POPRAWSKA I KASZTELAN
Biegli Rewidenci
Spółka Partnerska

· Badanie sprawozdań finansowych · Prowadzenie ksiąg rachunkowych ·
· Doradztwo podatkowe ·

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT DRAWN UP AS FOR 31ST DECEMBER 2012

„ TALEX ” S.A.

61-619 POZNAŃ, KARPIA 27D

POZNAŃ, MARCH 2013

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A . General part

1. Data identifying the audited Unit

❖ NAME AND ADDRESS

„TALEX" S.A., Karpia 27D, 61 – 619 Poznań

❖ DATE AND PLACE OF FOUNDATION

„TALEX" S.A. was founded as a result of transformation of the Production and Implementation Company „TALEX" Limited Liability Company – resolution No. 3 of the Extraordinary Meeting of Partners held on 2nd March 1998 (Notarial act Rep. A 2655/1998 drawn up in the law office „Ziemski and Partners" Limited Liability Company in Poznan, 10 Strusia Street in the presence of the Notary, E. Dorota Drożdż).

The Statute of Joint stock company (Polish abbreviation: S.A.) was adopted by the Extraordinary Meeting of Partners of „TALEX" Limited Liability Company – the founders of „TALEX" S.A. – Notarial Act Rep. A 3545/1998 from 19th March 1998 drawn up in the Notary Office of E. Dorota Drożdż in Poznan, 20/3 Nowowiejskiego Street.
Correction of the aforementioned minutes of the Meetings of Partners was published in the minutes from the Extraordinary Meeting of Partners on 30th March 1998 (Notarial act Rep. A 3967/1998, drawn up in the presence of the Notary, E. Dorota Drożdż).

❖ REGISTRATION

On 9th April 1998 the District Court in Poznan XVI Economy Department - Registry removed Production and Deployment Company „TALEX" Limited Liability Company from the Register of Companies RHB 2027 – due to conversion into a joint stock company - Decision H 1114/98.
„TALEX" S.A. was registered on 9th April 1998 on the basis of the decision made by the District Court in Poznan XVI Economy Department - Registry in the Register of Companies in section B under the No. 11905.

On 3rd October 2001 the Company was registered in the Register of Enterprises of the National Court Register under KRS No. 0000048779 on the basis of the decision made by the District Court, XXI Economy Department in Poznan – Ref No. PO.XXI NS-REJ. KRS/6563/1/63.

❖ ORGANIZATIONAL CHANGES

In the period covered by the audit:

- ⇨ there were no changes in the statutes and the governing bodies of the Company,
- ⇨ on 8th March 2012 Mr. Tomasz Łodygowski, Member of the Supervisory Board of the Company and its President at the same time, submitted his resignation to the Board. The Supervisory Board of the Company at its meeting on 8th March 2012,

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acting under the Articles of Association, appointed by co-opting Mr Andrzej Kurc as the Member of the Supervisory Board. At the same time, the Supervisory Board of the Company adopted the election of a new President, Member of the Supervisory Board, Ms Bogna Pilarczyk.
In accordance with the provisions of the Company's Articles of Association, the decision on the appointment of Mr. Andrzej Kurc as the Member of the Supervisory Board was approved by the resolution No 12 of the Ordinary General Meeting of Shareholders of Talex S.A. dated 18 April 2012.

On 24 April 2012 Mr. Jerzy Nawrocki, Member of the Supervisory Board of the Company, submitted his resignation to the Board. The Supervisory Board of the Company at its meeting on 5 June 2012 acting under the Articles of Association appointed by co-opting Mr Jacek Nowak as the Member of the Supervisory Board.
In accordance with the provisions of the Articles of Association, the choice of a new Member is subject to approval by the next General Meeting of Shareholders of the Company.

❖ THE MANAGEMENT BOARD

During the period covered by the audit the Management Board was composed of :

- Janusz Gocałek – President of the Board
- Jacek Klauziński – Vice-President of the Board
- Andrzej Rózga – Vice-President of the Board
- Rafał Szałek – Member of the Board
- Radosław Wesołowski – Member of the Board

As of the day the audit was carried out, there were no changes in the composition of the Management Board of „TALEX" S.A.

❖ SUPERVISORY BOARD

During the period covered by the audit the Supervisory Board was composed of:

• Tomasz Łodygowski	President of the Supervisory Board	Until 8 March 2012
• Bogna Pilarczyk	Member of the Supervisory Board	Until 8 March 2012
	President of the Supervisory Board	Since 8 March 2012
• Grzegorz Ganowicz	Member of the Supervisory Board	Until 8 March 2012
• Andrzej Kurc	Member of the Supervisory Board	Since 8 March 2012
• Jerzy Nawrocki	Member of the Supervisory Board	Until 24 April 2012
• Marek Nawrocki	Member of the Supervisory Board	
• Jacek Nowak	Member of the Supervisory Board	Since 5 June 2012

As of the time of the audit, the Supervisory Board of the Company was composed of:

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PK PARTNERS

- Bogna Pilarczyk — President of the Supervisory Board
- Grzegorz Ganowicz — Member of the Supervisory Board
- Andrzej Kurc — Member of the Supervisory Board
- Marek Nawrocki — Member of the Supervisory Board
- Jacek Nowak — Member of the Supervisory Board

❖ **EQUITY**

As for the situation as of 31st December 2012 the equity amounts to PLN 40,293,286.80 and includes:

- Share capital in the amount of PLN 3,000,092.00 which consists of:

102 000	Series A registered shares, each of PLN 1.00 nominal value (enjoy voting preference of 5 votes per share)	PLN 102 000.00.
849 000	Series B ordinary registered shares, each of PLN 1.00 nominal value	PLN 849 000.00.
450 000	Series C ordinary bearer shares, each of PLN 1.00 nominal value	PLN 450 000.00.
889 092	Series D ordinary registered shares, each of PLN 1.00 nominal value	PLN 889 092.00.
710 000	Series E ordinary bearer shares, each of PLN 1.00 nominal value	PLN 710 000.00.
3 000 092	**Total shares**	**PLN 3,000,092.00.**

- supplementary capital of — PLN 34,444,833.22
- remaining reserve capitals — PLN 5,000,000.00
- net financial result (profit) of — PLN (-) 2,151,638.42
-

❖ **NIP :** 782 – 00 – 21 – 045

❖ **REGON:** 004 772 751

❖ **EMPLOYMENT**

As of 31st December 2012 the number of employees was 281. The average employment in the period from 1st January 2012 to 31st December 2012 in terms of full-time employment was at the level of 280,21.

❖ **SUBJECT OF ACTIVITY**

The subject of activity was defined in par. 5 of the Statute and is compliant with the entry in the section 3, column 1 of KRS: 0000048779.

During the period covered by the audit **„TALEX" S.A.** performed its basic activities in the fields of design, trade and production in the information technology sector, in the Company's registered office in Poznan at Karpia 27D and in branch offices:

- 02-135 Warszawa, Iłżecka 26,
- 81-300 Gdynia, Sportowa 8 – till 31.10.2012,
- 80-299 Gdańsk, Wodnika 50 – since 01.09.2012,
- 53-611 Wrocław, Strzegomska 2-4 – till 31.08.2012,
- 53-611 Wrocław, Śrubowa 1 – since 01.09.2012,
- 40-121 Katowice, Chorzowska 50,
- 70-812 Szczecin, Pomorska 53,
- 15-027 Białystok, Ogrodowa 31,
- 87-100 Toruń, Włocławska 167,
- 90-361 Łódź, Piotrkowska 276,
- 20-632 Lublin, Jana Sawy 2,
- 35-301 Rzeszów, Lwowska 6 – till 30.04.2012,
- 35-606 Rzeszów, Powstańców Listopadowych 3 - since 01.11.2012
- 10-288 Olsztyn, Prusa 6/3 – till 31.10.2012,
- 10-272 Olsztyn, Jagiellońska 21/23,
- 30-644 Kraków, Kamieńskiego 51,
- 64-409 Zielona Góra, Moniuszki 16 – tll 30.04.2012,
- 43-400 Cieszyn, Katowicka 157,
- Branch office in Prague, Průmyslová 7..

The Company offers comprehensive services in the field of enterprise and institution informatization, which are connected with equipment and software deliveries.
The primary subject of activity of **„TALEX" S.A.**, according to the Polish Classification of Activities 2007 (PKD) involves „wholesale of computers, computer peripheral equipment and software" 46.51.Z.

