



harmony in
cooperation

QUARTERLY REPORT FOR I QUARTER OF 2011

Covering the period: from 2011-01-01 to 2011-03-31

QUMAK-SEKOM SA

94 Jerozolimskie Street
00-807 Warsaw

NIP: 524-01-07-036
REGON: 012877260

Table of contents

TABLE OF CONTENTS	2
A. FINANCIAL STATEMENT OF QUMAK-SEKOM SA PREPARED AT THE DAY OF MARCH 31, 2010.....	4
I. Selected financial data.....	4
II. Balance.....	5
III. Off-balance sheet entries	6
IV. Profit and Loss account.....	7
V. Statement of changes in equity.....	8
VI. Cash Flow Statement	10
B. ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK-SEKOM SA FOR I QUARTER OF 2011	12
I. Scope of activity.....	12
II. The Management and Supervisory Board membership.....	12
III. Basis of preparation and format of financial statement with comparable data	12
IV. Accounting policy.....	13
V. Continuity of accounting rules and comparability of financial statements	20
VI. Information regarding important changes in estimated values, including adjustments concerning reserves, reserves and assets from deferred corporate income tax.	20
VII. Description of significant achievements and failures of Qumak-Sekom SA during the I quarter of 2011, together with a list of the most important events concerning them.....	20
VIII. Description of factors and events, in particular non-specific, having a significant impact on achieved financial results.....	22
IX. Explanation of seasonality or cyclicity of the issuer's activity during the reporting period.....	23
X. Information concerning the issue, redemption and repayment of debt and equity securities	23
XI. Information on the dividends paid or declared, in total and per share, with division into ordinary and preference shares.	23
XII. Events that occurred after the day on which the report is drawn up, having an impact on future financial performance of the issuer.....	24
XIII. Changes in contingent liabilities or contingent assets that have occurred since the last financial year.....	24
C. OTHER ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK-SEKOM SA FOR I QUARTER OF 2011	25
I. Description of corporate group organization.....	25
II. Indication of effects of changes in composition of entity	25
III. Board position regarding implementation of the profit forecast for 2011	25

IV. Information about shareholders holding at least 5% of votes at General Meeting of Qumak-Sekom SA, together with changes in ownership of large blocks of shares during the period since submission of the previous semi-annual report.	25
V. Statement of changes in ownership of the issuer's shares or scope of rights to shares held by managers and supervisors of the issuer	26
VI. Information regarding proceedings instituted before a court or administrative authority	26
VII. Information regarding conducted by the issuer one or more transactions with associated entities, if they are relevant and have been concluded on other conditions than market ones.....	26
VIII. Information regarding granting by the issuer or its subsidiary a surety, credit, loan or guarantee – together to one entity – if the value of guarantee or sureties shall be equivalent to at least 10% of equity of the issuer.	26
IX. Other information which, according to the issuer, are important to assess its personnel, property, financial, financial result and their changes and information that are relevant for assessing feasibility of obligations of the issuer.	27
X. Factors that in an assessment of the issuer will have an impact on achieved results in at least the next quarter perspective	27

A. FINANCIAL STATEMENT OF QUMAK-SEKOM SA PREPARED AT THE DATE OF MARCH 31, 2011.

I. Selected financial data

SELECTED FINANCIAL DATA OF QUMAK-SEKOM SA	In PLN thousands		In EUR thousands	
	from 2011-01-01 to 2011-03-31	from 2010-01-01 to 2010-03-31	from 2011-01-01 to 2011-03-31	from 2010-01-01 to 2010-03-31
I. Net revenue from sales of products, materials	74.408	47.500	18.723	11.974
II. Profit (loss) from operation activities	2.998	150	754	38
III. Gross profit (loss)	3.568	788	898	199
IV. Net profit (loss)	2.838	574	714	145
V. Net cash flow in operating activities	-12.412	-5.507	-3.123	-1.388
VI. Net cash flow in investment activities	-243	-10.465	-69	-2.638
VII. Net cash flow in financial activities	-21	0	-5	0
VIII. Total net cash flow	-12.676	-15.972	-3.190	-4.026
IX. Total assets	156.551	115.932	39.022	30.017
X. Liabilities and provisions for liabilities	72.436	36.938	18.055	9.564
XI. Long-term liabilities	3.479	2.458	867	636
XII. Short-term liabilities	62.195	29.158	15.503	7.550
XIII. Equity	84.115	78.994	20.966	20.453
XIV. Initial capital	10.375	10.375	2.586	2.686
XV. Number of shares (in units)	10.375	10.375	10.375	10.375
XVI. Profit (loss) per share (in PLN / EUR)	1,6	1,26	0,40	0,32
XVII. Diluted profit (loss) per one common share (in PLN / EUR)	1,60	1,26	0,40	0,32
XVIII. Book value per one share (in PLN / EUR)	8,11	7,61	2,02	1,97
XIX. Diluted book value per one share (in PLN / EUR)	8,11	7,61	2,02	1,97
XX. Declared or cashed dividend per share (in PLN / EUR)	0,00	0,00	0,00	0,00

Principles of calculation of financial statements

Particular items of assets and liabilities in the balance sheet were converted according to the exchange rates applicable on the last day of the period:

Table A of average exchange rates no 63/A/NBP/2010 of 31-03-2010 EUR exchange rate 1 EUR = 3,8622

Table A of average exchange rates no 63/A/NBP/2011 of 31-03-2011 EUR exchange rate 1 EUR = 4,0119

Particular items of profit and loss account and statement on cash flow were converted in accordance with exchange rates representing an arithmetic mean of average rates published by Polish National Bank for EURO, applicable on the last day of each month in specific reporting period:

Arithmetic average of average exchange rates in NBP at the end of each month in period 01.01 - 31.03.2010 - 3,9669

Arithmetic average of average exchange rates in NBP at the end of each month in period 01.01 - 31.03.2011 - 3,9742

