

QUARTERLY REPORT

FOR IV QUARTER OF 2013

covering the period: from 2013-01-01 to 2013-12-31

QUMAK S.A.

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Table of Contents

A. FINANCIAL STATEMENT OF QUMAK S.A. PREPARED AT 30 SEPTEMBER 2013.....	4
I. SELECTED FINANCIAL DATA.....	4
II. BALANCE SHEET.....	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 S.A. FOR IV QUARTER OF 2013	12
I. GENERAL INFORMATION.....	12
II. MEMBERSHIP OF MANAGEMENT AND SUPERVISORY BOARD.....	12
III. BASIS FOR PREPARATION AND FORMAT OF FINANCIAL STATEMENT AND COMPARABLE DATA.....	13
IV. ACCOUNTING POLICY.....	13
V. CONTINUITY OF ACCOUNTING POLICY AND COMPARABILITY OF FINANCIAL REPORTS.....	20
VI. INFORMATION ON SIGNIFICANT CHANGES IN ESTIMATED VALUES INCLUDING CORRECTIONS DUE TO RESERVES, RESERVE AND ASSETS DUE TO DEFERRED INCOME TAX.....	20
VII. DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS AND FAILURES OF QUMAK S.A. DURING IV QUARTER 2013 TOGETHER WITH THE MOST IMPORTANT EVENTS RELATED TO THEM	20

VIII. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR NON-SPECIFIC, THAT HAD A SIGNIFICANT IMPACT ON ACHIEVED FINANCIAL RESULTS.....	25
IX. EXPLANATION OF SEASONALITY OR CYCLICALITY OF THE ISSUER'S ACTIVITY IN THE REPORTING PERIOD.....	25
X. INFORMATION CONCERNING WRITE-OFFS OF RESERVES TO POSSIBLE TO OBTAIN NET VALUE AND REVERSAL OF WRITE-OFFS.....	25
XI. INFORMATION ON WRITE-OFFS DUE TO VALUE LOSS OF FINANCIAL ASSETS, TANGIBLE FIXED ASSETS, INTANGIBLE ASSETS, OR OTHER ASSETS AND REVERSAL OF THESE WRITE-OFFS.....	25
XII. INFORMATION ON CREATION, INCREASE, USE, AND DISSOLUTION OF RESERVES.....	26
XIII. INFORMATION ON RESERVES AND ASSETS DUE TO DEFERRED INCOME TAX.....	27
XIV. INFORMATION ON SIGNIFICANT TRANSACTIONS OF PURCHASE AND SALE OF FIXED TANGIBLE ASSETS.....	27
XV. INFORMATION ON SIGNIFICANT LIABILITIES DUE TO PURCHASE OF FIXED TANGIBLE ASSETS.....	27
XVI. INFORMATION ON SIGNIFICANT SETTLEMENTS DUE TO COURT CASES.....	27
XVII. INDICATING CORRECTIONS OF MISTAKES FROM PREVIOUS PERIODS.....	27
XVIII. INFORMATION ON CHANGE IN ECONOMIC SITUATION AND CONDITIONS OF CONDUCTING ACTIVITY, WHICH SIGNIFICANTLY INFLUENCE FAIR VALUE OF ENTITY'S FINANCIAL ASSETS, DESPITE THE FACT WHETHER THESE ASSETS AND LIABILITIES ARE INCLUDED IN A FAIR VALUE OR CORRELATED TO THE PRICE OF PURCHASE (AMORTIZED COST).....	27
XIX. INFORMATION ON NON-PAID CREDIT OR LOAN, OR BREACH OF SUBSTANTIAL RESOLUTIONS OF CREDIT OR LOAN AGREEMENT, WITH REGARD TO WHICH THERE WERE NO CORRECTION ACTIONS TAKEN TILL THE END OF REPORTING PERIOD.....	27
XX. INFORMATION ON CONCLUDING BY THE ISSUER OR SUBORDINATED ENTITY, ONE OR MORE TRANSACTIONS WITH RELATED ENTITIES, IF INDIVIDUALLY OR AS WHOLE ARE SIGNIFICANT AND WERE CONCLUDED ON OTHER CONDITIONS THAN MARKET ONES	27

XXI. INFORMATION ON CHANGE IN WAY (METHOD) OF ESTIMATING FAIR VALUE OF FINANCIAL INSTRUMENTS.....	28
XXII. INFORMATION CONCERNING CHANGE IN CLASSIFICATION OF FINANCIAL ASSETS RESULTING FROM AIM OR USE OF THESE ASSETS.....	28
XXIII. INFORMATION CONCERNING ISSUE, REDEMPTION AND PAYMENT OF DEBT AND CAPITAL SECURITIES.....	28
XXIV. INFORMATION CONCERNING PAID OR DECLARED DIVIDEND, IN TOTAL AND IN CALCULATION PER ONE SHARE, WITH DIVISION INTO ORDINARY AND PREFERENCE SHARES.....	28
XXV. EVENTS THAT TOOK PLACE AFTER THE REPORTING DAY, AND INFLUENCING FUTURE FINANCIAL RESULTS OF THE ISSUER.....	28
XXVI. CHANGES OF CONTINGENT LIABILITIES OR CONTINGENT ASSETS, THAT TOOK PLACE AFTER THE END OF LAST FINANCIAL YEAR.....	29
XXVII. INFORMATION THAT CAN SIGNIFICANTLY INFLUENCE EVALUATION OF PROPERTY AND FINANCIAL SITUATION AND FINANCIAL RESULT OF THE ISSUER.....	30

C. OTHER ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK S.A. FOR IV QUARTER 2013 31

I. SELECTED FINANCIAL DATA.....	31
II. DESCRIPTION OF CORPORATE GROUP ORGANIZATION.....	31
III. INDICATION OF EFFECTS OF CHANGES IN COMPOSITION OF ENTITY.....	32
IV. BOARD POSITION REGARDING IMPLEMENTATION OF THE PROFIT FORECAST FOR 2013	32
V. INFORMATION ABOUT SHAREHOLDERS HOLDING AT LEAST 5% OF THE VOTES AT GENERAL MEETING OF QUMAK S.A., TOGETHER WITH CHANGES IN OWNERSHIP OF LARGE BLOCKS OF SHARES DURING THE PERIOD SINCE SUBMISSION OF THE PREVIOUS SEMI-ANNUAL REPORT.....	32
VI. STATEMENT OF CHANGES IN OWNERSHIP OF THE ISSUER'S SHARES OR SCOPE OF RIGHTS TO SHARES HELD BY MANAGERS AND SUPERVISORS OF THE ISSUER	33
VII. INFORMATION REGARDING PROCEEDINGS INSTITUTED BEFORE COURT OR ADMINISTRATIVE AUTHORITY	34
VIII. 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 STANDARDS..... 34

IX. INFORMATION REGARDING GRANTING BY THE ISSUER OR ITS SUBSIDIARY A 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..... 34

X. OTHER INFORMATION WHICH, ACCORDING TO THE ISSUER, IS 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 35

XI. FACTORS THAT IN AN ASSESSMENT OF THE ISSUER WILL HAVE AN IMPACT ON ACHIEVED RESULTS IN AT LEAST THE NEXT QUARTER PERSPECTIVE.....35

