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to: **Division of Corporate Finance File No. 82-4700** **Securities and Exchange Commission, Washington, DC, USA** **+1 (202) 942 9624**

from: **PROKOM Software S.A.**
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This is a summary translation of the company statement communicated to the Polish Securities Commission according to paragraph 1.2 and 57.1.1 and 61 of the Decree of the Ministries Committee, dated 16th October of 2001 (Official Journal no 139 item 1530) in regards to type, form, and domain of current and periodic information as well as time intervals for their delivery of the information by the issuers whose shares were admitted to public exchange.

subject: **QUARTERLY REPORT FOR 4th QUARTER 2003 UNDER POLISH ACCOUNTING STANDARDS**

The Management Board of Prokom Software SA informs, that:

Please find attached a copy of the Quarterly Report for 4th quarter 2003 under Polish Accounting Standards.

26 Feb, 2004 **Dariusz Górka**
Member of the Management Board

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Pursuant to section 1.2, section 57.2 and section 58.1 of the Decree of the Council of Ministers of 16 October 2001

the Management Board of Prokom Software S.A.

informs about the quarterly financial report for the 4th quarter of 2003

February 26, 2004
(date of report)

I. Revenues	1 443 682	1 177	324 613	297 485
II. Operating profit	150 048	025	33 738	48 331
III. Profit before income tax	188 172	110	38 038	38 018
IV. Net profit	103 980	631	23 382	16 028
V. Cash flows from operating activities	171 337	114	36 626	47 837
VI. Cash flows from investing activities	(140 503)	(183)	(31 582)	(28 754)
VII. Cash flows from financing activities	(78 719)	(292)	(17 700)	(6 277)
VIII. Net increase (decrease) in cash and cash equivalents	(47 885)	(228)	(10 787)	(12 825)
IX. Total assets	1 619 381	1 846	343 303	365 168
X. Total liabilities	784 871	881	188 533	224 538
XI. Long-term liabilities	108 634	063	40 202	56 485
XII. Short-term liabilities	549 431	017	118 478	153 818
XIII. Shareholders' equity	878 828	562	144 123	134 213
XIV. Share capital	13 791	534	2 324	3 388
XV. Number of shares	13 781 201	13 624	13 701 201	13 634 624
XVI. Basic earnings per ordinary share (in PLN / EUR)	7,53	1,44	1,72	1,41
XVII. Diluted earnings per ordinary share (in PLN / EUR)	-	-	-	-
XVIII. Book value per share (in PLN / EUR)	49,28	3,87	10,48	9,92
XIX. Diluted book value per share (in PLN / EUR)	-	-	-	-
XX. Dividend (either paid or declared) per share (in PLN / EUR)	-	-	-	-

Assets				
I. Fixed assets	777 821	871	778 488	548 688
1. Intangible fixed assets, including:	38 281	379	25 696	7 053
- goodwill	60	77	126	145
2. Goodwill on consolidation	168 539	527	187 888	114 061
3. Tangible fixed assets	147 271	340	143 883	67 188
4. Long-term receivables	2 878	503	3 888	3 920
4.1. From related parties	1 802	802	1 802	1 802
4.2. From other parties	1 273	881	2 287	2 318
5. Long-term investments	403 458	581	407 482	322 620
5.1. Land and buildings	-	-	-	-
5.2. Intangible fixed assets	-	-	-	-
5.3. Long-term financial investments	403 208	312	407 258	322 308
a) in related parties, including:	314 738	320	319 171	274 328
- investments in associated undertakings accounted for by the equity method of accounting	28 468	547	33 977	15 328
- investments in subsidiaries not included in the consolidation	3 775	522	1 718	878
b) in other parties	88 471	282	88 087	47 977
5.4. Other long-term investments	249	249	224	224
6. Deferred tax and long-term deferred costs	21 417	301	41 087	33 657
6.1. Deferred tax	17 021	319	38 885	28 074
6.2. Deferred costs	4 398	282	4 102	5 783
II. Current assets	841 560	844	809 211	529 172
1. Inventories	38 786	383	87 877	72 848
2. Receivables	551 332	772	638 238	305 428
2.1. From related parties	28 080	106	37 887	63 508
2.2. From other parties	522 273	568	498 272	241 919
3. Short-term investments	218 271	338	184 037	148 655
3.1. Short-term financial investments	218 271	338	184 037	148 655
a) in related parties	89 891	287	100	49 563
b) in other parties	71 483	388	81 155	77 817
c) cash and cash equivalents	74 917	181	122 852	18 275
3.2. Other short-term investments	-	-	-	-
4. Short-term deferred costs	37 152	153	21 038	4 249
Total assets	1 619 381	1 846	1 588 646	1 077 782

Shareholders' equity and liabilities				
I. Shareholders' equity				
1. Share capital	879 828	386	539 682	512 374
2. Unpaid capital	13 781	781	13 534	13 482
3. Own shares held (negative value)	-	-	-	-
4. Spare capital	-	-	-	-
5. Retention reserve	888 652	652	556 089	555 988
6. Other spare capital	-	-	-	-
7. Exchange rate differences on consolidation	-	-	-	-
a) foreign exchange gains	-	-	-	-
b) foreign exchange losses	-	-	-	-
8. Undistributed profit (not covered loss) from previous years	(134 809)	305	(103 592)	(104 114)
9. Net profit (loss)	103 990	548	73 631	47 037
10. Net profit deductions (negative value)	-	-	-	-
II. Minority interest	144 862	481	144 384	26 820
III. Badwill on consolidation	-	210	-	-
IV. Liabilities and provisions	794 971	738	902 901	538 788
1. Deferred income tax and provisions	24 894	858	23 808	18 825
1.1. Deferred income tax	559	318	-	-
1.2. Provisions for retirement benefits and equivalent	1 805	282	1 742	800
a) long-term provisions	1 284	180	1 488	800
b) short-term provisions	321	102	253	-
1.3. Other provisions	22 793	375	22 124	18 025
a) long-term provisions	590	382	2 001	-
b) short-term provisions	22 143	183	20 123	16 025
2. Long-term liabilities	189 834	147	227 083	215 558
2.1. To related parties	34	34	36	34
2.2. To other parties	189 800	113	227 048	215 522
3. Short-term liabilities	549 431	344	617 574	293 197
3.1. To related parties	4 113	198	7 220	1 475
3.2. To other parties	541 289	291	607 719	289 819
3.3. Special funds	4 038	158	2 635	1 803
4. Badwill and accruals	31 012	191	34 188	13 210
4.1. Badwill	-	-	-	18
4.2. Accruals	31 012	191	34 188	13 192
a) long-term	3 772	42	441	221
b) short-term	27 240	149	33 727	12 971
Total liabilities and shareholders' equity	1 819 381	1 115	1 586 646	1 077 782

Book value	879 828	386	539 682	512 374
Number of shares	13 791 201	13 701 001	13 534 524	13 534 524
Book value per share (in PLN)	49,29	62	39,87	37,88
Anticipated number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS				
1. Contingent receivables				
1.1. From related parties	-	-	-	-
- guarantees received	-	-	-	-
1.2. From other parties	-	-	-	-
- guarantees received	-	-	-	-
2. Contingent liabilities	71 398	124	70 067	86 887
2.1. To related parties	7 980	142	8 278	22 881
- guarantees granted	7 960	142	8 278	22 881
2.2. To other parties	63 438	182	61 791	64 208
- guarantees granted	63 438	182	61 791	64 208
3. Other	1 042	398	38 450	0
- future lease payments	1 014	78	3 658	-
- commitment to purchase Wontek S.A. Company	-	-	26 508	-
- commitment arising from the license agreement with Computer Associates Sp. z o.o.	-	-	6 376	-
- others	328	80	8	-
Total off-balance sheet items	73 340	80	108 517	86 887

