„Audyt DZiM"
Zofia Drożdżewska

Badanie sprawozdań, Przeglądy sprawozdań,
Prowadzenie ksiąg rachunkowych

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT DRAWN UP AS OF 31ST DECEMBER 2008

TALEX S.A.
61-619 POZNAN, 27D KARPIA STREET

MARCH 2009

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A . General part

1. Basic information on the Company

1.1. Name and address:

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

1.2. Date and place of foundation and registration

„TALEX" S.A. was founded as a result of transformation of the Production and Implementation Company „TALEX" Limited Liability Company – resolution No. 3 of the Extraordinary Meeting of Partners held on 2nd March 1998 (Notarial act Rep. A 2655/1998 drawn up in the law office „Ziemski and Partners" Limited Liability Company in Poznan, 10 Strusia Street in the presence of the Notary, E. Dorota Drożdż).
The Statute of Joint stock company (Polish abbreviation: S.A.) was adopted by the Extraordinary Meeting of Partners of „TALEX" Limited Liability Company – the founders of „TALEX" S.A. – Notarial Act Rep. A 3545/1998 from 19th March 1998 drawn up in the Notary Office of E. Dorota Drożdż in Poznan, 20/3 Nowowiejskiego Street.
Correction of the aforementioned minutes of the Meetings of Partners was published in the minutes from the Extraordinary Meeting of Partners on 30th March 1998 (Notarial act Rep. A 3967/1998, drawn up in the presence of the Notary, E. Dorota Drożdż).

„TALEX" S.A. was registered on 9th April 1998 on the basis of the decision made by the District Court in Poznan XVI Economy Department - Registry in the Register of Companies in section B under the No. 11905.
On 3rd October 2001 the Company was registered in the Register of Enterprises of the National Court Register under KRS No. 0000048779 on the basis of the decision made by the District Court, XXI Economy Department in Poznan – Ref No. (*Sygn. spr. – sygnaura sprawy*) PO.XXI NS-REJ. KRS/6563/1/63.

1.3. Organizational changes

In the period covered by the audit the following organizational changes took place:
On 22nd April 2008 the Ordinary General Assembly (Notarial act Rep. A nr 9479/2008; notary Jacek Kaczorowski from the Notary Office in Poznan, in 13/8 Mlynska Street):

- by means of Resolutions No. 8 to 13 appointed the Supervisory Board with new membership.
- by means of Resolution No 15 made changes to § 10 item 1 of the Statute worded as follows:

The Management Board of the Company is entitled, on the basis of Art. 444 of the Code of Commercial Companies, for the period no longer than until 31st March 2011 to raise the share capital by the amount not exceeding PLN 360,000 (in words: three hundred and sixty thousand) (target capital)
Changes were registered in the National Court Register under No. 0000048779 on 9th May 2008, by the decision of the District Court Poznan - Nowe Miasto and Wilda in Poznan, VIII Economy Department of the National Court Register from 6th May 2008; Ref. No. (*sygnatura sprawy*): PO.VIII NS-REJ.KRS/007446/08/615.

- by means of Resolution No. 16 the Supervisory Board was authorized to agree on the consolidated text of the Statute of the Company.
- by means of Resolution No. 17 the managerial options program was accepted (Options Program).

The Supervisory Board by means of Resolution No. 2 from 23rd June 2008 agreed on the consolidated text of the Statute on the basis of the changes made earlier to the Statute and registered.

1.4. Company's authorities

⇨ The Management Board

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

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

As of the day the audit was carried out, the Management Board of „TALEX" S.A. was composed of the same members.

⇨ Supervisory Board

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

until 22nd April 2008

Wojciech Osmólski	President of the Supervisory Board
Grzegorz Ganowicz	Member of the Supervisory Board
Tomasz Łodygowski	Member of the Supervisory Board
Jerzy Nawrocki	Member of the Supervisory Board
Marek Nawrocki	Member of the Supervisory Board

from 22nd April 2008

Tomasz Łodygowski	President of the Supervisory Board
Grzegorz Ganowicz	Member of the Supervisory Board
Jerzy Nawrocki	Member of the Supervisory Board
Marek Nawrocki	Member of the Supervisory Board
Bogna Pilarczyk	Member of the Supervisory Board

1.5. Equity

As for the situation as of 31st December 2008 the equity amounts to PLN 47,419,134.38 and includes:

⇨ share capital in the amount of PLN 3,000,092.00,
which consists of 3,000,092 shares of the nominal value of PLN 1.00 each, including:

102,000	Series A registered shares (enjoy voting preference of 5 votes per share)
849,000	Series B ordinary registered shares
450,000	Series C ordinary bearer shares
889,092	Series D ordinary registered shares
710,000	Series E ordinary bearer shares

⇨ supplementary capital of PLN 40,388,640.44
⇨ net financial result (profit) of PLN 4,030,401.94

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1.6. Subject of activity

The subject of activity was defined in § 5 of the Statute and is in accordance with the entry in section 3, column 1 NCR (*KRS*): 0000048779.
The Company offers comprehensive services in the field of enterprise and institution informatization, which are connected with equipment and software deliveries.
The primary subject of activity of **„TALEX" S.A.**, according to the Polish Classification of Activities (PKD) involves „wholesale of computers, computer peripheral equipment and software" 51.84.Z.
During the period covered by the audit **„TALEX" S.A.** performed its basic activities in the fields of design, trade and production in the information technology sector, in the Company's registered office in Poznan, 27D Karpia Street and in branch offices:

- 02-135 Warszawa, 26 Ilzecka Street,
- 81-300 Gdynia, 8 Sportowa Street,
- 54-203 Wroclaw, 51/53 Legnicka Street,
- 40-121 Katowice, 50 Chorzowska Street,
- 70-812 Szczecin, 53 Pomorska Street,
- 15-027 Bialystok, 31 Ogrodowa Street,
- 87-100 Torun, 167 Wloclawska Street,
- 90-361 Lodz, 276 Piotrkowska Street,
- 20-632 Lublin, 2 Jana Sawy Street,
- 35-301 Rzeszow, 6 Lwowska Street, room 115

1.7. Remaining information

- **NIP :** 782 – 00 – 21 – 045
- **REGON:** 004 772 751
- **EMPLOYMENT:** As of 31st December 2008 the number of employees was 222. The average employment in the period from 1st January 2008 to 31st December 2008, calculated as full-time employment, was at the level of 180.17.

