

## FINANCIAL SUPERVISION AUTHORITY

Current report No 3/2009

Date of preparation: 21<sup>st</sup> January, 2009

Abbreviated name of the Issuer:

ELZAB

### Subject:

**Merger plan of ELZAB SA and MEDESA Sp. z o.o.**

Legal foundation:

Art. 56 par. 1 section 1 of the Law on the offer – current and periodic information.

### The text of the report:

Referring to the current report no 128/2008, The Management Board of ELZAB SA Computer Works with registered office in Zabrze, informs that the merger plan of ELZAB SA and MEDESA Sp. z o.o. has been accepted by Management Board Resolution no 1/2009 on 20.01.2009.

The merger plan is an enclosure to the current report.

The legal foundation: § 5 par 1 point 13 of Minister's of Finance Decree on current and periodic information.

ZAKŁADY URZĄDZEŃ KOMPUTEROWYCH ELZAB S.A.		
-----		
ELZAB	(full name of the Issuer)	Computer science and technology (inf)
(brief issuer's name)		(sector acc. the Warsaw Stock Exchange classification)
41-813	Zabrze	
(post code)	(place)	
ul. Kruczkowskiego		39
(street)		(number)
(032) 272 2021	2722583	
(phone)	(fax)	
<a href="mailto:zalog@elzab.com.pl">zalog@elzab.com.pl</a>		<a href="http://www.elzab.com.pl">www.elzab.com.pl</a>
(e-mail)		(website)
6480000255		27003636
(tax identification No)		(Business statistical No)

### SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Full name	Position / Function	Signature
21.01.2009	Jerzy Biernat	Deputy Chairman of the Management Board - CEO	
21.01.2009	Elżbieta Załóg	Proxy	

# **MERGER PLAN**

**„ELZAB” S.A. Computer Works  
with registered office in Zabrze**

**and**

**MEDESA sp. z o.o.  
with registered office in Warsaw**

**agreed upon in Zabrze on 20<sup>th</sup> January, 2009**

## THE CONTENTS

1. Type, name and location of each company participating in the merger.
2. Definitions used in the merger plan.
3. Method of merger and legal foundations thereof.
4. Exchange ratio of shares of the target company into the shares of the receiving company and amount of additional payments. .
5. Principles of granting shares in the receiving company.
6. Date from which the shares mentioned in section 5 entitle to participation in the profit of the receiving company.
7. Rights granted by the receiving company to the shareholders and persons with particular rights in the target company.
8. Particular benefits for the authority members of merging companies and for other persons participating in the merger.
9. Attachments to the merger plan:

- Attachment No 1: draft resolutions on the merger – resolution of ELZAB General Meeting and resolution of MEDESA General Meeting,
- Attachment No 2: valuation of MEDESA property,
- Attachment No 3: declaration of the state of accounts of ELZAB – the balance-sheet and the company profit and loss account
- Attachment No 4: declaration of the state of accounts of MEDESA – the balance-sheet and the company profit and loss account

## **1. TYPE, NAME AND LOCATION OF EACH COMPANY PARTICIPATING IN THE MERGER**

The following companies participate in the merger:

**„ELZAB” Computer Works Joint Stock Company**, with registered office in Zabrze, ul. Kruczkowskiego 39, entered in the National Court Register by the Court of First Instance in Gliwice, X Business Department KRS under No 0000095317, share capital PLN 22.142.962,40 paid in full – **as the Receiving Company**,

and

**MEDESA Limited Liability Company**, with registered office in Warsaw, ul. Taborowa 14, entered in the National Court Register by the Court of First Instance for the Capital City of Warsaw, XIII Business Department KRS under No 0000086403, share capital PLN 750.500,00 paid in full – **as the Target Company**.

## **2. DEFINITIONS USED IN THE MERGER PLAN**

For the purpose of this Merger Plan the following definitions have been assumed:

- a) k.s.h. – the Law of 15th September, 2000 the Commercial Companies Code (Dz. U. of 2000, No 94, item 1037 as amended),
- b) ELZAB – „ELZAB” Computer Works, Joint Stock Company, with registered office in Zabrze, ul. Kruczkowskiego 39,
- c) MEDESA – MEDESA Limited Liability Company, with registered office in Warsaw, ul. Taborowa 14,
- d) The Receiving Company – ZUK „ELZAB” S.A.,
- e) The Target Company – MEDESA sp. z o.o.,
- f) The Companies – ELZAB and MEDESA,
- g) The Management Boards –ELZAB Management Board and MEDESA Management Board,
- h) Merger Plan – this document.

