			
	As of 30.12.2010 end of quarter / 2010	As of 30.09.2010 end of previous quarter / 2010	As of 31.12.2009 end of previous year / 2009	As of 30.09.2009 end of quarter / 2009
1. Contingent liabilities	5,459	3,994	3,049	2,842
1.1. To other entities (on account of)	5,459	3,994	3,049	2,842
- received guarantees and securities	5,459	3,994	3,049	2,842

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Off-balance items in total	5,459	3,994	3,049	2,842
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**Note!** In case of reports for the first quarter of the financial year, only the first column (data for the end of the first quarter of the current financial year), the third column (data for the end of the first quarter of the previous financial year) and the fourth column (data for the end of the first quarter of the previous financial year) should be filled in.

## PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT	PLN in thds			
	4 <sup>th</sup> quarter/ 2010, from 01.10.2010 until 31.12.2010	4quarters Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 <sup>th</sup> quarter/ 2009, from 01.10.2009 until 31.12.2009	4 quarters Cumulatively/ 2009, from 01.01.2009 until 31.12.2009
I. Net income from sales of products, goods and materials, including:	51,866	105,836	21,776	61,903
1. Net income from sales of products	14,718	37,121	9,554	27,883
2. Net income from sales of goods and materials	37,148	68,715	12,222	34,020
II. Costs of sold products, goods and materials, including:	44,333	91,194	18,557	53,176
1. Manufacturing cost of sold products	10,281	27,533	7,007	21,293
2. Value of sold goods and materials	34,052	63,661	11,550	31,883
III. Gross profit (loss) on sales	7,533	14,642	3,219	8,727
IV. Sales costs	1,354	4,689	1,105	4,622
V. General and administrative costs	1,917	7,631	1,784	6,951
VI. Profit (loss) on sales	4,262	2,322	330	-2,846
VII. Remaining operating revenues	350	936	100	278
1. Profit on disposal of non-financial fixed assets	17	284	10	27
2. Subsidies	252	304	33	59
3. Other operating revenues	81	348	57	192
VIII. Remaining operating expenses	596	729	150	642
1. Updating values of non-financial assets	6	15	1	100
2. Other operating expenses	590	714	149	542
IX. Profit (loss) on operation activity	4,016	2,529	280	-3,210
X. Financial revenues	94	386	103	1,096
1. Dividends and shares in profits				7
2. Interest, including:	94	308	83	556
3. Gain on disposal of investments		78		
4. Revaluation of investments			20	533
5. Other				
XI. Financial costs	1	386	5	568
1. Interest, including:				1
2. Loss on disposal of investments			-46	67
3. Revaluation on investments		85		
4. Other	1	301	51	500
XII. Profit (loss) on business activities	4,109	2,529	378	-2,682
XIII. Gross profit (loss)	4,109	2,529	378	-2,682

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XIV. Income tax	262	285	-36	98
a) Running value	386	386		1
b) Deferred value	-124	-101	-36	97
XV. Net profit (loss)	3,847	2,244	414	-2,780
Net profit (loss) (annual)		2,244		-2,780
Weighted average number of common shares		3,000,092		3,000,092
Profit (loss) per common share (PLN)		0.75		-0.93

## STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	PLN in thds			
	4 <sup>th</sup> quarter/ 2010, from 01.10.2010 until 31.12.2010	4 quarters Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 <sup>th</sup> quarter/ 2009, from 01.10.2009 until 31.12.2009	4 quarters Cumulatively/ 2009, from 01.01.2009 until 31.12.2009
I. Shareholders' equity at the beginning of the period (BO)	40,036	41,639	41,225	47,419
I.a. Restated equity at the beginning of the period (BO)	40,036	41,639	41,225	47,419
1. Share capital at the beginning of the period (BO)	3,000	3,000	3,000	3,000
1.1. Share capital at end of period	3,000	3,000	3,000	3,000
2. Reserve capital at the beginning of the period	38,639	41,419	41,419	40,389
2.1. Changes in reserve capital		-2,780		1,030
a) Increase (due to)				1,030
-division of the profit (above the minimum value required by law)				1,030
b) reduction (due to)		2,780		
-loss coverage		2,780		
2.2. Reserve capital at end of period	38,639	38,639	41,419	41,419
3. Profit (loss) from previous years at the beginning of the period		-2,780		4,030
3.1. Profit from previous years at the beginning of the period				4,030
3.2. Profit from previous years at the beginning of the period, restated				4,030
a) reduction (due to)				4,030
-deduction for reserve capital				1,030
-dividend				3,000
3.3 Loss from previous years at the beginning of the period		2,780		
a) reduction (due to)		2,780		
- reserve capital to cover loss		2,780		
4. Net result	3,847	2,244	414	-2,780
a) net profit	3,847	2,244	414	
b) net loss				2,780
II. Shareholders' equity at the end of the period (BZ )	43,883	43,883	41,639	41,639
III. Shareholders' equity at the end of	42,383	42,383	41,639	41,639

