



ASSECO

# Asseco Poland

## Solutions for Demanding Business

Financial Results for 1Q-3Q 2011

Warsaw, 14 November 2011



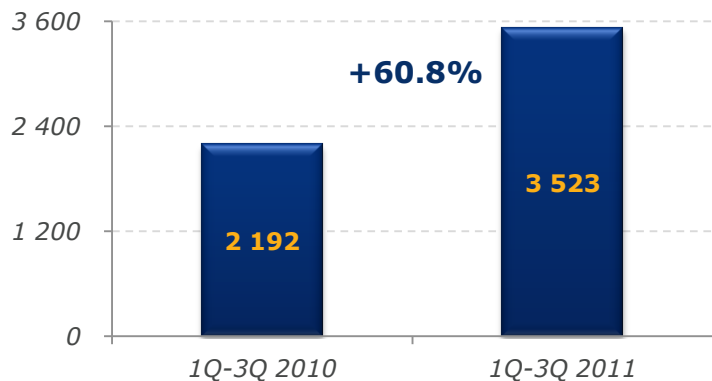
# Agenda

- **Summary of 1Q-3Q 2011**
- **Financial Results for 1Q-3Q 2011**
- Operating Activities
- Group Companies – Information and Results
- Annex – Detailed Financial Results

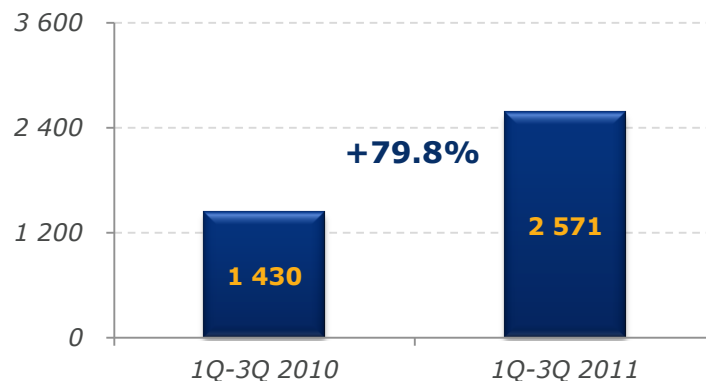


# Consolidated Financial Highlights for 1Q-3Q 2011

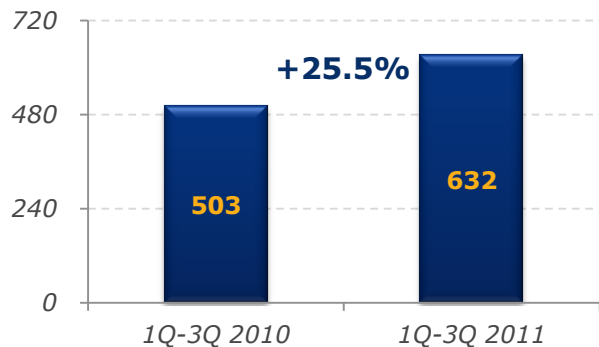
## Consolidated sales



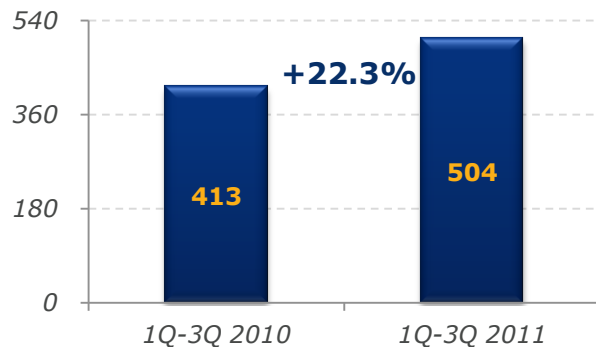
## Proprietary software



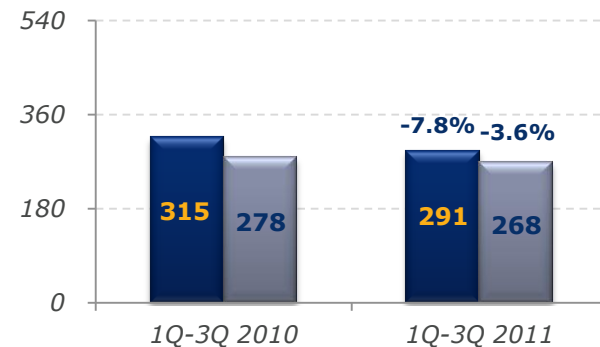
