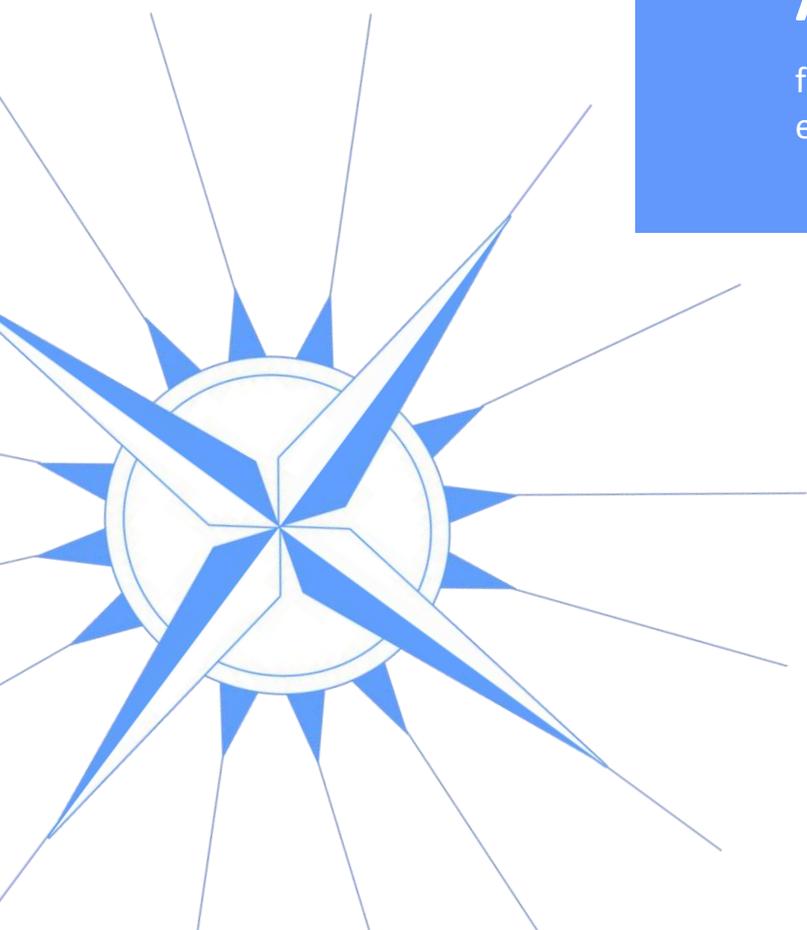


# SEMI-ANNUAL REPORT ON OPERATIONS OF ASSECO GROUP

for the period of 6 months  
ended 30 June 2015



Present in more than

**40**

countries

**3,305** mPLN

in sales revenues

**19,609**

highly committed  
employees

**138** mPLN

in net profit

**6,069** mPLN

in order backlog  
for 2015

**6<sup>th</sup>**

largest software  
vendor in Europe

# SEMI-ANNUAL REPORT ON OPERATIONS OF ASSECO GROUP

for the period of 6 months ended 30 June 2015

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# PRESIDENT'S LETTER



## PRESIDENT'S LETTER



**Dear Shareholders,**

The first half of 2015 was marked by continuing international expansion of Asseco Group. We achieved a record-breaking level of revenues which exceeded PLN 3.3 billion, growing by more than 13% as compared with the first half of the previous year. Higher sales were generated in three of our major foreign markets, including Israel, Western Europe and Central Europe. Whereas, in the South Eastern European market we managed to improve our profitability by increasing the share of revenues from proprietary software, which is crucial for further development of our Group. In line with the adopted strategy, we expanded our operations in Eastern Europe, where our financial results in the local currency were significantly stronger than in the first half of 2014.

In the local market, Asseco Poland has reinforced its position in the sector of IT solutions for agriculture and signed a number of new contracts for the implementation of our Asseco Medical Management Solutions (AMMS) which are already used by 170

hospitals. We have successfully gained new contracts and executed ongoing projects in many sectors of the economy. Our subsidiaries operating in Poland have been pretty prosperous as well. In order to use the available resources even more efficiently, we have made a strategic decision to change the Group's organizational structure in Poland. By combining six of our domestic subsidiaries, we will create Asseco Data Systems to be a large company specialized in the provision of ICT infrastructure as well as proprietary software solutions to local markets.

We have also decided to make a fuller use of the business potential of Asseco Group. In order to boost our competence in the production of software for the insurance industry, we chose to sell Insseco, our Polish provider of insurance solutions, to Sapiens which is the second largest global player in this area and also a member of Asseco Group. It has been another transaction conducted by this Israeli company, following its dynamic and successful expansion in international markets.

During the last half-year, we strengthened our position as a producer of reliable and appreciated IT products both in Poland and worldwide. Mobile Touch solution developed by Asseco Business Solutions has been, for the second time in a row, included in the report published by Gartner research firm. Furthermore, a software solution provided by our German subsidiary Matrix42 has been placed on Gartner's Magic Quadrant for the fifth consecutive year. R-Style Softlab, our Russian subsidiary, also won important awards.

I do believe that the decisions we have made and the continued expansion of Asseco Group, in line with our business strategy, will pay off and bring tangible benefits to our Shareholders. The first half of 2015 was a good time to reorganize and prepare Asseco for the upcoming challenges, including potential projects under the EU's new financial perspective in Poland, Czech Republic, Slovakia, as well as in South Eastern European countries. Working on reinforced fundamentals, we will use our best efforts to strengthen our position among major software vendors in Europe.

Adam Góral

President of the Management Board,  
Asseco Poland S.A.

## GENERAL INFORMATION ON ASSECO GROUP

### Asseco Group

The parent company of Asseco Group (the “Group”, “Asseco Group”) is Asseco Poland S.A. (the “Company”, “Asseco”).

Asseco Poland (WSE: ACP) is the largest Polish information technology company listed on the Warsaw Stock Exchange. With a market capitalization exceeding PLN 4.3 billion (EUR 1.0 billion), the Company is included in the prestigious WIG20 index. It is also the largest company listed in the IT industry index, WIG-Info, accounting for over 50% of its value.

Asseco Poland stands at the forefront of the multinational Asseco Group which is present, along with its subsidiaries, in more than 40 countries worldwide, including most of the European countries as well as Israel, USA, Japan, Canada, Russia and African countries. Asseco Group is the sixth largest European software vendor according to the Truffle 100 ranking for 2013 as well as the largest provider of innovative IT solutions in Central and Eastern Europe.

The Group’s companies are listed not only on the Warsaw Stock Exchange, but also on the NASDAQ Global Markets as well as on the Tel Aviv Stock Exchange.

Asseco Group is a unique combination of a software house and a service provider. It produces technologically advanced, top quality software that supports mission-critical business processes of enterprises in all key sectors of the economy. Revenues from proprietary software and services represent over 80% of the Group’s total turnover. Concurrently, more than 70% of Asseco Group sales are generated by its foreign operations.

Asseco Group is a unique federation of companies which are allowed a great deal of independence in making business based on their local competencies, while taking advantage of synergies arising from their cooperation within the whole Asseco Group.

### Directions of development

Our **mission** is to build a reliable and profitable global information technology company providing high quality software and services.

Asseco Group’s **strategy** is based on two pillars. The first is organic growth which is achieved through proprietary software and services, whereas the second one involves expansion through acquisitions.

### Organic growth

Asseco Group’s strategy relies on sector-specific business expertise, which is supported by technological competence. The Group builds long-term trust-based relationships with customers, becoming their strategic business partner. Asseco leverages on the vast experience of its international affiliated companies to create a comprehensive portfolio of products satisfying the needs of thousands of its customers. The company wants to be perceived as a ‘one-stop shop’ and therefore, in addition to its own IT solutions and services, it also delivers infrastructure necessary for the proper operation of business applications.

### Expansion through acquisitions

Asseco is interested in taking over companies that will either enhance its competence in individual sectors or provide an opportunity to enter new geographical markets. Asseco Poland has successfully implemented its acquisitions policy for many years, and nowadays is one of the most experienced market consolidators in Poland and abroad.

### Asseco Poland values – our source code

Asseco Poland has come up with its own “source code” that lists the common values shared by Asseco employees. These values have been devised by all of our employees and are recorded in a formal document, which is effective across our organization.

**Commitment** – we are fully committed to each and every project and the success of our clients is our greatest satisfaction.

**Respect** – we require trust, honesty and mutual respect both from ourselves and from others.

**Quality** – we always maintain high quality standards in all of our activities.

**Professionalism** – we continually upgrade our qualifications and are willing to share experience.

**Effectiveness** – we are ambitious and consistent in striving to achieve our goals.

**Responsibility** – we take full responsibility for our work and environment in which we operate.





## Company's authorities

### Management Board

During the period of 6 months ended 30 June 2015, the Company's Management Board was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2015 – 30.06.2015
Przemysław Borzestowski	01.01.2015 – 30.06.2015
Andrzej Dopierała	01.01.2015 – 30.06.2015
Tadeusz Dyrga	01.01.2015 – 30.06.2015
Rafał Kozłowski	01.01.2015 – 30.06.2015
Marek Panek	01.01.2015 – 30.06.2015
Paweł Piwowar	01.01.2015 – 30.06.2015
Zbigniew Pomianek	01.01.2015 – 30.06.2015
Włodzimierz Serwiński	01.01.2015 – 30.06.2015
Przemysław Sęczkowski	01.01.2015 – 30.06.2015
Robert Smułkowski	01.01.2015 – 30.06.2015



**Andrzej Dopierała**  
Vice President of the Management Board responsible for the Infrastructure Division, Data Processing Center, ICT Department, and Asseco Systems Holding



**Tadeusz Dyrga**  
Vice President of the Management Board responsible for the Divisions of Social Insurance, Healthcare, and Systems Maintenance



**Adam Góral**  
President of the Management Board responsible for the development vision and strategy of Asseco Group



**Rafał Kozłowski**  
Vice President of the Management Board responsible for the Finance Division of Asseco Group and for the Logistics Department



**Przemysław Borzestowski**  
Vice President of the Management Board responsible for the Divisions of Public Administration, Capital Market, and for the Office for Protection of Non-Public Information



**Marek Panek**  
Vice President of the Management Board responsible for the Development Division of Asseco Group and for the EU Projects Office



**Paweł Piwowar**  
Vice President  
of the Management Board  
responsible for the Divisions  
of Energy and Gas Industry,  
Telecommunications and  
Media, Agriculture, and  
Enterprises



**Przemysław Sęczkowski**  
Vice President  
of the Management Board  
responsible for the Public and  
Investor Relations Department  
and for the Marketing  
Department



**Zbigniew Pomianek**  
Vice President  
of the Management Board  
responsible for the  
Commercial Banks Division,  
Cooperative Banks Division,  
Business Intelligence Division,  
Back-Office Systems  
Maintenance and Development  
Department, as well as for  
the Compliance Department



**Robert Smułkowski**  
Vice President  
of the Management Board  
responsible for the PKO Bank  
Division



**Włodzimierz Serwiński**  
Vice President  
of the Management Board  
responsible for the Commercial  
Insurance Division

## Supervisory Board

During the period of 6 months ended 30 June 2015, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2015 – 30.06.2015
Adam Noga	01.01.2015 – 30.06.2015
Piotr Augustyniak	01.01.2015 – 30.06.2015
Dariusz Brzeski	01.01.2015 – 30.06.2015
Artur Kucharski	01.01.2015 – 30.06.2015
Dariusz Stolarczyk	01.01.2015 – 30.06.2015



**Jacek Duch**  
Chairman of the Supervisory Board



**Adam Noga**  
Vice Chairman of the Supervisory Board



**Piotr Augustyniak**  
Member of the Supervisory Board



**Dariusz Brzeski**  
Member of the Supervisory Board



**Artur Kucharski**  
Member of the Supervisory Board



**Dariusz Stolarczyk**  
Member of the Supervisory Board

## Awards and accolades



**41<sup>st</sup> place on Rzeczpospolita 500 List** – this prestigious ranking presents 500 Polish companies with largest sales revenues, operating in all sectors of the economy. In this year’s edition of the ranking Asseco took the 41<sup>st</sup> place. Rzeczpospolita also prepared a comparison of the current 500 List with its counterpart of 2005, showing Asseco among the top 10 companies that recorded the highest growth in revenues over the past decade.



**“Bull and Bear” award of Parkiet Stock Market and Investors Newspaper** – granted for record-breaking results for 2014, for providing the highest

annual return to shareholders among all of the WIG20 index participants (nearly 18%, including dividends), as well as for a significant improvement in its financial performance allowing for international expansion of the company.