2. Data identifying the entity authorized and statutory auditor auditing the unit on its behalf

The audit was carried out on the following days: 3rd January 2013 (inventory and preliminary audit) and from 4th February 2013 to 15th March 2013 with breaks (proper audit) on the basis of agreement No. 313/2012 from 29th June 2012 between:

„TALEX" S.A., with its registered office in Poznań, Karpia 27 D, represented by:

- Janusz Gocałek - President of the Management Board
- Jacek Klauziński - Vice-President of the Management Board

and

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the Company „Poprawska i Kasztelan – Biegli Rewidenci, Spółka Partnerska” with its registered office in Poznań, Winklera 1, entered on the list of entities authorized to audit financial statements under the registration number of 2791, represented by:

- Małgorzata Poprawska - the Partner,

The agreement was entered into in order to implement resolution No. 2 of the Supervisory Board of „TALEX” S.A. from 18th April 2012 on the decision to choose „Poprawska i Kasztelan – Biegli Rewidenci”, Spółka Partnerska, to audit the financial statement prepared for the days 31st December 2012 and 31st December 2013.

The audit was carried out by:

- Małgorzata Poprawska – Key Statutory Auditor, Reg. No. 5796.
- Aneta Osowska Woźniak – applicant – register No. 16125.

The entity responsible for the audited financial statement is the Management Board of „TALEX” S.A., with its registered office in Poznan, 27 D Karpia Street.
The Management Board and the Supervisory Board Members of TALEX S.A. with its seat in Poznan at Karpia 27D, are required to ensure that the financial statement and report of the Management Board comply with the requirements provided in the Accounting Act of 29th September 1994 on Accounting (Journal of Laws of 2009 No. 152, item 1223, with subsequent amendments), hereinafter referred to as the "Accounting Act."

The purpose of the audit was to study and express the opinion on the compliance of the financial statement with binding legal provisions as well as state whether the financial statement accurately and clearly presents all the information significant for the assessment of property and financial situation of the audited Entity in all material respects, and decide about the accuracy of the accounting books constituting the basis of the financial statements.

The authorized entity and the statutory auditor and legal trainee, as well as the statutory auditor – verifier who carried out the audit on its behalf state that they remain independent of the audited Entity as understood in Art. 56 of the Accounting Act of 7th May 2009 on statutory auditors and their autonomy, entities entitled to audit financial statements and on public oversight (Journal of Law, No. 77, section 649 of 2009 with subsequent amendments).

Authorized entity presented Audit Committee of the audited unit with the statement on independence together with information on services performed to TALEX S.A., according to article 88, point 2 of the law of 7th May 2009 on the statutory auditors, entities authorized to audit financial statements and on public oversight (Journal of Law, No. 77, section 649 of 2009) . Moreover, based on article 88 point 3 of the above Law, authorized entity presented information that there are no threats to the independence of the Company: Poprawska i Kasztelan – Biegli Rewidenci”, Spółka Partnerska, in connection with auditing the financial statement of TALEX S. A., with its registered office in: 61-619 Poznań, Karpia 27D, prepared as for 31st December 2012.

3. Data identifying the audited financial statement – balance sheet continuity

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The audited statement includes:

- introduction to the financial statement,
- balance sheet as drawn up for 31st December 2012, with assets and liabilities of **PLN 66,097,099.29**
- profit and loss account for the financial year from 1st January 2012 to 31st December 2012 showing the net loss of **PLN 2,151,638.42**
- statement of changes in equity for the financial year from 1st January 2012 to 31st December 2012 showing a decrease in equity of **PLN 2,751,656.82**
- cash flow statement showing a cash outflow in the financial year from 1st January 2012 to 31st December 2012 of **PLN 4,036,653.32**
- additional information and explanations.

The basis for opening the accounting books as of 1st January 2012 was the financial statement of Talex S.A. drawn up for 31st December 2011 audited by Małgorzata Poprawska (Reg. No. 5796), operating on behalf of the entity authorized to carry out audit: POPRAWSKA I KASZTELAN BIEGLI REWIDENCI SPÓŁKA PARTNERSKA (entry on the list of KIBR 2791). An opinion was issued on 15th March 2012 , including no reservations.

The above financial statement was approved on 18th April 2012 by means of resolution No. 4 of the Ordinary General Assembly – Notarial act Rep. A nr 4699/2012 drawn up by the notary Jacek Kaczorowski who runs the Notary Office in Poznań, Młyńska 13/8.

By means of resolution No. 11 of that Ordinary General Assembly the net profit from 2011 in the amount of PLN 662,066.60 was divided as follows:

- supplementary capital PLN 62,048.20
- dividend payment PLN 600,018.40

Moreover, acting under Resolution No. 14, the Ordinary General Meeting of Shareholders of TALEX S.A. in connection with Resolution No. 14 (concerning the acquisition of own shares) decided to create a reserve capital to cover the total price of the acquisition by the Company of its own shares from the supplementary capital, amounting to PLN 5,000,000.00.

On 24th April 2012 Talex S.A. handed in the complete set of documents regarding the financial statement for 2011 to the First Tax Office of Wielkopolska in Poznań.

On the basis of Art. 70 of the Accounting Act, the financial statement for 2011 was sent to be published in the Official Journal of the Republic of Poland „Monitor Polski B” on 23rd April 2012. It was published in “Monitor Polski B” No. 1352 from 29th June 2012.

On 19th April 2012, in fulfillment of the obligation set in Art. 69 of the Accounting Act, the financial statement for 2011 was submitted to the Register Court.

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4. Confirmation of access given by Talex to data and explanations required for carrying out and submitting the statement on completeness of the accounting books

In the course of the audit of the financial statement of „TALEX” S.A. no restrictions on the scope of the audit were placed. The auditors were provided with data, information and necessary explanations that they asked for. The Management Board submitted the statement on the completeness of data in accounting books and proving all conditional obligations as well as on informing about important events which took place after the date of the balance sheet and until the day of submitting the statement.

B. Economic and financial analysis

The economic and financial analysis of TALEX S.A. was carried out on the basis of results achieved in years 2010 – 2012.
The following pages present:

- balance sheet analysis,
- profit and loss account analysis,
- analysis of economic and financial ratios of the Company,
- summary

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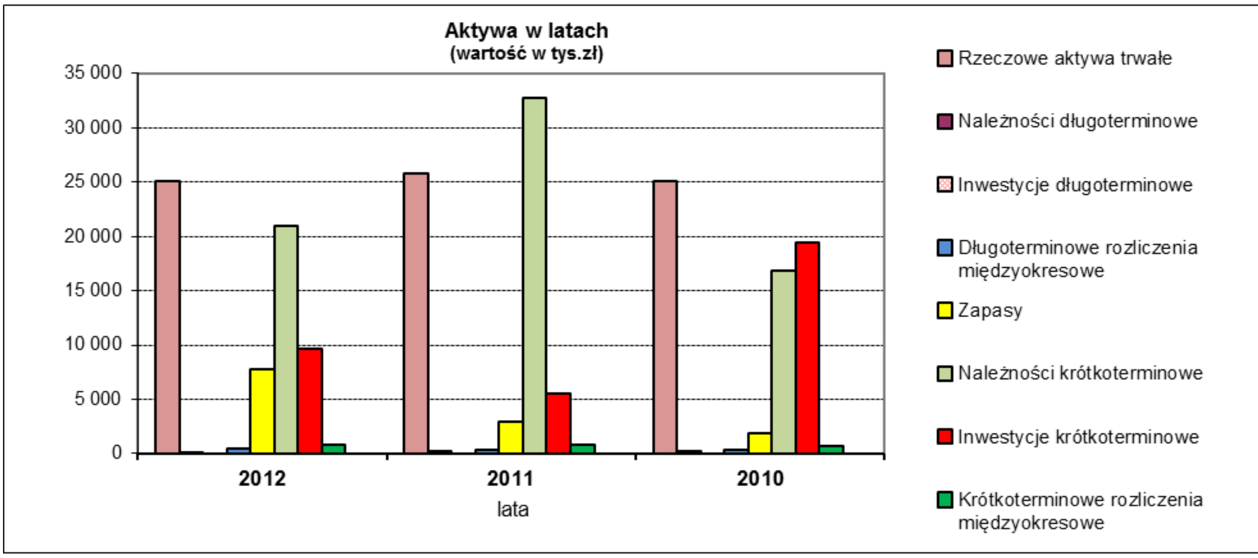
1. Analysis of the balance sheet

