



**MANAGEMENT BOARD'S REPORT ON THE  
OPERATIONS OF ASSECO BUSINESS SOLUTIONS SA  
IN 2012**

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## Dear Shareholders of Asseco Business Solutions SA,

As in the previous years, last year we invariably focused on pursuing our most important business objective: to offer our clients (regardless of the market situation) market-best IT solutions. We attached particular attention to expanding the offering, raising the level of services and establishing long-term relationships with our system users; having secured that, we continue to lead the Polish market of IT solutions for business.

In 2012 the operations of Asseco Business Solutions SA yielded well over PLN 139 million of revenue on sales, with over PLN 129 million in the ERP segment. Our net profit totalled over PLN 26 million, EBIT more than PLN 30 million and EBITDA reached a level of nearly PLN 41 million.

In the 1H2012, Asseco Business Solutions SA paid its shareholders a dividend of PLN 0.96 per share. The amount allocated for the dividend totalled PLN 32.08 million (29.74 million from the net profit for 2011 and 2.34 million from retained earnings from previous years). It had been the fourth dividend paid by Asseco BS since 2007. Since the Company went public on the Warsaw Stock Exchange, the total dividend paid to date has been PLN 101.2 million.

Asseco Business Solutions SA's cash and short-term deposits after 4Q 2012 exceeded PLN 48 million. The Company boasts high liquidity, which means that we are able to operate through our own resources, while maintaining a high level of financial security and the capacity for potential acquisitions.

Last year, our further solutions in the SaaS model hit the market and were also made available on mobile devices. Our SME clients were offered a range of new products and services supporting, for example, e-commerce, remote management or smartphone- and tablet-operated mobile sales. We also launched foreign sales of Mobile Touch, the latest version of our flagship SFA software. We also introduced an array of modifications to our ERP solutions intended for larger companies and institutions; we hope to reap first benefits of these initiatives already in 2013.

We want to thank our investors for their trust and hope that the dividends paid and stable share prices are the best proof of our sustained business effort and that the invested funds will produce measurable results.

Attached please find the Financial Statements of Asseco Business Solutions SA.

Wojciech Barcentewicz  
President of the Management Board of Asseco Business Solutions SA

## 1. SELECTED FINANCIAL DATA OF ASSECO BUSINESS SOLUTIONS SA

	in PLN thou.		in EUR thou.	
	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2011
Revenue on sales	139,558	158,125	33,438	38,193
Gross profit on sales	50,514	54,704	12,103	13,213
Profit on operating activities	30,682	34,940	7,351	8,439
Gross profit	33,060	37,032	7,921	8,945
Net profit	26,532	29,834	6,357	7,206
Net cash from operating Activities	29,336	33,955	7,029	8,201
Net cash from investing Activities	34,172	2,346	8,188	567
Net cash from operating Activities	(32,276)	(30,532)	(7,733)	(7,375)
Cash and short-term deposits	48,499	16,978	11,863	3,844
Weighted average number of shares in period	33,418,193	33,418,193	33,418,193	33,418,193
Net income per ordinary share	0.79	0.89	0.19	0.22

Selected financial data presented in the financial statements has been converted into 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 31 December 2012, 1 EUR = 4.0882 PLN, on 31 December 2011, 1 EUR = 4.4168 PLN.

- selected items from the statement of comprehensive income and the statement 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 December 2012, 1 EUR = 4.1736 PLN; in the period from 1 January to 31 December 2011, 1 EUR = 4.1401 PLN.

