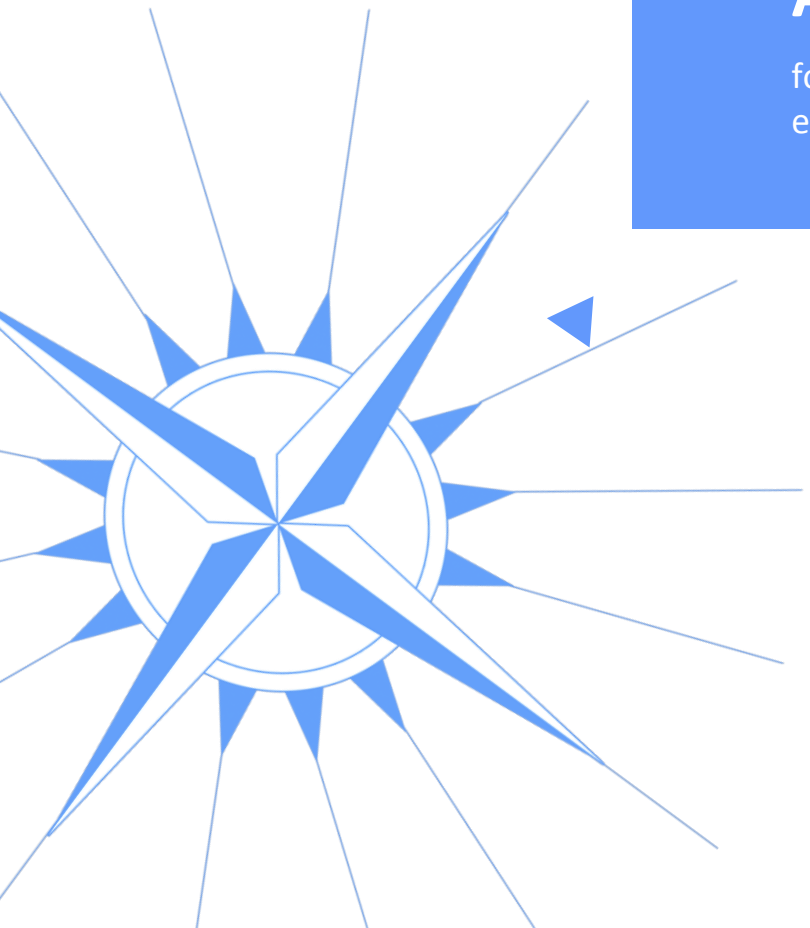
ASSECO POLAND

solutions for demanding business

SEMI-ANNUAL REPORT ON BUSINESS OPERATIONS OF ASSECO GROUP

for the period of 6 months
ended 30 June 2013



Present in over

30

countries

2,784 m

in sales revenues for H1 2013

16,547

highly committed employees

247 m

in net profit for H1 2013

254 m

of dividends paid for 2012

7th

largest software vendor in Europe

SEMI-ANNUAL REPORT ON BUSINESS OPERATIONS OF ASSECO GROUP

for the period of 6 months ended 30 June 2013

PRESIDENT’S LETTER

PRESIDENT'S LETTER

Dear Shareholders,

The first six months of 2013 years brought further stable growth of Asseco Group. We generated nearly PLN 2.8 billion in sales revenues, achieving a 4% increase as compared with the corresponding period last year. Operating profit reached PLN 328 million, remaining at a similar level as a year ago, while net profit attributable to shareholders of the parent company amounted to PLN 180 million. We are pleased with the value of our order backlog for the next six months. The backlog totals PLN 5.2 billion and is 6% higher than in the comparable period of 2012, providing a favourable outlook for the whole year of 2013.

We consistently pursue our strategy focusing on both organic growth and further company acquisitions. Asseco Poland together with the Group companies carry on working with our major clients and are very active in gaining new contracts. Due to the economic slowdown experienced in many regions where Asseco is present, we are facing customer pressure on margins, and therefore one of our primary objectives is to sustain a stable level of our operating margin. The development of Asseco is possible thanks to the increasing sales of our proprietary software solutions. In the first half of 2013, such revenues reached nearly PLN 2.2 billion, accounting for 78% of our total sales. We continue to invest money in the research and development of Asseco's key products.

We are successful in the process of building our global IT company. Having devoted several years to analyzing the markets of Russia and former Soviet republics, Asseco Poland has launched its business operations in Russia and Georgia. The Group has been joined by R-Style Softlab, a leading supplier of IT solutions for banking, as well as by Onyx Consulting (presently Asseco Georgia), a provider of consulting and implementation services for the sectors of banking, insurance and public administration. The Group's further expansion plans anticipate focusing on emerging markets. We will pay particular attention to the analysis of growth opportunities on the African continent.

In parallel to implementing our investment plans, Asseco continues to concentrate on its core business where the Group has a strong competitive advantage, this is on the production and development of our own state-of-the-art IT solutions for the largest institutions in Europe and around the world.

On behalf of the Management Board of Asseco Poland S.A. and managers of the Group companies, I would like to sincerely thank all our Clients, Employees and Shareholders for their contribution in the development of our common project. I am convinced that consistent implementation of our business strategy will bring measurable benefits to all of us.

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 3.5 billion (USD 1 billion), it is included in the prestigious WIG20 index.

Asseco Poland is a unique combination of a software house and a service provider. We are 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, healthcare institutions, local and central public administration bodies, as well as by the uniformed services.

Over the twenty years of persistent implementation of our development strategy, which focuses on gaining expertise and development of proprietary software, we have become a leader in the Polish information technology market and accumulated the necessary potential to build a global company. Asseco Poland lays a solid foundation for Asseco Group that is created through continuing acquisitions of high-tech companies. We are present in most of the European countries as well as in Israel, USA, Japan, and Canada. 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.

Vision, strategy, values

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 strategy relies on sector-specific business expertise, which is supported by technological competence. The Company 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.

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

Asseco Poland values – our source code

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 2013, the Company's Management Board was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2013 – 30.06.2013
Przemysław Borzestowski	01.01.2013 – 30.06.2013
Tadeusz Dyrga	01.01.2013 – 30.06.2013
Rafał Kozłowski	01.01.2013 – 30.06.2013
Marek Panek	01.01.2013 – 30.06.2013
Paweł Piwowar	01.01.2013 – 30.06.2013
Zbigniew Pomianek	01.01.2013 – 30.06.2013
Włodzimierz Serwiński	01.01.2013 – 30.06.2013
Przemysław Sęczkowski	01.01.2013 – 30.06.2013
Robert Smułkowski	01.01.2013 – 30.06.2013

**The Company's Supervisory Board, during its meeting held on 21 June 2013, appointed Mr. Andrzej Dopierała to serve as Member and Vice President of the Company's Management Board over the five-year joint term of office running from 2011 to 2016. Mr. Andrzej Dopierała shall take the position of Vice President of the Management Board as of 1 September 2013 and will be responsible for supervision over the Infrastructure Division as well as the holding company of Asseco Systems S.A.*

Tadeusz Dyrga
Vice President of the Management Board responsible for the Social Insurance Division and Healthcare Division

Rafał Kozłowski
Vice President of the Management Board responsible for the Finance Division of Asseco Group

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

Marek Panek
Vice President of the Management Board responsible for Marketing Department, Sales Coordination Department, and PR and Investor Relations Department

Przemysław Borzestowski
Vice President of the Management Board responsible for the Divisions of: Public Administration, Postal Systems, Information Management, Capital Market, International Organizations and Uniformed Services, and for the Contracts Support Department

Paweł Piwowar
Vice President of the Management Board responsible for the Divisions of: Key Enterprises, Agriculture, Telecommunications and Media, and Energy and Gas Industries and Utilities

Zbigniew Pomianek
Vice President of the Management Board responsible for the Divisions of: Commercial Banks, Cooperative Banks, Business Intelligence, Treasury Department Solutions, ICT Department, Maintenance and Development of Back-Office Systems, and Quality Assurance Office

