

NTT ***SYSTEM***®

Company Profile

2013



Company Profile

NTT System is Poland's biggest producer of desktop computers which are marketed under the firm's own brand and under different private labels. It is also a leading distributor of accessories, components and peripheral devices on the Polish market.

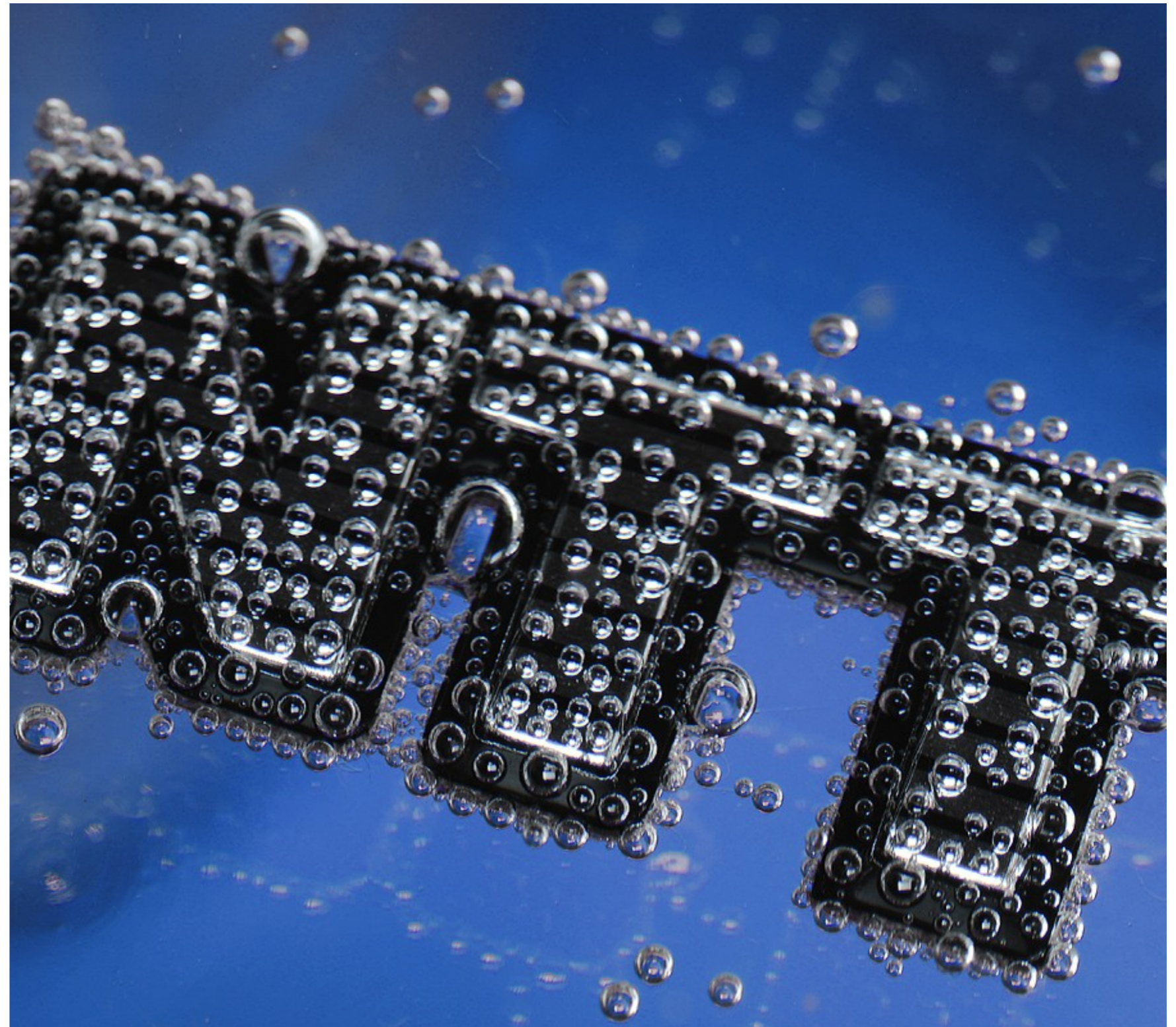
With over 20 years of operation in the IT market, NTT System ranks as one of the industry's most experienced companies. Established in Singapore in the mid-1980s, the firm has – as so many other companies of the IT sector – grown from a small outfit to a cutting-edge conglomerate. The Company was listed on the Warsaw Stock Exchange in April 2007.

