

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### CONSOLIDATED STATEMENT ON COMPREHENSIVE INCOME

For the reporting period from 1st July 2011 to 30th September 2011 and from 1st January to 30th September 2011.

	3Q (current year), from 01.07.2011 to 30.09.2011	3Q (current year), from 01.01.2011 to 30.09.2011	3Q ( previous year, from 01.07.2010 to 30.09.2010	3Q (previous year) from 01.01.2010 to 30.09.2010
	000 PLN	000 PLN	000 PLN	000 PLN
Revenues from sales	5979	18604	5505	15495
Cost of sales	-3361	-10172	-3472	-9342
<b>Gross profit (loss)</b>	<b>2618</b>	<b>8432</b>	<b>2033</b>	<b>6153</b>
Distribution costs	-1142	-3959	-1095	-2669
General administrative expenses	-1160	-3414	-894	-2687
<b>Gross profit (loss) from sales</b>	<b>316</b>	<b>1059</b>	<b>44</b>	<b>797</b>
Other operating revenues	144	415	109	166
Other operating costs	6	-35	-5	-44
<b>Operating profit (loss)</b>	<b>466</b>	<b>1439</b>	<b>148</b>	<b>919</b>
Financial income	44	56	18	74
Financial costs	-85	-232	-90	-297
<b>Profit (loss) before tax</b>	<b>425</b>	<b>1263</b>	<b>76</b>	<b>696</b>
Income tax	-65	-208	-19	-134
Deferred income tax	-23	-113	-5	-39
<b>Net profit (loss)</b>	<b>337</b>	<b>942</b>	<b>52</b>	<b>523</b>
NCI profit (loss)	16	-36	0	0
<b>Net profit (loss)</b>	<b>353</b>	<b>906</b>	<b>52</b>	<b>523</b>
Other comprehensive income	0	0	0	0
Sum of other comprehensive income	0	0	0	0
<b>Net profit (loss)</b>	<b>353</b>	<b>906</b>	<b>52</b>	<b>523</b>
<b>Earnings per share</b>				
basic	0.18	0.45	0.03	0.26
diluted	0.18	0.45	0.03	0.26

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### CONSOLIDATED STATEMENT ON FINANCIAL CONDITION As for 30<sup>th</sup> September 2011, 31<sup>st</sup> December 2010, 30<sup>th</sup> September 2010

	30.09.2011 000 PLN	31.12.2010 000 PLN	30.09.2010 000 PLN
<b>Non-current assets</b>			
Intangible assets	3341	3946	34
Property, plant and equipment	3847	4052	3865
Goodwill	720	19	19
Long-term receivables	60	54	60
Investments in related entities	63	63	63
Long-term accrued and deferred assets	88	197	168
	<b>8119</b>	<b>8331</b>	<b>4209</b>
<b>Current assets</b>			
Inventories	33	52	20
Trade receivables and other receivables	7324	7653	6636
Cash and cash equivalents	1137	2108	1924
Short-term accrued and deferred assets	1171	521	4371
	<b>9665</b>	<b>10334</b>	<b>12951</b>
<b>Total assets</b>	<b>17784</b>	<b>18665</b>	<b>17160</b>
<b>Equity</b>	2004	2004	2004
Share capital	0	0	0
Share premium	-21	-21	-21
Treasury shares	8164	7258	5881
Retained profits	<b>10147</b>	<b>9241</b>	<b>7864</b>
<b>Total equity</b>	2004	2004	2004
NCI capitals	173	0	0
<b>Long-term liabilities and provisions</b>			
Income tax provisions	7	4	2
Provision for retirement and similar benefits	241	241	663
Other provisions	143	649	81
Long-term loans and credits	2160	2285	2351
Financial lease liabilities	705	681	437
	<b>3256</b>	<b>3860</b>	<b>3534</b>
<b>Short-term liabilities</b>			
Short-term loans and credits	276	158	544
Financial lease liabilities	325	279	257
Trade and other payables	1883	3092	2891
Revenues of future periods	1724	2035	2070
	<b>4208</b>	<b>5564</b>	<b>5762</b>
<b>Total liabilities</b>	<b>7464</b>	<b>9424</b>	<b>9296</b>
<b>Total liabilities</b>	<b>17784</b>	<b>18665</b>	<b>17160</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### CONSOLIDATED STATEMENT ON CHANGES IN EQUITY for the period from 1<sup>st</sup> January 2011 to 30<sup>th</sup> September 2011

	Share capital	Treasury shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000 PLN	000 PLN	000 PLN	000 PLN	000 PLN	000 PLN
<b>1st January 2011</b>	<u>2004</u>	<u>-21</u>	<u>0</u>	<u>0</u>	<u>7258</u>	<u>9241</u>
Total other comprehensive income	0	0	0	0	906	906
Acquired treasury stocks	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
<b>30<sup>th</sup> September 2011</b>	<u>2004</u>	<u>-21</u>	<u>0</u>	<u>0</u>	<u>8164</u>	<u>10147</u>
<b>1st January 2010</b>	<u>2004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6059</u>	<u>8063</u>
Total other comprehensive income	0	0	0	0	523	523
Acquired treasury stocks	0	-21	0	0	0	-21
Dividend	0	0	0	-701	0	-701
<b>30<sup>th</sup> September 2010</b>	<u>2004</u>	<u>-21</u>	<u>0</u>	<u>-701</u>	<u>6582</u>	<u>7864</u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### **CONSOLIDATED STATEMENT ON CASH-FLOWS for the period from 1st January 2011 to 30th September 2011**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>PLN'000</b>	<b>PLN'000</b>
<b>Net profit (loss)</b>	<b>906</b>	<b>523</b>
	36	0
Amortization and depreciation	1107	407
Interests paid	178	260
Gain (loss) on investment activity	-2	21
Movements in provisions	-503	-207
Movement in inventories	20	-3
Movement in receivables	174	-2429
Movement in short-term liabilities	-1249	1445
Movements in accrued and deferred assets and liabilities	-200	13
<b>Net cash-flows from operating activities</b>	<b>467</b>	<b>30</b>
<b>Net cash-flows from investment activity</b>		
Proceeds on sale of fixed assets	75	36
Investments proceeds	0	6
Payments to acquire fixed assets	-682	-57
Investments payments	-964	-6
<b>Net cash from investment activity</b>	<b>-1571</b>	<b>-21</b>
<b>Cash-flows from financial activity</b>		
Acquisition of treasury shares	-0	-21
Paid dividends	-0	-701
Received loans and credits	149	362
Payments for credits and loans	-157	-186
Payments for financial lease liabilities	-269	-188
Interests	-178	-260
<b>Net cash-flows from financial activity</b>	<b>-455</b>	<b>-994</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-985</b>	<b>-220</b>
Cash and cash equivalents, beginning of period	2491	2704
<b>Cash and cash equivalents, end of period</b>	<b>932</b>	<b>1719</b>

# **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**

### **1. General information**

Capital Group SIMPLE S.A. is located at ul. Bronisława Czecha 49/51 04-555 Warszawa. The legal form of the parent entity is Spółka Akcyjna, established as a result of transformation of the Company SIMPLE z ograniczoną odpowiedzialnością under the notary deed prepared by the Public Notary Anna Chłestowska on 6th June 1997 (Rep. A-3549/97). The Company was registered in the National Court Register by the District Court for the capital city Warsaw, XX Business Department, under KRS number 0000065743.

