



Synergon Group Consolidated  
Interim report of the financial performance  
for the first quarter of 2009

Published on: May 5, 2009

## Increasing profits with extraordinary sales turnover

The **quarterly figures are non-audited data**. The parts of this report are based on the consolidated balance sheet and profit and loss statements compiled on the basis of the **IFRS**. On March 31, 2009 the Company Group prepared its reports in **Hungarian forint** (HUF), thus all analyses have been made on a HUF basis. The accounting policy applied in the reporting period is identical with the latest principles, presented and applied in the audited annual report. The data presentation structure included in the flash report contains changes compared to former periods, which were developed in an effort to comply with the current IFRS regulation, to ensure transparency and to derecognize the terminated activity. In order to ensure comparison, we provide the base figures of the flash reports in a breakdown corresponding to the structure applied in the actual period.

The presented tables are in Thousand Hungarian Forint.

### Synergon Information Plc. Consolidated Financial Summary

<i>Consolidated financial performances</i>	2009 Q I.*	2008 Q I.*	Difference % Q I.*
<b>Sales revenues</b>	<b>4 066 831</b>	<b>2 704 169</b>	<b>50%</b>
<i>from which services (%)</i>	62%	52%	10%
<b>Contribution</b>	<b>1 643 606</b>	<b>827 492</b>	<b>99%</b>
<i>Contribution (%)</i>	40%	31%	10%
<b>EBITDA</b>	<b>278 294</b>	<b>(342 496)</b>	<b>181%</b>
<b>Operating profit</b>	<b>171 116</b>	<b>(443 878)</b>	<b>139%</b>
<b>Financial gains and losses</b>	<b>(120 255)</b>	<b>(290 978)</b>	<b>59%</b>
<b>Equity holders of the parents</b>	38 250	(746 580)	105%
<b>Net cash flows from operating activities</b>	<b>1 210 486</b>	<b>462 486</b>	162%

- **Consolidated sales totalled 4,067 million HUF in the first quarter of 2009, which exceeds the corresponding value of 2008 by 50%,.** The determining factor in growth was the increasing sales of Hungarian subsidiaries, which exceeded the corresponding value of the previous year by 63% in 2009. Within sales service contents reached a level of 62%.
- **In the first three months of 2009 the Group produced a consolidated operating profit of 171 million HUF,** which is an improvement of 139% compared to the previous year, primarily owing to significantly higher contribution contents and the high ratio of services within sales.
- The net loss on financial transactions total 120 million HUF, of which the losses of **futures transactions** suffered on the Company's own shares **reduced earnings by 57 million HUF.**

- **The Companies closed the first quarter with a consolidated after tax earnings of 38 million HUF**, to which Infinity a.s contributed by 33 million HUF.
- **The operating cash flow of the Group was a positive figure in 2009, i.e. 1.2 billion HUF**, which derived from the positive operating profit and reduction of working capital.

**Márk Lazarovits, the CEO of the company told:**

"I am proud to report that our first quarter earnings significantly exceeded the corresponding period of last year, despite adverse impacts of the environment of the economic crisis. The sales increasing by more than 50% and doubled contribution levels contributed predominantly to this result.

We carried on the implementation of our major projects; we have already supplied and installed the significant part of the network infrastructure of the new office building of the Hungarian Television. We have successful delivered the entire active and passive network infrastructure for the newest data center of Invitel Zrt., which is one of the biggest capital investments of Invitel for the year 2009. As of January 1, we took over operation of the entire IT system of the Budapest Public Transport company BKV Zrt., and we feel that the client is satisfied with our service. Our subsidiary in the Czech Republic significantly contributed to the favorable performance of the Group in the first quarter of the year as well.

Despite the crisis, we continue to expect good results for the rest of the year based on the increased contribution generation capability of our company. Our goal is to maintain the 6-8% operating profit margin through the whole year while increasing further our revenues."



## Analysis of the Results of Synergon Group on March 31, 2009

As a parent company, Synergon Information Plc. has involved the following companies in its consolidated report as of March 31, 2009. **Synergon Rendszerintegrátor Kft., Synergon Retail Systems Kft., Fibex Kft., Infinity a.s.** The involved companies have been consolidated together with their entire balance sheets and profit and loss statements, the company separates the earnings parts on minority holdings from the after-tax profit.

