FINANCIAL STATEMENTS OF ASSECO BUSINESS SOLUTIONS SA

FOR THE FIRST QUARTER OF 2012

7 May 2012

SELECTED FINANCIAL DATA OF ASSECO BUSINESS SOLUTIONS SA

the first quarter of 2012 (in PLN thousand)

SELECTED FINANCIAL DATA OF ASSECO BUSINESS SOLUTIONS SA

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

	in PLN thou.		in EUR thou.	
	3 months to 31 March 2012	3 months to 31 March 2011	3 months to 31 March 2012	3 months to 31 March 2011
Revenue on sales	37 320	42 492	8 939	10 692
Gross profit on sales	12 997	16 989	3 113	4 275
Profit on operating activities	7 761	11 235	1 859	2 827
Gross profit	8 464	11 886	2 027	2 991
Net profit	6 816	9 588	1 633	2 413
Net cash from operating activities	4 726	5 378	1 132	1 353
Net cash from investing activities	(12 061)	(9 818)	(2 889)	(2 470)
Net cash from financing activities	(94)	(113)	(23)	(28)
Cash and short-term deposits	60 385	63 357	14 510	15 792
Weighted average number of shares in period	33 418 193	33 418 193	33 418 193	33 418 193
Net income per ordinary share	0.20	0.29	0.05	0.07

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

- the Company's cash position at the end of the current reporting period and at 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 31 March 2012, 1 EUR = 4.1616 PLN, on 31 March 2011, 1 EUR = 4.0119 PLN.

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

In the period from 1 January to 31 March 2012, 1 EUR = 4.1750 PLN;

in the period from 1 January to 31 March 2011, 1 EUR = 3.9742 PLN.

GENERAL INFORMATION

the first quarter of 2012 (in PLN thousand)

I. GENERAL INFORMATION

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 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 comprises a Competence Centre for ERP systems, software for small and medium-sized enterprises and mobile management-supporting systems. This comprehensive offer includes the provision, adaptation and configuration of business applications for enterprises, design and construction of infrastructure at the client or in the outsourcing model, providing equipment and system software of renowned partners, training for client's personnel, service and remote support for users. Asseco Business Solutions owns a Data Centre whose capacity parameters meet the highest standards of security, reliability and effectiveness of systems operation.

Direct parent entity of Asseco Business Solutions SA is Asseco Poland SA, which holds 46.67% 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. 7 May 2012, the Supervisory Board of the Company consists of:

Name and surname	Function
Adam Góral	Chairman of the Supervisory Board
Jarosław Adamski	Member 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. 7 May 2012, the Management Board of the Company consists of:

Name and surname	Function
Romuald Rutkowski	President of the Management Board
Wojciech Barczentewicz	Vice-President of the Management Board
Piotr Masłowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

During the reporting period and until the date of approval of these financial statements, the composition of the Company's Management Board has not changed.

Interim condensed financial statements for the first quarter of 2012 (in PLN thousand)

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

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

	Number of possessed shares *(corresponds to % in the total number of votes at the GM) - as at* ***07/05/2012***	change from the previous report	**shareholding in %** *(corresponds to % in the total number of votes at the GM)*	change from the previous report
Wojciech Barczentewicz	1 056 500	–	3.2%	–
Mariusz Lizon	245 359	1.6%	0.7%	1.6%
Piotr Masłowski	984 713	–	2.9%	–
Romuald Rutkowski	426 828	–	1.3%	–
TOTAL	**2 713 400**	**1.6%**	**8.1%**	**1.6%**

IV. THE SHAREHOLDIG STRUCTURE OF ASSECO BUSINESS SOLUTIONS SA

The shareholders of Asseco Business Solutions SA holding, directly or indirectly through subsidiaries, at least 5% of the total vote at the GM, according to the number of shares and their percentage in the share capital on the date of these financial statements, disclosed in the notices served to the Company based on Article 69 of the Act on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies, include:

Shareholder	**Number of shares 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 SA	15 528 570	–	46.47%	–
Amplico Powszechne Towarzystwo Emerytalne S.A.	4 148 080	–	12.41%	–
Other shareholders	13 741 543	–	41.12%	–
	33 418 193		**100.00%**	

At 31 March 2012, the share capital of Asseco Business Solutions SA totalled PLN 167 091 thousand and was divided into 33 418 193 ordinary shares with a 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 three months ended
31 March 2012
prepared in accordance with the
International Financial
Reporting Standards

**FINANCIAL STATEMENTS OF
ASSECO BUSINESS SOLUTIONS SA
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

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FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2012
ASSECO BUSINESS SOLUTIONS SA

These financial statements were approved for publication by the Management Board of Asseco Business Solutions SA on 7 May 2012.