2. Basis for the audit and time of its drawing up

2.1. Time and basis for the audit

The audit was carried out on the following days: preliminary audit – from 12th December 2008 to 20th December 2008; proper audit – from 16th February 2009 to 25th March 2009 with breaks on the basis of agreement No. 6/2008 from 14th July 2008 between:
„TALEX" S.A., with its registered office in Poznan, 27D Karpia Street, represented by:
- Janusz Gocałek - President of the Management Board
- Jacek Klauziński - Vice-President of the Management Board

and

The Company „Audyt DZiM" Zofia Drożdżewska, with its registered office in Koło, 54 Blizna Street, entered on the list of entities authorized to audit financial statements under the registration number of 2777, represented by:
- Zofia Drożdżewska - the Owner,

The audit was carried out by Zofia Drożdżewska – Statutory Auditor Reg. No. 6828/3663

The agreement was entered into in order to implement resolution No. 1 of the Supervisory Board of „TALEX" S.A. from 23rd June 2008 on the decision to choose „Audyt DZiM" Zofia Drożdżewska to audit the financial statement for 2008.

2.2. Statement of independence

Both the authorized entity and the statutory auditor who carried out the audit on its behalf state that they remain independent of the audited Entity as understood in Art. 66 of the Accounting Act.

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

3.1. Data identifying the audited financial statement

The audited statement includes:

- introduction to the financial statement,
- balance sheet as drawn up for 31st December 2008, with total assets and liabilities of **PLN 90,595,885.09**
- profit and loss account for the financial year from 1st January 2008 to 31st December 2008 showing a net profit of **PLN 4,030,401.94**
- statement of changes in equity for the financial year from 1st January 2008 to 31st December 2008 showing an increase in equity of **PLN 1,030,309.94**
- cash flow statement showing a cash inflow in the financial year from 1st January 2008 to 31st December 2008 of **PLN 745,183.70**
- additional information and explanations.

3.2. Responsibility for the audited financial statement

The entity responsible for the audited financial statement is the Management Board of „TALEX" S.A., with its registered office in Poznan, 27 D Karpia Street. The purpose of the audit was to express a written opinion, with the report, on whether the financial statement was drawn up, in all material aspects, in accordance with binding legal provisions, on the basis of properly kept accounting books, and whether it accurately and clearly presents all the information significant for the assessment of property and financial situation of the audited Entity, as well as its financial result for the period from 1st January 2008 to 31st December 2008.

3.3. Balance sheet continuity

The basis for opening the accounting books as of 1st January 2008 was the financial statement of **„TALEX" S.A**. in Poznan drawn up for 31st December 2007 audited by Małgorzata Poprawska (Reg. No. 5796/2625), operating on behalf of the entity authorized to carry out the audit: POPRAWSKA AND KASZTELAN – STATUTORY AUDITORS PARTNERSHIP in Poznan (entry on the list of KIBR 2791). A positive opinion was issued on 1st April 2008, including no remarks or reservations.

3.4. Approval of the financial statement for 2007 and profit division

The financial statement of **„TALEX" S.A**. in Poznan was approved on 22nd April 2008 – by means of resolution No. 1 of the Ordinary General Meeting – Notarial act Rep. A No. 9479/2008 drawn up by the notary Jacek Kaczorowski who runs the Notary Office in Poznan, in 13/8 Mlynska Street. By means of resolution No. 7 of that Ordinary General Meeting the net profit from 2007 in the amount of PLN 4,408,478.74 was divided as follows:

- PLN 3,000,092.00 was assigned for the dividend payment,
- PLN 1,408,386.74 was assigned for the Company's supplementary capital

3.5. Publication of the financial statement for 2007

- On 25th April 2008 **„TALEX" S.A**. in Poznan handed in the complete set of documents regarding the financial statement for 2007 to the First Tax Office of Wielkopolska in Poznan.
- On 25th April 2008, on the basis of Art. 70 of the Accounting Act, the financial statement was sent to be published in the Official Journal of the Republic of Poland "Monitor Polski B". It was published in „Monitor Polski B" No. 1005 item 5870 from 22nd July 2008.
- On 25th April 2008, in fulfillment of the obligation set in Art.. 69 of the Accounting Act, the financial statement for 2007 was submitted to the Register Court. The submitted documents were mentioned in the Register of Enterprises under NCR No.: 0000048779.

4. Confirmation of access given by TALEX S.A. to data and explanations required for carrying out the audit of the financial statement and submission of the statement on completeness of the accounting books

In the course of the audit of the financial statement of „TALEX" S.A. no restrictions on the scope of the audit were placed. Methods used during the audit depended on the significance and relevance of issues. Samples were chosen individually on the basis of auditor's conviction that they are sufficient to assess particular elements of the financial statement..
The audit limited to the chosen samples was also used for budget settlements and therefore discrepancies may occur between the findings included in this report and the results of potential controls carried out by means of the complete method.

The auditor was provided with data, information and necessary explanations that they asked for. The Management Board submitted the statement on the completeness of data in accounting books and proving all conditional obligations as well as on informing about important events which took place after the date of the balance sheet and until the day of submitting the statement.

B. Economic and financial analysis

The economic and financial analysis of TALEX S.A. was carried out on the basis of results achieved in years 2006 – 2008. For the purpose of calculating the ratios of inventory rotation, receivables and liabilities average data was employed, calculated on the basis of the amount for the beginning of the year and for the end of particular quarters.