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the period after proposed profit distribution (loss coverage)				
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## CASH FLOW STATEMENT

CASH FLOW STATEMENT	PLN in thds			
	4 <sup>th</sup> quarter/ 2010, from 01.10.2010 until 31.12.2010	4 quarters Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 <sup>th</sup> quarter/ 2009, from 01.10.2009 until 31.12.2009	4 quarters Cumulatively/ 2009, from 01.01.2009 until 31.12.2009
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	3,847	2,244	414	-2,780
II. Total adjustments	4,138	711	5,921	769
1. Amortization	892	3,084	638	3,000
2. Interest and shares in profit (dividends)		-3	-2	-158
3. (Profit) loss on investment activity	-263	-511	-75	-447
4. Changes to reserves	469	429	121	104
5. Changes to inventories	4,132	290	1,313	1,247
6. Changes to receivables	-9,256	-8,343	-2,480	27,914
7. Changes to short-term liabilities, excluding borrowings and bank loans	8,456	6,154	6,808	-30,681
8. Changes in prepayments	-292	-389	-402	-210
III. Net cash flows from operating activities (I+/-II) - indirect method	7,985	2,955	6,335	-2,011
<b>B. Cash flows from investment activities</b>				
I. Inflows	17	3,986	142	1,108
1. Disposal of intangible assets and tangible fixed assets	17	291	10	27
2. From financial assets, including		3,695	90	1,039
a) in other entities		3,695	90	1,039
-disposal of financial assets		3,692	88	881
-dividends and shares in profits				7
- Interest		3	2	151
3. Other investment inflows			42	42
II. Outflows	354	6,260	1,128	2,205
1. Purchase of intangible assets and tangible fixed assets	354	6,088	459	1,241
2. For financial assets, including:		160	652	902
a) in other entities		160	652	902
- purchase of financial assets		160	652	902
3. Other investment expenses		12	17	62
III. Net cash flow from financial activities (I-II)	-337	-2,274	-986	-1,097
<b>C. Cash flows from financial activities</b>				
I. Inflows	2,091	2,101		
1. Other financial inflows	2,091	2,101		
II. Outflows	210	894	247	3,815
1. Dividends and other payments for owners				3,000

2. Płatności zobowiązań z tytułu umów leasingu finansowego	210	894	247	815
II. Net cash flow from financial activities (I-II)	1,881	1,207	-247	-3,815
D. Total net Cash flows (A.III+/-B.III+/-C.III)	9,529	1,888	5,102	-6,923
E. Balance sheet change in financial assets, including:	9,529	1,888	5,102	-6,923
F. Monetary assets at the beginning of the period	9,909	17,550	12,448	24,473
G. Monetary assets at the end of the period (F+/- D), including	19,438	19,438	17,550	17,550
- of limited disposability			80	80

## ADDITIONAL INFORMATION

File	Description
Informacja zgodnie z par. 87 ust. 3 i 4 Rozp. SA-Q 4.2010_tlx.pdf (included)	

## OTHER INFORMATION

File	Description
Informacje zgodnie z par.87 ust. 7 Rozp. SAQ 4 2010_tlx.pdf (included)	

## SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Name and last name	Position/Function	Signature
2011-02-14	Janusz Gocąlek	President of the Management Board	
2011-02-14	Jacek Klauziński	Vice President of the Management Board	
2011-02-14	Andrzej Rózga	Vice President of the Management Board	
2011-02-14	Rafał Szalek	Member of the Management Board	
2011-02-14	Radosław Wesółowski	Member of the Management Board	

**Information in accordance with par. 87 section 3 and 4 of the Regulation of  
the Minister of Finance of 19th February 2009  
(Journal of Laws, No 33, item 259)**

In the fourth quarter of 2010, the Company did not make any changes to the rules of assets and liabilities valuation, or to the financial result measurement.

