ASSECO BUSINESS SOLUTIONS SA

INTERIM CONDENSED FIANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011 TOGETHER WITH THE INDEPENDENT CERTIFIED AUDITOR'S REVIEW REPORT

17 August 2011

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2011

	Note	*3 months ended 30 June 2011 (unaudited)*	*6 months ended 30 June 2011 (unaudited)*	*3 months ended 30 June 2010 (unaudited)*	*6 months ended 30 June 2010 (unaudited)*
Revenue on sales	7	38 362	80 854	37 656	74 336
Own cost of sales	7	(26 996)	(52 499)	(25 984)	(48 457)
Gross profit on sales		**11 366**	**28 355**	**11 672**	**25 879**
Cost of sales		(1 140)	(2 376)	(744)	(1 840)
General and administrative expenses		(3 485)	(8 230)	(4 207)	(8 424)
Net profit on sales		**6 741**	**17 749**	**6 721**	**15 615**
Other operating revenues	7	278	594	208	517
Other operating expenses	7	(157)	(246)	(149)	(255)
Profit from operating activities		**6 862**	**18 097**	**6 780**	**15 877**
Financial revenues	7	610	1 268	579	1 080
Financial expenses	7	(51)	(58)	(14)	(33)
Gross profit		**7 421**	**19 307**	**7 345**	**16 924**
Income tax	10	(1 487)	(3 785)	(1 461)	(3 312)
Net profit on continued activity		**5 934**	**15 522**	**5 884**	**13 612**
Discontinued operations					
Net profit for the financial year		**5 934**	**15 522**	**5 884**	**13 612**
Other comprehensive income		**–**	**–**	**–**	**–**
Other comprehensive net income		**–**	**–**	**–**	**–**
Total income for period		**5 934**	**15 522**	**5 884**	**13 612**
Earnings per share:					
- basic/diluted from profit for the reporting period		0.18	0.46	0.18	0.41
- basic/diluted from profit on continued operations for the reporting period		0.18	0.46	0.18	0.41

INTERIM CONDENSED BALANCE SHEET
as at 30 June 2011

ASSETS	Note	30 June 2011 (unaudited)	31 December 2010
Non-current assets		**196 318**	**198 144**
Property, plant and equipment	11	14 122	15 348
Intangible assets	12.1	10 187	9 964
Goodwill	12.2	170 938	170 938
Non-current receivables		603	601
Deferred tax assets		363	1 291
Long-term prepayments and deferred income		105	2
Current assets		**72 511**	**97 504**
Inventories	13	602	865
Accruals and deferred income		579	387
Trade receivables		31 892	32 689
Other receivables		4 312	4 174
Financial assets valued at fair value through profit or loss	26	39	
Cash and short-term deposits	8	35 100	59 350
Non-current assets classified as held for sale	16	2 117	2 117
TOTAL ASSETS		**270 946**	**297 765**

EQUITY AND LIABILITIES			
Share capital	14	167 091	167 091
Surplus from the sale of shares above their nominal value		62 423	62 423
Retained earnings and current period		20 331	34 885
Total equity		**249 845**	**264 399**
Non-current liabilities		**348**	**479**
Provisions		184	184
Non-current financial liabilities	15	17	212
Long-term accruals and deferred income		147	83
Current liabilities		**20 753**	**32 887**
Trade liabilities		6 933	8 581
Budgetary commitments		5 275	10 341
Financial liabilities	15	399	411
Other liabilities		714	2 343
Provisions		990	1 090
Accruals		6 442	10 121
Total liabilities		**21 101**	**33 366**
TOTAL EQUITY AND LIABILITIES		**270 946**	**297 765**