<i>Income Statement ** Thousand HUF</i>	<b>2009 Q I.*</b>	<b>2008 Q I.*</b>	<b>Difference % Q I.*</b>
<b>Sales revenues</b>	<b>4 066 831</b>	<b>2 704 169</b>	<b>50%</b>
<i>from which services (%)</i>	62%	52%	10%
<b>Cost of materials and services</b>	<b>(2 423 225)</b>	<b>(1 876 677)</b>	<b>29%</b>
<i>in sales (%)</i>	60%	69%	(10%)
<b>Contribution</b>	<b>1 643 606</b>	<b>827 492</b>	<b>99%</b>
<i>Contribution (%)</i>	40%	31%	10%
Operating cost	(1 472 490)	(1 271 370)	16%
<b>EBITDA</b>	<b>278 294</b>	<b>(342 496)</b>	<b>181%</b>
<i>EBITDA margin (%)</i>	<b>7%</b>	<b>(13%)</b>	<b>20%</b>
<b>Operating profit</b>	<b>171 116</b>	<b>(443 878)</b>	<b>139%</b>
<i>Operating profit margin(%)</i>	<b>4%</b>	<b>(16%)</b>	<b>21%</b>
Other expenses and other cost, net	(10 003)	(938)	(967%)
Financial gains and losses	(120 255)	(290 978)	59%
<b>Profit before tax</b>	<b>40 859</b>	<b>(735 793)</b>	<b>106%</b>
Income tax	(2 145)	(11 216)	(81%)
<b>Profit after tax</b>	<b>38 714</b>	<b>(747 010)</b>	<b>105%</b>
<b>Minority Interest</b>	<b>464</b>	<b>(430)</b>	<b>208%</b>
<b>Equity holders of the parents</b>	<b>38 250</b>	<b>(746 580)</b>	<b>105%</b>
<i>net income margin (%)</i>	<b>1%</b>	<b>(28%)</b>	<b>29%</b>

\* non audited \*\*consolidated

In the first quarter of 2009 Synergon Group produced sales in the volume of 4,067 million HUF, which is an increase of 50% compared to the corresponding period of the previous year.



**The sales for 2009 exceed the corresponding figure of the previous year by about 50%, owing to the Hungarian subsidiaries.** Within sales revenues service contents types sales were the dominant items with 62%. Sales of Synergon Group according to consolidated sectors:

- the telecommunications and media sector were represented with 21%,
- the banking and financial sector with 12%,
- the industrial and service sector with 13%,
- the health care sector, the state administration and state agencies sector were represented with 45% over the period. Other sales not assigned to sector constituted 9%.

In the first quarter the **volume of net contribution** calculated from the sales and direct costs of the Group constituted 1,644 million HUF, which equals a net contribution ratio of 40%, up 10% compared to the performance of the previous year.

**In 2009 the Group realized an EBITDA value of 278 million HUF.** The EBITDA ratio was 7% in the first quarter.

**The net earnings on financial transaction** reflect the loss of Synergon Information Plc. of 57 million HUF, deriving from a futures transaction closed in the first quarter. The foreign exchange losses sustained on EUR and USD purchases caused further losses.

In the first quarter the **after tax earnings assigned to the parent company** totalled 38 million HUF, of which the earnings of Hungarian companies totalled 4 million HUF.



## Earnings of Hungarian Companies

This includes Synergon Information Plc. and its subsidiaries presented in a consolidated manner, Synergon Rendszerintegrátor Kft., Synergon Retail Systems Kft. and Fibex Kft. **Synergon Information Plc.** is the Hungarian company of Synergon Group, legally it functions as the main shareholder of the rest of the member companies in the group. **Synergon Rendszerintegrátor Kft.** (formerly called SAO-Synergon Kft) is a company dealing with the operation and management of systems. **Synergon Retail Systems Kereskedelmi és Szolgáltató Kft.** sells core activity systems to retail service providers. **Fibex Kft.** is a subsidiary of Synergon, dealing with the sale of copper cables, network construction materials and tools.

