Semi-Annual Report on Issuer's Activity Talex S.A. in Poznan

August 2011

Company Information

Company Name :	TALEX Spółka Akcyjna
Registered Office :	61 – 619 Poznań, ul Karpia 27D
Phone Number :	(061) 8 275 500
Fax :	(061) 8 275 599
Taxpayer Registration Number :	782 – 00 – 21 - 045
Company Registration Number:	004772751
NACE :	5184

Branches

At present, the Company has ten field branches:

- Talex Białystok, Ogrodowa Street, No 31;
- Talex Cieszyn, Katowicka Street, No 157
- Talex Gdynia, Sportowa Street, No 8;
- Talex Katowice, Chorzowska Street, No 50;
- Talex Kraków, Kamieńskiego Street, No 51;
- Talex Lublin, Jana Sawy Street, No 2;
- Talex Łódź, Piotrowska Street, No 276;
- Talex Olsztyn, Prusa Street, No 6/3;
- Talex Rzeszów, Lwowska Street, No 6;
- Talex Szczecin, Pomorska Street, No 53;
- Talex Toruniu, Włocławska Street, No 167;
- Talex Warszawa, Iłżecka Street, No 26;
- Talex Wrocław, Legnicka Street, No 51-53;
- Talex Zielona Góra, Moniuszki Street, No 16.

Field of activity

The joint-stock company TALEX S.A. (previously the limited liability company TALEX Sp. z o.o.) has been a provider of technologically advanced IT services for small and medium-size businesses since 1990.

The Company's activity focuses on three main areas: integration of ICT systems, IT outsourcing and software development.

The integration of ICT systems includes a large number of services. The Company tries to provide its clients with a full range of services, starting with preliminary analyses and expert consultation, project design and management services, development and introduction of integration procedures, system configuration and tuning, ending with the organisation of staff training programs, whose focus are the products and services offered by the Company. Such an extensive offer guarantees the integrity of the customers' IT systems as well as high quality, reliability and adherence to the basic security standards.

The platforms covered by the integration services offered are Intel/RISC, UNIX, i5/OS, Windows and Linux. The services include, among other things, consolidation and virtualisation, high-availability solutions (clusters), backup and recovery services (recovery centers, data replication, disk arrays etc.) as well as information security solutions, such as preventing unauthorised intrusions into ICT networks or developing private virtual networks. The Company also provides network integration services, including DWDM, IP telephony, structural cabling, network monitoring etc.

The outsourcing offer focuses on two main areas – Data Center services and services guaranteeing continuity of business processes. Talex S.A. provides its customers with the

access to its own Data Center. This may happen in a number of ways: the customers may use only the space of the Data Center or use the full service, which includes offering space, hiring equipment, configuring applications as well as administering and monitoring. At the customer's request, applications can be monitored 24/7. In case of equipment or software failures, the Company's experts offer remote or onsite support. The qualifications of the engineers are confirmed with certificates from the leading equipment and software manufacturers.

A special outsourcing service offered by the Company are rollouts – mass upgrades of ITC infrastructure for large customers, especially those with branches across the whole country. Talex S.A. has specialised in such activities, having performed many rollouts, for example, in three leading Polish banks.

The software production services include custom-made software, developing modules extending the existing applications, tuning the applications to the specific needs of customers or developing codes used in integration processes. The Company uses modern technologies, such as Java, Microsoft.NET; Oracle, DB2, MS SQL databases; and WebSphere, WebLogic and JBoss application servers.
Software produced by the Company is used in financial institutions, state-owned enterprises as well as large industrial companies.

TALEX S.A. is a partner of many leading hardware and software manufacturers. The Company's employees have attended training courses and passed exams, which is confirmed by obtained certificates.

Procedures of all the activities of the Company are compliant with the quality management system, defined by the ISO 9001:2000 standard. Given its specific business profile and the importance of its customers, the Company also obtained the BS 7799:2002 (ISO/IEC 27001:2005) certification, which confirms that the procedures followed by the Company guarantee full security of customers' data.

IT market and perspectives of development for the Company

After a period of crisis, the IT market in Poland recorded a marked improvement in results. The increase in the number of orders from the enterprise sector gives the possibility to assess in real terms the opportunities for market growth in this year to be more than 10%, according to the report.

Relatively high unemployment and relatively low level of confidence in the macroeconomics of the IT market remains, yet for some time, the result of the outgoing crisis. For this reason, also the aversion to expenditures for investment purposes will not disappear too quickly. However, it is not impossible that the market will grow faster than forecasts suggest. In the current year, the improvement was already noticeable after the first quarter of 2011; the GDP grew by 4.4% and capital expenditures by as much as 6%, which is the best result of two years.

After this year's survey of IT companies analysts claim that among the most important factors promoting the development of IT sector in Poland are the improvement of the economic situation in Poland (33%), the increase in tendency of companies to invest (32%), the use of EU funds for investments in IT (28 %), the development of new technologies (20%) and growing awareness of the need in the area of IT (18%).