2012	EUR	AV. EXCHANGE RATE
January	4.2270	
February	4.1365	
March	4.1616	
April	4.1721	
May	4.3889	
June	4.2613	
July	4.1086	1 EUR = 4.1736 PLN
August	4.1838	
September	4.1138	
October	4.1350	
November	4.1064	
December	4.0882	
2011	EUR	AV. EXCHANGE RATE
January	3.9345	1 EUR = 4.1401 PLN

February	3.9763
March	4.0119
April	3.9376
May	3.9569
June	3.9866
July	4.0125
August	4.1445
September	4.4112
October	4.3433
November	4.5494
December	4.4168

## 2. OVERVIEW OF THE BASIC ECONOMIC AND FINANCIAL FIGURES AND FACTORS AND EVENTS HAVING A SIGNIFICANT IMPACT ON THE COMPANY'S OPERATIONS AND PRODUCED RESULTS

	Year ended 31 December 2012	Year ended 31 December 2011
Revenue on sales	139,558	158,125
Gross profit on sales	50,514	54,704
EBIT	30,682	34,940
EBITDA	40,917	44,821
Net profit	26,532	29,834

- During the reporting period, the revenue on sales of Asseco Business Solutions SA amounted to PLN 139,558 thousand and was lower than last year's by 11.7% when the corresponding figure was PLN 158,125 thousand.
- The net profit of Asseco Business Solutions SA produced in 2012 totalled PLN 26,532 thousand against PLN 29,834 thousand in 2011 (down by 11%).
- Basic operating expenses dropped by 11.6% compared with the 2011 level. EBIT amounted to PLN 30,682 thousand and was 12.2% lower than in 2011, while EBITDA decreased by 8.7% to PLN 40,917 thousand.

<b>Profitability ratios</b>	Year ended 31 December 2012	Year ended 31 December 2011
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Gross margin on sales	36.20%	34.60%
EBITDA margin	29.32%	28.35%
Operating margin	21.99%	22.10%
Net margin	19.01%	18.87%

- The Company is constantly monitoring the viability of its projects, so that, despite the decrease in revenues, it was able to raise the level of gross margin on sales (36.2% against 34.6% in 2011).

Asseco Business Solutions SA categorizes its revenues in the following segments: ERP Systems, Outsourcing and unallocated revenue. In 2012, the revenue of the ERP Systems was 7.2% lower than in 2011, while the segment result decreased by 3%. This is due to, among others, the high base of 2011. Due to the introduction of the new VAT rates in January 2011, in the first quarter of 2011, the Company reported a significant increase in the sales of new licences and software updates of the Asseco WAPRO suite adapted to the new regulations. The Outsourcing segment reported a revenue decrease of 69%, accompanied by a drop in the segment profit by 87.8%. The deterioration of business in this segment was caused by the expiry in October 2011 of a long-term agreement with one of the major accounts and the withdrawal from the provision of outsourcing services by the data processing centre (DPC) in Wrocław in 3Q2012.

- At 31 December 2012, the Company's assets and liabilities comprised the following items:

<b>Non-current assets, including:</b>	<b>196,223</b>
Property, plant and equipment	10,737
Intangible assets	12,766
Goodwill from consolidation	170,938
Non-current receivables	604
Deferred tax assets	1,069
Long-term prepayments and accrued income	109
<b>Current assets, including:</b>	<b>80,374</b>
Inventories	1,646
Prepayments and accrued income	527
Trade receivables	26,387
Other receivables	3,276
Financial assets valued at fair value through financial result	39
Cash and short-term deposits	48,499
<b>Total equity</b>	<b>258,608</b>
Share capital	167,091
Surplus from the sale of shares above their nominal value	62,423
Retained profit/(loss) and current period	29,094
<b>Liabilities and provisions for liabilities, including:</b>	<b>17,989</b>
Non-current liabilities	320
Current liabilities	10,281
Prepayments and accrued income	7,388

- In the financial year 2012, there were no factors or single-time events which may have had a significant impact on the Company's business and results.

### **3. RISK FACTORS ASSOCIATED WITH THE PURSUED OPERATIONS**

#### **Risks associated with the economic situation in the country and abroad**

The IT services sector development is correlated to the overall economic situation in the country. The persisting, volatile global economic situation translates into less and less sustainable economic growth and reduction or suspension of investment which, in turn, results in the receding number of orders. A similar trend is also observed in the domestic marketplace. Increasingly, the global downturn affects the local business players. There is an added risk that the economic slowdown and reduced investment in enterprises (the main recipients of the Company's services), or the rising inflation will have an adverse impact on the Company's operations and financial position, as well as its financial results and development outlook.