The Management Board:

Romuald Rutkowski	President of the Management Board
Wojciech Barczentewicz	Vice-President of the Management Board
Piotr Masłowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

Interim condensed financial statements for the first quarter 2012 (in PLN thousand)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three months ended 31 March 2012

	3 months to 31 March 2012	*3 months to 31 March 2011*
Revenue on sales	37 320	42 492
Own cost of sales	(24 323)	(25 503)
Gross profit/(loss) on sales	**12 997**	**16 989**
Cost of sales	(872)	(1 236)
General and administrative expenses	(4 354)	(4 745)
Net profit on sales	**7 771**	**11 008**
Other operating income	59	316
Other operating expenses	(69)	(89)
Operating profit	**7 761**	**11 235**
Financial income	917	676
Financial expenses	(214)	(25)
Gross profit/(loss)	**8 464**	**11 886**
Income tax	(1 648)	(2 298)
Net profit/(loss) from continuing operations	**6 816**	**9 588**
Discontinued operations		
Net profit/(loss) for the fiscal year	**6 816**	**9 588**
Other comprehensive income	**–**	**–**
Other net comprehensive income	**–**	**–**
Total income for period	**6 816**	**9 588**
Earnings per share:		
- basic/diluted from profit for period	0.20	0.29

Interim condensed financial statements for the first quarter 2012 (in PLN thousand)

INTERIM CONDENSED BALANCE SHEET
as at 31 March 2012

ASSETS	31 March 2012	31 December 2011	31 March 2011
Non-current assets	**196 957**	**198 623**	**196 727**
Property, plant and equipment	12 848	13 826	14 556
Intangible assets	11 889	11 618	10 054
Goodwill	170 938	170 938	170 938
Non-current receivables	603	603	602
Deferred tax assets	508	1 403	575
Long-term prepayments and accrued income	171	235	2
Current assets	**92 092**	**89 685**	**96 246**
Inventories	1 004	943	738
Prepayments and accrued income	992	505	800
Trade receivables	26 385	28 720	27 667
Other receivables	3 326	2 507	3 662
Financial assets valued at fair value through financial result	–	–	22
Cash and short-term deposits	60 385	57 010	63 357
Non-current assets classified as held for sale	–	–	2 117
TOTAL ASSETS	**289 049**	**288 308**	**295 090**

EQUITY AND LIABILITIES			
Share capital	167 091	167 091	167 091
The surplus from the sale of shares above their nominal value	62 423	62 423	62 423
Retained profit/(loss) and current period	41 459	34 643	44 473
Total equity	**270 973**	**264 157**	**273 987**
Non-current liabilities	**285**	**346**	**465**
Provisions	224	224	184
Non-current financial liabilities	–	–	115
Long-term accruals and deferred income	61	122	166
Current liabilities	**17 791**	**23 805**	**20 638**
Trade liabilities	3 028	5 568	3 299
Budgetary commitments	7 187	7 620	6 132
Financial liabilities	142	433	403
Other liabilities	1 773	1 122	2 774
Provisions	256	256	1 090
Accruals and deferred income	5 405	8 806	6 940
Total liabilities	**18 076**	**24 151**	**21 103**
TOTAL EQUITY AND LIABILITIES	**289 049**	**288 308**	**295 090**

Interim condensed financial statements for the first quarter 2012 (in PLN thousand)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the three months ended 31 March 2012

	Share capital	Surplus from the sale of shares above their nominal value	Retained profit/(loss) and current period	Total equity
	3 months ended 31 March			
As at 1 January 2012 2012	**167 091**	**62 423**	**34 643**	**264 157**
Total income for period	–	–	6 816	**6 816**
Payment of dividend	–	–	–	**–**
As at 31 March 2012	**167 091**	**62 423**	**41 459**	**270 973**
	12 months ended 31 December 2011			
As at 1 January 2010	**167 091**	**62 423**	**34 885**	**264 399**
Total income for period			29 834	**29 834**
Payment of dividends	–	–	(30 076)	**(30 076)**
At 31 December 2011	**167 091**	**62 423**	**34 643**	**264 157**
	3 months ended 31 March 2011			
As at 1 January 2011	**167 091**	**62 423**	**34 885**	**264 399**
Total income for period	–	–	9 588	**9 588**
Dividends	–	–	–	**–**
As at 31 March 2011	**167 091**	**62 423**	**44 473**	**273 987**

the first quarter of 2012 (in PLN thousand)

