

The background features a dark blue gradient with several overlapping, semi-transparent circles of varying shades. In the lower center, the year '2009' is rendered in a large, bold, sans-serif font. The '2' and '0' are dark blue, while the '0', '0', and '9' are a lighter shade of blue. The word 'datalab' is positioned over the second '0' and the first '0' of '2009'.

datalab

Annual Report 2009

I would like to extend my thanks to all those who played a part in preparing this Annual Report: Gordana Šišarica, Urška Sajovic, Blanka Poglajen Čuvalo, Maja Fujan, Mathias Kariž, Primož Rajbar, Mike Jumič and the department heads. Thanks to your tremendous effort, we've managed to put together an informative, nice-looking book. A special thank you is also in order for the girls at Mars design agency for the wonderful job they did on this Report and on our other publications.

Andrej Mertelj,
Executive Director

Datalab tehnologije d. d. 2009 Annual Report

For the period from 1 July 2008 to 30 June 2009

Ljubljana, oktober 2009

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Naziv: Likvidnost podjetja

Privzeto Področje

12.12.2014

Osnovni kazalniki likvidnosti

Kazalnik	Vrednost
Kratkoročni koeficient	0,58
Pospešeni koeficient	0,37
Hlri koeficient	0,04

Ostali kazalniki likvidnosti

Kazalnik	Vrednost
Koeficient finančne stabilnosti	0,00
Kratkoročna sredstva proti vsem sredstvom	0,35
Neto obratna sredstva	-126.420,67

12.12.2014

12.12.2014

Odpre

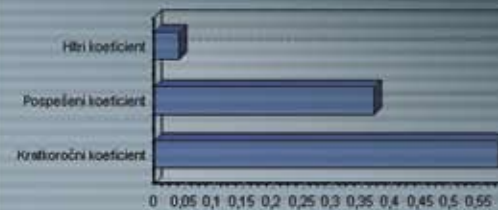


Kratkoročni koeficient podjetja za izbrano obdobje.
Razpon: 0-1, 1-2, 2-4



Pospešeni koeficient podjetja za izbrano obdobje.
Razpon: 0-0.5, 0.5-1, 1-2

Primerjava kazalnikov likvidnosti



Kazalniki likvidnosti po mesecih



Kratkoročni koeficient
 Pospešeni koeficient
 Hlri koeficient

GLOSSARY

DEV-PARTNER	A Developer-Partner who develops supplementary solutions based on Datalab's software
ERP SISTEM	Enterprise Resource Planning system (PIS type)
GZS	Chamber of Commerce and Industry of the Republic of Slovenia
IDC	The IDC is the leading global market research and analysis firm specializing in information technology, telecommunications, and consumer technology.
ORACLE	The leading company for database technology and information systems; Datalab's strategic partner
FY	The Fiscal Year. At Datalab, it begins on July 1 and ends on June 30.
RLGS LICENSING	Software licensing in the form of leasing, rental, and subscription.
SIS - PARTNER	Sales Implementation & Support Partner. A Partner that sells, installs, and provides maintenance for Datalab's software.
SUB	Subsidiary – A Datalab subsidiary in a country outside Slovenia.
SIS - Services	Support and Implementation Services (for end users of PANTHEON).
TP NESSI	The European Technology Platform on Networked European Software and Services Initiative
B2G	Business To Government – An acronym for the relations between the corporate and the public sector

1

Report of the Managing Director



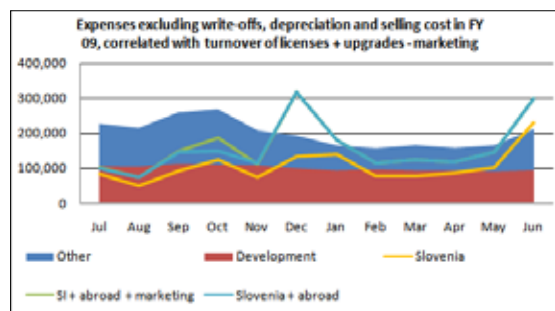
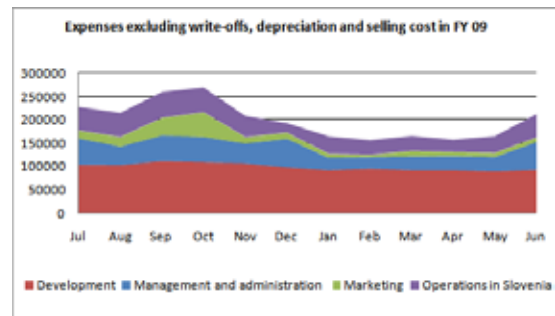
It is our mission to facilitate the use of a cost-efficient business IT system on a worldwide level, and to provide this service to even the smallest businesses, thereby simplifying their operations, helping them to become more competitive, enhancing their chances for survival, and turning their data into profit.

The 09 Fiscal Year (FY) was incredibly dynamic and exhausting. Following our listing on the Ljubljana Stock Market on 30 June 2008, we entered the final phase of capital increase. In line with our strategic plans, we wished to increase the company's capital as part of our preparations for taking over smaller providers and in order to provide additional funds for development and expansion, for which we were using most of our reserves and own funds.

Unfortunately, with the onset of the financial crisis, our investment activities ground to a halt, and our available resources dissipated. Until the end of November, we attempted to maintain the tempo of the company's development, and to locate funds in rather unexpected places, such as business angels. Because we did not succeed at this task, in November we began a comprehensive reorganization with the goal of preparing the company for the much less hospitable business climate of the recession.

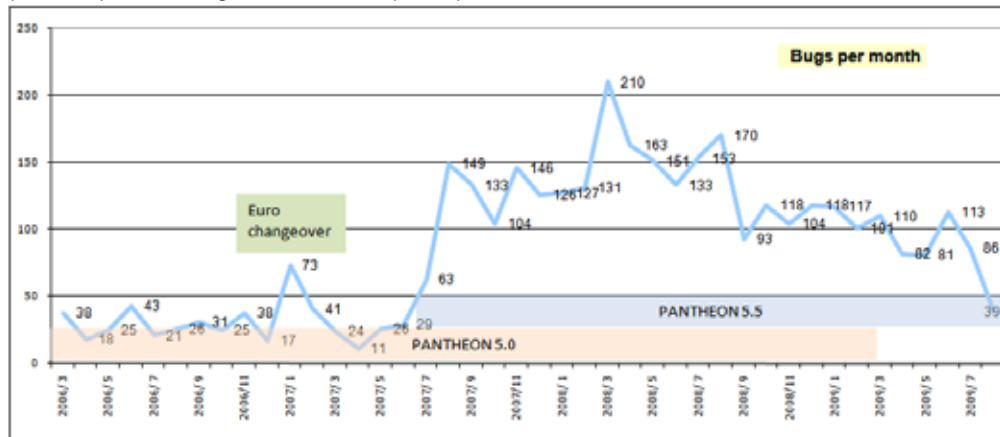
In the months that followed, we reduced expenses by over 30 % (from EUR 235k to EUR 160k a month). When you cut costs, there's obviously going to be repercussions. Nonetheless, I'm pleased that we have managed to maintain the dynamics of the development of our software. The impact of the cuts was much more acutely felt in other parts of the company: group tasks were reorganized and rationalized, our marketing was repositioned, etc.

It makes me sad that in 2007 and 2008, we were prepared for growth and had begun to introduce corporate functions befitting companies ranked as Large Companies – which is what we wanted to become – and that, due



to a lack of liquidity and a need to survive, we had to temporarily put these goals aside. But in spite of this, processes, knowledge, and organization used in the everyday life of the company remain, which has made our company more organized and well-ordered. In December, we once again reached the point of covering the basic costs of the company minus development and sales costs through revenue from upgrade agreements (recurring long-term revenues based on “upgrade” agreements with existing customers). In November, December, and January, and later in May and June, we used licensing revenues to once again cover development costs.

The crisis can also produce positive effects. We’ve honed our and our Partners’ approach to work and users. Following an initial shock, employee motivation is once again on the rise; at the same time, an increased sense of responsibility can be felt among employees. Our team has been rejuvenated as several older co-workers left the company – although many of them have remained connected to Datalab as Partners. A young collective brings with it different ways of thinking, communicating, and working, and I feel that it is in these areas that we’ve advanced significantly. In April, we also changed the way we do business through a shift from indirect billing to direct billing. We no longer issue invoices to Partner companies, which subsequently issue invoices to users; we now issue invoices to and receive payment directly from users. This move has improved the distribution of the risk of non-payment and liquidity, while at the same time reducing the possibility of licensing errors and the quantity of work in the Partner Channel.



In the last months of the Fiscal Year, the new version of PANTHEON 5.5 began to achieve the desired level of stability: the number of bugs per month fell below 100, which is an internal meter stick for stability. With over 87% of users migrating to the new platform by the end of '09, we can safely say that the “childhood illnesses” of the new generation of software are behind us, and that both we and our Partners can now fully focus our energies on sales. The cleaning of the code and optimization are still underway. We will continue these tasks in the year ahead, thus decreasing the size of the program and start-up time and increasing speed and reliability.

Uncovered bugs by month. The rise of the number bugs due to the new generation is clearly visible.

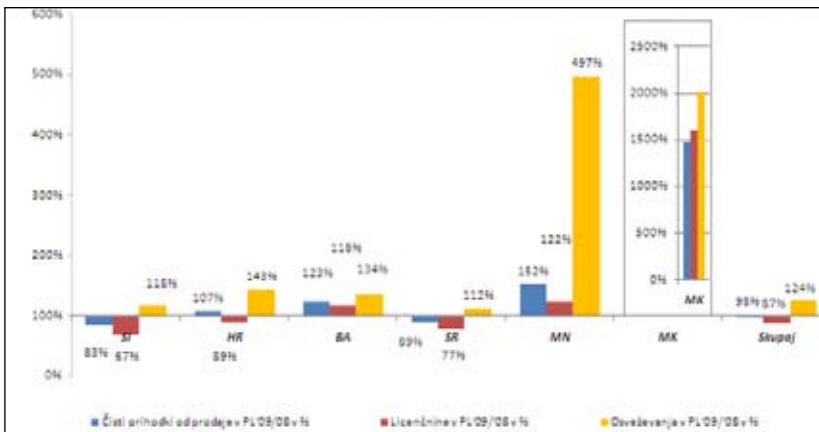
In June 2009, we finished preparations for PANTHEON Hosting, a system through which we will lease out our software together with its infrastructure (servers, back-up copies, e-archives, etc.). The primary market for this service is made up of accounting firms and their clients. Through this product, we intend to fortify our presence, and also take the lead, in the micro segment.

Our Development Department for Internal Tools, which was established in Skopje (MK) in

FY 08, has prepared platforms for new servers and completed the redesign of the Partner and User Sites. The platform enables us to build a web community and significantly increase our capabilities for communications using Forums, blogs, and video contents. Through the Community, we also intend to make use of “peer support” (building networks of individuals who possess in-depth knowledge in specific fields of work and who are willing to help their colleagues). At the same time, through this move we’ve opened up additional channels for monitoring the pulse of the market, facilitated the flow of information within the company, and liberalized the market of PANTHEON consulting services.

Datalab Academy has had to face the general tightening of education budgets dictated by the

crisis. Because spreading knowledge on using PANTHEON is of key importance for our success, the decision was made to move the DL Academy to cyberspace, in the form of free online video instructions. We’ve begun to post video contents and instructions on our redesigned User Site.



Sales Results

When speaking of sales, the first word that comes to mind, unfortunately, is recession; the second is 5.5, that is, the new generation of PANTHEON.

The crisis was most acutely felt in Slovenia, where we recorded a 17% drop in revenues, a 33% drop in new license sales, and an 18% increase in upgrades. Due to greater growth potential, the other markets were not hit so hard; the freeze on investments made the biggest impact in Serbia, where a 23% drop in license sales was recorded. As always, Bosnia has been a pleasant surprise: each year, Datalab manages to record 20+ percent growth there. Macedonia is finally on its feet; Croatia has woken up and noted revenue growth of 7%.

License revenue in Slovenia totaled EUR 550k (compared to EUR 824k for last year), and EUR 1,430k in other markets (compared to EUR 1,198k for last year). License revenue in Slovenia totaled EUR 712k (compared to EUR 604k for last year), and EUR 334k in other markets (compared to EUR 239k for last year). Membership fees in Slovenia brought in a total of EUR 69k (compared to EUR 61k for last year), and EUR 34k in other markets (compared to EUR 42k for last year). Tertiary revenues fell: services in Slovenia brought in EUR 6k (compared to EUR 36k for last year); marketing revenue also fell, due to the shift of revenue from one Conference in Slovenia to Bosnia (EUR 52k, compared to last year's EUR 72k).

We intend to focus more closely on the field of tertiary revenue in FY 10. Revenues from various subscriptions and media sales are essentially lower than planned, partly because of the delay of the mass acceptance of PANTHEON 5.5 by users, on which these revenues are contingent.

Our Partner Network is recording significant growth, and we can feel ourselves gaining strength in numbers. Recruiting Partners is easier than it was in the past, and the Partners are bringing a higher level of quality. Slowly but surely, Datalab’s and PANTHEON’s “torque” is making itself felt: in certain markets, we’re becoming a synonym for business IT.

Financial Results

We've done away with the last remaining illogical aspect in accounting – the fact that we didn't capitalize development costs. For several years now, it's bothered me that our key asset – copyrights stemming from the development of PANTHEON – doesn't show up in financial statements. Due to an administrative error in tax accounting upon the transition to IFRS in FY 07, we were not able to do this until we repeated the calculations. From the EUR8.3 million invested in development since Datalab's start, EUR6,326k are presented in the balance sheet, with a carrying value of EUR 2,926k (+36%). There are now EUR 5,473k of consolidated assets (+15%). Short-term operating receivables rose by 3% to EUR 1,247k, long-term operating receivables fell by 18% to EUR 537k. Long-term liabilities rose by 117% to EUR 284k, short term liabilities rose by 28% to EUR 2,133k.

Sales rose by 5% to EUR 2,818k, capitalized own products (development of PANTHEON) rose by 11%, other operating revenue rose to EUR 264k (+880%). Costs of goods amounted to EUR 1,169k (-23%), labor costs to EUR 2,039k (+15%), and write-offs to EUR 673k (-37%). Financial revenue fell by 14% (EUR 105k), expenses from financial liabilities rose by 26% (EUR 57k) and operating liabilities amounted to EUR 105k. Consolidated profit (loss) is EUR 230k, with the Group's profit amounting to EUR 202k.

Personnel and Organization

Following last year's "rapid hire", 2009 saw us facing a crisis, budget tightening, and personnel and cost cuts... all very unpleasant things. We had to rethink our strategy while adhering to the basic goal of the company, because the temptation to make cuts in the most visible generator of costs – development – was hard to resist. But putting the brakes on development is counter-productive, as starting it up again is a very exhausting process. That's why we did everything we could to protect the intellectual capital of the company. So we reduced the number of employees in Development by 3, and some colleagues showing below-average results or who were looking a little tired were replaced.

Cuts in management were more radical: a five-member Management Board was cut down to one member. During the transition from a centralized ecosystem, we shifted responsibility to the local level of the directors of subsidiaries. We've automated the monitoring of subsidiaries using weekly, automatically-generated PANTHEON reports on sales and receivables and monthly data on financial statements and planned results. This move has resulted in heightened autonomy for our subsidiaries and enhanced their ability to quickly adapt to conditions in the market; at the same time, it has reduced costs.

We've also shaved down the number of employees in marketing, where we let go of 4 employees, but have nonetheless managed to maintain most functions at roughly the same level. One of our co-workers in Administration also left us. The tasks performed by those who left the company have mostly been distributed among the remaining employees; at the same time, we've streamlined certain processes, with the result that they now demand less work than used to be the case.

Those of us who have stayed on have done more while generating fewer costs. That's why it was only right that at the Board meeting in June, we voted for employee profit sharing so that those who have made the most significant contribution to our success and survival in this difficult year are rewarded for their efforts.

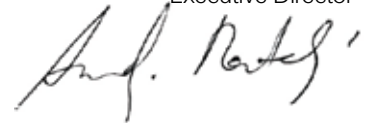
In Closing

The crisis is an opportunity. As soon as we at Datalab ascertained its magnitude, we began re-organization and cost cutting. In less than six months, we've become significantly more effective and agile. A rapid response has made it possible to maintain product development, which, had it come to a stand still, would have had devastating consequences. We're paying closer attention to the company's liquidity and cash flow.

The consequences of the crisis will probably prove insurmountable for certain companies in our line of business. We are prepared to extend them a helping hand by inviting them to join our group. Following a short detour and some adjustments, we're slowly getting back to our original plan – to grow by consolidating the market. With a one-of-a-kind product – PANTHEON 5.5 offers significant advantages over the competition's products – and hosting services, we're opening up a completely new market, and with it the potential for disruptive technology and completely new sources of revenue.

We're "good to grow", and eagerly looking forward to the challenges of the coming year!

Andrej Mertelj,
Executive Director



Ljubljana, September 14, 2009



P.S.: This Annual Report is a good chance to show what PANTHEON can do. Images and graphs with the sign have been taken directly from our ERP system.

2

Chairman of the Board's Report

On the motion of the Supervisory Board, at the 8th meeting, held on 6 June 2009, the shareholders of the company DATALAB Tehnologije d.d. voted in favor of the resolution to change the management system of the company through the introduction of a one-tier management system.

The shareholders felt that the transition from a two- to a one-tier system for managing Datalab Tehnologije d.d. could produce a number of positive effects for the company. The advantages of the one-tier system are greater effectiveness of leadership and management, greater flexibility, and greater effectiveness of the company as a whole.

The Executive Board consists of three members, which is rational and in line with the current demands and needs for the management and supervision of the company.

Prior to implementation of the one-tier system, the Supervisory Board held four meetings:

- At its eleventh meeting, held on 27 August 2008, the Board deliberated a report on the business operations of Datalab Tehnologije d.d. for the period from 1 July 2008 to 30 June 2009, a plan of sales and operations for the following accounting period, and information about the status of the PANTHEON 5.5 project and about the capital increase project.
- At its twelfth meeting, held on 5 November 2008, the Supervisory Board was informed of the resignation of Board member Janez Bregar, confirmed a revised annual report for Datalab d.d. for the 2008 Fiscal Year, and approved the motion to dissolve the Management Board and Supervisory Board of Datalab d.d. for the 2008 Fiscal Year. The Supervisory Board determined that, in the light of the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act, the company has inadequate capital due to losses generated in the third quarter and asked the Management Board to prepare a proposal of a solution to this situation, and to take measures to reduce costs. The Supervisory Board named a three-member board, which commenced its four-year term on 17 November 2008: Mr. Andrej Mertelj (CEO), Mr. Rok Perkovič (CFO), and Mr. Matjaž Viher (CSO). The Supervisory Board also gave its approval to the decision to start the process for opening a representative in Bulgaria.
- At its thirteenth meeting, held on 15 December 2008, the Supervisory Board was informed of the resignation of Mr. Tomaž Teyrovski as of 9 December 2008 and of Board members Rok Perkovič (CFO) and Mr. Matjaž Vihar (CSO) as of 9 December 2008. At the same meeting, the Supervisory Board also approved the revised proposal of the Board for remedying insolvency as well as a back-up plan for remedying insolvency. It also approved the Management Board's resolution for reorganizing the board and a motion on calling a meeting by 16 February 2009 and asked the Board to monitor happenings in the financial markets and to begin the process of "delisting" from the Ljubljana Stock Exchange should the situation take a turn for the worse.
- At its fourteenth meeting, held on 30 April 2009, the Supervisory Board decided to submit the following resolutions to the Board meeting for approval: 1.) That the meeting approves the proposal of the Board and Supervisory Board that the company's employees be included in profit-sharing at the company. 2.) That the meeting authorizes the Board to reach an agreement on profit sharing with employee representatives. 3.) In line with the Supervisory Board's proposal, the management system at the company is changed through the introduction of a one-tier management system. 4.) An Executive Board consisting of three members was appointed to a four-year term: Lojze Zajc as Chairman of the Executive Board, Tone Černe as Non-Executive Director, and Andrej Mertelj as Executive Director. 5.)

Payment for Board members. Meeting scheduled for 17 June 2009. The Supervisory Board also determines that, by reducing its actual losses, the company has steered clear of the dangers of inadequate capital as specified in the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act, which were a threat in the previous period. The Executive Board held its first meeting on 8 July 2009. At this meeting, among other things, it approved Rules for the Executive Board, constituted an Audit Committee, discussed the Rules on the Work of Executive Directors, and approved a plan of work.

On the basis of the written opinion of one of the most renowned tax consultancy firms, Datalab d.d. decided on self-declaration according to Article 55. of the Tax Procedure Act (ZDavP-2).

A summary of their opinion reads as follows:

“It has been undisputedly determined that according to Slovene Accounting Standards (SAS) and International Accounting Standards (IAS) the computer program that is marketed, upgraded and maintained by Datalab, d. d. represents an intangible asset and must be presented as such in business and tax records..

Datalab, d. d. has been recording said computer program off balance sheet. Consequently, the corporate tax has been calculated on a different basis than would have been used had said computer program had been recognized as an intangible asset. It is our opinion that such a method of recording transactions pertaining to said computer program poses a certain risk in the case of a tax inspection, as it may decide that Datalab has been wrongfully lowering its tax basis for costs directly related to software development, instead of presenting those costs as purchase cost of an intangible asset the value of which is gradually depreciated.”

As a result of the self-declaration for the period from 1.1.2004 to 30.6.2009, our income tax liabilities have increased as well as interest on late payments. At the same time, inaccuracies have been removed from the business records (too low payables for sales costs).

The company’s financial records now correctly show the value of the PANTHEON software program by taking the purchase value (not written off). The market value of this is several times higher; however, due to limitations stemming from MRS, it cannot be shown. This is confirmed by the table in the Executive Director’s Report, which clearly shows that, as of January 2009, revenue from upgrades exceeds the monthly expenses (minus investments in further PANTHEON development). In the month of June, it was exceeded due to the pay out of annual leave bonuses. License sales represent a profit, and the financial plan foresees that the company will sell at least 3,250 PANTHEON licenses and 583 licenses for Hosting, for a total of 3,833 licenses, in the coming year. This means that, at the close of the Fiscal Year on 30 June 2010, the total number of licenses sold is estimated to be 21,064 licenses.

And what are the plans for the following business year?

- Reducing expenses while increasing sales.
- Improving internal checks within the parent company and the group.
- Restoring liquidity (aside from improving receivables) by accessing additional funds in the framework of the national loan guarantee scheme of the Republic of Slovenia.
- Capital increase and possible strategic partnership and profit sharing.
- Get banks to arrive at the viewpoint that intangible fixed assets (in this case PANTHEON, the source code of which is deposited with a notary) fulfill the function of collateral just as well as tangible fixed assets.

Lojze Zajc
Chairman of the Executive Board
President of the Audit Committee

3

Company Presentation

3.1 GENERAL INFORMATION

Short name: Datalab, d. d.

Long name: Datalab Tehnologije, družba za razvoj poslovno-informacijskih sistemov, d. d.

Registration: The company is registered at the District Court in Ljubljana under the number 03/06489 (21 November 2003), application number 138651000.

Type of organization: Public Limited Company

Share capital: EUR 444,493.32

Company Registration Number: 1864629

Tax Number: SI87965399

Industry Code: 58,290 – Other software publishing

Bank Account (1): NOVA LJUBLJANSKA BANKA 02010-0256382412

Bank Account (2): RAIFFEISEN BANKA 24203-9062687181

Bank Account (3): BANKA KOPER 10100-0038177352

Bank Account (4): ABANKA VIPA 05100-8011973090

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Fax: +386 1 252 89 10

E-mail: info@datalab.si

Website: www.datalab.si (Slovene language) / www.datalab.eu (English language)

3.2 PERSONNEL MAKE-UP

At the beginning of the Fiscal Year, the company employed 50 full-time employees and 15 external contractors/students. At the end of the 09 Fiscal Year, on 30 June 2009, the company employed 48 full-time employees and 5 external contractors/students.

Department	30 June 2009	1 July 2008
Management	1	5
Sales	1	2
Development	44	46
Marketing	4	8
Accounting	2	2
Administration	1	2
Total	53	65

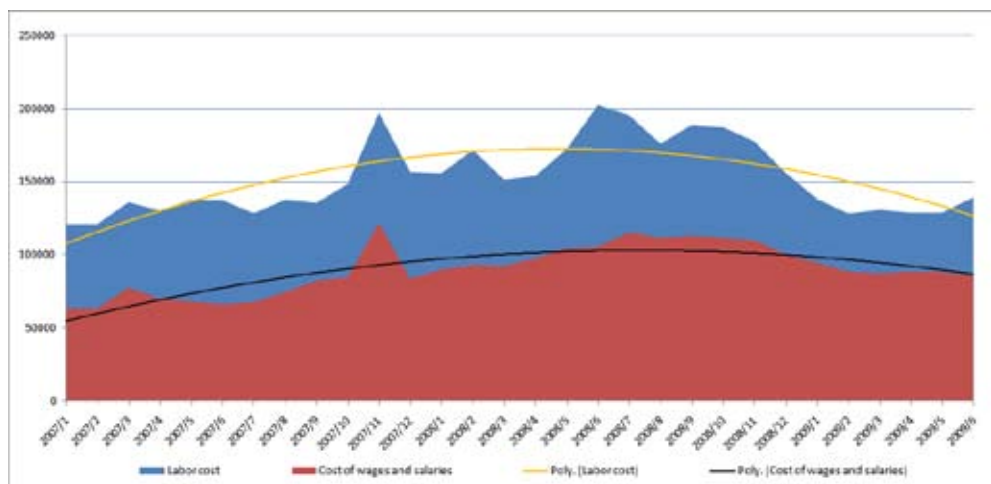
Number of employees by level of education and companies in the Datalab group

Level of education	SLO		HR		BA		SR		MN		MK		DL group	
	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008
Primary school		1											0	1
Primary school													0	0
Vocational school													0	0
Vocational school													0	0
Four-year secondary school	36	41	1	2	4	2	2	2					43	47
Vocational college	4	6	7	5	6	5	1		1	1			19	17
University degree	11	15					4	4	2	2	9	4	26	25
Master's degree	2	2											2	2
Doctor's degree													0	0
Total	53	65	8	7	10	7	7	6	3	3	9	4	90	92

Number of employees by type of employment and companies in the Datalab group

Type of employment	SLO		HR		BA		SR		MN		MK		DL skupina	
	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008	Jun 30, 2009	Jul 12 008
Full-time employee	48	50	7	6	7	6	5	5	3	3	9	4	79	74
Regular external contractors	1	2									9	4	10	6
Author contracts	2	5					2	1					4	6
Students	2	8	1	1	3	1							6	10
Total	53	65	8	7	10	7	7	6	3	3	9	4	90	92

Following the hiring boom of 2007 and 2008, which was a response to needs arising from the transition to the new generation of PANTHEON, and the development of corporate functions, our needs were reduced in 2009. With the onset of the recession, it became necessary to rethink our personnel make-up and organizational structure. The management of the group was rationalized: responsibility was transferred to lower levels (and corporate communications were altered to support the move), and a system of performance indicators for individual positions within the company was created. Regarding lay-offs, we tried to accommodate the goals and wishes of those leaving the company and to direct them towards activities similar to those which they performed at Datalab and to keep them within the ecosystem. Two former Team members from Development have opened their own Partner companies, and others have gone to work for Partners. A total of 19 persons left the company, and a total of 15 new employees joined it.



Share of costs represented by labor and salaries for FY 07, 08, and 09. The rises and falls coincide with an increased (or decreased) need for developers during the development of PANTHEON 5.5 (primarily finalization and stabilization).

3.3 COMPANY ORGANS

COMPANY ORGANS

- Shareholder Assembly
- Executive Board

The Assembly is made up of shareholders in the company.

The Executive Board consists of three members:

- Lojze Zajc, Chairman of the Executive Board
- Tone Černe, Non-executive Director
- Andrej Mertelj, Executive Director

3.4 COMPANIES IN THE DATALAB GROUP

SUBSIDIARIES

CROATIA

Datalab Hrvatska, d. o. o.
Trg. 1. Istarske brigade 6
52100 Pula, Hrvatska
Telefon: +385 52 500 084
Telefaks: +385 52 500 087
info@datalab.hr
www.datalab.hr
Direktor: Igor Sigmundovič

SERBIA

Datalab SR, d. o. o.
Bulevar dr Zorana Đinđića 4 a
11000 Novi Beograd, Srbija
Telefon: +381 11 214 67 27
Telefaks: +381 11 214 01 83
info@datalab.co.yu
www.datalab.co.yu
Direktor: Aleksander Spremić

SERBIA

Datalab Automotive, d. o. o.
Bulevar dr Zorana Đinđića 4 a
11000 Novi Beograd, Srbija
Telefon: +381 11 214 67 27
Telefaks: +381 11 214 01 83
info@datalab-auto.rs
www.datalab-auto.rs
Direktor: Persida Pandurovič

BOSNIA AND HERZEGOVINA MACEDONIA, KOSOVO, ALBANIA

Datalab BA, d. o. o.
Hamdije Čemerlića br. 2/10
71000 Sarajevo, BiH
Telefon: +387 337 120 35
Telefaks: +387 337 120 36
info@datalab.ba
www.datalab.ba
Direktor: Nedim Pasić

Datalab MK, d. o. o.
Samoilova 102
1000 Skopje, Republic of Macedonia
Telefon: +389 2 3290 956
Telefaks: +389 2 3212 845
info@datalab.com.mk
www.datalab.com.mk
Direktor: Sašo Jovanovski

MONTENEGRO

Datalab MN, d. o. o.
Vuka Karadžića 8/1
81000 Podgorica, Črna gora
Telefon: +382 81 232 101
Telefaks: +382 81 232 101
info@datalab.cg.yu
www.datalab.cg.yu
Direktor: Danko Obradović

BULGARIA

Datalab Bolgarija Ltd.
13 Tintyava Str.
1113 Sofia, Bolgarija
Telefon: +359 2 960977
Telefaks: +359 2 9609797
info@datalab.bg
www.datalab.bg
Direktor: Marussia Margaritova



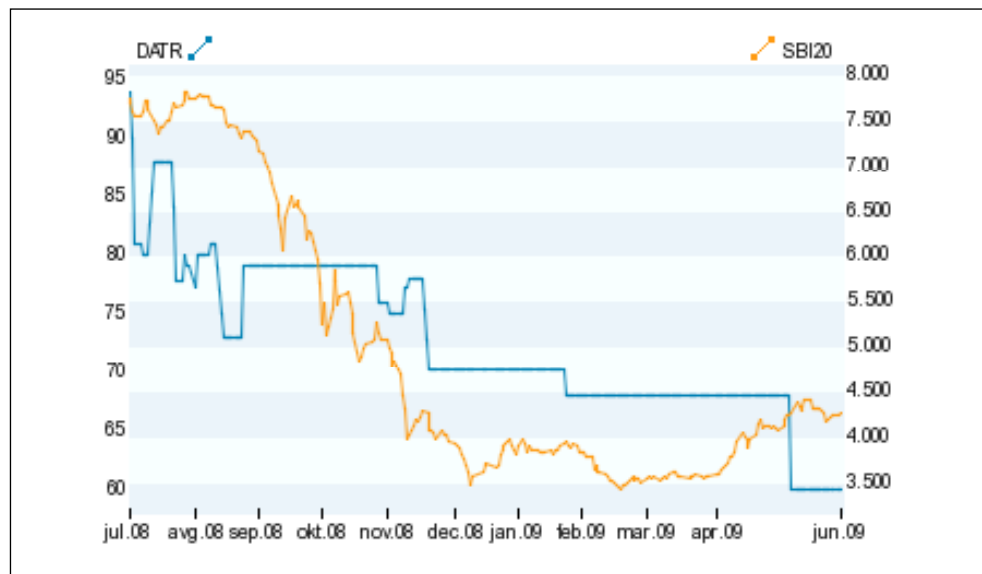
3.5 KEY FINANCIAL INFORMATION AND RATIOS

	FY 09 in EUR	FY 08 in EUR	Index 09/08
Key financial information			
Gross operating income	3.692.055	3.509.451	105
Operating profit (loss) before taxes	156.885	-285.450	
Net operating profit (loss) for the Fiscal Year	183.456	-309.417	
Čisti denarni tok (dobiček + am.)	779.514	151.417	513
Balance sheet total	5.227.485	4.561.796	115
Fixed assets	3.921.070	3.260.644	120
Current assets	1.306.415	1.301.152	100
Equity	2.219.802	2.036.346	109
Long-term liabilities	822.206	391.189	210
Short-term liabilities	2.185.477	2.134.261	102
No. of employees as of June 30	92	97	95
No. of Partners in Slovenia	43	49	88
No. of Partners in the Group	125	118	106
Ratios			
Total profit/operating revenue in %	4,25	-8,13	
Total profit/equity in %	7,07	-7,70	
Net profit/equity in %	8,26	-15,19	
Net profit/share in EUR	1,72	-2,90	
Equity/balance sheet total in %	42,46	44,64	95
Liquidity (short-term assets/short-term liabilities) in %	59,78	60,96	98
Number of users	17.522	14.971	117
Number of companies	5.694	4.902	116
Number of consultants	332	330	101

3.6 INFORMATION ABOUT SHARES

	30 June 2009	1 July 2008	Index 09/08
No. of issued common shares	106.519	106.519	100
of that purchased shared	22	22	100
Book value of share on the last day of the Fiscal Year in EUR (equity/no. of issued common shares)	20,48	19,12	109
Market price of share at the Ljubljana Stock Exchange			
All-year high in EUR	93.90	93,90	100
All-year low in EUR	60.00	93,90	64
Average share price in EUR	72,76	93,90	77
Share price on the last trading day in the year in EUR	60.00	93,90	64
Market value of equity in EUR (no. of issued common shares * share price on the last trading day in the year)	6.391.140	10.002.134	64
Return per share in the current year (share price on the last trading day of the current year/share price on the last trading day of the previous year)	0,64	-	
Rate of return per share in the current year (share price on the last trading day of the current year/share price on the last trading day of the previous year)	-33,90	-	
P/BV (share average market price/share book value)	3,49	4,91	71
P/E (share average market price/net profit per share in the Fiscal Year)	42,24		

The price of Datalab stock compared to the SBI index for the period from 1.7.2008 to 30.6.2009. The graph shows a fairly strong correlation between the two. Source: LJSE

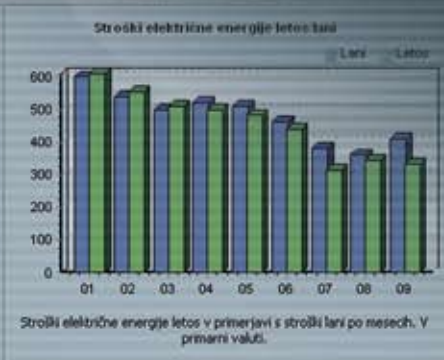




Ekološki vidik poslovanja

Privzeto Področje

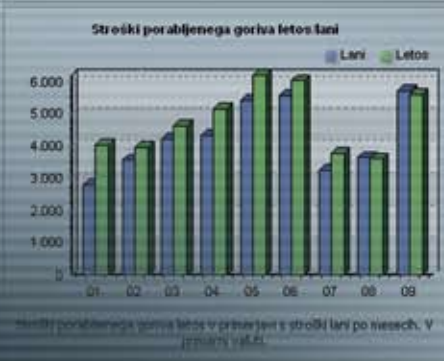
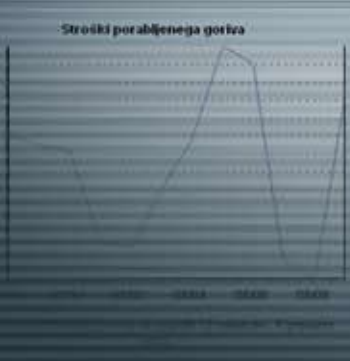
2008/09



Zaposleni

Franc Referent	
Sandra Ljubič	
LR Novak	
Petere Pan	
Laura Lotnik	
Vik Kotnik	
Simon Jug	
Andrej Referent	1230
Andrej Šel	640
Maja Novak	210

Zaposleni po številu kilometrov, ki so jih opravili v zadnjem letu.



Promet na prepotovan kilometer

Obdobje	KM	Promet EUR	EUR na KM
2008/09	5596	502.154,00	89,73
2008/08	3603	261.397,65	72,55
2008/07	3804	279.251,64	73,41
2008/06	6021	424.721,34	70,54
2008/05	6204	387.996,16	62,54
2008/04	5147	207.063,81	40,23
2008/03	4601	322.622,12	70,12
2008/02	3958	269.618,96	68,12
2008/01	4025	238.763,00	59,32
2007/12	4412	243.586,52	55,21

Prihodki na prepotovan kilometer po mesecih v zadnjem letu.

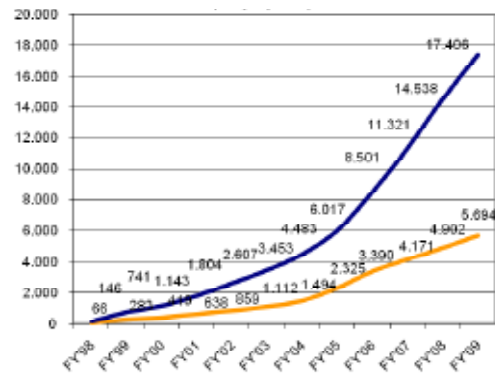
4

Business Report

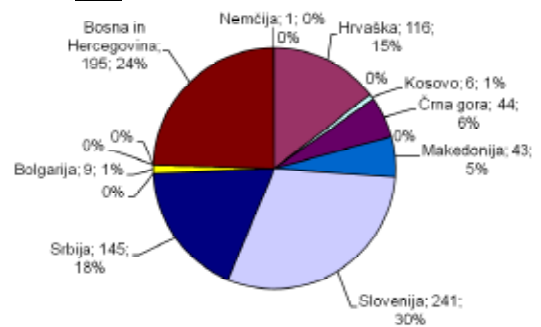
4.1 SALES IN THE FISCAL YEAR 2009

PANTHEON is one of the few available business IT systems which makes it possible for companies with branch offices throughout the greater Adriatic region to effectively support their operations. Besides the Slovenian market, PANTHEON is localized (translated and adapted to the specific legislation of a given market) for the markets of Croatia, Bosnia and Herzegovina (for the two entities and the Brčko District), Serbia, Montenegro, Macedonia, Kosovo, and Bulgaria. The program has also been translated into English and Romanian. PANTHEON is also ready for localization for the German, Italian, Polish, Czech, Slovakian, Hungarian, and Romanian markets. Such a strategy, organization, and presence represent an important competitive advantage for Datalab, and are one of the key factors in choosing a business IT system for many companies.