## EBITDA



## EBIT



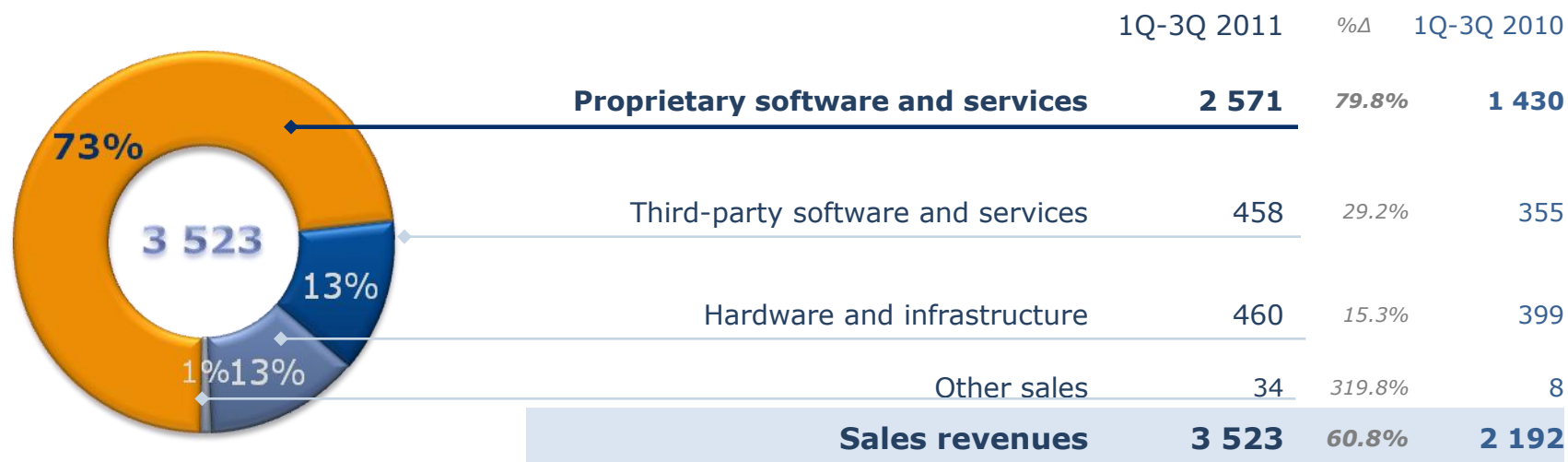
## Net profit<sup>1)</sup>



Figures in millions of PLN; 1) Net profit and net profit adjusted for non-recurring events (light blue bars) in Q1-Q3 2010: reversal of write-downs on financial assets PLN 17.0 m; write-down on Gladstone PLN (9.4) m; write-down on Asseco Spain PLN (11.7) m; reversal of deferred income tax provision PLN 41.5 m; disposal of Uniquare company PLN (3.2) m; liquidation of Ready Sp. z o.o. PLN (0.2) m; valuation of G. Bernstein's stock options PLN (2.1) m; disposal of a building by Combidata PLN 5.1 m; in 1Q-3Q 2011: loss of control over Sapiens PLN 22.3 m.



