

INFOVIDE-MATRIX

ARCHITECTING ENTERPRISE INNOVATION

INFOVIDE-MATRIX **SPÓŁKA AKCYJNA**

Abridged

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

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

Warsaw, 26 August 2010

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

for the period of 6 months from 1 January 2010 to 30 June 2010

in thousands of PLN

	6 months from 1 January to 30 June 2010	6 months from 1 January to 30 June 2009
Continuing operations		
Sales revenue	87 915	110 385
Sale of products and services	75 192	87 270
Sale of merchandise and materials	12 723	23 115
Cost of sales	67 056	83 837
Cost of producing products and services sold	55 827	61 564
Cost of merchandise and materials sold	11 229	22 273
Gross profit (loss)	20 859	26 548
Selling and marketing costs	8 032	8 515
General administrative costs	9 869	10 741
Other operating income	89	76
Other operating expenses	63	162
Profit (loss) on continuing operations	2 984	7 206
Finance income	57	704
Finance expenses	440	215
Profit (loss) before tax	2 601	7 695
Income tax (tax charge)	619	1 579
Profit (loss) after tax	1 982	6 116
Profit (loss) from investments ac- counted for using the equity method	-360	5
After-tax profit (loss) for the period attributable to:	1 622	6 121
Equity holders of parent	783	5 682
Minority interests	839	439
Earnings per share (EPS)		
Basic EPS	0,07	0,48
Diluted EPS	0,06	0,47

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 30 June 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 30 June 2010

in thousands of PLN

	as at 30 Jun 2010	as at 31 Dec 2009	as at 30 Jun 2009
ASSETS			
Non-current assets [fixed assets]	153 687	152 474	149 712
Property, plant and equipment [tangible fixed assets]	3 692	3 684	4 072
Goodwill	141 295	141 295	141 295
Intangible fixed assets	3 189	3 715	3 676
Investments in associates	3 149	1 156	483
Deferred tax assets	2 306	2 590	152
Other fixed assets	56	34	34
Current assets	69 862	105 593	84 549
Stock [inventories]	6 544	782	6 640
Trade debtors	33 765	69 955	29 218
Debtors based on estimation of long-term contracts	17 914	11 860	27 708
Debtors owed by the State Budget	831	547	388
Other debtors	1 596	1 584	2 242
Prepayments for current assets	5 818	4 163	6 437
Other financial assets	500	0	975
Cash and cash equivalents	2 894	16 702	10 941
TOTAL ASSETS	223 549	258 067	234 261

in thousands of PLN

	as at 30 Jun 2010	as at 31 Dec 2009	as at 30 Jun 2009
EQUITY AND LIABILITIES			
Total equity	186 320	188 828	189 785
- <i>attributable to parent</i>	<i>183 592</i>	<i>186 360</i>	<i>186 684</i>
- <i>attributable to minority interests</i>	<i>2 728</i>	<i>2 468</i>	<i>3 101</i>
Share capital [issued capital]	1 183	1 183	1 183
Share premium reserve	140 175	140 175	140 175
Retained earnings reserve	46 867	38 400	38 400
Share capital increase in the subsidiary	-5 658	-5 658	0
Currency translation reserve	-54	-54	-54
Profit/(loss) brought forward from previous periods	296	455	1 298
After-tax profit of current period	783	12 894	5 682
Interim write-down of net profit	0	-1 035	0
Equity attributable to minority interests	2 728	2 468	3 101
Non-current liabilities [long-term liabilities]	1 224	709	550
Provisions	282	282	251
Deferred tax provision	90	47	187
Bank loans and other borrowings, leasing	852	380	112
Deferred income	0	0	0
Other long-term liabilities	0	0	0
Current liabilities	36 005	68 530	43 926
Interest-bearing bank loans and other borrowings, leasing	593	2 784	1 518
Trade creditors	17 236	36 169	16 348
Creditors based on estimation of long-term contracts	2 007	7 229	3 273
Accruals/prepayments recognisable as liabilities	8 799	10 728	9 955
Income tax liabilities	17	3 238	28
Other liabilities owed to State Budget	3 286	7 212	3 209
Other liabilities	4 027	957	8 807
Provisions	13	13	10
Deferred income	27	200	778
TOTAL EQUITY AND LIABILITIES	223 549	258 067	234 261