#### **Risks involved in the execution of IT projects**

Asseco Business Solutions SA achieves most of its income on the execution of complex information technology projects. Systems vended by the Company have a material impact on the key operations of our clients. Error-laden operation of the system can lead to significant financial losses at the client, resulting in legal claims that may dent the reputation of the Company, as well as its financial position and development outlooks. In extreme cases, clients may, even in the absence of explicit Company's fault, attempt to terminate the concluded agreements or to seek payment of contractual penalties applicable in the event of delayed implementation of a project, which under certain contracts may be as high as 100% of the contract value. Such circumstances might have an adverse impact on the operations, financial position and financial performance of the Company, as well as on its prospective development.

#### **Risks related to intensified competition in the domestic market**

The Company's operations are under the pressure of continually stronger competition both from the local players and international IT corporations and may have an adverse impact on the Company's operations, financial position, financial results and future development outlook. The saturation of the domestic IT market and an increased use of in-house IT specialists by institutions and enterprises may have also affected the Company's financial results.

#### **Risks of becoming dependent on the key customers**

ERP and HR software, mobile systems, Connector platform, factoring systems and IT outsourcing services comprise the core product portfolio of Asseco Business Solutions SA. There has been a concentration of revenues from the sale of ERP software, still no client has generated revenues exceeding 10% of the Company's revenues on sales. Asseco Business Solutions SA provides outsourcing services for large companies of stable market position. Revenues yielded from the cooperation with Asseco Poland SA constitute about 5% of Asseco BS's revenue on sales, but this revenue is generated by several parallel IT projects. The loss of agreements with key clients will mean a change in the Company's financial results, which will also affect its financial position.

### **Risks of losing client's trust**

The implementation of ERP and HR systems, mobile solutions, Connector platform, factoring systems or the provision of outsourcing is often underpinned by a long-term agreement with the system users and is based on the client's trust. Client's trust is built up on the quality of our solutions and quality of implementation services rendered by the Company. Should the level of quality in both the provided services and customer service be reduced, it may lead to the loss of trust in Asseco BS. This may tarnish the Company's image and reputation, which can affect both the current market activity and the prospecting for new contracts, as testimonials play a vital role in the entire sales process. Losing client's trust would therefore have a substantial negative impact on the operations, financial position and results of the Company, as well as on its future development outlook.

### **Risks of becoming dependent on the key suppliers**

As part of its business, Asseco Business Solutions collaborates with global corporations that develop IT solutions and provide software and hardware. In the event that key suppliers modify their the strategy of cooperation with local partners, e.g. begin favouring one partner over another, market their own services or products without agents, raise prices of products offered, this may have a negative impact on the Company's operations and financial position, financial results and development prospects. Particular risks exist in the cooperation with Microsoft and Oracle because they are the only providers of database technology to the major ERP systems.

### **Risk involved in concluding contracts with the related parties**

While running its business, Asseco Business Solutions SA concludes transactions with the subsidiaries of the main shareholder of Asseco Business Solutions SA, i.e. Asseco Poland SA. Such transactions ensure effective operation of the entire Asseco Group and they include provision of mutual services, supply of goods as well as other transactions. With regard to the tax regulations pertaining to dealings with related parties and especially to transfer pricing applied in such transactions, and the documentation required to be completed for such transactions, as well as due to increasing interest of the tax authorities in the transfer prices and terms of related party transactions, it cannot be precluded that Asseco Business Solutions SA will be subject to tax audits or other controlling activities undertaken by the tax authorities in this respect. Furthermore, knowing the past taxation practices, when taxpayers engaged in transactions which were non-ordinary for their type of business and which helped decrease their tax burden, they were exposed to the accusations of tax evasion, which may have a negative impact on the Company's operations.