## **3. METHOD OF MERGER AND LEGAL FOUNDATIONS THEREOF**

The merger will be executed through takeover of MEDESA by ELZAB in the mode defined in art. 492 § 1 section 1) k.s.h., i.e. through transfer of all the property of the Target Company onto the Receiving Company. Due to the fact that ELZAB holds 100 % shares in MEDESA, the merger will be carried out without share capital increase of the Receiving Company, as provided in art. 515 § 1 k.s.h.

Under the principles determined in art. 506 k.s.h., the merger foundation will be unanimous resolutions of the General Meeting of ELZAB and MEDESA, including the consent of the respective shareholders in ELZAB and MEDESA for the merger and the Merger Plan.

As a result of the merger, ELZAB – according to art. 494 § 1 k.s.h. - will take over all the rights and liabilities of MEDESA from the date of merger on. The merger will take place on

the date of entering by court of registration competent for the registered office of ELZAB. This entry – as provided in art. 493 § 2 k.s.h. will result in deletion of the Target Company from the National Court Register.

**4. EXCHANGE RATIO OF SHARES OF THE TARGET COMPANY INTO THE SHARES OF THE RECEIVING COMPANY AND AMOUNT OF ADDITIONAL PAYMENTS.**

Due to the fact that ELZAB holds 100 % shares in MEDESA – not applicable.

**5. PRINCIPLES OF GRANTING SHARES IN THE RECEIVING COMPANY.**

Due to the fact that ELZAB holds 100 % shares in MEDESA – not applicable.

**6. DATE FROM WHICH THE SHARES MENTIONED IN SECTION 5 ENTITLE TO PARTICIPATION IN THE PROFIT OF THE RECEIVING COMPANY.**

Not applicable.

**7. RIGHTS GRANTED BY THE RECEIVING COMPANY TO THE SHAREHOLDERS AND PERSONS WITH PARTICULAR RIGHTS IN THE TARGET COMPANY.**

The Receiving Company has not granted such rights.

**8. PARTICULAR BENEFITS FOR THE AUTHORITY MEMBERS OF MERGING COMPANIES AND FOR OTHER PERSONS PARTICIPATING IN THE MERGER.**

The Receiving Company has not granted such rights.

For and on behalf of  
ELZAB S.A.

For and on behalf of  
MEDESA SP. Z O.O.

Draft

**Resolution No .....**  
**of the General Meeting of „ELZAB” Computer Works, Joint Stock Company**  
**with registered office in Zabrze**  
**of ..... 2009**

**on: the merger with „MEDESA” Limited Liability Company with registered office in Warsaw**

§ 1

The General Meeting of **„ELZAB” Computer Works, Joint Stock Company** with registered office in Zabrze (hereinafter called **„The Receiving Company”** or **„Elzab S.A.”**), acting in virtue of art. 506 of Commercial Companies Code, hereby decides on merger of ELZAB S.A. with:

**MEDESA Limited Liability Company** with registered office in Warsaw, ul. Taborowa 14 , 02-699 Warszawa, entered in the Register of Entrepreneurs of the National Court Register kept by the Court of First Instance for the Capital City of Warsaw, XIII Business Department of the National Court Register under No KRS 000086403 (hereinafter called **„Medesa Sp. z o.o.”** or **„The Target Company”**), in the mode as provided in art. 492 § 1 section 1 of Commercial Companies Code, through the transfer of the entire property of the Target Company (MEDESA sp. z o.o.) onto the Receiving Company (ELZAB S.A.) and therefore decides to merge with MEDESA Sp. z o.o.

§ 2

The merger of the companies takes place according to art. 515 § 1 of Commercial Companies Codes, without ELZAB S.A. share capital increase.