	2002	2001	2000
I. Revenues, including:	474 143	1 082	1 131 177
- from related parties	9 741	0 135	58 076
1. Sales of finished products and services	220 629	2 386	760 746
2. Sales of goods for resale and materials	263 814	1 316	400 432
II. Cost of sales, including:	323 884	9 336	703 286
- to related parties	3 750	0 435	24 852
1. Costs of products and services sold	98 603	8 448	345 838
2. Costs of goods and materials sold	227 381	0 881	357 448
III. Gross margin (I-II)	150 259	4 352	447 891
IV. Selling costs	20 262	5 158	57 730
V. General and administrative costs	67 268	7 983	175 771
VI. Net margin (II-IV-V)	62 789	1 230	214 392
VII. Other operating income	5 901	1 559	7 425
1. Profit on disposal of non-financial fixed assets	78	484	68
2. Donations received	38	158	67
3. Other operating income	5 384	7 833	7 230
VIII. Other operating expenses	14 934	1 736	34 782
1. Loss on disposal of non-financial fixed assets	288	857	822
2. Provisions for non-financial fixed assets	2 485	1 312	8 943
3. Other operating expenses	12 161	7 567	25 327
IX. Operating profit (VI+VII-VIII)	53 356	1 049	187 025
X. Financial income	15 448	1 560	82 757
1. Dividends and equivalents received, including:	5	158	141
- from related parties	5	6	-
2. Interest, including:	7 538	5 065	41 280
- from related parties	4 689	3 357	32 800
3. Profits on disposal of investments	2 021	5 131	834
4. Revaluation of investments	1 524	7 346	9 583
5. Other	4 095	7 881	10 939
XI. Financial expenses	32 703	9 841	88 814
1. Interest, including:	10 901	8 368	36 553
- to related parties	-	-	18
2. Losses on disposal of investments	(5)	3 358	2 530
3. Revaluation of investments	17 957	1 132	10 008
4. Other	3 850	3 998	20 259
XII. Profit (loss) on disposal of investments in related parties	51 653	5 282	(4 318)
XIII. Profit on ordinary activities before taxes (IX+X-XI+XII)	87 754	2 050	176 650
XIV. Extraordinary items (XIV.1. - XIV.2.)	-	-	-
1. Extraordinary profit	-	-	-
2. Extraordinary loss	-	-	-
XV. Goodwill on consolidation amortisation	11 808	3 114	29 579
XVI. Badwill on consolidation amortisation	210	233	39
XVII. Profit before income tax (XIII+XIV-XV+XVI)	76 155	3 772	147 110
XVIII. Income tax	(727)	2 021	55 071
a) current tax	6 738	1 147	57 768
b) deferred tax	(7 465)	1 874	(2 897)
XX. Other obligatory charges	-	-	3
XXI. Share of result of associates	948	212	(7 897)
XXII. Minority interest	(13 389)	946	(10 408)
XXIII. Net profit (loss) (XVII-XVIII+XX+XXI+XXII)	64 642	1 990	73 631
Net profit (for 12 months)	103 880	73 631	13 534 005
Weighted average number of ordinary shares	13 623 548	13 534 005	5,44
Basic earnings per ordinary share (in PLN)	7,63	5,44	
Weighted average anticipated number of ordinary shares			
Diluted earnings per ordinary share (in PLN)			

	December 2002	December 2001	December 2000
I. Opening balance of shareholders' equity	615 386	618	485 589
a) changes in accounting policy	-	0	1 768
b) corrections of fundamental errors	-	356	(19 872)
c) changes in the shareholder's equity of subsidiaries from the date of acquiring these companies to the date they were firstly included in Prokom Software S.A. Capital Group's consolidated financial statements corrected by goodwill or goodwill amortisation	-	-	(1 246)
I.A. Opening balance of shareholders' equity after reconciliation to comparable data	615 386	582	485 189
1. Opening balance of share capital	13 781	534	13 482
1.1. Changes in share capital	-	257	72
a) increase	-	257	72
- share issue	-	-	72
- conversion of bonds	-	257	-
b) decrease	-	-	-
- redemption of own shares	-	-	-
1.2. Closing balance of share capital	13 781	791	13 634
2. Opening balance of unpaid capital	-	-	-
2.1. Changes in unpaid capital	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
2.2. Closing balance of unpaid capital	-	-	-
3. Opening balance of own shares held	-	-	-
3.1. Changes in own shares held	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
3.2. Closing balance of own shares held	-	-	-
4. Opening balance of spare capital	686 602	889	499 747
4.1. Changes in spare capital	0	863	56 242
a) increase	0	863	0
- share premium	0	0	56 242
- net profit distribution (statutory)	-	-	-
- net profit distribution (over statutory-required minimum value)	-	711	56 242
- net profit distribution due to adjustment to new accounting regulations	-	800	-
- other	-	-	-
b) decrease	-	-	-
- loss cover	-	-	-
4.2. Closing balance of spare capital	686 602	852	555 989
5. Opening balance of revaluation reserve	-	-	-
5.1. Changes in revaluation reserve	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
- disposal of fixed assets	-	-	-
5.2. Closing balance of revaluation reserve	-	-	-
6. Opening balance of other spare capital	-	-	-
6.1. Changes in other spare capital	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
6.2. Closing balance of other spare capital	-	-	-
7. Exchange rate differences on consolidation	-	-	-
8. Opening balance of undistributed profit (not covered loss) from previous years	(134 605)	105	(27 620)
8.1. Opening balance of undistributed profit from previous years	-	-	-
a) changes in accounting policy	-	-	-
b) corrections of fundamental errors	-	-	-
8.2. Opening balance of undistributed profit from previous years after reconciliation to comparable data	-	-	0
a) increase	-	-	-
- profit distribution to spare capital	-	-	-
- changes in shareholders' equity of related companies	-	-	-
b) decrease	-	-	-
- profit distribution to spare capital	-	-	-
- dividend paid in a subsidiary company for minority shareholders	-	-	-
- other	-	-	-
8.3. Closing balance of undistributed profit from previous years	-	-	-
8.4. Opening balance of not covered loss from previous years	(134 605)	105	(27 620)
a) changes in accounting policy	0	0	1 768
b) corrections of fundamental errors	0	56	(19 872)
c) changes in the shareholder's equity of subsidiaries from the date of acquiring these companies to the date they were firstly included in Prokom Software S.A. Capital Group's consolidated financial statements corrected by goodwill or goodwill amortisation	-	-	(1 246)
8.5. Opening balance of not covered loss from previous years after reconciliation to comparable data	(134 605)	101	(47 022)
a) increase	0	(1 314)	(56 570)
- transfer of loss to be covered	-	0	-
- bonuses paid in an associate company	-	84	(328)
- profit distribution to spare capital	-	(1 311)	(56 242)
- other changes in equity of subsidiaries and associates	-	39	-
b) decrease	-	-	-
- changes in the shareholder's equity of subsidiaries	-	-	-
8.6. Closing balance of not covered loss from previous years	(134 605)	105	(103 592)
8.7. Closing balance of undistributed profit (not covered loss) from previous years	(134 605)	105	(103 592)
9. Net profit (loss) for the period	64 442	390	78 597
a) net profit	64 442	390	78 597
b) net loss	-	-	-
c) other net profit (loss) deductions	-	-	-
d) correction of fundamental error	-	-	(5 358)
10. Closing balance of shareholders' equity	679 828	1 028	539 562
11. Closing balance of shareholders' equity regarding the proposed profit distribution (loss coverage)	670 828	1 028	539 562