**Book of Lists – No. 1 in the category of “Software Producer”** – our victory in the annual ranking of the Book of Lists compiled by Warsaw Business Journal. This report contains information on 1600+ companies from various business sectors, including consulting, advertising, telecommunications, information technology, and real estate.

**AUMS for Energy Utilities in the Gartner’s Magic Quadrant** – internationally recognized research and advisory firm Gartner has published a report on key vendors of IT solutions for the utilities sector, entitled “Magic Quadrant for Utilities Customer Information Systems 2015”. Asseco Utility Management Solutions were mentioned in the prestige group of products that meet the demanding functional criteria at a sufficiently large scale of business, and were the only Polish product included in the report.



Asseco proved to be the best in 6 categories of the Computerworld Top200 report. The latest edition of the report sums up the competitors’ results for 2014. Asseco has maintained its leading position in the ranking of IT companies with the highest net earnings as well as with the largest R&D expenditures. The company continues to be the largest provider of IT solutions and services for the Public Administration and Healthcare sectors. Furthermore, Asseco has been again listed as the number 1 among providers of IT maintenance services and suppliers of customer-tailored software.

**Asseco def3000/TR in the Gartner’s “Magic Quadrant for Trading Platforms”** – Asseco Poland with its Asseco def3000/TR (Treasury) solution dedicated to banks was the only Polish company placed in this prestigious report in the category of “Niche Players”.



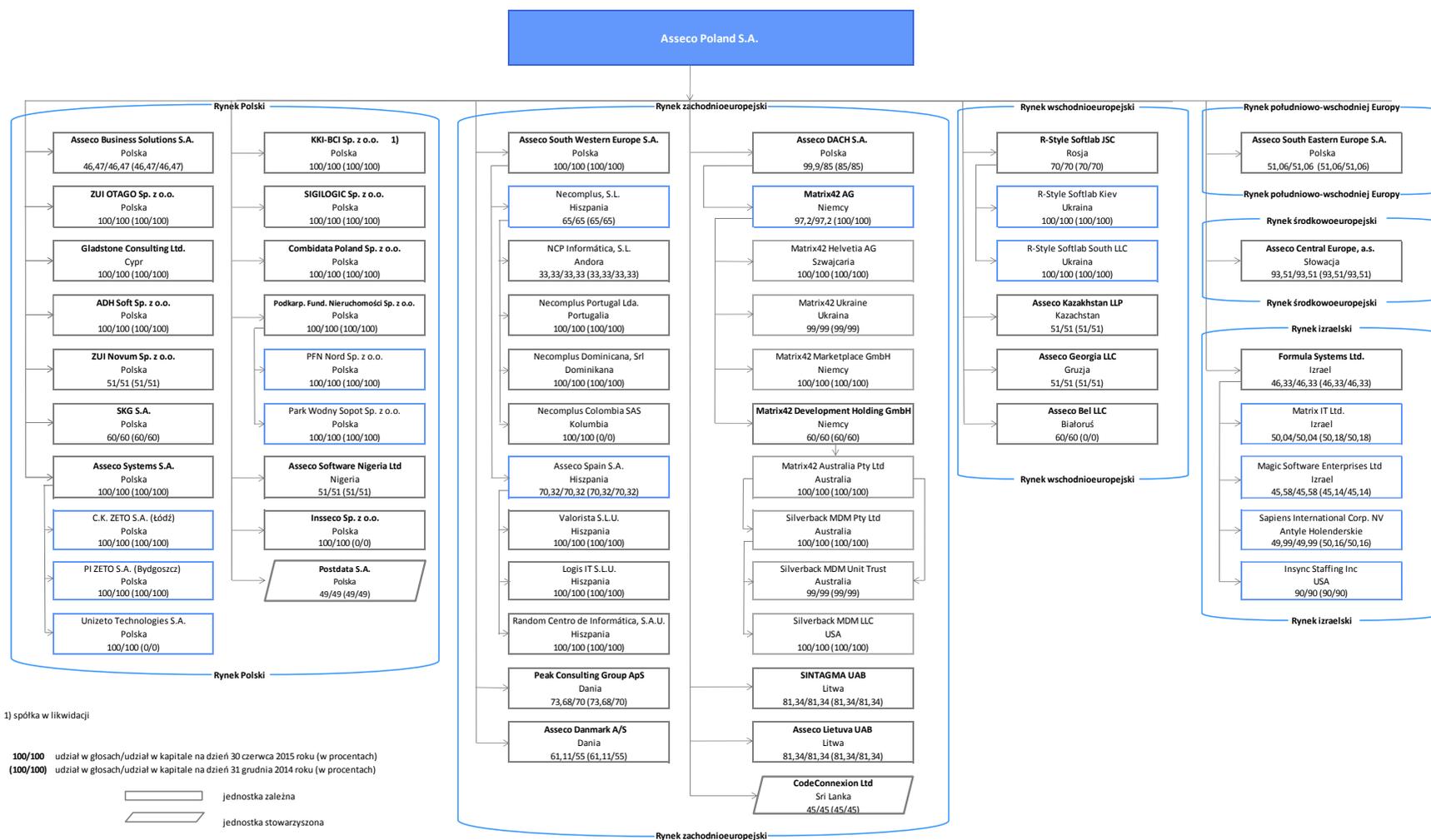
**7<sup>th</sup> place in the “Polish Ambassadors” category in the ranking of Wprost** weekly which presents 200 of the largest Polish companies. Asseco ranked

the highest among all local information technology companies. The report has shown that exports grew the most dynamically just in the IT sector, which was greatly contributed by Asseco’s results.

Category	Asseco’s position
IT companies with the highest net earnings	1
Largest R&D spenders	1
Largest providers of IT solutions and services for the Healthcare sector	1
Largest providers of IT solutions and services for the Public Administration sector	1
Largest providers of IT maintenance services	1
Largest providers of customer-tailored software	1

## BUSINESS OPERATIONS OF ASSECO GROUP

### Organizational structure



The complete organizational structure of the Group is presented in section III of Supplementary Information to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

## Operating segments

Asseco Group has identified six geographical markets where the Group companies conduct their business operations, including Polish, Israeli, Central European, South Eastern European, Western European, and Eastern European markets.

### Polish market

#### **Asseco Poland S.A.**

Asseco Poland (WSE: ACP) is the largest Polish information technology company listed on the Warsaw Stock Exchange and one of the major software vendors in Europe.

Asseco Poland is a producer of state-of-the-art software that supports mission-critical business processes of enterprises in all key sectors of the Polish economy. Asseco's software applications are used by more than half of Polish banks, the largest insurance, energy and telecommunications companies, various healthcare institutions, local and central public administration bodies, as well as by the uniformed services.

#### **Asseco Business Solutions S.A.**

This company is listed on the Warsaw Stock Exchange (WSE: ABS). It delivers state-of-the-art IT solutions for enterprises irrespective of their industry, size or business profile. Asseco Business Solutions operates as Asseco Group's competence center responsible for ERP systems, software for SMEs, and outsourcing of information technologies. The company's product portfolio also includes mobile solutions, factoring systems as well as electronic data exchange platforms.

#### **ADH-Soft Sp. z o.o.**

This company develops professional software for the financial sector, especially for leasing and car fleet management (CFM) companies. It is a leading producer of programs and applications used by over 70% of leasing operators in the local market.

#### **Asseco Systems S.A.**

This is a holding incorporating three local IT companies, namely CK ZETO S.A. based in Łódź, PI ZETO S.A. based in Bydgoszcz, and Unizeto Technologies S.A. based in Szczecin. The primary objective of Asseco Systems is to build a firm acting as a supplier, integrator and distributor of information technology solutions, focusing on local markets across Poland. CK ZETO S.A. offers a wide range of IT services, hardware and software, as well as consulting and expert services. The company is the only

representative of Matrix42 in Poland. PI ZETO S.A. is a provider of ERP solutions for enterprises, software applications for public administration, as well as professional IT systems for insurance companies. Unizeto Technologies S.A. is a leading provider of electronic signature services in Poland. It is also engaged in the provision of data processing and mass e-mailing services, as well as in the production of document management software.

#### **Combidata Poland Sp. z o.o.**

This company specializes in the organization and delivery of training courses, starting from the analysis of business processes, through the identification of learning needs, designing of educational process, to the realization of the adopted objectives. It offers classroom trainings, remote trainings, as well as self-developed e-learning courses utilizing its EDUPORTAL educational platform.

#### **ZUI OTAGO Sp. z o.o.**

This company is engaged in the development and implementation of software to support operations of local government bodies at various levels. It created the OTAGO Integrated Municipal Management System.

#### **SKG S.A.**

This company is a provider of software for customs agencies, retail trade sector, as well as for auditing and data analysis. Apart from its flagship software called Wrota Celne (a customs system) marketed in the SaaS model, SKG S.A. provides services of design and implementation of IT systems.

#### **ZUI Novum Sp. z o.o.**

This company is specialized in the production of information technology systems designed for cooperative banks. It operates as a developer of banking applications, ATM software, integrator and provider of automatic teller machines.

#### **Insseco Sp. z o.o.**

Insseco is building and developing a center of competence responsible for the provision of services and software for the commercial insurance industry.

## Israeli market

### Formula Systems Ltd.

Formula Systems is listed on the NASDAQ Global Markets (NASDAQ: FORTY) as well as on the Tel Aviv Stock Exchange in Israel. It is a holding company which owns shares in four IT companies (Matrix IT Ltd., Magic Software Enterprises Ltd., Sapiens International Corporation N.V., Insync Staffing Inc.) that are specialized in the production and supply of information technology solutions. Companies of the Formula Systems Group operate in the territories of Israel, USA, Canada, United Kingdom, Japan, Germany, Netherlands, France, Hungary, India as well as in 50 other countries.

### Matrix IT Ltd.

This company is listed on the Tel Aviv Stock Exchange (TASE: MTRX). Matrix IT is an information technology market leader in Israel. Its key competencies include IT services, security solutions, outsourcing as well as integration of information systems to the client's order. The company is also engaged in the modernization and development of IT systems, providing the following services:

- development of dedicated IT systems;
- adaptation of software to the client's requirements;
- development and testing of software to ensure its high quality.

Matrix IT also acts as a distributor for the world's leading software manufacturers. It provides infrastructure solutions for computer and communication systems. The company is also engaged in hardware distribution and, through its subsidiary John Bryce, it runs training and qualification centers offering professional courses and trainings for IT personnel. Its offering is complemented with "soft" trainings, vocational education and capital market courses.

### Sapiens International Corporation N.V.

This company is listed on the American NASDAQ (NASDAQ: SPNS) and on the Israeli TASE. It is a leading global supplier of IT systems for the insurance industry.

The Group's product portfolio features the following solutions:

- ALIS – comprehensive software solution for life, pension and annuity, and medical insurance products;
- IDIT Software Suite – comprehensive, component-based, core solution for insurance

companies and financial institutions operating outside the North American market;

- RapidSure – core, component-based insurance software for the US property and casualty insurance market;
- Reinsurance – software enabling insurers and brokers to handle all reinsurance activities on a single platform. The product ensures full support for controlling and reporting functions;
- Decision – business decision management software for financial institutions.

### Magic Software Ltd.

This company is listed on the American NASDAQ (NASDAQ: MGIC) and on the Israeli TASE. Technologies offered by Magic Software accelerate the processes of building and deployment of business applications that can be easily adapted to current and future demands or integrated with the customer's legacy enterprise systems.

The company's products allow users to create business applications that support their existing IT resources to enhance business capabilities.

Magic Software provides services taking a code-free approach, allowing users to focus on business logic rather than on technological requirements. Code-free structure is a key operating feature of the company's products:

- Magic xpa – application development platform;
- Magic xpi – system and process integration suite.

### Insync Staffing Inc.

Insync Staffing is a provider of consulting services and human resources outsourcing for the sectors of technology and professional services (i.e. accounting and finance, administration, customer service, healthcare, human resources management, or marketing services).

## Central European market

### Asseco Central Europe, a.s.

This company is listed on the Warsaw Stock Exchange (WSE: ACS) and is the parent of Asseco Central Europe Group. It provides comprehensive IT solutions and services for international financial institutions (Erste, Allianz, UniCredit, etc.), for the private sector enterprises, as well as for the public institutions of central and local administration. Its product portfolio comprises information systems for banks, insurance companies and construction firms, card transaction systems, healthcare information systems, data warehouses, Business Intelligence and e-Commerce solutions, reporting systems, and turn-key projects.