The basic scope of the parent entity's activity pursuant to the Classification of Polish Business Activity (PKD) is the activity in the field of software. The Company's activity belongs to IT. The Capital Group conducts its activity in the field of IT and rent of the real estate at its own account.

The fiscal year of the Group is the calendar year. This consolidated financial statement includes the period from 1st July 2011 to 30<sup>th</sup> September 2011. The comparable data were presented for the period from 1st July 2010 to 30<sup>th</sup> September 2010. It is the consolidated financial statement for the 3Q of 2011 presented in thousands of Polish zlotys.

### **2. APPROVAL OF FINANCIAL STATEMENT**

This financial statement was accepted and approved to be published by the Management Board on 28<sup>th</sup> October 2011.

### **3. Description of applied accounting principles**

Below there are presented the accounting principles applied to prepare this consolidated financial statement. These principles were applied in all presented periods.

#### **Accounting principles**

This consolidated financial statement contains information pursuant to the Ordinance of the Council of Ministers dated on 19th February 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009 No. 33 item 259 as amended).

The consolidated financial statement was prepared pursuant to the International Financial Reporting Standards (IFRS) and the interpretations related to them announced in a form of the regulations of the European Commission.

The financial statement was prepared at the concern going principle by the Group SIMPLE S.A. in foreseeable future.

The capital group was established in March 2006 by the establishment of the new Company on 24th March 2006.

#### **Consolidation**

##### **- Subsidiaries**

The consolidated financial statement includes the statements of the subsidiaries controlled by SIMPLE S.A. The basic information on the entities covered by the consolidation is contained in the Note 4.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

The subsidiaries are the entities controlled by SIMPLE S.A. The control is executed when SIMPLE S.A. holds directly or indirectly more than half of votes in the company, unless it can be proved that this shareholding constitutes the control. The control may be executed also in case of possibility to have an influence on the financial and operating policy of the company in order to achieve the benefits from its activity. The subsidiaries are consolidated from the date of taking up the control by the GROUP and are not consolidated when this control is lost.

The balances of the internal settlements between the Group's entities and all transactions concluded within the Group are excluded at preparing the consolidated financial statement. All balances and transactions between these entities for consolidation purposes were eliminated. The consolidated financial statement was prepared basing on the unified accounting principles.

The financial statement of the Group was prepared basing on the records made in the accounting books of the Group, keep in compliance with the basic accounting principles:

- reliability
- correctness
- continuity
- completeness
- comparability
- proportionality of revenues and costs
- constancy of accounting principles

### **Property, plant and equipment**

**Real estate** are presented in the balance sheet at the post-revaluation amount equal to the amount generated from the measurement to the fair value, made basing on the market principles as for the end of period, less within periods between the measurement by depreciation charges. The measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as for the end of period, not less than once per fiscal year.

Other **P,P&E** including machinery, equipment, means of transport and other non-current assets are measured at the purchase prices or manufacturing costs, less the made accumulative amortization or depreciation write-offs and the impairment losses.

The non-current assets are depreciated by straight line method, starting on the first day when the non-current asset is ready to use using the depreciation rates following the estimated economic life of the relevant non-current asset. The final value and the economic life of the non-current assets is verified at the end of each fiscal year.

If the final value of the non-current asset does not exceed 10% of its final value, it is missed at making depreciation charges.

The non-current assets available-for-sale are measured at lower of two values:

- Carrying amount or fair value, less the costs related to sale.
- fair value, less the costs related to sale.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

The non-current assets are classified as held-for-sale if their carrying amount will be recovered rather as a result of transaction than their further use. This condition is deemed as to be met only when the sale transaction is very likely and the assets are available to be sold in its current condition. The classification of the assets held-for-sale assumes the intention of the Management Board to finish sale transaction within a year from the classification change.

Profit and losses arisen as a result of sale, liquidation or discontinuance of use the non-current assets are determined as the difference between the revenues from sale and net value of these non-current assets and are recognized in profit and loss.

### **Intangible assets**

**The intangible assets** are measured at the purchase price or post-revaluation amount after revaluation of the intangible assets, less the depreciation or amortization charges and also impairment losses. The intangible assets are amortized by the straight line method for the economic life period.

The research and development works manufactured at its own in a form of the computer programs/software within the period of incurring expenses, unless the criteria of the intangible assets specified in IAS 38 are met, are recognized as the accrued and deferred income and after completion as the intangible assets which are tested at least as for the end of period. The depreciation period of the R&D works is set basing on expected cash flows related to the sale of manufactured products.

### **Investments**

Investment real estate are presented in the statement of financial position at the post-revaluation amount equal to the amount generated from the measurement to its fair value, made by the expert basing on the market principles as for the specified day of the measurement, less within next periods by depreciation charges. The measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as for the end of period, not less than once per fiscal year.

### **Investments**

The Group includes its investments to the following categories:

- interests in the subsidiaries;
- financial assets available-for-sale;
- other financial assets.

The interests in the subsidiaries include the shares in the companies covered by the consolidation. The interests in the subsidiaries are measured at the purchase price adjusted by the impairment. The impairment allowances due to the interests in the subsidiaries are presented in the profit and loss statement as the revaluation of the financial assets.

### **Recoverable amounts of non-current assets**

The P,P&E, intangible assets and financial assets are verified regarding the impairment in case of events and changes which may cause this impairment. The recoverable amounts are charged into the other operating costs within the period when this impairment occurred.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **Inventories**

The inventories include the goods, which are measured as for the end of period at the purchase price keeping the prudence principle after reduction by the recoverable amount. The allowances are made basing on the inventories turnover rate.

### **Trade receivables and other receivables**

The trade receivables are recognized at the payable amount less the recoverable amounts for the doubt receivables. Estimation of these amounts is made basing on collecting results, when achievement of full receivable amount is unlikely.

### **Cash and cash equivalents**

The cash in the statement includes cash at hand and on bank accounts.

### **Provision for retirement and similar benefits**

The Group establishes provisions for the employee benefits. The provisions are measured not less than as for the end of period at the reliable justified estimated value. Provisions for employee benefits include the retirement severance pays and leaves. As for the end of period the Group establishes the provisions for the current value of the retirement severance pays attributable to the employees as for this date, with the division into short-term and long-term using the actuarial method. This provision charges the other operating costs. The provisions are released at the end of each reporting period by the value of performed pay-rolls corresponding to the obligations.

### **Provisions**

The Group established the provisions in case when as a result of economic events there are some future obligations or of highly probability to be, which amount may be reliable estimated.

### **Liabilities**

The liabilities are measured in the amount to be paid. The long-term financial liabilities are measured at the fair value of payments including discount.

### **Accrued and deferred liabilities**

In order to keep the proportionality of revenues and costs the Group makes the prepayments and accrued income which refer as to the costs as revenues.

The Group maintains the accrued assets – they are costs for the reporting period and expenses to the R&D works.

The Group maintains deferred expenses- they are the amount of obligations for the relevant period resulting from the allowances made in favor of the entity.

The accrued and deferred assets and liabilities include in particular the equivalents of invoiced allowances, which will performed in the next periods.



