



Synergon Group Consolidated and Synergon  
Information Systems Plc.'s stand alone  
Interim report of the financial performance  
in the first 9 months of 2009

Published on: 10<sup>th</sup> November, 2009.

## Favorable results despite the uncertain economical climate

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 September 30, 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. 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

Consolidated financial performances	2009	2008	Difference %	2009	2008	Difference %
	9 month*	9 month*		3. Q*	3. Q*	
<b>Sales revenues</b>	<b>12 249 974</b>	<b>11 620 031</b>	<b>5%</b>	<b>3 847 629</b>	<b>4 980 956</b>	<b>(23%)</b>
<i>from which services (%)</i>	61%	45%	16%	34%	42%	(8%)
<b>Contribution</b>	<b>4 310 673</b>	<b>3 312 942</b>	<b>30%</b>	<b>1 235 516</b>	<b>1 205 590</b>	<b>2%</b>
<i>Contribution (%)</i>	35%	29%	7%	32%	24%	8%
<b>EBITDA</b>	<b>556 014</b>	<b>(276 185)</b>	<b>301%</b>	<b>140 330</b>	<b>(56 637)</b>	<b>348%</b>
<b>Operating profit</b>	<b>234 559</b>	<b>(582 652)</b>	<b>140%</b>	<b>29 708</b>	<b>(171 993)</b>	<b>117%</b>
<b>Financial gains and losses</b>	<b>(20 238)</b>	<b>(788 228)</b>	<b>97%</b>	<b>(3 105)</b>	<b>(141 357)</b>	<b>98%</b>
<b>Equity holders of the parents</b>	49 293	(1 405 476)	104%	9 049	(322 214)	103%
<b>Net cash flows from operating activities</b>	<b>348 431</b>	<b>85 190</b>	<b>309%</b>			

In the first nine months of 2009 **Synergon Group** produced sales in the volume of **12,250 mHUF**, which is an increase of 5% compared to the corresponding period of the previous year, and primarily reflects the increase of sales by the Hungarian subsidiaries.

In the first three quarters of 2009 the **net contribution volume** calculated from the sales revenues and direct costs of the Group **increased by 30% to 4,311 mHUF, which equals a net contribution ratio of 35%**. The value of the contribution ratio for the first three quarters of the year exceeded the corresponding period of the previous year by 7%, it was the third quarter that played a dominating role in that improvement, as the growth of the first quarter was 8%.

The historical cost of the resources utilized for operation are significantly below the change in contribution and sales revenues, thus the additional contribution value improved the increase of Group EBITDA. In the first nine months of 2009 the Group reached an EBITDA value of **556 mHUF**, which is an increase of **over 800 mHUF** compared to the previous period of 2008, and equals an **EBITDA ratio of 5%**.

**The net cash flow deriving from operations was 348 mHUF**. The profitability of business operations is reflected by the fact that a profit of 399 mHUF was collected in that period from the primary activity. In the comparative period a negative cash flow derived from operations, and the significant positive cash flow was caused by the change in operating capital.

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

“The market environment did not improve in the third quarter, the crisis continued to be manifest in the slips and delays of the projects. Although traditionally, this period is one of the weaker times, in the first nine months of the year their business profit totaled 235mHUF, in which the determining item was the performance of Hungarian subsidiaries.

In addition to closing several major projects in the third quarter, we also managed to win new orders, primarily in the industrial sector. We have delivered the IT system of the facility of Hungarian Television in Kunigunda street, in which almost every branch of our Company participated. At T-Group we closed our Digital Video Broadcasting Satellite project, and at Aegon we completed the construction of the Disaster Recovery Site. Among our new projects I would highlight the establishment of a disaster-tolerant site started at MFB and applying to the mission critical systems of the bank, and at Magyar Telekom we made further sales to the IP Address Management project, which was started earlier and has already been implemented.

We stepped up our monitoring activities, in order to set off the negative effects, and we make an effort by the conscious development of our staff and facilities to ensure that when the recession is over, we should be able to fulfill the expected market needs at a quality level exceeding that of the competitors. I believe that we will keep up our good performance so far until the end of the year, and despite the crisis we will close a favorable year.”

## Analysis of the Results of Synergon Group on September 30, 2009

As a parent company, Synergon Information Plc. has involved the following companies in its consolidated report as of June 30, 2009. **Synergon System Integrator Ltd., Synergon Retail Systems Ltd., Synergon IT Invest Plc., Fibex Ltd., 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>	2009	2008	Difference %	2009	2008	Difference %
	9 month*	9 month*		3. Q*	3. né*	
<b>Sales revenues</b>	<b>12 249 974</b>	<b>11 620 031</b>	<b>5%</b>	<b>3 847 629</b>	<b>4 980 956</b>	<b>(23%)</b>
<i>from which services (%)</i>	61%	45%	16%	34%	42%	(8%)
<b>Cost of materials and services</b>	<b>(7 939 300)</b>	<b>(8 307 088)</b>	<b>(4%)</b>	<b>(2 612 113)</b>	<b>(3 775 366)</b>	<b>(31%)</b>
<i>in sales (%)</i>	65%	71%	(7%)	68%	76%	(8%)
<b>Contribution</b>	<b>4 310 673</b>	<b>3 312 942</b>	<b>30%</b>	<b>1 235 516</b>	<b>1 205 590</b>	<b>2%</b>
<i>Contribution (%)</i>	35%	29%	7%	32%	24%	8%
Operating cost	(4 076 115)	(3 895 594)	5%	(1 205 808)	(1 377 583)	(12%)
<b>EBITDA</b>	<b>556 014</b>	<b>(276 185)</b>	<b>301%</b>	<b>140 330</b>	<b>(56 637)</b>	<b>348%</b>
<i>EBITDA margin (%)</i>	<b>5%</b>	<b>(2%)</b>	<b>7%</b>	<b>4%</b>	<b>(1%)</b>	<b>5%</b>
<b>Operating profit</b>	<b>234 559</b>	<b>(582 652)</b>	<b>140%</b>	<b>29 708</b>	<b>(171 993)</b>	<b>117%</b>
<i>Operating profit margin(%)</i>	<b>2%</b>	<b>(5%)</b>	<b>7%</b>	<b>1%</b>	<b>(3%)</b>	<b>4%</b>
Other expenses and other cost, net	(51 049)	(913)	(5 491%)	5 809	(1 845)	415%
Financial gains and losses	(20 238)	(788 228)	97%	(3 105)	(141 357)	98%
<b>Profit before tax</b>	<b>163 272</b>	<b>(1 371 793)</b>	<b>112%</b>	<b>32 411</b>	<b>(315 195)</b>	<b>110%</b>
Income tax	(113 215)	(33 269)	240%	(25 124)	(6 617)	280%
<b>Profit after tax</b>	<b>50 057</b>	<b>(1 405 062)</b>	<b>104%</b>	<b>7 288</b>	<b>(321 812)</b>	<b>102%</b>
<b>Minority Interest</b>	<b>764</b>	<b>413</b>	<b>85%</b>	<b>(1 761)</b>	<b>402</b>	<b>(538%)</b>
<b>Equity holders of the parents</b>	<b>49 293</b>	<b>(1 405 476)</b>	<b>104%</b>	<b>9 049</b>	<b>(322 214)</b>	<b>103%</b>
<i>net income margin (%)</i>	<b>0%</b>	<b>(12%)</b>	<b>12%</b>	<b>0%</b>	<b>(6%)</b>	<b>7%</b>