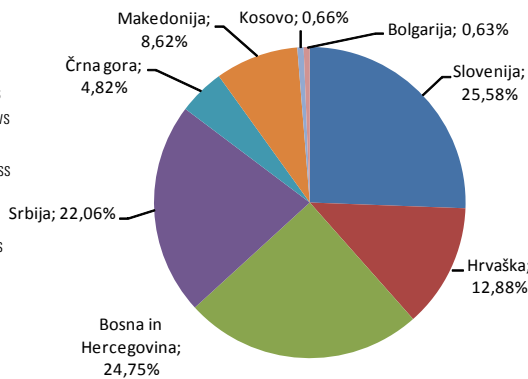
Number of companies and seats



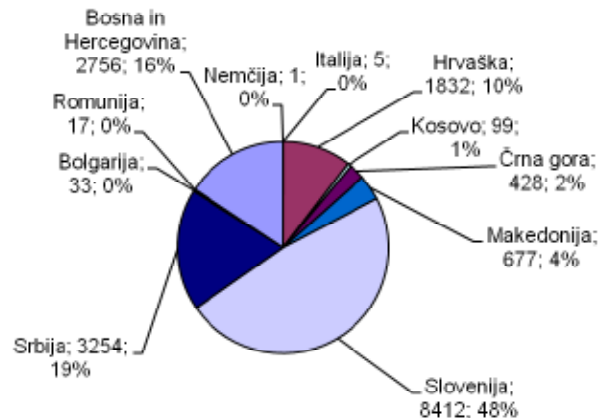
The number of companies that purchased PANTHEON in FY 09.



Graph: Distribution of sold licenses by number of licenses sold in FY 09. The graph shows that the sale of licenses in Slovenia already represents less than half of the entire market. We estimate that the share of licenses sold in other countries will continue to increase.



The total number of all licenses installed to date, by country. It is worth noting that to date, more than half of all licenses were installed outside the borders of Slovenia.



Outside of Slovenia, PANTHEON was sold to 558 companies, which purchased a total of 2,132 licenses, which is more than two times the number of licenses purchased in Slovenia (733 licenses of various schemes at 241 companies). The total value of licenses installed outside of Slovenia at the market price is EUR 1,532k, which is already greater than the same figure for Slovenia (EUR 1,071k). Here, it must be kept in mind that the price of licenses in other markets can be up to 45% lower than in Slovenia.

A comparison of the value of sold licenses in EUR, FY 09 and FY 08:

	SI	HR	BA	SR	MN	MK	KO	BG	RO	Total
FY 08	1.244.399	558.104	352.855	508.796	100.064	31.419	0	14.365	16.613	2.826.615
FY 09	1.071.541	345.724	448.009	452.350	90.871	170.529	13.061	10.742	0	2.602.827
FY 09 % (FY 08 = 100%)	86,11%	61,95%	126,97%	88,91%	90,81%	542,76%		74,78%		92,08%

A comparison of the value of sold upgrade agreements in EUR, FY 09 and FY 08:

	SI	HR	BA	SR	MN	MK	KO	BG	RO	Total
Value of upgrade agreements FY 08	603.702	53.577	61.829	119.000	5.149	991	0	0	0	844.248
Value of upgrade agreements FY 09	387.142	108.272	82.401	136.028	22.850	19.931	0	0	0	756.624
FY 09 % (FY 08 = 100%)	117,96%	145,88%	133,27%	110,13%	443,76%	2021,20%		0		123,95%

The total number of installed PANTHEON licenses in foreign markets is 9,097, in 2,389 companies; in Slovenia, this figure is 8,398 licenses in 3,305 companies. The largest market outside of Slovenia (which represents 52% of all installed licenses) is Serbia, where, up to the end of FY 09, 19% of all licenses of the Datalab Group were installed; 16% were installed in Bosnia and Herzegovina, and 10 % in Croatia.

Compared with the previous year, an increase of upgrade agreement sales could be noted, also in markets outside Slovenia. In FY 09, the value of these agreements in Slovenia rose to EUR 712k, and to EUR 334k in other markets. We expect this trend of increasing revenues from upgrade contracts in markets outside Slovenia to continue.

Internal breakdown of non-consolidated revenue of Datalab d.d. for period from 1 July 2008 to 30 June 2009, in EUR .

Description	FY 09 in EUR	FY 08 in EUR	Index 09/08
I. Net revenue from sales of products and services in domestic market	1.435.007	1.749.376	82
1. I. Net revenue from sales of products and services in domestic market, excluding rent	1.421.730	1.704.920	83
a) License fees	550.609	824.934	67
- Sales	390.609	553.005	71

- RLGS	160.529	271.929	59
b) Software upgrades	712.142	603.702	118
- Sales	644.214	545.583	118
- RLGS	67.928	58.119	117
c) Terminations	218	4.083	5
d) RLGS rebates	0	-80.057	
e) Membership fees	68.750	61.100	113
f) Escalation and SIS services	5.598	35.917	16
g) Marketing	52.516	71.687	73
i) Events	43.499	51.052	85
ii) Advertising space	2.608	14.772	18
iii) Materials	1.326	5.863	23
iv) Other	5.083	0	
f) Training and certification	29.616	92.630	32
i) Academy	25.369	63.696	40
ii) Certification	1.810	8.342	22
iii) Other	2.438	20.592	12
g) Other	2.282	90.924	3
2. Net revenue from rent	13.277	44.456	30
a) Rent from classroom	0	1.187	
b) Rent from office space	13.277	27.101	49
c) Other	0	16.168	
II. Net revenue from sale of goods	0	711	
III. Net revenue from sales of products and services in foreign markets	658.106	506.037	130
a) License fees	459.840	393.295	117
b) Software upgrades	164.105	99.174	165
c) Membership fees	19.692	13.469	146
d) Escalation and SIS services	14.169	0	0
e) Marketing	0	0	0
i) Events	0	0	0
ii) Advertising space	0	0	0
iii) Materials	0	0	0
iv) Other	0	0	0
f) Training and certification	300	99	303
i) Academy	300	0	0

13% more membership fees were charged in FY 09 in Slovenia. The reasons for the increase in revenue from membership fees are better monitoring and supervision of the functioning of the ecosystem and the fact that many Team members who, as trainees, received these services free of charge are now billed for them (as they have become regular consultants). For a monthly membership fee of EUR 50 in Slovenia or EUR 30 in other countries, certified Team members at our Partners are entitled to technical support and to use the support tools on Datalab's Partner Site.

Payable escalations (Help Desk tickets) and revenue from services fell to EUR 6k in Slovenia and rose to EUR 77k in other countries. The growth of service revenue will be more evident in FY 10, as Datalab's ServiceDesk will bring in important recurring revenue.

Revenue from rent (only rent of office space is included under this heading) was significantly lower in FY 09, as we returned a portion of the space that we rented out to our landlord, thereby reducing the costs incurred by Datalab for rent.

Marketing revenue comes mainly from events such as Datalab's central annual event, the PANTHEON Conference. The fifth annual PANTHEON Conference was held in two parts: for Slovene users, we organized a Conference in Portorož, and for users from Croatia, Bosnia and Herzegovina, and Serbia, we organized a Conference in Brčko (BiH). Approximately half of the revenue came from participation fees, with the other half coming from sponsors of the event. Besides revenue from the Conference, a small share of marketing revenue came from the sale of advertising space and materials. Due to a general reduction of marketing budgets, revenue from these two sources is notably smaller than it was in the previous year. In FY 10, we intend to increase these revenues, as our new Sites will begin working at an accelerated pace, which means more space which can be sold for advertising (web banners).

The revenue of the Datalab d.d. Group by subsidiaries outside Slovenia for the period from 1 July 2008 to 30 June 2009, in EUR .

	DL HR	DL BA	DL SR	DL MN	DL MK	Total in EUR
1. Net revenue from sales of products and services in domestic market	362.737	372.552	427.087	95.647	172.441	1.430.465
a) License fees	209.156	255.538	256.538	70.502	106.119	897.853
b) Software upgrades	78.160	82.401	131.059	22.849	19.869	334.338
c) Membership fees	12.600		18.935		3.365	34.900
d) Subsidized licenses 44/viii *	0	0	0	0	0	0
e) Escalation and SIS services	46.020	326	786	0	30.571	77.703
f) Marketing	0	22.356	6.903	0	0	29.259
g) Training and certification	4.104	11.038	11.387	0	0	26.529
h) Other	12.697	893	1.479	2.296	12.517	29.882
2. Net revenue from rent	0	1.341	0	0	0	1.341
a) Lease agreements	0		0	0	0	0
b) Subscription agreements	0	1.341	0	0	0	1.341
c) Rent from classroom	0	0	0	0	0	0
d) Rent from office space	0	0	0	0	0	0

***Not taking account of subsidized licenses, see 4.2 PARTNER CHANNEL (SALES AND IMPLEMENTATION)**

Let's take a closer look at sales by country:

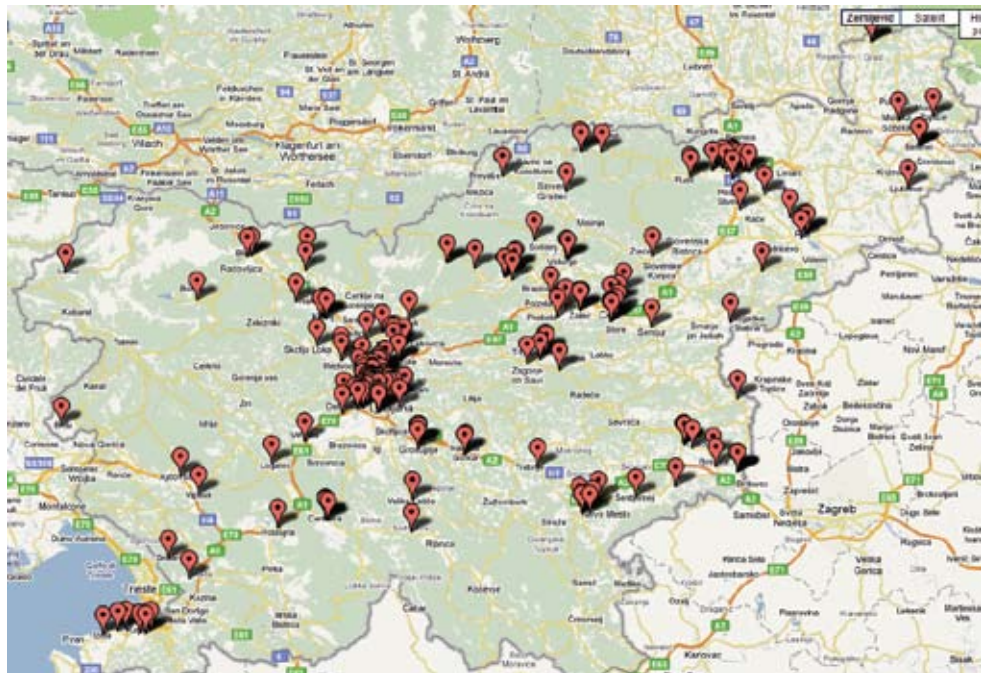
4.1.1 Slovenia

In FY 08, 241 companies were implemented in Slovenia and now use PANTHEON for their business needs (for a total of 3305 companies). 733 licenses of various kinds were sold, with a value of EUR 1,071k; this is 27% less than in the period prior to this one, when 1,014 licenses were sold. The reasons for the decrease in license sales were the recession and the investment/liquidity pinch. The change to a new generation of software, from PANTHEON 5.0 to PANTHEON 5.5, also affected sales results and, consequently, occupied Partners' resources. Partners dedicated most of their consultants to migration in FY 09, with only a small share focusing on new license sales.

This situation made an acute impact on sales to companies in the micro segment where we plan to increase our market share in the future. For this reason, in June 2009, we organized a department for direct sales and support. Its goal is to remedy the situation in the market by specializing in segments which are less profitable for Partners.

In FY 09, we successfully forayed into the segment of larger companies as well: we implemented a personnel system for Merkur d.d. and will implement support for their network of companies in foreign countries by the end of the year. And in June, we signed a contract with Aero d.d.

Companies that began using PANTHEON in FY 09 (Slovenia).



In Slovenia, a total of 8,398 licenses are in use at 3,305 companies. The total value of licenses in Slovenia is EUR 10,489k. It should also be noted that these 3,305 companies submitted nearly 9,900 balance sheets (accounting firms submit multiple balance sheets) out of a total of 51,997 balance sheets submitted in Slovenia in 2008. This means that in Slovenia, nearly 1 out of 5 companies use PANTHEON to track business operations on the level of the general ledger!



Igor Sigmundović,
Director of Datalab HR

21
The sales figures given in this report are the consolidated figures for both legal entities. Consolidated financial statements show the new company as of 1.11.2008 as sales in the domestic market; the sale of the old company, owing to our mere 10% share, is shown as sales in foreign markets.

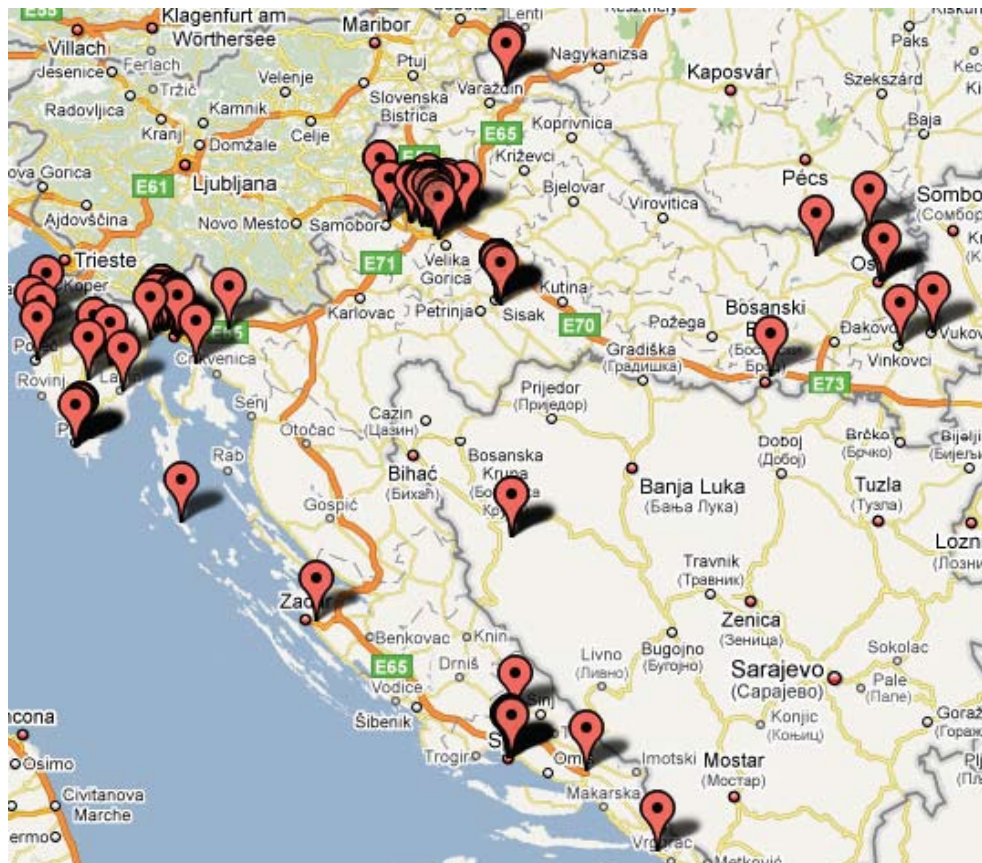
4.1.2 Croatia

In the past year, we replaced the old Datalab d.o.o. a company in which we had 10% ownership, with a newly founded company, Datalab Hrvatska d.o.o. in which we have 51% ownership. Business operations were transferred on 1 November 2008 .

Despite negative economic trends, our Croatian subsidiary recorded continued growth of the value of sales, which was 7% greater than in the previous year. Most of this increase can be attributed to increased upgrade agreement sales. The growth of license sales was smaller due to the Partner Network’s focus on migrating existing users to PANTHEON 5.5. Solid upgrade agreement sales were the result of migrations to PANTHEON 5.5 and marketing activities with this goal. In FY 09, 116 companies began using PANTHEON, and purchased 369 licenses for various versions, with a total value of EUR 346k.

In the second half of 2009, activities aimed at expanding the Partner Network continued, despite the unfavorable economic situation. Besides increasing the number of SIS Partners, activities for enhancing cooperation with educational institutions such as the Faculty of Economics in Split continued. The results of Datalab HR’s activities in the market were a trigger for the beginning of integration of PANTHEON with the hotel and restaurant management solution offered by the Bulgarian company ClockBS. This move opened up a segment where Datalab HR had not been present.

In Croatia, 1,832 PANTHEON licenses are in use, with a total market value of EUR 1,677K.



Companies that began using PANTHEON in FY 09 (Croatia).



Nedim Pašić, Director of Datalab BA

4.1.3 Bosnia and Herzegovina

Bosnia and Herzegovina is made up of two entities, Republika Srpska and the Federation of Bosnia and Herzegovina, as well as the Brčko District. The country has 3.3 million residents and 60,000 companies. The Entities and the Brčko District differ significantly in terms of administrative structures. From the standpoint of program development, this represents a substantial difficulty (2 localizations with different business functions).

Among key tasks in 2009 were the introduction of a new payroll system in the Federation and the beginnings of fiscalization in Republika Srpska. We expect fiscalization to be introduced in the Federation in 2010; this would present a huge opportunity in the market.

3 | Fiscalization means that all cash registers in the country report all transactions and tax rates directly to the tax authority.



Companies that began using PANTHEON in FY 09 (Bosnia and Herzegovina).

In FY 09, Datalab BA recorded 30 % growth of license sales compared with the previous year. Licenses in the value of EUR 448k were sold, which is a 27% increase over the last year. Sales of upgrade agreements amounted to EUR 82k and rose by 33% compared to last year. The total number of companies rose to 812, where 2,756 PANTHEON licenses are in use. The market value of those licenses is EUR 1,785k.



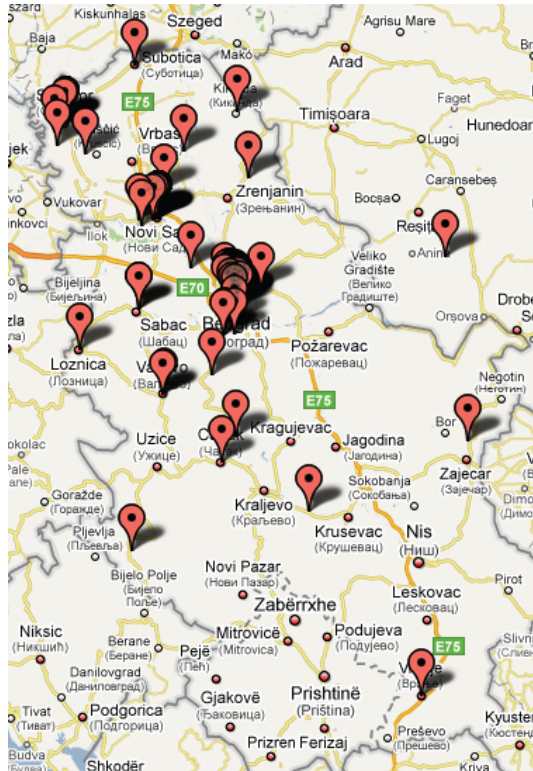
Aleksandar Spremić,
Director Datalab SR



Companies that began using PANTHEON in FY 09 (Serbia).

4.1.4 Serbia

License sales in FY 09 experienced a decrease of 12 %, while the value of upgrade agreements sold increased by 10 %. The total revenue from sales decreased by 11%. Nonetheless, in light of the economic slump, sales can be considered good. This is to be attributed to the fact that PANTHEON represents the best value for the money on the market. It is first and foremost intended for small and mid-size companies; however, as in Macedonia, a number of larger companies have also chosen PANTHEON. Despite the bad news from the economic sector, Datalab Serbia put additional effort into expanding its Partner Network, which now has 65 consultants who have over 90 certificates. Despite the general trend of falling sales, efforts aimed at improving the quality of services grew; in FY 09, services brought in a realization of over half a million EUR.



In FY 09, PANTHEON was purchased by 145 companies with a total of 632 licensed users, for a total value of EUR 452k. We expect the consolidation and stabilization of the market as well as the ratification of a law governing e-business in the following year to produce positive effects for sales to existing and new users.

In Serbia, PANTHEON is used by 3,254 users in 718 companies. The total value of installed licenses in Serbia is EUR 2,316k.



Persida Pandurović,
Datalab Automotive

4.1.5 Serbia – Datalab Automotive d.o.o.

On 3 November 2008, a new company began operations: Datalab Automotive. Its HQ is located in Belgrade, and it was started with capital backing from Slovenia and France: Datalab Tehnologije d.d. has a 10% share in the enterprise, and Hit Auto, the leading importer for Renault in the area of Serbia, Montenegro, and Macedonia, has a 90% share.

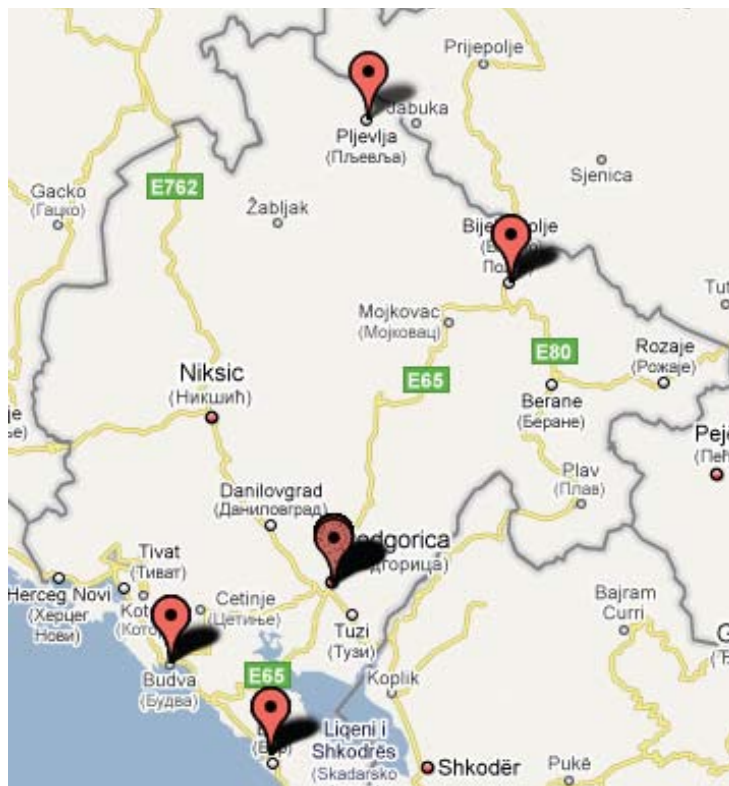
It was founded with the goal of supporting the operations of automobile dealerships, in particular Tier 1, 2, & 3 dealerships. The integration of ICAR + PANTHEON has been developed and successfully implemented at Hit Auto. We are currently in the process of wrapping up talks with Sage-Cogestib on the promotion and sale of ICAR in Southeast Europe.



Danko Obradović,
Datalab MN

4.1.6 Montenegro

Sales in FY 09 grew considerably compared with the previous year. Net sales have increased 52% over the last year. 138 licenses in the value of EUR 90k were sold. The sale of upgrade agreements generated revenue in the amount of EUR 23k. Licenses were sold to 44 companies, putting the total number of companies who use PANTHEON at 139, with 428 licenses valued at EUR 281k. As in other markets, in Montenegro, the unfavorable economic climate made a huge impact on sales, which is why the achieved results can be viewed as a success and as an indicator that we have begun to take the lead in the market. Experience with the transition to the new generation of PANTHEON, PANTHEON 5.5, and with its stabilization were an additional factor in existing users also recommending the program to new users. In light of the fact that the Montenegro Team concluded migration activities for the new generation of the product in FY 09 and that the economy is picking up, we expect even better results in FY 10.



Companies that began using PANTHEON in FY 09 (Montenegro).

4.1.7 Kosovo

Datalab Kosovo covers the market in cooperation with its sister company in Macedonia. In FY 09, activities were aimed at training Team members at the only Partner company in Kosovo and at adapting and improving the PANTHEON localization for Kosovo. In FY 09, PANTHEON was sold to 6 companies, which purchased 19 licenses with a value of EUR 13K. When considering these results, the consolidation of the Partner company should be kept in mind, as well as the poor possibilities for expanding the Partner Network. Projects were the basis for forming the Partner team in Kosovo and for gaining experience with assisting projects in Kosovo for Datalab Macedonia. The market in Kosovo is covered by a larger number of smaller business IT providers, while larger providers enter the market through international organizations and companies. The sizeable share of the economy represented by the gray market is an additional factor, as it implies a lack of documentation on business operations. 2010 will see the beginning of official fiscalization in Kosovo, which is why significant positive results are to be expected in this market. Activities in the coming year will be aimed at establishing cooperation with two new Partners and enhancing Datalab's presence in Kosovo.

In Kosovo, PANTHEON is used by 22 companies with a total of 99 licenses valued at EUR 73k.



Sašo Jovanovski,
Director Datalab MK

4.1.8 Macedonia

In the past year, we formed a new team and completed product localization. This served as a basis for a good start and sales growth. Sales are comparable with the planned figures; due to the restart of sales activities, comparisons of sales in FY 09 and FY 08 are not representative; nonetheless, sales results in FY 09 can be described as excellent. The license sales plan was exceeded by 301%, the upgrade agreement sales plan by 194%. The value of sold licenses amounted to EUR 170k. FY 09 therefore serves as a good basis for all future activities of Datalab Macedonia.

In FY 09, we planned to sell PANTHEON primarily to small companies; however, a number of mid-size and larger companies (15 to 20 users) also expressed interest in purchasing the product. The purchase of new software represents a sizeable investment for smaller companies, while mid-size companies with up to the 30 employees are becoming increasingly aware of the importance of a powerful business IT system. In this segment, PANTHEON represents the best solution for its price in Macedonia, and also has added value.

Within the Partners Network, activities were aimed primarily at training and supporting existing Partners. The Datalab team was present at most sales presentations and at all license implementations, and in this way provided Partners with the knowledge they need to independently handle the sale and implementation of PANTHEON. In Macedonia, we have 9 Partner companies and 21 certified specialists.

Besides a highly trained Partners Network, the foundation for further growth in Macedonia are the satisfaction and references of existing users, a stable and localized product, the expected upturn of the economy, and the continuation of direct marketing, which produced good results in the previous year.

In FY 09, PANTHEON was used by 108 companies with a total of 678 licenses, for a total value of EUR 284k

Companies that began using PANTHEON in FY 09 (Macedonia).



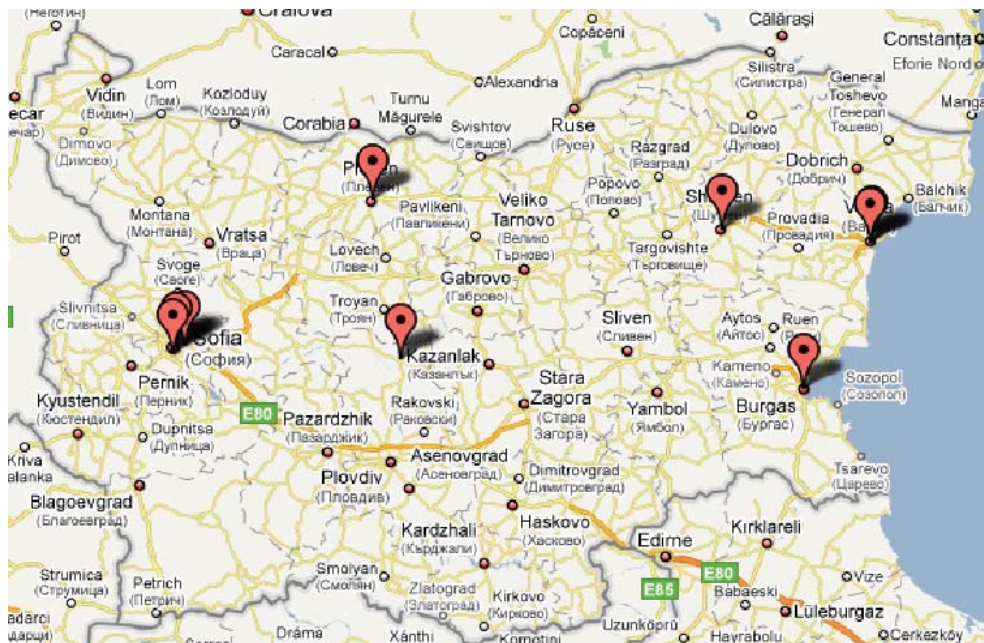


Marussia Margaritova,
Director Datalab BG

4.1.9 Bulgaria

As in other markets, although to an even greater degree, in Bulgaria, FY 09 was characterized by a drop in economic activity. It saw us begin to localize the product and train the local Datalab Team. Despite initial marketing activities at the Bulgarian Conference of Accountants and a direct mail campaign, in FY 09 we did not record any success of note. The reason for this is that many smaller companies tottered on the verge of collapse due to the crisis, while mid-size companies froze all investment activities, meaning that switching business IT systems was not a priority for them. In the coming year, we will look for additional possibilities to increase sales through cooperation in European programs for co-financing development projects, in continued direct marketing activities, and by presenting PANTHEON in the educational sector. In FY 09, licenses in the value of EUR 14k were sold; together with license sales from the previous year, this gives a total value of EUR 25k.

Companies that began using PANTHEON in FY 09 (Bulgaria).



4.1.10 Other Markets

A restart is necessary in the Romanian market, as the Partner company with whom we were planning on entering the Romanian market is not fulfilling its obligations. We intend to launch a restart in this market, with an emphasis on marketing and building a Partner Network, following the stabilization of the economic situation. Until such time, we will maintain our presence in this market through PANTHEON companies/users with subsidiaries in Romania. PANTHEON is mostly translated and the VAT module has been localized; the localization of the Personnel module is still required. PANTHEON is largely translated; the VAT module is localized, but the Personnel module still needs to be localized.

We are still actively looking for suitable partners with whom to develop a network in Albania. In the event that suitable partners cannot be found, we will begin offering our own sales and support, as in Macedonia. There were no other markets of note in FY 09.

4.2 PARTNER CHANNEL (SALES AND IMPLEMENTATION)

As in the past, in FY 09, we paid special attention to achieving the desired statuses for our ever more ambitious Partners, while at the same time investing considerable effort in acquiring new Partners.

In FY 09, in all markets where sales were active we continued activities aimed at winning over companies with their own developed business IT system which they can no longer maintain due to the high costs of development. In Serbia, we signed an agreement with the company Sinus Plus, which will bring 120 users to PANTHEON. In Macedonia, we have begun talks with four companies: Megasoft, Gord Sistemi, SoftMak, and SINS; these companies have taken the first steps towards becoming Sales and Implementation Partners, and have begun migrating existing users to PANTHEON.

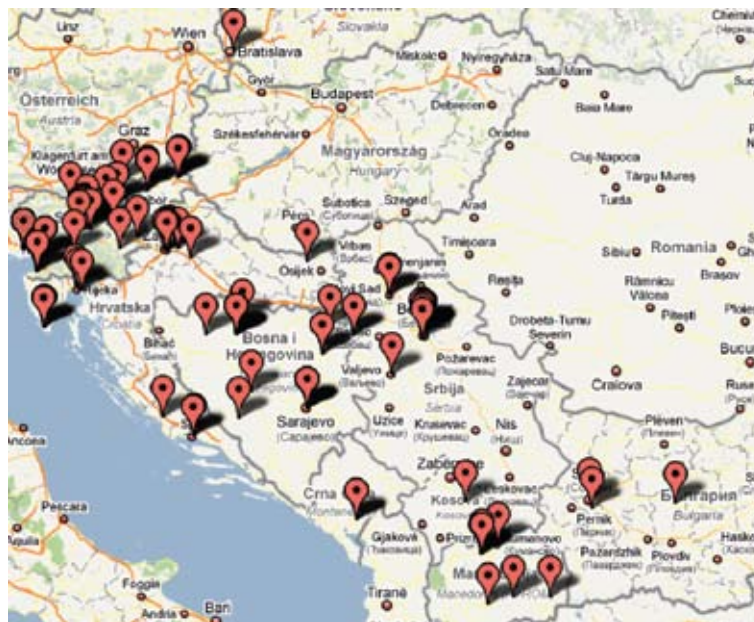
Country	Total number of Partners			Number of all registered Partner consultants			Number of certificates			Value of Subsidies
	PL 09	PL 08	Δ '09 glede '08	PL 09	PL 08	Δ '09 glede '08	PL 09	PL 08	Δ '09 glede '08	PL 09
SI	43	49	-12%	115	137	-16%	205	170	21%	0 EUR
HR	25	23	9%	56	51	10%	19	11	73%	14.289,80 EUR
BA	29	24	21%	74	66	12%	33	21	57%	978,60 EUR
SR	18	14	29%	64	55	16%	88	41	115%	6.353,90 EUR
MN	1	1	0%	2	2	0%	4	4	0%	0 EUR
MK	9	7	29%	21	21	0%	4	4	0%	0 EUR
Skupaj	125	118	6%	332	330	1%	353	251	41%	21.622,30 EUR

Table showing the growth of the number of Partners and Partner consultants, the number of certified consultants, and the value of investments in the Partner Channel in the form of subsidized licenses, by country for FY 09.

The total number of all Partners includes Sales-Implementation Partners, Development Partners, and EDU Partners (companies that train end users and Implementation Partners). We estimate that the total number of Partners in the market is actually about 20% higher than the one shown in the table, as the latter only includes those Partners who pay a monthly membership fee.



The geographic distribution of Sales-Implementation Partners.



4.2.1 Investments in the Partner Channel

We actively encourage the growth of the Partner Channel through subsidies.

When a new Team member is registered, the Implementation Partner receives a “subsidy” in the form of two SE licenses (valued at price in home country of Partner). The Partner can sell these licenses as they would any other license and use the money earned for training in the first months, when the new Team member is just getting started. We also make it possible for Partners to use licenses for their own operations free of charge. As the above table shows, in FY 09, this constituted an investment of EUR 61k in the Partner Channel.

As noted above, as they begin to acquire larger customers, Implementation Partners become specialized in particular branches. As experts on individual industrial sectors, it is also easier for them to enter markets outside of their home territory. We will continue to encourage specialization of this kind in the future, with the goal of developing business consultants with excellent knowledge of the processes and needs of individual industrial sectors.

For more information, visit our website at: www.datalab.eu/index.php?id=942

4.2.2 DEV Partner Program

The PANTHEON Developer Program encourages cooperation with companies which develop their own software solutions to supplement the features of the PANTHEON business IT system. By making information available on our server and through regular training provided by the Datalab Academy, independent software producers receive support for the development of their solutions. IN FY 09, 18 DEV Partners from Slovenia and 1 DEV Partner from outside Slovenia joined our Team.

Partner solutions cover specific / niche-based business processes at companies. Vertical applications find their use in all aspects of business, from B2B/B2C web portals, barcode solutions, access control systems, machinery control, project management, etc. Combining PANTHEON and Partner-developed solutions provides users with comprehensive solutions for all their business processes.

For more information, visit our website at: www.datalab.eu/index.php?id=1205

4.2.3 EDU Partner Program

The PANTHEON EDUcational Partner program is intended for cooperation with institutions where PANTHEON is used in the educational process. Through the program, educational institutions are outfitted free of charge with PANTHEON licenses, and also acquire the right to use Datalab Academy materials.

- Faculty of Organizational Sciences
- Faculty of Economics and Business Maribor
- University of Split Faculty of Economics
- School of Economics and Business Sarajevo
- School of Economics and Trade Šabac
- Faculty of Economics Skopje
- School for Accounting and Regulated Business
- School for Electrical Engineering and Computing

For more information, visit our website at: www.datalab.eu/index.php?id=907

4.3 MARKETING AND COMMUNICATIONS

4.3.1 Strategic Directions

Datalab's vision is to assist small and mid-size companies in achieving the optimal management of their operations, with the ultimate goal of taking the data that they are bound by law to collect, analyzing it, and turning it into profit. "Turning data into profit" – that's Datalab's motto.

When positioning the PANTHEON brand name, we always keep in mind our fundamental promise to make it possible for companies of all sizes to use a powerful business IT system. Our software is affordable, localized for 8 countries, in conformity with all relevant legislation in a given country at any given moment, and suitable for companies of all sizes and in all business sectors.

The foundation of our success is our employees. Together, we are the co-creators of a dynamic, professional working environment. Within the company, we actively encourage team work and the exchange of knowledge, on both the domestic and international level. Datalab's "ecosystem" brings together over 100 Partner companies throughout the region on a daily basis; they see to sales, consulting, implementation, the development of so-called custom solutions, and technical support for end users of the PANTHEON business IT system.

4.3.2 Marketing as Active Sales Support

Marketing activities are planned in line with the clear goals of positioning and enhancing awareness of the Datalab and PANTHEON brand names in the Slovene market and in the markets of southeast Europe. In today's world, it isn't enough for a company to have good products or services; in order to survive and thrive, it must also see to the optimal management of business processes and operations. We are well aware that the key to success in the market and long-term survival is our name and the image of our company among our customers and business partners; accordingly, it is in this direction that we will develop the PANTHEON and Datalab brand names. We have secured the rights to both names with the Slovenian Intellectual Property Office.

