



**MANAGEMENT BOARD'S REPORT ON THE  
OPERATIONS OF ASSECO BUSINESS SOLUTIONS SA  
IN 2011**

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## Dear Shareholders of Asseco Business Solutions SA,

Over the past year, we invariably pursued our mission of developing modern IT solutions and securing and strengthening our leading position of the company marketing business software.

The year 2011 closed with a good result, comparable to that of the last year. We see it as a notable success bearing in mind the period of economic slowdown, and that 2010 was a record high – the net profit sky-rocketed as much as 33%. Our prime sector, ERP, even yielded an increase in profit. We launched the sales of new mobile and web applications – Asseco Softlab ERP and Mobile Touch; they hit the market in Q4 last year and so far has been selling exceptionally well. In the first half of 2011, we paid our shareholders a considerable dividend. The amount paid totalled well over PLN 30 million. Still, we report a very high liquidity and, consequently, continue to invest the accumulated resources in developing new products. Interestingly enough, we reached more than 40% revenue growth on our foreign operations. In this case, almost all the credit goes to the mobile system of Asseco BS, designed to support mobile workforce. The program is operated by businesses in more than ten countries of Western and East-Central Europe

Asseco Business Solutions SA produced over PLN 158 million of revenue on sales and nearly PLN 30 million of net profit.

In the opinion of the Management Board of Asseco Business Solutions SA, Company's current financial situation is satisfactory and promises advantageous conditions for further development in 2012. We are able to finance operations based on our own resources, while maintaining a high level of financial security and ability to make acquisitions.

The Company is consistent in pursuing a development strategy based on original in-house software. We are constantly working on broadening our offer and improving the level of service.

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

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

Romuald Rutkowski  
President of the Board of Asseco Business Solutions SA

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

	THOU. PLN		THOU. EUR	
	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
	2011	2010	2011	2010
Revenue on sales	158 125	168 587	38 194	42 101
Gross profit on sales	54 704	58 644	13 213	14 645
Profit on operating activities	34 940	35 778	8 439	8 935
Gross profit	37 032	37 641	8 945	9 400
Net profit	29 834	30 092	7 206	7 515
Net cash from financing activities	33 955	43 669	8 201	10 905
Net cash from investing activities	2 346	(38 729)	567	(9 672)
Net cash from financing activities	(30 532)	(25 935)	(7 375)	(6 477)
Cash and cash equivalents at end of period	16 968	11 199	3 842	2 828
Weighted average number of shares during	33 418 193	33 418 193	33 418 193	33 418 193
Net income per ordinary share	0.89	0.90	0.22	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 2011, 1 EUR = 4.4168 PLN, on 31 December 2010, 1 EUR = 3.9603 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 2011, 1 EUR = 4.1401 PLN;

in the period from 1 January to 31 December 2010, 1 EUR = 4.0044 PLN.

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

2010	EUR	AV. EXCHANGE RATE
January	4.0616	
February	3.9768	
March	3.8622	
April	3.9020	
May	4.0770	
June	4.1458	
July	4.0080	1 EUR = 4.0044 PLN
August	4.0038	
September	3.9870	
October	3.9944	
November	4.0734	
December	3.9603	

## 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

- During the reporting period, the revenues on sales of Asseco Business Solutions SA amounted to PLN 158 125 thousand and were 6% lower compared with the previous year, when they reached PLN 168 587 thousand.
- The net profit of Asseco Business Solutions SA in 2011 was at a level similar to last year's figure and closed at EUR 29 834 thousand, compared with PLN 30 092 thousand 2010 (down by 1%).
- The Company is running a consistent policy of cost control. It resulted in the operating expenses dropping by 5.5% compared with the 2010 level. As a result, EBIT amounted to PLN 34 940 thousand and was 2.3% lower than in 2010, while EBITDA fell by 3.1% to PLN 44 821 thousand.
- The company is constantly monitoring the viability of its projects, so that, despite the decrease in revenues, it was able to maintain the level of gross margin on sales and operating margin at the levels from 2010 (34% and 22% respectively).

Asseco Business Solutions SA categorizes its revenues in the following segments: ERP Systems, Outsourcing and unallocated revenue. In 2011, the revenue of the ERP Systems was 4.5% lower than in 2010, while improving the result by 1.6%, which resulted from the project profitability assessment policy followed at every stage of implementation. The Outsourcing segment reported a revenue decrease of 21.6%, accompanied by a drop in the segment profit by 29.5%.