New chances for development appear, such as the tendency of companies to invest (a rise of 25 percentage points compared to 2010) or the development of new technologies (a rise of 3 percentage points) as well as the growing awareness of the needs in the area of IT (a raise of 7 percentage points).

Last year, the participation in the expenditure concerning IT increased again in large companies. Among other things, it is the release of budgets in that segment that brought about better than expected results of the entire market. In subsequent years, the expenditure in big companies will still have strategic importance to IT suppliers. It is hardly likely that the share of big companies will fall below 50% in the total value of the IT market in the next 2-3 years, especially due to the prolonged period of time of the hardware replacement process. Not without significance is also the necessity of migration to more advanced solutions in the software area.

The global financial crisis also caused the increased interest and importance of IT outsourcing, as an attempt to optimize spending on IT services of the company. Companies will always seek ways to reduce costs which will also try to move IT services to external partners. The market for outsourcing services is constantly monitored and reviewed, so customers have the latest results of research on this segment of the service.

Outsourcing services are often a very important element in building long-term business strategies. Companies worldwide are looking for IT service providers who in a safe way will be able to support their internal processes and infrastructure. In the context of the global search for more and more places where you can implement IT service outsourcing model, the Data monitor Group deserves a special attention; they conducted the annual survey, known as The Black Book of Outsourcing, which resulted in a ranking of the most dangerous and safest places around the world, that provide such services. Recent research conducted in 2010 covered 3,100 market leader companies, including more than 400 customers benefiting from the outsourcing (including IT outsourcing and BPO). The examiner asked respondents how they perceive each city in terms of different threats and potential weaknesses, including that of geopolitical risks, terrorist threats, climate, legal maturity, waste and pollution, the safety of telecommunications and IT infrastructure as well as crime rates.

According to those surveys, the whole region of Central and Eastern Europe (CEE) headed the list of safest cities, which indicates that outsourcing in this region is interesting not only for domestic companies but also for partners around the world.

These results are particularly important for companies involved in high-risk business, and such will include financial institutions, where security, stability and data protection prevail and often outweigh the cost factors. According to published research results, the CEE

region turns out to be ideal for the outsourcing of IT projects in terms of both safety and cost.

In 2011, the Company plans to continue to focus its activities on: outsourcing, integration services in the field of information technology and software production. Treating outsourcing services as one of the strategic directions of development, the Company is consistently, for several years, developing the necessary skills and technical infrastructure. In addition, the Company has this year received funding for the project entitled "Establishing a modern Data Center to raise the level of competitiveness and innovation Talex S.A.". Funding was granted to the Company under the Wielkopolska Regional Operational Programme 2007-2013, co-financed by the European Regional Development Fund.

Basic economic and financial data, disclosed in the semi-annual financial report

Sales and profit in the first six months of 2011

In the first six months of 2011, the Company recorded the revenues of PLN 47,192 thousand, with the loss of PLN -2,230 thousand.

SPECIFICATION	First six months of 2011 (PLN in thds)	First six months of 2010 (PLN in thds)	Fluctuation
Revenues from sales of products	13,742	15,666	87.7%
Revenues from sales of goods and materials	33,450	23,570	141.9%

In the reporting period, revenues from sales in the first half of 2011 increased as compared to the same period of the previous year. Revenues from sales of products decreased by approximately 12.3%, just like the margin on products sales, which was equal to 13%.

The impact of the recession on the company is still felt and translates into limiting the scope of IT investments by traditional recipients. However, the Company's revenues from sales of goods and materials in the first half of this year, which increased by about 41.9% compared to the first half of 2010, may be evidence of the some revival in the market. The company has achieved profitability from sales of goods and materials at around 7.5% (in the first half of 2010 it remained at 6.1%).

Second quarter of 2011 was much better for the Company than the first quarter of this year. The revenues from product sales in the second quarter of 2011 accounted for 68.8% of revenues from sales of products made in the first half of this year. The Company ended the second quarter of 2011 with profit, yet it failed to fully cover the loss of the first quarter during the second quarter of this year.

SPECIFICATION	First six months of 2011 (PLN in thds)	First six months of 2010 (PLN in thds)	Fluctuation
Gross profit from sales of products	1,785	3,787	47.1%
Gross profit from sales of goods and materials	2,515	1,430	175.8%

Despite the higher revenues from the product sale at the end of the first half of 2011, the Company has reached a lower gross profit from the product sale as well as on others levels of the activity. It was mainly caused by the significantly lower value of margin on products sales in the first half of this year. Due to the signed and already planned contracts which cover both hardware sales and services, the Company plans to make up for the less favourable conditions of products sale from the first half of 2011.