### **Risks involved in the influence of the majority shareholder on the Company**

On the date of this report, the majority shareholder – Asseco Poland SA holds 46.47% of shares of Asseco Business Solutions SA, and is entitled to the same percentage of votes at the General Meeting. The scope of powers related to the Asseco Poland's share in the share capital of Asseco BS can lead to a situation in which the remaining shareholders will have limited impact on the management and operations of the Company. In addition, the exercise of those powers may not be coinciding with the intentions of the other shareholders of Asseco Business Solutions SA. Moreover, there is no guarantee that other shareholder will not acquire a block of shares to allow it, through its shares in the share capital and appointed representatives on the Supervisory Board, to have a significant impact on the Company's activities.



### **Risks of changes in regulations**

Amendments, lack of cohesion and uniform interpretation of rules and regulations, in particular tax regulations, the Act on Trading in Financial Instruments, the Act on Public Offering as well as the Polish Commercial Companies Code give rise to the regulatory risk occurring in the environment in which the Company operates. In the event the taxation authorities take a position that is different from Asseco Business Solutions SA's interpretation of tax regulations, the Company's operations, economic situation and financial results may be exposed to negative consequences. The development of Asseco Business Solutions SA's operations in the market of IT products depends to a large degree on ownership of intellectual property rights, especially copyrights to computer programs. Potential (even illegitimate) claims of copyrights, that may be raised by third parties, will have a negative bearing on the Company's operations, financial position and results.

### **Risks related to losing the key personnel**

A successful performance under the Company's awarded agreements depends to a large extent on highly skilled personnel. Also the managerial staff exerts a material influence on the overall shape of Asseco Business Solutions SA. Any loss of personnel, both among experts and managers, may entail the risk of compromising the quality of rendered services and lead to delays in the performance under current agreements. In the case of a dynamic development of the Company, this may cause a substantial shortage of key IT and managerial personnel, which would seriously impact the Company's results. Similar effects could be seen in the case of unlawful conduct of employees (e.g. damage to third parties, disloyalty manifested in, for example, undertaking competitive activity, or disclosure of confidential corporate and professional information).

## **4. STATEMENT ON THE APPLICATION OF CORPORATE GOVERNANCE**

The Statement on the Application of Corporate Governance is contained in a separate document attached to this Management Board's Report.

## **5. PROCEEDINGS PENDING BEFORE THE COURT**

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

## **6. COMPANY'S PRODUCTS AND SERVICES**

Asseco Business Solutions SA furnishes modern IT solutions for enterprises, irrespective of their size, character and industry. Within the Asseco Capital Group, the Company serves as a Competence Centre accountable for ERP software, mobile reporting systems of SFA class, factoring systems and software for SMEs.

The Company is involved in the manufacturing, sales and services in two strategic segments: ERP solutions and outsourcing services (mainly the outsourcing of systems developed and vended by the Company).

### **ERP Segment**

In the ERP segment, Asseco Business Solutions SA offers modern and integrated IT tools handling the

management of medium and large enterprises. The systems boast rich functionality and greatly support business processes and information flow, covering most areas of business, including: logistics and WMS, mobile sales and retail sales in retail chains, production, personnel management, finance and accounting, and others. The listed systems provide a number of management tools: advanced reporting instruments and Business Intelligence solutions. The ERP solutions from Asseco Business Solutions SA are also industry-specific versions and modules. These applications support the overall management of medium and large enterprises and can be freely tailored to the client's individual needs and nature of its activity. The system's technological capacity enables its deployment in various WAN architectures and its combination with specialized software and hardware.

Asseco WAPRO comprises a suite of management applications for small and medium-sized enterprises, supporting the work of internal departments: sales, finance and accounting, human resources and mobile workforce. The Asseco WAPRO software can be used in any industry, its systems being simple in installation, configuration and intuitive handling.

