



**REPORT
ON BUSINESS OPERATIONS
OF ASSECO GROUP**

**FOR THE YEAR
ENDED
31 DECEMBER 2012**

Present in
over **30** countries

Sales revenues
in 2012 **5,529** PLNm

PLNm 556 in net profit
for 2012

Dividends paid
for 2011 **290** PLNm

16,638 committed
employees

7th largest software
vendor in Europe

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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President's Letter



Dear Shareholders,

On behalf of the managers of Asseco Poland and the entire Asseco Group, I can acknowledge the past year of 2012 as another successful period in the history of our business. Despite unfavourable economic conditions prevailing in Europe and worldwide and a noticeable economic slowdown, our financial performance over the last twelve months was pretty strong. Sales revenues reached PLN 5,529.1 million, surging by 11.5% as compared with 2011. Operating profit amounted to PLN 649.9 million, remaining at a comparable level as in the previous year. The Group earned a net profit of PLN 555.9 million. Last year Asseco signed many prestigious agreements. The total number of new contracts and orders received by the Group exceeded 7,500, confirming excellent diversification of our business.

Asseco consistently pursued its strategy to boost financial results by promoting sales of its proprietary IT solutions. In 2012, sales of proprietary software and services reached PLN 4,197.4 million and they accounted for 75.9% of our total turnover. Sales revenues were optimally diversified among our individual target sectors: Banking and

Finance – 33.5%, Enterprises – 42.8%, and Public Administration – 23.7%.

During the past twelve months, the Group was joined by new companies which enhanced Asseco's competence in certain business areas. In Poland, we concentrated on building up a leading integration company with a strong presence in individual regions of our country. Asseco South Eastern Europe successfully completed business acquisitions in the promising Turkish market, whereas Formula Systems took over companies in the United States and Israel.

Our strategy for organic growth and acquisitions helped reinforce the Asseco's position among the leaders of the European information technology market also in 2012. As the only Polish group of IT companies, Asseco ranked in the top ten of the largest software vendors in Europe, taking the seventh place.

Our plans for 2013 anticipate continued expansion of Asseco Group. Asseco Poland is engaged in takeover negotiations with further companies in Poland as well as in Russia. At the same time, Asseco South Eastern Europe seeks new investment opportunities in Turkey, while Formula Systems looks overseas mulling further company acquisitions in the U.S. In parallel to ambitious investment plans, Asseco continues to focus on its core business, where the Group has a strong competitive advantage, this is the production of its own state-of-the-art IT solutions for the largest institutions in Europe and worldwide.

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

Organizational structure and nature of business operations

The Parent Company of Asseco Group (the "Group", "Asseco Group") is Asseco Poland S.A. ("Asseco", "Company"). Asseco is the largest Polish IT company listed on the Warsaw Stock Exchange and it is included in the WIG20 index of Polish blue chips. The Company is also the 7th largest European software vendor in terms of revenues generated from the production of software, according to Truffle 100 ranking.

Asseco Poland S.A. plays a leading role in building up the international Asseco Group that gathers numerous, directly or indirectly owned, subsidiaries whose operating activities are related to the Company's business.

The Group companies concentrate on the production and development of proprietary software, dedicated for each sector of the economy. Our comprehensive offering includes products dedicated for the sectors of banking and finance, public administration, industry, trade, and services. The Group has got a wide-range portfolio of proprietary products, unique competence and experience in the execution of complex IT projects, and a broad customer base, including the largest financial institutions, major industrial enterprises as well as public administration bodies. Asseco Group is also specialized in projects dedicated to the European Union and NATO.

Financial highlights

Starting from 1 December 2010, Asseco Group has consolidated the group of Formula Systems companies, which are the major driver of growth in the statements of income and cash flows. An 11.5% increase in total sales revenues is owed primarily to higher revenues generated in the Israeli market (by 28.4%). A moderate improvement in operating profit (by 0.8%) resulted from new company acquisitions as well as the allocation of purchase prices of earlier acquired companies. The table below presents selected items from the Asseco Group's income statement.

PLN millions	2012	2011
Sales	5,529.1	4,960.0
EBITDA ¹⁾	823.0	772.3
Operating profit (EBIT)	649.9	644.6
Pre-tax profit	1,475.7	1,399.4
Net profit²⁾	370.1	397.1
EPS³⁾(PLN)	4.75	5.12

Results presented for each year ended 31 December.

¹⁾ EBITDA - operating profit plus depreciation and amortization minus capitalized costs of development projects

²⁾ Attributable to shareholders of the Parent Company

³⁾ EPS - net earnings per share (in PLN)

As a result of regaining control over Sapiens, acquisition of C.K. ZETO S.A. and SKG S.A. by Asseco, as well as company acquisitions made by ASEE Group, goodwill arising from consolidation and mergers increased by PLN 298.9 million. We observed a positive downward trend interest-bearing debt, which fell by almost 3.9%. The table below presents major items from the Asseco Group's statement of financial position.

PLN millions	2012	2011
Assets	9,639.4	9,483.8
Goodwill arising from consolidation and mergers	4,905.0	4,606.1
Trade receivables	1,182.9	1,129.4
Cash and cash equivalents	959.9	974.8
Equity	5,157.5	4,861.3
Interest-bearing debt	763.7	794.6
Trade payables	359.1	367.1
Total liabilities	2,414.8	2,430.9

Balance sheet items presented as at 31 December each year.

A decrease in net cash, over the period from 31 December 2011 till the end of 2012, resulted from company acquisitions as well as from higher amount of dividends distributed both to the Parent Company's shareholders and non-controlling shareholders. Furthermore, such decrease in net cash was offset by an increase in the balance of trade receivables over trade payables. Our liquidity analysis is summarized below in the "operating balance" statement. The following table shows the liquidity position of the Group.

PLN millions	2012	2011
Cash, net of debt ⁴⁾	355.0	368.3
Receivables, net of liabilities ⁵⁾	823.1	757.9
Inventories	77.2	62.1
Operating balance⁶⁾	1,255.3	1,188.3

⁴⁾ The difference between cash and short-term deposits and total interest-bearing debt

⁵⁾ The difference between trade receivables and trade payables

⁶⁾ The total of: cash net of debt + trade receivables net of trade payables + inventories

Consolidated cash flows provided by operating activities in 2012 increased as compared to 2011, which resulted from higher EBITDA margin and positive change in working capital. Cash paid out as dividends during the reporting period increased to PLN 290.4 million or by 24.4 % in comparison to 2011. The following table presents the major lines of the consolidated statement of cash flows.

PLN millions	2012	2011
CFO ⁷⁾	679.6	546.3
CFI ⁸⁾	(248.4)	(366.4)
CFF ⁹⁾	(389.9)	(58.0)
M&A expenditures ¹⁰⁾	(268.6)	(181.9)
CAPEX ¹¹⁾	(193.5)	(232.3)
Dividends paid out	(290.4)	(233.5)
Net change in cash and cash equivalents	41.3	121.9

⁷⁾ CFO – net cash provided by operating activities

⁸⁾ CFI – net cash provided by (used in) investing activities

⁹⁾ CFF – net cash provided by (used in) financing activities

¹⁰⁾ Expenditures for company acquisitions

¹¹⁾ Expenditures for purchases of property, plant and equipment and intangible assets + grants received for purchases of property, plant and equipment and/or development projects

Profitability ratios achieved by the Group for the 12-month period ended 31 December 2012 were lower than in the corresponding period last year. Basic profitability ratios of Asseco Group are presented in the following table.

	2012	2011
Gross profit margin	26.7%	28.2%
EBITDA margin	14.9%	15.6%
EBIT margin	11.8%	13.0%
Net profit margin	10.1%	12.2%
ROE	7.4%	8.5%
ROA	3.9%	4.4%

Return on equity (ROE) = net profit attributable to shareholders of the Parent Company / average annual equity

Return on assets (ROA) = net profit attributable to shareholders of the Parent Company / average annual assets

Financial figures disclosed in the annual consolidated financial statements were translated into EUR applying the following exchange rates:

PLN/EUR	2012	2011
Average exchange rate ¹²⁾	4.1736	4.1401
Closing exchange rate ¹³⁾	4.0882	4.4168

¹²⁾ Applied for translation of the income statement and cash flow statement items into EUR. Calculated as the arithmetic average of mid exchange rates as published by the National Bank of Poland (NBP) and in effect on the last day of each month.

¹³⁾ Applied for translation of the balance sheet items into EUR. Corresponding to the mid exchange rate announced by the NBP on the last business day of the year.

The table below presents selected items from the consolidated income statement as translated into EUR.

EUR millions	2012	2011
Sales	1,324.8	1,198.0
EBITDA ¹⁾	197.2	186.5
Operating profit (EBIT)	155.7	155.7
Gross profit on sales	353.6	338.0
Net profit²⁾	88.7	95.9
EPS³⁾(PLN)	1.1	1.2

The item descriptions are included under the analogous table presenting these figures in PLN.

The table below presents selected items from the year-end consolidated statement of financial position as translated into EUR.

EUR millions	2012	2011
Assets	2,357.9	2,147.2
Goodwill arising from consolidation and mergers	1,199.8	1,042.9
Trade receivables	289.3	255.7
Cash and cash equivalents	234.8	220.7
Equity	1,261.6	1,100.6
Interest-bearing debt	186.8	179.9
Trade payables	88.0	83.1
Total liabilities	590.7	550.4

The "operating balance" translated into EUR is presented below.

EUR millions	2012	2011
Cash, net of debt ⁴⁾	86.8	83.4
Receivables, net of liabilities ⁵⁾	201.4	172.6
Inventories	18.9	14.1
Operating balance⁶⁾	307.1	270.0

The item descriptions are included under the analogous table presenting these figures in PLN.

The table below presents selected items from the consolidated statement of cash flows as translated into EUR.

EUR millions	2012	2011
CFO ⁷⁾	162.8	132.0
CFI ⁸⁾	(59.5)	(88.5)
CFF ⁹⁾	(93.4)	(14.0)
M&A expenditures ¹⁰⁾	(64.4)	(43.9)
CAPEX ¹¹⁾	(46.4)	(56.1)
Dividends paid out	(69.6)	(56.4)
Net change in cash and cash equivalents	9.9	29.4

The item descriptions are included under the analogous table presenting these figures in PLN.



Vision and Strategy

Strategy and development outlook

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

The Parent Company aims to maximize the value for its shareholders through the execution of complex information technology projects based on its own products and services, as well as by consistent implementation of its business strategy to create an international group of profitable companies engaged in the production and supply of IT solutions.

