



**QUARTERLY REPORT  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE 3<sup>RD</sup> QUARTER OF 2010**

**Rzeszów, 8 November 2010**



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
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**FINANCIAL HIGHLIGHTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP**

	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Sales revenues	300,513	310,164	75,078	70,503
II. Operating profit	34,724	39,144	8,675	8,898
III. Pre-tax profit	36,472	38,905	9,112	8,843
IV. Net profit for the period reported	31,041	33,469	7,755	7,608
V. Net profit attributable to Shareholders of the Parent Company	<b>31,054</b>	<b>24,994</b>	<b>7,758</b>	<b>5,681</b>
VI. Net cash provided by (used in) operating activities	17,482	37,104	4,368	8,434
VII. Net cash provided by (used in) investing activities	(40,994)	(5,553)	(10,242)	(1,262)
VIII. Net cash provided by (used in) financing activities	(15,909)	80,197	(3,975)	18,229
IX. Cash and cash equivalents at the end of period	63,080	152,020	15,821	36,002
X. Basic earnings per ordinary share attributable to Shareholders of the Parent Company	0.62	0.71	0.15	0.16
XI. Diluted earnings per ordinary share attributable to Shareholders of the Parent Company	0.62	0.71	0.15	0.16

The financial highlights disclosed in these interim condensed consolidated financial statements were translated into Euro in the following way:

- items of the interim condensed consolidated profit and loss account and statement of cash flows were translated into Euro at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
  - for the period from 1 January to 30 September 2010: EUR 1 = PLN 4.0027
  - for the period from 1 January to 30 September 2009: EUR 1 = PLN 4.3993
- the Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 September 2010: EUR 1 = PLN 3.9870
  - exchange rate effective on 30 September 2009: EUR 1 = PLN 4.2226

**INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

	Note	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Sales revenues</b>	<u>1</u>	<b>107,886</b>	<b>300,513</b>	<b>85,503</b>	<b>310,164</b>
<b>Cost of sales (-)</b>	<u>2</u>	<b>(80,088)</b>	<b>(227,042)</b>	<b>(67,868)</b>	<b>(238,341)</b>
<b>Gross profit on sales</b>		<b>27,798</b>	<b>73,471</b>	<b>17,635</b>	<b>71,823</b>
Selling expenses (-)	<u>2</u>	(4,374)	(13,998)	(4,307)	(13,422)
General administrative expenses (-)	<u>2</u>	(9,651)	(24,851)	(6,021)	(20,030)
<b>Net profit on sales</b>		<b>13,773</b>	<b>34,622</b>	<b>7,307</b>	<b>38,371</b>
Other operating income		125	1,104	409	1,308
Other operating expenses (-)		(663)	(1,002)	(158)	(535)
<b>Operating profit</b>		<b>13,235</b>	<b>34,724</b>	<b>7,558</b>	<b>39,144</b>
Financial income		2,549	4,196	1,459	3,533
Financial expenses (-)		(354)	(2,448)	(2,072)	(3,772)
<b>Pre-tax profit</b>		<b>15,430</b>	<b>36,472</b>	<b>6,945</b>	<b>38,905</b>
Corporate income tax (current and deferred portions)		(2,236)	(5,431)	(1,341)	(5,436)
<b>Net profit for the period reported</b>		<b>13,194</b>	<b>31,041</b>	<b>5,604</b>	<b>33,469</b>
Attributable to:					
<b>Shareholders of the Parent Company</b>		<b>13,070</b>	<b>31,054</b>	<b>4,807</b>	<b>24,994</b>
<b>Non-controlling interests</b>		<b>124</b>	<b>(13)</b>	<b>797</b>	<b>8,475</b>

**Consolidated earnings per share for the period reported attributable to Shareholders of Asseco South Eastern Europe SA (in PLN):**

Basic consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.25	0.62	0.10	0.71
Diluted consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.25	0.62	0.10	0.71

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

	<b>3 months ended 30 Sept. 2010 (unaudited)</b>	<b>9 months ended 30 Sept. 2010 (unaudited)</b>	<b>3 months ended 30 Sept. 2009 (unaudited)</b>	<b>9 months ended 30 Sept. 2009 (unaudited)</b>
<b>Net profit for the period reported</b>	<b>13,194</b>	<b>31,041</b>	<b>5,604</b>	<b>33,469</b>
<b>Other comprehensive income:</b>				
Hedges of cash flows	550	851	4,556	4,556
Foreign currency translation differences on subsidiary companies	(21,969)	(37,209)	(23,370)	(9,942)
Financial assets available for sale	-	-	33	(54)
Other	14	(103)	(159)	-
<b>Total other comprehensive income</b>	<b>(8,211)</b>	<b>(5,420)</b>	<b>(13,336)</b>	<b>28,029</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>				
<b>Attributable to:</b>				
<i>Shareholders of the Parent Company</i>	(8,323)	(5,369)	(14,073)	19,516
<i>Non-controlling interests</i>	112	(51)	737	8,513



**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

ASSETS	Note	30 Sept. 2010 (unaudited)	30 June 2010 (unaudited)	31 Dec. 2009 (audited)	30 Sept. 2009 (unaudited)
<b>Fixed assets</b>		<b>521,346</b>	<b>452,265</b>	<b>467,213</b>	<b>413,079</b>
Property, plant and equipment		13,047	10,737	11,392	13,700
Investment property		832	872	889	932
Intangible assets		9,646	7,748	8,699	8,986
Goodwill arising from consolidation	5	493,713	429,953	443,867	384,414
Investments in associated undertakings valued under the equity method		-	-	33	38
Shares in subsidiary and associated undertakings		14	-	-	-
Financial assets available for sale		42	45	48	94
Long-term loans		29	31	33	45
Long-term receivables		142	-	-	1,634
Deferred income tax assets		3,240	2,524	2,233	3,110
Long-term deferred expenses		641	355	19	126
<b>Current assets</b>		<b>190,155</b>	<b>221,063</b>	<b>213,205</b>	<b>240,942</b>
Inventories		13,978	13,908	25,197	16,855
Deferred expenses	6	6,098	3,883	4,018	3,960
Trade accounts receivable		66,168	60,673	53,101	40,040
Corporate income tax recoverable		2,157	900	1,459	1,599
Receivables from the State budget		6,306	6,682	5,358	6,307
Receivables relating to valuation of IT contracts		22,818	16,453	9,650	15,311
Other receivables	7	8,721	7,149	8,853	4,627
Financial assets available for sale		24	30	31	32
Financial assets held to maturity		239	251	575	-
Financial assets carried at fair value through profit or loss		99	-	-	-
Short-term loans		104	114	228	-
Restricted cash	8	363	172	184	191
Cash and short-term deposits	8	63,080	110,848	104,551	152,020
<b>Fixed assets classified as held for sale</b>	<b>14</b>	<b>-</b>	<b>2,473</b>	<b>2,695</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>711,501</b>	<b>675,801</b>	<b>683,113</b>	<b>654,021</b>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
<b>Shareholders' equity (attributable to Shareholders of the Parent Company)</b>		<b>581,629</b>	<b>575,975</b>	<b>578,509</b>	<b>548,420</b>
Share capital	<u>9</u>	495,617	495,617	480,375	469,585
Share premium		37,409	37,409	26,790	20,166
Subscribed unregistered share capital	<u>9</u>	15,324	-	25,897	-
Other reserve capitals		(79)	(93)	24	-
Revaluation capital		(218)	(768)	(1,069)	4,509
Foreign currency translation differences on subsidiary companies		(44,418)	(22,461)	(7,247)	13,704
Prior years' retained earnings (deficit) and current net profit		77,994	66,271	53,739	40,456
<b>Non-controlling interests</b>		<b>170</b>	<b>41</b>	<b>102</b>	<b>5,461</b>
<b>Total shareholders' equity</b>		<b>581,799</b>	<b>576,016</b>	<b>578,611</b>	<b>553,881</b>
<b>Long-term liabilities</b>		<b>14,303</b>	<b>12,327</b>	<b>10,791</b>	<b>5,480</b>
Interest-bearing bank credits, loans and debt securities	<u>11</u>	986	-	-	1,896
Deferred income tax provisions		1,924	1,450	33	438
Long-term provisions		95	90	192	172
Long-term financial liabilities	<u>10</u>	9,591	10,320	10,317	798
Long-term accrued expenses		194	-	-	-
Long-term deferred income		1,117	56	24	1,647
Other long-term liabilities		396	411	225	529
<b>Current liabilities</b>		<b>115,399</b>	<b>85,565</b>	<b>91,731</b>	<b>94,660</b>
Interest-bearing bank credits, loans and debt securities	<u>11</u>	515	2,454	3,379	3,527
Trade accounts payable		24,230	31,720	33,666	18,270
Corporate income tax payable		2,148	697	2,205	1,591
Liabilities to the State budget		7,680	6,840	7,125	4,668
Financial liabilities	<u>10</u>	37,700	7,838	9,209	34,963
Liabilities relating to valuation of IT contracts		285	420	985	1,439
Other liabilities	<u>12</u>	17,563	13,549	10,936	15,590
Short-term provisions		4,232	5,459	1,892	605
Deferred income	<u>13</u>	11,465	7,824	12,711	4,493
Accrued expenses	<u>13</u>	9,581	8,764	9,623	9,514
<b>Liabilities directly related to fixed assets classified as held for sale</b>	<u>14</u>	<b>-</b>	<b>1,893</b>	<b>1,980</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>129,702</b>	<b>99,785</b>	<b>104,502</b>	<b>100,140</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>711,501</b>	<b>675,801</b>	<b>683,113</b>	<b>654,021</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

for 9 months ended 30 September 2010, for 9 months ended 30 September 2009, and for 12 months ended 31 December 2009

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2010</b>		<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>24</b>	<b>(1,069)</b>	<b>(7,247)</b>	<b>53,739</b>	<b>578,509</b>	<b>102</b>	<b>578,611</b>
<b>Total comprehensive income for the period reported</b>		-	-	-	<b>(103)</b>	<b>851</b>	<b>(37,171)</b>	<b>31,054</b>	<b>(5,369)</b>	<b>(51)</b>	<b>(5,420)</b>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	-	-	119	<b>119</b>
Non-controlling interest transactions		-	-	-	-	-	-	(1,305)	<b>(1,305)</b>	-	<b>(1,305)</b>
Issuance of series P shares		15,242	10,655	(25,897)	-	-	-	-	-	-	-
Issuance of series R shares		-	-	6,545	-	-	-	-	<b>6,545</b>	-	<b>6,545</b>
Issuance of series S shares		-	-	8,779	-	-	-	-	<b>8,779</b>	-	<b>8,779</b>
Dividend		-	-	-	-	-	-	(5,452)	<b>(5,452)</b>	-	<b>(5,452)</b>
Other		-	(36)	-	-	-	-	(42)	<b>(78)</b>	-	<b>(78)</b>
<b>As at 30 September 2010 (unaudited)</b>	<b>9</b>	<b>495,617</b>	<b>37,409</b>	<b>15,324</b>	<b>(79)</b>	<b>(218)</b>	<b>(44,418)</b>	<b>77,994</b>	<b>581,629</b>	<b>170</b>	<b>581,799</b>

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2009</b>		<b>257,700</b>	-	-	-	<b>7</b>	<b>23,684</b>	<b>15,462</b>	<b>296,853</b>	<b>1,651</b>	<b>298,504</b>
<b>Total comprehensive income for the period reported</b>		-	-	-	-	<b>4,502</b>	<b>(9,980)</b>	<b>24,994</b>	<b>19,516</b>	<b>8,513</b>	<b>28,029</b>
Settlement of swap transactions		-	-	-	-	-	-	-	-	(7,265)	<b>(7,265)</b>
Changes in the Group structure		-	-	-	-	-	-	-	-	2,562	<b>2,562</b>
Issuance of series E shares		9,564	-	-	-	-	-	-	<b>9,564</b>	-	<b>9,564</b>
Issuance of series F shares		14,755	-	-	-	-	-	-	<b>14,755</b>	-	<b>14,755</b>
Issuance of series G shares		27,084	-	-	-	-	-	-	<b>27,084</b>	-	<b>27,084</b>
Issuance of series H shares		10,620	-	-	-	-	-	-	<b>10,620</b>	-	<b>10,620</b>
Issuance of series I shares		17,706	-	-	-	-	-	-	<b>17,706</b>	-	<b>17,706</b>
Issuance of series J shares		17,142	-	-	-	-	-	-	<b>17,142</b>	-	<b>17,142</b>
Issuance of series K shares		45,905	-	-	-	-	-	-	<b>45,905</b>	-	<b>45,905</b>
Issuance of series L shares		21,000	8,400	-	-	-	-	-	<b>29,400</b>	-	<b>29,400</b>
Issuance of series M shares		48,109	11,766	-	-	-	-	-	<b>59,875</b>	-	<b>59,875</b>
<b>As at 30 September 2009 (unaudited)</b>	<b>9</b>	<b>469,585</b>	<b>20,166</b>	-	-	<b>4,509</b>	<b>13,704</b>	<b>40,456</b>	<b>548,420</b>	<b>5,461</b>	<b>553,881</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
THE ASSECO SOUTH EASTERN EUROPE GROUP (continued)**

for 9 months ended 30 September 2010, for 9 months ended 30 September 2009, and for 12 months ended 31 December 2009

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2009</b>		<b>257,700</b>	-	-	-	<b>7</b>	<b>23,684</b>	<b>15,462</b>	<b>296,853</b>	<b>1,651</b>	<b>298,504</b>
<b>Total comprehensive income for the period reported</b>		-	-	-	-	<b>(1,076)</b>	<b>(30,931)</b>	<b>38,277</b>	<b>6,270</b>	<b>9,295</b>	<b>15,565</b>
<i>Settlement of swap transactions</i>		-	-	-	-	-	-	-	-	(9,000)	<b>(9,000)</b>
Changes in the Group structure		-	-	-	24	-	-	-	<b>24</b>	(1,844)	<b>(1,820)</b>
Issuance of series E shares		9,565	-	-	-	-	-	-	<b>9,565</b>	-	<b>9,565</b>
Issuance of series F shares		14,755	-	-	-	-	-	-	<b>14,755</b>	-	<b>14,755</b>
Issuance of series G shares		27,084	-	-	-	-	-	-	<b>27,084</b>	-	<b>27,084</b>
Issuance of series H shares		10,620	-	-	-	-	-	-	<b>10,620</b>	-	<b>10,620</b>
Issuance of series I shares		17,706	-	-	-	-	-	-	<b>17,706</b>	-	<b>17,706</b>
Issuance of series J shares		17,142	-	-	-	-	-	-	<b>17,142</b>	-	<b>17,142</b>
Issuance of series K shares		45,905	-	-	-	-	-	-	<b>45,905</b>	-	<b>45,905</b>
Issuance of series L shares		21,000	8,400	-	-	-	-	-	<b>29,400</b>	-	<b>29,400</b>
Issuance of series M shares		48,109	11,766	-	-	-	-	-	<b>59,875</b>	-	<b>59,875</b>
Issuance of series N shares		10,789	6,624	-	-	-	-	-	<b>17,413</b>	-	<b>17,413</b>
Issuance of series P shares		-	-	25,897	-	-	-	-	<b>25,897</b>	-	<b>25,897</b>
<b>As at 31 December 2009 (audited)</b>	<b>9</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>24</b>	<b>(1,069)</b>	<b>(7,247)</b>	<b>53,739</b>	<b>578,509</b>	<b>102</b>	<b>578,611</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP**