SPECIFICATION	First six months of 2011 (PLN in thds)	2010 (PLN in thds)	First six months of 2010 (PLN in thds)
Net revenues from sales	47,192	105,836	39,236
Gross profit (loss) from sales	4,301	14,640	5,217
Profit (loss) from operating activities	- 2,419	2,529	- 742
Gross profit (loss)	- 2,168	2,529	- 834
Net profit (loss)	- 2,230	2,244	- 854

Company assets

The value of fixed assets as at 30.06.2011 amounted to PLN 25,384 thousand and remained at a very similar level compared to that of 30.06.2010.

	ASSETS	30.06.2011 (PLN in thds)	31.12.2010 (PLN in thds)	30.06.2010 (PLN in thds)
I	**FIXED ASSETS**	**25,384**	**26,088**	**25,504**
1.	Intangible assets	1,292	541	333
2.	Tangible fixed assets	23,719	25,032	24,830
3.	Long-term receivables	190	217	159
4.	Long-term investments	-	-	-
5.	Long-term prepayments and accrued income	183	298	182

The value of current assets as at 30.06.2011 amounted to PLN 37,025 thousand and was higher by 40.88% compared to the value on the last day of June 2010; the structure of current assets has changed too. Due to the contracts signed by the Company in the second quarter of 2011, but to be finalised in the subsequent quarters, the inventories increased significantly - about three times. With a view to the implementation of the signed contracts and in the anticipation of the outcome of several auctions the Company gathered about PLN 15 843 thousand on the bank account, which was nearly 2.5 times more than in the corresponding period in 2010.

	ASSETS	30.06.2011 (PLN in thds)	31.12.2010 (PLN in thds)	30.06.2010 (PLN in thds)
II	**CURRENT ASSETS**	**37,025**	**38,832**	**26,281**
1.	Inventories	11,562	1,860	3,801
2.	Short-term receivables	9,093	16,873	15,514
3.	Short-term investments	15,843	19,438	6,464
4.	Short-term prepayments and accrued income	527	661	502

Current assets constituted 59.3% of the total assets of the Company as at the end of the second quarter of 2011.

Overall financial condition

Selected financial ratios.

SPECIFICATION	First six months of 2011	First six months of 2010
Profitability ratios		
Sales ratio	9.11%	13.30%
Operation activities ratio	-5.13%	-1.89%
Gross profit ratio	-4.59%	-2.13%
Net profit ratio	-4.73%	-2.18%
Return on assets ratio	-3.57%	-1.65%
Return on shareholders' equity ratio	-5.55%	-2,.9%
Liquidity ratios		
Current ratio	1.89	2.70
Quick ratio	1.30	2.31
Debt ratios		
Total debt ratio	0.32	0.20
Long-term debt ratio	0.02	0.02
Management effectiveness ratio		
Receivables turnover ratio (in days)	37.32	44.17
Inventories turnover ratio (in days)	35.60	30.23
Liabilities turnover ratio (in days)	53.96	35.20

Profitability ratios in first six months of 2011 were a little lower than those in the first six months of 2010. This is due to a smaller share of revenue from the sale of products in total sales revenues in the first half of 2011 in relation to the previous period and a smaller margin on the product sale. Other indicators of profitability, by virtue of the above mentioned, reached a volume lower than in the first half of 2010. Despite higher revenue from sales and strong performance in the second quarter of 2011, the Company failed to cover the net loss generated in the first quarter of this year with the profit of the second quarter, hence the still negative values of the profitability ratios.

Liquidity ratios are maintained at all times high. During the period, although at a lower level for the first half of 2010 but still high and safe for the Company. Those indicators define the Company's ability to timely payment of current liabilities and their size in the first half of 2011 showed a liquidity surplus.

The high level of liquidity is also confirmed by the high level of current assets in the total assets of the company which on 30.06.2011 amounted to 59.3%. This share increased compared to the first half of 2010 (was then about 50.7%). In the first half of 2011 the Company was in possession of about PLN 15 843 thousand gathered on the bank account. The amount of cash increased as compared to the first half of 2010.

Debt ratio as on 30.06.2011 was at the level of 0.32.and increased as compared to the first half of 2010 due to the rise in the liabilities of the Company. Both the structure of the liabilities and the optimal values of liquidity ratios, reached primarily due to the cash

owned by the Company, reduce financial risk in the enterprise and reduce the likelihood of loss of ability to repay debt.

On the last day of June 2010 there is little long-term debt, resulting from lease agreements for the means of transport.

Receivables turnover rate declined compared to the first half of the previous year and the first half of 2010 was about 44 days. This ratio may indicate possible problems with the collection of commitments, which could significantly reduce the liquidity of the Company. Talex, with accumulated funds in its account, with no credits, can afford to temporary credit its customers, which indeed involves the freezing of funds in the amount of receivables, but in the current market situation, can also strengthen relationships with regular customers of the Company and build lasting relationships with new clients gained by Talex S.A.