In addition to its headquarters in Warsaw and the assembly plant with logistics and storage facilities in Zakręt, NTT System owns and operates six retail outlets across Poland (Kraków, Bydgoszcz, Białystok, Ruda Śląska, Leszno and Wrocław). The Company employs over 200 staff. A carefully planned strategy has positioned NTT System for continuous growth, with revenues increasing steadily year-on-year since the Company's inception.

An undisputed leader of the Polish desktop computer market, NTT System builds its success on the know-how and experience derived from years of cooperation with the world's biggest companies. These strengths are leveraged to provide clients and business partners with customized integrated solutions. NTT Systems has forged close relationships with suppliers of top quality components. These include Intel, Microsoft, AMD, VIA Technologies, Gigabyte, Asus, MSI, Samsung Electronics, Hyundai, Hynix, NEC, LG, Siemens, to mention but a few of the industry's leading names.

The Company combines its own experience with that of its partners to deliver final products to a wide range of clients, from corporations through institutions to individuals. These include Comarch, Sygnity and a majority of leading retail chains such as Media Markt, Makro Cash and Carry, Carrefour, Tesco, Real and Avans.

NTT System is also building its presence abroad, particularly in the European Union countries. The Company's main foreign markets are the Czech Republic, Hungary, Holland, Belarus, Ukraine and Latvia. The Company's dedication to top quality is displayed throughout all its products, services (warranty and post-warranty) and controls. In 1997 NTT System obtained an ISO 9001:1996 quality certificate, being one of the first companies in the Polish IT sector to receive such certification. This was followed by the successful implementation of an integrated management system requiring compliance with PN-EN ISO 9001:2009 and PN-EN ISO 14001:2005 (as confirmed by the certificate No S-108/7/2011).



Company officers

Tadeusz Kurek

President of the Management Board

President of the Management Board of NTT System. One of the Company's major shareholders since 1989. Holder of a Master of Engineering degree in Telecommunications from Warsaw University of Technology. Has both theoretical and hands-on experience of the new technologies industry through employment with the Polish Academy of Sciences and IT companies. Named "2005 Personality of the IT Industry" by Computer Reseller News.



Jacek Kozubowski

Vice President of the Management Board

Vice President of the Management Board of NTT System. Associated with the Company since 1989. Graduate of the Collegium of Socio-Economics of Warsaw School of Economics. Pursues a career in finance and new technologies.



Witold Markiewicz

Member of the Management Board

Joined NTT System in 2003 as a Member of the Management Board, currently serves as Vice President of the Management Board. Graduate of AGH University of Science and Technology. Has worked in the IT industry for more than ten years, including in executive positions with Qumak International and DTK Computer Polska.



Krzysztof Porębski

Member of the Management Board

Member of the Management Board of NTT System since 2008. Employed with PricewaterhouseCoopers Sp. z o.o. from 1995 to 2003 and as Chief Financial Officer at REWIT Księgowi i Biegli Rewidenci from 2003 to 2006. Serves as Chief Financial Officer at NTT System S.A. since 2006. Graduate of the Department of Economic Sciences of Warsaw University.



Supervisory Board

Janusz Cieślak – Member of the Supervisory Board
Przemysław Fabiś – Member of the Supervisory Board
Grzegorz Kurek – Member of the Supervisory Board
Davinder Singh Loomba – Member of the Supervisory Board
Andrzej Rymuza – Member of the Supervisory Board



Awards

NTT System's reputation is reflected in the numerous awards it has received.