A. FINANCIAL STATEMENT OF QUMAK S.A. PREPARED AS OF 31 SEPTEMBER 2013.

I. Selected financial data

SELECTED FINANCIAL DATA OF QUMAK S.A.	In PLN thousands		In EUR thousands	
	from 2013-01-01 to 2013-12-31	from 2012-01-01 to 2012-12-31	from 2013-01-01 to 2013-12-31	from 2012-01-01 to 2012-12-31
I. Net revenue from sales of products, materials	539 547	482 579	128 128	115 627
II. Profit (loss) from operation activities	7 739	11 743	1 838	2 814
III. Gross profit (loss)	9 583	13 159	2 276	3 153
IV. Net profit (loss)	7 295	10 389	1 732	2 489
V. Net cash flow in operating activities	15 497	34 146	3 680	8 181
VI. Net cash flow in investment activities	-2 859	-512	-679	-123
VII. Net cash flow in financial activities	-21 475	1 666	-5 100	399
VIII. Total net cash flow	-8 837	35 300	-2 099	8 458
IX. Total assets	235 966	283 615	56 898	69 374
X. Liabilities and provisions for liabilities	152 269	189 057	36 716	46 245
XI. Long-term liabilities	7 140	6 895	1 722	1 687
XII. Short-term liabilities	113 321	137 960	27 325	33 746
XIII. Equity	83 697	94 558	20 182	23 129
XIV. Initial capital	10 375	10 375	2 502	2 538
XV. Number of shares (in units)	10 375	10 375	10 375	10 375
XVI. Profit (loss) per share (in PLN / EUR)	0.70	1.00	0.17	0.24
XVII. Diluted profit (loss) per one common share (in PLN / EUR)	0.70	1.00	0.17	0.24
XVIII. Book value per one share (in PLN / EUR)	8.07	9.11	1.95	2.23
XIX. Diluted book value per one share (in PLN / EUR)	8.07	9.11	1.95	2.23
XX. Declared or cashed dividend per share (in PLN / EUR)	0.00	1.40	0.00	0.34

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. 252/A/NBP/2012 of 30-12-2012 EUR exchange rate 1 EUR = 4.0882

Table A of average exchange rates no. 252/A/NBP/2013 of 30-12-2013 EUR exchange rate 1 EUR = 4.1472

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 the Polish National Bank for EUR, applicable on the last day of each month in specific reporting period:

Arithmetic average of average exchange rates in NBP at the end of every month in period 01.01 - 31.12.2012 - 4,1736

Arithmetic average of average exchange rates in NBP at the end of every month in period 01.01 - 31.12.2013 – 4,211

II. Balance sheet

	In PLN thousands			
	As of 2013-12-31	As of 2013-09-30	As of 2012-12-31	As of 2012-12-31
ASSETS				
I. Fixed assets	12 901	10 468	13 914	13 914
1. Intangible and legal assets, including:	70	62	58	58
2. Goodwill	0	0	0	0
3. Subject fixed assets	6 497	5 920	4 694	4 694
4. Long-term liabilities:	957	1 064	6 409	6 409
a) from associated entities	0	0	0	0
b) from other entities	957	1 064	6 409	6 409
5. Long-term investments	1 380	0	0	0
5.1) real estate	0	0	0	0
5.2) intangible and legal assets	0	0	0	0
5.3) long-term financial assets	1 380	0	0	0
a) in associated entities, including	0	0	0	0
- shares in subordinated entities measured by equity ownership method	0	0	0	0
b) in other entities	1 380	0	0	0
6. Other long-term investments	0	0	0	0
7. Long-term prepayments	3 997	3 422	2 753	2 753
a) assets from deferred income tax	3 997	3 422	2 753	2 753
b) other prepayments	0	0	0	0
II. Working assets	223 065	186 519	269 701	269 701
1. Reserves	12 182	16 777	7 883	7 883
2. Short-term liabilities	171 836	113 224	212 603	212 603
a) from associated entities	0	0	0	0
b) from other entities	171 836	113 224	212 603	212 603
III. Short-term investments	37 674	55 203	46 416	46 416
1. Short-term financial assets	37 674	55 203	46 416	46 416
a) in associated entities	0	0	0	0
b) in other entities	370	323	275	275
c) cash means and other cash assets	37 304	54 880	46 141	46 141
d) other short-term investments	0	0	0	0
IV. Short-term prepayments	1 373	1 315	2 799	2 799
Assets in total	235 966	196 987	283 615	283 615
LIABILITIES				
I. Equity	83 697	77 625	94 558	94 558
1. Share capital	10 375	10 375	10 375	10 375
2. Unpaid rates on share capital (negative value)	0	0	0	0
3. Own shares (negative value)	0	0	0	0
4. Reserve capital	66 027	66 027	66 013	66 013
5. Capital from revaluation	0	0	0	0
6. Other reserve capitals	0	0	7 781	7 781
7. Profit (loss) from previous years	0	0	0	0
9. Net profit (loss)	7 295	1 223	10 389	10 389
10. Net profit write-offs during the financial year (negative value)	0	0	0	0
II. Liabilities and provisions for liabilities	152 269	119 362	189 057	189 057

Quarterly report for the IV quarter 2013 – Financial statement

1. Provisions for liabilities	980	1 137	773	773
a) provisions from deferred income tax	670	856	495	495
b) provisions for pensions and similar	310	281	278	278
- long-term	310	281	278	278
- short-term	0	0	0	0
c) other provisions	0	0	0	0
- long-term	0	0	0	0
- short-term	0	0	0	0
d) long-term liabilities	7 140	6 636	6 895	6 895
- to associated entities	0	0	0	0
- to other entities	7 140	6 636	6 895	6 895
e) short-term liabilities	113 321	82 694	137 960	137 960
- to associated entities	0	0	0	0
- to other entities	113 321	81 903	137 554	137 554
Including credits and loans	4 663	7 709	7 987	7 987
f) special funds	372	791	406	406
2. Prepayments	30 828	28 895	43 429	43 429
a) negative value of the company	0	0	0	0
b) other prepayments	30 828	28 895	43 429	43 429
- long-term	0	0	0	0
- short-term	30 828	28 895	43 429	43 429
Liabilities in total	235 966	196 987	283 615	283 615
Book value	83 697	77 625	94 558	94 558
Number of shares (in items)	10 375	10 375	10 375	10 375
Book value per share (in PLN)	8.07	7.48	9.11	9.11
Diluted number of shares (in items)	10 375	10 375	10 375	10 375
Diluted book value per share (in PLN)	8.07	7.48	9.11	9.11