INTERIM CONDENSED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2011

	Note	*6 months ended 30 June 2011 (unaudited)*	*6 months ended 30 June 2010 (unaudited)*
Cash flows from operating activities			
Gross profit		19 307	16 924
Adjustments:		**(10 241)**	**(242)**
Amortization		5 392	5 272
Change in inventories		263	(399)
Change in receivables		657	5 744
Change in liabilities, excluding credits and loans		(3 590)	(4 640)
Change in prepayments and accruals		(3 910)	(175)
Change in provisions		(100)	–
Revenues on interest		(1 219)	(935)
Interest expense		14	32
Investment gain/(loss)		(145)	(151)
Other		7	–
Income tax paid		(7 610)	(4 990)
Net cash from operating activities		**9 066**	**16 682**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		418	596
Proceeds from the sale of financial assets available for sale		–	1 110
Acquisition of property, plant and equipment		(1 974)	(4 261)
Purchase of intangible assets		(2 729)	(1 191)
Acquisition/settlement of financial assets at fair value throug profit and loss		47	–
Interest received		1 201	795
Net cash from investing activities		**(3 037)**	**(2 951)**
Cash flows from financing activities			
Dividend paid		(30 076)	(25 064)
Repayment of interest		(14)	(32)
Repayment of liabilities under lease agreements		(207)	(518)
Net cash from financing activities		**(30 297)**	**(25 614)**
Increase/(decrease) in net cash and cash equivalents		(24 268)	(11 883)
Net difference in exchange rates		–	–
Opening cash	**8**	**59 154**	**48 429**
Closing cash	**8**	**34 886**	**36 546**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2011

	Share capital	Surplus from the sale of shares above their nominal value	Retained earnings and current period	Total own equity
As at 1 January 2011	**167 091**	**62 423**	**34 885**	**264 399**
Total income for the period	–	–	15 522	**15 522**
Payment of dividends	–	–	(30 076)	**(30 076)**
As at 30 June 2011	**167 091**	**62 423**	**20 331**	**249 845**
As at 1 January 2010	**167 091**	**62 423**	**29 857**	**259 371**
Total income for the period			30 092	**30 092**
Payment of dividends	–	–	(25 064)	**(25 064)**
As at 31 December 2010	**167 091**	**62 423**	**34 885**	**264 399**
As at 1 January 2010	**167 091**	**62 423**	**29 857**	**259 371**
Total income for the period	–	–	13 612	**13 612**
Dividends	–	–	(25 064)	**(25 064)**
As at 30 June 2010	**167 091**	**62 423**	**18 405**	**247 919**

Additional explanatory notes (in PLN thousand)

ADDITIONAL EXPLANATORY NOTES

1. General information

Asseco Business Solutions SA (the "Company") is a joint-stock company seated in Lublin, whose shares are publicly traded. These interim condensed financial statements cover the period of 6 months ended 30 June 2011 and include comparative data for the period of 6 months ended 30 June 2010 and as at 31 December 2010. Statement of comprehensive income and the notes to the statement of comprehensive income include data for the 3 months ended 30 June 2011 and comparative data for the 3 months ended 30 June 2010 - they were not subject to review or audit by the certified auditor.

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, District Court, XI 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".

The Company comprises a Competence Centre for ERP systems, software for small and medium-sized enterprises, outsourcing 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 statutes, 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.

On 17 August 2011, these interim condensed financial statements for the 6 months ended 30 June 2011 were approved by the Management Board for publication.

2. Composition of the Board and the Supervisory Board of the Company

On 30 June 2011, the Management Board of the Company consisted of:

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

In the first half of 2011, there were no changes in the composition of the Issuer's Board. On 30 June 2011, the Supervisory Board of the Company consisted of:

Adam Góral	Chairman of the Supervisory Board
Jarosław Adamski	Member of the Supervisory Board
Wojciech Kowalczyk	Member of the Supervisory Board

Zbigniew Pomianek	Member of the Supervisory Board
Adam Pawłowicz	Member of the Supervisory Board

In the first half of 2011, there were no changes in the composition of the Supervisory Board.

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

3. Basis for the preparation of these interim condensed financial statements

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 IFRS's 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").

These interim condensed financial statements are presented in PLN ("PLN") and all values, unless indicated otherwise, are given in thousands of PLN.

While preparing these interim condensed financial statements, it was assumed that the Company intended to continue its business activity in the foreseeable future. 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.

The 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 2010, approved for publication on 9 March 2011.

The interim financial results may not reflect the full realizable financial result for the financial year.

4. Significant accounting rules (policy)

The accounting rules (policies) used to prepare the interim condensed financial statements are consistent with those applied in preparing the Company's financial statements for the year ended 31 December 2010, with the exception of the application of the following changes to the standards and new interpretations applicable to annual periods beginning on 1 January 2011.

- Amendments to IAS 24 *Related Party Disclosures* (amended in November

2009) - applicable to annual periods beginning on or after 1 January 2011. The purpose of these amendments is to simplify and clarify the definition of a related party. The amendment removed the requirement to disclose information on related party transactions to the government, which exercises control or a shared control over the reporting unit, or has a significant influence over it, and to another unit, which is a related party, because the same government controls or exercises a shared control over the reporting unit and the other unit, or has a significant influence over them. The application of these amendments had no impact on the Company's financial position or performance, nor on the extent of information presented in the Company's financial statements.

