STATEMENT ON BUSINESS ACTIVITIES
(CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT)

For the period of 1 January 2011 – 30 June 2011

1. General information

GRUPA KAPITAŁOWA (CAPITAL GROUP) LSI SOFTWARE SPÓŁKA AKCYJNA (JOINT STOCK COMPANY)
with its registered office in Łódź
176/178 Przybyszewskiego Street

LSI Software S.A. Company with its registered office in Łódź at 176/178 Street is recorded by the District Court for the City of Łódź (20th Commercial Department of the National Court Register) in the register of entrepreneurs under the following number: KRS 0000059150.

The main scope of the Company's business activities shall include:

- Other software consultancy and supply 72.22 Z

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IT
Main Market 5 MINUS

The Group's duration shall be unlimited.

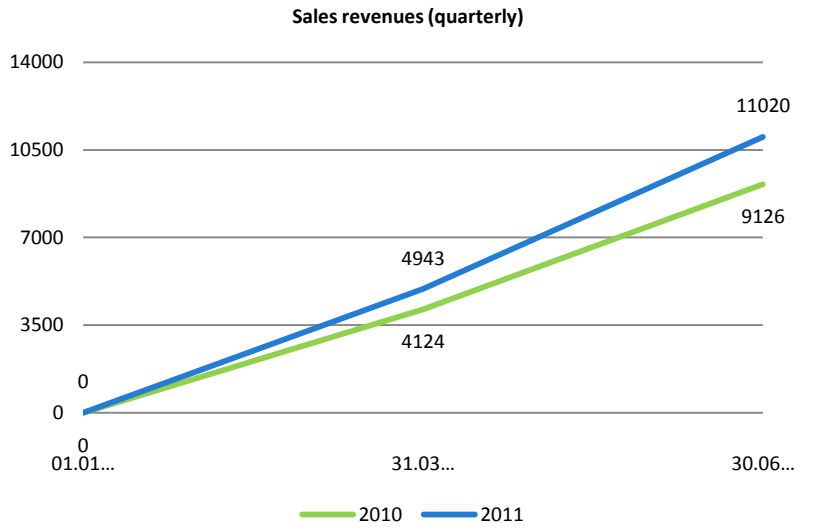
The financial statement of LSI Capital Group has been prepared for the period of 1 January 2011 – 30 June 2011. The comparable period includes the data for the period of 1 January 2010 – 30 June 2010.

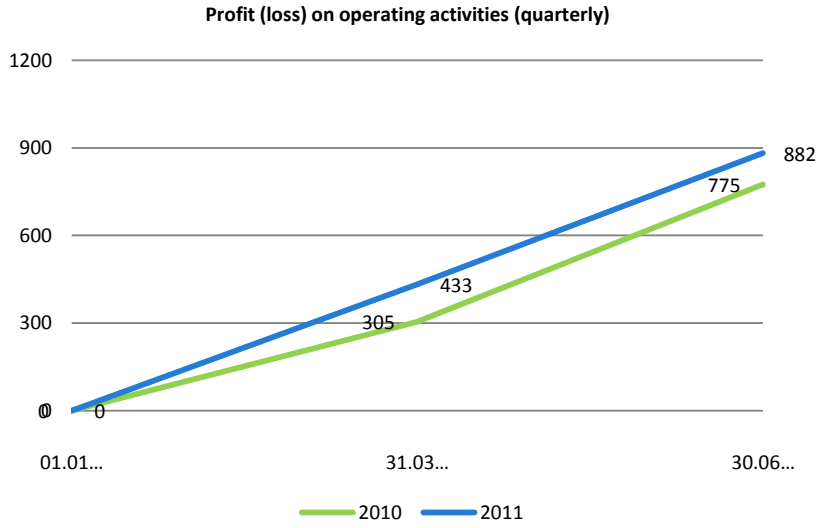
2. Description of basic economic and financial values, factors and events of unusual nature and development prospects

The Company and the Capital Group, despite persisting uncertainty in the markets, systematically improve their results both with respect to the increase of sales (chart on the right) and to the improvement of operating results (chart below).