III. Off-balance sheet entries

	In thousand PLN			
	As for 2013-12-31	As for 2013-09-30	As for 2012-12-31	As for 2012-12-31
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 PLN			
	Period from 2013-10-01 to 2013-12-31	Period from 2013-01-01 to 2013-12-31	Period from 2012-10-01 to 2012-12-31	Period from 2012-01-01 to 2012-12-31
I. Net revenue from sales of products, goods and materials including:	189 556	539 547	193 259	482 579
- from associated entities	0	0	0	0
1. Net revenue from sales of products	181 571	524 680	183 477	425 187
2. Net revenue from sales of goods and materials	7 985	14 867	9 782	57 392
II. Cost of sold products, goods and materials including:	161 881	459 139	161 260	411 386
- to associated entities	0	0	0	0
1. Cost of production of sold products	155 054	446 438	152 575	361 947
2. Value of sold products and materials	6 827	12 701	8 685	49 439
III. Gross profit (loss) from sales	27 675	80 408	31 999	71 193
IV. Costs of sales	14 689	52 438	12 021	43 934
V. Costs of general administration	2 785	12 678	3 383	13 033
VI. Profit (loss) from sales	10 201	15 292	16 595	14 226
VII. Other operational revenues	522	4 101	473	4 033
1. Profit on disposal of non- financial fixed assets	75	313	1	73
2. Grants	0	0	0	0
3. Other operational revenues	447	3 788	472	3 960
VIII. Other operational costs	4 282	11 654	5 624	6 516
1. Loss on disposal of non-financial fixed assets	0	0	0	0
2. Revaluation of values of non-financial assets	391	6 960	2 836	3 137
3. Other operational costs	3 891	4 694	2 788	3 379
IX. Profit (loss) from operational activity	6 441	7 739	11 444	11 743
X. Financial revenues	1 232	2 363	426	1 648
1. Dividends and shares in profits, including:	0	0	0	0
- from associated entities	0	0	0	0
2. Interest, including:	311	1 394	313	1 148
- from associated entities	0	0	0	0
3. Profit from sale of investment	0	0	0	0
4. Revaluation of value of investment	921	969	-3	0
5. Other	0	0	116	500
XI. Financial costs	-155	519	51	232
1. Interest, including:	53	173	44	122
-for associated entities	0	0	0	0
2. Loss from sale of investment	0	0	0	0
3. Revaluation of value of investment	0	0	7	7
4. Other	-208	346	0	103
XII. Profit (loss) from business activity	7 828	9 583	11 819	13 159
XIII. Result of extraordinary events	0	0	0	0
1. Extraordinary profits	0	0	0	0
2. Extraordinary losses	0	0	0	0
XIV. Gross profit (loss)	7 828	9 583	11 819	13 159
XV. Income tax	1 756	2 288	2 404	2 770
1. current part	2 517	3 358	3 869	3 869
2. deferred part	-761	-1 070	-1 465	-1 099
XVI. Other compulsory reductions in profit (loss increase)	0	0	0	0
XVII. Share in net profit (loss) of subordinated	0	0	0	0

entities measured by ownership method				
XVIII. Net profit (loss)	6 072	7 295	9 415	10 389
Net profit (loss) (annualized)	6 072	7 295	10 639	10 389
Weighted average number of shares (in units)	10 375	10 375	10 375	10 375
Profit (loss) per one share (in PLN)	0.59	0.70	1.03	1.00
Weighted average diluted number of shares (in units)	10 375	10 375	10 375	10 375
Diluted profit (loss) per one share (in PLN)	0.59	0.70	1.03	1.00

V. Statement of changes in equity

	In thousand zloty			
	Period from 2013-10-01 to 2013-12-31	Period from 2013-01-01 to 2013-12-31	Period from 2012-10-01 to 2012-12-31	Period from 2012-01-01 to 2012-12-31
I. Equity at the beginning of period (BO)	77 625	94 558	85 144	84 170
- changes in adopted accounting rules (policy)	0	0	0	0
- correction of fundamental errors	0	0	0	0
I.a. Equity at the beginning of period (BO) reconciled with comparative data	77 625	94 558	85 144	84 170
1. Share capital at the beginning of period	10 375	10 375	10 375	10 375
1.1. Changes in share capital	0	0	0	0
a) increases (due to)	0	0	0	0
- stocks (shares) issue	0	0	0	0
b)) decreases (due to)	0	0	0	0
- redemption of stocks (shares)	0	0	0	0
1.2. Share capital at the end of period	10 375	10 375	10 375	10 375
2. Liabile rates for share capital at the beginning of period	0	0	0	0
2.1. Changes in unpaid rates for share capital	0	0	0	0
a) increases (due to)	0	0	0	0
b) decreases (due to)	0	0	0	0
2.2. Payments due for share capital at end of period	0	0	0	0
3. Own shares at the beginning of period	0	0	0	0
3.1. Changes in own shares	0	0	0	0
a) increases (due to)	0	0	0	0
b) decreases (due to)	0	0	0	0
3.2. Own shares at the end of period	0	0	0	0
4. Reserve capital at the beginning of period	66 027	66 013	66 013	60 527
4.1 Changes in reserve capital	0	14	0	5 486
a) increases (due to)	0	14	0	5 486
- issue of shares above the nominal value	0	0	0	0
- from distribution of profit (statutory)	0	14	0	5 486
- profit distribution (above the statutory minimum value)	0	0	0	0
b) decreases (due to)	0	0	0	0
- loss coverage	0	0	0	0

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Quarterly report for the IV quarter 2013 – Financial statement

- share issue costs	0	0	0	0
4.2 Reserve capital at the end of period	66 027	66 027	66 013	66 013
5. Revaluation of capital measure at the beginning of period	0	0	0	0
- changes of adopted accounting rules (policy)	0	0	0	0
5.1. Changes in capital due to revaluation of value measurement	0	0	0	0
a) increases (due to)	0	0	0	0
b) decreases (due to)	0	0	0	0
- sale of fixed assets	0	0	0	0
5.2.Capital from revaluation of value measurement at the end of period	0	0	0	0
6. Other reserve capitals for the beginning of period		0	7 781	0
6.1. Changes in other reserve capitals	0	0	0	7 781
a) increases (due to)	0	0	0	7 781
- profit distribution	0	0	0	7 781
b) decreases (due to)	0	0	0	0
- dividend payment	0	0	0	0
6.2. Other reserve capitals for the end of period	0	0	7 781	7 781
7. Profit (loss) from previous years for the beginning of period	0	0	0	13 268
7.1. Profit from previous years for the beginning of period	0	10 389	0	13 268
- changes of adopted accounting rules (policy)	0	0	0	0
- correction of fundamental errors	0	0	0	0
7.2. Profit from previous years for the beginning of period after reconciliation with comparable data	0	0	0	13 268
a) increases (due to)	0	0	0	0
- distribution of profit from previous years	0	0	0	0
b) decreases (due to)	0	0	0	13 267
- coverage of loss from previous years	0	0	0	0
- dividend payment	0	0	0	
- increase of reserve capital	0	0	0	5 486
- increase of other reserve capital	0	0	0	7 781
7.3. Profit from previous years at the end of period	0	0	0	0
7.4. Loss from previous years at the beginning of period	0	0	0	0
- changes of adopted accounting rules (policy)	0	0	0	0
- correction of fundamental errors	0	0	0	0
7.5. Loss from previous years at the beginning of period, after reconciliation with comparable data	0	0	0	0
a) increases (due to)	0	0	0	0
- transfer of losses from previous years to cover	0	0	0	0
b) decreases (due to)	0	0	0	0
- coverage with profit from previous years	0	0	0	0
7.6. Loss from previous years at the end of	0	0	0	0

Quarterly report for the IV quarter 2013 – Financial statement

period				
7.7. Profit (loss) from previous years at the end of period	0	0	0	0
8. Net figure	7 295	7 295	10 389	10 389
a) net profit	7 295	7 295	10 389	10 389
b) net loss	0	0	0	0
c) net profit write-offs	0	0	0	0
II. Own capital at the end of period (BZ)	83 697	83 697	94 558	94 558
III. Share capital, after considering proposed profit distribution (loss coverage)	83 697	83 697	80 033	80 033