CONSOLIDATED STATEMENT OF CASH FLOWS (in thousand PLN)		2002		2001	
	2002	2001	2002	2001	2000
A. Cash flows from operating activities					
I. Net profit (loss)	84 442	860	20 084	73 631	
II. Adjustments to reconcile net profit to net cash generated by operating activities:	20 881	347	24 237	111 483	
1. Minority interest	13 388	846	8 014	10 408	
2. Share of result of associates	(850)	212	3 578	7 697	
3. Depreciation, including:	21 431	885	15 217	58 236	
- goodwill and goodwill on consolidation amortisation	11 589	878	7 654	28 540	
4. Foreign exchange gains (losses)	3 342	711	(1 258)	11 472	
5. Interest and dividends received and paid	(380)	(20)	11 642	(5 180)	
6. (Gains) losses from investing activities	(53 508)	(274)	(15 751)	1 362	
7. Change in provisions	(12 586)	368	(4 874)	6 106	
8. Change in inventories	(3 408)	979	27 819	9 945	
9. Change in receivables	(118 069)	498	(151 149)	(31 087)	
10. Change in short-term liabilities (except for credit facilities and loans)	136 308	381	140 128	30 758	
11. Change in prepayments and accruals' balance	4 652	341	(9 848)	(10 687)	
12. (Received) Contributed donations	2 238	318	3 921	20 016	
12. Other adjustments	27 344	(18)	(3 100)	2 144	
III. Cash flows from operating activities (I+II)	85 833	387	60 831	184 114	
B. Cash flows from investing activities					
I. Cash inflows from investing activities	124 262	186	57 711	191 725	
1. Disposal of intangible and tangible fixed assets	0	164	218	893	
2. Disposal of investments in land, buildings and intangible fixed assets	-	-	-	-	
3. Disposal of financial investments, including those:	124 196	002	63 783	190 832	
a) in related parties	13 420	778	47 207	90 389	
- disposal of financial assets	8 898	626	51 687	26 701	
- dividends and equivalents received	230	170	0	680	
- repayment of long-term loans granted	-	-	-	-	
- repayment of short-term loans granted	-	-	(11)	-	
- interest	4 792	888	(4 408)	32 765	
- other cash inflows from financial assets	(604)	0	0	0	
b) in other parties	110 776	228	18 576	130 448	
- disposal of financial assets	83 463	678	0	112 448	
- dividends and equivalents received	2	154	141	141	
- repayment of long-term loans granted	14 921	821	(124)	-	
- repayment of short-term loans granted	200	200	-	-	
- interest	515	432	804	1 862	
- other cash inflows from financial assets	1 875	841	15 905	15 985	
4. Other cash inflows from investing activities	-	-	(8 281)	-	
II. Cash outflows from investing activities	(72 230)	(48)	(59 767)	(302 318)	
1. Purchase of intangible and tangible fixed assets	(37 577)	(33)	(18 038)	(45 787)	
2. Purchase of investments in land, buildings and intangible fixed assets	-	-	-	-	
3. Purchase of financial investments, including those:	(34 875)	(17)	(40 068)	(253 198)	
a) in related parties	(1 390)	(1)	62	(77 441)	
- purchase of financial assets	(603)	(1)	0	(77 441)	
- long-term loans granted	(887)	(2)	0	-	
- short-term loans granted	0	(0)	-	-	
b) in other parties	(33 485)	(16)	(40 088)	(176 786)	
- purchase of financial assets	(34 068)	(16)	(5 033)	(77 042)	
- long-term loans granted	(128)	(0)	(18 946)	(70 912)	
- short-term loans granted	655	0	0	(11 712)	
- purchase of other financial assets	0	(2)	(16 086)	(16 089)	
4. Dividends and equivalents paid to minority shareholders	0	(18)	0	(3 930)	
5. Other cash outflows from investing activities	222	(3)	388	(5)	
III. Cash flows from investing activities (I-II)	52 032	(12)	(2 056)	(111 193)	
C. Cash flows from financing activities					
I. Cash inflows from financing activities	3	116	158 654	608 036	
1. Share issue	-	-	72	72	
2. Credit facilities and loans received	-	200	120 085	120 601	
3. Debt securities issue	-	200	39 341	383 353	
4. Other cash inflows from financing activities	3	318	(624)	10	
II. Cash outflows from financing activities	(109 632)	(3)	(108 182)	(533 328)	
1. Purchase of own shares	-	-	-	-	
2. Dividends and equivalents paid to shareholders	-	-	-	-	
3. Other expenses related to profit distribution	-	-	-	-	
4. Repayment of credit facilities and loans received	(26 057)	(64)	(27 333)	(46 302)	
5. Redemption of debt securities issued	(81 000)	(2)	(68 987)	(431 687)	
6. Payments of other financial liabilities	-	-	(208)	(209)	
7. Payments of finance lease liabilities	(624)	(52)	188	0	
8. Interest paid	(19 804)	(22)	(4 287)	(31 082)	
9. Other cash outflows from financing activities	(2 347)	(07)	(7 532)	(23 748)	
III. Cash flows from financing activities (I-II)	(109 629)	(11)	50 472	(24 292)	
D. Net increase (decrease) in cash and cash equivalents (A+B+C)	27 738	(2)	103 827	49 829	
E. Balance sheet change in cash position	27 738	384	103 327	49 829	
- change in cash position due to exchange rate differences	3 048	359	3	3	
F. Cash at the beginning of the financial year	47 181	302	19 276	73 173	
G. Cash at the end of the financial year (F+E-D), including:	74 917	117	122 802	122 802	
- restricted cash and cash equivalents	703	763	35 337	35 337	

ASSETS		2002	2001	2000
Assets				
I. Fixed assets				
1. Intangible fixed assets, including:	791 864	923	693 982	695 518
- goodwill	23 307	680	9 275	4 591
2. Tangible fixed assets	28	40	78	88
3. Long-term receivables	100 957	284	96 452	55 808
3.1. From related parties	2 818	508	3 889	3 020
3.2. From other parties	1 802	602	1 602	1 602
4. Long-term investments	1 218	804	2 287	2 318
4.1. Land and buildings	863 710	785	768 005	607 101
4.2. Intangible fixed assets	-	-	-	-
4.3. Long-term financial investments	853 451	538	787 781	606 877
a) in related parties, including:	587 685	117	682 210	558 895
- investments in associated undertakings accounted for by the equity method of accounting	-	-	-	-
b) in other parties	85 780	410	85 671	47 182
4.4. Other long-term investments	249	249	224	224
5. Deferred tax and long-term deferred costs	11 082	402	16 381	24 328
5.1. Deferred tax	8 498	0	13 638	18 683
5.2. Deferred costs	1 588	802	2 722	8 763
II. Current assets				
1. Inventories	516 180	881	447 138	456 876
2. Receivables	9 685	738	46 118	55 655
2.1. From related parties	308 071	825	324 261	264 142
2.2. From other parties	40 498	818	36 185	66 280
3. Short-term investments	285 575	008	288 088	188 848
3.1. Short-term financial investments	181 412	651	88 687	134 182
a) in related parties	181 412	651	88 687	134 182
b) in other parties	128 388	483	0	40 583
c) cash and cash equivalents	43 273	811	48 811	78 785
3.2. Other short-term investments	9 751	147	21 856	7 504
4. Short-term deferred costs	-	-	-	-
4. Short-term deferred costs	18 022	787	9 081	2 717
Total assets	1 388 074	1 304	1 341 120	1 152 192

SHAREHOLDERS' EQUITY AND LIABILITIES		2002	2001	2000
I. Shareholders' equity				
1. Share capital	712 695	131	872 134	635 388
2. Unpaid capital	13 781	781	13 534	13 462
3. Own shares held (negative value)	-	-	-	-
4. Spare capital	698 652	892	530 117	536 117
5. Revaluation reserve	-	-	-	-
6. Other spare capital	-	-	-	-
7. Undistributed profit (not covered loss) from previous years	-	-	1 900	1 900
8. Net profit (loss)	2 252	888	120 583	83 820
9. Net profit deductions (negative value)	-	-	-	-
II. Liabilities and provisions				
1. Deferred income tax and provisions	593 379	773	688 886	518 793
1.1. Deferred income tax	18 908	982	10 348	16 056
1.2. Provisions for retirement benefits and equivalent	800	800	800	800
a) long-term provisions	800	800	800	800
b) short-term provisions	-	-	-	-
1.3. Other provisions	18 105	382	14 545	15 286
a) long-term provisions	-	-	-	-
b) short-term provisions	18 105	382	14 545	15 286
2. Long-term liabilities	188 351	647	224 800	213 814
2.1. To related parties	-	-	-	-
2.2. To other parties	188 351	647	224 800	213 814
3. Short-term liabilities	382 194	684	418 988	276 827
3.1. To related parties	7 887	671	25 371	18 881
3.2. To other parties	372 681	588	390 747	255 885
3.3. Special funds	1 758	817	948	1 101
4. Badwill and accruals	5 629	110	12 075	11 260
4.1. Badwill	-	-	-	16
4.2. Accruals	5 629	110	12 075	11 260
a) long-term	-	-	-	-
b) short-term	5 629	110	12 075	11 260
Total liabilities and shareholders' equity	1 308 074	1 304	1 341 120	1 152 192

Book value	712 695	131	872 134	635 388
Number of shares	13 791 201	13	13 534 524	13 534 524
Book value per share (in PLN)	51,68	7,22	49,88	48,85
Anticipated number of shares	-	-	-	-
Diluted book value per share (in PLN)	-	-	-	-