<i>Synergon together with Hungarian subsidiaries* Thousand HUF</i>	<b>2009</b> Q I.*	<b>2008</b> Q I.*	<b>Difference</b> Q I.*
<b>Sales revenues</b>	<b>3 500 574</b>	<b>2 142 916</b>	<b>63%</b>
<i>from which services (%)</i>	62%	49%	13%
<b>Cost of materials and services</b>	<b>(2 148 511)</b>	<b>(1 597 613)</b>	<b>34%</b>
<i>in sales (%)</i>	61%	75%	(14%)
<b>Contribution</b>	<b>1 352 063</b>	<b>545 303</b>	<b>148%</b>
<i>Contribution (%)</i>	39%	25%	14%
Operating cost	(1 212 585)	(960 840)	26%
<b>Operating profit</b>	<b>139 478</b>	<b>(415 538)</b>	<b>134%</b>
<i>Operating profit margin(%)</i>	<b>4%</b>	<b>(19%)</b>	<b>23%</b>
Other expenses and other cost, net	(10 207)	(1 126)	(807%)
Financial gains and losses	(122 788)	(287 876)	57%
<b>Profit before tax</b>	<b>6 483</b>	<b>(704 540)</b>	<b>101%</b>
Income tax	(2 145)	(10 756)	(80%)
<b>Profit after tax</b>	<b>4 338</b>	<b>(715 296)</b>	<b>101%</b>

\* non audited, eliminated intercompany transactions of Synergon Information Plc., Synergon Rendszerintegrátor Kft., Synergon Retail Systems Kft., Fibex Kft.

In Hungary the **sales revenues** of the companies in the first quarter of 2009 were 63% higher compared to the corresponding period of the previous year.

**The service contents of sales**, which include projects and maintenance services, totalled 62% in the first quarter.

**Net contribution** totalled 1,352 million HUF in the first quarter of 2009, which is 148% higher than the corresponding period of the previous year.

The **operating profit** totalled 139 million HUF in the first quarter, which is 134% higher than the operating profit in 2008.

In **financial earnings**, in the first quarter of 2009 the losses incurred and realized by Synergon Nyrt. in a futures transaction involving its own shares totalled 57 million HUF.



## Earnings of the subsidiary in the Czech Republic (Infinity a.s.)

**Infinity a.s.** is a member of the Synergion Group in the Czech Republic, a member company with Synergion as its majority owner. The first acquisition step in 2001 was followed by more steps until 2007, these were minor steps intended to increase influence. After the capital increase implemented in September 2007, Synergion Information Plc. controls this subsidiary to a degree of 99%.

<i>Infinity Income Statement*</i> <i>Thousand HUF</i>	2009 Q I.*	2008 Q I.*	Difference % Q I.*
<b>Sales revenues</b>	<b>567 103</b>	<b>563 136</b>	<b>1%</b>
<i>from which services (%)</i>	<i>61%</i>	<i>63%</i>	<i>(2%)</i>
<b>Cost of materials and services</b>	<b>(274 714)</b>	<b>(279 064)</b>	<b>(2%)</b>
<i>in sales (%)</i>	<i>48%</i>	<i>50%</i>	<i>(1%)</i>
<b>Contribution</b>	<b>292 389</b>	<b>284 072</b>	<b>3%</b>
<i>Contribution (%)</i>	<i>52%</i>	<i>50%</i>	<i>1%</i>
Operating cost	(262 264)	(311 195)	(16%)
<b>Operating profit</b>	<b>30 125</b>	<b>(27 122)</b>	<b>211%</b>
<i>Operating profit margin(%)</i>	<i>5%</i>	<i>(5%)</i>	<i>10%</i>
Other expenses and other cost, net	204	188	9%
Financial gains and losses	2 533	(3 102)	182%
<b>Profit before tax</b>	<b>32 863</b>	<b>(30 036)</b>	<b>209%</b>
Income tax	-	(460)	-
<b>Profit after tax</b>	<b>32 863</b>	<b>(30 496)</b>	<b>208%</b>

\* non audited, with minority interest

In the first quarter of 2009 the **sales revenue** of Infinity a.s remained at its 2008 level, with 567 million HUF. The service contents constituted almost the same ratio, above 60% in the composition of sales. Since the drop in demands hitting Central Europe are also manifest in the Czech economy, therefore this performance can also be considered favorable in the current environment.

The value of contribution volume was 292 million HUF in the first quarter, which means an increase of 3%, owing to the high contribution of services and the lower purchase value of products sold.

Carrying on the favorable processes launched in the year 2008, **operating costs** decreased below 50 million HUF, **which means savings of 16%**.

As a result of the above factors, the after tax earnings of the company totaled 33 million HUF, which exceeded the entire performance of 2009 in the first quarter of the year.