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **Revenues**

#### **Revenues from sale of products, goods, materials and services**

The net revenues from sale include the economic benefits arisen in the period as a result of the business activity of the entity, at the reliable value, resulting in increase of equity by increase of the assets or decrease of the liabilities in a manner other than shareholder's contribution. In particular, they are the revenues from sale of products, including services and the sale of goods and materials.

The revenues also include the due amounts for sold products and basic and auxiliary activity services and for sold materials and goods set basing on net price after adjustments by granted discounts and rebates.

The adjustments of the revenues from sale are included to the period when they were made.

#### **Other operating revenues**

The other operating income is the income related to the operating activity of the entity. They include:

- Gain on non-current assets and intangible assets
- Earning from liquidation of fixed assets
- Received compensations,
- Release of provisions which charged the operating costs at establishment
- From written off overdue and depreciated liabilities.

#### **Financial income**

The income due to the interests charged to contractors, recognized at the date when the contractors pays.

The income from the interests to cash on bank accounts recognized at the date when the bank accepts the account.

#### **Business activity expenses**

The all costs of sale, marketing, administration and management incurred in the reporting period. The value of sold goods and materials at the purchase price in the reporting period.

#### **Other operating costs**

The other operating expenses are the expenses related to the operating activity of the entity. They include:

- loss on non-current assets and intangible assets
- Paid penalties and compensations
- Established provisions
- Court proceeding costs

#### **Financial costs**

The costs due to paid interests are charged directly to the profit and loss statement in the period when they occurred.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **Income tax**

The obligatory burdening of the result consists of:

- Corporate Income Tax (CIT)
- Deferred tax

The current tax burdening is calculated under the base of the financial results (the base of tax) of the relevant fiscal year. The tax profit (loss) differs from book profit (loss) because of excluding the revenues and costs which will never be a subject of taxation. The tax burdens of result are calculated basing on the basic tax rates binding in the relevant fiscal year.

### **Deferred income tax**

The Group makes provisions and assets due to deferred income tax because of the temporary differences between the assets and liabilities value presented in the books and their tax value. The assets due to deferred income tax are recognized if it is likely that the income to be taxed will be achieved which will enable to use the temporary differences. The assets due to deferred income tax are recognized also for the tax losses to be deducted in the next years, but only when it is likely that the income to be taxed will be achieved in future which will enable it use these tax losses. The Company does not establish the assets due to deferred income tax if the practicability of using them in the future is doubtful.

The liability due to deferred income tax is recognized by the liability method, due to temporary differences between the tax value of such assets and liabilities and their carrying amount presented in the financial statement. Both the amount of reserve as the assets due to deferred income tax was set considering the tax rate applicable in the period when the provision/asset is established.

### **Profit per one share**

The earnings per share for the each period are calculated by dividing the earnings for the relevant period by the number of shares in the relevant reporting period. The Group does not present diluted earnings (loss) per share.

### **Transactions in foreign currencies**

The economic transactions expressed in foreign currencies causing the liabilities and receivables are recognized in the books at the average exchange rate set for the relevant currency by the National Polish Bank.

The payment transactions expressed in the foreign currencies, as for the date of being made, are recognized at the purchase or sale exchange rate used by the bank which serves the Group.

As for the end of period the receivables and liabilities are recognized pursuant to the average exchange rate published for the relevant currency by the National Polish Bank.

The exchange differences, concerning the settlements expressed in foreign currencies arisen as for the valuation date and during the payment date are classified to the financial costs or revenues.

### **Lease**

The P,P&E used in the financial lease agreements which transfer to the Group all benefits and risk related to possessing are recognized in the statement on financial position of the Group pursuant to the current value of minimum future lease payments. The lease fees are divided into reduction of unpaid liability balance and financial costs charged directly against the profit and loss.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **4. Composition of the Capital Group**

SIMPLE S.A. is the parent entity of the Group. Except for SIMPLE S.A. the consolidation includes subsidiaries. The data of the subsidiaries as for the end of period are as follows:

<b>Entity's name</b>	<b>Seat office</b>	<b>Method of consolidation</b>	<b>Date of taking up control</b>	<b>Desired amount of shares acc. to purchase price</b>	<b>% of shareholding capital and votes at GMS</b>
SIMPLE LOCUM	Warsaw	Full	2006	2669	100%
SIMPLE CPS	Warsaw	Full	2006	30	100%
BAZUS	Lublin	Full	2011	964	63.5%

SIMPLE S.A. holds shares in the Company SOFTEAM SP.Z O.O. The value of the shares at the purchase price is 53 k PLN that constitutes 50.24% of the share capital of the Company and 25.18% of votes at the General Meeting of Owners. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

SIMPLE S.A. holds also shares in the Company SIMPLE SP.Z O.O. in Dąbrowa Górnicza. The value of the shares at the purchase price is 9.7 k PLN that constitutes 19.51% of the share capital of the Company and the same number of votes at the General Meeting of Owners. This company is not a subject of consolidation because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.

### **5. Selected financial data translated into Euro:**

The selected financial data contained in this report were translated into EURO pursuant to the following principles. The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published as for the last balance day by the National Polish Bank:

- As for 30.09.2011- 4.4112
- As for 31.12.2010- 3.9603

The items of the profit and loss statement and cash-flow statement pursuant to the average exchange rate translated as the arithmetic average of the exchange rates published by the National Bank of Poland as for the last day in the month of the relevant year:

- As for 30.09.2011- 4.0413
- As for 30.09.2010- 4.0027

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

	<b>30.09.2011</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>STATEMENT ON COMPREHENSIVE INCOME</b>				
Net income from sale of products, goods and materials	18604	4603	15495	3871
Gross profit (loss) from sales	8432	2086	6153	1537
Operating profit (loss)	1439	356	919	230
Gross profit (loss)	1263	313	696	174
Net profit (loss)	<u>906</u>	<u>224</u>	<u>523</u>	<u>131</u>
	<b>30.09.2011</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of financial condition</b>				
<b>Balance sheet</b>				
Non-current assets	8119	1841	8331	2104
Current assets	9865	2236	10334	2610
Total assets	<u>17984</u>	<u>4077</u>	<u>18665</u>	<u>4714</u>
<b>Liabilities</b>				
Equity	10147	2300	9241	2334
NCI capital	173	39	0	0
Liabilities and provisions for liabilities	7664	1737	9424	2380
Total liabilities	<u>17984</u>	<u>4077</u>	<u>18665</u>	<u>4714</u>
	<b>30.09.2011</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement on cash-flows</b>				
Net cash-flows from operating activities	467	116	30	7
Net cash from investment activity	-1571	-389	-21	-5
Net cash-flows from financial activity	-455	-113	-994	-248
<b>Cash, end of period</b>	<u><b>932</b></u>	<u><b>231</b></u>	<u><b>1719</b></u>	<u><b>429</b></u>

## **6. Geographical structure**

The Capital Group conducts its business activity in the field of software and sale of hardware and also renders services related to it. The only geographical sector is the sale within the country which includes 100% of the Group's revenues.