INTERIM CONDENSED FIANCIAL STATEMENTS OF CASH FLOWS
for the period ended 31 March 2012

	3 months to 31 March 2012	3 months to 31 March 2011
Cash flows from operating activities		
Gross profit/(loss)	8 464	11 886
Adjustments:	**(3 738)**	**(6 508)**
Amortization	2 720	2 675
Change in inventories	(61)	127
Change in receivables	1 516	5 533
Change in liabilities, excluding credits and loans	(1 713)	(4 229)
Change in accruals and prepayments	(3 885)	(3 511)
Change in provisions	–	–
Revenues on interest	(692)	(640)
Interest expense	2	8
Investment gain/(loss)	(266)	(59)
Other	3	1
Income tax paid	(1 362)	(6 413)
Net cash from operating activities	**4 726**	**5 378**
Cash flows from investing activities		
Proceeds from the sale of property, plant and equipment	54	254
Acquisition of property, plant and equipment	(391)	(872)
Purchase of intangible assets	(1 632)	(1 301)
Acquisition/settlement of financial assets at fair value through profit or loss	20	21
Raised bank loans	(40 066)	(8 000)
Cash returned from bank deposits	29 465	–
Interest received	489?	80
Net cash from investing activities	**(12 061)**	**(9 818)**
Cash flows from financing activities		
Repayment of interest	(2)	(8)
Repayment of liabilities under lease agreements	(92)	(105)
Net cash from financing activities	**(94)**	**(113)**
Increase/(Decrease) in net cash and cash equivalents	(7 429)	(4 553)
Net differences in exchange rates	–	–
Opening cash	**16 968**	**11 199**
Closing cash	**9 539**	**6 646**

ADDITIONAL NOTES AND INFOMATION

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 31 March 2012. At 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.

2. Compliance statement

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.

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

3. Estimates

In the first three months ended 31 March 2012, there were no major changes in the manner 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 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. At 31 March 2012, the receivables under the valuation of IT contracts were PLN 2 059 thousand and the liabilities amounted to PLN 168 thousand.

ii Amortization/depreciation rates

The amount of amortization/depreciation rates is determined on the basis of the expected economic lifetime of tangible fixed assets and intangible assets. The Company reviews the adopted periods of economic useful life annually based on current estimates.

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 with 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 is allocated along with/or intangible assets with indefinite useful life. 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 with 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 Classification of lease contracts

The Company classifies leases as operating or finance, based on an assessment of the extent to which risks and benefits of ownership of the leased item fall in the share of the lessor and the lessee, respectively. This assessment is based on the substance of each transaction.

5. Changes in 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 2011.

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:

- Phase 1 of IFRS 9 Financial Instruments: Classification and Measurement – effective for annual periods beginning on or after 1 January 2015 – not approved by the EU until the date of approval of these financial statements. In the subsequent phases, the International Accounting Standards Board will address hedge accounting and impairment. The project is scheduled to finish in mid-2011. The application of Phase 1 of IFRS 9 will have an impact on the classification and measurement of the Company's financial assets. The Company will assess this impact in conjunction with other phases, as soon as they are published in order to present coherent data.

- Amendments to IAS 12 Income Taxes: Recovery of Underlying Assets – effective for annual periods beginning on or after 1 January 2012 – not approved by the EU until the date of approval of these financial statements.
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters – effective for annual periods beginning on or after 1 July 2011 – not approved by the EU until the date of approval of these financial statements.
- IFRS 10 Consolidated Financial Statements – the standard was published in May 2011 and shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- IFRS 11 Joint Arrangements – the standard was published in May 2011 and shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- IFRS 12 Disclosure of Involvement with Other Entities – the standard was published in May 2011 and shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- IFRS 13 Fair Value Measurement – the standard was published in May 2011 and shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- Revised IAS 27 Separate Financial Statements – the revised standard was published in May 2011 in response to standard IFRS 10. The standard shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- Revised IAS 28 Investments in Associates and Joint Ventures – the revised standard was published in May 2011 in response to the standard IFRS 11. The standard shall become effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- Amendments to IAS 1 Presentation of Financial Statements: Presentation of Other Comprehensive Income – effective for annual periods beginning on or after 1 January 2012; 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 – effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – effective for annual periods beginning on or after 1 January 2013; not approved by the EU until the date of approval of these financial statements;
- Amendments to IAS 32 Financial Instruments: Presentation: Compensation of Financial Assets and Liabilities – effective for 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 7 Financial Instruments: Disclosure of Information: Compensation of Financial Assets and Liabilities – effective for 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 1 First-time Adoption of International Financial Reporting Standards: Government Grants – applicable to annual periods beginning on or after 1 January 2013 – not approved by the EU until the date of approval of these financial statements.