§ 3

The General Meeting, according to art. 506 § 4 of Commercial Companies Code, hereby gives its consent to the Merger Plan of the Companies agreed upon on 20th January, 2009 between the Management Boards of ELZAB S.A. as the Receiving Company and MEDESA Sp. z o.o. as the Target Company, announced in the Judicial and Economic Official Journal No .. (...) of ..... 2009 under .....and representing Attachment No 1 hereto, providing that:

- 1) the merger will take place in the mode of art. 492 § 1 section 1 and art. 515 § 1 of Commercial Companies Code, through transfer onto ELZAB S.A. (The Receiving Company) the whole property of MEDESA Sp. z o.o. (The Target Company), where ELZAB S.A. is the sole shareholder,
- 2) the merger will take place without increasing the share capital of the Receiving Company,
- 3) the merger will take place in virtue of the property valuation of the Target Company and the balance-sheets and the profit and loss accounts of the merging Companies made as of 1<sup>st</sup> December, 2008.

§ 4

The General Meeting authorizes ELZAB S.A. to carry out all the procedures related to execution of the merger of ELZAB S.A. with MEDESA Sp. z o.o. , particularly to report the merger with the Register of Entrepreneurs of National Court Register.

§ 5

The resolution comes into force and effect on the day of being passed.

§ 6

The Merger Plan agreed upon on 20th January, 2009 represents addendum to this resolution.

Draft

**Resolution No .....**  
**of the General Meeting of MEDESA Limited Liability Company**  
**with registered office in Warsaw**

**of ..... 2009**

**on: the merger with „ELZAB” Computer Works, Joint Stock Company with registered office in Zabrze**

§ 1

The General Meeting of MEDESA Limited Liability Company with registered office in Warsaw (hereinafter called „**Medesa Sp. z o.o.**” or „**The Target Company**”), acting in virtue of art. 506 of Commercial Companies Code, hereby decides on merger between Medesa Sp. z o.o. and „**ELZAB” Computer Works Joint Stock Company**, with registered office in Zabrze, ul. Kruczkowskiego 39, 41-813 Zabrze, entered in the National Court Register by the Court of First Instance in Gliwice, X Business Department KRS under No 0000095317, (hereinafter called **the Receiving Company or “ELZAB” S.A.**) through the transfer of the whole property of the Target Company in the mode as provided in art. 492 § 1 section 1 of Commercial Companies Code onto the Receiving Company and therefore decides that it merges with ELZAB S.A. through transfer of the whole property of MEDESA Sp. z o.o. onto ELZAB S.A.

§ 2

The General Meeting, according to art. 506 § 4 of Commercial Companies Code, hereby gives its consent to the Merger Plan of the Companies agreed upon on 20th January, 2009 between the Management Boards of ELZAB S.A. as the Receiving Company and MEDESA Sp. z o.o. as the Target Company, announced in the Judicial and Economic Official Journal No .. (...) of ..... 2009 under .....and representing Attachment No 1 hereto, providing that:

- 1) the merger will take place in the mode of art. 492 § 1 section 1 and art. 515 § 1 of Commercial Companies Code, through transfer onto ELZAB S.A. (The Receiving Company) the whole property of MEDESA Sp. z o.o. (The Target Company), where ELZAB S.A. is the sole shareholder,
- 2) the merger will take place without increasing the share capital of the Receiving Company,
- 3) the merger will take place in virtue of the property valuation of the Target Company and the balance-sheets and the profit and loss accounts of the merging Companies made as of 1<sup>st</sup> December, 2008.

§ 3

The General Meeting authorizes ELZAB S.A. to carry out all the procedures related to execution of the merger of MEDESA Sp. z o.o. with ELZAB S.A.

§ 4

The resolution comes into force and effect on the day of being passed.

§ 5

The Merger Plan agreed upon on 20th January, 2009 represents addendum to this resolution.

## Attachment No 2 to the Merger Plan

### Valuation of Property of MEDESA Limited Liability Company with registered office in Warsaw as of 1<sup>st</sup> December, 2008

For the purposes of fixing the value of the property of MEDESA Limited Liability Company, according to art. 499 § 2 section 3 k.s.h., the book valuation was assumed, based on the figures disclosed in the balance-sheet of MEDESA Limited Liability Company made as of 1<sup>st</sup> December, 2008 presented in the Statement of the State of Accounts, constituting Attachment No 4 to the Merger Plan.

