

**FINANCIAL STATEMENTS OF  
ASSECO BUSINESS SOLUTIONS SA  
FOR THE THIRD QUARTER OF 2014**

**5 November 2014**



**SELECTED FINANCIAL DATA OF  
ASSECO BUSINESS SOLUTIONS SA**

## SELECTED FINANCIAL DATA OF ASSECO BUSINESS SOLUTIONS SA

The table below contains selected financial data of Asseco Business Solutions S.A.

	in PLN thou.		in EUR thou.	
	9 months ended 30 September 2014	9 months ended 30 September 2013	9 months ended 30 September 2014	9 months ended 30 September 2013
Revenue on sales	102,891	97,535	24,613	23,095
Gross profit on sales	35,977	32,699	8,606	7,743
Profit on operating activities	22,801	20,315	5,454	4,810
Gross profit	23,807	21,711	5,695	5,141
Net profit	19,153	17,413	4,582	4,123
Net cash from financing activities	25,350	28,169	6,064	6,670
Net cash from investing activities	(7,982)	(5,507)	(1,909)	(1,304)
Net cash from financing activities	(26,734)	(26,400)	(6,395)	(6,251)
Cash and short-term deposits	45,385	44,637	10,869	10,587
Weighted average number of in period	33,418,193	33,418,193	33,418,193	33,418,193
Earnings per ordinary share	0.57	0.52	0.14	0.12

The selected financial data presented in these interim condensed financial statements has been converted into the EURO as follows:

- the Company's cash position at the end of the current reporting period and the end of the previous reporting period is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.

On 30 September 2014: EUR 1 = PLN 4.1755,

On 30 September 2013: EUR 1 = PLN 4.2163.

- selected items from the interim condensed statements of comprehensive income and the interim condensed statements of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month.

In the period from 1 January to 30 September 2014: EUR 1 = PLN 4.1803,

In the period from 1 January to 30 September 2013: EUR 1 = PLN 4.2231.

## **GENERAL**

## I. GENERAL

Asseco Business Solutions SA was established under a Notarial Deed dated 18 May 2001. The Company headquarters is located in Lublin, ul. Konrada Wallenroda 4c, 20-607.

The Company is registered in the Companies' Register of the National Court Register maintained by the District Court in Lublin, VI Economic Department of the National Court Register, under KRS: 0000028257. The Company has a business statistical number REGON 017293003.

The Company was established for an indefinite period of time.

The primary activity of Asseco Business Solutions SA, according to the classification adopted by the Warsaw Stock Exchange, is "information technology".

Within the Asseco Capital Group, the Company serves as a Competence Centre accountable for the development of ERP software, mobile reporting systems (SFA), factoring systems and softwares for SMEs. The Company's offering also covers deployment and maintenance services, including a post-deployment support for the systems named above. A significant portion of undertaken projects is carried out in the full outsourcing model based on the Company's own Data Centre.

The direct parent entity of Asseco Business Solutions SA is Asseco Poland SA, which holds 46.47% of the Company's shares and, in accordance with the Company's Articles of Association, is able to exercise its right to appoint three of the five members of the Supervisory Board as long as it remains a Company's shareholder holding at least 20% of the Company's share capital.

## II. ASSECO BUSINESS SOLUTIONS SA – THE EXECUTIVES

At the date of publication of these financial statements, i.e. 05 November 2014, the Supervisory Board of the Company consists of:

<b>Name and surname</b>	<b>Function</b>
Romuald Rutkowski	Chairman of the Supervisory Board
Adam Góral	Vice-Chairman of the Supervisory Board
Zbigniew Pomianek	Member of the Supervisory Board
Adam Pawłowicz	Member of the Supervisory Board
Grzegorz Ogonowski	Member of the Supervisory Board

The Supervisory Board does not operate through separate committees, the committees' duties are performed by the Supervisory Board.

At the date of publication of these financial statements, i.e. 05 November 2014, the Management Board of the Company consists of:

<b>Name and surname</b>	<b>Function</b>
Wojciech Barcentewicz	President of the Management Board
Piotr Maślowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

### III. STOCKS AND SHARES HELD BY THE PERSONS IN THE EXECUTIVE AND SUPERVISORY CAPACITY IN ASSECO BUSINESS SOLUTIONS SA

The shares of Asseco Business Solutions SA in possession of the persons in the executive and supervisory capacity.

	Number of shares (corresponds to % in the total number of of votes at GM) - As at 05/11/2014	change from the date of of the last report	Number of shares (corresponds to % in the total number of of votes at GM) - As at 05/11/2014	change from the date of of the last report
<b>Executive persons</b>				
Wojciech Barcentewicz	461,267	-	1.4%	-
Piotr Masłowski	715,063	-	2.1%	-
Mariusz Lizon	254,954	-	0.8%	-
<b>Supervising persons</b>				
Romuald Rutkowski	426,828	-	1.3%	-
<b>TOTAL</b>	<b>1,858,112</b>	-	<b>5.6%</b>	-

### IV. THE SHAREHOLDING STRUCTURE OF ASSECO BUSINESS SOLUTIONS SA

To the best knowledge of the Management Board of Asseco Business Solutions SA, the status of shareholders holding, directly or through subsidiaries, at least 5% of the total vote in the General Meeting on the date of publication of these financial statements, i.e. 5 November 2014, is as follows:

Shareholder	No. of shares held and votes at the GM	change from the previous report	Share in the share capital and number of votes at the GM	change from the previous report
Asseco Poland S.A.	15,528,570	-	46.47%	-
Amplico Otwarty Fundusz				
Emerytalny	3,500,000	-	10.47%	-
Aviva Otwarty Fundusz				
Emerytalny	3,289,847	-	9.84%	-
Aviva BZ WBK	11,099,776	-	33.21%	-
Other shareholders	<b>33,418,193</b>	-	<b>100.00%</b>	-

As at 30 September 2014, the share capital of Asseco Business Solutions SA totalled PLN 167,091 thousand and was divided into 33,418,193 ordinary shares with the nominal value of PLN 5 each, giving a total of 33,418,193 votes at the General Meeting of Asseco Business Solutions SA.

**INTERIM CONDENSED FIANCIAL STATEMENTS OF  
ASSECO BUSINESS SOLUTIONS SA**

**for the 9 months ended 30 September 2014  
prepared in accordance with  
the International Financial Reporting Standards**

## FINANCIAL STATEMENTS OF ASSECO BUSINESS SOLUTIONS SA FOR THE PERIOD ENDED 30 September 2014

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**FINANCIAL STATEMENTS OF ASSECO  
BUSINESS SOLUTIONS SA FOR THE THIRD  
QUARTER OF 2014**

These financial statements were approved for publication by the Management Board of Asseco Business Solutions SA on 5 November 2014.