Liabilities turnover rate has also decreased compared to last year, to about 35 days. The level of this index reflects the value of receivables turnover ratio. Extension of period for payment of commitments is widely used as a form of interest-free credit, it is particularly useful in cases where the company also credited its customers by setting extended deadlines for repayment of duties.

Inventory turnover rate fell in the first half of 2010 compared to the first half of last year. The size of this ratio also depends on the type of contracts.

Based on this analysis, the Company's financial situation can be considered good. Company has good liquidity, and governance performance indicators reflect the Company's policies and decisions made in the last half of the year, in terms of the contracts executed by the Company.

Financial standing

The Company’s shareholders’ equity as at 30.06.2011 amounted to PLN 40,153 thousand, which comprised

- share capital (3,000,092 shares) PLN 3,000 thousand
- reserve capital PLN 38,383 thousand
- net profit/loss for first six months of 2011 PLN -2,230 thousand

The Company’s standing, in terms of payments, was good in first six months of 2011. There were no difficulties with prompt payments of taxes, social insurance or payments to employees and suppliers.

The cash at hand and on bank accounts is sufficient to secure the Company’s current needs and amounted to PLN 15,843 thousand as at 30.06.2011.

Total liabilities as at 30.06.2011 amounted to PLN 19,605 thousand, which comprised only 48.8% of shareholders’ equity. More than half of the liabilities are liabilities with maturity of the next quarter, which therefore explains the lower relative to their level of current short-term receivables, which amounted to PLN 9,093 thousand. This structure of liabilities does not affect the risk of Company’s debt. At the date of 30.06.2011, the Company did not take any bank credits.

In first six months of this year, the Company invested its free assets mainly in fix-term deposits or placed them in over-night deposit accounts. Both instruments can be considered as risk-free.

The enterprise will continue to finance its activity through the shareholders’ equity. Current liabilities will be paid with the Company’s current receivables. In case of the enterprise signing any significant agreements, the assets of the Company will make it possible for the enterprise to get a credit from the bank that offers its services to the Company.

Information on buying treasury shares

In the reported period, the Company did not hold or buy any treasury shares.

Financial risk management

Due to the amount of the Company's cash, high level of liquidity in the Company stable for a couple of years now and significantly higher level of receivables in relation to obligations, the risk of changes in interest rates does not threaten the activity of the enterprise. Moreover, the Company has not taken any bank credits or loans.

The risk of changes in foreign currency exchange rates against PLN is high regarding the current state of the market; and the Company has so far not used financial entities protecting from exchange rate risks in connection with the above services. In first six months of 2011, payments in foreign currencies comprised approximately 16% of the Company's total payments. The decisions concerning the use of hedging instruments will be taken depending on the state of the foreign currency market.

Employment

On 30.06.2011, the Company had 249 employees. The average employment in the first half of 2011 expressed in full-time jobs equalled 236.07.

Significant risk factors and threats

Risk associated with economic situation

The constant economic and political changes may constitute a source of both threats and opportunities for businesses in Poland. The elements of the country's economic policy most significant for business are employment costs, taxes and investment policy. The key macroeconomic factors include the level of GDP, investment, inflation and exchange rates – especially USD and EUR. The poor state of the economy, and so, poor state of businesses, may result in the decrease of investments, including ICT solutions. Lower demand for such products may cause shrinkage of the market and increased competition resulting in reduction of prices. This may influence the reduction of sales profitability and in longer term also the liquidity of companies operating in this sector.

Risk associated with competition

The Company operates in a sector, where one needs to face intense competition, both from domestic businesses, which have been operating on the market for years, as well as new businesses. The growing number of the latter is a result of, among other things, open borders and the influx of foreign businesses operating in the same sector. Those businesses try to take over part of the market by taking over small domestic companies. Another significant threat is the growing tendency to provide direct services by global suppliers of computing solutions, who, so far, have operated in Poland through domestic integrators. The strengthened position of the rival businesses may weaken that of the Company. The Company's activities which are to minimize the above risks involve constant expanding of the offer by the newest technological solutions, raising the qualifications of the staff as well as providing services, whose standard guarantees that the Company is perceived as professional, experienced and reliable.

Risk associated with supplier dependence

The Company has signed partnership agreements with numerous global IT corporations. In most cases, those corporations offer solutions similar in quality, function and price.

The Company also cooperates with many domestic distributors of IT products. As a result, most of the solutions offered by the Company may be based on alternative products provided by different suppliers. However, part of the company's offer is based on products that are unique. The need to use particular manufacturer's products may sometimes be determined by specific requirements of a client. If the Company ceased to cooperate with particular corporations in the IT sector, it could lose the opportunity to sign certain agreements.