As a leader of the Group, Asseco Poland S.A. intends to be an active player in mergers and acquisitions both on the domestic and foreign markets, seeking to strengthen its position across Europe and worldwide. Now the Company is expanding its investment spectrum for the top software houses, with an eye to gain knowledge of their local markets and customers, or access to innovative and unique IT solutions. Our Management Board believes it is extremely important for Asseco to maintain global market presence in order to be able to grasp the opportunities for implementation of the largest information technology projects, which are often entrusted exclusively to companies running worldwide operations.

The adopted strategy shall facilitate the extension of our product portfolio. Asseco does not preclude investments in small-scale undertakings offering unique technologies or products.

The Asseco's strategy focuses on maintaining a leading position in Poland as well as on gaining strong market position in countries where Asseco Group companies operate. Owing to our long-term presence in the IT market, the Group companies have established stable cooperation with financial institutions, public administration, and major enterprises. The Group's strategy assumes furthering business relations with our key accounts by developing a portfolio of products that would match and satisfy their needs.

The Company's strategy involves obtaining significant cost synergies from the combining of administrative departments of the Group

companies operating in the territory of the same country.

Asseco Poland S.A. actively initiates and supports all cross-selling activities, emphasizing the possibility of leveraging on the Group's international potential, as a driver of sales growth.

Characteristics of factors essential to the Group's development

Organic growth and acquisitions

Dynamic expansion of Asseco Group has been achieved through sustained organic growth on one hand, and on the other hand through take-overs. Successive company acquisitions not only broaden our competence in innovative products, but make it possible to penetrate into new markets.

Proprietary software

Both Asseco Poland S.A. and its subsidiaries position themselves as producers of the highest quality software. We gain a significant competitive advantage by offering proprietary solutions. High quality of our software is guaranteed by consistent observance of procedures implemented under our total quality management system, which has been certified for compliance with the ISO 9001:2008 standard. We have also obtained NATO security certificates, which strengthen our position as a reliable partner in the field of data security and specialized products for the uniformed services.

Diversification of products and services

The pursued strategy of building an international group of IT companies enables us to reach new groups of clients as well as to diversify our products and services portfolio. Because we work with clients from various industries and in many countries, our business operations are not dependent on any sector or region of the world.

Human capital

One of Asseco's major resources are highly qualified specialists, who are engaged in the development of the latest IT solutions. The vast majority of our employees are analysts, designers, programmers, testers and implementers, who hold certificates confirming their competence in software development and project management.

Company's Authorities

Management Board

During the period of 12 months ended 31 December 2012, the composition of the Company's Management Board changed as follows:

- on 14 May 2012, Mrs. Renata Bojdo resigned from the position of Vice President of the Management Board of Asseco Poland S.A. with effect from 1 June 2012;
- on 14 May 2012, the Supervisory Board appointed Mr. Rafał Kozłowski as Vice President of the Management Board of Asseco Poland S.A. with effect from 1 June 2012;
- on 5 October 2012, Mr. Wojciech Woźniak resigned from the position of Vice President of the Company's Management Board.

The following table presents the composition of the Management Board along with the periods of service.

Management Board	Period of service
Adam Góral	01.01.2012 – 31.12.2012
Renata Bojdo	01.01.2012 – 31.05.2012
Przemysław Borzestowski	01.01.2012 – 31.12.2012
Tadeusz Dyrga	01.01.2012 – 31.12.2012
Rafał Kozłowski	01.06.2012 – 31.12.2012
Marek Panek	01.01.2012 – 31.12.2012
Paweł Piwowar	01.01.2012 – 31.12.2012
Zbigniew Pomianek	01.01.2012 – 31.12.2012
Włodzimierz Serwiński	01.01.2012 – 31.12.2012
Przemysław Sęczkowski	01.01.2012 – 31.12.2012
Robert Smułkowski	01.01.2012 – 31.12.2012
Wojciech Woźniak	01.01.2012 – 05.10.2012



Adam Góral

President of the Management Board

responsible for development vision and strategy of Asseco Group



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



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



Marek Panek

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



**Włodzimierz
Serwiński**

*Vice President of
the Management Board
responsible for the
Commercial Insurance
Division, Infrastructure
Division, and Building
Automation and Data
Center 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*



Przemysław Sęczkowski

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



**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*

Supervisory Board

Presented below is the composition of the Supervisory Board and its changes during the period of 12 months ended 31 December 2012:

- on 30 June 2012, Mr. Antoni Magdoń resigned from the position of Member of the Supervisory Board;
- on 2 August 2012, the General Meeting of Shareholders appointed Mr. Wiesław Walendziak as Member of the Supervisory Board;
- on 5 October 2012, Mr. Wiesław Walendziak resigned from the position of Member of the Supervisory Board with effect from 31 October 2012;
- on 23 October 2012, the Company's General Meeting of Shareholders appointed Mr. Dariusz Stolarczyk and Mr. Piotr Augustyniak as Members of the Supervisory Board.

Supervisory Board	Period of service
Jacek Duch	01.01.2012 – 31.12.2012
Adam Noga	01.01.2012 – 31.12.2012
Piotr Augustyniak	06.11.2012 – 31.12.2012
Dariusz Brzeski	01.01.2012 – 31.12.2012
Artur Kucharski	01.01.2012 – 31.12.2012
Antoni Magdoń	01.01.2012 – 30.06.2012
Dariusz Stolarczyk	01.11.2012 – 31.12.2012
Wiesław Walendziak	02.08.2012 – 31.10.2012



Jacek Duch

Chairman of the Supervisory Board



Adam Noga

Vice Chairman of the Supervisory Board



Piotr Augustyniak

Member of the Supervisory Board



Dariusz Brzeski

Member of the Supervisory Board



Artur Kucharski

Member of the Supervisory Board



Dariusz Stolarczyk

Member of the Supervisory Board

Product Portfolio

Asseco Group is specialized in the development of proprietary IT solutions for all sectors of the economy. In order to benefit from synergies arising from mergers and acquisitions, Asseco's Management decided to set up seven centers of competence which are described below. Such transnational structure serves for the integration and coordination of product strategies in order to maximize value from our products, knowledge, and competence. Competence centers enable sharing of experience among all companies incorporated within Asseco Group.

Banking

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.

Insurance

Asseco Group has a long-standing proven track record of successful cooperation with large international insurance firms. 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.

Public institutions

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. Furthermore, Asseco offers proprietary solutions designed to facilitate specific local government functions. A significant advantage of our software is that it can be easily integrated with specialized tools such as digital maps or metropolitan networks.

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. The company delivers patient service solutions, contract settlement systems as well as facility management solutions.

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.

ERP Solutions

Asseco Group offers 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.

IT Infrastructure

Asseco's IT integration competencies comprise a variety of services and products, ranging from solutions that look after security of IT systems, networks, resources and services, through the building of local or wide area networks, services of optimizing the efficiency of data access and band utilization, to the provision of portal systems, IT infrastructure management services, and data processing centers.

Financial Institutions

Banks



Insurance Companies



Brokerage Houses



Investment Funds



Leasing Companies



Factoring Companies



Public Institutions

Social Insurance



Central Administration



Local Administration



Healthcare



Uniformed Services



International Organizations



Telco & Utilities

Telecommunication



Energy Industry



Gas Industry



Municipal Utilities



Production Enterprises



FMCG



Infrastructure Services

IT Infrastructure



Building Automation and
Data Centers



Competence Center

ERP Solutions



Business Intelligence



Competence Centers (Business Units)

Banks



Asseco Poland's flagship product for the banking sector is the comprehensive IT suite called def3000. In addition, the company offers dozens of specialized ready-to-implement solutions requiring only some minor adjustments for the bank's differentiating features. Such model enables Asseco to deliver solutions offering best value-for-money. IT systems developed by Asseco Poland also meet far-reaching requirements of banks operating in the European Union. Other companies of Asseco Group are also well positioned as providers of proprietary solutions for the banking sector. Asseco Central Europe developed a comprehensive family of StarBANK products. Asseco South Eastern Europe offers its proprietary software, including core banking systems, transaction systems, business intelligence solutions, and customer relationship management (CRM) solutions, and is engaged in the installation and maintenance of ATMs and POS terminals. Furthermore, the company is a provider of voice and payment automation solutions, unique across the entire Asseco Group, as well as systems for the settlement of Internet payments made by credit cards (independent payment gateway).

Asseco Poland S.A. also provides the Promak trading platform intended for brokerage houses and investment firms. ADH Soft Sp. z o.o., an Asseco Group company, is specialized in the development of professional software for the financial sector, especially for leasing and car fleet management (CFM) companies. The Group's portfolio also includes a solution called Asseco Factoring, which is dedicated to all financial institutions engaged in factoring services. Our offering for the banking sector is enriched by Asseco Denmark as well. This

company is specialized in the development of turn-key applications and software solutions as well as in the provision of services within the optimization of IT architecture and infrastructure. Comprehensive solutions for the capital market and financial institutions are also offered by Asseco Central Europe. Their SofiSTAR is a proprietary solution dedicated for open-end pension funds. Owing to the investment in Necomplus, a group of Spanish and Portuguese companies, Asseco Group broadened its offering with software and services for Point-of-Sale (POS) terminals.

Our proprietary solutions can be found in large international banks as well as in smaller local financial institutions. Nowadays, the Company's solutions are utilized by over half of banks operating in Poland. Major clients of Asseco include PKO BP Bank, BGŻ S.A. (Rabobank), Deutsche Bank PBC S.A., Allianz Bank S.A., Euro Bank S.A. (Societe Generale), Bank Pocztowy S.A., Bank Gospodarstwa Krajowego, and Volkswagen Bank S.A. The Company also works with the cooperative banking sector, where it serves all the association leader banks as well as over 70% of stand-alone cooperative banks.

Among the clients of Asseco Central Europe are: Consumer Finance Holding, a.s., Eximbanka SR, Poštová banka, a.s., Slovenská sporiteľňa, a.s., Wüstenrot stavebná sporiteľňa, a.s., and Česká spořitelna, a.s. The comprehensive front-end solution called UBM Suite is used by Bank DBNord, UniCredit, Deutsche Bank, Hypo Group, and Bank RCB, just to mention a few. The clients of Asseco South Eastern Europe include: ABN AMRO Bank in Romania, Allianz Zagreb in Croatia, Banca Italo Romena in Romania, Bank of Moscow in Serbia, Citibank in Romania, Erste Banka AD Novi Sad in Serbia, ING Bank in Romania, National Bank of Macedonia, National Bank of Romania, National Bank of Serbia, Porsche Bank in Romania, and dozens of other banks.