We first and foremost plan activities aimed at generating new sales opportunities among companies of all sizes and in all industrial sectors. Throughout the year, we conduct ATL (Above-The-Line) and BTL (Below-The-Line) campaigns; each new year sees the further optimization of our communications tools and approaches, both in Slovenia and in the other markets where Datalab is present. We advertise mostly in media that deal with the areas of the economy, entrepreneurship, and financial issues. Advertising for specific activities also appears in relevant sector-specific media (for example, accounting services, manufacturing, etc.)

An example of an "Image advertisement" in print.

An example of a joint advertisement with a SIS Partner.



An example of a joint advertisement with a DEV Partner.

PANTHEON
datalab Business operating system

3Rtim

Hydra@Warehouse

Najnaprednejše tehnologije za izzive v logistiki

www.3rtim.si
01 516 16 20
info@3rtim.si

An example of an advertisement for PANTHEON 5.5 and e-accounting.

PANTHEON
datalab Business operating system

Right	Debit	Status
Povečanje prihodkov	42	Departed
Kreditni	41	Departed
Vrsta zapiskitev	34	Departed
Zahteva stroškov	33	Final Call
Urešitev procesov	30	Final Call
Prevežanje aktivnosti	43	Final Call

Ujemite zadnji let!

... in ne pustite, da vas ostani meseca. Obsegovsko aktiviranje ni več samo prednost, v današnjem času je standard in odločilni dejavnik pri izbiri novega sistema. Če želite izboljšati svoje poslovanje, vam lahko PANTHEON 5.5 pomaga. PANTHEON 5.5 je poslovni sistem, ki vam omogoča, da svoje poslovanje vodite v celoti elektronsko. Z njim lahko upravljate vse poslovne procese, od prodaje do dobave, od plačila do odprave pomanjkljivosti. PANTHEON 5.5 vam omogoča, da svoje poslovanje vodite v celoti elektronsko. Z njim lahko upravljate vse poslovne procese, od prodaje do dobave, od plačila do odprave pomanjkljivosti. PANTHEON 5.5 vam omogoča, da svoje poslovanje vodite v celoti elektronsko. Z njim lahko upravljate vse poslovne procese, od prodaje do dobave, od plačila do odprave pomanjkljivosti.

3 meseca brezplačno pomoč pri uvedbi in administraciji sistema

20.000 € (pri 20.000 € investiciji)
30.000 € (pri 30.000 € investiciji)
40.000 € (pri 40.000 € investiciji)

Da več informacij nas klicata na:
T: 01 22 25 935
E: info@datalab.si
W: www.datalab.si

Together with our Partners, we organize promotions aimed at generating new users. In the area of sales lead generation and management, this year as well, we've upgraded our approach to potential users. All leads are subject to a more exacting classification, which is a great help for sales. At the same time, from the very beginning, we've been working on establishing a closer relationship between Datalab and the customer – methods used include in-depth telephone conversations and contact via e- and classic mail with the aim of providing potential users with essential information. In the following year, we intend to take this approach to generating new users even further, as we wish to provide our Sales Partners with optimally prepared and processed leads.

Marketing campaigns based on direct contact with potential users (through e- and classic mail and telephone calls) see the ever more intensive inclusion of Implementation Partners, as only in this way is it possible to achieve the loyalty of the members of their sales teams.

Through joint actions of this kind, we can offer solutions tailor-fitted to the needs of target users – some Implementation Partners have developed custom solutions for specific corporate and industrial branches. Sector-specific solutions greatly increase the value of our product, as, in line with our goal of achieving the greatest possible degree of usability of our solution, PANTHEON is not tailored to the needs of any specific sector or type of user.

We organize group presentations for potential users. The presentations combine a general presentation of PANTHEON with a focus on the specific fields in which participants have expressed interest. The presentations are aimed primarily at companies who are looking to replace their current IT system or to purchase a new system, and who are collecting information from potential providers.

Our call center has been up for two years in Slovenia, and serves to support lead generation. We also have call centers in Bosnia and Herzegovina, Serbia, Montenegro, and Macedonia.

In the following year, intensive marketing activities are planned for the Bulgarian market. In FY 09, we began organizing presentations of PANTHEON primarily for accountants and accounting

Datalab SR

Stalne oscilacije cena, promene propisa i carinskih tarifa, stalni nedostatak ljudstva i vremena utiče da se promene sporo i teško sprovode.

PANTHEON™
datalab Business operating system

Pretvorite podatke u dobit!

Uvođenjem Pantheon™ poslovnog softvera bićete u mogućnosti da promene vršite momentalno – jednim klikom!

Partner Datalab partner
Adresa:
Tel: 000 0000 000
Fax: 000 0000 000
E-mail: partner@pantheon.com
Website: www.partner.com

datalab
Pretvorite podatke u dobit!

PANTHEON™
datalab Business operating system

Stalne oscilacije cena, promene propisa i carinskih tarifa, stalni nedostatak ljudstva i vremena utiče da se promene sporo i teško sprovode.

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Adresa:
Tel: 000 0000 000
Fax: 000 0000 000
E-mail: partner@pantheon.com
Website: www.partner.com

datalab
Pretvorite podatke u dobit!

Datalab Serbia was very active in the production of video contents. They worked with a show on B-92-Info Kanal and with a show on Kurzor TV. They recorded user testimony and presentations of PANTHEON. Shows can be viewed at the following addresses:

- http://www.youtube.com/watch?v=lfHfx_F8zpc
- <http://www.youtube.com/watch?v=psLLBdAypU>
- <http://www.youtube.com/watch?v=divA66awe44>
- <http://www.youtube.com/watch?v=vpC25OuFegE>
- http://www.youtube.com/watch?v=-6Y-ELv_vO
- <http://www.youtube.com/watch?v=qfNsHE5KDGm>
- http://www.youtube.com/watch?v=12Pdf3t_r7k
- <http://www.youtube.com/watch?v=FY5aSpYiThs>
- http://www.youtube.com/watch?v=AVRpL_QZ-84
- <http://www.youtube.com/watch?v=RKT3e-b15k>

Datalab MN

PANTHEON™ 5.5
datalab Business operating system

5.5 koraka da iskoristite potencijal svojih podataka u svakoj djelatnosti

Šta PANTHEON može da uradi za Vas?
PANTHEON je poslovno-informacioni sistem koji radi 24 sata u godinu.

Glavne funkcionalnosti PANTHEON-a:	Rješenja za svaku djelatnost:
Predračuni	Trgovina (maloprodaja - veleprodaja)
Prilom računa - kalkulacije	Proizvodnja
Računi i čekirane	Gradijevinarstvo
Interni propisi	Uslužne djelatnosti
Radni nalogi	Računovodstvene agencije
Fiskalizacije	Javne ustanove
PDV prijava	
Knjige VUJ i HIF	
PC-izlazi	
Komercijalna roba	
Čekovne sredstva	
Blagajna	
Plato	
Rekurzivnost	

PANTHEON koristi preko 1000 kontrola u vrijeme u Onq. Gov. PANTHEON koristi preko 250 kontrola.

datalab
Pretvorite podatke u dobit!

Radite li vrijeme za kupovinu informacionog sistema?
Trenutni sada Vi i Vaša kompanija možete da budete deo naše nagrade.



4.3.3 User 2 User

We've also begun to intensively reward PANTHEON users who recommend the program to their friends and business partners. At Datalab, we place enormous emphasis on user satisfaction. The proof that we're getting it right is the numerous recommendations of current users, who, by spreading the word, make a huge contribution to expanding the use of our system.

To show that we are aware of just how valuable these recommendations are, we've introduced the Recommend PANTHEON promotion. It's a rewards system that's our way of saying thanks to our users for their recommendations.

All users who share their experiences with PANTHEON by recommending the system to others will be awarded 10% of the value of the PANTHEON licenses installed at the new user's company. Users can also use the amount towards credit.

The promotion is also active in Bosnia and Herzegovina, Montenegro, Serbia, Croatia, and Macedonia.

4.3.4 Keeping Key Groups Informed

4.3.4.1 PANTHEON e-novice

June 2008 saw the last printed version of PANTHEON Novice. Since July 2008, an issue of PANTHEON e-novice has come out each month. Like its predecessor, PANTHEON e-novice is intended for users, Partners, Datalab employees, and other interested groups.

Because we wish to keep our users and Partners in markets outside of Slovenia informed about what's going on at Datalab, and because a concern for the environment is our priority, we also send e-novice to Bosnia and Herzegovina, Serbia, Montenegro, Macedonia, and Croatia. Each month, a total of 5,500 recipients find a copy in their inboxes. We're constantly building on our user base. All those who would like to receive PANTHEON e-novice each month can send an application to info@datalab.si or fill in the form on our website.

Past issues of e-novice can be found on Datalab's website: www.datalab.si/podjetje/novice_in_dogodki/ (Slovene language)

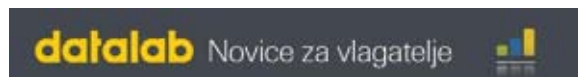
4.3.4.2 Weekly and Partner's Update

At Datalab d.d. we prepare a Weekly and Partner's Update each week. The Weekly Update keeps all Datalab employees at HQ and all subsidiaries informed about what's going on at the company and provides other important information. Through our Partner's Update, DEV and Implementation Partners receive up-to-the-minute information about new features, improvements, and upgrades in PANTHEON, as well as important information about events at Datalab and within the broader Datalab ecosystem. The goal of the Updates is to keep all employees at Datalab and our Partner companies throughout the Adriatic region informed about actual events within the company and in PANTHEON. All important news also appears on our corporate website, www.datalab.eu.

4.3.4.3 Stakeholder Information

To keep stakeholders informed, we've set up a special page (<http://www.datalab.si/vlagatelj/>)*, outlined a strategy and communications plan, and drawn up a schedule for analyst conferences where we will comment on results, plans, and the situation surrounding the company. The basic communications tool for informing stakeholders are releases on SeoNet, which are outfitted with more in-depth information on our website.

For the needs of the financial community, we've also prepared an Investor Newsletter. The Newsletter is published twice a year, and contains a summary of all key points of Datalab's operations in the past two quarters.



As part of the activities accompanying our listing on the Stock Exchange, we prepared web pages for stakeholders, which can be found at <http://www.datalab.si/vlagatelj/>. Here, investors can keep track of Datalab stock. It also contains a presentation of the shareholder structure and Datalab's financial calendar, as well as all annual reports and Datalab press releases. Through our Stakeholder Information page, we wished to achieve even greater transparency

Pages for stakeholders on Datalab's website.

of operations, while at the same time providing access to relevant information for all those interested in Datalab's operations

*In Slovene language

4.3.4.4 PANTHEON konferenca

The aim of the PANTHEON Conference is to present new features and improvements in the software to our users and Partners, to provide information about specific features and advantages of e-accounting, and, last but not least, to share experiences with expanding operations abroad.



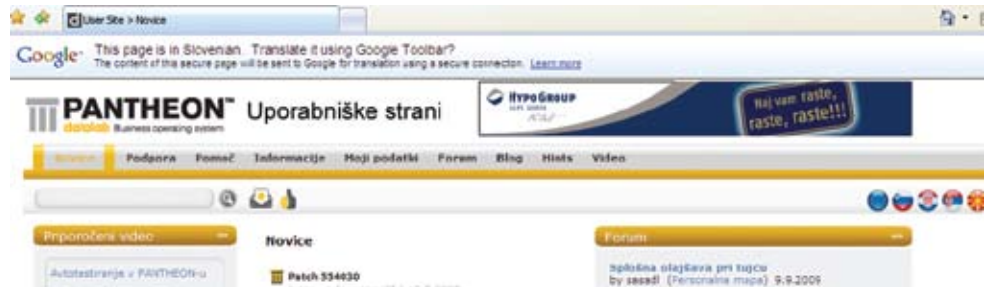
That's why, in FY 09, the fifth annual PANTHEON Conference was held in two locations. On October 2 and 3, 2008, a Conference for Partners and users from Slovenia was held in Portorož. For Partners and users from all other countries, a Conference was organized in Bosnia and Herzegovina, in the city of Brčko.

The Conference brought together nearly 400 visitors and 35 sponsors from throughout the Adriatic region. Over 100 interesting presentations and workshops centering on PANTHEON were organized. The Conference was also an opportunity for Datalab employees and Partners to meet face to face and to forge new contacts and discuss future cooperation.

4.3.4.5 Media Selling

Besides PANTHEON e-novice, for which media buying is standard practice, we offered advertising space on our User Sites (<https://usersite.datalab.eu>). The idea is simple: provide a way for over 5,800 companies from throughout the Adriatic Region to get in contact.

Datalab's User Sites have over 2,000 users a day, many of whom are looking for new business opportunities. One key advantage of advertising on Datalab's User Site is the possibility for enhanced segmentation of potential customers or Partners. Advertising space is available in the form of banners. We also provide assistance in preparing effective web advertising and forward information about the number of clicks a given advertisement receives each day.



4.3.5 PANTHEON TV

In summer 2009, we launched the ambitious project of producing videos of our course materials. On-learning of this kind is much more practical and environmentally friendly than workbooks in paper form; an additional advantage is that materials of this kind are available 24/7. In order to make high-quality knowledge available to the widest possible range of PANTHEON users, we've also decided to make the video learning tools available free of charge. Video courses are available on the User Site (<https://usersite.datalab.eu/>), which is accessible to all PANTHEON users. We've also linked video contents with PANTHEON online Help (<http://help.datalab.si/p55/>) through links that take users directly to video contents on the respective Help topic.

4.3.6 Revamped Datalab Website

We have systematically revamped key pages on our Slovene website, www.datalab.si, that are important for informing current and potential users, and therefore essential to lead generation. We've given our home page a complete makeover: it is now more intuitive and provides users fast access to the most searched for information. Pages on prices and purchasing and installing a demo version of PANTHEON, PANTHEON version pages (LT, SE, ME, etc.) and others were also

given a makeover. When revamping our website, we relied both on our own observations and the results of analyses (using Google Analytics) as well as best practices ascertained from B2B sites from around the world. At the close of the Fiscal Year, we had also begun localizing all of these changes on the websites of our subsidiaries.

An important project closely linked with our website was the collection of “reference users” and their examples of good practice with PANTHEON. We wanted to bring together in one place companies with a reputation for excellence and quality work who are also satisfied users of PANTHEON software. It was a project of monumental proportions that involved repeatedly calling over 100 companies in six countries. It included Datalab SI, HR, BA, SR, MN, and MK and several Implementation Partners, and went well into August, 2009. The result is a list containing the names of over 260 excellent companies that are ready to recommend PANTHEON and 25 examples from practice or user testimonies. It is just another way in which users of Datalab’s websites can get to know that PANTHEON means quality software, as the testimonies collected come from renowned companies from throughout the Adriatic Region show.

To monitor frequency of use and navigation on Datalab’s websites, we’ve installed analytical

www.datalab.si



tools. It’s our goal to have all key search terms in the top ten hits on larger search engines, and for key search terms to be in the top three.

A report created using Google Analytical Tools.



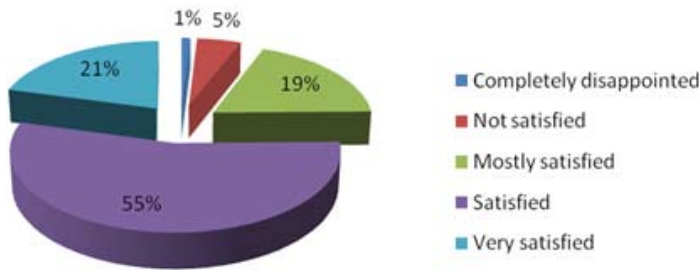
4.4 CUSTOMER SATISFACTION INDEX

In the second quarter of FY 09, we conducted CSI (Customer Satisfaction Index) research of user satisfaction with PANTHEON in Slovenia as well as in Bosnia and Herzegovina, Serbia, Croatia, and Montenegro.

In Slovenia, 251 users were included in the research; 362 users were included in Bosnia and Herzegovina, 44 in Croatia, 83 in Serbia, and 26 in Montenegro. The research consisted of 22 questions, which were grouped under the following headings:

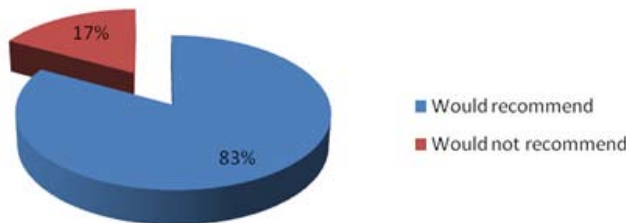
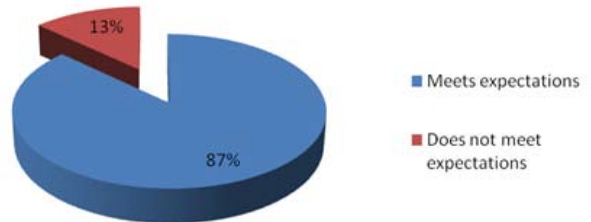
- Satisfaction with PANTHEON software and its features.
- Questions about marketing and advertising.
- Satisfaction with customer support and Help.
- Satisfaction with documentation and support mechanisms.

Below, you'll find a summary of some of the results for Slovenia.



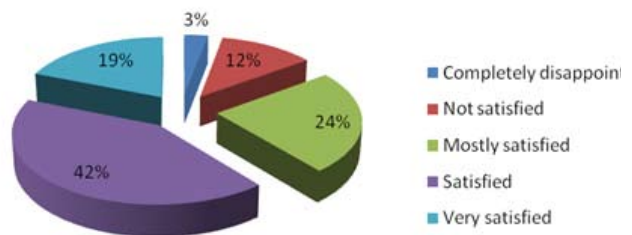
76 percent of users were satisfied or very satisfied with PANTHEON software.

87 percent of all respondents said that PANTHEON meets their expectations to a large degree. The remainder of respondents listed migration to PANTHEON 5.5, compatibility with manufacturing, and difficulty of use as key reasons for stating that the program does not meet their expectations.



83 percent of PANTHEON users would recommend the program to their friends, associates, and business partners. 17 percent of those who would not recommend the program listed complexity and migration and upgrading difficulties as the key reasons for their decision.

85 percent of all respondents were somewhat satisfied to extremely satisfied with support for the program offered through certified Partners, HelpDesk applications, User Sites, and Datalab's Support Department.



4.5 SOFTWARE DEVELOPMENT IN THE 2009 FISCAL YEAR

During the Fiscal Year, roughly one third of our resources have been put into tidying up PANTHEON 5.5's code. Here, tidying up means refactoring overly complex pieces of code, reviewing variable initialization, cleaning up try-except blocks, fixing general protection faults and access violations, moving SQL code from Delphi to the database, and implementing additional indexes and referential integrity methods. This results in smaller and faster program code that is easier to maintain and build upon.

Another large undertaking was the first phase of the Feniks project, optimizing PANTHEON so that it works normally with a UMTS connection which opens possibilities for cloud hosting, where the datacenter contains only critical components (disk array, database server), while the user has a powerful operating system available instead of the limited functionality of a thin client.

PANTHEON has also been optimized for Oracle Database thanks to the invaluable input of two of our users, Merkur, d. d. and Era, d. d. who helped us with tweaking the data processing in the Personnel, Inventory and Accounting modules.

After analyzing why our Partners charge users so much for the migration from PANTHEON 5.0 to 5.5, we have significantly improved the migrator utility, shortening the migration from twenty hours to under a half hour, achieving better referential integrity and automatic error correction.

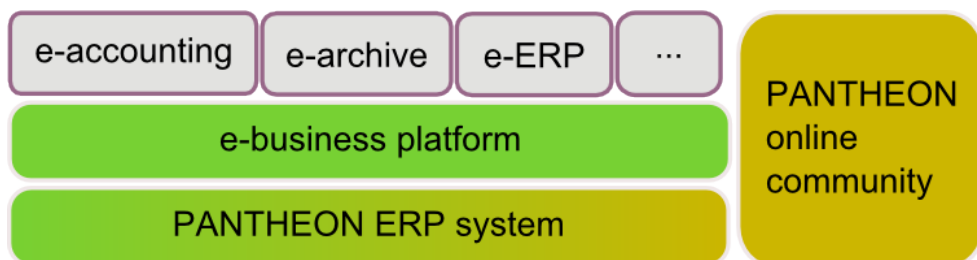
The same mechanisms have also been used for the program upgrade process, the duration of which has been decreased from hours to minutes. This saves support providers time and the users money, thus even further reducing what is already the lowest TCO on the market.

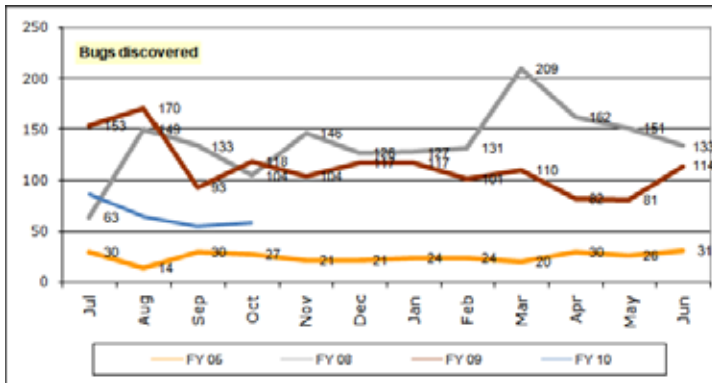
Due to the cost-cutting trend as part of the economic crisis, users are reducing their support budgets and trying to get the most out of them. To help users, we have added over 4,000 questions and answers to the User Site, thus making its forums a knowledge base. User Site registration and use have been streamlined. A single search utility for all content (documentation, forums, wikis, blogs, videos) is in the making and will further improve user-friendliness.

In June 2009, the redesigned Partner Site became operational, making it easier to implement new sales utilities (sales force automation) and increasing security of mission-critical data.

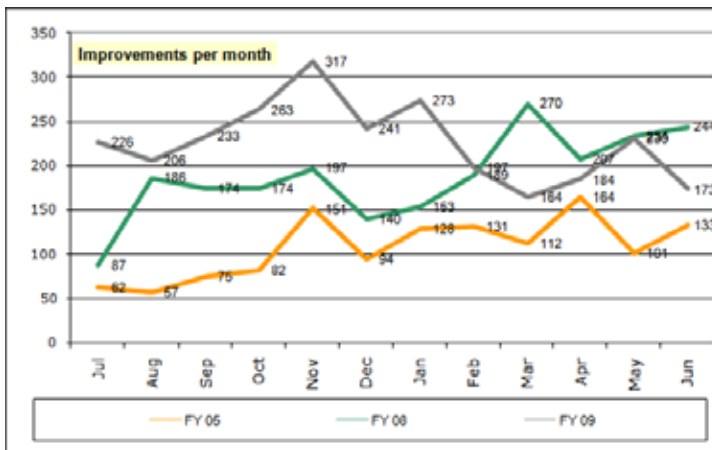
Two large projects are our main focus in Fiscal Years 09 and 10. One is the development of our e-business platform (Feniks), which is tightly interwoven with the development of PANTHEON. The development of a platform for the communications needs of users and Partners in the PANTHEON ecosystem is the other.

3 | Feniks is the name of a project aimed at developing a technological platform for the e-business needs of small and mid-size companies.
4 | For more information on PANTHEON Hosting, visit the website at http://www.datalab.si/pantheon/erp_pantheon/racunovodski

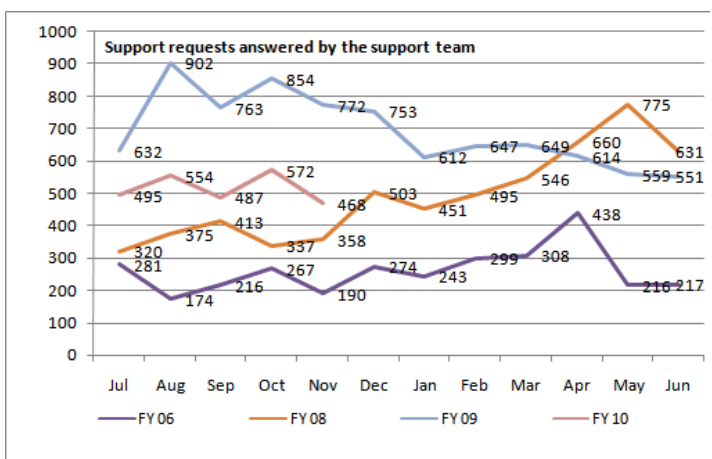




Bugs discovered



Improvements per month



Support requests answered by the support team

Let's take a look at some statistics. Apart from the user count, one of the most important figures is the number of bugs found and fixed.

The charts empirically show what we all know. In FY 05, we had a stable product in PANTHEON 5.0, and the number of bugs never exceeded 50 per month. After the generation switch to PANTHEON 5.5, the number of bugs increased significantly, as expected. In April 2009, the bug count dropped below 100, marking the first stability milestone. The trend continued in the first months of FY 10, and we have begun to approach the level of stability of FY 05. But we are not stopping there. Automatic testing, cleaner code, and similar measures will get us to our goal: getting under 5 bugs per month while maintaining the present pace of development.

To put the number of bugs into perspective, we have to look at the size of the program compared to the number of bugs. Taking 1,000 lines of program code as a measure, we are currently at 0.040 bugs per 1,000 lines of code; in December 2006, PANTHEON 5.0 had 0.035 bugs per 1,000 lines. 20 bugs per month means 0.008 bugs per 1,000 lines of code, which, keeping in mind the magnitude of 5.5., would mean an even more stable product than PANTHEON 5.0. Next, let's have a look at the pace of the development process. And how is development coming along? In the last year and a half, we have made more than twice as many improvements as in previous years. On average, we make approximately 200 improvements per month, which clearly indicates that we constantly invest in software development.

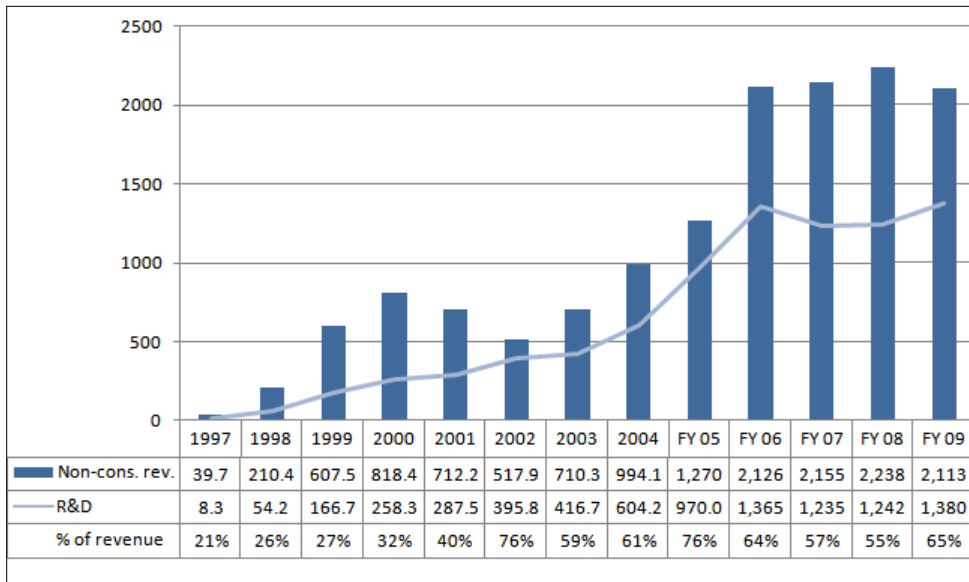
The number of support requests is also increasing. The rising number of support requests from Partners (that is, not counting requests from users) shows that it is not possible for us to provide support to all users by ourselves. To improve the service level of our Support Team, we have introduced performance measurements and evaluations.

vpeljali ocenjevanja in meritve.

4.5.1 Investment in Software Development

We invested EUR 1,380k in the development of PANTHEON in FY 09 (compared to EUR 1,242k in the previous year). The production value of PANTHEON as of 30 June 2009 was EUR 6,325k (carrying value of EUR 2,926k in financial statements). The value of this intangible asset was determined using the Hierarchy of Valuation Standards and other applicable valuation models.

Investments in development 2009 - FY 09 in EUR 000



Boštjan Pečar, Product Manager

4.5.2 Development of PANTHEON 5.5 in FY 09

PANTHEON – Core of the Software Suite – 352 Improvements

Notable improvements to the PANTHEON core, apart from tidying up program code, include:

- added graphical representation of the assignments in the ToDo list;
- added Quit Program menu item;
- created generic overview of Undo tables;
- added option for copying lookups to other databases;
- added option for copying color schemes to other databases;
- added mouse scrollwheel functionality to the Administration Panel;
- added authorizations for single custom fields;
- added Setup Wizard for simple database setup;
- extended upgrade error reporting; added option for sending such errors;
- added build number next to database name;
- added a list of active users in a given database;
- added option for adding users to other databases at the same server instance;
- creating a user in another database gives him/her owner privileges;
- improved search;
- added option of showing subjects' secondary name (instead of primary name) in reports;
- introduced data grouping in overviews (drill-down);
- added options for selecting what to export to Excel (master, header, footer, children, bands).



Mateja Korelc,
Product Manager

HERMES – Orders, Goods, VAT – 574 Improvements

In FY 09 much effort has been put into code cleaning, moving parts of code to stored procedures in order to increase performance, reducing data transactions, and achieving code that is easier to maintain.

Notable improvements include two additional discounts, document numbering according to fiscal year, improvements to recurring invoicing, moving document headers to stored procedures, and improvements to Price Change documents. Of course, numerous other small improvements have been made in this module.

The following improvements have been made in all localizations:

- moved tables to Global Temp Tables;
- added Summary panel to Service Reports;
- added terms of sale to document printouts;
- added summary reports to Commercial Records;
- increased account number length to 13 characters;
- added auto-create for Price Change document; added check when deleting the document from which a Price Change document was created;
- added list of current documents to Recurring Invoicing, along with a list of all documents that have been created from there; added relevant reports; added option for showing period in Issue documents;
- added custom fields to Warehouse Card and Current Stock functions;
- added Price Change Report; added links between Goods documents and Price Change documents;
- added option for creating prepayment invoices from journal entries, cash documents and orders (as a percentage);
- added option for looking up subjects in document headers by their secondary name or tax number;
- added option for numbering documents according to fiscal years;
- moved document headers and the Price Change function to stored procedures;
- updated lookups and navigators in all windows of the Goods module;
- added Discount 2 and Super Discount to Issue documents and sales orders;
- added period end date for movements other than movements of goods;
- added Close Prepayment Invoice function;
- added Documentation tab to documents;
- improved the sequence of refreshing movements.

Country-specific improvements:

BA	Added summary reports for commercial records.
BG	Added option for exporting tax records into text file; added option for consecutive numbering of issued invoices; added VIES report.
HR	Added summary report KPI; added reports for container deposit; added report PDV-K; added VAT ledger for imports and own consumption.
MK	Added reports KDFI-01, ObrazecET, PLTMK, PLTPRENOS and METG.
SI	Added new DDV-O report including any overpayments; added option for exporting RP-O into XML.
SR	Added purchase-from option »Flat-rate tax payer« and allowed setting a predefined tax rate for it.



Simon Klemen,
Product Manager

DEMETER –Financials – 266 Improvements

The most notable improvement was redesigning the year-end procedure, which now allows posts made before the year end to remain untouched. This meant that new forms, new procedures in the database, etc. had to be created, which in turn required changes to how outstanding items are handled, to the functioning of the account card, etc. At the same time, program code was optimized (moved program logic to stored procedures).

A module for consolidated financial statements has been implemented.

Like in other modules, program code has been cleaned up, temporary tables have been moved to fixed tables, subjects' secondary names are now shown in windows and reports, and the record navigator has been updated.

The following improvements have been made in all localizations:

- added overview of late receivables and payables;
- added option for entering accounts for warehouses;
- enabled general journal report in multi-currency;
- added module for accruals and deferrals;
- added quick overview of bank account balance;
- enabled multiselect in journal entries;
- enabled use of several posting templates for the VAT account;
- added analytic year-end, which locks data until the opening;
- added new account card and outstanding items reports in line with the new year-end;
- moved automatic cash posting to stored procedures;
- POS receipts now take into account installments;
- dependent costs in Receiving documents are now posted separately;
- added drill-down functionality in some reports.

Country-specific improvements:

SI	Ported procedure S11 to PANTHEON 5.5. Added option for exporting debt enforcement file from the Debt Enforcement module. Updated Corporate Tax function to reflect legislation changes. Prepared empty database for PANTHEON GE users.
SR	Added XML export option for the SAGA system.
BA	Added payment order preparation.



Tina Berden,
Product Manager

Modul Hera – Personnel – 658 Improvements

Three major fields have been addressed: electronic submission of government forms, simplification of use, and adaptation for use in multiple companies. Country-specific improvements:

SI	Improvements for the new iREK form. Pay slip - separate display of voluntary pension insurance, benefits, income tax by rates; added new pay slips for collective agreements and industry-specific agreements. GE - payroll according to new regulations. HTT Ppost method for sending iREK. iREK - option for changing control number. iREK - manual input of company name for XML file. iREK - validation of submission status. Employee-specific and position-specific weekly work obligation. Additional general tax relief. Option for calculating salary from net amount. OPSZV and OPSVL forms. Electronic submission of form M4. Added short-time work. Calculation of income tax prepayment for leave bonus at average rate. Disabled employees above quota - calculate contributions that are not paid. Sheltered workshop - create payment orders for the account of the company.
<hr/>	
BA	Account and reporting by business units. Payroll for Brčko District. Merged localizations for Bosnia and Republika Srpska. Separate payment orders by cantons. New forms: 2001, GiP 1022, PDN 1033, AUG 1031, ASD 1032, 2002, 2003, oLP, 2001A.
<hr/>	
CG	Forms: oPP-ND, new M4, ioPD, ioPPo2, ioPPo1, oPD2, oPD3.
<hr/>	
HR	Forms: r1 ZZr, ioo, rAD 1G, iDD 1, iDD, MPP, M-3P, M-2P, M-1P, rAD-1, Accident at Work Report, cumulative SPL. Crisis tax account, updated payroll and forms. Electronic submission of ID form. Account by company units. Pay slip for first-time employee. Salary in kind; convert net - gross of salary in kind. Form R-Sm - change identifier. Change for final salary calculation.
<hr/>	
KO	Payroll for Kosovo
<hr/>	
BA-RepSr	Republika Srpska Forms 1002, DL4, Salary specification. Submission of form 1002 after setting up in document types. Electronic submission of form 1002.
<hr/>	
SR	Form OPJ. Voluntary supplementary pension insurance. Forms: PPoD M-UNK, PPoD, oZ 11, oNSZ-M, oNSZ-i, iNSZ-M, oNSZ-P, iNSZ-P, oPJ-8



Sonja Gros,
Product Manager

HEFAIST – Manufacturing – 142 Improvements

The following improvements have been made in the Manufacturing module:

- product specifications: detailed cost estimation separately calculates and displays the quantity of materials, scrap and waste; items can be entered by name, not only by ID; overview of components in specifications; specification history management; multiple windows open at the same time; detailed cost estimation takes into account batch quantities in specifications;
- added to Formula Builder: materials cost, labor cost, quantities in specifications, analysis of completed work, date calculation;
- transferring sales orders to Manufacturing: separate authorizations for transferring and creating work orders after the transfer; allowed transferring items without specifying a Manufacturing document type; added option for transferring a work order's document type for each Sales Order document type;
- work orders: enabled mass editing of specifications; allowed changing Work Order document type; added default note to manufacturing document types; added transfer to work order when creating manually – including sub-levels; allowed transferring notes to movement documents according to the settings in the Manufacturing document type; added checks when relieving inventory for work orders; added time tables of individual operations to work order scheduling; added check in receiving considering the used materials and labor; made department and cost center mandatory in movement documents;
- plan: check deliver-by date when transferring order to plan; added mass delete option when refreshing forward material plan; added option for deleting FMP refresh data when closing the plan; added Material Requirements by Items report; added Specification Status report;



Borut Puklavac, Product Manager

ZEUS – Business Intelligence – 195 Improvements

The Dashboard got most attention in the last year. The number of out-of-the-box dashboards rose to 20, and the number of dashboard components to over 100. The dashboard gained on performance and usefulness, most notably because it allows changing parameters on the fly (e.g. changing the displayed period). Reports can also be generated directly from a dashboard component. Dashboard reports provide a simple and mostly automated way to make reports that are designed in advance with a user-friendly interface. Such a dashboard report can be set up to be automatically sent by e-mail each day. Apart from the usual components (charts, counters, maps, etc.), it can also display various PANTHEON reports.

We have decided to start supporting Analysis Services 2005 and 2008, which required a rework of our OLAP administration scheme, but opened new possibilities for ZEUS Reports and Analyses. This first of all includes more configuration and customization options. Another important milestone for ZEUS is that its functionality has been implemented in PANTHEON GE.

POS – 52 Improvements

In June 2009, the development of the POS module was moved to Pula, Croatia, because several employees there are proficient in this field and because labor costs are somewhat lower there. Key improvements in the POS module include:

- added support for fiscal printers in Republika Srpska and Bosnia and Herzegovina;
- added secondary name of subjects to navigator;
- added option for specifying maximum discount for each program user;
- implemented POS receipt numbering according to Bulgarian regulations;
- added parameter that ignores all discounts of a given subject when selling via POS;
- moved temporary tables to StrUpdate55;

- serial numbers are now shown in the POS window;
- added information about with which document a POS receipt has been reversed;
- discount sales, allows setting the price of an item that is in a specification.

ARES – Integrated Development Environment - 159 Improvements

The development of ARES has focused on stabilization and optimization, as this is a system that is tightly interwoven with other areas of the program. The ARES code compiler finally got to a stable version at the beginning of the year; since then, stabilization has been a priority. Though not that apparent on the outside, stabilization and optimization are technically demanding and time consuming, and require thorough testing. Other key improvements have been made as well.



Dare Rihter,
Product Manager

A large step forward is the support for web services, which became possible only at the beginning of the year with one of the latest versions of the compiler. We have made available a WSDL importer web service which, based on a web service definition, prepares ARES code for accessing a web service; the importer is accessible from the ARES IDE itself.

Another important new feature is the introduction of ARES Lite procedures, which are practically the revival of SQL-i procedures from previous generations of PANTHEON. Their biggest advantage is that no Pascal knowledge is required (as opposed to normal ARES procedures, where it's a must). The functionality of ARES Lite procedures is very similar to SQL-i 1 procedures, only that it is adapted to normal ARES procedures in PANTHEON 5.5.