Besides the above-mentioned areas, the software developed by Asseco Business Solutions SA also accommodates human resources management. Asseco Softlab HR is an advanced system for supporting corporate operations in the area of staffing and human resources management. This application is a tool for designing, managing, analysing and sharing information related to human resources management. The system handles all the personnel and payroll issues in accordance with applicable laws.

Asseco Business Solutions sells modern mobile SFA (Sales Force Automation) and FFA (Field Force Automation) systems; the Mobile-branded systems, such as the latest Mobile Touch, lead the European market of SFA solutions. Asseco Business Solutions SA has also designed the Faktor system: a novel finance-oriented application for the comprehensive handling of factoring transactions.

Based on its own Data Centre (in the full outsourcing model), the Company also offers the services of complex electronic exchange of commercial data between individual links in the distribution chain (mainly between manufactures and their co-operating warehouses). The above services are handled by the Asseco BS's original solution (Connector platform) and include such tasks as: data transmission, conversion of different document formats, data transformation, file management, translation and deduplication of indexes.

### **Outsourcing Segment**

The other area of Asseco Business Solutions SA's activity in 2012 was filled with outsourcing services. These include: collocation, hosting, storage (backup copies and archive data), monitoring, security and the supply of technologies. 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 Business Solutions SA are rendered based on own Data Processing Centre (DPC in Wrocław) and its top class and certified professional staff.

In 2012, in response to the growing market demand, the Company focused primarily on the outsourcing services related to the maintenance of its original software products (offered in the SaaS

model). Therefore, the DPC activity was reduced and entirely transferred to the Data Centre in Lublin which specialized in the outsourcing services for the Company's own systems: mainly the mobile solutions and ERP systems.

In addition, the Company generates the so-called unallocated revenue, which fall outside either of the two main segments (ERP and Outsourcing). This category includes revenues derived from sales and implementations of the Central Data Processing systems (including deployments of terminal solutions), based on third-party technologies, e.g. Citrix.

## **7. MARKETS**

The primary market for Asseco Business Solutions SA is Poland. The Company also sells abroad. The products of Asseco Business Solutions SA have been implemented in, for example: the Czech Republic, Denmark, Estonia, Finland, France, Greece, Spain, the Netherlands, Ireland, Latvia, Lithuania, Portugal, Slovakia, Sweden, Turkey, Ukraine and Hungary.

As regards its sales plans in overseas markets, Asseco Business Solutions SA focuses on Eastern Europe and the European Union countries. A way to expand markets is to take advantage of the membership in the Asseco Capital Group.

## **8. AGREEMENTS SIGNIFICANT TO THE COMPANY'S OPERATIONS**

Selected important agreements concluded by Asseco Business Solutions SA in 2012:

- 1) 3GNS (PLAY) – agreements to implement, maintain and license Asseco Softlab WEB (ERP system) for POS (Points of Sale).
- 2) 3GNS (PLAY) – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.
- 3) Best SA – licensing and implementation of additional modules of Asseco Softlab ERP.
- 4) Business Support Solution SA - licensing and implementation of an additional module of Asseco Softlab ERP.
- 5) Hoop Polska – agreements to implement and maintain Mobile Preselling and licensing the use of Mobile Preselling.
- 6) Hoop Polska – agreements to implement and maintain Connector Enterprise and to license Connector Enterprise.
- 7) Jabil Global Services Poland – agreement to license and implement Asseco HR.
- 8) Kent Gıda Maddeleri Sanayii ve Ticaret Anonim Şirketi Turkey (Kraft Turkey) – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.
- 9) Lekkerland Polska SA – agreements to implement and maintain Mobile Preselling and licensing the use of Mobile Preselling.
- 10) MWS (Maspex Wadowice Group) – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.
- 11) Nutricia Polska – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.
- 12) Oticon Polska Production – agreements to implement and maintain Asseco HR and license the use of Asseco HR.
- 13) Piekarnia Familijna Elżbieta Kowalczyk, Witold Kowalczyk – agreements to implement and maintain Mobile Preselling and license the use of Mobile Preselling.

