

# Polish Financial Supervisory Authority

## Quarterly report SA-Q

3	2010
Quarter	Year

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

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

For the Third quarter of the financial year 2010, that is for the period from 01.07.2010 to 30.09.2010

publishing date: 15.11.2010

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

### SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA	PLN in thds		EUR in thds	
	3 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 30.09.2009	3 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 30.09.2009
I. Net revenues from sales of products, goods and materials	53,970	40,127	13,483	9,121
II. Profit (loss) from operation activities	-1,487	-3,490	-371	-793

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III. Gross profit (loss)	-1,580	-3,060	-395	-696
IV. Net profit (loss)	-1,603	-3,194	-400	-726
V. Net cash flows from operating activities	-5,030	-8,346	-1,257	-1,897
VI. Net cash flows from investment activities	-1,937	-111	-484	-25
VII. Net cash flows from financial activities	-674	-3,568	-168	-811
VIII. Total net cash flows	-7,641	-12,025	-1,909	-2,733
IX. Total assets	50,498	46,345	12,666	10,975
X. Liabilities and provisions for liabilities	10,463	5,120	2,624	1,213
XI. Long-term liabilities	1,186	577	297	137
XII. Short-term liabilities	8,888	4,151	2,229	983
XIII. Shareholder's equity	40,035	41,225	10,041	9,763
XIV. Share capital	3,000	3,000	752	710
XV. Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
XVI. Profit (loss) per one common share (PLN/EUR)	-0.53	-1.06	-0.13	-0.24
Diluted profit (loss) per one common share (PLN/EUR)				
XVII. Book value per share (PLN/EUR)	13.34	13.74	3.35	3.25
Diluted book value per share (PLN/EUR)				
XVIII. Declared or paid dividend per share (PLN/EUR)		1.00		0.24

## ABBREVIATED BALANCE REPORT

### BALANCE SHEET

BALANCE SHEET	PLN in thds		EUR in thds	
	As of 30.09.2010 end of quarter / 2010	As of 30.06.2010 end of previous quarter /	As of 31.12.2009 end of previous year / 2009	As of 30.09.2009 end of quarter / 2009
<b>ASSETS</b>				
I. Fixed assets	26,521	25,504	21,645	21,252
1. Intangible assets including:	343	333	80	49
- Goodwill				
2. Tangible fixed assets	25,768	24,830	21,180	20,969
3. Long-term receivables	216	159	120	158

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3.1. From other entities	216	159	120	158
4. Long-term prepayments and accrued income	194	182	265	76
4.1. Deferred tax assets	66	70	107	67
4.2. Other prepayments	128	112	158	9
II. Current assets	23,977	26,281	32,264	25,093
1. Inventories	5,992	3,801	2,150	3,464
2. Short-term receivables	7,618	15,514	8,628	6,110
2.1. From other entities	7,618	15,514	8,628	6,110
3. Short-term investments	9,909	6,464	21,098	15,358
3.1. Short-term financial assets	9,909	6,464	21,098	15,358
a) In other entities			3,548	2,910
b) Monetary assets and cash equivalents	9,909	6,464	17,550	12,448
4. Short-term prepayments and accrued income	458	502	388	161
Total assets	50,498	51,785	53,909	46,345
<b>LIABILITIES</b>				
I. Equity	40,035	40,785	41,639	41,225
1. Share capital	3,000	3,000	3,000	3,000
2. Reserve capital	38,638	38,639	41,419	41,419
3. Net Profit (loss)	-1,603	-854	-2,780	-3,194
II. Liabilities and provisions for	10,463	11,000	12,270	5,120
1. Provisions for liabilities	355	352	395	274
1.1. Deferred income tax provision		1	17	13
1.2. Provision for retirement benefits and related obligations	301	301	293	261
a) Long-term	301	301	293	261
1.3. Other long-term provisions	54	50	85	
a) Short-term	54	50	85	
2. Long-term liabilities	1,186	853	759	577
2.1. To other entities	1,186	853	759	577
3. Short term liabilities	8,888	9,734	10,985	4,151
3.1 To other entities	8,888	9,734	10,985	4,151
4. Prepayments and accrued income	34	61	131	118
4.1. Other long-term prepayments and accrued income	34	61	131	118
a) Short-term	34	61	131	118
Total liabilities	50,498	51,785	53,909	46,345
Book value	40,035	40,784	41,639	41,225
Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
Book value per share (PLN)	13.34	13.59	13.88	13.74