	Note	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Cash flows - operating activities</b>			
Pre-tax profit		<b>36,472</b>	<b>38,905</b>
<b>Total adjustments:</b>		<b>(14,850)</b>	<b>1,979</b>
Depreciation and amortization		4,646	3,463
Change in inventories		11,860	17,707
Change in receivables		(28,697)	2,339
Change in liabilities		(643)	(19,639)
Change in deferred and accrued expenses		(2,095)	(6,676)
Change in provisions		2,107	(562)
Interest income and expense		(1,082)	(792)
Gain (loss) on foreign exchange differences		685	1,829
Gain (loss) on investing activities		(206)	(200)
Other		(1,425)	4,510
<b>Net cash generated from operating activities</b>		<b>21,622</b>	<b>40,884</b>
Corporate income tax paid		(4,140)	(3,780)
<b>Net cash provided by (used in) operating activities</b>		<b>17,482</b>	<b>37,104</b>
<b>Cash flows - investing activities</b>			
Disposal of tangible fixed assets and intangible assets		2,409	151
Acquisition of tangible fixed assets and intangible assets		(4,897)	(6,702)
Acquisition of subsidiary and associated companies		(52,620)	(3,490)
Cash and cash equivalents of acquired subsidiary companies		9,944	3,290
Disposal of shares in subsidiary and associated companies		1,551	-
Acquisition of financial assets held to maturity		(378)	(3,878)
Disposal of financial assets held to maturity		712	3,878
Loans granted		(14)	(247)
Loans collected		270	266
Interest received		1,569	1,179
Dividends received		706	-
Other		(246)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(40,994)</b>	<b>(5,553)</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP (continued)**

	Note	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Cash flows - financing activities</b>			
Proceeds from issuance of shares		-	91,412
Proceeds from bank credits and loans		-	3,213
Repayment of bank credits and loans		(4,995)	(284)
Finance lease commitments paid		(373)	(605)
Dividends paid to Shareholders of the Parent Company		(5,452)	-
Dividends paid out to non-controlling shareholders		(3,952)	(13,153)
Interest paid		(519)	(386)
Other		(618)	-
<b>Net cash provided by (used in) financing activities</b>		<b>(15,909)</b>	<b>80,197</b>
Net increase (decrease) in cash and cash equivalents		(39,421)	111,748
Net foreign exchange differences		(2,050)	(843)
Cash and cash equivalents as at 1 January		104,551	41,115
<b>Cash and cash equivalents as at 30 September</b>	<b>8</b>	<b>63,080</b>	<b>152,020</b>

## **SUPPLEMENTARY INFORMATION AND EXPLANATIONS**

### **I. GENERAL INFORMATION**

The Asseco South Eastern Europe Group ("Group") is comprised of Asseco South Eastern Europe SA ("Parent Company", "Company", "Issuer") and its subsidiaries.

The parent Asseco South Eastern Europe SA seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company called Asseco Adria SA. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number KRS 0000284571. The Parent Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Parent Company's corporate name was changed from Asseco Adria SA to Asseco South Eastern Europe SA. On 18 March 2010, the Company moved its corporate headquarters from 80 Armii Krajowej Av., Rzeszów to 14 Olchowa St., Rzeszów.

Asseco South Eastern Europe SA is the parent of the Asseco South Eastern Europe Group. The time of duration of both the Parent Company and the entities incorporated in the Group is indefinite.

According to the Articles of Association, the Parent Company's business profile includes:

- Holding operations;
- Reproduction of computer media;
- Manufacture of computers and other information processing equipment;
- Data transmission;
- Letting of own property;
- Renting of office machinery, equipment, and computer hardware;
- Hardware consultancy;
- Software consultancy and supply;
- Data processing;
- Database activities;
- Other computer related activities;
- Research and experimental development on engineering;
- Business and management consultancy activities;
- Business management and administration;
- Advertising;
- Adult and other education.

In addition to comprehensive IT services, the Group also sells goods including mainly computer hardware. The conducted sale of goods is to a large extent connected with the provision of software implementation services. These interim condensed consolidated financial statements provide a description of the Asseco South Eastern Europe Group's core business broken down by relevant segments.

The Parent Company shall operate within the territory of the Republic of Poland as well as abroad.

The parent of Asseco South Eastern Europe SA is Asseco Poland SA (the higher-level parent company). As at 30 September 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA. After registration of the issuances of shares of series R and S resulting from new company acquisitions, the equity interest of Asseco Poland SA will decrease to 51.96%.

These interim condensed consolidated financial statements cover the interim period ended 30 September 2010 and contain comparative data for the interim period ended 30 September 2009 in case of the statement of comprehensive income, statement of



changes in equity and statement of cash flows; and comparative data as at 30 September 2009, 31 December 2009, and 30 June 2010 in case of the balance sheet.

The Company draws up its financial statements in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union for the current and comparative period.

## **II. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT COMPANY**

Both as at 30 September 2010 and as the publication of this report, i.e. on 8 November 2010, the Company's Management Board and Supervisory Board were composed of the following persons:

<b>Supervisory Board</b>	<b>Management Board</b>
Adam Góral	Piotr Jeleński
Jacek Duch	Rafał Kozłowski
Andrzej Mauberg	Hatice Ayas
Mihail Petreski	Calin Barseti
Przemysław Sęczkowski	Miljan Mališ
Gabriela Żukowicz	Miodrag Mirčetić
	Dražen Pehar

During the period reported the composition of the Parent Company's Management Board changed as follows:

- on 7 September 2010 the Company's Supervisory Board appointed Mrs. Hatice Ayas as Member of the Management Board to serve during the joint term of office which began on 4 April 2007.

During the period reported the composition of the Parent Company's Supervisory Board changed as follows:

- on 30 September 2010 the Company received a letter of resignation from Mr. Nicholas Jeffery resigning as Member of the Supervisory Board.

From the balance sheet date till the publication of these interim condensed consolidated financial statements, the compositions of the Parent Company's Management Board and Supervisory Board remained unchanged.

## **III. MAJOR SHAREHOLDERS**

*Indication of shareholders who, directly or indirectly through their subsidiaries, hold at least a 5% voting interest in the Issuer's General Meeting of Shareholders as at publication of this quarterly report, inclusive of the numbers of shares and equity interests held, and the numbers of votes and voting interests they are entitled to at the General Meeting of Shareholders, as well as presentation of changes in significant shareholdings in the Issuer's equity since the time of publication of the previous quarterly report.*

To the best knowledge of the Management Board of Asseco South Eastern Europe SA, as at 30 September 2010 as well as at the date of publication of this report, i.e. on 8 November 2010, the Shareholders who either directly or through their subsidiaries held at least 5% of the total number of votes at the General Meeting of Shareholders were as follows:

<b>Name of shareholder</b>	<b>Number of shares held and votes at GMS</b>	<b>Equity interest and voting interest at GMS</b>
Asseco Poland SA	26,494,676	53.46%
EBRD	4,810,880	9.71%
Liatris d.o.o.	3,842,683	7.75%
Other shareholders	14,413,480	29.08%
	<b>49,561,719</b>	<b>100.00%</b>

As at 30 September 2010 and on the date of publication of these financial statements, the (registered) share capital of Asseco South Eastern Europe SA amounted to PLN 495,617,190 and it was divided into 49,561,719 ordinary shares with a par value of PLN 10 each, which entitled to 49,561,719 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Company's Management Board, after registration of the issuances of shares of series R and S resulting from new company acquisitions, the Shareholders who will either directly or through their subsidiaries hold at least 5% of the total number of votes at the General Meeting of Shareholders will be as follows:

<b>Name of shareholder</b>	<b>Number of shares held and votes at GMS</b>	<b>Equity interest and voting interest at GMS</b>
Asseco Poland SA	26,494,676	51.96%
EBRD	4,810,880	9.43%
Liatris d.o.o.	3,842,683	7.54%
Other shareholders	15,843,893	31.07%
	<b>50,992,132</b>	<b>100.00%</b>

Subsequently to registration of the issuances of shares of series R and S, the share capital of Asseco South Eastern Europe SA will amount to PLN 509,921,320 and it will be divided into 50,992,132 ordinary shares with a par value of PLN 10 each, which will entitle to 50,992,132 votes at the Company's General Meeting of Shareholders.

#### **IV. COMPANY'S SHARES AND RIGHTS TO SHARES HELD BY ITS MANAGEMENT AND SUPERVISORY STAFF**

*Numbers of shares and rights to shares in the Company held by its management and supervisory staff as at the publication date of this quarterly report, inclusive of indication of any changes in such shareholdings since the time of publication of the previous quarterly report, separately for each person.*

<b>Supervisory Board Members</b>	<b>Number of shares held as at</b>			
	<b>8 Nov. 2010</b>	<b>30 Sept. 2010</b>	<b>25 August 2010</b>	<b>31 Dec. 2009</b>
Adam Góral <sup>1)</sup>	-	-	-	-
Jacek Duch	-	-	-	-
Andrzej Mauberg	-	-	-	n/a
Mihail Petreski <sup>2)</sup>	-	-	-	-
Przemysław Sęczkowski	2,500	2,500	2,500	2,500
Gabriela Żukowicz	150	150	150	150
Nicholas Jeffery	n/a	n/a	-	-

<b>Management Board Members</b>	<b>Number of shares held as at</b>			
	<b>8 Nov. 2010</b>	<b>30 Sept. 2010</b>	<b>25 August 2010</b>	<b>31 Dec. 2009</b>
Piotr Jeleński	550	550	550	550
Rafał Kozłowski	150	150	150	150
Hatice Ayas <sup>3)</sup>	21,364	21,364	n/a	n/a
Calin Barseti	-	-	-	-
Miljan Mališ <sup>4)</sup>	-	-	-	-
Miodrag Mirčetić <sup>5)</sup>	-	-	-	-
Dražen Peħar	949,900	973,834	973,834	779,068

<sup>1)</sup> Adam Góral, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in Asseco Poland SA which in turn is a shareholder in Asseco South Eastern Europe SA; as at 30 September 2010 Asseco Poland SA held 26,494,676 shares in Asseco South Eastern Europe SA.

<sup>2)</sup> Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in the company Liatris d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA; as at 30 September 2010 Liatris d o.o. held 3,842,683 shares in Asseco South Eastern Europe SA.

<sup>3)</sup> Hatice Ayas, Member of the Management Board of Asseco South Eastern Europe SA, as at 30 September 2010 held the shares of series S.

<sup>4)</sup> Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company of Mini Invest d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA; as at 30 September 2010 Mini Invest d o.o. held 839,597 shares in Asseco South Eastern Europe SA.

<sup>5)</sup> Miodrag Mirčetić, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company 14-INVENTION d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA; as at 30 September 2010 14-INVENTION d o.o. held 1,776,971 shares in Asseco South Eastern Europe SA.

## **V. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Basis for preparation of interim condensed consolidated financial statements**

These interim condensed consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS"), and in particular in accordance with the International Accounting Standard 34 Interim Financial Reporting, and IFRS adopted by the European Union. As at the date of approving publication of these financial statements, given the ongoing process of implementing the IFRS standards in the European Union as well as the Group's operations, in the scope of accounting principles applied by the Group there is no difference between the IFRS that came into force and the IFRS endorsed by the EU.

IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Some of the Group companies maintain their accounting books in accordance with the accounting policy (principles) set forth in their respective local regulations. The interim condensed consolidated financial statements include adjustments not disclosed in the accounting books of the Group's undertakings, which were introduced to adjust the financial statements of those undertakings to the IFRS.

These interim condensed consolidated financial statements were prepared in accordance with the historical cost principle, except for hedged assets and liabilities. The balance sheet value of recognized hedged assets and liabilities is adjusted by changes in their fair value which are attributable to the risk against which such assets and liabilities are hedged.

The presentation currency of these consolidated financial statements is zloty (PLN), and all figures are presented in thousands of zlotys (PLN'000), unless stated otherwise.

These interim condensed consolidated financial statements were prepared on the going-concern basis, assuming the Group will continue its business activities in the foreseeable future. These interim condensed consolidated financial statements were prepared on a going-concern basis, assuming the Company and its subsidiary and associated will continue their business activities in the foreseeable future.

Till the date of approving these financial statements, there were observed no indications of a threat to the Group companies' ability to continue as going concerns in the period of 12 months following the balance sheet date.

### **2. Major accounting principles**

The major accounting principles adopted by the Asseco South Eastern Europe Group have been described in the consolidated financial statements for the year ended 31 December 2009, which were published on 16 March 2010 and are available at the Issuer's website: <http://www.asseco-see.com/pl>. These interim condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2009.

The accounting principles (policy) adopted for drawing up this report for the 3<sup>rd</sup> quarter of 2010 are coherent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2009, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2010.

#### **Estimates**

In the period of 3 months ended 30 September 2010, the Company's approach to making estimates was not subject to any substantial changes.

#### **4. Professional judgement**

Preparing consolidated financial statements in accordance with IFRS requires making estimates and assumptions which impact the data disclosed in such financial statements. Despite the estimates and assumptions have been adopted based on the Group's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated.

Below are presented the main areas, which in the process of applying the accounting principles (policy) were subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Group's future results.

##### ***i. Operating cash flows assumed for valuation of IT contracts as well as measurement of their completion***

The Group executes a number of contracts for construction and implementation of information technology systems. The contractual cash flows are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives, as well as it requires measurement of the progress of contract execution. The progress of contract execution shall be measured as a relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required.

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 30 September 2010, receivables from the valuation of IT contracts amounted to PLN 22,818 thousand, while liabilities due to such valuation equalled PLN 285 thousand.

##### ***ii. Rates of depreciation and amortization***

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

##### ***iii. Goodwill – impairment test***

The Management Board of the Parent Company performed an impairment test on goodwill, as at 31 December 2009, that resulted from acquisition of subsidiary companies as well as from mergers. This task required making estimates of the value in use of cash-generating units to which goodwill is allocated. The value in use is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. As at 30 September 2010, goodwill arising from acquisition of subsidiary companies amounted to PLN 493,713 thousand, as compared with PLN 429,953 thousand as at 30 June 2010, and PLN 443,867 thousand as at 31 December 2009, and PLN 384,414 thousand as at 30 September 2009.

As at 30 September 2010, the Company verified its assumptions for the impairment test performed on goodwill as at 31 December 2009. In particular we checked whether the assumed financial results to be achieved in 2010 by individual cash-generating units are not materially different from their actual financial performance in the first 9 months of 2010, and whether internal or external factors did not cause a deterioration of the financial forecasts for the next years. Because no indications of impairment were detected in any of the analyzed cases, the Parent Company did not carry out any impairment test as at 30 September 2010. However, impairment testing will be performed as at 31 December 2010, even if there are no indications of impairment.