This was caused by the expiry of a long-term contract with one of the largest partners.

- At 31 December 2011, the Company's assets and liabilities comprised the following items:

<b>Non-current assets, including:</b>	<b>198 623</b>
Property, plant and equipment	13 826
Intangible assets	11 618
Goodwill from consolidation	170 938
Non-current receivables	603
Deferred tax assets	1 403
Long-term prepayments and accruals	235
<b>Current assets, including:</b>	<b>89 685</b>
Inventories	943
Prepayments and accrued income	505
Trade receivables	28 720
Other receivables	2 507
Cash and short-term deposits	57 010
<b>Total equity</b>	<b>264 157</b>
Share capital	167 091
Surplus from the sale of shares above their nominal value	62 423
Retained profit/(loss) and current period	34 643
<b>Liabilities and provisions for liabilities, including:</b>	<b>24 151</b>
Non-current liabilities	224
Current liabilities	14 999
Accruals and deferred income	8 928

- In the financial year 2011, 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. Technological saturation of the domestic market and an increased use of in-house IT specialists by institutions and enterprises may also affect the Company's financial results.

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

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 8% of

Asseco BS's revenues on sale, but these revenues are 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' 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 experts and managers, may entail the risk of compromising the quality of rendered services and lead to delays in performing under valid 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. DECLARATION OF CORPORATE GOVERNANCE**

The declaration on the application of corporate governance is attached as a separate document to the Management Board's Report on the Operations of Asseco Business Solutions SA.

#### **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, software for SMEs and IT outsourcing.

The solutions marketed by Asseco BS are intended for all market segments and industries.

In the ERP segment, Asseco Business Solutions SA offers modern and integrated IT tools intended for the management of medium and large enterprises. The systems boast rich functionality and 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. They furnish management tools: advanced reports and Business Intelligence solutions. Asseco ERP also comprises specialized industry solutions and modules. These applications support the overall management of medium and large enterprises and can be freely tailored to the individual needs and nature of the customer's activity. The system's technological capacity enables its deployment in various WAN architectures and its combination with specialized software and hardware.

Asseco WAPRO comprise 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 personnel. The Asseco WAPRO software can be used in any industry, its systems being simple in installation, configuration and intuitive handling.

Besides these mentioned areas, the software developed by Asseco Business Solutions SA also accommodates human resources management. Asseco HR is an advanced system for supporting corporate operations in the area of staffing and human resources management. The application is a tool for creating, managing, analysing and sharing information

related to human resources management. The system is capable of handling all HR and payroll issues in line the applicable law.

Asseco Business Solutions sells modern mobile SFA (Sales Force Automation) and FFA (Field Force Automation) systems; the Mobile-branded systems lead the European market of SFA solutions. Asseco Business Solutions SA has also designed the Faktor system: a novel finance-oriented application, enabling 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 trade 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.

Another area of the Company's operations is outsourcing with a range of rendered services. These include areas such as: collocation, hosting, storage (backup copies and archive data), monitoring, security and supply of technologies. IT outsourcing allows clients to not only control costs associated with the development of IT infrastructure, but also enable the 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) and its top class, certified professional staff. Since November 2008, the Data Processing Centre of Asseco Business Solutions SA has been proudly holding the ISO 27001 certificate for hardware collocation and processing of IT data. Based on available resources (two own Data Centres), the Company also successfully deploys its original software products in the SaaS model (Software as a Service). For several years, this model has dominated the sales of mobile systems, and in 2010, first ERP systems were deployed in the SaaS model.