VI. Cash Flow Statement

	In thousand zloty			
	Period from 2013-10-01 to 2013-12-31	Period from 2013-01-01 to 2013-12-31	Period from 2012-10-01 to 2012-12-31	Period from 2012-01-01 to 2012-12-31
A. Cash flows from operating activities				
I. Net profit (loss)	6 072	7 295	9 415	10 389
II. Corrections in total	-19 488	8 202	3 831	23 757
1. Depreciation	611	2 252	569	2 541
2. (Profits) losses due to differences in exchange rate	-785	-739	1 632	1 153
3. Interest and share in profits (dividends)	-258	-1 221	-262	-1 019
4. (Profits) losses due to investment activity	-997	-1 259	1	-57
5. Change in reserves	-157	206	-394	-1 037
6. Change in stock	4 596	-4 298	5 408	-942
7. Change in liabilities	-58 507	46 218	-85 076	-27 425
8. Change in short-term liabilities, excluding loans and credits	34 709	-20 538	65 533	37 721
9. Change in prepayments	1 300	-12 419	16 420	12 822
10. Other corrections	0	0	0	0
III. Net cash flows from operational activity (I+/-II)	-13 416	15 497	13 246	34 146
B. Cash flows in investment activity				
I. Cash inflows	387	1 720	315	1 222
1. Disposal of intangible and tangible fixed assets	76	326	2	74
2. Disposal of investments in real estate and intangible and legal assets	0	0	0	0
3. From financial assets, including:	311	1 394	313	1 148
a) in associated entities	0	0	0	0
- disposal of financial assets	0	0	0	0

Qumak S.A.

Quarterly report for the IV quarter 2013 – Financial statement

- dividends and share in profits	0	0	0	0
- repayment of long-term loans	0	0	0	0
- interest	0	0	0	0
- other cash inflows from financial assets	0	0	0	0
b) in other entities	311	1 394	313	1 148
- disposal of financial assets	0	0	0	0
- dividends and share in profits	0	0	0	0
- payment of long-term loans	0	0	0	0
- interest	311	1 394	313	1 148
- other cash inflows from financial assets	0	0	0	93
- other cash inflows from financial assets	0	0	0	0
II. Expenses	1 673	4 579	32	1 734
1. Purchase of intangible and tangible fixed assets	1 167	4 073	32	1 734
2. investments in real estate and intangible and legal assets	0	0	0	0
3. For financial assets, including:	506	506	0	0
a) in associated entities	0	0	0	0
- purchase of financial assets	0	0	0	0
- long-term loans granted	0	0	0	0
b) in other entities	506	506	0	0
- purchase of financial assets	506	506	0	0
- long-term loans granted	0	0	0	0
4. Other investment expenses	0	0	0	0
III. Net cash flows from investment activities (I-II)	-1 286	-2 859	283	-512
C. Cash flow in financial activity				
I. Cash inflows	2 875	2 875	1 788	1 788
1. Net cash inflows from issuance (issue) of shares and other equity instruments and additional funding	0	0	0	0
2. Credits and loans	2 875	2 875	1 788	1 788
3. Debt securities issuance	0	0	0	0
4. Other financial inflows	0	0	0	0
II. Expenses	5 749	24 350	44	122
1. Acquisition of own shares	0	0	0	0

Quarterly report for the IV quarter 2013 – Financial statement

2. Dividends and other payments to owners	0	18 156	0	0
3. Other, than payments to the owners, expenses due to profit distribution	0	0	0	0
4. Repayment of credits and loans	5 969	6 021	0	0
5. Redemption of debt securities	0	0	0	0
6. Due to other financial liabilities	0	0	0	0
7. Payment of financial lease liabilities	0	0	0	0
8. Interest	53	173	44	122
9. Other financial expenses	0	0	0	0
III. Net cash flows due to financial activity (I-II)	-2 874	-21 475	1 744	1 666
D. Net cash flows, in total (A.III+/-B.III+/-C.III)	-17 576	-8 837	15 273	35 300
E. Balance sheet change in cash, including:	-17 576	-8 837	15 273	35 300
- change in cash due to exchange rate differences	0	0	0	0
F. Cash means at beginning of period	54 880	46 141	30 868	10 841
G. Cash means at end of period (F+/-D), including:	37 304	37 304	46 141	46 141
- of restricted access	-263	485	-285	446

B. ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK S.A. FOR IV QUARTER OF 2013

I. General information

Company : Qumak Spółka Akcyjna
Headquarters : 02-305 Warszawa, Al. Jerozolimskie 136
Phone no : (022) 519-08-00
Fax : (022) 519-08-33
Tax Identification Number (NIP) : 524-01-07-036
National Economy Register (REGON) : 012877260
Polish Classification of Activities (PKD): 4690Z
KRS no.: 0000019455

Company's branches/local offices:

Branch in Crakow, ul. Kobierzyńska 2
Local office in Bielsko-Biała, ul. 11 Listopada 60/62
Local office in Gdańsk, ul. Trzy Lipy 3

Branches of the Company are not self-balancing branches and local offices. The Company does not jointly prepare a financial statement.

II. The Management and Supervisory Board membership

Management Board:

In the IV quarter of 2013 there were no changes in the Management Board membership.

On the day of 31 December 2013 it was consisting of the following members:

Paweł Jaguś	- President of the Board
Aleksander Plata	- Vice President of the Board
Jacek Suchenek	- Member of the Board

Supervisory Board

Membership of the Supervisory Board remained unchanged in the IV quarter of 2013 and on the day of 31 December 2013 was the following:

Marek Michałowski	- Chairman of the Supervisory Board
Jan Pilch	- Vice Chairman of the Supervisory Board
Monika Hałupczak	- Member of the Supervisory Board
Maciej Matusiak	- Member of the Supervisory Board
Wojciech Włodarczyk	- 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 29 September 1994 (Journal of Laws of 2002 no. 76 item 694, with subsequent changes),

Quarterly report for the IV quarter 2013 – Additional information

- regulations of the Minister of Finance of 19 February 2009, on current and periodic information provided by issuers of securities (Journal of Laws of 2009 no. 33 item 259).

Report for the IV quarter of the year 2013 was prepared in the abbreviated version and consists of:

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

Financial statement covers a 12-month period from 1 January 2013 to 31 December 2013.

For the data presented in the balance sheet and off-balance sheet, there were presented comparable financial data on the day of 31 December 2012.

For the data presented in the: profit and loss account, changes in equity and in cash flow statement, there were presented comparable financial data for the period from 1 January 2012 to 31 December 2012.

IV. Accounting policy

Pursuant to Article 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 kinds 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 Ltd.

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. Write-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.