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

7. Changes in presentation

During the reporting period, there were no changes to the applicable rules of presentation.

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

For the management purposes, the Company was divided into segments based on manufactured products and rendered services. There are the following reportable operating segments:

1. ERP systems segment – ERP solutions based on the technology by Oracle and Microsoft that support company's management and original solutions intended for companies operating on the network of field representatives. These applications support business processes and information flow processes, covering most areas of business, including: finance and accounting, business intelligence, personnel management, human resources and payroll, logistics and sales, production and Internet applications. Technical capabilities allow these systems to be implement in various network architectures.
2. The outsourcing segment covers such areas as: collocation, hosting, backup and archiving, network, monitoring, and service failures, security solutions, systems administration, maintenance of ERP/CRM, design and management of WAN, WAN network outsourcing, IT consulting and services, additional services of system and application integration. IT outsourcing allows clients to not only control costs associated with the development of IT infrastructure, but also enable most optimum use of resources and management of IT processes in the company. Outsourcing services offered by Asseco BS are based on our

Interim condensed financial statements for the first quarter of 2012 (in PLN thousand)

own Data Centre employing highest quality, certified specialists and possessing technical infrastructure which ensures the highest level of data security.

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

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 responsible for unallocated sales.

None of the Company's operating segments has been connected to another segment in order to create these reportable operating segments.

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 financial income and expenses) 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.

3 months to 31 March 2012	ERP systems	Outsourcing	**Total reportable segments**	Unallocated	**Activity total**
Sales to external customers	34 500	1 611	**36 111**	1 209	**37 320**
Sales between segments	–	–	**–**	–	**–**
Total segment revenues	**34 500**	**1 611**	**36 111**	**1 209**	**37 320**
Segment profit/(loss)	**7 256**	**212**	**7 468**	**303**	**7 771**
Other net operating income/ (expenses)				(10)	**(10)**
Net financial income/(expenses)				703	**703**
Income tax				(1 648)	**(1 648)**
Profit for period	**7 256**	**212**	**7 468**	**(652)**	**6 816**
Amortization	(2 575)	(131)	**(2 706)**	(14)	**(2 720)**

Segment operating profit does not include financial income (PLN 917 thousand), financial expenses (PLN 214 thousand), other operating income (PLN 59 thousand) and other operating expenses (PLN 69 thousand) and the result of unallocated activity (PLN 303 thousand).

3 months to 31 March 2011	ERP systems	Outsourcing	**Total reportable segments**	Unallocated	**Activity total**
Sales to external customers	36 600	3 500	**40 100**	2 392	**42 492**
Sales between segments	–	–	**–**	–	**–**

Total segment revenue	**36 600**	**3 500**	**40 100**	**2 392**	**42 492**
Segment profit/(loss)	**9 851**	**745**	**10 596**	**533**	**11 129**
Other net operating income/ (expenses)				106	**106**
Net financial income/(expenses)				651	**651**
Income tax				(2 298)	**(2 298)**
Profit for the period	**9 851**	**745**	**10 596**	**(1 008)**	**9 588**
Amortization	(2 423)	(215)	**(2 638)**	(37)	**(2 675)**

Segment operating profit does not include financial income (PLN 676 thousand), financial expenses (PLN 25 thousand), other operating income (PLN 316 thousand) and other operating expenses (PLN 89 thousand) and the result of unallocated activity (PLN 533 thousand). Segment operating profit includes the government subsidy related to assets (PLN 121 thousand), which in the financial statements is recognised as an item in other operating income.

III. SUMMARY AND ANALYSIS OF THE RESULTS OF ASSECO BUSINESS SOLUTIONS FOR THE FIRST QUARTER OF 2012

Financial data of Asseco Business Solutions SA for the first three months of 2012.