II. Balance

	In PLN thousands		
	As for 2011-03-31	As for 2010-12-31	As for 2010-03-31
ASSETS			
I. Fixed assets	15 722	14 923	12 533
1. Intangible and legal assets, including:	103	134	127
2. Goodwill	0	0	0
3. Subject fixed assets	5 728	5 960	6 150
4. Long-term liabilities:	8 190	6 975	5 187
a) from associated entities	0	0	0
b) from other entities	8 190	6 975	5 187
5. Long-term investments	0	0	0
5.1) real estate	0	0	0
5.2) intangible and legal assets	0	0	0
5.3) long-term financial assets	0	0	0
a) in associated entities, including	0	0	0
- shares in subordinated entities measured by equity ownership method	0	0	0
b) in other entities	0	0	0
6. Other long-term investments	0	0	0
7. Long-term prepayments	1 701	1 854	1 069
a) assets from deferred income tax	1 701	1 854	1 069
b) other prepayments	0	0	0
II. Working assets	140 829	156 570	103 399
1. Reserves	13 137	5 695	12 714
2. Short-term liabilities	117 014	127 845	64 879
a) from associated entities	0	0	0
b) from other entities	117 014	127 845	64 879
III. Short-term investments	9 031	21 706	24 695
1. Short-term financial assets	9 031	21 706	24 695
a) in associated entities	0	0	0
b) in other entities	490	489	18 488
c) cash means and other cash assets	8 541	21 217	6 207
d) other short-term investments	0	0	0
IV. Short-term prepayments	1 647	1 324	1 111
Assets in total	156 551	171 493	115 932
LIABILITIES			
I. Equity	84 115	81 277	78 994
1. Share capital	10 375	10 375	10 375
2. Unpaid rates on share capital (negative value)	0	0	0
3. Own shares (negative value)	0	0	0
4. Reserve capital	57 671	57 671	48 029
5. Capital from revaluation	0	0	0
6. Other reserve capitals	0	0	5 706

7. Profit (loss) from previous years	13 231	0	14 310
9. Net profit (loss)	2 838	13 231	574
10. Net profit write-offs during the financial year (negative value)	0	0	0
II. Liabilities and provisions for liabilities	72 436	90 216	36 938
1. Provisions for liabilities	317	305	534
a) provisions from deferred income tax	179	167	427
b) provisions for pensions and similar	138	138	107
- long-term	138	138	107
- short-term	0	0	0
c) other provisions	0	0	0
- long-term	0	0	0
- short-term	0	0	0
d) long-term liabilities	3 479	3 694	2 458
- to associated entities	0	0	0
- to other entities	3 479	3 694	2 458
e) short-term liabilities	62 195	77 482	29 158
- to associated entities	0	0	0
- to other entities	61 523	77 264	28 692
f) special funds	672	218	466
2. Prepayments	6 445	8 735	4 788
a) negative value of the company	0	0	0
b) other prepayments	6 445	8 735	4 788
- long-term	0	0	0
- short-term	6 445	8 735	4 788
Liabilities in total	156 551	171 493	115 932
Book value	84 115	81 277	78 994
Number of shares (in units)	10 375	10 375	10 375
Book value per share (in zlotys)	8,11	7,83	7,61
Diluted number of shares (in units)	10 375	10 375	10 375
Diluted book value per share (in zlotys)	8,11	7,83	7,61

III. Off-balance sheet entries

	In thousand zlotys		
	As for 2011-03-31	As for 2010-12-31	As for 2010-03-31
Contingent liabilities	0	0	0
From associated entities (for) guarantees and warranties received	0	0	0
From other entities (for) guarantees and warranties received	0	0	0
Contingent liabilities	0	0	0
For associated entities (for) guarantees and warranties given	0	0	0
For other entities (for) guarantees and warranties given	0	0	0
Other (for)	0	0	0
Off-balance sheet entries, in total	0	0	0

IV. Profit and Loss account

	In thousand zlotys	
	Period from 2011-01-01 to 2011-03-31	Period from 2010-01-01 to 2010-03-31
I. Net revenue from sales of products, goods and materials including:	74 408	47 500
- from associated entities	0	0
1. Net revenue from sales of products	68 598	42 060
2. Net revenue from sales of goods and materials	5 810	5 440
II. Cost of sold products, goods and materials including:	60 845	38 994
- to associated entities	0	0
1. Cost of production of sold products	56 002	34 400
2. Value of sold products and materials	4 843	4 594
III. Gross profit (loss) from sales	13 563	8 506
IV. Costs of sales	9 475	7 027
V. Costs of general management	3 131	2 846
VI. Profit (loss) from sales	957	-1 367
VII. Other operational revenues	2 130	1 576
1. Profit on disposal of non- financial fixed assets	22	4
2. Grants	0	0
3. Other operational revenues	2 108	1 572
VIII. Other operational costs	89	59
1. Loss on disposal of non-financial fixed assets	0	0
2. Revaluation of values of non-financial assets	0	0
3. Other operational costs	89	59
IX. Profit (loss) from operational activity	2 998	150
X. Financial revenues	591	639
1. Dividends and shares in profits, including:	0	0
- from associated entities	0	0
2. Interest, including:	126	119
- from associated entities	0	0
3. Profit from sale of investment	0	0
4. Revaluation of value of investment	0	0
5. Other	465	520
XI. Financial costs	21	1
1. Interest, including:	21	1
-for associated entities	0	0
2. Loss from sale of investment	0	0
3. Revaluation of value of investment	0	0
4. Other	0	0
XII. Profit (loss) from business activity	3 568	788
XIII. Result of extraordinary events	0	0
1. Extraordinary profits	0	0
2. Extraordinary losses	0	0
XIV. Gross profit (loss)	3 568	788
XV. Income tax	730	214
1. current part	565	0
2. deferred part	165	214
XVI. Other compulsory reductions in profit (loss increase)	0	0
XVII. Share in net profit (loss) of subordinated entities measured by ownership method	0	0
XVIII. Net profit (loss)	2 838	574

Net profit (loss) (annualized)	16 643	13 023
Weighted average number of shares (in units)	10 375	10 375
Profit (loss) per one share (in zlotys)	1,60	1,26
Weighted average diluted number of shares (in units)	10 375	10 375
Diluted profit (loss) per one share (in zlotys)	1,60	1,26