**Additional information, presenting the principles applied during the preparation of the report, particularly the information on the changes to the accounting principles (policy) applied, and information on the significant changes of estimated values, including corrections on account of deferred income tax reserve and assets, which are described in the accounting act, and revaluation write-offs of the elements of assets:**

**Field of activity:**

TALEX S.A. was entered into the register of entrepreneurs kept by the District Court in Poznan - Nowe Miasto and Wilda in Poznan, VIII Economy Department of National Court Register under No 0000048779 (date of register in the NCR: 3rd October 2001).

TALEX S.A. does not consist of internal organizational units which draw up their own financial statements. As a consequence, the financial statement contains only unitary data.

Talex S.A. operates in the information technology sector. The Company's activity focuses on the computer market and includes designing, trade and production activities.

The Company offers comprehensive services in the field of enterprises and institutions informatization, in which equipment and software deliveries play a crucial part.

The primary activity of the Company, according to the Polish Classification of Activities, is "wholesale of computers, computer peripheral equipment and software"-46.51.Z

**Periods which the presented financial data concern:**

IV quarter 2010, from 01.10.2010 to 31.12.2010

Four quarters of 2010, from 01.01.2010 to 31.12.2010

IV quarter 2009, from 01.10.2009 to 31.12.2009

Four quarters of 2009, from 01.01.2009 to 31.12.2009

**Accounting principles.**

1. TALEX S.A. draws up the financial statement on the basis of provisions contained in the Accounting Act of 29th September 1994. Due to the fact, that the Company does not draw up consolidated financial statements, a separate financial statement according to MSR or US GAAP has not been drawn up. Reliable indication of differences in the value of the revealed data, particularly those concerning equity, net financial result and substantial differences regarding the adopted accounting principles, is not possible.
2. According to article 3 section 1 point 9 of the Accounting Act the calendar year is considered **the financial year**.
3. According to article 3 section 1 point 8 of the Accounting Act the calendar month is considered **the reporting period**. A balance of the general ledger accounts is drawn up at the end of every reporting period.
4. Record and allocation of operating expenses are kept according to kinds on accounts under group 4 and at the same time according to types of activities and functions on accounts under group 5, with further reference to the costs of products sold or the financial result.
5. Financial statements are drawn up using the profit and loss account by function of expenses.
6. Cash flow account, in the part concerning operating activity, is drawn up using indirect

- method, in the part concerning investment and financial activities using the direct method.
7. It is assumed that **substantial** for the assessment of the property and financial situation and the financial result is the event resulting in the change of total assets of more than 1%.
  8. Account books are kept using the computer technique based on the integrated financial and accounting program IRBIS created by TALEX SOFTWARE Ltd. - the company bought on 1.06.1998.

## Methods of assets and liabilities valuation

1. **Fixed assets and intangible assets** are covered by the analytical quantity and value register. They are valued according to acquisition prices or manufacturing cost decreased by depreciation and amortization write-offs in proportion to the period of their utilization, and also by the permanent impairment write-offs.  
Fixed assets and intangible assets with the initial value of PLN 3,500 and below PLN 3,500 are amortized once, in the month following the month in which they were put into use. Fixed assets and intangible assets with the initial value of more than PLN 3,500 are amortized using the straight-line method, starting from the month following the month in which they were put into use according to the following rules:
  - computer software - 2 years
  - cost of completed research and development - 3 years
  - goodwill - 5 years
  - other intangible assets - 5 years
  - computer equipment as subject to technical progress is amortized at the rate increased by the coefficient of 2.0
  - means of transport as exploited more intensively in relation to average conditions and requiring special technical efficiency are amortized at the rate increased by coefficient of 1.4
  - fixed assets exploited on the basis of a leasing agreement are amortized at the rate resulting from the duration of the agreement
  - other fixed assets according to tax rates .
2. **Fixed assets under construction** are valued according to real costs incurred for the construction, assembly, adjustment and improvement of future fixed assets, decreased by the permanent impairment write-offs.
3. **Long term investments** are valued according to acquisition prices decreased by the permanent impairment write-offs.
4. **Stocks** including materials, commercial goods, finished products and work in progress are valued according to the following rules:
  - a) **raw materials and goods** according to real purchase prices increased by duty in case of imports. Expenditure in the year is valued according to the following principles:
    - goods identified by serial numbers according to the purchase price of those goods;
    - materials and goods not identified by serial numbers according to the FIFO principle „first in, first out“.
  - b) **finished products** according to the real and direct manufacturing costs.  
Within the reporting period, the turnover of finished products takes place according to bookkeeping prices. At the end of the reporting period the evaluation is corrected for deviations in relation to real and direct manufacturing costs.
  - c) **production in progress** is valued according to real and direct manufacturing costs of particular orders.
5. **Domestic receivables** are valued according to the nominal value set at their beginning. Receivables in foreign currencies at balancing date are valued at the average exchange rate set for a given currency by the National Bank of Poland.  
At balancing date the receivables and claims are indicated in the value corrected by revaluation write-offs in the following cases: .