Risk associated with large customer dependence

According to the strategy of the Company's commercial operations, large part of the Company's activities is based on regular, long-standing and extensive IT services provided to large businesses. The strategy involves unquestionable benefits but also the risk that, in case of losing certain important customers, the Company will face a temporary reduction of revenues or even the need to reorganize certain areas of its activity. To minimize this risk, the Company tries to increase the number of its key customers and generate part of its revenues by cooperating with many small contractors.

The risk associated with providing solutions and services of crucial importance for the customers' business activities

The Company's customers deem a considerable number of the solutions and services provided by Talex highly important for business processes. Any defects in the solutions provided by the Company or inappropriate implementation of the services offered may lead to considerable losses on the part of the customer or, in some cases, make it impossible for the customer to conduct their basic business activities. In such cases, the Company may have to pay the financial penalty and damages specified in the agreements and lose some of its customers. To minimize this risk, the Company includes provisions of its limited liability in the agreements and signs insurance agreements with insurance companies.

The risk associated with losing key employees

Given the open job market in the countries of Western Europe as well as the growing demand for the ICT experts in the foreign businesses operating in Poland, the Company may lose many of its highly qualified employees. If the Company lacked employees with specialist qualifications, it could lose some of its certificates and entitlements. Also, the standard of the services provided by the Company could fall. Therefore, the Company offers a variety of incentives, both financial and non-financial, for example, specialist training courses on the newest information technologies, where employees can improve their qualifications. As a result, the Company has not marked any significant loss of its indispensable experts for the last couple of years.

Basic products, goods and services

The sales of products comprised 70.9% of total sales in the first six months of 2011. The Company managed to increase the level of revenues from the sales of goods and materials in comparison to that of the first half of the previous year. The fluctuation for this sales group equalled 141.9%. The remaining 29.1% are the revenues from product sales.

SPECIFICATION	First six months of 2011 (PLN in thds)	First six months of 2010 (PLN in thds)	Fluctuation
Revenues from sales of products	13,742	15,666	87.7%

Revenues from sales of goods and materials	33,450	23,570	141.9%
TOTAL NET SALES REVENUES	**47,192**	**39,236**	

Hardware maintenance and technical support services (43.1%), structural cabling installation services (11.0%), software development services (10.9%), and hosting as well as processing data services (8.5%) comprised the main share in sales. In the first six months of 2011, inter alia in connection with the completion of the EU funded project of the extension of the Data Center, the revenues from hosting and data processing services significantly increased. Those revenues increased significantly by 80% compared to the previous year. In subsequent years the Company intends to further develop the sales of these very services and services related to maintenance, supervision and management for clients of IT infrastructure located both in the Company as well as in its customers.

SPECIFICATION	**First six months of 2011 (PLN in thds)**	**First six months of 2010 (PLN in thds)**	**Fluctuation**
- computer and other hardware component installation services	5920	5974	99,1%
- construction works related to structural cabling installation	1510	4366	34,6%
-services of software development for a specific customer	1501	1660	90,4%
-hosting, processing data located in own hardware	1165	647	180,0%
-creation of standard software	1028	-	-
-installation of personal computers and software	808	1488	54,3%
- sharing of transmission systems	651	145	450,5%
- real estate renting and managing	271	393	69,0%
- other goods sales agency	228	268	85,2%
- managing and servicing computer systems on client's hardware	224	316	70,9%
- rental and leasing of office machinery and equipment	134	20	660,0%
- call center services	109	61	178,1%
- computer systems designing	82	10	811,2%
- organization, promotion and management of events	50	53	93,9%
- warehousing and storage of goods	41	24	169,6%
- service and monitoring of electronic security systems	6	-	-
- installation of computers of great power	6	105	5,8%

- computer classes and other out-of-school forms of education	5	31	15,5%
- performing air conditioning and ventilation systems	3	11	23,1%
- land transport of goods	0	0	44,3%
- computer hardware sales agency	-	91	-
- repair and maintenance of modems, cameras, communication devices	-	3	-
TOTAL NET REVENUES FROM SALES OF PRODUCTS	**13 742**	**15 666**	**87,7%**

The fluctuation rate of the revenues from sales of goods and materials equalled 141.9% at the end of II quarter of 2011, compared with the parallel period of the previous year.

SPECIFICATION	**First six months of 2011 (PLN in thds)**	**First six months of 2010 (PLN in thds)**	**Fluctuation**
- wholesale of computers, peripheral equipment and software	33,071	22,654	146.0%
-wholesale of electronic and telecommunication devices	4	565	0.7%
- remaining wholesale not specified	368	336	109.7%
- remaining out-of-shop retail sales	7	15	44.2%
TOTAL NET REVENUES FROM SALES OF GOODS AND MATERIALS	**33,450**	**23,570**	**141.9%**

Markets and sources of supply

In the first six months of 2011, the Company sold goods and products only on the Polish market.

Sales revenues by geographical location.

