

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the reporting period from 1 January 2012 to 31 March 2012 and comparative period from 1 January 2011 to 31 March 2011.

	Q1 (current year, period from 01.01.2012 To 31.03.2012	Q1 (previous year, from 01.01.2011 to 31.03.2011
	000' PLN	000' PLN
Revenues from sales	6 885	6 097
Cost of sales	(4 509)	(3 471)
Gross profit (loss)	2 376	2 626
Distribution expenses	(1 401)	(1 548)
Administration expenses	(1 125)	(959)
Gross profit (loss) from sales	(150)	119
Other operating revenues	136	134
Other operating costs	(25)	(27)
Operating profit (loss)	(40)	226
Other financial income	11	6
Finance costs	(66)	(75)
Profit (loss) before tax	(95)	157
Income tax	(20)	0
Deferred income tax	(3)	(76)
Net profit (loss)	(118)	81
Profits (loss) of NCI	25	0
Net profit (loss)	(93)	81
Other comprehensive income	0	0
Total other comprehensive income	0	0
TOTAL COMPREHENSIVE INCOME	(93)	81
Earnings (loss) per share		
Basic	(0.05)	0.04
Diluted	(0.05)	0.04

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

As at 31 March 2012, 31 December 2011, 31 March 2011

	31.03.2012 000' PLN	31.12.2011 000' PLN	31.03.2011 000' PLN
Non-current assets			
Intangible assets	3 133	3 347	3 746
Property, plant and equipment	3 668	3 701	4 003
Goodwill	1 098	1 098	19
Long-term receivables	65	65	54
Investments in related entities	63	63	63
Long-term accrued and deferred assets	1 576	1 372	130
	9 603	9 646	8 015
Current assets			
Inventories	294	349	28
Trade and other receivables	9 293	9 988	6 743
Cash and cash equivalents	576	1 236	1 450
Short-term accrued and deferred assets	248	171	830
	10 411	11 744	9 051
Total assets	20 014	21 390	17 066
Equity			
Share capital	2 001	2 001	2 004
Share premium	0	0	0
Own shares	0	0	(21)
Retained profits, including:	9 784	9 858	7 339
-Cumulated profits/losses from previous year	9 877	7 240	7 258
-Net profit/loss	(93)	2 618	81
Total equity	11 785	11 859	9 322
Capitals of non-controlled interests	73	119	0
Long-term liabilities and provisions			
Provision due to the deferred income tax	8	7	12
Provision for retirement and similar benefits	250	250	241
Other provisions	466	545	4
Borrowings	2 120	2 139	2 231
Financial lease liabilities	639	599	742
	3 483	3 540	3 230
Current liabilities			
Borrowings	159	94	160
Financial lease liabilities	396	371	308
Trade and other liabilities	2 535	3 721	2 115
Deferred revenue	1 583	2 686	1 931
	4 673	5 872	4 514
Total liabilities	8 156	9 412	7 744
Total liabilities	20 014	21 390	17 066

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the reporting period from 1 January 2012 to 31 March 2012 and comparative period from 1 January 2011 to 31 March 2011.

	Share capital	Own shares	Share premium	Profit distribution , dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
1 January 2012	2 001	0	0	0	9 877	11 878
Total comprehensive income	0	0	0	0	(93)	(93)
Acquired treasury stocks	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
31 March 2012	2 001	0	0	0	9 784	11 785
1 January 2011	2 004	-21	0	0	7 258	9 241
Total comprehensive income	0	0	0	0	81	81
Acquired treasury stocks	0	-21	0	0	0	0
Dividend	0	0	0	0	0	0
31 March 2011	2 004	-21	0	0	7 339	9 322

CONSOLIDATED STATEMENT OF CASH-FLOWS FOR THE PERIOD

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

for the reporting period from 1 January 2010 to 31 March 2010 and comparative period from 1 January 2010 to 31 March 2010.