1. Balance sheet analysis

1.1 Assets

No.	Specification	2008		2007		2006		Dynamics 1 : 3	Dynamics 3 : 5
		PLN	%	PLN	%	PLN	%	%	%
		1	2	3	4	5	6	7	8
A.	**Fixed assets**	**22,910,158.89**	**25%**	**23,457,172.35**	**28%**	**23,842,341.91**	**43%**	**98%**	**98%**
1	Intangible assets	411,157.15	0%	1,109,787.74	1%	1,700,662.09	3%	37%	65%
2	Tangible fixed assets	22,186,543.34	25%	22,182,174.65	27%	21,879,848.44	40%	100%	101%
3	Long-term receivables	116,540.78	0%	47,072.84	0%	153,248.00	0%	248%	31%
4	Long-term investments	0.00	0%	0.00	0%	0.00	0%	-	-
5	Long-term prepayments	195,917.62	0%	118,137.12	0%	108,583.38	0%	166%	109%
B	**Current assets**	**67,685,726.20**	**75%**	**61,359,913.87**	**72%**	**31,288,312.66**	**57%**	**110%**	**196%**
1	Inventory	3,397,352.45	4%	2,669,748.53	3%	1,278,110.48	2%	127%	209%
2	Short-term receivables	36,539,123.24	41%	31,425,995.84	37%	12,320,390.43	23%	116%	255%
3	Short-term investments	27,532,200.72	30%	27,122,987.70	32%	17,532,419.20	32%	102%	155%
4	Short-term prepayments	217,049.79	0%	141,181.80	0%	157,392.55	0%	154%	90%
C	**Total assets**	**90,595,885.09**	**100%**	**84,817,086.22**	**100%**	**55,130,654.57**	**100%**	**107%**	**154%**

⇨ Balance sheet sums show an increasing tendency in analyzed periods.

⇨ In the structure of assets there is a fall in the share of fixed assets in favor of current assets. During the period examined:

- fixed assets comprised 25% of the total value of assets – in comparison with 28% in the previous year and 43% in 2006.
- current assets comprised 75% of the total value of assets – in comparison with 72% in the previous year and 57% in 2006.

⇨ The main elements influencing fixed assets are tangible fixed assets, comprising about 25% of the total value of assets. In the periods analyzed they remained at similar level, so the Company bears the expenses of property reconstruction in the amount close to the value of amortization write-offs.

⇨ Intangible assets undergo visible reduction with every year which is mainly related to goodwill write-offs, which are the biggest element of this value.

⇨ Long-term and short-term prepayments in all periods analyzed comprised no more than 1% of total assets.

- In the structure of current assets in the course of the periods analyzed there was an increase in the share of short-term receivables (from 23% in 2006 to 41% in 2008) and inventory (from 2% in 2006 to 4% in 2008) and a small fall in the share of short-term investments (32% in 2006 to 30% in 2008r).

1.2. Liabilities

No.	Specification	2008		2007		2006		Dynamics 1 : 3	Dynamics 3 : 5
		PLN	%	PLN	%	PLN	%	%	%
		1	2	3	4	5	6	7	8
D	**Equity**	**47,419,134.38**	**52%**	**46,388,824.44**	**55%**	**41,980,345.70**	**76%**	**102%**	**111%**
1	Share capital	3,000,092.00	3%	3,000,092.00	4%	3,000,092.00	5%	100%	100%
2	Supplementary capital	40,388,640.44	45%	38,980,253.70	46%	38,698,349.18	70%	104%	101%
3	Revaluation reserve	0.00	0%	0.00	0%	0.00	0%	-	-
4	Profit (loss) from previous years	0.00	0%	0.00	0%	0.00	0%	-	-
5	Net profit (loss)	4,030,401.94	4%	4,408,478.74	5%	281,904.52	1%	91%	1564%
E	**Liabilities and provisions for liabilities**	**43,176,750.71**	**48%**	**38,428,261.78**	**45%**	**13,150,308.87**	**24%**	**112%**	**292%**
1	Provisions for liabilities	291,120.66	1%	229,596.63	0%	238,618.33	1%	127%	96%
2	Long-term liabilities	1,005,485.30	1%	672,201.30	1%	0.00	0%	150%	-
3	Short-term liabilities	41,778,667.31	46%	37,438,899.72	44%	12,888,646.06	23%	112%	290%
4	Accruals	101,477.44	0%	87,564.13	0%	23,044.48	0%	116%	380%
	Total liabilities	**90,595,885.09**	**100%**	**84,817,086.22**	**100%**	**55,130,654.57**	**100%**	**107%**	**154%**

- On the liabilities side there is an advantage of equity in relation to liabilities.
- At the end of 2008 the equity amounted to 102% of the value from the previous year, but its contribution to financing the value of the Company's property decreased from 55% to 52%. It is a result of higher dynamics of liabilities.
- Supplementary capital is the biggest element of equity, comprising 45% of total liabilities. In 2008 it increased by 4% as a result of profit division from the previous year.
- Supplementary capital did not change and comprises about 3% of total liabilities.
- Net profit, in the period examined, comprised about 91% of the value from the previous year, which resulted in the fall of its share in liabilities from 5% to 4%.
- Long-term liabilities increased by half in comparison with 2007, as a result of entering into new leasing agreements, but nevertheless, they still comprise about 1% of total liabilities.
- Short-term liabilities increased by 12% in comparison with the previous year and comprised about 46% of total liabilities, in comparison with 44% in 2007 and 23% in 2006.
- Provisions for liabilities increased by 27% and comprise about 1% of total liabilities.
- Revenue accruals had no significant influence on the structure of liabilities, their share was very small (less than 1%).

2. Analysis of profit and loss account

No.	Specification	2008	2007	2006	Dynamics 1 : 2	Dynamics 2 : 3
		PLN	PLN	PLN	%	%
		1	2	3	4	5
A	Revenues from sale	131,453,067.18	134,117,278.86	81 614 371,21	98%	164%
B	Cost of products, goods and materials sold	113,526,981.96	117,946,322.60	71,606,379.34	96%	165%
C	**Gross profit from sale (A-B)**	**17,926,085.22**	**16,170,956.26**	**10,007,991.87**	**111%**	**162%**
D	**Selling costs**	**5,151,746.58**	**5,084,969.57**	**4,054,579.13**	**101%**	**125%**
E	**General and administrative costs**	**5,749,887.32**	**5,077,700.76**	**4,881,173.51**	**113%**	**104%**
F	**Profit on sales (C-D-E)**	**7,024,451.32**	**6,008,285.93**	**1,072,239.23**	**117%**	**560%**
G	Other operating revenues	120,551.84	274,475.02	132,432.05	44%	207%
H	Other operating expenses	805,638.95	1,084,373.23	962,575.07	74%	113%
I	**Profit on operating activities (G+F-H)**	**6,339,364.21**	**5,198,387.72**	**242,096.21**	**122%**	**2147%**
J	Financial revenues	722,560.27	594,564.36	505,545.90	122%	118%
K	Financial costs	1,873,099.54	151,888.34	151,932.59	1233%	100%
L	**Gross profit on economic activities (I+J-K)**	**5,188,824.94**	**5,641,063.74**	**595,709.52**	**92%**	**947%**
M	Result of extraordinary events	0.00	0.00	0.00	-	-
N	**Gross profit ((L+(+/-M))**	**5,188,824.94**	**5,641,063.74**	**595,709.52**	**92%**	**947%**
O	Income tax	1,158,423.00	1,232,585.00	313,805.00	94%	393%
P	Other obligatory reductions in profit (increases in loss)	0.00	0.00	0.00	-	-
R	**Net profit (N-O-P)**	**4,030,401.94**	**4,408,478.74**	**281,904.52**	**91%**	**1564%**