The essence of the book valuation method is the assumption that the Company property value is equal to its net assets value, calculated in virtue of the Company balance-sheet prepared, i.e. it represents the difference between the amount of assets and that of provisions for liabilities.

The value of MEDESA Limited Liability Company property as of 1<sup>st</sup> December, 2008 is as follows:

<b>ASSETS</b>	value in PLN
<input type="checkbox"/> Intangible assets	0,00
<input type="checkbox"/> Tangible fixed assets	10 160,29
<input type="checkbox"/> Long-term receivables	0,00
<input type="checkbox"/> Long-term investments	0,00
<input type="checkbox"/> Long-term accruals and prepayments	26 307,00
<input type="checkbox"/> Inventories	780 993,26
<input type="checkbox"/> Short-term receivables	737 024,53
<input type="checkbox"/> Short-term investments	298 946,92
<input type="checkbox"/> Short-term accruals and prepayments	2 503,96
<b>TOTAL</b>	<b>1 855 935,96</b>

<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	value in PLN
<input type="checkbox"/> Provisions for liabilities	72 131,47
<input type="checkbox"/> Long-term liabilities	0,00
<input type="checkbox"/> Short-term liabilities	755 516,01
<input type="checkbox"/> Accruals and prepayments	17 600,00
<b>TOTAL</b>	<b>845 247,48</b>

The Company hereby fixes that the Company property value as of 1st December, 2008 determined in virtue of the balance-sheet prepared for the same day is PLN 1.010.688,48 (in words: one million ten thousand six hundred eighty eight 48/100 zlotys).

For MEDESA Sp. z o.o.

**Attachment No 3 to the Merger Plan**

<b>Balance-Sheet of ELZAB SA as of 01.12.2008</b>	<b>Value in PLN</b>
<b>Assets</b>	
<b>I. Fixed Assets</b>	<b>17 000 325,03</b>
1. Intangible Assets	2 501 617,57
2. Tangible Fixed Assets	8 445 971,86
3. Long-term Receivables	151 896,02
3.1. From associated companies	0,00
3.2. From other entities	151 896,02
4. Long-term investments	5 194 095,35
4.1. Real Property	0,00
4.2. Intangible Assets	0,00
4.3. Long-term financial assets	5 194 095,35
a) in associated companies	5 194 095,35
b) in other entities	0,00
4.4. Other long-term investments	0,00
5. Long term accruals and prepayments	706 744,23
5.1. Assets from deferred income tax	706 744,23
5.2. Other accruals and prepayments	0,00
<b>II. Current assets</b>	<b>31 166 198,63</b>
1. Inventories	8 279 899,82
2. Short-term inventories	18 207 888,27
2.1. From associated companies	7 768 318,06
2.2. From other entities	10 439 570,21
3. Short-term investments	4 493 698,70
3.1. Short-term financial assets	4 493 698,70
a) in associated companies	0,00
b) in other entities	0,00
c) cash and equivalents	4 493 698,70
3.2. Other short-term investments	0,00
4. Short-term accruals and prepayments	184 711,84
<b>III. Long-term assets classified for sale</b>	<b>7 271 819,89</b>
<b>Total assets</b>	<b>55 438 343,55</b>

<b>Liabilities</b>	<b>Value in PLN</b>
<b>I. Equity</b>	<b>40 292 850,12</b>
1. Share capital	22 142 962,40
2. Own shares	-1 996 551,02
3. Reserve capital	19 753 625,10
4. Retained profits, of which	392 813,64
4.1. Cumulated profits/losses of previous years	3 778 328,77
4.2. Net profit/loss of current financial year	-3 385 515,13
<b>II. Liabilities and provisions for liabilities</b>	<b>15 145 493,43</b>
1. Provisions for liabilities	4 097 267,24
1.1. Provision for deferred income tax	114 468,40
1.2. Provision for retirement and other similar benefits	3 324 947,00
a) long-term	2 556 354,00
b) short-term	768 593,00
1.3. Other provisions	657 851,84
a) long-term	0,00
b) short-term	657 851,84
2. Long-term liabilities	3 697 420,00
2.1. To associated companies	0,00
2.2. To other entities	3 697 420,00
3. Short-term liabilities	7 334 806,19
3.1. To associated companies	96 183,81
3.2. To other entities	6 965 339,48
3.3. Special funds	273 282,90
4. Accruals and prepayments	16 000,00
4.1. Negative goodwill	0,00
4.2. Other accruals and prepayments	16 000,00
a) long-term	0,00
b) short-term	16 000,00
<b>Total liabilities</b>	<b>55 438 343,55</b>