\* non audited \*\*consolidated

In the first nine months of 2009 Synergon Group produced sales in the volume of 12,250 mHUF, which is an increase of 5% compared to the corresponding period of the previous year. The sales of the third quarter decreased by 23%, in which the Hungarian subsidiaries and the Czech subsidiary had a significant role, at the same time, as the annual performance exceeds that of 2008, we can talk about balanced company performance.

The sales revenues of Synergon Group according to consolidated sectors were the following:

- the telecommunications and media sector with 24%,
- the banking and financial sector with 14%,
- the industrial and service sector with 15%,

- the health care sector, the state administration and state agencies sector were represented with 34% over the period. Other sales not assigned to sector constituted 13%.

In the first nine quarters of 2009 the **net contribution volume** calculated from the sales revenues and direct costs of the Group **increased by 30% to 4,311 mHUF, which equals a net contribution ratio of 35%.**

The historical cost of the resources utilized for operation are significantly below the change in contribution and sales revenues, thus the additional contribution value improved the increase of Group EBITDA. In the period of 2009 elapsed so far, the Group reached an EBITDA value of 556 mHUF, which is an increase of over 800 mHUF compared to the previous period of 2008, and equals an EBITDA ratio of 5%.

In the first nine months of the year the **after tax earnings assigned to the parent company** totalled **163 mHUF**, of which the earnings of Hungarian companies totalled 109 mHUF, and the contribution of Infinity a.s. subsidiary was a profit of 54 mHUF.

The tax liability is related to the positive earnings of Synergon IT Invest Zrt., the company created by the demerger. The after tax profit assigned to the parent company totalled 49 mHUF.

## Earnings of Hungarian Companies

This includes Synergon Information Plc. and its subsidiaries presented in a consolidated manner, Synergon Rendszerintegrátor Kft., Synergon Retail Systems Kft. Synergon IT Invest Zrt., 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 System Integrator Ltd.** (formerly called SAO-Synergon Kft) is a company dealing with the operation and management of systems. **Synergon Retail Systems Ltd.** sells core activity systems to retail service providers. **Fibex Kft.** is a subsidiary of Synergon has minimized its operating activities; it has sold the total stock value and builds down its staff. **Synergon IT Invest Zrt.** the subsidiary of Synergon Information Plc. created by demerger has been operating since April 30, 2009. Synergon IT Invest Zrt. as of November 30, 2009 it will be merged into Synergon System Integrator Ltd. , and the company court registered this fact on October 6, 2009.

<i>Synergon together with Hungarian subsidiaries* Thousand HUF</i>	2009 9 month*	2008 9 month*	Difference	2009 3. né*	2008 3. né*	Difference %
<b>Sales revenues</b>	<b>10 658 665</b>	<b>9 605 231</b>	<b>11%</b>	<b>3 354 093</b>	<b>4 032 415</b>	<b>(17%)</b>
<i>from which services (%)</i>	61%	42%	19%	31%	39%	(9%)
<b>Cost of materials and services</b>	<b>(7 192 076)</b>	<b>(7 156 984)</b>	<b>0%</b>	<b>(2 392 195)</b>	<b>(3 191 625)</b>	<b>(25%)</b>
<i>in sales (%)</i>	67%	75%	(8%)	71%	79%	(8%)
<b>Contribution</b>	<b>3 466 589</b>	<b>2 448 247</b>	<b>42%</b>	<b>961 898</b>	<b>840 790</b>	<b>14%</b>
<i>Contribution (%)</i>	33%	25%	8%	29%	21%	8%
Operating cost	(3 283 978)	(3 063 530)	7%	(935 191)	(1 043 160)	(10%)
<b>Operating profit</b>	<b>182 611</b>	<b>(615 283)</b>	<b>130%</b>	<b>26 707</b>	<b>(202 369)</b>	<b>113%</b>
<i>Operating profit margin(%)</i>	<b>2%</b>	<b>(6%)</b>	<b>8%</b>	<b>1%</b>	<b>(5%)</b>	<b>6%</b>
Other expenses and other cost, net	(52 642)	(1 729)	-	4 842	(2 700)	279%
Financial gains and losses	(20 815)	(780 697)	97%	(1 407)	(138 299)	99%
<b>Profit before tax</b>	<b>109 154</b>	<b>(1 397 709)</b>	<b>108%</b>	<b>30 142</b>	<b>(343 368)</b>	<b>109%</b>
Income tax	(113 215)	(32 806)	245%	<b>(25 124)</b>	<b>(6 562)</b>	283%
<b>Profit after tax</b>	<b>(4 061)</b>	<b>(1 430 515)</b>	<b>100%</b>	<b>5 018</b>	<b>(349 930)</b>	<b>101%</b>

\* non audited, eliminated intercompany transactions of Synergon Information Plc., Synergon System Ingetrator Plc., Synergon Retail Systems Plc., Fibex Kft., Synergon IT Invest Zrt.

In Hungary the **sales revenues** of the companies in the first three quarters of 2009 totaled 10,659 mHUF, 11% higher compared to the corresponding period of the previous year. One of the determining components in this growth was the revenue of the outsource service provided to BKV.

**Net contribution** totaled 3,467 mHUF in the first nine months of 2009, which is 42% higher than the corresponding period of the previous year, while in the third quarter net contribution increased by 14%.

The value of the contribution ratio in the third quarter increased by 8%, both as an accumulated figure and for the quarters, which was a result of the higher level of service contents.