2012

HP Poland has awarded NTT System two HP Sales Partner Excellence Award prizes for best sales in categories: "Sales of HP business series notebooks" and "Sales of HP notebooks with AMD CPUs"

2012

NTT System as only company in Poland gained Intel Learning Series Alliance Program membership

2011

Fujitsu named NTT System its „Partner of the Year“.

2010

NTT Nettop 770P took 1st place in nettop test carried out by editorial board of "Komputer Świat" newspaper. Desktop NTT won 1st price in category „Quality“.

2009

NTT System S.A. took 1st place in fifth edition of „Customer's Laurel 2009“ program in "Computer sets" category.

„Customer's Laurel“ is a biggest consumer's program in Poland, which confirms good opinion of Poles about product or service.

2008

an NTT laptop named "Product of the Year 2007" by PC World Komputer named "Leader of Central and Eastern Europe" by Intel in the mobile products category

2006

Tadeusz Kurek, President of the Management Board, named "2005 Personality of the IT Industry" by Computer Reseller News

2006

named "Pearl of the Polish Economy" in the Large Pearls category by the Institute of Economic Sciences of the Polish Academy of Sciences and the Polish Market magazine

2004 and 2005

named "2004 Business Gazelle" and "2003 Business Gazelle" by Puls Biznesu in recognition of its fast and sustainable growth

2003

named "Company of the Year 2002" by Computerworld Polska

1999

an NTT computer named "Product of the Year 1998" by Office Depot

1998

recognized by COMPUTERWORLD TOP 200 as the biggest export company in the IT sector

The Company's position within the Polish IT market

The value of the Polish IT market (IT) in 2011 increased by approximately 5% . Polish IT market is currently estimated to be worth 9.7 billion USD. Accompanied by the dynamic development of the sector was the steady increase of export value. Exports in 2010 reached 2.4 billion euro a 90% increase in value compared to previous years.

Desktops, servers and mobile appliance manufactured by NTT System have a wide range of configurations, and use topnotch technologies. Advantage of NTT System comes from systematic, almost daily updates of commercial offers, low unit costs of production and sale which derive from large operation scales and constant development of distribution chains.

NTT System is one of the leaders on the Polish market for desktops, both in terms of production and the sales value. For years the Company had strengthened its position on the domestic market. In 2010, NTT System sold 81 920 desktop PC ranking NTT System as a leader among domestic producers of desktop.

In 2003, NTT introduced to its offer notebook computers, and since 2009 netbook computers including classmate computers used as a part of mobile laboratory. In subsequent years, the Company consolidated its positions on the market simultaneously expanding its distribution offer for mobile appliance by foreign brands such as Lenovo Apple, Acer, HP, Fujitsu, MSI and ASUS.

In 2010 NTT System expanded its product portfolio by such products like All-in-One and a nettop computers and in 2012 by the addition of tablet computers.





Financial highlights

2012 financial results	PLN'000	EUR'000
Net income on sale of merchandise, finished goods and raw materials	657 028	157 425
Operating profit (loss)	4 188	1 003
Gross profit (loss)	3 842	921
Net profit (loss)	2 391	573
Total assets	246 387	60 268
Liabilities and provisions for liabilities	122 866	30 054
Long-term liabilities	3 389	829
Short-term liabilities	119 477	29 225
Equity	123 521	30 214
Share capital	83 100	20 327
Shares	55 400 000	55 400 000

Sales	2010	2011	2012
Sales revenue (PLN'000)	540 682	640 570	657 028
Sales revenue (EUR'000)	135 022	154 723	157 425

Production

Personal computers

NTT System is Poland's biggest PC producer. With 20 years of experience, NTT System is able to offer computers that are a reliable tool for work, education and entertainment. The Company's overall product range is divided into individual product ranges each designed with a specific type of client in mind. Each series has its own distinctive graphic identity. What they all have in common is top quality and cutting-edge technology.