OFF-BALANCE SHEET ITEMS		2002	2001	2000
1. Contingent receivables				
1.1. From related parties	-	-	-	-
- guarantees received	-	-	-	-
1.2. From other parties	-	-	-	-
- guarantees received	-	-	-	-
2. Contingent liabilities	53 802	848	58 004	83 323
2.1. To related parties	13 895	235	16 138	21 585
- guarantees granted	13 895	235	16 138	21 585
2.2. To other parties	39 907	613	39 866	61 738
- guarantees granted	39 907	613	39 866	61 738
3. Other	-	-	-	-
Total off-balance sheet items	53 802	848	66 604	83 323

	2002	2001	2000
I. Revenues, including:	240 278	343	919 630
- from related parties	22 928	723	54 858
1. Sales of finished products and services	148 443	179	843 735
2. Sales of goods for resale and materials	93 835	170	275 684
II. Cost of sales, including:	148 220	198	533 278
- to related parties	16 873	020	25 832
1. Costs of products and services sold	65 998	828	285 500
2. Costs of goods and materials sold	82 228	372	247 778
III. Gross margin (III-I)	92 058	145	386 252
IV. Selling costs	15 307	408	61 578
V. General and administrative costs	44 184	497	150 723
VI. Net margin (III-IV-V)	32 579	242	183 942
VII. Other operating income	1 297	306	6 288
1. Profit on disposal of non-financial fixed assets	-	-	-
2. Donations received	-	-	-
3. Other operating income	1 297	306	6 288
VIII. Other operating expenses	12 509	604	28 768
1. Loss on disposal of non-financial fixed assets	(49)	222	408
2. Provisions for non-financial fixed assets	3 270	493	7 344
3. Other operating expenses	9 288	889	21 036
IX. Operating profit (VI-VII-VIII)	21 367	946	160 443
X. Financial income	11 293	808	77 607
1. Dividends and equivalents received, including:	0	992	1 121
- from related parties	-	542	0
2. Interest, including:	10 103	371	56 110
- from related parties	8 325	202	48 448
3. Profits on disposal of investments	2 021	424	834
4. Revaluation of investments	(1 199)	650	10 012
5. Other	365	288	10 527
XI. Financial expenses	130 825	676	67 288
1. Interest, including:	10 796	811	35 600
- to related parties	-	97	348
2. Losses on disposal of investments	119	119	2 532
3. Revaluation of investments	117 661	300	9 764
4. Other	1 950	245	19 364
XII. Profit on ordinary activities before taxes (IX+X-XI)	(98 155)	979	170 762
XIII. Extraordinary items (XIII.1. - XIII.2.)	0	0	0
1. Extraordinary profit	-	-	-
2. Extraordinary loss	-	-	-
XIV. Profit before income tax (XII+/-XIII)	(98 155)	979	170 762
XV. Income tax	(21 729)	727	50 179
a) current tax	2 538	584	48 641
b) deferred tax	(24 267)	143	3 338
XVI. Other obligatory charges	0	0	0
XVII. Share of result of associates accounted for by the equity method of accounting	0	0	0
XVIII. Net profit (loss) (XIV-XV+/-XVI)	(76 438)	252	120 583
Net profit (for 12 months)	2 282		120 583
Weighted average number of ordinary shares	13 623 548		13 534 005
Basic earnings per ordinary share (in PLN)	0,17		8,91
Weighted average anticipated number of ordinary shares			
Diluted earnings per ordinary share (in PLN)			

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY				
	2002	2001	2000	1999
I. Opening balance of shareholders' equity	789 131	134	635 399	569 491
a) changes in accounting policy	-	-	-	1 800
b) corrections of fundamental errors	-	-	-	-19 872
I.a. Opening balance of shareholders' equity after reconciliation to comparable data	789 131	134	635 399	931 419
1. Opening balance of share capital	13 791	534	13 462	13 462
1.1. Changes in share capital	-	-	-	-
a) increase	-	-	-	-
- share issue	-	-	72	72
- conversion of bonds	-	-	72	72
b) decrease	-	-	-	-
- redemption of own shares	-	-	-	-
1.2. Closing balance of share capital	13 791	791	13 534	13 534
2. Opening balance of unpaid capital	-	-	-	-
2.1. Changes in unpaid capital	-	-	-	-
a) increase	-	-	-	-
b) decrease	-	-	-	-
2.2. Closing balance of unpaid capital	-	-	-	-
3. Opening balance of own shares held	-	-	-	-
3.1. Changes in own shares held	-	-	-	-
a) increase	-	-	-	-
b) decrease	-	-	-	-
3.2. Closing balance of own shares held	-	-	-	-
4. Opening balance of spare capital	686 862	888	535 117	489 747
4.1. Changes in spare capital	-	-	-	-
a) increase	-	-	-	-
- share premium	-	-	-	36 370
- net profit distribution (statutory)	-	-	-	-
- net profit distribution (over statutory required minimum value)	-	-	-	36 370
- other	-	-	-	-
b) decrease	-	-	-	-
- loss cover	-	-	-	-
4.2. Closing balance of spare capital	686 862	888	535 117	536 117
5. Opening balance of revaluation reserve	-	-	-	-
5.1. Changes in revaluation reserve	-	-	-	-
a) increase	-	-	-	-
b) decrease	-	-	-	-
- disposal of fixed assets	-	-	-	-
5.2. Closing balance of revaluation reserve	-	-	-	-
6. Opening balance of other spare capital	-	-	-	-
6.1. Changes in other spare capital	-	-	-	-
a) increase	-	-	-	-
b) decrease	-	-	-	-
6.2. Closing balance of other spare capital	-	-	-	-
7. Opening balance of undistributed profit (not covered loss) from previous years	-	311	1 900	59 241
7.1. Opening balance of undistributed profit from previous years	-	311	1 900	59 241
a) changes in accounting policy	-	-	-	1 800
b) corrections of fundamental errors	-	-	-	-19 872
7.2. Opening balance of undistributed profit from previous years after reconciliation to comparable data	-	311	1 900	38 269
a) increase	-	-	-	-
- profit distribution to spare capital	-	-	-	-
b) decrease	-	-	-	-
- profit distribution to spare capital	-	-	-	36 369
7.3. Closing balance of undistributed profit from previous years	-	311	1 900	1 900
7.4. Opening balance of not covered loss from previous years	-	-	-	-
a) changes in accounting policy	-	-	-	-
b) corrections of fundamental errors	-	-	-	-
7.5. Opening balance of not covered loss from previous years after reconciliation to comparable data	-	-	-	-
a) increase	-	-	-	-
- transfer of loss to be covered	-	-	-	-
b) decrease	-	-	-	-
7.6. Closing balance of not covered loss from previous years	-	-	-	-
7.7. Closing balance of undistributed profit (not covered loss) from previous years	-	0	1 900	1 900
8. Net profit (loss) for the period	-76 438	152	36 663	120 583
a) net profit	-	152	36 663	100 711
b) net loss	-76 438	-	-	-
c) other net profit (loss) deductions	-	-	-	-
d) changes in accounting policy	-	-	-	19 872
e) corrections of fundamental errors	-	-	-	-
II. Closing balance of shareholders' equity	712 693	134	672 134	872 134
III. Closing balance of shareholders' equity regarding the proposed profit distribution (loss coverage)	712 693	134	672 134	872 134