## Changes in the Balance Sheet Synergon Group

<i>Balance Sheet**</i>	March 31st, 2009*	Difference %	March 31st, 2008
	Thousand HUF	%	Thousand HUF
<b>ASSETS</b>			
<b>Non- current assets</b>			
Property, plant equipment	1 789 700	1%	1 768 835
Goodwill	162 268	0%	162 267
Investments	2 697	(0%)	2 697
Deferred tax asset	2 911	(91%)	32 184
Loans given	27 862	-	-
<b>Total non- current assets</b>	<b>1 985 438</b>	<b>1%</b>	<b>1 965 983</b>
<b>Current assets</b>			
Inventory	509 820	(26%)	692 091
Trade accounts receivable, net	4 377 294	43%	3 069 383
Other current assets	932 484	18%	790 584
Available for sale financial assets	26 224	(4%)	27 373
Cash and cash equivalents	1 541 336	(11%)	1 730 378
<b>Total current assets</b>	<b>7 387 158</b>	<b>17%</b>	<b>6 309 809</b>
<b>TOTAL ASSETS</b>	<b>9 372 596</b>	<b>13%</b>	<b>8 275 793</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	1 910 926	-	1 910 926
Treasury shares	(1 057 784)	19%	(886 346)
Share premium	5 770 884	-	5 770 884
Capital reserve	27 980	-	27 980
Retained losses	(1 508 222)	8%	(1 397 498)
Cumulative translation adjustments	199 649	46%	136 566
<b>Equity attributable to equity holders of the parent</b>	<b>5 343 433</b>	<b>(4%)</b>	<b>5 562 511</b>
Minority interest in consolidated subsidiaries	41 780	3%	40 431
<b>Total equity</b>	<b>5 385 213</b>	<b>(4%)</b>	<b>5 602 942</b>
<b>Long-term liabilities</b>	<b>239 404</b>	<b>24%</b>	193 683
<b>Current liabilities</b>			
Trade accounts payable	2 181 580	64%	1 332 654
Other payables and accruals	1 477 500	41%	1 050 787
Provisions for liabilities and charges	88 899	(7%)	95 727
<b>Total current liabilities</b>	<b>3 747 979</b>	<b>51%</b>	<b>2 479 168</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9 372 596</b>	<b>13%</b>	<b>8 275 793</b>

\* non audited \*\* consolidated



## Cash Flow of Synergon Group

As of March 31, 2009, the cash and cash equivalents portfolio of the Company totaled 1,541 million HUF, while in the initial period, on December 31, 2008 it totaled 687 million HUF. In the reporting period the change was a generation of 854 million HUF.

<i>Cash Flow**</i>	March 31st, 2009* Thousand HUF	March 31st, 2008 Thousand HUF
<b>Cash Flow relating to operating activities:</b>		
<b>Net income before taxation and interest</b>	<b>84 618</b>	<b>(427 160)</b>
Depreciation and amortization	107 177	101 381
Fx differences	73 803	27 661
Proceeds from disposal of fixed assets	(651)	116
Provisions changes	(50 355)	-
Changes in write - off assets	5 931	31 160
Changes in minority interest	464	(430)
Share based payment expenses	50 968	30 025
Interest received	15 578	32 249
Interest paid	(3 070)	(172)
Taxes ( paid ) received	<u>(2 491)</u>	<u>(13 479)</u>
	<b>281 971</b>	<b>(218 649)</b>
<b>Changes in assets and liabilities</b>		
Changes of accounts receivable and other current assets	1 993 397	2 818 319
Changes of inventory	221 175	(279 516)
Changes of Payables and accruals	<u>(1 286 057)</u>	<u>(1 857 668)</u>
	<b>928 515</b>	<b>681 135</b>
<b>Net cash flows from operating activities</b>	<b>1 210 486</b>	<b>462 486</b>
<b>Cash flow relating to investing activities</b>		
Purchase of fixed assets	(265 457)	(77 004)
Forward contact deposit	-	261 402
Forward contact gains (losses)	(56 730)	(340 990)
Proceeds from sale of short term investments	(26 223)	246 366
Proceeds on loans and borrowings	(8 845)	23 710
Proceeds on disposal of fixed assets	651	1 779
<b>Net cash flow used in investing activities</b>	<b>(356 603)</b>	<b>115 263</b>
<b>Cash flow relating to financing</b>		
Purchase of treasury shares	-	(179 025)
<b>Net cash flow used in financing activities</b>	<b>-</b>	<b>(179 025)</b>
<b>Increase in cash and cash equivalents</b>	<b>853 882</b>	<b>398 724</b>
<b>Cash and cash equivalents at the:</b>		
Beginning of the year	687 454	1 331 654
End of the period	1 541 336	1 730 378

\* non audited

\*\* consolidated



## Changes in the shareholder's Equity of Synergon Group

We present the changes in shareholder's equity between the initial and closing cut-off dates of the base period and the reporting period.