- brought before the court - 100% write-off;
  - receivables from entities in liquidation - 100% write-off;
  - receivables that have been overdue for over half a year - 100% write-off.
6. **Short-term financial assets are priced at market value.** Results of the differences between the priced value at the balancing day and the acquisition price regard revenues or financial costs.  
Domestic cash is valued at nominal value.  
Cash in foreign currencies at the balancing day is valued at the average exchange rate set for a given currency by the National Bank of Poland.
7. **Primary capital (share capital)** is valued at the nominal value, in accordance with the entry in the National Court Register.
8. **Supplementary capital** is priced at the nominal value resulting from capital increases and decreases.
9. **Revaluation capital** is valued at nominal value resulting from capital increases and decreases.
10. **Provisions for liabilities** include:
- a) **Provisions for retirement benefits** valued at the balancing day according to the following formula:  
the number of employees without the settled right to retirement at the balancing day x average monthly salary in the company x likelihood indicator of retirement severance payment, differentiated by the employee's age:
- |                |      |
|----------------|------|
| up to 25 years | 5%   |
| 26-30 years    | 10%  |
| 31-35 years    | 20%  |
| 36-40 years    | 35%  |
| 41-45 years    | 50%  |
| 46-50 years    | 70%  |
| 51-55 years    | 80%  |
| 56-60 years    | 90%  |
| over 60 years  | 100% |
- b) **provision for deferred income tax** created to the amount of income tax payable in the future in relation to the occurrence of positive transient differences between the book value and the tax value of assets and liabilities. The amount of income tax resulting from negative transient differences is shown in **the prepayments and accrued income on account of deferred income tax.**
11. **Domestic liabilities** are priced in the amount requiring payment.  
Liabilities in foreign currencies at the balancing day are valued at the average rate set for a given currency by the National Bank of Poland.
12. **Special funds** include:  
**The Company Social Benefits Fund** functioned until 31.12.2003. In 2004 it was decided that the fund would no longer be functioning.  
The remaining write-offs from previous years have been used in the first six months of 2009

In the period covered by the report the rules concerning the valuation of assets and liabilities and financial result measurement were not changed.

### Stocktaking

Assets and liabilities shown in account books at the balancing day are covered by stocktaking conducted by means of:

- a) the physical inventory
- fixed assets - once every 4 years
  - materials, goods and products- every year in IV quarter
  - production in progress - as of 31st December
  - cash in hand - as of 31st December

- |    |                          |   |
|----|--------------------------|---|
| b) | balance confirmation     |   |
| -  | 31st December            | cash at bank and bank credits - as of     |
| -  |                          | settlements with recipients and suppliers |
|    |                          | - every year in IV quarter                |
| c) | verification of balances |   |
| -  | 31st December            | other assets and liabilities - as of      |

### Profit and loss account

1. **Net revenues from the sale of goods and products** include amounts due on this account from the recipients, decreased by the value added tax due. The transfer of goods to the recipient, or reception of the service by them, is considered the moment of sale. Revenues from sales are accrued for the reporting periods they concern.
2. **Costs of operating activity** include the value of sold products, goods and materials priced at the production costs or acquisition prices, increased by the overall general costs of management and sales incurred from the beginning of the financial year. Costs include VAT only in that part, in which according to the provisions in force, this tax is not subject to deduction.  
Costs are included in the period they concern, regardless of the day when the invoice was received or the payment made.
3. **Other revenues and operating costs** include revenues and costs not related directly to the Company's normal activity, but having an influence on the financial result.
  - a) Revenues include:
 