	2004	2003	2002
A. Cash flows from operating activities			
I. Net profit (loss)	(78 430)	252	36 863
II. Adjustments to reconcile net profit to net cash generated by operating activities:	168 548	121	12 847
1. Share of result of associates accounted for by the equity method of accounting	-	-	58 910
2. Depreciation	5 342	248	5 914
3. Foreign exchange gains (losses)	5 341	710	(1 181)
4. Interest and dividends received and paid	(7 740)	377	8 010
5. (Gains) losses from investing activities	1 388	009	(20 952)
6. Change in provisions	(13 817)	0	(12 201)
7. Change in inventories	1 053	434	22 803
8. Change in receivables	1 887	476	(87 222)
9. Change in short-term liabilities (except for credit facilities and loans)	68 333	382	100 763
10. Change in prepayments and accruals' balance	(21 728)	308	2 372
11. (Received) Contributed donations	2 236	318	3 921
11. Other adjustments	135 288	372	720
III. Cash flows from operating activities (I+II)	82 118	373	48 810
B. Cash flows from investing activities			
I. Cash inflows from investing activities	65 658	292	(44 970)
1. Disposal of intangible and tangible fixed assets	64	454	221
2. Disposal of investments in land, buildings and intangible fixed assets	-	-	-
3. Disposal of financial investments, including those:	63 653	807	(38 900)
a) in related parties	13 899	281	(3 886)
- disposal of financial assets	9 204	643	-
- dividends and equivalents received	0	542	0
- repayment of long-term loans granted	-	-	-
- interest	4 785	088	(3 888)
- repayment of short-term loans granted	-	-	-
- other cash inflows from financial assets	-	-	-
b) in other parties	49 654	526	(35 002)
- disposal of financial assets	34 188	808	(34 943)
- dividends and equivalents received	2	154	141
- repayment of long-term loans granted	14 921	321	-
- interest	543	543	(203)
- repayment of short-term loans granted	-	-	-
- other cash inflows from financial assets	-	-	-
4. Other cash inflows from investing activities	1 841	841	(8 291)
II. Cash outflows from investing activities	(33 563)	(199)	(32 154)
1. Purchase of intangible and tangible fixed assets	(31 876)	(147)	(18 082)
2. Purchase of investments in land, buildings and intangible fixed assets	-	-	-
3. Purchase of financial investments, including those:	(1 887)	352	(16 978)
a) in related parties	(887)	181	(35 241)
- purchase of financial assets	0	330	(32 114)
- long-term loans granted	(887)	251	-
- short-term loans granted	-	-	(627)
- purchase of other financial assets	-	-	(500)
b) in other parties	(1 000)	171	18 345
- purchase of financial assets	(1 534)	443	35 333
- long-term loans granted	(118)	0	(70 612)
- short-term loans granted	656	0	(11 712)
- purchase of other financial assets	-	-	-
4. Other cash outflows from investing activities	-	-	(94)
III. Cash flows from investing activities (I-II)	32 095	197	(77 124)
C. Cash flows from financing activities			
I. Cash inflows from financing activities	0	0	0
1. Share issue	-	0	72
2. Credit facilities and loans received	-	815	120 874
3. Debt securities issue	-	0	25 000
4. Other cash inflows from financing activities	(120 604)	(198)	(104 110)
II. Cash outflows from financing activities	-	-	-
1. Purchase of own shares	-	-	-
2. Dividends and equivalents paid to shareholders	-	-	-
3. Other expenses related to profit distribution	-	-	-
4. Repayment of credit facilities and loans received	(37 989)	-	(23 333)
5. Redemption of debt securities issued	(81 600)	300	(88 887)
6. Payments of other financial liabilities	-	-	-
7. Payments of finance lease liabilities	(19 398)	378	(4 188)
8. Interest paid	(2 238)	318	(7 602)
9. Other cash outflows from financing activities	(120 604)	381	41 538
III. Cash flows from financing activities (I-II)	3 604	105	14 022
D. Net increase (decrease) in cash and cash equivalents (A+B+C)	3 604	105	14 022
E. Balance sheet change in cash position			
- change in cash position due to exchange rate differences	3 048	358	3
F. Cash at the beginning of the financial year	8 147	858	7 884
G. Cash at the end of the financial year (F+E-D), including:	8 751	751	21 886
- restricted cash and cash equivalents	-	-	5 379

February 28, 2004

Dariusz Górka - Member of the Board

Krzysztof Wilski - Vice President of the Board

**Comments to the Quarterly consolidated financial statements of
Prokom Software SA Capital Group
for the 4th Quarter 2003 (SA-QSr 4/2003)**

I. Rules adopted in preparation of this report

1. This consolidated quarterly report of Prokom Software SA Capital Group (Report) presents data for the 4th quarter 2003 in a form of:
 - consolidated financial statements, including: consolidated balance sheet, off-balance sheet items, consolidated profit and loss account, statement of changes in consolidated shareholders' equity and consolidated statement of cash flows,
 - Prokom Software SA's abbreviated unconsolidated financial statements, including: balance sheet, off-balance sheet items, profit and loss account, statement of changes in shareholders' equity and statement of cash flows,
 - comments of the Parent Company's Management Board to the quarterly consolidated financial statements.

2. The quarterly consolidated financial statements of Prokom Software SA Capital Group for the 4th quarter of 2003 have been prepared in accordance with the following legal regulations: the Accounting Act of September 29th 1994 (with further changes), Decree of Minister of Finance of December 12th 2001 (with further changes) concerning consolidation rules and two Decrees of the Council of Ministers of October 16th 2001 (with further changes) concerning preparation of the prospectus and the information requirements for the listed companies.
Financial information included in this Report were prepared in accordance with the accounting principles relating to the valuation of assets and liabilities and determination of the net financial result as set at the balance sheet date, including provision for the deferred corporate income tax and provision for the revaluation of assets.

3. Detailed description of accounting principles adopted for 4Q/2003 financial statements was included in semi-annual consolidated report (SA-PS 2003) of the Group, which was published on 24th October 2003.

4. In the 4th quarter of 2003 the following changes took place in the structure of the Group:
 - Prokom Software SA increased its stake in Koma SA to 75% in the share capital and votes at the General Shareholders' Meeting of Koma SA.
 - As the result of sale to TP Internet SA of all shares of Wirtualna Polska SA, as at December 31st Prokom Software SA does not hold any shares of Wirtualna Polska SA.
 - As the result of sale to Demos SA of all shares of WWW praca.com Sp. z o.o., as at December 31st Prokom Software SA does not hold any shares of WWW praca.com Sp. z o.o.

5. In the consolidated financial statements for the 4th quarter 2003 the following subsidiaries and associates have been consolidated:

Prokom Software SA, Softbank SA's Capital Group, Koma SA, ZETO Sp. z o.o., Combidata Poland Sp. z o.o., Incenti SA, Postdata SA, Prokom Internet SA's Capital Group, DotiX Polska Sp. z o.o., PUP Spin Sp. z o.o.

Most of the companies that were excluded from consolidation are the entities in which Prokom has the minority stakes. These companies (except for Koma Nord Sp. z o.o.) were already excluded from consolidation at the lower level of preparation of consolidated financial statements i.e.: Prokom Internet SA, Softbank SA, Koma SA and PUP Spin Sp. z o.o.

Some of the directly dependent companies, along with Koma Nord Sp. z o.o., were excluded from consolidation because of their non-material effect on the Group's consolidated financial statements. This exclusion has been made in accordance with point 58.1.1 and point 13.a. of the Accounting Act dated September 29th 1994.

Additionally, because of the nature and structure of the transaction of the acquisition of PVT a.s., based on item 57.1.1 of the Accounting Act dated 29 September 1994, the Group decided to exclude this company from the equity method of consolidation.

6. To translate the financial results from Polish zloty (PLN) to Euro (EUR), the following foreign exchange rates (published by the National Bank of Poland) were used:

- For the Balance Sheet – the rate as at the balance sheet day. The exchange rate on December 31st 2003 was 1 EUR = 4.7170 PLN, while the exchange rate on December 31st 2002 was 1 EUR = 4.0202 PLN;
- For the Profit and Loss 4Q/2003 – the average of NBP rates applicable on the last day of each month between January and December 2003 (1 EUR = 4.4474 PLN);
- For the Profit and Loss 4Q/2002 comparative data – the average of NBP rates applicable on the last day of each month between January and December 2002 (1 EUR = 3.8697 PLN).