- 14) Perfetti van Melle Polska – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.
- 15) PTK Centertel – agreement to extend the functional scope of Connector Enterprise; added services related to the analysis of product categories.
- 16) Rieber Foods Polska SA – agreements to implement and maintain Connector Enterprise and license Connector Enterprise.
- 17) Tikkurila Polska SA – agreements to implement and maintain Mobile Touch and license the use of Connector Enterprise.
- 18) Żywiec Zdrój SA – agreements to implement and maintain Mobile Touch and license the use of Mobile Touch.

## **9. ORGANIZATIONAL RELATIONSHIPS WITH OTHER PARTIES**

Asseco Business Solutions SA is part of the Asseco Capital Group and serves as a competence centre for the ERP systems and IT outsourcing. Asseco Poland holds 46.47% of shares of Asseco Business Solutions SA, which corresponds to the same percentage of votes at the General Meeting. Through the membership in the Asseco Capital Group, Asseco BS is implicitly organizationally linked with other companies making up the Asseco Capital Group.

## **10. TRANSACTIONS WITH RELATED PARTIES ON TERMS DIFFERENT FROM MARKET CONDITIONS**

The Issuer did not enter into transactions with related parties, with a total value exceeding the PLN equivalent of EUR 500 thousand, which were not typical or routine transactions, entered into on commercial terms between related parties.

## **11. CONTRACTED OR TERMINATED AGREEMENTS FOR CREDITS AND LOANS**

During the reporting period, the Issuer did not take any credit.

## **12. GRANTED LOANS**

During the reporting period, the Issuer did not grant any loan.

## **13. GRANTED AND OBTAINED SURETIES AND GUARANTEES**

During the reporting period, the Issuer did not grant any sureties for credits or loans or guarantees - collectively to a single entity or its subsidiary.

**14. PROCEEDS FROM THE ISSUANCE OF SHARES**

During the reporting period, the Company did not issue any shares.

**15. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS AND FINANCIAL FORECASTS**

The Management Board of Asseco Business Solutions SA did not publish financial forecast for 2012.

**16. EVALUATION OF MANAGEMENT OF FINANCIAL RESOURCES**

The Company's operations are financed from the proceeds of its current activity. A significant decrease in liabilities (by 25%) accompanied with a minimum decrease in assets (by 4%) caused a reduction of the total debt ratio at the end of 2012 to 6.5% from 8.4% as at 31 December 2011.

<b>Debt ratios</b> December	31 2012	31 December 2011
Total debt ratio	6.5%	8.4%

*Total debt ratio = total liabilities/total assets*

Free cash is invested in safe money market instruments. At the balance sheet date, the Company had invested approximately PLN 46,964 thousand in this manner.

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. Working capital in the Company as at 31 December 2012 was PLN 62,705 thousand and was lower by PLN 3,175 thousand compared with 31 December 2011.

The Company's liquidity ratios improved, which reaffirms its capacity to timely satisfy its current liabilities and promises financial security.

<b>Liquidity ratios</b> December	31 2012	31 December 2011
Working capital (in PLN thousand)	62,705	65,880
Current ratio	4.55	3.77
Quick ratio	4.43	3.71
Super quick ratio	2.74	2.39

*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*

## **17. OPINION ON FEASIBILITY OF INVESTMENT PROJECTS**

In the opinion of the Management Board of Asseco Business Solutions SA, current financial situation of the Company is satisfactory and promises advantageous conditions for further development in 2013. In 2012, Asseco Business Solutions SA reached the revenue on sales of PLN 139 million and the net profit of PLN 26.5 million. The Company's investment activity is financed from its own resources. Cash and short-term deposits at the end of December 2012 amounted to about PLN 48.5 million. Prospective acquisitions will be financed from own resources or new issuance of shares.