-	assets;	gain on disposal of non-financial fixed
-		grants, subventions and after-payments;
-		gain from liquidation of fixed assets;
-		surpluses of fixed and current assets,
	whose source of origin was not established;	
-		negative goodwill write-offs;
-	penalties;	received compensations and contractual
-	liabilities;	written off, outdated or abandoned
-	losses;	non-utilized reserves for future costs and
-	offs;	decrease of liability revaluation write-
-		remuneration of the tax payer;
-		assets received free of charge;
  - b) Costs include:
 

-	fixed assets;	loss on disposal of the non-financial
-	non-financial assets;	write-offs on account of loss of value of
-		net value of liquidated fixed assets;
-	warehouse stocks	value of liquidated, economically useless
-		amortization of goodwill;
-	tangible current assets as a result of depreciation of their value-in-use or commercial value;	revaluation write-offs of stocks of
-		value of the elements of assets
-	transferred free of charge and of cash;	
-		non-culpable shortages and damages to

- elements of property, not resulting from random events;
  - costs of removal of damages to the elements of property;
  - paid contractual compensations;
  - costs of legal and execution proceedings;
  - unjustified indirect costs;
  - provisions created for probable costs and losses in operating activities;
  - revaluation write-offs of liabilities.
4. **Revenues and financial costs** include revenues and costs of financial operations,
- a) Revenues include:
- received dividends and shares in the profits of other companies;
  - gained and accrued interest on assets on bank accounts (excluding interest on assets of the Company Social Benefits Fund), on loans granted, deposits, bid securities, on delay in the payment of receivables, on securities;
  - gain on disposal of investments;
  - increase in the investment value;
  - positive exchange rate differences;
  - release of created reserves in the encumbrance of financial operations costs
- b) Costs include:
- paid and accrued interest and commissions on incurred credits and loans and for delay in the payment of liabilities;
  - loss on disposal of investments;
  - decrease in the value of investment;
  - negative exchange rate differences;
  - creation of reserves for certain and probable costs and financial losses;
  - surplus of issuance costs or increase of share capital, above the difference between the issue value and the nominal value of shares sold,
  - leasing charges,
  - costs of portfolio management.
5. **Extraordinary gains and losses** include the value of events difficult to predict, apart from the operating activity of the company and not related to the general risk of running the Company.
- a) Extraordinary gains include:
- received compensations for the loss or damage to the fixed and current assets as a result of random events, such as a fire, flood, hurricane, robbery etc.;
  - revenues from the sale of elements of property damaged due to random events.
- b) Extraordinary losses include:
- net value of fixed and current assets lost or damaged due to random events;
  - costs of removal of random events effects.
6. **Obligatory encumbrance of financial result** includes:
- a) the legal persons income tax is calculated according to The Legal Persons Income Tax Act of 15 February 1992, from the gross balance sheet profit, corrected by the revenues not subject to tax and costs not constituting the costs of revenue acquisition;
- b) decrease in income tax by accruals for deferred income tax;
- c) increase in income tax by the reserve created for deferred income tax.

**Net financial result** is set according to the provisions of the Accounting Act as a difference of revenues, costs and obligatory encumbrances of financial result.

**Information on corrections on account of reserves and revaluation write-offs of elements of assets in the 4th quarter of 2010:**

in PLN

Title of the provision	Increase	Decrease
<b>1. Provision for deferred income tax, including that on account of:</b>	<b>316.00</b>	-
- tax amortization	11.00	-
- increase in the value of short-term securities in circulation	305.00	-
<b>2. Other provisions:</b>	<b>523,251.22</b>	<b>54,529.15</b>
- provision for the costs of the financial audit for 2010	13,775.00	-
- provision for remuneration costs	188,784.00	-
- provision for ZUS (insurance)	1,283.91	-
- provision for costs of services related to goods sold	309,742.50	-
- provision for loss of deposit	-	50,000.00
- provision for future contractual penalties for service delay	-	4,529.15
- provision for retirement benefits	9,665.81	-
<b>3. Accruals for deferred income tax, including those on account of:</b>	<b>144,704.00</b>	<b>19,279.00</b>
- unpaid ZUS (insurance) contributions	1,046.00	-
- unpaid contractual penalties for service delay	1,663.00	-
- increase in provision for retirement benefits	1,836.00	-
- deduction of updating amounts due	1,181.00	-
- unpaid remunerations	25,745.00	16,433.00
- provision for future service costs	97,581.00	-
- the paid sale of future periods	15,652.00	2,846.00