The Management Board:

Wojciech Barczentewicz	President of the Management Board
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Piotr Masłowski	Vice-President of the Management Board
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Mariusz Lizon	Member of the Management Board
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## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

### for the nine months ended 30 September 2014

	Note	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
Revenue on sales	1	32,572	102,891	31,256	97,535
Own cost of sales	2	(20,841)	(66,914)	(20,160)	(64,836)
<b>Gross profit on sales</b>		<b>11,731</b>	<b>35,977</b>	<b>11,096</b>	<b>32,699</b>
Cost of sale	2	(2,016)	(5,676)	(1,311)	(4,617)
General and administrative expenses	2	(2,603)	(7,884)	(2,625)	(8,045)
<b>Net profit on sales</b>		<b>7,112</b>	<b>22,417</b>	<b>7,160</b>	<b>20,037</b>
Other operating income	3	270	659	124	704
Other operating expenses	3	(94)	(275)	(156)	(426)
<b>Profit on operating activities</b>		<b>7,288</b>	<b>22,801</b>	<b>7,128</b>	<b>20,315</b>
Financial revenues	4	283	1,009	270	1,436
Financial expenses	4	(3)	(3)	(25)	(40)
<b>Gross profit</b>		<b>7,568</b>	<b>23,807</b>	<b>7,373</b>	<b>21,711</b>
Income tax	5	(1,476)	(4,654)	(1,497)	(4,298)
<b>Net profit from continuing operations</b>		<b>6,092</b>	<b>19,153</b>	<b>5,876</b>	<b>17,413</b>
Discontinued operations					
<b>Net profit for the financial year</b>		<b>6,092</b>	<b>19,153</b>	<b>5,876</b>	<b>17,413</b>
<b>Other total income</b>		-	-	-	-
- Other total net income subject to reclassification to profit/loss in subsequent reporting periods		-	-	-	-
- Other total net income not subject to reclassification to profit/loss in subsequent reporting periods		-	-	-	-
<b>Other total net income</b>		-	-	-	-
<b>Total income for the period</b>		<b>6,092</b>	<b>19,153</b>	<b>5,876</b>	<b>17,413</b>
<b>Earnings per share:</b>	6				
- basic/diluted from profit for the reporting period		0.18	0.57	0.18	0.52
- basic/diluted from profit on continued operations in the reporting period		0.18	0.57	0.18	0.52

## INTERIM CONDENSED BALANCE SHEET as at 30 September 2014

ASSETS	Note	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
<b>Non-current assets</b>		<b>194,419</b>	<b>194,515</b>	<b>193,877</b>
Property, plant and equipment	11	10,594	9,822	9,812
Intangible assets	12	11,363	11,907	12,047
Goodwill		170,938	170,938	170,938
Long-term receivables		601	601	601
Deferred tax assets		870	1,218	439
Long-term prepayments and accrued income		53	29	40
<b>Current assets</b>		<b>73,292</b>	<b>96,881</b>	<b>69,347</b>
Inventories	13	1,470	2,646	324
Prepayments and accrued income	15	567	637	561
Trade receivables	16	22,453	36,596	19,747
Income tax receivables		–	–	685
Other receivables	16	3,400	2,275	3,393
Financial assets valued at fair value through profit or loss	14	17	–	–
Cash and short-term deposits	17	45,385	54,727	44,637
Non-current assets classified as held for sale		–	–	–
<b>TOTAL ASSETS</b>		<b>267,711</b>	<b>291,396</b>	<b>263,224</b>
<b>EQUITY AND LIABILITIES</b>				
The surplus from the sale of shares above their nominal value		62,423	62,423	62,423
Retained gains		21,941	29,522	20,107
<b>Total equity</b>		<b>251,455</b>	<b>259,036</b>	<b>249,621</b>
<b>Non-current liabilities</b>		<b>384</b>	<b>394</b>	<b>311</b>
Provisions		368	368	282
Long-term accruals and deferred income		16	26	29
<b>Current liabilities</b>		<b>15,872</b>	<b>31,966</b>	<b>13,292</b>
Trade liabilities	19	2,607	13,915	2,625
Budgetary commitments	19	3,702	4,613	3,580
Income tax liabilities	19	176	1,045	–
Other liabilities	19	1,272	3,295	595
Provisions		373	373	6
Deferred expenses	20	7,742	8,725	6,486
<b>Total liabilities</b>		<b>16,256</b>	<b>32,360</b>	<b>13,603</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>267,711</b>	<b>291,396</b>	<b>263,224</b>

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**for the nine months ended 30 September 2014**

	Share capital	Surplus from the sale of shares above their nominal value	Retained profit/(loss) and current period	Total equity
9 months ended 30 September 2014 (unaudited)				
<b>As at 1 January 2014</b>	<b>167,091</b>	<b>62,423</b>	<b>29,522</b>	<b>259,036</b>
Total income for period	–	–	19,153	<b>19,153</b>
Payment of the dividend	–	–	(26,734)	<b>(26,734)</b>
<b>As at 30 September 2014</b>	<b>167,091</b>	<b>62,423</b>	<b>21,941</b>	<b>251,455</b>
12 months ended 31 December 2013				
<b>As at 1 January 2013</b>	<b>167,091</b>	<b>62,423</b>	<b>29,094</b>	<b>258,608</b>
Total income for period			26,828	<b>26,828</b>
Payment of the dividend	–	–	(26,400)	<b>(26,400)</b>
<b>As at 31 December 2013</b>	<b>167,091</b>	<b>62,423</b>	<b>29,522</b>	<b>259,036</b>
9 months ended 30 September 2013 (unaudited)				
<b>As at 1 January 2013</b>	<b>167,091</b>	<b>62,423</b>	<b>29,094</b>	<b>258,608</b>
Total income for period	–	–	17,413	<b>17,413</b>
Dividends	–	–	(26,400)	<b>(26,400)</b>
<b>As at 30 September 2013</b>	<b>167,091</b>	<b>62,423</b>	<b>20,107</b>	<b>249,621</b>