II. Reserves and revaluation of assets:

The Capital Group

In the 4th quarter the Capital Group of Prokom Software SA (in PLN thousand):

A. Created:

- reserve for retirement bonuses and similar	343
- reserve for guarantee given to an associate company	1,713
- reserve for management bonuses	3,000
- reserve for unused vacation days	447

B. Released:

- reserve for unused vacation days	992
- reserve for maintenance and warranty works	1,530

C. Created the adjustments for the amount of: **+18,918**

Prokom Software S.A.In the 4th quarter Prokom Software SA (in PLN thousand):**A. Created:**

- | | |
|---|-------|
| - reserve for guarantee given to an associate company | 1,713 |
| - reserve for management bonuses | 3,000 |

B. Created the adjustments for the amount of: 122,323**III. Significant achievements of the Capital Group in the 4th quarter 2003 and after the balance sheet date.****Operating activity****In the 4th quarter 2003****Prokom Software SA**

- On October 20th 2003, Prokom Software SA concluded the agreement with ZUS for rendering of administration and exploitation of Comprehensive IT System (KSI) ZUS. The subject of the agreement is the continuation of services rendered by Prokom Software SA for ZUS. Due to progressing development of KSI ZUS system and extend of its functionality, the complexity of works connected with the administration and exploitation of KSI ZUS. In the period included in the agreement will be much larger than the works realized on the basis of the previous agreements and will require to involve top Prokom Software SA's experts for the whole scope of services rendered. The scope of services included in the agreement among others provides for the administration of information exchange system between ZUS and its payer (SDW). The functionality of this system will enable the payers to verify their data assembled in the central insured register throughout the Internet. The total net value of this contract amounts to PLN 110.5 million. The contract is to be completed within 12 months. The value of the agreement represents more than 10% of the Company's equity, which qualifies it as the substantial agreement.

(communiqué of Prokom Software SA - RB/49/2003 dated 21 October 2003)

- Since September 20th 2003 the total value of transactions between the Company (and its subsidiaries) and Telekomunikacja Polska SA (and its subsidiaries) exceeded 10% of Prokom Software SA's equity, reaching the amount of PLN 78.8 million. The most significant contract in this period was signed on November 5th 2003 between Telekomunikacja Polska SA (TP SA) and OptiX Polska Sp. z o.o. (Prokom Software SA's subsidiary), regarding the implementation and service of TP SA's Central Backup System, which is based on "LEGATO" software and STK, HP, SUN and IBM hardware. The Central Backup System creates the reserve data copies of all TP SA's production systems. The net value of the contract amounts to PLN 44.0 million. Moreover, Prokom Software SA concluded with Telekomunikacja Polska SA (TP SA) the following agreements:
 - The General agreement concerning providing of IT services and granting the license for user software for the period until December 31st 2004, with the possibility of extension of the contract for another one-year period. The agreement constitutes the grounds for continuation of over ten year co-operation and will allow to modify and develop the TP SA's IT system provided by Prokom.
 - Three executive agreements relating to the General agreement, which include rendering of services in the scope of development and maintenance of TP SA's IT system as well as functional supporting of its users. The duration of realization of these

agreements covers the period until December 31st 2004. The total value of executive agreements amounts to PLN 29.8 million.

(communiqué of Prokom Software SA - RB/51/2003 dated 6 November 2003)

Softbank SA

- On October 27th 2003 Softbank SA concluded the agreement with PKO BP SA relating to the delivery and installation of computer software and hardware and provision of related maintenance services for the total amount of PLN 54.5 million.

(communiqué of Softbank SA – dated 27 October 2003)

- On October 28th 2003 Ministry of Internal Affairs and Administration (MSWiA) concluded with Softbank the agreement for the procurement and implementation of the Central Register of Vehicles and Drivers (CEPiK) information system. The value of the contract amounts to PLN 188.9 million. According to the agreement, the implementation should be completed by December 31st 2005 and in addition, Softbank will be providing maintenance of the system until December 31st 2009. MSWiA will pay for the works performed in monthly instalments in the period between April 1st 2004 and December 31st 2009. The agreement constitutes on Softbank SA's side contractual penalties up to the total contract value.

(communiqué of Softbank SA – dated 28 October 2003)

- On October 28th 2003 Softbank SA concluded the contract with Face Technologies (PTY) Ltd. of the Republic of South Africa, for the purchase of IT solutions, including services, training, software and licenses. The contract will be performed until December 31st 2004. The value of the contract was deemed material as it falls within the range of 40%–75% of Softbank's equity.

(communiqué of Softbank SA – dated 6 November 2003)

- On December 4th 2003 Softbank SA signed the sub-contracting agreement with Comp SA of Warsaw for the procurement of the Security Sub-system for the Central Register of Vehicles and Drivers (CEPiK). The contract will be executed according to the schedule of the works on the CEPiK system (see the disclosure of 28 October 2003). The net value of the contract amounts to PLN 35.7 million.

(communiqué of Softbank SA – dated 4 December 2003)

- On December 10th 2003 Softbank SA signed the annex to the agreement with PKO BP SA of December 19th 2001 for the sale of Microsoft software within the frame of the Microsoft Enterprise project. The value of the annex amounts to USD 6,363,652 (approximately PLN 24.1 million). The payments will be invoiced semi-annually and will be made within the period of three years.

(communiqué of Softbank SA – dated 12 December 2003)

- **Optix Polska Sp. z o.o.**

- executed the preliminary stage of the contract regarding Central Backup System for TP SA
- developed the matrix system and implemented the HSM system at PTK Centertel SA
- provided the Integrated mailing system (print and dispatch) to ELP WBK SA
- provided the Storage Area Network to PTC Sp. z o.o.

- **Incanti SA**

- signed the agreement with Drosed SA regarding provision of hosting and WAN administration services
- finished the implementation of Data Processing Center for TP SA (including power supply and air-conditioning systems)

- **Koma SA**
 - sold the KOMA HR license to Comp Soft SA
 - implemented the ERSI software in Farmacol SA
 - sold the in-house network to ING BSK SA
- **Combidata Poland Sp. z o.o.**
 - finished the trainings in the field of Comprehensive Katastral System, organized for Ministry of Justice, Ministry of Finance and Geodesy and Cartography Office
 - executed two contracts for the Ministry of Education regarding trainings in the field of Microsoft Visual Studio Net
 - carried out the mass trainings for the new version of "Platnik" software (PP2)
 - carried out the trainings for PPUP Poczta Polska SA's IT specialists in the field of SQL Server and MS Server, which is connected with the implementation of Poczta 2000 system carried out by Postdata SA
 - finished the "Telepraca" project – an Internet based project dedicated to disabled population
 - concluded the agreement with Oracle Polska for providing of authorized trainings
 - in connection with the implementation of CRM system in TP SA, the company provided the package of electronic trainings regarding key business processes and changes of system functionality. The trainings were available throughout LMS SA.
- **The Polished Group SA**
 - continued work on the development of Intranet Server system; started the production of SyncServer system, enabling synchronization of data on mobile phones throughout GPRS
- **Ce-market.com Sp. z o.o.**
 - continued work on integration of the sale systems at Impexmedia SA.
 - carried out the pre-implementation analysis of SAP R/3 system at Szoplenice SA
- **Postinfo Sp. z o.o.**
 - executed the contracts with TP SA regarding the development of SOKB and the maintenance over SOKK.
 - continued the technical support of FRED system at NETIA SA

After the balance sheet date

- On January 6th 2004 Softbank SA signed with Softbank Service Sp. z o. o., the wholly-owned subsidiary, the sub-contracting agreement for the procurement of works, implementation assistance and servicing of the infrastructure of CEPiK system (Central Registry of Vehicles and Drivers). The contract's value amounts to PLN 8.8 million. Payments will be made in instalments upon the receipt of payments from Softbank's client - Ministry of Internal Affairs and Administration.

(communiqué of Softbank SA – dated 7 January 2004)

- On January 15th 2004 Softbank SA and the Agency for Restructuring and Modernisation of Agriculture of Warsaw executed the agreement on delivery and installation of computer hardware (servers and mass memories), along with the software necessary to develop the Integrated Management and Control System. The agreement is to be performed within eight weeks of its execution date and provides for contractual penalties of 0.02% of the total remuneration (VAT exclusive) for each day of delay. The net value of the agreement is PLN 18,912,643. It is considered as significant as it exceeds 10% of Softbank SA's equity.