# Consolidated sales revenues, by products and sectors

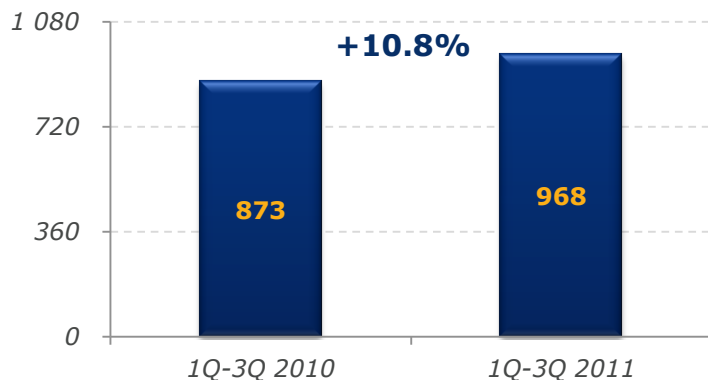


Figures in millions of PLN

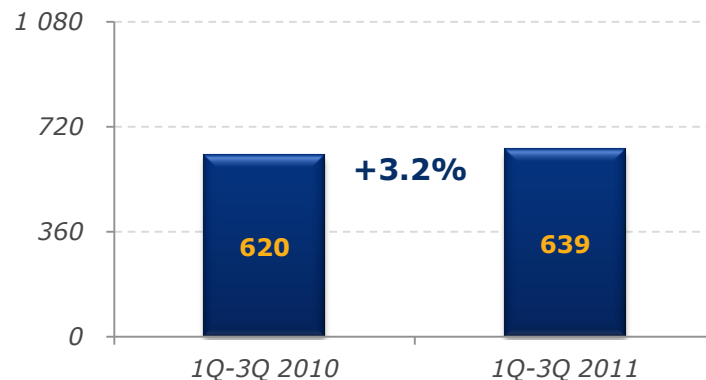


# Standalone Financial Highlights for 1Q-3Q 2011

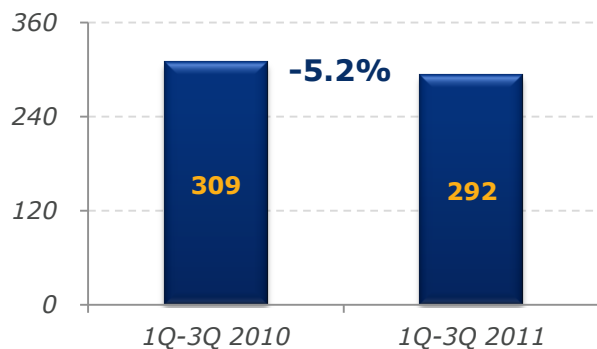
**Standalone sales**



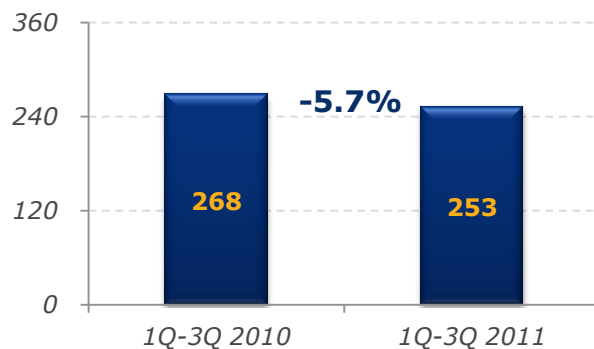
**Proprietary software**



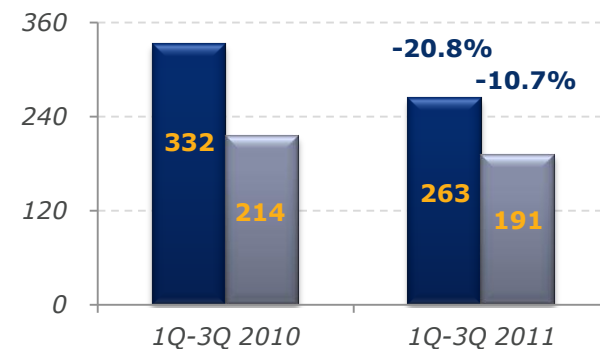
**EBITDA**



**EBIT**



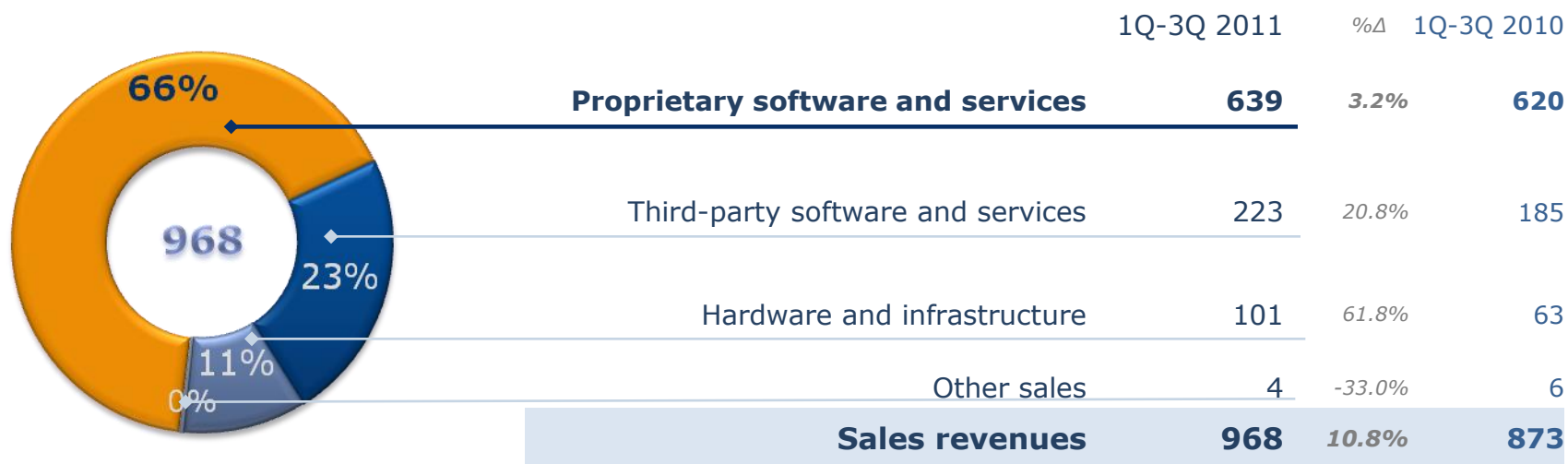
**Net profit<sup>1)</sup>**



Figures in millions of PLN; 1) Net profit and net profit adjusted for non-recurring events (light blue bars) in Q1-Q3 2010: reversal of write-downs on financial assets PLN 17.0 m; write-down on Gladstone PLN (14.9) m; dividends PLN 76.2 m; reversal of deferred income tax provision PLN 41.5 m; liquidation of Ready Sp. z o.o. PLN (0.2) m; valuation of G. Bernstein's stock options PLN (2.1) m; in 1Q-3Q 2011: dividends PLN 70.4 m; disposal of financial assets PLN 1.1 m.



# Standalone sales revenues, by products and sectors



Figures in millions of PLN

# Financial liquidity

	30 September 2011		31 December 2010	
	Asseco Poland	Asseco Group	Asseco Poland	Asseco Group
Short- and long-term debt	-123.9	-421.9	-92.0	-335.2
Cash and cash equivalents	161.9	683.8	166.2	835.0