## **18. EVALUATION OF FACTORS AND SINGLE-TIME EVENTS AFFECTING THE FINANCIAL RESULTS**

In the reporting period, there were no factors and single-time events that would affect the Company's results.

## **19. DESCRIPTION OF FACTORS RELEVANT TO THE COMPANY'S DEVELOPMENT AND FURTHER DEVELOPMENT OUTLOOK**

In the opinion of the Management Board of Asseco Business Solutions SA, current financial situation of the Company is satisfactory and promises advantageous conditions for further development in 2013. 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 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,
- market openness and absorption capacity for new product solutions.

### **Internal factors**

- results of current business activities,
- activities run under currently valid contracts,
- quality of new personnel hired for the implementation of projects,
- effects of new product development.

## **20. CHANGES IN THE BASIC PRINCIPLES OF THE COMPANY MANAGEMENT**

In the reporting period, there were no changes to the basic principles of management of Asseco Business Solutions SA.

## 21. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND ITS EXECUTIVES

In the reporting period, no agreements were concluded between Asseco Business Solutions SA and its Executives that would provide for compensation in case of their resignation or dismissal.

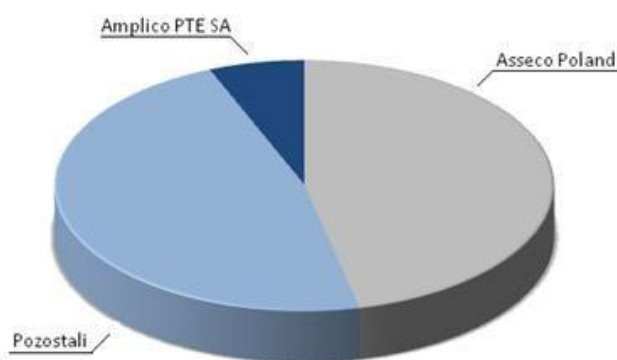
There are no service agreements entered into between Asseco Business Solutions SA and the members of the Supervisory Board, setting out compensation paid upon termination of such agreements.

## 22. THE VALUE OF REMUNERATION, BONUSES AND BENEFITS OF INCENTIVE PROGRAMS FOR THE EXECUTIVES

For the information on remuneration, see Note 31.3 of the financial statements.

## 23. SHAREHOLDING STRUCTURE

The shareholders of Asseco Business Solutions SA, holding, directly or indirectly by subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders according to the number of shares and their stake in the share capital on the day of publication of the report, disclosed in the notices delivered to the Company, as provided for in Article 69 of the Act on public offering and the conditions for introducing financial instruments into organized trade and on public companies, are:



SIGNIFICANT SHAREHOLDERS	NUMBER OF HELD SHARES	SHARE IN HOLDING	NUMBER VOTES	SHARE IN VOTES
Asseco Poland	15,528,570	46.47%	15,528,570	46.47%
Amplico Powszechne Towarzystwo Emerytalne SA	4,148,090	12.41%	4,148,090	12.41%

The number of shares attributable to the critical shareholders corresponds to the number of votes at the General Meeting.

## OVERVIEW OF THE ISSUER'S SHARES OR RIGHTS TO THEM HELD BY THE EXECUTIVE AND SUPERVISING PERSONS:

Status on 31 Dec 2012

Shareholder	31 December 2012	
	number of shares held	% shareholding
<b>Executives</b>		
Wojciech Barczentewicz	1,061,267	3.18%
Piotr Masłowski	985,063	2.95%
Mariusz Lizon	254,954	0.76%
<b>Supervising persons</b>		
Romuald Rutkowski	426,828	1.28%
<b>TOTAL</b>	<b>2,728,112</b>	<b>8.16%</b>

## 24. AGREEMENTS THAT MAY RESULT IN THE CHANGING OF PROPORTIONS OF SHAREHOLDING

At the date of this report, the Management Board of Asseco Business Solutions SA has no knowledge of agreements, which could prospectively result in changes in the proportion of shares held by the existing shareholders.