The revenues from sale, costs and sale result pursuant to the geographical sectors are as follows:

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
Revenues from sales		
- domestic	18604	15495
	<u><b>18604</b></u>	<u><b>15495</b></u>
Distribution costs		
- domestic	-10172	-9342
	<u><b>-10172</b></u>	<u><b>-9342</b></u>
Profit from sale		
- domestic	8432	6153
	<u><b>8432</b></u>	<u><b>6153</b></u>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **7. Revenues from sales**

The Group distinguishes the branch sectors in the divisions into the revenues from sale of services and products and goods. The revenues from sale, costs and sale result pursuant to the branch sectors are as follows:

The revenues from sale of Group are as follows:

	<b>30.09.2011</b> <b>000'PLN</b>	<b>30.09.2010</b> <b>000'PLN</b>
Revenues from sale of goods	2346	3289
Revenues from sale of services and products	16258	12206
	<b>18604</b>	<b>15495</b>

### **8. Costs by category**

	<b>3Q (current year), from 01.07.2011 to 30.09.2011</b>	<b>3Qs (current year), from 01.01.2011 to 30.09.2011</b>	<b>3Q (previous year, from 01.07.2010 to 30.09.2011</b>	<b>3Qs (previous year) from 01.01.2010 to 30.09.2010</b>
	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 PLN</b>
Amortization and depreciation	371	1107	149	407
Materials and energy consumption	191	649	177	496
Outsourced services	1305	4463	1074	3077
Taxes and fees	55	158	54	125
Remunerations/payrolls	2571	7565	2362	6506
Social insurances and other benefits	404	1306	392	1229
Other costs	64	245	69	224
Value of goods and materials sold	702	2052	1184	2634
<b>Total operating activity costs</b>	<b>5663</b>	<b>17545</b>	<b>5461</b>	<b>14698</b>
<b>including</b>				
Cost of sales	3361	10172	3472	9342
Distribution costs	1142	3959	1095	2669
General administrative expenses	1160	3414	894	2687

### **9. Profit/loss per one share**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

The basic earnings per share is calculated as the quotient of the earning attributable to the owners of the Group and the average weighted number of ordinary shares during the year.

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
Profit (loss) per shareholders of the Company	906	523
Average weighted number of ordinary shares (in k pcs.)	2004	2004
<b>Basic earnings (loss) per share ( in PLN per one share)</b>	<b>0,45</b>	<b>0,26</b>

The Group does not present diluted earnings (loss) per share.

### **10. Non-current assets held for sale**

As for 30th September 2011 the Group does not have any non-current assets held for sale.

### **11. Deferred tax**

As for 30th September 2011 SIMPLE S.A. Group has established provisions in the amount of 3 k because of the temporary differences between the book and tax value of assets.

### **12. Information on movements in provisions**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000 PLN</b>	<b>000 PLN</b>
Provision for leaves	204	654
Other provisions	143	81
Due to the deferred income tax	7	2
Provision for retirement	37	9
Inventories revaluation allowance	0	0
Receivables revaluation allowance	218	218
<b>Total</b>	<b>609</b>	<b>964</b>

### **13. Contingent liabilities and court proceedings**

As for 30th September 2011 the Group does not present any contingent liabilities for the court proceeding against SIMPLE S.A.

### **14. Credits and loans**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
<b>Short-term</b>		
Bank credits	149	363
Other credits	127	181
<b>Total credits and loans</b>	<b>276</b>	<b>544</b>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

On 4th August 2006 SIMPLE S.A. concluded the Overdraft credit agreement No. 270-1/10/RB/2006 with the bank PKO BP. It is a credit in Polish zlotys, renewable as the credit limit in the amount 500 k PLN. It was granted for the period from 4th August 2006 to 3rd August 2007. On 3rd August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2008. On 1<sup>st</sup> August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2009. On 3rd August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2010. On 29th July 2010 the Annex No. 4 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2011.

On 2nd August 2011 the Annex No. 5 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on extension of the agreement for the next year from 4th August 2006 to 3rd August 2012. The credit amount remains unchanged in the amount 500 k PLN. The collateral of this agreement are the promissory notes for the amount 500 k PLN. As for the end of the period the used amount is 149 k PLN from the credit line.

On 5<sup>th</sup> October 2011 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/080/11/Z/VK for the amount 400 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 7<sup>th</sup> October 2011 to 4<sup>th</sup> October 2012. The collateral for this Agreement is a blank promissory note.

As of the end of the period, the Company did not use the credit line.

On 30th December 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount 300 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from 30th December 2010 to 29th December 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As for the end of period the amount of credit within the term of payment to twelve months is 127 k PLN.

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
<b>Long-term</b>		
Long-term bank credits	2143	2351
Other credits	17	437
<b>Total credits and loans</b>	<b>2160</b>	<b>2788</b>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

The credit agreement of 7th April 2006 concluded with BPH S.A. by SIMPLE LOCUM SP.Z O.O., the collateral of which, pursuant to the § 7 of the agreement, is:

- Ordinary mortgage in the amount 2,350,000.00 PLN securing the payment of the credit capital,
- Collateral mortgage to the amount 1,750,000.00 PLN securing the interests payment and other bank receivables following the Agreement,
- Receivables assignment from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- In blank promissory note issued by the Borrower paid to the credit amount with the promissory note declaration (acc. to App.No. 3 to the agreement),
- Deposit in the amount 47,444 PLN set under the principles specified in the deposit agreement (acc. to App. No. 4 to the agreement),
- Declaration of the Borrower to be a subject of execution regarding the obligations following the Agreement (acc. to App. No. 5 to the agreement),
- Assignment of receivables from the current and future rent agreement of the areas located in the Real Estate (acc. to App. No. 6 to the agreement),
- Assignment of receivables from the bank account agreement kept on behalf of the Borrower (acc. to App. No. 7 to the agreement),
- Registered pledge (acc. to App. No. 8 to the agreement).

As for the end of period the amount of unpaid credit is 2143 k PLN.

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As for the end of the period the amount of credit within the term of payment over twelve months is 174 k PLN.

### **15. Operating lease and rent agreements**

Under the rent agreement the Company SIMPLE S.A. uses the copy machine. The Company bears the monthly charges for the operation and service. In case of making copies in the amount exceeding the fixed charge the Company shall bear the additional costs pursuant to the price list from agreement.

Simple S.A. under the Rent Agreement concluded on 29th March 2006 with the subsidiary SIMPLE LOCUM Sp. z o.o., the Company uses the building for business activity purposes. The agreement is concluded for non-specified period of time. Monthly rent rate is 20 k PLN.

### **16. The adjustments in the financial statement and comparable data resulting from the reservations in the opinions for the previous years.**

Any adjustments, resulting from the reservations in the opinions of the bodies authorized to audit financial statements, were made in the financial statements.

### **17. Comments to the results of Group SIMPLE**



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

In the three quarters of 2011, SIMPLE S.A. as the parent entity of the Group, continued the basic business activity in the field of production, sale, implementation, service of the systems supporting the management and the suppliers of the hardware, system software and services in this field.

The business activity of the Company was managed by the Management Board composed of: Bogusław Mitura- President of the Management Board, Przemysław Gnitecki- Vice President of the Management Board, Michał Siedlecki- Vice President of the Management Board.

The sale and profit in Q3 2011 show the maintenance of the positive trends in the positive areas of the Groups business activity.