The Promak family systems are utilized, among others, by the Brokerage Office of Alior Bank S.A., Brokerage House of Bank Handlowy S.A., Beskidzki Dom Maklerski S.A., and Brokerage House of Millennium S.A. Among the users of ADH Soft's LEO Leasing solution are BNP Paribas Lease Group, Fortis Lease, Caterpillar Financial Services, Daimler Fleet Management,

Mercedes Benz Leasing, and many others. Customers of Asseco Denmark include primarily banks, financial institutions and biotech companies such as Nykredit, PBS, Nordea, NovoZymes, Experian, JP Morgan Chase & Co, and ING Bank. The SofiSTAR solutions are utilized in ČSOB dôchodková správcovská spoločnosť, a.s., STABILITA, d.d.s., a.s., and VÚB Generali dôchodková správcovská spoločnosť.

Insurance Companies



Asseco Group's portfolio features core insurance systems and a multitude of specialized solutions, including payment settlement systems, applications supporting the processes involved in the liquidation of damages, reinsurance, co-operation with agents, and detection of insurance frauds. Furthermore, Asseco Group offers an insurance portal, document management solutions, as well as tools ensuring compliance with the mechanisms set forth in the Solvency II regulation.

Sapiens Group is one of the world's major providers of industry-leading state-of-the-art software for insurance companies. The flagship products of Sapiens are ALIS, IDIT and INSIGHT. Asseco Poland also offers comprehensive systems in support of the property and life insurance operations. Our leading product in this area is StarINS, a comprehensive insurance system developed by Asseco Central Europe, including modules for the management of customer services and the operation a network of insurance branches. The portfolio of our insurance solutions is supplemented by a comprehensive life insurance system called LIB-MS, offered by our Lithuanian subsidiary UAB Sintagma.

The clients of Sapiens International Corporation include multinational insurers, such as AXA, AVIVA, Scottish Widows, KBC, or MMA. Whereas, insurance solutions offered by other Asseco Group companies are used by the Polish PZU Group, Warta

Group, HDI Asekuracija, and Insurance Guarantee Fund, the Czech Pojišťovna VZP, and the Lithuanian SEB Insurance Group.

Public Institutions



The most complex IT systems created by Asseco Poland include: Comprehensive Information System for the Social Insurance Institution, Central Register of Vehicles and Drivers for the Ministry of the Interior and Administration, Comprehensive Information System for the National Border Guard, as well as the IACS system for the Agency for Restructuring and Modernisation of Agriculture. Furthermore, as the only IT company of Central and Eastern Europe, Asseco Poland has successfully implemented over 50 projects for the EU institutions and NATO, including the NATO's Joint Force Training Center in Bydgoszcz, and the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX). The Asseco's local government solutions are used, among others, by Szczecin City Hall, Częstochowa City Hall, Wrocław City Hall, and the Association of Towns and Municipalities of the Parsęta River Basin.

Asseco Poland S.A. provides IT solutions for the self-government administration at all levels. Our subsidiary ZUI OTAGO Sp. z o.o. offers its proprietary OTAGO Integrated Municipal Management System, supporting all the processes critical for the proper functioning of self-government institutions. Asseco's solutions dedicated to local administration include: workflow systems, customer service systems as well as CRM and ERP solutions.

Other Asseco companies are also among leading providers of IT solutions for public administration. Asseco South Eastern Europe has implemented its software products for such noble public institutions as the Ministry of Agriculture of Romania, Ministries of Finance of Croatia and Serbia, Ministry of the

Interior of Macedonia, and the Ministry of Foreign Affairs of Serbia. Asseco Central Europe executes complex public administration projects – beginning with a detailed analysis of the client's needs, through the consultation of available solutions, design of the optimum technological architecture, and finishing with the solution testing, documentation, implementation and user training. The public administration bodies using the services of Asseco Central Europe include: Slovak Agency for Tourism, Slovak Tax Administration, Slovak Statistical Office, Vysočina Region, Czech Ministry of Transportation, Czech Ministry of Finance, and Czech Ministry of the Interior.

Healthcare



Asseco Poland S.A. offers two proprietary healthcare solutions: InfoMedica and mMedica. These solutions comply with the European Union directives as well as with the documents laying out the assumptions for Poland's state informatization strategy. Asseco Central Europe, which provides the Mediform comprehensive information system, has also gained a strong position in the healthcare sector. The healthcare offering is complemented with the solutions of our Hungarian subsidiary GlobeNet, the main supplier of MedWorks medical information system. Our healthcare portfolio is considerably reinforced with products provided by our Israeli center of innovation, which develops pioneering solutions for the largest medical centers in the world. These include Tafnit, an ERP system adapted to specific needs of the hospital management.

Asseco Poland's clientele includes over 450 largest Polish hospitals, majority of blood donation centres in Poland, as well as the National Healthcare Fund units. Services of all the spa centres working with the NHF are accounted for using an Internet application developed and implemented by our company. Whereas, the Mediform system is

applied by F.D. Roosevelt University Hospital in Banská Bystrica, University Hospital in Trnava, health insurance companies Union zdravotná poisťovňa and Všeobecná zdravotná poisťovňa, as well as by the National Medical Information Center (NCZI).

Telco & Utilities



Asseco Group offers a variety of information solutions for telecommunications, including billing systems, fraud detection systems, sales and CRM applications, portal apps, data warehouses, BI tools, and many more. Billing systems provided by our companies are capable of handling multi-million customer databases, and are adjusted in response to ongoing local market changes. The product portfolio is supplemented with technical infrastructure and asset management systems, and GIS/NIS solutions.

Asseco Poland is specialized in the development of complex, subscriber billing applications, supporting the entire business process – from the aggregation and processing of billing data, through rating and billing, to invoicing. For many years the company has provided state-of-the-art comprehensive portal solutions (Multi Access Portal) for the telecommunications sector, featuring our proprietary technologies or based on the leading e-Commerce products of ATG and IBM. Software solutions offered by Asseco Poland allow for comprehensive computerization of energy companies with different business profiles. These include technical infrastructure and property management solutions for the energy distribution companies. Their component-based structure allows for compilation of an application with any functionality desired by the client.

Asseco Poland is the main provider of the SERAT 2 billing system for Telekomunikacja Polska (Polish nationwide telecom). Solutions developed and implemented by Asseco Poland are used by the leading GSM and land

telephony operators in Poland as well as by modern media companies. The Asseco's proprietary solution is used, among other, by the ITI Group. Asseco Poland's solutions are also used by major energy holdings operating in Poland: Tauron, PGNiG, Enea, Energa, and PGE. Furthermore, among the company's largest clients are the municipal utility enterprises of Warsaw, Łódź, Wrocław, Szczecin, Bydgoszcz, Gdańsk, and Opole.

One of the strengths of Asseco Central Europe is their know-how in the development and implementation of the technical infrastructure management systems (i.e. Network Information Systems). Among their clients are CEZ Distribuce, E.ON Distribuce, Kapsch Telematic Services, and Teplány Brno.

Thanks to the comprehensive offering of Asseco South Eastern Europe dedicated to the telecommunications sector, Asseco's products are also present in the Balkan countries. In this region our major clients include: Mobilna Telefonija Republike Srpske, Orange Romania, and T-Com Croatia Zagreb.

ERP Solutions



Asseco's proprietary enterprise solutions are developed to address specific demands of various industries. Asseco Business Solutions S.A. is one of the key players in the Polish ERP market. The company offers two integrated ERP systems which are capable of supporting the management of medium and large-sized enterprises: Asseco SAFO (based on the Oracle technology) and Asseco SOFTLAB ERP (based on the Microsoft technology). Asseco Solutions, a subsidiary of Asseco Central Europe, has also developed a proprietary ERP solution called HELIOS, which is offered in the Slovak and Czech market. Asseco Solutions has additionally gained strong expertise in SAP technologies. Another proprietary ERP solution, namely APplus ERPII, is marketed by Asseco Germany.

Among the clients of Asseco Business Solutions S.A. are: McDonald's Poland, Ministry of Finance, Ministry of Health, Mobile Phone Telecom, Skoda Auto Poland, Deni Cler, Atlas, and Black Red White. Whereas, the APplus system is offered in German-speaking countries, where it is used by more than 1,300 companies.

Furthermore, Asseco provides consulting and implementation services covering the solutions of SAP, Oracle, and Microsoft Dynamics AX. Our specialists are highly proficient in using the world's most powerful integration tools (SAP NetWeaver, IBM WebSphere, Oracle Fusion, webMethods) for practical business applications.

IT Infrastructure



Asseco DACH Group is engaged in the provision of applications and software that enable efficient management of IT environment. The Empirum Pro solution supports fully automated management of entire IT infrastructure (servers, desktops, laptops and mobile devices) and enables management of software licenses, deployment and migration of operating systems, distribution and upgrading of software, and data recovery. Major clients include BMW Group Switzerland, Avis, and Nexus Management.