At 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 for over half a 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 4 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 31 December
- production in progress – as of balance day
- cash in hand – as of 31 December

b) balance confirmation

- cash at bank and bank credits – as of 31 December
- settlements with recipients and suppliers – every year in the IV quarter

c) verification of balances

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 after-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;
- amortization 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 2012 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 01.01-31.12.2012		
Table	month	EUR exchange rate
21/A/NBP/2012 of 31.01.2012	January	4.2270
42/A/NBP/2012 of 29.02.2012	February	4.1365
64/A/NBP/2012 of 30.03.2012	March	4.1616
84/A/NBP/2012 of 30.04.2012	April	4,1721
105/A/NBP/2012 of 31.05.2012	May	4.3889
125/A/NBP/2012 of 29.06.2012	June	4.2613
147/A/NBP/2012 of 31.07.2012	July	4.1086
169/A/NBP/2012 of 31.08.2012	August	4.1838
189/A/NBP/2012 of 28.09.2012	September	4.1138
212/A/NBP/2012 of 31.10.2012	October	4.1350
233/A/NBP/2012 of 30.11.2012	November	4.1064
252/A/NBP/2012 of 31.12.2012	December	4.0882

Average EUR exchange rate	4.1736
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The highest exchange rate in the period 01.01-31.12.2012	4.5135
The lowest exchange rate in the period 01.01-31.12.2012	4.0465

Arithmetic average of average exchange rates of EUR in NBP for period 01.01.-31.12.2013		
Table	month	EUR exchange rate
22/A/NBP/2013 of 31.01.2013	January	4.2270
42/A/NBP/2013 of 28.02.2013	February	4.1365
63/A/NBP/2013 of 29.03.2013	March	4.1616
84/A/NBP/2013 of 30.04.2013	April	4.1721
104/A/NBP/2013 of 31.05.2013	May	4.3889
124/A/NBP/2013 of 28.06.2013	June	4.2613
147/A/NBP/2013 of 31.07.2013	July	4.1086
168/A/NBP/2013 of 30.08.2013	August	4.1838
189/A/NBP/2013 of 30.09.2013	September	4.1138
212/A/NBP/2013 of 31.10.2013	October	4.1350
231/A/NBP/2013 of 29.11.2013	November	4.1064
251/A/NBP/2013 of 31.12.2013	December	4.0882

Average EUR exchange rate	4.2110
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The highest exchange rate in the period 01.01-31.12.2013	4.3432
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The lowest exchange rate in the period 01.01-31.12.2013	4.0671
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Euro exchange rate for the calculation of balance sheet items:

- Average exchange rate for EUR in NBP of 31.12.2012 Table 252/A/NBP/2012 - 4.0882
- Average exchange rate for EUR in NBP of 31.12.2013. Table 251/A/NBP/2013 - 4.1472

Financial statement contains only unitary data, because Qumak S.A. 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 IV quarter of 2012 ensures the comparability of data and was not subject to conversion.

Qumak S.A. draws up the financial statement on the basis of provisions contained in the Accounting Act of 29 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 as deferred corporate income tax.

In accordance with provisions of the Accounting Act there was created at the day of 31.12.2013 settlement position of long-term contracts and works in progress of PLN 55,390 thousand (incomes) and PLN 52,193 thousand (costs). During the IV quarter of 2013 there was resolved a position of long-term contracts established at 30.09.2013 in the amount of PLN 44,450 thousand (income), PLN 40,173 thousand (costs).

During IV quarter 2013 the Company created reserves for:

- Bonuses for employees and management board (PLN 3,500 thousand),
- Warranty repairs (PLN 1,516 thousand),
- Balance research (PLN 27 thousand),
- Difficult to collect receivables (PLN 426 thousand),
- Retirement severance pay (PLN 29 thousand).

In the IV quarter a part of vacation reserves was dissolved (PLN 49 thousands), as well as reserves for warranty repairs (PLN 105 thousands), for liabilities (PLN 22 thousand), and discount on products in warehouse (PLN 34 thousand).

As for 31.12.2013 assets due to deferred income tax amounted to PLN 3,997 thousand, and reserve due to deferred income tax amounted to PLN 670 thousand.

VII. Description of significant achievements and failures of Qumak S.A. during the IV quarter of 2013, together with the list of the most important events concerning them

Quarterly report for the IV quarter 2013 – Additional information

On the day of report the Company holds portfolio of orders signed to be performed and under performance amounting to PLN 540 million. Period of performance is 2014 and 2015.

In the IV quarter of 2013 the Company has achieved income from sales at the level of PLN 189,556 thousand in comparison the level of PLN 193,259 thousand in the corresponding period past year. There was realized net profit in the amount of PLN 6,072 thousand in comparison to the amount of PLN 9,415 thousand in the IV quarter of 2012.

In the IV quarter of 2013 the Company informed about concluding or amendments to substantial agreements described below and other substantial agreements for its operation.

- Concluding an agreement between a consortium Qumak S.A. with Przedsiębiorstwo Budowy Dróg i Mostów Sp. z o.o. and “Rzeszów-Jasionka” Airport Limited Liability Company on 20 September 2013.

Subject of this Agreement is reconstructing and expanding a navigation lighting system in Rzeszów-Jasionka Airport – constructing lighting of central axis and ground floor zone of airport runway. The project is co-funded by the European Union from the means of the European Fund for Regional Development within frames of the Regional Operational Program of the Subcarpathian Voivodship for years 2007-2013.

For executing the subject of the Agreement there was set a remuneration amounting to PLN 10,794,078.91 net.

Deadline for realization of the subject of this Agreement was set as of 15 May 2014.

- Amendment to the multi-purpose line of credit Agreement concluded with BNP Paribas Polska S.A.

On 1 October 2013 the Company received a signed copy of settlement in the form of Amendment to the multi-purpose line of credit Agreement of 13 October 2010. This Agreement was concluded with BNP Paribas Polska S.A. (previously Fortis Bank) with seat in Warsaw at ul. Suwak 3.

Concluding this settlement (dated as of 20 September 2013) is related to altering an amount of the loan limit, providing a loan for current period of granting a loan, altering of collateral for repayment of loan, and altering additional resolutions of the multi-purpose line of credit Agreement of 13 October 2010 (the Company informed about its conclusion in a current report no. 41/2010 of 14 October 2010). As a result of introducing these amendments there was set a consolidated text of the Agreement, whose significant conditions the Company provides below.

Loan limit was set to a maximum value of PLN 30,000,000.00.

Period of crediting: since 15 October 2021.

Current period of providing a loan to 1 October 2014.

Agreement sets allowed loan forms, limits of particular loan forms, and limits of use of particular currencies. And so:

- for a loan on current account limit of loan exposure set in the Agreement is 10,000,000.00 PLN and interest is based on WIBOR (Warsaw Interbank Offered Rate) for three-month deposits increased by bank margin.
- for a revolving credit facility limit of loan exposure is USD 2,000,000.00 and interest is based on LIBOR (London Interbank Offer Rate) for three-month deposits increased by bank margin.
- for guarantee limit of loan exposure is PLN 20,000,000.00.

Collateral for repayment of loan is an open note together with a note declaration, statement of execution, assignment of receivables from existing and future contracts of the Company of a value not lower than PLN 5,000,000.00 per quarter and assignment of a set amount for collateral. Moreover, the Company is obliged to conduct 80% of incomes from sales resulting from its business activity through the means of current accounts held in the bank.

- Order placed by Qumak S.A. in Arrow ECS Sp. z o.o. on 27 September 2013

Total value of orders placed in Arrow ECS Sp. z o.o. within the period of last 12 months exceeds the equivalent of 10% of the Company's equity, what constitutes for considering them as substantial.

Order of the highest value from among placed in Arrow ECS Sp. z o.o. within the above period is the order of 27 September 2013 of value of PLN 5,303,945.63 net. Subject of the above mentioned order is purchase of hardware and services of Oracle for the needs of realized by the Company contracts, in particular ISOK project (Informatyczny System Osłony Kraju).

- Agreement concluded with IT Projects Center (CPI) on 14 October 2013

Subject of the Agreement is determining conditions for granting and realization of orders concerning delivery of hardware with elements enabling its proper installation and use, as well as licenses for standard software, to increase efficiency of ePUAP system, its capacity, availability and security.

Electronic Platform of Public Administration Services (ePUAP) is a national electronic platform serving as means of communication between citizens and public administration units in a uniform standard way. Among services offered by ePUAP there is also a Confidential Profile, enabling submitting electronic letters effectively without the necessity to use an electronic signature.