In 2009 Q1-Q3 the operating profit totaled 183 mHUF, which exceeds the corresponding period of rounded 800mHUF.

In **financial earnings**, the accumulated gains obtained and realized by Synergon Nyrt. in a futures transaction involving its treasury shares was 150 mHUF, this value was reduced by the results of other futures transactions in currencies and could not be compensated by interest revenues. As the combined effect of these factors, the financial earnings in the first half of the year showed a consolidated value of 21 mHUF of loss.

The profit before tax totaled 109 mHUF, which the calculated tax liability will reduce by 113 mHUF of expected income tax. We have calculated the tax liability based on the results of Synergon IT Invest Zrt., which produced positive earnings.

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

**Infinity a.s.** is a member of the Synergon Group in the Czech Republic, a member company with Synergon 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, Synergon Information Plc. controls this subsidiary to a degree of 99%.

<i>Infinity Income Statement*</i> <i>Thousand HUF</i>	2009	2008	Difference	2009	2008	Difference %
	9 month*	9 month*	% 9 month*	3. né*	3. né*	3. né*
<b>Sales revenues</b>	<b>1 591 309</b>	<b>2 026 344</b>	<b>(21%)</b>	<b>493 536</b>	<b>952 710</b>	<b>(48%)</b>
<i>from which services (%)</i>	65%	57%	8%	69%	55%	15%
<b>Cost of materials and services</b>	<b>(747 224)</b>	<b>(1 150 350)</b>	<b>(35%)</b>	<b>(219 919)</b>	<b>(583 741)</b>	<b>(62%)</b>
<i>in sales (%)</i>	47%	57%	(10%)	45%	61%	(17%)
<b>Contribution</b>	<b>844 084</b>	<b>875 994</b>	<b>(4%)</b>	<b>273 618</b>	<b>368 969</b>	<b>(26%)</b>
<i>Contribution (%)</i>	53%	43%	10%	55%	39%	17%
Operating cost	(792 137)	(839 495)	(6%)	(270 617)	(338 178)	(20%)
<b>Operating profit</b>	<b>51 948</b>	<b>36 499</b>	<b>42%</b>	<b>3 001</b>	<b>30 791</b>	<b>(90%)</b>
<i>Operating profit margin(%)</i>	3%	2%	1%	1%	3%	(3%)
Other expenses and other cost, net	1 593	816	95%	966	855	13%
Financial gains and losses	579	(7 532)	108%	(1 697)	(3 058)	45%
<b>Profit before tax</b>	<b>54 119</b>	<b>29 784</b>	<b>82%</b>	<b>2 270</b>	<b>28 588</b>	<b>(92%)</b>
Income tax	-	(463)	-	-	(55)	
<b>Profit after tax</b>	<b>54 119</b>	<b>29 320</b>	<b>85%</b>	<b>2 270</b>	<b>28 534</b>	<b>(92%)</b>

\* non audited, with minority interest

The **sales revenue** of Infinity a.s. in the first three quarters of 2009 remained below the sales level of former years, and totaled 1.6 billion HUF. The loss of revenue in the third quarter was caused by the drop in the orders of business enterprises and the postponement of development, less frequently the postponement of maintenance investments. In the current market situation the maintenance of sales continues to pose a significant challenge.

The **net contribution volume** in the third quarter is seasonally low, in the first nine months of the year it was 844 million HUF, which is a decrease of 4% compared to the similar period of the previous year, owing to the stronger performance of the first half of the year.

In 2009 Q1-Q3 the **net contribution ratio** continued to show a higher value than earlier, i.e. 53%, which suggests that the structure of orders has changed, in practice this means that the customers typically postpone their asset developments, on the other hand, in consideration of the reduced capacity they keep operating their existing networks and systems.

In the current market situation Infinity a.s. could maintain its results by applying strict cost control and utilizing its operating budget in utmost consideration of the opportunities of its environment. In total, during the period of nine months they created harmony between contributions and operating costs, to respond the missing of 4% contribution by reducing the operating cost values by 6%, as a consequence they kept the results of the company in balance.

The final value of the **operating profit** in the first nine months of 2009 was 42% higher than in previous year, with 52mHUF. The **after tax profit of the Company was 54 mHUF**, to which the weak positive performance of the third quarter contributed, but even with that, the Company continued to produce a profit that was higher than in the corresponding period of the year 2008.

## Changes in the Consolidated Balance Sheet

The consolidated balance sheet total of the Group was 8,559 m HUF on September 30, 2009, which means a decrease of 19% compared to December 31, 2008, and of 10% compared to September 30, 2008.

<i>Balance Sheet**</i>	September 30th, 2009*	December 31st, 2008	Difference %	September 30th, 2008*
	Thousand HUF	Thousand HUF	%	Thousand HUF
<b>ASSETS</b>				
<b>Non- current assets</b>				
Property, plant equipment and other intangible assets	1 912 300	1 599 805	20%	1 670 114
Goodwill	195 315	162 267	20%	162 267
Investments	2 697	2 697	0%	2 697
Deferred tax asset	11 577	2 564	352%	30 896
Receivables from leasing	23 627	19 018	24%	-
<b>Total non- current assets</b>	<b>2 145 516</b>	<b>1 786 351</b>	<b>20%</b>	<b>1 865 974</b>
<b>Current assets</b>				
Inventory	636 451	735 118	(13%)	675 291
Trade accounts receivable, net	4 604 947	6 719 014	(31%)	5 450 242
Other current assets	863 136	585 044	48%	629 576
Cash and cash equivalents	309 311	687 454	(55%)	827 895
<b>Total current assets</b>	<b>6 413 845</b>	<b>8 726 630</b>	<b>(27%)</b>	<b>7 583 004</b>
<b>TOTAL ASSETS</b>	<b>8 559 361</b>	<b>10 512 981</b>	<b>(19%)</b>	<b>9 448 978</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Issued capital	1 860 947	1 910 926	(3%)	1 910 926
Treasury shares	(1 195 841)	(1 057 784)	13%	(1 040 149)
Share premium	3 087 127	5 770 884	(47%)	5 770 884
Capital reserve	27 980	27 980	0%	27 980
Retained losses				
	1 031 766	(1 597 441)	(165%)	(1 985 804)
Cumulative translation adjustments	208 118	121 337	72%	113 485
<b>Equity attributable to equity holders of the parent</b>	<b>5 020 097</b>	<b>5 175 902</b>	<b>(3%)</b>	<b>4 797 322</b>
Minority interest in consolidated subsidiaries	42 080	41 316	2%	41 274
<b>Total equity</b>	<b>5 062 177</b>	<b>5 217 218</b>	<b>(3%)</b>	<b>4 838 596</b>
<b>Long-term liabilities</b>				
	<b>277 809</b>	<b>211 371</b>	<b>31%</b>	<b>180 580</b>
<b>Current liabilities</b>				
Trade accounts payable	1 856 600	3 502 455	(47%)	2 832 150
Other payables and accruals	1 289 325	1 448 621	(11%)	1 476 498
Provisions for liabilities and charges				
	73 450	133 316	(45%)	121 154
<b>Total current liabilities</b>	<b>3 219 375</b>	<b>5 084 392</b>	<b>(37%)</b>	<b>4 429 802</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8 559 361</b>	<b>10 512 981</b>	<b>(19%)</b>	<b>9 448 978</b>