### Asseco Solutions

Asseco Solutions Group is comprised of three companies: Asseco Solutions CZK, Asseco Solutions SK, and Asseco Solutions AG, which are engaged in the provision of proprietary ERP solutions dedicated to small, medium-sized and large enterprises. Asseco Solutions operates a center of competence responsible for ERP class systems in the region of Central Europe.

### GlobeNet

This company is one of the leading vendors of IT systems for the healthcare sector in Hungary, including primarily hospitals and medical clinics. Its flagship product is MedWorkS, a system providing support for all operating processes performed by a healthcare institution.

### Statlogics

This company is headquartered in Budapest and offers a variety of solutions dedicated to the consumer finance industry. Its flagship product is Credilogic, a system allowing to manage the full lifecycle of consumer loans and credits.

### DanubePay

This company is a provider of IT solutions for payment cards, online payments, ATMs etc. It offers a comprehensive portfolio of products and services for authentication and transaction processing, acts as a partner in card issuing processes, and also develops own loyalty program systems.

## South Eastern European market

### Asseco South Eastern Europe S.A.

This company is listed on the Warsaw Stock Exchange (WSE: ASE) and is the parent of Asseco South Eastern Europe Group. It was created by integrating the competence, experience, know-how, software solutions and customer base of many South Eastern European companies, each being a leader in its market segment. From the beginning of its operations, it has focused on the development of proprietary IT solutions. Asseco South Eastern Europe runs its business operations in five major segments of the IT market: solutions and services for the banking sector, authentication solutions, supply, installation and maintenance of ATMs and POS terminals, software and services for the telecom sector, as well as integration services, supply and implementation of IT systems and hardware. Nowadays, this holding incorporates subsidiaries operating in the territories of Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Kosovo, Moldova, Albania, Bulgaria, Romania, and Turkey.

## Western European market

### **Asseco Spain S.A.**

This company is a provider of IT infrastructure consulting services, security solutions, human resources management solutions, outsourcing services, as well as fully comprehensive IT support.

### **Necomplus S.L.**

This is a provider of electronic payment solutions (POS), self-service solutions as well as professional Call Center technologies.

### **Matrix42 AG**

This is a group of companies operating mainly in Germany, Austria and Switzerland (DACH markets) and in Australia, which offer product lifecycle management applications as well as IT service management software. Its products are targeted at medium-sized enterprises. Matrix42 is a leader in this class of software on the German market.

### **Asseco Lietuva UAB**

The company is a leading producer of software and integrator of IT systems in Lithuania. Its main business lines include IT systems providing support in archiving, management of business processes, finances and EU funds, as well as software solutions for the insurance industry. The company's products and services are dedicated to a large extent to the public administration sector.

### **Asseco Danmark a/s**

This company is a provider of high class consulting services and proprietary information solutions for the sectors of finance and biotechnology.

### **Peak Consulting Group ApS**

This is a provider of high class consulting services in Scandinavia.

## Eastern European market

### **Asseco Georgia LLC**

This company is a provider of consulting and system implementation services for the banking and insurance industry companies as well as for the public administration. The company's operations are well diversified and include competence in software development, offering of proprietary ERP and CRM systems, solutions for insurance companies, software for schools and stores, as well as consulting services and implementation of third-party products. Asseco Georgia is one of the largest consulting firms in the Georgian IT market.

### **R-Style Softlab JSC**

R-Style Softlab is a Russian producer of software for the sector of banking and finance. It is specialized in three key areas: online banking and customer service systems, data warehouses and business intelligence systems, as well as core banking systems. It is an undisputed market leader, taking into account the number of its active clients (more than 400 companies operating in Russia, Kazakhstan, Belarus, Uzbekistan and other former Soviet republics). R-Style Softlab is headquartered in Moscow and also has branches in Bryansk, Vologda, Almaty, and Kiev.

### **Asseco Kazakhstan LLP**

The company's operations include three business lines: information security, information management, and cloud computing services. The company focuses primarily on the public sector clients as well as on large telecommunications and energy enterprises.

## Position of the Company and Asseco Group in the IT sector

Asseco Poland S.A. and other companies of our Group top the rankings of IT vendors prepared by both Polish and international research institutes.

The following table presents the position of Asseco Group in the Truffle 100 2014 ranking, which lists the largest European software vendors by sales of proprietary software generated in 2013. Asseco managed to maintain its sixth position in the ranking and was the fastest growing producer of software in the top 10.

Name of company	Country	Sales of proprietary software in EUR millions
1. SAP	DE	16,512.3
2. Dassault Systems	FR	1,887.5
3. Sage	UK	1,522.6
4. Hexagon	SE	1,309.6
5. Wincor Nixdorf	DE	1,257.3
<b>6. Asseco Poland</b>	<b>PL</b>	<b>1,063.0</b>
7. Software AG	DE	865.5
8. DATEV	DE	752.8
9. Wolters Kluwer	NL	720.9
10. SWIFT	BE	580.2

Source: Truffle 100 ranking, 2014

As estimated by COMPUTERWORLD TOP200, in 2014 Asseco Poland ranked 11<sup>th</sup> in the category of the "Largest IT companies operating in Poland".

Name of company	Sales of IT products and services in PLN millions
1. ABC Data	5,023.9
2. ACTION	4,415.8
3. AB SA	4,082.0
4. HP Poland	3,315.0
5. Samsung Electronics Poland	2,673.7
6. Komputronik	2,053.1
7. Lenovo Technology Poland	1,662.4
8. PC Factory	1,638.1
9. Tech Data Poland	1,500.0
10. Incom	1,471.1
<b>11. Asseco Poland</b>	<b>1,321.3</b>

Source: COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues for 2014, prepared in June 2015; figures in PLN millions

The table below presents the position of Asseco Group in the COMPUTERWORLD TOP200 ranking of the "Largest IT groups operating in Poland in 2014".

Group name	Sales of IT products and services in PLN millions
1. AB Group	6,321.5
<b>2. Asseco Group</b>	<b>6,231.9</b>
3. ABC Data Group	5,465.6
4. Action Group	4,955.1
5. Komputronik Group	2,108.7

Source: COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues for 2014, prepared in June 2015; figures in PLN millions

Again, according to the COMPUTERWORLD TOP200 rankings, Asseco Poland S.A. held leading positions in terms of sales to individual sectors of the Polish economy, as shown in the table below.

Ranking of software providers to the sector of	Ranking position
Public administration	1
Healthcare	1
Industry and Construction	6
Banking	2
Large companies and corporations	2
Energy industry	2
Financial institutions	3
Telecommunications	7

Source: COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues for 2014, prepared in June 2015.

Whereas, the table below presents the positions taken by Asseco Poland S.A. in the COMPUTERWORLD TOP200 rankings that compare leading companies operating in the Polish market by type of business.

Ranking	Ranking position
Producers of customer-tailored software	1
Providers of IT maintenance services	1
Providers of IT services	2
Providers of system integration services	6

Source: COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues for 2014, prepared in June 2015.

## Product portfolio

### Product portfolio – competencies

Asseco Group is a provider of a broad variety of software solutions designed to meet the customer needs, scale of operations and individual preferences. Operating as a federation of companies, Asseco Group is able to offer products and services best suited to the specific requirements of local clients through subsidiaries present in their respective markets. In addition to proprietary and third-party software, the Group can supply the entire required IT infrastructure.

Asseco Poland provides clients with software solutions tailored to their specific needs. We have strong expertise in the following four main areas:

- **Dedicated solutions**

Asseco Poland is the most experienced Polish IT company when it comes to the execution of large-scale and complex IT projects, implemented to individual customer needs. A good example of Asseco's competence in this area is the IT project implemented for the Social Insurance Institution (ZUS), the largest in the history of our country. The Comprehensive Information System handles more than 24 million unique accounts and is used by over 30 thousand users on a daily basis. The Comprehensive Information System of ZUS won the main prize in the "eEurope Awards for eGovernment – 2005" competition, which was organized by the European Institute of Public Administration (EIPA), working under the auspices of the European Commission. The ZUS's CIS was awarded for the creation of optimum environment for successful implementation of a public administration project.

- **Comprehensive solutions for business sectors**

We offer comprehensive IT packages that are customized to individual needs of large and medium-sized companies virtually from every sector of the economy. In this category, our product portfolio includes comprehensive systems dedicated to the banking sector (Asseco def3000), energy industry (AUMS), healthcare (AMMS), brokerage houses (Promak) as well as for the insurance industry (IDIT, ALIS).

- **Standard software packages**

We also provide standard software packages for thousands of small and medium-sized companies. With no need for customer-tailored products and at an affordable cost, tens of thousands of firms use Asseco's out-of-the-box software to support their routine enterprise management functions. An example of a standard software package is Magic xpa, a platform for the creation and development of applications in corporations.

- **Cloud computing solutions**

Small and medium-sized enterprises can use our IT solutions available over the Internet. With a minimum of effort and cost and maximum benefits, our clients may take advantage of our knowledge and experience without investing large sums of money in IT infrastructure or a team of IT experts. Several hundred cooperative banks operating in Poland have decided to use cloud-based e-banking systems.

**Product portfolio – competencies**

- Solutions designed to individual customer needs
- Solutions designed and developed for multiple large and medium-sized clients
- Standard solutions for a large number of small and medium-sized customers
- Solutions available for numerous customers over the Internet

SELECTED PRODUCTS

Dedicated solutions	Comprehensive solutions for business sectors	Standard software packages	Cloud computing solutions
Comprehensive Information System – ZUS	Asseco def3000 (banking)	Asseco WAPRO	def3000 REB / CEB (banking)
Insurer – PZU	Asseco Utility Management Solutions (energy industry)	Asseco HR	Asseco Mobile Touch (general business use)
Clearance System – National Border Guard	Asseco Medical Management Solutions (healthcare)	Matrix42 Solutions	abStore Wapro (e-commerce)
Central Register of Vehicles and Drivers – Ministry of the Interior	Sapiens IDIT, ALIS (insurance)	Magic xpi Integration Platform	wrotacelne.pl (customs systems)
	OTAGO System (administration)	Magic xpa Development Platform	
	Promak (brokerage houses)		

## Product portfolio – sectors

Asseco Group is specialized in the development of proprietary IT solutions for all sectors of the economy. Asseco's product portfolio is divided into three main sectors: banking and finance, public administration, and general business. Each of these sectors comprises a wide range of institutions that use our proprietary IT systems. Presented below is a selection of our IT solutions dedicated for individual sectors.

### ▪ Banking and Finance

**Banks** – production of Banking software is one of the key businesses of the majority of Asseco subsidiaries. Both regional and international expansion of our Group is largely dependent upon continuing improvement and further development of IT solutions tailored to meet the banking sector's growing expectations from information technology.

The Group's flagship product for the banking sector is *def3000*, a comprehensive IT system developed by Asseco Poland. In addition, the Group offers dozens of specialized ready-to-implement solutions, requiring only some adaptation to specific operations of a given institution.

Comprehensive banking systems are also offered by other companies of our Group. Asseco Central Europe, marketing its proprietary StarBANK family solutions, has gained a strong position in the Slovak market for banking industry software. Asseco South Eastern Europe offers core banking systems, payment gateways, business intelligence solutions, and customer relationship management (CRM) solutions, and is engaged in the installation and maintenance of ATMs and POS terminals.

**Insurance** – Asseco Group is proud of its long-term cooperation with major international insurance companies. Among them are life and property insurance companies, insurance brokers, as well as insurance market regulators. Advanced solutions provided by Asseco are always adjusted to conform to applicable insurance regulations and ensure the highest levels of security.

The Group's portfolio features core insurance systems and a variety of specialized solutions, including billing and collection systems, applications supporting claim settlement processes, reinsurance, co-operation with agents, and detection of insurance frauds. We also provide tools allowing insurance companies to fulfill the requirements of Solvency II.

The Group's flagship insurance industry products are ALIS, IDIT, and INSIGHT systems which are offered by our Israeli Sapiens group.

Other Asseco companies are also specialized in the provision of proprietary IT solutions for insurance companies. Asseco Central Europe offers its StarINS software suite, whereas Asseco Poland implements fully-fledged property and life insurance systems.

To complement the above described banking and insurance industry competencies, Asseco is a provider of all-in-one IT solutions for brokerage houses, as well as for leasing and factoring companies.

### ▪ Public Institutions

**Central level** – Asseco Group develops and implements software solutions for public administration in the areas that cannot be supported by ready-made tools. These are mostly complex systems with powerful functionality suitable for processing of large data volumes.