1.1. Assets

BALANCE SHEET – assets in PLN thousands

No	Specification	2012		2011		2010		Zmiana stanu			
		amount	% of share	amount	% of share	amount	% of share	2012/2011	%	2012/2010	%
1	2	3	4	5	6	3	4	5	6	3	4
A.	Fixed assets	26,956.4	40.8	27,506.7	39.5	26,956.4	40.8	27,506.7	39.5	26 956.4	40.8
1.	Intangible assets	1,260.5	1.9	1,263.9	1.8	1,260.5	1.9	1,263.9	1.8	1 260.5	1.9
II.	Tangible assets	25,119.5	38.0	25,746.5	37.0	25,119.5	38.0	25,746.5	37.0	25 119.5	38.0
III.	Long-term receivables	117.2	0.2	199.4	0.3	117.2	0.2	199.4	0.3	117.2	0.2
1.	From related entities										
IV.	Long-term investments										
a)	In related entities										
V.	Long-term prepayments	459.2	0.7	296.8	0.4	459.2	0.7	296.8	0.4	459.2	0.7
B.	Current assets	39,140.7	59.2	42,120.8	60.5	39,140.7	59.2	42,120.8	60.5	39 140.7	59.2
I.	Inventory	7,711.7	11.7	2,925.0	4.2	7,711.7	11.7	2,925.0	4.2	7 711.7	11.7
II.	Short-term receivables	21,009.6	31.8	32,782.5	47.1	21,009.6	31.8	32,782.5	47.1	21 009.6	31.8
1.	Receivables from related entities										
III.	Short-term investments	9,595.9	14.5	5,559.3	8.0	9,595.9	14.5	5,559.3	8.0	9 595.9	14.5
a)	In related entities										
IV.	Short-term prepayments	823.5	1.2	854.0	1.2	823.5	1.2	854.0	1.2	823.5	1.2
Assets, total		69 627,4	66,097.1	100.0	69,627.4	100.0	66,097.1	100.0	69,627.4	100.0	66 097.1



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During the analyzed periods we observe a changing tendency of the dynamics of the Company's assets – the increase in 2011 in comparison to 2010 and decrease in 2012. In the audited period the total value of assets decreased by PLN 3,530.3 thousand (5.1%) in comparison to the last year and PLN 1,177.5 thousand (1.8%) in comparison to 2010.

According to the data described above and resulting from an analytical balance, the situation of the audited entity may be influenced by the following aspects:

- ⇨ fixed assets comprised 40.8% of the total value of the assets; among which the largest share is represented by tangible assets, comprising about 38% of total assets,

- ⇨ At the same time, the increase by PLN 715 thousand in 2011and the decrease by PLN 627 thousand in the analyzed period in the carrying value of tangible assets, which constitutes the amount of PLN 88.1 thousand in the period of 3 years (2010 - 2012), is visible.
  In the audited period the tangible fixed assets remained at the level 2.4% lower compared to the value of 2011 and 0.4% higher compared to 2010, reflecting that the Company bears the expenses of property reconstruction in the amount close to the value of amortization write-offs. In 2012 the largest expenditures were incurred on „technical devices and machines" (including computer hardware) what is necessary for the proper functioning of the Company.

- ⇨ Intangible assets increased almost two times compared to 2010, reaching a level of 1.8% in the structure of total assets. In the analyzed period, the intangible assets reached the level close to the one in 2011 and include 1.9% of total assets.

- ⇨ Long-term prepayments and long-term receivables constituted less than 1% of total assets in all audited periods.

Current assets in the course of the periods analyzed comprised about 60% of the total asset value, with changes occurring in the individual components that shape the current assets, i.e.:

- decrease in the share of short-term receivables by 35.9% compared to the previous year and increase by 24.5% compared to the first analyzed period, which contributed to the growth in the structure of assets from 26% in 2010 to 47.1% in 2011 and decrease by 31.8% in the audited period.
- decrease in the share of short-term investments from 29.9% in 2010 to 8% of assets value in 2011 and growth to 14.5% in the analyzed period, with their decrease in real numbers by PLN 9,841.6 thousand in 2011 and increase in 2012 by PLN 4,036.7.
- inventory share in the period of 2010-2011 remained at the level of 3% to 4%, and at the end of the analyzed period increased by PLN 4,786.7 thousand compared to the last year, which increased their share in total assets to 11.7%. This situation is connected with the fulfillment of the significant order at the turn of the year, which ended with the settlement on 15 March 2013. Additional state of inventory for this order was about PLN 5.5 million.
- as in the previous year short-term prepayments comprised about 1% of total assets, despite their growth in current values;

1.2. Liabilities

Balance sheet – liabilities in PLN thousands

No.	Specification	2011		2010		2009		Change of state			
		amount	% of share	amount	% of share	amount	% of share	2011/2010	%	2011/2009	%
1	2	3	4	5	6	7	8	9	10	11	12
A.	Equity										
I	Share capital	40,293.3	61.0	43,044.9	61.8	43,882.9	67.6	(2,751.7)	93.6	(3,589.6)	91.8
II	Due capital (negative value)	3,000.1	4.5	3 000.1	4.3	3 000.1	4.6		100.0		100.0
III	Own shares (negative value)										
IV	Supplementary capital										
V	Revaluation capital	34,444.8	52.1	39,382.8	56.6	38,638.5	59.5	(4,938.0)	87.5	(4,193.6)	89.1
VI	Other reserve capitals										
VII	Profit (loss) from previous years	5,000.0	7.6					5,000.0		5,000.0	
VIII	Net profit (loss)										
IX	Net profit write-offs in the financial year (negative value)	(2,151.6)	(3.3)	662.1	1.0	2,244.4	3.5	(2 813.7)	(325.0)	(4,396.0)	(95.9)
B.	Liabilities and provisions for liabilities										
I	Provisions for liabilities	25,803.8	39.0	26,582.5	38.2	21,036.7	32.4	(778.7)	97.1	4,767.1	122.7
II	Long-term liabilities	439.6	0.7	440.3	0.6	574.8	0.9	(0.8)	99.8	(135.2)	76.5
1	For related entities	539.5	0.8	282.8	0.4	982.0	1.5	256.7	190.8	(442.5)	54.9
III	Short-term liabilities										
1	For related entities	23,583.8	35.7	24 276.5	34.9	17 540.1	27.0	(692.7)	97.1	6 043.7	134.5
IV	Accruals										
Total liabilities			1,241.0	1.9	1 582.9	2.3	1 939.8	3.0	(341.9)	78.4	(698.8)
			66,097.1	100.0	69 627.4	100.0	64 919.6	100.0	(3 530.3)	94.9	1,177.5

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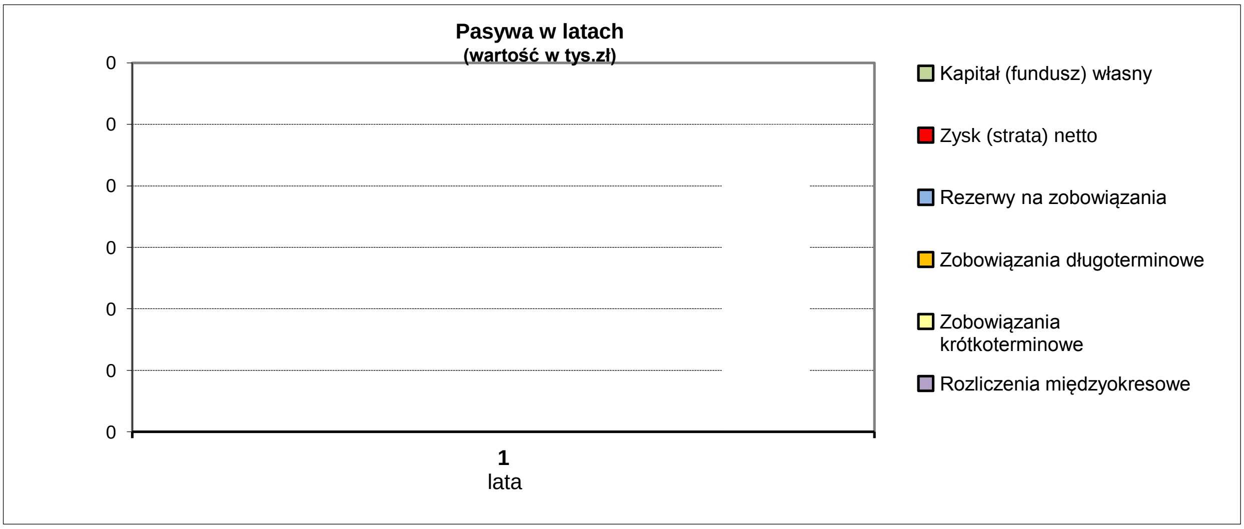

On the liabilities side we observe advantage of the equity share compared to liabilities share. This positively influences the financial stability of the Company.

- ⇨ The largest part of equity share, including 52.1% of total liabilities, is the supplementary capital. In 2012 it decreased by PLN 5 million due to the creation of deliberate reserves and an increase by about PLN 62 thousand due to the distribution of profits from the previous year.
- ⇨ Supplementary capital created in the audited period included 7.6% of total assets.
- ⇨ The share capital did not changed, and its share amounted from 4.3% to 4.6% during the audited period.
- ⇨ The net loss in 2012 was created on the level of PLN 2,151 thousand and reduced own share by 3.3% of total assets.
- ⇨ Long-term liabilities, relating primarily to the lease, were increased by 90% during the analyzed period and comprised less than 1% of the total value of liabilities.
- ⇨ Short-term liabilities remained at the level of 97.1% and their share in total liabilities increased slightly from 34.9% to 35.7% of total liabilities.
- ⇨ Provisions for liabilities of all periods do not reach 1% of the liabilities and do not have a major impact on their structure.
- ⇨ Revenue accruals, which consists mainly of grants to fixed assets, formed in 2012 at the level of 1.9% of total liabilities, in comparison to 2.3% in the previous year.