⇨ In the periods analyzed there was a changing tendency of the dynamics of basic result values; increase in the previous year and decrease in the year examined, although in spite of the decrease both revenues from sale and cost of goods and products sold are much higher in 2008 than they were in 2006.

- In 2008, in comparison with 2007, revenues from sale decreased by 2%, while cost of products, goods and materials sold decreased by 4%,

- Gross profit on sales was 11% higher and net profit on sales was 17% higher than in 2007.

- Relation between other revenues and other operating costs was unfavorable in all the periods analyzed. Other operating costs were much higher than other operating revenues.
- In 2008 other operating revenues decreased by 56% while other operating costs decreased by 26% in comparison to 2007.
- Loss on other operating activity amounting to PLN 685 thousand in 2008 resulted to a large extent from goodwill write-offs of PLN 673 thousand.
- Negative result on other operating activities had an influence on decrease of profit on operating activities to the level of PLN 6,339.4 thousand, but nevertheless it comprises 122% of that value from the previous year.

- In the area of financial operations in 2006 – 2007 there is a positive result and in the period examined there is a loss of PLN 1,150 thousand resulting from the surplus of positive exchange rate differences over negative exchange rate differences and from the negative revaluation of investments.
- Financial revenues increased by 22% in comparison with the previous year, while financial costs increased twelvefold.
- Profit on economic activities, after inclusion of results from financial activities reached PLN 5,188 thousand in 2008 and was 8% lower than in 2007.
- Extraordinary events did not take place.
- Obligatory encumbrances of the result, on grounds of current and deferred income tax, were 6% lower than those in 2007.
- Net profit reached the level of PLN 4,030.4 thousand and comprised 91% of that value from the previous year and 1430% of net profit from 2006.

3. Ratio analysis

3.1. Financial liquidity

A.	Financial liquidity ratios	2008	2007	2006	desirable values
I.	**Liquidity ratio I** Current assets/short-term liabilities	**1.62**	**1.64**	**2.43**	**1.2 - 1.8**
II.	**Liquidity ratio II** (current assets - inventory)/short-term liabilities	**1.54**	**1.57**	**2.33**	**0.8 -1.0**
III.	**Liquidity ratio III** Short-term investments/short-term liabilities	**0.66**	**0.72**	**1.36**	**min. 0.3**

- Financial liquidity ratios, defining the capability of the audited Entity to timely settle its current liabilities, remain within the limits of values required for good assessment of the financial situation of the Entity, even though they decreased in the period examined.
- Financial ratios indicate that it has full capability to settle its liabilities.

3.2. Assets turnover

B.	Turnover ratios	2008	2007	2006	desirable values
I.	**Assets turnover ratios** sales/ assets	**1.45**	**1.58**	**1.48**	**increasing**
II.	**Fixed assets turnover ratio** sales/fixed assets	**5.74**	**5.72**	**3.42**	**increasing**
III.	**Cycle of inventory** average inventory/own cost sold *360	**17.61**	**11.58**	**11.87**	**decreasing**
IV.	**Inventory rotation ratio** Own cost of goods and materials sold/ average inventory	**20.44**	**31.08**	**30.34**	**increasing**
V.	**Cycle of receivables** Average receivables/value of sale * 360	**59.69**	**58.49**	**57.64**	**decreasing**
VI.	**Receivables rotation ratio** Value of products, goods and materials sold/average receivables	**6.03**	**6.15**	**6.25**	**increasing**
VII.	**Period of exchange of current capital for cash** Cycle of receivables + cycle of inventory (in days)	**77.30**	**70.08**	**69.51**	**decreasing**
VIII.	**Duration of liabilities in days** Average trade liabilities/own cost of sales*360	**61.40**	**60.68**	**43.87**	**average due date**
IX.	**Equity turnover** Sales of products, goods and materials/equity	**2.77**	**2.89**	**1.94**	**increasing**

- In the course of periods analyzed total assets turnover ratios and equity turnover ratios show a changing tendency: increase in 2007 and a minimal decrease in the period analyzed. In 2008 PLN 1.45 of revenues from sale fall on every PLN 1.00 of the Company's property and PLN 2.77 of revenues from sale fall on PLN 1.00 of equity.
- Fixed assets turnover is characterized by the desirable increasing tendency and it increased from 3.42 in 2006 to 5.74 in the period examined.
- As for the cycle ratios, the desirable tendency is for them to decrease.
- The cycle of inventory in years 2006 and 2007 was at an even level, and during the period examined was extended to 17 days; despite this extension it remains at a good level.
- The cycle of receivables during all periods examined remained at a similar level with a minimal increasing tendency; in 2008 it reached the length of about 60. In reality, the cycle of receivables is slightly shorter, since the level of ratios presented above is influenced by high levels at the end of the year. If the average level of receivables is calculated on the basis of data for the end of each month, the cycle of receivables for 2008 is 46.
- Duration of liabilities is, like in the previous year, about 61 days and its level, just as for the cycle of receivables, is the result of a high level of liabilities at the end of the year. If the average level of short-term liabilities is calculated on the basis of data for the end of each month, the duration of liabilities for 2008 is about 45 days.