Change in economic values:	30.06.2010	30.06.2011
- Net profit	100%	122,9%
- Operating profit	100%	113,8%
- Sales revenues	100%	120,8%

There were no material changes to the balance sheet structure which would require additional explanation and clarification. It is worth noting that the continuous improvement of the financing structure (replacing the short-term financing with long-term) has a positive impact on the current operations of the Company and the Capital Group.





Events of unusual nature

In the opinion of the Management Board, in the first half of 2011 there were no unusual events which could have a significant impact on the operating results.

Development prospects

The development strategy of the Company and the Capital Group aimed at strengthening the position of a stable and recognized software producer assumes the dynamic development of the company on several levels of its operations.

The Company intends to pursue further investments in new products, focusing in particular on POSitive Hospitality and POSitive Retail groups. This applies both to the modernization of existing products included in the above-mentioned groups (extending the functionality, application of innovative solutions appearing on the market) as well as to the continuous development of works aimed at creating new products in accordance with the growing needs of the market and current development trends. The aim of mentioned steps is to meet the needs of more and more demanding customer through expanding the list of products and improving their functionality.

The company envisages further vertical development and increase in sales of products through building a partner sales network. The target model assumes that the sales will be carried out mainly through a network of partners who will be provided with necessary support. The company allows the direct sales service for large customers only.

3. Risk factors and threats to which the Capital Group is exposed

Factors associated with the business operations of the Group

- Risk associated with the introduction of new products of the Group and the development of existing ones

The dynamic development of information technology and methods of data transmission and data processing, enforces the need to keep up with new technologies. IT companies are forced to constantly modernize offered products and services and to develop new technology solutions. There is a risk associated with the difficulties in keeping up with the market development in this area, as well as it is uncertain whether the introduction of a new product that is currently being developed or will be developed by the Group, would be positively received by potential customers. In order to minimize mentioned risk, the Group continuously analyzes the trends in the IT services market, effectively responds to market's demand for new solutions as well as effectively adjusts the catalogue of offered products and methods for their use to customers' expectations. The Group systematically establishes and maintains business relationships with suppliers and customers and cares about maintaining a high technological level of its own products and services associated with them.

- Risk associated with the changes of the growth-rate of ERP software market

Nowadays the ERP software market in Poland maintains an upward trend as compared to the gross domestic product's rate of growth. Taking into account the publications and professional analysis presenting the development forecasts for this area, it should be assumed that this market will continue to be characterized by intensive development. However, for the assessment of aforementioned assumptions, the potential economic fluctuations (which, as a consequence, may be significant for the potential clients of the Group while making investment decisions regarding the use of IT solutions offered by the Group) shall also be of considerable importance.

In order to reduce this risk, the Group develops its operations by diversifying its own customers area. The Group addresses its product portfolio to companies operating in various business sectors. The distribution of the offer among several market areas effectively reduces the dependence on customers thereby reducing this risk.

- Risk associated with the change of criteria regarding the technology provided by technology partners

The development of the Group's activities particularly depends on access to modern Information Technology solutions. Currently, the main partner in this regard is Microsoft - the largest software producer in the world. Microsoft, under the partnership agreement, cooperates with the Group in the field of implementation of the system environment and databases. It cannot be excluded that in future the status of the partnership may change, particularly with regard to a possible increase of cost associated with an access to technology, which in turn could result in the need to change the pricing policy for customers. All these facts would for sure partially reduce the competitiveness in the IT services market.

- Risk associated with the loss of key employees

The Group's operations and its development prospects depend largely on the knowledge and experience of highly qualified personnel. It is typical for the companies operating in IT sector. The dynamic development of IT companies in Poland and in the European Union may contribute to the growth in the demand for highly qualified and experienced staff. The main method for obtaining employees is to offer them competitive salary and working conditions. There is a risk that the loss of key employees could result in delays in the implementation of works. Any increase in costs of employment may have a negative impact on the Group's financial results and development opportunities. The Group establishes optimal incentive systems which build positive relationships with employees, guarantee the limited staff turnover and enable maintaining a stable base of qualified and highly experienced IT industry employees.