**iv. Liabilities to pay for the remaining stakes of shares in subsidiary companies**

As at 30 September 2010, 30 June 2010 as well as at 31 December 2009, the Group recognized liabilities by virtue of future payments to minority shareholders in the company of Multicard d.o.o., Beograd. Determination of the amount of such liabilities required making estimates of the company's financial results. As at 30 September 2010, such liabilities equalled PLN 8,933 thousand, as compared with PLN 9,255 thousand as at 30 June 2010, and PLN 9,658 thousand as at 31 December 2009.

**v. Deferred income tax assets (net of deferred income tax provision)**

In the period of 3 months ended 30 September 2010, the Group recognized a deferred income tax asset (net of deferred income tax provision). Due to the lack of an unambiguous interpretation of the tax regulations currently in force, the Parent Company did not recognize the entire balance of deferred income tax assets related to the prior years' losses.

Based on the current financial budget and applicable tax regulations, the Group's management believes that future utilization of deferred tax assets recognized in the amount of PLN 3,240 thousand is very likely.

**5. Seasonal nature of business**

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. Such phenomenon occurs for the reason that the above-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licences usually in the last quarter.

**6. Changes in the applied principles of presentation**

In the period reported the Group did not introduce any changes to the applied principles of data presentation.

**7. Changes in the accounting principles applied**

In the period reported the Group did not introduce any changes to the applied principles of accounting, except for adopting the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2010.

**8. Corrections of material errors**

In the period reported there were no events or developments that would require making corrections of any material misstatements.

## **VI. INFORMATION ON OPERATING SEGMENTS**

The Asseco South Eastern Europe Group has identified the following reportable segments reflecting the structure of its business operations:

- a) Banking Systems,
- b) Mobile Banking & Authentication,
- c) Card Business,
- d) Systems Integration,
- e) Internet Payment Solutions.

These reportable segments correspond to the Group's operating segments.

### *Banking Systems*

The Banking Systems segment deals with integrated banking systems based on the Oracle and Microsoft platforms (offered under the brand name of ASEBA), including primarily core banking systems.

In addition, the integrated systems include solutions dedicated to support various bank access channels, payment management systems, reporting systems for regulatory compliance and management information as well as risk management systems.

### *Mobile Banking & Authentication*

The Mobile Banking & Authentication segment deals with the systems enabling secure authentication of bank clients and IT system users as well as with e-banking solutions available over mobile phones. These solutions are marketed as an integral part of the core and multi-channel banking systems offered by Group companies, or separately for the purpose of being integrated with legacy IT solutions or third-party software already utilized by banks. Our offering features the authentication technologies making use of mobile tokens, SMS, PKI (Public Key Infrastructure) / chip cards (*smartcards*) as electronic signature devices. The ASEBA JiMBA mobile banking system and a variety of e-commerce solutions are state-of-the-art products providing access to banking services over the Internet from mobile phones.

### *Card Business*

This segment is engaged in the sale and maintenance of ATMs and POS terminals as well as in provision of the related support services. Furthermore, this segment provides 'top-up' services, i.e. distribution of services offered by third-party vendors based on proprietary IT solutions, using the network of ATMs and POS terminals (e.g. phone card recharging, bill payments).

### *Systems Integration*

This segment is engaged in the provision of services of development of customized IT systems, especially for the needs of integration of third-party software and elements of infrastructure, as well as in the sale and installation of hardware.

### *Internet Payment Solutions*

The segment of Internet Payment Solutions provides systems for the settlement of internet payments involving the use of credit cards as well as fast and direct internet money transfers. The Asseco South Eastern Europe Group offers systems based on its proprietary IT solutions, both in the form of outsourcing or implementation of software within the client's infrastructure.

<b>For 9 months ended 30 September 2010 and as at 30 September 2010 (unaudited)</b>	<b>Banking Systems</b>	<b>Mobile Banking &amp; Authentication</b>	<b>Card Business</b>	<b>Systems Integration</b>	<b>Internet Payment Solutions</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>68,786</b>	<b>15,606</b>	<b>41,042</b>	<b>181,956</b>	<b>1,997</b>	<b>2,110</b>	<b>(10,984)</b>	<b>300,513</b>
Sales to external customers	66,177	14,823	40,265	177,193	1,997	58	-	300,513
Inter/intra segment sales	2,609	783	777	4,763	-	2,052	(10,984)	-
<b>Gross profit (loss) on sales</b>	<b>25,604</b>	<b>4,656</b>	<b>13,104</b>	<b>29,798</b>	<b>322</b>	<b>(13)</b>	<b>-</b>	<b>73,471</b>
Selling expenses (-)	(2,735)	(719)	(1,703)	(8,666)	(175)	-	-	(13,998)
General administrative expenses (-)	(9,218)	(1,800)	(2,774)	(7,491)	(369)	(3,199)	-	(24,851)
<b>Net profit (loss) on sales</b>	<b>13,651</b>	<b>2,137</b>	<b>8,627</b>	<b>13,641</b>	<b>(222)</b>	<b>(3,212)</b>	<b>-</b>	<b>34,622</b>
Segment assets, of which:	190,442	46,455	101,656	239,229	41,298	290	92,131	711,501
<i>goodwill from consolidation</i>	<i>152,861</i>	<i>42,283</i>	<i>84,247</i>	<i>177,331</i>	<i>36,991</i>	-	-	<i>493,713</i>
<i>property, plant and equipment</i>	<i>3,285</i>	<i>472</i>	<i>3,669</i>	<i>4,874</i>	<i>526</i>	<i>221</i>	-	<i>13,047</i>
<i>intangible assets</i>	<i>6,067</i>	<i>28</i>	<i>492</i>	<i>824</i>	<i>2,184</i>	<i>51</i>	-	<i>9,646</i>
<i>trade accounts receivable</i>	<i>9,335</i>	<i>1,922</i>	<i>8,201</i>	<i>45,095</i>	<i>1,597</i>	<i>18</i>	-	<i>66,168</i>
receivables relating to valuation of IT contracts	18,528	1,619	30	2,641	-	-	-	22,818
Inventories	366	131	5,017	8,464	-	-	-	13,978
Other	-	-	-	-	-	-	92,131	92,131
<b>Segment expenditures for tangible and intangible assets (-)</b>	<b>(1,410)</b>	<b>(104)</b>	<b>(1,101)</b>	<b>(1,101)</b>	<b>(371)</b>	<b>(286)</b>	<b>-</b>	<b>(4,373)</b>



<b>For 9 months ended 30 September 2009 and as at 30 September 2009 (unaudited)</b>	<b>Banking Systems</b>	<b>Mobile Banking &amp; Authentication</b>	<b>Card Business</b>	<b>Systems Integration</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>53,483</b>	<b>20,262</b>	<b>44,777</b>	<b>194,193</b>	-	<b>(2,551)</b>	<b>310,164</b>
Sales to external customers	53,317	20,196	44,416	192,235	-	-	310,164
Inter/intra segment sales	166	66	361	1,958	-	(2,551)	-
<b>Gross profit (loss) on sales</b>	<b>21,249</b>	<b>7,524</b>	<b>12,165</b>	<b>30,885</b>	-	-	<b>71,823</b>
Selling expenses (-)	(2,386)	(640)	(1,632)	(8,764)	-	-	(13,422)
General administrative expenses (-)	(8,047)	(2,383)	(2,714)	(5,871)	(1,015)	-	(20,030)
<b>Net profit (loss) on sales</b>	<b>10,816</b>	<b>4,501</b>	<b>7,819</b>	<b>16,250</b>	<b>(1,015)</b>	-	<b>38,371</b>
Segment assets, of which:	132,279	49,913	81,886	213,777	176,166	-	654,021
<i>goodwill from consolidation</i>	105,670	44,972	69,662	164,110	-	-	384,414
<i>property, plant and equipment</i>	6,691	707	1,768	4,534	-	-	13,700
<i>intangible assets</i>	4,290	1	1,031	3,664	-	-	8,986
<i>trade accounts receivable</i>	2,692	3,099	4,149	28,649	1,451	-	40,040
<i>receivables relating to valuation of IT contracts</i>	12,918	936	-	1,457	-	-	15,311
<i>Inventories</i>	18	198	5,276	11,363	-	-	16,855
<i>Other</i>	-	-	-	-	174,715	-	174,715
<b>Segment expenditures for tangible and intangible assets (-)</b>	<b>(3,821)</b>	<b>(132)</b>	<b>(764)</b>	<b>(2,758)</b>	-	-	<b>(7,475)</b>

<b>As at 31 December 2009 (audited)</b>	<b>Banking Systems</b>	<b>Mobile Banking &amp; Authentication</b>	<b>Card Business</b>	<b>Systems Integration</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
Segment assets, of which:	193,442	51,070	89,378	218,016	131,207	-	683,113
<i>goodwill from consolidation</i>	164,934	43,674	75,075	160,184	-	-	443,867
<i>property, plant and equipment</i>	3,973	687	2,543	4,189	-	-	11,392
<i>intangible assets</i>	4,160	22	999	3,518	-	-	8,699
<i>trade accounts receivable</i>	10,850	6,647	4,815	30,789	-	-	53,101
<i>receivables relating to valuation of IT contracts</i>	8,485	-	-	1,165	-	-	9,650
<i>Inventories</i>	1,040	40	5,946	18,171	-	-	25,197
<i>Other</i>	-	-	-	-	131,207	-	131,207
<b>Segment expenditures for tangible and intangible assets</b>	<b>(3,923)</b>	<b>(265)</b>	<b>(1,739)</b>	<b>(3,893)</b>	<b>-</b>	<b>-</b>	<b>(9,820)</b>

In the first 9 months of 2010, our key revenue driver was the **Banking Systems** segment which generated PLN 68,786 thousand of sales, that is 29% more than in the corresponding period last year. In the period of 9 months ended 30 September 2010, Banking Systems accounted for 23% of total sales and it was up 6 percentage points from the level of 17% reported a year ago.

In the period of 9 months ended 30 September 2010, the **Card Business** segment generated revenues of PLN 41,042 thousand and they declined 8% from PLN 44,777 thousand achieved in the corresponding period of 2009. The share of this segment in total sales remained unchanged at 14%.

In the period of 9 months ended 30 September 2010, revenues generated by the **Systems Integration** segment amounted to PLN 181,956 thousand, falling short 6% of the last year's figure of PLN 194,193 thousand.

Whereas, revenues from implementations and services in the segment of **Mobile Banking & Authentication** amounted to PLN 15,606 thousand and they were 23% weaker than in the corresponding period of 2009 (PLN 20,262 thousand).

As of September 2010 the Group commenced activities in the new segment of **Internet Payment Solutions**. The share of this segment in the Group's total turnover equalled 1%.

#### *Geographical breakdown of sales*

During the period of 9 months ended 30 September 2010, the Group generated 32% of its sales revenues in Romania, 26% in Serbia, 16% in Macedonia, 11% in Croatia, and 7% in Kosovo. The remaining 8% of sales were realized in other countries of South Eastern Europe. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.

## VII. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP

In the 3<sup>rd</sup> quarter of 2010 sales revenues of the Asseco South Eastern Europe Group amounted to PLN 107,886 thousand and, when compared with the corresponding period last year, they increased by 26% if stated in PLN or by 31% if restated in EUR.

Sales revenues by sectors	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
Banking and finance	67,611	177,196	53,766	179,798
Enterprises	26,324	93,399	20,776	92,951
Public institutions	13,951	29,918	10,961	37,415
	<b>107,886</b>	<b>300,513</b>	<b>85,503</b>	<b>310,164</b>

Sales revenues by sectors	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
Banking and finance	62.7%	59.0%	62.9%	58.0%
Enterprises	24.4%	31.0%	24.3%	30.0%
Public institutions	12.9%	10.0%	12.8%	12.0%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

In the 3<sup>rd</sup> quarter of 2010, the Group's sales to the banking and financial sector amounted to PLN 67,611 thousand as compared with PLN 53,766 thousand generated in the 3<sup>rd</sup> quarter of 2009. Concurrently, the share of this sector in total sales decreased slightly by 0.2 percentage points to 62.7%, down from 62.9% observed in 2009.

In the 3<sup>rd</sup> quarter of 2010, the Group's sales to the enterprises sector reached PLN 26,324 thousand and they increased by PLN 5,548 thousand from the level of PLN 20,776 thousand achieved in the corresponding period of 2009. Whereas, their share in total sales remained at similar level of 24.4% in 2010 and 24.3% in 2009.

In the 3<sup>rd</sup> quarter of 2010, the Group's sales to public institutions were PLN 13,951 thousand as compared with PLN 10,961 thousand generated in the 3<sup>rd</sup> quarter of 2009. Whereas, the share of this sector in total sales remained at similar level of 12.9% in 2010 and 12.8% in 2009.

	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
Sales revenues	107,886	300,513	85,503	310,164
Gross profit on sales	27,798	73,471	17,635	71,823
Net profit on sales	13,773	34,622	7,307	38,371
Operating profit	13,235	34,724	7,558	39,144
Net profit for the period reported	13,194	31,041	5,604	33,469
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>13,070</b>	<b>31,054</b>	<b>4,807</b>	<b>24,994</b>

	<b>3 months ended 30 Sept. 2010 (unaudited)</b>	<b>9 months ended 30 Sept. 2010 (unaudited)</b>	<b>3 months ended 30 Sept. 2009 (unaudited)</b>	<b>9 months ended 30 Sept. 2009 (unaudited)</b>
Gross profit margin	26%	24%	21%	23%
EBITDA margin	14%	13%	10%	14%
Operating profit margin	12%	12%	9%	13%
Net profit margin	12%	10%	6%	8%

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales

EBITDA margin = (operating profit + depreciation and amortization) / sales

Operating profit margin = operating profit / sales

Net profit margin = net profit for the period reported attributable to Shareholders of the Parent Company / sales

In the 3<sup>rd</sup> quarter of 2010, the Group's gross profit on sales reached PLN 27,798 thousand and it increased by 58% year on year. Gross profit margin achieved in the 3<sup>rd</sup> quarter of 2010 equalled 26% and it improved by 5 percentage points from the last year's level.

Net profit attributable to shareholders of the Parent Company amounted to PLN 13,070 thousand in the 3<sup>rd</sup> quarter of 2010 and, when compared with the level of PLN 4,807 thousand earned in the corresponding period of 2009, it increased by 172% (or by 183% if restated in EUR). Concurrently, operating profit increased by PLN 5,677 thousand or by 75% year on year.