3.3. Financing ratios

	Financing ratios	2008	2007	2006	desirable values
I.	**Debt ratio** Total liabilities/total value of property	**0.47**	**0.45**	**0.23**	**max. 0,5**
II.	**Equity to property financing ratio** equity/total value of property	**0.52**	**0.55**	**0.76**	**min. 0,5 with increasing tendency**
III.	**Liabilities to equity ratio** liabilities/equity	**0.90**	**0.82**	**0.31**	**less than 1**
IV.	**Long-term debt ratio** Long-term liabilities/equity	**0.02**	**0.01**	**0.00**	**max. 0,5 - 1**
V.	**Credit worthiness ratio** (gross profit + interest paid)/efficient liabilities	**0.12**	**0.15**	**0.05**	**positive increasing**
VI.	**Fixed assets financing ratio** Equity/fixed assets	**2.07**	**1.98**	**1.76**	**above 1**
VII.	**Assets immobilization ratio** Fixed assets/total value of assets	**0.25**	**0.28**	**0.43**	**increasing**

- Ratios of financial support of investment activities show that the Company is financially independent.
- Equity finances 52% of the Company's property value and debt ratio is 0.47. Decrease in equity to property financing ratio and increase in debt ratio are related to significant purchases at the end of quarters and at the end of the year and, as a result, to high levels of liabilities.

- Desirable values for the positive assessment of the property structure and sources of its financing in the Company, are as follows: for the debt ratio less than 0.5 with a tendency to decrease and for the equity ratio – more than 0.5 with a tendency to increase.
- Fixed assets are fully covered by equity.

3.4. Profitability ratios

D.	Profitability ratios	2008	2007	2006	desirable values
I.	**Return on sales ratio (ROS)** Net profit/value of sales *100 (%)	3.07	3.29	0.35	positive increasing
II.	**Return on assets ratio (ROA)** Net profit/ assets * 100 (%)	4.45	5.20	0.51	positive increasing
III.	**Return on equity ratio (ROE)** Net profit/equity * 100(%)	8.50	9.50	0.67	positive increasing
IV.	**Rate of profit** Net profit/current assets * 100(%)	5.95	7.18	0.90	positive increasing
V.	**Profitability of share capital** Net profit/share capital * 100(%)	134.34	146.94	9.40	positive increasing
VI.	**Profitability of fixed property** Net profit/fixed assets * 100(%)	17.59	18.79	1.18	positive increasing
VII.	**Profitability of inventory** Net profit/inventory*100(%)	118.63	165.13	22.06	positive increasing

- In comparison with the previous year profitability ratios in the period examined are at a similar level, which is related to the equal level of net profit.
- Return on sales in 2008 was 3.07, so for every PLN 100.00 of revenues from sale there is PLN 3.07 of net profit.
- Return on equity shows that for every PLN 100.00 of engaged capital there is PLN 8.50 of net profit.

4. Summary of the economic and financial analysis

- The balance sheet analysis shows correct relation between the Company's property and sources of its financing as well as financial independence of the audited Entity. Equity finances 100% of fixed assets value and about 36% of current assets. As a result, the Company has its own assets in circulation.
- Profit and loss analysis shows efficiency of the audited Entity.
- The analysis of the balance sheet, of the profit and loss account and the presented analysis of the financial situation allow the auditor to give a positive assessment of the Company, shows its financial stability and does not indicate any threat of preventing it from continuing its activities in the year following the year audited.

C. Detailed part – Accounting and internal control system

1. Accounting books

1.1. Accounting policy

„TALEX" S.A. keeps its accounting books on the basis of the provisions laid down in the Accounting Act of 29th September 1994 (i.e. Journal of Laws of 2002, No. 76, item 694 with subsequent amendments) and principles adopted by the Company, the so-called „Accounting Policy", which was approved 30th January 2002 by the Management Board and which entered into force on 1st January 2002.

1.2. Financial and accounting program

Accounting books are kept using the computer technique based on the integrated financial and accounting program IRBIS, implemented on 1st January 1999, which was created by TALEX SOFTWARE Ltd. – a company bought on 1st June 1998. The program consists of the following modules:

- financial and accounting,
- goods circulation, which covers sales and warehouses,
- fixed assets,
- remunerations,
- personnel,

During the audit of the financial statement it was stated that a system of access codes provides complete safeguard against interference of unauthorized persons.

The accounting system used includes all appliances stipulated in this respect by provisions of the accounting act. The method of marking and storing accounting evidence guarantees easy access and control.

1.3. Remaining information

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

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

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

Storage and archiving of data – no reservations.

2. Valuation of assets and liabilities and of items influencing financial results

In the course of the audit, it has been found that TALEX S.A. prepared the financial statement for the period from 1st January 2008 to 31st December 2008 guided by rules of valuation of particular items of the balance sheet and rules of establishing revenues and costs adopted in „Accounting Policy".

2.1. Fixed assets

- **Fixed assets and intangible assets** are valued in the books according to acquisition price of manufacturing cost and amortized in proportion to the period of their utilization and including tax rates stipulated in the Legal Persons Income Tax Act of 15th February 1992 (i.e. Journal of Laws of 2000 No. 54, item 654 with subsequent amendments).
- Fixed assets and intangible assets with the initial value not exceeding PLN 3,500.00 are included in the costs on a one-off basis in the month following the month in which they were put into use.
- Means of transport as exploited more intensively in relation to average conditions and requiring technical efficiency are amortized at the rate increased by coefficient of 1.4 ,
- Computer equipment as subject to rapid technical progress is amortized at the rate increased by the coefficient of 2.0 ,
- Fixed assets exploited on the basis of leasing agreements are amortized at rates resulting from the duration of those agreements,

- **Fixed assets under construction** are valued according to real costs incurred for the construction, assembly, adjustment and improvement of future fixed assets, decreased by the permanent impairment write-offs

- In the period covered by the audit no permanent impairment write-offs concerning tangible fixed assets occurred.

- **Long-term receivables** include deposits paid to safeguard the proper execution of agreements,

- **Long-term investments** for 31st December 2008 do not occur.

- **Long-term prepayments** include assets due to deferred income tax and other prepayments which include costs of spare equipment safeguarding execution of servicing agreements, which are to be settled after 31st December 2009. Assets due to deferred income tax were set up to the value of the amount envisaged to be deducted from tax, in relation to negative transitional differences, which will in the future result in the reduction of the basis of taxation for legal persons income tax.