Factors associated with the environment in which the Group operates

- Risk associated with the instability of legal system

The Polish legislation and its interpretation is subject to frequent changes. Many of the existing legal provisions, particularly tax provisions, have not been formulated in a sufficiently precise manner so they lack a clear interpretation. Any changes in the law may have a negative impact on the Group's business activities and the environment in which the Group operates. Entry into force of new regulations which are significant for the economic relations may result in different problems associated with interpretation, nonuniform judicial decisions, unadvantageous interpretations adopted by public authorities, etc., which in turn can, directly or indirectly, translate into worse operating conditions for the Capital Group .

- Risk associated with world macroeconomic situation and macroeconomic situation in Poland

The activities of the Capital Group and the pace of the development of its product offer are closely associated with the overall economic situation of the country. The financial result of the Capital Group is undoubtedly affected by such factors as the level of GDP, the level of business investments, the level of inflation and the level of foreign exchange rates against zloty (PLN). Any slowdown in economic growth, the decline of investments, in particular in the field of modern technology as well as the rise in inflation could have a negative impact on operations and financial position of the Group and its financial results. Due to the import, the low value of zloty (PLN) is also recognized by the Group as a threat. In order to reduce the potential negative effects of aforementioned factors, the Capital Group diversifies its operating areas.

- Risk of competition

The rising competition from both Polish and foreign IT companies shall significantly affect the business operations of the Group. The consolidation of companies in the market shall also constitute a serious threat. Furthermore, the growing number of institutions benefiting from its own experts in the field of IT solutions may affect the Group's competitiveness relative to other entities which in turn may have a negative impact on the business activities and financial result. It cannot be excluded that the growing competitive struggle will not affect the level of profitability of the Group's business.

- Risk of industry consolidation

Consolidation processes in the IT industry lead to strengthening the largest entities in the market which facilitates their access to new customers. The strongest companies seek to take over weaker companies operating niche segments of the IT market. The Capital Group, aiming to strengthen its position in the market, also plans the acquisition of companies in certain market segments.

4. Compliance with corporate governance principles and the Company's managing and supervising bodies

Indication of the code of corporate governance principles applied by the issuer

The issuer applies corporate governance principles published in the document 'Code of Best Practice for WSE Listed Companies' adopted by the Resolution No 12/1170/2007 of the Warsaw Stock Exchange Supervisory Board. The text of mentioned Code is published on www.corp-gov.gpw.pl.

Indication and explanation of departures from the corporate governance principles

In accordance with the applicable provisions, LSI Software S.A. submitted a statement regarding the compliance with corporate governance rules in the form of a report. The rules listed below are not applied by the Company permanently or temporarily:

I. Recommendations for Best Practice for Listed Companies

1. A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.

This principle, in the part regarding the broadcasts of General Meetings, is not and will not be applied by the Issuer. The Company does not plan to enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on its website. The implementation of aforementioned provisions would require too much organizational effort in relation to the size of the Company. The Company informs its shareholders well in advance about the dates and agenda of the General Meeting and thus allows a wide group of shareholders to participate in the meeting.

5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.

This principle is not applied. The Company does not have a remuneration policy and rules of defining the policy. The Company discloses the data regarding the remuneration of members of managing and supervising bodies in accordance with applicable law. The lack of a remuneration policy, in actual fact, does not cause the violation of the European Commission Recommendations (2004/913/EC and 2009/385/EC).

II Best Practice for Management Boards of Listed Companies

1.6 annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the work of the Supervisory Board and of the internal control system and the significant risk management system submitted by the Supervisory Board;

This principle is not applied in the part regarding the reports on the works of the Supervisory Board's committees, the internal control system and the significant risk management system, due to the fact that committees have not been separated within the Supervisory Board.

1.7 shareholders' questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions;

The principle has not been applied. The notary took the minutes of the Meeting. The Chairman of the General Meeting decided on inclusion of particular items in the minutes in line with applicable legal provisions, importance of the matter and justified requests of the shareholders. The participants to the Meeting were entitled to submit written statements, which were attached to the minutes, which in the opinion of the company were sufficient to ensure the transparency of the General Meeting.

1.14 information about the content of the company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule;

The principle has not been applied due to the fact that the Company does not have its internal rule of changing the company authorised to audit financial statements. The Company's financial statements are not audited by one auditor in the period longer than 3 years.