	3 months to 31 March 2012	3 months to 31 March 2011	Growth rate 3 months 2012/ 3 months 2011
Revenue on sales	37 320	42 492	-12.17%
Gross profit/(loss) on sales	12 997	16 989	-23.50%
EBIT	7 761	11 235	-30.92%
EBITDA	10 481	13 910	-24.65%
Net profit	6 816	9 588	-28.91%

Profitability ratios

Net revenues from sales in the first quarter of 2012 were by 12.17% lower than in the same period last year, which also results from the high base in 2011. In connection with the introduction of the new VAT rates effective from January 2011, in the first quarter of 2011, the company reported a mounting sales of new licences and updates of the Asseco Wapro software adapted to the amended taxation policies. Additionally, in October 2011, the Company terminated an agreement with one of the major client generating about 50% of revenues in the outsourcing segment, which also affected the level of revenue in that period.

Operating expenses were reduced during that period by 6%, primarily in the area of salaries and third party services.

These changes largely impaired the profitability ratios. The gross margin on sales fell from 39.98% to 34.83%, and the EBITDA margin from 32.74% to 28.08%.

Profitability ratios	3 months to 31 March 2012	3 months to 31 March 2011
Gross margin on sales	34.83%	39.98%
EBITDA profit margin	28.08%	32.74%
Operating margin	20.80%	26.44%
Net margin	18.26%	22.56%

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 capital, it secures the liabilities arising from the current cash cycle in the company. Working capital in the Company as at 31 March 2012 was PLN 74 301 thousand and was higher by PLN 8 421 thousand compared with 31 December 2011. The Company's liquidity ratios also improved, which reaffirms its capacity to timely satisfy its current liabilities and promises financial security.

Liquidity ratios	31 March 2012	31 December 2011	31 March 2011
Working capital (in PLN thousand)	74 301	65 880	75 608
Current ratio	5.18	3.77	4.66
Quick ratio	5.06	3.71	4.59
Super quick ratio	3.39	2.39	3.07

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

The main factors determining the improvement of these ratios was the increase in cash and short-term deposits coinciding with the reduced level of short-term liabilities.

Debt ratio

The Company's operations are financed from its current activity. A significant decrease in liabilities (25% compared with 31 December 2011) with a minimal (1%) decrease in assets resulted in a reduction of the total debt ratio at the end of the first quarter of 2012 from 8.4% to 6.3%.

Debt ratio	31 March 2012	31 December 2011	31 March 2011
Debt ratio	6.3%	8.4%	7.2%

These ratios have been calculated using the following formulas:
Debt ratio = (long-term liabilities + current liabilities) / assets

Interim condensed financial statements for the first quarter of 2012 (in PLN thousand)

EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Structure of revenues on sales

	3 months to 31 March 2012	3 months to 31 March 2011
ERP systems	34 500	36 600
Outsourcing	1 611	3 500
Unallocated	1 209	2 392
Total	**37 320**	**42 492**

2. Structure of operating expenses

	3 months to 31 March 2012	3 months to 31 March 2011
The value of resold goods, materials and external services (COGS)	(5 341)	(5 011)
Consumption of materials and	(797)	(763)
External services	(4 641)	(5 170)
Payroll	(12 737)	(14 487)
Employee benefits	(2 781)	(2 782)
Amortization	(2 720)	(2 675)
Taxes and fees	(188)	(186)
Business trips	(232)	(218)
Other	(112)	(192)
Total	**(29 549)**	**(31 484)**
Own cost of sales, including:	(24 323)	(25 503)
production cost	(18 982)	*(20 492)*
value of resold goods, materials and services (COGS)	(5 341)	*(5 011)*
Cost of sales	(872)	(1 236)
Cost of M&A	(4 354)	(4 745)
Total	**(29 549)**	**(31 484)**

3. Other operating income and expenses

The other operating income and expenses in the first quarter of 2012 and in the comparable period were as follows:

Other operating income	3 months to 31 March 2012	3 months to 31 March 2011
Profit from the sale of property, plant and equipment	47	55
Received compensation	–	64
Subsidies	–	121
Sales to employees	–	1
Other	12	75

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	59	**316**

Other operating expenses	**3 months to 31 March 2012**	**3 months to 31 March 2011**
Donations to unrelated parties	(5)	–
Accident repair costs	(3)	(65)
Penalties and compensation	(30)	–
Liquidation of fixed assets	(3)	(2)
Other operating expenses	(28)	(22)
	(69)	**(89)**