<b>Cash – debt</b>	<b>38.0</b>	<b>261.9</b>	<b>74.2</b>	<b>499.8</b>
Trade accounts receivable	166.0	775.1	172.5	1 016.3
Trade accounts payable	-44.7	-248.9	-51.2	-457.0
Inventories	24.1	76.4	4.7	66.7
<b>Operating balance</b>	<b>183.4</b>	<b>864.5</b>	<b>200.2</b>	<b>1 125.8</b>

	PLN m
Dividend income	60
Dividend paid out	-140
CAPEX + R&D	-67
<i>Wilanów investment</i>	-46
Acquisition of shares	-17

	PLN m
Dividends paid out	-224
Acquisitions	-110
CAPEX + R&D	-159
<i>Wilanów investment</i>	-46

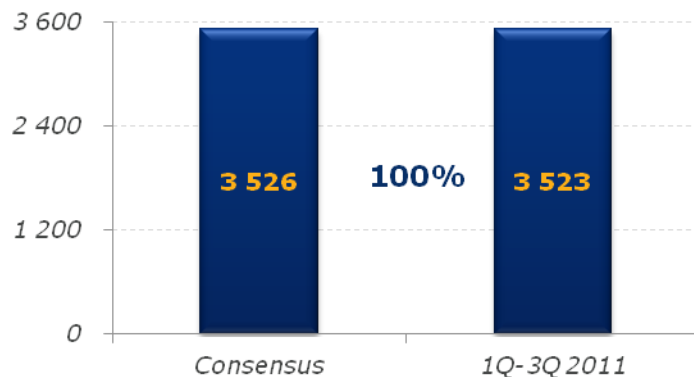
	PLN m
Formula Systems	211.1
ACP	161.9
ASEE	83.7
ACE	125.6
ABS	42.7
other	58.8

	PLN m
Formula Systems	327.6
ACP	166.2
ASEE	100.1
ACE	89.5
ABS	59.4
other	92.2

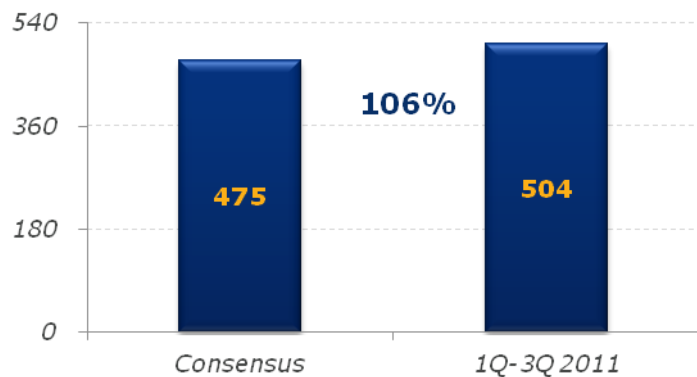


# Market Expectations for 1Q-3Q 2011

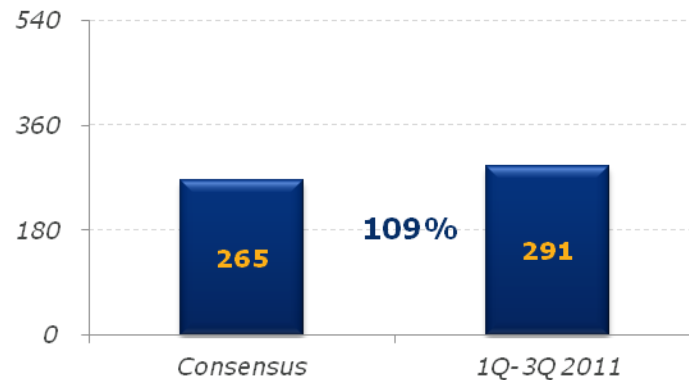
**Consolidated sales revenues**



**Consolidated operating profit**



**Consolidated net profit**



\* Arithmetic average of 3Q forecasts made by 10 brokerage houses as at 4 November 2011, plus arithmetic average of 2Q forecasts made by 11 brokerage houses as at 17 August 2011, plus arithmetic average of 1Q forecasts made by 11 brokerage houses as at 11 May 2011; figures in millions of PLN