Consolidated statement of changes in Equity (Thousand HUF)	Attributable to equity holders of the parent						Total	Minority Interest	Total equity
	Share Capital	Treasury Shares	Share Premium	Capital Reserve	Retained Earnings	Cumulative Translation Adjustment			
Balance at January 1st 2009 (IFRS)	1 910 926	(1 057 784)	5 770 884	27 980	(1 597 441)	121 337	5 175 902	41 316	5 217 218
<b>Transactions with the equity owners:</b>									
Sale of treasury shares		-					-		-
Purchase of treasury shares		-					-		-
<b>Transactions from the operations:</b>									
Net income					38 250		38 250	464	38 714
Currency translation adjustment						78 312	78 312		78 312
Share based payment (IFRS 2) in Income statement					50 968		50 969		50 969
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>89 219</b>	<b>78 312</b>	<b>167 531</b>	<b>464</b>	<b>167 996</b>
Balance at Marc 31st 2009 (IFRS)	1 910 926	(1 057 784)	5 770 884	27 980	(1 508 222)	199 649	5 343 433	41 780	5 385 214
Balance at January 1st 2008 (IFRS)	1 910 926	(707 321)	5 770 884	27 980	(663 294)	96 537	6 435 712	40 860	6 476 572
<b>Transactions with the equity owners:</b>									
Purchase of treasury shares		(179 025)					(179 025)		(179 025)
<b>Transactions with the equity owners:</b>		<b>(179 025)</b>					<b>(179 025)</b>		<b>(179 025)</b>
<b>Transactions from the operations:</b>									
Net income					(746 580)		(746 580)	(430)	(747 010)
Currency translation adjustment						40 029	40 029		40 029
Share based payment (IFRS 2)					12 375		12 375		12 375
<b>Total comprehensive</b>	-	-	-	-	<b>(734 205)</b>	<b>40 029</b>	<b>(694 176)</b>	<b>(430)</b>	<b>(694 606)</b>
Balance at Marc 31st 2008 (IFRS)	1 910 926	(886 346)	5 770 884	27 980	(1 397 499)	136 566	5 562 511	40 430	5 602 941



## Business Report

### Synergon Rendszerintegrátor Kft.

Although the Company can clearly report favourable results for the first quarter, if we observe the market, we can state that the global economic and financial crisis has rippled into the markets of Synergon Rendszerintegrátor Kft. as well. It is an increasingly frequent occurrence with our customers that the commercial phase of the projects becomes sluggish, the costs allocated to IT developments are reconsidered several times before a contract is concluded. The cost reductions necessitated by the crisis noticeably impact the projects as well: there is an increasing number of small value orders, whenever possible, the customers stay away from high value capital investments or delay the start of such projects.

Despite the crisis, the contracts existing with our customers on using operation and system support activities provide a stable, predictable source of revenue with a high contribution content to Synergon Rendszerintegrátor Kft..

Having been started in 2009, the results of the resource rationalization program clearly produced a favorable impact in the first quarter of 2009: we had enough human resources to manage our contract portfolio, in the required composition, we only had to rely on external resources to a minimum extent, in marginal areas. This highly contributed to keeping the costs of external resources at a reasonable level through the efficient utilization of the existing resources, which had a favorable impact on contribution contents.

In the first quarter several significant projects were closed and many reached the stage of contract conclusion. Of the closed projects we should highlight the build-up of the Datacenter system at Invitel and the Exchange-2007 migration project of Aegon. Of the projects now in contracting stage we should highlight the system support contract concluded with CIB Bank for 2+1 years, the performance of the reconstruction works with the approval of the Ministry of Defense in the Airport of Pápa, the renewal of the system support contract for IBM Tivoli Netcool and EMC Voyence products with Magyar Telekom Nyrt., the update of the PGW Softswitch system at Vodafone Zrt. and the Microsoft Enterprise Agreement with KVVM.

The outsource project of BKV should be especially highlighted. As is known, from January 1 Synergon will provide operating services for BKV. The takeover of the services has been completed as per the plans and smoothly, the tasks were fulfilled according to schedule, to the satisfaction of BKV.

Concerning the entire year, also taking into account the business - economic forecasts it is safe to say that the current situation will continue into the second quarter of the year, we expect an upsurge in business in the third or fourth quarter. The solutions provided by Synergon Rendszerintegrátor Kft. will be incorporated into the mission-critical parts of corporate applications, therefore they have a very important function in increasing efficiency. Considering the present order portfolio of Synergon Rendszerintegrátor Kft. and also taking into account the current circumstances, we can maintain a safe level of business operations for the Company concerning the above period.