Asseco Poland has got vast experience in the execution of complex IT projects for the public administration. The largest information technology project in Poland – the Comprehensive Information System of the Social Insurance Institution – has been implemented by Asseco. Furthermore, Asseco developed the Central Register of Vehicles and Drivers for the Ministry of the Interior and Administration, Information System for the National Border Guard, as well as IT solutions for the Agency for Restructuring and Modernisation of Agriculture. As the only IT company of Central and Eastern Europe, we executed over 50 prestigious projects for the EU and NATO agencies.

**Local governments** – Asseco provides proprietary IT solutions for all levels of local administration bodies. A significant advantage of our software is that it can be easily integrated with specialized tools such as digital maps or metropolitan networks.

Within the Group, the company specializing in such solutions is ZUI OTAGO, which offers its proprietary OTAGO Integrated Municipal Management System.

**Healthcare** – Asseco Group continues to build its market leadership in the provision of IT solutions for all types of medical facilities. Our solutions are used by hundreds of major hospitals and most clinics in the CEE region. Asseco's services include professional consulting on the design, implementation and maintenance of information systems for health insurance companies, and the provision of comprehensive solutions for hospitals and clinics. Asseco delivers patient service solutions, contract settlement systems as well as facility management solutions.

The Group's flagship product is AMMS (Asseco Medical Management Solutions), Asseco Poland's comprehensive package of information systems designed to help manage large and medium-sized hospitals, polyclinics, medical centers, outpatient clinics and emergency departments. Asseco Central Europe also provides a proprietary healthcare information system, which is called Mediform. The Group's portfolio for the healthcare sector is complemented with Hungarian GlobeNet solutions. Whereas, our Israel-based center of innovation develops pioneering IT solutions for the largest medical centers in the world. These include Tafnit, which meets the specific needs of hospital management.

- **General Business**

**Telco & Utilities** – Asseco Group offers comprehensive proprietary solutions, which are capable of handling multi-million customer databases and are customized for the specific needs of telecommunication, media, energy, gas and utility enterprises. Over a 20-year long presence of our solutions in this sector resulted in strategic partnerships with many major companies in Europe, which appreciate Asseco specialists' in-depth professional knowledge and experience, just as the quality of our solutions.

Our product portfolio dedicated to the Telco & Utilities sector includes billing systems, fraud detection systems, sales and CRM applications, portal applications, data warehouses, BI tools, and many more. The product portfolio is supplemented with technical infrastructure and asset management systems, and GIS/NIS solutions.

Asseco Poland has, for many years, been one of the key providers of billing systems to Orange Poland. Our software solutions are also used by other mobile and fixed-line telephony operators, as well as by media

companies such as ITI Group. Moreover, our systems are utilized by major energy holdings operating in Poland, such as Tauron, PGNiG, Enea, and PGE.

At the same time, Asseco Central Europe specializes in technical infrastructure management systems for network enterprises, while Asseco South Eastern Europe delivers IT solutions to many leading telecom operators in the Balkans region.

**ERP solutions** – we offer a full range of state-of-the-art ERP systems for small, medium and large companies. All of them are fully integrated software packages designed to support enterprise management processes. Owing to their diversified functionality and module-based structure, our solutions can be utilized in virtually every industry. Moreover, the Group has departments specializing in the implementation, development and industry adaptation of ERP systems based on the technologies of Oracle, SAP and Microsoft.

One of the Group's subsidiaries operating in the Polish market is Asseco Business Solutions (ABS), which specializes in ERP systems to support the management of small and medium-sized enterprises. Depending on the client preferred technology, ABS may offer Asseco SAFO based on Oracle technology, or Asseco SOFTLAB ERP using Microsoft technology.

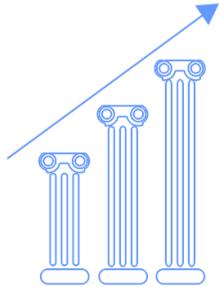
Asseco Central Europe developed a proprietary ERP solution which is implemented by its Asseco Solutions family companies that together form a competence center for ERP systems in the CEE region.

Furthermore, Asseco Group provides consulting and implementation services covering SAP, Oracle, and Microsoft Dynamics AX solutions.

## Product portfolio – sectors

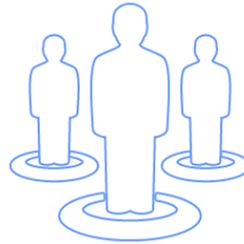
### **Banking and Finance**

- Banks
- Insurance
- Brokerage houses
- Investment funds
- Leasing companies
- Factoring companies



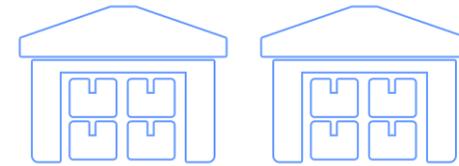
### **Public Institutions**

- Central administration
- Local administration
- Healthcare
- International organizations
- Social insurance
- Uniformed services
- Education



### **General Business**

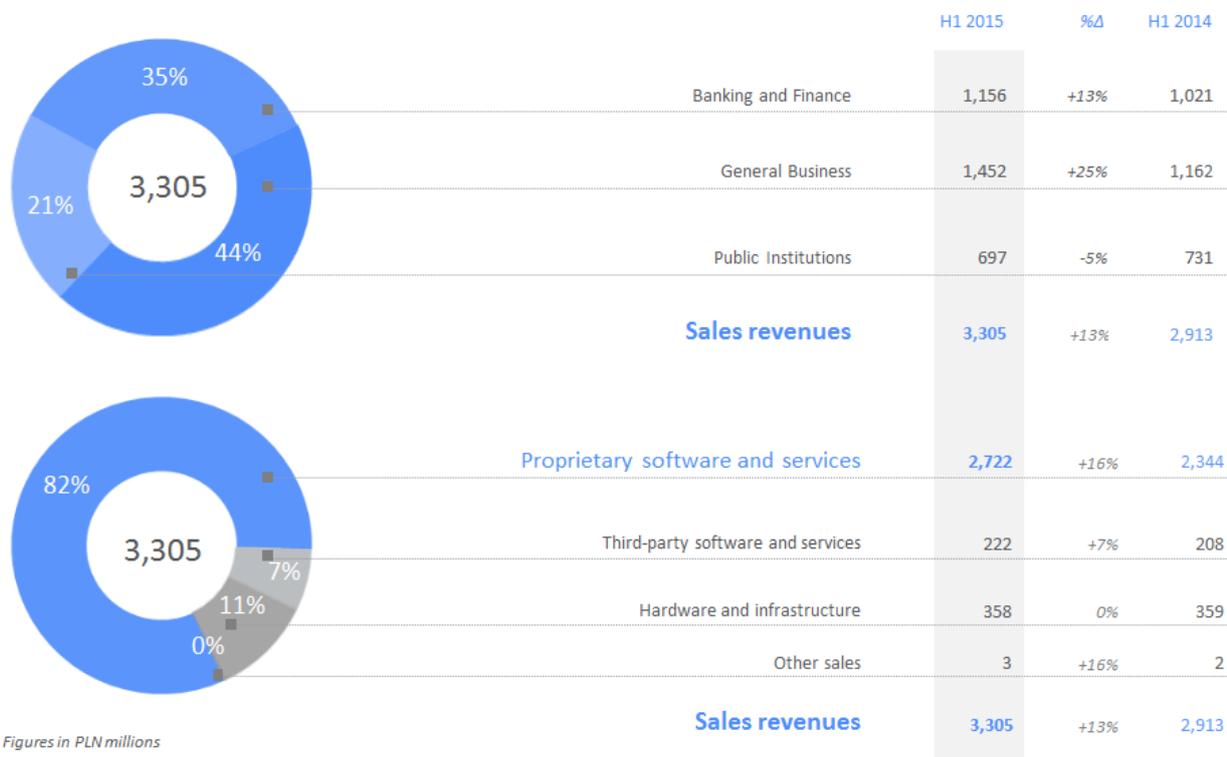
- Telecommunication
- Municipal utilities
- Energy industry
- Gas industry
- Manufacturing, trade and services
- FMCG
- Multimedia



## Financial information

### Structure of sales revenues of Asseco Group

#### Breakdown of sales revenues by products and sectors, in the first half of 2015 and in the comparable period



#### Breakdown of sales revenues by sectors in individual geographical segments, in the first half of 2015

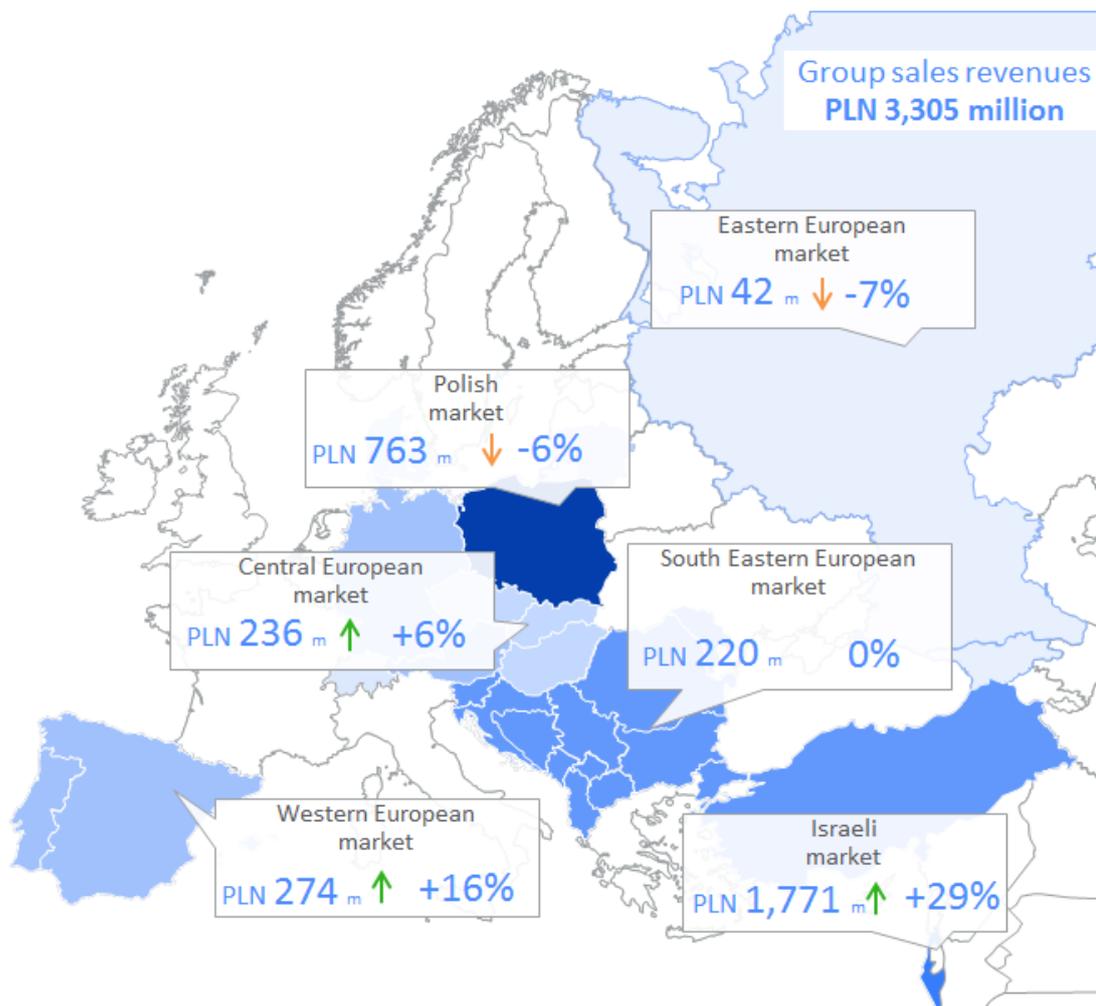
	General Business	Banking and Finance	Public Institutions	Total **
Polish market	253.0	210.1	303.5	766.6
Israeli market	868.0	650.0	252.7	1,770.8
Central European market	106.8	43.7	85.6	236.1
South Eastern European market	37.9	167.3	15.2	220.4
Western European market	187.0	48.6	38.5	274.1
Eastern European market	0.9	40.2	1.1	42.2
<b>Asseco Group*</b>	<b>1,452.3</b>	<b>1,156.3</b>	<b>696.5</b>	<b>3,305.1</b>

Figures in PLN millions

\* Figures after consolidation eliminations

\*\* Revenues generated in individual markets include sales to external customers as well as inter-segment sales