In Q3 2011, the Group SIMPLE achieved the revenues from sales amounted to 5,979 k PLN in comparison to 5,505 k PLN in 2010. The revenues were higher by 8.6% than in the comparable period of the previous year.

After three quarters of 2011 the revenues from sale of the Group increased and amounted to 18,604 k PLN in comparison to 15,495 k PLN after three quarters of 2010 (increase by 20.07%). The profit from the operating activity for the Group in Q3 2011 amounted to 466 k PLN and the gross profit amounted to 4425 k PLN. In both cases there is an increase by 314.86% and 559.21% in comparison to Q3 2010.

After three quarters of 2011 the significant increase was observed in: profit from the operating activity of the Group, which amounted to 1,439 k PLN and gross profit 1,263 k PLN. In both cases the increase occurred in comparison to the comparable period of 2010 accordingly by 156.58% and 181.47%.

The increase of the costs appeared also in the amortization and depreciation category. It is caused by the amortization of the performed project SIMPLE.SCM. This project is amortized since 2010 in the amount 66 k PLN per month.

The achieved results in Q3 2011 are similar to the Management Board expectations. The increase of the sale resulted mainly from the organic development of SIMPLE S.A., including but not limited to, by restructuring the sale process and sale through the central, branch offices and partners.

The increase of the revenues from services will be kept for the longer period because SIMPLE S.A. performs the bigger (of several millions) projects lasting several months. Moreover, the big sale dynamic of the own software in the first quarter causes the increase of the revenues from the services in the next periods.

The most important goals of the Management for the fourth quarter of 2011 will be the following issues:

- Further dynamic increase of sale and result of the Company,
- Increase of the sale related to the investment activities (Cron, Highcom),
- Preparation to the issuance of the Company's shares to be acquired,
- Performance of the technological changes and SIMPLE.ERP system development,

**further improvement of the budgeting system and cost optimization.**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **18. Information on seasonality or periodicity of the Group SIMPLE business activity**

Comparing the result for the period from 01.01.2011 to 30.09.2011 with the result for the period from 1.01.2010 to 30.09.2010, the result of sale for three quarters 2011 was 8 432 k PLN and was higher than the result for three quarters 2010 by 2 279 k PLN. The reason was the increase of the revenues from sales by 3 109 k PLN and at the same the increase of the cost of sales by 830 k PLN. The result for 3Q 2011 amounted to 2 618 k PLN and was higher than the result for 3Q 2010 by 585 k PLN. The result of the Group for the period from 01.01.2011 to 30.09.2011 indicates the profit in the amount 906 k PLN in comparison to the profit 523 k PLN for the comparable period in 2010. Comparing the result for three quarters of 2010, it was higher by 380 k PLN in comparison to the result for three quarters 2010 and for 3Q 2011 was higher by 301 k PLN

### **19. Information on issue, buy-out and paying the debt securities and capital securities**

In the period covered by this Financial Statement, there was not any issue of securities or the repayments of debt and capital securities.

As of 30th June 2010 the Company SIMPLE S.A. purchased the treasury stocks. The buy-out was made in the period from 10th June 2010 to 30th June 2010. The purchased stocks in this period were as follows:

Treasury stocks of the Company - 2755 pieces

Nominal value of share - 1 PLN.

Average purchase price was 7.69 PLN.

Total nominal value of purchased stocks – 2 755 PLN

Total purchase price – 21,197.22

The purchased stocks constitute 0.14 % of the share capital of the Company and carry 2755 votes at the General Meeting that constitutes 0.10 % of total number of votes at the General Meeting.

On 6th October 2011 the Management Board adopted resolution No. VI/16/10/2011 minuted by Urszula Statkiewicz-Wysocka, a notary in Warsaw under Rep. A No. 5611/2011, referring to:

Voluntary redemption of 2,755 (two thousand seven hundred fifty five) shares of the Company, of I series with the nominal value 1.00 (one) zloty each, purchased by the Company in order to offer them to the employees of the Company or persons, employed in the Company or in the associated company for the period at least three years, to be purchased, according to the provisions of the Resolution No. 20 of the Ordinary General Meeting of SIMPLE S.A. of 30th June 2009 and Resolution No. VI/02/05/2010 of the Management Board of SIMPLE S.A. of 27th May 2010 on acceptance of the regulations for purchase of the own shares.

The above redemption of the shares was carried out under §4 sec. 5 of the Articles of Association and the provision of Art. 363§5 of the Code of Commercial Companies because of failure to offer them in the deadlines specified in Art. 363 §3 and §4 to the persons mentioned in the Resolution No. 20 of the Ordinary General Meeting SIMPLE S.A. of 30th June 2009 and Art. 262 § 1 par. 2 of the Code of Commercial Companies (employees or persons, who were employed in the Company or related

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

Company for the period at least 3 years). Due to the fact of the redemption of the Company's shares, this redemption is carried out without the remuneration attributable to the shareholder (Company) due to the shares' redemption, based on the disposition of the provision of Art. 359 § 2 sentence 2 of the Code for Commercial Companies. The redemption is carried out in order to meet the requirements of the provision of Art. 363 § 5 of the Code of Commercial Companies. After this redemption, the share capital of the Company was decreased from the current amount 2,003,904.00 (two millions three thousand nine hundred and four) zlotys to the amount: 2,001,149.00 (two millions one thousand one hundred forty nine) zlotys i.e. by the amount: 2,755.00 (two thousand seven hundred fifty five) zlotys. After the Court register the decrease of the share capital of the Company at the General Meeting of Shareholders, they will be entitled to 2,757,149 (two millions seven hundred fifty seven thousand one hundred forty nine) votes, including 1,812,149 (one million eight hundred twelve thousand one hundred forty nine) votes attributable to the shareholders holding the Company's bearer shares of A2, B, C, D, E, F, G, H, I series and 945,000 (nine hundred forty five thousand) votes attributable to the shareholders holding the registered, preference shares of A1 series. The redeemed shares carry 2,755 (two thousand seven hundred fifty five) votes.

### **20. Information on paid out or declared dividend in total and in calculation per one share with the division into ordinary and preference shares.**

Pursuant to Art. 393 par. 1 and Art. 395 and 2 par. 1 of the Commercial Companies Code, the General Meeting of Shareholders of under the name SIMPLE S.A. by the Resolution No. 10 of the Ordinary General Meeting of the Company under the name SIMPLE S.A. of 27th June 2011 approved the financial statement for 2010 of Simple S.A.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code and under § 6 sec. 5 point c) of the Articles of Association, the Ordinary General Meeting of Shareholders of under the name SIMPLE S.A. by the Resolution No. 13 of the Ordinary General Meeting of the Company under the name SIMPLE S.A. of 27th June 2011 stated to designate the Company's profit for the current year from 1st January 2010 to the 31st December 2010 in the amount 2,058,600.36 PLN to the supplementary capital of the Company.

Pursuant to Art. 393 par. 1 and Art. 395 & 2 point 1 of the Commercial Companies Code, the Ordinary General Meeting of Shareholders of SIMPLE LOCUM Sp. z o.o. By the Resolution No. 3 of the Ordinary General Meeting of Simple Locum Sp. z o.o. of 29th June 2011 approved the financial statement for 2010.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code, the Ordinary General Meeting of SIMPLE LOCUM Sp. z o.o. By the Resolution No. 5 of the Ordinary General Meeting of Shareholders of Simple Locum Sp. z o.o. of 29th June 2011 stated to cover the Company's loss for the current year from 1st January 2010 to the 31st December 2010 in the amount 92,320.63 PLN from the supplementary capital of the Company.