## 25. CONTROL OF EMPLOYEE SHARE SCHEMES

In the reporting period, Asseco Business Solutions SA did not propose any employee share schemes.

## 26. AGREEMENT WITH AN ENTITY AUTHORIZED TO AUDIT THE FINANCIAL STATEMENTS

An agreement with Ernst & Young Audit Sp. z o.o., seated in Warsaw, at ul. Rondo ONZ 1, 00-124 Warsaw, an entity authorized to audit the financial statements of Asseco Business Solutions SA, was concluded on 29 June 2012. The agreement was concluded for a period sufficient to ensure that the Company is able meet its information and reporting obligations imposed by the Warsaw Stock Exchange. The auditing of the financial statements ended on 4 March 2013. The basic remuneration for Ernst & Young Audit Sp. z o.o. amounted to PLN 115 thousand; an extra consideration of PLN 10 thousand will be paid for additional services (travel, accommodation, per diem allowances). For the review of the financial statements, Ernst & Young Audit Sp. z o.o. was paid PLN 70 thousand; the entity received no more than PLN 10 thousand for additional services.



In 2011 the cost of the review of the half-yearly financial statements amounted to PLN 80 thousand, and the cost of auditing of the annual statements to PLN 140 thousand.

## STATEMENTS OF THE MANAGEMENT BOARD

### 1. STATEMENT OF THE MANAGEMENT BOARD ON THE ADOPTED ACCOUNTING STANDARDS

The Management Board of Asseco Business Solutions SA declares that to the best of its knowledge the annual financial statements of Asseco Business Solutions SA for the period ended 31 December 2012, and comparative figures for the 12 months ended 31 December 2011 have been prepared in accordance with the Company's accounting policy and the International Financial Reporting Standards, and reflects a reliable, accurate, clear and fair financial position and financial performance of the Company. The report on operations of Asseco Business Solutions SA provides a true picture of the development and achievements of the Company, including an overview of the major risks and uncertainties.

Zarząd Asseco Business Solutions S.A.:

Wojciech Barczentewicz

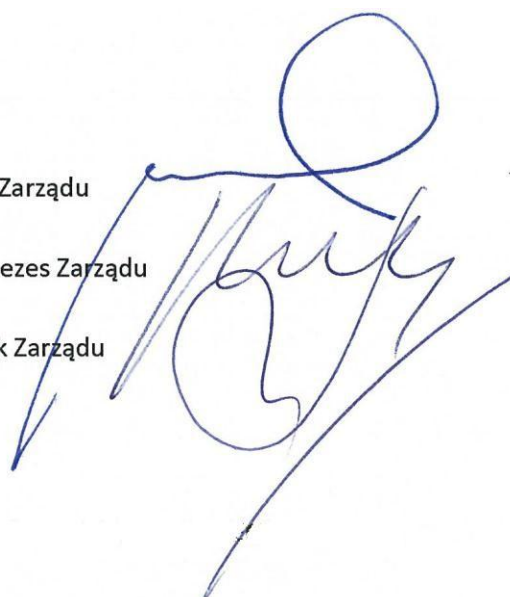
Piotr Maślowski

Mariusz Lizon

Prezes Zarządu

Wiceprezes Zarządu

Członek Zarządu



### 2. STATEMENT OF THE MANAGEMENT BOARD ON THE SELECTION OF ENTITY AUDITING THE ANNUAL FINANCIAL STATEMENTS

The Management Board of Asseco Business Solutions SA declares that the entity authorized to audit the financial statements, reviewing the annual separate financial statements of Asseco Business Solutions SA, has been selected in accordance with law, and that this entity and the certified auditors reviewing the financial statements meet the requirements of issuing an impartial and independent opinion on the audited financial statements, in accordance with any relevant regulations and professional standards.

Zarząd Asseco Business Solutions S.A.:

Wojciech Barcentewicz

Prezes Zarządu

Piotr Maślowski

Wiceprezes Zarządu

Mariusz Lizon

Członek Zarządu