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

### for the period ended 30 September 2014

	Note	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
<b>Cash flows from operating activities</b>			
Gross profit		23,807	21,711
<b>Adjustments:</b>		<b>1,543</b>	<b>6,458</b>
Amortization/Depreciation		8,878	8,706
Change in inventories		1,176	1,322
Change in receivables		13,018	5,841
Change in liabilities, excluding credits and loans		(14,242)	(3,837)
Change in prepayments and accruals		(947)	(876)
Change in provisions		–	(250)
Revenue on interest		(972)	(1,300)
Investment gain/(loss)		(193)	(92)
Income tax paid		(5,175)	(3,056)
<b>Net cash from operating activities</b>		<b>25,350</b>	<b>28,169</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of non-financial assets		949	252
Acquisition of property, plant and equipment		(4,688)	(2,343)
Acquisition of intangible assets		(5,203)	(4,870)
Acquisition/settlement of financial assets at fair value through profit or loss		12	29
Interest received		948	1,425
<b>Net cash from investing activities</b>		<b>(7,982)</b>	<b>(5,507)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(26,734)	(26,400)
<b>Net cash from financing activities</b>		<b>(26,734)</b>	<b>(26,400)</b>
Increase in net cash and cash equivalents		(9,366)	(3,738)
Net differences in exchange rates		–	–
<b>Opening cash</b>	17	<b>54,630</b>	<b>48,200</b>
<b>Closing cash</b>	17	<b>45,264</b>	<b>44,462</b>

## **ADDITIONAL NOTES AND INFORMATION**

### **I. BASIS FOR THE PREPARATION OF THESE FINANCIAL STATEMENTS AND ACCOUNTING RULES (POLICIES)**

#### **1. Basis for the preparation**

These interim condensed financial statements have been prepared in accordance with the historical cost accounting model, except for financial assets measured at fair value through profit or loss.

The functional and presentation currency is Polish Zloty (PLN). All financial data is presented in thousands of Polish zloty unless stated otherwise.

This interim condensed financial statements have been prepared on the understanding that Asseco Business Solutions SA intended to continue its business activity for the period of no less than 12 months as of 30 September 2014. On the date of approval of these financial statements, no fact or circumstances were identified that might pose a threat to the Company in continuing its business.

These interim condensed financial statements do not include all information and disclosures required in annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2013, approved for publication on 5 March 2014. The interim financial results may not reflect the full realizable financial result for the financial year.

#### **2. Statement of compliance**

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in particular in accordance with IAS 34 and the IFRS adopted by the EU.

On the day of approval of these financial statements for publication, taking into consideration the EU's ongoing process of introducing the IFRS and activities conducted by the Company, there is no difference in the accounting rules applied by the Company between the IFRS, which entered into force, and the IFRS adopted by the EU.

The International Financial Reporting Standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

#### **3. Estimates**

In the nine months ended 30 September 2014, there were no major changes in the method of making estimates.

#### **4. Professional judgement**

The preparation of interim financial statements in concert with the IFRS requires estimates and assumptions that affect the amounts indicated in the financial statements. Although the estimates and assumptions are based on the Company's Management's best knowledge of the current activities and events, the actual results may differ materially from those projected.

As regards the application of the accounting rules (policies), in addition to the accounting estimates, the areas shown below have been of crucial importance in terms of the professional judgement of the management;

thus, any change in estimates in these areas could have a significant impact on the Company's results in the future.

***i Valuation of IT contracts and the measurement of the degree of progress***

The Company is performing under a number of contracts for the development and implementation of information systems. The valuation of IT contracts requires the establishment of future operating cash flows in order to determine the fair value of revenues and expenses, and to measure the degree of progress of the project work. The degree of progress is determined as the ratio of costs incurred (to increase the progress) to the planned cost, or as the ratio of man-days worked in relation to the total working time.

The adopted future operating cash flows are not always consistent with agreements with clients or suppliers due to the changes in implementation schedules of IT projects. As at 30 September 2014, the value of receivables from the valuation of IT contracts amounted to PLN 2,770 thousand, while the corresponding liabilities amounted to PLN 450 thousand.

***ii Amortization rates***

The amount of amortization rates is determined on the basis of the expected economic lifetime of tangible fixed assets and intangible assets. The Company will review annually the adopted periods of economic useful life based on current estimates. In 2014 there have been no major changes in the amortization rates adopted by the Company.

***iii Goodwill and intangible assets of indefinite useful life – impairment test***

In accordance with the Company's policy, on 31 December, the Management Board performs an annual impairment test of cash flow generating units, to which the goodwill is allocated; the goodwill arises from the acquisition of a subsidiary and mergers, along with intangible assets of indefinite useful life. At each interim balance sheet date, the Management Board reviews the evidence indicating an impairment of cash flow generating units, to which goodwill or/and intangible assets of indefinite useful life are allocated. If such evidence is identified, an impairment test is also carried out at an interim balance sheet date.

Each time, an impairment test requires the estimation of value in use of cash-generating units, to which goodwill is allocated along with/or intangible assets of indefinite useful life. Estimating the value in use consists in determining future cash flows generated by the cash-generating unit and the discount rate that is subsequently used to calculate the current value of those cash flows.

***iv Deferred tax asset***

The Company recognizes deferred tax asset based on the assumption that the future tax profits will be achieved allowing for its use. Deterioration of the tax results in the future could make the assumption unjustified.

**5. Changes in the accounting rules used**

The accounting rules (policy) used to prepare these interim condensed financial statements are consistent with those applied in preparing the Company's financial statements for the year ended 31 December 2013, with the exception of the application of the following changes to the standards and new interpretations applicable to annual periods beginning on or after 1 January 2014.



- IFRS 10 *Consolidated Financial Statements* – applicable to annual periods beginning on or after 1 January 2014,
- IFRS 11 *Joint Ventures* – applicable to annual periods beginning on or after 1 January 2014,
- IFRS 12 *Disclosure of Interests in Other Entities* – applicable to annual periods beginning on or after 1 January 2014,
- IAS 27 *Consolidated and Separate Financial Statements* – applicable to annual periods beginning on or after 1 January 2014,
- IAS 28 *Investment in Associates and Joint Ventures* – applicable to annual periods beginning on or after 1 January 2014,
- Amendments to IAS 32 *Financial Instruments: Presentation: Compensation of Financial Assets and Liabilities* – applicable to annual periods beginning on or after 1 January 2014,
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* – applicable to annual periods beginning on or after 1 January 2014,
- Amendments to IAS 39 *Novation of Derivatives and Continuation of hedge Accounting* – applicable to annual periods beginning on or after 1 January 2014,
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* – applicable to annual periods beginning on or after 1 January 2014,
- Amendments to IFRS 10, IFRS 12 and IFRS 27 *Investment Entities* – applicable to annual periods beginning on or after 1 January 2014.