Other improvements pertain mostly to the registration of classes and methods that are used in integrations throughout PANTHEON.

4.5.3 PANTHEON Autotesting⁵

Software development is an elaborate undertaking; and it is becoming even more so as the program grows and, with it, the amount of program code and complexity of interactions. Some years ago, we had to decide how to go on with the development process.

Either slow down development (like some competitors) and have a stable program, or develop faster and provide users with the latest information technology, risking individual errors on the way. It is perfectly clear that a program with over 8,000 pages of documentation cannot be tested manually within one month. But only testing can ensure that all functionalities are working flawlessly. Two years ago, we started building an autotesting environment. Now with everything set up, testing scenarios are recorded and then automatically started. Developers get a list of tests that returned errors and are thus able to fix the issue before the next release. After investing over EUR 250k, the system came to life in November 2008 and was being tested until April 2009. Today, no code change is included in releases if no testing scenario exists that would check if it is working properly. Testing scenarios are extensively recorded, ensuring a functioning and stable program.



Kristijan Bratuša,
Programmer

In the last year, the testing environment was moved from virtual machines to Terminal services. Currently there are 41 access points for recording scenarios. The add-on »DatalabGridAction« has been developed and allows recording mouse clicks in tables (grids) that support various functions and buttons. Another add-on, »DatalabGridCheckpoint«, has been created to validate values in tables. Databases have been moved from local virtual machines to a central server, and an automated script takes care of upgrades. Schemes for autotesting have been made. A transition from TestComplete6 to TestComplete7 has also been considered.

⁵ | For a presentation, visit the User Site at <https://usersite.datalab.eu/Player/TabId/130/VideoId/100/Avtotestiranje-V-PANTHEONu.aspx>

An overview of recorded scenarios by months:

Module	FY 09							FY 10			Total	
	Nov	Dec	Jan	Feb	Mar	Apr	Maj	Jun	Jul	Avg		Sep
other	1	2	1			4	1	1	1			11
Ares	2	4	2	2		2						12
komponente		1										1
Hefaist		1			5	16	11	10	12	7	9	71
Hera		12	1	1	7	26	36	35	39	28	16	201
Hermes - Blago		26	11	11	15	14	22	21	2	11	33	166
Demeter	2	16			11	48	29	14	22	70	23	235
Hermes - Naročila		2	1	1	3	5	10	4	1	2	4	33
Hermes - Pos		5			2	2	2	2	1		3	17
PANTHEON							1					1
PANTHEON - Registers						5	8	4	16	1	20	54
System		3					2	2	4		1	12
Zeus		13	3	3	1	3	10	9	8	9	15	74
Total	5	85	18	18	44	125	132	102	106	128	124	888

We will need around a year to cover all of PANTHEON's functionalities with testing scenarios. Until then, new releases will have fewer and fewer errors. Daily testing is currently being introduced: overnight, up to 20 machines will be running tests so that, in the morning, developers can see errors that were made the previous day. Once again, Datalab is one of the first to employ such tools, bringing us closer to the world's leading software houses in terms of technology and standards. This investment will help us lower our costs, which is especially important in these troubled times.

4.6 DATALAB ACADEMY



Vanja Cigoj,
Academy Head

Training/certification – The Datalab Academy

The Academy provides training and certification to Partners and end-users. In FY 07, FY 08 and in the beginning of FY 09, training was provided using the traditional approach, in classroom sessions led by Datalab's Product Support Specialists and certified external instructors. Later in FY 09, online training became the primary method of passing on knowledge.

The Academy is shifting from providing training to devising training programs and strategies for Certified Training Partners (there are currently two: Viro from Celje and Sigma Sistemi from Tržič). Course materials have been written in-house and reviewed internally and externally. They are for sale online, and are used by training centers as primary course materials. To keep a high level of quality, education of Certified Training Partners and standardization have helped develop standardized PANTHEON training programs that are available beyond the direct reach of the Academy. Certified Training Partners have a team of certified instructors whose work is quality-controlled by Datalab.

In summer 2009, we launched the ambitious project of producing videos of our course materials. On-learning of this kind is much more practical and environmentally friendly than workbooks in paper form; an additional advantage is that materials of this kind are available 24/7. In order to make high-quality knowledge available to the widest possible range of PANTHEON users, we've also decided to make the video learning tools available free of charge until further notice. Video courses are available on the User Site (<https://usersite.datalab.eu/>), which is accessible to all PANTHEON users. We've also linked video contents with PANTHEON online Help (<http://help.datalab.si/p55/>) through links that take users directly to video contents on the respective Help topic.



The camera film icon in Help designates that a video is available for a topic.

Over 70 videos with a total running time of around 10 hours had been recorded by the first third of FY 10. A mixed team works on the project; Support Specialists record and process the videos, while the marketing team advertises and manages the video library.

The Academy will continue to provide its users with high-quality content. The focus in FY 10 will be on creating and offering online training programs using state-of-the-art technology. The objective is to bring together all PANTHEON users as a community and gather their skills and expertise into a knowledge base.

4.7 KEY EVENTS IN THE 2009 FISCAL YEAR (1 JULY 2008 TO 30 JUNE 2009)

JULY 2008

Started preparations for acquiring two competitive vendors in Croatia.

Increased media coverage following the IPO on 30 June 2008.

The Ministry of Higher Education, Science and Technology of the Republic of Slovenia approved co-funding of the Feniks project, which Datalab had been preparing together with other companies, in the amount of EUR 384,965.50.

AUGUST 2008

Started moving the development of internal tools to Macedonia because of easier access to the labor pool and lower labor costs.

Training for PANTHEON salespeople in Kosovo.

Because the planned sales results had not been achieved, Mr. Potisek was replaced by Mr. Viher as the Channel and Sales Manager.

For reasons unknown, the Ministry revoked its decision to co-fund the Feniks project, which was 60 % finished at that time. Datalab takes legal action against the Ministry's revocation.

SEPTEMBER 2008

Signed cooperation agreement with Centar konzultanta from Split, Croatia, in the field of training.

Organized sailing trip for Partners with over 70 directors of Partner companies from the region. Such international gatherings improve Partner relations for better cooperation on international projects.

Established Translation Center in Sarajevo for the languages of the Adriatic region.

Started selling PANTHEON in Bulgaria.

OCTOBER 2008

Organized two PANTHEON Conferences: in Portorož for Slovenian users and in Brčko for users from Bosnia, Croatia and Serbia. Both proved to be very successful.

Participated at the Gitex trade fair in Dubai.

Started reorganization of the development department.

Gold Sponsor at the 10th Accounting Firm Congress, held in Portorož, Slovenia, from October 15 to 17. The Congress is organized annually by the Association of Accounting Firms.

Entered cooperation with Računalniški inženiring - Matjaž Pečnik s.p. from Rečica pri Savinji, a single-person local software vendor with 70 users who decided to abandon the development of its solution and became Datalab's System Partner.

NOVEMBER 2008

Results of the previous Fiscal Year were approved at a regular board meeting. The Board voted for shifting to one-tier management; the Supervisory Board was renamed the Management Board. Profit sharing not instituted because of ambiguous regulations regarding the required majority of votes to do so.

Started reducing costs and the reorganization of other departments of the company.

PANTHEON awarded gold for best e-Solution, Datalab awarded silver for best e-Company by the Ministry of Higher Education, Science and Technology of the Republic of Slovenia and the Chamber of Industry and Commerce.

Datalab Automotive d.o.o. established in Serbia. A joint Slovene-French venture with its HQ in Belgrade, Datalab Automotive combines PANTHEON with the ICAR solution to fully facilitate the managing and operation of automobile dealerships and provide support for the automotive sector.

DECEMBER 2008

Disbanded the Board of Directors; the (current) Executive Director takes its place.

The number of companies using PANTHEON exceeded 5,000 on 4 December 2008.

JANUARY 2009

Reorganization and cost cutting continue.
Relatively good sales results outside Slovenia.

FEBRUARY 2009

Presented Feniks (e-accounting) at Accounting Day in Sofia, Bulgaria with very favorable response among visitors and much interest by Mr. Orešarski, the Bulgarian Minister of Finance.

MARCH 2009

At Datalab's initiative, the decision was passed to establish a mixed commission for e-government issues. The number of bugs in PANTHEON 5.5 dropped below 100 for the first time, proving its stability. Banks severely limited Datalab's access to its funds and refused to extend existing funds without further guarantees. The NLB bank demanded that Datalab's short-term loans be lowered by one-third, which proved difficult due to liquidity problems.

APRIL 2009

Changed billing method from indirect (invoice issued to Partner) to direct (invoice issued to end-user, Partner receives commission). This reduces the risk of non-payment, because the cash flow from end-users goes directly to Datalab.

The lack of loan sources was compensated by the Tax Administration approving payment of taxes in 24 installments.

MAY 2009

The Faculty of Economics in Split, Croatia, chose to teach accounting-related subjects using PANTHEON. Datalab participated in the first class.

JUNE 2009

At the eighth regular Board meeting, the proposal for profit sharing was approved, as well as the change in management structure to one-tier management.

An Executive Board consisting of three members was appointed for a four-year term: Lojze Zajc as Chairman of the Executive Board, Tone Černe as Non-Executive Director, and Andrej Mertelj as Executive Director.

Revised Partnership Agreement, placing greater focus on new sales, introducing rewards for users who gain new users, reducing the commission for upgrade agreement sales, and providing for a clearer changeover of users and consultants.

The number of PANTHEON users is constantly growing; on July 8, it passes the 17,000 mark.

Beat out SAP with bid for ERP system implementation at Aero, d.d. from Celje.

4.8 KEY EVENTS IN FY 10 (SINCE 1 JULY 2009)

JULY 2009

Signed new Partnership Agreements.

AUGUST 2009

Successfully tested alpha version of e-accounting and PANTHEON Hosting with several databases.

SEPTEMBER 2009

Awarded Ministry of Public Administration tender for testing new information submission system designed by the Ministry.

The Feniks group, led by Datalab and working on the second part of e-accounting, was granted co-financing by the Ministry of Higher Education, Science and Technology of the Republic of Slovenia in the amount of EUR 625k, of which EUR 388k went to Datalab.

Gold sponsor at Accountant Week from September 14 to 18; presented PANTHEON e-accounting, a revolutionary solution that reduces the cost of accounting and improves quality and security.

OCTOBER 2009

Signed agreement with the Ministry of Higher Education, Science and Technology of the Republic of Slovenia for co-financing the project "Feniks – Developing an Ecosystem for e-Business in Small and Midsize Enterprises".

The development team for internal tools launched a new version of the Partner Site, making for faster work and reducing costs.

Gold sponsor at the 11th Accounting Firm Congress, held in Portorož, Slovenia, from October 15 to 16. E-accounting sparks great deal of interest.

Organized PANTHEON Conference in Sarajevo at Avaz Twist Tower (at 172 meters, the tallest building in the Balkans), aimed primarily at users from Bosnia.

PANTHEON is one of only two major ERP systems available in southeast Europe that is Windows 7 certified immediately upon release of the new operating system. The other one is Microsoft Dynamics AX.

4.9 PLANS FOR THE FISCAL YEAR 2010

A new source of revenue will be established: the Service Desk, where e-accounting users and hosted micro businesses will turn to for support (the Partner Channel lacks the required infrastructure). Data converters for competitive solutions and the automation of hosting administration will increase the range of prospective companies.

The growth of tertiary revenue will be increased.

Revenue growth of 50% to 120% in all markets is expected.

Competitive vendors will be joined to the organization, thus consolidating the market. Yesterday's competitors will become associates. DEV, ACC and EDU Partnerships will be fostered further.

The Datalab Academy will be replaced by a system of webinars – online learning.

Expansion of the User Site will continue; content that reduces the cost of software use will be added.

The profit-sharing scheme will be expanded, as well as rewards for those who have contributed the most to Datalab's success.

4.10 RISK MANAGEMENT IN THE GROUP

Even though the group and the companies within it are small, risk management is one of the basic fields that every business must constantly develop. The most important and most likely risks have been identified and sorted by importance and probability. Internal control mechanisms have been revised, and risk monitoring and management methods have been devised. The objective of risk management is identifying risks and using them to one's own advantage.

Risks have been divided into two groups, business risks and financial risks, as shown below.

4.10.1 Business Risks

Area of risk	Description	Treatment	Exposure
Recession	Risk of small companies going out of business, thus reducing Datalab's installed base; smaller budgets.	Positioning; business intelligence as a tool for reducing costs. Increased consolidation of competitors into the group. Attract more users with e-accounting and Hosting.	Moderate
Intellectual property	Risk of software patents and legal actions.	Active participation against software patents.	Low
Development process	Risk of not bringing product development to a conclusion.	Project-oriented processes, supervision of development, process optimization.	Moderate
Reliability of suppliers and business partners	Risk of non-competitive or interrupted deliveries	Constant supervision of contractual agreements.	Moderate
Competition	The emergence of new or strengthening of existing competitors. Competitors drastically lowering their prices to keep their sales up.	Monitoring the competition; constant improvements to the business model (e.g. installment plans for customers, partnership benefits) and products (not lowering the pace of software development). Shift from CAPEX to OPEX in PANTHEON Hosting.	Moderate
Technological obsolescence	Risk of non-competitive product due to technological obsolescence	Constant development; new product generation roughly every four years.	Low
Drop in capacity of the Partner Network	Drop in the number of Partners or capacity overload due to existing projects.	Expanding the Partner Network; reducing the time spent for support and implementation; establishing EDU partnerships with educational institutions. Liberalization of support services (accounting firms, self-employed consultants, peer support).	Moderate

4.10.2 Financial Risks

Area of risk	Description	Treatment	Exposure
Drop in stock price	Lower demand for financial instruments due to financial crisis.	Intensifying communication with analysts and investors, presenting opportunities in the recession and emphasizing mid-term growth potential. Current shareholders not willing to sell at below value.	Moderate
Insufficient loan sources	Risk of significantly reduced access to loans.	Selling long-term lease contracts; using other financial instruments (bonds) for refinancing lease sales. Taking advantage of the national loan guarantee scheme.	High
Changing interest rates	Risk of changed conditions for taking out and financing loans.	Long-term loans with fixed interest rates.	Moderate
Credit risk	Risk of customers' non-payment.	Withdrawing services, blocking software use, debt collection, securing payments.	Moderate
Reduced liquidity	Risk of not being able to settle current obligations.	Planning in monitoring liquidity and properly managing lines of credit. Reducing outstanding payments. Stricter monitoring of subsidiaries' debts.	Moderate
Property damage	Risk of fire, explosion, halted operations.	Proper insurance.	Moderate

4.11 CORPORATE SOCIAL RESPONSIBILITY

Even though a company's basic purpose is generating profit for its stakeholders, the way in which it sets out to achieve this goal is also important. A company's activities must produce positive effects for its clients, partners, employees and their families, and the community. Datalab and other companies in the group respect the principles of corporate social responsibility:

- fair and equal treatment of all employees;
- ethical and fair business practice;
- respect of basic human rights;
- environmental consciousness;
- good relations with the local community and society in general;
- giving back and support to the community.

Datalab has donated a computer to the Tončka Hočevar sheltered workshop in the hope that it will aid them in their noble task.

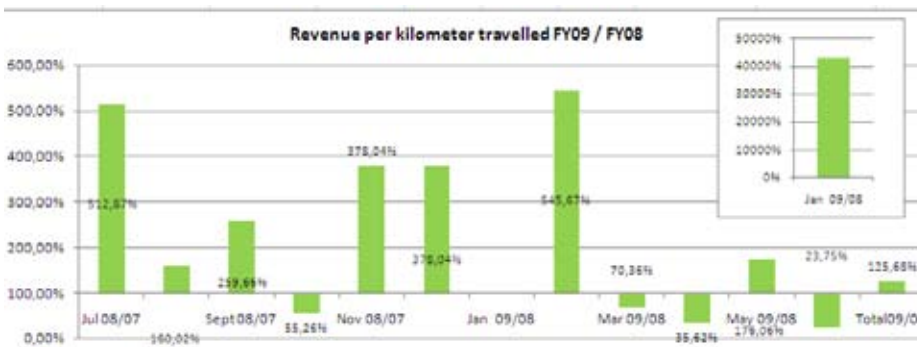
For more information about Datalab's corporate social responsibility, visit our website at: <http://www.datalab.eu/index.php?id=616> .

4.12 SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL POLICY



Datalab is very conscious of the environment. Even though its work takes place in a “clean” industry that does not directly produce huge amounts of pollutants, through a sound environmental policy, we can actively contribute to saving the planet.

Datalab is a large user of energy, most of which is used for powering computers and air conditioning. To reduce the negative impact, all of Datalab’s computers are EPA certified, and its computer monitors use power saving features. The single largest power users are servers and server room air conditioning.

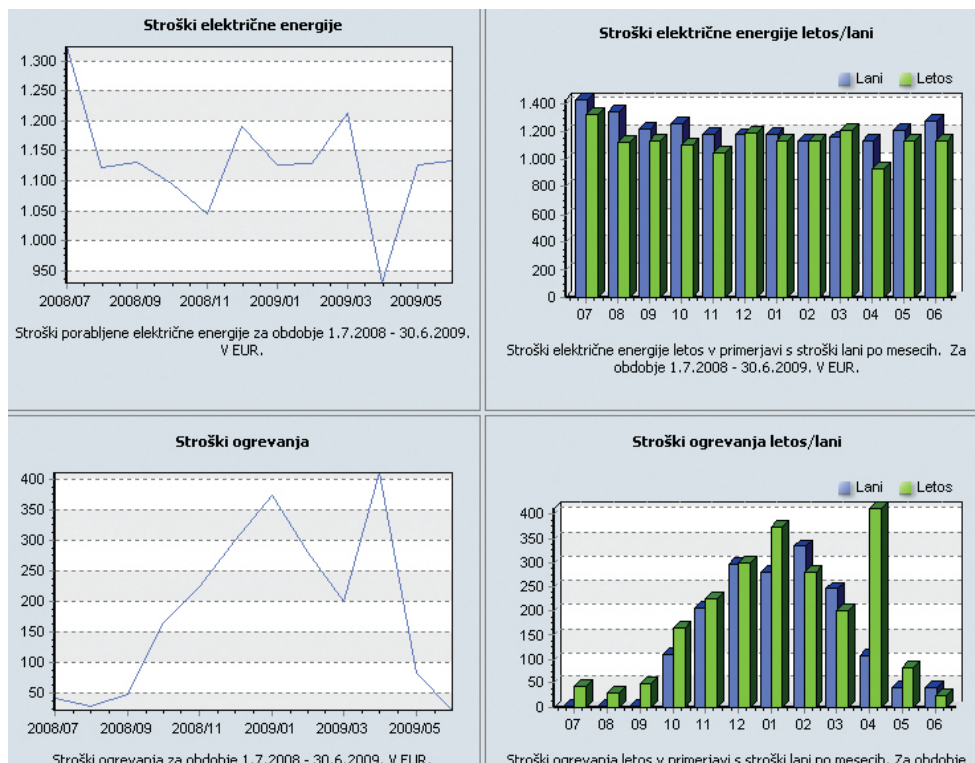


In FY 09, weekly and monthly online meetings were held as web conferences for the whole group of companies, reducing the need to travel and streamlining communications. Web conferences are now used to hold weekly meetings of subsidiary directors, weekly meetings of the Development Team, and monthly meetings of the Development Team, the Support Team and their colleagues in other countries.

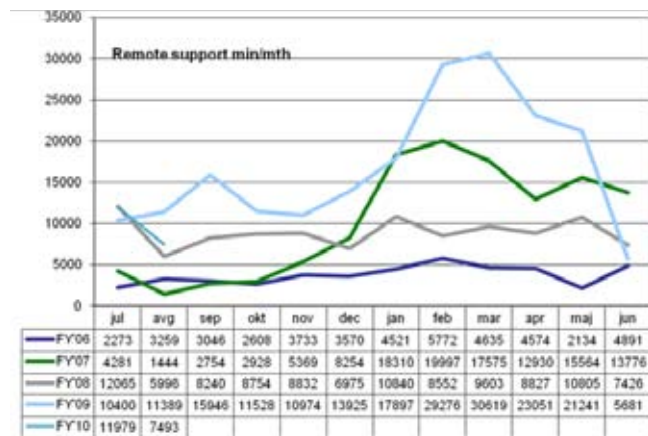
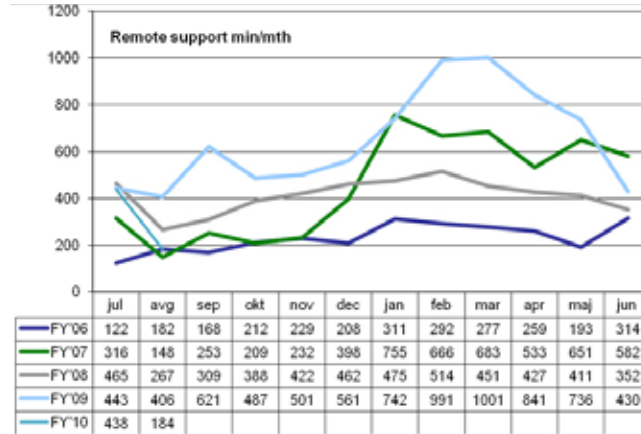
The dashboard in PANTHEON allows on-the-fly monitoring of power use as well as heating and air conditioning costs, and also the return on business travel. One custom indicator shows turnover per kilometer travelled, which shows the profitability of business trips. The tracking of kilometers flown is currently not available, but is planned for the near future.

In most cases, support providers drove by car to clients. Because of this, a remote support

Dashboard charts showing environmental aspects of Datalab's operations. Dashboards are part of PANTHEON's business intelligence system, displaying near real-time information.



system was introduced in 2006. This eliminates the need to go to clients in person and saves time and money.



This cuts the transportation costs of our entire Partner Network and reduces carbon dioxide emissions. The Service Desk for Hosting will also be based on this proved technology, allowing problems to be solved remotely.

Datalab recycles paper and plastic packaging. Toners and waste electronic equipment are also properly disposed of. Employees are encouraged not to waste paper and energy. Costs of heating and power have been lower than in the previous year (see chart below), proving that environmental consciousness is not detrimental to business.

4.12.1 Participation in Organizations

Datalab actively participates in various Slovenian and international organizations and standards bodies.

Andrej Mertelj, Executive Director of Datalab Tehnologije d.d.:

- is a member of the Council of Experts for Program Policy for the Budget of the Republic of Slovenia, which is led by Mitja Gaspari, the Minister for Growth and for European Affairs;
- is the head of the 8th Group for Information and Communications Technology at the Competitiveness Council of the government of the Republic of Slovenia;
- participates in the Consultative Committee for Accelerating and Simplifying Access to EU Funds;
- is a board member of the Information and Communication Technologies Association at the Chamber of Commerce and Industry.
- KODA.SI is the association of software developers at the Chamber of Commerce and Industry. Datalab is the organization's co-founder.
- Datalab is a founding member of the Technology Platform for Software and Services with NESSI's (Networked European Software & Services Initiative) Slovenia branch. Datalab is the platform's co-founder.

With the Association's support, Datalab initiated the foundation of an expert group for B2G issues regarding data submission to the Tax Administration. The Administration welcomed the move.

In September, the Ministry of Public Administration chose Datalab as a test partner in the project for further automation of the electronic submission of employee forms.

Datalab has a seat in the ICT section of the Slovenian Standardization Institute.

The e-business standardization body, first at the Chamber of Commerce and Industry and later with GS1, aims to standardize and popularize e-business among companies and government institutions.

Naziv: Pregled proizvodnje

Privzeto Področje

Print Prenos

Top 10 delavcev



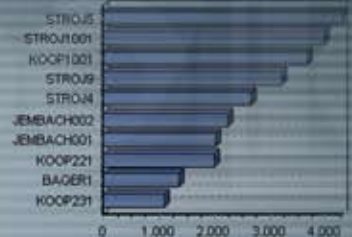
Top 10 delavcev po opravljenih urah v zadnjem letu.

Struktura nezaključenih DII



Stanje nezaključenih delovnih nalogov po statustih.

Top 10 resursov



Top 10 resursov po opravljenih urah v zadnjem letu.

Proizvodnja posameznih izdelkov vrednostno

Ident	Naziv	Vrednost
ARTIKEL1	Artikel prvi	800.215,00
ARTIKEL2	Artikel drugi	652.144,00
IZDELEKSN01	Izdelek SN 01	56.575,35
IZDELEK01	Izdelek 01	41.584,20
IZDELEKMF5N02	Izdelek MF SN 02	41.042,60
IZDELEK03	Izdelek 03	3.977,95
IZDELEKMF0201	Izdelek MF 02 01	3.900,07
IZDELEKMF03	Izdelek MF 03	2.878,77
IZDELEKMF0101	Izdelek MF 01 01	1.738,64
IZDELEKMF0102	Izdelek MF 01 02	1.559,97
IZDELEKMF0103	Izdelek MF 01 03	1.500,00

Poraba posameznih materialov vrednostno

Ident	Naziv	Vrednost
MATERIALMFSN02	Material MF SN 02	203.581,65
POLIZDELEKSN01	Polizdelek SN 01	202.969,60
MATERIAL02	Material 02	192.021,02
MATERIALMF01	Material MF 01	181.528,40
SEST01	Sestavni del 01	151.109,89
MATERIAL01	Material 01	9.884,20
MATERIAL03	Material 03	9.757,88
POLIZDELEKMF01	Polizdelek MF 01	9.590,91
MATERIALSN01	Material SN 01	8.454,73
MATERIALMFSN01	Material MF SN 01	7.375,15
MATERIALMF02	Material MF 02	5.277,89

5

Financial Statements of The Datalab Group of Companies

Statement of the Management Board of the controlling company

The Management Board of Datalab tehnologije, d. d. is responsible for drawing up the annual report of the controlling company and other companies in the group as well as preparing financial statements in a manner that gives interested parties a true and fair view of the financial standing and consolidated operating results of Datalab tehnologije, d. d. and its subsidiaries in 2009. The Management Board of the controlling company hereby states:

- that the consolidated financial statement have been prepared under the assumption that Datalab tehnologije, d. d. and its subsidiaries will continue their business in the future;
- that the chosen accounting policies have been applied consistently and that any accounting policy errors have been disclosed;
- that accounting estimates have been prepared in a fair and well-considered manner and in accordance with the principles of precaution and sound governance;
- that consolidated financial statements for the Datalab group of companies and the notes to them have been prepared according to applicable laws and IFRS;
- that the business report contains a fair view of the development and results of the group's operations and its financial standing, including a description of the risks that the companies included in the consolidation, are exposed to as a whole.

The Management Board of the controlling company is also responsible for proper accounting, adopting measures for preserving property and preventing and detecting fraud and other irregular or illegal activities.

The Management Board of the controlling company hereby approves the consolidated financial statements for the 2009 Fiscal Year to be published.

Ljubljana, 29 October 2009

Executive Director
Andrej Mertelj

5.1 CONSOLIDATED ACCOUNTING REPORT OF THE DATALAB GROUP OF COMPANIES

5.2 CONSOLIDATED COMPREHENSIVE INCOME OF THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

Item	Note	2009	2008
Sales	8	2.818.254	2.678.897
Other operating revenue	8	1.644.338	1.269.116
Gross operating income		4.462.592	3.948.013
Cost of materials, goods and services	9	1.168.647	1.518.839
Labor costs	10	2.039.466	1.771.233
Depreciation		639.032	445.194
Revalued operating expenses associated with intangible and fixed assets		27.855	534.528
Revalued operating expenses associated with current assets		6.292	78.789
Impairment of goodwill		-	16.320
Other operating expenses	11	314.542	19.534
Operating profit (loss)		266.758	-436.424
Financial revenue	12	121.641	136.223
Financial expenses	13	161.027	50.232
Net financial profit (loss)		-39.386	85.991
Other revenue		-	1.970
Other expenses		7.887	2.007
Tax on income	14	16.156	31.644
Deferred tax	15	26.571	648
Net operating profit (loss) for the Fiscal Year		229.900	-381.466
Net operating profit (loss) from continuing operations		229.900	-400.286
Net operating profit (loss) from discontinued operations		-	18.820
Change in revaluation surplus of intangible and fixed assets		-	-
Change in revaluation surplus of financial assets held for sale		-	-
Profit (loss) from translating financial statements of foreign companies		-	-
Actuarial gains and losses of programs with defined benefits		-	-
Other components of comprehensive income		-	-
Total comprehensive income for the Fiscal Year		-	-
Total comprehensive income attributed to majority owner		229.900	-381.466
Total comprehensive income attributed to minority owners		202.211	-365.252
Weighted average number of shares		27.689	-16.214
Basic net profit (loss) per share	27	106.497	103.452
Extended net profit (loss) per share		2,16	3,69
Continuing operations		2,16	3,69
Basic net operating profit (loss) per share		-	-
Extended net operating profit (loss) per share		2,16	-3,87
Discontinued operations		2,16	-3,87
Basic net operating profit (loss) per share		0	0,18
Extended net operating profit (loss) per share		0	0,18

5.3 CONSOLIDATED BALANCE SHEET OF THE DATALAB GROUP OF COMPANIES AS OF 30 JUNE 2009

Item	Note	2009	2008
ASSETS			
Property, plant and equipment	16	111.857	218.616
Intangible Assets	17	3.212.649	2.359.640
Long-term financial investments	18	5.483	258
Long-term operating receivables	19	537.175	658.160
Long-term deferred costs and accrued revenue	20	20.200	12.800
Deferred tax assets	21	45.867	20.421
Fixed (non-current) assets total		3.933.231	3.269.895
Inventories	22	8.804	13.990
Short-term financial investments	23	103.390	89.332
Short-term operating receivables	24	1.274.274	1.236.011
Cash and cash equivalents	25	85.630	83.925
Short-term deferred costs and accrued revenue	26	68.555	64.148
Assets held for sale		-	-
Current assets total		1.540.653	1.487.406
Assets total		5.473.884	4.757.301
EQUITY			
	27		
Share capital		444.493	444.493
Capital surplus		2.686	2.686
Profit reserves		533	-705
Retained net profit (loss)		41.763	41.763
Net operating profit (loss) for the Fiscal Year		1.572.418	1.961.606
Minority interest		202.211	-365.252
Total equity		46.841	765
LIABILITIES			
		2.310.945	2.085.356
Long-term financial liabilities			
Long-term operating liabilities	28	198.880	130.876
Allocations	29	85.354	-
Long-term accrued costs and deferred revenue	30	12.940	12.496
Long-term liabilities total	31	519.911	247.817
Short-term financial liabilities			
Short-term financial liabilities		817.085	391.189
Short-term operating liabilities	32	844.350	812.761
Accrued costs and deferred revenue	33	1.289.548	851.237
Liabilities held for sale	34	211.956	616.758
Liabilities held for sale		-	-
Short-term liabilities total		2.345.854	2.280.756
Liabilities total		3.162.939	2.671.945
Equity and liabilities total		5.473.884	4.757.301

*Prikaza primerjalnih podatkov po stanju na dan 1.1.2007 ni mogoče izvesti zaradi nezmožnosti preračuna postavk RLGS pogodb za pretekla obdobja.

5.4 STATEMENT OF CHANGES IN EQUITY FOR DATALAB, D. D. FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

v EUR	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares (as deduction item)	Translation reserve	Retained net profit	Net profit for the Fiscal Year	Equity of minority owners	Total
A1. Initial balance for the period (unadjusted)	444.493	2.686	-	429	-429	-705	516.683	-451.371	765	512.551
Correction of fundamental error (self-declaration)	-	-	41.763	-	-	-	1.444.923	86.119	-	1.572.805
A2. Initial balance for the period (adjusted)	444.493	2.686	41.763	429	-429	-705	1.961.606	-365.252	765	2.085.356
a) Net profit (loss) for the period	-	-	-	-	-	-	-	202.211	27.689	229.900
b) Other increases in components of equity	-	-	-	-	-	1.238	-	-	18.387	19.625
c) Allocation of net profit as a component of equity, based on a decision of the management and the supervisory board	-	-	-	-	-	-	-	-	-	0
d) Allocation of net profit to additional reserves, based on a resolution of the meeting of shareholders	-	-	-	-	-	-	-365.252	365.252	-	0
e) Other decreases in components of equity	-	-	-	-	-	-	-23.936	-	-	-23.936
B. Closing balance for the period	444.493	2.686	41.763	429	-429	533	1.572.418	202.211	46.841	2.310.945

5.5 CONSOLIDATED CASH FLOW STATEMENT OF THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

in EUR	2009	2008
Cash flow from operations		
Net profit (loss)	229.900	-381.466
Adjustments for:		
Revalued operating revenue and expense	43.531	34.147
Depreciation of property, plant and equipment	103.382	71.224
Depreciation of intangible assets	535.650	425.988
Net financial profit (loss)	39.386	-85.990
	951.849	63.903
Change in operating receivables, deferred costs and accrued revenue	80.663	-178.132
Change in inventories	5.186	-11.369
Change in short-term operating liabilities, accrued costs and deferred revenue	460.943	290.310
Change in deferred tax assets	-25.446	-10.672
	1.473.195	154.040
Interest received	121.641	12.859
Interest paid	-135.883	-39.754
Paid tax on profit	-9.384	-7.677
Net cash flow from operating activities	1.449.569	119.468
Cash flow from investing activities		
Cash disbursements for acquiring intangible assets	-1.418.950	-288.359
Cash disbursements for acquiring property, plant and equipment	-48.596	-171.586
Cash disbursements for acquiring investments	-168.263	-50.260
Cash receipts from discontinued operations		62.635
Cash receipts from investments	41.710	
Cash receipts from loans		
Cash receipts from disposal of intangible assets	2.956	
Cash receipts from disposal of fixed assets	16.144	
Net cash flow from investing activities	-1.574.999	-447.570
Cash flow from financing activities		
Cash receipts from issuing equity	4.457	23.942
Cash receipts from selling own shares		4.682
Cash receipts from long-term financial liabilities	160.041	24.858
Cash disbursements under lease agreements		-30.947
Cash receipts from short-term financial liabilities	629.464	364.612
Cash repayments of short-term financial liabilities	-666.827	
Net cash flow from financing activities	127.135	387.147
Net change in cash and cash equivalents	1.705	59.045
Cash and cash equivalents at the beginning of the year	83.925	24.880
Cash and cash equivalents at the end of the year	85.630	83.925



Sistem kazalnikov Model Zmijevskega

Priloga Področje

Kazalniki Zmijevskega posamično

Kazalnik	Vrednost
Zmijevski X1 - neto dobiček / celotna sredstva	0,30
Zmijevski X2 - celotni dolg / celotna sredstva	3,51
Zmijevski X3 - kratkor. sred. / celotna sred.	0,00

Kazalnik Zmijevskega

Kazalnik	Vrednost
Zmijevski	0,30

Nazirajoča leto: 2000

Špajk

Posamični kazalniki Zmijevskega po mesecih

Mesec	Zmijevski X1	Zmijevski X2	Zmijevski X3
1	6.5	0.1	0.0
2	5.5	0.1	0.0
3	3.5	0.1	0.0
4	3.8	0.1	0.0
5	3.8	0.1	0.0
6	3.8	0.1	0.0
7	3.8	0.1	0.0
8	3.8	0.1	0.0
9	3.8	0.1	0.0
10	3.8	0.1	0.0

Kazalnik Zmijevskega po mesecih

Mesec	Zmijevski
1	6.5
2	5.5
3	0.3
4	0.3
5	0.3
6	0.3
7	0.3
8	0.3
9	0.3
10	0.3

Opomba: Kazalnik Zmijevskega se izračuna v sklopino tožih, ki jim groši stečaj. Če je kazalnik manjši ali enak 0,5, se podjetje uvršča v skupino tožih, ki jim stečaj ne grozi.

6

Notes, Important Accounting Policies And Other Explanatory Information

1. REPORTING COMPANY

Datalab Tehnologije, d. d. Ljubljana is a Slovenia-based publicly-traded company. It is listed at the Ljubljana Stock Exchange. Consolidated financial statements for the Fiscal Year ending 30 June 2009 include the company and its subsidiaries (hereinafter referred to as the Group).

The main objective of the Group is developing of a powerful and reliable ERP system for micro, small and midsize businesses, selling and implementing in international markets, and managing the Partner Network.

The Group's principal business activity is 58,290 – Other software publishing.
As of 30 June 2009, the Group had 92 employees.

The financial statements of the Group for the Fiscal Year ending on 30 June 2009 were approved by the Management Board on 26 October 2009.

2. BASIS FOR DRAWING UP THE STATEMENTS

a) Conformance Statement

The financial statements have been drawn up in accordance with IFRS, as adopted by the European Community, and interpretations of IFRIC, as adopted by the International Accounting Standards Board (IASB).

b) Basis for Measurement

The consolidated financial statements have been drawn up considering the original value, except in the following cases, where a fair value has been considered:

- financial derivatives;
- financial instruments at fair value through the operating results;
- financial assets available for sale;
- investment property;
- liabilities for payments in shares settled with cash.

The methods used to measure fair value are described in note number 4.

c) Functional and Presentational Currency

Slovenia introduced the Euro (EUR) as its functional currency on 1 January 2007. In accordance with IFRS 21.37, all assets, liabilities and equity in Slovenian economic subjects have been converted to euros at a SIT:EUR rate of 239.64:1, and revenue and expenses for 2007 were all already expressed in euros. All financial statements in this annual report are in whole euros. There might be slight discrepancies with the total because of rounding.

d) Estimates and Assessments

When preparing financial statements in conformity with IFRS, the management is required to make estimates, assessments and assumptions that affect the use of accounting policies and the presented value of assets, liabilities, revenues and expenses. Actual figures may vary.

Estimates and assumptions have to constantly reviewed. Corrections to accounting estimates are acknowledged for the period for which the estimates are being corrected and all future years that are affected by the correction.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- note no. 19 – business combinations;
- note no. 11 – measuring obligations for certain earnings;
- note no. 32 – provisions;
- note no. 40 – valuation of financial instruments and their impairment.

e) Fiscal Year

The Group's fiscal year starts on July 1 and ends on June 30 in the following year.