2.2. Current assets

- **Inventory** includes materials, goods and production in progress as well as finished products.
  - **materials and goods** were valued at acquisition prices increased by duty in case of imports; expenditure throughout the year takes place as follows:
    - goods identified by serial numbers according the purchase price of those goods,
    - materials and goods not identified by serial numbers according to the FIFO principle – „first in, first out",
  - **production in progress** includes the value of incomplete services and was valued according to real and direct manufacturing costs of particular orders,
  - **finished products** are valued throughout the year according to book-keeping prices, set at the level of planned direct manufacturing cost. At the end of the reporting period deviations in relation to real and direct manufacturing costs correct the cost of goods sold.

- **Short-term receivables** – throughout the year they are presented at the value set at their beginning. At balancing date (31st December 2008) receivables in foreign currencies were valued at the average exchange rate set for a given currency for a particular date by the National Bank of Poland. As for the balance sheet, the receivables taken into consideration were corrected by revaluation write-offs in the following cases:
  - brought before the court - 100% write-off,
  - receivables from entities in liquidation - 100% write-offs,
  - receivables overdue for over half a year - 100% write-offs.

- **Short-term investments** – include short-term financial assets, including stocks in remaining units (shares and bonds) as well as cash, valued as follows:
  - stocks in remaining units (shares and bonds) – according to market prices; results of differences between the value of valuation as of the balancing date and the acquisition price were related to revenues or financial costs.
  - cash - at nominal values; cash in foreign currencies at the balancing day (31st December 2008) was valued at the average exchange rate set for a given currency for a particular date by the National Bank of Poland.

- **Short-term prepayments** were presented according to real expenses incurred during the examined period or previous periods, which are to be settled in the period of 2009; they are settled by inclusion in the costs of periods they concern.

2.3. Equity

- **share capital** was presented at nominal value, in accordance with the entries in the National Court.
- **supplementary capital** was presented at nominal values. It is formed in accordance with the Company's statute from profit write-offs, sales of shares above their nominal net value and from transfer of amounts from fixed assets revaluation fund and concerning fixed assets sold or in liquidation.
- **net profit** – as presented in the balance sheet, is in accordance with the profit and loss account.

2.4. Liabilities and provisions for liabilities

- **Provisions** include:
  - reserve due to deferred income tax formed to the value of the amount of income tax to be paid in the future, in relation to positive transitional differences which occur between the book value and the tax value of assets and liabilities.
  - provision for retirement benefits formed according to the following formula: the number of employees without the settled right to retirement at the balancing day x average monthly salary in the Company x likelihood indicator of retirement severance payment, differentiated by the employee's age.

- **Long-term liabilities** - item includes liabilities due to leasing agreements entered into, considered from the point of view of the accounting act to be financial leasing, and due to be settled after 31st December 2009.

- **Short-term liabilities** - presented in the amount due to be paid, liabilities in foreign currencies were valued as of 31st December 2008 at the average exchange rate set for a given currency for a particular date by the National Bank of Poland.

2.5. Items influencing profit and loss account

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

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

- **Other revenues and operating costs** – revenues and costs not connected directly with the normal activity of the Company, but influencing its financial result. Other operating revenues include, during the period examined, mainly: profit from the disposal of non-financial fixed assets and received compensation for transport damages. Other operating costs were shaped in 2008 mainly by: amortization of goodwill, revaluation of reserve for retirement severance benefits and costs of damages incurred due to accidents.

- **Revenues and financial costs** – results of financial operations. During the period covered by the audit, financial revenues include interest on assets on bank accounts, interest on stocks and other received interest and dividends. Financial costs presented in the profit and loss account include the surplus of negative differences in exchange rates over positive ones, costs of investment revaluation, costs of leasing charges (financial part), costs of stocks in trading management and loss from investment disposal.

- **Extraordinary gains and losses** – did not occur in the period examined.

- **Obligatory encumbrance of financial result** – in the period covered by the audit concerns the current and deferred income tax.

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

3. Internal control

„TALEX" S.A. laid down the described control procedures in „The Rules of Internal Control" which entered into force on 1st October 2001.

The Company also holds:

- ISO 9001 : 2000 certificate which covers: „**design, production, delivery, integration of computing solutions and technologies, servicing, software production, comprehensive management of customers' IT resources and the carrying out of mass implementations of information technology systems"** valid until 26th May 2011, issued by SGS United Kingdom Ltd.
- ISO 27001 : 2005 certificate (earlier BS 7799:2002 Security of Information Management norm) covering: **„management of customers, business and employees data related to the design, production, delivery, integration of computing solutions and technologies, servicing, software production, comprehensive management of customers' IT resources and the carrying out of mass implementations of information technology systems, in accordance with the Declaration of Application from 14th June 2007"** valid until 30th May 2011, issued by SGS United Kingdom Ltd.

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

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

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

4. Stocktaking

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

- physical inventory:
  - cash in hand as of 31st December 2008
  - production in progress as of 31st December 2008
  - fixed assets under construction as of 31st December 2008
  - finished products as of 12th December 2008.
  - trade goods as of 31st December 2008
  - materials as of 12th December 2008

- balance confirmation:
  - cash at bank as of 31st December 2008
  - settlements with recipients as of 31st December 2008

- verification of balances – remaining assets and liabilities as of 31st December 2008

On the basis of Ruling No. 10/2007 from 12th November 2007, stocktaking of fixed assets was conducted by means of physical inventory so as to meet obligations set in Art. 26 section 3 point 3 of the Accounting Act..

Results of the stocktaking were correctly settled and related to the accounting books.