- Amendments to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayment of a Minimum Funding Requirement* – applicable to annual periods beginning on or after 1 January 2011. This change removes the unintended consequences of IFRIC 14 on voluntary contributions for retirement in a situation where there are minimum funding requirements, application of these changes had no impact on the Company's financial position or performance.

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – applicable to annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting rules used where, as a result of renegotiation by the unit of the terms for its debt, the liability is extinguished by the debtor's issuing of equity instruments for the creditor. The application of this interpretation had no impact on the Company's financial position or performance.

- Amendments to IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues*. The change clarifies how to recognize certain rights issues when issued financial instruments are denominated in currencies other than the Issuer's functional currency. The application of these changes had no impact on the Company's financial position or performance.

- Amendments resulting from the review of IFRS (published in May 2010) – part of the changes are applicable to annual periods beginning on or after 1 July 2010, and the other part to periods beginning on or after 1 January 2011. The application of these changes had no impact on the Company's financial position or performance.
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Exemption from the Requirement to Present Comparative Information for IFRS 6 for First-Time Adopters of IFRS* – applicable to annual periods beginning on or after 1 July 2010. The application of these amendments had no impact on the Company's financial position or performance.

The Company did not opt for an early application of any other standard, interpretation or amendment

that was published but did not yet enter into force.

5. Change of estimates

5.1. Professional judgement

In the process of applying accountancy rules (policies) to the issues listed below, of utmost importance, in addition to accounting estimates, was professional judgement of the management.

Classification of lease agreements

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.

5.2. Estimation uncertainty

Below, the main assumptions have been made about the future and other key sources of uncertainty occurring on the balance sheet date, which carry a significant risk of substantial adjustments to the carrying amounts of assets and liabilities within the next financial year.

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

The Company realizes 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.

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.

Goodwill and 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, this goodwill arising from the acquisition of a subsidiary and mergers. 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. 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. 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.

6. Seasonality of operations

The operations of Asseco Business Solutions are subject to moderate seasonal fluctuations. In the case of ERP systems and outsourcing, the highest sales figures are reported in the first and fourth quarter of the year. 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.

7. Information of operation segments

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

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 through the networks of field representatives. The IT applications support business processes and information flow and are able to handle most areas of the business, including: finance and accounting, Business Intelligence, personnel management, payroll and HR, logistics and sales, production, and Internet tools. Technical capabilities allow these systems to be implement in various network architectures.

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

The unallocated revenue item presents sales that cannot be attributed 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 costs and financial income) and income tax are monitored at the levels of the Company and they are not allocated to the segments.

Additional explanatory notes (in PLN thousand)

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

3 months ended 30 June 2011 (unaudited)	ERP systems	Outsourcing	**Total reportable segments**	Resources not allocated	**Activity total**
Sales to external customers	32 652	3 601	**36 253**	2 109	**38 362**
Sales between segments	–	–	**–**	–	**–**
Total segment revenue	**32 652**	**3 601**	**36 253**	**2 109**	**38 362**
Segment profit/(loss)	**5 917**	**824**	**6 741**	**120**	**6 861**
Other net operating revenues/(expenses)				1	**1**
Net financial revenues/(expenses)				559	**559**
Income tax				(1 487)	**(1 487)**
Profit for the period	**5 917**	**824**	**6 741**	**(807)**	**5 934**

Segment operating profit does not include financial revenue (PLN 610 thousand), financial expenses (PLN 51 thousand), other operating revenues (PLN 278 thousand) and other operating expenses (PLN 157 thousand) and the result of unallocated activity (PLN 120 thousand). Segment operating profit includes the government subsidy to assets (PLN 120 thousand), which in the financial statements is recognised as an item in other operating revenues.