4. Financial income and expenses

Financial income and expenses in the first quarter of 2012 and in the comparable period were as follows:

Financial income	**3 months to 31 March 2012**	**3 months to 31 March 2011**
Income from bank interest	692	640
Other interest income	6	2
Foreign exchange gains	–	13
Gains from changes in fair value of currency derivatives - entered forward contracts	199	–
Gains from currency derivatives execution - entered forward contracts	20	21
Total financial income	**917**	**676**

Financial expenses	**3 months to 31 March 2012**	**3 months to 31 March 2011**
Interest of finance lease	(2)	(8)
Foreign exchange losses	(212)	–
Losses from changes in fair value of currency derivatives - entered forward contracts	–	(17)
Total financial expenses	**(214)**	**(25)**

5. Income tax

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

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	3 months to 31 March 2012	3 months to 31 March 2011
Current income tax	(753)	(1 582)
Deferred income tax	(895)	(716)
Tax expense reported in the statement of comprehensive income, including:	**(1 648)**	**(2 298)**
Income tax attributed to continued operations	*(1 648)*	*(2 298)*

Tax settlements and other areas of operations are subject to frequent changes, which results in many cases no reference can be made to fixed regulations or legal precedents. The binding regulations contain ambiguities, which can cause differences of opinion as to the legal interpretation of tax regulations both among the state bodies and between government bodies and companies.

Tax settlements may be subject to inspection for a period of five years starting from the end of the year in which the tax payment was made. As a result, the amounts indicated in the financial statements are subject to change at a later date after their final determination by tax authorities.

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 to 31 March 2012	3 months to 31 March 2011
Net profit from continuing operations	6 816	9 588
Loss from discontinued operations	–	–
Net profit attributable to ordinary shareholders used in the calculation of diluted earnings per share	6 816	9 588
Weighted average number of issued shares used in the calculation basic earnings per share	33 418 193	33 418 193
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share	33 418 193	33 418 193

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

The most important factors that affected the Company's performance 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 seasonal fluctuation of sales.
- Consistent pursuit of the sales strategy for ERP and HR software in the full outsourcing model and increasing the number of permanent maintenance contracts (service care) for previously deployed ERP and HR systems.

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

In the three months ended 31 March 2012, there were no extraordinary or one-off 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 held on 18 April 2012, the net profit for the financial year 2011 in the amount of PLN 29 834 134.80 was divided as follows:

- part of the net profit for 2011 in the amount of PLN 29 742 191.77 would be allocated to the payment of dividends to the Company's shareholders;
- the reminder of the net profit for 2011 in the amount of PLN 91 943.03 would be transferred to reserve capital;
- retained earnings from previous years in the amount of PLN 2 339 273.51 would be allocated to the payment of dividends to the Company's shareholders;

The total amount to be divided among the shareholders is PLN 32 081 465.28, i.e. PLN 0.96 per share.

The dividend date was set on 14 May 2012 and the dividend payment date on 1 June 2012.

10. Significant events during the reporting period

Important agreements concluded in the first quarter of 2012:

- Hoop Polska Sp. z o.o.
  – agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
- Piekarnia Familijna Sp. Jawna Elżbieta Kowalczyk, Witold Kowalczyk
  – implementation and maintenance agreements for Mobile Preselling and the relevant licence agreements
- Lekkerland Polska SA
  – agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements

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11. Financial assets

At 31 March 2012 and in the comparable period, the Company held the following financial assets:

Financial assets	31 March 2012	31 December 2011	31 March 2011
Forward currency contracts short-term	–	–	22
Total	**–**	**–**	**22**

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

12. Short-term and long-term prepayments

Prepayments	31 March 2012	31 December 2011	31 March 2011
Prepaid maintenance services	459	517	235
Prepaid insurance	369	63	343
Prepaid subscriptions	108	18	21
Other prepaid services	227	142	203
Total	**1 163**	**740**	**802**
- current	992	505	800
- non-current	171	235	2

Prepaid expenses as at 31 March 2012 consisted primarily of:

- service costs to be incurred gradually in subsequent periods,
- prepaid insurance.