## VIII. ORGANIZATIONAL STRUCTURE OF THE ASSECO SOUTH EASTERN EUROPE GROUP

*Presentation of the organizational structure of the Issuer's capital group, with indication of entities subject to consolidation.*

The table below presents the Asseco South Eastern Europe Group structure along with equity interests and voting interests at the general meetings of shareholders/partners as at 30 September 2010:

	Country of registration	Voting interest		Equity interest	
		30 Sept. 2010	31 Dec. 2009	30 Sept. 2010	31 Dec. 2009
<b>Asseco South Eastern Europe SA</b>	Poland				
<b>Asseco SEE s.r.l., (Bucharest) 1)</b>	Romania	100.00%	100.00%	100.00%	100.00%
Asseco SEE s.r.l. (Moldavia)	Moldavia	100.00%	n/a	100.00%	n/a
<b>Asseco SEE d.o.o., Beograd 2)</b>	Serbia	100.00%	100.00%	100.00%	100.00%
Asseco SEE DOOEL, Skopje 3)	Macedonia	100.00%	100.00%	100.00%	100.00%
Asseco SEE o.o.d., Sofia 4)	Bulgaria	51.00%	51.00%	51.00%	51.00%
Pexim Solutions d.o.o., Banja Luka	Bosnia & Herzegovina	100.00%	100.00%	100.00%	100.00%
E-Mon d.o.o., Podgorica	Montenegro	50.00%	50.00%	50.00%	50.00%
eMS d.o.o., Beograd	Serbia	100.00%	100.00%	100.00%	100.00%
Asseco SEE d.o.o., Podgorica 5)	Montenegro	100.00%	100.00%	100.00%	100.00%
SIMT Cardinfo d.o.o. (Ljubljana)	Slovenia	50.00%	50.00%	50.00%	50.00%
Cardinfo BDS d.o.o. (Sarajevo)	Bosnia & Herzegovina	50.00%	50.00%	50.00%	50.00%
Multicard d.o.o., Beograd	Serbia	45.00%	45.00%	45.00%	45.00%
Ibis a.d. Banja Luka	Bosnia & Herzegovina	100.00%	100.00%	100.00%	100.00%
Enovčanik a.d., Beograd	Serbia	n/a	28.00%	n/a	28.00%
<b>Asseco SEE d.o.o. (Zagreb) 6)</b>	Croatia	100.00%	100.00%	100.00%	100.00%
<b>Asseco SEE Sh.p.k. (Pristina) 7)</b>	Kosovo	100.00%	100.00%	100.00%	100.00%
Asseco SEE Sh.p.k., Tirana 8)	Albania	100.00%	100.00%	100.00%	100.00%
Pexim-Tirane Sh.p.k.	Albania	100.00%	100.00%	100.00%	100.00%
<b>Biro Data Servis d.o.o. (Zagreb)</b>	Croatia	100.00%	n/a	100.00%	n/a
Biro Data Servis - Platus d.o.o. (Zagreb)	Croatia	100.00%	n/a	100.00%	n/a
<b>Cardinfo BDS d.o.o. (Sarajevo)</b>	Bosnia & Herzegovina	50.00%	n/a	50.00%	n/a
<b>EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)</b>	Turkey	100.00%	n/a	100.00%	n/a
<b>ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul)</b>	Turkey	99.66%	n/a	99.66%	n/a
ITD Polska Spółka z o.o. (Warsaw)	Poland	100.00%	n/a	100.00%	n/a
ITD Romania s.r.l. (Bucharest)	Romania	95.06%	n/a	95.06%	n/a
<b>Asseco SEE o.o.d., Sofia 4)</b>	Bulgaria	49.00%	n/a	49.00%	n/a

- 1) On 15 October 2009, the subsidiary Net Consulting s.r.l. changed its corporate name into Asseco South Eastern Europe s.r.l., which was subsequently replaced by Asseco SEE s.r.l. (Bucharest) on 29 December 2009. The merger between the companies of Asseco SEE s.r.l. (the taking-over company) and Fiba Software s.r.l. (the acquired company) was recognized as at 31 December 2009. On 1 June 2010, there was registered a merger of Asseco SEE s.r.l. (the taking-over company) with Probass S.A. (the acquired company).
- 2) On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd. On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. Beograd (the taking-over company) with Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company).
- 3) On 25 January 2010, the subsidiary Pexim DOOEL, Skopje was renamed as Asseco SEE DOOEL, Skopje.
- 4) On 12 October 2010, Pexim Solutions o.o.d. was renamed as Asseco SEE o.o.d., Sofia.
- 5) On 10 August 2010, Cardinfo Montenegro d.o.o., Podgorica was renamed as Asseco SEE d.o.o., Podgorica.

- 6) On 4 January 2010, the subsidiary Logos d.o.o. was renamed as Asseco SEE d.o.o. (Zagreb). On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. (the taking-over company) with Arbor Informatika d.o.o. (the acquired company).
- 7) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k. (Pristina). On 28 July 2010, there was registered a merger of Asseco SEE Sh.p.k. (Pristina) with its subsidiary X-Card Sh.p.k. (Pristina).
- 8) On 8 January 2010, Pronet Albania Sh.p.k. was renamed as Asseco SEE Sh.p.k., Tirana.

The parent of Asseco South Eastern Europe SA is Asseco Poland SA (the higher-level parent company). As at 30 September 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA. After registration of the issuances of shares of series R and S resulting from new company acquisitions, the equity interest of Asseco Poland SA will decrease to 51.96%.

Within the Group's organizational structure the companies of E-Mon d.o.o. (Podgorica) and SIMT Cardinfo d.o.o. (Ljubljana) are treated as co-subsidiaries and therefore are consolidated under the proportionate method. The following subsidiary companies: Asseco SEE s.r.l. (Moldavia) (subsidiary of Asseco SEE s.r.l.) and Biro Data Servis – Platus d.o.o., Zagreb, were excluded from consolidation due to insignificant scale of their operations. Whereas, Enovčanik a.d., Beograd used to be an associated company. The remaining companies incorporated within the Group are treated as subsidiaries and are subject to full consolidation.

With regard to the call options embedded in the agreement for acquisition of Multicard d.o.o., under which Asseco SEE d.o.o., Beograd is entitled to buy out the remaining non-controlling interests, the company of Multicard d.o.o. is treated as a subsidiary and is subject to full consolidation.

Both as at 30 September 2010 and 31 December 2009, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity interests in these entities.

## **IX. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE**

*Description of the effects of changes in the Group's organizational structure, including those resulting from business combinations, acquisition or disposal of companies, long-term investments, division or restructuring of entities, or discontinuation of business activities.*

During the period of 3 months ended 30 September 2010 the following changes in the Group composition were observed:

### **□ Acquisition of shares in ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. seated in Istanbul, Turkey and in EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. seated in Istanbul, Turkey**

On 30 July 2010, Asseco South Eastern Europe SA concluded an agreement under which it acquired 99.6620% shares ("ITD Shares") in ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. seated in Istanbul ("ITD") and 99.9970% shares ("EST Shares") in EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. seated in Istanbul ("EST").

70.6191% of ITD Shares were purchased in a cash transaction for the total amount not exceeding EUR 6.1 million. Whereas the remaining 29.0429% of ITD Shares were acquired in exchange for the newly issued 837,472 shares in Asseco South Eastern Europe SA. 99.9970% of EST Shares were purchased in a cash transaction for the total amount not exceeding EUR 2.5 million. Furthermore, in the Shares Acquisition Agreement, Asseco South Eastern Europe SA committed itself to make additional payments to EST shareholders, either in the form of cash and/or issuance of ASEE shares, provided that EST achieves the specified levels of net profit for the years 2010 and 2011. The cash payments for ITD Shares and EST Shares were financed with own funds of Asseco South Eastern Europe SA. The acquisition-date value of cash and cash equivalents in the acquired companies amounted to PLN 7,362 thousand, restated at the exchange rate published by the National Bank of Poland.

ITD is one of the Turkish leaders specialized in voice automation services. ITD has got a subsidiary undertaking in Poland, namely ITD Polska Sp. z o.o. seated in Warsaw. Among the ITD's key clients are the largest organizations of the Turkish banking sector (including 57% of all the banks in Turkey accounting for 95% of the market, measured by assets), insurance companies, telecommunication companies as well as retailers.

EST is the Turkey's main supplier of services and system for settlement of internet payments made by credit cards (independent payment gateway). Majority of Turkish banks which offer e-commerce services utilize one or more solutions, systems and services provided by EST.

In connection with the above-mentioned acquisition of companies, Asseco South Eastern Europe SA issued 837,472 shares of series S. Until the date of publication of these interim condensed consolidated financial statements, the Parent Company has not yet received any court decision on registration of the above-mentioned issuance of shares.

***□ Acquisition of one share in Asseco SEE s.r.l. (Bucharest) from Asseco Poland SA***

On 29 June 2010, Asseco South Eastern Europe SA signed an agreement with Asseco Poland SA for acquisition of 1 (one) share in Asseco SEE s.r.l. (Bucharest) at the par value of RON 1,500. Theretofore, due to specific requirements of the Romanian law, Asseco South Eastern Europe SA held 99.9% of shares in the said company. The transaction was registered by the Registry Court in Romania on 2 August 2010. As per the agreement, on that date the ownership of one share being subject of the transaction was effectively transferred to Asseco South Eastern Europe SA.

***□ Acquisition of shares in Biro Data Servis d.o.o. seated in Zagreb, Croatia and in Cardinfo BDS d.o.o. seated in Sarajevo, Bosnia and Herzegovina.***

On 13 September 2010, Asseco South Eastern Europe SA concluded an agreement under which it acquired a 100% stake in Biro Data Servis d.o.o. seated in Zagreb ("BDS d.o.o.") as well as a 50% stake in Cardinfo BDS d.o.o. seated in Sarajevo.

The shares in Biro Data Servis d.o.o., Zagreb were purchased from a natural person. 60% of shares were acquired for EUR 2,880 thousand paid in cash. The remaining 40% of shares were acquired in exchange for 474,353 newly issued shares of Asseco South Eastern Europe SA.

The shares in Cardinfo BDS d.o.o., Sarajevo were purchased from a natural person. 30% of shares were acquired for EUR 805 thousand paid in cash. Additional 20% of shares were acquired in exchange for 118,588 newly issued shares of Asseco South Eastern Europe SA.

The remaining 50% stake in Cardinfo BDS d.o.o., Sarajevo is owned by a subsidiary of Asseco South Eastern Europe SA, namely Asseco SEE d.o.o., Beograd.

The cash payments for shares in the companies of BDS d.o.o. and Cardinfo BDS d.o.o. were financed with own funds of Asseco South Eastern Europe SA.

Both the acquired companies are specialized in the sale and provision of services of ATM network management and maintenance as well as complementary services, including services of third-party providers, through the network of ATMs utilizing own proprietary IT solutions.

The companies of BDS d.o.o. and Cardinfo BDS d.o.o. were acquired as part of building a strong regional group of Asseco South Eastern Europe to make business in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Kosovo, Macedonia, Moldavia, Romania, Serbia, Slovenia, and Turkey.

In connection with the above-mentioned acquisition of companies, Asseco South Eastern Europe SA issued 592,941 shares of series R. Until the date of publication of these interim condensed consolidated financial statements, the Parent Company has not yet received any court decision on registration of the above-mentioned issuance of shares.



***□ Acquisition of shares in Asseco SEE o.o.d. (Sofia)***

On 23 September 2010, Asseco South Eastern Europe SA signed an agreement whereby it acquired a 49% stake in Pexim Solutions o.o.d., in which 51% of shares had been already held by Asseco SEE DOOEL, Skopje. Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares (held directly and indirectly) in that Bulgarian company. This company is engaged in maintenance of ATM networks as well as in the provision of other services within the payment cards segment.

On 12 October 2010, Pexim Solutions o.o.d. was renamed as Asseco SEE o.o.d.

***□ Establishing a subsidiary company Asseco SEE s.r.l., (Moldavia) by Asseco SEE, (Bucharest)***

After publication of the previous interim report, i.e. after 25 August 2010, Asseco South Eastern Europe SA received an information about registration of Asseco SEE s.r.l. (Moldavia), being a subsidiary Asseco SEE s.r.l. (Bucharest). The newly established company shall develop its business within the banking and finance segment as well as in the integration of systems. This company has been excluded from consolidation as at 30 September 2010 because it is just during the business start-up phase and the scale of its operations is insignificant.

***□ Merger of Asseco SEE Sh.p.k. (Pristina) and X-Card Sh.p.k.(Pristina)***

On 5 May 2010, Asseco SEE Sh.p.k. (Pristina) signed an agreement for acquisition of the company X-Card Sh.p.k. seated in Pristina, Kosovo. The transaction value amounted to EUR 110 thousand. The taken-over company was engaged in the provision of call-center services, sale and maintenance of ATMs and POS terminals.

After publication of the previous interim report, i.e. after 25 August 2010, Asseco South Eastern Europe SA was notified that the process of merger of Asseco SEE sh.p.k. (Pristina) (the taking-over company) with its subsidiary X-Card Sh.p.k. (Pristina) (the acquired company) was completed on 28 July 2010.

## X. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Breakdown of sales revenues

During the 3<sup>rd</sup> quarter of 2010 and the corresponding comparative period, operating revenues were as follows:

Sales revenues by type of business	3 months ended	9 months ended	3 months ended	9 months ended
	30 Sept. 2010 (unaudited)	30 Sept. 2010 (unaudited)	30 Sept. 2009 (unaudited)	30 Sept. 2009 (unaudited)
Proprietary software and services	34,368	97,600	26,065	86,606
Third-party software and services	27,767	75,779	15,158	69,800
Hardware and infrastructure	38,222	106,567	35,839	129,352
Outsourcing	6,540	19,269	7,194	21,938
Other sales	989	1,298	1,247	2,468
	<b>107,886</b>	<b>300,513</b>	<b>85,503</b>	<b>310,164</b>

### 2. Breakdown of operating costs

	3 months ended	9 months ended	3 months ended	9 months ended
	30 Sept. 2010 (unaudited)	30 Sept. 2010 (unaudited)	30 Sept. 2009 (unaudited)	30 Sept. 2009 (unaudited)
Materials and energy used (-)	(2,724)	(4,421)	(625)	(2,057)
Third-party work (-)	(9,547)	(26,698)	(9,224)	(24,857)
Salaries (-)	(21,205)	(59,810)	(16,549)	(51,899)
Employee benefits (-)	(3,209)	(10,167)	(2,225)	(8,229)
Depreciation and amortization (-)	(1,573)	(4,646)	(1,225)	(3,463)
Taxes and charges (-)	(326)	(688)	(600)	(833)
Business trips (-)	(999)	(3,042)	(772)	(2,709)
Other (-)	377	(3,234)	(81)	(464)
	<b>(39,206)</b>	<b>(112,706)</b>	<b>(31,301)</b>	<b>(94,511)</b>
<b>Cost of sales:</b>	<b>(80,088)</b>	<b>(227,042)</b>	<b>(67,868)</b>	<b>(238,341)</b>
<i>production cost (-)</i>	(25,181)	(73,857)	(20,973)	(61,059)
<i>cost of merchandise, materials and third-party work sold (COGS) (-)</i>	(54,907)	(153,185)	(46,895)	(177,282)
<b>Selling expenses (-)</b>	<b>(4,374)</b>	<b>(13,998)</b>	<b>(4,307)</b>	<b>(13,422)</b>
<b>General administrative expenses (-)</b>	<b>(9,651)</b>	<b>(24,851)</b>	<b>(6,021)</b>	<b>(20,030)</b>

### 3. Earnings per share

	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Consolidated earnings per share for the period reported attributable to Shareholders of Asseco South Eastern Europe SA (in PLN):</b>				
Basic consolidated earnings per share from continuing operations for the period reported	0.25	0.62	0.10	0.71
Diluted consolidated earnings per share from continuing operations for the period reported	0.25	0.62	0.10	0.71

Basic earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the adjusted (due to diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The below tables present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	3 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	3 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Consolidated net profit for the period reported attributable to Shareholders of the Parent Company</b>	<b>13,070</b>	<b>31,054</b>	<b>4,807</b>	<b>24,994</b>
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	51,421,769	50,181,736	46,058,851	35,121,548
Dilution factors	-	-	-	-
<b>Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share</b>	<b>51,421,769</b>	<b>50,181,736</b>	<b>46,058,851</b>	<b>35,121,548</b>

Both during the period reported and the prior year's corresponding period there took place no events that would cause dilution of earnings per share.