6 months ended 30 September 2011 (unaudited)	ERP systems	Outsourcing	**Total reportable segments**	Resources not allocated	**Activity total**
Sales to external customers	69 251	7 101	**76 352**	4 502	**80 854**
Sales between segments	–	–	**–**	–	**–**
Total segment revenue	**69 251**	**7 101**	**76 352**	**4 502**	**80 854**
Segment profit/(loss)	**15 768**	**1 569**	**17 337**	**653**	**17 990**
Other net operating revenues/(expenses)				107	**107**
Net financial revenues/(expenses)				1 210	**1 210**
Income tax				(3 785)	**(3 785)**
Profit for the period	**15 768**	**1 569**	**17 337**	**(1 815)**	**15 522**
Segment assets	226 412	5 900	**232 312**	38 634	**270 946**
Amortization	(4 911)	(425)	**(5 336)**	(56)	**(5 392)**

Additional explanatory notes (in PLN thousand)

1. Segment operating profit does not include financial revenues (PLN 1 268 thousand), financial expenses (PLN 58 thousand), other operating revenues (PLN 594 thousand) and other operating expenses (PLN 246 thousand) and the result of unallocated activity (PLN 653 thousand). Segment operating profit includes the government subsidy to assets (PLN 241 thousand), which in the financial statements is recognised as an item in other operating revenues.
2. Segment assets do not include deferred tax (PLN 363 thousand), cash (PLN 35 100 thousand), bank guarantees (PLN 603 thousand), non-current assets classified as held for sale (PLN 2 117 thousand), financial assets classified measured at fair value through profit or loss (PLN 26 thousand) and other unallocated assets (PLN 424 thousand) because these assets are managed at the level of the Company.

3 months ended 30 June 2010 (unaudited)	ERP systems	Outsourcing	**Total reportable segments**	Unallocated	**Activity total**
Sales to external customers	31 045	4 177	**35 222**	2 434	**37 656**
Sales between segments	–	–	**–**	–	**–**
Total segment revenue	**31 045**	**4 177**	**35 222**	**2 434**	**37 656**
Segment profit/(loss)	**3 510**	**1 591**	**5 101**	**1 741**	**6 842**
Other net operating revenues/(expenses)				(62)	**(62)**
Net financial revenues/(expenses)				565	**565**
Income tax				(1 461)	**(1 461)**
Profit for the period	**3 510**	**1 591**	**5 101**	**783**	**5 884**

Segment operating profit does not include financial revenues (PLN 579 thousand), financial expenses (PLN 14 thousand), other operating revenues (PLN 208 thousand) and other operating expenses (PLN 149 thousand) and the result of unallocated activity (PLN 1 741 thousand). Segment operating profit includes the government subsidy to assets (PLN 120 thousand), which in the financial statements is recognised as an item in other operating revenue.

6 months ended 30 June 2010 (unaudited)	ERP systems	Outsourcing	**Total reportable segments**	Resources not allocated	**Activity total**
Sales to external customers	62 993	8 319	**71 312**	3 024	**74 336**
Sales between segments	–	–	**–**	–	**–**
Total segment revenue	**62 993**	**8 319**	**71 312**	**3 024**	**74 336**
Segment profit/(loss)	**11 258**	**2 413**	**13 671**	**2 185**	**15 856**
Other net operating revenues/(expenses)				21	**21**
Net financial revenues/(expenses)				1 047	**1 047**
Income tax				(3 312)	**(3 312)**
Profit for the period	**11 258**	**2 413**	**13 671**	**(59)**	**13 612**
Segment assets	221 339	9 103	**230 442**	39 760	**270 202**
Amortization	(4 615)	(615)	**(5 230)**	(42)	**(5 272)**

Additional explanatory notes (in PLN thousand)

1. Segment operating profit does not include financial revenues (PLN 1 080 thousand), financial expenses (PLN 33 thousand), other operating revenues (PLN 517 thousand) and other operating expenses (PLN 255 thousand) and the result of unallocated activity (PLN 2 185 thousand). Segment operating profit includes the government subsidy to assets (PLN 241 thousand), which in the financial statements is recognised as an item in other operating revenue.

2. Segment assets do not include deferred tax (PLN 349 thousand), financial assets (PLN 36 686 thousand), bank guarantees (PLN 605 thousand), long-term assets classified as held for sale (PLN 2 002 thousand) and other unallocated assets (PLN 118 thousand) because these assets are managed at the level of the Company.