V. Statement of changes in equity

	In thousand zlotys		
	Period from 2010-01-01 to 2010-03-31	Period from 2009-01-01 to 2009-12-31	Period from 2009-01-01 to 2009-03-31
I. Equity at the beginning of period (BO)	81 277	78 420	78 420
- changes in adopted accounting rules (policy)	0	0	0
- correction of fundamental errors	0	0	0
I.a. Equity in the beginning of period (BO) reconciled with comparative data	81 277	78 420	78 420
1. Share capital in the beginning of period	10 375	10 375	10 375
1.1. Changes in share capital	0	0	0
a) increases (due to)	0	0	0
- shares (stocks) issue	0	0	0
b)) decreases (due to)	0	0	0
- redemption of shares (stocks)	0	0	0
1.2. Share capital at the end of period	10 375	10 375	10 375
2. Liabilities for share capital in the beginning of period	0	0	0
2.1. Changes in unpaid liabilities for share capital	0	0	0
a) increases (due to)	0	0	0
b) decreases (due to)	0	0	0
2.2. Payments due for share capital at end of period	0	0	0
3. Own shares in the beginning of period	0	0	0
3.1. Changes in own shares	0	0	0
a) increases (due to)	0	0	0
b) decreases (due to)	0	0	0
3.2. Own shares at the end of period	0	0	0
4. Reserve capital in the beginning of period	57 671	48 029	48 029
4.1 Changes in reserve capital	0	9 642	0
a) increases (due to)	0	9 642	0
- issue of shares above the nominal value	0	0	0
- from distribution of profit (statutory)	0	9 642	0
- from profit distribution (above the statutory minimum value)	0	0	0
b) decreases (due to)	0	0	0
- loss coverage	0	0	0
- share issue costs	0	0	0
4.2 Reserve capital at the end of period	57 671	57 671	48 029
5. Revaluation of capital measure in the beginning of period	0	0	0
- changes of adopted accounting rules (policy)	0	0	0
5.1. Changes in capital due to revaluation of value measurement	0	0	0
a) increases (due to)	0	0	0

b) decreases (due to)	0	0	0
- sale of fixed assets	0	0	0
5.2. Capital from revaluation of value measurement at the end of period	0	0	0
6. Other reserve capitals for the beginning of period	0	0	0
6.1. Changes in other reserve capitals	0	5 706	0
a) increases (due to)	0	5 706	0
- profit distribution	0	5 706	0
b) decreases (due to)	0	0	0
- dividend payment	0	5 706	0
6.2. Other reserve capitals for the end of period	0	0	5 706
7. Profit (loss) from previous years for the beginning of period	13 231	14 310	14 310
7.1. Profit from previous years for the beginning of period	13 231	14 310	14 310
- changes of adopted accounting rules (policy)	0	0	0
- correction of fundamental errors	0	0	0
7.2. Profit from previous years for the beginning of period after reconciliation with comparable data	13 231	14 310	14 310
a) increases (due to)	0	0	0
- distribution of profit from previous years	0	0	0
b) decreases (due to)	0	14 310	0
- coverage of loss from previous years	0	0	0
- dividend payment	0	4 669	0
- increase of reserve capital	0	9 641	0
- increase of other reserve capitals	0	0	0
7.3. Profit from previous years at the end of period	13 231	0	14 310
7.4. Loss from previous years in the beginning of period	0	0	0
- changes of adopted accounting rules (policy)	0	0	0
- correction of fundamental errors	0	0	0
7.5. Loss from previous years in the beginning of period, after reconciliation with comparable data	0	0	0
a) increases (due to)	0	0	0
- transfer of losses from previous years to cover	0	0	0
b) decreases (due to)	0	0	0
- coverage with profit from previous years	0	0	0
7.6. Loss from previous years at the end of period	0	0	0
7.7. Profit (loss) from previous years at the end of period	0	0	0
8. Net figure	2 838	13 231	574
a) net profit	2 838	13 231	574
b) net loss	0	0	0
c) net profit write-offs	0	0	0
II. Own capital at the end of period (BZ)	84 115	81 277	78 994
III. Share capital, after considering proposed profit distribution (loss coverage)	84 115	81 277	78 994

VI. Cash Flow Statement

	In thousand zlotys	
	Period from 2011-01-01 to 2011-03-31	Period from 2010-01-01 to 2010-03-31
A. Cash flows from operating activities		
I. Net profit (loss)	2 838	574
II. Corrections in total	-15 250	-6 081
1. Share in net profit (loss) of subordinated entities measured by ownership method	0	0
2. Depreciation	655	587
3. (Profits) losses due to differences in exchange rate	0	0
4. Interest and share in profits (dividends)	-105	-119
5. (Profits) losses due to investment activity	-24	-561
6. Change in reserves	12	-82
7. Change in stock	-7 441	-7 778
8. Change in liabilities	9 615	32 308
9. Change in short-term liabilities, excluding loans and credits	-15 503	-28 997
10. Change in prepayments	-2 459	-1 439
11. Other corrections	0	0
III. Net cash flows from operational activity (I+/-II)	-12 412	-5 507
B. Cash flows in investment activity		
I. Cash inflows	148	141
1. Disposal of intangible and legal and fixed assets	22	22
2. Disposal of investments in real estate and intangible and legal assets	0	0
3. From financial assets, including:	126	119
a) in associated entities	0	0
- disposal of financial assets	0	0
- dividends and share in profits	0	0
- repayment of long-term loans	0	0
- interest	0	0
- other cash inflows from financial assets	0	0
- other cash inflows from financial assets	0	0
b) in other entities	126	119
- disposal of financial assets	0	0
- dividends and share in profits	0	0
- payment of long-term loans	0	0
- interest	126	119
- other cash inflows from financial assets	0	0
- other cash inflows from financial assets	0	0
II. Expenses	391	10 606
1. Purchase of intangible and legal fixed assets	391	606
2. Investments in real estate and intangible and legal assets	0	0
3. For financial assets, including:	0	10 000
a) in associated entities	0	0
- purchase of financial assets	0	0
- long-term loans granted	0	0
b) in other entities	0	10 000
- purchase of financial assets	0	10 000
- long-term loans granted	0	0
4. Other investment expenses	0	0
III. Net cash flows from investment activities (I-II)	-243	-10 465
C. Cash flow in financial activity		
I. Cash inflows	0	0
1. Net cash inflows from issuance (issue) of shares and other equity instruments and additional funding	0	0
2. Credits and loans	0	0
3. Debt securities issuance	0	0
4. Other financial inflows	0	0