1.3. Summary of the balance sheet analysis

Analysis of the balance sheet shows the correct relationship between the assets of the Company and its sources of funding and the financial independence of the audited entity. The activity of the Company is financed mainly from the share capital, including 100% of fixed assets and about 34.1% of assets (37% of assets in 2011).

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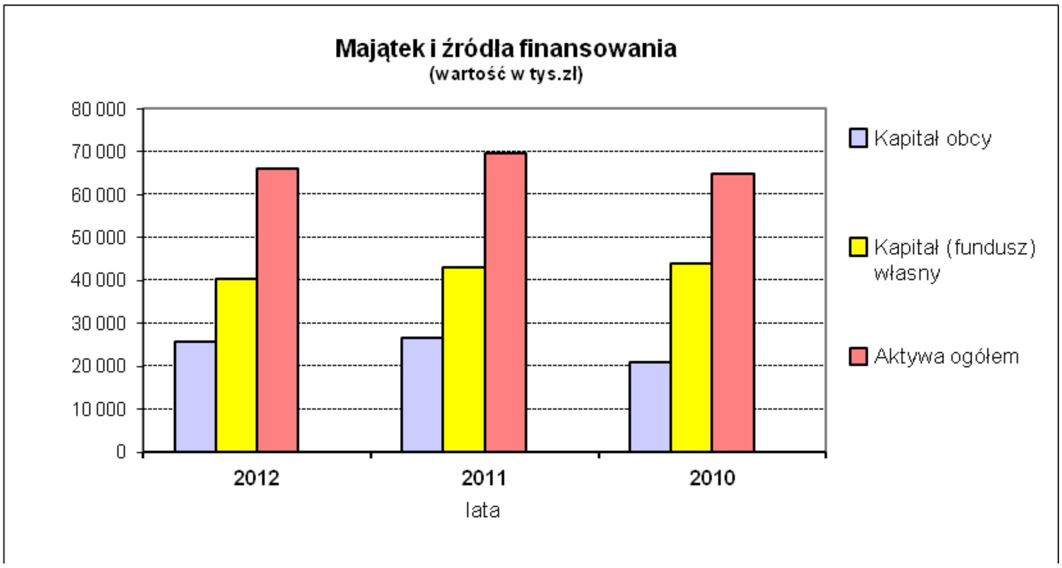

2. Profit and loss account analysis

PROFIT AND LOSS ACCOUNT – data in PLN thds

No	Specification	2011		2010		2009		Change of state			
		amount	% of share	amount	% of share	amount	% of share	2011/2010	%	2011/2009	%
1	2	3	4	5	6	7	8	9	10	11	12
A.	Basic activity										
1.	Net revenues from sales and their equivalents, including:	94,630,9	98,4	142,765,8	98,2	105,836,3	98,8	(48,134,9)	66,3	(11,205,4)	89,4
2.	Prime sales costs	96,047,3	97,5	144,211,0	99,7	104,027,6	99,4	(48,163,7)	66,6	(7,980,4)	92,3
3.	Profit\loss on sales	(1,416,4)		(1,445,2)		1,808,7		28,9	98,0	(3,225,0)	
B.											
1.	Other operating income	1,167,8	1,2	1,835,1	1,3	935,9	0,9	(667,2)	63,6	231,9	124,8
2.	Other operating costs	2,306,4	2,3	225,2	0,2	215,5	0,2	2,081,2	1,024, 2	2,090,8	1,070, 1
3.	Profit\loss on operating activity	(1,138,5)		1,609,9		720,4		(2,748,4)	(70,7)	(1,858,9)	(158,0)
C.	Operating result (A3+B3)	(2,554,9)		164,7		2,529,0		(2,719,5)		(5,083,9)	
D.											
1.	Financial income	366,9	0,4	711,8	0,5	386,1	0,4	(344,9)	51,5	(19,2)	95,0
2.	Financial costs	121,6	0,1	183,1	0,1	386,1	0,4	(61,4)	66,4	(264,5)	31,5
3.	Profit/loss on financial activity	245,3		528,7		(0,0)		(283,5)	46,4	245,3	
E.	Extraordinary events										
1.	Extraordinary profits										
2.	Extraordinary										

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	losses										
3.	Result of extraordinary events										
F.	Gross profit (loss) (C+D3+E3)	(2,309.6)		693.4		2,529.0		(3,003.0)	(333.1)	(4,838.6)	(91.3)
1.	Income tax	(158.0)		31.3		284.6		(189.3)		(442.6)	
2.	Other obligatory reductions in profit (increases in loss)										
G.	Obligatory encumbrances - total	(158.0)		31.3		284.6		(189.3)		(442.6)	
	Net profit (loss) (F-G)	(2,151,6)		662,1		2,244,4		(2,813,7)		(4,396,0)	
		96 165,6	100,0	145 312,6	100,0	107 158,3	100,0	(49 147,0)	66,2	(10 992,7)	89,7
		98 475,3	100,0	144 619,3	100,0	104 629,3	100,0	(46 144,0)	68,1	(6 154,0)	94,1

Total revenues	145.312.6	100.0	107.158.3	100.0	63.277.3	100.0	38.154.3	135.6	82.035.3	229.6
Total costs	144.619.3	100.0	104.629.3	100.0	65959.8	100.0	39.990.0	138.2	78.659.4	219.3

- In the periods analyzed there was an increasing tendency of the revenues from sales and costs of the operational activity;

- In 2012, revenues from sales comprised 66.3% of the value in the previous year and 89.4% of the value in 2010.

- The operating costs comprised 66.6% of the value in 2011 and 92.3% of this value in 2010.

- Faster rate of the decrease in sales revenues in comparison to the rate of decrease in revenues from operating activity resulted in the previous year in the decline of the result on sales. In the analyzed period the decrease of the amount of the costs was proportional to the decrease in sales revenues.

- The result on sale in the audited period remained on the same level as in the previous year in the amount PLN (-) 1,416.4 thousand in comparison to the profit in 2010 on the level of PLN 1,808 thousand.

- In the years 2010-2011, the relationship between other income and other operating costs shaped favourably, which allowed for the improvement in the result on operating activity. In the analyzed period, due to the substantial write-downs of receivables, there was a negative result in this part of the activity in the amount of PLN 1,138.5 thousand which contributed to the decrease in the operating result to EUR 2,554.9 thousand.

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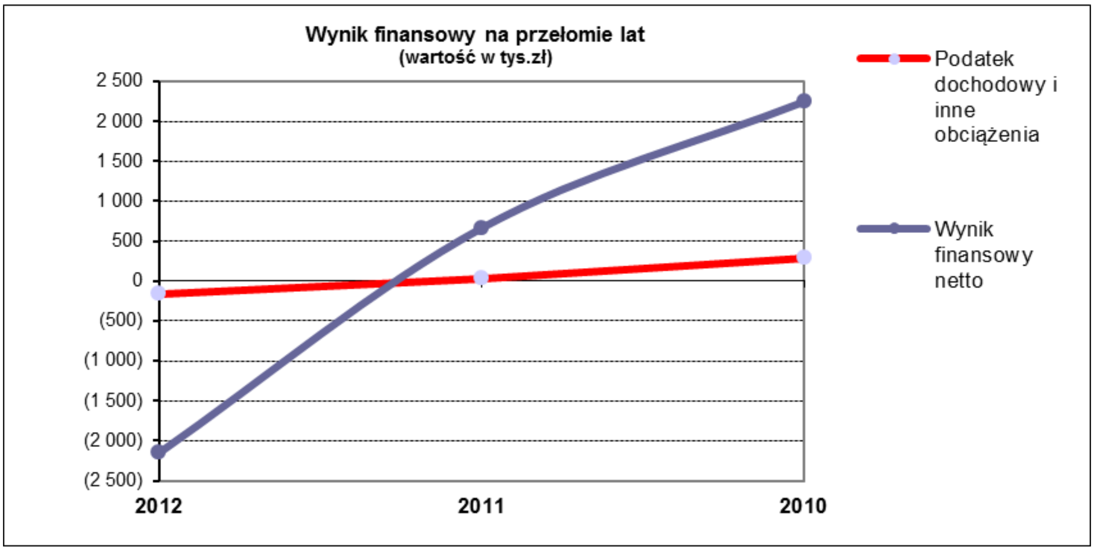
- Also the result on the financial activity in the years 2011- 2012 shapes favourably which contributes to the improvement of the gross result.

- In the examined period, a positive results on financial activity did not allowed to completely cover the costs of loss from operating activity. Gross result amounted to PLN 2,309.6 thousand and after taking into account the mandatory burden of the financial result, net loss amounted to PLN 2,151.6 thousand, which in comparison to the net profit in the amount of PLN 662.1 thousand in the last year indicates the deterioration of the efficiency of the examined Company.