### Health care, governmental and state administration sector

It can be said for every area of the sector that the launch of high volume capital investment projects is delayed. Projects financed by the EU in central public administration are only launched in a small number. The local governments have scarce resources, with few opportunities for grants. The officially announced economic austerity package causes further uncertainty. The customers themselves cannot fully see the exact impacts of this, which hinders the passage of investment-related decisions. The formerly awarded grants will reach



the stage of implementation in the second half of the year, both in health care and higher education.

At the same time, we expect the launch of several major central projects in the second quarter of the year. In the case of broadband infrastructure development of three micro-regions, the planning works of our contracts were completed, and we carry on the software development project won in the Agricultural Administration Office.

Some of the central state administration projects expected in the second quarter are now under public procurement procedure, such as T BA, or they will be announced now, like the public procurement procedure related to the TIOP 1.1.1. grant.

We started fulfilment of the outsourcing contract with BKV on January 1, 2009. BKV did not experience any adverse impacts of the change of service providers, we sense satisfaction on the side of the customer.

### **Financial institutions, telecommunications and media sector**

This sector closed a successful quarter, despite the fact that in the first quarter of the year the financial institutions remained affected by the budgetary restrictions caused by the global financial crisis.

The supply and bringing into service of the network infrastructure to be established in the new office building of the Hungarian Television, a significant part of which was completed in the first quarter already, was of determining importance in this favourable result. We have successfully delivered the entire active and passive network infrastructure for the newest data center of Invitel Zrt. This project is one of the the biggest capital investments of Invitel for the year 2009, and can be expected to generate further investments in 2009. In addition, related to the IP network of Invitel, we also received and implemented several significant investment orders during the quarter.

At Vodafone Zrt. we continuously ensure the support of the IP network with enhanced availability, as well as the completion of asset supply and implementation tasks related to the expansion of the network.

During the quarter we contracted on the provision of support to the solution implemented in T-Group during 2008 supporting Corporate Project Management and group work, and we are working on the preparation of additional orders based on Microsoft technology. The consolidated, enhanced network management support order, which has entered the stage of implementation, progresses according to plan.

The deliveries related to the development of optical systems for cable TV continued during the quarter as well. The Company is also working on the opportunity of expanding the DVB-S system developed at T-Group in 2008.

We contracted on the implementation of several investment projects on network development in 2008 with the National Communication Authority, the implementation of these contracts were in progress during the first quarter. In December 2008, as part of a public procurement procedure, our Company signed a contract on the further development of the SAP-based economic and financial system used by NHH, the fulfilment of these contracts went according to plan and had a significant impact on the revenues of the quarter.

Another significant item is the contract concluded on the network support to CIB Bank, which will have a positive impact on the performance of the entire year. In the field of business solutions, the projects launched and won during last year entered the stage of fulfilment.

In the first quarter we continued the projects related to the SAP system upgrade, IT operation and IDM implementation projects going on at MFB.

At Invitel Zrt. we continued the minor Sun and other infrastructure supply projects.



In this sector we also closed several other minor projects, which mainly dealt with the sale of network security investments and other Cisco-based technologies, and the related follow-up activities also continue in 2009.

### **Industry and service providers sector**

After a successful 2008, the industry sector delivered on the expectations in the first quarter of 2009. The financial crisis had a varied impact on this sector, the halt of investments is the most manifest in the automotive and automotive parts manufacturing companies, but we consider this, too, a temporary phenomenon. There are customers at whom the slowdown of the pace of investments expressly benefitted our projects, since they defined service levels with more care, general cooperation became easier.

At the gas industrial service companies the projects launched in 2008 continued, including the development of the Open office structure and the implementation of the natural gas market optimisation platform, in which Synergon offers a unique solution in the market.

In first quarter of 2009 we successfully closed and delivered some projects, the most important of which was the implementation of IP telephony at FŐGÁZ, network provisioning projects at ELMŰ and ÉMÁSZ, provision of HP assets to VPOP, as well as the SAP implementation project now in progress at AVE Tatabánya Waste management and Environment Protection Ltd. Concerning this latter, it is safe to say that we delivered a special and unique solution to AVE, because so far no one else has introduced a waste management module within the framework systems of SAP.