\* non audited \*\* consolidated

- The increase of property, plants and equipment and other intangible assets reflects the impact of assets purchased for the projects, which are directly necessary for the provision of the contractual services, have been approved by the customer as per the contract and are provided for a consideration.

- In the increase of goodwill value we see an item deriving from the changes of the FX rates of Czech koruna and forint as an increase of assets, recognized in capital. Considering the values of the Infinity a.s. investment and the original currency of the goodwill, based on the performance for the year 2009, they are recognized at unchanged value in the consolidated company.
- The change of the deferred tax balance sheet item was recognized in Infinity, this value changes from time to time, depending on the earnings of the Company.
- Claims on leasing provided as lessor is an item in Infinity recognized since the end of the year 2008, and the coverage of this value is the assets under leasing. The assets under leasing are HP desktop and server computers.
- The portfolio of stocks was closed around the value usually recognized after the first nine months of the year.
- The customers have paid for the items billed at the end of 2008 under trade debtors, thus the accounts receivable decreased. The decrease is a shift in the same direction as the change of turnover.
- The balance of other current assets is determined by the accrued and deferred items, whose change caused higher values compared to earlier periods.
- The changes in monetary assets and capital are reflected in the separately presented cash flow and capital movement table.
- Long term liabilities reflect liabilities falling due beyond one year, through leasing deals on IT tools and vehicles. The IT assets are assets purchased for customers.
- The Company reduced the portfolio of trade creditors as of the end of 2008, these were paid off from the items paid by the customers. According to the turnover of the quarter, the portfolio decreased.
- The provisions formed in 2008 have been utilized, no provision had to be formed in the period concerned for additional expected events.

## Consolidated Cash-Flow Statement

As of September 30, 2009, the cash and cash equivalents portfolio of the Company totalled 309 mHUF, while in the initial period; on December 31, 2008 they totalled 687 mHUF. In the reporting period the change was 378 mHUF, a decrease in cash and cash equivalents.

<i>Cash Flow**</i>	September 30th, 2009*	September 30th, 2008*
	Thousand HUF	Thousand HUF
<b>Cash Flow relating to operating activities:</b>		
<b>Net income before taxation</b>	<b>163 272</b>	<b>(1 371 793)</b>
<b>Non-cash:</b>		
Depreciation and amortization	321 455	306 467
Proceeds from disposal of fixed assets	11 975	663
Provisions changes	(65 792)	-
Changes in write - off assets	40 497	153 756
Treasury shares forward contact gains (losses)	(150 900)	794 335
Share based payment expenses	67 469	100 614
Financial (gains) expenses, net	<u>11 360</u>	<u>(37 511)</u>
	<b>399 336</b>	<b>(53 469)</b>
<b>Changes in working capital:</b>		
Changes of accounts receivable and other current assets	1 842 586	435 420
Changes of inventory	51 506	(330 056)
Changes of Payables and accruals	(1 938 444)	67 539
Taxes ( paid ) received	<u>(6 553)</u>	<u>(34 244)</u>
	<b>(50 905)</b>	<b>138 659</b>
<b>Net cash flows from operating activities</b>	<b>348 431</b>	<b>85 190</b>
<b>Cash flow relating to investing activities</b>		
Purchase of fixed assets	(574 589)	(378 109)
Proceeds on disposal of fixed assets	96 579	13 712
Forward contact deposit	(13 831)	347 909
Treasury shares forward contact gains (losses)	150 900	(794 335)
Proceeds from sale of short term investments	(2 525)	273 739
Proceeds on loans and borrowings	-	23 710
Proceeds from leasing receivables	(4 609)	-
Interest received	52 099	77 749
<b>Net cash flow used in investing activities</b>	<b>(295 977)</b>	<b>(435 625)</b>
<b>Cash flow relating to financing</b>		
Equity paid to shareholders	(94 602)	-
Disposal of treasury shares	61 676	-
Purchase of treasury shares	(326 330)	(332 828)
Payment for financial leases	(56 766)	180 580
paidreceived	<u>(14 576)</u>	<u>(1 076)</u>
<b>Net cash flowused in financing activities</b>	<b>(430 597)</b>	<b>(153 324)</b>
<b>Increase in cash and cash equivalents</b>	<b>(378 143)</b>	<b>(503 759)</b>
<b>Cash and cash equivalents at the:</b>		
Beginning of the year	687 454	1 331 654
End of the period	309 311	827 895

\* non audited

\*\* consolidated

- The net cash flow deriving from operations was 348 mHUF. The profitability of business operations is reflected by the fact that a profit of 399 mHUF was collected in that period from the primary activity. In the comparative period a negative cash flow derived from operations, and the positive cash flow was caused by the change in operating capital.
- The negative values of investment and financing cash flows generated a cash flow of 296 mHUF in total. As a result of asset purchasing and sale decisions, cash and cash

equivalents decreased by 576 mHUF. The positive profit impact of futures transactions compensated the sum spent on asset purchases by 150 mHUF.

- The treasury share transactions, i.e. sales and purchases, decreased the financing cash flow by a total amount of 264 mHUF. By its general meeting resolution passed on January 30, 2009, Synergon Informatika Nyrt. approved of the capital reduction, which was registered by the Company Court as of April 30, 2009, related to this transaction, the capital was issued to those shareholders who requested it, in the amount of 95 mHUF.