Asseco Poland Group after the first half of 2015



## Summary and analysis of the financial results of Asseco Group

Presented below are the financial results for the period of 6 months ended 30 June 2015 as well as for the comparable period of the previous year:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014	Change (%)
<b>Sales revenues</b>	3,305.1	2,913.0	13.5%
Proprietary software and services	2,722.3	2,343.9	16.1%
<b>Gross profit (loss) on sales</b>	803.7	708.2	13.5%
Selling costs	(213.4)	(180.6)	18.2%
General and administrative expenses	(247.4)	(229.7)	7.7%
Other operating activities	(9.3)	(2.6)	-
<b>Operating profit</b>	333.6	295.3	13.0%
<b>Net profit attributable to Shareholders of the Parent Company</b>	138.0	183.2	(24.7%)
<b>EBITDA</b>	463.7	418.1	10.9%

*EBITDA = EBIT + depreciation and amortization disclosed in the cash flow statement adjusted for depreciation and amortization recognized in discontinued operations*

Presented below are the financial results for the period of 3 months ended 30 June 2015 as well as for the comparable period of the previous year:

PLN millions	3 months ended 30 June 2015	3 months ended 30 June 2014	Change (%)
<b>Sales revenues</b>	1,713.1	1,499.1	14.3%
Proprietary software and services	1,400.4	1,201.4	16.6%
<b>Gross profit (loss) on sales</b>	414.8	357.4	16.1%
Selling costs	(112.9)	(94.7)	19.2%
General and administrative expenses	(127.0)	(110.2)	15.2%
Other operating activities	(5.8)	(2.0)	-
<b>Operating profit</b>	169.1	150.5	12.4%
<b>Net profit attributable to Shareholders of the Parent Company</b>	60.4	86.6	(30.3%)
<b>EBITDA</b>	234.7	213.0	10.2%

*EBITDA = EBIT + depreciation and amortization disclosed in the cash flow statement adjusted for depreciation and amortization recognized in discontinued operations*

### Margins of profit

The table below presents the key profitability ratios achieved by the Group for the period of 6 months ended 30 June 2015 and in the comparable period:

	6 months ended 30 June 2015	6 months ended 30 June 2014	Change
Gross profit margin	24.3%	24.3%	-
EBITDA margin	14.0%	14.4%	(0.4) pp
Operating profit margin	10.1%	10.1%	-
Net profit margin	7.0%	8.7%	(1.7) pp

*Gross profit margin = gross profit on sales / sales  
EBITDA margin = EBITDA / sales  
Operating profit margin = operating profit / sales  
Net profit margin = net profit / sales*

In the first half of 2015, the cost of sales increased by 13.4% while selling costs incurred by the Group increased by 18.2%, both in comparison with the first half of 2014. In the same period, employee benefits grew by 14.3%, primarily in the Israeli market. Whereas, employee benefits paid by the company of Asseco Poland S.A. decreased by 7.8%. Employee benefits constituted the largest portion of the Group's operating costs, accounting for over 53% of the total as compared with the level of 52.8% observed in the first half of 2014.

The key revenue drivers of Asseco Group are proprietary software and services which improved by 16.1%.

### Liquidity

In the first half of 2015, the Group's current, quick and absolute liquidity ratios were lower than in the first half of 2014. Yet they are still at a satisfactory level.

	30 June 2015	30 June 2014
Working capital (in PLN millions)	1,452.6	1,524.5
Current liquidity ratio	1.8	2.1
Quick liquidity ratio	1.6	2.0
Absolute liquidity ratio	0.6	0.8
Cash conversion rate	79%	79%

*Working capital = current assets - current liabilities  
Current liquidity ratio = current assets / current liabilities  
Quick liquidity ratio = (current assets - inventories - prepayments) / current liabilities  
Absolute liquidity ratio = (cash + short-term bank deposits) / current liabilities  
Cash conversion rate = FCF/adjusted EBIT  
FCF = CFO<sub>BT</sub> - CAPEX  
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees*

In the first half of 2015, the amount of working capital declined in relation to the comparable period last year as our current assets increased slower than

our current liabilities. The increase in current liabilities was caused mainly by the higher amount of short-term interest-bearing bank loans and borrowings, which grew by PLN 208.9 million in comparison with those reported as at 30 June 2014. Whereas, our current assets increased primarily due to the higher amount of trade receivables, which grew by PLN 316.1 million or 21.7% in relation to the comparable period.

### Debt

Our total debt ratio at the end of the first half of 2015 was higher than at the end of 2014, primarily to the larger amount of bank loans and borrowings drawn by Asseco Group companies, which grew from PLN 726.5 million as at 31 December 2014 to PLN 856.6 million as at 30 June 2015. The total amount of debt increased, among others, due to revolving bank loans drawn by the Parent Company (Asseco Poland).

In comparison with the first half of 2014, the Group's equity increased as well, by 6.6% to the total amount of PLN 8,052.4 million.

	30 June 2015	31 Dec. 2014	30 June 2014
Total debt ratio	26.4%	25.3%	24.7%
Debt/equity ratio	12.2%	10.8%	11.4%
Debt/(debt + equity) ratio	10.9%	9.7%	10.2%

Total debt ratio = (non-current liabilities + current liabilities) / assets

Debt/equity ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / equity

Debt/(debt + equity) ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / (interest-bearing bank loans + debt securities + finance lease liabilities + equity)

## Major events and factors with impact on our financial performance

### Polish market

The following table presents the key financial results generated by our Polish market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	762.8	812.1
EBIT	129.8	152.1
EBIT margin	17.0%	18.7%
Adjusted EBIT	137.8	161.2
Adjusted EBIT margin	18.1%	19.8%
EBITDA	173.2	197.7
EBITDA margin	22.7%	24.3%
CFO <sub>BT</sub>	111.3	159.2
CAPEX	(30.6)	(22.1)
FCF	80.7	137.1
Cash conversion rate	58.6%	85.0%
Cash and cash equivalents at the end of period	89.5	96.3
Interest-bearing debt at the end of period	(306.5)	(289.3)
of which bank loans, borrowings and bonds issued	(188.2)	(158.4)
of which finance lease liabilities	(118.3)	(130.9)

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization recognized in continuing operations

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> - CAPEX

Cash conversion rate = FCF/adjusted EBIT

In the first half of 2015, Asseco Poland continued to perform its existing contracts and commenced a number of new projects, resulting also from the recently won tendering procedures.

The decline in revenues for the first half of 2015 is attributable to the last year's high base (significant contracts in the energy industry in the first quarter of 2014), delays in the announcement of new public administration tenders, as well as lower sales of hardware (IT infrastructure) in the second quarter of 2015.

In the public administration sector, we have effectively adapted our organizational structure to a lower number of orders placed by the Social Insurance Institution (ZUS). We have successfully expanded our cooperation with the Agricultural Social Insurance Fund (KRUS) and received new orders under the comprehensive agreement for the Workflow System that was concluded in 2014. The Company signed a contract with the Agency for Restructuring and Modernization of Agriculture (ARMiR) to complete their Campaign 2015 project, which is meant to ensure the proper payment of financial subsidies for agricultural producers. This contract is worth PLN 34.7 million (gross).

The Company continued its expansion in the market for healthcare systems. During the second quarter of 2015, we signed successive agreements for the implementation of Asseco Medical Management Solutions (AMMS) at the hospitals in Lubliniec, Zabrze, Lublin, Głogów, and Zielona Góra. Asseco also signed contracts with 9 medical centers located in the Lower Silesia Province within the framework of e-Health project that aims at the implementation of electronic medical records in the region. At the end of June 2015, the AMMS system has been used already by 170 hospitals across Poland.

In the same period, the consortium of Asseco Poland and Kamssoft signed a contract with the National Healthcare Fund for support and maintenance of their information system. This IT system has been developed by the consortium to support the NHF in performing all of its statutory obligations.

Furthermore, the Company has completed the implementation phase of the project entitled "Gate to the Lublin Region – e-Government". The project provided the Lublin Province administration with an electronic platform for citizen services. In addition, nearly 700 local government bodies, including schools, libraries and Municipal Social Welfare Centers, have been connected into one electronic document circulation system, which enables efficient exchange of information. The project value amounted to PLN 15.2 million net.

In the first half of 2015, we launched a brand new software system for brokerage houses called PROMAK Foreign Markets, which enables brokerage customers to execute trades in foreign stock exchanges. The new solution of Asseco Poland has been already chosen by PKO BP Brokerage House. In the second quarter of the year, we also intensified our selling efforts addressed to brokers that have not used any Asseco solutions so far.

Asseco Poland has reinforced its position as a leading provider of software for cooperative banks. Core banking systems of the def3000 family have been implemented for the next cooperative banks, including in Pabianice, Aleksandrów Kujawski, and in Pisz. We have continued our cooperation with PKO BP, which is the largest bank in Poland and one of the largest financial institutions in the region. In the first quarter of 2015, Asseco specialists carried out a successful integration of IT systems used by PKO BP and Nordea Bank. In the second quarter, we fulfilled dozens of orders related to the bank's central system that was developed also by Asseco. We have also completed the implementation of a newly developed Customer Banking Platform (CBP) at one of Polish banks. CBP is an e-banking system based on the innovative concept to enable access to various functionalities by means of mini-applications.

Very good results were recorded also by Asseco Business Solutions (ABS), another of our subsidiaries listed on the WSE, which is specialized in the provision of ERP-class software and mobile sales force systems. In the first half of the year, ABS managed to improve its sales revenues, operating profit, as well as net profit. This was achieved by efficient execution of contracts, which were signed formerly or in the second quarter of 2015, with clients such as Reckitt Benckiser S.A., Dr Oetker Polska Sp. z o.o. (Connector Enterprise system), or BZWBK Faktor (Faktor Data Exchange). The company's latest solution – Mobile Touch – has been for the second time included in the report published by Gartner research firm, presenting 16 globally significant mobile solutions that support FMCG market leaders.

## Israeli market

The following table presents the key financial results generated by our Israeli market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	1,770.8	1,376.4
EBIT	144.0	85.8
EBIT margin	8.1%	6.2%
Adjusted EBIT	175.1	118.4
Adjusted EBIT margin	9.9%	8.6%
EBITDA	197.4	132.3
EBITDA margin	11.1%	9.6%
CFO <sub>BT</sub>	246.0	113.1
CAPEX	(30.7)	(28.4)
FCF	215.3	84.7
Cash conversion rate	123.0%	71.5%
Cash and cash equivalents at the end of period	680.0	667.3
Interest-bearing debt at the end of period	(585.0)	(495.4)
of which bank loans, borrowings and bonds issued	(580.6)	(489.9)
of which finance lease liabilities	(4.4)	(5.5)

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> - CAPEX

Cash conversion rate = FCF/adjusted EBIT

## Magic Software Enterprises

Magic Software reported strong financial results for the first half of 2015. It managed to improve its sales revenues, operating profit as well as net profit, despite the negative impact of foreign currency exchange rates (half of the company's revenues are generated in the U.S. market). Magic Software pursued its strategy of organic growth, while actively looking for acquisition opportunities. In the first half of the year, the company acquired 70% of shares in an Israel-based company specialized in the provision of IT services for large corporate clients and government organizations. In May, the company launched a new version of its flagship solution called Magic xpa 3.0, enabling enterprises to build their own applications quickly and cost-effectively. The upgraded version of this platform features extended functionality for the creation of mobile apps and is more powerful to work

with Big Data sets. The company also strengthened its presence in the Benelux markets by signing an agreement with Acuity, a leading provider of ICT services that has become the next distributor of Magic xpi integration platform.

## Matrix IT

Matrix IT is the largest IT company in Israel with a 19% share in that market. In the first half of 2015, the company recorded a significant increase in its revenues, operating profit as well as net profit. All of the company's operating segments improved their financial performance.

The company's business developed most dynamically in the U.S., where it has successfully managed to position itself as a reliable provider of IT solutions dedicated to financial institutions in the areas of regulatory compliance, fraud prevention, and anti-money laundering. Matrix IT's customers include major banks and financial institutions in the U.S. In this country, the company also performed a number of implementations of Business Intelligence solutions and built corporate portals.

During the recent months, Matrix intensified its efforts in cloud computing solutions and services by promoting its newly launched CloudZone software. The company has also commenced operations under a new brand – 8300, which offers IT products and services for business start-ups in a flexible model.

## Sapiens

During the first half of 2015, Sapiens continued to grow dynamically and strengthened its position as the world's second largest provider of IT solutions and services for the insurance industry. All the main lines of the company's income statement for the second quarter of 2015 increased in double digits in relation to the comparable period last year.