SPECIFICATION	**First six months of 2011 (PLN in thds)**	**First six months of 2010 (PLN in thds)**	**Fluctuation**
Net revenues from sales of products:	**13,742**	**15,666**	**87.7%**
Poland	13,742	15,666	67.7%
Export	-	-	-
Net revenues from sales of goods and materials:	**33,450**	**23,570**	**141.9%**
Poland	33,450	23,570	141.9%
Export	-	-	-
NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS	**47,192**	**39,236**	**120.3%**

The biggest recipients

RECIPIENTS	First six months of 2011	
	PLN in thds	%
Marshal Office of Kujawsko-Pomorskie Voivodeship	11,011	23.3%
BZWBK Group	10,338	21.9%
ING Group	5,321	11.3%
EUROCASH SA	2,810	6.0%
KBC Group	2,490	5.3%
Chemia Com S.A.	1,482	3.1%
Regional Police Headquarters in Poznan	1,052	2.2%
Wielkopolska Gas Company	1,023	2.2%
Other	11,665	24.7%
TOTAL	**47,192**	**100,00%**

Structure of sales in first six months of 2011, by sectors of sale

Pie chart: sales structure in the first six months of 2011, by sectors of sales

45.08 %	banking and finances
29.76 %	public administration
10.58 %	trade and services
6.12 %	production and industry
2.23 %	uniformed services
2.19 %	utilities
1.42 %	education and culture
1.07 %	building industry
0.91 %	media and telecommunications
0.64 %	transport and logistics
0.00 %	health service

Main suppliers of the Company

SUPPLIERS	First six months of 2011	
	PLN in thds	%
PC Factory SA	9,555	30.2%
ABC DATA Sp. z o.o.	7,237	22.9%
Microsoft Ireland Operations Ltd	6,305	19.9%
Hewlett Packard Polska Sp. z o.o.	1,874	5.9%
Dell Computer Poland Sp. z o.o.	1,257	4.0%
Veracomp SA	1,210	3.8%
Other	4,188	13.2%
TOTAL	**31,636**	**100.00**

The company is not dependent on the suppliers to any great extent. In particular, goods and products purchased by the Company from suppliers trading with whom comprises the turnover of approximately 10% of the total value of supplies, can be purchased from alternative distributors on similar purchase terms.

The Company does not have any formal relations, other than commercial settlements, with recipients or suppliers whose share exceeds 10% of the total sales income.

Information on agreements significant for the issuer's activity

- On 22 February 2011, the Company concluded an agreement with Polish Financial Supervision Authority with its seat in Warsaw. The subject of the agreement is the delivery of the software, carried out by the Company in the period of 3 years.
  The estimated net value of the agreement expressed in euro is equal to PLN 2.7 million. The final value of the agreement depends on the value of possible additional orders.
- On 11 March 2011, the Company concluded an agreement of with Lukas Bank S.A. with its seat in Wroclaw. The subject of the agreement is to provide IT hardware and software maintenance services and other IT services aimed at proper functioning of the Bank's outlets across the country. The agreement has been signed for 3 years. Remuneration due to the Company for providing maintenance services depends on the number of devices subjected to servicing – their list will be updated periodically. Remuneration due to the Company for providing services is presently assessed at 2 million PLN gross. Remuneration due

to the Company for providing additional services depends on the actual number of requests directed to the Company during execution of the agreement.

- On 2 June 2011, the Company as a result of the completion of public procurement procedure, signed an agreement with Military Unit 4226 located in Warsaw, on behalf of which Military Property Agency was acting. The subject of the agreement is the supply of software with a total gross value of PLN 8.4 million.
- On 8 June 2011, the Company concluded an agreement with Lukas Bank S.A. with its seat in Wroclaw. The subject of the agreement is the provision of ICT services for the benefit of the Bank. A total net value of the agreement for the period of five years is equal to PLN 7.7 million.
- On 21 June 2011the Company signed an agreement with Bank Zachodni WBK with its seat in Wroclaw. The subject of the concluded Framework Agreement is the consolidation of IT services and ongoing maintenance of the bank's IT environments. The detailed scope of services provided by the Company under the Agreement is specified in the so-called Work Packages, constituting the appendices to the Agreement, which will be signed by the parties according to the emerging needs of the Bank. The Framework Agreement, accompanied by its Work Packages has been concluded for an initial period of three years with the possibility to extend this period indefinitely. The total net value of the Agreement together with the signed Work Packages is estimated at the amount of PLN 25.3 million for the period of 3 years. The actual value of the Agreement can be changed in case of changes in the volume of services provided under the Agreement.
- On 28 June 2011, the Company concluded an agreement with Lukas Bank S.A. with its seat in Wroclaw. The subject of the agreement is the provision of ICT services. A total net value of the agreement is equal to PLN 21.1 million.
- On 29 June 2011, the Company concluded an agreement with IBM Polska Sp. z o.o. with its seat in Warsaw. The subject of the agreement is the delivery of IT solutions. A total net value of the agreement, expressed in euros, is equivalent to the amount of PLN 7.5 million.
- During the first six months of 2011, the Company obtained a number of orders from Bank Zachodni WBK with the total value of orders exceed the criterion of the significant agreement. The largest of these orders is an order of 8 April 2011 with the net value of PLN 4.4 million net. The subject of the contract is the delivery of IT solutions.