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, Infrastructure Division, and Building Automation and Data Center Department

Przemysław Sęczkowski
Vice President of the Management Board responsible for the Strategy and Development Division and Capital Investments Division

Supervisory Board

During the period of 6 months ended 30 June 2013, the Company's Supervisory Board was composed of the following persons:

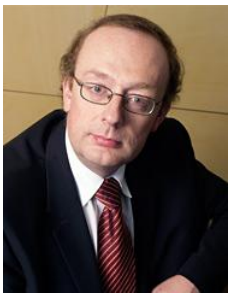
Supervisory Board	Period of service
Jacek Duch	01.01.2013 – 30.06.2013
Adam Noga	01.01.2013 – 30.06.2013
Piotr Augustyniak	01.01.2013 – 30.06.2013
Dariusz Brzeski	01.01.2013 – 30.06.2013
Artur Kucharski	01.01.2013 – 30.06.2013
Dariusz Stolarczyk	01.01.2013 – 30.06.2013

Jacek Duch
Przewodniczący Rady Nadzorczej

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

***Rzeczpospolita's* Eagle award for the most consistent growth** – Top 500 is a prestigious ranking of the largest companies operating in Poland that has been published by *Rzeczpospolita* daily for the last 15 years. This year Asseco Poland ranked at the 43rd position, advancing by 8 places as compared with the last year.

Rzeczpospolita also chose the finest companies out of their Top 500. One of them is Asseco Poland which, having increased its sales revenues as much as 24 times over a period of 15 years, was recognized as the most consistently growing company of all times in the history of the Top 500 ranking.

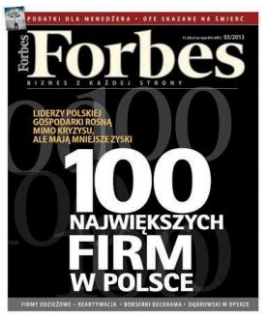
Book of Lists – Number 1 in the category of Systems integrators – victory in the annual ranking of the Book of Lists compiled by *Warsaw Business Journal*. The Book of Lists is a collection of 70+ rankings presenting more than 2.5 thousand most prosperous companies from various business sectors, including consulting, advertising, telecommunications, information technology, and real estate.

3rd place among the largest investors in R&D – the Institute of Economics at the Polish Academy of Sciences positioned Asseco Poland in the top 3 of their ranking of companies that invested most money in research and development in 2011. This ranking was published in the "Report on Innovativeness of the Polish Economy".

35th place in the Top 500 of *Polityka* – Asseco Poland took the 35th position in the list of 500 largest companies in Poland prepared by *Polityka* weekly. The company improved by 6 places as compared with the last year's ranking. Asseco was also listed among 50 most profitable companies out of the Top 500 – the company ranked at the 12th position, advancing from the 17th place taken a year ago.

The ranking of *Polityka* weekly lists the 500 largest companies in the sectors of industry, services and trade, according to their sales revenues.

41st place in the Forbes ranking of 100 Largest Companies in Poland – such a high standing of Asseco Poland in Forbes' ranking is a proof of the company's excellent position in the Polish market. This ranking is headed by PKN Orlen, Lotos Group, and PGE.



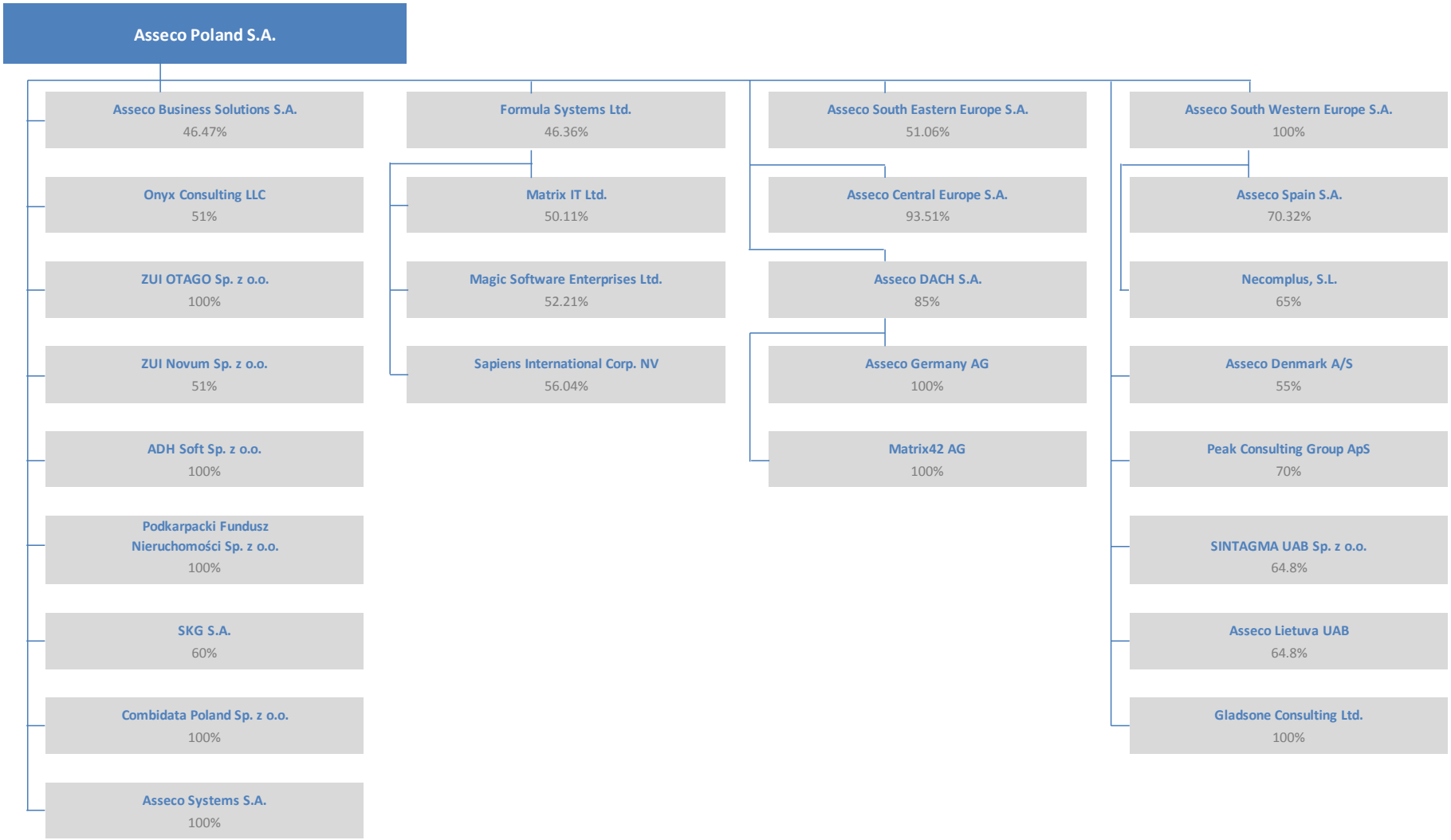
According to *Forbes*, total revenues of the top 10 companies reached PLN 347 billion, increasing by 16 percent year on year. Whereas, the rate of revenue growth for the entire top 100 was 9 percent.

Pillar of the Polish Economy in the Podkarpacie Region – Asseco Poland took the 2nd place in the annual ranking compiled by *Puls Biznesu* daily. The "Pillars of the Polish Economy" ranking is aimed to recognize sustainable companies that significantly stimulate the regional development, while continuing to identify with the regions where they operate. The ranking positions were decided by local government representatives.

Asseco Poland tops the Golden 100 of the Podkarpacie Region – Asseco Poland was awarded in three categories in the annual ranking of the largest companies in the Podkarpacie Region. The company came in the 2nd position in the main ranking, while winning among the companies with the highest net profit and the largest stock market capitalization.

BUSINESS OPERATIONS OF ASSECO GROUP

Organizational structure



A 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 2013.

Polish market

Asseco Poland S.A.