3. ACCOUNTING POLICIES

The accounting policies described below have been consistently applied for all periods that are presented in the financial statements herein.

Some comparative amounts have been reallocated to ensure coherence with the current year. The comparative profit (loss) statement is repeated so that it seems like operations have been interrupted during the year. The comparative profit (loss) statement is shown separately for each period to give a better overview.

a) Basis for Consolidation

i) Subsidiaries

Subsidiaries are companies controlled by the Group. Controlling means that the Group is able to decide on financial and operational matters of a company to obtain benefits from its operation. Any voting rights that can be exercised or traded are taken into account when assessing the extent of control. Subsidiaries' financial statements are included in consolidated financial statements from the day the control starts to the day it ends. Subsidiaries' accounting policies have been adapted to the Group's accounting policies where required.

ii) Operations not Included in Consolidation

Balances and unrealized profit and loss from operations within the Group are not included in consolidated financial statements. Unrealized profit from operations with jointly controlled companies are excluded to the extent of the Group's stake in those companies. Unrealized loss is excluded in the same way, provided no proof of impairment exists.

b) Foreign Currency

i) Foreign Currency Transactions

Foreign currency transactions are converted to the appropriate functional currency of the com-

panies in the Group at the rate on the day of the transaction. Cash and liabilities expressed in foreign currency on the balance sheet date are converted to the functional currency at the going rate. Positive and negative exchange differences are differences between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest, and payments during the period and the amortized cost in foreign currency, converted at the rate at the end of the period. Non-monetary assets and liabilities expressed in foreign currency and measured at fair value are converted to the functional currency at the rate on the day when the fair value has been measured. Exchange differences are recognized in the operating results, but not differences from converting equity instruments held for sale, non-financial liabilities for insurance against risks, or cash flow insurance against risks that are recognized directly in equity.

ii) Foreign Companies

Assets and liabilities of foreign companies, including goodwill and adjustment to fair value at acquisition, are converted to euros at the rate on the balance sheet date. Income and expense of foreign companies, except companies in hyperinflation economies, are converted to euros at the rate on the day of the conversion.

Income and expense of foreign companies in hyperinflation economies are converted to euros at the rate on balance sheet date. Prior to converting financial statements of foreign companies in hyperinflation economies, financial statements are converted and thus changes in general purchasing power of the local currency are taken into account. The conversion is based on price indexes as of the balance sheet date.

Exchange differences from the conversion are directly recognized in equity. From the day of the transition to IFRS, these differences are recognized in foreign currency translation reserve (FCTR). If a foreign company is disposed (partially or completely), the amount in the foreign currency translation reserve is transferred into the profit (loss) statement.

Foreign currency profit and loss, based on monetary items in the form of receivables from or liabilities to a foreign company and the payment of which is not planned or intended in the near future, is treated like a part of net financial investments into a foreign business unit and is recognized directly in equity and translation reserve.

c) Financial Instruments

The Group classifies its investments into the following categories: financial assets held for sale, financial assets at fair value through the operating results, and loans and receivables. The classification depends on the purpose for which the investment was acquired. In 2009, the Group did not have any financial assets for sale and financial assets at fair value through the operating results.

d) Non-Derivative Financial Instruments

Non-derivative financial instruments include investments in capital and debt securities, operational and other receivables, cash and cash equivalents, received and given loans, and operational and other liabilities.

Non-derivative financial instruments are initially recognized at fair value, increased by (instruments that are not recognized at fair value through the operating results) cost that is directly related to a transaction. After the initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents consist of cash on hand and deposits on demand. Bank account overdrafts that can be settled on demand and are part of cash management in the Group are in the cash flow statement included in cash and cash equivalents.

Accounting of financial income and expense is described in 15. and 16.

e) Equity Capital

i) Called-up Capital

Called-up capital of the controlling company appears as equity capital that is nominally specified in the company's articles of association, registered at court, and paid in by its owners. Dividends for common stock are recognized in equity in the period for which they were approved by the shareholder assembly.

ii) Reserves for Own Shares

If the parent company or its subsidiaries acquire a stake in the parent company, the paid amount including transaction fees without taxes is subtracted from equity as own shares, until those shares are withdrawn, re-issued or sold. If own shares are later sold or re-issued, all received payments excluding transaction fees and related taxes are included in equity.

iii) Fixed Assets

Fixed assets (property, plant and equipment) are kept at their original cost, decreased by cumulative depreciation and cumulative loss due to impairment, except for land, which is presented at original cost, decreased by any impairments. Original cost includes all costs that can be directly attributes to the acquisition of a fixed asset. Maintenance and repairs as well as replacement and improvement of minor significance are recognized as expenses in the period they occur. Larger amounts are depreciated over the remaining useful life of a fixed asset or to the day of the next major renovations, whichever is sooner. The residual value and useful life of each fixed asset is checked annually and adjusted if necessary. The book value of a fixed asset is immediately partly written off to the recoverable amount, if the book value is greater than the estimated recoverable amount, and is recognized in the operating results.

Depreciation is calculated using straight-line depreciation, taking into account useful life as follows:

Asset	Depreciation rate in % since 1 July 2008	Depreciation rate in % before 30 June 2008
Computers	50	50
Furniture and chairs	20	20
Vehicle equipment	20	20
Other equipment	20	20

Depreciation calculation starts when a fixed asset is ready for use; unfinished constructions are not depreciated.

Profit and loss from sale or deactivation of a fixed asset is determined by comparing sales revenue with book value. It is included in the operating results.

Fixed assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue, which is then monthly decreased by the depreciation amount.

f) Intangible Assets

i) Goodwill

Goodwill (or negative goodwill) is generated through acquisition of subsidiaries, affiliated companies and joint ventures.

Acquisitions from the day of the transition to IFRS onwards (including).

With acquisitions since 1 January 2006, goodwill pertains to the surplus or difference between the purchase cost and the Group’s stake in the net fair value of determined assets, liabilities and contingent liabilities of the acquired company. If the surplus is negative (negative goodwill), it is directly recognized in the profit (loss) statement.

Intangible assets are initially measured at their original value.

ii) Other Intangible Assets

Intangible assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue – government grants, which is then monthly decreased by the depreciation amount. The depreciation rate for such assets is the same as for assets that the Group purchases with own funds.

iii) Subsequent Cost

Subsequent expenses related to intangible assets are capitalized only when they increase future economic benefits which are derived from the asset to which the expenses pertain. All other costs, including trademarks and goodwill generated within the Group, are recognized in the operating results as expenses as soon as they occur.

iv) Depreciation

Depreciation is calculated using straight-line depreciation, taking into account useful life of intangible assets (except goodwill) and beginning when the asset is ready for use. Estimated useful life for FY 10 and before that:

Asset	Depreciation rate in % since 1 July 2008	Depreciation rate in % before 30 June 2008
Intangible asset – PANTHEON	10	25
Material rights and copyrights	50	50

g) Leased Assets

Leases where the Group assumes are major forms of risks and benefits related to asset ownership are regarded as financial leases. After initial recognition, a leased asset is presented in an amount equivalent to the fair value, or if it is less than that, the current value of the lowest total of lease payments. After initial recognition, assets are measured in accordance with accounting policies for such assets.

Other leases are treated as operating leases and, with the exception of investment property, leased assets are not recognized in the Group's balance sheet. Investment property under operating lease is presented in the Group's balance sheet at fair value.

h) Inventories

Inventories of goods are initially valued at their original cost, composed of purchase price, import duties and direct procurement costs. The purchase price is decreased by any discounts. Direct procurement costs are transport costs, handling costs, transport insurance, goods tracking, intermediation costs and similar costs to the first warehouse if borne by the customer, and non-refundable duties. Purchase price discounts include those specified in invoices as well as those granted subsequently that pertain to a certain delivery.

Inventories consist only of advertising materials from the PANTHEON Online Shop and are not subject to revaluation or impairment.

Decrease in value of inventories in materials and small tools is charged to the cost of materials, while the decrease in value of goods is charged to the relevant operating expenses. Consumption of goods is accounted on the basis of the average cost method.

The cost of inventories includes the purchase price, customs and other duties (excluding those that are subsequently refunded by tax authorities), transport cost, handling and other costs, that can be attributed directly to the acquired goods, materials or services. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

Consumption of materials is accounted on the basis of the method of average cost in the period.

The net realizable value is the estimated sale price achieved in normal operation, minus estimated cost of finishing and estimated cost of selling.

i) Impairment of Assets

i) Financial Assets

The Group assesses the value of financial assets on the reporting date to determine if an objective sign of asset impairment exists. A financial asset is impaired if objective proof exists that one or more events led to a decrease in expected future cash flows from that asset.

Loss due to impairment related to a financial asset, presented at amortized cost, is calculated as the difference between the asset's carrying value and expected future cash flows, discounted at the original interest rate.

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts.

Receivables that are assumed not be settled on time or in full, are regarded as doubtful; if legal action has been initiated they are regarded as disputed.

Receivables are adjusted if the need arises, which is considered based on individual estimates of recoverability.

Loss due to impairment of financial assets held for sale is calculated according to an asset's current fair value.

For key financial assets, the estimation of impairment is performed individually. The impairment estimation of other financial assets is performed in groups according to common properties in risk exposure.

All impairment losses are presented in the profit (loss) statement for the period. Any accrued loss related to financial assets held for sale that was recognized directly in equity is transferred to the operating results.

The loss due to impairment is derecognized if it can be objectively attributed to an event that occurred after the impairment has been recognized. For financial assets presented at amortized cost and financial assets held for sale, which are debt instruments, the derecognition of loss due to impairment is presented in operating results. Derecognition of financial assets held for sale that are equities are presented directly in equity by the Group.

ii) Non-Financial Assets

On each reporting date, the Group checks the remaining carrying value of non-financial assets of the group, except biological assets, investment property, inventories and deferred tax assets, to determine any signs of impairment. If such signs exist, the asset's recoverable value is estimated. An estimate of the impairment of goodwill and intangible assets with an unspecified useful life that are not yet ready for use is performed on every reporting date.

The recoverable value of an asset or a cash-generating unit is its value in use or its fair value minus cost of selling, whichever is higher. When determining an asset's value in use, expected future cash flows are discounted to their current value at pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset. To test for impairment, assets are grouped into the smallest possible groups that generate cash flow from permanent use, largely independent from those from other assets or asset groups (cash-generating units). To test for impairment, goodwill obtained from mergers is distributed to cash-generating units that are expected to benefit from the synergy of merging.

Impairment of assets or cash-generating units is recognized if their book value is greater than their recoverable value. The impairment is presented in operating results. Loss that is recognized for cash-generating units due to impairment is allocated in such a way that first the book value of goodwill allocated to a cash-generating unit is decreased, and then to other assets of the unit (group of units) in proportion to the book value of each asset in the unit.

Loss due to impairment of goodwill is not derecognized. For other assets, the Group assesses loss due to impairment in previous periods on the balance sheet date and thus determines if the loss has decreased or is not present at all. Loss due to impairment is derecognized if the assessments have changed based on which the Group determines an asset's recoverable value. Loss due to impairment is derecognized to the amount up to which the increased book value of an asset does not exceed the book value that would have been determined after subtracting depreciation, if no loss due to impairment had been recognized in previous years.

j) Employee Benefits

i) Other Long-Term Employee Benefits – Allocations for Severance Pays and Long Service Rewards

The Group's net liability for long-term employee benefits is the sum of future benefits that employees have acquired for their services performed in the current and past periods. That amount of benefits is then discounted to determine its current value, and the decreased by the fair value of all related assets. The discount rate is the reported return of AA rated bonds the maturity of which is roughly the same as the maturity of the Group's obligations. The calculation uses the projected unit credit method. Any actuarial gains and losses are recognized in the operating results of the period of their occurrence.

ii) Short-Term Employee Benefits

Liabilities for short-term employee benefits are not discounted and are presented as expenses after an employee's work related to a given short-term benefit is complete.

Liabilities are presented in the amount for which payment is expected in the form of a premium, payable within twelve months of finishing work, or a profit sharing scheme if the Group has a current legal or indirect commitment for such payments due to past work of an employee and the liability can reliably be measured.

k) Allocations

Allocations are recognized when the Group has a current legal or indirect commitment due to past events, if it is likely that settlement will require fund outflow and that the amount can reliably be estimated.

i) Post-Employment Benefits

Employees are entitled to severance pay when they retire, which is recognized when they conclude their employment in accordance with the Employment Act. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees.

Severance pay upon retirement when due reduces the established provisions.

ii) Other Long-Term Benefits

Employees are entitled to long-term service rewards that are recognized when an employee reached a certain length of service. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees. Actuarial valuation is performed on June 30 and is properly presented in operating results. Long service rewards when due reduce the established provisions.

l) Revenue

i) Sales of Products

Sales of products are recognized at fair value of the received payment or liability, decreased by refunds, rebates and quantity discounts. Revenue is presented when a customer assumes all major forms of risks and benefits related to asset ownership, when there is certainty about the ability to pay compensation and the related expenses or about the option for returning products, when the Group ceases to decide on sold products, and when the revenue amount can reliably be measured.

Transferring risks and benefits depends on the terms of the purchase contract. For goods sales, the transfer is generally made after the goods have arrived at the customer's warehouse, but for some international deliveries the transfer is made when the goods are loaded for transport.

ii) Sales or Services

Sales of services are recognized in operating results based on the service's stage of completion on the reporting date. The state of completion is assessed with a review of the completed tasks.

A majority of the Group's revenue is from sales of licenses and upgrade agreements. Apart from regular purchasing licenses outright, customers can also pay with a 5-year installment plan, or lease it for six years (hereinafter referred to as RLGS Agreements). Revenue from RLGS Agreements is composed of license fees, upgrades and financing.

Income from tenders, subsidies or grants is recorded by the Group at the signing of the contract and in the moment when their occurrence becomes certain.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- explanation on allocations and contingent liabilities;
- valuation of assets.

iii) Revenue from Rents

Revenue from rents and investment property is recognized in revenue on a straight line basis over the term of the rent. Any given rent-related incentives are recognized as a part of total revenue from rents.

m) Government Grants

Government grants are initially recognized in accounting statements as deferred revenue, if there is reasonable assurance that the Group will receive said grants and will fulfill the necessary requirements. Government grants received for covering costs are recognized strictly as revenue in the periods when said costs occur, that the grants should be covering. Grants related to assets are recognized in operating results strictly as other operating revenue in the useful life of an asset.

n) Financial Leases

Payments from financial leases are recognized as revenues on a straight line basis over the lease term. Any received lease-related incentives are recognized as a part of total expenses for leases.

The minimum lease payments due are distributed among financial expenses and decrease of outstanding debt. Financial expenses are distributed among periods over the lease term to get a fixed interest rate for the outstanding debt balance for each period. The Group presents contingent payments from financial leases in the amount that, when the lease is changed, the minimum lease payment for the remaining term is re-assessed.

Contingent payments from financial lease are presented when the contingent liability no longer exists and when the change in the financial lease's value is known, namely in the amount determined by reassessing the minimum lease payment in the remaining term of the lease.

o) Financial Revenue and Financial Expenses

Financial revenue consists of interest from investment (including financial assets held for sale), dividend revenue, revenue from disposal of financial assets held for sale, changes in fair value of

financial assets at fair value through operating results, and gains from instruments for insurance against risks, which are recognized in operating results. Revenue from interest is recognized in operating results upon its occurrence using the effective interest rate method. Dividend revenue is recognized in operating results on the day the shareholder's right to payment is exercised, which is for listed companies generally the date when the right to current dividends ceases to be related to the share.

Financial expenses consist of borrowing costs, differences from recalculating allocation discounts, dividends from preferred shares presented among liabilities, changes in fair value of financial assets at fair value through operating results, loss due to impairment of financial assets, and loss from instruments for insurance against risks, which is recognized in operating results. Borrowing costs are recognized in operating results using the effective interest rate method.

Profit and loss from exchange differences are presented in net amounts.

p) Tax on Profit

The tax on profit or loss in the Fiscal Year consists of current tax and deferred tax. The tax on profit is presented in operating results, except for the part pertaining to items that are presented directly in equity and is therefore presented in equity.

Current tax is the tax expected to be paid from taxable profits for the Fiscal Year, using the tax rates that have been enacted or substantively enacted by the reporting date, and any adjustments to tax liabilities related to past Fiscal Years.

Deferred tax is presented using the balance sheet liabilities method, whereby temporary differences between asset and liability book value for financial statements and amounts for tax reporting are taken into account. The following temporary differences are not included: initial recognition of assets or liabilities in transactions other than mergers that have no effect on accounting profits or taxable profits, and differences related to investments in subsidiaries and jointly-controlled companies in the amount that is likely not to be derecognized in the foreseeable future. Furthermore, the deferred tax is not presented if there are taxable temporary differences at the initial recognition of goodwill. Deferred tax is presented in the amount that is expected to be payable upon derecognition of temporary differences based on laws enacted or substantively enacted by the reporting date. The Group sets off deferred tax assets liabilities, if it has a legally enforceable right to set off recognized current tax assets and liabilities and if they pertain to the tax on profit levied by the same taxation authority in connection with the same taxable unit; or different taxable units that either intend to settle current tax liabilities and tax assets with a difference, or simultaneously recover assets and settle liabilities.

Deferred tax assets are recognized in the amount for which it is likely that a future taxable profit will be available that might be used to cover the deferred asset. Deferred tax assets are reduced by the amount for which it is not likely that asset-related tax reliefs can be claimed.

r) Earnings per Share

For regular shares, the Group presents basic earnings per share and adjusted earnings per share. Basic earnings per share are calculated by dividing profit or loss belonging to common shareholders with the weighted average number of shares in the Fiscal Year. Adjusted earnings per share are calculated by adjusting profit or loss belonging to common shareholders and the weighted average number of shares in the Fiscal Year for the effect of all dilutive potential common stock, which represents convertible bonds and employee stock options.

s) Reporting by Segments

A segment is a distinct part of the Group that deals with products and services (industry segment) or products and services in a given environment (geographical segment) and is subject to risks and yield different from other segments. Information by segments is presented by the Group's industry and geographical segments. The Group's report by segments is based on industry segments. The Group's industry segments are based on the Group's management and its internal reporting structure.

The prices of inter-segment transfers are measured on an arm's-length basis.

Operating results, assets and liabilities by segments contain items that can directly be attributed to a segment, and also those that can justifiably be allocated to a segment. Unallocated items mostly pertain to: investments (except investment property) and all related revenue, received and given loans and their related expenses, common assets (primarily company headquarters) and expenses of the headquarters, and profit tax assets and liabilities.

A segment's investments in long-term assets consist of the total costs in the current Fiscal Year from the acquisition of fixed assets and intangible assets, excluding goodwill.

4. DETERMINING FAIR VALUE

Considering the Group's accounting policies and breakdowns, many times a fair value of financial and non-financial assets and liabilities must be determined. The fair values of single asset groups for the purpose of measuring or reporting are determined herein. Additional explanations regarding assumptions for determining fair value are given along individual breakdowns of the Group's assets or liabilities.

i) Fixed Assets

The fair value of fixed assets from business combinations is equal to their market value. The market value of immovable property is equal to the estimated value at which the property could be sold by a willing seller to a willing buyer at arm's length on the day of the valuation and after appropriate marketing. The market value of plant, equipment, furniture and fixtures is based on the offered market price of similar objects.

ii) Intangible Assets

The fair value of patents and trademarks acquired through business combinations is based on the estimated discounted future value of royalties, which will not need to be paid because the patent or trademark is already owned. The fair value of their intangible assets is determined by taking the current value of estimated future cash flows that are expected from their use or potential sale.

iii) Operating and Other Receivables

The fair value of operating and other receivables is calculated as the current value of future cash flows, discounted at market interest rates on the reporting date.

iv) Non-Derivative Financial Liabilities

The fair value is for reporting purposes calculated based on the current value of future payouts of the principal and interest, discounted at the market interest rate on the reporting date. In con-

nection with the portion of liabilities from convertible bonds, the market interest rate is determined by comparing with similar liabilities that cannot be converted to equity. For financial leases, the market interest rate is determined by comparing with similar lease contracts.

5. FINANCIAL RISK MANAGEMENT

The Group does not use financial instruments. The group assesses financial risks within the following groups:

- credit risk,
- reduced liquidity,
- market risk.

This chapter discusses the Group's exposure to said risks, its goals, policies and procedures for measuring and managing risks, and its handling of capital. Other quantitative disclosures can be found in the continuation of the Notes to the financial statements.

The management is fully responsible for establishing the Group's framework for risk management. The finance and accounting department deals with risk measurement and management. The person responsible for finance and accounting reports to the Executive Director about activities in this field.

Risk management policies are designed to define and analyze risks that threaten the Group, based on which proper restrictions and controls are set up, risks monitored and restrictions respected. Risk management policies and systems are regularly checked to reflect changes in market conditions and the Group's activities. With training as well as standards and procedure for risk management, the Group endeavors to develop a disciplined and constructive environment where all employees are aware of their roles and responsibilities.

The Management Board ensures that risk management policies and procedures are respected, and assesses the suitability of the risk management framework for the risks that the Group faces.

Credit Risk

Credit risk is the risk that the Group will suffer financial loss if a client or a contracting party in a financial instrument agreement fails to fulfill its contractual obligations. Credit risk arises primarily from the Group's receivables from clients and investment securities.

Operating and Other Receivables

The Group's exposure to credit risk depends largely on the characteristics of individual clients. Client demographics and risk of non-payment with regard to the industry or country of a client do not have a significant effect on credit risk. Geographically speaking, there is no concentrated credit risk.

The finance and accounting department assesses each new client's creditworthiness before it is given standard terms of payment and delivery. The assessment factors in external ratings if they exist, and in some cases also bank references. The credit limit is set in the form of a maximum outstanding amount that need not be approved and is client-specific; credit limits are checked every four months. Clients that do not meet the Group's standard creditworthiness are required to make payments in advance.

The Group makes adjustments for impairments that represent estimated losses from operating and other receivables and investments. The main elements of adjustments are the special part of the loss, which pertains to single major risks, and the common part of loss, which is for groups of similar assets due to losses that have occurred but have not yet been identified. The adjustment for total loss is determined by factoring in historical data that pertains to statistics of payments for similar financial assets.

Guarantee

In line with its policies and financial capacity, the Group issues financial guarantees only to wholly-owned subsidiaries.

Liquidity Risk

Liquidity risk is the risk that the Group might not be able to settle its financial obligations when due. The Group maintains maximum liquidity by having sufficient liquid assets to settle obligations in time, both in normal and troubled circumstances, without incurring unacceptable loss or reputation damage.

The Group has several credit lines for ensuring liquidity where it can draw from if the need arises.

Market Risk

Market risk is the risk that fluctuations in market factors, such as interest rates, exchange rate and equity instruments, will affect the Group's revenue or value of financial instruments. The objective of market risk management is the control over exposure to market risks to a reasonable degree, while optimizing profits.

Currency Risk

The Group is exposed to currency risk when buying, selling, lending and borrowing, specifically when making transactions in currencies other than the functional currency. The Group operates mostly with euros.

The significance of the key currency pair has changed since the introduction of the euro, because no currency pair fits into this category, but due to unbalanced foreign currency positions, some of the more important currency pairs have been identified that are geographically related to the Group's subsidiaries: euro/Croatian kuna, euro/Macedonian denar and euro/Serbian dinar. The Group attempts to reduce currency risks by factoring them into markups, by balancing purchases and sales, with well-timed foreign currency coverage of inflows with outflows, and by taking out loans in the local currency.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate due to variable interest rates. The majority of the Group's debt instruments are bound to Euribor, therefore operations are exposed to interest rate risk. Interest rate risk is reduced by adapting interest rates for assets to interest rates for liabilities; furthermore, simulations are performed on the balance sheet in regard to absorption of financing in relation to interest rate fluctuation.

Equity Risk

The Management Board decided to keep equity large in order to build the trust of investors, creditors and the market, and to facilitate the Group's sustainable growth. The Management Bo-

ard monitors the capital gains that the Group defined as net operating revenue, divided by the total shareholder's equity, excluding non-redeemable preferred shares and minority stakes. Also monitored is the dividend amount paid to common shareholders.

The Group endeavors to keep a balance between high yields supported by large loans and the benefits and security of a strong equity position.

The Group occasionally buys own shares, depending on the current market price of the share. In general, such shares are intended for profit-sharing schemes. The decision for buying and selling shares is made by the risk management committee separately for each transaction. The Group does not have a special plan for buying own shares.

The Group did not change its equity management policies in this Fiscal Year.

Neither the parent company nor its subsidiaries are subject to equity requirements set by external entities.

6. TAX SELF-DECLARATION ACCORDING TO ARTICLE 55 OF THE TAX PROCEDURE ACT (ZDAVP-2)

Datalab, d. d. has decided, based on a written opinion of one of the most reputable tax consulting firms, to perform self-declaration according to article 55 of the Tax Procedure Act (ZDavP-2).

Summary of the opinion:

"It has been undisputedly determined that according to Slovene Accounting Standards (SAS) and International Accounting Standards (IAS) the computer program that is marketed, upgraded and maintained by Datalab, d. d. represents an intangible asset and must be presented as such in business and tax records..

Datalab, d. d. has been recording said computer program off balance sheet. Consequently, the corporate tax has been calculated on a different basis than would have been used had said computer program had been recognized as an intangible asset. It is our opinion that such a method of recording transactions pertaining to said computer program poses a certain risk in the case of a tax inspection, as it may decide that Datalab has been wrongfully lowering its tax basis for costs directly related to software development, instead of presenting those costs as purchase cost of an intangible asset the value of which is gradually depreciated.

it is our opinion based on the established facts that you should self-impose taxes for the whole period that has not relatively lapsed yet, which is from 2004 (including) onwards. For all those tax periods you are to lodge tax accounts to the competent tax authority based on tax self-declaration as defined in article 55 of the Tax Procedure Act (ZDavP-2).

It is our opinion that this case does not allow actions in accordance with article 14 of the Corporate Income Tax Act (ZDDPO-2), which deals with corrections in accounting records, because it does not involve accounting errors in the sense of section 8 of the Introduction to SAS and IAS 8, where accounting errors are defined as errors in recognizing, valuing, presenting and/or disclosing information of financial statements. Errors are omissions of items and misstatements in financial statements for past periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were approved for issue and could reasonable be expected to have been obtained and taken into account in the preparation of those financial state-

ments. With errors it must be taken into account that they are a result of negligent, but most of all unconscious actions and can be classified as unintentional mistakes in preparing and presenting accounting information. It cannot be ignored that you presented said computer program off balance sheet where you listed the production cost of your ERP system PANTHEON, which actually means that you were aware of the fact that the product is suitable for recognition among intangible assets, as it provides economic benefits and also its cost can reliable be measured."

Summary of Major Changes:

- The carrying value of the ERP system PANTHEON as of 30 June 2009 amounts to EUR2,926,606. The production cost until now amounts to over EUR9 million. From 2004 to 2007, a depreciation rate of 25% was used, and since the 2007/2008 Fiscal Year a 10% rate in accordance with internal regulation, along with an impairment method for modules that are defunct or with no value due to legislation changes (e.g. Turnover Tax module, tools for the transition to the euro).
- Allocations have been established for potential compensations from legal proceedings in the amount of EUR243,377.
- Retained net profit of Datalab, d. d. as of 30 June 2009 amounts to EUR1,506,962, while the net profit for the Fiscal Year amounts to EUR183,422 decreased by legal reserves in the amount of EUR9,171.
- The method for calculating capitalized own products and services is consistent with the information submitted to the Tax Administration (DURS) with the form for filing R&D tax reliefs.

Profit (Loss) Statement for the Years 2004 through 2009 – Tax Self-Declaration

in EUR	2004	2005	2006	2007	2008	2009	Total
Operating revenue	994.145	1.590.644	1.880.650	996.334	2.265.258	2.311.296	10.038.327
Capitalized services	723.690	1.005.864	1.335.167	638.150	1.242.223	1.380.759	6.325.853
Gross income	1.717.835	2.596.508	3.215.817	1.634.484	3.507.481	3.692.055	16.364.180
Operating expenses	1.170.242	2.157.973	2.621.534	1.574.728	3.892.099	3.561.887	14.978.463
Cost of materials, goods and services	433.246	795.652	966.621	568.530	1.308.134	994.392	5.066.575
Labor costs	339.092	506.067	679.173	567.214	1.544.373	1.656.530	5.292.449
Write-offs	59.848	94.892	89.760	108.743	165.367	226.388	744.998
Depreciation of PA	82.923	253.527	440.379	289.136	321.952	399.071	1.786.988
Direct write-off of PA	171.683	408.307	437.539	35.177	534.528	25.025	1.612.259
Other operating expenses	83.450	99.528	8.062	5.928	17.745	260.481	475.194
Operating profit	547.593	438.535	594.283	59.756	-384.618	130.168	1.385.717
Financial revenue	4.402	8.317	11.538	8.508	158.195	191.755	382.715
Financial expenses	2.112	6.430	16.888	10.379	58.990	157.151	251.950
Extraordinary revenue	159	129	21.165	1.580	1.970	-	25.003
Extraordinary expenses	13	484	9.105	3	2.007	7.887	19.499
Profit (loss)	550.029	440.067	600.993	59.462	285.450	156.885	1.521.986
Tax on profit	39.885	-	34.613	-	23.967	-26.571*	71.928
Net profit (loss)	510.144	440.067	566.380	59.462	-309.417	183.456	1.450.092
Carrying value of capitalized services	469.084	813.114	1.270.363	1.584.200	1.969.943	2.926.606	
Depreciation rate for PA	25%	25%	25%	25%	10,00%	10,00%	

*deferred tax assets for unused development relief

Tax Account for the Years 2004 through 2009 – Tax Self-Declaration

in EUR	2004	2005	2006	2007	2007/08
Income before tax self-declaration	959.375,00	1.596.134,00	1.913.354,00	1.006.421,77	2.425.424,00
Increase in transfer price income					197
Increase in capitalization income	723.690,00	1.005.864,00	1.335.167,00	638.150,00	1.242.223,00
Income adjustment – decrease in disposal of ownership stakes					-9.409,94
Expense before tax self-declaration	-871.796,00	-1.503.054,00	-1.769.607,00	-1.260.796,86	-2.866.020,00
Increase in expenses for depreciation and direct write-off	-254.606,00	-661.834,00	-877.918,00	-324.313,00	-856.480,00
Increase in expenses for commissions					-230.598,00
Increased basis for unrecognized expenses		14.044,00	23.885,00	75.535,90	141.682,99
Increased basis for anticipated exercising of tax reliefs			1.918,00		
Increased basis due to accounting policy changes					601.656,00
Increased basis – exclusion of profits 5%					471
Tax basis	556.663,00	451.154,00	626.799,00	134.997,81	449.146,05
Relief applicable to donations			-3.232,00		
Relief applicable to employment		-9.795,00	-5.119,00	-4.443,00	
Investment relief	-334.971,00	-426.992,00	-277.468,00		-30.000,00
Investment reserve	-55.666,00	-6.484,00			
Relief for pension plan	-6.488,00	-7.883,00	-9.472,00	-15.592,00	-53.439,00
Unused investment relief from previous periods			-21.589,00		-12.667,00
Relief applicable to development			-171.464,00	-114.962,81	-246.520,00
Tax basis	159.538,00	-	309.919,00	-	106.520,05
Tax on profit	39.884,50	-	34.613,75	-	23.967,01
Tax on profit before tax self-declaration	-6.709,54	9.182,00	-	-	-
Tax on profit – supplementary payment	33.174,96	-	34.613,75		23.967,01

7. REPORTING BY SEGMENTS

The Group considers that risks and returns from various activities in selling the ERP system PANTHEON are alike in their principal characteristics, which is why there is only one industry segment and two geographical segments. The primary reporting segment of the Group is the geographical segment. The two geographical segments are the Slovenian market and other foreign markets.

	Slovenia		Other markets		Consolidated	
	2009	2008	2009	2008	2009	2008
Revenue	3.883.810	3.667.646	1.508.105	440.531	4.713.228	4.086.206
Assets of the segment	5.227.452	4.970.588	697.174	74.743	5.485.584	5.661.854
Cost of fixed assets	5.485.992	4.209.589	70.910	15.635	5.556.902	401.009

8. SALES

in EUR	FY 09	FY 08
Sales	2.818.254	2.678.897

Sales consist largely of sales of licenses and software upgrades that amounted to EUR2,335,926, sales of software implementation, training and certification to users amounted to EUR231,235, and sales of other services to EUR251,093, which consist of promotional services to Partners, advertising materials, membership fees, and similar.

in EUR	FY 09	FY 08
Other operating revenue	1.644.338	1.269.116

The majority of other operating revenue are capitalized own products and services in the amount of EUR1,380,759, which represents the development of PANTHEON.

The item Subsidies, grants, allowances, compensations and other revenue associated with products and services includes income from the purchase of new technological equipment in 2007/2008 that was co-financed by the Slovenian Enterprise Fund. In this Fiscal Year, income from the purchase of technological equipment has been completely recorded. Such income was financed in the amount of EUR135,575 of depreciation of the purchased equipment.

Other operating revenue in FY 09 is composed of revenue from the changed posting method for leases and subscriptions in the amount of EUR58,680 and revenue from selling fixed assets in the amount of EUR3,535. Other revenue consists of revenue from received compensations, rounding differences and other revenue in the amount of EUR65,789.

9. COST OF MATERIALS, GOODS AND SERVICES

The cost of materials is the quantity of direct materials consumed. Costs of materials are not revalued to account for a change in the purchasing power of the relevant currency. Costs of services are costs that do not count as costs of materials, depreciation or labor, but costs of transpor-

tation services, production stages performed by others, utility and telecommunication services, rentals, payment services, and similar. Costs of services include work contracts costs, author's contract costs and costs associated with other legal relations, except employment relationships with private individuals.

The total costs of materials, goods and services is composed as follows:

in EUR	FY 09	FY 08
Cost of materials, goods and services	1.168.647	1.518.839
Cost of goods sold	23.394	226.574
Cost of materials	60.283	63.339
Cost of services, rentals, reimbursements to employees for work-related expenses	290.237	184.920
Cost of payment services, banking services and insurance premiums	24.883	15.800
Cost of intellectual and personal services	236.961	333.894
Cost of exhibitions, advertising, promotion and entertainment	153.061	223.275
Cost of services of private individuals	45.516	52.593
Cost of other services	248.061	361.489
Bonuses to trainees and students including taxes	86.251	56.955

Other costs of materials consist mostly of office supplies. Other costs of services are most of all costs of external contractors related to the development and finalization of PANTHEON 5.5 and marketing activities related to the presentation and promotion of said product.

10. LABOR COSTS

Labor costs are composed as follows:

in EUR	FY 09	FY 08
Labor costs	2.039.466	1.771.233
Cost of wages and salaries	1.484.551	1.318.490
Cost of other social insurances	289.963	274.890
Other labor costs	264.952	177.853

11. OTHER OPERATING EXPENSES

in EUR	FY 09	FY 08
Drugi poslovni odhodki	314.542	19.534
Odškodnine, rezervacije	243.377	
Drugi stroški	71.165	19.534

The majority of other operating expenses in the amount of EUR243,377 consist of allocations for expected payments from lost lawsuits.

Other operating expenses in FY 09 consist of expenses from the changed posting method for leases and subscriptions in the amount of EUR7,524, expenses for contributions for promoting employment of people with disabilities in the amount of EUR10,823, and court fees, rounding differences and expenses not recognized for tax purposes and other expenses in the amount of EUR24,954.

Revalued operating expenses consist of the write-off of a PANTHEON program module in the amount of EUR25,025, and the loss from fixed asset disposal in the amount of EUR2,830.

12. FINANCIAL REVENUE

in EUR	FY 09	FY 08
Financial revenue	121.641	136.223
Financial revenue from loans given	16.357	14.411
Financial revenue from operating receivables	105.284	121.812

Financial revenue from loans is generated only by Datalab, d. d., which, in 2009, made most of its financial revenue from given loans to companies and other entities in and outside of Slovenia in the amount to EUR16,357. Financial revenue arises from given short-term loans (up to 12 months) with an annual interest rate of 7 to 8%. Revenue from loans to subsidiaries is not included in those items due to consolidation. Financial revenue arises from given short-term loans (up to 12 months) with an annual interest rate of 7 to 8%.

Financial Revenue from Operating Receivables

In the consolidated statement, said revenue mostly arises from the parent company that generated most financial revenue from operating receivables in FY 09 from crediting lease and subscription (RLGS) agreements. In 2009, this amounted to EUR93,477. Revenue of subsidiaries is not included in those items due to consolidation. Other revenue in the amount of EUR11,807 consists of exchange differences, interest on deposits, and default interest from clients' late payments.

13. FINANCIAL EXPENSES

in EUR	FY 09	FY 08
Financial expenses	161.027	50.232
Financial expenses for loans received from banks	56.928	45.083
Financial expenses for operating liabilities to others	104.099	5.149

In 2008, Datalab, d. d. started cooperating with the company Diners Club SI, d.o.o. in the field of financing and recovery of lease and subscription agreements. Financial expenses from agreement financing amount to EUR32,985; expenses from recovery amount to EUR7,785.

Other financial expenses in the amount of EUR56,928 consist of default interest to suppliers and lessors and default interest due to late payments to the state and to suppliers.

NET CASH FLOW

in EUR	FY 09	FY 08
Financial revenue	121.641	136.223
Financial expenses	161.027	50.232
NET CASH FLOW	-39.386	85.991

14. TAX ON INCOME

The corporate income tax is accounted based on the income and expense that are included in the profit (loss) statement according to applicable law. Despite the profit in FY 09, the Group did not account for the corporate income tax because it exercised tax reliefs.

	2009	2008
Gross operating profit or loss before taxes	219.485	-350.470
Tax on profit	-16.156	-31.644
Deferred taxes	26.571	648
Result of the Group	229.900	-381.466

in EUR	Datalab SI	Datalab HR	Datalab SR	Datalab MK	Datalab BA	Datalab MN
Operating profit (loss) before taxes	156.885	54.893	48.822	34.078	38.632	-21.090
Tax on profit						
Deferred taxes	26.571	10.978		259	4.949	
Net operating profit (loss) for the period	183.456	43.915	48.822	33.819	33.683	-21.090

15. REVENUE FROM DEFERRED TAXES

Revenue from deferred taxes represents an increase in deferred tax assets in the amount of EUR26,571 from unused reliefs for research and development.