The Company has not opted for an early application of any other standard, interpretation or amendment that was published but has not yet entered into force.

## **6. New standards and interpretations that have been published and not yet in force**

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and are not yet in force:

- IFRS 9 *Financial Instruments* (published on 24 July 2014) – applicable to annual periods beginning on or after 1 January 2018; not approved by the EU until the date of approval of these financial statements,
- IFRS 14 *Regulatory Deferral Accounts* (published on 30 January 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- IFRS 15 *Revenues from Contracts with Customers* (published on 28 May 2014) – applicable to annual periods beginning on or after 1 January 2017; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 19 *Employee Benefits*: a modified method of accounting for the schemes of defined benefits and benefits due to termination of employment (published on 28 May 2014) – applicable to annual periods beginning on or after 1 July 2014; not approved by the EU until the date of approval of these financial statements,
- IFRIC 21 *Levies* (published on 20 May 2013) – applicable to annual periods beginning on or after 1 January 2014 – applicable in the EU for annual periods beginning on or after 17 June 2014,
- Amendments resulting from the review of IFRS 2010-2012 (published on 12

December 2013) – applicable to annual periods beginning on or after 1 July 2014 and some prospectively to transactions executed on or after 1 July 2014; not approved by the EU until the date of approval of these financial statements,

- Amendments resulting from the review of IFRS 2011-2013 (published on 12 December 2013) – applicable to annual periods beginning on or after 1 July 2014; not approved by the EU until the date of approval of these financial statements.
- Amendments to IFRS 11 *Acquisition of an Interest in a Joint Operation* – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (published on 12 May 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (published on 30 June 2014) – applicable to annual periods beginning on or after 1 January 2014; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (published on 12 August 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- Amendments to IFRS 10 and IAS 28 *Sales or contributions of assets between an investor and its associate/joint venture* (published on 11 September 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- Amendments resulting from the review of IFRS 2012-2014 (published on 25 September 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements.

The management does not anticipate that the introduction of these standards and interpretations may have a significant impact on the Company's applicable accounting rules (policies).

## 7. Changes in presentation

In the reporting period, the rules of presentation were modified for the following items of operating expenses:

	9 months to 30 September 2013		
	9 months ended 30 September 2013 (unaudited)	change in presentation	balance after change of rules of presentation
Own cost of sales	(67,515)	2,679	(64,836)

Cost of sales	(1,938)	(2,679)	(4,617)
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	3 months to 30 September 2013		
	3 months ended 30 September 2013 (unaudited)	change in presentation	balance after change of rules of presentation
Own cost of sales	(20,838)	678	(20,160)
Cost of sales	(633)	(678)	(1,311)

## 8. Error correction

In the reporting period, there were no events resulting in the need to correct the fundamental error.

## II. INFORMATION ON SEGEMENTS OF OPERATION

In accordance with IFRS 8, an operating segment is a distinguishable component of the Company, for which separate financial information is available that is reviewed regularly by the operations management responsible for the resource allocation and assessment of performance.

For management purposes, the Company has been divided into segments for the manufactured products and rendered services respectively. Based on that, the Management Board have identified the ERP Systems segment which accounts for more than 89% of total Company's revenues. Other activities do not meet the quantitative thresholds of IFRS 8 and are not separated. Changes in the size and significance of developed products and provided services may result in a change of composition of operating segments.

The ERP systems segment is made up of Oracle and Microsoft-based ERP solutions that support business management and original SFA and FFA solutions intended for businesses operating through the teams of sales representatives. These applications support business processes and information flow processes, covering most areas of the business, including: finance and accounting, personnel management, HR and payroll, logistics and WMS, mobile and retail sales in chains of stores, production and Internet applications. The systems provide a number of management tools: advanced reporting instruments and Business Intelligence solutions. Their technical capacity allows them to be implemented in various network architectures: in wide area networks and in connection with specialized software and hardware.

As unallocated revenue presented is the sale not attributable to any of the main Company's segments.

The segment results do not include the unallocated part of administrative costs, the value of resold goods, materials and external services (COGS) related to unallocated sales and operating expenses of the organizational unit generating unallocated sales.

The Management Board monitors the operating results in separate segments in order to make decisions about allocating resources, assessing the impact of this allocation, and performance. The basis for the assessment of performance is profit or loss on operating activities, which to some extent, as explained in the table below, are measured differently than the profit or loss from operations in the financial statements. The financing of the Company (including costs and financial income) and income tax are monitored at the levels of the Company and they are not allocated to the segments.

Transaction prices used in transactions between the operating segments are determined on the arm's length basis as in transactions with unrelated parties.

<b>3 months ended 30 September 2014 (unaudited)</b>	<b>ERP Systems</b>	<b>Unallocated</b>	<b>Activity total</b>
Sales to external customers	29,892	2,680	32,572
Sales between segments			
<b>Total segment revenue</b>	<b>29,892</b>	<b>2,680</b>	<b>32,572</b>
<b>Segment profit/(loss)</b>	<b>6,915</b>	<b>197</b>	<b>7,112</b>
Other net operating income/(expenses)		176	176
Net financial income/(expenses)		280	280
Income tax		(1,476)	(1,476)
<b>Profit for period</b>	<b>6,915</b>	<b>(823)</b>	<b>6,092</b>
Amortization/Depreciation	(2,928)	(21)	<b>(2,949)</b>

Segment operating profit does not include financial income (PLN 283 thousand), financial expenses (PLN 3 thousand), other operating income (PLN 270 thousand) and other operating expenses (PLN 94 thousand).

<b>9 months ended 30 September 2014 (unaudited)</b>	<b>ERP Systems</b>	<b>Unallocated</b>	<b>Activity total</b>
Sales to external customers	91,551	11,340	102,891
Sales between segments			-
<b>Total segment revenue</b>	<b>91,551</b>	<b>11,340</b>	<b>102,891</b>
<b>Segment profit/(loss)</b>	<b>21,215</b>	<b>1,202</b>	<b>22,417</b>
Other net operating income/(expenses)		384	384
Net financial income/(expenses)		1,006	1,006
Income tax		(4,654)	(4,654)
<b>Profit for period</b>	<b>21,215</b>	<b>(2,062)</b>	<b>19,153</b>
<b>Other information</b>			
Amortization/Depreciation	(8,681)	(197)	<b>(8,878)</b>

Segment operating profit does not include financial income (PLN 1,009 thousand), financial expenses (PLN 3 thousand), other operating income (PLN 659 thousand) and other operating expenses (PLN 275 thousand).