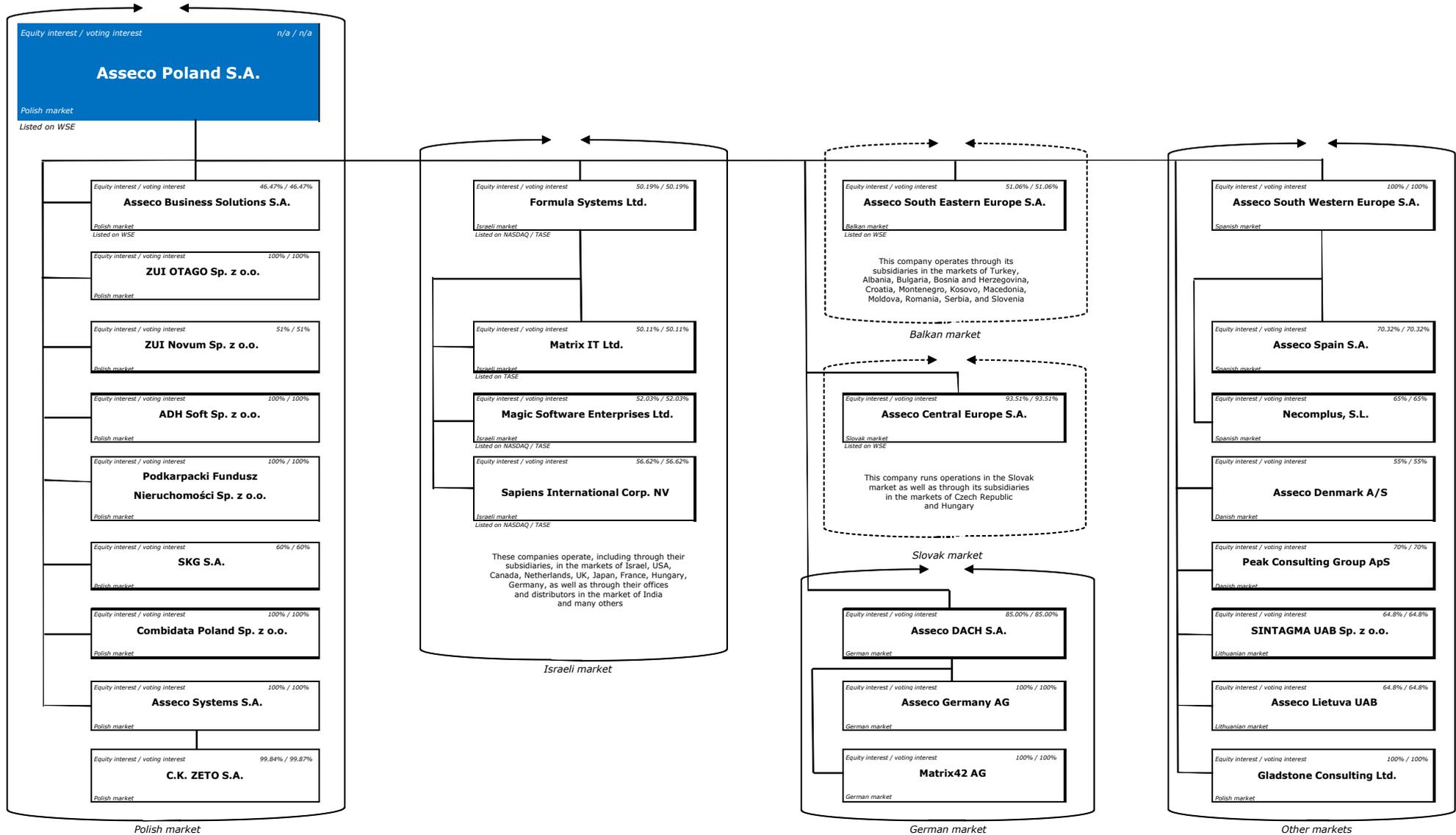
uniPaaS and iBOLT technology platforms, offered by Magic Software, constitute an important part of the Asseco's product portfolio. uniPaaS is a powerful code-free platform for the development of mobile applications, independent of the operating system, database, and hardware platform used, in a remarkably short time that is unachievable using other tools. It is used by central offices, power companies, insurance companies, many enterprises from various industries as well as by a myriad of small businesses. iBOLT platform is one of the latest tools developed by Magic Software. This solution is designed to support the integrated management of business

processes. It guarantees quick and easy customization of IT infrastructure to changing business needs. It also enables the implementation of service-oriented architecture (SOA).

Asseco Poland offers comprehensive services of design and execution of the so-called intelligent building systems, as well as carrying out ICT system security audits. Whereas, Asseco South Eastern Europe is specialized in the implementation of intelligent software for building professional contact centers.

Asseco Group also offers a broad portfolio of training services which are provided mainly by our subsidiary Combidata Poland Sp. z o.o. Such trainings include: authorized technical trainings on the products of Microsoft, Oracle, BEA, Novell, and CISCO; trainings on the use of office applications and company management systems; dedicated trainings tailored to the customer's needs; as well as trainings on the use of specific applications and application systems. Finally, our Israeli Matrix IT Group is the number one player in its local IT training market.

Structure of Asseco Group



The complete organizational structure of the Group is presented in section IV of Supplementary Information and Explanatory Notes to the consolidated financial statements

Polish market

Asseco Poland S.A.

Asseco Poland S.A. is the largest IT company listed on the Warsaw Stock Exchange, included in the WIG20 index. Asseco Poland S.A. focuses on the production and development of proprietary software for miscellaneous sectors of the economy. It is one of the very few companies in Poland to develop and implement centralized, comprehensive IT systems for the banking sector that are utilized by over half of domestic banks. Asseco also offers software solutions for the insurance sector. One of the Company's major clients is PZU, the largest insurance company in Poland. Furthermore, Asseco Poland S.A. implements dedicated systems for the public administration, among others for the Polish Social Insurance Institution (ZUS), Agency for Restructuring and Modernization of Agriculture (ARMiR), and the Ministry of the Interior and Administration (MSWiA), just to mention a few. Asseco implements numerous IT projects for the energy industry, telecommunications, healthcare, local governments, agriculture, uniformed services, as well as for international organizations and institutions such as NATO or FRONTEX. The Asseco's product portfolio also includes sector-independent ERP and Business Intelligence solutions.

Asseco Business Solutions S.A.

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

ADH-Soft Sp. z o.o.

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

Centrum Komputerowe ZETO S.A.

On 31 March 2012, Asseco Poland obtained control over Centrum Komputerowe ZETO S.A. seated in Łódź, Poland, by acquiring 42,940 shares representing a 99.84% voting interest and 99.87% equity interest in ZETO.

Centrum Komputerowe ZETO S.A. has fifty years of experience in the IT industry. The company specializes in outsourcing of information technology services, focusing especially on the areas of data security, trainings, computer hardware, management and archiving of documents, web hosting, bulk printing, and electronic signatures. Its Information Security Management System has been certified under ISO 27001:2005 standard.

Combidata Poland Sp. z o.o.

Combidata Poland focuses its operations on widely understood education. The offered trainings are designed and conducted in compliance with the ISO 9001 standard.

SKG S.A.

This company joined Asseco Group in June 2012. SKG S.A. 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.

OTAGO is engaged in the development and implementation of software to support operations of the local government bodies. It created the OTAGO Integrated Municipal Management System. Its methodology of production, implementation and maintenance of information systems has been well tried in practice and it satisfies the requirements of ISO 9001:2000, as confirmed by the ISO certificate obtained in 2003.

ZUI Novum Sp. z o.o.

The company is specialized in creation of information technology systems designed for cooperative banks. The company 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 American NASDAQ and Israeli stock exchange TASE. Formula Systems is a holding company which owns shares in three information technology companies (Matrix IT Ltd., Magic Software Enterprises Ltd., Sapiens International Corporation N.V.) that are specialized in the production and sale 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

The company is listed on Israel's TASE. Its key competencies include IT services, outsourcing, and integration of information systems to 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 systems and communication systems. Additionally, it is a distributor of computer hardware. Through its subsidiary John Bryce, it operates training and qualification centers offering professional courses and training for IT personnel. Its offering is complemented with "soft" trainings, vocational trainings and courses on capital markets.

Sapiens International

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

The group's product portfolio features the following solutions:

- **ALIS** – comprehensive software solution for life and pension insurance products;
- **IDIT Software Suite** – comprehensive, modular 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

The 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 platform;
- **Magic xpi** – system and process integration suite.

Central European market

Asseco Central Europe, a.s.

This group is listed on the Warsaw Stock Exchange. 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.

The company is listed on the Warsaw Stock Exchange. This company 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). Nowadays the holding comprises two German firms:

- **Asseco Germany AG**

Provider of proprietary component-based ERP solutions in the German market. The company's products are dedicated to small, medium and large-sized enterprises.

- **Matrix42 AG**

Provider of applications for product lifecycle management and software for management of IT resources (IT SM). The company's products are targeted at medium-sized enterprises and it is a leader in this class of software on the German market.

Other markets

Asseco South Western Europe S.A.

Asseco South Western Europe 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.**

Provider of IT infrastructure consulting services, security solutions, human resources solutions, outsourcing services, as well as of fully comprehensive IT support.

- **Necomplus**

Provider of electronic payment solutions (POS), self-service solutions as well as professional Call Center technologies.

Asseco Denmark a/s

Provider of high class consulting services and proprietary information solutions for the sectors of finance and biotechnology.

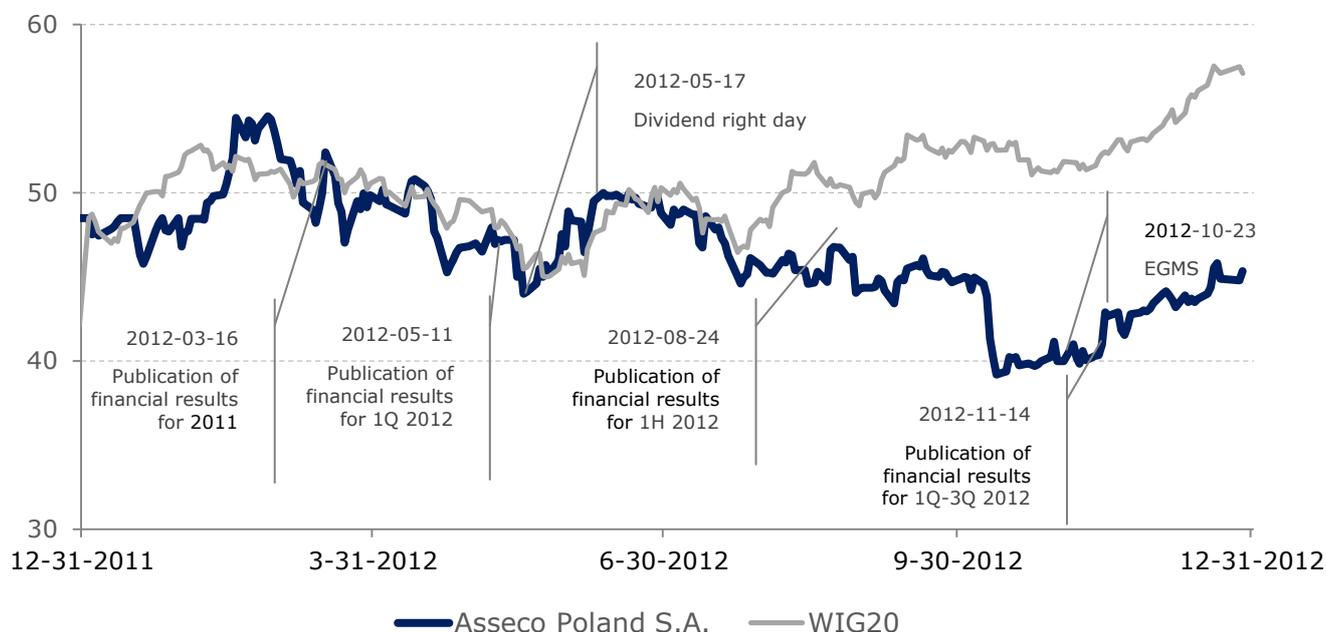
Peak Consulting Group ApS

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 sectors of public administration and finance.