8. Cash and cash equivalents

For the purposes of this interim condensed statement of cash flows, cash and cash equivalents consist of the following items:

Cash	**30 June 2011 (unaudited)**	**31 December 2010**
Cash at bank and in hand	408	749
Short-term deposits	34 692	58 601
Cash in the balance sheet	**35 100**	**59 350**
Interest accrued on short-term deposits	214	196
Cash in cash flow statement	**34 886**	**59 154**

9. Paid and proposed dividends

Dividend on ordinary shares for 2010 was paid on 1 June 2011 and amounted to PLN 30 076 thousand (dividend for 2009 was paid on 24 May 2010 and amounted to PLN 25 064 thousand).

The value of dividends per share paid for 2010 amounted to PLN 0.9 (2009: PLN 0.75).

The company did not pay an advance for dividend for the year 2011.

10. Income tax

The main components of tax expense in the profit and loss account are as follows:

	3 months ended 30 June 2011 (unaudited)	*6 months ended 30 June 2011 (unaudited)*	*3 months ended 30 June 2010 (unaudited)*	*6 months ended 30 June 2010 (unaudited)*
Current income tax	(1 275)	(2 857)	(1 637)	(2 991)
Current income tax expense	(1 275)	(2 857)	(1 637)	(2 991)
Deferred income tax	(212)	(928)	176	(321)
linked to the formation and reversal of temporary differences	(212)	(928)	176	(321)
Tax expense reported in the statement of comprehensive income, including:	**(1 487)**	**(3 785)**	**(1 461)**	**(3 312)**
Income tax attributed to continued activity	(1 487)	(3 785)	(1 461)	(3 312)

Additional explanatory notes (in PLN thousand)

11. Property, plant and equipment

11.1. Sales and purchase

During the six months ended 30 June 2011, the Company acquired property, plant and equipment for the amount of PLN 1 974 thousand (in the 6 months ended 30 June 2010: PLN 4 261 thousand).

During the six months ended 30 June 2011, the Company sold the items of property, plant and equipment of the net value of PLN 307 thousand (during the 6 months ended 30 June 2010: PLN 439 thousand), reaching a net profit on sales of PLN 111 thousand (2010: PLN 157 thousand).

11.2. Impairment losses

During the period ended 30 June 2011 (or in the same period the previous year), the Company did not recognize impairment losses on fixed assets.

12. Intangible assets and goodwill

12.1. Sales and purchase

During the six months ended 30 June 2011, the Company acquired from external partners items of intangible assets valued at PLN 119 thousand and its R&D expenses topped PLN 2 160 thousand (during the 6 months ended 30 June 2010: PLN 1 191 thousand).

During the six months ended 30 June 2011, the Company did dispose of any items of intangible assets (during the 6 months ended 30 June 2010: PLN 0)

12.2. Goodwill

The goodwill of the Company consists of goodwill arising from the merger of: Asseco Business Solutions SA, Safo Sp. z o.o., Softlab Sp. z o.o., Softlab Trade Sp. z o.o. and WA-PRO Sp. z oo and goodwill on consolidation resulting from the merger of Asseco Business Solutions SA with Anica Systems SA.

Goodwill is allocated to the cash-generating unit, which was also a separate operating segment - ERP systems.

At 30 June 2011, there were no indications that there might be any loss of goodwill, and any assumptions to the test at the end of 2010 (which are described in the financial statements for the year ended 31 December 2010 in Note 19) remain valid on the balance sheet date of 30 June 2011.

12.3. Impairment losses

During the period ended 30 June 2011 (or in the same period in the previous year), the Company did not recognize impairment losses on intangible assets.

13. Inventories

At 30 June 2011 inventory write-down amounted to PLN 108 thousand (as at 30 June 2010: PLN 124 thousand).

14. Share capital and reserve capitals

Equity capital	30 June 2011 (unaudited)	31 December 2010
Series A ordinary shares with a nominal value of PLN 5	50 000	50 000

Additional explanatory notes (in PLN thousand)

Series B ordinary shares with a nominal value of PLN 5	65 070	65 070
Series C ordinary shares with a nominal value of PLN 5	28 000	28 000
Series D ordinary shares with a nominal value of PLN 5	24 021	24 021
	167 091	**167 091**

During the 6 months ended 30 June 2011, the Company did not issue any shares.

	Quantity	***Value***
Ordinary shares issued and fully paid up		
As at 1 January 2011	33 418	167 091
Change during the year	–	–
As at 30 June 2011	33 418	167 091
As at 1 January 2010	33 418	167 091
Change during the year	-	-
As at 31 December 2010	**33 418**	**167 091**

All issued shares have a nominal value of PLN 5 and have been fully paid up. All shares are ordinary shares. There are no preference shares.