In the presented period, service and outsourcing services, specified in agreements signed, mainly with from the banking and finances sector, were continued.

In addition, during the past period, the Company continued also its activities related to the execution of agreements signed with:

- Polish Agency for Enterprise Development with its seat in Warsaw. The subject of the agreement is subsidizing the project carried out by the Company of building an application to support information exchange between IT systems of the Company and of its clients. The maximum value of granted subsidy is equal to PLN 1.14 million net. The subsidy has been granted to the Company as part of Measure 8.2 "Support for the implementation of electronic business of B2B type,

  Priority Axis 8: Information Society - increase of innovativeness of economy" from

  the Operational Programme - Innovative Economy, 2007 - 2013.

- Board of Wielkopolska Region, acting as the Managing Institution for Wielkopolska Regional Operational Programme for 2007 to 2013. The subject of the agreement is subsidizing the project carried out by the Company entitled "Creating a modern Data Center to increase the level of competitiveness and innovation of Talex S.A." Maximum value of the granted funding is equal to PLN 2,3 mil. net. Funding has been provided under the Wielkopolska Regional Operational Programme for 2007 to 2013, co-financed by the European Regional Development Fund.

Information on the organisational and capital relations of the issuer

The Company does not have any organisational or capital relations with other entities.

Information on credit and loan agreements

The Company does not have the need to take credits or loans. The Company's current assets fully secure its needs.

Information on loans, sureties and guarantees granted

The contingent liabilities of the Company, due to performance bonds, warranty and payment guarantees granted by the financing bank, amount to PLN 3,026 thousand. Those liabilities are secured with capped mortgage on the Company's headquarters building.

Conditional liabilities included performance bonds, tender bonds, warranty and payment guarantees. On 30 June 2011 performance bonds made about 49.28% of all guarantees. The purpose of those bonds was to protect against claims for improper execution of the agreement. Payment guarantees made almost 5.04%; their purpose is to guarantee the prompt payment of financial liabilities, tender bonds made about 1.52%, guarantees issued under the warranty and guarantee made about 44.16% on the last day of June 2011.

The agreement is secured by a capped mortgage created by the Company up to the amount of PLN 10 mln, on account of Bank Zachodni WBK S.A., headquartered in Wrocław. The mortgage was created on the real estate owned by the Company, registered in the Land Register kept by the District Court in Poznań – Stare Miasto in Poznań, under the entry no. KW P01P/00137.699/9. The real estate in question comprises a plot of 14,744,00 sq. meters, with an office building of the usable area of 2,445,80 sq. meters. The value of the real estate given in the accounting books of the Company equalled PLN 8.3mil.

Explanation of differences between the financial results disclosed in the annual report and previously published estimates of the results

The Management of the Company did not publish forecasts for 2011.

Assessment of financial assets management

Information on the assessment of financial assets management has been presented in the "Financial standing" and "Financial risk management" sections.

The Company systematically meets all the incurred liabilities. Liquidity ratios of TALEX S.A. confirm that the enterprise is able to pay its liabilities. For many years the Company

has been reaching a high level of liquidity, the current ratio equalled 1.89 at the balance sheet date, while the quick ratio equalled 1.30.

The high level of liquidity also confirms the large share of current assets in the total assets of the enterprise.

Changes in the basic principles of managing the issuer's enterprise

In the reporting period there were no significant changes in the basic principles of managing the Company.

Changes in the composition of members of the Management and Supervisory Boards of the Company

In the reporting period there were no significant changes in the composition of members of the Management and Supervisory Boards of the Company.

Agreements signed between the issuer and the managing persons, providing for a compensation for the latter in case of their resignation or dismissal

The Company did not sign any agreements with the managing persons, providing for a compensation for the latter in case of their resignation or dismissal.

Shares of the issuer and shares of the related entities, held by the managing and supervising persons

Total number and nominal value of the shares of the Company

Issue	Number of shares	Nominal value (PLN)	Total value (PLN in thds)
Total	3,000,092	1	3,000
Series A	102,000	1	102
Series B	849,000	1	849
Series C	450,000	1	450
Series D	889,092	1	889
Series E	710,000	1	710

The members of the Management Board held the following shares of the Company:

Shareholder	Number of shares					
	Series A	Series B	Series C	Series D	Series E	Total
Janusz Gocałek	34000	283000	145216	293340	-	756556
Jacek Klauziński	34000	283000	145216	293340	-	755556
Andrzej Rózga	34000	283000	145216	293340	-	756556
Rafał Szałek	-	-	-	-	889	889

To the best of the Management Board's knowledge, the members of the Supervisory Board do not hold any shares of the Company.