The average weighted number of ordinary shares was calculated taking into account the issuances of shares that were assigned as non-cash contributions (i.e. 592,941 shares of series R and 837,472 shares of series S) as well as the period from signing the share assignment agreements till the balance sheet date. Until the date of publication of these interim condensed consolidated financial statements, the Parent Company has not yet received any court decision on registration of the issuances of shares of series R and S.

#### **4. Information on dividends paid out or declared**

The Ordinary General Meeting of Shareholders of Asseco South Eastern Europe SA seated in Rzeszów, acting on the basis of art. 395 §2 item 2) of the Polish Commercial Companies Code as well as pursuant to §12 sec. 4 item 2) of the Company's Articles of Association, by its resolution adopted on 27 April 2010, decided that the net profit for the year 2009 in the amount of PLN 16,609 thousand shall be distributed as follows:

- a) PLN 1,430 thousand was allocated to reserve capital pursuant to art. 396 §1 of the PCCC;
- b) PLN 9,727 thousand was appropriated to cover the Company's losses for the years 2007 and 2008;
- c) PLN 5,452 thousand was distributed among the Company's shareholders as a dividend of PLN 0.11 per share.

Subsequently, the dividend was paid out on 15 July 2010.

## 5. Goodwill arising from consolidation

	30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009
	(unaudited)	(unaudited)	(audited)	(unaudited)
Banking Systems	152,861	158,201	164,934	105,170
Mobile Banking & Authentication	42,283	44,565	43,674	44,972
Card Business	84,247	69,581	75,075	69,666
Systems Integration	177,331	157,606	160,184	164,606
Internet Payment Solutions	36,991	-	-	-
	<b>493,713</b>	<b>429,953</b>	<b>443,867</b>	<b>384,414</b>

During the period reported and corresponding period, the goodwill from consolidation changed as follows:

	30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009
	(unaudited)	(unaudited)	(audited)	(unaudited)
<b>Consolidation goodwill at the beginning of the period</b>	<b>443,867</b>	<b>443,867</b>	<b>463,105</b>	<b>463,105</b>
Banking Systems	164,934	164,934	140,523	140,523
Mobile Banking & Authentication	43,674	43,674	58,418	58,418
Card Business	75,075	75,075	98,537	98,537
Systems Integration	160,184	160,184	165,627	165,627
Internet Payment Solutions	-	-	-	-
<b>Change in consolidation goodwill due to acquisition of shares (+/-)</b>	<b>82,440</b>	<b>419</b>	<b>6,514</b>	<b>(69,637)</b>
Banking Systems	-	-	33,707	(31,943)
Mobile Banking & Authentication	-	-	(13,426)	(13,426)
Card Business	18,909	419	(17,585)	(27,169)
Systems Integration	26,241	-	3,818	2,901
Internet Payment Solutions	37,290	-	-	-
<b>Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-)</b>	<b>(32,594)</b>	<b>(14,333)</b>	<b>(25,752)</b>	<b>(9,054)</b>
Banking Systems	(12,073)	(6,733)	(9,296)	(3,410)
Mobile Banking & Authentication	(1,391)	891	(1,318)	(20)
Card Business	(9,737)	(5,913)	(5,877)	(1,702)
Systems Integration	(9,094)	(2,578)	(9,261)	(3,922)
Internet Payment Solutions	(299)	-	-	-
<b>Total book value at the end of period</b>	<b>493,713</b>	<b>429,953</b>	<b>443,867</b>	<b>384,414</b>

***Acquisition of shares in ITD A.Ş. and in EST A.Ş. seated in Istanbul***

On 30 July 2010, Asseco South Eastern Europe SA concluded agreements under which it acquired 99.6620% shares in ITD A.Ş. as well as 99.9970% shares in EST A.Ş., both seated in Istanbul. This transaction is described in Note IX of this report for the 3<sup>rd</sup> quarter of 2010.

As at 30 September 2010, the Group has not yet completed the process of allocation of the acquisition price. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over these companies. The provisional values of identifiable assets and liabilities of ITD A.Ş. and EST A.Ş. as at the acquisition date were as follows:

	<b>Provisional value as at the acquisition date</b>	
	<b>ITD A.Ş.</b>	<b>EST A.Ş.</b>
<b>Fixed assets</b>	<b>2,510</b>	<b>2,470</b>
Property, plant and equipment	1,006	545
Intangible assets	498	1,913
Other fixed assets	1,006	12
<b>Current assets</b>	<b>16,598</b>	<b>3,186</b>
Receivables	5,805	1,712
Cash and short-term deposits	6,264	1,098
Other current assets	4,529	376
<b>TOTAL ASSETS</b>	<b>19,108</b>	<b>5,656</b>
<b>Shareholders' equity</b>	<b>7,724</b>	<b>4,541</b>
<b>Liabilities and provisions</b>	<b>11,384</b>	<b>1,115</b>
Liabilities	11,384	1,115
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>19,108</b>	<b>5,656</b>
<b>Net assets value</b>	<b>7,724</b>	<b>4,541</b>
Percentage of net assets acquired	<b>99,662%</b>	<b>99,997%</b>
<b>Purchase price</b>	<b>33,965</b>	<b>41,831</b>
<b>Goodwill as at the acquisition date</b>	<b>26,241</b>	<b>37,290</b>

***Acquisition of shares in Biro Data Servis d.o.o. seated in Zagreb, Croatia and in Cardinfo BDS d.o.o. seated in Sarajevo, Bosnia and Herzegovina.***

On 13 September 2010, Asseco South Eastern Europe SA concluded agreements under which it acquired a 100% stake in Biro Data Servis d.o.o. (BDS d.o.o.) seated in Zagreb as well as a 50% stake in Cardinfo BDS d.o.o. seated in Sarajevo. 50% of shares in Cardinfo BDS d.o.o. had been already held by Asseco SEE d.o.o. Beograd and therefore, following the above-mentioned transaction, Asseco South Eastern Europe SA obtained control over Cardinfo BDS d.o.o. as it holds, directly and indirectly, 100% of shares in that company.

Both the transactions are described in Note IX of this report for the 3<sup>rd</sup> quarter of 2010.

As at 30 September 2010, the Group has not yet completed the process of allocation of the acquisition price. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over these companies. The recognized provisional values of identifiable assets and liabilities of BDS d.o.o. and Cardinfo BDS d.o.o. as at the acquisition date were as follows:

	<b>Provisional value as at the acquisition date</b>	
	<b>BDS d.o.o.</b>	<b>Cardinfo BDS d.o.o.</b>
<b>Fixed assets</b>	<b>1,479</b>	<b>430</b>
Property, plant and equipment, and intangible assets	992	430
Other fixed assets	487	0
<b>Current assets</b>	<b>6,358</b>	<b>3,096</b>
Receivables	2,791	715
Inventories	832	526
Cash and short-term deposits	1,780	1,358
Other current assets	955	497
<b>TOTAL ASSETS</b>	<b>7,837</b>	<b>3,526</b>
<b>Shareholders' equity</b>	<b>5,372</b>	<b>1,919</b>
<b>Liabilities and provisions</b>	<b>2,465</b>	<b>1,607</b>
Liabilities	2,465	1,607
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,837</b>	<b>3,526</b>
<b>Net assets value</b>	<b>5,372</b>	<b>1,919</b>
Percentage of net assets acquired	100%	50%
Equity interest held before	0%	50%
Value of equity interest held before	0	1,277
<b>Purchase price</b>	<b>19,872</b>	<b>4,632</b>
<b>Goodwill as at the acquisition date</b>	<b>14,500</b>	<b>3,990</b>
<b>Liabilities due to dividend payment</b>	<b>2,715</b>	<b>260</b>

Having taken control over the assets and liabilities of BDS d.o.o. and Cardinfo BDS d.o.o., the Group assumed liabilities to pay out dividends as disclosed in those companies' balance sheets made as at the date of obtaining control. Furthermore, the Group recognized liabilities to pay out dividends from undistributed profits for the years 2009 and 2010 in all the cases where such dividend payments to former shareholders are provided for in the company acquisition agreement. The above table presents the aggregate amounts of liabilities that were assumed and additionally recognized in connection with obtaining control over the said companies.

## 6. Deferred expenses

Short-term	30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009
	(unaudited)	(unaudited)	(audited)	(unaudited)
Maintenance services	4,574	2,688	2,637	1,935
Prepaid insurance	174	166	135	150
Prepaid subscriptions	16	19	222	250
Prepaid rents	34	14	20	20
Prepaid consulting services	248	388	78	160
Expenses related to issuance of shares, company acquisitions and non-cash contributions	20	-	42	213
Expenses related to taking out a bank credit	256	247	-	-
Costs of IT audits	200	200	-	-
Other	588	173	884	1,232
Revaluation charges on deferred expenses	(12)	(12)	-	-
	<b>6,098</b>	<b>3,883</b>	<b>4,018</b>	<b>3,960</b>

As at 30 September 2010, 30 June 2010, 31 December 2009, and 30 September 2009, deferred expenses included primarily the costs of maintenance services amounting to PLN 4,574 thousand, PLN 2,688 thousand, PLN 2,637 thousand, and PLN 1,935 thousand, respectively, that will be successively expensed in the future periods.

## 7. Receivables

Other receivables	30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009
	(unaudited)	(unaudited)	(audited)	(unaudited)
Receivables from non-invoiced deliveries	4,420	3,900	5,504	2,797
Advance payments to other suppliers	1,788	1,910	1,080	664
Receivables from employees	149	5	-	1
Other receivables	2,364	1,334	2,269	1,165
	<b>8,721</b>	<b>7,149</b>	<b>8,853</b>	<b>4,627</b>

Receivables relating to non-invoiced deliveries result from the sale of third-party licenses and maintenance services, for which invoices have not yet been issued for the whole period of licensing or provision of maintenance services.

## 8. Cash and cash equivalents, restricted cash

	30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009
	(unaudited)	(unaudited)	(audited)	(unaudited)
Cash at bank and in hand	28,859	31,447	83,775	68,446
Short-term deposits	34,160	79,324	20,759	83,547
Cash equivalents	59	23	17	27
Cash being transferred	2	54	-	-
	<b>63,080</b>	<b>110,848</b>	<b>104,551</b>	<b>152,020</b>
Restricted cash	363	172	184	191



The interest on cash at bank is calculated with variable interest rates which depend on bank overnight deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) as at 30 September 2010, 30 June 2010 nor as at 31 December 2009 and 30 September 2009.

Restricted cash served as security for the bank guarantees (of due performance of contracts and tender deposits) as at 30 September 2010, 30 June 2010, 31 December 2009 as well as at 30 September 2009.

## 9. Share capital

Share capital	Series	Par value per share	30 Sept. 2010		30 June 2010		31 Dec. 2009		30 Sept. 2009	
			(unaudited)		(unaudited)		(audited)		(unaudited)	
Shares			Number of shares	Value of shares	Number of shares	Value of shares	Number of shares	Value of shares	Number of shares	Value of shares
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565	956,447	9,565	956,447	9,564
Ordinary registered shares	F	10	1,475,509	14,755	1,475,509	14,755	1,475,509	14,755	1,475,509	14,755
Ordinary registered shares	G	10	2,708,378	27,084	2,708,378	27,084	2,708,378	27,084	2,708,378	27,084
Ordinary registered shares	H	10	1,062,030	10,620	1,062,030	10,620	1,062,030	10,620	1,062,030	10,620
Ordinary registered shares	I	10	1,770,609	17,706	1,770,609	17,706	1,770,609	17,706	1,770,609	17,706
Ordinary registered shares	J	10	1,714,209	17,142	1,714,209	17,142	1,714,209	17,142	1,714,209	17,142
Ordinary registered shares	K	10	4,590,470	45,905	4,590,470	45,905	4,590,470	45,905	4,590,470	45,905
Ordinary registered shares	L	10	2,100,000	21,000	2,100,000	21,000	2,100,000	21,000	2,100,000	21,000
Ordinary registered shares	M	10	4,810,880	48,109	4,810,880	48,109	4,810,880	48,109	4,810,880	48,109
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242	1,524,269	15,242				
			<b>49,561,719</b>	<b>495,617</b>	<b>49,561,719</b>	<b>495,617</b>	<b>48,037,450</b>	<b>480,375</b>	<b>46,958,541</b>	<b>469,585</b>

\* Following a reverse stock split of series D shares

In the period of 9 months ended 30 September 2010, the Company's share capital was increased by the amount of PLN 15,242 thousand through the issuance of 1,524,269 series P shares that was registered by the District Court in Rzeszów on 22 January 2010. As at 31 December 2009 the said issuance was disclosed in the line "subscribed unregistered share capital".

The issuances of 592,941 shares of series R as well as of 837,472 shares of series S, that were conducted in connection with the acquisition of shares in the companies of BDS d.o.o., Zagreb and Cardinfo BDS d.o.o., Sarajevo as well as ITD. A.S., Istanbul, respectively, are presented in the separate line "subscribed unregistered share capital" under the shareholders' equity. The issuances of series R and series S shares were recognized at their issue value less the incurred share issuance costs. Until the date of publication of this report, the Parent Company has not yet received any court decision on registration of the issuances of series R and series S shares.

## 10. Long-term and current financial liabilities

<b>Long-term</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Liabilities due to acquisition of non-controlling interests in subsidiaries (put options)	8,933	9,255	9,658	-
Liabilities due to acquisition of shares	-	456	-	-
Finance lease commitments	658	609	659	798
	<b>9,591</b>	<b>10,320</b>	<b>10,317</b>	<b>798</b>

As at 30 June 2010, the Asseco South Eastern Europe Group recognized a long-term financial liability in the amount of PLN 456 thousand due to acquisition of shares in X-Card Sh.p.k. (Pristina) by Asseco SEE Sh.p.k. (Pristina). As at 30 September 2010, this liability was disclosed under short-term liabilities.