# Agenda

- **Summary of 1Q-3Q 2011**
- Financial Results for 1Q-3Q 2011
- Operating Activities
  - **Objectives / Tasks of Business Units**
- Group Companies – Information and Results
- Annex – Detailed Financial Results



# Asseco Group Business Units

Poland	<b>Banking</b> <i>Leader: Zbigniew Pomianek</i>	<b>Public Administration</b> <i>Leader: Przemysław Borzestowski</i>	<b>Healthcare</b> <i>Leader: Marek Grac</i>	<b>Insurance</b> <i>Leader: Roni Al. -Dor</i>	<b>ERP</b> <i>Leader: Marcus Haller</i>	<b>Telco &amp; Utilities</b> <i>Leader: Paweł Piwowar</i>	<b>IT Infrastructure</b> <i>Leader: Wojciech Woźniak</i>
Israel							
Central Europe							
South Eastern Europe							
DACH							
South Western Europe							
Northern Europe							



## Asseco Group Business Units - Objectives

- Broad sense integration and coordination of the group companies operations in individual sectors
- Exchange of experiences and know-how among the group companies
- Coordination of the product strategy for each sector



## Asseco Group Business Units - Tasks

- Inventory of all the products and solutions offered by the group
- Preparation of a coherent common product strategy
- Providing advice on further acquisitions of Asseco in particular sectors
- Analysis and monitoring of Asseco's position in each sector
- Preparation of promotional strategies to increase Asseco's brand awareness in individual markets



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- **Summary of 1Q-3Q 2011**
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  - **Major Events in 1Q-3Q 2011**
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## Share buy-back program

**On 3 November 2011, Asseco's Extraordinary General Meeting of Shareholders approved a share buy-back program with the following terms:**

- Repurchase of own shares intended for cancellation
- Maximum value – not more than PLN 450 million
- Maximum number of shares – not more than 25.6 million (33% of the share capital)
- Approved share buy-back period - 3 years from the adoption of resolution
- Maximum price – moving, not higher than 110% of the average closing price from the last 3 trading days
- Minimum price – moving, not lower than 90% of the average closing price from the last 3 trading days



# Banking and Insurance Divisions

## Successes in 1Q-3Q 2011

- PZU Group – implementation of Oracle eBS ERP system
- PZU SA – prolongation of support for IBM Informix database (Asseco Insurer System)
- ING – insurance system dedicated to group insurances
- ING Bank – development of e-Banking system
- Getin Noble Bank – development of def3000/TLR Teller – sales support system
- PEKAO SA – upgrading of credit risk management systems and SARA system
- Deutsche Bank PBC – development of e-Banking system

## Key Accounts

- Bank PKO BP
- PZU Insurance Group
- Bank Ochrony Środowiska
- Bank Gospodarki Żywnościowej
- ING Bank
- Getin Noble Bank
- Deutsche Bank PBC
- Cooperative Banking Group



# Public Administration Division

## Successes in 1Q-3Q 2011

- Agricultural Social Insurance Fund (KRUS) – development of comprehensive Database
- Ministry of Education – education and e-learning platforms
- Central Office of Geodesy and Cartography – implementation and maintenance of IT system to support the INSPIRE program (UE requirement), and development of GEOPORTAL 2 system
- Ministry of Finance – execution of a comprehensive system to support business start-up processes, along with training applications

## Key Accounts

- Social Insurance Institution (ZUS)
- Agency for Restructuring and Modernisation of Agriculture (ARiMR)
- Ministry of Interior and Administration (MSWiA)
- National Healthcare Fund (NFZ)
- Agricultural Social Insurance Fund (KRUS)
- Central Statistical Office (GUS)





# Enterprises Division

## Successes in 1Q-3Q 2011

- Grupa ITI – Value Added Services (SMS, MMS, IVR Video) on the Asseco platform
- PKP Informatika – maintenance support and development of the existing IT infrastructure
- TP Group – development of the advertising management system
- EnergiaPro – Readouts Collection System (ADO)
- PGNiG – supply of hardware and IBM WSRR systems
- Vattenfall – supply of eBOK system
- PGE – implementation and maintenance of Asseco UMS system