As part of our ongoing projects, we developed a conceptual plan for the technological IT network of Paks, provide general supporting activity to VPOP, furthermore, in the upcoming days we will also sign the support contract of the completed SAP implementation. Another project that has reached the stage of implementation by now is the renewal of the large corporate Microsoft license agreement, i.e. MS EA, supplied to Borsodchem.

### **Retail systems and points of sale (Synergon Retail Systems Kft.)**

Synergon Retail Systems Kft. closed the first quarter of 2009 according to the plans. The company continuously performed the 0-24 hours service support activity to its customers, including Agip Magyarország Kft., MÁV Zrt., LukOil Magyarország Kft., and Auchan Magyarország Kft., in the entire territory of Hungary. In addition, provision of services to customers operating in other retail segments constitutes part of the operations of the limited company.

Synergon Retail Systems Kft. performs the entire scope of service activities of Hungarian Post Intelligent Post Office (IPH). In the framework of a contract concluded at the beginning of the year, the Company installs the bank card terminals of the Post and also performs service activities. In compliance with the requirements applying to the cash machine, in January and February the professionals of the Ltd. have extracted and collected the traffic data of all cash machines in the service portfolio.

The Ltd. has continued to provide IT support to stores of KIK Magyarország Bt. in Hungary and Slovakia, in addition, it also performed the installation and continuous service to new stores of ALDI Magyarország Bt.

The connection of vendors using the EDI systems to the ECOD system continued at Auchan Magyarország Kft. as well. The Ltd. accomplished more successes in the field of EDI systems at several Hungarian retail and supplier companies, by the implementation of the e\_order, e\_invoice and e\_archiv services.



## **Infinity a.s (subsidiary in the Czech Republic)**

Infinity a.s. is a company that consists of two main divisions which are working on different fields. The Enterprise Business Applications Division (EBA) division provides solutions for the general and functional company management and the Systems and Application Infrastructure Division (SAI) sell full range of infrastructure products. The activities of the divisions are extremely vivid; they are managing its own sales and execution too.

In the first quarter of 2009 the Enterprise Business Applications Division division has finished the implantation of Microsoft products for several industrial and retail companies and finalized contract for new implementations.

- Rowan Legal which is a branch of the Multilaw international group of law firms, has taken over the finished implementation of the Microsoft Dynamics NAV, and contracted for further implementation of Microsoft Dynamics CRM in the Czech Republic and the Slovak Republic.
- The G's Group Holdings (a leading UK and European grower in the fast growing fresh produce marketplace, the company services all sectors of the food business independent retail, food service and catering and food manufacturing) has accepted the first phase implementation of a Microsoft Dynamics NAV and LINKFresh system for the seven operating companies in the Czech Republic.
- RETIA a.s. is one of the leading Czech companies in the field of military electronics and military software and has ordered Microsoft Dynamics AX.
- MJM Litovel a.s. is a customer that is specialized for the sale of industrial fertilizers, pesticides, feeding mixture production, miller production, sale fuel, work application in plant production and extended services for agriculture is going to be managed by the ordered Microsoft Dynamics CRM.
- The Guarant International is a congress and conference services provider and has ordered Microsoft Dynamics CRM too.

The Company's intention is to develop business with banks even if the bank sector is in trouble, keeping in view the potential of future mid-term growth.

- At the Volksbank the Company has finished two applications of Enterprise Content Management based on Microsoft Office SharePoint Server 2007.
- Citibank has been cooperating with Infinity a.s.'s for years. The program called Citimaster had been developed for the client's needs by Infinity a.s. and the program has set in its third phase and continues.

In the first quarter of 2009 the Systems and Application Infrastructure Division's main new customer is the Nokia who has ordered outsourcing desktop services in Prague through the Atos Origin, whose partner in the delivery is the Infinity a.s.'s SAI division. Furthermore, several kind of SLA agreements has continued with prolongation and there are some new SLA contracts expected in the second and third quarter.

The SAI division has entered into a partnership program with the Motorola for the first time. The partnership is going to extend the SAI Division WiFi services with the Motorola acquired Symbol that can give increased value to the clients. The Cisco partnerships are renewed with additions in the field of WiFi.