2. A company should ensure that its website is also available in English, at least to the extent described in section II.1.

This principle is not and will not be applied. The Company has no foreign shareholders for whom English version of corporate documents would be useful. The Company will not apply this principle also because of the costs of translating corporate documents.

III. Best Practice for Supervisory Board Members

7. The Supervisory Board should establish at least an audit committee. The committee should include at least one member independent of the company and entities with significant connections with the company, who has qualifications in accounting and finance. In companies where the Supervisory Board consists of the minimum number of members required by law, the tasks of the committee may be performed by the Supervisory Board.

The principle is not applied in respect to functioning of the audit committee because due to the small size of the Supervisory Board, the committees have not been separated and their duties are performed by the Supervisory Board at full complement.

8. Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors* should apply to the tasks and the operation of the committees of the Supervisory Board.

The principle is not and will not be applied. Any committees have not been separated from the structure of the supervising body. The Supervisory Board exercises its responsibilities on the basis of the rules defining the scope of its competence, which is available on the Company's website.

Main features of the internal control and risk management system applied by the Group with regard to the preparation of the financial statements

The internal control and risk management processes in relation to the financial statements preparation are carried out by the Supervisory Board, Management Board and employees at all levels. Developed and applied internal control system with regard to accounting documentation ensures the reliability, completeness and timeliness of information included in the financial statements, as well as compliance with applicable laws and regulations. The company constantly monitors the significant legal risks.

One of the basic control elements in the process of financial statements preparation is their verification by the independent auditor. The annual and half-yearly financial statements are subject to audit and review of the independent auditor. The auditor is selected by the Supervisory Board who chooses the best offer from among those sent as responses to the request for tender.

The quarterly, half-yearly and annual financial statements are regularly submitted by the Management Board to the Supervisory Board.

Shareholders holding indirectly or directly significant blocks of shares

As at 31 August 2011

Person	Number of shares	Number of votes	% of votes at GM
Grzegorz Siewiera	1 071 591	5 255 591	70,59%

Information on holders of securities entitling to special supervisory powers over the issuer and description of these powers

The registered shares of A-, B- and C-series in the amount of 1 046 000 are vote-preferred shares (5 votes per share; the total number of votes attached to mentioned shares: 5 230 000) and are held by Grzegorz Siewiera.

Information on the limitations as regards the exercise of voting rights

Not applicable.

Information on the limitations regarding the transfer of the ownership rights attached to securities of the issuer

Not applicable.

Description of the rules regarding the appointment and dismissal of managing persons; description of managing persons' powers

The rules regarding the appointment and dismissal of managing persons of the Issuer are strictly defined in the Management Board Rules and in the Articles of Association of LSI Software S.A.

Description of rules regarding the changes to the Issuer's Articles of Association

The Resolution No 37/2011 of the Extraordinary General Meeting of LSI Software S.A. of 28 July 2011 on the amendments to the Company's Articles of Association is available on the Issuer's corporate website. Mentioned Resolution regards the share capital increase within the authorised capital.

General Meeting's operations and its basic powers

The General Meeting of LSI Software S.A. operates on the basis of the Rules of the General Meeting and the Company's Articles of Association.

Composition and changes to the composition of issuer's managing and supervising bodies

The Management Board of LSI Software S.A.

- Grzegorz Siewiera – President of the Management Board
- Paweł Tarnowski – Vice-President of the Management Board
- Mariusz Łężak – Member of the Management Board
- Jerzy Łochowski – Member of the Management Board

In the reporting period there were no changes to the composition of the issuer's Management Board.

The Supervisory Board of LSI Software S.A.

- Piotr Wilkowski – Chairman of the Supervisory Board – until 18 February 2011
- Krzysztof Wolski – Chairman of the Supervisory Board – as from 18 February 2011
- Edward Sierański – Vice-Chairman of the Supervisory Board
- Paweł Podgórny – Member of the Supervisory Board
- Jan Jeżak – Member of the Supervisory Board
- Krzysztof Kalinowski – Member of the Supervisory Board

The composition and method of appointment of the Supervisory Board, the rights and obligations of Members of the Supervisory Board, the competences of the Supervisory Board, directing the works of the Supervisory Board, convening the meetings of the Supervisory Board, meetings of the Supervisory Boards, the method of adopting the resolutions are described in detail in the Rules of the Supervisory Board available on the Company's corporate website.