Additionally, as at 30 September 2010, 30 June 2010 and 31 December 2009, the Group carried a long-term liability under the put options held by non-controlling shareholders in Multicard d.o.o., Beograd. Such liability corresponds to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company. Determination of fair value of the liability resulting from the possible exercise of stock put options was based on the following several assumptions. The Group assumes the stock put options will be exercised by all the minority shareholders, and as a consequence the Group will acquire a 100% share in profits. The concluded stock option agreement stipulates that the future payment shall be equal to the amount of audited net profit for the calendar year preceding the option exercise year, multiplied by a contractually predefined fixed rate. Net profit assumed for measurement of the aforesaid liability has been based on the most up-to-date financial forecasts for the current year and future periods. This foreign-currency liability was restated in Polish zlotys at the exchange rates published by the National Bank of Poland on 30 September 2010, 30 June 2010 and 31 December 2009, and it amounted to PLN 8,933 thousand, PLN 9,255 thousand and PLN 9,658 thousand, respectively.

<b>Name of company</b>	<b>Earliest stock option exercise date as per the agreement</b>	<b>Assumptions concerning net earnings</b>
Multicard d o.o.	2013-01-01	Audited net profit for the calendar year preceding the option exercise year

<b>Short-term</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Liabilities due to dividend payment	4,665	7,210	5,920	8,609
Finance lease commitments	355	454	528	566
Liabilities due to acquisition of shares	32,595	174	2,761	25,725
Other	85	-	-	63
	<b>37,700</b>	<b>7,838</b>	<b>9,209</b>	<b>34,963</b>

**Liabilities due to dividend payment** disclosed as at 30 September 2010, 30 June 2010, 31 December 2009 and 30 September 2009 were recognized by virtue of dividends payable to the former minority shareholders of subsidiary companies. As at 30 September 2010, liabilities due to dividend payment totalled PLN 4,665 thousand, of which the amount of PLN 2,975 thousand resulted from obtaining control over the assets and liabilities of BDS d.o.o. and Cardinfo BDS d.o.o. as well as from additional liabilities recognized by the Group to pay out dividends from undistributed profits of those companies for the years 2009 and 2010 in all the cases where such payments to former shareholders were provided for in the relevant company acquisition agreement.

Furthermore, as at 30 June 2010 liabilities due to dividend payment comprised dividends payable to shareholders of Asseco South Eastern Europe SA which were actually paid on 15 July 2010.

**Liabilities due to acquisition of shares** disclosed as at 30 September 2010 include a liability due to the acquisition of shares in EST A.Ş. in the amount of PLN 30,708 thousand, which results from the company acquisition agreement and corresponds to additional payments to EST A.Ş. shareholders, to be made either in the form of cash and/or issuance of ASEE shares, provided that EST A.Ş. achieves the specified target levels of net profit for the years 2010 and 2011. Furthermore, liabilities due to acquisition of shares presented as at 30 September 2010 comprise PLN 1,448 thousand payable for the acquisition of a 49% stake in Asseco SEE o.o.d. (Sofia) by Asseco South Eastern Europe SA, and PLN 439 thousand payable for the acquisition of X-Card Sh.p.k. (Pristina) by Asseco SEE Sh.p.k. (Pristina).

As at 31 December 2009, the Group recognized a liability in the amount of PLN 2,761 thousand by virtue of the acquisition of shares in Asseco SEE Sh.p.k (former Pronet IT Konsalting Inxhiniering Telekomunikime Sh.p.k) seated in Pristina, Kosovo.

Whereas, as at 30 September 2009, the Group recognized a liability in the amount of PLN 25,725 thousand by virtue of the acquisition of shares in Asseco SEE Sh.p.k (former Pronet IT Konsalting Inxhiniering Telekomunikime Sh.p.k) seated in Pristina, Kosovo.

## 11. Interest-bearing bank credits and debt securities issued

Short-term credits	Name of entity	Maximum debt in PLN thousands as at			30 Sept. 2009	Effective interest rate %	Currency	Date of maturity	Utilization as at			
		30 Sept. 2010	30 June 2010	31 Dec. 2009					30 Sept. 2010 (unaudited)	30 June 2010 (unaudited)	31 Dec. 2009 (audited)	30 Sept. 2009 (unaudited)
Current account credit	NLB Tutunska Banka AD Skopje	64	67	67	69	19.5%	MKD	2010-09-30	-	20	16	5
Current account credit	NLB Tutunska Banka AD Skopje	13	13	13	14	15%	MKD	2010-09-30	-	-	1	17
Current account credit	Volksbank, Beograd	n/a	n/a	n/a	182	17.50%	EUR	2009-12-21	n/a	n/a	n/a	-
Current account credit	Nova Ljubljanska Banka	1,595	1,658	1,643	n/a	10.8%	EUR	2010-11-23	-	-	-	n/a
Current account credit	Alpha Bank Unirii Branch	8,132	8,285	8,201	n/a	3M LIBOR + margin 3M BUBOR + margin	multi-currency	2011-04-15	-	-	-	n/a
		<b>9,804</b>	<b>10,023</b>	<b>9,924</b>	<b>265</b>				-	<b>20</b>	<b>17</b>	<b>22</b>

Other short-term credits	Name of entity	Maximum debt in PLN thousands as at			30 Sept. 2009	Effective interest rate %	Currency	Date of maturity	Utilization as at			
		30 Sept. 2010	30 June 2010	31 Dec. 2009					30 Sept. 2010 (unaudited)	30 June 2010 (unaudited)	31 Dec. 2009 (audited)	30 Sept. 2009 (unaudited)
Operating credit facility	Komercijalna Banka A.D.	n/a	n/a	105	106	12.25%	MKD	2010-06-03	n/a	n/a	105	97
Operating credit facility	Garanti Bankası A.Ş.	54	n/a	n/a	n/a	0%	TRY	2010-10-04	54	n/a	n/a	n/a
Investment credit	Volksbank, Beograd	n/a	n/a	n/a	-	3M EURIBOR + margin	EUR	2018-06-23	n/a	n/a	n/a	182
Loan	Yapı Kredi Bankası A.Ş.	8	n/a	n/a	n/a	8.1%	TRY	2010-02-28	8	n/a	n/a	n/a
Loan	Minority shareholders	3,586	3,788	4,104	4,223	0%	RSD	2010-12-31	453	2,325	3,136	3,226
Loan	Minority shareholders	n/a	25	37	n/a	7%	BGN	2010-10-13	n/a	25	37	n/a
Loan	Minority shareholders	n/a	37	37	n/a	7%	BGN	2010-10-12	n/a	37	37	n/a
Loan	Minority shareholders	n/a	47	47	n/a	7%	BGN	2010-10-14	n/a	47	47	n/a
		<b>3,648</b>	<b>3,897</b>	<b>4,330</b>	<b>4,329</b>				<b>515</b>	<b>2,434</b>	<b>3,362</b>	<b>3,505</b>

**Interest-bearing bank credits and debt securities issued (continued)**

Long-term credits	Name of entity	Maximum debt in PLN thousands as at				Effective interest rate %	Currency	Date of maturity	Utilization as at			
		30 Sept. 2010	30 June 2010	31 Dec. 2009	30 Sept. 2009				30 Sept. 2010 (unaudited)	30 June 2010 (unaudited)	31 Dec. 2009 (audited)	30 Sept. 2009 (unaudited)
Investment credit	EBRD	27,909	29,021	28,757	n/a	3M EURIBOR + margin	EUR	2016-01-31	-	-	-	n/a
Investment credit	Volksbank, Beograd	n/a	n/a	n/a	2,534	3M EURIBOR + margin	EUR	2018-06-23	n/a	n/a	n/a	1,896
Loan	Yapi Kredi Bankasi A.Ş.	131	n/a	n/a	n/a	8.1%	TRY	2010-02-28	131	n/a	n/a	n/a
Loan	Türkiye Teknoloji Geliştirme Vakfi	855	n/a	n/a	n/a	0%	USD	2012-07-31	855	n/a	n/a	n/a
		<b>28,895</b>	<b>29,021</b>	<b>28,757</b>	<b>2,534</b>				<b>986</b>	-	-	<b>1,896</b>

As at 30 September 2010, total liabilities of the Asseco South Eastern Europe Group under all the bank credits and loans taken out and debt securities issued aggregated at PLN 1,501 thousand. As at 30 June 2010, the Group's total liabilities equalled PLN 4,347 thousand, of which PLN 1,893 thousand were related to assets classified as held for sale and were presented in a separate line of the balance sheet. As at 31 December 2009, the Group's total liabilities equalled PLN 5,359 thousand, of which PLN 1,980 thousand were related to assets classified as held for sale; whereas, as at 30 September 2009 the Group's liabilities totalled PLN 5,423 thousand.

As at 30 September 2010, total funds available to the Asseco South Eastern Europe Group under credit facilities in current accounts, operating and investment credits, and loans reached approx. PLN 42,347 thousand (inclusive of the EBRD financing after making a pledge on shares in subsidiaries). As at 30 June 2010 such available funds amounted to PLN 42,941 thousand, as compared with PLN 43,011 thousand and PLN 7,128 thousand available as at the end of 2009 and as at 30 September 2009, respectively.

As at 30 September 2010, the Group did not utilize any amounts under credit facilities in current accounts. As at 30 June 2010 the Group has drawn PLN 20 thousand from the current account credit facilities, as compared with PLN 17 thousand and PLN 22 thousand utilized as at 31 December 2009 and 30 September 2010, respectively.

As at 30 September 2010, the Group's liabilities under other credits and loans aggregated at PLN 1,501 thousand; whereas, it amounted to PLN 2,434 thousand as at 30 June 2010, and PLN 3,362 thousand as at 31 December 2009, and PLN 5,401 thousand as at 30 September 2009.

As at 30 September 2010, 30 June 2010 nor as at 31 December 2009, property, plant and equipment did not serve as security for any bank credits taken out by the Group.

As at 30 September 2009, tangible fixed assets with the net book value of PLN 2,876 thousand served as security for bank credits taken out. Liabilities under the credits secured with those assets as at 30 September 2009 amounted to PLN 2,078 thousand.

As at 30 September 2010, 30 June 2010 nor as at 31 December 2009, intangible assets did not serve as security for any bank credits contracted by the Group.

As at 30 September 2010, inventories did not serve as security for any bank credits taken out by the Group; however, they were used to back up bank guarantee facilities in the amount of PLN 3,258 thousand. As at 30 September 2010, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 6,215 thousand.

As at 30 June 2010, inventories did not serve as security for any bank credits taken out by the Group; nevertheless, they were used to back up bank guarantee facilities in the amount of PLN 3,931 thousand. As at 30 June 2010, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 7,036 thousand.

As at 31 December 2009, inventories did not serve as security for any bank credits taken out by the Group; nevertheless, they were used to back up bank guarantee facilities in the amount of PLN 3,075 thousand. As at 31 December 2009, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 8,483 thousand.

As at 30 September 2009, inventories did not serve as security for any bank credits taken out by the Group; however, they were used to back up bank guarantee facilities in the amount of PLN 3,194 thousand. As at 30 September 2009, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 5,157 thousand.

As at 30 September 2010, current receivables and future receivables in the amount of PLN 238 thousand served as security for bank credits and bank guarantee facilities. As at 30 September 2010, there were no liabilities under bank credits secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables in the amount of PLN 6,215 thousand.

As at 30 June 2010, current receivables and future receivables in the amount of PLN 2,846 thousand served as security for bank credits and bank guarantee facilities. As at 30 June 2010, there were no liabilities under bank credits secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables in the amount of PLN 7,036 thousand.

As at 31 December 2009, current receivables and future receivables in the amount of PLN 4,040 thousand served as security for bank credits and bank guarantee facilities. As at 31 December 2009, there were no liabilities under bank credits secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables in the amount of PLN 8,483 thousand.

As at 30 September 2009, current receivables and future receivables in the amount of PLN 4,196 thousand served as security for bank credits and bank guarantee facilities. As at 30 September 2009, there were no liabilities under bank credits secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables in the amount of PLN 5,157 thousand.

Additionally, as at 30 June 2010, assets classified as held for sale with the book value of PLN 2,473 thousand served as security for a bank credit taken out. Liability by virtue of that credit as at 30 June 2010 amounted to PLN 1,893 thousand and has been presented in a separate line of the balance sheet.

As at 31 December 2009, assets classified as held for sale with the book value of PLN 2,695 thousand served as security for a bank credit taken out. Liability by virtue of that credit as at 31 December 2009 amounted to PLN 1,980 thousand and has been presented in a separate line of the balance sheet.

Both as at 30 September 2010 and 30 September 2009, no assets classified as held for sale were reported.



## 12. Liabilities

<b>Other current liabilities</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2010</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Liabilities to employees relating to salaries and wages	2,806	2,394	738	2,892
Liabilities due to non-invoiced deliveries	895	479	2,813	1,425
Trade prepayments received	13,707	10,359	6,887	10,643
Other liabilities	155	317	498	630
	<b>17,563</b>	<b>13,549</b>	<b>10,936</b>	<b>15,590</b>

Other liabilities include basically the amounts of non-invoiced deliveries and trade prepayments received. Other current liabilities are not interest-bearing.

## 13. Accrued expenses and unearned revenues

<b>Short-term accrued expenses</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Provision for unutilized holiday leaves	624	298	72	35
Provision for the employee bonuses	6,499	6,265	5,605	6,313
Provision for non-invoiced costs	2,117	1,887	3,238	3,033
Provision for the audit of financial statements	341	314	708	133
	<b>9,581</b>	<b>8,764</b>	<b>9,623</b>	<b>9,514</b>

Accrued expenses comprise mainly provisions for unutilized holiday leaves, provisions for salaries and wages of the current period to be paid out in future periods which result from the bonus schemes applied by the Asseco South Eastern Europe Group, as well as provisions for the current operating expenses which have been incurred but not yet invoiced.

<b>Short-term deferred income</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Maintenance services	8,622	6,450	5,822	4,411
Prepayments received	2,492	750	5,743	82
Other	351	624	1,146	-
	<b>11,465</b>	<b>7,824</b>	<b>12,711</b>	<b>4,493</b>

The balance of deferred income relates mainly to prepayments for services to be provided, such as maintenance and IT services.

#### 14. Assets available for sale

<b>Assets</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Property, plant and equipment	-	2,473	2,695	-
	-	<b>2,473</b>	<b>2,695</b>	-

<b>Liabilities</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
Liabilities directly related to fixed assets classified as held for sale	-	1,893	1,980	-
	-	<b>1,893</b>	<b>1,980</b>	-

Under the agreement of 21 May 2008 concluded between Asseco South Eastern Europe SA and minority shareholders in Antegra d.o.o., the minority shareholders were provided with a right to acquire from Antegra d.o.o. the below mentioned assets and liabilities in the period till 30 June 2010:

1. the building situated at 37-39 Vojvode Mišića St.,
2. the investment credit granted for purchase of the above-mentioned property.

As the minority shareholders requested the execution of the above-mentioned right, the assets and liabilities subject to the agreement were classified as held for sale both as at 30 June 2010 and 31 December 2010.

The above-mentioned property was sold to a third party in the 3<sup>rd</sup> quarter of 2010. The bank credit for purchase of the property was paid off entirely. In connection with this transaction as well as with regard to the above-mentioned contractual provisions, minority shareholders received a dividend from the net profit of Asseco SEE d.o.o., Beograd, and thereby all liabilities towards minority shareholders resulting from this transaction have been settled.