## 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, as presented on September 30, 2009, according to change type.

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
Reclassification of opening balances		(23 700)	(2 683 757)		2 707 457		-		-
Restated opening 1st January 2009	1 910 926	(1 081 484)	3 087 127	27 980	1 110 016	121 337	5 175 902	41 316	5 217 218
<b>Transactions with the equity owners:</b>									
Decrease of equity by the reason of foundation subsidiary	(9 950)				(78 786)		(88 735)		(88 735)
Decrease of equity by the reason of asset refund to shareholders	(40 030)				(54 572)		(94 602)		(94 602)
Effect of share changes					4 068		4 068		4 068
Foundation of subsidiary		84 575					84 575		84 575
Sale of treasury shares		127 398			(65 722)		61 676		61 676
Purchase of treasury shares		(326 330)					(326 330)		(326 330)
<b>Total shareholder's transactions</b>	<b>(49 980)</b>	<b>(114 357)</b>	<b>-</b>	<b>-</b>	<b>(195 012)</b>	<b>-</b>	<b>(359 348)</b>	<b>-</b>	<b>(359 348)</b>
<b>Transactions from the operations:</b>									
Net income					49 293		49 293	764	50 057
Share based payment (IFRS 2) in Income statement					67 469		67 469		67 469
Currency translation adjustment						53 733	53 733		53 733
Goodwill currency translation adjustment						33 048	33 048		33 048
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116 762</b>	<b>86 781</b>	<b>203 543</b>	<b>764</b>	<b>204 308</b>
Balance at September, 30th 2009 (IFRS)	1 860 947	(1 195 841)	3 087 127	27 980	1 031 766	208 118	5 020 097	42 080	5 062 177

The presented changes of 2009 in the capital structure of the company were implemented according to general shareholder's meeting resolutions of April 30, 2009 and July 24, 2009, and the Company Court registered these changes.

Shareholders Equity value representing voting rights at September 30th, 2009.

Equity representing voting rights	HUF	ps.
Issued capital	1 860 946 600	9 304 733
Treasury shares	(222 722 000)	(1 113 610)
Shares with voting rights	1 638 224 600	8 191 123

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 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		(332 828)					(332 828)		(332 828)
<b>Transactions with the equity owners:</b>		<b>(332 828)</b>					<b>(332 828)</b>		<b>(332 828)</b>
<b>Transactions from the operations:</b>									
Net income					(1 405 476)		(1 405 476)	413	(1 405 062)
Currency translation adjustment						16 948	16 948		16 948
Share based payment (IFRS 2)					(17 649)		(17 649)		(17 649)
Share based payment (IFRS 2)					100 614		100 614		100 614
<b>Total comprehensive income</b>	-	-	-	-	<b>(1 322 510)</b>	<b>16 948</b>	<b>(1 305 562)</b>	<b>413</b>	<b>(1 305 149)</b>
Balance at September, 30th 2008 (IFRS)	1 910 926	(1 040 149)	5 770 884	27 980	(1 985 804)	113 485	4 797 322	41 273	4 838 595

**Synergon Information Systems Plc. (mother company) stand alone financial statements for the period of 1<sup>st</sup> January to 30<sup>th</sup> September 2009 prepared according to the Hungarian accounting principles**

The interim report has not been audited by independent auditor, the accounting principles were the same for all reported periods, data published in thousand Huf.

Synergon Information Systems Plc. Financial report according to the hungarian accounting standards	30th September, 2009	31st Dec, 2009	30th September, 2008
<b>1st part</b>			
<b>Fixed assets (02.+10.+18.row)</b>	<b>2 841 715</b>	<b>2 788 145</b>	<b>2 881 634</b>
I. INTANGIBLE ASSETS	538 011	265 753	291 446
Capitalised value of foundation and restructuring costs	0	0	0
Capitalised value of research and development costs	0	0	0
Concessions and similar rights and assets	66 222	104 767	122 269
Intellectual property	471 789	160 986	169 177
Goodwill	0	0	0
Advance payments on intangible assets	0	0	0
Revaluation of intangible assets	0	0	0
II. TANGIBLE ASSETS	714 473	1 024 243	1 070 721
Land and buildings and related concessions and similar rights	535 932	548 163	559 178
Technical equipment, machinery and vehicles	0	1 487	1 642
Other equipment, fittings and vehicles	177 987	474 376	509 700
Breeding stock	0	0	0
Capital expenditure, renovations	554	217	201
Advance payments on Capital expenditure	0	0	0
Revaluation of tangible assets	0	0	0
III. FINANCIAL INVESTMENTS (19.-25. rows)	1 589 231	1 498 149	1 519 467
Long term investments in related companies	1 586 537	1 495 455	1 516 773
Long term loans given to related companies	0	0	0
Other long term investments	2 694	2 694	2 694
Long term loans given to other investees	0	0	0
Other long term loans given	0	0	0
Securities representing long term loans	0	0	0
Revaluation of financial investments	0	0	0

Synergon Information Systems Plc. Financial report according to the hungarian accounting standards	30th September, 2009	31st Dec, 2009	30th September, 2008
<b>2nd part</b>			
<b>B. Current assets (27.+34.+40.+45.row)</b>	<b>3 851 827</b>	<b>7 259 113</b>	<b>6 497 717</b>
I. INVENTORIES	155 324	588 538	662 371
Raw materials and consumables	0	35 910	525 617
Work in progress and semi-finished products	(0)	13 425	136 754
Animals	0	0	0
Finished goods	0	0	0
Goods	155 324	539 203	0
Advance payments on inventories	0	0	0
II. RECEIVABLES (35.-39. rows)	2 993 715	6 010 109	4 456 705
Trade accounts receivable	1 709 258	5 852 496	4 153 070
Receivables from related companies	1 095 793	38 274	151 604
Receivables from other investees	0	0	0
Bills of exchange receivable	0	0	0
Other receivables	188 664	119 339	152 031
III. MARKETABLE SECURITIES (41.-44. rows)	652 709	371 298	1 138 306
Investments in related companies	0	0	0
Other investments	0	0	0
Own shares, own quotas	636 654	371 298	1 063 849
Securities representing loans held for sale	16 055	0	74 457
IV. LIQUID ASSETS (46.-47. rows)	50 079	289 168	240 335
Cash in hand, cheques	1 416	2 971	1 631
Bank deposits	48 663	286 197	238 704
C. Prepaid expenses and accrued income (49+50+51.rows)	425 799	499 699	489 925
Accrued income	7 288	82 731	23 328
Prepaid expenses	418 512	416 968	466 597
Deferred expenses	0	0	0
<b>TOTAL ASSETS (01.+19.+40. rows)</b>	<b>7 433 606</b>	<b>10 546 957</b>	<b>9 443 137</b>