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

## OFF-BALANCE SHEET ITEMS

OFF-BALANCE SHEET ITEMS	PLN in thds			
	As of 30.09.2010 end of quarter / 2010	As of 30.06.2010 end of previous quarter /	As of 31.12.2009 end of previous year / 2009	As of 30.09.2009 end of quarter / 2009
1. Contingent liabilities	3,994	3,028	3,049	2,842
1.1. To other entities (on account of)	3,994	3,028	3,049	2,842
- received guarantees and securities	3,994	3,028	3,049	2,842
Off-balance items in total	3,994	3,028	3,049	2,842

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

## PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT	PLN in thds			
	3 <sup>rd</sup> quarter/ 2010, from 01.07.2010 until 30.09.2010	3 quarters Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 <sup>rd</sup> quarter/ 2009, from 01.07.2009 until 30.09.2009	3 quarters Cumulatively/ 2009, from 01.01.2009 until 30.09.2009
I. Net income from sales of products, goods and materials,	14,734	53,970	11,443	40,127
1. Net income from sales of products	6,737	22,403	5,998	18,329
2. Net income from sales of goods and materials	7,997	31,567	5,445	21,798
II. Costs of sold products, goods and materials, including:	12,842	46,861	10,277	34,619
1. Manufacturing cost of sold products	5,373	17,252	5,148	14,286
2. Value of sold goods and materials	7,469	29,609	5,129	20,333
III. Gross profit (loss) on sales	1,892	7,109	1,166	5,508
IV. Sales costs	1,268	3,335	1,105	3,517
V. General and administrative costs	1,749	5,714	1,639	5,167
VI. Profit (loss) on sales	-1,125	-1,940	-1,578	-3,176
VII. Remaining operating revenues	411	586	111	178
1. Profit on disposal of non-financial fixed assets	233	267	1	17
2. Subsidies	15	52	17	26
3. Other operating revenues	163	267	93	135
VIII. Remaining operating expenses	31	133	116	492
1. Updating values of non-financial	6	9	92	99
2. Other operating expenses	25	124	24	393
IX. Profit (loss) on operation activity	-745	-1,487	-1,583	-3,490
X. Financial revenues	88	292	311	993
1. Revaluation on investments			7	7
2. Interest, including:	88	214	208	473

3. Gain on disposal of investments		78		
4. Other			96	513
XI. Financial costs	89	385	-11	563
1. Interest, including:				1
2. Loss on disposal of investments			6	113
3. Revaluation on investments		85		
4. Other	89	300	-17	449
XII. Profit (loss) on business activities	-746	-1,580	-1,261	-3,060
XIII. Gross profit (loss)	-746	-1,580	-1,261	-3,060
XIV. Income tax	3	23	19	134
a) Running value			1	1
b) Deferred value	3	23	18	133
XV. Net profit (loss)	-749	-1,603	-1,280	-3,194
Net profit (loss) (annual)	-1,189		1,334	
Weighted average number of common shares	3,000,092		3,000,092	
Profit (loss) per common share (PLN)	-0.40		0.44	

## STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	PLN in thds			
	3 <sup>rd</sup> quarter/ 2010, from 01.07.2010 until 30.09.2010	3 quarters Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 <sup>rd</sup> quarter/ 2009, from 01.07.2009 until 30.09.2009	3 quarters Cumulatively/ 2009, from 01.01.2009 until 30.09.2009
I. Shareholders' equity at the beginning of the period (BO)	40,784	41,638	42,505	47,419
I.a. Restated equity at the beginning of the period (BO)	40,784	41,638	42,505	47,419
1. Share capital at the beginning of the period (BO)	3,000	3,000	3,000	3,000
1.1. Share capital at end of period	3,000	3,000	3,000	3,000
2. Reserve capital at the beginning of the period	38,638	41,418	41,419	40,389
2.1. Changes in reserve capital		-2,780		1,030
a) Increase (due to)				1,030
-division of the profit (above the minimum value required by law)				1,030
b) reduction (due to)		2,780		
-loss coverage		2,780		
2.2. Reserve capital at end of period	38,638	38,638	41,419	41,419
3. Profit (loss) from previous years at the beginning of the period		-2,780		4,030
3.1. Profit from previous years at the beginning of the period				4,030
3.2. Profit from previous years at the beginning of the period, restated				4,030
a) reduction (due to)				4,030

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-deduction for reserve capital				1,030
-dividend				3,000
3.3 Loss from previous years at the beginning of the period		2,780		
a) reduction (due to)		2,780		
- reserve capital to cover loss		2,780		
4. Net result	-749	-1,603	-1,280	-3,194
a) net loss	749	1,603	1,280	3,194
II. Shareholders' equity at the end of the period (BZ )	40,035	40,035	41,255	41,255
III. Shareholders' equity at the end of the period after proposed profit distribution (loss coverage)	40,035	40,035	41,255	41,255

## CASH FLOW STATEMENT

CASH FLOW STATEMENT	PLN in thds			
	3 <sup>rd</sup> quarter/ 2010, from 01.07.2010 until 30.09.2010	3 quarters Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 <sup>rd</sup> quarter/ 2009, from 01.07.2009 until 30.09.2009	3 quarters Cumulatively/ 2009, from 01.01.2009 until 30.09.2009
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	-749	-1,603	-1,280	-3,194
II. Total adjustments	5,238	-3,427	2,181	-5,152
1. Amortization	895	2,192	667	2,362
2. Interest and shares in profit		-3	-123	-156
3. (Profit) loss on investment activity	-233	-248	-75	-372
4. Changes to reserves	3	-40	-1	-17
5. Changes to inventories	-2,192	-3,842	867	-66
6. Changes to receivables	7,838	913	1,424	30,394
7. Changes to short-term liabilities, excluding borrowings and bank loans	-1,078	-2,302	-629	-37,489
8. Changes in prepayments	5	-97	51	192
III. Net cash flows from operating activities (I+/-II) - indirect method	4,489	-5,030	901	-8,346
<b>B. Cash flows from investment</b>				
I. Inflows	239	3,969	508	966
1. Disposal of intangible assets and tangible fixed assets	239	274	1	17
2. From financial assets, including		3,695	507	949
a) in other entities		3,695	507	949
-disposal of financial assets		3,692	384	793
-dividends and shares in profits			7	7
- Interest		3	116	149
II. Outflows	1,054	5,906	188	1,077
1. Purchase of intangible assets and tangible fixed assets	1,054	5,734	169	782
2. For financial assets, including:		160	3	250
a) in other entities		160	3	250
- purchase of financial assets		160	3	250
3. Other investment expenses		12	16	45

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III. Net cash flow from financial activities (I-II)	-815	-1,937	320	-111
C. Cash flows from financial activities				
I. Inflows	10	10		
1. Other financial inflows	10	10		
II. Outflows	239	684	194	3,568
1. Dividends and other payments for owners				3,000
2. Płatności zobowiązań z tytułu umów leasingu finansowego	239	684	194	568
II. Net cash flow from financial activities (I-II)	-229	-674	-194	-3,568
D. Total net Cash flows (A.III+/- B.III+/-C.III)	3,445	-7,641	1,027	-12,025
E. Balance sheet change in financial assets, including:	3,445	-7,641	1,027	-12,025
F. Monetary assets at the beginning of the period	6,464	17,550	11,421	24,473
G. Monetary assets at the end of the period (F+/- D), including	9,909	9,909	12,448	12,448
- of limited disposability			658	658