**Attachment 3 to the Merger Plan**

<b>PROFIT AND LOSS ACCOUNT OF ELZAB S.A. for the period from 01.01.2008 to 01.12.2008</b>	<b>Wartość w PLN</b>
<b>Continued business</b>	
<b>I. Net trade revenues, of which:</b>	<b>53 104 344,26</b>
- from associated companies	10 196 796,51
1. Net revenues on sales of products	47 319 682,79
2. Net revenues on sales of goods and supplies	5 784 661,47
<b>II. Costs of products, goods and supplies sold, of which:</b>	<b>31 876 898,52</b>
- from associated companies	5 760 847,24
1. Production cost of products sold	26 881 221,17
of which: profit/loss on revaluation of products	96 657,52
2. Value of goods and supplies sold	4 995 677,35
of which: profit/loss on revaluation of goods and supplies	82 084,08
<b>III. Gross profit/loss on sales (I-II)</b>	<b>21 227 445,74</b>
IV. Costs of sales	2 544 400,51
of which: profit/loss on revaluation of receivables	-240 653,35
V. Overheads	9 837 551,91
<b>VI. Profit / loss on sales (III-IV-V)</b>	<b>8 845 493,32</b>
VII. Other operating costs	770 885,39
1. Profit on sale of non-financial fixed assets	35 950,00
2. Other operating costs	734 935,39
of which: release of provisions on employee benefits	0,00
VIII. Other operating costs	246 714,55
1. Loss on sale of non-financial fixed assets	0,00
2. Other operating costs	246 714,55
of which: provisions for employee benefits	200 000,00
<b>IX. Profit (loss) on operating activity (VI+VII-VIII)</b>	<b>9 369 664,16</b>
X. Financial revenues	232 199,24
1. Dividends and shares in profits, of which:	0,00
- from associated companies	0,00
2. Interest, of which:	117 284,22
- from associated companies	5 819,47
3. Profit on sale of investments	0,00
4. Other	114 915,02
XI. Financial costs	11 071 077,29
1. Interest, of which:	370 899,22
- for associated companies	0,00
2. Investment revaluation	10 392 000,00
3. Other	308 178,07
<b>XII. Gross profit/loss (XII+/-XIII)</b>	<b>-1 469 213,89</b>
XIII. Income tax	1 916 301,24
a) current portion	1 877 329,00
b) deferred portion	38 972,24
XIV. Other compulsory profit reductions (loss increases)	0,00
<b>XV. Net profit (loss) (XIV-XV-XVI+/-XVII)</b>	<b>-3 385 515,13</b>
<b>Profit/loss on ceased activity</b>	<b>0,00</b>