16. PROPERTY, PLANT AND EQUIPMENT

The Group is highly development-oriented, therefore it does not invest in property, plant and equipment that is not absolutely necessary for normal operation. Computers and computer equipment represent the majority of fixed assets. The Group does not own any property.

Property, plant and equipment for the period from 1 July 2008 to 30 June 2009

Cost	Other plant and equipment	Total
Balance as of 1 July 08	499.745	499.745
Acquisition, activation	10.709	10.709
Disposal, write-off	-106.476	-106.476
Upward revaluation of fixed assets	668	668
Balance as of 30 June 2009	404.646	404.646
Value adjustment		
Balance as of 1 July 08	281.129	281.129
Disposal, write-off	-86.107	-86.107
Depreciation	95.806	95.806
Upward revaluation of fixed assets	1.961	1.961
Balance as of 30 June 2009	292.789	292.789
Carrying value		
Balance as of 1 July 08	218.616	218.616
Balance as of 30 June 2009	111.857	111.857

17. INTANGIBLE ASSETS

An intangible asset is an asset used for long-term production or supply of goods or services, for rental to others, or for administrative purposes, but without physical substance. Datalab, d. d. presents material rights and copyrights at their carrying value, being the difference between the cost and the value adjustment.

Intangible assets in the value of EUR3,092,408 mostly represent the value of purchased components and other copyrights pertaining to PANTHEON, and various licenses that allow normal work of the PANTHEON development team. The largest part of intangible assets is the capitalization of PANTHEON, which is explained in more detail in the chapter Tax Self-Declaration.

The Group presents goodwill – Datalab HR in the amount of EUR136,561 – among intangible assets and the value adjustment of goodwill in the amount of EUR16,320.

Datalab, d. d. has no significant fully depreciated intangible assets.

Intangible assets for FY 09

Cost	Long-term property rights	Total
Balance as of 1 July 08	3.753.709	3.753.709
Acquisition, activation	1.417.097	1.417.097
Deactivation	-34.372	-34.372
Upward revaluation of intangible assets	9.031	9.031
Balance as of 30 June 2009	5.145.465	5.145.465

Value adjustment		
Balance as of 1 July 08	1.521.431	1.521.431
Depreciation	535.650	535.650
Deactivation	-8.901	-8.901
Upward revaluation of intangible assets	4.877	4.877
Balance as of 30 June 2009	2.053.057	2.053.057
Carrying value		
Balance as of 1 July 08	2.232.278	2.232.278
Balance as of 30 June 2009	3.092.408	3.092.408

18. LONG-TERM FINANCIAL INVESTMENTS AND BUSINESS COMBINATIONS

Long-term financial investments are part of long-term financial instruments and represent an item with maturity over one year.

in EUR	30 June 2009	30 June 2008
Long-term financial investments	5.483	258
Other long-term financial investments	5.483	258

The Group presents the following long-term financial investments:

in EUR	Stake	30 June 2009	30 June 2008
Investment in Datalab Tehnologije, d.o.o. – Croatia	51%	123.000	123.000
Investment in Datalab BA, d.o.o. – Bosnia and Herzegovina	51%	524	524
Investment in Datalab MK, d.o.o. - Macedonia	100%	5.000	5.000
Investment in Datalab SCG, d.o.o.	100%	5.000	5.000
Investment in Datalab SR, d.o.o. - Serbia	51%	5.100	5.100
Investment in Datalab MN, d.o.o. - Montenegro	51%		3.976
Subsidiaries total		138.624	138.624
Investment in Datalab, d.o.o. – Croatia	10%	258	258
Investment in Datalab Automotive, d.o.o. – Serbia	24,99%	1.249	0
Other companies total		5.483	258

Long-term financial investments are valued using the cost method.

LONG-TERM FINANCIAL INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Acquisition of ownership stakes in subsidiaries

Company	Date of purchase	Company's equity on the day of purchase	Acquired stake	Purchased part of equity	Payment for acquired stake	Goodwill at acquisition
Datalab Automotive d.o.o	8.Sept.2008	5.000	24,99%	1.249	1.249	0

19. LONG-TERM OPERATING RECEIVABLES

Long-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services in a period that is longer than 12 months. Long-term operating receivables are mostly receivables from the sales of lease and subscription agreements. Below is a breakdown of long-term operating receivables by the type of agreement.

in EUR	30 June 2009	30 June 2008
Long-term operating receivables	537.175	658.160
Long-term oper. rec. from leases (L20 and L30)	240.242	306.148
Long-term oper. rec. from lease upgrades (L20 and L30)	93.721	94.363
Long-term oper. rec. from subscriptions (S30)	138.536	174.781
Long-term oper. rec. from subscription upgrades (S30)	64.676	82.868

20. LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE

in EUR	30 June 2009	30 June 2008
Long-term deferred costs and accrued revenue	20.200	12.800

Long-term deferred costs and accrued revenue in the amount to EUR20,200 include deferred costs for certifying PANTHEON for compliance with the Slovenian and international financial reporting standards in the amount to EUR3,640 (EUR12,280 on 30 June 2008) and deferred costs from the recovery of lease and subscription agreements by Diners Club SI, d.o.o. in the amount of EUR16,560.

21. DEFERRED TAX ASSETS

in EUR	30 June 2009	30 June 2008
Deferred tax assets	45.867	20.421
- from unused tax reliefs	26.571	1.125
- from value adjustments of assets	19.296	19.296

Deferred tax assets are amounts of the tax on profit that will be returned to the taxpayer in future tax periods with lower tax amounts in the future, when the assets can be claimed.

Deferred tax assets in Datalab, d. d. represent receivables from the state regarding value adjustments of receivables from customers in the amount of EUR19,296 and receivables from unused tax reliefs for research and development in the amount of EUR26,571.

22. INVENTORIES

in EUR	30 June 2009	30 June 2008
Inventories	8.804	13.990
Finished products and goods for resale	8.804	12.849
Advances for inventories		1.141

Inventories on 30 June 2009 amounted to EUR8,804 (EUR13,991 on 30 June 2008) and represent advertising materials (merchandising: t-shirts, computer accessories, caps, ties, etc.) sold in Datalab's own online shop, which was launched in FY 08.

23. SHORT-TERM FINANCIAL INVESTMENTS

in EUR	30 June 2009	30 June 2008
Short-term financial investments	103.390	89.332

Short-term financial investments in 2009 consisted only of short-term loans in the amount of EUR103,390 (EUR89,332 on 30 June 2008). Interest charged to affiliates is higher than the interest rates for crediting affiliates as prescribed by the Minister of Finance. Short-term financial investments are composed of short-term loans in the amount of EUR95,720 (EUR89,332 on 30 June 2008). Short-term loans (up to 12 months) have an annual interest rate of 7 to 8% (same as in FY 08). This item also contains credit sales to customers in Croatia in the amount of EUR27,670.

24. SHORT-TERM OPERATING RECEIVABLES

Short-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services. They represent short-term operating receivables and paid advances. Breakdown of operating receivables:

in EUR	30 June 2009	30 June 2008
Short-term operating receivables	1.274.274	1.236.011
Short-term operating receivables from customers	1.211.017	1.206.724
Short-term operating receivables from others	63.257	29.287

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts. Receivables are revalued due to impairment if their book value exceeds their fair value, that is, their realizable value.

Short-term receivables are collectible. Services to problematic customers are rendered only against an advance payment. Short-term receivables to foreign customers are converted at the rate of the Bank of Slovenia as of 30 June 2008. The effects of changes in exchange rates on the balance sheet date increase ordinary financial revenue or expenses as exchange differences.

It is estimated that short-term receivables are collectible, except for receivables whose value has been adjusted. A list of irrecoverable receivables can be found in the table below.

Receivables by maturity

Receivables	Gross value on 30 June 2009	Impairment on 30 June 2009	Net value on 30 June 2009	Gross value on 30 June 2008	Impairment on 30 June 2008	Net value on 30 June 2008
Total	1.481.131	206.857	1.274.274	1.355.612	119.601	1.236.011
Not overdue	718.464	0	718.464	1.010.039	0	1.010.039
Overdue 0 to 30 days	166.129	0	166.129	135.946	0	135.946
Overdue 31 to 180 days	322.532	0	322.532	154.176	36.091	118.085
Overdue 181 to 365 days	90.642	32.507	58.135	-1.209	10.269	-11.478
Overdue over one year	183.364	174.350	9.014	56.660	73.241	-16.581

Item	FY 09	FY 08
Balance on July 1	242.693	46.360
Value adjustments	206.857	73.241
Balance on June 30	449.550	119.601

25. CASH

in EUR	30 June 2009	30 June 2008
Cash	85.630	83.925
Cash on hand	317	5.540
Cash in bank accounts	85.313	78.385

26. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE

in EUR	30 June 2009	30 June 2008
Short-term deferred costs and accrued revenue	68.555	64.148

Short-term deferred costs and accrued revenue in the amount of EUR68,555 consists of deferred costs for Partner commissions for RLGS agreements in the amount of EUR19,198, annual leave bonuses in the amount of EUR15,435, and deferred costs of insurance premiums, landline and mobile phone subscriptions in the amount of EUR13,561, and other deferred costs in the amount of EUR20,361.

27. EQUITY

Share Capital

The shareholder meeting on 5 May 2003 decided to issue 6,150 share with a total nominal value of SIT 6,150,000 (EUR25,663). Another 225 shares were issued on 5 April 2005 with a total nominal value of SIT 225,000 (EUR938,9). The nominal value of share for the first two issues was SIT 1000 (EUR4,17) and they were for cash. 95,050 no-par value shares were issued on 17 August 2007; the issue was carried out from carried over profits and overpaid share capital. On 15 February 2008, another 5,094 no-par value issues were issued for cash.

All shares are common, registered and issued in non-material form. All shares had been paid in full by the shareholders before the shares were entered in the company register.

The shareholder meeting on 16 November 2006 decided to transform par value shares to no-par value shares and have changed the articles of association accordingly. The share capital of the issuer is divided into 106,519 common registered no-par value shares and amounts to EUR444,493.

Weighted number of shares

	2009	2008
Initial number on July 1	106.519	101.425
Minus own shares	22	1.018
Adjusted initial number	106.497	100.407
Division	0	0
New issue	0	5.094
Sales of own shares	0	996
Adjusted final number on June 30	106.497	104.505
Weighted average number	106.497	103.452

Own Shares

Own shares on 30 June 2009 amounted to EUR429, the same as on 30 June 2008. The fair value of own shares on 30 June 2009 was EUR1,320.

Capital Surplus

Capital surplus consists of capital increase payments above the share's par value and amounts to EUR2,686.

Ownership structure of Datalab, d. d. as of 30 June 2009

Category	First name	Last name	Stake	No. of shares
10 largest			88,75%	94.540
	Andrej	Mertelj	44,15%	47.029
	TWOPP s.a.h.		24,62%	26.226
	Tomaž	Teyrovsky	8,40%	8.951
	Moreno	Rodman	2,02%	2.148

Moreno d.o.o.		1,91%	2.036
Igor	Kokalj	1,88%	2.000
Vanja	Varl	1,86%	1.977
Valerija	Ažman	1,49%	1.591
Zvonko	Arzenšek	1,33%	1.421
Biro Bonus d.o.o		1,09%	1.161
Others		11,25%	11.979
Člani upravnega odbora*		0%	0
Drugi bivši zaposleni		2,41%	2.569
Bivši zaposleni		4,10%	4.363
Partnerske družbe		0,40%	423
Lastne delnice		0,02%	22
Drugi delničarji		4,32%	4.602
Total		100,00%	106.519

* excluding Andrej Mertelj

28. LONG-TERM FINANCIAL LIABILITIES

in EUR	30 June 2009	30 June 2008
Long-term financial liabilities	198.880	130.876
Long-term financial liabilities to banks	57.901	33.795
Other long-term financial liabilities	140.979	74.566
Long-term liabilities from financial leases		22.515

Long-term financial liabilities to banks are liabilities from long-term loans at Raiffeisen banka. Eight new loans in the amount of EUR56,649 have been taken out (in 2008 EUR163,794 of loans were taken out). A loan of EUR52,734 is for financing foreign sales of agreements with a 24-month installment plan. Long-term financial liabilities have been reduced in the last year by EUR155,178. Long-term financial liabilities to banks have increased by EUR252, which pertains to the loan of Datalab BA.

Other long-term financial liabilities are liabilities to Diners Club SI, d.o.o. in the amount of EUR140,979 from financing of lease and subscription agreements.

29. LONG-TERM OPERATING LIABILITIES

in EUR	30 June 2009	30 June 2008
Long-term operating liabilities	85.354	0
Long-term operating liabilities to others	85.354	0

Long-term operating liabilities in the amount of EUR85,354 are deferred unpaid contributions by decision of the Tax Administration (DURS).

30. LONG-TERM PROVISIONS

in EUR	30 June 2009	30 June 2008
Long-term provisions	12.960	12.496
Long-term provisions for long service rewards and severance pays	12.960	12.496

Long-term provisions are provisions for long service rewards and severance pays upon retirement in accordance with IAS 19 in the amount of EUR12,960.

in EUR	2008/2009	2007/2008
Initial balance	12.496	10.560
Payouts and reversals	0	-
Newly established provisions	444	1.936
Closing balance	12.940	12.496

31. LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

in EUR	30 June 2009	30 June 2008
Long-term accrued costs and deferred revenue total	519.911	247.817

Long-term accrued costs and deferred revenue in the amount of EUR519,911 consists of allocations for Partner commissions from leases and subscription in the amount of EUR118,226 and of long-term deferred revenue from leases and subscriptions in the amount of EUR158,308. Long-term accrued costs and deferred revenue in the amount of EUR243,377 are for potentially lost lawsuits.

32. SHORT-TERM FINANCIAL LIABILITIES

Short-term liabilities are recognized obligations associated with the financing of own assets with a settlement expected sooner than in one year. They are divided into short-term financial liabilities and short-term operating liabilities.

in EUR	FY 2009	FY 2008
Short-term financial liabilities	844.350	812.761
Short-term financial liabilities to banks	688.481	793.454
Other short-term operating liabilities	155.869	19.307

Received short-term loans of Datalab, d. d. from banks by currencies and interest rates

Item	Amount in original currency	Amount in EUR	Minimum interest rate	Maximum interest rate
EUR	688.481	688.481	EURIBOR+ 1,60%	8,82%

Obligations to foreign suppliers are converted at the rate of the Bank of Slovenia on the balance sheet date, 30 June 2008.

As of 30 June 2009, Datalab, d. d. has short-term liabilities to banks in the amount of EUR688,481, which is 10% less than in 2008. Short-term loans have been taken out at the banks Banka Koper, Nova Ljubljanska banka, Raiffeisen banka and Abanka, and are insured with blank bills of exchange, cession of debt, and personal guarantees.

Other short-term financial liabilities consist of loans received from Slovenian companies in the amount of EUR50,000, obligations from payment cards in the amount of EUR121, and short-term loans for financing leases and subscriptions in the amount of EUR99,756 and for financial leases in the amount of EUR5,992.

33. SHORT-TERM OPERATING LIABILITIES

in EUR	30 June 2009	30 June 2008
Short-term operating liabilities	1.289.548	851.237
Other short term liabilities to suppliers	393.576	661.203
Other short-term operating liabilities	895.972	190.034

Short-term operating liabilities to companies in the group consist of obligations for rendered services (agency and intermediation costs).

Short-term operating liabilities to suppliers consist of obligations for rendered services (rent, administrative costs, costs of advertising and promotion, commissions), purchased materials (office supplies) and fixed assets.

Other short-term operating liabilities consist of obligations to the state from employee and employer contributions and taxes, VAT obligations, obligations to employees for wages and salaries, received collaterals, and other liabilities.

Liabilities by maturity

Liabilities	Gross value on 30 June 09
Total	1,289,548
Not overdue	616,401
Overdue 0 to 30 days	69,574
Overdue 31 to 180 days	226,667
Overdue 181 to 365 days	345,266
Overdue over one year	31,640

34. ACCRUED COSTS AND DEFERRED REVENUE

in EUR	30 June 2009	30 June 2008
Short-term accrued costs and deferred revenue	211,956	616,758

Accrued costs and deferred revenue are costs accrued or revenue deferred for a shorter period (up to 12 months), and are presented separately.

Accruals and deferrals occur in accounting because of the need to evenly distribute costs that are expected, but that have not yet occurred. Short-term deferred revenue accrues when services

have already been invoiced or paid, but not rendered yet. The total value of accruals and deferrals as of 30 June 2009 was EUR205,932. The majority of accrued costs and deferred revenue consists of deferred revenue from lease and subscription agreements in a total value of EUR98,357, and short-term accrued costs for Partner commissions in the amount of EUR38,919.

Other accrued costs and deferred revenue in the amount of EUR74,681 consists of accrued liabilities from default interest for unpaid contributions, accrued default interest for unpaid obligations to suppliers, accrued auditing costs, accrued costs for Partner commissions, and mobile phone subscriptions.

35. INVESTMENT INTO RESEARCH AND DEVELOPMENT

Datalab, d. d. is extremely development-oriented; most of its expenses consist of development costs of the ERP system PANTHEON.

Development costs

Type of cost	FY 2009	FY 2008
Internal R&D activities	1.297.119	1.143.919
Purchased R&D services	83.641	88.679
Total	1.380.760	1.232.598

Type of cost	FY 2009	FY 2008
Labor costs	1.022.354	965.708
Purchase of R&D equipment	104.692	49.376
Direct costs	170.073	128.835
Cost of R&D services and cost of external specialists and researchers	83.641	88.679
Total	1.380.760	1.232.598

36. TRANSACTIONS WITH RELATED PARTIES

Shown below are transactions between related parties in the Group for the last two years. There were no other transactions than the ones shown below.

Other related companies

Sales to related companies (receivables) in EUR	FY 09	FY 08
Datalab, d.o.o. HR	40.043	125.134
Datalab Automotive	0	0
Purchases (payables) in EUR		
Datalab, d.o.o. HR	17.938	5.857
Datalab Automotive	0	0
Outstanding receivables in EUR		

Datalab, d.o.o. HR	31.500	57.304
Datalab Automotive	0	0
Outstanding payables in EUR		
Datalab, d.o.o. HR	11.630	2.500
Datalab Automotive	0	0
Loans given in EUR		
Datalab, d.o.o. HR	0	6.698
Datalab Automotive	0	0

The listed transactions were in line with market prices, or the prices charged for assets or services to related parties are compared to prices charged for assets or services to non-related parties in comparable circumstances. The majority of transactions are sales of licenses, software upgrades and memberships in accordance with the general terms applicable to subsidiaries and foreign representatives.

For given loans, the interest rate is used that is higher than the recognized interest rate for loans between related parties, as prescribed by the Minister of Finance.

Management

Loans given in EUR	FY 09	FY 08
Andrej Mertelj	3.784	476

Earnings of the Management and the Supervisor Board

The figures in the tables below include labor costs and compensation borne by the employer, other labor costs (annual leave bonuses, other remuneration, net reimbursements, benefits), reimbursement of work-related expenses and voluntary supplementary pension insurance. The figures are for the 2009 Fiscal Year.

Attendance fees for the Supervisory Board include cost of attendance fees and reimbursements for internal and external members of the Supervisory Board

Member of the Management Board	Payments in FY 09 in EUR	FY 08
Andrej Mertelj	53.395	64.059
Zvone Arzenšek (zaposlen do 31.1.2009)	21.778	39.685
Matjaž Viher (zaposlen do 31.1.2009)	23.458	42.846
Rok Perkovič (zaposlen do 15.2.2009)	26.670	40.319
Matej Golob (zaposlen do 15.11.2008)	17.629	48.838
Lojze Zajc	7.140	0
Total	150.070	235.747

Member of the Supervisory Board	Payments in FY 09 in EUR	Payments in FY 08
Fortič Matjaž	1.325	7.685
Janez Bregar	595	5.231
Tomaž Teyrovsky	595	5.231
Černe Tone	396	0
Total	2.911	18.147

For given loans, the interest rate is used that is higher than the recognized interest rate for loans between related parties, as prescribed by the Minister of Finance.

37. OFF-BALANCE-SHEET ITEMS

Given guarantees pertain to the loan received by Datalab BH in the amount of EUR31,500 (EUR24,500 as of 30 June 2008).

Summary of off-balance-sheet items

Guarantee for Datalab BH	- 31.500 EUR
Total	-31.500 EUR

38. FINANCIAL INSTRUMENTS

Financial Assets

Item (in EUR)	Book value on 30 June 2009	Fair value on 30 June 2009	Book value on 30 June 2008	Fair value on 30 June 2008
Long-term financial investments	5.483	5.483	258	924
Long-term operating receivables	537.175	537.175	658.160	658.160
Short-term financial investments	103.390	103.390	89.332	89.332
Short-term operating receivables	1.274.274	1.274.274	1.236.011	1.236.011
Cash and cash equivalents	85.630	85.630	83.925	83.925
Total	2.005.952	2.005.952	2.067.686	2.067.686

Financial Liabilities

Item (in EUR)	Book value on 30 June 2009	Fair value on 30 June 2009	Book value on 30 June 2008	Fair value on 30 June 2008
Long-term financial liabilities	198.880	198.880	130.876	130.876
Short-term financial liabilities	85.354	85.354	0	0
Short-term operating liabilities	844.350	844.350	812.761	812.761
Total	1.289.548	1.289.548	851.237	851.237
Skupaj	2.418.132	2.418.132	1.794.874	1.794.874

Datalab, d. d. received blank bills of exchange from users for financial assets pertaining to lease and subscription agreement. There is no active market for financial instruments with the above listed financial instruments. The total value of financial assets is also the maximum credit risk.

Bank Guarantees

On 30 June 2009, there is an active guarantee for Datalab BH in the amount of EUR31,500 (EUR24,500 in 2008).

39. AUDIT COST

The cost of auditing financial statements and the annual report for the 2009 Fiscal Year for Datalab, d. d. by the auditing firm Uhy, d.o.o. amounted to EUR16,400. No other services were rendered. The audit firm Revidicom, d.o.o. from Maribor audited financial statements until 30 June 2007. The previous Fiscal Year was audited by KPMG Slovenija, d.o.o.

40. OTHER POTENTIAL LIABILITIES

Potencialne obveznosti iz naslova tožb

Datalab, d. d. as Defendant

Plaintiff	Value in EUR	Reference number, court	Status
METRO d.o.o., Celje	24.616,22	VI Pg 509/2008, District court in Celje	In progress – first level
E-POS GROUP d.o.o., Ljubljana	5.000,00	V Pg 2726/2007, District court in Ljubljana	In progress – first level
E-POS GROUP d.o.o.	707.422,00	5 Pg 139/2007, District court in Ljubljana	In progress – first level
Nezavisna Ekspertska Grupa d.o.o Beograd, Datalab Tehnologije d.o.o. Beograd	194.906,00	XXXIX – P – 5524/07, Trade court in Beograd	In progress – first level

I. Case VI Pg 509/2008, METRO d.o.o. Celje against Datalab, d. d. valued at EUR24,616

The plaintiff demands compensation for the incorrect functioning of the program, specifically customs warehousing.

According to the lawsuit and related documentation, Datalab, d. d. considers itself not responsible for the damages, which is also its official answer. The Customs Administration has approved that the program worked correctly at that company. The plaintiff will most likely not succeed with its claim for compensation.

No first-level verdict has been returned yet.

II. Case V Pg 2726/2007, E E-POS Group against Datalab, d. d. valued at EUR5,000

The former, a Partner and minor shareholder of Datalab, d. d., E-POS Group, d.o.o., with which the former ceased to cooperate because of failure to fulfill contractual obligations of the Partnership Agreement, filed a lawsuit to nullify the decisions of the 6th shareholder meeting.

This lawsuit is one of the many actions of the plaintiff, who tries to stop the activities of Datalab, d. d. It cannot be estimated whether the lawsuit is justified or not. Any obligations for Datalab, d. d. are limited to a reimbursement of costs if the plaintiff should succeed.

No first-level verdict has been returned yet.

III. Case V Pg 139/2007 E-POS Group, d.o.o. against Datalab, d. d. valued at EUR707,422

The former Partner of Datalab, d. d. E-POS Group, d.o.o. with which the former ceased to cooperate because of failure to fulfill contractual obligations of the Partnership Agreement (allowing use and selling illegal licenses, improper attitude towards users), filed a lawsuit for damages incurred due to the terminated cooperation.

According to the lawsuit and related documentation, Datalab, d. d. considers itself not responsible for the damages, which is also its official answer. The plaintiff's claim will most likely be rejected in full – but certainly for the major part.

No first-level verdict has been returned yet.

IV. Case XXXIX – P – 5524/07 Nezavisna Ekspertska Grupa, d.o.o. Beograd against Datalab, d. d. valued at EUR194,906

Nezavisna Ekspertska Grupa, d.o.o from Beograd and Datalab Tehnologije, d.o.o. from Beograd filed a lawsuit against Datalab, d. d. because of the latter's failure to fulfill its contractual obligations. Datalab, d. d. and the law firm Dragić, Beatović and Partners, which represents the former, have found that the allegations are incoherent. Dragić, Beatović and Partners estimates that the lawsuit will be rejected.

The case is still in progress.

EUR243,377 are allocated for potential compensations from lawsuits.

Debt Execution by Court against Datalab, d. d.

6 |
The claims of the listed debt executions have justifiable grounds, but not in the full value

Plaintiff - creditor	Value in EUR	Reference number, court	Status
PARSUS d.o.o., Škofije	1.200,00	VL 72479/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues
IDC ADRIATICS d.o.o., Zagreb	6.000,00	VL 25184/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues
LAVA d.o.o., Ljubljana	4.717,88	VL 59672/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After the creditor's appeal, the litigation continues at a high court

Comment:

The claims of the listed debt executions have justifiable grounds, but not in the full value ⁶.

Datalab, d. d. as Plaintiff

Defendant	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o., Ljubljana	111.620,93	Pg 2522/2007, District court in Ljubljana	In progress – first level
Republic of Slovenia, Ministry of Higher Education, Science and Technology	384.965,50	U 1817/2008-14, Administrative court	In progress – lawsuit filed

I. Case Pg 2522/2007 Datalab, d. d. against E-POS Group, d.o.o. valued at EUR111,620

Datalab, d. d. terminated cooperation with its former Partner E-POS Group, d.o.o. because of failure to fulfill contractual obligations of the Partnership Agreement (allowing use and selling illegal licenses, improper attitude towards users), and has filed a lawsuit for payment of debt for license fees, software upgrades, subscription charges, membership fees, and a penalty.

It is estimated that the lawsuit will be granted for most of its value.

No first-level verdict has been returned yet.

II. Case U 1817/2008-14 Datalab, d. d. against the Republic of Slovenia, Ministry of Higher Education, Science and Technology, valued at EUR384,965.50

A consortium of companies headed by Datalab, d. d. was chosen on 12 June 2008 by the Ministry of Higher Education, Science and Technology with the decision no. 430-50/2007/123 for co-funding for an R&D project in the amount of EUR384,965.50. On 3 July 2008, the Ministry issued decision 430-50/2007/234, repealing its co-financing grant, and issued a new decision, no. 430-50/2007/273. After reviewing the evaluation documentation on 17 July 2008, Datalab, d. d. considered that its application had been incorrectly evaluated and filed a complaint against decision no. 430-50/2007/273, which the Ministry rejected; therefore Datalab, d. d. filed a lawsuit with the Administrative Court on 12 August 2008, requesting the annulment of the Ministry's decision (no. 430-50/2007/342).

The case is still in progress.

Delničarjem družbe
DATALAB Tehnologije d.d.
Ljubljana

POROČILO NEODVISNEGA REVIZORJA

Revidirali smo priložene računovodske izkaze gospodarske družbe **DATALAB Tehnologije d.d.**, Ljubljana in njenih odvisnih družb, ki vključujejo konsolidiran izkaz finančnega položaja na dan 30. junija 2009, konsolidiran izkaz vseobsegajočega donosa, konsolidiran izkaz sprememb lastniškega kapitala in konsolidiran izkaz denarnih tokov za tedaj končano leto ter povzetek bistvenih računovodskih usmentev in druge pojasnjevalne opombe. Pregledali smo tudi poslovno poročilo. Računovodske izkaze preteklega obdobja pred knjiženjem popravkov bistvenih računovodskih napak je revidiral drug revizor in o tem izdal poročilo z neprilagojenim mnenjem dne 29. oktobra 2008.

Odgovornost posloводства za računovodske izkaze

Posloводство je odgovorno za pripravo in pošteno predstavitev teh računovodskih izkazov v skladu z mednarodnimi standardi računovodskega poročanja. Ta odgovornost vključuje: vzpostavitev, delovanje in vzdrževanje notranjega kontroliranja, povezanega s pripravo in pošteno predstavitvijo računovodskih izkazov, ki ne vsebujejo pomembno napačne navedbe zaradi prevare ali napake, izbiro in uporabo ustreznih računovodskih usmeritev ter pripravo računovodskih ocen, ki so utemeljene v danih okoliščinah.

Revizorjeva odgovornost

Naša odgovornost je izraziti mnenje o teh računovodskih izkazih na podlagi revizije. Revizijo smo opravili v skladu z mednarodnimi standardi revidiranja. Ti standardi zahtevajo od nas izpolnjevanje etičnih zahtev ter načrtovanje in izvedbo revizije za pridobitev sprejemljivega zagotovila, da računovodski izkazi ne vsebujejo pomembno napačne navedbe. Revizija vključuje izvajanje postopkov za pridobitev revizijskih dokazov o zneskih in razkritjih v računovodskih izkazih. Izbrani postopki so odvisni od revizorjeve presoje in vključujejo tudi ocenjevanje tveganj napačne navedbe v računovodskih izkazih zaradi prevare ali napake. Pri ocenjevanju teh tveganj prouči revizor notranje kontroliranje, povezano s pripravljanim in poštenim predstavljanjem računovodskih izkazov družbe, da bi določil okoliščinam ustrezne revizijske postopke, ne pa, da bi izrazil mnenje o uspešnosti notranjega kontroliranja družbe. Revizija vključuje tudi ovrednotenje ustreznosti uporabljenih računovodskih usmeritev in utemeljenosti računovodskih ocen posloводства kot tudi ovrednotenje celotne predstavitve računovodskih izkazov.

Verjamemo, da so pridobljeni revizijski dokazi zadostna in ustrezna podlaga za naše revizijsko mnenje.

Mnenje

Po našem mnenju so konsolidirani računovodski izkazi v vseh pomembnih pogledih poštena predstavitev finančnega stanja družbe **DATALAB Tehnologije d.d.**, Ljubljana in njenih odvisnih družb na dan 30. junija 2009 ter njenega vseobsegajočega donosa in denarnih tokov za tedaj končano leto v skladu z mednarodnimi standardi računovodskega poročanja, kot jih je sprejela EU.

Pojasnjevalni odstavek

Ne da bi izrazili pridržek, opozarjamo uporabnike računovodskih izkazov, da je za celovito predstavitev uspešnosti poslovanja družbe in njenega finančnega položaja potrebno prebrati tudi pojasnila k računovodskim izkazom, iz katerih je med drugim razvidno, da je zaradi knjiženja popravka bistvene računovodske napake v primerjalnih računovodskih izkazih za leto 2008 zadržani dobiček skupaj z oblikovanimi rezervami iz dobička višji za 1.572.805 EUR glede na predstavljene računovodske izkaze v preteklem obdobju.

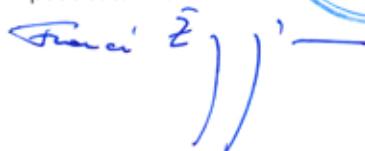
Upravni odbor družbe je zaradi dejstva, da je družba postala trajnejše nelikvidna (insolventna), dne 16.11.2009 zadolžil izvršnega direktorja, da pripravi program finančnega prestrukturiranja družbe.

Poslovno poročilo je skladno z revidiranimi računovodskimi izkazi.

Ljubljana, 17.11.2009

UHY Revizija in svetovanje d.o.o.

Franci Žgajnar
pooblaščen revizor

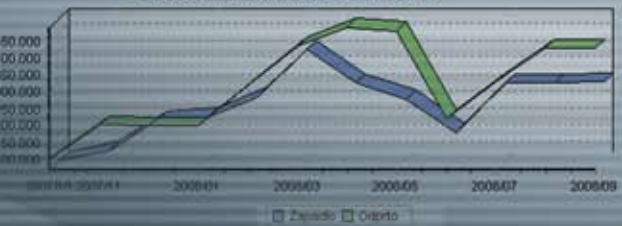


Dolga zapadla terj. po dolžnikih in razredih zap.

Subjekt	90 - 120 dni	121 - 180 dni	nad 180 dni	Skupaj
Buyer Ltd.	0,00	0,00	200.110,00	200.110,00
Partner x	15.000,00	11.000,00	1.500,00	26.500,00
Company Big	0,00	0,00	30.000,00	30.000,00
Leat d.d.	0,00	0,00	25.148,00	25.148,00
Kupec d.o.o.	2.320,00	0,00	0,00	2.320,00
Peter Novak	1.558,80	0,00	0,00	1.558,80
Podjetje d.o.o.	0,00	1.500,00	0,00	1.500,00
Podjetje za izobraževanje	0,00	1.000,00	0,00	1.000,00
Kupec EU d.o.o.	500,00	0,00	0,00	500,00
Kupec Ltd.	0,00	0,00	500,00	500,00
Podjetje d.o.o.	0,00	0,00	500,00	500,00
PIVARELLO SPA	0,00	450,00	0,00	450,00
Doe	0,00	0,00	450,00	450,00

Dolga zapadla terjatev po dolžnikih in razredih zapadlosti.

Stanje odprtih in zap. terjatev za zadnjih 12 mes.



Terjatve do kupcev

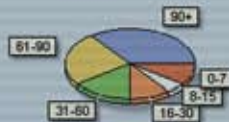
Subjekt	Zapadno	Odprto
Buyer Ltd.	200.110,00	200.110,00
Partner x	36.500,00	366.500,00
Company Big	30.000,00	30.000,00
Leat d.d.	25.148,00	25.148,00
Kupec d.o.o.	2.320,00	7.946,57
Peter Novak	1.558,80	1.558,80
Podjetje d.o.o.	1.500,00	8.400,00

Seznam dolžnikov po velikosti zapadlih terjatev do posameznega subjekta. V primarni vrstici.

Stanje terjatev skupaj

	Vrednost
Zapadno	302.320,00
Odprto	431.957,45

Struktura terjatev



Skupno stanje odprtih terjatev do kupcev.

Struktura zapadlih terjatev do kupcev po razredih zapadlosti. V dnevih.

Kazalniki obračanja in dnevi vezave terjatev

Kazalnik	Vrednost
Dnevi vezave terjatev I	250,81
Dnevi vezave terjatev II	250,83
Obračanje terjatev I	1,46
Obračanje terjatev II	1,46

7

Financial Statements of Datalab, d. d.

Statement of the Management Board of the controlling company

The Management Board of Datalab, d. d. is responsible for drawing up the annual report of the controlling company as well as preparing financial statements in a manner that gives interested parties a true and fair view of the financial standing and operating results of Datalab, d. d. and its subsidiaries in 2008.

The Management Board hereby states:

- that the consolidated financial statement have been prepared under the assumption that Datalab tehnologije, d. d. will continue its business in the future;
- that the chosen accounting policies have been applied consistently and that any accounting policy errors have been disclosed;
- that accounting estimates have been prepared in a fair and well-considered manner and in accordance with the principles of precaution and sound governance;
- that financial statements for Datalab, d. d. and the Datalab group of companies, and the notes to them have been prepared according to applicable laws and IFRS;
- that the business report contains a fair view of the development and results the company's operations and its financial standing, including a description of the risks that the company is exposed to as a whole.

The Management Board of the company is also responsible for proper accounting, adopting measures for preserving property and preventing and detecting fraud and other irregular or illegal activities.

The Management Board hereby approves the financial statements to be published.

Ljubljana, 29 October 2009

Executive Director
Andrej Mertelj

1. FINANCIAL REPORT OF DATALAB, D. D.

2. COMPREHENSIVE INCOME OF DATALAB, D. D. FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

Comparative data about the comprehensive income of Datalab, d. d. for the 2007 Fiscal Year cannot be given.

Item	Note	FY 09	FY 08
Sales	7		2,238,365
Other operating revenue	8		1,271,086
Gross operating income		3,692,055	3,509,451
Cost of materials, goods and services	9		1,308,134
Labor costs	10	1,544,373	1,656,530
Depreciation of fixed assets		86,979	63,292
Depreciation of intangible assets		535,650	373,970
Other operating expenses	11	296,223	604,337
Operating profit (loss)		122,281	-384,655
Financial revenue	12	191,755	158,195
Financial expenses	13	157,151	58,990
Net financial profit (loss)		34,604	99,205
Operating profit (loss) before taxes		156,885	-285,450
Tax on income	14		23,967
Deferred taxes	15	26,571	
Net operating profit (loss) for the Fiscal Year		183,456	-309,417

3. BALANCE SHEET OF DATALAB, D. D. AS OF 30 JUNE 2009

Item	Note	FY 09	FY 08
ASSETS			
Property, plant and equipment	16	94,520	197,282
Intangible Assets	17	3,078,790	2,232,083
Long-term financial investments	18	144,107	142,857
Long-term loans	19	3,502	3,502
Long-term operating receivables	20	534,084	653,344
Long-term deferred costs and accrued revenue	21	20,200	12,280
Deferred tax assets	22	45,867	19,296
Fixed (non-current) assets total		3,921,070	3,260,644
Inventories	23	6,626	10,228
Short-term financial investments	24	122,652	159,550
Short-term operating receivables	25	1,090,343	1,048,500
Cash and cash equivalents	26	36,027	27,917
Short-term deferred costs and accrued revenue	27	50,767	54,957
Current assets total		1,306,415	1,301,152
Assets total		5,227,485	4,561,796
EQUITY			
	28		
Share capital		444,493	444,493
Capital surplus		2,686	2,686
Retained net profit (loss)		1,772,623	1,589,167
Total equity		2,219,802	2,036,346
LIABILITIES			
Long-term financial liabilities	29	198,628	130,876
Long-term operating liabilities	30	85,354	0
Long-term provisions	31	12,496	12,496
Long-term accrued costs and deferred revenue	32	525,728	247,817
Long-term liabilities total		822,206	391,189
Short-term financial liabilities	33	844,350	787,380
Short-term operating liabilities	34	1,135,195	771,170
Accrued costs and deferred revenue	35	205,932	575,711
Short-term liabilities total		2,185,477	2,134,261
Liabilities total		3,007,683	2,525,450
Equity and liabilities total		5,227,485	4,561,796

* Comparative figures as of 1 January 2007 cannot be given because items of RLGS agreements cannot be calculated for past periods.