This agreement is a framework agreement. Qumak is one out of four entities which, on the basis of proceedings, was qualified to carry out the above-mentioned tasks and to enter into the framework agreement.

On the ground of this Agreement the IT Projects Center can grant detailed orders to the total amount of PLN 26,346,882.89 gross within the period of its validity, but not

Quarterly report for the IV quarter 2013 – Additional information

longer than within the period of 36 months from the date of its signing, provided that the Framework agreement expires on 31 July 2014, in case when after this period realization of the ePUAP2 project is not prolonged and the ordering party will not have an authorization to execute the framework agreement.

Amount provided in the Agreement is only an approximate amount and sets the top limit of liabilities that the ordering party may reach on the basis of this agreement. Detailed orders will be realized according to the needs of the ordering party.

The ordering party shall set orders' scope within a public detailed contract awarding procedure, inviting qualified contractors to submit their offers.

- Agreement concluded with the Social Insurance Company (ZUS) on 23 October 2013

Subject of this Agreement is expansion of currently used by ZUS hardware infrastructure, through delivery and installation of hardware and software (including servers and disk arrays), necessary to migrate data bases of “Usługi Kancelaryjne” together with a warranty until 31 May 2016.

For performing the subject of the Agreement there was set a remuneration amounting to PLN 8,377,407.00 gross.

Deadline for realization of hardware delivery was set within 6 weeks, and performing installation and configuration of software within 2 months of the date of signing the agreement.

- Entering into an Agreement with Międzynarodowy Port Lotniczy im. Jana Pawła II Kraków-Balice Sp. z o.o. on 15 November 2013.

Subject matter of this Agreement is designing, delivery and assembly of system of transport and luggage check at an international air terminal in Krakow-Balice provided with related services and executing of construction works. Project is co-funded by the Operational Programme Infrastructure and Environment (OPI&E).

A net remuneration of PLN 55,793,850.00 was set for performing the subject matter of the Agreement.

Deadline to finish the subject matter of the agreement was set to 30 January 2015.

- Agreement concluded between the Social Insurance Company (ZUS) and a consortium including Qumak S.A. (in the role of the leader of a consortium) and Advatech Sp. z o.o. on 20 December 2013

Subject of the Contract is modernization of owned by ZUS devices of input – output subsystem of Central Computer Unit (disk arrays and tape libraries) and providing warranty services to modernized elements and subsystems of Mainframe environment together with a guaranteed twenty-four hours repair time.

Total remuneration for performing the subject of the Contract shall not exceed PLN 14,199,981.00 gross and will be settled for services actually realized.

In accordance to the Contract the delivery of subsystems will take place within a period of 10 calendar days and services of installation and configuration within 4 months from the date of concluding the Contract.

- Agreement concluded with Telekomunikacja Polska S.A. on 29 November 2013.

Subject of this Contract is performing by the Company services within the users service for Telekomunikacja Polska S.A. (later referred to as "TP"), in accordance with a set process of inquiries service, in particular Service Desk and Field Support in all TP and PTK locations (Polska Telefonia Komórkowa – Centertel Sp. z o.o.), or a subject indicated by TP. The Contract was concluded due to the fact that Qumak is an expert within the area of outsourcing, including the area of Call Center, and TP wants to use the Company's services, as well as its knowledge and experience within the mentioned scope.

Due to realization of the subject of Contract, the performer will be granted a monthly remuneration settled on the basis of actual, realized during every month services. Management Board of Qumak S.A. estimates that the remuneration for performing the subject of the Contract will reach PLN 10,000,000.00 net per year.

The Contract was concluded for an indefinite period of time and Qumak undertook to begin performing services starting from 1 February 2014.

- Substantial agreement for performing and funding a project concluded with the National Centre for Research and Development on 23 December 2013.

Contract concerns performing and funding a project realized within the frames of pilot study undertaking named "DEMONSTRATOR+ Supporting scientific research and development works in demonstration scale". The Company is in the role of the leader of consortium in the Contract, which includes the following entities: IKKU Sp. z o.o., Railway Institute, Military University of Technology.

Subject of the contract is executing "a modern demonstrator simulator for railway vehicles operators, increasing efficiency and safety of their performance", co-funded by the Center within the frames of the abovementioned undertaking. As a part of the project's performance there will be executed a locomotive simulator and there will be created methodology of conducting on it trainings and exercises for machine operators among others within driving fast speed passenger trains. Period of performing the project is 36 months and its deadline was set for 30 November 2016.

Total cost of performing the project is PLN 13,090,451. In the Contract the Centre undertakes to grant a funding for performing the project in the amount of PLN 8,241,586.

- Entering into an investment agreement concerning taking up shares of Madkom S.A.

On 28 October 2013 there was made an investment agreement with Madkom S.A.

Quarterly report for the IV quarter 2013 – Additional information with its registered office in Gdynia. Because of invalid adoption of the resolution of Madkom S.A. Management Board on 28 October 2013 concerning increase of Company's equity by issuance of series D shares within the target equity (lack of notarial deed), was replaced with a contract of 4 December 2013, where legal ground is a Management Board's resolution of 21 November 2013.

Under the Agreement Madkom S.A. shall issue till the end of the year 2013 series D shares in the amount of 4.600.000 items at face value of PLN 0.1, and Qumak S.A. declares to take them up at the amount of PLN 0.11 per share. Madkom S.A. is obliged to bring series D shares to be issued on the market New Connect until the end of the year 2013.

Moreover, the Agreement provides that Qumak has the right to order Madkom S.A. to issue next 10.000.000 items to be taken up by Qumak within 18 months from the day of issuing the series D shares. In case the above circumstances take place Qumak shall inform in a separate report.

Taking up shares mentioned in this Agreement aims at developing co-operation between companies, as well as bettering their market position. Madkom S.A. acts in the area of providing software to self-government offices and public administration offices, optimizing work of the offices within the flow of documentation, budget management and systems of access to public services.

Simultaneously, on 28 October 2013 there was concluded an agreement concerning taking up Madkom S.A. shares. The Agreement covers taking up by Qumak S.A. series D shares issued in the amount of 4.600.000, issued on the basis of a resolution of Management of Madkom S.A. of 28 October 2013, within the frames of a target capital excluding the preemptive right, as described in Article 431 paragraph 2 point 1 commercial companies code by way of a private subscription. Taken up shares shall be in a dematerialized form.

As a result of registering by the District Court Gdańsk-Północ in Gdańsk, 8th Commercial Division of the National Court Register, on 18 December 2013 increasing share capital of Madkom S.A. Qumak S.A. held 4.600.000 shares of the Company's shares being 9.98% of initial capital and entitling to 4.600.000 votes on general meeting being 9.98% of the total number of votes on general meeting.

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 write-offs of reserves to possible to obtain net value and reversal of write-offs

At the end of 2013 there was performed an update of warehouse stock and in accordance with internal regulations of the Company goods that were there longer than 6 months were reevaluated. As a result of reevaluation in the year 2013 the current reserve was increased by PLN 61 thousand. Reserves at the end on 2013 for reevaluation of goods and materials is PLN 117 thousand.

XI. Information on write-offs due to value loss of financial assets, tangible fixed assets, intangible assets, or other assets and reversal of these write-offs

As a result of quarterly valuation of shares quoted on WSE, their value was corrected with regard to market price as of 31 December 2013. Increase of the value in the IV quarter by PLN 46 thousand was transferred to financial result. Value of held shares quoted on WSE is PLN 370 thousand.