Pursuant to Art. 393 par. 1 and Art. 395 & 2 point 1 of the Commercial Companies Code, the Ordinary General Meeting of Shareholders of SIMPLE CPS Sp. z o.o. By the Resolution No. 3 of the Ordinary General Meeting of Simple CPS Sp. z o.o. of 29th June 2011 approved the financial statement for 2010.

Pursuant to Art. 395 and 2 par. 2 of the Commercial Companies Code, the Ordinary General Meeting of SIMPLE CPS Sp. z o.o. by the Resolution No. 5 of the Ordinary General Meeting of Shareholders of SIMPLE CPS Sp. z o.o. of 29th June 2011

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

stated to cover the Company's loss for the current year from 1st January 2010 to the 31st December 2010 in the amount 1,717.49 PLN from the share capital of the Company.

### **21. Events after the end of the period date affecting the future results of the Group SIMPLE S.A.**

In the Management Board's opinion there are not other unexpected events which will affect the future results.

### **22. The Management position on previously published forecasts.**

The Management of SIMPLE S.A. has not published any forecasts on financial result of the Group.

### **23. The biggest Owners, structure and changes of shareholding**

The owners holding at least 5% of general number of votes at the General Meeting of SIMPLE S.A. As for the date of this report, pursuant to the information held by the Management Board.

The biggest Owners, structure and changes of shareholding

<b>Item</b>	<b>Name</b>	<b>Number of shares</b>	<b>Interest in the share capital (%)</b>	<b>Number of votes</b>	<b>Interests of votes at the General Meeting (%)</b>
1	Bogusław Mitura	316.693	15,80	696.693	25,24
2	Cron Sp. z o.o.	558.088	27,85	597.288	21,64

Specification of changes in shareholder structure and preferences (options) of the members of the Supervisory Board.

<b>Item</b>	<b>Name</b>	<b>Number of shares as for 23.08.2011</b>	<b>Number of shares as for 28.10.2011</b>
1	Elżbieta Zybert	0	0
2	Józef Taran	0	0
3	Andrzej Bogucki	0	0
4	Marta Joanna Adamczyk	0	0
5	Jacek Kuroś	0	0

Specification of changes in shareholder structure and preferences (options) of the members of the Management Board.

<b>Item</b>	<b>Name</b>	<b>Number of shares as for 23.08.2011</b>	<b>Number of shares as for 28.10.2011</b>
1	Bogusław Mitura	316.693	316.693
2	Przemysław Gnitecki	0	0
3	Michał Siedlecki	80.000	80.000

Specification of changes in shareholder structure and preferences (options) of the Cron Sp. z o.o.

<b>Item</b>	<b>Name</b>	<b>Number of shares as for 23.08.2011</b>	<b>Number of shares as for 28.10.2011</b>
1	Cron	558.088	558.088

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **24. Information on related entities and on capital group**

SIMPLE S.A. is the parent entity of the Group. The capital group includes the following subsidiaries:

1. SIMPLE LOCUM SP.Z O.O. seated in Warsaw, at ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on 24th March 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new company under the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by acquisition of the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The value of acquired shares is 2,669 k PLN. It has 100% of votes at the General Meeting.

2. SIMPLE CPS SP. Z O.O. seated in Warsaw at ul. Bronisława Czecha 49/51. The Company's activity started under the name SIMPLE INVEST SP.Z O.O. established on 25th October 1999 under the notary deed (Rep A No. 5653/99) in the Public Notary's Office in Warsaw in the presence of the Public Notary Anna Chelstowska. On 1st August 2002 the name of the company was changed into INVEST SL SP.Z O.O. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On 15th June 2004 the name of the company was changed into SIMPLE CPS SP.Z O.O. under the notary deed (Rep A No. 7373/2004) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of taken up shares is 30 k PLN. It has 100% of votes at the General Meeting.

3. Bazus Sp. z o.o., seated in Lublin at ul. Wolska 11. The private partnership named HIGHCOM Spółka cywilna acting under the Articles of Association concluded on 9th April 1996, changed by the annexes dated: 12th March 1997, 30th August 1997 and 31st December 2010 between Hubert Daniel Abramiuk and Michał Paweł Abramiuk, was transformed under Art, 571 and subseq. in relation to Art. 551 of the Code of Commercial Companies into the limited liability company under the firm: Bazus Spółka z ograniczoną odpowiedzialnością. The value of shares acquired by Simple S.A. pursuant to the purchase price is 964 k PLN. As of the end of the period, SIMPLE S.A. holds 63.5% of votes at the General Meeting.

-Related but not included to the consolidation:

1. SOFTEAM SP.Z O.O. seated in Warsaw, at ul. Łopuszańska 53, registered on 5th June 2001 in the District Court for the capital city Warsaw in Warsaw, 20th Business Department of the National Court Register, under KRS number 0000013271. On 29.06.2005 the name of the company was changed from SIMPLE EXPERNET SP.Z O.O. into present SOFTEAM SP.Z O.O. The value of taken up shares pursuant to the purchase price is 53 k PLN, that constitutes 50,24% of the share capital.

2. SIMPLE SP.Z O.O. seated in Dąbrowa Górnicza at ul. Cieplaka 19, registered on 24th December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Business Department of the National Court Register. The date of first registration was 31st May 1991 under the number RHB 6610. The value of taken up shares is 9.7 k PLN. It has 19,51% of votes at the General Meeting.

### **25. Information on changes in the Supervisory Board and Management Board of SIMPLE S.A.**

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

As for 31st December 2010 the composition of the Supervisory Board and the Management Board of SIMPLE S.A. was as follows:

<b>Supervisory Board</b>	
Elżbieta Zybert	Chairman of the Supervisory Board
Józef Taran	Deputy Chairman of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Marta Joanna Adamczyk	Member of the Supervisory Board
Jacek Kuroś	Member of the Supervisory Board
<b>Management Board</b>	
Bogusław Mitura	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

In the period from 1st January to 30th September 2011 any changes have not been made in the composition of the Management Board of Simple S.A.

On 27th June 2011 the Ordinary General Meeting has made the changes in the composition of the Supervisory Board of Simple S.A.

As for the date of reporting the composition of the Supervisory Board and the Management Board of SIMPLE S.A. is as follows:

<b>Supervisory Board</b>	
Adam Wojacki	Member of the Supervisory Board
Józef Taran	Member of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Paweł Zdunek	Member of the Supervisory Board
Arkadiusz Karasiński	Member of the Supervisory Board
Adam Leda	Member of the Supervisory Board
<b>Management Board</b>	

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

Bogusław Mitura	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

As for 31st December 2010 the Management Board of SIMPLE LOCUM Sp. z o.o. was as follows:

<b>Management Board</b>	
Regina Kuliś	President of the Management Board

In the period from 1st January to 30th September 2011 any changes have not been made in the composition of the Management Board of Simple Locum Sp. z o.o.