5. Significant proceedings pending before a court, before a relevant body for conducting arbitration proceedings or before government bodies.

As at 30 June 2011 as well as at the day of the financial statetement hereof disclosure, any proceedings concerning issuer's or its subsidiary undertakings' liabilities or claims whose aggregate value represents at least 10% of the issuer's equity, were not pending.

6. Information on basic products, services and the markets

The main scope of the Group's business activities has not changed and is focused on the production, sale and implementation of authorial software. The Capital Group is a provider of integrated IT solutions for business management, in particular in the following segments of the small and medium-sized companies:

- Retail - solutions in this group of clients cover all the processes occurring in the traditional commercial enterprise. Starting from ordering goods from the supplier, through warehouse management at the headquarters level, logistics services for stocking own stores, complaints, sales registration in points of sale ending with data analysis in the headquarters. System ensures the maintenance of such areas of the enterprise as accounting, finances, HR and payroll.
- Hospitality – products of this group are intended for the hospitality market. Mentioned products support not only the catering activities but also the restaurant (restaurants chain) or hotel management as well as the organization of conferences. The offer also includes comprehensive systems for managing sporting activities and SPA centers.
- Small and medium-sized companies (ERP) of any line of business (branch).

The medium-sized companies, in terms of IT system implementation, are the companies employing over 50 employees and using over 10 computer workstations. For such companies we offer proven and highly valued Bastion ERP software.

Bastion ERP consists of the following programs:

Bastion ERP Financials – financial and management accounting, fixed assets, reports and analyses;

Bastion ERP Distribution – sale, warehouse management, distribution;

Bastion ERP Personnel – human resource management, payroll.

The Group's product offer can be divided into the following product lines:

- POSitive® Hospitality - sales systems and customer service systems for hospitality and sport business segment,
- POSitive® Retail - sales systems and customer service systems for retail industry,
- Bastion® ERP – ERP-class system for business management,
- Intakt® CRM/Workflow – processes management system,
- CHART - sales systems and customer service systems for hospitality segment,
- GASTRO POS - sales systems and customer service systems for catering segment,
- GASTRO SZEF - system for business management.

Group is also involved in the production of dedicated software which is developed on special request of customers on the basis of the analysis of needs and technological capabilities and financial resources of the recipient.

The realization of products developed under 'the special request' may be carried out within three areas:

- Modifications to the existing software produced by the Company.
- Adjusting the software of other producers.
- Production of completely new dedicated software developed on the basis of profound analysis of processes being the subject of this newly created software.

Apart from the production of software, the Group provides the services associated with:

- Implementation, sales and maintenance of own software;
- Consultancy in the field of the flow of information and optimization of business processes in the pre-analysis phase;
- Maintenance of network infrastructure.

In 2011 the majority of the Group's revenue was associated with the sales on a domestic market, while foreign revenues were generated primarily by the LRS, for which the issuer produces specialized software. The number of Polish nationwide projects is increasing. The relevant steps, aimed at intensification of activities in the field of acquisition of clients owning the developed sales network (and/or assuming their significant development), are being undertaken. The sales of the Group is of dispersed nature. In the structure of sales, in relation to the turnover value, there is no significant recipient of services and solutions of the Group. Diversified portfolio of customers allows to retain the independence from individual buyers.

Among the Group's clients, small and medium-sized companies sustaining strong market position, constitute the largest group of recipients.

7. Information on significant agreements

On 12 January 2011 the Company received an agreement signed on 30 December 2010 by a subsidiary company Softech. Mentioned agreement regards additional financing for the Project 'Development of an employee portal for the on-line personal resources management' under the Regional Operational Program of Łódź Voivodeship for the years 2007 – 2013. The value of the project exceeds the amount of PLN 470 000. PLN 300 000 shall be the amount of additional financing obtained. The project shall be completed in the third quarter of 2011. In the reporting period, apart from those indicated above, other agreements of lower value or with smaller contractors were concluded.