Asseco Poland (WSE: ACP) is the largest Polish information technology company listed on the Warsaw Stock Exchange. With a market capitalization exceeding PLN 3 billion (USD 1 billion), it is included in the prestigious WIG20 index.

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, miscellaneous 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. It delivers innovative 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 product portfolio of Asseco Business Solutions 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 two local IT companies, namely CK ZETO S.A. based in Łódź and PI ZETO S.A. based in Bydgoszcz. 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.

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.

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. The company's quality management system has been certified under ISO 9001:2008.

ZUI OTAGO Sp. z o.o.

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

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, integrator and provider of comprehensive IT systems.

Israeli market

Formula Systems Ltd.

Formula Systems is listed on the NASDAQ Global Market as well as on the Tel Aviv Stock Exchange in Israel. It is a holding company which owns shares in three IT companies (Matrix IT Ltd., Magic Software Enterprises Ltd., Sapiens International Corporation N.V.) 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 Israel's TASE. Its key competencies include IT services, outsourcing, and 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

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

The company's product portfolio features the following solutions:

- ALIS – comprehensive software solution for life and pension 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 U.S. property and casualty insurance market;
- Reinsurance – software solution that enables insurers and brokers to handle all reinsurance activities on a single platform, with full financial controlling and reporting support;
- Decision – business decision management software for financial institutions.

Magic Software

This company is listed on the American NASDAQ and 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.

Central European market

Asseco Central Europe, a.s.

This company is listed on the Warsaw Stock Exchange 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. The capital group of Asseco Central Europe incorporates Asseco Solutions, Slovanet, GlobeNet, and Statlogics, which offer and implement their products in the markets of Slovakia, Czech Republic, and Hungary.

Balkan market

Asseco South Eastern Europe S.A.

This company is listed on the Warsaw Stock Exchange 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.

German market

Asseco DACH S.A.

Asseco DACH is engaged in making capital investments in IT companies as well as in the provision of information technology services in German-speaking countries (Germany, Austria, and Switzerland). Presently, the holding is comprised of two German companies:

Asseco Germany AG

This company is a provider of proprietary component-based ERP solutions in the German market. Its products are dedicated to small, medium and large-sized enterprises.

Matrix42 AG

This company is a provider of product lifecycle management applications as well as IT service management software. It products are targeted at medium-sized enterprises and it is a leader in this class of software on the German market.

Eastern market

Onyx Consulting

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. Onyx Consulting is one of the largest consulting firms in the Georgian IT market.

Other markets

Asseco South Western Europe S.A.

This company is engaged in making equity investments in information technology companies as well as in the provision of IT services across the countries of South Western Europe (Spain, Portugal, France, and Italy). The holding consists of two Spanish groups of companies:

Asseco Spain S.A.

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

Necomplus

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

Asseco Denmark 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.

Asseco Lietuva UAB

The company is a leading producer of software and integrator of IT systems in Lithuania. Its products and services are dedicated primarily to the public administration.

Information technology market and its future outlook

Development prospects of the IT market

In July 2013, Gartner analysts revised down their forecasts for the worldwide IT market growth. Instead of a 4.2% increase forecast at the beginning of this year, the growth is expected to settle at 2%. The revision concerns mainly the hardware segment and resulted from changes in foreign exchange rates. Whereas, the software market expectations were revised slightly up.

Gartner expects the whole ICT market to grow to USD 3.7 trillion in 2013. The most dynamic increase is anticipated in business software, by 6.4% (to the level of USD 304 billion). The computer hardware segment is seen to expand by 2.8% (to USD 695 billion). Whereas, spending for IT services is supposed to grow by 2.2% (to USD 926 billion), for data centers by 2.1% (to USD 143 billion), and for telecommunication services by 0.9% (to USD 1.7 trillion).

Forecast of IT spending in 2013 (in USD billions)

Segment	2013	Change
Computer hardware	695	2.8%
Data Center systems	143	2.1%
Software	**304**	**6.4%**
IT services	**926**	**2.2%**
Telecommunication services	1,655	0.9%
Total	**3,723**	**2.0%**

Source: Gartner, July 2013

Gartner forecasts a 4.1% increase of the ICT market in the next year 2014, hence its total value shall exceed USD 3.8 trillion. Analysts estimate the largest increase will be achieved in the software segment, by 6.6% (to the level of USD 324 billion). While, the hardware segment is expected to grow by 6.5% (to USD 740 billion), IT services by 4.6% (to USD 968 billion), Data Center systems by 4.1% (to USD 149 billion), and telecommunication services by 2.3% (to nearly USD 1.7 trillion).

IT Market in Poland

According to IDC estimates presented by Computerworld, in 2012 the Polish information technology market was worth PLN 34 billion. The newspaper itself evaluated the Polish IT spending to have reached PLN 31.5 billion last year, including PLN 18 billion for hardware, PLN 8.7 billion for services, and PLN 4.8 billion for software. The newspaper also reckoned that the market inclusive of companies that do not divide their revenues into individual segments (as well as companies that, in addition to information technology, are engaged in the production and distribution of consumer electronics) was worth PLN 43.3 billion. Taking the above estimates into account, the Polish IT market grew by 8.9% in 2012.

Concurrently, the journalists pointed out that the analysts' estimates were significantly different from figures disclosed by the Central Statistical Office (GUS), which, according to them, resulted from the fact that the statisticians made different assumptions and also added up IT revenues of small-sized businesses. "During CeBIT 2013 exhibition, the official delegation of Poland presented data estimating the Polish IT market value even at PLN 84.6 billion (EUR 20 billion) a year," informs Computerworld.

Many analytical firms believe that the prospects for the Polish IT industry are still very good. Analysts at Pierre Audoin Consultants estimated that in the years 2011-2015 the Polish market for IT services and software will grow by approx. 7.2% on an annual basis. Whereas, CompaniesandMarkets.com expects the Polish IT hardware market to expand by 7.7% per year in the above-mentioned period.

EU funds

Market analysts share an opinion that European Union funds are one of the key growth drivers of the Polish IT industry. The Ministry of Regional Development estimates that the total aid provided to Poland by the European Union over the years 2007-2013 will reach EUR 87 billion. In this period our contribution to the European budget will aggregate at EUR 22 billion. Hence, Poland is going to be a net recipient of around EUR 65 billion.

The Ministry of Regional Development reported that in 2012 the amount of expenditures accounted for with the European Commission reached PLN 55.7 billion, representing 111% of the adopted plan. Since the commencement of the National Strategic Reference Framework 2007-2013, a total of 80,004 grant agreements were concluded with beneficiaries. The value of eligible expenditures under these projects reached PLN 338.6 billion, while the EU funding amounted to PLN 135.2 billion.

Whereas, within the Regional Operational Programmes, 28.3 thousand grant agreements were signed with beneficiaries for the total EU co-financing amount of PLN 60.4 billion, representing 85.1% of the allocation for the years 2007-2013 (increased with additional funds from the national performance reserve and technical adjustment). According to the Ministry, Poland is one of the countries where EU funds are used most efficiently. According to the European Commission data (as of 7 January 2013), Poland received the largest amount of funds of all the EU member states. So far, the funds provided by the

European Commission (in the form of advances and reimbursements) exceeded EUR 35.1 billion. Close behind are Spain and Germany, which received EUR 17.9 billion and EUR 13.8 billion, respectively, from the EC. In 2013, under the national and regional programs, we plan to settle PLN 63.7 billion of expenditures with the European Commission.

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 Poland S.A. in the Truffle 100 2012 ranking, which lists the largest European software vendors by sales of proprietary software generated in 2011.

Name of company	Country	Sales of proprietary software in EUR millions
1. SAP	DE	13,975.8
2. Dassault Systems	FR	1,783.5
3. Sage	UK	1,460.9
4. Wincor Nixdorf	DE	1,169.0
5. Hexagon	SE	1,154.0
6. Software AG	DE	909.1
7. Asseco	**PL**	**866.2**
8. DATEV	DE	708.9
9. Wolters Kluwer	NL	697.1
10. SWIFT	BE	530.1

Source: Truffle 100 2012 ranking

As estimated by COMPUTERWORLD TOP200, in 2012 Asseco Poland S.A. ranked 6th in the category of the "Largest IT companies operating in Poland".

