

INFOVIDE-MATRIX

ARCHITECTING ENTERPRISE INNOVATION

INFOVIDE-MATRIX **SPÓŁKA AKCYJNA**

Abridged

Financial Statements of the Infovide-Matrix Group for the first quarter of fiscal 2010

**drawn in accordance with the
International Financial
Reporting Standards**

Warsaw, 12 May 2010

I. Consolidated Income Statement of the Infovide-Matrix S.A. Group

for the period of 3 months from 1 January 2010 to 31 March 2010

in thousands of PLN

	3 months from 1 January to 31 March 2010	3 months from 1 January to 31 March 2009
Continuing operations		
Sales revenue	40 714	50 222
Sale of products and services	38 591	46 735
Sale of merchandise and materials	2 123	3 487
Cost of sales	30 983	37 043
Cost of producing products and services sold	28 953	33 787
Cost of merchandise and materials sold	2 030	3 256
Gross profit (loss)	9 731	13 179
Selling and marketing costs	3 649	3 978
General administrative costs	4 920	5 454
Other operating income	35	44
Other operating expenses	14	58
Profit (loss) on continuing operations	1 183	3 733
Finance income	48	902
Finance expenses	346	131
Profit (loss) before tax	885	4 504
Income tax (tax charge)	220	889
Profit (loss) after tax	665	3 615
Profit (loss) from investments accounted for using the equity method	-185	6
After-tax profit (loss) for the period attributable to:	480	3 621
Equity holders of parent	262	3 478
Minority interests	218	143
Earnings per share (EPS)		
Basic EPS	0,02	0,29
Diluted EPS	0,02	0,29

The weighted average number of ordinary shares, assumed as the weighted average number of ordinary shares outstanding during the period between 1 January 2010 and 31 March 2010, is 11,834,881.

Basic EPS has been calculated by dividing the net profit attributable to the ordinary shareholders of the parent (numerator) by the weighted average number of ordinary shares outstanding during the period (denominator)

Diluted EPS has been calculated with the inclusion of the contingent increase of the share capital by issuing 360,000 H-series shares; consequently, the numerator includes the profit attributable to the ordinary shareholders of the parent and the denominator includes the weighted average number of diluted ordinary shares, i.e. 12,194,881.

II. Consolidated Statement of the Financial Position of the Infovide-Matrix S.A. Group

as at 31 March 2010

in thousands of PLN

	as at 31 Mar 2010	as at 31 Dec 2009	as at 31 Mar 2009
ASSETS			
Non-current assets [fixed assets]	151 801	152 474	150 791
Property, plant and equipment [tangible fixed assets]	3 470	3 684	4 475
Goodwill	141 295	141 295	141 295
Intangible fixed assets	3 503	3 715	3 998
Investments in associates	972	1 156	484
Deferred tax assets	2 527	2 590	505
Other fixed assets	34	34	34
Current assets	62 160	105 593	80 923
Stock [inventories]	5 256	782	925
Trade debtors	22 174	69 955	29 600
Debtors based on estimation of long-term contracts	19 228	11 860	27 211
Debtors owed by the State Budget	1 449	547	200
Other debtors	1 404	1 584	2 214
Prepayments for current assets	6 199	4 163	3 710
Other financial assets	0	0	6
Cash and cash equivalents	6 450	16 702	17 057
TOTAL ASSETS	213 961	258 067	231 714

in thousands of PLN

	as at 31 Mar 2010	as at 31 Dec 2009	as at 31 Mar 2009
EQUITY AND LIABILITIES			
Total equity	189 308	188 828	191 833
- <i>attributable to parent</i>	<i>186 622</i>	<i>186 360</i>	<i>188 033</i>
- <i>attributable to minority interests</i>	<i>2 686</i>	<i>2 468</i>	<i>3 800</i>
Share capital [issued capital]	1 183	1 183	1 183
Share premium reserve	140 175	140 175	140 175
Retained earnings reserve	38 400	38 400	29 351
Share capital increase in the subsidiary	-5 658	-5 658	0
Currency translation reserve	-54	-54	-51
Profit/(loss) brought forward from previous periods	12 314	455	13 897
After-tax profit of current period	262	12 894	3 478
Interim write-down of net profit	0	-1 035	0
Equity attributable to minority interests	2 686	2 468	3 800
Non-current liabilities [long-term liabilities]	665	709	428
Provisions	282	282	251
Deferred tax provision	46	47	0
Bank loans and other borrowings, leasing	337	380	177
Deferred income	0	0	0
Other long-term liabilities	0	0	0
Current liabilities	23 988	68 530	39 453
Interest-bearing bank loans and other borrowings, leasing	1 930	2 784	864
Trade creditors	6 840	36 169	14 341
Creditors based on estimation of long-term contracts	3 407	7 229	4 761
Accruals/prepayments recognisable as liabilities	8 245	10 728	10 903
Income tax liabilities	30	3 238	22
Other liabilities owed to State Budget	3 001	7 212	3 559
Other liabilities	494	957	4 245
Provisions	13	13	10
Deferred income	28	200	748
TOTAL EQUITY AND LIABILITIES	213 961	258 067	231 714