<b>3 months ended 30 September 2013 (unaudited)</b>	<b>ERP Systems</b>	<b>Unallocated</b>	<b>Activity total</b>
Sales to external customers	28,421	2,835	31,256
Sales between segments			-
<b>Total segment revenue</b>	<b>28,421</b>	<b>2,835</b>	<b>31,256</b>
<b>Segment profit</b>	<b>6,947</b>	<b>213</b>	<b>7,160</b>

Other net operating income/(expenses)	(32)	(32)
Net financial income/(expenses)	245	245
Income tax	(1,497)	(1,497)
<b>Profit for period</b>	<b>6,947</b>	<b>(1,071)</b>

Amortization/Depreciation	(2,871)	(18)	<b>(2,889)</b>
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Segment operating profit does not include financial income (PLN 270 thousand), financial expenses (PLN 25 thousand), other operating income (PLN 124 thousand) and other operating expenses (PLN 156 thousand).

9 months ended 30 September 2013 (unaudited)	ERP Systems	Unallocated	Activity total
Sales to external customers Sales between segments	89,683	7,852	97,535
<b>Total segment revenue</b>	<b>89,683</b>	<b>7,852</b>	<b>97,535</b>
<b>Segment profit</b>	<b>19,395</b>	<b>642</b>	<b>20,037</b>
Other net operating income/(expenses)		278	278
Net financial income/(expenses)		1,396	1,396
Income tax		(4,298)	(4,298)
<b>Profit for period</b>	<b>19,395</b>	<b>(1,982)</b>	<b>17,413</b>
<b>Other information</b>			
Amortization/Depreciation	(8,650)	(56)	<b>(8,706)</b>

Segment operating profit does not include financial income (PLN 1,436 thousand), financial expenses (PLN 40 thousand), other operating income (PLN 704 thousand) and other operating expenses (PLN 426 thousand).

#### Geographic information

	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
Poland	97,032	92,721
Abroad, including:	5,859	4,814
- The Netherlands	1,751	1,074
- France	2,362	1,198
- Spain	541	543
- Portugal	268	316
- Turkey	151	319
- the Baltics (Lithuania, Latvia, Estonia) and Russia	352	294
- others	434	1,070
	<b>102,891</b>	<b>97,535</b>

This information is based on data from customers' headquarters.

### III. SUMMARY AND ANALYSIS OF THE RESULTS OF ASSECO BUSINESS SOLUTIONS FOR THE THIRD QUARTER OF 2014

Financial results of Asseco Business Solutions SA for the third quarter of 2014:

	3 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	Growth rate 3 mths 2013 3 mths 2012	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)	Growth rate 3 mths 2014/ 3 mths 2013
Revenues on sale	32,572	31,256	4.21%	102,891	97,535	5.49%
Gross profit from sales	11,731	11,096	5.72%	35,977	32,699	10.02%
EBIT	7,288	7,128	2.24%	22,801	20,315	12.24%
EBITDA	10,237	10,017	2.20%	31,679	29,021	9.16%
Net profit	6,092	5,876	3.68%	19,153	17,413	9.99%

#### Profitability ratios

In the third quarter of 2014, revenues on sale were 4.2% higher than in the same period of the previous year, while operating expenses (excluding COGS) decreased by 9.6%.

These changes are reflected in the profitability ratios.

<b>Profitability ratios</b>	3 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
Gross margin on sales	36.02%	35.50%	34.97%	33.53%
EBITDA profit margin	31.43%	32.05%	30.79%	29.75%
Operating margin	22.38%	22.81%	22.16%	20.83%
Net margin	18.70%	18.80%	18.61%	17.85%

#### Liquidity ratios

Working capital is defined as the difference between current assets and current liabilities and represents the volume of fixed capital (equity and long-term foreign capital) that finance current assets. As the most liquid part of the capital, it secures the liabilities arising from the current cash cycle in the company. The working capital in the Company as at 30 September 2014 was PLN 57,420 thousand and was lower by PLN 7,495 thousand compared with 31 December 2013. Current liabilities decreased by 50.35%, while the level of current assets was reduced by 24.35%. The decrease in liabilities was primarily due to the repayment of trade payables. On the side of assets, trade receivables, inventories and cash decreased due to the payment of the dividend. The Company's liquidity ratios also improved, which reaffirms the Company's capacity to timely satisfy its current liabilities and promises financial security.

<b>Liquidity ratios</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Working capital (in PLN thou)	57,420	64,915	56,055
Current ratio	4.62	3.03	5.22
Quick ratio	4.49	2.93	5.15
Super quick ratio	2.86	1.71	3.36

These ratios have been calculated using the following formulas:

Working capital = current assets (short-term) - current liabilities

Current ratio = current assets (short-term) / current liabilities

Quick ratio = (current assets – inventories – accruals and prepayments) / current liabilities

Super quick ratio = (bonds and securities held to maturity + cash and short-term deposits) / current liabilities

### Debt ratio

The Company's operations are financed from its current activity. In the current period, total liabilities decreased compared with the end of 2013 by PLN 16,104 thousand (49.8%), while the level of assets was reduced by PLN 23,685 thousand, i.e. by 8.13%. This resulted in a reduction of the total debt ratio at the end of the third quarter of 2014 from 11.1% to 6.1%.