8. Organizational or capital relations between the Issuer and other entities with the indication of Issuer's major domestic and foreign investments

The composition of LSI Software Capital Group shall be as follows:

- LSI Software S.A., as a dominant entity,
- Softech Ltd., as a subsidiary (LSI Software S.A. holds 100% of this company's shares/100% of votes – purchase price: PLN 5 050 000),
- Horeca Online Ltd., as a subsidiary (LSI Software S.A. holds 70% of this company's shares/70% of votes while Softech Ltd. owns the remaining 30%/30% of votes – purchase price: PLN 1 003 000).

LSI Software S.A. Company granted to Horeca Online Ltd. a short-term loan at the amount of PLN 50 000 – WIBOR + margin.

The Issuer concludes sale / purchase transactions with all related entities. Transactions are carried out on market conditions applicable to transactions with other entities.

9. Information on credits, loans, guarantees and sureties incurred, terminated or granted in a given financial year

In 2011 any new credit, loan, guarantee or surety agreements were not concluded.

Information on other agreements was disclosed in the financial statements for previous years.

In the reporting period no loans were granted as well as no loans were incurred. The information regarding previous periods was disclosed in the financial statements for previous years. In the reporting period no guarantees (sureties) were granted as well as no guarantees (sureties) were received (including from related entities). The information regarding previous periods was disclosed in the financial statements for previous years.

10. Use of proceeds from the issue

Such information was disclosed in the financial statements for previous years.

11. Differences between financial results presented in the annual financial statement and previously published forecasts

The Issuer did not publish the forecasts.

12. Structure of assets and liabilities of consolidated balance sheet with consideration of the liquidity of the Issuer's capital group

The analysis of the structure of short-term liabilities in connection with short-term reserves, and on the other hand, with short-term receivables together with the balance of cash, reflects the equalization of values as at 30 June 2011. Both the cash held and the support in the form of working-capital credits are important tools to secure the Group's financial liquidity and stable development.

13. The most important events significantly affecting the business activity and financial results of the Issuer's capital group in a financial year or events which could have such an impact in the subsequent years

In particular, there were no changes in the applicable accounting rules (policies). Also, the rules for determining the value of assets and liabilities and financial result measurement, did not change.

14. Description of the structure of main capital investments carried out within the Issuer's capital group in a given financial year

Such information has been presented in point 9 of hereof.

15. Description of the Issuer's capital group with the indication of entities subject to consolidation and description of changes to the Issuer's capital group together with the explanation of these changes

The composition of the Capital Group has been presented in point 8 hereof.

The entities are subject to full consolidation.

There are no related entities excluded from consolidation.

There were no changes to the organization and composition of the Capital Group.

16. Description of the policy regarding the development directions of the Issuer's capital group

As a result of acquisition of Softech Ltd., in accordance with estimates, LSI Software Capital Group operates over 70% of the catering market. At the same time, LSI Software S.A. gained an access to the distribution channel for products and services of more than 200 active partners of Softech company (including foreign partners). It is also possible to extend the offer of these partners.

17. Assessment of financial resources management

Described in point 2 hereof.

18. Assessment of possibilities to implement investment plans including capital investments

Investment expenditures planned for 2011 will be financed with the Group's own fund or possibly with the funds obtained from the European Union.

19. Assessment of factors and events of unusual nature which may affect the operational results for the financial year

On 6 June 2011, the Regional Court in Łódź announced a verdict stating that an investment agreement (between Novitus S.A., LSI Software S.A., Mr. Grzegorz Siewiera and Mr. Paweł Tarnowski) of 23 April 2009 had expired due to fulfillment of terminating condition consisting in the fact that the General Meeting of LSI had not adopted the resolution on the share capital increase through the issue of K-series shares to be subscribed for by Novitus S.A.. The information regarding conclusion of mentioned Investment Agreement (as a significant agreement) was published by the Company in a current report 11/2009 of 23 April 2009. The verdict of the Regional Court lacks the force of law. There might be an appeal from mentioned verdict.

Apart from aforementioned information, the Management Board did not recognize any other unusual events affecting the financial situation and position of the Capital Group.