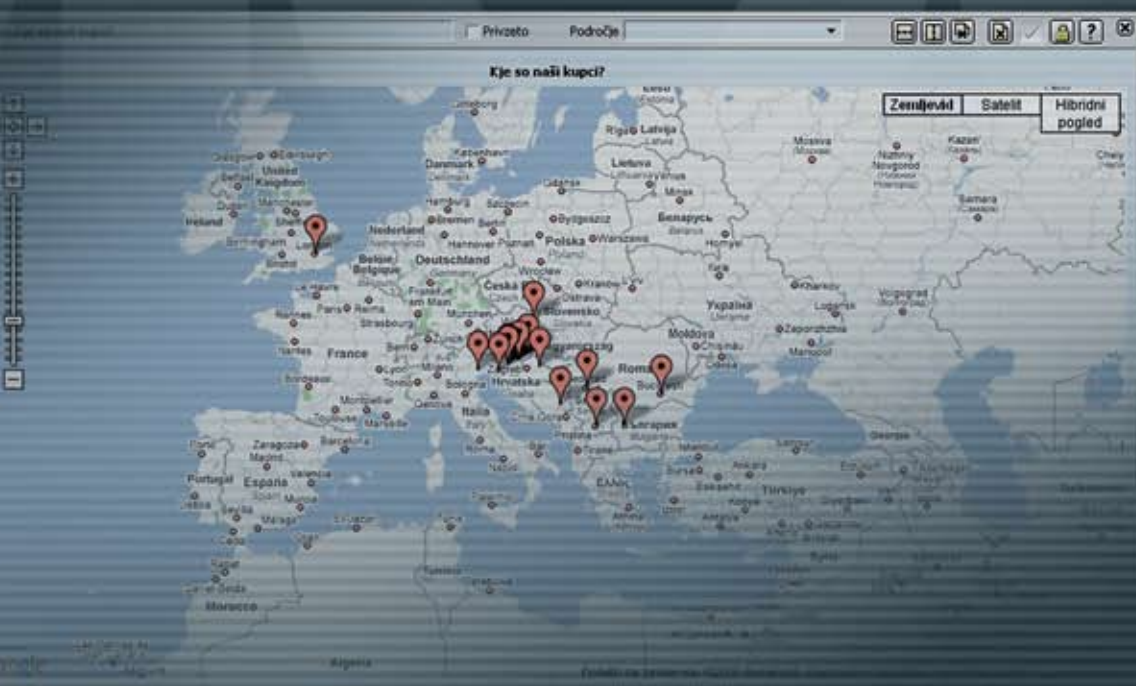
STATEMENT OF CHANGES IN EQUITY FOR DATALAB, D. D. FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

Changes in equity from 1 July 2008 to 30 June 2009	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares (as deduction item)	Retained net profit	Net profit for the Fiscal Year	Total equity
A. Balance as of 1 July 2008 (unadjusted)	444.493	2.686	0	429	-429	14.122	0	461.301
Correction of fundamental error (self-declaration)	0	0	41.763	0	0	1.533.282	0	1.575.045
A1. Balance as of 1 July 2008 (adjusted)	444.493	2.686	41.763	429	-429	1.547.404	0	2.036.346
a) Net profit (loss) for the period	0	0	0	0	0	0	183.456	183.456
b) Establishment of legal reserves	0	0	0	0	0	0	0	0
B. Balance as of 30 June 2009	444.493	2.686	41.763	429	-429	1.547.404	183.456	2.219.802
Accumulated profit (loss)						1.547.404	183.456	1.730.860

CASH FLOW STATEMENT FOR DATALAB, D. D. FOR THE PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

	2009	2008
Net profit (loss)	183.456	-309.417
Adjustments for:		
Revalued operating revenue and expense	24.320	0
Depreciation of property, plant and equipment	86.979	63.292
Depreciation of intangible assets	535.650	373.970
Net financial profit (loss)	-34.605	-99.205
	795.800	28.640
Change in operating receivables, deferred costs and accrued revenue	90.245	-193.078
Change in inventories	3.601	-10.228
Change in short-term operating liabilities, accrued costs and deferred revenue	427.054	26.928
Change in provisions	0	137.511
Change in deferred tax assets	-26.571	0
	1.290.129	-10.227
Interest received	191.755	12.859
Interest paid	-132.006	-38.815
Paid tax on profit	0	0
Net cash flow from operating activities	1.349.878	-36.183
Cash flow from investing activities		
Cash disbursements for acquiring intangible assets	-1.412.216	-231.275
Cash disbursements for acquiring property, plant and equipment	-40.582	-131.694
Expenses for given loans	0	-3.502
Cash disbursements for acquiring investments	-142.120	-77.464
Cash receipts from sales of financial investments	66.523	62.635
Cash receipts from loans	0	38.089
Cash receipts from disposal of intangible assets	2.005	0
Cash receipts from disposal of fixed assets	24.071	0
Net cash flow from investing activities	-1.502.319	-343.211
Cash flow from financing activities		
Paying-up of equity		23.942
Cash receipts from selling own shares		4.681
Cash receipts from long-term financial liabilities	172.533	24.860
Cash receipts from short-term financial liabilities	638.816	379.231

	2009	2008
Cash receipts from short-term financial liabilities	638.816	379.231
Cash disbursements from short-term financial liabilities	-650.798	-30.947
Net cash flow from financing activities	160.551	401.767
Net change in cash and cash equivalents	8.110	22.373
Cash and cash equivalents at the beginning of the year	27.917	5.544
Cash and cash equivalents at the end of the year	36.027	27.917



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8

Notes, important accounting policies and other explanatory information

1. REPORTING COMPANY

Datalab Tehnologije, d. d. Ljubljana, is a Slovenia-based publicly-traded company. It is listed at the Ljubljana Stock Exchange.

The main objective of the company is developing a powerful and reliable ERP system for micro, small and midsize businesses.

The company's principal business activity is 58.290 – Other software publishing.

As of 30 June 2009, the company had 55 employees.

The financial statements of the company for the Fiscal Year ending 30 June 2009 have been approved by the Management Board on 23 September 2009.

2. BASIS FOR DRAWING UP THE STATEMENTS

a) Conformance Statement

The financial statements have been drawn up in accordance with IFRS, as adopted by the European Community, and interpretations of IFRIC, as adopted by the International Accounting Standards Board (IASB).

b) Basis for Measurement

The financial statements have been drawn up considering the original value, except in the following cases, where a fair value has been considered:

- financial derivatives,
- financial instruments at fair value through the operating results,
- financial assets available for sale,
- investment property,
- liabilities for payments in shares settled with cash.

The methods used to measure fair value are described in note number 4.

c) Functional and Presentational Currency

Slovenia introduced the Euro (EUR) as its functional currency on 1 January 2007. In accordance with IFRS 21.37, all assets, liabilities and equity in Slovenian economic subjects have been converted to euros at a SIT: EUR rate of 239.64:1, and revenue and expenses for 2007 were all already expressed in euros. All financial statements in this annual report are in whole euros. There might be slight discrepancies with the total because of rounding.

d) Estimates and Assessments

When preparing financial statements in conformity with IFRS, the management is required to make estimates, assessments and assumptions that affect the use of accounting policies and the presented value of assets, liabilities, revenues and expenses. Actual figures may vary.

Estimates and assumptions have to be constantly reviewed. Corrections to accounting estimates are acknowledged for the period for which the estimates are being corrected and all future years that are affected by the correction.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- note no. 18 – long-term, financial investments;
- note no. 10 – measuring obligations for certain earnings;
- note no. 31 – provisions;
- note no. 39 – valuation of financial instruments and their impairment.

e) Fiscal Year

The company's Fiscal Year starts on 1 July and ends on 30 June in the following year.

3. ACCOUNTING POLICIES

The accounting policies described below have been consistently applied for all periods that are presented in the financial statements herein.

a) Foreign Currency

Foreign currency transactions are converted to the appropriate functional currency of the companies in the Group at the rate on the day of the transaction. Cash and liabilities expressed in foreign currency on the balance sheet date are converted to the functional currency at the going rate. Positive and negative exchange differences are differences between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest, and payments during the period and the amortized cost in foreign currency, converted at the rate at the end of the period. Non-monetary assets and liabilities expressed in foreign currency and measured at fair value are converted to the functional currency at the rate on the day when the fair value has been measured. Exchange differences are recognized in the operating results, but not differences from converting equity instruments held for sale, non-financial liabilities for insurance against risks, or cash flow insurance against risks that are recognized directly in equity.

b) Financial Instruments

Datalab, d. d. classifies its investments into the following categories: financial assets held for sale, financial assets at fair value through the operating results, and loans and receivables. The classification depends on the purpose for which the investment was acquired. In 2009, the company did not have any financial assets for sale and financial assets at fair value through the operating results.

Non-Derivative Financial Instruments

Non-derivative financial instruments include investments in capital and debt securities, operational and other receivables, cash and cash equivalents, received and given loans, and operational and other liabilities.

Non-derivative financial instruments are initially recognized at fair value, increased by (instruments that are not recognized at fair value through the operating results) cost that is directly related to a transaction. After the initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents consist of cash on hand and deposits on demand. Bank account overdrafts that can be settled on demand and are part of cash management in the Group are in the cash flow statement included in cash and cash equivalents.

Accounting of financial income and expense is described in 13. and 14.

c) Equity Capital

i) Called-up Capital

Called-up capital of Datalab, d. d. appears as equity capital that is nominally specified in the company's articles of association, registered at court, and paid in by its owners. Dividends for common stock are recognized in equity in the period for which they were approved by the shareholder assembly.

ii) Reserves for Own Shares

If the company acquires a stake in the parent company, the paid amount including transaction fees without taxes is subtracted from equity as own shares, until those shares are withdrawn, re-issued or sold. If own shares are later sold or re-issued, all received payments excluding transaction fees and related taxes are included in equity.

d) Fixed Assets

Fixed assets (property, plant and equipment) are kept at their original cost, decreased by cumulative depreciation and cumulative loss due to impairment, except for land, which is presented at original cost, decreased by any impairments. Original cost includes all costs that can be directly attributes to the acquisition of a fixed asset. Maintenance and repairs as well as replacement and improvement of minor significance are recognized as expenses in the period they occur. Larger amounts are depreciated over the remaining useful life of a fixed asset or to the day of the next major renovations, whichever is sooner. The residual value and useful life of each fixed asset is checked annually and adjusted if necessary. The book value of a fixed asset is immediately partly written off to the recoverable amount, if the book value is greater than the estimated recoverable amount, and is recognized in the operating results.

Depreciation is calculated using straight-line depreciation, taking into account useful life as follows:

Asset	Depreciation rate in % since 1 July 2008	Depreciation rate in % before 30 June 2008
Computers	50	50
Furniture and chairs	20	20
Vehicle equipment	20	20
Other equipment	20	20

Depreciation calculation starts when a fixed asset is ready for use; unfinished constructions are not depreciated.

Profit and loss from sale or deactivation of a fixed asset is determined by comparing sales revenue with book value. It is included in the operating results.

Fixed assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue, which is then monthly decreased by the depreciation amount.

e) Intangible Assets

Intangible assets are initially measured at their original value.

i) Other Intangible Assets

Intangible assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue – government grants, which is then monthly decreased by the depreciation amount. The depreciation rate for such assets is the same as for assets that the company purchases with own funds.

ii) Subsequent Cost

Subsequent expenses related to intangible assets are capitalized only when they increase future economic benefits which are derived from the asset to which the expenses pertain. All other costs, including trademarks and goodwill generated within the company, are recognized in the operating results as expenses as soon as they occur.

iii) Depreciation

Depreciation is calculated using straight-line depreciation, taking into account useful life of intangible assets (except goodwill) and beginning when the asset is ready for use. Estimated useful life for FY 10 and before that:

Asset	Depreciation rate in % since 1 July 2008	Depreciation rate in % before 30 June 2008
Intangible asset - PANTHEON	10	25
Material rights and copyrights	50	50

f) Leased Assets

Leases for which the company assumes are major forms of risks and benefits related to asset ownership are regarded as financial leases. After initial recognition, a leased asset is presented in an amount equivalent to the fair value, or if it is less than that, the current value of the lowest total of lease payments. After initial recognition, assets are measured in accordance with accounting policies for such assets.

Other leases are treated as operating leases and, with the exception of investment property, leased assets are not recognized in the company's balance sheet. Investment property under operating lease is presented in the company's balance sheet at fair value.

g) Inventories

Inventories of goods are initially valued at their original cost, composed of purchase price, import duties and direct procurement costs. The purchase price is decreased by any discounts. Direct procurement costs are transport costs, handling costs, transport insurance, goods tracking, intermediation costs and similar costs to the first warehouse if borne by the customer, and non-

refundable duties. Purchase price discounts include those specified in invoices as well as those granted subsequently that pertain to a certain delivery.

Inventories consist only of advertising materials from the PANTHEON Online Shop and are not subject to revaluation or impairment.

Decrease in value of inventories in materials and small tools is charged to the cost of materials, while the decrease in value of goods is charged to the relevant operating expenses. Consumption of goods is accounted on the basis of the average cost method.

The cost of inventories includes the purchase price, customs and other duties (excluding those that are subsequently refunded by tax authorities), transport cost, handling and other costs, that can be attributed directly to the acquired goods, materials or services. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

Consumption of materials is accounted on the basis of the method of average cost in the period.

The net realizable value is the estimated sale price achieved in normal operation, minus estimated cost of finishing and estimated cost of selling.

h) Impairment of Assets

i) Financial Assets

The company assesses the value of financial assets on the reporting date to determine if an objective sign of asset impairment exists. A financial asset is impaired if objective proof exists that one or more events led to a decrease in expected future cash flows from that asset.

Loss due to impairment related to a financial asset, presented at amortized cost, is calculated as the difference between the asset's carrying value and expected future cash flows, discounted at the original interest rate.

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts.

Receivables that are assumed not be settled on time or in full, are regarded as doubtful; if legal action has been initiated they are regarded as disputed.

Receivables are adjusted if the need arises, which is considered based on individual estimates of recoverability.

Investments in subsidiaries are valued at their original cost.

Loss due to impairment of financial assets held for sale is calculated according to an asset's current fair value.

For key financial assets, the estimation of impairment is performed individually. The impairment estimation of other financial assets is performed in groups according to common properties in risk exposure.

All impairment losses are presented in the profit (loss) statement for the period. Any accrued loss related to financial assets held for sale that was recognized directly in equity is transferred to the operating results.

The loss due to impairment is derecognized if it can be objectively attributed to an event that occurred after the impairment has been recognized. For financial assets presented at amortized cost and financial assets held for sale, which are debt instruments, the derecognition of loss due to impairment is presented in operating results. Derecognition of financial assets held for sale that are equities are presented directly in equity by the company.

ii) Non-Financial Assets

On each reporting date, the company checks the remaining carrying value of non-financial assets of the company, except biological assets, investment property, inventories and deferred tax assets, to determine any signs of impairment. If such signs exist, the asset's recoverable value is estimated. An estimate of the impairment of goodwill and intangible assets with an unspecified useful life that are not yet ready for use is performed on every reporting date.

The recoverable value of an asset or a cash-generating unit is its value in use or its fair value minus cost of selling, whichever is higher. When determining an asset's value in use, expected future cash flows are discounted to their current value at pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset. To test for impairment, assets are grouped into the smallest possible groups that generate cash flow from permanent use, largely independent from those from other assets or asset groups (cash-generating units). To test for impairment, goodwill obtained from mergers is distributed to cash-generating units that are expected to benefit from the synergy of merging.

Impairment of assets or cash-generating units is recognized if their book value is greater than their recoverable value. The impairment is presented in operating results. Loss that is recognized for cash-generating units due to impairment is allocated in such a way that first the book value of goodwill allocated to a cash-generating unit is decreased, and then to other assets of the unit (group of units) in proportion to the book value of each asset in the unit.

Loss due to impairment of goodwill is not derecognized. For other assets, the company assesses loss due to impairment in previous periods on the balance sheet date and thus determines if the loss has decreased or is not present at all. Loss due to impairment is derecognized if the assessments have changed based on which the company determines an asset's recoverable value. Loss due to impairment is derecognized to the amount up to which the increased book value of an asset does not exceed the book value that would have been determined after subtracting depreciation, if no loss due to impairment had been recognized in previous years.

i) Employee Benefits

i) Other Long-Term Employee Benefits – Allocations for Severance Pays and Long Service Rewards

The company's net liability for long-term employee benefits is the sum of future benefits that employees have acquired for their services performed in the current and past periods. That amount of benefits is then discounted to determine its current value, and the decreased by the fair value of all related assets. The discount rate is the reported return of AA rated bonds the maturity of which is roughly the same as the maturity of the company's obligations. The calculation uses the projected unit credit method. Any actuarial gains and losses are recognized in the operating results of the period of their occurrence.

ii) Short-Term Employee Benefits

Liabilities for short-term employee benefits are not discounted and are presented as expenses after an employee's work related to a given short-term benefit is complete.

Liabilities are presented in the amount for which payment is expected in the form of a premium, payable within twelve months of finishing work, or a profit-sharing scheme if the company has a current legal or indirect commitment for such payments due to past work of an employee and the liability can reliably be measured.

j) Allocations

Allocations are recognized when the company has a current legal or indirect commitment due to past events, if it is likely that settlement will require fund outflow and that the amount can reliably be estimated.

i) Post-Employment Benefits

Employees are entitled to severance pay when they retire, which is recognized when they conclude their employment in accordance with the Employment Act. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees.

Severance pay upon retirement when due reduces the established provisions.

ii) Other Long-Term Benefits

Employees are entitled to long-term service rewards that are recognized when an employee reached a certain length of service. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees. Actuarial valuation is performed on June 30 and is properly presented in operating results. Long service rewards when due reduce the established provisions.

k) Revenue

ii) Sales of Products

Sales of products are recognized at fair value of the received payment or liability, decreased by refunds, rebates and quantity discounts. Revenue is presented when a customer assumes all major forms of risks and benefits related to asset ownership, when there is certainty about the ability to pay compensation and the related expenses or about the option for returning products, when the company ceases to decide on sold products, and when the revenue amount can reliably be measured.

Transferring risks and benefits depends on the terms of the purchase contract. For goods sales, the transfer is generally made after the goods have arrived at the customer's warehouse, but for some international deliveries the transfer is made when the goods are loaded for transport.

ii) Sales or Services

Sales of services are recognized in operating results based on the service's stage of completion on the reporting date. The state of completion is assessed with a review of the completed tasks.

A majority of the company's revenue is from sales of licenses and upgrade agreements. Apart from regular purchasing licenses outright, customers can also pay with a 5-year installment plan, or lease it for six years (hereinafter referred to as RLGS Agreements). Revenue from RLGS Agreements is composed of license fees, upgrades and financing.

Income from tenders, subsidies or grants is financed by the company at the signing of the contract and in the moment when their occurrence becomes certain.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

explanation on allocations and contingent liabilities;

valuation of assets.

iii) Revenue from Rents

Revenue from rents and investment property is recognized in revenue on a straight line basis over the term of the rent. Any given rent-related incentives are recognized as a part of total revenue from rents.

l) Government Grants

Government grants are initially recognized in accounting statements as deferred revenue, if there is reasonable assurance that the company will receive said grants and will fulfill the necessary requirements. Government grants received for covering costs are recognized strictly as revenue in the periods when said costs occur, that the grants should be covering. Grants related to assets are recognized in operating results strictly as other operating revenue in the useful life of an asset.

m) Financial Leases

Payments from financial leases are recognized as revenues on a straight line basis over the lease term. Any received lease-related incentives are recognized as a part of total expenses for leases.

The minimum lease payments due are distributed among financial expenses and decrease of outstanding debt. Financial expenses are distributed among periods over the lease term to get a fixed interest rate for the outstanding debt balance for each period. The company presents contingent payments from financial leases in the amount that, when the lease is changed, the minimum lease payment for the remaining term is re-assessed.

Contingent payments from financial lease are presented when the contingent liability no longer exists and when the change in the financial lease's value is known, namely in the amount determined by reassessing the minimum lease payment in the remaining term of the lease.

n) Financial Revenue and Financial Expenses

Financial revenue consists of interest from investment (including financial assets held for sale), dividend revenue, revenue from disposal of financial assets held for sale, changes in fair value of financial assets at fair value through operating results, and gains from instruments for insurance against risks, which are recognized in operating results. Revenue from interest is recognized in operating results upon its occurrence using the effective interest rate method. Dividend revenue is

recognized in operating results on the day the shareholder's right to payment is exercised, which is for listed companies generally the date when the right to current dividends ceases to be related to the share.

Financial expenses consist of borrowing costs, differences from recalculating allocation discounts, dividends from preferred shares presented among liabilities, changes in fair value of financial assets at fair value through operating results, loss due to impairment of financial assets, and loss from instruments for insurance against risks, which is recognized in operating results. Borrowing costs are recognized in operating results using the effective interest rate method.

Profit and loss from exchange differences are presented in net amounts.

o) Tax on profit

The tax on profit or loss in the Fiscal Year consists of current tax and deferred tax. The tax on profit is presented in operating results, except for the part pertaining to items that are presented directly in equity and is therefore presented in equity.

Current tax is the tax expected to be paid from taxable profits for the Fiscal Year, using the tax rates that have been enacted or substantively enacted by the reporting date, and any adjustments to tax liabilities related to past Fiscal Years.

Deferred tax is presented using the balance sheet liabilities method, whereby temporary differences between asset and liability book value for financial statements and amounts for tax reporting are taken into account. The following temporary differences are not included: initial recognition of assets or liabilities in transactions other than mergers that have no effect on accounting profits or taxable profits, and differences related to investments in subsidiaries and jointly-controlled companies in the amount that is likely not to be derecognized in the foreseeable future. Furthermore, the deferred tax is not presented if there are taxable temporary differences at the initial recognition of goodwill. Deferred tax is presented in the amount that is expected to be payable upon derecognition of temporary differences based on laws enacted or substantively enacted by the reporting date. The company sets off deferred tax assets liabilities, if it has a legally enforceable right to set off recognized current tax assets and liabilities and if they pertain to the tax on profit levied by the same taxation authority in connection with the same taxable unit; or different taxable units that either intend to settle current tax liabilities and tax assets with a difference, or simultaneously recover assets and settle liabilities.

Deferred tax assets are recognized in the amount for which it is likely that a future taxable profit will be available that might be used to cover the deferred asset. Deferred tax assets are reduced by the amount for which it is not likely that asset-related tax reliefs can be claimed.

4. DETERMINING FAIR VALUE

Considering the company's accounting policies and breakdowns, many times a fair value of financial and non-financial assets and liabilities must be determined. The fair values of single asset groups for the purpose of measuring or reporting are determined herein. Additional explanations regarding assumptions for determining fair value are given along individual breakdowns of the company's assets or liabilities.

i) Fixed Assets

The fair value of fixed assets from business combinations is equal to their market value. The market value of immovable property is equal to the estimated value at which the property could be sold by a willing seller to a willing buyer at arm's length on the day of the valuation and after appropriate marketing. The market value of plant, equipment, furniture and fixtures is based on the offered market price of similar objects.

ii) Intangible Assets

The fair value of patents and trademarks acquired through business combinations is based on the estimated discounted future value of royalties, which will not need to be paid because the patent or trademark is already owned. The fair value of their intangible assets is determined by taking the current value of estimated future cash flows that are expected from their use or potential sale.

iii) Operating and Other Receivables

The fair value of operating and other receivables is calculated as the current value of future cash flows, discounted at market interest rates on the reporting date.

iv) Non-Derivative Financial Liabilities

The fair value is for reporting purposes calculated based on the current value of future payouts of the principal and interest, discounted at the market interest rate on the reporting date. In connection with the portion of liabilities from convertible bonds, the market interest rate is determined by comparing with similar liabilities that cannot be converted to equity. For financial leases, the market interest rate is determined by comparing with similar lease contracts.

5. FINANCIAL RISK MANAGEMENT

The company does not use financial instruments. The company assesses financial risks within the following groups:

- credit risk,
- reduced liquidity,
- market risk.

This chapter discusses the company's exposure to said risks, its goals, policies and procedures for measuring and managing risks, and its handling of capital. Other quantitative disclosures can be found in the continuation of the Notes to the financial statements.

The management is fully responsible for establishing the company's framework for risk management. The finance and accounting department deals with risk measurement and management. The person responsible for finance and accounting reports to the Executive Director about activities in this field.

Risk management policies are designed to define and analyze risks that threaten the company, based on which proper restrictions and controls are set up, risks monitored and restrictions respected. Risk management policies and systems are regularly checked to reflect changes in market conditions and the company's activities. With training as well as standards and procedure for risk management, the company endeavors to develop a disciplined and constructive environment where all employees are aware of their roles and responsibilities.

The Management Board ensures that risk management policies and procedures are respected, and assesses the suitability of the risk management framework for the risks that the company faces.

Credit Risk

Credit risk is the risk the company will suffer financial loss if a client or a contracting party in a financial instrument agreement fails to fulfill its contractual obligations. Credit risk arises primarily from the company's receivables from clients and investment securities.

Operating and Other Receivables

The company's exposure to credit risk depends largely on the characteristics of individual clients. Client demographics and risk of non-payment with regard to the industry or country of a client do not have a significant effect on credit risk. Geographically speaking, there is no concentrated credit risk.

The finance and accounting department assesses each new client's creditworthiness before it is given standard terms of payment and delivery. The assessment factors in external ratings if they exist, and in some cases also bank references. The credit limit is set in the form of a maximum outstanding amount that need not be approved and is client-specific; credit limits are checked every four months. Clients that do not meet the company's standard creditworthiness are required to make payments in advance.

The company makes adjustments for impairments that represent estimated losses from operating and other receivables and investments. The main elements of adjustments are the special part of the loss, which pertains to single major risks, and the common part of loss, which is for groups of similar assets due to losses that have occurred but have not yet been identified. The adjustment for total loss is determined by factoring in historical data that pertains to statistics of payments for similar financial assets.

Guarantee

In line with its policies and financial capacity, the company issues financial guarantees only to wholly-owned subsidiaries.

Liquidity Risk

Liquidity risk is the risk that the company might not be able to settle its financial obligations when due. The company maintains maximum liquidity by having sufficient liquid assets to settle obligations in time, both in normal and troubled circumstances, without incurring unacceptable loss or reputation damage.

The company has several credit lines for ensuring liquidity where it can draw from if the need arises.

Market Risk

Market risk is the risk that fluctuations in market factors, such as interest rates, exchange rate and equity instruments, will affect the company's revenue or value of financial instruments. The objective of market risk management is the control over exposure to market risks to a reasonable degree, while optimizing profits.

Currency Risk

The company is exposed to currency risk when buying, selling, lending and borrowing, specifically when making transactions in currencies other than the functional currency. The company operates mostly with euros.

The significance of the key currency pair has changed since the introduction of the euro, because no currency pair fits into this category, but due to unbalanced foreign currency positions, some of the more important currency pairs have been identified that are geographically related to the company's subsidiaries: euro/Croatian kuna, euro/Macedonian denar and euro/Serbian dinar. The Group attempts to reduce currency risks by factoring them into markups, by balancing purchases and sales, with well-timed foreign currency coverage of inflows with outflows, and by taking out loans in the local currency.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate due to variable interest rates. The majority of the company's debt instruments are bound to Euribor, therefore operations are exposed to interest rate risk. Interest rate risk is reduced by adapting interest rates for assets to interest rates for liabilities; furthermore, simulations are performed on the balance sheet in regard to absorption of financing in relation to interest rate fluctuation.

Equity Risk

The Management Board decided to keep equity large in order to build the trust of investors, creditors and the market, and to facilitate the company's sustainable growth. The Management Board monitors the capital gains that the company defined as net operating revenue, divided by the total shareholder's equity, excluding non-redeemable preferred shares and minority stakes. Also monitored is the dividend amount paid to common shareholders.

The company endeavors to keep a balance between high yields supported by large loans and the benefits and security of a strong equity position.

The company occasionally buys own shares, depending on the current market price of the share. In general, such shares are intended for profit sharing schemes. The decision for buying and selling shares is made by the risk management committee separately for each transaction. The company does not have a special plan for buying own shares.

The company did not change its equity management policies in this Fiscal Year.

Neither the parent company nor its subsidiaries are subject to equity requirements set by external entities.

6. TAX SELF-DECLARATION ACCORDING TO ARTICLE 55 OF THE TAX PROCEDURE ACT (ZDAVP-2)

Datalab, d. d. has decided, based on a written opinion of one of the most reputable tax consulting firms, to perform self-declaration according to article 55 of the Tax Procedure Act (ZDavP-2).

Summary of the opinion:

»It has been undisputedly determined that according to Slovene Accounting Standards (SAS) and International Accounting Standards (IAS) the computer program that is marketed, upgraded and maintained by Datalab, d. d. represents an intangible asset and must be presented as such in business and tax records.

Datalab, d. d. has been recording said computer program off balance sheet. Consequently, the corporate tax has been calculated on a different basis than it would have it

said computer program had been recognized as an intangible asset. It is our opinion that such a method of recording transactions pertaining to said computer program poses a certain risk in the case of a tax inspection, as it may decide that Datalab has been wrongfully lowering its tax basis for costs directly related to software development, instead of presenting those costs as purchase cost of an intangible asset the value of which is gradually depreciated.

it is our opinion based on the established facts that you should self-impose taxes for the whole period that has not relatively lapsed yet, which is from 2004 (including) onwards. For all those tax periods you are to lodge tax accounts to the competent tax authority based on tax self-declaration as defined in article 55 of the Tax Procedure Act (ZDavP-2).

It is our opinion that this case does not allow actions in accordance with article 14 of the Corporate Income Tax Act (ZDDPO-2), which deals with corrections in accounting records, because it does not involve accounting errors in the sense of section 8 of the Introduction to SAS and IAS 8, where accounting errors are defined as errors in recognizing, valuing, presenting and/or disclosing information of financial statements. Errors are omissions of items and misstatements in financial statements for past periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were approved for issue and could reasonable be expected to have been obtained and taken into account in the preparation of those financial statements. With errors it must be taken into account that they are a result of negligent, but most of all unconscious actions and can be classified as unintentional mistakes in preparing and presenting accounting information. It cannot be ignored that you presented said computer program off balance sheet where you listed the production cost of your ERP system PANTHEON, which actually means that you were aware of the fact that the product is suitable for recognition among intangible assets, as it provides economic benefits and also its cost can reliable be measured.«

Summary of major changes:

- The carrying value of the ERP system PANTHEON as of 30 June 2009 amounts to EUR2,926,606. The production cost until now amounts to over EUR9 million. From 2004 to 2007, a depreciation rate of 25% was used, and since the 2007/2008 Fiscal Year a 10% rate in accordance with internal regulation, along with an impairment method for modules that are defunct or with no value due to legislation changes (e.g. turnover tax module, tools for the transition to the euro).
- Allocations have been established for potential compensations from legal proceedings in the amount of EUR243,377.
- Retained net profit of Datalab, d. d. as of 30 June 2009 amounts to EUR1,506,962, while the net profit for the Fiscal Year amounts to EUR183,422 decreased by legal reserves in the amount of EUR9,171.
- The method for calculating capitalized own products and services is consistent with the information submitted to the Tax Administration (DURS) with the form for filing R&D tax reliefs.

Profit (Loss) Statement for the Years 2004 through 2009 – Tax Self-Declaration

	2004	2005	2006	2007	2008	2009	skupaj
Operating revenue	994.145	1.590.644	1.880.650	996.334	2.265.258	2.311.296	10.038.327
Capitalized services	723.690	1.005.864	1.335.167	638.150	1.242.223	1.380.759	6.325.853
Gross income	1.717.835	2.596.508	3.215.817	1.634.484	3.507.481	3.692.055	16.364.180
Operating expenses	1.170.242	2.157.973	2.621.534	1.574.728	3.892.099	3.561.887	14.978.463
Cost of materials, goods and services	433.246	795.652	966.621	568.530	1.308.134	994.392	5.066.575
Labor costs	339.092	506.067	679.173	567.214	1.544.373	1.656.530	5.292.449
Write-offs	59.848	94.892	89.760	108.743	165.367	226.388	744.998
Depreciation of PA	82.923	253.527	440.379	289.136	321.952	399.071	1.786.988
Direct write-off of PA	171.683	408.307	437.539	35.177	534.528	25.025	1.612.259
Other operating expenses	83.450	99.528	8.062	5.928	17.745	260.481	475.194
Operating profit	547.593	438.535	594.283	59.756	-384.618	130.168	1.385.717
Financial revenue	4.402	8.317	11.538	8.508	158.195	191.755	382.715
Financial expenses	2.112	6.430	16.888	10.379	58.990	157.151	251.950
Extraordinary revenue	159	129	21.165	1.580	1.970	-	25.003
Extraordinary expenses	13	484	9.105	3	2.007	7.887	19.499
Profit (loss)	550.029	440.067	600.993	59.462	-285.450	156.885	1.521.986
Tax on profit	39.885	-	34.613	-	23.967	-26.571*	71.894
Net profit (loss)	510.144	440.067	566.380	59.462	-309.417	183.456	1.450.092
Carrying value of capitalized services	469.084	813.114	1.270.363	1.584.200	1.969.943	2.926.606	
Depreciation rate for PA	25%	25%	25%	25%	10,00%	10,00%	

Tax Account for the Years 2004 through 2009 – Tax Self-Declaration

	2004	2005	2006	2007	2007/08
Income before tax self-declaration	959.375,00	1.596.134,00	1.913.354,00	1.006.421,77	2.425.424,00
Increase in transfer price income					197
Increase in capitalization income	723.690,00	1.005.864,00	1.335.167,00	638.150,00	1.242.223,00
Income adjustment – decrease in disposal of ownership stakes					-9.409,94
Expense before tax self-declaration	-871.796,00	-1.503.054,00	-1.769.607,00	-1.260.796,86	-2.866.020,00
Increase in expenses for depreciation and direct write-off	-254.606,00	-661.834,00	-877.918,00	-324.313,00	-856.480,00
Increase in expenses for commissions					-230.598,00
Increased basis for unrecognized expenses		14.044,00	23.885,00	75.535,90	141.682,99
Increased basis for anticipated exercising of tax reliefs			1.918,00		
Increased basis due to accounting policy changes					601.656,00
Increased basis – exclusion of profits 5%					471
Tax basis	556.663,00	451.154,00	626.799,00	134.997,81	449.146,05
Relief applicable to donations			-3.232,00		
Relief applicable to employment		-9.795,00	-5.119,00	-4.443,00	
Investment relief	-334.971,00	-426.992,00	-277.468,00		-30.000,00
Investment reserve	-55.666,00	-6.484,00			
Relief for pension plan	-6.488,00	-7.883,00	-9.472,00	-15.592,00	-53.439,00
Unused investment relief from previous periods			-21.589,00		-12.667,00
Relief applicable to development			-171.464,00	-114.962,81	-246.520,00
Tax basis	159.538,00	-	309.919,00	-	106.520,05
Tax on profit	39.884,50	-	34.613,75	-	23.967,01
Tax on profit before tax self-declaration	-6.709,54	9.182,00	-	-	-
Tax on profit – supplementary payment	33.174,96	-	34.613,75		23.967,01

7. SALES

in EUR	FY 09	FY 08
Sales	2.113.437	2.238.365
Sales in the domestic market	1.455.331	1.749.376
Sales of products and services, excluding leases	1.206.692	1.686.517
Revenue from leases, subscriptions	228.315	62.148
Sales of goods and materials	20.324	711
Sales in the EU	3.594	0
Sales of products and services in the EU	3.594	0
Sales in outside the EU	654.512	488.989
Sales of products and services	654.512	488.869
Sales of goods and materials	0	120

Datalab, d. d. licenses its program PANTHEON also with leases and subscriptions. Since 1 July 2008, when such a licensing agreement is entered into, the company immediately records the value of the license, and revenue from software upgrades and financing is recorded monthly until the agreement expires.

8. OTHER OPERATING REVENUE

The majority of other operating revenue are capitalized own products and services in the amount of EUR 1,380,759, which represents the development of PANTHEON.

The item Subsidies, grants, allowances, compensations and other revenue associated with products and services includes income from the purchase of new technological equipment in 2007/2008 that was co-financed by the Slovenian Enterprise Fund. In this Fiscal Year, income from the purchase of technological equipment has been completely recorded. Such income was financed in the amount of EUR 135,575 of depreciation of the purchased equipment.

Other operating revenue in FY 09 is composed of revenue from the changed posting method for leases and subscriptions in the amount of EUR 58,680 and revenue from selling fixed assets in the amount of EUR 3,535. Other revenue contains revenue from received compensations and rounding differences in the amount of EUR 69.

9. COST OF MATERIALS, GOODS AND SERVICES

The cost of materials is the quantity of direct materials consumed. Costs of services are costs that do not count as costs of materials, depreciation or labor, but costs of transportation services, production stages performed by others, utility and telecommunication services, rentals, payment services, cost of Partner commissions, and similar. Costs of services include work contracts costs, author's contract costs and costs associated with other legal relations, except employment relationships with private individuals.