Sales of IT products and services	Sales of services
ABC Data	3,632,123
ACTION	3,494,349
HP Poland	3,253,870
AB SA	3,018,039
IBM Poland	1,389,885
Asseco Poland	1,318,828

Source: Computerworld; figures in USD billions

Again, according to 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
Banking	2
Energy industry	2
Financial institutions	3
Telecommunications	6

COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues generated in 2012, prepared in June 2013

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	5
Providers of training services	6

COMPUTERWORLD TOP200, Ranking of IT and telecom companies by sales revenues generated in 2012, prepared in June 2013

Product Portfolio

Product portfolio – competencies

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 execution of large-scale and complex IT projects, designed 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.

- Comprehensive solutions for business sectors

  For large and medium-sized companies from every sector of the economy, we offer comprehensive IT packages that are customized to individual needs.

- Standard software packages

  We also provide standard software packages for thousands of small and medium-sized companies. With no need for customization, and at affordable cost, tens of thousands of firms use Asseco's box software products to support their routine enterprise management functions.

- 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

SELECTED PRODUCTS

Dedicated solutions	Comprehensive solutions for business sectors	Standard software packages	Cloud computing solutions
▪ 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 many customers over the Internet
Comprehensive Information System – ZUS	Asseco def3000 (banking)	Asseco WAPRO	*def*3000 REB / CEB (banking)
Insurer – PZU	Asseco Utility Management Solutions (power industry)	Asseco HR	Asseco Mobile Touch (general business)
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: financial institutions, public administration, and enterprises. Each of these sectors comprises a wide range of institutions that use our proprietary IT systems. Presented below we selected IT solutions for various sectors.

- **Financial institutions**

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 the 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 the systems offered by our Israeli Sapiens group, namely ALIS, IDIT, and INSIGHT.

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 Solution), Asseco Poland's comprehensive package of information systems designed to help manage large and medium-sized hospitals, polyclinics, medical centers, outpatient clinics and dispensaries. 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.

- **Enterprises**

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 the in-depth professional knowledge and experience of Asseco's specialists and the flexibility 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. Asseco's software solutions are widely used other mobile and fixed-line telephony operators, media companies such as ITI Group, as well as by major energy holdings operating in Poland, such as Tauron, PGNiG, Enea, and PGE.

At the same time, Asseco Central Europe specializes is 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.

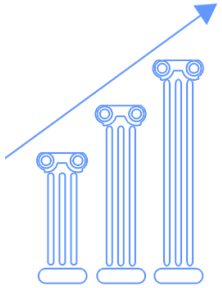
Asseco Central Europe developed a proprietary ERP solution which is implemented by its subsidiary Asseco Solutions. Strong ERP competence is also demonstrated by our subsidiary Asseco Germany.

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

Product portfolio – sectors

Financial institutions

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

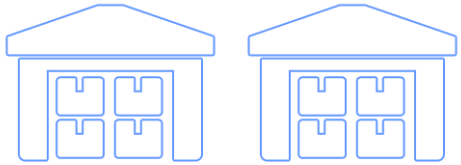


Public administration

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

Enterprises

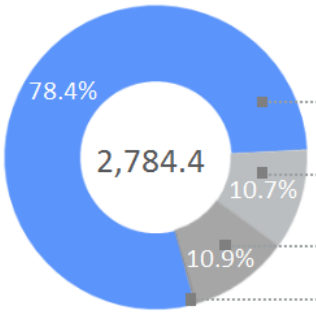
- Telecommunication
- Municipal utility enterprises
- Energy industry
- Gas industry
- Manufacturing, trade and services
- FMCG
- Multimedia



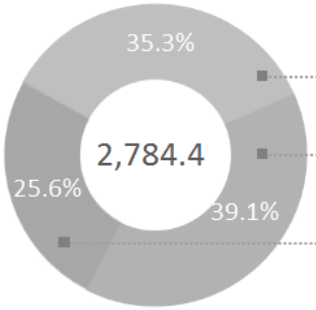
Financial information

Structure of sales revenues of Asseco Group

Breakdown of sales revenues by products and sectors, in the first half of 2013 and in the comparable period

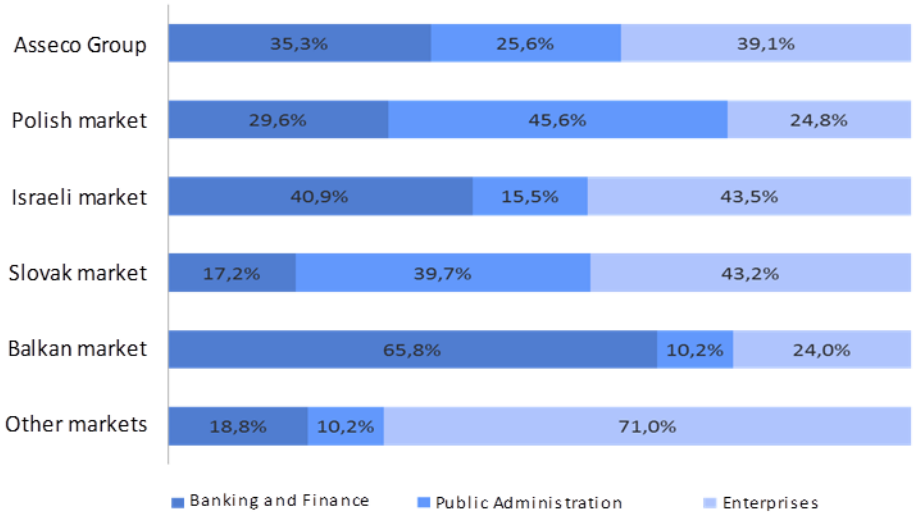


	H1 2013	%Δ	H1 2012
Proprietary software and services	**2,181.6**	*+6.8%*	2,043.1
Third-party software and services	298.0	*+1.5%*	293.6
Hardware and infrastructure	301.8	*-6.9%*	324.0
Other sales	3.0	*-50.8%*	6.1
Sales revenues	**2,784.4**	*+4.4%*	2,666.8



Banking and Finance	983.3	*+11.2%*	884.1
Enterprises	1,088.9	*-6.2%*	1,161.1
Public Administration	712.2	*+14.6%*	621.6
Sales revenues	**2,784.4**	*+4.4%*	2,666.8

Breakdown of sales revenues by sectors in individual geographical segments, in the first half of 2013



Summary and analysis of financial results of Asseco Group

Presented below are the financial results for 6 months ended 30 June 2013 as well as for the comparable period of the previous year:

PLN millions	6 months ended 30 June 2013 (unaudited)	6 months ended 30 June 2012 (unaudited)	Change
Sales revenues	**2,784.4**	**2,666.8**	**4.4%**
Proprietary software and services	2,181.6	2,043.1	6.8%
Gross profit (loss) on sales	**730.7**	**719.7**	**1.5%**
Profitability margins	*26.2%*	*27.0%*	*(0.8) p.p.*
Distribution costs	(192.5)	(191.7)	0.4%
General administrative expenses	(212.6)	(202.5)	5.0%
Other operating activities	2.8	8.9	(68.5%)
Operating profit	**328.4**	**334.4**	**(1.8%)**
Profitability margins	*11.8%*	*12.5%*	*(0.7) p.p.*
EBITDA	**420.2**	**416.9**	**0.8%**
Profitability margins	*15.1%*	*15.6%*	*(0.5) p.p.*

EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects

Presented below are the financial results for 3 months ended 30 June 2013 as well as for the comparable period of the previous year:

PLN millions	3 months ended 30 June 2013 (unaudited)	3 months ended 30 June 2012 (unaudited)	Change
Sales revenues	**1,438.9**	**1,393.0**	**3.3%**
Proprietary software and services	1,116.2	1,063.1	5.0%
Gross profit (loss) on sales	**370.4**	**368.3**	**0.6%**
Profitability margins	*25.7%*	*26.4%*	*(0.7) p.p.*
Distribution costs	(102.5)	(104.2)	(1.6%)
General administrative expenses	(109.1)	(104.8)	4.1%
Other operating activities	2.0	4.6	(56.5%)
Operating profit	**160.8**	**163.9**	**(1.9%)**
Profitability margins	*11.2%*	*11.8%*	*(0.6) p.p.*
EBITDA	**206.5**	**206.9**	**(0.2%)**
Profitability margins	*14.4%*	*14.9%*	*(0.5) p.p.*

EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects

Profitability margins

The table below presents key profitability ratios achieved by the Group for the period of 6 months ended 30 June 2013 and in the comparable period:

	6 months ended 30 June 2013 (unaudited)	6 months ended 30 June 2012 (unaudited)	Change (p.p.)
Gross profit margin	26.2%	27.0%	(0.8)
EBITDA margin	15.1%	15.6%	(0.5)
Operating profit margin	11.8%	12.5%	(0.7)
Net profit margin	8.9%	11.0%	(2.1)

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 2013, operating costs (excluding COGS) increased by 6.9% as compared to the first half of 2012, while sales revenues improved by 4.4% over the same period; therefore, operating profit margin deteriorated by 0.7 percentage points, decreasing from 12.5% to 11.8%. The largest portion of the Group's operating costs is represented by third-party service costs, employee benefit costs (including primarily salaries) as well as depreciation and amortization. The above-mentioned costs account for over 90% of the Group's total operating expenses. Half-year on half-year, such costs grew faster than our sales revenues.

Liquidity

Working capital (defined as the difference between current assets and current liabilities) represents the amount of capital which is financed by current assets. The table below presents the closing balances of working capital as at 30 June 2013 and in the comparable periods.

As at 30 June 2013, the Group's working capital amounted to PLN 1,270.1 million and was by 4.2% lower than working capital reported as at 31 December 2012 (PLN 1,326.2 million), and by 0.2% higher than the amount of such capital as at 30 June 2012 (PLN 1,268.1 million).

	30 June 2013 (unaudited)	31 Dec. 2012 (audited)	30 June 2012 (unaudited)
Working capital (in PLN millions)	1,270.1	1,326.2	1,268.1
Current liquidity ratio	1.9	1.9	1.8
Quick liquidity ratio	1.7	1.8	1.7
Absolute liquidity ratio	0.6	0.6	0.5

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

In the first half of 2013, we observed a decrease in both current assets and current liabilities; however, the value of assets dropped more than liabilities. The main factors behind the decline in working capital included:

- a net decrease in trade receivables and trade payables by PLN 153.5 million;
- a decrease in short-term debt (including finance lease liabilities) by PLN 50.0 million.

Debt

During the first half of 2013, the Group managed to reduce its current liabilities by PLN 84.7 million (of which interest-bearing debt dropped by PLN 50.0 million) in comparison to the end of 2012. Non-current liabilities increased by PLN 91.1 million PLN (of which PLN 43.5 million due to higher deferred income tax provisions). Over the same period, assets increased by PLN 226.8 million, which resulted in a reduction in debt ratios (debt ratio decreased by 0.6 p.p.)

	30 June 2013 (unaudited)	31 Dec. 2012 (audited)	30 June 2012 (unaudited)
Debt ratio	24.5%	25.1%	25.7%
Debt/equity ratio	9.8%	10.6%	12.6%
Debt/(debt + equity) ratio	8.9%	9.6%	11.2%

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 2013	6 months ended 30 June 2012
Sales revenues*	809.1	766.1
EBIT	181.7	185.3
EBIT margin	*22.5%*	*24.2%*
Adjusted EBIT	191.0	192.4
Adjusted EBIT margin	23.6%	25.1%
EBITDA	217.9	208.1
EBITDA margin	*26.9%*	*27.2%*
CFO BT	178.7	150.0
CAPEX	(19.9)	(83.9)
FCF	158.8	66.1
Cash conversion rate	*83.1%*	*34.4%*
Cash and cash equivalents at the end of period	181.9	103.7
Interest-bearing debt at the end of period	(321.8)	(516.8)
of which bank loans, borrowings and bonds issued	*(175.1)*	*(358.9)*
of which finance lease liabilities	*(146.7)*	*(157.9)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized upon purchase price allocation, and SBP means the costs of equity-settled employee payment transactions
EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects
CFO $_{BT}$ = cash generated from operating activities
CAPEX = segment's capital expenditures for non-current assets
FCF = ICFO$_{BT}$I – ICAPEXI
Cash conversion rate = (FCF) / (adjusted EBIT)

In the first half of 2013, total sales revenues in the Polish market reached PLN 809.1 million, of which PLN 653.1 million or 80.7% of the segment's sales were generated by Asseco Poland S.A. Asseco Poland S.A. earned an operating profit of PLN 158.5 million, while profit on operations of Asseco Business Solutions amounted to PLN 13.2 million, contributing respectively 87.2% and 7.3% to the segment's EBIT.

Asseco Poland

In the first half of 2013, the Company implemented a number of significant projects in the area of commercial banking for clients such as: Pekao S.A., BRE Bank Hipoteczny S.A., BRE Bank S.A., and Alior Bank S.A. In addition, we signed a number of contracts for the development of banking IT systems four our existing clients. Whereas, in the cooperative banking area, special attention is deserved by the pilot implementation of our

def3000/cSS-CV system which provides comprehensive support for sales and customer service functions. This implementation was carried out at the Cooperative Bank in Radzyń Podlaski. Projects executed for other clients involved mostly implementations of transaction systems as well as document management systems. A noteworthy project in the insurance sector is our maintenance and development of the integrated IT system carried out for Warta. Within the capital market sector, Asseco Poland continues to develop its PROMAK family products. The key accounts in this area include the brokerage houses of BRE Bank, PKO BP Bank, and Bank Handlowy.

As part of our cooperation with international organizations and uniformed services, Asseco continued to implement a contract for the Agency for the Management of Operational Cooperation at the External Borders of the European Union (FRONTEX), as well as worked for the Ministry of National Defence, European Defence Agency, NATO Joint Force Training Centre, NATO Communications and Information Agency, and NATO Defense Investment Division. Furthermore, the Company continues successful cooperation with the Social Insurance Institution (ZUS), taking care of its Comprehensive Information System. In addition, we have extended the scope of work performed for the Institute of Meteorology and Water Management (IMGW) and the Agricultural Social Insurance Fund (KRUS).

The Company's product portfolio for the healthcare sector has been expanded with a new system called AMMS (Asseco Medical Management Solution), the successor of our Hipokrates, Solmed and InfoMedica systems. AMMS also features an e-learning service which is provided using the platform of EDUPORTAL developed by Combidata Poland. In addition, through the portals of Google Play and iTunes, clients may use the mHOSP mobile application, running on Android and iOS platforms, which provides medical personnel with quick and easy access to key information about patients. The mHOSP application is also distributed by Asseco Central Europe as part of our international cross-selling collaboration.

In the first six months of 2013, Asseco Poland reinforced its position in the enterprises sector. Within our cooperation with Telekomunikacja Polska Group, Asseco Poland has begun to provide services of outsourcing of a billing system. Moreover, the Company has successfully participated in the client's Vendor Consolidation 2 process, which was aimed at selecting IT service providers for business-critical functions of Telekomunikacja Polska Group.

Our product portfolio for enterprises has been extended, among others, with PERDIX c/s system for management of publishing houses, APMS (Audit Planning and Management System), as well as RIMS (Risk Identification and Management System). In cooperation with Omnitec, Asseco Poland implemented a project to adapt the Oracle EBS R12 application to the Polish economic and regulatory environment in order to support the accounting treatment of settlements and taxes.