II. Expenses	21	0
1. Acquisition of (own) shares	0	0
2. Dividends and other payments to owners	0	0
3. Other, than payments to the owners, expenses due to profit distribution	0	0
4. Repayment of credits and loans	0	0
5. Redemption of debt securities	0	0
6. Due to other financial liabilities	0	0
7. Payment of financial lease liabilities	0	0
8. Interest	21	0
9. Other financial expenses	0	0
III. Net cash flows due to financial activity (I-II)	-21	0
D. Net cash flows, in total (A.III+/-B.III+/-C.III)	-12 676	-15 972
E. Balance sheet change in cash, including:	-12 676	-15 972
- change in cash due to exchange rate differences	0	0
F. Cash means in the beginning of period	21 217	22 179
G. Cash means at end of period (F+/-D), including:	8 541	6 207
- of restricted disposability	742	137

B. ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK-SEKOM SA FOR I QUARTER OF 2011

I. Scope of activity

Qumak-Sekom joint stock corporation with its headquarters in Warsaw, address: 94 Jerozolimskie Street, 00-807 Warsaw, operates in the computer-science sector. The company's activity is concentrated on integration market and it covers intelligent building systems, system integration, business applications, providing services of engineering maintenance and support and outsourcing of IT services.

The company provides complex services in the areas of computer systems development for companies in which the fundamental elements are computer systems security, software and related applications, hardware supplies and intelligent building systems.

The basic scope of activity of the Company according to Polish Classification of Activity is: wholesale trade (PKD 4690Z)

Qumak-Sekom SA was registered in Register of Entrepreneurs of National Court Register on 13.06.2001, under the number KRS:0000019455.

II. The Management and Supervisory Board membership

Management Board:

In the I quarter of 2011 there were no changes in the Management Board membership. On the day of 31 March 2011 it was consisting of the following members:

Paweł Jaguś	- President of the Board
Aleksander Plata	- Vice-president of the Board
Andrzej Swolkień	- Vice-president of the Board
Jan Goliński	- Vice-president of the Board

Supervisory Board

On the day of 31 March 2011 membership of the Supervisory Board was the following:

Rafał Twarowski	- Chairman of the Supervisory Board
Maciej Matusiak	- Vice-chairman of the Supervisory Board
Maciej Druto	- Member of the Supervisory Board
Piotr Gawryś	- Member of the Supervisory Board
Monika Hałupczak	- Member of the Supervisory Board

III. Basis of preparation and format of financial statement with comparable data

The quarterly report was drawn up pursuant to:

- the Accounting Act of September 29, 1994 (2002 Journal of Law no 76 item 694, with subsequent changes),
- regulations of the Minister of Finance of February 19, 2009, on current and periodic information provided by issuers of securities (2009 Journal of Law no 33 item 259).

Report for the I quarter of the year 2011 was prepared in the abbreviated version and consists of:

- selected explanatory data,
- financial statement of the Qumak-Sekom stock corporation (balance sheet, profit and loss account, statement of changes in equity, cash flow statement),
- other additional information.

Financial statement covers a 3-month period from January 1, 2011 to March 31, 2011.

For data presented in the balance sheet and off-balance sheet, there were presented comparable financial data on the day of March 31, and December 31, 2010.

For data presented in: profit and loss account, changes in equity and in cash flow statement, there were presented comparable financial data for the period from January 1, 2010 to March 31, 2010.

IV. Accounting policy

Pursuant to paragraph 3 item 1 point 9 of the Accounting Act the calendar year is considered the financial year.

Pursuant to paragraph 3 item 1 point 8 of the Accounting Act, the calendar month is considered as a reporting period. At the end of every reporting period a trial balance of the general ledger accounts is drawn up.

Record and allocation of operating expenses are kept according to sorts on accounts under group 4 and at the same time according to types of activities and functions on accounts under group 5, with further reference to the costs of products sold or the financial result.

Financial statements are drawn up using the profit and loss account by function of expenses.

Cash flow account, in the part concerning operating activity, is drawn up using indirect method, in the part concerning investment and financial activities - direct method.

Account books are kept using the computer technique based on the integrated financial and accounting program SYMFONIA created by SAGE Symfonia Sp. z o.o.

Methods of assets and liabilities valuation

1. Tangible and intangible and legal assets are covered by the analytical quantity and value register. They are valued according to acquisition prices or manufacturing cost decreased by depreciation and amortization write-offs in proportion to the period of their utilization, and also by the permanent impairment write-offs.

Fixed assets, intangible and legal assets with the initial value not higher than PLN 3,500 are amortized once, in the month following the month in which they were put into use.

Fixed assets, intangible and legal assets with the initial value of more than PLN 3,500 are amortized using the straight line method, starting from the month following the month in which they were put into use according to the following rules:

- computer software - 2 years,
 - other intangible and legal assets - 2 years,
 - computer equipment is amortized by tax rate,
 - means of transport are amortized by tax rate, and in case of used means of transport, for the first time introduced to records the increased rate of 2.0 applies,
 - other fixed assets according to tax rates.
2. Fixed assets under construction are valued according to real costs incurred for the construction, assembly, adjustment and improvement of future fixed assets, decreased by the permanent impairment write-offs.
3. Deferred income tax assets.
- Pursuant to intermediate differences between assets and liabilities value pointed in the books and their tax value and loss possible to deduct in the future, the entity makes provisions and sets deferred tax assets, whose taxpayer it is.
4. Stocks including materials, commercial goods, final products and production in progress are valued according to:
- a) raw materials and goods according to real purchase prices increased by duty in case of imports.