III. Consolidated Cash Flow Statement of the Infovide-Matrix S.A. Group for the period of 6 months from 1 January 2010 to 30 June 2010

in thousands of PLN

	6 months from 1 Jan to 30 Jun 2010	6 months from 1 Jan to 30 Jun 2009
Cash flows from operating activities		
Profit/(loss) after tax	783	5 682
Total adjustments	-8 540	-6 253
Net (gain)/loss on interests in associates	360	6
Net (gain)/loss on minority interests	839	-439
Depreciation	1 579	1 719
Gain/(loss) on currency translation [exchange rate differences]	1	-3
Interest and dividends	122	-46
Gain/(loss) on investing activities	-36	19
Change in provisions	0	0
Change in stock [inventories]	-5 762	-5 665
Change in debtors	30 325	27 079
Change in current liabilities, except borrowings	-29 071	-23 240
Change in prepayments/accruals/deferrals	-3 977	-3 355
Income tax on pre-tax profit	624	1 585
Income tax paid	-3 551	-3 909
Other adjustments	0	0
Gain/(loss) on sale of associates	7	-4
Net cash generated by/(used in) operating activities	-7 757	-570
Cash flows from investing activities		
Proceeds	365	93
Disposal of fixed assets	234	7
Disposal of investments in real properties and in intangibles	0	0
From financial assets:	1	86
- in associates	1	14
disposal of financial assets	0	0
dividends received	0	0
repayment of long-term loans granted	0	0
Interest received	1	14
other proceeds from financial assets	0	0
- in other entities	0	72
disposal of financial assets	0	0
dividends received	0	0
repayment of long-term loans granted	0	0
Interest received	0	72
other proceeds from financial assets	0	0
Other proceeds from investments	130	0

Payments	3 266	1 244
Acquisition of fixed assets	326	270
Investments in real properties and in intangibles	0	0
For financial assets:	2 310	974
- in associates	2 310	974
payments to acquire financial assets	2 310	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	630	0
Net cash generated by/(used in) investing activities	- 2 901	-1 151
Cash flows from financing activities		
Proceeds	217	862
Net proceeds from issue of shares and other equity instruments, and shareholders' supplementary contributions toward equity reserves	0	0
Proceeds from borrowings	217	862
Proceeds from issue of debt securities	0	0
Other financing proceeds	0	0
Payments	3 367	7 506
Buy-back of own shares	0	0
Dividends and other payments to equity holders	579	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	172	595
Interest paid	99	39
Other financing payments	0	0
Net cash generated by/(used in) financing activities	-3 150	-6 644
Total net cash flow	-13 808	-8 366
Change in cash balance as recognised in the balance sheet:		
change in cash balance caused by exchange rate differences	-13 808	-8 366
Cash at start of period	16 702	19 307
Cash at end of period:	2 894	10 942
cash of restricted use	300	33

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

for the period of 6 months from 1 January 2010 to 30 June 2010

in thousands of PLN

	Equity attributable to equity holders of parent										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	Minority interests	
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
Disposal of profit: retained earnings reserve	0	0	8 467	0	0	-8 467	0	0	0	0	0
Disposal of profit: dividend	0	0	0	0	0	-3 551	0	0	-3 551	-579	-4 130
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		783	0	783	839	1 622
Interim write-down of net profit	0	0	0	0	0	-1 035	0	0	-1 035	0	-1 035
As at 30 June 2010	1 183	140 175	46 867	-5 658	-54	296	783	0	183 592	2 728	186 320

in thousands of PLN

	Equity attributable to equity holders of parent										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	Minority interests		
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	1	0	0	0	1	0	1	
Disposal of profit: retained earnings reserve	0	0	6	0	-6	0	0	0	0	0	
Disposal of profit: Dividend	0	0	0	0	0	-3 551	0	-3 551	0	-3 551	
IMX company's exchange rate differences	0	0	0	0	0	0	0	0	0	0	
Profit /(loss) of previous year	0	0	9 043	0	1 559	-10 601	0	1	-995	-994	
Profit /(loss) of current year	0	0	0	0	0	5 682	0	5 682	439	6 121	
As at 30 June 2009	1 183	140 175	38 400	-54	1 298	5 682	0	186 684	3 101	189 785	

in thousands of PLN

Equity attributable to equity holders of parent											
	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	Minority interests	Total equity
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: retained 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	-1 918	-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	1 724	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