(communiqué of Softbank SA – dated 16 January 2004)

Financing activities

In the 4th Quarter 2003:

As in the previous periods Prokom Software SA Capital Group financed its operations with cash generated from operations as well as external sources, of which the most important were:

- short-term commercial paper offered on the market by ING Bank Śląski SA (the maximum value of the Program was PLN 150 million; at the balance sheet date all papers were repaid).
- short-term ordinary bearer bonds program of the maximum nominal value of PLN 200 million, offered by BRE Bank SA (PLN 68.6 million was used as at February 26th 2004).
(communiqué of Prokom Software SA – RB/24/2003 dated 20 June 2003)
- revolving credit line with BRE Bank SA (the maximum value of PLN 15 million – as at February 26th 2004, PLN 4.7 million was used)
- revolving credit line with Raiffeisen Bank Polska SA (the maximum value of PLN 90 million – as at February 26th 2004, PLN 12.4 million was used).
- revolving credit line with BPH PBK SA (the maximum value of PLN 200 million – as at February 26th 2004, PLN 20.6 million was used).
- investment loan with BPH PBK SA (the value of PLN 100 million – as at February 26th 2004, PLN 55.9 million was used).
- convertible bonds (nominal value of PLN 200 million). As at February 26th 2004 the value of issued bonds was equal to PLN 156.7 million.
- investment loans with J&T Banka, a.s. and Keene & Soons Ltd (the total value of CZK 281 million being the equivalent of PLN 41.9 million – as at February 26th 2004 was fully used).

Other financing activity:

- On December 30th 2003 the Company signed an annex to the credit agreement with Bank Przemysłowo – Handlowy PBK SA, based on which the credit line of PLN 200 million established in May 2003 (*Company's communiqué from May 20th 2003*) was prolonged until May 18th 2006.
(communiqué of Prokom Software SA - RB/56/2003 dated 31 December 2003)
- On December 30th 2003 the Company signed an annex to the credit agreement with Raiffeisen Bank Polska SA, based on which the current account credit line of PLN 90 million established in May 2003 (*Company's communiqué from April 18th 2003*) was prolonged until October 31st 2005.
(communiqué of Prokom Software SA - RB/57/2003 dated 31 December 2003)

The Group invested spare cash in commercial papers and bank deposits. The Group used its own resources, external debt and cash collected from its accounts receivables to pay for its obligations that resulted from the normal course of business.

As in the prior periods, the Group used NDF contracts to hedge against the FX risk.

As at December 31st 2003 the Parent Company's liabilities amounted to PLN 451.8 million. In the opinion of the Management, the Parent Company's liabilities should remain at the same or lower level. The Company may increase the use of its existing credit capacity in case of new capital investment requirements.

Investing activities

In the 4th Quarter 2003

- On October 17th 2003 the court registered an increase in the share capital of AWiM Mediabank SA, Softbank's subsidiary. Currently, the share capital of AWiM Mediabank SA amounts to PLN 7,915,000. Softbank holds 7,915 shares, representing 100% of the share capital of AWiM Mediabank SA, and is entitled to 158,300 voting rights at the General Shareholders' Meeting, representing 100% of the total voting rights.

(communiqué of Softbank SA – dated 29 October 2003)

- on October 22nd 2003 the Company received information on obtaining indispensable consent of the President of Consumer and Competition Protection Office regarding C2 System Polska SA and RUM IT SA, founded jointly by Prokom Software SA and Computer and SA.

(communiqué of Prokom Software SA - RB/50/2003 dated 23 October 2003)

- On October 28th 2003 the court registered the increase in the share capital of Softbank SA. As the result, the stake of Prokom Software SA in the share capital and voting rights at the General Shareholders' Meeting, decreased from 23.22% to 22.85%. Currently, the share capital of Softbank SA amounts to PLN 20,950,512 and is divided into 20,950,512 ordinary shares with the nominal value of PLN 1 each.

(communiqué of Softbank SA – dated 6 November 2003)

- On November 14th 2003 the District Court in Katowice, Poland, registered the decrease in the share capital of Koma SA (subsidiary of Prokom Software SA). As the result of the redemption of 69,000 shares held by Solteq Oyj, seated in Tampere, Finland, the stake of Prokom Software SA increased from 56.26% to 75.00% of the share capital and voting rights at the General Shareholders' Meeting of Koma SA. After the registration of the redemption, the share capital of Koma SA amounts to PLN 1,035,530 and splits into 207,106 registered shares of nominal value of PLN 5 each, jointly giving rights to 207,106 votes at the General Shareholders' Meeting.

(communiqué of Prokom Software SA - RB/8/2004 dated 18 February 2004)

- On November 28th 2003, Prokom Software SA and Mr. Aleksander Lesz signed the annex to the shareholder agreement dated October 24th 2002 (Prokom Software SA communiqué RB/51/2002 dated on October 25th 2002). The annex extends the date of the expiration of Prokom's call option to purchase Softbank's shares still owned by Mr. Aleksander Lesz until the 6th of February 2004.

(communiqué of Prokom Software SA - RB/53/2003 dated 29 November 2003)

- On December 23rd 2003, Prokom Internet SA (a subsidiary of Prokom Software S.A., controlled by ownership of 95% of shares and voting rights at the General Shareholders' Meeting) sold to TP Internet SA 964,343 shares of Wirtualna Polska SA, which constituted 21.57% of the share capital and voting rights at the General Shareholders' Meeting, which qualified shares sold as the substantial assets. The transaction was completed with the unit price of USD 15 per share, an equivalent of PLN 56.12. The call option, which was described in the "Wirtualna Polska SA's share agreement" dated October 26th, 2001 (communiqué RB/56/2001), expired upon the transfer of the ownership of shares. After the transaction, the Capital Group of Prokom Software SA does not hold any shares of Wirtualna Polska SA.

(communiqué of Prokom Software SA - RB/54/2003 dated 24 December 2003)

- On December 23rd 2003 Prokom Internet SA (Prokom Software SA's subsidiary through 95% stake in the share capital and voting rights at the General Shareholders' Meeting) sold all shares in WWW praca.com Sp. z o.o. All 51 shares were purchased by Demos SA seated in Gdynia for the price of

PLN 1 per share. The book value of shares sold at the transaction date was PLN 1.96 million. Demos SA is contractually committed to sell back 26% of total share capital of WWW praca.com Sp. z o.o. on Prokom Internet SA's demand within the period of two years at the price of PLN 1 per share. The shares sold constituted 51% of WWW praca.com Sp. z o.o.'s equity which qualified them as the substantial assets.

(communiqué of Prokom Software SA - RB/5/2004 dated 5 February 2004)

After the balance sheet date

- On January 13th 2004 the court registered the increase of the share capital of AWiM Mediabank SA, Softbank's subsidiary undertaking. Currently, the share capital of AWiM Mediabank SA amounts to PLN 8,715,000. Softbank holds 87,150 shares, representing 100% of the share capital of AWiM Mediabank SA, and is entitled to 174 300 voting rights at the General Shareholders' Meeting, representing 100% of the total voting rights.

(communiqué of Softbank SA – dated 26 January 2004)

- On January 21st 2004 the court registered the increase of the share capital of Zeto-Rodan Sp. z o.o., Softbank's subsidiary. Currently, the share capital of Zeto-Rodan Sp. z o.o. amounts to PLN 200,000. Softbank holds 204 shares, representing 51% of the total share capital of Zeto-Rodan Sp. z o.o., and is entitled to 204 voting rights at the General Shareholders' Meeting, representing 51% of the total voting rights.

(communiqué of Softbank SA – dated 5 January 2004)

IV. Significant events influencing financial results

The cumulative sales revenues of the Capital Group of Prokom Software after the 4th quarter of 2003 amounted to PLN 1,443.7 million. Operating profit amounted to PLN 110.1 million, Profit before Income Tax PLN 169.2 million and Net Profit PLN 104.0 million.

The main factors influencing the Net Profit of the Group were:

- Net profits generated by the companies from the Group
- Amortization of goodwill of PLN 43.1 million
- Losses of the Internet companies amounting to PLN 19.0 million
- Sale of Wirtualna Polska SA for the price PLN 54.1 million

Revenues

In the 4th quarter of 2003 the sales of products and services represented 55.6% of total revenues, while the remaining 44.4% was generated by sales of goods and materials. The majority of the Group's revenues were generated by Prokom Software SA (60.4%).

Costs

After the 4th quarter 2003 the costs of products, services, goods and materials sold amounted to PLN 959.3 million, with the selling margin of 33.6%. The selling margin on sales of products and services equaled to 51.6%, whereas the selling margin on sales of goods and materials was 11.0%. Selling costs amounted to PLN 85.2 million and the general and administrative expenses summed up to PLN 228.0 million.