	31.03.2012 PLN'000	31.03.2011 PLN'000
Net profit (loss)	(93)	81
Adjustments from consolidation	(25)	0
Amortization	387	362
Interests paid	59	54
Gain (loss) on investment activity	21	7
Movements in provisions	(77)	(636)
Movement in inventories	55	24
Movement in receivables	710	1 072
Movement in short-term liabilities	(1 200)	(924)
Movements in accrued and deferred assets and liabilities	(180)	(105)
Net cash-flow from operating activities	(343)	(65)
Net cash-flows from investing activities		
Proceeds on sale of non-current assets	11	54
Investments proceeds	5	8
Payments to acquire non-current assets	(211)	(244)
Investments payments	(5)	0
Net cash from investing activities	(200)	(182)
Cash-flows from financing activities		
Received borrowings	99	0
Repayment of borrowings	(54)	(53)
Payments for financial lease liabilities	(103)	(81)
Interest	(59)	(54)
Net cash from financing activity	(117)	(188)
Net increase/ (decrease) in cash and equivalents	(660)	(435)
Cash and cash equivalents at the beginning of the period	1 031	1 885
Cash and cash equivalents at the end of the period	371	1 450

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. General information

Capital Group SIMPLE S.A. is located in Warsaw, address: ul. Bronisława Czecha 49/51 04-555 Warszawa. The legal form of the parent company 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 6 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 Commercial Division under KRS number 0000065743.

The basic scope of the parent company'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 1 January 2012 to 31 March 2012. The comparable data were presented for the period from 1 January 2011 to 31 March 2011. It is the consolidated financial statement for the Q1 2012 presented in thousands of Polish zlotys.

2. Approval of the financial statement

This financial statement was accepted and approved to be published by the Management Board on 14 May 2012.

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 19 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 24 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.

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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 is presented in the statement of financial position 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 depreciation charges within periods between the measurements. The measurements are made with frequency ensuring the lack of important discrepancies between the book value and fair value as at 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 are 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.

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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.

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 at 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 at 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 interest in the subsidiaries is measured at the purchase price adjusted by the impairment. The impairment allowances due to

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

the interest 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 PP&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.

Inventories

The inventories include the goods, which are measured as at 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 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 at 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 establishes 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 at payable amount. The long-term financial liabilities are measured at fair value of payments including discount.

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Accrued and deferred liabilities

In order to keep the proportionality of revenues and costs the Group makes the accrued and deferred liabilities 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 liabilities- 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 be performed in the next periods.

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.

Finance 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.

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.

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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

Finance costs

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

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 establishes the 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.

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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 and the assets due to deferred income tax were determined 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 published for the relevant currency by the National Bank of Poland.

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

The exchange differences, concerning the settlements expressed in foreign currencies arisen as at 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 the reduction of unpaid liability balance and financial costs charged directly against the profit and loss.

4. Composition of the Capital Group

SIMPLE S.A. is the parent company of the Group. Except for SIMPLE S.A. the consolidation includes subsidiaries.

The data of the subsidiaries as for 31 March 2012 are as follows:

Entity's name	Seat office	Method of consolidation	Date of taking up control	Amount of shares acc. to purchase price	% of shareholding capital and votes at GMS
Simple Locum	Warsaw	Full	2006	2 669	100%
SIMPLE CPS	Warsaw	Full	2006	30	100%
Bazus Sp. z o.o.	Lublin	Full	2011	1 405	75.5%

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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 Shareholders. 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 by the National Bank of Poland as at the end of the period:

- As at 31.03.2012- 4.1616

- As at 31.12.2011- 4.4168

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 at the last day in the month of the relevant year:

- As at 31.03.2012- 4.1750

- As at 31.03.2011- 3.9742

	31.03.2012	31.03.2012	31.03.2011	31.03.2011
	000' PLN	000' EUR	000' PLN	000' EUR
Statement of comprehensive income				
Net revenues from sale of products, goods and materials	6 885	1 649	6 097	1 534
Zysk (strata) brutto ze sprzedaży	2 376	569	2 626	661
Zysk (strata) z działalności operacyjnej	(40)	(10)	226	57
Zysk (strata) brutto	(118)	(28)	157	40
Zysk (strata) netto	<u>(93)</u>	<u>(22)</u>	<u>81</u>	<u>20</u>
	31.03.2012	31.03.2012	31.12.2011	31.12.2011
	000' PLN	000' EUR	000' PLN	000' EUR