Asseco Poland S.A. in the Capital Market



	2012-01-02	2012-03-31	2012-06-30	2012-09-30	2012-12-31	12-month change
Asseco Poland S.A. (PLN)	48.50	49.85	48.80	44.68	45.35	(6.5%)
WIG20 (points)	2,194.11	2,286.53	2,275.30	2,371.42	2,582.98	17.7%
WIG (points)	38,318.26	41,267.16	40,810.88	43,739.81	47,460.59	23.9%
WIG-Info (points)	1,080.73	1,184.43	1,137.40	1,065.91	1,118.85	3.5%

In 2012, both the broad market index WIG as well as Polish blue chips index WIG20 gained in value. As shown in the table above, WIG20 index increased by 17.7% in 2012, while WIG index added 23.9%.

It should be noted that the IT industry underperformed the broad market as the index of IT companies improved by a modest 3.7% over the last year. At the same time, the index of telecommunications, which is a related industry, fell by more than 21.0%. Negative sentiment among investors, and fluctuations in the stock price of Asseco Poland likewise, were caused by macroeconomic factors associated with worrisome situation in the Eurozone and overall market trend in the IT sector.

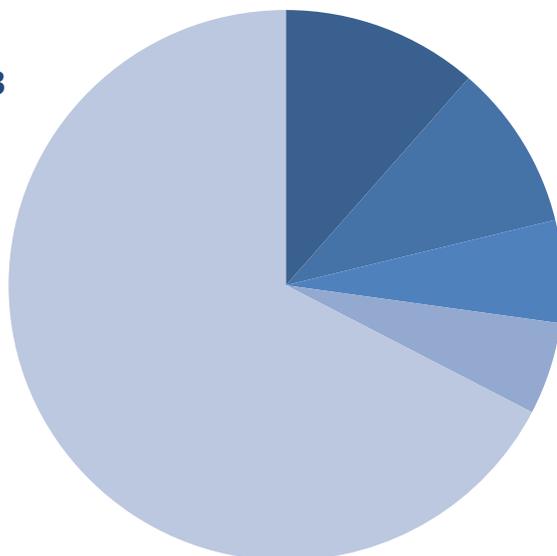
The internal factors, independent from our continuing operations, which affected the quotations of Asseco Poland shares included the distribution of net profit for 2011, with the dividend right day on 17 May 2012.

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 18 March 2013



AVIVA BZ WBK Pension Fund holds **9,500,000** shares representing **11.45%** of votes at the GMS

Adam Góral holds **8,083,000** shares representing **9.74%** of votes at the GMS

PZU Pension Fund holds **5,000,000** shares representing **6.02%** of votes at the GMS

ING Pension Fund holds **4,502,682** shares representing **5.42%** of votes at the GMS

Other shareholders hold **55,914,621** shares representing **67.37%** of votes at the GMS

To the best knowledge of the Company's Management Board, as at the date of publication of this report, i.e. on 18 March 2013, the Shareholders who, either directly or through their subsidiaries, hold at least a 5.0% voting interest at the General Meeting of Shareholders are as follows:

Shareholders as at 18 March 2013	Number of shares held	Voting interest at the GMS
Aviva Pension Fund *	9,500,000	11.45%
Adam Góral, President of the Management Board *	8,083,000	9.74%
PZU Pension Fund *	5,000,000	6.02%
ING Pension Fund *	4,502,682	5.42%
Other shareholders	55,914,621	67.37%
	83,000,303	100%

* Unchanged in comparison to the shareholdings as at 31 Dec. 2012

According to the best knowledge of the Management Board of Asseco Poland S.A., the Shareholders who as at 31 December 2012, either directly or through their subsidiaries, held at least a 5.0% voting interest at the General Meeting of Shareholders were as follows:

Shareholders as at 31 December 2012	Number of shares held	Voting interest at the GMS
Aviva Pension Fund ¹⁾	9,500,000	11.45%
Adam Góral, President of the Management Board ²⁾	8,083,000	9.74%
PZU Pension Fund ³⁾	5,000,000	6.02%
ING Pension Fund ⁴⁾	4,502,682	5.42%
Other shareholders	55,914,620	67.37%
	83,000,303	100%

¹⁾ According to the number of votes exercised at the EGMS held on 23 October 2012.

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 the number of votes exercised at the EGMS held on 23 October 2012.

⁴⁾ 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 quarterly report, i.e. on 14 November 2012, the Shareholders who, either directly or through their subsidiaries, held at least a 5.0% voting interest at the General Meeting of Shareholders were as follows:

Shareholders as at 14 November 2012	Number of shares held	Voting inter- est at the GMS
Aviva Pension Fund	9,500,000	12.20%
Adam Góral, President of the Management Board	8,083,000	10.40%
PZU Pension Fund	5,000,000	6.40%
Other shareholders	54,982,530	71.00%
	77,565,530	100%

As at 3 January 2013, the securities account of ING Pension Fund showed 4,502,682 of Asseco Poland shares, constituting a 5.4% stake in the Company's share capital. These shares carry 4,502,682 voting rights at the Company's General Meeting of Shareholders, representing 5.4% of the total number of votes.

Issuance of securities

In the presented reporting period, Asseco Poland S.A. issued 5,434,773 ordinary bearer shares of series K with a par value of PLN 1 each. Following this shares issuance, on 13 December 2012, the District Court in Rzeszów, XII Commercial Department of the National Court Register, registered an increase of the Company's share capital by PLN 5,434,773, as a result of which the Company's share capital amounted to PLN 80,000,303 as at 31 December 2012. The issuance of series K shares has been described in more detail in explanatory note 18 to the consolidated financial statements of Asseco Group.



Shares held by the management and supervisory personnel

The table below discloses the numbers of Asseco Poland shares held by its management and supervisory staff as at the dates of publication of this and the last year's Management report on the Company's business operations, as well as at the end of 2012 and 2011.

	18 March 2013	31 Dec. 2012	14 Nov. 2012	31 Dec. 2011
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	19,667	19,667
Adam Góral – President of the Management Board	8,083,000	8,083,000	8,083,000	8,083,000
Tadeusz Dyrka – Vice President of the Management Board	21,724	21,724	21,724	21,724
Robert Smułkowski – Vice President of the Management Board	2,212	2,212	2,212	2,212
Wojciech Woźniak – Vice President of the Management Board	n/a	n/a	n/a	25

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

Information Technology Market and Future Outlook

Despite the economic crisis, the IT market recorded a slight growth in 2012 and the estimates for 2013 are relatively optimistic. Gartner's analyses show the global ICT market was worth nearly USD 3.6 trillion in 2012, growing by 1.2% if compared to the previous year. The largest pace of growth was observed in the software segment which increased by 3.3% (to USD 278 billion), while the IT hardware market increased by 2.9% (to USD 627.0 billion), and Data Center systems increased by 2.3% (to USD 141.0 billion). According to Gartner's estimates, the smallest increase of 1.8% took place in the IT services segment, allowing the sector to reach the total value of USD 881.0 billion. Telecommunication services faced a slight decrease of 0.1% and were worth nearly USD 1.7 trillion.

Gartner expects the whole market to grow by 4.2% to USD 3.7 trillion in 2013. The most dynamic increases are seen in business software by 6.4% (to the value of USD 296.0 billion) and computer hardware by 6.3% (to USD 666.0 billion). Whereas, spending for IT services is supposed to grow by 5.2% (to USD 927.0 billion), for data centers by 4.5% (to USD 147.0 billion), and for telecommunication services by 2.4% (to USD 1.7 trillion).

Forecast of IT spending in 2013	2013	2012	Change
Computer hardware	666	627	6.2%
Data Center systems	147	141	4.3%
Software	296	278	6.5%
IT services	927	881	5.2%
Telecommunication services	1,701	1,661	2.4%
Total	3,737	3,588	4.2%

Source: Gartner, Computerworld; figures in USD billions

According to IDC forecasts presented in the Computerworld TOP200, in 2012 the Polish information technology market will grow by 4.0%, meaning the pace of growth will be half lower than in 2011. The market value is expected to reach USD 10.6 billion. Software expenditures are anticipated to grow the

fastest, by 6% to USD 1.54 billion. IT services spending is forecast to increase by 4.0% to USD 3.2 billion. Whereas, the value of computer hardware segment is anticipated to reach USD 5.9 billion, reflecting a 3.0% increase. 51% of Computerworld's respondents believe that the economic situation will be similar in the next year, 24% of them expect a better or much better situation, while 20% see an economic downturn.

According to the report, in 2011, the Polish IT market grew by 8% (or by PLN 2.3 billion) and reached the total value of PLN 31.3 billion (as compared with PLN 29.0 billion in 2010). The largest share of the local IT market was taken by computer hardware consuming PLN 17.9 billion (57% of the market). IT services spending reached PLN 9.1 billion (29.0% of the market), while software generated revenues of PLN 4.3 billion (14.0% of the market).

Many analytical firms believe that the prospects for the Polish IT industry are still very good. According to Erste Group's forecasts (made as at the end of 2011), IT spending in Poland should increase by 7.8% in 2012. Such higher expenditures will be driven by the need to improve productivity and reduce costs, growing demand for mobile solutions and flexible infrastructure (the popularity of smartphones, tablet PCs, development of wireless networks, cloud computing). EU funding will continue to provide substantial support for IT investment decisions.

PMR analysts believe that the most promising segments include services related to information security, solutions offered in the IT outsourcing model, virtualization, SaaS, cloud computing, BI market, and services for the SME segment.

Position of the Company and Asseco Group in the IT sector

Asseco Group continues to strengthen its market position year by year. 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 Truffle100 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: Truffle100 2012 ranking

As estimated by Computerworld TOP200, in 2011 the whole Polish IT services market was worth PLN 9.1 billion. Asseco Poland's share in this sector is estimated at 10.6%, which puts our company into second place, just behind HP Poland, but well ahead of IBM Poland.