## 15. Employment

<b>Average Group workforce in the reporting period</b>	<b>9 months ended 30 Sept. 2010 (unaudited)</b>	<b>9 months ended 30 Sept. 2009 (unaudited)</b>
Management Board of the Parent Company*	6	4
Management Boards of the Group companies	26	23
Production departments	557	490
Maintenance departments	207	201
Sales departments	95	79
Administration departments	147	108
Other employees	15	40
	<b>1,053</b>	<b>945</b>

<b>The Group workforce as at</b>	<b>30 Sept. 2010 (unaudited)</b>	<b>30 June 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>30 Sept. 2009 (unaudited)</b>
Management Board of the Parent Company*	7	6	6	6
Management Boards of the Group companies	32	17	22	25
Production departments	617	573	538	506
Maintenance departments	249	173	191	206
Sales departments	112	86	76	89
Administration departments	171	151	142	116
Other employees	16	17	25	34
	<b>1,204</b>	<b>1,023</b>	<b>1,000</b>	<b>982</b>

\* In 2009 members of the Management Board of Asseco South Eastern Europe SA were not employed by the Parent Company. All of them performed their functions by virtue of an assignment from the Supervisory Board; whereas, in the period reported ended 30 September 2010, Piotr Jeleński and Rafał Kozłowski acted as members of the Management Board of Asseco South Eastern Europe SA on the basis of work contracts. The remaining members of the Company's Management Board performed their functions under an assignment.

<b>Numbers of employees in the Group companies as at</b>	<b>30 Sept. 2010 (unaudited)</b>	<b>30 June 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>30 Sept. 2009 (unaudited)</b>
Asseco South Eastern Europe SA	10	9	2	1
Asseco SEE s.r.l., (Bucharest) 1)	178	181	188	157
Group of Asseco SEE d.o.o., Beograd <sup>2)</sup>	660	655	642	655
Asseco SEE d.o.o. (Zagreb) <sup>3)</sup>	80	81	82	81
Asseco SEE Sh.p.k. (Pristina) <sup>4)</sup>	98	97	86	88
Biro Data Servis d.o.o. (Zagreb)	69	n/a	n/a	n/a
EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)	42	n/a	n/a	n/a
ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul)	67	n/a	n/a	n/a
	<b>1,204</b>	<b>1,023</b>	<b>1,000</b>	<b>982</b>

1) The merger between the companies of Asseco SEE s.r.l. (Bucharest) (former Net Consulting s.r.l.; the taking-over company) and Fiba Software s.r.l. (the acquired company) was registered on 5 January 2010; whereas, for accounting purposes it was recognized as at 31 December 2009. On 1 June 2010, there was registered a merger of Asseco SEE s.r.l. (the taking-over company) with Probass S.A. (the acquired company). For the sake of comparability, financial data of both the merged companies as at 31 December 2009 and 30 September 2009 have been presented in aggregate.

- 2) On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. Beograd (former Pexim d.o.o.; the taking-over company) with the companies of Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company). For the sake of comparability, financial data of both the merged companies as at 31 December 2009 and 30 September 2009 have been presented in aggregate.
- 3) On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. (Zagreb) (former Logos d.o.o.; the taking-over company) with Arbor Informatika d.o.o. (the acquired company). For the sake of comparability, financial data of both the merged companies as at 31 December 2009 and 30 September 2009 have been presented in aggregate.
- 4) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k. (Pristina).

## **16. Off-balance-sheet liabilities in favour of other companies**

Within its commercial activities the Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 30 September 2010, the related contingent liabilities equalled PLN 12,535 thousand, while as at 30 June 2010, 31 December 2009 and 30 September 2009 they amounted to PLN 13,236 thousand, PLN 15,002 thousand, and PLN 5,348 thousand, respectively.

As at 30 September 2010, inventories with the book value of PLN 3,258 thousand as well as current and future receivables in the amount of PLN 238 thousand served as security for bank guarantee facilities. As at 30 September 2010, the relevant contingent liabilities amounted to PLN 6,215 thousand.

As at 30 June 2010, inventories with the book value of PLN 3,931 thousand as well as current and future receivables in the amount of PLN 2,846 thousand served as security for bank guarantee facilities. As at 30 June 2010, the related contingent liabilities amounted to PLN 7,036 thousand.

As at 31 December 2009, inventories with the book value of PLN 3,075 thousand as well as current and future receivables in the amount of PLN 4,040 thousand served as security for bank guarantee facilities. As at 31 December 2009, the related contingent liabilities amounted to PLN 8,343 thousand.

As at 30 September 2009, inventories with the book value of PLN 3,194 thousand as well as current and future receivables in the amount of PLN 4,196 thousand served as security for bank guarantee facilities. As at 30 September 2009, the relevant contingent liabilities amounted to PLN 5,157 thousand.

As at 30 September 2010, restricted cash up to the amount of PLN 363 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 30 June 2010, restricted cash up to the amount of PLN 172 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 31 December 2009, restricted cash up to the amount of PLN 184 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 30 September 2009, restricted cash up to the amount of PLN 191 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 30 September 2010, 30 June 2010, 31 December 2009 as well as at 30 September 2009, the Group was a party to a number of rental, leasing and other contracts of similar nature, resulting in the following future payments:

	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
<b>Liabilities under lease of space</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
In the period up to 1 year	8,725	8,041	9,531	4,063
In the period from 1 to 5 years	26,631	26,493	26,399	17,391
Over 5 years	25	-	-	-
	<b>35,381</b>	<b>34,534</b>	<b>35,930</b>	<b>21,454</b>

  

	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
<b>Liabilities under operating lease of property, plant and equipment</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
In the period up to 1 year	485	230	236	153
In the period from 1 to 5 years	857	247	582	748
	<b>1,342</b>	<b>477</b>	<b>818</b>	<b>901</b>

## **17. Capital expenditures**

During the first 9 months of 2010 the Group incurred capital expenditures of PLN 103,484 thousand, of which PLN 4,373 thousand were spent for non-financial fixed assets.

Whereas, during the corresponding 9 months of 2009 the Group incurred capital expenditures of PLN 11,014 thousand, of which PLN 7,475 thousand were spent for non-financial fixed assets.

## **18. Issuance, redemption and repayment of non-equity and equity securities**

In the period reported the Issuer did not conduct any transactions of issuance, redemption or repayment of debt securities.

## **XI. TRANSACTIONS WITH RELATED COMPANIES**

*Information on one or more transactions concluded by the issuer or its subsidiary with related companies if they are, separately or jointly, deemed significant and were carried out not on an arm's length basis, including a specification of their value; however, information on individual transactions may be grouped by type except where information on individual transactions is essential to understand their impact on the property and financial position as well as on financial results of the issuer, including a presentation of:*

- a) information on the entity with whom such transaction was concluded,*
- b) information on the relationships between the issuer or its subsidiary and the transaction party,*
- c) information on the subject of the transaction,*
- d) material terms and conditions of the transaction, with special regard to financial conditions, and including any specific conditions provided for in the contract in particular when they diverge from the conditions commonly applied in this type of contracts,*
- e) other information on the transaction, if they are essential to understand the impact on the property and financial position as well as on financial results of the issuer,*
- f) any changes in the transactions with related companies which were described in the last annual report, which might have a significant impact on the issuer's property, financial position, and financial results.*

Until the date of approval of these interim condensed consolidated financial statements, Asseco South Eastern Europe SA has not received any information on transactions with related companies conducted during the reporting period which would be, separately or jointly, deemed significant and would be carried out not on an arm's length basis.

As a result of transactions conducted in the prior reporting periods, as at 30 September 2010 the Group had a liability towards the companies of Liatris d. o.o. and I4 Invention d.o.o. by virtue of a non-interest-bearing loan of PLN 453 thousand. This liability amounted to 2,325 thousand PLN as at 30 June 2010, 3,136 thousand PLN as at 31 December 2009, and 3,226 as at 30 September 2009. 100% of shares in Liatris d.o.o. are owned by Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA. The company I4 Invention d.o.o. is a shareholder in Asseco South Eastern Europe SA; whereas, Member of the Management Board of Asseco South Eastern Europe SA, namely Miodrag Mirčetić is a shareholder in I4 Invention d.o.o.

## **XII. INFORMATION ON PENDING LEGAL PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES OF ASSECO SOUTH EASTERN EUROPE SA OR ITS SUBSIDIARY COMPANIES**

*Indication of legal proceedings pending before any court, arbitration authority or public administration authority, including information on:*

- a) legal proceeding related to liabilities or receivables of the issuer or its subsidiary amounting to at least 10% of the issuer's equity, including a specification of the subject of such proceeding, value in dispute, date when the proceeding was initiated, parties to the proceeding, and the issuer's standpoint on the matter,*
- b) two or more legal proceedings related to liabilities and receivables amounting in aggregate to at least 10% of the issuer's equity, including a specification of the total value in dispute separately in the group of liabilities and receivables, and the issuer's standpoint on the matter; and in relation to the largest proceedings in the group of liabilities and in the group of receivables - a specification of the subject of such proceeding, value in dispute, date when the proceeding was initiated, and parties to the proceeding.*

During the period reported no proceedings were instituted or pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of Asseco South Eastern Europe SA or its subsidiaries, whose aggregate value would equal or exceed 10% of the Company's equity.

## **OPINION OF THE MANAGEMENT BOARD ON FEASIBILITY OF MEETING MEETING THE PREVIOUSLY PUBLISHED FINANCIAL FORECASTS**

*Standpoint of the Management Board on feasibility of meeting the previously published financial forecasts for the year in view of the actual results presented in this quarterly report and their comparison to the forecasted results.*

The Management Board of Asseco South Eastern Europe SA did not publish any financial forecasts for 2010.

#### **XIV. INFORMATION ON BANK CREDIT/LOAN SURETIES OR GUARANTEES EXTENDED BY THE ISSUER**

*Information on bank credit/loan sureties or guarantees extended by the issuer or its subsidiary in total to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10% of the issuer's equity, including:*

- a) corporate name of the entity to which such sureties or guarantees were extended,*
- b) total amount of bank credits/loans which were, in whole or in specified part, duly secured by a surety or guarantee,*
- c) term for which such sureties or guarantees were extended,*
- d) financial conditions under which such sureties or guarantees were extended, including the remuneration payable to the issuer or its subsidiary for granting such sureties or guarantees,*
- e) type of relationship between the issuer and the entity which took out the related bank credits or loans.*

During the 3 months ended 30 September 2010, neither the Issuer nor any of its subsidiaries granted any sureties to secure bank credits/loans or any payment guarantees to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10% of the Issuer's equity.

#### **XV. OTHER FACTORS SIGNIFICANT FOR ASSESSMENT OF THE HUMAN RESOURCES, ASSETS, AND FINANCIAL POSITION**

*Other information which, in the issuer's opinion, are essential for assessing its human resources, assets, financial position and financial results and changes thereof, as well as for evaluation of the issuer's ability to pay off its liabilities.*

##### **1. Issuer's development policy**

Asseco South Eastern Europe SA is engaged in holding operations; hence, it is focused on managing the Group of companies (holding activities) and on extending its geographical coverage and product portfolio (investing activities).

##### **Investing activities**

Asseco South Eastern Europe SA is very active in the area of take-overs and acquisitions. In 2009 the Group was joined by two foreign companies in which Asseco South Eastern Europe SA acquired 100% of shares, namely Asseco SEE Sh.p.k. (former Pronet Sh.p.k.) seated in Kosovo, and Probass S.A. seated in Romania. Both the above-mentioned companies concentrate their business on the sectors of banking and public administration. In July 2010, Asseco South Eastern Europe SA acquired 99.6620% shares in ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. ("ITD") and 99.9970% shares EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. Both the acquired companies are seated in Istanbul. In September 2010, the Parent Company acquired 100% of shares in Biro Data Servis d.o.o. seated in Zagreb, Croatia as well as 50% of shares in Cardinfo BDS d.o.o. seated in Sarajevo, Bosnia and Herzegovina.

Furthermore, Asseco South Eastern Europe SA is in advanced negotiations with several other companies operating in the SEE region as well as in other emerging markets which may result in successive acquisitions in the current year 2010.

##### **Holding activities**

At present Asseco South Eastern Europe SA conducts an intensive and highly advanced process of organizing and consolidating the Group's structural units. These efforts are taken with the objective to build a strong, well structured and internally coherent Group that will be able to reinforce its position in the South-Eastern European markets. The process involves streamlining of the Group's geographical organization as well as internal structure of individual subsidiaries.



## **2. Factors influencing the Group's financial results**

- consistently implemented market strategy of individual operating segments;
- expansion of the Group by acquisition of new undertakings and further consolidation of the Group (through buy-out of minority interests);
- cost reduction programs implemented in individual companies of the Group;
- average exchange rates of functional currencies of the Group subsidiaries applied in translation to the Group's presentation currency, i.e. Polish zloty;
- foreign currency positions exposed exchange rate risk: any negative FX differences on dividends received and on the measurement of dividends receivable as well as any positive FX differences on the valuation of liabilities due to the purchase of shares in EST A.Ş.

## **3. Non-typical events influencing the achieved financial results**

During the 3 months ended 30 September 2010, apart from the information provided in this report, there occurred no extraordinary events which would affect the financial results achieved for that period.

## **4. Significant events during the period reported**

Except for information provided in this report, the Asseco South Eastern Europe Group is not aware of any facts, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Group.

## **5. Major agreements entered into by the Group**

In the period of 9 months ended 30 September 2010, the Group signed the following agreements significant for its business operations:

- in the Banking Systems segment: contract with Raiffeisen Banka A.D., Beograd, for sale of licenses to the ASEBA Banking Intranet system; contract with Metals Banka A.D., Novi Sad for sale of software licenses and implementation of the ASEBA Banking Intranet core banking system; contract with Poljoprivredna Banka Agrobanka A.D., Beograd pertaining to the implementation of the *Experience Branch and Customer Insight* system and the ASEBA Tezauri Enterprise Banking Business Intelligence data warehouse, and upgrading of the ASEBA PUB2000 system; and agreement with Kosovsko Metohijska Bank, Zvecanik for sale of licenses to the ASEBA Banking Intranet system;

- in the Card Business segment: contract with NLB Tutunska Banka A.D., Skopje for provision of software to POS terminals and ATMs; contract with Banca Intesa A.D., Beograd for maintenance of POS terminals; contract with Postanska Stedionica Banka A.D. for implementation and supply of hardware platform for the document management system;

- in the Systems Integration segment: contract with the Central Registry of the Republic of Macedonia for supply of IT hardware and software; contract with Makedonski Telecom A.D. for supply of network equipment; contract with the University Goce Delcev Stip for installation of a fibre-optic link between the two university campuses; contract with the National Institute for Statistics, Romania for supply of IT hardware and software for the newly developed integrated IT system; and agreement with Hrvatski Telekom d.d. for development of the telecom billing system;

- in the Mobile Banking & Authentication segment: contract with PTK Post and Telecommunication of Kosovo J.S.C. for delivery of tokens; and agreement with Hrvatska Poštanska Banka d.o.o. for sale of token licenses.