Sprawozdanie z sytuacji finansowej
Bilans

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Aktywa trwałe	9 603	2 308	9 646	2 184
Aktywa obrotowe	10 411	2 502	11 744	2 660
Aktywa razem	<u>20 014</u>	<u>4 810</u>	<u>21 390</u>	<u>4 844</u>

Pasywa

Kapitał własny	11 785	2 832	11 859	2 686
Kapitały mniejszości	73	18	119	27
Zobowiązania i rezerwy na zobowiązania	8 156	1 960	9 412	2 131
Pasywa razem	<u>20 014</u>	<u>4 810</u>	<u>21 390</u>	<u>4 844</u>

	31.03.2012	31.03.2012	31.03.2011	31.03.2011
	000' PLN	000' EUR	000' PLN	000' EUR
Sprawozdanie z przepływów pieniężnych				
Przepływy pieniężne netto z działalności operacyjnej	(343)	(82)	(65)	(16)
Środki pieniężne netto z działalności inwestycyjnej	(200)	(48)	(182)	(46)
Środki pieniężne netto z działalności finansowej	<u>(117)</u>	<u>(28)</u>	<u>(188)</u>	<u>(47)</u>
Saldo zamknięcia środków pieniężnych	<u>371</u>	<u>89</u>	<u>1450</u>	<u>365</u>

6. Struktura geograficzna

The Capital Group conducts its business activity in the field of software and sale of hardware and also provides the related services. 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:

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Revenues from sales		
- domestic	<u>6 885</u>	<u>6 097</u>
	<u>6 885</u>	<u>6 097</u>
Distribution expenses		
- domestic	<u>(4 509)</u>	<u>(3 471)</u>
	<u>(4 509)</u>	<u>(3 471)</u>
Profit on sale		
- domestic	<u>2 376</u>	<u>2 626</u>
	<u>2 376</u>	<u>2 626</u>

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:

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Revenues from sale of goods	1 307	946
Revenues from sale of services and products	<u>5 578</u>	<u>5 151</u>
	<u>6 885</u>	<u>6 097</u>

8. Costs by category

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	31.03.2012 000'PLN	31.03.2011 000'PLN
Amortization of non-current assets and intangible assets	387	362
Materials and energy consumption	252	222
Third party services	2 089	1 800
Taxes and fees	45	35
Remunerations/payrolls	2 810	2 209
Social insurances and other benefits	523	421
Other costs	117	105
Value of goods and materials sold	812	824
Total	7 035	5 978
including:		
Cost of sales	4 509	3 471
Distribution expenses	1 401	1 548
Administration expenses	1 125	959

9. Profit/loss per one share

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.

	31.03.2012 000'PLN	31.03.2011 000'PLN
Profit (loss) per shareholders of the Company	(93)	81
Average weighted number of ordinary shares (in k pcs)	2 004	2 004
Basic earnings (loss) per share (in PLN per one share)	(0,05)	0,04

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

10. Non-current assets held for sale

As for 31 March 2012 the Group does not have any non-current assets held for sale.

11. Deferred tax

As at 31 March 2012, the Group has established provisions for the deferred tax in the amount of 8 k because of the temporary differences between the book and tax value of assets.

12. Information on movements in provisions

31.03.2012 000' PLN	31.03.2011 000' PLN
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Provision for leaves	201	204
Other provisions	466	4
Assets due to the deferred income tax	8	12
Provision for retirement	49	37
Inventories revaluation allowance	0	0
Receivables revaluation allowance	218	218
Total	942	475

13. Contingent liabilities

As at 31 March 2012 the Group SIMPLE S.A. does not present any contingent liabilities for the court proceeding against the Group SIMPLE S.A.

14. Borrowings

	31.12.2012	31.03.2011
	000' PLN	000' PLN
Short-term		
Bank credits	99	0
Other credits	60	160
Total credits and loans	159	160

On 4 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 4 August 2006 to 3 August 2007. On 3 August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2008. On 3 August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2009. On 3 August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2010. On 29 July 2010 the Annex No. 4 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 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 2 August 2011 the Annex No. 5 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on extension of the agreement for the next year from 4 August 2006 to 3 August 2012. As for the end of the period the used amount from the credit line is 99 k PLN.