The share of particular elements of the profit and loss account that affect the financial result is shown on the following diagram:



3. Ratio analysis

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3.1. Preliminary analysis of the balance sheet

No.	Name of ratio and its formula	Typical or safe ratio level	Presentation Criteria	Financial year		
.	Preliminary analysis of the balance	Safe ratio	times	2012	2011	2010
1	Golden rule of balance (capital + reserves of long-term) x 100 / fixed assets	100-150	percent	154.71%	162.16%	174.60%
1a	Golden rule of balance II Short-term foreign capital x 100 / current assets	40-80	percent	60.94%	58.73%	47.35%
2	Golden rule of finance shareholders' equity x 100 / foreign capital	Above 100	percent	156.15%	161.93%	208.60%
3	Balance sheet value of unit Total assets - total liabilities	Increasing ratio	PLN thds	40,293.3	43,044.9	43,882.9
4	Fixed assets to total assets ratio fixed assets x 100 / total assets	30-50	percent	40.78%	39.51%	40.18%

Golden rule of balance (%)
Golden rule of balance specifies what part of fixed assets is covered with equity share enlarged by the long-term provisions. This ratio amount above 100% indicates that the entity after the payment of the fixed assets has still funds on the market. In the audited entity, these indicators are at a safe level

Golden rule of finance (%)
Golden rule specifies what part of the liabilities is covered by the share equity. When the share of foreign capital is equal to the half of the equity - this is conducive to the maintenance of the financial balance of the entity and its stability in terms of profitability. Golden rule of finance also confirms the financial security of the audited entity.

The carrying value of the entity (in PLN thds)
Net assets ratio, corresponding to the value of equity as to the contributed capital and earned income of the entity. In the properly operating company net assets should have an upward trend.
In the analyzed periods, net assets are at a balanced, high level of value.

3.2. Financial liquidity ratios

No.	Name of ratio and its formula	Typical or safe ratio level	Presentation Criteria	Financial year		
	Financial liquidity ratios	Safe ratio	measure	2012	2011	2010
1	Financial liquidity ratio I Current assets Short-term liabilities	1,2-2,0	times	1.64	1.74	2.21
2	Financial liquidity ratio II Current assets - inventories Short-term liabilities	1,0	times	1.28	1.61	2.11
3	Financial liquidity ratio III Short-term assets Short-term liabilities	0,1-0,2	times	0.40	0.23	1.11
4	Trade settlement capacity ratio Trade receivables Trade liabilities	1,0	times	1.02	1.66	1.20

Financial liquidity ratio I
It defines the capacity of the audited entity to timely regulate its current liabilities.

In the analyzed periods, there is the decline in the financial liquidity ratio, however, its value is considered the optimum. Thus, the entity has full coverage of short-term liabilities in the current assets and should not have any problems with their adjustment.

Financial liquidity ratio II
It determines the ability of the entity to fast regulate its current liabilities.
A similar tendency to the liquidity ratio I is characteristic of the liquidity ratio II. Despite the decline, it exceeds the values required to the correct assessment.

Trade settlement capacity ratio – it also remains at the safe level.

3.3. Profitability ratios

No.	Name of ratio and its formula	Typical or safe ratio level	Presentation Criteria	Financial year

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.		Safe ratio	times	2012	2011	2010
1	Return on assets (ROA) net profit x 100 total assets	5-8	percent	-3.26%	0.95%	3.46%
2	Net profitability net profit x 100 total revenue	3-8	percent	-2.24%	0.46%	2.09%
3	Return on equity (ROE) net profit x 100 equity	15-25	percent	-5.34%	1.54%	5.11%
4	Corrected profitability of assets net profit (interest - income tax on interest) x 100 total assets	-	percent	-3.25%	0.99%	3.46%
5	Leverage Profitability of equity – corrected profitability of assets positive rate - a positive effect negative rate - is the result of "financial leverage"	Positive ratio	percent	-2.09%	0.55%	1.66%

Return on assets:
It shows the ability of the entity to generate profit. It informs how efficiently a company manages its assets. The higher the level of return on assets, the better the company's financial situation. In 2011 this ratio decreased to 0.95% and during the audited period, due to the loss, the ratio of assets profitability is negative indicating that for every PLN 100,00 of assets falls PLN 3,26 of net loss.

Net profitability:
This ratio is the relation of net profit to net sales. It indicates the size of the profit that is attributable to the sales unit. It includes the efficiency of all operating activity, financial operations and extraordinary events. The higher the level of this ratio, the higher the efficiency of the income achieved by the company.
A similar tendency to the return on assets is characteristic of the ratio of net profitability.

Return on equity:
It indicates the size of the net profit per unit of capital invested in the company. It is the efficiency measure for the use of equity capital by the entity in a given period. Return on equity, as well as other profitability ratios, indicates the deterioration of the general efficiency in the analyzed period.

3.4. Turnover ratios

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No.	Name of ratio and its formula	Typical or safe ratio level	Presentati on Criteria	Financial year		
	Turnover ratios	Safe ratio	measure	2012	2011	2010
1	The rate of inventory turnover (in days) the average stock x 360 days Cost of sales of goods and materials	Decreasing ratio	in days	23	24	20
2	Cash inflow from receivables (in days) average amount of claims for goods and services x 360 days Net revenues from sales of products, goods and materials	Number of days comparable to No.3	in days	65	33	35
3	Repayment of obligations (in days) average balance of liabilities for goods and services x 365 Net revenues from sales of products, goods and materials	Number of days comparable to No.2	in days	50	41	32
4	Productivity of assets Net revenues from sales of products, goods and materials total assets	2.0	in days	1.43	2.05	1.63

The above mentioned items (items 1-3) were calculated based on the average data set of five periods (for the beginning of the year and end of each quarter).

The rate of inventory turnover (in days)
During the period inventory It indicates for how long the funds are involved in the financing of inventories, i.e. how many days, on average, the turnover of inventories lasts.
In the analyzed period, the inventory turnover ratio was on an even level and its size indicates that the Company does not freeze the excessive cash in inventory.

Cash inflow from receivables (in days)
It indicates after how many days, on average, cash from receivables come to the Company (a series of implementation of the claims).
The cycle of receivables increased to 65 days in the analyzed period, which means an extension of the cash.inflow.

Repayment of obligations (in days)
It indicates after how many days, on average, the entity regulated its obligations to suppliers.
The effective term of liabilities in the analyzed period was extended in comparison with the previous year to 50 days. The unit adjusts its obligations according to the terms of payment and the increase of

this ratio results from the high values at the end of quarters, adopted for the calculation of the average liabilities.

3.5. Summary

Analysis of the balance sheet, profit and loss account and presented analysis of financial condition, despite the decline in management effectiveness of the Company, do not indicate any threat of preventing it from continuing its activities in the year following the year audited.
The Company has proper financing ratio, with the golden rules of balance and finance at a safe level. It also has proper financial liquidity and turnover profitability at a good level. It is also characterized by the high dynamics of sales income, all the same having negative result on sales which is a concern.

According to the Auditor, to eliminate losses as a result of the sale, the Management Board should take further steps to increase sales revenues, decrease the costs of operating activities as well as to make better use of the Company's fixed assets.

C. Detailed part

1. Accuracy and reliability of accounting books

„TALEX" S.A. keeps its accounting books on the basis of the provisions laid down in the Accounting Act of 29th September 1994 (i.e. Journal of Laws of 2009, No. 152, item 1223 with subsequent amendments) and principles adopted by the Company, the so-called „Accounting Policy", which was approved 30th January 2002 by the Management Board and which entered into force on 1st January 2002 with the successive amendments. On 1st January 2012 the Management Board of the Company introduced a change to „Accounting Policy" and adopted its consolidated text.

Accounting books are kept using the computer technique based on:

- Up to 31st August 2011, the integrated financial and accounting program IRBIS, implemented on 1st January 1999, which was created by TALEX SOFTWARE Ltd. – a company bought on 1st June 1998;
- Since 1st September 2011, the integrated Microsoft Dynamics AX system.

The change of the electronic system had no impact on the measurement principle of the financial result. The audited entity transferred the data to the new system along with the completeness and continuity principle.

The change of the electronic system were made to the „Accounting Policy" adopted by the Company in the auditing period.

Due to the fact that „TALEX" S.A. does not prepare consolidated financial statements, a separate financial statement in accordance with MSR or US GAAP has not been drawn up.

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The applied accounting systems include all appliances stipulated in this respect by provisions of the accounting act. The method of marking and storing accounting evidence guarantees easy access and control. Tests, conducted in the process of the audit, confirmed the correctness of the application of the rules.

As a result of the audit of the financial statement and accounting books of TALEX S.A, the following has been stated:

- completeness and clarity of documenting business operations and their correct qualification to be included in accounting books,
- correctness of accounting books opening as well as completeness and correctness of records made and their connection with documents and the financial statement,
- fulfillment of conditions set for accounting books kept using the electronic technique of calculation.