Title of the revaluation write-off of assets	Increase in value	Decrease in value
<b>1. Revaluation write-offs of short-term receivables:</b>	<b>6,215.06</b>	-

**Remaining information:**

- A concise description of important achievements or failures of the issuer during the period which this report concerns, including the list of the most important events regarding them.**

The results of research conducted by PMR Publications suggest that the IT market is slowly recovering from the crisis. IT solution providers have achieved better results in 2010 related to the general improvement of the macroeconomic situation. A significant increase in IT solution orders has been particularly visible in the public and financial sectors, which has also been reflected in the revenues of Talex Company. The research shows that as many as 83% of the surveyed companies expect growth of the IT market; the respondents also forecast a double-digit growth rate as early as in 2011. It is also possible that the market will grow faster than the forecasts indicate because many IT investments, suspended after 2009 due to the global crisis, are either being currently implemented or they are to be implemented in the nearest future.

Talex Company's sales results in 2010 confirm a clear improvement on the IT market. The Company's revenues from sales in 2010 amounted to PLN 105,836 thousand and they are

about 71% higher compared to 2009.

Revenues from product sales in 2010 amounted to PLN 37,121 thousand, and they are 33% higher compared to 2009. The margin on product sales increased as well, from 23.6% in 2009 to 25.8% in 2010.

The level of revenues from sales of goods and materials increased significantly, and, after four quarters of 2010, it is twice as high (about 102%) as it was in the same period in 2009. The Company's share of goods and materials sales in total sales in 2010 increased as compared to the same period of the previous year (65% compared to 55%). Another visible factor is the increase in goods and materials sales margin in 2010, compared to the previous year – then the margin in goods and materials sales was 6.3%, while in the reported period it was 7.3%.

The Company completed 2010 with the net profit equal to PLN 2,244 (2009 was completed with a loss for the Company).

In October 2010 the Company announced a series of orders received from Bank Zachodni WBK seated in Wrocław, which together meet the criterion of a significant agreement. The total value of orders received amounted to PLN 4.1 million net. The largest of these orders was an order of 7th October 2010, with a net worth of PLN 1.3 million. The contract involved the delivery of IT solutions.

In November 2010 the Company, as the Representative of Talex SA in Poznan and PC Factory SA in Warsaw Consortium, signed a deal with the Kujawsko-Pomorskie Voivodeship in Torun. The contract covered the delivery of IT solutions with a total gross value of PLN 29 million.

In December 2010 the Company announced a series of subsequent orders received from Bank Zachodni WBK with its headquarters in Wrocław, which together met the criterion of a significant agreement. The total value of orders received amounted to PLN 10.1 million net. The largest of these contracts was an order dated 6th December 2010, with a net worth of PLN 1.6 million. The contract concerned the provision of IT solutions.

**2. A description of factors and events, particularly of untypical ones, having a significant influence on the financial results achieved;**

In the reported period there were no untypical events that might significantly influence the financial results.

**3. Explanations concerning the seasonality or periodicity of the issuer's activity in the presented period;**

Typically, the company records highest sales in the last quarter of the year, which is related to the execution of investment budgets by the Company's key clients at the end of the year. A similar pattern could be noticed in the fourth quarter of 2010. An exception to this rule were the results achieved by the Company in the fourth quarter of 2009, when the regularity was disrupted due to the ongoing economic recession.

**4. Information concerning the issue, redemption and repayment of debt and capital securities;**

In the presented period no issue, redemption or repayment of debt and capital securities took place.

**5. Information concerning the paid (or declared) dividend, jointly and calculated per one share, with the division into ordinary and preference shares;**

In the presented period there was no payment of dividend. The General Assembly of Shareholders held on 29 April 2010, due to the loss in 2009, decided to cover this loss from supplementary capital.

**6. Indication of events, which took place after the day for which the abridged quarterly financial statement was drawn up, not included in this statement, but which could substantially influence the future financial results of the issuer.**

After 31st December 2010, that is, after the quarterly report had been prepared, no events that could considerably affect the Company's future financial results occurred.