NTT System offers the following PC series:



NTT Office Series

Ideally suited to the needs and capacity of small and medium enterprises, the NTT Office Series is intended for users looking for the best value for money in terms of performance. Products within this range are designed to meet the needs of small and medium enterprises, a very demanding customer group. This is the reason why NTT Office computers rank among the most competitive products in terms of price while maintaining high quality. Long useful life and quick depreciation are the two main advantages offered by NTT Office Series. As they are intended for office use, computers of this series are based on components that are integrated into the motherboard and meet the requirements of popular office software applications. For clients who are more demanding or wish to have the possibility of upgrading their equipment, there is a free AGP or PCI-Express slot which gives them an option to upgrade the most important components in an easy and cost-effective way. Anti-virus and encryption software is also available for security-conscious clients.



NTT Home Series

Offering home office, multimedia, internet and learning functions all combined into one, NTT Home Series is designed for anyone who wants to keep abreast of the latest developments in technology, games, multimedia and internet. The series is intended for home users who expect a computer to be a tool not only for fun and learning but also for work. The configuration of NTT Home Series computers offers expandability for future applications and upgrading if necessitated by the user's needs.



NTT Game Series

These top-of-the-class computers are ideal for those who look for power, speed and a slick appearance. NTT Game Series stands for the most powerful of computers – not only in the Company's product range but also in the entire Polish market. Computers within this range have set new standards in the Polish market by introducing cutting-edge solutions and best-performing components: in a word, all that a game player can crave for. Multi-core processors, best graphics performance, highest-capacity hard drives and an eye-catching appearance of the cases are only some of the distinguishing features of NTT Game Series. All this is designed to meet the requirements of state-of-the-art games and applications for graphics, image and video processing. This is the reason why NTT Games Series computers have become a household name in the industry press and in online discussion fora and often feature in tests and rankings. NTT Games Series is designed for the most demanding clients, who want to experience the comfort and joy of owning a device that offers unsurpassed performance and cutting-edge technology.



Servers

Today's business clients have increasingly high expectations with regard to servers. NTT System follows the industry trend by providing a wide range of advanced solutions to meet the needs of even the most demanding clients. NTT Tytan and NTT Atlas servers offer high performance, innovative solutions and top quality components while ensuring the best value for money. High-class components coupled with a carefully crafted and tested configuration are the guarantee of outstanding performance. The Company's range of servers is wide and varied. Clients have a choice of servers for different needs, ranging from entry-level single-processor solutions through mid-range dual-processor systems to high-end four- or eight-processor machines dedicated to virtualization. Also available are modular Flex servers with high computing power and server consolidation features, cluster dedicated servers for data processing centres and storage dedicated servers. The Company offers dedicated software for NTT Tytan and NTT Atlas servers: NTT Server Manager with remote administration and diagnostics features. NTT System servers come with a three-year warranty. In the first year, the warranty includes an on-site service with a response time of 4 hours and a repair time of 48 hours on business days. An upgrade of warranty to an on-site service with a 24 hour, 7 days a week response time is available for certain NTT System servers.

Network terminals

Network terminals find an increasingly wide application in today's IT environments. Designed for operation in a heterogeneous network environment, NTT LaNeo is a combination of unique software and high-class equipment. It offers the security of a network terminal and the functionality of a personal computer. LaNeo incorporates the latest versions of client protocols that enable seamless interoperability with Windows 2003, Windows 2008 and Citrix MetaFrameXP servers as well as those from the Linux, BSD and Unix family based on the X Window System. Compared to the common practice of using personal computers with their own operating system, the system offered by the Company features enhanced security and reliability, central administration and savings in purchasing and operating costs. The device operates silently, does not feature any movable elements and has low size and weight. Owing to its reasonable price, easy administration and low operating costs, NTT LaNeo terminals can be combined with NTT Tytan servers to build state-of-art, high-performance and top-security computer systems.