On 11th October 2010 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/038/10/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 12 October 2010 to 6 October 2011. On 22 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

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Agreement was concluded for the period from 12 October 2011 to 4 October 2012. The collateral for this Agreement is a blank promissory note. As at 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 30 December 2010 to 29 December 2011. On 30 December 2011 SIMPLE S.A. entered into the Overdraft Agreement No. 1/102 for the amount 2010 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. The credit payment date is 29.12.2012. The collateral for this Agreement is a blank promissory note. As at 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 at the end of period the amount of credit within the term of payment to twelve months is 60 k PLN.

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Long-term		
Bank credits	2 118	2 168
Other credits	2	63
Total credits and loans	<u>2 120</u>	<u>2 231</u>

The credit agreement of 7 April 2006 concluded with BPH S.A. by SIMPLE LOCUM Sp. z o.o. under §7 of the Agreement collateralized by:

- 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,

- Assignment of receivables from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- The 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. 2 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 at the end of period, the amount of unpaid credit is 2,118 k PLN.

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

SIMPLE S.A. took the credit towards Volkswagen Bank Polska S.A., which was intended for purchase of non-current assets. As at the end of the period, the amount of credit within the term of payment over twelve months is 2 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.

On 29 March 2006 in Warsaw the lease agreement for the usable premises between SIMPLE S.A. and SIMPLE LOCUM SP. Z O.O. The subject of agreement is leasing of the premises with the area 1087 sqm with the office equipment. This Agreement is concluded on 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 S.A.

Comment of the Management Board to the financial results of SIMPLE Group for Q1 2012

In the first quarter of 2012, 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.

In Q1 2011, the Group SIMPLE S.A. achieved the revenues from sales amounted to 6,885 k PLN. The revenues were higher by 12.9% than in the comparable period of the previous year.

The sale in Q1 2012 shows the maintenance of the positive trends in the positive areas at the Groups business activity.

In Q1 2012 the Group recognized the loss on the operating activity in the amount of 40 k PLN and the loss of the net profit in the amount of 93 k PLN. In both cases the decrease in comparison to the Q1 2011 appeared.

In Q1 2012 the sale costs decreased and they amounted to 1.401 k PLN in comparison to 1,548 k PLN in Q1 2011.

In the Management Board's opinion the aforementioned decreases have no significant influence on the annual results of the Group, but they will constitute the basis for the detailed analysis of the reasons of the costs of sale increases.

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

The results achieved in Q1 2012 are similar to the Management Board expectations. The Management Board included in its estimations also the repeating trend of the sale dynamic in the first quarter, in particular in January. It also occurred in this year.

Under the Capital Group SIMPLE, the subsidiaries recorded the insignificant losses in the first quarter 2011. SIMPLE LOCUM Sp. z o.o. recorded the loss in the amount 13.7 k PLN and SIMPLE CPS Sp. z o.o. the loss in the amount 2.3 k PLN.

The Management Board decided to analyze this situation and considers the incorporation of the subsidiaries into the SIMPLE S.A.

In Q1 2012 The Management Board conducted the intensive works related to preparation of the Prospectus of SIMPLE S.A. and the related issue of J and K series shares, pursuant to the Resolutions of the General Meeting. Finally, the Financial Supervision Authority approved the Prospectus of the Company on 19.04.2012.

The most important goals of the Management for the second quarter of 2012 will be the following issues:

- Further dynamic increase of sale and result of the Group,
- Increase of the sale related to the investment activities (Cron, Highcom),
- Reduction of the activity expenses of the Group
- Completion of J and K series shares issue, from which the funds will be designated to acquisition and development of own products,
- Performance of the technological changes and SIMPLE.ERP system development,
- further improvement of the budgeting system and cost optimization,
- Signing the investment agreement related to the purchase of the control block of shares of IT company, supplementing the commercial offer of the SIMPLE along with the clients.