Sapiens consistently pursued its development strategy based on acquisitions and took over India-based IBEXI Solutions, thereby expanding its presence in the markets of India and Asia Pacific. IBEXI Solutions is an experienced team of 180+ employees working for 18 clients, including major financial institutions in India.

During the past six months, Sapiens won a number of new contracts and implemented its solutions for several key customers. Tradex Insurance Company, a leading automotive insurer in the UK, has chosen Sapiens IDIT solution as the main working environment for their data analysis and business processes. One of the five largest global financial institutions decided to extend its cooperation with Sapiens through a broader use of Sapiens DECISION, a

platform allowing to optimize decision-making processes in financial institutions. Products and services of this Israeli company have been also chosen by Tennessee Farmers Life Insurance Company, the largest provider of life insurance policies in the state of Tennessee, USA. Sapiens ALIS 6.5 system has been launched at Wesleyan, a UK-based insurance society that provides services for doctors, dentists, lawyers, and teachers. Wesleyan also decided to use another product developed by Sapiens – Closed Books, a platform for the management of insurance portfolios. Closed Books software has been made available for all European customers in the first half of 2015. The company, after only 11 months of work, has successfully implemented Sapiens ALIS solution at Altshuler Shaham, a leading investment house in Israel.

In the second quarter of 2015, Sapiens carried on with the processes aimed at improving its business efficiency by a greater involvement of IT specialists from India and Bulgaria, and continued to invest in its product pipeline. Based on its strong results for the first half of year and a favourable outlook for the remainder of the year, Sapiens has raised its 2015 full-year guidance for sales revenues to be in a range of USD 176-180 million, and operating margin to be in a range of 14%-14.5%.

### Central European market

The following table presents the key financial results generated by our Central European market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	235.6	222.7
EBIT	25.7	25.9
<i>EBIT margin</i>	10.9%	11.6%
Adjusted EBIT	26.4	29.0
<i>Adjusted EBIT margin</i>	11.2%	13.0%
EBITDA	33.4	36.1
<i>EBITDA margin</i>	14.2%	16.2%
CFO <sub>BT</sub>	14.7	55.1
CAPEX	(4.0)	(10.3)
FCF	10.7	44.8
Cash conversion rate	40.5%	154.5%
Cash and cash equivalents at the end of period	125.8	120.4
Interest-bearing debt at the end of period	(3.5)	(2.5)
<i>of which bank loans, borrowings and bonds issued</i>	(3.3)	(2.1)
<i>of which finance lease liabilities</i>	(0.2)	(0.4)

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> – CAPEX

Cash conversion rate = FCF/adjusted EBIT

This market is represented by Asseco Central Europe (ACE), a group listed on the WSE. In the first half of 2015, this group of companies achieved a 7% growth in total sales (presented in EUR), while its revenues from proprietary software and services improved by 15%.

Such revenue growth was driven chiefly by higher sales in Slovakia as well as in the companies of Asseco Solutions (Slovakia, Czech Republic, and Germany). Stronger results in Slovakia resulted primarily from the execution of contracts in the sectors of public administration and banking. The company also started to get involved in new types of projects based on consulting and integration services. In the first half of 2015, ACE concluded two new significant contracts with Slovenská sporiteľňa, the largest commercial bank in Slovakia, as well as with Poštová banka. New clients were attracted by HELIOS Green system distributed in the Czech Republic by Asseco Solutions,

as well as by APplus marketed in Germany by Asseco Solutions AG.

The prevailing uncertain situation in Czech public procurements (e.g. blocked funds from the EU budget) resulted in a decline of our revenues in this country, which was partially compensated by business growth in the neighbouring Slovakia.

Favourable results for the first half-year were reported by Asseco Solutions, a group formed by combining three companies, which is our competence center for ERP systems in Central Europe. Substantial stronger results were recorded also by our subsidiary GlobeNet, a leading provider of IT solutions for the Hungarian healthcare market.

### Western European market

The following table presents the key financial results generated by our Western European market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	274.0	237.1
EBIT	9.2	16.0
EBIT margin	3.4%	6.7%
Adjusted EBIT	11.2	17.3
Adjusted EBIT margin	4.1%	7.3%
EBITDA	18.1	23.2
EBITDA margin	6.6%	9.8%
CFO <sub>BT</sub>	(6.3)	22.2
CAPEX	(5.0)	(4.8)
FCF	(11.3)	(27.2)
Cash conversion rate	(100.9%)	(157.2%)
Cash and cash equivalents at the end of period	107.8	116.6
Interest-bearing debt at the end of period	(45.3)	(49.2)
of which bank loans, borrowings and bonds issued	(44.6)	(49.0)
of which finance lease liabilities	(0.7)	(0.2)

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> - CAPEX

Cash conversion rate = FCF/adjusted EBIT

Asseco Group recorded stronger revenues in two major regions of its Western European operations, this is in Spain as well as in Germany, Austria and Switzerland.

Our key revenue driver in the market of Western Europe is Asseco Spain. In the first half of 2015, this company benefited from the improving macroeconomic situation in Spain and signed a number of new contracts, both with public institutions and large international corporations, which contributed to a significant growth in its sales revenues. Thanks to its extensive experience in mobile equipment, the company signed an agreement with a telecom company to migrate tens of thousands of smartphones to the Android operating system. In the second quarter of 2015, the company also signed a contract to supply Apple devices to one of the largest clothing manufacturers in the world. Furthermore, Asseco Spain finalized an agreement to provide software for the Spanish Trade Union of Nurses. The company also commenced the execution of a project aiming to deploy automated ticket vending machines for a leading seller of public transportation tickets in Spain.

In the first half of the year, higher sales were generated also in the DACH region (Germany, Austria, Switzerland) which is represented primarily by Matrix42, a provider of innovative software and device lifecycle management applications. In the period reported, the company's products have been chosen, among others, by GKN Group HQ PLC, a world leading engineering group that is going to use Matrix42's software to manage its physical working environment. Moreover, the company gained a new distributor of its solutions for the region of Great Britain and Ireland. In addition to preparing upgraded versions of its existing IT solutions, the company launched a new software product called IT Pass, which will facilitate the process of logging into multiple working environments on a variety of devices.

The quality and innovativeness of IT products developed by this subsidiary of Asseco Group has been recognized by the research firm Experton, which named Matrix42 a leading provider of software for managing smartphones, tablets, laptops and desktops for the third year in a row. The company has been also, for the fifth consecutive year, placed on the Magic Quadrant for Client Management 2015, the IT industry's renowned report prepared by Gartner.

Higher sales, operating profit and net profit were achieved also by Asseco Denmark, a Danish subsidiary of Asseco Group which is specialized in the production of software for financial institutions, and in particular

for insurance companies obliged for reporting under the Solvency II framework. In the first half of 2015, the company enjoyed a growing demand for its flagship product – SII Engine. Its existing customers from outside Denmark have successfully completed the first part of Solvency reporting with the help of SII Engine. Moreover, this solution gained several new clients, based in Denmark as well as in other EU countries. At present, SII Engine is used by more than 50 clients from Denmark, Norway, Sweden, Finland, Romania, Greece, and the Baltic States. With 35 clients in the local market, Asseco Danmark is the number one provider of such software in Denmark.

### South Eastern European market

The following table presents the key financial results generated by our South Eastern European market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	219.7	219.5
EBIT	23.9	18.3
EBIT margin	10.9%	8.3%
Adjusted EBIT	23.9	18.3
Adjusted EBIT margin	10.9%	8.3%
EBITDA	38.1	28.6
EBITDA margin	17.3%	13.0%
CFO <sub>BT</sub>	22.5	26.8
CAPEX	(19.5)	(36.7)
FCF	3.0	(9.9)
Cash conversion rate	12.6%	-54.1%
Cash and cash equivalents at the end of period	74.9	66.7
Interest-bearing debt at the end of period	(41.7)	(38.1)
of which bank loans, borrowings and bonds issued	(39.9)	(36.9)
of which finance lease liabilities	(1.8)	(1.2)

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> – CAPEX

Cash conversion rate = FCF/adjusted EBIT

This market is represented by Asseco South Eastern Europe, which is listed on the WSE (ASEE). In the first half of 2015, ASEE reported favourable results, managing to significantly improve its operating profit and net profit in comparison to the first half of 2014.

In line with the adopted development strategy, ASEE increased the share of proprietary solutions in its total sales, which exceeded 60% at the end of the second quarter. This was achieved by reducing the share of revenues from system integration operations (which equalled 37% in the first half of 2015) in favour of the company's payment and banking solutions.

ASEE has continued to grow in the payment solutions segment, which is its most dynamically developing business line. In the second quarter of 2015, sales revenues generated by this segment increased by 10% in comparison to the second quarter of 2014, while its operating profit improved by 15%.

In the second quarter of 2015, ASEE signed its first contract in Africa involving the provision of its NestPay software for a telecommunications company in Morocco. Whereas, the mobile payments solution mPayment has been provided to an international bank operating in Romania. Moreover, the company delivered 148 automated teller machines to one of the leading banks in Croatia as well as 50 ATMs to Kosovo. The development of the company's banking solutions segment was continued, among others, by implementing a core banking system for Ziraat Bank in Montenegro and Kosovo. Furthermore, the company signed an agreement to provide its proprietary financial fraud detection software for the Italian Credem Bank. Another new contract was concluded to supply a transaction authentication solution for Sberbank in Slovenia.

In the second quarter of 2015, the company continued the process of restructuring of its operations in Croatia and Kosovo.

## Eastern European market

The following table presents the key financial results generated by our Eastern European market segment:

PLN millions	6 months ended 30 June 2015	6 months ended 30 June 2014
Sales revenues*	42.2	45.2
EBIT	2.9	(2.7)
EBIT margin	6.9%	(6.0)%
Adjusted EBIT	4.8	0.5
Adjusted EBIT margin	11.4%	1.1%
EBITDA	6.3	1.5
EBITDA margin	14.9%	3.3%
CFO <sub>BT</sub>	(0.1)	4.5
CAPEX	(0.4)	(4.8)
FCF	(0.5)	(0.3)
Cash conversion rate	(10.4%)	(60.0%)
Cash and cash equivalents at the end of period	12.0	17.2
Interest-bearing debt at the end of period	-	-
of which bank loans, borrowings and bonds issued	-	-
of which finance lease liabilities	-	-

\* Segment's sales to external customers

EBIT = operating profit

Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFO<sub>BT</sub> = cash generated from operating activities, before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = CFO<sub>BT</sub> - CAPEX

Cash conversion rate = FCF/adjusted EBIT

The Eastern European market is represented primarily by R-Style Softlab, one of the major providers of software to the Russian banking sector. In the first half of 2015, the company's sales revenues were slightly lower than in the first half of 2014. This was basically a consequence of the devaluation of the Russian ruble against foreign currencies, including the Polish zloty. If presented in the local currency, sales generated by the company in the first half of 2015 were actually higher than a year ago, just as its operating profit and net profit.

In the second quarter of 2015, the company initiated the implementation of online banking services for Sberbank Online in Kazakhstan. It also completed the project of implementing a core banking system for Eurasian Bank, its new client based in Moscow. Furthermore, the company completed an online banking project at Zemsky Bank and signed a new contract to build a data warehouse for a leading bank in Belarus.

The quality of software solutions and competence of R-Style Softlab have been recognized by Markswebb Rank&Report, a Russian banking industry analytical firm. Two online banking solutions implemented by our company have ranked in the top five projects assessed by Markswebb.

## Significant events with impact on Asseco Group operations after 30 June 2015

- On 27 July 2015, Asseco Poland S.A. and Sapiens International Corporation (Sapiens) signed an agreement under which the Company sold all the shares in its subsidiary Insseco Sp. z o.o. (Insseco), representing 100% of its share capital. The transaction was finalized by transferring the ownership of these shares on 18 August 2015. Insseco is a center of competence dedicated to the insurance industry, which provides IT services for major insurers operating in Poland. Whereas, Sapiens is the second largest global provider of software solutions for the insurance industry. The sale of Insseco to Sapiens is intended to strengthen Asseco Group's expertise in insurance software and more efficient use of the development potential of Sapiens. This transaction will provide Insseco specialists with access to state-of-the-art know-how, while Sapiens will benefit from the ability to offer its products and services to other customers in Poland and in the region and thus reinforce its position in the European market. For Asseco Poland, the conducted transaction is a continuation of the process of streamlining the organizational structure of Asseco Group.
- On 17 July 2015, Asseco Systems S.A. and Asseco Poland S.A. signed an agreement on the acquisition of shares in exchange for a non-cash contribution of shares in three companies, namely ZUI Otago Sp. z o.o., ADH Soft Sp. z o.o., and Combidata Poland Sp. z o.o. On 5 August 2015, the company of Asseco Systems S.A. was renamed as Asseco Data Systems S.A. (ADS). Created by combining 6 Polish subsidiaries of Asseco Group, ADS will have a strong market position as a provider of proprietary software (both standard and customized), third-party software, applications for the Social Insurance Institution (ZUS) and the Agricultural Social Insurance Fund (KRUS), as well as IT infrastructure solutions. The company's offering will supplement sectoral solutions provided by Asseco Poland to large companies, corporations and central public institutions.