Shareholders holding, directly or indirectly, through controlled entities, at least 5% of the total votes in the General Meeting of the issuer

Shareholder's name	Number of shares	Share (%) in the capital	Number of votes	Votes (%) in the General Meeting of Shareholders
Total	3,000,092	100.00	3,408,092	100.00
Janusz Gocałek	756,556	25.22	892,556	26.19
Jacek Klauziński	756,556	25.22	892,556	26.19
Andrzej Rózga	756,556	25.22	892,556	26.19

Information on the agreements known to the issuer, which may result in future changes in the present structure of share ownership in terms of shares held by current shareholders and bondholders

Management Board of the Company do not know any agreement which could result in future change in the proportion of shares held by existing shareholders. The Company does not emit bonds.

Information on holders of securities which entitle to special supervisory powers over the issuer

The Company did not issue any securities which entitle to special supervisory powers over the issuer.

Information on the system of controlling the employee share ownership schemes

The Company did not issue any employee shares.

Information on the limitations related to the transfer of ownership rights to the securities of the issuer and the exertion of voting rights in relation to the shares of the issuer

Only the shares of series A, B and D are subject to the limitation of the transfer of ownership rights. They are the registered shares and the shares of series A are preference shares regarding the voting right. The terms of conversion of those shares into bearer shares as well as of their disposal have been defined in par. 8 of the Company's Articles of Association. The shares of the Company are not limited as to the exertion of voting rights.

Information on agreements with an entity authorized to audit financial statements

On 21 June 2010, the Supervisory Board of the Company, on the basis of the Company's Articles of Association, adopted a resolution to select "Poprawska i Kasztelan – Biegli Rewidenci", Partner Company, headquartered in 60-246 Poznań, ul. Winklera 1, as the auditor of the Company's financial statements. On 6 July 2010, agreements were signed with the auditor, whose subjects were the review of the semi-annual financial statement drawn up for 30.06.2010 and the audit of the annual financial statement drawn up for 31.12.2010 and 31.12.2011.
The entity selected is registered under the no. 2791 on the list maintained by the National Council of Chartered Auditors.
The total net value of auditors' remuneration amounted to PLN 40,660.00 net.
In 2010, the Company did not use tax consulting services.

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.

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.

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 2011.

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 value constituting at least 10% of its equity capital.

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.

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.

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 were no changes that could have an impact on the personnel, wealth and financial situation as well as on financial results and their changes; there were also no events important to the assessment of the possibilities to fulfil the obligations of the Company.

Factors which, in the opinion of the Issuer, will influence the results of the Issuer at least in the next quarter

The future results will be affected by the incomes from executing the agreements with long-term, regular customers of the Company, the execution of new agreements included in the period covered in this report as well as the agreements concluded after this period, in particular:

- Annex of 29 July 2011 to the agreement of 15 July 2009 with Bank Handlowy S.A. in Warsaw, the subject of which is the delivery of services of Bank's technological infrastructure. Under the signed annex the term of the agreement shall be extended for a period of subsequent 3 years. Remuneration due to the Company for providing services under the agreement is assessed at PLN 4.7 million net, for the period of three years. The actual value of the remuneration depends on the periodically updated number of devices subjected to servicing and the number of additional services subcontracted to the Company. The agreement provides for contractual penalties due to the delay in provision of services.

- Agreement concluded on 12 July 2011 with the Information Society Development Foundation with its seat in Warsaw (Foundation). The subject of the agreement is the delivery of IT solutions to public libraries throughout the country as a part of the second round of the Library Development Program of the Polish-American Freedom Foundation (see Current Report 1 / 2010). Remuneration for executing the subject of the agreement is estimated at PLN 7.2 million gross.

- Agreement concluded on 22 July 2011 with the Polish Nationwide Foundation of Computer Education with its seat in Wroclaw (Foundation). The subject of the agreement is the delivery of IT hardware, software and other IT services as part of the realization by the Opole Voivodeship of the project 'Opole e-School, a school to the future.' Remuneration for executing the subject of the agreement is estimated at PLN 5.3 million gross.

In the past half of this year the Company continued its activities related to the extension of the scope of IT support and maintenance services offered by the Company. Until now, such services were provided by the Company generally in favor of IT departments belonging to the customers. Currently, the Company commences also the provision of services of maintenance, administration, management and development of IT environments directly to business unit customers.

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.

Information on the rules of preparing the abridged semi-annual financial statement

Information on the rules of preparing the abridged semi-annual financial statement is included in the attachment to this report.

Poznan, 22 July, 2011

Members of the Management Board:

Janusz Gocałek.....

Jacek Klauziński.....

Andrzej Rózga.....

Rafał Szałek.....

Radosław Wesołowski .....