**7. Information concerning changes in contingent liabilities or assets, which have taken place since the end of the last financial year.**

For the day of 31.12.2010 the value of guarantees issued by banks on the order of TALEX S.A. in relation with the executed agreements amounted to PLN 5,459 thousand. Contingent liabilities included performance bonds, bid bonds, bonds on account of warranty and guarantee and payment guarantees. Performance bonds comprised about 85% of the guarantees issued on 31.12.2010. The purpose of those bonds is to secure the claims which could arise in the case of improper performance of an agreement. Nearly 3% comprised of payment guarantees, whose purpose is to guarantee the timely payment of monetary liabilities, about 6% comprised of bonds on account of warranty and guarantee, and about 6%, for the last day of December 2010, comprised of bid bonds.

**Information in accordance with par. 87 section 7 of the Regulation of the  
Minister of Finance of 19th February 2009  
(Journal of Laws No 33, item 259)**

**Required information:**

**1. Selected financial data containing basic items of abridged financial report (also converted into EUR);**

SELECTED FINANCIAL DATA	PLN in thds		EUR in thds	
	4 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 31.12.2009	4 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 31.12.2010	4 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 31.12.2009
I. Net revenues from sales of products, goods and materials	105,836	61,903	26,456	14,261
II. Profit (loss) from operating activities	2,529	-3,210	632	-739
III. Gross profit (loss)	2,529	-2,682	632	-618
IV. Net profit (loss)	2,244	-2,780	561	-640
V. Net cash flows from operating activities	2,955	-2,011	738	-463
VI. Net cash flows from investment activities	-2,274	-1,097	-568	-253
VII. Net cash flows from financial activities	1,207	-3,815	302	-879
VIII. Total net cash flows	1,888	-6,923	472	-1,595
IX. Total assets	64,967	53,909	16,405	13,123
X. Liabilities and provisions for liabilities	21,084	12,270	5,324	2,987
XI. Long-term liabilities	982	759	248	185
XII. Short-term liabilities	17,338	10,985	4,378	2,674
XIII. Equity	43,883	41,639	11,081	10,136
XIV. Share capital	3,000	3,000	758	730
XV. Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
XVI. Profit (loss) per one common share (PLN/EUR)	0.75	-0.93	0.19	-0.21
XVII. Book value per share (PLN/EUR)	14.63	13.88	3.69	3.38
XVII. Declared or paid dividend per one share (PLN/EUR)	0.50	0.00	0.13	0.00

**Rules of converting basic elements of financial report into EUR.**

Conversion into EURO has been carried out in the following way:

1. For items I to VIII and for item XV the mid-rate for a given period was applied, the mid-rate is calculated as an arithmetic mean of the NBP exchange rates effective on the last day of the month in the given period.
2. For items IX to XIV and XVI to XVII the NBP exchange rate for the last day of the period was used.

**Euro exchange rate has been adopted for the calculation of selected financial data:**

	<b>Mid-rate during the period</b>	<b>Minimal exchange rate during the period</b>	<b>Maximal exchange rate during the period</b>	<b>Exchange rate of the last day of the period</b>
2010 year	4,0004	3,8356	4,1770	3,9603
2009 year	4,3406	3,9170	4,8999	4,1082

**2. Organization of the capital group of the issuer with the indication of the units subject to consolidation;**

The Company is not a member of the capital group.

**3. Indicating the results of structural changes in the economic entity, including the results of merging economic entities, takeover or sales of members of the capital group of the issuer, long-term investments, division, restructuring and abandonment of business activity;**

During the presented period there were no changes in the structure of the economic entity.

**4. Opinion of the Management Board on the feasibility of executing the forecasted results published earlier for a given year in the light of the results presented in the quarterly report in reference to the forecasted results;**

The Board of the Company did not publish the forecast of the financial results for the year 2010.

**5. Shareholders holding, directly or indirectly, through controlled entities, at least 5% of the total votes in the General Meeting of Shareholders as of the day of publishing the report, including the number of shares held, their percentage share in the share capital, the number of votes the shares carry and their percentage share in the total votes in the General Meeting of Shareholders as well as the changes in the ownership structure of major blocks of shares of the issuer since the previous quarterly report was published;**

The following persons hold at least 5% of the total number of votes in the General Meeting of Shareholders:

- Janusz Gocałek - holding 892,556 votes, which constitute 26.19 % of the total number of votes
- Jacek Klauziński - holding 892,556 votes, which constitute 26.19 % of the total number of votes
- Andrzej Rózga - holding 892,556 votes, which constitute 26.19 % of the total number of votes

The shareholders listed above hold the following numbers of shares of the Company:

- Janusz Gocałek - holding 756,556 shares of the Company, which constitute 25.22 % of the total number of shares
- Jacek Klauziński - holding 756,556 shares of the Company, which constitute 25.22 % of the total number of shares
- Andrzej Rózga - holding 756,556 shares of the Company, which constitute 25.22 % of the total number of shares

Since the previous quarterly report each of the above mentioned shareholders Each increased the number of shares to 1,012 and the same number of votes.