The total costs of materials, goods and services are composed as follows.

in EUR	FY 09	FY 08
Cost of materials, goods and services	994.392	1.308.134
Cost of goods sold	23.394	8.946
Cost of materials	24.961	35.613
Cost of energy	15.749	16.352
Other costs of materials	4.466	12.535
Cost of services for making products and rendering services	66.682	230.597
Transport services	18.272	34.593
Rents	158.051	165.537
Reimbursement to employees for work-related expenses	25.725	32.692
Cost of payment services, banking services and insurance premiums	14.799	15.800
Cost of intellectual and personal services	200.945	291.755
Cost of exhibitions, advertising, promotion and entertainment	98.855	223.275
Cost of services of private individuals	23.021	52.593
Cost of other services	288.843	130.891
Bonuses to trainees and students including taxes	30.629	56.955

Other costs of materials consist mostly of office supplies. Other costs of services are most of all costs of external contractors related to the development and finalization of PANTHEON 5.5 and marketing activities related to the presentation and promotion of said product.

10. LABOR COSTS

Labor costs and reimbursements to employees are accounted in accordance with applicable laws, collective agreements, internal company regulations, or employment contracts. Accounted labor costs correspond to related short-term liabilities until settled. Liabilities for salaries and wages are represented as liabilities to individual employees in their net amounts and as withheld obligations for taxes, included in their gross salaries. Also presented are obligations and taxes that are accounted on the basis of gross payments and which are not part of them. Voluntary supplementary pension insurance for employees is arranged with a collective pension insurance at a pension plan operator that is certified for voluntary supplementary pension and disability insurance.

Labor costs are composed as follows:

in EUR	FY 09	FY 08
Labor costs	1.656.530	1.544.373
Cost of wages and salaries	1.197.190	1.101.173
Cost of pension insurance	165.221	152.373
Cost of other social insurances	100.619	112.974
Other labor costs	193.500	177.853

The figures in the tables below include labor costs and compensation borne by the employer, other labor costs (annual leave bonuses, other remuneration, net reimbursements, benefits), reimbursement of work-related expenses and voluntary supplementary pension insurance. The figures are for the 2009 Fiscal Year.

Attendance fees for the supervisory board include cost of attendance fees and reimbursements for internal and external members of the supervisory board.

Members of management	Payments in FY 09 in EUR	Payments in FY 08 in EUR
Andrej Mertelj	53.395	64.059
Zvone Arzenšek (until 31 Jan. 2009)	21.778	39.685
Matjaž Viher (until 31 Jan. 2009)	23.458	42.846
Rok Perković (until 15 Feb. 2009)	26.670	40.319
Matej Golob (until 15 Nov. 2008)	17.629	48.838
Lojze Zajc	7.140	0
Total	150.070	235.747

Member of the Supervisory Board	Payments in FY 09 in EUR	Payments in FY 08
Fortič Matjaž	1.325	7.685
Janez Bregar	595	5.231
Tomaž Teyrovsky	595	5.231
Černe Tone	396	0
Total	2.911	18.147

11. OTHER OPERATING EXPENSES

in EUR	FY 09	FY 08
Other operating expenses	296.223	604.337
Compensations, provisions	243.377	1.936
Other costs	24.991	17.816
Revalued operating expenses	27.855	584.585

The majority of other operating expenses in the amount of EUR243,377 consist of allocations for expected payments from lost lawsuits.

Other operating expenses in FY 09 consist of expenses from the changed posting method for leases and subscriptions in the amount of EUR7,524, expenses for contributions for the promoting employment of people with disabilities in the amount of EUR10,823, and court fees, rounding differences and expenses not recognized for tax purposes in the amount of EUR6,644.

Revalued operating expenses consist of the write-off of a PANTHEON program module in the amount of EUR25,025, and the loss from fixed asset disposal in the amount of EUR2,830.

12. FINANCIAL REVENUE

in EUR	FY 09	FY 08
Financial revenue	191.755	158.195
Sales of the company E-POS Rešitve	0	18.820
Financial revenue from loans given to others	4.427	14.412
Financial revenue from loans given within the group	3.419	6.168
Financial revenue from operating receivables	183.909	118.795

Financial Revenue from Given Loans

In 2009, the company generated financial revenue from loans given to companies and other entities in Slovenia in the amount of EUR4,427 and to foreign subsidiaries in the amount of EUR3,419. Financial revenue arises from given short-term loans (up to 12 months) with an annual interest rate of 7 to 8%.

Financial revenue from operating receivables

Financial revenue from operating receivables consists of revenue from interest:

in EUR	FY 09	FY 08
Financial revenue from operating receivables	183.909	118.795

In 2009, the company generated most of its financial revenue from operating receivables from leases and subscriptions. This amounted to EUR160,269 in 2009 and in 2008 to EUR118,734. Financial revenue in the amount of EUR11,833 arises from sales of licenses and upgrades to companies in the group with a maturity of 24 months. Other revenue in the amount of EUR11,807 consists of exchange differences, interest on deposits, and default interest from clients' late payments.

13. FINANCIAL EXPENSES

in EUR	FY 09	FY 08
Financial expenses	157.151	58.990
Financial expenses for loans received from banks	53.052	42.670
Financial expenses from commissions - Diners	40.770	0
Impairment of the investment in Datalab MK	0	16.320
Other financial expenses	63.329	0

In 2008, Datalab, d. d. started cooperating with the company Diners Club SI, d.o.o. in the field of financing and recovery of lease and subscription agreements. Financial expenses from agreement financing amounts to EUR32,985 and from recovery EUR7,785.

Other financial expenses in the amount of EUR63,329 consist of default interest to suppliers and lessors and default interest due to late payments to the state.

NET CASH FLOW

in EUR	FY 09	FY 08
Financial revenue	191.755	158.195
Financial expenses	157.151	58.990
NET CASH FLOW	34.604	99.205

14. TAX ON INCOME

The corporate income tax is accounted based on the income and expense that are included into the profit (loss) statement according to applicable law. Despite the profit in FY 09, the Group did not account for the corporate income tax because it exercised tax reliefs.

Effective rate of the tax on income for Datalab, d. d.:

in EUR	FY 09	FY 08
Gross operating profit or loss before taxes	156.885	-285.450
Applicable tax rate	21,50%	22,50%
Tax amount at applicable rate before changes to tax basis	33.730	-64.226
Effects of changed tax basis	-232.183	391.971
Expenses not recognized for tax purposes	73.968	141.683
Effect of change in accounting policy	0	601.656
Increase in transfer price income	0	197
Decrease of income – disposal of ownership stakes	0	-9.410
Increased basis – exclusion of profits 5%	0	471
Difference in recognition of income and expenses	0	0
Adjustments due to different tax rates	0	0
Reliefs	-306.151	-342.626
Other permanent differences	0	0
Effective tax rate	0	7%
Current and deferred tax	0	0

15. REVENUE FROM DEFERRED TAXES

Revenue from deferred taxes represents an increase in deferred tax assets in the amount of EUR26,571 from unused reliefs for research and development.

16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the amount of EUR94,520 consists of computers and computer equipment. The company does not own any property.

Plant and equipment in the amount of EUR108,009 was acquired with a long-term loan from Raiffeisen banka in the previous Fiscal Year. Assets in the amount of EUR32,188 were acquired by financial lease from SKB Leasing in 2007. Other plant and equipment was acquired with own funds.

Movement of fixed assets from 1 July 2008 to 30 June 2009:

Cost	Other plant and equipment	Total
Balance as of 1 July 2008	456.526	456.526
Acquisition, activation	4.085	4.085
Disposal, write-off	106.476	106.476
Upward revaluation of fixed assets	668	668
Balance as of 30 June 2009	354.803	354.803
Value adjustment		
Balance as of 1 July 2008	259.244	259.244
Disposal, write-off	86.107	86.107
Depreciation	86.979	86.979
Upward revaluation of fixed assets	167	167
Balance as of 30 June 2009	260.283	260.283
Carrying value		
Balance as of 1 July 2008	197.282	197.282
Balance as of 30 June 2009	94.520	94.520

The book value of the equipment acquired with financial lease was EUR5,992 as of 30 June 2009 (EUR43,912 as of 30 June 2008).

Plant and equipment acquired with financial lease consists mostly of computers, computer equipment and a personal vehicle. Fixed assets acquired with financial lease become property of Datalab, d. d. upon expiration of the lease agreement.

17. INTANGIBLE ASSETS

An intangible asset is an asset used for long-term production or supply of goods or services, for rental to others, or for administrative purposes, but without physical substance. Datalab, d. d. presents material rights and copyrights at their carrying value, being the difference between the cost and the value adjustment.

Intangible assets in the value of EUR3,078,790 represent the value of purchased components and other copyrights pertaining to PANTHEON, and various licenses that allow normal work of

the PANTHEON development team. The largest part of intangible assets is the capitalization of PANTHEON, which is explained in more detail in the chapter Tax Self-Declaration.

Datalab, d. d. has no significant fully depreciated intangible assets.

Intangible assets for FY 09

Cost	Long-term property rights
Balance as of 1 July 2008	3.753.063
Acquisition, activation	1.403.467
Deactivation	34.090
Upward revaluation of intangible assets	8.749
Balance as of 30 June 2009	5.131.189
Value adjustment	
Balance as of 1 July 2008	1.520.980
Depreciation	535.650
Deactivation	8.901
Upward revaluation of intangible assets	4.670
Balance as of 30 June 2009	2.052.399
Carrying value	
Balance as of 1 July 2008	2.232.083
Balance as of 30 June 2009	3.078.790

18. LONG-TERM FINANCIAL INVESTMENTS

Long-term financial investments are part of long-term financial instruments and represent an item with maturity over one year.

in EUR	30 June 2009	30 June 2008
Long-term financial investments	144.107	142.857
Shares and stakes in companies in the group	142.600	142.599
Other long-term financial investments	1.507	258

The Group presents the following long-term financial investments:

in EUR	Stake	30 June 2009	30 June 2008
Investment in Datalab Tehnologije, d.o.o. – Croatia	51%	123.000	123.000
Investment in Datalab BA, d.o.o. – Bosnia and Herzegovina	51%	524	524
Investment in Datalab MK, d.o.o. - Macedonia	100%	5.000	5.000

Investment in Datalab SCG, d.o.o.	51%	3.976	3.976
Investment in Datalab SR, d.o.o. - Serbia	100%	5.000	5.000
Investment in Datalab MN, d.o.o. - Montenegro	51%	5.100	5.100
Subsidiaries total		142.600	142.600
Investment in Datalab, d.o.o. - Croatia	10%	258	258
Investment in Datalab Automotive, d.o.o. - Serbia	24,99%	1.249	0
Other companies total		1.507	258

Long-term financial investments are valued using the cost method.

Long-term financial investments in subsidiaries and affiliated companies

Acquisition of ownership stakes in subsidiaries.

Company	Date of purchase	Company's equity on the day of purchase	Acquired stake	Purchased part of equity	Payment for acquired stake	Goodwill at acquisition
Datalab Automotive d.o.o	08.09.2008	5.000	24,99%	1.249	1.249	0

19. LONG-TERM LOANS

Long-term loans to companies in the group in the amount of EUR3,502 (EUR3,502 as of 30 June 2008) pertain to the loan given to Datalab MN for selling licenses with a 24-month installment plan, financed by Datalab, d. d. by taking out a long-term loan with Raiffeisen banka.

20. LONG-TERM OPERATING RECEIVABLES

Long-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services in a period that is longer than 12 months. Long-term operating receivables are receivables from the sales of lease and subscription agreements. Below is a breakdown of long-term operating receivables by the type of agreement.

in EUR	30 June 2009	30 June 2008
Long-term operating receivables	534.084	653.344
Long-term oper. rec. from leases (L20 and L30)	240.242	306.148
Long-term oper. rec. from lease upgrades (L20 and L30)	93.721	94.363
Long-term oper. rec. from subscriptions (S30)	136.036	171.781
Long-term oper. rec. from subscription upgrades (S30)	64.085	81.052

21. LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE

Long-term deferred costs and accrued revenue in the amount to EUR20,200 include deferred costs for certifying PANTHEON for compliance with the Slovenian and international financial reporting standards in the amount to EUR3,640 (EUR12,280 on 30 June 2008) and deferred costs from the recovery of lease and subscription agreements by Diners Club SI, d.o.o. in the amount of EUR16,560.

22. DEFERRED TAX ASSETS

v EUR	30 June 2009	30 June 2008
Deferred tax assets	45.867	19.296
- from unused tax reliefs	26.571	0
- from value adjustments of assets	19.296	19.296

Deferred tax assets are amounts of the tax on profit that will be returned to the taxpayer in future tax periods with lower tax amounts in the future, when the assets can be claimed.

Deferred tax assets in Datalab, d. d. represent receivables from the state regarding value adjustments of receivables from customers in the amount of EUR19,296 and receivables from unused tax reliefs for research and development in the amount of EUR26,571.

23. INVENTORIES

Inventories on 30 June 2009 amounted to EUR6,626 (EUR10,228 on 30 June 2008) represent advertising materials (merchandising: t-shirts, computer accessories, caps, ties, etc.) sold in Datalab's own online shop, which was launched in FY 08.

24. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments in 2009 consisted only of short-term loans in the amount of EUR122,652 (EUR159,550 on 30 June 2008). Interest charged to affiliates is higher than the interest rates for crediting affiliates as prescribed by the Minister of Finance. Short-term financial investments consist of short-term loans to companies in the group in the amount of EUR84,650 (EUR70,218 as of 30 June 2008) and other short-term loans in the amount of EUR38,002 (EUR89,332 as of 30 June 2008). Short-term loans (up to 12 months) have an annual interest rate of 7 to 8% (same as in FY 08).

25. SHORT-TERM OPERATING RECEIVABLES

Short-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services. They represent short-term operating receivables and paid advances. Breakdown of operating receivables:

in EUR	30 June 2009	30 June 2008
Short-term operating receivables	1.090.343	1.048.500
Short-term operating receivables from companies in the group	379.078	198.717
Kratkoročne poslovne terjatve do kupcev	711.265	849.783

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts. Receivables are revalued due to impairment if their book value exceeds their fair value, that is, their realizable value.

Short-term receivables are collectible. Services to problematic customers are rendered only against an advance payment. Short-term receivables to foreign customers are converted at the rate of the Bank of Slovenia as of 30 June 2008. The effects of changes in exchange rates on the balance sheet date increase ordinary financial revenue or expenses as exchange differences.

It is estimated that short-term receivables are collectible, except for receivables whose value has been adjusted.

Receivables by maturity

Receivables	Gross value on 30 June 2009	Value adjustment on 30 June 2009	Net value on 30 June 2009	Gross value on 30 June 2008	Value adjustment on 30 June 2008	Net value on 30 June 2008
Total	1.297.201	206.857	1.090.344	1.144.917	96.417	1.048.500
Not overdue	698.240	0	698.240	969.257	0	969.257
Overdue 0 to 30 days	17.574	0	17.574	55.946	0	55.946
Overdue 31 to 180 days	323.415	0	323.415	111.597	33.512	78.085
Zapadle Overdue 181 to 365 days	82.406	32.507	49.899	-1.209	10.269	-11.478
Overdue over one year	175.566	174.350	1.216	9.326	52.636	-43.310

Value adjustment of receivables

Item	FY 09	FY 08
Balance as of July 1	96.417	46.360
Value adjustments	110.440	50.057
Balance as of June 30	206.857	96.417

26. CASH

in EUR	30 June 2009	30 June 2008
Cash	36.027	27.917
Cash on hand	317	1.385
Cash in bank accounts	35.710	26.532

27. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE

Short-term deferred costs and accrued revenue in the amount of EUR50,767 consists of deferred costs for Partner commissions for RLGs agreements in the amount of EUR21,771, annual leave bonuses in the amount of EUR15,435, and deferred costs of insurance premiums, landline and mobile phone subscriptions in the amount of EUR13,561.

28. EQUITY

Share capital

The shareholder meeting on 5 May 2003 decided to issue 6,150 share with a total nominal value of SIT 6,150,000 (EUR25,663). Another 225 shares were issued on 5 April 2005 with a total nominal value of SIT 225,000 (EUR938.9). The nominal value of a share for the first two issues was SIT 1000 (EUR4.17) and they were for cash. 95,050 no-par value shares were issued on 17 August 2007; the issue was carried out from carried over profits and overpaid share capital. On 15 February 2008, another 5,094 no-par value issues were issued for cash.

All shares are common, registered and issued in non-material form. All shares had been paid in full by the shareholders before the shares were entered in the company register.

The shareholder meeting on 16 November 2006 decided to transform par value shares to no-par value shares and have changed the articles of association accordingly. The share capital of the issuer is divided into 106,519 common registered no-par value shares and amounts to EUR444,493.

	v EUR
Capitalization of PANTHEON development costs	1.969.943
Liabilities to partners	-230.598
Deferred tax assets	-35.768
Tax on profit including default interest	-95.255
Other liabilities	-33.277
Total effect of accounting error correction	1.575.045
Profit reserves	41.763
Retained earnings	1.533.282

Correction of fundamental accounting error – self-declaration

The effect of recording the correction of the fundamental accounting error on retained earnings and profit reserves was as of 1 July 2008 as follows:

Own shares

Own shares on 30 June 2009 amounted to EUR429, the same as on 30 June 2008. The fair value of own shares on 30 June 2009 was EUR1,320.

Capital Surplus

Capital surplus consists of capital increase payments above the share's par value and amounts to EUR2,686.

Ownership structure of Datalab, d. d. as of 30 June 2009

Ownership structure of Datalab, d. d. as of 30 June 2009				
Category	First name	Last name	Stake	No. of shares
10 largest			88,75%	94.540
	Andrej	Mertelj	44,15%	47.029
	TWOPP s.a.h.		24,62%	26.226
	Tomaž	Teyrovsky	8,40%	8.951
	Moreno	Rodman	2,02%	2.148
	Moreno d.o.o.		1,91%	2.036
	Igor	Kokalj	1,88%	2.000
	Vanja	Varl	1,86%	1.977
	Valerija	Ažman	1,49%	1.591
	Zvonko	Arzenšek	1,33%	1.421
	Biro Bonus d.o.o.		1,09%	1.161
Others			11,25%	11.979
	Management Board*		0%	0
	Other employees		2,41%	2.569
	Former employees		4,10%	4.363
	Partner companies		0,40%	423
	Own shares		0,02%	22
	Other shareholders		4,32%	4.602
Total			100,00%	106.519

* excluding Andrej Mertelj

29. LONG-TERM FINANCIAL LIABILITIES

in EUR	30 June 2009	30 June 2008
Long-term financial liabilities	198.628	130.876
Long-term financial liabilities to banks	57.649	108.361
Other long-term financial liabilities	140.979	0
Long-term liabilities from financial leases	0	22.515

Long-term financial liabilities to banks are liabilities from long-term loans at the Raiffeisen bank. Eight new loans in the amount of EUR56,649 have been taken out (in 2008 EUR163,794 of loans were taken out). A loan of EUR52,734 is for financing foreign sales of agreements with a 24-month installment plan. Long-term financial liabilities have been reduced in the last year for EUR155,178.

Other long-term financial liabilities are liabilities to Diners Club SI, d.o.o. in the amount of EUR140,979 from financing of lease and subscription agreements.

30. LONG-TERM OPERATING LIABILITIES

in EUR	30 June 2009	30 June 2008
Long-term operating liabilities	85.354	0
Long-term operating liabilities to others	85.354	0

Long-term operating liabilities in the amount of EUR85,354 are deferred unpaid contributions by decision of the Tax Administration (DURS).

31. LONG-TERM PROVISIONS

in EUR	30 June 2009	30 June 2008
Long-term provisions	12.496	12.496
Long-term provisions for long service rewards and severance pays	12.496	12.496

Long-term provisions are provisions for long service rewards and severance pays upon retirement in accordance with IAS 19 in the amount of EUR12,496. In 2009, the company established no additional allocations for long-service awards and severance pays.

in EUR	2008/2009	2007/2008
Initial balance	12.496	10.560
Payouts and reversals	0	-
Newly established provisions	0	1.936
Closing balance	12.496	12.496

32. LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

Long-term accrued costs and deferred revenue in the amount of EUR525,728 consists of allocations for Partner commissions from leases and subscription in the amount of EUR124,043 and of long-term deferred revenue from leases and subscriptions in the amount of EUR158,308. Long-term accrued costs and deferred revenue in the amount of EUR243,377 are for potentially lost lawsuits.

33. SHORT-TERM FINANCIAL LIABILITIES

in EUR	30 June 2009	30 June 2008
Short-term financial liabilities	844.350	787.380
Short-term financial liabilities to banks	688.481	768.073
Other short-term financial liabilities	155.869	19.307

Received short-term loans of Datalab, d. d. from banks by currencies and interest rates

Item	Amount in original currency	Amount in EUR	Minimum interest rate	Maximum interest rate
EUR	688.481	688.481	EURIBOR+ 1,60%	8,82%

Obligations to foreign suppliers are converted at the rate of the Bank of Slovenia on the balance sheet date, 30 June 2008.

As of 30 June 2009, Datalab, d. d. has short-term liabilities to banks in the amount of EUR688,481, which is 10% less than in 2008. Short-term loans are taken out at the banks Banka Koper, Nova Ljubljanska banka, Raiffeisen banka and Abanka, and are insured with blank bills of exchange, cession of debt, and personal guarantees.

Other short-term financial liabilities consist of loans received from Slovenian companies in the amount of EUR50,000, obligations from payment cards in the amount of EUR121, and short-term loans for financing leases and subscriptions in the amount of EUR99,756 and for financial leases in the amount of EUR5,992.

34. SHORT-TERM OPERATING LIABILITIES

in EUR	30 June 2009	30 June 2008
Short-term operating liabilities	1.135.195	771.170
Short-term operating liabilities to companies in the group	31.532	786
Other short term liabilities to suppliers	285.069	112.938
Other short-term operating liabilities	818.594	657.446

Short-term operating liabilities to companies in the group consist of obligations for rendered services (agency and intermediation costs).

Short-term operating liabilities to suppliers consist of obligations for rendered services (rent, administrative costs, costs of advertising and promotion, commissions), purchased materials (office supplies) and fixed assets.

Other short-term operating liabilities consist of obligations to the state from employee and employer contributions and taxes, VAT obligations, obligations to employees for wages and salaries, received collaterals, and other liabilities.

Liabilities by maturity

Liabilities	Gross value on 30 June 09
Total	1.135.195
Not overdue	572.862
Overdue 0 to 30 days	48.673
Overdue 31 to 180 days	140.874
Overdue 181 to 365 days	342.246
Overdue over one year	30.540

35. ACCRUED COSTS AND DEFERRED REVENUE

Accrued costs and deferred revenue are costs accrued or revenue deferred for a short-term of up to 12 months, and are presented separately.

Accruals and deferrals occur in accounting because of the need to evenly distribute costs that are expected, but have not occurred yet. Short-term deferred revenue accrues when services have already been invoiced or paid, but not rendered yet. The total value of accruals and deferrals as of 30 June 2009 was EUR205,932. The majority of accrued costs and deferred revenue consists of deferred revenue from lease and subscription agreements in a total value of EUR110,604 and short-term accrued costs for Partner commissions in the amount of EUR38,919.

Other accrued costs and deferred revenue in the amount of EUR56,409 consists of accrued liabilities from default interest for unpaid contributions, accrued default interest for unpaid obligations to suppliers, accrued auditing costs, accrued costs for Partner commissions, and mobile phone subscriptions.

36. INVESTMENT INTO RESEARCH AND DEVELOPMENT

Datalab, d. d. is extremely development-oriented; most of its expenses consist of development costs of the ERP system PANTHEON.

Development costs

Type of cost	FY 09	FY 08
Internal R&D activities	1.297.119	1.143.919
Purchased R&D services	83.641	88.679
Total	1.380.760	1.232.598

Type of cost	FY 09	FY 08
Labor costs	1.022.354	965.708
Purchase of R&D equipment	104.692	49.376
Direct costs	170.073	128.835
Cost of R&D services and cost of external specialists and researchers	83.641	88.679
Total	1.380.760	1.232.598

37. TRANSACTIONS WITH RELATED PARTIES

Subsidiaries

Sales (receivables) in EUR	FY 09	FY 08
Datalab BH	164.230	136.419
Datalab SR	163.780	218.096
Datalab MN	49.796	34.308
Datalab MK	81.457	5.304
Datalab SCG	0	-4.987
Datalab tehnologije HR	160.153	0
Skupaj	619.416	389.140
Purchases (payables) in EUR	FY 09	FY 08
Datalab BH	2.757	5.727
Datalab SR	3.296	786
Datalab MN	10.889	0
Datalab MK	32.707	1.874
Datalab SCG	0	0
Datalab tehnologije HR	43.312	0
Total	92.961	8.387
Outstanding receivables in EUR	30 June 2009	30 June 2008
Datalab BH	44.684	55.098
Datalab SR	98.828	90.331
Datalab MN	70.439	20.643
Datalab MK	78.529	10.450
Datalab SCG	28.755	61.307
Datalab tehnologije HR	57.843	0
Skupaj	379.078	237.829
Outstanding payables in EUR	30 June 2009	30 June 2008
Datalab BH	398	0
Datalab SR	3.847	795
Datalab MN	10.889	0
Datalab MK	4.768	509
Datalab SCG	0	0
Datalab tehnologije HR	0	0
Total	19.902	1.304

The listed transactions were in line with market prices, or the prices charged for assets or services to related parties are compared to prices charged for assets or services to non-related

parties in comparable circumstances. The majority of transactions are sales of licenses, software upgrades and memberships in accordance with the general terms applicable to subsidiaries and foreign representatives.

For given loans, the interest rate is used that is higher than the recognized interest rate for loans between related parties, as prescribed by the Minister of Finance.

Loans given in EUR	FY 09	FY 08
Andrej Mertelj	3.784	476

Za storitve dajanja posojil se upošteva obrestna mera, ki je višja od priznane obrestne mere (POM) za obresti na posojila med povezanimi osebami, ki jo predpiše minister za finance.

Other related companies

Sales to related companies (receivables) in EUR	FY 09	FY 08
Datalab d.o.o. HR	40.043	125.134
Datalab Automotive	0	0
Purchases (payables) in EUR		
Datalab d.o.o. HR	17.938	5.857
Datalab Automotive	0	0
Outstanding receivables in EUR		
Datalab d.o.o. HR	31.500	57.304
Datalab Automotive	0	0
Outstanding payables in EUR		
Datalab d.o.o. HR	11.630	2.500
Datalab Automotive	0	0
Loans given in EUR		
Datalab d.o.o. HR	0	6.698
Datalab Automotive	0	0

The listed transactions were in line with market prices, or the prices charged for assets or services to related parties are compared to prices charged for assets or services to non-related parties in comparable circumstances. The majority of transactions are sales of licenses, software upgrades and memberships in accordance with the general terms applicable to subsidiaries and foreign representatives.

For given loans, the interest rate is used that is higher than the recognized interest rate for loans between related parties, as prescribed by the Minister of Finance.

38. OFF-BALANCE-SHEET ITEMS

Given guarantees pertain to the loan received by Datalab BH in the amount of EUR31,500 (EUR24,500 as of 30 June 2008).

Summary of off-balance-sheet items

Guarantee for Datalab BH	- 31.500 EUR
Total	-31.500 EUR

39. FINANCIAL INSTRUMENTS

Financial Assets

Item (in EUR)	Book value on 30 June 2009	Fair value on 30 June 2009	Book value on 30 June 2008	Fair value on 30 June 2008
Long-term financial investments	144.107	144.107	142.857	142.857
Long-term loans	3.502	3.502	3.502	3.502
Long-term operating receivables	534.084	534.084	943.531	943.531
Short-term financial investments	122.652	122.652	159.550	159.550
Short-term operating receivables	1.090.343	1.090.343	1.167.105	1.167.105
Cash and cash equivalents	36.027	36.027	27.917	27.917
Total	1.930.715	1.930.715	2.444.462	2.444.462

Financial Liabilities

Item (in EUR)	Book value on 30 June 2009	Fair value on 30 June 2009	Book value on 30 June 2008	Fair value on 30 June 2008
Long-term financial liabilities	198.628	198.628	353.806	353.806
Long-term operating liabilities	85.354	85.354	0	0
Short-term financial liabilities	844.350	844.350	787.380	787.380

Short-term operating liabilities	1.135.195	1.135.195	771.170	771.170
Totalj	2.263.527	2.263.527	1.912.356	1.912.356

Datalab, d. d. received blank bills of exchange from users for financial assets pertaining to lease and subscription agreement. There is no active market for financial instruments with the above listed financial instruments. The total value of financial assets is also the maximum credit risk.

Bank Guarantees

On 30 June 2009, there is an active guarantee for Datalab BH in the amount of EUR31,500 (EUR24,500 in 2008).

40. AUDIT COST

The cost of auditing financial statements and the annual report for the 2009 Fiscal Year for Datalab, d. d. by the auditing firm Uhy, d.o.o. amounted to EUR16,400. No other services were rendered. The audit firm Revidicom, d.o.o. from Maribor audited financial statements until 30 June 2007. The previous Fiscal Year was audited by KPMG Slovenija, d.o.o.

41. POTENTIAL LIABILITIES FROM LAWSUITS

Datalab, d. d. as Defendant

Plaintiff	Value in EUR	Reference number, court	Status
METRO d.o.o., Celje	24.616,22	VI Pg 509/2008, Okrožno sodišče v Celju	In progress – first level
E-POS GROUP d.o.o., Ljubljana	5.000,00	V Pg 2726/2007, Okrožno sodišče v Ljubljani	In progress – first level
E-POS GROUP d.o.o.	707.422,00	5 Pg 139/2007, Okrožno sodišče v Ljubljani	In progress – first level
Nezavisna Ekspertska Grupa d.o.o Beograd, Datalab Tehnologije d.o.o. Beograd	194.906,00	XXXIX – P – 5524/07, Trgovinsko sodišče v Beogradu	In progress – first level

I. Case VI Pg 509/2008, METRO d.o.o. Celje against Datalab, d. d., valued at EUR24,616

The plaintiff demands compensation for the incorrect functioning of the program, specifically customs warehousing.

According to the lawsuit and related documentation, Datalab, d. d. considers itself not responsible for the damages, which is also its official answer. The Customs Administration has approved that the program worked correctly at that company. The plaintiff will most likely not succeed with its claim for compensation.

No first-level verdict has been returned yet.

II. Case V Pg 2726/2007, E E-POS Group against Datalab, d. d., valued at EUR5,000

The former Partner and minor shareholder of Datalab, d. d., E-POS Group, d.o.o., with which the former ceased to cooperate because of failure to fulfill contractual obligations of the Partnership Agreement, filed a lawsuit to nullify the decisions of the 6th shareholder meeting.

This lawsuit is one of the many actions of the plaintiff, who tries to stop the activities of Datalab,

d. d. It cannot be estimated whether the lawsuit is justified or not. Any obligations for Datalab, d. d. are limited to a reimbursement of costs if the plaintiff should succeed.

No first-level verdict has been returned yet.

III. Case V Pg 139/2007 E-POS Group, d.o.o. against Datalab, d. d., valued at EUR707,422

The former Partner of Datalab, d. d., E-POS Group, d.o.o., with which the former ceased to cooperate because of failure to fulfill contractual obligations of the Partnership Agreement (allowing use and selling illegal licenses, improper attitude towards users), filed a lawsuit for damages incurred due to the terminated cooperation.

According to the lawsuit and related documentation, Datalab, d. d. considers itself not responsible for the damages, which is also its official answer. The plaintiff's claim will most likely be rejected in full – but certainly for the major part.

No first-level verdict has been returned yet.

IV. Case XXXIX – P – 5524/07 Nezavisna Ekspertska Grupa, d.o.o. Beograd against Datalab, d. d., valued at EUR194,906

Nezavisna Ekspertska Grupa, d.o.o. from Belgrade and Datalab Tehnologije, d.o.o. from Belgrade filed a lawsuit against Datalab, d. d. because of failure to fulfill its contractual obligations. Datalab, d. d. and the law firm Dragić, Beatović and Partners, which represents the former, have found that the allegations are incoherent. Dragić, Beatović and Partners estimates that the lawsuit will be rejected.

The case is still in progress.

EUR243,377 are allocated for potential compensations from lawsuits.

Debt Execution by Court against Datalab, d. d.

Plaintiff - creditor	Value in EUR	Reference number, court	Status
PARSUS d.o.o., Škofije	1.200,00	VL 72479/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues
IDC ADRIATICS d.o.o., Zagreb	6.000,00	VL 25184/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues
LAVA d.o.o., Ljubljana	4.717,88	VL 59672/2009, Local court in Ljubljana, Central Office for Debt Execution on the Basis of Authentic Documents	After the creditor's appeal, the litigation continues at a high court

Datalab, d. d. as Plaintiff

Defendant	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o., Ljubljana	111.620,93	Pg 2522/2007, District court in Ljubljana	In progress – first level
Republic of Slovenia, Ministry of Higher Education, Science and Technology	384.965,50	U 1817/2008-14, Administrative court	In progress – lawsuit filed

I. Case Pg 2522/2007 Datalab, d. d. against E-POS Group, d.o.o., valued at EUR111,620

Datalab, d. d. terminated cooperation with its former Partner E-POS Group, d.o.o. because of failure to fulfill contractual obligations of the Partnership Agreement (allowing use and selling illegal licenses, improper attitude towards users), and has filed a lawsuit for payment of debt for license fees, software upgrades, subscription charges, membership fees, and a penalty.

It is estimated that the lawsuit will be granted for most of its value.

No first-level verdict has been returned yet.

II. Case U 1817/2008-14 Datalab, d. d., against the Republic of Slovenia, Ministry of Higher Education, Science and Technology, valued at EUR384,965.50

A consortium of companies headed by Datalab, d. d. was on 12 June 2008 chosen by the Ministry of Higher Education, Science and Technology with the decision no. 430-50/2007/123 for co-funding of a R&D project in the amount of EUR384,965.50. On 3 July 2008, the Ministry issued decision 430-50/2007/234, repealing its co-financing grant, and issued a new decision no. 430-50/2007/273. After reviewing the evaluation documentation on 17 July 2008, Datalab, d. d. considered that its application had been incorrectly evaluated and filed a complaint against decision no. 430-50/2007/273, which the Ministry rejected; therefore Datalab, d. d. filed a lawsuit to the Administrative Court on 12 August 2008, requesting the annulment of the Ministry's decision no. 430-50/2007/342.

The case is still in progress.

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POROČILO NEODVISNEGA REVIZORJA

Revidirali smo priložene računovodske izkaze gospodarske družbe **DATALAB Tehnologije d.d.**, Ljubljana, ki vključujejo izkaz finančnega položaja na dan 30. junija 2009, izkaz vseobsegajočega donosa, izkaz sprememb lastniškega kapitala in izkaz denarnih tokov za tedaj končano leto ter povzetek bistvenih računovodskih usmeritev in druge pojasnjevalne opombe. Pregledali smo tudi poslovno poročilo. Računovodske izkaze preteklega obdobja pred knjiženjem popravkov bistvenih računovodskih napak je revidiral drug revizor in o tem izdal poročilo z neprilagojenim mnenjem dne 29. oktobra 2008.

Odgovornost posloводства za računovodske izkaze

Posloводство je odgovorno za pripravo in pošteno predstavitev teh računovodskih izkazov v skladu z mednarodnimi standardi računovodskega poročanja. Ta odgovornost vključuje: vzpostavitev, delovanje in vzdrževanje notranjega kontroliranja, povezanega s pripravo in pošteno predstavitvijo računovodskih izkazov, ki ne vsebujejo pomembno napačne navedbe zaradi prevare ali napake, izbiro in uporabo ustreznih računovodskih usmeritev ter pripravo računovodskih ocen, ki so utemeljene v danih okoliščinah.

Revizorjeva odgovornost

Naša odgovornost je izraziti mnenje o teh računovodskih izkazih na podlagi revizije. Revizijo smo opravili v skladu z mednarodnimi standardi revidiranja. Ti standardi zahtevajo od nas izpolnjevanje etičnih zahtev ter načrtovanje in izvedbo revizije za pridobitev sprejemljivega zagotovila, da računovodski izkazi ne vsebujejo pomembno napačne navedbe. Revizija vključuje izvajanje postopkov za pridobitev revizijskih dokazov o zneskih in razkritjih v računovodskih izkazih. Izbrani postopki so odvisni od revizorjeve presoje in vključujejo tudi ocenjevanje tveganj napačne navedbe v računovodskih izkazih zaradi prevare ali napake. Pri ocenjevanju teh tveganj prouči revizor notranje kontroliranje, povezano s pripravljanim in poštenim predstavljanjem računovodskih izkazov družbe, da bi določil okoliščinam ustrezne revizijske postopke, ne pa, da bi izrazil mnenje o uspešnosti notranjega kontroliranja družbe. Revizija vključuje tudi ovrednotenje ustreznosti uporabljenih računovodskih usmeritev in utemeljenosti računovodskih ocen posloводства kot tudi ovrednotenje celotne predstavitve računovodskih izkazov.

Verjamemo, da so pridobljeni revizijski dokazi zadostna in ustrezna podlaga za naše revizijsko mnenje.

Mnenje

Po našem mnenju so računovodski izkazi v vseh pomembnih pogledih poštena predstavitev finančnega stanja družbe **DATALAB Tehnologije d.d.**, Ljubljana na dan 30. junija 2009 ter njenega vseobsegajočega donosa in denarnih tokov za tedaj končano leto v skladu z mednarodnimi standardi računovodskega poročanja, kot jih je sprejela EU.

Pojasnjevalni odstavek

Ne da bi izrazili pridržek, opozarjamo uporabnike računovodskih izkazov, da je za celovito predstavitev uspešnosti poslovanja družbe in njenega finančnega položaja potrebno prebrati tudi pojasnila k računovodskim izkazom, iz katerih je med drugim razvidno, da je zaradi knjiženja popravka bistvene računovodske napake v primerjalnih računovodskih izkazih za leto 2008 zadržani dobiček skupaj z oblikovanimi rezervami iz dobička višji za 1.575.045 EUR glede na predstavljene računovodske izkaze v preteklem obdobju.

Upravni odbor družbe je zaradi dejstva, da je družba postala trajnejše nelikvidna (insolventna), dne 16.11.2009 zadolžil izvršnega direktorja, da pripravi program finančnega prestrukturiranja družbe.

Poslovno poročilo je skladno z revidiranimi računovodskimi izkazi.

Ljubljana, 17.11.2009

UHY Revizija in svetovanje d.o.o.

Franci Žgajnar
pooblaščen revizor





datalab

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