As for the report date the composition of the SIMPLE LOCUM Sp. z o.o. was as follows:

<b>Management Board</b>	
Regina Kuliś	President of the Management Board

As of 31st December 2010 the composition of the Management Board of SIMPLE CPS Sp. z o.o. was as follows:

<b>Management Board</b>	
Regina Kuliś	President of the Management Board

In the period from 1st January to 30th September 2011 any changes have not been made in the composition of the Management Board of Simple CPS Sp. z o.o.

As of the report date, the composition of the Management Board of BAZUS Sp. z o.o. was as follows:

<b>Management Board</b>	
Hubert Abramiuk	President of the Management Board
Rafał Wnorowski	Vice President of the Management Board

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **26. Indication of the proceedings against the Group SIMPLE**

As for 30th September 2011 any proceedings concerning the receivables or liabilities of the company, which total amount would constitute at least 10% of the equity of the Group, are not initialed or carried out.

### **27. Transactions with related entities**

In the period from 1<sup>st</sup> January 2011 to 30th September 2011 SIMPLE S.A. has concluded with the Group's entities the following standard trade transactions. Sale of goods, services to the related entities is carried out under the basic price list. The purchases of goods were carried out basing on market prices less rebates due to volume. Within the reporting period SIMPLE S.A. as the Parent Entity did not enter into any other transactions which would differ from the typical transactions concluded between the Capital Group's entities under the market conditions. The transactions were carried out basing on market prices less rebates due to volume.

The turnover with the subsidiaries was as follows:

- sale 204 k PLN.
- Purchase 751 k PLN,

The turnover with the related entities was as follows:

- sale 2239 k PLN.
- Purchase 317 k PLN,

### **28. Information on credit, loan or guarantees granted by the Group**

In the reporting period the Group did not grant any credit, loan or warranty's guarantee, which would constitute 10% of the Group's equity.

### **29. Specification of the factors which in the issuer's assessment will affect the achieved results in the prospection of at least the next quarter.**

In the Board assessment the presented report include the basic information which is necessary and material for the assessment of the financial and economical situation of the Group. The Board states that now there are any threats for the performance of the liabilities.

### **30. Information on changes in contingent liabilities or contingent assets, which occurred from the end of the last fiscal year.**



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

The Simple Group does not present the changes of the contingent liabilities and the assets in the current period from 1st January 2011 to 30th September 2011 and did not present them at the end of 2010.

### **31. Separate financial statement**

#### **SEPARATE STATEMENT ON COMPREHENSIVE INCOME**

**For the reporting period from 1st July 2011 to 30th September 2011 and from 1st January to 30th September 2011.**

	<b>3Q (current year), from 01.07.2011 to 30.09.2011</b>	<b>3Qs (current year), from 01.01.2011 to 30.09.2011</b>	<b>3Q ( previous year, from 01.07.2010 to 30.09.2010</b>	<b>3Qs (previous year) from 01.01.2010 to 30.09.2010</b>
	<b>000' PLN</b>	<b>000 PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>
Revenues from sales	5865	18415	5505	15495
Cost of sales	-3218	-9911	-3499	-9419
<b>Gross profit (loss)</b>	<b>2647</b>	<b>8504</b>	<b>2006</b>	<b>6076</b>
Distribution costs	-1261	-4365	-1082	-2652
General administrative expenses	-1019	-3146	-887	-2652
<b>Gross profit (loss) from sales</b>	<b>367</b>	<b>993</b>	<b>37</b>	<b>772</b>
Other operating revenues	144	415	109	166
Other operating costs	5	-35	-5	-44
<b>Operating profit (loss)</b>	<b>516</b>	<b>1373</b>	<b>141</b>	<b>894</b>
Financial income	44	55	18	69
Financial costs	-78	-213	-85	-279
<b>Profit (loss) before tax</b>	<b>482</b>	<b>1215</b>	<b>74</b>	<b>684</b>
Income tax	-72	-190	-19	-132
Deferred income tax	-23	-113	-5	-39
<b>Net profit (loss)</b>	<b>387</b>	<b>912</b>	<b>50</b>	<b>513</b>
Other comprehensive income	0	0	0	0
Sum of other comprehensive income	0	0	0	0
<b>Net profit (loss)</b>	<b>387</b>	<b>912</b>	<b>50</b>	<b>513</b>
<b>Earnings per share</b>				
basic	0.19	0.46	0.02	0.26
diluted	0.19	0.46	0.02	0.26

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### SEPARATE STATEMENT ON FINANCIAL CONDITION

As for 30th September 2011, 31st December 2010, 30th September 2010

	30.09.2011 000' PLN	31.12.2010 000' PLN	30.09.2010 000' PLN
<b>Non-current assets</b>			
Intangible assets	3338	3945	33
Property, plant and equipment	1272	1571	1374
Long-term receivables	2	2	9
Investments in subsidiaries	3649	2685	2685
Investments in related entities	63	63	63
Long-term accrued and deferred assets	88	197	168
	<u>8412</u>	<u>8463</u>	<u>4332</u>
<b>Current assets</b>			
Inventories	33	52	20
Trade receivables and other receivables	7243	7637	6632
Cash and cash equivalents	713	1794	1443
Short-term accrued and deferred assets	1156	518	4365
	<u>9145</u>	<u>10001</u>	<u>12460</u>
<b>Total assets</b>	<u>17557</u>	<u>18464</u>	<u>16792</u>
<b>Equity</b>			
Share capital	2004	2004	2004
Share premium	0	0	0
Treasury shares	-21	-21	-21
Retained profits	8221	7309	5764
<b>Total equity</b>	<u>10204</u>	<u>9292</u>	<u>7747</u>
<b>Long-term liabilities and provisions</b>			
Income tax provisions	7	4	3
Provision for retirement and similar benefits	241	241	663
Other provisions	143	649	81
Long-term loans and credits	1803	1960	2036
Financial lease liabilities	608	681	437
	<u>2802</u>	<u>3535</u>	<u>3220</u>
<b>Short-term liabilities</b>			
Short-term loans and credits	570	252	638
Financial lease liabilities	290	263	238
Trade and other payables	1967	3087	2879
Revenues of future periods	1724	2035	2070
	<u>4551</u>	<u>5637</u>	<u>5825</u>
<b>Total liabilities</b>	<u>7353</u>	<u>9172</u>	<u>9045</u>
<b>Total liabilities</b>	<u>17557</u>	<u>18464</u>	<u>16792</u>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