<b>Debt ratio</b>	30 September 2014 (unaudited)	31 Decem ber 2013	30 September 2013 (unaudited)
Total debt ratio	6.1%	11.1%	5.2%

These ratios have been calculated using the following formulas:

Debt ratio = (long-term liabilities + current liabilities) / assets

**EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**
**1. Structure of revenues on sales**

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
ERP Systems	29,892	91,551	28,421	89,683
Unallocated	2,680	11,340	2,835	7,852
<b>Total</b>	<b>32,572</b>	<b>102,891</b>	<b>31,256</b>	<b>97,535</b>

**2. Structure of operating expenses**

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
The value of sold goods, materials and external services (COGS)	(2,845)	(11,954)	(3,457)	(11,542)
Consumption of materials and energy	(660)	(1,985)	(645)	(1,992)
External services	(4,119)	(12,054)	(4,015)	(12,414)
Payroll	(12,097)	(36,778)	(10,510)	(34,495)
Employee benefits	(2,431)	(7,670)	(2,317)	(7,350)
Amortization/Depreciation	(2,949)	(8,878)	(2,889)	(8,706)
Taxes and fees	(191)	(533)	(187)	(658)
Business trips	(199)	(595)	(109)	(453)
Other	31	(27)	33	112
<b>Total</b>	<b>(25,460)</b>	<b>(80,474)</b>	<b>(24,096)</b>	<b>(77,498)</b>
<u>Own cost of sales, including:</u>				
production cost	(20,841)	(66,914)	(20,160)	(64,836)
value of sold goods, materials and external services (COGS)	(17,996)	(54,960)	(16,703)	(53,294)
	(4,045)	(11,954)	(3,457)	(11,542)
Cost of sales	(2,016)	(5,676)	(1,311)	(4,617)
General and administrative expenses	(2,603)	(7,884)	(2,625)	(8,045)
<b>Total</b>	<b>(25,460)</b>	<b>(80,474)</b>	<b>(24,096)</b>	<b>(77,498)</b>

**3. Other operating income and expenses**

Other operating income and expenses in the third quarter of 2014 and in the comparable period were as follows:

<b>Other operating income</b>	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
Profit from the sale of non-financial assets	75	184	26	132
Proceeds from rental of office space	83	256	70	213
Termination of provisions	–	–	–	250
Received compensation	–	–	19	39



Other	112	219	9	70
	<b>270</b>	<b>659</b>	<b>124</b>	<b>704</b>

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
<b>Other operating expenses</b>				
Donations to unrelated parties	(6)	(26)	(26)	(67)
Accident repair costs	(12)	(28)	(27)	(52)
Penalties and damages	–	–	(23)	(23)
Liquidation of fixed assets	(10)	(20)	(27)	(30)
Other operating expenses	(66)	(201)	(53)	(254)
	<b>(94)</b>	<b>(275)</b>	<b>(156)</b>	<b>(426)</b>

#### 4. Financial income and expenses

Financial income and expenses in the third quarter of 2014 and in the comparable period were as follows:

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
<b>Financial revenues</b>				
Income from bank deposits	274	972	267	1,300
Other interest income	–	–	3	40
Foreign exchange gains	–	8	–	67
Gains on currency derivatives execution - entered forward contracts	6	12	–	29
Gains on changes in fair value of currency derivatives - entered forward contracts	3	17	–	–
<b>Total financial income</b>	<b>283</b>	<b>1,009</b>	<b>270</b>	<b>1,436</b>

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
Negative exchange rates	(1)	–	(24)	–
Other interest expense	(2)	(3)	(1)	(1)
Losses from changes in fair value of currency derivatives - entered forward contracts	–	–	–	(39)
<b>Total financial revenue</b>	<b>(3)</b>	<b>(3)</b>	<b>(25)</b>	<b>(40)</b>

#### 5. Income tax

The main components of the corporate income tax burden (current and deferred):

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
Current income tax	(1,653)	(4,306)	(1,244)	(3,668)
Deferred income tax	177	(348)	(253)	(630)
<b>Tax expense reported in the statement of comprehensive income, including:</b>	<b>(1,476)</b>	<b>(4,654)</b>	<b>(1,497)</b>	<b>(4,298)</b>
<i>Income tax attributed to continued operations</i>	(1,476)	(4,654)	(1,497)	(4,298)

## 6. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of issued ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of issued ordinary shares outstanding during the period, adjusted by the weighted average of ordinary shares, which would be issued on conversion of all dilutive potential equity instruments into ordinary shares.

Below are data on earnings and shares, which were used in calculating basic and diluted earnings per share:

	3 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2014 (unaudited)	3 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2013 (unaudited)
Net profit from continuing operations	6,092	19,153	5,876	17,413
Loss from discontinued operations	–	–	–	–
Net profit	6,092	19,153	5,876	17,413
Interest on redeemable preference shares convertible into ordinary shares	–	–	–	–
Net profit attributable to ordinary shareholders, used to to calculate diluted earnings per share	6,092	19,153	5,876	17,413
Weighted average number of issued ordinary shares used to calculate basic earnings per share	33,418,193	33,418,193	33,418,193	33,418,193
Effect of dilution:		–		–
Stock options		–		–
Redeemable preference shares		–		–
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	33,418,193	33,418,193	33,418,193	33,418,193
<b>Basic/diluted earnings per share</b>	<b>0.18</b>	<b>0.57</b>	<b>0.18</b>	<b>0.52</b>

During the reporting period as well as in the comparable period, there were no elements diluting the basic earnings per share.

## **7. Factors affecting the financial results**

In the opinion of the Management Board, the most important factors that have affected the operations of Asseco Business Solutions SA in the reporting period are:

- Execution of IT contracts concluded in previous periods.
- Seasonal changes in demand for products marketed by the Company – a distinguishing feature of the IT industry is the seasonal fluctuation of sales.
- Good sales results of Mobile Touch both in Poland and Europe-wide.

## **8. Extraordinary or non-recurring events affecting the financial results**

In the nine months ended 30 September 2014, there were no extraordinary or non-recurring events that affected the Company's results for the quarter.

## **9. Information on dividends paid**

Pursuant to the decision of the General Meeting of Shareholders of Asseco Business Solutions S.A. from 15 April 2014, the net profit for the financial year 2013 in the amount of PLN 26,828 thousand was divided as follows:

- part of the net profit for the year 2013 in the amount of PLN 26,735 thousand was earmarked for distribution among the shareholders, i.e. for the payment of the dividend in the amount of PLN 0.80 per share;
- the remainder of the net profit for 2013 in the amount of PLN 94 thousand was transferred to supplementary capital.

The dividend date was set on 14 May 2014, the dividend payment date on 02 June 2014.

## **10. Significant events during the reporting period**

Important agreements concluded in the third quarter of 2014:

- BACARDI-MARTINI B.V. – Letter of Intent, licensing and deployment of Mobile Touch and the provision of comprehensive maintenance services for the deployed solution.
- Orange Polska S.A. – licensing and deployment of Mobile Touch and the provision of comprehensive maintenance services for the deployed solution.
- Polpharma Biuro Handlowe Sp. z o.o. – licensing and deployment of Connector VMI and the provision of comprehensive maintenance services for the deployed solution.
- BZ WBK FAKTOR Sp. z o.o. – licensing and deployment of Faktor BI and the provision of comprehensive maintenance services for the deployed solution.
- BROWAR NAMYSŁÓW SP. Z O.O – licensing and deployment of Asseco Softlab ERP for the company's new organizational unit.