Share in sales of IT services in Poland	Sales of services	Market share
HP Poland	1,033.9	11.4%
Asseco Poland S.A.	969.4	10.6%
IBM	450.0	4.9%

Source: Gartner, 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
Banking	1
Financial services	1
Public administration	1
Healthcare	1
Industry	5
Utilities	5

Computerworld TOP200, Ranking of IT and telecom companies by sales revenues in 2011, prepared in June 2012

Whereas, the table below presents the positions taken by Asseco Poland S.A. in the TOP200 ranking compiled by Computerworld that compares leading companies operating in the Polish market, by type of business.

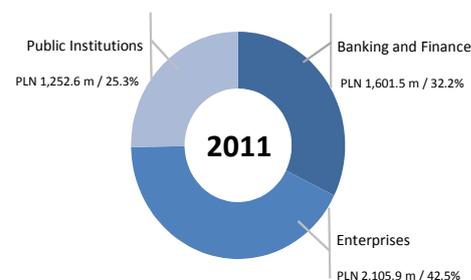
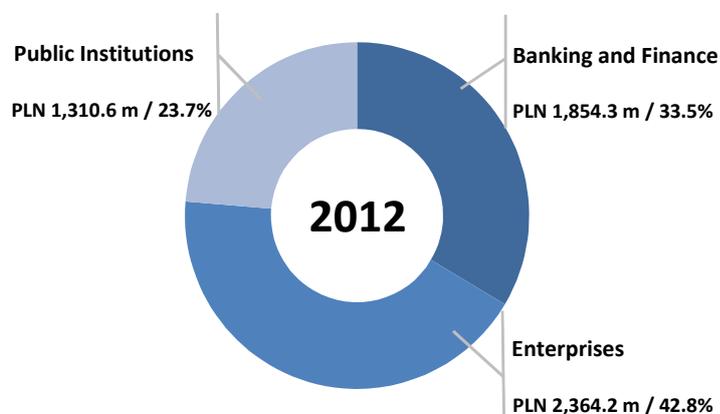
Ranking	Ranking position
Providers of system integration services	1
Providers of software implementation services	1
Producers of customer-tailored software	2
Providers of IT services	2
Producers of proprietary software	6
Providers of BI system licenses	9

Computerworld TOP200, Ranking of IT and telecom companies by sales revenues in 2011, prepared in June 2012



Operating Activities and Financial Information

Sales revenues by sectors



Major events and factors with impact on our financial performance

The above charts present sales revenues generated in 2012 and 2011 in the breakdown by sectors.

Activities of each of the operating segments identified by Asseco Group in 2012 are described below.

Polish market

The following table presents the financial results generated by our Polish segment for the years 2012 and 2011.

PLN millions	2012	2011	Change
Sales*	1,589.6	1,563.9	1.6%
EBITDA	400.5	412.6	(2.9%)
EBITDA margin	25.2%	26.4%	
EBIT	346.7	370.1	(6.3%)
EBIT margin	21.8%	23.7%	
Corporate income tax (current and deferred)	(72.3)	(73.1)	(1.1%)
Net profit	294.3	290.0	1.5%
Net profit margin	18.5%	18.5%	
CFO	277.3	276.2	0.4%
CAPEX	(85.6)	(117.0)	(26.8%)
Working capital at the beginning of period	526.3	370.8	41.9%
Working capital at the end of period	590.7	526.3	12.2%
Cash and cash equivalents at the end of period	367.3	305.0	20.4%
Interest-bearing debt at the end of period	(354.5)	(338.6)	4.7%
of which bank loans, borrowings and bonds issued	(208.3)	(167.0)	24.7%
of which finance lease liabilities	(146.2)	(171.6)	(14.8%)

* Revenues from sales to the segment's external customers.

EBITDA = EBIT + depreciation and amortization - capitalized R&D costs; EBIT = operating profit; CFO = net cash flows from operating activities; CAPEX = segment's capital expenditures for non-current assets + grants received for purchases of property, plant and equipment and/or development projects

In 2012, total sales revenues in the Polish market reached PLN 1,589.6 million, of which PLN 1,318.8 million or 83.0% of the segment's sales were generated by Asseco Poland S.A. Asseco Poland S.A. earned an



operating profit of PLN 300.6 million, while profit on operations of Asseco Business Solutions amounted to PLN 30.7 million, contributing respectively 86.7% and 8.9% to the segment's EBIT. The financial results achieved by these companies comprised in particular:

Asseco Poland S.A.

The following table presents the financial results generated by our Banking and Finance segment for the years 2012 and 2011.

Banking and Finance

PLN millions	2012	2011	Change
Sales ¹⁾	420.6	425.6	(1.2%)
EBITDA ²⁾	129.5	124.3	
<i>EBITDA margin</i>	30.8%	29.2%	
Depreciation and amortization	(18.1)	(15.8)	14.6%
EBIT ³⁾	116.9	113.0	3.5%
<i>EBIT margin</i>	27.8%	26.6%	
Employment [persons]	1,028	1,030	(0.2%)
Allocated goodwill	871.4	871.4	

* Sales to external customers

** EBITDA = EBIT plus depreciation and amortization minus capitalized R&D costs (net of write-downs) of the segment (amounting to PLN 5.5 million in 2012 and PLN 4.5 million in 2011)

In 2012, revenues generated by our Banking and Finance segment remained at a similar level as in 2011. However, we managed to improve the profitability of our operations through an active policy of operating cost control. In 2012, the Company completed a major project in the area of commercial banks, which involved implementation of the Core Banking System at Bank Ochrony Środowiska S.A. Moreover, Asseco Poland signed a number of significant contracts for the development of banking systems for its existing clients, such as Deutsche Bank PBC, Getin Noble Bank S.A., ING Bank Śląski S.A., BRE BH S.A., PKO BP S.A., Idea Bank S.A., and SGB Bank S.A. The product portfolio dedicated to the banking sector has been extended with new functionalities in the areas of core banking systems, retail banking, management of payments, treasury, as well as Personal Finance Management system designed for bank customers.

Public Administration

PLN millions	2012	2011	Change
Sales ¹⁾	588.3	616.2	(4.5%)
EBITDA ²⁾	159.9	170.5	
<i>EBITDA margin</i>	27.2%	27.7%	
Depreciation and amortization	(22.5)	(21.8)	(3.2%)
EBIT ³⁾	140.5	157.0	(10.5%)
<i>EBIT margin</i>	23.9%	25.5%	
Employment [persons]	1,207	1,273	(5.2%)
Allocated goodwill	925.2	925.2	-

* Sales to external customers

** EBITDA = EBIT plus depreciation and amortization minus capitalized R&D costs (net of write-downs) of the segment (amounting to PLN 3.1 million in 2012 and PLN 8.3 million in 2011)

Asseco Poland S.A. implemented, among others, three prestigious projects in the Public Administration sector. The first one was related to the Centre for Healthcare Information Systems, the second one was part of long-term cooperation with the Social Insurance Institution (ZUS); whereas, the third one was carried out for Frontex, the Agency for the Management of Operational Cooperation at the External Borders of the European Union.

Enterprises

PLN millions	2012	2011	Change
Sales ¹⁾	229.6	238.3	(3.7%)
EBITDA ²⁾	47.4	36.3	
<i>EBITDA margin</i>	20.6%	15.2%	
Depreciation and amortization	(5.5)	(5.3)	(3.8%)
EBIT ³⁾	42.3	31.0	36.5%
<i>EBIT margin</i>	18.4%	13.0%	
Employment [persons]	539	557	(3.2%)
Allocated goodwill	129.7	129.7	

* Sales to external customers

** EBITDA = EBIT plus depreciation and amortization minus capitalized R&D costs (net of write-downs) of the segment (amounting to PLN 0.4 million in 2012)

In 2012, Asseco Poland S.A. reinforced its position in the sector Enterprises. As part of its cooperation with the Polish Telecom Group, in 2012 Asseco Poland gained a

contract for maintenance and operational support of a data warehouse at Polkomtel. At the turn of the first and second quarter of 2012, the company successfully took over the obligations of the previous vendor and began to provide all the contracted services.

Asseco Business Solutions S.A.

In 2012, sales revenues of Asseco Business Solutions S.A. reached PLN 139.6 million, of which over PLN 129.0 million were generated in the ERP segment. Net profit amounted to PLN 26.5 million, EBIT exceeded PLN 30.7 million, while EBITDA reached nearly PLN 41 million.

During the last year, Asseco Business Solutions S.A. introduced to market a regularly increasing number of solutions offered in the SaaS model, which were also accessible through mobile devices. Small and medium-sized enterprises were presented a variety of new products and services, enabling them to engage in e-commerce, manage their business remotely, and conduct mobile sales over smartphones and tablets. The company also launched international sales of the latest version of their mobile SFA-class system called Mobile Touch. Furthermore, the company largely modified its offering of ERP solutions dedicated to larger companies and institutions, which is expected to bring measurable effects in 2013.

Israeli market

The following table presents the financial results generated by our Israeli segment for the years 2012 and 2011.

PLN millions	2012	2011	Change
Sales	2,407.9	1,875.1	28.4%
EBITDA	223.4	163.0	37.1%
EBITDA margin	9.3%	8.7%	
EBIT	155.8	128.6	21.2%
EBIT margin	6.5%	6.9%	
Corporate income tax (current and deferred)	(17.1)	(15.4)	11.0%
Net profit	129.9	185.3	(29.9%)
Net profit margin	5.4%	9.9%	
CFO	242.0	74.3	225.7%
CAPEX	(42.7)	(61.2)	(30.2%)
Working capital at the beginning of period	403.7	432.7	(6.7%)
Working capital at the end of period	415.3	403.7	2.9%
Cash and cash equivalents at the end of period	344.8	301.3	14.4%
Interest-bearing debt at the end of period	(321.2)	(342.3)	(6.2%)
of which bank loans, borrowings and bonds issued	(314.1)	(333.9)	(5.9%)
of which finance lease liabilities	(7.1)	(8.4)	(15.5%)

* Revenues from sales to the segment's external customers.

EBITDA = EBIT + depreciation and amortization - capitalized R&D costs; EBIT = operating profit; CFO = net cash flows from operating activities; CAPEX = segment's capital expenditures for non-current assets + grants received for purchases of property, plant and equipment and/or development projects

In 2012, Formula Systems generated sales revenues of PLN 2,407.9 million, achieving a strong increase of 28.4% over the previous year. Described below are the key factors influencing the financial performance of individual subgroups forming the Formula Systems Group.

Matrix IT

The company's basic financial results are presented in the table below.