- In July 2015, the Management Board of Asseco Central Europe signed an agreement to acquire 66% of shares of a new company established in Slovakia. The purchase price amounted to EUR 3,173 thousand and has been fully paid.
- On 24 August 2015, we passed a resolution on the merger of Asseco South Western Europe S.A. (the taking-over company) and Asseco DACH S.A. (the acquired company) by transferring all the assets of Asseco DACH to Asseco South Western Europe in exchange for new shares to be issued by Asseco South Western Europe and allocated to shareholders of Asseco DACH. In addition, Asseco South Western Europe S.A. changed its corporate name to Asseco Western Europe S.A. It was just another transaction conducted within Asseco Group in order to streamline its organizational structure.

Significant events with impact on Asseco Group operations after 30 June 2015 have been described in detail in explanatory note 24 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

## Non-recurring events with impact on our financial performance

Non-recurring events with impact on our financial performance in the first half of 2015 and in the comparable period were as follows:

- The sale of Insseco company to Sapiens which has been described in detail in explanatory note 24 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015. This transaction had a neutral effect on the financial results of the Group.
- In the first half of 2015, Asseco Poland S.A. decided to create an allowance for its trade receivables from Mostostal Warszawa. As a result of this charge, our net profit decreased by PLN 6.8 million.

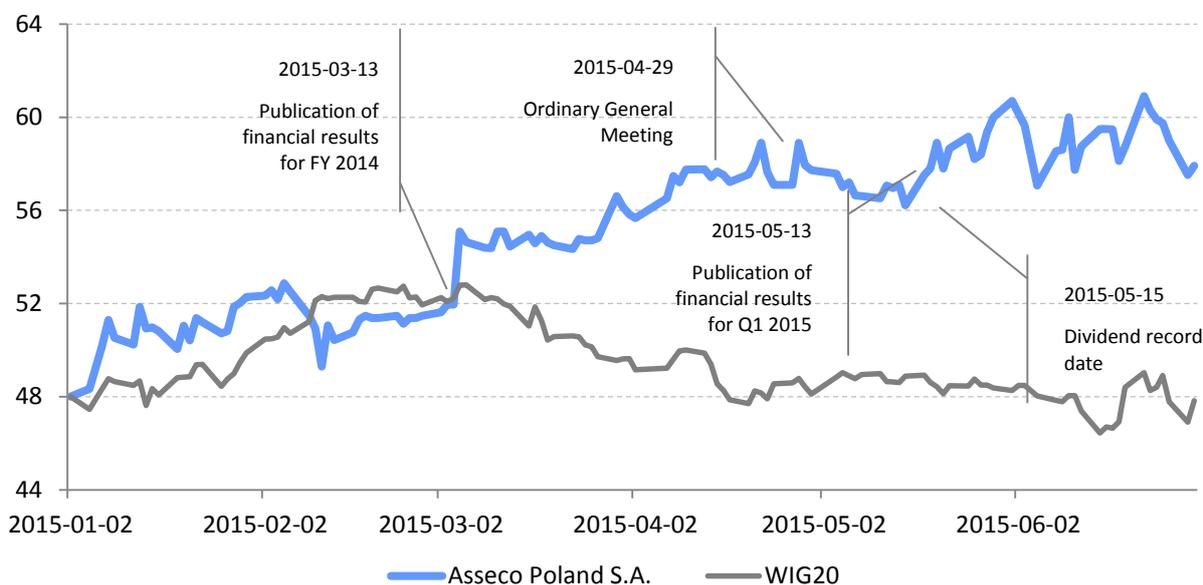
Events with impact on our financial performance in the comparable period, this is in the first half of 2014, were as follows:

- In the first half of 2014, Asseco Central Europe a.s., a subsidiary of Asseco Poland S.A., signed an agreement to sell all the shares in Slovanet a.s. The operations of Slovanet did not match the development strategy adopted by Asseco Central Europe, hence the company decided to dispose of that business. As a result of this transaction, our net profit for the first half of 2014 increased by PLN 8.4 million.
- In the period of 6 months ended 30 June 2014, the Group recognized PLN 28.1 million of income resulting from the reversal of allowances for commercial papers and other receivables from Prokom Investments as all of such receivables have been entirely settled by Prokom. Moreover, following the settlement of our receivables by Prokom, the Group recognized an interest income of PLN 3.0 million representing formerly unrecognized interest on receivables from Prokom.

#### **Opinion on feasibility of investment plans**

Asseco Group companies pay their trade payables, settle their compulsory state charges, and fulfil their investment obligations on a timely basis. Our companies maintain loan facilities at various banks in order to diversify their sources of financing. The companies pay their liabilities from current operating revenues which may be supplemented with third-party financing, in the form of short-term bank overdraft facilities, bank loans, borrowings, or capital contributions.

## Asseco Poland S.A. in the capital market



	2015-01-02	2015-03-31	2015-06-30	6M change
<b>Asseco Poland S.A. (PLN)</b>	<b>48.00</b>	<b>56.14</b>	<b>57.91</b>	<b>20.64%</b>
WIG20 (points)	2,309.39	2,395.9	2,317.84	0.36%
WIG (points)	51,378.00	54,091.32	53,328.98	3.79%
WIG-Info (points)	1,383.79	1,570.55	1,639.99	18.5%

In the first half of 2015, the main indices of the Warsaw Stock Exchange (WSE) recorded modest gains. The broad market benchmark WIG appreciated by 3.79%, while the blue-chip index WIG20 added a symbolic 0.36%.

The WSE stock quotes were influenced by both local and foreign factors. In the first half of the year, we observed significant cash inflows into national investment funds (TFI), which invested a large portion of such new money in the Polish market. The stock market was also affected by political developments, including the presidential elections and the forthcoming parliamentary elections. Macroeconomic indicators published in the first half-year showed the Polish economy is in good condition and the labour market in particular.

Other important factors affecting the stock market sentiment included the uncertain economic situation in Greece, the Ukrainian conflict, as well as China's slowing economy.

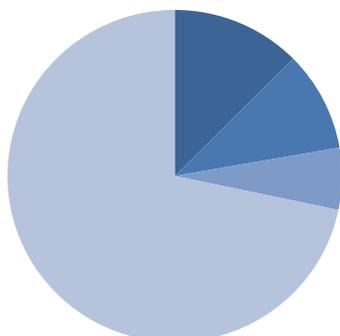
The IT industry index, WIG-Info, in which Asseco Poland has a considerable share, performed much better than the broad market. Apart from strictly business-related factors, the Company's stock price may have been influenced by the distribution of a dividend for 2014.

### Company's stock information

<b>Total number of shares</b>	<b>83,000,303</b>
ISIN	PLSOFTB00016
WSE	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW

## Shareholder structure

### Major Shareholders as at 27 August 2015



- AVIVA BZ WBK Pension Fund holds 10,400,000 shares representing 12.53% of voting rights
- Adam Góral holds 8,083,000 shares representing 9.74% of voting rights
- PZU Pension Fund holds 5,000,000 shares representing 6.02% of voting rights
- Other shareholders hold 52,130,745 shares representing 71.71% of voting rights

To the best knowledge of the Company's Management Board, as at the date of publication of this report, i.e. on 27 August 2015, the Shareholders who, either directly or through their subsidiaries, hold at least 5.0% of total voting rights are as follows:

Shareholders as at 27 August 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund <sup>1)</sup>	10,400,000	12.53%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU Open Pension Fund <sup>1)</sup>	5,000,000	6.02%
Other shareholders	59,517,303	71.71%
	<b>83,000,303</b>	<b>100%</b>

1) According to the number of votes exercised at the OGMS held on 29 April 2015.  
2) According to Adam Góral's notification received by the Company on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.

According to the best knowledge of the Management Board of Asseco Poland S.A., as at 30 June 2015, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Shareholders as at 27 August 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund <sup>1)</sup>	10,400,000	12.53%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU Open Pension Fund <sup>1)</sup>	5,000,000	6.02%
Other shareholders	59,517,303	71.71%
	<b>83,000,303</b>	<b>100%</b>

1) According to the number of votes exercised at the GMS held on 29 April 2015.  
2) According to Adam Góral's notification received by the Company on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.

To the best knowledge of the Company's Management Board, as at the publication date of the prior report, i.e. on 13 May 2015, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Shareholders as at 13 May 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund <sup>1)</sup>	10,400,000	12.53%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU Open Pension Fund <sup>1)</sup>	5,000,000	6.02%
Other shareholders	59,517,303	71.71%
	<b>83,000,303</b>	<b>100%</b>

1) According to the number of votes exercised at the OGMS held on 29 April 2015.  
2) According to Adam Góral's notification received by the Company on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.

### Shares held by the management and supervisory personnel

The numbers of Asseco Poland shares held by its management and supervisory staff are presented in the table below:

	27 August 2015	30 June 2015	31 March 2015
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	31,458
Adam Góral – President of the Management Board	8,083,000	8,083,000	8,083,000
Tadeusz Dyrka – Vice President of the Management Board	3,710	21,742	21,742
Robert Smułkowski – Vice President of the Management Board	2,212	2,212	2,212

The remaining members of the Supervisory Board and Management Board did not hold any shares in Asseco Poland S.A. in any of the above-mentioned periods.

## Discussion of significant risk factors and threats

### Risk related to intensified competition

The Group's operations are under the pressure of intense competition both from local players and international IT corporations. Competitors with global reach are getting continually stronger as they have got faster access to innovative technological solutions, but also to cheaper sources of funds which makes it possible to finance large contracts more efficiently. It is not certain whether the increasing competition will have no significant adverse impact on the Group's operations, financial position, financial results and future development outlook.

### Risk related to technological changes in the industry and development of new products

The IT sector is characterized by rapid development of new solutions and technologies, which shorten the lifecycle of products. Therefore, the future success of Asseco Group will largely depend upon our capability to incorporate the latest technological solutions into our products and services. In order to maintain the competitive advantage in this market, it is necessary to conduct research work and to invest in new products. Asseco keeps on monitoring the present information technology trends and develops and upgrades its business offer accordingly. However, there is still a risk that the market will receive new products, which will cause our products and services to become less attractive, and eventually not as profitable as expected. Additionally, it cannot be taken for granted that the new solutions which are, or will be, created or developed by the Group companies will satisfy the technological requirements, and whether they will be accepted positively by their potential users. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

### Risk related to market saturation

Technological saturation that begins to emerge in the Polish banks and private enterprises may prompt them to focus their strategies on smaller or mid-size IT projects that would address their current needs only. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

### Risk related to consolidation of the banking sector

The banking and finance sector is the place of ongoing consolidation processes. There is a risk that consolidators of this sector will force the acquired financial institutions to use their global IT solutions, which may slow down the process of gaining new contracts or even result in termination of already concluded contracts. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group.

### Risk related to carrying out of public tenders

Delays in finalization of the tendering procedures for delivery of IT infrastructure for the public administration may result in unstable revenues from this sector. If combined with unsatisfactory utilization of the EU funds granted for improving innovation at public offices, this might substantially reduce the local demand for IT services and thereby exert a negative impact on the operations, financial position, financial results and prospective development of Asseco Group.

### Risk involved in gaining new contracts

It is characteristic of the IT business that most of contracts of Asseco Group are awarded under tendering procedures. Therefore, it is not certain whether the Group companies will be able to gain such new contracts that would ensure sufficiently high and satisfactory revenues in the future. These factors might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

### Risk related to the global macroeconomic situation

Development of the IT services sector is closely correlated to the overall economic prosperity. The main factors affecting financial results of Asseco Group companies include the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, as well as the rate of inflation in countries where the Group companies conduct their operations. These factors might have an adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

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

The implementation of contracts with key clients will heavily impact the level of sales revenues generated by Asseco Group in the coming years. It cannot be precluded that a potential loss of any major client, deterioration in the financial terms for provision of services, or potential compensatory claims would have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group.