Storage and archiving of data – no reservations.

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2. Valuation principles of financial statement items

In the course of the audit, it has been found that TALEX S.A. prepared the financial statement for the period from 1st January 2012 to 31st December 2012 guided by rules of valuation of particular items of the balance sheet and rules of establishing revenues and costs adopted in „Accounting Policy."

2.1. Fixed assets

2.1.1. Fixed assets and intangible assets are valued in the books according to acquisition price of manufacturing cost and amortized in proportion to the period of their utilization and including tax rates stipulated in the Legal Persons Income Tax Act of 15th February 1992 (i.e. Journal of Laws of 2000 No. 54, item 654 with subsequent amendments). The goodwill was subjected to depreciation, proportionally during 5 years. Fixed assets and intangible assets with the initial value not exceeding PLN 3,500.00 are depreciated on a one-off basis in the month following the month of their acceptance for use. Net values, that is after amortization, were entered into the financial statement.
Prepayments for fixed and intangible assets do not occur in the analyzed period.

2.1.2. Fixed assets include fixed assets and fixed assets under construction.

Fixed assets are valued according to the costs of acquisition or manufacturing costs increased by costs of their improving and reduced by costs of amortization and value of impairment. In the period of audit there was no reduction due to the permanent loss of values of fixed assets. Fixed assets with the initial value from PLN 250.00 to PLN 3,500.00 are depreciated on a one-off basis in the month following the month of their acceptance for use.
Fixed assets are amortized according to the rules:

- Means of transport as exploited more intensively in relation to average conditions and requiring technical efficiency are amortized at the rate increased by coefficient of 1.4,
- Computer equipment as subject to rapid technical progress is amortized at the rate increased by the coefficient of 2.0,
- Fixed assets exploited on the basis of leasing agreements are amortized at rates resulting from the duration of those agreements,
- Remaining fixed assets according to the tax rates stipulated in the Legal Persons Income Tax Act of 15th February 1992 (i.e. Journal of Laws of 2011 No. 74, item 397 with subsequent amendments),

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. In the period of audit there was no reduction due to the permanent loss of values of fixed assets under construction.

2.1.3. Long-term investments for 31st December 2012 do not occur.

2.1.4. Long-term receivables include deposits paid to safeguard the proper execution of agreements, required in period above 12 months.

2.1.5. Long-term prepayments include assets due to deferred income tax and other prepayments which include costs of spare equipment safeguarding execution of servicing agreements, which are to be settled after 31st December 2013.

Assets due to deferred income tax were set up to the value of the amount envisaged to be deducted from tax, in relation to negative transitional differences, which will in the future result in the reduction of the basis of taxation for legal persons income tax.

2.2. Current assets

2.2.1. Inventory includes materials, goods and production in progress as well as finished products.

- **materials and goods** were valued at acquisition prices increased by duty in case of imports; expenditure throughout the year takes place as follows:
  - goods identified by serial numbers according the purchase price of those goods,
  - materials and goods not identified by serial numbers according to the FIFO principle – „first in, first out",
- **production in progress** includes the value of incomplete services and was valued according to real and direct manufacturing costs of particular orders,

2.2.2. Short-term receivables – throughout the year they are presented at the value set at their beginning. At balancing date (31st December 2012) receivables in foreign currencies were valued at the average exchange rate set for a given currency for a particular date by the National Bank of Poland. As for the balance sheet, the receivables taken into consideration were corrected by revaluation write-offs in the following cases:

- brought before the court - 100% write-off,
- receivables from entities in liquidation - 100% write-offs,
- receivables overdue for over half a year - 100% write-offs

2.2.3. Short-term investments – consist of short-term financial assets, including cash at bank and in hand, which are valued according to their nominal value.
Cash in foreign currencies present in the books of account as at the balance sheet date (31.12.2012) is valued at the average rate of the NBP, in force for a given currency as at that date.

2.2.4. Short-term prepayments were presented according to real expenses incurred during the examined period or previous periods, and in the period from 1st January 2013 to 31st December 2013 they are settled by inclusion in the costs of periods they concern.

2.3. Equity – as for 31st December 2012, includes share capital, supplementary capital and net loss.

- **share capital** was presented at nominal value, in accordance with the entries in the National Registry Court and share book (for registered shares).
- **supplementary capital** was presented at nominal values. It was formed during the audit from the reserve capital to cover the total cost of the acquisition by the Company of its own shares, in accordance with Resolution No. 14 of the Annual General Meeting of Shareholders.

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- **capital from valuation updating** was accounted for in total on 31st December 2002. There was no increase of the capital from valuation updating in the period of audit.
- **net loss –** as presented in the balance sheet is in accordance with the profit and loss account and it results from the correctly transferred balances of nominal accounts to the account of the financial result.

2.4. Liabilities and provisions for liabilities

2.4.1. Provisions - include:

- reserve due to deferred income tax formed to the value of the amount of income tax to be paid in the future, in relation to positive transitional differences which occur between the book value and the tax value of assets and liabilities.
- provision for retirement benefits formed 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.
- remaining provisions – include provisions for costs of the financial statement and contractual penalties for delays in service delivery.

2.4.2. Long-term liabilities - include liabilities due to lease agreements recognized from the viewpoint of the Accounting Act as financial leasing and due to be settled after 31st December 2013.

2.4.3. Short-term liabilities - presented in the amount due to be paid, liabilities in foreign currencies were valued as of 31st December 2012 at the average exchange rate set for a given currency for a particular date by the National Bank of Poland.

2.5. Revenues from sale of goods and products (products and services) include amounts due from the recipient decreased by the value added tax due. Revenues from sale are accrued to the reporting periods they concern.

2.6. Costs of operating activities include the value of products, goods and materials sold, valued at manufacturing costs or acquisition prices together with general and administrative costs and selling costs. Costs include VAT only in that part, in which according to binding legal provisions this tax cannot be deducted.. Costs are presented until the period they concern, regardless of the date the invoice was received or the payment made.

2.7. Other revenues and operating costs - revenues and costs not connected directly with the normal activity of the Company, but influencing its financial result. Other operating revenues include, during the period examined, mainly: profit from the disposal of non-financial fixed assets, received bonuses, received compensation for transport and other damages, reversed write-downs on receivables, remuneration of taxpayers and others. Other operating costs were shaped in 2011 mainly by: costs of damages incurred due to accidents, paid compensation, impairments write-down on receivables as well as court and collection costs, costs of subsidy and others.

2.8. Revenues and financial costs - results of financial operations. During the period covered by the audit, financial revenues include interest on assets on bank accounts and other received interest and the surplus of positive differences in exchange rates over negative ones. The financial costs presented in the account of gains and losses include primarily the costs of lease charges (financial part).

2.9. Extraordinary gains and losses – include the value of events difficult to predict, occurring uniquely apart from usual activity of the Company and not related to the general risk of this activity. They did not occur in the period of audit.

2.10. Obligatory encumbrance of financial result – in the period covered by the audit it concerns mainly the current and deferred income tax; it was determined in accordance with applicable regulations.

2.11. Net financial result – established in accordance with provisions of the accounting act as a difference between revenues and costs including obligatory encumbrances of financial result. Profit and loss account was drawn up by function of expenses.

3. Operation of the internal control system

„TALEX” S.A. laid down the described control procedures in „The Rules of Internal Control” which entered into force on 1st October 2001.
The Company holds ISO 9001 : 2008 certificate which covers: „design, production, delivery, integration of computing solutions and technologies, servicing, software production, comprehensive management of customers' IT resources and the carrying out of mass implementations of information technology systems. Services of IT monitoring, backup office and Data Center, including hosting and collocation" valid until 26th May 2014, issued by SGS United Kingdom Ltd.
Moreover, the Company holds the certificate of compliance with Security of Information Management System ISO/IEC 27001:2005 valid until 8th June 2014, issued by SGS United Kingdom Ltd.

On 31 July 2012 Talex S.A. received a certificate which confirms that the Company meets the requirements of ISO/IEC 20000:2005 Management System in the scope that includes the provision of IT services in the installation, relocation, expansion, change, removal of hardware and software and the break and fix of hardware and software for business partners is in accordance with the latest version of Talex S.A. IT service catalogue. This certification was issued by DNV Certification Ltd. UK and is valid till 9 July 2015.

The role of institutional control is played by the Company's Management Board and Supervisory Board, while functional control is exercised by employees responsible for particular areas of work. Additionally, a position for the purposes of controlling was created in the organizational structure of **„TALEX" S.A.**

Examination of the internal control system was carried out to such an extent to which it concerns the audited financial statement. It was not meant to reveal all possible irregularities or significant weaknesses of that system.

In the course of the audit of the financial statement it was found that the internal control functioned correctly and ensured that risk of irregularities concerning the accuracy and correctness of data presented in the financial statement was limited.