## **11. Property, plant and equipment**

During the 9 months ended 30 September 2014, the Company acquired plant, property and equipment valued at PLN 4,688 thousand (during the 9 months ended 30 September 2013: PLN 2,343 thousand).

During the 9 months ended 30 September 2014, the Company sold plant, property and equipment valued at PLN 765 thousand (during the 9 months ended 30 September 2013: PLN 121 thousand).

During the 9 months ended 30 September 2014 (or in the same period of the previous year), the Company did not recognize impairment losses on tangible fixed assets.

## 12. Intangible assets

During the 9 months ended 30 September 2014, the Company acquired intangible assets valued at PLN 435 thousand and its R&D expenses topped PLN 4,798 thousand (during the 9 months ended 30 September 2013: PLN 279 thousand and 4,618 thousand, respectively). During the 9 months ended 30 September 2014 (or in the same period of the previous year), the Company did not sell intangible assets.

During the 9 months ended 30 September 2014 (or in the same period of the previous year), the Company did not recognize impairment losses on intangible assets.

## 13. Inventories

As at 30 September 2014, the inventory allowance amounted to PLN 180 thousand (as at 30 September 2013: PLN 153 thousand).

## 14. Financial assets

At 30 September 2014 and in the comparable period, the Company held the following financial assets:

Financial assets	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Short-term forward currency contracts	17	–	–
<b>Total</b>	<b>17</b>	<b>–</b>	<b>–</b>

Financial assets measured at fair value through profit and loss include forward transactions concluded in order to secure foreign exchange risk resulting from contracts settled in foreign currency.

## 15. Short-term and long-term accruals and prepayments

Prepayments and accrued income	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Prepaid maintenance services	238	162	202
Prepaid insurance	158	212	177
Prepaid subscriptions	19	20	18
Other prepaid services	205	272	204
<b>Total</b>	<b>620</b>	<b>666</b>	<b>601</b>
- short-term	567	637	561
- long-term	53	29	40

Prepayments as at 30 September 2014 consisted primarily of:

- prepaid cost of maintenance services and licence fees to be paid successively in the future periods,
- prepaid insurance costs.

## 16. Current and non-current receivables

<b>Trade receivables (short-term)</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Trade receivables, including:	23,251	37,384	20,520
From related parties	472	783	1,304
From other parties	22,779	36,601	19,216
Allowance on doubtful accounts	(798)	(788)	(773)
<b>Total</b>	<b>22,453</b>	<b>36,596</b>	<b>19,747</b>

Transactions with related parties are shown in pt 21 of these interim financial statements.

The Company has appropriate policies in place governing the sales only to verified customers. Thus, in the opinion of the Management, there is no additional credit risk beyond the level specified in the allowance for bad debt applicable to the Company's trade receivables.

The fair value of receivables does not differ significantly from the value at which they were presented in the financial statements.

<b>Other receivables</b>	30 September 2014 (unaudited)	31 December 2013 (unaudited)	30 September 2013
Receivables arising from the valuation of long-term IT contracts	2,770	1,658	2,544
Advances paid to suppliers	45	9	24
Other trade receivables (deposits, bid bonds) Receivables	274	577	522
from employees	18	25	33
CSBF	191	6	184
Other receivables	102	–	86
	<b>3,400</b>	<b>2,275</b>	<b>3,393</b>

Receivables from the valuation of IT contracts (implementation contracts) result from the degree of advancement of the execution of implementation contracts in relation to the invoices issued.

Other trade receivables (deposits, bid bonds) comprise a financial guarantee given to customers to cover potential losses arising in case of failure to meet with the obligations of contract execution.

## 17. Cash and short-term deposits

Cash at bank bears interest at variable interest rates, the amount of which depends on the rate on overnight bank deposits. Short-term deposits are made for different periods, from one day to six months, depending on the actual Company's demand for cash, and bear interest at a fixed interest rate.

The balance of cash and short-term deposits shown in the balance sheet and in the statement of cash flows consisted of the following items:

<b>Cash</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Cash at bank and in hand	297	878	416
Short-term deposits up to 3 months	45,088	53,849	44,221

<b>Cash in the balance</b>	<b>45,385</b>	<b>54,727</b>	<b>44,637</b>
Interest accrued on short-term deposits	(121)	(97)	(175)
<b>Cash in cash flow statement</b>	<b>45,264</b>	<b>54,630</b>	<b>44,462</b>

### 18. Interest-bearing loans, issued securities and sureties and guarantees granted by Asseco Business Solutions.

At 30 September 2012, the Company did not have open credit lines.

During the reporting period, the Issuer did not grant any guarantees or sureties for credits or loans - collectively to a single entity or its subsidiary - where the total value of the existing securities or guarantees would be the equivalent of at least 10% of the Issuer's equity.

### 19. Current and non-current trade and other liabilities

<b>Trade liabilities</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
To related parties	21	37	44
To other parties	2,586	13,878	2,581
<b>Total</b>	<b>2,607</b>	<b>13,915</b>	<b>2,625</b>

<b>Liabilities from taxes, duties, social security and other</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Liabilities from taxes, duties, social security and others	3,702	4,613	3,580
Social security liabilities	1,410	1,227	1,257
Personal income tax	417	508	386
VAT	1,828	2,829	1,889
Other budgetary liabilities	47	49	48
Corporate income tax	176	1,045	-
<b>Total</b>	<b>3,878</b>	<b>5,658</b>	<b>3,580</b>
- short-term	3,878	5,658	3,580
- long-term	-	-	-

<b>Other liabilities</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Amounts owed to employees			
as wages	238	341	126
Liabilities arising from the valuation of long-term IT contracts	450	168	131
Liabilities due to non-invoiced deliveries	557	2,548	319
Advance payments for deliveries	13	144	5
Other liabilities	14	94	14
<b>Total</b>	<b>1,272</b>	<b>3,295</b>	<b>595</b>

Transactions with related parties are shown in pt 21 of these interim financial statements.

Trade and other liabilities are not interest-bearing.