5. Balance sheet

in PLN

	ASSETS	31.12.2008	31.12.2007
I	**FIXED ASSETS**	**22,910,158.89**	**23,457,172.35**
1	Intangible assets	411,157.15	1,109,787.74
2	Tangible fixed assets	22,186,543.34	22,182,174.65
3	Long-term receivables	116,540.78	47,072.84
4	Long-term investments	0.00	—
5	Long-term prepayments	195,917.62	118,137.12
II	**CURRENT ASSETS**	**67,685,726.20**	**61,359,913.87**
1	Inventory	3,397,352.45	2,669,748.53
2	Short-term receivables	36,539,123.24	31,425,995.84
3	Short-term investments	27,532,200.72	27,122,987.70
4	Short-term prepayments	217,049.79	141,181.80
	TOTAL ASSETS	**90,595,885.09**	**84,817,086.22**

	LIABILITIES	31.12.2008	31.12.2007
I	**EQUITY**	**47,419,134.38**	**46,388,824.44**
1	Share capital	3,000,092.00	3,000,092.00
2	Called up share capital	—	—
3	Own shares	—	—
4	Supplementary capital	40,388,640.44	38,980,253.70
5	Revaluation reserve	—	—
6	Other reserve capital	—	—
7	Previous years profit/loss	—	—
8	Net profit	4,030,401.94	4,408,478.74
II	**LIABILITIES AND PROVISIONS FOR LIABILITIES**	**43,176,750.71**	**38,428,261.78**
1	Provisions for liabilities	291,120.66	229,596.63
2	Long-term liabilities	1,005,485.30	672,201.30
3	Short-term liabilities	41,778,667.31	37,438,899.72
4	Accruals	101,477.44	87,564.13
	TOTAL LIABILITIES	**90,595,885.09**	**84,817,086.22**

6. General assessment of assets and liabilities of the balance sheet

Particular items of the balance sheet were presented on the basis of agreed instruments of the general ledger and subledgers. Unreal or outdated balances were not found. Items of assets and liabilities can be considered correct on the basis of the audit carried out.

Explanatory notes concerning particular items of the balance sheet and profit and loss account of „TALEX" S.A. presented in the additional information show detailed data related to the items of the audited financial statement. Additional information is an integral part of the audited financial statement and therefore additional information presented below concerns only the chosen items, assets and liabilities.

6.1. Assessment of chosen items of assets

6.1.1. Fixed assets

Fixed assets presented in the amount of PLN 22,910,168.89 comprise 25.3% of total value of assets. They are the net value of intangible assets and of tangible fixed assets, which includes amortization write-offs reflecting their economic exploitation. In the course of the audit, circumstances resulting in necessary revaluation write-offs of fixed assets and of intangible assets were not found.
Assets due to deferred income tax and other long-term prepayments were presented in accordance with the prudence principle.

6.1.2. Current assets

Current assets shown in the balance sheet in the amount of PLN 67,685,726.20 comprise 74.7% of the value of assets.

⇨ **INVENTORY**

Inventory includes the property of the audited Entity consisting of stocks of materials, goods, finished products and production in progress (services in progress), valued in accordance with the prudence principle and confirmed by means of physical inventory. It was found that their revaluation write-offs are not necessary.

⇨ **SHORT-TERM RECEIVABLES**

Short-term receivables, including receivables due to deliveries and services, comprising 36.6% of total assets, were presented in the balance sheet in the amount due to be paid, in accordance with the prudence principle, i.e. they were decreased by revaluation write-off in the amount of PLN 62,672.64 and correctly presented in explanatory notes 7A to 7F in the Additional information.
Receivables due to deliveries and services were catalogued as of 30th November 2008 by sending written confirmations of balances; the confirmed refund received was in the amount of 80%.
Until the day of the audit, i.e. 23rd March 2009, receivables due to deliveries and services had been collected in the amount of PLN 31,506,557.23, which comprises 95% of this value as of the balancing date.

6.2 Assessment of chosen items of liabilities – short-term liabilities

Short-term liabilities, shown in the amount of PLN 41,778,667.31, comprise 46.1% of total liabilities and include:

- Other financial liabilities 0.9%
- Liabilities due to deliveries and services 34.9%
- Liabilities due to taxes, insurance and other benefits 10.3% .

These were presented in the balance sheet in the amount due to be paid as well as correctly presented in the additional information in notes 20A to 20D.
Until the completion day of the audit, liabilities due to deliveries and services as well as required budget liabilities and liabilities due to ZUS had been settled.

7. Profit and loss account

in PLN

	TITLE	01.01. - 31.12.2008	01.01. - 31.12.2007
I	**NET REVENUES FROM SALES , INCLUDING:**	**131,453,067.18**	**134,117,278.86**
	- OF PRODUCTS	32,383,684.55	23,906,433.90
	- GOODS AND MATERIALS	99,069,382.63	110,210,844.96
II	**COSTS OF OPERATING ACTIVITIES , INCLUDING:**	**124,428,615.86**	**128,108,992.93**
	MANUFACTURING COST OF PRODUCTS SOLD	23,293,254.25	15,799,660.22
	MANUFACTURING COST OF GOODS AND MATERIALS SOLD	90,233,727.71	102,146,662.38
	SELLING COSTS	5,151,746.58	5,084,969.57
	GENERAL AND ADMINISTRATIVE COSTS	5,749,887.32	5,077,700.76
III	**PROFIT ON SALES**	**7,024,451.32**	**6,008,285.93**
IV	OTHER OPERATING REVENUES	120,551.84	274,475.02
V	OTHER OPERATING COSTS	805,638.95	1,084,373.23
VI	**PROFIT ON OPERATING ACTIVITIES**	**6,339,364.21**	**5,198,387.72**
VII	FINANCIAL REVENUES	722,560.27	594,564.36
VIII	FINANCIAL COSTS	1,873,099.54	151,888.34
IX	**PROFIT ON ECONOMIC ACTIVITIES**	**5,188,824.94**	**5,641,063.74**
X	**RESULT OF EXTRAORDINARY EVENTS:**	—	—
	Extraordinary gains	—	—
	Extraordinary losses	—	—
XI	**GROSS PROFIT**	**5,188,824.94**	**5,641,063.74**
XII	**INCOME TAX, INCLUDING:**	1,158,423.00	**1,232,585.00**
	- CURRENT	1,259,070.00	1,246,030.00
	- DEFERRED	-100,647.00	-13,445.00
XIII	**OTHER OBLIGATORY REDUCTIONS IN PROFIT**	—	—
XIV	**NET PROFIT**	**4,030,401.94**	**4,408,478.74**
XV	**PROFIT PER ONE SHARE**	**1.34**	**1.47**

7.1 General assessment of profit and loss account.

Profit and loss account for the period from 1st January 2008 to 31st December 2008 was drawn up in all material aspects including the accrual basis assumption and principle of proportionality.
Particular items were presented in the profit and loss account on the basis of data resulting from the closed and agreed subledgers and the general ledger.
Revenues and costs were qualified for particular titles in accordance with „The Accounting Policy" and the accounting act.
Accrual of revenues and costs to the period examined on the basis of samples of audited documents was deemed correct and complete.
Incurred costs are in cause-and-effect relation to revenues achieved.