Asseco Business Solutions

In the first 6 months of 2013, sales revenues of Asseco Business Solutions S.A. reached PLN 66.3 million, of which over PLN 61.2 million were generated in the ERP segment. The company's operating profit (EBIT) amounted to PLN 13.2 million, while net profit equalled PLN 11.5 million. During the past half-year, Asseco Business Solutions S.A. gained a number of new clients for its enterprise management solutions. Among the company's clients are: Hortex Holding S.A., Hipp Poland Sp. z o.o., Farmio S.A., Philip Morris Poland Distribution S.A., and PHP Polski Tytoń S.A. Having launched international sales of its Mobile Touch system, the company has already implemented a contract for Danone Finland Oy.

Israeli market

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

PLN millions	6 months ended 30 June 2013	6 months ended 30 June 2012
Sales revenues*	1,254.2	1,180.9
EBIT	82.8	80.1
EBIT margin	*6.6%*	*6.8%*
Adjusted EBIT	116.9	117.0
Adjusted EBIT margin	*9.3%*	*9.9%*
EBITDA	114.0	113.2
EBITDA margin	*9.1%*	*9.6%*
CFO BT	139.8	155.8
CAPEX	(24.4)	(19.8)
FCF	115.4	136.0
Cash conversion rate	*98.7%*	*116.2%*
Cash and cash equivalents at the end of period	367.7	369.5
Interest-bearing debt at the end of period	(319.5)	(306.3)
of which bank loans, borrowings and bonds issued	*(312.8)*	*(298.3)*
of which finance lease liabilities	*(6.7)*	*(8.0)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized upon purchase price allocation, and SBP means the costs of equity-settled employee payment transactions
EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects
CFO $_{BT}$ = cash generated from operating activities
CAPEX = segment's capital expenditures for non-current assets
FCF = ICFO$_{BT}$I – ICAPEXI
Cash conversion rate = (FCF) / (adjusted EBIT)

In the first half of 2013, Formula Systems generated sales revenues of PLN 1,254.2 million, achieving a 6.2% increase of over the comparable period last year. Their financial performance was affected by the below described factors.
Matrix IT recorded higher revenues from IT services, which are the key area of its business. Slightly lower sales were generated by its low-margin infrastructure segment. Such changes in the revenue structure (higher portion of IT services accompanied by lower portion of low-margin infrastructure) lifted the gross margin up. Matrix IT redeemed the final portion of its debentures before maturity as they were refinanced with a low-interest loan, which will help reduce their interest expenses in the coming quarters of 2013.

In the first half of 2013, Sapiens acquired a number of new customers for all of their product lines. They included, among others: Wesleyan Assurance Society (Life and Pension solution), Haverford Holdings (General Insurance product), RSA (reinsurance management solution), as well as Cole Taylor Financial (DECISION support product). Sapiens is taking advantage of the market trend whereby insurance companies continue to replace their technologically obsolete systems with newer solutions. The DECISION product enjoys much interest from customers as it very accurately addresses the needs of both the banking and financial sectors. In order to meet the market requirements, Sapiens invests money in research and development as well as in sales and marketing activities. These investments may have some bearing on the company's financial results over a short term.

Magic Software Enterprises managed to sustain its double-digit growth in the last six months on the back of increased customer demand virtually in all of its product and geographical segments, especially in Europe and Japan. The company continues to develop in the area of professional services. The company's solutions supporting mobility and remote access to data resources ensure steady growth.
In order to strengthen its technological edge, Magic Software Enterprises made several new business acquisitions. One of them is Valinor, an Israeli company specialized in database technologies, which was taken over by Comm-IT, a subsidiary of Magic Software Enterprises. Another company operating in Israel that was acquired by Comm-IT is Dario IT Solutions. Whereas, Magic Software took over the companies of Pilat Europe Ltd. UK and Pilat (North America) Inc, providing strategic consultancy services as well as solutions in the areas of leadership, personnel management, productivity, training and coaching.

Slovak market

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

PLN millions	6 months ended 30 June 2013	6 months ended 30 June 2012
Sales revenues*	257.9	264.9
EBIT	32.4	40.2
EBIT margin	*12.6%*	*15.2%*
Adjusted EBIT	36.8	44.2
Adjusted EBIT margin	*14.3%*	*16.7%*
EBITDA	50.7	61.2
EBITDA margin	*19.7%*	*23.1%*
CFO BT	20.3	13.4
CAPEX	(19.4)	(13.9)
FCF	0.9	(0.5)
Cash conversion rate	*2.5%*	*(1.1)%*
Cash and cash equivalents at the end of period	115.6	90.4
Interest-bearing debt at the end of period	(50.0)	(33.8)
of which bank loans, borrowings and bonds issued	*(42.9)*	*(27.4)*
of which finance lease liabilities	*(7.1)*	*(6.4)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized upon purchase price allocation, and SBP means the costs of equity-settled employee payment transactions
EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects
CFO_{BT} = cash generated from operating activities
CAPEX = segment's capital expenditures for non-current assets
FCF = $ICFO_{BT}I$ – ICAPEXI
Cash conversion rate = (FCF) / (adjusted EBIT)

The Slovak segment corresponds to the territory of business operations of Asseco Central Europe Group (hereinafter "ACE"), including basically Slovakia, Czech Republic, and Hungary.

Sales revenues of ACE reached PLN 257.9 million in the first half of 2013. A moderate growth was generated by Czech and Slovak companies. The group's financial results were negatively influenced by Slovakia's slower GDP growth which decreased from 2% last year to 0.5% in 2013 and was accompanied by an increase in the corporate income tax rate from 19% to 23%. The unstable political situation in the Czech Republic had an adverse impact of public administration procurements. Whereas, the Hungarian economy came under pressure of additional taxation.

On the other hand, financial results were favourably affected by the implementation of the StarBUILD core banking system at Českomoravská Stavební Spořitelna, along with the data migration and implementation of a CRM system. The company also deployed a document management system and provided e-banking software modifications for Slovenská Sporiteľňa. Further significant contracts involved the development of a data warehouse for UniCredit Bank as well as provision of software development and IT services for the Czech Statistical Office. Subsidiaries of Asseco Central Europe also completed many significant contracts that have been described in more detail in the Semi-Annual Report of Asseco Central Europe Group, which was published on 8 August 2013.

Balkan market

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

PLN millions	6 months ended 30 June 2013	6 months ended 30 June 2012
Sales revenues*	213.5	221.7
EBIT	18.9	24.5
EBIT margin	*8.9%*	*11.1%*
Adjusted EBIT	18.9	24.5
Adjusted EBIT margin	*8.9%*	*11.1%*
EBITDA	18.8	26.5
EBITDA margin	*8.8%*	*12.0%*
CFO BT	10.5	32.0
CAPEX	(15.8)	(10.8)
FCF	(5.3)	21.2
Cash conversion rate	*(28.0%)*	*86.5%*
Cash and cash equivalents at the end of period	66.6	114.2
Interest-bearing debt at the end of period	(2.8)	(1.9)
of which bank loans, borrowings and bonds issued	*(2.5)*	*(1.3)*
of which finance lease liabilities	*(0.3)*	*(0.6)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized upon purchase price allocation, and SBP means the costs of equity-settled employee payment transactions
EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects
CFO_{BT} = cash generated from operating activities
CAPEX = segment's capital expenditures for non-current assets
FCF = $ICFO_{BT}I$ – ICAPEXI
Cash conversion rate = (FCF) / (adjusted EBIT)

The Balkan segment corresponds to the territory of business operations of Asseco South Eastern Europe Group (hereinafter "ASEE"), including the countries of Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Montenegro, Kosovo, Macedonia, Moldova, Romania, Serbia, Slovenia, and Turkey.

In the first half of 2013, sales revenues presented in PLN dropped by 3.7% in comparison to the comparable period of 2012.

Asseco South Eastern Europe Group analyzes its financial results broken down into the following segments, which reflect the structure of its business operations:

- Banking Solutions,
- Payment Solutions,
- Systems Integration.

