Dear Shareholders

The making of the Annual Report for the year 2008 available to the public information

Introduction

2008 was a difficult year for the economy all over the world. The crisis which began in the United States moved to Europe and struck a lot of countries. It has also affected Poland and different sectors of its economy to a different extent. It may seem that the information technology sector has suffered less than others, but this would be judging the situation by mere appearances. Suppliers of computing equipment and services are dependent on orders made by public institutions and industrial companies. These entities, however, are trying to make savings not only by reducing employment, but also by reducing the amount and range of work commissioned to computing companies. This in turn is reflected in the revenues of those companies and compels actions aimed at decreasing their own production costs.

In crisis conditions it is of particular importance to act within long-term contracts. Such contracts allow for careful planning of work for following years, drawing up budgets, as well as introducing staff and administration changes. Long-term agreements form the base of our Company's activities. Therefore, we can look calmly into the future while at the same time work for the current development of the range of services on offer.

The year 2008 was a time of some significant changes in our Company. We gained new clients, whom work for required extension of our service base. In the light of increased requirements concerning human resources as well as equipment and premises bases, we had to review the operating strategy of our company. As a result of this analysis we opened a number of new branch offices and employed new engineers. At present we have 11 offices equally distributed in the whole country, which greatly extend our operating capabilities and reduce time needed to reach new clients. As a result, we can meet even the most rigorous requirements for equipment and software servicing. The new employees were trained, which was confirmed by certificates they received. It did involve financial effort on our side, but we are convinced that it will bear fruit in the near future.

Our results in the year 2008

The Company's revenues in 2008 amounted to PLN 131,453 thousand, including PLN 32,384 thousand from the sale of products and PLN 99,069 thousand from the sale of goods and materials. This means that in comparison with 2007 revenues from the sale of products increased by 35.5%, while revenues from the sale of goods and materials deceased by 10.1%. However, it should be emphasized that despite the fact that on the information technologies market there has been an ongoing tendency for margins for computing equipment to fall, the Company managed to achieve return on sales of goods and materials at the level higher than in 2007, i.e. about 8.9% (in 2007 it was at the level of 7.3%).

Net profit in 2008 amounted to PLN 4,030 thousand in comparison with PLN 4,409 thousand in 2007. This situation results from the economic crisis which, although more visible in Western Europe countries, affected Polish companies cooperating with foreign contractors. It is particularly noticeable on the financial market since the overwhelming majority of Polish financial institutions have foreign majority shareholders.
Moreover, it should be emphasized that the profit from operational activities was reduced by much higher amount of financial costs (exchange rate differences) in comparison with 2007 and therefore gross and net profit achieved were lower than those in 2007. These are natural market fluctuations.
In addition, as already mentioned in the introduction, we opened a number of new branch offices, which involved a substantial financial effort. Costs of those investments, however, will soon be returned, as in the current situation we can significantly extend the range of services we offer.

The level of profitability indicators in 2008 is higher for those levels of profit from the company activities which increased in relation to 2007 and that means better dynamics of profits at the levels of profit from sales and profit from operational activity.

Liquidity indicators remain above the values considered essential for the good assessment of the entity's financial state, therefore confirming the full capability of the Company to meet its obligations.

Our clients and suppliers

Companies from the financial sector remain our main contractors. They account for 54.43% of our revenues. Further positions belong to public administration (25.3%), manufacturing enterprises and industry (8.99%), trade and services (6.47%). The interest of financial enterprises in our Company results from its credibility and qualifications of our engineers.
Just as it was the case in the past years, our Company's activities are based, first and foremost, on long-term contracts involving comprehensive computing servicing for the particular economic entity. This in turn secures stable growth for our Company and enables us to aim further with our plans for future development.

We have also entered into a few crucial ministries whom we provide with computing services and we have strengthened our position in such institutions as the State Forests and courts.

Our engineers' qualifications enable us to tighten or enter into cooperation with leading manufacturers of both equipment and software. Moreover, we can diversify offers presented to our clients and remain independent of particular suppliers of equipment or software. The benefit to our clients is tangible – our offer is attractive in terms of prices and there are no delays in deliveries of either equipment or services which we offer.

Our competences

Launching new products and services in the market requires constant improvement of working skills. This is why the strategy of our Company is to make sure that the qualifications of our engineers are upgraded and confirmed by certificates from the world leaders in hardware and software manufacturing. These certificates are now often required while making commercial offers as they guarantee the client the highest quality of services provided by our Company's employees.
We obtained a partnership status of companies such as Cisco, EMC, HP (we are a preferred partner in this case), IBM, Microsoft (here we have GOLD status in the most important specializations), Sun Microsystems and VMware. The partnership with VMware Inc. is particularly worth emphasizing. In addition, we have the highest GOLD status of Authorized Consultant (VAC) in Poland and our specialists create and run the biggest projects of IT environment virtualizations in Poland.

Plans for the year 2009

As an integrator of teleinformation systems we will continue to develop our competences in three main directions – widely understood integration of IT systems, provision of outsourcing services and creation or integration of software used in large and medium-sized enterprises. We are also opened for new trends on the IT market.
Our position on that market (especially in the financial sector) has by now been established. We want to deepen our relationships with current clients by offering them a wider range of services. Excellent references given to us by those clients open up a way to gain new markets for our products.

In 2009 we are going to enhance the network of newly established branch offices. We want our service providers and engineers to be able to meet even the most rigorous requirements of SLA (Service Level Agreement) in the whole of the country. This work has already begun, but we are planning to carry on.
We will also continue to take care of the level of qualifications by sending our employees to courses in new technologies and obtaining certificates. The particular emphasis will be laid here on the IT environment virtualization to keep our leading position in this field.

Conclusion

2008 was yet another successful year for our Company. We acquired high revenues, improved our competences and established new contacts. We have more engineers and the network of our branch offices is equally distributed in the whole territory of the country.

Details of the Company's activities are presented in the statement for the year 2008. We recommend that you familiarize yourselves with this material.

I would like to ensure our shareholders that we constantly take care of the successful development of the company. We will make every effort to make sure that the next year of our business activity brings advantages in the form of new products and new contacts with clients. I would like to thank all our shareholders for the trust they put with us.