4. Stocktaking

According to Article 26 of the accounting act, stocktaking in the audited Entity was conducted on the basis of the President of the Company's Ruling by means of:

- cash in hand as of 31st December 2012
- trade goods in the central warehouse: as of 30th November 2012r. and re-inventory as of 31th December 2012.
- trade goods including: licenses as of 16th December 2012
- materials in the service warehouse as of 20th December 2012
- other materials as of 20th December 2012

by physical inventory

- cash at bank as of 31st December 2012
- settlements with recipients as of 30th November 2012
- other receivables, including „deposits" and „bid bonds" as of 30th November 2012

by balance confirmation

- production in progress as of 31st December 2012
- fixed assets under construction as of 31st December 2012
- other assets and liabilities as of 31st December 2012

by verification of balances

Fixed assets inventory took place during the period from 26.05.2011. to 10.06.2011.

The key auditor participated in part as an observer during the second physical inventory of trade goods in the central warehouse on 3rd January 2013, as at 31st December 2013. There were no additional comments.

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5. Balance sheet

In PLN

	ASSETS	31.12.2012	31.12.2011
I	**FIXED ASSETS**	**26,956,418.26**	**27,506,657.22**
1	Intangible assets	1,260,494.82	1,263,925.36
2	Tangible fixed assets	25,119,514.22	25,746,525.01
3	Long-term receivables	117,164.32	199,430.02
4	Long-term investments	0.00	0.00
5	Long-term prepayments	459, 244.90	296 ,776.83
II	**CURRENT ASSETS**	**39,140,681.03**	**42,120,787.26**
1	Inventory	7,711,732.96	2,925,007.10
2	Short-term receivables	21,009,560.76	32,782,533.39
3	Short-term investments	9,595,932.08	5,559,278.76
4	Short-term prepayments	823,455.23	853,968.01
	TOTAL ASSETS	**66,097,099.29**	**69,627,444.48**

	LIABILITIES	31.12.2012	31.12.2011
I	**EQUITY**	**40,293,286.80**	**43,044,943.62**
1	Share capital	3,000,092.00	3,000,092.00
2	Called up share capital	0.00	0.00
3	Own shares	0.00	0.00
4	Supplementary capital	34,444,833.22	39 ,382,785.02
5	Revaluation reserve	0.00	0.00
6	Other reserve capital	5,000,000.00	0.00
7	Previous year’s profit/loss	0.00	0.00
8	Net profit/loss	-2,151,638.42	662,066.60
II	**LIABILITIES AND PROVISIONS FOR LIABILITIES**	**25,803,812.49**	**26,582,500.86**
1	Provisions for liabilities	439,577.25	44, 348.62
2	Long-term liabilities	539,488.45	282,773.73
3	Short-term liabilities	23,583,781.45	24,276, 496.89
4	Accruals	1,240,965.34	1,582,881.62
	TOTAL LIABILITIES	**66,097,099.29**	**69,627,444.48**

Particular items of the balance sheet were presented on the basis of agreed instruments of the general ledger and subledgers. As a result of the applied procedures under the audit of the accounting ledgers and the financial statement, no unreal or outdated balances were found. Items of assets and liabilities can be considered correct on the basis of the audit carried out.

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6. Profit and loss account

In PLN

	TITLE	01.01. - 31.12.2012	01.01. - 31.12.2011
I	**NET REVENUES FROM SALES, INCLUDING:**	**94,630,895.17**	**142,765,779.41,**
	- PRODUCTS	38,116,740.69	32,176,719.86
	- GOODS AND MATERIALS	56,514,154.48	110,589,059.55
II	**COSTS OF OPERATING ACTIVITIES, INCLUDING:**	**96,047,263.53**	**144,211,012.12**
	MANUFACTURING COST OF PRODUCTS SOLD	30,087,197.78	26,494,948.92
	MANUFACTURING COST OF GOODS AND MATERIALS SOLD	53,318,523.07	104,324,893.95
	SELLING COSTS	4,538,482.72	5,384,776.42
	GENERAL AND ADMINISTRATIVE COSTS	8,103,059.96	8,006,392.83
III	**PROFIT/LOSS ON SALES**	**-1,416,368.36**	**-1,445,232.71**
IV	**OTHER OPERATING REVENUES**	1,167,836.56	1,835,078.10
V	**OTHER OPERATING COSTS**	2,306,353.86	225,184.78
VI	**PROFIT/LOSS ON OPERATING ACTIVITIES**	**-2,554,885.66**	**164,660.61**
VII	**FINANCIAL REVENUES**	366,888.22	711,763.98
VIII	**FINANCIAL COSTS**	121,635.67	183,059.99
IX	**PROFIT/LOSS ON ECONOMIC ACTIVITIES**	**-2,309,633.11**	**693,364.60**
X	**RESULT OF EXTRAORDINARY EVENTS:**	0.00	0.00
	Extraordinary gains	0.00	0.00
	Extraordinary losses	0.00	0.00
XI	**GROSS PROFIT/LOSS**	**--2,309,633.11**	**693,364.60**
XII	**INCOME TAX, INCLUDING:**	**-157,994.69**	**31,298.00**
	- CURRENT	0.00	0.00
	- DEFERRED	- 157,994.69	31,298.00
XIII	**OTHER OBLIGATORY REDUCTIONS IN PROFIT**	0.00	0.00
XIV	**NET PROFIT/LOSS**	**-2,151,638.42**	**662,066.60**
XV	**PROFIT/LOSS PER ONE SHARE**	- 0.07	0.22

Particular items were presented in the profit and loss account on the basis of data resulting from the closed and agreed subledgers and the general ledger. As a result of the applied procedures under the audit of the accounting ledgers and the financial statement it was found that:

- ⇨ The qualification of revenues and costs for particular titles is in accordance with „The Accounting Policy" and the Accounting Act.
- ⇨ The accrued income and expense for the period of the audit is correct.
- ⇨ The costs incurred are a cause - effect of income achieved.
- ⇨ There are no objections as to the reliability, accuracy and completeness of the reported costs.

Items of profits and losses can be considered correct on the basis of the audit carried out.

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7. Explanatory notes to chosen items of profit and loss account

Explanatory notes concerning particular items of the balance sheet and profit and loss account of „TALEX" S.A. are an integral part of the audited balance sheet. Due to this, this section of the report includes only additional explanatory information on: assets and liabilities well as current and deferred income tax.

EXPLANATORY NOTE NO. 1
SHORT-TERM RECEIVABLES

Up to the day of audit, that is to 10th March 2013 vindicated receivables due to deliveries and services amounted to PLN 19,486,661.91 that is 96.68% of total gross receivables (not taking into account revaluating write-offs).

Revaluating write-off as for 31st December 2012 included receivables due to deliveries and services in the amount PLN 1,792,685.95 which is located in the group entitled "other receivables difficult to recover."

Receivables due to deliveries and services were confirmed by sending balance confirmation in writing as for 30th November 2012.

- Sent to the amount of PLN 12,263,667.35
- Received to the amount of PLN 7,167,075.20 which represents 58.44%.

Budget receivables exclusively include tax from goods and services as for 31st December 2012 at the total amount of PLN 545,818.31.

Up to the day of audit completion, VAT tax was settled in total.

Other short-term receivables include:

• Bid bond paid	PLN 0.00
• Security deposits paid	PLN 300,746.33
• Receivables due to settlement with the Brokerage	PLN 214.41
Total	PLN 300,960.74

Paid deposits and bid bonds as for 30th November 2012 were confirmed:

sent	received	%
385,423.05	327,211.99	84.90%
32,524.00	32,524.00	100.00%
592,969.35	359,735.99	86.07%

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Up to the day of the audit, that is 15th March 2013, liabilities due on account of security deposits were settled at the amount of PLN 73,171.77, which constitutes 24.33% (they are settled in accordance with the agreements).

EXPLANATORY NOTE NO. 2

1.SHORT-TERM LIABILITIES

Up to the day of audit, that is to 15th March 2013, liabilities due to deliveries and services at the amount of PLN 13,112,463.60 were settled in 66.06%.

Other financial liabilities include liabilities due to leasing agreements. They are settled in accordance with the deadlines for payments.

Advance payments for deliveries were settled up to the day of the audit, i.e. 15.03.2013 at the amount of PLN 343,966.02 which constitutes 94.14% of the balance of the balance sheet date.

Liabilities due to taxes, grants, customs, insurance and other benefits include as for 31st December 2013 the amount of PLN 343,966.02 and refer to:

• Income tax – lump sum (of the licenses)	PLN 78,126.00
• VAT	PLN 1,789,541.7700
• VAT (branch office in the Czech Republic)	PLN 60,781.21
• Personal income tax	PLN 181,177.00
• Income tax from individuals Branch Czech Republic	PLN 5,558.30
• PFRON	PLN 12,723.00
• Social insurance	PLN 552,611.54
Total	PLN 2,680,518.82

Audited Entity pays its liabilities in time, in accordance with the deadlines for payments. Until the day of the audit the above mentioned liabilities of the Company has been entirely settled.