## Key Accounts

- Telekomunikacja Polska
- PTK Centertel
- Lotos Group
- PGE Dystrybucja
- Energa
- PGNiG
- PKN Orlen
- Tauron
- Vattenfall

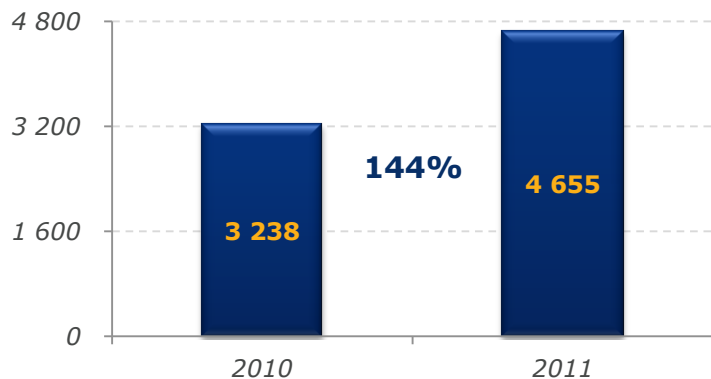


# Backlog of Orders for 2011

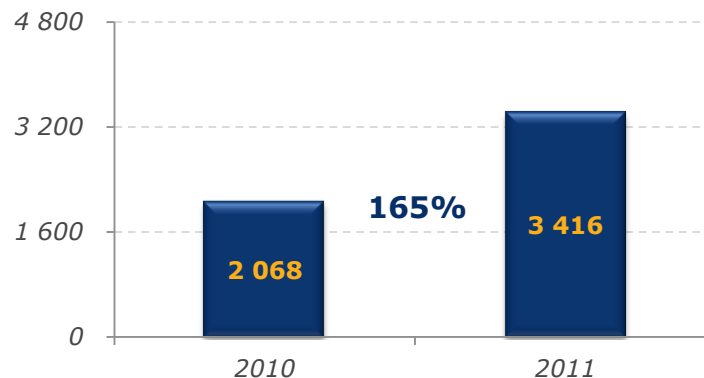
(in comparison to actual results for 2010)

## CONSOLIDATED

### Sales revenues

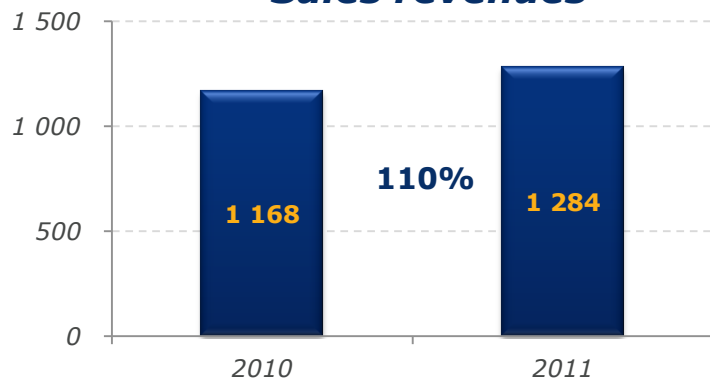


### Proprietary software

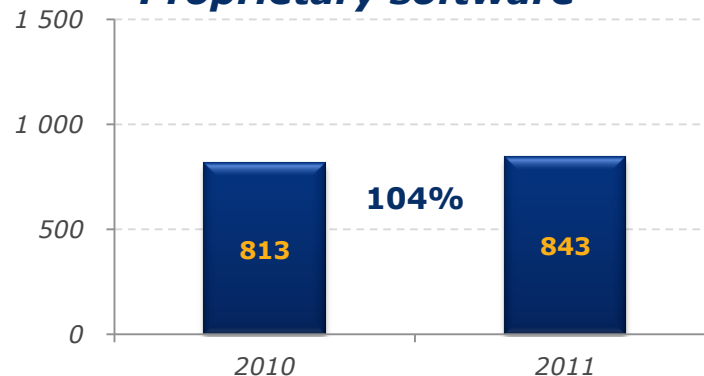


## STANDALONE

### Sales revenues



### Proprietary software



Figures in millions of PLN; orders backlog as at 9 November 2011



# Cross-Selling Summary

Year	Initiatives	Successful	Active
2008	40	-	-
2009	32	8	-
2010	103	10	-
2011	122	18	120
Total	313	36	132

Total value of contracts: **EUR 9.6 million**

Recent contracts:

Client's country	Name of client	Project scope	Contract value
Serbia	Poštanska Štedionica	Implementation of a Croatian mobile banking system	EUR 140k
Macedonia	Halkbank	Spanish and Macedonian project – development of POS terminal software	EUR 25k
Spain	RedSys	Implementation of a German contract management system	EUR 100k
Denmark	JN Data	Implementation of a Turkish system – payment gateway for on-line payments	EUR 56k



# Leading Software House in Europe



## The ranking Truffle 100

Rank	Company	Public ?	Country of HQ location	Software revenue 2010 (m€)	Total revenue 2010 (m€)	R&D employees 2010
1	SAP		DE	12336.7	12464.0	14991
2	Dassault Systemes		FR	1563.8	1563.8	3700
3	Sage		UK	1542.9	1688.4	*2076
4	Software AG		DE	919.2	1119.5	850
5	DATEV		DE	684.6	698.6	*1250
6	Autonomy		UK	657.0	657.0	*563
7	Asseco		PL	516.4	808.5	*2047
8	SWIFT		BE	511.1	538.0	*452
9	Wincor Nixdorf		DE	461.6	2239.0	*372
10	Misys		UK	431.2	431.2	*1102

**Asseco Group**  
**in the top ten**

(\*) R&D headcount 2010 estimated  
Software revenues: software revenues + related services



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# Financial Results of the Group Companies

	Sales revenues 1Q-3Q 2011	Sales revenues 1Q-3Q 2010	Operating profit 1Q-3Q 2011	Operating profit 1Q-3Q 2010	Net profit for the period reported* 1Q-3Q 2011	Net profit for the period reported* 1Q-3Q 2010
Asseco Central Europe Group	363.1	366.2	57.6	42.1	47.1	22.4
Asseco South Eastern Europe Group	315.6	300.5	36.1	34.7	36.4	31.1
Asseco DACH Group	146.2	113.3	-1.4	6.8	-1.8	5.8
<i>Asseco DACH Group (3rd quarter)</i>	<i>49.7</i>	<i>37.5</i>	<i>1.8</i>	<i>3.3</i>	<i>0.8</i>	<i>2.9</i>
Asseco South Western Europe Group	144.6	102.6	3.6	1.7	1.0	0.0
Formula Systems	1 353.8	n/a	113.2	n/a	113.1	n/a
Asseco Northern Europe	38.1	43.7	4.3	6.0	2.1	2.6
Asseco Business Solutions S.A.	112.4	116.8	24.6	24.0	21.1	20.4
Combidata Polska Sp. z o.o.	39.1	57.8	3.4	16.2	3.0	12.8
ZUI Novum Sp. z o.o	19.2	16.8	3.8	3.0	3.1	2.5
ZUI OTAGO Sp. z o.o	11.9	8.1	2.6	2.6	2.1	2.1
ADH-Soft Sp. z o.o.	5.3	5.2	0.3	0.7	0.2	0.5
Other	40.4	45.2	4.4	7.9	4.5	5.1
<b>Total</b>	<b>2 589.6</b>	<b>1 176.3</b>	<b>252.6</b>	<b>145.6</b>	<b>231.9</b>	<b>105.3</b>

Figures in millions of PLN

\* Net profit attributable to Shareholders of the Parent Company



# Financial Results of the Formula Systems Companies

<b>NIS / USD millions</b>				
<b>Matrix</b>	[NIS]	1Q-3Q 2011	%Δ	1Q-3Q 2010
Revenues		<b>1 285.7</b>	15.4%	<b>1 114.2</b>
EBIT		<b>105.9</b>	10.0%	<b>96.2</b>
Net profit		<b>66.8</b>	1.0%	<b>66.1</b>
<b>Sapiens</b>	[USD]	1Q-3Q 2011	%Δ	1Q-3Q 2010
Revenues		<b>45.3</b>	20.7%	<b>37.6</b>
EBIT		<b>4.8</b>	-0.3%	<b>4.8</b>
Net profit		<b>4.9</b>	9.15%	<b>4.4</b>
<b>Magic</b>	[USD]	1Q-3Q 2011	%Δ	1Q-3Q 2010
Revenues		<b>82.8</b>	30.4%	<b>63.6</b>
EBIT		<b>10.5</b>	66.6%	<b>6.3</b>
Net profit		<b>10.7</b>	69.7%	<b>6.3</b>
<b>Formula Systems</b>	[USD]	1Q-3Q 2011	%Δ	1Q-3Q 2010
Revenues		<b>483.3</b>	21.9%	<b>396.4</b>
EBIT		<b>38.5</b>	13.1%	<b>34.1</b>
Net profit		<b>38.8</b>	187.6%	<b>13.5</b>

Figures in millions of USD (Sapiens, Magic), millions of NIS (Matrix). Financial results of Magic Software, Sapiens International and Formula Systems presented in compliance with US GAAP standards, Matrix under IFRS standards



# Major Events – Formula Systems

## **SAPIENS**

- Completion of the acquisition and merger of SAPIENS INTERNATIONAL with the companies of FIS and IDIT (both providers of software solutions for the insurance industry) – loss of control due to the dilution of shareholdings.
- Planned return to full consolidation by purchasing Sapiens shares from existing shareholders at economically justified prices.