III. Consolidated Cash Flow Statement of the Infovide-Matrix S.A. Group

for the period of 3 months from 1 January 2010 to 31 March 2010

in thousands of PLN

	3 months from 1 Jan to 31 Mar 2010	3 months from 1 Jan to 31 Mar 2009
Cash flows from operating activities		
Profit/(loss) after tax	262	3 478
Total adjustments	-9 251	2 628
Net (gain)/loss on interests in associates	185	6
Net (gain)/loss on minority interests	218	-143
Depreciation	785	896
Gain/(loss) on currency translation [exchange rate differences]	0	0
Interest and dividends	16	22
Gain/(loss) on investing activities	-12	23
Change in provisions	0	0
Change in stock [inventories]	-4 475	51
Change in debtors	40 932	29 243
Change in current liabilities, except borrowings	-39 212	-24 818
Change in prepayments/accruals/deferrals	-4 623	335
Income tax on pre-tax profit	220	889
Income tax paid	-3 295	-3 876
Other adjustments	10	0
Gain/(loss) on sale of associates	0	0
Net cash generated by/(used in) operating activities	-8 989	6 106
Cash flows from investing activities		
Proceeds	45	203
Disposal of fixed assets	45	2
Disposal of investments in real properties and in intangibles	0	0
From financial assets:	0	1
- in associates	0	1
disposal of financial assets	0	0
dividends received	0	0
repayment of long-term loans granted	0	0
Interest received	0	1
other proceeds from financial assets	0	0
- in other entities	0	0
disposal of financial assets	0	0
dividends received	0	0
repayment of long-term loans granted	0	0
Interest received	0	0
other proceeds from financial assets	0	0
Other proceeds from investments	0	200

Payments	393	1 342
Acquisition of fixed assets	393	168
Investments in real properties and in intangibles	0	0
For financial assets:	0	974
- in associates	0	974
payments to acquire financial assets	0	974
long-term loans granted	0	0
- in other entities	0	0
payments to acquire financial assets	0	0
long-term loans granted	0	0
Other investment payments	0	200
Net cash generated by/(used in) investing activities	-348	-1 139
Cash flows from financing activities		
Proceeds	1 704	0
Net proceeds from issue of shares and other equity instruments, and shareholders' supplementary contributions toward equity reserves	0	0
Proceeds from borrowings	1 704	0
Proceeds from issue of debt securities	0	0
Other financing proceeds	0	0
Payments	2 618	7 218
Buy-back of own shares	0	0
Dividends and other payments to equity holders	0	0
Profit-distribution costs other than payments to equity holders	0	0
Repayment of borrowings	2 517	6 872
Payment for buy-back of debt securities	0	0
Payment of other financial liabilities	0	0
Payment of liabilities under finance lease agreement	85	322
Interest paid	16	24
Other financing payments	0	0
Net cash generated by/(used in) financing activities	-914	-7 218
Total net cash flow	-10 251	-2 251
Change in cash balance as recognised in the balance sheet:		
change in cash balance caused by exchange rate differences	-10 251	-2 251
Cash at start of period	16 701	19 307
Cash at end of period:	6 450	17 056
cash of restricted use	33	1 533

IV. Consolidated Statement of Changes in Equity of the Infovide-Matrix S.A. Group

for the period of 3 months from 1 January 2010 to 31 March 2010

in thousands of PLN

	Equity attributable to equity holders of parent										Minority interests	Total equity
	Share capital	Share premium reserve	Retained earnings reserve	Share capital increase In the subsidiary	Currency translation reserve	Profit (loss) brought forward from previous years	After-tax profit of current period	Interim write-down of net profit	Total			
As at 1 January 2010	1 183	140 175	38 400	-5 658	-54	455	12 894	-1 035	186 360	2 468	188 828	
Profit /(loss) of previous year	0	0	0	0	0	12 894	-12 894	1 035	1 035	0	1 035	
Profit /(loss) of current year	0	0	0	0	0		262	0	262	218	480	
Interim write-down of net profit	0	0	0	0	0	-1 035	0	0	-1 035	0	-1 035	
As at 31 March 2010	1 183	140 175	38 400	-5 658	-54	12 314	262	0	186 622	2 686	189 308	

in thousands of PLN

	Equity attributable to equity holders of parent										Minority interests	Total equity
	Share capital	Share premium reserve	Retained earnings reserve	Currency translation reserve	Profit (loss) brought forward from previous years	After-tax profit of current period	Interim write-down of net profit	Total				
As at 1 January 2009	1 183	140 175	29 351	-55	-255	14 152	0	184 551	3 657	188 208		
IMX company's exchange rate differences	0	0	0	4	0	0	0	4	0	4		
Profit /(loss) of previous year	0	0	0	0	14 152	-14 152	0	0	0	0		
Profit /(loss) of current year	0	0	0	0	0	3 478	0	3 478	143	3 621		
As at 31 March 2009	1 183	140 175	29 351	-51	13 897	3 478	0	188 033	3 800	191 833		

in thousands of PLN

	Equity attributable to equity holders of parent										Minority interests	Total equity
	Share capital	Share premium reserve	Retained earnings reserve	Share capital increase in the subsidiary	Currency translation reserve	Profit (loss) brought forward from previous years	After-tax profit of current period	Interim write-down of net profit	Total			
As at 1 January 2009	1 183	140 175	29 351	0	-55	-255	14 152	0	184 551	3 657	188 208	
IMX company's exchange rate differences	0	0	0	0	1	0	0	0	1	0	1	

Disposal of profit: re-tained earnings reserve	0	0	6	0	0	-6	0	0	0	0	0
Disposal of profit: dividend	0	0	0	0	0	0	-3 551	0	-3 551	0	-3 551
Shares increase in the subsidiary	0	0	0	-5 658	0	-843	0	0	-6 501	-1918	-8 419
Profit /(loss) of previous year	0	0	9 043	0	0	1 559	-10 601	0	1	-995	-994
Profit /(loss) of current year	0	0	0	0	0	0	12 894	0	12 894	1724	14 618
Interim write-down of net profit	0	0	0	0	0	0	0	-1 035	-1 035	0	-1 035
As at 31 December 2009	1 183	140 175	38 400	-5 658	-54	455	12 894	-1 035	186 360	2 468	188 828