Other accounts at the amount of PLN 27,075.21 and liabilities due to salaries were settled up to the day of the audit at the amount of PLN 16,691.71 which constitutes 61.65%.

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EXPLANATORY NOTE NO. 3

1. CURRENT INCOME TAX

No.	Specification	2012	2011
1.	Total revenues including :	**96,448,016.96**	**145,697,332.39**
	a) revenues from sale	94,630,895.17	142,765,779.41
	b) other operating revenues	1,168,417.20	1,836,858.80
	c) financial revenues	648,704.59	1,094,694.18
	d) extraordinary gains	0.00	0.00
2.	Exemption from revenues	3,533,232.16	1,895,293.22
3.	Increase in revenues	110,115.60	98,037.18
4.	**Revenues that are taxed**	**93,024,900.40**	**143,900,076.35**
5.	Total costs including :	**98,757,650.07**	**145,003,967.79**
	a) costs of operating activities	96,047,263.53	144,211,012.12
	b) other operating costs	2,306,934.50	226,965.48
	c) financial costs	403,452.04	565,990.19
	d) extraordinary costs	0.00	0.00
6.	Exemption from costs including :	6,163,621.70	3,351,266.61
	- costs of the branch in the Czech Republic	3,188,278.71	413,022.10
	- costs of operating activities	1,825,587.14	2,858,408.57
	- other operating costs	1,149,465.35	79,775.94
	- financial costs	290.50	60.00
	- extraordinary losses	0.00	0.00
7.	Increasing in costs	1,059,474.38	1,228,243.36
8.	**Cost of revenue acquisition**	**93,653,502.75**	**142,880,944.54**
9.	**Taxable profit**	-628,602.35	**1,019,131.81**
10.	Deductions from income	0.00	1,019,131.81
	- taxable loss from 2009	0.00	1,019,131.81
11.	**Basis of taxation**	0.00	0.00
12.	Tax according to 19% rate	0.00	0.00
13.	Tax according to 19% rate, rounded up	0.00	0.00
14.	Deductions from tax	0.00	0.00
15.	**Tax due**	0.00	0.00
16.	**Dividend tax - collected**	0.00	0.00
17.	**Tax due in profit and loss account**	**0.00**	**0.00**

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	Exemptions from revenues, due to:	**3,533,232.16**	**1,895,293.22**
1.	Dividend received	2,648,813.13	252,683.22
2.	Decrease in receivables write-offs	68,629.56	10,298.80
3.	Revaluation – increased value of bonds and shares	206,933.18	0.00
4.	Reversal of provision for retirement severance benefits	511,611.45	1,528,800.25
5.	EU grant	0.00	95,752.96
6.	Interest accrued but not received	96,430.67	7,757.99
7.	Received budget interest	**110,115.60**	**98,037.18**
8.	Different moment of inclusion into taxable income and book values of services	110,115.60	96,430.67
	Increase in revenues, due to:	0.00	1,606.51
1.	Different moment of inclusion into taxable income and book values of services	**3,533,232.16**	**1,895,293.22**
2.	Execution of interest charged in previous years on the deposit for BZWBK	2,648,813.13	252,683.22

	Exemption from costs including :	**6,163,621.70**	**3,351,266.61**
	- costs of operating activities, due to:	**3,188,278.71**	**413,022.10**
	- costs of the branch in the Czech Republic	**1,825,587.14**	**2,858,408.57**
1.	National Disabled Persons Rehabilitation Fund (PFRON)	153,756.00	160,844.00
2.	Non-tax amortization (ZST, cars above EUR 20000, leased cars, assets financed by EU grants)	1,299,231.37	1,541,647.97
3.	Passenger car insurance above limit	4,449.03	7,945.29
4.	Unpaid job contracts	65,717.05	26,700.38
5.	Unpaid social insurance (ZUS) premiums from contracts and provisions for social security (ZUS) costs	39,978.08	0.00
6.	Increase in provisions for pensions	6,440.31	109,953.64
7.	Costs financed by a grant	197,518.24	901,137.63
8.	Provisions for the costs of services to be performed next year, concerning the revenues of the audited year, including the costs of the audit	5,765.18	13,775.00
9.	Representation costs	18,958.53	56,142.77
10.	Other costs	33,773.35	40,261.89
	- other operating costs, due to:	**1,149,465.35**	**79,775.94**
1.	Donation	9,408.32	0.00
2.	Net value of liquidated fixed asset in leasing	4,726.08	71.62
3.	Receivables revaluation write-off	1,093,199.97	29,821.06
4.	Creating reserve for bid bond forfeiture	11,950.72	0.00
5.	Penalties and damages, including provisions for penalties	23,180.26	12,953.96
6.	Other	7,000.00	36,929.30

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	- financial costs, due to:	**290.50**	**60.00**
1.	Budget interest	229.00	60.00
2.	Revaluation – decreasing values of shares and bonds	61.50	0.00
	Increase in costs, due to:	**1,059,474.38**	**1,228,243.36**
1.	tax amortization of fixed assets from ZST	586.20	1,172.88
2.	paid costs of mileage reimbursement and business trips accrued in the previous year	18,205.23	12,065.59
3.	paid job contracts and other remunerations from the previous year, including reserves used for salaries and training costs	21,408.84	285,658.17
4.	paid social insurance (ZUS) contributions from the previous year	0.00	6,788.54
5.	costs of leasing charges – capital part – plus initial charge for 2012	994,146.15	884,652.52
6.	paid contractual penalties for delays, accrued in the previous year	6,046.52	8,750.87
7.	others, including the use of reserves to the costs of the balance research	19,081.44	29,154.79

2. DEFERRED INCOME TAX

in PLN

TITLE	2012	2011
Deferred income tax assets	-157,927.69	31,559.00
- increase	-388,715.00	-122,728.00
- decrease	230,787.31	154,287.00
Deferred income tax reserve	-67.00	-261.00
-increase	22.00	44.00
- decrease	-89.00	-305.00
DEFERRED INCOME TAX, TOTAL	**-157,994.69**	**31,298.00**

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8. Statement of changes in equity

Compiling changes in equity is related to the balance sheet and accounting books and reflects changes of individual components of equity for the current and previous year according to attachment no. 1 to the accounting act.

9. Additional information

Additional information to the financial statement of „TALEX" S.A. was drawn up in full accordance with the balance sheet, profit and loss account and accounting books.
It includes introduction to the financial statement as well as additional information and explanations. The thematic range complies with Appendix No. 1 to the Accounting Act.

10. Cash flow statement

The cash flow statement showing a balance sheet increase in cash of PLN 4,036,653.32 is related to the balance sheet, profit and loss account and accounting books. The increase in the amount of cash was influenced by:

• net cash flows from operating activities	PLN 7,769,410.03
• net cash flows from investment activities	(-) PLN 2,332,383.69
• net cash flows from financial activities	(-) PLN 1,400,373.02
net cash change, decrease	PLN 4,036,653.32

The cash flow statement was drawn up using the indirect method and shows inflows and expenses from operating, financial and investment activities as understood in accordance with Art. 48b section 3 of the Accounting Act.

11. Statement of the Management Board on the Company's activities

The descriptive statement covers the thematic range laid down in Art. 49 of the Accounting Act and results from accounting books. Moreover, it includes the provisions of the Regulation of the Minister of Finance of 19th February 2009 (Journal of Laws of 2009 No. 33 item 259) on the current and periodic information passed on by the issuers of shares.

The economic data shown are in accordance with the information included in the Company's annual financial statement.

12. Transactions with related parties

Do not occur.

13. Transactions after the balance sheet date

As a result of the audit it was found that between the balance sheet day 31.12.2012 and the date of the completion of the audit there were no significant economic events that affect the annual

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financial statement and balance sheet result, taking into account in this regard a statement made by the Management Board on 20.03.2013.

D. Summary

In the course of the audit of the accounting books no events indicative of a violation of law were stated.

Summary of the results of the financial statement's audit can be found in „the opinion of the statutory auditor", drawn up as a separate document. A positive opinion was issued on 15th March 2012, including no remarks or reservations.
The report consists of 35 pages, numbered and initialed by the auditor.

Attachments to the report:
1. Balance sheet as drawn up for 31st December 2012
2. Profit and loss account for the period from 1st January to 31st December 2012
3. Statement of changes in equity for the period from 1st January to 31st December 2012
4. Cash flow statement for the period from 1st January to 31st December 2012

The statement of the Management Board and additional information including introduction and additional information and explanations are an integral part of the audited financial statement and constitute separate documents.

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Małgorzata Poprawska
Statutory Auditor Reg. No. 5796

Entity authorized to audit
the statement
Reg. No. 2791

Poznań, 20th March 2013

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