15. Interest-bearing loans and borrowings

At 30 June 2011 (and at 31 December 2010), the Company did not have open credit lines.

The Company uses finance lease. The interest rate is floating and based on WIBOR. At 30 June 2011, long-term lease liabilities amounted to PLN 17 thousand (at 31 December 2010 - PLN 212 thousand); short-term lease liabilities at 30 June 2011 amounted to PLN 399 thousand (at 31 December 2010 - PLN 411 thousand).

16. Non-current assets held for sale

The Management Board of Asseco Business Solutions SA has decided to earmark for sale an office building that is no longer uses. The property was previously used as the headquarters of the Company. Negotiations are being held with the bidder. Due to the fact that the market value of the property is higher than its book value, as at 30 June 2011, there was no need for the recognition of impairment losses resulting from the reclassification of the building as held for sale.

17. Lawsuits

The Court of Appeal in Poznan is adjudicating on the case of settlement of remuneration for the implementation contract with a client. Court's unfavourable ruling can result in the return of PLN 500 thousand to the client. This amount is covered by reserves. In addition, the company runs several cases and enforcement proceedings to recover payments for delivered products and services.

Additional explanatory notes (in PLN thousand)

18. Financial instruments

In the period covered by these financial statements, there were no significant changes in the value and type of financial instruments in relation to the value and type of financial instruments reported in the Company's financial statements for the year ended 31 December 2010.

19. Objectives and principles of financial risk management

The objectives and principles of financial risk management applied by the Company are consistent with the objectives and principles that were reported in the Company's financial statements for the year ended 31 December 2010.

20. Capital management

The objectives and principles of capital management applied by the Company are consistent with the objectives and principles that were reported in the Company's financial statements for the year ended 31 December 2010.

21. Contingent liabilities and contingent assets

Contingent liabilities	30 June 2011 (unaudited)	31 December 2010
Other contingent liabilities	201	307
Total contingent liabilities	**201**	**307**

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

22. Investment commitments

Both at 30 June 2011, as well as at 31 December 2010, the Company had no commitments to expenditure on property, plant and equipment.

23. 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 debts arising from transactions with related parties were not recognised.

The following table shows the total amount of transactions with related parties during the 6 months ended 30 June 2011 and 2010:

Related party		*Sales to related parties*	*Purchases from related parties*	*Receivables from related parties*	*Amounts due to related parties*
The parent:					
Asseco Poland S.A.	*1st half 2011*	8 421	660	5 374	8
	1st half 2010	6 760	65	2 948	11

Additional explanatory notes (in PLN thousand)

Other related parties:					
Other parties	*1st half 2011*	608	3	319	–
	1st half 2010	72	503	1 615	–
	1st half 2011	9 029	663	5 693	8
	1st half 2010	6 832	568	4 563	11

At 30 June 2011, there were no outstanding receivables and liabilities arising from transactions with related parties by the Company Executives and with the Company Executives, according to the information held by Asseco Business Solutions SA.

In the financial year ended 30 June 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 802 thousand.

At 30 June 2010, there were no outstanding receivables and liabilities arising from transactions with related parties by the Company Executives and with the Company Executives, according to the information held by Asseco Business Solutions SA.

In the financial year ended 30 June 2010, 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 693 thousand.

24. The parent

Asseco Poland S.A. is the parent of the Company.

25. The remuneration of Company executives

Remuneration paid or payable to the members of the Management Board and Supervisory Board:

	6 months ended 30 June 2011 (unaudited)	*6 months ended 30 June 2010 (unaudited)*
Management Board	2 713	2 437
Supervisory Board	114	90
Total	**2 827**	**2 527**

26. Events after the balance sheet

On 5 August 2011, at the notary public Mrs. Renata Greszta in Lublin, 8/1 Chopin Str., a notarial deed was executed, registered as 11501/2011, for the preliminary agreement to sell property located in Lublin at 12 Lucyny Herz Str., owned by Asseco Business Solutions SA.

The pre-condition to conclude the final agreement is an advance payment by the purchaser, and appropriate resolutions adopted by the Extraordinary General Meeting of Shareholders of Asseco Business Solutions SA. Accordingly, the final agreement should be concluded by 31 October 2011.

27. Signatures of Board Members

Name and surname Position/function Signature

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
Artur Czabaj	Responsible for book-keeping