The reported results include the adjustment to revenues and profits of the four quarters of 2002 relating to the transaction with PUP Spin Sp. z o.o., which was described in details in the Management's Discussion & Analysis to the 2002 Annual Report. The effect of this adjustment was the increase of the 2nd quarter 2002 revenues and net profit by approximately PLN 22.6 million and PLN 19.9 million, respectively.

V. The valuation of the possibility of fulfillment of previously published financial results forecasts

The Management Board of Prokom Software S.A. did not present any forecasts of Prokom Software S.A.'s or its Capital Group's financial results to the public.

VI. Changes in shares ownership structure

Shareholders who held directly or indirectly at least 5% of the total number of votes at the General Shareholders' Meeting (GSM) of Prokom Software SA:

Shareholders of Prokom Software SA as at 26 February 2004

Shareholder	Number of shares	% in share capital	Number of votes at GSM	% of votes at GSM
Prokom Investments SA	2,174,573	15.73%	2,174,573	16.96%
Ryszard Krauze ^{*)}	1,888,514	13.66%	2,071,314	14.23%
Bank of New York ^{**)}	1,528,200	11.05%	1,528,200	10.49%
J.P Morgan Chase & Co	869,457	6.29%	869,457	5.97%
PZU SA	752,036	5.44%	752,036	5.16%
CU OFE BPH CU PBK ^{***)}	582,320	4.21%	582,320	4.00%

^{*)} on 14 November 2003 Mr. Ryszard Krauze owned directly and indirectly 66.81% of the share capital and votes at the GSM of Prokom Investments SA which results in direct and indirect share of 24.16% in Prokom Software SA's share capital and 25.55% of votes at its GSM.

^{**)} The GDR's depository.

^{***)} on 30 May 2003 CU OFE BPH PBK held 582,320 shares and the bonds convertible to E – series shares of Prokom Software SA. In case of conversion of all issued bonds to shares CU OFE BPH PBK would hold 786,938 shares constituting 5.29% of the share capital and entitling to 5.04% of votes at the General Shareholders' Meeting.

Shareholders of Prokom Software SA as at 14 November 2003

Shareholder	Number of shares	% in share capital	Number of votes at GSM	% of votes at GSM
Prokom Investments SA	2,360,573	17.12%	2,360,573	18.28%
Ryszard Krauze ^{*)}	1,888,514	13.69%	2,071,314	14.27%
Bank of New York ^{**)}	1,609,124	11.67%	1,609,124	11.07%
PZU S.A.	752,036	5.45%	752,036	5.17%
CU OFE BPH CU PBK ^{***)}	582,320	4.22%	582,320	4.01%

^{*)} on 14 November 2003 Mr. Ryszard Krauze owned directly and indirectly 66.77% of the share capital and votes at the GSM of Prokom Investments SA which results in direct and indirect share of 25.12% in Prokom Software SA's share capital and 26.47% of votes at its GSM.

^{**)} The GDR's depository.

^{***)} on 30 May 2003 CU OFE BPH PBK held 582,320 shares and the bonds convertible to E – series shares of Prokom Software SA. In case of conversion of all issued bonds to shares CU OFE BPH PBK would hold 786,938 shares constituting 5.28% of the share capital and entitling to 5.04% of votes at the General Shareholders' Meeting.

Changes in Prokom Software SA's shares ownership structure:

- On September 19th the District Court in Warsaw registered an increase in the share capital of Prokom Software SA resulting from the issue of 256,677 E series shares (issued on the basis of Extraordinary Shareholders' Meeting's resolution dated on the 17th September 2001).

(communiqué of Prokom Software SA - RB/47/2003 dated 30 September 2003)

- On February 3rd 2004 the National Depository For Securities (KDPW SA) registered 33,500 E-series ordinary bearer shares of Prokom Software SA of the nominal value of PLN 1,00 each under code PLPROKM00054.

(communiqué of Prokom Software SA - RB/2/2004 dated 5 February 2004)

- On February 4th 2004 the Management Board of Warsaw Stock Exchange passed on the resolution concerning bringing into stock circulation 33,500 E-series ordinary bearer shares. The above mentioned shares were brought into stock circulation on the Warsaw Stock Exchange main market on February 10th 2004.

(communiqué of Prokom Software SA - RB/4/2004 dated 5 February 2004)

- On February 12th and 13th 2004 Prokom Investments SA dependent on Mr. Ryszard Krauze – President of the Management Board of Prokom Software SA, had sold 186,000 ordinary bearer shares of Prokom Software SA, - at the average price of PLN 189 per share. As the result of this transaction Mr. Ryszard Krauze, along with Prokom Investments SA, hold together 4,063,227 shares of Prokom Software SA, which constitute 29.39% of the share capital and 4,543,567 voting rights, which entitle to 31.19% of total voting rights at the General Shareholders' Meeting of Prokom Software SA.

(communiqué of Prokom Software SA - RB/6/2004 dated 13 February 2004)

- On February 26th 2004 the Company received from J.P. Morgan Chase & Co, with the seat in London (UK), information that J.P. Morgan Chase & Co together with its subsidiaries are the proprietor of 85,171 shares and 1,568,572 GDR's of Prokom Software SA, which constitute 6.29% of share capital and entitle to execute 5.97 votes at the Company's General Shareholders' Meeting.

(communiqué of Prokom Software SA - RB/11/2004 dated 26 February 2004)

- Since the publication of 3Q2004 Report, Bank of New York sold shares of Prokom Software SA and in effect it holds 1,528,200 shares, which entitle to 11.05% of Prokom's share capital and 10.49% of the total voting rights at the General Shareholders' Meeting.

Except for the transactions described above, Prokom Software SA has no knowledge of any other changes in the structure of the Company's ownership.

VII. Changes in the ownership of Company's shares or rights to the shares by the members of the Supervisory Board and the Management Board.

Shareholder	14-11-2003		Increase / decrease		26-02-2004	
	Number of shares	Number of options	Number of shares	Number of options	Number of shares	Number of options
The Management Board*)	2,105,905	-	-35,331	-	2,070,574	-
The Supervisory Board	-	-	-	-	-	-

*) The number of shares includes 1,888,514 shares held by Mr. Ryszard Krauze.

VIII. Information about legal suits or administrative proceedings pending against Prokom Software SA or its subsidiaries regarding their liabilities or receivables.

In the 4th quarter 2003 there were no pending lawsuits or administrative proceedings against Prokom Software SA or its subsidiaries regarding their liabilities or receivables of combined value exceeding 10% of Prokom Software SA's equity.

IX. Information about uncommon transactions between group companies of value exceeding EUR 500,000.

Excluding the transaction described in paragraph III "Investing activities", all inter-company transactions between group companies were ordinary transactions conducted on usual market conditions and were the result of regular operating activities of Prokom Software SA and its subsidiaries.

X. Guarantees granted.

The combined value of guarantees granted by Prokom Software SA or its subsidiaries to a single entity or its subsidiary did not exceed 10% of Prokom Software SA's equity.

XI. Other information essential for the estimation of the Group's performance and condition.

In the 4th quarter no other information essential for the estimation of the Group's performance and condition have occurred.

Signature of the officer representing the Company

26 February 2004	Krzysztof Wilski	Vice President of the Management Board
date	full name	function	signature

26 February 2004	Dariusz Górka	Member of the Management Board
date	full name	function	signature

FAX

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date: 27 Feb, 2004

pages: 1

This is a summary translation of the company statement communicated to the Polish Securities Commission according to paragraphs 1.2 and 57.1.3 and 81 Decree of the Ministries Committee, dated 16th October of 2001 (Dz. U. Nr 139.1569) in regards to type, form, and domain of current and periodic information as well as time intervals for their delivery of the information by the issuers whose shares were admitted to public exchange.

subject: **ADJUSTMENT TO THE QUARTERLY REPORT (SA-4Qsr 2003)**

The Management Board of Prokom Software SA informs that:

in Comments to the Quarterly consolidated financial statements of Prokom Software SA Capital Group for the 4th quarter of 2003 (SA-4Qsr 2003) on page 2 in chapter II (Reserves and revaluation of assets) in point C:

is currently presented:

C. Created the adjustments for the amount of: +18,918

should be presented:

C. Created the adjustments for the amount of: -18,918

27 Feb, 2004 Dariusz Górka
Member of the Management Board