Expenditure in one year is valued according to the following principles:

- goods identified by serial numbers according to the purchase price of these goods;
 - materials and goods not identified by serial numbers according to the FIFO principle „first in, first out”.
- b) final products according to the real and direct manufacturing costs.
 - c) work in progress and semi-finished products are derived from completed phases of production destined for further processing or assembly of the finished products, and products in the course of preparation is production not completed, that are in the process of production.

The entity of valuation of semi and final products in compliance with manufacturing cost.

Products in progress that are not dedicated to be sold or to be devoted to the capital items in construction, with expected completion up to 3 months, are valued at their actual cost of manufacture.

The estimated value of semi-finished products and work in progress on balancing date cannot be higher than net selling price of the assets intermediate products.

In the case of devaluation of intermediate products and production in progress the entity made it's write-down to the net selling prices possible to reach. Writes-offs and revaluation of final and semi products value are included in the sold products manufacturing costs.

Profits for the service in progress, which realization time is longer than six months, is estimated on balance date proportionally to realization degree as in case the service

was made to significant degree on balance date. Service realization degree is estimated basing on advancement of works. Profits for the service in progress is estimated by basing on as multiplication of total contract value and the degree of its implementation. This amount does not exceed the cost of implementation of the contract plus a corresponding degree of service part of the planned margin.

5. National receivables are valued at nominal value determined at origination.

Receivables in foreign currencies at balancing date are valued at the average exchange rate set for given currency by the National Bank of Poland.

On balance date the receivables and claims are indicated in the value corrected by revaluation write-offs in the following cases:

- brought before the court – 100% write-off;
- receivables from entities in liquidation – 100% write-off;
- receivables that have been overdue over 1 year - 100% write-off.

6. Short-term financial assets are priced at market value. Results of the differences between the priced value at the balancing day and the acquisition price regard revenues or financial costs.

Domestic cash is valued at nominal value.

Cash in foreign currencies at the balancing day is valued at the average exchange rate set for a given currency by the National Bank of Poland.

7. Primary capital (share capital) is valued at the nominal value, pursuant to the entry in the National Court Register.

Reserve capital is priced at the nominal value resulting from capital increases and decreases.

Capital from revaluation is priced at nominal value resulting from capital increases and decreases.

8. Provisions for liabilities include:

a) provisions for retirement benefits valued at the balancing day are estimated according to the formula of actuary pricing (anticipated unit authorities) pursuant to the benefit value, the number of overworked years and the number of years to the retirement age.

b) provision for deferred income tax.

Provision for deferred income tax is created at the amount of income tax payable in the future in relation to the occurrence of positive temporary differences.

Positive temporary differences are the differences that will increase the tax base to count income tax in the future.

Reserves for deferred income tax generally are made in the following cases:

- accountable inflows due to interest on loans - in the books they are reported in accordance with the accrual basis of accounting, and tax is included in the time of payment,
- accountable late payment of interest on debt, which interest was not yet received,
- accountable unrealized exchange rate gains, determined by the balance sheet valuation of cash, shares and securities,
- accelerate tax depreciation (including the use of incentives in the form of investment or one-time write-off) when the asset is depreciated by applying a higher rate of tax than that used for accounting purposes,
- balance sheet revaluation of fixed assets, the use of depreciation for tax purposes does not take into account revaluation,
- margin for the valuation of long-term contracts.

9. Domestic liabilities are priced in the amount requiring payment.

Liabilities in foreign currencies at the balance day are valued at the average rate set for a given currency by the National Bank of Poland.

10. Special funds include:

The Company Social Benefits Fund is created pursuant to the provisions of the Act of the Company Social Benefits Fund of 4th March 1994 based on planned employment and revised to the medium year level of employment.

The Fund is used for employees in the funding and financing services to various forms of recreation, cultural and educational activities, sports and recreation, provision of material assistance - in kind or financial, to provide feedback or non-repayable assistance for housing purposes. The command of the Fund is based on the Rules of Procedure ZFŚS.

Inventory

Assets and liabilities shown in account books at the balancing day are covered by inventory:

- a) the physical inventory
 - fixed assets – once every 4 years
 - materials, goods and products – as of 31st December
 - production in progress – as of balance day
 - cash in hand – as of 31st December
- b) balance confirmation
 - cash at bank and bank credits – as of 31st December
 - settlements with recipients and suppliers – every year in the IV quarter
- c) verification of balances
 - the other assets and liabilities – as of 31st December

Profit and loss account

1. Net revenues from the sale of goods and products include amounts due on this account from the recipients, decreased by the value added tax due. The transfer of goods to the recipient, or reception of the service by them, is considered the moment of sale. Revenues from sales are accrued for the reporting periods they concern.
2. Costs of operating activity include the value of sold products, goods and materials priced at the production costs or acquisition prices, increased by the overall general costs of management and sales incurred from the beginning of the financial year. Costs include VAT only in that part, in which according to the provisions in force, this tax is not subject to deduction.

Costs are included in the period they concern, regardless of the day when the invoice was received or the payment made.

3. Other revenues and operating costs include revenues and costs not related directly to the Company's normal activity, but having an influence on the financial result.

Revenues include:

- gain on disposal of non-financial fixed assets;
- grants, subventions and additional payments;
- gain from liquidation of fixed assets;
- surpluses of fixed and current assets, which source of origin was not established;
- negative goodwill write-offs;
- received compensations and contractual penalties;
- written off, outdated or abandoned liabilities;
- non-utilized reserves for future costs and losses;
- decrease of liability revaluation write-offs;
- remuneration of the tax payer;
- assets received free of charge;

Costs include:

- loss on disposal of the non-financial fixed assets;
- write-offs on account of loss of value of non-financial assets;
- net value of liquidated fixed assets;
- depreciation of goodwill;
- revaluation write-offs of stocks of tangible current assets as a result of depreciation of their value-in-use or commercial value;
- value of the elements of assets transferred free of charge and of cash;
- non-culpable shortages and damages to elements of property, not resulting from random events;
- costs of removal of damages to the elements of property;
- paid contractual compensations;
- costs of legal and execution proceedings;
- unjustified indirect costs;
- provisions created for probable costs and losses in operating activities;
- revaluation write-offs of liabilities.