NIS millions	2012	2011	Change
Sales	1,984.0	1,758.2	12.8%
EBIT	140.4	141.2	(0.6%)
Net profit	90.8	96.2	(5.6%)

Figures published by Matrix IT

In 2012, Matrix IT finalized three major acquisitions: Exzac Inc. and 2Bsecure Ltd. seated in the United States, and Netwise Applications Ltd. seated in Israel. The company derives measurable benefits from each of the acquired businesses. Exzac Inc.

is a leading provider of risk management solutions for financial institutions, serving such clients as Deutsche Bank, City Bank, CFTC (US Commodity Futures Trading Commission), HSBC, Wells Fargo, Bank of Tokyo, Barclays Capital, and many more. Whereas, 2Bsecure Ltd. is specialized in cyber security, making it possible for Matrix IT to expand and develop its operations in the domain IT systems security and protection.

Sapiens International

The company's basic financial results are presented in the table below.

USD millions	2012	2011	Change
Sales	113.9	69.9	62.9%
EBIT	12.1	5.6	116.1%
Net profit	11.8	5.9	100.0%

Figures published by Sapiens International in accordance with US GAAP

In 2012, Sapiens International continued to integrate the companies it acquired in 2011, by introducing changes in the organizational structure and building a sales structure based on geographical distribution, all in order to boost sales of its portfolio products. The company gained three new clients in the American market, namely Mutual Trust Life, Great American Financial, and Trustmark, for whom it will deploy the ALIS system. Sales activities performed for the DECISION software resulted in building up a strong order backlog and created a need for additional sales and implementation resources to support this product. It is worth mentioning that the company is working on expanding the functionality of the DECISION software to address the requirements of the banking and financial sector more accurately. This project resulted in winning reputable customers in the banking industry, such as JP Morgan and the Royal Bank of Scotland. Furthermore, two clients, who had already operated IDIT, decided to deploy this system also in other countries. The company is engaged in negotiations concerning pensions and annuities software in the U.S. and works to prepare an offer for this promising sector.

From the market perspective, due to the upcoming date of entry into force of the Solvency II regime, there is an increased interest in Sapiens' Reinsurance product dedicated to the reinsurance sector. Such software has been already implemented in

the American company RiverStone and will also be deployed at the client's British division. Regulatory driven changes in the UK insurance market aroused much interest in the specially ALIS system.

Magic Software

The company's basic financial results are presented in the table below.

USD millions	2012	2011	Change
Sales	126.4	113.3	11.6%
EBIT	16.4	14.7	11.6%
Net profit	16.2	15.0	8.0%

Figures published by Magic Software in accordance with US GAAP

2012 was a jubilee year for Magic Software, celebrating its thirtieth anniversary of business operations. It was rejoiced during the Magic World 2012 event held in Tel Aviv in May. During the past year, the company also participated in several prestigious events, crowning many years of its relationships with global partners such as Oracle and Microsoft. The company joined the noble JDE Alliance Consortium associated with the Oracle JDEdwards product, the most installed software for the IBM iSeries platform. Magic Software also acted as a platinum sponsor of the Oracle Collaborate Event conference.

The company gained new clients in the sectors of armed forces and security services, as well as in the communications industry. Magic Software managed to strengthen its position in the banking and finance industry, leveraging on its integration platform and mainframe technology solutions. The company also attracted new customers in the transportation and logistics sector. As far as products are concerned, the most important initiative was to launch mobile technologies for the iOS and Android platforms in May 2012. They are a perfect complement to the Mobility sector offering that, until recently, consisted only of solutions for BlackBerry and Windows Mobile. Magic Software now supports all of the leading technologies in the rapidly growing market for mobile applications, and thanks to Magic Software's platform it is possible to create a single application for all operating systems and optimize the production costs of mobile solutions. Leading global manufacturers of mobile software solutions are already using

Magic Software logo, among them is Sage, one of the top providers of finance and business software. Highly prospective and fast-growing mobility market is a key direction for the development of Magic Software.

Slovak market

The following table presents the financial results generated by our Slovak segment for the years 2012 and 2011.

PLN millions	2012	2011	Change
Sales	560.7	552.0	1.6%
EBITDA	114.4	109.6	4.4%
EBITDA margin	20.4%	19.9%	
EBIT	73.5	74.5	(1.3%)
EBIT margin	13.1%	13.5%	
Corporate income tax (current and deferred)	(13.1)	(12.7)	3.1%
Net profit	72.4	65.2	11.0%
Net profit margin	12.9%	11.8%	
CFO	72.2	131.1	(44.9%)
CAPEX	(33.0)	(22.6)	46.0%
Working capital at the beginning of period	113.7	70.8	60.6%
Working capital at the end of period	113.4	113.7	(0.3%)
Cash and cash equivalents at the end of period	107.9	181.2	(40.5%)
Interest-bearing debt at the end of period	(42.5)	(41.7)	1.9%
of which bank loans, borrowings and bonds issued	(37.7)	(34.4)	9.6%
of which finance lease liabilities	(4.8)	(7.3)	(34.2%)

* Revenues from sales to the segment's external customers.

EBITDA = EBIT + depreciation and amortization - capitalized R&D costs; EBIT = operating profit; CFO = net cash flows from operating activities; CAPEX = segment's capital expenditures for non-current assets + grants received for purchases of property, plant and equipment and/or development projects

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

Sales revenues of ACE reached PLN 560.7 million in 2012. A moderate growth was generated by Czech and Slovak companies. Financial performance was negatively influenced by the creation of a new government and stagnation in public procurements in Slovakia.

Despite the unfavourable macroeconomic conditions, the segment managed to earn a net profit of PLN 72.4 million, achieving an 11.0% increase if compared to 2011. EBIT margin remained virtually unchanged (a decrease of by 0.4 percentage points in comparison to 2011), confirming the cost optimization policy was applied effectively. In 2012, Asseco Central Europe Group was very active in developing innovative products and services as well as in gaining new projects, for instance for the Czech Social Security Administration, Ministry of Finance of the CR (ARES and SDPF), Ministry of Interior of the CR, just to mention a few. In addition, ACE Group expanded its organization by acquiring two companies: NZ Servis s.r.o. (acquisition made by Asseco Solutions, a.s.), and MadNet, a.s. (acquisition made by Slovanet, a.s.).

Balkan market

The following table presents the financial results generated in the South Eastern European market in the years 2012 and 2011.

PLN millions	2012	2011	Change
Sales	462.0	461.3	0.2%
EBITDA	54.7	60.8	(10.0%)
EBITDA margin	11.8%	13.2%	
EBIT	52.6	54.9	(4.2%)
EBIT margin	11.4%	11.9%	
Corporate income tax (current and deferred)	(5.1)	(7.4)	(31.1%)
Net profit	49.6	54.8	(9.5%)
Net profit margin	10.7%	11.9%	
CFO	54.2	43.8	23.7%
CAPEX	(21.0)	(12.3)	70.7%
Working capital at the beginning of period	151.0	102.7	47.0%
Working capital at the end of period	130.6	151.0	(13.5%)
Cash and cash equivalents at the end of period	74.1	103.4	(28.3%)
Interest-bearing debt at the end of period	(0.9)	(1.4)	(35.7%)
of which bank loans, bor- rowings and bonds issued	(0.5)	(0.6)	(16.7%)
of which finance lease liabilities	(0.4)	(0.8)	(50.0%)

* Revenues from sales to the segment's external customers.

EBITDA = EBIT + depreciation and amortization - capitalized R&D costs; EBIT = operating profit; CFO = net cash flows from operating activities; CAPEX = segment's capital expenditures for non-current assets + grants received for purchases of property, plant and equipment and/or development projects

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.

ASEE Group operates in the markets of South Eastern Europe and that is where it generated most of its sales revenues during the year ended 31 December 2012. The breakdown of sales revenues by client location is as follows: 26% - Serbia, 21% - Romania, 13% - Croatia, 13% - Macedonia, 9% - Turkey, and 18% - other South-Eastern European states and markets outside this region. During the year ended 31 December 2012, sales to any individual client of the group did not exceed 10% of its total sales revenues.

The group subsidiaries operating in particular countries have their own suppliers; therefore, the group is not substantially dependent upon any single supplier.

Given the weak economic situation, which has prevailed in the region for several years without any positive outlook for the near future, the Management of ASEE sees business development opportunities in the intensification of cross-selling activities, expansion into New Markets, and offering of our products outside the region of South Eastern Europe in collaboration with local partners. From among the markets in which the group currently operates, Turkey appears the most attractive and that is primarily where the Management of ASEE intends to concentrate its efforts and expand business operations through further organic growth and new company acquisitions.

Other markets

The following table presents the financial results generated in other markets for the years 2012 and 2011.

PLN millions	2012	2011	Change
Sales	508.9	507.3	0.3%
EBITDA	33.2	31.0	7.1%
EBITDA margin	6.5%	6.1%	
EBIT	23.4	20.5	14.1%
EBIT margin	4.6%	4.0%	
Corporate income tax (current and deferred)	(2.4)	(2.5)	(4.0%)
Net profit	11.8	16.1	(26.7%)
Net profit margin	2.3%	3.2%	
CFO	34.2	20.5	66.8%
CAPEX	(15.0)	(19.1)	(21.5%)
Working capital at the beginning of period	71.1	43.0	65.3%
Working capital at the end of period	73.4	71.1	3.2%
Cash and cash equivalents at the end of period	65.8	83.5	(21.2%)
Interest-bearing debt at the end of period	(60.2)	(86.6)	(30.5%)
of which bank loans, bor- rowings and bonds issued	(59.9)	(86.5)	(30.8%)
of which finance lease liabilities	(0.3)	(0.1)	200.0%

* Revenues from sales to the segment's external customers.

EBITDA = EBIT + depreciation and amortization - capitalized R&D costs; EBIT = operating profit; CFO = net cash flows from operating activities; CAPEX = segment's capital expenditures for non-current assets + grants received for purchases of property, plant and equipment and/or development projects

Asseco Group companies operating in other markets recognized PLN 508.9 million in revenues for 2012, showing a 0.3% increase as compared to 2011.

Asseco Spain has gained a leading position in the area of services for mobile devices in the Spanish market. This has been achieved, among others, through partnerships with multi-national players such as Samsung and Microsoft. The company also signed a contract with Fujitsu, whereby it will act as a mobility business partner. Asseco Spain also works with the companies of Lenovo, Toshiba, and HP, which results in the implementation of joint projects for the supply of equipment in the Spanish market. In addition to products of the above-mentioned Samsung, HP and Lenovo, the company also offers new solutions from Citrix. Asseco Spain has moreover become the largest distributor of Apple devices in the Iberian Peninsula. The company gained a number of new clients, including companies

listed in the prestigious IBEX35 index of the Madrid Stock Exchange.