20. External and internal factors significant to the issuer's development; description of business activities development prospects in the subsequent financial year

External factors

Economic trends:

Poland's economic situation is still recognized as one of the most interesting in the region and promising in terms of positive GDP growth and continued favorable growth prospects.

Competition:

The company is one of the leaders in its industry, which thanks to consistent development policy and diversification will certainly allow to compete successfully with other players in the market.

Internal factors

Organization of the Capital Group.

The composition of LSI Capital Group allows to continue business activities through the intensified internal development of owned entities.

Group's development prospects

LSI Software S.A. expects that 2011 will be a period of further development of the Company. The Group will focus on selling its own software and services associated with the sales of software (implementation, maintenance) in the hospitality (catering, hotels, sports centers, SPA) and retail markets (retail stores, chains) and to a lesser degree on the ERP-class software.

21. Changes to the basic principles of the Issuer's business and Capital Group management

The Management of LSI Software S.A. consistently pursues the management policy focusing on its quality and efficiency. The procedures are being continuously improved in order to optimize the management process, guarantee the effective flow of information in the Company and in the Group and ensure the exchange of information with the business environment.

22. Agreements concluded between the Issuer and managing persons providing for the compensation in case of managing persons' resignation or dismissal from position held

Not applicable.

23. Value of remuneration, awards or benefits paid to each managing or supervising person in issuer's enterprise

30 June 2011	LSI Software	Softech	Horeca Online	
Grzegorz Siewiera	PLN 18 000	PLN 18 000	PLN 6 000	MB
Paweł Tarnowski		PLN 18 000	PLN 6 000	MB
Jerzy Łochowski	PLN 11 000			MB
Michał Czwojdziński		PLN 1 000		MB
Wolski Krzysztof		PLN 3 000		SB
Kalinowski Krzysztof	PLN 2 000			SB
Sierański Edward		PLN 2 000		SB
Podgórny Paweł		PLN 2 000		SB
Jeżak Jan	PLN 2 000			SB

MB – Management Board
SB – Superviosry Board

24. The total number and nominal value of all issuer's shares and shares of issuer's related entities held by the issuer's managing or supervisory persons (for each person separately)

	Number of shares held	Value of shares
Grzegorz Siewiera (President of the Management Board)	1 071 591	1 071 591
Paweł Tarnowski (Vice-President of the Management Board)	302 680	302 680
Jerzy Łochowski (Member of the Management Board)	6 770	6 770
Paweł Podgórny (Member of the Supervisory Board)	104 815	104 815

25. Information on agreements which in future, may result in changes in proportion of shares held by shareholders

Described in point 19 hereof.

26. Information on the control system for employee share schemes

Not applicable.

27. Information on agreements with an entity authorized to audit financial statements

The Supervisory Board of LSI Software S.A. has selected:

- Kancelaria Biegłych Rewidentów Consultus Sp. z o.o. (Consults Ltd. – Firm of Statutory Auditors) in Łódź as an entity authorized to audit the financial statement for the year 2010 – agreement of 28 May 2010,

- Kancelarię Biegłych Rewidentów Consultus Sp. z o.o. (Consults Ltd. – Firm of Statutory Auditors) in Łódź as an entity authorized to audit the financial statement for the year 2011 – agreement of 20 June 2011.

The total remuneration arising from the agreement concluded with an entity authorized to audit the financial statements due or paid is indicated below:

	2011	2010
Review and audit regarding the financial year (unconsolidated and consolidated)	PLN 26 000	PLN 26 000
Total	PLN 26 000	PLN 26 000

28. Description of off-balance sheet items

Not applicable.

29. Supplement to the unconsolidated statement

The Management Board did not state the occurrence of other events or operations which had not been already disclosed in the part regarding the condensed consolidated financial statement and which would require a separate disclosure and could have a significant impact on the assessment of assets, liabilities and equity, financial result or cash flow of LSI Software S.A. Company.

The Management Board
of the Company / Capital Group

- Grzegorz Siewiera
- Paweł Tarnowski
- Mariusz Łężak
- Jerzy Łochowski

Łódź, 31 August 2011