## 20. Accruals and deferred income

	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
<b>Accrued expenses for:</b>			
Unused leaves	1,918	1,811	1,494
Bonuses	4,260	5,575	3,316
Provision for other expenses	633	689	922
	<b>6,811</b>	<b>8,075</b>	<b>5,732</b>
<b>Deferred income for:</b>			
Prepaid services	720	497	747
Other income	227	179	36
	<b>947</b>	<b>676</b>	<b>783</b>
<b>Total</b>	<b>7,758</b>	<b>8,751</b>	<b>6,515</b>
- short-term	7,742	8,725	6,486
- long-term	16	26	29

The balance of accrued expenses consists of: provisions for unused leaves, provisions for salaries in the period to be paid in future periods and resulting from the introduced bonus schemes at Asseco Business Solutions SA, and provisions for current operation expenses of the Company that were incurred during the reporting period but had not been invoiced before the balance sheet date.

The balance of deferred income relates mainly to future revenues from services settled over time, such as IT maintenance and supervision.

## 21. Related party transactions

Transactions with related parties are held at arm's length.

The amounts of outstanding payments are not protected and will be settled in cash. No guarantees were granted or received. In the accounting period, the costs attributable to bad or unsafe debt arising from transactions with related parties were not recognised.

<b>Receivables from related parties</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Asseco Poland S.A. (parent)	418	482	1,066
Other related parties	54	301	238
<b>Total</b>	<b>472</b>	<b>783</b>	<b>1,304</b>

<b>Liabilities to related parties</b>	30 September 2014 (unaudited)	31 December 2013	30 September 2013 (unaudited)
Asseco Poland S.A. (parent)	14	53	37
Other related parties	7	7	15
<b>Total</b>	<b>21</b>	<b>60</b>	<b>52</b>

	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
<b>Sales to related parties</b>		
Asseco Poland S.A. (parent)	2,291	3,011
Other related parties	9	285
<b>Total</b>	<b>2,300</b>	<b>3,296</b>

	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
<b>Purchase from related parties</b>		
Asseco Poland S.A. (parent)	1,409	453
Other related parties	77	118
<b>Total</b>	<b>1,486</b>	<b>571</b>

The balance of receivables from related parties includes the balance of trade receivables.

The balance of accounts receivable from related parties as at 30 September 2014 includes the balance of trade receivables. The balance of accounts receivable from related parties as at 30 September 2013 and as at 30 September 2014 includes the balance of trade receivables (PLN 37 thousand and PLN 44 thousand for deliveries and services, respectively) and the balance of other receivables (PLN 24 thousand and PLN 8 thousand, respectively).

At 30 September 2014, according to the information held by Asseco Business Solutions SA, there were no outstanding balances of receivables or liabilities arising from transactions with related parties concluded by the Company Executives and with the Company Executives.

According to Asseco Business Solutions records, in the 9 months ended 30 September 2014, the value (net) of purchase transactions of goods and services (including rental) from related parties by the Company Executives and with the Company Executives amounted to PLN 1,356 thousand.

According to the information held by Asseco Business Solutions SA, at 31 December 2013 there was no outstanding balance of receivables or liabilities arising from related party transactions held by the Company Executives and with the Company Executives.

According to the records of Asseco Business Solutions SA, in the financial year ended 31 December 2013, the (net) value of purchase transactions for goods and services (including rental) with related parties by the Company Executives and with the Company Executives amounted to PLN 1,811 thousand.

## 22. Contingent liabilities

At 30 September 2014 (and at 31 December 2013), the Company did not have any contingent liabilities.



## 23. Employment

<b>Average FTEs during the reporting period</b>	9 months ended 30 September 2014 (unaudited)	9 months ended 30 September 2013 (unaudited)
Management Board	3	3
Production departments	492	483
Trade departments	47	44
Administration	42	40
<b>Total</b>	<b>584</b>	<b>570</b>

  

<b>FTEs on</b>	30 September 2014 (unaudited)	30 September 2013 (unaudited)
Management Board	3	3
Production departments	499	489
Trade departments	48	44
Administrative departments	42	42
<b>Total</b>	<b>592</b>	<b>578</b>

## 24. Seasonality and cyclicity

The activities of Asseco Business Solutions are subject to moderate seasonal fluctuations. The largest sales are usually recorded in the first and fourth quarter. This is explained by the choice of the calendar year as fiscal year by most Company's clients, which translates into a tendency to launch information systems and modify the IT infrastructure of enterprises on the turn-of-the-year basis or beginning-of-the-year basis.

## 25. List of proceedings pending before the court, competent authority for arbitration or a public administration body

During this reporting period, no proceedings were pending before any court, competent authority for arbitration or a public administration body concerning the Company's liabilities or receivables whose value was at least 10% of the Company's equity.

## 26. Capital expenditure

In the period ended 30 September 2014, the Company made investment outlays in the amount of PLN 9,921 thousand.

## 27. Feasibility assessment of financial forecast published by the Management Board for 2014

The Management Board of Asseco Business Solutions SA did not publish financial forecast for 2014.

## 28. Issuance, redemption and repayment of non-equity and equity securities

During the reporting period, Asseco Business Solutions did not issue, redeem or repay any equity or non-equity securities.

## 29. Indication of factors that, in the Management Board's opinion, will have an impact on the Company's results at least within the current financial year

In the opinion of the Management Board of Asseco Business Solutions SA, the financial situation, production capacity and market position of Asseco Business Solutions SA are satisfactory and promise advantageous conditions for further development

and operations in 2014. In the opinion of the Management Board, the most important external and internal factors that may affect the operations of Asseco Business Solutions SA and its prospective results in the following year are:

**External factors:**

- developments in the global financial and economic marketplace and their impact on the economic situation in Poland,
- attitude of potential clients to investment in IT against the backdrop of the general economic situation,
- direct and indirect competitive activity from both Polish and foreign IT companies,
- market openness and absorption capacity for new product solutions,
- opportunities and risks associated with a relatively rapid technological progress and innovation in the IT market.

**Internal factors**

- the results of intensive commercial activities both domestically and abroad,
- activities run under currently valid agreements.
- the need to attract and keep the most qualified and key employees,
- effects of work on new products.

**30. Information on other important factors that could have affected the assessment of the financial position, assets and personnel**

There is no other information but the one given above, whose disclosure could materially affect the assessment of the Company's financial position, assets and personnel.

**31. Significant events after the balance sheet date**

After the balance sheet date there were no significant events that could have a significant impact on the presented results for the nine months ended 30 September 2014, not included in the current financial statements.

**32. Significant events concerning previous years**

To the date of these financial statements for the nine months ended 30 September 2014, that is, to 5 November 2014, there were no events concerning previous years that were not, but should be, included in these financial statements.