**SEPARATE STATEMENT ON CHANGES IN EQUITY  
for the period from 1st January 2011 to 30th September 2011**

	Share capital	Treasury shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000 PLN	000 PLN	000 PLN	000 PLN	000 PLN	000 PLN
<b>1st January 2011</b>	<b>2004</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>7309</b>	<b>9292</b>
Total other comprehensive income	0	0	0	0	912	912
Acquired treasury stocks	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
<b>30<sup>th</sup> September 2011</b>	<b>2004</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>8221</b>	<b>10204</b>
<b>1st January 2010</b>	<b>2004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5952</b>	<b>7956</b>
Total other comprehensive income	0	0	0	0	513	513
Acquired treasury stocks	0	-21	0	0	0	-21
Dividend	0	0	0	-701	0	-701
<b>30<sup>th</sup> September 2010</b>	<b>2004</b>	<b>-21</b>	<b>0</b>	<b>-701</b>	<b>6465</b>	<b>7747</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### **SEPARATE STATEMENT ON CASH-FLOW for the period from 1st January 2011 to 30th September 2011**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>PLN'000</b>	<b>PLN'000</b>
<b>Net profit (loss)</b>	<b>912</b>	<b>513</b>
Amortization and depreciation	1034	350
Interests paid	160	241
Gain (loss) on investment activity	-2	21
Movements in provisions	-503	-207
Movement in inventories	19	-3
Movement in receivables	412	-2428
Movement in short-term liabilities	-1120	1440
Movements in accrued and deferred assets and liabilities	-189	17
<b>Net cash-flows from operating activities</b>	<b>723</b>	<b>-55</b>
<b>Net cash-flows from investment activity</b>		
Proceeds on sale of fixed assets	75	36
Investments proceeds	0	6
Payments to acquire fixed assets	-668	-57
Investments payments	-964	-6
<b>Net cash from investment activity</b>	<b>-1557</b>	<b>-21</b>
<b>Cash-flows from financial activity</b>		
Acquisition of treasury shares	0	-21
Paid dividends	0	-701
Received loans and credits	349	362
Payments for credits and loans	-188	-220
Payments for financial lease liabilities	-230	-178
Interests	-160	-242
<b>Net cash-flows from financial activity</b>	<b>-229</b>	<b>-1000</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-1076</b>	<b>-310</b>
Cash and cash equivalents, beginning of period	1571	2314
<b>Cash and cash equivalents, end of period</b>	<b>508</b>	<b>1238</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011

### **Selected financial data translated into Euro:**

The selected financial data contained in this report were translated into EURO pursuant to the following principles. The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published as of the last balance day by the National Bank of Poland:

- As of 30.09.2011- 4.4112

- As of 31.12.2010- 3.9603

The items of the profit and loss statement and cash-flow statement pursuant to the average exchange rate translated as the arithmetic average of the exchange rates published by the National Bank of Poland as of the last day in the month of the relevant year:

- As of 30.09.2011- 4.0413

- As of 30.09.2010- 4.0027

	<b>30.09.2011</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of comprehensive income</b>				
Net revenues from sale of products, goods and materials	18415	4557	15495	3871
Gross profit (loss) from sales	8504	2104	6076	1518
Operating profit (loss)	1373	340	894	223
Gross profit (loss)	1215	301	684	171
Net profit (loss)	<u>912</u>	<u>226</u>	<u>513</u>	<u>128</u>
	<b>31.09.2011</b>	<b>31.09.2011</b>	<b>31.12.2010</b>	<b>31.12.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of financial condition</b>				
<b>Balance sheet</b>				
Non-current assets	8412	1907	8463	2137
Current assets	9145	2073	10001	2525
Total assets	<u>17557</u>	<u>3980</u>	<u>18464</u>	<u>4662</u>
<b>Liabilities</b>				
Equity	10204	2313	9292	2346
Liabilities and provisions for liabilities	7353	1667	9172	2316
Total liabilities	<u>17557</u>	<u>3980</u>	<u>18464</u>	<u>4662</u>
	<b>30.09.2011</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of cash-flows</b>				
Net cash-flows from operating activities	723	179	-55	-14
Net cash from investment activity	-1557	-385	-21	-5
Net cash-flows from financial activity	-229	-57	-1000	-250
<b>Cash, end of period</b>	<u><b>508</b></u>	<u><b>126</b></u>	<u><b>1238</b></u>	<u><b>309</b></u>

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

### **Costs by category**

	<b>3Q (current year), from 01.07.2011 to 30.09.2011</b>	<b>3Qs (current year), from 01.01.2011 to 30.09.2011</b>	<b>3Q (current year), from 01.07.2010 to 30.09.2010</b>	<b>3Qs (current year), from 01.01.2010 to 30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>
Amortization and depreciation	346	1034	130	350
Materials and energy consumption	161	581	175	492
Outsourced services	1513	5047	1121	3241
Taxes and fees	43	128	47	104
Remunerations/payrolls	2314	7098	2350	6453
Social insurances and other benefits	365	1238	392	1225
Other costs	56	230	69	224
Value of goods and materials sold	700	2066	1184	2634
<b>Total operating activity costs including</b>	<b>5498</b>	<b>17422</b>	<b>5468</b>	<b>14723</b>
Cost of sales	3218	9911	3499	9419
Distribution costs	1261	4365	1082	2652
General administrative expenses	1019	3146	887	2652

### **Credits and loans**

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
<b>Short-term</b>		
Bank credits	149	363
Other credits	127	181
Short-term loans	294	94
<b>Total credits and loans</b>	<b>570</b>	<b>638</b>

On 4th August 2006 SIMPLE S.A. concluded the Overdraft credit agreement No. 270-1/10/RB/2006 with the bank PKO BP. It is a credit in Polish zlotys, renewable as the credit limit in the amount 500 k PLN. It was granted for the period from 4th August 2006 to 3rd August 2007. On 3rd August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on extension of the agreement for the next year from 4th August 2006 to 3rd August 2008. On 1st August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on extension of the agreement for the next year from 4th August 2006 to 3rd August 2009. On 3rd August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2010. On 29th July 2010 the Annex No. 4 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on prolongation of the agreement for the next year from 4th August 2006 to 3rd August 2011. The credit amount remains unchanged in the amount 500 k PLN. The collateral of this agreement are the promissory notes for the amount 500 k PLN. On 2nd August 2011 the Annex No. 5 to the Agreement No. 270-1/10/RB/2006 of 4th August 2006 on extension of the agreement for the next year from 4th August 2006 to 3rd August 2012. As for the end of the period the used amount from the credit line is 149 k PLN.

On 5th October 2011 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/080/11/Z/VK for the amount 400 k PLN with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from 7th October 2011 to 4th October 2012. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR 3Q 2011**

On 30th December 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount 300 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from 30th December 2010 to 29th December 2011. The collateral for this Agreement is a blank promissory note. As of the end of the period, the Company did not use the credit line.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As of the end of the period, the amount of credit within the term of payment to twelve months is 152 k PLN.

The statement includes the short-term loan from subsidiary SIMPLE LOCUM Sp. z o.o. in the amount of 94 k PLN. It is the amount payable within 12 months- four installments in the amount of 23,500 k PLN.

	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>000' PLN</b>	<b>000' PLN</b>
<b>Long-term</b>		
Long-term loans	1786	1880
Other credits	17	160
<b>Total credits and loans</b>	<b>1803</b>	<b>2040</b>

The statement on financial position includes the loan from subsidiary SIMPLE LOCUM Sp. z o.o. in the amount of 1786 k PLN. It is the amount payable within the period longer than one year. The Agreement was concluded on 28th April 2009 for the period of 300 months. On 30th September 2007 the annex to the loan agreement between SIMPLE S.A. and subsidiary SIMPLE LOCUM Sp. z o.o. of 28th April on the terms and condition of loan payment was concluded. The loan is paid in quarter intervals in installments 23,500 k PLN each. The interest of the loan has changed and is the sum of WIBOR rate for 3 months periods and margin 2.20% per year. As for the end of period the interests from loan installment were calculated and paid as well as from the remained unpaid loan.

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As of the end of the period, the amount of credit within the term of payment over twelve months is 17 k PLN.