4. Revenues and financial costs include revenues and costs of financial operations.

Revenues include:

- received dividends and shares in the profits of the other companies;
- gained and accrued interest on assets on bank accounts (excluding interest on assets of the Company Social Benefits Fund), on loans granted, deposits, bid securities, on delay in the payment of receivables, on securities;
- gain on disposal of investments;
- increase in the investment value;
- positive exchange rate differences;
- release of created reserves in the encumbrance of financial operations costs;

Costs include:

- paid and accrued interest and commissions on incurred credits and loans and for delay in the payment of liabilities;
- loss on disposal of investments;
- decrease in the value of investment;
- negative exchange rate differences;
- creation of reserves for certain and probable costs and financial losses;
- surplus of issuance costs or increase of share capital, above the difference between the issue value and the nominal value of shares sold;

5. Extraordinary items include the value of events that are difficult to predict, in addition to the activities of the company and not associated with overall risk of that activity.

Extraordinary gains include:

- received compensations for the loss or damage to the fixed and current assets as a result of random events,
- revenues from the sale of elements of property damaged due to random events.

Extraordinary losses include:

- net value of fixed and current assets lost or damaged due to random events;
- costs of removal of random events' effects.

6. Compulsory charges on financial result includes income tax for corporation calculated in accordance with the Law of 15 February 1992 on income tax from legal persons from the gross profit balance adjusted by:

- income not taxable and costs which are not costs from income acquired,
- reduction of income tax by assets due to deferred income tax,
- increase in income tax by the reserve created for deferred income tax.

7. Net financial result is set according to the provisions of the accounting act as a difference of revenues, costs and obligatory encumbrances of financial result.

Changes in methods of assets and liabilities valuation

In the year 2011 no changes has been made in methods of assets and liabilities valuation.

Rules for conversion of financial data for EUR

Euro exchange rate for the calculation of position in the Profit and Loss Account.

Arithmetic average of average exchange rates of EUR in NBP for period 01.01-31.03.2010		
Table	month	EUR exch. rate
20/A/NBP/2010 of 29.01.2010	January	4.0616
40/A/NBP/2010 of 26.02.2010	February	3.9768
63/A/NBP/2010 of 31.03.2010	March	3.8622

Average EUR exchange rate	3.9669
---------------------------	---------------

The highest exchange rate in the period 01.01-31.03.2010	4.1109
The lowest exchange rate in the period 01.01-31.03.2010	3.8622

Arithmetic average of average exchange rates of EUR in NBP for period 01.01.-31.03.2011		
Table	month	EUR exch. rate
20/A/NBP/2011 of 31.01.2011	January	3.9345
40/A/NBP/2011 of 28.02.2011	February	3.9763
63/A/NBP/2011 of 31.03.2011	March	4.0119

Average EUR exchange rate	3.9742
---------------------------	---------------

The highest exchange rate in the period 01.01-31.03.2011	4.0800
The lowest exchange rate in the period 01.01-31.03.2011	3.8403

Euro exchange rate for the calculation of balance sheet items:

- Average exchange rate for EUR in NBP of 31.03.2010. Table 63/A/NBP/2010 - 3.8622
- Average exchange rate for EUR in NBP of 31.03.2011. Table 63/A/NBP/2011 - 4.0119

Financial statement contains only unitary data, because Qumak-Sekom SA does not consist of internal organizational units which draw up their own financial statements.

V. Continuity of accounting rules and comparability of financial statements

Financial statement for the I quarter of 2011 ensures the comparability of data and was not subject to conversion.

Qumak-Sekom SA draws up the financial statement on the basis of provisions contained in the Accounting Act of 29th September 1994. Due to the fact, that the company does not draw up consolidated financial statements, a separate financial statement in accordance with MRS has not been drawn up.

VI. Information regarding important changes in estimated values, adjustments concerning reserves, reserves and assets from deferred corporate income tax.

In accordance with provisions of the Accounting Act there was created at the day of 31.03.2011 a settlement position of long-term contracts and works in progress of 21.400 thousand zlotys (incomes) and 22.559 thousand zlotys (costs). During the I quarter of 2011 there was resolved the position of long-term contracts established at 31.12.2010 in the amount of 30.810 thousand zlotys (income), 30.815 thousand zlotys (costs).

During the I quarter 2011 the Company did not create reserves, but resolved reserves for:

- bonuses for employees and management board (1.972 thousand zlotys),

As for 31.03.2011 assets due to deferred income tax was 1.701 thousand zlotys, and reserve due to deferred income tax was 179 thousand zlotys.

VII. Description of significant achievements and failures of Qumak-Sekom SA during the IV quarter of 2010, together with a list of the most important events concerning them

In the end of the I quarter of 2011 the company has the greatest in its history package of signed to implementation and in realization agreements (so called back log) bringing over 289 million zlotys (including realized sales in the I quarter). Forecasted period of realization of these projects is the year 2011 and 2012.

In the I quarter of 2011, the Company achieved profit from sales on the level of 74,408 thousand zlotys in comparison with 47,500 thousand zlotys in analogical period of the previous year. It achieved also net profit amounting to 2,838 thousand zlotys comparing to net profit in I quarter of 2010 on the level of 574 thousand zlotys.

It is the best result in the history of the company, to be achieved in the I quarter of the financial year.

In the I quarter of 2011, the Company informed about conclusions or annexes to significant contracts described below and other agreements that are important to its activity.

- Agreement concluded with Warbud SA on 4 January 2011.

Subject of this Agreement is a comprehensive execution of electric, energy and telecommunication installations for Office-Laboratory and Exhibition-Conference buildings during completion of expansion of the Pomorski Park of Science and Technology in Gdynia-

stage III and IV. The investor of this project is the Municipality of Gdynia, Gdynia Innovation Centre Budget Unit. The Agreement was concluded on 4 January 2011. The Agreement is dated on 6 December 2010.

For executing the subject of Agreement a lump sum remuneration was set at the maximum amount of 12 474.000,00 PLN. In case of non-performance of all works specified by the contract, the remuneration shall be appropriately reduced.

The date of completing the subject of Agreement is set on 15 July 2012.