Croatia had the most influence on weaker financial performance of the Banking Solutions segment. Another country that reported noticeably softer results was Serbia that felt the effects of problems faced by two local state-owned banks, which are important clients of the company. The declines in the Banking Solutions segment were partially offset by the surplus generated on sales of the Turkish InAct banking fraud detection system and LeaseFlex leasing management solution offered by Sigma. In the case of the Systems Integration segment, the largest declines were recorded in Romania, Turkey, Croatia, and Poland. However, these were largely compensated by significant increases achieved in Macedonia and Kosovo, as well as by higher revenues generated from products of our Turkey-based subsidiary Sigma (including mainly their Fidelity asset management solution). Once again, favourable financial results were recorded by the Payment Solutions segment, mainly due to stronger sales of online payment settlement services by ASEE Turkey and physical payment solutions by ASEE Macedonia.

Other markets

The following table presents the key financial results generated by our German and other markets segments:

PLN millions	6 months ended 30 June 2013	6 months ended 30 June 2012
Sales revenues*	249.7	233.2
EBIT	13.3	7.2
EBIT margin	*5.3%*	*3.1%*
Adjusted EBIT	14.6	8.9
Adjusted EBIT margin	*5.8%*	*3.8%*
EBITDA	19.2	12.0
EBITDA margin	*7.7%*	*5.1%*
CFO BT	44.3	21.6
CAPEX	(10.4)	(5.0)
FCF	33.9	16.6
Cash conversion rate	*232.2%*	*186.5%*
Cash and cash equivalents at the end of period	81.1	75.4
Interest-bearing debt at the end of period	(64.8)	(68.0)
of which bank loans, borrowings and bonds issued	*(64.5)*	*(67.9)*
of which finance lease liabilities	*(0.3)*	*(0.1)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized upon purchase price allocation, and SBP means the costs of equity-settled employee payment transactions
EBITDA = EBIT + depreciation and amortization - capitalized costs of R&D projects
CFO_{BT} = cash generated from operating activities
CAPEX = segment's capital expenditures for non-current assets
FCF = $ICFO_{BT}I$ – ICAPEXI
Cash conversion rate = (FCF) / (adjusted EBIT)

Asseco Group companies operating in other markets generated PLN 249.7 million in revenues for the first half of 2013, achieving a 7.1% improvement over the comparable period of 2012.

Asseco Spain gained many new clients, including Caixa Bank, ING, and Banco de España. The company also signed a significant contract for the supply of software with Consejo de Enfermería, this is the Nursing Council. In addition, the company offers a wide range of products at affordable prices, starting from hardware, through software, to services. The company has reorganized and streamlined its structure and presently its operations are divided into two business units, namely Infrastructure and Software.

In the area of POS solutions, our Spanish subsidiary Necomplus expanded the product portfolio with customer lifecycle management services which are dedicated to banks, winning Banco Sabadell as the first client. Business development efforts in Latin

America are beginning to produce effects, as the company sold a lottery management system for the Haitian operator Mobigames S.A. Among other clients served during the past six months were Liberbank, BKK Bank, Unicaja Bank, and CardNET.

Asseco Denmark is primarily engaged in the development and sales promotion of Solvency II solutions dedicated to the insurance industry clients, in connection with new requirements of the international financial market regulators. In the last half-year, Denmark adopted similar requirements to the Solvency II guidelines, hence the company's software product arouses more and more interest among domestic clients.

The companies operating in German-speaking markets within the Asseco DACH holding, namely Asseco Germany and Matrix42, consistently pursued their strategic objectives, benefiting from a mild economic recovery observed in some countries of Western Europe. Asseco Germany provided its clients with the opportunity to integrate with solutions delivered by its business partners, including quality management solutions from Babtech and mobile solutions from Commsult. The company's flagship product, ERP AP Plus, attracted many new clients, such as Arcelor Mittal, Hedrigh GmbH, Fischbach KG, and LISSMAC Maschinenbau GmbH. Whereas, Matrix42 released several new versions of their flagship software, yet without significant improvements to functionality. On this occasion the company gained a number of important and prestigious clients, such as Oxford Brookes University and universities in Lower Saxony, Talanx, Basler Securitas Versicherungs AG and Continentale Versicherungsverbund AG in the insurance sector, Pro7Sat1 television station, Allgemeines Krankenhaus Celle and Euroimmun in the healthcare sector, as well as E.ON Thüringen and Feser, Graf & Co. Automobil operating in other industries.

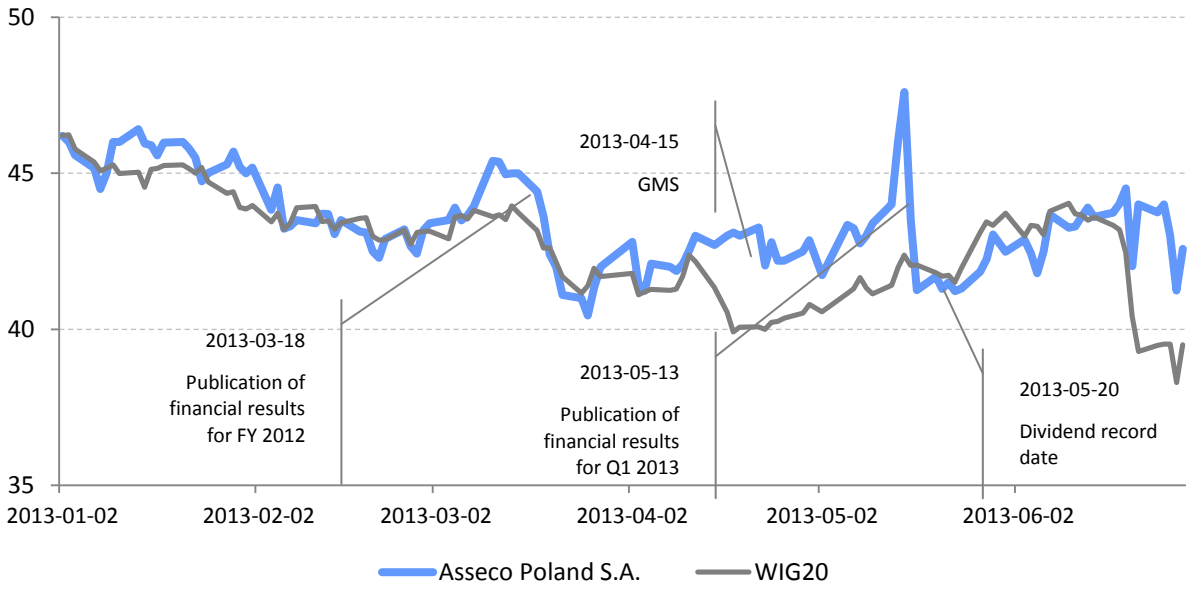
Non-recurring events with impact on our financial performance

During the period of 6 months ended 30 March 2013, the financial results achieved by Asseco Group were not affected by any one-time events.

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



	2013-01-02	2013-03-28	2013-06-28	6M change
Asseco Poland S.A. (PLN)	**46.20**	**42.00**	**42.58**	**-7.8%**
WIG20 (points)	2,626.21	2,370.07	2,245.64	**-14.5%**
WIG (points)	48,107.89	45,147.57	44,747.79	**-7.0%**
WIG-Info (points)	1,136.16	1,091.06	1,160.39	**2.1%**

During the first half of 2013, the broad market index WIG declined by 7.8% while the blue chips index WIG20 plunged almost twice as much, this is by 14.5%. Precise values of these indices are presented in the table above. The market developments in the last six months were largely shaped by the macroeconomic situation in Europe and in the world, as well as by the consequences of a prolonged economic crisis and the lack of strong evidence of growth. Worrisome data from the euro zone are in part a reaction to the difficult economic situation in Greece, which is not without impact on other Central European markets, including Poland. The stock market was also troubled by controversies over the reform of the Polish Open Pension Funds, which remain significant players on the Warsaw Stock Exchange.