18. Information on seasonality or periodicity of the Group SIMPLE S.A. business activity

Comparing the result for the period from 01.01.2012 to 31.03.2012 with the result for the period from 01.01.2011 to 31.03.2011, the result of sale for Q1 2012 was 2 376 k PLN and was lower than the result for Q1 2011 by 250 k PLN. The reason was the increase of the revenues from sales by 788 k PLN and at the same the increase of the cost of sales by 1 038 k PLN. The result of the Group for the period from 01.01.2012 to 31.03.2012 indicates the loss in the amount 93 k PLN in comparison to the profit 81 k PLN for the comparable period in 2011. Comparing the result in Q1 2012, it was worse by 174 k PLN in comparison to 2011. The reason was the significant increase of the cost of sale by 1 038 k PLN in comparison to the first quarter of 2011.

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

In Q1 2012, any issuance, buy-out or payment of the debt securities and capital securities did not take place.

20. Information on paid (or declared) dividend, total and in division per one share, with division into the ordinary and preference shares

In Q1 2012 the Group did not take any decisions concerning the paid (or declared) dividends.

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

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

In the Management Board's opinion, there are not any 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 Shareholders, structure and changes of shareholding

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

The biggest Shareholders, structure and changes of shareholding

Item	Name	Number of shares	Interest in the share capital (%)	Number of votes	Interest of votes at the General Meeting (%)
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.

Item	Name	Number of shares as at 20.03.2012	Number of shares as at 15.05.2012
1	Adam Wojacki	0	0
2	Józef Taran	0	0
3	Andrzej Bogucki	0	0
5	Arkadiusz Karasiński	0	0
5	Adam Leda	0	0
6	Paweł Zdunek	0	0

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

Item	Name	Number of shares as at 20.03.2012	Number of shares as at 15.05.2012
1	Bogusław Mitura	316 693	316 693
2	Przemysław Gnitecki	0	0
3	Michał Siedlecki	80.000	80.000

24. Information on related entities and on the capital group

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

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

1. Simple Locum Sp. z o.o. seated in Warsaw address: ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on 24 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 holds 100% of votes at the General Meeting.

2. SIMPLE CPS SP. Z O.O. seated in Warsaw address ul. Bronisława Czecha 49/51. The business activity of the Company was began under the name Simple Invest Sp. z o.o., established on 25 October 1999 under the notary deed (Rep. A No. 5653/99) in the Public Notary's Office in Warsaw, in presence of the public notary Anna Chełstowska. On 1 August 2002 the name of the company was changed unto 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 15 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 holds 100% of votes at the General Meeting.

3. Bazus Sp. z o.o., seated in Lublin address ul. Wolska 11. The private partnership named HIGHCOM Spółka cywilna acting under the Articles of Association concluded on 9 April 1996, changed by the annexes dated: 12 March 1997, 30 August 1997 and 31 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 acquired shares is 1,405 k PLN. It holds 75.5% of votes at the General Meeting.

-Related but not included to the consolidation:

1. Softeam Sp. z o.o. seated in Warsaw, address ul. Łopuszańska 53, registered on 5 June 2001 in the District Court for the capital city of Warsaw in Warsaw, 20th Commercial Division 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. 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 address ul. Cieplaka 19, registered on 24 December 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Commercial Department of the National Court Register. The date of first registration was 31 May 1991 under the number RHB 6610. The value of taken up shares is 9.7 k PLN. It holds 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 of the Group Simple for Q1 2012

In the reporting period there were not any changes in the composition of the Supervisory Board and Management Board.

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

Supervisory Board	
Adam Wojacki	Chairman of the Supervisory Board
Józef Taran	Deputy Chairman of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Adam Leda	Member of the Supervisory Board
Arkadiusz Karasiński	Member of the Supervisory Board
Paweł Zdunek	Member of the Supervisory Board
Management Board	
Bogusław Mitura	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

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

Management Board	
Hubert Abramiuk	President of the Management Board
Rafał Wnorowski	Vice President of the Management Board

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

Management Board	
Regina Kuliś	President of the Management Board

As at the report date the composition of the SIMPLE CPS Sp. z o.o. is as follows:

Management Board	
Regina Kuliś	President of the Management Board

26. Indication of the proceedings against the Group SIMPLE S.A.

As at 31 March 2012 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 initiated or carried out.