➤ Agreement concluded with Erbud SA on 26 January 2011.

Subject of the Agreement is performance of works: electrical power, telecommunication and navigational illumination for the II category. Works shall be performed as a part of construction of the air part of the Warsaw Airport - Modlin.

For executing the subject of Agreement a lump sum remuneration amounting to PLN 14,263,000.00 net was set.

The deadline of completing the subject of Agreement was set at 15 February 2012.

➤ Agreement concluded with Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna and Powszechny Zakład Ubezpieczeń Spółka Akcyjna on 26 January 2011.

Subject of the Agreement is performance of IT support services (Service Desk) and implementation of the organizational solutions applied for Service Desk.

The agreement is effective starting from 1 January 2011 and was concluded for the period of 36 months.

Remuneration for the execution of the contract will depend on the amount of services delivered, nonetheless the Issuer estimates that the value of the contract while its duration exceeds the equivalent of 10% of equity of the Issuer.

➤ Agreement concluded among Polimex-Mostostal SA and a consortium of companies Qumak-Sekom SA (leader of consortium) and Integra S.C. M. Sajkiewicz, M.Lenart on 18 January 2011.

Subject of the Agreement is performance of works consisting of installation of CCTV IP system and stadium television system at the entire stadium, structural cabling and RTV, integrated ticket sales and control system, warning sound system, audio video system for conference rooms, and sound amplifying at the field and western podium, within the frames of construction of Football Stadium "Wisła" named after H. Reyman in Krakow.

For execution of the Agreement subject a lump sum remuneration was determined in the amount of PLN 19.759.636,90 net. The completion date of works was set on 10 March 2011.

Moreover, simultaneously the same business entities entered into an agreement concerning performance of fire alarm system and desmoking control, as well as security systems (CCTV, IDS – Intrusion Detection System, access control) in facilities of Wisła Krakow stadium. The lumps sum remuneration for execution of these works was set in the amount of PLN 2.740.363,10 net.

Qumak-Sekom informed about receiving the order for execution of works, covered by the subject of both above mentioned agreements, with the current report no 47/2020 of 9th December 2010.

These are next works commissioned to the Consortium as a part of construction of this sports facility, carried out by Polimex-Mostostal on request of Krakow Municipality. Earlier the Consortium performed works at Eastern, Northern and Southern podium of Wisła Krakow Stadium, information about this was presented in the current report no 40/2010 of 31st August 2010.

- Agreements concluded among the Permanent Representation of the Republic of Poland to the European Union and a consortium of companies Entreprises Jacques Delens SA and Qumak-Sekom SA.

In the period of past 12 months the Issuer, being a member of a consortium, concluded with the Permanent Representation of the RP to the EU three agreements dated on 24.01.2011, 16.02.2011 and 7.03. 2011. All agreements are associated with the project of reconstruction, modernization and equipping of the building located at Rue Stevin 139 in Brussels to become an office building for the needs of the Permanent Representation of the Republic of Poland to the European Union, carried out on the basis of the agreement of 5th March 2010 (the Issuer announced its conclusion by current report no 8/2010 of 5th March 2010). They concern performing supplementary works, necessary for the proper completion of the works included in the agreement of 5th March 2010. Total value amounts to 2.445.567,53 Euro net.

Contract of the highest value among those mentioned above is the Agreement concluded on 7.03.2011. Remuneration for performing additional supplementary works under the Rue Stevin 139 project, covered by this Agreement, is worth not more than 1.980.418,18 Euro net and ultimately will depend on detailed settlement of the executed works. Realization of the subject of Agreement shall take place on 31st March 2011.

Total value of agreements concluded between the Permanent Representation of RP to the EU and the consortium within last 12 months exceeds 10% of Qumak-Sekom SA equity, what constitutes a recognition of described above agreements as substantial.

- Annex no 2 to the Agreement with the Ministry of Foreign Affairs concluded on 1 March 2010.

Subject of this Agreement is implementation of telecom services.

With annex no 2, dated on 15 March 2011, the scope of works to perform by the Company was expanded, and their value is estimated at around 4 million zlotys net. Conclusion of the Annex is a result of obtaining by the Company individual interpretation of the Ministry of Finance concerning taxation of works performed in real estate located outside the country, which are not VAT tax burdened. Total gross remuneration for executing the subject of the Agreement did not undergo any change and it amounts to maximum 31,984,793.92 zlotys, also it shall depend on detailed settlement of performed works. Conclusion of above-mentioned Agreement the Company announced with current report no 7/2010 of 2 March 2010.

Other essential conditions of the contract remain unchanged.

VIII. Description of factors and events, in particular non-specific, having a significant impact on achieved financial results.

In the presented period no extraordinary events having significant influence on the company's financial performance occurred.

IX. Explanation of seasonality or cyclicity of the issuer's activity during the reporting period

During the calendar year, the only period showing deviations from the average is the IV quarter, in which every year there is realized higher sale than in other quarters. In addition, the Company's activity was not a subject to seasonal or cyclical fluctuations in the period presented.

X. Information concerning the issue, redemption and repayment of debt and equity securities

In the presented period the Company did not issue or realize redemption or payment of any securities.

XI. Information on the dividends paid or declared, in total and per share, with division into ordinary and preference shares

On April 26, 2011, the Management Board of the Company adopted a resolution in which it decided to recommend to the Supervisory Board of the Company, and to follow it by putting forward the request to General Meeting concerning payment of dividends in the amount of 10.375.082 zlotys, which is 1 zloty per share.

According to above-mentioned resolution of the Management Board, a profit for financial year 2010 in the amount of 13,231,012.62 zlotys (in words: thirteen million two hundred thirty one thousands twelve zlotys sixty two grosz) shall be divided in the following way:

1. part of the net profit in financial year 2010 in the amount of 10,375,082.00 zlotys (in words: ten million three hundred seventy five thousands eighty two zlotys) shall be allocated for the dividend for Qumak-Sekom S.A. shareholders.

2. remaining part of the net profit in financial year 2010 in the amount 2,855,930.62 zlotys (in words: two million eight hundred fifty five thousands nine hundred thirty zlotys) shall be allocated for reserve capital.