In the area of POS solutions, our Spanish subsidiary Necomplus was successful in winning new clients, such as Liberbank, Solvia, and Novagalicia. The company's strategy based on the consolidation of business process outsourcing (BPO) contributed to the development of such operations, where 150 agents provide support to banking and insurance sector clients in their Call Center and back-office functions. The company offers great flexibility and ability to take on new BPO projects in a short time, ensuring the highest level of services. In the area of self-service terminals, Necomplus is carrying out a significant project for Iberia Airlines. Furthermore, in 2012 the company started its operations in the POS market of the Dominican Republic.

Asseco Denmark is primarily engaged in the development and sales promotion of Solvency II solutions, dedicated to clients in the insurance industry, in connection with new requirements of the international financial market regulators. Asseco Denmark has already signed more than 20 contracts to implement this solution. Concurrently, the company cooperates with other companies of Asseco Group in order to handle international distribution of its Solvency II solution.

The companies incorporated under the Asseco DACH holding, namely Asseco Germany and Matrix42, consistently pursued their strategic objectives despite the difficult market conditions in Western Europe. Asseco Germany reorganized the work of its team and also moved its headquarters and one of the branches to a new location. AP Plus was awarded as the best system in the category of ERPII by the Business Entrepreneurship Research Center at the University of Potsdam. The company attracted a number of new clients from miscellaneous industries, including manufacturing and transportation. Matrix42 gained more than 250 new customers for its solution as well as expanded its access to the Benelux market through a new partner, Windmark B.V. The company provided its clients with a new price-list along with fresh new product packages, which are readily available through the cloud-based technology. The

company's products have been also re-certified under the ISO 9001:2008 standard.

Asseco Lietuva UAB signed a number of new contracts, primarily with the Lithuanian public sector clients. Examples of the projects carried out by this company include the implementation of its flagship Avilys document management system for the Lithuanian Taxation Office, implementation of the one-stop office system and creation of the national court register for the Ministry of the Interior, as well as deployment of Lotus Notes infrastructure for the Lithuanian railways. Asseco Lietuva UAB continues to provide services to its existing clients, including the National Library and the Parliament of Lithuania. At the National Library, the company develops an online library information system as well as it provides content and services related to the preparation and popularization of electronic versions of Lithuanian books, which is carried out under the project for digitization of the national cultural resources. The company also participated in tenders that have not been finalized but postponed to 2013 due to procedural reasons. The company has not introduced significant changes to its product portfolio as it continues to focus on the development of its Avilys document management software.

Non-recurring Events with Impact on Our Financial Performance

Receivables from Prokom Investments

As at 31 December 2012, the Parent Company reassessed the recoverable amount of its receivables from Prokom Investments S.A. because, in December, the parties concluded a memorandum of understanding stipulating the rules of repayment and providing collateral for such receivables. Following such estimates, the allowance for receivables from Prokom Investments was partially reversed by PLN 23.5 million (of which PLN 6.9 million was recognized in other operating income, while the remaining amount was accounted for as financial income). This transaction has been described in detail in explanatory notes 13 and 16 to the consolidated financial statements for the year ended 31 December 2012.

Sapiens International Corp. N.V.

As a result of several acquisitions of Sapiens International shares that were conducted between September 2011 and January 2012, Formula Systems (a subsidiary of the Parent Company) surpassed the 50% equity interest threshold in Sapiens International in January 2012 and thereby obtained control over that company. This produced a gain of PLN 10.6 million (USD 3.4 million) recognized on fair value measurement of the stake of shares held in Sapiens International that was performed at the date of obtaining control, i.e. as at 27 January 2012. The transaction of obtaining control over Sapiens International has been described in explanatory note 9 to the consolidated financial statements for the year ended 31 December 2012.

Revaluation of deferred payments for controlling interests

As a result of re-estimating its contingent payments for controlling interests in subsidiaries, the Group recognized a net gain of PLN 4.7 million. These transactions have been presented in detail in explanatory notes 3 and 23 to the consolidated financial statements for the year ended 31 December 2012.

Write-down on goodwill

As a result of the conducted interim impairment test, the Group recognized an impairment write-down of PLN 4.4 million on the cash-generating unit, to which goodwill arising from the acquisition of Asseco Spain S.A. has been allocated. Information on the carried out impairment test has been provided in explanatory note 9 (ii) to the consolidated financial statements for the year ended 31 December 2012.

Assessment of Financial Resources Management

Liquidity ratios

Working capital (defined as the difference between current assets and current liabilities) represents the amounts of fixed capital (equity plus long-term debt) which are used to finance current assets. The table below presents the closing balances of working capital as at 31 December 2012 and as at 31 December 2011.

	2012	2011
Working capital (in PLN millions)	1,326.2	1,265.8
Current liquidity ratio	1.87	1.79
Quick liquidity ratio	1.76	1.69
Absolute liquidity ratio	0.63	0.61

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

The main factors behind the growth in working capital included:

- a decrease in short-term debt (including finance lease liabilities) by PLN 57.7 million;
- a net increase in trade receivables and trade payables by PLN 61.5 million.

Debt ratios

In 2012, as compared with the end of 2011, total short- and long-term liabilities decreased by PLN 16.1 million (of which interest-bearing debt inclusive of finance lease liabilities dropped by PLN 30.9 million). Our general debt ratio equalled 25.1%, remaining at a similar level as a year ago. The following table presents basic debt ratios observed as at the end of the last two years.

	2012	2011
Debt ratio	25.1%	25.6%
Debt / equity ratio	10.6%	11.3%
Debt / (debt + equity) ratio	9.6%	10.1%

Debt ratio = (long-term liabilities + short-term liabilities) / assets

Debt / equity ratio = interest-bearing bank loans and debt securities / equity of the Parent Company

Debt / (debt + equity of the Parent Company) ratio = interest-bearing bank loans and debt securities / (interest-bearing bank loans and debt securities + equity of the Parent Company)

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 term loans, borrowings, or capital contributions.

Discussion of significant risk factors and threats

Market risks

Risk related to intensified competition

The Group's operations are under the pressure of intense competition both from the local players and international IT corporations, which has to be faced especially when tendering for large and prestigious contracts. 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; hence the product lifecycle in this market is relatively short. 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 gaining of new contracts or even result in termination of already concluded

contracts for the provision of information systems. Such an event 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 reduce its interest rate risk, the Group tries to avoid taking out loan facilities based on a variable interest rate or, if not possible, the Group may conclude forward rate agreements.

Regulatory and legal risks

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 work 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.

Operating risks

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 associated firstly with the financial credibility and good will of customers to whom the Group companies provide their IT solutions, and secondly with the financial credibility of contractors with whom supply transactions are concluded.

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

Risk related to software licenses

Asseco Group utilizes IT software licenses granted under legal agreements concluded with the world's leading providers of utility software and thematic applications, such as Business Objects, HP, IBM, Microsoft, Oracle, and SAS Institute. With the help of such solutions and technologies, Asseco Group develops its most important products. Termination of any licensing agreements or limitation of 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 the Group 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 Asseco Group or of its 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 practices 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's financial forecasts for 2012

Management boards of Asseco Group companies did not publish any financial forecasts for the year 2012 or for subsequent financial periods.

Changes in the principles of the company and group management

In 2012, the Group saw minor changes in its management practices, which basically included improving the management tools in order to enable more effective use, monitoring as well as economic evaluation of our resources.

Remuneration of the management and supervisory personnel

The amounts of remuneration due to our management and supervisory staff have been disclosed in explanatory note 34 to the consolidated financial statements of Asseco Group for the year ended 31 December 2012.

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 or acquisition.

Changes in capital relationships

Changes in the Group's equity relationships have been presented in section VI of Supplementary Information and Explanatory Notes to the consolidated financial statements of Asseco Group for the year ended 31 December 2012.

Related party transactions

Transactions with our related entities have been presented in explanatory note 26 to

the annual consolidated financial statements of Asseco Group for the year ended 31 December 2012.

Bank loans, borrowings, sureties, and guarantees

Bank loans, borrowings, as well as sureties and guarantees extended have been presented in explanatory note 20 to the annual consolidated financial statements of Asseco Group for the year ended 31 December 2012.

Off-balance-sheet items

The nature, purpose and value of significant off-balance-sheet items have been presented in explanatory notes 28 and 29 to the annual consolidated financial statements of Asseco Group for the year ended 31 December 2012.

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 18 March 2013.



Adam Góral
President of the Management Board



Zbigniew Pomianek
Vice President of the Management Board



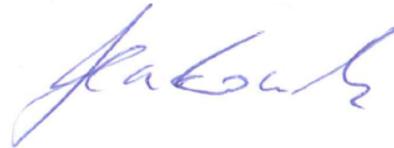
Przemysław Borzestowski
Vice President of the Management Board



Włodzimierz Serwiński
Vice President of the Management Board



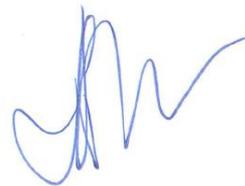
Tadeusz Dyrka
Vice President of the Management Board



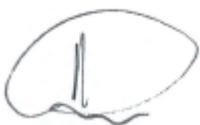
Przemysław Sęczkowski
Vice President of the Management Board



Rafał Kozłowski
Vice President of the Management Board



Robert Smułkowski
Vice President of the Management Board



Marek Panek
Vice President of the Management Board



Paweł Piwowar
Vice President of the Management Board

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

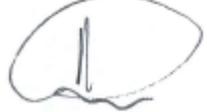
**for the year ended
31 December 2012**



Statement by the Management Board of Asseco Poland S.A. on the reliability of preparation of the consolidated financial statements of Asseco Poland Group for the period of 12 months ended 31 December 2012

The Management Board of Asseco Poland S.A. hereby declares that, to the best of its knowledge, the consolidated financial statements of Asseco Poland Group for the period of 12 months ended 31 December 2012 and comparative data contained therein have been prepared in compliance with the applicable accounting standards, namely the International Financial Reporting Standards, as endorsed by the European Union.

Furthermore, the Management Board declares that the presented data give a true, reliable and fair view of the Group's assets, financial position and financial performance. The report on 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 consolidated financial statements of Asseco Group for the period of 12 months ended 31 December 2012

The Management Board of Asseco Poland S.A. hereby declares that the entity authorized to audit the Group's consolidated financial statements for the period of 12 months ended 31 December 2012, 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



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