On 28 October 2013 there was made an agreement with Madkom S.A. The Agreement covers taking up by Qumak S.A. series D shares issued in the amount of 4.600.000, issued on the basis of a resolution of Management of Madkom S.A. of 28 October 2013, within the frames of a target capital excluding the preemptive right, as described in Article 431 paragraph 2 point 1 commercial companies code by way of a private subscription.

As a result of registering by the District Court Gdańsk-Północ in Gdańsk, 8th Commercial Division of the National Court Register, on 18 December 2013 increasing share capital of Madkom S.A. Qumak S.A. held 4.600.000 shares of the Company's shares being 9.98% of initial capital and entitling to 4.600.000 votes on general meeting being 9.98% of the total number of votes on general meeting.

Qumak S.A took over the above-mentioned shares paying PLN 0.11 per share.

Madkom S.A. is a company quoted on New Connect what results in value of its shares being priced every stock exchange session. As a result of update of valuation of shares with regard to the value on 31 December 2013 the value of Madkom S.A shares was increased by PLN 874 thousand. The increase of the value was reflected in the financial result.

Other financial assets, tangible assets, and intangible assets did not demand reevaluation.

XII. Information on creation, increase, use and dissolution of reserves

In the year 2013 there were increase, dissolution, as well as use of reserves. Detailed data are in the following table.

Reserves – as of 31.12.2013 (in thousand PLN)

	As of 31.12.2012	Dissolved reserves	Created reserves	As of 31.12.2013

Quarterly report for the IV quarter 2013 – Additional information

Service reserve	4 805	1 890	2 761	5 676
Reserve due to discount on products	56	34	95	117
Reserve for liabilities that are difficult to receive	3 539	314	6 899	10 124
Bonus reserve	2 500	3 000	4 300	3 800
Holiday reserve	1 429	130	0	1 299
Reserve for retirement bonuses	278	0	32	310
Reserve for ongoing production	120	0	0	120
Reserve for audit of balance	34	34	27	27
Reserves in total	12 761	4 109	13 397	22 049

XIII. Information on reserves and assets due to deferred income tax

On 31.12.2013 assets due to deferred income tax amounted to PLN 3.997 thousand, and reserve due to deferred income tax amounted to PLN 670 thousand.

XIV. Information on significant transactions of purchase and sale of fixed tangible assets

In presented period there were no transactions of purchase or sale of material fixed assets of significant value.

XV. Information on significant liabilities due to purchase of fixed tangible assets

Lack of significant liabilities due to purchase of fixed assets.

XVI. Information on significant settlements due to court cases

In the presented period there were no significant settlements due to court cases.

XVII. Indicating corrections of mistakes from previous periods

There were no mistakes found in previous periods.

XVIII. Information on change in economic situation and conditions of conducting activity, which significantly influence fair value of entity's financial assets, despite the fact whether these assets and liabilities are included in a fair value or correlated to the price of purchase (amortized cost)

There was no change in economic situation and conditions of conducting activity that influenced fair value of the Company's financial assets.

XIX. Information on non-paid credit or loan, or breach of substantial resolutions of credit or loan agreement, with regard to which there were no correction actions taken till the end of reporting period

In the presented period there was no such situation.

XX. Information on concluding by the issuer or subordinated entity, one or more transactions with related entities, if individually or as a whole are significant and were concluded on other conditions than market standards
Company has no subordinated entities.

XXI. Information on change in way (method) of estimating fair value of financial instruments

In the presented period there was no change in method of estimating fair value of financial instruments.

XXII. Information concerning change in classification of financial assets resulting from aim or use of these assets

In the presented period there was no change in classification of financial assets or use of these assets.

XXIII. Information concerning the issue, redemption and repayment of debt and capital securities

In the presented period the Company did not issue, did not purchase or repay any securities.

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

In presented period the Company did not pay or declare payment of dividend.

XXV. Events occurring after the day on which the report is drawn up, and having an impact on future financial performance of the issuer

Apart from the agreements described above after the day of drawing the report no events took place, which may have impacted the future financial performance of the Company.

- Concluding substantial agreement with T4B Sp. z o.o. on 30 January 2014

Subject of the Agreement is delivery, assembly, launching and transferring to use, subsystems included in the Integrated Security System in a renovated building of Terminal A on the premises of the Chopin Airport in Warsaw, together with integrating it with already existing systems of technical back up.

The works include delivery of: Intrusion Detection System, active devices for the system of security management, and integrating system. The Agreement includes also providing service consisting of removing failures within the period of 36 months.

Lump sum remuneration for performance of the subject of the Agreement is PLN 12,931,908.23 net.

Deadline for performing the whole subject of the Agreement is when the 36-month period of providing service ends; it must be preceded by signing a final acceptance protocol which should take place until 31 December 2014.

- Entering into substantial agreements with Data Techno Park Sp. z o.o. on 11 February 2014

Both of the agreements concern delivery of IT infrastructure and software for the needs of creating, developing and providing innovative IT services within e-zdrowie, together with implementation in the area of Medyczne Centrum Przetwarzania Danych DTP Sp. z o.o. in Wrocław. Total value of both agreements is PLN 144,824,033.44 gross. This is the biggest contract financially acquired by the technology and IT company.

Subject of the Agreement covering part 1 of the order is delivery of IT infrastructure and software for the needs of creating and developing modern e-services and on-line applications, as well as providing them in the area of health service, together with implementation in the area of Medyczne Centrum Przetwarzania Danych DTP Sp. z o.o. in Wrocław, which specifically covers creating conditions to build and develop modern IT services within a health service sector, and creating infrastructure and software to provide modern e-services and on-line applications (Cloud Computing).

There was set total lump sum remuneration for performing the subject of the Agreement of PLN 67,950,278.20 gross.

Deadline for performing the subject of the agreement was set for 160 days from the date of signing the Agreement.

Subject of the Agreement covering part 2 of the order is delivery of IT infrastructure and software for the needs of creating e-services IT platforms and on-line applications in Cloud Computing, including Informatyczna Platforma Biomedyczna IP-BioMed for the needs of biomedical enterprises, together with implementation in the area of Medyczne Centrum Przetwarzania Danych DTP Sp. z o.o. in Wrocław.

There was set total lump sum remuneration for performing the subject of the Agreement of PLN 76,873,755.24 gross.

Deadline for performing the whole scope of the order is 15 November 2014.

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

Company has no contingent assets.

The Company under the business is obliged by some provisions in contracts to submit in the form of bank or insurance bid warranty, good performance of works guarantee, warranty of removal of defects and faults in a form of a guarantee. As for 31.12.2013 there were active :

- Good performance of works guarantee amounting to 73.102 thousand PLN
- Warranty for removal of defects and faults amounting to 25.287 thousand PLN
- Warranty for bid bond amounting to 5.442 thousand PLN
- Tenant guarantee amounting to 1.713 thousand PLN

Quarterly report for the IV quarter 2013 – Additional information

XXVII. Information that can significantly influence evaluation of property and financial situation and financial result of the issuer

The Company has no additional information that could significantly influence the evaluation of property and financial situation and financial result of the issuer.