### **Risk of increasing cost of work**

Salaries account for over 70% of costs related to the implemented projects. Taking into account such high human resource requirements, an increase in salaries would squeeze the margins achieved on projects, and consequently have an unfavourable impact on the Group's financial results.

In order to manage the risk of higher cost of work, Asseco Group takes a number of measures which can help reduce potential negative effects of rising salaries. Among other things, the Group (i) employs people in many geographical regions aiming to diversify that risk, (ii) continually monitors the level of salaries in the market not to be taken by surprise, and (iii) tries to maintain an appropriate structure of employment within particular levels of competence.

### **Risk related to offshoring**

Development of information technology services provided offshore to the customers based in the countries where Asseco conducts direct business operations may eventually trigger off stronger competition in those markets. On the other hand, offshoring investments located in the countries where Asseco operates may bring about higher competition in the local labour markets. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

### **Foreign currency risk**

The currency used by Asseco Group for presentation of its financial results is the Polish zloty (PLN). Moreover, functional currencies of the Group's foreign subsidiaries are the local currencies of the countries where they operate. Consequently, assets of such subsidiaries or groups need to be translated into PLN, and therefore their values presented in the consolidated financial statements may change as they remain under the influence of foreign exchange rates against PLN.

### **Interest rate risk**

Changes in the market interest rates may have a negative influence on the financial results of Asseco Group. The Group is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) change in the value of interest charged on loan facilities granted by external financial institutions, which are based on variable interest rates, and (ii) change in valuation of the concluded derivative instruments, which are based on the forward interest rate curve.

In order to manage its interest rate risk: (i) the Group tries to avoid taking loans based on a variable interest rate, and (ii) if the first precaution is not possible, the Group may conclude forward interest rate agreements.

### **Risk of changes in regulations and their interpretation**

Frequent amendments, lack of cohesion and uniform interpretations of the provisions of law, concerning in particular the tax regulations, banking law, insurance law (inclusive of social insurance), public procurement law, personal data protection law, regulations pertaining to trading in securities and public offering, and commercial companies law, give rise to the regulatory risk occurring in the environment in which Asseco Group operates. The tax regulations and their interpretations are more than others prone to numerous changes. Practices of the internal revenue administration and the court judicature are not uniform in this domain. In the event the taxation authorities take a position that is different from our interpretation of tax regulations, the Group's operations, economic situation and financial results may be exposed to negative consequences thereof. Such risk may be materializing especially due to potential doubts expressed by the taxation authorities over the transactions the Parent Company conducts with its related parties. This might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group.

### **Risk of potential legal disputes concerning copyrights**

Development of Asseco Group operations in the market of IT products depends to a large degree on ownership of intellectual property rights, especially copyrights to computer programs. Because of a variety of legal regulations pertaining to the protection of intellectual property that are applicable in the countries where Asseco Group operates, in some circumstances there may be doubts as to the effectiveness of transferring of copyrights in the software codes compiled by employees in favour of their employers (Asseco companies). In order to

prevent such situations, any employment contracts or other contracts under which employees provide their services to the Group companies must include adequate provisions to effectively assign such employee's copyrights in software to the Group companies.

**Risk of losing the clients' trust**

Operations of Asseco Group companies are to a large extent based on the customers' trust. Implementation of an IT system, which has critical importance for the customer's business, usually results in signing a long-term agreement with the system user. The quality of solutions and services provided to such clients determines their confidence in the Asseco brand. In the event the quality of delivered products and services was poor, our customers might lose their trust in Asseco, which might hurt our reputation in the market and make it impossible to continue successful business operations.

**Risk of underestimation of the project cost**

Most of Asseco Group's profits are derived from the execution of complex information technology projects carried out under long-term agreements with a predefined remuneration. Implementation of such projects requires very good planning both in terms of the schedule of work and the resources needed to provide the promised scope of the contract. Here the Group follows complex procedures, which on one hand facilitate the process of preparation of reliable plans and on the other hand prevent the incurrence of unexpected costs.

In order to manage the risk of the project cost underestimation, the Group applies the methods (either based on the world recognized standards or proved by own experience) for estimation of the project costs, preparation of work schedules, and identification of risks that may hinder timely, professional or financial performance under a contract.

**Risk of concluding a contract with a dishonest customer**

Asseco Group is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and good will of customers to whom the Group companies provide their IT solutions, and secondly with the financial credibility of contractors with whom supply transactions are concluded.

Hence, the risk control measures usually consist in monitoring the timely execution of bank transfers and, if needed, sending a reminder of outstanding payment. In the case of smaller clients, it is quite helpful to monitor their industry press as well as to

analyze previous experience gathered by ourselves and by our competitors, etc.

**Risk related to software licenses**

Asseco Group utilizes IT software licenses granted under legal agreements concluded with the world's leading providers of utility software and thematic applications, such as Business Objects, HP, IBM, Microsoft, Oracle, and SAS Institute. With the help of such solutions and technologies, Asseco Group develops its most important products. Termination of any licensing agreements or limitation of our ability to use such software, especially of IBM and Oracle, might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

**Risk of inability to effectively integrate the taken-over companies or to achieve the intended rates of return on acquisitions or investments**

Asseco Group implements the strategy of development through acquisitions of or capital investments in IT companies. Valuation of the future acquisitions or investments will depend on the market conditions as well as on other factors beyond the Asseco's control. It cannot be entirely precluded that the investor company may be unable to accurately estimate the values of undertaken acquisitions or investments. There is also a risk that earnings generated by the acquired or investee companies fall short of the initial estimates which might prevent us from achieving the rates of return that were originally expected from such transactions.

**Risk involved in insufficient insurance coverage**

Business activities conducted by the Group companies, including production and supply of software as well as implementation of integration projects, give rise to a risk of damages that may be incurred by the Group clients or their end customers as a result of defective operation or failure of the products delivered by Asseco, whether attributable to its negligence or not. The agreements concluded by the Group companies provide for contractual penalties in the event of non-performance or improper performance of obligations. Any claims for compensation in excess of the guarantee amounts under the carried insurance policies might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

**Risk related to losing the key personnel**

Asseco Group's operations and development outlook depend to a large extent on the knowledge, experience and professional qualifications of its employees, who implement the IT projects. A substantial demand for IT specialists and the competitors' activities may induce the key personnel to leave our organization, and also make it quite difficult to recruit new employees with suitable knowledge, experience and professional qualifications. Still there is a risk that resignation by the key personnel would have a negative impact on the execution of IT contracts conducted by the Group companies, as well as on ensuring the required quality and range of services provided. This in turn might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Group.

**Risk of business continuity**

Occurrence of an emergency situation at one of Asseco Group companies may impair our ability to continue to provide services to our clients, which in turn may lead to delays, failure to comply with our obligations, claims for damages, or loss of reliability for our clients. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group.

**Risk of data leakage**

As a result of deliberate actions of third parties or dishonest employees, as well as mistakes or carelessness of our employees or contractors, confidential data of the Group companies or of their clients may be disclosed to unauthorized persons. Such circumstances might have an adverse impact on the perception of Asseco Group by our clients, and consequently on the Group's operations, financial position, financial results and prospective development.

**Risk of property damage**

As a result of abuse or errors committed by employees of the Asseco Group companies, the Group may suffer damage to its property. Such circumstances might have an adverse impact on the Group's financial condition and business continuity, and consequently on the Group's operations, financial position, financial results and prospective development.

**Personnel policy risk**

The Group companies may incur costs in connection with legitimate or illegitimate claims filed by their employees on the grounds of discrimination, working conditions, etc. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group companies.

## OTHER INFORMATION

### Opinion on feasibility of the Management Board financial forecasts for 2015

The Management Boards of Asseco Group companies did not publish any financial forecasts for the year 2015 or for subsequent financial periods.

### Changes in the Company and Group management policies

During the first half of 2015, the Group's management practices remained unchanged.

### Agreements concluded by Asseco Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions

The Group companies did not conclude any agreements with their management officers that would provide for payment of compensations in the event such persons resign or are dismissed from their positions without substantial reason, or when they are dismissed as a result of a company merger by acquisition.

### Changes in capital relationships

Changes in the Group's equity relationships have been presented in section III of Supplementary Information to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

### Related party transactions

Transactions with our related parties have been presented in explanatory note 20 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

### Bank loans, borrowings, sureties and guarantees

Bank loans drawn, loans granted, and sureties and guarantees granted have been described in explanatory note 16 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

### Off-balance-sheet items

The nature, purpose and value of significant off-balance-sheet items have been presented in explanatory note 22 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015.

### Information on monitoring of the Issuer's employee stock option plans

As at the date of preparation of this report, the Company did not run any share-based employee incentive scheme.

### Information on judicial proceedings where the value in dispute exceeds 10% of the amount of equity

At the publication date of this report, the Group companies were not a party to any proceedings pending before any court, arbitration authority or public administration authority, under which the value in dispute would exceed 10% of the Group's equity.

This Management Report on Operations has been approved for publication by the Management Board of Asseco Poland S.A. on 27 August 2015.

## Contacts

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### Investor Relations Department

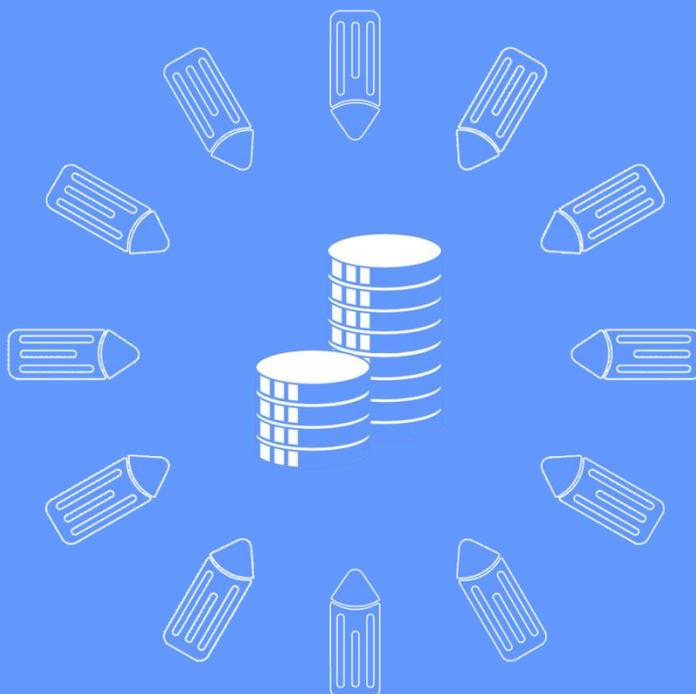
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**STATEMENTS BY THE MANAGEMENT BOARD OF ASSECO POLAND S.A.  
TO THE SEMI-ANNUAL REPORT OF ASSECO GROUP**

for the period of 6 months ended 30 June 2015



**Statement by the Management Board of Asseco Poland S.A. on the reliability of preparation of the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015**

The Management Board of Asseco Poland S.A. hereby declares that, to the best of its knowledge, the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015 and comparable data contained therein have been prepared in compliance with the applicable accounting standards, this is with the International Accounting Standard 34 *Interim Financial Reporting* as endorsed by the European Union.

Furthermore, the Management Board declares that the presented data give a true, reliable and fair view of the Group's assets, financial position and financial performance. The report on operations of Asseco Group provides a fair description of the development, achievements and economic position of the Group, inclusive of major risks and threats to its operations.

Adam Góral  
President of the Management Board

Przemysław Borzestowski  
Vice President of the Management Board

Andrzej Dopierała  
Vice President of the Management Board

Tadeusz Dyrga  
Vice President of the Management Board

Rafał Kozłowski  
Vice President of the Management Board

Marek Panek  
Vice President of the Management Board

Paweł Piwowar  
Vice President of the Management Board

Zbigniew Pomianek  
Vice President of the Management Board

Włodzimierz Serwiński  
Vice President of the Management Board

Przemysław Sęczkowski  
Vice President of the Management Board

Robert Smułkowski  
Vice President of the Management Board

**Statement by the Management Board of Asseco Poland S.A. on the entity authorized to audit the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015**

The Management Board of Asseco Poland S.A. hereby declares that the entity authorized to audit the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2015, namely Ernst & Young Audyt Polska Sp. z o.o. Sp.k., seated in Warsaw, has been chosen in accordance with the provisions of the law in force. This entity as well as certified auditors, who reviewed these financial statements, satisfied the conditions for issuing an impartial and independent report on such review, in line with the applicable regulations and professional standards.

Adam Góral  
President of the Management Board

Przemysław Borzestowski  
Vice President of the Management Board

Andrzej Dopierała  
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