13. Current and non-current receivables

Trade receivables (short-term)	31 March 2012	31 December 2011	31 March 2011
Trade receivables, including:	27 258	29 504	28 544
From related parties	1 998	1 062	2 739
From other parties	25 260	28 442	25 805
Allowance on doubtful accounts	(873)	(784)	(877)
Total	**26 385**	**28 720**	**27 667**

Other receivables	31 March 2012	31 December 2011	31 March 2011
Receivables arising from the valuation of long-term IT contracts	2 059	1 487	2 293
Receivables from non-invoiced delivery	–	–	647
Advances provided to suppliers	69	75	67
Other trade receivables (bid bonds, deposits)	1 081	815	585
Receivables from employees	74	76	56
CSBF	–	1	–
Other receivables	43	53	14
Total	**3 326**	**2 507**	**3 662**

the first quarter of 2012 (in PLN thousand)

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 debts 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.

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.

Trade receivables from non-invoiced delivery are for those services that were provided during the reporting period but were not invoiced before the balance sheet date.

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.

14. 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 in the balance sheet consisted of the following items:

Cash	**31 March 2012**	**31 December 2011**	**31 March 2011**
Cash at bank and in hand	2 793	2 593	444
Short-term deposits to 3 months	6 746	14 385	6 202
Short-term deposits from 3 to 6 months	50 846	40 032	56 711
Cash in the balance	**60 385**	**57 010**	**63 357**
Interest accrued on short-term deposits	(545)	(343)	(756)
Cash in the balance	**59 840**	**56 667**	**62 601**

For the purposes of the statement of cash flows, short-term deposits with the original maturity over three months are treated as part of investment activity.

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

Cash	**31 March 2012**	**31 December 2011**	**31 March 2011**
Cash at bank and in hand	2 793	2 593	444
Short-term deposits to 3 months	6 746	14 385	6 202
Cash in the balance	**9 539**	**16 978**	**6 646**
Interest accrued on short-term deposits	–	(10)	–
Cash in cash flows statement	**9 539**	**16 968**	**6 646**

Interim condensed financial statements for the first quarter of 2012 (in PLN thousand)

15. Financial liabilities

Financial liabilities	**31 March 2012**	**31 December 2011**	**31 March 2011**
Liabilities under finance lease (current)	99	191	403
Liabilities under finance lease (non-current)	–	–	115
Short-term forward contracts	43	242	–
Long-term forward contracts	–	–	–
Total	**142**	**433**	**518**

The Company operates vehicles under finance lease agreements. The net value of vehicles under finance lease on 31 March 2012 is PLN 312 thousand.

Financial liabilities also include forward transactions concluded in order to secure foreign exchange risk on contracts settled in foreign currency.

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

At 31 March 2012, the Company did not have open credit lines. The Company uses finance lease. The interest rate is floating and based on WIBOR. At 31 March 2012, the Company had no long-term commitments under finance lease, and the short-term commitment under finance leases at 31 March 2012 amounted to PLN 99 thousand.

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.

12. Current and non-current trade and other liabilities

Trade liabilities	**31 March 2012**	**31 December 2011**	**31 March 2011**
To related parties	–	1	–
To other parties	3 028	5 567	3 299
Total	**3 028**	**5 568**	**3 299**

Trade liabilities are not interest-bearing.

Liabilities from taxes, duties, social security and others	**31 March 2012**	**31 December 2011**	**31 March 2011**
Liabilities from taxes, duties, social security and other	5 275	5 099	5 348
Liabilities to Social Security	2 313	1 290	2 272
Personal income tax	786	566	811
VAT	2 121	3 163	2 186
Flat-rate tax at source	–	–	8
Other budgetary liabilities	55	80	71
Tax liabilities on corporate income tax	1 912	2 521	784

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Total	**7 187**	**7 620**	**6 132**
- current	7 187	7 620	6 132
- non-current	–	–	–

Budgetary commitments are paid to the relevant institutions on a monthly basis.

The amount of the difference between VAT liabilities and receivables is paid to competent tax authorities on a monthly basis.

Other liabilities	31 March 2012	31 December 2011	31 March 2011
Amounts owed to employees for wages	756	226	861
Liabilities arising from the valuation of long-term IT	168	370	1 269
Liabilities due to non-invoiced deliveries	476	361	370
Advance payments received for supplies	108	29	48
CSBF	175	–	167
Other liabilities	90	136	59
Total	**1 773**	**1 122**	**2 774**

Other liabilities are not interest-bearing.