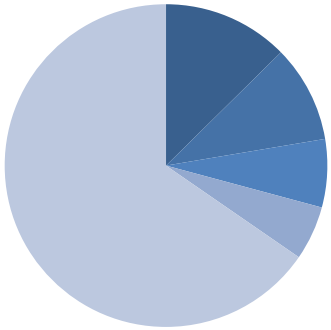
In this context, we should appreciate that the trading prices of Asseco Poland shares performed better than the WIG20 index.

Internal factors, independent from our continuing operations, which might have affected the market valuation of Asseco Poland included, among others, the distribution of our net profit for 2012 (with the dividend record date on 20 May 2013) as well as information about excluding Asseco Poland stock from the MSCI Poland Standard Index as of 31 May 2013.

Company's stock information	
Total number of shares	**83,000,303**
ISIN	PLSOFTB00016
WSE	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW

Shareholder structure

Major Shareholders as at 26 August 2013



- AVIVA BZ WBK Pension Fund holds 10,471,240 shares representing a 12.62% voting interest
- Adam Góral holds 8,083,000 shares representing a 9.74% voting interest
- PZU Pension Fund holds 5,670,000 shares representing a 6.83% voting interest
- ING Pension Fund holds 4,502,682 shares representing a 5.42% voting interest
- Other shareholders hold 54,273,381 shares representing a 65.39% voting interest

To the best knowledge of the Company's Management Board, as at the date of publication of this report, i.e. on 26 August 2013, the Shareholders who, either directly or through their subsidiaries, hold at least 5.0% of the total number of votes are as follows:

Shareholders as at 26 August 2013	Number of shares held	Voting interest
Aviva Pension Fund[1)]	10,471,240	12.62%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Pension Fund[1)]	5,670,000	6.83%
ING Pension Fund[3)]	4,502,682	5.42%
Other shareholders	54,273,381	65.39%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 24 April 2013.
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%.
3) According to ING Pension Fund's notification received by the Company on 4 January 2013 informing that their shareholding in Asseco Central Europe, a.s was exchanged for shares in Asseco Poland S.A. on 28 December 2012.

According to the best knowledge of the Management Board of Asseco Poland S.A., the Shareholders who as at 30 June 2013, either directly or through their subsidiaries, held at least 5.0% of the total number of votes were as follows:

Shareholders as at 30 June 2013	Number of shares held	Voting interest
Aviva Pension Fund[1)]	10,471,240	12.62%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Pension Fund[1)]	5,670,000	6.83%
ING Pension Fund[3)]	4,502,682	5.42%
Other shareholders	54,273,381	65.39%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 24 April 2013.
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%.
3) According to ING Pension Fund's notification received by the Company on 4 January 2013 informing that their shareholding in Asseco Central Europe, a.s was exchanged for shares in Asseco Poland S.A. on 28 December 2012.

To the best knowledge of the Company's Management Board, as at the publication date of the prior report, i.e. on 13 May 2013, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of the total number of votes were as follows:

Shareholders as at 13 May 2013	Number of shares held	Voting interest
Aviva Pension Fund[1)]	10,471,240	12.62%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Pension Fund[1)]	5,670,000	6.83%
ING Pension Fund[3)]	4,502,682	5.42%
Other shareholders	54,273,381	65.39%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 24 April 2013.
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%.
3) According to ING Pension Fund's notification received by the Company on 4 January 2013 informing that their shareholding in Asseco Central Europe, a.s was exchanged for shares in Asseco Poland S.A. on 28 December 2012.

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:

	26 August 2013	30 June 2013	13 May 2013
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 Dyrga – Vice President of the Management Board	21,724	21,724	21,724
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 an adverse impact on the operations, financial position and financial performance of Asseco Group, as well as on its prospective development.

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 negative impact on the Group's operations, financial position and results as well as on its future outlook.

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 negative impact on the Group's operations, financial position and results as well as on its future outlook.

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 negative impact on the operations and financial performance of the Group as well as on its future development.

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 negative impact on the Group's operations, financial position and results as well as on its future development outlook.

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 a negative impact on the Group's operations, financial position and results as well as on its future development outlook.

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 an adverse impact on the operations, financial position and financial performance of the Group, as well as on its future development.

Risk of increasing cost of work

Salaries account for over 70% of the project implementation costs. Taking into account such high human resource requirements, an increase in salaries would squeeze the margins achieved on the projects and consequently have an unfavourable impact on the Group's 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 negative impact on the Group's operations, financial position and results as well as on its future outlook.

Foreign currency risk

The currency used by Asseco Group for presentation of its financial results is Polish zloty (PLN). Whereas, functional currencies of the Group's foreign subsidiaries are the local currencies of the countries where they operate. Consequently, assets of such subsidiary companies or groups need to be translated into PLN, and therefore their values presented in the consolidated financial statements 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 entities. This might have a negative impact on the Group's operations, financial position and results as well as on its future outlook.

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 Asseco 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 would 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 the customers to whom the Group companies provide their IT solutions, and secondly with the financial credibility of the 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 the Group's ability to use such software, especially of IBM and Oracle, might have a negative impact on the operations, financial position, financial performance, and prospective development of the 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 negative impact on the operations, financial position, financial performance, 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 bring unfavourable effects for the operations, financial position, financial performance, and prospective development of the 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. Any of the above-mentioned events might have an adverse impact on the operations, financial position and financial performance of the Group, as well as on its prospective development.

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 a negative impact on the perception of Asseco by our clients, and consequently on the Group's operations, financial position, financial performance, and prospective development.

Risk of property damage

As a result of abuse or errors committed by employees of the Asseco companies, the Group may suffer damage to its property. Such circumstances might have a negative impact on the Group's financial condition and ability to continue business operations, and consequently on its financial performance 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. Any of the above-mentioned events might have an adverse impact on the operations, financial position, financial performance, and prospective development of the Group companies.

OTHER INFORMATION

Opinion on feasibility of the Management Board financial forecasts for 2013

The Management Boards of Asseco Group companies did not publish any financial forecasts for the year 2013 or for subsequent financial periods.

Changes in the principles of the Company and Group management

During the first half of 2013, 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 position

Asseco 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 position 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 2013.

Related party transactions

Transactions with our related entities have been presented in explanatory note 18 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2013.

Bank loans, borrowings, sureties, and guarantees

Bank loans drawn, loans granted, and sureties and guarantees extended have been described in explanatory note 14 to the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2013.

Off-balance-sheet items

The nature, purpose and value of significant off-balance-sheet items have been presented in the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2013.

Monitoring of employee share option plans

As at the date of preparation of this report, the Issuer 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 Company's equity.

This Management's Report on Business Operations was approved for publication by the Management Board of Asseco Poland S.A. on 26 August 2013.

Contact us

Head Office

Phone: +48 17 888 55 55

Fax: +48 17 888 55 50

e-mail: info@asseco.pl

Public Relations Department

Phone: +48 22 574 86 99

Fax: +48 22 574 82 82

e-mail: pr@asseco.pl

Investor Relations Department

Phone: +48 22 574 86 66

Fax: +48 22 574 82 82

e-mail: inwestor@asseco.pl

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 2013

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 2013

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 2013 and comparable data contained therein have been prepared in compliance with the applicable accounting standards, namely the International Financial Reporting Standards, as adopted 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 business 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	
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 2013

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 2013, namely Ernst & Young Audit Sp. z o.o., seated in Warsaw, has been chosen in accordance with the provisions of the law in force. This entity as well as certified auditors, who audited these financial statements, satisfied the conditions for expressing an impartial and independent opinion on the audited annual financial statements, in line with the applicable regulations and professional standards.

Adam Góral	President of the Management Board
Przemysław Borzestowski	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

Asseco Poland S.A.
14 Olchowa St.
35-322 Rzeszów, Poland

phone: +48 17 888 55 55
fax: +48 17 888 55 50
e-mail: info@asseco.pl
www.inwestor.asseco.pl