7.2. Legal persons income tax

⇨ CURRENT INCOME TAX

in PLN

No.	Specification	2008
1.	Total revenues including:	**132,296,179.29**
	a) revenues from sale	131,453,067.18
	b) other operating revenues	120,551.84
	c) financial revenues	722,560.27
	d) extraordinary gains	0.00
2.	Exemption from revenues	257,580.11
3.	Increase in revenues	78,746.82
4.	**Taxable revenues**	**132,117,346.00**
5.	Total costs including:	**127,107,354.35**
	a) costs of operating activities	124,428,615.86
	b) other operating costs	805,638.95
	c) financial costs	1,873,099.54
	d) extraordinary losses	0.00
6.	Exemption from costs including:	2,289,931.56
	- costs of operating activities	848,560.02
	- other operating costs	754,105.33
	- financial costs	687,266.21
	- extraordinary losses	0.00
7.	Increase in costs	686,105.42
8.	**Cost of revenue acquisition**	**125,503,528.21**
9.	**Taxable income**	**6,613,817.79**
10.	Deductions from income	0.00
	- donation	0.00
11.	**Basis of taxation**	**6,613,818.00**
12.	Tax according to 19% rate	1,256,625.42
13.	Tax according to 19% rate, rounded up	1,256,625.00
14.	Deductions from tax	0.00
15.	**Tax due**	**1,256,625.00**
16.	**Dividend tax – collected**	**2,445.00**
17.	**Tax due in profit and loss account**	**1,259,070.00**

	Exemption from revenues , due to:	**257,580.11**
1.	dividend received	12,866.40
2.	decrease in receivables write-offs	821.28
3.	revaluation – increased value of bonds and shares	168,328.30
4.	reversal of provision for retirement severance benefits	6,000.00
5.	different moment of inclusion into taxable income and book values of services	69,564.13

	Increase in revenues, due to:	**78,746.82**
1.	Different moment of inclusion into taxable income and book values of services	72,261.93
2.	Execution of interest charged in previous years on the deposit for BZWBK	6,484.89

	Exemption from costs including:	**2,289,931.56**
	- costs of operating activities, due to:	**848,560.02**
1.	National Disabled Persons Rehabilitation Fund (PFRON)	113,020.00
2.	non-tax amortization (ZST, cars above EUR 20000, leased cars)	510,531.64
3.	passenger car insurance above limit	5,021.53
4.	unpaid job contracts	25,450.00
5.	ZUS contribution for XII 2008 , paid in I 2009	135,275.94
6.	Representation costs	44,894.50
7.	other costs	14,366.41
	- other operating costs, due to:	**754,105.33**
1.	amortization of goodwill	673,454.88
2.	reserve for retirement severance benefits	64,050.45
3.	reserves for contractual penalties – transitional differences	10,800.00
4.	reserves for contractual penalties – permanent differences	5,800.00
	- financial costs, due to:	**687,266.21**
	budget interest	10.00
	revaluation – increase in value of bonds	148,755.78
	revaluation – increase in value of shares	512,752.09
	other financial costs	25,748.34

	Increase in costs, due to:	**686,105.42**
1.	tax amortization of fixed assets from ZST	1,585.92
2.	paid costs of mileage reimbursement and business trips accrued in the previous year	5,369.39
3.	paid job contracts from the previous year	2,400.90
4.	paid ZUS contributions from the previous year	116,274.06
5.	substantiations of receivables revaluation write-offs	51,119.55
6.	costs of leasing charges – capital part – plus initial charge for 2008	502,944.18
7.	paid contractual penalties, accrued in 2007	6,411.42

⇨ DEFERRED INCOME TAX

in PLN

TITLE	2008
Deferred income tax assets	-93,932.00
- increase	-501,115.00
- decrease	407,183.00
Deferred income tax reserve	-6,715.00
- increase	15,796.00
- decrease	-22,511.00
DEFERRED INCOME TAX, TOTAL	**-100,647.00**

8. Information on the remaining items of the financial statement

8.1. Statement of changes in equity

Statement of changes in equity is related to the balance sheet and accounting books and reflects the changes of particular items of equity for the current and previous financial periods, in accordance with Appendix No. 1 to the Accounting Act.

8.2. Cash flow statement

The cash flow statement showing a balance sheet increase in cash of PLN 745,183.70 is related to the balance sheet, profit and loss account and accounting books. The increase in the amount of cash was influenced by:

• net cash flows from operating activities	PLN 5,628,725.17
• net cash flows from investment activities	(-) PLN 1,386,133.46
• net cash flows from financial activities	(-) PLN 3,497,408.01
Total	**PLN 745,183.70**

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

8.3. Additional information

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

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

The descriptive statement covers the thematic range laid down in Art. 49 of the Accounting Act and results from accounting books. Moreover, it includes the provisions of the Regulation of the Minister of Finance of 19th October 2005 (Journal of Laws of 2005 No. 209, item 1744) on the current and periodic information passed on by the issuers of shares.
The economic data shown are in accordance with the information included in the Company's annual financial statement.

9. Transactions with related parties - do not occur

10. Occurrences and events indicating breaches of the law

In the course of the audit of the accounting books no occurrences or events indicating breaches of the law were found.

D. Summary

Summary of the results of the financial statement's audit can be found in „the opinion of the statutory auditor", drawn up as a separate document. A positive opinion was issued on 25th March 2009, including no remarks or reservations.
The report consists of 28 pages, numbered and initialed by the auditor.

Appendices to the report:

1. balance sheet as drawn up for 31st December 2008
2. profit and loss account for the period from 1st January to 31st December 2008
3. statement of changes in equity for the period from 1st January 2008 to 31st December 2008
4. cash flow statement for the period of 1st January to 31st December 2008

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

.....	.....
Zofia Drożdżewska Statutory Auditor Reg. No. 6828/3663	Entity authorized to audit the statement Reg. No. 2777

Kolo, 25th March 2009