**6. List of shares of the issuer or rights to shares of the issuer (options) held by persons managing and supervising the issuer, as on the day of publishing the quarterly report along with the indicated changes of the state of ownership in the period following the publication of the previous report, separately for each person;**

Overview of the shares of the Company shared by the Management Board members:

- Janusz Gocątek - holding 756,5456 shares of the Company,
- Jacek Klauziński - holding 756,556 shares of the Company,
- Andrzej Różga - holding 756,556 shares of the Company.
- Rafał Szafek - holding 889 shares of the Company

Radosław Wesołowski, Member of the Management Board, and Members of the Supervisory Board do not hold any shares of the Company.

Since the day of publishing the previous quarterly report, there were no changes in the ownership of the issuer's shares by the persons managing and supervising the issuer but the following Members Of the Supervisory Board increased the number of shares to 1,012: Janusz Gocątek, Jacek Klauziński, Andrzej Różga.

**7. Pending proceedings before courts, arbitration or public administration authorities;**

During the past quarter the Company did not commence and it was not a side in any court proceedings or public administration proceedings in relation to any liabilities of the total value constituting more than 10% of its equity capital.

**8. Information on conclusion of one or many transactions with related entities by the Issuer or its subsidiary, provided that the value of the transactions (the total value of all transactions concluded since the beginning of the financial year) exceeds the equivalent of EUR 500,000 in PLN;**

Since the beginning of the financial year, the Company has not concluded any transactions with related entities of total value exceeding the equivalent of EUR 500,000 in PLN.

**9. Information on credit and loans sureties or guarantees granted by the Issuer or its subsidiary, to one entity in total or to its subsidiary, if the total value of existing sureties or guarantees is equal to at least 10% of the equity capital of the Issuer;**

In the presented period, the Company did not grant any sureties, credit, guarantees or loans of value exceeding 10% of the equity capital of the Issuer.

**10. Other information which, in the opinion of the Issuer, is important for assessing its headcount, assets, financial standing and results, as well as movements therein, and information important to evaluate the fulfillment of the commitments the Issuer made;**

In the reporting period there was no other information important for the assessment of the headcount, assets, financial standing and results as well as the possibility of implementation of commitments by the Company.

**11. Factors which, in the opinion of the Issuer, will influence the results of the Issuer at least in the next quarter;**

The revenue derived by the Company in the sale of services will mainly be affected by revenues from the implementation of permanent, long-term multi-annual contracts with the Company's customers, in particular contracts for the provision of IT infrastructure maintenance and support services, as well as the Company's developing outsourcing services implemented on the basis of its own Data Center.

Also the co-financing agreement from March 2010 concluded by Talex with the Polish Agency for Enterprise Development with its registered office in Warsaw will have an influence on the Company's future financial results. The subject matter of the agreement was to provide subsidies towards the project carried out by the Company and concerning the creation of an application supporting the exchange of information between the computer systems of the Company and its customers. The maximum value of the granted subsidy amounts to PLN 1.14 million net. The subsidy has been granted to the Company under the operation 8.2 "Providing a support for the implementation of B2B electronic business, priority axis 8: Information society – the increase of the innovativeness of the economy" from the Innovative Economy Operational Programme 2007-2013.

A factor that may affect the Company's future results is the realization of the project entitled 'Implementation of B2B electronic business by the implementation of a new system supporting the enterprise management in Talex' which consists of the implementation of adjusted to the Talex ERP system's needs - Microsoft Dynamics AX 2009, in particular the module AIF - Application Integration Framework, allowing for the integration with business partners of the Company. Furthermore, the system will support the processes in the area of accounting, trade including invoicing, logistics and warehouse management, project management, asset management and controlling. New solutions will also facilitate the expansion to foreign markets, the increase of the financial operations' efficiency and strategic planning.

**The abridged financial statement has not been examined or reviewed by an entity entitled to examination of financial statements.**