Synergon Information Systems Plc. Financial report according to the hungarian accounting standards 3rd part	30th September, 2009	31st Dec, 2009	30th September, 2008
<b>D. SHAREHOLDERS' EQUITY (54+56+57+58+59+61+61.rows)</b>	<b>5 761 479</b>	<b>5 590 996</b>	<b>5 988 191</b>
I. ISSUED CAPITAL	1 860 947	1 910 926	1 910 926
II. ISSUED BUT NOT PAID CAPITAL (-)	0	0	0
III. CAPITAL RESERVES	3 497 832	6 205 289	6 205 289
IV. RETAINED EARNINGS FROM PREVIOUS YEARS	(523 458)	(1 136 080)	(1 828 632)
V. NON-DISTRIBUTABLE RESERVES	636 654	371 297	1 063 849
VI. REVALUATION RESERVE	0	0	0
VII. PROFIT PER BALANCE SHEET	289 505	(1 760 436)	(1 363 241)
<b>E. Provisions (62+63+64 rows)</b>	<b>58 388</b>	<b>81 364</b>	<b>113 796</b>
1. Provisions for expected liabilities	58 388	81 364	113 796
2. Provisions for future expenses	0	0	0
3. Other provision	0	0	0
<b>F. Liabilities (53.+60.row)</b>	<b>1 006 783</b>	<b>4 312 621</b>	<b>3 033 141</b>
I. SUBORDINATED LIABILITIES	0	0	0
1. Subordinated liabilities to related companies	0	0	0
2. Subordinated liabilities to other investees	0	0	0
3. Subordinated liabilities to other enterprises	0	0	0
I. LONG TERM LIABILITIES	75 391	164 113	155 918
Long term credits	0	0	0
Convertible bonds	0	0	0
Debts on the issue of bonds	0	0	0
Investment and development loans	0	0	0
Other long term loans	0	0	0
Long term liabilities to related companies	0	0	0
Long term liabilities to other investees	0	0	0
Other long term liabilities	75 391	164 113	155 918

Synergon Information Systems Plc. Financial report according to the hungarian accounting standards 4th part	30th September, 2009	31st Dec, 2009	30th September, 2008
III. Short term liabilities	931 392	4 148 508	2 877 223
Short term credits	0	0	0
Short term loans	0	0	0
Advance payments received from customers	0	0	0
Trade accounts payable	726 065	3 129 942	2 182 203
Bills of exchange payable	0	0	0
Short term liabilities to related companies	64 887	454 906	229 773
Short term liabilities to other investees	0	0	0
Other short term liabilities	140 441	563 660	465 247
G. Accrued expenses and deferred income	292 691	561 976	734 148
1. Deferred revenues	267 765	524 261	556 343
2. Accrued expenses and expenditure	19 309	32 098	169 636
3. Deferred income	5 617	5 617	8 169
<b>TOTAL LIABILITIES AND SHEREHOLDERS' EQUITY</b>	<b>7 119 341</b>	<b>10 546 957</b>	<b>9 869 276</b>

5th Part

Net domestic sales revenues	6 765 233	13 563 034	8 277 656
Net export sales revenues	18 457	330 837	326 136
<b>Net sales revenues</b>	<b>6 783 690</b>	<b>13 893 871</b>	<b>8 603 792</b>
Change in self-manufactured inventories	(13 425)	5 378	18 939
Capitalised value of self-manufactured assets	139 900	37 211	147 788
Capitalised value of self-manufactured assets (03. +04.)	126 475	42 589	166 727
Other revenues	553 222	242 653	131 908
of which: reversal of impairment loss provision	114 184	3 703	0
Cost of raw materials	70 540	138 545	106 570
Value of services used	3 490 804	4 106 762	2 620 600
Value of other services	43 171	54 637	38 765
Cost of goods sold	2 082 018	7 169 185	4 835 803
Value of recharged services	244 153	55 506	13 418
<b>Material type expenditure (05.+06.+07.+08+9.)</b>	<b>5 930 686</b>	<b>11 524 635</b>	<b>7 615 156</b>
Wages	428 619	1 204 042	922 441
Other payments to personnel	85 970	233 228	137 558
Personnel related contributions	155 070	442 792	331 941
<b>Payments to personnel</b>	<b>669 659</b>	<b>1 880 062</b>	<b>1 391 940</b>
Depreciation charge	200 824	337 370	246 128
Other expenditure	427 987	426 040	193 614
-from which depretiation	0	216 516	0
<b>Operating result</b>	<b>234 231</b>	<b>11 006</b>	<b>(544 411)</b>
(I.+II.+III.-IV.-V.-VI.-VII.)			

Synergon Information Systems Plc. Financial report according to the hungarian accounting standards	30th September, 2009	31st Dec, 2009	30th September, 2008
<b>6ht part</b>			
Dividend received	0	0	0
of which: received from related companies	0	0	0
Gain on sale of investment	0	0	0
of which: received from related companies	0	0	0
Interest received and gain on financial investments	0	0	0
of which: received from related companies	0	0	0
Other interest received	27 791	51 355	48 025
of which: received from related companies	0	0	0
Other revenues from financial transactions	398 280	168 407	51 786
<b>Revenues from financial transactions (12.+13.+14.)</b>	<b>426 071</b>	<b>219 762</b>	<b>99 811</b>
Loss on financial investments	0	0	0
of which: given to related companies	0	0	0
Interest paid	10 781	11 862	5 710
of which: given to related companies	0	0	0
Impairment loss of financial investment, securities and bank deposits	24 958	734 688	0
Other expenditures of financial transactions	321 180	1 227 188	908 156
<b>Financial expenses (18.+19.+20+21.)</b>	<b>356 919</b>	<b>1 973 738</b>	<b>913 866</b>
<b>FINANCIAL PROFIT (IX.-X.)</b>	<b>69 152</b>	<b>(1 753 976)</b>	<b>(814 055)</b>
<b>PROFIT ON ORDINARY BUSINESS (+-A.+-B)</b>	<b>303 383</b>	<b>(1 742 970)</b>	<b>(1 358 466)</b>
Extraordinary revenues	0	0	0
Extraordinary expenditures	13 879	17 466	4 775
Profit on extraordinary events	(13 879)	(17 466)	(4 775)
<b>Net profit before taxation (+-C. +-D)</b>	<b>289 505</b>	<b>(1 760 436)</b>	<b>(1 363 241)</b>
Tax	0	0	0
<b>AFTER TAX PROFIT (+-E.-XIII)</b>	<b>289 505</b>	<b>(1 760 436)</b>	<b>(1 363 241)</b>
Dividends paid out of retained earnings	0	0	0
Dividends paid (approved) out of current year profits	0	0	0
<b>NET PROFIT PER BALANCE SHEET (+-F.+18.-19)</b>	<b>289 505</b>	<b>(1 760 436)</b>	<b>(1 363 241)</b>

## **Business analysis of the consolidated companies highlighting the exterminating business effects and risks**

### **Health care, governmental and state administration sector**

In the third quarter we were successful in several tenders of the Central Service General Directorate (KSZF) concerning the centralized public procurement contracts. As a result, in KSZF we were awarded a contract for the supply of software licenses, furthermore, the database manager, the IT security technology and Risc processes are in progress.