For ELZAB S.A,

**Attachment No 4 to Merger Plan**

<b>Balance sheet of MEDESA Sp. z o.o. as of 01.12.2008</b>	<b>Value in PLN</b>
<b>Assets</b>	
<b>I. Fixed assets</b>	36 467,29
1. Intangible Assets	0,00
2. Tangible Fixed Assets	10 160,29
3. Long-term Receivables	0,00
3.1. From associated companies	0,00
3.2. From other entities	0,00
4. Long-term investments	0,00
4.1. Real Property	0,00
4.2. Intangible Assets	0,00
4.3. Long-term financial assets	0,00
a) in associated companies	0,00
b) in other entities	0,00
4.4. Other long-term investments	0,00
5. Long term accruals and prepayments	26 307,00
5.1. Assets from deferred income tax	26 307,00
5.2. Other accruals and prepayments	0,00
<b>II. Current assets</b>	1 819 468,67
1. Inventories	780 993,26
2. Short-term inventories	737 024,53
2.1. From associated companies	17 854,00
2.2. From other entities	719 170,53
3. Short-term investments	298 946,92
3.1. Short-term financial assets	298 946,92
a) in associated companies	0,00
b) in other entities	0,00
c) cash and equivalents	298 946,92
3.2. Other short-term investments	0,00
4. Short-term accruals and prepayments	2 503,96
<b>Total assets</b>	1 855 935,96
<b>Liabilities</b>	<b>Value in PLN</b>
<b>I. Equity</b>	1 010 688,48
1. Share capital	750 500,00
2. Reserve capital	746 471,67
3. Retained profits, of which	-486 283,19
3.1. Cumulated profits/losses of previous years	0,00
3.2. Net profit/loss of current financial year	-486 283,19
<b>II. Liabilities and provisions for liabilities</b>	845 247,48
1. Provisions for liabilities	72 131,47
1.1. Provision for deferred income tax	2 704,00
1.2. Provision for retirement and similar benefits	52 090,47
a) long-term	21 225,00
b) short-term	30 865,47
1.3. Other provisions	17 337,00
a) long-term	0,00
b) short-term	17 337,00
2. Long-term liabilities	0,00
2.1. To associated companies	0,00
2.2. To other entities	0,00
3. Short-term liabilities	755 516,01
3.1. To associated companies	59 022,00
3.2. To other entities	696 494,01
3.3. Special funds	0,00
4. Accruals and prepayments	17 600,00
4.1. Negative goodwill	0,00
4.2. Other accruals and prepayments	17 600,00
a) long-term	0,00
b) short-term	17 600,00
<b>Total liabilities</b>	1 855 935,96

**Attachment No 4 to Merger Plan**

<b>PROFIT AND LOSS ACCOUNT OF MEDESA Sp. z o.o. for the period from 01.01.2008 to 01.12.2008</b>	<b>Value in PLN</b>
<b>Continued business</b>	
<b>I. Net revenues on sale of products, goods and supplies, of which:</b>	3 136 209,38
- from associated companies	202 392,56
1. Net revenues on sale of products	2 070 199,81
2. Net revenues on sale of goods and supplies	1 066 009,57
<b>II. Costs of products, goods and supplies sold, of which:</b>	2 481 244,35
- from associated companies	374 551,70
1. Cost of production of products sold	1 803 694,14
of which: profit / loss of revaluation of products	0,00
2. Value of goods and supplies sold	677 550,21
of which: profit / loss on revaluation of goods and supplies	0,00
<b>III. Gross profit (loss) on sale (I-II)</b>	654 965,03
IV. Costs of sales	345 792,34
of which: profit / loss on revaluation of receivables	-50 449,85
V. Overheads	808 783,63
<b>VI. Profit (loss) on sales (III-IV-V)</b>	-499 610,94
VII. Other operating costs	85 121,75
1. Profit on selling non-financial fixed assets	1 500,00
2. Other operating costs	83 621,75
of which: release of provisions for employee benefits	0,00
VIII. Other operating costs	52 717,75
1. Loss on selling non-financial fixed assets	0,00
2. Other operating costs	52 717,75
of which: provisions for employee benefits	0,00
<b>IX. Profit (loss) on sales (VI+VII-VIII)</b>	-467 206,94
X. Financial revenues	1 670,15
1. Dividends and shares in profits, of which:	0,00
- from associated companies	0,00
2. Interest, of which:	1 649,34
- from associated companies	0,00
3. Profit on selling investments	0,00
4. Other	20,81
XI. Financial costs	20 746,40
1. Interest, of which	34,39
- for associated companies	0,00
2. Investment revaluation	0,00
3. Other	20 712,01
<b>XII. Gross profit (loss) (XII+/-XIII)</b>	-486 283,19
XIII. Income tax	0,00
a) current portion	0,00
b) deferred portion	0,00
XIV. Other compulsory reduction of profit (increases of loss)	0,00
<b>XV. Net profit (loss) (XIV-XV-XVI+/-XVII)</b>	-486 283,19
<b>Profit (loss) on ceased business</b>	0,00

For MEDESA Sp z o.o.