As at 31 March 2012 there is a proceeding against Technic Systems, 05-092 Łomianki, ul. Brukowa 10A, for the amount 302 k PLN. The next hearing will be held in April 2012.

27. Transactions with related entities

In the period from 1 January 2012 to 31 March 2012 SIMPLE S.A. has concluded the following standard trade transactions with the Group's entities . 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 70 k PLN.
- Purchase 244 k PLN,

The turnover with the related entities was as follows:

- sale 813 k PLN.
- Purchase 85 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 are 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.

The Simple Group does not present the changes of the contingent liabilities and the assets in the current period from 1 January 2012 to 31 March 2012 and did not present them at the end of 2011.

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

31. Separate financial statement

Separate statement of comprehensive income

for the reporting period from 1 January 2012 to 31 March 2012 and comparative period from 1 January 2011 to 31 March 2011.

	Q1 (current year) the period from 01.01.2012 to 31.03.2012	Q1 (previous year) the period from 01.01.2011 to 31.03.2011
	000' PLN	000' PLN
Revenues from sales	6 747	60 97
Cost of sales	(4 341)	(3 501)
Gross profit (loss)	2 406	2 596
Distribution expenses	(1 518)	(1 528)
Administration expenses	(934)	(946)
Gross profit (loss) from sales	(46)	122
Other operating revenues	139	134
Other operating costs	(25)	(27)
Operating profit (loss)	67	229
Other financial income	10	6
Finance costs	(65)	(70)
Profit (loss) before tax	13	165
Income tax	(20)	0
Deferred income tax	(3)	(76)
Net profit (loss)	(10)	89
Other comprehensive income	0	0
Total other comprehensive income	0	0
Total comprehensive income	(10)	89
Earnings (loss) per share		
Basic	0.00	0.04
Diluted	0.00	0.04

Separate statement on financial condition

As at 31 March 2012, 31 December 2011, 31 March 2011

	31.03.2012 000' PLN	31.12.2011 000' PLN	31.03.2011 000' PLN
Non-current assets			
Intangible assets	3 130	3 344	3 745
Property, plant and equipment	1 149	1 153	1 542
Long- term receivables	7	7	2
Investments in subsidiaries	4 090	4 090	2 685

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

Investments in related entities	63	63	63
Long-term accrued and deferred assets	1 576	1 372	130
	<u>10 015</u>	<u>10 029</u>	<u>8 167</u>
Current assets			
Inventories	292	347	28
Trade and other receivables	9 061	9 946	6 763
other short-term investments, including:	444	928	1 069
Short-term accrued and deferred assets	238	156	806
	<u>10 035</u>	<u>11 377</u>	<u>8 666</u>
Total assets	<u>20 050</u>	<u>21 406</u>	<u>16 833</u>
Equity			
Share capital	2001	2001	2 004
Share premium	0	0	0
Own shares	0	0	(21)
Retained profits, including:	9 896	9 906	7 398
-Cumulated profits/losses from previous year	9 906	7 291	7 309
-Net profit/loss	(10)	2 615	89
Total equity	<u>11 897</u>	<u>11 907</u>	<u>9 381</u>
Long-term liabilities and provisions			
Provision due to the deferred income tax	7	5	12
Provision for retirement and similar benefits	250	250	241
Other provisions	466	545	4
Borrowings	1 741	1 772	1 896
Financial lease liabilities	560	511	742
	<u>3 024</u>	<u>3 083</u>	<u>2 895</u>
Current liabilities			
Loans from subsidiaries and affiliates	508	601	94
Short-term bank credits	159	94	160
Financial lease liabilities	360	336	295
Trade and other liabilities	2 519	3 699	2 077
Deferred revenue	1 583	1 686	1 931
	<u>5 129</u>	<u>6 416</u>	<u>4 557</u>
Total liabilities	<u>8 153</u>	<u>9 499</u>	<u>7 452</u>
Total liabilities	<u>20 050</u>	<u>21 406</u>	<u>16 833</u>