In public procurement tenders based on the organizational development grant NFT II. ÁROP we gained orders for the implementation of projects in the communities of Mezőcsát and Szendrő, aimed at increasing the efficiency of the operation of state administration.

We supplied state-of-the-art teaching equipment for over 20 schools, to the Local Government of Újbuda, the digital school solution constitutes part of this contract. We started the development and implementation of the e-learning and distant education system for the Agriculture Special Administration Office Center. We participated in the network development project of the Scientific University of Pécs by the supply of Cisco equipment.

At Közút the development works of the ERP system continued. In addition, we ran for several tenders of Közút: for example, software supporting the optimization of the road inspection road network, ERP, implementation of intelligent traffic network elements in the national road network.

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

Even though typically, the third quarter is the weakest period in the IT market, furthermore, the austerity that developed as a result of the global financial crisis continue to dominate the market, all in all the results meet the expectations.

During the quarter, related to the IP network of Invitel, we gained and implemented several minor investment orders. The expansion of the network of Invitel will probably mean additional investments, hopefully in the last quarter of 2009.

At Vodafone Zrt. we have continuously ensured the support of the IP network with enhanced availability, as well as the completion of asset supply and implementation tasks related to the expansion and development of the network. In addition, they also ordered the Synergon network documentation solution, and an order based on a VMware solution was fulfilled.

At T-Group the consolidated, enhanced network management support order progresses according to plan in this quarter as well. The deliveries related to the development of

optical systems for cable TV operators continued during the quarter as well. The enhancement of the SAP-based Economic and Financial System of NHH progresses according to plan.

In the field of business solutions the development project going on at Raiffeisen Bank has entered the stage of completion and progresses according to plan. In the third quarter we continued the SAP system upgrade going on at MFB, as well as the IT operating projects.

In addition to the above, in this sector we also closed several other minor projects, which mainly dealt with network security investments and sale of other Cisco-based technologies. We are constantly working on the preparation of several projects whose impact will probably be felt in the fourth quarter.

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

With the high-ticket customers the crisis typically caused some minor slips in the projects, thus we expect that some deals will be postponed to next year. After a quiet summer the corporate sector started the third quarter with great impetus.

We managed to complete several minor projects at the Waterworks of Budapest, with Symantec we extended our support contract, in addition to Microsoft CC implementation our tasks also included the supply of Cisco tools to the reconstruction of the network of the office building. At BorsodChem there was more focus on minor projects, of which we managed to win the following: Microsoft Project implementation, HP Storage expansion, supply of Cisco tools.

Thanks to our Microsoft KSZF contract, we managed to beat the competitors and conclude a three-year Microsoft EA contract with the National Command of the Customs and Excise Guard. In the first half of the year we completed the first stage of our contract with the Fire Department of Budapest. We extended our Grundfos support contract by one more year. At Tigáz we won the Cisco equipment supply tender and the wi-fi works in the third quarter as well. In the field of retail, we concluded a contract with Jeans Club until the end of the year concerning the opening of stores, and we also started the support project.

We managed to advance into the next stage in several MÁV tenders, here we worked the most on the tender aimed at the development of the traffic control system. We also managed to acquire some new customers, from whom we have already received a few minor orders.

We also completed the ELMŰ-ÉMÁSZ SDH support expansion, which was ordered from us until 2012. The EMC document management upgrades continued at MVM.

## **Retail and special systems (Synergon Retail Systems Kft.)**

In the third quarter we continued the provision of 24-hour a day service and system support activities in the entire territory of Hungary, for Agip Magyarország Kft., MÁV Zrt., LukOil Magyarország Kft. and Auchan Magyarország Kft. Between the beginning of July and the end of August we completed the VAT resetting in the cash machines of our customers. We continued to perform the high priority service activities for Hungarian Post Intelligent Post Office (IPH).

In the third quarter we successfully licensed the Hungarian systems of KIK Magyarország Bt. and IT Cinema. The installation and servicing of the retail systems of KIK Magyarország Bt. and Aldi Magyarország Bt. continued successfully.

Auchan Magyarország Kft. has been using the ECOD - EDI system continuously. The testing and production use of the e-invoice are in progress with over 30 vendors. Several multinational companies have chosen to use the ECOD – EDI system.

## **Synergon System Integrator Ltd.**

In the third quarter, the activities of the former Business Solutions division of Synergon Information Plc. were transferred, within that, Synergon System Integrator Plc. became the new reporting unit of the competencies and tools constituting the division.

The global economic and financial crisis continues to be felt in the market conditions, many of our customers indicated that owing to the crisis they cannot start or have to postpone the start of their planned projects. We applied enhanced monitoring activities in order to offset the negative effects of market conditions, owing to that, the operation of the Company remained balanced in the third quarter as well, we fulfilled our orders to the customers constantly and within deadline. With the principle of constant development in mind, during the quarter we reinforced our functional divisions by several experienced professionals, and we also embarked on technological developments in our sites in Budapest and Székesfehérvár. By the conscious development of our staff and facilities we make an effort to ensure that when the recession is over, we should be able to fulfill the expected market needs at a quality level exceeding that of the competitors, increasing our participation in the targeted market segments.