## Staff changes in the Synergion Group

<i>Headcounts</i>	2009 Q1 average	2008 Q1 average	Difference %	2009 Q1 closing	2008 Q1 closing	Difference %
Synergion an Hungarian controlled entities	288	346	(17%)	282	343	(18%)
Infinity	105	111	(5%)	106	114	(7%)
<b>Total</b>	<b>393</b>	<b>457</b>	<b>(14%)</b>	<b>388</b>	<b>457</b>	<b>(15%)</b>

## Companies belonging to the consolidated range of The Synergion Group

Name	Equity/Registered capital	Interest held
Synergion Rendszerintegrátor Kft.	67 760 Thousand HUF	100%
Synergion Retail Systems Kft.	40 000 Thousand HUF	100%
Fibex Kft.	60 000 Thousand HUF	100%
Infinity a.s.	49 200 Thousand CZK	98,59%

## Ownership structure, company events

Shareolders with higher than 5% ownership of Synergion Informations Plc.			Shareolders structure of Synergion Informations Plc.		
Shareholders	December 31st, 2008	March 31st, 2009	Shareholder arts	December 31st, 2008	March 31st, 2009
Cashline Befektetési Holding Zrt.	14,74%	15,02%	Domestic/Company	55,93%	55,94%
Pannergy Műanyagipari Nyrt. with subsidiaries	12,20%	12,19%	Foreign/Company	5,61%	6,91%
			Domestic/Private person	23,85%	23,72%
ERSTE GROUP BANK AG	6,82%	6,53%	Foreign/Private person	0,48%	0,48%
			Employee and Key management	0,21%	0,21%
Investors below 5% ratio	58,29%	58,31%	Treasury shares	7,95%	7,95%
Treasury shares	7,95%	7,95%	Governmental and public interest	0,00%	0,00%
<b>Total</b>	<b>100%</b>	<b>100%</b>	Other	5,98%	4,80%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>

## Structural changes

The demerged Synergion IT Invest Zrt. has been registered by 30<sup>th</sup> April 2009.

## General Assembly

The Regular General Assembly in its last session of 30<sup>th</sup> April 2009 has approved the financial statements, corporate responsibility documents, decided the modification of the statutes. Further details can be read under the agenda, and regulations of the General Assembly ([http://www.synergion.hu/en/investor\\_relations/meeting](http://www.synergion.hu/en/investor_relations/meeting)).



## Board of Directors

In its meeting held on 9th April, 2009, the Board of Directors decided to approve the annual report and to invite the Regular General Assembly.

## Supervisory Board

The Supervisory Board of Directors has sit two times between the period of 1<sup>st</sup> January to 5<sup>th</sup> May , 2009 and approved the financial results for 2008 of the Synergon Information Plc. and approved the Report of the Board of Directors, decided on the work schedule for 2009 of the Supervisory Board and the Internal Controlling.

## Changes in the key personnel

The General Assembly held on 30<sup>th</sup> April, 2009 decided on the members of the Board of Directors (Dr. Zoltán JESZENSZKY, Balázs BOKOROVICS, Csaba MAJOR, Klára DEÁK, Mark LAZAROVITS) and decided on the members of the Audit Committee (Balázs BOKOROVICS, Csaba MAJOR, Klára DEÁK) which mandates expire latest by 30<sup>th</sup> April 2012.

## Acceptance of Liability Declaration

The progress report of Synergon Information Systems Plc. shareholders' company (Synergon Information Systems Design and Building Plc) elaborated its present progress report presenting its business activities for the **3-month period from January 1, to March 31, 2009** in compliance with Act CXX of 2001 on the capital markets and the regulation of the Budapest Stock Exchange Plc. on Introduction and Quotation Rules.

These statements have been elaborated according to our best knowledge ***in conformity with International Financial and Reporting Standards***, they contain non-audited data and statements, and they do not ignore any such facts that are material from the aspect of evaluating the situation of the Company. This report gives a true and reliable description of the assets, liabilities, financial situation of the consolidated company, and also on its profit and loss figures, and it give a reliable description of the situation, development, performance of the presented consolidated company, explaining the major risks and uncertainty factors.

The Company, as issuer is liable for compensating any damages that may occur due to a failure to give regular and extraordinary information, and/or due to a misleading content of such information.

Budapest, 5<sup>th</sup> May, 2009.



Imre Zsuzsanna  
Chief Financial Officer

Lazarovits Márk  
Chief Executive Director

## Synergon Information Systems Plc.

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**Further information:** Lénárt Anita ([lenart.anita@synergon.hu](mailto:lenart.anita@synergon.hu)) Investor relations  
Synergon Information Plc.

1047 Budapest, Baross u. 91-95. Phone: (1) 399-5500 Fax: (1) 399-5599  
[investor.relations@synergon.hu](mailto:investor.relations@synergon.hu) [www.synergon.hu](http://www.synergon.hu)