C. OTHER ADDITIONAL INFORMATION TO FINANCIAL STATEMENT OF QUMAK S.A. FOR IV QUARTER OF 2013

I. Selected financial data

SELECTED FINANCIAL DATA OF QUMAK S.A.	In PLN thousands		In EUR thousands	
	from 2013-01-01 to 2013-12-31	from 2012-01-01 to 2012-12-31	from 2013-01-01 to 2013-12-31	from 2012-01-01 to 2012-12-31
I. Net revenue from sales of products, materials	539 547	482 579	128 128	115 627
II. Profit (loss) from operation activities	7 739	11 743	1 838	2 814
III. Gross profit (loss)	9 583	13 159	2 276	3 153
IV. Net profit (loss)	7 295	10 389	1 732	2 489
V. Net cash flow in operating activities	15 497	34 146	3 680	8 181
VI. Net cash flow in investment activities	-2 859	-512	-679	-123
VII. Net cash flow in financial activities	-21 475	1 666	-5 100	399
VIII. Total net cash flow	-8 837	35 300	-2 099	8 458
IX. Total assets	235 966	283 615	56 898	69 374
X. Liabilities and provisions for liabilities	152 269	189 057	36 716	46 245
XI. Long-term liabilities	7 140	6 895	1 722	1 687
XII. Short-term liabilities	113 321	137 960	27 325	33 746
XIII. Equity	83 697	94 558	20 182	23 129
XIV. Initial capital	10 375	10 375	2 502	2 538
XV. Number of shares (in units)	10 375	10 375	10 375	10 375
XVI. Profit (loss) per share (in PLN / EUR)	0.70	1.00	0.17	0.24
XVII. Diluted profit (loss) per one common share (in PLN / EUR)	0.70	1.00	0.17	0.24
XVIII. Book value per one share (in PLN / EUR)	8.07	9.11	1.95	2.23
XIX. Diluted book value per one share (in PLN / EUR)	8.07	9.11	1.95	2.23
XX. Declared or cashed dividend per share (in PLN / EUR)	0.00	1.40	0.00	0.34

II. Description of corporate group organization

Qumak S.A. has no subordinate entities and does not create a corporate group.

III. Indication of effects of changes in composition of entity

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

IV. Board position regarding implementation of the profit forecast for 2013

Management Board of the Company did not provide results forecast for 2013.

V. Information about shareholders holding at least 5% of the votes at General Meeting of Qumak S.A., 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 IV quarter of 2013 amounts to PLN 10.375.082 and is divided into 10.375.082 shares, which correspond to 10.375.082 votes at the General Meeting Qumak S.A.

Qumak S.A.

Shareholding structure at the date of the report for the III quarter of 2013

To the best knowledge of the Company, 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%
Legg Mason TFI	973.914	9.39%	973.914	9.39%
Including:				
Legg Mason Parasol FIO	843.008	8.13%	843.008	8.13%
OFE PZU „Złota Jesień”	558.000	5.38%	558.000	5.38%
PTE Allianz Polska S.A.	849.603	8.19%	849.603	8.19%
Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA	588.034	5.67%	588.034	5.67%

Shareholding structure at the date of the report for the IV quarter of 2013

On the day of report for the IV quarter of 2013 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%
Legg Mason TFI	973.914	9.39%	973.914	9.39%
Including:				
Legg Mason Parasol FIO	843.008	8.13%	843.008	8.13%
OFE PZU „Złota Jesień”	558.000	5.38%	558.000	5.38%
PTE Allianz Polska S.A.	849.603	8.19%	849.603	8.19%
Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA	588.034	5.67%	588.034	5.67%
QUERCUS TFI S.A. 1)	590.368	5.69%	590.368	5.69%

1) Notice received on 30 January 2014 from QUERCUS Towarzystwo Funduszy Inwestycyjnych S.A., acting on behalf of managed investment funds Quercus Parasolowy SFIO, Quercus Absolute Return FIZ and Quercus Absolutnego Zwrotu FIZ (later referred to as “Funds”), informing on the increase made together by Funds of their part in total number of votes in the Company, as well as on exceeding the threshold of 5% of total number of votes in the Company.

Before the change, the Funds held in total 514.703 Company's shares, what accounted for Qumak S.A.

Quarterly report for the IV quarter 2013 – Other additional information

4.96% of Company's equity. Held shares entitled to 514.703 votes on General Meeting of the Company, what accounted for 4.96% of total number of votes on General Meeting.

As of 30 January 2014 the Funds hold in total 590.368 shares of the Company, what accounts for 5.69% of the Company's equity. Held shares provide 590.368 votes on General Meeting of the Company, what accounts for 5.69% of total number of votes on General Meeting.

VI. 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 S.A. shares owned by members of the Management and Supervisory Board at the date of submission of the report for the IV quarter of 2013, in comparison to the state on the date of submission of the report for the III quarter of 2013 is as follows:

Management Board	Status as for submission of report for III quarter of 2013	Status as for submission of report for IV quarter of 2013	Change of status
Paweł Jaguś	320.000	320.000	0
Aleksander Plata	395.600	395.600	0
Jacek Suchenek	200	200	0

Members of Supervisory Board hold no shares of Qumak S.A.

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

This information concerns court proceedings regarding performance by the consortium consisting of Elektrobudowa SA, Qumak S.A., Przedsiębiorstwo „AGAT” S.A. (hereafter referred to as “EQA”) of an investment project under the name “kompleksowe wykonawstwo robót elektroenergetycznych, słaboprądowych i automatyki BMS w ramach realizacji II etap budowy Stadionu Narodowego w Warszawie”.

In the second quarter of 2012, General Contractor elected by the National Treasury to execute this investment stopped to pay to subcontractors, including EQA. As a consequence, EQA turned to the National Treasury – being jointly and severally liable with the General Contractor to EQA – to pay the outstanding remuneration. With regard to refusal of payment of total amount of the liability, EQA instituted the following court proceedings:

1. Petition for payment of remuneration deriving from Main Agreement (agreement of 15 December 2009, no. 109011/151/2009)

Value in dispute: PLN 16 581 766

Date of instituting an action: 26 November 2013

2. Petition for payment of remuneration deriving from Additional Agreements (agreement of 30 December 2011, no. 109011/567/2011 and agreement of 30 December 2011, no. 109011/577/2011)

Value in dispute: PLN 3 521 854

Data of instituting an action: 20 January 2014

VIII. 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.

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

During the IV quarter of 2013, the Company has not provided guarantees, loan guarantees or loans with a value exceeding the equivalent of at least 10% of its equity.

X. 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

There is no valid information significant to assess personnel, property, and financial and financial result situation in the IV quarter 2013.

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

On 11 February there were concluded agreements with Data Techno Park Sp. z o.o. Both of the agreements concern delivery of IT infrastructure and software for the needs of creating, developing and providing innovative IT services within e-zdrowie, together with implementation in the area of Medyczne Centrum Przetwarzania Danych DTP Sp. z o.o. in Wrocław. Scope of works specified in the agreements cover among others: delivery of IT hardware, creating network infrastructure, implementing software to solutions of cloud computing, solutions of HIS type (Hospital Information System), or e-learning platform. This is the biggest order in the history of the Warsaw's integrator.

This is the biggest financially agreement acquired by Qumak S.A. in its history: total value of both agreements is PLN 144,824,033.44 gross.

Commencing works is scheduled immediately after signing the contract, and their deadline is set to 15 November 2014.

Portfolio of orders of the Company (value of signed agreements) for the years 2014 and 2015 including the above agreement, on the day of the report amounts to PLN 540 million.