## ADDITIONAL INFORMATION

File	Description
Informacja zgodnie z par. 87 ust. 3 i 4 SAQ 1 2010_tlx.pdf (included)	

## OTHER INFORMATION

File	Description
Informacje zgodnie z par.87 ust. 7 i 9 SAQ 1 2010_tlx.pdf (included)	

## SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Name and last name	Position/Function	Signature
2010-11-15	Janusz Gocąlek	President of the Management Board	
2010-11-15	Jacek Klauziński	Vice President of the Management Board	
2010-11-15	Andrzej Różga	Vice President of the Management Board	
2010-11-15	Rafał Szalek	Member of the Management Board	
2010-11-15	Radosław Wesółowski	Member of the Management Board	

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

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

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

### **Field of activity:**

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

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

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

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

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

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

III quarter 2010, from 01.07.2010 to 30.09.2010

3 quarters 2010, from 01.01.2010 to 30.09.2010

III quarter 2009, from 01.07.2009 to 30.09.2009

3 quarters 2009, from 01.01.2009 to 30.09.2009

### **Accounting principles.**

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

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

## Methods of assets and liabilities valuation

1. **Fixed assets and intangible assets** are covered by the analytical quantity and value register. They are valued according to acquisition prices or manufacturing cost decreased by depreciation and amortization write-offs in proportion to the period of their utilization, and also by the permanent impairment write-offs.

Fixed assets and intangible assets with the initial value of PLN 3,500 and below PLN 3,500 are amortized once, in the month following the month in which they were put into use. Fixed assets and intangible assets with the initial value of more than PLN 3,500 are amortized using the straight-line method, starting from the month following the month in which they were put into use according to the following rules:

computer software	- 2 years
cost of completed research and development	- 3 years
goodwill	- 5 years
other intangible assets	- 5 years

computer equipment as subject to technical progress is amortized at the rate increased by the coefficient of 2.0

means of transport as exploited more intensively in relation to average conditions and requiring special technical efficiency are amortized at the rate increased by coefficient of 1.4

fixed assets exploited on the basis of a leasing agreement are amortized at the rate resulting from the duration of the agreement

other fixed assets according to tax rates .

2. **Fixed assets under construction** are valued according to real costs incurred for the construction, assembly, adjustment and improvement of future fixed assets, decreased by the permanent impairment write-offs.
3. **Long term investments** are valued according to acquisition prices decreased by the permanent impairment write-offs.
4. **Stocks** including materials, commercial goods, finished products and work in progress are valued according to the following rules:
  - a) **raw materials and goods** according to real purchase prices increased by duty in case of imports. Expenditure in the year is valued according to the following principles:
    - goods identified by serial numbers according to the purchase price of those goods;
    - materials and goods not identified by serial numbers according to the FIFO principle „first in, first out“.
  - b) **finished products** according to the real and direct manufacturing costs. Within the reporting period, the turnover of finished products takes place according to book-keeping prices. At the end of the reporting period the evaluation is corrected for deviations in relation to real and direct manufacturing costs.
  - c) **production in progress** is valued according to real and direct manufacturing costs of particular orders.
5. **Domestic receivables** are valued according to the nominal value set at their beginning. Receivables in foreign currencies at balancing date are valued at the average exchange rate set for a given currency by the National Bank of Poland. At balancing date the receivables and claims are indicated in the value corrected by revaluation write-offs in the following cases: .
  - brought before the court - 100% write-off;
  - receivables from entities in liquidation - 100% write-off;

receivables that have been overdue for over half a year - 100% write-off.