18. Accruals and deferred income

	31 March 2012	31 December 2011	31 March 2011
Accrued expenses for:			
Unused leaves	2 194	1 608	2 014
Bonuses	2 164	6 173	3 805
Provision for other expenses	446	713	600
	4 804	**8 494**	**6 419**
Deferred income for:			
Prepaid services	662	345	563
Other income	–	89	124
	662	**434**	**687**
Total	**5 466**	**8 928**	**7 106**
- current	5 405	8 806	6 940
- non-current	61	122	166

Accrued expenses are primarily provisions for unused leave, provisions for wages of a period intended for distribution in subsequent periods, resulting from the principles of bonus systems effective Asseco Business Solutions S.A., and provisions for the costs of current operations of the Company. The balance of deferred income concerns primarily prepayments for services rendered, such as maintenance and IT assistance.

19. 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.

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Receivables from related parties	31 March 2012	31 December 2011	31 March 2011
Asseco Poland SA (parent)	1 995	1 049	3 626
Other related parties	226	312	175
Total	**2 221**	**1 361**	**3 801**

Liabilities to the benefit of related parties	31 March 2012	31 December 2011	31 March 2011
Asseco Poland SA (parent)	–	1	–
Other related parties	–	–	–
Total	**–**	**1**	**–**

Sales to related parties	3 months to 31 March 2012	3 months to 31 March 2011
Asseco Poland SA (parent)	1 613	3 056
Other related parties	(55)	501
Total	**1 558**	**3 557**

Purchase from related parties	3 months to 31 March 2012	3 months to 31 March 2011
Asseco Poland SA (parent)	294	354
Other related parties	–	–
Total	**294**	**354**

At 31 March 2012, according to 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 BS' records, in the three months ended 31 March 2012, the value (net) of purchases transactions of goods and services (including rental) from related parties by the Company Executives and with the Company Executive amounted to PLN 442 thousand.

According to information held by Asseco Business Solutions SA, at 31 March 2012, 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.

In the financial year ended 31 December 2011, the value (net) of purchases transactions of goods and services (including rental) from related parties by the Company Executives and with the Company Executive amounted, according to the records of Asseco Business Solutions SA, to PLN 1 514 thousand.

20. Contingent liabilities

Contingent liabilities	31 March 2012	31 December 2011	change during the 3 months ended 31-03-2012
Other contingent liabilities	39	85	(46)
Total contingent liabilities	**39**	**85**	**(46)**

Contingent liabilities consist of promissory notes which secure liabilities under finance lease.

Interim condensed financial statements for the first quarter of 2012 (in PLN thousand)

21. Employment

Average employment during the reporting period	3 months to 31 March 2012	3 months to 31 March 2011
The Board	4	4
Production departments	534	592
Trade departments	34	34
Administrative departments	38	46
Other	2	2
Total	**612**	**678**

Employment at	31 March 2012	31 March 2011
The Board	4	4
Production departments	539	604
Trade departments	35	34
Administrative departments	45	46
Other	2	2
Total	**625**	**690**

22. Seasonality and cyclicality

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.

23. 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.

24. Capital expenditure

In the period ended 31 March 2012, the Company made capital outlays in the amount of PLN 2 023 thousand.

25. Feasibility assessment of financial forecast published by the Management Board for 2012

The Management Board of Asseco Business Solutions SA has not published financial forecast for 2012.

26. 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.

27. 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, current financial situation of Asseco Business Solutions SA is satisfactory and promises advantageous conditions for further development in the second quarter of 2012.

In the opinion of the Board, the most important factors that may directly or indirectly affect the operations of Asseco Business Solutions SA and its prospective results in the next quarter are:

- developments in 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,
- intensity of direct and indirect competitive activity,
- the results of current business activities,
- risk of time-shifting of potential clients' investment decisions in IT,
- the progress of work under currently valid contracts,
- the need to attract and retain the most qualified and key employees,
- opportunities and risks associated with a relatively rapid technological progress and innovation in the IT market.

28. Information on other important factors that could affect 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.

29. Significant events after the balance sheet date

On 18 May 2012, the General Meeting was held of Asseco Business Solutions which adopted the following resolutions:

1. Approval of the financial statements for the financial year 2012;

2. Approval of the Management Board's report on the Company's operations in the financial year 2012;

3. Granting the vote of approval to the Members of the Management Board for discharging their duties in the financial year 2011;

4. Granting the vote of approval to the Members of the Supervisory Board for discharging their duties in the financial year 2011;

5. Division of profit generated by the Company in the financial year 2011.

30. Significant events concerning previous years

To the date of these financial statements for the three months ended 31 March 2012, that is, until 7 May 2012, there were no events concerning previous years that were not, and should be, included in these financial statements.