The usual seasonal impacts were manifest in the third quarter to a lesser extent, the end of the summer and the beginning of the autumn brought the completion of many projects and the start of the processing of several new orders for us. It is the outstanding accomplishment of the quarter that we have delivered the IT system of the facility of Hungarian Television in Kunigunda street, in this complex project almost every branch of our Company participated. Our additional large projects include structured network building projects performed in the building of ELMŰ Nyrt. Capital Square, involving or 1000 end points, and the one based on the Systimax system of the Regional Customer Service Center of Vodafone in Miskolc, exceeding 1200 end points. At T-Group we closed our DVBS (Digital Video Broadcasting Satellite) project, and at Aegon we completed the construction of the Disaster Recovery Site. Among our new projects I would highlight the establishment of a disaster-tolerant site started at MFB and applying to the mission critical systems of the bank, and at Magyar Telekom we made further sales to the IPAM (IP Address Management) project, which was started earlier and has already been implemented. In the third quarter we successfully renewed several qualifications of ours,

of which the following should be highlighted: Cisco Gold Certified Partner and VMware Certified Professional

### **Fibex Kft.**

Fibex Kft. is a subsidiary of Synergion, dealing with the sale of copper cables, network construction materials and tools. Its market opportunities has continuously narrowed for the year 2009 and as a conclusion the company has stopped its small trade activities, the network construction projects has been taken over by the other group member companies as a rationalization of the operations.

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

In the Czech Republic the general slowdown of the economy continued in the third quarter 2009. The unfavorable industry environment had a crucial effect on Infinity's third quarter results.

During the third quarter of 2009 Infinity concentrated on improving the quality of its marketing activity and sales management and continued its strong cost control. Despite of the common conservative approach to marketing budgets during economical crisis, the company considers important to increase its marketing and PR activities to maintain its competitive advantages against competitors on the Czech IT market gained from effective restructuring arrangements realized during last year.

The complex refurbishments of marketing activities were primarily focused on obtaining more business opportunities and to increase efficiency in using sources from cooperation with partners, such Microsoft, HP and Cisco.

As an outcome of the above mentioned, Infinity a.s. has established its call centre in Prague. The operators contact the target groups among both, current and potential customers from different business areas. They make inquiries on demand for Microsoft, HP and Cisco products, introduce actual promotion activities, make online surveys and also invite to seminars.

Infinity won the following new significant contracts during the third quarter:

- Vodovody a kanalizace Hodonín (utilities, water supply)/BIG Microsoft Dynamics NAV implementation (important for Infinity, very interesting vertical)
- Guarant International (media)/Microsoft Dynamics CRM support contract
- LIKO-S (construction)/ Microsoft Dynamics CRM support contract
- MJM Litovel (agriculture) / Microsoft Dynamics CRM support contract
- STERLING DILIGENCE CZ, s.r.o. (professional services, legal)/Document Management System
- Sazka (entertainment, betting)/software development
- Dopravní podnik města Brna (transportation) / SW Support PROCAS
- Nokia Czech republic (telecommunications)/SW Support (cooperation with a&o systems + services UK Ltd)
- BAT Czech Republic /HW Support (cooperation with a&o systems + services UK Ltd)

Infinity succeeded in renewal of a following contracts during the third quarter period :

- KBC Global (finance, banking/Server maintenance
- ČÚZK (Czech Land Register) (public)/postwaranty services (2 years)

- GTS Novera (telecommunications)/HW server maintenance

Considering the newly concluded contracts and the slowdown of the economy, the Company continues to show a balanced business performance. The awards received in 2009 in appreciation of constant performance and the financial results confirmed the medium-term plans and prospects.

## Headcount figures for Synergon Group

<i>Headcounts</i>	2009 Q3 average	2008 Q3 average	Difference %	2009 Q3 closing	2008 Q3 closing	Difference %
Synergon an Hungarian controlled entities	280	327	(14%)	270	308	(12%)
Infinity	105	109	(4%)	109	111	(2%)
<b>Total</b>	<b>385</b>	<b>436</b>	<b>(12%)</b>	<b>379</b>	<b>419</b>	<b>(10%)</b>

The closing headcount of September 30, 2009 is 379 persons, of whom 103 persons are employed by the parent company. The change in the closing headcount is a decrease of 10% compared to the closing value of the corresponding period of 2008.

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

Name	Equity/Registered capital	Interest held
Synergon System Integrator Plc.	67 760 Thousand HUF	100%
Synergon Retail Systems Kft.	40 000 Thousand HUF	100%
Synergon IT Invest Zrt.	10 000 Thousand HUF	100%*
Fibex Kft.	5 000 Thousand HUF	100%
Infinity a.s.	49 200 Thousand CZK	98,59%

\* A Synergon IT Invest Zrt. In July 2009 Synergon Information Systems Plc. acquired 250 shares in this company, by which the share of the parent company increased to 100%. On October 6, 2009 the company court recorded the merger of the Company into Synergon System Integrator Plc., effective as of November 30, 2009, as a result, Synergon IT Invest Zrt. will be deleted after the merger.

## Corporate events

### Shareholders Meeting

The General Meeting of the Company has not been convened since the time of the previous report.

### Ownership structure

Shareolders with higher than 5% ownership of Synergon Informations Plc.			Shareolders structure of Synergon Informations Plc.		
Shareholders	December 31st, 2008	September 30th, 2009	Shareholder arts	December 31st, 2008	September 30th, 2009
Cashline Befektetési Holding Zrt.	14,74%	13,55%	Domestic/Company	55,93%	52,13%
Pannergy Műanyagipari Nyrt. with subsidiaries	12,20%	12,52%	Foreign/Company	5,61%	5,89%
ERSTE GROUP BANK AG	6,82%	-	Domestic/Private person	23,85%	24,82%
Investors below 5% ratio	58,29%	61,96%	Foreign/Private person	0,48%	0,52%
Treasury shares	7,95%	11,97%	Employee and Key management	0,21%	0,21%
			Treasury shares	7,95%	11,97%
			Governmental and public interest	0,00%	0,00%
<b>Total</b>	<b>100%</b>	<b>100%</b>	Other	5,98%	4,46%
			<b>Total</b>	<b>100%</b>	<b>100%</b>

### 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 9-month **period from January 1, to September 30, 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 **stand alone financial reports of the mother company Synergon Information Systems Plc. has been prepared according to the Hungarian Accounting Standard** and contains not audited data and statements complying with the reality and no facts are concealed which would significantly affect the assessment of the company's situation. This report shows a real, creditable picture of the Company's devices, liability, financial situation,

gains and losses, and gives a reliable picture of the presented, consolidated Company's situation, development, performance, revealing the main ventures and elements of uncertainty.

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, 10<sup>th</sup> November 2009



Zsuzsanna IMRE  
CFO

Márk LAZAROVITS  
CEO

**Synergon Information Systems Plc.**

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