6. **Short-term financial assets** are priced at market value. Results of the differences between the priced value at the balancing day and the acquisition price regard revenues or financial costs.  
Domestic cash is valued at nominal value.  
Cash in foreign currencies at the balancing day is valued at the average exchange rate set for a given currency by the National Bank of Poland.
7. **Primary capital (share capital)** is valued at the nominal value, in accordance with the entry in the National Court Register.
8. **Supplementary capital** is priced at the nominal value resulting from capital increases and decreases.
9. **Revaluation capital** is valued at nominal value resulting from capital increases and decreases.
10. **Provisions for liabilities** include:
  - a) **Provisions for retirement benefits** valued at the balancing day according to the following formula:  
the number of employees without the settled right to retirement at the balancing day x average monthly salary in the company x likelihood indicator of retirement severance payment, differentiated by the employee's age:

up to 25 years	5%
26-30 years	10%
31-35 years	20%
36-40 years	35%
41-45 years	50%
46-50 years	70%
51-55 years	80%
56-60 years	90%
over 60 years	100%
  - b) **provision for deferred income tax** created to the amount of income tax payable in the future in relation to the occurrence of positive transient differences between the book value and the tax value of assets and liabilities. The amount of income tax resulting from negative transient differences is shown in **the prepayments and accrued income on account of deferred income tax**.
11. **Domestic liabilities** are priced in the amount requiring payment.  
Liabilities in foreign currencies at the balancing day are valued at the average rate set for a given currency by the National Bank of Poland.
12. **Special funds** include:  
**The Company Social Benefits Fund** functioned until 31.12.2003. In 2004 it was decided that the fund would no longer be functioning.  
The remaining write-offs from previous years have been used in the first six months of 2009

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

### Stocktaking

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

- a) the physical inventory
  - fixed assets - once every 4 years
  - materials, goods and products - every year in IV quarter
  - production in progress - as of 31st December
  - cash in hand - as of 31st December
- b) balance confirmation
  - cash at bank and bank credits - as of 31st December
  - settlements with recipients and suppliers - every year in IV quarter

c) verification of balances  
- other assets and liabilities

- as of 31st December

## Profit and loss account

1. **Net revenues from the sale of goods and products** include amounts due on this account from the recipients, decreased by the value added tax due. The transfer of goods to the recipient, or reception of the service by them, is considered the moment of sale. Revenues from sales are accrued for the reporting periods they concern.
2. **Costs of operating activity** include the value of sold products, goods and materials priced at the production costs or acquisition prices, increased by the overall general costs of management and sales incurred from the beginning of the financial year. Costs include VAT only in that part, in which according to the provisions in force, this tax is not subject to deduction.  
Costs are included in the period they concern, regardless of the day when the invoice was received or the payment made.
3. **Other revenues and operating costs** include revenues and costs not related directly to the Company's normal activity, but having an influence on the financial result.
  - a) Revenues include:
    - gain on disposal of non-financial fixed assets;
    - grants, subventions and after-payments;
    - gain from liquidation of fixed assets;
    - surpluses of fixed and current assets, whose source of origin was not established;
    - negative goodwill write-offs;
    - received compensations and contractual penalties;
    - written off, outdated or abandoned liabilities;
    - non-utilized reserves for future costs and losses;
    - decrease of liability revaluation write-offs;
    - remuneration of the tax payer;
    - assets received free of charge;
  - b) Costs include:
    - loss on disposal of the non-financial fixed assets;
    - write-offs on account of loss of value of non-financial assets;
    - net value of liquidated fixed assets;
    - value of liquidated, economically useless warehouse stocks
    - amortization of goodwill;
    - revaluation write-offs of stocks of tangible current assets as a result of depreciation of their value-in-use or commercial value;
    - value of the elements of assets transferred free of charge and of cash;
    - non-culpable shortages and damages to elements of property, not resulting from random events;
    - costs of removal of damages to the elements of property;
    - paid contractual compensations;
    - costs of legal and execution proceedings;
    - unjustified indirect costs;
    - provisions created for probable costs and losses in operating activities;
    - revaluation write-offs of liabilities.
4. **Revenues and financial costs** include revenues and costs of financial operations,
  - a) Revenues include:
    - received dividends and shares in the profits of other companies;
    - gained and accrued interest on assets on bank accounts (excluding interest on assets of the Company Social Benefits Fund), on loans granted, deposits, bid securities, on delay in the payment of receivables, on securities;
    - gain on disposal of investments;
    - increase in the investment value;
    - positive exchange rate differences;
    - release of created reserves in the encumbrance of financial operations costs
  - b) Costs include:

- paid and accrued interest and commissions on incurred credits and loans and for delay in the payment of liabilities;
  - loss on disposal of investments;
  - decrease in the value of investment;
  - negative exchange rate differences;
  - creation of reserves for certain and probable costs and financial losses;
  - surplus of issuance costs or increase of share capital, above the difference between the issue value and the nominal value of shares sold,
  - leasing charges,
  - costs of portfolio management.
5. **Extraordinary gains and losses** include the value of events difficult to predict, apart from the operating activity of the company and not related to the general risk of running the Company.
- a) Extraordinary gains include:
- received compensations for the loss or damage to the fixed and current assets as a result of random events, such as a fire, flood, hurricane, robbery etc.;
  - revenues from the sale of elements of property damaged due to random events.
- b) Extraordinary losses include:
- net value of fixed and current assets lost or damaged due to random events;
  - costs of removal of random events effects.
6. **Obligatory encumbrance of financial result** includes:
- a) the legal persons income tax is calculated according to The Legal Persons Income Tax Act of 15 February 1992, from the gross balance sheet profit, corrected by the revenues not subject to tax and costs not constituting the costs of revenue acquisition;
- b) decrease in income tax by accruals for deferred income tax;
- c) increase in income tax by the reserve created for deferred income tax.

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

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

**in PLN**

Title of the provision	Increase	Decrease
<b>1. Provision for deferred income tax, including that on account of:</b>	<b>12.00</b>	<b>1,143.00</b>
- tax amortization	12.00	-
- increase in the value of short-term securities in circulation	-	1,143.00
<b>2. Other provisions:</b>	<b>4,529.15</b>	<b>-</b>
- Provision for future costs	4,529.15	-
<b>3. Accruals for deferred income tax, including those on account of:</b>	<b>10,829.00</b>	<b>15,458.00</b>
- decrease in value of securities	-	-
- revaluation write-offs of liabilities	-	1,907.00
- unpaid remunerations	8,734.00	9,265.00
- unpaid ZUS (insurance)	-	-
- the paid sale of future periods	2,105.00	4,286.00

Title of the revaluation write-off of assets	Increase in value	Decrease in value

<b>1. Revaluation write-offs of short-term financial assets</b>	-	-
<b>2. Revaluation write-offs of short-term liabilities</b>	<b>6.013,76</b>	<b>73,284,01</b>

#### Remaining information:

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

The results of research conducted by PMR Publications suggest that the IT market is slowly recovering from the crisis. IT solution providers are counting on better results in 2010 related to the general improvement of the macroeconomic situation. In 2009, most IT vendors suffered negative effects of the global economic crisis so the situation on the Polish IT market did not differ from global trends. Sales results of 2010 indicate a clear improvement, but the still visible effects of economic slowdown dictate moderate optimism. Although revenues from sales in the 3rd quarter of this year amounted to PLN 53 970 thousand and they are about 34.5% higher compared to the 3rd quarter of 2009, the economic recession is still evident on the Polish IT market. The Company's share of goods and materials sales in total sales in the 3rd quarter of 2010 increased as compared to the same period of the previous year (67.4% compared to 63%). Additionally, there is apparent drop of margin in goods and materials sales compared to the 3rd quarter of the previous year – then the margin in goods and materials sales was 6,7%, while in the reported period it was 6.2%. However, the margin in products sales increased from 22.1% in the 3rd quarter of 2009 to 23.0% in the 3rd quarter of 2010. The Company completed the 3rd quarter of 2010 with the net loss almost twice lower compared to the same period of 2009 – it was equal to PLN -749 thousand.