On its meeting on May 5, 2011, the Supervisory Board expressed a positive opinion on the request of Management Board concerning the proposition of profit division, what was shown by adoption of resolution no VI/04/11 of 5 May 2011. Simultaneously, the Supervisory Board recommended the General Meeting to adopt a resolution concerning division of profit complying with Management Board proposition.

XII. Events that occurred after the day on which the report is drawn up, having an impact on future financial performance of the issuer

There was no such events.

XIII. Changes in contingent liabilities or contingent assets that have occurred since the last financial year

The Company has no contingent assets.

The Company under the business records is obliged by some contracts to submission in the form of bank or insurance bid warranty, good performance of works guarantee, warranty of removal of defects and faults.

As for 31.03.2011 there were active :

- good performance of works guarantee amounting to 20.639 thousand zlotys
- warranty for removal of defects and faults amounting to 17.151 thousand zlotys
- warranty for bid bond amounting to 2.512 thousand zlotys
- tenant guarantee amounting to 147 thousand euro.

C. OTHER ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK-SEKOM SA FOR I QUARTER OF 2011

I. Description of corporate group organization

Qumak-Sekom SA has no subordinate entities and does not create a corporate group.

II. Indication of effects of changes in composition of entity

In the reporting period in Qumak-Sekom SA there were no changes in the structure of the unit. There was also no transactions in financial assets.

III. Board position regarding implementation of the profit forecast for 2011

The Management Board of the Company did not provide results forecast for 2011.

IV. Information about shareholders holding at least 5% of the votes at General Meeting of Qumak-Sekom SA, together with changes in ownership of large blocks of shares during the period since submission of the previous semi-annual report

Capital of the Company at the date of publication of the report for the first quarter of 2011 amounts to 10.375.082 zlotys and is divided into 10.375.082 shares, which correspond to 10.375.082 votes at the General Meeting Qumak-Sekom SA.

The shareholding structure at the date of the report for the first quarter of 2011

To the knowledge of the Company, the shareholders' structure did not undergo any changes in comparison with data valid on the publication day of report for the IV quarter of 2010. On the day of report for the first quarter of 2011 shareholders who directly or indirectly through subsidiaries owned at least 5% of the total number of votes at the General Meeting of the Company were:

Shareholder	Number of shares	Share in capital in %	Number of votes	Share in total number of votes on GM in%
Aviva Investors Poland SA	994.785	9,59%	994.785	9,59%
Including: - CU Specjalistyczny FIO Subfundusz CU Akcyjny	574.807	5,54%	574.807	5,54%
Legg Mason Zarządzanie Aktywami SA	956.710	9,22%	956.710	9,22%
Including: Legg Mason Akcji FIO	843.008	8,13%	843.008	8,13%

OFE PZU „Złota Jesień”	847.814	8,17%	847.814	8,17%
ING Otwarty Fundusz Emerytalny	593.757	5,72%	593.757	5,72%

V. Statement of changes in ownership of the issuer's shares or scope of rights to shares held by managers and supervisors of the issuer

The state of Qumak Sekom shares owned by members of the Management and Supervisory Board at the date of submission of the report for the I quarter of 2011, in comparison with the state on the date of submission of the report for the IV quarter of 2011 is as follows:

Management Board	Status as for submission of report for IV quarter of 2010	Status as for submission of report for I quarter of 2011	Change of status
Paweł Jaguś	322.000	322.000	0
Aleksander Plata	383.381	383.381	0
Andrzej Swolkień	344.038	344.038	0
Jan Goliński	313.062	313.062	0

Members of Supervisory Board hold no shares of Qumak-Sekom SA

VI. Information regarding proceedings instituted before a court or administrative authority

In the reporting period there were not instituted any proceedings before the court or administrative bodies.

VII. Information regarding conducted by the issuer one or more transactions with associated entities, if they are relevant and have been concluded on other conditions than market ones

The Company has no affiliated entities.

VIII. Information regarding granting by the issuer or its subsidiary a credit, loan or guarantee – together to one entity – if the value of the guarantee or sureties shall be equivalent to at least 10% of equity of the issuer.

During the I quarter of 2011, the Company has not provided guarantees, loan guarantees or loans with a value exceeding the equivalent of at least 10% of its equity.

IX. Other information which, according to the issuer, are important to assess its personnel, property, financial, financial results and their changes and information that are relevant for assessing feasibility of obligations of the issuer

Qumak-Sekom S.A. in a Consortium with Elektrobudowa S.A. (leader of Consortium) and a Company "AGAT" S.A. implements and low voltage and electrical works at the National Stadium, on the basis of an agreement concluded on January 7, 2010. Works are carried out on order from the Consortium of Alpine Construction Polska Sp. z o.o. and Hydrobudowa Polska S.A.

A consortium with participation of Qumak-Sekom for several months led negotiations on the conclusion with the Alpine Construction and Hydrobudowa annex addressing all aspects of changes that occurred during the execution of the contract, namely: introduction of replacement executive documentation and arising from this fact necessity to carry out additional and replacement works, changing the schedule of execution of works and its adjustment to the schedule of other contractors, as well as the investor's needs (Narodowe Centrum Sportu - NCS), in conjunction with the need to carry out the 2011 events preceding the Euro 2012 football tournament

Negotiations led to agreement on the content of mutually satisfactory annex. This annex has been initiated, and Alpine Construction and Hydrobudowa applied to the NCS for permission to sign it.

Currently Qumak-Sekom expects a return of a copy of Annex signed by all parties.

There are no other information relevant for the evaluation of personnel, property, financial and earnings in the I quarter of 2011 in addition to information presented above and in previous paragraphs.

X. Factors that in an assessment of the issuer will have an impact on achieved results in at least the next quarter perspective

Improvement in the macroeconomic situation in the world, and a moderate economic growth in Poland, allow to expect a better time than in the two previous years. Final works on objects associated with stadiums and the infrastructure necessary to host the European Championships in 2012, the emphasis on the use of the EU funds, improvement in currency markets and the emerging investment optimism allow to believe that results throughout the 2011 should be at least at the same levels as in previous years.