Tablets

NTT System introduced its first Tablet Pc on July 28, 2012. It was the NTT A72B, best performing tablet in its class on the polish market. It was received very enthusiastically by the market and was loved by its users, which is a fact confirmed on countless online forums. It was praised by its high performance and quality. Our debut on the tablet market was a huge success. This successful debut started a line of tablets for NTT System and rapid development of sales of these products by NTT. By the end of 2012, NTT offered 6 tablets with NTT logo (NTT A72B, NTT 758, 739 NTT, NTT 617, 618 NTT, NTT 611) and 2 models which are only imported by NTT.

NTT puts huge emphasis on performance and quality. The best example of our striving for perfection is the newest line of tablets with dual-core NTT (NTT 617, 618 NTT, NTT 611)."



NTT Business Series

These high-end computers for corporations and institutions offer unsurpassed performance, stability and security. Designed for operation as office equipment in complex IT environments, NTT Business Series computers are built using top quality components. Cases are designed with ergonomics and security in mind to meet the needs of both private and public organizations. Computers can operate in either Tower or Desktop mode and be secured using a Kensington Security Slot, an opening detector or a locker. Software is also designed to offer stability and security. The Windows operating system and anti-virus software are standard features. NTT System offers also applications for encryption, system restoration and remote control.





Distribution - product groups

Products distributed by NTT System can be divided into the following main groups:

Peripherals (displays, printers, digital cameras, navigation systems)

Media (CD, CDRW, DVD, mp3 players, mp4 players, speakers);

Consoles (Game consoles, games and accessories);

Network elements (routers, network cards);

Accessories (bags, keyboards)

Suppliers

NTT System sources components from the world's biggest IT producers, which is a guarantee of top quality of the final products manufactured by the Company.

The Company's business partners include: AMD, Asus, Canon, Foxcon, Gigabyte, HP, Intel, Kingston, Lenovo, LG, Logitech, NEC, Philips, Samsung, Seagate, Sony.

Clients - sales channels

NTT System distributes its products using the following three sales channels:

Retail chains: household and electrical appliance retailers, super- and hypermarkets, cash&carry stores (Avans, Carrefour, Makro Cash and Carry, Media Markt, Real, Saturn, Tesco etc.)

Wholesale: IT distributors, online stores and retailers (AB, Action, Incom, Komputronik, Pronox Technology, Yamo etc.)

IT integrators: Asseco-Systems, Comarch, Wasko, Sygnity, Betacom, Zeto Rzeszów, OFEK, B3System, Lumena, Datacom System

Exports: Czech Republic, Slovakia, Hungary, The Netherlands, Belarus, Ukraine, Latvia

Development strategy

NTT System's strategy is driven by the commitment to continuously grow and expand the Company's share in domestic and foreign markets while reducing operating costs. This stems from the need to meet the ever-growing needs of clients, who demand, and have the right to expect, supreme quality at a reasonable price. The knowledge and experience derived from many years of operation play, therefore, a crucial role in the Company's strategy. Relationships with the world's biggest and most innovative IT players position the Company as an intermediary in transferring a unique know-how to Polish customers, along with its own expertise. This ensures that the products offered by NTT System are tailored to the needs of different client groups: public administration, schools, businesses, IT integrators and individual clients. Thanks to its unique combination of technological know-how, experience and knowledge of the everchanging IT market, the Company sets the pace for the sector's development. This is evidenced not only by the Company's performance and growth, but also – and perhaps most importantly – by the trust and confidence clients put in the products manufactured and distributed by NTT System.

The IT industry is one of the most competitive and fastest growing sectors of the economy. Investments in research and development and the commitment to continuously look for new and improve existing processes, devices and applications are of particular significance in this context. Advanced infrastructure and efficient logistics are two other important factors. By investing in these fields, the Company will be able to leverage its knowledge and ideas to further expand its market share, thus returning value to shareholders.



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