**Separate statement of changes in equity
for the reporting period from 1 January 2012 to 31 March 2012 and comparative period from 1
January 2011 to 31 March 2011.**

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

	Share capital	Own shares	Share premium	Profit distribution , dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
1 January 2012	2 001	0	0	0	9 906	11 907
Total comprehensive income	0	0	0	0	(10)	(10)
Acquired treasury stocks	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
31 March 2012	2 001	0	0	0	9 896	11 897
1 January 2011	2 004	(21)	0	0	7 309	9 292
Total comprehensive income	0	0	0	0	89	89
Acquired treasury stocks	0	(21)	0	0	0	0
Dividend	0	0	0	0	0	0
31 March 2011	2 004	(21)	0	0	7 398	9 381

**Separate statement of cash-flows
for the reporting period from 1 January 2012 to 31 March 2012 and comparative period from 1 January 2011 to 31 March 2011.**

31.03.2012
PLN'000

31.03.2011
PLN'000

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

Net profit (loss)	(10)	89
Amortization	359	342
Interests paid	52	49
Gain (loss) on investment activity	21	7
Movements in provisions	(77)	(637)
Movement in inventories	55	24
Movement in receivables	884	1 090
Movement in short-term liabilities	(1180)	(1 010)
Movements in accrued and deferred assets and liabilities	(183)	(84)
Net cash-flow from operating activities	(79)	(130)
Net cash-flows from investing activities		
Proceeds on sale of non-current assets	11	54
Investments proceeds	5	8
Payments to acquire non-current assets	(211)	(244)
Investments payments	(5)	0
Net cash from investing activities	(200)	(182)
Cash-flows from financing activities		
Received borrowings	106	0
Repayment of borrowings	(165)	(63)
Payments for financial lease liabilities	(94)	(78)
Interest	(52)	(49)
Net cash from financing activity	(205)	(190)
Net increase/ (decrease) in cash and cash equivalents	(484)	(502)
Cash and cash equivalents at the beginning of the period	723	1571
Cash and cash equivalents at the end of the period	239	1069

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 by the National Bank of Poland as at the end of the period:

- As at 31.03.2012- 4.1616
- As at 31.12.2011- 4.4168

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

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 at the last day in the month of the relevant year:

- As at 31.03.2012- 4.1750

- As at 31.03.2011- 3.9742

	31.03.2012	31.03.2012	31.03.2011	31.03.2011
	000' PLN	000' EUR	000' PLN	000' EUR
Statement of comprehensive income				
Net revenues from sale of products, goods and materials	6 747	1 616	6 097	1 534
Zysk (strata) brutto ze sprzedaży	2 406	576	2 596	653
Zysk (strata) z działalności operacyjnej	67	16	229	58
Zysk (strata) brutto	13	3	165	42
Zysk (strata) netto	<u>(10)</u>	<u>(2)</u>	<u>89</u>	<u>22</u>
	31.03.2012	31.03.2012	31.12.2011	31.12.2011
	000' PLN	000' EUR	000' PLN	000' EUR
Sprawozdanie z sytuacji finansowej				
Bilans				
Aktywa trwałe	10 015	2 407	10 029	2 271
Aktywa obrotowe	10 035	2 411	11 377	2 576
Aktywa razem	<u>20 050</u>	<u>4 818</u>	<u>21 406</u>	<u>4 847</u>
Pasywa				
Kapitał własny	11 897	2 859	11 907	2 696
Zobowiązania i rezerwy na zobowiązania	8 153	1 959	9 499	2 151
Pasywa razem	<u>20 050</u>	<u>4 818</u>	<u>21 406</u>	<u>4 847</u>
	31.03.2012	31.03.2012	31.03.2011	31.03.2011
	000' PLN	000' EUR	000' PLN	000' EUR
Sprawozdanie z przepływów pieniężnych				
Przepływy pieniężne netto z działalności operacyjnej	(79)	(19)	(130)	(33)
Środki pieniężne netto z działalności inwestycyjnej	(200)	(48)	(182)	(46)
Środki pieniężne netto z działalności finansowej	(205)	(49)	(190)	(48)
Saldo zamknięcia środków pieniężnych	<u>239</u>	<u>57</u>	<u>1069</u>	<u>269</u>