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: Germany, Portugal, Spain, Denmark, Sweden, France, Greece, Ireland, Russia, Ukraine, Slovakia, the Czech Republic, Lithuania, Bulgaria 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 agreements (in alphabetical order) concluded by Asseco Business Solutions SA in 2011:

1. PRUSZYŃSKI SP. z o.o. - an agreement to adapt and implement Asseco Softlab ERP
2. Adamed Sp. z o.o. - agreements regarding the implementation and maintenance of Connector VMI and the relevant licence agreements
3. Amber Spark S.A. - agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
4. Atlas Sp. z o.o. - licence, implementation and maintenance agreement for Connector Communicator
5. Baccardi Martini Polska Sp. z o.o. - agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
6. BIC Sp. z o.o. - agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
7. BPS Faktor S.A. - agreements regarding the implementation, maintenance and licence to the Faktor system
8. Business Support Solution S.A. - license agreement and implementation and adaptation agreement to Asseco Softlab ERP (FK and ST) and Asseco HR.
9. Dr. Oetker Poland - extended agreement to maintain Mobile Preselling and the relevant licence agreements
10. Elektro-Spark Sp. z o.o. - licence, implementation and maintenance agreement for Asseco Softlab ERP
11. Eveline Cosmetics - extended agreement to maintain Mobile Preselling and the relevant licence agreements
12. Ferrero Polska Sp. z o.o. - agreements regarding the implementation and maintenance of Connector Enterprise and the relevant licence agreements

13. Gdańskie Wydawnictwa Oświatowe - agreement to maintain Asseco Softlab ERP
14. GTI Sp. z o.o. - agreement to maintain Asseco Softlab ERP
15. Instytut Lotnictwa - agreement to maintain Asseco Softlab ERP
16. Jutrzenka Colian Sp. z o.o. - agreements regarding the implementation and maintenance of Connector Enterprise and the relevant licence agreements
17. Kotanyi Polonia Sp. z o.o. - agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
18. Małpka S.A. - licence, implementation and maintenance agreement for Asseco Softlab ERP
19. Metsa Tissue Poland Sp. z o.o. - agreements regarding the implementation and maintenance of Connector Enterprise and the relevant licence agreements
20. Mokate S.A. - extended agreement to maintain Mobile Preselling and the relevant licence agreements
21. Natur Produkt sp. z o.o. - agreement to maintain Asseco Softlab ERP
22. Platinum Oil Sp. z o.o. - agreements regarding the implementation and maintenance of Mobile Preselling and the relevant licence agreements
23. Polbruk S.A. - licence, implementation and maintenance agreement for Asseco Softlab ERP
24. PTK Centertel - agreements regarding the implementation and maintenance of Connector Enterprise and the relevant licence agreements
25. SC Johnson Sp. z o.o. - agreements regarding the implementation and maintenance of Connector Enterprise and the relevant licence agreements
26. The Lorenz Bahlsen Snack-World Sp. z o.o. - agreements regarding the implementation and maintenance of Mobile Preselling (including VanSelling) and the relevant licence agreements (including VanSelling)
27. Topex Sp. z o.o. - agreement to the development of Asseco Softlab ERP
28. Victoria Cymes - extended agreement to maintain Mobile Preselling and the relevant licence agreements
29. VitisPharma Sp. z o.o. - extended agreement to maintain Mobile Preselling and the relevant licence agreements
30. Zakład Handlowo Usługowo Produkcyjny DAKOL Sp. z o.o. - agreement to upgrade Asseco Safo ERP, Asseco Safo WMS, Asseco Safo HR
31. Zakład Produkcji Cukierniczej Vobro - agreement to implement Asseco Softlab ERP
32. Zakład Produkcji Cukierniczej Vobro - agreement to implement and maintain Mobile Preselling and the relevant licence agreements
33. Zakład Produkcji Kruszyw Rupińscy s.j. - agreement to implement Asseco Softlab ERP

## **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 TO 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 2011.

## 16. EVALUATION OF MANAGEMENT OF FINANCIAL RESOURCES

The Company's operations are financed from its current resources. A significant decrease in liabilities (28%) coinciding with a minimal (3%) decrease in assets resulted in a reduction of the total debt ratio at the end of the 2011 from 11.2% to 8.4%.

Debt ratios	31 December 2011	31 December 2010
Total debt ratio	8.4%	11.2%

*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 54 million in this manner.

The Company's liquidity ratios are reported at high levels, which reaffirms its capacity to timely satisfy its current liabilities and promises financial security.

Liquidity ratio	31 December 2011	31 December 2010
Current ratio	3.77	2.96
Quick ratio	3.71	2.93
Super quick ratio	2.39	1.80

*These ratios have been calculated using the following formulas:*

*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 2012. In 2011, Asseco Business Solutions reached the revenue on sales of PLN 158 million and the net profit of PLN 30 million. The Company's investment activity is financed from its own resources. Cash and short-term deposits at the end of December 2011 amounted to about PLN 57 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

2012. 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 MANAGEMENT**

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.