## **MATRIX IT**

- Acquisition of shares in Babcom Centers Inc. – a service provider, developer and tester of software for call-centers. The company employs nearly 500 persons.
- Acquisition of BeyondIT and Supra companies to expand competence and portfolio in the CRM segment. The first company is specialized in consulting on the deployment of CRM systems; whereas, the second offers comprehensive implementations of Oracle's CRM solutions.
- Acquisition of HighView company – a provider of Business Intelligence solutions, complementary to Matrix's portfolio.

## **MAGIC SOFTWARE**

- Take-over of a partner business in South Africa.
- Geographical expansion into the Turkish market by signing a partnership agreement. New distributor declares to generate \$700 thousand in revenues over the next 3 years.
- Purchase of the BluePhoenix's AppBuilder product supporting the maintenance of tailor-made solutions. Among the customers using AppBuilder are Fortune 1000 companies.
- Introduction of a new version of the flagship uniPaaS 2.0 platform as well as mobile uniPaaS RIA applications.






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# Consolidated Profit and Loss Account

in PLN millions	Q1-Q3 2011	Q1-Q3 2010	
<b>Sales revenues</b>	<b>3 523.4</b>	<b>2 191.8</b>	<b>60.8%</b>
Gross profit on sales	<b>1 029.5</b>	<b>758.3</b>	<b>35.8%</b>
Selling expenses	(253.9)	(156.1)	62.6%
General administrative expenses	(277.9)	(197.5)	40.7%
Other operating activities, net	6.7	7.8	-14.1%
<b>Operating profit</b>	<b>504.4</b>	<b>412.5</b>	<b>22.3%</b>
Financial income and expenses, net	27.6	(13.0)	-
Pre-tax profit	<b>532.0</b>	<b>399.5</b>	<b>33.2%</b>
Share in profits of associated companies	2.6	1.3	94.9%
<b>Net profit for shareholders of Asseco Poland</b>	<b>290.5</b>	<b>315.1</b>	<b>-7.8%</b>

	PLN m
ACP	967.9
ABS	112.4
Formula	1 353.8
ACE	363.1
ASEE	315.6
Other	444.9
Adjustment	-34.2

	PLN m
ACP	252.6
ABS	24.6
Formula	113.2
ACE	57.6
ASEE	36.1
Other	21.0
Adjustment	-0.9

	PLN m
Sapiens – loss of control	44.9
Interest	-5.0
Currency transactions	-10.1
Other	-2.2


  


	PLN m
ACP*	192.4
ABS	9.8
Formula	56.6
ACE	18.9
ASEE	18.8
Other	11.6
Adjustment*	-17.5

\*adjusted for dividends



# Consolidated Balance Sheet

in PLN millions	30 Sept. 2011	31 Dec. 2010	
<b>Non-current assets</b>	<b>6 431.4</b>	<b>5 972.5</b>	<b>8%</b>
of which:			
Intangible assets	2 797.9	2 813.2	-1%
Goodwill arising from consolidation	2 584.4	2 397.3	8%
<b>Current assets</b>	<b>2 309.1</b>	<b>2 455.9</b>	<b>-6%</b>
of which			
Trade accounts receivable	775.1	1 016.3	-24%
Cash and cash equivalents	683.8	835.0	-18%
<b>Total assets</b>	<b>8 745.2</b>	<b>8 432.8</b>	<b>4%</b>

in PLN millions	30 Sept. 2011	31 Dec. 2010	
<b>Shareholders' equity</b>	<b>6 938.7</b>	<b>6 371.0</b>	<b>9%</b>
<b>Non-current liabilities</b>	<b>671.8</b>	<b>628.4</b>	<b>7%</b>
of which			
Bank loans and debt securities	269.9	227.1	19%
Long-term financial liabilities	103.2	115.2	-10%
<b>Current liabilities</b>	<b>1 134.7</b>	<b>1 433.4</b>	<b>-21%</b>
of which:			
Bank loans and debt securities	152.0	108.1	41%
Trade accounts payable	248.9	457.0	-46%
Financial liabilities	38.9	52.4	-26%
<b>Total equity and liabilities</b>	<b>8 745.2</b>	<b>8 432.8</b>	<b>4%</b>



ASSECO

**Many thanks for your attention**

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