In the last quarter the Company continued the activities related to development of software products for both external clients and own purposes connected to extending the scope of deployment and support services offered by the Company.

In the third quarter of 2010, the Company announced a series of subsequent orders received from Bank Zachodni WBK SA with its headquarters in Wroclaw. The total value of orders received since 15 December 2009 amounted to PLN 4.4 million net. The largest of these contracts was an order dated 10 May 2010, with a net worth of PLN 175 thousand. The contract concerned the provision of IT solutions.

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

In the reported period there were no untypical events that might significantly influence the financial results. The drop in revenues of the Company in this period, particularly in the sales of good and materials, is mainly caused by economic recession which influences the decisions of traditional clients of the Company with respect to purchase of IT items.

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

Traditionally the Company records highest sales in the last quarter of the year, what is connected to executing investment budgets by the largest clients of the Company at the end of the year. It should also be noted that the accuracy was disrupted last year due to the ongoing economic recession.

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

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

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

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

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

On 9 November 2010, that is after this report has been done, the agreement has been signed between the consortium of two companies: Talex S.A. located in Poznań and PC Factory S.A. located in Warsaw and the Kujawsko-Pomorskie Voivodeship in Torun. The subject of the agreement is the delivery of IT solutions of total gross value PLN 29 mil. The agreement provides for contractual fines for late performance of the agreement, amounting to PLN 500 for each day of delay, fines for failure to execute the agreement amounting to 10% of the gross value of the agreement and fines for failure to remove defects or faults within the warranty period and within time limits specified in the agreement, amounting to PLN 500 for each day of delay. Paying contractual fines does not exclude the possibility of demanding by the Contractor compensation claims exceeding the amount of those fines.

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

For the day of 30.09.2010 the value of guarantees issued by banks on the order of TALEX S.A. in relation with the executed agreements amounted to PLN 3,994 thousand. Contingent liabilities included performance bonds, bid bonds, bonds on account of warranty and guarantee and payment guarantees. Performance bonds comprised about 52% of the guarantees issued on 30.09.2010. The purpose of those bonds is to secure the claims which could arise in the case of improper performance of an agreement. Nearly 5% comprised of payment guarantees, whose purpose is to guarantee the timely payment of monetary liabilities, about 9% comprised of bonds on account of warranty and guarantee, and about 34%, for the last day of September 2009, comprised of bid bonds.

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

**Required information:**

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

SELECTED FINANCIAL DATA	PLN in thds		EUR in thds	
	3 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 30.09.2009	3 quarter(s), Cumulatively/ 2010, from 01.01.2010 until 30.09.2010	3 quarter(s), Cumulatively/ 2009, from 01.01.2009 until 30.09.2009
I. Net revenues from sales of products, goods and materials	53,970	40,127	13,483	9,121
II. Profit (loss) from operating activities	-1,487	-3,490	-371	-793
III. Gross profit (loss)	-1,580	-3,060	-395	-696
IV. Net profit (loss)	-1,603	-3,194	-400	-726
V. Net cash flows from operating activities	-5,030	-8,346	-1,257	-1,897
VI. Net cash flows from investment activities	-1,937	-111	-484	-25
VII. Net cash flows from financial activities	-674	-3,568	-168	-811
VIII. Total net cash flows	-7,641	-12,025	-1,909	-2,733
IX. Total assets	50,498	46,345	12,666	10,975
X. Liabilities and provisions for liabilities	10,463	5,120	2,624	1,213
XI. Long-term liabilities	1,186	577	297	137
XII. Short-term liabilities	8,888	4,151	2,229	983
XIII. Equity	40,035	41,225	10,041	9,763
XIV. Share capital	3,000	3,000	752	710
XV. Number of shares	3,000,092	3,000,092	3,000,092	3,000,092
XVI. Profit (loss) per one common share (PLN/EUR)	-0.53	-1.06	-0.13	-0.24
XVII. Book value per share (PLN/EUR)	13.34	13.74	3.35	3.25
XVII. Declared or paid dividend per one share (PLN/EUR)	0.00	1.00	0.00	0.24

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

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

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

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

	Mid-rate during the period	Minimal exchange rate during the period	Maximal exchange rate during the period	Exchange rate of the last day of the period
3 quarters of 2010	4.0027	3.8356	4.1770	3.9870
3 quarters of 2009	4.3993	3.9170	4.8999	4.2226

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

The Company is not a member of the capital group.