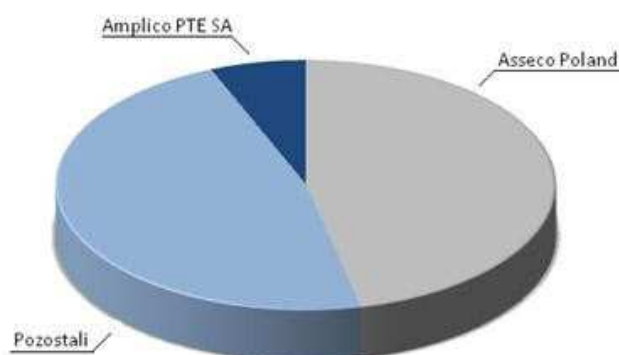
## **22. THE VALUE OF REMUNERATION, BONUSES AND BENEFITS OF INCENTIVE PROGRAMS FOR THE EXECUTIVES**

For the information on remuneration, see Note 32.3 of the financial statements.

## **23. SHAREHOLDING STRUCTURE**

To the best knowledge of the Management Board of Asseco Business Solutions SA, the status of shareholders holding, directly or through subsidiaries, at least 5% of the total vote in the General Meeting on the date of publication of the report, i.e. 7 March 2012, is as follows:





Shareholders representing more than 5% of votes at the General Meeting of Asseco Business Solutions SA.

SIGNIFICANT SHAREHOLDERS	NUMBER OF HELD SHARES	SHAREHOLDING	NUMBER OF VOTES	SHARE IN VOTES
<b>Asseco Poland</b>	15 528 570	46.47%	15 528 570	46.47%
<b>Amplico Powszechne Towarzystwo Emerytalne SA</b>	4 148 090	12.41%	4 148 090	12.41%

The number of shares attributable to the significant shareholders corresponds to the number of votes at the General Meeting. The number of shares held by significant shareholders has not changed since the publication of the last quarterly report.

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

As at 31 Dec 2011

	NUMBER OF HELD SHARES (CORRESP. TO % SHARE IN TOTAL VOTES AT AGM)	CHANGE FROM SUBMISSION OF PREVIOUS ANNUAL REPORT	% IN SHAREHOLDING (CORR. TO % OF TOTAL VOTES AT AGM)	CHANGE FROM SUBMISSION OF PREVIOUS ANNUAL REPORT
<b>MANAGING PERSONS</b>	<b>2 709 500</b>	<b>+92 274</b>	<b>8.11%</b>	<b>3.53%</b>
<b>WOJCIECH BARCZENTEWICZ</b>	<b>1 056 500</b>	<b>+56 500</b>	<b>3.16%</b>	<b>5.65%</b>
<b>PIOTR MASŁOWSKI</b>	<b>984 713</b>	<b>+34 739</b>	<b>2.95%</b>	<b>3.66%</b>
<b>ROMUALD RUTKOWSKI</b>	<b>426 828</b>	<b>NO CHANGE</b>	<b>1.28%</b>	<b>0%</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 financial statements of Asseco Business Solutions SA was concluded on 29 July 2011. The agreement was concluded for a period sufficient to ensure that the Company is able meet its obligations in terms of information provided and reporting deadlines established by the Warsaw Stock Exchange. The audit of the financial statements closed on 7 March 2012. The basic remuneration for Ernst & Young Audit Sp. z o.o. amounted to PLN 140 000; an extra consideration of PLN 10 000 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 80 000; for additional services, it received no more than PLN 10 000.

In 2010, the cost of review of the half-yearly financial report amounted to PLN 95 000, and the cost of audit of the annual statements to PLN 172 500.

## STATEMENTS OF THE MANAGEMENT BOARD

### 1. STATEMENT OF THE 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 2011, and comparative figures for the 12 months ended 31 December 2010 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.

Management Board of Asseco Business Solutions SA:

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

### 2. STATEMENT OF THE 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 financial statements of Asseco Business Solutions SA, has been selected in accordance with law, and that this entity and the certified auditors reviewing these statements meet the requirements of an impartial and independent reporting on the subject of the review, in line with the relevant regulations and professional standards.

Management Board of Asseco Business Solutions SA:

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