## **XVI. FACTORS THAT IN THE MANAGEMENT'S OPINION MAY AFFECT THE GROUP'S FINANCIAL PERFORMANCE AT LEAST TILL THE NEXT QUARTER END**

*Indication of factors which, in the issuer's opinion, will affect its financial performance at least till the end of the next quarter.*

In the opinion of the Management Board of Asseco South Eastern Europe SA, the Group's current financial standing, its production potential and market position pose no threats to continued operations and growth throughout 2010. However, there are numerous factors, both internal and external, which may directly or indirectly affect the Group's financial performance in the next quarters.

The external factors with a bearing on the future performance of the Asseco South Eastern Europe Group include:

- economic growth in the region of South Eastern Europe, primarily in view of possible recession and overcoming the crisis;
- condition of the IT market in the SEE region; this part of Europe remains still way underinvested in terms of information technology as compared with the West European countries;
- consolidation and development of the banking sector in the SEE countries;
- prospects for expansion of the Group's foreign operations and its product portfolio in connection with the planned acquisitions;
- ability to capture the market niches;
- availability of the EU structural funds in Romania and Bulgaria as well as pre-accession funds in Croatia, Macedonia, and Kosovo;
- implementation of the public administration informatization processes in order to upgrade the quality and functionality of their services to international standards and especially to the European Union requirements;
- inflation and fluctuations in the foreign exchange rates (primarily of euro, but also the currencies of the countries where the Group operates);
- more and more severe competition both from the local players and international IT corporations, which is observed especially when it comes to execution of large and prestigious contracts;
- changes in the credit standing, financial liquidity, and availability of credit financing for clients;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market.

The internal factors with a bearing on the future performance of the Asseco South Eastern Europe Group include:

- high quality and comprehensive offering of the Asseco South Eastern Europe Group;
- research and development expenditures;
- stability and experience of the managerial staff;
- streamlining and transparency of the Group's structure;
- plenty of experience in the execution of complex IT projects involving provision of diversified services in broad geographical regions;
- effective activities of the sales and marketing force;
- opportunities for the execution of complex information technology projects carried out under long-term agreements;
- implementation of the Group's business strategy involving expansion into new foreign markets;
- successful finalization of the intended company acquisitions.

## **XVII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

In the period from 30 September 2010 till the date of approval of these interim condensed consolidated financial statements for the period of 9 months ended 30 September 2010, i.e. till 8 November 2010, there took place following events:

### ***Transaction of sales / purchase of shares in ITD Polska Sp. z o.o. between ITD A.Ş., Istanbul and Asseco South Eastern Europe S.A.***

On 2 November 2010 ITD A.Ş. and Asseco South Eastern Europe S.A. signed sales / purchase agreement of 100% share in ITD Polska Sp. z o.o. (subsidiary of ITD A.Ş., Istanbul). The value of the transaction amounted to TRY (Turkish lira) 290 thousand.

In the period from 30 September 2010 till the date of approval of these interim condensed consolidated financial statements for the period of 9 months ended 30 September 2010, i.e. till 8 November 2010, there took place no significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

## **XVIII. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS**

Until the date of preparing these interim condensed consolidated financial statements for the period of 9 months ended 30 September 2010, this is until 8 November 2010, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.



**ASSECO SOUTH EASTERN EUROPE SA  
STANDALONE FINANCIAL DATA  
FOR THE 3<sup>RD</sup> QUARTER OF 2010**

**Rzeszów, 8 November 2010**

## FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE SA

	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Operating income	22,252	20,177	5,559	4,586
II. Operating profit	19,230	19,219	4,804	4,369
III. Pre-tax profit	20,817	18,640	5,201	4,237
IV. Net profit for the period reported	<b>20,665</b>	<b>18,234</b>	<b>5,163</b>	<b>4,145</b>
V. Net cash provided by (used in) operating activities	(34,623)	10,383	(8,650)	2,360
VI. Net cash provided by (used in) investing activities	(77)	28	(19)	6
VII. Net cash provided by (used in) financing activities	(5,877)	91,412	(1,468)	20,779
VIII. Cash and cash equivalents at the end of period	7,646	104,714	1,918	24,798
IX. Basic earnings per ordinary share for the period reported	0.41	0.51	0.10	0.12
X. Diluted earnings per ordinary share for the period reported	0.41	0.51	0.10	0.12

The financial highlights disclosed in these condensed financial statements were translated into Euro in the following way:

- items of the interim condensed profit and loss account and statement of cash flows were translated into Euro at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
  - for the period from 1 January to 30 September 2010: EUR 1 = PLN 4.0027
  - for the period from 1 January to 30 September 2009: EUR 1 = PLN 4.3993
- the Company's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 September 2010: EUR 1 = PLN 3.9870
  - exchange rate effective on 30 September 2009: EUR 1 = PLN 4.2226

**CONDENSED PROFIT AND LOSS ACCOUNT  
ASSECO SOUTH EASTERN EUROPE SA**

	<b>3 months ended 30 Sept. 2010 (unaudited)</b>	<b>9 months ended 30 Sept. 2010 (unaudited)</b>	<b>3 months ended 30 Sept. 2009 (unaudited)</b>	<b>9 months ended 30 Sept. 2009 (unaudited)</b>
<b>Dividend income</b>	<b>13,825</b>	<b>20,200</b>	-	<b>20,177</b>
<b>Revenues from sale of services</b>	<b>987</b>	<b>2,052</b>		
<b>Cost of sales (-)</b>	<b>(987)</b>	<b>(2,052)</b>	-	-
<b>Gross profit (loss) on sales</b>	<b>13,825</b>	<b>20,200</b>	-	<b>20,177</b>
General administrative expenses (-)	(327)	(1,147)	(327)	(1,015)
<b>Net profit (loss) on sales</b>	<b>13,498</b>	<b>19,053</b>	<b>(327)</b>	<b>19,162</b>
Other operating income	82	1,092	965	966
Other operating expenses (-)	(75)	(915)	(909)	(909)
<b>Operating profit (loss)</b>	<b>13,505</b>	<b>19,230</b>	<b>(271)</b>	<b>19,219</b>
Financial income	1,526	1,796	123	482
Financial expenses (-)	(178)	(209)	(1,061)	(1,061)
<b>Pre-tax profit (loss)</b>	<b>14,853</b>	<b>20,817</b>	<b>(1,209)</b>	<b>18,640</b>
Corporate income tax (current and deferred portions)	(172)	(152)	(725)	(406)
<b>Net profit (loss) for the period reported</b>	<b>14,681</b>	<b>20,665</b>	<b>(1,934)</b>	<b>18,234</b>
<b>Net profit (loss) per share (in PLN):</b>				
on continuing operations for the period reported - basic	0.29	0.41	(0.04)	0.51
on continuing operations for the period reported - diluted	0.29	0.41	(0.04)	0.51

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**ASSECO SOUTH EASTERN EUROPE SA**

	<b>3 months ended 30 Sept. 2010 (unaudited)</b>	<b>9 months ended 30 Sept. 2010 (unaudited)</b>	<b>3 months ended 30 Sept. 2009 (unaudited)</b>	<b>9 months ended 30 Sept. 2009 (unaudited)</b>
<b>Net profit (loss) for the period reported</b>	<b>14,681</b>	<b>20,665</b>	<b>(1,934)</b>	<b>18,234</b>
<b>Other comprehensive income:</b>				
Hedges of cash flows	550	851	4,397	4,556
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>15,231</b>	<b>21,516</b>	<b>2,463</b>	<b>22,790</b>

**CONDENSED BALANCE SHEET**  
**ASSECO SOUTH EASTERN EUROPE SA**

<b>ASSETS</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
<b>Fixed assets</b>	<b>589,428</b>	<b>490,797</b>	<b>490,601</b>	<b>414,434</b>
Property, plant and equipment	222	228	-	-
Intangible assets	51	-	-	-
Investments in subsidiary companies	589,006	489,893	490,281	414,434
Deferred income tax assets	149	321	301	-
Long-term deferred expenses	-	355	19	-
<b>Current assets</b>	<b>15,554</b>	<b>56,868</b>	<b>55,267</b>	<b>117,990</b>
Inventories	-	-	700	-
Deferred expenses	728	509	489	474
Trade accounts receivable	847	1,066	1,125	1,451
Receivables from the State budget	5,084	5,027	4,611	5,766
Other receivables	1,249	6,491	328	5,585
Cash and short-term deposits	7,646	43,775	48,014	104,714
<b>TOTAL ASSETS</b>	<b>604,982</b>	<b>547,665</b>	<b>545,868</b>	<b>532,424</b>

**CONDENSED BALANCE SHEET  
ASSECO SOUTH EASTERN EUROPE SA**

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30 Sept. 2010</b>	<b>30 June 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>
<b>Shareholders' equity</b>				
Share capital	495,617	495,617	480,375	469,585
Share premium	37,409	37,409	26,790	20,166
Subscribed unregistered share capital	15,324	-	25,897	-
Revaluation capital	(218)	(768)	(1,069)	4,556
Prior years' retained earnings (deficit) and current net profit	22,052	7,413	6,881	8,506
<b>Total shareholders' equity</b>	<b>570,184</b>	<b>539,671</b>	<b>538,874</b>	<b>502,813</b>
<b>Long-term liabilities</b>	<b>-</b>	<b>56</b>	<b>24</b>	<b>407</b>
Long-term deferred income	-	56	24	-
Deferred income tax provision	-	-	-	407
<b>Current liabilities</b>	<b>34,798</b>	<b>7,938</b>	<b>6,970</b>	<b>29,204</b>
Trade accounts payable	301	340	1,968	1,611
Liabilities to the State budget	129	116	21	249
Financial liabilities	32,156	5,452	2,761	25,788
Other liabilities	1	2	-	-
Provisions	1,229	1,228	1,177	-
Deferred income	132	131	238	225
Accrued expenses	850	669	805	1,331
<b>TOTAL LIABILITIES</b>	<b>34,798</b>	<b>7,994</b>	<b>6,994</b>	<b>29,611</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>604,982</b>	<b>547,665</b>	<b>545,868</b>	<b>532,424</b>



**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**ASSECO SOUTH EASTERN EUROPE SA**

	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
<b>As at 1 January 2010</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>(1,069)</b>	<b>6,881</b>	<b>538,874</b>
Total comprehensive income for the period reported	-	-	-	851	20,665	<b>21,516</b>
Issuance of series P shares	15,242	10,655	(25,897)	-	-	-
Issuance of series R shares	-	-	6,545	-	-	<b>6,545</b>
Issuance of series S shares	-	-	8,779	-	-	<b>8,779</b>
Dividends	-	-	-	-	(5,452)	<b>(5,452)</b>
Other	-	(36)	-	-	(42)	<b>(78)</b>
<b>As at 30 September 2010 (unaudited)</b>	<b>495,617</b>	<b>37,409</b>	<b>15,324</b>	<b>(218)</b>	<b>22,052</b>	<b>570,184</b>
<b>As at 1 January 2009</b>	<b>257,700</b>	-	-	-	<b>(9,728)</b>	<b>247,972</b>
Total comprehensive income for the period reported	-	-	-	(1,069)	16,609	<b>15,540</b>
Issuance of series E shares	9,565	-	-	-	-	<b>9,565</b>
Issuance of series F shares	14,755	-	-	-	-	<b>14,755</b>
Issuance of series G shares	27,084	-	-	-	-	<b>27,084</b>
Issuance of series H shares	10,620	-	-	-	-	<b>10,620</b>
Issuance of series I shares	17,706	-	-	-	-	<b>17,706</b>
Issuance of series J shares	17,142	-	-	-	-	<b>17,142</b>
Issuance of series K shares	45,905	-	-	-	-	<b>45,905</b>
Issuance of series L shares	21,000	8,400	-	-	-	<b>29,400</b>
Issuance of series M shares	48,109	11,766	-	-	-	<b>59,875</b>
Issuance of series N shares	10,789	6,624	-	-	-	<b>17,413</b>
Issuance of series P shares	-	-	25,897	-	-	<b>25,897</b>
<b>As at 31 December 2009 (audited)</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>(1,069)</b>	<b>6,881</b>	<b>538,874</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**ASSECO SOUTH EASTERN EUROPE SA (continued)**

	Share capital	Share premium	Subscribed unregistered share capital	Revaluation on capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
<b>As at 1 January 2009</b>	<b>257,700</b>	-	-	-	<b>(9,728)</b>	<b>247,972</b>
Total comprehensive income for the period reported	-	-	-	4,556	18,234	<b>22,790</b>
Issuance of series E shares	9,564	-	-	-	-	<b>9,564</b>
Issuance of series F shares	14,755	-	-	-	-	<b>14,755</b>
Issuance of series G shares	27,084	-	-	-	-	<b>27,084</b>
Issuance of series H shares	10,620	-	-	-	-	<b>10,620</b>
Issuance of series I shares	17,706	-	-	-	-	<b>17,706</b>
Issuance of series J shares	17,142	-	-	-	-	<b>17,142</b>
Issuance of series K shares	45,905	-	-	-	-	<b>45,905</b>
Issuance of series L shares	21,000	8,400	-	-	-	<b>29,400</b>
Issuance of series M shares	48,109	11,766	-	-	-	<b>59,875</b>
<b>As at 30 September 2009 (unaudited)</b>	<b>469,585</b>	<b>20,166</b>	-	<b>4,556</b>	<b>8,506</b>	<b>502,813</b>

**CONDENSED STATEMENT OF CASH FLOWS**  
**ASSECO SOUTH EASTERN EUROPE SA**

	9 months ended 30 Sept. 2010 (unaudited)	9 months ended 30 Sept. 2009 (unaudited)
<b>Cash flows - operating activities</b>		
Pre-tax profit	20,817	18,640
<b>Total adjustments:</b>	<b>(55,440)</b>	<b>(8,257)</b>
Depreciation and amortization	13	-
Change in inventories	700	-
Change in receivables	(216)	(1,754)
Change in liabilities	(2,650)	(3,342)
Change in deferred and accrued expenses	(305)	1,330
Change in provisions	52	-
Interest income and expense	(124)	(28)
Gain (loss) on foreign exchange differences	566	1,067
Acquisition of subsidiary and associated companies	(52,610)	(3,494)
Dividends received	19,376	13,586
Gain (loss) on investing activities	(20,200)	(20,178)
Other	(42)	4,556
<b>Net cash generated from operating activities</b>	<b>(34,623)</b>	<b>10,383</b>
Corporate income tax paid	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(34,623)</b>	<b>10,383</b>
<b>Cash flows - investing activities</b>		
Acquisition of tangible fixed assets and intangible assets	(286)	-
Interest received	293	28
Other	(84)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(77)</b>	<b>28</b>
<b>Cash flows - financing activities</b>		
Proceeds from issuance of shares	-	91,412
Dividends paid to Shareholders of the Parent Company	(5,452)	-
Interest paid	(169)	-
Expenses related to obtaining a bank credit	(256)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(5,877)</b>	<b>91,412</b>
Net change in cash and cash equivalents	(40,577)	101,823
Foreign exchange differences	209	-
Cash and cash equivalents as at 1 January	48,014	2,891
<b>Cash and cash equivalents as at 30 September</b>	<b>7,646</b>	<b>104,714</b>