Costs by category

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Amortization of non-current assets and intangible assets	359	342
Materials and energy consumption	224	220

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

Third party services	2 243	1 854
Taxes and fees	34	28
Remunerations/payrolls	2 547	2 184
Social insurances and other benefits	476	418
Other costs	108	105
Value of goods and materials sold	802	824
Total	6 793	5975
including:		
Cost of sales	4 341	3501
Distribution expenses	1 518	1528
Administration expenses	934	946

Borrowings

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Short-term		
Other credits	159	160
Short-term loans	508	94
Total credits and loans	667	254

On 4 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 4 August 2006 to 3 August 2007. On 3 August 2007 the Annex No. 1 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2008. On 3 August 2008 the Annex No. 2 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2009. On 3 August 2009 the Annex No. 3 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 August 2010. On 29 July 2010 the Annex No. 4 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on prolongation of the agreement for the next year from 4 August 2006 to 3 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 2 August 2011 the Annex No. 5 to the Agreement No. 270-1/10/RB/2006 of 4 August 2006 on extension of the agreement for the next year from 4 August 2006 to 3 August 2012. As for the end of the period the used amount from the credit line is 99 k PLN.

On 11th October 2010 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/038/10/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 12 October 2010 to 6 October 2011. On 22 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 12 October 2011 to 4 October 2012. The collateral for this Agreement is a blank promissory note. As at the end of the period, the Company did not use the credit line.

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

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 30 December 2010 to 29 December 2011. On 30 December 2011 SIMPLE S.A. entered into the Overdraft Agreement No. 1/102 for the amount 2010 k PLN with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. The credit payment date is 29.12.2012. The collateral for this Agreement is a blank promissory note. As at 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 at the end of period the amount of credit within the term of payment to twelve months is 60 k PLN.

On 8 July 2011 the loan agreement between Bazus Sp. z o.o., seated in Lublin address ul. Wolska 11 and Simple S.A. was concluded. . The subject of matter of this Agreement is to grant the money loan in the amount of 200 k PLN, which was paid on 15 July 2011. The repayment term is on 9 July 2012. The interest rate of the loan is 6% and the interest payment day is designated as the loan repayment date. On 27 February the part of the loan in the amount of 100 k PLN was paid. As at the end of the period the interest are calculated and accounted for. As at 31 December 2011 the amount of loan is 108 k PLN.

On 28 November 2011, SIMPLE Locum Sp. z o.o., seated in Warsaw and SIMPLE S.A. entered into the loan agreement. . The subject of matter of this agreement is to grant the money loan in the amount of 300 k PLN, which was paid on 28 November 2011. The repayment term is on 27 November 2012. The interest rate of the loan is 6% per annum and the interest payment day is designated as the loan repayment date. As at the end of the period the interest are calculated and accounted for. As at 31 December 2011 the amount of loan is 306 k PLN.

As at the end of the period the short-term loan from subsidiary SIMPLE LOCUM Sp. z o.o. in the amount of 94 k PLN is recognized. It is the amount payable within 12 months- four installments in the amount of 23,500 k PLN.

	31.03.2012	31.03.2011
	000' PLN	000' PLN
Long-term		
Long-term loans	1 739	1 833
Other credits	2	63
Total credits and loans	1 741	1 896

Extended Consolidated Financial Statement of the Group Simple for Q1 2012

As at the end of the period SIMPLE S.A. presents the short-term loan from SIMPLE LOCUM Sp. z o.o. in the amount 1833 k PLN. It is the amount payable within the period longer than one year. The Agreement was concluded on 28 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 28 April on the terms and condition of loan payment was concluded. The loan is paid in quarter intervals in instalments 23,500 k PLN each. The interest of the loan 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 instalment 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 at the end of the period, the amount of credit within the term of payment over twelve months is 2 k PLN.