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

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

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

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

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

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

- Janusz Gocałek - holding 891,544 votes, which constitute 26.16 % of the total number of votes
- Jacek Klauziński - holding 891,544 votes, which constitute 26.16 % of the total number of votes
- Andrzej Rózga - holding 891,544 votes, which constitute 26.16 % of the total number of votes

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

- Janusz Gocałek - holding 755,544 shares of the Company, which constitute 25.18 % of the total number of shares
- Jacek Klauziński - holding 755,544 shares of the Company, which constitute 25.18 % of the total number of shares
- Andrzej Rózga - holding 755,544 shares of the Company, which constitute 25.18 % of the total number of shares

According to the knowledge of the Management, there were no changes in the structure of shares since the previous quarterly report.

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

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

- Janusz Gocałek - holding 755,544 shares of the Company,
- Jacek Klauziński - holding 755,544 shares of the Company,
- Andrzej Różga - holding 755,544 shares of the Company.
- Rafał Szalek - holding 889 shares of the Company.

Radosław Wesołowski, Member of the Management Board, and Members of the Supervisory Board do not hold any shares of the Company. Since the day of publishing the previous quarterly report, there were no changes in the ownership of the issuer's shares by the persons managing and supervising the issuer.

People managing and supervising the Issuer do not hold rights (options) to the Issuer's shares. In the first quarter of the current year the Management Board members adopted the manager option scheme regulations introduced on the basis of resolution of General Meeting of Shareholders dated 22.04.2008 and resolutions of the Supervisory Board dated 28.05.2008 and 29.12.2008. On 21.06.2010 the Supervisory Board adopted a resolution on the non-fulfillment by the Company of the conditions of the program implementation defined in the regulations. Since the day of publishing the previous quarterly report, there were no other changes in the ownership of the rights (options) to the Issuer's shares by the Issuer's managing and supervising persons.

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

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

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

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

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

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

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

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

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

The ongoing economic recession is a significant factor influencing the results of the Company. Developments in this area, particularly the public perception of the Company and their investment decisions, may significantly affect the Company's revenues in the coming

quarters, particularly in the revenues from the sale of goods and materials.

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

After the date on which this report was drawn up, the consortium consisting of: TALEX S.A. with its registered office in Poznan, and PC Factory S.A. with its registered office in Warsaw, concluded the agreement with the Kujawsko-Pomorskie Voivodeship in Torun. The contract covers the delivery of IT solutions with a total gross value of PLN 29 million.

The following subsidy agreements, concluded by Talex may also affect the Company's future revenues:

- An agreement with the Board of the Wielkopolskie Voivodeship acting as Wielkopolska Regional Operational Program for 2007-2013. Its subject is to provide subsidies towards the project carried out by the Company entitled "The creation of a modern Data Center as a way to increase the level of competitiveness and innovation of Talex." The maximum value of the granted subsidy is equal to PLN 2.3 million net. The subsidy has been granted to the Company under the Wielkopolska Regional Operational Program for 2007-2013 which is co-financed by the European Regional Development Fund.
- An agreement on March 2010. The Company concluded the agreement with Polish Agency for Enterprise Development with its registered office in Warsaw. Its subject was to provide subsidies towards the project carried out by the Company concerning the creation of an application supporting the exchange of information between systems of the Company and its customers. The maximum value of the granted subsidy is equal 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 Wielkopolska Regional Operational Program for 2007-2013.

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